

Altria's First-Quarter 2021 Earnings Conference Call

April 29, 2021



Altria

— FAMILY OF COMPANIES —



Safe Harbor Statement

Statements, including earnings guidance, in this presentation that are not reported financial results or other historical information are “forward-looking statements” within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Altria undertakes no obligation to publicly update or revise any forward-looking statement other than in the normal course of its public disclosure obligations. The risks and uncertainties relating to the forward-looking statements in this presentation include those described in Altria’s publicly-filed reports, including its Annual Report on Form 10-K for the year ended December 31, 2020, and under “Forward-looking and Cautionary Statements” in today’s earnings release.

Reconciliations of non-GAAP financial measures included in this presentation to the most comparable GAAP measures are available on Altria’s website at altria.com.

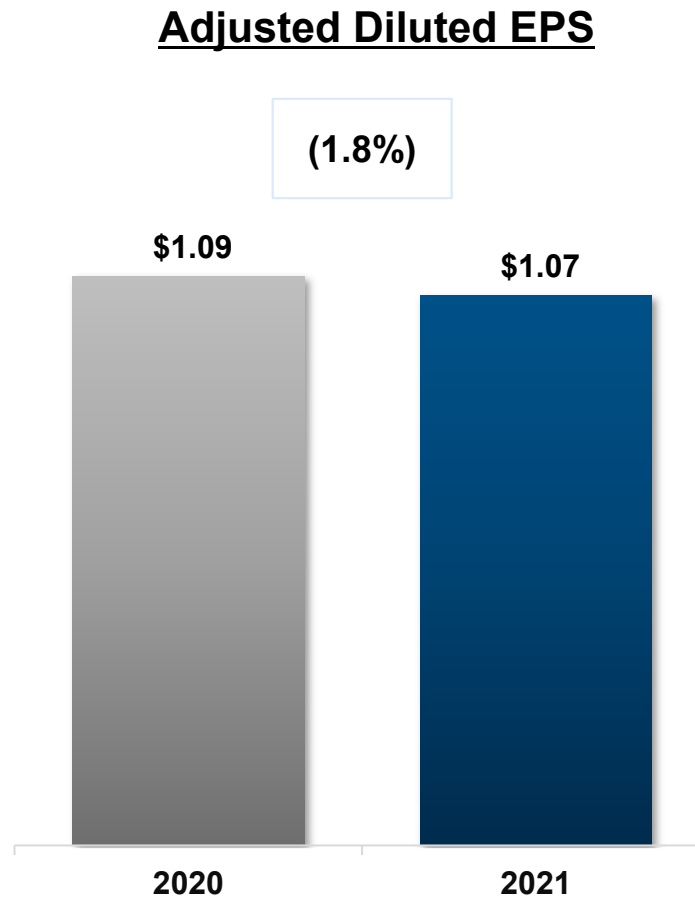
Strong Start to the Year and Continuing to Make Progress Towards Achieving our Vision

- On track to deliver against full-year plans
- Tobacco businesses performed well
- We continue to make progress advancing our non-combustible product portfolio
- Acquired remaining 20% of the global *on!* business

