



2023 First-Quarter Results

April 20, 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 of the company's Form 8-K dated April 20, 2023 and on our [Investor Relations website](#)
- 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 and strategies. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our products in certain markets or countries; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco use and intellectual property; intense competition; the effects of global and individual country economic, regulatory and political developments, natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; the impact of COVID-19 on PMI's business; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations, and limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; adverse changes in the cost, availability, and quality of tobacco and other agricultural products and raw materials, as well as components and materials for our electronic devices; and the integrity of its information systems and effectiveness of its data privacy policies. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce and commercialize reduced-risk products or if regulation or taxation do not differentiate between such products and cigarettes; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; if it is unable to attract and retain the best global talent, including women or diverse candidates; or if it is unable to successfully integrate and realize the expected benefits from recent transactions and acquisitions. Future results are also subject to the lower predictability of our reduced-risk product category's performance
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including PMI's Annual Report on Form 10-K for the year ended December 31, 2022 and the Form 10-Q for the quarter ended March 31, 2023, 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

3

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

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



Source: PMI Financials or estimates

4

Q1, 2023: Outperforming Expectations

Net Revenues

(Organic variance vs. PY)

+3.2%

Net Revenue per Unit^(a)

(Organic variance vs. PY)

+4.4%

Adj. Diluted EPS

(Currency neutral variance vs. PY)

