

Virtual Annual Meeting of Shareholders
Philip Morris International Inc.
May 3, 2023

(SLIDE 1.)

Good morning and thank you for joining us. I am André Calantzopoulos, Executive Chairman of the Board, and I would like to welcome you to Philip Morris International's 2023 Virtual Annual Meeting of Shareholders, which I now call to order.

On the call with me today are our Board of Directors, our Chief Executive Officer, Jacek Olczak, our Corporate Secretary, Darlene Quashie Henry, and our audit partner at PricewaterhouseCoopers, Mary Clark.

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.)

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 under "Reports & filings" on our [Investor Relations website](#) with additional non-GAAP reconciliations available at the end of this presentation. Our definition of smoke-free products can be found in the glossary of terms.

(SLIDE 3.)

Today's remarks contain forward-looking statements. I direct your attention to the Forward-Looking and Cautionary Statements disclosure in today's presentation.

(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, 2022.

The holders of record of common stock at the close of business on March 10, 2023, are entitled to vote at this meeting. I am informed that approximately 81% of Philip Morris International's common stock is represented here today and, therefore, a quorum is present for the transaction of business.

Thank you, Darlene. Please file the documents with the records of the meeting.

I appoint as Inspector of Election, Linda A. 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 10, 2023.

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

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

(SLIDE 5.)

There are five business items set forth in the notice of meeting that will be put before the meeting at this time, and I hereby declare the polls for voting at our 2023 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 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 Mr. Lucio A. Noto, who has decided not to stand for re-election to the board. Mr. Noto has been a member of the Board since we became a public company in 2008 and has served in a number of leadership roles, including most recently as our Lead Independent Director and Chair of the Audit Committee.

He has been an exemplary director, providing years of dedicated commitment to our company. We thank him for the invaluable contributions he has made to Philip Morris International.

(SLIDE 7.)

I would also like to thank Mr. Frederik Paulsen, who joined the Board in 2014. Mr. Paulsen decided not to stand for re-election at this annual meeting. I would like to thank him for his many contributions to Philip Morris International as a Board member and Chair of the Product Innovation and Regulatory Affairs Committee.

(SLIDE 8.)

The first order of business is the election of twelve directors.

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 2023 Annual Meeting of Shareholders.

Are there any questions?

Thank you.

(SLIDE 10.)

The third item on the agenda, is approval of the frequency of say-on-pay votes, on an advisory basis, for which the Board recommends an annual vote.

Are there any questions?

Thank you.

(SLIDE 11.)

The fourth item on the agenda is the ratification of the selection of PricewaterhouseCoopers as independent auditors of the Company for the fiscal year ending December 31, 2023.

Are there any questions?

Thank you.

(SLIDE 12.)

The fifth and final item is a shareholder proposal. I will now hand it over to the proponent of the shareholder resolution to present the proposal.

Are there any questions?

Thank you.

(SLIDE 13.)

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 2023 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.

An annual frequency of say-on-pay votes was approved on an advisory basis.

The selection of PricewaterhouseCoopers as independent auditors has been ratified.

The shareholder proposal has been defeated.

Mr. Chairman, that concludes the report.

Thank you, Darlene.

Please 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.

(SLIDE 14.)

Before we move to the question and comment session, I will hand over the presentation to Jacek to provide an update on our business performance.

(SLIDE 15.)

Thank you, André.

2022 was a remarkable year in our smoke-free transformation. We achieved two critical strategic milestones, successfully completing the acquisition of Swedish Match and securing the full rights to commercialize IQOS in the U.S. from Q2, 2024.

We are very pleased to welcome the Swedish Match organization to the PMI family, along with their #1 global nicotine pouch brand, ZYN. Together we are now a global smoke-free champion and leading the industry with scientifically substantiated reduced risk products. Our visions are aligned, and we believe this combination will accelerate our progress by switching more adult smokers to better alternatives than would otherwise be achieved.

There is a significant opportunity to further accelerate ZYN's outstanding success in the U.S., and for international expansion with the support of PMI's commercial capabilities. Importantly, we believe the acquisition is financially attractive and will be accretive to our growth, margin profile and cash generation over the coming years.

We are also delighted that we will have full rights to commercialize IQOS – the world's leading smoke-free product – in the United States, the world's largest smoke-free market, from April 30, 2024.

We have exciting plans to relaunch IQOS in the U.S., leveraging on Swedish Match's sales and distribution capabilities and our extensive experience of commercializing IQOS across the world.

