

Remarks by Billy Gifford, Altria Group, Inc.'s (Altria) Chief Executive Officer and Sal Mancuso, Altria's Executive Vice President and Chief Financial Officer

2022 Consumer Analyst Group of New York (CAGNY) Conference

Virtual Presentation

February 22, 2022

Remarks by Billy Gifford

Good morning everyone and thank you for joining us. We're glad to be back at CAGNY and hope that very soon we will be able to do this in person. I'm joined today by Sal Mancuso, our Chief Financial Officer. Murray Garnick, our General Counsel who also leads the Regulatory Affairs organization, will join us for the Q&A session.

Before we begin, we ask that you carefully review the Safe Harbor statement in today's presentation and the forward-looking and cautionary statements section in today's press release. These documents are available on altria.com along with reconciliations and further explanations of the non-GAAP financial measures we will discuss today.

Future dividend payments and share repurchases remain subject to the discretion of Altria's Board of Directors. And all references in today's remarks to tobacco consumers or consumers within a specific tobacco category or segment refer to existing adult tobacco consumers, 21 years of age or older.

Altria is advancing our Vision to responsibly transition adult smokers to a smoke-free future. In this respect, we are aligned with tobacco consumers and the U.S. Food and Drug Administration (FDA). And, we intend to lead the U.S. in *Moving Beyond Smoking*TM. It's an ambitious goal, but one we believe will benefit tobacco consumers, Altria's businesses, our shareholders and society.

Corporate responsibility has long been integrated into our practices and strategies. Last year at CAGNY, we shared the results of our latest materiality assessment regarding the most impactful environmental, social and governance issues that we believe we must continue to address. We described our six corporate responsibility focus areas, and that the materiality assessment overwhelmingly affirmed that harm reduction and preventing underage use are the most important social issues for our company. Our harm

reduction and underage use prevention efforts, specifically, are woven throughout these remarks as we discuss our progress toward our Vision.

My remarks today will focus on the investments we're making in support of our Vision. As we outlined last month in our fourth-quarter earnings release, we are investing to:

- deepen our understanding of U.S. tobacco consumers and our digital consumer engagement;
- increase smoker transition to our in-market smoke-free products; and
- accelerate smoke-free product research, development and regulatory sciences.

I will update you on our progress and further details on each of these areas. Then, Sal will discuss the total tobacco landscape, how our traditional tobacco businesses continue to support our strategies and our accomplishments in other environmental, social and governance (ESG) areas. Finally, I'll return for some closing remarks and, for CAGNY participants, we'll advance to our question-and-answer session.

Our Vision begins with the tobacco consumer. There are approximately 50 million tobacco consumers in the U.S. and 33 million of them are cigarette smokers. We've analyzed nearly three years' worth of tobacco consumer purchase data. The data show that almost a third of smokers have tried smoke-free products but only 11% continued to purchase these products after five weeks. And, only 7% of smokers continued to purchase after 18 weeks. These facts indicate that smokers continue to be open to smoke-free products, but many of the products they try fail to meet their needs. We believe this is largely due to unsatisfying product experiences or inadequate consumer support during their smoke-free transition process.

For harm reduction to succeed, we believe smoke-free products must meet consumer expectations and deliver:

- enjoyable sensory experiences and nicotine satisfaction;
- reduced health risks and clear, authorized information about the benefits of switching; and
- the ability to avoid social friction associated with cigarettes, such as smoke odor, ash and feelings of isolation.

To better meet these expectations, we've developed a holistic view of the smoker and their journey in switching to smoke-free products. It blends behavioral science and research on:

- consumer lifestyles and behaviors;
- usage occasions and product requirements;
- barriers and motivators for switching to smoke-free products, including information needed to make an informed choice; and
- current and preferred channels for purchasing and engaging with tobacco products, including the pre-purchase touchpoints that impact awareness, interest and consideration of smoke-free products.

With our deep understanding of the smoker mindset, we believe we can more effectively and equitably transition smokers to less harmful alternatives.

A major point of engagement for smokers is linked to their shopping behavior. There are approximately 25 million U.S. tobacco retail transactions each day. Tobacco consumer shopping behavior is highly routine, with 75% of consumers purchasing their products at a single preferred store. U.S. tobacco volume is sold about evenly across rural and metro areas.

