

Virtual Annual Meeting of Shareholders

Philip Morris International Inc.

May 5, 2021

(SLIDE 1.)

Good morning, ladies and gentlemen, and welcome to Philip Morris International's 2021 Annual Meeting of Shareholders. The meeting is now called to order.

I am André Calantzopoulos, Executive Chairman of the Board.

I would like to extend my warmest welcome to shareholders and employees who have joined us for our virtual meeting. I hope everyone listening today, and their families, are safe and well during this unprecedented time.

It is my privilege to welcome our Board of Directors to today's webcast.

Also on the webcast are Jacek Olczak, our new Chief Executive Officer, and Darlene Quashie Henry, our Corporate Secretary. I'm especially pleased to be handing over the CEO reins to Jacek. Jacek and I have been working hand in hand over the last several years to drive PMI's business forward, grow *IQOS*, and take ever-greater strides toward our shared vision of a smoke-free future. His great passion for our company and our employees, and his deep knowledge of our products, business strategies, and organizational transformation make him the ideal person to lead the next growth phase in the company's history.

In addition, Chad Mueller of PricewaterhouseCoopers SA, our independent auditors, is on the webcast.

It is our intention to proceed in accordance with the Agenda and the rules for the meeting as outlined on the Virtual Shareholder Meeting Webpage.

(SLIDE 2.)

Our remarks today contain forward-looking statements and, accordingly, I direct your attention to the Forward-Looking and Cautionary Statements disclosure in today's presentation and press release. A glossary of terms, 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.

(SLIDE 3.)

Please note we also include additional Forward-Looking and Cautionary Statements related to COVID-19.

(SLIDE 4.)

The Secretary will now present certain formal documents. Darlene.

Thank you, Mr. Chairman.

I present to the meeting, together with the Affidavit of Mailing, a copy of the Notice of Meeting, form of Proxy, Proxy Statement and Annual Report, including financial statements for the fiscal year ended December 31, 2020.

The holders of record of common stock at the close of business on March 12, 2021, are entitled to vote at this meeting. I am informed that approximately 85.47% of Philip Morris International Inc.'s common stock is represented here today and, therefore, a quorum is present for the transaction of business.

Thank you, Darlene.

Will you please file the documents with the records of the meeting.

I appoint as Inspector of Election, Linda Piscadlo from American Election Services, LLC.

The Inspector is instructed to execute the oath, and to take custody of all proxies, and of the certified list of holders of common stock as of the close of business on March 12, 2021.

A list of shareholders as of the record date is available for inspection by shareholders using the registered shareholder list link found in the materials tab of the webcast page.

The Inspector will certify the vote on each of the matters to be presented to the meeting. Individual proxies and ballots are kept confidential, with exceptions outlined in the Proxy Statement.

(SLIDE 5.)

The three business items set forth in the notice of meeting will be put before the meeting at this time, and I hereby declare the polls for voting at our 2021 Annual Meeting of Shareholders open.

Any shareholder who has not voted or wishes to change their vote, may do so by clicking on the voting button on the virtual annual meeting webpage and following the instructions there.

Shareholders who have sent in proxies or voted by telephone or Internet and do not want to change their vote, do not need to take any further action.

Shareholders of record who have joined the annual meeting may ask questions by calling the number posted on the virtual annual meeting webpage.

If you would like to ask a question or make a comment, you will be required to provide your 16-digit control number to the operator. Only shareholders of record with a valid control number will be allowed to make a comment.

At this stage of the meeting, questions and comments should relate only to each item of business as it is presented. A general question and comment session will follow the business portion of the meeting.

(SLIDE 6.)

Before I place the Director names in nomination, I would like to say a few words about Louis Camilleri, our former Chairman of the Board who retired last December.

On behalf of the entire organization, we want to thank Louis for his tremendous contributions to the company throughout his 40-year career at PMI and its former parent. We have all witnessed with admiration his inspiring leadership, immense intellect, strategic vision, and genuine passion for the PMI family. We will all miss dearly an exemplary executive and an exceptional human being. Louis set a high standard we should all aspire to.

(SLIDE 7.)

I would also like to thank Jennifer Li, who joined the Board in 2010 and completed her term this year, for her valued contributions to Philip Morris International as a Board member and Chair of the Audit Committee.