The powerful combination of these achievements advances our smoke-free journey and further positions us to lead the transformation of the wider industry.

(SLIDE 16.)

Turning now to our 2022 results, where we delivered very strong financial performance. A second consecutive year of total volume growth and excellent top- and bottom-line growth reflects the continued strong performance of IQOS and positive momentum of our combustible business despite the exceptional challenges of the war in Ukraine, severe supply chain disruptions and global inflation. I would like to express my deepest thanks to all my colleagues who spared no effort to drive excellent business results during these unprecedented times.

(SLIDE 17.)

This strong performance represents further progress towards our 2025 ambition for smoke-free products to contribute more than 50% of our net revenues, with around \$12 billion smoke-free net revenues in 2022 including Swedish Match on a pro forma basis.

Q1 2023 smoke-free net revenues made up almost 35% of total PMI. This compares with essentially zero smoke-free revenues in 2015 and highlights our excellent trajectory as we continue to expand our smoke-free portfolio and geographic reach. Our smoke-free products are now available in 78 markets around the world.

The growth outlook also remains very positive for *IQOS*, with over 25 million estimated users across a broad range of geographies.

(SLIDE 18.)

Now turning to our Q1, 2023 results. I am pleased to report that performance exceeded our expectations, with strong underlying momentum from *IQOS*, *ZYN* and our combustible business despite anticipated headwinds.

IQOS' outstanding results continued, reflecting broad-based momentum in the Europe region, Japan, and emerging markets. *IQOS ILUMA* continues to generate excellent growth in its launch markets, with both upgrades from existing users and new user acquisition outperforming our initial expectations, demonstrating the dynamism and importance of our ongoing innovation.

Swedish Match delivered impressive results, with a stand-out performance from *ZYN* in the U.S.

In combustibles, accelerated pricing across a range of markets helped to deliver robust organic net revenue growth.

Following this encouraging start, we are well set up to deliver a strong 2023, including excellent top- and bottom-line growth for the remainder of the year.

(SLIDE 19.)

Turning now to *IQOS* progress in key geographies. In Japan, the adjusted share for our HTU brands increased by 3.4 points to a record 26.2% in Q1 2023. This impressive performance was driven by the strength of *IQOS ILUMA* and our 2-tier consumable portfolio.

In the Europe region, first-quarter adjusted share for our HTUs reached 9.2% of total cigarette and HTU industry volume. This excellent result reflects strong user and adjusted IMS volume growth across the region.

(SLIDE 20.)

In addition to strong *IQOS* gains in developed countries, we continue to see very promising growth in Low and Middle-Income markets which are now approaching 30% of our total HTU volumes.

(SLIDE 21.)

Now moving to Swedish Match's business. I would first like to congratulate Swedish Match employees for continuing to deliver impressive results as we thoughtfully integrate our activities.

Swedish Match delivered an excellent Q1 performance with smoke-free products comprising over 75% of net revenues. Most notable was the continued outstanding growth of *ZYN* in the U.S. with a record increase in 12-month rolling shipment volumes.

Importantly, *ZYN* category volume share and retail value share remain strong despite heavy competitive discounting, highlighting its superior brand equity.

(SLIDE 22.)

Now, let me cover our exciting plans to further accelerate our smoke-free journey.

The full global roll-out of *IQOS ILUMA* is a major priority and we expect to make substantial progress this year.

We continue to work on our *IQOS* U.S. commercialization plans. With the benefit of the expertise and commercial tools from launching successfully in over 70 international markets, and a U.S. market with a clear regulatory framework and the ability to communicate with adult smokers, we remain very positive about the opportunity.

In addition to our premium offerings, we are now commercializing *BONDS*, our latest heat-not-burn innovation that is especially relevant for Low- and Middle-Income consumers. We are currently focused on learning from pilot city launches before deploying on a wider scale.

Another key opportunity from the Swedish Match combination is the expansion of *ZYN* in both the U.S. and internationally. We are targeting up to ten launches or relaunches this year as we look to develop the nicotine pouch category.

While staying clearly focused on the heat-not-burn and nicotine pouch categories, which present the largest and most accretive growth opportunities, we have adjusted our VEEV e-vapor portfolio and will apply an agile and disciplined approach with a focus on select markets.

(SLIDE 23.)

