



Altria

CAGNY 2024

# 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 our 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) our Annual Report on Form 10-K for the year ended December 31, 2022 and (ii) our 2023 Quarterly Reports on Form 10-Q, and under the heading “Forward-Looking and Cautionary Statements” in today’s press release, dated February 21, 2024.

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](https://www.altria.com).

Moving beyond smoking™



Altria



# Agenda

- Capturing the growing harm reduction opportunity in the U.S.;
- Maintaining the strength of our highly profitable core tobacco businesses;
- Using our existing capabilities to expand beyond U.S. nicotine; and
- Continuing our commitment to create substantial value for shareholders.

# Deep Understanding of U.S. Adult Tobacco Consumers (ATCs)

## ATC Data Gathered in 2023



**Research  
With ~50,000 ATCs**



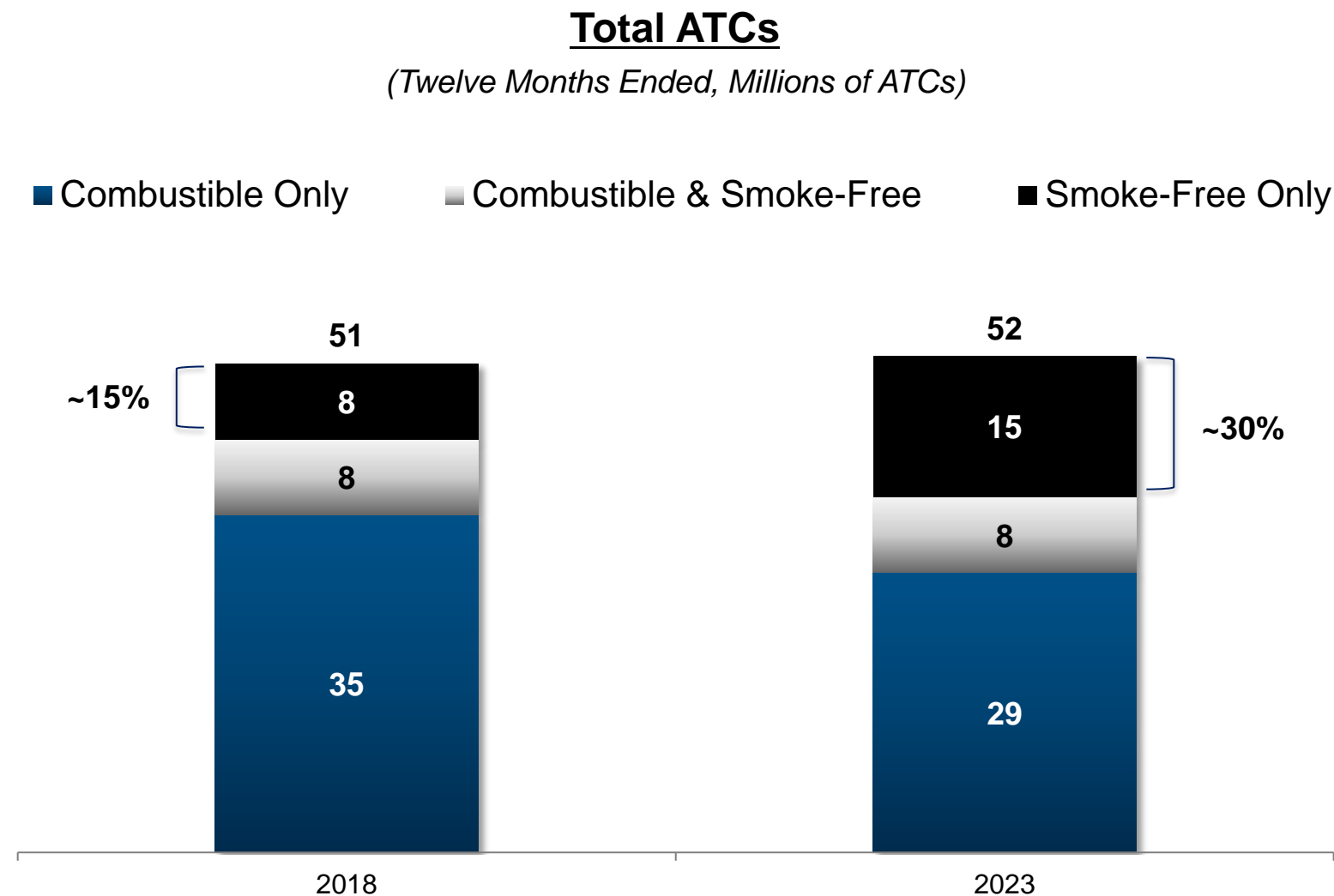
**~4 Billion ATC  
Transactions at Retail**



**Millions of  
ATC Engagements  
With Our Brands**

Source: ALCS CMII, CXO and D&T Estimates

# Adult Smoker Transition is Accelerating

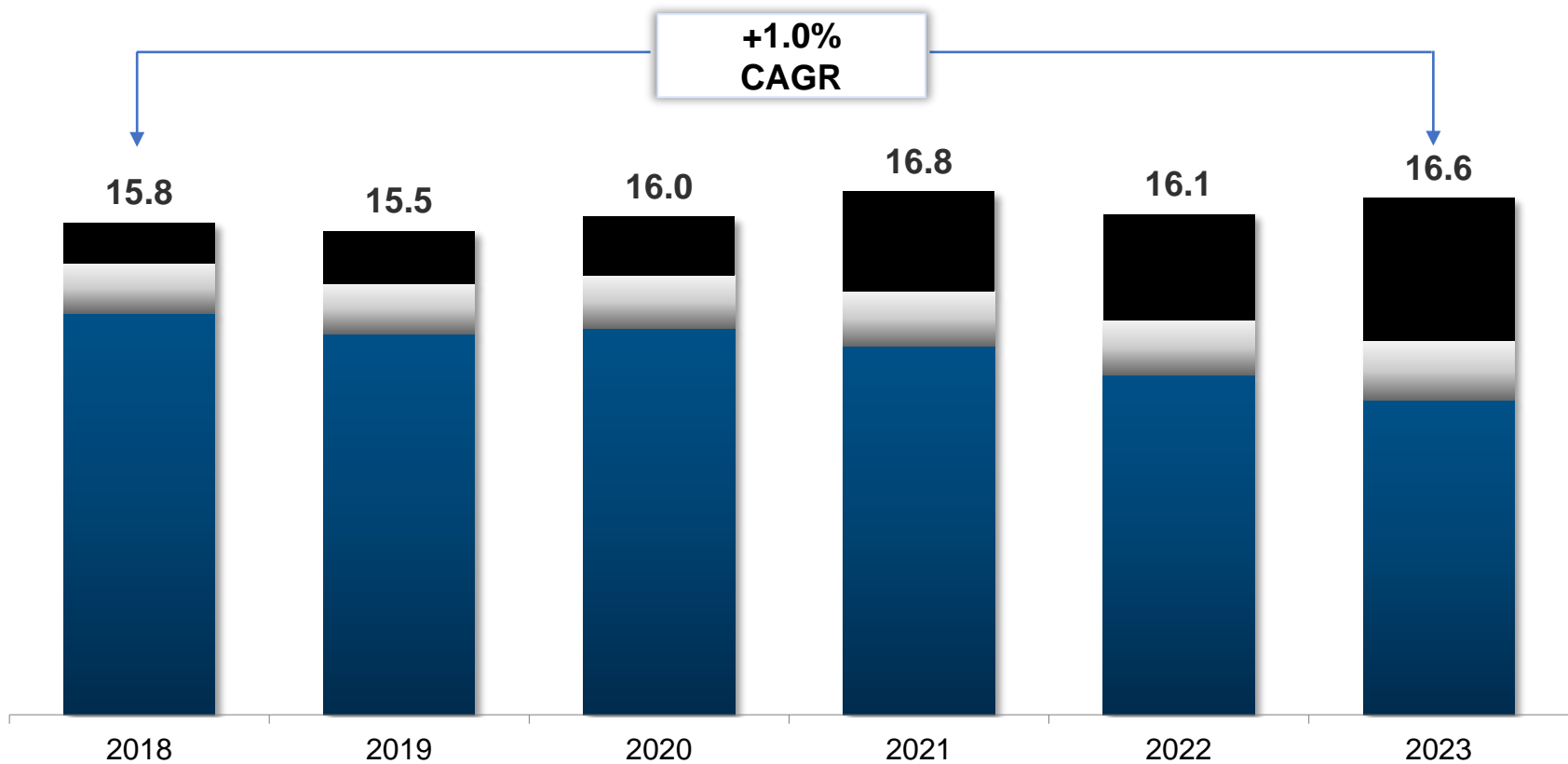


Source: ATCT January 2018 to December 2023

# The U.S. Nicotine Space Has Remained Stable

**Nicotine Space Estimated Volume**  
(Volume in Billions of Equivalized Cigarette Packs)

■ Combustible   ■ Oral Tobacco   ■ E-Vapor



Source: ALCS CMII Estimates; ATCT; STARS; Circana; ALCS Consumer Research; External Sources  
EQ Estimation – For purposes of this theoretical analysis the following are assumed to be equivalent: 1 pack of cigarettes = 1 can of MST/SNUS/OTDN = 10 cigars = 1.5mL e-vapor consumable.  
Estimated category volume and share are subject to revisions based on the latest available data.

# Achieving a Smoke-Free Future Requires Three Critical Elements

**The entire industry  
operating within science-  
based regulation.**

**Underage tobacco use  
continuing to decline.**

**A variety of smoke-free  
products authorized by the  
U.S. Food and Drug  
Administration (FDA).**



# 2024 Marks the 15<sup>th</sup> Anniversary of FDA Regulation

- We supported FDA regulation because we believed science-based regulation would benefit tobacco consumers.
- While we still believe federal regulation is critical, we have a long way to go to realize its potential.



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

# Harm Reduction is About Smokers

**Consumers are  
misinformed about the  
health risks associated  
with different tobacco  
products.**

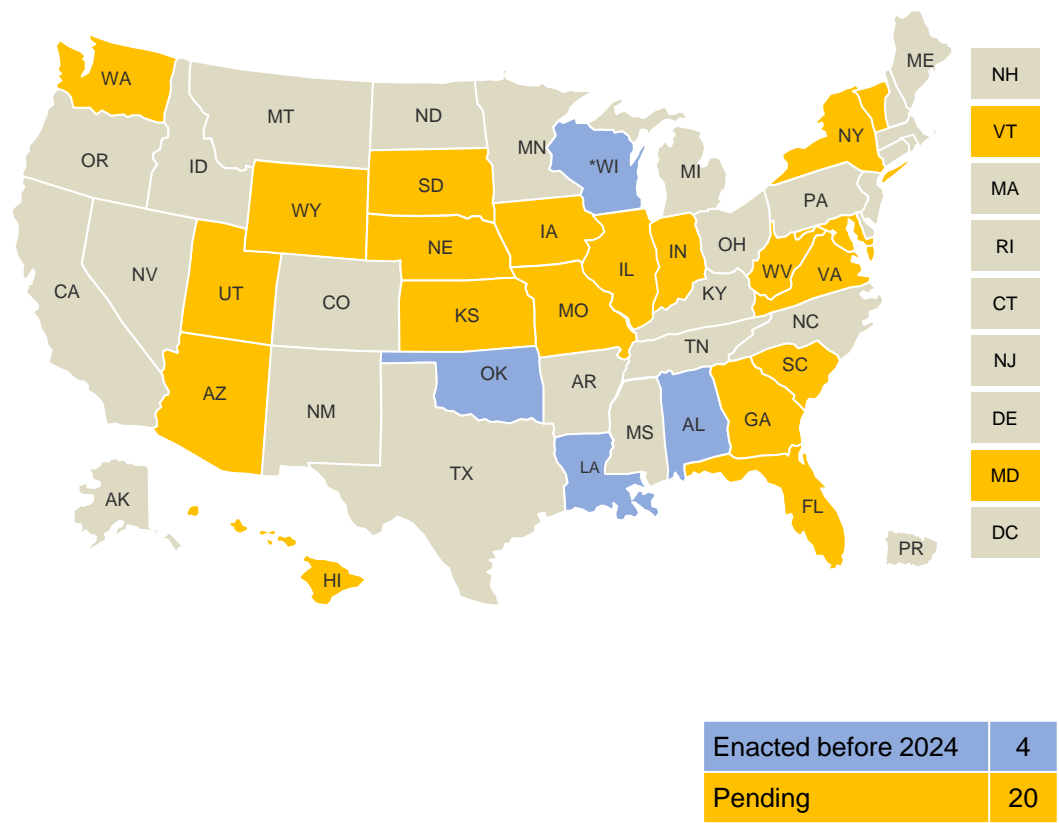
**82% of U.S. adults  
incorrectly believe that  
nicotine is a carcinogen.**

**Only 45 products have  
received FDA authorization  
out of more than 25 million  
applications.**

Source: ALCS Nationwide Survey February 2023: General Population Adults 21+; FDA  
FDA PMTA authorization totals for 2020 - 2023 based on the Center for Tobacco Products Tobacco product applications data as of 9/30/2023.

