



2024 Third-Quarter Results

October 22, 2024

Introduction

- A glossary of terms as well as adjustments, other calculations and reconciliations to the most directly comparable U.S. GAAP measures for non-GAAP financial measures cited in this presentation are available in Exhibit 99.2 to the company's Form 8-K dated October 22, 2024 and on our [Investor Relations website](#)

Forward-Looking and Cautionary Statements

- This presentation contains projections of future results and goals and other forward-looking statements, including statements regarding expected financial or operational performance; capital allocation plans; investment strategies; market expectations; regulatory outcomes; sustainability plans and projections; business plans and strategies; and dividends. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our products in certain markets or countries; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco and / or nicotine use and intellectual property; intense competition; the effects of global and individual country economic, regulatory and political developments, natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; the impact of natural disasters and pandemics on PMI's business; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations, and limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; adverse changes in the cost, availability, and quality of tobacco and other agricultural products and raw materials, as well as components and materials for our electronic devices; and the integrity of its information systems and effectiveness of its data privacy policies. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to introduce, commercialize, and grow smoke-free products or if regulation or taxation do not differentiate between such products and cigarettes; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; if it is unable to attract and retain the best global talent, including women or diverse candidates; or if it is unable to successfully integrate and realize the expected benefits from recent transactions and acquisitions. Future results are also subject to the lower predictability of our smoke-free business' performance
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including PMI's Annual Report on Form 10-K for the fourth quarter and year ended December 31, 2023 and the Form 10-Q for the quarter ended June 30, 2024, and the Form 10-Q for the quarter ended September 30, 2024 which will be filed in the coming days. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations
- References to “PMI”, “we”, “our” and “us” mean Philip Morris International Inc, including its subsidiaries

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Very Strong Q3 With Broad, Accelerated Growth

- Outstanding top and bottom-line momentum across all categories, with strong acceleration in:
 - IQOS HTU adj. IMS growth
 - ZYN sequential volumes
 - Combustible net revenue and profit growth
- Double-digit adj. OI and EPS growth in currency-neutral and USD terms:
 - Strong volumes, pricing, smoke-free mix and cost actions
- Raising full-year growth forecasts



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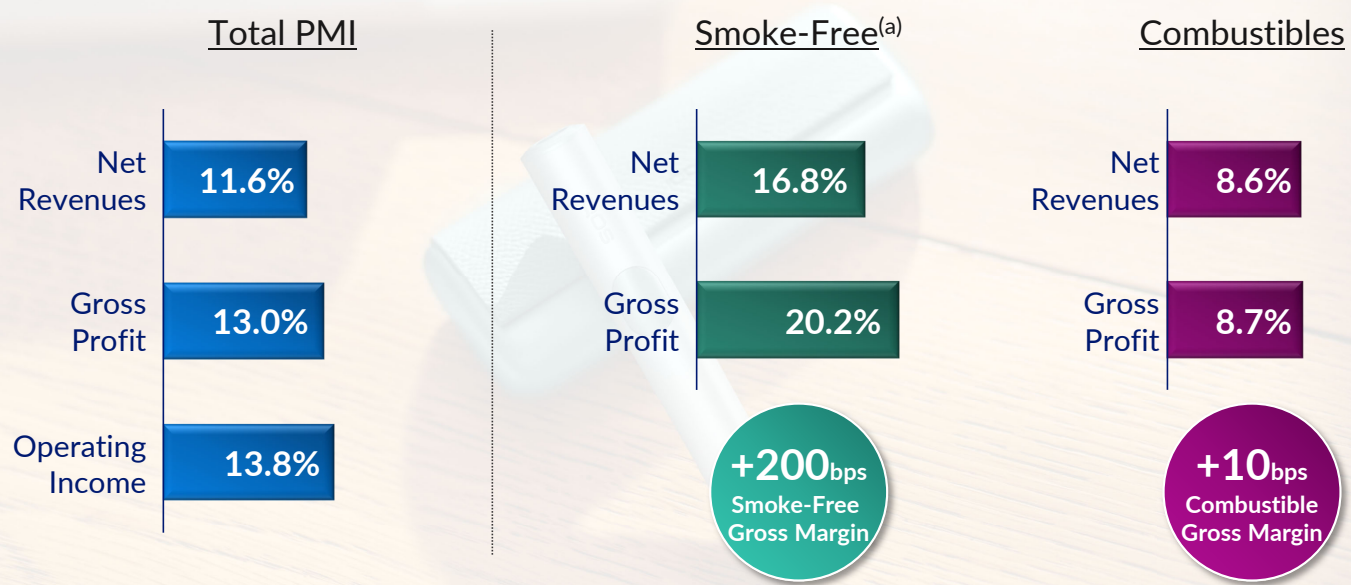
Continued Strong Growth Across Key Metrics

	Q3'24		YTD Sept'24	
	Organic	Adj. incl. Curr. & Acq.	Organic	Adj. incl. Curr. & Acq.
Shipment Volume <i>(Variance vs. PY)</i>	+2.9%		+3.1%	
Net Revenues <i>(Variance vs. PY)</i>	+11.6%	+8.4%	+10.7%	+7.5%
Operating Income <i>(Variance vs. PY)</i>	+13.8%	+11.2%	+15.8%	+8.6%
Adj. Diluted EPS <i>(Variance vs. PY)</i>	<u>Curr. Neutral</u> +18.0%	+14.4%	<u>Curr. Neutral</u> +17.2%	+7.7%