(4.4)%

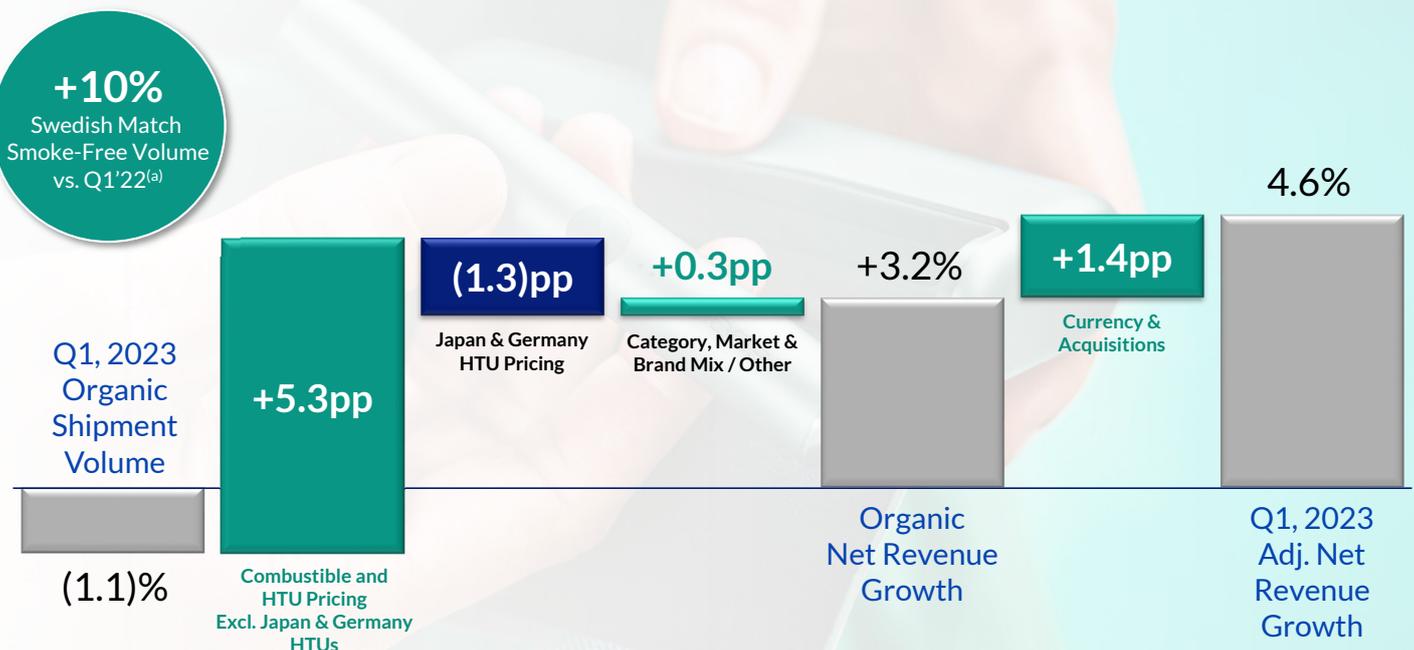
Adj. Diluted EPS

\$1.38

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

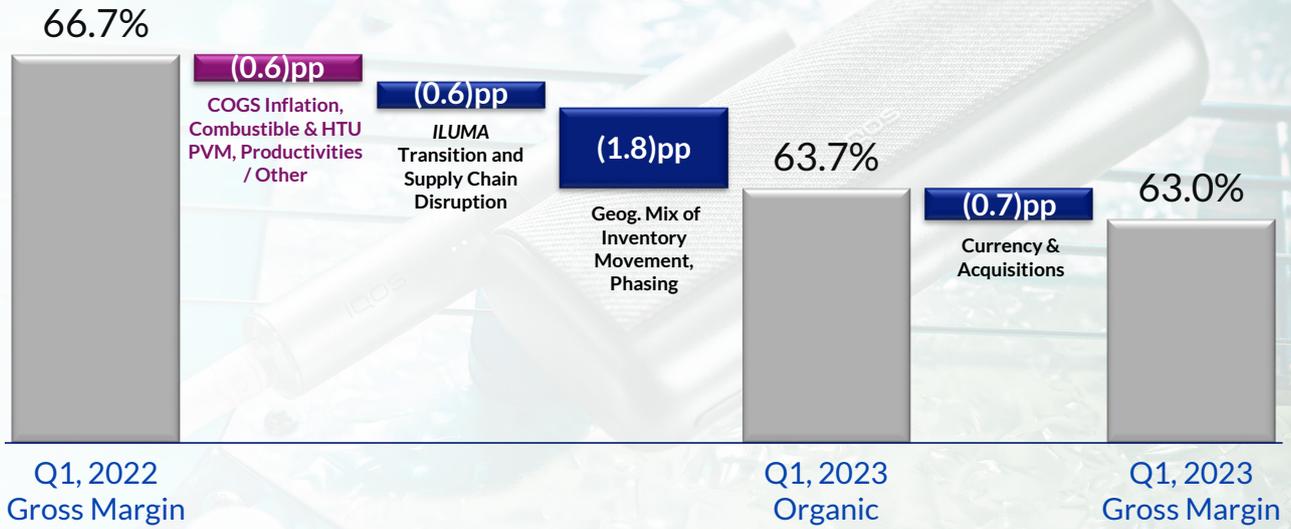
(a) Reflects total PMI net revenues divided by total PMI cigarette and HTU shipment volume
Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions
Source: PMI Financials or estimates

Q1 Organic Net Revenue Growth Driven by Pricing



(a) Excludes U.S. chew
Source: PMI and Swedish Match Financials or estimates

Peak Gross Margin Headwinds As Expected, Fundamentals Intact

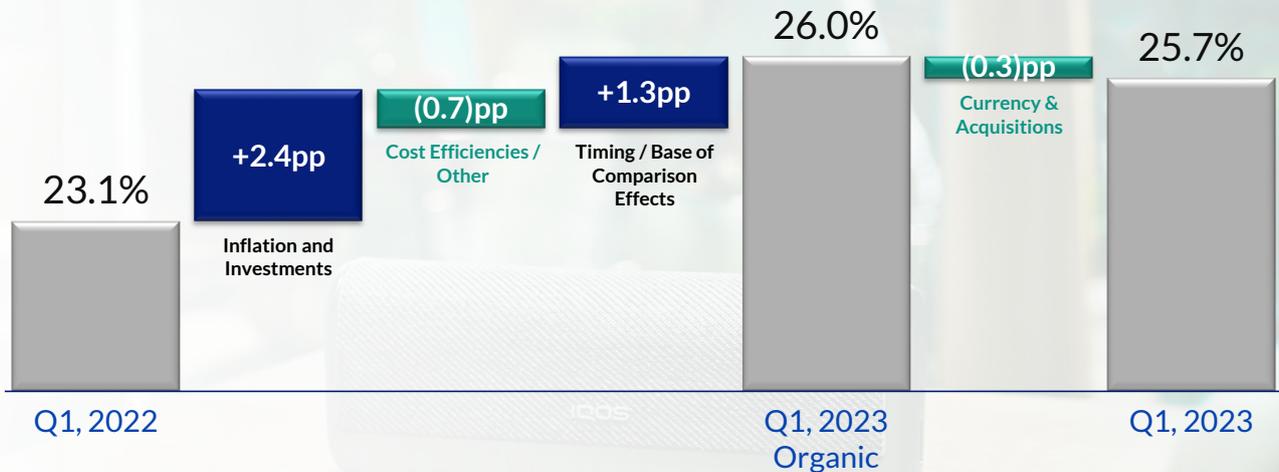


Note: PVM stands for Pricing, Volume and Mix
Source: PMI Financials or estimates

SG&A Increase On Low Comparison, Improvement Expected

(as a % of adjusted Net Revenues)

