



PHILIP MORRIS
INTERNATIONAL

Investor Information

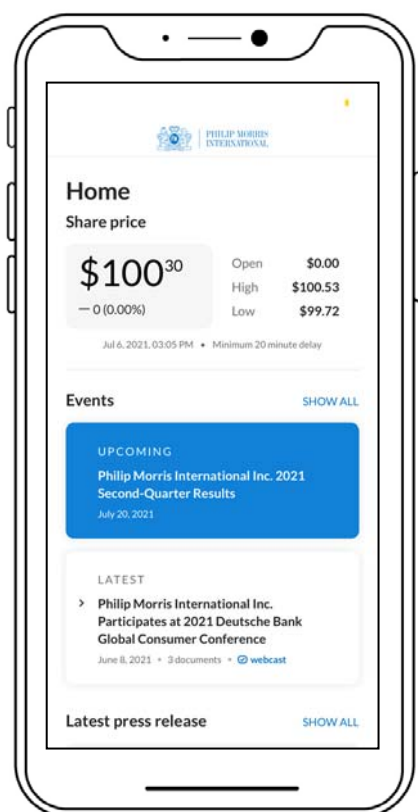
October 2021

This Investor Information posting includes summaries of information set forth in PMI's quarterly report Form 10-Q for the quarter ended September 30, 2021, annual report on Form 10-K for the year ended December 31, 2020, 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>

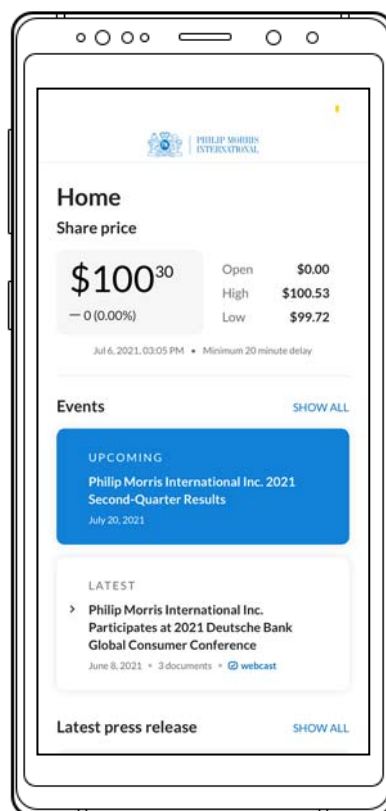
Web Site: www.pmi.com

New PMI Investor Relations Mobile Application:

The PMI Investor Relations Mobile Application, which is powered by *theIRApp*, 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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Table of Contents

	<u>Slide</u>
1. Recent Performance (Q3 2021 and YTD, Sept 2021)	5
2. 2020 Results and Performance	20
3. 3-Year Outlook (2021 – 2023)	32
4. PMI Cigarette Brand Portfolio Strategy and Performance	41
5. RRP Landscape and PMI Smoke-Free Portfolio and Performance	47
6. PMI RRP Scientific Substantiation	64
7. Sustainability at PMI	69
8. Beyond Nicotine	77
9. Capital Structure and Returns to Shareholders	79
10. Appendix, Glossary and Reconciliation of non-GAAP Measures	86

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 Q3, 2021, published October 19)
- [Virtual Investor Day](#) (February 10, 2021)
- [Sustainability Webcast](#) (June 2, 2021)
- [Sustainability Resources](#)

Forward-Looking and Cautionary Statements

- This presentation and related discussion contains projections of future results and other forward-looking statements. 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; changes in adult smoker behavior; 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; or if it is unable to attract and retain the best global talent. Future results are also subject to the lower predictability of our reduced-risk product category's performance
- In addition, PMI's business risks also include risks and uncertainties related to PMI's acquisitions of Fertin Pharma A/S ("Fertin"), OtiTopic, Inc. ("OtiTopic") and Vectura Group plc ("Vectura"), including, amongst other things: (1) the possibility that the integration of the operations of Fertin and Vectura with those of PMI may be more difficult and/or take longer than anticipated, and may not accelerate PMI's desired entry into additional smoke-free and beyond nicotine platforms as quickly as anticipated; (2) the possibility that the respective integrations of Fertin and Vectura into PMI may be more costly than anticipated and may have unanticipated adverse results relating to Fertin, Vectura or PMI's existing businesses; (3) the inability to gain access to or acquire differentiated proprietary assets, technology and/or pharmaceutical development expertise as anticipated by these acquisitions; (4) risks associated with third-party contracts containing consent and/or other contractual provisions that may be triggered by the acquisitions; (5) the success of the research and development efforts of Fertin, OtiTopic and Vectura, including the ability to obtain regulatory approval for new products, and the ability to commercialize or license these new products; (6) any unanticipated safety, quality or efficacy concerns and the impact of identified concerns associated with the products developed by Fertin, OtiTopic and Vectura; and (7) the ability of PMI to retain key personnel of Fertin and Vectura, or hire key talent to work in the Fertin and Vectura businesses due to their affiliation with PMI
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including the Form 10-Q for the quarter ended September 30, 2021. 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 we may make from time to time, except in the normal course of its public disclosure obligations

3

Forward-Looking and Cautionary Statements (COVID-19)

- The COVID-19 pandemic has created significant societal and economic disruption, and resulted in closures of stores, factories and offices, and restrictions on manufacturing, distribution and travel, all of which will adversely impact our business, results of operations, cash flows and financial position during the continuation of the pandemic. Our business continuity plans and other safeguards may not be effective to mitigate the impact of the pandemic
- Currently, significant risks include our diminished ability to convert adult smokers to our reduced-risk products, significant volume declines in our duty-free business and certain other key markets, disruptions or delays in our manufacturing and supply chain, increased currency volatility, and delays in certain cost saving, transformation and restructuring initiatives. Our business could also be adversely impacted if key personnel or a significant number of employees or business partners become unavailable due to the continuation of the COVID-19 pandemic. The significant adverse impact of COVID-19 on the economic or political conditions in markets in which we operate could result in changes to the preferences of our adult consumers and lower demand for our products, particularly for our mid-price or premium-price brands. Continuation of the pandemic could disrupt our access to the credit markets or increase our borrowing costs. Governments may temporarily be unable to focus on the development of science-based regulatory frameworks for the development and commercialization of reduced-risk products or on the enforcement or implementation of regulations that are significant to our business. In addition, messaging about the potential negative impacts of the use of our products on COVID-19 risks may lead to increasingly restrictive regulatory measures on the sale and use of our products, negatively impact demand for our products, the willingness of adult consumers to switch to our reduced-risk products and our efforts to advocate for the development of science-based regulatory frameworks for the development and commercialization of reduced-risk products
- The impact of these risks also depends on factors beyond our knowledge or control, including the duration and severity of the pandemic, its recurrence in our key markets, actions taken to contain its spread and to mitigate its public health effects, and the ultimate economic consequences thereof

4

Strong Q3 Performance Supports Full-Year Outlook

- Record high quarterly adjusted diluted EPS
- Excellent Q3, 2021 growth from IQOS despite device supply constraints:
 - 33% RRP net revenue growth to reach 29% of total PMI
 - 24% broad-based HTU shipment volume growth
- Improving market share in combustibles, expect total cigarette and HTU volume growth for the year
- IQOS ILUMA strong start in Japan
- Milestone acquisitions to support ambitions beyond tobacco and nicotine
- Launch of Business Transformation-Linked Financing Framework
- Returning cash to shareholders through increased dividend and share repurchases

Source: PMI Financials or estimates



5

Q3, 2021: Excellent Revenue and EPS Growth

(Organic variance vs. PY)

Net Revenues	+7.6%
Net Revenue per Unit ^(a)	+5.4%
OI Margin	(10) ^{bps}
Adjusted Diluted EPS	+8.5%

(a) Reflects total adjusted PMI net revenues divided by total PMI cigarette and HTU shipment volume
Source: PMI Financials or estimates

6

YTD September, 2021: Strong Organic Growth

(Organic variance vs. PY)

Net Revenues	+7.3%
Net Revenue per Unit ^(a)	+5.7%
OI Margin	+280 ^{bps}
Adjusted Diluted EPS	+15.8%

(a) Reflects total adjusted PMI net revenues divided by total PMI cigarette and HTU shipment volume
Source: PMI Financials or estimates

7

Impact of Device Supply Constraints (Q3, 2021 Update)

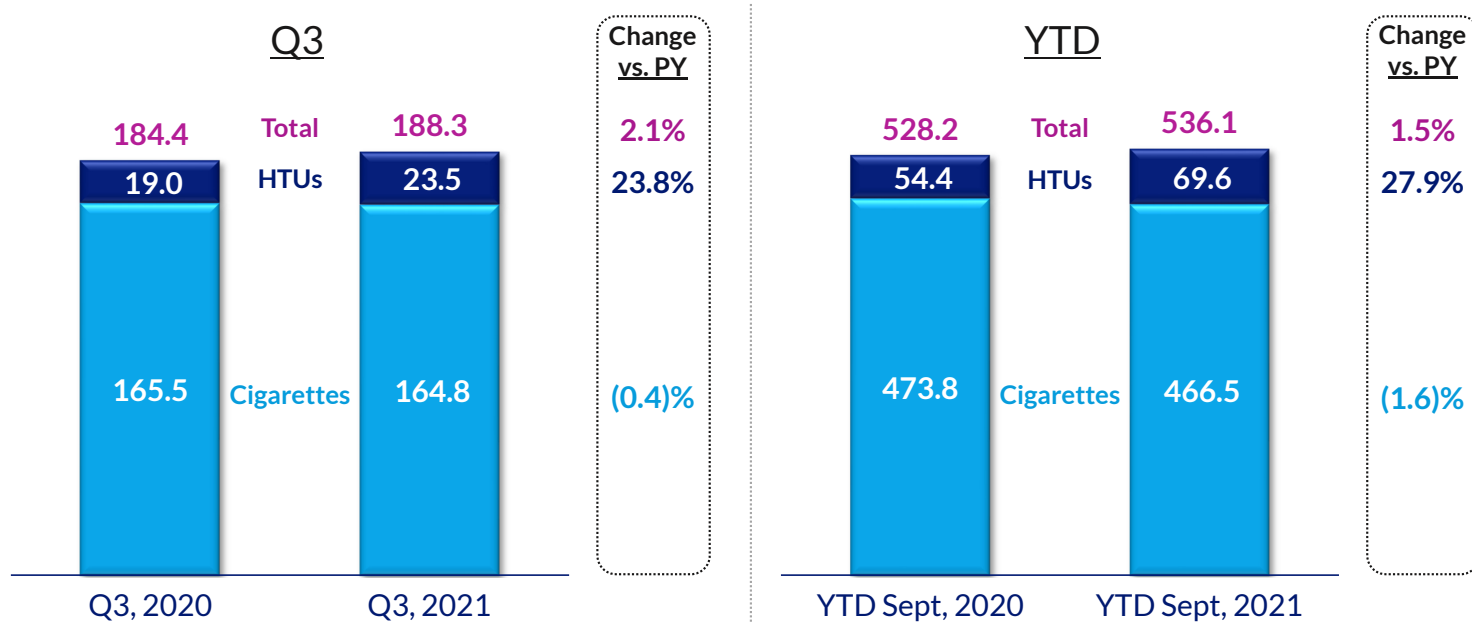
- Global semiconductor shortage impact on assortment & availability of IQOS devices in Q3:
 - Restrained commercial programs
 - Hampers ability to compete in certain markets
- Tight supply situation likely to persist into H1, 2022, impacting user growth:
 - Prioritizing necessary device replacements for existing users, followed by devices for acquisition
- Additional major *ILUMA* launches now assumed for H2, 2022
- Expect to re-accelerate growth when shortages ease:
 - IQOS *ILUMA*, further device and consumable innovations, new market entries, commercial investments to drive growth
- If shortages persist, this could result in 2022 organic growth below our targeted 2021-23 average rates for net revenues, OI margin expansion, EPS
- Confirm 2021-23 organic growth targets: Net Revenue >5% CAGR, OI margin ≥150bps annual average increase and adjusted diluted EPS >9% CAGR

Source: PMI Financials or estimates

8

Strong HTU Performance Driving Total Volume Growth

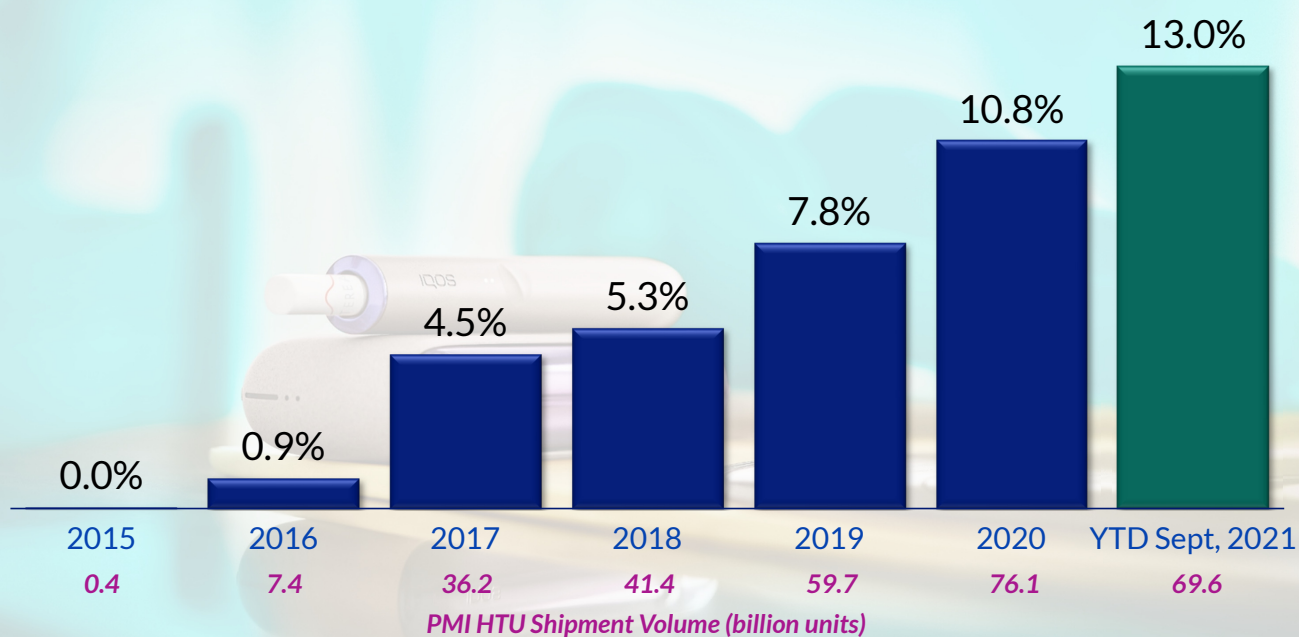
Total PMI Shipment Volume (billion units)



Note: Sum does not foot due to rounding
Source: PMI Financials or estimates

HTU Volume Contribution Continues to Grow

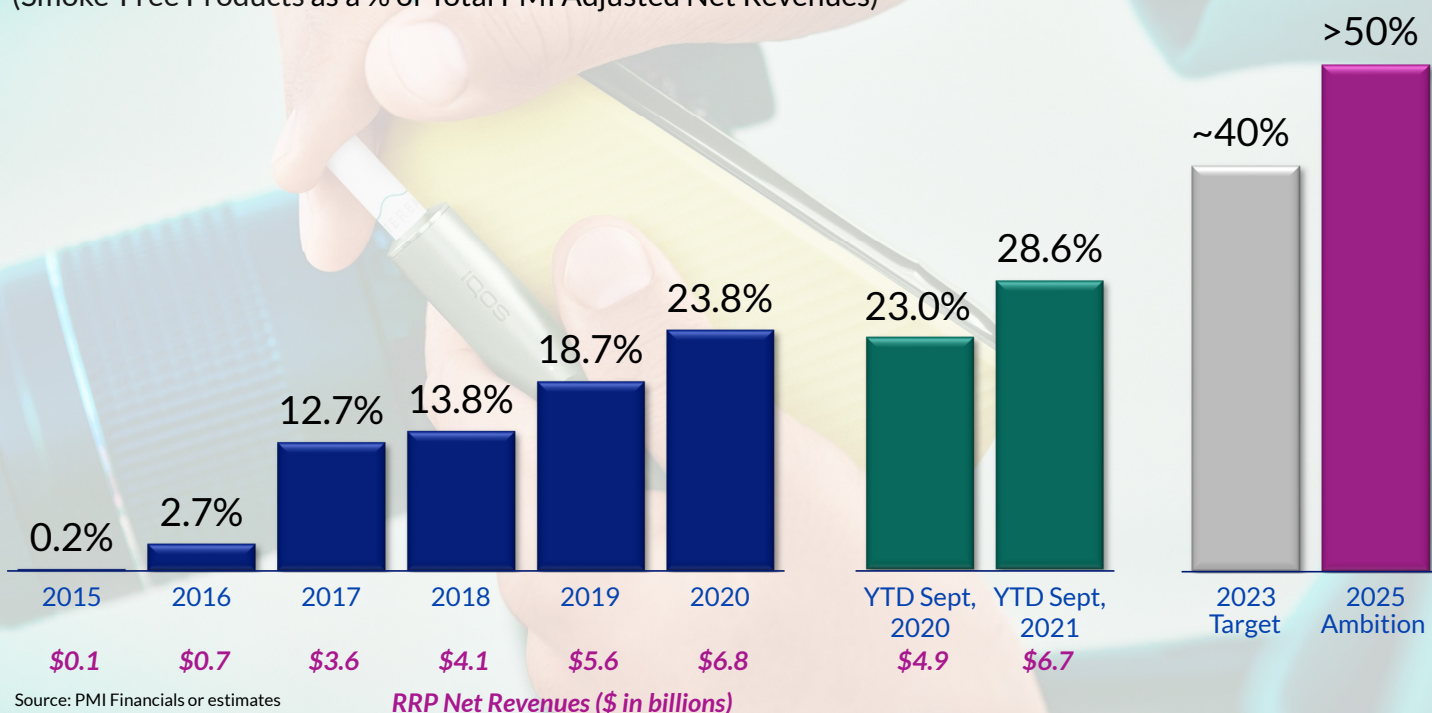
(as a % of PMI Total Shipment Volume)



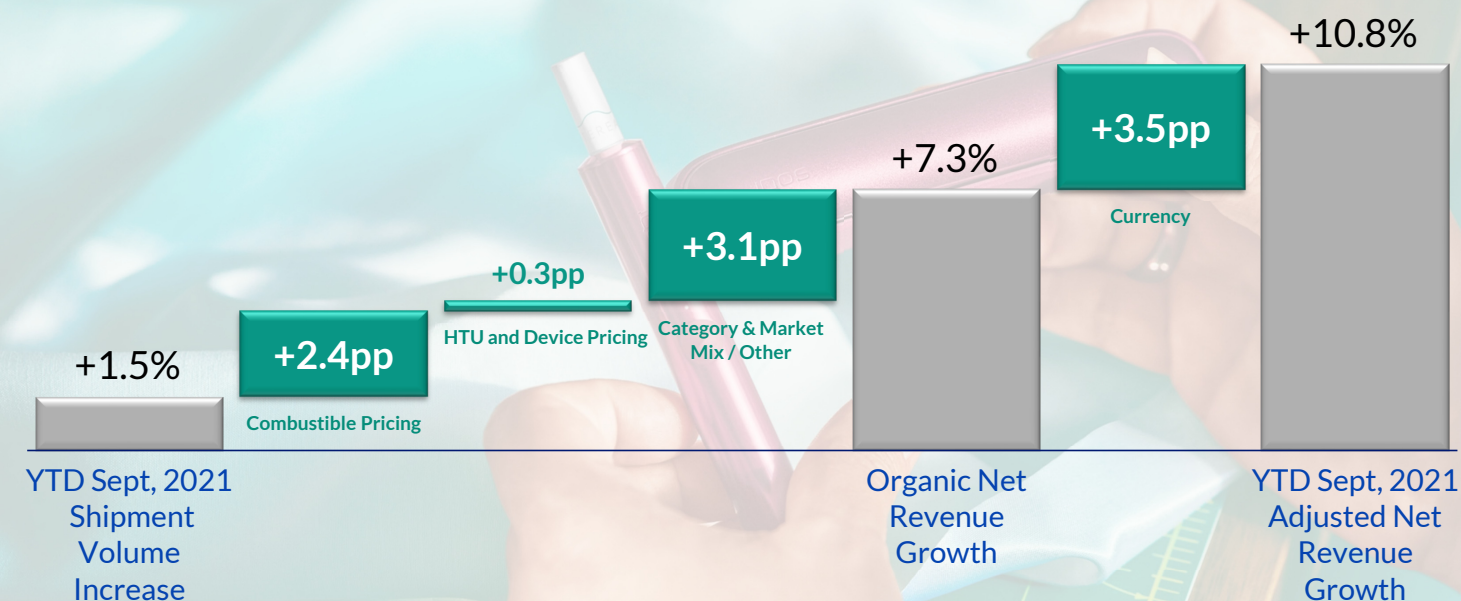
Note: Total volume includes HTUs and cigarettes
Source: PMI Financials or estimates

Almost 30% of Revenues from Smoke-Free Products

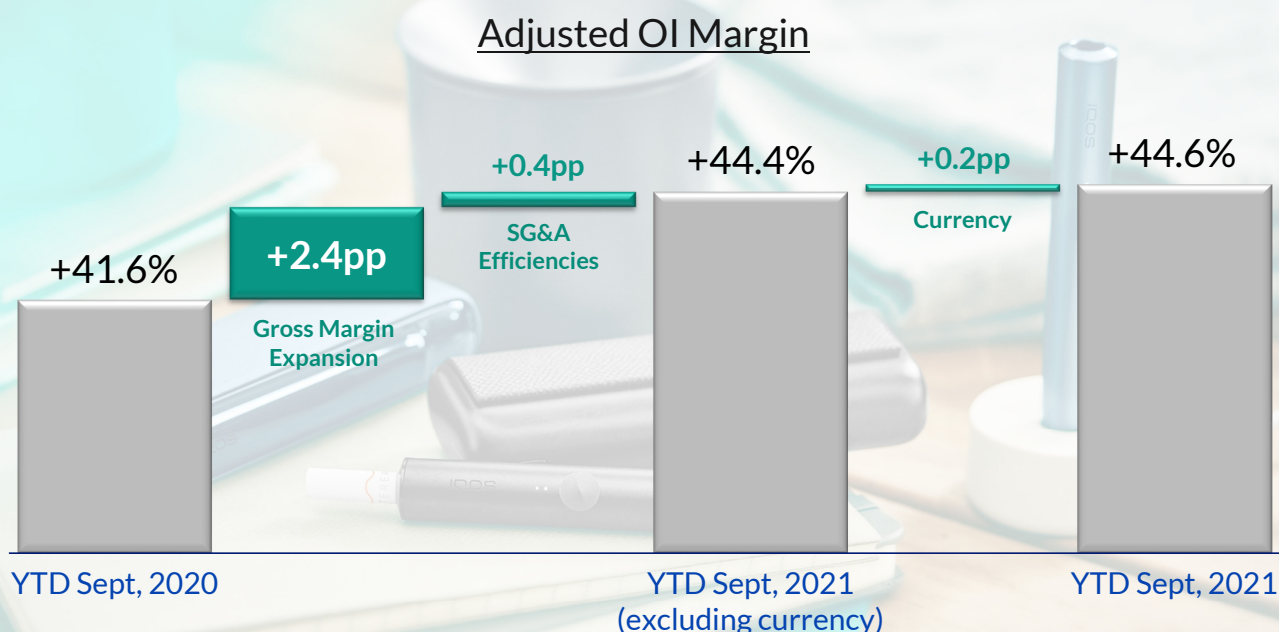
(Smoke-Free Products as a % of Total PMI Adjusted Net Revenues)



Twin Engines Powering Organic Net Revenue Growth



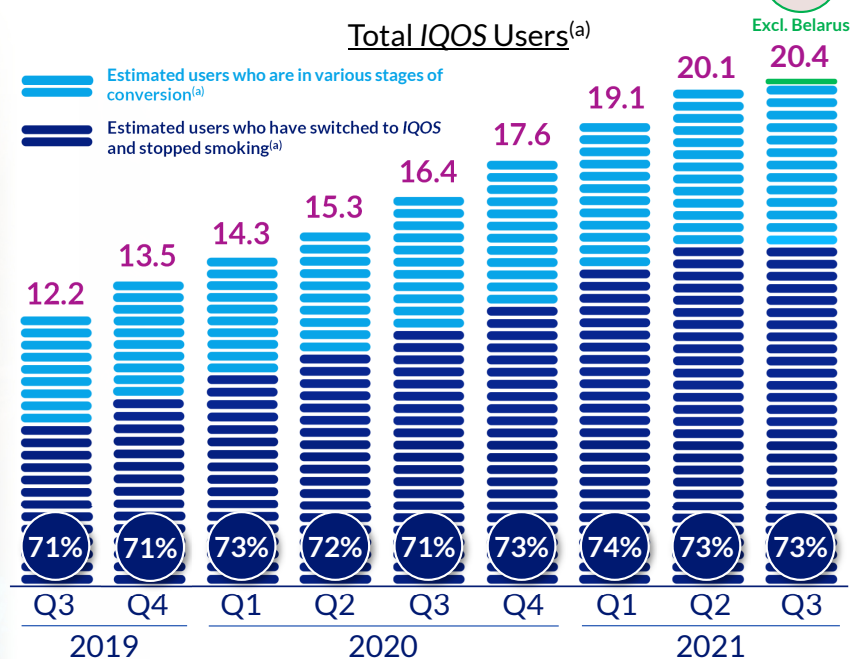
Multiple Levers Driving OI Margin Expansion



Source: PMI Financials or estimates

13

IQOS User Growth Continues Despite Device Constraints

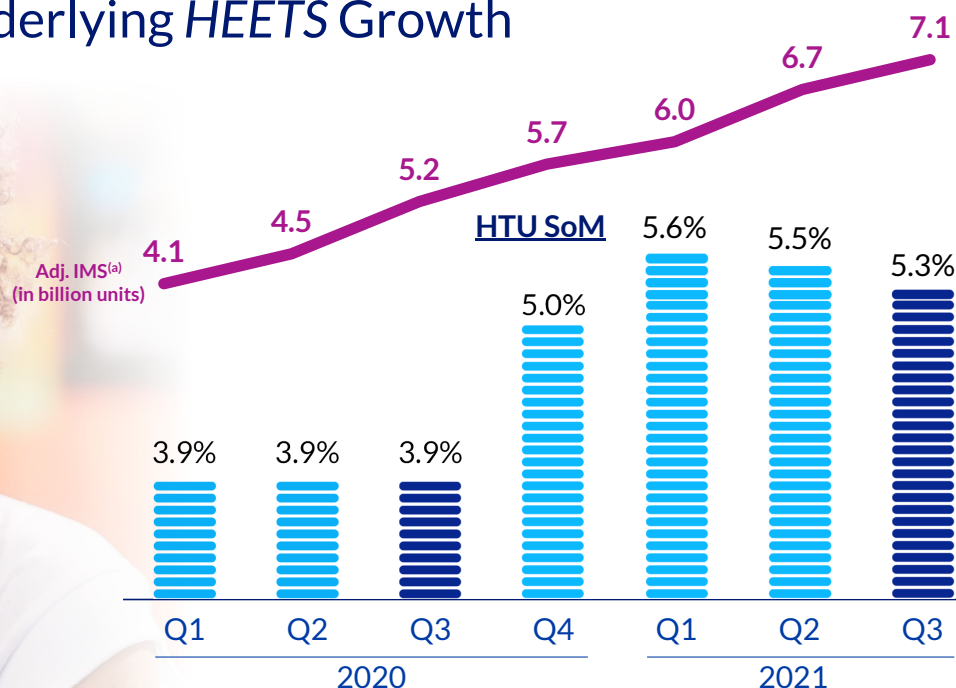


(a) See Glossary for definition

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

14

EU Region: Strong Underlying *HEETS* Growth



(a) Excluding the estimated impact of trade inventory movements
 Note: Market share for HTUs is defined as the total sales volume for HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs
 Source: PMI Financials or estimates

