



2022 First-Quarter Results

April 21, 2022

Introduction

- A glossary of key terms and definitions, including the definition for reduced-risk products, or "RRPs," additional heated tobacco unit market data, 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
- Unless otherwise stated, all references to *IQOS* are to our *IQOS* heat-not-burn products, and all references to smoke-free products refer to RRP
- Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions
- Figures and comparisons presented on a pro forma basis entirely exclude PMI's operations in Russia and Ukraine
- In the third quarter of 2021, we acquired Fertin Pharma A/S, Vectura Group plc. and OtiTopic, Inc. On March 31, 2022, we launched a new Wellness and Healthcare business Vectura Fertin Pharma, which consolidates these entities. The operating results of this new business are reported in the 'Other' category. Business operations of our Wellness and Healthcare business are managed and evaluated separately from the geographical segments

Forward-Looking and Cautionary Statements

- This presentation and related discussion contains projections of future results and other forward-looking statements. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our products in certain markets or countries; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco use and intellectual property; intense competition; the effects of global and individual country economic, regulatory and political developments, natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations, and limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; adverse changes in the cost, availability, and quality of tobacco and other agricultural products and raw materials, as well as components and materials for our electronic devices; and the integrity of its information systems and effectiveness of its data privacy policies. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce and commercialize reduced-risk products or if regulation or taxation do not differentiate between such products and cigarettes; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; or if it is unable to attract and retain the best global talent, including women or diverse candidates. Future results are also subject to the lower predictability of our reduced risk product category's performance
- In addition, PMI's business risks also include risks and uncertainties related to PMI's acquisitions of Fertin Pharma A/S ("Fertin"), OtiTopic, Inc. ("OtiTopic") and Vectura Group plc ("Vectura"), including, amongst other things: (1) the possibility that the integration of the operations of Fertin and Vectura with those of PMI may be more difficult and/or take longer than anticipated, and may not accelerate PMI's desired entry into additional smoke-free and beyond nicotine platforms as quickly as anticipated; (2) the possibility that the respective integrations of Fertin and Vectura into PMI may be more costly than anticipated and may have unanticipated adverse results relating to Fertin, Vectura or PMI's existing businesses; (3) the inability to gain access to or acquire differentiated proprietary assets, technology and/or pharmaceutical development expertise as anticipated by these acquisitions; (4) risks associated with third-party contracts containing consent and/or other contractual provisions that may be triggered by the acquisitions; (5) the success of the research and development efforts of Fertin, OtiTopic and Vectura, including the ability to obtain regulatory approval for new products, and the ability to commercialize or license these new products; (6) any unanticipated safety, quality or efficacy concerns and the impact of identified concerns associated with the products developed by Fertin, OtiTopic and Vectura; and (7) the ability of PMI to retain key personnel of Fertin and Vectura, or hire key talent to work in the Fertin and Vectura businesses due to their affiliation with PMI
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including the Form 10-K for the year ended December 31, 2021. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that we may make from time to time, except in the normal course of its public disclosure obligations

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Focus on Supporting Our Employees Impacted by the Crisis in Ukraine

- Evacuated over 1,000 people (employees and their families) from the country and supported more than 2,700 others to move from conflict zones
- Delivering critical aid to those that remain in Ukraine
- Providing accommodation, assistance and support for a path forward for those who leave the country
- Contributed around \$10m in funds and donated essential items to humanitarian efforts, further ~\$25m in estimated costs for additional employee support



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Actively Working to Address Impact of War in Ukraine

Strong Business Outlook Excluding Russia and Ukraine

Ukraine

- Ukraine manufacturing suspended at Kharkiv facility
- Business activities most impacted in eastern Ukraine, some resumption in areas where conditions allow as we seek to maximize product availability for consumers, using inventories on hand
- Supporting all our Ukrainian employees:
 - Continuing to pay salaries
 - Substantial in-kind support to employees and their families
- Providing additional humanitarian aid

Russia

- PMI Board and senior executives working on options to exit the Russian market in an orderly manner, in context of complex and rapidly changing regulatory and operating environment
- Concrete steps already taken to scale back operations:
 - All new investments and product launches cancelled, including *IQOS ILUMA* and *IQOS VEEV*
 - Delisting 25% of cigarette products, including *Marlboro* and *Parliament* SKUs
 - Canceled \$150m investment to ultimately manufacture >20bn *TEREA* sticks in Russian facility
- Supporting our 3,200 employees, continuing to pay salaries and fulfilling our legal obligations

Source: PMI Financials or estimates

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Very Strong Q1 Performance, Robust Year Ahead

- Excellent Q1 2022 organic net revenue and EPS growth
- Very strong quarter for *IQOS* user acquisition as device supply constraints ease:
 - >1 million user growth excl. Russia & Ukraine
 - 23% RRP pro forma organic net revenue growth
 - Pro forma smoke-free net revenues over 30% of total PMI
- PMI HTUs now the second largest nicotine brand in markets where *IQOS* is present, excl. Russia & Ukraine
- *IQOS ILUMA* superb start continues in Japan, Switzerland & Spain
- Volume and net revenue growth in combustibles with growing category share
- Strong start on a year of robust expected organic growth



Source: PMI Financials or estimates

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Q1, 2022: Strong Start to the Year

	Total PMI	Pro Forma
Net Revenues (Organic variance vs. PY)	+9.0%	+10.0%
Net Revenue per Unit^(a) (Organic variance vs. PY)	+5.3%	+4.9%
OI Margin (Organic variance vs. PY)	(30)^{bps}	(40)^{bps}
Adjusted Diluted EPS (Currency neutral variance vs. PY)	+14.0%	+16.0%

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

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Positive 2022 Outlook

- Strong growth fundamentals intact
- Now expect 2022 pro forma adjusted diluted EPS of \$5.35-\$5.46, including an unfavorable currency impact of 63 cents at prevailing exchange rates

	FY 2022	
	Previous Outlook For Full Year (February 10 th)	Pro forma Outlook Ex-Russia & Ukraine For Full Year (April 21 st)
Net Revenue Growth^(a)	4-6%	4.5-6.5%
Adjusted OI Margin Expansion^(a)	50-150^{bps}	0-100^{bps}
Adjusted Diluted EPS Growth^(b)	8-11%	9-11%
Adjusted Diluted EPS	\$6.12-\$6.30	\$5.35-\$5.46

(a) On an organic basis

(b) On a currency-neutral basis

Source: PMI Financials or estimates

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Strong HTU Volume Growth Outlook

	Previous Outlook For Full Year (February 10 th)	Pro forma Outlook Ex-Russia & Ukraine For Full Year (April 21 st)	Q1'22 Actuals Russia & Ukraine	Pro Forma Outlook + Q1'22 Actuals Russia & Ukraine Combined
HTU Shipment Volume (in billion units)	113-118	88-92	~5	93-97
HTU Shipment Volume Growth	19-24% (vs. 2021 total 95.0 billion units)	20-25% (vs. 2021 pro forma 73.5 billion units)		

Source: PMI Financials or estimates

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2022 Key Assumptions

	2022 Forecast Assumptions
Total Industry Volume ^{(a)(b)}	-1% to stable
PMI Total Shipment Volume ^(a)	stable to +1%
Effective Tax Rate	21-22%
Operating Cash Flow	~\$10 ^{bn}
Capital Expenditures	~\$1.0 ^{bn}

(a) Pro forma basis excluding Russia and Ukraine

(b) Excluding Russia, Ukraine, China and the U.S. Includes Cigarettes and HTUs

Note: Operating cash flow is defined as net cash provided by operating activities

Source: PMI Financials or estimates

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Expect Robust H1 With Profit Accelerating in H2

- Q2 expected to be impacted by temporary / specific factors:
 - Higher device volumes and stepped-up channel replenishment for reaccelerating IQOS user acquisition
 - Corresponding catch-up on commercial investment
 - Timing of HTU and cigarette shipments to Japan
 - Turkey hyperinflation, with challenging exchange rate comparison
 - Additional air freight costs
- Robust overall H1 expected
- Adjusted pro forma OI margin expansion and EPS growth H2-weighted

	2022 Pro Forma ^(a)	
	H1	Full Year
Net Revenue Growth Organic	5-7%	4.5-6.5%
Adjusted Diluted EPS	\$2.65-\$2.70 ^(b)	\$5.35-\$5.46

(a) Pro forma basis excluding Russia and Ukraine

(b) H1 2021 pro forma adjusted diluted EPS was \$2.86

Source: PMI Financials or estimates

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Continued Strong Mid-Term Outlook

- Strong 2022 outlook places us firmly on track to deliver mid-term targets on pro forma basis:
 - 2021-23 CAGRs of >5% organic net revenues, >9% currency-neutral adjusted diluted EPS
 - Around \$2 billion in gross cost savings
- Continue to aim for >50% of net revenues to be smoke-free by 2025

