

Altria's Second-Quarter 2021 Earnings Conference Call

July 29, 2021



Altria

— FAMILY OF COMPANIES —

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, 2020, 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.

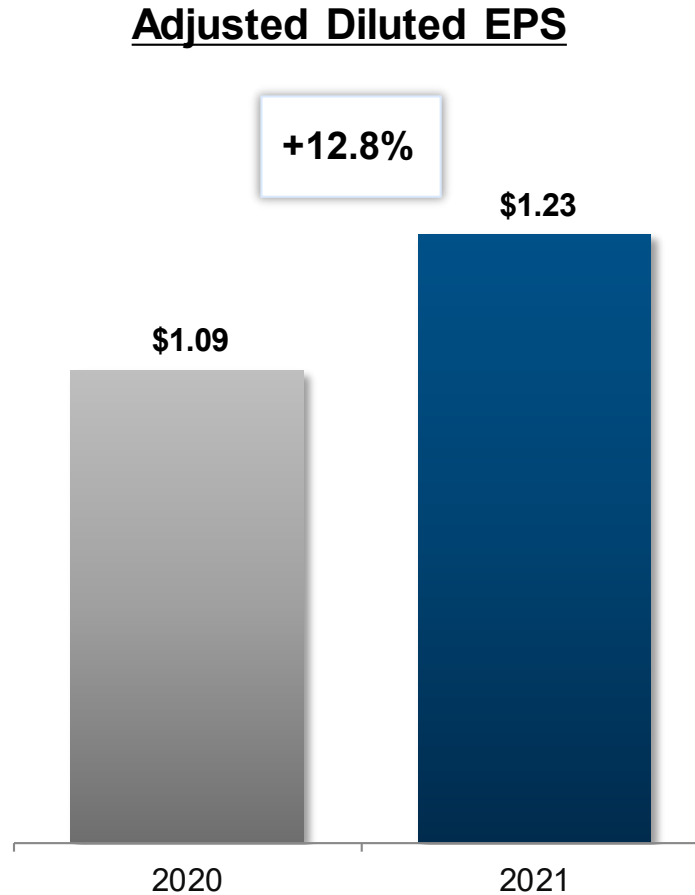


Moving Beyond Smoking™

**Responsibly lead the transition
of adult smokers to a
smoke-free* future**

*Previous Vision language: Responsibly lead the transition of adult smokers to a non-combustible future

Q2 2021: Adjusted Diluted Earnings Per Share*



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

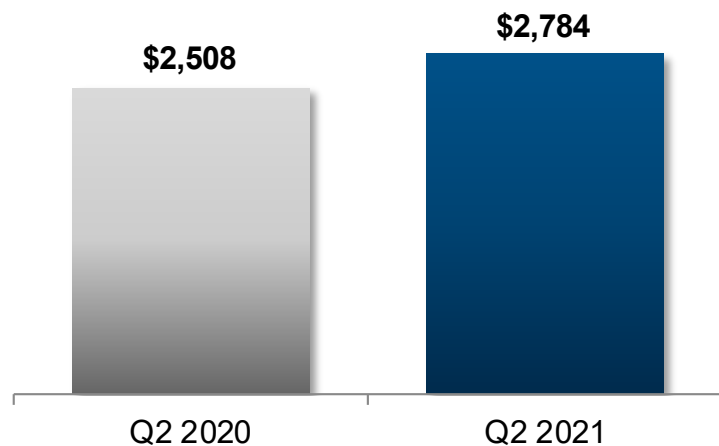
Smokeable Products Segment

Adjusted Operating Companies Income* (OCI)

Adjusted OCI

(\$ in millions)

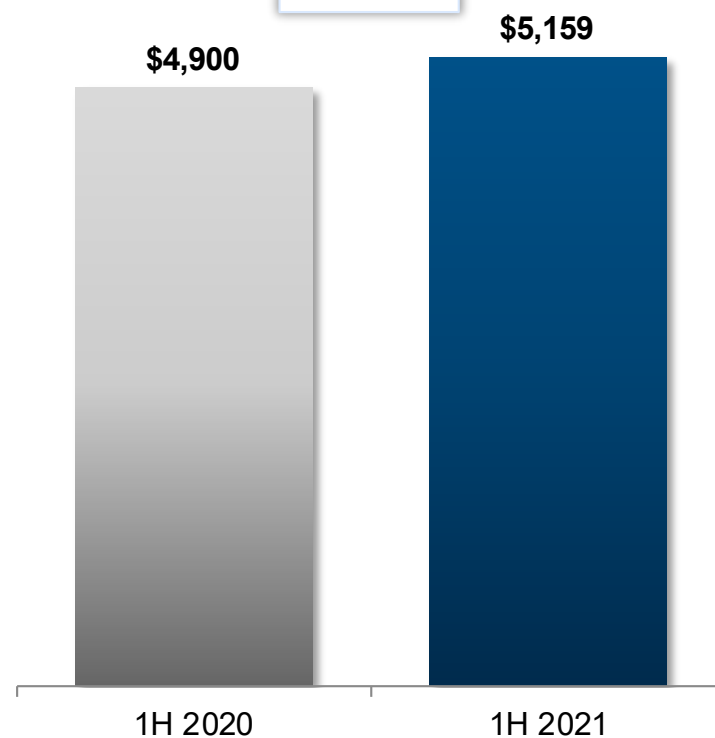
+11.0%



Adjusted OCI

(\$ in millions)

+5.3%



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

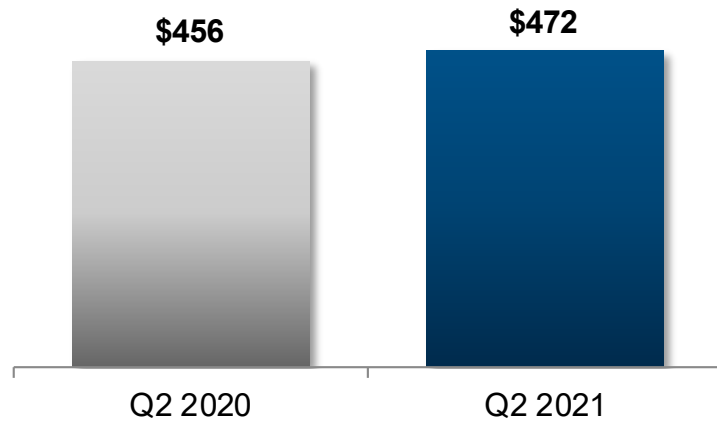
Oral Tobacco Products Segment

*Adjusted OCI**

Adjusted OCI

(\$ in millions)

