

Altria's Second-Quarter and First-Half 2023 Earnings Conference Call

August 1, 2023



Altria

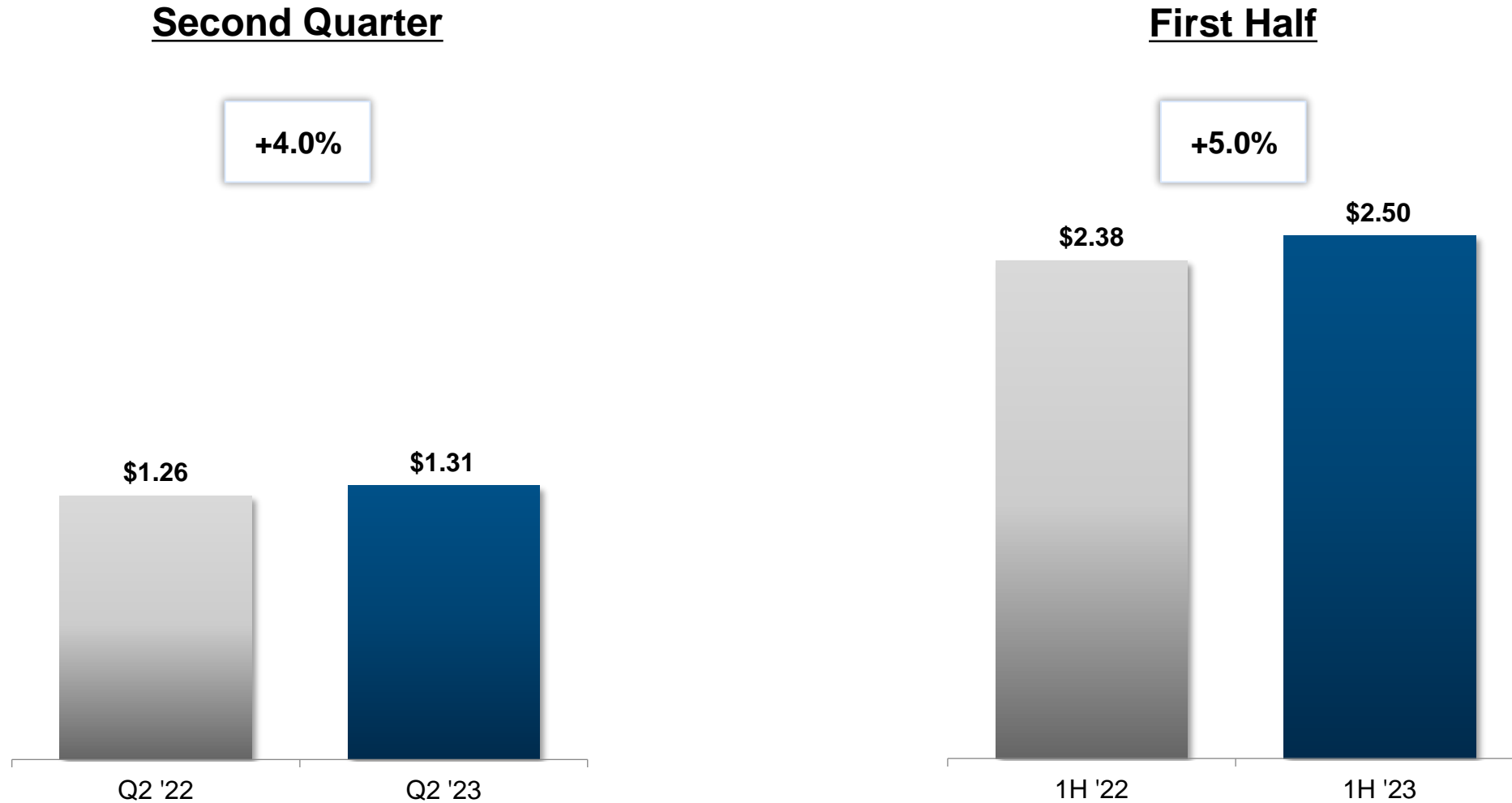
— FAMILY OF COMPANIES —

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. We undertake 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 our publicly-filed reports, including (i) our Annual Report on Form 10-K for the year ended December 31, 2022 and (ii) our Quarterly Reports on Form 10-Q, 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 our website at altria.com.

Adjusted Diluted Earnings Per Share (EPS)*



+4.0%

+5.0%

\$1.26

\$1.31

Q2 '22

Q2 '23

\$2.38

\$2.50

1H '22

1H '23

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

Agenda

- Our enhanced smoke-free product portfolio, including our recent acquisition of NJOY
- Consumer dynamics impacting our core tobacco businesses
- Update on the California flavor ban and its impact on the market
- Our second-quarter and first-half results



Completed Acquisition of NJOY Holdings, Inc.



NJOY

NJOY
ACE PODS
CLASSIC TOBACCO



2.4%
Nicotine
by weight

28
mg/mL
Nicotine

BEFORE USE,
PLEASE
REVIEW
IMPORTANT
INFORMATION
ON BACK
AND INSIDE

2x-1.9ML DISPOSABLE PODS

WARNING:
This product
contains nicotine.
Nicotine is an
addictive chemical.

NJOY
ACE PODS
RICH TOBACCO



5%
Nicotine
by weight

58
mg/mL
Nicotine

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Complementary Knowledge and Capabilities

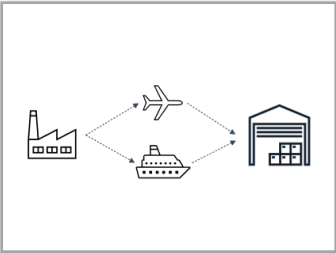
NJOY



Vapor Product Development



Device Manufacturing Partnerships



International Supply Chain Expertise



Regulatory & Legal Strategy



Altria



U.S. Sales & Distribution



Adult Tobacco Consumer Understanding



Marketing Capabilities



Regulatory & Legal Strategy

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

NJOY Retail Presence

Prior to Transaction Close

Limited Retail Visibility



Frequent Inventory Gaps

(stores with existing distribution)

95%

Lack complete inventory of the ACE device & five pod SKUs

Source: STARS YTD 2023 as of week ending 5/28/2023

NJOY Initial Expansion Plan



Q3 2023

- Enhance retail presence through premium fixture space
- Improve retail inventory
- Broaden distribution to a total of approximately 43,000 stores

