



Offer for Swedish Match AB

May 11, 2022

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- 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; 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 possibility that expected benefits related to recent or pending acquisitions, including the proposed transaction, may not materialize as expected; the proposed transaction not being timely completed, if completed at all; regulatory approvals required for the transaction not being timely obtained, if obtained at all, or being obtained subject to conditions; prior to the completion of the transaction, Swedish Match AB (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 employees; the outcome of any legal proceedings related to the proposed transaction; 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
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including the Form 10-Q for the quarter ended March 31, 2022 and the Form 10-K for the year ended December 31, 2021. 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 we may make from time to time, except in the normal course of its public disclosure obligations
- Important information for U.S. Swedish Match shareholders: The offer described in this presentation 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
- Use of Non-GAAP Financial Measures: In addition to the financial measures prepared in accordance with U.S. GAAP, PMI uses certain non-GAAP financial measures. Non-GAAP measures used in this presentation should neither be considered in isolation nor as a substitute for the financial measures prepared in accordance with U.S. GAAP. For a reconciliation of non-GAAP measures to the most directly comparable U.S. GAAP measures, see the relevant appendices to this presentation
- The press release announcing the offer for Swedish Match, including the terms and conditions for the offer, was announced through a press release on May 11, 2022, and is available on www.smokefree-offer.com

Major Acceleration in Transformation to Smoke-Free Company

Recommended all-cash offer for Swedish Match of SEK 106 per share

- Combination with a leader in oral nicotine with aligned smoke-free vision
- Creating a global smoke-free champion to accelerate switching of more legal-age smokers
- Complementary geographies, capabilities and talent; strong cultural fit for Swedish Match as a member of the PMI group
- Comprehensive global RRP portfolio with leading heated tobacco and oral nicotine brands, including accelerated international opportunity for ZYN
- Entering the attractive U.S. market with a leading nicotine pouch franchise and substantial platform to unlock significant long-term opportunity across smoke-free categories
- Strong smoke-free business in Sweden and other Scandinavian markets

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Accelerating Top-line Growth at Higher Margins

- Further enhances robust top-line growth profile
- Additional upside from U.S. & international expansion
- Accretive to OI margins^(a)
- Accretive to adjusted EPS^(a)
- Accretive to cash flow and currency profile
- Significant expected mid and long-term shareholder value creation

(a) Excluding deal-related costs and the amortization of acquired intangibles
Source: PMI Financials or estimates

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All-Cash Offer: Details & Timeline

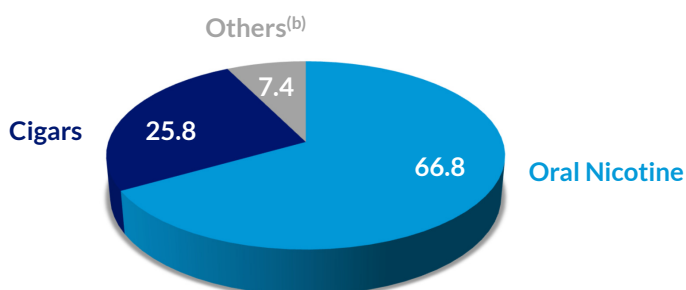
- Fast-growing, profitable business with significant potential revenue synergies
- SEK 106 per share values Swedish Match at Equity Value of c. USD 16 bn
- Enterprise Value of approx. SEK 175bn / USD 17.5bn, c.17x 2023 consensus EBITDA
- Recommended by Swedish Match Board of Directors
- Expected to close in Q4, 2022, subject to Swedish Match shareholder acceptance, regulatory approvals and other customary offer conditions

Note: Net debt for enterprise value is calculated based on reported net debt as at December 31, 2022, and adjusted for May 4, 2022 announced dividend payment. USD/SEK rate 10.05 May 10, 2022
Source: Bloomberg median consensus estimates