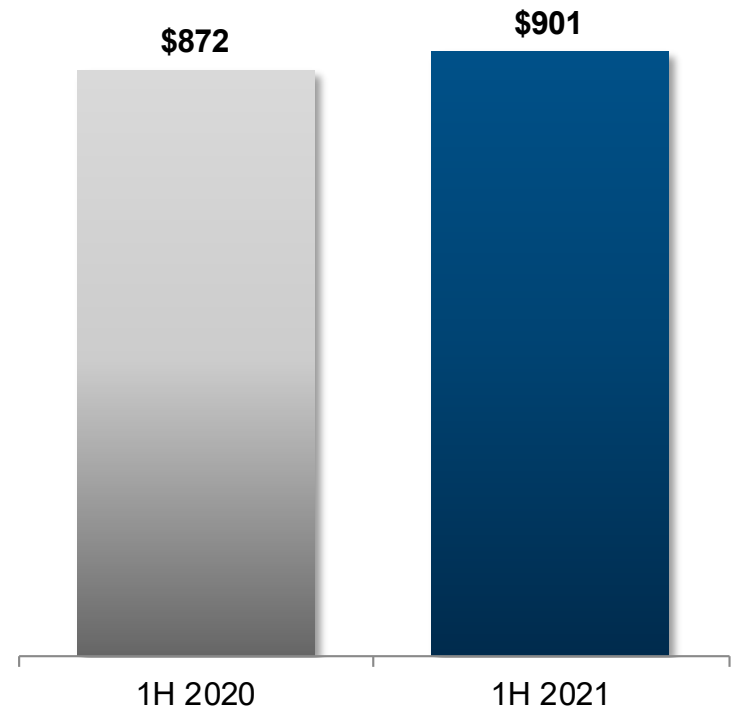
+3.5%



Adjusted OCI

(\$ in millions)

+3.3%



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Unconstrained *on!* Manufacturing Capacity

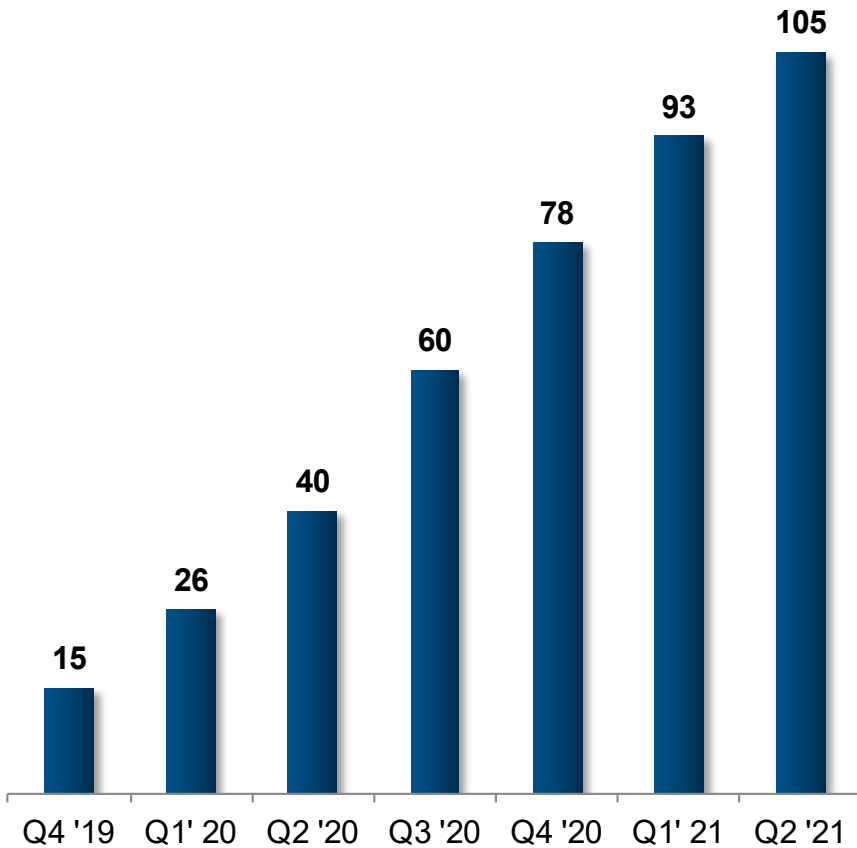


- Helix achieved unconstrained manufacturing capacity for the current U.S. market
- As the category grows, Helix plans to further increase *on!* capacity ahead of expected demand

on! Performance

Retail Store Count

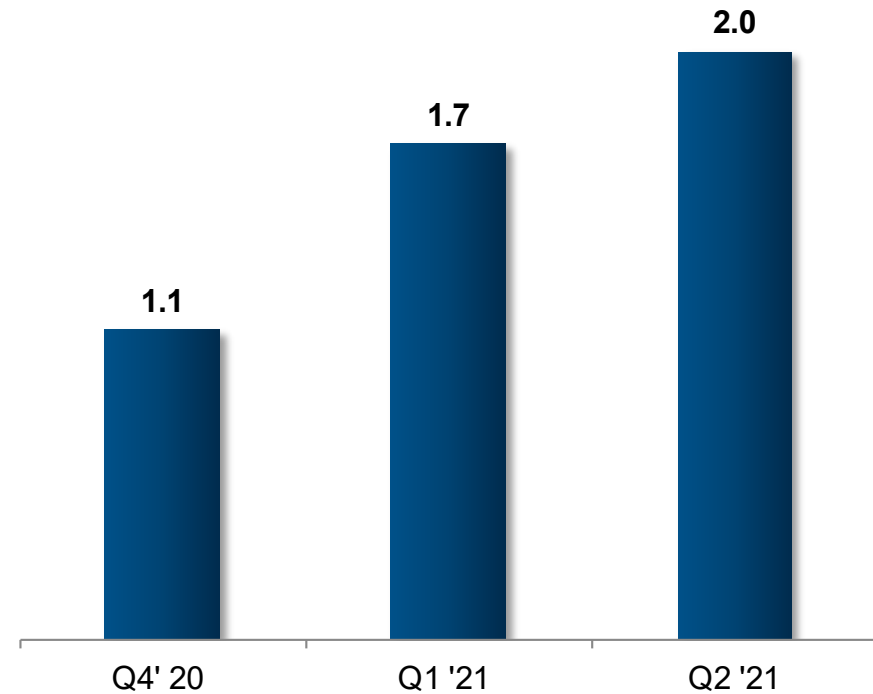
(in thousands)



Source: STARS week ending 07/04/2021

Share of Oral Tobacco Category

(total U.S.)



Source: IRI InfoScan Oral Tobacco MOC, week ending 07/04/2021

Building *on!* Brand Awareness and Trial

Adult Smoker

Ready for no ash
and no lingering odor?



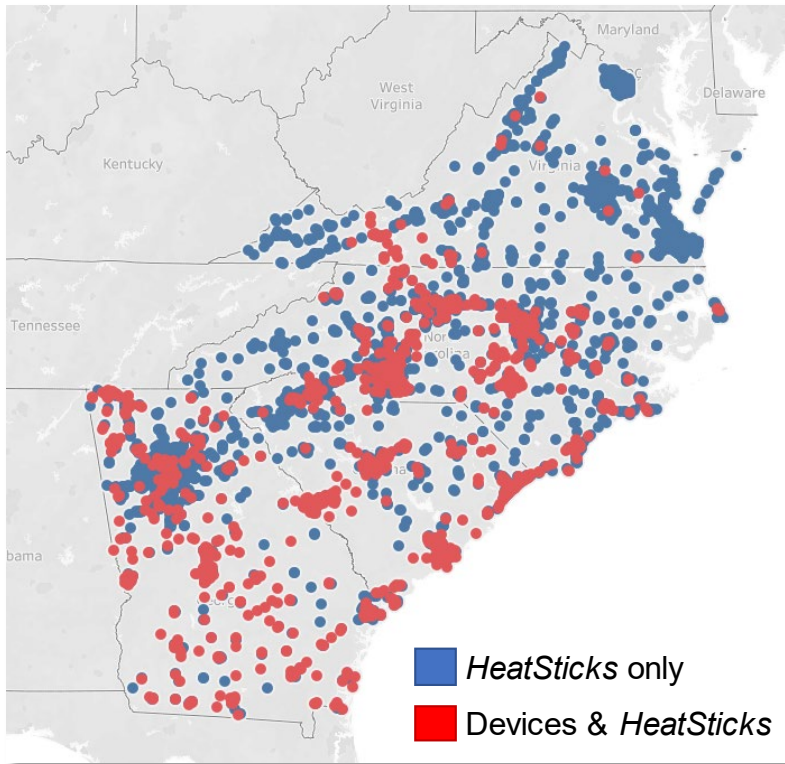
Adult Dipper

Now you can enjoy
everything you love
about dip
minus the spit.



