

Altria's Third-Quarter 2022 Earnings Conference Call

October 27, 2022



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 (i) its Annual Report on Form 10-K for the year ended December 31, 2021 and (ii) its Quarterly Reports on Form 10-Q for the quarters ended June 30, 2022 and September 30, 2022, and under the heading “Forward-Looking and Cautionary Statements” in its earnings press release, dated October 27, 2022.

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.

Responsibly lead
the transition of adult smokers
to a smoke-free future.

Moving beyond smoking™



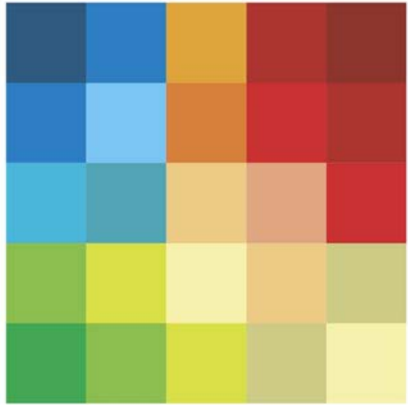
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***IQOS* Agreement with Philip Morris International**

Last week we entered into an agreement with Philip Morris International under which we will receive \$2.7 billion in cash exchange for assigning our exclusive US. Commercialization rights to the *IQOS System* at the end of April 2024.

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

Global Smoke-Free Partnership



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Horizon Innovations Key Terms

Commercial

- Both parties will combine their scientific and regulatory expertise to jointly prepare PMTA filings for the latest version of *Ploom* Heated Tobacco Stick (HTS) products. The parties expect to file a PMTA in the first half of 2025.
- Upon PMTA authorization, Horizon will become the exclusive vehicle through which both parties market and commercialize HTS products in the U.S.
- JTI will supply *Ploom* HTS devices and PM USA will manufacture *Marlboro* HTS consumables for U.S. commercialization.

Financial

- PM USA has a 75% economic interest in Horizon, with JT having 25%.
- PM USA is responsible for making an initial \$150 million in capital contributions to Horizon as charges are incurred. Capital contributions made to Horizon after the initial \$150 million will be split according to economic ownership.
- We expect to account for Horizon within our “All Other” financial reporting segment.

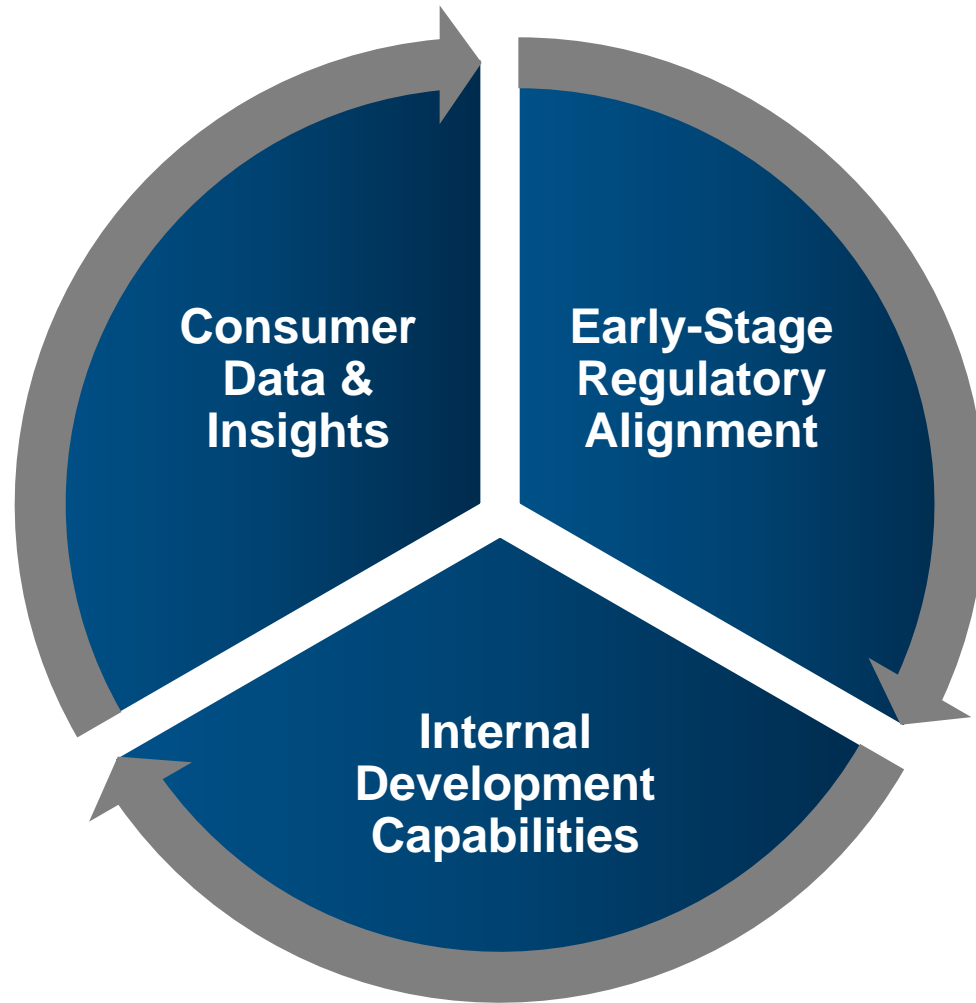
JT HTS Products

- JT launched *Ploom X* last year in Japan and since its introduction, JT's share of the Japanese HTS segment has doubled.
- According to JT's research, consumers perceive *Ploom X* as a stylish, credible and unique brand.
- JT also markets *Ploom* HTS products in three European countries.



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Consumer Centric Product Development



- There are millions of adult smokers interested in innovative, inhalable products.
- We receive more consumer data on their preferences, purchasing patterns and friction points than we ever have.
- We have embedded our regulatory sciences team early in the process to help align our product development efforts with FDA expectations.

Heated Tobacco Portfolio & Consumer Insights

We believe heated tobacco products can appeal to smokers interested in innovative, inhalable products with real tobacco without the social friction associated with cigarettes.



Heated Tobacco Sticks (HTS)

- Seeking a similar tactile and sensorial experience to cigarettes
- Without the social friction associated with smoking

Heated Tobacco Capsule (HTC)

- Open to novel smoke-free products but have not yet found a satisfying alternative to cigarettes
- Tried but ultimately rejected e-vapor products



Moving in a new direction.

Moving beyond smoking™



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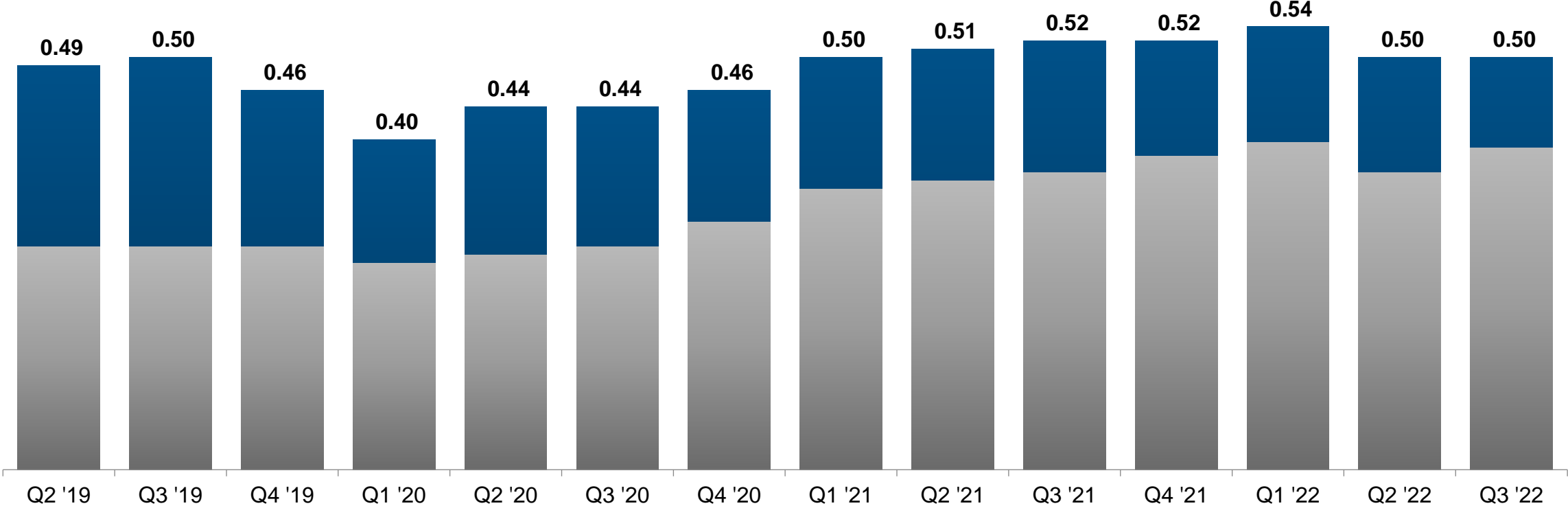
E-Vapor Category Volume

Estimated Equivalized Volume (in billions of units)

