



PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

Virtual Annual Meeting of Shareholders

May 6, 2020

Louis C. Camilleri
Chairman

André Calantzopoulos
Chief Executive Officer

Forward-Looking and Cautionary Statements



- This presentation and related discussion contain 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; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco use; 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 and quality of tobacco and other agricultural products and raw materials; 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
- 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 March 31, 2020. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations
- A glossary of key terms and definitions, including the definition for reduced-risk products, or "RRPs," as well as adjustments, other calculations and reconciliations to the most directly comparable U.S. GAAP measures are at the end of today's webcast slides, which are posted on our website

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 results of the pandemic
- While much of the COVID-19 pandemic and its effect on our business is still unknown, currently, significant risks include our diminished ability to convert adult smokers to our RRP as store closures preclude in-person guided trials, 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 COVID-19 outbreak. 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 RRPs 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 RRPs and our efforts to advocate for the development of science-based regulatory frameworks for the development and commercialization of RRPs
- The impact of these risks also depends on factors beyond our knowledge or control, including the duration and severity of the outbreak and actions taken to contain its spread and to mitigate its public health effects, and the ultimate economic consequences thereof



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Agenda

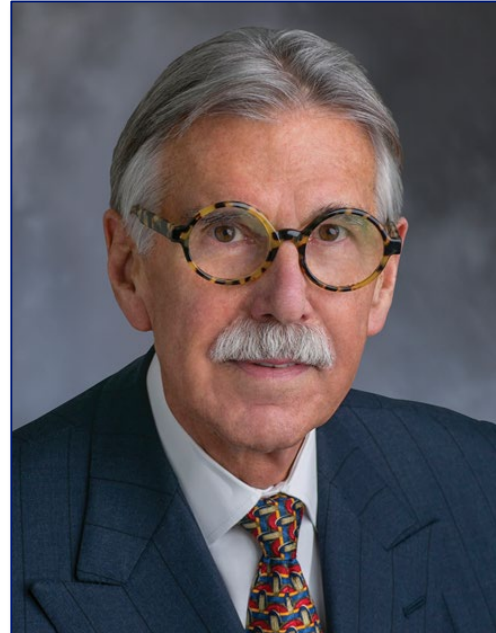


1. Election of Ten Directors
2. Advisory Vote Approving Executive Compensation
3. Ratify the Selection of PricewaterhouseCoopers as Independent Auditors

Special Thanks to Retiring Directors



Massimo Ferragamo



Stephen M. Wolf

Board of Directors



André Calantzopoulos



Louis C. Camilleri



Werner Geissler



Lisa A. Hook



Jennifer Li



Jun Makihara



Kalpana Morparia



Lucio A. Noto



Frederik Paulsen



Robert B. Polet

Agenda



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- 2. Advisory Vote Approving Executive Compensation**
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1. Election of Ten Directors
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Supporting Our Employees and Communities Through the COVID-19 Pandemic



- Our main focus is the health and wellbeing of our employees, their families and the communities in which we operate
- Implemented policies and measures to protect, support and reassure employees
- Outstanding strength and spirit shown by all our people

PMI has Donated
>\$30 million

Across
62 markets

Supporting
hospitals,
crisis centers,
trade partners, and
at-risk populations



Secured and delivered ventilators
to hospitals in Greece



Produced
thousands of
liters of
hand sanitizer

Providing
protective gear
to those who
need it most

PM Brazil converted several production
lines to manufacture hand sanitizers



MEXICO



INDONESIA



PAKISTAN



PHILIPPINES



THE BALTICS



PORTUGAL



SLOVAKIA



ISRAEL



Our Business and Organization Have Shown Resilience in Challenging Times

- Very strong 2019 and Q1, 2020, with continued structural growth momentum
- Our business continues to function well:
 - Sufficient inventories and consumer access to our products
 - Strong balance sheet, liquidity and cash generation
- Pandemic-related restrictions have temporary negative impact on operating environment:
 - Main effects on Duty-Free sales, delayed *IQOS* user acquisition and regulatory price enforcement in Indonesia
- Confident strong *IQOS* user acquisition will start to resume as restrictions ease



Excellent Year in 2019, Strong Start to 2020

(Variance vs. PY)

PMI HTU Shipment Volume

(billion units)

2019

60 (+44%)

Q1, 2020

16.7 (+45%)

PMI Total Shipment Volume

(like-for-like)

(1.4)%

(0.6)%

Net Revenues

(ex-currency, like-for-like)

+6.4%

+10.0%

Combustible Tobacco Pricing^(a)

(like-for-like)

+6.5%

+7.7%

Adjusted OI Margin

(ex-currency, like-for-like)

+170bps

+510bps

Adjusted Diluted EPS

(ex-currency, like-for-like)

+9.9%

+30.1%

(a) As a percentage of PY combustible tobacco net revenues

Note: Comparisons presented on a "like-for-like" basis reflect pro forma 2018 and 2019 results, which have been adjusted for the deconsolidation of our Canadian subsidiary, Rothmans, Benson & Hedges, Inc. (RBH), effective March 22, 2019. For reconciliations to the most directly comparable U.S. GAAP measures for the impact attributable to RBH, refer to slides 36, 38, 40, 42, 44, 47, 49, 51, 53, and 55

Source: PMI Financials or estimates

Main Areas of Business Impact from COVID-19

Duty-Free Sales

- Severely curtailed global travel
- Almost 4% of 2019 net revenues:
 - Skew to premium brands (e.g., *Marlboro* and *HEETS*)
- Expect weak consumer offtake trends to continue until travel starts to recover

IQOS User Acquisition

- Lockdown/restrictive measures hamper ability to engage with adult smokers
- IQOS retail touchpoints closed in a number of markets:
 - Digital tools and flexible commercial capabilities allow us to mitigate the impact
- Average user acquisition rate expected to be around 50% lower than previously anticipated (for as long as widespread restrictions continue)
- Expect strong underlying momentum to return as restrictions ease

Indonesia Pricing Enforcement

- 2020, already an abnormal year of catch-up on excise tax and pricing
- New minimum RSP enforcement delayed until June, due to COVID-19 restrictions
- Prolongs unfavorable price gaps, an added headwind for:
 - The risk of down-trading
 - The timing of price increases
 - Market share

COVID-19 Impact on Consumption Patterns



In Developed Markets

- Stronger social support programs
- Only limited impact on consumption so far
- Instances of pantry-loading in certain markets around the introduction of restrictions:
 - Generally short-lived
 - Minimal impact on Q1, 2020 performance
 - Distributor and trade inventory movements being the bigger influence