Thanks to years of building mutually beneficial trade relationships, our sales force has vast coverage across all these areas, servicing over 200,000 stores, which represent more than 90% of U.S. tobacco industry volume. Our relationships with our retail trade partners serve several purposes, including:

- supporting responsible retailing and efforts to limit the reach, access and appeal to unintended audiences; and
- engaging with smokers in a key setting to apply our consumer insights and support our tobacco brands.

While responsible point of sale merchandising has long been a primary marketing tool for our tobacco companies, digital engagement is becoming increasingly important. In fact, based on our research and experience with *IQOS*, digital channels are now the leading source of awareness for new products among tobacco consumers. Many of our top retail partners use their digital platforms to build consumer engagement and shopper loyalty. Based on our estimates, there are millions of tobacco consumers actively

engaging on these platforms and we expect this number to increase as retailers advance their digital efforts.

We expect our investments in this area to:

- continue our support of responsible retailing;
- further solidify our trade relationships;
- enhance our data analytics capabilities; and
- further evolve our marketing to accelerate smoker transitions to a smoke-free future.

Last year at CAGNY, we discussed our retailer incentive program for in-store age validation technology as part of our comprehensive approach to underage tobacco use prevention. I am proud to say that it has now been installed in more than 104,000 stores with an additional 36,000 stores in progress. We expect to continue our work with retailers to broaden age-validation technology across more stores.

This year, we introduced incentives for retailers to include age and identity verification solutions in their digital platforms. Once a consumer is verified, retailers can then provide personalized offers and messaging from our brands within the retailer's app. At introduction, consumers can receive offers from our smokeable and moist smokeless tobacco (MST) brands. Going forward, we expect to expand the program to include *on!* and other smoke-free brands. Our sales force is working with our retail trade partners to implement these solutions and we expect approximately 30,000 stores will have these capabilities by year-end. We believe this seamless integration will allow us to:

- better engage with digitally connected tobacco consumers;
- improve the strategic allocation of our promotional resources; and
- create infrastructure to support trial and awareness for smoke-free tobacco products.

Finally, we believe our digital investments will provide incremental data to help us better understand each smoker's journey. We're creating a unified and real-time consumer identity that ties their purchase data and interactions with our brands to our marketing communications. We believe that by using our tobacco consumer understanding and data analytics, we can recognize how an individual consumer is progressing towards smoke-free products, adapt our marketing approach and better support their transition.

We're seeing early success from applying these insights, which brings us to our next investment area and our progress advancing smoke-free products. In the U.S., there are now 1.5 million oral nicotine pouch consumers and the category primarily attracts smokers and dippers. In fact, consumer purchase data show that relative to other cigarette brands, *Camel* and *Natural American Spirit* smokers repurchase nicotine pouches at the highest rate.

In the fourth quarter, the oral nicotine pouch category reached a total oral tobacco retail share of 17.9 percentage points, growing 7.4 share points year-over-year. The category has developed at different rates across the U.S. based on timing of product introductions. It is most established in the western region of the country where it increased almost 10 share points throughout the year, reaching a total oral tobacco retail share of 30 percentage points in the fourth quarter.

on! made significant advances once Helix reached unconstrained manufacturing capacity. At the national level, *on!* almost doubled its fourth quarter retail share of the oral nicotine pouch category to 21.6%. In each of our sales regions, *on!* advanced at least 7.5 share points. In the western region of the country where *ZYN* had a significant first mover advantage, *on!* more than doubled its retail share of nicotine pouches over the same period, reaching a 15.4 share in the fourth quarter.

We are excited about the performance of *on!* and the opportunity for future growth, to be fueled by our understanding of the smoke-free transition process. For example, the Helix team uses its understanding to inform promotional strategies for *on!*. We believe this approach has allowed the team to consistently increase product trial and repurchases. In the fourth quarter, trial of *on!* increased approximately five times and repurchases tripled when compared to the year-ago period.

We're encouraged by these results and the brand's appeal to a broad set of tobacco consumers. Our data show that *on!* sources more from cigarette smokers than *ZYN*. Roughly 60% of *on!* consumers are age 21 to 39, a higher percentage than in the cigarette and MST categories and approximately one third of *on!* consumers are women. In comparison, women represent approximately a quarter of *ZYN* consumers and just 5% of the MST category.

Based on our research, *on!* consumers appreciate its:

- clear departure from MST category associations;

- differentiated packaging;
- smaller pouch, which provides a more comfortable product experience; and
- taste and flavor, which they prefer compared to competitive products.

