

Altria's Fourth-Quarter 2021 Earnings Conference Call

January 27, 2022



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, its Quarterly Report on Form 10-Q for the period ended September 30, 2021, 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.

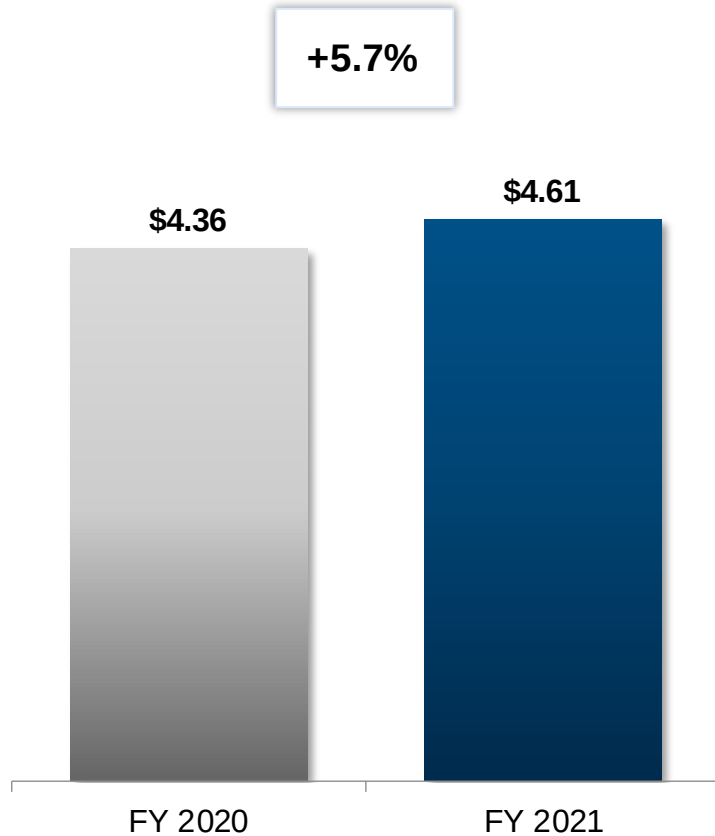


Moving Beyond Smoking™

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

Strong Earnings Growth & Cash Returns to Shareholders

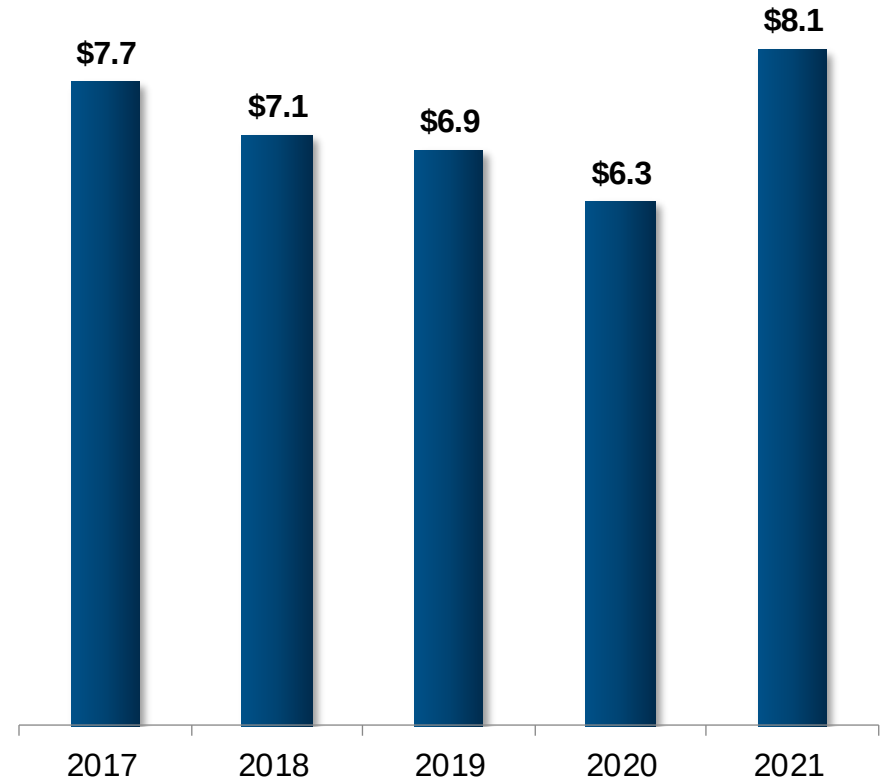
Adjusted Diluted Earnings Per Share*



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

Cash Returned to Shareholders

(\$ in billions)



