

Altria's Second-Quarter 2019 Earnings Conference Call

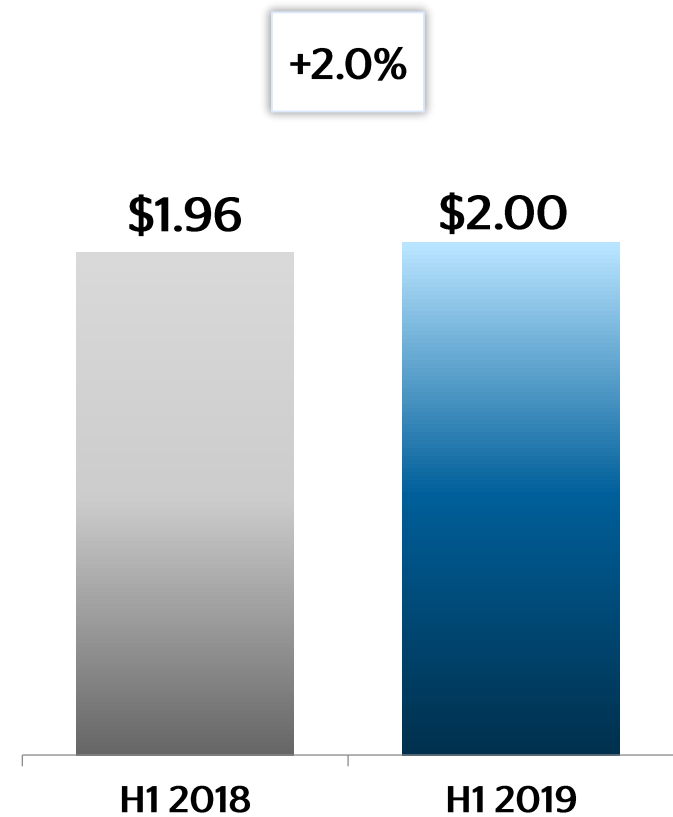
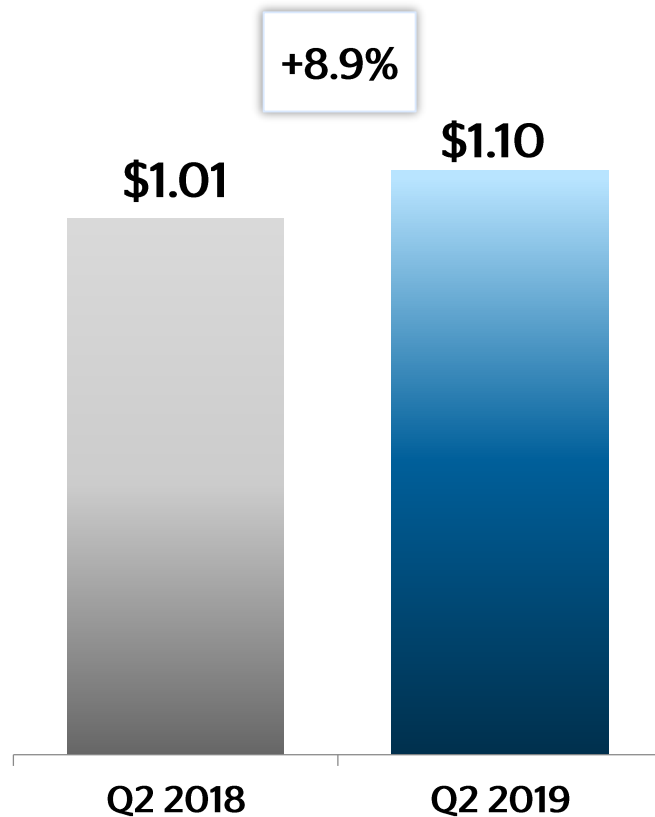
July 30, 2019

Safe Harbor Statement

Statements, including earnings guidance, in this presentation that are not reported financial results or other historical information are “forward-looking statements” within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Altria undertakes no obligation to publicly update or revise any forward-looking statement other than in the normal course of its public disclosure obligations. The risks and uncertainties relating to the forward-looking statements in this presentation include those described in Altria’s publicly-filed reports, including its Annual Report on Form 10-K for the year ended December 31, 2018 and its Quarterly Report on Form 10-Q for the period ended March 31, 2019, and under “Forward-looking and Cautionary Statements” in today’s earnings release.

Reconciliations of non-GAAP financial measures included in this presentation to the most comparable GAAP measures are available on Altria’s website at altria.com.

Adjusted Diluted EPS*



* For reconciliations of non-GAAP to GAAP measures visit altria.com.

Altria's Enhanced Business Platform

Combustible Tobacco Portfolio



Marlboro
Leading cigarette brand



Black & Mild
Leading tipped cigar brand



Cigarette Portfolio
Highly profitable niche brands

Non-Combustible Tobacco Brands & Investments



Copenhagen
Leading MST brand



IQOS
Global heat-not-burn leader (U.S. license)



JUUL
Leading e-vapor brand (strategic investment)



on!
Oral nicotine pouches (strategic investment - pending closing of transaction)

