



2023 Third-Quarter Results

October 19, 2023

Introduction

- A glossary of terms, including the definition for smoke-free products^(a) as well as adjustments, other calculations and reconciliations to the most directly comparable U.S. GAAP measures for non-GAAP financial measures cited in this presentation, and additional net revenue data are available in Exhibit 99.2 to the company's Form 8-K dated October 19, 2023 and on our [Investor Relations website](#) with additional non-GAAP reconciliations available at the end of this presentation
- Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions and disposals. As such, figures and comparisons presented on an organic basis exclude Swedish Match up until November 11, 2023

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

Forward-Looking and Cautionary Statements

- This presentation contains projections of future results and goals and other forward-looking statements, including statements regarding business plans, expectations and strategies. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our products in certain markets or countries; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco use and intellectual property; intense competition; the effects of global and individual country economic, regulatory and political developments, natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; the impact of COVID-19 on PMI's business; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations, and limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; adverse changes in the cost, availability, and quality of tobacco and other agricultural products and raw materials, as well as components and materials for our electronic devices; and the integrity of its information systems and effectiveness of its data privacy policies. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce and commercialize reduced-risk products or if regulation or taxation do not differentiate between such products and cigarettes; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; if it is unable to attract and retain the best global talent, including women or diverse candidates; or if it is unable to successfully integrate and realize the expected benefits from recent transactions and acquisitions. Future results are also subject to the lower predictability of our reduced-risk product category's performance
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including PMI's Annual Report on Form 10-K for the fourth quarter and year ended December 31, 2022, the Form 10-Q for the quarter ended June 30, 2023, and the Form 10-Q for the quarter ended September 30, 2023, which will be filed in the coming days. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations

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Very Strong Q3 Driven by IQOS & ZYN

- Excellent +20% ex-currency adj. EPS growth, record quarterly high of \$1.67
- Total shipment volumes +2.2%
- Stellar U.S. ZYN growth of +66%
- Continued strong IQOS growth
- Robust combustible performance
- Double-digit organic OI growth driving margin expansion

Note: Total shipment volume includes HTUs and cigarettes. Volume comparisons versus Swedish Match's third-quarter 2022 results reflect data sourced from its disclosures, available at www.swedishmatch.com/investors
Source: PMI Financials or estimates

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Excellent Q3 Performance Across All Key Metrics

Shipment Volume

(Variance vs. PY)

+2.2%

Net Revenues

(Organic variance vs. PY)

+9.3%

Operating Income

(Organic variance vs. PY)

+11.3%

Adj. Diluted EPS

(Currency neutral variance vs. PY)

+20.3%

+22%

Q3'23 Swedish Match
Adj. Net Revenue
Growth
Excl. Currency^(a)

(a) Excluding accounting reclassification impacts, but including \$10m of SMD logistics net revenue in Q3, 2022 base

Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions. Total shipment volume includes HTUs and cigarettes

Source: PMI Financials or estimates

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Strong YTD Net Revenue & EPS Growth

Shipment Volume

(Variance vs. PY)

+1.5%

Net Revenues

(Organic variance vs. PY)

+7.7%

Operating Income

(Organic variance vs. PY)

+2.4%

Adj. Diluted EPS

(Currency neutral variance vs. PY)

+10.7%

+18%

YTD'23 Swedish Match
Net Revenue
Growth
Excl. Currency^(a)

(a) Excluding accounting reclassification impacts, but including \$29m of SMD logistics net revenue in Jan-Sept, 2022 base and \$15m in 2023 prior to June divestiture

Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions. Total shipment volume includes HTUs and cigarettes

Source: PMI Financials or estimates

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Raising 2023 Currency-Neutral Growth Outlook

	FY 2023 Outlook	
	Previous	Updated
HTU Shipments (units)	125-130 ^{bn}	125-127.5 ^{bn}
Nicotine Pouch Shipments (cans)	370-400 ^m	390-410 ^m
Net Revenue Growth ^(a)	7.5-8.5%	~8%
Adj. Diluted EPS Growth ^(b)	8-9.5%	10.0-10.5%

(a) On an organic basis

(b) Currency-neutral variance

Source: PMI Financials or estimates

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Strong Fundamentals Evident in H2 Outlook