Quarterly Estimates

JUUL Balance

Q3 2022 Category Δ
Flat Q/Q
(4%) Y/Y



Source: ALCS CMII 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



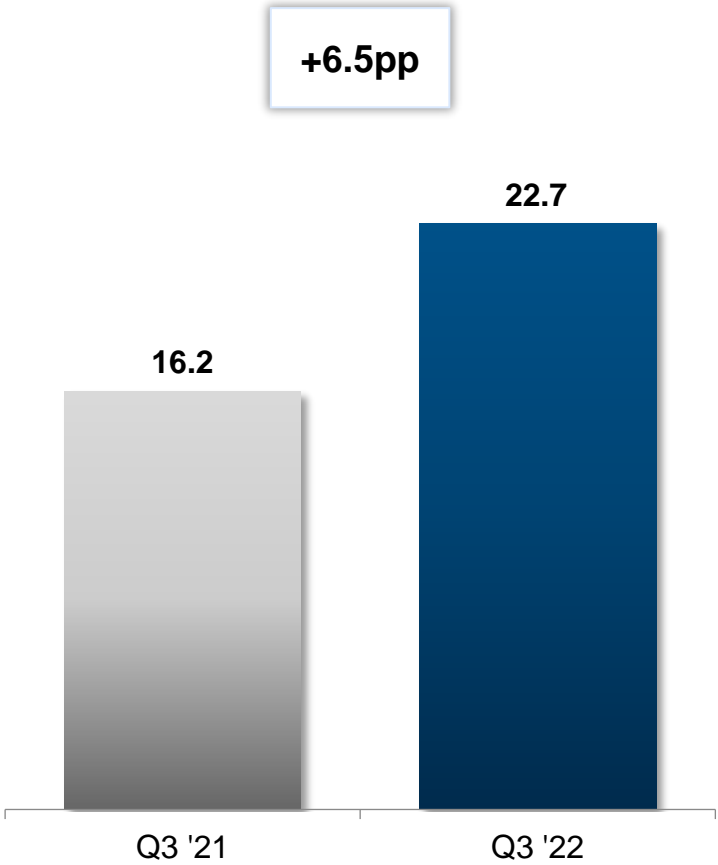
E-Vapor Update

- We previously disclosed that we have exercised our option to be released from our non-compete obligations. While we retain our 35% economic stake in JUUL, we are exploring all options to build an FDA authorized portfolio of e-vapor products that will help smokers transition away from cigarettes.
- For example, our teams are conducting consumer research, performing external scans and evaluating internal product development options

Oral Nicotine Pouch (ONP) Category Growth

Share of total U.S. oral tobacco category

ONP Share

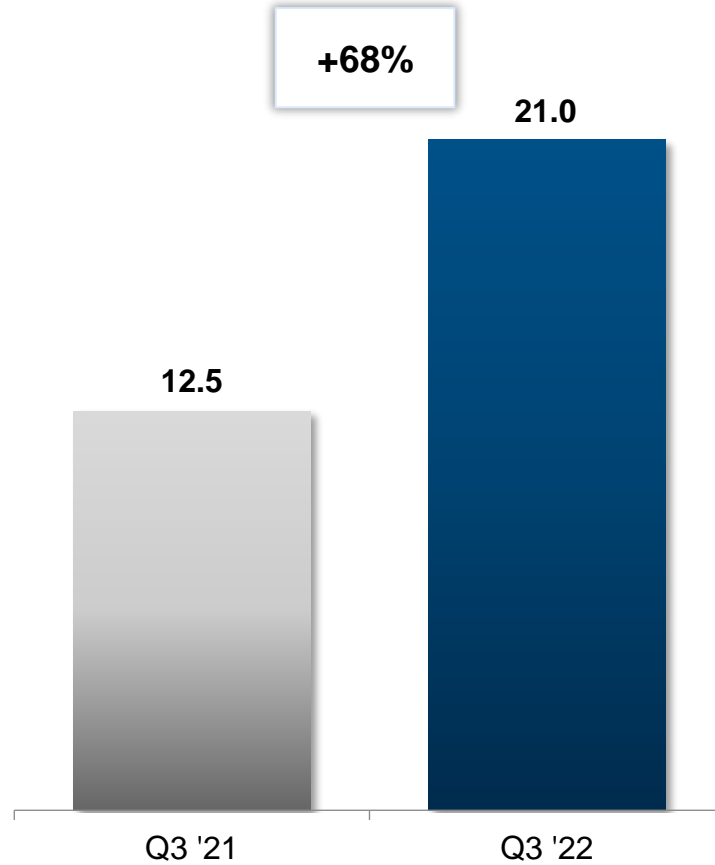


Source: IRI InfoScan Oral Tobacco MOC, WE 10/02/22

Continued *on!* Shipment Volume and Share Growth

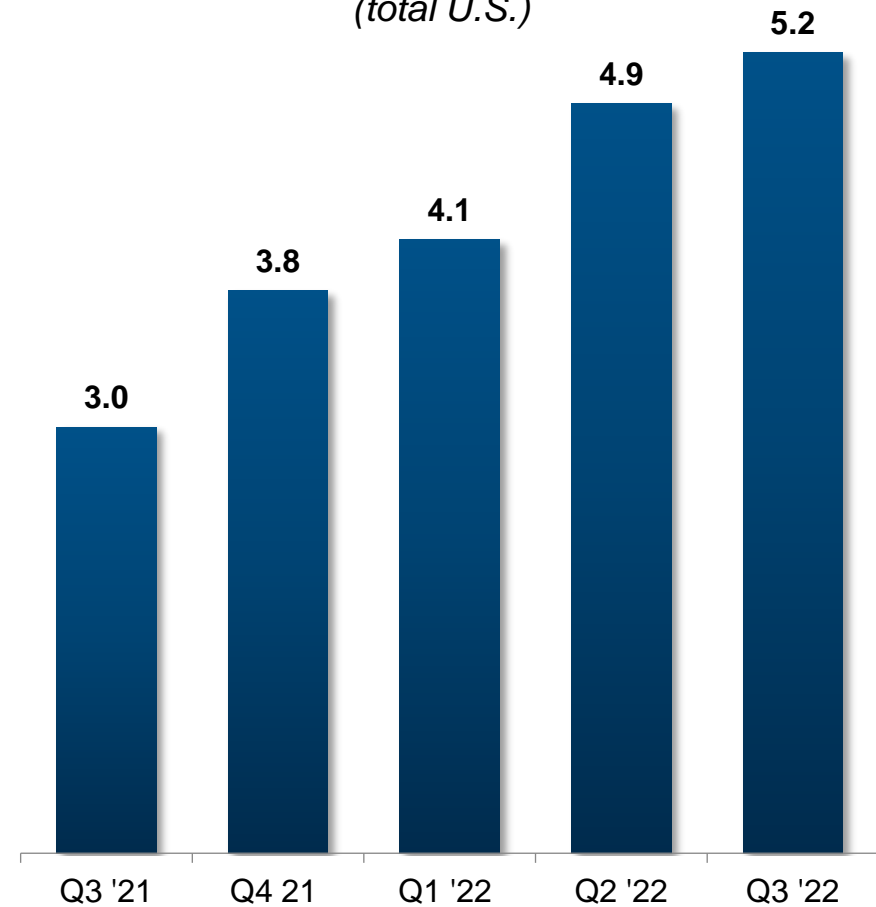
on! Shipment Volume

(cans in millions)




on! Share of Oral Tobacco Category

(total U.S.)



Source: IRI InfoScan Oral Tobacco MOC, WE 10/02/22

New on! Rewards Program




on! REWARDSTM

ENTER. EARN. REPEAT.

Progress indicator: 1 of 3 circles filled (red)


**SEE A CODE ON YOUR CAN?
ENTER IT TO GET A PUNCH.**



10 PUNCHES = A REWARD

Progress indicator: 2 of 3 circles filled (red)