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

Excellent Top & Bottom-Line Performance Across Categories

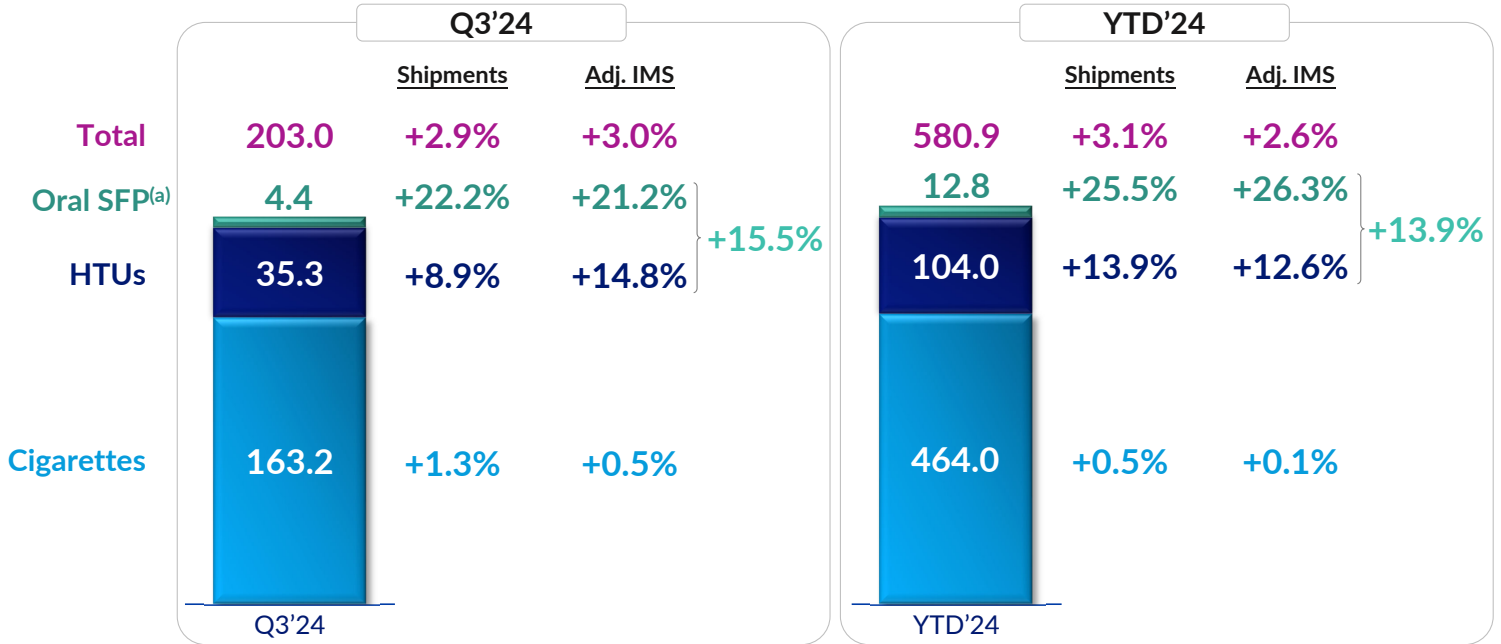
Q3'24 Organic Variance vs. PY



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

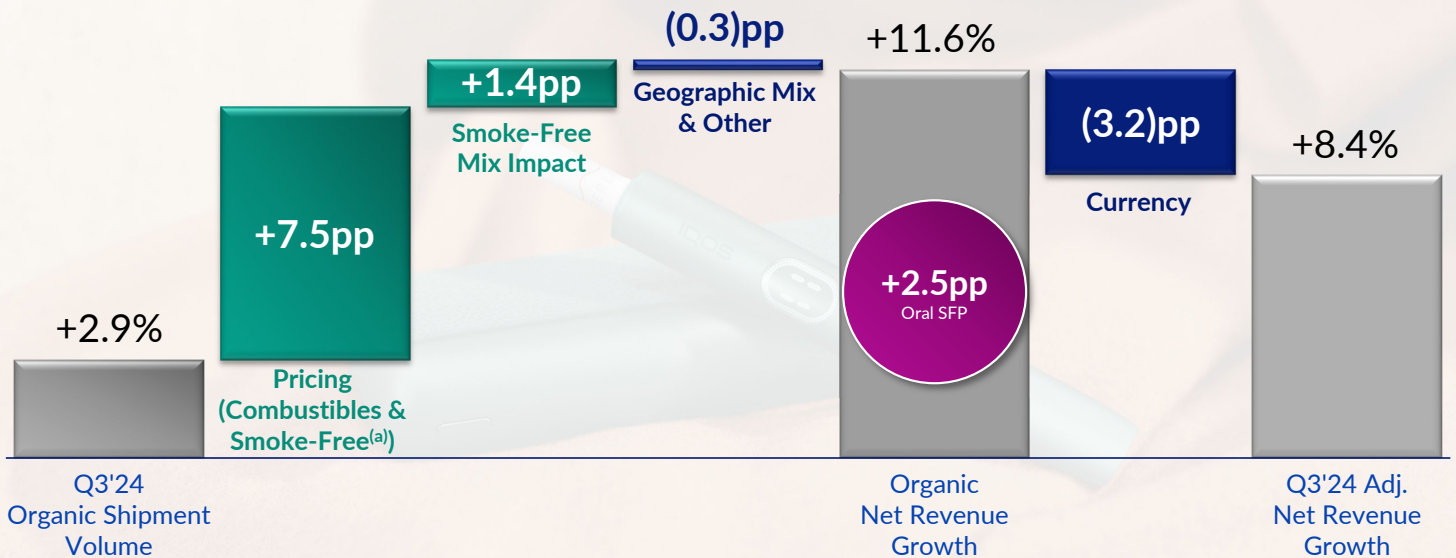
On Track to Deliver Four Consecutive Years of Volume Growth

(shipments in bn units; change vs. PY)