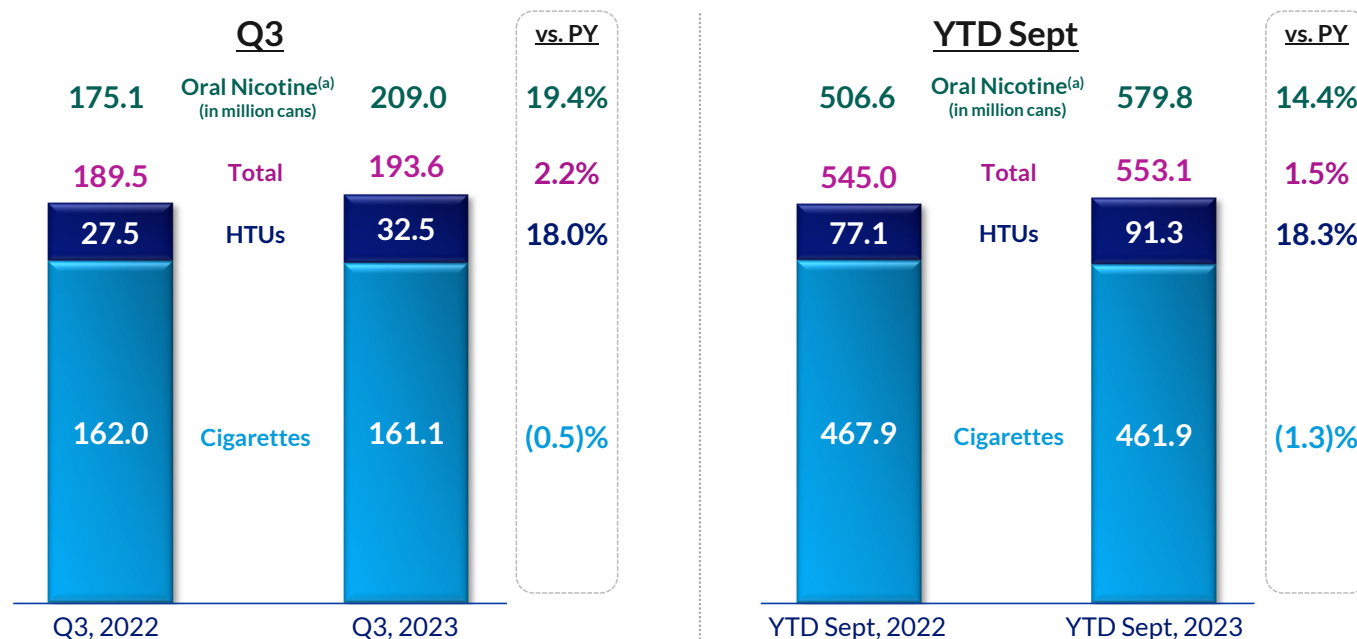
	<u>H1, 2023</u>	<u>H2, 2023</u>	<u>2023 Forecast</u>
Net Revenues (Organic variance vs. PY)	+6.8%	+~9%	+~8%
OI Growth (Organic variance vs. PY)	(2.1)%	+~10%	
OI Margin (Organic variance vs. PY)	(360) ^{bps}	Positive	(150)-(50) ^{bps}
Adj. Diluted EPS (Currency neutral variance vs. PY)	+5.9%	+14-15%	+10.0-10.5%

Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions. H2, 2023 ranges are approximate
Source: PMI Financials or estimates

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Total Volume Growth Driven by IQOS

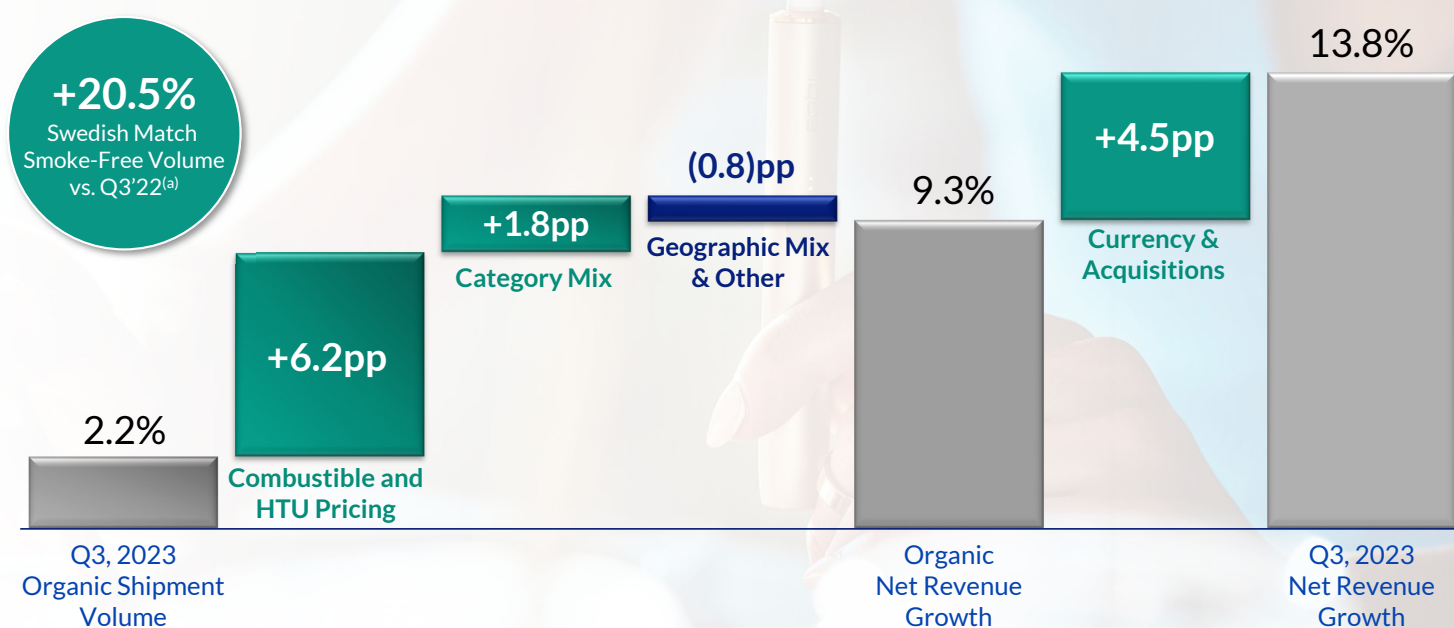
(billion units)



(a) Pro forma, incl. PMI & Swedish Match oral nicotine volumes. Excludes snuff, snuff leaf and U.S. chew
 Note: Total may not foot due to rounding
 Source: PMI Financials or estimates