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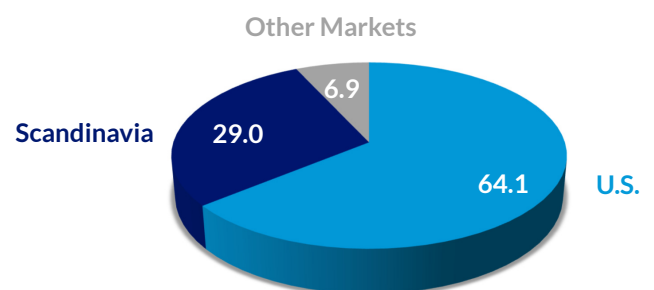
Strong Smoke-Free Business, Attractive U.S. Platform

Sales Split by Product Segment
(FY, 2021 in %)



Over two-thirds smoke-free revenues

Sales Split by Geography^(a)
(FY, 2021 in %)



Majority U.S. exposure, primarily smoke-free

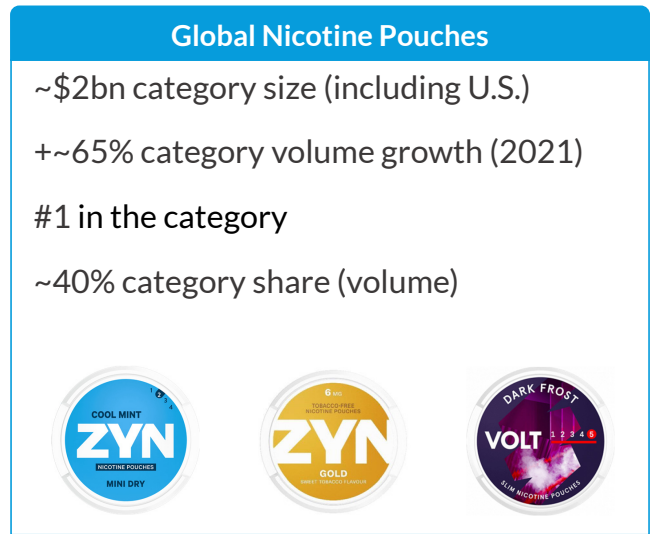
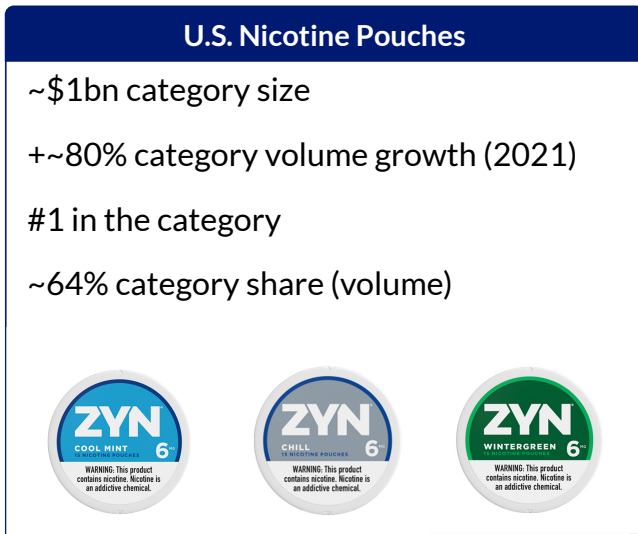
(a) Does not include 'Other operations', primarily representing logistics services for delivery of third-party products to retail customers