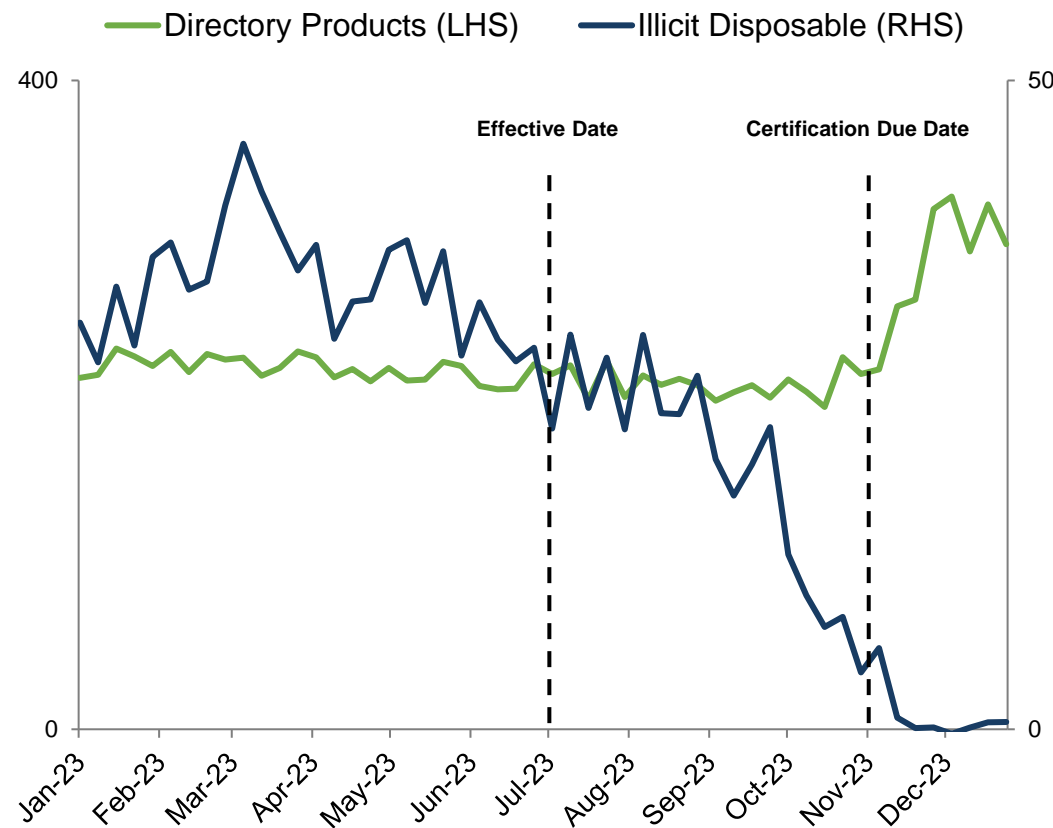
# State Directory Bills and Early Progress

## States With Enacted or Pending Directory Bills



## Louisiana E-Vapor Shipment Volume Example

(Units in Thousands)



\*Wisconsin effective 3/1/2025.

Source: STARS week ending 12/31/2023, not volume equivalized.

# Our Smoke-Free Portfolio and Pipeline

## E-Vapor



## Oral Tobacco



## Heated Tobacco



All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

# E-Vapor is the Largest Smoke-Free Category

## E-Vapor



## Oral Tobacco



## Heated Tobacco



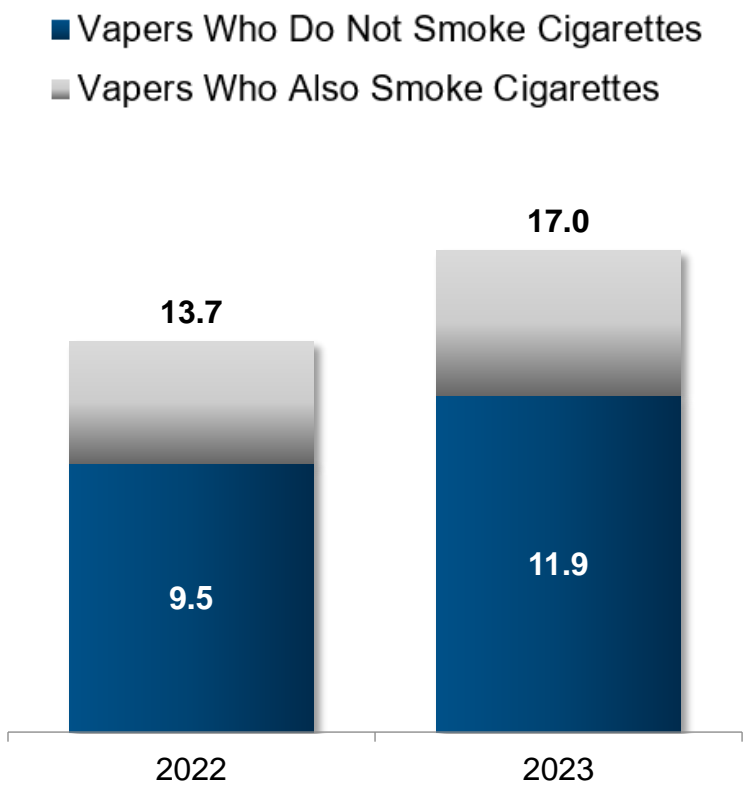
All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.



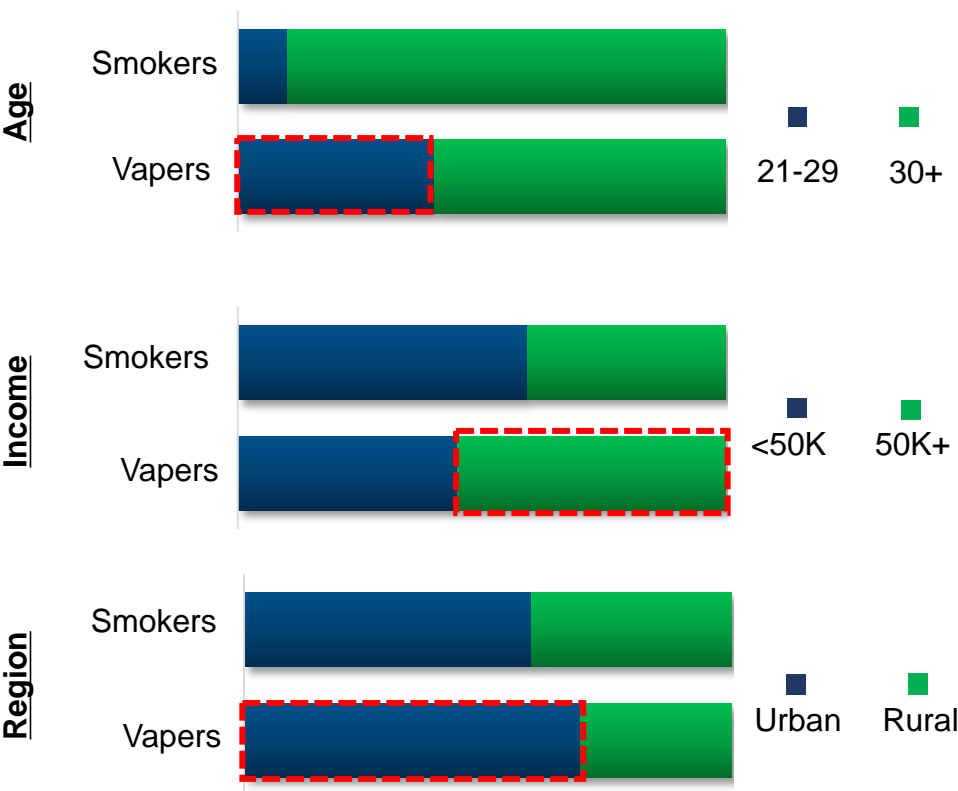
# E-Vapor Appeals to a Wide Range of Adult Smokers and Vapers

## Adult Vapers Past 30-Day Usage

(Twelve Months Ended, in Millions)



## Demographic Comparison



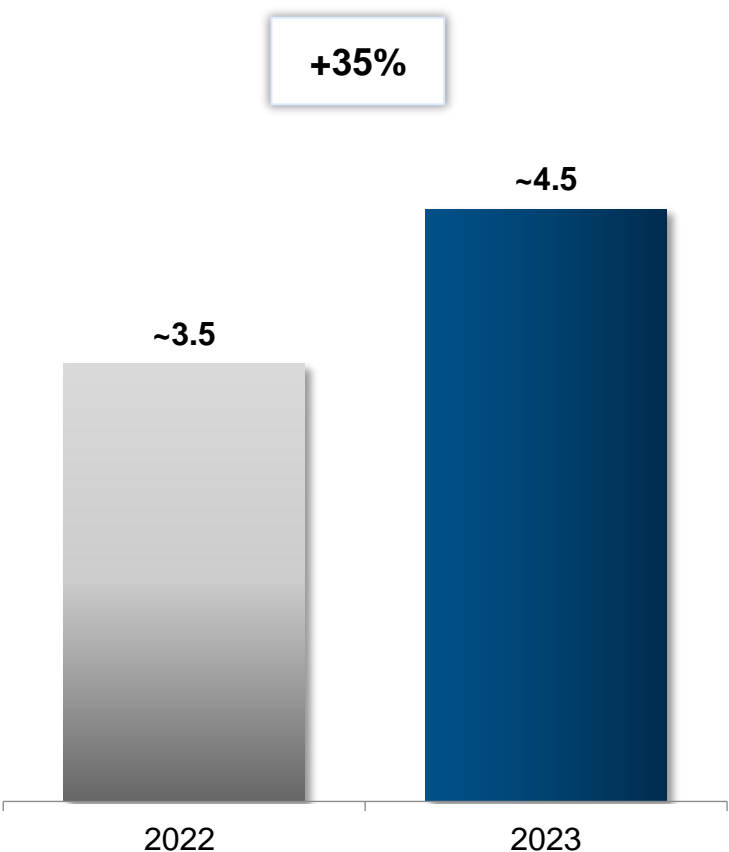
Source: ATCT December 2022 to December 2023

Source: ATCT November 2023

# Illicit Products Driving E-Vapor Category Growth

## E-Vapor Category Volume

*(Volume in Billions of Equivalized Cigarette Packs)*



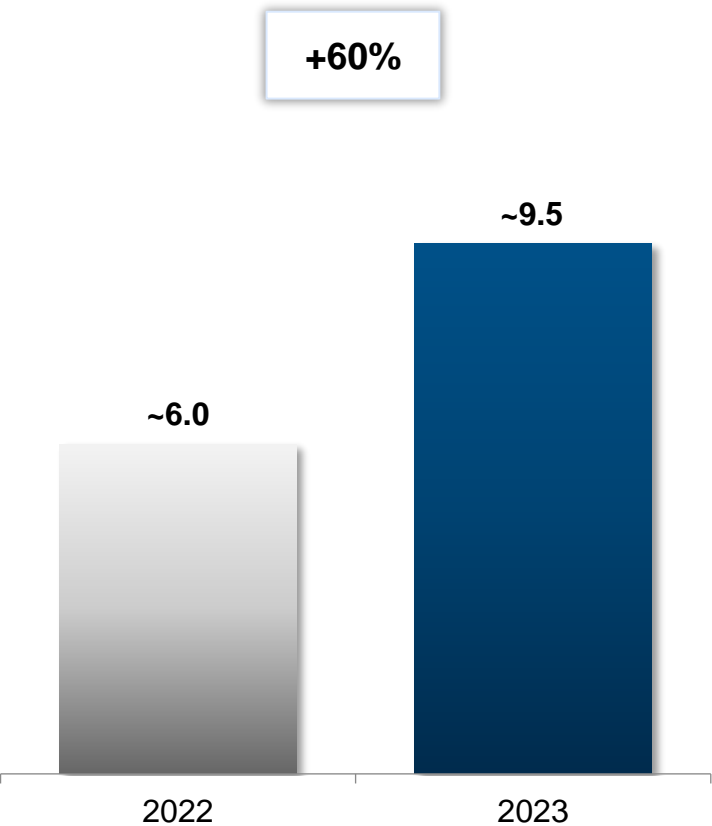
- We estimate illicit flavored disposable products represented over 50% of the category in 2023.
- We estimate pod-based volumes declined by 15% in 2023 and represented between 15% to 20% of category volumes.

Source: ALCS CMII Estimates; ATCT; STARS; Circana; ALCS Consumer Research; External Sources. Rounded to the nearest 0.5.  
EQ Estimation – For purposes of this theoretical analysis the following are assumed to be equivalent: 1 pack of cigarettes = 1.5mL e-vapor consumable. Estimated category volume and share are subject to revisions based on the latest available data.

