



PHILIP MORRIS  
INTERNATIONAL



Investor Information

May 2023

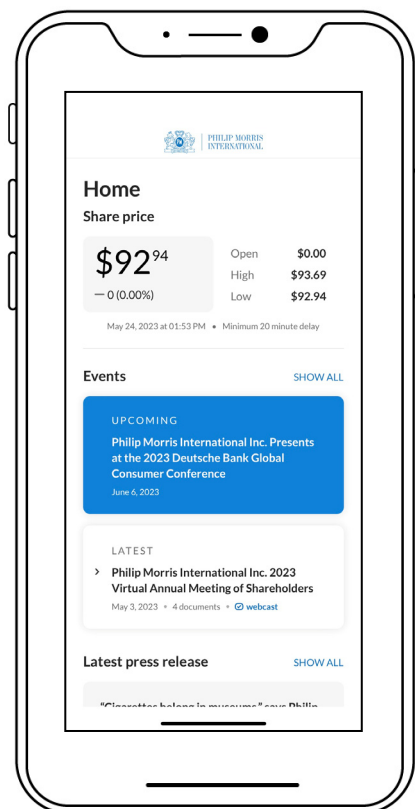


This Investor Information posting includes summaries of information set forth in PMI's quarterly report Form 10-Q for the quarter ended March 31, 202, annual report on Form 10-K for the year ended December 31, 2022, as well as press releases and presentations referenced in this document, and such summaries are qualified by reference to such documents, which are available at <https://www.pmi.com/investor-relations>

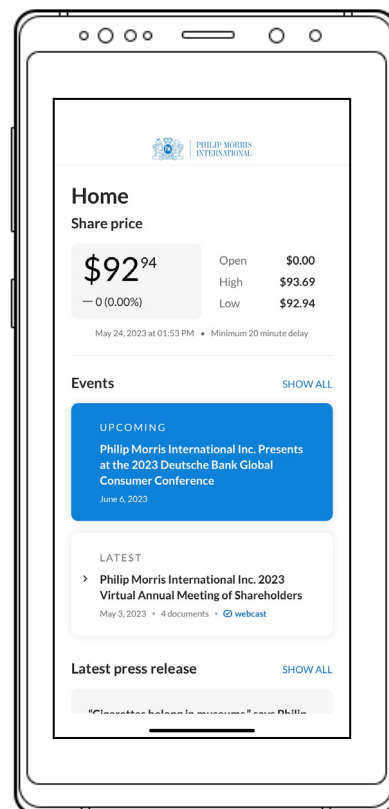
**Web Site:** [www.pmi.com](http://www.pmi.com)

### **New PMI Investor Relations Mobile Application:**

The PMI Investor Relations Mobile Application, provides users with simple, comprehensive and up-to-date access to all the company's previously disclosed investor relations materials such as: press releases, SEC filings, investor materials, and live and archived audio webcasts of earnings calls and investor presentations



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## Reference Materials

You will find all our latest public disclosures and other investor information for Philip Morris International on the [IR website](#) including:

- [Earnings Results](#) (Latest Earnings Q1, 2023, published April 20, 2023)
- [CAGNY 2023](#) (February 22, 2023)
- [Sustainability Resources](#) and [2022 ESG Highlights](#)
- [PMI 2022 Annual Report](#)

# Introduction

- A glossary of terms, including the definition for smoke-free products<sup>(a)</sup> as well as adjustments, other calculations and reconciliations to the most directly comparable U.S. GAAP measures for non-GAAP financial measures cited in this presentation, and additional net revenue data are available in Exhibit 99.2 of the company's Form 8-K dated April 20, 2023 and on our [Investor Relations website](#) with additional non-GAAP reconciliations available at the end of this presentation
- Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions and disposals. As such, figures and comparisons presented on an organic basis exclude Swedish Match up until November 11, 2023

(a) Following the acquisition of Swedish Match, PMI defines "smoke-free products" to include all Swedish Match products other than Swedish Match's combustible tobacco products, in addition to its heat-not-burn, e-vapor, oral nicotine, and wellness and healthcare products

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# Forward-Looking and Cautionary Statements

- This presentation contains projections of future results and goals and other forward-looking statements, including statements regarding business plans and strategies. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our products in certain markets or countries; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco use and intellectual property; intense competition; the effects of global and individual country economic, regulatory and political developments, natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; the impact of COVID-19 on PMI's business; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations, and limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; adverse changes in the cost, availability, and quality of tobacco and other agricultural products and raw materials, as well as components and materials for our electronic devices; and the integrity of its information systems and effectiveness of its data privacy policies. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce and commercialize reduced-risk products or if regulation or taxation do not differentiate between such products and cigarettes; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; if it is unable to attract and retain the best global talent, including women or diverse candidates; or if it is unable to successfully integrate and realize the expected benefits from recent transactions and acquisitions. Future results are also subject to the lower predictability of our reduced-risk product category's performance
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including PMI's Annual Report on Form 10-K for the year ended December 31, 2022 and the Form 10-Q for the quarter ended March 31, 2023. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations

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# Section 1: Q1 2023 Performance and 2022 Results

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## Better-Than-Expected Q1, On Track for Strong Year

- Robust Q1 performance above expectations despite anticipated headwinds
- ~35% smoke-free net revenues
- Continued strong *IQOS* share and user growth
- Accelerated pricing in combustibles
- Outstanding U.S. *ZYN* performance



## Q1, 2023: Outperforming Expectations

### Net Revenues

(Organic variance vs. PY)

+3.2%

**+14%**  
Q1'23 Swedish Match  
Net Revenue  
Growth  
excl. Currency

### Net Revenue per Unit<sup>(a)</sup>

(Organic variance vs. PY)

+4.4%

### Adj. Diluted EPS

(Currency neutral variance vs. PY)

(4.4)%

### Adj. Diluted EPS

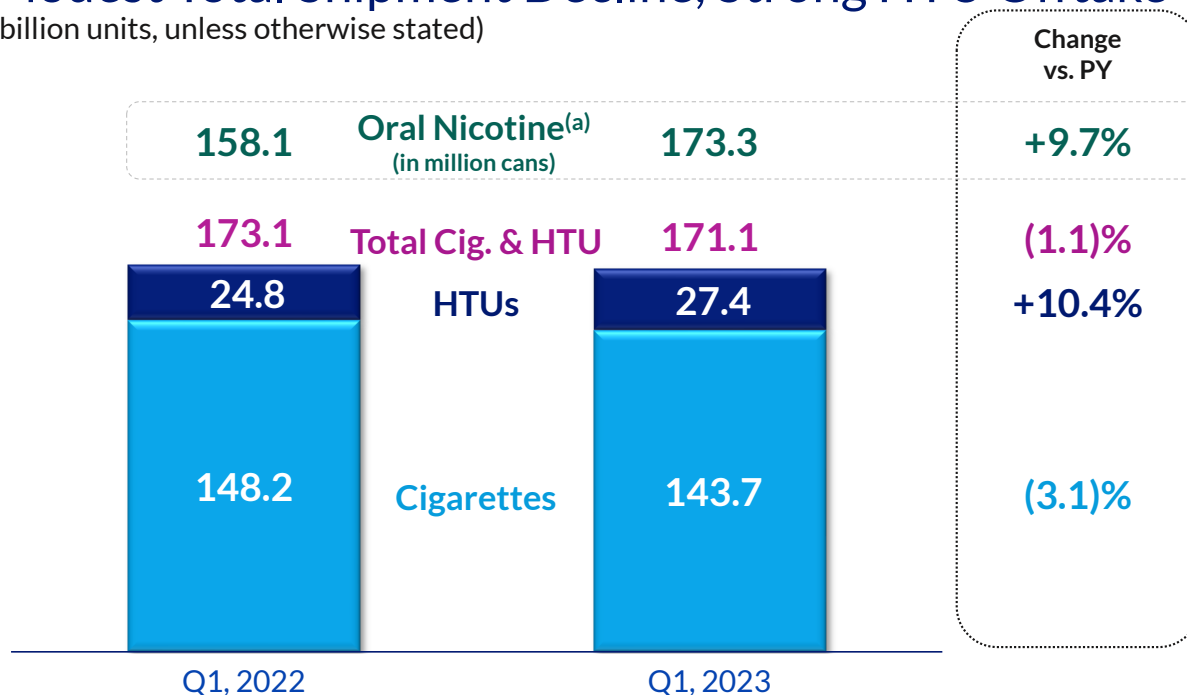
\$1.38

(a) Reflects total PMI net revenues divided by total PMI cigarette and HTU shipment volume  
Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions  
Source: PMI Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

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## Modest Total Shipment Decline, Strong HTU Offtake Growth

(billion units, unless otherwise stated)



**~16%**  
HTU Adj. IMS  
Growth

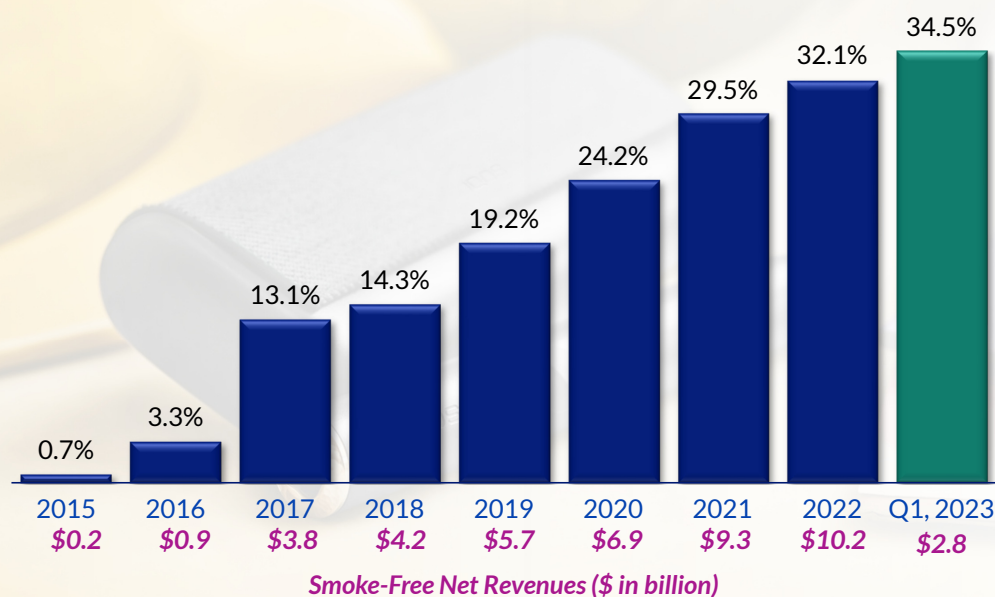
(a) Excludes snuff, snuff leaf and U.S. chew  
Note: Swedish Match oral nicotine volume: Q1, 2022 154.5 million cans and Q1, 2023 169.8 million cans  
Source: PMI and Swedish Match Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

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# Strong Progress Towards Majority Smoke-Free 2025 Ambition

(As a % of PMI Total Adjusted Net Revenues)



Note: Refer to glossary for Smoke-free Products (SFPs) definition. Following the Swedish Match acquisition, PMI reclassified certain of its own products previously reported under its combustible tobacco category to the newly created smoke-free product category to better reflect the characteristics of these products. The impact of the reclassification was immaterial for all periods. See Reconciliation of Non-GAAP Measures at the end of this presentation for more information

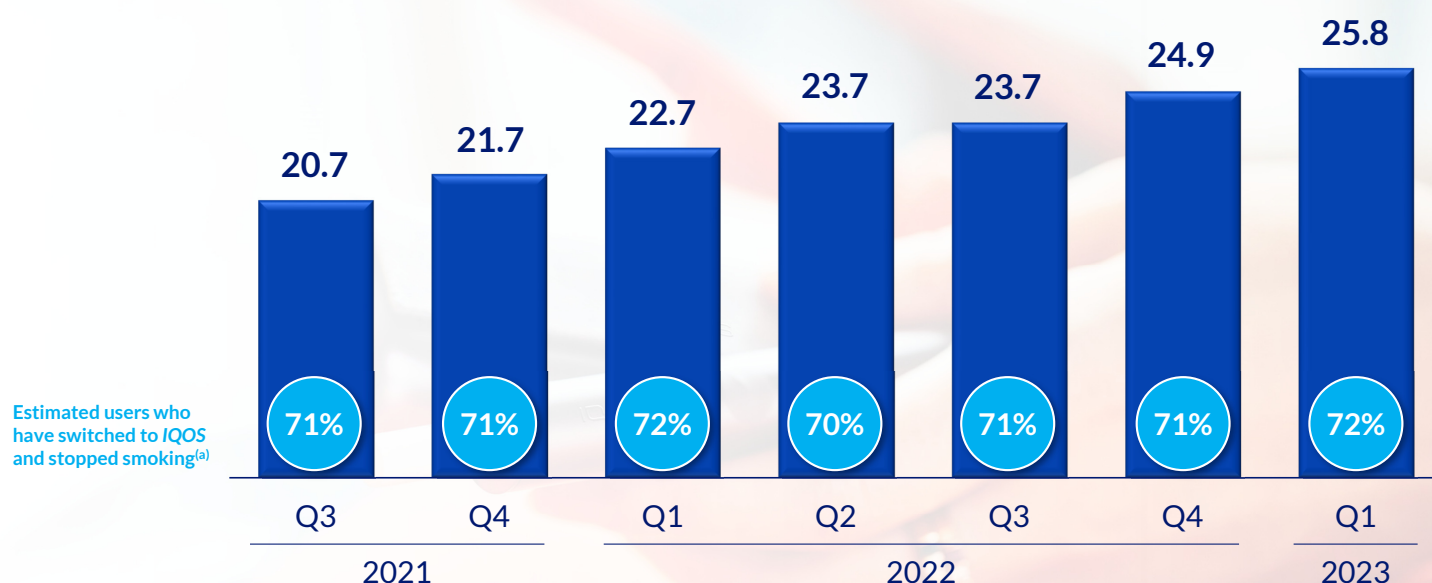
Source: PMI Financials or estimates. Annual Shareholder Meeting 2023, May 3, 2023

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# Continued Robust IQOS User Growth

(in millions)

Total IQOS Users<sup>(a)</sup>



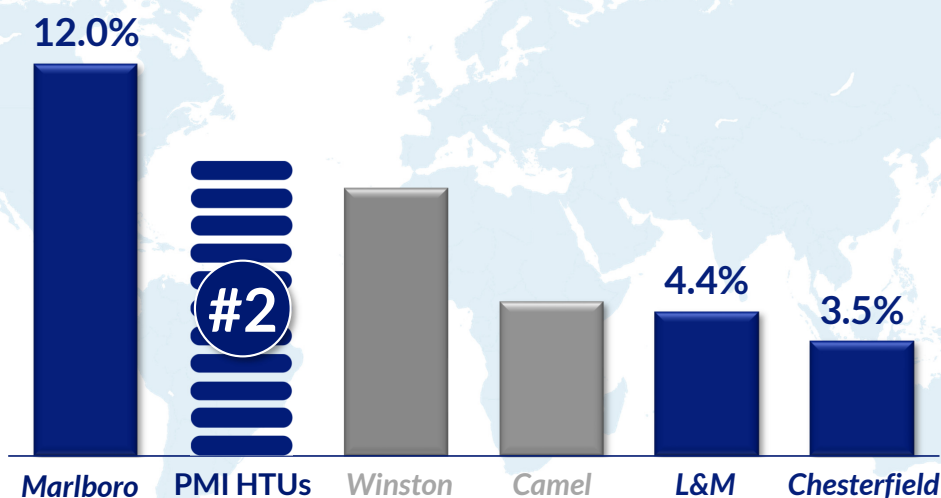
(a) See Glossary for definition

Source: PMI Financials or estimates, IQOS user panels and PMI Market Research. Q1 2023 Earnings, presented April 20, 2023

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## Second-Largest 'Brand' in IQOS Markets

Share in IQOS Markets (Q1, 2023)<sup>(a)</sup>



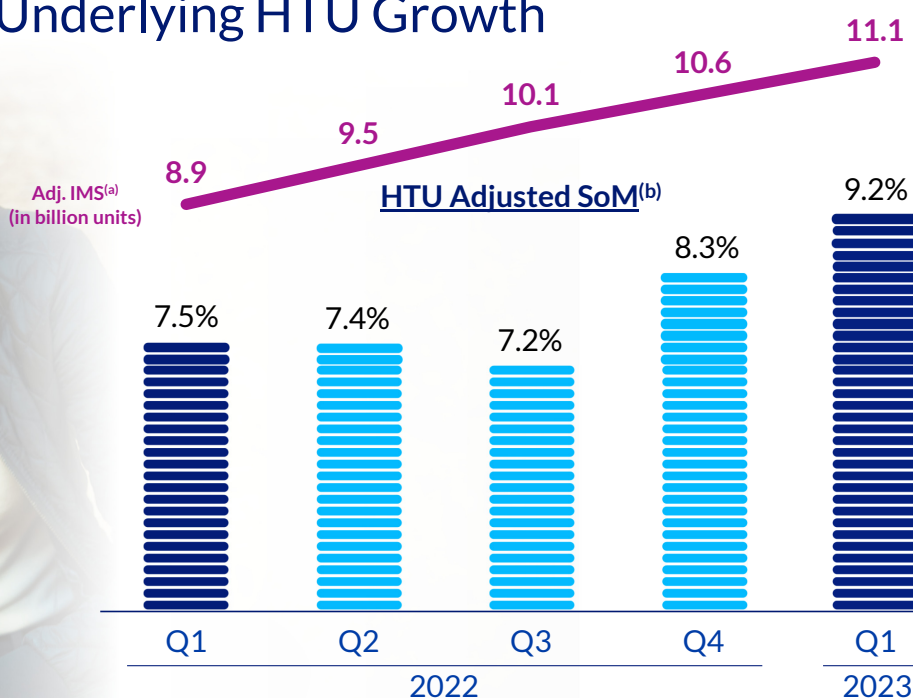
(a) Reflects 68 markets where IQOS is available in key cities or nationwide at March 31, 2023

Note: Reflects markets where IQOS HTUs are available in key cities or nationwide at March 31, 2023. All 'brands' except 'PMI HTUs' include cigarettes only. Reflects sales volume as a percentage of the total industry sales volume for cigarettes and HTUs

Source: PMI Financials or estimates

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## Europe Region: Strong Underlying HTU Growth



(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average

(b) Excluding the impact of estimated distributor and wholesaler inventory movements

Note: Market share for HTUs is defined as the total sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs

Source: PMI Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

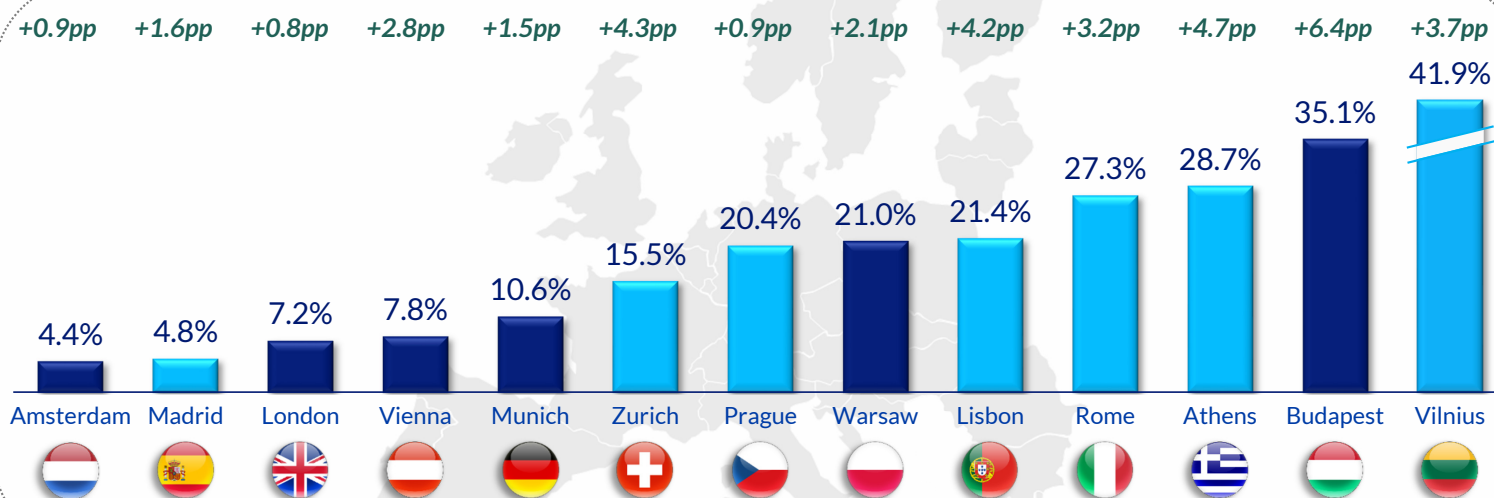
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# Impressive Growth in Europe Key City Shares

PMI HTU Offtake Share (Q1, 2023)

Change vs. PY

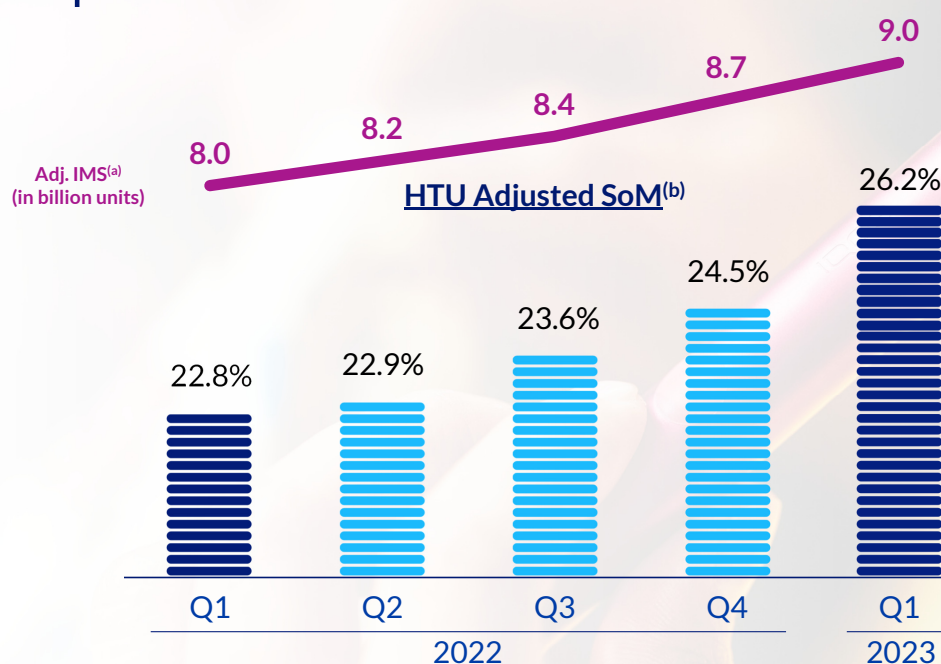


Note: Athens represents Attica Region

Source: PMI Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

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# Japan: ILUMA Momentum Continues



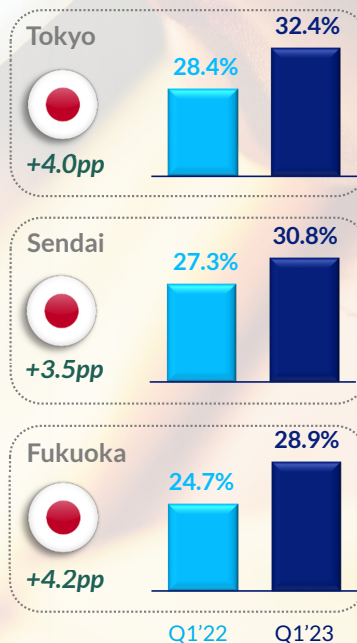
(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average