IQOS Expansion Performance

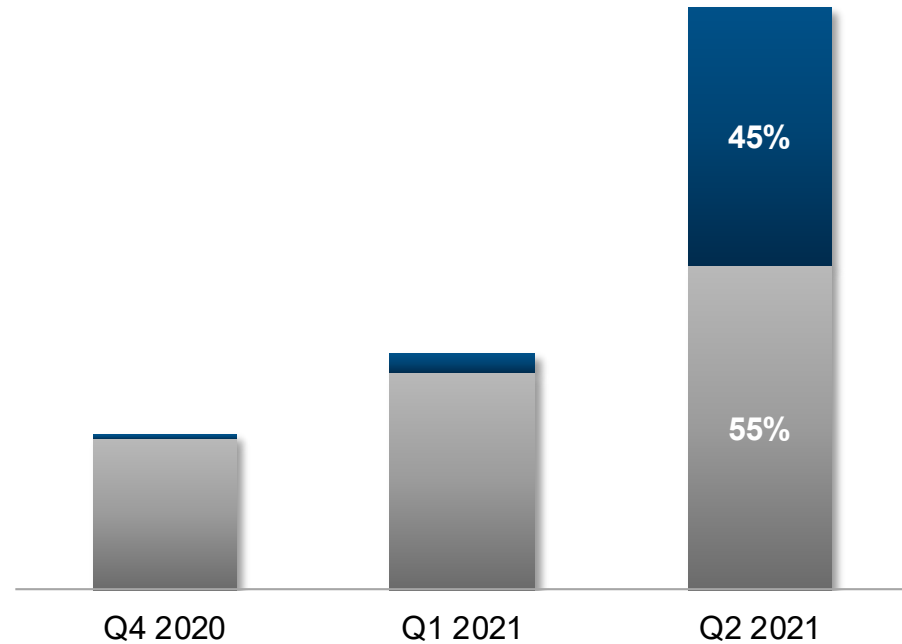
GA, VA, NC & SC



IQOS Device Sales

GA, VA, NC, SC + All Metro Areas

■ Flexible Retail + Boutiques ■ Convenience



All-third party trademarks remain the property of their respective owners.
Source: STARS data through WE 7/3/21.

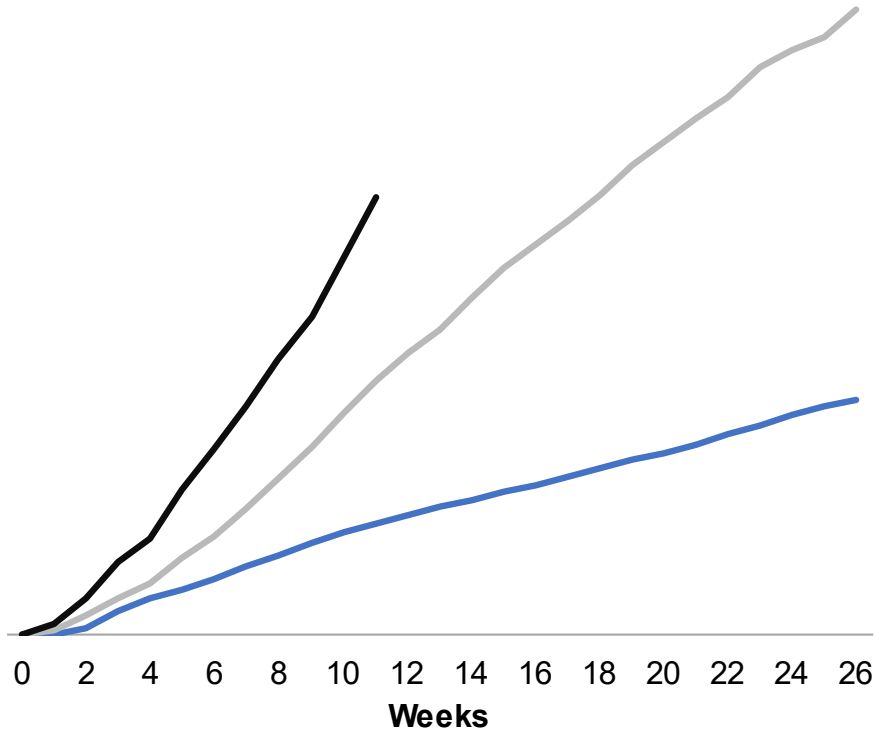
Source: POS Scan data through WE 7/3/21. CEA data through WE 7/3/21.