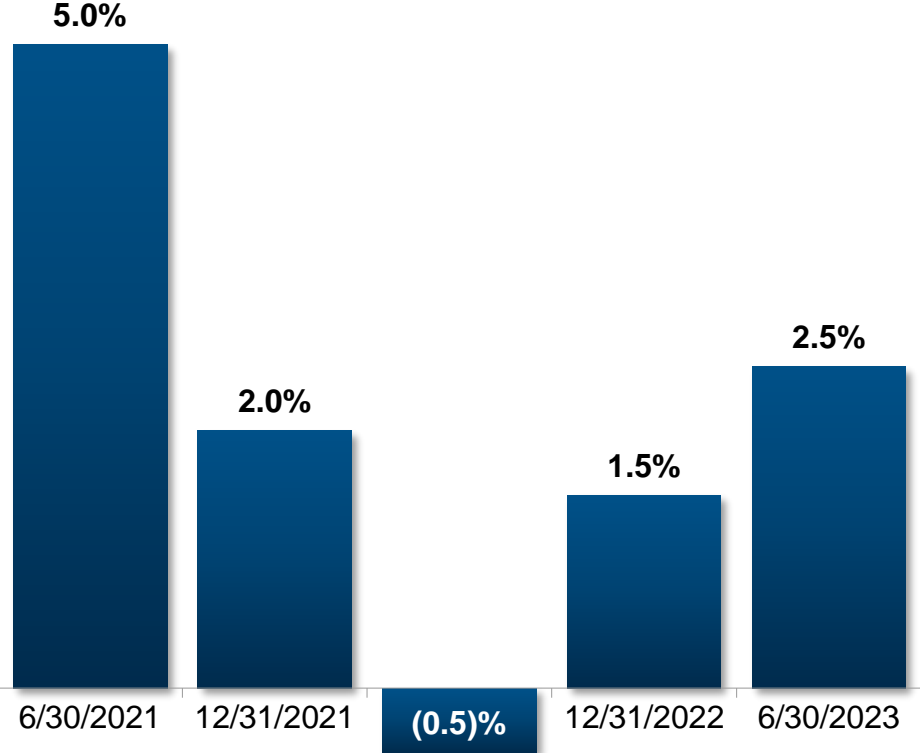
By End of 2023

- Further expand distribution to a total of 70,000 stores, which represents approximately 70% of e-vapor volume and 55% of cigarette volume sold in the U.S. multi-outlet and convenience channel

U.S. Oral Tobacco Category

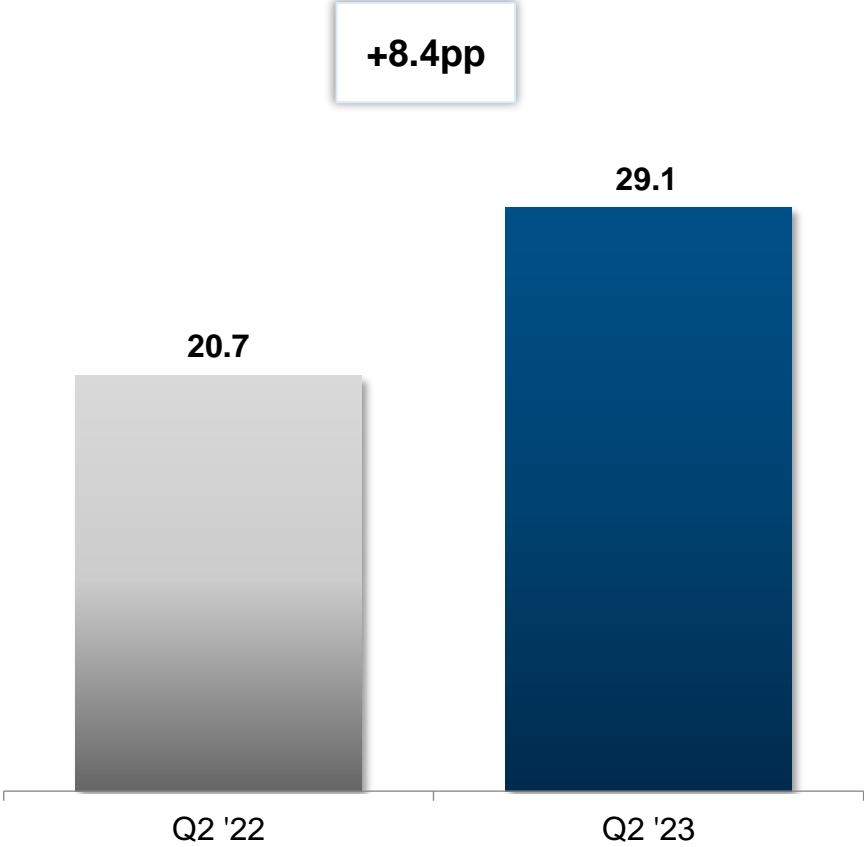
Oral Tobacco Industry Volume Growth

(Estimates, Six Months Ended)



Oral Nicotine Pouch (ONP) Share

(of total U.S. oral tobacco category)



Source: ALCS CMII Estimates. Rounded to the nearest 0.5%. Oral Tobacco industry includes MST, snus and ONP products.

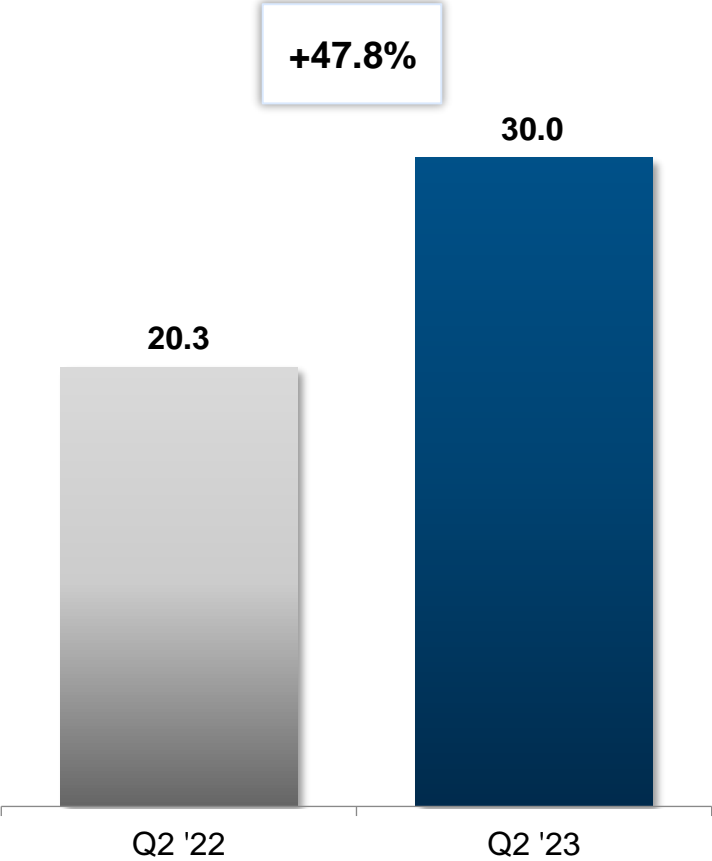
Source: Circana Info Scan Oral Tobacco 2023 - MOC, WE 07/02/23