Marketing, Admin. & Research Costs



Note: Variances are vs. prior year as a percentage of adjusted net revenues. Sum of the drivers does not foot due to rounding
Source: PMI Financials or estimates

2023 Outlook: Confident in Strong Full-Year Delivery

- Continue to expect strong 2023:
 - Q1 delivery supports visibility
 - Adjusted diluted EPS forecast of \$6.10-\$6.22 incl. unfavorable currency impact of 30 cents
- No contribution assumed from German excise tax ruling:
 - If favorable, adjusted diluted EPS growth of 10-12%^(a)
- Remainder of 2023: Accelerated organic net revenue growth, progressive margin improvement:
 - Q2: Expect high single-digit organic top-line growth, HTU shipments of 30-32bn & adjusted diluted EPS of \$1.42 – \$1.47
 - H2: Close to double-digit top-line growth, margin expansion

	Full Year Outlook
HTU Shipment Volumes	125-130 ^{bn}
Net Revenue Growth ^(b)	7.0-8.5%
Adj. OI Margin Contraction ^(b)	(150)-(50) ^{bps}
Adj. Diluted EPS Growth ^(a)	7-9%

(a) Currency neutral variance

(b) On an organic basis, excluding acquisitions and disposals
Source: PMI Financials or estimates

9

Strong Performance Expected For The Remainder of 2023

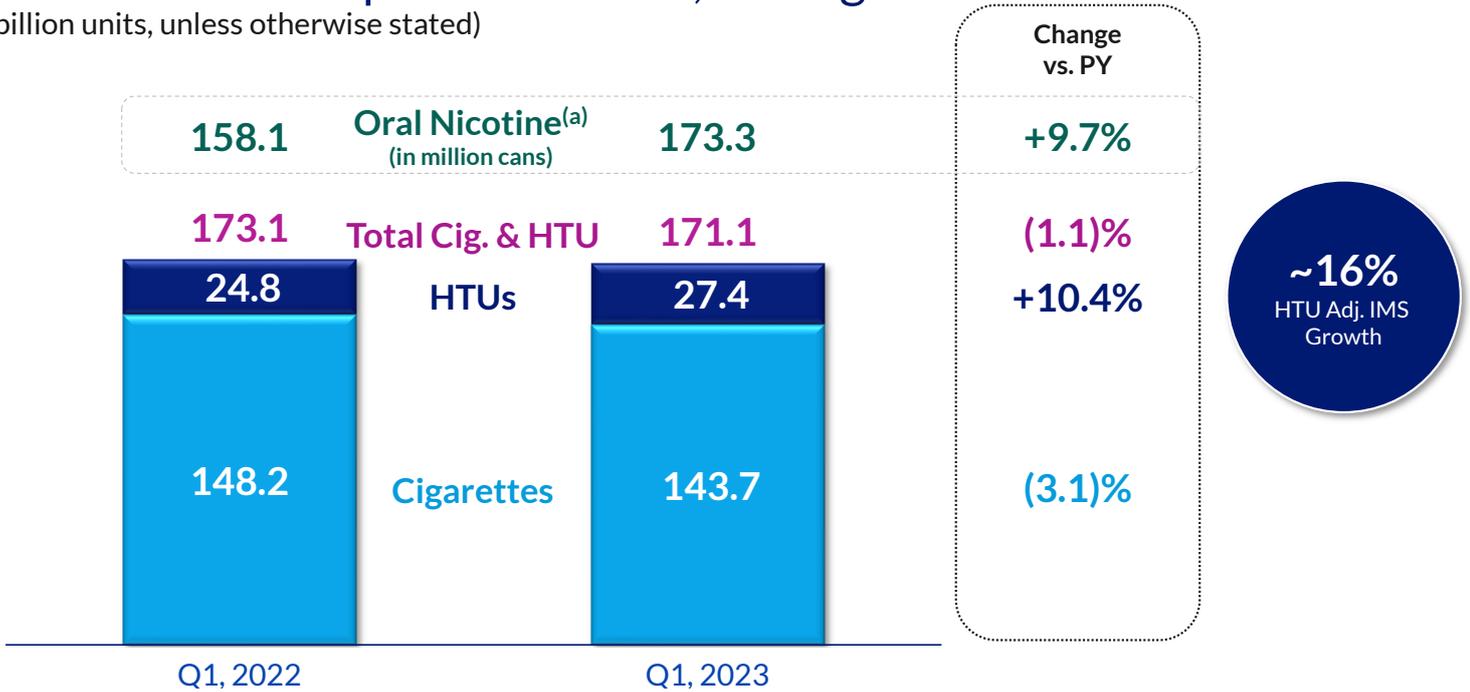
	Q1, 2023	2023 Year-to-Go (Q2-Q4)	2023 Full-Year
Net Revenues (Organic variance vs. PY)	+3.2%	8-10%	7.0-8.5%
OI Margin (Organic variance vs. PY)	(580) ^{bps}	Positive in H2	(150)-(50) ^{bps}
Adj. Diluted EPS (Currency neutral variance vs. PY)	(4.4)%	10-13%	7-9%