# Over Half of Adult Vapers Use Disposable Products

## Adult Disposable Vapers

(Twelve Months Ended, in Millions)



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

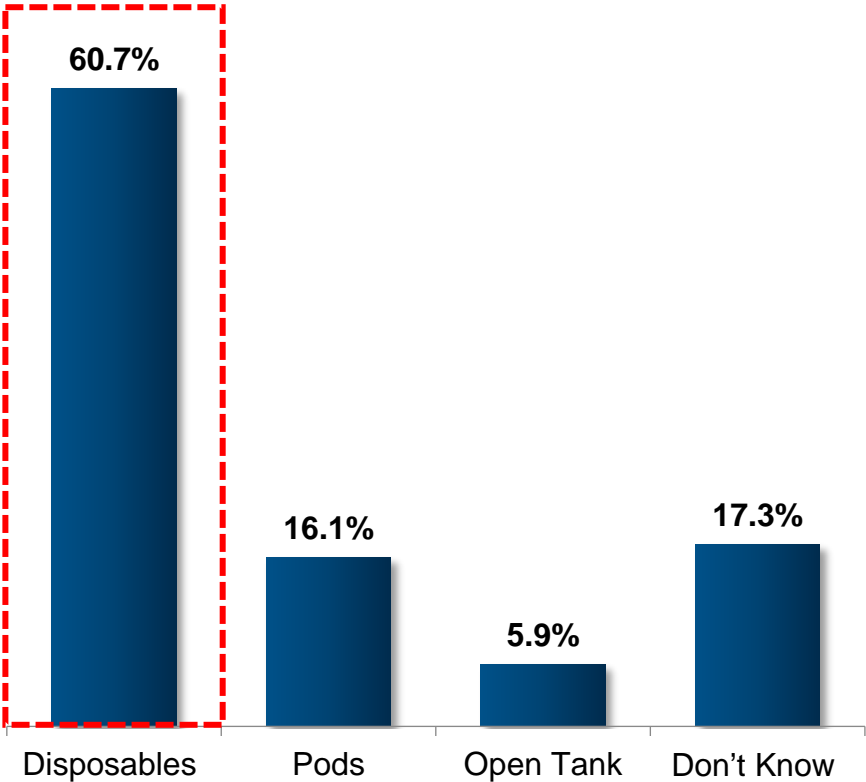
Source: ATCT December 2022 to December 2023. Rounded to the nearest 0.5.

# Flavored Disposable Products are Contributing to Youth Usage

2023 National Youth Tobacco Survey

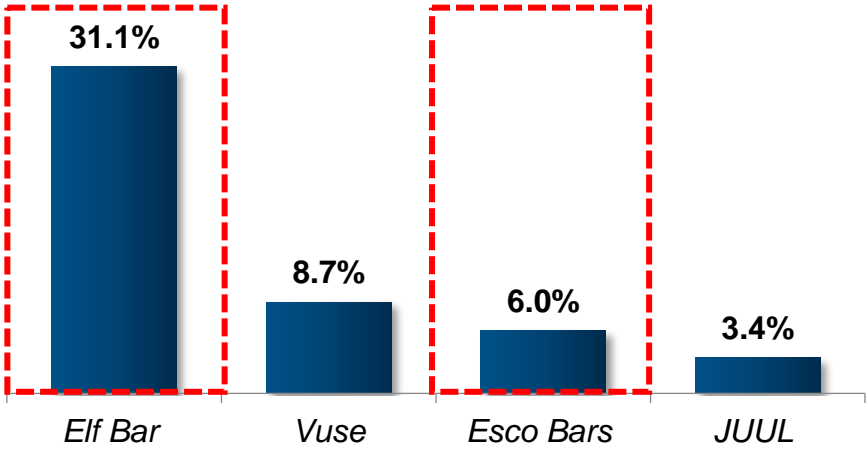
## Device Type Used Most Often

(Among Middle & High School Current E-Cigarette Users)



## Usual Brand Used

(Among Middle & High School Current E-Cigarette Users)



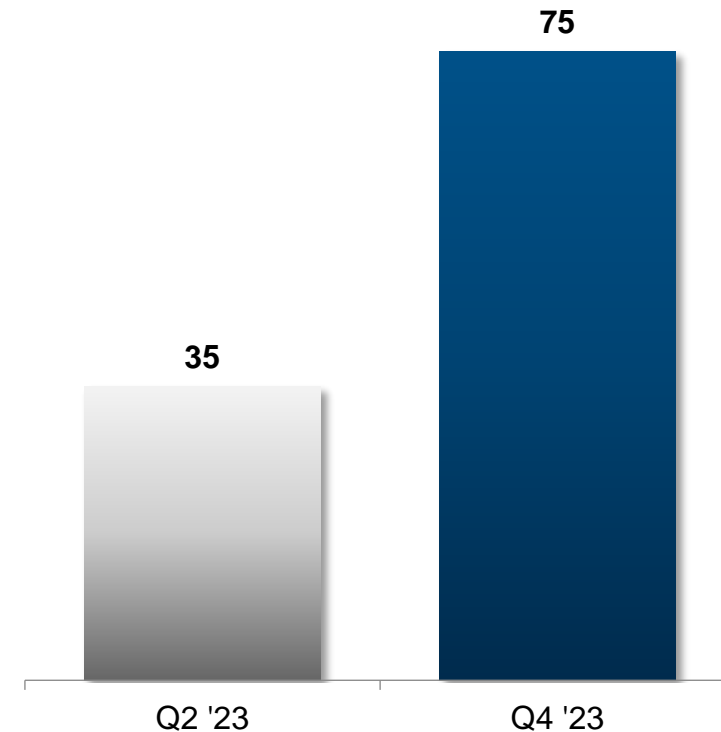
Source: 2023 National Youth Tobacco Survey - Tobacco Product Use Among Middle and High School Students — United States, 2023

# NJOY 2023 Foundational Actions

- Strengthened NJOY's supply chain
- Closed inventory gaps at retail and improved in-stock conditions
- Enhanced visibility at retail and introduced NJOY's first retail trade program

## Cumulative Stores with Distribution

*(in Thousands)*



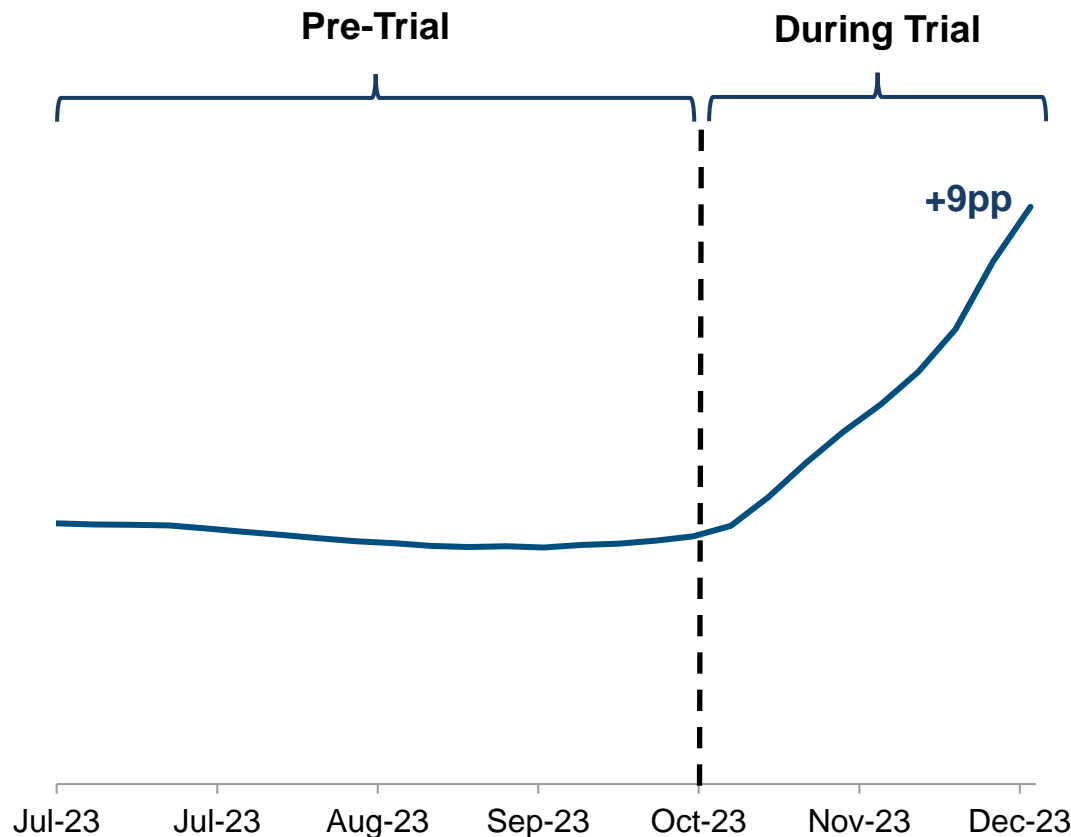
Source: STARS week ending 12/30/2023



# NJOY Encouraging Initial Trial Performance

## NJOY Trial Performance

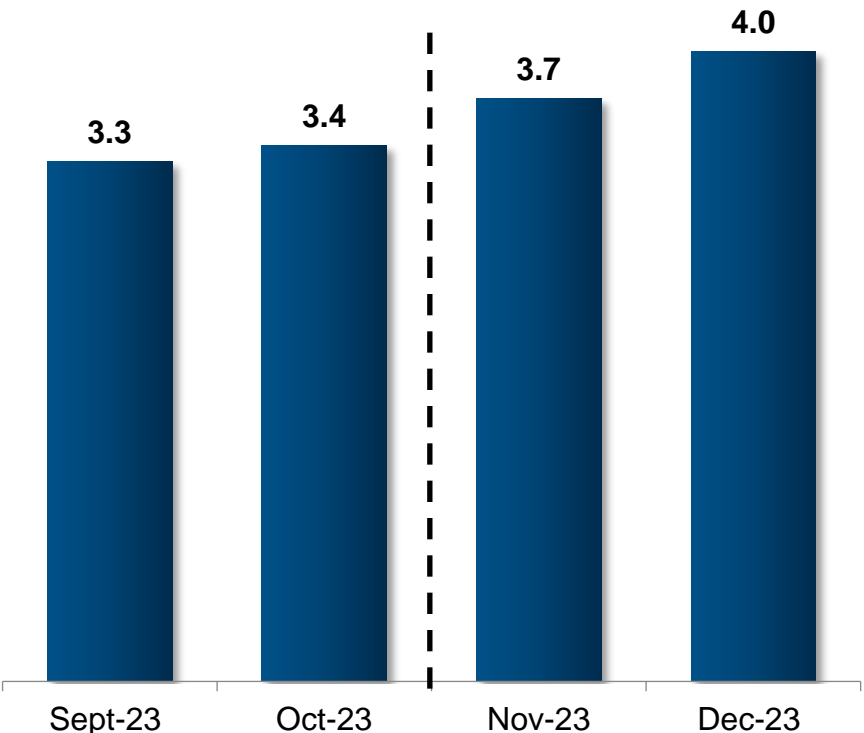
*(One Retail Account Example)*



## NJOY Share

*(Total U.S.)*

### NJOY Bundle Offer Tests



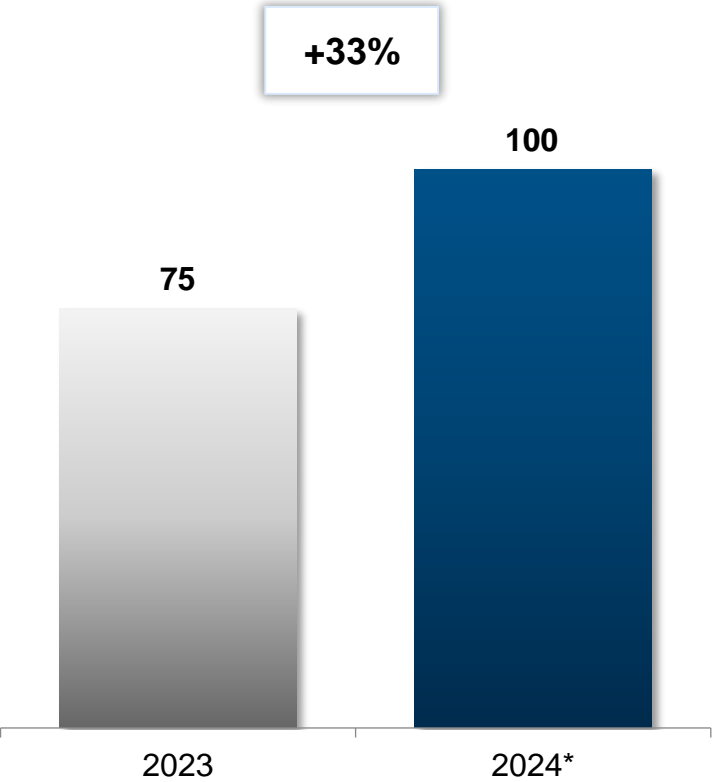
Source: Circana Non-Projected MOC week ending 12/30/2023