We believe the breadth of the *on!* portfolio is a significant competitive advantage, supported by the balanced distribution of *on!* volume across flavors and nicotine strengths.

As you are aware, the premarket tobacco product applications (PMTA) for the entire *on!* portfolio remain pending with the FDA. Previously at CAGNY, we've shared some of our research that provides strong evidence of *on!*'s ability to transition smokers away from cigarettes. And consumer purchase data and qualitative research further support that *on!* appeals to smokers. For example, a former smoker has described *on!* as "the first pouch I tried, and the one that inspired me to replace cigarettes." Based on the data we provided in our PMTA submissions, we believe the FDA should determine that the marketing of these products is appropriate for the protection of public health.

Additionally, we're preparing modified risk tobacco product (MRTP) applications for *on!* and expect to submit them to the FDA by the end of the year. As we learned from our experience bringing *IQOS* to smokers, MRTP claims can provide an impactful point of differentiation for brands and be an important tool for educating, and ultimately transitioning, smokers to smoke-free alternatives.

For the *on!* applications, we developed claim communications supported by science that we believe will motivate smokers to transition to *on!*. We tested our proposed *on!* MRTP claims to evaluate consumer understanding and the effect on consumer use intentions. For current smokers, viewing the claims resulted in a statistically significant increase in their intention to try and use *on!*. Importantly, the majority of both tobacco and nontobacco consumers indicated that they correctly understood the claims and were not misled to believe the product was without harm. And, the proposed MRTP claims did not increase use intentions among nontobacco consumers or decrease intentions to quit among current smokers. We're excited by these results and believe they demonstrate the importance of taking both a consumer-focused and science-based approach to tobacco harm reduction.

Turning now to the other smoke-free categories, we made steady progress building the heated tobacco category in our early *IQOS* markets by educating smokers about the social benefits of heated tobacco

products, supporting smokers on their journey to *IQOS* and, once authorized, communicating the reduced exposure claim to smokers. We demonstrated improved performance in each successive market. Unfortunately, PM USA had to remove *IQOS* from the market in November due the International Trade Commission's importation ban and cease-and-desist orders. We stand ready to bring *IQOS* back to market when the product is once again available to us.

In e-vapor, our minority investment in JUUL remains subject to a challenge by the U.S. Federal Trade Commission. And JUUL is awaiting FDA decisions on its PMTA submissions. We continue to believe that a responsible, regulated e-vapor category consisting of authorized products can play an important role in harm reduction.

We expect to vigorously compete in the major smoke-free categories through our investments, licensing agreements and tobacco operating companies. We believe it's important to have multiple products in these smoke-free categories to help smokers transition away from cigarettes, which brings me to our investments to accelerate smoke-free product research, development and regulatory sciences. Investors frequently ask about our product development system and how it is different compared to five years ago. So, let me explain why we believe it's stronger today.

First, as I discussed earlier, meeting tobacco consumer expectations is critical to our success and we now receive more data on their preferences, purchasing patterns and friction points with existing products. Second, we embed our regulatory sciences team early in the process to help develop products that are aligned with FDA expectations for risk to the individual and the population. And third, we are committed to internal development, with more focused resources supporting consumer research, product design and science. In 2021 alone, we:

- conducted more than 40 consumer research studies involving thousands of tobacco consumers; and
- performed more than 15,000 scientific analyses on prospective smoke-free products.

As a result, we have developed several encouraging products in the oral and heated tobacco categories. We expect to finalize designs for two of these products by year-end and then begin regulatory preparations. We are excited about our pipeline and we expect to share more at the appropriate time.

We believe the tobacco harm reduction opportunity remains in front of us. We are continuing our efforts to work with regulators, legislators, the public health community and other stakeholders to create the conditions necessary for harm reduction to succeed in the U.S. And we are making the investments in our businesses to lead the way.

I'll now turn it over to Sal to provide more detail on the business environment and our financial performance.

Sal

Thanks Billy. I'll begin by sharing our view on how the tobacco space has evolved over the past several years.

When we equalize volumes across categories, we estimate that over the past five years, total domestic tobacco industry volumes declined by less than 1% on a compounded annual basis. Smoke-free categories, such as oral tobacco and e-vapor, have become a larger portion of tobacco volumes, representing approximately 24% in 2021.