\$36.1 Billion Returned Over the Past Five Years

2021 Progress Toward Our Vision

- Accelerating the retail share growth of *on!*
- Advancing the science, research and development behind our smoke-free products
- Advocating for tobacco harm reduction
- Making strides in establishing a best-in-class consumer engagement system



Moving in a new direction.

Moving beyond smoking™

Achievements Across Our Responsibility Focus Areas



Reducing Harm and Preventing Underage Use 2020-2021

Moving beyond smoking™

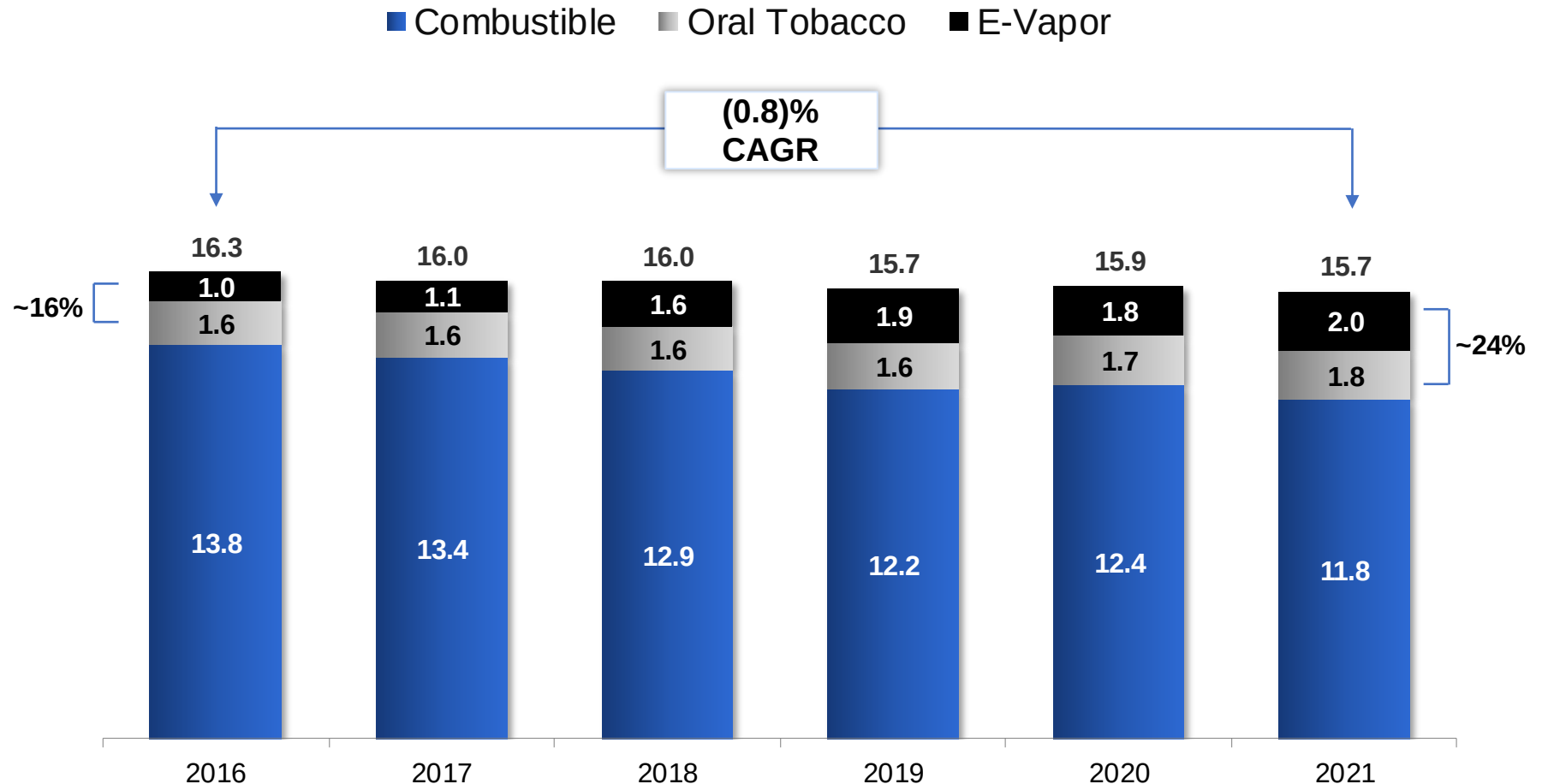


Corporate Responsibility Progress



Tobacco Space Estimated Volume

Equivalized Volume in Billions



Note: annual volume for Heated Tobacco products rounded to 0.0 for 2019 - 2021

