

**Remarks by Billy Gifford, Altria Group, Inc.'s (Altria) Chief Executive Officer and Sal Mancuso, Altria's Executive Vice President (EVP) and Chief Financial Officer (CFO)**

**2025 Consumer Analyst Group of New York (CAGNY) Conference**

**February 19, 2025**

**Remarks by Billy Gifford**

Good morning and thank you for joining us. We're excited to be back at CAGNY to discuss the progress we're making toward our Vision of Moving Beyond Smoking. I'm joined today by Sal Mancuso, our EVP and CFO. And following our presentation Heather Newman, our Senior Vice President and Chief Strategy and Growth Officer, and Bob McCarter, our EVP and General Counsel who also leads regulatory affairs, will join us for the breakout session next door.

We're also looking forward to hosting dinner tonight where you will have the chance to meet other members of our management team.

Before we begin, we ask that you carefully review the Safe Harbor statement in today's presentation and the forward-looking and cautionary statements section in today's press release. These documents are available on [altria.com](http://altria.com) along with reconciliations and further explanations of the non-United States (U.S.) Generally Accepted Accounting Principles financial measures we will discuss today. Future dividend payments and share repurchases remain subject to the discretion of Altria's Board of Directors (Board). And all references in today's remarks to nicotine consumers or consumers within a specific tobacco category or segment refer to existing adult nicotine consumers, 21 years of age or older.

We believe our actions over time have positioned Altria to win in U.S. nicotine over the long term. With our leading traditional tobacco brands -- *Marlboro*, *Black & Mild* and *Copenhagen* -- we've developed best-in-class marketing, sales and distribution capabilities, fostered strong relationships with trade partners, built a loyal consumer base and gained a deep understanding of nicotine consumers.

We believe these core enablers of success and our financial flexibility position us to make the necessary investments to achieve leadership in reduced harm while delivering significant cash returns to our shareholders.

I'll focus my remarks this morning on the evolution of the U.S. nicotine space and our efforts to capture the growing harm reduction opportunity. I'll then turn it over to Sal to discuss our highly profitable smokeable business, our ambition to expand beyond U.S. nicotine and our continuing commitment to create substantial value for our shareholders.

The potential for tobacco harm reduction in the U.S. is significant, and we believe that the opportunity remains in its early stages. Of the nearly 55 million nicotine consumers in the U.S., we estimate that only a third exclusively use smoke-free formats today. However, consumers are transitioning to smoke-free alternatives at a faster pace than ever before. And the estimated number of adult consumers in the e-vapor and oral tobacco categories has grown to approximately 28 million, nearly as large as the smoker population.

Nicotine consumer preferences are rapidly changing. Today's nicotine consumers want smoke-free products that offer the potential to reduce harm and social friction and are available in a variety of flavors. In fact, with more products in the market coming closer to meeting these needs, industry equivalized nicotine volumes increased for the second consecutive year in 2024 and grew by a compounded annual growth rate of approximately 2% over the past five years. Smoke-free volume growth is now more than offsetting cigarette industry declines, demonstrating that consumers are seeking alternatives to cigarettes rather than leaving the nicotine space entirely.

The growing adoption of smoke-free products is encouraging and directly aligned with our Vision and the growth aspirations of our smoke-free businesses.

Our research supports that no single product format or flavor will satisfy all nicotine consumers. To advance harm reduction, our strategy is to deliver a portfolio of products across today's most promising innovative smoke-free platforms: oral nicotine pouches, heated tobacco and e-vapor. In the rapidly growing nicotine pouch category, we have *on!* and *on! PLUS*, for which we submitted premarket tobacco product applications (PMTAs) last year. In heated tobacco, we're working toward PMTA and modified risk tobacco product application (MRTPA) submissions for *Ploom* with Japan Tobacco (JT) Group, and we are testing *SWIC*, a heated tobacco capsule product, through e-commerce in Great Britain. And in e-vapor, we have *NJOY ACE (ACE)* and *DAILY*, the only e-vapor products with menthol marketing authorizations from the U.S. Food and Drug Administration (FDA).

