



2024 First-Quarter Results

April 23, 2024

Introduction

- A glossary of terms 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 are available in Exhibit 99.2 to the company's Form 8-K dated April 23, 2024 and on our [Investor Relations website](#) with additional non-GAAP reconciliations available at the end of this presentation

Forward-Looking and Cautionary Statements

- This presentation contains projections of future results and goals and other forward-looking statements, including statements regarding expected financial or operational performance; capital allocation plans; investment strategies; market expectations; dividends. 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 and / or nicotine 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 natural disasters and pandemics 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 introduce, commercialize, and grow smoke-free 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 smoke-free business' performance
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including PMI's Annual Report on Form 10-K for the fourth quarter and year ended December 31, 2023 and the Form 10-Q for the quarter ended March 31, 2024, which will be filed in the coming days. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations

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Very Strong Q1 Performance

- Outstanding growth in currency-neutral net revenues, operating income & adj. EPS:
 - Strong IQOS and ZYN momentum continues with smoke-free organic net revenues +25% and gross profit +38%
 - Excellent adjusted OI growth and margin expansion on both organic and dollar basis
- Actions to mitigate increased currency headwinds
- Impressive Q1 sets the stage to deliver strong year of growth in both constant currency and USD



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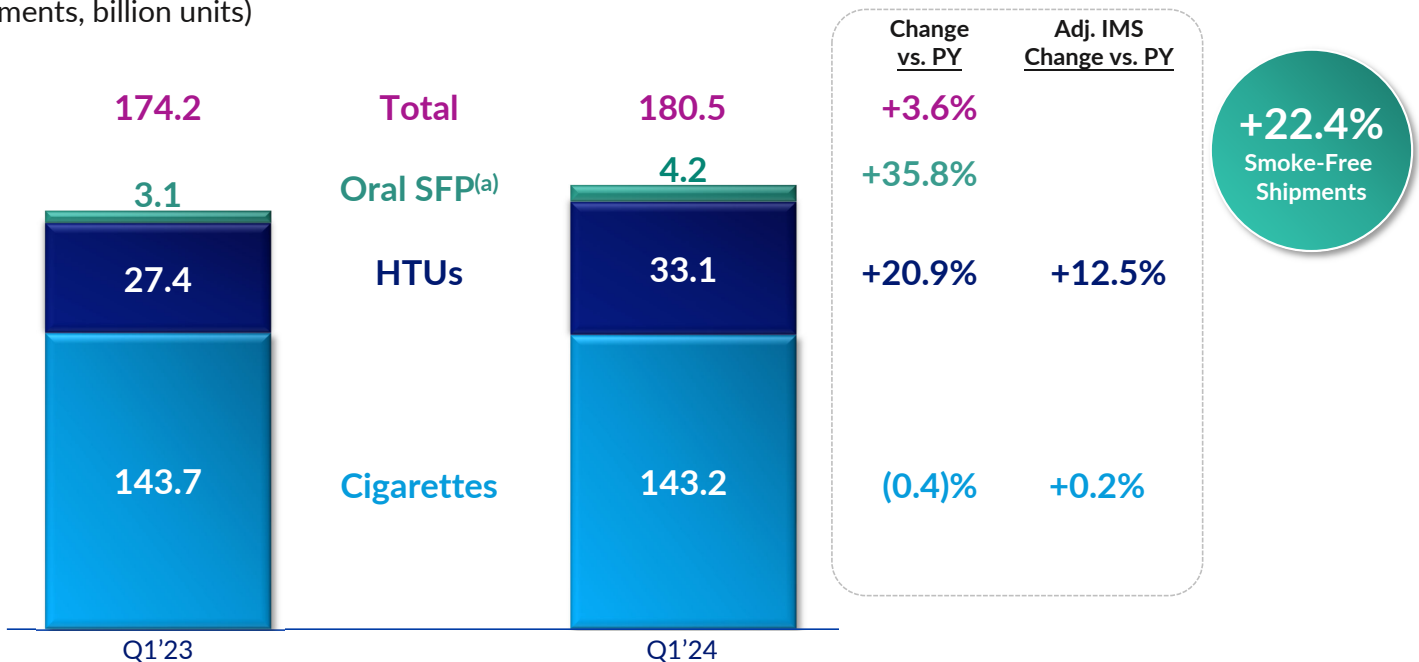
Q1, 2024: Excellent Start to the Year

	<u>Organic Growth</u>	<u>Adj. Growth incl. Currency</u>
Shipment Volume <i>(Variance vs. PY)</i>	+3.6%	
Net Revenues <i>(Variance vs. PY)</i>	+11.0%	+8.6%
Operating Income <i>(Variance vs. PY)</i>	+22.2%	+11.3%
Adj. Diluted EPS <i>(Variance vs. PY)</i>	+23.2%	+8.7%

Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results. Shipment volume includes HTUs, cigarettes and oral SFP excluding snuff, snuff leaf and U.S. chew. Source: PMI Financials or estimates