In Certain Developing Markets

- High prevalence of daily wage workers, lower resources for social support, greater income fragility
- Initial signs of down-trading, reduced daily consumption in some countries
- Assume this will temporarily continue while pandemic-driven restrictions last
- Less developed route-to-market infrastructure:
 - Potential difficulties for some smaller general trade outlets, which may lead to temporary localized out-of-stocks

Our Supply Chain and Inventories are Resilient



Manufacturing & Distribution Operations Functioning Well

- Implemented contingency measures to ensure continuity of production and customer supply
- Inventories remain healthy, on average:
 - >2 months on HTUs
 - >3 months on IQOS devices
 - >1.5 months on cigarettes
- All HTU factories are currently operating with sufficient capacity
- Around 20% of cigarette production capacity currently affected by temporary shutdowns
- In the Philippines, our factory is currently subject to quarantine-related restrictions:
 - We have observed some increased demand for our products in recent weeks, driven by competitor out-of-stocks
 - If restrictions continue until the end of May, we could reach out-of-stocks on some SKUs, mainly in local brands
- Aside from this, we do not currently see any major operating income market as being at risk

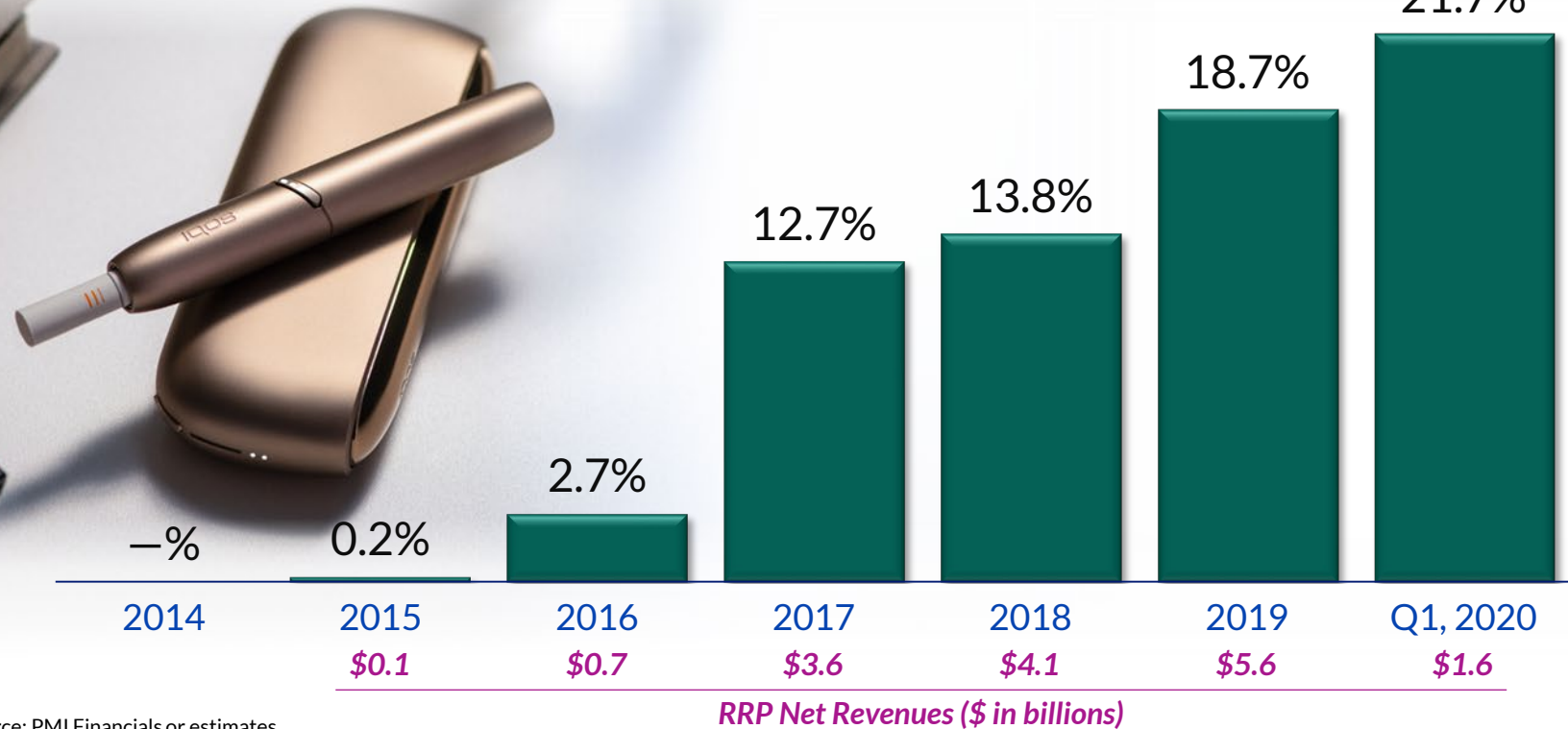


Our Financial Position Remains Robust

- Ample liquidity sources
- Strong balance sheet
- As of March 31, 2020:
 - Approximately \$3.7 billion in cash and cash equivalents
 - \$1.1 billion of commercial paper (around 30-day average term)
 - \$7.5 billion in stand-by revolving credit facilities
 - Well-laddered bond portfolio
 - Net debt of 1.9x adjusted EBITDA (12 months rolling)
- Cash outflows/inflows:
 - Repaid \$3.6 billion in bond maturities in Q1, 2020 (and issued new bonds of \$2.25 billion in April 2020)
 - Paid around \$3.6 billion in dividends to shareholders YTD April 2020
 - Committed to the dividend