15

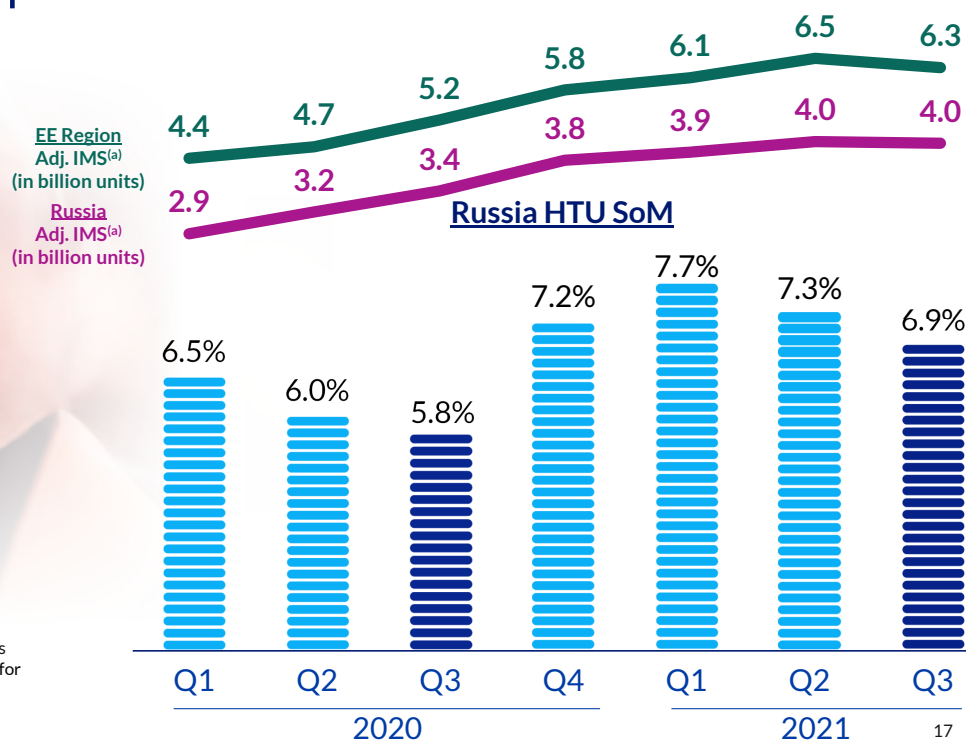
EU Region: *HEETS* SoM Performance in Select Markets

	Q3, 2021	Growth vs. PY		Q3, 2021	Growth vs. PY		Q3, 2021	Growth vs. PY
Croatia	5.7%	+1.3pp	Italy	10.8%	+3.0pp	Romania	3.4%	+0.9pp
Czech Republic	9.9	+1.9	Latvia	9.7	(0.6)	Slovak Republic	10.7	+1.6
Germany	2.8	+0.9	Lithuania	22.3	+2.3	Slovenia	7.2	+2.8
Greece	12.1	+1.7	Poland	6.0	+1.3	Switzerland	5.7	+1.9
Hungary	16.9	+7.5	Portugal	11.5	+2.6	UK	1.9	+0.7

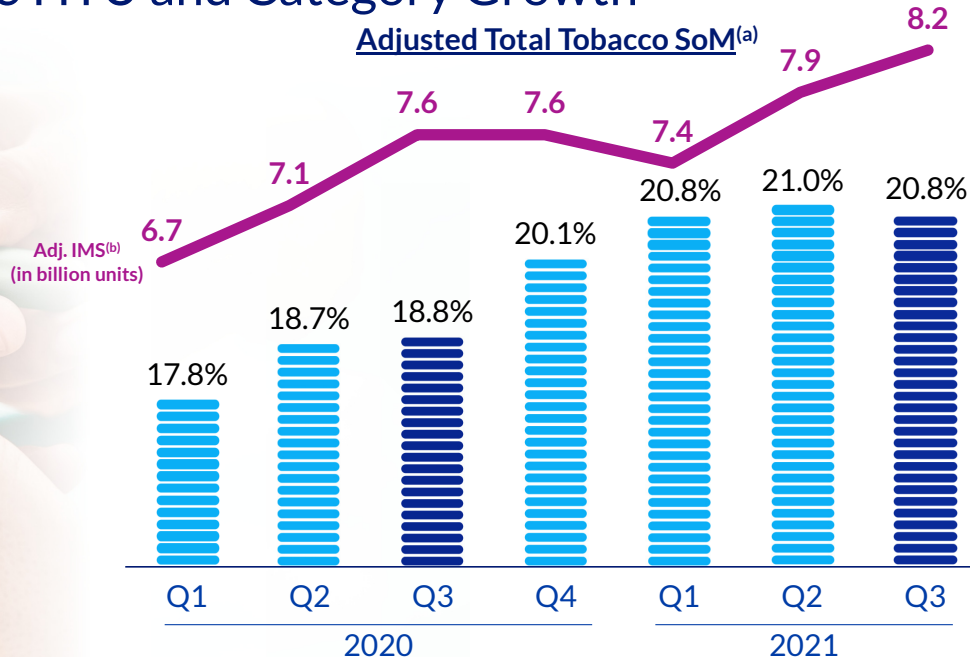
Note: Select markets where *HEETS* share is ≥ 1%. Sales volume of PMI HTUs as a percentage of the total industry sales volume for cigarettes and HTUs
 Source: PMI Financials or estimates

16

Russia & Eastern Europe: Continued Robust PMI HTU Growth



Japan: Continued IQOS HTU and Category Growth



PMI Financial Results by Region (YTD Sept, 2021)

(\$ in billions)

	Adj. Net Revenues ^(a)			Adjusted OI		
	YTD Sept. 2021	% Change vs. PY		YTD Sept. 2021	% Change vs. PY	
		Total	Ex- Currency		Total	Ex- Currency
European Union	9.3	16.2 %	8.0 %	4.9	23.2 %	12.7 %
Eastern Europe	2.6	6.6 %	9.6 %	0.9	49.8 %	50.1 %
Middle East & Africa	2.6	8.7 %	11.5 %	1.0	20.5 %	29.5 %
South & Southeast Asia	3.3	2.3 %	(0.9) %	1.2	(5.8) %	(8.6) %
East Asia & Australia	4.5	11.5 %	9.0 %	2.1	16.8 %	17.1 %
Americas	1.3	8.6 %	5.4 %	0.3	12.3 %	8.7 %
Total PMI	23.5	10.8 %	7.3 %	10.5	18.8 %	14.5 %

(a) Adjusted net revenues exclude the impact related to the Saudi Arabia customs assessments (\$246 millions)

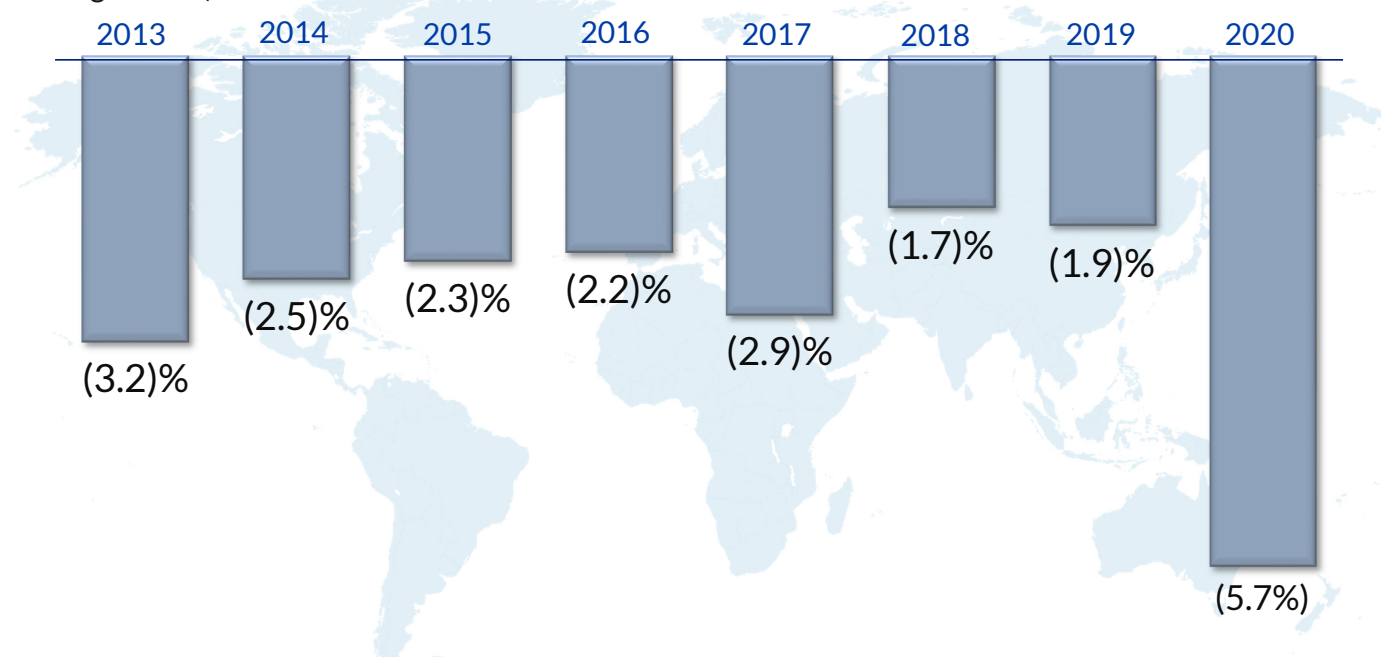
Note: Net Revenues for Americas include revenues from shipments of Platform 1 devices, heated tobacco units and accessories to Altria Group, Inc., for sale under license in the U.S. Sum of the drivers does not foot due to rounding

Source: PMI Financials or estimates

19

Total Industry Volume Trend (2013-2020)

(% Change vs. PY)



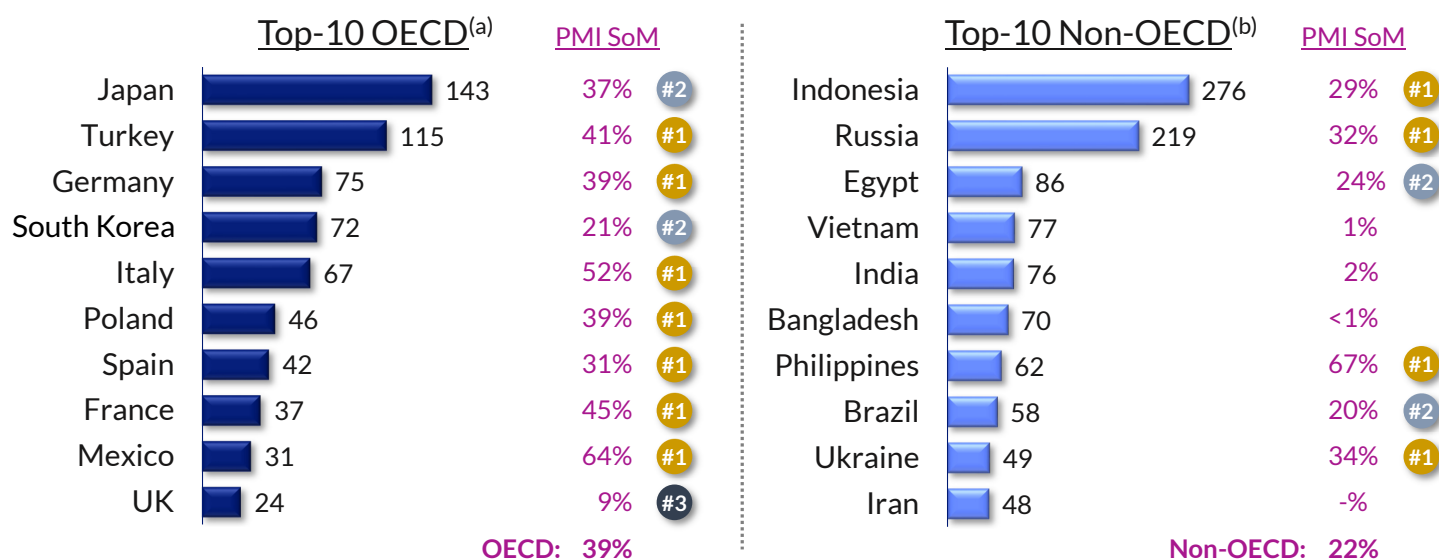
Note: Excluding China and the U.S. Reflects cigarettes and HTUs

Source: PMI Financials or estimates

20

Top Industry Volume Markets (2020)

(billion units)



(a) Top-10 markets ranked by 2020 total industry volume, excluding the U.S. Based on OECD member list as per year-end 2020

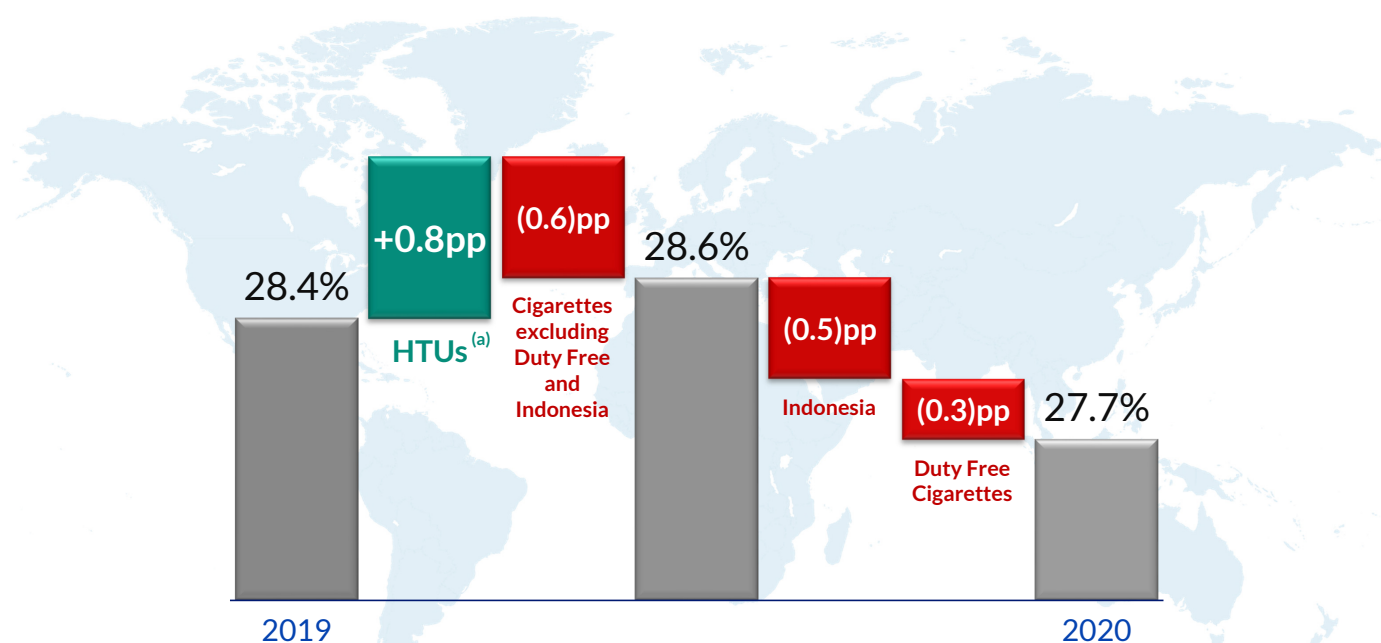
(b) Top-10 markets ranked by 2020 total industry volume, excluding China and Duty Free

Note: As per our 2020 10-K filing, we do not sell products in Iran, North Korea and Syria. Reflects cigarettes and HTUs (where applicable)

Source: PMI Financials or estimates

21

PMI Total International Market Volume Share



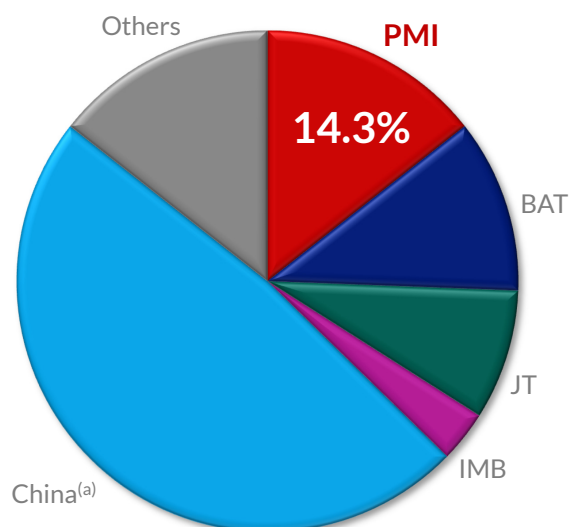
(a) HTUs include a (0.1)pp impact of Duty Free HTUs

Note: Excluding China and the U.S. Current view (reflecting the deconsolidation of RBH, PMI's total market share has been restated for previous periods). Sales volume of PMI cigarettes and HTUs as a percentage of the total industry sales volume for cigarettes and HTUs. Sum of the drivers does not foot due to rounding

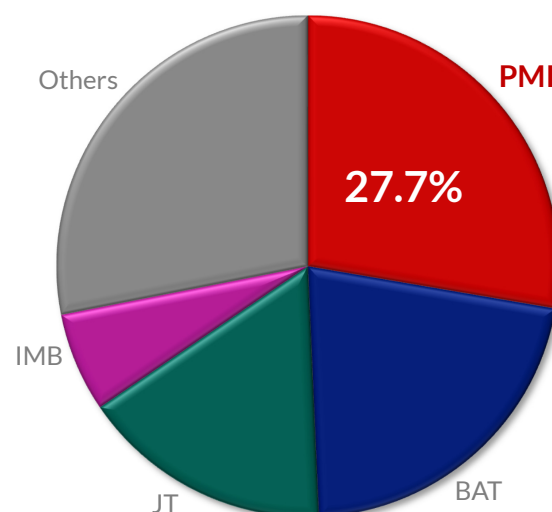
Source: PMI Financials or estimates

22

PMI Total Market Share Leadership (2020)



International^(b)



International excl. China^(b)

(a) Excluding CNTC license production of *Marlboro* and *Parliament* cigarettes (2.4 billion units in 2020)

(b) Excluding the U.S.

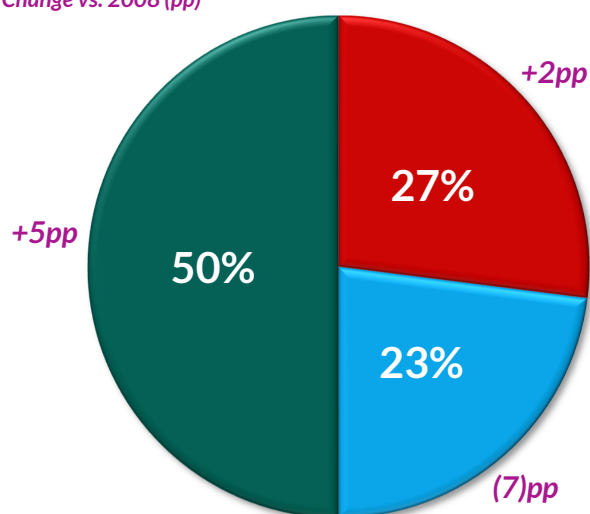
Note: Reflects cigarettes and HTUs; PMI total market shares adjusted for the deconsolidation of RBH, effective March 22, 2019

Source: PMI Financials or estimates

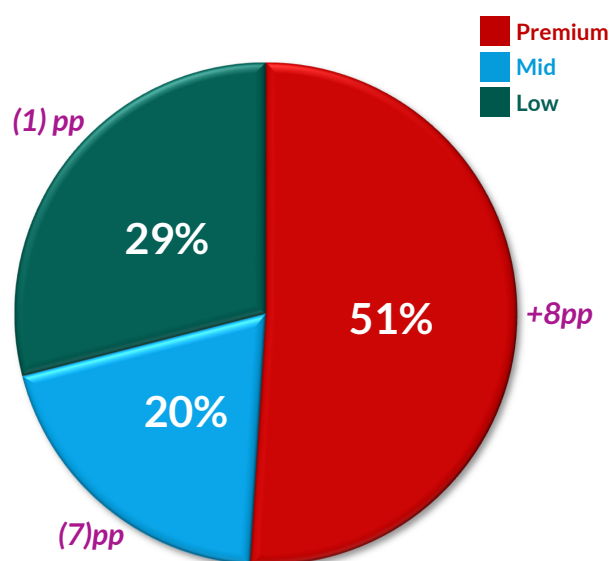
23

PMI Total Volume Price Segmentation vs. Industry (2020)

Change vs. 2008 (pp)



Industry



PMI

Note: Reflects cigarettes and HTUs. Excluding China and the U.S. Premium includes above-premium. Low includes super-low and undefined

Source: PMI Financials or estimates

24

PMI Total Market Share: Select Markets

	Full-Year			YTD September		
	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Argentina	61.0%	70.0%	(9.0) pp	55.8%	61.5%	(5.7) pp
Australia	29.9	27.5	2.4	32.4	29.6	2.8
France	44.9	45.0	(0.1)	43.7	44.9	(1.2)
Germany	39.0	38.0	1.0	38.3	38.9	(0.6)
Indonesia	28.8	32.3	(3.5)	28.0	28.9	(0.9)
Italy	52.2	51.8	0.4	52.9	52.0	0.9
Japan	37.1	34.5	2.6	38.6	36.7	1.9
South Korea	20.7	22.6	(1.9)	19.7	20.7	(1.0)

Note: PMI total market shares reflect cigarettes and HTUs (where applicable). Sum of the drivers does not foot due to rounding
Source: PMI Financials or estimates (PMI Q3 2021 Results, October 19, 2021)

25

PMI Total Market Share: Select Markets (cont.)

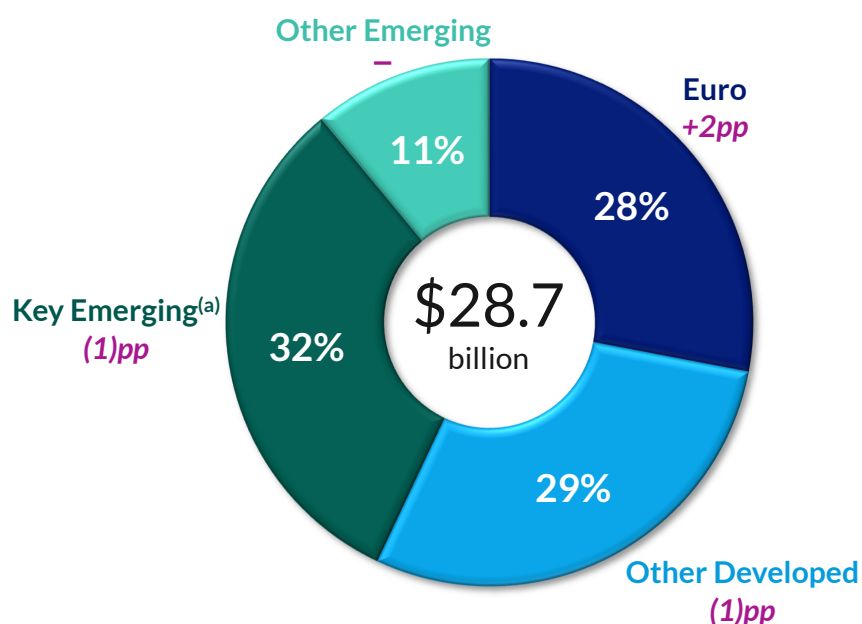
	Full-Year			YTD September		
	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>2021</u>	<u>2020</u>	<u>Variance</u>
Mexico	63.7%	67.1%	(3.4) pp	62.5%	62.0%	0.5 pp
Philippines	67.2	70.5	(3.3)	62.2	68.4	(6.2)
Poland	39.0	41.2	(2.2)	37.4	38.9	(1.5)
Russia	32.3	30.1	2.2	31.5	32.3	(0.8)
Saudi Arabia	39.0	43.0	(4.0)	41.5	38.5	3.0
Spain	31.4	31.3	0.1	31.5	31.5	—
Turkey	41.3	43.4	(2.1)	43.9	40.8	3.1

Note: PMI total market shares reflect cigarettes and HTUs (where applicable). Sum of the drivers does not foot due to rounding
Source: PMI Financials or estimates (PMI Q3 2021 Results, October 19, 2021)

26

PMI Net Revenues by Currency (2020)

Change vs. 2019 (pp)



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

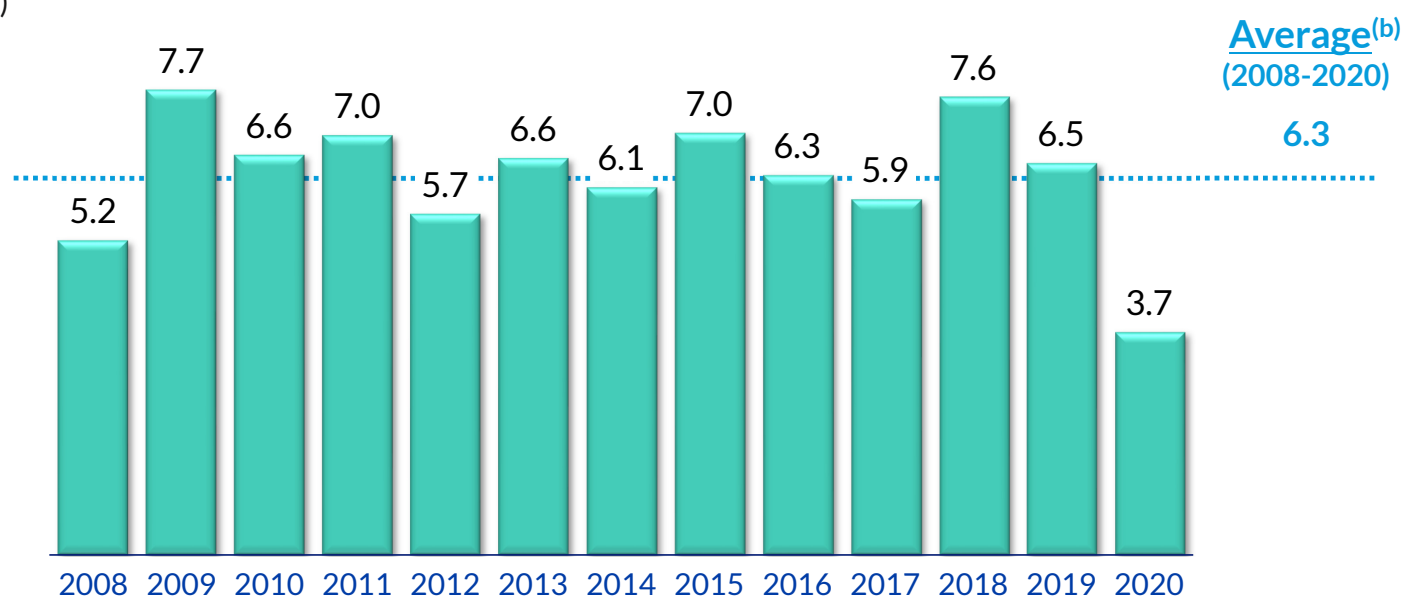
Note: List of emerging markets based on Dow Jones Global Total Stock Market Index