Continued *on!* Shipment Volume and Share Growth

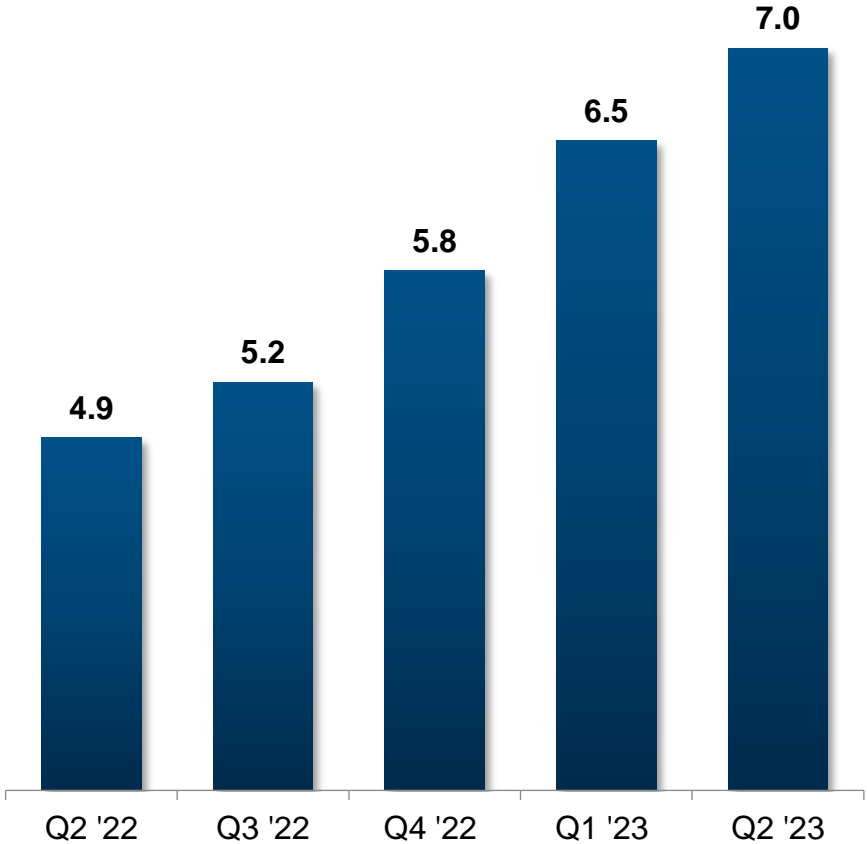
on! Shipment Volume

(cans in millions)



on! Share of Oral Tobacco Category

(total U.S.)



Source: Circana Info Scan Oral Tobacco 2023 – MOC WE 07/02/23



on! PLUS

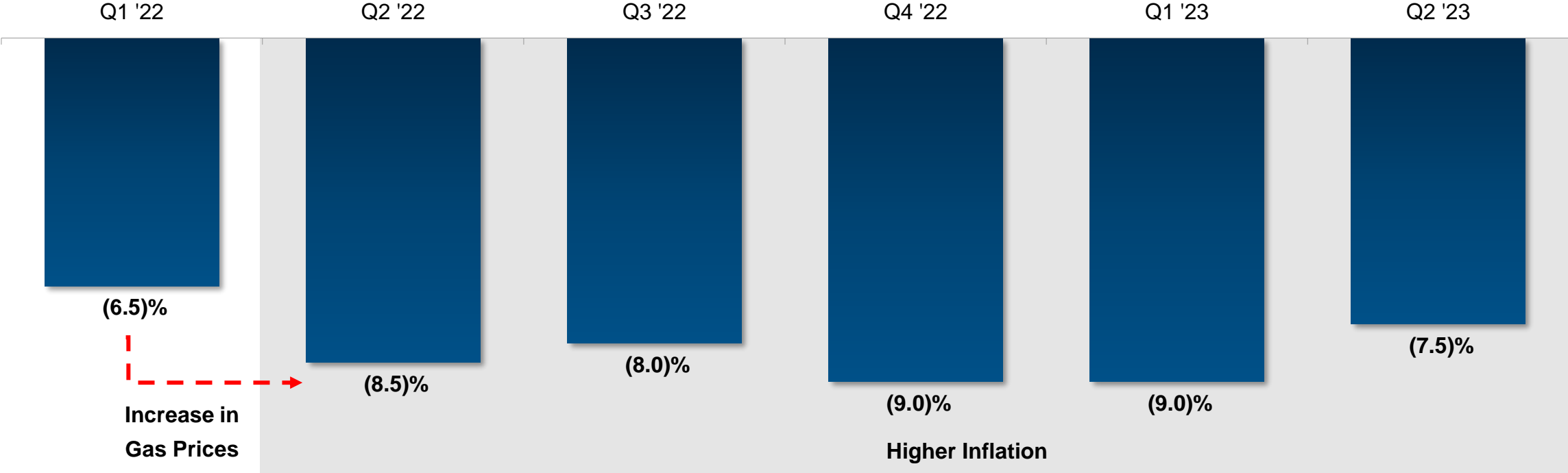
Our New Tobacco-Derived Nicotine Wet Pouch Product

- In September, our teams plan to begin an international test of *on! PLUS*.
- The product will be available via e-commerce in Sweden, where our teams plan to take a disciplined approach to gain learnings that can inform a future U.S. launch.
- We are on track to file a pre-market tobacco product application for *on! PLUS* next year.



Macroeconomic Headwinds and Cigarette Volumes

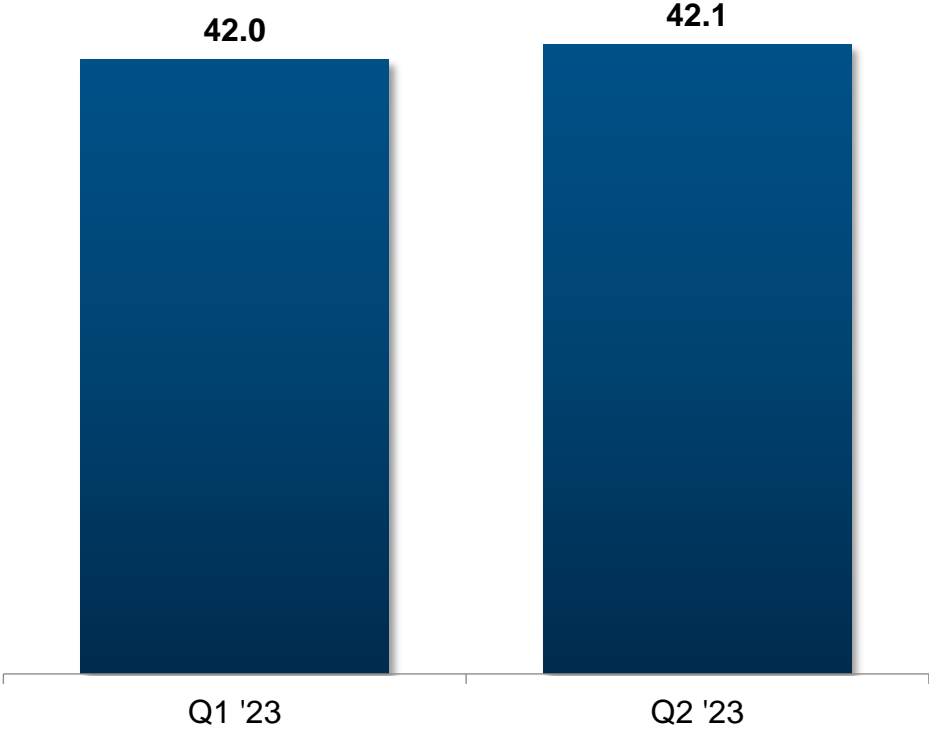
Adjusted Cigarette Industry Decline Rates