**LOOK OUT FOR
BONUS MILESTONES
ALONG THE WAY.**

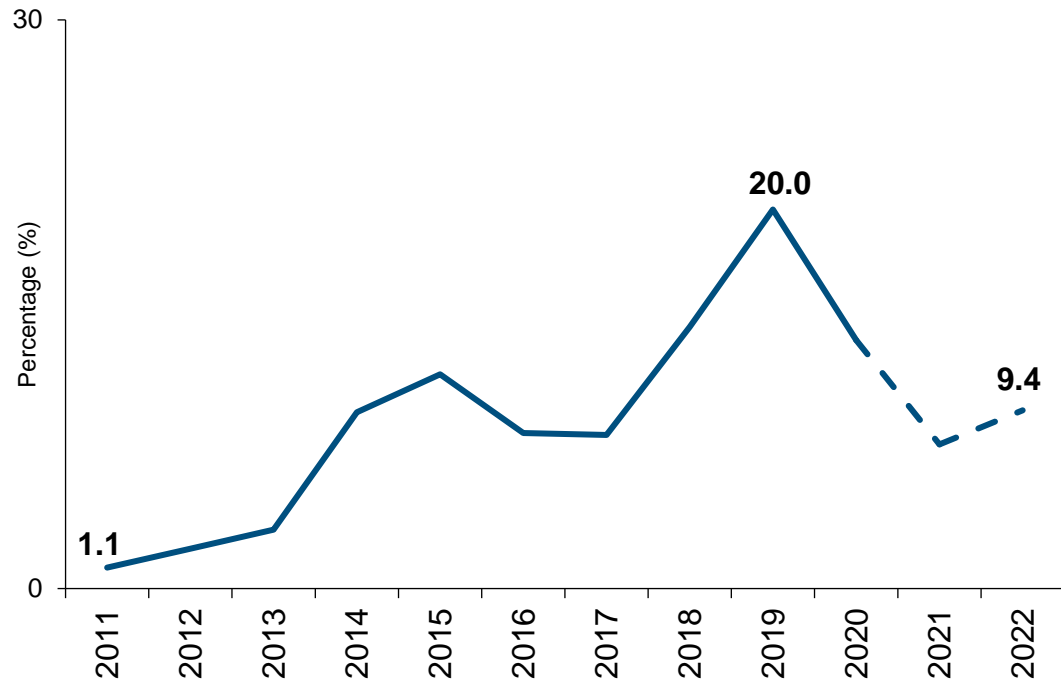


1 MILESTONE = MORE REWARDS

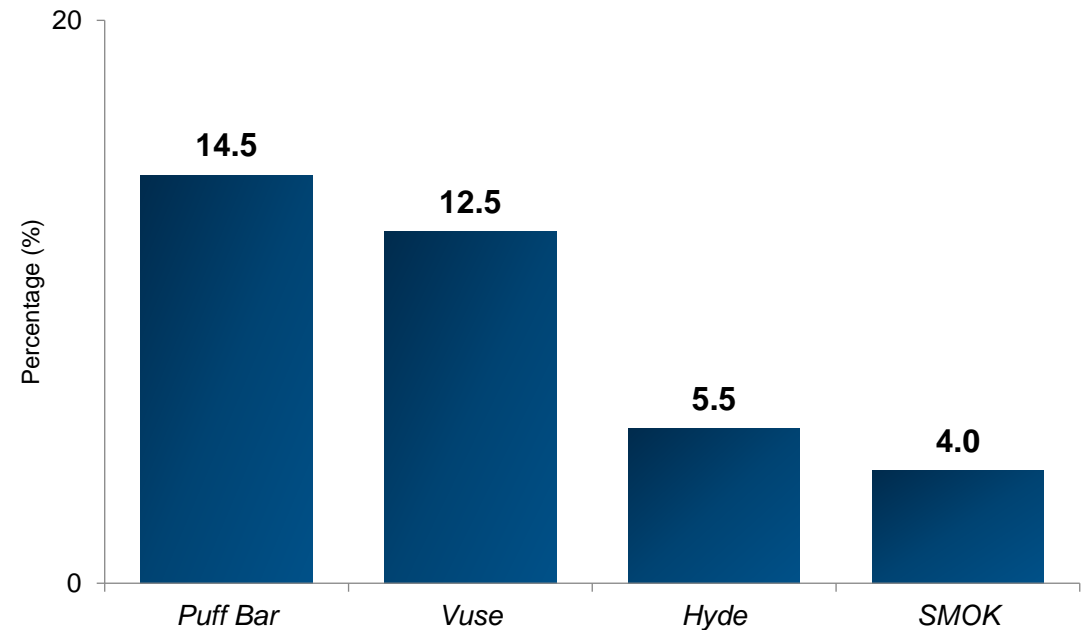
Progress indicator: 3 of 3 circles filled (red)

2022 National Youth Tobacco Survey Results

Current E-Vapor Use Among Middle & High School Students Combined



Usual Brand Used Among Middle & High School E-Cigarette Users, 2022



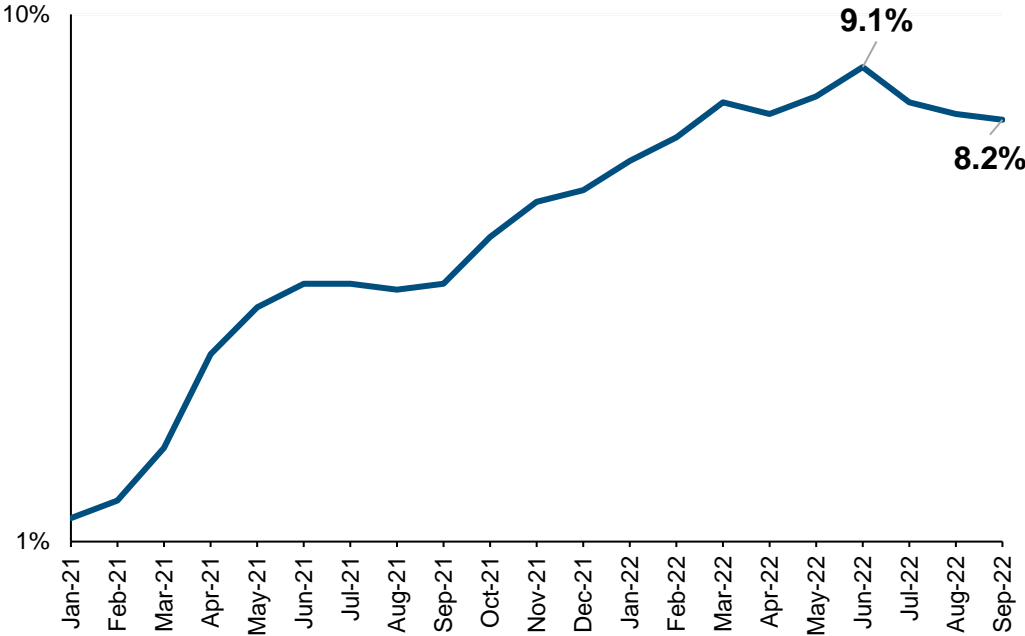
Sources: ALCS analysis of NYTS 2011-2022. Note: in 2014 and 2015, modifications were made to the e-cigarette measure to enhance its accuracy, which may limit the comparability of these estimates to those collected in previous years. In 2019, modifications were made to the survey, as well as the e-cigarette measure through inclusion of a brand example (JUUL); authors caution against comparisons to prior years. Due to changes in methodologies, including differences in survey administration and data collection procedures, the ability to compare estimates from 2022 to previous years is limited. Dashed lines from 2020-2022 represent these differences.

Leveraging Our Existing Scale & Infrastructure

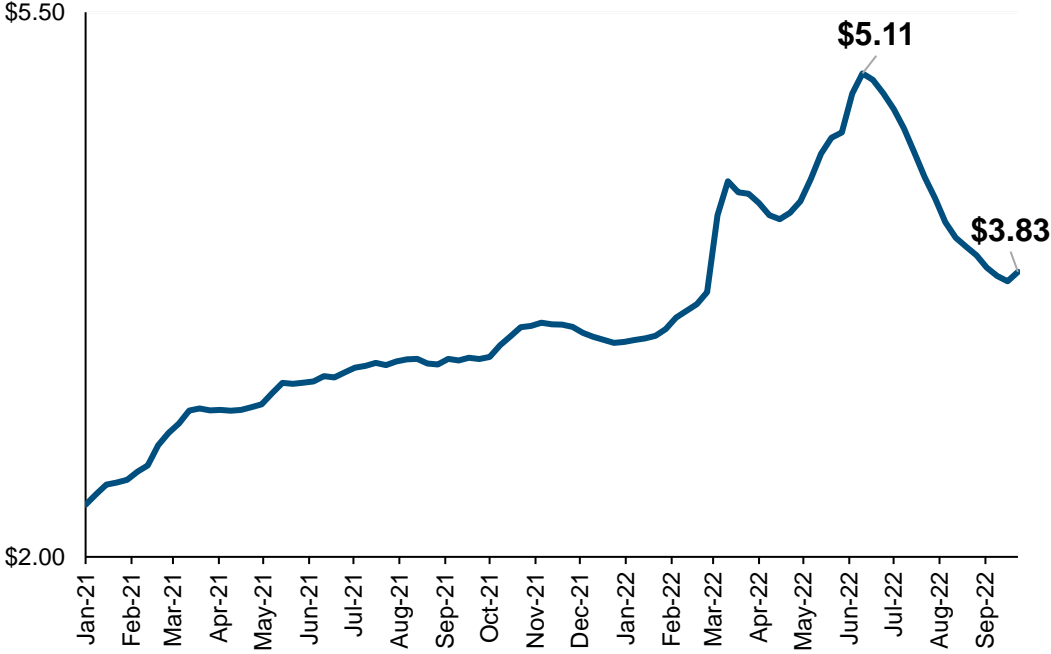


Macroeconomic Headwinds

Monthly Consumer Price Index
(Δ Year-over-Year)



Weekly Retail Gasoline Prices
(\$ per Gallon)