Source: PMI Financials or estimates

27

Combustible Tobacco Pricing^(a)

(%)



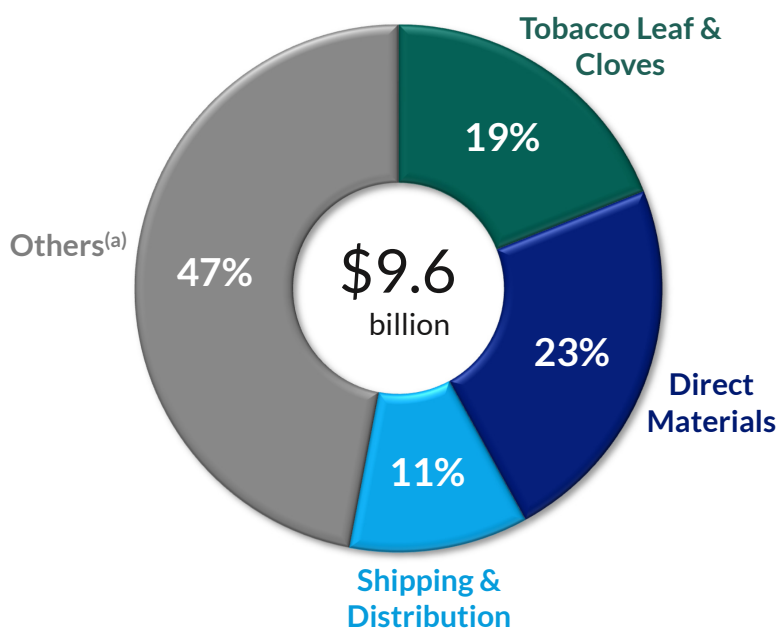
(a) Reflects combustible tobacco pricing as a % of PY combustible tobacco net revenues on an organic basis

(b) Average combustible tobacco pricing variance (2008-2020) over average base combustible product net revenues (2007-2019)

Source: PMI Financials or estimates

28

PMI Cost of Goods Sold (2020)



(a) Conversion, fixed manufacturing expenses and other costs
Source: PMI Financials or estimates

29

PMI Costs by Currency (2020)

	Total (\$ billion)	Currency (%)				
		USD	EUR	CHF	IDR	Other
Tobacco ^(a)	1.8	25	51	—	17	9
Direct Materials	2.2	40	52	1	1	6
Other COGS ^(b)	5.6	31	23	7	12	27
Marketing, Overhead & Other Costs above OI	7.4	14	21	21	3	41
Total Adjusted Costs^{(c)(d)}	17.0	24	29	11	7	29

(a) Including cloves

(b) Other manufacturing related costs and shipping and distribution

(c) Total costs above reported OI of \$17.0 billion = reported cost of sales of \$9.6 billion + reported marketing, administration and research costs of \$7.4 billion + \$0.1 billion amortization of intangibles. Does not tie due to rounding

(d) 2020 excludes asset impairment and exit costs (\$149 million) offset by a Brazil indirect tax credit \$119 million totaling \$30 million (refer to slide 131)

Source: PMI Financials or estimates

30

PMI Adjusted OI Margins

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	% Organic Change 2020 vs. PY
European Union	48.0%	44.4%	44.1%	43.9%	48.2%	4.6
Eastern Europe	35.8	32.7	30.9	28.1	26.2	4.4
Middle East & Africa	44.1	47.2	39.5	41.7	33.8	(6.6)
South & Southeast Asia	33.5	34.3	37.5	42.9	39.4	(3.7)
East Asia & Australia	39.5	40.9	33.2	36.0	44.7	8.6
Americas	33.0	33.9	37.5	33.0	26.7	0.4 ^(a)
Total PMI	40.9	40.3	38.4	39.5	40.8	2.4 ^(a)

(a) On an organic basis; adjusted for the deconsolidation of RBH, effective March 22, 2019; see slides 134 and 135 for more information
Source: PMI Financials or estimates

31

Growth Targets for 2021-23

	2021-23
Net Revenue Organic Growth CAGR	>5%
OI Margin Average Annual Organic Increase	≥150bp
Adjusted Diluted EPS Organic CAGR	>9%
Annual HTU Shipment Volumes (in billion) ^(a)	140-160
Smoke-free % of Net Revenue ^(a)	~40%
Gross Cost Efficiencies	~\$2bn

- Ambition to be a majority smoke-free company by 2025 with smoke-free products >50% of net revenue

(a) By 2023

Note: Growth rates presented on an organic basis. Does not include share repurchases and assumes constant effective tax rate

Source: PMI Investor Day, February 10, 2021

32

High-Quality IQOS Portfolio Driving Growth

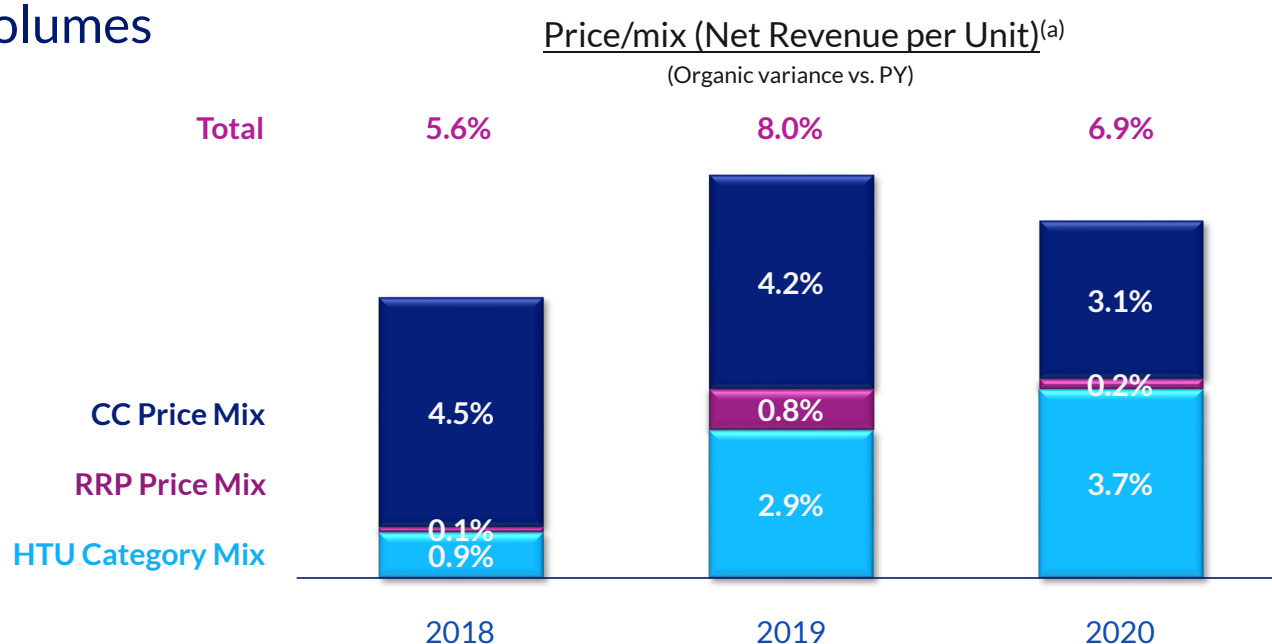
- Leadership in growing smoke-free category propels strong volume growth and share gains
- Strong positive price/mix impact from higher net revenue per unit
- Higher organic gross margin rates, further enhanced by manufacturing & supply chain productivities
- Increasing return on RRP investments in infrastructure and other fixed costs
- Decreasing variable cost per user
- Excellent and profitable organic revenue growth

Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021



33

Net Revenue Per Unit Growth Increasingly Driven by IQOS Volumes



(a) Reflects total PMI net revenues divided by total PMI cigarette and HTU shipment volume

Note: Sum of the drivers does not fit due to rounding

Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

HTU Price Position & Segmentation Provides Flexibility

- *HEETS* mainline are often priced close to mid-price cigarettes reflecting lower excise
- Price segmentation makes portfolio pricing more manageable



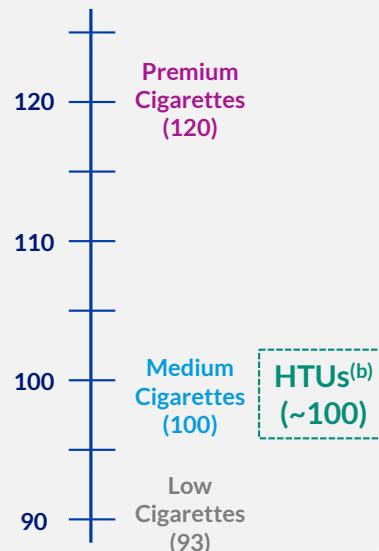
(a) Excluding the U.S.

(b) Represents average price of HTUs relative to cigarettes

Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

2020 Average Price Position in

IQOS Markets^(a)
(Index 100 = Medium)

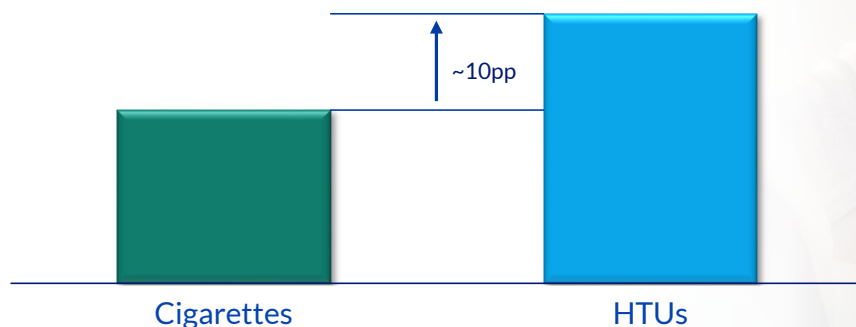


35

Gross Margins Are ~10pp Higher on HTUs

- Positive mix on revenue further boosted by higher gross margins
- Further upside from manufacturing & supply chain productivity
- Accelerated organic growth in gross profit

2020 % Gross Margin

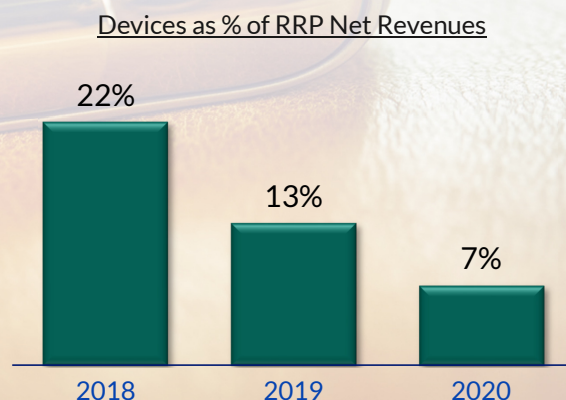
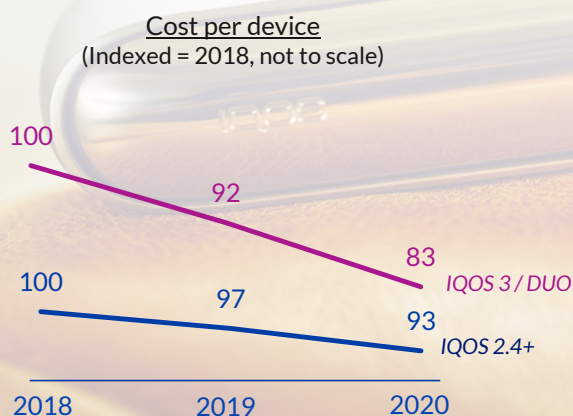


Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

36

Target Break-Even to Positive Device Gross Margins Over Time

- Driving costs down over device lifecycles
- Dilution of device margins a small investment in acquisition
- Devices now a smaller part of RRP revenues



Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

37

Target ~\$1 Billion in Gross Manufacturing Productivities Over 2021-23

- Productivities across RRP and combustibles
- Focus on performance, efficiency and quality
- More than offsetting inflation, manufacturing investments and impact of lower combustible volumes



Source: PMI Investor Day, February 10, 2021

38

Growing Organic Revenues Faster Than SG&A to Fuel Reinvestment

- Target Gross SG&A Efficiencies of ~\$1bn by 2023:
 - Expect a broadly even split between Commercial and G&A savings
- Increased commercial efficiency via scale and digitalization
- Offset inflation of 2.5-3%
- Invest for Growth:
 - Innovation and R&D
 - Consumer programs for acquisition & retention
 - New launches
 - Further digital capabilities for G&A

Source: PMI Investor Day, February 10, 2021

39

Route to \$1Bn Gross SG&A Savings for IQOS Reinvestment

	FY 2020	2021-23 Targeted Savings
Commercial, R&D	~\$(4)bn	~\$0.5bn
CC	~1/3	
RRP (incl. R&D)	~2/3	
<i>Of which fixed</i>	~70%	
<i>Of which variable</i>	~30%	
G&A, Other	~\$(3.4)bn	~\$0.5bn
Total SG&A	\$(7.4)bn	~\$1.0bn

Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

40

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

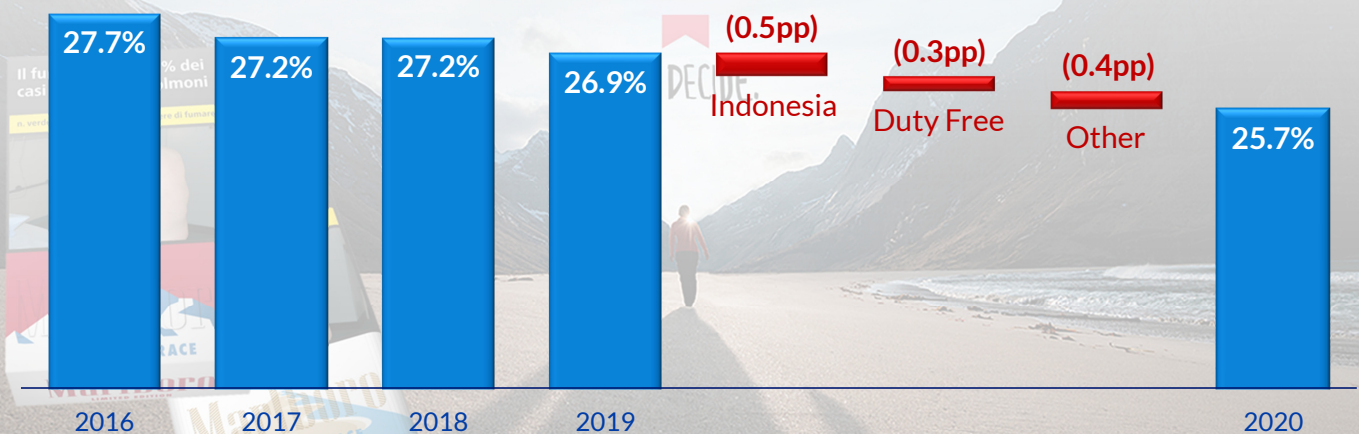
- Leading combustible portfolio
- Infrastructure and expertise (manufacturing, regulatory, commercial)
- Responsible stewardship: market leader driving the obsolescence of the category
- Target at least stable combustible share net of cannibalization
- Selectively investing to continue leadership
- Driving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

Source: PMI Investor Day, February 10, 2021

41

Combustible Share Performance

- Modest underlying decline despite IQOS cannibalization and market mix impacts
- Impacted by pandemic effects in 2020, notable challenges in Indonesia
- Target stable/growing share of combustibles net of cannibalization



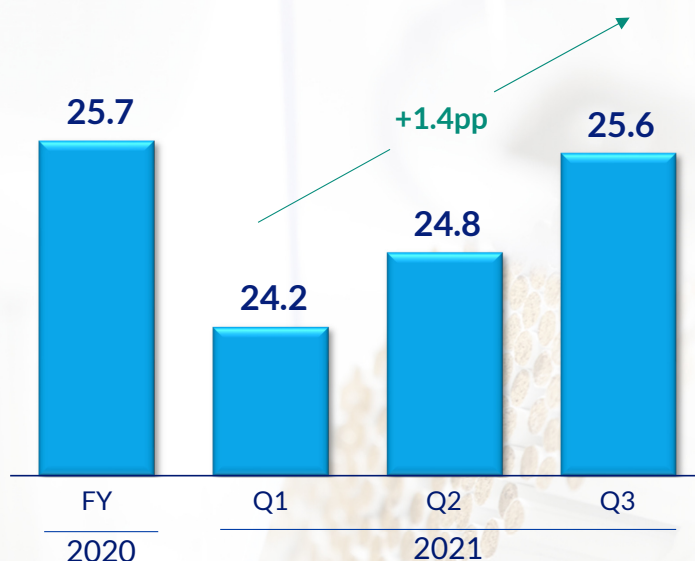
Note: Excluding China and the U.S. Reflects sales volume of PMI cigarettes as a percentage of cigarette industry sales volume
Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

42

Improving Combustible Trends

- Market recovery in Indonesia, Turkey, Mexico
- Close to stable total industry volumes in EU Region, modest decline in Russia
- Sequential growth in overall combustible share
- Sequentially improved industry in the Philippines and higher PMI share in South & Southeast Asia despite renewed pandemic-linked restrictions

Share of Cigarette Market (in %)



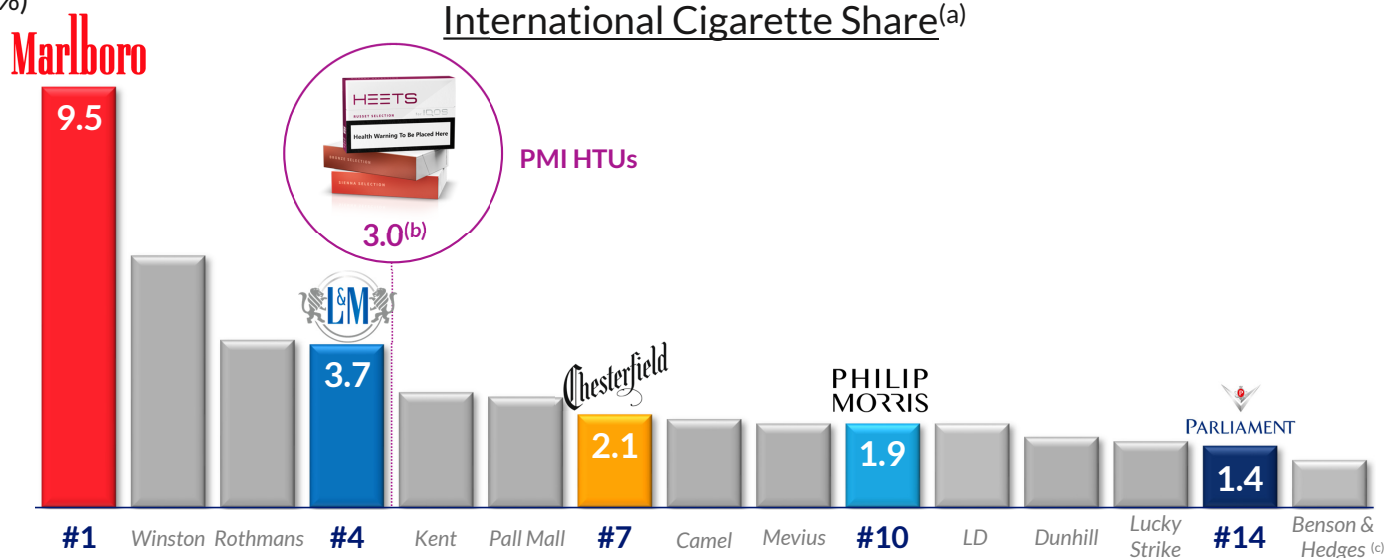
Note: Excluding China and the U.S. Reflects sales volume of PMI cigarettes as a percentage of cigarette industry sales volume
Source: PMI Financials or estimates. PMI Q3 2021 Earnings, October 19, 2021

43

PMI Cigarettes: Top-15 International Brands (2020)

(%)

International Cigarette Share^(a)



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 28.4bio, 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

44

Global Excise Tax Environment

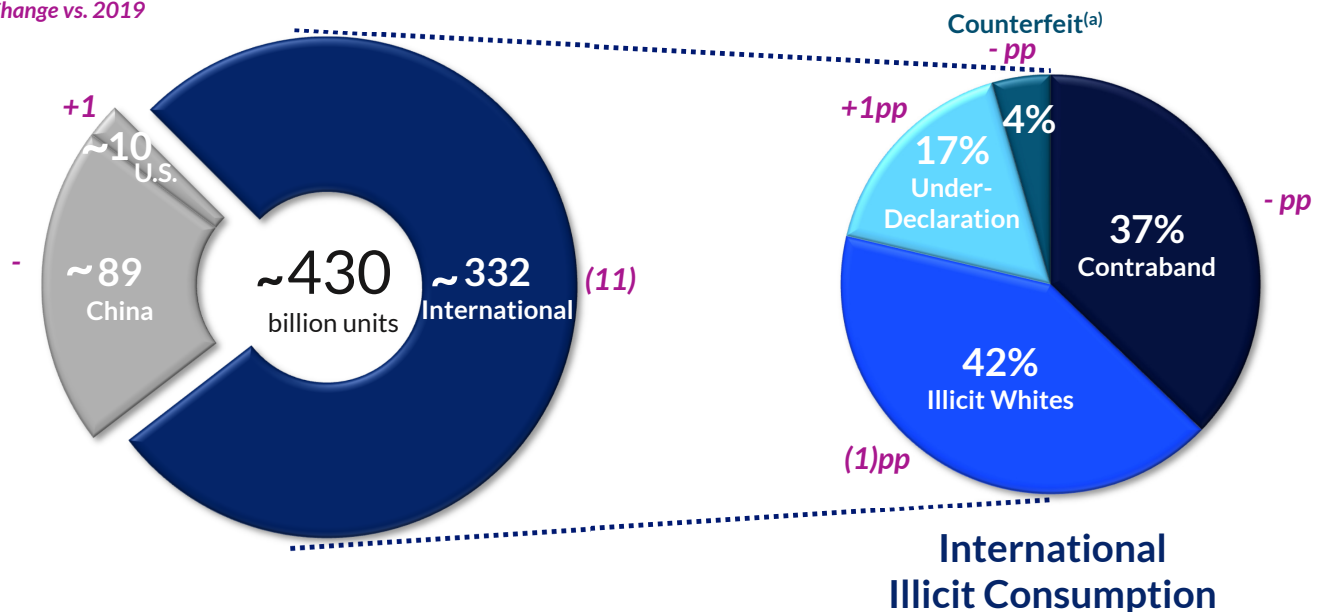
- In general, governments recognize that revenue predictability and collection efficiency can be enhanced by regular and reasonable increases, high proportion of specific elements in excise tax structures, multi-year programs and income or inflation indexation:
 - Over the last 10 years the large majority of our key markets have shifted their structure towards a higher dependence on specific taxes – while lowering ad valorem rates
- EU excise tax:
 - Reasonable current EU framework, providing governments with structural flexibility between specific, ad valorem and minimum excise / tax tools
 - Process for EU Tobacco Excise Directive Revision^(a):
 - EU Commission's Evaluation Report (February 10, 2020) covering combustible products, novel tobacco products and e-cigarettes
 - EU Council Conclusions (June 2, 2020) requesting the EU Commission to prepare the necessary impact assessment plus legislative proposal, expected to be finalized by the end of 2021 or early 2022
 - Any final amendments to TED require unanimous agreement by the 27 EU Member States, followed by transposition of TED into national tax legislation. The potential earliest effective date for any changes to TED is 2023
- Taxes on smoke-free products different from cigarettes in most geographies, with much higher weight for specific elements

(a) Council Directive 2011/64/EU of 21 June 2011 on the structure and rates of excise duty applied to manufactured tobacco

45

Cigarettes: Illicit Trade Overview (2020)

Change vs. 2019



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

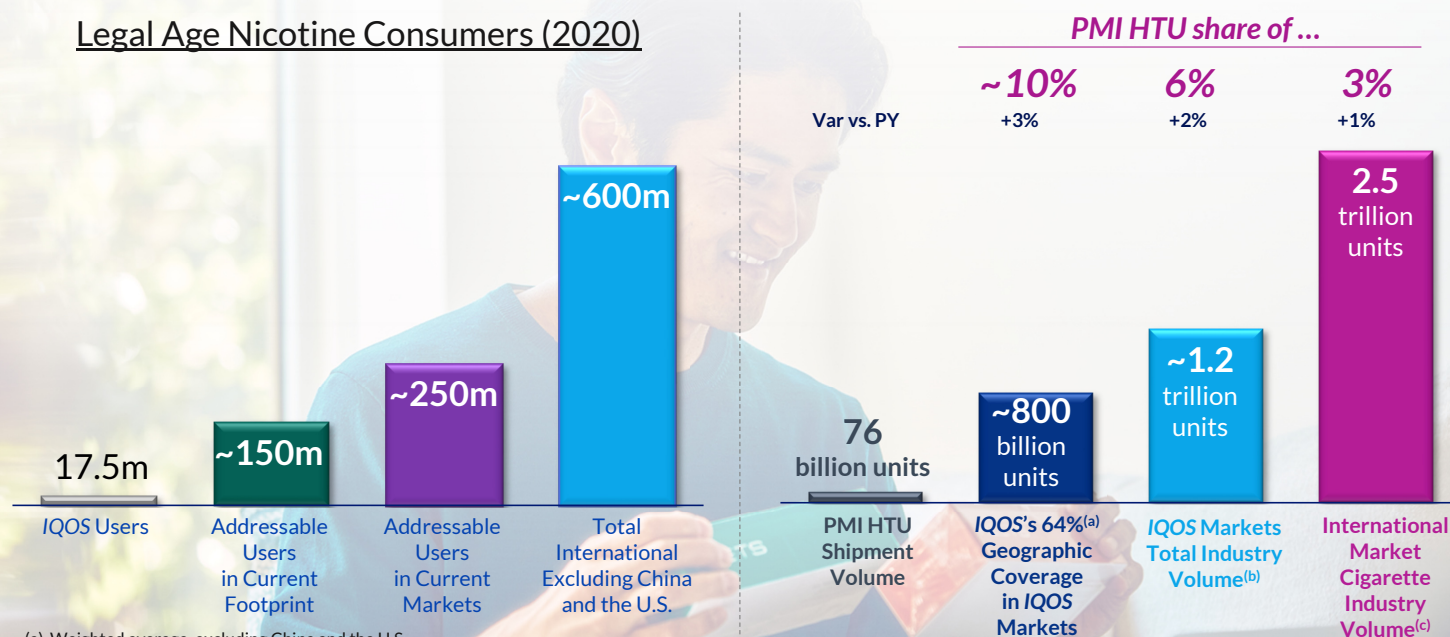
Note: change vs. 2019 does not tie due to rounding

Source: PMI Financials or estimates

46

The Opportunity for IQOS Remains Vast

Legal Age Nicotine Consumers (2020)



(a) Weighted average, excluding China and the U.S.

(b) Excluding the U.S.

(c) Excluding China and the U.S.