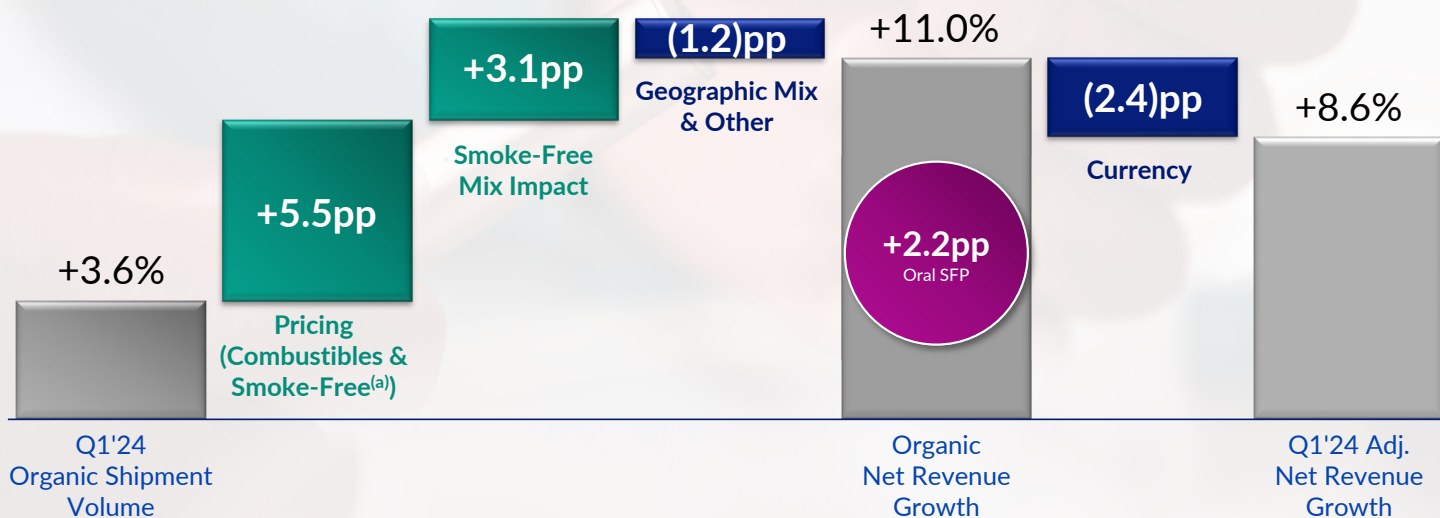
Volume Growth Driven by Smoke-Free Products

(shipments, billion units)



(a) Volumes shown in pouches or pouch equivalent, excluding snuff, snuff leaf and U.S. chew. Note: Total may not foot due to rounding. Source: PMI Financials or estimates

Top-Line Growth Powered by Volumes, Pricing & Category Mix

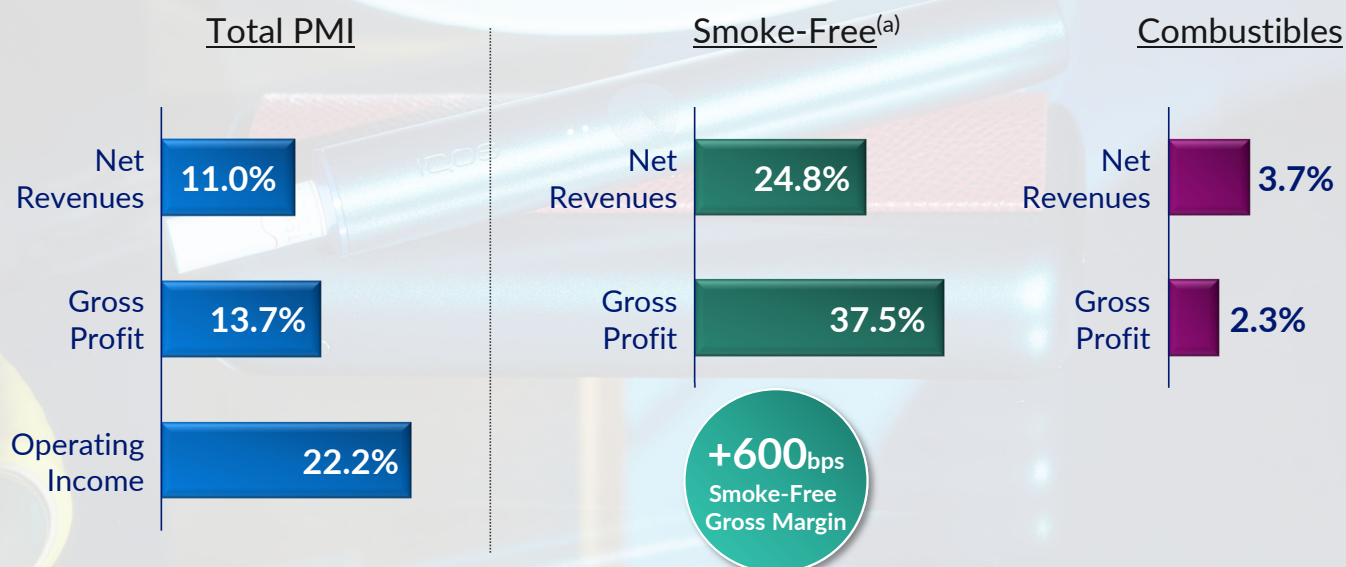


(a) Represents Smoke-Free Business

Note: Smoke-free mix represents the impact of an increased proportion of smoke-free products at higher net-revenue per unit and is calculated at total PMI level, excluding the impact from market mix. Source: PMI Financials or estimates