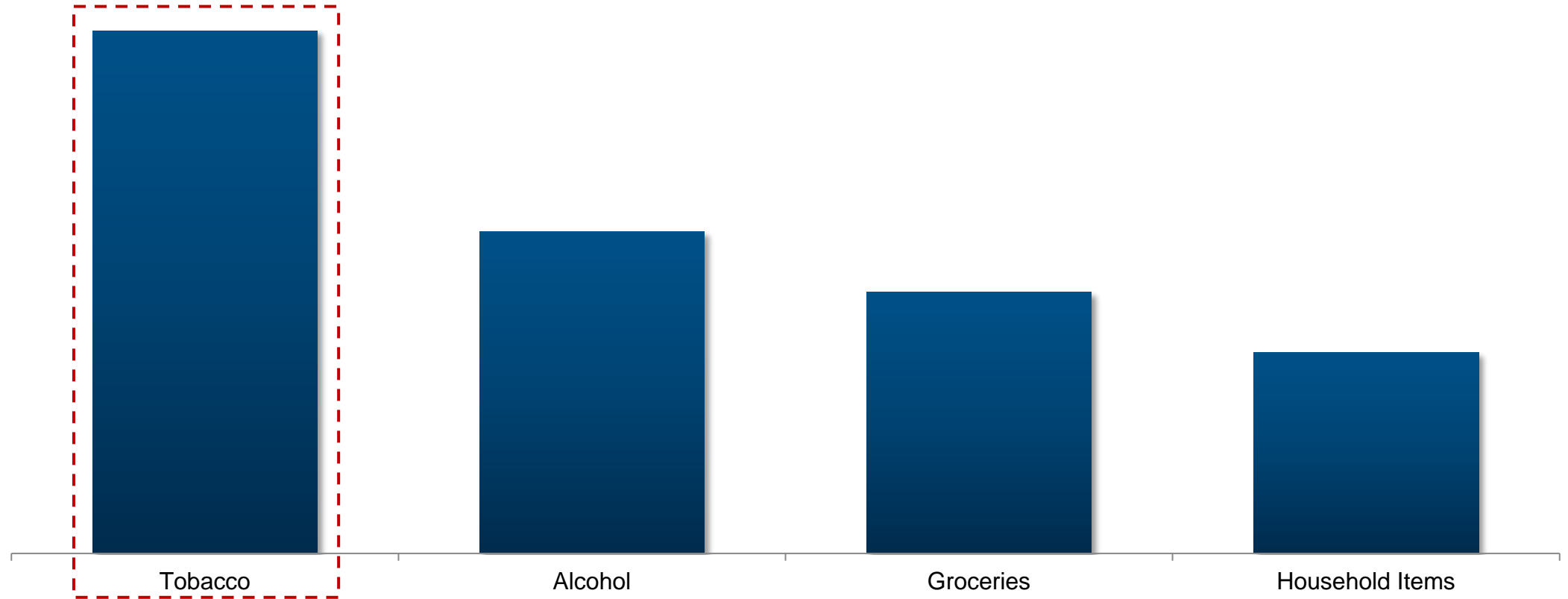
Source: U.S. Bureau of Labor Statistics: 12-month percentage change, Consumer Price Index

Source: U.S. Energy Information Administration: Weekly Retail Gasoline and Diesel Prices (dollars per Gallon, incl. Taxes). Retail Prices for Gasoline, All Grades. September data through 9/26/2022.



Adult Tobacco Consumer Brand Loyalty

% Stick to My Preferred Brand Regardless of Price

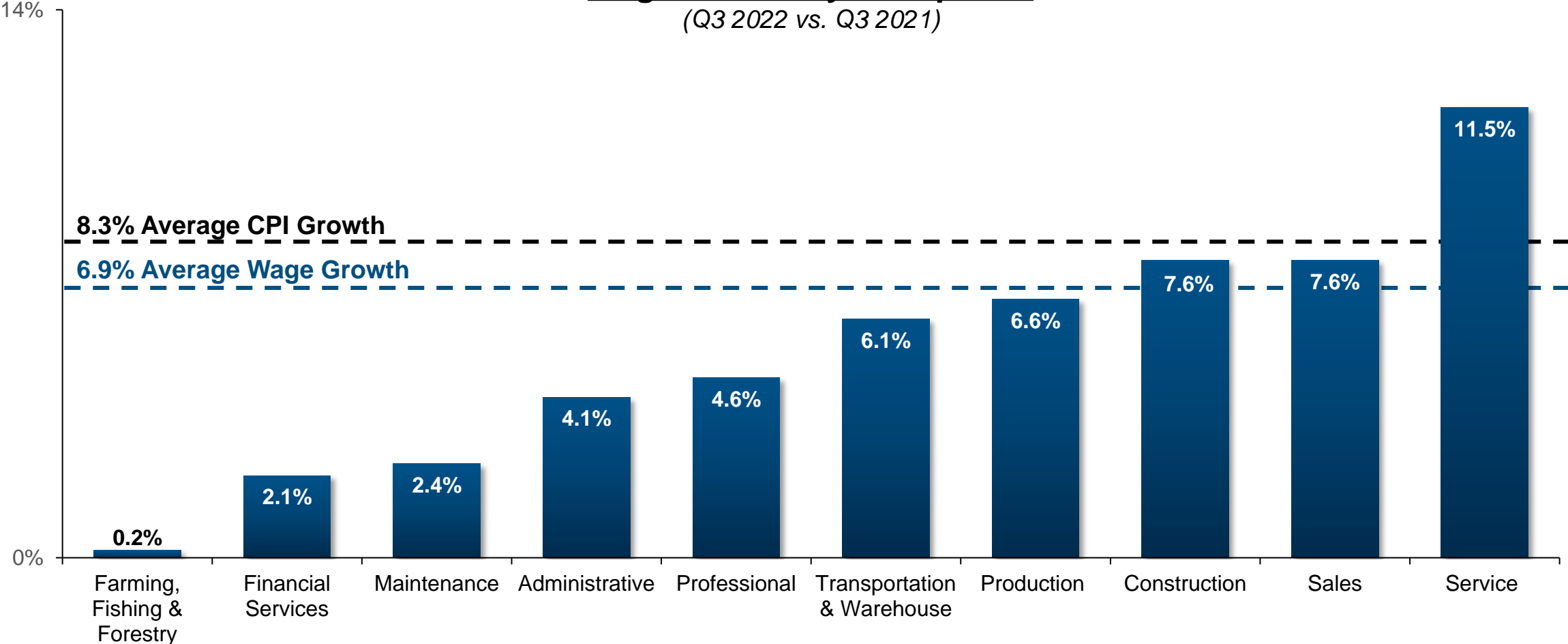


Source: Adult Tobacco Consumer Pulse Survey October 2022. N=550.

% of Adult Tobacco Consumers 21+ surveyed who selected "stick to my preferred brand(s) regardless of price" in response to "please think about how you currently shop for each category and select the way(s) you currently shop for these items."

Macroeconomic Trends

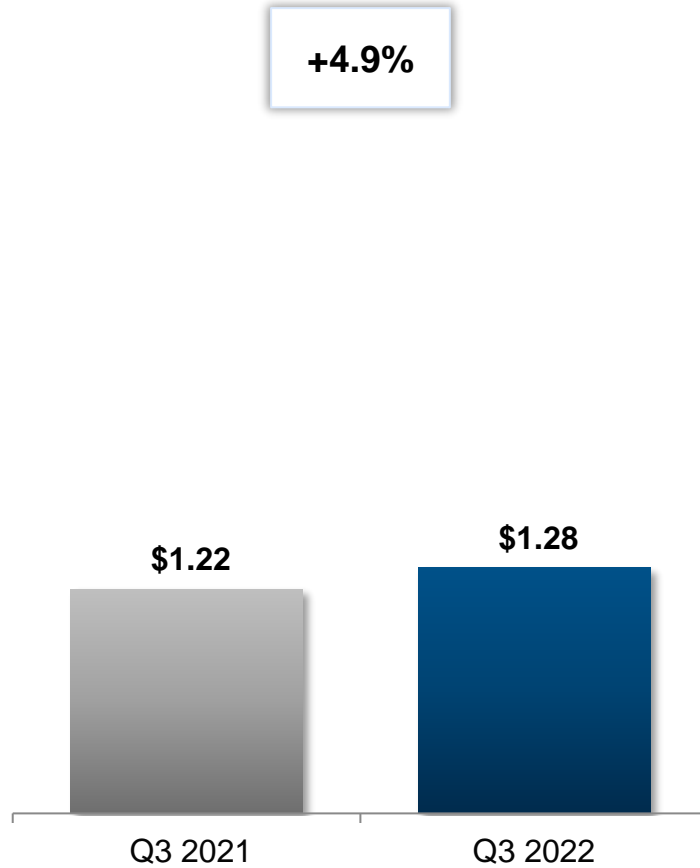
Wage Growth by Occupation
(Q3 2022 vs. Q3 2021)



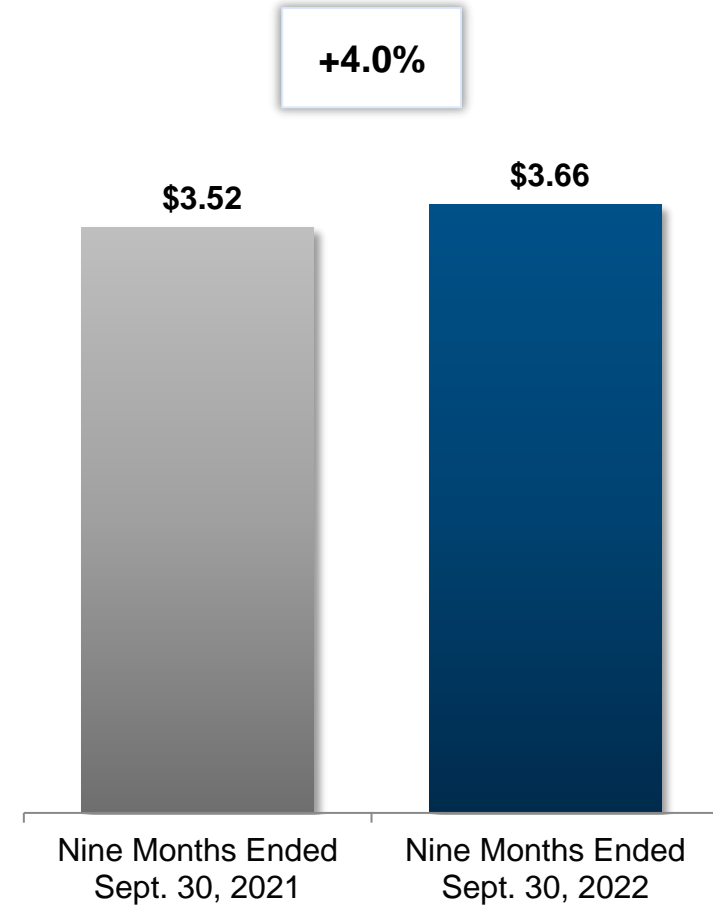
Source: U.S. Bureau of Labor Statistics (BLS): Median usual weekly earnings of full-time wage and salary workers by occupation and sex, quarterly averages, not seasonally adjusted