Note: Total volume reflects cigarettes and HTUs

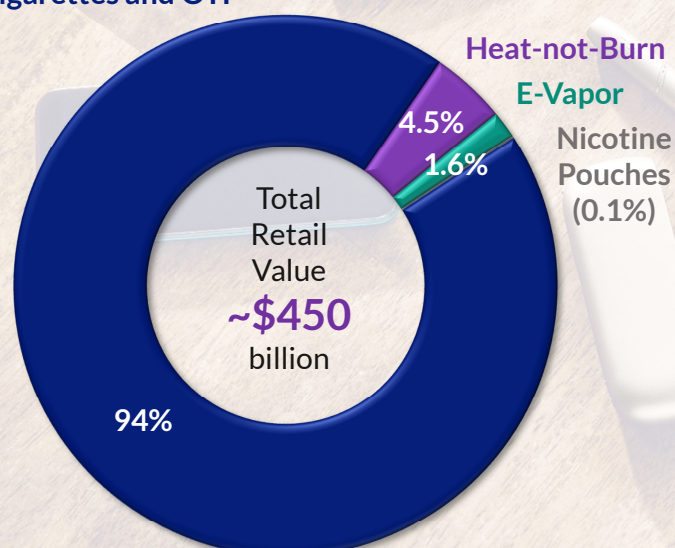
Source: PMI Financials or estimates (2020). PMI Investor Day, February 10, 2021

47

The Nicotine Industry in 2020

Retail Value

Cigarettes and OTP^(a)



(a) Other Tobacco Products (OTP) includes cigars, cigarillos, pipe tobacco and fine cut

Source: PMI Financials or estimates. International excl. China and the U.S. PMI Investor Day, February 10, 2021

Over the next 5 years we expect retail value CAGRs of approximately:

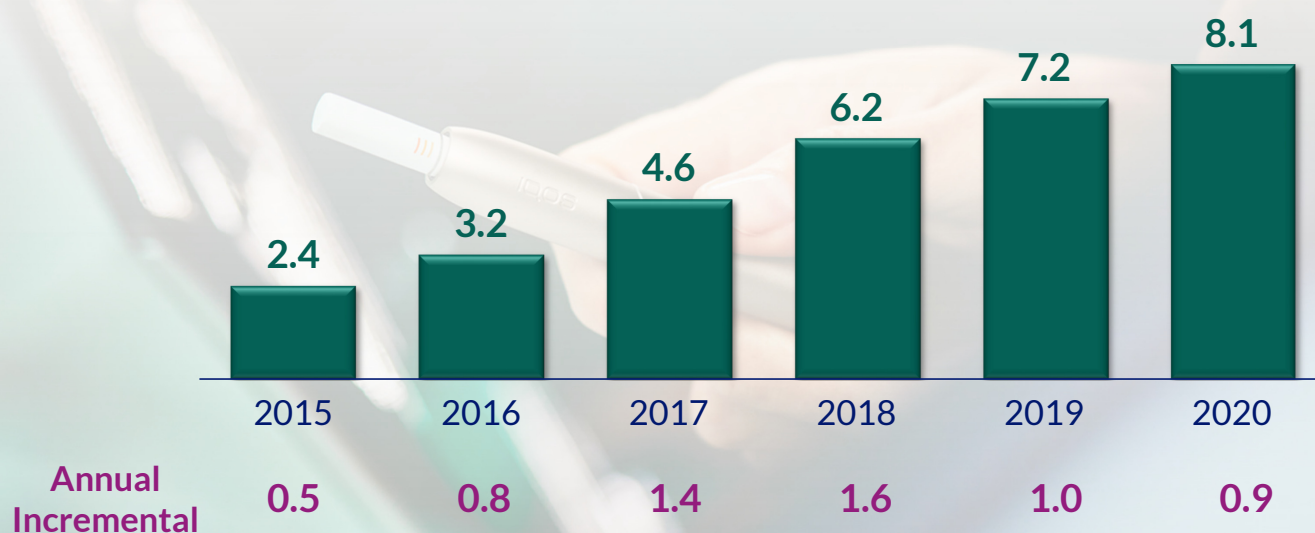
- 4% for the total industry
- 25%+ for heat-not-burn
- 10-15% for e-vapor

48

Substantial Investment in Best-in-Class Capabilities

(in \$ billion)

Cumulative RRP Investments

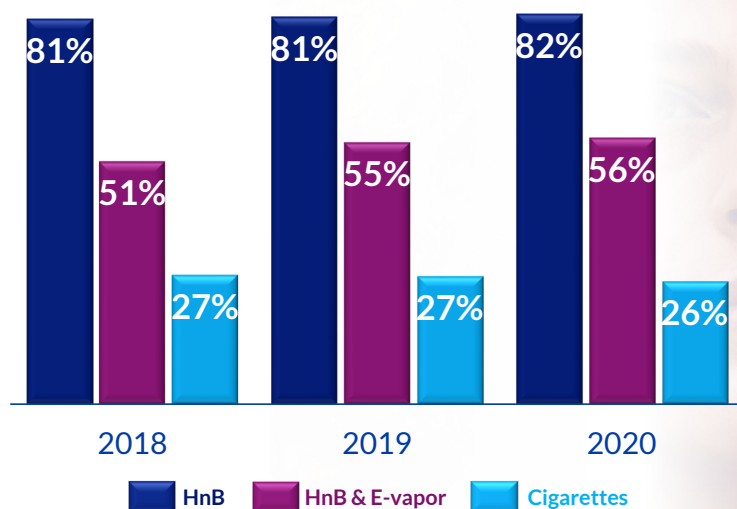


Note: Investments reflect research, product and commercial development, production capacity, scientific substantiation, and studies on adult smoker understanding. Does not include commercial deployment costs

49

Clear Leadership of the Biggest Smoke-Free Category

PMI Category Share

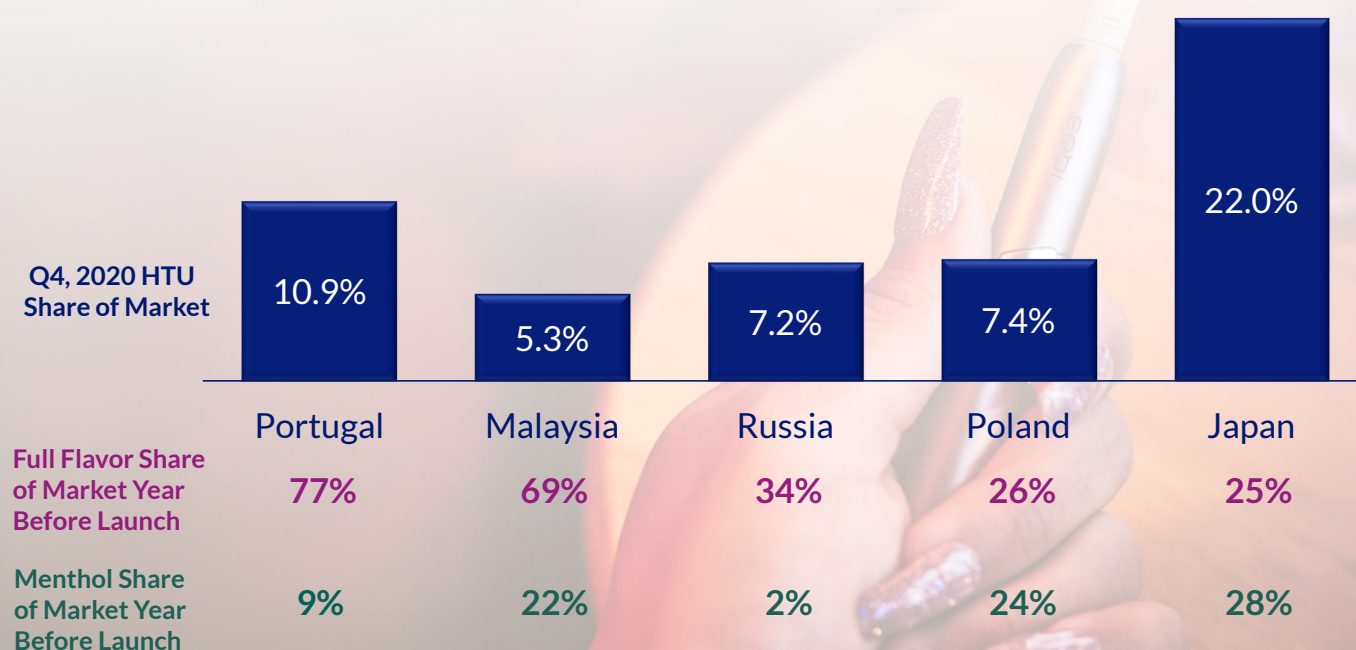


International volume share excl. China and the U.S.

Note: Updated October 2021 based on latest estimates for 2018-2020 industry e-vapor volume
Source: PMI Financials or estimates

50

IQOS Successful Across Market Archetypes

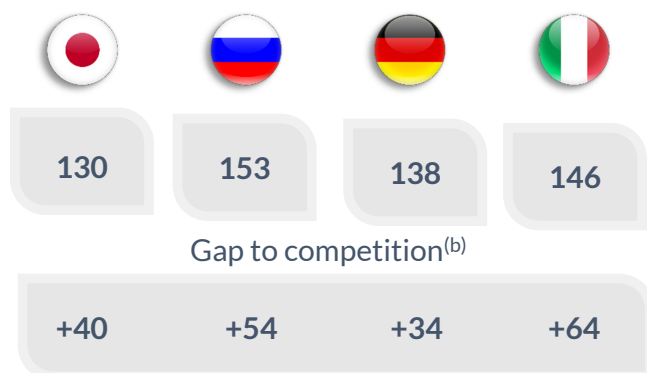


Source: PMI Financials or estimates

51

IQOS: One Brand Across Smoke-Free Products

Brand Equity Score^(a)



- IQOS is the leading smoke-free brand
- Taking IQOS to the next level:
 - From functional benefits to category understanding, brand appeal, points of difference, emotional connection
- No brand fragmentation, strong brand identity, hard to build

(a) Meaningful difference index: meaningful refers to the capacity of brands to drive affinity among Legal Age Smokers (LAS) and address their needs; difference refers to the ability of brands to generate perceptions of uniqueness and trendsetting among LAS. Meaningful difference is reported as a combined index score, where 100 represents the category average

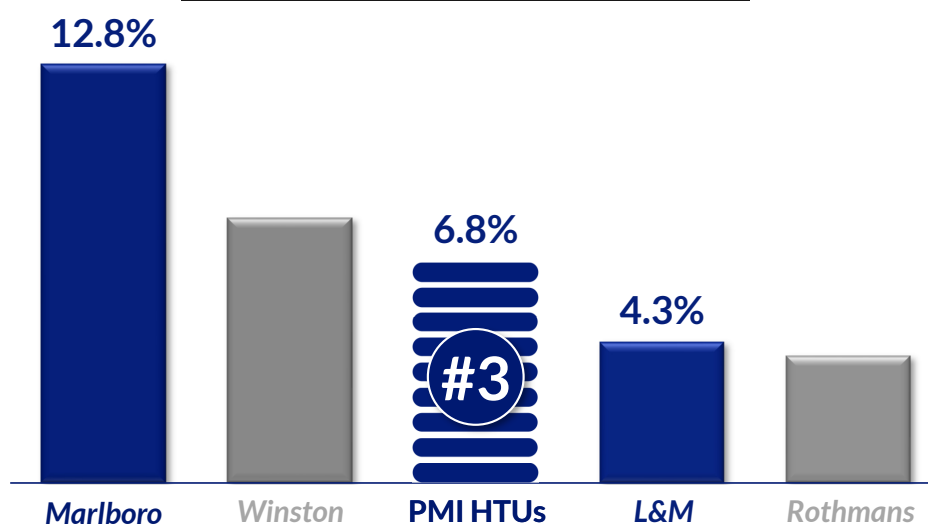
(b) Represents index point gap to closest competitor

Source: PMI Market Research, Brand Equity Study. PMI Investor Day, February 10, 2021

52

Third-Largest 'Brand' in IQOS Markets

Share in IQOS Markets (Q3, 2021)^(a)



(a) Reflects 66 markets where IQOS is available in key cities or nationwide at September 30, 2021. Excludes the U.S.

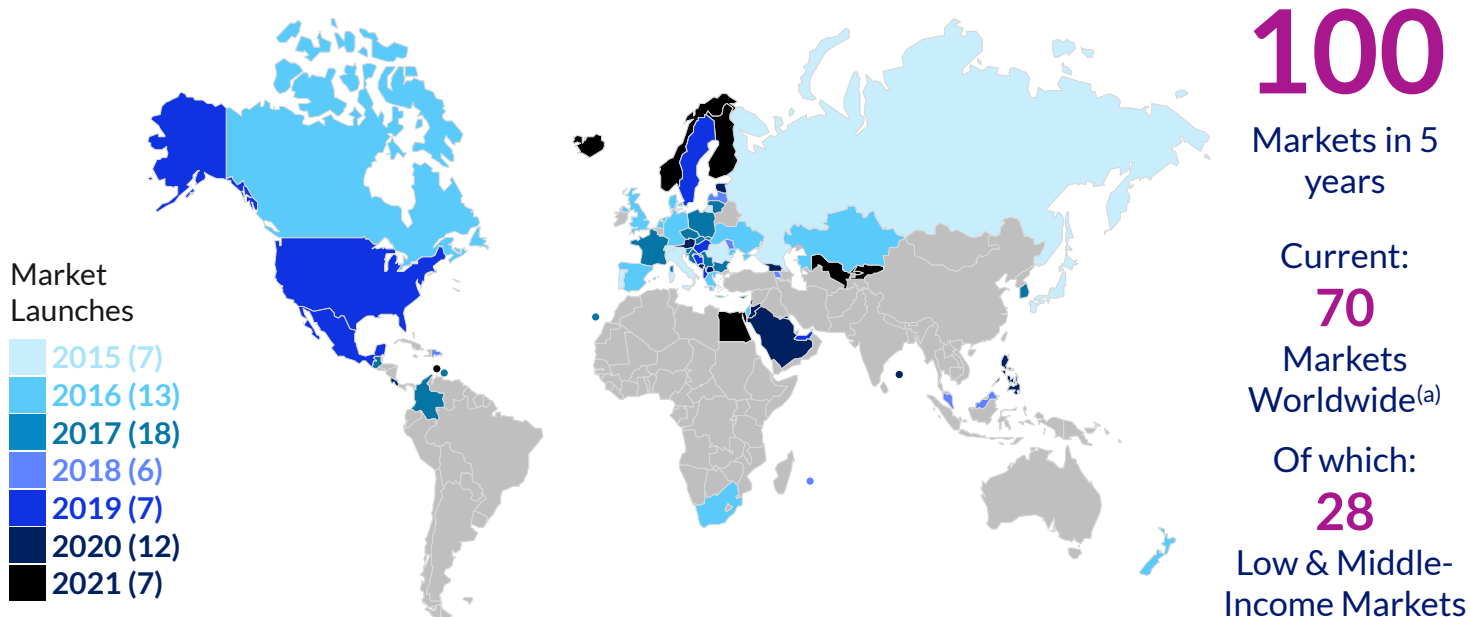
Note: All 'brands' except 'PMI HTUs' include cigarettes only

Reflects sales volume as a percentage of the total industry sales volume for cigarettes and HTUs

Source: PMI Financials or estimates

53

On Track to Reach 100 Markets by 2025

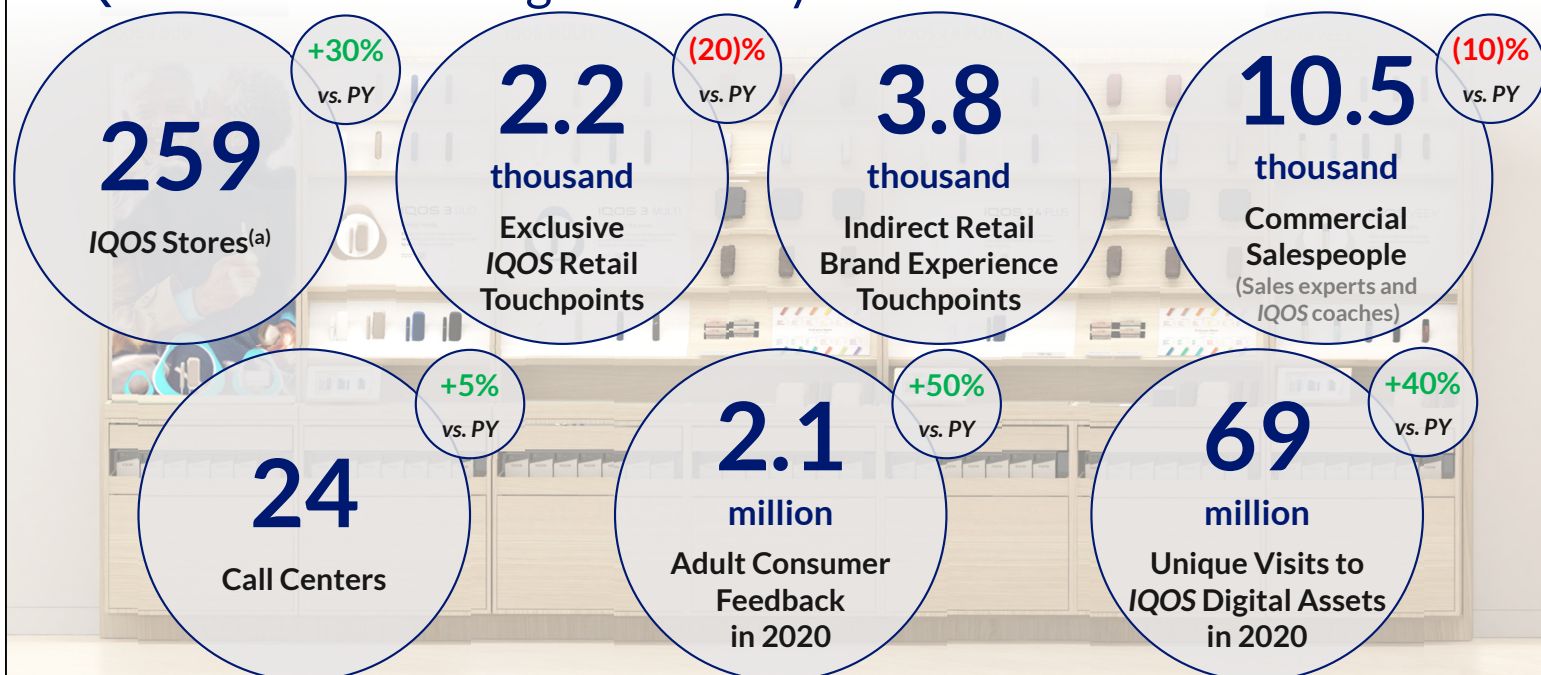


(a) Status at September 30, 2021

Note: Reflects markets where PMI smoke-free products are available in key cities or nationwide. Includes e-vapor launch in Finland and AG Snus products in Norway and Iceland. Reflects date of initial geographic expansion beyond pilot launch city. The number of markets includes International Duty Free. Following recent international sanctions, IQOS is no longer available for sale in Belarus. Low & Middle-Income markets defined using World Bank classification where available. Palestine is included as a Low & Middle-Income market

54

IQOS: Unmatched Digital and Physical Infrastructure



(a) Includes: Flagship stores, small, large and temporary boutiques
 Note: Status at December 31, 2020
 Source: PMI Financials or estimates

55

Platform 1: Introducing *IQOS ILUMA* Intuitive Product for Acquisition and Retention

- 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

56

Outstanding Start for IQOS ILUMA in Japan (Q3, 2021 Update)

- Device sales well ahead of all comparable past launches
- Growing proportion of new users
- TEREA HTU purchases growing rapidly to reach over 10% of weekly offtake
- Improving NPS scores, very positive consumer feedback
- Plan to launch in Switzerland in November



57

Heat-not-Burn: LIL and LIL HYBRID

- Broadening our portfolio to accelerate user acquisition and grow the category, expand target audience of adult smokers:
 - High conversion, driving new users in-switching from cigarettes
- IQOS introduction drives awareness and credibility
- PMI commercial engine drives take-up and retention
- LIL SOLID: simple, intuitive, cost-effective, reliable
- LIL HYBRID: addresses need for vapor-type experience

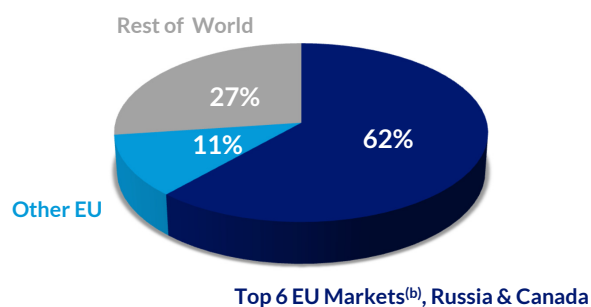


58

E-Vapor: The Right Time For The Right Product

- Category is growing and consolidating...
 - Expected annual growth in users 7-10% over next 5y, albeit concentrated in specific geographies
 - Different consumer experience and occasions to Heat-not-Burn
- ...but returns remain low for existing business models:
 - Low conversion to the category
 - Low loyalty within category
 - High number of devices per user driving up acquisition and retention cost

International E-Vapor Category (2020)^(a)



(a) Volume in estimated stick equivalents

(b) Top 6 EU Markets includes: France, the U.K., Germany, Italy, Spain and Poland

Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

59

Positive Early Progress in IQOS VEEV Markets (Q3, 2021 Update)

- Premium product with superior experience to existing offers
- Strong progress following distribution and consumable range expansions:
 - Italy: 7% estimated national exit volume offtake share of closed system pods
 - Czech: 8% estimated national exit volume offtake share of closed system pods
- Launched in Croatia in Q3, Canada in October, with Ukraine planned later in Q4
- Preparations ongoing for U.S. PMTA application in H2, 2022

Source: PMI Financials or estimates

60

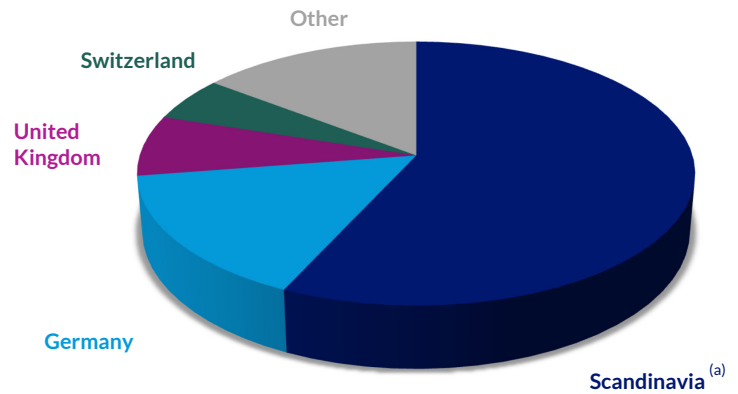
Portfolio Expansion: Nicotine Pouches



- Small & concentrated, but growing category with potential to advance harm reduction:

- Still very early in category development
- Convenience, discretion, flexibility and satisfaction
- Attractive economics
- Evolving regulatory landscape

International Nicotine Pouch Category (2020)



Estimated category size <5 billion stick equivalents

(a) Scandinavia includes: Sweden, Norway and Denmark
Source: PMI Financials or estimates. PMI Investor Day, February 10, 2021

61

Building Our Modern Oral Platform

- Small but fast-growing smoke-free category for nicotine pouches
- Recent acquisitions provide strong capabilities:
 - AG Snus: Branded products, technology & manufacturing expertise
 - Fertin Pharma: Oral delivery know-how, development, technology

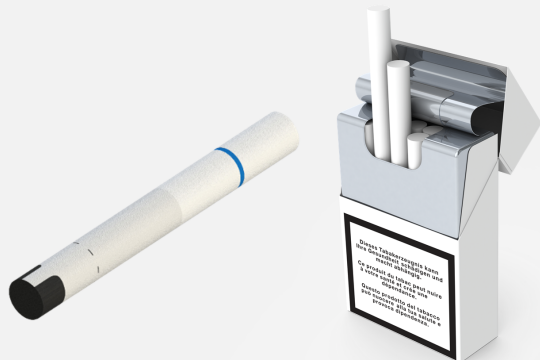


62

Portfolio Expansion: P2/P3

P2: Electronic-Free Heated Tobacco Product^(a)

- Closest to cigarette ritual and experience
- New consumer test in 2021



(a) Platform 2 uses a pressed carbon heat source which, when ignited, generates a nicotine-containing aerosol by heating tobacco

(b) Platform 3 provides an aerosol of nicotine salt

Note: Refer to Form 10-Q for the quarter ended September 30, 2021, for additional information

Source: PMI Investor Day, February 10, 2021

P3: Electronic-free Nicotine Product^(b)

- Simplicity, convenience from a novel and complex technology
- Aim to commercialize within 3 years



63

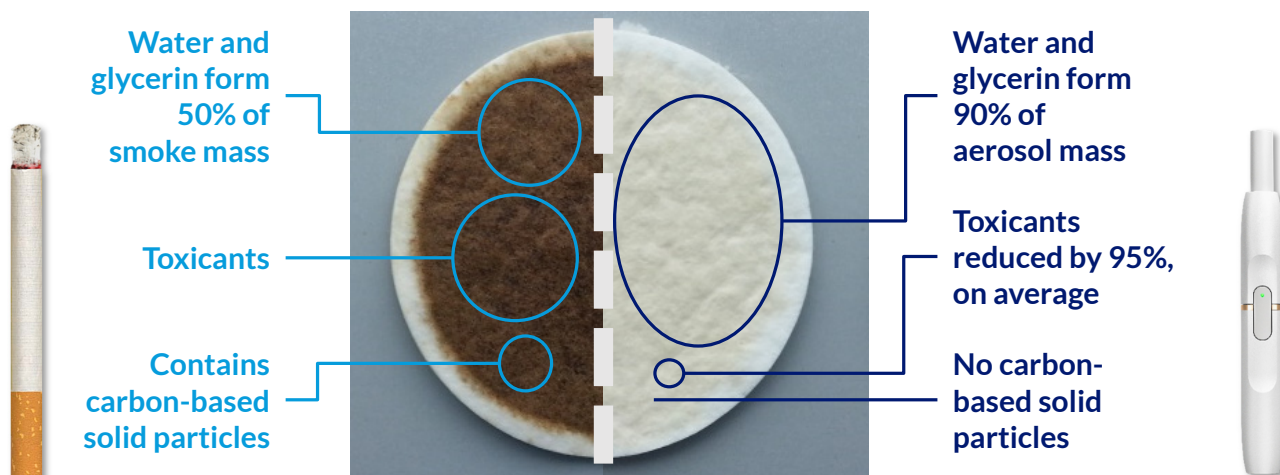
Integrity of Our Scientific Assessment

- 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 sbvIMPROVER methodology:
 - 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

64

Why Heat Tobacco Rather than Burn it?



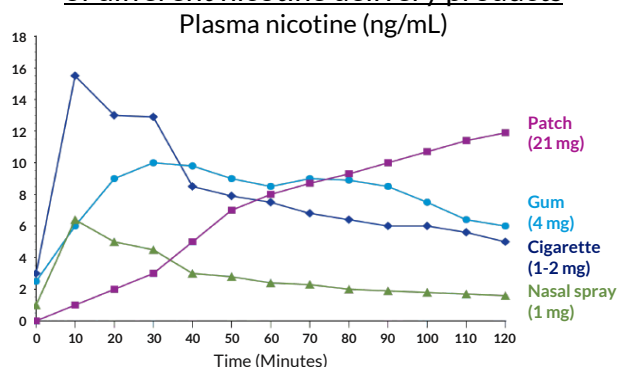
Smoke and aerosol were collected on a Cambridge filter pad using Health Canada Intense smoking regime

Source: PMI Research & Development

65

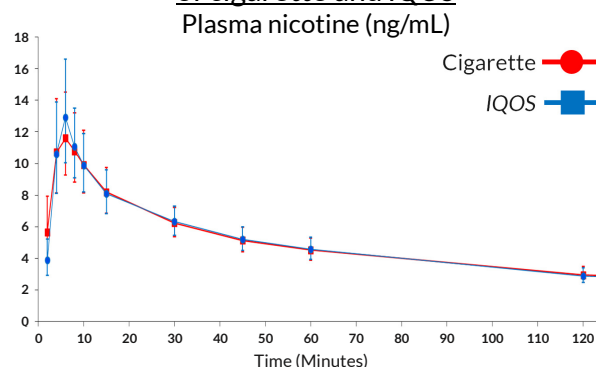
IQOS: Nicotine Pharmacokinetic Profile

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

66

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



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."



