

Altria's First-Quarter 2023 Earnings Conference Call

April 27, 2023



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, 2022 and (ii) its Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, 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.

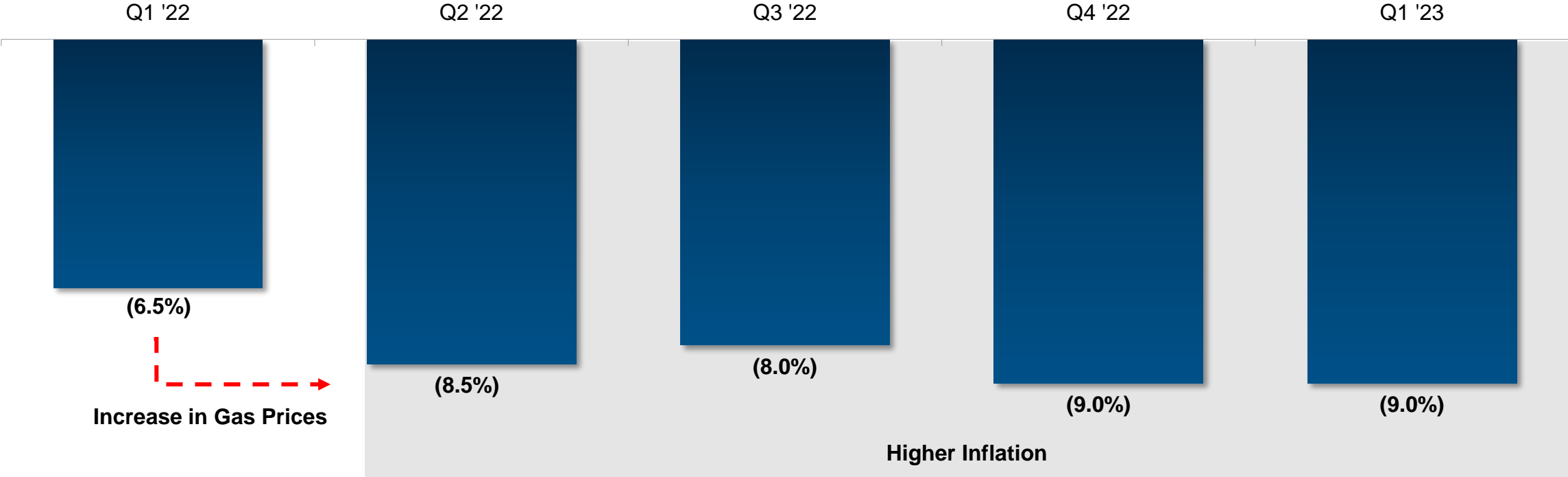
First Quarter 2023 Highlights

- Strong adjusted diluted earnings per share growth of 5.4%*;
- resilient in-market performance from our leading brands, including *Marlboro* and *Copenhagen*, and continued volume and share growth from *on!*; and
- announcements made at our Investor Day, including updates on our pending acquisition of NJOY, the unveiling of our exciting smoke-free products in development and the introduction of our 2028 Enterprise Goals.

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

Macroeconomic Headwinds

Adjusted Cigarette Industry Decline Rates

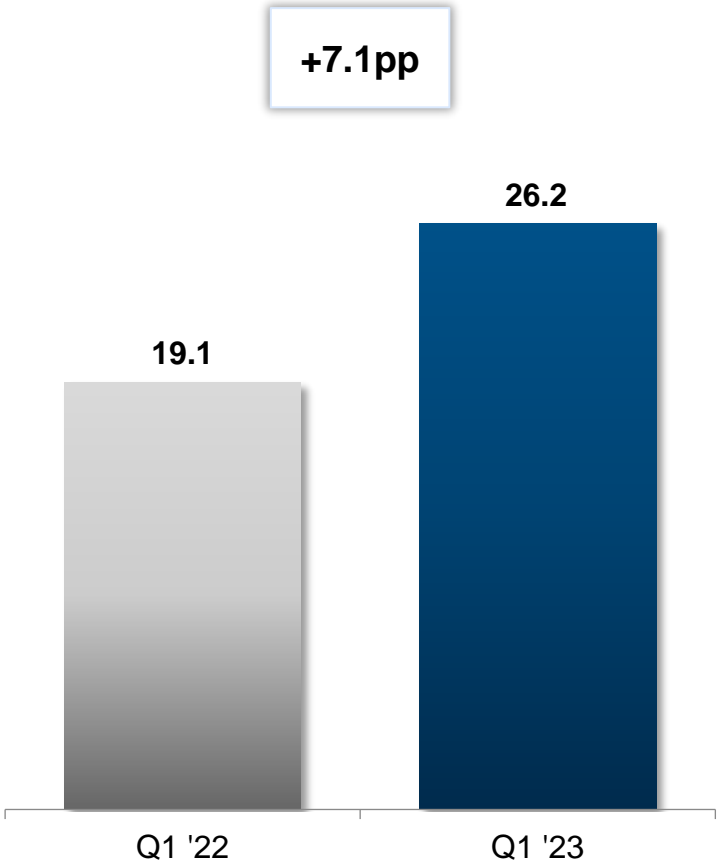


Source: ALCS SCMI estimates – rounded to nearest 0.5%
Note: Estimates are subject to revision due to wholesaler resubmission of inventory data

