



PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

Annual Meeting of Shareholders

New York, May 1, 2019

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 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, 2019. 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



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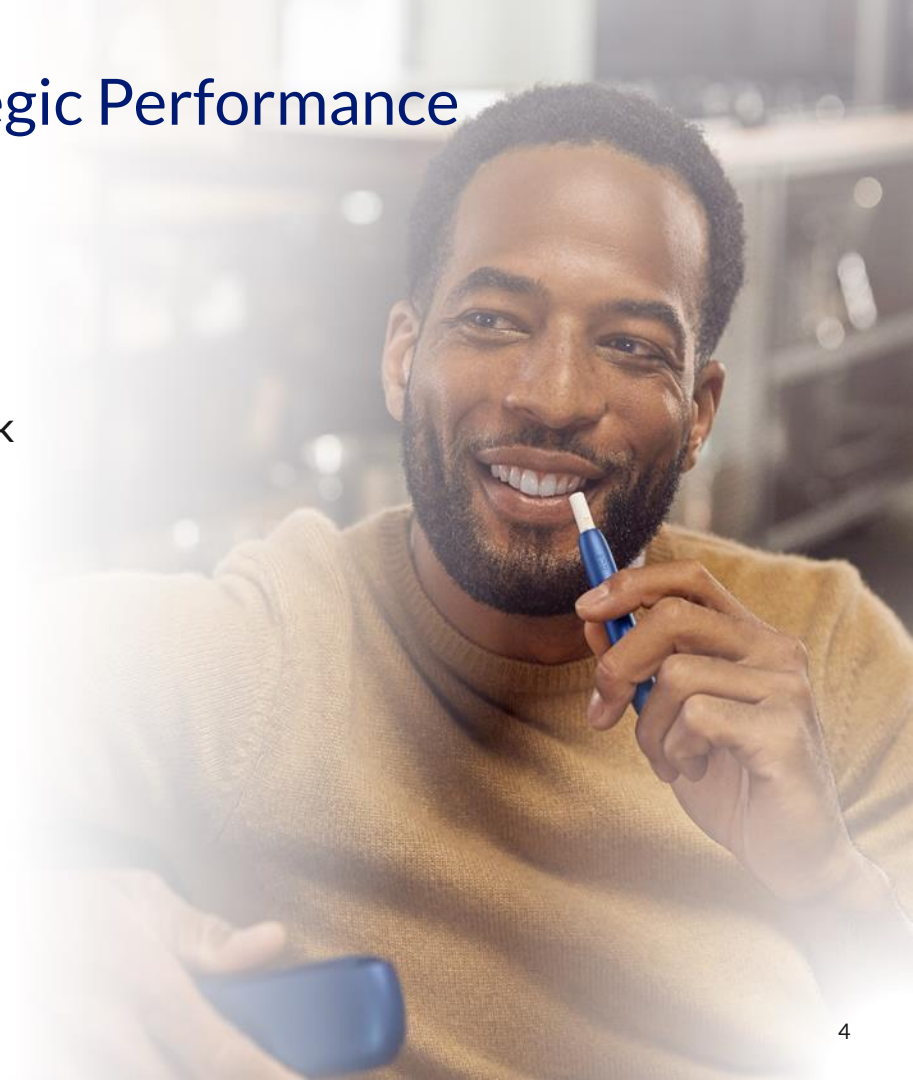
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2018: Robust Financial and Strategic Performance

- Underlying strength of our combustible business
- Tremendous opportunity for our reduced-risk products, led by *IQOS*, to accelerate business growth

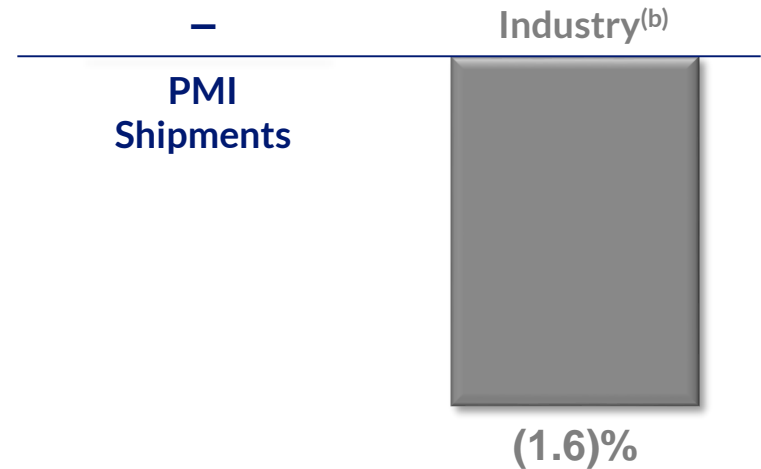




2018: PMI Total Shipment Volume

- Reported volume down by 2.1%
- Flat volume, ex-inventory movements^(a):
 - Best annual performance since 2012

Total Volume,
Ex-Inventory Movements^(a)
(Variance vs. PY)



(a) Net estimated distributor inventory movements as explained in the Glossary

(b) Excluding China and the U.S.

Note: Total shipment and total industry volume reflect cigarettes and heated tobacco units (HTUs)

Source: PMI Financials or estimates

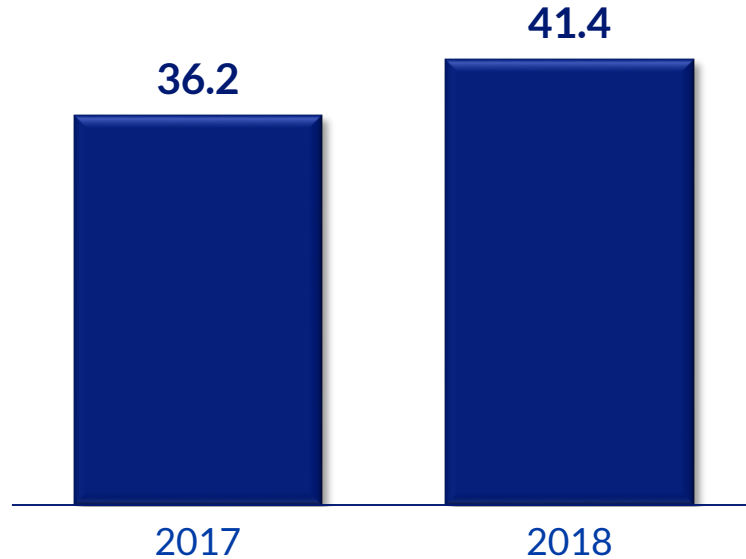


2018: PMI HTU Volume Performance

(billion units)