In the cigarette category, 2020 and 2021 were dynamic years due to the external environment and its effect on smoker behaviors. As a result, we believe it's more insightful to analyze cigarette volume trends over the longer term. When averaged, the past two-year adjusted cigarette industry decline rate was at 3%, well within the range of historic norms.

Looking ahead, we're monitoring factors that we believe may influence all tobacco consumer behavior such as economic challenges, including inflation, and the impact of the COVID-19 pandemic. While these factors present challenges, we believe that our businesses have the tools necessary to adapt appropriately.

Our smokeable products segment continues to generate significant cash for shareholders and to invest behind our Vision. Our smokeable products strategy is to maximize the profitability of our combustible products while appropriately balancing investments in *Marlboro* with funding growth of our smoke-free portfolio. Over the years, the segment has been resilient through various dynamic periods, such as accelerated volume decline rates, excise tax increases and economic variability. Over the last five years, our smokeable segment grew adjusted operating companies income (OCI) from \$8.0 billion to \$10.4

billion, representing a 5.5% growth rate on a compounded annual basis. And adjusted OCI margins expanded to 57.6%, an increase of 9.6 percentage points.

Since the pandemic's beginning, *Marlboro's* share of the total cigarette category has remained stable while its share within the premium segment has increased.

In the oral tobacco products segment, our strategy is to maximize profitability over time in traditional MST through the strength of *Copenhagen* and to responsibly and rapidly grow *on!* oral nicotine pouches. The segment continues to deliver robust adjusted OCI margins at more than 60% while also making investments behind *on!*. *Copenhagen* continues to be the leading oral tobacco brand and *on!* is performing well within the fast-growing oral nicotine pouch category.

Turning to our financial profile, we have a strong balance sheet and highly cash generative businesses, which provides flexibility to our capital allocation approach. We've steadily reduced our leverage which as of year-end 2021, stands at 2.3 times debt to earnings before interest, taxes, depreciation and amortization (EBITDA), down 0.5 times following our debt issuance in the first quarter of 2019. And of course, our investment in ABI also supports our balance sheet. At the end of last year, our ABI investment had a carrying value of \$11.1 billion. We view our ABI stake as a financial investment, and our goal is to maximize the long-term value of the investment for our shareholders.

In 2021, we returned over \$8 billion in cash to our shareholders through both dividends and share repurchases. Over the past five years, we've:

- returned more than \$36 billion in cash; and
- grown our dividend by 8.1% on a compounded annual basis.

Last year, we continued to reward our shareholders by raising our dividend for the 56th time in the past 52 years. And, we maintain our dividend payout ratio target of approximately 80% of adjusted diluted earnings per share. We're in the midst of our \$3.5 billion share repurchase program. At the end of last year, we had approximately \$1.8 billion remaining under the expanded program, which we expect to complete by the end of this year.

Turning to guidance, we reaffirm our 2022 adjusted diluted earnings per share (EPS) guidance of \$4.79 to \$4.93. This range represents a growth rate of 4% to 7% from a 2021 adjusted diluted EPS base of \$4.61. We expect 2022 adjusted diluted EPS growth to be weighted toward the second half of the year.

Before turning it back to Billy, I'd like to expand upon the ESG progress he mentioned in his opening remarks. I am proud to co-sponsor our environmental steering committee. We recently committed to a long-term renewable electricity purchase agreement that we expect to be operational by the end of the year. We believe this timing would allow us to hit our 2030 renewable electricity and operational greenhouse gas reduction targets seven years ahead of schedule. Additionally, we demonstrated our commitment to understanding climate change risks and opportunities by publishing our first standalone Task Force on Climate-related Financial Disclosures report.

Another important focus area for us is supporting our people and communities. We continue to make progress toward our Inclusion and Diversity aiming points, including our goal that employees of color represent 30% of our leadership positions. At the end of 2021, employees of color represented 24% of vice-presidents and 26% of director-level employees. In our communities, we developed a new five-year community impact plan to drive business and social impact in several areas, including economic and workforce equity.

We are extremely proud of the results our employees delivered in each of our ESG focus areas and we continue to collaborate with our stakeholders on these critical topics. I will now turn it over to Billy for closing remarks.

Billy

Thanks Sal. I'm optimistic about the future for tobacco harm reduction in the U.S. There is a significant opportunity to shift millions of smokers away from cigarettes. As the leader in the U.S. tobacco industry, we believe we are best positioned to lead the tobacco harm reduction opportunity for several reasons.