(b) Adjusted market share for HTUs is defined as the total sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes, HTUs and cigarillos and excluding the impact of estimated distributor and wholesaler inventory movements

(c) Based on 3 C-Store Chains offtake. Base includes cigarettes, cigarillos and SFP

Source: PMI Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

PMI HTU Offtake Shares<sup>(c)</sup>



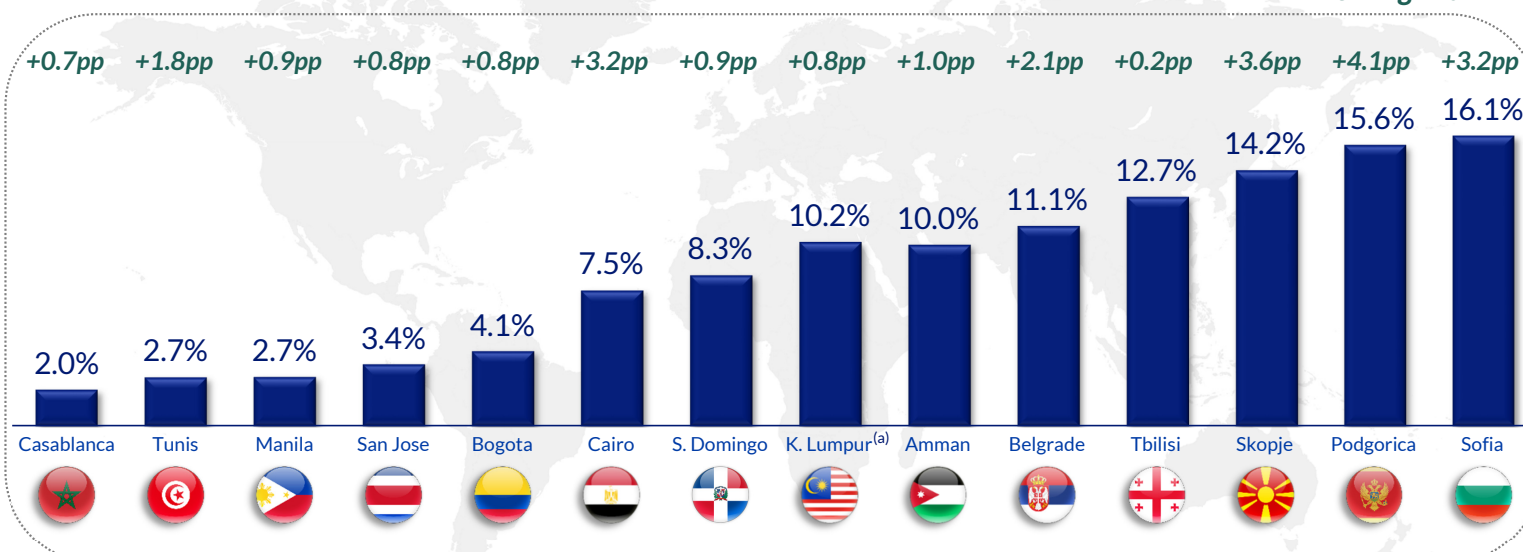
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# Low and Middle-Income Markets: Promising Key City Growth

(PMI HTU offtake share in Key Cities)

PMI HTU Offtake Shares (Q1, 2023)

Change vs. PY



(a) Restated based on change in data provider

Note: K. Lumpur stands for Kuala Lumpur and S. Domingo stands for Santo Domingo. Amman represents West Amman, Cairo represents Urban Cairo, K. Lumpur represents Greater Kuala Lumpur, Manila represents Metro Manila, and Tunis represents Greater Tunis. Low and Middle-Income markets defined using World Bank classification

Source: PMI Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

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## Strong Swedish Match Results Led by ZYN

- Excellent Q1 constant currency net revenue growth of +14% for Swedish Match business
- Outstanding U.S. ZYN performance
- Good performance for U.S. moist snuff, Scandinavia volume decline post excise tax increase
- Robust cigars performance
- Strong progress on Swedish Match integration



Note: Swedish Match's results are based on publicly available information through December 31, 2022 and as of November 11, 2022 when consolidated in PMI's financial statements and net revenue reconciliation (see slide 3 of this presentation). Q1 2023 Earnings, presented April 20, 2023

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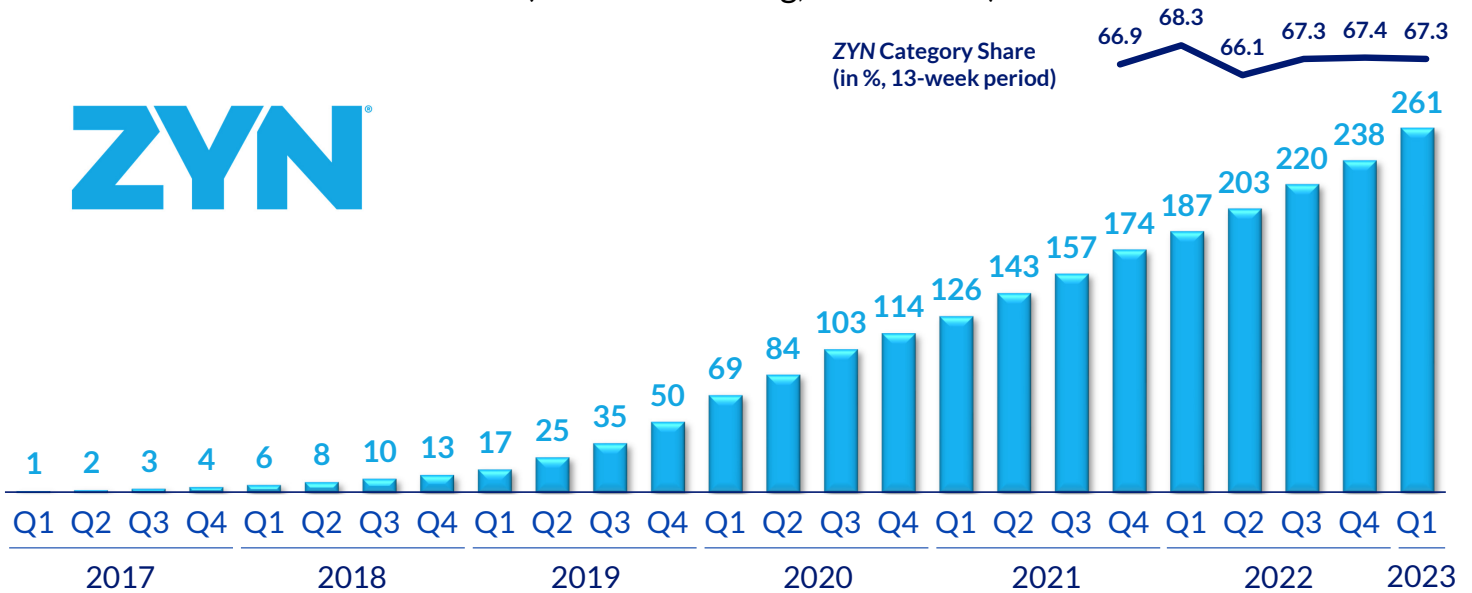


# Stellar U.S. ZYN Growth Continues

## ZYN U.S. Shipment Volumes (12 months rolling, million cans)

**75.6%**  
Q1'23 ZYN  
Category Retail  
Share  
(13-week period)

ZYN Category Share  
(in %, 13-week period)



Source: Swedish Match reported shipments and estimates based on IRI Unify. Q1 2023 Earnings, presented April 20, 2023

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# U.S. ZYN Growth Driven by Increasing Distribution & Velocities

Store Count<sup>(a)</sup>  
(in Thousands)



Velocities<sup>(b)</sup>  
(Cans per Store per Week)



(a) Estimated number of U.S. stores where ZYN is sold

(b) Velocities reflect shipments from distributors to the trade and are subject to inventory movements

Note: MSA data does not cover 100% of U.S. market

Source: Swedish Match estimates of distributor shipments to retail using MSA weekly data. Distribution based on stores ordering ZYN over the past 13 weeks period. Velocity measured in periods of 13 weeks. Q1 2023 Earnings, presented April 20, 2023

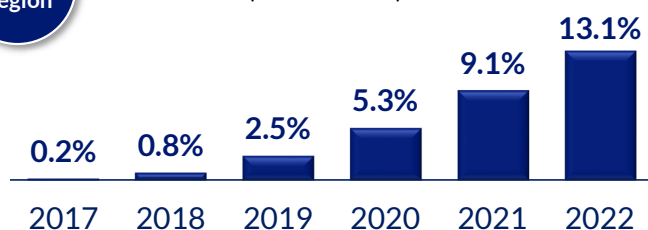
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# Strong Progress in the West, Indicator of National Potential

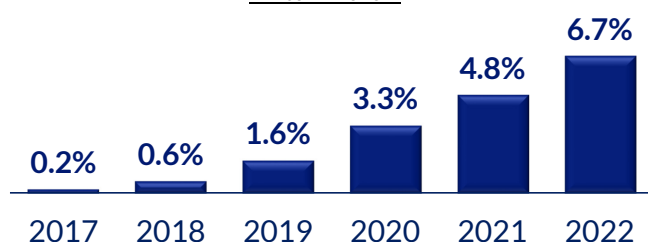
U.S. Nicotine Pouch Category vs. Cigarette Category

Western  
Region

Volume  
(Cans / Packs)

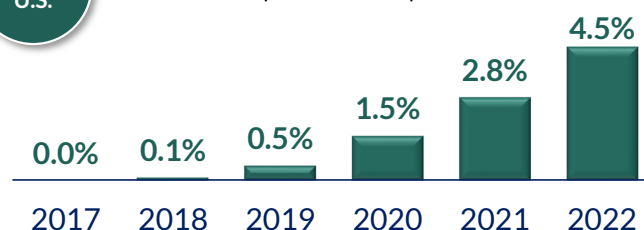


Retail Value

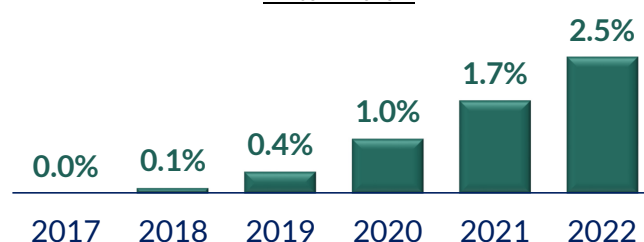


Total  
U.S.

Volume  
(Cans / Packs)



Retail Value



Note: Western region excludes the following states: Alaska, Hawaii, Idaho and Montana, due to differences in geographic definitions between IRI data and Swedish Match's regional sales structure  
Source: IRI Unify. CAGNY 2023, presented February 22, 2023

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## FY, 2022: Excellent Volume, Net Revenues and EPS Growth

**Shipment Volume**

(Organic variance vs. PY)

**+1.6%**

**Net Revenues**

(Organic variance vs. PY)

**+7.1%**

**Net Revenue per Unit<sup>(a)</sup>**

(Organic variance vs. PY)

**+5.5%**

**OI Margin**

(Organic variance vs. PY)

**(70)<sup>bps</sup>**

**Adj. Diluted EPS**

(Currency neutral variance vs. PY)

**+10.1%**

**Adj. Diluted EPS**

**\$5.98**

(a) Reflects total PMI adjusted net revenues divided by total PMI cigarette and HTU shipment volume  
Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions  
Source: PMI Financials or estimates. Q4 2022 Earnings, presented February 9, 2023

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## Growing Number of Markets Already >50% Net Revenues

2022 Smoke-Free Net Revenues >50%

**17**  
Markets  
+7 vs. PY

17 Markets Including:



Bulgaria



Cyprus



Czech Republic



Denmark



Greece



Hungary



Italy



Japan



Latvia



Lithuania



Poland



Romania



Slovak Republic



Slovenia

**~40%** Smoke-Free Net Revenues in markets where IQOS is commercialized<sup>(a)</sup>

(a) For full year 2022 in markets where IQOS is present at December 31, 2022, as a % of net revenues  
Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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## PMI HTU Market Share Exceeds 15% in 10 Markets

Q4'22 PMI HTUs SoM

10 Markets Including:

**31%**



Lithuania

**28%**



Hungary

**26%**



Cyprus

**24%**



Japan<sup>(a)</sup>

**19%**



Portugal

**18%**



Greece

**16%**



Czech Republic

**15%**



Italy

**22**

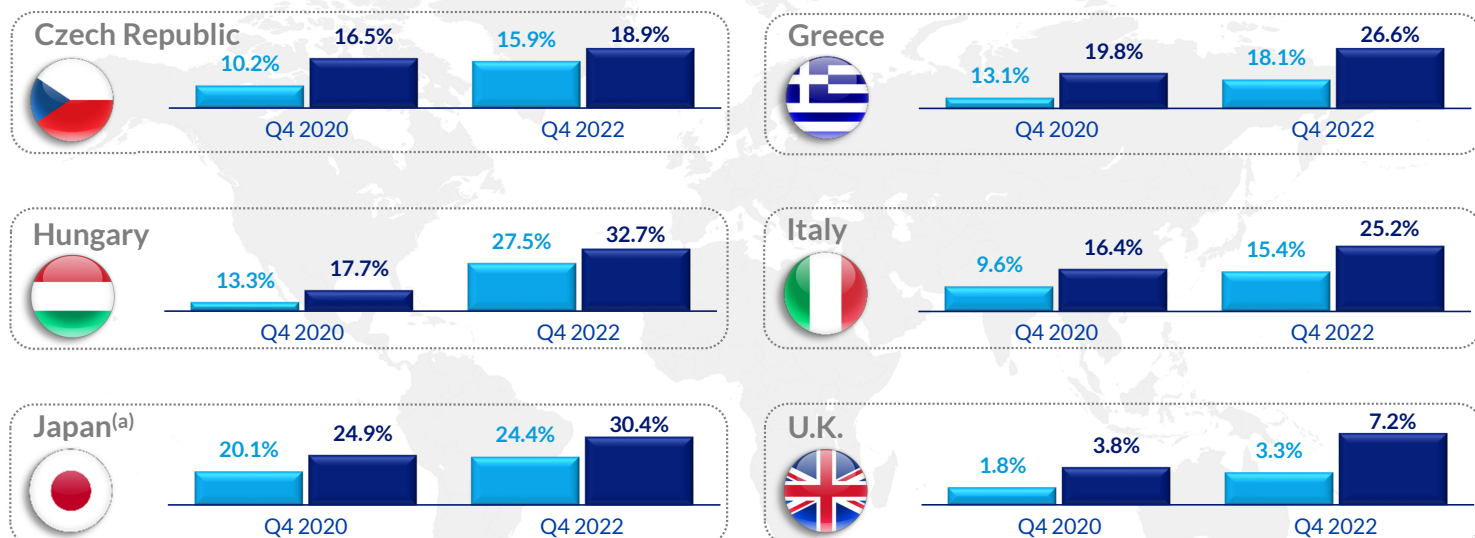
Key Cities  
Where PMI HTUs  
SoM > 15%

(a) Including cigarillos industry  
Note: Market share for HTUs is defined as the total sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs  
Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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# National Shares Follow Key City Shares Over Time

National Shares in Q4'22 vs. Key City Shares in Q4'20



PMI HTU National IMS Share PMI HTU Key City Offtake Share

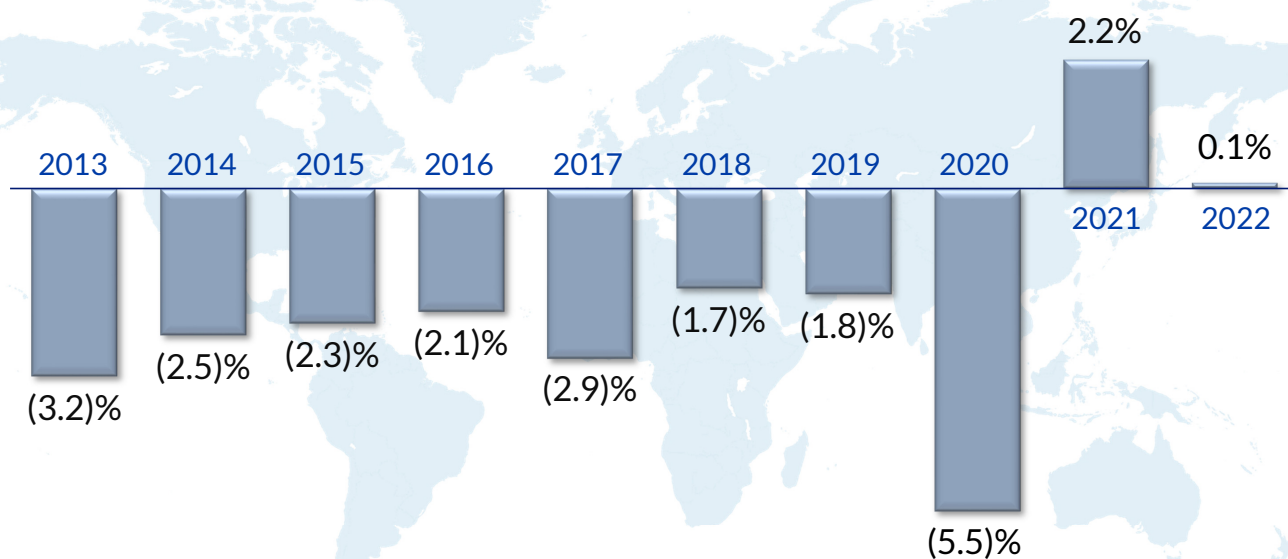
(a) Including cigarillos industry

Note: Key Cities selected are respectively: Prague, Athens, Budapest, Rome, Tokyo and London

Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

# Total Industry Volume Trend (2013-2022)

(% Change vs. PY)

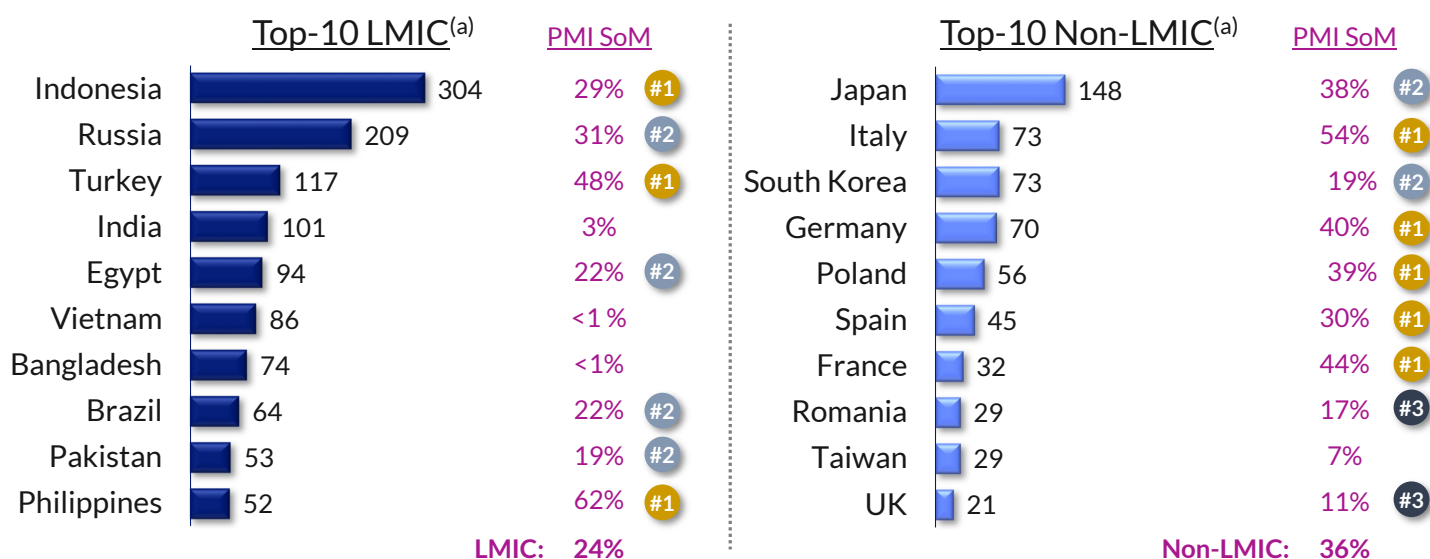


Note: Reflects cigarettes and HTUs and includes cigarillos in Japan. Excluding China and the U.S.

Source: PMI Financials or estimates

## 2022 Top Industry Volume Markets

(billion units)

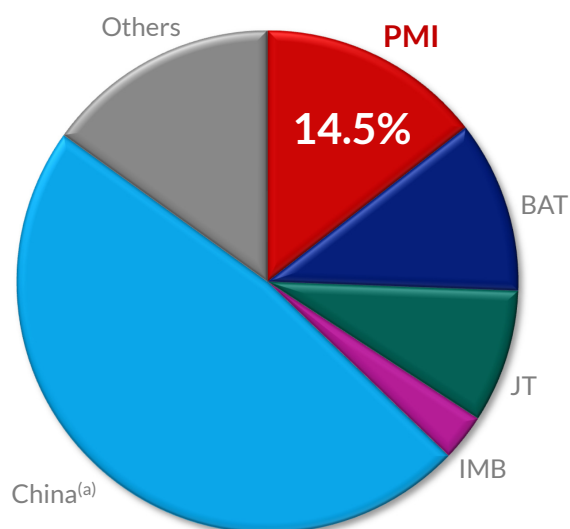


(a) Top-10 markets ranked by 2022 total industry volume, excluding the U.S., China and Duty Free. LMIC classification (Low to Middle-Income) based on World Bank Classification issued in July 2022

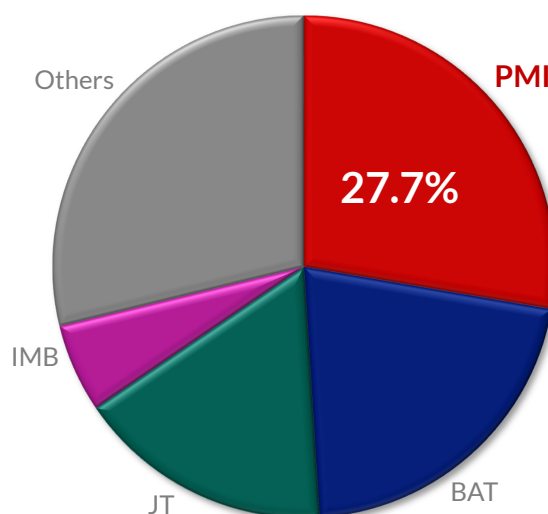
Note: As per our 2022 10-K filing, we do not sell products in Iran, North Korea and Syria. Reflects cigarettes and HTUs (where applicable). Industry volume includes cigarillos for Japan  
Source: PMI Financials or estimates

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## 2022 PMI Total Market Share



International<sup>(b)</sup>



International excl. China<sup>(b)</sup>

(a) Excluding CNTC license production of Marlboro and Parliament cigarettes (2.3 billion units in 2022)

(b) Excluding the U.S.