(a) Volumes shown in pouches or pouch equivalents, excluding snuff, snuff leaf and U.S. chew
 Note: SFP volumes represent HTUs and Oral SFPs. Total may not foot due to rounding. Source: PMI Financials or estimates

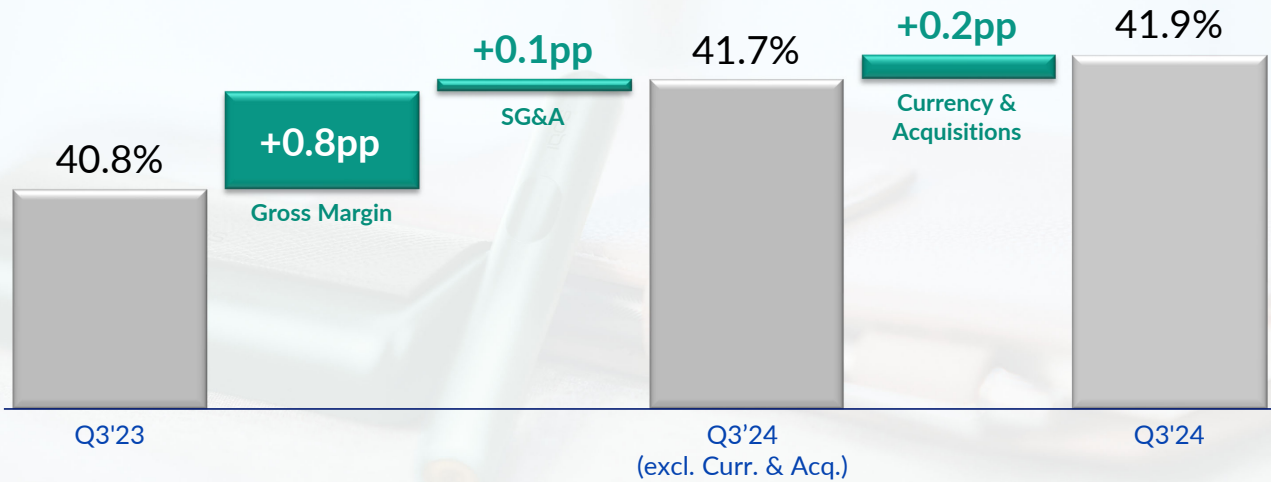
Best-in-Class Volumes, Pricing & SFP Mix Driving Growth



(a) Represents Smoke-Free Business
 Note: Smoke-free mix represents the impact of an increased proportion of smoke-free products at higher net-revenue per unit and is calculated at total PMI level, excluding the impact from market mix. Total may not foot due to rounding. Source: PMI Financials or estimates

Expanding OI Margin Organically and in USD

Q3'24 Adjusted OI Margin



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

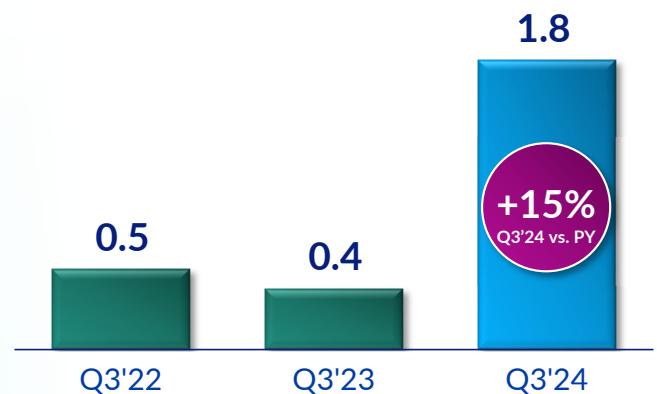
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Strong Reacceleration in IQOS Momentum, As Expected

- 10 years of IQOS, rapid growth continues:
 - Europe back to double-digit adj. IMS growth
 - Japan continued double-digit growth
 - Further acceleration elsewhere across global markets
- IQOS ILUMA i expansion ongoing



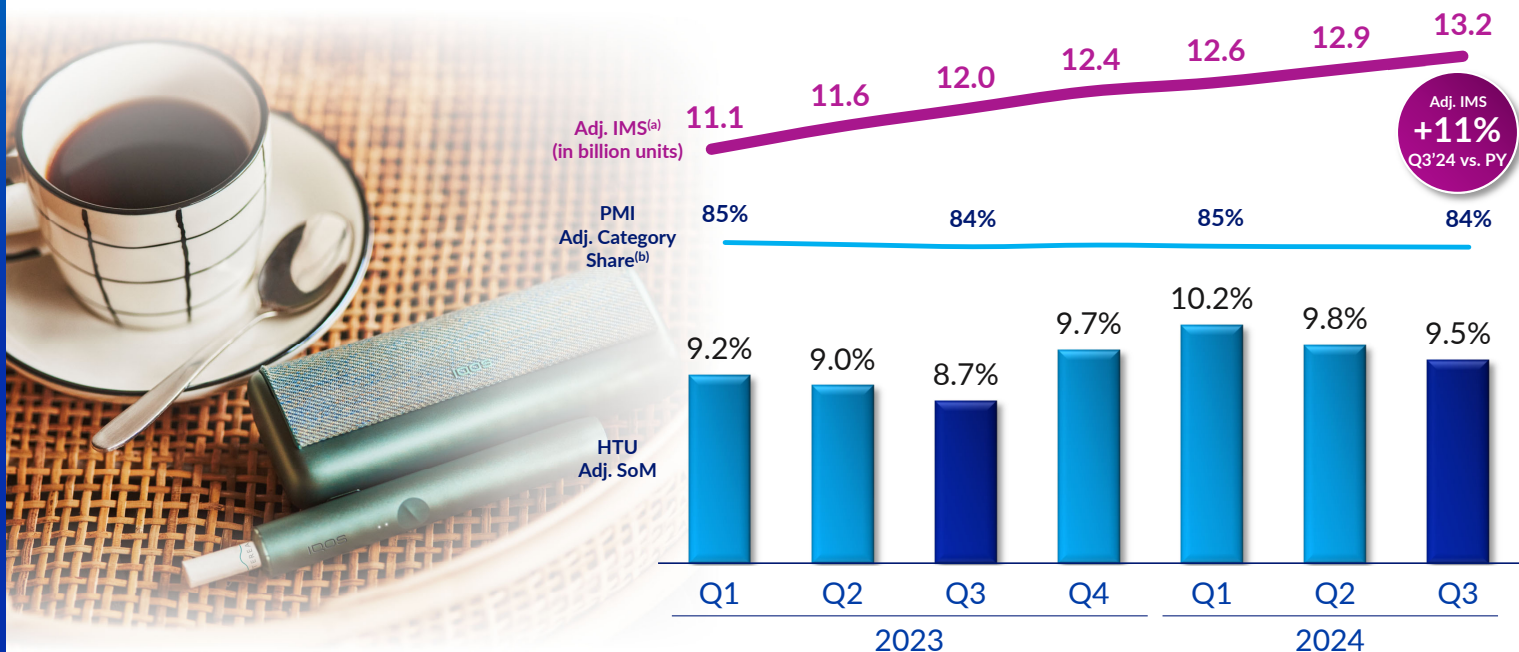
HTU Adj. IMS: Q3 vs. Q2 (billion units)



