



2023 Fourth-Quarter and Full-Year Results

February 8, 2024

Introduction

- A glossary of terms, including the definition for smoke-free products^(a) 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, and additional net revenue data are available in Exhibit 99.2 to the company's Form 8-K dated February 8, 2024 and on our [Investor Relations website](#) with additional non-GAAP reconciliations available at the end of this presentation
- Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions and disposals. As such, figures and comparisons presented on an organic basis exclude Swedish Match up until November 11, 2023

(a) Following the acquisition of Swedish Match, PMI defines "smoke-free products" to include all Swedish Match products other than Swedish Match's combustible tobacco products, in addition to its heat-not-burn, e-vapor, oral nicotine, and wellness and healthcare products

Forward-Looking and Cautionary Statements

- This presentation contains projections of future results and goals and other forward-looking statements, including statements regarding business plans, expectations 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; if it is unable to attract and retain the best global talent, including women or diverse candidates; or if it is unable to successfully integrate and realize the expected benefits from recent transactions and acquisitions. Future results are also subject to the lower predictability of our reduced-risk product category's performance
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including PMI's Annual Report on Form 10-K for the fourth quarter and year ended December 31, 2022, the Form 10-Q for the quarter ended September 30, 2023, and the Form 10-K for the fourth quarter and year ended December 31, 2023, which will be filed today. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations

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Strong 2023 Performance Driven by Smoke-Free Products

- Third consecutive year of positive total volumes
- Excellent smoke-free growth with accelerating margin accretion:
 - Smoke-free organic gross profit growth of +19%
 - Exceptional U.S. ZYN performance
 - Strong IQOS momentum with +15% adj. IMS and operating leverage
- Combustibles margin-dilutive despite robust commercial performance
- Smoke-free growth acceleration expected in 2024



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Driving Sustainable & Profitable Transformation

- Q4 key transformation milestones:
 - IQOS net revenues surpass *Marlboro*
 - ZYN the fastest growing U.S. smoke-free brand
 - 25 markets with smoke-free net revenues >50%
 - Over 40% gross profit generated by smoke-free products
- Good progress in adoption of tobacco harm reduction policies, considerable work remains
- Further recognition of our overall sustainability performance

Source: PMI Financials or estimates

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Q4, 2023: Strong Finish to the Year

Net Revenues

(Organic variance vs. PY)

+8.3%

Operating Income

(Organic variance vs. PY)

+8.0%

Adj. Diluted EPS

(Currency neutral variance vs. PY)

+12.2%

Adj. Diluted EPS

\$1.36

+26%

Q4'23 Swedish Match
Net Revenue
Growth
Excl. Currency^(a)

(a) Swedish Match pro forma, including \$9m of SMD logistics net revenue in Q4, 2022 base
Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions
Source: PMI Financials or estimates

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FY, 2023: Excellent Net Revenue and EPS Growth

Net Revenues

(Organic variance vs. PY)

+7.8%

Operating Income

(Organic variance vs. PY)

+3.7%

Adj. Diluted EPS

(Currency neutral variance vs. PY)

+11.0%

Adj. Diluted EPS

\$6.01



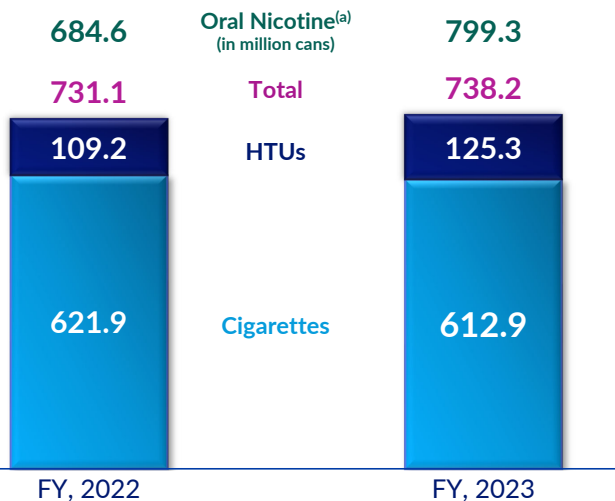
(a) Swedish Match pro forma, including \$38m of SMD logistics net revenue in FY, 2022 base and \$15m in 2023 prior to June divestiture
Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions
Source: PMI Financials or estimates

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Third Consecutive Year of Volume Growth Driven by HTUs

(billion units)

Full Year



Change vs. PY	Adj. IMS Change vs. PY
+16.8%	+1.5%
+1.0%	+14.8%
+14.7%	(0.7)%
(1.4)%	