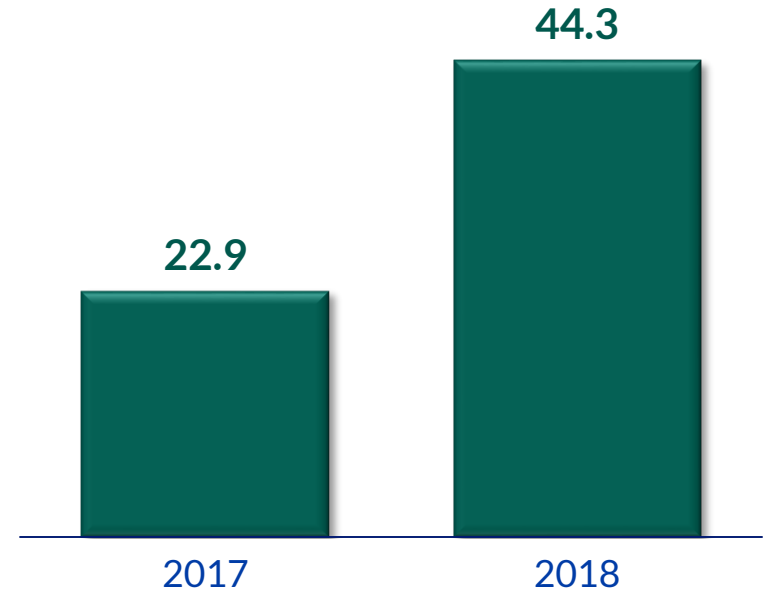
Shipments

+14.2%



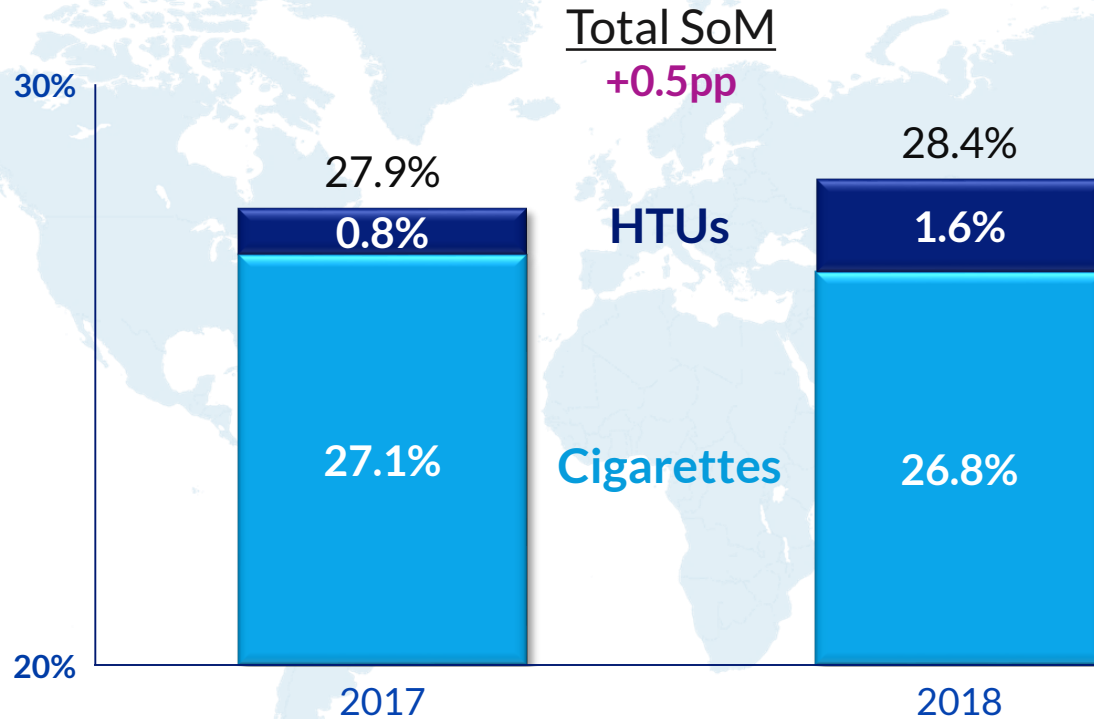
In-Market Sales

+93.2%



Note: % change for shipments and in-market sales is computed based on millions of units
Source: PMI Financials or estimates

2018: PMI International Share Growth Driven by HTUs



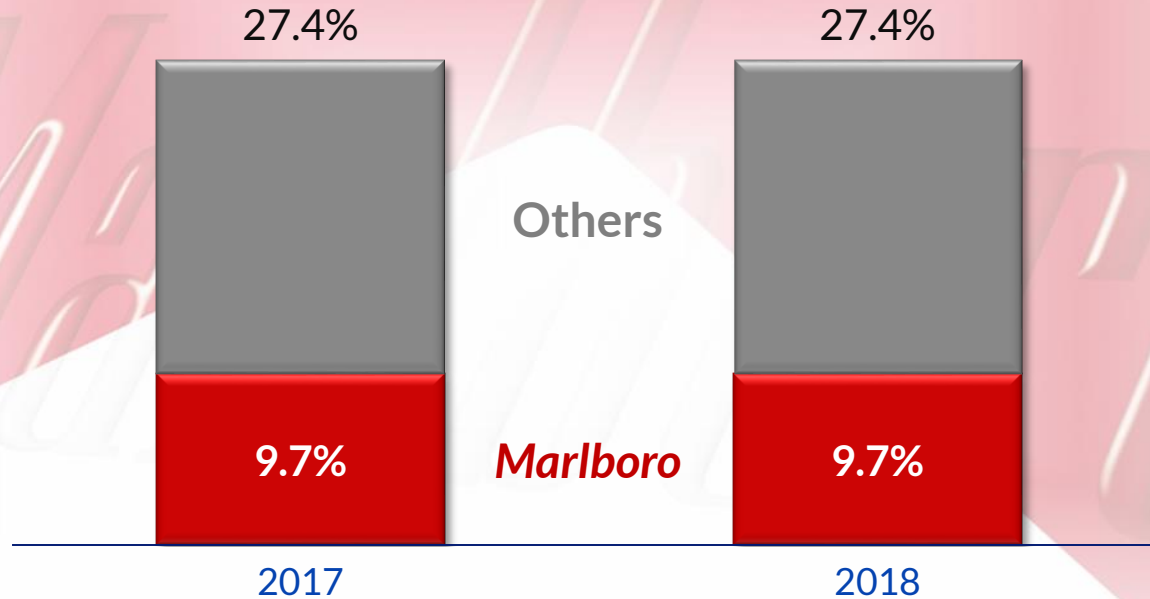
Total share growth in all six Regions

Note: Excluding China and the U.S.
Source: PMI Financials or estimates

2018: Maintained Leadership in the Cigarette Category



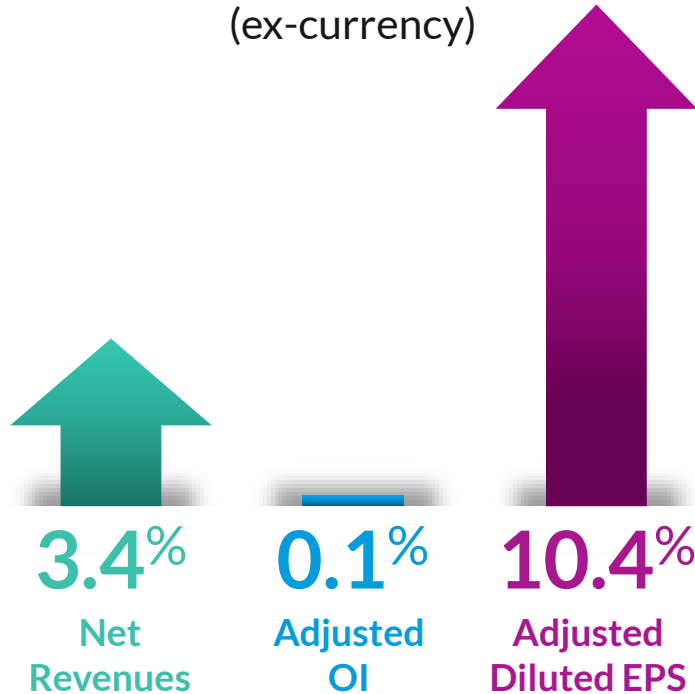
PMI International Cigarette SoM^(a)



(a) Sales volume of PMI cigarettes as a percentage of the total industry sales volume for cigarettes
Note: Excluding China and the U.S.
Source: PMI Financials or estimates

2018: Robust Financial Performance, ex-Currency

Growth vs. PY (ex-currency)



- Net revenues increase driven by:
 - Combustible tobacco pricing of variance of 7.6%^(a)
 - Strong volume contribution from our RRP
- Adjusted OI essentially flat; OI margin down by 1.3 points:
 - Primarily reflecting the impact of net incremental investments of approximately \$600 million behind our RRP
- Adjusted diluted EPS increase driven notably by:
 - Lower effective tax rate
 - Lower net interest expense

(a) Reflects combustible tobacco pricing as a % of PY combustible tobacco net revenues
Source: PMI Financials or estimates

2018: Progress Against Our Smoke-Free Vision

(RRP / Total PMI)



	<u>2015</u>	<u>2018</u>
Shipments ^(a)	0.1%	5.1%
Net revenues	0.2% ^(b)	13.8%
R&D expenditure ^(c)	70%	92%
Commercial expenditure ^(c)	8%	60%
Total IQOS users ^(c) (in millions)	0.2	9.6

(a) RRP shipments include HTUs and e-cigarettes. Total PMI shipments include cigarettes and other combustible products