Source: PMI Financials or estimates

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Europe: Underlying Momentum Driving Rapid IQOS Growth

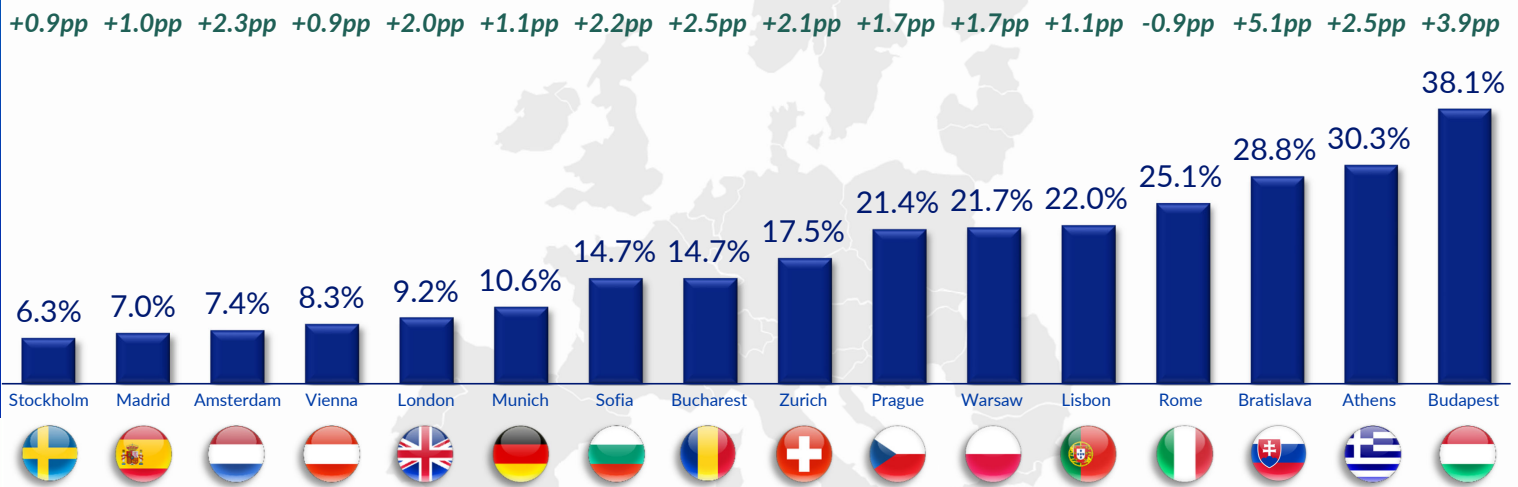


(a) Based on a four-quarter moving average. (b) PMI adjusted category share is defined as the total adjusted in-market sales volume for PMI HTUs as a percentage of the total industry estimated adjusted sales volume for HTUs. Source: PMI Financials or estimates

Impressive Progress in European Key Cities

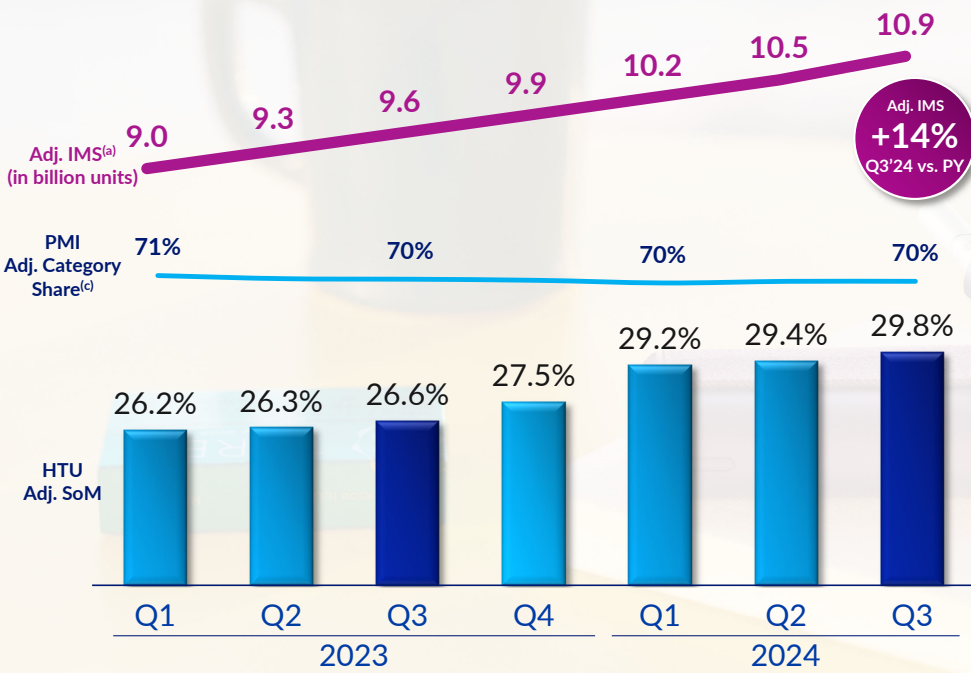
PMI HTU Offtake Share (Q3'24)