We have a demonstrated commitment to responsibility and a robust understanding of tobacco consumers and the U.S. tobacco market. We have long-standing relationships with retailers and wholesalers and a broad portfolio of products and investments across the most-promising smoke-free categories. We have

strong regulatory capabilities and a science-based approach to tobacco harm reduction. And we have significant cash flows and a flexible balance sheet to support our investments and shareholder returns.

With these in mind and the hard work of our talented employees, I am confident we can achieve our Vision and responsibly transition adult smokers to a smoke-free future. Thank you for your time and your interest in Altria.

Altria's Profile

Altria has a leading portfolio of tobacco products for U.S. tobacco consumers age 21+. Altria's Vision by 2030 is to responsibly lead the transition of adult smokers to a smoke-free future (Vision). Altria is *Moving Beyond Smoking*™, leading the way in moving adult smokers away from cigarettes by taking action to transition millions to potentially less harmful choices - believing it is a substantial opportunity for adult tobacco consumers, Altria's businesses and society.

Altria's wholly owned subsidiaries include leading manufacturers of both combustible and smoke-free products. In combustibles, Altria owns Philip Morris USA Inc. (PM USA), the most profitable U.S. cigarette manufacturer, and John Middleton Co. (Middleton), a leading U.S. cigar manufacturer. Altria's smoke-free portfolio includes ownership of U.S. Smokeless Tobacco Company LLC (USSTC), the leading global moist smokeless tobacco (MST) manufacturer, and Helix Innovations LLC (Helix), a rapidly growing manufacturer of oral nicotine pouches. Altria also enhances its smoke-free product portfolio with exclusive U.S. commercialization rights to the *IQOS Tobacco Heating System*® and *Marlboro HeatSticks*®, and an equity investment in JUUL Labs, Inc. (JUUL).

Altria also owns equity investments in Anheuser-Busch InBev SA/NV (ABI), the world's largest brewer, and Cronos Group Inc. (Cronos), a leading Canadian cannabinoid company.

The brand portfolios of Altria's tobacco operating companies include *Marlboro*®, *Black & Mild*®, *Copenhagen*®, *Skoal*® and *on!*®. Trademarks and service marks related to Altria referenced in this release are the property of Altria or its subsidiaries or are used with permission.

Learn more about Altria at www.altria.com and follow us on Twitter, Facebook and LinkedIn.

Forward-Looking and Cautionary Statements

This presentation contains projections of future results and other forward-looking statements that involve a number of risks and uncertainties and are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Important factors that may cause actual results and outcomes to differ materially from those contained in the projections and forward-looking statements included in this presentation are described in Altria's publicly filed reports, including its Annual Report on Form 10-K for the year ended December 31, 2020 and its Quarterly Report on Form 10-Q for the period ended September 30, 2021. These factors include the following:

- unfavorable litigation outcomes, including risks associated with adverse jury and judicial determinations, courts and arbitrators reaching conclusions at variance with our, our subsidiaries' or our investees' understanding of applicable law, bonding requirements in the jurisdictions that do not limit the dollar amount of appeal bonds, and certain challenges to bond cap statutes;
- government (including the U.S. Food and Drug Administration (FDA)) and private sector actions that impact ATC acceptability of, or access to, tobacco products;
- tobacco product taxation, including lower tobacco product consumption levels and potential shifts in ATC purchases as a result of federal, state and local excise tax increases;
- unfavorable outcomes of any government investigations of Altria, our subsidiaries or investees;
- a successful challenge to our tax positions, an increase to the corporate income tax rate or other changes to federal or state tax laws;
- the risks related to our and our investees' international business operations, including failure to prevent violations of various U.S. and foreign laws and regulations such as foreign privacy laws and laws prohibiting bribery and corruption;
- the risks associated with health epidemics and pandemics, including the COVID-19 pandemic and similar outbreaks, such as their impact on our financial performance and financial condition and on our subsidiaries' and investees' ability to continue manufacturing and distributing products, including as a result of labor shortages, and the impact of health epidemics and pandemics on general economic conditions (including any resulting recession or other economic crisis) and, in turn, adult consumer purchasing behavior, which may be further adversely impacted by any reductions in, or eliminations of, government stimulus or unemployment payments;
- the failure of our tobacco subsidiaries and our investees to compete effectively in their respective markets;