Source: Circana Projected Total U.S. MOC week ending 12/30/2023



# NJOY 2024 Plans for Further Distribution, Awareness and Trial

**Cumulative Stores with Distribution**  
*(in Thousands)*



\*We plan to expand NJOY distribution to ~100K stores this year, representing ~85% of e-vapor volume and ~70% of cigarette volume sold in traditional retail.  
Source: STARS week ending 12/30/2023



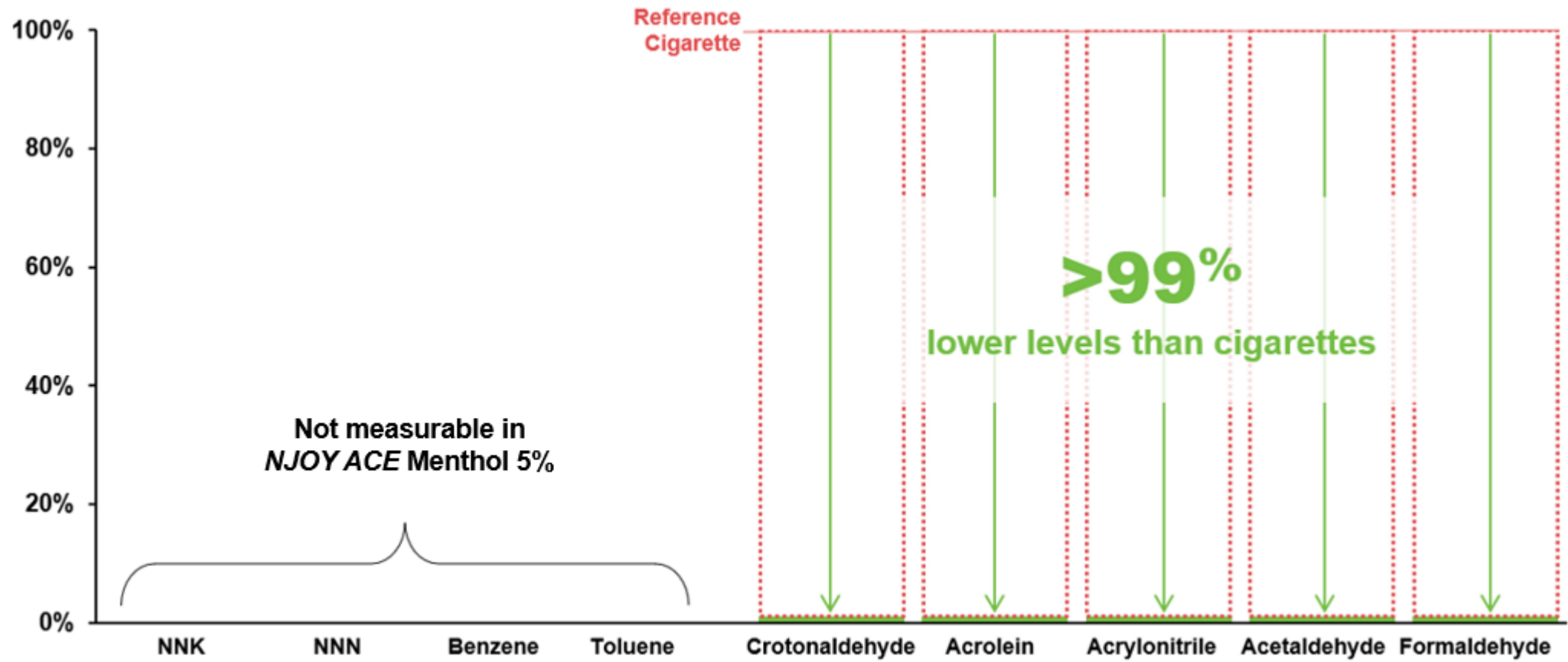
More to Simply  
NJOY®

# NJOY's Premium Quality and Unique Attributes



# NJOY ACE Menthol PMTAs

Many HPHCs\* are Absent or Substantially Reduced



\*HPHC = harmful and potentially harmful constituents; NNK = 4-(methylnitrosamino)-1-(3-pyridyl)-1-butanone; NNN = N-nitrosornicotine.  
Percent reductions based on average HPHC levels in 5% Menthol NJOY ACE product compared to cigarette mainstream smoke levels measured under intense conditions.  
Source: Table 23 Module 2.5 of NJOY ACE Menthol 5% PMTA

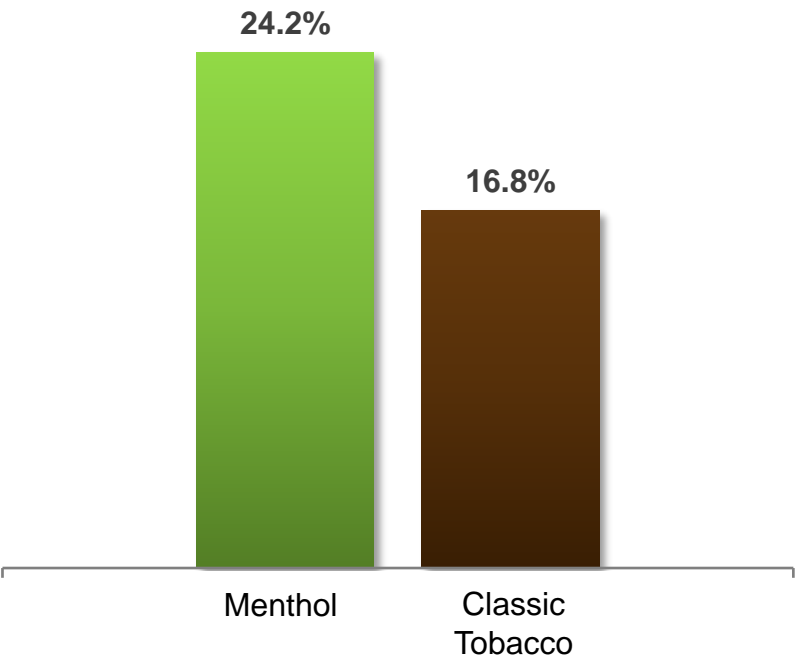


# NJOY ACE Menthol PMTAs

Compelling Switching Data and Low Youth Usage

## Adult Smoker Switching\*

(% Switched, Reported No Smoking in Past 30-days)



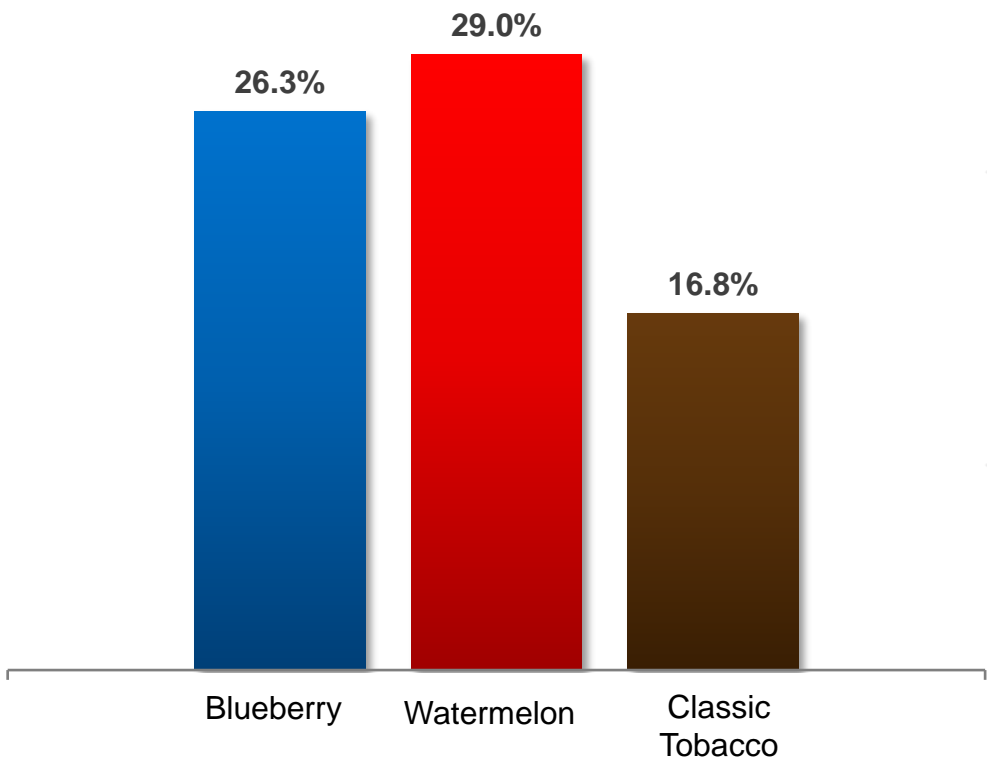
The scientific evidence we submitted in our PMTAs also demonstrated that youth use of *ACE Menthol* was either not detectible or exceedingly low.

\*Switching rate was significantly higher than Classic Tobacco users ( $p < 0.05$ ).  
Source: NJOY ACE Menthol 5% PMTA (Appendix 1)  
Switching rates calculated based on the number of participants initially using Menthol or Classic Tobacco at baseline and completing survey at three months (per protocol population) from the NJOY Longitudinal Cohort Study.

# NJOY Bluetooth PMTAs

## Adult Smoker Switching\*

(% Switched, Reported No Smoking in Past 30-days)



Our research shows the *NJOY* Bluetooth age-gating restrictions are effective at preventing underage access in virtually all cases.

\*Switching rate was significantly higher than Classic Tobacco users for Blueberry and Watermelon (p < 0.05).  
Source: NJOY ACE Blueberry and Watermelon Supplemental Report  
Switching rates calculated based on the number of participants initially using Blueberry, Watermelon or Classic Tobacco (without Bluetooth technology) at baseline and completing survey at three months (per protocol population) from the NJOY Longitudinal Cohort Study.

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

# NJOY Litigation

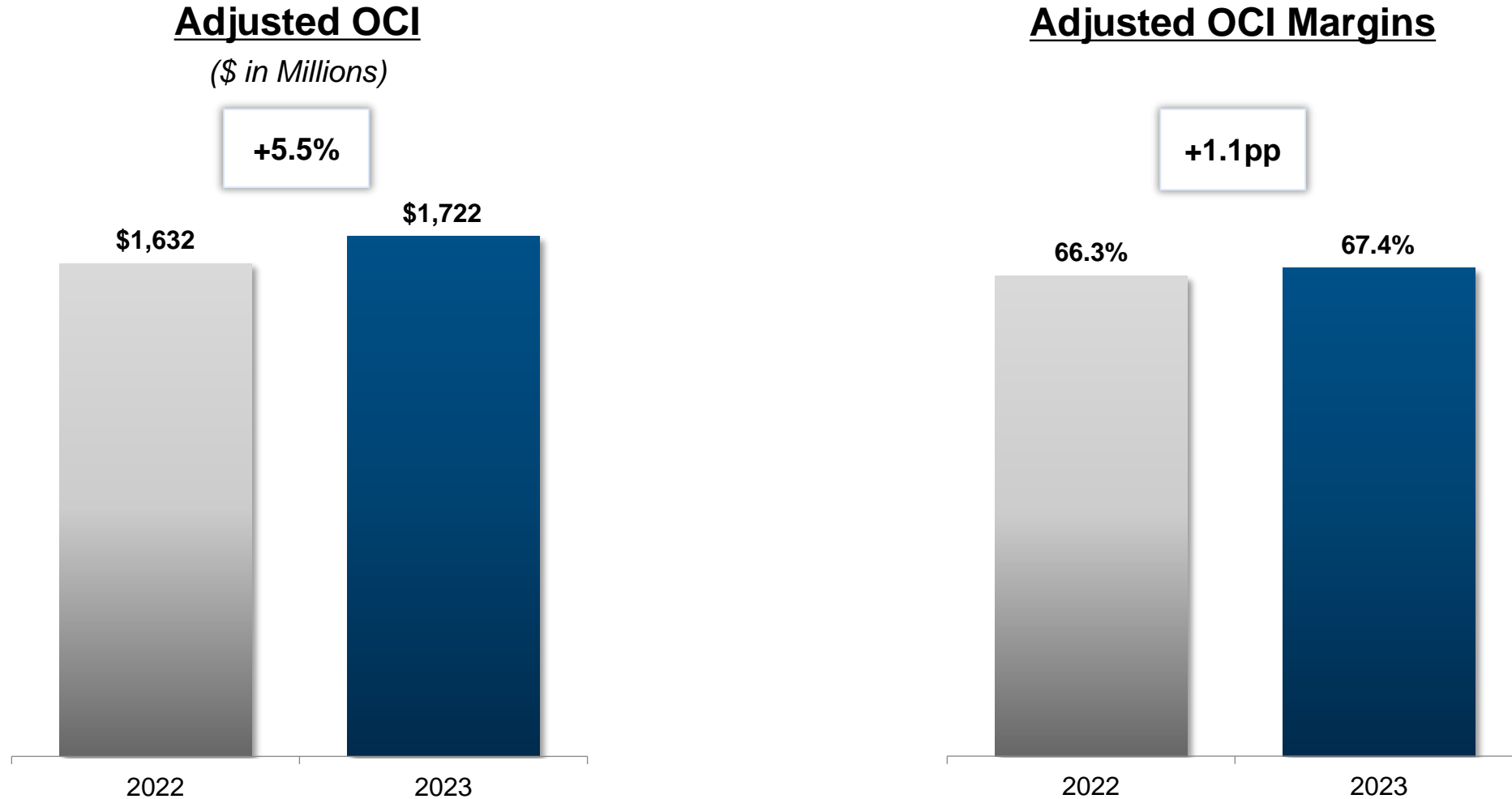
- JUUL Labs, Inc. (JUUL) has asserted patent infringement claims against NJOY, and conversely, NJOY has asserted claims against JUUL.
- We do not expect any final decisions before 2025.
- We continue to believe in the strength of our claims, and that we have strong defenses against JUUL's claims.