Q4

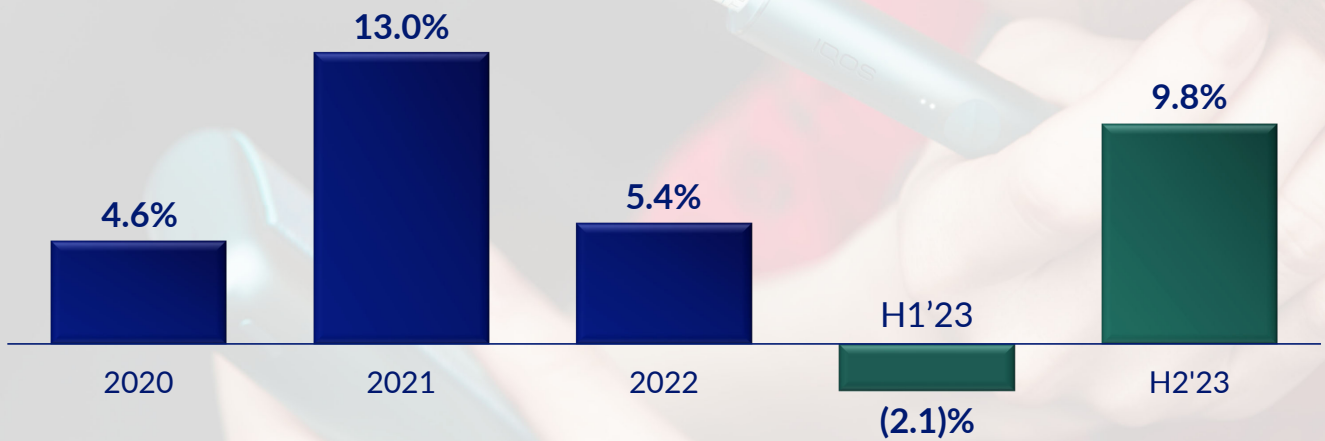
Change vs. PY	Adj. IMS Change vs. PY
23.4%	+0.9%
(0.5)%	+13.9%
+6.1%	(1.4)%
(1.9)%	

(a) Pro forma, incl. PMI & Swedish Match oral nicotine volumes. Excludes snuff, snuff leaf and U.S. chew
Note: Total may not foot due to rounding
Source: PMI Financials or estimates

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Stepped-Up Organic OI Growth in H2

Organic OI Growth
(Change vs. PY)

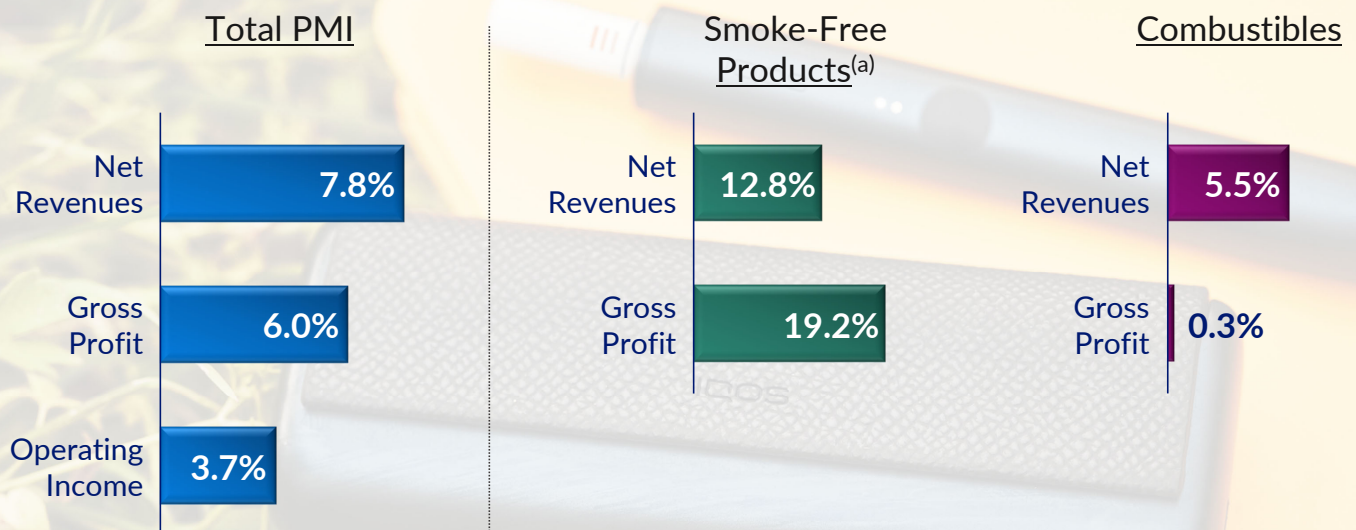


Source: PMI Financials or estimates

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Organic OI Growth Driven by Excellent Smoke-Free Accretion

FY'23 Organic Variance vs. PY



(a) Smoke-Free Products include the Wellness and Healthcare segment

Note: Chart not to scale. Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions

Source: PMI Financials or estimates

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Swedish Match: Outstanding Growth for PMI in First Year

- +20%^(a) 2023 top-line growth driven by ZYN
- ROIC/WACC crossover expected well ahead of 5 year target
- Continued remarkable growth of U.S. ZYN
- ZYN launched or re-launched in 10 markets
- Robust cigars performance with net revenue and profit growth