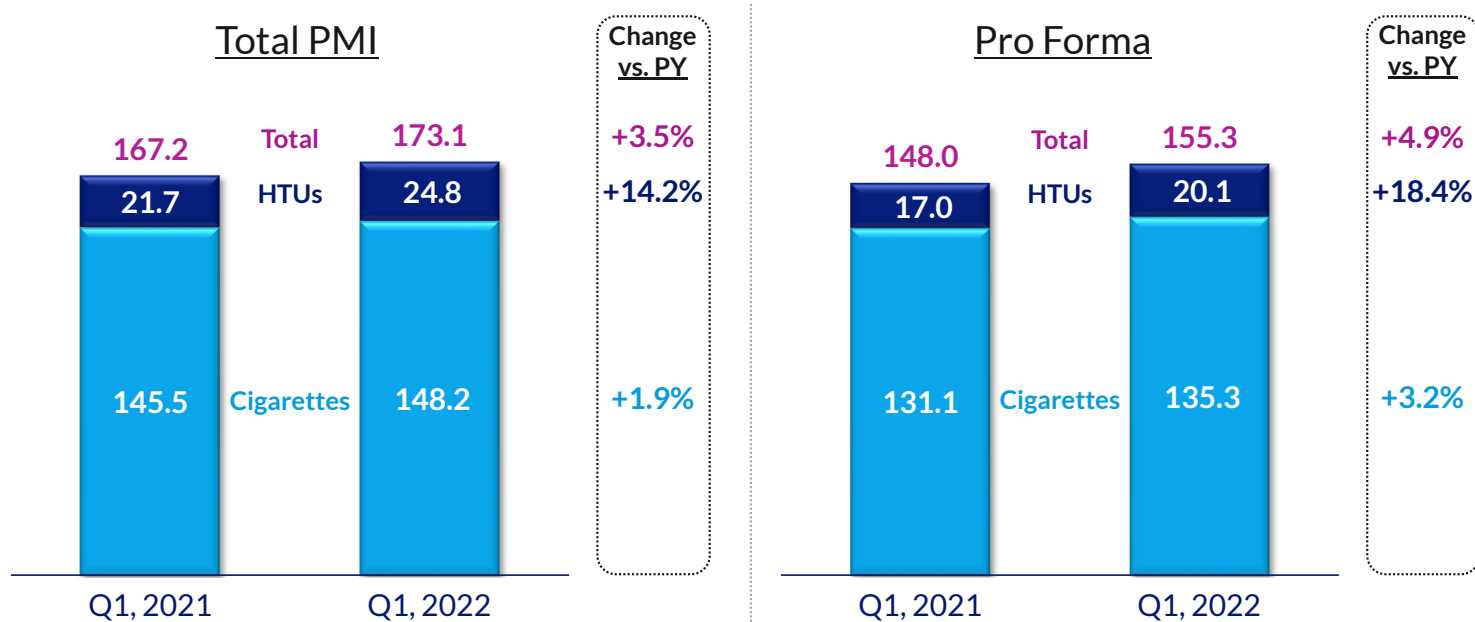
Source: PMI Financials or estimates

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Total PMI Shipment Volume: Excellent Growth

(billion units)



Note: Total might not foot due to roundings
Source: PMI Financials or estimates

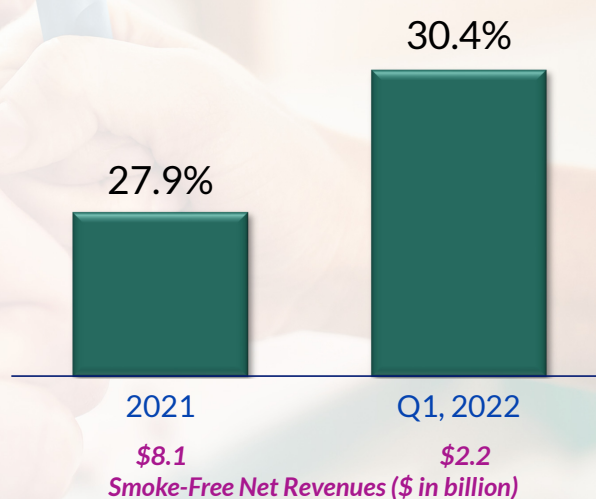
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Rapid Smoke-Free Transformation Continues

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



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

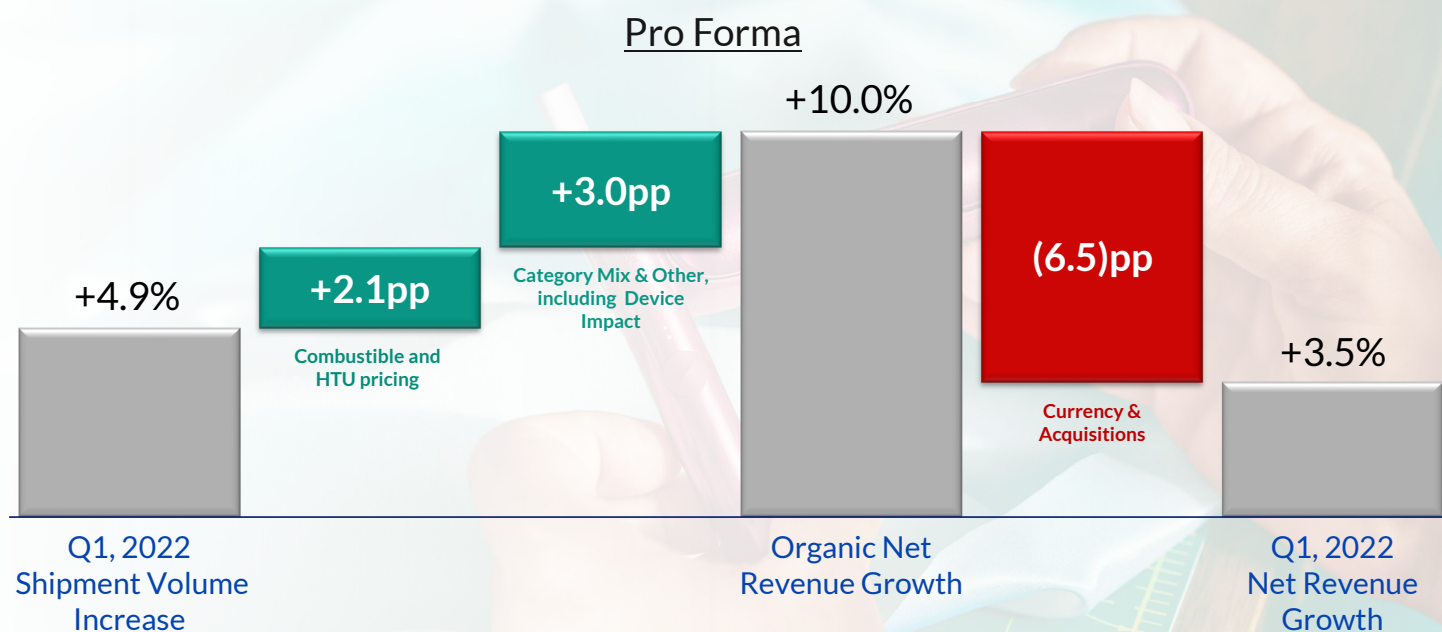


(a) Total volume includes HTUs and cigarettes

(b) Smoke-free net revenues include RRP net revenues and net revenues from the 'Other' category
Source: PMI Financials or estimates

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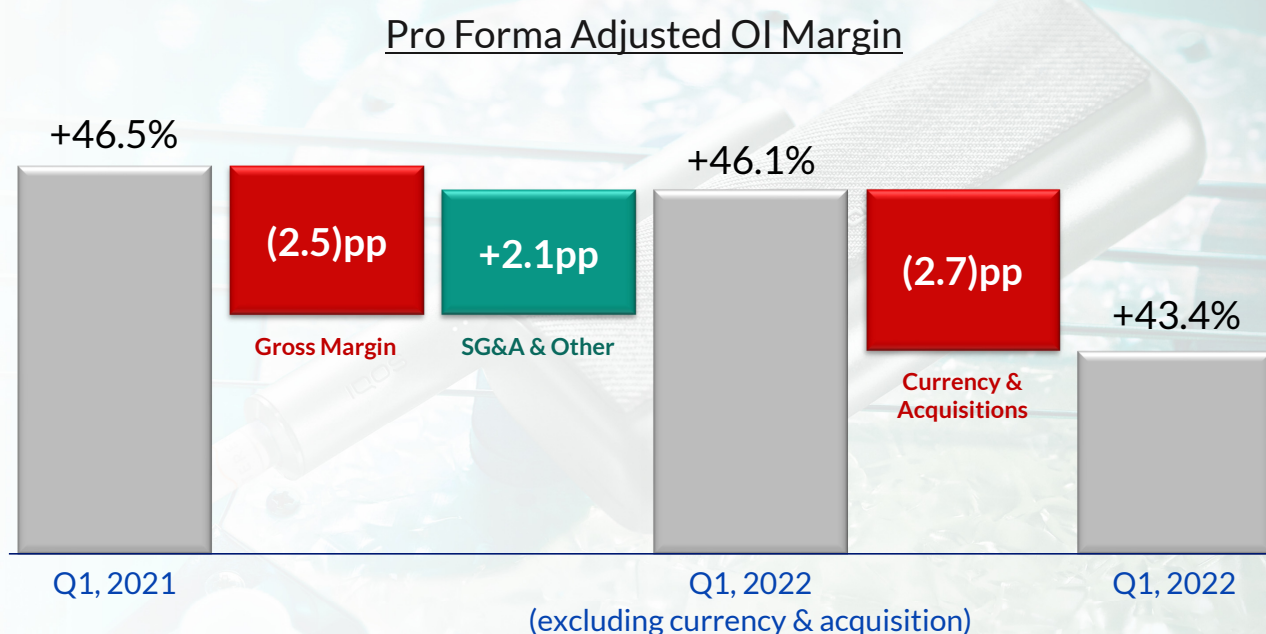
Volume Growth & Twin Engines Powering Organic Net Revenues