Change vs. PY

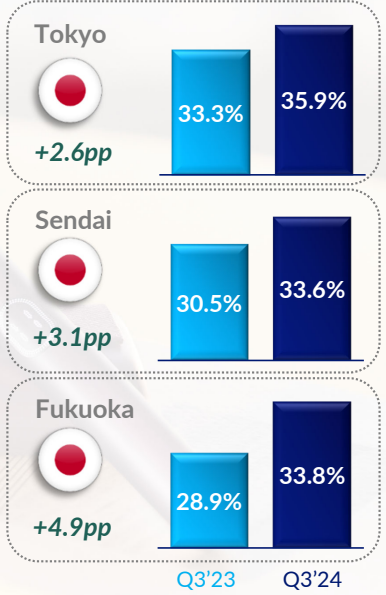


Source: PMI Financials or estimates

Japan: Continued Strong IQOS Performance



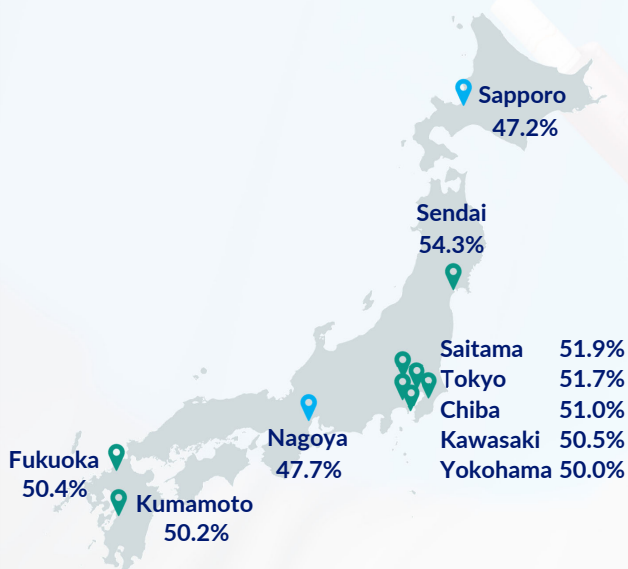
Japan HTU Offtake Share^(b)



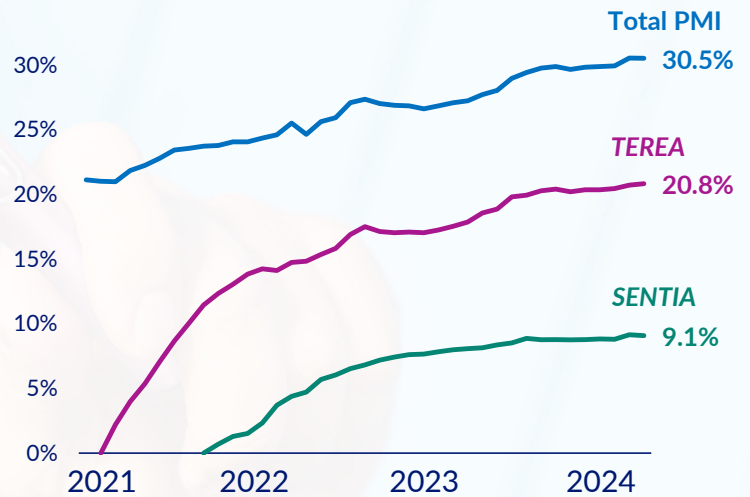
(a) Based on a four-quarter moving average. (b) Based on 3 C-Store Chains offtake. Base includes cigarettes, cigarillos and HTUs. (c) PMI adjusted category share is defined as the total adjusted in-market sales volume for PMI HTUs as a percentage of the total industry estimated adjusted sales volume for HTUs. Source: PMI Financials or estimates

Category Penetration Reaching 50% In Multiple Key Cities

Sep'24 Offtake HnB Category Share^(a)