IQOS Expansion Performance

Northern Virginia Market

IQOS Device Penetration %

— ATL — CLT — NoVA

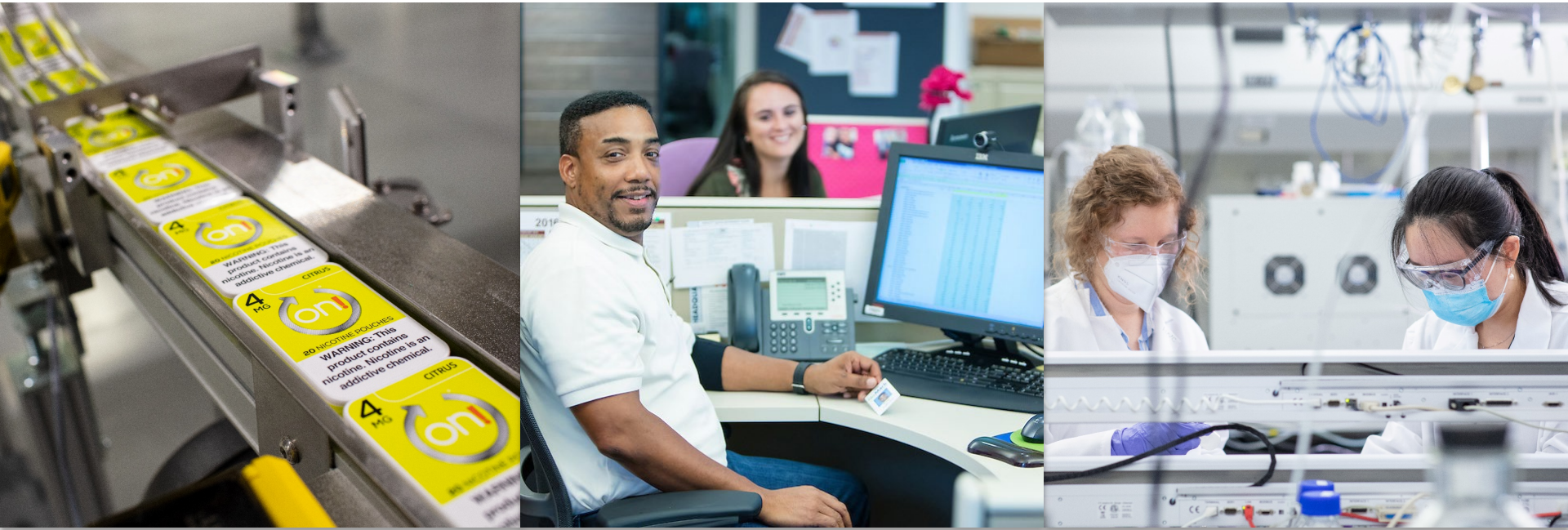


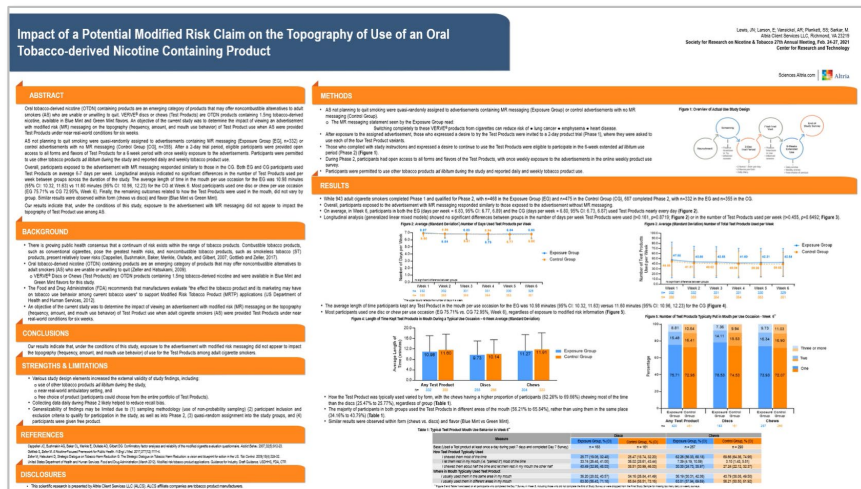
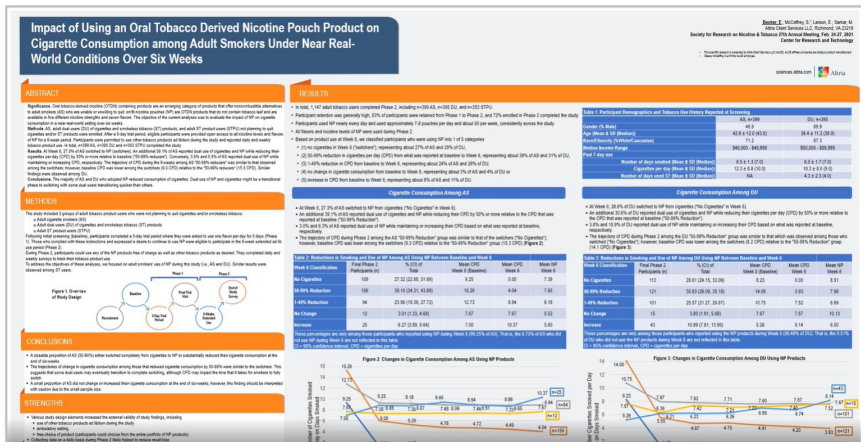
IQOS Boutique, Northern Virginia

All-third party trademarks remain the property of their respective owners.
Source: POS Scan data through WE 7/3/21. CEA data through WE 7/3/21.

Device Penetration = Number of devices sold as a percentage of adult smoker population

Strengthening Capabilities in Support of Our Vision





Dr. Maria Gogova, Altria Chief Scientific Officer

2021 Adjusted Diluted EPS* Guidance

We've raised the lower end of our full-year 2021 adjusted diluted EPS guidance to be in the range of \$4.56 to \$4.62. This range represents a growth rate of 4.5% to 6% from a \$4.36 base in 2020.

This updated guidance reflects:

- continued confidence in our tobacco business,
- investments in smoke-free products, and
- the estimated impact of the recently announced agreement to sell Ste. Michelle Wine Estates business

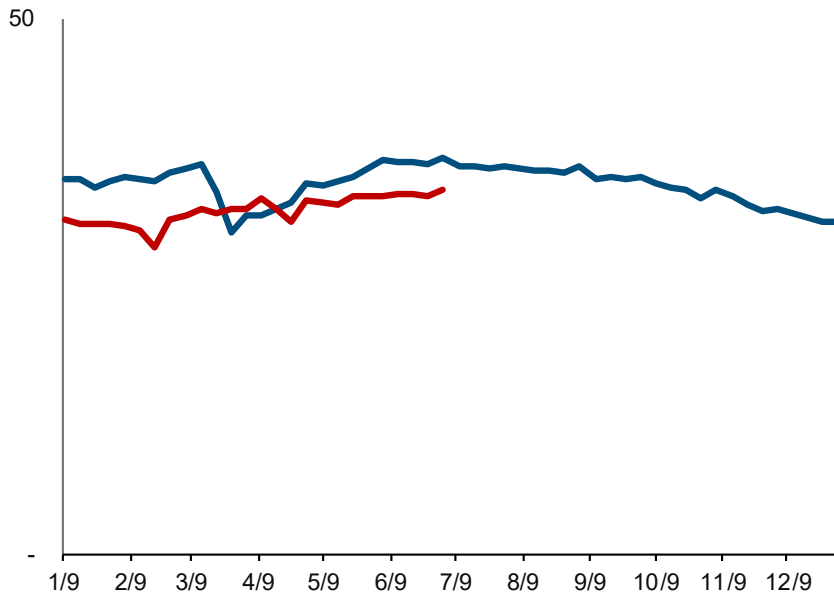
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Cigarette Trips and Volume Sales Trends¹

2020, 2021

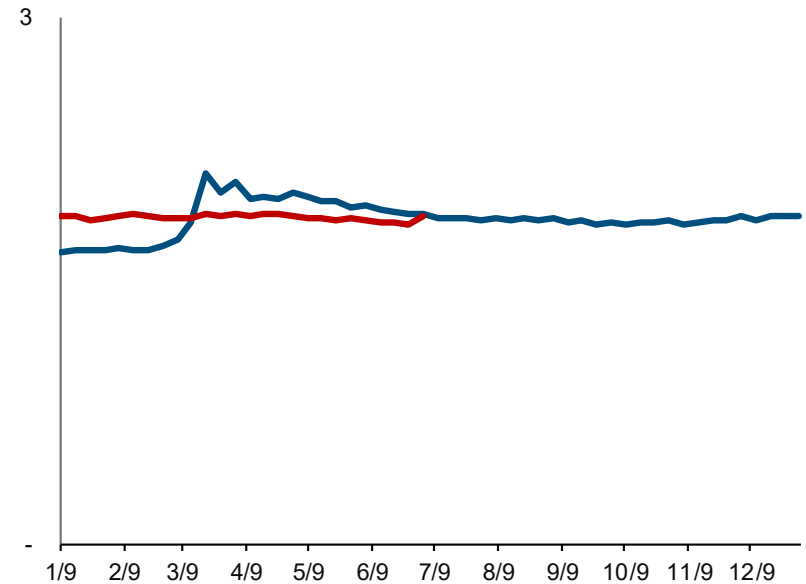
Total Trips

(in millions)