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

PM USA Revenue Growth Management

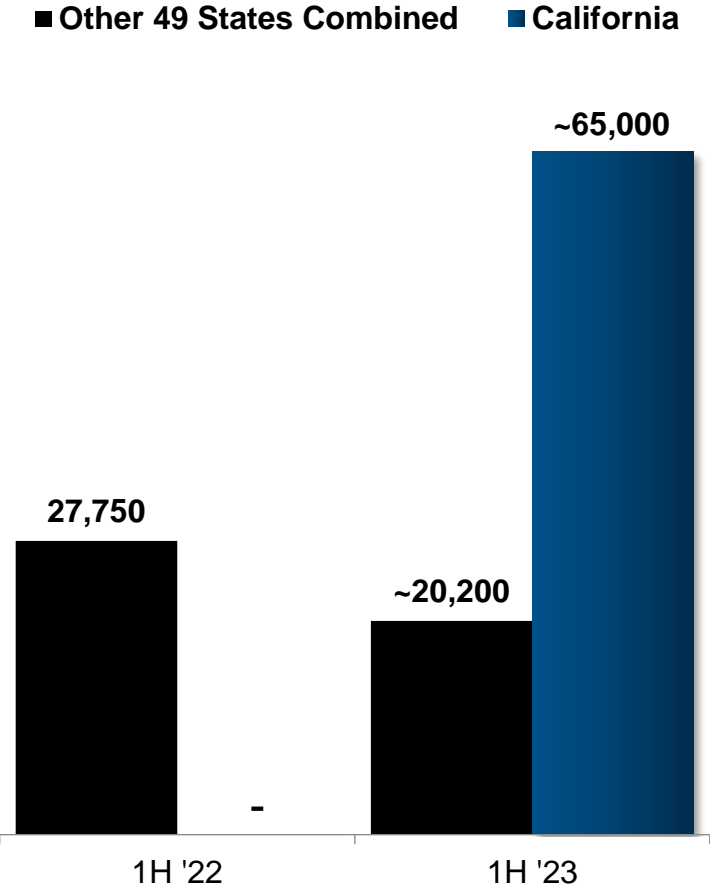
Marlboro Retail Share



Source: Circana Info Scan Cigarette 2023 – Blended WE 07/02/2023

California Flavor Ban & Market Dynamics

OCB Flavor Card Sales Volume



Source: STARS as of week ending 7/2/2023

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Third-Party Discarded Tobacco Product Study

Study Findings

- ~45% of cigarettes were not tax stamped for sale in California.
- ~20% of cigarette packs were menthol or products we believe other manufacturers recently introduced to sidestep the purpose of the law.
- 98% of collected e-vapor products¹ were flavored, despite being subject to the California flavor ban and unauthorized by the FDA.



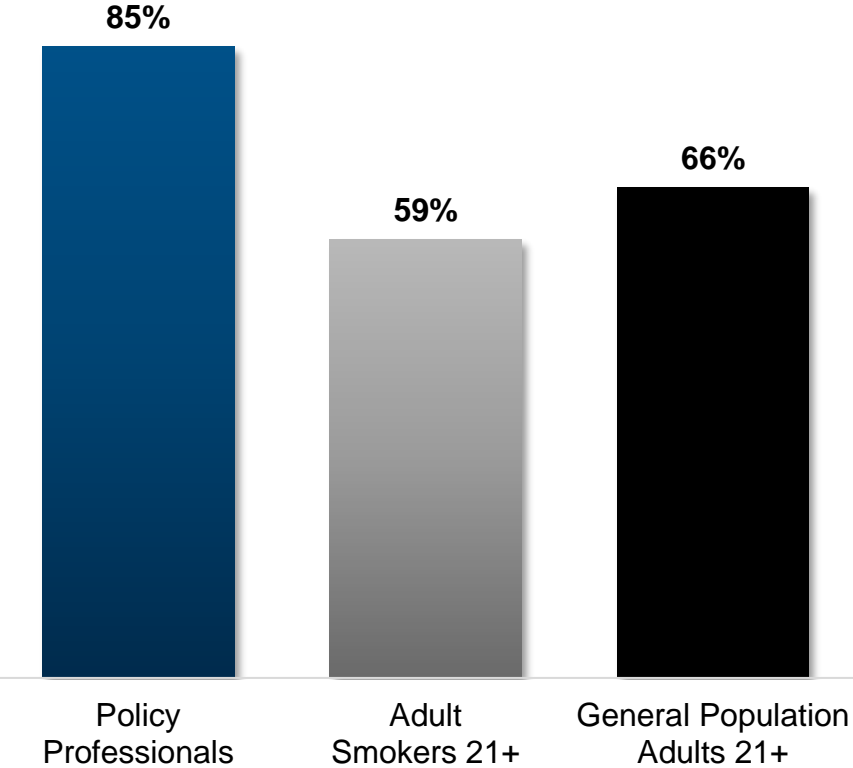
Source: WSPM Group, Discarded Tobacco Product Survey, California Q2 2023.

¹Due to the study design, disposable e-vapor products were overrepresented in the sample.

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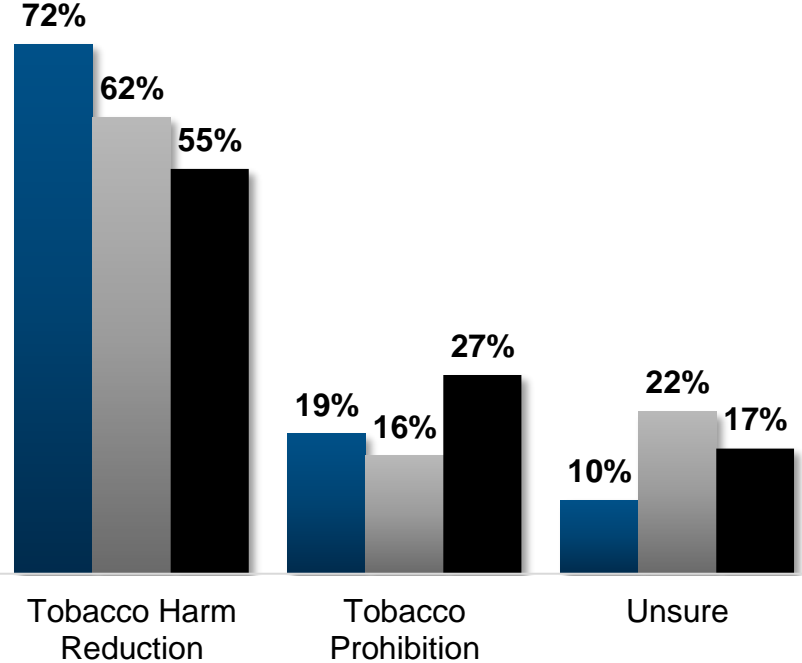
Majority Support for Tobacco Harm Reduction

% of Adults Who Support the Concept of Tobacco Harm Reduction



Preferred Approach

- Policy Professionals
- Adult Smokers 21+
- General Population Adults 21+



Source: Altria Client Services, Nationwide Survey December 2021: Policy Professionals, Adult Smokers 21+ and General Population Adults 21+. Tobacco harm reduction is defined as an approach that focuses on reducing harm from tobacco through cessation, abstinence, and moving adult smokers who can't or won't quit cigarettes to FDA-authorized smoke-free tobacco products. Tobacco prohibition is defined as an approach that focuses on ending all tobacco use by banning products or flavors, requiring the removal of nicotine, or imposing high taxes to make them cost prohibitive.