(SLIDE 8.)

The first order of business is the election of thirteen directors. I would like to welcome the five new nominees to the Board, including Jacek. I also extend sincere thanks to Lou Noto for his excellent stewardship and guidance as interim Chairman over the last 5 months.

The individuals on this slide, featured in alphabetical order, have been nominated for election as directors, each to hold office until the next Annual Meeting of Shareholders and until their successor shall have been duly chosen.

In accordance with the Company's by-laws, no other nominations may be made at this time.

Are there any questions?

Thank you.

(SLIDE 9.)

We will now move to the second item on the agenda, that the Company's shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2021 Annual Meeting of Shareholders.

Are there any questions?

Thank you.

(SLIDE 10.)

The third and final item is the ratification of the selection of PricewaterhouseCoopers as independent auditors of the Company for the fiscal year ending December 31, 2021.

Are there any questions?

Thank you.

(SLIDE 11.)

That concludes the matters to be voted on as outlined in the notice of the Annual Meeting.

In accordance with our by-laws, I hereby declare the polls for voting at our 2021 Annual Meeting of Shareholders closed.

We have received a preliminary report from the Inspector of Election.

Will the Secretary please read the report.

Mr. Chairman, the Inspector of Election has completed the preliminary count of the vote, which I have now received. The preliminary voting results are as follows:

Each of the nominees for director has been elected.

The executive compensation has been approved on an advisory basis.

The selection of PricewaterhouseCoopers as independent auditors has been ratified.

Mr. Chairman, that concludes the report.

Thank you, Darlene.

I would now ask you to file with the records of the meeting, the Oath of the Inspector of Election, the Final Report of the Inspector of Election and the proxies. Final voting results will be included in a Form 8-K that we will file with the SEC in the next few days.

That concludes the formal business, and I now declare the business portion of the meeting adjourned.

Before we move to the question and comment session, I would like to ask Jacek to provide some highlights on our recent business performance and sustainability initiatives.

(SLIDE 12.)

Thank you, André.

I would like to thank you and the Board for this unique opportunity. I am humbled and excited to lead PMI as we continue to accelerate our transformation into a smoke-free company. Most of all, I am incredibly proud to lead our organization and the outstanding people around the world who make PMI what it is today. The resolve and resilience shown by our colleagues through the global pandemic is a real inspiration to me and the PMI management team, and I'd like to again thank them for their amazing efforts.

(SLIDE 13.)

The sustainable success of our company rests with our people. It follows that my first priority as CEO is to ensure the continued provision of an inclusive work environment, equipping our teams with the tools and training they need to thrive. We have refreshed the organization with new skills and talent from the outside; 45% of our senior management team have joined the company in the last 3 years, and over 20% of senior leaders and executives are new expert hires from other industries, notably the technology, consumer, digital and life science sectors.

We place a high value on Diversity, Equity and Inclusion. As of December 31, women made up 37% of management roles, 39% of promotions, 39% of new hires in management roles and 42% below management. We made several senior female appointments in 2020, including our General Counsel, our first Chief Diversity Officer, our Chief Sustainability Officer and Corporate Secretary, Darlene, who you just heard from. We are an inclusive employer of choice, certified by the Top Employers Institute as a global top employer for the fifth year in a row.

We are also implementing new project-based, consumer-centric ways of working. This is supported by the transformation of our learning and performance management practices.

(SLIDE 14.)

Organizational excellence and consumer-centricity enable us to drive strong business results. In the next few slides I will recap some of the highlights from our full year 2020 and first quarter 2021 results communications.

Despite the unprecedented disruption of the pandemic on both our consumers and our operations, PMI's 2020 performance was remarkably robust. Pandemic-related restrictions had a pronounced effect on the cigarette industry, especially in markets with a high proportion of daily wage working such as Indonesia. Our Duty-Free business was also heavily impacted by the lack of global travel. However, the continued and consistent growth of *IQOS* throughout the year allowed us to deliver organic adjusted diluted EPS growth of 7%.

We saw further impressive progress in the first quarter of 2021, with strong organic top-line, OI margin and EPS growth despite the continuation of the pandemic. Once again, this was driven by *IQOS*, as an increasing number of legal-age smokers switch to our smoke-free products.

(SLIDE 15.)