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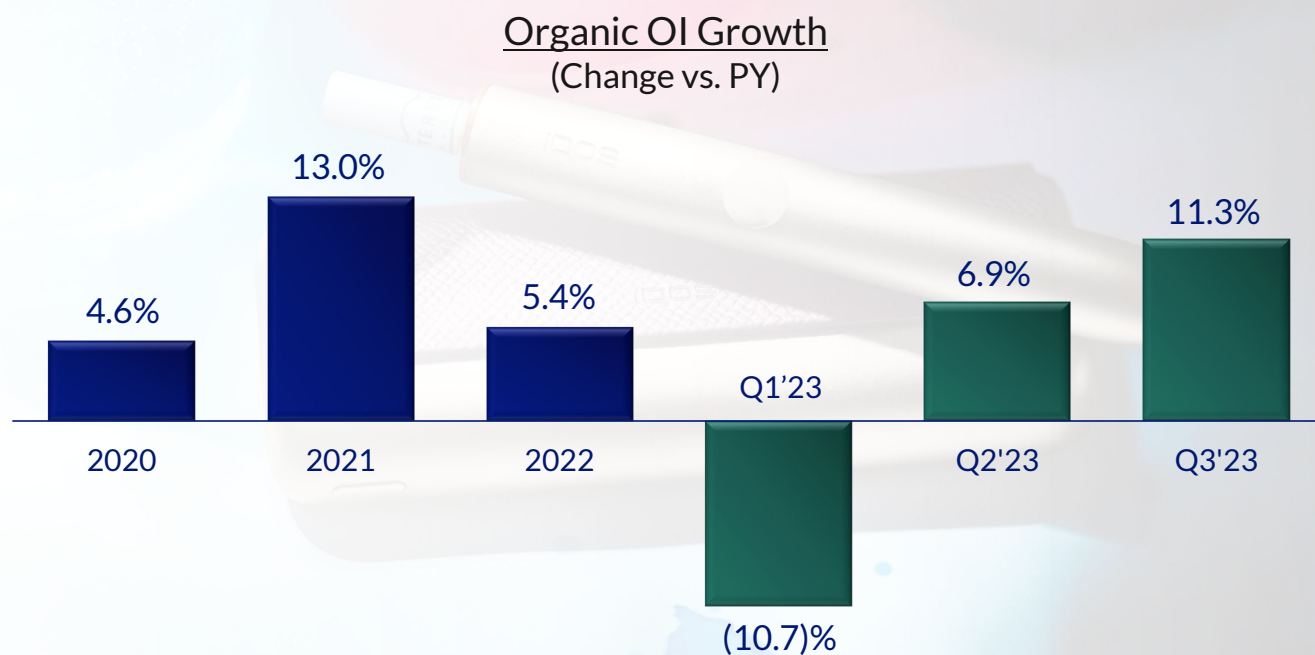
Volume, Price & HTU Mix Powering Top-line Growth



(a) In cans, excluding U.S. chew. Volume comparisons versus Swedish Match's third-quarter 2022 results reflect data sourced from its disclosures, available at www.swedishmatch.com/investors
 Note: Total may not foot due to rounding
 Source: PMI and Swedish Match Financials or estimates

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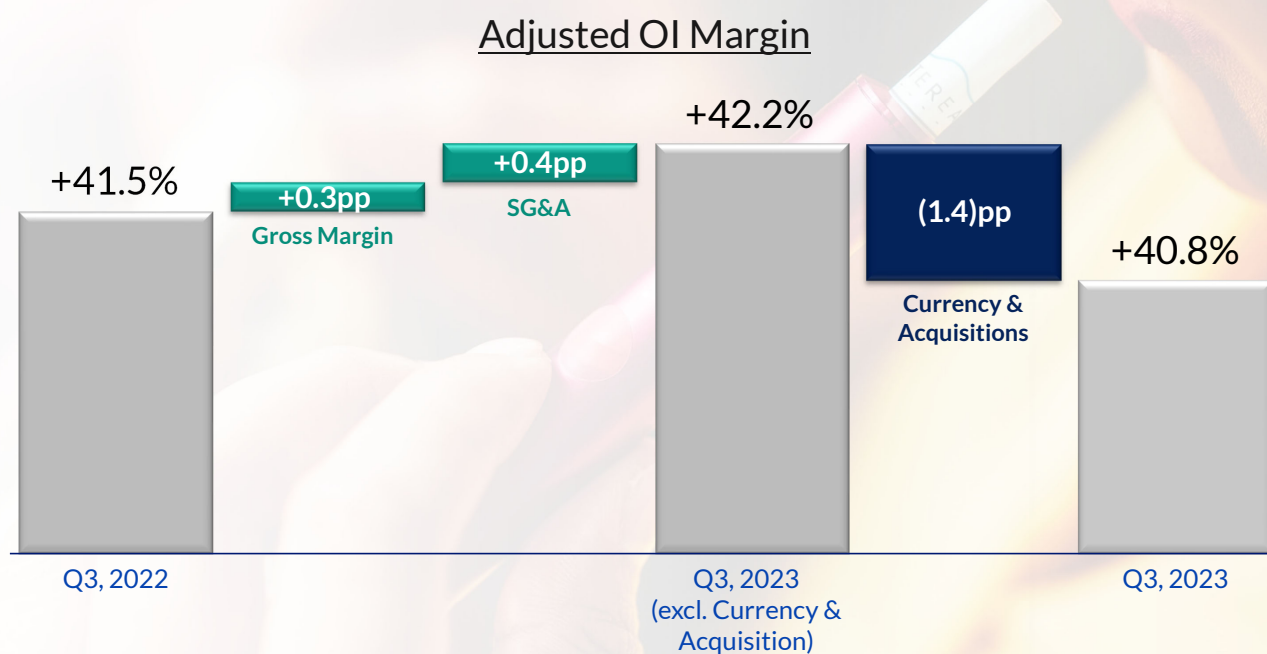
Acceleration in Organic Growth Continues



Source: PMI Financials or estimates

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Return to Organic Margin Expansion



Source: PMI Financials or estimates

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Accelerating Momentum for Swedish Match

- Excellent Q3 ex-currency top-line growth of +22%^(a)
- Accretive to top-line and margins
- Already approaching 1/4 of total smoke-free product contribution^(b)
- Remarkable U.S. ZYN growth