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

10

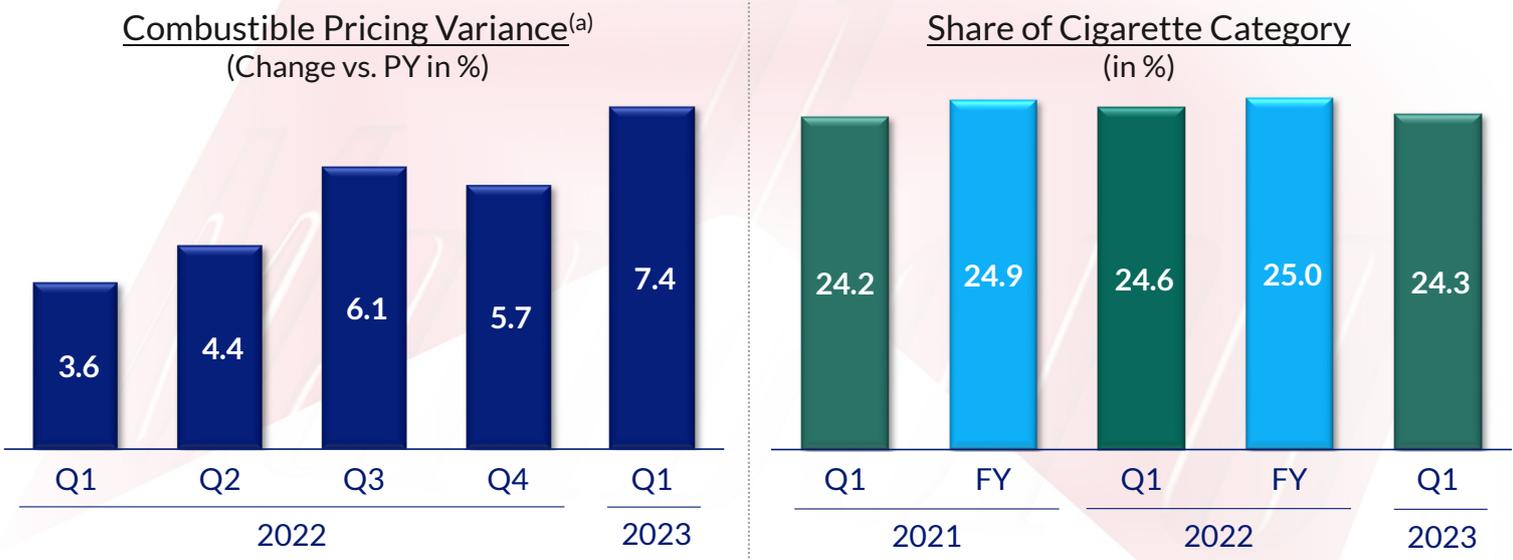
Modest Total Shipment Decline, Strong HTU Offtake Growth

(billion units, unless otherwise stated)