Complementary Assets



Top 10 domestic wine producer



~10% investment
global beer industry leader

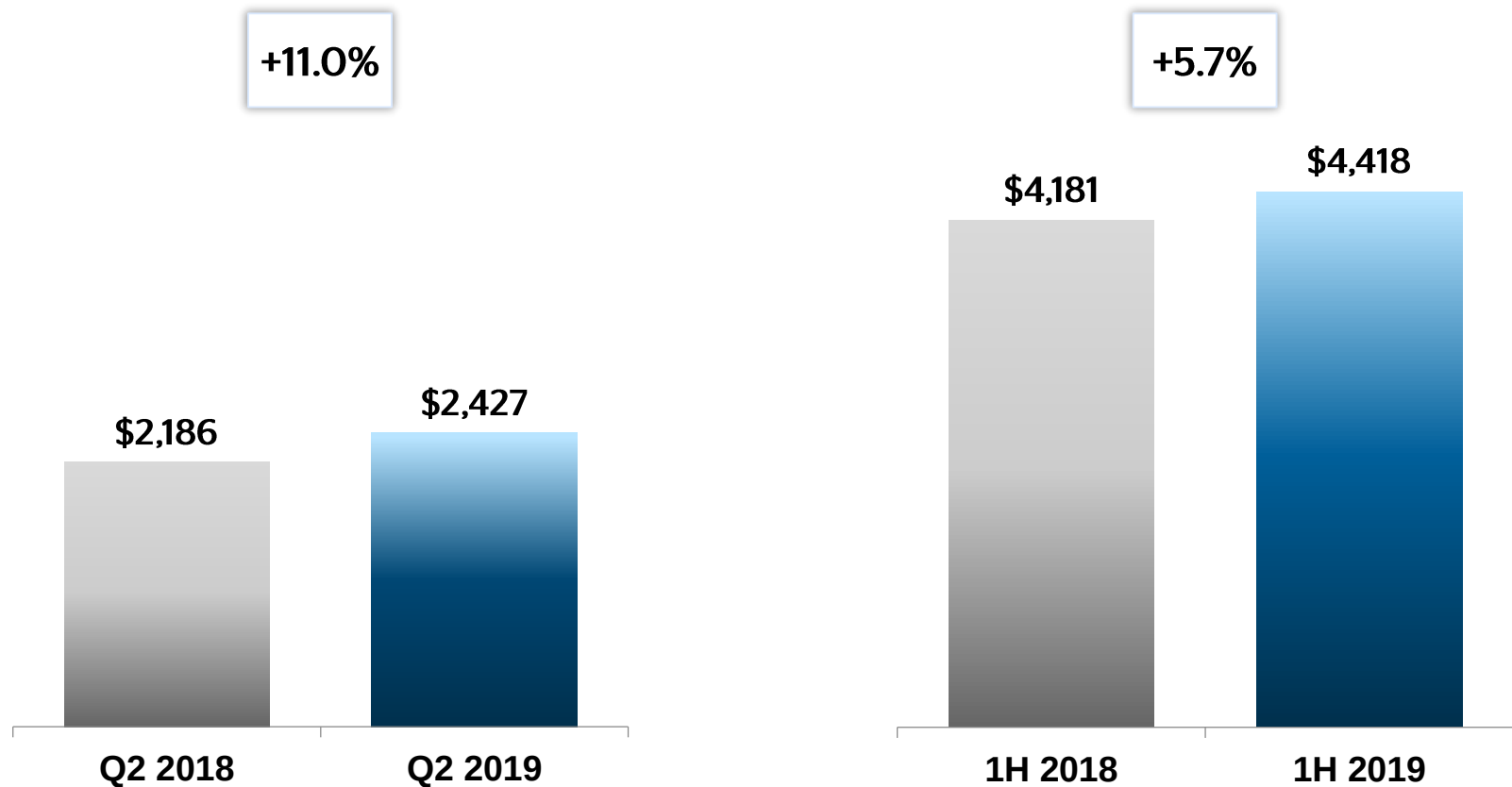


Emerging global cannabinoid company (strategic investment)

All-third party trademarks remain the property of their respective owners.

Smokeable Products Segment

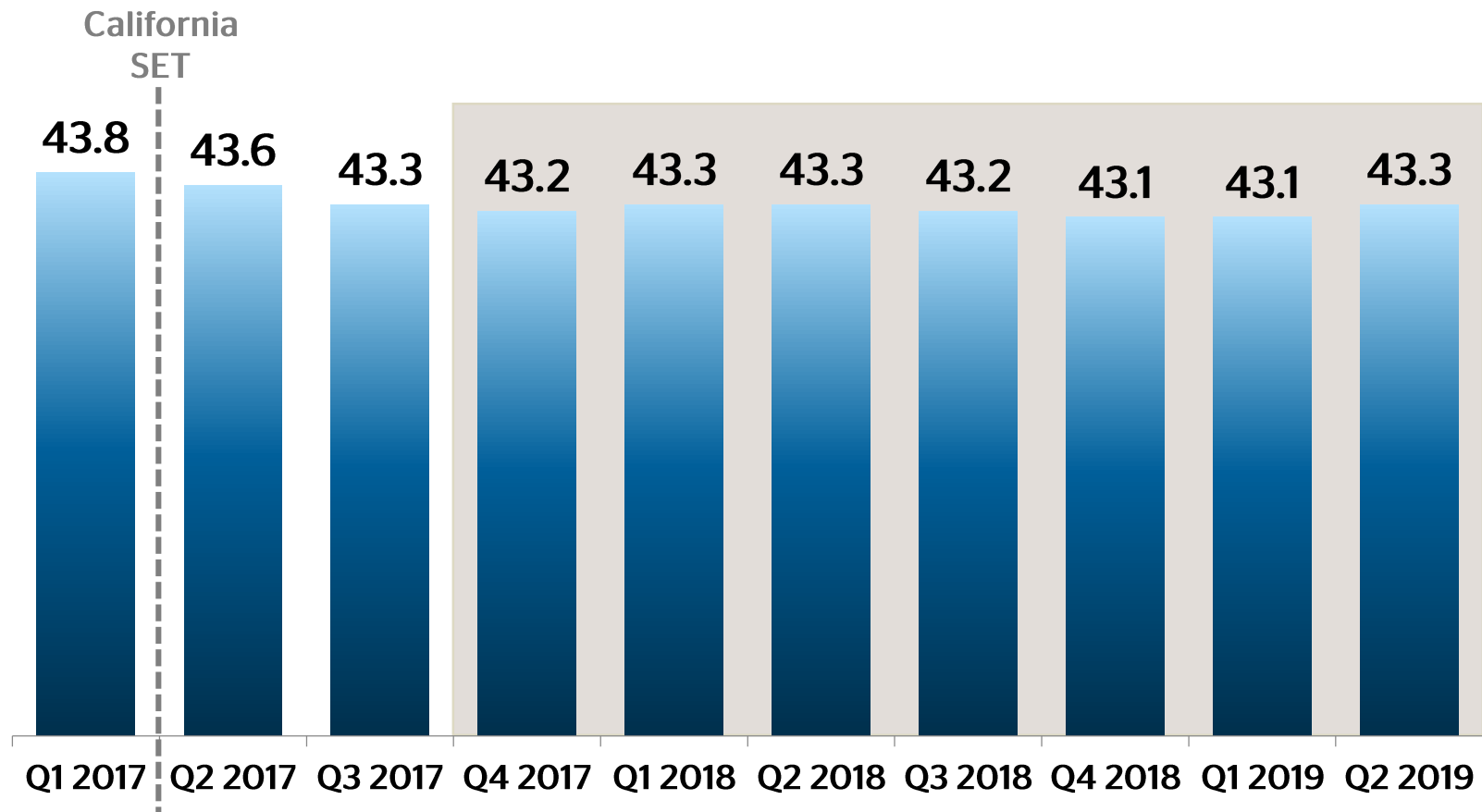
Adjusted OCI* (\$ in millions)



* For reconciliations of non-GAAP to GAAP measures visit altria.com.