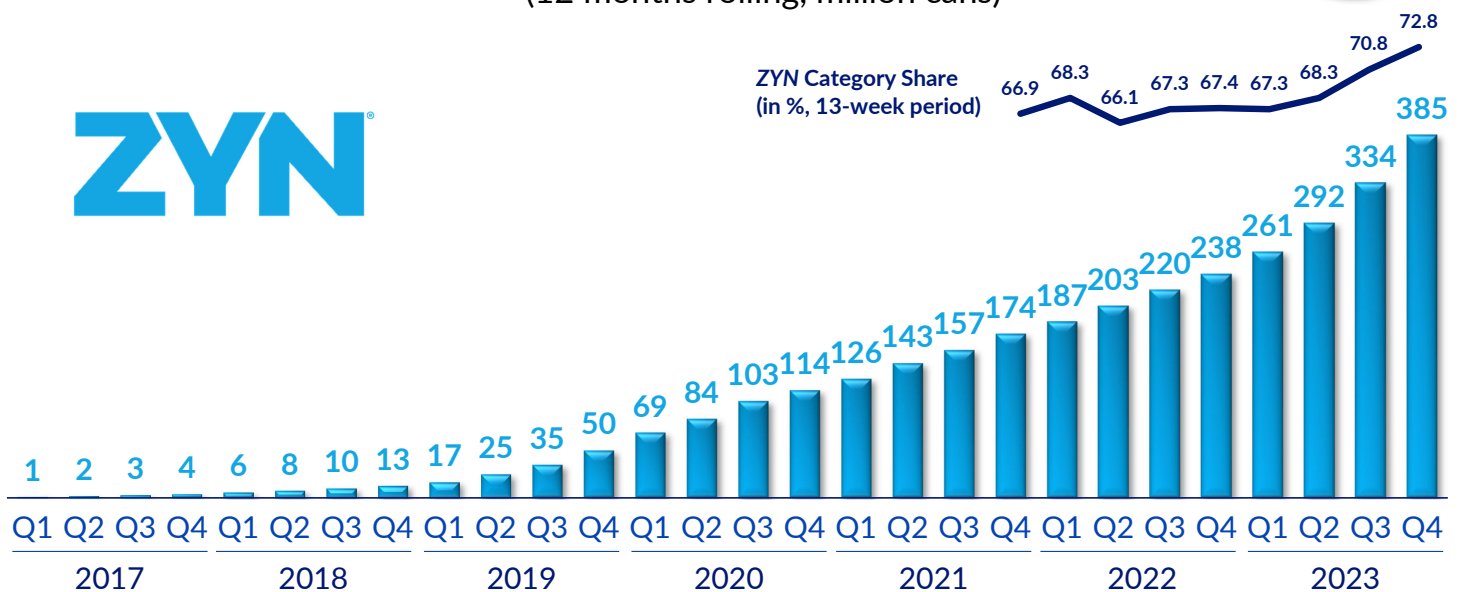
Swedish Match

(a) Swedish Match pro forma, including \$38m of SMD logistics net revenue in FY, 2022 base and \$15m in 2023 prior to June divestiture and excluding currency
Source: Swedish Match Financials or estimates

Outstanding ZYN Growth Momentum Continues

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

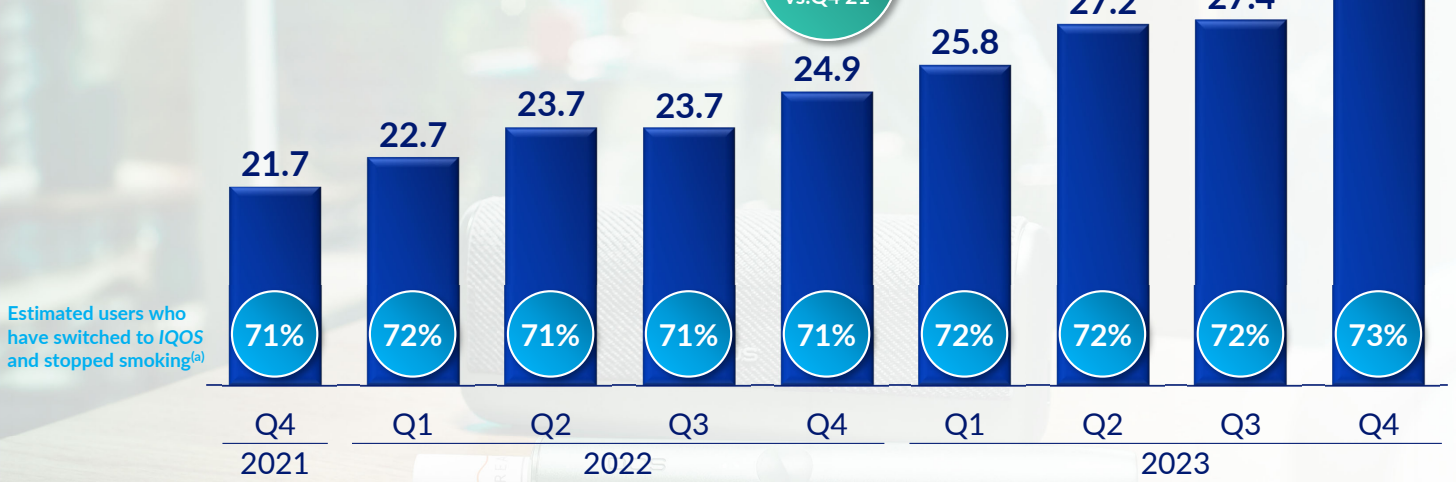
77.4%
Q4'23 ZYN Category Retail Value Share (13-week period)



