



Q3 2024 Earnings - Quarterly Metrics		
Smokeable	Q3 2024	△ vs. Q3 2023
Marlboro Price Gap (vs. Lowest Effective)	47%	
Marlboro Net Pack Price	\$9.47	\$0.70
Lowest Effective Price	\$6.45	\$0.31
<u>Discount Segment Retail Share</u>	<u>29.8%</u>	<u>1.5pp</u>
Major Manufacturer Discount ¹	15.4%	+0.1pp
All Other Manufacturer Discount ²	14.4%	+1.4pp
PM USA Menthol Retail Share	8.0%	(0.4pp)
Estimated Weighted Average State Excise Tax per pack	\$1.93	\$0.03
PM USA Cigarette Wholesale Inventory Estimates:	(in billion units)	
End of Q3 2024	2.2	
End of Q2 2024	2.2	
End of Q3 2023	2.2	
End of Q2 2023	2.4	
Cigarette Industry Wholesale Inventory Estimates:	(in billion units)	
End of Q3 2024	7.4	
End of Q2 2024	6.0	
End of Q3 2023	7.7	
End of Q2 2023	7.2	

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	Q3 2024	△ vs. Q3 2023
Copenhagen Retail Price	\$6.89	\$0.40
on! Retail Price	\$3.74	\$0.11

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

Other	Q3 2024	YTD 2024
Capital Expenditures	\$31 million	\$95 million
Ongoing Depreciation and Amortization	\$74 million	\$213 million

Smokeable Shipping Days					
	Q1	Q2	Q3	Q4	FY
2023	65	65	65	65	260
2024	65	65	66	66	262

Cigarette Industry Volume Decomposition Estimates

Twelve Months Ended

	12/31/23	3/31/24	6/30/24	9/30/24
Secular Decline Rate ¹	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity ²	(1.9)%	(1.8)%	(1.9)%	(2.0)%
Macroeconomic, Additional Cross Category Movement & Other Factors	(3.6)%	(3.7)%	(4.1)%	(4.5)% ³
Estimated Industry Decline	(8.0)%	(8.0)%	(8.5)%	(9.0)%

1 Includes approximately 1% historical movement across tobacco categories.

2 Reflects a cigarette price elasticity coefficient of -0.35.

3 Includes approximately 2% to 3% of cross category movement from cigarettes, primarily driven by illicit disposable e-vapor products.

Source: ALCS Advanced Analytics estimates