Smokeable Products Segment

Marlboro Retail Share



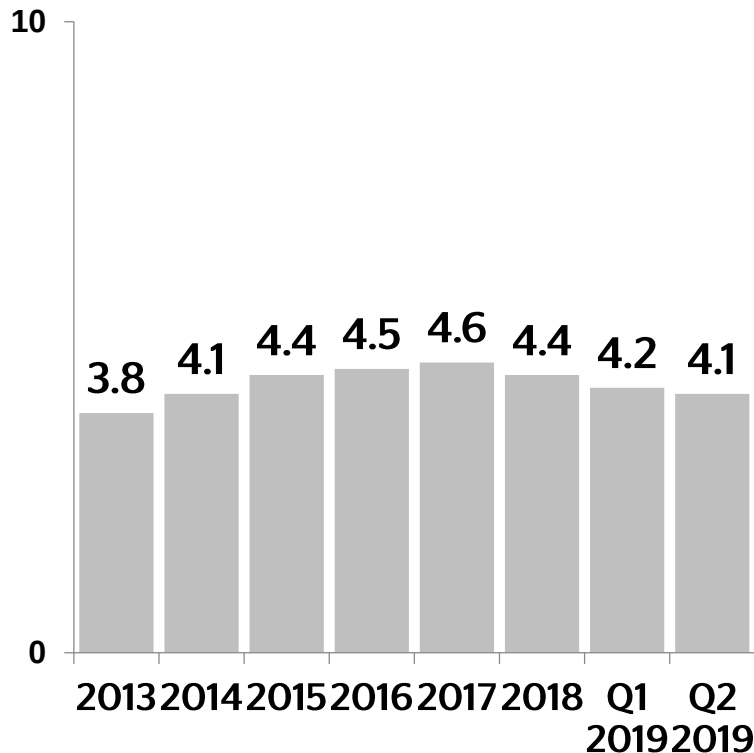
Source: IRI/MSAi InfoScan Cigarette 2019 – Blended, as of 6/30/19



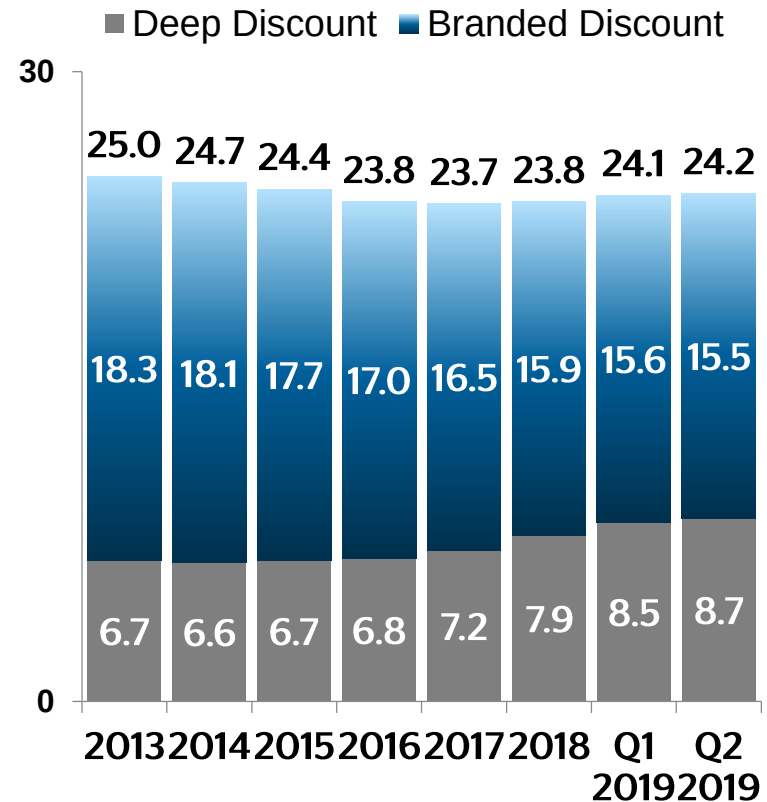
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Discount Category Retail Share Dynamics

PM USA Discount (%)



Discount Category (%)



Source: IRI/MSAi InfoScan Cigarette 2019 – Blended, as of 6/30/19

H1 2019: Smokeable Products Segment

PM USA Estimated Wholesale Inventories (in billions)