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."



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."

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-Q for the quarter ended September 30, 2021, for additional information

67

Continued Positive Regulatory Developments Recognizing Harm Reduction Potential of RRP's (Q3, 2021 Update)



- **Switzerland:** On October 1st, the Swiss Parliament adopted a new Federal Law on Tobacco Products and e-cigarettes, foreseen to enter into force by Q1 2023:
 - Dedicated product categories for non-combustible products such as HTPs, e-cigarettes and oral tobacco/snus
 - Non-combustible products have textual smokeless Health Warnings versus graphic health warnings for cigarettes



- **New Zealand:** August publication of regulations for smoke free products, following the passage of the Smoke-Free Environment (Vaping) Act 2020:
 - Recognizing that heated tobacco products are smokeless and have the potential to reduce harm, branded packaging for HTPs can now be re-introduced with a 30% text warning specific for non-combustible products



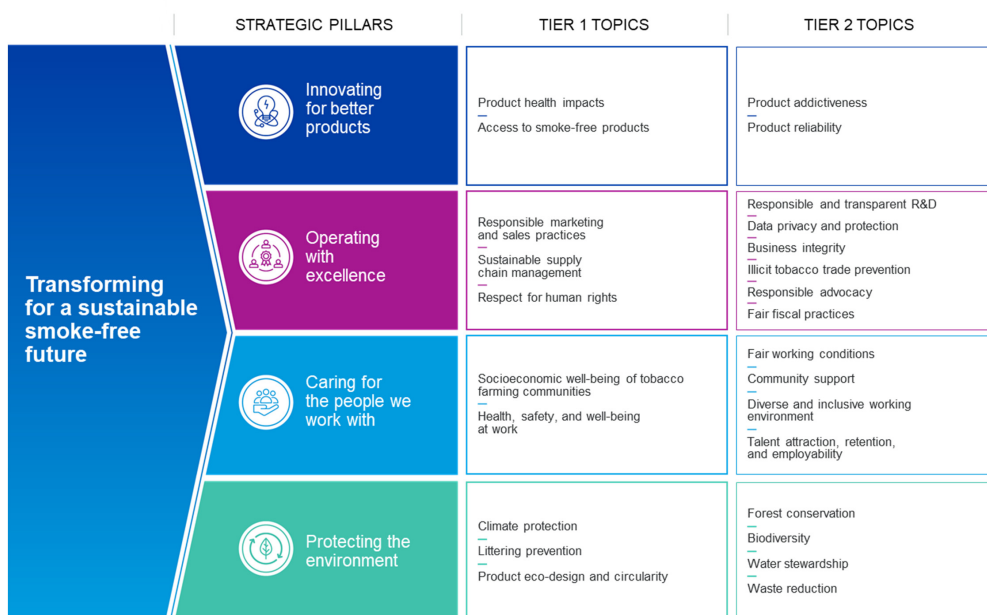
- **Egypt:** Smoke-free products clearly differentiated from combustible cigarettes in both fiscal and regulatory treatment

We continue to support regulatory and fiscal frameworks which recognize the substantial risk reduction potential of non-combusted alternatives compared with combusted tobacco

68

Sustainability at PMI

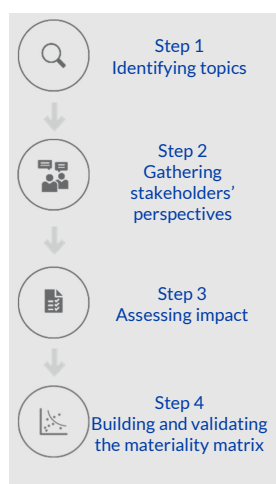
- **Defined Corporate Purpose:**
Statement of Purpose issued by Board of Directors
- **Rigorous Materiality:**
Establish sustainability priorities
- **2025 Roadmap with KPIs**
- **Annual Integrated reporting**



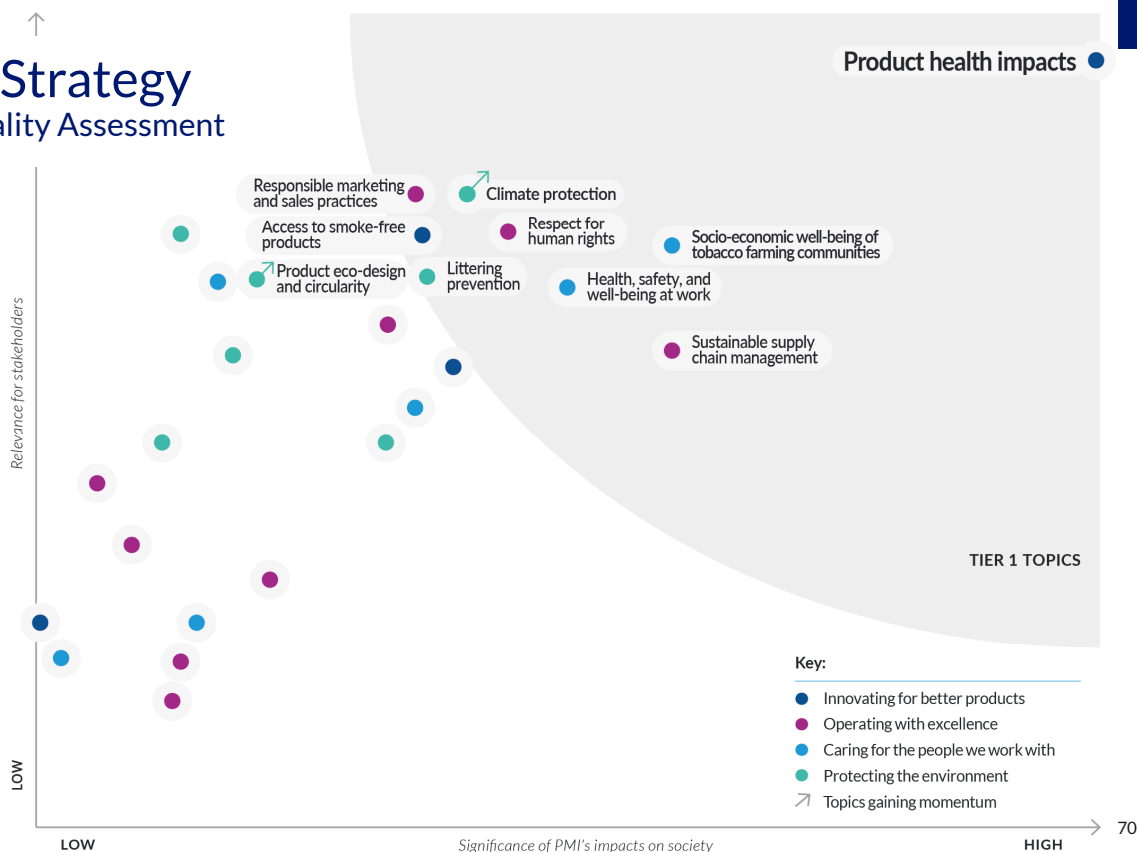
Note: The terms "materiality", "material" and similar terms, when used in the context of economic, environmental, and social topics, are defined in the referenced sustainability standards, and are not meant to correspond to the concept of materiality under the U.S. securities laws and/or disclosures required by the U.S. Securities and Exchange Commission
Source: 2020 Integrated Report

69

Defining Our Strategy Sustainability Materiality Assessment



Note: The terms "materiality", "material" and similar terms, when used in the context of economic, environmental, and social topics, are defined in the referenced sustainability standards, and are not meant to correspond to the concept of materiality under the U.S. securities laws and/or disclosures required by the U.S. Securities and Exchange Commission
Source: Integrated Report 2020
Source: ESG Webcast, June 2, 2021



Statement of Purpose: Transformation North Star

Adopted by the Board of Directors and published in 2020 proxy statement

Delivering a Smoke-Free Future

Leading an industry 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.

“

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

“

The Company understands the need to continue to build legitimacy and trust by being honest, respectful, fair and transparent, and by aligning actions with words across all areas of its business.

“

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.

– Excerpts from PMI's Statement of Purpose



Source: ESG Webcast, June 2, 2021

71

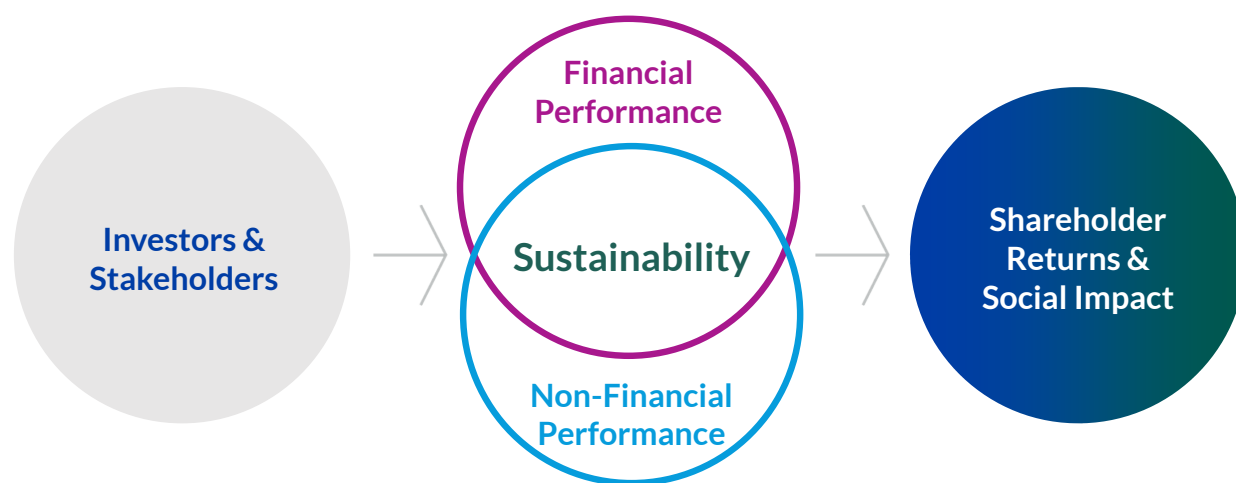
Driving Towards Ambitious 2025 Aspirational Goals



Note: Aspirational goals do not constitute financial projections
 Source: ESG Webcast, June 2, 2021

72

Integrating Financial & Non-Financial Performance



Source: ESG Webcast, June 2, 2021

73

Business Transformation Metrics

Shifting Our Resources to Deliver a Smoke-Free Future

	2015	2016	2017	2018	2019	2020
R&D expenditure (smoke-free/total)	70%	72%	74%	92%	98%	99%
Commercial expenditure (Marketing) (smoke-free/total)	8%	15%	39%	60%	71%	76%
Net revenues (smoke-free/total)	0.2%	2.7%	12.7%	13.8%	18.7%	23.8%
Smoke-free product shipment ratio^(a) (smoke-free/total)	0.1%	0.9%	4.4%	5.1%	7.6%	10.4%
Estimated users who have stopped smoking and switched to IQOS^(b) (in millions)	-	1.5	4.7	6.6	9.7	12.7
Number of markets where net revenues from smoke-free products exceed 50% of total net revenues	-	-	1	3	4	6

(a) The smoke-free product shipment ratio is computed based on millions of units. Smoke-free products include heated tobacco units and e-cigarettes. Total products include smoke-free products, cigarettes and other combustible products

(b) See Glossary for definition

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

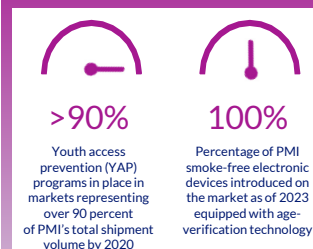
74

Progress on Our 2025 Roadmap

Product health impact and access to smoke-free products



Responsible marketing and sales practices



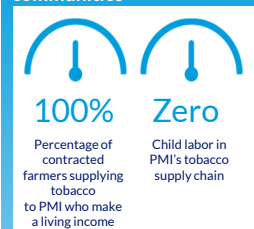
Sustainable supply chain management



Respect for human rights



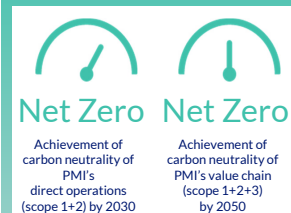
Socio-economic well-being of tobacco-farming communities



Health, safety, and well-being at work



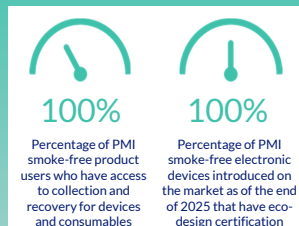
Climate protection



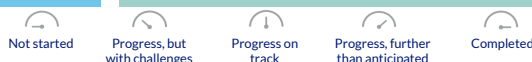
Littering prevention



Product eco-design and circularity



Source: ESG Webcast, June 2, 2021



75

Transforming for a Sustainable Future (Q3, 2021 Update)

ACCESS TO SMOKE-FREE PRODUCTS

- Continue to broaden access to smoke-free products, increasing availability with new product launches across a growing range of markets

NEW BUSINESS AREAS BEYOND TOBACCO AND NICOTINE

- Recent investments bolster smoke-free objectives and mark a milestone in seeking a net positive impact

BUSINESS TRANSFORMATION-LINKED FINANCING FRAMEWORK

- Refinancing with Revolving Credit Facility under the framework
- Linking financing to material sustainability targets
- Following ICMA principles, with Second Party Opinion from S&P

ENVIRONMENTAL IMPACT

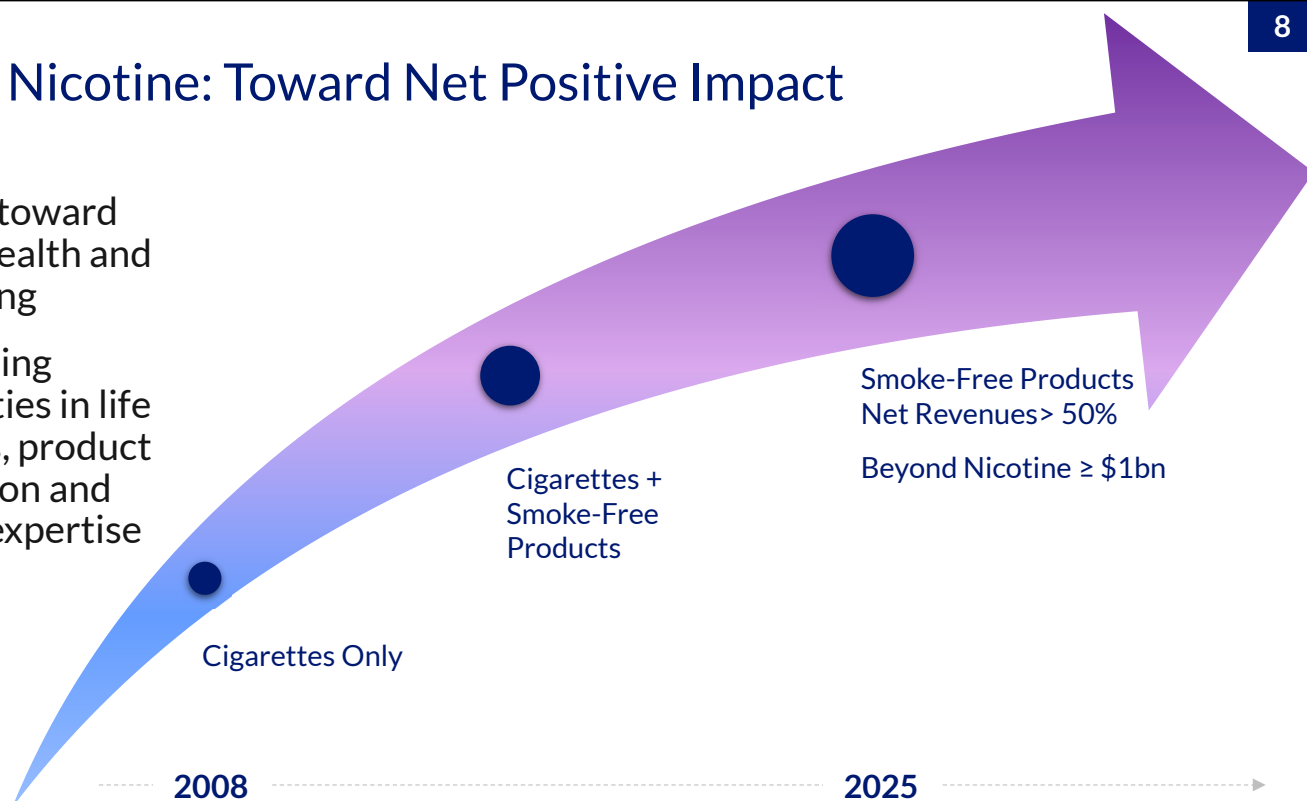
- On track to achieve Scope 1 & 2 carbon neutrality by 2025, 5 years ahead of target
- With upcoming United Nations Climate Change Conference (COP26); PMI will publish:
 - Low Carbon Transition Plan
 - White paper on Climate Justice (highlighting connectivity between Environmental & Social issues)

Note: ICMA stands for International Capital Market Association

76

Beyond Nicotine: Toward Net Positive Impact

- Moving toward better health and well-being
- Leveraging capabilities in life sciences, product innovation and clinical expertise



Note: PMI Aspirations. Aspirational goals do not constitute financial projections.
Source: ESGWebcast, June 2, 2021

77

Investing in Future Capabilities (Q3, 2021 Update)

Reduced-Risk Products

Inhalable Products

- Heated Tobacco Products
- Vapor Products

Oral Products

- Nicotine pouches
- New modern oral forms of nicotine delivery



- Oral and intraoral formulation

Healthcare and Wellness

Selfcare Wellness

- Innovative oral and inhalation drug delivery formulations
- Focus on energy, sleep, calm and focus

Inhaled Therapeutics

- Reformulated Rx drugs
- New Molecular Entities (with partners)



- Inhalable device & formulation



- Dry powder inhalation

CDMO Business

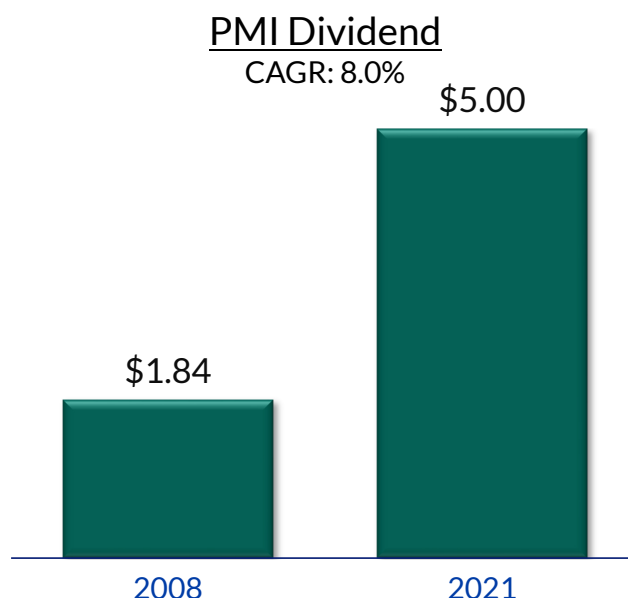
- Continue to grow

Note: CDMO stands for Contract Development and Manufacturing Organization

78

Rewarding Our Shareholders: Attractive Dividend

- Dividends are the primary use of our operating cash flow^(a) after capital expenditures
- Increased dividend by 4.2% in September 2021:
 - Fourteen consecutive year with a dividend increase
 - Total increase of approximately 172% since 2008



(a) Net cash provided by operating activities

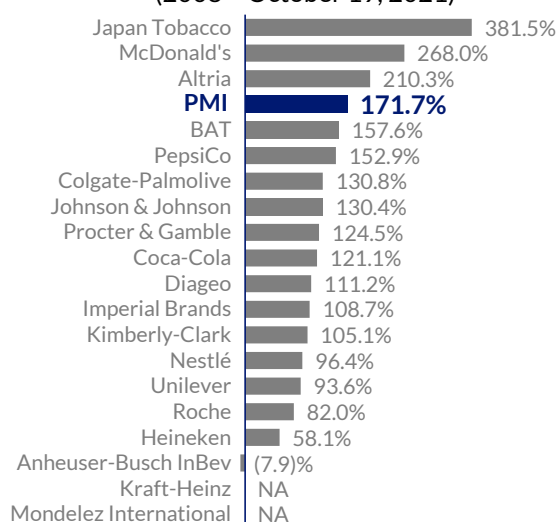
Note: Dividends for 2008 and 2021 are annualized rates. The 2008 annualized rate is based on a quarterly dividend of \$0.46 per common share, declared June 18, 2008. The 2021 annualized rate is based on a quarterly dividend of \$1.25 per common share, declared September 15, 2021

Source: PMI Financials or estimates

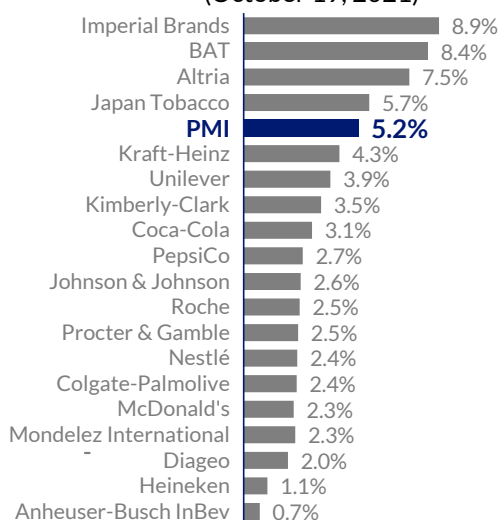
79

Rewarding Our Shareholders: Attractive Dividend

Dividend Growth: Peer Group (2008 – October 19, 2021)



Trailing Dividend Yield: Peer Group (October 19, 2021)



Note: PMI reflects absolute growth in annualized announced dividends from time of first PMI dividend of \$0.46 in June 2008 through October 19, 2021. 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 October 19, 2021, over the closing share price on that date. The current annualized dividend rate for PMI is \$5.00. The closing share price for PMI was \$95.79 on October 19, 2021. NA stands for not available

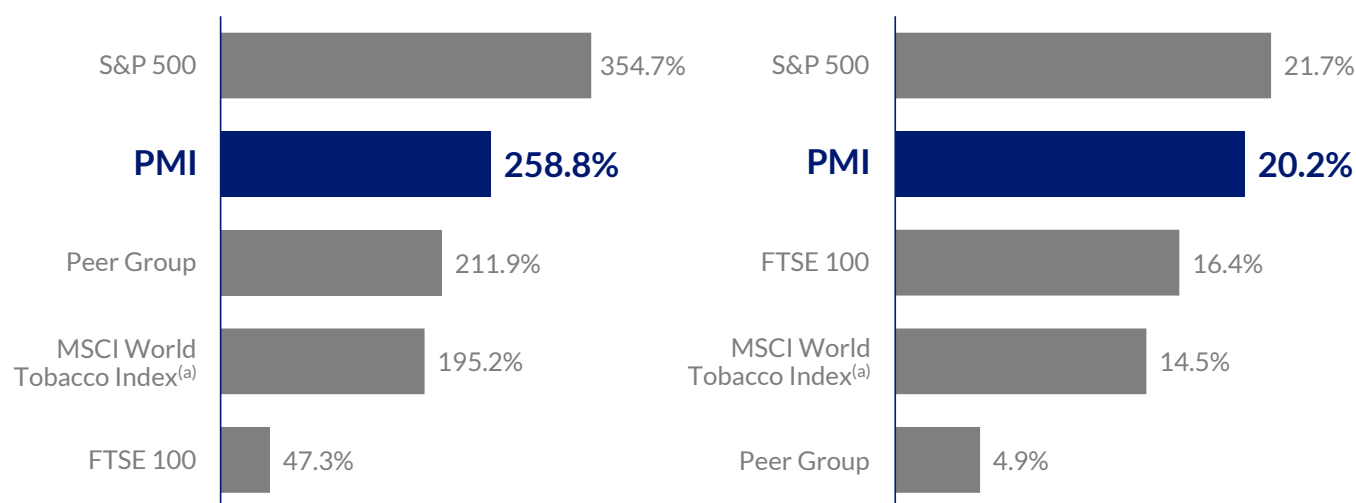
Source: FactSet

80

Rewarding Our Shareholders: Total Return

Spin (March 28, 2008) – October 19, 2021

January 1, 2021 – October 19, 2021



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

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 – October 19, 2021. Exchange rates are as of March 28, 2008, January 1, 2021 and October 19, 2021.