Oral Nicotine Pouch (ONP) Category Growth

Share of total U.S. oral tobacco category

ONP Share

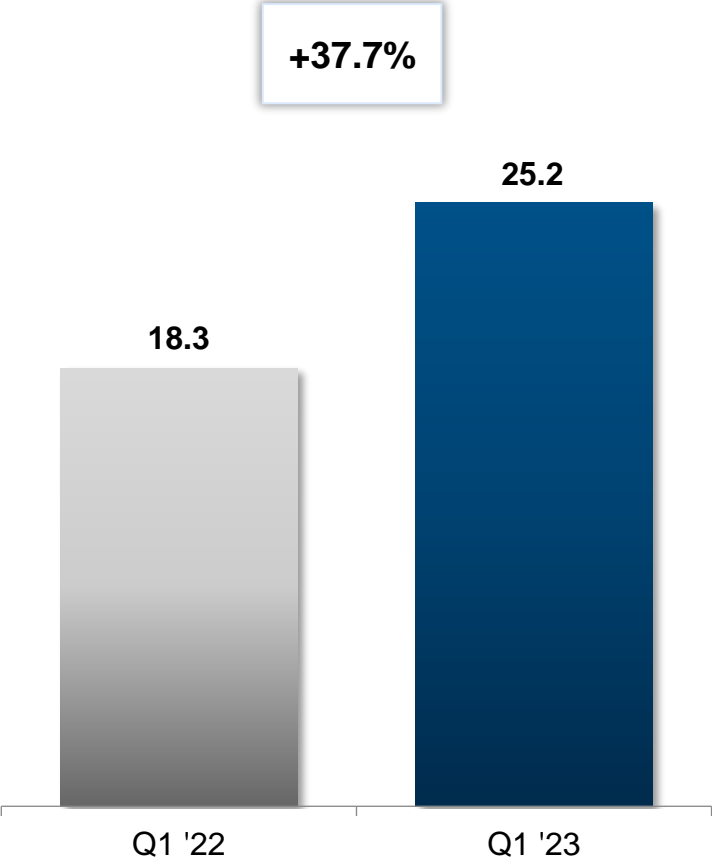


Source: Circana Info Scan Oral Tobacco 2023 - MOC, WE 04/02/23

Continued *on!* Shipment Volume and Share Growth

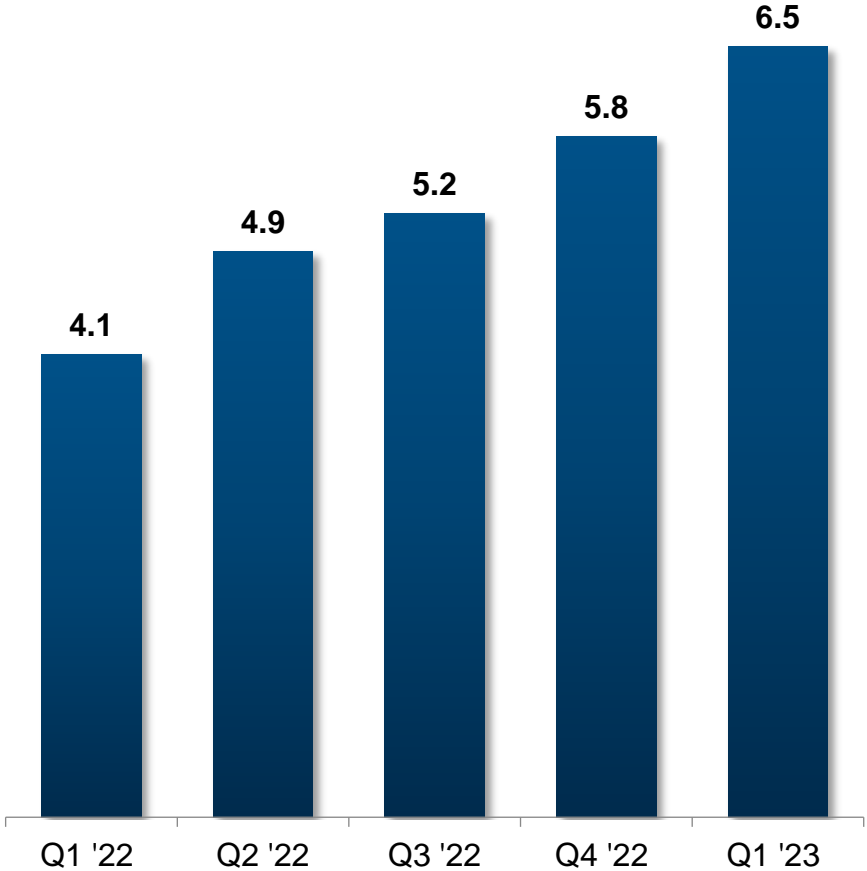
on! Shipment Volume

(cans in millions)



on! Share of Oral Tobacco Category

(total U.S.)



Source: Circana Info Scan Oral Tobacco 2023 – MOC WE 04/02/23

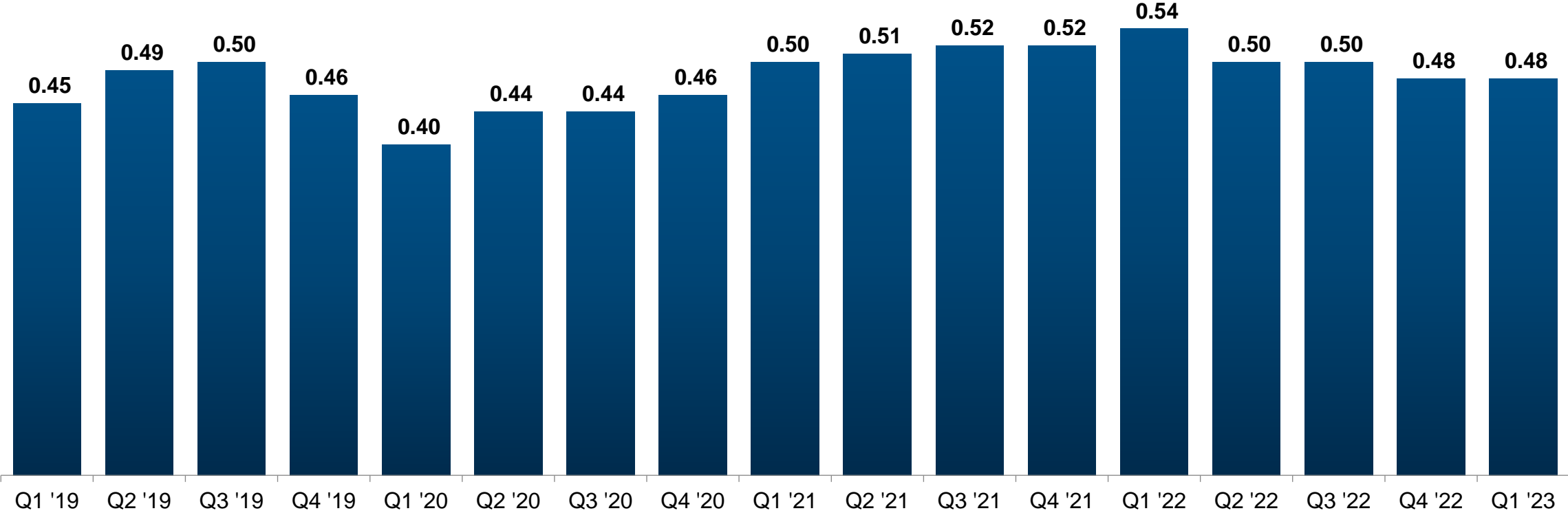


E-Vapor Category Volume

Estimated Equivalized Volume (in billions of units)

Quarterly Estimates

Q1 2023 Category Δ
(1)% Q/Q
(11)% Y/Y



Source: ALCS SCMI 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



Pending Acquisition of NJOY Holdings, Inc.