1H 2018

-0.4

1H 2019

+0.1

2.6

2.2

Q4 2017

Q2 2018

2.4

2.5

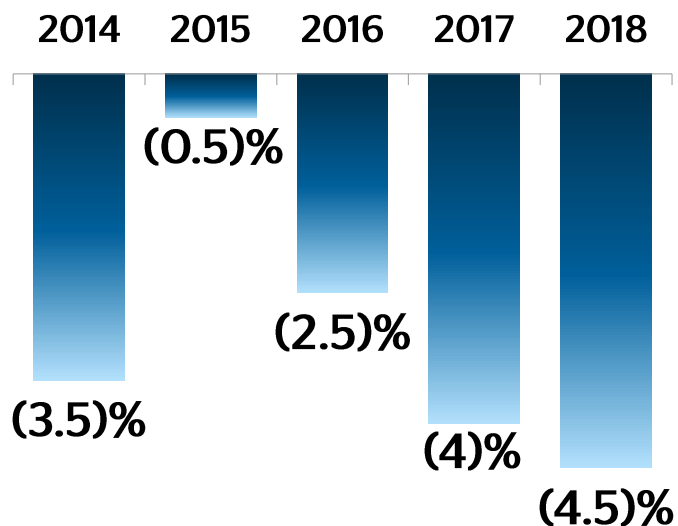
Q4 2018

Q2 2019

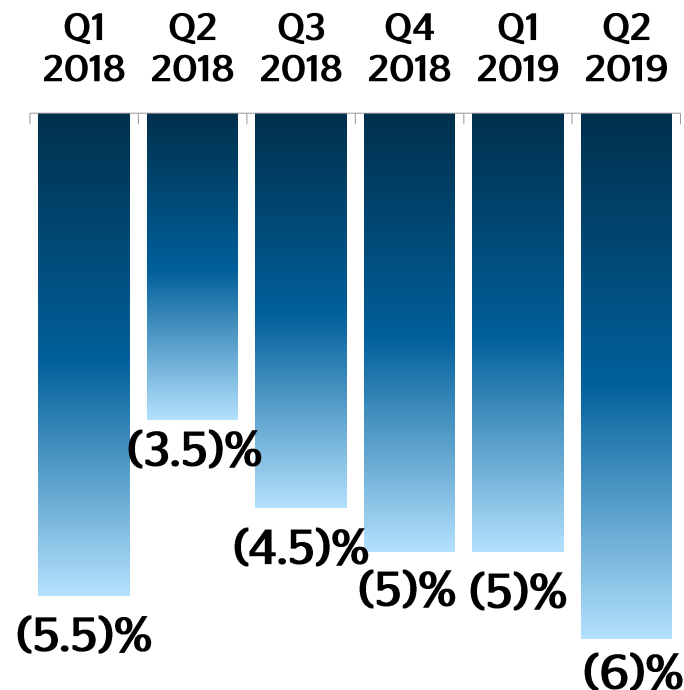
Source: ALCS CMI estimates

Cigarette Industry Decline Rate Estimates

Annual Estimates



Quarterly Estimates



H1 2019
(5.5)%

Source: ALCS CMI estimates - rounded to nearest 0.5%

Cigarette Industry Volume Decomposition Estimates

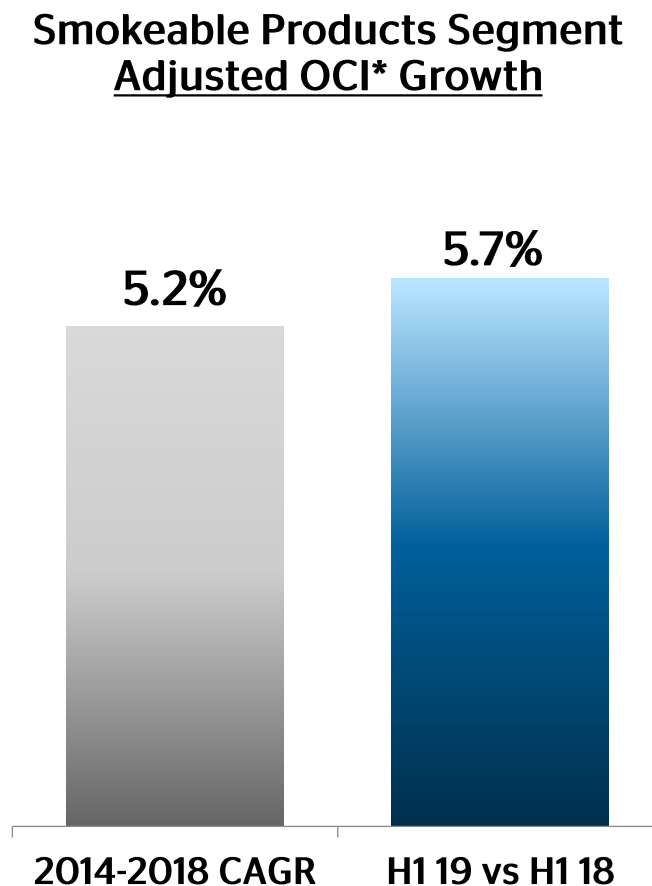
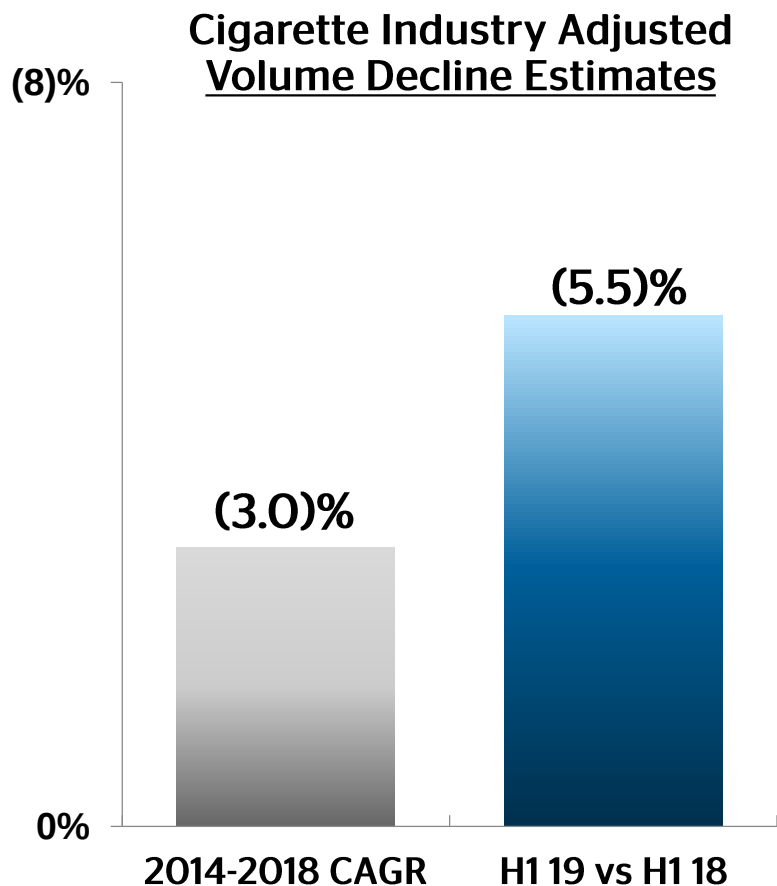
	Last 12 Months ending 3/31/19	Last 12 Months ending 6/30/19
Secular Decline Rate*	(2.5)%	(2.5)%
Additional Cross Category Movement (e-vapor & other)	(0.5)%	(1.3)%
Total Secular Decline Rate	(3.0)%	(3.8)%
Macroeconomic & Other Factors	(0.3)%	(0.1)%
Cigarette Price Elasticity	(1.2)%	(1.1)%
Estimated Industry Decline	(4.5)%	(5.0)%

We are revising our 2019 estimate of U.S. cigarette industry volume decline rate to 5% to 6%. For 2019 through 2023, we're expanding our estimated range for compounded average annual U.S. cigarette industry volume decline rate to 4% to 6%.

** Includes approximately 1% historical movement across tobacco categories*

Source: ALCS CMI estimates

Smokeable Products Segment Performance Over Time



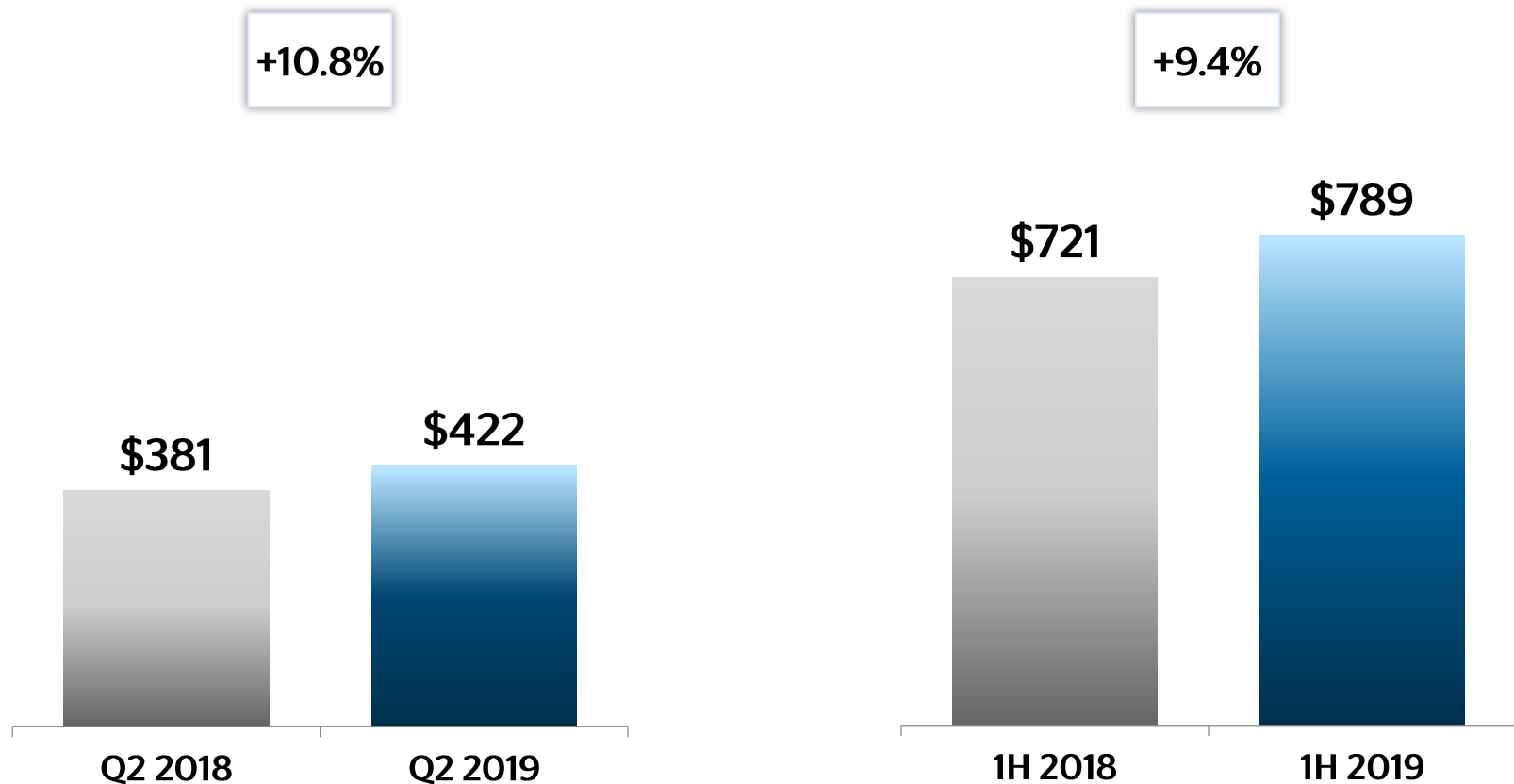
Source: ALCS CMI estimates - rounded to nearest 0.5%