The company peer group is defined in the Glossary

Source: FactSet, Bloomberg, and MSCI World Tobacco Index

81

Capital Allocation

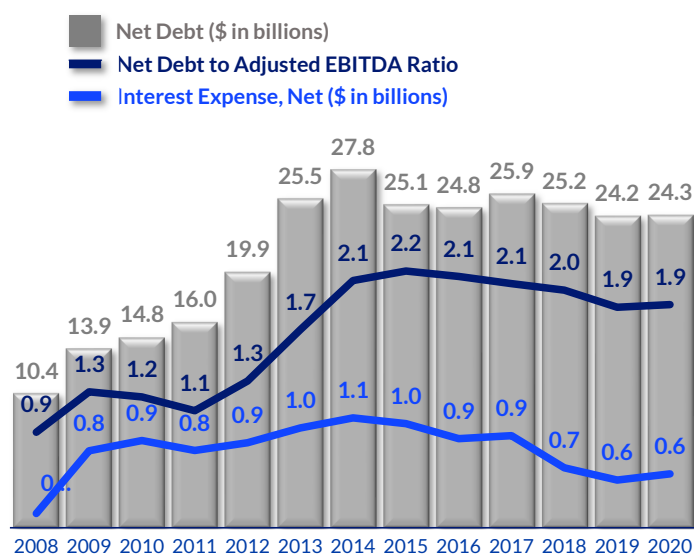
- Continued strong operating cash flow generation expected: around \$35 billion over 2021-2023 at constant currency
- Main priority is reinvestment in growth of smoke-free products:
 - Continue driving the growth of IQOS
 - Investing in future capabilities (e.g., Fertin & Vectura)
- Maintain progressive dividend policy while targeting long-term payout ratio of around 75% of adjusted diluted EPS
- Share repurchase program commenced in Q3, 2021:
 - Targeting \$5 to \$7 billion over 3 years
 - Approx. \$170m of share repurchases through October 15, 2021

82

Solid Capital Structure

- Remain fully committed to our single A rating
- 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-1 / F1^(a):
 - Access to tier 1 commercial paper market
- Strong liquidity profile backed by \$6.3 billion stand-by revolving credit facilities
- Stable capital structure with relative weighting towards longer maturity and fixed-rate instruments

Net Debt, Leverage and Interest Expense Evolution



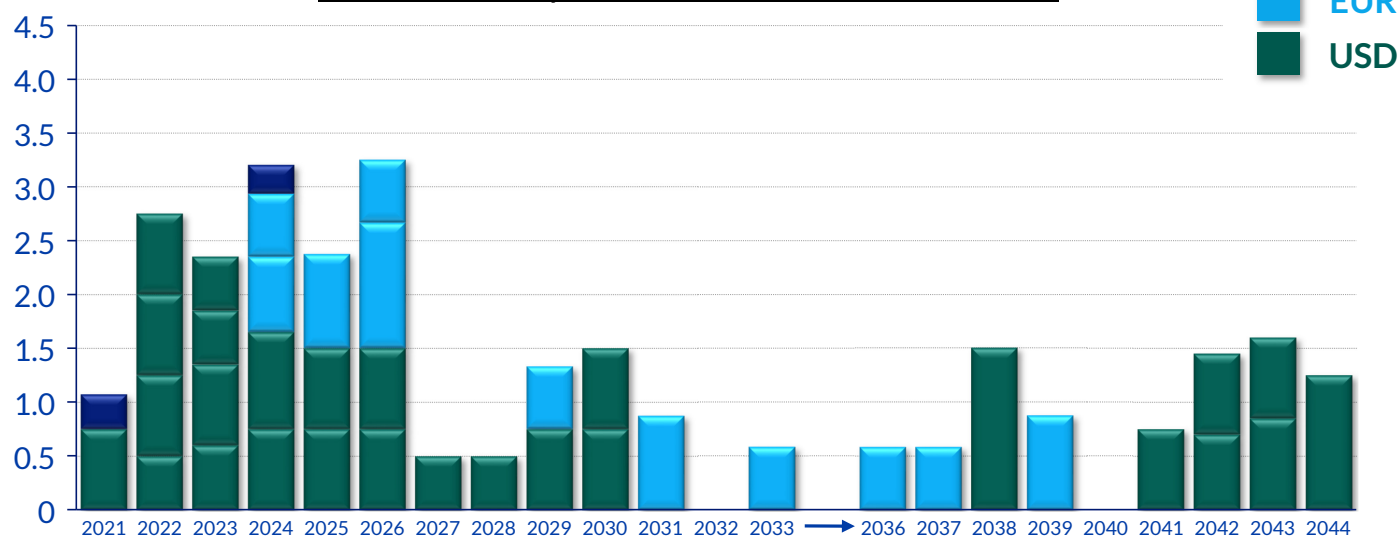
(a) Reflects ratings for Moody's, Standard & Poor's and Fitch, respectively
Source: PMI Financials or estimates (as of October 1, 2021)

83

Well-Laddered Bond Portfolio

(\$ in billions)

Bond Maturity Profile as of October 1, 2021

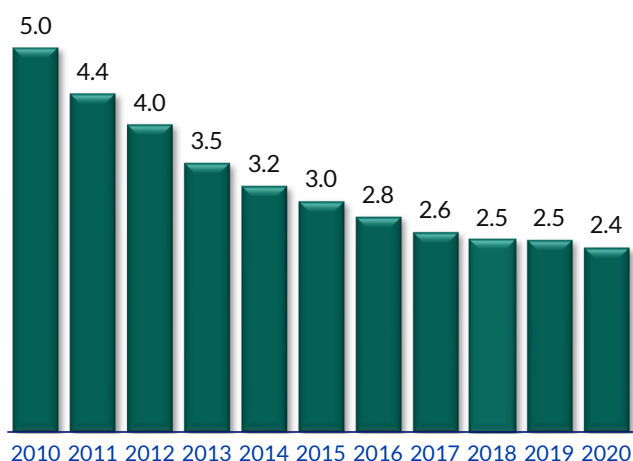


Source: PMI Financials or estimates

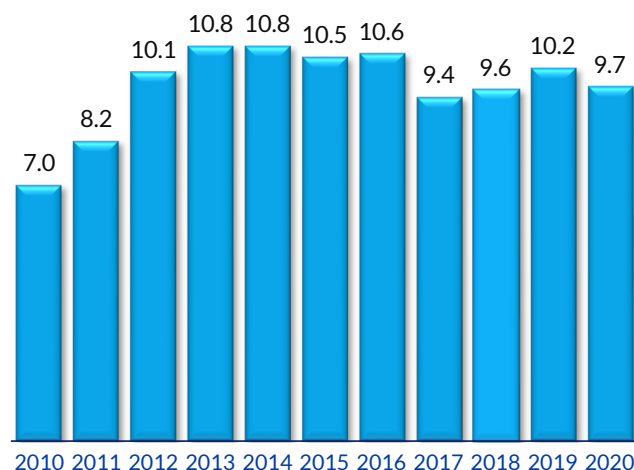
84

Debt Financing at Attractive Terms

**Weighted-Average All-in
Financing Cost of Total Debt (%)**



**Weighted-Average Time to Maturity
of Total Long-Term Debt (years)^(a)**



(a) Weighted-average time to maturity of total long-term debt excludes the current portion of the bond portfolio and reflects the weighted-average at the respective year-end
Source: PMI Financials or estimates

85

Appendix, Glossary of Key Terms and Definitions, and Reconciliation of Non-GAAP Measures

86

Industry Volume Overview – EU

(Billion Cigarette Equivalent Units)

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
France	Cigarettes	55.6	54.9	52.3	48.3	45.7	46.2	45.7	45.1	40.9	37.8	36.4
	HTU	-	-	-	-	-	-	-	-	-	0.1	0.2
	OTP	14.3	14.7	15.5	15.8	15.4	16.3	16.4	15.7	14.3	13.6	15.2
Germany	Cigarettes	83.9	84.5	83.4	79.6	80.4	80.0	78.1	76.7	74.8	72.4	73.0
	HTU	-	-	-	-	-	-	-	0.1	0.4	0.9	1.7
	OTP	43.1	44.1	44.0	44.1	43.5	43.0	42.5	41.3	40.9	40.3	42.2
Italy	Cigarettes	87.0	85.5	78.7	74.0	74.4	73.8	72.1	69.3	67.5	64.6	61.7
	HTU	-	-	-	-	-	-	0.1	0.5	1.5	3.3	5.7
	OTP	3.7	5.0	6.9	6.8	6.9	7.2	7.4	8.1	8.5	8.9	9.4
Poland	Cigarettes	57.3	55.6	52.1	46.6	42.1	41.1	41.3	41.6	42.8	45.0	43.2
	HTU	-	-	-	-	-	-	-	0.1	0.4	1.2	2.4
	OTP	5.7	5.5	3.8	3.4	3.6	4.0	4.1	5.0	5.5	6.2	7.2
Spain	Cigarettes	72.7	60.6	53.7	47.7	47.0	46.7	46.7	44.9	44.8	45.1	41.4
	HTU	-	-	-	-	-	-	-	0.1	0.2	0.3	0.4
	OTP	10.5	11.7	13.6	14.1	13.1	12.8	12.5	12.4	12.6	13.4	14.2

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 October 19, 2021

87

Industry Volume Overview – EU (cont'd)

(Billion Cigarette Equivalent Units)

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Croatia	Cigarettes	7.3	7.3	7.2	6.6	6.1	6.1	6.0	6.2	6.2	6.1	5.7
	HTU	-	-	-	-	-	-	-	-	0.1	0.2	0.3
	OTP	-	-	-	-	0.3	0.3	0.2	0.3	0.3	0.3	0.4
Czech Republic	Cigarettes	21.1	21.1	20.5	19.8	20.1	20.4	20.5	20.3	20.0	19.7	17.0
	HTU	-	-	-	-	-	-	-	0.1	0.5	1.2	1.7
	OTP	1.3	1.6	2.0	2.2	2.3	2.6	2.5	2.4	2.2	2.2	1.9
Greece	Cigarettes	27.8	24.2	20.4	18.1	16.8	16.4	15.3	13.8	12.8	12.1	10.9
	HTU	-	-	-	-	-	-	-	0.2	0.6	1.2	1.5
	OTP	2.9	3.6	4.8	4.0	4.0	4.1	4.2	3.8	3.9	4.2	4.3
Hungary	Cigarettes	14.2	13.9	12.0	9.6	7.4	7.3	7.4	7.6	8.1	8.3	7.7
	HTU	-	-	-	-	-	-	-	-	-	0.2	0.8
	OTP	5.1	6.7	7.3	8.1	9.7	10.4	10.4	9.1	8.4	7.8	7.7
Latvia	Cigarettes	1.7	1.8	1.8	1.8	1.9	1.9	1.9	1.9	2.0	1.9	1.8
	HTU	-	-	-	-	-	-	-	-	-	0.1	0.2
	OTP	0.2	0.2	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 October 19, 2021

88

Industry Volume Overview – EU (cont'd)

(Billion Cigarette Equivalent Units)

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Lithuania	Cigarettes	2.5	2.7	2.7	2.8	2.9	3.1	3.1	2.9	2.8	2.7	2.4
	HTU	-	-	-	-	-	-	-	-	0.1	0.4	0.6
	OTP	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Portugal	Cigarettes	12.6	11.2	10.1	9.9	9.6	9.7	9.8	10.2	9.7	9.7	9.0
	HTU	-	-	-	-	-	-	-	0.1	0.3	0.6	0.9
	OTP	1.2	2.2	2.4	2.2	2.2	1.8	1.5	1.2	1.0	1.0	1.0
Romania	Cigarettes	23.1	25.6	25.7	24.5	23.4	24.0	24.2	24.3	24.4	25.5	25.6
	HTU	-	-	-	-	-	-	-	0.2	0.5	0.7	0.9
	OTP	-	-	-	-	-	-	-	-	-	-	0.1
Slovak Republic	Cigarettes	7.5	7.4	7.2	6.9	7.0	7.1	7.1	7.2	7.1	7.1	6.9
	HTU	-	-	-	-	-	-	-	-	0.3	0.5	0.7
	OTP	0.1	0.1	0.1	0.2	0.3	0.5	0.5	0.3	0.3	0.3	-
Slovenia	Cigarettes	4.8	4.9	4.6	3.9	3.7	3.6	3.6	3.5	3.5	3.4	3.2
	HTU	-	-	-	-	-	-	-	-	0.1	0.1	0.2
	OTP	-	-	-	0.4	0.4	0.3	0.3	0.3	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 October 19, 2021

89

Industry Volume Overview – EU (cont'd)

(Billion Cigarette Equivalent Units)

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Switzerland	Cigarettes	11.7	11.5	11.1	10.6	10.2	9.8	9.4	9.3	9.1	8.8	9.2
	HTU	-	-	-	-	-	-	-	0.1	0.2	0.3	0.4
	OTP	1.1	1.0	1.1	1.2	1.3	1.3	1.4	1.4	1.4	1.5	1.7
United Kingdom	Cigarettes	44.8	42.6	40.6	35.8	33.8	31.4	29.6	27.9	26.0	23.5	24.1
	HTU	-	-	-	-	-	-	-	-	-	0.1	0.3
	OTP	9.0	9.8	10.6	10.7	10.4	10.0	10.3	10.5	10.6	10.7	13.8

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 October 19, 2021

90

Industry Volume Overview – EE, MEA&DF and S&SA

(Billion Cigarette Equivalent Units)

Eastern Europe

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Russia	Cigarettes	382.0	375.0	374.9	346.4	314.1	294.1	280.0	259.7	236.3	217.7	203.7
	HTU	-	-	-	-	-	-	-	0.3	2.6	8.8	15.4

Middle East and Africa

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Saudi Arabia	Cigarettes	24.3	25.8	28.3	29.4	31.1	32.3	31.6	26.1	20.6	20.8	21.6
	HTU	-	-	-	-	-	-	-	-	-	-	0.1
Turkey	Cigarettes	93.4	91.2	99.2	91.7	94.7	103.2	105.5	106.2	118.5	119.7	114.8

South and South Asia

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Indonesia	Cigarettes	254.7	279.6	302.3	314.5	319.0	320.0	315.6	303.5	302.5	305.2	276.2
Philippines	Cigarettes	101.5	97.4	108.9	91.0	94.9	90.2	79.3	74.9	73.2	70.5	62.0

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 October 19, 2021

91

Industry Volume Overview – E&EA

(Billion Cigarette Equivalent Units)

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Australia	Cigarettes	20.8	19.6	18.8	18.7	16.8	16.5	15.7	13.9	12.8	12.0	11.0
	OTP	3.0	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.8	3.9	3.7
Japan	Cigarettes	218.9	195.3	196.6	192.6	186.2	182.3	173.8	151.4	132.7	121.1	102.8
	HTU	-	-	-	-	-	0.2	5.2	20.0	34.6	36.7	40.1
South Korea	Cigarettes	90.5	90.0	89.3	88.4	88.1	67.3	73.6	69.0	62.8	61.2	64.1
	HTU	-	-	-	-	-	-	-	1.6	6.8	7.3	7.5
New Zealand	Cigarettes	2.2	2.1	2.0	1.9	1.8	1.8	1.8	1.7	1.7	1.5	1.4
	OTP	1.3	1.1	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.8	0.8
Singapore	Cigarettes	2.4	2.6	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.7	3.1

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 October 19, 2021

92

Industry Volume Overview – Americas

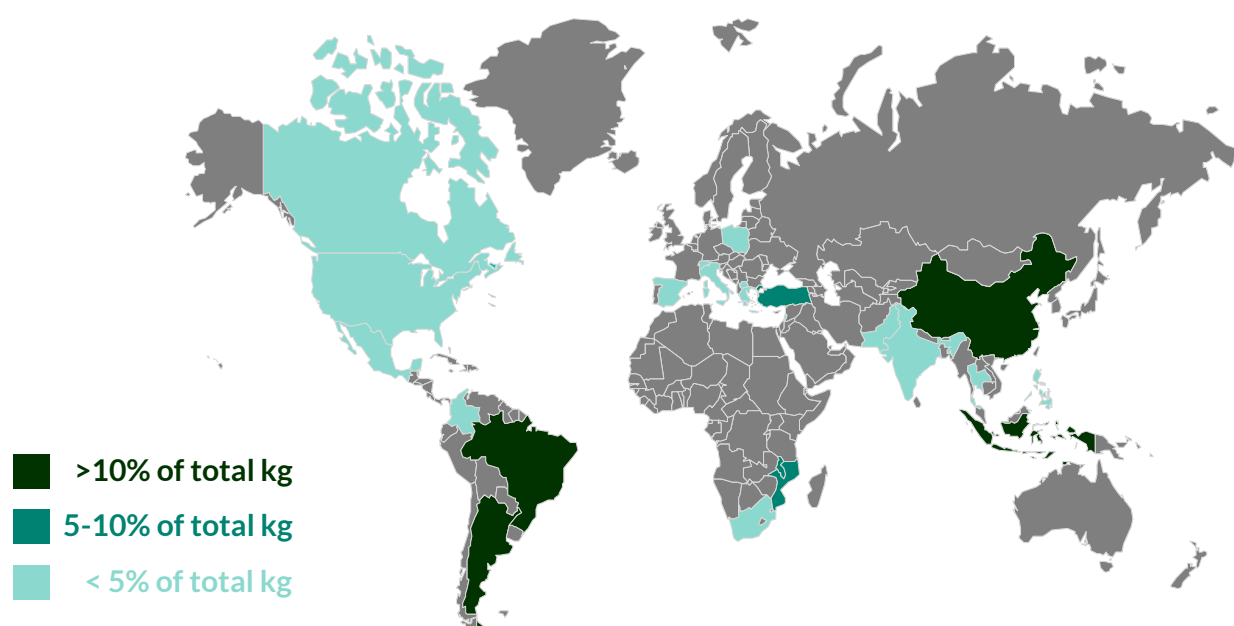
(Billion Cigarette Equivalent Units)

Market	Product Group	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Argentina	Cigarettes	42.7	44.0	43.7	42.5	41.9	40.8	36.1	36.2	35.0	33.4	33.6
	OTP	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.1	0.1
Mexico	Cigarettes	43.5	34.3	33.6	34.6	33.5	33.8	36.2	35.8	35.5	35.5	30.6
	HTU	-	-	-	-	-	-	-	-	-	-	0.1
Canada	Cigarettes	29.5	29.0	29.3	28.9	27.3	26.7	26.3	24.6	23.3	21.5	20.6
	HTU	-	-	-	-	-	-	-	-	-	-	0.1
	OTP	1.8	1.7	1.6	1.4	1.2	1.0	1.0	0.9	0.8	0.7	0.7

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 October 19, 2021

93

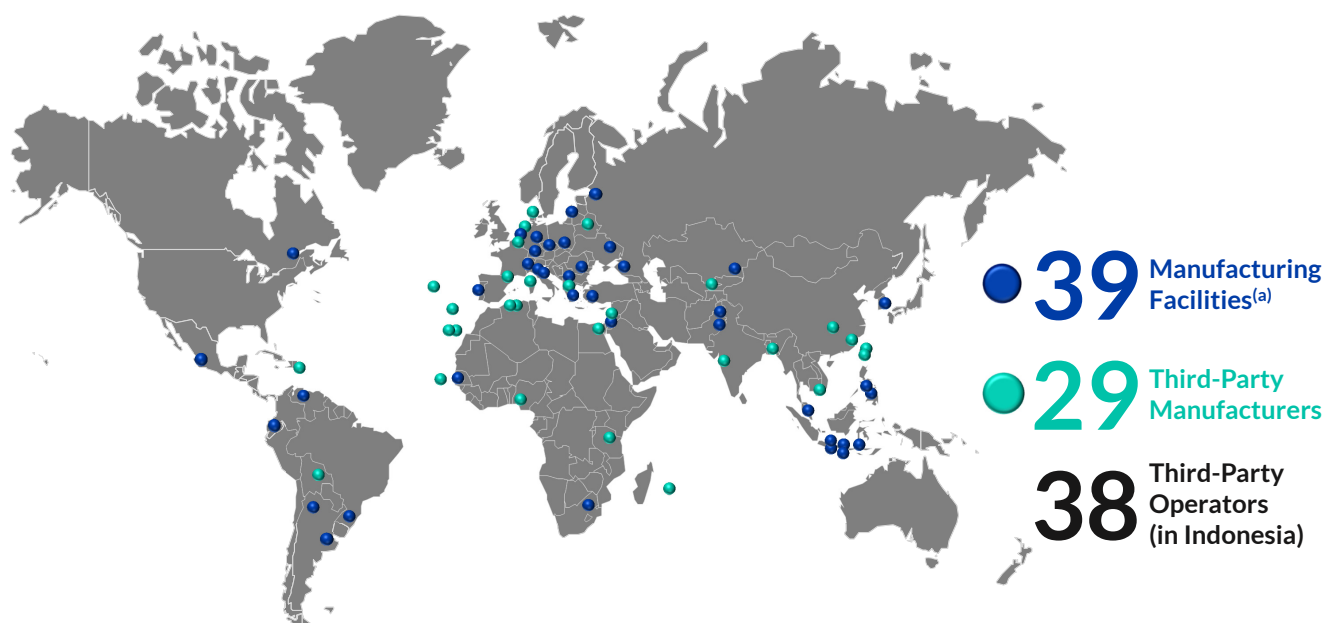
PMI Tobacco Leaf Purchases by Geography (2020)



Source: PMI Operations

94

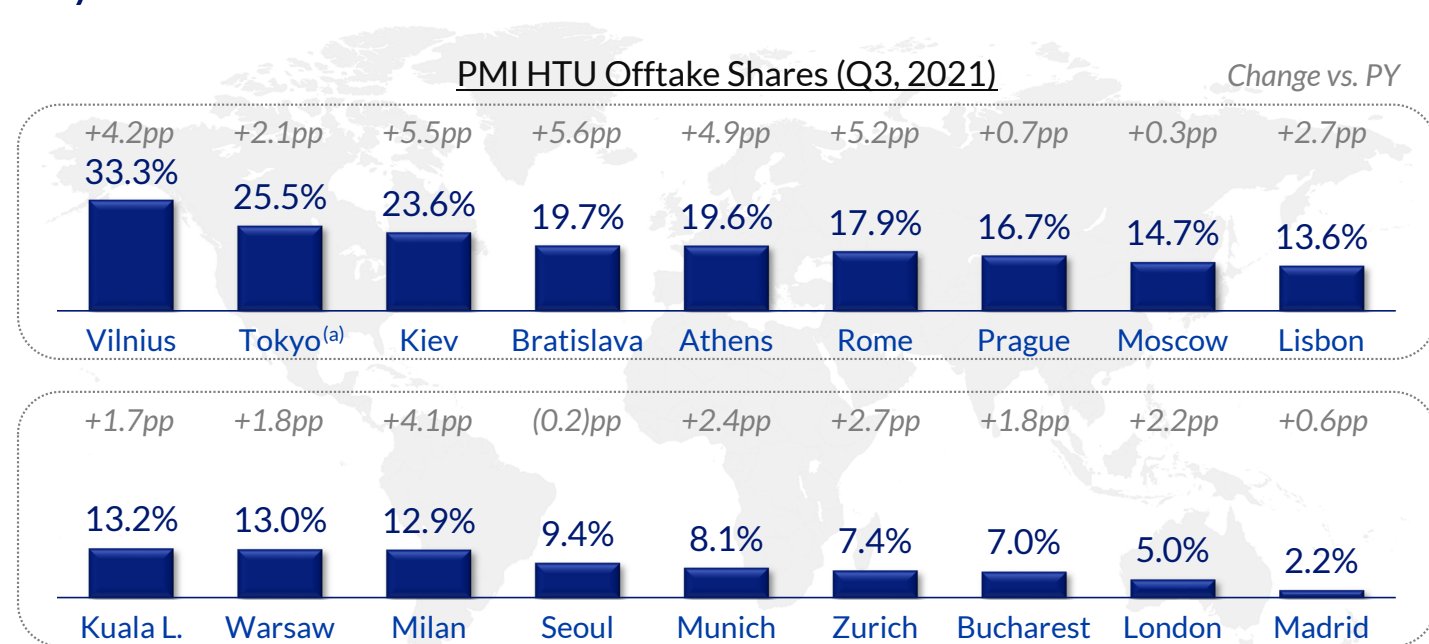
PMI Manufacturing Footprint (2020)



(a) Includes facilities in Greece, Italy, Korea, Poland, Romania, Russia and Switzerland that are fully or partially dedicated to the production of HTUs or other nicotine-containing products
Source: PMI Operations and Form 10-K for the year ended December 31, 2020 (p. 12)

95

Key Cities Provide Excellent Base for Growth



(a) Japan total market includes the cigarillo category

Note: Kuala L. is Kuala Lumpur

Source: PMI Financials or estimates

96

Cigarette Excise Tax Structures: Select Markets

(October 1, 2021)

Argentina		
	%	
	Nominal	RSP ^(f)
Social Assistance Fund (SAF) ^(a)	7.00	7.00
Special Tobacco Fund (STF) ^(b)	7.35	8.78
Excise Tax ^(c)	70.00	54.74
VAT ^(d)	21.00	4.93
Turnover Tax ^(e)	3.70	0.61
Tax Burden		76.06
(a) 7% x RSP (b) [7.35% x (RSP – SAF – VAT)] + ARS 4.721 (as of July 2021) (c) 70% x [RSP – SAF – VAT – STF]. Minimum excise tax: ARS 108.50 (September 2021 - November 2021) (d) (NEFP + Wholesaler & Retailer margin) x 21% (e) NEFP x 3.70% (f) Based on Philip Morris soft pack (ARS 205.00) Note: NEFP is net ex-factory price		

Australia	
Tobacco Excise Tax (AUD/Kg)	1,598.64
Tobacco Excise Tax (AUD/000) ^(a)	1,119.05
VAT (Nominal)	10%
(a) If not exceeding 0.8g per cigarette	

Germany	
Ad Valorem Excise Tax	21.69%
Specific Excise Tax (EUR/000)	98.20
Minimum Total Tax (EUR/000) ^(a)	214.55
VAT (Nominal)	19.0%
(a) Minimum Total Tax (MTT) also includes the VAT	

France	
Ad Valorem Excise Tax	55.00%
Specific Excise Tax (EUR/000)	63.50
Minimum Excise Tax (EUR/000)	336.00
VAT (Nominal)	20.0%

Italy	
Ad Valorem Excise Tax	51.24%
Specific Excise Tax (EUR/000)	22.09
Minimum Total Tax (EUR/000) ^(a)	193.22
VAT (Nominal)	22.0%
(a) Minimum Total Tax also includes the VAT	

Note: 20 cigarettes per pack

97

Cigarette Excise Tax Structures: Select Markets (cont.)

(October 1, 2021)

Japan	
National – Tobacco Tax (JPY/pack)	136.04
National – Special Tobacco Tax (JPY/pack)	16.40
Local Excise Tax (JPY/pack)	152.44
Total (JPY/pack)	304.88
VAT (Nominal)	10%

South Korea	
Tobacco Consumption Tax (KRW/pack)	1,007
Public Health Tax (KRW/pack)	841
Education Tax (KRW/pack)	443
Green Fund Tax (KRW/pack)	25
Individual Consumption Tax (KRW/pack)	594
Farmer's Subsidy Tax (KRW/pack)	5
Total (KRW/pack)	2,915
VAT (Nominal)	10%

Mexico	
Ad Valorem Excise Tax ^(a)	160%
Specific Excise Tax (MXN/000)	510.80
VAT (Nominal)	16%
(a) Ad valorem excise tax is 160% of manufacturer / wholesale price to retail excluding taxes (VAT and Excise)	

Philippines	
Specific Excise Tax (PHP/pack) ^(a)	50.00
(a) January 1, 2022 (PHP 55.00); January 1, 2023 (PHP 60.00); January 1, 2024 onwards (+5% / year)	

Poland	
Ad Valorem Excise Tax	32.05%
Specific Excise Tax (PLN/000)	228.10
Minimum Excise Tax (PLN/000)	467.73
VAT (Nominal)	23.0%

Saudi Arabia	
Ad Valorem Excise Tax (% of RSP) ^(a)	50.0%
VAT (Nominal)	15.0%
Minimum Reference Price (SAR/pack)	8.00
(a) % of RSP before VAT, effective excise tax is 43.50% of RSP including VAT	

Spain	
Ad Valorem Excise Tax	51.00%
Specific Excise Tax (EUR/000)	24.70
Minimum Excise Tax (EUR/000)	131.50
VAT (Nominal)	21.0%

Turkey	
Ad Valorem Excise Tax (% of RSP)	63.0%
Specific Excise Tax (TRY/000)	24.255
Minimum Excise Tax (TRY/000)	488.30
VAT (Nominal)	18.0%

Note: 20 cigarettes per pack

98

Excise Tax Structure: Russia

(October 1, 2021)

<u>Cigarettes</u>	<u>2019^(a)</u>	<u>2020^(a)</u>	<u>2021^(a)</u>
Ad Valorem Excise Tax (% of MRSP)	14.5%	14.5%	16.0%
Specific Excise Tax (RUB/000)	1,890	1,966	2,359
Minimum Excise Tax (RUB/000)	2,568	2,671	3,205

Heated Tobacco Products

Specific Excise Tax (RUB/kg)	5,808	6,040	7,248
Electronic Nicotine Delivery Systems; Tobacco Heating Devices (RUB/device)		50	60

(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)

99

Excise Tax Structure: Indonesia

(October 1, 2021)

<u>Cigarette Type</u>	<u>Volume Tier</u>	<u>Price Tier</u>	<u>Total Excise + Regional Tax (IDR/stick)</u>	
			<u>Current</u>	<u>Previous^(a)</u>
Machine-Made Kretek (SKM)	Volume Tier 1 (> 3 billion units)	1	951.5	814.0
	Volume Tier 2 (≤ 3 billion units)	1	588.5	517.0
		2	577.5	500.5
Whites (SPM)	Volume Tier 1 (> 3 billion units)	1	1,028.5	869.0
	Volume Tier 2 (≤ 3 billion units)	1	621.5	533.5
		2	610.5	517.0
Hand-Rolled Kretek (SKT)	Volume Tier 1 (> 2 billion units)	1	467.5	467.5
		2	363.0	363.0
	Volume Tier 2 (> 500 million units–2 billion units)	1	220.0	220.0
		1	121.0	121.0

(a) Previous to February 1, 2021

100

Excise Tax Structure: Japan

(October 1, 2021)

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 fourth year reflecting 20% of the previous system (pipe tobacco category) and 80% 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)	580	580
VAT (Nominal)	10%	10%
RSP Net of VAT (JPY/pack)	527	527
Effective Specific Rate (JPY/kg)	15,244	19,055 ^(a)
Tax Base	Full product weight (14.9 g/pack) ^(b)	Heated tobacco weight (5.4 g/pack) ^(c)
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	7,909
Total Excise Tax Yield (JPY/000)	11,357	13,054

20% 80%

Heated Tobacco Category: Indicative Excise Tax Payable as of October 1, 2021 (JPY/000)

12,716

(a) Reflects effective specific rate for the third 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

101

Multi-Year Tobacco Tax Plan: Japan

(October 1, 2021)

	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) ^(a)	12,244	13,244	13,244	14,244	15,244	15,244
Excise Tax: New HTP Category						
-Effective Specific Rate (JPY/kg) ^(b)	-	16,555	16,555	17,805	19,055	19,055
-Effective Ad Valorem Rate ^{(c)(d)}	-	30%	30%	30%	30%	30%
HTP Phase-in Period						
-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

102

IQOS: Retail Selling Prices

(October 1, 2021)

Market	Currency	IQOS Kit				Pack	
		2.4 Plus	3 Multi	3	3 DUO	HTUs	Marlboro Cigarettes
ALBANIA	ALL	4,500	-	-	7,000	320	340
ANDORRA	EUR	59	59	-	79	3.55	3.65
ARMENIA	AMD	15,500	17,000	-	39,000	750	850
ARUBA	AWG	60	-	-	135	11.50	13.25
AUSTRIA	EUR	-	-	-	79	5.00	5.80
BOSNIA & HERZ.	BAM	75	-	-	115	5.60	6.00
BULGARIA	BGN	70	90	-	115	5.50	5.70
CANADA ^(b)	CAD	-	23	-	34	8.47	15.29
CANARY ISLANDS	EUR	49	49	-	69	3.00	4.00
COLOMBIA	COP	150,000	250,000	-	230,000	7,500	8,300

(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 160s selling unit. HTUs are sold in cartons of 8 packs of 20 units, and 5 packs of 10 units, for CAD 67.79 and CAD 27.11. Cigarette RSP for pack of 20 cigarettes equivalent (RBH brand: Belmont 25s)

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

103

IQOS: Retail Selling Prices (cont.)