Note: Reflects cigarettes and HTUs. Industry volume includes cigarillos for Japan

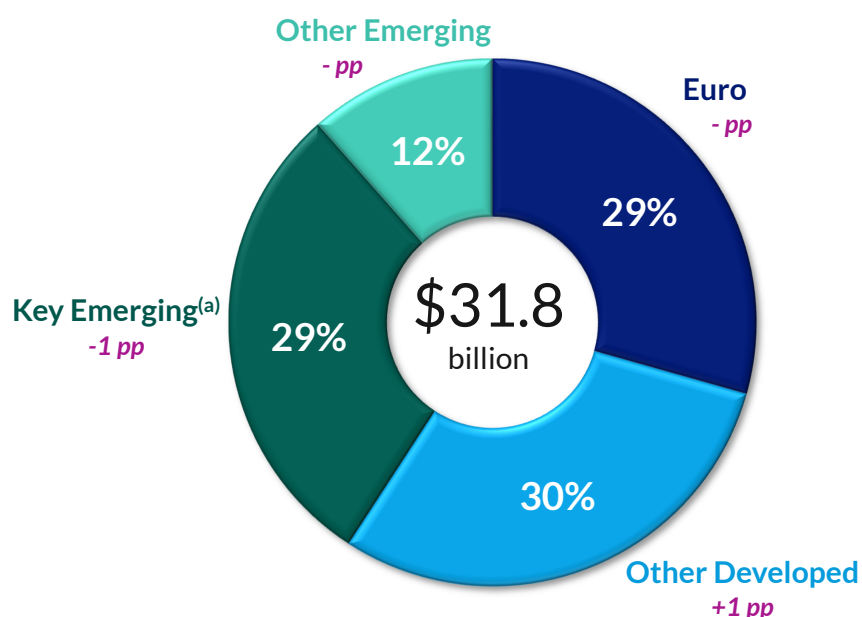
Source: PMI Financials or estimates

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## 2022 PMI Adjusted Net Revenues by Currency

Change vs. 2021 (pp)



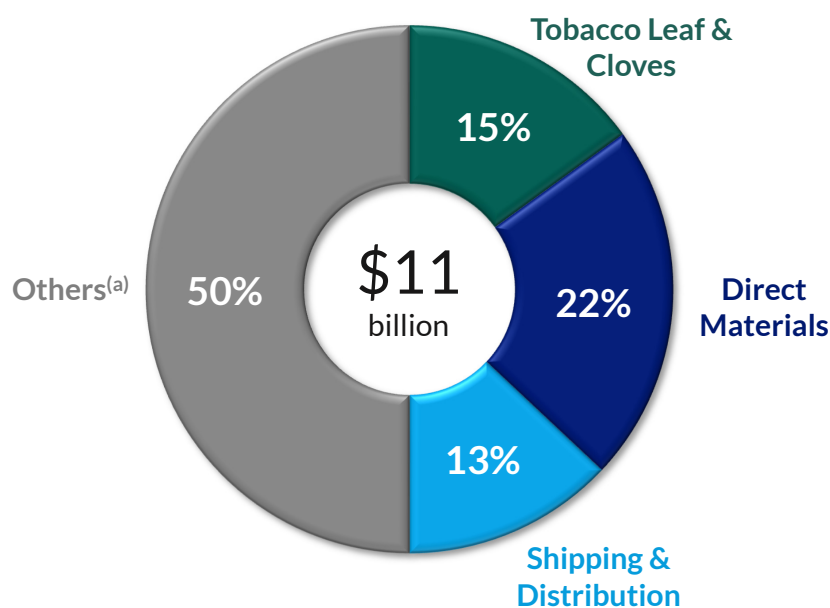
(a) Includes Czech Krona, Egyptian Pound, Indonesian Rupiah, Mexican Peso, Philippine Peso, Polish Zloty, Russian Ruble and Turkish Lira

Note: Market classification is based on S&P Dow Jones Indices' 2022 country classification

Source: PMI Financials or estimates

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## 2022 PMI Adjusted Cost of Goods Sold



(a) Conversion, fixed manufacturing expenses and other costs

Note: Excludes amortization and impairment of intangibles (\$170 million), Swedish Match acquisition accounting related item (\$125 million), and charges related to the war in Ukraine (\$62 million).

Including these impacts total Cost of Goods Sold is \$11.4 billion

Source: PMI Financials or estimates

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## 2022 PMI Adjusted Costs by Currency

	Total (\$ billion)	Currency (%)				
		USD	EUR	CHF	IDR	Other
Tobacco <sup>(a)</sup>	1.7	21	53	—	18	8
Direct Materials	2.5	35	57	1	1	7
Other COGS <sup>(b)</sup>	6.9	31	23	6	13	27
Marketing, Overhead & Other Costs above OI	7.8	12	20	20	4	44
<b>Total Adjusted Costs<sup>(c)</sup></b>	<b>18.9</b>	<b>23</b>	<b>29</b>	<b>10</b>	<b>8</b>	<b>29</b>

(a) Including cloves

(b) Other manufacturing related costs and shipping and distribution

(c) Total costs above adjusted OI of \$18.9 billion = adjusted cost of sales of \$11.0 billion + adjusted marketing, overhead & other costs above OI of \$7.8 billion

Note: Sum does not foot due to rounding

Source: PMI Financials or estimates

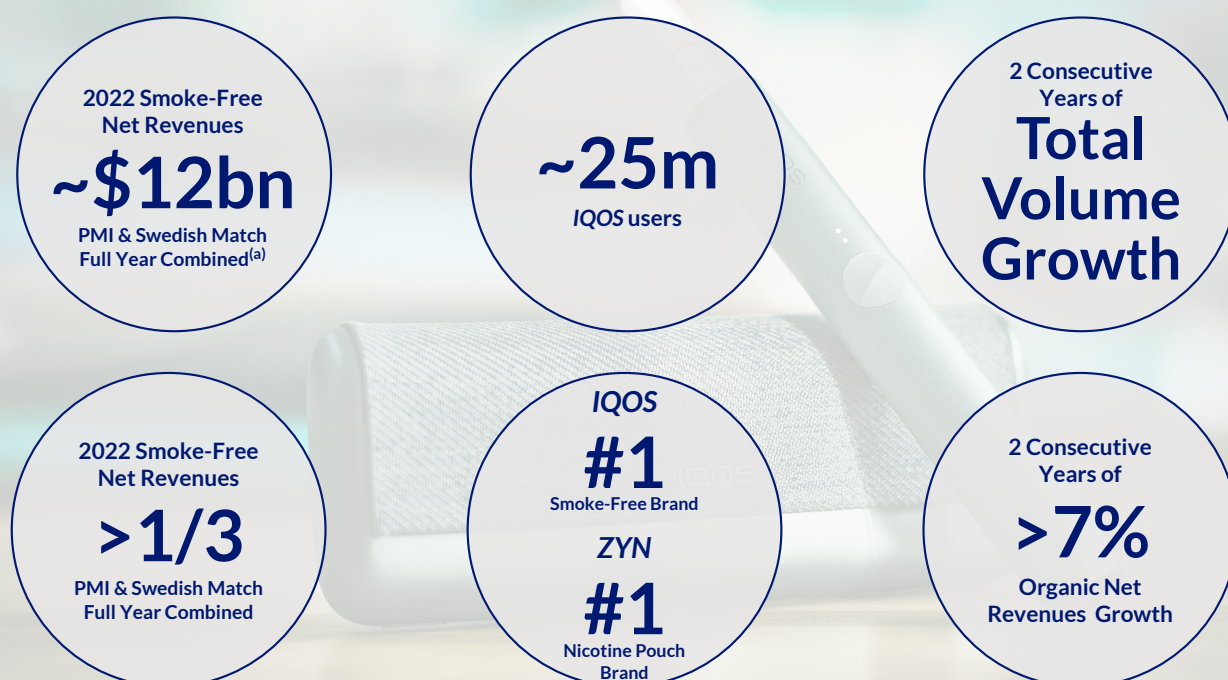


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Designing a Smoke-Free Future

## Section 2: Smoke-Free Portfolio and Performance

## Already Moving Fast in Our Smoke-Free Transformation



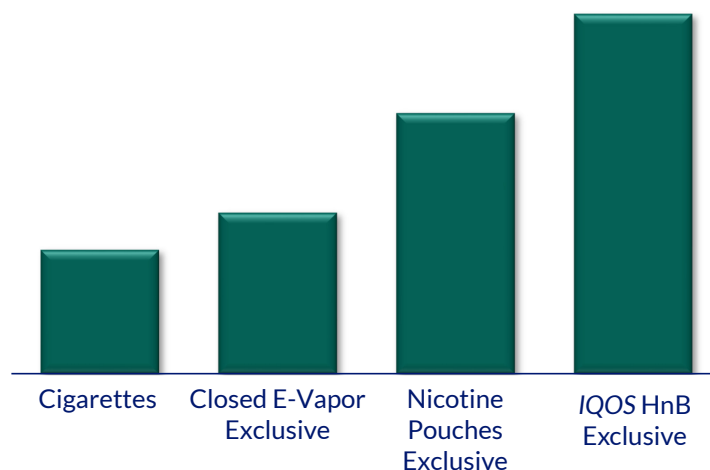
(a) Unaudited financial information. See Glossary of Key Terms and Definitions, and Reconciliation of Non-GAAP Measures for more information  
Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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## Focused on Smoke-Free Categories with Attractive Returns

- Significant investment to develop and commercialize smoke-free products
- Focus on premium brands in most attractive categories drives profitability
- PMI's smoke-free business has been profitable for several years
- Making significant contribution to bottom-line

EU Region Illustrative Category Annual Gross Margin per User  
(Excluding Devices, Consumables Only, Index = Cigarettes)

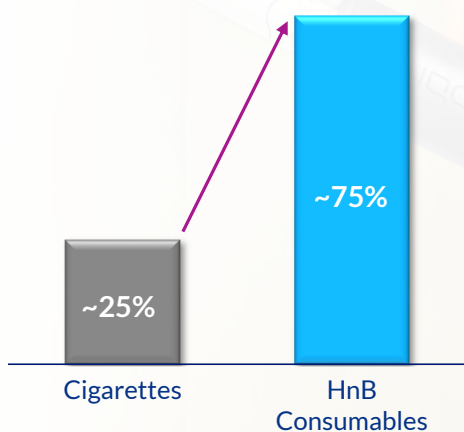


Note: Reflects indexed dollar gross margin. Cigarettes, closed system e-vapor and IQOS HnB represents average of 5 key markets: France, Italy, Poland, Spain, UK. Nicotine pouches average of Sweden and Denmark where category is more established. Chart not to scale  
Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

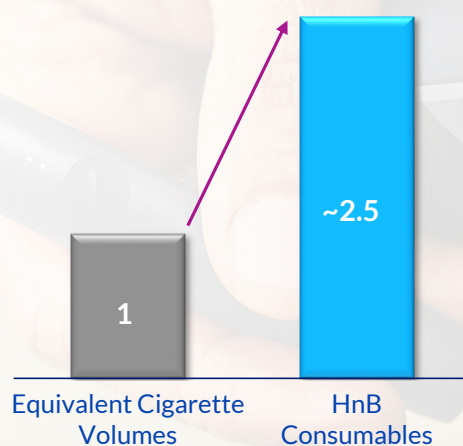
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# Rapid Transformation Drives Growth & Profitability

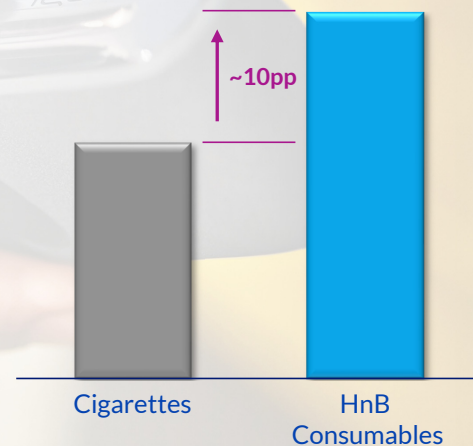
PMI International Share of Segment



Net Revenue Per Unit  
(Index = Equivalent Cigarette Volumes)



% Gross Margin<sup>(a)</sup>



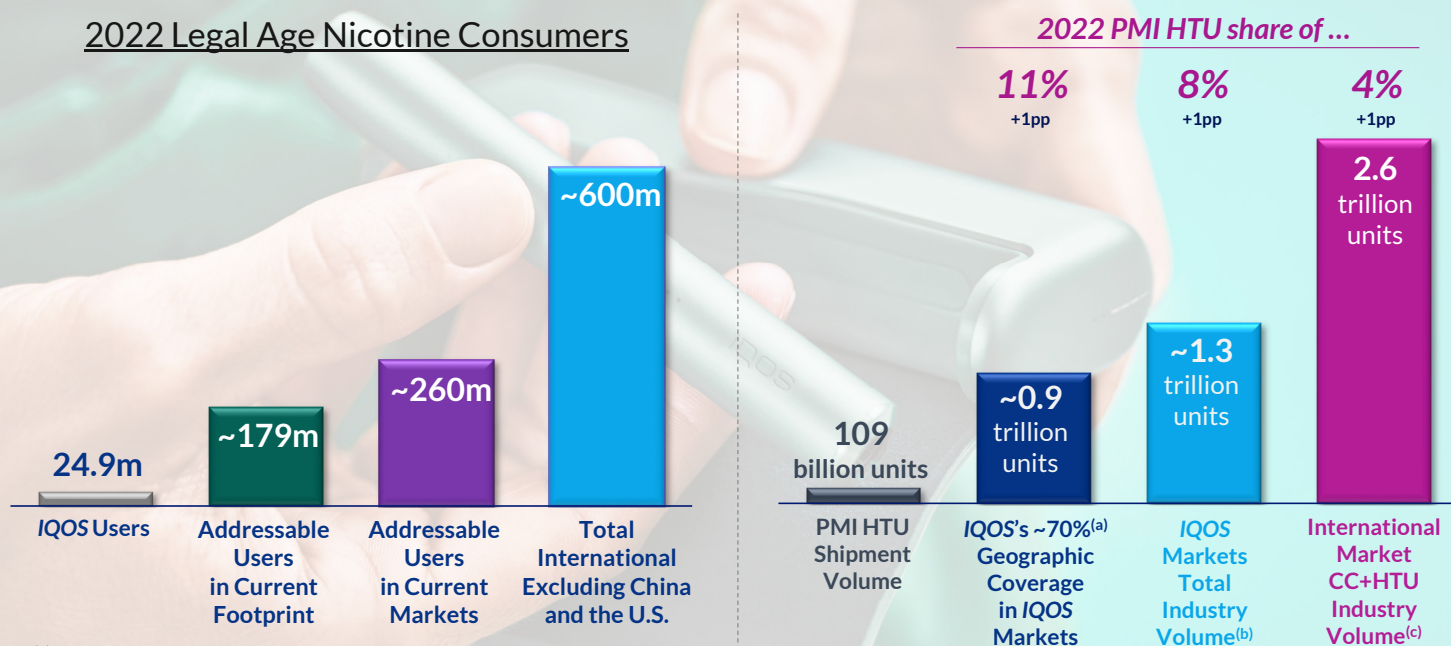
(a) Chart is not to scale

Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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## The Opportunity for IQOS Remains Vast

2022 Legal Age Nicotine Consumers



(a) Weighted average excluding the U.S.

(b) Excluding the U.S.

(c) Excluding China and the U.S.

Note: Total volume reflects cigarettes and HTUs, including cigarillos in Japan

Source: PMI Financials or estimates (2022)

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## Substantial Investment in Best-in-Class Capabilities

(in \$ billion)

### Cumulative Smoke-Free Product Investments



Note: Investments reflect research, product and commercial development, production capacity, scientific substantiation, and studies on adult smoker understanding. Does not include commercial deployment costs  
Source: PMI Financials or estimates

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## Strong & Segmented Multi-Category Portfolio With Leading Brands

### Heat-not-Burn



### Oral Nicotine



### E-Vapor



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## Exciting Plans to Accelerate Our Smoke-Free Journey

- Full global roll-out of *IQOS ILUMA*, with substantial progress in 2023
- *IQOS U.S.* commercialization plans well underway
- *BONDS* pilot launches progressing well
- International expansion of nicotine pouches with initial launches planned to develop category
- Adjusting our e-vapor focus to select markets with *VEEV ONE* and *VEEV NOW*



Source: Q1 2023 Earnings, presented April 20, 2023

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## Comprehensive HnB Offer Fulfilling All Consumer Preferences



**Multi-tier HTU portfolio driving growth**

Note: Price positions are illustrative only  
Source: CAGNY 2023, presented February 22, 2023

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## Successful IQOS ORIGINALS (blade) & HEETS

- Technology that made IQOS successful, #1 smoke-free product in the world
- Driving growth worldwide
- Multiple innovative enhancements over the years



Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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## IQOS ILUMA: Next Generation of IQOS

- IQOS ILUMA: Pleasure simplified
  - New internal heating technology
    - Based on Smartcore™ induction
  - Same great taste
  - Premium design and customization for enhanced lifestyle appeal, advanced features
  - 3 device designs covering 3 price points
  - New broad range of consumables
- Addresses consumer feedback on IQOS blade heating product
  - Robust and reliable, superior satisfaction
  - Simple and Intuitive:
    - No cleaning and simple use
    - Self-activation & stick recognition
  - Less explanation needed, positive for:
    - Time and cost of acquisition
    - After-care and retention
  - Supports easier switching, higher conversion for legal-age smokers

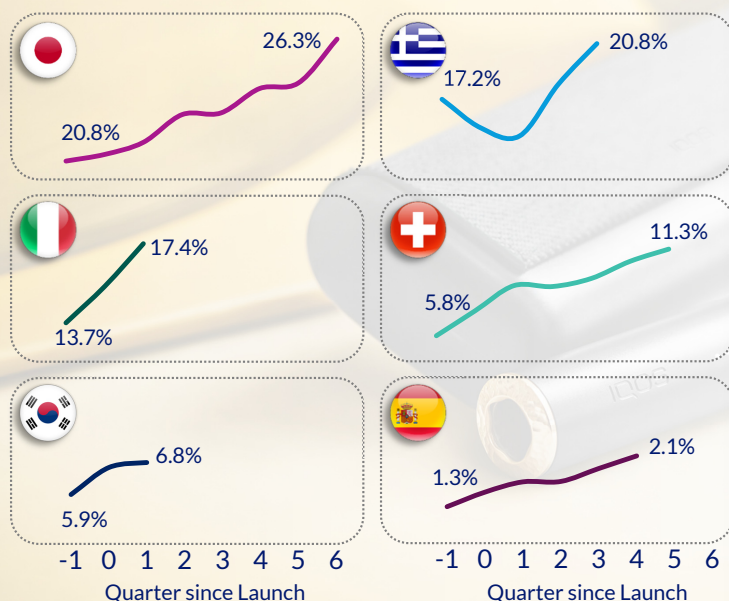


40



## ILUMA: Positive Catalyst for IQOS and Category Growth

### PMI Quarterly Total HTU SoM Performance Since ILUMA Launch



(a) See Glossary for definition

Source: PMI Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

- Approaching 10 million ILUMA users
- Consistently delivering superior consumer experience
- Encouraging start in Q4, 2022 launch markets, including Italy and South Korea:
  - Rapid upgrading of existing consumers
  - Higher acquisition and conversion
  - IQOS HTUs now the #1 nicotine 'brand' in Italy and Greece<sup>(a)</sup>
- Limited launch in Indonesia via IQOS Club

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## Increasing Roll-out of ILUMA

**16** Markets Worldwide<sup>(a)</sup>

Markets represent **>50%** of 2022 HTU Volume

16 Markets Including:



(a) Status at December 31, 2022

Note: The number of markets includes International Duty Free

Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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## Further Expansion of Portfolio to Address More Adult Smokers

- *lil* & *Fiit* – Complementary to *IQOS*:
  - Long-term partnership with access to KT&G products and pipeline
  - Addressing mid- and low-price segment with intuitive innovation
  - Currently in over 30 markets
- *BONDS* & *blends* – Latest Heat-not-Burn Innovation:
  - Simple, convenient & affordable without compromising on reduced risk profile
  - Especially relevant for Low- and Middle-Income Consumers
  - Promising initial results in pilot city launches
  - 2023: Continue learning before deploying on a wider scale



Source: CAGNY 2023, presented February 22, 2023

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## Large U.S. Opportunity for *IQOS* and *ZYN*

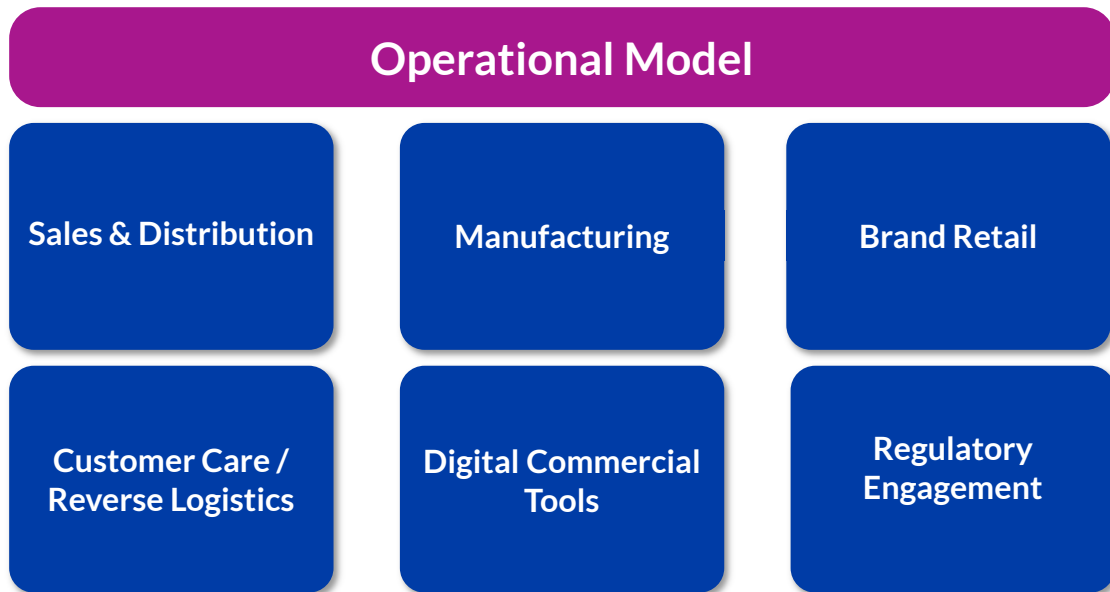
- Estimated \$20 billion nicotine profit pool
- Significantly higher average unit margins vs. international average
- No cannibalization from cigarette business
- Leading the industry with substantiated reduced risk products:
  - *General* snus and *IQOS* the only MRTP authorized smoke-free products
- Clear regulatory framework, ability to communicate with adult smokers



Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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# IQOS in the U.S.: Investing for Success with Benefit to ZYN



Source: CAGNY 2023, presented February 22, 2023

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## IQOS U.S. Commercial Approach

- Initial launch in focused geographies:
  - Openness to innovation and adult smoker population factors in market selection
  - IQOS 3 with 5 FDA-authorized Tobacco & Menthol HTU variants
- Infrastructure investments are up-front
- Majority of commercial investment proportionate to volume and states launched
- Benefit of knowhow and commercial tools already available in other markets



Source: CAGNY 2023, presented February 22, 2023

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## International Opportunity for Nicotine Pouches

- Strong progress on Swedish Match integration
- Dedicated PMI and Swedish Match team focused on global deployment:
  - White space markets
  - Markets where category is already present
- Working on developing the category, portfolio of offerings
- Committed to responsible commercialization
- Other innovative forms of oral nicotine being explored



Source: CAGNY 2023, presented February 22, 2023

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## Continuing to Develop E-Vapor Portfolio

- Committed to responsible and profitable development
- Landscape and user preferences continue to evolve
- Building a portfolio addressing category dynamics
- Category economics still inferior to HnB and oral smokeless due to product proliferation, lower consumer brand loyalty and conversion rates