Volume Per Trip

(in packs)



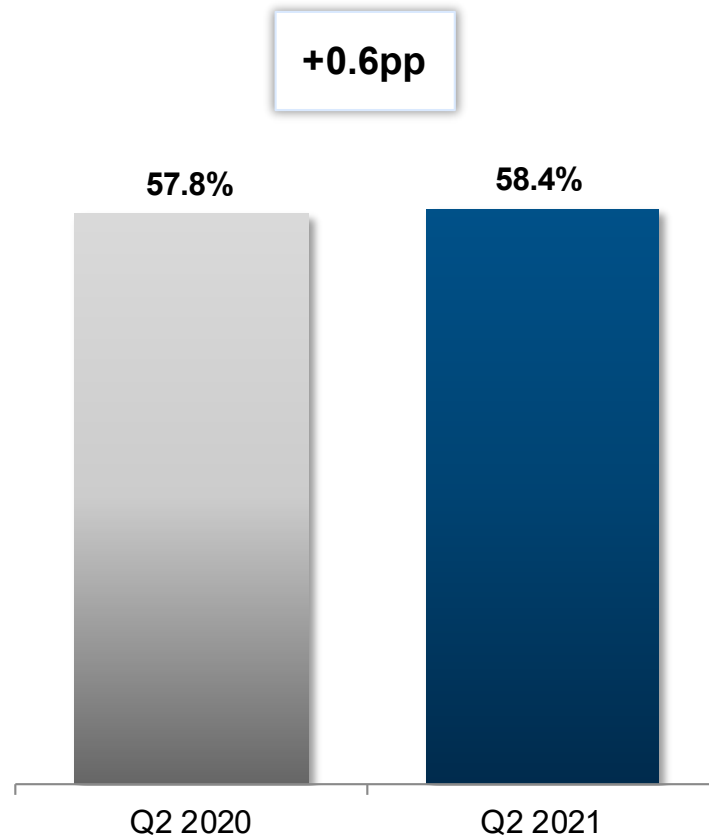
Source: Databricks POS Scan week ending 07.03.2021 as of 07.20.2021

¹ Store reporting Volume Sales for Cigs, Marlboro & AOM for all weeks 2019, 2020, 2021 (Stores Sample ~60K)

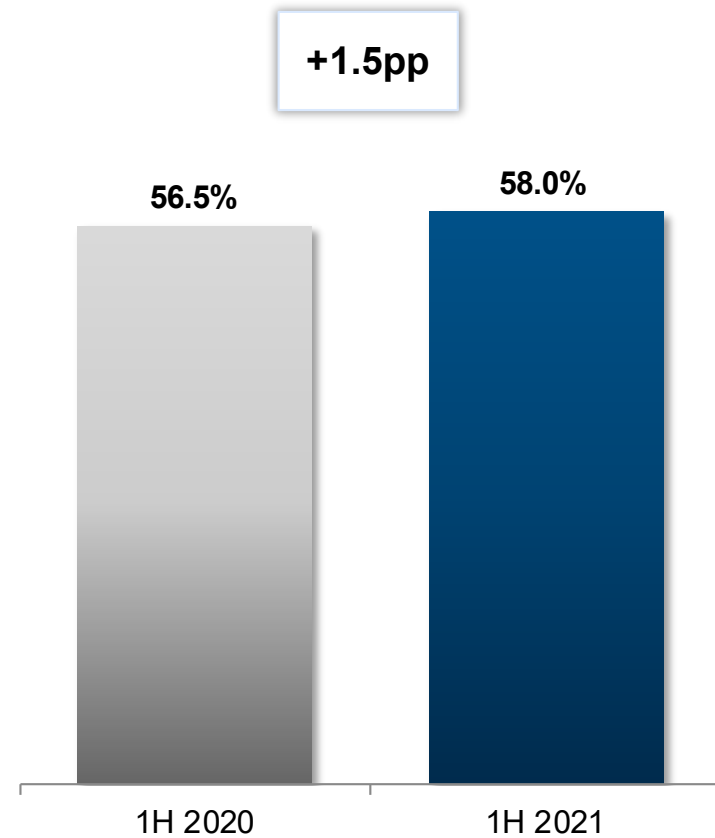
Smokeable Products Segment

*Adjusted OCI Margins**

Adjusted OCI Margins



Adjusted OCI Margins

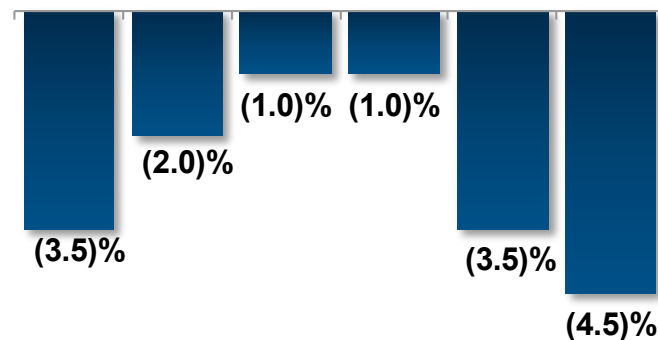


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Adjusted Cigarette Decline Rates

Smokeable Segment

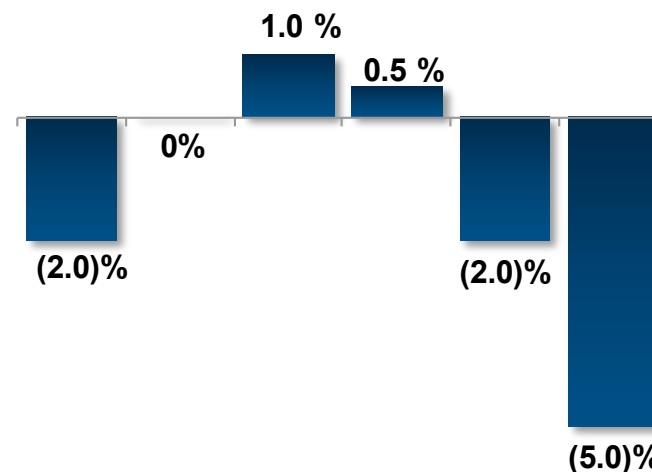
Q1 '20 Q2 '20 Q3 '20 Q4 '20 Q1 '21 Q2 '21