Sources: AVI Strategy, Consumer & Marketplace Insights Estimates; IRI MOC; Capstone; ComScore; Merkle

For purposes of this theoretical analysis, the tobacco space may combine different product categories under a single descriptor. In this analysis, "Combustible" contains Cigarettes and Cigars, and "Oral Tobacco" contains Moist Smokeless Tobacco (MST), Snus and Oral Tobacco-Derived Nicotine Products (OTDN)

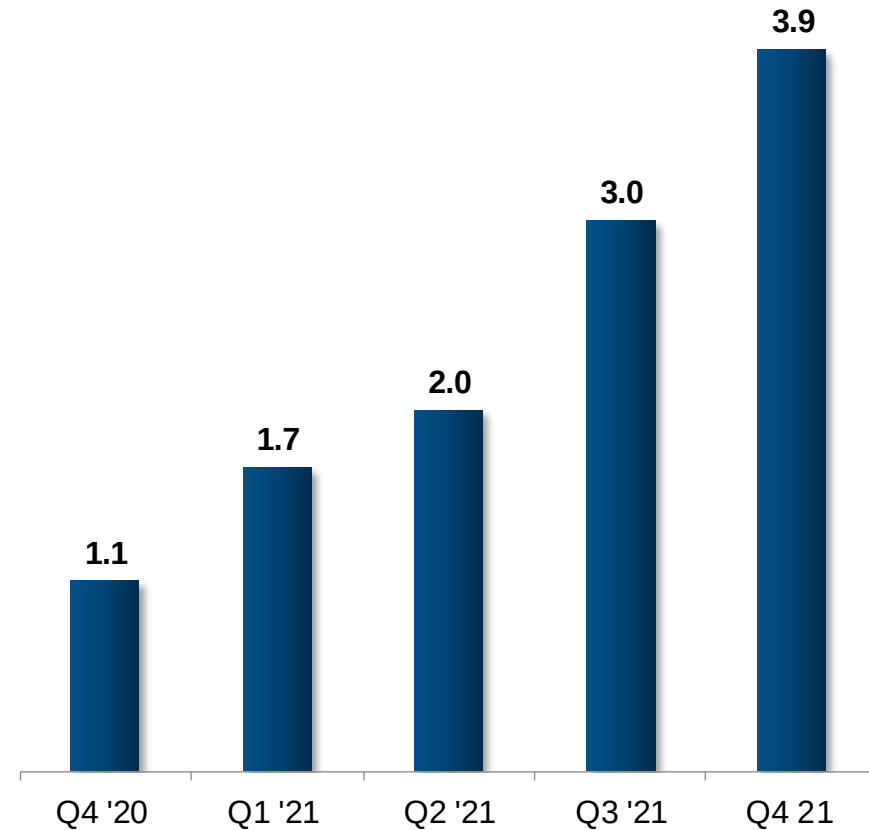
EQ Estimation – For purposes of this theoretical analysis the following are assumed to be equivalent: 1 pack of cigarettes = 1 can of MST/Snus/OTDN = 10 Cigars = 1 E-Vapor cartridge

Accelerating *on!* Retail Share Growth



on! Share of Oral Tobacco Category

(total U.S.)