Organic OI Growth Driven by Excellent Smoke-Free Accretion

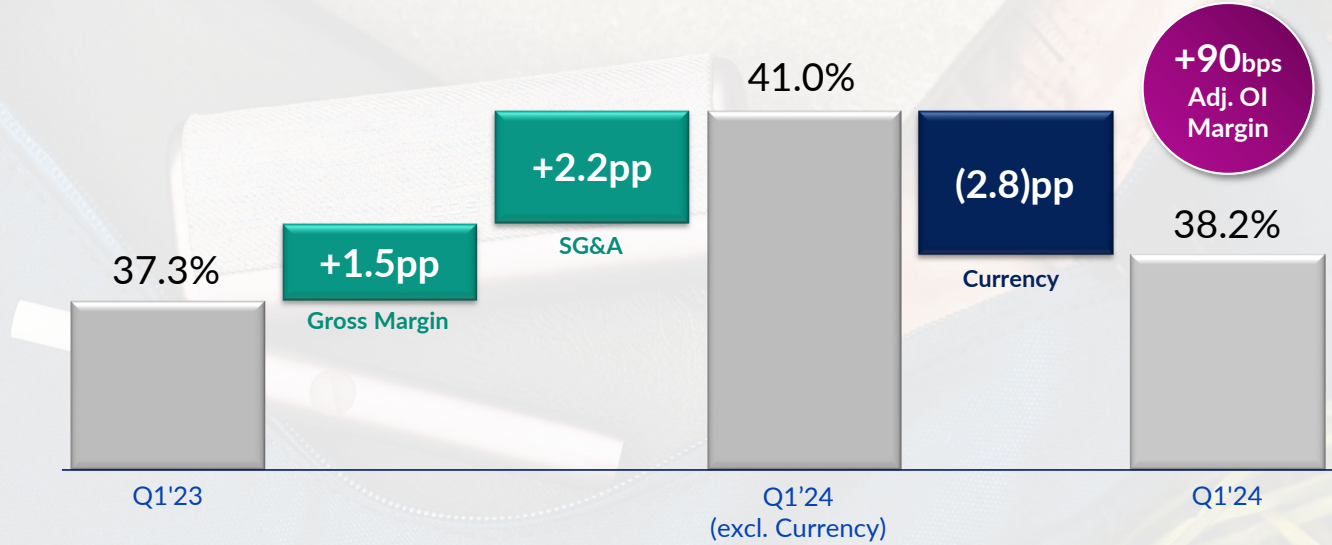
Q1'24 Organic Variance vs. PY



(a) Represents Smoke-Free Business. Note: Organic smoke-free gross margin growth is calculated based on organic smoke-free gross profit, divided by organic smoke-free net revenues. Chart not to scale. Growth rates presented on an organic basis reflect currency-neutral adjusted results. Source: PMI Financials or estimates

Gross Margins and SG&A Driving Strong OI Margin Expansion

Adjusted OI Margin

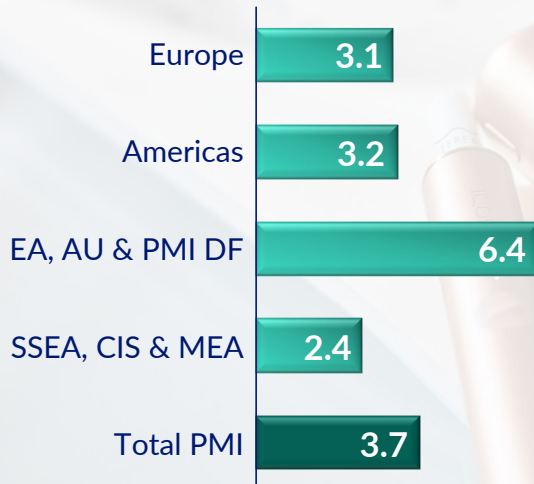


Source: PMI Financials or estimates

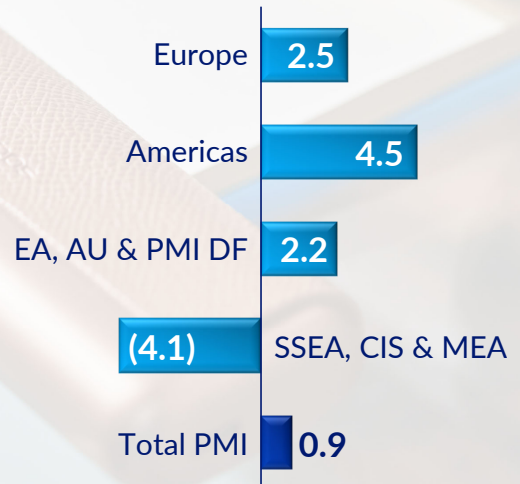
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Broad-Based Margin Expansion Across Regions

Organic Adj. OI Margin (Q1'24, Change vs. PY, pp)



Adj. OI Margin (Q1'24, Change vs. PY, pp)