Source: PMI Financials or estimates, Circana, LLC, Nicotine Pouches, Week ending 12/24/23

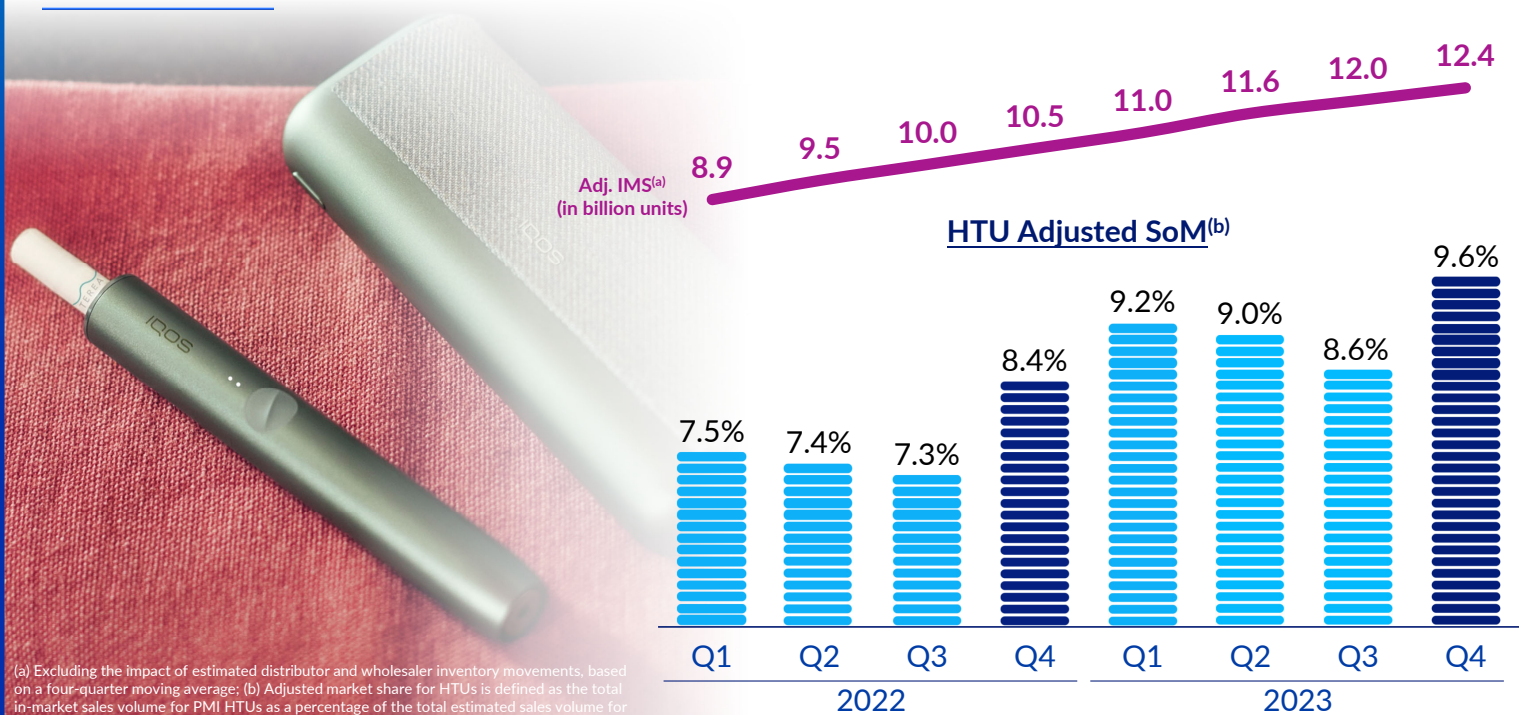
Further Acceleration of IQOS User Growth

Total IQOS Users^(a)
(in millions)



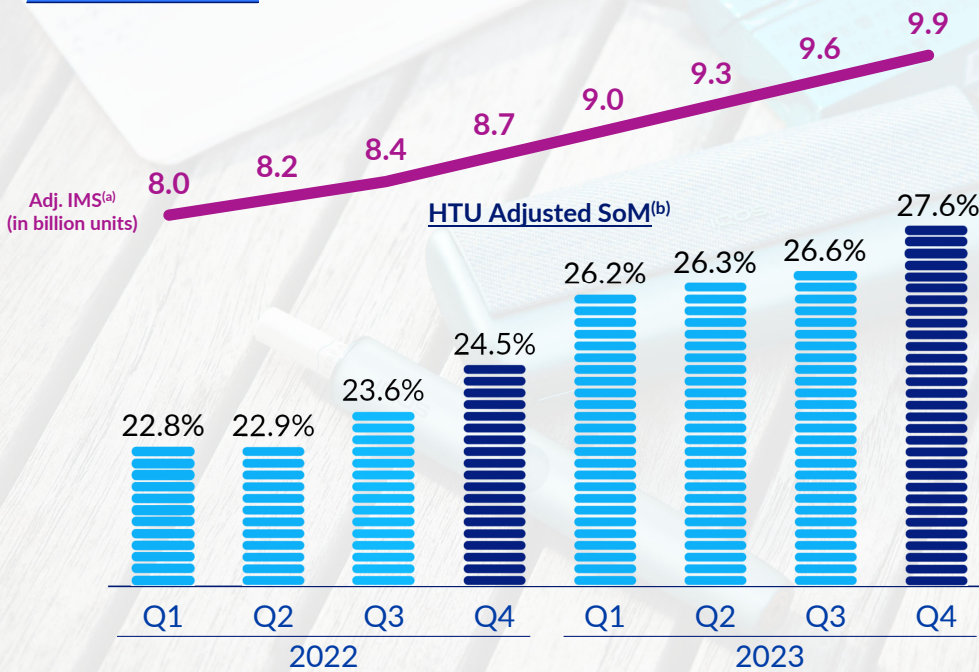
(a) See Glossary for definition
Source: PMI Financials or estimates, IQOS user panels and PMI Market Research