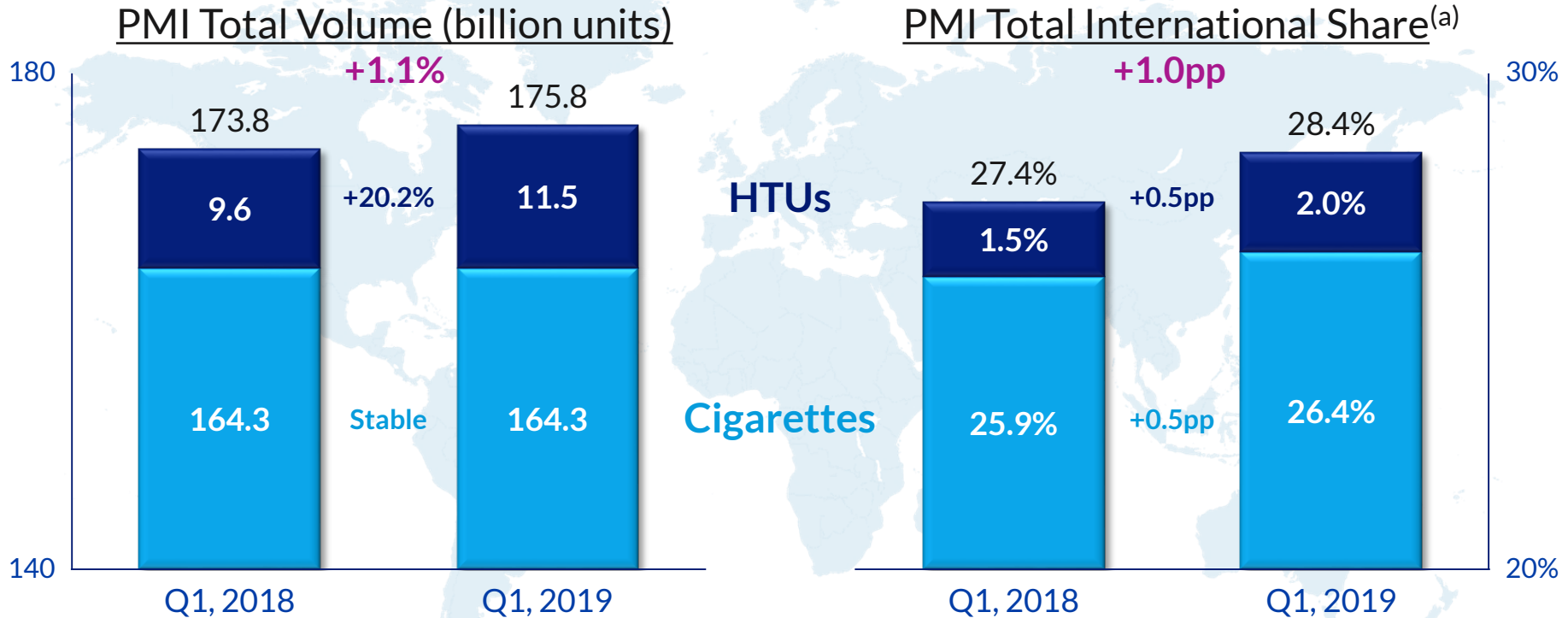
(b) Net revenues for RRP and Total PMI were \$64 million and \$26,794 million, respectively, in 2015

(c) See Glossary for definition

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



Q1, 2019: Positive Total Volume and Share Momentum

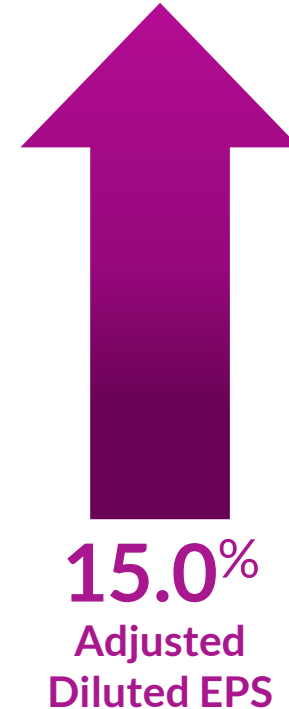
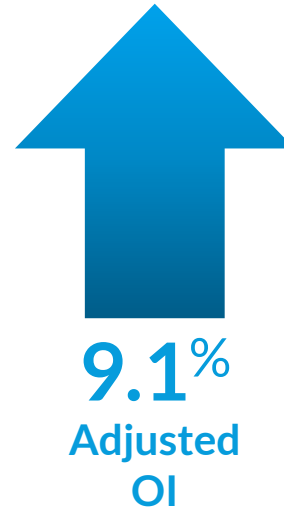
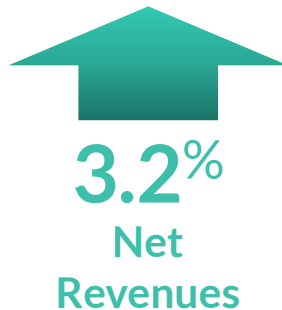


(a) Excluding China and the U.S.
Source: PMI Financials or estimates



Q1, 2019: Strong Adjusted Financial Results, ex-Currency

Growth vs. PY
(ex-currency)

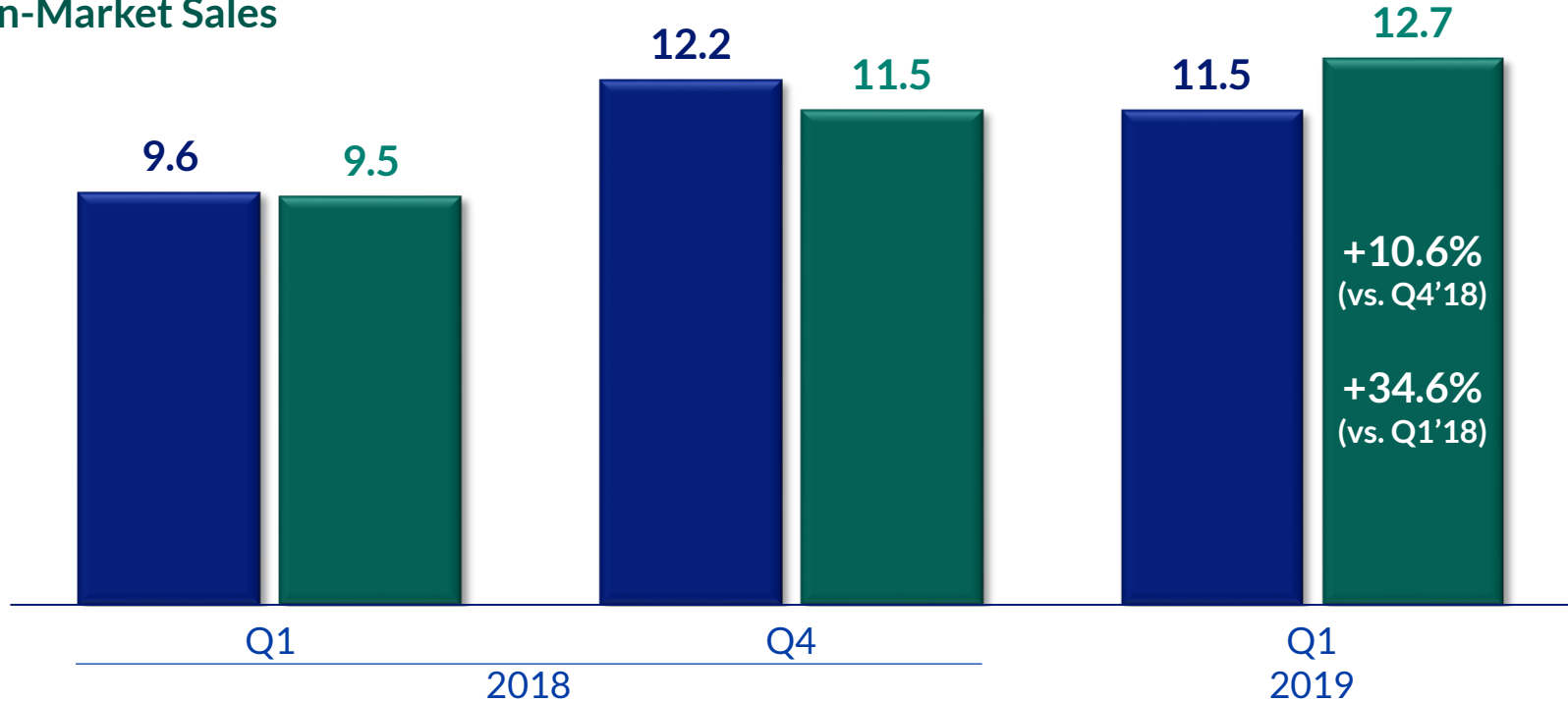




Q1, 2019: PMI HTU Volume

(billion units)