Let's now turn to how we're bringing our smoke-free portfolio to consumers. We'll start with oral tobacco, where our strategy is to maximize profitability over time in MST through the strength of *Copenhagen* and responsibly grow *on!* while investing in a pipeline of innovative oral nicotine products.

The oral tobacco category continues to grow, led by nicotine pouches. We estimate that industry volume grew by 8.5% last year and included nearly eight million consumers. In the last three years, nicotine pouch consumers have more than tripled and now comprise three and one half million of those eight million consumers.

Our oral tobacco products segment continues to deliver strong financial performance, driven by USSTC. Approximately one out of every two MST products sold in the U.S. is a USSTC brand. *Copenhagen* leads our MST portfolio and is known for its craftsmanship and unwavering commitment to product quality, made from 100% American-grown tobacco.

In the highly profitable premium segment, USSTC's share is nearly 60 percentage points and has continuously grown over the past five years, illustrating the resiliency of its MST brands as other premium brands in the category cede greater share to discount.

The strength of our MST business has enabled us to invest behind *on!* while growing profitability. Over the past five years, our oral tobacco products segment has grown adjusted operating companies income (OCI) by over \$200 million, representing a compounded annual growth rate (CAGR) of 2.4%. Over the same time, adjusted OCI margins remained strong and demonstrated improvement after a period of investment to accelerate *on!*'s progress in the marketplace.

With *on!*, Helix is focused on appropriately balancing investments to grow awareness and trial with long-term retention and profitability.

Last year, Helix had tremendous success, growing *on!* volume and share while optimizing promotional resources. In the fourth quarter of 2024, *on!*'s volume increased by more than 40% versus the prior year, and share expanded by two percentage points. Helix achieved these impressive results while increasing *on!*'s retail price by nearly \$0.30 per can in 2024. Notably, Helix achieved profitability for the first time in the fourth quarter, ahead of its 2025 goal.

We are encouraged by *on!*'s ability to retain loyal purchasers and expand its consumer base at a higher retail price. Consumer loyalty for *on!* continues to build. At the end of last year, 800,000 consumers regularly purchased *on!*, an increase of more than 40% versus the prior year.

A deep understanding of consumers informs our strategies for *on!*. *on!* consumers skew younger, live in more urban areas and have higher income levels, relative to smokers.

Our research shows that consumers believe nicotine pouch brands lack differentiation. To further distinguish the *on!* brand, Helix introduced a fresh new look for *on!* packaging last year, along with its new equity campaign -- "IT'S ON!". The campaign resonates with current and competitive consumers who easily pick up on the energy, excitement and nicotine satisfaction that *on!* provides. The brand paired its new campaign with advertisements across digital channels, including TV screens in bars and age-verified delivery of online videos. Let's take a look at how this comes to life.

Following the "IT'S ON!" campaign launch, consumer impressions more than doubled, growing to 700 million in 2024. *on!* also sourced more consumers from competitive brands versus prior years, representing an exciting avenue for future growth. The Helix team looks forward to bringing the campaign to more consumers and continuing to responsibly grow *on!*'s share of the category.

Helix is investing in support of *on!* at retail. Last year, Helix launched a new trade program to strengthen *on!*'s positioning, including enhanced merchandising, distribution and assortment. The trade program secured the premium fixture position for nearly 80% of *on!*'s volume, creating broader visibility for the brand.

As we look to the category's future, we are excited about the prospects and potential for *on! PLUS*, an innovative pouch product made using our proprietary "soft-feel" material. Last year, Helix submitted PMTAs to the FDA for *on! PLUS* in three varieties: tobacco, mint and wintergreen, each in three different nicotine strengths. Our early research indicates that nicotine pouch consumers and dippers view the product's soft pouch and larger size as differentiated compared to products on the market today. And we expect the brand-building efforts behind *on!* in the U.S. will benefit the entire *on!* portfolio in the future.