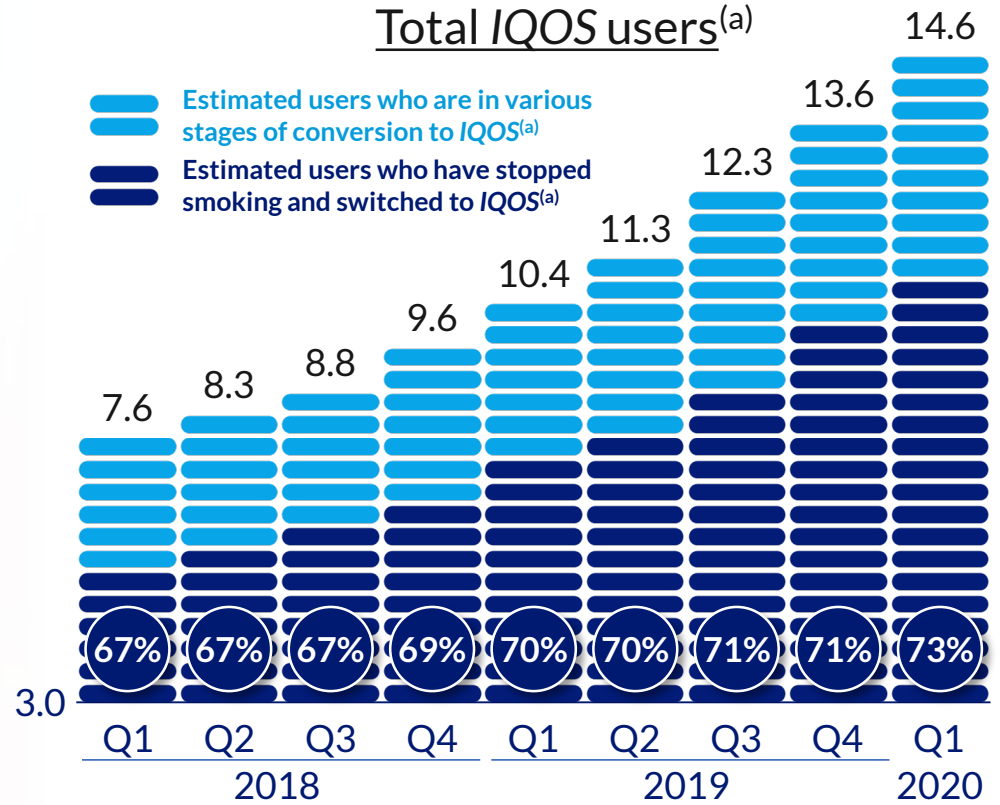
Strong RRP Net Revenue Growth

As a % of Total PMI Net Revenues



Approaching 15 Million IQOS Users

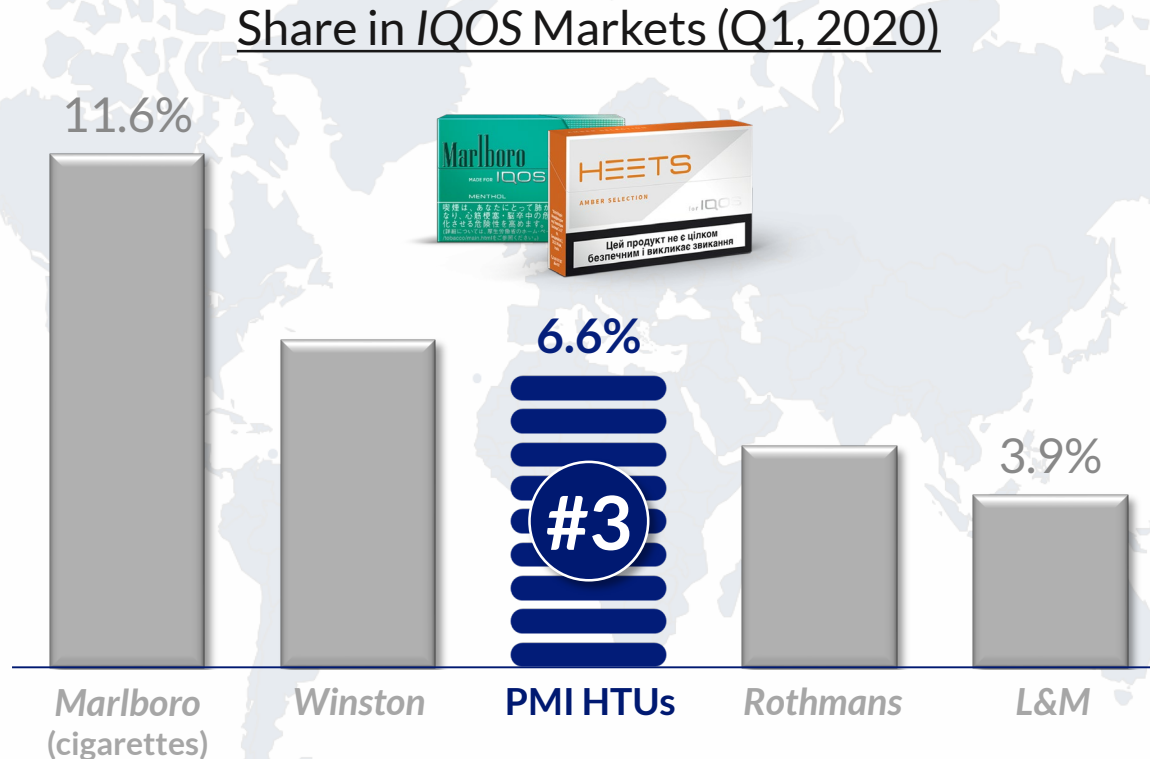
(in millions)