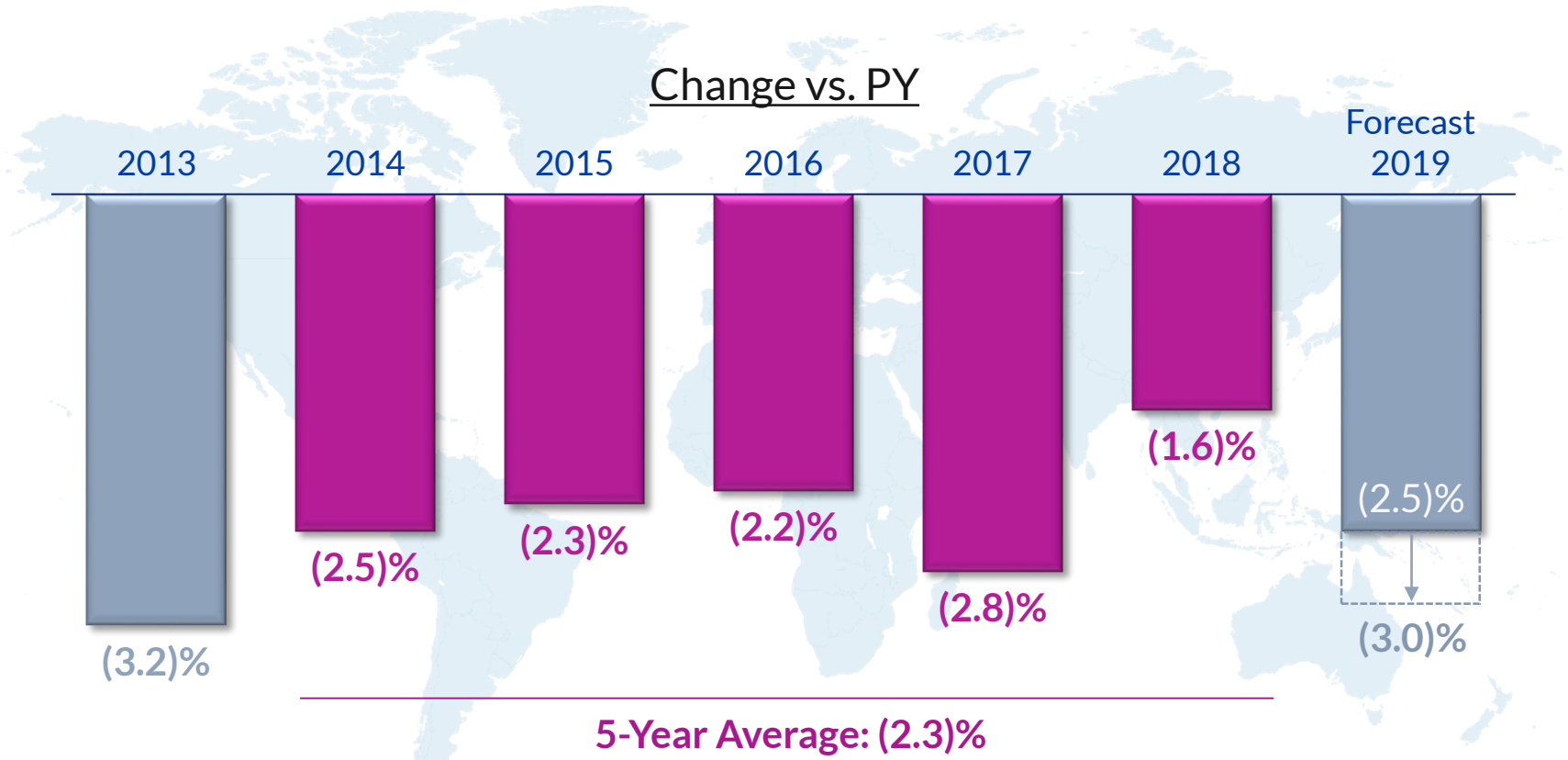
- Shipments
- In-Market Sales



Underlying Strength of Our Combustible Business



Consistent Total Industry Volume Trend

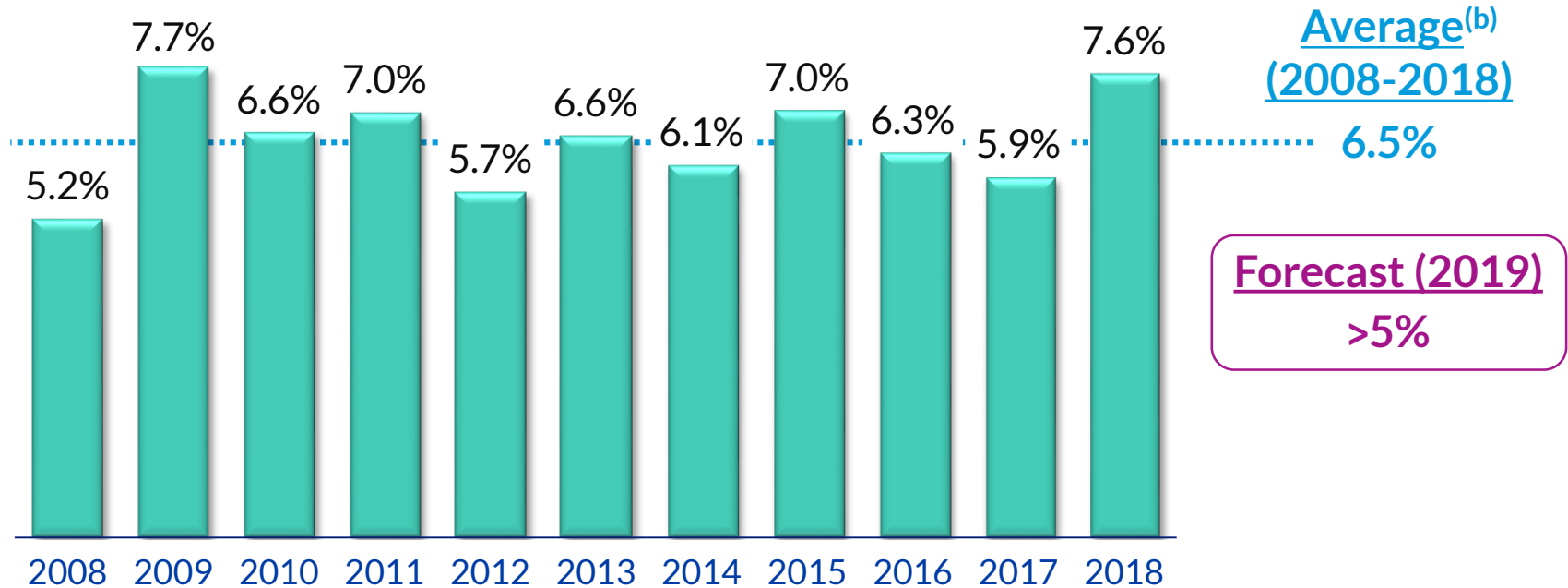


Note: Excluding China and the U.S. Reflects cigarettes and HTUs
Source: PMI Financials or estimates



Consistent Combustible Tobacco Pricing Trend

PMI Combustible Tobacco Pricing Variance^(a)



(a) Reflects combustible tobacco pricing as a % of PY combustible tobacco net revenues

(b) Average combustible tobacco pricing variance (2008-2018) over average base combustible product net revenues excluding excise taxes (2007-2017)

Source: PMI Financials or estimates

Our Focused Cigarette Portfolio Strategy



- Committed to maintaining:
 - Leadership of the cigarette category
 - Price positioning for our cigarette brands at the top of their respective segments
- Focusing innovation on fewer, more impactful initiatives that can be deployed swiftly in any market
- Portfolio rationalization:
 - Brand morphing
 - Elimination of low-volume SKUs