- We are excited about our pending acquisition of NJOY and its portfolio of e-vapor products.
- NJOY is the only company to receive a marketing granted order for a pod-based product.
- The completion of the NJOY transaction is subject to customary conditions, including clearance from the U.S. Federal Trade Commission.



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

Tobacco Regulatory Update

- In February, the U.S. Food and Drug Administration (FDA) provided a response to the Reagan-Udall Foundation's assessment of FDA's tobacco operations. We are encouraged that the agency recognizes some important areas for improvement, including:
 - developing and communicating a five-year strategic plan;
 - improving transparency and defining more efficient product pathways;
 - increasing enforcement of marketing denial orders; and
 - exploring ways that the agency can and should address nicotine misperceptions through communications.

Tobacco Regulatory Update (continued)

- We continue to believe that harm-reduction, not prohibition, is the best path forward, and we have made this clear in the public comments we submitted in response to the FDA's proposed menthol ban.
- Our comments highlight the many unintended consequences of prohibition, including: the adoption of adulterated and unregulated products and the development of illicit markets.
- Unfortunately, we believe a number of those consequences are playing out in California, where a ban on flavored nicotine products went into effect in late 2022.

Lack of Enforcement in California

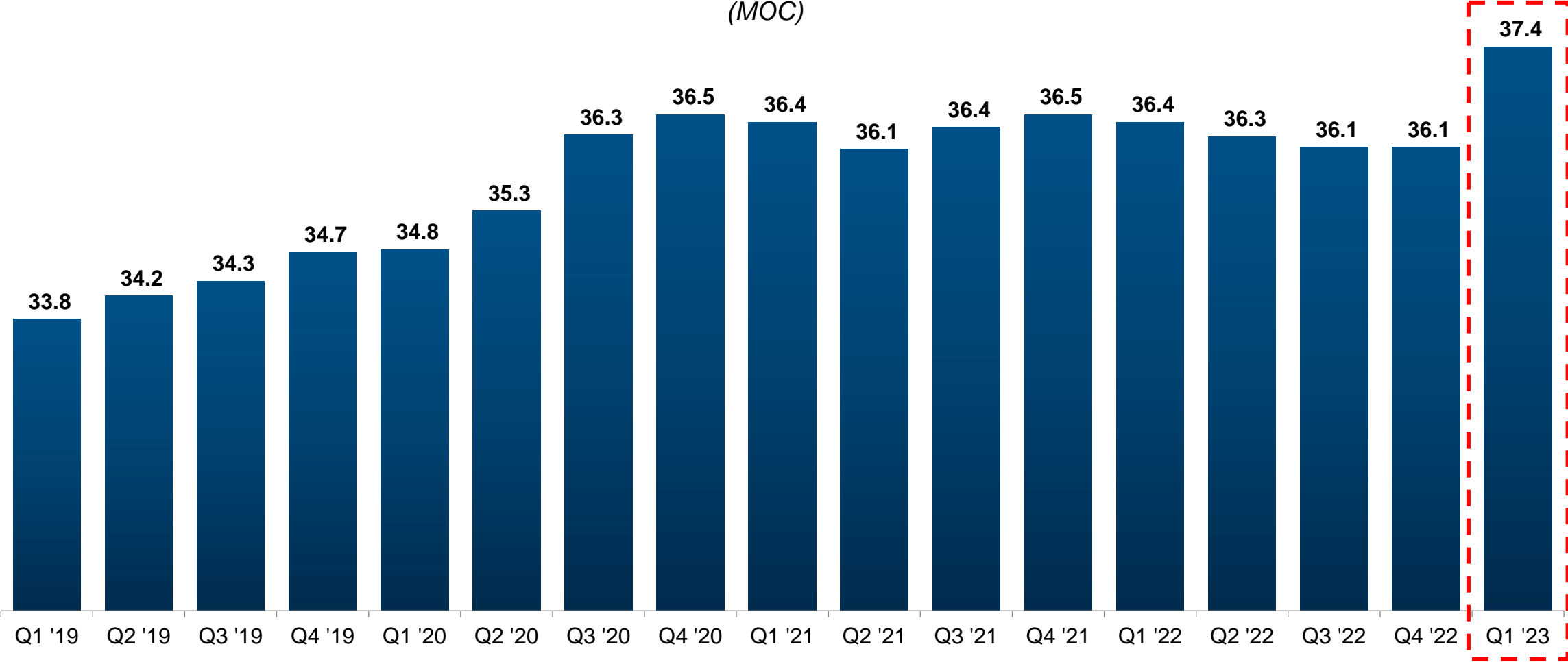


original names	New names
Strawberry pomegranate ice	* Reds
Peach blue razz	* Royal
Blue raspberry Freeze	* Blue
White gummy	* white
Blue gummy	* Ultra blue
Strawberry peach ice	* No.1
Strawberry kiwi	* No.2
Banana berries freeze	* No.3
Might mint	- Clear
Lush Freeze	* Naked Red
Peach Freeze	OG
STRAWBERRY WATERMELON	oasis
PINEAPPLE PEACH ICE	Artic yellow
WATERMELON GRAPE ALOE	Purple mix
CANTALOUPE BERRY FREEZE	blend
BLUE BANANA	Baby blue
STRAWBERRY GRAPE	purple haze
PEACH BERRY	pink
MIXED BERRIES	Mixed OG
STRAWBERRY KIWI FREEZE	SKF
GUMMY DROPS	Drops
STRAWBERRY MANGO	SM #4

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Surrounding State Trade Dynamics

Nevada Menthol Retail Share
(MOC)



Source: Circana Info Scan Cigarette 2023 – MOC, WE 04/02/2023



Creating the Conditions for Harm Reduction

**Establish a Market
of Authorized
Reduced-Harm
Products**

**Address Nicotine
Misperceptions**

**Lead the Way on
Responsibility**

**Advocate for Harm
Reduction, Not
Prohibition**

2023 Financial Outlook

We reaffirm our guidance to deliver 2023 full-year adjusted diluted EPS* in a range of \$4.98 to \$5.13. This range represents an adjusted diluted EPS growth rate of 3% to 6% from a \$4.84 base in 2022.