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

# Strong Oral Tobacco Products Segment Performance

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

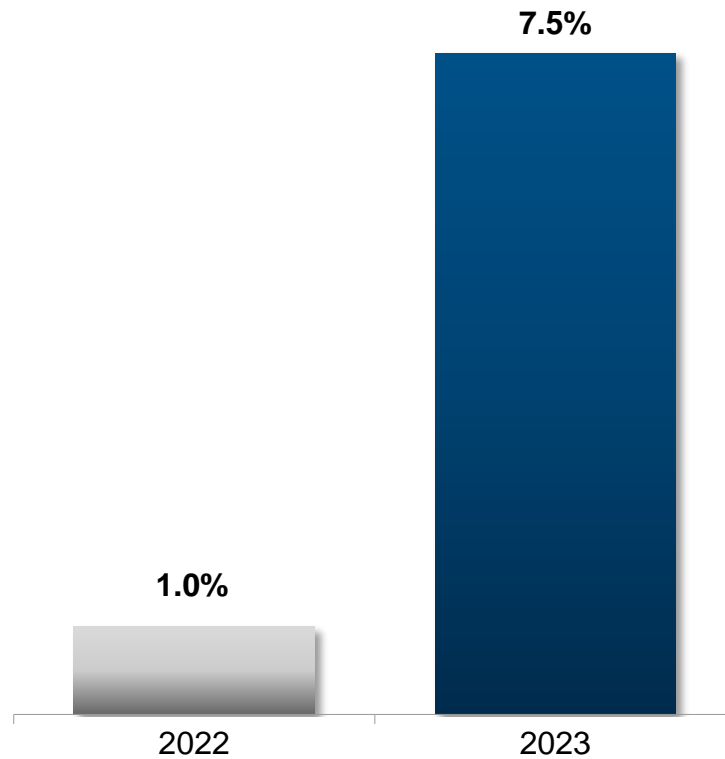


\*For reconciliations of non-GAAP to GAAP measures visit [altria.com](https://altria.com).

# The U.S. Oral Tobacco Industry Continues to Grow

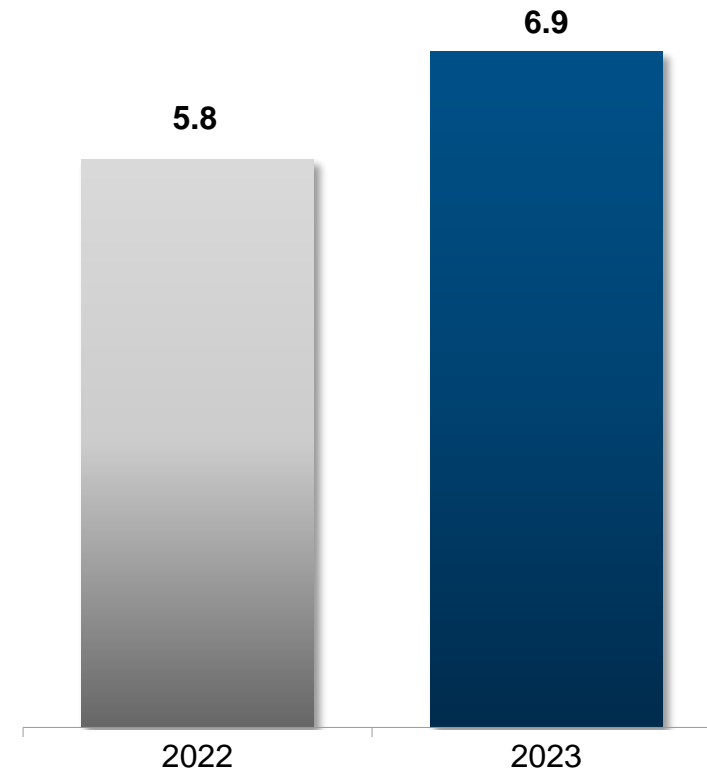
## Oral Tobacco Industry Volume Growth

*(Six Months Ended)*



## Adult Oral Tobacco Product Consumers

*(Past 30-Day Usage, Twelve Months Ended)*



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

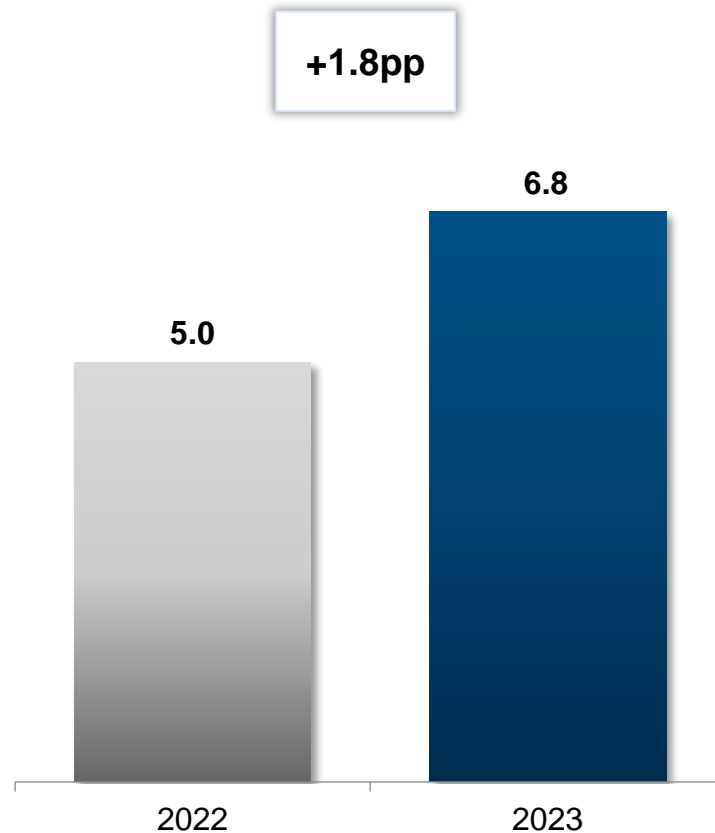
Source: ATCT December 2022 to December 2023



# Share Momentum, Volume Growth and Improved *on!* Profitability

## *on!* Share of Oral Tobacco Category

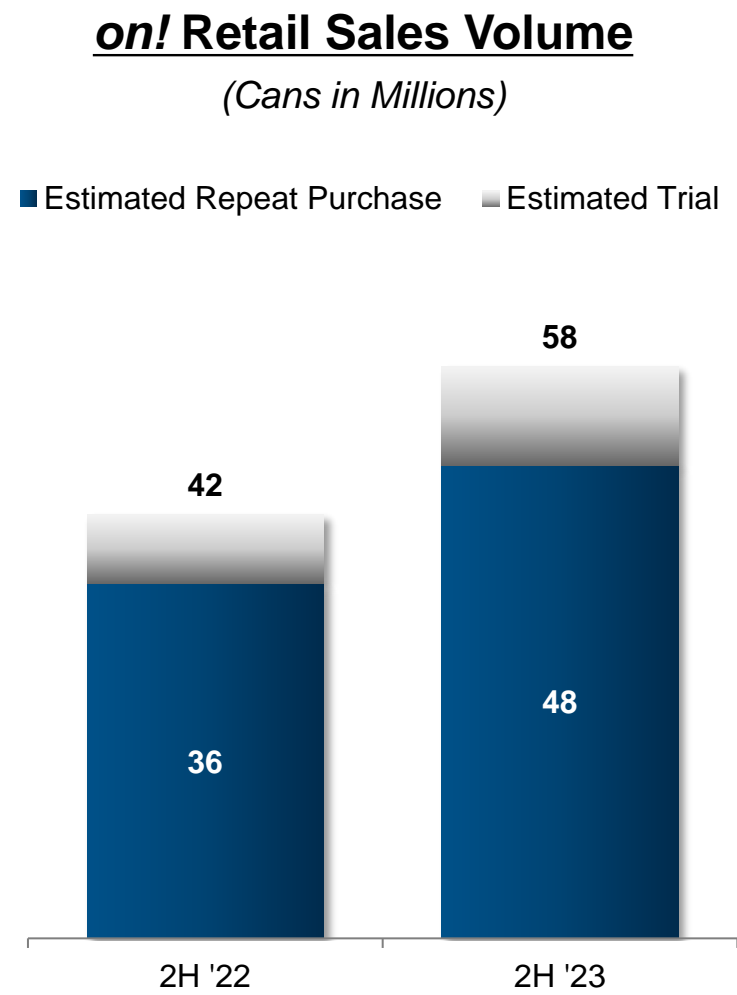
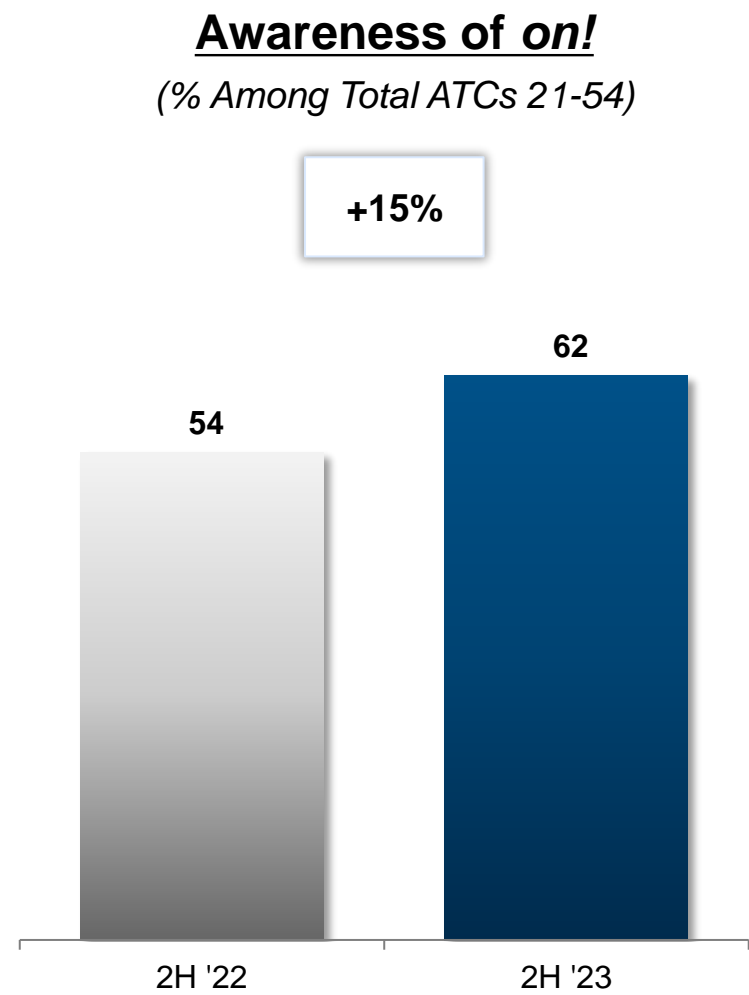
(Total U.S.)



- ~39% increase in volume year-over-year
- >37% increase in retail price year-over-year

Source: ALCS CMII Estimates based on Circana Projected MOC data as of week ending 12/31/2023 and POS Scan Data as of week ending 12/30/2023

# Increased *on!* Awareness and Brand Adoption



Source: 2022 – 2023 Nicotine Pouch Awareness & Perceptions Tracker  
Results based on total aided and unaided brand awareness.

Source: ALCS CMII Estimates based on Circana Projected MOC data as of week ending 12/31/2023 and POS Scan Data as of week ending 12/30/2023

# Exciting *on!* and *on! PLUS* Growth Prospects



All new products subject to FDA authorization.