Our smokeless tobacco business has a strong American heritage stretching back more than 200 years. We intend to continue our leadership with a compelling portfolio of MST and innovative oral tobacco products, which remain important to achieving our smoke-free ambitions.

Let's now turn to heated tobacco. While we recognize the important role heated tobacco products can play in harm reduction, the category remains essentially non-existent in the U.S. Based on our assessment of U.S. consumers, the alternatives currently available to them, and our experience with *IQOS*, we continue to believe that heated tobacco will make up approximately 5% of the U.S. nicotine space over the long term. Some smokers seeking inhalable alternatives want products that reduce the social friction associated with cigarettes yet provide a satisfying, real tobacco taste. We've taken a two-pronged approach to competing in heated tobacco, building our portfolio through partnership and internal development.

Our joint venture with JT Group, Horizon, is focused on the familiar heated tobacco stick format that will be paired with the *Marlboro* brand. During 2024, we made great progress toward a PMTA and accelerated work on an MRTPA for *Ploom*. We now expect to make a combined submission to the FDA in the middle of this year.

We believe the science and research supporting *Ploom*'s applications are compelling. Evidence from a large consumer use study among adult smokers not planning to quit shows that nearly 75% of those who used *Ploom* had meaningful reductions in cigarette consumption, with nearly one-third completely switching from cigarettes. We also observed that menthol-flavored sticks had higher switch rates relative to tobacco-flavored sticks.

And evidence from our clinical study shows that consumers who switch from combustible cigarettes to *Ploom* significantly reduce their exposure to harmful chemicals. In short, given the low risk of underage use and the strong benefits of switching for adults, we believe *Ploom* presents a compelling case for authorization by the FDA, and we remain optimistic about its potential in the U.S.

Our consumer research indicates heated tobacco capsule products could offer another transition opportunity for smokers. This is where *SWIC* fits in. In December, we commenced a small-scale test launch of *SWIC* through e-commerce in Great Britain. We plan to use consumer insights from the test to further inform our strategies for heated tobacco.

Let's now turn to e-vapor, the largest and most successful smoke-free category for transitioning smokers away from cigarettes in the U.S. Our data show consumers transition from cigarettes to e-vapor at over three times the rate of transition to other smoke-free categories. This is an encouraging sign and consistent with our belief that most smokers are looking for satisfying inhalable alternatives to cigarettes.

*NJOY* performed well during our first full year of ownership, growing consumables volume and share for the full year. *NJOY*'s progress was driven by several actions, which I'll briefly highlight. Our teams:

- diversified *NJOY*'s supply chain outside of China;
- expanded distribution of *ACE* to over 100,000 stores;
- introduced *NJOY*'s first trade program, securing premium positioning at retail in more than 80% of contracted stores;
- expanded trial-generating activities, which helped grow share by nearly three percentage points to 6.4% in the fourth quarter; and
- introduced a new brand equity campaign with impactful consumer messaging.

While we are encouraged by *NJOY*'s progress, we acknowledge the challenges it faces from patent litigation and the growing illicit marketplace. As we have shared previously, *NJOY* faces litigation brought by JUUL Labs, Inc. (JUUL) before the U.S. International Trade Commission (ITC). In January, the ITC agreed with JUUL's claims that *NJOY* infringed upon four of JUUL's patents. As a remedy, the ITC issued an exclusion order and cease-and-desist orders barring the importation and sale of *ACE* in the U.S. The ITC's decision is under a 60-day review period by the Trump Administration, which could either uphold or reject the ITC's decision. An importation ban on *ACE* would severely limit FDA-authorized choices for consumers and undermine public health, and we are pursuing every pathway to minimize the disruption from the exclusion order.

At the same time, the e-vapor marketplace has changed significantly since we acquired NJOY in 2023. Our experience competing with *NJOY* showed us that today's vapers are seeking products that are flavored, come in a convenient form and offer high value for a reasonable price. And, in the absence of FDA authorization of flavored product choices, consumers have turned to the illicit flavored disposable market. We estimate that the e-vapor category grew by approximately 30% in 2024, driven entirely by illicit products that now represent more than 60% of the category.