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

Moving beyond smoking™



Altria

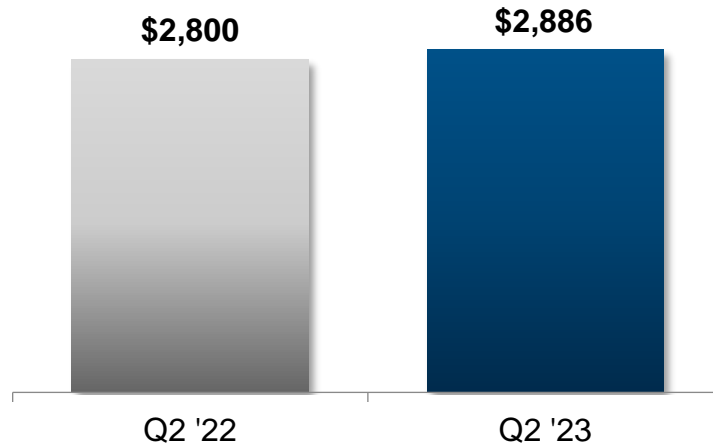
Smokeable Products Segment

Adjusted Operating Companies Income* (OCI)

Q2: Adjusted OCI

(\$ in millions)

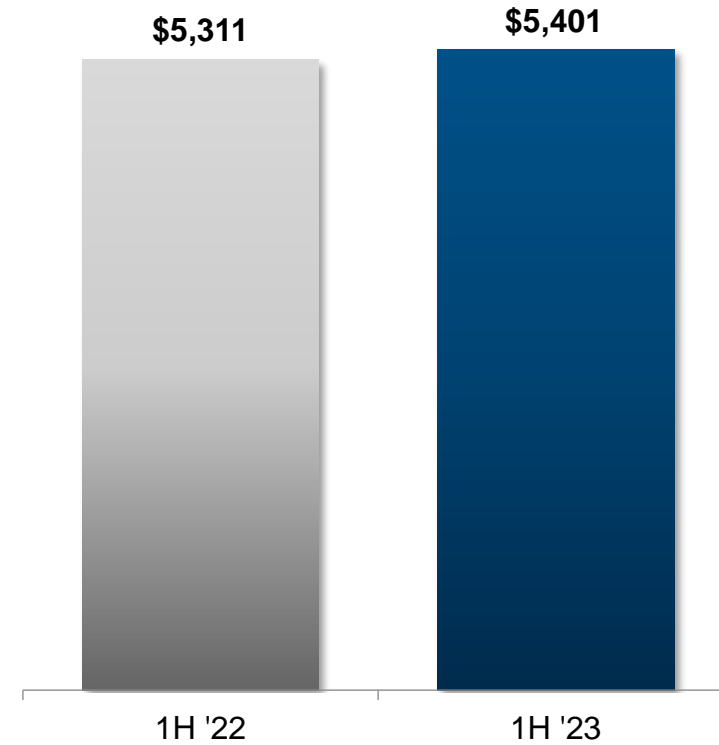
+3.1%



1H: Adjusted OCI

(\$ in millions)

+1.7%

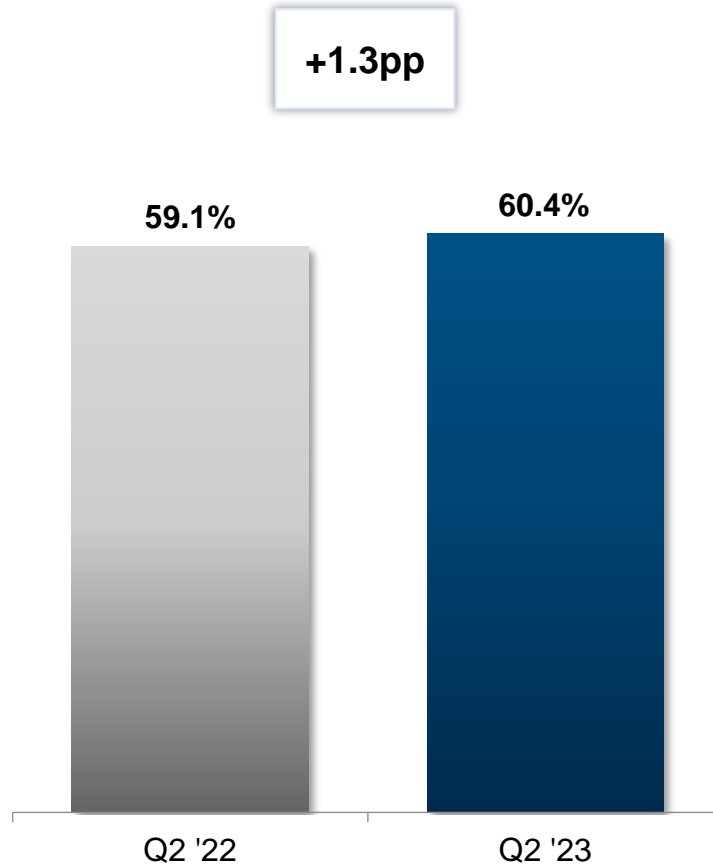


*For reconciliations of non-GAAP to GAAP measures visit altria.com.