# Compelling Heated Tobacco Pipeline



All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

# Our Partnership with JT Group

# Marlboro



All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

# Our Innovative Heated Tobacco Capsule Product

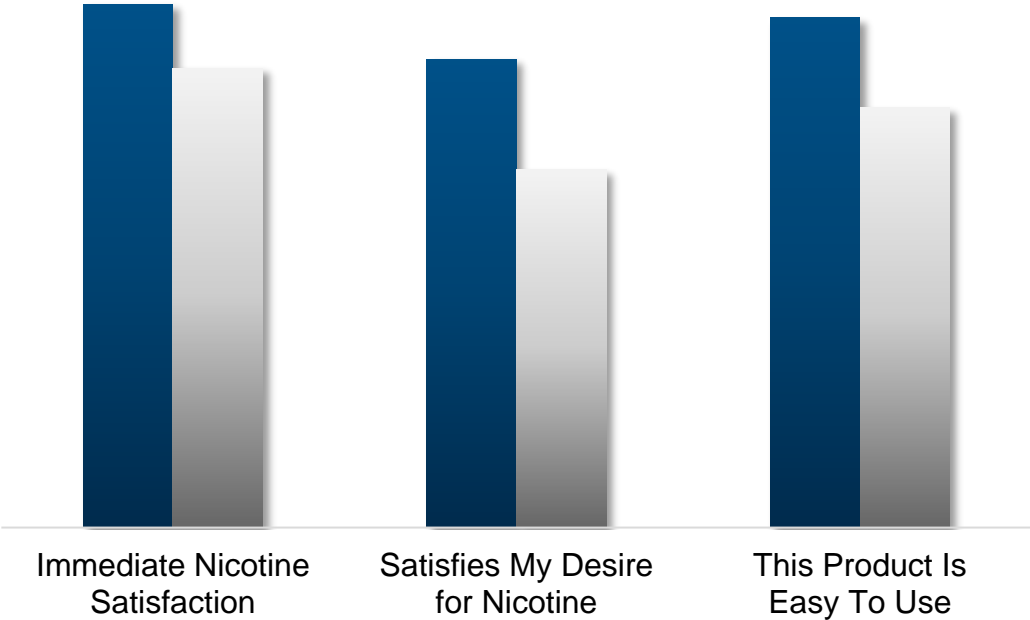


All new products subject to FDA authorization.

# SWIC Nicotine Satisfaction and Design

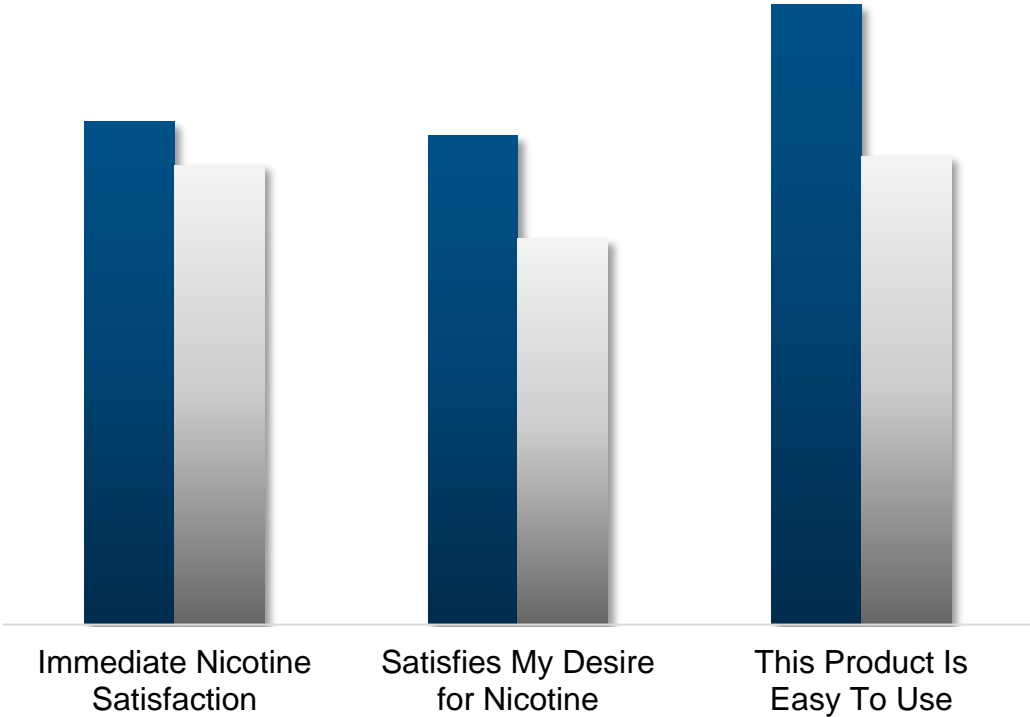
## SWIC Versus IQOS 3.0 Duo

■ SWIC ■ IQOS 3.0 Duo



## SWIC Versus glo

■ SWIC ■ glo



All third-party trademarks remain the property of their respective owners.  
Source: SWIC Home Use Test (Canada) With Comparison to IQOS 3.0 Duo;  
Among Adult Smokers 21+; Non-Menthol Blends Only; Total Evaluations N=82

Source: SWIC Home Use Test (Charlotte & Chicago) With Comparison to glo;  
Among Adult Smokers 21+; Total Evaluations N=105



Moving beyond smoking



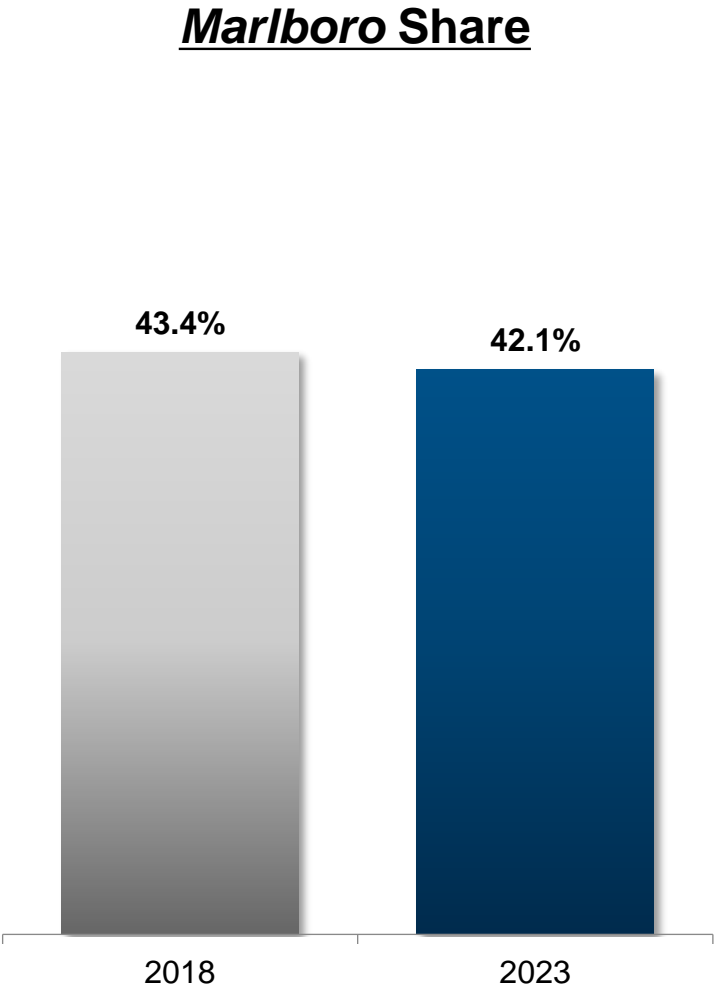
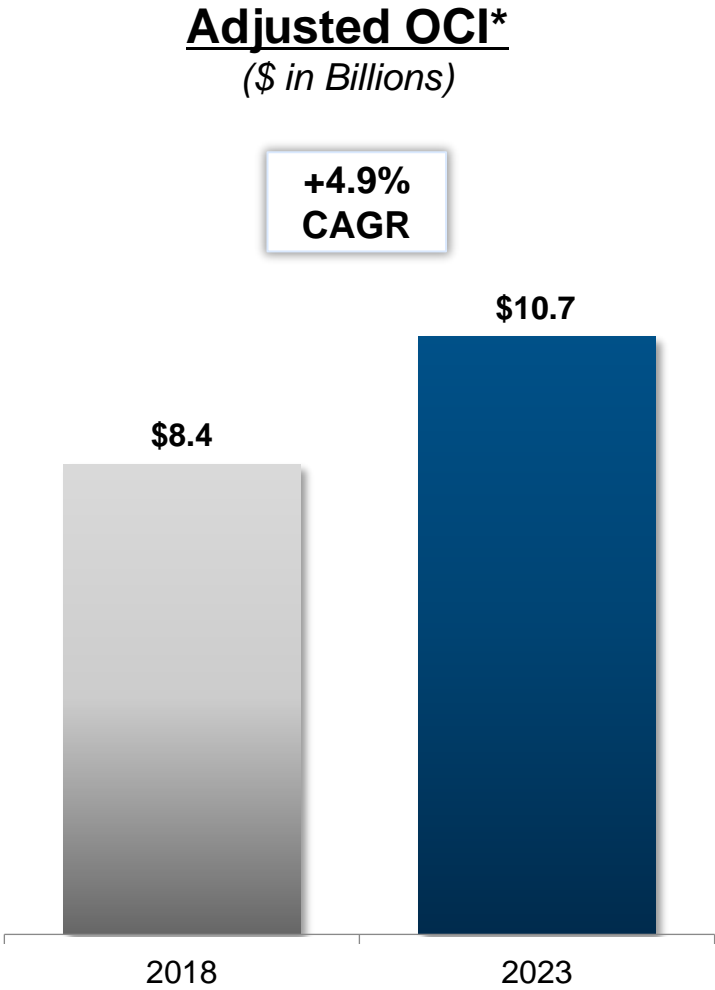
Altria







# Long-Term Smokeable Products Segment Performance

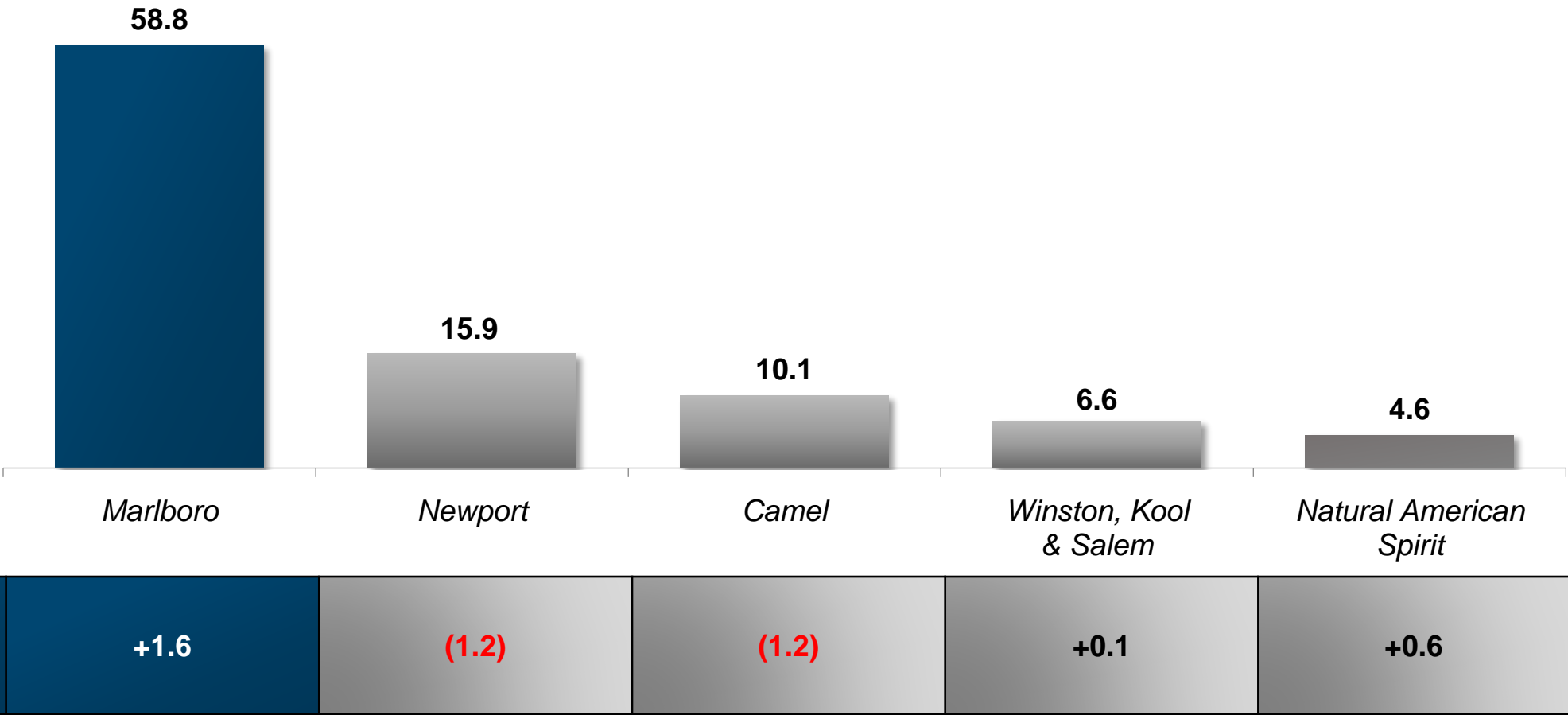


\*For reconciliations of non-GAAP to GAAP measures visit [altria.com](https://altria.com).

