



# 2022 Third-Quarter Results

## October 20, 2022

### Introduction

- 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, and additional heated tobacco unit market data 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 and disposals
- Figures and comparisons presented on a pro forma basis entirely exclude PMI's operations in Russia and Ukraine
- Starting in the second quarter of 2022, and on a comparative basis, PMI excludes amortization and impairment of acquired intangibles from its adjusted results

## Forward-Looking and Cautionary Statements

- This presentation contains projections of future results and other forward-looking statements, including statements regarding business plans and strategies. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our products in certain markets or countries; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco use and intellectual property; intense competition; the effects of global and individual country economic, regulatory and political developments, natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; the impact of COVID-19 on PMI's business; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations, and limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; adverse changes in the cost, availability, and quality of tobacco and other agricultural products and raw materials, as well as components and materials for our electronic devices; and the integrity of its information systems and effectiveness of its data privacy policies. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to produce and commercialize reduced-risk products or if regulation or taxation do not differentiate between such products and cigarettes; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; 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, important factors that could cause actual results to differ materially from those indicated by forward-looking statements include risks and uncertainties related to: the agreement with Altria Group Inc. (Altria) and the benefits of the transaction; the possibility that expected benefits related to recent or pending acquisitions, including the proposed transaction with Swedish Match, may not materialize as expected; the proposed transaction with Swedish Match not being timely completed, if completed at all; regulatory approvals required for the Swedish Match transaction not being timely obtained, if obtained at all, or being obtained subject to conditions; prior to the completion of the transaction, Swedish Match's business experiencing disruptions due to transaction-related uncertainty or other factors making it more difficult to maintain relationships with employees, customers, licensees, other business partners or governmental entities; difficulty retaining key Swedish Match employees; the outcome of any legal proceedings related to the proposed transaction with Swedish Match; and the parties being unable to successfully implement integration strategies or to achieve expected synergies and operating efficiencies within the expected time-frames or at all
- Important information for U.S. Swedish Match shareholders: The offer described in this release is made for the issued and outstanding shares of Swedish Match, a company incorporated under Swedish law, and is subject to Swedish disclosure and procedural requirements, which may be different from those of the United States. The offer is made in the United States pursuant to Section 14(e) of the U.S. Securities Exchange Act of 1934, as amended, and Regulation 14E thereunder, to the extent applicable, and otherwise in compliance with the disclosure and procedural requirements of Swedish law, including with respect to withdrawal rights, the offer timetable, notices of extensions, announcements of results, settlement procedures (including as regards to the time when payment of the consideration is rendered) and waivers of conditions, which may be different from requirements or customary practices in relation to U.S. domestic tender offers. Swedish Match's financial statements, including any included in any documents relating to the offer, have been or will be prepared in accordance with IFRS and may not be comparable to the financial statements or financial information of companies in the United States or other companies whose financial statements are prepared in accordance with U.S. GAAP. To the extent permissible under applicable law or regulations, PMI and its affiliates or its brokers and its brokers' affiliates (acting as agents for PMI or its affiliates, as applicable) may from time to time and during the pendency of the offer, and other than pursuant to the offer, directly or indirectly purchase or arrange to purchase shares of Swedish Match outside the United States, or any securities that are convertible into, exchangeable for or exercisable for such shares. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, and information about such purchases will be disclosed by means of a press release or other means reasonably calculated to inform shareholders of Swedish Match domiciled in the U.S. ("U.S. Holders") of such information, to the extent required by applicable laws and regulations. The receipt of cash pursuant to the offer by a U.S. Holder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each shareholder is urged to consult an independent professional adviser regarding the tax consequences of accepting the offer
- 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, 2021, the Form 10-Q for the quarter ended June 30, 2022, and the Form 10-Q for the quarter ended September 30, 2022, 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

## U.S. IQOS Agreement Major Step to Smoke-Free Future; Revised Swedish Match Offer

- PMI to take full control of IQOS commercialization in the U.S. from April 30, 2024:
  - Removes protracted uncertainty and paves the way to capture major opportunity
  - Exciting plans to bring IQOS and wider smoke-free portfolio to market
  - Planning for full-scale launch with complete IQOS commercial model
  - Prepared to build our own sales force in current transition period should the offer for Swedish Match fail
- Best and final price of SEK 116 per share for Swedish Match:
  - 90% acceptance threshold retained, critical to capture full value of combination
  - Increase reflects higher value of U.S. operations in SEK terms following USD/SEK evolution since initial offer in May
  - Compelling offer further strengthened, especially given macro & market backdrop

## Strong Q3 Performance

- Excellent Q3 IQOS performance with 22% pro forma HTU shipment volume growth
- Robust growth in total volumes and market share
- ILUMA driving growth in launch markets
- Stable combustible volume with accelerated pricing



Source: PMI Financials or estimates

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## Q3, 2022: Excellent Net Revenue and EPS Growth

	Total PMI	Pro Forma
<b>Shipment Volume</b> <small>(vs. PY)</small>	+0.6%	+2.3%
<b>Net Revenues</b> <small>(Organic variance vs. PY)</small>	+6.7%	+6.9%
<b>Net Revenue per Unit<sup>(a)</sup></b> <small>(Organic variance vs. PY)</small>	+6.1%	+4.5%
<b>OI Margin</b> <small>(Organic variance vs. PY)</small>	(90) <sup>bps</sup>	(100) <sup>bps</sup>
<b>Adj. Diluted EPS</b> <small>(Currency neutral variance vs. PY)</small>	+8.2%	+8.3%
<b>Adj. Diluted EPS</b>	\$1.53	\$1.33

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

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## YTD Sept, 2022: Excellent Net Revenue and EPS Growth

	Total PMI	Pro Forma
<b>Shipment Volume</b> <i>(vs. PY)</i>	<b>+1.7%</b>	<b>+3.4%</b>
<b>Net Revenues</b> <i>(Organic variance vs. PY)</i>	<b>+7.0%</b>	<b>+7.7%</b>
<b>Net Revenue per Unit<sup>(a)</sup></b> <i>(Organic variance vs. PY)</i>	<b>+5.2%</b>	<b>+4.2%</b>
<b>OI Margin</b> <i>(Organic variance vs. PY)</i>	<b>(90)bps</b>	<b>(110)bps</b>
<b>Adj. Diluted EPS</b> <i>(Currency neutral variance vs. PY)</i>	<b>+8.8%</b>	<b>+9.7%</b>
<b>Adj. Diluted EPS</b>	<b>\$4.59</b>	<b>\$4.11</b>

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

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## Strong Top & Bottom-Line Growth Outlook

	FY 2022 Pro Forma Outlook	
	Previous July 21	Updated October 20
<b>Shipment Volume Growth</b>	1.5-2.5%	2-3%
<b>Net Revenue Growth<sup>(a)</sup></b>	6-8%	6.5-8%
<b>Adj. OI Margin Change<sup>(a)</sup></b>	0-50 <sup>bps</sup>	(50)-0 <sup>bps</sup>
<b>Adj. Diluted EPS Growth<sup>(b)</sup></b>	10-12%	10-12%
<b>Adj. Diluted EPS</b>	\$5.23-\$5.34	\$5.22-\$5.33
<b>HTU Shipment Volume (in billion units)</b>	90-92	89-91

**\$5.81-\$5.96**  
 Adjusted Diluted EPS  
 FY 2022 Total PMI<sup>(c)</sup>

(a) On an organic basis  
 (b) Currency neutral variance. FY 2021 pro forma adjusted diluted EPS was \$5.53  
 (c) Assumes FY 2022 contribution from Russia and Ukraine  
 Source: PMI Financials or estimates

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# Exceptional Cash Flow Generation, Strong Balance Sheet

- Strong YTD operating cash flow growth, continue to expect ~\$10.5bn for full-year:
  - \$22.5bn operating cash flow over 2021-22
  - Underlying 2022 growth compared to exceptional 2021
- Financing in EUR provides balance sheet currency offset:
  - Net debt \$1.5bn lower vs. December 2021, now below 1.6x Adjusted EBITDA
- Strong deleveraging ability
- Reinvesting in innovation and growth
- Increased dividend in September in line with long-term commitment to return cash to shareholders

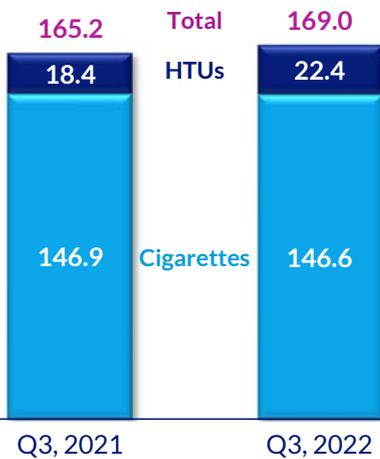
Note: Operating cash flow is defined as net cash provided by operating activities  
Source: PMI Financials or estimates

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## Total Volume Growth Driven by HTUs

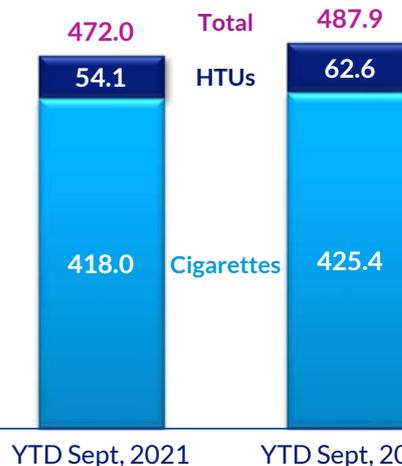
(shipment in billion units)