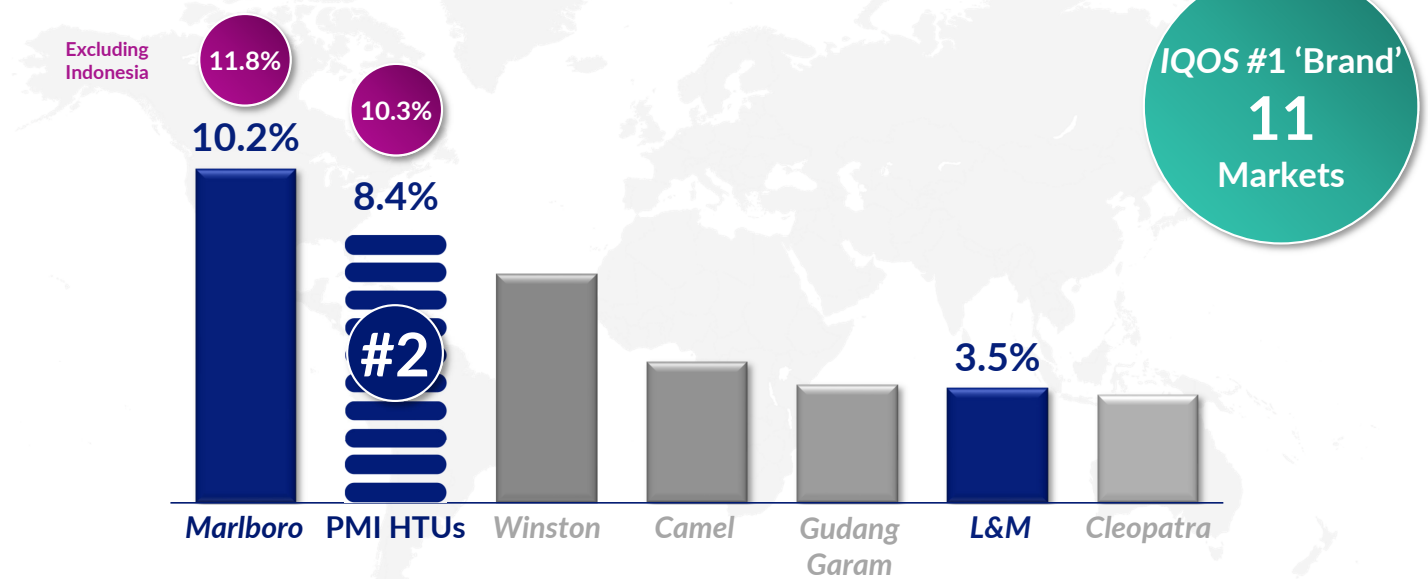


Source: PMI Financials or estimates

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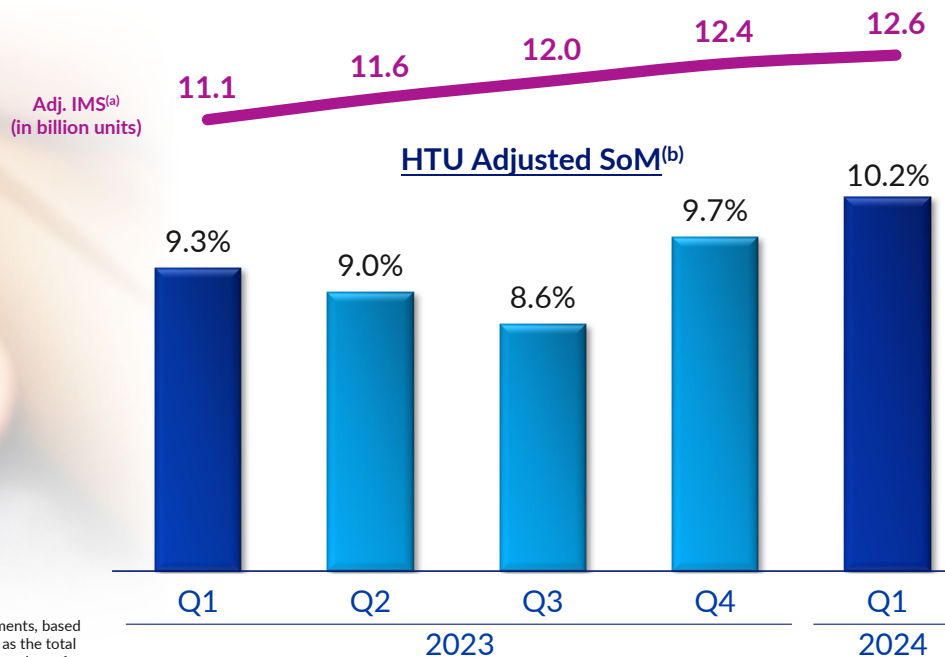
PMI HTUs: Second-Largest 'Brand' in IQOS Markets

Share in IQOS Markets (Q1'24)^(a)



(a) Reflects 72 markets (including Indonesia, following broader commercialization in the market) where IQOS is available in key cities or nationwide at March 31, 2024
 Note: All 'brands' except 'PMI HTUs' include cigarettes only. Reflects PMI in-market sales volume as a percentage of total estimated sales volume for cigarettes and HTUs, including cigarillos in Japan. Source: PMI Financials or estimates

Europe: Continued Growth to Surpass 10% Share Milestone

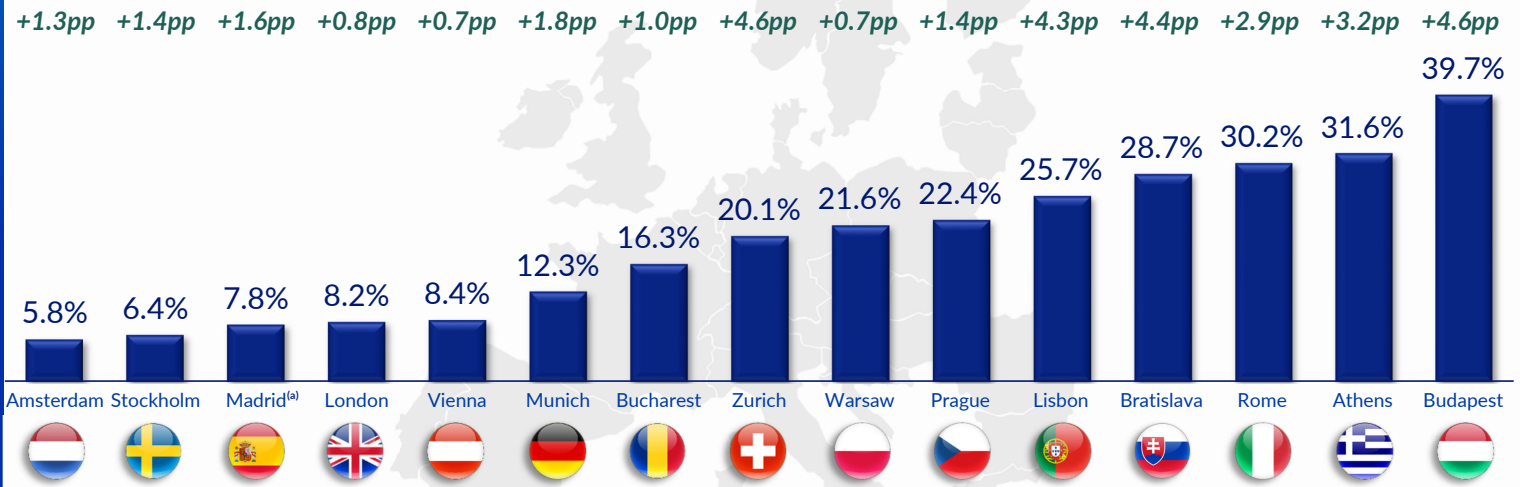


(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average; (b) Adjusted market share for HTUs is defined as the total in-market sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs, excluding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

Impressive Progress in European Key Cities

PMI HTU Offtake Share (Q1'24)

