



Q2 2023 Earnings - Quarterly Metrics		
Smokeable	Q2 2023	△ vs. Q2 2022
Marlboro Price Gap (vs. Lowest Effective)	45%	
Marlboro Net Pack Price	\$8.68	\$0.50
Lowest Effective Price	\$5.97	\$0.09
<u>Discount Segment Retail Share</u>	<u>28.2%</u>	<u>1.8pp</u>
Major Manufacturer Discount ¹	15.4%	+0.2pp
All Other Manufacturer Discount ²	12.8%	+1.6pp
PM USA Menthol Retail Share	8.6%	(0.8pp)
Estimated Weighted Average State Excise Tax per pack	\$1.89	\$—
PM USA Cigarette Wholesale Inventory Estimates:	(in billion units)	
End of Q2 2023	2.4	
End of Q1 2023	2.1	
End of Q2 2022	2.6	
End of Q1 2022	2.4	
Cigarette Industry Wholesale Inventory:	(in billion units)	
End of Q2 2023	7.4	
End of Q1 2023	6.8	
End of Q2 2022	9.0	
End of Q1 2022	6.8	

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

¹Previously labeled "Major Manufacturer Branded Discount." Includes PM USA, Reynolds American Inc. and ITG Brands, LLC.

²Previously labeled "Deep Discount."

Oral Tobacco	Q2 2023	△ vs. Q2 2022
Copenhagen Retail Price	\$6.45	\$0.42
on! Retail Price	\$2.73	\$0.40

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

Other	Q2 2023	1H 2023
Capital Expenditures	\$48 million	\$103 million
Ongoing Depreciation and Amortization	\$62 million	\$114 million

Smokeable Shipping Days					
	Q1	Q2	Q3	Q4	FY
2022	64	65	66	65	260
2023	65	65	65	65	260

Cigarette Industry Volume Decomposition Estimates

Twelve Months Ended

	9/30/22	12/31/22	3/31/23	6/30/23
Secular Decline Rate ¹	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity ²	(2.0)%	(2.0)%	(2.0)%	(1.9)%
Additional Cross Category Movement	(0.1)%	0.0%	0.0%	(0.1)%
Macroeconomic & Other Factors ³	(2.9)%	(3.5)%	(4.0)%	(4.0)%
Estimated Industry Decline	(7.5)%	(8.0)%	(8.5)%	(8.5)%

¹ Includes approximately 1% historical movement across tobacco categories.

² Reflects a cigarette price elasticity coefficient of -0.35.

³ Primarily driven by increased gas prices and high inflation.