PMI's Ambition for a Smoke-Free Future



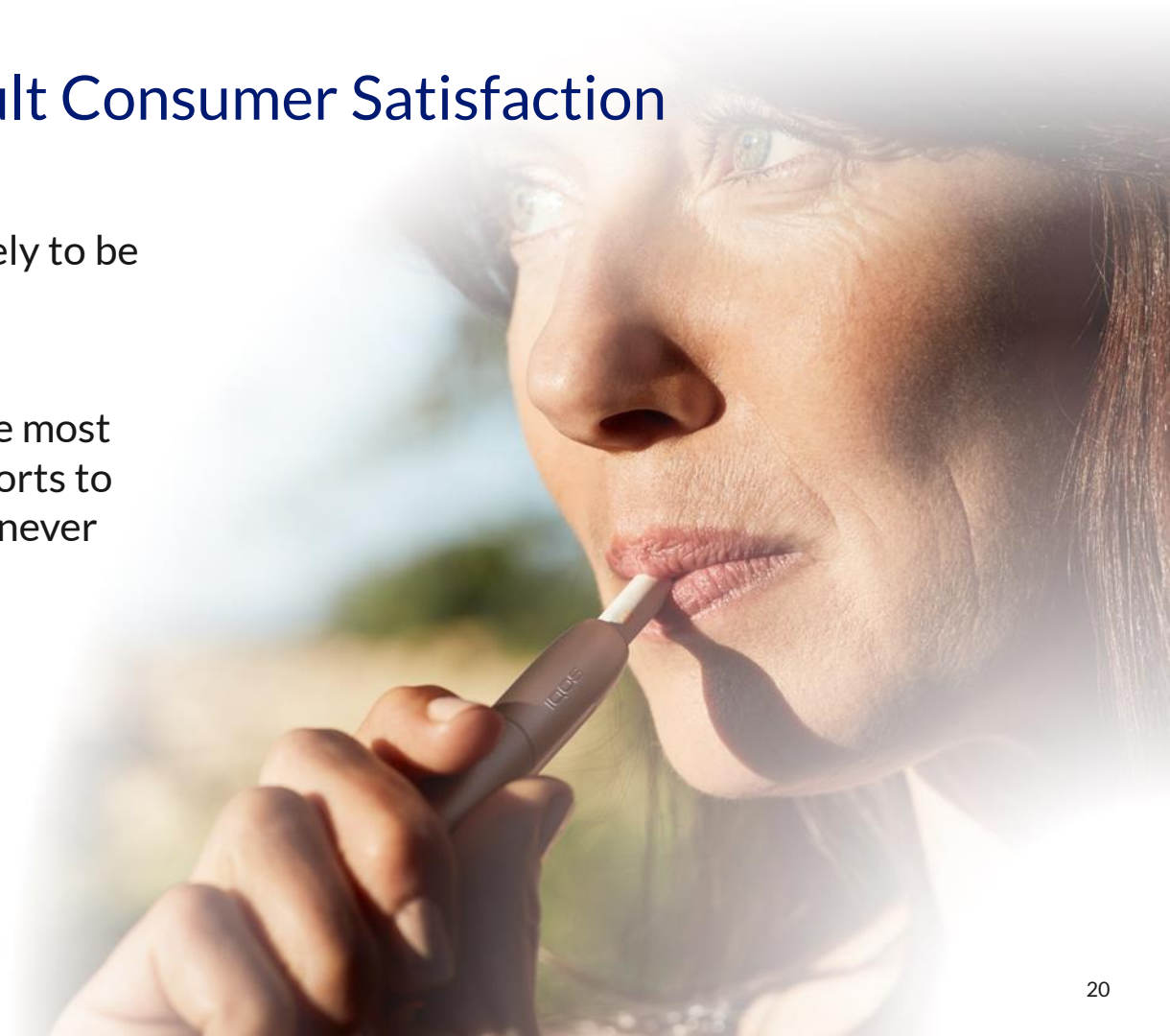
Smoke-Free Future: Three Strategic Pillars Supporting Ambition

1. Adult Consumer Satisfaction
2. Key External Stakeholder Engagement
3. Organizational Readiness



Strategic Pillar #1: Adult Consumer Satisfaction

- One type of product is unlikely to be the answer
- Aim for products that are the most worthy of adult smokers' efforts to switch out of cigarettes and never go back



Good Conversion Practices for Our Smoke-Free Products



1. Smoke-free products are for adult smokers who want to continue enjoying tobacco or nicotine
2. We do not offer smoke-free products to people who have never smoked or who have quit smoking
3. Our goal is to switch every adult smoker who would otherwise keep smoking combustible products to smoke-free products, such as IQOS. We are committed to supporting adult smokers in their switching journey through education and guidance
4. Smoke-free products are not an alternative to quitting. The best choice for consumers concerned about the health risks of smoking is to quit altogether
5. To experience the benefit of smoke-free products, adult smokers should switch completely and abandon smoking permanently
6. Smoke-free products are not risk free or a safe alternative to cigarettes, but they are a much better consumer choice for smokers who wish to continue to use tobacco and nicotine



Strategic Pillar #1: Adult Consumer Satisfaction (cont.)

- We fully support legal age limits for the purchase of tobacco and nicotine products worldwide
- Age limits can play an important role in further guarding against youth use of such products
- Effort must first begin with companies themselves as technology evolves



Strategic Pillar #2: Key External Stakeholder Engagement



- Eager to see fiscal and regulatory measures introduced that drive large-scale switching as quickly as possible:
 - UNSMOKE campaign
- Put in place a rigorous and transparent scientific pre- and post-market assessment program that is unmatched in the industry



FDA Authorizes the Sale of IQOS in the U.S.



- Historic milestone and an important step forward for the approximately 40 million American men and women who smoke
- The order sets out clear commercialization guidelines, including marketing requirements, that maximize the opportunity for adults to switch from cigarettes, while minimizing unintended use
- FDA has set a high standard and we look forward to working with them to implement the order so that *IQOS* is reaching the right audience – current adult smokers
- PMI will bring *IQOS* to the U.S. market through an exclusive license with Altria
- FDA continues to review MRTP applications for *IQOS*

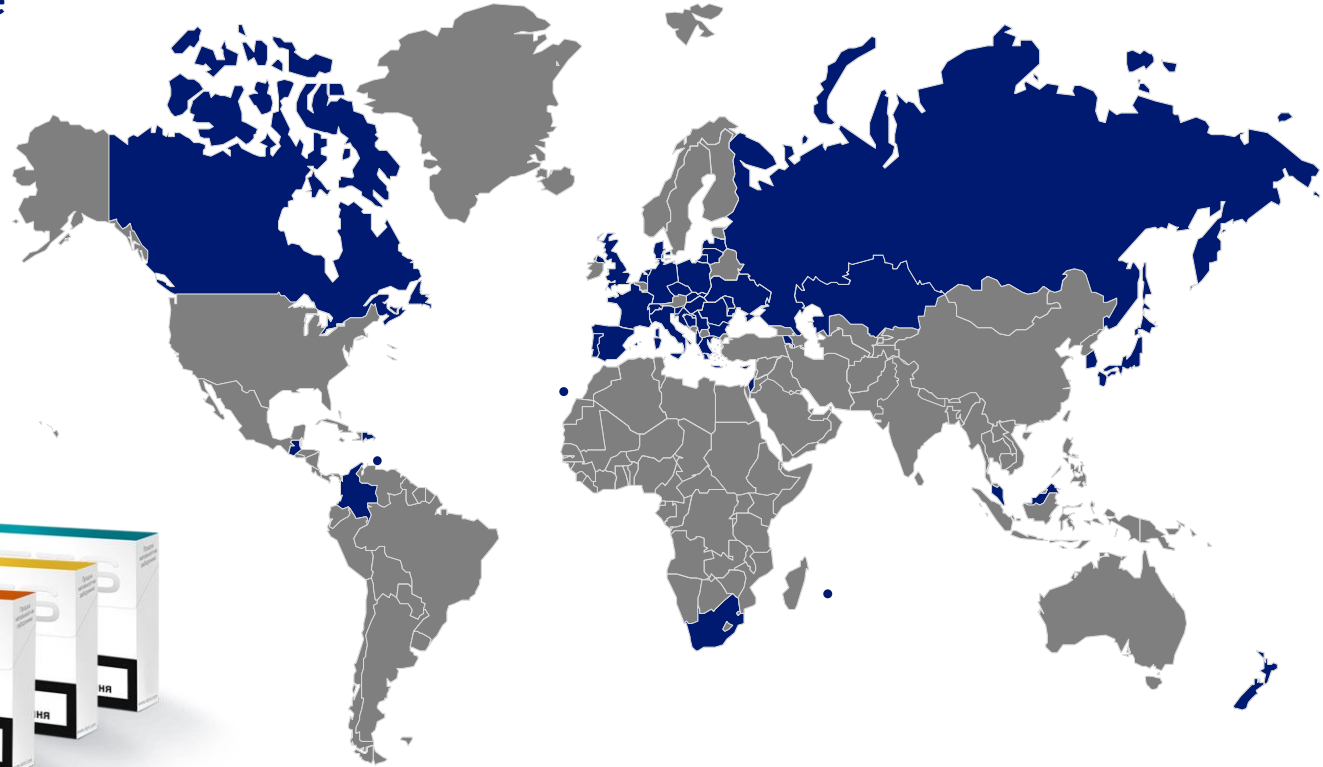
Strategic Pillar #3: Organizational Readiness