Source: PMI Financials or estimates

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Temporary COGS Headwinds Impacting OI Margin



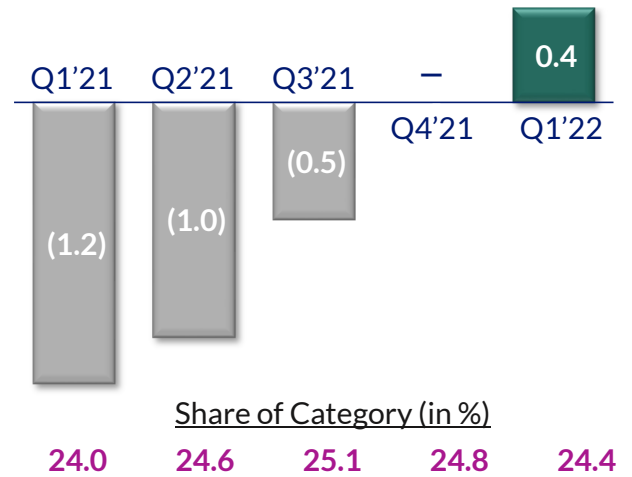
Source: PMI Financials or estimates

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Robust Combustible Trends Support Smoke-Free Future

- Volume recovery notably driven by Indonesia, Philippines, Spain and Duty Free
- PMI portfolio performing well with growing category share
- Continue to target stable share of declining cigarette category over time to maximize switching to smoke-free products

Pro Forma Share of Cigarette Category (Change vs. PY in pp)

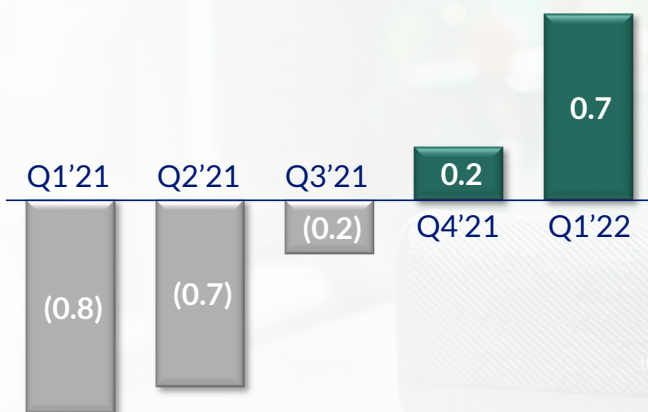


Note: Excluding Russia, Ukraine, China and the U.S. Reflects sales volume of PMI cigarettes as a percentage of cigarette industry sales volume
Source: PMI Financials or estimates

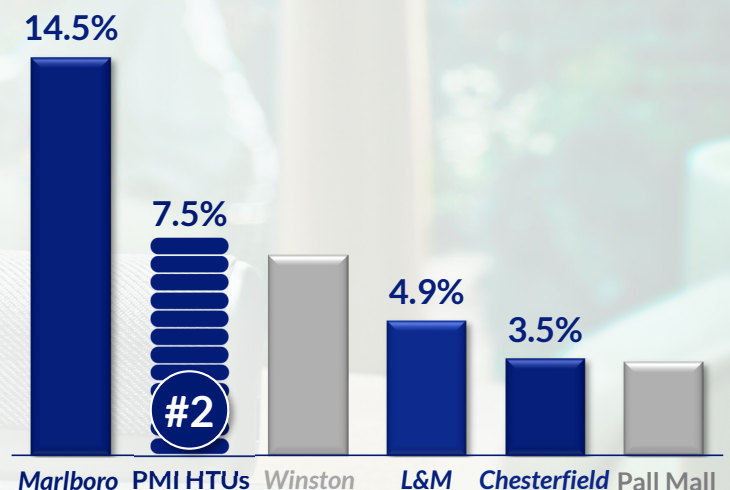
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Positive Total Market Share Momentum

Pro Forma International Share (Change vs. PY in pp)



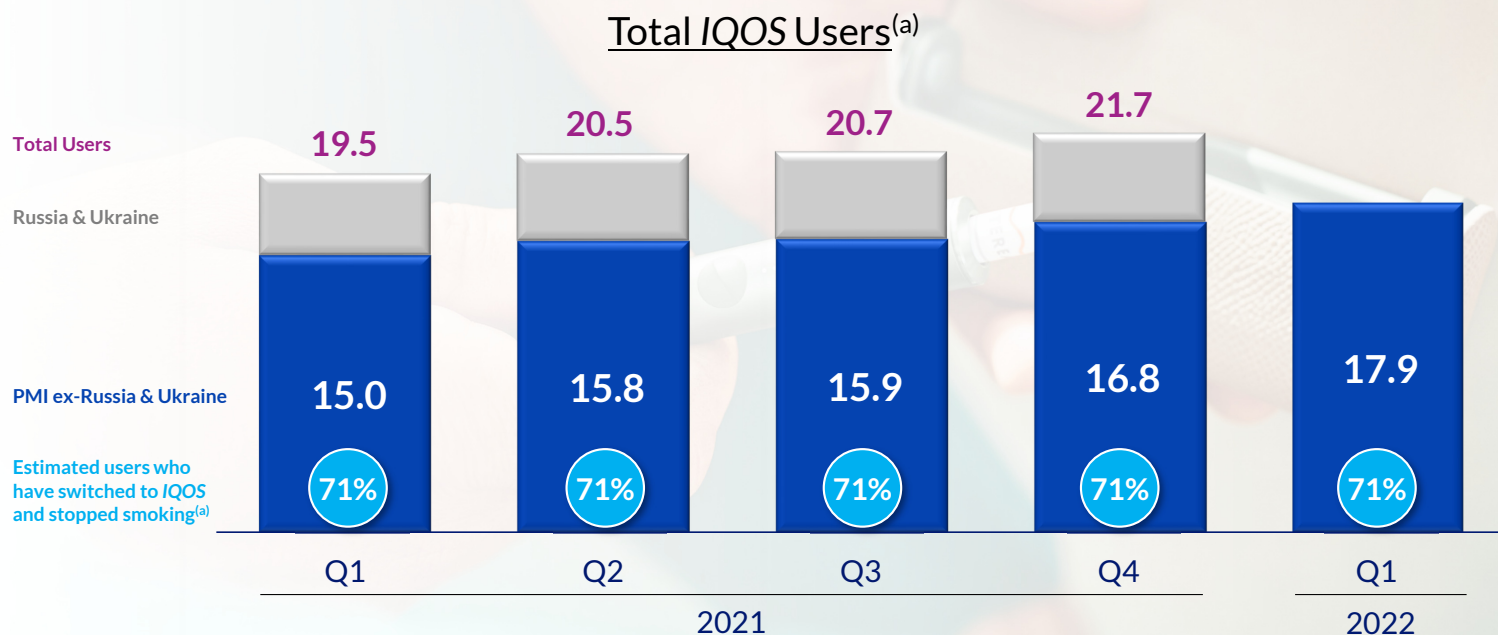
Q1'22 International Nicotine Brand Share in IQOS Markets^(a)



(a) Reflects 66 markets where IQOS HTUs are available in key cities or nationwide at March 31, 2022. Excludes Russia, Ukraine and the U.S.
Note: Reflects sales volume as a percentage of the total industry sales volume for cigarettes and HTUs. Excluding Russia, Ukraine, China and the U.S. All 'brands' except 'PMI HTUs' include cigarettes only
Source: PMI Financials or estimates