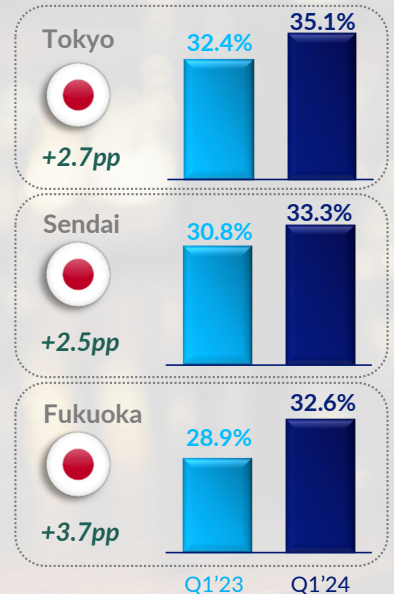
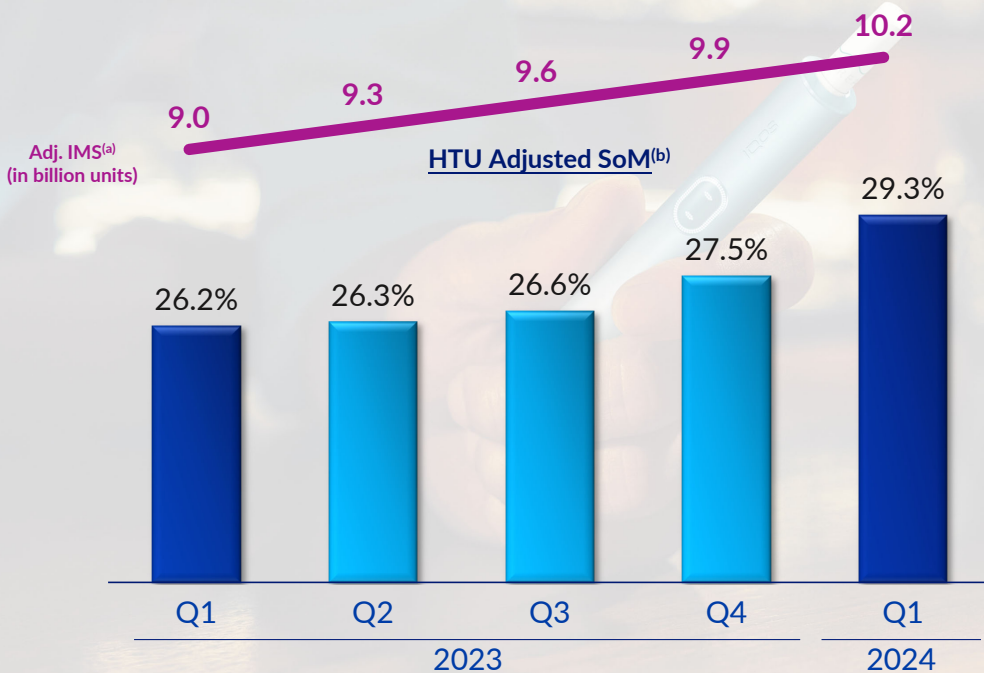
Change vs. PY



(a) Madrid represents municipality of Madrid (versus data previously presented on province of Madrid) and includes approximately half of the estimated 1.5 million Legal Age Nicotine Users in the province. Historical data: Q2'23 6.3%, Q3'23 6.0%, Q4'23 7.4%
 Note: Athens represents Attica Region. Source: PMI Financials or estimates

Japan: Delivering Excellent Growth Through Innovation

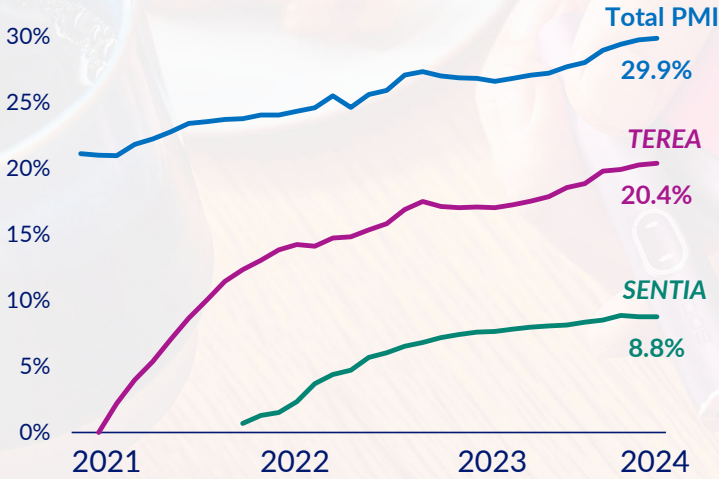
Japan HTU Offtake Share^(c)



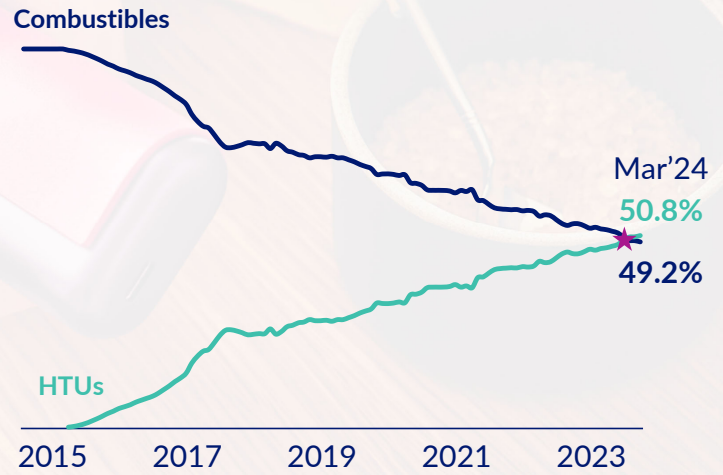
(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average; (b) Adjusted market share for HTUs defined as the total in-market sales volume for PMI HTUs as a percentage of total estimated sales volume for cigarettes, HTUs and cigarillos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

Premium Innovation Driving IQOS & HnB Category

Japan HTU Offtake Share^(a)