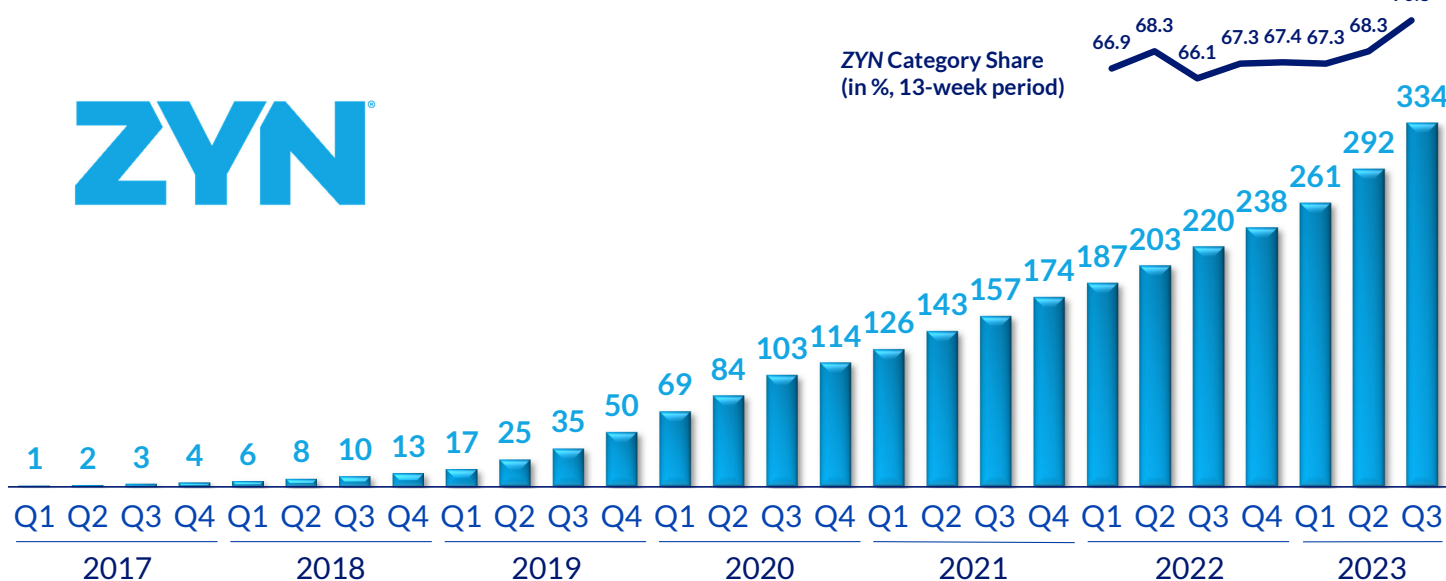


(a) Excluding accounting reclassification impacts, but including \$10m of SMD logistics net revenue in Q3, 2022 base
 (b) 2023 year-to-date, product contribution defined as gross profit minus commercial and R&D costs
 Source: Swedish Match Financials or estimates

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Remarkable ZYN Growth Continues

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



Source: PMI Financials or estimates, Circana

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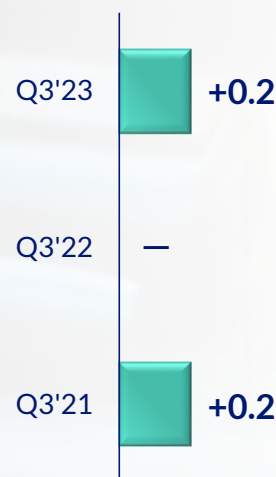
Continued IQOS User Growth with Normal Seasonality

(in millions)

Total IQOS Users^(a)



Total IQOS Users^(a)
Quarterly Growth



(a) See Glossary for definition

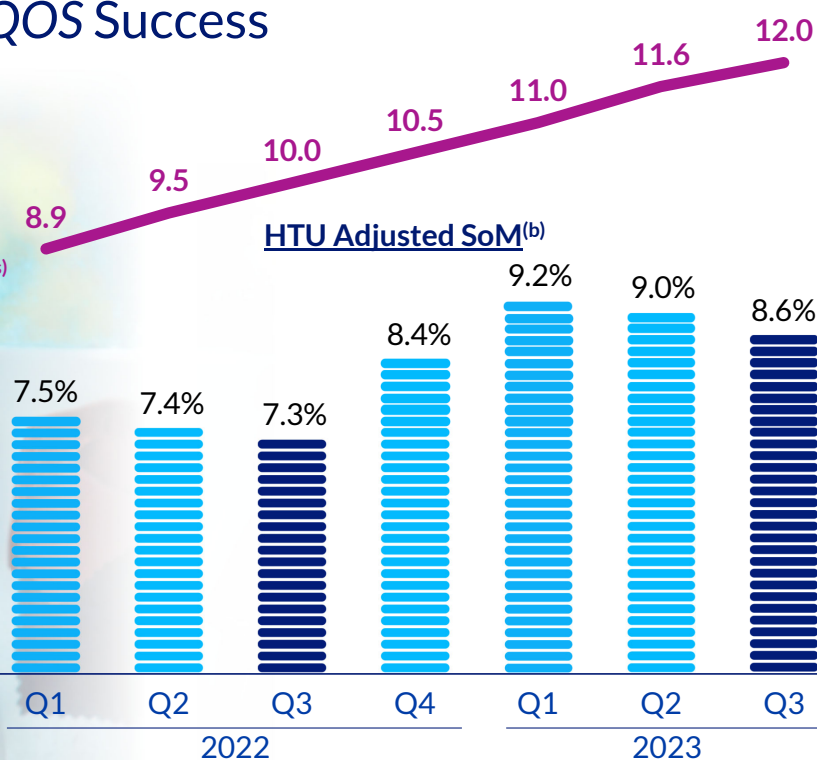
Source: PMI Financials or estimates, IQOS user panels and PMI Market Research

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Europe Region: Continued IQOS Success

Adj. IMS^(a)
(in billion units)

HTU Adjusted SoM^(b)