### Q3 Pro Forma



Change vs. PY	IMS Growth vs. PY
+2.3%	+2.5%
+21.9%	+18.2%
(0.2)%	+0.5%

### YTD Pro Forma



Change vs. PY	IMS Growth vs. PY
+3.4%	+3.4%
+15.8%	+19.2%
+1.8%	+1.4%

Q3, 2022 Total PMI HTU Shipment: 27.5 billion units

YTD Sept, 2022 Total PMI HTU Shipment: 77.1 billion units

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

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# Robust Combustible Performance

- Strong Q3 pricing of 4.9% supporting robust net revenue growth
- Positive year-to-date category share despite impact of IQOS cannibalization
- *Marlboro* volumes grew ~4% reflecting higher share
- Continue to target stable category share to maximize switching to smoke-free products

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



## Pro Forma *Marlboro* Share of Cigarette Category<sup>(a)</sup>



(a) Rolling 12-month share

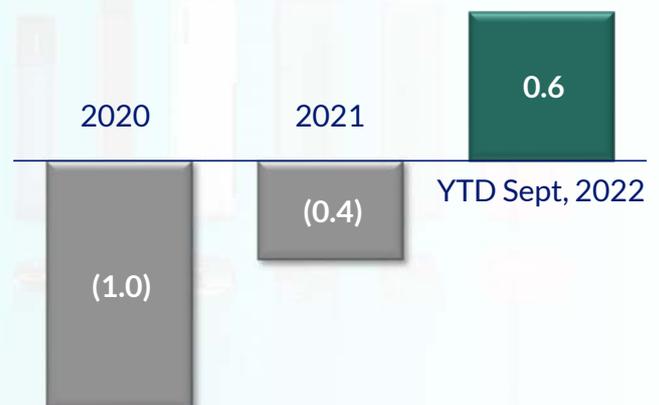
Note: Excludes Russia, Ukraine, China and the U.S and includes cigarillos in Japan. Reflects sales volume of PMI cigarettes as a percentage of cigarette industry sales volume

Source: PMI Financials or estimates

# Positive Total Market Share Momentum

- Market share gains driven by HTUs
- Maintaining stable global HTU category share of ~75%
- PMI HTUs #2 nicotine brand in markets where *IQOS* is present<sup>(a)</sup>

## Pro Forma International Share<sup>(b)</sup> (Change vs. PY in pp)



(a) Reflects markets where IQOS HTUs are available in key cities or nationwide at September 30, 2022. All 'brands' except 'PMI HTUs' include cigarettes only. Excludes Russia and Ukraine

(b) Reflects sales volume of PMI as a percentage of the total industry sales volume for cigarettes and HTUs. Excluding Russia, Ukraine, China and the U.S. including cigarillos in Japan

Source: PMI Financials or estimates

# Continued IQOS User Growth

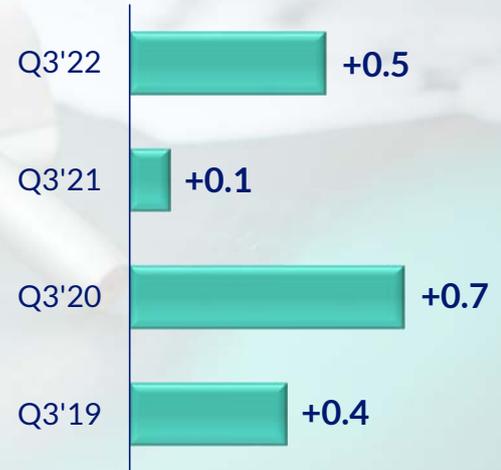
(in millions)

## Pro Forma Total IQOS Users<sup>(a)</sup>



Estimated users who have switched to IQOS and stopped smoking<sup>(a)</sup>

## Pro Forma Total IQOS Users<sup>(a)</sup> Quarterly Growth



(a) See Glossary for definition

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

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# EU Region: Strong HTU Growth



(a) Based on a four-quarter moving average

Note: Market share for HTUs is defined as the total sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs

Source: PMI Financials or estimates

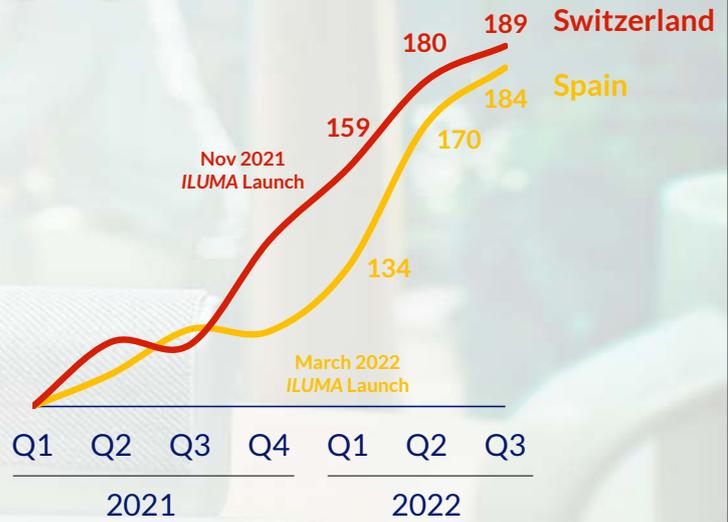
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# EU Region: Very Positive *ILUMA* Performance

- *ILUMA* driving growth in Spain and Switzerland
- Encouraging initial performance in Greece
- Launched in Portugal earlier this month

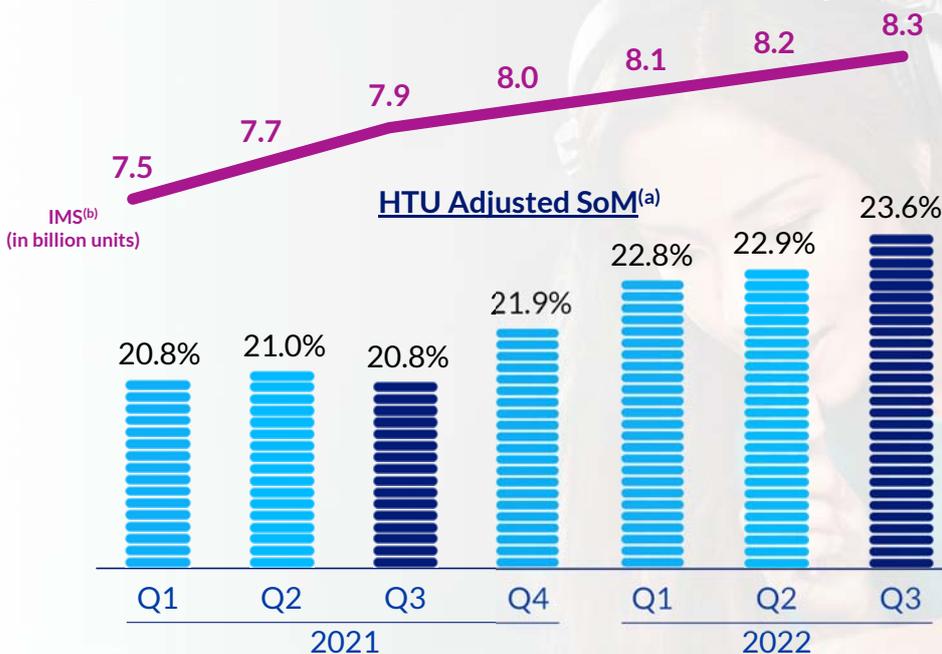


**HTU IMS Volume**  
(Index Q1, 2021)

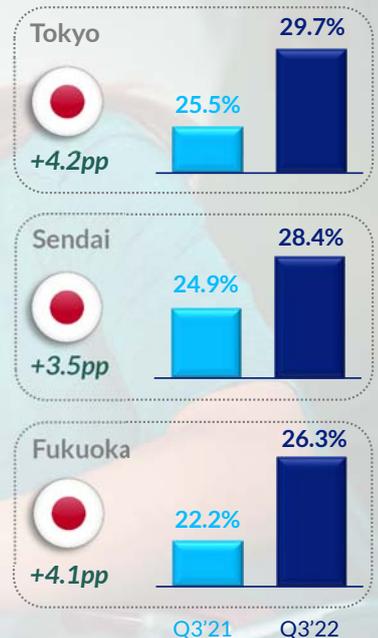


Source: PMI Financials or estimates

# Japan: *IQOS* HTU Growth Driven by *ILUMA*



**PMI HTU Offtake Shares<sup>(c)</sup>**



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

(b) Based on a four-quarter moving average

(c) Based on 3 C-Store Chains offtake. Base includes cigarettes, cigarillos and RRP