Now a few words on our cigarette business, which operates outside the U.S. 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 our smoke-free products via our commercial infrastructure, industry expertise and ability to communicate with adult smokers, where permitted. We continue to target maintaining our share of the category, despite cannibalization from our smoke-free products. This objective was achieved in 2022, and supports our ability to maximize the switching of adult smokers to better alternatives.

(SLIDE 24.)

Moving to sustainability, I would first draw your attention to our 2022 Integrated Report published last month. This report outlines the progress we are making as we transform for good by focusing our resources on developing, scientifically substantiating, and responsibly commercializing smoke-free products that are less harmful than smoking cigarettes. We aim to completely replace cigarettes as soon as possible as we evolve into a broader company and expand into areas beyond nicotine. The report also describes our progress on addressing the social and environmental impacts of both our products and our operations, including priority ESG topics such as post-consumer waste, youth access prevention, and decarbonization.

In addition, we recently published two further reports. Our updated ESG KPI Protocol provides even more robust criteria on how we define success and measure ESG performance. Responding to the implementation guidance of the Task Force on Climate-related Financial Disclosures, we issued our first-ever TCFD report, which complements our 2021 Low-Carbon Transition Plan.

(SLIDE 25.)

As detailed in the integrated report, our comprehensive sustainability strategy framework recognizes two distinct forms of issues: those related to our products and those related

to our business operations. In order to measure our progress and impacts, we introduced a bespoke Sustainability Index last year, which uses a set of clearly defined, rigorous and verifiable metrics across our most significant sustainability issues, weighted towards product transformation. The Index represents 30% of our long-term performance-based executive compensation.

While ESG ratings and assessments have some inherent limitations, our progress on sustainability also continues to be recognized by prominent external stakeholders. We are included, once again, in the Dow Jones Sustainability Index North America. I am also proud to share that, for the third consecutive year, we have been awarded CDP's "Triple A." CDP scored nearly 15,000 companies on their climate change, forest, and water security disclosures, of which only 12 received this prestigious score. In addition, PMI was again included in CDP's supplier engagement leaderboard, for efforts contributing toward achieving our scope 3 ambitions.

(SLIDE 26.)

The sustainable success of our company rests with our people. Building an empowered and inclusive organization with distinctive capabilities and a winning team culture is a critical enabler of our transformation.

During 2022, we redesigned our operating structure to support our multi-category focus, including a streamlined regional footprint, to achieve a greater focus on our key product lines and unlock growth. A major focus this year is successfully integrating Swedish Match.

We seek to cultivate an inclusive environment where diversity can thrive and to provide our employees with tools and opportunities to learn and grow. With respect to gender diversity, we are pleased that women now hold over 40% of management positions and we are committed to increasing their representation in senior roles.

Our efforts on inclusion and well-being also continue to be recognized by key external stakeholders. We have been included in the 2023 Bloomberg Gender Equality Index for the third year running and certified by the Top Employer Institute as a global top employer for the 7th consecutive year.

(SLIDE 27.)

Moving now to shareholder returns. We are a highly cash generative business enhanced by the acquisition of Swedish Match. This allows us to maintain a strong balance sheet, pay down debt and invest in innovation and the growth of our business. Last September, we increased our annual dividend for the 15th consecutive year since the spin in 2008, representing a total increase of approximately 176% and a compound annual growth rate of 7.5%. This is in line with our unwavering commitment to a progressive dividend policy.

(SLIDE 28.)

To conclude today's business presentation, continued excellent *IQOS* and *ZYN* performance further enhances our position as the global smoke-free champion with leadership positions in the largest category of heat-not-burn and the fastest growing category of oral nicotine. We are progressing rapidly toward our ambition to become a majority smoke-free business.

Investment in our innovation pipeline and deployment capabilities has allowed us to lead the category, catering to a broadening range of consumer preferences, occasions, form factors and price points.

The exciting growth combination of *IQOS* and *ZYN* presents an unrivaled platform for growth over the coming years.

We are leading on sustainability as we seek to maximize our positive impact to society by addressing our most significant issues.

Importantly, we remain steadfast in our commitment to generously reward our shareholders over the long term.

In summary, the future is bright, and our smoke-free transformation continues to deliver sustainable growth for our shareholders.

Thank you. I will now hand back to André.

Thank you very much, Jacek.

(SLIDE 29.)

This meeting 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.

We have allowed up to one hour for questions.

Are there any questions or comments?

That concludes our question and comment period.

(SLIDE 30.)

Thank you all very much for joining the 2023 Virtual Annual Meeting of Shareholders.