(a) See Glossary for definition

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

Third-Largest Tobacco 'Brand' in IQOS Markets

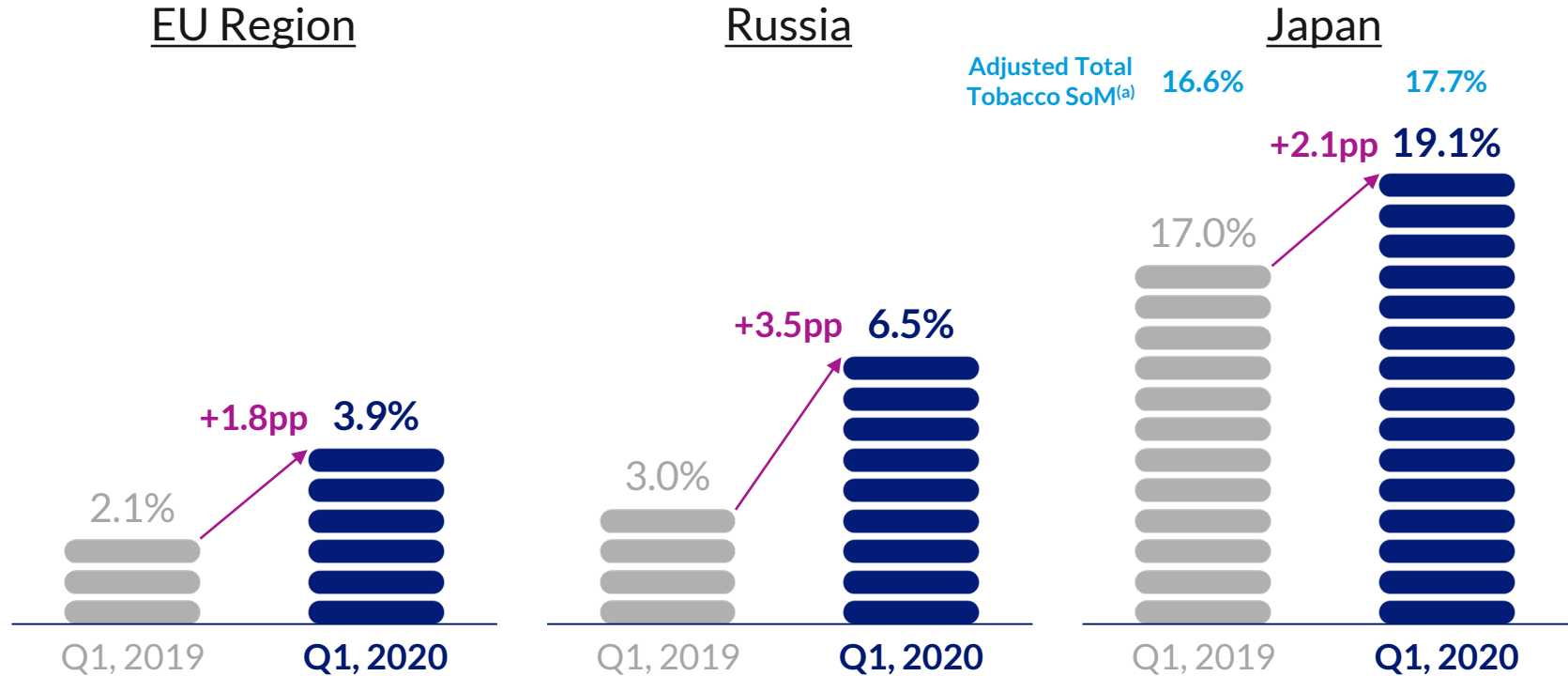


Note: Excluding the U.S. Reflects sales volume as a percentage of the total industry sales volume for cigarettes and HTUs

Source: PMI Financials or estimates



Strong PMI HTU Share Growth in Key Geographies



(a) Excluding the impact of estimated trade inventory movements, and including the cigarillo category
Source: PMI Financials or estimates

Expect Robust Underlying Trends to Provide Resilience in Highly Uncertain Times

- Continued strong underlying business momentum, especially the impressive growth of RRP
- Remain confident in structural mid-term growth prospects
- Strong organization, liquidity and balance sheet
- Strong commitment to our dividend
- Strong commitment to delivering a Smoke-Free Future for the benefit of people who smoke, and all other stakeholders





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Question and Comment Session



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



Glossary: General Terms

- "PMI" refers to Philip Morris International Inc. and its subsidiaries
- 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")
- "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
- Trademarks are italicized
- 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
- "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



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
- "LA&C" is defined as the Latin America & Canada Region
- 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



Glossary: General Terms (cont.)

- "Contraband" refers to genuine tobacco products that are produced for lawful distribution in their market of intended destination but illegally diverted into a different market (i.e., smuggling)
- "Counterfeit" refers to tobacco products that have been manufactured without the permission of the trademark rights holder
- "Illicit trade" refers to domestic non-tax paid products
- "RSP" stands for retail selling price
- "SKU" stands for stock keeping unit
- "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, IQOS devices and related accessories, and other nicotine-containing products, primarily e-vapor 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 Operating Income (OI) Margin" is calculated as adjusted OI, divided by net revenues
- "Adjusted EBITDA" is defined as earnings before interest, taxes, depreciation, amortization and equity (income)/loss in unconsolidated subsidiaries, excluding asset impairment and exit costs, and unusual items
- "Net debt" is defined as total debt, less cash and cash equivalents
- 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. For example, PMI's adjusted diluted EPS and other impacted results reflect the loss on deconsolidation of RBH and the Canadian tobacco litigation-related expense, recorded in the first quarter of 2019, and the Russia excise & VAT charge, recorded in the third quarter of 2019. PMI believes that the adjusted 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 first-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," or "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 RRP are smoke-free products that produce an aerosol that contains 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 Marlboro* and *HEETS FROM MARLBORO*, defined collectively as *HEETS*, as well as *Marlboro HeatSticks* and *Parliament HeatSticks*
- 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
- 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
- National 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



Glossary: Reduced-Risk Products (cont.)

- "Total IQOS users" is defined as the estimated number of Legal Age (minimum 18 years) IQOS users that used PMI HTUs for at least 5% of their daily tobacco consumption over the past seven days
- "Converted IQOS Users" is defined as the estimated number of Legal Age (minimum 18 years) IQOS users that used PMI HTUs for over 95% of their daily tobacco consumption over the past seven days
- "Predominant IQOS Users" is defined as the estimated number of Legal Age (minimum 18 years) IQOS users that used PMI HTUs units for between 70% and 95% of their daily tobacco consumption over the past seven days
- "Situational IQOS Users" is defined as the estimated number of Legal Age (minimum 18 years) IQOS users that used PMI HTUs for between 5% and less than 70% of their daily tobacco consumption over the past seven days
- "Abandoned IQOS Users" is defined as the estimated number of Legal Age (minimum 18 years) IQOS users that used PMI HTUs for less than 5% of their daily tobacco consumption over the past seven days
- The estimated number of people who have "stopped smoking and switched to IQOS" is defined as: for markets where IQOS is the only heat-not-burn product, daily individual consumption of PMI HTUs represents the totality of their daily tobacco consumption in the past seven days; for markets where IQOS is one 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% are PMI HTUs
- "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

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 IQOS, PMI's heat-not-burn product, 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 follows 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 a version of its IQOS Platform 1 device 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 order. On March 30, 2020, PMI submitted a supplemental PMTA for the IQOS 3 tobacco heating device with the U.S. Food and Drug Administration
- Shipment volume of heated tobacco units to the U.S. is included in the heated tobacco unit shipment volume of the Latin America & Canada 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 Latin America & Canada segment



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Shipment Volume Adjusted for the Impact of RBH Deconsolidation
(in million units) / (Unaudited)