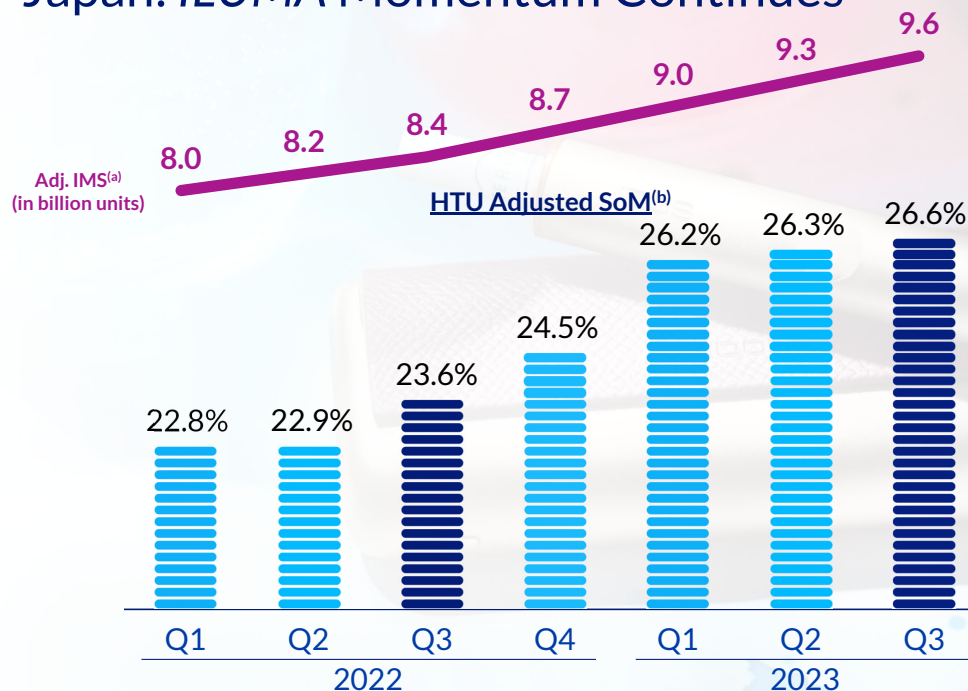
(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average

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

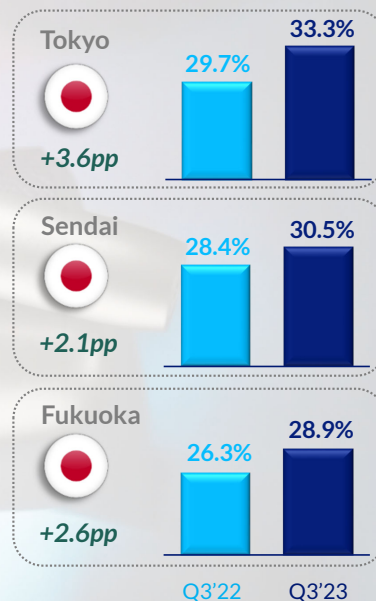
Source: PMI Financials or estimates

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Japan: ILUMA Momentum Continues



Japan HTU Offtake Share^(c)



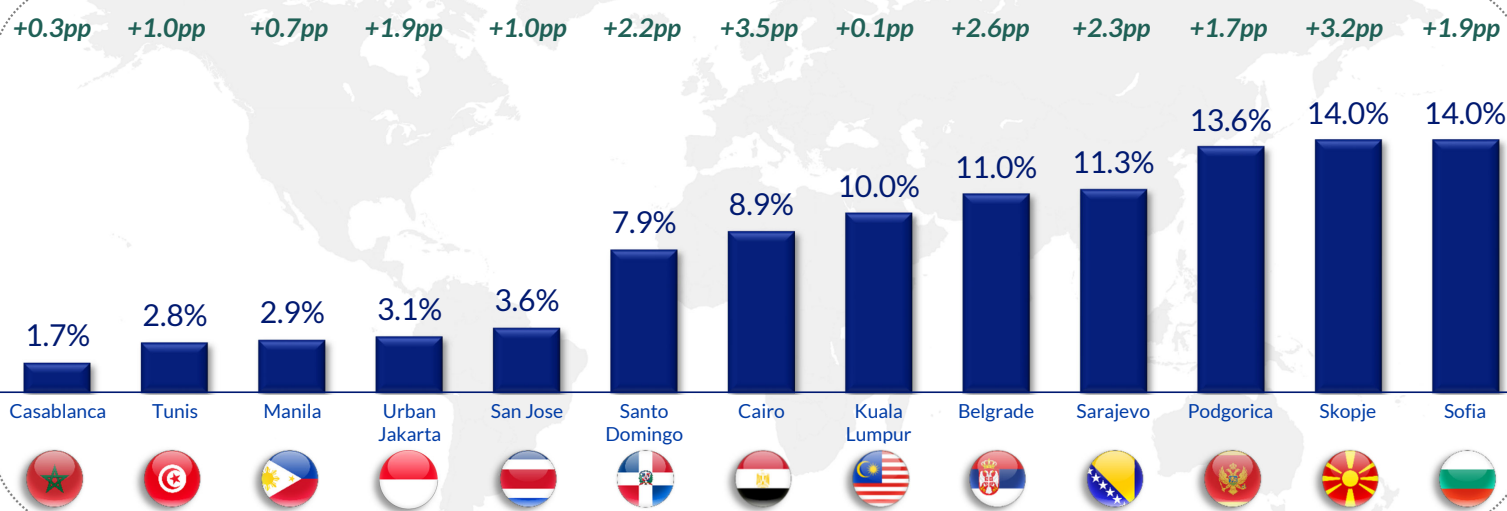
(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average
 (b) Adjusted market share for HTUs defined as the total in-market sales volume for PMI HTUs as a percentage of total estimated sales volume for cigarettes, HTUs and cigarillos and excluding the impact of estimated distributor and wholesaler inventory movements
 (c) Based on 3 C-Store Chains offtake. Base includes cigarettes, cigarillos and HTUs
 Source: PMI Financials or estimates