1H 2021 =
(4.0)%

Total Industry

Q1 '20 Q2 '20 Q3 '20 Q4 '20 Q1 '21 Q2 '21



1H 2021 =
(4.0)%

Source: AVI SCMI estimates – rounded to nearest 0.5%

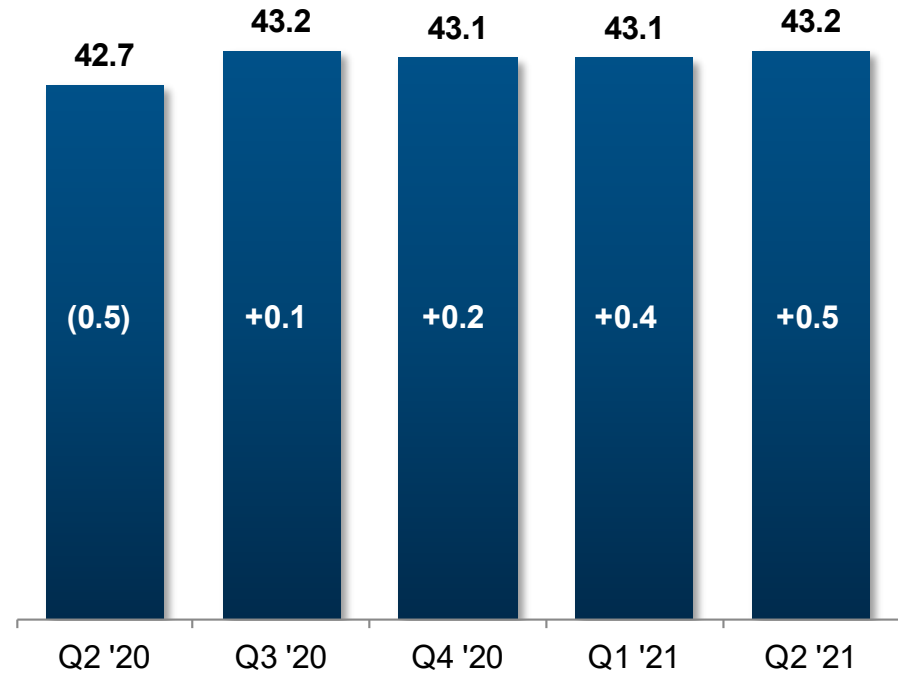
Note: Estimates are subject to revision due to wholesaler resubmission of inventory data