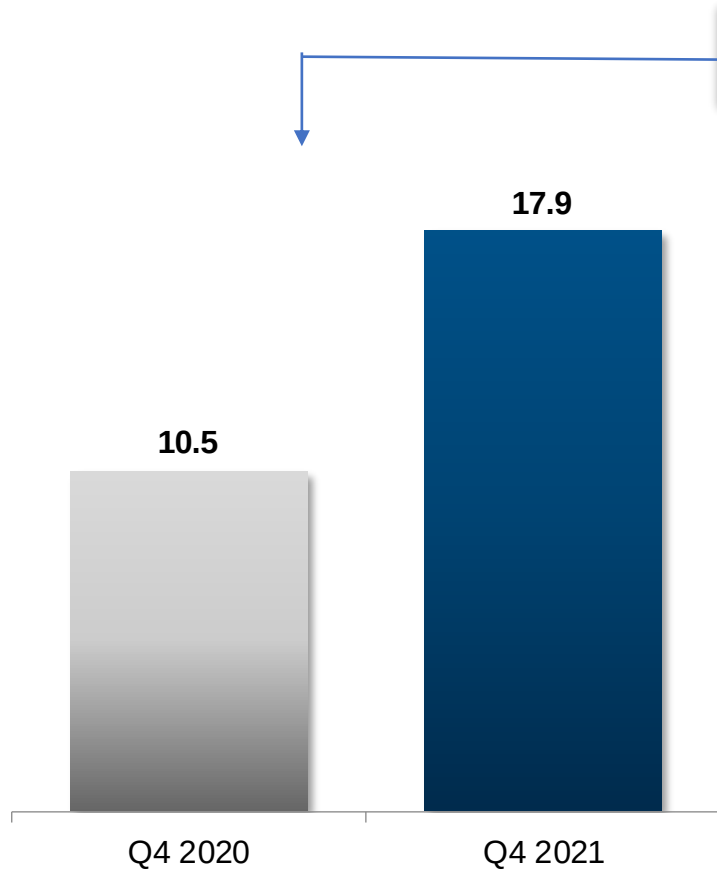


Source: IRI InfoScan Oral Tobacco MOC, WE 01/02/22

Oral Nicotine Pouch (ONP) Category Growth

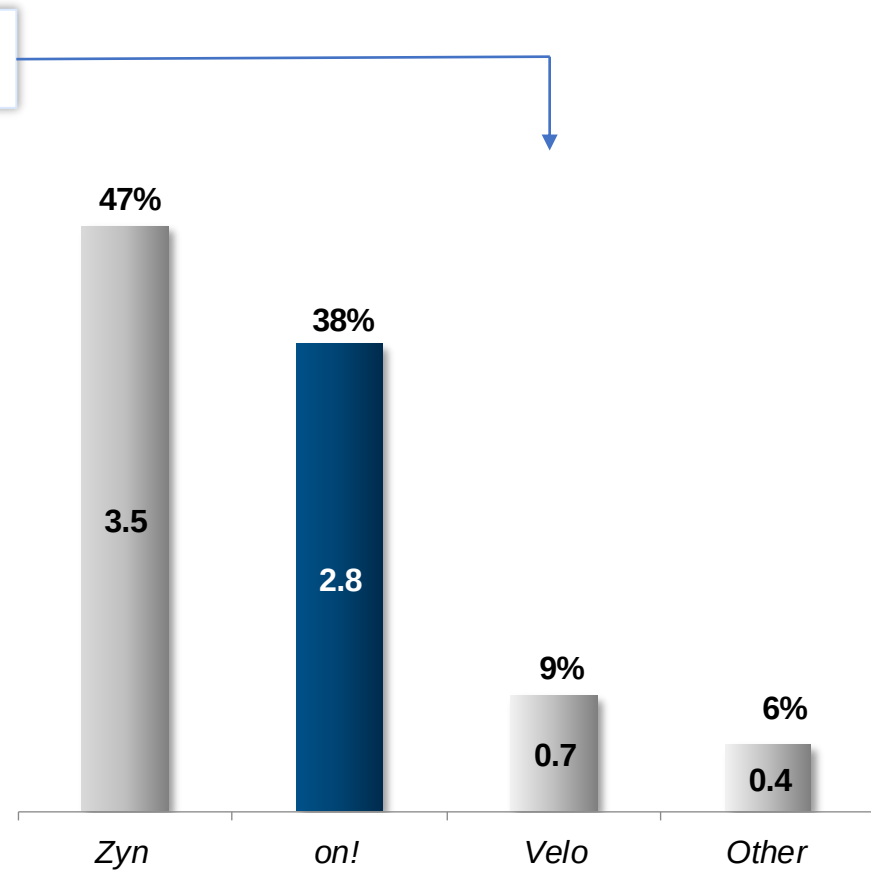
Share of total U.S. oral tobacco category