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Low and Middle-Income Markets: Promising Key City Growth

PMI HTU Offtake Shares (Q3, 2023)

Change vs. PY

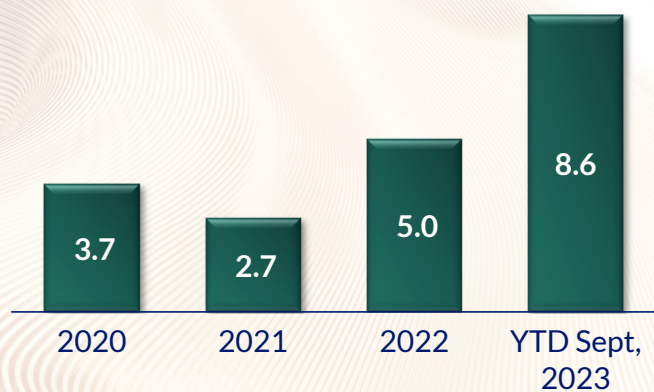


Note: Urban Jakarta represents West, Central and South Jakarta which include an estimated 1.5 million Legal Age Nicotine Users; in Indonesia IQOS is sold via the IQOS club member program
 Cairo represents Urban Cairo, Manila represents Metro Manila. Low and Middle-Income markets defined using World Bank classification
 Source: PMI Financials or estimates

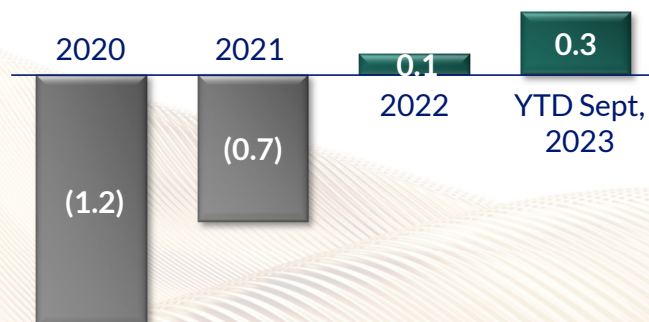
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Combustibles: Higher Pricing and Category Share

Combustible Pricing
(% organic change vs. PY)^(a)



Share of Cigarette Category^(b)
(Change vs. PY in pp)

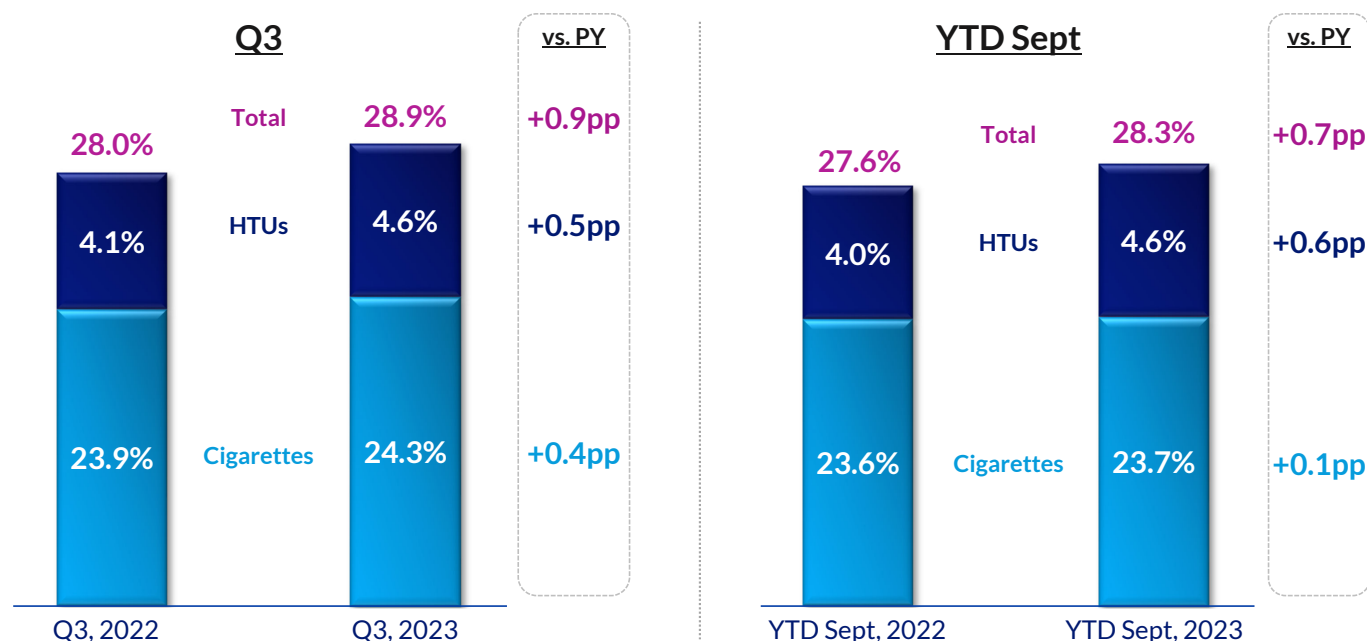


(a) Pricing variance is based on adjusted net revenues

(b) Excludes China and the U.S. Reflects in-market sales volume of PMI cigarettes as a percentage of cigarette industry sales volume and includes cigarillos in Japan
Source: PMI Financials or estimates

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Positive Total Market Share Momentum



Note: Total may not foot due to rounding. Chart not to scale. Excludes China and the U.S. Reflects PMI in-market sales volume as a percentage of combined industry sales volume, including cigarillos in Japan
Source: PMI Financials or estimates