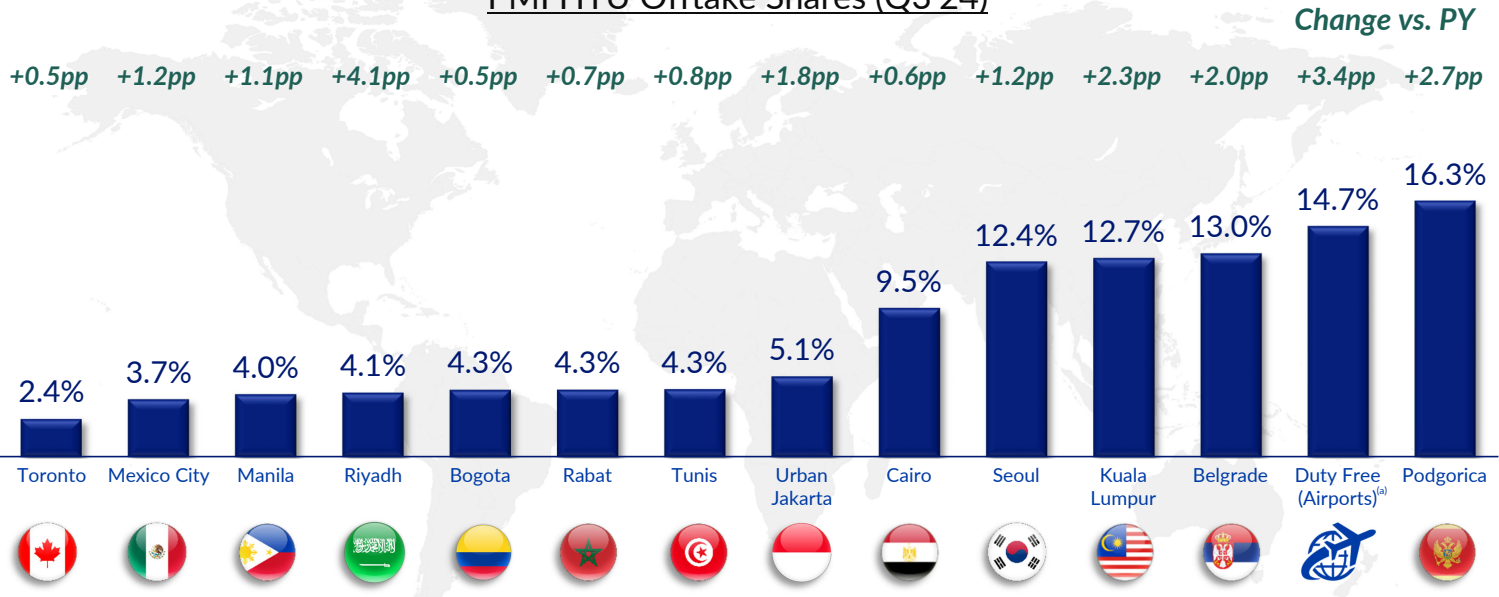
Japan HTU Offtake Share^(a)



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

Very Good Key City Growth Across Global Markets

PMI HTU Offtake Shares (Q3'24)

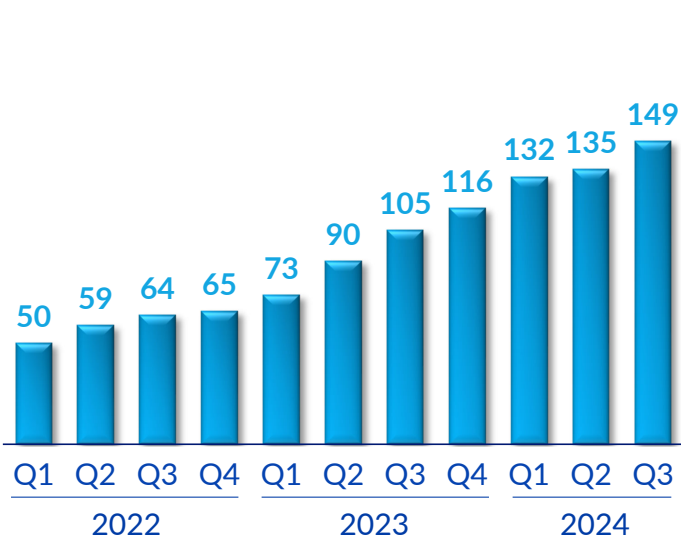


(a) Duty Free includes airports where IQOS is available, offtake share based on Jun-Aug'24 vs. Jun-Aug'23.

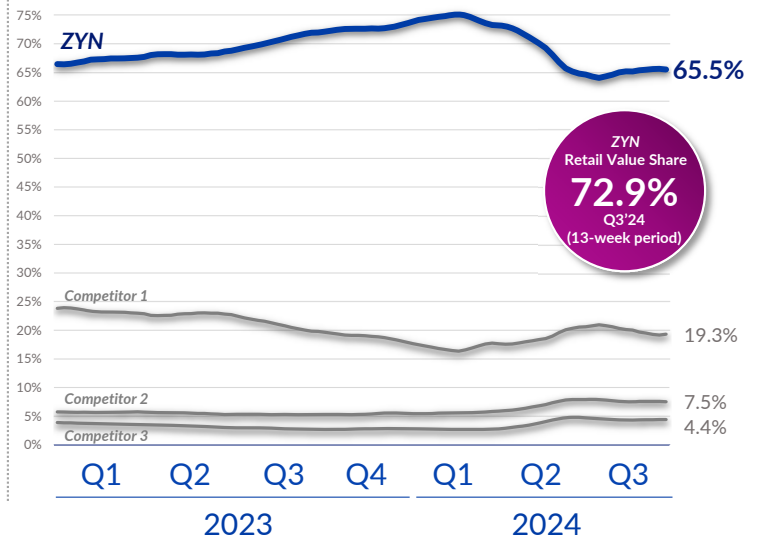
Note: Urban Jakarta represents West, Central and South Jakarta which include an estimated 1.5 million Legal Age Nicotine Users. Cairo represents Urban Cairo, Manila represents Metro Manila, Tunis represents Greater Tunis. Source: PMI Financials or estimates

Strong ZYN Demand, Sequential Volume Acceleration

ZYN U.S. Shipment Volumes (million cans)



U.S. Nicotine Pouch Category Volume Share (4-week period, %)



Source: PMI Financials or estimates, Circana, LLC, Nicotine Pouches, Week ending 9/29/24