Europe: Continued IQOS Success Driven by ILUMA

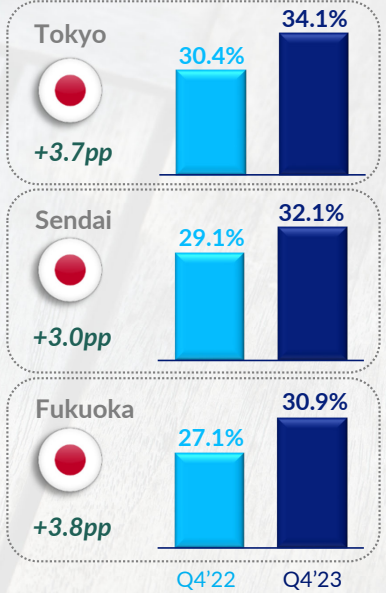


(a) Excluding the impact of estimated distributor and wholesaler inventory movements, based on a four-quarter moving average; (b) Adjusted market share for HTUs is defined as the total in-market sales volume for PMI HTUs as a percentage of the total estimated sales volume for cigarettes and HTUs, excluding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

Japan: Excellent ILUMA Momentum Continues



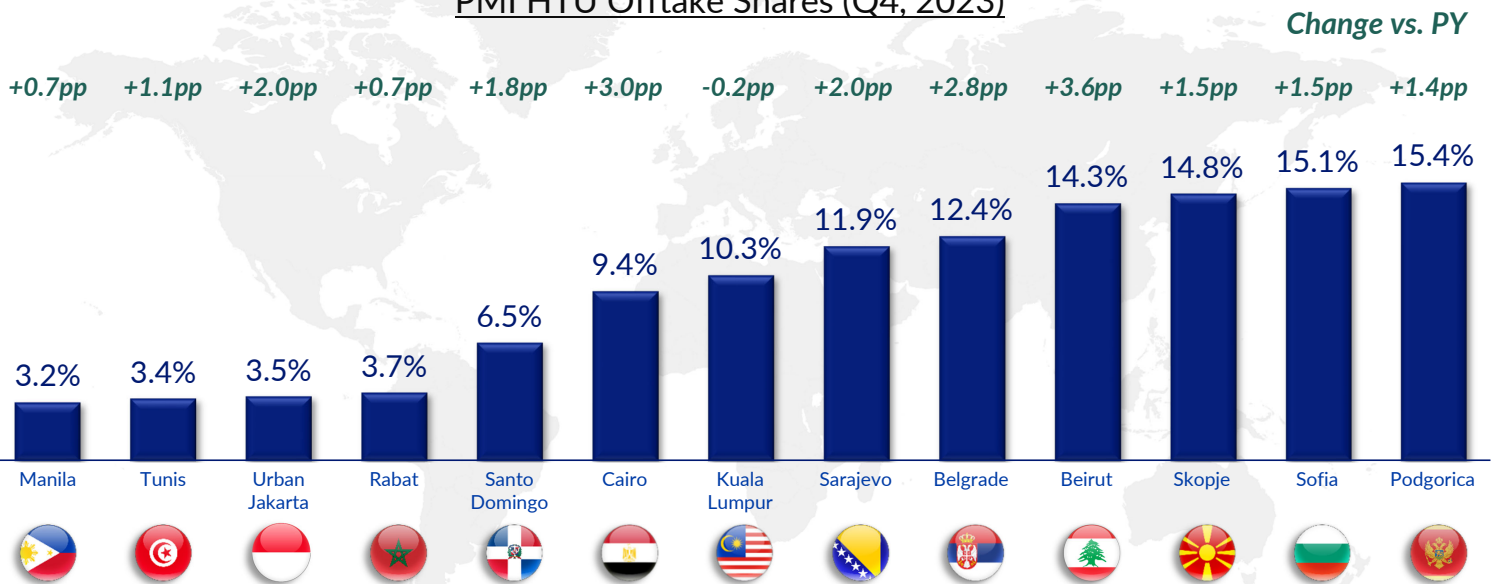
Japan HTU Offtake Share^(c)



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

Low and Middle-Income Markets: Promising Key City Growth

PMI HTU Offtake Shares (Q4, 2023)