Adjusted Diluted Earnings Per Share (EPS)*

Q3: Adjusted Diluted EPS



First Nine Months: Adjusted Diluted EPS



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

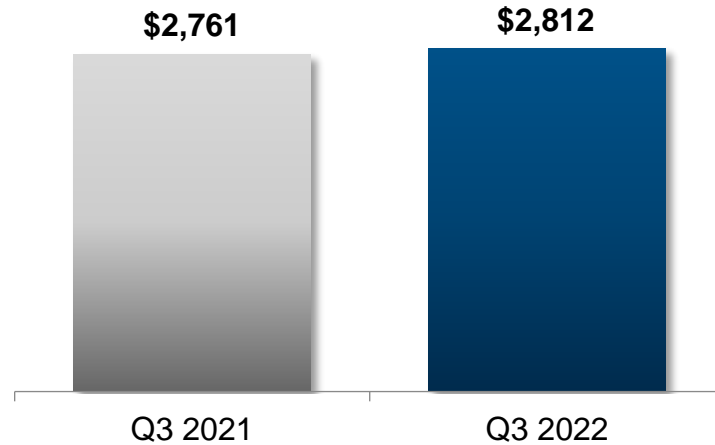
Smokeable Products Segment

Adjusted Operating Companies Income* (OCI)

Q3: Adjusted OCI

(\$ in millions)

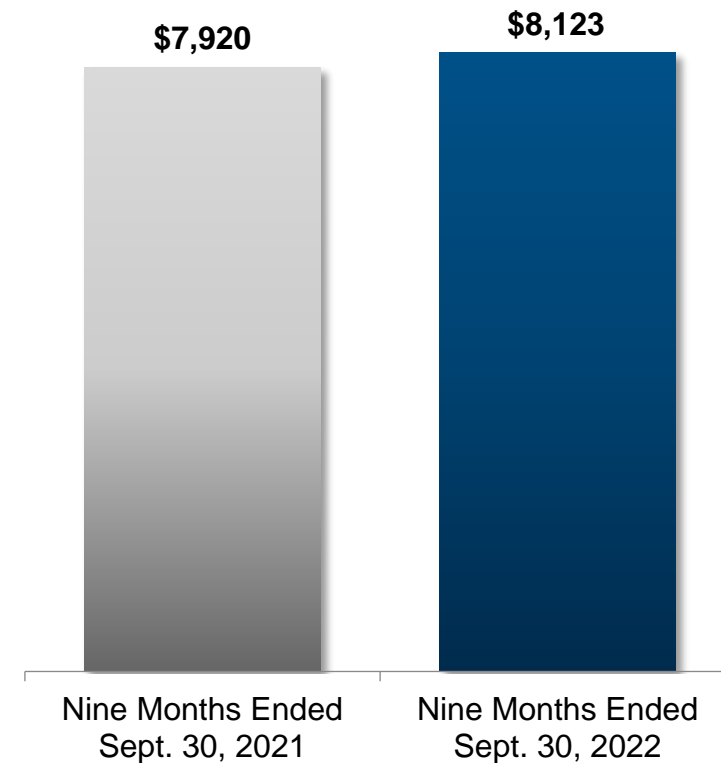
+1.8%



First Nine Months: Adjusted OCI

(\$ in millions)

+2.6%

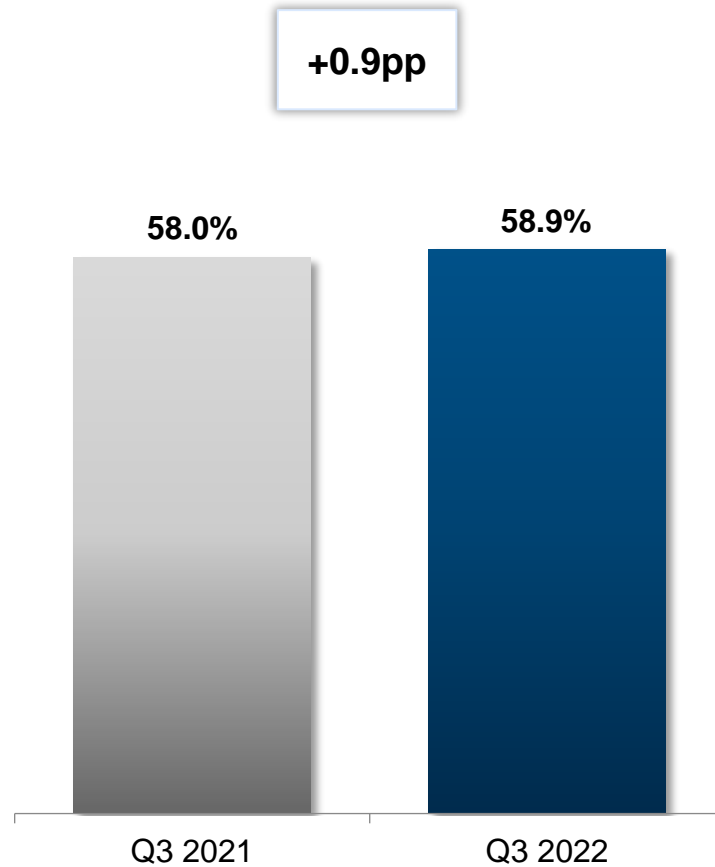


*For reconciliations of non-GAAP to GAAP measures visit altria.com.