- the growth of the e-vapor category and other innovative tobacco products, including oral nicotine pouches, contributing to reductions in cigarette and MST consumption levels and sales volume;
- our tobacco subsidiaries' and our investees' continued ability to promote brand equity successfully; to anticipate and respond to evolving adult consumer preferences; to develop, manufacture, market and distribute products that appeal to adult consumers (including, where appropriate, through arrangements with, and investments in third parties); to improve productivity; and to protect or enhance margins through cost savings and price increases;
- changes, including in economic conditions (due to the COVID-19 pandemic or otherwise), that result in adult consumers choosing lower-priced brands, including discount brands;
- the unsuccessful commercialization of adjacent products or processes by our tobacco subsidiaries and investees, including innovative tobacco products that may reduce the health risks associated with cigarettes and other traditional tobacco products, and that appeal to ATC;
- significant changes in price, availability or quality of tobacco, other raw materials or component parts, including as a result of the COVID-19 pandemic;
- the risks related to the reliance by our tobacco subsidiaries on a few significant facilities and a small number of key suppliers, distributors and distribution chain service providers, and the risk of an extended disruption at a facility of, or of service by, a supplier, distributor or distribution chain service provider of our tobacco subsidiaries or investees, including as a result of the COVID-19 pandemic;
- required or voluntary product recalls as a result of various circumstances such as product contamination or FDA or other regulatory action;
- the failure of our information systems or service providers' information systems to function as intended, or cyber attacks or security breaches;
- our inability to attract and retain the best talent due to the impact of decreasing social acceptance of tobacco usage, tobacco control actions and other factors;
- impairment losses as a result of the write down of intangible assets, including goodwill;
- the adverse effect of acquisitions, investments, dispositions or other events on our credit rating;
- our inability to acquire attractive businesses or make attractive investments on favorable terms, or at all, or to realize the anticipated benefits from an acquisition or investment and our inability to dispose of businesses or investments on favorable terms or at all;
- the risks related to disruption and uncertainty in the credit and capital markets, including risk of access to these markets both generally and at current prevailing rates, which may adversely affect our earnings or dividend rate or both;
- our inability to attract and retain investors due to the impact of decreasing social acceptance of tobacco usage or unfavorable ESG ratings;

- the risk that any challenge to our investment in JUUL, if successful, could result in a broad range of resolutions including divestiture of the investment or rescission of the transaction;
- the risks generally related to our investments in JUUL and Cronos, including our inability to realize the expected benefits of our investments in the expected time frames, or at all, due to the risks encountered by our investees in their businesses, such as operational, competitive, compliance, legislative and regulatory risks at the international, federal, state and local levels, including actions by the FDA, and adverse publicity; potential disruptions to our investees' management or current or future plans and operations; domestic or international litigation developments, government investigations, tax disputes or otherwise; and impairment of our investment in Cronos and changes in the fair value of our investment in JUUL;
- the risks related to our inability to acquire a controlling interest in JUUL as a result of standstill restrictions or to control the material decisions of JUUL, restrictions on our ability to sell or otherwise transfer our shares of JUUL until December 20, 2024, and non-competition restrictions for the same time period subject to certain exceptions;
- the adverse effects of risks encountered by ABI in its business, including effects of the COVID-19 pandemic, foreign currency exchange rates and the impact of movements in ABI's stock price on our investment in ABI, including on our reported earnings from and carrying value of our investment in ABI, which could result in additional impairments of our investment, and the dividends paid by ABI on the shares we own;
- the risks related to our ownership percentage in ABI decreasing below certain levels, including the adverse effects of additional tax liabilities, a reduction in the number of directors that we have the right to have appointed to the ABI board of directors, and our potential inability to use the equity method of accounting for our investment in ABI;
- the risk of challenges to the tax treatment of the consideration we received in the ABI/SABMiller business combination and the tax treatment of our equity investment; and
- the risks, including criminal, civil or tax liability for Altria, related to Altria's or Cronos's failure to comply with applicable laws, including cannabis laws.

Altria cautions that the foregoing list of important factors is not complete and does not undertake to update any forward-looking statements that it may make except as required by applicable law. All subsequent written and oral forward-looking statements attributable to Altria or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above.

Source: Altria Group, Inc.