Driving Opportunities Across Smoke-Free Categories

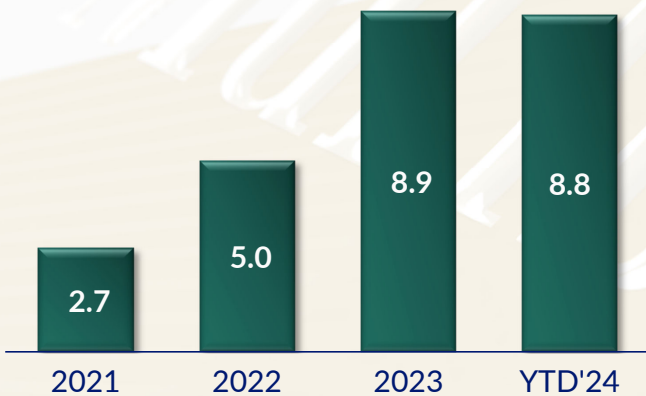
- ZYN international expansion continues, now in 30 markets
- VEEV delivering encouraging growth and financial performance
- IQOS 3 “Be The First” campaign underway for U.S. pilots



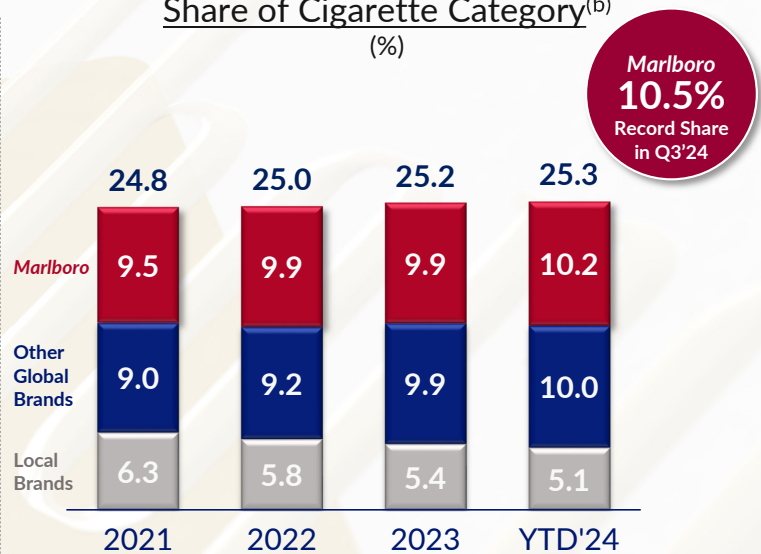
Source: PMI Financials or estimates

Combustibles: Strong Pricing & Robust Share Drives Profitability

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



Share of Cigarette Category^(b)
(%)



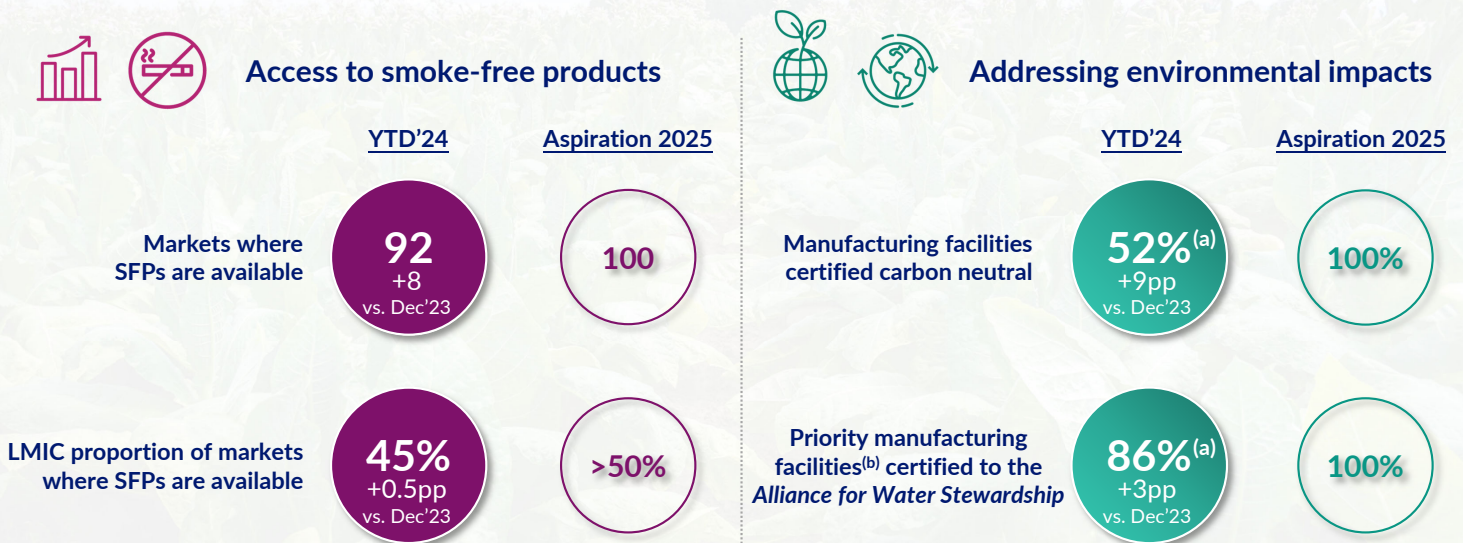
(a) Pricing variance is based on adjusted net revenues. (b) Excludes China and the U.S. Reflects in-market sales volume of PMI cigarettes as a percentage of cigarette industry sales volume and includes cigarillos in Japan. Note: Other global brands include L&M, Chesterfield, Parliament and Philip Morris (including Philip Morris and Philip Morris/Dubliss). Total may not foot due to rounding. Source: PMI Financials or estimates