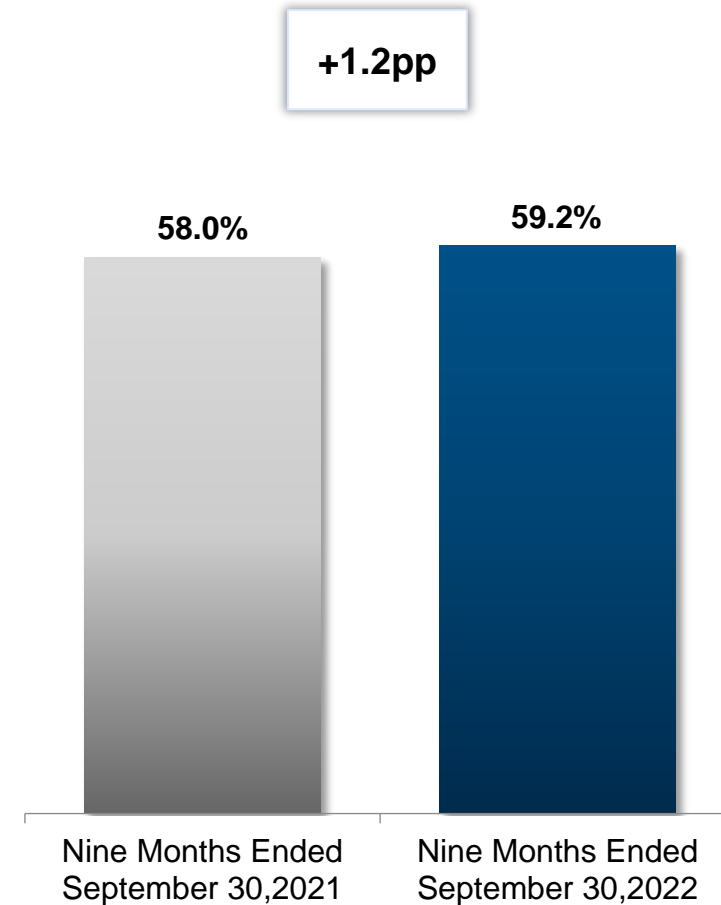
Smokeable Products Segment

*Adjusted OCI Margins**

Q3: Adjusted OCI Margins



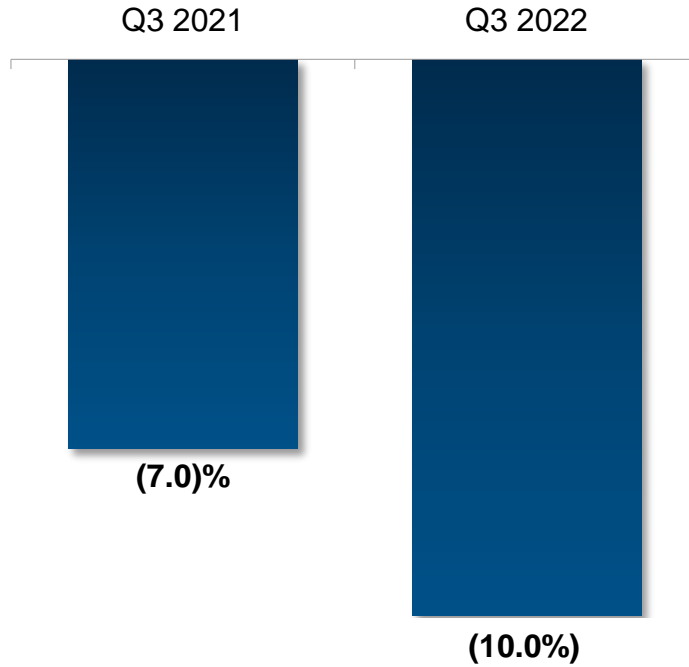
First Nine Months: Adjusted OCI Margins



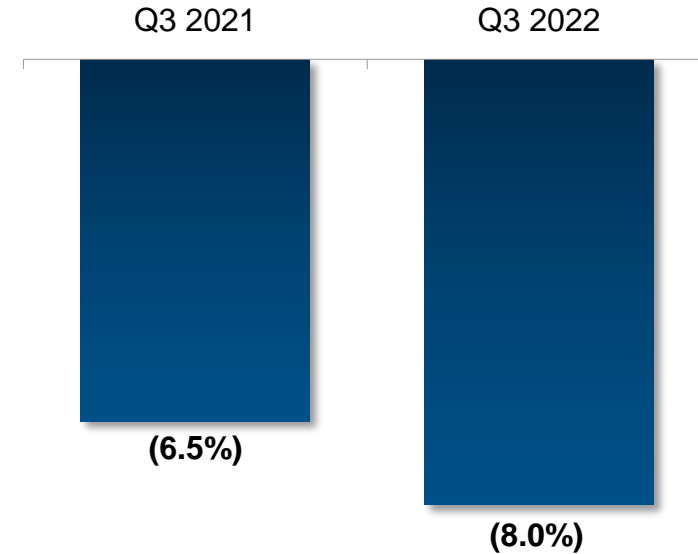
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Q3 Adjusted Cigarette Decline Rates

Smokeable Segment



Total Industry

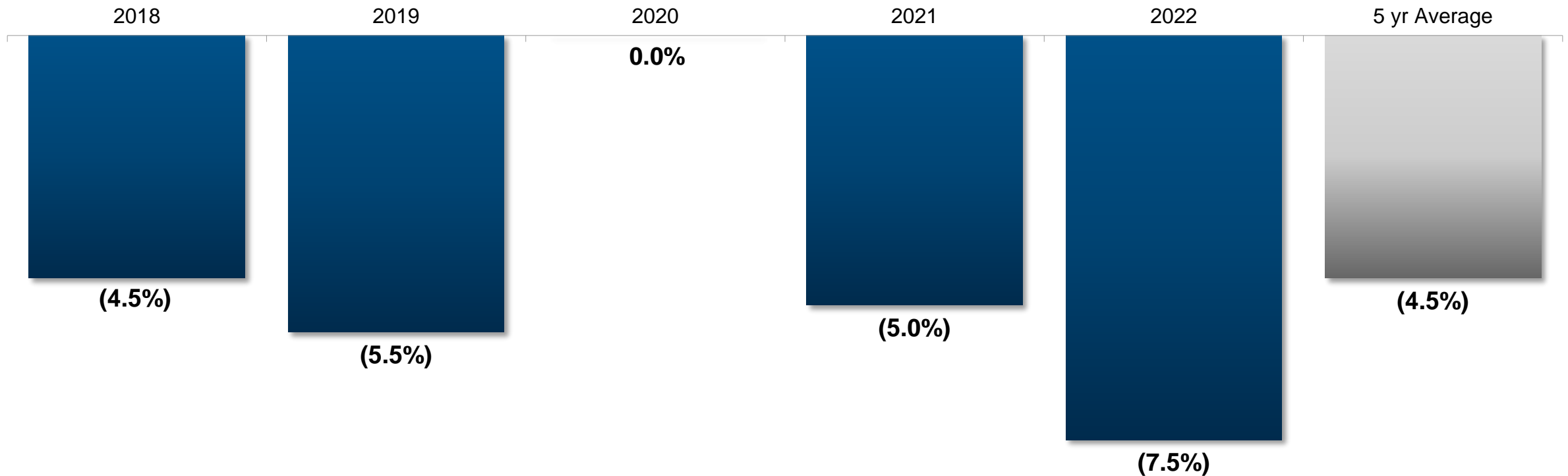


Source: ALCS CMI estimates – rounded to nearest 0.5%

Note: Estimates are subject to revision due to wholesaler resubmission of inventory data

Adjusted Cigarette Industry Decline Rates

(First Nine Months ended Sept. 30, 2018-2022)

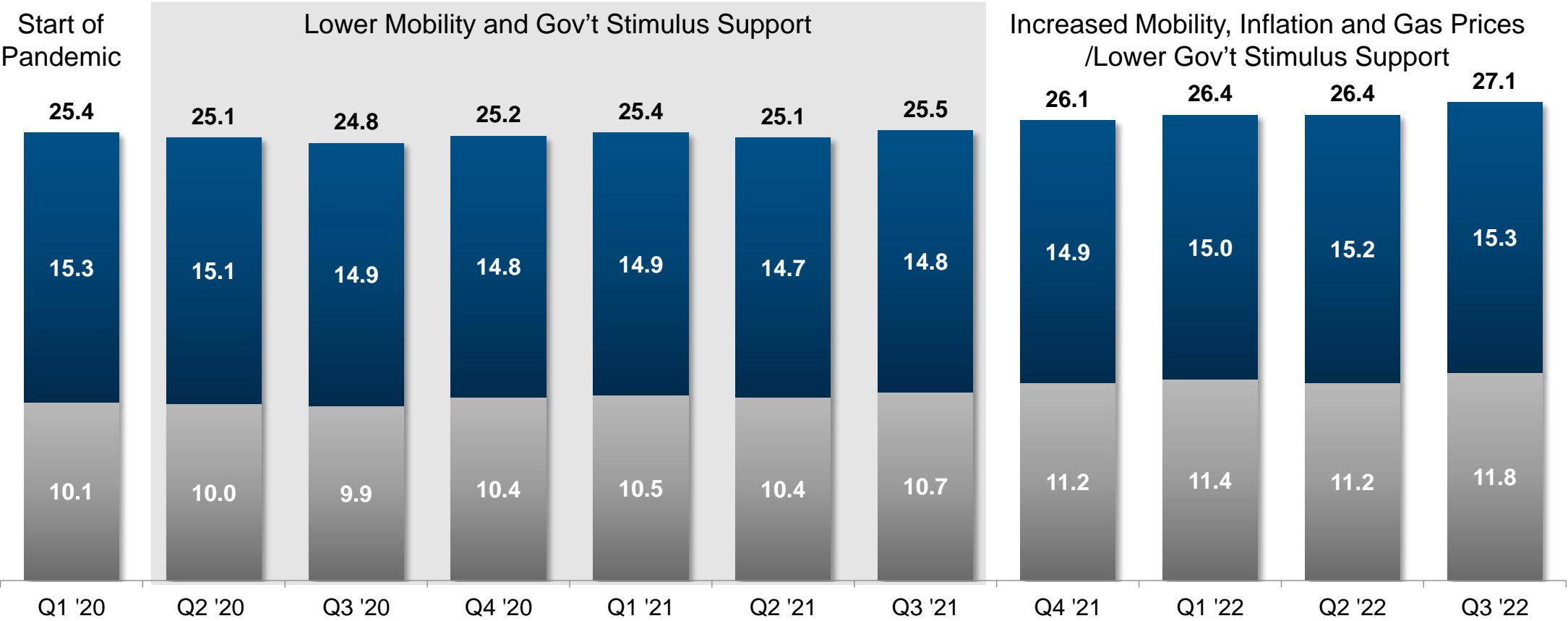


Source: ALCS CMI estimates – rounded to nearest 0.5%

Note: Estimates are subject to revision due to wholesaler resubmission of inventory data