(b) Includes matches and lighters

Source: Swedish Match

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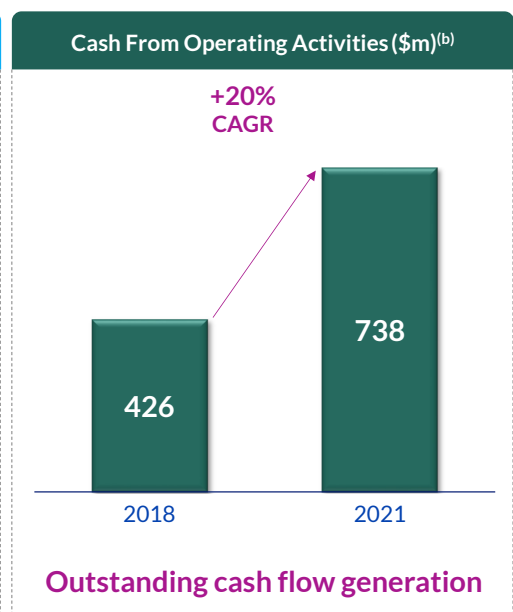
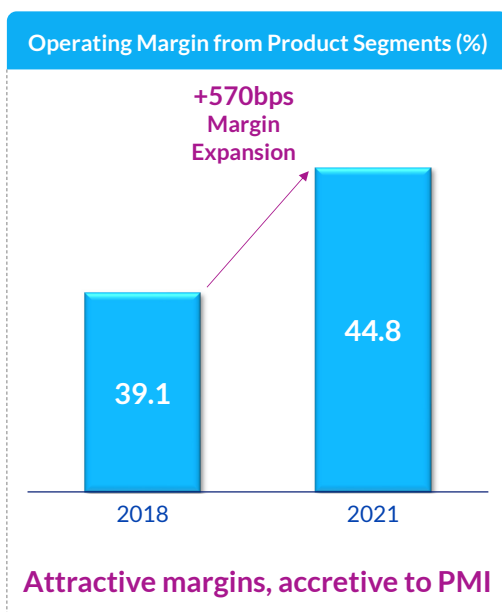
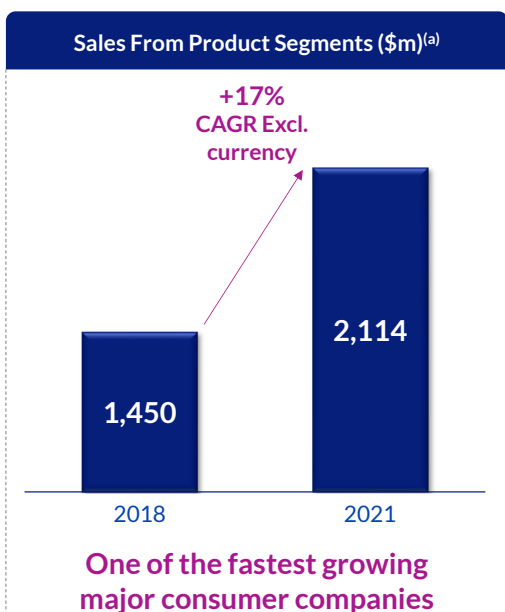
Leadership in Fast-Growing Nicotine Pouch Category



+ Leadership position in Scandinavian snus, established presence in U.S. smokeless tobacco

Note: 2021 for category size and market share
Source: PMI Financials or estimates, Barclays Research

Fast-Growing & Highly Profitable Company



(a) 2018 and 2021, respectively SEK 12,612 (USD/SEK 8.70) and SEK 18,145 (USD/SEK 8.58)

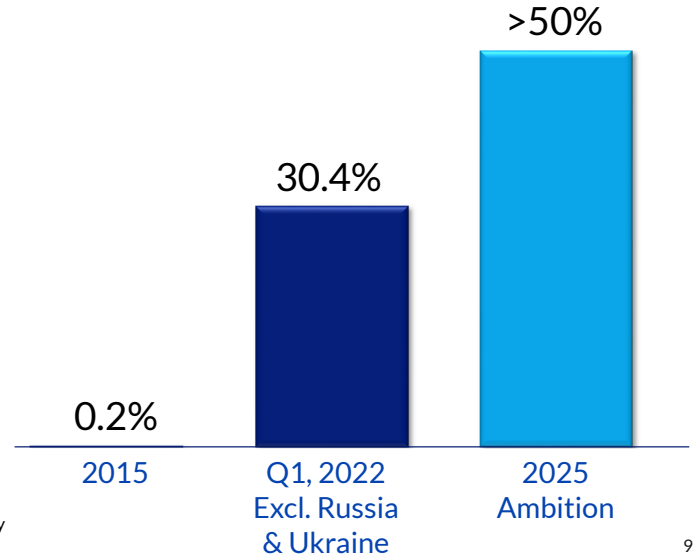
(b) 2018 and 2021, respectively SEK 3,705 (USD/SEK 8.70) and SEK 6,336 (USD/SEK 8.58)