- Ensuring that our organization is always fit-for-purpose and at the leading edge of technology, science and user experience:
 - New technical skills
 - More agile and entrepreneurial structures and practices
 - New products and services
 - Efficiency through every level of our operations



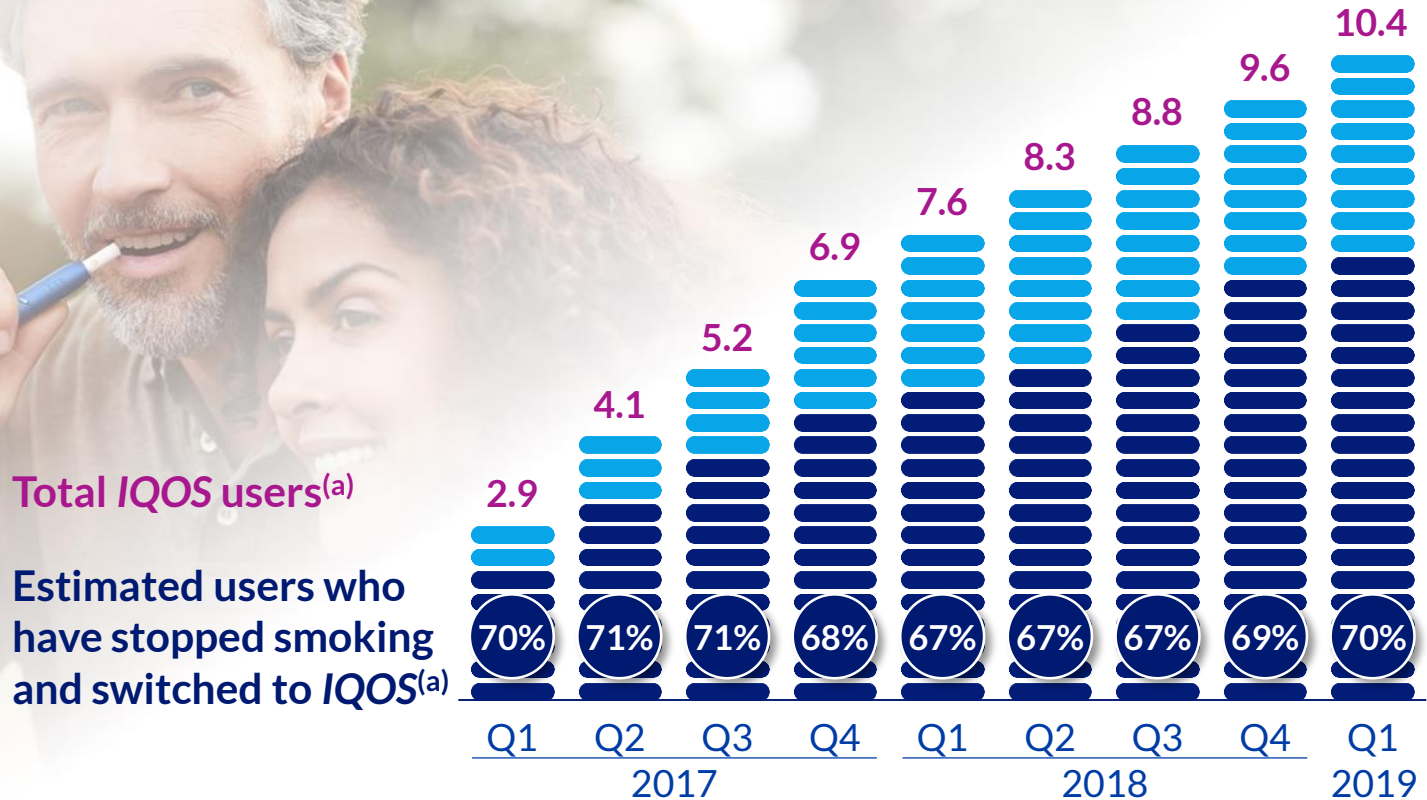
IQOS Now Available for Sale in 47 Markets Worldwide

■ Available for sale



Over 10 Million IQOS Users as of Q1, 2019

(in millions)



(a) See Glossary for definition

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

new
IQOS 3



new
IQOS 3 MULTI





Select PMI HTU Market Shares

	<u>Q1, 2019</u>	<u>Growth vs. PY</u>		<u>Q1, 2019</u>	<u>Growth vs. PY</u>
Japan	16.9%	+1.1pp	Greece	8.7%	+5.2pp
Korea	7.3	—	Italy	3.7	+2.2
Russia	3.1	+2.6	Lithuania	11.9	+9.9
EU Region	2.1	+1.3	Poland	1.8	+1.3
Bulgaria	5.7	+4.5	Portugal	5.4	+3.2
Czech Republic	4.9	+3.1	Slovak Republic	5.2	+2.7
Germany	1.0	+0.6	Switzerland	2.5	+0.9