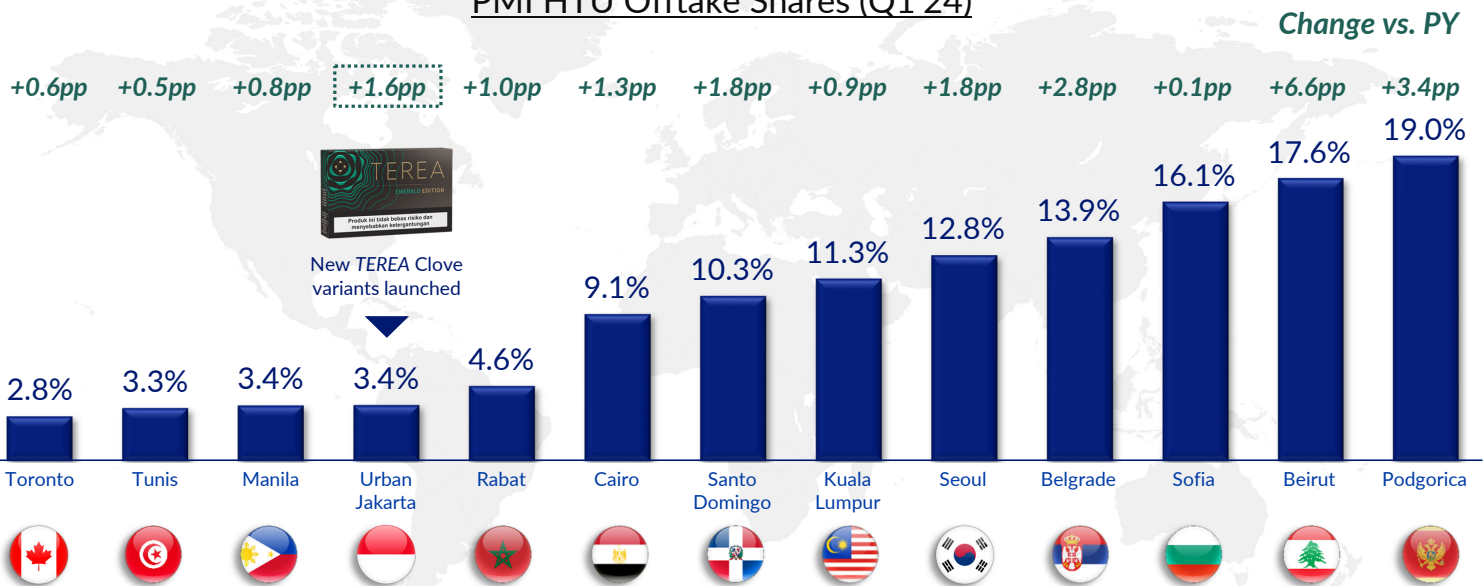
Tokyo Monthly Offtake Category Share^(a)



(a) Based on 3 C-Store Chains offtake. Base includes cigarettes, cigarillos and HTUs
Source: PMI Financials or estimates

Promising Key City Growth Across Global Markets

PMI HTU Offtake Shares (Q1'24)



Note: Urban Jakarta represents West, Central and South Jakarta which include an estimated 1.5 million Legal Age Nicotine Users. Cairo represents Urban Cairo, Manila represents Metro Manila, Tunis represents Greater Tunis. TERA images of clove taste variants in Indonesia.
Source: PMI Financials or estimates

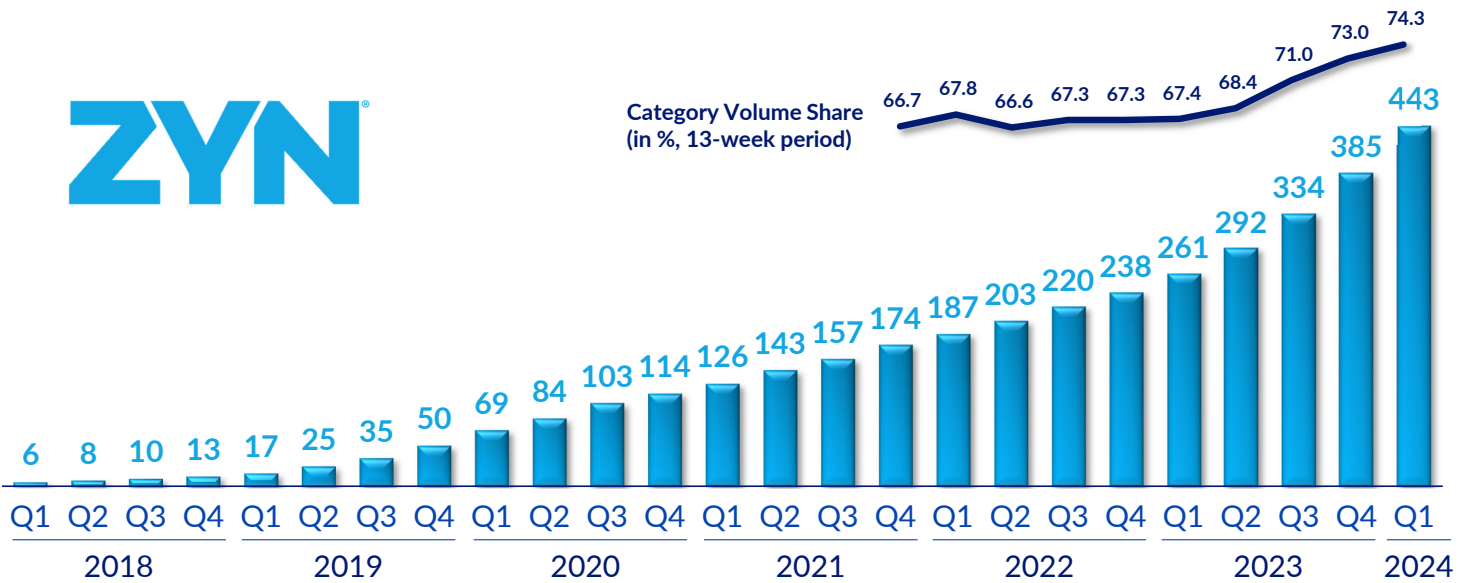
ZYN Growth Momentum Continues

79.3%
Q1'24
Category Retail
Value Share
(13-week period)