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

Robust Combustibles Performance, Stepped-Up Pricing

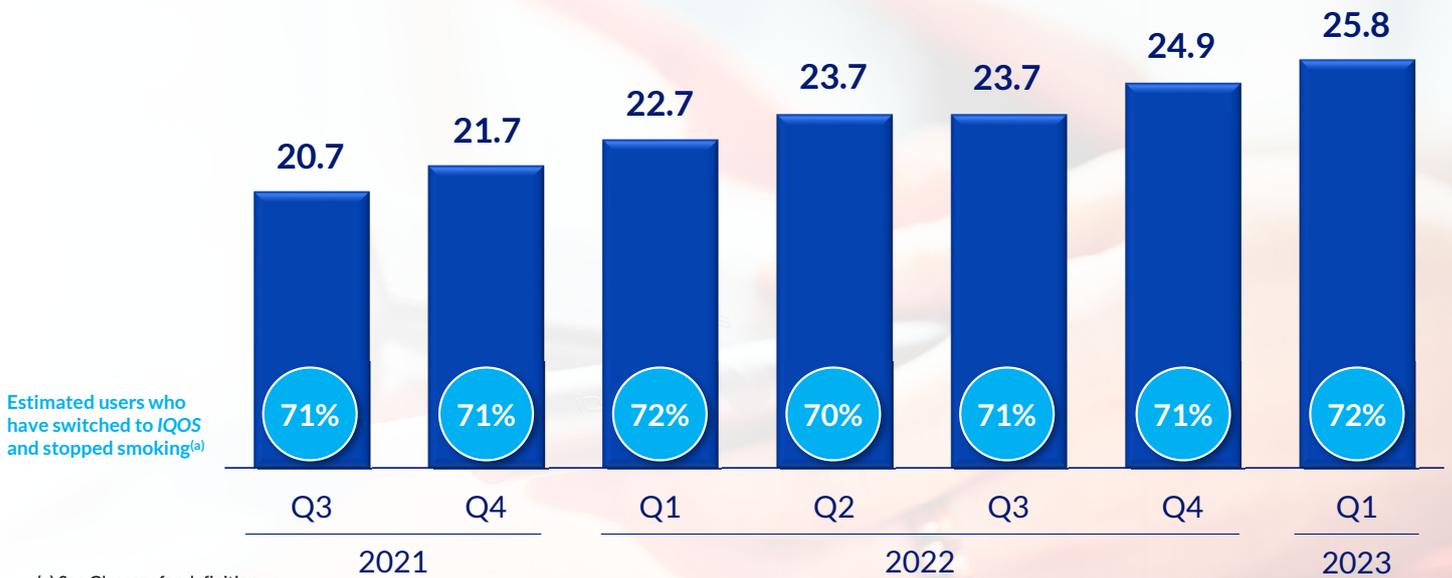


(a) Pricing variance is based on combustible adjusted net revenues and is on an organic basis
 Note: Excludes China and the U.S and includes cigarillos in Japan. Reflects sales volume of PMI cigarettes as a percentage of cigarette industry sales volume
 Source: PMI Financials or estimates

Continued Robust IQOS User Growth

(in millions)

Total IQOS Users^(a)