Source: Circana Projected Total U.S. MOC week ending 12/31/2023

# Marlboro Leads in the Premium Segment

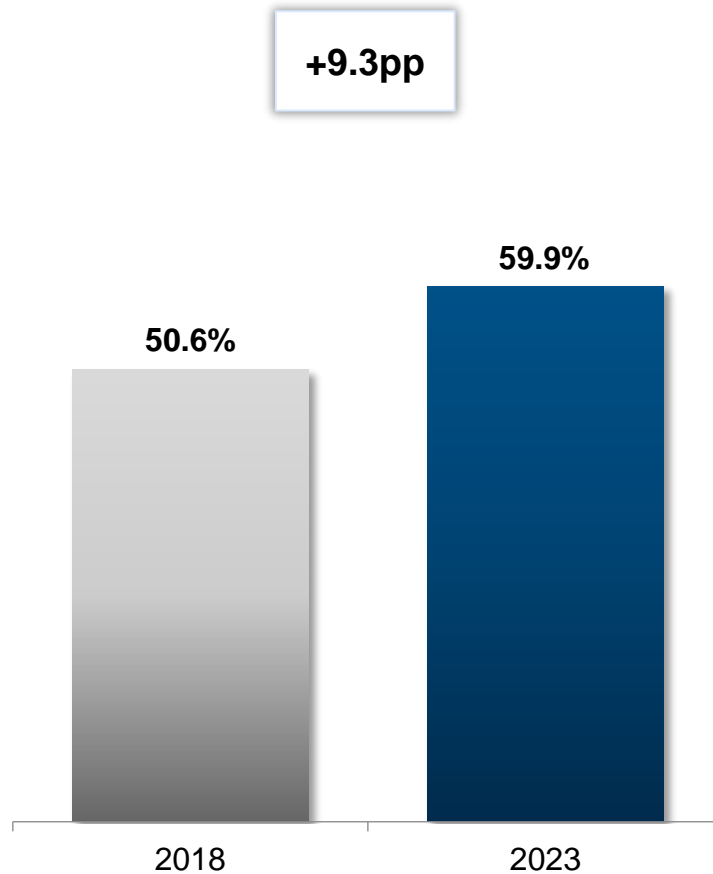
## Share of Premium (Full Year 2023)



Source: Circana Projected Total U.S. MOC week ending 12/31/2023

# Smokeable Products Segment Margin Expansion

## Adjusted OCI Margin\*

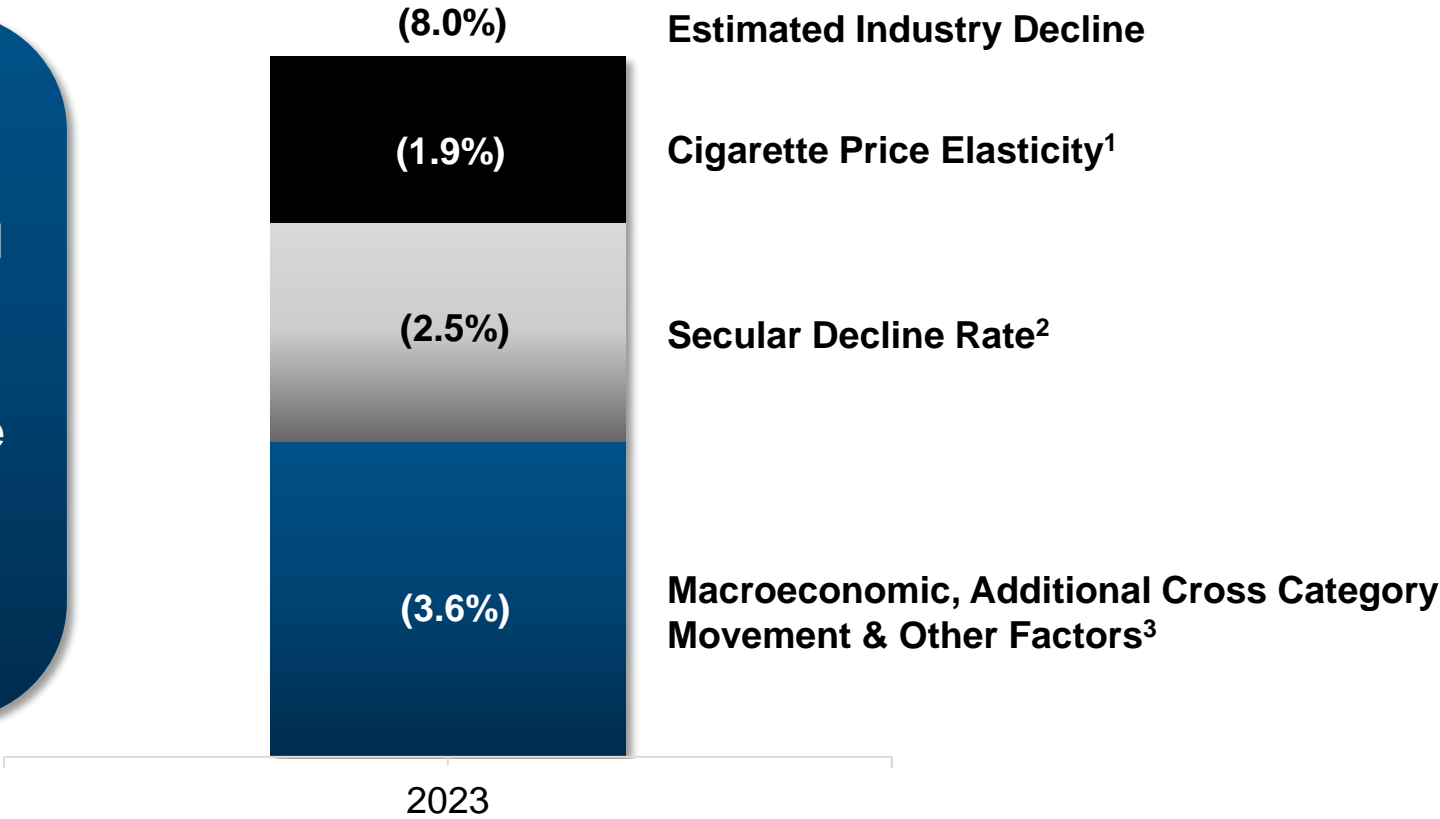


- We have invested in foundational infrastructure that supports our smokeable segment and our growing smoke-free portfolio.
- Our innovative spending is now better aligned to the product it supports.

\*For reconciliations of non-GAAP to GAAP measures visit [altria.com](https://altria.com).

# Cigarette Category Volume Decomposition

**We estimate that illegal flavored disposable e-vapor contributed to cigarette industry declines in a range of 1.5% to 2.5% over the last 12 months.**



<sup>1</sup> Reflects a cigarette price elasticity coefficient of -0.35.  
<sup>2</sup> Includes approximately 1% historical movement across tobacco categories.  
<sup>3</sup> Includes approximately 1.5% to 2.5% of cross category movement from cigarettes to e-vapor, primarily driven by illicit flavored disposable e-vapor products.  
Source: ALCS Advanced Analytics estimates

Moving beyond smoking



Altria



# Creating Incremental Value Through Long-Term Adjacencies



# 2028 International Innovative Smoke-Free Goal

2028 Enterprise Goals						
Corporate			U.S. Smoke-Free Products		Long-Term Growth	
Financial Policy & Capital Allocation	Share of U.S. Tobacco Space	Total Adjusted OCI Margin	U.S. Smoke-Free Volume	U.S. Smoke-Free Revenue	International Innovative Smoke-Free	Non-Nicotine

**International Innovative Smoke-Free**

Compete in the top innovative oral tobacco markets and develop a pathway to participate in heated tobacco and e-vapor markets.

# International Oral Tobacco Opportunity

- We plan to focus our near-term international efforts on the nicotine pouch category.
- We estimate this category represents a \$1 to \$2 billion total addressable market.<sup>1</sup>



<sup>1</sup> Excludes the U.S., Russia and China  
Source: AVI CDI Estimates; External Sources

# on! *PLUS* Test Launch and Expansion Plans

*Our New Tobacco-Derived Nicotine Wet Pouch Product*

- Encouraging early results from *on! PLUS* test launch in Sweden.
- 89% of first-time purchasers were competitive pouch consumers.
- In 2024, we're planning a broader expansion of *on! PLUS* in Sweden and a targeted launch in the United Kingdom.



Source: ALCS CMII adult tobacco consumer research (legal age+) October 2023 and consumer quotes per Haypp Group.

# International Heated Tobacco and E-Vapor Opportunities



**\$35 to \$50 Billion Total Addressable Market<sup>1</sup>**

<sup>1</sup> Excludes the U.S., Russia and China  
Source: AVI CDI Estimates; External Sources

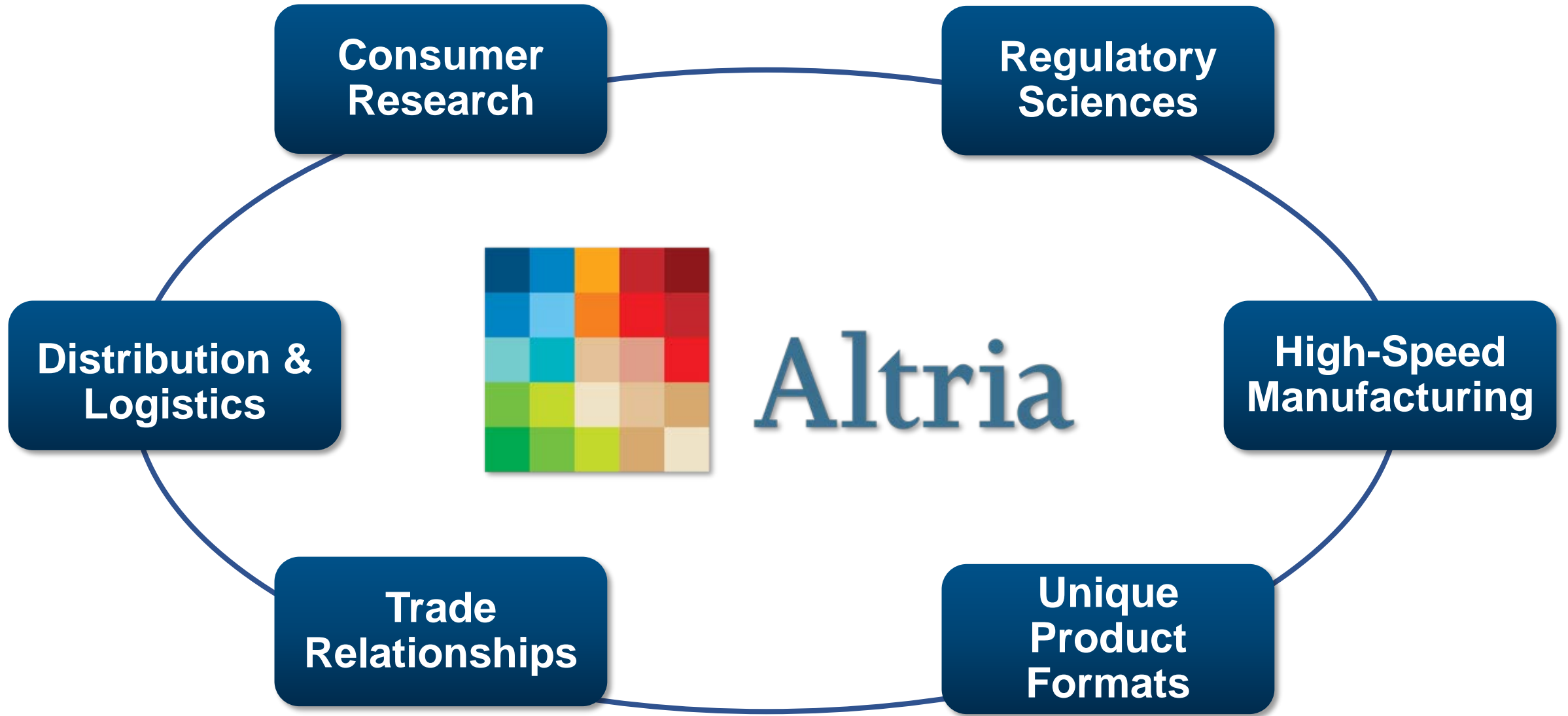
# Non-Nicotine Adjacencies



**\$100 Billion Total Addressable Market in the U.S.**

Source: AVI Venture Growth Estimates; Circana; External Sources

# Applying Our World-Class Capabilities to Non-Nicotine





# 2028 Non-Nicotine Goal

2028 Enterprise Goals						
Corporate			U.S. Smoke-Free Products		Long-Term Growth	
Financial Policy & Capital Allocation	Share of U.S. Tobacco Space	Total Adjusted OCI Margin	U.S. Smoke-Free Volume	U.S. Smoke-Free Revenue	International Innovative Smoke-Free	Non-Nicotine