Canada: Steps Towards Resolution of CCAA Process

- PMI deconsolidated Canadian affiliate RBH in 2019 on entering CCAA process
- Court-appointed mediator and monitor proposed plan to resolve tobacco product-related claims and litigation in Canada dating back decades:
 - Proposal for CAD32.5bn (\$23.5bn) aggregate industry settlement
 - Upfront payment from cash & cash equivalents in Canada
 - Future payments contingent on net profit from combustible products in Canada
- Reconsolidation of RBH's financial results after the plan is implemented would be subject to the final terms of the proposed plan and U.S. GAAP
- We estimate reconsolidation would be incremental to PMI's cash and equivalents, cash flow, adjusted EBITDA, adjusted operating income, and adjusted EPS numbers

Please see press release of October 18, 2024 for more details. CCAA stands for Companies Creditors Arrangement Act. RBH denotes Rothmans, Benson & Hedges Inc, PMI's Canadian affiliate

Sustainability: Leading & Transforming Across Key Areas



(a) YTD % based on number of manufacturing facilities as of YE 2023. (b) Priority manufacturing sites exclude those both in low-to-medium water risk areas and below 2.5% of PMI's manufacturing water footprint. Note: Low and Middle-Income markets defined using World Bank classification as of July 2024. Based on World Bank classification as of July 2023 the LMIC proportion of markets where SFPs are available is 47%. Source: PMI Financials or estimates

Raising 2024 Growth Outlook on Strong Fundamentals

- Very Strong YTD performance
- Further raising volume outlook



	FY 2024 Forecast	
	Previous	Updated
Total Shipment Volumes ^(a)	1-2%	2-3%
HTU Adj. IMS Growth	~13%	~13%
HTU Shipment Volumes	~140 ^{bn}	~140 ^{bn}
U.S. ZYN Shipment Volume (cans)	560-580 ^m	570-580 ^m

(a) Include HTUs, cigarettes and oral SFP in pouches or pouch equivalent, excluding snuff, snuff leaf and U.S. chew
Source: PMI Financials or estimates

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Raising 2024 Growth Outlook on Strong Fundamentals

- Continue to target close to \$15bn in '24 smoke-free net revenues
- Increasing 2024 EPS guidance despite currency headwinds:
 - Adj. diluted EPS \$6.45 - \$6.51, incl. unfavorable currency impact of 40c at prevailing exchange rates
- Delivering strong growth in both organic and dollar terms

	FY 2024 Forecast	
	Previous	Updated
Net Revenue Growth ^(a)	7.5-9%	~9.5%
Adj. OI Growth ^(a)	11-13%	14-14.5%
Adj. Diluted EPS Growth ^(b)	11-13%	14-15%
Adj. Diluted EPS Growth, USD	5-7%	~7-8%

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

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Superior Growth, Sustainable Growth Drivers

- Powerful combination of underlying momentum and proactive steps supports strong growth profile:
 - Raising '24 growth outlook with accelerated top-line and margin expansion
 - Focused on delivering USD performance, mitigating currency headwinds
- Smoke-free transformation delivering meaningful value for shareholders:
 - Broad-based momentum drives cash generation
 - Rising dividend, committed to shareholder returns



Source: PMI Financials or estimates

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Championing a Smoke-Free World

2024 Third-Quarter Results

Questions & Answers

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Appendix

Estimated Currency Variance on 2024 EPS

(\$/share)

	Q1'24	Q2'24	Q3'24	Q4'24	FY'24
Total PMI Currency Variance vs. PY^(a)	\$(0.20)	\$(0.18)	\$(0.06)	+\$0.04	\$(0.40)

(a) At prevailing exchange rates
Source: PMI Financials or estimates

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2024: EPS Guidance

(\$/share)

	Full-Year		
	2024 Forecast	2023	Growth
Reported Diluted EPS	\$6.20 - \$6.26	\$5.02	
Adjustments:			
- Asset impairment and exit costs	0.09	0.06	
- Termination of distribution arrangement in the Middle East	-	0.04	
- Impairment of goodwill and other intangibles	0.01	0.44	
- Amortization of Intangibles ^(a)	0.42	0.25	
- Impairment related to Vectura Group's expected sale	0.13	-	
- Egypt sales tax charge	0.03	-	
- Charges related to the war in Ukraine	-	0.03	
- Swedish Match AB acquisition accounting related item	-	0.01	
- Income tax impact associated with Swedish Match AB financing	(0.01)	(0.11)	
- South Korea indirect tax charge	-	0.11	
- Termination of agreement with Foundation for a Smoke-Free World	-	0.07	
- Fair value adjustment for equity security investments	(0.39)	(0.02)	
- Tax items	(0.03)	0.11	
- Total Adjustments	0.25	0.99	
Adjusted Diluted EPS	\$6.45 - \$6.51	\$6.01	7.3% - 8.3%
- Less: Currency	(0.40)		
Adjusted Diluted EPS, excluding currency	\$6.85 - \$6.91	\$6.01	14.0% - 15.0%

(a) See forecast assumptions in Earnings Release for details
Source: PMI Financials or estimates

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Select European Markets: PMI HTU Adjusted Share of Market

	<u>YTD</u> <u>Sept'24</u>	<u>Change</u> <u>vs. PY</u>		<u>YTD</u> <u>Sept'24</u>	<u>Change</u> <u>vs. PY</u>		<u>YTD</u> <u>Sept'24</u>	<u>Change</u> <u>vs. PY</u>
Austria	8.2%	+1.3pp	Hungary	31.9%	+3.7pp	Romania	8.3%	+0.7pp
Croatia	9.7	+1.4	Italy	17.0	+0.4	Slovak Republic	16.8	+0.8
Czech Republic	14.8	-	Lithuania	27.8	-	Slovenia	14.1	+2.0
Germany	6.1	+0.9	Poland	8.9	+0.1	Switzerland	12.6	+1.4
Greece	21.2	+2.1	Portugal	20.2	+2.4	United Kingdom	4.5	+1.1

Source: PMI Financials or estimates

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