ONP Share



ONP Share Growth by Brand

(Q4 2021 vs. Q4 2020)



Source: IRI InfoScan Oral Tobacco MOC, WE 01/02/22

IQOS Update

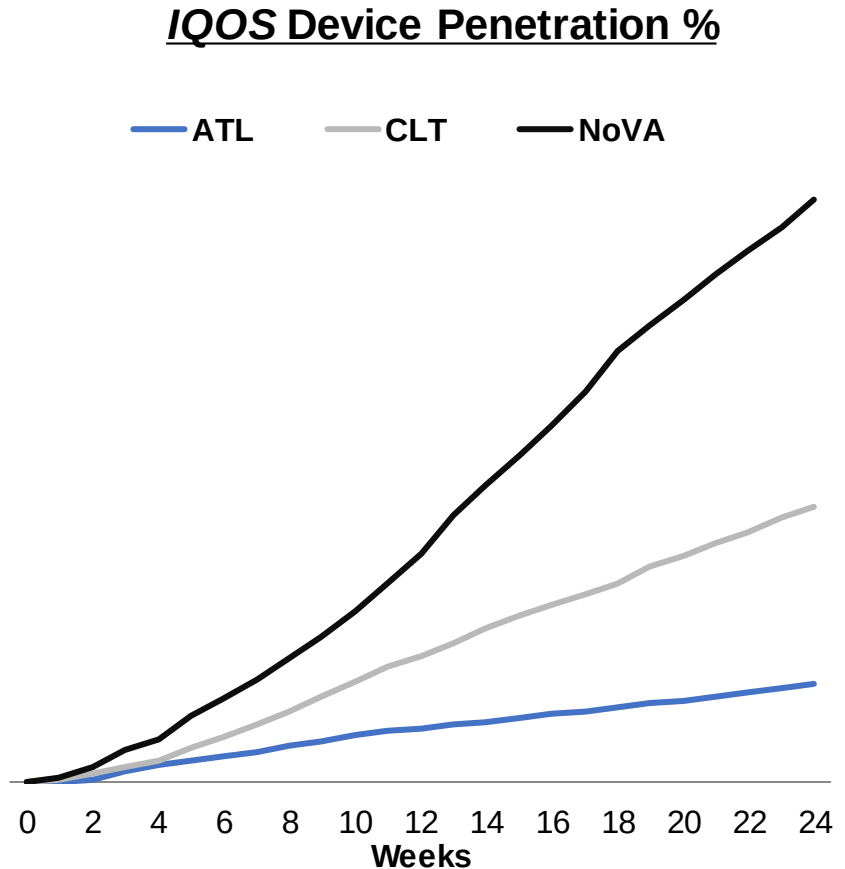


All third-party trademarks remain the property of their respective owners.