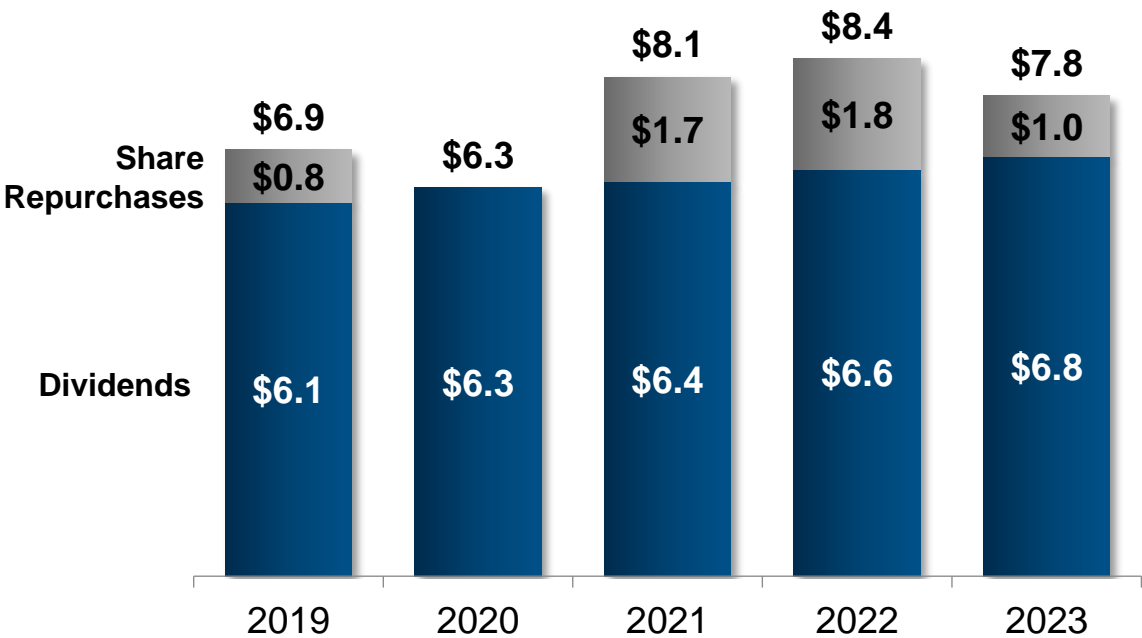
**Non-Nicotine**

Enter non-nicotine categories with broad commercial distribution of at least five products by 2028.

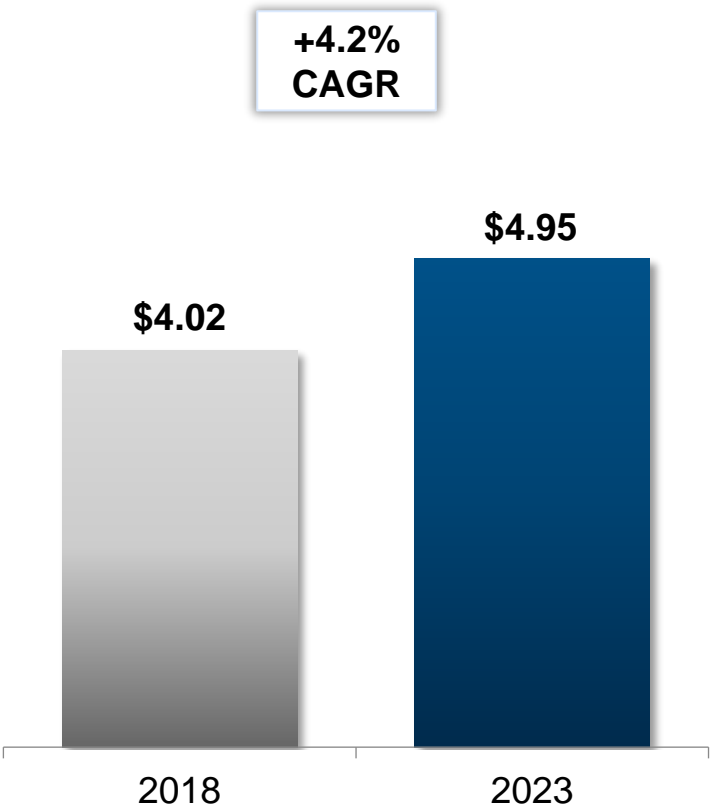
# Strong Shareholder Returns

**Cash Returned to Shareholders**  
*(\$ in Billions)*

**\$37.5 Billion Returned Over the Past Five Years**



**Adjusted Diluted Earnings Per Share (EPS)\***

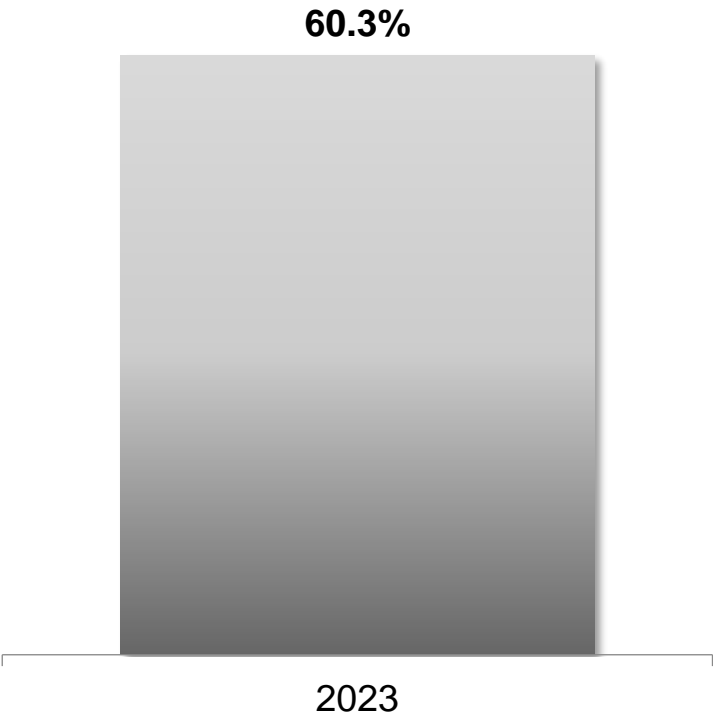


\*For reconciliations of non-GAAP to GAAP measures visit [altria.com](https://altria.com).

Our 2028 Enterprise Goal is to deliver a mid-single digits adjusted diluted EPS compounded annual growth rate in 2028 from a \$4.84 base in 2022.

# Delivering Strong Margins While Investing in Smoke-Free Products

## Total Adjusted OCI Margin\*



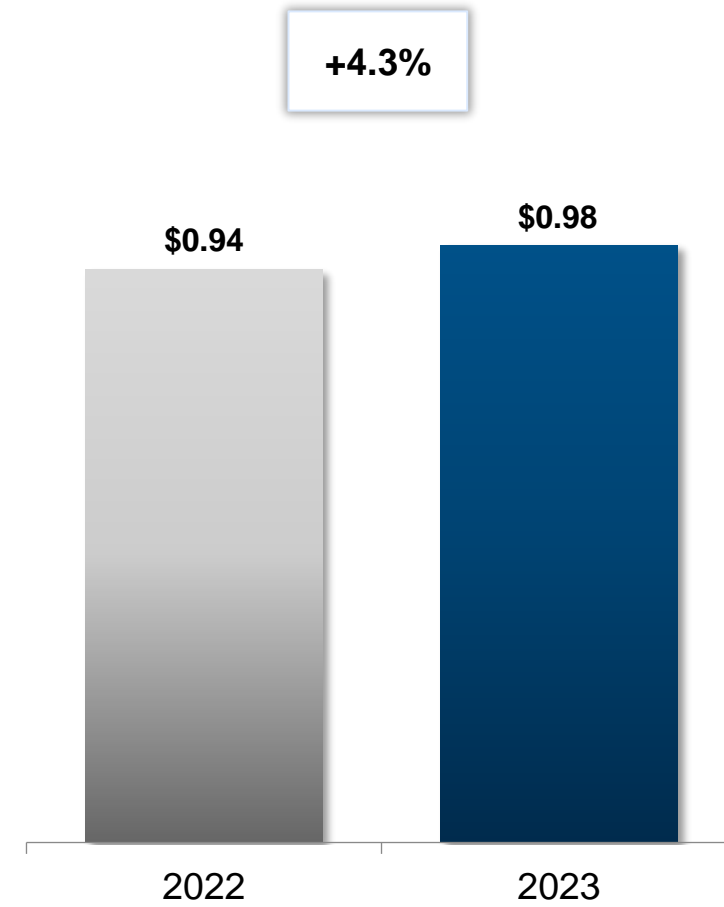
Our 2028 goal is to maintain a total adjusted OCI margin\* of at least 60% in each of the next five years.

\*For reconciliations of non-GAAP to GAAP measures visit [altria.com](https://altria.com).

# Long-Standing Commitment to Dividend Growth

- Our progressive dividend goal targets mid-single digits dividend per share growth annually.
- Last year, we increased our quarterly dividend by 4.3% to \$0.98 per share.
- This marked our 58<sup>th</sup> increase in 54 years.

## Quarterly Dividend Per Share<sup>1</sup>



<sup>1</sup> Quarterly dividend per share as of December 31st.

# Balanced Approach to Deploying Excess Cash

**Annually Produced Over \$1 Billion of Cash in Excess of Our Dividend Payments.\***  
We Will Continue to Balance:

Share  
Repurchases

Investments in  
Our Vision

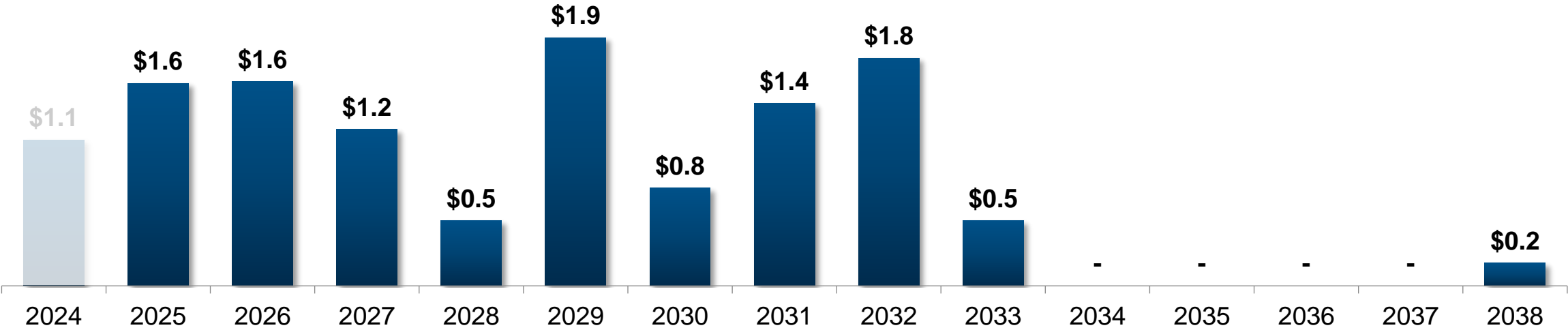
Debt  
Repayment

\*For reconciliations of non-GAAP to GAAP measures visit [altria.com](http://altria.com).

# Our Balance Sheet Remains Strong

## Annual Debt Maturity Towers

(Through 2038, \$ in billions)



As of year-end 2023, our consolidated Debt-to-EBITDA\* ratio was 2.2x.

Face value as of 12/31/2023, Euro notes converted to USD as of 12/31/2023.  
\$1.1 billion retired at maturity in Q1 2024.

\*For reconciliations of non-GAAP to GAAP measures visit [altria.com](http://altria.com), represents earnings before interest, taxes, depreciation and amortization (EBITDA), as defined in our senior unsecured revolving credit agreement.

# 2024 Financial Outlook

- We reaffirm our guidance to deliver full-year 2024 adjusted diluted EPS<sup>1</sup> of \$5.00 to \$5.15<sup>2,3,4</sup>. This range represents an adjusted diluted EPS growth rate of 1% to 4% from a 2023 base of \$4.95.



<sup>1</sup> For reconciliations of non-GAAP to GAAP measures visit [altria.com](https://altria.com).

<sup>2</sup> We expect 2024 adjusted diluted EPS growth to be weighted to the second half of the year. Our guidance includes the impact of two additional shipping days in 2024 and assumes limited impact from enforcement efforts in the illicit e-vapor market on combustible and e-vapor volumes.

<sup>3</sup> While the 2024 full-year adjusted diluted EPS guidance accounts for a range of scenarios, the external environment remains dynamic. We will continue to monitor conditions related to (i) the economy, including the cumulative impact of inflation (ii) ATC dynamics, including purchasing patterns and adoption of smoke-free products, (iii) illicit e-vapor enforcement and (iv) regulatory, litigation and legislative developments.

<sup>4</sup> The 2024 full-year adjusted diluted EPS guidance range excludes an estimated per share gain of \$1.14 related to the sale of the *IQOS Tobacco Heating System* commercialization rights that we expect to occur in the second quarter of 2024.





All new products subject to FDA approval. Third-party trademarks remain the property of their respective owners.