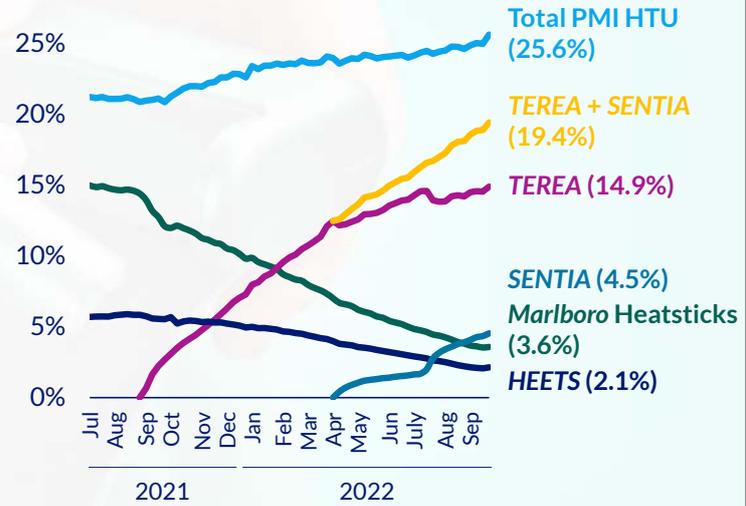
Source: PMI Financials or estimates

# Japan: IQOS ILUMA Continued Success 1 Year Since Launch



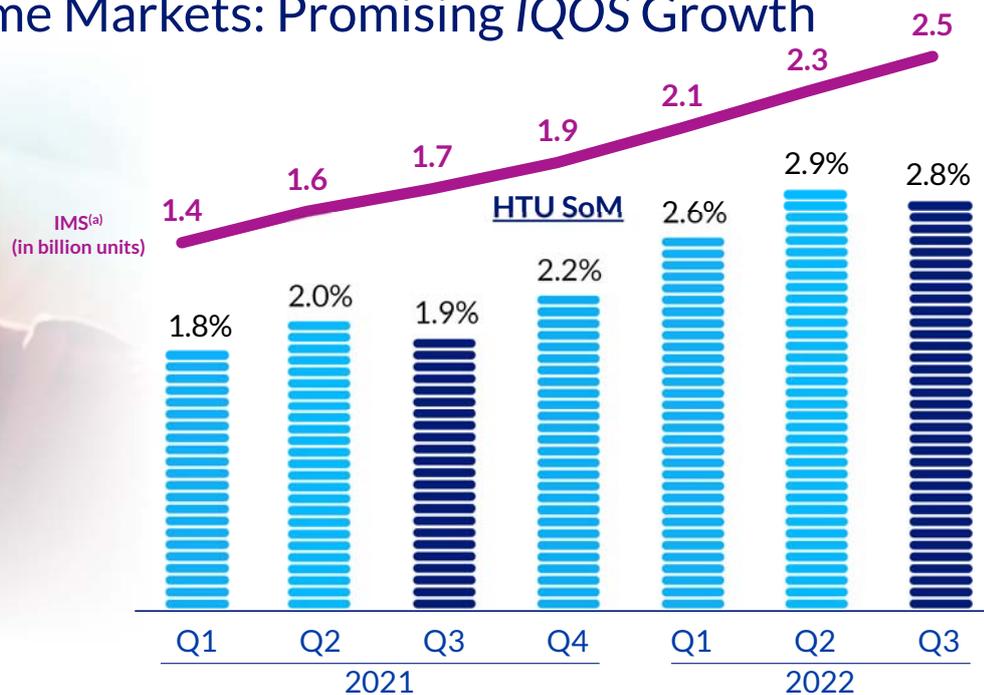
- Strong conversion, consumer satisfaction and retention
- TEREA #2 nicotine brand
- SENTIA driving acquisition in mainstream segment
- Record exit HTU offtake share

Japan HTU Offtake Share<sup>(a)</sup>



(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

# Low and Middle-Income Markets: Promising IQOS Growth



(a) Based on a four-quarter moving average  
 Note: 28 Low and Middle-Income markets where PMI commercialized IQOS at December 31, 2021, excluding Duty Free, Russia and Ukraine. Low and Middle-Income markets defined using World Bank classification at December 31, 2021 where available. Palestine is included as a Low and Middle-Income market. Market share for HTUs is defined as the total sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs  
 Source: PMI Financials or estimates

# Integrating Sustainability Into Innovation

Addressing the environmental impact of our products



Source: [pmi\\_post-consumer-waste-fact-sheet\\_digital.pdf](#)

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## Historic Step to Unlock Full U.S. Potential of IQOS

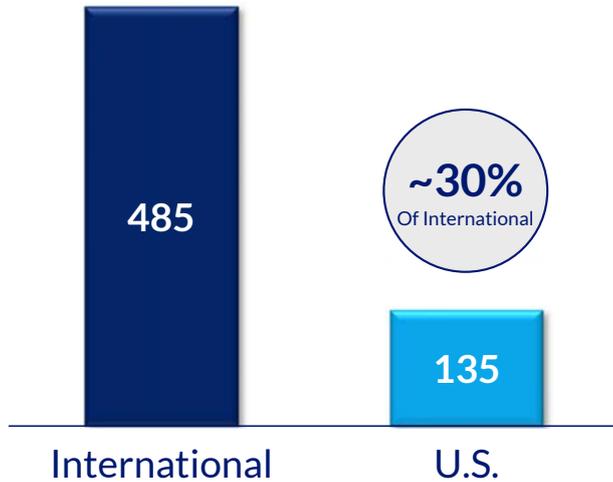
- PMI to take full control of IQOS commercialization in the U.S. from April 30, 2024
- Provides certainty, secures near-term full PMI launch
- We can now truly bring IQOS, the world's leading smoke-free product, to the U.S., the world's largest smoke-free market at scale
- Full strategic and financial backing to maximize IQOS for the benefit of American adult smokers

Source: PMI Financials or estimates

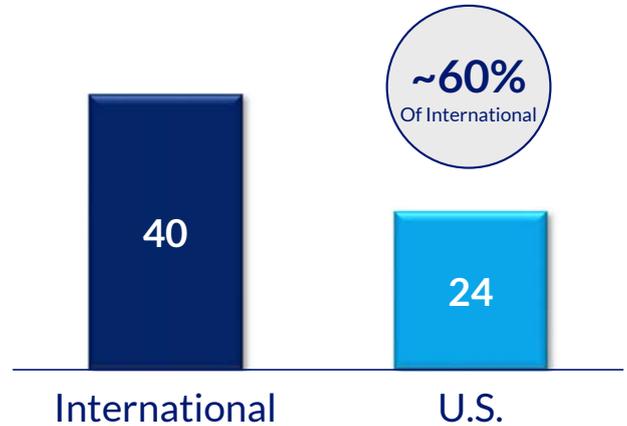
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## U.S. Adds ~60% to Current Smoke-Free International Market

2021 Total Nicotine Retail Value  
(in \$ bn)



2021 Smoke-Free<sup>(a)</sup> Retail Value  
(in \$ bn)



(a) Includes: E-vapor, HnB, Smokeless Tobacco and Nicotine Pouches  
Note: International excludes the U.S. and China  
Source: Euromonitor estimates

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## Commercial Plans For Rapid Growth and Profitability

- U.S. market conducive to building awareness and scale
- Plan to start with full-scale launches in key cities and regions, moving rapidly to national penetration
- Target around 10% volume share by 2030 (of cigarettes and HTUs)
- U.S. IQOS growth purely incremental
- Fast path to profitability, attractive payback in >\$20 billion profit pool
- Concrete plans for fully-owned and managed route-to-market for IQOS and all our smoke-free portfolio, irrespective of Swedish Match offer

Source: PMI Financials or estimates

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## Strong Growth Fundamentals, Exciting Future

- On track for another year of double-digit currency-neutral adjusted diluted EPS growth
- Excellent IQOS growth supported by ILUMA
- Despite accelerated pricing, temporary margin pressures likely to continue
- Underlying growth fundamentals remain strong
- Substantial U.S. IQOS opportunity secured
- Continued commitment to progressive dividend policy

Source: PMI Financials or estimates



PHILIP MORRIS  
INTERNATIONAL

Delivering a Smoke-Free Future

## 2022 Third-Quarter Results

### Questions & Answers

Have you downloaded the PMI Investor Relations App?

The free IR App is available to download at the Apple App Store for iOS devices and at Google Play for Android mobile devices

Or go to: [www.pmi.com/irapp](http://www.pmi.com/irapp)

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Delivering a Smoke-Free Future

# 2022 Third-Quarter Results

October 20, 2022

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

## 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
- References to total industry, total market, PMI shipment volume and PMI market share performance reflect cigarettes and heated tobacco units, unless otherwise stated
- As of the first quarter of 2022, total industry volume, PMI in-market sales volume and PMI market share for the following geographies include the cigarillo category in Japan: the total international market, East Asia & Australia Region, and Japanese domestic market
- 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
- In the third quarter of 2021, PMI acquired Fertin Pharma A/S, Vectura Group plc. and OtiTopic, Inc. On March 31, 2022, PMI launched a new Wellness and Healthcare business consolidating these entities, Vectura Fertin Pharma. The operating results of this new business are reported in the Wellness and Healthcare segment. The business operations of PMI's Wellness and Healthcare segment are managed and evaluated separately from the geographical segments
- "RBH" refers to PMI's Canadian subsidiary, Rothmans, Benson & Hedges Inc.

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## Glossary: General Terms (cont.)

- 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
- "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 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 related to Wellness and Healthcare segment 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
- Net revenues related to Smoke-Free Products include RRP net revenues and Wellness and Healthcare net revenues
- 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 Margin" is calculated as adjusted operating income, divided by adjusted net revenues
- "Net debt" is defined as total debt, less cash and cash equivalents
- Growth rates presented on an organic basis reflect adjusted results, excluding currency, acquisitions and disposals

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## Glossary: Financial Terms (cont.)