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

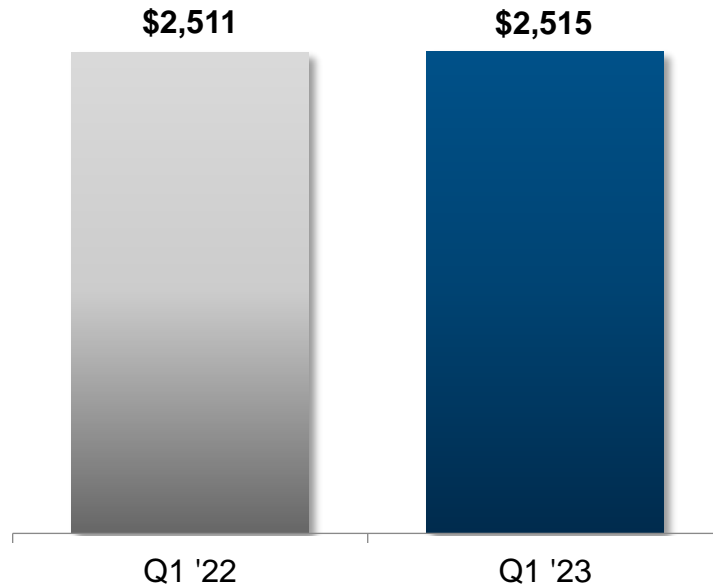
Q1 2023: Smokeable Products Segment

Adjusted Operating Companies Income* (OCI) and Adjusted OCI Margins*

Adjusted OCI

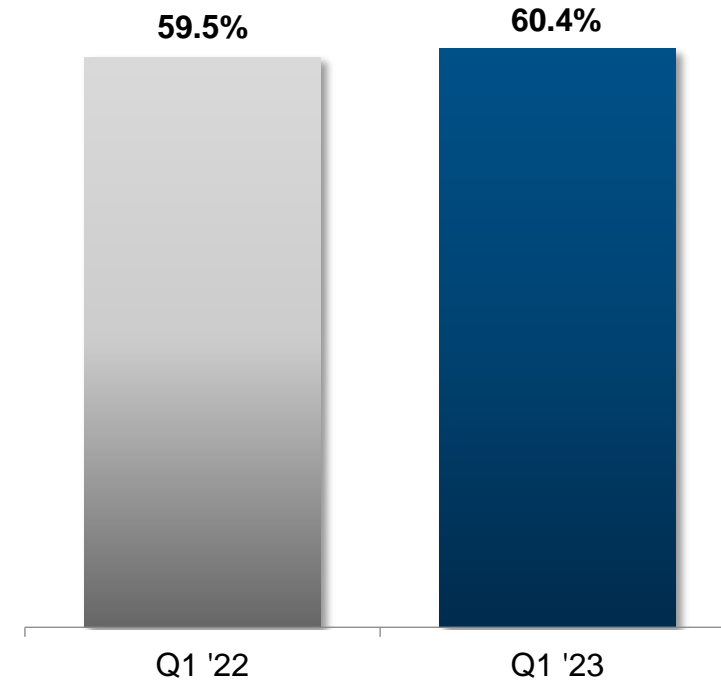
(\$ in millions)

+0.2%



Adjusted OCI Margins

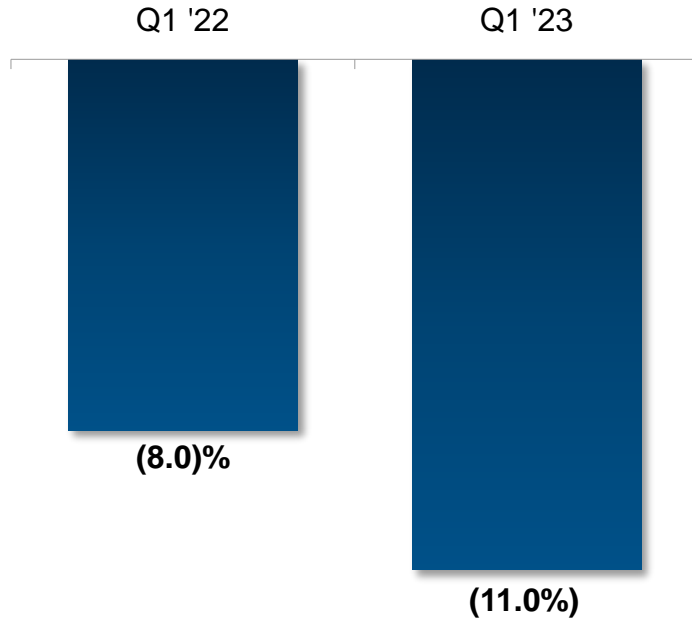
+0.9pp



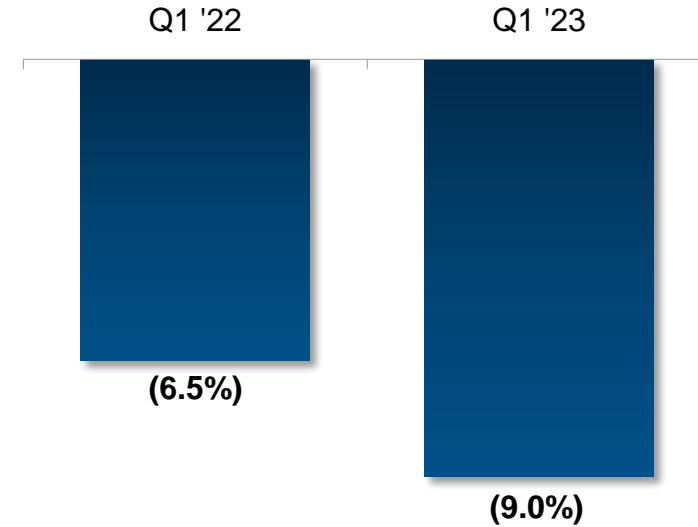
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Q1 Adjusted Cigarette Decline Rates