Discount Retail Share

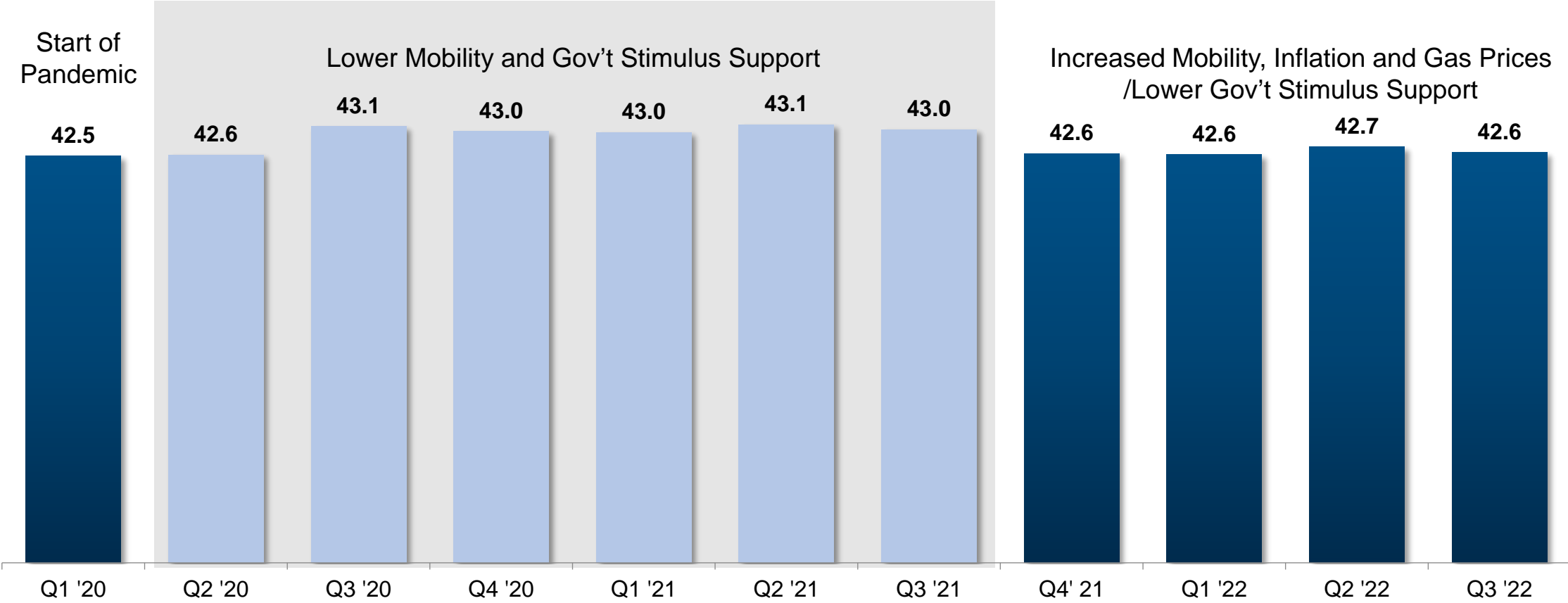
■ Branded Discount ■ Deep Discount



Source: IRI/MSAi InfoScan – Blended, WE 10/02/22



Marlboro Retail Share

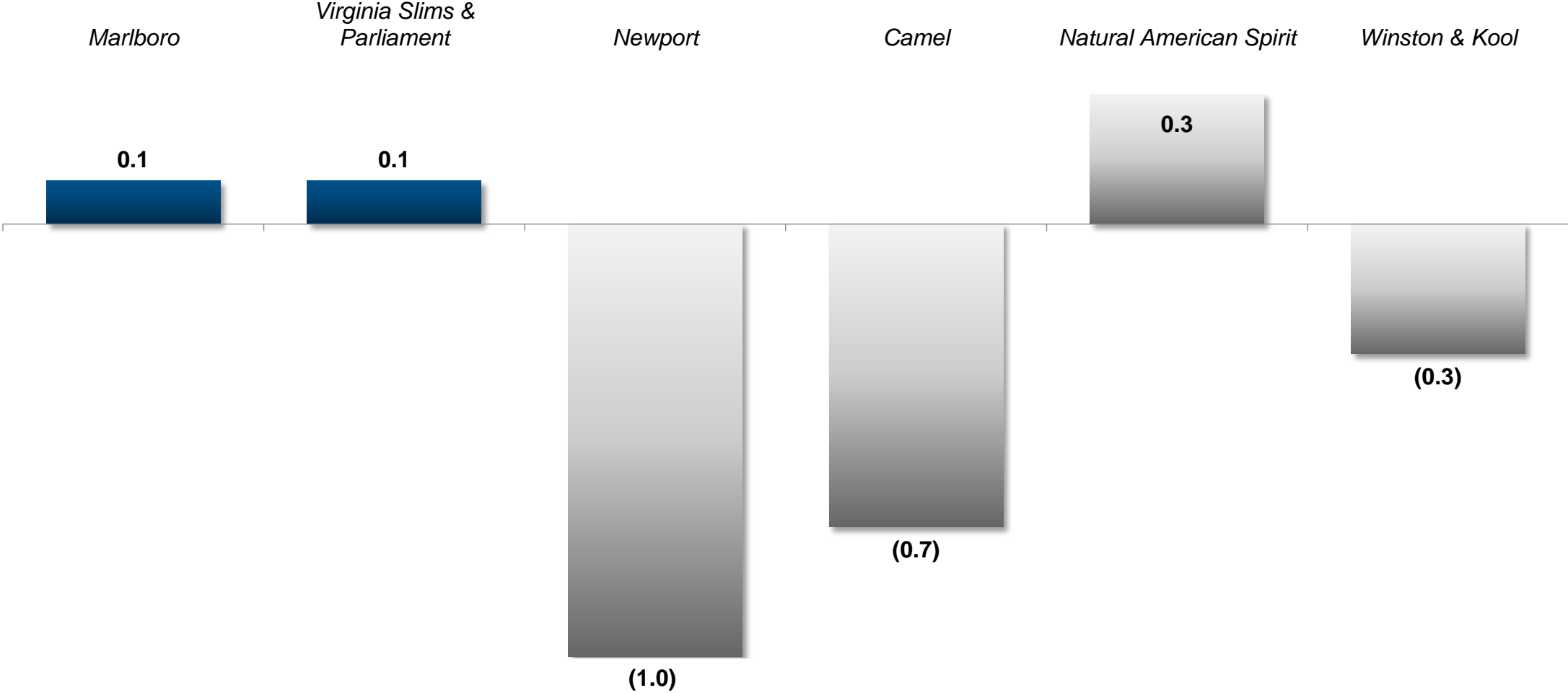


Source: IRI/MSAi InfoScan – Blended, WE 10/02/22



Cigarette Share Change By Brand

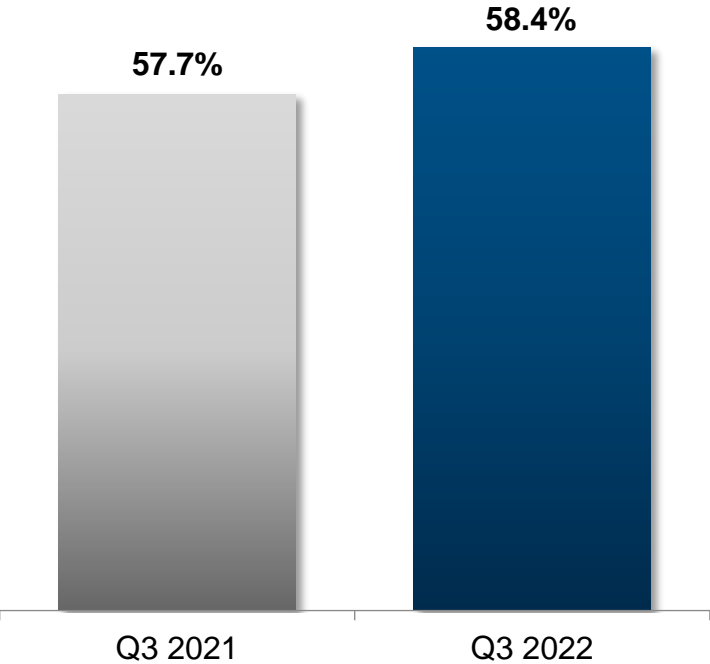
(Q1 '20 vs. Q3 '22)



Source: IRI/MSAi InfoScan – Blended, WE 10/02/22

Premium Cigarette Brand Retail Share

Marlboro Share of Premium Segment



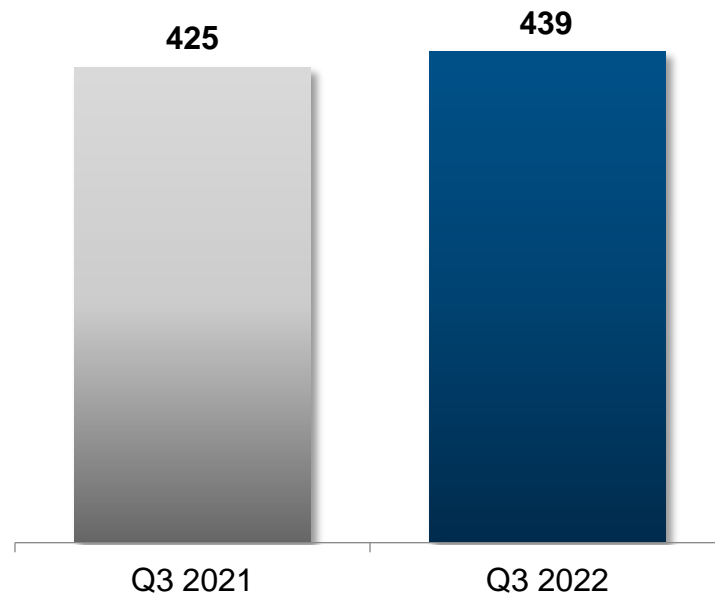
Source: IRI/MSAi InfoScan – Blended, WE 10/02/22

John Middleton Cigars

Reported Shipment Volume

(in millions)