- 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. Additionally, starting in 2022 and on a comparative basis, for these measures other than net revenues and operating cash flow, PMI will include adjustments to add back amortization expense on, and impairment of, acquisition related intangible assets that are recorded as part of purchase accounting and contribute to PMI's revenue generation, as well as impairment of intangible assets, if any. 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
- The company believes that operating income / EPS adjusted for the amortization and impairment of acquired intangibles better reflects the underlying performance of the business and provides a better comparison to past operating performance. This partly reflects the non-cash nature of amortization expense. In addition, amortization of intangibles is driven by the purchase price allocated to a specific asset and is varied across acquisitions because of unique facts and circumstances, timing and terms of acquisition which result in amortization charges that could be inconsistent in size as compared to the revenues generated by those assets
- "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*, *SENTIA* and *TEREA*, as well as the KT&G-licensed brands, *Fiit* and *Miix* (outside of South Korea)
- Unless otherwise stated, all references to IQOS are to PMI's Platform 1 IQOS devices and heated tobacco consumables
- 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 in-market sales volume for HTUs as a percentage of the total estimated industry sales volume for cigarettes and HTUs. For Japan, total estimated industry sales volume also includes cigarillos

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## 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

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## Approximate Impact of Currency on 2022 EPS Guidance

	FY 2022
Japanese Yen	30%
Euro	30%
Others	40%
Pro forma Currency Impact	\$(0.87)
Total PMI Currency Impact	\$(0.80)

Source: PMI Financials or estimates

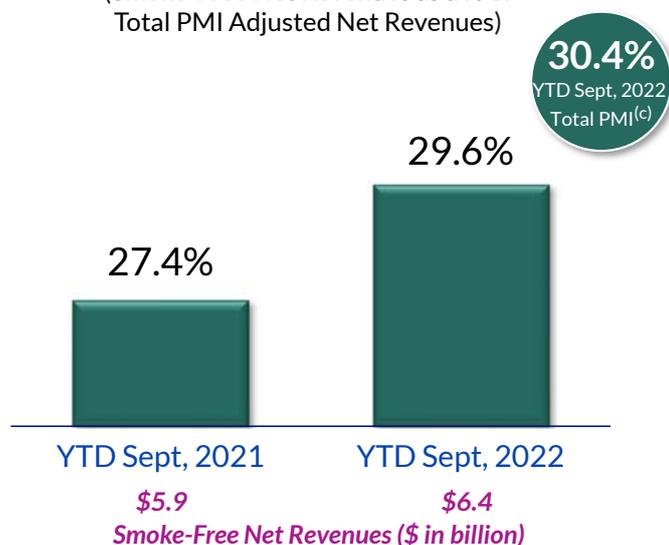
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## IQOS Powerful Driver in Smoke-Free Transformation

Pro Forma HTU Volume Contribution<sup>(a)</sup>  
(As a % of PMI Total Shipment Volume)



Pro Forma Smoke-Free Net Revenues<sup>(b)</sup>  
(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 Wellness and Healthcare segment

(c) Includes contribution from Russia and Ukraine

Source: PMI Financials or estimates

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## EU Region: HTU SoM Performance in Select Markets

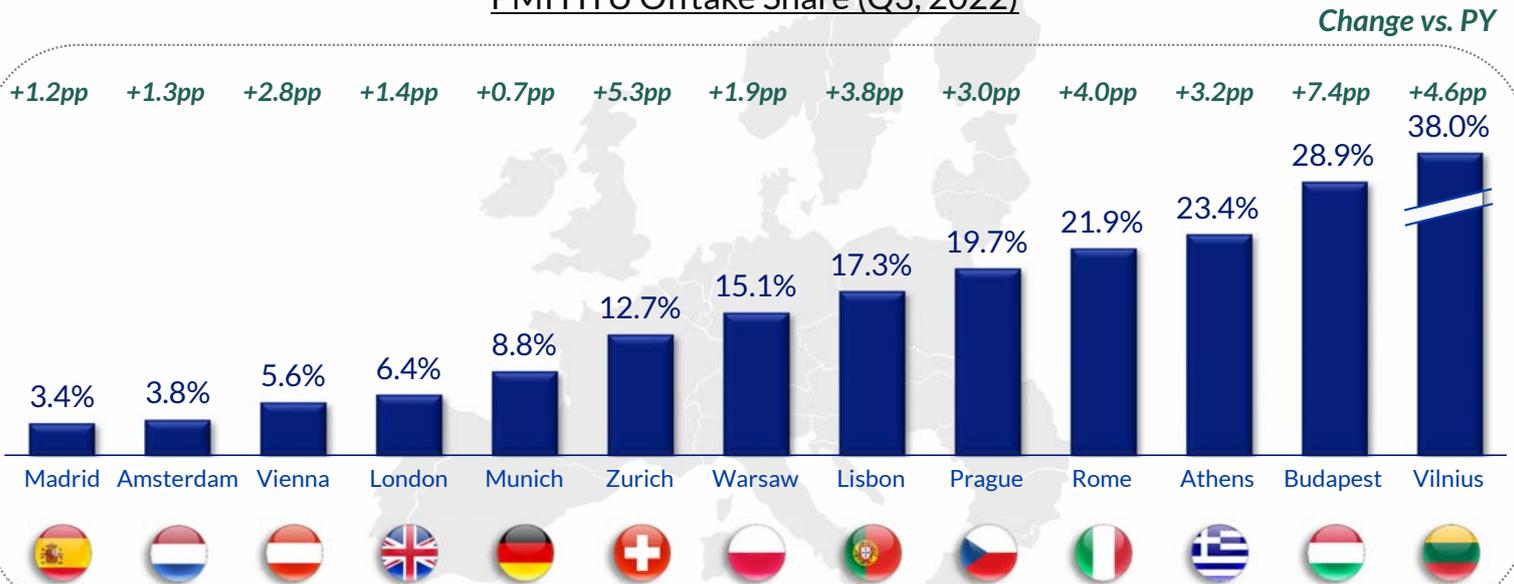
	Q3. 2022	Growth vs. PY		Q3. 2022	Growth vs. PY		Q3. 2022	Growth vs. PY
Croatia	7.3%	+1.6pp	Italy	13.7%	+2.9pp	Romania	5.2%	+1.7pp
Czech Republic	13.5	+3.6	Latvia	10.0	+0.3	Slovak Republic	14.1	+3.0
Germany	3.7	+0.9	Lithuania	26.7	+4.4	Slovenia	9.5	+2.6
Greece	14.8	+2.7	Poland	9.7	+3.7	Switzerland	9.5	+3.7
Hungary	24.5	+7.8	Portugal	15.2	+3.7	UK	2.7	+0.8

Note: Select markets where HTU share is  $\geq$  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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## EU Region: Strong Growth in Key City Shares

### PMI HTU Offtake Share (Q3, 2022)



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

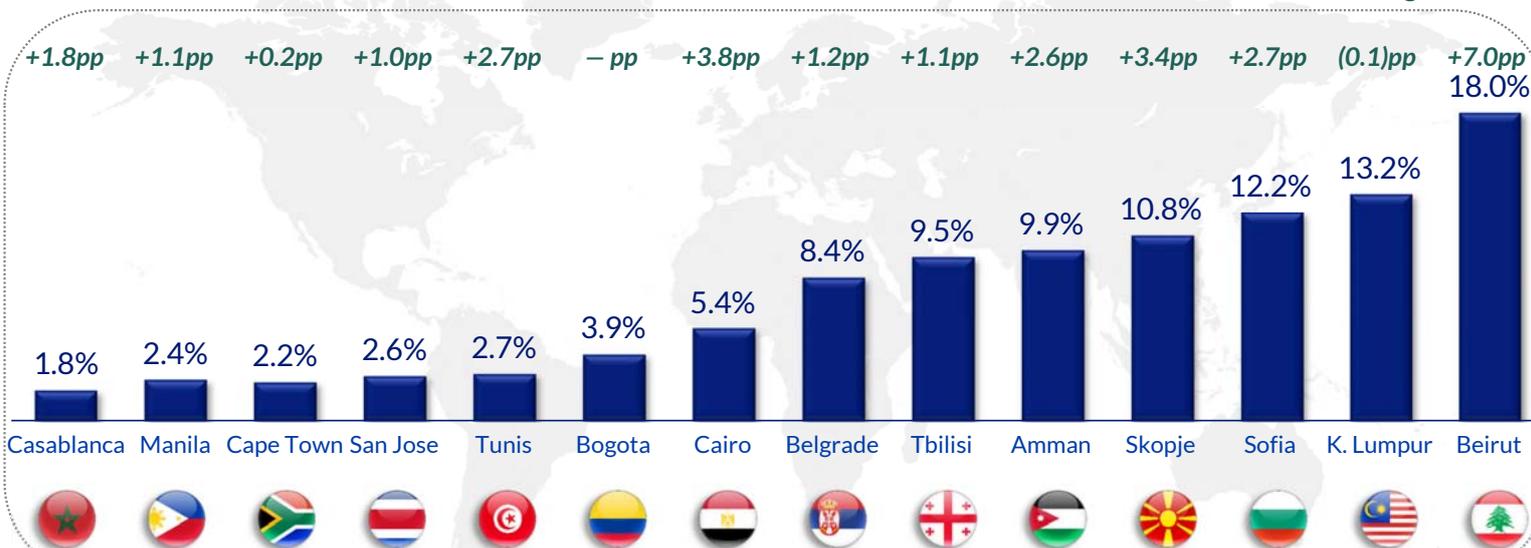
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# Low and Middle-Income Markets: Promising Growth