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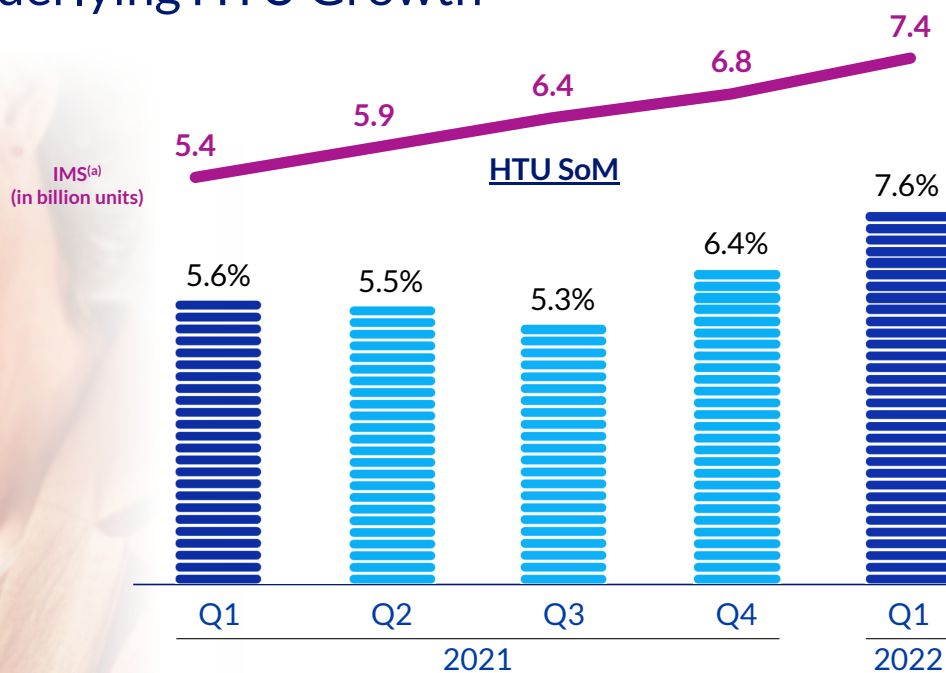
Strong IQOS User Growth Recovery



(a) See Glossary for definition
 Note: Russia and Ukraine not included in total users for Q1, 2022
 Source: PMI Financials or estimates, IQOS user panels and PMI Market Research

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EU Region: Strong Underlying HTU Growth



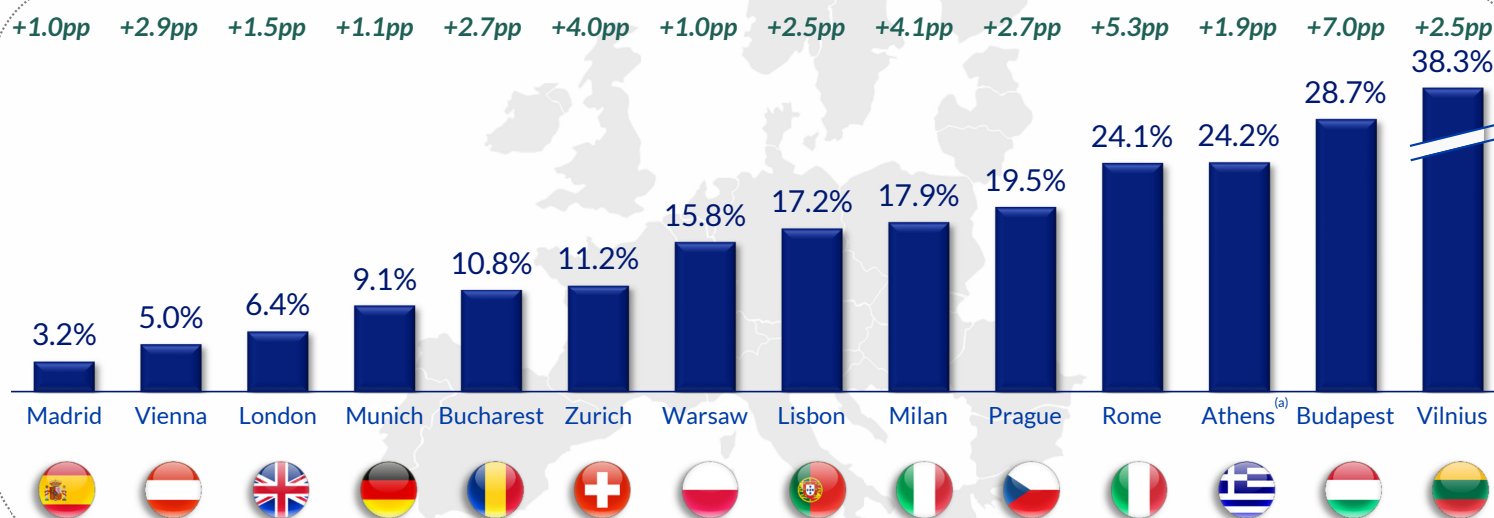
(a) Based on a four-quarter moving average
 Note: Market share for HTUs is defined as the total sales volume for HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs
 Source: PMI Financials or estimates

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Accelerating Key City Shares in Europe

PMI HTU Offtake Shares (Q1, 2022)

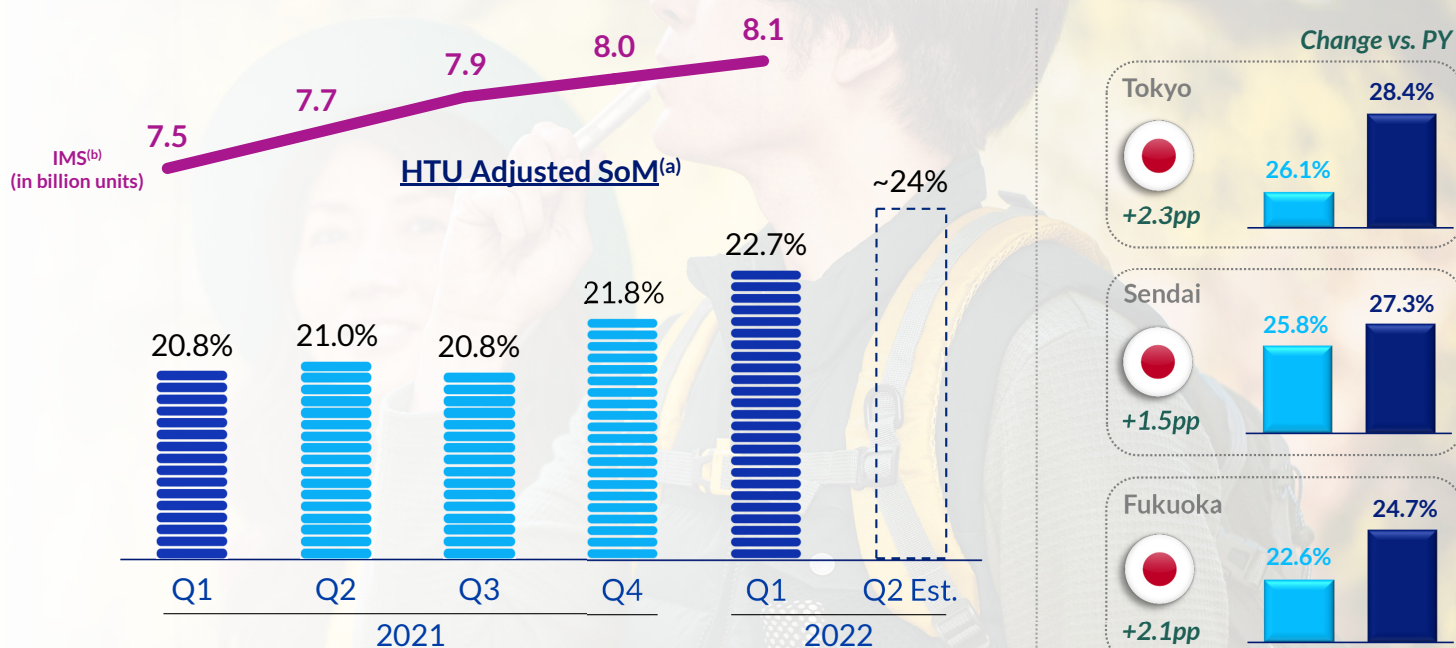
Change vs. PY



(a) Athens represents Attica Region
Source: PMI Financials or estimates

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Japan: Continued IQOS HTU Growth



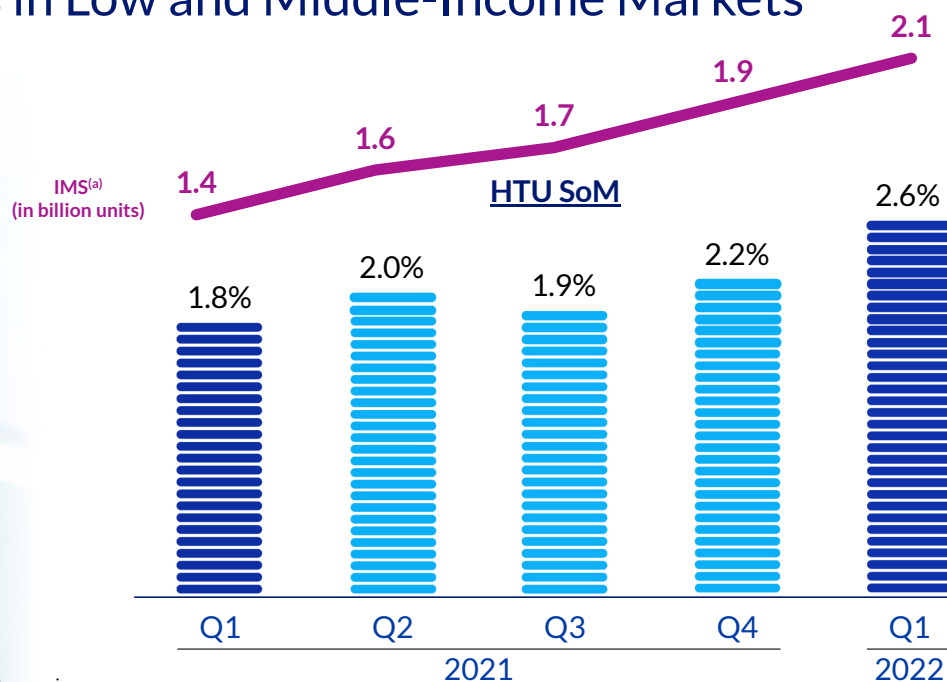
(a) Adjusted market share for HTUs is defined as the total sales volume for HTUs as a percentage of the total estimated sales volume for cigarettes, HTUs and cigarillos and excluding the impact of estimated trade inventory movements