Source: Swedish Match Financials and reporting under IFRS and alternative performance measures, converted from SEK to USD using average annual exchange rates. Sales and operating margin from product segments exclude 'Other operations'

Compelling Rationale: Becoming Smoke-Free, Faster

- Accelerating combined smoke-free journey to further lead industry away from combustion
- Accretive to PMI's smoke-free ambition
- Adding over 3 million adult users of smoke-free products, predominantly in the U.S.
- Aligned vision of a world without cigarettes

PMI Smoke-Free Net Revenues^(a)
(Smoke-Free Net Revenues as a % of Total PMI Adjusted Net Revenues)



(a) Smoke-free net revenues include RRP net revenues and net revenues from the 'Other' category
Source: PMI Financials or estimates

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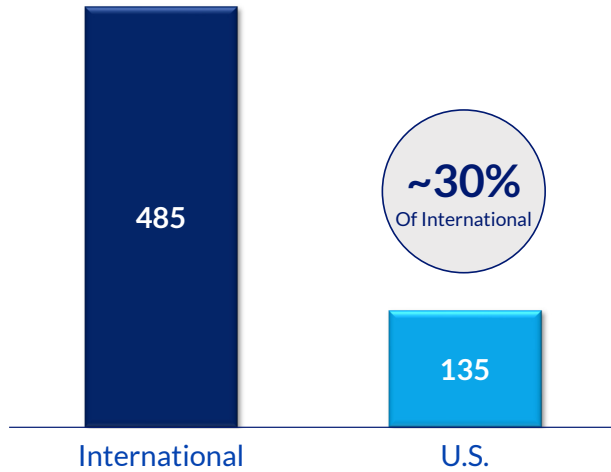
Seizing the U.S. Smoke-Free Opportunity With Substantial Platform

- The U.S. is the world's largest smoke-free and nicotine market by value
- Providing better alternatives to continued smoking for ~34 million adult Americans who smoke
- Immediate access to ZYN nicotine pouch franchise; driving strong growth
- Building U.S. future with substantial platform to seize long-term opportunity across smoke-free categories:
 - Over 500 salespeople
 - Access to over 150,000 points of sale
 - Manufacturing, support functions
- Scientific and regulatory stewardship, combining all MRTP authorized smoke-free products
- Swedish Match existing operations bolstered by PMI's development & commercial experience; and resources to invest in smoke-free growth

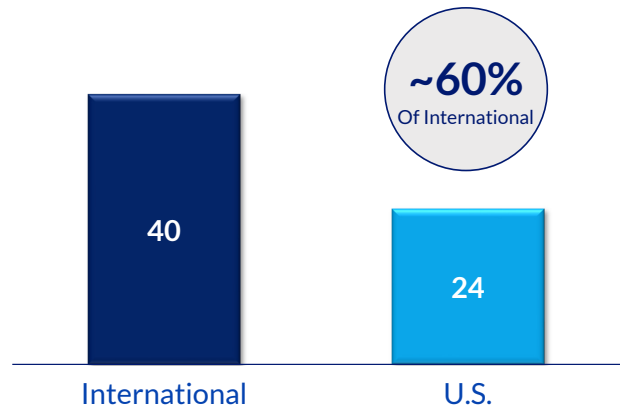
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U.S. Adds ~60% to Current Smoke-Free Addressable Market

2021 Total Nicotine Retail Value
(in \$ bn)



2021 Smoke-Free^(a) 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

Comprehensive Global Smoke-Free Portfolio

Heat-not-Burn



Oral Nicotine

Nicotine Pouches



Snus



E-vapor



+ Development platform for other oral products building on PMI expertise

International Nicotine Pouch Opportunity

- Expected category growth of 30-40%+ CAGR in retail value over next 5 years:
 - Rest of Europe expected to overtake Scandinavia within 3 years
 - Attractive opportunities in low and middle-income markets
- Significant international opportunity for ZYN
- IQOS international commercialization platform
- Complementary development platforms
- PMI commitment to invest in the category:
 - Portfolio development and expansion
 - Opportunity to grow in Scandinavia
 - Geographic expansion



Note: Scandinavia includes Denmark, Iceland, Norway and Sweden
Source: PMI Financials or estimates, Nielsen