Smokeable Products Segment



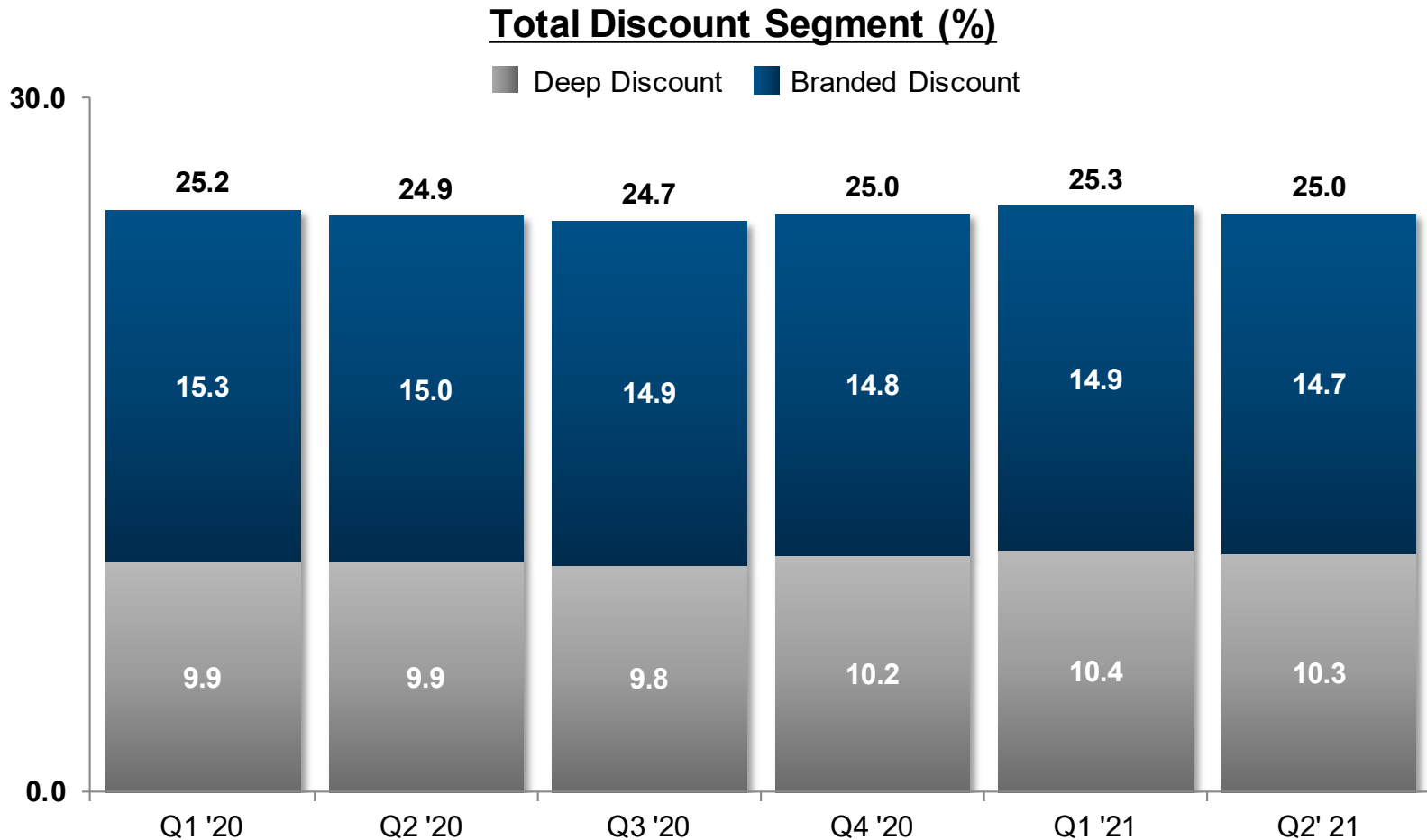
Marlboro Retail Share

Δ vs.
YAGO



Source: IRI/MSAi InfoScan Cigarette 2021 – Blended, week ending 07/04/21

Discount Segment Retail Share



Source: IRI/MSAi InfoScan Cigarette 2021 – Blended, week ending 07/04/21

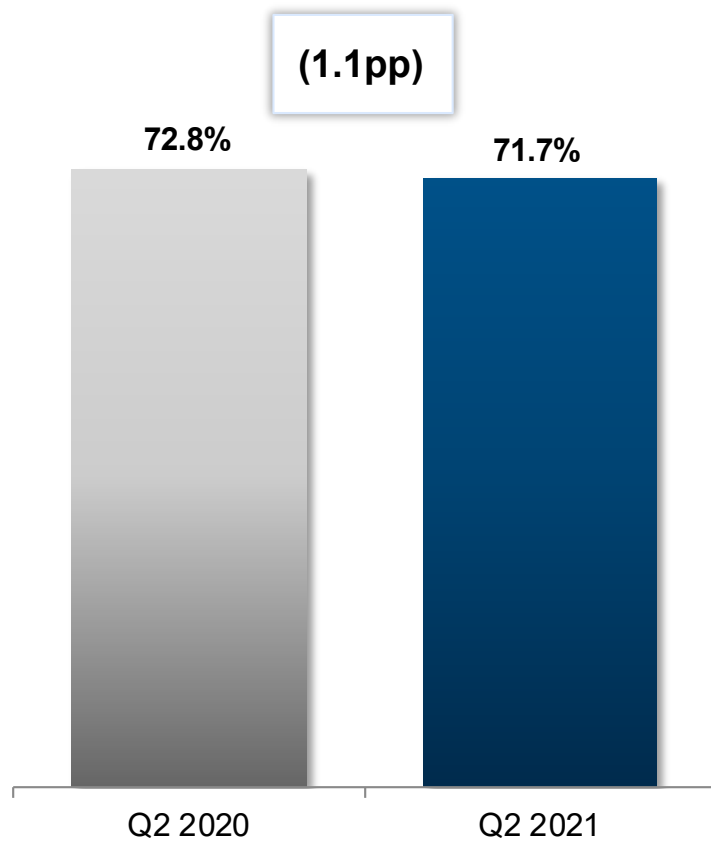
John Middleton Cigars



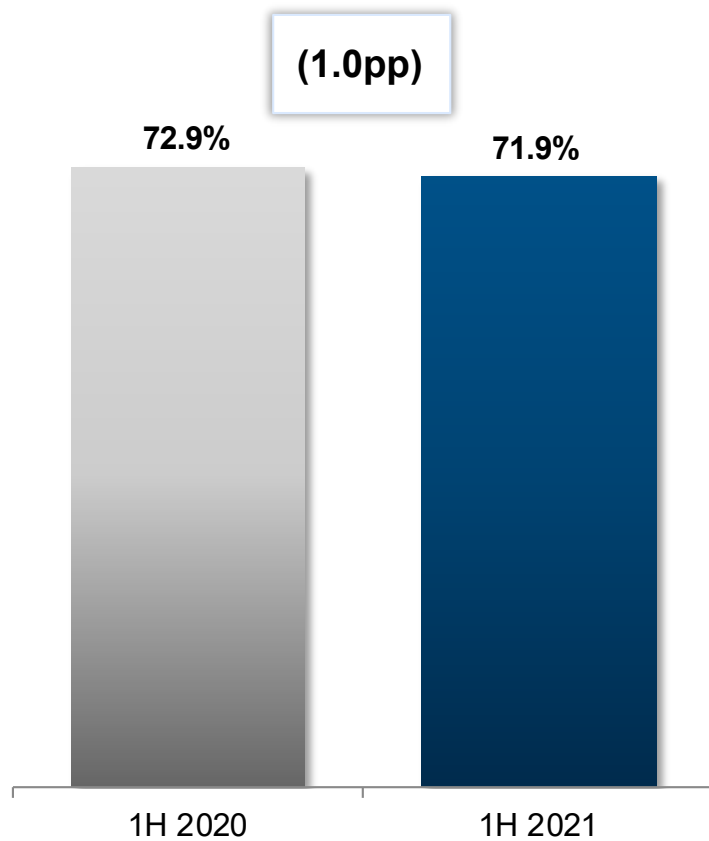
Oral Tobacco Products Segment

*Adjusted OCI Margins**

Adjusted OCI Margins

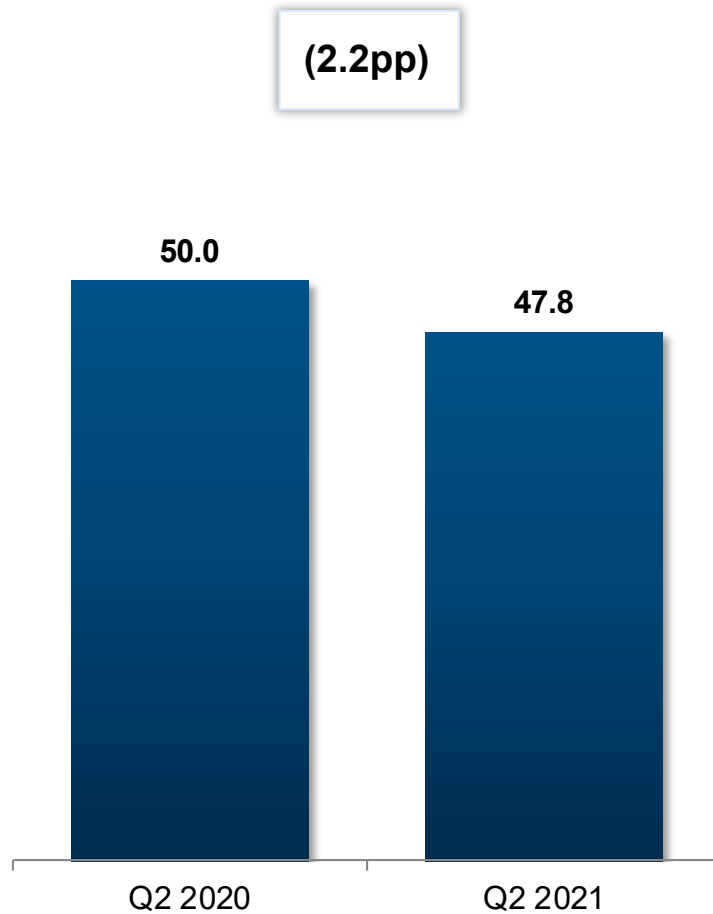


Adjusted OCI Margins



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Oral Tobacco Products Segment Retail Share