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Innovation & Expansion Driving Future Growth

- Global roll-out of *IQOS ILUMA* continues
- Evolution of *IQOS* consumables with *LEVIA*:
 - Non-tobacco experience to switch more adult smokers
- Investing behind *ZYN* & readying for U.S. *IQOS* launch
- Expanding *ZYN* internationally



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Sustainability: Continued Progress As We Transform

- Product health impact remains our most critical priority
- Important steps on Scope 3 emissions
- World Clean-Up Day: participation of 20,000 PMI employees
- Advocating for rigor and consistency in non-financial reporting

**Presenting at CECP CEO Investor Forum
on November 14, 2023**



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Transforming, Delivering & Rewarding Shareholders

- On track for a very strong year
- Excellent IQOS and ZYN performance
- Innovating to accelerate smoke-free future
- Confident in 2024-26 growth targets
- Ambition to be substantially smoke-free by 2030 (>2/3 net revenues)
- 16 years of dividend growth with 7.2% CAGR



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2023 Third-Quarter Results

Questions & Answers

Have you downloaded the PMI Investor Relations App?

The free IR App is available to download at the Apple App Store for iOS devices and at Google Play for Android mobile devices

Or go to: www.pmi.com/irapp

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Appendix, and Reconciliation of Non-GAAP Measures

2023: EPS Guidance (\$/share)

	Full-Year	
	2023 Forecast	2022
		Growth
Reported Diluted EPS	\$4.95 – \$4.98	\$5.81
Adjustments:		
- Asset impairment and exit costs	0.06	-
- Termination of distribution arrangement in the Middle East	0.04	-
- Income tax impact associated with Swedish Match AB financing	0.03	(0.13)
- Amortization of intangibles ^(a)	0.24	0.09
- Impairment of goodwill and other intangibles	0.44	0.06
- Costs associated with Swedish Match AB offer	-	0.06
- Charges related to the war in Ukraine	0.01	0.08
- Swedish Match AB acquisition accounting related item	0.01	0.06
- Termination of agreement with Foundation for a Smoke-Free World	0.07	-
- South Korea indirect tax charge	0.11	-
- Fair value adj. for equity security investments	(0.02)	(0.02)
- Tax items ^(b)	0.11	(0.03)
- Total Adjustments	1.10	0.17
Adjusted Diluted EPS	\$6.05 – \$6.08	\$5.98
- Less: Currency	(0.53)	
Adjusted Diluted EPS, excluding currency	\$6.58 – \$6.61	\$5.98
		10.0% – 10.5%

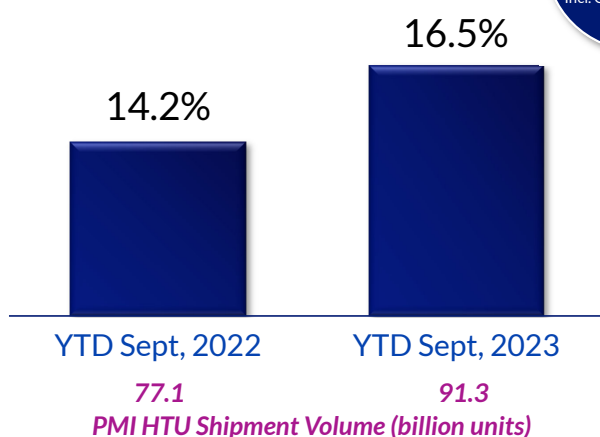
(a) 2023 amount includes \$0.08 related to Swedish Match AB purchase price allocation adjustment
(b) 2023 Tax items relate to the unilateral suspension of certain Russian double tax treaties by the Russian government
Source: PMI Financials or estimates

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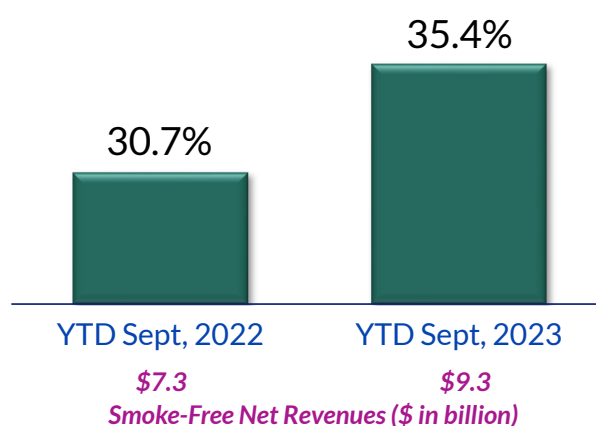
Rapid Progress in Smoke-Free Transformation

HTU Volume Contribution^(a)
(As a % of PMI Total Shipment Volume)

18%
Volume Contribution
Incl. Oral smoke-free^(c)



