



Q3 2021 Earnings - Quarterly Metrics		
Smokeable	Q3 2021	△ vs. Q3 2020
Marlboro Price Gap (vs. Lowest Effective)	38%	
Marlboro Net Pack Price	\$7.84	\$0.45
Lowest Effective Price	\$5.70	\$0.07
<u>Discount Segment Retail Share</u>	<u>25.3%</u>	<u>0.6pp</u>
Major Manufacturer Branded Discount	14.8%	(0.1pp)
Deep Discount	10.5%	+0.7pp
PM USA Menthol Retail Share	9.6%	(0.2pp)
Estimated Weighted Average State Excise Tax per pack	\$1.89	\$0.06
PM USA Cigarette Wholesale Inventory Estimates:	(in billion units)	
End of Q3 2021	2.5	
End of Q2 2021	3.1	
End of Q3 2020	3.4	
End of Q2 2020	2.5	
Cigarette Industry Wholesale Inventory:	(in billion units)	
End of Q3 2021	7.8	
End of Q2 2021	7.8	
End of Q3 2020	8.6	
End of Q2 2020	6.4	

Note: Wholesale inventory changes are one factor PM USA uses to estimate adjusted PM USA and industry volumes.

Oral Tobacco	Q3 2021	△ vs. Q3 2020
Copenhagen Price Gap (vs Leading Discount Brand)	16%	
Copenhagen Retail Price	\$5.72	\$0.32
Leading Discount Brand	\$4.95	\$0.37

Note: All Smokeable and Oral Tobacco prices reflect IRI restatement.

Other	Q3 2021	YTD 2021
Capital Expenditures	\$49 million	\$102 million
Ongoing Depreciation and Amortization	\$62 million	\$190 million

Smokeable Shipping Days					
	Q1	Q2	Q3	Q4	FY
2020	65	65	66	66	262
2021	64	65	66	66	261

# Cigarette Industry Volume Decomposition Estimates

## Twelve Months Ended

	12/31/20	3/31/21	6/30/21	9/30/21
Secular Decline Rate <sup>1</sup>	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity	(1.4)%	(1.3)%	(1.6)%	(1.7)%
Additional Cross Category Movement	0.1%	(0.1)%	(0.3)%	(0.2)%
Macroeconomic & Other Factors	3.8% <sup>2</sup>	3.9% <sup>2</sup>	2.9% <sup>2</sup>	0.9% <sup>2</sup>
<b>Estimated Industry Decline</b>	<b>0.0%</b>	<b>0.0%</b>	<b>(1.5)%</b>	<b>(3.5)%</b>

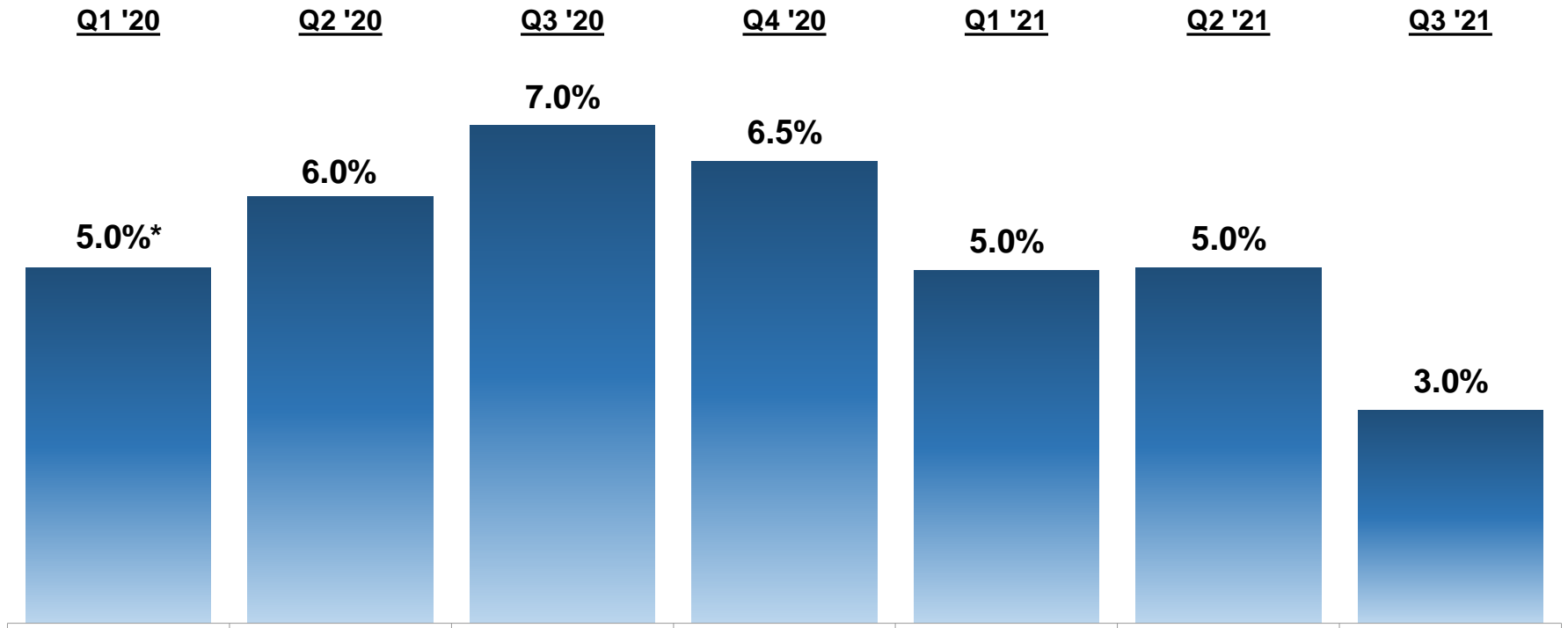
<sup>1</sup> Includes approximately 1% historical movement across tobacco categories