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Reconciliations of the non-GAAP financial measures presented in management's remarks during Altria Group, Inc.'s 2022 CAGNY Conference presentation

Altria and Consolidated Subsidiaries, Selected Financial Data for Smokeable Products (\$ in millions)						
	Full Year Ended December 31,					
	2021	2020	2019	2018	2017	2016
Reported OCI	\$ 10,394	\$ 9,985	\$ 9,009	\$ 8,408	\$ 8,426	\$ 7,766
NPM Adjustment Items	(53)	4	—	(145)	(5)	12
Asset impairment, exit, implementation, acquisition and disposition-related costs	—	2	92	83	28	110
Tobacco and health and certain other litigation items	83	79	72	103	72	88
COVID-19 special items	—	41	—	—	—	—
Adjusted OCI	\$ 10,424	\$ 10,111	\$ 9,173	\$ 8,449	\$ 8,521	\$ 7,976
Adjusted OCI CAGR 2016 - 2021	5.5 %					

Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Smokeable Products (\$ in millions)			
	Full Year Ended December 31,		
	2021	2016	Change
Net revenues	\$ 22,866	\$ 22,851	
Excise taxes	(4,754)	(6,247)	
Revenues net of excise taxes	18,112	16,604	
Reported OCI	\$ 10,394	\$ 7,766	
NPM Adjustment Items	(53)	12	
Asset impairment, exit, implementation, acquisition and disposition-related costs	—	110	
Tobacco and health and certain other litigation items	83	88	
Adjusted OCI	10,424	7,976	
Adjusted OCI margins ¹	57.6 %	48.0 %	9.6 %
¹ Adjusted OCI margins are calculated as adjusted OCI divided by revenues net of excise taxes.			

Altria Group, Inc. and Consolidated Subsidiaries, Selected Financial Data for Oral Tobacco Products
(\$ in millions)

	Full Year Ended December 31, 2021
Net revenues	\$ 2,608
Excise taxes	(132)
Revenues net of excise taxes	\$ 2,476
Reported OCI	\$ 1,659
Asset impairment, exit, implementation, acquisition and disposition-related costs	37
Adjusted OCI	\$ 1,696
Adjusted OCI margins ¹	68.5 %
¹ Adjusted OCI margins are calculated as adjusted OCI divided by revenues net of excise taxes	

Altria and Consolidated Subsidiaries
Calculation of Total Debt to Adjusted EBITDA Ratios
(\$ in millions)

	For Twelve Months Ended	
	December 31, 2021	March 31, 2019
Consolidated Net Earnings	\$ 2,475	\$ 6,193
(Income) loss from equity investments and noncontrolling interests, net	5,978	(639)
(Gain) loss on Cronos-related financial instruments	148	425
Dividends from less than 50% owned affiliates	119	658
Provision for income taxes	1,349	2,198
Depreciation and amortization	244	227
Loss on early extinguishment of debt	649	—
Asset impairment and exit costs	—	421
Interest and other debt expense, net	1,162	883
Consolidated EBITDA ¹	\$ 12,124	\$ 10,366
Current portion of long-term debt	\$ 1,105	\$ 2,144
Long-term debt	26,939	27,024
Total Debt ²	\$ 28,044	\$ 29,168
Ratios:		
Total Debt / Consolidated EBITDA	2.3	2.8

¹ Reflects the term “Consolidated EBITDA” as defined in Altria’s senior unsecured revolving credit agreement.

² Reflects total debt as presented on Altria’s Consolidated Balance Sheet at December 31, 2021 and March 31, 2019. See 2021 Fourth-Quarter Earnings Release, Schedule 10 and 2019 First-Quarter Earnings Release, Schedule 7.

Altria Group, Inc. and Consolidated Subsidiaries, Full-Year Adjusted Earnings Per Share Results

(\$ in millions, except per share data)

	Earnings before Income Taxes	Provision for Income Taxes	Net Earnings	Net Earnings Attributable to Altria	Diluted EPS
2021 Reported	\$ 3,824	\$ 1,349	\$ 2,475	\$ 2,475	\$ 1.34
NPM Adjustment Items	(76)	(19)	(57)	(57)	(0.03)
Asset impairment, exit, implementation, acquisition and disposition-related costs	120	21	99	99	0.05
Tobacco and health and certain other litigation items	182	44	138	138	0.07
ABI-related special items	6,203	1,302	4,901	4,901	2.66
Cronos-related special items	466	(4)	470	470	0.25
Loss on early extinguishment of debt	649	153	496	496	0.27
Tax items	—	3	(3)	(3)	—
2021 Adjusted for Special Items	\$ 11,368	\$ 2,849	\$ 8,519	\$ 8,519	\$ 4.61

Source: Altria Group, Inc.