Total PMI	Quarters Ended March 31,		
	2020	2019	% Change
Total Shipment Volume	173,745	175,795	(1.2)%
Shipment Volume for RBH-owned brands ^(a)		(1,008) ^(b)	
Total Shipment Volume	173,745	174,787^(c)	(0.6)%

(a) Includes Duty Free sales in Canada

(b) Represents volume for RBH-owned brands from January 1, 2019 through March 21, 2019

(c) Pro forma

Note: Shipment Volume includes Cigarettes and Heated Tobacco Units; following the deconsolidation of RBH, we report the volume of brands sold by RBH for which other PMI subsidiaries are the trademark owners



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 March 31,		
	2020	2019	% Change
Reported Diluted EPS	\$ 1.17	\$ 0.87	34.5%
Less: Currency	(0.13)		
Reported Diluted EPS, excluding Currency	\$ 1.30	\$ 0.87	49.4%

	Quarters Ended March 31,			Year Ended
	2020	2019	% Change	2019
Reported Diluted EPS	\$ 1.17	\$ 0.87	34.5%	\$ 4.61
Asset impairment and exit costs	-	0.01		0.23
Canadian tobacco litigation-related expense	-	0.09		0.09
Loss on deconsolidation of RBH	-	0.12		0.12
Russia excise and VAT audit charge	-	-		0.20
Fair value adjustment for equity security investments	0.04	-		(0.02)
Tax items	-	-		(0.04)
Adjusted Diluted EPS	\$ 1.21	\$ 1.09	11.0%	\$ 5.19
Less: Currency	(0.13)			
Adjusted Diluted EPS, excluding Currency	\$ 1.34	\$ 1.09	22.9%	



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of RBH, excluding Currency
(Unaudited)

	Quarters Ended March 31,		
	2020	2019	% Change
Adjusted Diluted EPS^(a)	\$ 1.21	\$ 1.09	11.0%
Net earnings attributable to RBH		(0.06) ^(b)	
Adjusted Diluted EPS	\$ 1.21	\$ 1.03^(c)	17.5%
Less: Currency	(0.13)		
Adjusted Diluted EPS, excluding Currency	\$ 1.34	\$ 1.03^(c)	30.1%

(a) For the calculation, see previous slide

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

(c) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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 March 31,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
		2020			Reduced-Risk Products	2019		% Change	
\$ 624	\$ (17)	\$ 642	\$ -	\$ 642	European Union	\$ 347	79.9%	84.9%	84.9%
265	10	256	-	256	Eastern Europe	108	+100%	+100%	+100%
44	-	43	-	43	Middle East & Africa	98	(55.7)%	(56.0)%	(56.0)%
-	-	-	-	-	South & Southeast Asia	-	-	-	-
613	(2)	615	-	615	East Asia & Australia	683	(10.2)%	(10.0)%	(10.0)%
8	-	8	-	8	Latin America & Canada ^(a)	6	38.5%	41.3%	41.3%
\$ 1,555	\$ (9)	\$ 1,564	\$ -	\$ 1,564	Total RRPs	\$ 1,243	25.1%	25.8%	25.8%
		2020			PMI	2019		% Change	
\$ 2,535	\$ (70)	\$ 2,605	\$ -	\$ 2,605	European Union	\$ 2,159	17.4%	20.7%	20.7%
788	6	782	-	782	Eastern Europe	579	36.1%	35.1%	35.1%
876	(2)	878	-	878	Middle East & Africa	927	(5.5)%	(5.3)%	(5.3)%
1,251	19	1,232	-	1,232	South & Southeast Asia	1,113	12.4%	10.7%	10.7%
1,255	(9)	1,264	-	1,264	East Asia & Australia	1,321	(5.0)%	(4.3)%	(4.3)%
448	(18)	466	-	466	Latin America & Canada	652	(31.3)%	(28.5)%	(28.5)%
\$ 7,153	\$ (74)	\$ 7,227	\$ -	\$ 7,227	Total PMI	\$ 6,751	6.0%	7.1%	7.1%

(a) Net Revenues include revenues from shipments of the IQOS heated tobacco device, heated tobacco units and accessories to Altria Group, Inc., commencing in the third quarter of 2019, for sale under license in the United States

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



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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

	Quarters Ended March 31,		
	2020	2019	% Change
Net Revenues	\$ 7,153	\$ 6,751	6.0%
Net Revenues attributable to RBH		(181) ^(a)	
Net Revenues	\$ 7,153	\$ 6,570 ^(b)	8.9%
Less: Currency	(75)		
Net Revenues, excluding Currency	\$ 7,228	\$ 6,570 ^(b)	10.0%

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

(b) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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	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
2020							Quarters Ended March 31,	2019			% Change		
\$ 1,158	\$ -	\$ 1,158	\$(65)	\$ 1,223	\$ -	\$ 1,223	European Union	\$ 896	\$ -	\$ 896	29.2%	36.5%	36.5%
99	-	99	(92)	191	-	191	Eastern Europe	129	-	129	(23.3)%	48.1%	48.1%
321	-	321	(19)	340	-	340	Middle East & Africa	344	-	344	(6.7)%	(1.2)%	(1.2)%
599	-	599	19	580	-	580	South & Southeast Asia	440	(20) ^(a)	460	30.2%	26.1%	26.1%
486	-	486	(4)	490	-	490	East Asia & Australia	427	-	427	13.8%	14.8%	14.8%
126	-	126	(35)	161	-	161	Latin America & Canada	(186)	(433) ^(b)	247	(49.0)%	(34.8)%	(34.8)%
\$ 2,789	\$ -	\$ 2,789	\$(196)	\$ 2,985	\$ -	\$ 2,985	Total PMI	\$ 2,050	\$(453)	\$ 2,503	11.4%	19.3%	19.3%

(a) Represents asset impairment and exit costs

(b) Includes the Canadian tobacco litigation-related expense (\$194 million) and the loss on deconsolidation of RBH (\$239 million)



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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

	Quarters Ended March 31,		
	2020	2019	% Change
Operating Income	\$ 2,789	\$ 2,050	36.0%
Less:			
Asset impairment and exit costs	-	(20)	
Canadian tobacco litigation-related expense	-	(194)	
Loss on deconsolidation of RBH	-	(239)	
Adjusted Operating Income	\$ 2,789	\$ 2,503	11.4%
Operating Income attributable to RBH		(126) ^(a)	
Adjusted Operating Income	\$ 2,789	\$ 2,377 ^(b)	17.3%
Less: Currency	(195)		
Adjusted Operating Income, excluding Currency	\$ 2,984	\$ 2,377 ^(b)	25.5%