Source: CAGNY 2023, presented February 22, 2023

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## Investing in Wellness & Healthcare for Long-Term Growth

- Natural long-term evolution into a broader lifestyle, consumer wellness and healthcare company
- Developing best-in-class differentiated products meeting high unmet patient and consumer needs
- Vectura & Fertin technology platforms at forefront of innovation
- Investing in platforms for long-term growth



Source: PMI Financials or estimates. CAGNY 2022, February 23, 2022

## Innovating in Large & Growing Markets

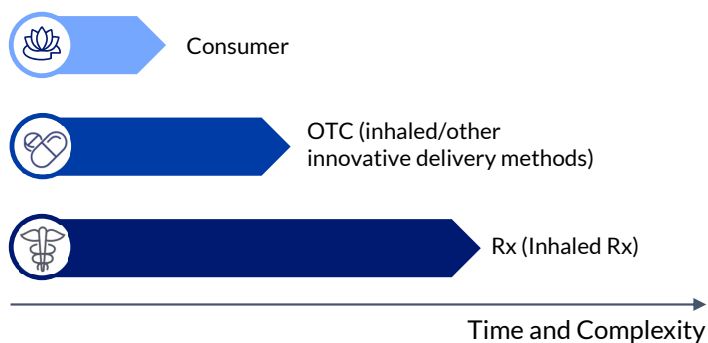
	Addressable Market (Areas of Interest) 2025	CAGR (2021-2030)	Example Areas of Opportunity	Product Focus Areas
<b>Wellness</b> o/w <i>Cannabinoids</i>	<b>\$33bn</b> \$4bn	<b>8%</b>	<ul style="list-style-type: none"> <li>• Sleep Aid</li> <li>• Energy &amp; Focus</li> <li>• Calm &amp; Anxiety</li> </ul>	<ul style="list-style-type: none"> <li>• Botanicals</li> <li>• CBD</li> </ul>
<b>Healthcare</b> o/w <i>Cannabinoids</i>	<b>\$56bn</b> \$24bn	<b>15%</b>	<ul style="list-style-type: none"> <li>• Acute and Chronic Conditions</li> <li>• Pain Management</li> <li>• Better Efficacy and Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Myocardial infarction: Asprihale</li> <li>• Neurology, e.g. Migraine</li> <li>• Pain Management: Medical Cannabis</li> <li>• Allergy</li> <li>• Smoking Cessation / Cigarette Replacement Alternatives</li> </ul>
<b>Total</b>	<b>\$89bn</b>	<b>11%</b>		

Note: o/w refers to 'Of Which'

Source: PMI Financials or estimates. CAGNY 2022, February 23, 2022



## Longer Business Cycle, Attractive Opportunities



Note: Rx stands for prescription  
Source: CAGNY 2022, February 23, 2022

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Delivering a Smoke-Free Future

## Section 3: Cigarette Brand Portfolio Strategy and Performance

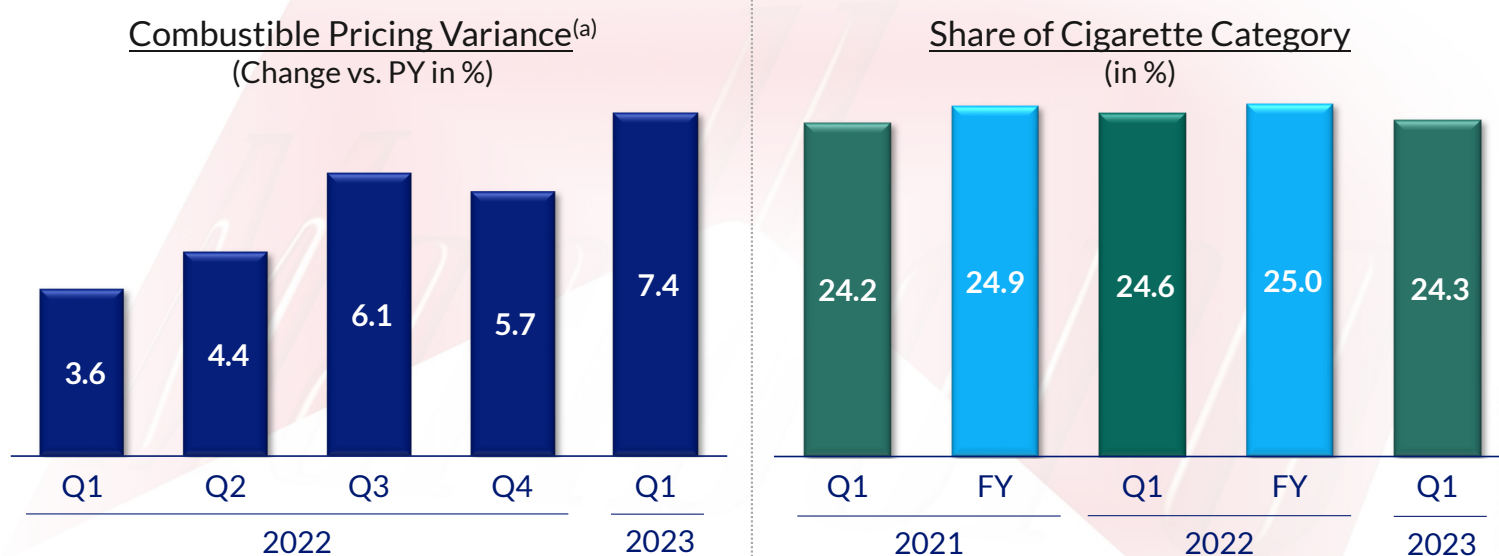
## Remaining Competitive and Maintaining Leadership in Combustibles: Key Pillar of Smoke-Free Strategy

- Leading combustible portfolio
- Infrastructure and expertise (manufacturing, regulatory, commercial)
- Maintaining connection with adult smokers and the retail trade
- Responsible stewardship: market leader driving the obsolescence of the category
- Target at least stable combustible share net of cannibalization
- Selectively investing to continue leadership
- Driving returns from pricing, digital efficiency and productivity

Source: CAGNY 2023, presented February 22, 2023

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## Robust Combustibles Performance, Stepped-Up Pricing



(a) Pricing variance is based on combustible adjusted net revenues and is on an organic basis

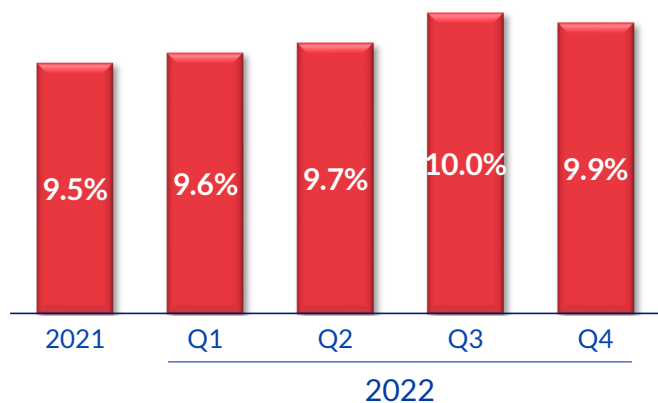
Note: Excludes China and the U.S and includes cigarillos in Japan. Reflects sales volume of PMI cigarettes as a percentage of cigarette industry sales volume

Source: PMI Financials or estimates. Q1 2023 Earnings, presented April 20, 2023

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## Marlboro: Growing Share & Volumes, 50 Years at Number One

Marlboro Share of Category



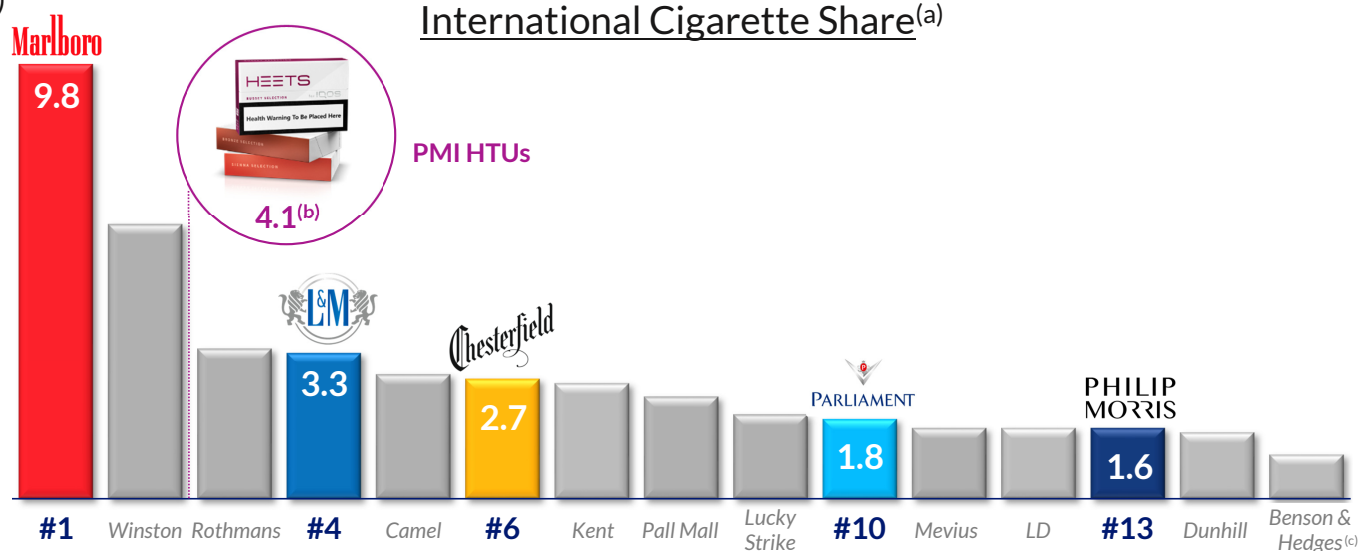
Note: Excluding China and the U.S. and includes cigarillos in Japan. Reflects sales volume of Marlboro cigarettes as a percentage of cigarette industry sales volume  
 Source: PMI Financials or estimates  
 Source: CAGNY 2023, presented February 22, 2023

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## PMI Cigarettes: Top-15 International Brands (2022)

(%)

International Cigarette Share<sup>(a)</sup>



### PMI Owns Five of the World's Top-15 International Cigarette Brands

(a) Sales volume of cigarette brand as a percentage of the total industry sales volume for cigarettes

(b) Sales volume of PMI HTUs as a percentage of the total industry sales volume for cigarettes and HTUs

(c) Reflects Benson & Hedges IMS volume of 27.1bio, deducted by 1.5bio which is sold by PMI, mainly in Argentina and Mexico, and 0.2bio which is sold by RBH Inc. in Canada

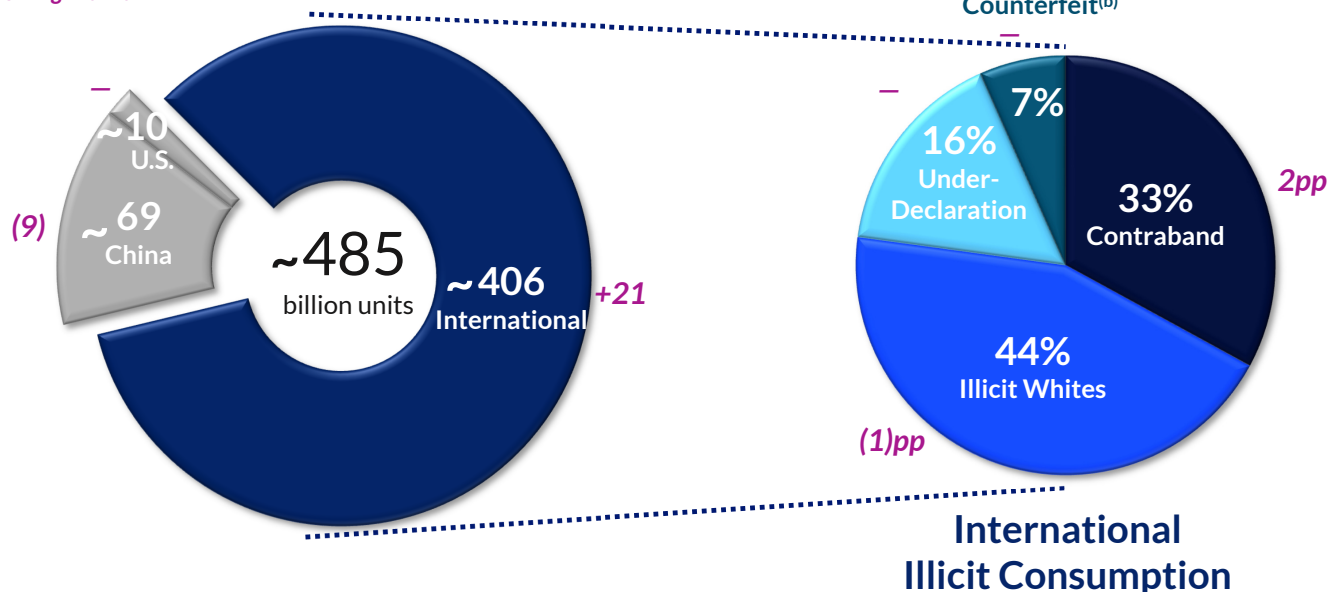
Note: Excluding China and the U.S. Philip Morris includes Philip Morris/Dubliiss

Source: PMI Financials or estimates

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## Cigarettes: Illicit Trade Overview (2022)

Change vs. 2021<sup>(a)</sup>



(a) Change vs 2021. Restatement of 2021 International Illicit Trade by 2 billion sticks following last 2021 Illicit Trade reports submission

(b) Estimate for PMI worldwide and BAT, JT and IMB for selected markets

Source: PMI Financials or estimates

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Delivering a Smoke-Free Future

## Section 4: Tobacco Harm Reduction: Regulatory & Science



## Shaping Tobacco Harm Reduction

- Transformation of our industry and achieve positive differentiation for smoke-free products, accelerating the switching of smokers<sup>(a)</sup> to better alternatives
- Policies embracing scientifically-substantiated products can support switching smokers out of cigarettes much faster than restrictive measures only
- Differentiated fiscal and regulatory frameworks are warranted for smoke-free products
- Positive public health outcomes can be significantly accelerated with the joint efforts of industry, policy makers and society

Over  
**1 billion**  
Smokers  
Worldwide

**We continue to support regulatory and fiscal frameworks which recognize the substantial risk reduction potential of smoke-free products compared with combusted tobacco**

(a) Adult smokers who would otherwise continue to smoke cigarettes  
Source: CAGNY 2023, presented February 22, 2023

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## Encouraging Fiscal & Regulatory Developments

- More markets providing visibility on excise tax duties with differentials:
  - 20+ markets have multi-year tax calendars for HTPs, incl. growing number in EU
- Additional markets implemented regulatory frameworks for nicotine pouches
- Opening new markets:
  - Taiwan introduced legislation regulating HTPs
- Securing better regulation for harm reduction:
  - Philippines dedicated regulatory framework for smoke-free products
- Positive momentum, with more potential opportunities

Source: CAGNY 2023, presented February 22, 2023

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# Global Excise Tax Environment

- In general, governments recognize that revenue predictability and collection efficiency can be enhanced by regular and reasonable increases, high proportion of specific elements in excise tax structures, multi-year tax calendars and income or inflation indexation:
  - Over the last 10 years, the large majority of the key markets where we operate have shifted their tax structure to include a higher specific tax element while lowering ad valorem rates
- EU excise tax:
  - Reasonable current EU framework covering smoking tobacco products, providing governments with structural flexibility between specific, ad valorem and minimum excise tax tools
- Excise taxes on smoke-free products significantly different from cigarettes in many geographies, consistent with tobacco harm reduction potential

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# EU Regulatory and Fiscal Developments



- Increasing number of countries incorporating Tobacco Harm Reduction into fiscal and regulatory processes
- EU Tobacco Excise Directive (TED) Review:
  - The proposal for the revision of TED, previously expected in Dec. 2022, was further delayed and adoption by the EU College of Commissioners is now expected in 2023. EU Council conclusions indicate SFPs likely to be included in the revised TED.
  - The TED proposal is expected to be submitted to the EU Parliament for non-binding opinion and EU Council for discussion in 2024. The final TED adoption by the EU Council requires unanimous approval of all 27 EU Member States
  - The Directive adopted by the EU Council must be transposed into the national tax legislations of all 27 EU Member States; with likely effective enforcement date as of 2026
- EU Tobacco Products Directive (TPD) Review:
  - The proposal for a revision of TPD is expected end of 2024 with further legislative actions under a new EU Commission and new EU Parliament (elections in 2024). Currently Open Public Consultation on an evaluation of the existing TPD and Tobacco Advertising Directive closed on May 16, 2023
  - Ordinary legislative procedure (to kick off 2024/2025): EU Parliament and Council co-deciding; Qualified majority
  - Adopted directive transposed into national legislations of all 27 Member States; implementation usually requires 12 months minimum
- Delegated Directive withdrawing HTP exemption from characterizing flavor ban entered into force November 23, 2022 with 11 months transition period:
  - The current TPD required the Commission to introduce a ban on novel smokeless tobacco products with characterizing flavors, based on a “substantial change of circumstances”
  - The ban is to become effective as of October 23, 2023 in EU Member States
  - EU Member States are currently transposing the Delegated Directive into national law, with a transposition deadline of July 23, 2023

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## Integrity of Our Scientific Assessment

- Adhere to internationally recognized standards including Good Laboratory Practices and Good Clinical Practices
- Actively share our methods and study results, making them available for public review
- Our systems toxicology methods and results are subjected to an even higher level of scientific scrutiny through the sbv IMPROVER methodology<sup>(a)</sup>:
  - Reviews of our IQOS studies were submitted to the FDA as part of our MRTP applications
- Continue to make the raw data from our non-clinical and clinical RRP studies available to the public through INTERVALS.science
- Welcome independent studies of our RRP. Encourage others to undertake serious non-clinical and clinical studies with IQOS
- Believe our consumers deserve our unwavering commitment to help them fully understand the benefits of switching to RRP

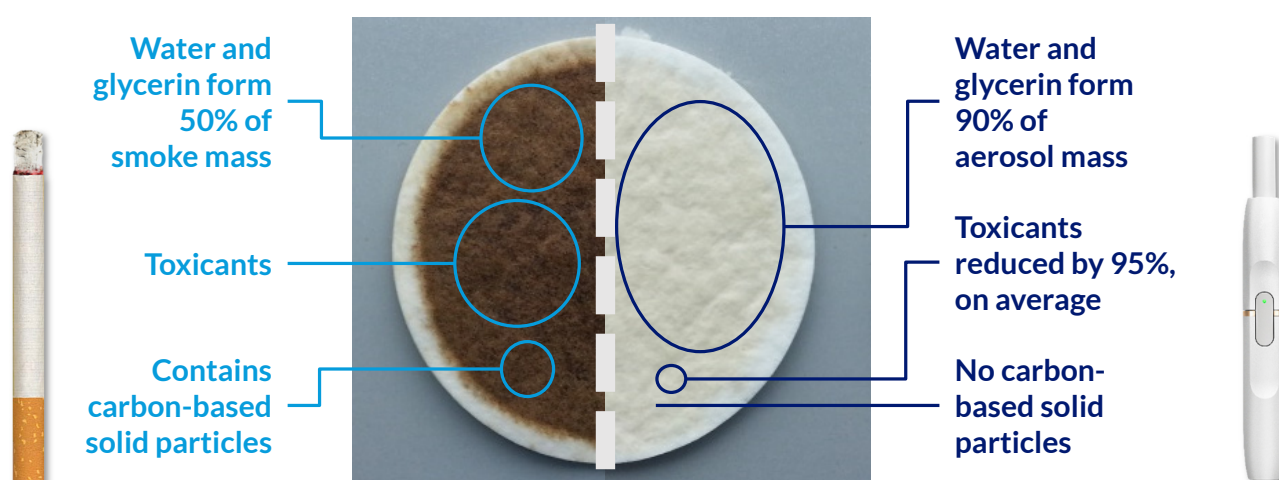
**We believe our scientific research capabilities are on par with the best in the life science industries**

Note: RRP stands for Reduced Risk Products

(a) sbv IMPROVER stands for Systems Biology Verification combined with Industrial Methodology for Process Verification in Research

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## Why Heat Tobacco Rather than Burn it?



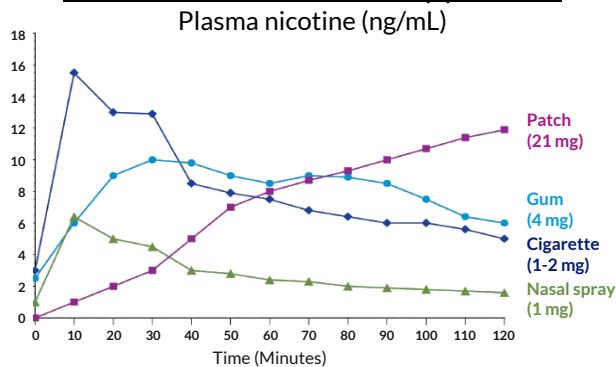
Smoke and aerosol were collected on a Cambridge filter pad using Health Canada intense smoking regime

Source: PMI Research & Development

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## IQOS: Nicotine Pharmacokinetic Profile

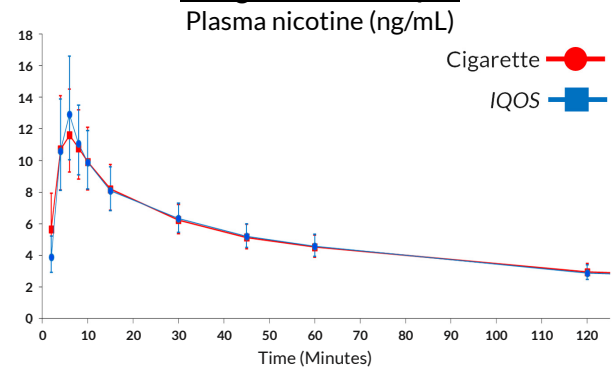
### Levels of nicotine in the blood following use of different nicotine delivery products



Note: The amount of nicotine in each product is shown in parentheses. The pattern produced by the nicotine lozenge and nicotine inhaler resemble that of nicotine gum. mg = milligram; mL = milliliter; ng = nanogram.