(October 1, 2021)

Market	Currency	IQOS Kit				Pack	
		2.4 Plus	3 Multi	3	3 DUO	HTUs	Marlboro Cigarettes
COSTA RICA	CRC	-	-	-	42,000	2,200	2,300
CROATIA	HRK	250	320	-	450	28.00	34.00
CURACAO	ANG	60	-	-	150	11.50	13.25
CYPRUS	EUR	39	-	-	59	4.00	4.90
CZECH REPUBLIC	CZK	1,290	1,290	-	1,790	110	134
DENMARK	DKK	399	-	-	499	44.00	54.00
DOMINICAN REP.	DOP	2,000	-	-	3,900	250	270
EGYPT	EGP	-	-	-	1,300	37.0	44.0
ESTONIA	EUR	49	-	-	69	4.40	4.95
FRANCE	EUR	49	49	-	69	7.50	10.50
GEORGIA	GEL	120	249	-	219	6.70	6.70
GERMANY	EUR	-	-	-	79	6.00	7.00

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

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

Source: PMI affiliates

104

IQOS: Retail Selling Prices (cont.)

(October 1, 2021)

RSP^(a)

Market	Currency	IQOS Kit				Pack			
		<u>2.4 Plus</u>	<u>3 Multi</u>	<u>3</u>	<u>3 DUO</u>	<u>ILUMA PRIME</u>	<u>ILUMA</u>	<u>HTUs</u>	<u>Marlboro Cigarettes</u>
GREECE	EUR	39	-	-	59			4.00	4.60
GUATEMALA	GTQ	275	-	-	575			22.00	25.00
HUNGARY	HUF	19,990	20,990	-	24,990			1,499	1,790
ISRAEL	ILS	-	199	-	290			30.00	32.00
ITALY	EUR	49	59	-	79			4.80	6.00
JAPAN ^(b)	JPY	-	4,980	-	6,980	12,980	8,980	530/580	600
JORDAN	JOD	-	-	-	70			2.00	2.40
KAZAKHSTAN	KZT	13,500	21,500	-	27,500			590	610
SOUTH KOREA	KRW	-	110,000	-	130,000			4,500	4,500
KUWAIT	KWD				40			1.00	0.87
KYRGYZSTAN	KGS	-	-	-	5,700			100	108
LATVIA	EUR	49	49	-	69			4.00	4.00

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

(b) HTU RSPs: JPY 530/pack for HEETS; JPY 580/pack for Marlboro HeatSticks and TERE

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

Source: PMI affiliates

105

IQOS: Retail Selling Prices (cont.)

(October 1, 2021)

RSP^(a)

Market	Currency	IQOS Kit				Pack		
		<u>2.4 Plus</u>	<u>3 Multi</u>	<u>3</u>	<u>3 DUO</u>	<u>HTUs</u>	<u>Marlboro Cigarettes</u>	
LEBANON	LBP	-	-	-	850,000	17,250	24,500	
LITHUANIA	EUR	49	49	-	69	3.80	4.35	
MALAYSIA	MYR	149	249	-	299	14.00	17.40	
MALDIVES	MVR	-	1,250	-	1,700	85	95	
MEXICO ^(b)	MXN	799	1,199	-	1,399	63.00	66.00	
MOLDOVA	MDL	599	-	-	1,049	39.0	41.0	
MONACO	EUR	49	49	-	69	7.50	10.50	
MONTENEGRO	EUR	40	-	-	60	2.80	3.40	
NETHERLANDS	EUR	49	-	-	59	6.00	8.20	
NEW ZEALAND ^(c)	NZD	89	99	-	139	16.00	37.40	

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

(b) HTU RSP is for direct channels only. The HTU RSP for indirect channels is MXN 66.00

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

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

Source: PMI affiliates

106

IQOS: Retail Selling Prices (cont.)

(October 1, 2021)

RSP^(a)

Market	Currency	IQOS Kit				Pack	
		<u>2.4 Plus</u>	<u>3 Multi</u>	<u>3</u>	<u>3 DUO</u>	<u>HTUs</u>	<u>Marlboro Cigarettes</u>
N. MACEDONIA	MKD	2,400	-	-	3,700	150	160
PALESTINE	ILS	-	-	-	340	22.00	25.00
PHILIPPINES	PHP	2,990	2,990	-	3,990	120	140
POLAND	PLN	99	-	-	250	15.00	17.99
PORTUGAL	EUR	29	49	-	49	4.50	5.30
REUNION	EUR	60	89	-	99	9.50	11.70
ROMANIA	RON	149	-	-	249	17.00	22.00
RUSSIA ^(c)	RUB	2,990	4,990	3,990	4,990	160	199
SAUDI ARABIA	SAR	-	-	-	350	25.00	28.00
SERBIA	RSD	3,500	-	-	7,000	320	390

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

(b) Price update effective July 6, 2021

(c) HTU RSPs: RUB 160/pack for HEETS; RUB 180/pack for HEETS Creations

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

Source: PMI affiliates

107

IQOS: Retail Selling Prices (cont.)

(October 1, 2021)

RSP^(a)

Market	Currency	IQOS Kit				Pack	
		<u>2.4 Plus</u>	<u>3 Multi</u>	<u>3</u>	<u>3 DUO</u>	<u>HTUs</u>	<u>Marlboro Cigarettes</u>
SLOVAK REP.	EUR	49	49	-	69	3.90	4.50
SLOVENIA	EUR	39	49	-	59	3.80	4.40
SOUTH AFRICA	ZAR	970	1,400	-	1,550	42.0	51.0
SPAIN	EUR	49	49	-	69	4.85	5.00
SWEDEN	SEK	-	849	-	999	50.00	69.00
SWITZERLAND	CHF	-	69	-	99	8.00	9.00
TURKISH CYPRUS	TRY	399	549	-	629	18.00	19.00
UKRAINE ^(b)	UAH	899	-	-	1,599	68.00	67.00
UZBEKISTAN	UZS	-	-	-	715,000	14,000	12,500 ^(c)
UAE	AED	-	-	-	500	20.00	22.00
UK	GBP	39	49	-	49	5.00	11.90

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

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

(c) MLB Touch reference price

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

Source: PMI affiliates

108

RSPs for IQOS VEEV and LIL SOLID/HYBRID

(October 1, 2021)

IQOS VEEV

- New Zealand:
 - Kit: NZD 49.00
 - Flavor Pod: NZD 9.9



- Czech Republic:
 - Kit: CZK 599
 - Flavor Pod: CZK 85
- Finland:
 - Kit: EUR 35
 - Flavor Pod: EUR 4/pod and EUR 8/pack
- Italy:
 - Kit: EUR 25
 - Flavor Pod: EUR 4.50
- Croatia:
 - Kit: HRK 200
 - Flavor Pod: HRK 39/pack (HRK 19.5/pod)

Market	Currency	LIL SOLID	Fiit
ALBANIA	ALL	2,999	280
ARMENIA	AMD	15,500	650
KAZAKHSTAN	KZT	10,500	560
KYRGYZSTAN	KGS	2,000	90.0
N.MACEDONIA	MKD	1,550	120
RUSSIA	RUB	1,190/1,490 ^(a)	140
SERBIA	RSD	3,000	300
UKRAINE	UAH	399/599 ^(a)	65.0
UZBEKISTAN	UZS	250,000	12,000

LIL HYBRID

- Japan:
 - Kit: JPY 6,980
 - HTU pack: JPY 510
 - Cartridge: JPY 80



(a) LIL 1.0 / LIL 2.0

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

Source: PMI affiliates

109

PMI Cigarettes: RSPs in Select Markets

(October 1, 2021)

		Above Premium	Premium	Mid-Price	Low-Price
Argentina ^(a)	ARS	Parliament 275	Marlboro 250	Philip Morris 205	Chesterfield 175
Australia ^(b)	AUD		Marlboro 38.20	Peter Jackson 36.50	Bond Street 31.23
France	EUR		Marlboro 10.50 (MLB Fresh @ 10.00)	Philip Morris 10.00 (PM blue line @ 10.20)	Chesterfield / L&M 10.00
Germany	EUR	Eve 7.50	Marlboro 7.00		Chesterfield / L&M 6.80
Indonesia ^(c)	IDR		Sampoerna A Mild 25,062	Sampoerna A Ultra Mild 22,361	DSS Magnum Mild 21,098
Italy	EUR		Marlboro 6.00		Chesterfield / L&M 5.00
Japan ^(d)	JPY	Parliament 580	Marlboro 600	Lark 540	Lark Smart Plus 460
South Korea	KRW		Marlboro 4,500		

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

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

(c) Based on Nielsen September 2021 estimates. Reflects average observed retail selling prices. 16 cigarettes per pack. SKM low tar category segment

(d) RSPs for Parliament 100's, Marlboro regular, Lark regular and Lark Smart Plus 19s

Note: 20 cigarettes per pack unless otherwise stated. Low includes super-low. DSS is Dji Sam Soe

Source: PMI affiliates and Nielsen

110

PMI Cigarettes: RSPs in Select Markets (cont.)

(October 1, 2021)

		Above Premium	Premium	Mid-Price	Low-Price
Mexico	MXN		<i>Marlboro</i> 66.00		<i>Chesterfield</i> 53.00
Philippines ^(a)	PHP		<i>Marlboro</i> 140.00	<i>Fortune</i> 120.00	
Poland	PLN		<i>Marlboro</i> 17.99	<i>L&M</i> 16.50	<i>Chesterfield</i> 13.99
Russia ^(b)	RUB	<i>Parliament</i> 225	<i>Marlboro</i> 199	<i>Marlboro Crafted</i> 185	<i>Chesterfield Selection Compact^(c)</i> 129
Saudi Arabia	SAR		<i>Marlboro</i> 28.00	<i>L&M</i> 22.00	<i>Chesterfield</i> 18.00
Spain	EUR		<i>Marlboro</i> 5.00	<i>Chesterfield</i> 4.70	<i>L&M</i> 4.45
Turkey	TRY	<i>Parliament</i> 18.50	<i>Marlboro</i> 18.00	<i>Muratti</i> 16.00	<i>L&M</i> 14.50

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

(b) Maximum RSPs for mainline variants

(c) Best-selling variant in low segment

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

Source: PMI affiliates

111

Glossary: General Terms

- "PMI" refers to Philip Morris International Inc. and its subsidiaries. Trademarks and service marks that are the registered property of, or licensed by, the subsidiaries of PMI, are italicized
- Until March 28, 2008, PMI was a wholly owned subsidiary of Altria Group, Inc. ("Altria"). Since that time the company has been independent and is listed on the New York Stock Exchange (ticker symbol "PM")
- Comparisons are made to the same prior-year period unless otherwise stated
- Unless otherwise stated, references to total industry, total market, PMI shipment volume and PMI market share performance reflect cigarettes and heated tobacco units
- References to total international market, defined as worldwide cigarette and heated tobacco unit volume excluding the U.S., total industry, total market and market shares are PMI estimates for tax-paid products based on the latest available data from a number of internal and external sources and may, in defined instances, exclude the People's Republic of China and/or PMI's duty free business. In addition, to reflect the deconsolidation of PMI's Canadian subsidiary, Rothmans, Benson & Hedges, Inc. (RBH), effective March 22, 2019, PMI's total market share has been restated for previous periods
- 2020 and 2021 estimates for total industry volume and market share in certain geographies reflect limitations on the availability and accuracy of industry data during pandemic-related restrictions
- "OTP" is defined as "other tobacco products," primarily roll-your-own and make-your-own cigarettes, pipe tobacco, cigars and cigarillos, and does not include reduced-risk products
- "Combustible products" is the term PMI uses to refer to cigarettes and OTP, combined
- In-market sales, or "IMS," is defined as sales to the retail channel, depending on the market and distribution model
- "Total shipment volume" is defined as the combined total of cigarette shipment volume and heated tobacco unit shipment volume
- Following the acquisitions of Fertin Pharma A/S, OtiTopic, Inc. and Vectura Group plc., PMI added the "Other" category in the third quarter of 2021. Business operations for the Other category are evaluated separately from the geographical operating segments
- "RBH" refers to PMI's Canadian subsidiary, Rothmans, Benson & Hedges Inc.
- The Companies' Creditors Arrangement Act (CCAA) is a Canadian federal law that permits a Canadian business to restructure its affairs while carrying on its business in the ordinary course

112

Glossary: General Terms (cont.)

- "EU" is defined as the European Union Region
- "EE" is defined as the Eastern Europe Region
- "ME&A" is defined as the Middle East & Africa Region and includes PMI's duty free business
- "S&SA" is defined as the South & Southeast Asia Region
- "EA&A" is defined as the East Asia & Australia Region
- "AMCS" is defined as the Americas Region. It refers to the former Latin America & Canada segment, which was renamed as the Americas segment as of the third quarter of 2021.
- Following the deconsolidation of PMI's Canadian subsidiary, Rothmans, Benson & Hedges, Inc. (RBH), PMI will continue to report the volume of brands sold by RBH for which other PMI subsidiaries are the trademark owner. These include *HEETS*, *Next*, *Philip Morris* and *Rooftop*
- From time to time, PMI's shipment volumes are subject to the impact of distributor inventory movements, and estimated total industry/market volumes are subject to the impact of inventory movements in various trade channels that include estimated trade inventory movements of PMI's competitors arising from market-specific factors that significantly distort reported volume disclosures. Such factors may include changes to the manufacturing supply chain, shipment methods, consumer demand, timing of excise tax increases or other influences that may affect the timing of sales to customers. In such instances, in addition to reviewing PMI shipment volumes and certain estimated total industry/market volumes on a reported basis, management reviews these measures on an adjusted basis that excludes the impact of distributor and/or estimated trade inventory movements. Management also believes that disclosing PMI shipment volumes and estimated total industry/market volumes in such circumstances on a basis that excludes the impact of distributor and/or estimated trade inventory movements, such as on an IMS basis, improves the comparability of performance and trends for these measures over different reporting periods
- "ESG" stands for environmental, social, and governance
- "Illicit trade" refers to domestic non-tax paid products
- "OECD" is defined as Organisation for Economic Co-operation and Development
- "SoM" stands for share of market

Glossary: Financial Terms

- Net revenues related to combustible products refer to the operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. PMI recognizes revenue when control is transferred to the customer, typically either upon shipment or delivery of goods
- Net revenues related to RRP's represent the sale of heated tobacco units, heat-not-burn devices and related accessories, and other nicotine-containing products, primarily e-vapor and oral nicotine products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. PMI recognizes revenue when control is transferred to the customer, typically either upon shipment or delivery of goods
- Adjusted net revenues exclude the impact related to the Saudi Arabia customs assessments
- "SG&A" stands for selling, general & administrative
- "Adjusted Operating Income (OI) Margin" is calculated as adjusted OI, divided by adjusted net revenues
- "Net debt" is defined as total debt, less cash and cash equivalents
- Growth rates presented on an organic basis for consolidated financial results reflect currency-neutral underlying results and "like-for-like" comparisons, where applicable
- Management reviews net revenues, OI, OI margins, operating cash flow and earnings per share, or "EPS," on an adjusted basis, which may exclude the impact of currency and other items such as acquisitions, asset impairment and exit costs, tax items and other special items. Organic growth rates reflect the way management views underlying performance for these measures. PMI believes that such measures, including pro forma measures, will provide useful insight into underlying business trends and results, and will provide a more meaningful performance comparison for the period during which RBH remains under CCAA protection. For PMI's 2018 pro forma adjusted diluted EPS by quarter and year-to-date, see Schedule 3 in PMI's third-quarter 2019 earnings release
- "Fair value adjustment for equity security investments" reflects the adjustment resulting from share price movements in passive investments for publicly traded entities that are not controlled or influenced by PMI. Under U.S. GAAP, such adjustments are required, since January 1, 2018, to be reflected directly in the income statement

Glossary: Reduced-Risk Products

- Reduced-risk products ("RRPs") is the term PMI uses to refer to products that present, are likely to present, or have the potential to present less risk of harm to smokers who switch to these products versus continuing smoking. PMI has a range of RRP in various stages of development, scientific assessment and commercialization. PMI's RRP are smoke-free products that contain and/or generate far lower quantities of harmful and potentially harmful constituents than found in cigarette smoke
- "Aerosol" refers to a gaseous suspension of fine solid particles and/or liquid droplets
- "Combustion" is the process of burning a substance in oxygen, producing heat and often light
- "Smoke" is a visible suspension of solid particles, liquid droplets and gases in air, emitted when a material burns
- "Heated tobacco units," or "HTUs," is the term PMI uses to refer to heated tobacco consumables, which for PMI include the company's *HEETS*, *HEETS Creations*, *HEETS Dimensions*, *HEETS Marlboro* and *HEETS FROM MARLBORO* (defined collectively as *HEETS*), *Marlboro Dimensions*, *Marlboro HeatSticks*, *Parliament HeatSticks* and *TEREA*, as well as the KT&G-licensed brand, *Fiit* and *Miix* (outside of Korea)
- The IQOS heat-not-burn device is a precisely controlled heating device into which a specially designed and proprietary tobacco unit is inserted and heated to generate an aerosol
- "PMI heat-not-burn products" include licensed KT&G heat-not-burn products
- "PMI HTUs" include licensed KT&G HTUs
- HTU "offtake volume" represents the estimated retail offtake of HTUs based on a selection of sales channels that vary by market, but notably include retail points of sale and e-commerce platforms
- HTU "offtake share" represents the estimated retail offtake volume of HTUs divided by the sum of estimated total offtake volume for cigarettes and HTUs
- Market share for HTUs is defined as the total sales volume for HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs
- "Total IQOS users" is defined as the estimated number of Legal Age (minimum 18 years) users of PMI heat-not-burn products for which PMI HTUs represented at least 5% of their daily tobacco consumption over the past seven days. Note: as of December 2020, PMI heat-not-burn products and HTUs include licensed KT&G heat-not-burn products and HTUs, respectively

115

Glossary: Reduced-Risk Products (cont.)

- The estimated number of adults who have "switched to IQOS and stopped smoking" reflects:
 - for markets where there are no heat-not-burn products other than PMI heat-not-burn products: daily individual consumption of PMI HTUs represents the totality of their daily tobacco consumption in the past seven days
 - for markets where PMI heat-not-burn products are among other heat-not-burn products: daily individual consumption of HTUs represents the totality of their daily tobacco consumption in the past seven days, of which at least 70% is PMI HTUs

Note: as of December 2020, PMI heat-not-burn products and HTUs include licensed KT&G heat-not-burn products and HTUs, respectively

- "Acquisition" refers to our efforts to switch LAS from smoking cigarettes to RRP or to switch LAU from competing smoke-free products to PMI's RRP
- "Retention" refers to our efforts to deter LAU from going back to smoking cigarettes or from choosing a competing smoke-free product instead of a PMI RRP

116

Glossary: Reduced-Risk Products (cont.)

- "3R4F" is a reference cigarette for laboratory testing provided by the University of Kentucky. It is used for non-clinical investigations by tobacco manufacturers, contract and government laboratories, and academic institutions
- An "ambulatory study" is a study carried out under real world (actual use) conditions as opposed to a confined setting in a clinic
- A "biomarker" is used as a measure of how well the body responds to a treatment for a disease or condition. Biomarkers can be classified into biomarkers of exposure and clinical risk markers
- "Biomarkers of exposure" indicates exposure to a potentially hazardous substance
- "Clinical risk markers" represents a measurable biochemical, physiological, behavioral, or other alteration within an organism that, depending upon the magnitude, can be recognized as associated with an established or possible health impairment or disease
- "HPHCs" stands for harmful or potentially harmful constituents which have been identified as likely causes of tobacco related diseases
- "FDA" stands for the U.S. Food & Drug Administration
- "MRTP" stands for Modified Risk Tobacco Product, the term used by the U.S. FDA to refer to RRP
- "MRTP application" stands for Modified Risk Tobacco Product application under section 911 of the FD&C Act
- "PMTA" stands for Premarket Tobacco Application under section 910 of the FD&C Act
- "TPSAC" stands for the Tobacco Product Scientific Advisory Committee
- PMI presentation to TPSAC on MRTP applications for IQOS (January 24, 2018): <https://www.pmiscience.com/news/pmi-presents-our-modified-risk-tobacco-product-application-iqos-tobacco-products-scientific>
- FDA press release on PMTA applications for IQOS (April 30, 2019): <https://www.fda.gov/news-events/press-announcements/fda-permits-sale-iqos-tobacco-heating-system-through-premarket-tobacco-product-application-pathway>

Glossary: IQOS in the United States

- On April 30, 2019, the U.S. Food and Drug Administration (FDA) announced that the marketing of a version of PMI's Platform 1 product, namely, IQOS 2.4, together with its heated tobacco units (the term PMI uses to refer to heated tobacco consumables), is appropriate for the protection of public health and authorized it for sale in the U.S. The FDA's decision followed its comprehensive assessment of PMI's premarket tobacco product applications (PMTAs) submitted to the Agency in 2017
- In the third quarter of 2019, PMI brought IQOS 2.4 and three variants of its heated tobacco units to the U.S. through its license with Altria Group, Inc., whose subsidiary, Philip Morris USA Inc., is responsible for marketing the product and complying with the provisions set forth in the FDA's marketing orders
- On July 7, 2020, the FDA authorized the marketing of a version of PMI's Platform 1 product, namely, IQOS 2.4, together with its heated tobacco units, as a Modified Risk Tobacco Product (MRTP). In doing so, the agency found that an IQOS exposure modification order is appropriate to promote the public health. The decision followed a review of the extensive scientific evidence package PMI submitted to the FDA in December 2016 to support its MRTP applications
- On December 7, 2020, the FDA confirmed that the marketing of a version of PMI's Platform 1 product, namely, IQOS 3, is appropriate for the protection of public health and authorized it for sale in the U.S. The FDA's decision followed an assessment of a PMI's PMTA filed with the agency in March 2020
- Shipment volume of heated tobacco units to the U.S. is included in the heated tobacco unit shipment volume of the Americas segment. Revenues from shipments of Platform 1 devices, heated tobacco units and accessories to Altria Group, Inc. for sale under license in the U.S. are included in Net Revenues of the Americas
- In April 2020, affiliates of British American Tobacco plc (BAT) filed a complaint against PMI, Philip Morris Products S.A., Altria Group, Inc., and its subsidiaries before the International Trade Commission (ITC). On May 14, 2021, the administrative law judge issued an Initial and Recommended Determination (ID/RD) finding that the IQOS Platform 1 product commercialized in the U.S. infringes two of the three patents asserted by Plaintiffs, recommending that the ITC issue a Limited Exclusion Order (LEO) against infringing products and recommending against a cease-and-desist order (CDO), as well as recommending against a bond pending Presidential review of the ITC's Final Determination (FD). On September 29, 2021, the ITC issued its FD, in which it upheld the finding of infringement in the ID and found a subsequent violation. The ITC issued a LEO prohibiting the importation of infringing tobacco heating articles and components thereof and CDOs against Philip Morris USA, Inc. and Altria Client Services, LLC. The case is now in a 60-day Presidential Review Period. PMI will appeal the patent and statutory issues at the appropriate time and has contingency plans underway, including domestic production. Furthermore, BAT lawsuits based on the same patent families have repeatedly and universally failed in European courts and the European Patent Office. The decision has no bearing outside the United States

PMI: Peer Group

- Altria
- Anheuser-Busch InBev
- BAT
- Coca-Cola
- Colgate-Palmolive
- Diageo
- Heineken
- Imperial Brands^(a)
- 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, 2020 (p. 14)

119

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)

	Quarters Ended September 30,			Year Ended 2020
	2021	2020	% Change	
Reported Diluted EPS	\$ 1.55	\$ 1.48	4.7%	
Less: Currency	0.04			
Reported Diluted EPS, excluding Currency	\$ 1.51	\$ 1.48	2.0%	
	Quarters Ended September 30,			Year Ended 2020
	2021	2020	% Change	
Reported Diluted EPS	\$ 1.55	\$ 1.48	4.7%	\$ 5.16
Saudi Arabia customs assessments	-	-		-
Asset impairment and exit costs	0.02	-		0.08
Asset acquisition cost	0.03	-		-
Equity investee ownership dilution	(0.02)	-		-
Fair value adjustment for equity security investments	-	-		0.04
Tax items	-	(0.06)		(0.06)
Brazil indirect tax credit	-	-		(0.05)
Adjusted Diluted EPS	\$ 1.58	\$ 1.42	11.3%	\$ 5.17
Less: Currency	0.04			
Adjusted Diluted EPS, excluding Currency	\$ 1.54	\$ 1.42	8.5%	

120

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Net Revenues by Product Category and Adjustments of Net Revenues for the Impact of Currency and Acquisitions
(\$ in millions) / (Unaudited)

Net Revenues	Currency	Net Revenues excluding Currency	Acquisitions	Net Revenues excluding Currency & Acquisitions	Quarters Ended September 30,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
2021					Reduced-Risk Products	2020	% Change		
\$ 1,022	\$ 40	\$ 982	\$ 2	\$ 979	European Union	\$ 706	44.7%	39.0%	38.7%
306	(6)	313	-	313	Eastern Europe	263	16.4%	18.8%	18.8%
44	1	44	-	44	Middle East & Africa	-	-	-	-
4	-	4	-	4	South & Southeast Asia	-	-	-	-
932	(11)	943	-	943	East Asia & Australia	753	23.7%	25.1%	25.1%
18	1	18	-	18	Americas	7	+100%	+100%	+100%
\$ 2,326	\$ 24	\$ 2,302	\$ 2	\$ 2,300	Total RRPs	\$ 1,730	34.5%	33.1%	33.0%
2021					PMI	2020	% Change		
\$ 3,192	\$ 128	\$ 3,064	\$ 2	\$ 3,062	European Union	\$ 2,950	8.2%	3.9%	3.8%
941	(13)	954	-	954	Eastern Europe	899	4.7%	6.1%	6.1%
945	(27)	972	-	972	Middle East & Africa	768	23.0%	26.6%	26.6%
1,065	6	1,059	-	1,059	South & Southeast Asia	1,071	(0.6)%	(1.1)%	(1.1)%
1,523	(7)	1,530	-	1,530	East Asia & Australia	1,358	12.2%	12.7%	12.7%
456	20	436	-	436	Americas	400	14.0%	9.0%	9.0%
\$ 8,122	\$ 107	\$ 8,015	\$ 2	\$ 8,013	Total PMI	\$ 7,446	9.1%	7.6%	7.6%