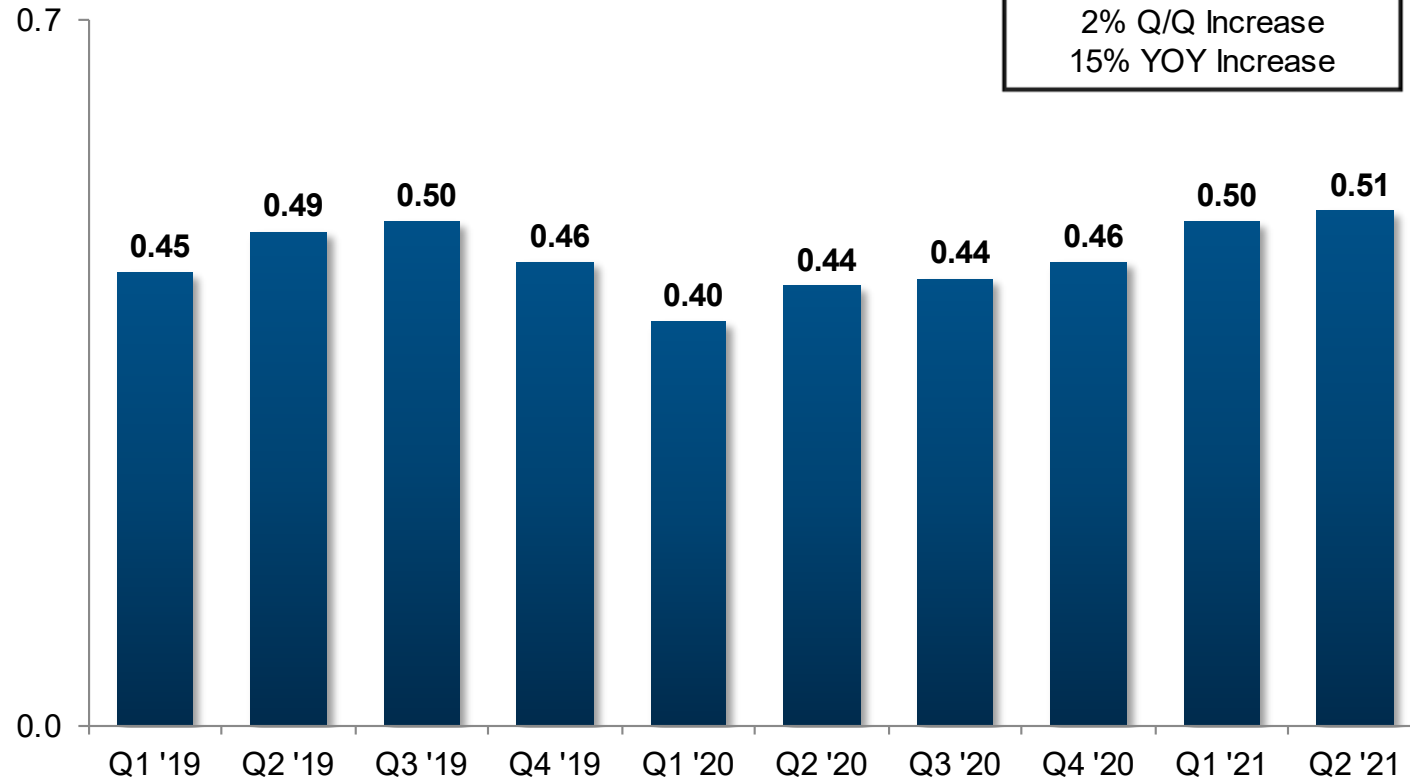


Source: IRI/MSAi InfoScan Oral Tobacco 2021 – MOC, week ending 07/04/21

E-Vapor Category Volume

Estimated Equivalized Volume (in billions of units)

Quarterly Estimates



Source: AVI SCMI estimates

Note: Share based on volume equivalized to cartridges (1 disposable = 1 cartridge = 1mL e-liquid) Estimated category volume and share are subject to revisions based on the latest available data

Our Alcohol Assets

ABInBev



STE MICHELLE

WINE ESTATES



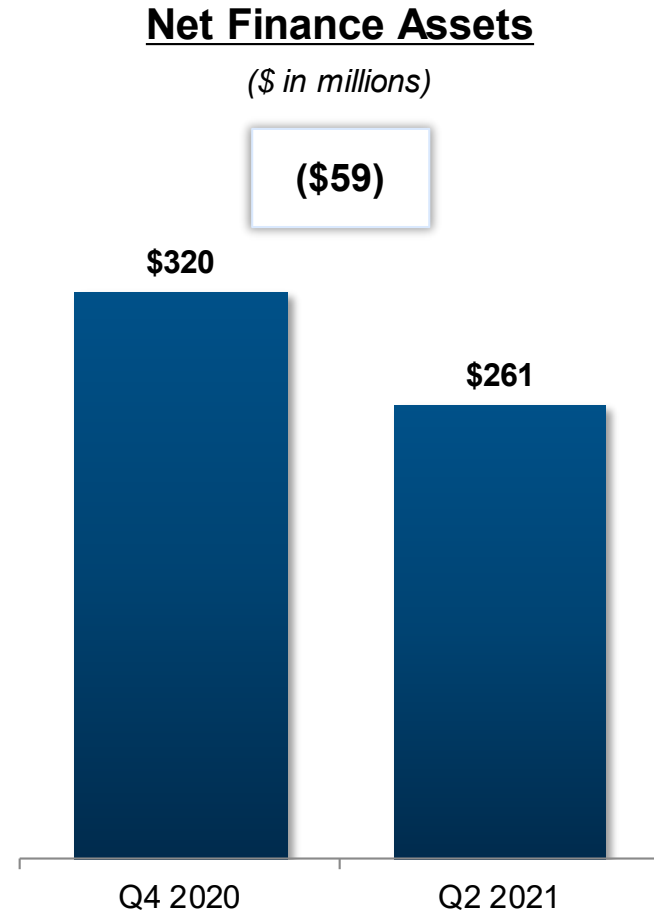
All-third party trademarks remain the property of their respective owners.

Ste. Michelle Wine Estates Transaction

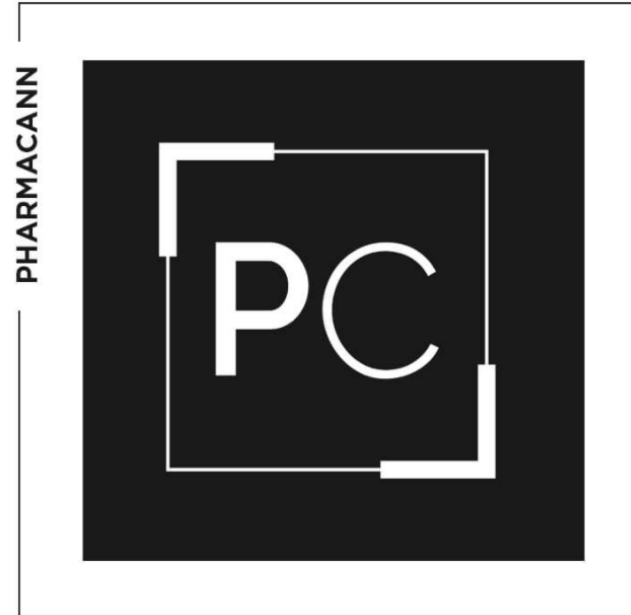


Philip Morris Capital Corporation (PMCC)

- We continue to make progress on our wind-down of PMCC
- We expect to continue reducing this balance in 2021 through rent and asset sales and expect to fully complete the PMCC wind-down by the end of 2022



Cronos Group Announces Strategic Investment in PharmaCann, a Leading U.S. Cannabis Company



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Capital Allocation

Balance Sheet

- Repaid \$1.5 billion of notes upon maturity
- Debt to EBITDA* was 2.3x as of the end of the second quarter

Dividends

- In the second quarter we paid \$1.6 billion in dividends
- We maintain our long-term objective of a dividend target payout ratio of approximately 80% of adjusted diluted EPS

Share Repurchases

- Repurchased 6.6 million shares totaling \$325 million in the second quarter
- \$1.35 billion remaining under the current \$2 billion share repurchase program. We expect to complete by June 30, 2022.
- Since the current repurchase program is limited to \$2 billion, additional share repurchases using the net proceeds from the sale of Ste. Michelle Wine Estates are subject to Board of Directors approval

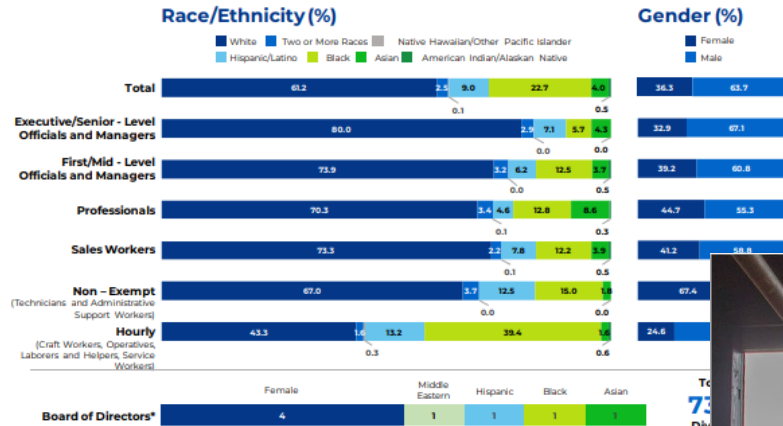
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Corporate Responsibility Reports

Available on www.altria.com

This is Altria's 2020 Consolidated EEO-1 report, which reflects data as of December 31, 2020. This report was filed in May 2021 but is not yet approved by the EEOC. This is inclusive of all of Altria's operating companies.*

Altria Workforce Representation by Job Category



Moving beyond smoking™



Altria