(PMI HTU offtake share in Key Cities)

## PMI HTU Offtake Shares (Q3, 2022)

Change vs. PY



Note: K. Lumpur stands for Kuala Lumpur. Amman represents West Amman, Cairo represents Urban Cairo, K. Lumpur represents Greater Kuala Lumpur, Manila represents Metro Manila, and Tunis represents Greater Tunis  
Source: PMI Financials or estimates

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## 2022: EPS Guidance

(\$/share)

	Full-Year		
	2022 Forecast	2021	Growth
<b>Reported Diluted EPS</b>	\$5.47 - \$5.62	\$5.83	
<b>Adjustments:</b>			
- Asset impairment and exit costs	-	0.12	
- Equity investee ownership dilution	-	(0.04)	
- Amortization and impairments of intangibles	0.14	0.05	
- Saudi Arabia customs assessments	-	0.14	
- Charges related to the war in Ukraine	0.07	-	
- Fair value adj. for equity security investments <sup>(a)</sup>	0.03	-	
- Asset acquisition cost	-	0.03	
- Costs associated with Swedish Match AB offer	0.13	-	
- Tax items	(0.03)	-	
<b>- Total Adjustments</b>	<b>0.34</b>	<b>0.30</b>	
<b>Adjusted Diluted EPS</b>	<b>\$5.81 - \$5.96</b>	<b>\$6.13</b>	
- Less: Net Earnings attributable to Russia and Ukraine <sup>(b)</sup>	0.59 - 0.63	0.60	
<b>Pro Forma Adjusted Diluted EPS</b>	<b>\$5.22 - \$5.33</b>	<b>\$5.53</b>	
- Less: Pro Forma Currency	(0.87)		
<b>Pro Forma Adjusted Diluted EPS, ex-currency</b>	<b>\$6.09 - \$6.20</b>	<b>\$5.53</b>	<b>10% - 12%</b>

(a) 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

(b) Includes a favorable currency variance of \$0.07 per share for full-year 2022

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 September 30,			Year Ended 2021
	2022	2021	% Change	
<b>Reported Diluted EPS</b>	<b>\$ 1.34</b>	<b>\$ 1.55</b>	<b>(13.5)%</b>	
Less: Currency	(0.19)			
<b>Reported Diluted EPS, excluding Currency</b>	<b>\$ 1.53</b>	<b>\$ 1.55</b>	<b>(1.3)%</b>	
	Quarters Ended September 30,			Year Ended 2021
	2022	2021	% Change	
<b>Reported Diluted EPS</b>	<b>\$ 1.34</b>	<b>\$ 1.55</b>	<b>(13.5)%</b>	<b>\$ 5.83</b>
Asset impairment and exit costs	-	0.02		0.12
Amortization and impairment of intangibles	0.08	0.01		0.05
Saudi Arabia customs assessments	-	-		0.14
Equity investee ownership dilution	-	(0.02)		(0.04)
Asset acquisition cost	-	0.03		0.03
Costs associated with Swedish Match AB offer	0.11	-		-
<b>Adjusted Diluted EPS</b>	<b>\$ 1.53</b>	<b>\$ 1.59</b>	<b>(3.8)%</b>	<b>\$ 6.13</b>
Less: Currency	(0.19)			
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 1.72</b>	<b>\$ 1.59</b>	<b>8.2%</b>	

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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 September 30,			Variance excluding Currency
	2022	2021	Currency	
<b>Adjusted Diluted EPS<sup>(a)</sup></b>	<b>\$ 1.53</b>	<b>\$ 1.59</b>	<b>\$ (0.19)</b>	<b>8.2%</b>
Net Earnings attributable to Russia and Ukraine	0.20	0.15	0.04	
<b>Pro Forma Adjusted Diluted EPS</b>	<b>\$ 1.33</b>	<b>\$ 1.44</b>	<b>\$ (0.23)</b>	<b>8.3%</b>

(a) For the calculation of Adjusted Diluted EPS, see slide 39

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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 September 30,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
<b>2022</b>					<b>2021</b>		<b>% Change</b>		
<b>Combustible Products</b>									
\$ 1,862	\$(276)	\$ 2,139	\$ 1	\$ 2,138	European Union	\$ 2,170	(14.2)%	(1.5)%	(1.5)%
732	46	686	-	686	Eastern Europe	635	15.4%	8.1%	8.1%
909	(51)	960	-	960	Middle East & Africa	901	0.9%	6.6%	6.6%
1,132	(75)	1,206	-	1,206	South & Southeast Asia	1,061	6.6%	13.7%	13.7%
515	(57)	572	-	572	East Asia & Australia	591	(13.0)%	(3.3)%	(3.3)%
463	(7)	470	-	470	Americas	438	5.8%	7.3%	7.3%
<b>\$ 5,613</b>	<b>\$(419)</b>	<b>\$ 6,032</b>	<b>\$ 1</b>	<b>\$ 6,032</b>	<b>Total Combustible</b>	<b>\$ 5,796</b>	<b>(3.2)%</b>	<b>4.1%</b>	<b>4.1%</b>
<b>2022</b>					<b>2021</b>		<b>% Change</b>		
<b>Reduced-Risk Products</b>									
\$ 1,212	\$(189)	\$ 1,400	\$ 2	\$ 1,398	European Union	\$ 1,022	18.6%	37.1%	36.8%
377	33	344	-	344	Eastern Europe	306	23.0%	12.4%	12.4%
71	(6)	77	-	77	Middle East & Africa	44	60.2%	73.1%	73.1%
6	-	7	-	7	South & Southeast Asia	4	63.0%	71.8%	71.8%
685	(104)	789	-	789	East Asia & Australia	932	(26.4)%	(15.3)%	(15.3)%
11	-	11	-	11	Americas	18	(39.9)%	(37.5)%	(37.5)%
<b>\$ 2,362</b>	<b>\$(267)</b>	<b>\$ 2,629</b>	<b>\$ 2</b>	<b>\$ 2,626</b>	<b>Total RRP</b>	<b>\$ 2,326</b>	<b>1.6%</b>	<b>13.0%</b>	<b>12.9%</b>
<b>2022</b>					<b>2021</b>		<b>% Change</b>		
<b>Wellness and Healthcare</b>									
\$ 57	\$(1)	\$ 58	\$ 47	\$ 11	Wellness and Healthcare	\$ -	-	-	-
<b>2022</b>					<b>2021</b>		<b>% Change</b>		
<b>PMI</b>									
\$ 3,074	\$(465)	\$ 3,539	\$ 3	\$ 3,536	European Union	\$ 3,192	(3.7)%	10.9%	10.8%
1,109	79	1,030	-	1,030	Eastern Europe	941	17.9%	9.5%	9.5%
980	(57)	1,037	-	1,037	Middle East & Africa	945	3.7%	9.7%	9.7%
1,138	(75)	1,213	-	1,213	South & Southeast Asia	1,065	6.9%	13.9%	13.9%
1,200	(161)	1,361	-	1,361	East Asia & Australia	1,523	(21.2)%	(10.6)%	(10.6)%
474	(7)	481	-	481	Americas	456	3.9%	5.5%	5.5%
57	(1)	58	47	11	Wellness and Healthcare	-	-	-	-
<b>\$ 8,032</b>	<b>\$(687)</b>	<b>\$ 8,719</b>	<b>\$ 50</b>	<b>\$ 8,669</b>	<b>Total PMI</b>	<b>\$ 8,122</b>	<b>(1.1)%</b>	<b>7.4%</b>	<b>6.7%</b>

Note: Sum of product categories or Regions might not foot to Total PMI due to rounding. "-" 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	Quarters Ended September 30,	Net Revenues	Special Items	Adjusted Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
<b>2022</b>							<b>2021</b>		<b>% Change</b>				
\$ 3,074	\$ -	\$ 3,074	\$(465)	\$ 3,539	\$ 3	\$ 3,536	European Union	\$ 3,192	\$ -	\$ 3,192	(3.7)%	10.9%	10.8%
1,109	-	1,109	79	1,030	-	1,030	Eastern Europe	941	-	941	17.9%	9.5%	9.5%
980	-	980	(57)	1,037	-	1,037	Middle East & Africa	945	-	945	3.7%	9.7%	9.7%
1,138	-	1,138	(75)	1,213	-	1,213	South & Southeast Asia	1,065	-	1,065	6.9%	13.9%	13.9%
1,200	-	1,200	(161)	1,361	-	1,361	East Asia & Australia	1,523	-	1,523	(21.2)%	(10.6)%	(10.6)%
474	-	474	(7)	481	-	481	Americas	456	-	456	3.9%	5.5%	5.5%
57	-	57	(1)	58	47	11	Wellness and Healthcare	-	-	-	-	-	-
<b>\$ 8,032</b>	<b>\$ -</b>	<b>\$ 8,032</b>	<b>\$(687)</b>	<b>\$ 8,719</b>	<b>\$ 50</b>	<b>\$ 8,669</b>	<b>Total PMI</b>	<b>\$ 8,122</b>	<b>\$ -</b>	<b>\$ 8,122</b>	<b>(1.1)%</b>	<b>7.4%</b>	<b>6.7%</b>