Note: Urban Jakarta represents West, Central and South Jakarta which include an estimated 1.5 million Legal Age Nicotine Users; in Indonesia IQOS is sold via the IQOS club member program. Cairo represents Urban Cairo, Manila represents Metro Manila, Tunis represents Greater Tunis. Low and Middle-Income markets defined using World Bank classification

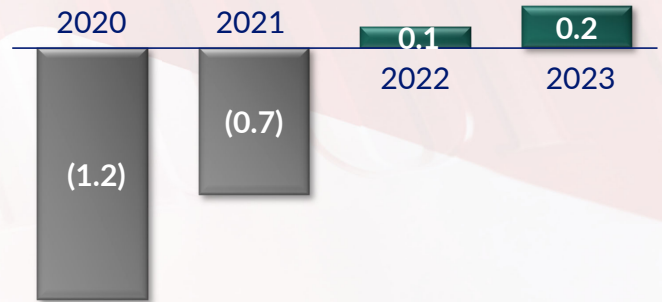
Source: PMI Financials or estimates

Combustibles: Strong Pricing and Category Share Growth

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



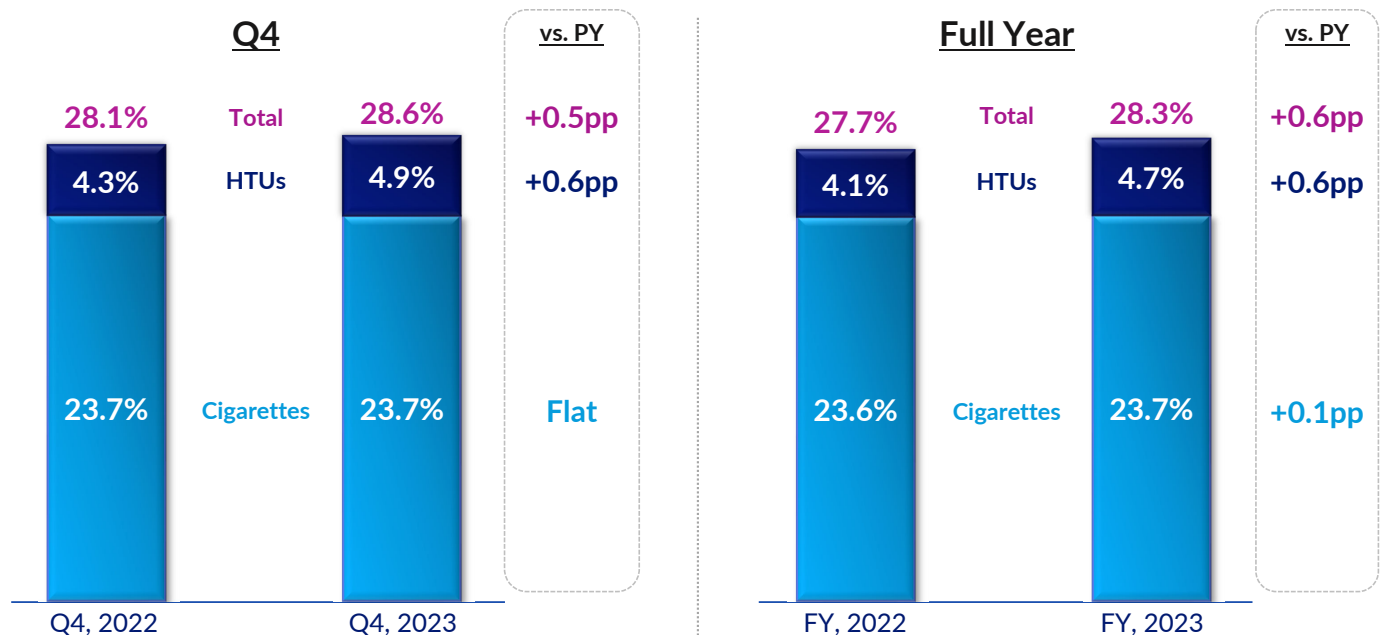
Share of Cigarette Category^(b)
(Change vs. PY in pp)



(a) Pricing variance is based on adjusted net revenues

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

Positive Total Market Share Momentum



Note: Total may not foot due to rounding. Chart not to scale. Excludes China and the U.S. Reflects PMI in-market sales volume as a percentage of the total estimated sales volume for cigarettes and HTUs, including cigarillos in Japan
Source: PMI Financials or estimates

Delivering On Mid-Term Growth Targets

	<u>2021-23 CAGR</u>	<u>2024-26 CAGR Targets</u>
Shipment Volume^(a) <i>(Variance)</i>	~1.6%	Positive
Net Revenues <i>(Organic variance)</i>	~7.5%	6-8%
Operating Income <i>(Organic variance)</i>	~7.3%	8-10%
Adj. Diluted EPS <i>(Currency-neutral variance)</i>	~12.1%	9-11% ^(b)

(a) Reflects total shipment volume for cigarettes and HTUs in 2021-23 and for cigarettes, HTUs and oral smoke-free products (in pouches or equivalent, excl. U.S. Chew) in 2024-26
 (b) At 2023 corporate income tax rates
 Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions
 Source: PMI Financials or estimates