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

(b) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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)	Net Revenues	Adjusted Operating Income Margin	Adjusted Operating Income excluding Currency (a)	Net Revenues excluding Currency (b)	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income excluding Currency & Acquisitions (a)	Net Revenues excluding Currency & Acquisitions (b)	Adjusted Operating Income Margin excluding Currency & Acquisitions		Adjusted Operating Income (a)	Net Revenues	Adjusted Operating Income Margin	Adjusted Operating Income Margin	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income Margin excluding Currency & Acquisitions
									Quarters Ended March 31,				% Points Change		
2020									2019						
\$ 1,158	\$ 2,535	45.7%	\$ 1,223	\$ 2,605	46.9%	\$ 1,223	\$ 2,605	46.9%	European Union	\$ 896	\$ 2,159	41.5%	4.2	5.4	5.4
99	788	12.6%	191	782	24.4%	191	782	24.4%	Eastern Europe	129	579	22.3%	(9.7)	2.1	2.1
321	876	36.6%	340	878	38.7%	340	878	38.7%	Middle East & Africa	344	927	37.1%	(0.5)	1.6	1.6
599	1,251	47.9%	580	1,232	47.1%	580	1,232	47.1%	South & Southeast Asia	460	1,113	41.3%	6.6	5.8	5.8
486	1,255	38.7%	490	1,264	38.8%	490	1,264	38.8%	East Asia & Australia	427	1,321	32.3%	6.4	6.5	6.5
126	448	28.1%	161	466	34.5%	161	466	34.5%	Latin America & Canada	247	652	37.9%	(9.8)	(3.4)	(3.4)
\$ 2,789	\$ 7,153	39.0%	\$ 2,985	\$ 7,227	41.3%	\$ 2,985	\$ 7,227	41.3%	Total PMI	\$ 2,503	\$ 6,751	37.1%	1.9	4.2	4.2

(a) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 41

(b) For the calculation of Net Revenues excluding currency and acquisitions refer to slide 39



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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

	Quarters Ended March 31,		
	2020	2019	% Change
Adjusted Operating Income ^(a)	\$ 2,789	\$ 2,503	11.4%
Net Revenues	\$ 7,153	\$ 6,751	6.0%
Adjusted OI Margin	39.0%	37.1%	1.9
Adjusted OI Margin attributable to RBH		(0.9) ^(b)	
Adjusted OI Margin	39.0%	36.2% ^(c)	2.8
Less: Currency	(2.3)		
Adjusted OI Margin, excluding Currency	41.3%	36.2% ^(c)	5.1

(a) For the calculation of Adjusted Operating Income refer to slide 41

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

(c) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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)

	Year Ended March 31, 2020			Year Ended December 31, 2019
	April ~ December 2019	January ~ March 2020	12 months rolling	
Net Earnings	\$ 6,264	\$ 1,987	\$ 8,251	\$ 7,728
Equity investments and securities (income)/loss, net	(138)	54	(84)	(149)
Provision for income taxes	1,869	596	2,465	2,293
Interest expense, net	418	129	547	570
Depreciation and amortization	724	241	965	964
Asset impairment and exit costs and Others ^(a)	776	-	776	1,229
Adjusted EBITDA	\$ 9,913	\$ 3,007	\$ 12,920	\$ 12,635
			March 31, 2020	December 31, 2019
Short-term borrowings			\$ 1,438	\$ 338
Current portion of long-term debt			1,933	4,051
Long-term debt			24,999	26,656
Total Debt			\$ 28,370	\$ 31,045
Cash and cash equivalents			3,746	6,861
Net Debt			\$ 24,624	\$ 24,184
Ratios:				
Total Debt to Adjusted EBITDA			2.20	2.46
Net Debt to Adjusted EBITDA			1.91	1.91

(a) For the period April to December 2019, Others include the Russia excise and VAT charge (\$374 million). For the year ended December 31, 2019, Others include 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)



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Reconciliation of Reported Diluted EPS to Pro Forma Adjusted Diluted EPS (Unaudited)

	Quarter Ended Mar 31, 2019	Quarter Ended Jun 30, 2019	Six Months Ended Jun 30, 2019	Quarter Ended Sept 30, 2019	Nine Months Ended Sept 30, 2019	Quarter Ended Dec 31, 2019	Year Ended Dec 31, 2019
Reported Diluted EPS	\$ 0.87	\$ 1.49	\$ 2.36	\$ 1.22	\$ 3.57	\$ 1.04	\$ 4.61
Asset impairment and exit costs	0.01	0.01	0.02	0.01	0.03	0.20	0.23
Canadian tobacco litigation-related expense	0.09	-	0.09	-	0.09	-	0.09
Loss on deconsolidation of RBH	0.12	-	0.12	-	0.12	-	0.12
Russia excise and VAT audit charge	-	-	-	0.20	0.20	-	0.20
Fair value adjustment for equity security investments	-	-	-	-	-	(0.02)	(0.02)
Tax items	-	(0.04)	(0.04)	-	(0.04)	-	(0.04)
Adjusted Diluted EPS	\$ 1.09	\$ 1.46	\$ 2.55	\$ 1.43	\$ 3.97	\$ 1.22	\$ 5.19
Net earnings attributable to RBH	(0.06) ^(a)	-	(0.06) ^(a)	-	(0.06) ^(a)	-	(0.06) ^(a)
Pro Forma Adjusted Diluted EPS	\$ 1.03	\$ 1.46	\$ 2.49	\$ 1.43	\$ 3.91	\$ 1.22	\$ 5.13

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

Note: EPS is computed independently for each of the periods presented. Accordingly, the sum of the quarterly EPS amounts may not agree to the total for the year



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Shipment Volume Adjusted for the Impact of RBH Deconsolidation
(in million units) / (Unaudited)

Total PMI	Years Ended December 31,		
	2019	2018	% Change
Total Shipment Volume	766,361	781,687	(2.0)%
Shipment Volume for RBH-owned brands ^(a)		(4,335) ^(b)	
Total Shipment Volume	766,361	777,352 ^(c)	(1.4)%

(a) Includes Duty Free sales in Canada

(b) Represents volume for RBH-owned brands from March 22, 2018 through end of period date