* For reconciliations of non-GAAP to GAAP measures visit altria.com.

Note: 2014 reflects the January 1, 2018 adoption of Accounting Standards Update No: 2017-07, Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost

Smokeless Products Segment

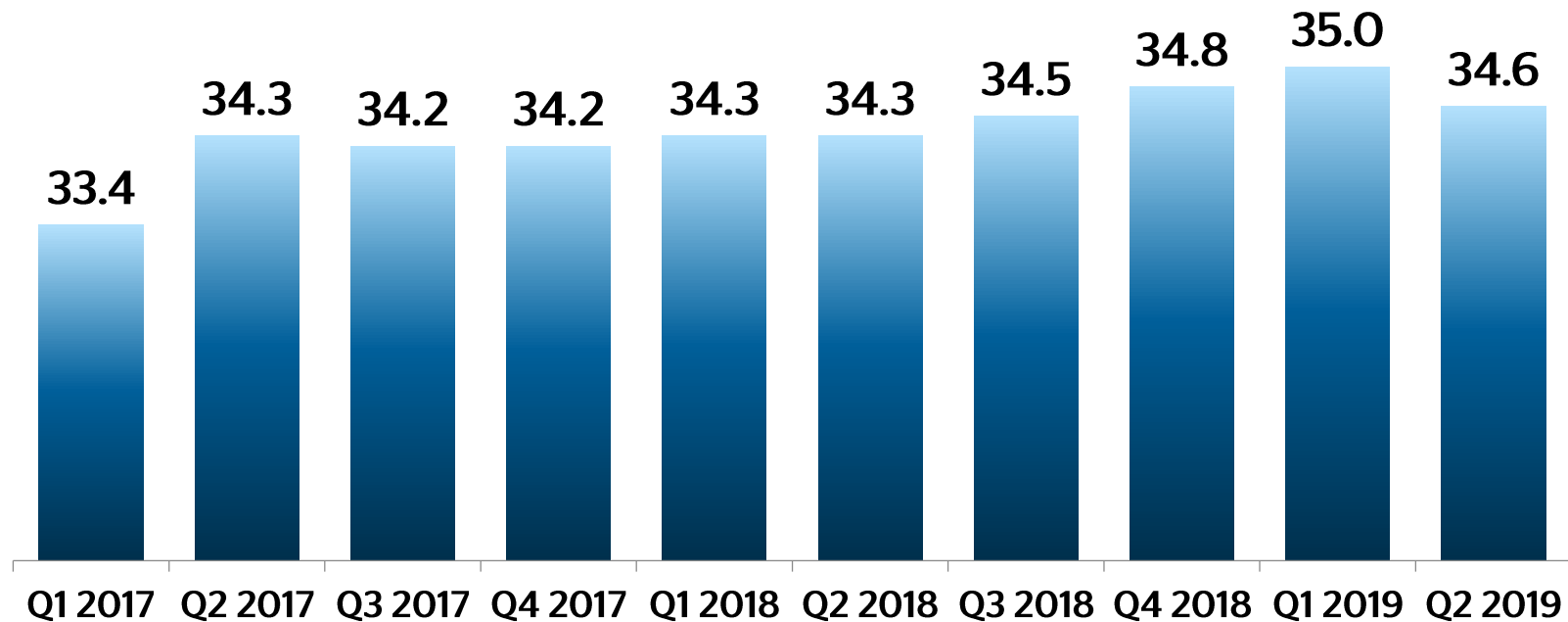
Adjusted OCI* (\$ in millions)



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Smokeless Products Segment

Copenhagen Retail Share



Source: IRI InfoScan Smokeless 2019, as of 6/30/19

on! Transaction

- Agreement to acquire 80% ownership of certain companies that commercialize *on!* oral nicotine pouches worldwide.
- *on!* offers a broad portfolio of 35 SKUs.
- Transaction expected to close in the second half of 2019.
- AGDC began expanding retail availability of *on!* in July through a distribution agreement.
- Upon closing, focus on expanding retail distribution and visibility, building U.S. production capacity, brand building and preparing PMTAs for the *on!* portfolio.

