



Q2 2022 Earnings - Quarterly Metrics		
Smokeable	Q2 2022	△ vs. Q2 2021
Marlboro Price Gap (vs. Lowest Effective)	38%	
Marlboro Net Pack Price	\$8.16	\$0.43
Lowest Effective Price	\$5.90	\$0.22
<u>Discount Segment Retail Share</u>	<u>26.4%</u>	<u>1.3pp</u>
Major Manufacturer Branded Discount	15.2%	+0.5pp
Deep Discount	11.2%	+0.8pp
PM USA Menthol Retail Share	9.4%	(0.3pp)
Estimated Weighted Average State Excise Tax per pack	\$1.89	\$—
PM USA Cigarette Wholesale Inventory Estimates:	(in billion units)	
End of Q2 2022	2.6	
End of Q1 2022	2.4	
End of Q2 2021	3.1	
End of Q1 2021	2.6	
Cigarette Industry Wholesale Inventory:	(in billion units)	
End of Q2 2022	9.0	
End of Q1 2022	6.8	
End of Q2 2021	7.8	
End of Q1 2021	7.1	

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

Oral Tobacco	Q2 2022	△ vs. Q2 2021
Copenhagen Price Gap (vs Leading Discount Brand)	16%	
Copenhagen Retail Price	\$6.03	\$0.39
Leading Discount Brand	\$5.20	\$0.33

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

Other	Q2 2022	1H 2022
Capital Expenditures	\$38 million	\$83 million
Ongoing Depreciation and Amortization	\$57 million	\$109 million

Smokeable Shipping Days					
	Q1	Q2	Q3	Q4	FY
2021	64	65	66	66	261
2022	64	65	66	65	260

Cigarette Industry Volume Decomposition Estimates

Twelve Months Ended

	9/30/2021	12/31/2021	3/31/2022	6/30/2022
Secular Decline Rate ¹	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity	(1.7)%	(1.9)%	(1.8)%	(1.7)%
Additional Cross Category Movement	(0.2)%	(0.2)%	(0.1)%	(0.2)%
Macroeconomic & Other Factors	0.9%	(0.9)%	(1.6)% ²	(2.6)% ²
Estimated Industry Decline	(3.5)%	(5.5)%	(6.0)%	(7.0)%

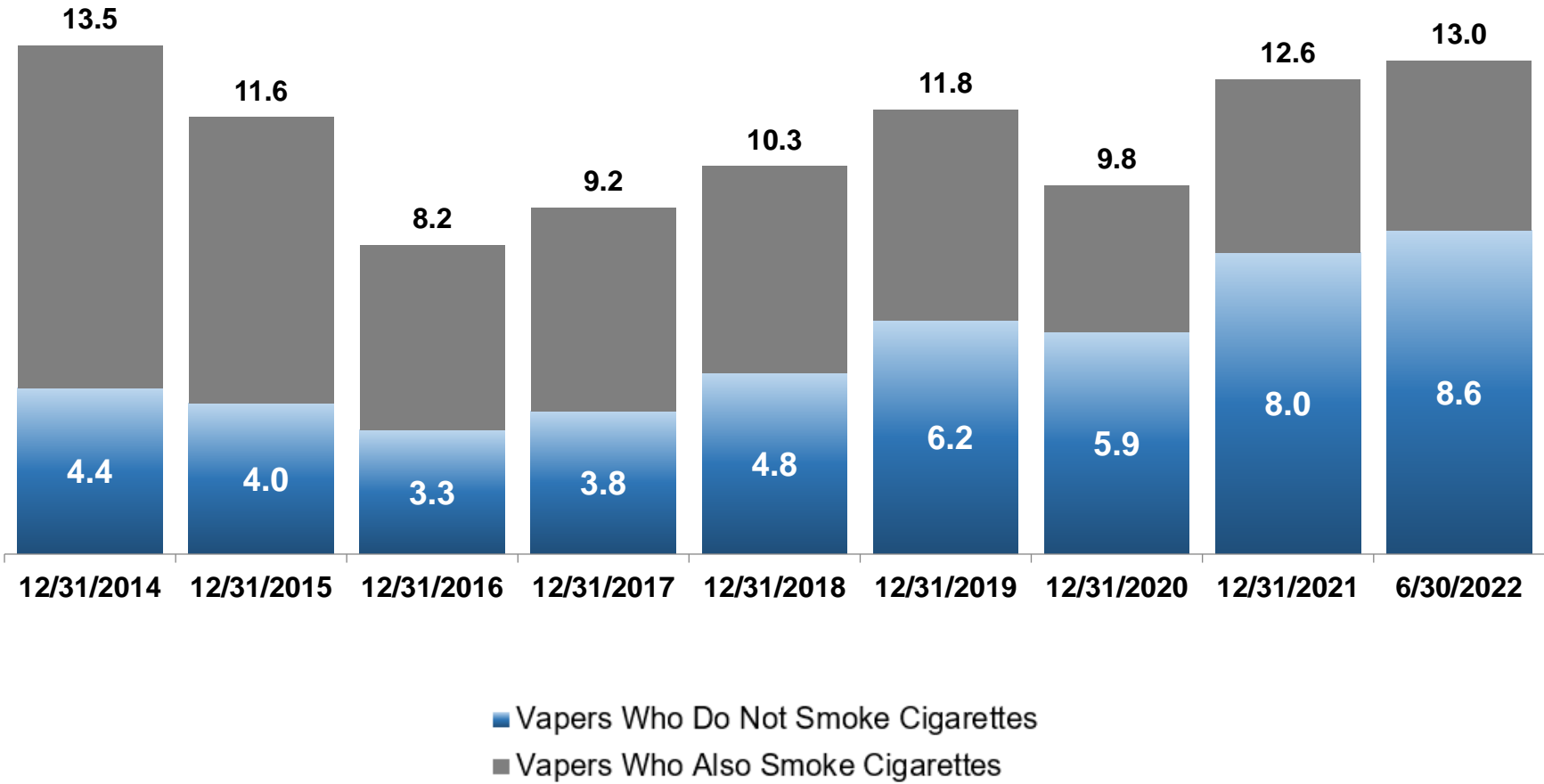
¹ Includes approximately 1% historical movement across tobacco categories

² Primarily driven by increased gas prices and high inflation

Source: AVI SCMI estimates

Adult Vapers 21+ - Past 30 Day Usage

Twelve Months Ended (in millions)



Source: ATCT December 2014 to June 2022