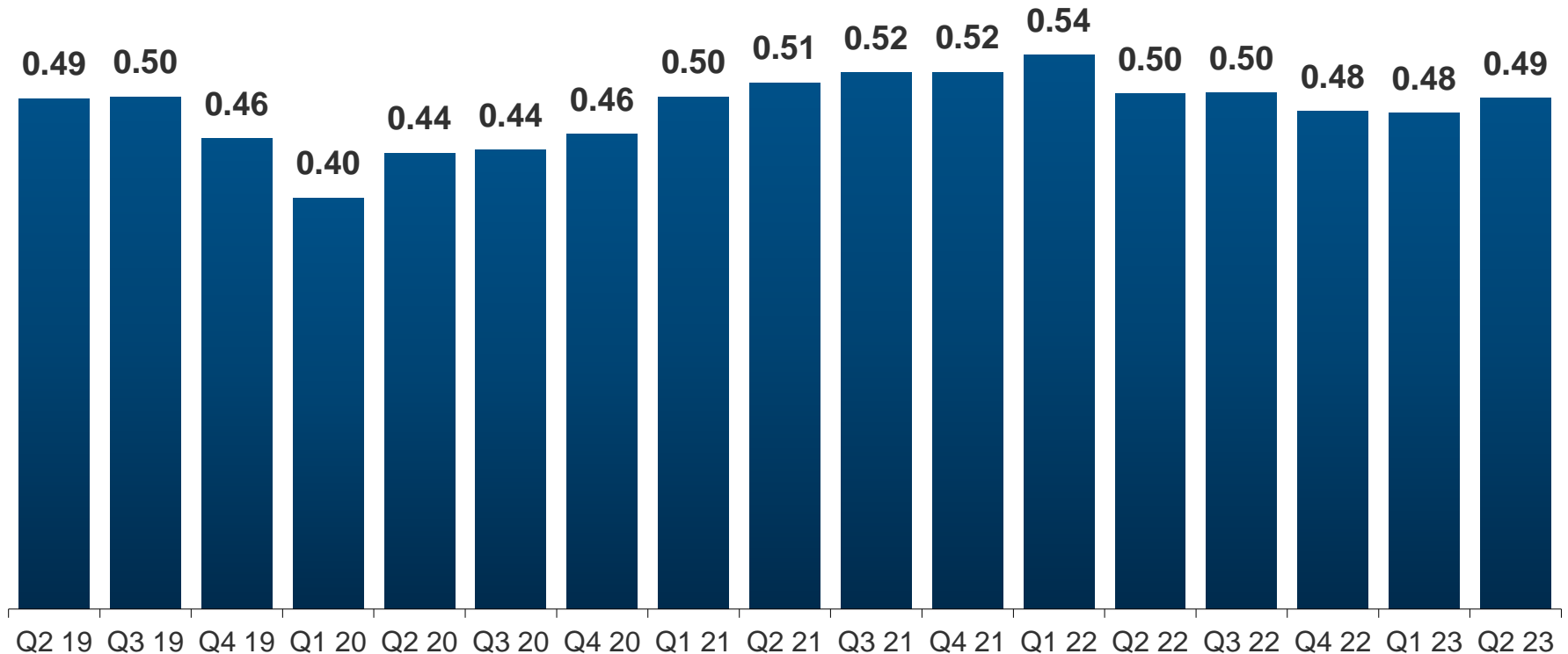
Source: ALCS CMI estimates

E-Vapor Category Volume

Estimated Equivalized Volume (in billions of units)

Quarterly Estimates

Q2 2023 Category Δ
3% Q/Q
(1)% Y/Y



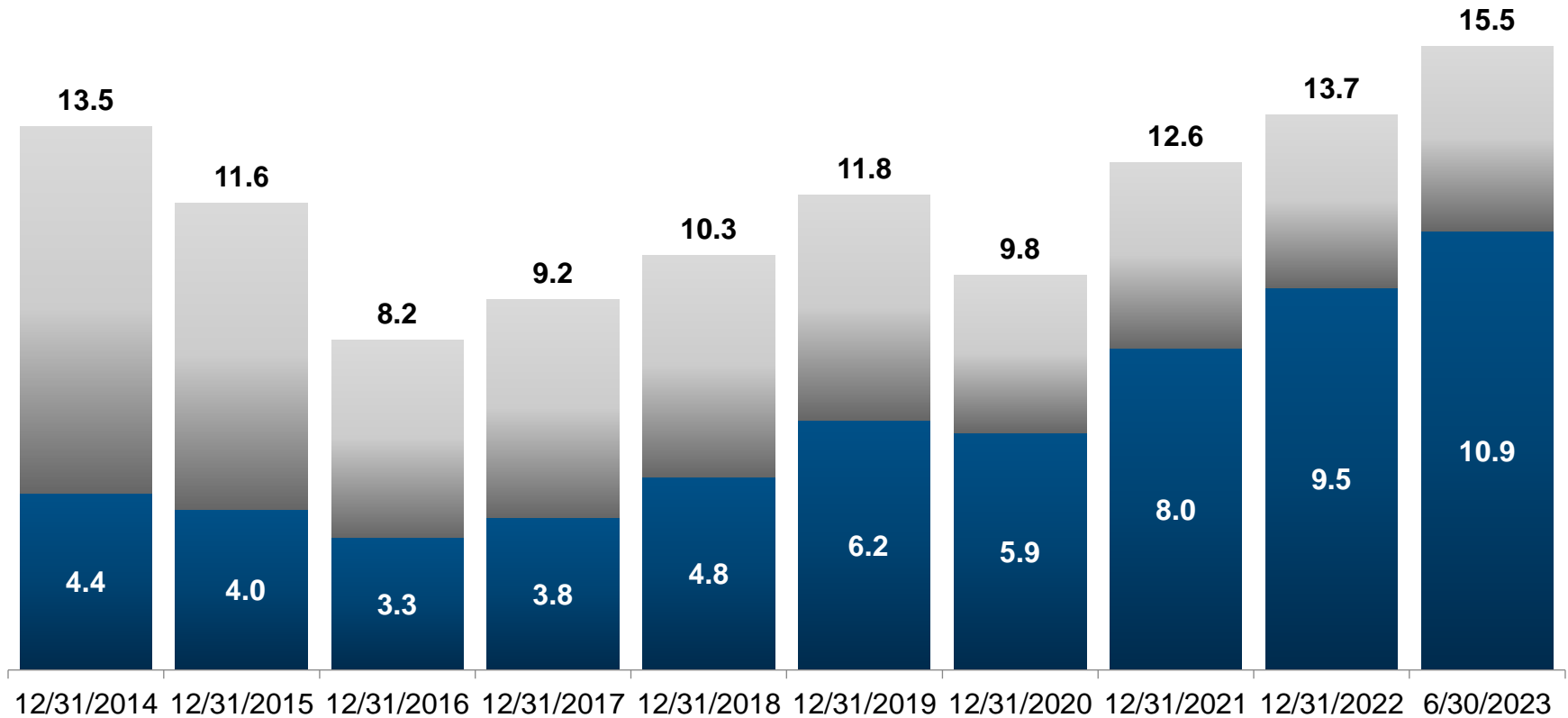
Source: ALCS CMII estimates

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 latest available data.