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Strong Commitment to Responsible Marketing

- Swedish Match is a sophisticated and established company with a longstanding commitment to responsible commercialization:
 - Clear product information, employee and retailer training & education
 - Rigorous standards
- Swedish Match targets 100% compliance with policy to exclusively market to adult consumers
- We advocate for strong regulation of nicotine pouches, in order to maximize adult smokers' switching while helping to prevent unintended use:
 - Differentiated approach to fiscal and regulatory treatment
 - Recognize important role of flavors – when responsibly marketed – in helping adult smokers, who do not quit, switch away from combustible products
 - We support further U.S. youth access prevention measures, building on 'Tobacco 21'

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Accretive to Growth, Earnings and Cashflow

Top-Line Growth	<ul style="list-style-type: none"> • Growth enhancing combination at net revenue line • Significant potential for additional revenue synergies
Profitability	<ul style="list-style-type: none"> • Accretive to OI margins before synergies^(a)
Costs	<ul style="list-style-type: none"> • Assume modest procurement savings, no other material synergies expected • Substantial cost avoidance and time saving compared to organic U.S. entry
Earnings	<ul style="list-style-type: none"> • Expect low to mid single-digit adjusted EPS accretion in year 1^(a) before synergies
ROIC	<ul style="list-style-type: none"> • Target ROIC/WACC crossover within 5 years
Cash Flow	<ul style="list-style-type: none"> • Accretive to operating cash flow (\$0.7bn generated in 2021, 20% 3 year CAGR) • Improved currency profile due to increased USD cashflows

(a) Excluding deal-related costs and the amortization of acquired intangibles
Source: PMI Financials or estimates

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Robust Financing, Continued Strong Balance Sheet

Deal Funding	<ul style="list-style-type: none"> • All-cash transaction • Combination of debt market and bank financing
Strong Balance Sheet	<ul style="list-style-type: none"> • Expect pro-forma^(a) net debt to adjusted EBITDA of approx. 3x in 2022 • Expect to deleverage quickly thereafter • Target strong investment grade rating over time
Capital Allocation	<ul style="list-style-type: none"> • Dividend remains top priority with unchanged policy: intend to grow dividend while reducing payout gradually over time to around 75% • 3-year share repurchase program suspended

(a) Pro-forma defined here as the ratio of year-end net debt to adjusted EBITDA on a combined PMI and Swedish Match basis for full-year 2022
Source: PMI Financials or estimates

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Strong PMI Growth Fundamentals

Mid-Term Outlook

- Remain committed to 2021-23 CAGR targets (excl. Russia & Ukraine) of >5% organic net revenue growth and >9% currency-neutral adjusted diluted EPS growth
- Additional future upside from Swedish Match current portfolio with revenue synergies on top



Source: PMI Financials or estimates

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Strong Cultural Fit, Complementary Organizations

Aligned on Sustainability topics



- ESG: Shared vision, values and purpose to phase out cigarettes and maximize the benefits of smoke-free products:
 - Committing resources to smoke-free products
 - Eradicating child labor, reducing carbon footprint
- PMI focus on providing an empowered and inclusive workplace:
 - Equal salary certified, global top employer 5 years running
 - Diversity & Inclusion: Gender balance, Employee Resource Groups
- Swedish Match has a talented and dedicated workforce, excellent culture:
 - Strong base of skills in Sweden, U.S. and across the world
 - Important employer in local communities
 - Intend to maintain Swedish Match name and identity
- History of positive collaboration



Swedish Match Core Values



PASSION



OWNERSHIP



INNOVATION



QUALITY

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Accelerating Smoke-Free, Significant Value Creation

- Joining two of the world's leading smoke-free companies to form global champion
- Major current and future untapped U.S. opportunity
- Superior global smoke-free portfolio
- Accelerating growth through combination and investment
- Accelerating towards >50% smoke-free ambition
- Financially attractive: expect EPS accretion^(a), long-term returns and cash flows
- Compelling for both sets of Shareholders, Employees, Tobacco Harm Reduction and Society

(a) Excluding deal-related costs and the amortization of acquired intangibles
Source: PMI Financials or estimates