(c) Pro forma

Note: Shipment Volume includes Cigarettes and Heated Tobacco Units; following the deconsolidation of RBH, we report the volume of brands sold by RBH for which other PMI subsidiaries are the trademark owners



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,		
	2019	2018	% Change
Reported Diluted EPS	\$ 4.61	\$ 5.08	(9.3)%
Less: Currency	(0.13)		
Reported Diluted EPS, excluding Currency	\$ 4.74	\$ 5.08	(6.7)%

	Years Ended December 31,		
	2019	2018	% Change
Reported Diluted EPS	\$ 4.61	\$ 5.08	(9.3)%
Asset impairment and exit costs	0.23	-	
Canadian tobacco litigation-related expense	0.09	-	
Loss on deconsolidation of RBH	0.12	-	
Russia excise and VAT audit charge	0.20	-	
Fair value adjustment for equity security investments	(0.02)	-	
Tax items	(0.04)	0.02	
Adjusted Diluted EPS	\$ 5.19	\$ 5.10	1.8%
Less: Currency	(0.13)		
Adjusted Diluted EPS, excluding Currency	\$ 5.32	\$ 5.10	4.3%



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of RBH, excluding Currency
(Unaudited)

	Years Ended December 31,		
	2019	2018	% Change
Adjusted Diluted EPS^(a)	\$ 5.19	\$ 5.10	1.8%
Net earnings attributable to RBH		(0.26) ^(b)	
Adjusted Diluted EPS	\$ 5.19	\$ 4.84^(c)	7.2%
Less: Currency	(0.13)		
Adjusted Diluted EPS, excluding Currency	\$ 5.32	\$ 4.84^(c)	9.9%

(a) For the calculation, see previous slide

(b) Represents the impact attributable to RBH from March 22, 2018 through end of period date

(c) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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	Years Ended December 31,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
		2019			Reduced-Risk Products	2018		% Change	
\$ 1,724	\$(98)	\$ 1,822	\$ -	\$ 1,822	European Union	\$ 865	99.2%	+100%	+100%
844	(19)	864	-	864	Eastern Europe	324	+100%	+100%	+100%
321	(1)	322	-	322	Middle East & Africa	382	(15.8)%	(15.7)%	(15.7)%
-	-	-	-	-	South & Southeast Asia	-	-	-	-
2,671	13	2,658	-	2,658	East Asia & Australia	2,506	6.6%	6.0%	6.0%
27	(1)	28	-	28	Latin America & Canada ^(a)	19	41.9%	49.9%	49.9%
\$ 5,587	\$(106)	\$ 5,693	\$ -	\$ 5,693	Total RRPs	\$ 4,096	36.4%	39.0%	39.0%
		2019			PMI	2018		% Change	
\$ 9,817	\$(563)	\$ 10,380	\$ -	\$ 10,380	European Union	\$ 9,298	5.6%	11.6%	11.6%
3,282	(108)	3,390	-	3,390	Eastern Europe	2,921	12.4%	16.1%	16.1%
4,042	(162)	4,204	-	4,204	Middle East & Africa	4,114	(1.8)%	2.2%	2.2%
5,094	(10)	5,104	-	5,104	South & Southeast Asia	4,656	9.4%	9.6%	9.6%
5,364	(26)	5,390	-	5,390	East Asia & Australia	5,580	(3.9)%	(3.4)%	(3.4)%
2,206	(68)	2,274	-	2,274	Latin America & Canada	3,056	(27.8)%	(25.6)%	(25.6)%
\$ 29,805	\$(937)	\$ 30,742	\$ -	\$ 30,742	Total PMI	\$ 29,625	0.6%	3.8%	3.8%

(a) Net Revenues include revenues from shipments of the IQOS heated tobacco device, heated tobacco units and accessories to Altria Group, Inc., commencing in the third quarter of 2019, for sale under license in the United States

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



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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

	Years Ended December 31,		
	2019	2018	% Change
Net Revenues	\$ 29,805	\$ 29,625	0.6%
Net Revenues attributable to RBH		(742) ^(a)	
Net Revenues	\$ 29,805	\$ 28,883 ^(b)	3.2%
Less: Currency	(937)		
Net Revenues, excluding Currency	\$ 30,742	\$ 28,883 ^(b)	6.4%

(a) Represents the impact attributable to RBH from March 22, 2018 through end of period date

(b) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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 Other	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
2019							Years Ended December 31,	2018			% Change		
\$ 3,970	\$ (342) ^(a)	\$ 4,312	\$ (330)	\$ 4,642	\$ -	\$ 4,642	European Union	\$ 4,105	\$ -	\$ 4,105	5.0%	13.1%	13.1%
547	(374) ^(b)	921	23	898	-	898	Eastern Europe	902	-	902	2.1%	(0.4)%	(0.4)%
1,684	-	1,684	(53)	1,737	-	1,737	Middle East & Africa	1,627	-	1,627	3.5%	6.8%	6.8%
2,163	(20) ^(a)	2,183	17	2,166	-	2,166	South & Southeast Asia	1,747	-	1,747	25.0%	24.0%	24.0%
1,932	-	1,932	37	1,895	-	1,895	East Asia & Australia	1,851	-	1,851	4.4%	2.4%	2.4%
235	(493) ^(c)	728	14	714	-	714	Latin America & Canada	1,145	-	1,145	(36.4)%	(37.6)%	(37.6)%
\$ 10,531	\$ (1,229)	\$ 11,760	\$ (292)	\$ 12,052	\$ -	\$ 12,052	Total PMI	\$ 11,377	\$ -	\$ 11,377	3.4%	5.9%	5.9%

(a) Represents asset impairment and exit costs

(b) Represents the Russia excise and VAT audit charge

(c) 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)



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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

	Years Ended December 31,		
	2019	2018	% Change
Operating Income	\$ 10,531	\$ 11,377	(7.4)%
Less:			
Asset impairment and exit costs	(422)	-	
Canadian tobacco litigation-related expense	(194)	-	
Loss on deconsolidation of RBH	(239)	-	
Russia excise and VAT audit charge	(374)	-	
Adjusted Operating Income	\$ 11,760	\$ 11,377	3.4%
Operating Income attributable to RBH		(542) ^(a)	
Adjusted Operating Income	\$ 11,760	\$ 10,835 ^(b)	8.5%
Less: Currency	(293)		
Adjusted Operating Income, excluding Currency	\$ 12,053	\$ 10,835 ^(b)	11.2%