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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 <sup>(a)</sup>	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions	Quarters Ended September 30,	Operating Income	Asset Impairment & Exit Costs and Others <sup>(b)</sup>	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions	2021		% Change
														2022	2021	
\$ 1,395	\$ (105)	\$ 1,500	\$ (318)	\$ 1,818	\$ -	\$ 1,818	European Union	\$ 1,680	\$ (20)	\$ 1,700	(11.8)%	6.9%	6.9%			
425	(29)	454	74	380	-	\$ 380	Eastern Europe	338	(2)	340	33.5%	11.8%	11.8%			
432	(26)	458	(2)	460	-	\$ 460	Middle East & Africa	388	(5)	393	16.5%	17.0%	17.0%			
384	(28)	412	(31)	443	-	\$ 443	South & Southeast Asia	348	(9)	357	15.4%	24.1%	24.1%			
398	(40)	438	(105)	543	-	\$ 543	East Asia & Australia	631	(22)	653	(32.9)%	(16.8)%	(16.8)%			
85	(13)	98	2	96	-	\$ 96	Americas	121	(3)	124	(21.0)%	(22.6)%	(22.6)%			
(151)	(121)	(30)	2	(32)	(17)	\$ (15)	Wellness and Healthcare	(51)	(51)	-	-	-	-			
<b>\$ 2,968</b>	<b>\$ (362)</b>	<b>\$ 3,330</b>	<b>\$ (378)</b>	<b>\$ 3,708</b>	<b>\$ (17)</b>	<b>\$ 3,725</b>	<b>Total PMI</b>	<b>\$ 3,455</b>	<b>\$ (112)</b>	<b>\$ 3,567</b>	<b>(6.6)%</b>	<b>4.0%</b>	<b>4.4%</b>			

(a) Third-Quarter 2022: charges related to the war in Ukraine (\$6 million), amortization and impairment of intangibles (\$139 million) and cost associated with Swedish Match AB offer (\$217 million). Nine Months Year-to-Date 2022: charges related to the war in Ukraine (\$128 million), amortization and impairment of intangibles (\$213 million) and cost associated with Swedish Match AB offer (\$269 million)

(b) Third-Quarter 2021: asset impairment and exit costs (\$43 million), amortization and impairment of intangibles (\$18 million) and asset acquisition cost (\$51 million). Nine Months Year-to-Date 2021: asset impairment and exit costs (\$170 million), amortization and impairment of intangibles (\$55 million), asset acquisition cost (\$51 million) and Saudi Arabia customs assessment (\$246 million)

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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 <sup>(a)</sup>	Adjusted Net Revenues <sup>(b)</sup>	Adjusted Operating Income Margin	Adjusted Operating Income excluding Currency <sup>(a)</sup>	Adjusted Net Revenues excluding Currency <sup>(b)</sup>	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income excluding Currency & Acquisitions <sup>(a)</sup>	Adjusted Net Revenues excluding Currency & Acquisitions <sup>(b)</sup>	Adjusted Operating Income Margin excluding Currency & Acquisitions	Quarters Ended September 30,	Adjusted Operating Income <sup>(a)</sup>	Adjusted Net Revenues <sup>(b)</sup>	Adjusted Operating Income Margin	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income Margin excluding Currency & Acquisitions	2021		% Points Change
															2022	2021	
\$ 1,500	\$ 3,074	48.8%	\$ 1,818	\$ 3,539	51.4%	1,818	\$ 3,536	51.4%	European Union	\$ 1,700	\$ 3,192	53.3%	(4.5)	(1.9)	(1.9)		
454	1,109	40.9%	380	1,030	36.9%	380	1,030	36.9%	Eastern Europe	340	941	36.1%	4.8	0.8	0.8		
458	980	46.7%	460	1,037	44.4%	460	1,037	44.4%	Middle East & Africa	393	945	41.6%	5.1	2.8	2.8		
412	1,138	36.2%	443	1,213	36.5%	443	1,213	36.5%	South & Southeast Asia	357	1,065	33.5%	2.7	3.0	3.0		
438	1,200	36.5%	543	1,361	39.9%	543	1,361	39.9%	East Asia & Australia	653	1,523	42.9%	(6.4)	(3.0)	(3.0)		
98	474	20.7%	96	481	20.0%	96	481	20.0%	Americas	124	456	27.2%	(6.5)	(7.2)	(7.2)		
(30)	57	(52.6)%	(32)	58	(55.2)%	(15)	11	(100)%	Wellness and Healthcare	-	-	-	-	-	-		
<b>\$ 3,330</b>	<b>\$ 8,032</b>	<b>41.5%</b>	<b>\$ 3,708</b>	<b>\$ 8,719</b>	<b>42.5%</b>	<b>\$ 3,725</b>	<b>\$ 8,669</b>	<b>43.0%</b>	<b>Total PMI</b>	<b>\$ 3,567</b>	<b>\$ 8,122</b>	<b>43.9%</b>	<b>(2.4)</b>	<b>(1.4)</b>	<b>(0.9)</b>		

(a) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 43

(b) For the calculation of Adjusted Net Revenues excluding currency and acquisitions refer to slide 42

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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  
(\$ in millions) / (Unaudited)

	Quarters Ended September 30,				Variance excluding Currency & Acqui- sitions
	2022	2021	Currency	Acqui- sitions	
<b>PMI</b>					
Adjusted Net Revenues <sup>(a)</sup>	\$ 8,032	\$ 8,122	\$ (687)	\$ 50	6.7%
Net Revenues attributable to Russia and Ukraine	786	653	103	-	
Pro Forma Adjusted Net Revenues	\$ 7,246	\$ 7,469	\$ (790)	\$ 50	6.9%
Adjusted Operating Income <sup>(b)</sup>	\$ 3,330	\$ 3,567	\$ (378)	\$ (17)	4.4%
Operating Income attributable to Russia and Ukraine	376	288	75	-	
Pro Forma Adjusted Operating Income	\$ 2,954	\$ 3,279	\$ (453)	\$ (17)	4.4%
Adjusted Operating Income Margin	41.50%	43.9%	(1.0)pp	(0.5)pp	(0.9)pp
Adjusted OI margin attributable to Russia and Ukraine	0.7pp	-	-	-	
Pro Forma Adjusted Operating Income Margin	40.8%	43.9%	(1.6)pp	(0.5)pp	(1.0)pp
<b>Eastern Europe</b>					
Adjusted Net Revenues <sup>(a)</sup>	\$ 1,109	\$ 941	\$ 79	\$ -	9.5%
Net Revenues attributable to Russia and Ukraine	786	653	103	-	
Pro Forma Adjusted Net Revenues	\$ 323	\$ 288	\$ (24)	\$ -	20.5%
Adjusted Operating Income <sup>(b)</sup>	\$ 454	\$ 340	\$ 74	\$ -	11.8%
Operating Income attributable to Russia and Ukraine	376	288	75	-	
Corporate expenses apportioned to Russia and Ukraine	(63)	(58)	5	-	
Pro Forma Adjusted Operating Income	\$ 141	\$ 110	\$ (6)	\$ -	33.6%
Adjusted Operating Income Margin	40.9%	36.1%	4.0pp	-	0.8pp
Adjusted OI margin attributable to Russia and Ukraine <sup>(c)</sup>	(2.8)pp	(2.1)pp	-	-	
Pro Forma Adjusted Operating Income Margin	43.7%	38.2%	1.3pp	-	4.2pp

(a) For the calculation of Adjusted Net Revenues, see slide 42

(b) For the calculation of Adjusted Operating Income, see slide 43

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

Note: Sum might not foot to Total due to rounding, which could impact variance %

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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  
(\$ in millions) / (Unaudited)

	Quarters Ended September 30,				Variance excluding Currency & Acqui- sitions
	2022	2021	Currency	Acqui- sitions	
<b>Combustible Products</b>					
Adjusted Net Revenues	\$ 5,613	\$ 5,796	\$ (419)	\$ 1	4.1%
Net Revenues attributable to Russia and Ukraine	482	403	65	-	
Pro Forma Adjusted Net Revenues	\$ 5,131	\$ 5,393	\$ (484)	\$ 1	4.1%
<b>Reduced-Risk Products</b>					
Adjusted Net Revenues	\$ 2,362	\$ 2,326	\$ (267)	\$ 2	12.9%
Net Revenues attributable to Russia and Ukraine	304	250	38	-	
Pro Forma Adjusted Net Revenues	\$ 2,058	\$ 2,076	\$ (305)	\$ 2	13.7%
<b>Wellness and Healthcare</b>					
Adjusted Net Revenues	\$ 57	\$ -	\$ (1)	\$ 47	-
Net Revenues attributable to Russia and Ukraine	-	-	-	-	
Pro Forma Adjusted Net Revenues	\$ 57	\$ -	\$ (1)	\$ 47	-
<b>PMI</b>					
Adjusted Net Revenues <sup>(a)</sup>	\$ 8,032	\$ 8,122	\$ (687)	\$ 50	6.7%
Net Revenues attributable to Russia and Ukraine	786	653	103	-	
Pro Forma Adjusted Net Revenues	\$ 7,246	\$ 7,469	\$ (790)	\$ 50	6.9%