Source: Modified from Garrett et al. 2001

### Levels of nicotine in the blood following use of cigarette and IQOS











Note: These data alone do not represent a claim of reduced exposure or reduced risk

Source: PMI Research & Development (PMI Investor Day, June 26, 2014)

- The amount and rate of nicotine absorbed by the body is influenced by the route of absorption
- No notable difference in the nicotine absorption between cigarette and IQOS

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## IQOS: Independent Verification on PMI Science (Select Governmental Reports)

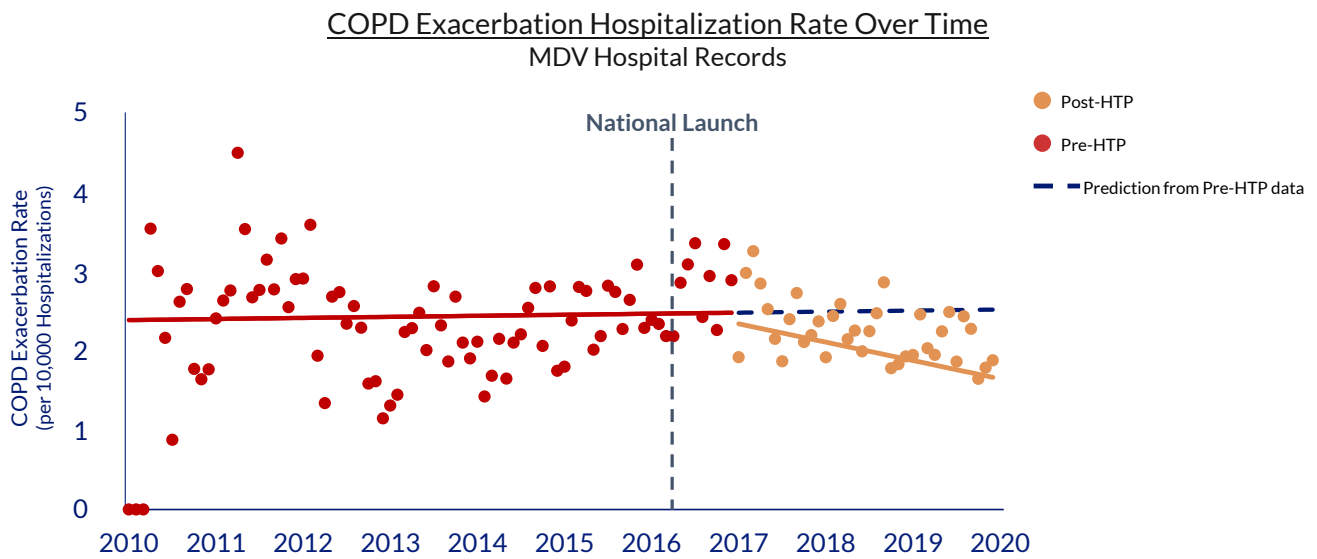
-  **Superior Health Council of Belgium (SHC)** (Belgium, 2022): "e-cigarettes are substantially less harmful than smoking cigarettes and therefore are a better alternative for smokers [...] the vast majority of the risks of tobacco smoking are not caused by nicotine, but by the harmful substances that are released by the combustion of tobacco"
-  **Superior Health Council of Belgium (SHC)** (Belgium, 2020): "heat-not-burn products, while not safe, have a more favorable toxicity profile than cigarettes"
-  **China National Tobacco Quality Supervision and Test Centre** (China, 2019): "THS 2.2 delivered fewer harmful constituents than the conventional cigarette 3R4F."
-  **Federal Institute for Risk Assessment (BfR)** (Germany, 2018): "The herein confirmed reductions of relevant toxicants by about 80-99% are substantial."
-  **Food and Drug Administration (FDA)** (U.S., 2018): "The independent testing performed by STL [FDA's Southeast Tobacco Laboratory] confirmed the lower levels of selected [harmful and potentially harmful compounds] HPHCs in the aerosol from the HeatSticks compared to mainstream cigarette smoke."
-  **Public Health England** (UK, 2018): "Compared with cigarette smoke, heated tobacco products are likely to expose users and bystanders to lower levels of particulate matter and harmful and potentially harmful compounds. The extent of the reduction found varies between studies."
-  **National Institute for Public Health and the Environment (RIVM)** (the Netherlands, 2018): "The use of heatsticks with the IQOS is harmful to health, but probably less harmful than smoking tobacco cigarettes."
-  **UK Committee of Toxicology** (UK, 2017): "It is likely that there is a reduction in risk, though not to zero, to health for smokers who switch completely to heat-not-burn tobacco products."

Note: To date, several governmental agencies have published their scientific findings that analyze the harm-reduction potential of certain RRP's versus continuing smoking, including the above select examples. Refer to Form 10-K for the year ended December 31, 2022, for additional information. RRP's stands for Reduced Risk Products

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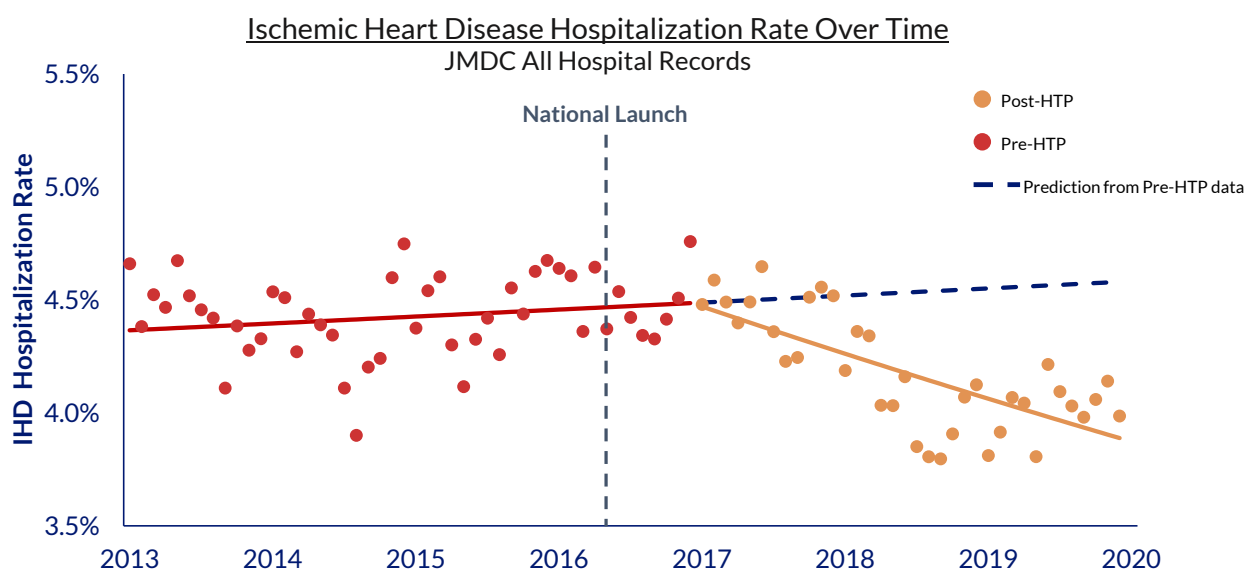
# Real-World Evidence: Japan Study on COPD



Note: Model adjusting for age and sex. COPD stands for Chronic Obstructive Pulmonary Disease. Observational time-trend analysis looking at temporal associations and not designed to assess cause and effect. Specific factors associated with changing hospitalization rates over time have not been fully analyzed. Subject to inherent limitations of ecological analysis.  
Source: MDV Diagnosis Procedure Combination Data. <https://en.mdv.co.jp/> (January 13, 2021). CAGNY 2022, February 23, 2022

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# Real-World Evidence: Japan Study on IHD

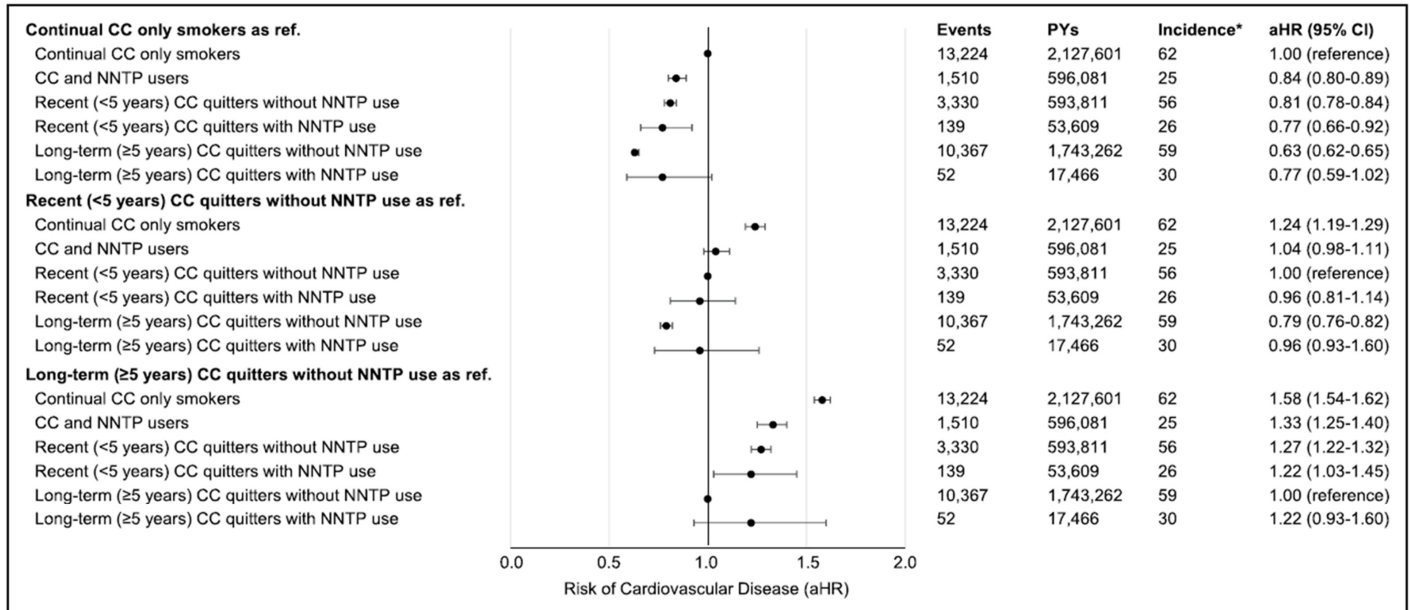


Note: HTP stands for Heated Tobacco Products. Model: adjusting for age and sex – other confounding factors that could influence hospitalization rates have not been fully analyzed. Observational time-trend analysis looking at temporal associations and not designed to assess cause and effect. Specific factors associated with changing hospitalization rates over time have not been fully analyzed. Subject to inherent limitations of ecological analysis.  
Source: JMDC all event data (Data available on [www.jmdc.co.jp/en](http://www.jmdc.co.jp/en)). CAGNY 2022, February 23, 2022

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# Switching to Smoke-free Products is Associated with Lower Cardiovascular Disease Risk than Continuing to Smoke

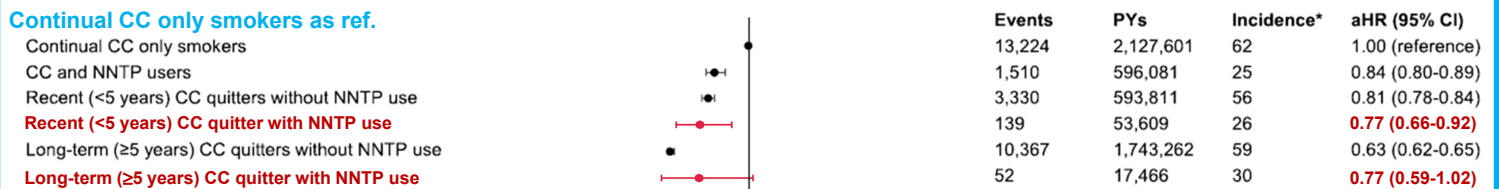


Source: Choi S, et al. Combined Associations of Changes in Noncombustible Nicotine or Tobacco Product (NNTP) and Combustible Cigarette (CC) Use Habits With Subsequent Short-Term Cardiovascular Disease Risk Among South Korean Men. A Nationwide Cohort Study. Circulation. 2021. Observation period 2018-Dec 2019  
Data available on <https://doi.org/10.1161/CIRCULATIONAHA.121.054967>. CAGNY 2022, February 23, 2022

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# Switching to Smoke-Free Products is Associated with Lower Cardiovascular Disease Risk than Continuing to Smoke



- Independent study using epidemiological government data
- Switching to smoke-free products associated with 23% lower risk among both recent and long-term switchers
- Long-term cessation associated with 37% lower risk of cardiovascular disease
- Over 95% of the South Korean smoke-free market is heated tobacco products

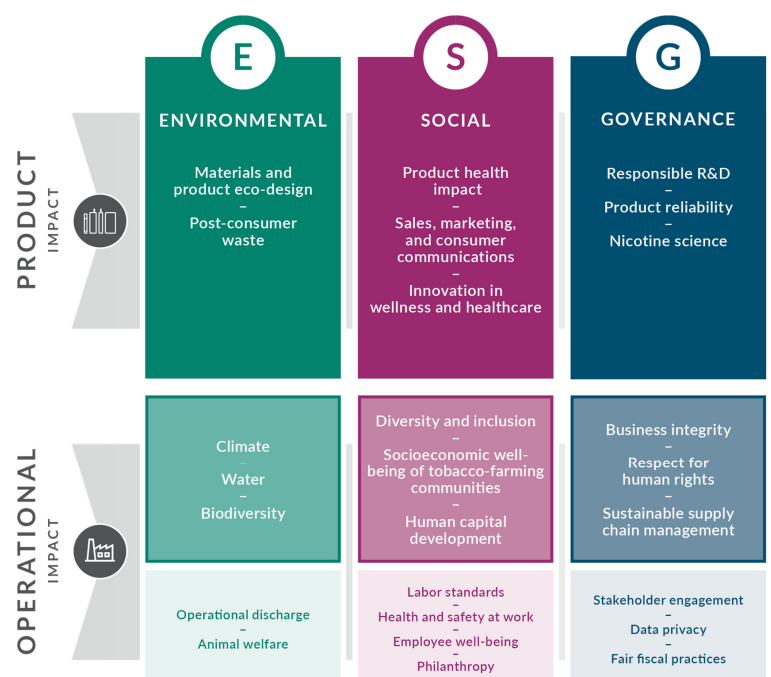
Source: Choi S, et al. Combined Associations of Changes in Noncombustible Nicotine or Tobacco Product (NNTP) and Combustible Cigarette (CC) Use Habits With Subsequent Short-Term Cardiovascular Disease Risk Among South Korean Men. A Nationwide Cohort Study. Circulation. 2021. Observation period 2018-Dec 2019  
Data available on <https://doi.org/10.1161/CIRCULATIONAHA.121.054967>. CAGNY 2022, February 23, 2022

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## Section 5: Sustainability at PMI

### Sustainability at the Core of Our Strategy

- Enhancing approach to sustainability in 2022:
  - Updated statement of purpose
  - Reassessed ESG priorities
  - Published dedicated Sustainability Materiality report
  - Introduced Sustainability Index
- Product health impact:
  - Growing penetration of smoke-free products to accelerate the end of smoking



## PMI's Statement of Purpose

Issued by PMI's Board, PMI's Statement of Purpose was published in the 2022 Proxy Statement as an update to the letter to shareholders published in the 2017 Proxy Statement and the Statement of Purpose published in the 2020 Proxy Statement.

### Transforming for good



The Company is actively accelerating the decline of cigarette smoking beyond what traditional tobacco control measures can achieve alone.



PMI remains committed to accelerating the end of smoking and laying the foundations of a strong business in areas of wellness and healthcare as we strive to develop commercially successful products that have a net positive impact on society.



This means not only transforming the Company to deliver on its purpose but also inspiring the industry to follow its lead.



PMI's key stakeholder constituencies, which are fundamental to both the achieving of its purpose and to the pace of its progress, will be affected in different ways by PMI's transformation.



PMI believes that with the right regulatory encouragement and support from civil society, cigarette sales can end within 10 to 15 years in many countries.



[Read PMI's Statement of Purpose](#)

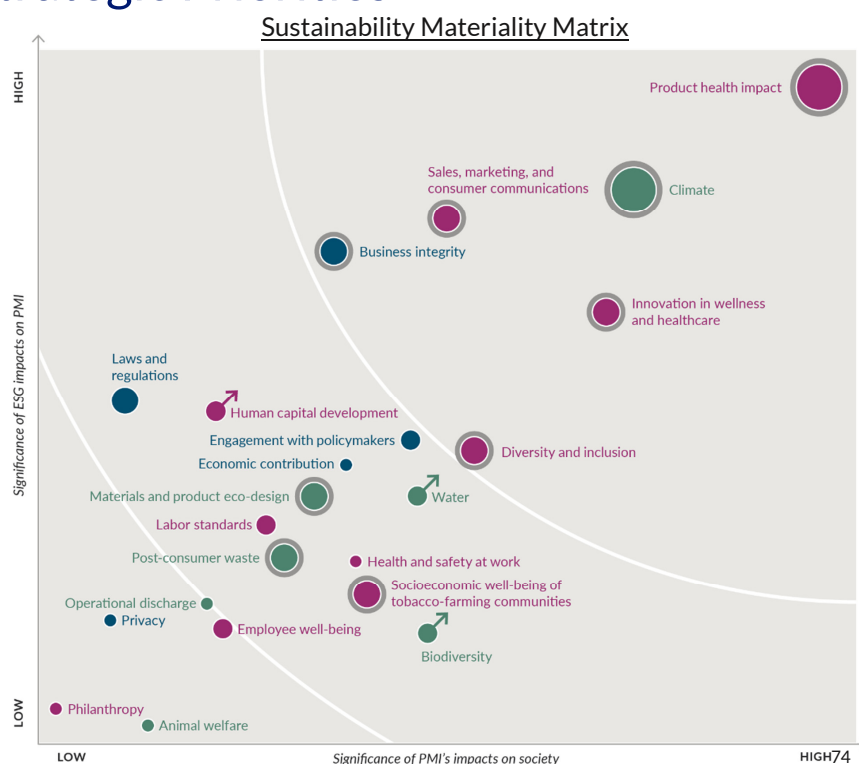
Source: 2022 ESG Highlights

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## Sustainability: Identifying Strategic Priorities

- Sustainability materiality Assessment
- Inward and outward impacts considered (double materiality)
- Product health impact remains our core priority

Key	Relevance to our stakeholders
<span style="color: green;">E</span> ENVIRONMENTAL	<span style="border: 1px solid black; border-radius: 50%; width: 10px; height: 10px; display: inline-block;"></span> Very high
<span style="color: red;">S</span> SOCIAL	<span style="border: 1px solid black; border-radius: 50%; width: 10px; height: 10px; display: inline-block;"></span> High
<span style="color: blue;">G</span> GOVERNANCE	<span style="border: 1px solid black; border-radius: 50%; width: 10px; height: 10px; display: inline-block;"></span> Medium
<span style="color: grey;">O</span> Our most material topics	<span style="border: 1px solid black; border-radius: 50%; width: 10px; height: 10px; display: inline-block;"></span> Low
<span style="color: grey;">A</span> Emerging topics	



Source: CAGNY 2022, February 23, 2022



# Business Transformation Metrics

Shifting Our Resources to Deliver a Smoke-Free Future

	2015	2016	2017	2018	2019	2020	2021	2022
Adjusted R&D expenditure (smoke-free/total)	70%	72%	74%	92%	98%	99%	99%	99%
Commercial expenditure (Marketing) (smoke-free/total)	8%	15%	39%	60%	71%	76%	73%	74%
Adjusted Net revenues (smoke-free/total)	0.7%	3.3%	13.1%	14.3%	19.2%	24.2%	29.5%	32.1%
Smoke-free product shipment ratio <sup>(a)</sup> (smoke-free/total)	0.6%	1.4%	4.9%	5.7%	8.1%	10.9%	13.3%	15.1%
Estimated users who have stopped smoking and switched to IQOS <sup>(b)</sup> (in millions)	-	1.5	4.7	6.6	9.6	13.0	15.3	17.8
Number of markets where net revenues from smoke-free products exceed 50% of total net revenues	-	-	1	3	4	6	10	17

(a) For definition of smoke-free products and combustible tobacco products, see Glossary. Smoke-free products shipment volume includes volume of smoke-free products that can be converted into cigarette equivalent units, such as heat-not-burn, e-vapor, and oral nicotine. Total shipment volume includes the listed smoke-free products as well as combustible tobacco products: cigarettes and other tobacco products expressed in cigarette equivalent units. Data does not include Swedish Match and wellness and healthcare products

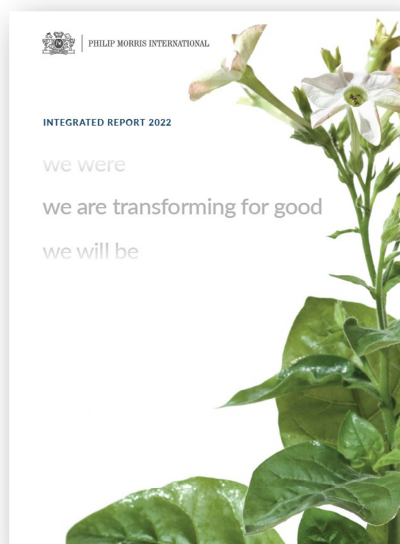
(b) See Glossary for definition

Source: PMI Financials or estimates, IQOS user panels and PMI Market Research

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## Sustainability: Transparent on Progress Towards Our Purpose

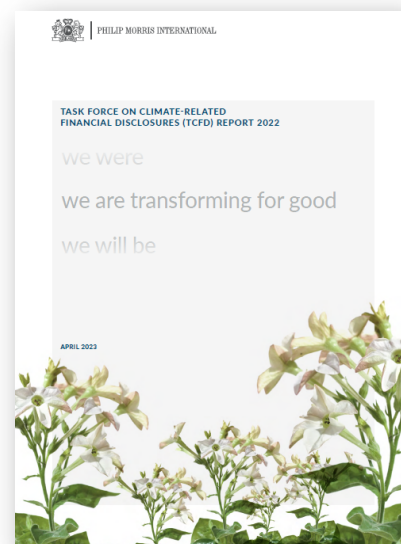
### 2022 Integrated Report (April 5, 2023)



### ESG KPI Protocol (April 5, 2023)



### TCFD Report (April 19, 2023)



Source: Annual Shareholder Meeting, May 3, 2023

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# Leading Practices & Continued External Recognition

## Our Sustainability Strategy Framework



Source: Annual Shareholder Meeting, May 3, 2023

## Select Awards



Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA

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# Empowered & Inclusive Organization Enables Transformation

- Redesigned structure supporting multi-category focus
- Successfully integrating Swedish Match
- Strong focus on diversity, equity and inclusion with continued external recognition:
  - Women hold >40% of management positions and >30% of senior roles<sup>(a)</sup>
- Certified by Top Employer Institute as a global top employer for the 7<sup>th</sup> consecutive year



(a) See 2022 Integrated Report for further information  
Source: Annual Shareholder Meeting, May 3, 2023

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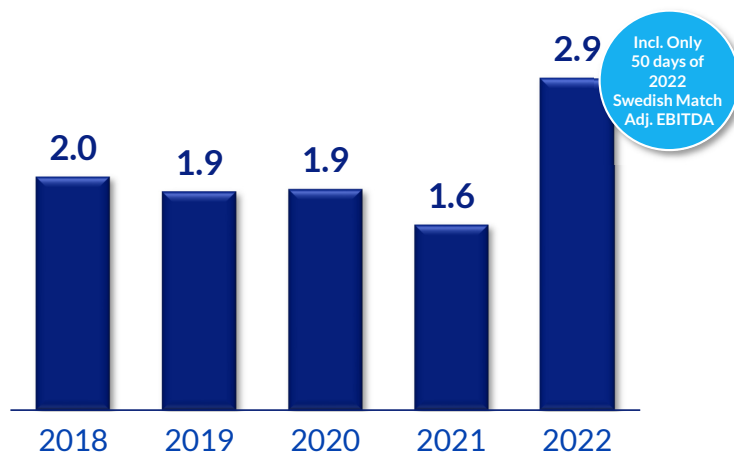
## Section 6: Capital Structure and Returns to Shareholders

### Solid Capital Structure

- Remain committed to strong single-A credit ratings, as a growing and highly cash-generative business
- Long-term credit ratings and outlook:
  - Moody's: A2 (Stable)
  - Standard & Poor's: A- (Stable)
  - Fitch: A (Stable)
- Short-term credit ratings—P-1 / A-2 / F1<sup>(a)</sup>:
  - Access to tier 1 commercial paper market
- Robust liquidity profile backed by \$6.3 billion stand-by revolving credit facilities