As we've said repeatedly, illicit product growth is concerning. It's the primary source of underage e-vapor use, and, with no controls over how the products are marketed or sold, it's attracting unintended audiences to the nicotine category. In fact, nearly 40% of new entrants to the category in 2024 were not prior smokers.

At the same time, the category's growth is proof that a smoke-free future is possible. Both consumers and society expect a marketplace consisting of an array of FDA-authorized products led by responsible players throughout the value chain. We need a regulatory system that fosters innovation, not one which stifles and slows innovation to the advantage of the illicit market. We believe that long term, it's important to compete in e-vapor with flavored products that meet quickly evolving consumer preferences. And we are working on a pipeline of products to drive to that future.

NJOY's marketplace performance to date demonstrates our ability to use our strengths to build a brand and responsibly grow in the e-vapor category. And we expect these capabilities to benefit our future efforts in e-vapor. Until meaningful progress is made to address the illicit market and increase product authorizations, we will take a disciplined approach to our investments in e-vapor.

In our view, achieving our Vision and the full promise of harm reduction requires four critical elements. First, underage tobacco use must continue to decline or remain low. Second, consumers require accurate information about the role of nicotine to make informed decisions. Third, the entire industry needs to operate within a fully enforced, science-based regulatory environment. And fourth, a variety of satisfying, FDA-authorized products must be available for adult consumers. Let's briefly look at where we stand against each of these.

First, the most recent National Youth Tobacco Survey reported all-time low youth tobacco use rates. The youth e-vapor use rate of 5.9% represents a dramatic drop from its peak in 2019. Thus, it's possible to keep nicotine products from becoming an on-ramp for youth while still offering a variety of alternative products for adult consumers.

Second, consumers remain misinformed about nicotine. Research indicates that a majority of smokers incorrectly believe nicotine is the chemical that causes most of the cancer caused by smoking cigarettes. By providing truthful information, the FDA can help consumers make informed decisions and realize the positive health impact of switching to smoke-free products.

Third, more than 13 million vapers use illicit products. These products, mostly imported from China, are produced with no FDA oversight of ingredients, how the products are made or how they are marketed and sold. We tested leading illicit e-vapor brands and found that many misrepresented the type and concentration of nicotine used and alarmingly, some were labeled as zero-nicotine when they contained more than trace amounts. These findings, which we shared with the FDA, underscore a failure in consumer protection and the risk to adults and youth of manufacturers circumventing regulations.

Finally, in addition to inadequate enforcement, the lack of FDA-authorized smoke-free products contributes to the illicit e-vapor issue. Consumers look to the FDA to deliver on harm reduction by giving them more authorized choices. However, we estimate that only 2% of e-vapor volume is FDA-authorized – woefully insufficient to meet consumer demand.

It has become clear that two markets exist in the U.S. – one for those operating within the regulatory system and one for those flagrantly violating and evading rules. In the simplest terms, the regulatory system is broken, and the nicotine marketplace is not operating as U.S. Congress intended.

There is some encouraging news on the enforcement front. Federal efforts are gaining momentum, backed by widespread bipartisan support. Last year, the U.S. Department of Justice and the FDA announced a federal multi-agency task force to curb the distribution and sale of illicit e-vapor products. Its creation has led to increased import refusals and product seizures. And, in January, the FDA announced an importation policy establishing a “green list” that e-vapor products must be on to lawfully enter the country – something for which we have long advocated. State Attorneys General (AGs) are also becoming more active. Last month, ten state AGs announced various actions including civil lawsuits, targeted investigations and warning letters against illicit e-vapor manufacturers, wholesalers and retailers.

For more than two decades, Altria has advocated for a regulatory system that advances harm reduction. We have earned our reputation as the industry leader, and policymakers recognize us as a credible partner with clear policy positions and actionable solutions that will benefit consumers, large and small retailers, and society.