(a) For the calculation of Adjusted Net Revenues, see slide 42

Note: Sum of product categories might not foot to Total PMI due to rounding. "-" 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 Reported Diluted EPS to Reported Diluted EPS, excluding Currency,  
and Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS, excluding Currency  
(Unaudited)

	Nine Months Ended September 30,		
	2022	2021	% Change
<b>Reported Diluted EPS</b>	<b>\$ 4.27</b>	<b>\$ 4.48</b>	<b>(4.7)%</b>
Less: Currency	(0.58)		
<b>Reported Diluted EPS, excluding Currency</b>	<b>\$ 4.85</b>	<b>\$ 4.48</b>	<b>8.3%</b>

	Nine Months Ended September 30,			Year Ended
	2022	2021	% Change	2021
<b>Reported Diluted EPS</b>	<b>\$ 4.27</b>	<b>\$ 4.48</b>	<b>(4.7)%</b>	<b>\$ 5.83</b>
Asset impairment and exit costs	-	0.09		0.12
Amortization and Impairment of intangibles	0.12	0.03		0.05
Saudi Arabia customs assessments	-	0.14		0.14
Equity investee ownership dilution	-	(0.02)		(0.04)
Asset acquisition cost	-	0.03		0.03
Costs associated with Swedish Match AB offer	0.13	-		-
Charges related to the war in Ukraine	0.07	-		-
Fair value adjustment for equity security investments	0.03	-		-
Tax items	(0.03)	-		-
<b>Adjusted Diluted EPS</b>	<b>\$ 4.59</b>	<b>\$ 4.75</b>	<b>(3.4)%</b>	<b>\$ 6.13</b>
Less: Currency	(0.58)			
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 5.17</b>	<b>\$ 4.75</b>	<b>8.8%</b>	

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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)

	Nine Months Ended September 30,			
	2022	2021	Currency	Variance excluding Currency
<b>Adjusted Diluted EPS<sup>(a)</sup></b>	<b>\$ 4.59</b>	<b>\$ 4.75</b>	<b>\$ (0.58)</b>	<b>8.8%</b>
Net Earnings attributable to Russia and Ukraine	0.48	0.43	0.05	
<b>Pro Forma Adjusted Diluted EPS</b>	<b>\$ 4.11</b>	<b>\$ 4.32</b>	<b>\$ (0.63)</b>	<b>9.7%</b>

(a) For the calculation of Adjusted Diluted EPS, see slide 47

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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	Nine Months Ended September 30,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
<b>2022</b>									
\$ 5,625	\$ (600)	\$ 6,226	\$ -	\$ 6,226	<b>Combustible Products</b>	\$ 6,283	(10.5)%	(0.9)%	(0.9)%
1,774	15	1,759	-	1,759	European Union	1,681	5.5%	4.6%	4.6%
2,771	(241)	3,011	-	3,011	Eastern Europe	2,208 <sup>(a)</sup>	25.5%	36.4%	36.4%
3,279	(157)	3,436	-	3,436	Middle East & Africa	3,277	0.1%	4.9%	4.9%
1,644	(138)	1,782	-	1,782	South & Southeast Asia	1,850	(11.2)%	(3.7)%	(3.7)%
1,339	(15)	1,354	-	1,354	East Asia & Australia	1,278	4.8%	6.0%	6.0%
<b>\$ 16,432</b>	<b>\$ (1,137)</b>	<b>\$ 17,569</b>	<b>\$ -</b>	<b>\$ 17,569</b>	Americas	<b>\$ 16,577</b>	<b>(0.9)%</b>	<b>6.0%</b>	<b>6.0%</b>
<b>2021</b>									
\$ 3,604	\$ (398)	\$ 4,001	\$ 10	\$ 3,991	<b>Reduced-Risk Products</b>	\$ 2,967	21.4%	34.9%	34.5%
959	10	949	-	949	European Union	951	0.9%	(0.2)%	(0.2)%
206	(10)	217	-	217	Eastern Europe	98	+100%	+100%	+100%
16	(1)	17	-	17	Middle East & Africa	7	+100%	+100%	+100%
2,166	(241)	2,407	-	2,407	South & Southeast Asia	2,659	(18.5)%	(9.5)%	(9.5)%
28	(1)	29	-	29	East Asia & Australia	42,48	(34.2)%	(31.9)%	(31.9)%
<b>\$ 6,979</b>	<b>\$ (640)</b>	<b>\$ 7,619</b>	<b>\$ 10</b>	<b>\$ 7,609</b>	Americas	<b>\$ 6,724</b>	<b>3.8%</b>	<b>13.3%</b>	<b>13.2%</b>
<b>2022</b>									
\$ 199	\$ (1)	\$ 200	\$ 189	\$ 11	<b>Wellness and Healthcare</b>	\$ -	-	-	-
<b>2021</b>									
\$ 9,229	\$ (998)	\$ 10,227	\$ 10	\$ 10,217	<b>PMI</b>	\$ 9,250	(0.2)%	10.6%	10.5%
2,733	25	2,708	-	2,708	European Union	2,632	3.8%	2.9%	2.9%
2,977	(251)	3,228	-	3,228	Eastern Europe	2,306 <sup>(a)</sup>	29.1%	40.0%	40.0%
3,295	(158)	3,453	-	3,453	Middle East & Africa	3,284	0.3%	5.1%	5.1%
3,810	(379)	4,189	-	4,189	South & Southeast Asia	4,509	(15.5)%	(7.1)%	(7.1)%
1,367	(16)	1,383	-	1,383	East Asia & Australia	1,320	3.6%	4.8%	4.8%
199	(1)	200	189	11	Americas	-	-	-	-
<b>\$ 23,610</b>	<b>\$ (1,778)</b>	<b>\$ 25,388</b>	<b>\$ 199</b>	<b>\$ 25,189</b>	Wellness and Healthcare	<b>\$ 23,301</b>	<b>1.3%</b>	<b>9.0%</b>	<b>8.1%</b>

(a) Includes a reduction in net revenues of \$246 million related to the Saudi Arabia customs assessments

Note: Sum of product categories or Regions might not foot to Total PMI due to rounding. "-" 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	Nine Months Ended September 30,	Net Revenues	Special Items	Adjusted Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
<b>2022</b>													
\$ 9,229	\$ -	\$ 9,229	\$ (998)	\$ 10,227	\$ 10	\$ 10,217	<b>2021</b>	\$ 9,250	\$ -	\$ 9,250	(0.2)%	10.6%	10.5%
2,733	-	2,733	25	2,708	-	2,708	European Union	2,632	-	2,632	3.8%	2.9%	2.9%
2,977	-	2,977	(251)	3,228	-	3,228	Eastern Europe	2,306 <sup>(a)</sup>	(246)	2,552	16.7%	26.5%	26.5%
3,295	-	3,295	(158)	3,453	-	3,453	Middle East & Africa	3,284	-	3,284	0.3%	5.1%	5.1%
3,810	-	3,810	(379)	4,189	-	4,189	South & Southeast Asia	4,509	-	4,509	(15.5)%	(7.1)%	(7.1)%
1,367	-	1,367	(16)	1,383	-	1,383	East Asia & Australia	1,320	-	1,320	3.6%	4.8%	4.8%
199	-	199	(1)	200	189	11	Americas	-	-	-	-	-	-
<b>\$ 23,610</b>	<b>\$ -</b>	<b>\$ 23,610</b>	<b>\$ (1,778)</b>	<b>\$ 25,388</b>	<b>\$ 199</b>	<b>\$ 25,189</b>	Wellness and Healthcare	<b>\$ 23,301</b>	<b>\$ (246)</b>	<b>\$ 23,547</b>	<b>0.3%</b>	<b>7.8%</b>	<b>7.0%</b>
<b>Total PMI</b>													

(a) Represents the Saudi Arabia customs assessments

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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 <sup>(a)</sup>	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions		Operating Income	Asset Impairment & Exit Costs and Others <sup>(b)</sup>	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions
\$ 4,441	\$ (146)	\$ 4,587	\$ (708)	\$ 5,295	\$ (2)	\$ 5,297	European Union	\$ 4,811	\$ (82)	\$ 4,893	(6.3)%	8.2%	8.3%
860	(158)	1,018	70	948	-	948	Eastern Europe	913	(12)	925	10.1%	2.5%	2.5%
1,451	(36)	1,487	(121)	1,608	-	1,608	Middle East & Africa	739	(265)	1,004	48.1%	60.2%	60.2%
1,135	(42)	1,177	(78)	1,255	-	1,255	South & Southeast Asia	1,208	(30)	1,238	(4.9)%	1.4%	1.4%
1,315	(51)	1,366	(261)	1,627	-	1,627	East Asia & Australia	2,041	(69)	2,110	(35.3)%	(22.9)%	(22.9)%
336	(19)	355	4	351	-	351	Americas	367	(13)	380	(6.6)%	(7.6)%	(7.6)%
(216)	(158)	(58)	2	(60)	(28)	(32)	Wellness and Healthcare	(51)	(51)	-	-	-	-
<b>\$ 9,322</b>	<b>\$ (610) <sup>(a)</sup></b>	<b>\$ 9,932</b>	<b>\$ (1,092)</b>	<b>\$ 11,024</b>	<b>\$ (30)</b>	<b>\$ 11,054</b>	<b>Total PMI</b>	<b>\$ 10,028</b>	<b>\$ (522) <sup>(b)</sup></b>	<b>\$ 10,550</b>	<b>(5.9)%</b>	<b>4.5%</b>	<b>4.8%</b>