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

121

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	Quarters Ended September 30,	Net Revenues	Special Items	Adjusted Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
2021							2020	% Change					
\$ 3,192	\$ -	\$ 3,192	\$ 128	\$ 3,064	\$ 2	\$ 3,062	European Union	\$ 2,950	\$ -	\$ 2,950	8.2%	3.9%	3.8%
941	-	941	(13)	954	-	954	Eastern Europe	899	-	899	4.7%	6.1%	6.1%
945	-	945	(27)	972	-	972	Middle East & Africa	768	-	768	23.0%	26.6%	26.6%
1,065	-	1,065	6	1,059	-	1,059	South & Southeast Asia	1,071	-	1,071	(0.6)%	(1.1)%	(1.1)%
1,523	-	1,523	(7)	1,530	-	1,530	East Asia & Australia	1,358	-	1,358	12.2%	12.7%	12.7%
456	-	456	20	436	-	436	Americas	400	-	400	14.0%	9.0%	9.0%
\$ 8,122	\$ -	\$ 8,122	\$ 107	\$ 8,015	\$ 2	\$ 8,013	Total PMI	\$ 7,446	\$ -	\$ 7,446	9.1%	7.6%	7.6%

122

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	Asset Impairment & Exit Costs and Others	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions		Operating Income	Asset Impairment & Exit Costs	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions
2021							Quarters Ended September 30,	2020			% Change		
\$ 1,680	\$ (12) ^(a)	\$ 1,692	\$ 79	\$ 1,613	\$ -	\$ 1,613	European Union	\$ 1,588	\$ -	\$ 1,588	6.5%	1.6%	1.6%
338	(2) ^(a)	340	30	310	-	310	Eastern Europe	245	-	245	38.8%	26.5%	26.5%
388	(3) ^(a)	391	(29)	420	-	420	Middle East & Africa	261	-	261	49.8%	60.9%	60.9%
348	(4) ^(a)	352	4	348	-	348	South & Southeast Asia	402	-	402	(12.4)%	(13.4)%	(13.4)%
631	(21) ^(a)	652	(23)	675	-	675	East Asia & Australia	637	-	637	2.4%	6.0%	6.0%
121	(1) ^(a)	122	4	118	-	118	Americas	110	-	110	10.9%	7.3%	7.3%
(51)	(51) ^(b)	-	-	-	-	-	Other	-	-	-	-	-	-
\$ 3,455	\$ (94)	\$ 3,549	\$ 65	\$ 3,484	\$ -	\$ 3,484	Total PMI	\$ 3,243	\$ -	\$ 3,243	9.4%	7.4%	7.4%

(a) Represents asset impairment and exit costs

(b) Represents asset acquisition cost related to OtiTopic Inc. in August 2021

123

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
2021									Quarters Ended September 30,	2020			% Points Change	
\$ 1,692	\$ 3,192	53.0%	\$ 1,613	\$ 3,064	52.6%	\$ 1,613	\$ 3,062	52.7%	European Union	\$ 1,588	\$ 2,950	53.8%	(0.8)	(1.2)
340	941	36.1%	310	954	32.5%	310	954	32.5%	Eastern Europe	245	899	27.3%	8.8	5.2
391	945	41.4%	420	972	43.2%	420	972	43.2%	Middle East & Africa	261	768	34.0%	7.4	9.2
352	1,065	33.1%	348	1,059	32.9%	348	1,059	32.9%	South & Southeast Asia	402	1,071	37.5%	(4.4)	(4.6)
652	1,523	42.8%	675	1,530	44.1%	675	1,530	44.1%	East Asia & Australia	637	1,358	46.9%	(4.1)	(2.8)
122	456	26.8%	118	436	27.1%	118	436	27.1%	Americas	110	400	27.5%	(0.7)	(0.4)
\$ 3,549	\$ 8,122	43.7%	\$ 3,484	\$ 8,015	43.5%	\$ 3,484	\$ 8,013	43.5%	Total PMI	\$ 3,243	\$ 7,446	43.6%	0.1	(0.1)

(a) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 123

(b) For the calculation of Adjusted Net Revenues excluding currency and acquisitions refer to slide 122

124

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)

	Nine Months Ended September 30,		
	2021	2020	% Change
Reported Diluted EPS	\$ 4.48	\$ 3.90	14.9%
Less: Currency	0.18		
Reported Diluted EPS, excluding Currency	\$ 4.30	\$ 3.90	10.3%

	Nine Months Ended September 30,			Year Ended
	2021	2020	% Change	2020
Reported Diluted EPS	\$ 4.48	\$ 3.90	14.9%	\$ 5.16
Saudi Arabia customs assessments	0.14	-		-
Asset impairment and exit costs	0.09	0.04		0.08
Asset acquisition cost	0.03	-		-
Equity investee ownership dilution	(0.02)	-		-
Fair value adjustment for equity security investments	-	0.04		0.04
Tax items	-	(0.06)		(0.06)
Brazil indirect tax credit	-	-		(0.05)
Adjusted Diluted EPS	\$ 4.72	\$ 3.92	20.4%	\$ 5.17
Less: Currency	0.18			
Adjusted Diluted EPS, excluding Currency	\$ 4.54	\$ 3.92	15.8%	

125

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Net Revenues by Product Category and Adjustments of Net Revenues for the Impact of Currency and Acquisitions
(\$ in millions) / (Unaudited)

Net Revenues	Currency	Net Revenues excluding Currency	Acquisitions	Net Revenues excluding Currency & Acquisitions	Nine Months Ended September 30,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
2021					Reduced-Risk Products	2020	% Change		
\$ 2,967	\$ 206	\$ 2,761	\$ 2	\$ 2,759	European Union	\$ 1,861	59.5%	48.4%	48.3%
951	(45)	996	-	996	Eastern Europe	789	20.5%	26.2%	26.2%
98	1	97	-	97	Middle East & Africa	52	90.2%	87.7%	87.7%
7	-	7	-	7	South & Southeast Asia	-	-	-	-
2,659	36	2,622	-	2,622	East Asia & Australia	2,169	22.6%	20.9%	20.9%
42	1	41	-	41	Americas	20	+100%	+100%	+100%
\$ 6,724	\$ 200	\$ 6,524	\$ 2	\$ 6,522	Total RRPs	\$ 4,890	37.5%	33.4%	33.4%
2021					PMI	2020	% Change		
\$ 9,250	\$ 651	\$ 8,599	\$ 2	\$ 8,597	European Union	\$ 7,960	16.2%	8.0%	8.0%
2,632	(74)	2,706	-	2,706	Eastern Europe	2,470	6.6%	9.6%	9.6%
2,306 ^(a)	(66)	2,372	-	2,372	Middle East & Africa	2,348	(1.8)%	1.0%	1.0%
3,284	102	3,182	-	3,182	South & Southeast Asia	3,211	2.3%	(0.9)%	(0.9)%
4,509	101	4,408	-	4,408	East Asia & Australia	4,045	11.5%	9.0%	9.0%
1,320	38	1,282	-	1,282	Americas	1,216	8.6%	5.4%	5.4%
\$ 23,301	\$ 752	\$ 22,549	\$ 2	\$ 22,547	Total PMI	\$ 21,250	9.7%	6.1%	6.1%

(a) Includes a reduction in net revenues of \$246 million related to the Saudi Arabia customs assessments

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

126

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	Adjusted Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
2021							Nine Months Ended September 30,	2020			% Change		
\$ 9,250	\$ -	\$ 9,250	\$ 651	\$ 8,599	\$ 2	\$ 8,597	European Union	\$ 7,960	\$ -	\$ 7,960	16.2%	8.0%	8.0%
2,632	-	2,632	(74)	2,706	-	2,706	Eastern Europe	2,470	-	2,470	6.6%	9.6%	9.6%
2,306	(246) ^(a)	2,552	(66)	2,618	-	2,618	Middle East & Africa	2,348	-	2,348	8.7%	11.5%	11.5%
3,284	-	3,284	102	3,182	-	3,182	South & Southeast Asia	3,211	-	3,211	2.3%	(0.9)%	(0.9)%
4,509	-	4,509	101	4,408	-	4,408	East Asia & Australia	4,045	-	4,045	11.5%	9.0%	9.0%
1,320	-	1,320	38	1,282	-	1,282	Americas	1,216	-	1,216	8.6%	5.4%	5.4%
\$ 23,301	\$ (246)	\$ 23,547	\$ 752	\$ 22,795	\$ 2	\$ 22,793	Total PMI	\$ 21,250	\$ -	\$ 21,250	10.8%	7.3%	7.3%

(a) Represents the Saudi Arabia customs assessments

127

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	Asset Impairment & Exit Costs and Others	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions		Operating Income	Asset Impairment & Exit Costs	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions
2021							Nine Months Ended September 30,	2020			% Change		
\$ 4,811	\$ (56) ^(a)	\$ 4,867	\$ 413	\$ 4,454	\$ -	\$ 4,454	European Union	\$ 3,924	\$ (27) ^(a)	\$ 3,951	23.2%	12.7%	12.7%
913	(11) ^(a)	924	(2)	926	-	926	Eastern Europe	610	(7) ^(a)	617	49.8%	50.1%	50.1%
739	(259) ^(b)	998	(74)	1,072	-	1,072	Middle East & Africa	819	(9) ^(a)	828	20.5%	29.5%	29.5%
1,208	(17) ^(a)	1,225	36	1,189	-	1,189	South & Southeast Asia	1,290	(11) ^(a)	1,301	(5.8)%	(8.6)%	(8.6)%
2,041	(67) ^(a)	2,108	(6)	2,114	-	2,114	East Asia & Australia	1,792	(13) ^(a)	1,805	16.8%	17.1%	17.1%
367	(6) ^(a)	373	12	361	-	361	Americas	328	(4) ^(a)	332	12.3%	8.7%	8.7%
(51)	(51) ^(c)	-	-	-	-	-	Other	-	-	-	-	-	-
\$ 10,028	\$ (467)	\$ 10,495	\$ 379	\$ 10,116	\$ -	\$ 10,116	Total PMI	\$ 8,763	\$ (71)	\$ 8,834	18.8%	14.5%	14.5%

(a) Represents asset impairment and exit costs

(b) Includes the Saudi Arabia customs assessments (\$246 million) and asset impairment and exit costs (\$13 million)

(c) Represents asset acquisition cost related to OtiTopic Inc. in August 2021

128

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	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income Margin excluding Currency & Acquisitions
2021									Nine Months Ended September 30,	2020			% Points Change		
\$ 4,867	\$ 9,250	52.6%	\$ 4,454	\$ 8,599	51.8%	\$ 4,454	\$ 8,597	51.8%	European Union	\$ 3,951	\$ 7,960	49.6%	3.0	2.2	2.2
924	2,632	35.1%	926	2,706	34.2%	926	2,706	34.2%	Eastern Europe	617	2,470	25.0%	10.1	9.2	9.2
998	2,552	39.1%	1,072	2,618	40.9%	1,072	2,618	40.9%	Middle East & Africa	828	2,348	35.3%	3.8	5.6	5.6
1,225	3,284	37.3%	1,189	3,182	37.4%	1,189	3,182	37.4%	South & Southeast Asia	1,301	3,211	40.5%	(3.2)	(3.1)	(3.1)
2,108	4,509	46.8%	2,114	4,408	48.0%	2,114	4,408	48.0%	East Asia & Australia	1,805	4,045	44.6%	2.2	3.4	3.4
373	1,320	28.3%	361	1,282	28.2%	361	1,282	28.2%	Americas	332	1,216	27.3%	1.0	0.9	0.9
\$ 10,495	\$ 23,547	44.6%	\$ 10,116	\$ 22,795	44.4%	\$ 10,116	\$ 22,793	44.4%	Total PMI	\$ 8,834	\$ 21,250	41.6%	3.0	2.8	2.8

(a) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 128

(b) For the calculation of Adjusted Net Revenues excluding currency and acquisitions refer to slide 127

129

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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

Years Ended December 31,	Net Revenues					
Reduced-Risk Products	2020	2019	2018	2017	2016	2015
European Union	\$ 2,649	\$ 1,724	\$ 865	\$ 269	\$ 57	\$ 29
Eastern Europe	1,128	844	324	55	6	-
Middle East & Africa	57	321	382	94	4	-
South & Southeast Asia	1	-	-	-	-	-
East Asia & Australia	2,961	2,671	2,506	3,218	666	35
Americas	31	27	19	4	1	-
Total RRP	\$ 6,827	\$ 5,587	\$ 4,096	\$ 3,640	\$ 733	\$ 64
PMI	2020	2019	2018	2017	2016	2015
European Union	\$ 10,702	\$ 9,817	\$ 9,298	\$ 8,318	\$ 8,162	\$ 8,068
Eastern Europe	3,378	3,282	2,921	2,711	2,484	2,735
Middle East & Africa	3,088	4,042	4,114	3,988	4,516	4,629
South & Southeast Asia	4,396	5,094	4,656	4,417	4,396	4,288
East Asia & Australia	5,429	5,364	5,580	6,373	4,285	3,915
Americas	1,701	2,206	3,056	2,941	2,842	3,159
Total PMI	\$ 28,694	\$ 29,805	\$ 29,625	\$ 28,748	\$ 26,685	\$ 26,794

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

130

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Calculation of Adjusted Operating Income Margins (\$ in millions) / (Rounded)

	Operating Income	Asset Impairment & Exit Costs and Others	Adjusted Operating Income	Net Revenues	Adjusted Operating Income Margin
Year Ended December 31, 2017					
European Union	\$ 3,691	\$ -	\$ 3,691	\$ 8,318	44.4%
Eastern Europe	887	-	887	2,711	32.7%
Middle East & Africa	1,884	-	1,884	3,988	47.2%
South & Southeast Asia	1,514	-	1,514	4,417	34.3%
East Asia & Australia	2,608	-	2,608	6,373	40.9%
Americas	997	-	997	2,941	33.9%
Total PMI	\$ 11,581	\$ -	\$ 11,581	\$ 28,748	40.3%
Year Ended December 31, 2016					
European Union	\$ 3,920	\$ -	\$ 3,920	\$ 8,162	48.0%
Eastern Europe	890	-	890	2,484	35.8%
Middle East & Africa	1,990	-	1,990	4,516	44.1%
South & Southeast Asia	1,474	-	1,474	4,396	33.5%
East Asia & Australia	1,691	-	1,691	4,285	39.5%
Americas	938	-	938	2,842	33.0%
Total PMI	\$ 10,903	\$ -	\$ 10,903	\$ 26,685	40.9%
Year Ended December 31, 2015					
European Union	\$ 3,530	\$ (68)	\$ 3,598	\$ 8,068	44.6%
Eastern Europe	1,073	-	1,073	2,735	39.2%
Middle East & Africa	2,205	-	2,205	4,629	47.6%
South & Southeast Asia	1,186	-	1,186	4,288	27.7%
East Asia & Australia	1,666	-	1,666	3,915	42.6%
Americas	1,085	-	1,085	3,159	34.3%
Total PMI	\$ 10,745	\$ (68)	\$ 10,813	\$ 26,794	40.4%

	Operating Income	Asset Impairment & Exit Costs and Others	Adjusted Operating Income	Net Revenues	Adjusted Operating Income Margin
Year Ended December 31, 2020					
European Union	\$ 5,098	\$ (57)	\$ 5,155	\$ 10,702	48.2%
Eastern Europe	871	(15)	886	3,378	26.2%
Middle East & Africa	1,026	(19)	1,045	3,088	33.8%
South & Southeast Asia	1,709	(23)	1,732	4,396	39.4%
East Asia & Australia	2,400	(26)	2,426	5,429	44.7%
Americas	564	110	454	1,701	26.7%
Total PMI	\$ 11,668	\$ (30)	\$ 11,698	\$ 28,694	40.8%
Year Ended December 31, 2019					
European Union	\$ 3,970	\$ (342)	\$ 4,312	\$ 9,817	43.9%
Eastern Europe	547	(374)	921	3,282	28.1%
Middle East & Africa	1,684	-	1,684	4,042	41.7%
South & Southeast Asia	2,163	(20)	2,183	5,094	42.9%
East Asia & Australia	1,932	-	1,932	5,364	36.0%
Americas	235	(493)	728	2,206	33.0%
Total PMI	\$ 10,531	\$ (1,229)	\$ 11,760	\$ 29,805	39.5%
Year Ended December 31, 2018					
European Union	\$ 4,105	\$ -	\$ 4,105	\$ 9,298	44.1%
Eastern Europe	902	-	902	2,921	30.9%
Middle East & Africa	1,627	-	1,627	4,114	39.5%
South & Southeast Asia	1,747	-	1,747	4,656	37.5%
East Asia & Australia	1,851	-	1,851	5,580	33.2%
Americas	1,145	-	1,145	3,056	37.5%
Total PMI	\$ 11,377	\$ -	\$ 11,377	\$ 29,265	38.4%

131

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Calculation of Total Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA Ratios (\$ in millions, except ratios) / (Unaudited)

	Years Ended December 31,												
	2008 ⁽¹⁾	2009 ⁽¹⁾	2010 ⁽¹⁾	2011 ⁽¹⁾	2012 ⁽¹⁾	2013	2014	2015	2016	2017	2018	2019	2020
Net Earnings	\$ 7,150	\$ 6,552	\$ 7,498	\$ 8,879	\$ 9,154	\$ 8,850	\$ 7,658	\$ 7,032	\$ 7,250	\$ 6,341	\$ 8,286	\$ 7,728	\$ 8,592
Equity (income)/loss in unconsolidated subsidiaries, net	-	6	8	10	17	22	(105)	(105)	(94)	(59)	(60)	(149)	(16)
Provision for income taxes	2,787	2,691	2,826	3,653	3,833	3,670	3,097	2,688	2,768	4,307	2,445	2,293	2,377
Interest expense, net	311	797	876	800	859	973	1,052	1,008	891	914	665	570	618
Depreciation and amortization	842	853	932	993	898	882	889	754	743	875	989	964	981
Asset impairment, exit costs and other	208	164	47	109	83	309	535	68	-	-	-	1,229 ⁽²⁾	30
Adjusted EBITDA	\$ 11,298	\$ 11,063	\$ 12,187	\$ 14,444	\$ 14,844	\$ 14,706	\$ 13,126	\$ 11,445	\$ 11,558	\$ 12,378	\$ 12,325	\$ 12,635	\$ 12,582
Short-term borrowings	\$ 375	\$ 1,662	\$ 1,747	\$ 1,511	\$ 2,419	\$ 2,400	\$ 1,208	\$ 825	\$ 643	\$ 499	\$ 730	\$ 338	\$ 244
Current portion of long-term debt	209	82	1,385	2,206	2,781	1,255	1,318	2,405	2,573	2,506	4,054	4,051	3,124
Long-term debt	11,377	13,672	13,370	14,828	17,639	24,023	26,929	25,250	25,851	31,334	26,975	26,656	28,168
Total Debt	\$ 11,961	\$ 15,416	\$ 16,502	\$ 18,545	\$ 22,839	\$ 27,678	\$ 29,455	\$ 28,480	\$ 29,067	\$ 34,339	\$ 31,759	\$ 31,045	\$ 31,536
Cash and cash equivalents	1,531	1,540	1,703	2,550	2,983	2,154	1,682	3,417	4,239	8,447	6,593	6,861	7,280
Net Debt	\$ 10,430	\$ 13,876	\$ 14,799	\$ 15,995	\$ 19,856	\$ 25,524	\$ 27,773	\$ 25,063	\$ 24,828	\$ 25,892	\$ 25,166	\$ 24,184	\$ 24,256
Ratios:													
Total Debt to Adjusted EBITDA	1.06	1.39	1.35	1.28	1.54	1.88	2.24	2.49	2.51	2.77	2.58	2.46	2.51
Net Debt to Adjusted EBITDA	0.92	1.25	1.21	1.11	1.34	1.74	2.12	2.19	2.15	2.09	2.04	1.91	1.93

(1) Certain amounts have been reclassified to conform with the year 2013 presentation due to the separate disclosure of equity (income)/loss in unconsolidated subsidiaries, net

(2) Includes the Canadian tobacco litigation-related expense (\$194 million), the loss on deconsolidation of RBH (\$239 million) and the Russia excise and VAT audit charge (\$374 million)

Note: In 2008, we included Equity Loss from RBH Legal Settlement (\$124 million) and in 2009 we included the Colombian Investment and Cooperation Agreement charge (\$135 million)

132

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,		
	2020	2019	% Change
Reported Diluted EPS	\$ 5.16	\$ 4.61	11.9%
Less: Currency	(0.32)		
Reported Diluted EPS, excluding Currency	\$ 5.48	\$ 4.61	18.9%

	Years Ended December 31,		
	2020	2019	% Change
Reported Diluted EPS	\$ 5.16	\$ 4.61	11.9%
Asset impairment and exit costs	0.08	0.23	
Canadian tobacco litigation-related expense	-	0.09	
Loss on deconsolidation of RBH	-	0.12	
Russia excise and VAT audit charge	-	0.20	
Brazil indirect tax credit	(0.05)	-	
Fair value adjustment for equity security investments	0.04	(0.02)	
Tax items	(0.06)	(0.04)	
Adjusted Diluted EPS	\$ 5.17	\$ 5.19	(0.4)%
Less: Currency	(0.32)		
Adjusted Diluted EPS, excluding Currency	\$ 5.49	\$ 5.19	5.8%

133

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of RBH, excluding Currency
(\$ in millions, except per share data) / (Unaudited)

	Years Ended December 31,		
	2020	2019	% Change
Net Revenues	\$ 28,694	\$ 29,805	(3.7)%
Net Revenues attributable to RBH		(181) ⁽¹⁾	
Net Revenues	\$ 28,694	\$ 29,624 ⁽²⁾	(3.1)%
Less: Currency	(470)		
Net Revenues, ex. currency	\$ 29,164	\$ 29,624 ⁽²⁾	(1.6)%
Adjusted Operating Income ⁽³⁾	\$ 11,698	\$ 11,760	(0.5)%
Operating Income attributable to RBH		(126) ⁽¹⁾	
Adjusted Operating Income	\$ 11,698	\$ 11,634 ⁽²⁾	0.6%
Less: Currency	(474)		
Adjusted Operating Income, ex. currency	\$ 12,172	\$ 11,634 ⁽²⁾	4.6%
Adjusted OI Margin	40.8%	39.5%	1.3
Adjusted OI Margin attributable to RBH		(0.2) ⁽¹⁾	
Adjusted OI Margin	40.8%	39.3% ⁽²⁾	1.5
Less: Currency	(0.9)		
Adjusted OI Margin, ex. currency	41.7%	39.3% ⁽²⁾	2.4
Adjusted Diluted EPS ⁽⁴⁾	\$ 5.17	\$ 5.19	(0.4)%
Net Earnings attributable to RBH		(0.06) ⁽¹⁾	
Adjusted Diluted EPS	\$ 5.17	\$ 5.13 ⁽²⁾	0.8%
Less: Currency	(0.32)		
Adjusted Diluted EPS, ex. currency	\$ 5.49	\$ 5.13 ⁽²⁾	7.0%

(1) Represents the impact attributable to RBH from January 1, 2019 through March 21, 2019

(2) Pro forma

(3) For the calculation of Adjusted Operating Income refer to slide 131

(4) For the calculation refer to slide 133

Note: Financials attributable to RBH include Duty Free sales in Canada

134

PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of RBH, excluding Currency
(\$ in millions) / (Unaudited)

Americas	Years Ended December 31,		
	2020	2019	% Change
Net Revenues	\$ 1,701	\$ 2,206	(22.9)%
Net Revenues attributable to RBH		(179) ⁽¹⁾	
Net Revenues	\$ 1,701	\$ 2,027 ⁽²⁾	(16.1)%
Less: Currency	(165)		
Net Revenues, ex. currency	\$ 1,866	\$ 2,027 ⁽²⁾	(7.9)%
Operating Income	\$ 564	\$ 235	+100%
Less:			
Asset impairment and exit costs	(9)	(60)	
Canadian tobacco litigation-related expense	-	(194)	
Loss on deconsolidation of RBH	-	(239)	
Brazil indirect tax credit	119	-	
Adjusted Operating Income	\$ 454	\$ 728	(37.6)%
Operating Income attributable to RBH		(125) ⁽¹⁾	
Adjusted Operating Income	\$ 454	\$ 603 ⁽²⁾	(24.7)%
Less: Currency	(108)		
Adjusted Operating Income, ex. currency	\$ 562	\$ 603 ⁽²⁾	(6.8)%
Adjusted OI Margin	26.7%	33.0%	(6.3)
Adjusted OI Margin attributable to RBH		(3.3) ⁽¹⁾	
Adjusted OI Margin	26.7%	29.7% ⁽²⁾	(3.0)
Less: Currency	(3.4)		
Adjusted OI Margin, ex. currency	30.1%	29.7% ⁽²⁾	0.4

(1) Represents the impact attributable to RBH from January 1, 2019 through March 21, 2019

(2) Pro forma

135

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	Asset Impairment & Exit Costs and Others	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions		Operating Income	Asset Impairment & Exit Costs and Others	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions
2020							Years Ended December 31,	2019			% Change		
\$ 5,098	\$ (57) ⁽¹⁾	\$ 5,155	\$ (24)	\$ 5,179	\$ -	\$ 5,179	European Union	\$ 3,970	\$ (342) ⁽¹⁾	\$ 4,312	19.6%	20.1%	20.1%
871	(15) ⁽¹⁾	886	(299)	1,185	-	1,185	Eastern Europe	547	(374) ⁽³⁾	921	(3.8)%	28.7%	28.7%
1,026	(19) ⁽¹⁾	1,045	(65)	1,110	-	1,110	Middle East & Africa	1,684	-	1,684	(37.9)%	(34.1)%	(34.1)%
1,709	(23) ⁽¹⁾	1,732	2	1,730	-	1,730	South & Southeast Asia	2,163	(20) ⁽¹⁾	2,183	(20.7)%	(20.8)%	(20.8)%
2,400	(26) ⁽¹⁾	2,426	21	2,405	-	2,405	East Asia & Australia	1,932	-	1,932	25.6%	24.5%	24.5%
564	110 ⁽²⁾	454	(110)	564	-	564	Americas	235	(493) ⁽⁴⁾	728	(37.6)%	(22.5)%	(22.5)%
\$ 11,668	\$ (30)	\$ 11,698	\$ (475)	\$ 12,173	\$ -	\$ 12,173	Total PMI	\$ 10,531	\$ (1,229)	\$ 11,760	(0.5)%	3.5%	3.5%

(1) Represents asset impairment and exit costs

(2) Includes the Brazil indirect tax credit \$119 million and asset impairment and exit costs (\$9 million)

(3) Represents the Russia excise and VAT audit charge

(4) Includes asset impairment and exit costs (\$60 million), the Canadian tobacco litigation-related expense (\$194 million) and the loss on deconsolidation of RBH (\$239 million)

136