Moving Beyond Smoking™

Responsibly lead the transition of
adult smokers to a
non-combustible future

Q1 2020: Adjusted Diluted Earnings Per Share*

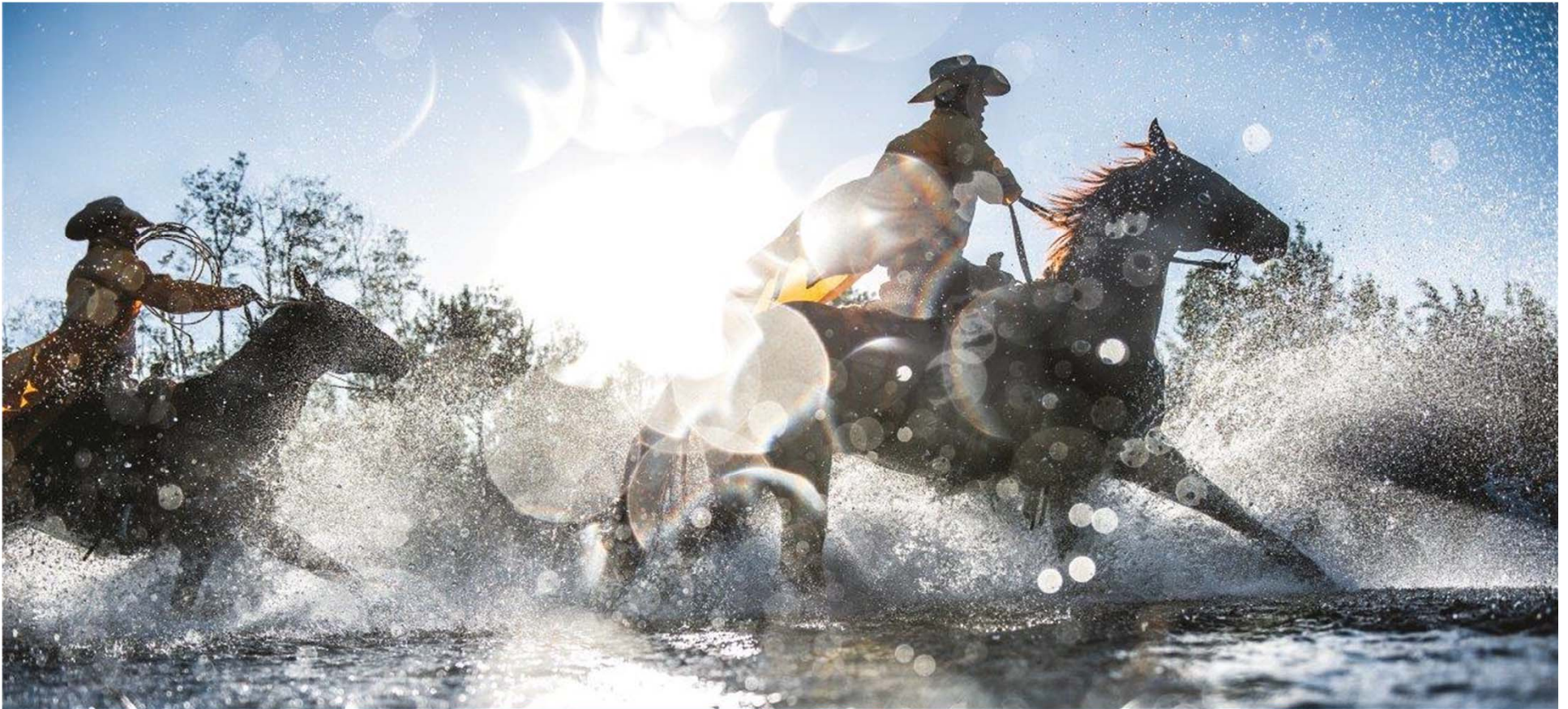


*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Marlboro Continued to Lead the Cigarette Category

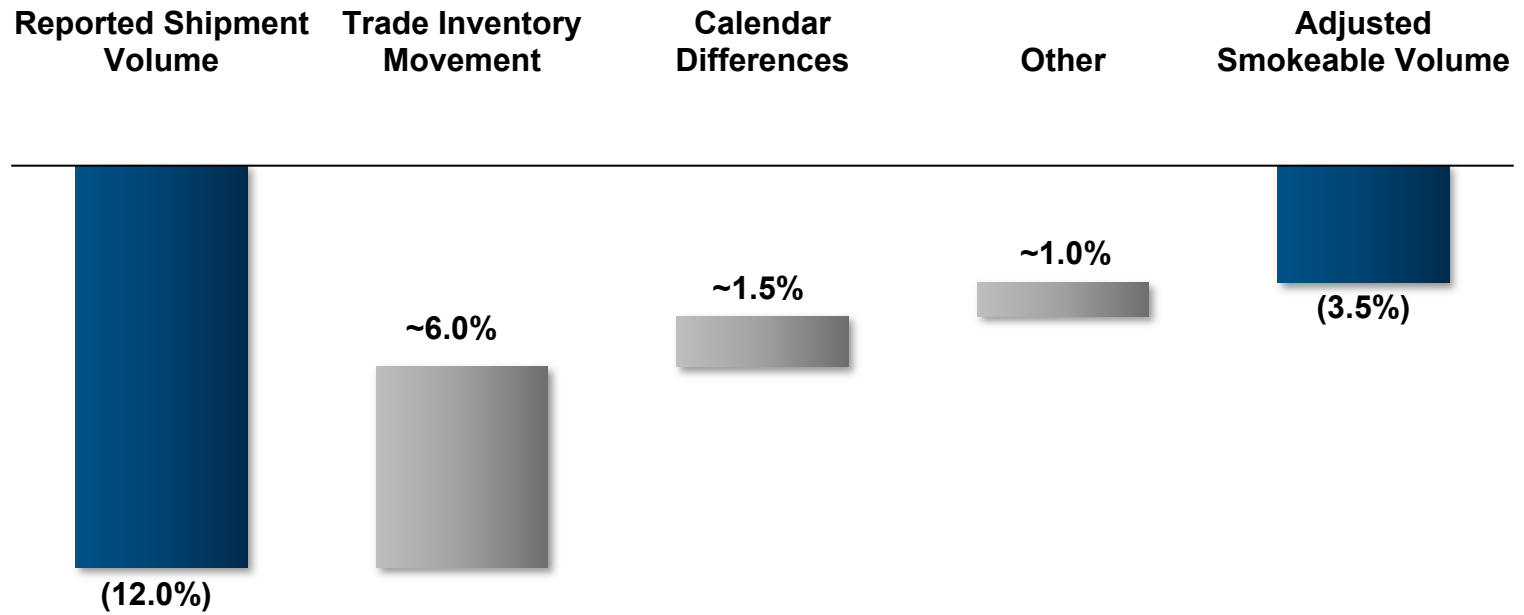
Smokeable Strategy

Maximize profitability in combustibles, while appropriately balancing investments in *Marlboro* with funding the growth of non-combustible products.



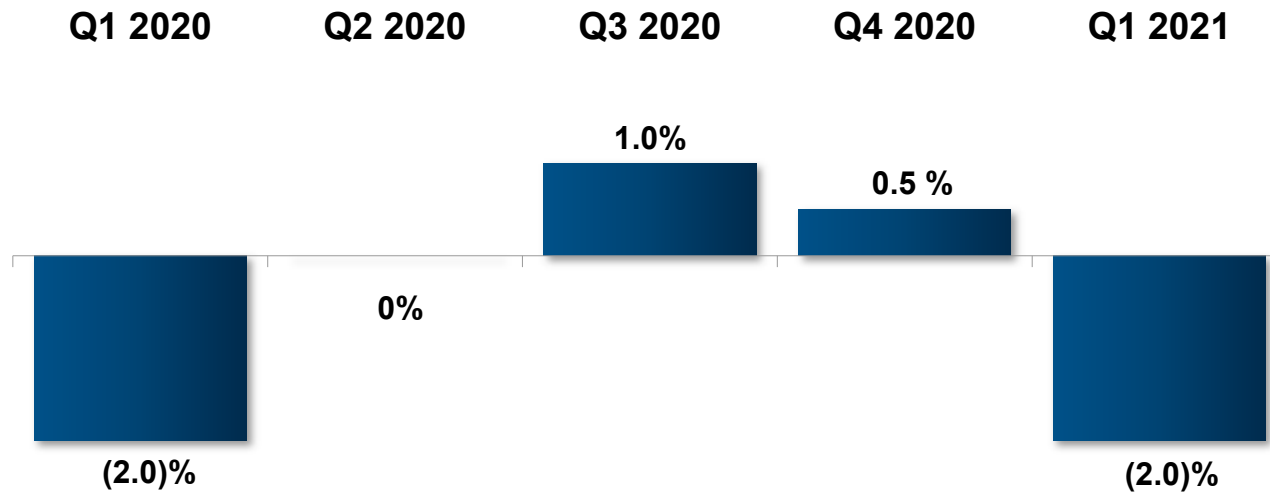
Q1 2021: Smokeable Products Segment

Segment Cigarette Volume Reported to Adjusted Bridge



Source: AVI SCMI estimates – rounded to nearest 0.5%
Note: Estimates are subject to revision due to wholesaler resubmission of inventory data