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2024: Strong Smoke-Free Acceleration Expected

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

- **Volumes:** Highest-ever absolute HTU growth in adj. IMS terms
- **Net revenues:** Faster organic smoke-free top-line growth to reach close to \$15bn smoke-free net revenues^(c)
- **Profitability:** Smoke-free products again the predominant driver of adj. OI growth
- Increased interest expense & corporate tax rate
- Adjusted diluted EPS forecast of \$6.32-6.44 incl. unfavorable currency impact of 11 cents, at prevailing rates^(c)

(a) On an organic basis; (b) Currency neutral variance
 (c) At prevailing rates (at Feb 7, 2024 including 1 USD = JPY 148.03, CHF 0.87, ARS 829.6, RUB 91.2, EGP 30.9, 1 EUR = USD 1.076)
 Source: PMI Financials or estimates

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Expect Strong Start to the Year in Q1

- Expect good double-digit HTU adj. IMS growth over 2024 quarters
- Strong Q1 expected:
 - HTU shipments of 31-32bn
 - U.S. ZYN continued strong volume growth
 - Organic net revenue and OI growth broadly consistent with FY outlook
 - Strong currency-neutral adjusted diluted EPS growth of ~7-10%
 - Adj. diluted EPS \$1.37 - \$1.42, including unfavorable currency impact of 10 cents at prevailing exchange rates

Source: PMI Financials or estimates

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Strong Cash Flow Generation With Focus on Deleveraging

- Expect strong 2024 operating cash flow of \$10-11 billion^(a)
- Investing in innovation and growth:
 - Capital expenditures of \$1.2 billion
- Unwavering commitment to progressive dividend
- Continue to target ~2.0x net debt to adjusted EBITDA by end of 2026, with 0.3-0.5x improvement in 2024^(a) driven by EBITDA growth and cash generation
- Buy-back considered once confirmed fully on-track for 2026 leverage target^(b)

(a) At prevailing rates, subject to year-end working capital requirements

(b) Subject to Board of Directors approval

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

Source: PMI Financials or estimates

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2024 Priorities: Championing a Smoke-Free World

- Continuous innovation to drive sustainable IQOS growth
- Continue to grow ZYN strongly in the U.S. and expand to international markets
- First U.S. city tests of IQOS 3 in preparation for ultimate launch of ILUMA, with ability to leverage global supply chain
- Maintain combustibles leadership to accelerate switching to smoke-free products
- Focus on reinvesting in the business and deleveraging
- Continued progress on sustainability initiatives, notably on product impact
- Shaping and advancing tobacco harm reduction

Deliver sustainable growth and returns for shareholders

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Smoke-Free Transformation Driving Sustainable Growth

- Very strong 2023 performance driven by smoke-free products
- IQOS and ZYN: strong & growing brands
- Accelerating smoke-free revenues and profits
- Confident in sustainable growth outlook and 2024-26 CAGR targets
- Steadfast commitment to shareholder returns



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2023 Fourth-Quarter and Full-Year Results Questions & Answers

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Appendix and Reconciliation of Non-GAAP Measures

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Approximate Impact of Currency on 2023 EPS

(\$/share)

	FY 2023
Japanese Yen	\$(0.21)
Russian Ruble	\$(0.21)
Argentine Peso	\$(0.19)
Egyptian Pound	\$(0.11)
Swiss Franc	\$(0.09)
Euro	\$0.07
Others	\$0.11
Total PMI Currency Impact	\$(0.63)

Source: PMI Financials or estimates

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2024: EPS Guidance

(\$/share)

Full-Year

	2024 Forecast	2023	Growth
Reported Diluted EPS	\$5.90 - \$6.02	\$5.02	
Adjustments:			
- Asset impairment and exit costs	-	0.06	
- Termination of distribution arrangement in the Middle East	-	0.04	
- Income tax impact associated with Swedish Match AB financing	-	(0.11)	
- Amortization of intangibles	0.42	0.25	
- Impairment of goodwill and other intangibles	-	0.44	
- Charges related to the war in Ukraine	-	0.03	
- Swedish Match AB acquisition accounting related item	-	0.01	
- Termination of agreement with Foundation for a Smoke-Free World	-	0.07	
- South Korea indirect tax charge	-	0.11	
- Fair value adj. for equity security investments	-	(0.02)	
- Tax items ^(a)	-	0.11	
- Total Adjustments	0.42	0.99	
Adjusted Diluted EPS	\$6.32 - \$6.44	\$6.01	
- Less: Currency	(0.11)		
Adjusted Diluted EPS, excluding currency	\$6.43 - \$6.55	\$6.01	7.0% -9.0%

(a) 2023 Tax items relate to the unilateral suspension of certain Russian double tax treaties by the Russian government
Source: PMI Financials or estimates

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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, Acquisitions and RBH Impact
(\$ in millions) / (Unaudited)