(b) Based on a four-quarter moving average

Source: PMI Financials or estimates

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Encouraging Progress in Low and Middle-Income Markets



(a) Based on a four-quarter moving average

Note: 28 Low & Middle-Income markets where PMI commercialized IQOS at 31 December 2021, excluding Duty Free, Russia and Ukraine. Low & Middle-Income markets defined using World Bank classification where available. Palestine is included as a Low & Middle-Income market

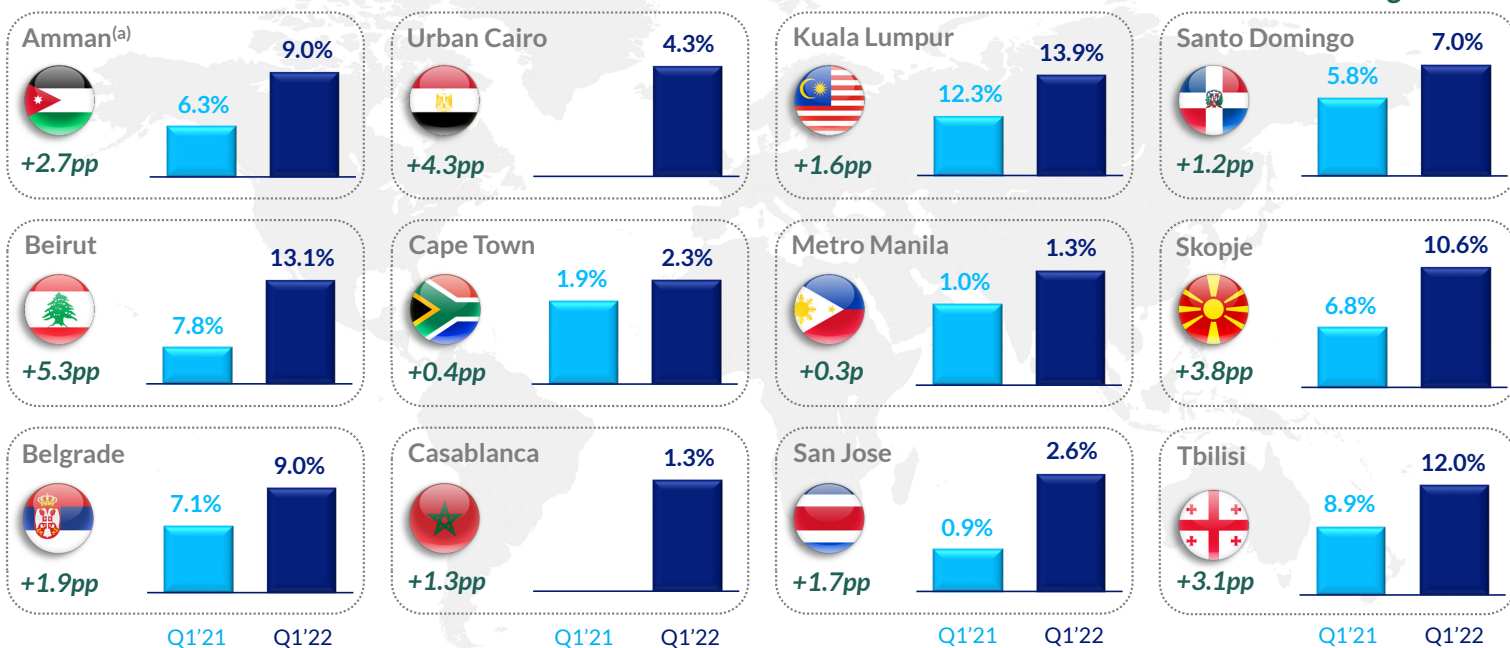
Source: PMI Financials or estimates

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Promising IQOS Growth in Low & Middle-Income Markets

(PMI HTU offtake share in Key Cities)

Change vs. PY



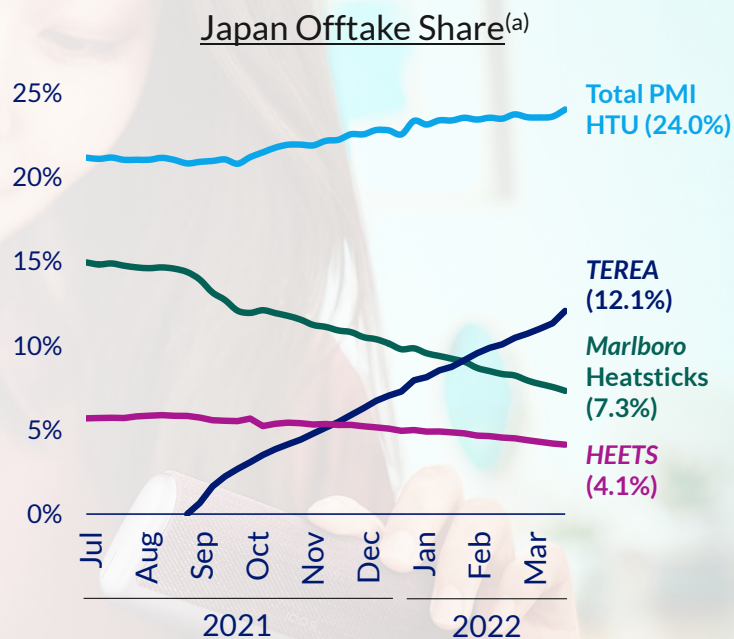
(a) Amman represents West Amman
Source: PMI Financials or estimates

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Superb Results of IQOS ILUMA in Japan



- Over 20% of *ILUMA* users are new users, and over 30% of total IQOS users now using *ILUMA*
- Higher conversion rates
- *TEREA* the fastest-growing launch in the smoke-free category with 12% offtake share in 6 months, overtaking IQOS blade consumables
- *ILUMA ONE* launched in March
- *SENTIA* HTUs launching in April in select prefectures at mainline price



(a) Based on 3 C-Store Chains offtake. Base includes cigarettes, cigarillos and RRP
Note: New users are former Legal Age Smokers or Legal Age Nicotine Users
Source: PMI Financials or estimates

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Positive Start for IQOS ILUMA in Switzerland & Spain



Switzerland

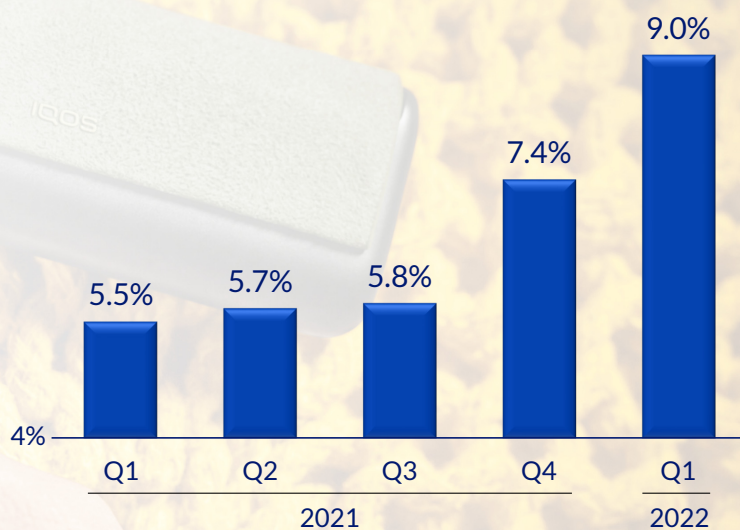
- Switzerland exhibiting similar or better early trends since early November launch
- Accelerated smoker acquisition and upgrades from existing users
- *TEREA* now approaching 2/3 PMI HTU sales



Spain

- Over 10% of existing users upgraded in first month
- 50% increase in IQOS device sales to new users
- *TEREA* offtake exiting March at ¼ of HTU sales
- Significant increase in Net Promoter Score