Adjusted Cigarette Industry Volume Decline Rate Estimates

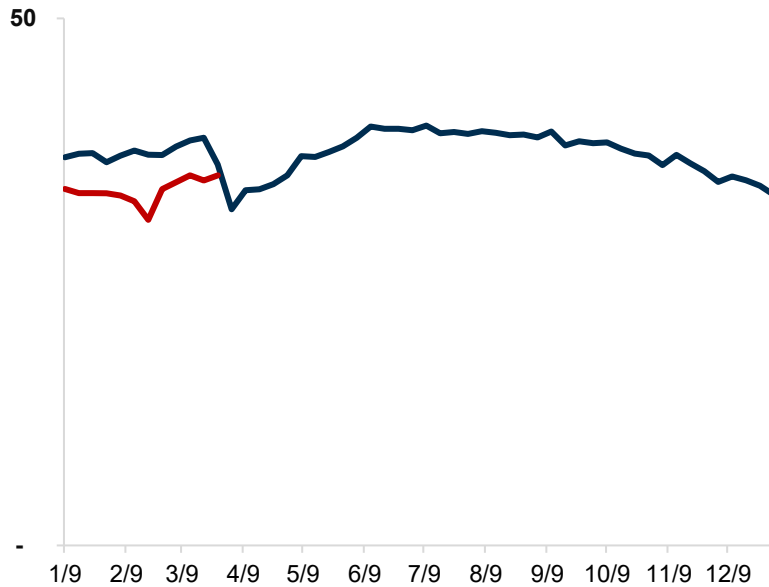


Source: AVI SCMI estimates – rounded to nearest 0.5%
Note: Estimates are subject to revision due to wholesaler resubmission of inventory data

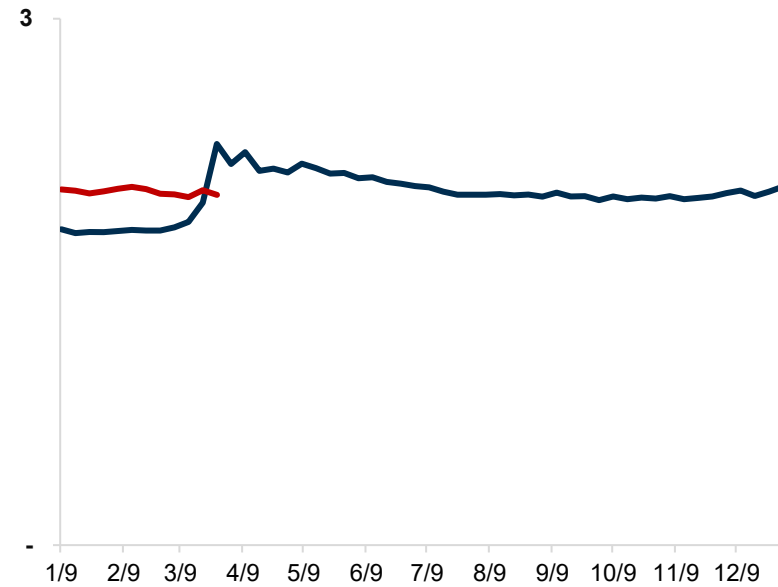
Cigarette Trips and Volume Sales Trends¹

2020, 2021

Total Trips
(in millions)



Volume Per Trip
(in packs)



Databricks POS Scan week ending 03/26/2021 as of 04/12/2021

¹ Store reporting volume sales for cigarettes, Marlboro & AOM for all weeks (store sample ~70K)

Full Global Ownership of *on!* Oral Nicotine Pouches

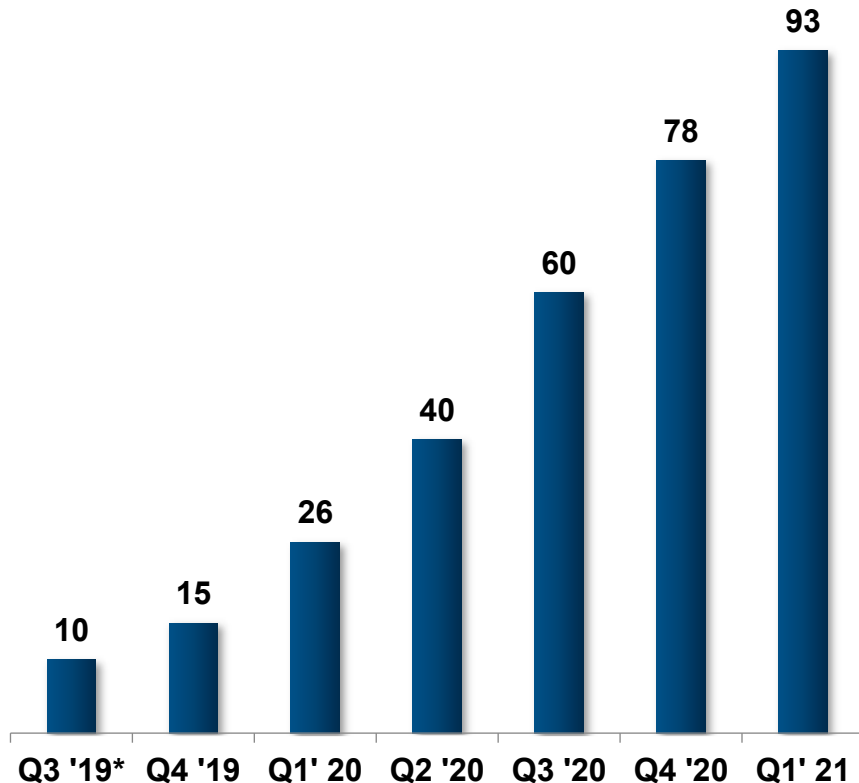
- Completed transactions to acquire the remaining 20% of the global *on!* business for ~\$250 million
- Q1 2021 retail share for oral nicotine pouches doubled to ~13% versus a year ago
- We estimate oral nicotine pouch category volume in the U.S. to grow at a ~25% CAGR from 2020-2025