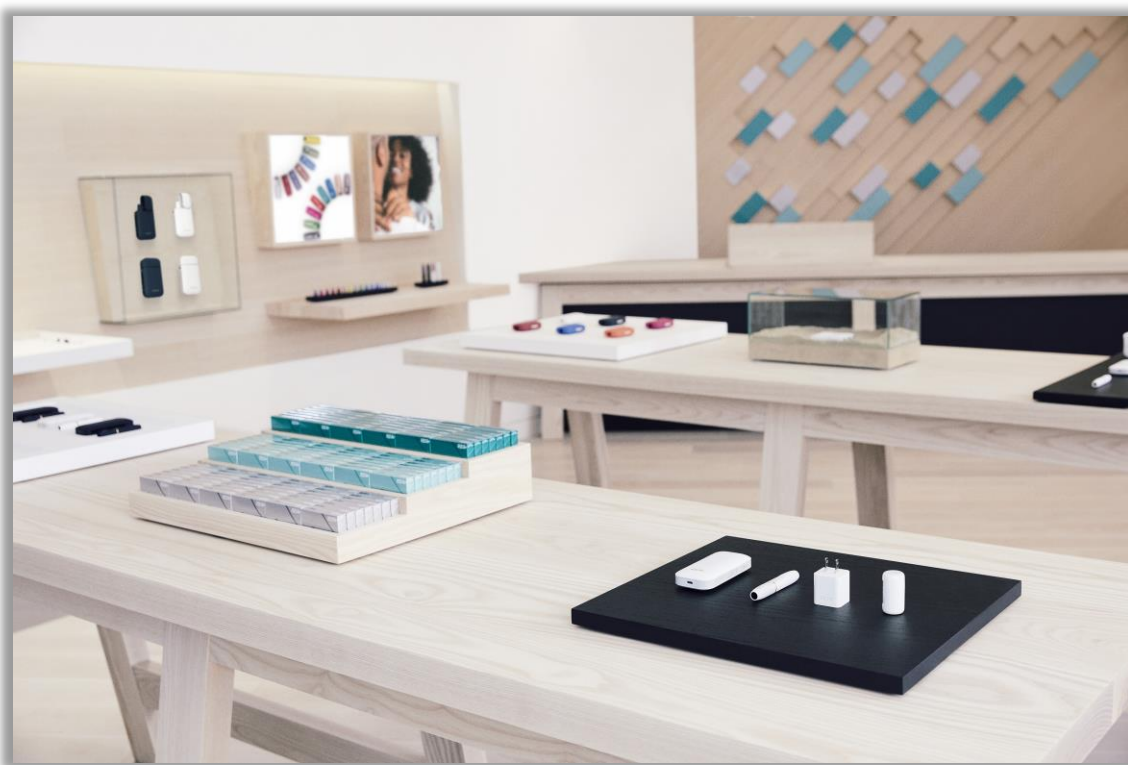


All-third party trademarks remain the property of their respective owners.

IQOS

FDA and Commercialization Plan Update

- First NGP to receive FDA pre-market authorization
- Expect the first IQOS store to open in Atlanta in September



All-third party trademarks remain the property of their respective owners.

IQOS Mobile Retail Unit



All-third party trademarks remain the property of their respective owners.