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



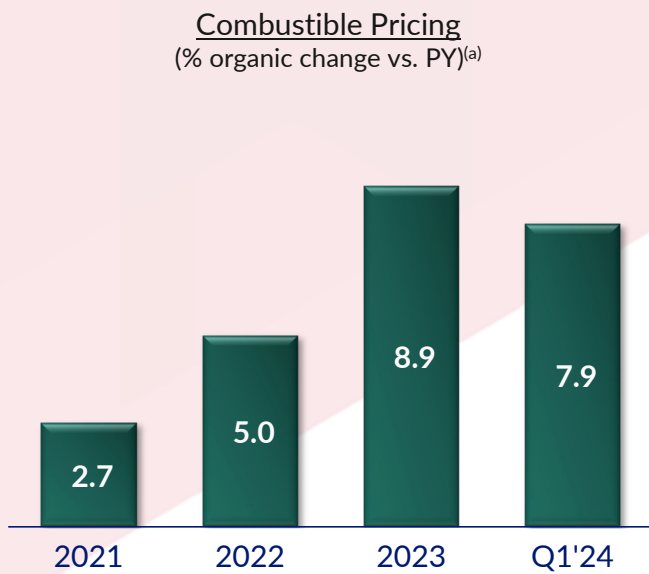
Category Volume Share
(in %, 13-week period)



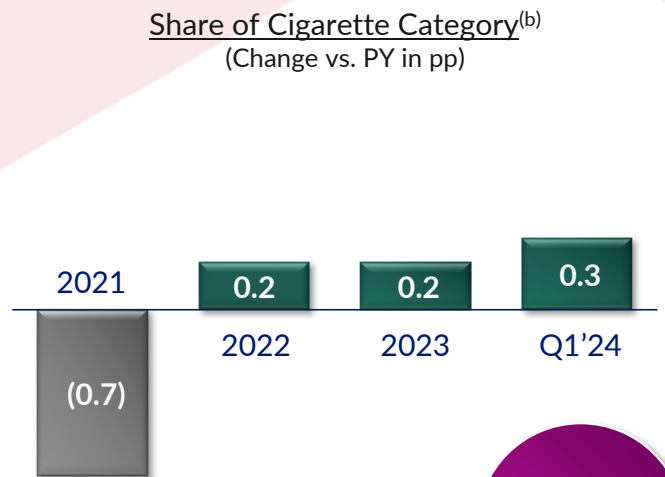
Source: PMI Financials or estimates, Circana, LLC, Nicotine Pouches, Week ending 3/31/24

Combustibles: Strong Pricing and Category Share Growth

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



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



+0.4pp
Marlboro Q1'24
Share of Category
vs. PY

(a) Pricing variance is based on adjusted net revenues

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

Source: PMI Financials or estimates

Accelerating & Expanding Our Smoke-Free Journey

- *ILUMA i* launched in Japan
- HTU portfolio expansion
- Preparing IQOS U.S. pilots
- International ZYN roll-out continues
- Focused strategy for VEEV showing promising results



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Raising 2024 Growth Forecasts on Strong Fundamentals

- Stronger outlook on underlying momentum and actions to address currency headwinds
 - Adj. diluted EPS \$6.19 - \$6.31, including unfavorable currency impact of 36 cents at prevailing exchange rates
- Continue to target close to \$15bn in smoke-free net revenues, with SFP driving majority of OI growth
- Strong H1 expected on volumes, top-line growth and margin expansion:
 - Q2 Adj. diluted EPS of \$1.50 - \$1.55, including unfavorable currency impact of 14 cents at prevailing exchange rates
- Ongoing progress on deleveraging balance sheet

	FY 2024 Outlook	
	Previous	Updated
HTU Adj. IMS Growth	14-16%	14-16%
HTU Shipment Volumes	>140 ^{bn}	>140 ^{bn}
U.S. ZYN Shipment Volume (cans)	~520 ^m	~560 ^m
Net Revenue Growth ^(a)	6.5-8%	7-8.5%
Adj. OI Growth ^(a)	8-9.5%	10-12%
Adj. Diluted EPS Growth ^(b)	7-9%	9-11%

(a) On an organic basis
 (b) Currency-neutral variance
 Source: PMI Financials or estimates

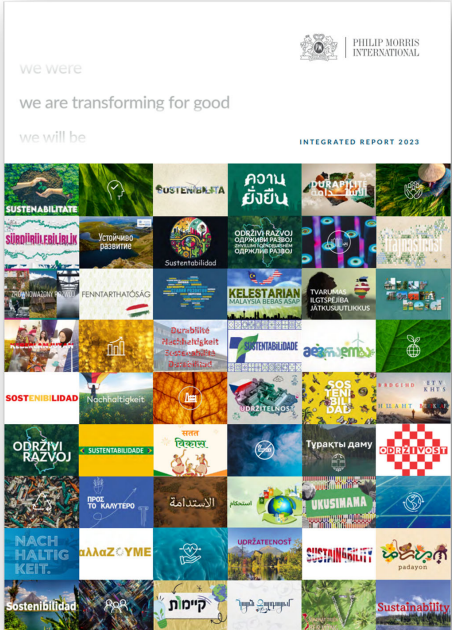
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Sustainability: Business Transformation Metrics

	2015	2021	2022	2023	Aspirations
Number of markets where smoke-free products are available for sale ^(a)	7	71	73	84	100 by 2025
Number of markets where adjusted net revenues from smoke-free products exceed 50% of adjusted total net revenues*	-	10	17	25	~60 by 2030
Number of markets where adjusted net revenues from smoke-free products exceed 75% of adjusted total net revenues*	-	-	-	3	~40 by 2030
Proportion of markets where smoke-free products are available for sale that are low- and middle-income markets ^(a)	17%	42%	42%	47%	>50% by 2025
Commercial expenditure (Marketing) (smoke-free/total)*	8%	73%	74%	74%	
Change in combustible tobacco product shipment volume (billion units) vs. 2015 baseline ^(a)	n/a	(26.4)%	(26.8)%	(27.9)%	
R&D expenditure ratio ^(a) (smoke-free/total)	70%	99%	99%	99%	
Supply chain direct spend ^(a) (smoke-free/total)	n/a	35%	43%	41%	
Number of factories producing smoke-free products out of total number of factories ^(a)	3 out of 48	9 out of 39	14 out of 49	16 out of 50	

(a) See Appendix. Note: Select Business Transformation Metrics displayed. The 2023 metrics marked with an asterisk (*) are subject to PwC's Limited Assurance Report, available on PMI Integrated Report 2023, pp. 203-205. R&D expenditure and Net Revenues shown on an adjusted basis; Source: PMI Financials or estimates