Significant *on!* Progress Since 2019

Retail Store Count

(in thousands)



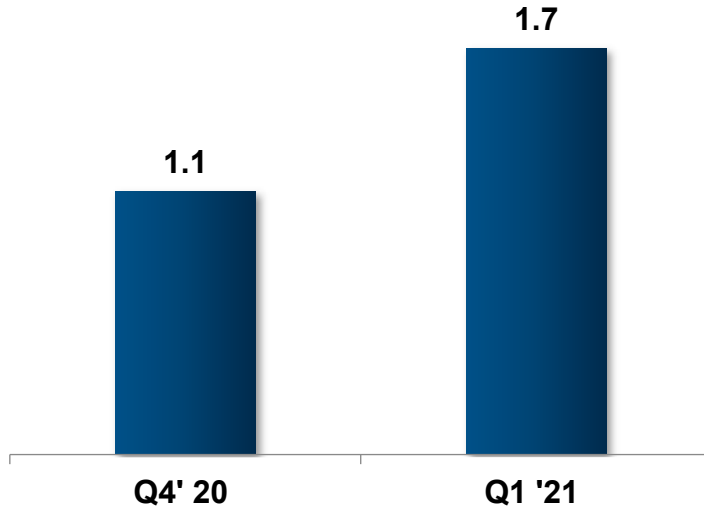
Since 2019, Helix and the enterprise:

- increased *on!* manufacturing capacity
- broadened retail distribution
- grew tobacco consumer awareness
- filed PMTAs for the entire product portfolio
- achieved annualized manufacturing capacity of 50 million cans

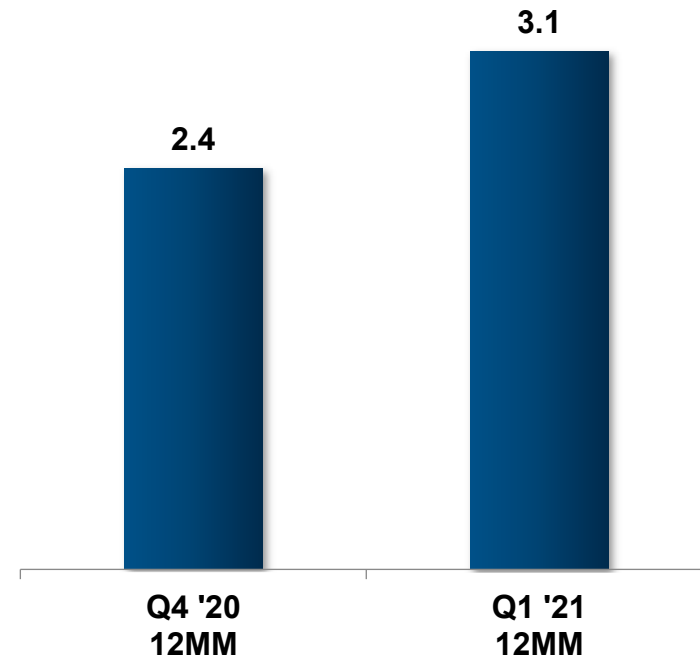
*Transaction closed in August 2019
Source: AVI SCMI estimates

on! Retail Share Increasing

Share of Oral Tobacco Category
(total U.S.)



Share of Oral Tobacco Category
(in stores with distribution)



By mid year 2021, Helix expects *on!* to be in stores covering 90% of oral tobacco volumes. Helix expects to report *on!* retail share based on the total oral tobacco category going forward.

Source: IRI InfoScan Oral Tobacco MOC, week ending 04/04/2021

Source: IRI Non-Projected and POS Scan data for select retail stores selling *on!* and submitting data as of week ending 04/04/2021