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PHILIP MORRIS
INTERNATIONAL

Delivering a Smoke-Free Future

Offer for Swedish Match AB

May 11, 2022

Reconciliation of Non-GAAP Measures

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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 March 31,	Net Revenues	Total	Excluding Currency	Excluding Currency & Acquisitions
2022					Reduced-Risk Products	2021	% Change		
\$ 1,202	\$ (82)	\$ 1,284	\$ 4	\$ 1,281	European Union	\$ 959	25.4%	34.0%	33.6%
270	(26)	295	-	295	Eastern Europe	304	(11.4)%	(3.0)%	(3.0)%
62	(1)	63	-	63	Middle East & Africa	21	+100%	+100%	+100%
5	-	5	-	5	South & Southeast Asia	2	+100%	+100%	+100%
803	(66)	869	-	869	East Asia & Australia	824	(2.5)%	5.5%	5.5%
8	-	8	-	8	Americas	12	(35.3)%	(32.5)%	(32.5)%
\$ 2,350	\$ (175)	\$ 2,525	\$ 4	\$ 2,521	Total RRP s	\$ 2,122	10.7%	19.0%	18.8%
2022					Other	2021	% Change		
\$ 66	\$ -	\$ 66	\$ 66	\$ -	Other	\$ -	-	-	-
2022					PMI	2021	% Change		
\$ 3,012	\$ (206)	\$ 3,218	\$ 4	\$ 3,214	European Union	\$ 2,909	3.5%	10.6%	10.5%
726	(72)	798	-	798	Eastern Europe	796	(8.8)%	0.3%	0.3%
991	(149)	1,140	-	1,140	Middle East & Africa	801	23.7%	42.3%	42.3%
1,123	(44)	1,167	-	1,167	South & Southeast Asia	1,173	(4.3)%	(0.5)%	(0.5)%
1,404	(106)	1,510	-	1,510	East Asia & Australia	1,472	(4.6)%	2.6%	2.6%
424	(13)	437	-	437	Americas	434	(2.3)%	0.7%	0.7%
66	-	66	66	-	Other	-	-	-	-
\$ 7,746	\$ (590)	\$ 8,336	\$ 70	\$ 8,266	Total PMI	\$ 7,585	2.1%	9.9%	9.0%

Note: Sum of product categories or Regions might not foot to Total PMI due to roundings. "-" 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

Net Revenues by Product Category and Adjustments for the Impact of Russia and Ukraine (Unaudited)

	Quarters Ended March 31,				
	2022	2021	Currency	Acqui- sitions	Variance excluding Currency & Acquisitions
Combustible Products					
Adjusted Net Revenues	\$ 5,330	\$ 5,463	\$ (415)	\$ -	5.2%
Net Revenues attributable to Russia and Ukraine	269	308	(41)	-	
Pro Forma Adjusted Net Revenues	\$ 5,062	\$ 5,155	\$ (374)	\$ -	5.5%
Reduced-Risk Products					
Adjusted Net Revenues	\$ 2,350	\$ 2,122	\$ (175)	\$ 4	18.8%
Net Revenues attributable to Russia and Ukraine	205	253	(23)	-	
Pro Forma Adjusted Net Revenues	\$ 2,145	\$ 1,869	\$ (153)	\$ 4	22.8%
Other					
Adjusted Net Revenues	\$ 66	\$ -	\$ -	\$ 66	+100%
Net Revenues attributable to Russia and Ukraine	-	-	-	-	
Pro Forma Adjusted Net Revenues	\$ 66	\$ -	\$ -	\$ 66	+100%
PMI					
Adjusted Net Revenues	\$ 7,746	\$ 7,585	\$ (590)	\$ 70	9.0%
Net Revenues attributable to Russia and Ukraine	474	561	(63)	-	
Pro Forma Adjusted Net Revenues	\$ 7,272	\$ 7,024	\$ (527)	\$ 70	10.0%

Note: For the calculation of Adjusted Net Revenues see slide 22. Sum of product categories might not foot to Total PMI due to roundings. "-" indicates amounts between -\$0.5 million and +\$0.5 million