Adult Vapers 21+ - Past 30-Day Usage

Twelve Months Ended (in millions)

■ Vapers Who Do Not Smoke Cigarettes ■ Vapers Who Also Smoke Cigarettes



Source: ATCT December 2014 to June 2023

California Market Dynamics

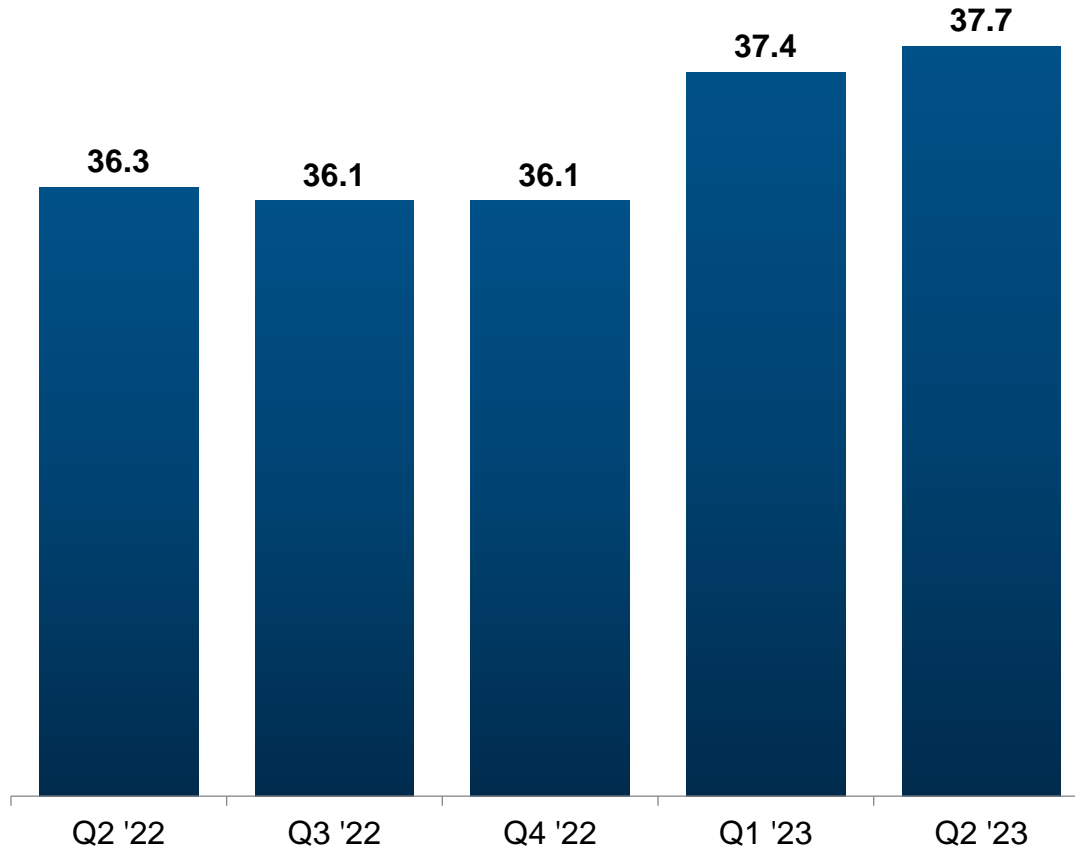
	1H 2023 vs. 1H 2022	
	CA	Total U.S.
Cigarette Industry Shipments to Retail	(16.6)%	(8.1)%
Large Mass Cigars Industry Shipments to Retail	(17.5)%	(3.6)%
PM USA Retail Share	+4.0 pp	(1.0) pp
<i>Marlboro</i> Retail Share	+4.0 pp	(0.4) pp
*Retail share reflects multi-outlet and convenience channels. It is for comparison purposes only and does not tie to Circana blended share reported in our financial statements.		
Oral Tobacco Products Industry Shipments to Retail	(11.7)%	+2.4%
Altria Oral Tobacco Products Segment Retail Share	(3.4) pp	(2.3) pp
<i>Copenhagen</i> Retail Share	(3.0) pp	(2.9) pp
<i>on!</i> Retail Share	+2.3 pp	+2.3 pp

*Retail share reflects multi-outlet and convenience channels. It is for comparison purposes only and does not tie to Circana blended share reported in our financial statements.

Source: Unify (STARS); Circana Projected CA MOC, Circana, Inc. and Circana Group, L.P. through week ending 07/02/23.

California Flavor Ban & Market Dynamics

Nevada Menthol Retail Share



Source: Circana Info Scan Cigarette 2023 – MOC, week ending 07/02/23.