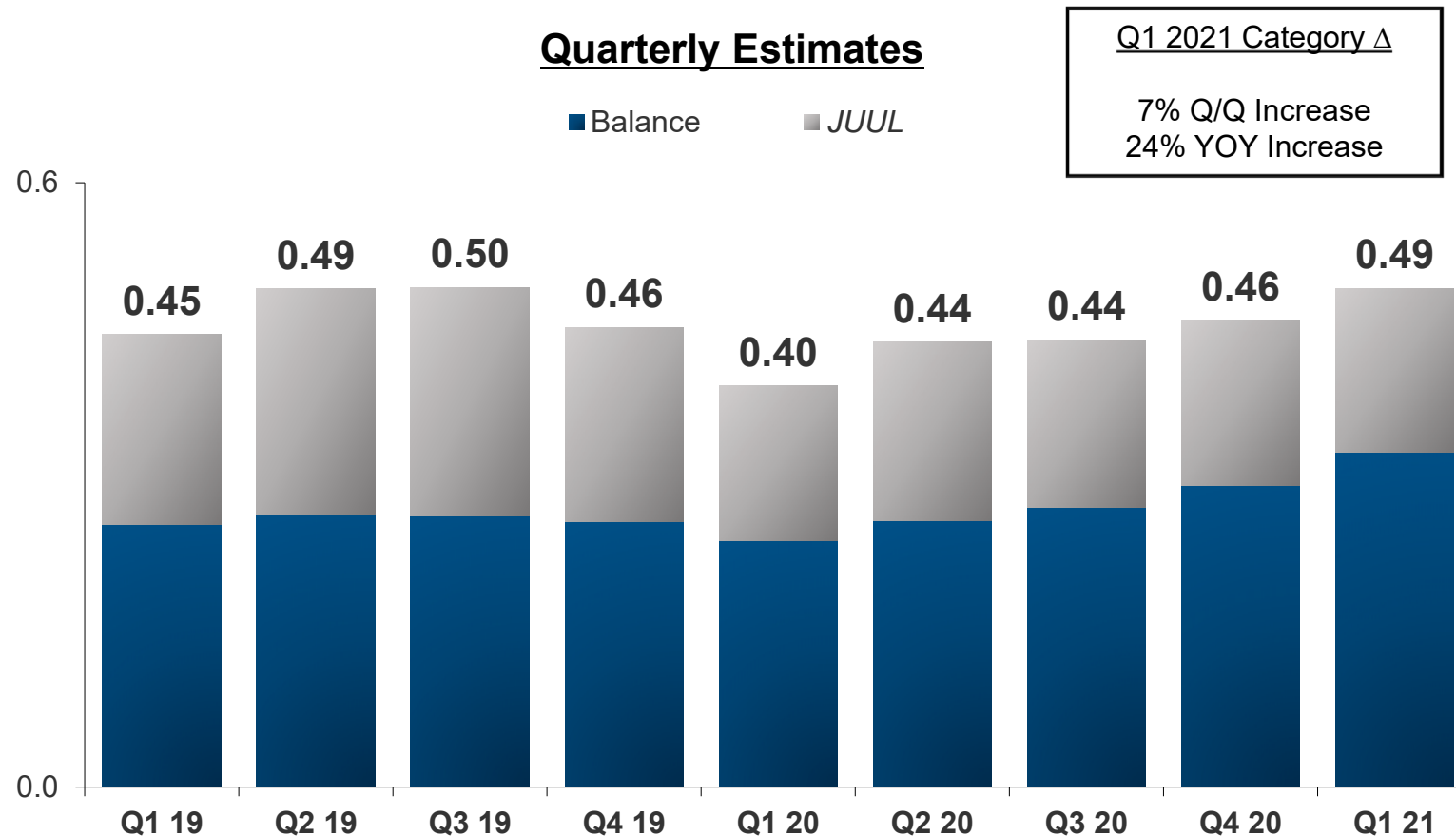
on! Global Opportunity

- Primary focus continues to be increasing *on!*'s growth in the U.S.
- Opportunities to strengthen *on!* in the Swedish market
- Longer-term prospects in Europe to expand *on!* and gain consumer feedback on potential non-combustible products for the U.S.



E-Vapor Category Volume

Estimated Equivalized Volume (in billions of units)



JUUL's estimated market share of the E-vapor Category is ~33% in Q1 2021, ~35% in Q4 2020 and ~39% in Q1 2020

Source: AVI SCMI estimates

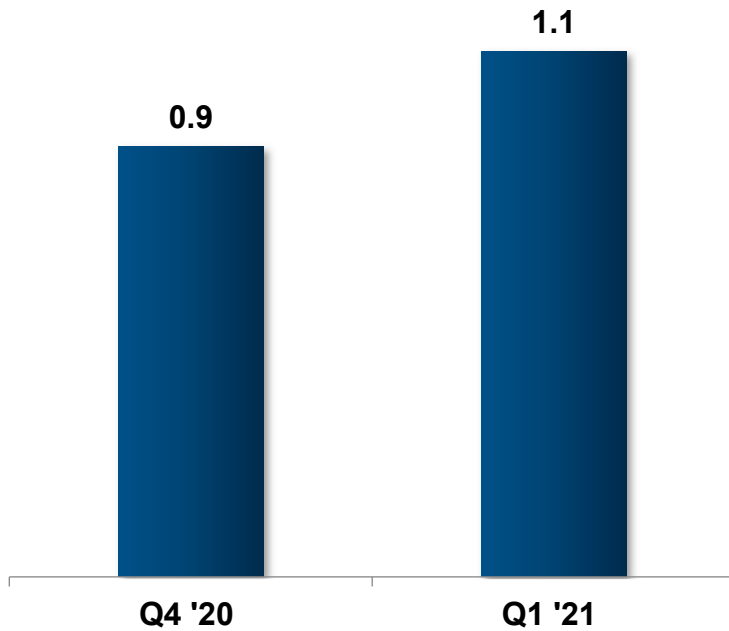
Note: Share based on volume equalized to cartridges (1 disposable = 1 cartridge = 1mL e-liquid) Estimated category volume and share are subject to revisions based on the latest available data

Marlboro HeatSticks Retail Share

Cigarettes and Heated Tobacco

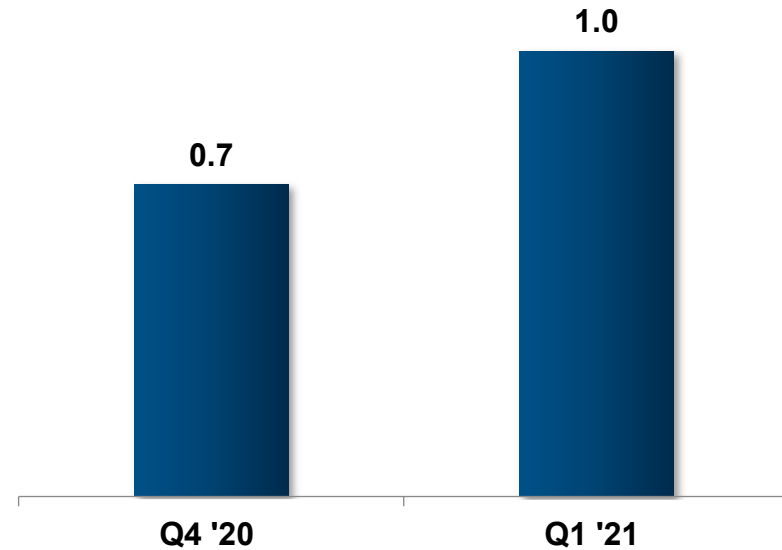
Atlanta

(in stores with distribution)



Charlotte

(in stores with distribution)



Source: GMR Sales Extract through 04/03/2021, POS Scan through 04/03/2021. STARS through 04/04/2021

IQOS 3 Introduced in Markets



All-third party trademarks remain the property of their respective owners.