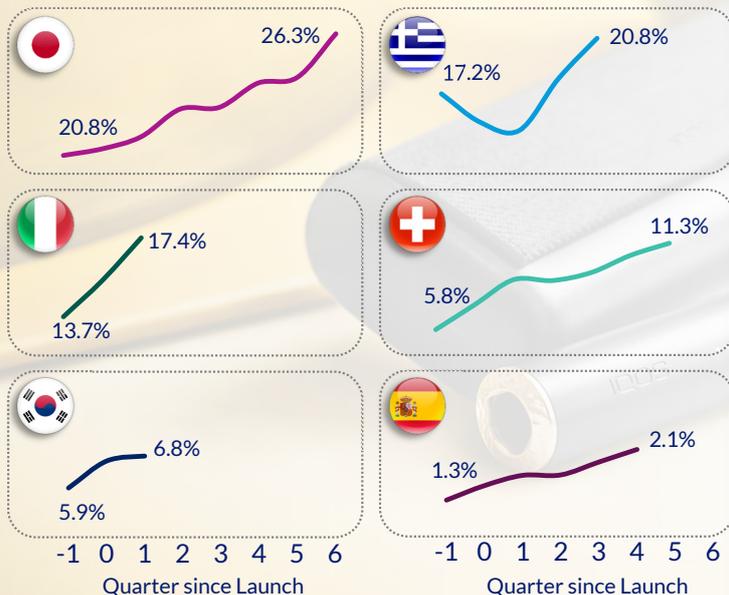


(a) See Glossary for definition

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

ILUMA: Positive Catalyst for IQOS and Category Growth

PMI Quarterly Total HTU SoM Performance Since ILUMA Launch

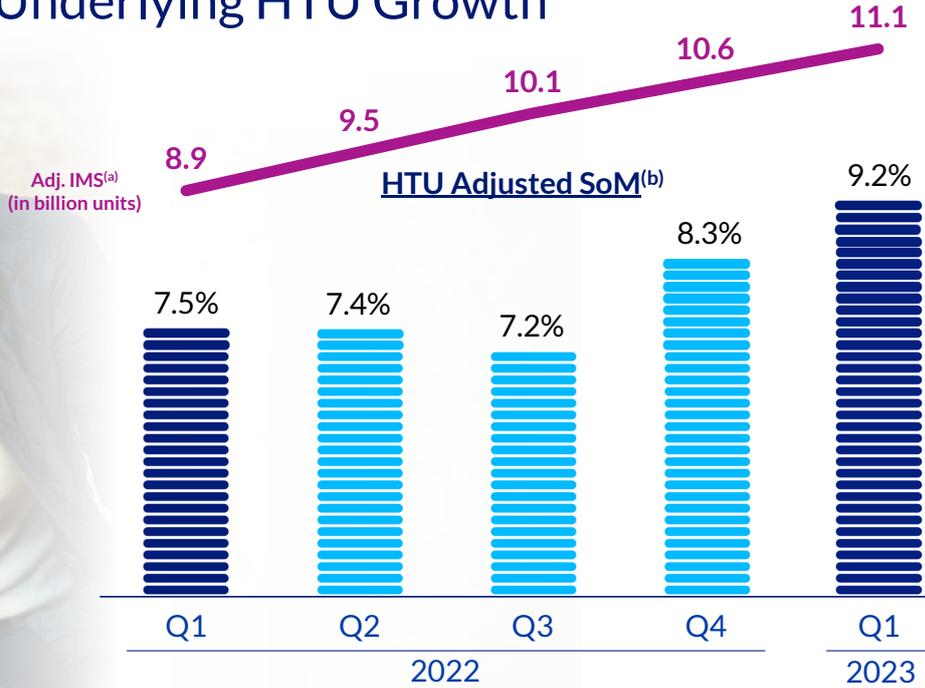


(a) See Glossary for definition

Source: PMI Financials or estimates

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

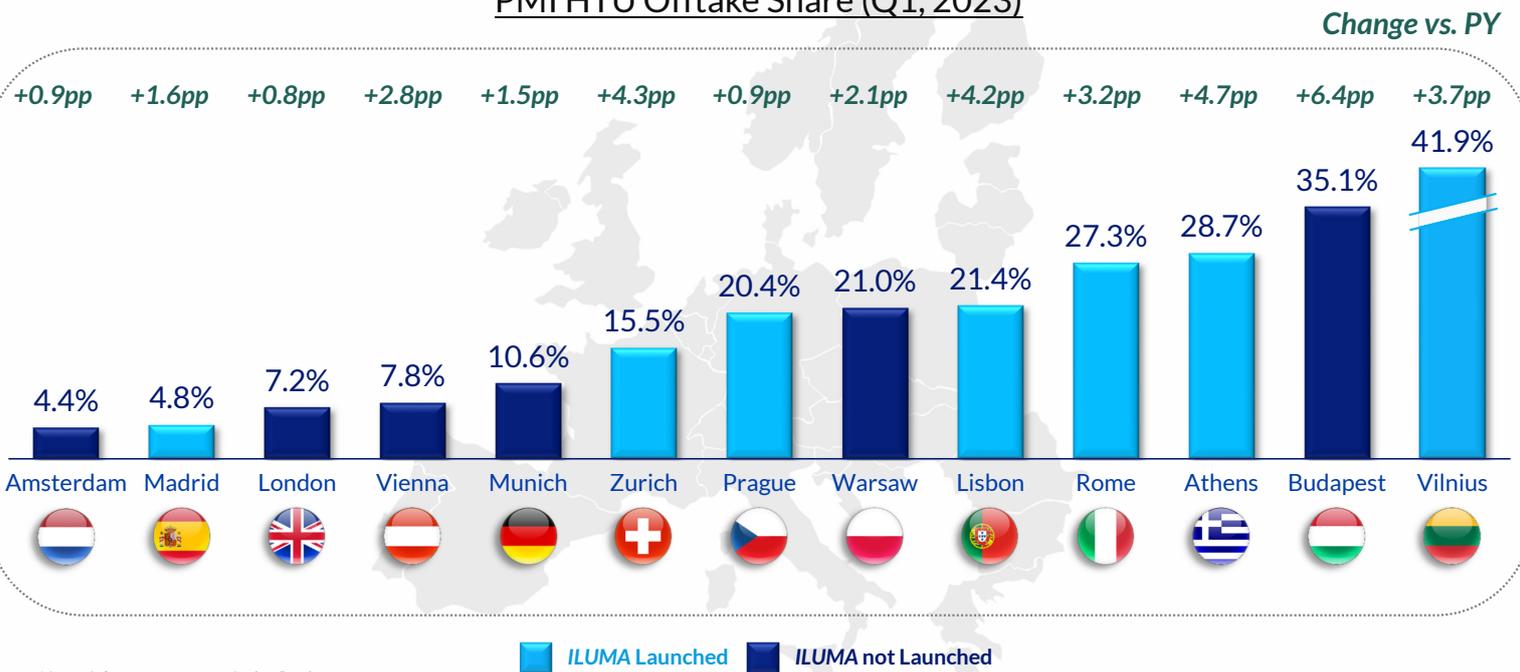
Europe Region: Strong Underlying HTU Growth