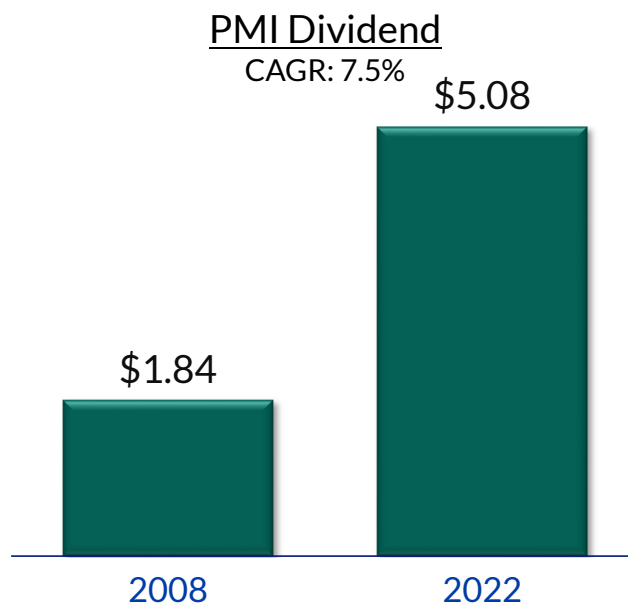
(a) Reflects ratings for Moody's, Standard & Poor's and Fitch, respectively  
Source: PMI Financials or estimates (as of December 31, 2022)

Net Debt to Adjusted EBITDA Ratios



## Growing, Investing & Rewarding Shareholders

- Highly cash generative business, enhanced by Swedish Match:
  - Reinvesting in innovation and growth
  - Focus on deleveraging
  - Improving currency profile
- Target robust EBITDA growth
- Unwavering commitment to shareholder returns:
  - Fifteen consecutive years of dividend growth
  - Total increase of ~176% since 2008



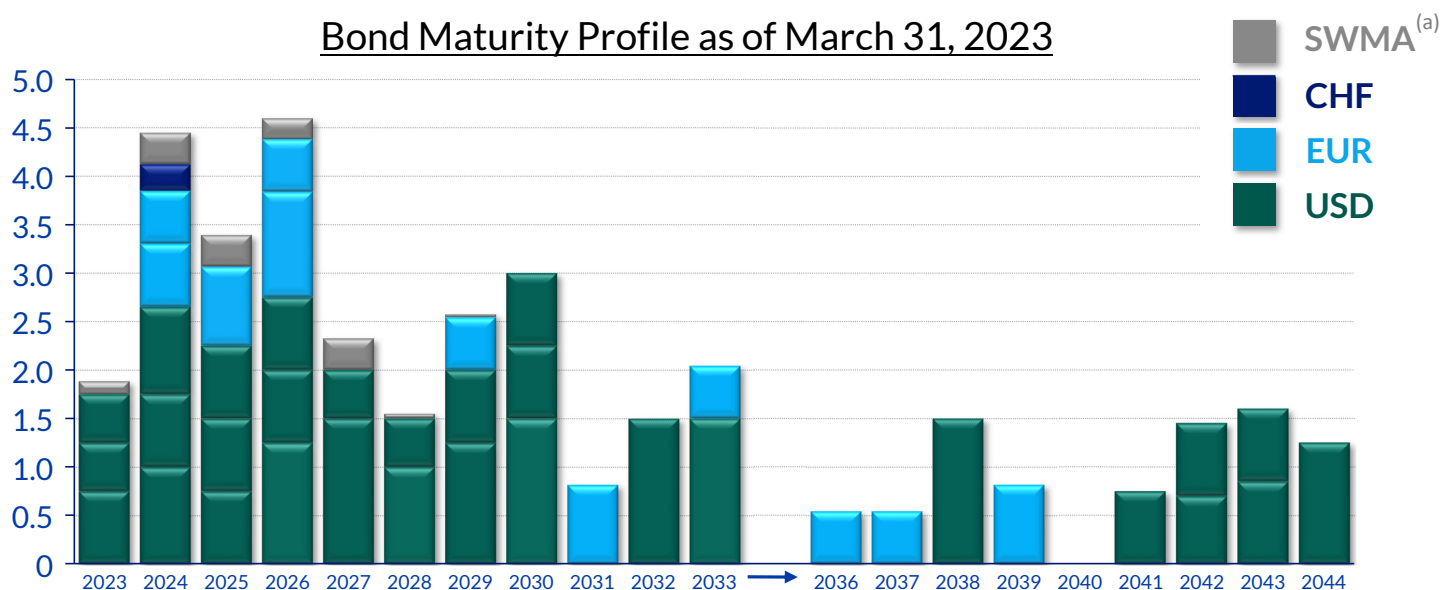
Note: Dividends for 2008 and 2022 are annualized rates. The 2008 annualized rate is based on a quarterly dividend of \$0.46 per common share, declared June 18, 2008. The 2022 annualized rate is based on a quarterly dividend of \$1.27 per common share, declared September 14, 2022  
Source: PMI Financials or estimates. CAGNY 2023, presented February 22, 2023

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## Well-Laddered Bond Portfolio

(\$ in billions)

**Bond Maturity Profile as of March 31, 2023**



(a) SWMA bonds represent notes denominated in USD, EUR, CHF and SEK issued by Swedish Match AB  
Source: PMI Financials or estimates

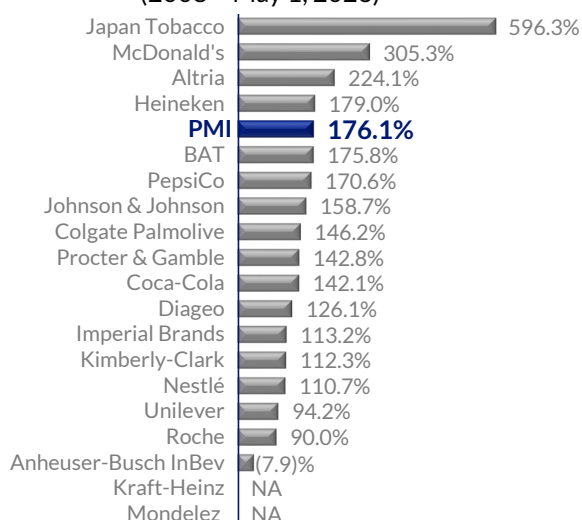
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## Rewarding Our Shareholders: Attractive Dividend

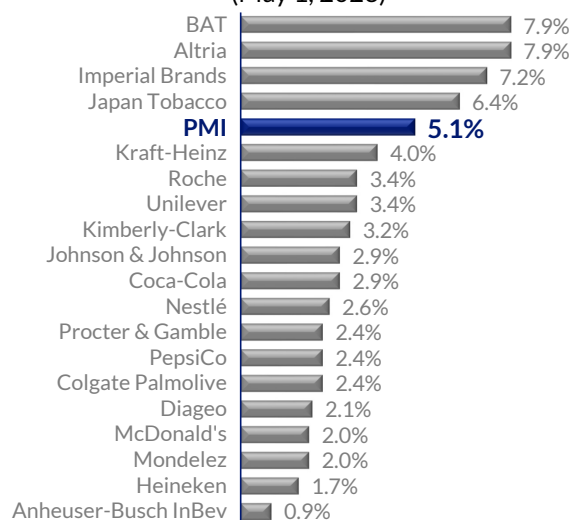
### Dividend Growth: Peer Group

(2008 – May 1, 2023)



### Trailing Dividend Yield: Peer Group

(May 1, 2023)

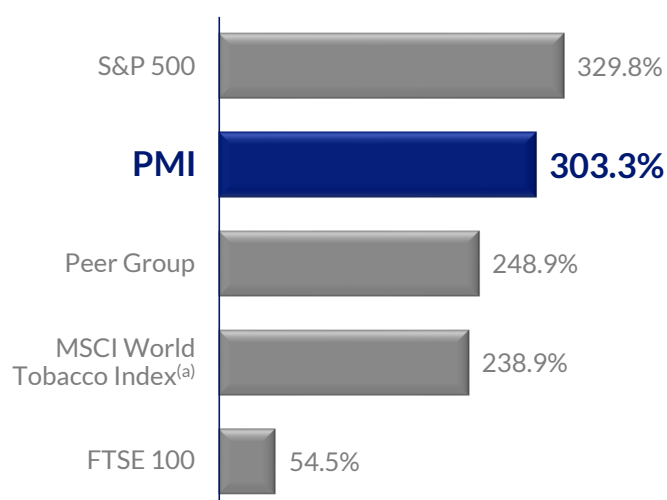


Note: PMI reflects absolute growth in annualized announced dividends from time of first PMI dividend of \$0.46 in June 2008 through May 1, 2023. Companies in the Peer Group reflect absolute growth from FY 2008 dividends or Q2, 2008 annualized dividend through current last twelve months dividends or current last quarter annualized dividend as appropriate. Dividend yield represents the trailing annualized dividend on May 1, 2023, over the closing share price on that date. The current annualized dividend rate for PMI is \$5.08. The closing share price for PMI was \$99.35 on May 1, 2023. NA stands for not available  
Source: FactSet

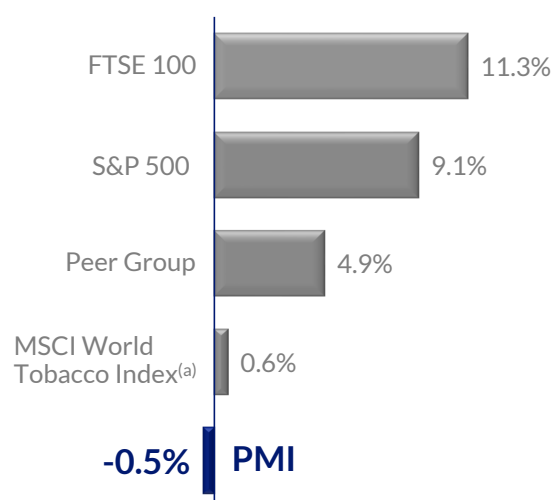
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## Rewarding Our Shareholders: Total Return

### Spin (March 28, 2008) – May 1, 2023



### January 1, 2023 – May 1, 2023



(a) Includes PMI, Altria, BAT, Imperial Brands and Japan Tobacco

Note: TSR in USD. The MSCI World Tobacco Index and the company peer group represent the market weighted-average return of the index/group. PMI total shareholder return pro forma for additional \$0.46 per share dividend paid in April 2008 impacts the period March 28, 2008 – May 1, 2023. Exchange rates are as of March 28, 2008, January 1, 2023 and May 1, 2023. The company peer group is defined in the Glossary

Source: FactSet, Bloomberg, and MSCI World Tobacco Index

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## Section 7: Appendix and Reconciliation of non- GAAP Measures

### Industry Volume Overview – Europe (Billion Cigarette Equivalent Units)

Market	Product Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
France	Cigarettes	48.3	45.7	46.2	45.7	45.1	40.9	37.8	36.4	34.1	32.3
	HTU	-	-	-	-	0.0	0.0	0.1	0.2	0.2	0.2
	OTP	15.8	15.4	16.3	16.4	15.7	14.3	13.6	15.2	14.3	12.6
Germany	Cigarettes	79.6	80.4	80.0	78.1	76.7	74.8	72.4	73.0	71.6	66.5
	HTU	-	-	-	0.0	0.1	0.4	0.9	1.7	2.4	3.7
	OTP	44.1	43.5	43.0	42.5	41.3	40.9	40.3	42.2	41.3	40.0
Italy	Cigarettes	74.0	74.4	73.8	72.1	69.3	67.5	64.6	61.7	61.1	60.2
	HTU	-	-	0.0	0.1	0.5	1.5	3.3	5.7	9.3	12.6
	OTP	6.8	6.9	7.2	7.4	8.1	8.5	8.9	9.4	9.3	9.0
Poland	Cigarettes	46.6	42.1	41.1	41.3	41.6	42.8	45.0	43.2	45.6	49.4
	HTU	-	-	-	-	0.1	0.4	1.2	2.4	3.8	6.3
	OTP	3.4	3.6	4.0	4.1	5.0	5.5	6.2	7.2	7.8	7.9
Spain	Cigarettes	47.7	47.0	46.7	46.7	44.9	44.8	45.1	41.4	42.1	43.8
	HTU	-	-	-	0.0	0.1	0.2	0.3	0.4	0.5	0.8
	OTP	14.1	13.0	12.8	12.4	12.3	12.5	13.4	14.2	14.3	14.9

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption.  
Source: PMI estimates as of May 23, 2023

## Industry Volume Overview – Europe (cont'd)

(Billion Cigarette Equivalent Units)

Market	Product Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Croatia	Cigarettes	6.6	6.1	6.1	6.0	6.2	6.2	6.1	5.7	5.7	6.0
	HTU	-	-	-	-	0.0	0.1	0.2	0.3	0.4	0.5
	OTP	-	0.3	0.3	0.2	0.3	0.3	0.3	0.4	0.4	0.4
Czech Republic	Cigarettes	19.8	20.1	20.4	20.5	20.3	20.0	19.7	17.0	15.2	14.5
	HTU	-	-	-	-	0.1	0.5	1.2	1.7	2.1	2.9
	OTP	2.2	2.3	2.6	2.5	2.4	2.2	2.2	1.9	1.7	1.5
Greece	Cigarettes	18.1	16.8	16.4	15.3	13.8	12.8	12.1	10.9	11.1	11.3
	HTU	-	-	-	0.0	0.2	0.6	1.2	1.5	2.0	2.7
	OTP	4.0	4.0	4.1	4.2	3.8	3.9	4.2	4.3	4.4	4.4
Hungary	Cigarettes	9.6	7.4	7.3	7.4	7.6	8.1	8.3	7.7	6.9	6.5
	HTU	-	-	-	-	-	-	0.2	0.8	1.6	2.7
	OTP	8.1	9.7	10.4	10.4	9.1	8.4	7.8	7.7	7.3	6.9
Latvia	Cigarettes	1.8	1.9	1.9	1.9	1.9	2.0	1.9	1.8	1.7	1.8
	HTU	-	-	-	-	-	0.0	0.1	0.2	0.2	0.2
	OTP	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption.

Source: PMI estimates as of May 23, 2023

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## Industry Volume Overview – Europe (cont'd)

(Billion Cigarette Equivalent Units)

Market	Product Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Lithuania	Cigarettes	2.8	2.9	3.1	3.1	2.9	2.8	2.7	2.4	2.4	2.2
	HTU	-	-	-	-	0.0	0.1	0.4	0.6	0.7	1.0
	OTP	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3
Norway	Cigarettes	1.8	1.8	1.8	1.7	1.7	1.4	1.4	1.9	1.9	1.3
	OTP	1.1	1.1	1.0	1.0	0.9	0.7	0.7	0.9	0.9	0.7
	Snus	1.6	1.8	1.8	1.9	1.9	2.0	2.1	2.9	3.5	2.7
Portugal	Cigarettes	9.9	9.6	9.7	9.8	10.2	9.7	9.7	9.0	8.8	8.7
	HTU	-	-	0.0	0.0	0.1	0.3	0.6	0.9	1.2	1.7
	OTP	2.2	2.2	1.8	1.5	1.2	1.0	1.0	1.0	1.0	1.0
Romania	Cigarettes	24.5	23.4	24.0	24.2	24.3	24.4	25.5	25.6	25.9	27.5
	HTU	-	-	0.0	0.0	0.2	0.5	0.7	0.9	1.3	2.0
	OTP	-	-	-	0.0	0.0	0.0	0.0	0.1	0.2	0.2
Slovak Republic	Cigarettes	6.9	7.0	7.1	7.1	7.2	7.1	7.1	6.9	6.4	6.2
	HTU	-	-	-	-	0.0	0.3	0.5	0.7	0.9	1.2
	OTP	0.2	0.3	0.5	0.5	0.3	0.3	0.3	-	-	-

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption.

Source: PMI estimates as of May 23, 2023

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## Industry Volume Overview – Europe (cont'd)

(Billion Cigarette Equivalent Units)

Market	Product Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Slovenia	Cigarettes	3.9	3.7	3.6	3.6	3.5	3.5	3.4	3.2	3.2	3.3
	HTU	-	-	-	-	0.0	0.1	0.1	0.2	0.3	0.4
	OTP	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Sweden	Cigarettes	5.8	6.0	5.7	5.7	5.4	5.3	5.2	5.0	4.8	4.8
	OTP	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2
	Snus	7.7	8.0	8.0	8.3	8.5	8.9	9.0	8.8	8.8	9.2
Switzerland	Cigarettes	10.6	10.2	9.8	9.4	9.3	9.1	8.8	9.2	8.9	8.5
	HTU	-	-	0.0	0.0	0.1	0.2	0.3	0.4	0.6	0.9
	OTP	1.2	1.3	1.3	1.4	1.4	1.4	1.5	1.6	1.7	1.7
United Kingdom	Cigarettes	35.8	33.8	31.4	29.6	27.9	26.0	23.5	24.1	23.7	20.3
	HTU	-	-	-	0.0	0.0	0.0	0.1	0.3	0.5	0.6
	OTP	10.7	10.4	10.0	10.3	10.5	10.6	10.7	13.8	14.4	11.9

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption.

Source: PMI estimates as of May 23, 2023

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## Industry Volume Overview – SSEA, CIS & MEA

(Billion Cigarette Equivalent Units)

Market	Product Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Egypt	Cigarettes	79.9	82.0	78.4	83.2	86.4	86.0	87.4	85.8	93.1	92.8
	HTU	-	-	-	-	-	-	-	-	0.2	0.8
Indonesia	Cigarettes	314.5	319.0	320.0	315.6	303.5	302.5	305.2	275.9	293.5	304.0
	OTP	5.8	9.6	11.5	12.7	14.3	14.0	12.6	21.0	17.9	22.6
Philippines	Cigarettes	91.0	94.9	90.2	79.3	74.9	73.2	70.5	61.8	55.1	51.6
	OTP	-	-	-	-	-	-	-	-	-	-
Russia	Cigarettes	346.4	314.1	294.1	280.0	259.7	236.3	217.7	203.7	196.9	187.6
	HTU	-	-	0.0	0.0	0.3	2.6	8.8	15.4	19.9	21.2
Turkey	Cigarettes	91.7	94.7	103.2	105.5	106.2	118.5	119.7	114.8	125.1	117.2
	OTP	-	-	-	-	-	-	-	-	-	10.3

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption.

Source: PMI estimates as of May 23, 2023

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## Industry Volume Overview – EA, AU & PMI DF

(Billion Cigarette Equivalent Units)

Market	Product Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Australia	Cigarettes	18.7	16.8	16.5	15.7	13.9	12.8	12.0	11.0	9.7	8.9
	OTP	3.2	3.3	3.4	3.5	3.5	3.8	3.9	3.7	3.2	2.8
Japan	Cigarettes	192.6	186.2	182.3	173.8	151.4	132.7	121.1	102.8	94.4	92.7
	HTU	-	0.0	0.2	5.2	20.0	34.6	36.7	40.1	45.0	50.5
	OTP	-	-	-	-	-	0.9	4.0	12.3	11.1	5.1
South Korea	Cigarettes	88.4	88.1	67.3	73.6	69.0	62.8	61.2	64.1	62.8	61.9
	HTU	-	-	-	-	1.6	6.8	7.3	7.5	8.9	10.7
New Zealand	Cigarettes	1.9	1.8	1.8	1.8	1.7	1.7	1.5	1.4	1.2	1.1
	HTU	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OTP	0.9	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.7	0.5
Singapore	Cigarettes	2.7	2.8	2.8	2.8	2.8	2.8	2.7	3.1	3.0	2.7

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption.

Source: PMI estimates as of May 23, 2023

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## Industry Volume Overview – Americas

(Billion Cigarette Equivalent Units)

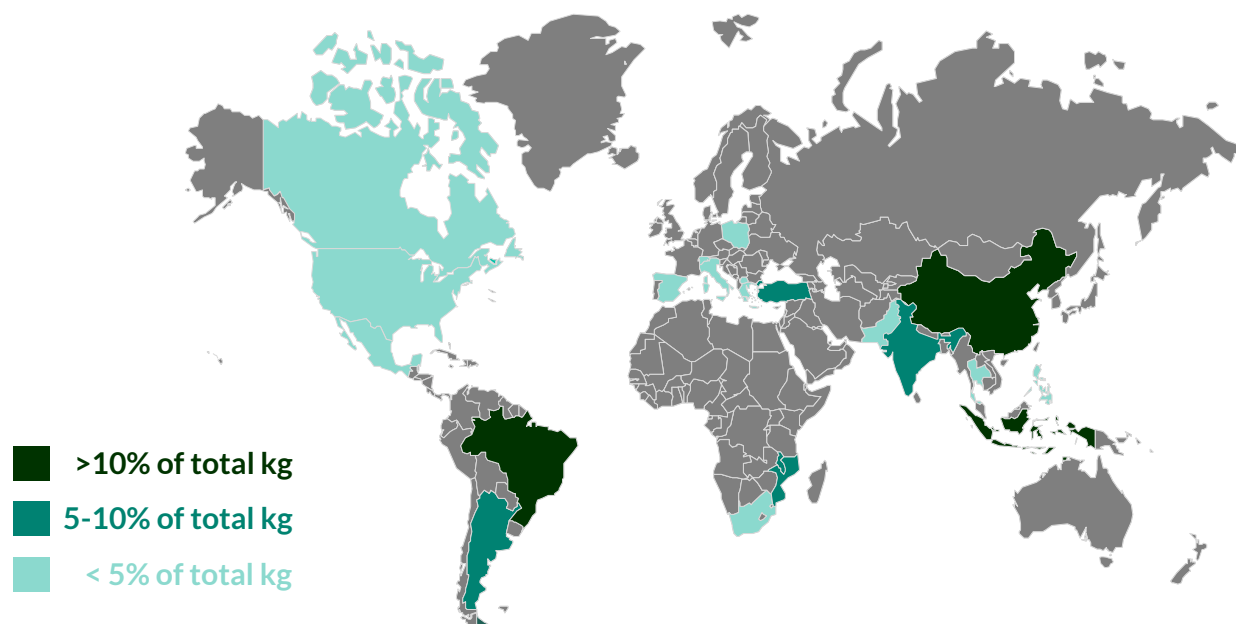
Market	Product Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Argentina	Cigarettes	42.5	41.9	40.8	38.7	38.2	36.9	34.1	31.0	30.0	30.3
	OTP	0.2	0.2	0.2	0.2	0.3	0.2	0.1	0.1	0.2	0.0
Mexico	Cigarettes	34.6	33.5	33.8	36.2	35.8	35.5	35.5	30.5	31.8	32.1
	HTU	-	-	-	-	-	-	0.0	0.1	0.1	0.1

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption.