Digital Platforms Driving IQOS Awareness and Trial

- We are using Marlboro.com and getIQOS.com to engage with adult smokers and communicate IQOS benefits, including its MRTP claim on the IQOS 2.4 system
- IQOS content is available nationwide on Marlboro.com
 - Adult smokers can sign up to receive communications and be notified when IQOS is available in their area
- Adult smokers can earn *Marlboro Rewards* points by learning about IQOS and can redeem points for discounts on the IQOS device



Note: IQOS content on Marlboro.com is nationwide with exception of CA
All-third party trademarks remain the property of their respective owners.

IQOS Expansion Plans on Track

- In June, PM USA plans to open an *IQOS* boutique in Tysons Corner Mall in the highly populated Northern Virginia metro market outside of Washington D.C.
- PM USA plans to expand:
 - *IQOS* to three additional metro markets in 2021
 - availability of *Marlboro HeatSticks* in geographies covering 25% of U.S. cigarette industry volume



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2021 Adjusted Diluted EPS Guidance

- We reaffirm our full-year 2021 adjusted diluted EPS* guidance of \$4.49 to \$4.62. This range represents a growth rate of 3% to 6% from a 2020 adjusted diluted base of \$4.36. Our 2021 plans include investments in support of our Vision to transition smokers to a non-combustible future.
- The external environment remains dynamic and we're continuing to monitor various factors, including:
 - unemployment rates;
 - fiscal stimulus;
 - adult tobacco consumer dynamics, including stay-at-home practices, disposable income, purchasing patterns and adoption of non-combustible tobacco products;
 - regulatory and legislative (including excise tax) developments;
 - the timing and breadth of COVID-19 vaccine administration; and
 - expectations for adjusted earnings contributions from our alcohol assets.

*For reconciliations of non-GAAP to GAAP measures visit altria.com.

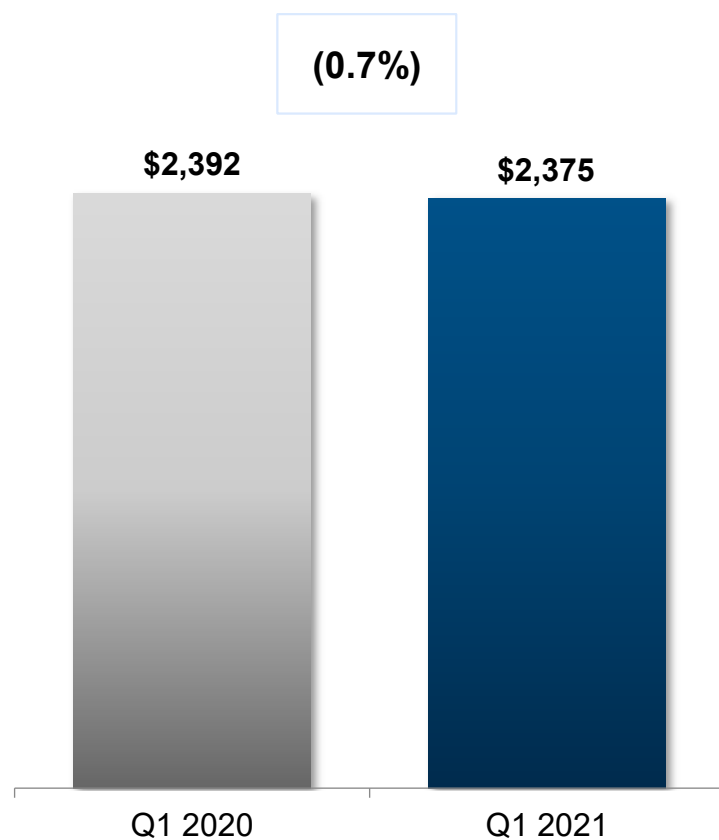
Employees Continue to Drive the Success of Our Businesses



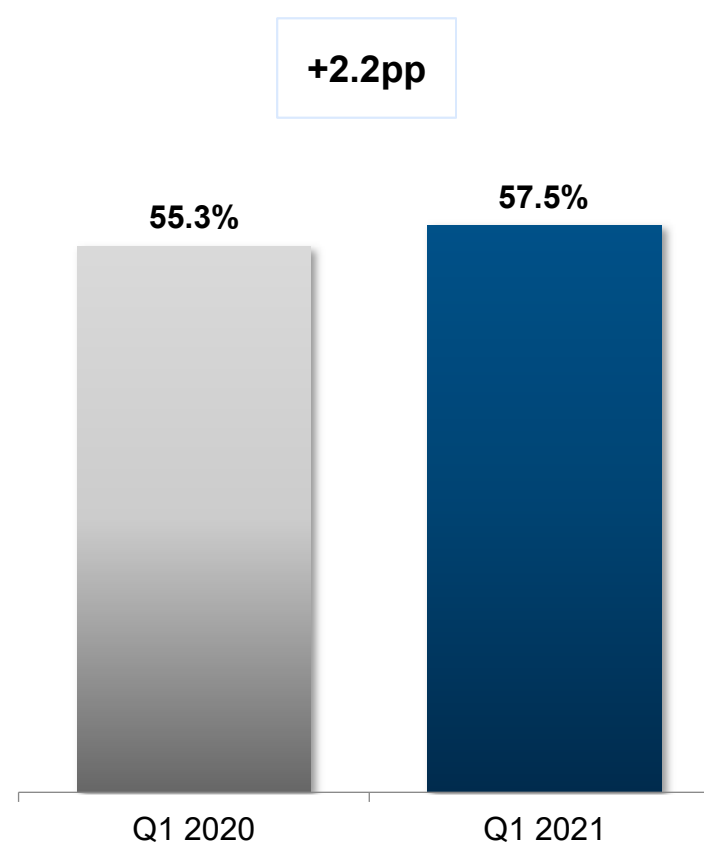
Smokeable Products Segment Results

Adjusted OCI and OCI Margins**

Adjusted OCI (\$ in millions)