Switzerland HTU SoM

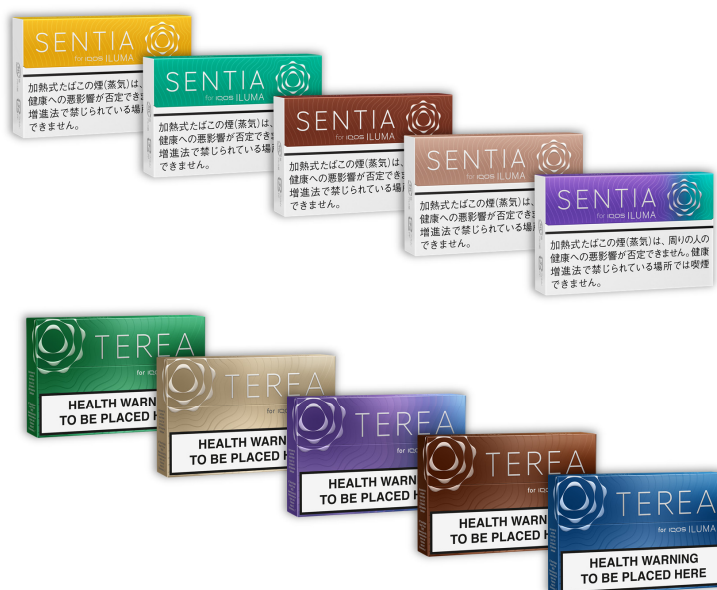


Source: PMI Financials or estimates

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Launch Plans for *ILUMA* and Other HnB Innovations

- Strong potential confirmed in Japan, Switzerland and Spain
- Timing of HTU supply for new markets impacted by outstanding success in first markets and disruption from canceled investment in Russia
- Further market launches now mostly expected towards end of H2
- Rich pipeline of innovations and portfolio expansion on devices and HTUs across HnB technologies

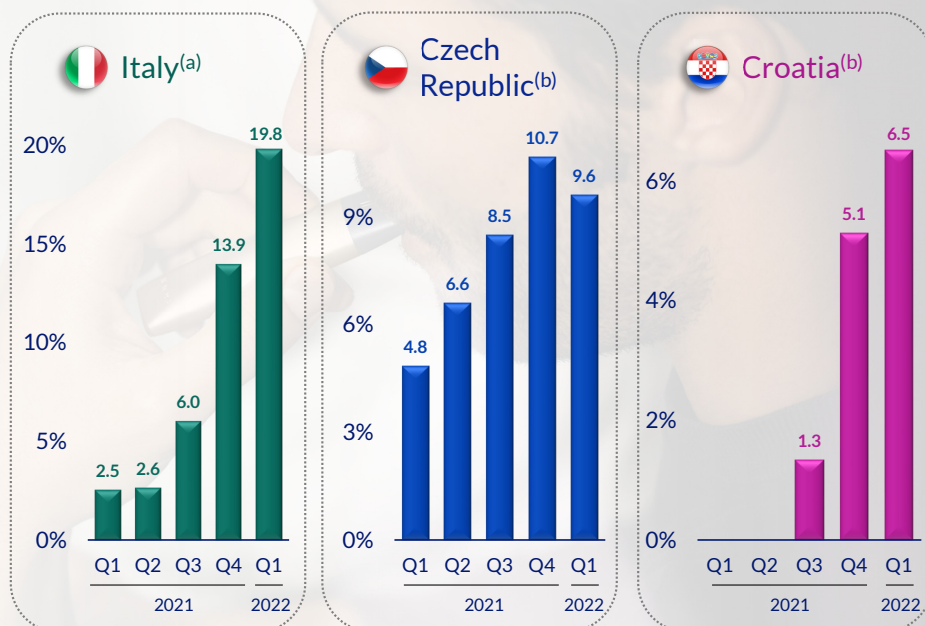


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IQOS VEEV: Strong Progress

- Strong progress following distribution and consumable range expansions
- Achieved despite average device price premium of 20-30%
- Further market roll-outs planned this year
- Present in 7 markets

VEEV Offtake Share (Closed System Pods, in %)



(a) Source: Nielsen, Indirect retail only

(b) Source: Key Account sales

Note: IMS share data based on ml

Source: PMI Financials or estimates

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Sustainability at the Core of Our Strategy

Enhancing approach to sustainability:

- Updated statement of purpose recognizing role of wellness and healthcare in our transformation
- Reassessed ESG priorities and published dedicated Sustainability Materiality report, introducing new ESG framework
- Sustainability Index introduced in Proxy statement, explicitly linking ESG performance to long-term executive compensation
- 2021 Integrated Report to be published on May 17, 2022

Product health impact:

- Growing penetration of smoke-free products to accelerate the end of smoking
- Continued positive regulatory developments recognizing harm reduction credentials of smoke-free products



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Strong Growth Fundamentals for 2022 and Beyond

- Excellent start to 2022
- Exceptional initial results from *ILUMA*
- Rich pipeline of innovation across smoke-free categories
- Robust recovery in combustible performance supports smoke-free transformation
- Investing in long-term growth in wellness and healthcare
- 2022 pro forma fundamentals remain strong:
 - Rapid top-line growth outlook driven by *IQOS*
 - Expecting margin expansion despite inflation and supply chain disruption
- Confident in mid-term growth outlook

Source: PMI Financials or estimates

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Delivering a Smoke-Free Future

2022 First-Quarter Results

Questions & Answers

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Or go to: www.pmi.com/irapp

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Delivering a Smoke-Free Future

2022 First-Quarter Results

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

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Glossary: General Terms

- "PMI" refers to Philip Morris International Inc. and its subsidiaries. Trademarks and service marks that are the registered property of, or licensed by, the subsidiaries of PMI, are italicized
- Until March 28, 2008, PMI was a wholly owned subsidiary of Altria Group, Inc. ("Altria"). Since that time the company has been independent and is listed on the New York Stock Exchange (ticker symbol "PM")
- Comparisons are made to the same prior-year period unless otherwise stated
- Unless otherwise stated, references to total industry, total market, PMI shipment volume and PMI market share performance reflect cigarettes and heated tobacco units
- References to total international market, defined as worldwide cigarette and heated tobacco unit volume excluding the U.S., total industry, total market and market shares are PMI estimates for tax-paid products based on the latest available data from a number of internal and external sources and may, in defined instances, exclude the People's Republic of China and/or PMI's duty free business
- 2021 and 2022 estimates for total industry volume and market share in certain geographies reflect limitations on the availability and accuracy of industry data during pandemic-related restrictions
- "OTP" is defined as "other tobacco products," primarily roll-your-own and make-your-own cigarettes, pipe tobacco, cigars and cigarillos, and does not include reduced-risk products
- "Combustible products" is the term PMI uses to refer to cigarettes and OTP, combined
- In-market sales, or "IMS," is defined as sales to the retail channel, depending on the market and distribution model
- "Total shipment volume" is defined as the combined total of cigarette shipment volume and heated tobacco unit shipment volume
- Following the acquisitions of Fertin Pharma A/S, OtiTopic, Inc. and Vectura Group plc., PMI added the "Other" category in the third quarter of 2021. Business operations for the Other category are evaluated separately from the geographical operating segments
- "RBH" refers to PMI's Canadian subsidiary, Rothmans, Benson & Hedges Inc.
- The Companies' Creditors Arrangement Act (CCAA) is a Canadian federal law that permits a Canadian business to restructure its affairs while carrying on its business in the ordinary course

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Glossary: General Terms (cont.)

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

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Glossary: Financial Terms

- Net revenues related to combustible products refer to the operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. PMI recognizes revenue when control is transferred to the customer, typically either upon shipment or delivery of goods
- Net revenues related to RRP's represent the sale of heated tobacco units, heat-not-burn devices and related accessories, and other nicotine-containing products, primarily e-vapor and oral nicotine products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. PMI recognizes revenue when control is transferred to the customer, typically either upon shipment or delivery of goods
- Net revenues in the Other category primarily consist of operating revenues generated from the sale of inhaled therapeutics, and oral and intra-oral delivery systems, that are included in the operating results of PMI's new Wellness and Healthcare business, Vectura Fertin Pharma
- Adjusted net revenues exclude the impact related to the Saudi Arabia customs assessments
- "COGS" stands for Cost Of Goods Sold
- "SG&A" stands for selling, general & administrative
- "Adjusted Operating Income (OI) Margin" is calculated as adjusted OI, divided by adjusted net revenues
- "Net debt" is defined as total debt, less cash and cash equivalents
- Growth rates presented on an organic basis for consolidated financial results reflect currency-neutral underlying results
- Management reviews net revenues, operating income, operating income margin, 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. Currency-neutral and organic growth rates reflect the way management views underlying performance for these measures. PMI believes that such measures provide useful insight into underlying business trends and results. Management reviews these measures because they exclude changes in currency exchange rates and other factors that may distort underlying business trends, thereby improving the comparability of PMI's business performance between reporting periods. Furthermore, PMI uses several of these measures in its management compensation program to promote internal fairness and a disciplined assessment of performance against company targets. PMI discloses these measures to enable investors to view the business through the eyes of management
- "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

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Glossary: Reduced-Risk Products

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

Glossary: Reduced-Risk Products (cont.)

- "Total IQOS users" is defined as the estimated number of Legal Age (minimum 18 years) users of PMI heat-not-burn products, for which PMI HTUs represented at least a portion of their daily tobacco consumption over the past seven days

The estimated number of adults who have "switched to IQOS and stopped smoking" reflects:

- for markets where there are no heat-not-burn products other than PMI heat-not-burn products: daily individual consumption of PMI HTUs represents the totality of their daily tobacco consumption in the past seven days
- for markets where PMI heat-not-burn products are among other heat-not-burn products: daily individual consumption of HTUs represents the totality of their daily tobacco consumption in the past seven days, of which at least 70% is PMI HTUs.