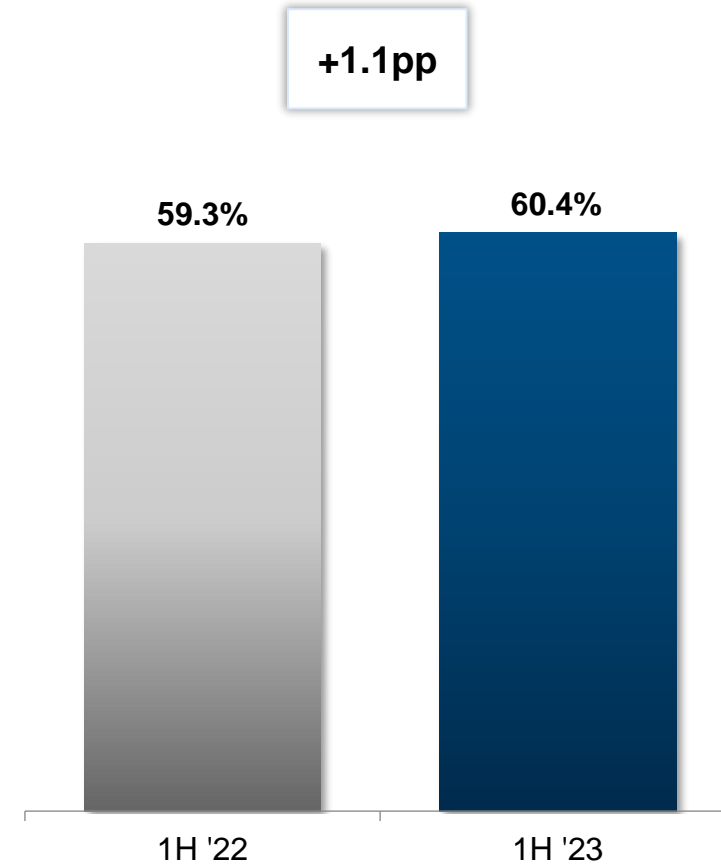
Smokeable Products Segment

*Adjusted OCI Margins**

Q2: Adjusted OCI Margins



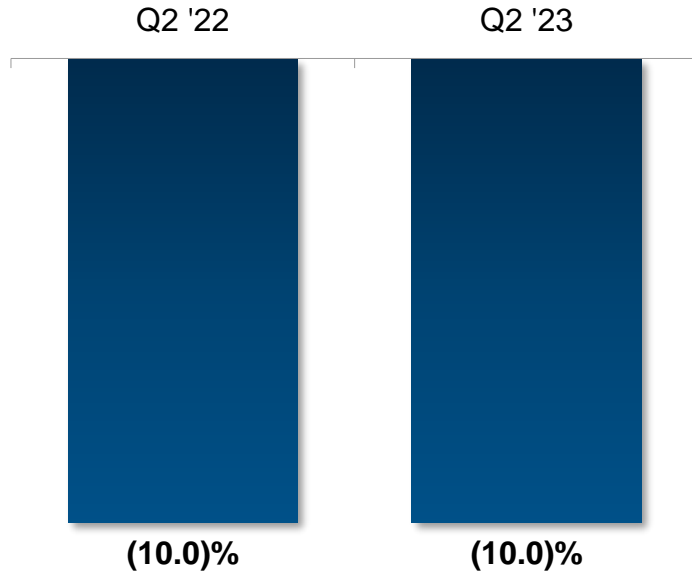
1H: Adjusted OCI Margins



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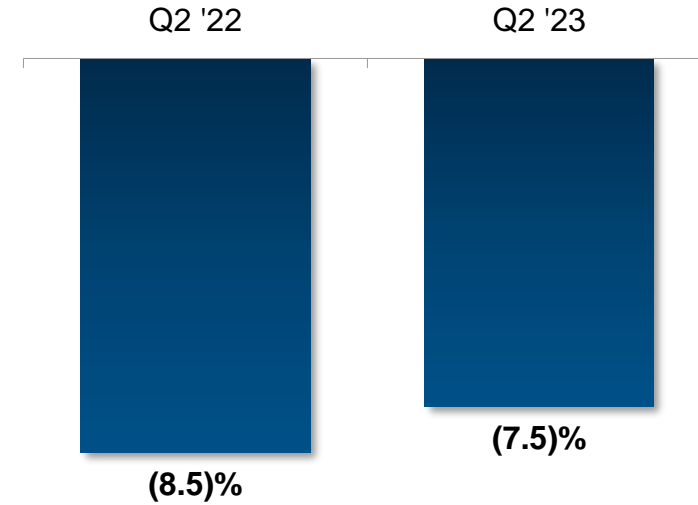
Adjusted Cigarette Decline Rates

Smokeable Products Segment



1H: (10.5)%

Total Industry



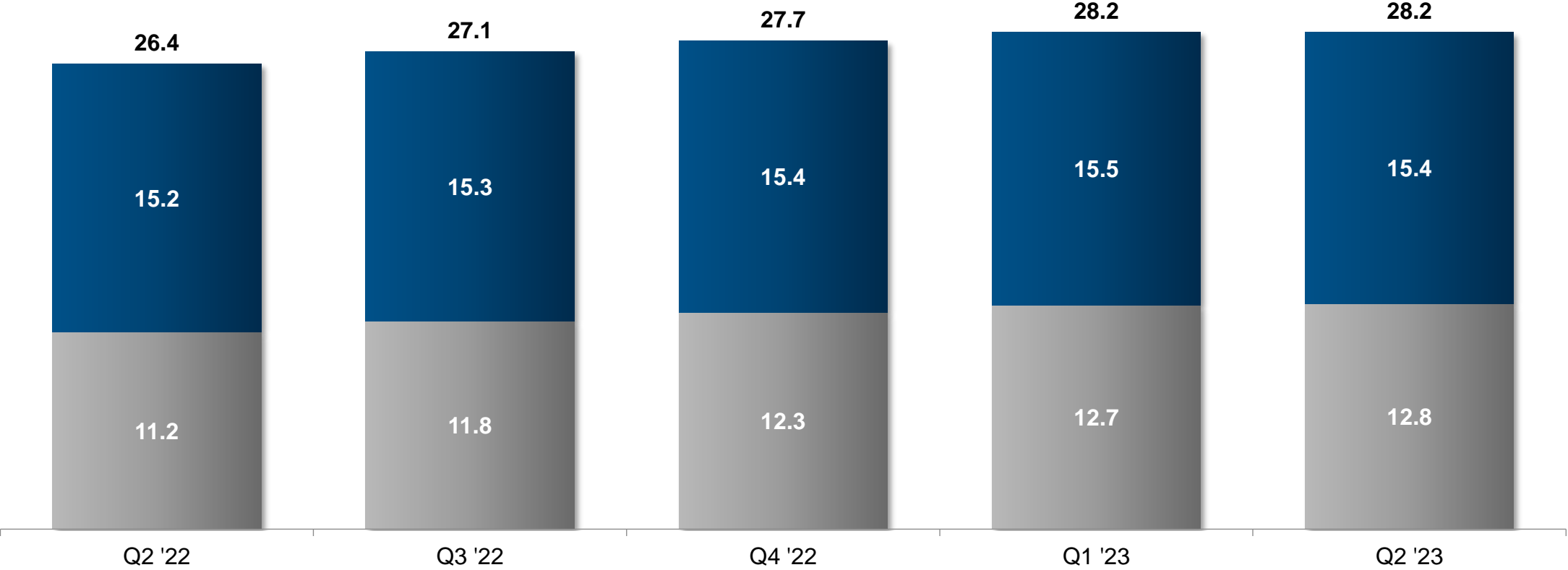
1H: (8.0)%

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

■ Branded Discount (Major Manufacturers) ■ Deep Discount (All Other)