Adjusted OCI Margins

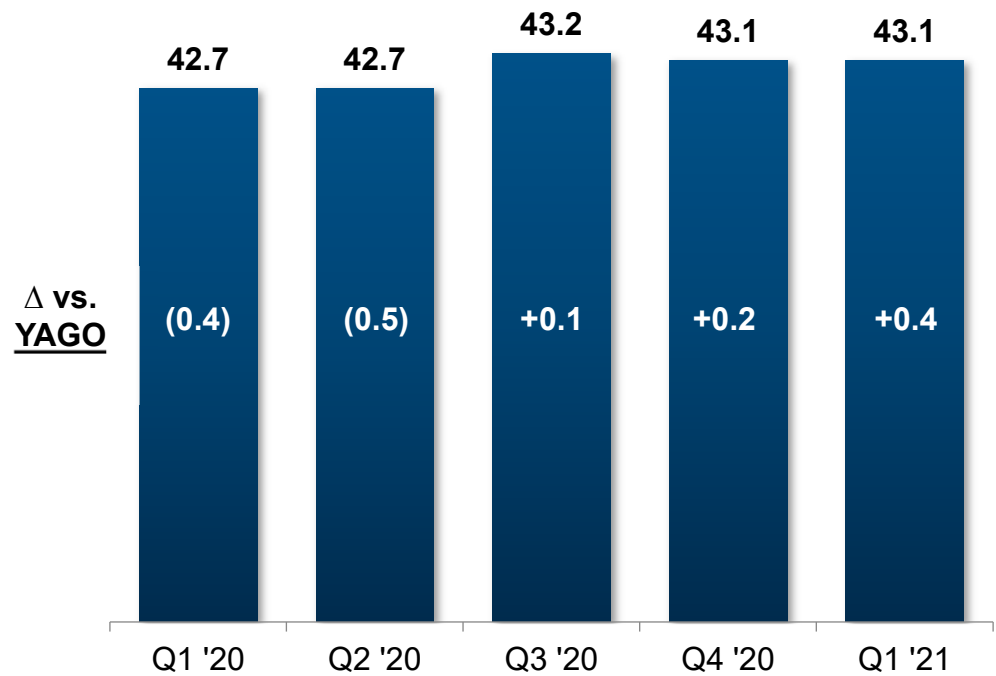


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Smokeable Products Segment



Marlboro Retail Share

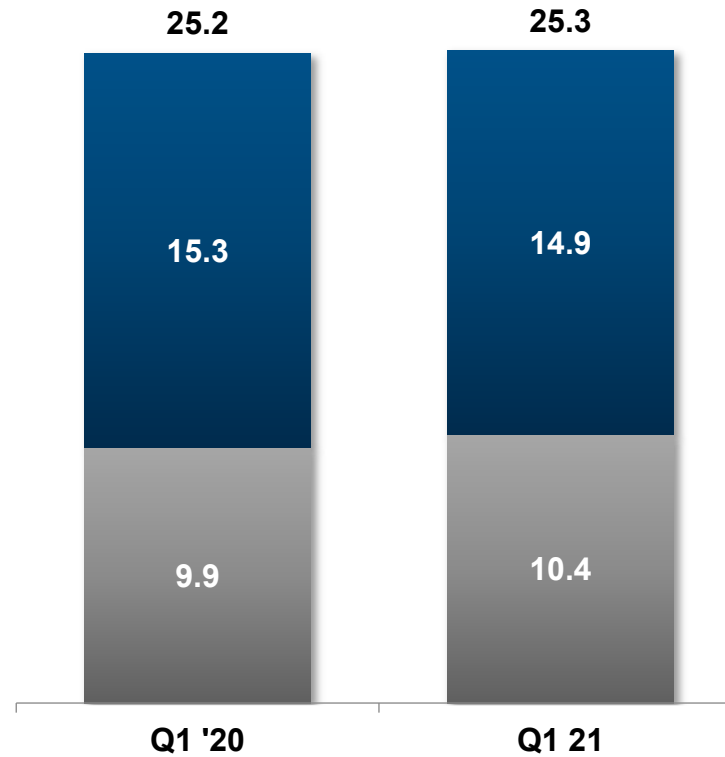


Source: IRI/MSAi InfoScan Cigarette 2021 – Blended, week ending 04/04/21

Discount Segment Retail Share

Total Discount Segment (%)