(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average
 (b) Excluding the impact of estimated distributor and wholesaler inventory movements
 Note: Market share for HTUs is defined as the total sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs
 Source: PMI Financials or estimates

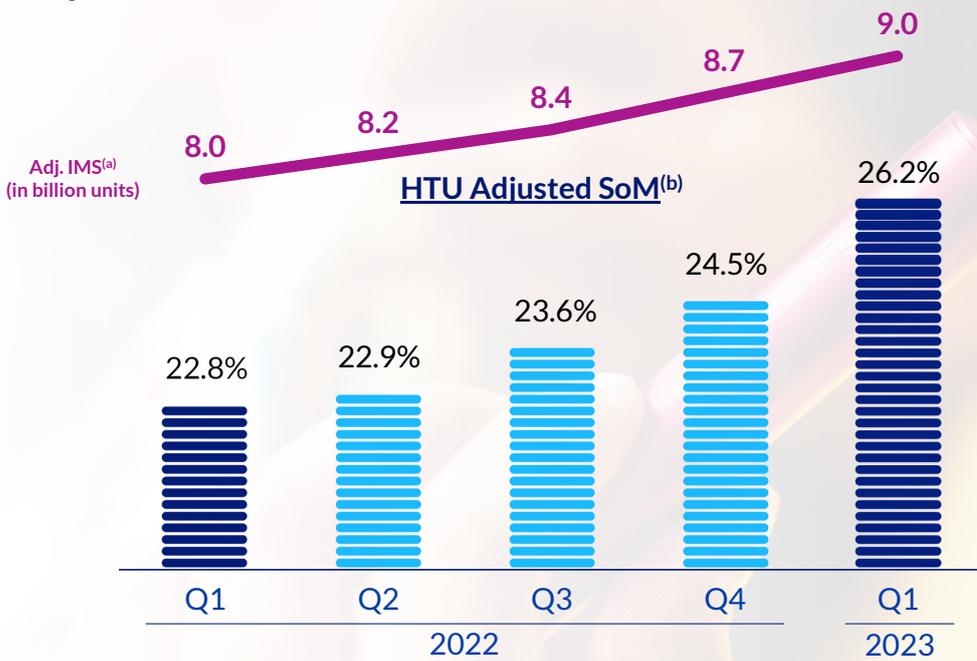
Impressive Growth in Europe Key City Shares

PMI HTU Offtake Share (Q1, 2023)

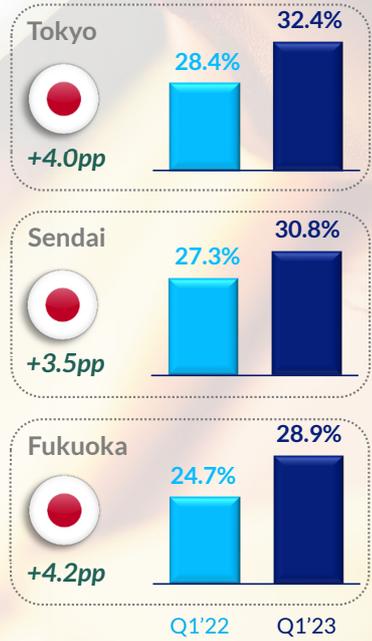


Note: Athens represents Attica Region
 Source: PMI Financials or estimates

Japan: ILUMA Momentum Continues



PMI HTU Offtake Shares^(c)