Smokeable Segment



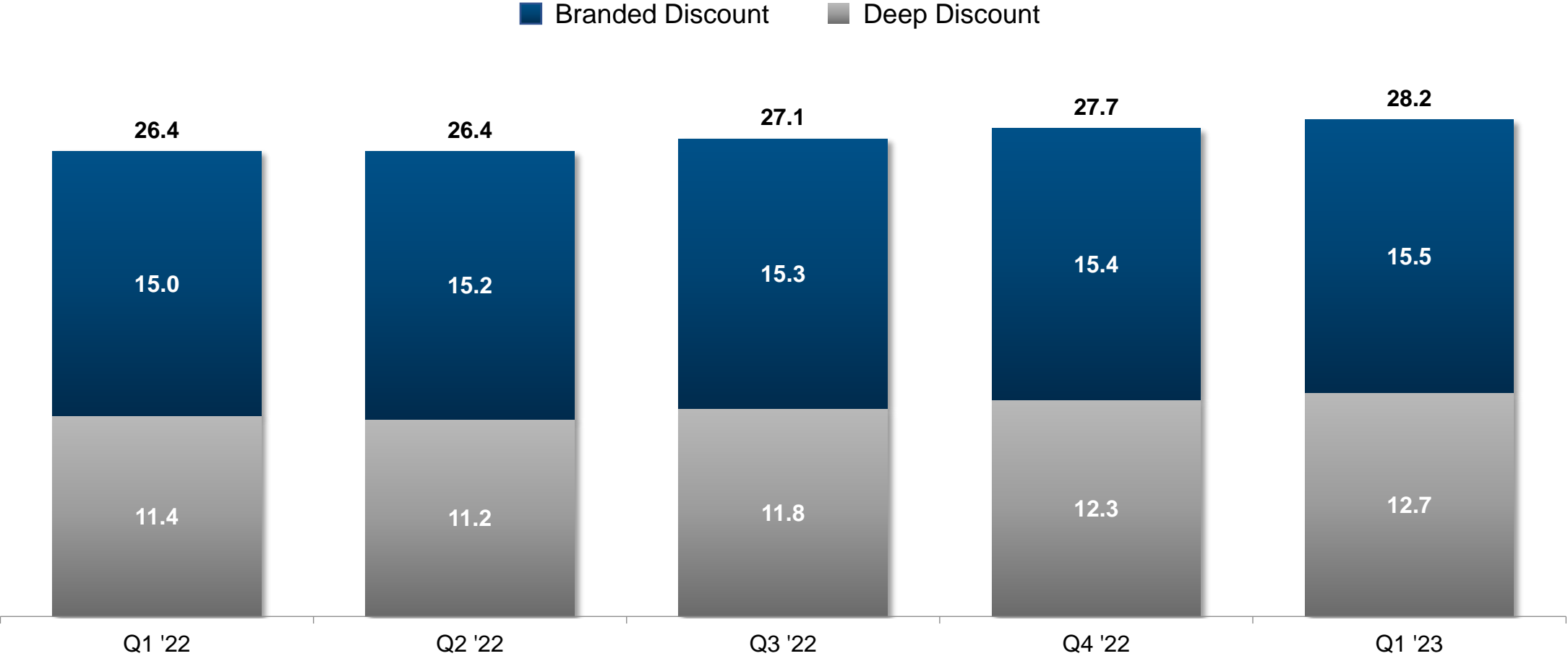
Total Industry



Source: ALCS CMII estimates – rounded to nearest 0.5%

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

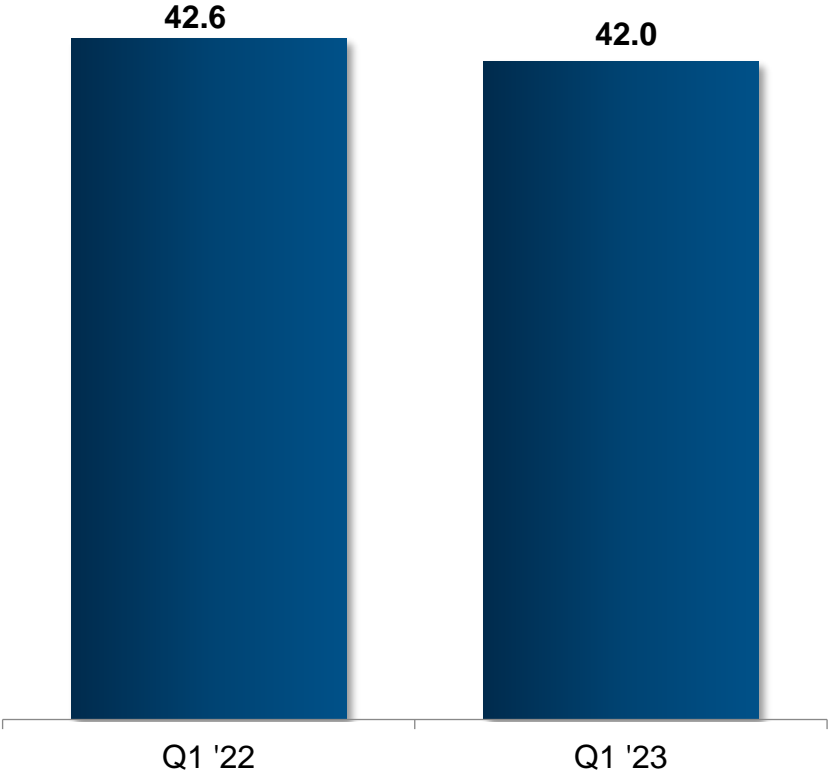
Discount Retail Share



Source: Circana Info Scan Cigarette 2023 – Blended WE 04/02/2023

Marlboro Retail Share

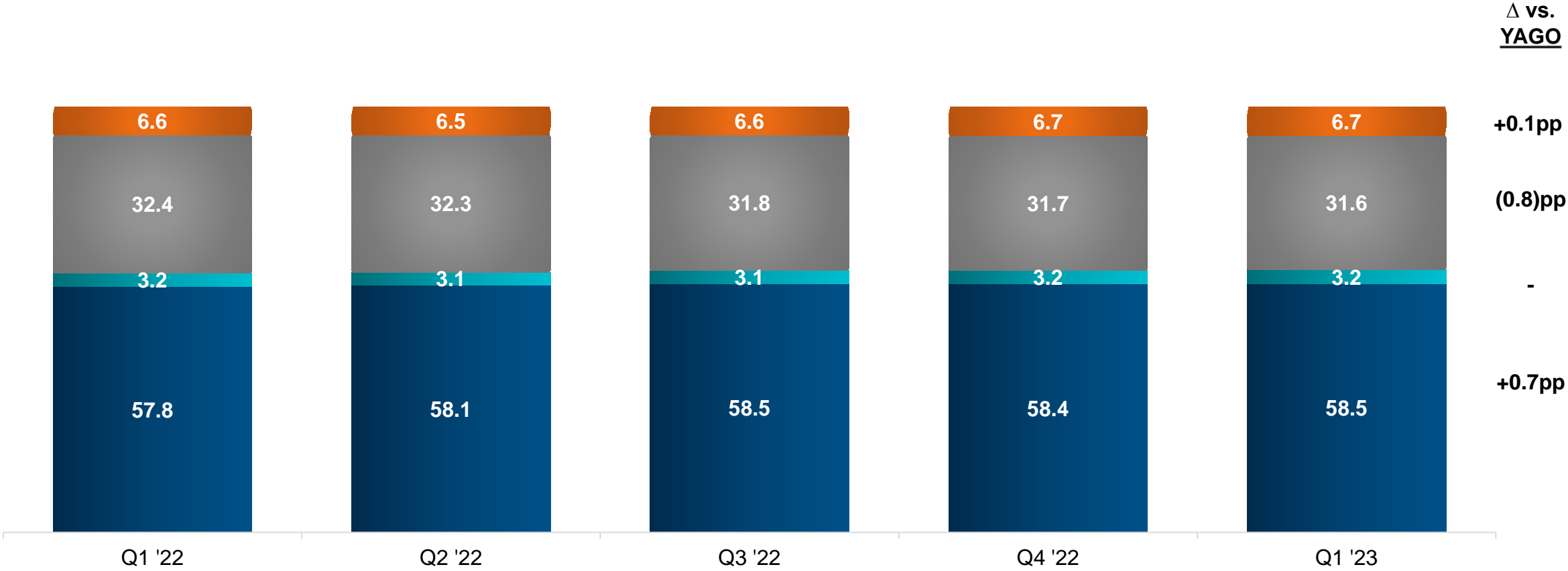