Source: PMI estimates as of May 23, 2023

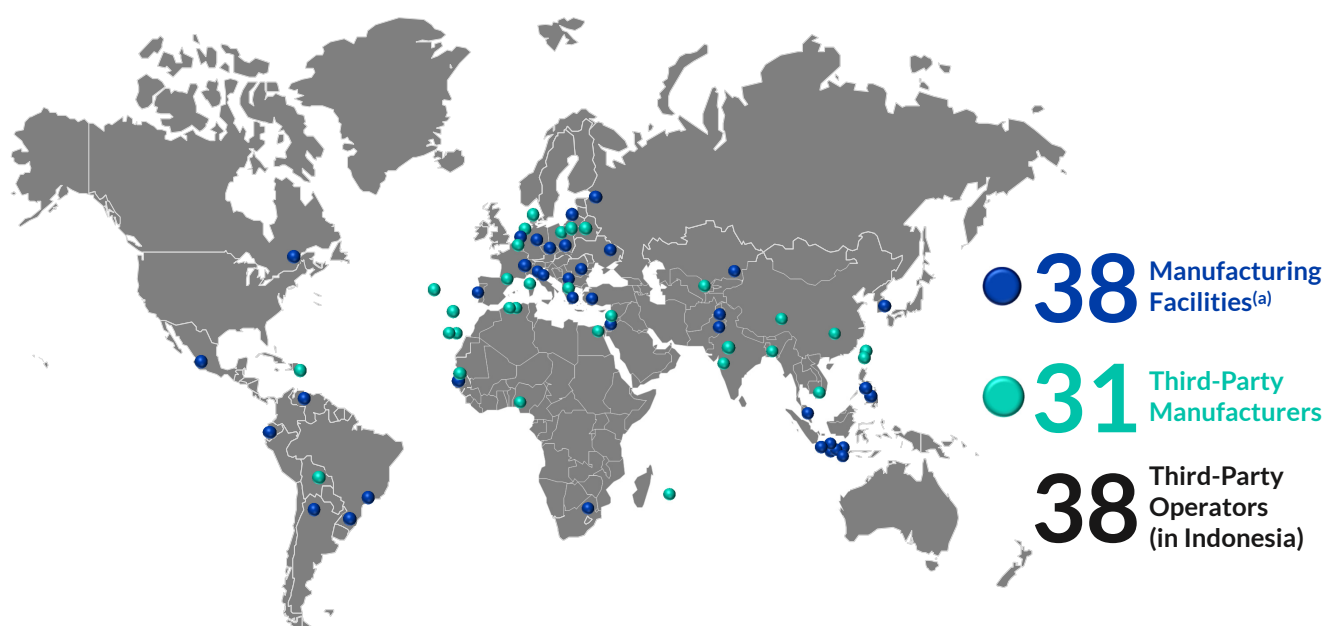
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## PMI Tobacco Leaf Purchases by Geography (2022)



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## PMI Manufacturing Footprint (2022)



(a) Includes facilities in Greece, Indonesia, Italy, Poland, Romania, Russia, South Africa, South Korea and Switzerland that are fully or partially dedicated to the production of Heated Tobacco Units (HTUs) or other nicotine-containing products. Including SWMA and Fertin Vectura Pharma, PMI owns 53 manufacturing facilities  
Note: On February 25, 2022 PMI announced the temporary suspension of its operations in Ukraine, including at its factory in Kharkiv  
Source: PMI Operations and Form 10-K for the year ended December 31, 2022

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# Cigarette Excise Tax Structures: Select Markets

(April 1, 2023)

Argentina		
	%	
	Nominal	RSP <sup>(f)</sup>
Social Assistance Fund (SAF) <sup>(a)</sup>	7.00	7.00
Special Tobacco Fund (STF) <sup>(b)</sup>	7.35	7.99
Excise Tax <sup>(c)</sup>	70.00	55.31
VAT <sup>(d)</sup>	21.00	4.98
Turnover Tax <sup>(e)</sup>	3.73	0.64
Tax Burden	75.92	
(a) 7% x RSP (b) [7.35% x (RSP – SAF – VAT)] + ARS 7.5823 (as of January 2023) (c) 70% x (RSP – SAF – VAT – STF). Minimum excise tax: ARS 254.56 (March 2023 - May 2023) (d) (NEFP + Wholesaler & Retailer margin) x 21% (e) NEFP x 3.73% (f) Based on Philip Morris soft pack (ARS 500.00) Note: NEFP is net ex-factory price		

Australia	
Tobacco Excise Tax (AUD/Kg)	1,663.36
Tobacco Excise Tax (AUD/000) <sup>(a)</sup>	1,164.35
VAT (Nominal)	10.0%
(a) If not exceeding 0.8g per cigarette	

Egypt			
Price Tier (RSP per pack in EGP)	1 (0 – 24)	2 (+24-35)	3 (35+)
Ad Valorem Excise Tax (% of RSP)	50%	50%	50%
Specific Excise Tax (EGP/000)	200.0	325.0	350.0
Health Tax (EGP/000)	55.0	55.0	55.0

France	
Ad Valorem Excise Tax	55.0%
Specific Excise Tax (EUR/000)	68.10
Minimum Excise Tax (EUR/000)	360.60
VAT (Nominal)	20.0%

Germany	
Ad Valorem Excise Tax	19.84%
Specific Excise Tax (EUR/000)	111.50
Minimum Total Tax (EUR/000) <sup>(a)</sup>	228.88
VAT (Nominal)	19.0%
(a) Minimum Total Tax (MTT) also includes the VAT	

(a) 7% x RSP  
 (b)  $7.35\% \times (RSP - SAF - VAT) + ARS 7.5823$  (as of January 2023)  
 (c)  $70\% \times (RSP - SAF - VAT - STF)$ . Minimum excise tax: ARS 254.56 (March 2023 - May 2023)  
 (d)  $(NEFP + \text{Wholesaler \& Retailer margin}) \times 21\%$   
 (e)  $NEFP \times 3.73\%$   
 (f) Based on Philip Morris soft pack (ARS 500.00)  
 Note: NEFP is net ex-factory price

Note: 20 cigarettes per pack

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# Cigarette Excise Tax Structures: Select Markets (cont.)

(April 1, 2023)

Japan		Mexico		Italy	
National - Tobacco Tax (JPY/pack)	136.04	Ad Valorem Excise Tax <sup>(a)</sup>	160.0%	Ad Valorem Excise Tax	49.5%
National - Special Tobacco Tax (JPY/pack)	16.40	Specific Excise Tax (MXN/000)	591.1	Specific Excise Tax (EUR/000)	28.0
Local Excise Tax (JPY/pack)	152.44	VAT (Nominal)	16.0%	Minimum Total Tax (EUR/000) <sup>(a)</sup>	199.72
Total (JPY/pack)	304.88	(a) Ad valorem excise tax is 160% of manufacturer / wholesale price to retail excluding taxes (VAT and Excise)		VAT (Nominal)	22.0%
VAT (Nominal)	10.0%			(a) Minimum Total Tax also includes the VAT	
South Korea		Philippines		Spain	
Tobacco Consumption Tax (KRW/pack)	1,007	Specific Excise Tax (PHP/pack) <sup>(a)</sup>	60.0	Ad Valorem Excise Tax	51.0%
Public Health Tax (KRW/pack)	841	(a) January 1, 2024 onwards (+5% / year)		Specific Excise Tax (EUR/000)	24.70
Education Tax (KRW/pack)	443			Minimum Excise Tax (EUR/000)	131.50
Green Fund Tax (KRW/pack)	28			VAT (Nominal)	21.0%
Individual Consumption Tax (KRW/pack)	594				
Farmer's Subsidy Tax (KRW/pack)	5			Turkey	
Total (KRW/pack)	2,918			Ad Valorem Excise Tax (% of RSP)	63.0%
VAT (Nominal)	10.0%			Specific Excise Tax (TRY/000)	48.09
		Poland		Minimum Excise Tax (TRY/000)	968.0
		Ad Valorem Excise Tax	32.05%	VAT (Nominal)	18.0%
		Specific Excise Tax (PLN/000)	250.91		
		Minimum Excise Tax (PLN/000)	518.55		
		VAT (Nominal)	23.0%		

Note: 20 cigarettes per pack

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## Excise Tax Structure: Russia

(April 1, 2023)

<u>Cigarettes</u>	<u>2019<sup>(a)</sup></u>	<u>2020<sup>(a)</sup></u>	<u>2021<sup>(a)</sup></u>	<u>2022<sup>(a)</sup></u>	<u>2023<sup>(a)</sup></u>	<u>2023<sup>(Apr)</sup></u>
Ad Valorem Excise Tax (% of MRSP)	14.5%	14.5%	16.0%	16.0%	16.0%	16.0%
Specific Excise Tax (RUB/000)	1,890	1,966	2,359	2,454	2,552	2,603
Minimum Excise Tax (RUB/000)	2,568	2,671	3,205	3,333	3,467	3,536
<u>Heated Tobacco</u>						
<u>Products</u>						
Specific Excise Tax (RUB/kg)	5,808	6,040	7,248	7,538	7,839	8,669
Electronic Nicotine Delivery Systems; Tobacco Heating Devices (RUB/device)		50	60	62	64	0

(a) Effective as of January 1 for both cigarettes and heated tobacco products

Note: Tax plan subject to revision annually. VAT currently at 20% (effective since January 1, 2019)

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## Excise Tax Structure: Indonesia

(April 1, 2023)

<u>CC - Cigarette Type</u>	<u>Volume Tier</u>	<u>Price Tier</u>	<u>Minimum HJE <sup>(a)</sup> (IDR/stick)</u>		<u>Total Excise + Regional Tax (IDR/stick)</u>	
			<u>Current</u>	<u>Previous <sup>(b)</sup></u>	<u>Current</u>	<u>Previous <sup>(b)</sup></u>
Machine-Made Kretek (SKM)	Volume Tier 1 (> 3 billion units)	1	2,055	1,905	1,211.1	1,083.5
	Volume Tier 2 (≤ 3 billion units)	1	1,255	1,140	735.9	660.0
Whites (SPM)	Volume Tier 1 (> 3 billion units)	1	2,165	2,005	1,312.3	1,171.5
	Volume Tier 2 (≤ 3 billion units)	1	1,295	1,135	781.0	698.5
Hand-Rolled Kretek (SKT) / Hand-Rolled White (SPT)	Volume Tier 1 (> 2 billion units)	1	1,800	1,636	507.1	484.0
		2	1,250	1,135	397.1	379.5
	Volume Tier 2 (> 500 million units–2 billion units)	1	720	600	235.4	225.5
		1	605	505	129.8	126.5

(a) HJE stands for banderole price

(b) Previous rates effective from January 1 to December 31, 2022

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# Excise Tax Structure: Japan

(April 1, 2023)

## Cigarettes

- Excise tax increases of JPY 20/pack in October 2018, 2020 and 2021:
  - No increase in October 2019, due to nominal VAT increase from 8% to 10%

## Heated Tobacco Products (HTPs)

- "Heated tobacco" category:
  - Dedicated excise tax category for heated tobacco products (previously: pipe tobacco category)
  - Taxable base for the specific excise tax is weight of heated tobacco
  - For products using liquid to create an aerosol, the liquid portion is considered as tobacco for tax purposes
- Heated tobacco excise tax is being phased in over a five-year period (2018-2022), with the fifth year reflecting 100% of the new system (heated tobacco category). See next slide for details

Note: 20 cigarettes/heated tobacco units per pack

## HTP Excise Tax Structure

	Pipe Tobacco Category	Heated Tobacco Category
RSP (JPY/pack)	600	600
VAT (Nominal)	10%	10%
RSP Net of VAT (JPY/pack)	545	545
Effective Specific Rate (JPY/kg)	15,244	19,055 <sup>(a)</sup>
Tax Base	Full product weight (14.9 g/pack) <sup>(b)</sup>	Heated tobacco weight (5.4 g/pack) <sup>(c)</sup>
Specific Yield (JPY/000)	11,357	5,145
Effective Ad Valorem Rate	n/a	30%
Tax Base	n/a	RSP net of VAT
Ad Valorem Yield (JPY/000)	n/a	8,182
Total Excise Tax Yield (JPY/000)	11,357	13,327

Heated Tobacco Category: Indicative Excise Tax Payable as of October 1, 2022 (JPY/000)

13,327

- (a) Reflects effective specific rate for the fifth year of five-year-phase-in period  
 (b) Reflects indicative "total weight" for Marlboro Menthol HeatSticks  
 (c) Reflects indicative "heated tobacco weight" for Marlboro Menthol HeatSticks

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# Multi-Year Tobacco Tax Plan: Japan

(April 1, 2023)

	Previous	Oct 1, 2018 – Sept 30, 2019	Oct 1, 2019 – Sept 30, 2020	Oct 1, 2020 – Sept 30, 2021	Oct 1, 2021 – Sept 30, 2022	Oct 1, 2022 and Onwards
VAT (Nominal)	8%	8%	10%	10%	10%	10%
Excise Tax: Cigarettes (JPY/000)	12,244	13,244	13,244	14,244	15,244	15,244
Excise Tax: Pipe Tobacco (JPY/kg) <sup>(a)</sup>	12,244	13,244	13,244	14,244	15,244	15,244
<b>Excise Tax: New HTP Category</b>						
-Effective Specific Rate (JPY/kg) <sup>(b)</sup>	-	16,555	16,555	17,805	19,055	19,055
-Effective Ad Valorem Rate <sup>(c)(d)</sup>	-	30%	30%	30%	30%	30%
<b>HTP Phase-in Period</b>						
-Portion of New HTP System	-	20%	40%	60%	80%	100%
-Portion of Previous System	-	80%	60%	40%	20%	0%

- (a) Previously, HTPs were taxed based on pipe tobacco excise tax rate  
 (b) Taxable base is weight of heated tobacco  
 (c) Taxable base is RSP net of VAT  
 (d) Effective ad valorem rate is calculated as the excise tax incidence based on announced average RSP  
 Note: Based on current law

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## IQOS Retail Selling Prices: Europe

(April 1, 2023)

Market	Currency	RSP <sup>(a)</sup>					
		IQOS Kit				Pack	
		3 DUO <sup>(b)</sup>	ILUMA PRIME	ILUMA	ILUMA ONE	HTUs	Marlboro Cigarettes
ALBANIA	ALL	5,000	-	-	-	320.0	360.0
ANDORRA	EUR	69.0	99.0	69.0	49.0	3.55 <sup>(c)</sup>	3.95
AUSTRIA	EUR	59.0	-	-	-	5.50	6.30
BOSNIA & HERZ.	BAM	85.0	-	-	-	5.80	6.20
BULGARIA	BGN	90.0	-	-	-	5.50	5.70
CANARY ISLANDS	EUR	-	99.0	59.0	29.0	3.00 <sup>(c)</sup>	4.00
CROATIA	EUR	49.0	-	-	-	3.85	4.65
CYPRUS	EUR	-	109.0	69.0	39.0	4.00	4.90

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

(c) HEETS and TERE A with equal pricing

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack. Bosnia & Herz. is Bosnia & Herzegovina

Source: PMI affiliates

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## IQOS Retail Selling Prices: Europe (cont.)

(April 1, 2023)

Market	Currency	RSP <sup>(a)</sup>						
		IQOS Kit						Pack
		2.4 Plus	3 Multi	3 DUO <sup>(b)</sup>	ILUMA PRIME	ILUMA	ILUMA ONE	HTUs Marlboro Cigarettes
CZECH REPUBLIC	CZK	-	-	-	2,790	1,690	1,090	115.0 / 112.0 <sup>(c)</sup>
DENMARK	DKK	-	-	299.0	-	-	-	50.0
ESTONIA	EUR	-	-	49.0	-	-	-	4.70
FRANCE	EUR	49.0	49.0	69.0	-	-	-	8.50
GERMANY	EUR	-	-	49.0	-	-	-	6.80
GREECE	EUR	-	-	-	109.0	69.0	39.0	4.00
HUNGARY	HUF	-	-	19,990	-	-	-	1,900

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

(c) HEETS at CZK115; TERE A at CZK112

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack

Source: PMI affiliates

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## IQOS Retail Selling Prices: Europe (cont.)

(April 1, 2023)

		RSP <sup>(a)</sup>							
		IQOS Kit						Pack	
Market	Currency	2.4 Plus	3 Multi	3 DUO <sup>(b)</sup>	ILUMA PRIME	ILUMA	ILUMA ONE	HTUs	Marlboro Cigarettes
ITALY	EUR	-	-	59.0	129.0	89.0	49.0	5.20	6.00
LATVIA	EUR	-	-	49.0	-	-	-	4.20	4.50
LITHUANIA	EUR	-	-	49.0	99.0	69.0	49.0	4.30	4.85
MOLDOVA	MDL	-	-	749.0	-	-	-	48.0	51.0
MONACO	EUR	49.0	49.0	69.0	-	-	-	8.50	11.50
MONTENEGRO	EUR	-	-	50.0	-	-	-	2.90	3.60
NETHERLANDS	EUR	19.0	-	49.0	-	-	-	6.00	8.20

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack. Source: PMI affiliates

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## IQOS Retail Selling Prices: Europe (cont.)

(April 1, 2023)

		RSP <sup>(a)</sup>						
		IQOS Kit					Pack	
Market	Currency	2.4 Plus	3 DUO <sup>(b)</sup>	ILUMA PRIME	ILUMA	ILUMA ONE	HTUs	Marlboro Cigarettes
N. MACEDONIA	MKD	-	2,600	-	-	-	150.0	170.0
POLAND	PLN	69.0	99.0	-	-	-	16.0	19.50
PORTUGAL	EUR	-	-	89.0	49.0	29.0	4.50	5.60
ROMANIA	RON	-	249.0	-	-	-	19.0	24.0
SERBIA	RSD	-	4,000	-	-	-	340.0	420.0
SLOVAK REP.	EUR	-	-	119.0	69.0	49.0	4.00	5.00
SLOVENIA	EUR	-	49.0	-	-	-	4.10	4.90
SPAIN	EUR	-	-	99.0	69.0	39.0	4.35 / 4.85 <sup>(c)</sup>	5.35

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

(c) HEETS at €4.85; TERE at €4.35

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack. N. Macedonia is North Macedonia. Slovak Rep. is Slovak Republic  
Source: PMI affiliates

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## IQOS Retail Selling Prices: Europe (cont.)

(April 1, 2023)

Market	Currency	RSP <sup>(a)</sup>					
		IQOS Kit				Pack	
		3 DUO <sup>(b)</sup>	ILUMA PRIME	ILUMA	ILUMA ONE	HTUs	Marlboro Cigarettes
SWEDEN	SEK	499.0	-	-	-	50.0	71.0
SWITZERLAND	CHF	-	119.0	79.0	49.0	8.00 <sup>(c)</sup>	9.00
UK	GBP	39.0	-	-	-	5.50	13.75
UKRAINE <sup>(d)</sup>	UAH	1,399	-	-	-	85.0	85.0

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

(c) HEETS and TEREAs with equal pricing

(d) Effective recommended RSPs for HTUs and effective maximum RSP for Marlboro cigarette packs (both reflecting the price to adult smokers including 5% sales tax)

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack. UK is United Kingdom.

Source: PMI affiliates

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## IQOS Retail Selling Prices: SSEA, CIS & MEA

(April 1, 2023)

Market	Currency	RSP <sup>(a)</sup>		
		IQOS Kit		Pack
		3 DUO <sup>(b)</sup>	HTUs	Marlboro Cigarettes
ARMENIA	AMD	14,999	750.0	1,000
BAHRAIN	BHD	28.0	2.00	2.40
EGYPT <sup>(c)</sup>	EGP	1,000	48.0	54.0
GEORGIA	GEL	109.0	7.40	7.60
ISRAEL	ILS	290.0	27.0	34.0
JORDAN	JOD	35.0	2.00	2.40
KAZAKHSTAN	KZT	21,500	770.0	760.0
KUWAIT	KWD	25.0	0.80	0.90

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

(c) As of April 6<sup>th</sup>

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack

Source: PMI affiliates

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## IQOS Retail Selling Prices: SSEA, CIS & MEA(cont.)

(April 1, 2023)

Market	Currency	RSP <sup>(a)</sup>					
		IQOS Kit			Pack		
		3 DUO <sup>(b)</sup>	IQOS ORIGINALS ONE	BONDS	HTUs	Blends	Marlboro Cigarettes
KYRGYZSTAN	KGS	4,200	-	-	122	-	126
LEBANON	LBP	4,500,000	-	-	145,500	-	206,250
MALDIVES	MVR	1,500	1,000	-	85.0	-	100.0
MOROCCO	MAD	800	-	-	35.0	-	39.0
PALESTINE	ILS	240.0	-	-	24.0	-	27.0
PHILIPPINES	PHP	2,990	1,690	990.0	140.0	100.0	180.0
REUNION	EUR	69.0	-	-	10.0	-	12.1
RUSSIA <sup>(c)</sup>	RUB	2,490	-	-	180.0	-	229.0

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

(c) HTU RSPs; RUB 180/pack for HEETS; RUB 200/pack for HEETS Creations

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack.

Source: PMI affiliates

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## IQOS Retail Selling Prices: SSEA, CIS & MEA (cont.)

(April 1, 2023)

Market	Currency	RSP <sup>(a)</sup>					
		IQOS Kit				Pack	
		3 DUO <sup>(b)</sup>	ILUMA PRIME	ILUMA	ILUMA ONE	HTUs	Marlboro Cigarettes
SAUDI ARABIA	SAR	280.0	-	-	-	25.0	28.0
SOUTH AFRICA	ZAR	750.0	-	-	-	39.0	54.0
TUNISIA	TND	250.0	-	-	-	8.80	9.20
TURKISH CYPRUS	TRY	999.0	1999	999.0	649.0	33.0	34.0
UAE	AED	300.0	440.0	280.0	180.0	20.0	22.0
UZBEKISTAN	UZS	540,000	-	-	-	16,500	15,500

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) Including 3 DUO IQOS Originals

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack. UAE is the United Arab Emirates.

Source: PMI affiliates

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## IQOS Retail Selling Prices: EA, AU & PMI DF

(April 1, 2023)

		RSP <sup>(a)</sup>					
		IQOS Kit				Pack	
Market	Currency	3 DUO	ILUMA PRIME	ILUMA	ILUMA ONE	HTUs	Marlboro Cigarettes
JAPAN <sup>(b)</sup>	JPY	-	9,980	6,980	3,980	530.0/550.0 580.0/600.0	600.0
MALAYSIA	MYR	299.0	-	-	-	14.0	17.4
NEW ZEALAND <sup>(c)</sup>	NZD	139.0	-	-	-	16.0	40.9
SOUTH KOREA <sup>(d)</sup>	KRW	59,000	139,000	99,000	69,000	4,500/4,800	4,500

(a) Either an RSP, a recommended RSP or a maximum RSP, where applicable

(b) HTU RSPs: SENTIA - JPY 530/pack; HEETS - JPY 550/pack; TERE - JPY 580/pack; MARLBORO HeatSticks - JPY 600/pack.