3.3%



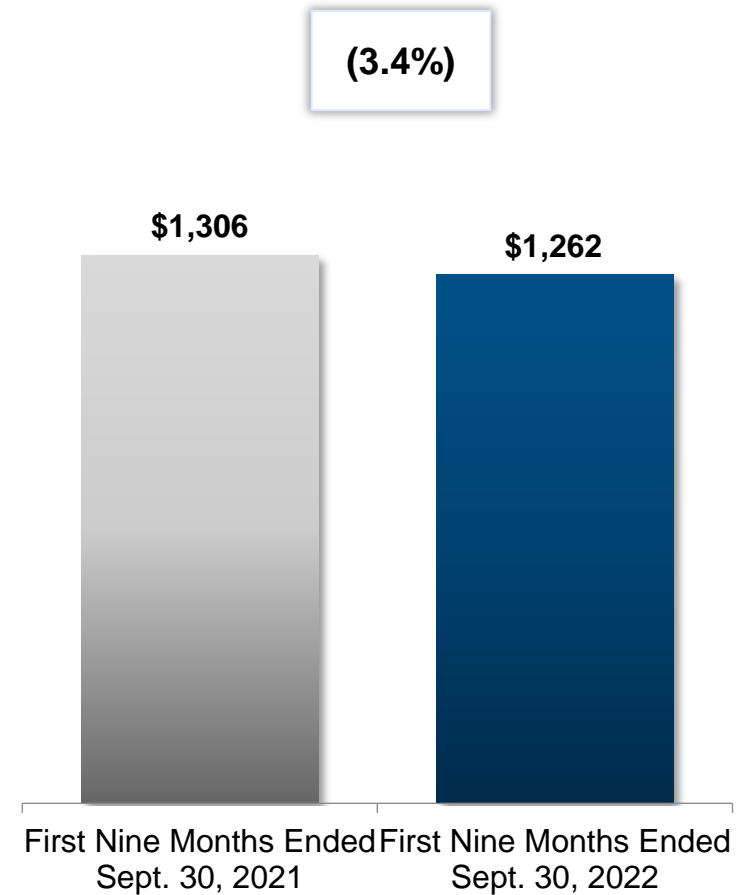
Oral Tobacco Products Segment

*Adjusted OCI**

Q3: Adjusted OCI



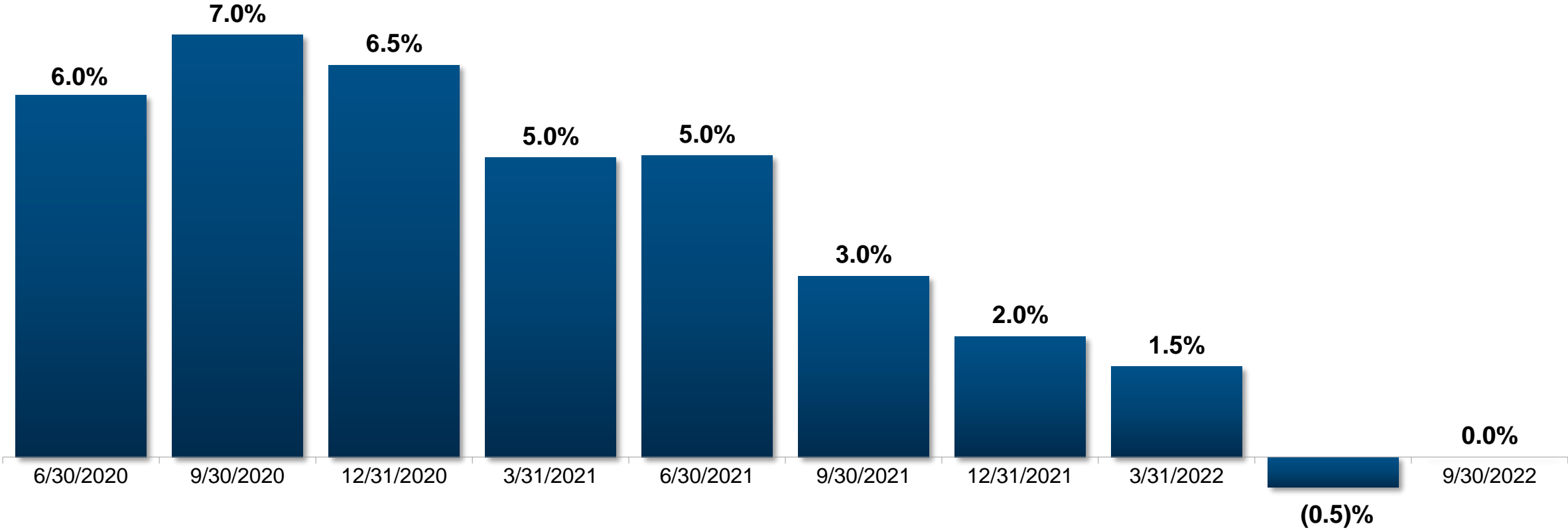
First Nine Months: Adjusted OCI



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

Oral Tobacco Industry Volume Growth Estimates

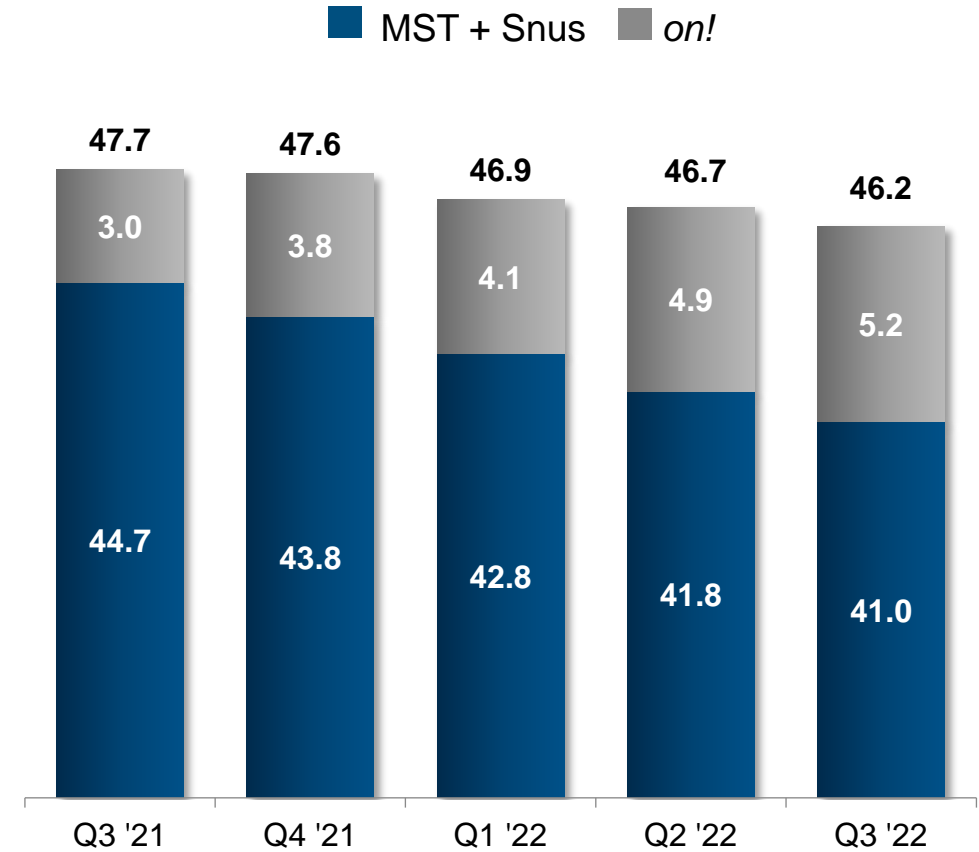
Six Months Ended



Source: ALCS CMII Estimates - rounded to the nearest 0.5%
Oral Tobacco industry includes MST, snus and oral nicotine pouch products
* Q1 & Q2 2020 includes an adjustment for estimated retail loading due to COVID-19



Oral Tobacco Products Segment Retail Share



Source: IRI/MSAi InfoScan Oral Tobacco 2022 – MOC, WE 10/02/22

ABI Investment



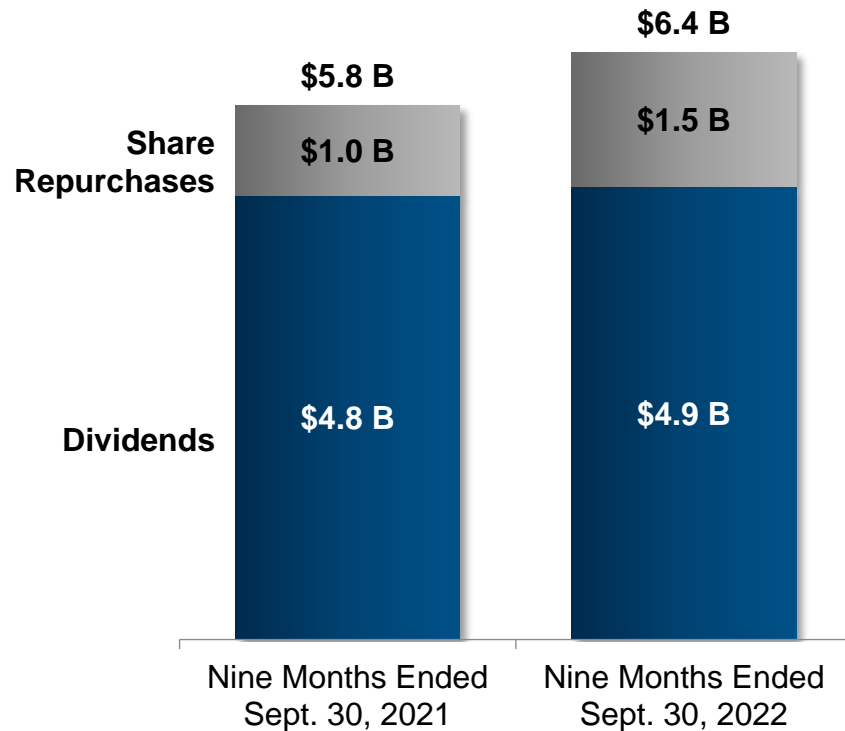
ABI In Bev

To a Future With More Cheers

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Creating Long-Term Shareholder Value

Cash Returned to Shareholders



2022 Guidance*

We are narrowing our full-year 2022 guidance and now expect to deliver adjusted diluted EPS in a range of \$4.81 to \$4.89. This represents a growth rate of 4.5% to 6% from a base of \$4.61 in 2021. We believe this range allows us the flexibility to react to marketplace conditions.

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

Moving beyond smoking™



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Moving toward a new day.