There is a pathway to restoring order in the market. The FDA must adjust its approach to PMTAs, prioritizing innovation and establishing a legal market of smoke-free alternatives. And, regulators need to use all available tools to hold rule breakers accountable and create a level playing field. Through our engagements with many stakeholders, we find widespread agreement on the problem and potential solutions. This, coupled with a new administration, offers us renewed hope for progress.

Once the benefits of appropriate regulation are realized, we believe Altria has the experience and capabilities to make significant progress toward our Vision and lead the U.S. nicotine market over the long term. Sal will now discuss our highly profitable smokeable products segment, international and non-nicotine progress and our continuing commitment to shareholder returns.

### **Remarks by Sal Mancuso**

Thanks, Billy. Let’s turn to our smokeable products segment, which includes our cigarette and cigar businesses. We manage our combustible business for the long term, which means that PM USA seeks to maximize profitability while maintaining *Marlboro*’s strength over time.

Over the past five years, the smokeable products segment has grown adjusted OCI by more than \$1.7 billion, representing a CAGR of 3.6%. Over the same time, adjusted OCI margins have expanded by 7.1 percentage points to 61.6%.

Over time, PM USA has made investments in *Marlboro* to maintain the brand’s leadership in the cigarette category. As a result, in 2024, *Marlboro* remained the undisputed retail share leader and was larger than the next 10 brands combined. Over the past five years, *Marlboro* share has remained stable, with an average annual retail share decline of about a quarter of a share point. Over the same period, *Marlboro* dollar share grew by more than two percentage points.

And, over the past five years, *Marlboro* outperformed other premium brands and grew its share of the highly profitable premium segment to 59.3%.

PM USA achieved this performance with the help of our revenue growth management tools (RGM), which enhance the efficiency of its pricing and promotional strategies. Years ago, list price decisions were made at a national level. Over time, PM USA evolved its capabilities to support *Marlboro* at both a state and store level. With this broader set of tools, we can reach consumers who are under the greatest economic pressure and are more price sensitive compared to the most brand-loyal smokers. PM USA looks to continue building capabilities to broadly deploy consumer-level offers. And we're making good progress. Today, PM USA offers personalized value in retail accounts representing approximately 40% of its volume.

We are often asked about the national price gap between total *Marlboro* and the lowest-priced brand in the store. In the fourth quarter, the *Marlboro* price gap was close to 50%. However, this gap doesn't fully reflect PM USA's value delivery strategies. PM USA manages the *Marlboro* franchise holistically, positioning different *Marlboro* SKUs to compete at various price points, while still expanding smokeable adjusted OCI margins and growing *Marlboro*'s share of the premium segment.

In recent years, PM USA has positioned *Marlboro Black* at a lower price to provide loyal consumers under economic pressure a place to land in the *Marlboro* family. On a national level, *Marlboro Black*'s price gap to the leading competitive discount product is only 20%. In addition, PM USA's RGM capabilities allow it to allocate additional resources based on consumer and competitive dynamics. For example, the state of Missouri is a very price-sensitive geography with a sizable discount segment. PM USA deployed targeted promotions to consumers under economic pressure, achieving a *Marlboro Black* price gap that differs by store and in some cases was as low as 5%.

As you can see, with the size of *Marlboro*, we are able to manage price gaps at a granular level, grow adjusted OCI margins and outperform competitive premium brands. Based on its success, we expect our smokeable products segment will continue to be a significant contributor to our earnings, while providing funding for investments in our Vision and long-term growth aspirations.

Smokeable segment adjusted margins remain strong, supported by effective cost management throughout our traditional businesses. For example, over time, we have successfully repurposed several areas within our manufacturing footprint to support our innovative products. We now produce 90% of *on!*'s volume and expect to produce *Marlboro* heated tobacco sticks upon FDA authorization for *Ploom*. By repurposing existing manufacturing space, we can expand our businesses while managing our overhead and spreading fixed costs.