Select PMI HTU Market Shares

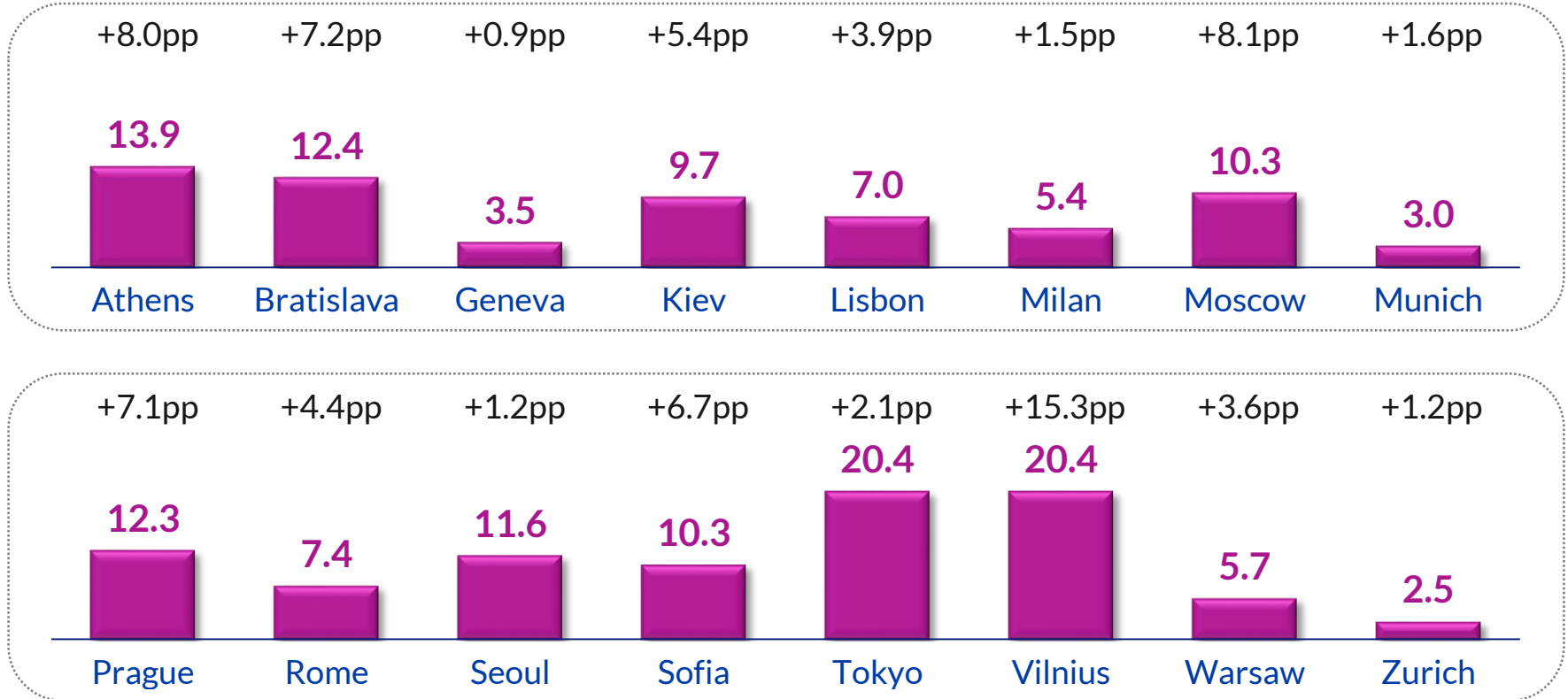
	<u>Q1, 2019</u>	<u>Growth vs. PY</u>		<u>Q1, 2019</u>	<u>Growth vs. PY</u>
Japan	16.9%	+1.1pp	Greece	8.7%	+5.2pp
Korea	7.3	—	Italy	3.7	+2.2
Russia	3.1	+2.6	Lithuania	11.9	+9.9
EU Region	2.1	+1.3	Poland	1.8	+1.3
Bulgaria	5.7	+4.5	Portugal	5.4	+3.2
Czech Republic	4.9	+3.1	Slovak Republic	5.2	+2.7
Germany	1.0	+0.6	Switzerland	2.5	+0.9



Select PMI HTU Key City Offtake Shares in Q1, 2019

(%)

Growth vs. PY





Reaffirming 2019 EPS Guidance

(\$/share)

	Full-Year		
	2019 Forecast	2018	Adjusted Growth
Reported Diluted EPS	≥ \$4.87^(a)	\$5.08	
- 2018 Tax items	–	0.02	
- 2019 Asset impairment and exit costs	0.01	–	
- 2019 Canadian tobacco litigation-related expense	0.09	–	} 0.22
- 2019 Loss on deconsolidation of RBH	0.12	–	
Adjusted Diluted EPS	\$5.09	\$5.10	
- Net earnings attributable to RBH		(0.26) ^(b)	
Adjusted Diluted EPS	\$5.09	\$4.84^(c)	
- Currency	(0.14)		
Adjusted Diluted EPS, excluding currency	\$5.23	\$4.84^(c)	≥ 8%

(a) Reflects the exclusion of previously anticipated net EPS of approximately \$0.28 attributable to RBH from March 22, 2019 through December 31, 2019. The impact relating to the eight-day stub period was not material

(b) Net reported diluted EPS attributable to RBH from March 22, 2018 through December 31, 2018

(c) Pro forma

Source: PMI Financials or estimates



2019-2021: PMI Compound Annual Growth Targets

(ex-Currency)

Net
Revenues

≥ 5%

Adjusted
Diluted EPS

≥ 8%

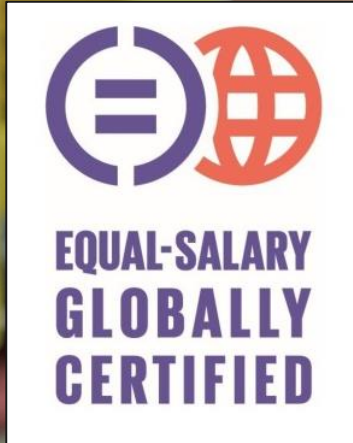
Confident in 90-100 Billion HTU Shipment Target by 2021



PMI's Sustainability Strategy

- Transforming our business
- Driving operational excellence
- Managing our social impact
- Reducing our environmental impact





- Robust overall results in 2018; positioned for strong business performance in 2019 and beyond
- Combustible tobacco portfolio remains the foundation of our business
- *IQOS* continues to grow globally
- Smoke-free strategy continues to provide us with the single-largest opportunity to accelerate business growth
- Committed to generously rewarding our shareholders over time



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Question and Comment Session



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In Remembrance



Board of Directors



André Calantzopoulos



Louis C. Camilleri



Massimo Ferragamo



Werner Geissler



Lisa Hook



Jennifer Li



Jun Makihara



Kalpana Morparia



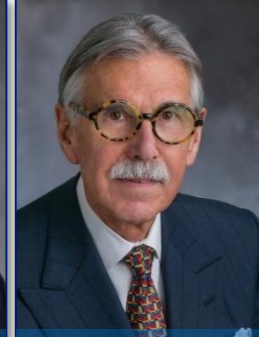
Lucio A. Noto



Frederik Paulsen



Robert B. Polet



Stephen M. Wolf



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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 United States, 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
- "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 our Canadian subsidiary, we will continue to report the volume of brands sold by RBH for which other PMI subsidiaries are the trademark owners. These include *HEETS*, *Next*, *Philip Morris* and *Rooftop*, which together accounted for approximately 40% of RBH's total shipment volume in 2018
- 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 improves the comparability of performance and trends for these measures over different reporting periods
- "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
- 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. 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
- "R&D expenditure" shows how much of our total spend on research and development is dedicated to smoke-free products. It includes the costs related to clinical studies, the development of new machinery, prototype, and product acceptability testing. The R&D expenditure for our combustible products is largely related to legal compliance requirements, such as the measurement and reporting of tar, nicotine and carbon monoxide for cigarettes, and adaptation to regulatory changes

Glossary: Financial Terms (cont.)



- "Commercial expenditure" shows how much of our total spend on the commercialization of our products is dedicated to smoke-free products. Commercial expenditure includes costs of marketing, consumer engagement, and trade promotions. As with the other metrics these refer to our global business, and therefore the total includes commercial expenditures related to cigarettes in the many markets where we have not yet launched smoke-free products. For markets where we are commercializing new products, the percentage is and will be significantly higher



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 continued smoking. PMI has a range of RRP's in various stages of development, scientific assessment and commercialization. Because PMI's RRP's do not burn tobacco, they 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 product," or "HTP," is a manufactured tobacco product that delivers a nicotine containing vapor (aerosol), without combustion of the tobacco mixture
- "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 Marlboro* and *HEETS FROM MARLBORO*, defined collectively as *HEETS*, as well as *Marlboro HeatSticks* and *Parliament HeatSticks*
- Unless otherwise stated, all references to *IQOS* are to PMI's heat-not-burn products
- 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



Glossary: Reduced-Risk Products (cont.)