Note: The above IQOS user metrics reflect PMI estimates, which are based on consumer claims and sample-based statistical assessments with an average margin of error of +/-5% at a 95% Confidence Interval in key volume markets. The accuracy and reliability of IQOS user metrics may vary based on individual market maturity and availability of information

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

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

EU Region: HTU SoM Performance in Select Markets

	<u>Q1, 2022</u>	<u>Growth vs. PY</u>		<u>Q1, 2022</u>	<u>Growth vs. PY</u>		<u>Q1, 2022</u>	<u>Growth vs. PY</u>
Croatia	6.7%	+0.6pp	Italy	14.8%	+3.5pp	Romania	5.7%	+1.7pp
Czech Republic	12.5	(1.1)	Latvia	10.4	+1.1	Slovak Republic	14.4	+1.6
Germany	5.9	+2.3	Lithuania	26.5	+2.5	Slovenia	10.3	+3.3
Greece	17.2	+2.2	Poland	7.6	+2.2	Switzerland	9.0	+3.5
Hungary	25.6	+9.0	Portugal	15.3	+3.2	UK	2.6	+0.6

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

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2022: EPS Guidance

(\$/share)

	Full-Year		
	<u>2022 Forecast</u>	<u>2021</u>	<u>Growth</u>
Reported Diluted EPS	\$5.39 – \$5.50	\$5.83	
- Asset impairment and exit costs	-	0.12	
- Charges related to the war in Ukraine	0.03	-	
- Saudi Arabia customs assessments	-	0.14	
- Fair value adjustment for equity security investments ⁽¹⁾	0.03	-	
- Asset acquisition cost	-	0.03	
- Equity investee ownership dilution	-	(0.04)	
Adjusted Diluted EPS	\$5.45 – \$5.56	\$6.08	
- Less: Net Earnings attributable to Russia and Ukraine	0.10	0.60	
Pro Forma Adjusted Diluted EPS	\$5.35 – \$5.46	\$5.48	
- Less: Pro Forma Currency	(0.63)		
Adjusted Diluted EPS, excluding currency	\$5.98 – \$6.09	\$5.48	9% – 11%

(1) Reflects the adjustment resulting from share price movements in PMI's investments in India and Sri Lanka, which are publicly traded entities that are not controlled or influenced by PMI
Source: PMI Financials or estimates

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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,		
	2022	2021	% Change
Reported Diluted EPS	\$ 1.50	\$ 1.55	(3.2)%
Less: Currency	(0.23)	-	-
Reported Diluted EPS, excluding Currency	\$ 1.73	\$ 1.55	11.6%

	Quarters Ended March 31,			Year Ended
	2022	2021	% Change	2021
Reported Diluted EPS	\$ 1.50	\$ 1.55	(3.2)%	\$ 5.83
Asset impairment and exit costs	-	0.02	-	0.12
Charges related to the Russia-Ukraine conflict	0.03	-	-	-
Asset acquisition cost	-	-	-	0.03
Equity investee ownership dilution	-	-	-	(0.04)
Saudi Arabia customs assessments	-	-	-	0.14
Fair value adjustment for equity security investments	0.03	-	-	-
Tax items	-	-	-	-
Adjusted Diluted EPS	\$ 1.56	\$ 1.57	(0.6)%	\$ 6.08
Less: Currency	(0.23)	-	-	-
Adjusted Diluted EPS, excluding Currency	\$ 1.79	\$ 1.57	14.0%	-

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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
2022					Reduced-Risk Products	2021	% Change		
\$ 1,202	\$ (82)	\$ 1,284	\$ 4	\$ 1,281	European Union	\$ 959	25.4%	34.0%	33.6%
270	(26)	295	-	295	Eastern Europe	304	(11.4)%	(3.0)%	(3.0)%
62	(1)	63	-	63	Middle East & Africa	21	+100%	+100%	+100%
5	-	5	-	5	South & Southeast Asia	2	+100%	+100%	+100%
803	(66)	869	-	869	East Asia & Australia	824	(2.5)%	5.5%	5.5%
8	-	8	-	8	Americas	12	(35.3)%	(32.5)%	(32.5)%
\$ 2,350	\$ (175)	\$ 2,525	\$ 4	\$ 2,521	Total RRP's	\$ 2,122	10.7%	19.0%	18.8%
2022					Other	2021	% Change		
\$ 66	\$ -	\$ 66	\$ 66	\$ -	Other	\$ -	-	-	-
2022					PMI	2021	% Change		
\$ 3,012	\$ (206)	\$ 3,218	\$ 4	\$ 3,214	European Union	\$ 2,909	3.5%	10.6%	10.5%
726	(72)	798	-	798	Eastern Europe	796	(8.8)%	0.3%	0.3%
991	(149)	1,140	-	1,140	Middle East & Africa	801	23.7%	42.3%	42.3%
1,123	(44)	1,167	-	1,167	South & Southeast Asia	1,173	(4.3)%	(0.5)%	(0.5)%
1,404	(106)	1,510	-	1,510	East Asia & Australia	1,472	(4.6)%	2.6%	2.6%
424	(13)	437	-	437	Americas	434	(2.3)%	0.7%	0.7%
66	-	66	66	-	Other	-	-	-	-
\$ 7,746	\$ (590)	\$ 8,336	\$ 70	\$ 8,266	Total PMI	\$ 7,585	2.1%	9.9%	9.0%

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

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PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Reconciliation of Net Revenues to Adjusted Net Revenues, excluding Currency and Acquisitions
(\$ in millions) / (Unaudited)

Net Revenues	Special Items	Adjusted Net Revenues	Currency	Adjusted Net Revenues excluding Currency	Acquisitions	Adjusted Net Revenues excluding Currency & Acquisitions		Net Revenues	Special Items	Adjusted Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
2022							Quarters Ended March 31,	2021			% Change		
\$ 3,012	\$ -	\$ 3,012	\$ (206)	\$ 3,218	\$ 4	\$ 3,214	European Union	\$ 2,909	\$ -	\$ 2,909	3.5%	10.6%	10.5%
726	-	726	(72)	798	-	798	Eastern Europe	796	-	796	(8.8)%	0.3%	0.3%
991	-	991	(149)	1,140	-	1,140	Middle East & Africa	801	-	801	23.7%	42.3%	42.3%
1,123	-	1,123	(44)	1,167	-	1,167	South & Southeast Asia	1,173	-	1,173	(4.3)%	(0.5)%	(0.5)%
1,404	-	1,404	(106)	1,510	-	1,510	East Asia & Australia	1,472	-	1,472	(4.6)%	2.6%	2.6%
424	-	424	(13)	437	-	437	Americas	434	-	434	(2.3)%	0.7%	0.7%
66	-	66	-	66	66	-	Other	-	-	-	-	-	-
\$ 7,746	\$ -	\$ 7,746	\$ (590)	\$ 8,336	\$ 70	\$ 8,266	Total PMI	\$ 7,585	\$ -	\$ 7,585	2.1%	9.9%	9.0%

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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 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
2022							Quarters Ended March 31,	2021			% Change		
\$ 1,527	\$ -	\$ 1,527	\$ (145)	\$ 1,672	\$ (2)	\$ 1,674	European Union	\$ 1,490	\$ (9)	\$ 1,499	1.9%	11.5%	11.7%
144	(42) ⁽¹⁾	186	(60)	246	-	246	Eastern Europe	261	(2)	263	(29.3)%	(6.5)%	(6.5)%
521	-	521	(115)	636	-	636	Middle East & Africa	335	(2)	337	54.6%	88.7%	88.7%
445	-	445	(25)	470	-	470	South & Southeast Asia	529	(3)	532	(16.4)%	(11.7)%	(11.7)%
571	-	571	(68)	639	-	639	East Asia & Australia	695	(31)	726	(21.3)%	(12.0)%	(12.0)%
121	-	121	(2)	123	-	123	Americas	134	(1)	135	(10.4)%	(8.9)%	(8.9)%
(31)	-	(31)	-	(31)	(24)	(7)	Other	-	-	-	-	-	-
\$ 3,298	\$ (42)	\$ 3,340	\$ (415)	\$ 3,755	\$ (26)	\$ 3,781	Total PMI	\$ 3,444	\$ (48)	\$ 3,492	(4.4)%	7.5%	8.3%