Our capital investments (CAPEX) have also evolved to support our smoke-free products. Over the last five years, the proportion of our CAPEX supporting innovative products has grown by nearly 45 percentage points, and now represents over half of our total CAPEX. And we expect that ratio to continue to grow.

Billy discussed the tobacco harm reduction opportunity directly in front of us. Looking longer term, we also believe we can improve top-line growth through opportunities outside the U.S. nicotine space. This includes international innovative smoke-free and U.S. non-nicotine.

In 2024, we focused our international efforts on the fast-growing nicotine pouch category with *on!* and *on! PLUS*. Early results continue to show that *on! PLUS* is a growing competitive player in Sweden and the United Kingdom (UK). In both markets, *on! PLUS* has been incremental to the total *on!* portfolio sourcing mainly from competitive brands with minimal cannibalization. In Sweden, flavor line extensions for *on! PLUS* drove consistent share momentum throughout the year. And, in the UK, following the launch of *on! PLUS*, the *on!* portfolio is the number two nicotine pouch brand on the Haypp e-commerce platform.

Supported by this encouraging progress, we doubled distribution throughout 2024. Today, the *on!* portfolio is available in thousands of key retail accounts in the UK and Sweden. In addition, we are launching two new flavors, raspberry lemon and watermelon mint, in both markets to meet evolving consumer preferences.

While *on!* and *on! PLUS* are gaining momentum, a portion of international consumers are interested in slim wet pouch products beyond what *on! PLUS* offers today. This year, we are excited to add *FUMi* to our international nicotine pouch portfolio. *FUMi*'s nine unique flavors deliver an elevated experience that maximize taste, aroma and nicotine delivery.

*FUMi* appeals to the 80% of consumers interested in slim, wet pouch products, and adding *FUMi* to our portfolio will enable us to meet the needs of more consumers. We plan to expand our entire nicotine pouch portfolio to additional countries as we progress through 2025.

We are encouraged by the early progress of our nicotine pouch portfolio internationally, and we are setting the foundation necessary to achieve our 2028 international goal.

Non-nicotine presents another opportunity to drive incremental revenue growth. We are taking a disciplined approach to our non-nicotine growth strategy, focusing on testing and learning in the U.S. market. Our research with over 10,000 adult consumers tells us that consumers are seeking product solutions that provide energy, focus, stress relief and relaxation. Collectively, we estimate these categories represent a \$100 billion total addressable market in the U.S.

We're looking to apply our transferable capabilities in distribution, trade relationships, high-speed manufacturing, unique product formats and science to non-nicotine products across these opportunity areas.

In 2024, we executed several retail tests with convenience channel partners across various products, formats and merchandising concepts. Early insights indicate there is potential to disrupt the energy drink category in convenience stores, which we estimate to be a \$14 billion opportunity. We learned that more than 50% of consumers are interested in energy shots that contain only all-natural ingredients, and nearly 60% of energy shot consumers believe their product can be improved.

Through our retail tests, we identified *Proper Wild* as a differentiated energy shot product. *Proper Wild* uses simple ingredients that support increased concentration and productivity.

Last year, we made a small investment in the company and Altria Group Distribution Company is providing sales and distribution services to Proper Wild in a small number of retail stores. Our investment will also provide valuable data and insights to further our understanding of the category. This year, we plan to expand distribution, putting us on a path toward our goal to commercialize and broadly distribute at least five non-nicotine products by 2028.

While we invest in our future, we stand on the strong foundation of our traditional tobacco businesses that have enabled us to deliver significant cash returns for many decades. Over the last five years, we have returned more than \$40 billion to shareholders through dividends and share repurchases and have grown our adjusted diluted earnings per share (EPS) by 4% on a compounded annual basis.

We remain committed to our 2028 corporate financial goals, which cover:

- adjusted diluted EPS growth;
- dividend per share growth;
- leverage;
- total adjusted OCI margin; and
- our leadership position in the U.S. tobacco space.