(c) On e-commerce, HTUs are sold at a bundle offer of NZD 150 for 10 packs

(d) HTU RSPs: HEETS - KRW 4,500/pack; TERE - KRW 4,800/pack

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack

Source: PMI affiliates

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## IQOS Retail Selling Prices: Americas

(April 1, 2023)

		RSP <sup>(a)</sup>						
		IQOS Kit				Pack		
Market	Currency	2.4 Plus	Originals One	3 DUO	BONDS	HTUs	Blends	Marlboro Cigarettes
ARUBA	AWG	-	60.0	110.0	-	14.0	-	17.0
CANADA <sup>(b)</sup>	CAD	-	-	56.49	-	9.42	-	16.93
COLOMBIA	COP	-	99,000	180,000	50,000	8,500	6,000	10,000
COSTA RICA	CRC	-	14,000	34,500	-	2,200	-	2,400
CURACAO	ANG	60.0	60.0	110.0	-	11.50	-	14.0
DOMINICAN REP.	DOP	1,100	1,100	2,500	-	250.0	-	300.0
GUATEMALA	GTQ	-	-	360.0	-	22.0	-	27.0
MEXICO	MXN	799.0	-	1,399	-	63.0	-	75.0

(a) Either a RSP, a recommended RSP or a maximum RSP, where applicable

(b) RSPs are for the Province of Ontario. HTU RSP is per 20 sticks equivalent based on individual 180s selling unit. HTUs are sold in cartons of 10 packs of 18 units (180s), and 3 packs of 18 units (54s), for CAD 74.99 and CAD 28.49 plus VAT (13%). Cigarette RSP for pack of 20 cigarettes equivalent (RBH brand: Belmont 20s). Includes 13% VAT

Note: Excludes the U.S. and International Duty Free. Unless otherwise stated, 20 cigarettes / HTUs per pack. Dominican Rep. is Dominican Republic

Source: PMI affiliates

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## LIL SOLID/HYBRID Retail Selling Prices

(April 1, 2023)

Market	Currency	LIL HYBRID	HTU Pack (Miix)	Cartridge	LIL SOLID	HTU Pack (Fiit)
ALBANIA	ALL	-	-	-	2,000	250.0
ARMENIA	AMD	-	-	-	9,999	650.0
BOSNIA & HERZEGOVINA	BAM	-	-	-	40.0	5.60
BULGARIA	BGN	-	-	-	35.0	5.20
CANARY ISLANDS	EUR	-	-	-	19.0	2.50
CROATIA	EUR	-	-	-	25.0	3.85
CYPRUS	EUR	-	-	-	19.0	3.50
CZECH REPUBLIC	CZK	-	-	-	490.0	99.0
GEORGIA	GEL	-	-	-	69.0	6.70
GREECE	EUR	-	-	-	19.0	3.50
GUATEMALA	GTQ	-	-	-	155.0	15.0
ITALY	EUR	-	-	-	39.0	4.50
JAPAN	JPY	3,980	510.0	80.0	-	-
KAZAKHSTAN	KZT	-	-	-	8,500	710
KYRGYZSTAN	KGS	-	-	-	2,000	112
LATVIA	EUR	-	-	-	29.0	3.80

Note: Unless otherwise stated, 20 HTUs per pack  
Source: PMI affiliates

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## LIL SOLID/HYBRID Retail Selling Prices (cont.)

(April 1, 2023)

Market	Currency	LIL HYBRID	HTU Pack (Miix)	Cartridge	LIL SOLID	HTU Pack (Fiit)
LEBANON	LBP	-	-	-	2,000,000	114,000
LITHUANIA	EUR	-	-	-	19.0	2.99
MALAYSIA	MYR	-	-	-	99.0	12.0
MOLDOVA	MDL	-	-	-	499.0	43.0
MONTENEGRO	EUR	-	-	-	25.0	2.70
NORTH MACEDONIA	MKD	-	-	-	1,250	130.0
POLAND	PLN	-	-	-	49.0	11.50
PORTUGAL	EUR	-	-	-	19.0	4.00
ROMANIA	RON	-	-	-	99.0	19.0
RUSSIA	RUB	-	-	-	1,490/1,990 <sup>(a)</sup>	160.0
SERBIA	RSD	-	-	-	1,300	320.0
SLOVAK REPUBLIC	EUR	-	-	-	19.0	3.50
TURKISH CYPRUS	TRY	-	-	-	499.0	31.0
UKRAINE	UAH	399.0	65.0	15.0	599.0	80.0
UZBEKISTAN	UZS	-	-	-	250,000	14,500

(a) LIL 1.0 / LIL 2.0

Note: Unless otherwise stated, 20 HTUs per pack. Listed prices for Russia and Ukraine  
Source: PMI affiliates

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## IQOS VEEV / VEEBA Retail Selling Prices

(April 1, 2023)

Market	Currency	VEEV Kit	VEEV Flavor Pod	VEEBA
CANADA	CAD	22.59 <sup>(a)</sup>	16.94/Pack (8.47/pod) <sup>(a)</sup>	12.42
CROATIA	EUR	25.0	5.20/pack (2.60/pod)	-
CZECH REPUBLIC	CZK	599.0	179.0/pack (89.50/pod)	169.0
FINLAND	EUR	25.0	8.00/pack (4.00/pod)	-
FRANCE	EUR	10.0	8.00/pack (4.00/pod)	7.99
GREECE	EUR	15.0	6.00/pack (3.00/pod)	-
ITALY	EUR	25.0	6.90/pack (3.45/pod)	-
NEW ZEALAND	NZD	19.99	12.99/pack (6.50/pod) <sup>(b)</sup>	-
ROMANIA	RON	-	-	30.0
SERBIA	RSD	2,999	699/pack (349.5/pod)	699.0
SLOVAK REPUBLIK	EUR	19.0	6.90/pack (3.45/pod)	6.90
UKRAINE	UAH	599.0	249.0/pack (124.5/pod)	299.0
UK	GBP	-	-	4.99

(a) Full RSP, excluding discounts offered through bundles and programs. RSPs are for the Province of Ontario (13% VAT)

(b) Average of 3 prices offered for VEEV pods. Flavored: NZD 14.99; Mint/Menthol: NZD 13.99; Tobacco: NZD 9.99

Source: PMI affiliates

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## PMI Cigarettes Retail Selling Prices in Select Markets

(April 1, 2023)

		Above Premium	Premium	Mid-Price	Low-Price
Argentina <sup>(a)</sup>	ARS	<i>Parliament</i> 690.0	<i>Marlboro</i> 640.0	<i>Philip Morris</i> 500.0	<i>Chesterfield</i> 410.0
Australia <sup>(b)</sup>	AUD		<i>Marlboro</i> 43.44	<i>Peter Jackson</i> 37.70	<i>Bond Street</i> 31.75
Egypt <sup>(c)</sup>	EGP	<i>Merit</i> 59.0	<i>Marlboro</i> 54.0	<i>L&amp;M</i> 39.0	
France	EUR		<i>Marlboro</i> 11.50	<i>Philip Morris / Chesterfield</i> / L&M 11.0	
Germany	EUR	<i>Parliament</i> 8.00	<i>Marlboro</i> 8.00		<i>Chesterfield / L&amp;M</i> 7.60
Indonesia <sup>(d)</sup>	IDR		<i>Sampoerna A Mild</i> 31,060	<i>Sampoerna A Ultra Mild</i> 27,454	
Italy	EUR	<i>Muratti</i> 6.20	<i>Marlboro</i> 6.00		<i>Chesterfield / Philip Morris</i> / L&M 5.20
Japan <sup>(e)</sup>	JPY		<i>Marlboro   Parliament</i> 600.0   580.0	<i>Lark</i> 540.0	<i>Philip Morris</i> 430.0

(a) RSPs for *Philip Morris* and *Chesterfield* are for the soft pack (best-selling variant)

(b) Australia Recommended RSP. Actual RSP may differ. Price for pack of 20 cigarettes equivalent (*Marlboro* 25s; *Peter Jackson* 30s and *Bond Street* 40s)

(c) As of April 6, 2023

(d) Based on Nielsen March 2023 estimates. Reflects average observed retail selling prices. 16 cigarettes per pack. SKM low tar category segment

(e) RSPs for *Marlboro* regular and *Parliament KS*

Note: 20 cigarettes per pack unless otherwise stated. Low includes super-low.

Source: PMI affiliates and Nielsen

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## PMI Cigarettes Retail Selling Prices in Select Markets (cont.)

(April 1, 2023)

		Above Premium	Premium	Mid-Price	Low-Price
Mexico	MXN		Marlboro 75.0	Marlboro Vista 68.0	Chesterfield 61.0
Philippines <sup>(a)</sup>	PHP		Marlboro 180.0		Fortune 140.0
Poland	PLN		Marlboro 19.50	L&M 17.50	Chesterfield 15.99
Russia	RUB	Parliament 259.0	Marlboro 229.0	Marlboro Crafted 219.0	Chesterfield Selection Compact <sup>(b)</sup> 159.0
South Korea	KRW		Marlboro 4,500		
Spain	EUR		Marlboro 5.35	Chesterfield 5.20	L&M 4.95
Turkey	TRY	Parliament 37.0	Marlboro 36.0	Muratti 34.0	L&M 32.0

(a) RSPs now reflect an equivalent price per cigarette, based on a per stick retail basis

(b) Best-selling variant in low segment

Note: 20 cigarettes per pack unless otherwise stated. Low includes super-low

Source: PMI affiliates

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## PMI: Peer Group

- Altria
- Anheuser-Busch InBev
- BAT
- Coca-Cola
- Colgate-Palmolive
- Diageo
- Heineken
- Imperial Brands<sup>(a)</sup>
- Japan Tobacco
- Johnson & Johnson
- Kimberly-Clark
- Kraft-Heinz
- McDonald's
- Mondelēz International
- Nestlé
- PepsiCo
- Procter & Gamble
- Roche
- Unilever

(a) Formerly Imperial Tobacco

Source: Form 10-K for the year ended December 31, 2022 (p. 20)

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency,  
and Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS, excluding Currency  
(Unaudited)

	Years Ended December 31,		
	2022	2021	% Change
<b>Reported Diluted EPS</b>	<b>\$ 5.81</b>	<b>\$ 5.83</b>	<b>(0.3)%</b>
Less: Currency	(0.77)		
<b>Reported Diluted EPS, excluding Currency</b>	<b>\$ 6.58</b>	<b>\$ 5.83</b>	<b>12.9%</b>

	Years Ended December 31,		
	2022	2021	% Change
<b>Reported Diluted EPS</b>	<b>\$ 5.81</b>	<b>\$ 5.83</b>	<b>(0.3)%</b>
Asset impairment and exit costs	-	0.12	
Amortization and impairment of intangibles	0.15	0.05	
Saudi Arabia customs assessments	-	0.14	
Equity investee ownership dilution	-	(0.04)	
Asset acquisition cost	-	0.03	
Costs associated with Swedish Match AB offer	0.06	-	
Swedish Match AB acquisition accounting related item	0.06	-	
Tax benefit associated with Swedish Match AB financing	(0.13)	-	
Charges related to the war in Ukraine	0.08	-	
Fair value adjustment for equity security investments	(0.02)	-	
Tax items	(0.03)	-	
<b>Adjusted Diluted EPS</b>	<b>\$ 5.98</b>	<b>\$ 6.13</b>	<b>(2.4)%</b>
Less: Currency	(0.77)		
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 6.75</b>	<b>\$ 6.13</b>	<b>10.1%</b>

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Reconciliation of Net Revenues to Adjusted Net Revenues, excluding Currency and Acquisitions  
(\$ in millions) / (Unaudited)

Net Revenues	Special Items	Adjusted Net Revenues	Currency	Adjusted Net Revenues excluding Currency	Acquisitions	Adjusted Net Revenues excluding Currency & Acquisitions		Net Revenues	Special Items (a)	Adjusted Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
2022							Full Year Ended December 31	2021			% Change		
\$ 12,869	\$ -	\$ 12,869	\$ (1,576)	\$ 14,445	\$ 10	\$ 14,435	Europe	\$ 13,155	\$ -	\$ 13,155	(2.2)%	9.8%	9.7%
10,467	-	10,467	(419)	10,886	-	10,886	SSEA, CIS & MEA	9,858	(246)	10,104	3.6%	7.7%	7.7%
5,936	-	5,936	(635)	6,571	-	6,571	EA, AU & PMI DF	6,448	-	6,448	(7.9)%	1.9%	1.9%
1,903	-	1,903	(15)	1,918	-	1,918	Americas	1,843	-	1,843	3.3%	4.1%	4.1%
316	-	316	-	316	316	-	Swedish Match	-	-	-	-	-	-
271	-	271	(11)	282	189	93	Wellness and Healthcare	101	-	101	+100%	+100%	(7.9)%
<b>\$ 31,762</b>	<b>\$ -</b>	<b>\$ 31,762</b>	<b>\$ (2,656)</b>	<b>\$ 34,418</b>	<b>\$ 515</b>	<b>\$ 33,903</b>	<b>Total PMI</b>	<b>\$ 31,405</b>	<b>\$ (246)</b>	<b>\$ 31,651</b>	<b>0.4%</b>	<b>8.7%</b>	<b>7.1%</b>

(a) Represents the reduction in net revenues of \$246 million related to the Saudi Arabia customs assessment impacting only Q2 and full-year

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

#### Reconciliation of Operating Income to Adjusted Operating Income, excluding Currency and Acquisitions (\$ in millions) / (Unaudited)

Operating Income	Special Items (a)	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions		Operating Income	Special Items (a)	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions
2022							Full Year Ended December 31	2021			% Change		
\$ 5,802	\$ (242)	\$ 6,044	\$ (1,029)	\$ 7,073	\$ (2)	\$ 7,075	Europe	\$ 6,409	\$ (109)	\$ 6,518	(7.3)%	8.5%	8.5%
3,864	(56)	3,920	(99)	4,019	-	4,019	SSEA, CIS & MEA	3,295	(319)	3,614	8.5%	11.2%	11.2%
2,424	(28)	2,452	(376)	2,828	-	2,828	EA, AU & PMI DF	2,836	(95)	2,931	(16.3)%	(3.5)%	(3.5)%
436	(14)	450	(11)	461	-	461	Americas	487	(17)	504	(10.7)%	(8.5)%	(8.5)%
(22)	(151)	129	-	129	129	-	Swedish Match	-	-	-	-	-	-
(258)	(171)	(87)	8	(95)	(28)	(67)	Wellness and Healthcare	(52)	(69)	17	-100%	-100%	-100%
<b>\$ 12,246</b>	<b>\$ (662)</b>	<b>\$ 12,908</b>	<b>\$ (1,507)</b>	<b>\$ 14,415</b>	<b>\$ 99</b>	<b>\$ 14,316</b>	<b>Total PMI</b>	<b>\$ 12,975</b>	<b>\$ (609)</b>	<b>\$ 13,584</b>	<b>(5.0)%</b>	<b>6.1%</b>	<b>5.4%</b>

(a) Full year 2022: charges related to the war in Ukraine (\$151 million), amortization and impairment of intangibles (\$271 million), Swedish Match AB acquisition accounting related item (\$125 million) and cost associated with Swedish Match AB offer (\$115 million). Full year 2021: asset impairment and exit costs (\$216 million), amortization and impairment of intangibles (\$96 million), asset acquisition cost (\$51 million) and Saudi Arabia customs assessment (\$246 million)

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

#### Reconciliation of Adjusted Operating Income Margin, excluding Currency and Acquisitions (\$ in millions) / (Unaudited)

Adjusted Operating Income (a)	Adjusted Net Revenues (b)	Adjusted Operating Income Margin	Adjusted Operating Income excluding Currency (a)	Adjusted Net Revenues excluding Currency (b)	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income excluding Currency & Acquisitions (a)	Adjusted Net Revenues excluding Currency & Acquisitions (b)	Adjusted Operating Income Margin excluding Currency & Acquisitions		Adjusted Operating Income (a)	Adjusted Net Revenues (b)	Adjusted Operating Income Margin	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income Margin excluding Currency & Acquisitions
2022									Full Year Ended December 31	2021				
\$ 6,044	\$ 12,869	47.0%	\$ 7,073	\$ 14,445	49.0%	\$ 7,075	\$ 14,435	49.0%	Europe	\$ 6,518	\$ 13,155	49.5%	(2.5)	(0.5)
3,920	10,467	37.5%	4,019	10,886	36.9%	4,019	10,886	36.9%	SSEA, CIS & MEA	3,614	10,104	35.8%	1.7	1.1
2,452	5,936	41.3%	2,828	6,571	43.0%	2,828	6,571	43.0%	EA, AU & PMI DF	2,931	6,448	45.5%	(4.2)	(2.5)
450	1,903	23.6%	461	1,918	24.0%	461	1,918	24.0%	Americas	504	1,843	27.3%	(3.7)	(3.3)
129	316	40.8%	129	316	40.8%	-	-	-	Swedish Match	-	-	-	-	-
(87)	271	(32.1)%	(95)	282	(33.7)%	(67)	93	(71.6)%	Wellness and Healthcare	17	101	16.8%	(48.9)	(50.5)
<b>\$ 12,908</b>	<b>\$ 31,762</b>	<b>40.6%</b>	<b>\$ 14,415</b>	<b>\$ 34,418</b>	<b>41.9%</b>	<b>\$ 14,316</b>	<b>\$ 33,903</b>	<b>42.2%</b>	<b>Total PMI</b>	<b>\$ 13,584</b>	<b>\$ 31,651</b>	<b>42.9%</b>	<b>(2.3)</b>	<b>(1.0)</b>

(a) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 119  
(b) For the calculation of Adjusted Net Revenues excluding currency and acquisitions refer to slide 118

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Pro Forma Financial Information – PMI and Swedish Match Full Year Combined

(\$ in millions) / (Unaudited)

	Year Ended December 31, 2022		
	Combustible Tobacco	Smoke-free	Total
<b>Net Revenues Total PMI</b>	<b>\$ 21,572</b>	<b>\$ 10,190</b>	<b>\$ 31,762</b>
Swedish Match	70	246	316
<b>Net Revenues Total PMI (excl. Swedish Match)</b>	<b>\$ 21,502</b>	<b>\$ 9,944</b>	<b>\$ 31,446</b>
Swedish Match Pro Forma Financial Information	514	1,730	2,244
<b>Net Revenues (Pro Forma Combined Financial Information)</b>	<b>\$ 22,016</b>	<b>\$ 11,674</b>	<b>\$ 33,690</b>

Note: Sum of product categories might not foot to total due to roundings

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting and was based on the historical financial information of PMI and Swedish Match as disclosed in Form 10-K for the year ended December 31, 2022, Item 8, Note 3. *Acquisitions*

The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations would have been had the acquisition been completed on January 1, 2021. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the combined company, nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Net Revenues by Product Category  
(\$ in millions) / (Unaudited)

Net Revenues	Years Ended December 31,								Quarter Ended March 31,
	2015	2016	2017	2018	2019	2020	2021	2022	2023
Combustible Tobacco	\$ 26,595	\$ 25,818	\$ 24,970	\$ 25,378	\$ 24,083	\$ 21,747	\$ 22,067 <sup>(a)</sup>	\$ 21,572	\$ 5,223 <sup>(b)</sup>
Smoke-free excl. W&H	199	867	3,778	4,247	5,722	6,947	9,237	9,919	2,710
Wellness and Healthcare	-	-	-	-	-	-	101	271	86
Smoke-free incl. W&H	199	867	3,778	4,247	5,722	6,947	9,338	10,190	2,796
<b>Total PMI</b>	<b>\$ 26,794</b>	<b>\$ 26,685</b>	<b>\$ 28,748</b>	<b>\$ 29,625</b>	<b>\$ 29,805</b>	<b>\$ 28,694</b>	<b>\$ 31,405 <sup>(a)</sup></b>	<b>\$ 31,762</b>	<b>\$ 8,019 <sup>(b)</sup></b>

(a) 2021 includes a reduction in net revenues of \$246 million related to the Saudi Arabia customs assessment. Excluding this impact total PMI adjusted net revenues are \$31,651 million and for combustible tobacco \$22,313 million

(b) First-quarter 2023 includes a reduction in net revenues of \$80 million related to the termination of distribution arrangement in the Middle East. Excluding this impact total PMI adjusted net revenues are \$8,099 million and for combustible tobacco \$5,303 million

Note: Sum of product categories might not foot to Total PMI due to roundings. "-" indicates amounts between -\$0.5 million and +\$0.5 million

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Adjusted Net Revenues – PMI and Swedish Match Combined

(\$ in millions) / (Unaudited)

	Quarters ended March 31st,				
	2023	2022	Total	Currency	Var. excl. currency
<b>Total PMI</b>					
Net Revenues	\$ 8,019	\$ 7,746	\$ 273	\$ (474)	9.6%
Adjustments <sup>(a)</sup>	(80)	-	(80)	-	-
<b>Adjusted Net Revenues</b>	<b>\$ 8,099</b>	<b>\$ 7,746</b>	<b>\$ 353</b>	<b>\$ (474)</b>	<b>10.7%</b>
<b>Swedish Match</b>					
Net Revenues	\$ 581	\$ -	\$ 581	\$ -	-
<b>Total PMI excl. Swedish Match</b>					
Adjusted Net Revenues	\$ 7,518	\$ 7,746	\$ (228)	\$ (474)	3.2%
<b>Pro Forma Swedish Match Financial Information</b>					
Net Revenues	\$ 581	\$ 490	\$ 91	\$ 21	14.3%
<b>Pro Forma Combined Financial Information</b>					
Adjusted Net Revenues	\$ 8,099	\$ 8,236	\$ (137)	\$ (453)	3.8%

(a) Reflects a reduction in net revenues related to the termination of distribution arrangement in the Middle East

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting and was based on the historical financial information of PMI and Swedish Match as disclosed in Form 10-K for the year ended December 31, 2022, Item 8, Note 3. Acquisitions

The unaudited quarterly pro forma 2022 Swedish Match net revenues are prepared on the same basis as the pro forma Swedish Match financial information for the year ended December 31, 2022 as disclosed in Form 10-K for the year ended December 31, 2022, Item 8, Note 3. Acquisitions, utilizing the full year average exchange rates. The currency variance includes adjustments to the 2022 quarterly average exchange rates

The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations would have been had the acquisition been completed on January 1, 2021. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the combined company, nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Key Market Data

Quarters Ended March 31,

Market	Total Market, bio units			PMI Shipments, bio units									PMI Market Share, % <sup>(b)</sup>					
				Total			Cigarette			HTU			Total			HTU		
	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change	2023	2022	% Change	2023	2022	pp Change	2023	2022	pp Change
<b>Total <sup>(a) (b)</sup></b>	612.3	612.7	(0.1)	171.1	173.1	(1.1)	143.7	148.2	(3.1)	27.4	24.8	10.4	27.4	27.4	-	4.5	4.1	0.4
<b>Europe</b>																		
France	7.5	7.8	(3.9)	3.8	3.5	7.1	3.7	3.5	6.9	0.1	0.1	23.6	42.3	45.0	(2.7)	0.8	0.7	0.1
Germany <sup>(c)</sup>	15.9	16.1	(1.4)	6.0	6.8	(11.0)	5.5	5.9	(5.9)	0.5	0.9	(42.7)	39.8	39.0	0.8	5.3	3.9	1.4
Italy	17.2	16.8	2.7	8.9	9.7	(8.7)	6.9	7.1	(2.9)	2.0	2.6	(24.7)	54.0	54.2	(0.2)	17.4	14.8	2.6
Poland	13.4	12.7	5.6	5.5	4.8	15.7	4.3	3.8	12.8	1.2	1.0	27.0	41.0	37.5	3.5	9.1	7.6	1.5
Spain	9.9	10.1	(2.2)	2.9	3.3	(13.6)	2.7	3.2	(14.8)	0.2	0.2	6.9	29.2	30.3	(1.1)	2.1	1.5	0.6
Ukraine	8.3	8.6	(2.9)	2.6	3.6	(26.7)	1.4	2.2	(35.7)	1.2	1.4	(12.4)	31.1	40.4	(9.3)	14.3	15.6	(1.3)
<b>EA, AU &amp; PMI DF</b>																		
Japan <sup>(b)</sup>	35.3	34.4	2.7	14.8	14.2	3.8	4.7	6.1	(23.6)	10.1	8.1	24.6	39.5	37.2	2.3	26.3	22.9	3.4

(a) Market share estimates are calculated using IMS data, unless otherwise stated

(b) Total market and market share estimates include cigarillos in Japan

(c) PMI market share reflects estimated adjusted in-market sales volume share. Historical HTU adjusted in-market sales volume share: Q2, 2022 (3.9%); Q3, 2022 (3.7%), Q4, 2022 (4.7%). Historical total adjusted in-market sales volume share: Q2, 2022 (38.7%); Q3, 2022 (38.3%), Q4, 2022 (39.7%)

Note: % change for Total Market and PMI shipments is computed based on millions of units. "-" indicates volume below 50 million units and market share below 0.1%

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