- 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
- "Total IQOS users" means the estimated number of Legal Age (minimum 18-year-old) IQOS users that used PMI HTUs for at least 5% of their daily tobacco consumption over the past seven days
- "Converted IQOS Users" means the estimated number of Legal Age (minimum 18-year-old) IQOS users that used PMI HTUs for over 95% of their daily tobacco consumption over the past seven days
- "Predominant IQOS Users" means the estimated number of Legal Age (minimum 18-year-old) 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" means the estimated number of Legal Age (minimum 18-year-old) 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" means the estimated number of Legal Age (minimum 18-year-old) IQOS users that used PMI HTUs for less than 5% of their daily tobacco consumption over the past seven days
- New PMI methodology as of 2018 for estimating the number of people who have stopped smoking and made the change to IQOS: for markets where IQOS is the only heated tobacco 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 heated tobacco 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



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,		
	2019	2018	% Change
Reported Diluted EPS	\$ 0.87	\$ 1.00	(13.0)%
Currency	(0.06)		
Reported Diluted EPS, excluding Currency	\$ 0.93	\$ 1.00	(7.0)%

	Quarters Ended March 31,		
	2019	2018	% Change
Reported Diluted EPS	\$ 0.87	\$ 1.00	(13.0)%
Asset impairment and exit costs	0.01	-	
Canadian tobacco litigation-related expense	0.09	-	
Loss on deconsolidation of RBH	0.12	-	
Tax items	-	-	
Adjusted Diluted EPS	\$ 1.09	\$ 1.00	9.0%
Currency	(0.06)		
Adjusted Diluted EPS, excluding Currency	\$ 1.15	\$ 1.00	15.0%



PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

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
2019					PMI	2018	% Change		
\$ 2,159	\$ (143)	\$ 2,302	\$ -	\$ 2,302	European Union	\$ 1,988	8.6%	15.8%	15.8%
579	(64)	643	-	643	Eastern Europe	567	2.1%	13.4%	13.4%
927	(68)	995	-	995	Middle East & Africa	961	(3.5)%	3.5%	3.5%
1,113	(61)	1,174	-	1,174	South & Southeast Asia	1,081	3.0%	8.6%	8.6%
1,321	-	1,321	-	1,321	East Asia & Australia	1,591	(17.0)%	(17.0)%	(17.0)%
652	(33)	685	-	685	Latin America & Canada	708	(7.9)%	(3.2)%	(3.2)%
\$ 6,751	\$ (369)	\$ 7,120	\$ -	\$ 7,120	Total PMI	\$ 6,896	(2.1)%	3.2%	3.2%



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
2019							Quarters Ended March 31,	2018			% Change		
\$ 896	\$ -	\$ 896	\$(74)	\$ 970	\$ -	\$ 970	European Union	\$ 740	\$ -	\$ 740	21.1%	31.1%	31.1%
129	-	129	(19)	148	-	148	Eastern Europe	151	-	151	(14.6)%	(2.0)%	(2.0)%
344	-	344	(26)	370	-	370	Middle East & Africa	374	-	374	(8.0)%	(1.1)%	(1.1)%
440	(20) ^(a)	460	(30)	490	-	490	South & Southeast Asia	429	-	429	7.2%	14.2%	14.2%
427	-	427	(5)	432	-	432	East Asia & Australia	515	-	515	(17.1)%	(16.1)%	(16.1)%
(186)	(433) ^(b)	247	10	237	-	237	Latin America & Canada	217	-	217	13.8%	9.2%	9.2%
\$ 2,050	\$(453)	\$ 2,503	\$(144)	\$ 2,647	\$ -	\$ 2,647	Total PMI	\$ 2,426	\$ -	\$ 2,426	3.2%	9.1%	9.1%

(a) Represents asset impairment and exit costs

(b) Represents 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

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,		
	2018	2017	% Change
Reported Diluted EPS	\$ 5.08	\$ 3.88	30.9%
Currency	(0.11)		
Reported Diluted EPS, excluding Currency	\$ 5.19	\$ 3.88	33.8%

	Years Ended December 31,		
	2018	2017	% Change
Reported Diluted EPS	\$ 5.08	\$ 3.88	30.9%
Asset impairment and exit costs	-	-	
Tax items	0.02	0.84	
Adjusted Diluted EPS	\$ 5.10	\$ 4.72	8.1%
Currency	(0.11)		
Adjusted Diluted EPS, excluding Currency	\$ 5.21	\$ 4.72	10.4%



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
2018					Reduced-Risk Products	2017	% Change		
\$ 865	\$ 36	\$ 829	\$ -	\$ 829	European Union	\$ 269	+100%	+100%	+100%
324	(22)	346	-	346	Eastern Europe	55	+100%	+100%	+100%
382	4	378	-	378	Middle East & Africa	94	+100%	+100%	+100%
-	-	-	-	-	South & Southeast Asia	-	-	-	-
2,506	33	2,474	-	2,474	East Asia & Australia	3,218	(22.1)%	(23.1)%	(23.1)%
19	-	19	-	19	Latin America & Canada	4	+100%	+100%	+100%
\$ 4,096	\$ 51	\$ 4,045	\$ -	\$ 4,045	Total RRPs	\$ 3,640	12.5%	11.1%	11.1%
2018					PMI	2017	% Change		
\$ 9,298	\$ 489	\$ 8,809	\$ -	\$ 8,809	European Union	\$ 8,318	11.8%	5.9%	5.9%
2,921	(118)	3,039	-	3,039	Eastern Europe	2,711	7.7%	12.1%	12.1%
4,114	(193)	4,307	-	4,307	Middle East & Africa	3,988	3.2%	8.0%	8.0%
4,656	(244)	4,900	-	4,900	South & Southeast Asia	4,417	5.4%	10.9%	10.9%
5,580	62	5,518	-	5,518	East Asia & Australia	6,373	(12.4)%	(13.4)%	(13.4)%
3,056	(99)	3,155	-	3,155	Latin America & Canada	2,941	3.9%	7.3%	7.3%
\$ 29,625	\$ (103)	\$ 29,728	\$ -	\$ 29,728	Total PMI	\$ 28,748	3.1%	3.4%	3.4%

Note: Sum of Regions might not foot to total due to rounding



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
2018							Years Ended December 31,	2017			% Change		
\$ 4,105	\$ -	\$ 4,105	\$ 308	\$ 3,797	\$ -	\$ 3,797	European Union	\$ 3,691	\$ -	\$ 3,691	11.2%	2.9%	2.9%
902	-	902	(101)	1,003	-	1,003	Eastern Europe	887	-	887	1.7%	13.1%	13.1%
1,627	-	1,627	(263)	1,890	-	1,890	Middle East & Africa	1,884	-	1,884	(13.6)%	0.3%	0.3%
1,747	-	1,747	(124)	1,871	-	1,871	South & Southeast Asia	1,514	-	1,514	15.4%	23.6%	23.6%
1,851	-	1,851	(2)	1,853	-	1,853	East Asia & Australia	2,608	-	2,608	(29.0)%	(28.9)%	(28.9)%
1,145	-	1,145	(32)	1,177	-	1,177	Latin America & Canada	997	-	997	14.8%	18.1%	18.1%
\$ 11,377	\$ -	\$ 11,377	\$ (214)	\$ 11,591	\$ -	\$ 11,591	Total PMI	\$ 11,581	\$ -	\$ 11,581	(1.8)%	0.1%	0.1%



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		
									2018				2017		
\$ 4,105	\$ 9,298	44.1%	\$ 3,797	\$ 8,809	43.1%	\$ 3,797	\$ 8,809	43.1%	European Union	\$ 3,691	\$ 8,318	44.4%	(0.3)	(1.3)	(1.3)
902	2,921	30.9%	1,003	3,039	33.0%	1,003	3,039	33.0%	Eastern Europe	887	2,711	32.7%	(1.8)	0.3	0.3
1,627	4,114	39.5%	1,890	4,307	43.9%	1,890	4,307	43.9%	Middle East & Africa	1,884	3,988	47.2%	(7.7)	(3.3)	(3.3)
1,747	4,656	37.5%	1,871	4,900	38.2%	1,871	4,900	38.2%	South & Southeast Asia	1,514	4,417	34.3%	3.2	3.9	3.9
1,851	5,580	33.2%	1,853	5,518	33.6%	1,853	5,518	33.6%	East Asia & Australia	2,608	6,373	40.9%	(7.7)	(7.3)	(7.3)
1,145	3,056	37.5%	1,177	3,155	37.3%	1,177	3,155	37.3%	Latin America & Canada	997	2,941	33.9%	3.6	3.4	3.4
\$ 11,377	\$ 29,625	38.4%	\$ 11,591	\$ 29,728	39.0%	\$ 11,591	\$ 29,728	39.0%	Total PMI	\$ 11,581	\$ 28,748	40.3%	(1.9)	(1.3)	(1.3)

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

(b) For the calculation of Net Revenues excluding currency and acquisitions refer to slide 55



PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

Annual Meeting of Shareholders

New York, May 1, 2019