Annually, our businesses typically produce more than \$1 billion of cash in excess of dividend payments. As we consider this strong excess cash generation, we expect to continue balancing share repurchases with investments in our Vision and debt repayment. At year-end 2024, we completed our previous \$3.4 billion share repurchase program. And last month, our Board authorized a new \$1 billion program, which we expect to complete by the end of this year.

Our balance sheet remains strong, and we have manageable debt maturity towers. In fact, none of our annual maturities exceed \$2 billion through 2038. And, at the end of last year, our debt to earnings before interest, taxes, depreciation and amortization ratio was 2.1 times.

Finally, we reaffirm our 2025 adjusted diluted EPS guidance of \$5.22 to \$5.37. This range represents an adjusted diluted EPS growth rate of 2% to 5% from a \$5.12 base in 2024.

I will now turn it back to Billy for closing remarks.

### **Remarks by Billy Gifford**

Thanks, Sal. As the leader in the U.S. nicotine industry, we believe we are well positioned to lead the tobacco harm reduction opportunity.

We have:

- a demonstrated commitment to responsibility;
- an extensive understanding of U.S. nicotine consumers; and
- a compelling portfolio with products in each of today's smoke-free categories.

We also have significant cash flows and a flexible balance sheet that support our investments and cash returns to shareholders. Our investment proposition includes consistent cash returns, limited foreign exchange and tariff exposure, and an attractive valuation. We have the potential to unlock value through continued progress toward our Vision.

With these strengths, and the hard work of our talented employees, we remain confident we can achieve our Vision. Thank you for your time and your interest in Altria. We'll now take your questions.

## **Altria's Profile**

We have a leading portfolio of tobacco products for U.S. tobacco consumers age 21+. Our Vision is to responsibly lead the transition of adult smokers to a smoke-free future (Vision). We are *Moving Beyond Smoking*<sup>™</sup>, leading the way in moving adult smokers away from cigarettes by taking action to transition millions to potentially less harmful choices - believing it is a substantial opportunity for adult tobacco consumers, our businesses and society.

Our wholly owned subsidiaries include leading manufacturers of both combustible and smoke-free products. In combustibles, we own Philip Morris USA Inc. (PM USA), the most profitable U.S. cigarette manufacturer, and John Middleton Co. (Middleton), a leading U.S. cigar manufacturer. Our smoke-free portfolio includes ownership of U.S. Smokeless Tobacco Company LLC (USSTC), the leading global moist smokeless tobacco (MST) manufacturer, Helix Innovations LLC (Helix), a leading manufacturer of oral nicotine pouches, and NJOY, LLC (NJOY), an e-vapor manufacturer with a commercialized product portfolio fully covered by marketing granted orders from the U.S. Food and Drug Administration (FDA). Additionally, we have a majority-owned joint venture, Horizon Innovations LLC (Horizon), for the U.S. marketing and commercialization of heated tobacco stick products.

Our equity investments include Anheuser-Busch InBev SA/NV (ABI), the world's largest brewer, and Cronos Group Inc. (Cronos), a leading Canadian cannabinoid company.

The brand portfolios of our operating companies include *Marlboro*<sup>®</sup>, *Black & Mild*<sup>®</sup>, *Copenhagen*<sup>®</sup>, *Skool*<sup>®</sup>, *on!*<sup>®</sup> and *NJOY*<sup>®</sup>. Trademarks related to Altria referenced in this release are the property of Altria or our subsidiaries or are used with permission.

Learn more about Altria at [www.altria.com](http://www.altria.com) and follow us on X (formerly known as Twitter), Facebook and LinkedIn.