(a) Third-Quarter 2022: charges related to the war in Ukraine (\$6 million), amortization and impairment of intangibles (\$139 million) and cost associated with Swedish Match AB offer (\$217 million). Nine Months Year-to-Date 2022: charges related to the war in Ukraine (\$128 million), amortization and impairment of intangibles (\$213 million) and cost associated with Swedish Match AB offer (\$269 million)

(b) Third-Quarter 2021: asset impairment and exit costs (\$43 million), amortization and impairment of intangibles (\$18 million) and asset acquisition cost (\$51 million). Nine Months Year-to-Date 2021: asset impairment and exit costs (\$170 million), amortization and impairment of intangibles (\$55 million), asset acquisition cost (\$51 million) and Saudi Arabia customs assessment (\$246 million)

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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 <sup>(a)</sup>	Adjusted Net Revenues <sup>(b)</sup>	Adjusted Operating Income Margin	Adjusted Operating Income excluding Currency <sup>(a)</sup>	Adjusted Net Revenues excluding Currency <sup>(b)</sup>	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income excluding Currency & Acquisitions <sup>(a)</sup>	Adjusted Net Revenues excluding Currency & Acquisitions <sup>(b)</sup>	Adjusted Operating Income Margin excluding Currency & Acquisitions		Adjusted Operating Income <sup>(a)</sup>	Adjusted Net Revenues <sup>(b)</sup>	Adjusted Operating Income Margin	Adjusted Operating Income Margin excluding Currency	Adjusted Operating Income Margin excluding Currency & Acquisitions	
															2022
\$ 4,587	\$ 9,229	49.7%	\$ 5,295	\$ 10,227	51.8%	5,297	\$ 10,217	51.8%	European Union	\$ 4,893	\$ 9,250	52.9%	(3.2)	(1.1)	(1.1)
1,018	2,733	37.2%	948	2,708	35.0%	948	2,708	35.0%	Eastern Europe	925	2,632	35.1%	2.1	(0.1)	(0.1)
1,487	2,977	49.9%	1,608	3,228	49.8%	1,608	3,228	49.8%	Middle East & Africa	1,004	2,552	39.3%	10.6	10.5	10.5
1,177	3,295	35.7%	1,255	3,453	36.3%	1,255	3,453	36.3%	South & Southeast Asia	1,238	3,284	37.7%	(2.0)	(1.4)	(1.4)
1,366	3,810	35.9%	1,627	4,189	38.8%	1,627	4,189	38.8%	East Asia & Australia	2,110	4,509	46.8%	(10.9)	(8.0)	(8.0)
355	1,367	26.0%	351	1,383	25.4%	351	1,383	25.4%	Americas	380	1,320	28.8%	(2.8)	(3.4)	(3.4)
(58)	199	(29.1)%	(60)	200	(30.0)%	(32)	11	(100)%	Wellness and Healthcare	-	-	-	-	-	-
<b>\$ 9,932</b>	<b>\$ 23,610</b>	<b>42.1%</b>	<b>\$ 11,024</b>	<b>\$ 25,388</b>	<b>43.4%</b>	<b>\$ 11,054</b>	<b>\$ 25,189</b>	<b>43.9%</b>	<b>Total PMI</b>	<b>\$ 10,550</b>	<b>\$ 23,547</b>	<b>44.8%</b>	<b>(2.7)</b>	<b>(1.4)</b>	<b>(0.9)</b>

(a) For the calculation of Adjusted Operating Income and Adjusted Operating Income excluding currency and acquisitions refer to slide 51

(b) For the calculation of Adjusted Net Revenues excluding currency and acquisitions refer to slide 50

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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  
(\$ in millions) / (Unaudited)

	Nine Months Ended September 30,					Variance excluding Currency & Acqui- sitions
	2022	2021	Currency	Acqui- sitions		
<b>PMI</b>						
Adjusted Net Revenues <sup>(a)</sup>	\$ 23,610	\$ 23,547	\$ (1,778)	\$ 199		7.0%
Net Revenues attributable to Russia and Ukraine	1,874	1,826	73	-		
<b>Pro Forma Adjusted Net Revenues</b>	<b>\$ 21,736</b>	<b>\$ 21,721</b>	<b>\$ (1,851)</b>	<b>\$ 199</b>		<b>7.7%</b>
Adjusted Operating Income <sup>(b)</sup>	\$ 9,932	\$ 10,550	\$ (1,092)	\$ (30)		4.8%
Operating Income attributable to Russia and Ukraine	870	772	87	-		
<b>Pro Forma Adjusted Operating Income</b>	<b>\$ 9,062</b>	<b>\$ 9,778</b>	<b>\$ (1,179)</b>	<b>\$ (30)</b>		<b>5.0%</b>
Adjusted Operating Income Margin	42.1%	44.8%	(1.3)pp	(0.5)pp		(0.9)pp
Adjusted OI margin attributable to Russia and Ukraine	0.4pp	(0.2)pp				
<b>Pro Forma Adjusted Operating Income Margin</b>	<b>41.7%</b>	<b>45.0%</b>	<b>(1.7)pp</b>	<b>(0.5)pp</b>		<b>(1.1)pp</b>
<b>Eastern Europe</b>						
Adjusted Net Revenues <sup>(a)</sup>	\$ 2,733	\$ 2,632	\$ 25	\$ -		2.9%
Net Revenues attributable to Russia and Ukraine	1,874	1,826	73	-		
<b>Pro Forma Adjusted Net Revenues</b>	<b>\$ 859</b>	<b>\$ 806</b>	<b>\$ (48)</b>	<b>\$ -</b>		<b>12.5%</b>
Adjusted Operating Income <sup>(b)</sup>	\$ 1,018	\$ 925	\$ 70	\$ -		2.5%
Operating Income attributable to Russia and Ukraine	870	772	87	-		
Corporate expenses apportioned to Russia and Ukraine	(195)	(166)	9	-		
<b>Pro Forma Adjusted Operating Income</b>	<b>\$ 343</b>	<b>\$ 319</b>	<b>\$ (26)</b>	<b>\$ -</b>		<b>15.7%</b>
Adjusted Operating Income Margin	37.2%	35.1%	2.2pp	-		(0.1)pp
Adjusted OI margin attributable to Russia and Ukraine <sup>(c)</sup>	(2.7)pp	(4.5)pp				
<b>Pro Forma Adjusted Operating Income Margin</b>	<b>39.9%</b>	<b>39.6%</b>	<b>(0.8)pp</b>	<b>-</b>		<b>1.1pp</b>

(a) For the calculation of Adjusted Net Revenues, see slide 50

(b) For the calculation of Adjusted Operating Income, see Schedule 51

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

Note: Sum might not foot to Total due to rounding, which could impact variance %

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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  
(\$ in millions) / (Unaudited)

	Nine Months Ended September 30,					Variance excluding Currency & Acqui- sitions	Year Ended December 31, 2021
	2022	2021	Currency	Acqui- sitions			
<b>Combustible Products</b>							
Adjusted Net Revenues	\$ 16,432	\$ 16,823	\$ (1,137)	\$ -		4.4%	\$ 16,369
Net Revenues attributable to Russia and Ukraine	1,119	1,047	50	-			1,071
<b>Pro Forma Adjusted Net Revenues</b>	<b>\$ 15,313</b>	<b>\$ 15,776</b>	<b>\$ (1,186)</b>	<b>\$ -</b>		<b>4.6%</b>	<b>\$ 15,298</b>
<b>Reduced-Risk Products</b>							
Adjusted Net Revenues	\$ 6,979	\$ 6,724	\$ (640)	\$ 10		13.2%	\$ 6,979
Net Revenues attributable to Russia and Ukraine	755	779	23	-			\$ 755
<b>Pro Forma Adjusted Net Revenues</b>	<b>\$ 6,224</b>	<b>\$ 5,945</b>	<b>\$ (664)</b>	<b>\$ 10</b>		<b>15.7%</b>	<b>\$ 6,224</b>
<b>Wellness and Healthcare</b>							
Adjusted Net Revenues	\$ 199	\$ -	\$ (1)	\$ 189		-	\$ 199
Net Revenues attributable to Russia and Ukraine	-	-	-	-			-
<b>Pro Forma Adjusted Net Revenues</b>	<b>\$ 199</b>	<b>\$ -</b>	<b>\$ (1)</b>	<b>\$ 189</b>		<b>-</b>	<b>\$ 199</b>
<b>PMI</b>							
Adjusted Net Revenues <sup>(a)</sup>	\$ 23,610	\$ 23,547	\$ (1,778)	\$ 199		7.0%	\$ 23,547
Net Revenues attributable to Russia and Ukraine	1,874	1,826	73	-			1,826
<b>Pro Forma Adjusted Net Revenues</b>	<b>\$ 21,736</b>	<b>\$ 21,721</b>	<b>\$ (1,851)</b>	<b>\$ 199</b>		<b>7.7%</b>	<b>\$ 21,721</b>

(a) For the calculation of Adjusted Net Revenues, see slide 50

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

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PHILIP MORRIS  
INTERNATIONAL

Delivering a Smoke-Free Future

# 2022 Third-Quarter Results

October 20, 2022