■ Deep Discount ■ Branded Discount



Source: IRI/MSAi InfoScan Cigarette 2021 – Blended, week ending 04/04/21

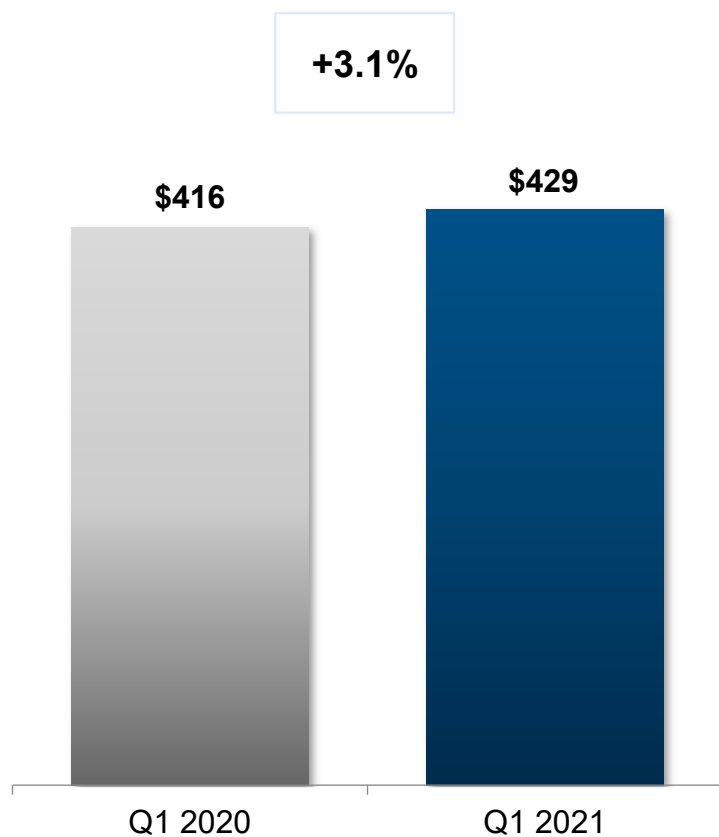
John Middleton Cigars



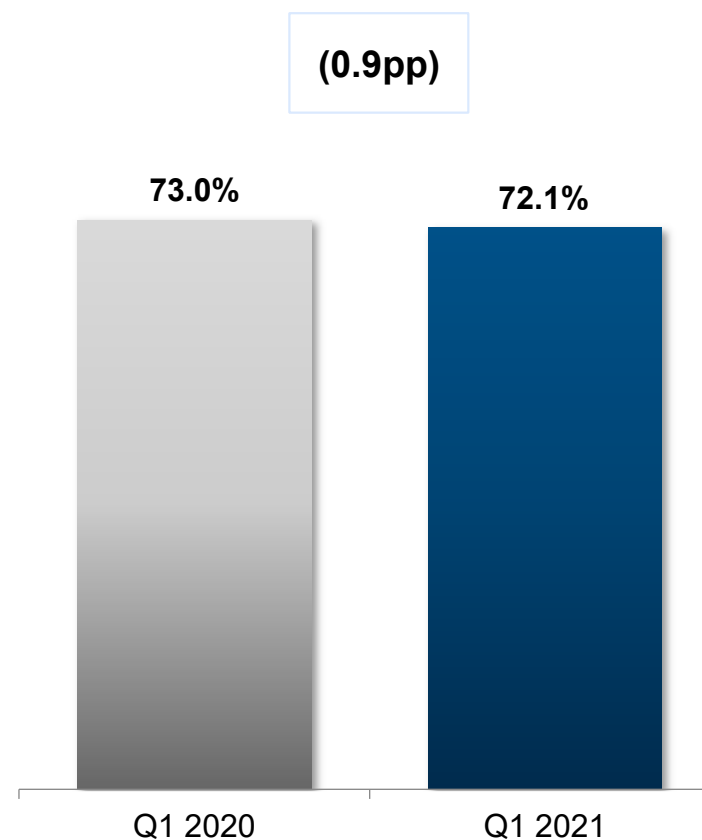
Oral Tobacco Products Segment Results

Adjusted OCI and OCI Margins**

Adjusted OCI (\$ in millions)

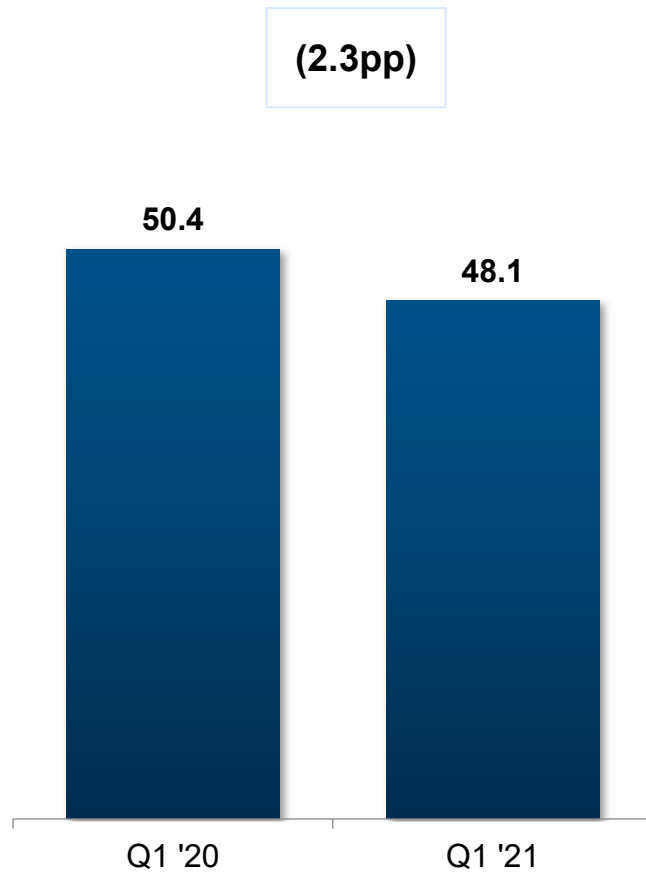


Adjusted OCI Margins



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Oral Tobacco Products Segment Retail Share



Source: IRI/MSAi InfoScan Oral Tobacco 2021 – MOC, week ending 04/04/21

Our Alcohol Assets



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Altria Joins the Coalition for Cannabis Policy, Education, and Regulation

The logo for the Coalition for Cannabis Policy, Education, and Regulation is displayed within a white rectangular frame with a dark blue border. The text "coalition" is in a dark blue, lowercase sans-serif font. Below it, the word "for" is in a smaller, lowercase sans-serif font, with a red horizontal bar underneath. To the right of "for" is the word "cannabis" in a large, dark blue, lowercase sans-serif font. Below "cannabis" are the words "Policy, Education, and Regulation" in a smaller, dark blue, lowercase sans-serif font, arranged in three lines.

coalition
for cannabis
Policy, Education,
and Regulation

We continue to support our investment in Cronos by advocating for a federally legal, regulated and responsible U.S. cannabis market.

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Capital Allocation

Dividends

- In the first quarter we paid \$1.6 billion in dividends
- We maintain our long-term objective of a dividend target payout ratio of approximately 80% of adjusted diluted EPS

Share Repurchases

- Repurchased 6.9 million shares totaling \$325 million in the first quarter
- \$1.7 billion remaining under the current \$2 billion share buyback program. We expect to complete by June 30, 2022.

Balance Sheet

- Debt to EBITDA* was 2.5x as of the end of the first quarter
- In the first quarter, we issued new long-term notes totaling \$5.5 billion and repurchased over \$5 billion in outstanding long-term notes
- In May, expect to pay \$1.5 billion of notes coming due with cash on hand

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Moving beyond smoking™



Altria