



Q3 2022 Earnings - Quarterly Metrics		
Smokeable	Q3 2022	△ vs. Q3 2021
Marlboro Price Gap (vs. Lowest Effective)	40%	
Marlboro Net Pack Price	\$8.32	\$0.47
Lowest Effective Price	\$5.95	\$0.24
<u>Discount Segment Retail Share</u>	<u>27.1%</u>	<u>1.6pp</u>
Major Manufacturer Branded Discount	15.3%	+0.5pp
Deep Discount	11.8%	+1.1pp
PM USA Menthol Retail Share	9.3%	(0.3pp)
Estimated Weighted Average State Excise Tax per pack	\$1.89	\$—
PM USA Cigarette Wholesale Inventory Estimates:	(in billion units)	
End of Q3 2022	2.4	
End of Q2 2022	2.6	
End of Q3 2021	2.5	
End of Q2 2021	3.1	
Cigarette Industry Wholesale Inventory:	(in billion units)	
End of Q3 2022	7.0	
End of Q2 2022	9.0	
End of Q3 2021	8.2	
End of Q2 2021	7.9	

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

Oral Tobacco	Q3 2022	△ vs. Q3 2021
Copenhagen Price Gap (vs Leading Discount Brand)	16%	
Copenhagen Retail Price	\$6.13	\$0.42
Leading Discount Brand	\$5.27	\$0.32

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

Other	Q3 2022	YTD 2022
Capital Expenditures	\$64 million	\$147 million
Ongoing Depreciation and Amortization	\$54 million	\$163 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

	12/31/2021	3/31/2022	6/30/2022	9/30/2022
Secular Decline Rate <sup>1</sup>	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity	(1.9)%	(1.8)%	(1.7)%	(1.6)%
Additional Cross Category Movement	(0.2)%	(0.1)%	(0.2)%	(0.1)%
Macroeconomic & Other Factors	(0.9)%	(1.6)% <sup>2</sup>	(2.6)% <sup>2</sup>	(3.3)% <sup>2</sup>
<b>Estimated Industry Decline</b>	<b>(5.5)%</b>	<b>(6.0)%</b>	<b>(7.0)%</b>	<b>(7.5)%</b>

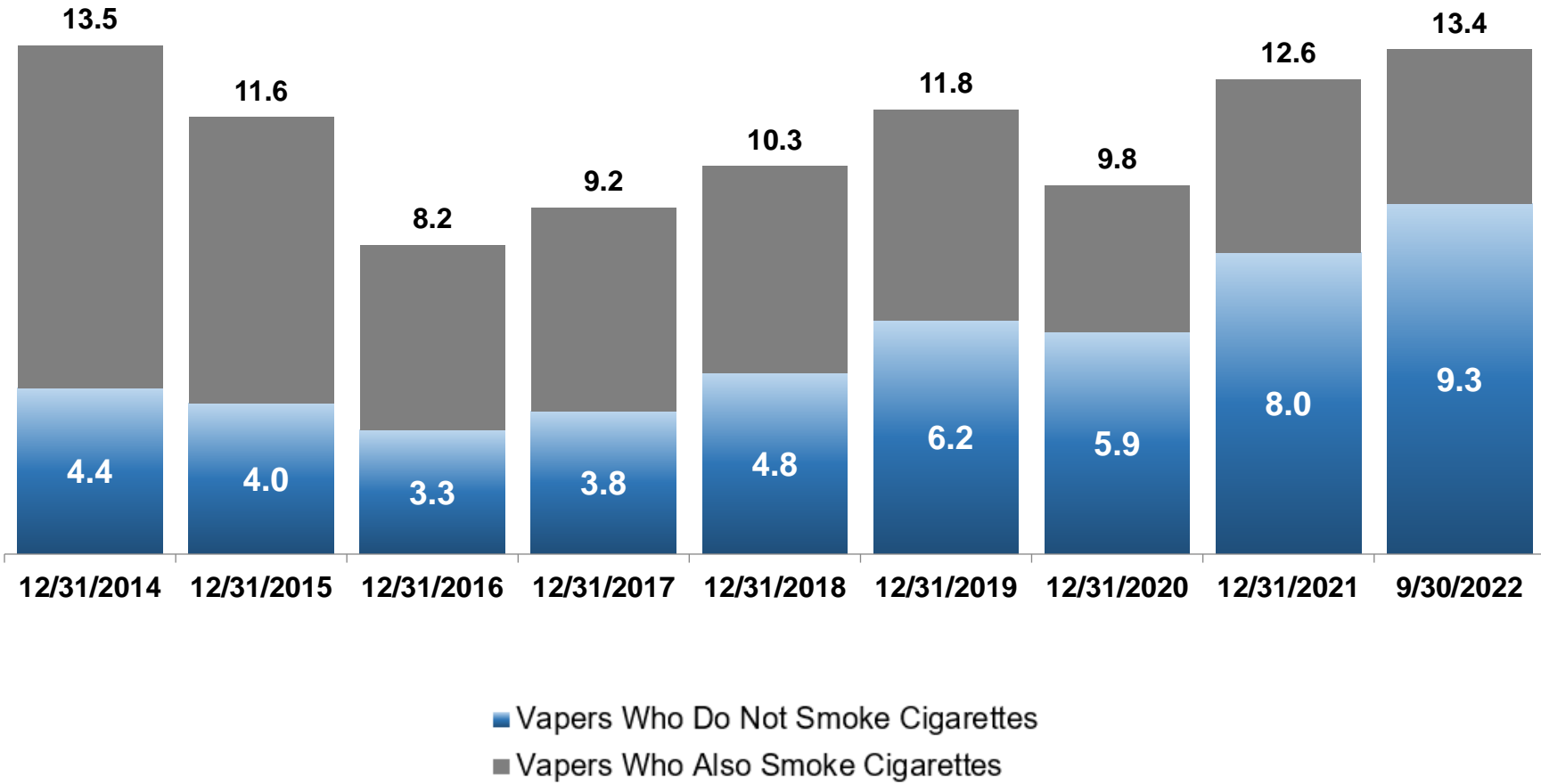
<sup>1</sup> Includes approximately 1% historical movement across tobacco categories

<sup>2</sup> Primarily driven by elevated gas prices and high inflation

Source: ALCS CMI estimates

# Adult Vapers 21+ - Past 30 Day Usage

Twelve Months Ended (in millions)



Source: ATCT December 2014 to September 2022