(1) Represents charges related to the war in Ukraine

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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 (1)	Adjusted Net Revenues (2)	Adjusted Operating Income Margin	Adjusted Operating Income excluding Currency (1)	Adjusted Net Revenues excluding Currency (2)	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income excluding Currency & Acquisitions (1)	Adjusted Net Revenues excluding Currency & Acquisitions (2)	Adjusted Operating Income Margin excluding Currency & Acquisitions		Adjusted Operating Income (1)	Adjusted Net Revenues (2)	Adjusted Operating Income Margin	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income Margin excluding Currency & Acquisitions
2022									Quarters Ended March 31,	2021			% Points Change	
\$ 1,527	\$ 3,012	50.7%	\$ 1,672	\$ 3,218	52.0%	\$ 1,674	\$ 3,214	52.1%	European Union	\$ 1,499	\$ 2,909	51.5%	(0.8)	0.6
186	726	25.6%	246	798	30.8%	246	798	30.8%	Eastern Europe	263	796	33.0%	(7.4)	(2.2)
521	991	52.6%	636	1,140	55.8%	636	1,140	55.8%	Middle East & Africa	337	801	42.1%	10.5	13.7
445	1,123	39.6%	470	1,167	40.3%	470	1,167	40.3%	South & Southeast Asia	532	1,173	45.4%	(5.8)	(5.1)
571	1,404	40.7%	639	1,510	42.3%	639	1,510	42.3%	East Asia & Australia	726	1,472	49.3%	(8.6)	(7.0)
121	424	28.5%	123	437	28.1%	123	437	28.1%	Americas	135	434	31.1%	(2.6)	(3.0)
(31)	66	(47.0)%	(31)	66	(47.0)%	(7)	-	-	Other	-	-	-	-	-
\$ 3,340	\$ 7,746	43.1%	\$ 3,755	\$ 8,336	45.0%	\$ 3,781	\$ 8,266	45.7%	Total PMI	\$ 3,492	\$ 7,585	46.0%	(2.9)	(0.3)

- (1) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 44
(2) For the calculation of Adjusted Net Revenues and Adjusted Net Revenues excluding currency and acquisitions refer to slide 43

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PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Adjustments for the Impact of Russia and Ukraine, excluding Currency (Unaudited)

	Quarters Ended March 31,			
	2022	2021	Currency	Variance excluding Currency
Adjusted Diluted EPS ⁽¹⁾	\$ 1.56	\$ 1.57	\$ (0.23)	14.0%
Net Earnings attributable to Russia and Ukraine	0.10	0.13	(0.02)	
Adjusted Diluted EPS, excluding Russia and Ukraine	\$ 1.46	\$ 1.44	\$ (0.21)	16.0%

- (1) For the calculation of Adjusted diluted EPS, see slide 41

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PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

PMI & EE Region - Adjustments for the Impact of Russia and Ukraine, excluding Currency and Acquisitions
(Unaudited)

	Quarters Ended March 31,				Variance excluding Currency & Acqui- sitions
	2022	2021	Currency	Acqui- sitions	
PMI					
Adjusted Net Revenues ⁽¹⁾	\$ 7,746	\$ 7,585	\$ (590)	\$ 70	9.0%
Net Revenues attributable to Russia and Ukraine	474	561	(63)	-	
Adjusted Net Revenues, ex. Russia and Ukraine	\$ 7,272	\$ 7,024	\$ (527)	\$ 70	10.0%
Adjusted Operating Income ⁽²⁾	\$ 3,340	\$ 3,492	\$ (415)	\$ (26)	8.3%
Operating Income attributable to Russia and Ukraine	181	227	(38)	-	
Adjusted Operating Income, ex. Russia and Ukraine	\$ 3,159	\$ 3,265	\$ (377)	\$ (26)	9.1%
Adjusted Operating Income Margin	43.1%	46.0%	(1.9)pp	(0.7)pp	(0.3)pp
Adjusted Operating Income margin attributable to Russia and Ukraine	(0.3)pp	(0.5)pp			
Adjusted Operating Income Margin, ex. Russia and Ukraine	43.4%	46.5%	(1.9)pp	(0.8)pp	(0.4)pp
Eastern Europe					
Adjusted Net Revenues ⁽¹⁾	\$ 726	\$ 796	\$ (72)	\$ -	0.3%
Net Revenues attributable to Russia and Ukraine	474	561	(63)	-	
Adjusted Net Revenues, ex. Russia and Ukraine	\$ 252	\$ 235	\$ (9)	\$ -	11.1%
Adjusted Operating Income ⁽²⁾	\$ 186	\$ 263	\$ (60)	\$ -	(6.5)%
Operating Income attributable to Russia and Ukraine	181	227	(38)	-	
Corporate expenses apportioned to Russia and Ukraine	(61)	(50)	3	-	
Adjusted Operating Income, ex. Russia and Ukraine	\$ 66	\$ 86	\$ (25)	\$ -	6.1%
Adjusted Operating Income Margin	25.6%	33.0%	(5.2)pp	-	(2.2)pp
Adjusted Operating Income margin attributable to Russia and Ukraine ⁽³⁾	(0.6)pp	(3.6)pp			
Adjusted Operating Income Margin, ex. Russia and Ukraine	26.2%	36.6%	(8.8)pp	-	(1.6)pp

(1) For the calculation of Adjusted Net Revenues, see slide 43

(2) For the calculation of Adjusted Operating Income, see slide 44

(3) Includes also impact of corporate expenses apportioned to Russia and Ukraine

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PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

Net Revenues by Product Category and Adjustments for the Impact of Russia and Ukraine
(Unaudited)

	Quarters Ended March 31,					Year Ended December 31,
	2022	2021	Currency	Acqui- sitions	Variance excluding Currency & Acquisitions	2021
Combustible Products						
Adjusted Net Revenues	\$ 5,330	\$ 5,463	\$ (415)	\$ -	5.2%	\$ 22,436
Net Revenues attributable to Russia and Ukraine	269	308	(41)	-		1,399
Pro Forma Adjusted Net Revenues	\$ 5,062	\$ 5,155	\$ (374)	\$ -	5.5%	\$ 21,037
Reduced-Risk Products						
Adjusted Net Revenues	\$ 2,350	\$ 2,122	\$ (175)	\$ 4	18.8%	\$ 9,115
Net Revenues attributable to Russia and Ukraine	205	253	(23)	-		1,072
Pro Forma Adjusted Net Revenues	\$ 2,145	\$ 1,869	\$ (153)	\$ 4	22.8%	\$ 8,042
Other						
Adjusted Net Revenues	\$ 66	\$ -	\$ -	\$ 66	+100%	\$ 101
Net Revenues attributable to Russia and Ukraine	-	-	-	-		-
Pro Forma Adjusted Net Revenues	\$ 66	\$ -	\$ -	\$ 66	+100%	\$ 101
PMI						
Adjusted Net Revenues	\$ 7,746	\$ 7,585	\$ (590)	\$ 70	9.0%	\$ 31,651
Net Revenues attributable to Russia and Ukraine	474	561	(63)	-		2,471
Pro Forma Adjusted Net Revenues	\$ 7,272	\$ 7,024	\$ (527)	\$ 70	10.0%	\$ 29,180

Note: For the calculation of Adjusted Net Revenues see slide 43. Sum of product categories might not foot to Total PMI due to roundings. "-" indicates amounts between -\$0.5 million and +\$0.5 million

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PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

Reconciliation of Non-GAAP Measures

PMI Shipment Volume Adjusted for the Impact of Russia and Ukraine
(Unaudited)

	Quarters Ended March 31,			Year Ended December 31,
	2022	2021	% Change	2021
Cigarettes				
Shipment Volume	148,238	145,512	1.9%	624,875
Russia	10,772	12,101		52,499
Ukraine	2,211	2,359		10,669
Pro Forma Shipment Volume	135,255	131,052	3.2%	561,707
Heated Tobacco Units				
Shipment Volume	24,819	21,734	14.2%	94,976
Russia	3,359	3,582		16,309
Ukraine	1,383	1,193		5,168
Pro Forma Shipment Volume	20,076	16,959	18.4%	73,499
PMI				
Shipment Volume	173,057	167,246	3.5%	719,851
Russia	14,131	15,682		68,807
Ukraine	3,595	3,552		15,838
Pro Forma Shipment Volume	155,331	148,011	4.9%	635,206

Note: Sum of product categories might not foot to total due to roundings

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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 March 31, 2021	Quarter Ended June 30, 2021	Six Months Ended June 30, 2021	Quarter Ended September 30, 2021	Nine Months Ended September 30, 2021	Quarter Ended December 31, 2021	Year Ended December 31, 2021
Reported Diluted EPS	\$ 1.55	\$ 1.39	\$ 2.93	\$ 1.55	\$ 4.48	\$ 1.34	\$ 5.83
Asset impairment and exit costs	0.02	0.04	0.07	0.02	0.09	0.02	0.12
Asset acquisition cost	-	-	-	0.03	0.03	-	0.03
Equity investee ownership dilution	-	-	-	(0.02)	(0.02)	(0.01)	(0.04)
Saudi Arabia customs assessments	-	0.14	0.14	-	0.14	-	0.14
Tax items	-	-	-	-	-	-	-
Adjusted Diluted EPS	\$ 1.57	\$ 1.57	\$ 3.14	\$ 1.58	\$ 4.72	\$ 1.35	\$ 6.08
Net Earnings attributable to Russia & Ukraine	0.13	0.15	0.28	0.15	0.43	0.17	0.60
Pro Forma Adjusted Diluted EPS	\$ 1.44	\$ 1.42	\$ 2.86	\$ 1.43	\$ 4.29	\$ 1.18	\$ 5.48
Weighted-average shares for diluted EPS	1,560	1,560	1,560	1,560	1,560	1,557	1,559

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

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PHILIP MORRIS
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Delivering a Smoke-Free Future

2022 First-Quarter Results

April 21, 2022