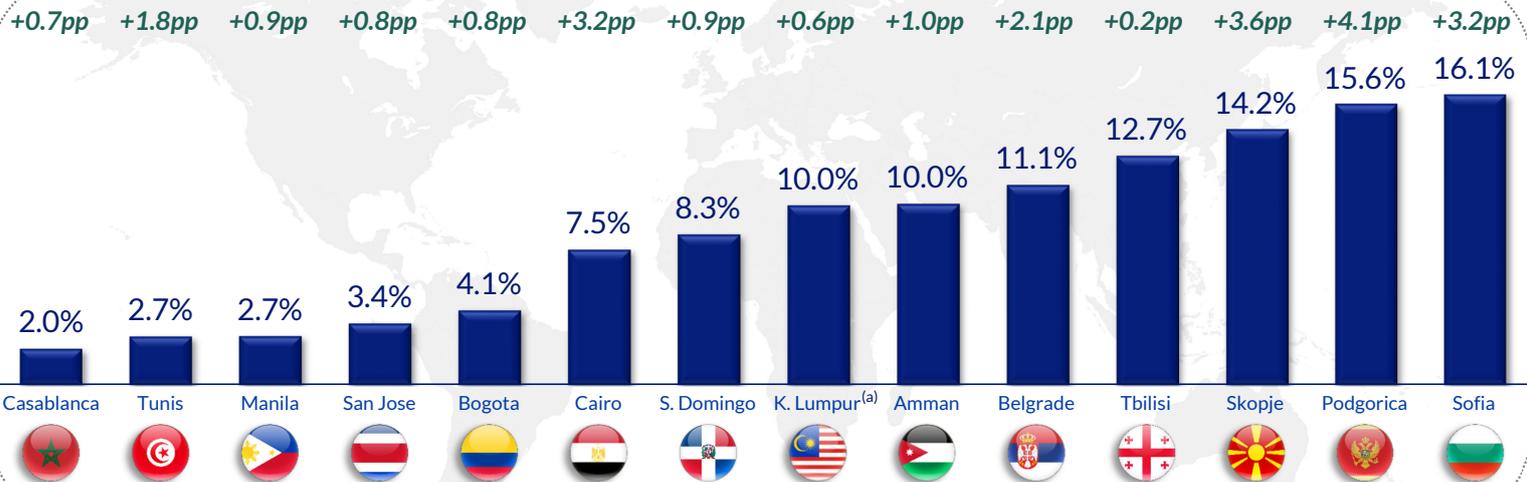
(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average
 (b) Adjusted market share for HTUs is defined as the total sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes, HTUs and cigarillos and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

Low and Middle-Income Markets: Promising Key City Growth

(PMI HTU offtake share in Key Cities)

PMI HTU Offtake Shares (Q1, 2023)

Change vs. PY



(a) Restated based on change in data provider
 Note: K. Lumpur stands for Kuala Lumpur and S. Domingo stands for Santo Domingo. Amman represents West Amman, Cairo represents Urban Cairo, K. Lumpur represents Greater Kuala Lumpur, Manila represents Metro Manila, and Tunis represents Greater Tunis. Low and Middle-Income markets defined using World Bank classification
 Source: PMI Financials or estimates

Strong Swedish Match Results Led by ZYN

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



Note: Swedish Match's results are based on publicly available information through December 31, 2022 and as of November 11, 2022 when consolidated in PMI's financial statements and net revenue reconciliation (see slide 2 of this presentation)

Stellar U.S. ZYN Growth Continues

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

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

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



Source: Swedish Match reported shipments and estimates based on IRi Unify



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

Store Count^(a)
(in Thousands)



Velocities^(b)
(Cans per Store per Week)



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

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

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

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

Exciting Plans to Accelerate Our Smoke-Free Journey

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



Sustainability: Measurable Progress Made Towards Our Purpose

2022 Integrated Report (April 5, 2023)



ESG KPI Protocol (April 5, 2023)



TCFD Report (April 19, 2023)



23

On Track for Strong 2023 Performance

- Better-than-expected Q1 results
- Margin headwinds to progressively ease through the year
- On track for third consecutive year of high single-digit organic net revenue growth
- Excellent IQOS and ZYN performance further enhances position as global smoke-free champion
- Highly cash generative with unwavering commitment to progressive dividend policy



Source: PMI Financials or estimates

24



PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

2023 First-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

iOS Download



Android Download



PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

2023 First-Quarter Results

April 20, 2023

Appendix

27

2023: EPS Guidance

(\$/share)

	Full-Year		
	2023 Forecast	2022	Growth
Reported Diluted EPS	\$5.88 - \$6.00	\$5.81	
Adjustments:			
- Asset impairment and exit costs	0.06	-	
- Amortization and impairments of intangibles	0.16	0.15	
- Termination of distribution arrangement in the Middle East	0.04	-	
- Charges related to the war in Ukraine	-	0.08	
- Costs associated with Swedish Match AB offer	-	0.06	
- Swedish Match AB acquisition accounting related item	0.01	0.06	
- Tax benefit associated with Swedish Match AB financing	(0.05)	(0.13)	
- Fair value adj. for equity security investments	-	(0.02)	
- Tax items	-	(0.03)	
- Total Adjustments	0.22	0.17	
Adjusted Diluted EPS	\$6.10 - \$6.22	\$5.98	
- Less: Currency	(0.30)		
Adjusted Diluted EPS, excluding currency	\$6.40 - \$6.52	\$5.98	7% - 9%

Source: PMI Financials or estimates

28



PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

2023 First-Quarter Results

April 20, 2023