Marlboro Retail Share



Source: Circana Info Scan Cigarette 2023 – Blended WE 04/02/2023

Share of Premium Segment

■ *Marlboro*
 ■ All Other PMUSA
 ■ BAT
 ■ ITG

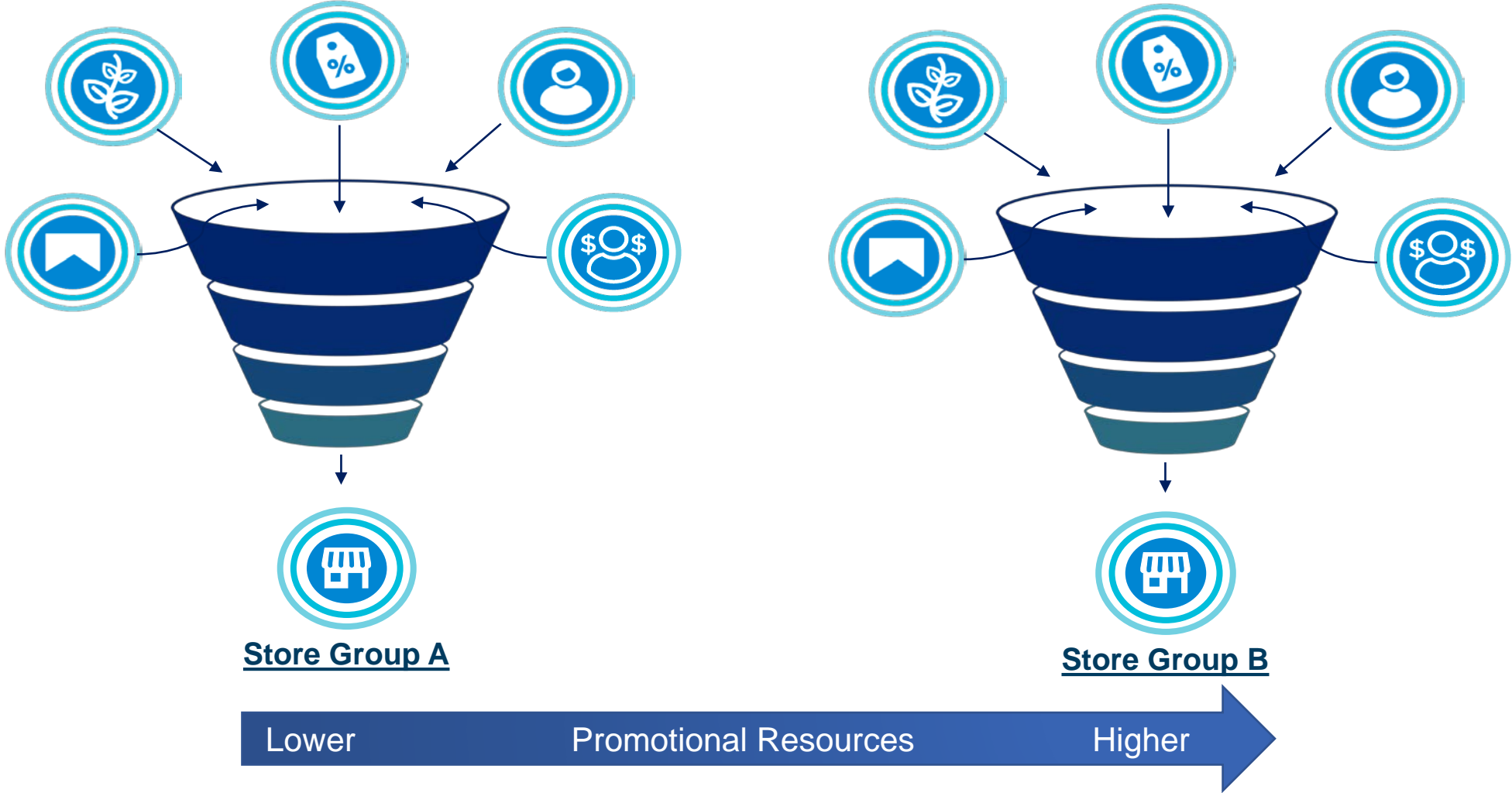


Source: Circana Info Scan Cigarette 2023 – Blended WE 04/02/2023



PM USA Revenue Growth Management

*Illustrative Example**

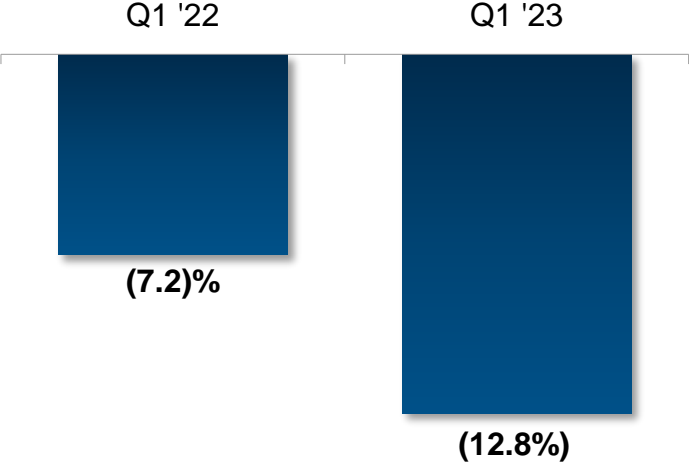