<sup>2</sup> Primarily driven by adult smoker stay-at-home practices, contributing to more tobacco usage occasions and higher tobacco discretionary spend

Source: AVI SCMI estimates

# Oral Tobacco Industry Volume Growth Estimates

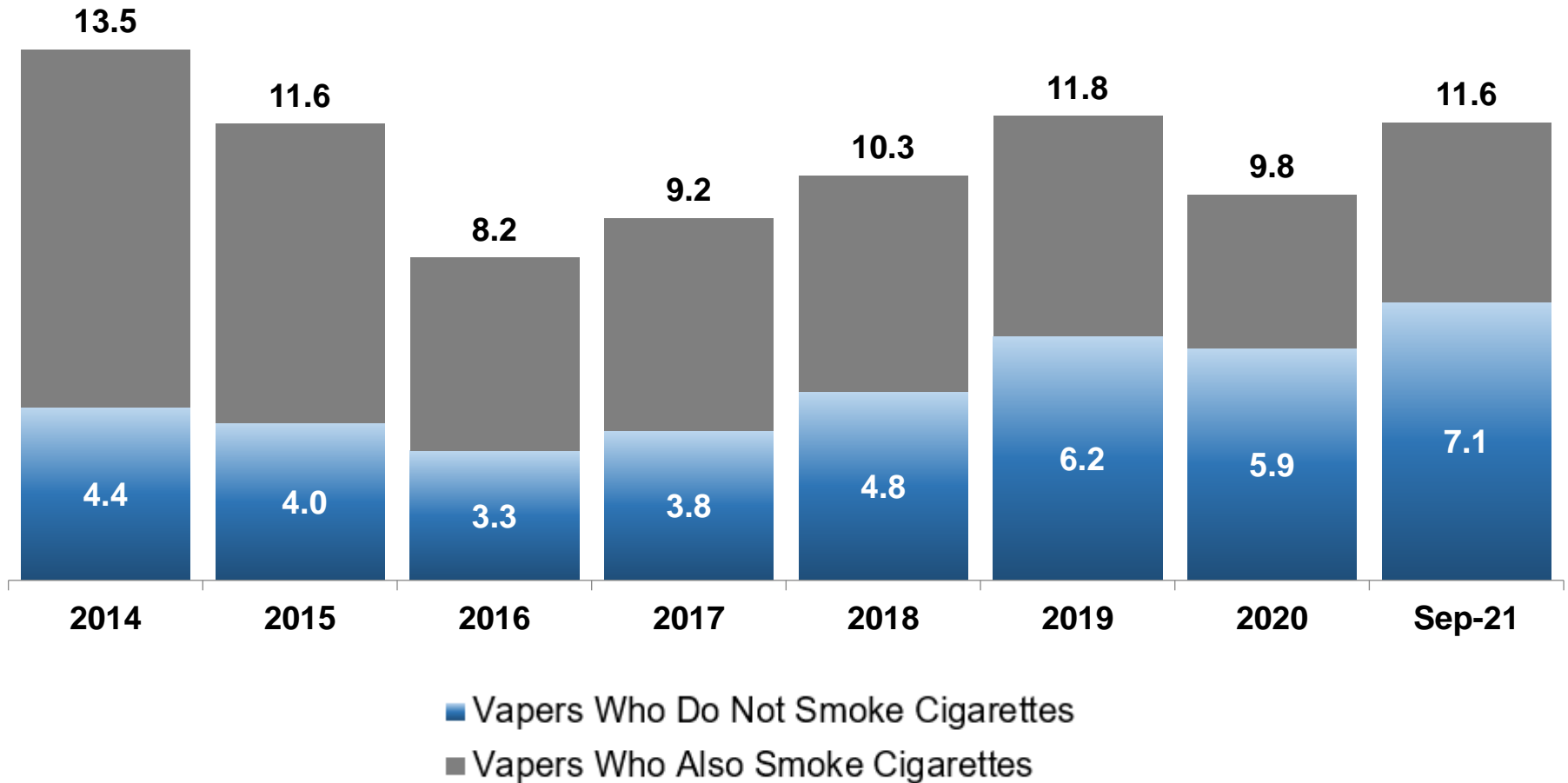
## Six Months Ended



Source: AVI SCMI estimates - rounded to the nearest 0.5%  
Oral Tobacco industry includes MST, snus and oral nicotine pouch products  
\* Q1 2020 includes an adjustment for estimated retail loading due to COVID-19