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



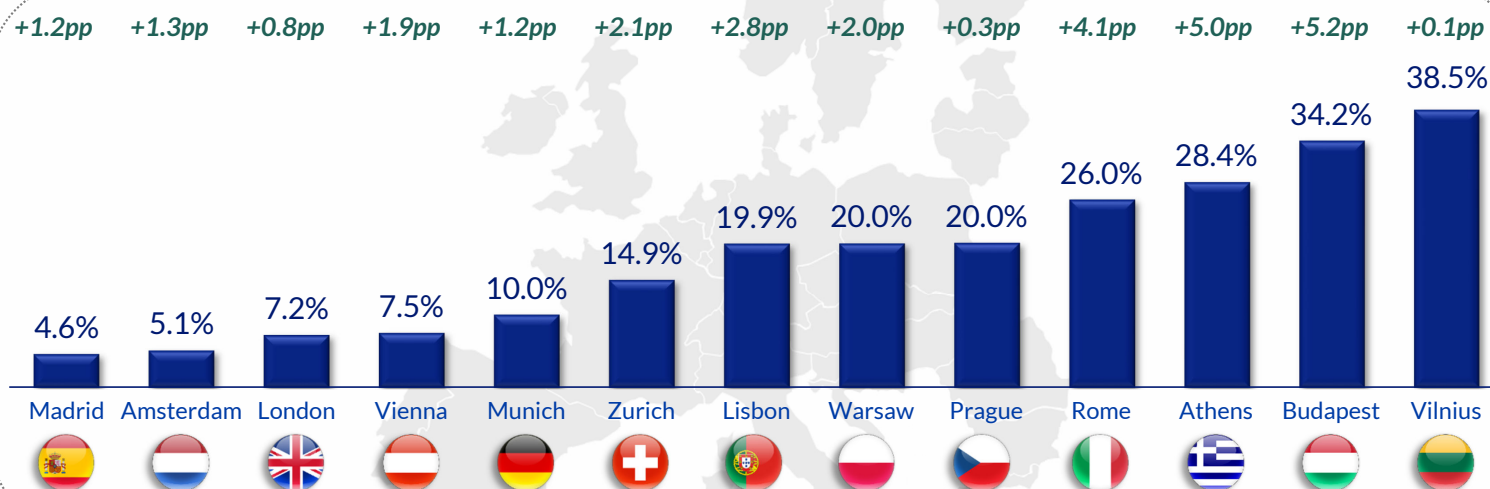
(a) Total shipment volume includes HTUs and cigarettes
(b) Smoke-free net revenues include SFP net revenues and net revenues from the Wellness and Healthcare segment
(c) Conversion rate for illustrative purposes: 1 pouch = 1 stick
Source: PMI Financials or estimates

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Impressive Progress in European Key Cities

PMI HTU Offtake Share (Q3, 2023)

Change vs. PY



Note: Athens represents Attica Region
Source: PMI Financials or estimates

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PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries Reconciliation of Non-GAAP Measures

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

Operating Income	Special Items ^(a)	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions		Operating Income	Special Items ^(a)	Operating Income attributable to RBH ^(b)	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions
2020							Full Year Ended December 31	2019						
\$ 11,668	\$ (30)	\$ 11,698	\$ (474)	\$ 12,172	\$ -	\$ 12,172	Total PMI ^(c)	\$ 10,531	\$ (1,229)	\$ 126	\$ 11,634	0.6%	4.6%	4.6%
2021							Full Year Ended December 31	2020						
\$ 12,975	\$ (609)	\$ 13,584	\$ 269	\$ 13,315	\$ 19	\$ 13,296	Total PMI	\$ 11,668	\$ (103)	\$ -	\$ 11,771	15.4%	13.1%	13.0%
2022							Full Year Ended December 31	2021						
\$ 12,246	\$ (662)	\$ 12,908	\$ (1,507)	\$ 14,415	\$ 99	\$ 14,316	Total PMI	\$ 12,975	\$ (609)	\$ -	\$ 13,584	(5.0)%	6.1%	5.4%
2023							Quarters Ended March 31,	2022						
\$ 2,731	\$ (288)	\$ 3,019	\$ (259)	\$ 3,278	\$ 261	\$ 3,017	Total PMI	\$ 3,298	\$ (80)	\$ -	\$ 3,378	(10.6)%	(3.0)%	(10.7)%
2023							Quarters Ended June 30,	2022						
\$ 2,566	\$ (966)	\$ 3,532	\$ (226)	\$ 3,758	\$ 313	\$ 3,445	Total PMI	\$ 3,056	\$ (168)	\$ -	\$ 3,224	9.6%	16.6%	6.9%

(a) See Slide 31

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

(c) Adjusted Operating Income reflects the historical financials as reported and includes amortization and impairment of intangible assets for the comparison 2020 vs. 2019

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PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Reconciliation of Reported Operating Income to Adjusted Operating Income and RBH Impact
(\$ in millions) / (Unaudited)

	Year Ended December 31, 2019	Year Ended December 31, 2020	Year Ended December 31, 2021	Year Ended December 31, 2022	Quarter Ended March 31, 2022	Quarter Ended June 30, 2022	Quarter Ended March 31, 2023	Quarter Ended June 30, 2023
Reported Operating Income	\$ 10,531	\$ 11,668	\$ 12,975	\$ 12,246	\$ 3,298	\$ 3,056	\$ 2,731	\$ 2,566
Loss on deconsolidation of RBH	(239)	-	-	-	-	-	-	-
Russia excise and VAT audit charge	(374)	-	-	-	-	-	-	-
Canadian tobacco litigation-related expense	(194)	-	-	-	-	-	-	-
Asset impairment and exit costs	(422)	(149)	(216)	-	-	-	(109)	-
Brazil Indirect Tax Credit	-	119	-	-	-	-	-	-
Asset acquisition cost	-	-	(51)	-	-	-	-	-
Saudi Arabia customs assessments	-	-	(246)	-	-	-	-	-
Impairment of goodwill and other intangibles	-	-	-	-	-	-	-	(680)
Amortization of intangibles	-	(73)	(96)	(271)	(38)	(36)	(81)	(82)
Cost associated to Swedish Match AB offer	-	-	-	(115)	-	(52)	-	-
Swedish Match AB acquisition accounting related item	-	-	-	(125)	-	-	(18)	-
Charges related to the war in Ukraine	-	-	-	(151)	(42)	(80)	-	-
Termination of distribution arrangement in the Middle East	-	-	-	-	-	-	(80)	-
South Korea Indirect Tax Charge	-	-	-	-	-	-	-	(204)
Adjusted Operating Income	\$ 11,760	\$ 11,771	\$ 13,584	\$ 12,908	\$ 3,378	\$ 3,224	\$ 3,019	\$ 3,532
Less Operating Income attributable to RBH	126							
Adjusted Operating Income	\$ 11,634							

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