**While PM USA makes its various Strategic Options available to all retailers, Altria Group Distribution Company makes store-level recommendations based on that store's business dynamics.*

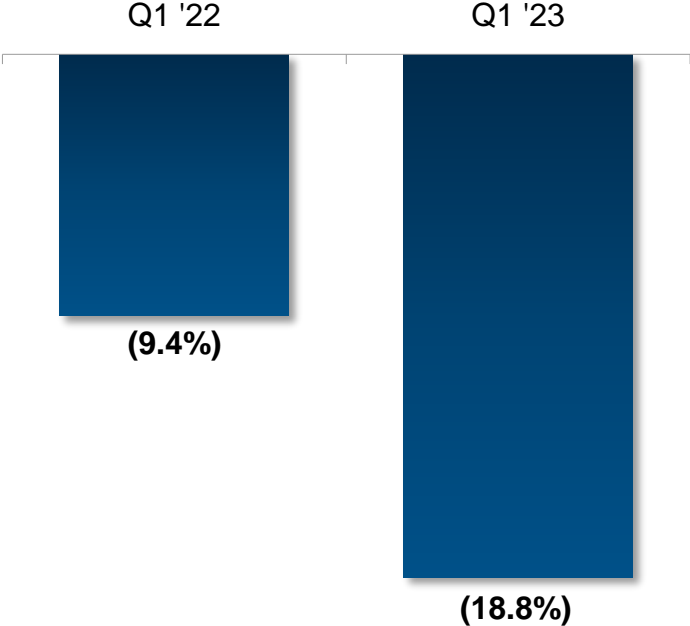
California Flavor Ban – Q1 Cigarette Decline Rates

Shipments to Retail

PM USA



Total Industry



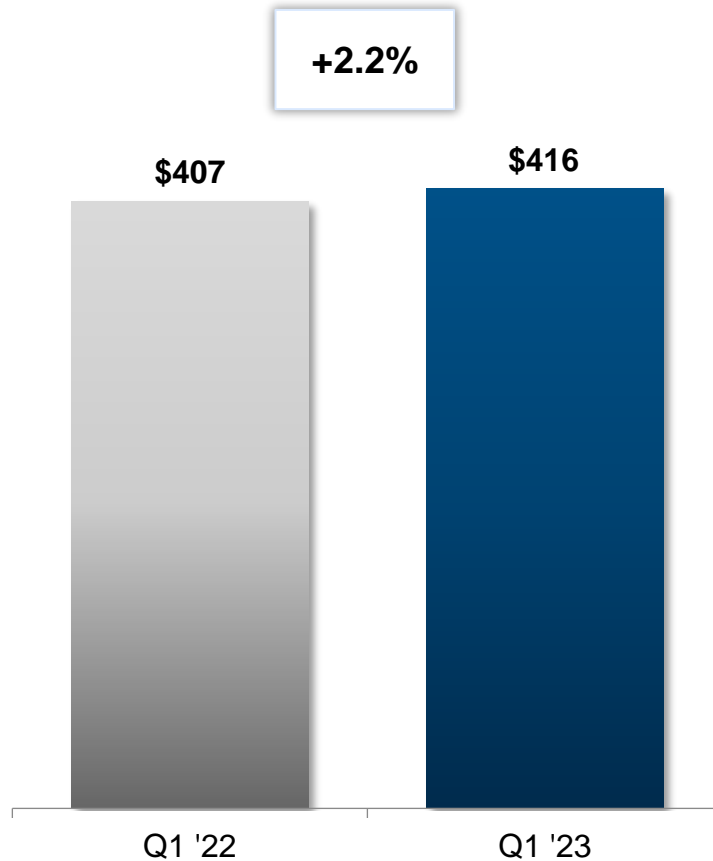
Source: Unify STARS Week Ending 04/02/23