Sustainability: Transparent Performance Reporting



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PMI was included for the first time in the Dow Jones Sustainability World Index, and for the fourth consecutive year in the Dow Jones Sustainability North America Composite Index (Indices effective as of December 18, 2023). PMI achieved industry leadership, improving to a rating of "C+" in ISS ESG Corporate Rating and gaining "Prime" status for the first time (score as of November 21, 2023) Source: PMI Integrated Report 2023

On Track for Strong 2024 Performance

- Strong IQOS and ZYN momentum, accelerated top-line and margin expansion
- Excellent start to the year, raising full-year currency-neutral growth outlook
- Focused on delivering USD performance, mitigating currency headwinds
- Confident in 2024-26 targets, with ambition to reach >2/3 smoke-free net revenues by 2030
- Highly cash generative with focus on rapid deleveraging
- Steadfast commitment to progressive dividend policy



Source: PMI Financials or estimates

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2024 First-Quarter Results

Questions & Answers

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Appendix and Reconciliation of Non-GAAP Measures

2024: EPS Guidance

(\$/share)

Full-Year

	2024 Forecast	2023	Growth
Reported Diluted EPS	\$5.70 - \$5.82	\$5.02	
Adjustments:			
- Asset impairment and exit costs ^(a)	0.09	0.06	
- Termination of distribution arrangement in the Middle East	-	0.04	
- Impairment of goodwill and other intangibles	0.01	0.44	
- Amortization of Intangibles ^(b)	0.43	0.25	
- Charges related to the war in Ukraine	-	0.03	
- Swedish Match AB acquisition accounting related item	-	0.01	
- Income tax impact associated with Swedish Match AB financing	0.07	(0.11)	
- South Korea indirect tax charge	-	0.11	
- Termination of agreement with Foundation for a Smoke-Free World	-	0.07	
- Fair value adjustment for equity security investments	(0.08)	(0.02)	
- Tax items	(0.03)	0.11	
- Total Adjustments	0.49	0.99	
Adjusted Diluted EPS	\$6.19 - \$6.31	\$6.01	
- Less: Currency	(0.36)		
Adjusted Diluted EPS, excluding currency	\$6.55 - \$6.67	\$6.01	9.0% -11.0%

(a) See impairment and exit costs section in Earnings Release for details (b) See forecast assumptions in Earnings Release for details
Source: PMI Financials or estimates

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Europe: PMI HTU Adjusted Share of Market^(a)

	Q1'24	Growth vs. PY		Q1'24	Growth vs. PY		Q1'24	Growth vs. PY
Austria	8.6%	+1.6pp	Hungary	33.1%	+4.0pp	Romania	8.6%	+0.3pp
Croatia	8.9	+0.7	Italy	17.7	+0.9	Slovak Republic	17.5	+0.1
Czech Republic	15.6	+0.6	Lithuania	29.4	+1.6	Slovenia	15.1	+2.3
Germany	6.3	+0.9	Poland	9.0	(0.4)	Switzerland	12.8	+1.5
Greece	23.5	+2.8	Portugal	23.4	+4.1	United Kingdom	4.5	+1.1

(a) Adjusted market share for HTUs is defined as the total in-market sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes, HTUs and excluding the impact of estimated distributor and wholesaler inventory movement; Note: Select markets where HTU share is ≥ 1%; Source: PMI Financials or estimates

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Business Transformation Metrics - Glossary

- Unless otherwise stated, all applicable business transformation metrics include Swedish Match related data as of November 11, 2022 (acquisition date), as well as Vectura Fertin Pharma. In 2023, we evaluated and republished a new set of aspirations for 2030 to ensure they remain ambitious, reasonable, and achievable in the context of a dynamic and evolving smoke-free industry, and impacts of our recent acquisitions.
- For definition of available for sale, see PMI Integrated Report 2023 Glossary.
- Related to number of markets where adjusted net revenues from smoke-free products exceed 75% of adjusted total net revenues: excluding PMI Duty Free. World Bank report issued in 2023 is used on a comparative basis for income level classification. For definition of low- and middle-income markets, see PMI Integrated Report 2023 Glossary.
- Change in combustible tobacco product shipment volume (billion units) vs. 2015 baseline is calculated based on millions of units. For definition of heated tobacco units and combustible tobacco products, see PMI Integrated Report 2023 Glossary. Combustible tobacco products shipment volume includes cigarettes and other tobacco products expressed in cigarette equivalent units.
- Adjusted R&D expenditure excludes asset acquisition cost related to OtiTopic, Inc. in 2021. Total reported R&D expenditure in 2021 including these items amounted to USD 617 million.
- Direct spend focuses on materials used in the manufacture of our products; it includes tobacco leaf, direct materials, and electronic devices and accessories. Data excludes Swedish Match and Vectura Fertin Pharma.
- Number of factories producing smoke-free products out of total number of factories reflects the number of factories operated and owned by PMI at the end of the respective year. As of 2023, "Smoke-free products factories" is defined as manufacturing facilities producing heated tobacco units and oral nicotine products. Additionally, in 2023, PMI evolved its approach to report the number of factories based on location instead of based on plant. If a facility is in one location but has several physical areas (plants), the facility is counted as one. To provide comparability, 2022 data has been restated on the same basis.

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

Research & Development Expenditure by Product Category
(\$ in millions) / (Unaudited)

	Years Ended December 31,			
	2015	2021	2022	2023
Combustible Tobacco	\$ 129	\$ 7	\$ 7	\$ 4
Smoke-free incl. Wellness & Healthcare	294	609 ^(a)	634	705
Total PMI	\$ 423	\$ 617 ^(a)	\$ 642	\$ 709

(a) Includes asset acquisition cost of \$51 million related to OtiTopic Inc. in August 2021. Excluding this impact total PMI adjusted R&D expenditures are \$566 million and for smoke-free incl. W&H \$558 million
Note: Sum of product categories might not foot to Total PMI due to roundings

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