(a) Represents the impact attributable to RBH from March 22, 2018 through end of period date

(b) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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)	Net Revenues	Adjusted Operating Income Margin	Adjusted Operating Income excluding Currency (a)	Net Revenues excluding Currency (b)	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income excluding Currency & Acquisitions (a)	Net Revenues excluding Currency & Acquisitions (b)	Adjusted Operating Income Margin excluding Currency & Acquisitions		Adjusted Operating Income (a)	Net Revenues	Adjusted Operating Income Margin	Adjusted Operating Income Margin	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income Margin excluding Currency & Acquisitions
									Years Ended December 31,				% Points Change		
									2019	2018					
\$ 4,312	\$ 9,817	43.9%	\$ 4,642	\$ 10,380	44.7%	\$ 4,642	\$ 10,380	44.7%	European Union	\$ 4,105	\$ 9,298	44.1%	(0.2)	0.6	0.6
921	3,282	28.1%	898	3,390	26.5%	898	3,390	26.5%	Eastern Europe	902	2,921	30.9%	(2.8)	(4.4)	(4.4)
1,684	4,042	41.7%	1,737	4,204	41.3%	1,737	4,204	41.3%	Middle East & Africa	1,627	4,114	39.5%	2.2	1.8	1.8
2,183	5,094	42.9%	2,166	5,104	42.4%	2,166	5,104	42.4%	South & Southeast Asia	1,747	4,656	37.5%	5.4	4.9	4.9
1,932	5,364	36.0%	1,895	5,390	35.2%	1,895	5,390	35.2%	East Asia & Australia	1,851	5,580	33.2%	2.8	2.0	2.0
728	2,206	33.0%	714	2,274	31.4%	714	2,274	31.4%	Latin America & Canada	1,145	3,056	37.5%	(4.5)	(6.1)	(6.1)
\$ 11,760	\$ 29,805	39.5%	\$ 12,052	\$ 30,742	39.2%	\$ 12,052	\$ 30,742	39.2%	Total PMI	\$ 11,377	\$ 29,625	38.4%	1.1	0.8	0.8

(a) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 52

(b) For the calculation of Net Revenues excluding currency and acquisitions refer to slide 50



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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

	Years Ended December 31,		
	2019	2018	% Change
Adjusted Operating Income ^(a)	\$ 11,760	\$ 11,377	3.4%
Net Revenues	\$ 29,805	\$ 29,625	0.6%
Adjusted OI Margin	39.5%	38.4%	1.1
Adjusted OI Margin attributable to RBH		(0.9) ^(b)	
Adjusted OI Margin	39.5%	37.5% ^(c)	2.0
Less: Currency	0.3		
Adjusted OI Margin, excluding Currency	39.2%	37.5% ^(c)	1.7

(a) For the calculation of Adjusted Operating Income refer to slide 52

(b) Represents the impact attributable to RBH from March 22, 2018 through end of period date

(c) Pro forma

Note: Financials attributable to RBH include Duty Free in Canada



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	Years Ended December 31,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
					2017	Reduced-Risk Products	2016	% Change	
\$ 269	\$ 5	\$ 264	\$ -	\$ 264	European Union	\$ 57	+100%	+100%	+100%
55	3	52	-	52	Eastern Europe	6	+100%	+100%	+100%
94	(3)	98	-	98	Middle East & Africa	4	+100%	+100%	+100%
-	-	-	-	-	South & Southeast Asia	-	-	-	-
3,218	(94)	3,312	-	3,312	East Asia & Australia	666	+100%	+100%	+100%
4	-	4	-	4	Latin America & Canada	1	+100%	+100%	+100%
\$ 3,640	\$ (89)	\$ 3,729	\$ -	\$ 3,729	Total RRPs	\$ 733	+100%	+100%	+100%
					2017	PMI	2016	% Change	
\$ 8,318	\$ 45	\$ 8,273	\$ -	\$ 8,273	European Union	\$ 8,162	1.9%	1.4%	1.4%
2,711	229	2,482	-	2,482	Eastern Europe	2,484	9.1%	(0.1)%	(0.1)%
3,988	(520)	4,508	-	4,508	Middle East & Africa	4,516	(11.7)%	(0.2)%	(0.2)%
4,417	(63)	4,480	-	4,480	South & Southeast Asia	4,396	0.5%	1.9%	1.9%
6,373	(74)	6,447	-	6,447	East Asia & Australia	4,285	48.7%	50.5%	50.5%
2,941	(54)	2,995	-	2,995	Latin America & Canada	2,842	3.5%	5.4%	5.4%
\$ 28,748	\$ (437)	\$ 29,185	\$ -	\$ 29,185	Total PMI	\$ 26,685	7.7%	9.4%	9.4%

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



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	Years Ended December 31,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
					2016	Reduced-Risk Products	2015	% Change	
\$ 57	\$ (2)	\$ 60	\$ -	\$ 60	European Union	\$ 29	96.4%	+100%	+100%
6	-	6	-	6	Eastern Europe	-	-	-	-
4	1	3	-	3	Middle East & Africa	-	-	-	-
-	-	-	-	-	South & Southeast Asia	-	-	-	-
666	70	597	-	597	East Asia & Australia	35	+100%	+100%	+100%
1	-	1	-	1	Latin America & Canada	-	-	-	-
\$ 733	\$ 67	\$ 666	\$ -	\$ 666	Total RRPs	\$ 64	+100%	+100%	+100%
					2016	PMI	2015	% Change	
\$ 8,162	\$ (147)	\$ 8,309	\$ -	\$ 8,309	European Union	\$ 8,068	1.2%	3.0%	3.0%
2,484	(340)	2,824	-	2,824	Eastern Europe	2,735	(9.2)%	3.3%	3.3%
4,516	(260)	4,776	-	4,776	Middle East & Africa	4,629	(2.4)%	3.2%	3.2%
4,396	(71)	4,467	-	4,467	South & Southeast Asia	4,288	2.5%	4.2%	4.2%
4,285	63	4,222	-	4,222	East Asia & Australia	3,915	9.5%	7.8%	7.8%
2,842	(525)	3,367	-	3,367	Latin America & Canada	3,159	(10.0)%	6.6%	6.6%
\$ 26,685	\$ (1,280)	\$ 27,965	\$ -	\$ 27,965	Total PMI	\$ 26,794	(0.4)%	4.4%	4.4%

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



PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

Virtual Annual Meeting of Shareholders

May 6, 2020