The strength of *IQOS* is reflected in the growth of RRP net revenues, which reached \$6.8 billion in 2020 and \$2.1 billion in the first quarter of 2021. This represents 24% and 28% of total PMI net revenues respectively. The strong start to this year led us to increase our 2021 HTU shipment volume target to between 95 and 100 billion units. This puts us nicely on track for our target of around 40% of our net revenues to come from smoke-free products in 2023, when we target HTU shipment volumes of 140 to 160 billion units. It is also another strong step towards our ambition of becoming a majority smoke-free company by 2025.

(SLIDE 16.)

A key part of our smoke-free ambition is providing access to better alternatives, such as *IQOS*, to legal-age smokers around the world. As of March 31, 2021, our smoke-free products have been commercialized in 66 markets, of which over half are outside the OECD. By 2025, we aim to be present in 100 markets. Our people continue to work tirelessly to secure the differentiated regulatory and fiscal frameworks needed to make this a reality, in addition to expanding within the markets where we are present with a portfolio of innovative smoke-free products, under the *IQOS* brand.

(SLIDE 17.)

Turning now to *IQOS* performance, we estimate that there were 19.1 million total users as of March 31, representing the addition of almost 5 million adult users since the same time last year.

We further estimate that 73% of this total -- or 14.0 million *IQOS* users -- have switched to *IQOS* and stopped smoking, with the balance in various stages of conversion.

As in 2020, this reflects widespread user growth across all key *IQOS* geographies, including the EU Region, Eastern Europe, Japan and the Middle East.

(SLIDE 18.)

The overall share performance of our HTUs continues to see excellent progress. Indeed, in international markets where *IQOS* has been commercialized, PMI HTUs were again the third-largest tobacco 'brand' in the first quarter with 7.6% share, increasing 0.9 points compared to Q4, 2020. This was achieved despite not having full national distribution in a number of markets.

(SLIDE 19.)

Turning now to progress in key geographies, first-quarter share for our *HEETS* and other HTU brands reached 5.7% of total industry volume in the EU Region and 7.7% in Russia. In both cases this reflects strong user growth on both a sequential and year-over-year basis.

In Japan, reported share increased significantly. On an adjusted total tobacco view including cigarillos and excluding estimated trade inventory movements, the share for our HTU brands increased by 3.0 points versus the prior year quarter to 20.8%.

This growth, and the growth in other key geographies, reflects excellent progression in the key cities where we focus our initial commercial activities. As we mentioned at our recent Investor Day, key city shares are a good indicator of the national share growth potential and bode well for the continued momentum of the *IQOS* brand.

(SLIDE 20.)

We are driving the continued growth of our smoke-free products with innovation that broadens the offer to adult smokers and further enhances the consumer experience.

This includes our new e-vapor product *IQOS VEEV*, which we first launched in New Zealand in the second half of last year, and which is now also available in three EU markets. *VEEV* is a premium product with a superior experience to existing offers, and we are leveraging our *IQOS* infrastructure with a bespoke route-to-market approach. We place great importance on efforts to guard against youth access for all our products and target all of our electronic devices to be equipped with age verification technology by 2023. We will be further testing this technology with *IQOS VEEV* in select markets this year as we continue the roll-out.

The other major innovation for 2021 is the launch of *IQOS ILUMA*, the next generation of *IQOS* heat-not-burn. Building on the success of *IQOS 3 DUO*, we believe this simple and intuitive device will support easier switching and higher conversion for legal-age smokers,

using Smartcore™ induction internal-heating technology. We continue to plan for the launch of *ILUMA* in the second half of the year.

(SLIDE 21.)

Focusing now on combustibles, we continue to hold the leading international portfolio by market share and by brand strength. This gives us a formidable platform to accelerate the growth of *IQOS* via our commercial infrastructure, industry expertise and ability to communicate with adult smokers, where permitted. It is therefore imperative to maintain our leadership position.

In addition to the pandemic effects on the cigarette industry, which I already mentioned, our 2020 and Q1 2021 cigarette share performance was also impacted. Contributing factors include reduced social occasions, where *Marlboro* overindexes, border closures and reduced travel.

This performance does not reflect our objective to maintain our share of cigarettes, net of cannibalization. We expect a strong sequential cigarette share recovery through the remainder of the year, supported by portfolio initiatives and the enduring strength of *Marlboro*, especially as pandemic restrictions ease.