# Adult Vapers 21+ - Past 30 Day Usage

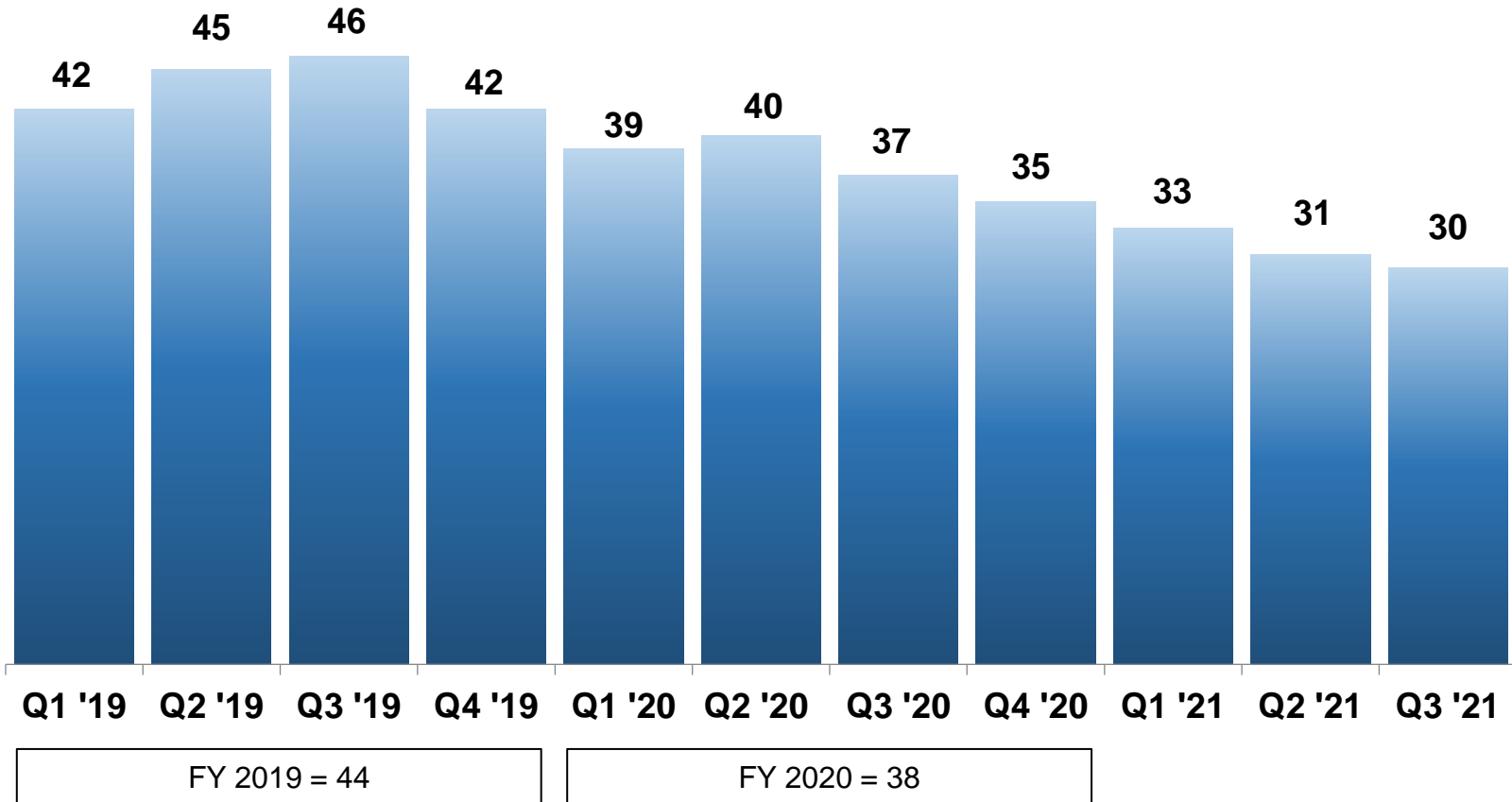
Twelve Months Ended (in millions)



Source: ATCT July 2013 to September 2021

# JUUL Performance

## Estimated Equivalized Volume Share of E-Vapor Category



Source: AVI CMI Estimates

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