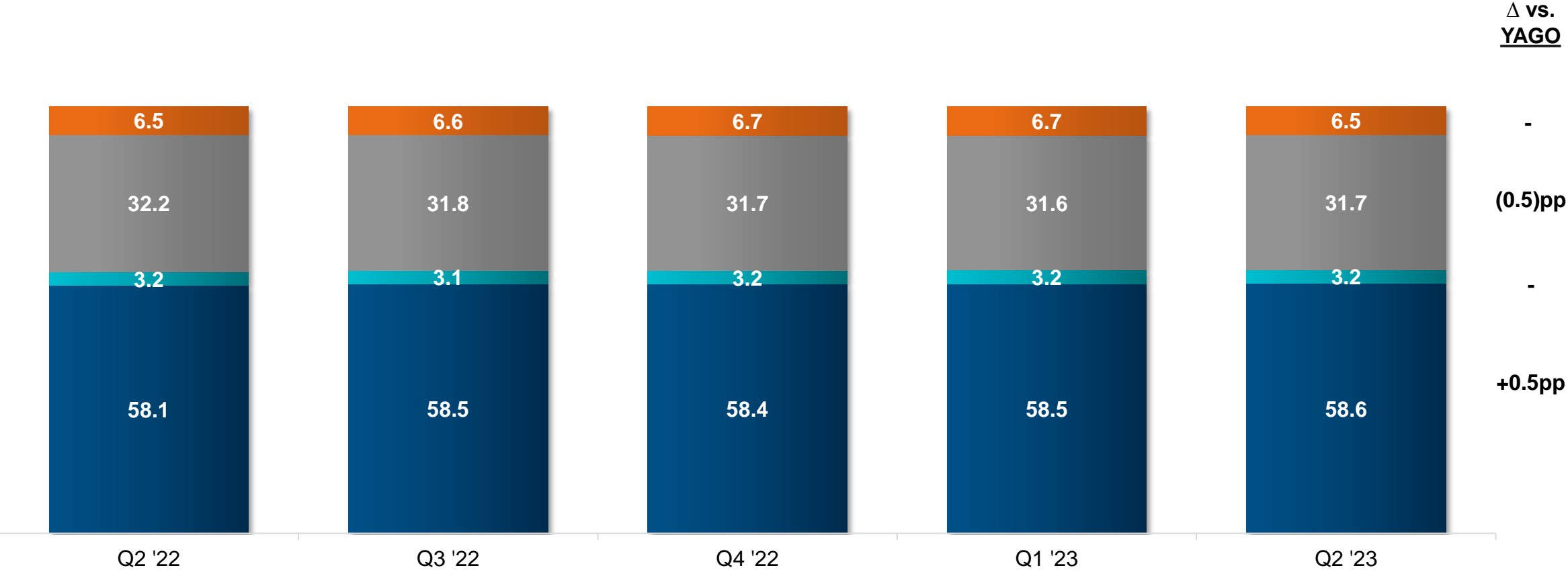


Source: Circana Info Scan Cigarette 2023 – Blended WE 07/02/2023



Share of Premium Segment

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

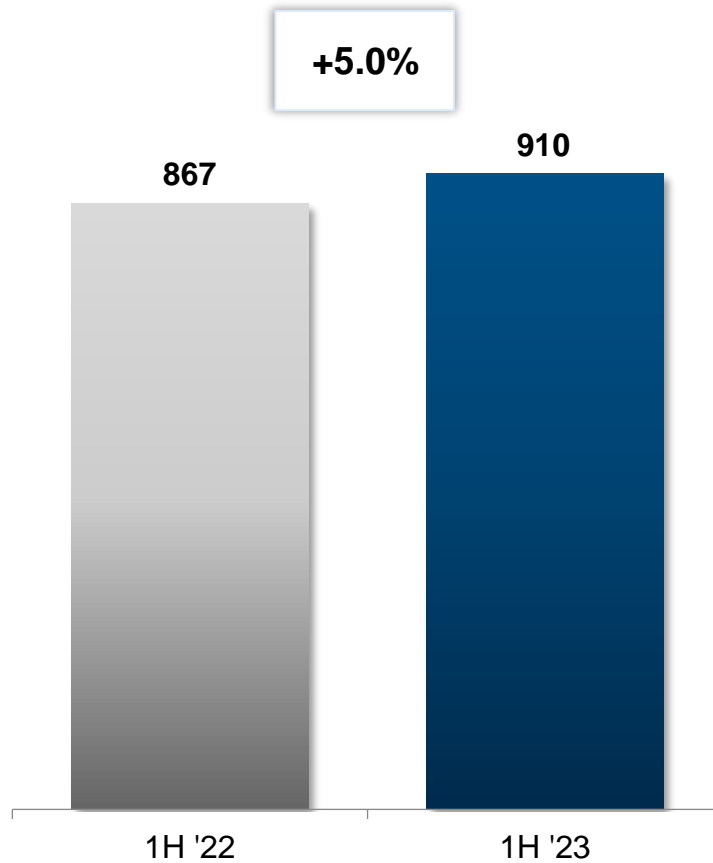


Source: Circana Info Scan Cigarette 2023 – Blended WE 07/02/2023



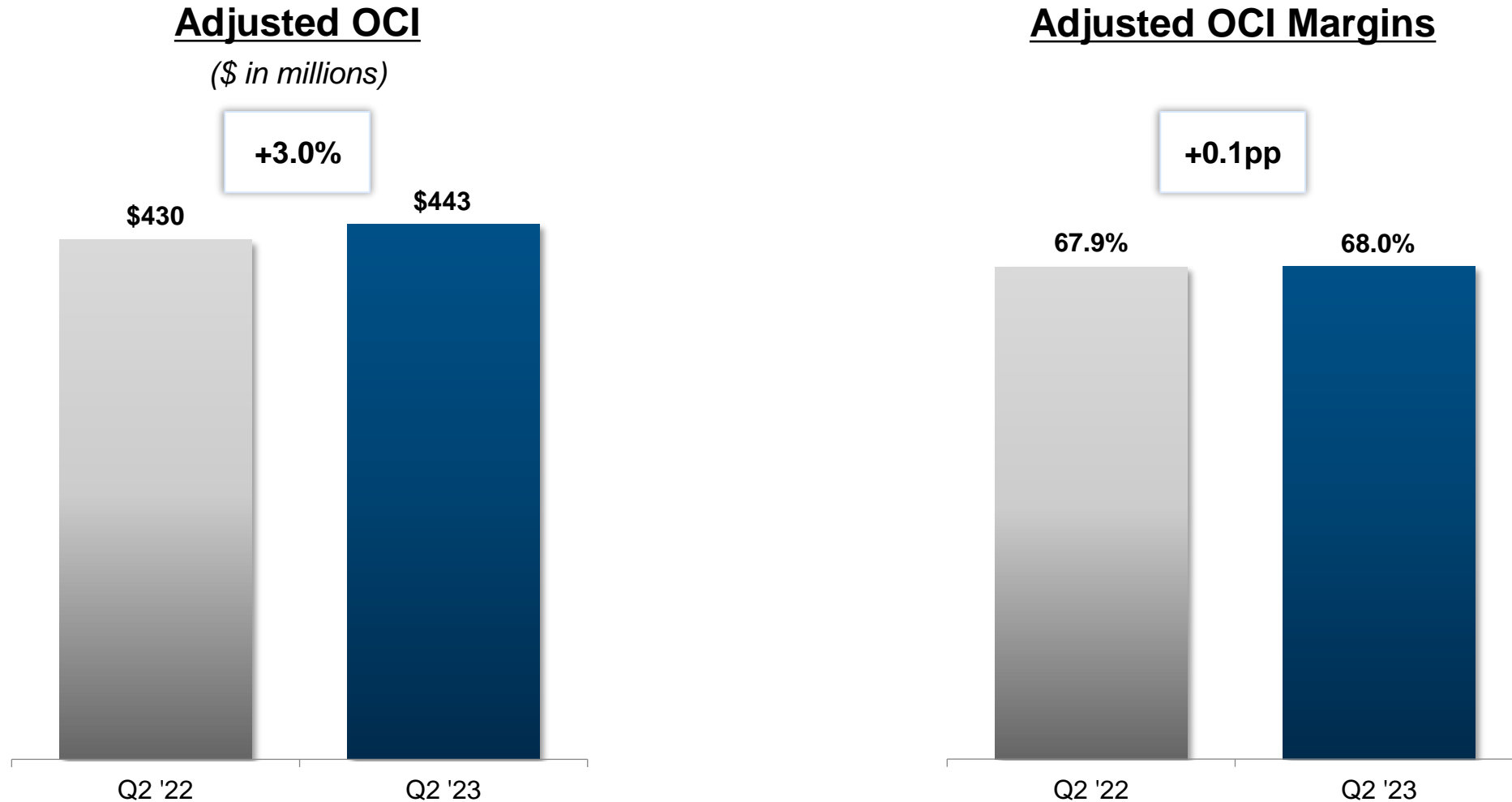
John Middleton Cigars

Reported Shipment Volume



Q2 2023 Oral Tobacco Products Segment

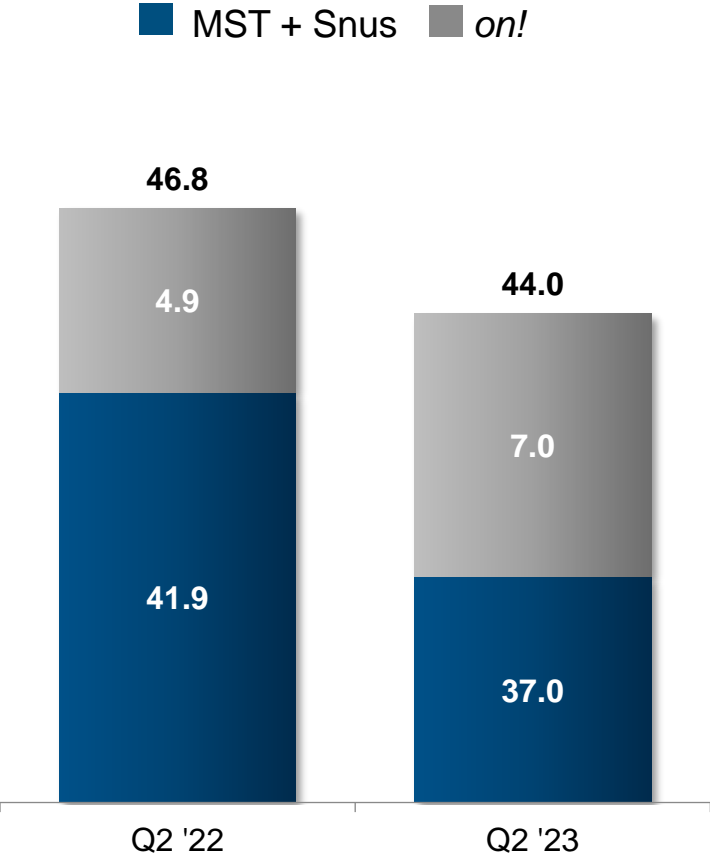
Adjusted OCI and Adjusted OCI Margins**



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