(SLIDE 22.)

Moving now to sustainability, I would like to emphasize that our transformation is the bedrock for both business and sustainability performance. We do not have separate strategies; phasing out cigarettes by replacing them with better alternatives, such as *IQOS*, drives our growth and addresses our biggest impact on society.

Our unique value proposition is affirmed in our Statement of Purpose, signed by our Board of Directors and published in last year's proxy statement.

Our strategic priorities are defined by a rigorous materiality assessment, which gathers stakeholder perspectives and identifies our greatest impacts.

Transparency is fundamental in allowing our stakeholders to properly assess our performance. Our integrated report communicates progress on ESG and Product impact areas by complementing traditional ESG disclosures with a set of bespoke KPIs we call Business Transformation Metrics.

In addition, we have introduced forward-looking aspirational targets for our priority sustainability topics. These include our ambition to become a majority smoke-free company by 2025, and to generate at least \$1 billion in net revenues from beyond nicotine products, as we move into adjacent business areas which aim for a net positive impact on society.

We look forward to releasing our second integrated report on May 18. We also plan to hold a sustainability-focused webcast in early June where we aim to further our engagement with investors and other key stakeholders on the topic.

(SLIDE 23.)

While we place great focus on ESG issues, our strategy centers on addressing the impact of the Product by switching adult smokers, who would otherwise continue to smoke, to RRP. We do this by developing less harmful alternatives to cigarettes, broadening access for adult smokers to scientifically substantiated smoke-free products; and promoting full switching. We work purposefully to phase out cigarettes; while also developing products that go beyond nicotine.

(SLIDE 24.)

Despite the unprecedented challenges of the global pandemic, we have not deviated from our efforts to become a more sustainable company.

While our upcoming 2020 Integrated Report will provide more granular information across the ESG and P areas, some of our recent achievements include triple-A rating from CDP and strong progress against our targets for carbon neutrality.

I am also proud to say we were recognized by the Dow Jones Sustainability Index as leading on human rights and included in the Bloomberg Diversity Index for the first time.

Importantly, as outlined in our proxy statement, we have also strengthened the link between executive compensation and ESG performance.

(SLIDE 25.)

In summary, our transformation is progressing well, and I will be doing my utmost as CEO to further accelerate our journey towards a smoke-free future. With the right regulatory frameworks, dialogue and support from civil society, we believe cigarette sales can end within 10 to 15 years in many countries.

We are becoming a different company with our transformation into a majority smoke-free business, aiming for more than 50% of net revenues from smoke-free products by 2025. The substantial growth opportunity from this shift is illustrated by the strong business performance in 2020, despite the pandemic, and the robust mid-term outlook provided at our recent Investor Day.

We will continue leveraging our leadership in combustibles to accelerate the smoke-free transition. In addition, we have long-term opportunities in naturally adjacent areas beyond nicotine.

I believe all this combined will allow us to drive superior, sustainable growth and shareholder returns; including our strong commitment to the dividend. I am honored to lead this great company and I look forward to engaging with you, our shareholders, as we embark on the next chapter of this exciting journey.

Thank you. I will now hand back to André.

Thank you very much, Jacek.

(SLIDE 26.)

This webcast is now open for questions and comments.

For full transparency, during this session, which is being publicly webcast, our shareholders will be able to ask questions live, on a first-come, first-served basis.

As I mentioned earlier, in order to ask a question, you will be required to provide your 16-digit control number to the operator. Only shareholders of record with a valid control number will be allowed to ask questions.

In order to provide an opportunity for everyone who wishes to speak, each shareholder will be limited to two minutes.

Shareholders may speak a second time only after all others who wish to speak have had their turn. When speaking, shareholders must direct questions and comments to the Chairman and confine their remarks to matters that relate directly to the business of the meeting.

The meeting is not to be used as a forum to discuss personal grievances, business disputes or to present general political, social or economic views that are not directly related to the business of the meeting.

A full replay of the meeting will be available on our website at www.pmi.com for approximately one year from the date of meeting.

We have allowed up to one hour for questions.

Are there any questions or comments?

That concludes our question and comment period.

(SLIDE 27.)

Thank you all very much for joining the virtual Annual Meeting of Shareholders. Stay safe and healthy.