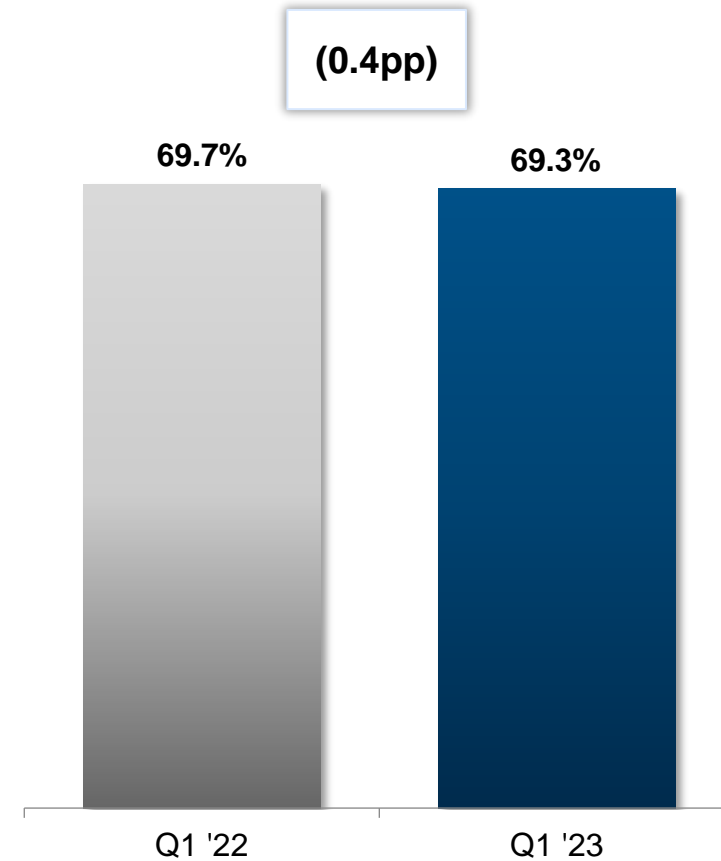
Q1 2023 Oral Tobacco Products Segment

Adjusted OCI and Adjusted OCI Margins**

Adjusted OCI



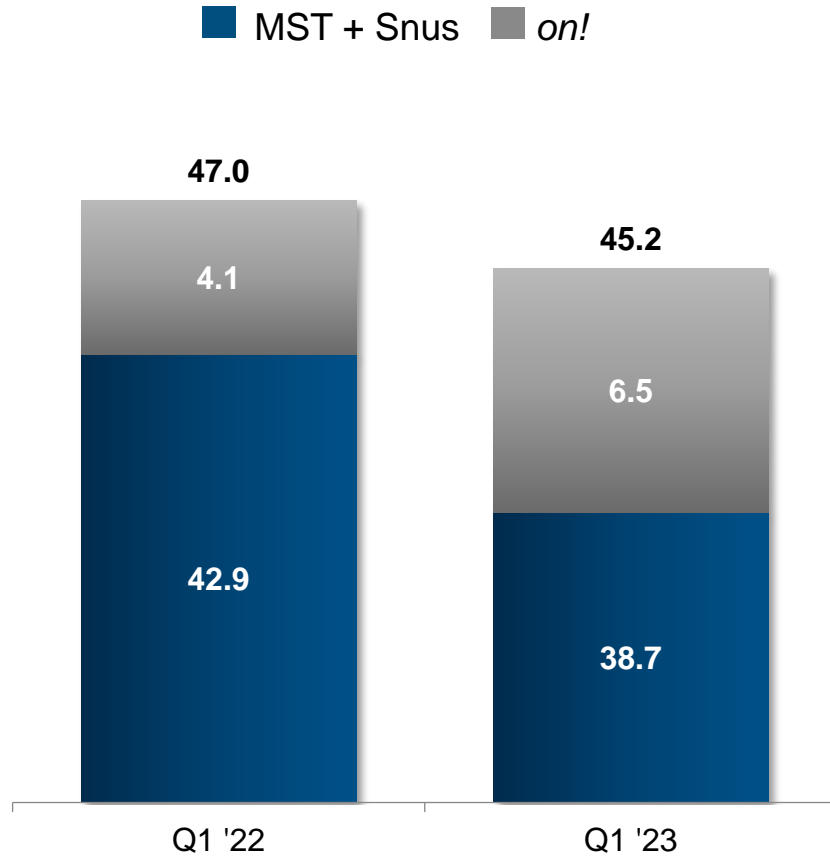
Adjusted OCI Margins



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Oral Tobacco Products Retail Share

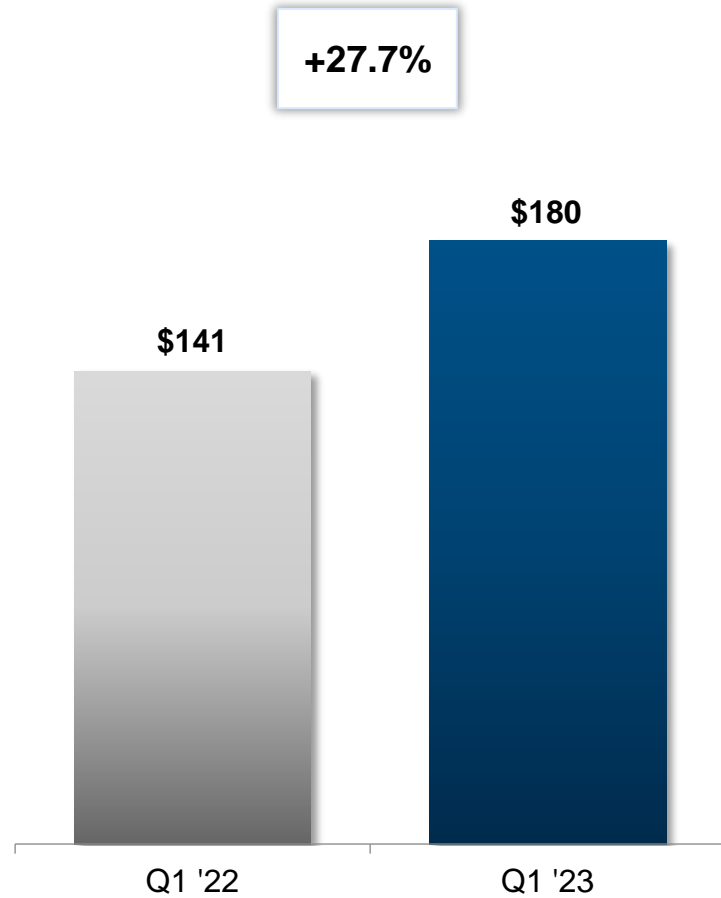
Oral Tobacco Products Segment Retail Share



Source: Circana Info Scan Oral Tobacco 2023 - MOC, WE 04/02/23

Adjusted Equity Earnings* From ABI Investment

\$ in millions



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Cash Returns to Shareholders

Debt

- 2.1x debt-to-EBITDA* ratio as of March 31, 2023.
- In February, we retired \$1.3 billion of notes that came due with available cash.

Dividend

- Paid \$1.7 billion in dividends in the first quarter.
- Announced a new progressive dividend goal through 2028.

Share Repurchase

- Due to the timing of our announcement of the NJOY transaction, we did not repurchase any shares in the first quarter.
- As of March 31st, 2023, we had \$1 billion remaining under the current share repurchase program, which we expect to complete by the end of the year.

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Moving beyond smoking



Altria