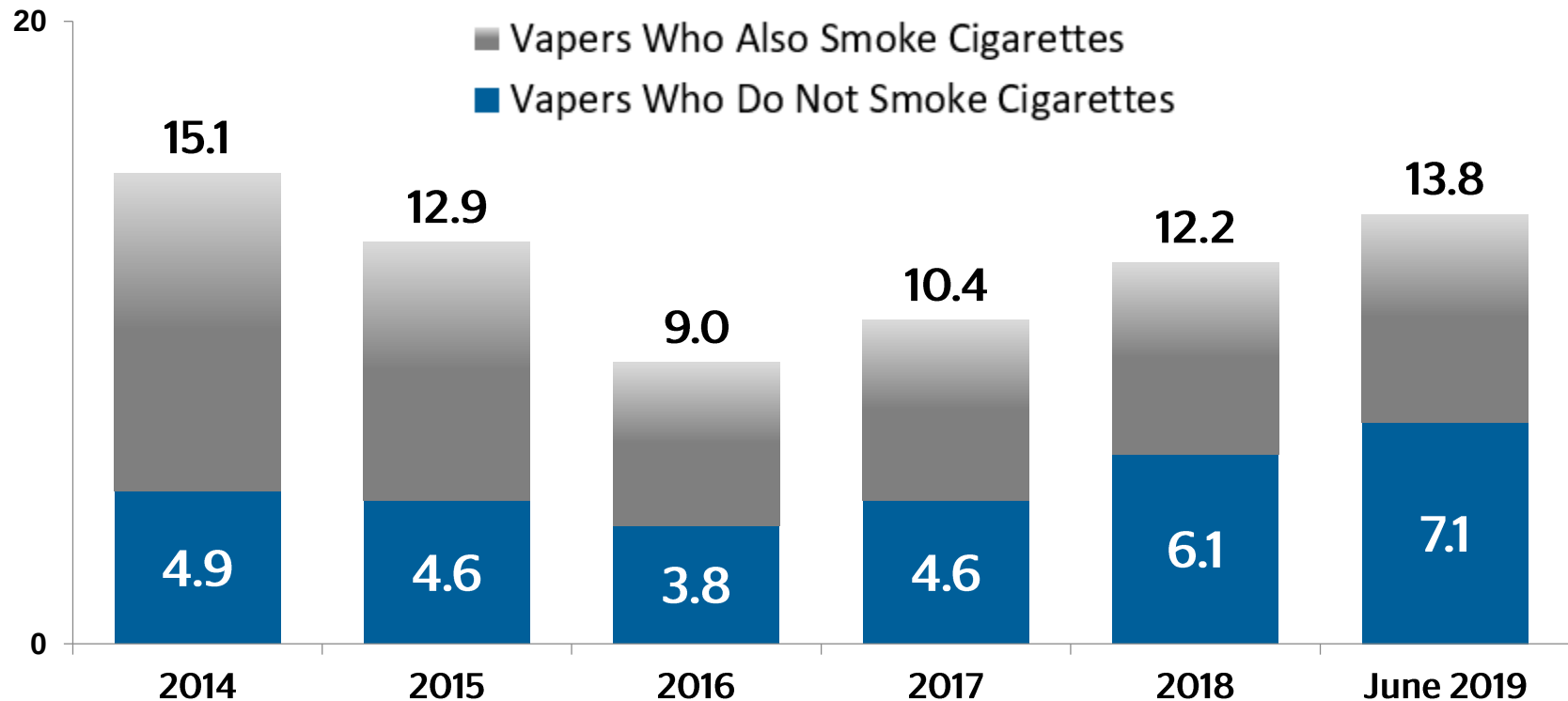


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E-Vapor Category Growth

Adult Vapers in Millions

Past 30-Day Usage, 12 Month Moving



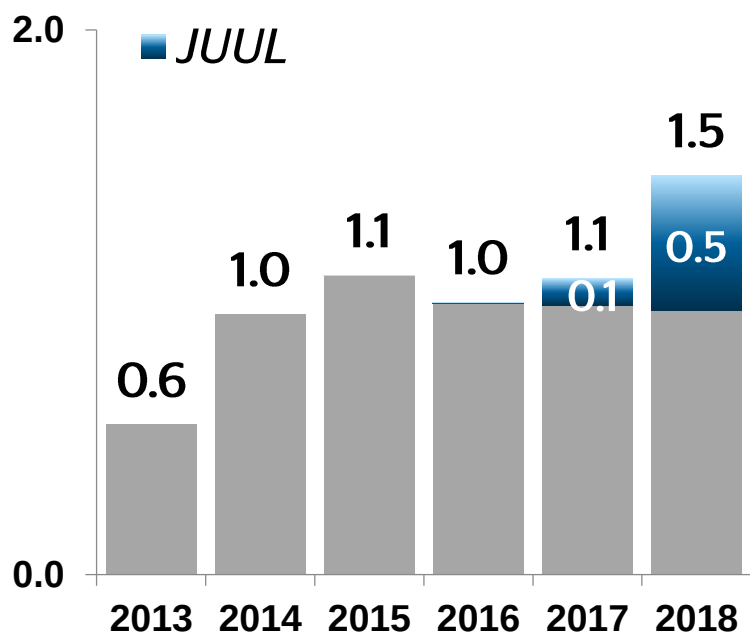
Source: ATCT Jul 2013 to June 2019

Note: LA+

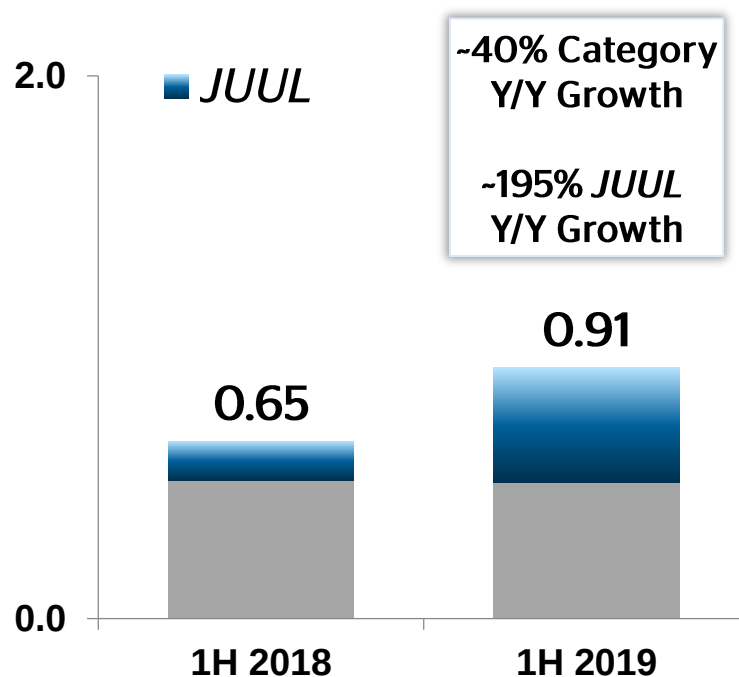
E-Vapor Category Growth

Estimated Equivalized Volume (in billions of EQ units)

Annual Estimates



Semi-Annual Estimates



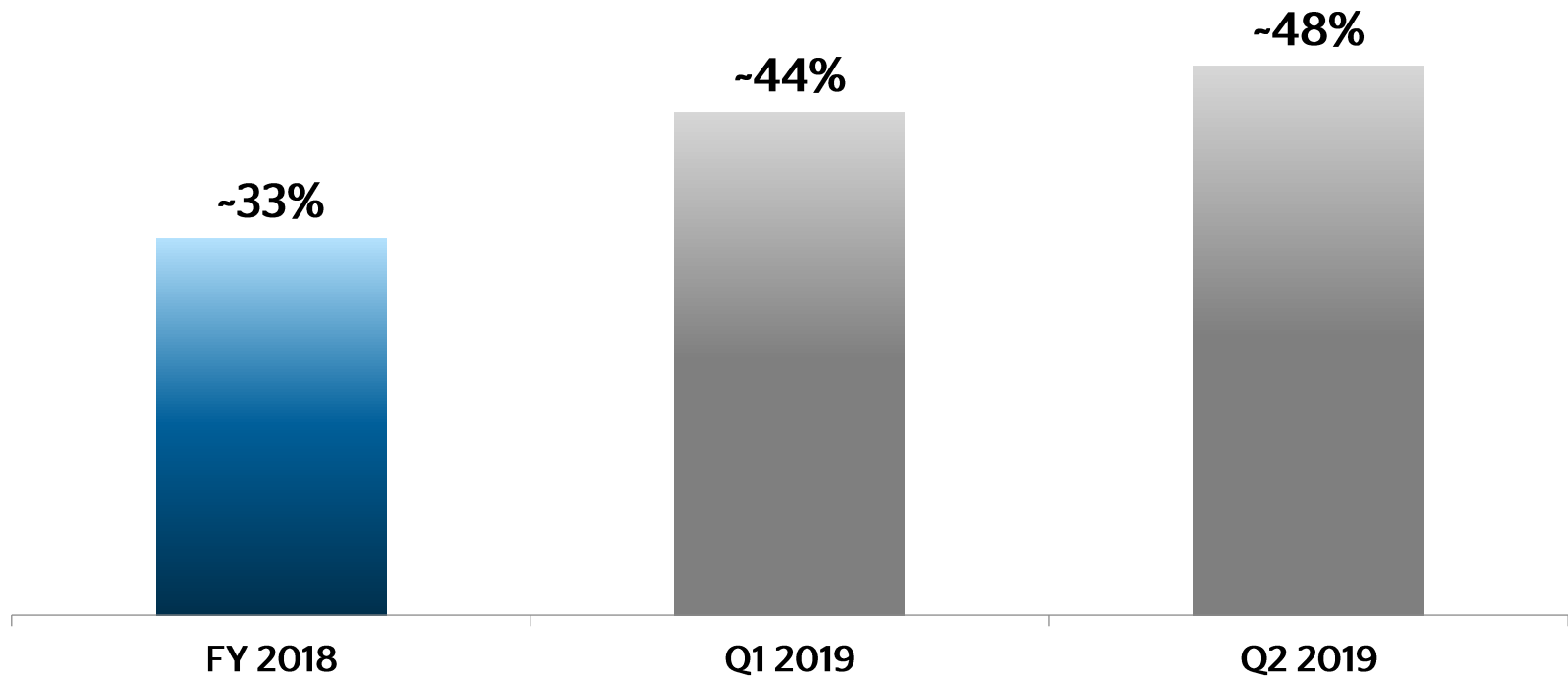
Since 2017, *JUUL* has driven nearly all of the E-Vapor category volume growth.

Source: ALCS CMI estimates based on: IRI MOC; STARS; Capstone; & comScore, ATCT.