## **Forward-Looking and Cautionary Statements**

This release contains projections of future results and other forward-looking statements that are subject to a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Important factors that may cause actual results to differ materially from those contained in the forward-looking statements included in this release are described in our publicly filed reports, including our Annual Report on Form 10-K for the year ended December 31, 2023. These factors include the following:

- our inability to anticipate and respond to changes in Adult Tobacco Consumer (ATC) preferences and purchase behavior;
- our inability to compete effectively;
- the growth of the e-vapor category, including illicit disposable e-vapor products, which contributes to reductions in domestic cigarette consumption levels and shipment volume;
- the risks associated with illicit trade in tobacco products (including counterfeit products, illegally imported products, illicit disposable e-vapor products and oral nicotine pouch products) and the sale of products designed to avoid the regulatory framework for tobacco products, such as products using nicotine analogues, each of which contributes to reductions in the consumption levels and shipment volumes of our businesses' products;
- our failure to develop and commercialize innovative products, including tobacco products that may reduce health risks relative to other tobacco products and appeal to ATCs;
- changes, including in macroeconomic and geopolitical conditions (including inflation), that result in shifts in ATC disposable income and purchasing behavior, including choosing lower-priced and discount brands or products, and reductions in shipment volumes;
- unfavorable outcomes with respect to litigation proceedings or any governmental investigations, including significant monetary and non-monetary remedies and importation bans;
- the risks associated with significant federal, state and local government actions, including FDA regulatory actions and inaction, and various private sector actions;
- increases in tobacco product-related taxes;
- our failure to complete or manage successfully strategic transactions, including our acquisition of NJOY and other acquisitions, dispositions, joint ventures and investments in third parties, or realize the anticipated benefits of such transactions;
- significant changes in price, availability or quality of tobacco, other raw materials or component parts, including as a result of changes in macroeconomic, climate and geopolitical conditions;
- our reliance on a few significant facilities and a small number of key suppliers, distributors and distribution chain service providers and the risks associated with an extended disruption at a facility or in service by a supplier, distributor or distribution chain service provider;
- the risk that we may be required to write down intangible assets, including trademarks and goodwill, due to impairment;
- the risk that we could decide, or be required, to recall products;
- the various risks related to health epidemics and pandemics and the measures that international, federal, state and local governments, agencies, law enforcement and health authorities implement to address them;
- our inability to attract and retain a highly skilled and diverse workforce due to the decreasing social acceptance of tobacco usage, tobacco control actions and other factors;

- the risks associated with the various U.S. and foreign laws and regulations to which we are subject due to our international business operations;
- the risks concerning a challenge to our tax positions, an increase in the income tax rate or other changes to federal or state tax laws;
- the risks associated with legal and regulatory requirements related to climate change and other environmental sustainability matters;
- disruption and uncertainty in the credit and capital markets, including risk of losing access to these markets;
- a downgrade or potential downgrade of our credit ratings;
- our inability to attract investors due to increasing investor expectations of our performance relating to corporate responsibility factors, including environmental, social and governance matters;
- the failure of our, or our key service providers' or key suppliers', information systems to function as intended, or cyber-attacks or security breaches affecting us or our key service providers or key suppliers;
- our failure, or the failure of our key service providers or key suppliers, to comply with laws related to personal data protection, privacy, artificial intelligence and information security;
- our ability to recognize the expected cost savings in connection with the Initiative or successfully reinvest those savings in our businesses in support of our Vision and 2028 Enterprise Goals, in each case, in the expected manner or timeframe or at all;
- the risk that the expected benefits of our investment in ABI may not materialize in the expected manner or timeframe or at all, including due to macroeconomic and geopolitical conditions; foreign currency exchange rates; ABI's business results; ABI's share price; impairment losses on the value of our investment; our incurrence of additional tax liabilities related to our investment in ABI; and potential reductions in the number of directors that we can have appointed to the ABI board of directors; and
- the risks associated with our investment in Cronos, including legal, regulatory and reputational risks and the risk that the expected benefits of the transaction may not materialize in the expected manner or timeframe or at all.

You should understand that it is not possible to predict or identify all factors and risks. Consequently, you should not consider the foregoing list to be complete. We do not undertake to update any forward-looking statement that we may make from time to time except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Altria or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements referenced above.