Oral Tobacco Products Retail Share

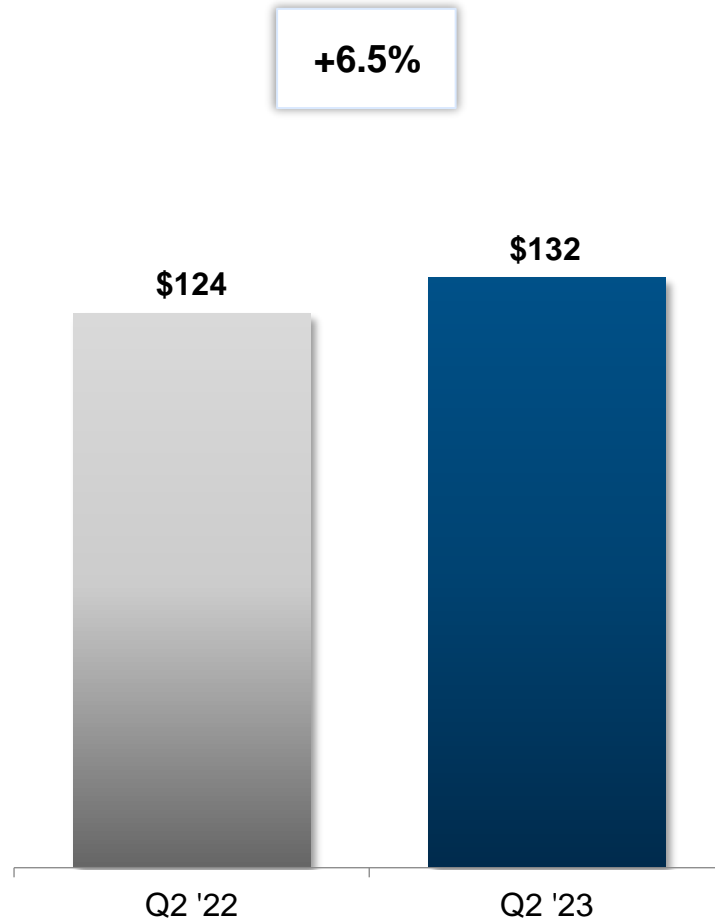
Oral Tobacco Products Segment Retail Share



Source: Circana Info Scan Oral Tobacco 2023 - MOC, WE 07/02/23

Adjusted Equity Earnings* From ABI Investment

\$ in millions

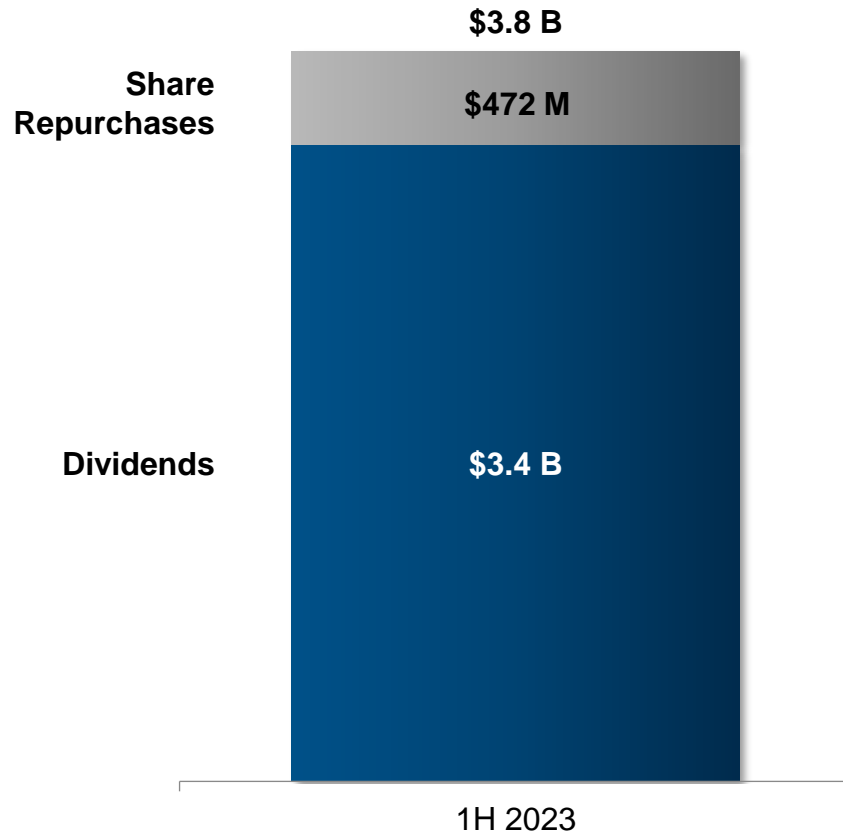


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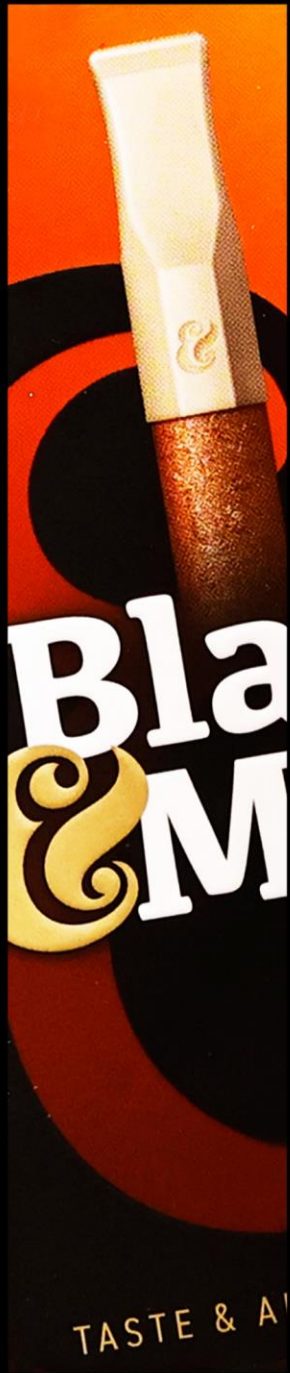
Creating Long-Term Shareholder Value

Cash Returned to Shareholders



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

Marlboro



Wendy's