Note: Volume equivalized to cartridges (1 disposable = 1 cartridge = 1mL e-liquid)

Q2 2019: *JUUL* E-Vapor Category Share

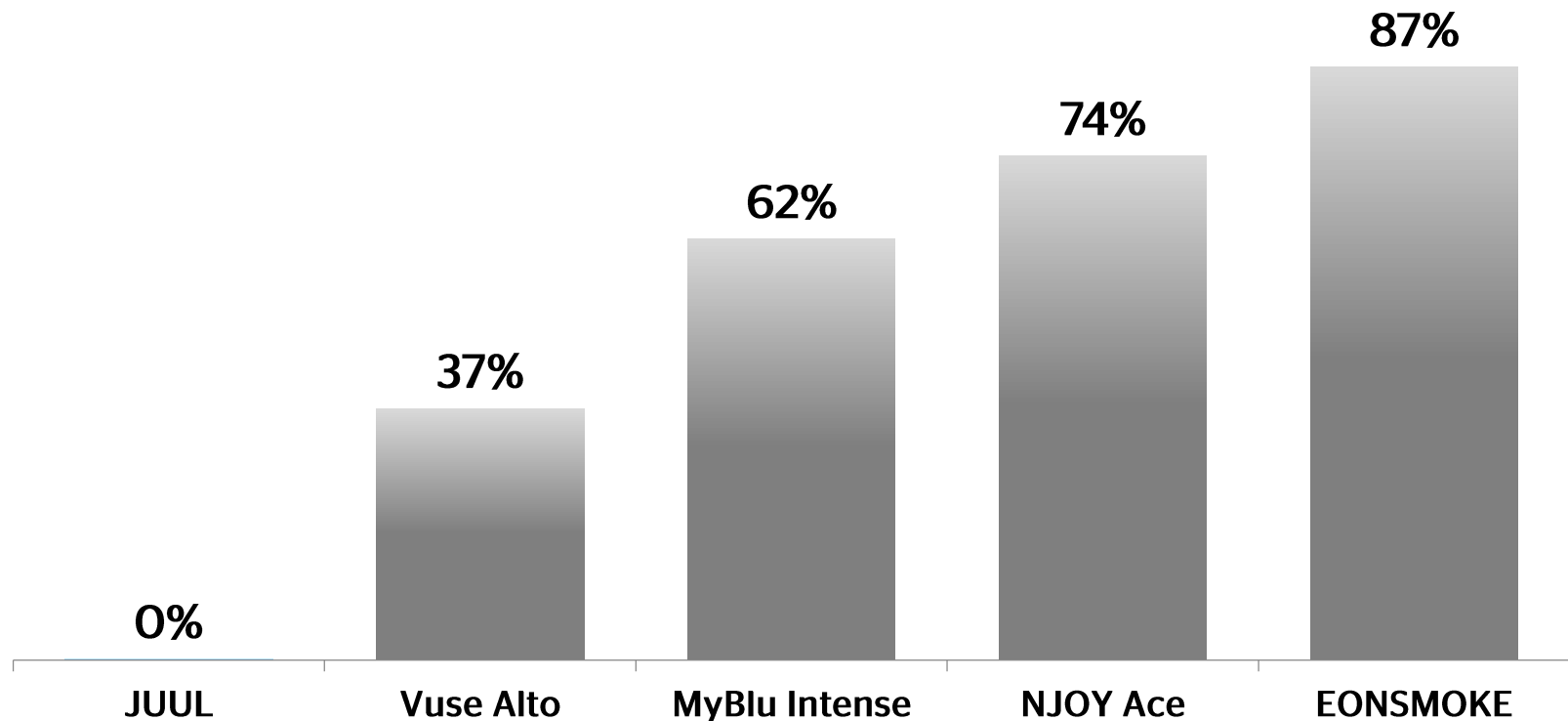
Across Open and Closed Systems and All Trade Channels



Source: ALCS CMI estimates based on: IRI MOC; STARS; Capstone; & comScore, ATCT.

Note: Share based on volume equivalized to cartridges (1 disposable = 1 cartridge = 1mL e-liquid), estimated category share is subject to revisions based on the latest available data.

E-Vapor Category Share Flavor % (excluding Tobacco, Menthol & Mint) of total Q2 2019 Cartridge Shipments to Retail

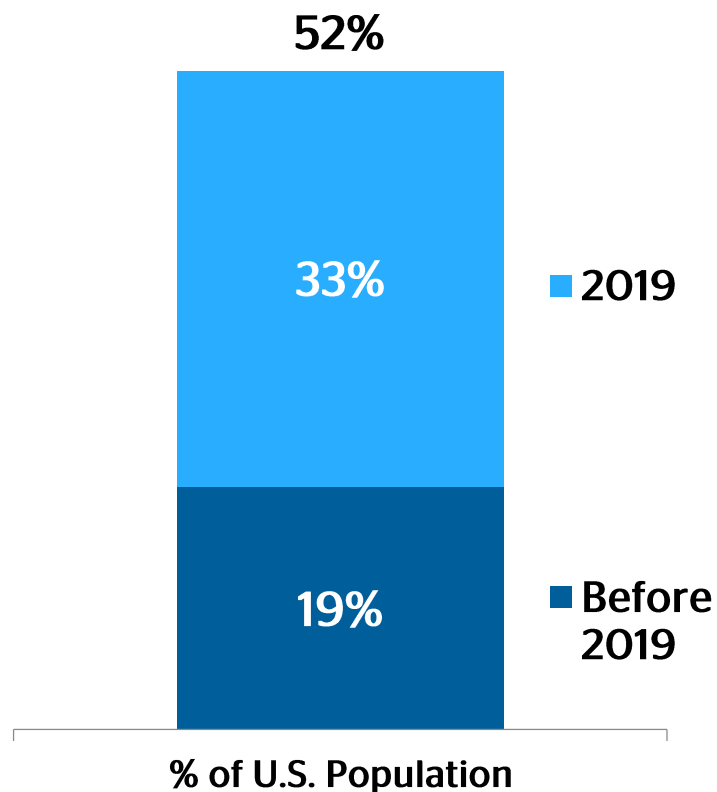


Source: MSAiSTARS as of 6/30/2019, rounded to the nearest percent
Data reflects cartridge/pod volume only (excludes products kits, disposals, tanks & e-liquids.)

JUUL's International Expansion and Portfolio

- JUUL recently expanded into new markets including:
 - Canada
 - France
 - Germany
 - Israel
 - Italy
 - Russia
 - Spain
 - Switzerland
 - United Kingdom
 - Ireland
 - South Korea
 - Austria
 - Philippines

Percentage of U.S. Population with a Legal Age of Purchase 21 Law



Bipartisan federal legislation has been introduced to raise the legal age to purchase tobacco to 21.

Regulatory Update

- In July, a federal court in Maryland revised PMTA deadlines for new tobacco products on the market as of August 8, 2016 to May 2020.
- According to the court order, new products for which applications have not been filed within this period will be subject to FDA enforcement discretion.
- We expect the new timelines to present a challenge for all companies impacted by the court's ruling.
- JUUL is investing significant resources necessary to comply with the new deadline.
- ALCS is offering regulatory consulting services.

Q2 2019 Summary and Guidance

- Our 2019 plans are on-track.
 - Industry is changing rapidly as adult consumers adopt new products with the potential for lower risk.
 - First-half dynamics validate our long-standing strategy to support FDA regulation and invest in a leading portfolio of non-combustible products.
 - Our strong core businesses are well-positioned to deliver profit growth through this transition.
- We believe we're building a business platform that enhances our ability to deliver for shareholders over time under a variety of future scenarios.

We reaffirm our guidance to deliver full-year 2019 adjusted diluted earnings per share of \$4.15 to \$4.27. This range represents a growth rate of 4% to 7% from a 2018 adjusted diluted EPS base of \$3.99*.

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