Operating Income	Special Items ^(a)	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions	Operating Income	Special Items ^(a)	Operating Income attributable to RBH ^(b)	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions	
2020							Full Year Ended December 31,		2019		% Change			
\$ 11,668	\$ (30)	\$ 11,698	\$ (474)	\$ 12,172	\$ -	\$ 12,172	Total PMI ^(c)	\$ 10,531	\$ (1,229)	\$ 126	\$ 11,634	0.6%	4.6%	4.6%
2021							Full Year Ended December 31,		2020		% Change			
\$ 12,975	\$ (609)	\$ 13,584	\$ 269	\$ 13,315	\$ 19	\$ 13,296	Total PMI	\$ 11,668	\$ (103)	\$ -	\$ 11,771	15.4%	13.1%	13.0%
2022							Full Year Ended December 31,		2021		% Change			
\$ 12,246	\$ (662)	\$ 12,908	\$ (1,507)	\$ 14,415	\$ 99	\$ 14,316	Total PMI	\$ 12,975	\$ (609)	\$ -	\$ 13,584	(5.0)%	6.1%	5.4%
2023							Six months ended June 30,		2022		% Change			
\$ 5,297	\$ (1,254)	\$ 6,551	\$ (485)	\$ 7,036	\$ 574	\$ 6,462	Total PMI	\$ 6,354	\$ (248)	\$ -	\$ 6,602	(0.8)%	6.6%	(2.1)%
2023							Quarters Ended December 31,		2022		% Change			
\$ 2,889	\$ (163)	\$ 3,052	\$ (301)	\$ 3,353	\$ 138	\$ 3,215	Total PMI	\$ 2,924	\$ (52)	\$ -	\$ 2,976	2.6%	12.7%	8.0%
2023							Six months ended December 31,		2022		% Change			
\$ 6,259	\$ (527)	\$ 6,786	\$ (588)	\$ 7,374	\$ 453	\$ 6,921	Total PMI	\$ 5,892	\$ (414)	\$ -	\$ 6,306	7.6%	16.9%	9.8%
2023							Full Year Ended December 31,		2022		% Change			
\$ 11,556	\$ (1,781)	\$ 13,337	\$ (1,073)	\$ 14,410	\$ 1,027	\$ 13,383	Total PMI	\$ 12,246	\$ (662)	\$ -	\$ 12,908	3.3%	11.6%	3.7%

(a) See Slide 31

(b) Represents the impact attributable to RBH from January 1, 2019 through March 21, 2019

(c) Adjusted Operating Income reflects the historical financials as reported and includes amortization and impairment of intangible assets for the comparison 2020 vs. 2019

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

Reconciliation of Reported Operating Income to Adjusted Operating Income and RBH Impact
(\$ in millions) / (Unaudited)

	Year Ended Dec 31, 2019	Year Ended Dec 31, 2020	Year Ended Dec 31, 2021	Six Months Ended Jun 30, 2022	Quarter Ended Dec 30, 2022	Six Months Ended Dec 31, 2022	Year Ended Dec 31, 2022	Six Months Ended Jun 30, 2023	Quarter Ended Dec 30, 2023	Six Months Ended Dec 31, 2023	Year Ended Dec 31, 2023
Reported Operating Income	\$ 10,531	\$ 11,668	\$ 12,975	\$ 6,354	\$ 2,924	\$ 5,892	\$ 12,246	\$ 5,297	\$ 2,889	\$ 6,259	\$ 11,556
Loss on deconsolidation of RBH	(239)	-	-	-	-	-	-	-	-	-	-
Russia excise and VAT audit charge	(374)	-	-	-	-	-	-	-	-	-	-
Canadian tobacco litigation-related expense	(194)	-	-	-	-	-	-	-	-	-	-
Asset impairment and exit costs	(422)	(149)	(216)	-	-	-	-	(109)	-	-	(109)
Brazil Indirect Tax Credit	-	119	-	-	-	-	-	-	-	-	-
Asset acquisition cost	-	-	(51)	-	-	-	-	-	-	-	-
Saudi Arabia customs assessments	-	-	(246)	-	-	-	-	-	-	-	-
Impairment of goodwill and other intangibles	-	-	-	-	-	(112)	-	(680)	-	-	(680)
Amortization of intangibles	-	(73)	(96)	(74)	(58)	(85)	(271)	(163)	(129)	(334)	(497)
Cost associated to Swedish Match AB offer	-	-	-	(52)	154	(63)	(115)	-	-	-	-
Swedish Match AB acquisition accounting related items	-	-	-	-	(125)	(125)	(125)	(18)	-	-	(18)
Charges related to the war in Ukraine	-	-	-	(122)	(23)	(29)	(151)	-	(34)	(53)	(53)
Termination of distribution arrangement in the Middle East	-	-	-	-	-	-	-	(80)	-	-	(80)
South Korea Indirect Tax Charge	-	-	-	-	-	-	-	(204)	-	-	(204)
Termination of agreement with Foundation for a Smoke-Free World	-	-	-	-	-	-	-	-	-	(140)	(140)
Adjusted Operating Income	\$ 11,760	\$ 11,771	\$ 13,584	\$ 6,602	\$ 2,976	\$ 6,306	\$ 12,908	\$ 6,551	\$ 3,052	\$ 6,786	\$ 13,337
Less Operating Income attributable to RBH		126									
Adjusted Operating Income	\$ 11,634										

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