Knowledge Gained From IQOS Commercialization Efforts

Our teams learned how to:

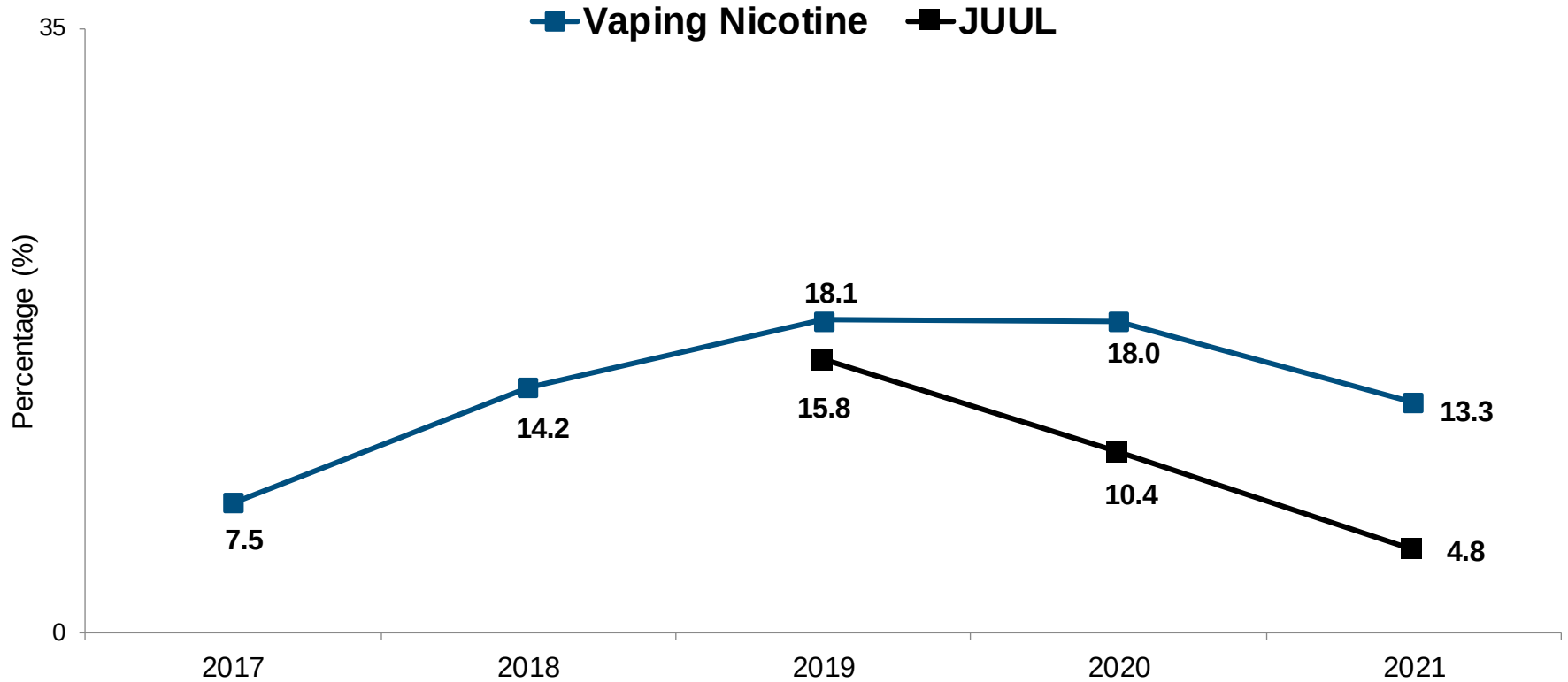
- educate U.S adult smokers on a brand-new tobacco category and how to effectively support their transition journey to smoke-free alternatives;
- leverage modified risk tobacco product (MRTP) claims to transition adult smokers; and
- build a robust post-market surveillance system



Source: POS Scan data through WE 10/2/21 as of 10/11/21. CEA data through WE 10/2/21 as of 10/11/21. STARS data through WE 10/2/21 as of 10/11/21.

2021 Monitoring the Future Survey Results

Past 30-day tobacco products use among 8th, 10th & 12th grades combined



Sources: ALCS analysis of 2017-2021 of 2021 MTF 8th, 10th, & 12th Grades Combined Tables
[2021 Combined Tables \(monitoringthefuture.org\)](https://www.monitoringthefuture.org)

* Vaping nicotine does not include vaping just flavoring or vaping marijuana.

Note: Data collection for 2020 and 2021 was impacted due to COVID-19 pandemic to result in a smaller annual sample size. Data were gathered from a broad geographic and representative sample and statistically weighted to provide national numbers.

Tobacco Regulatory Update

Smoke-Free Products

E-Vapor Products

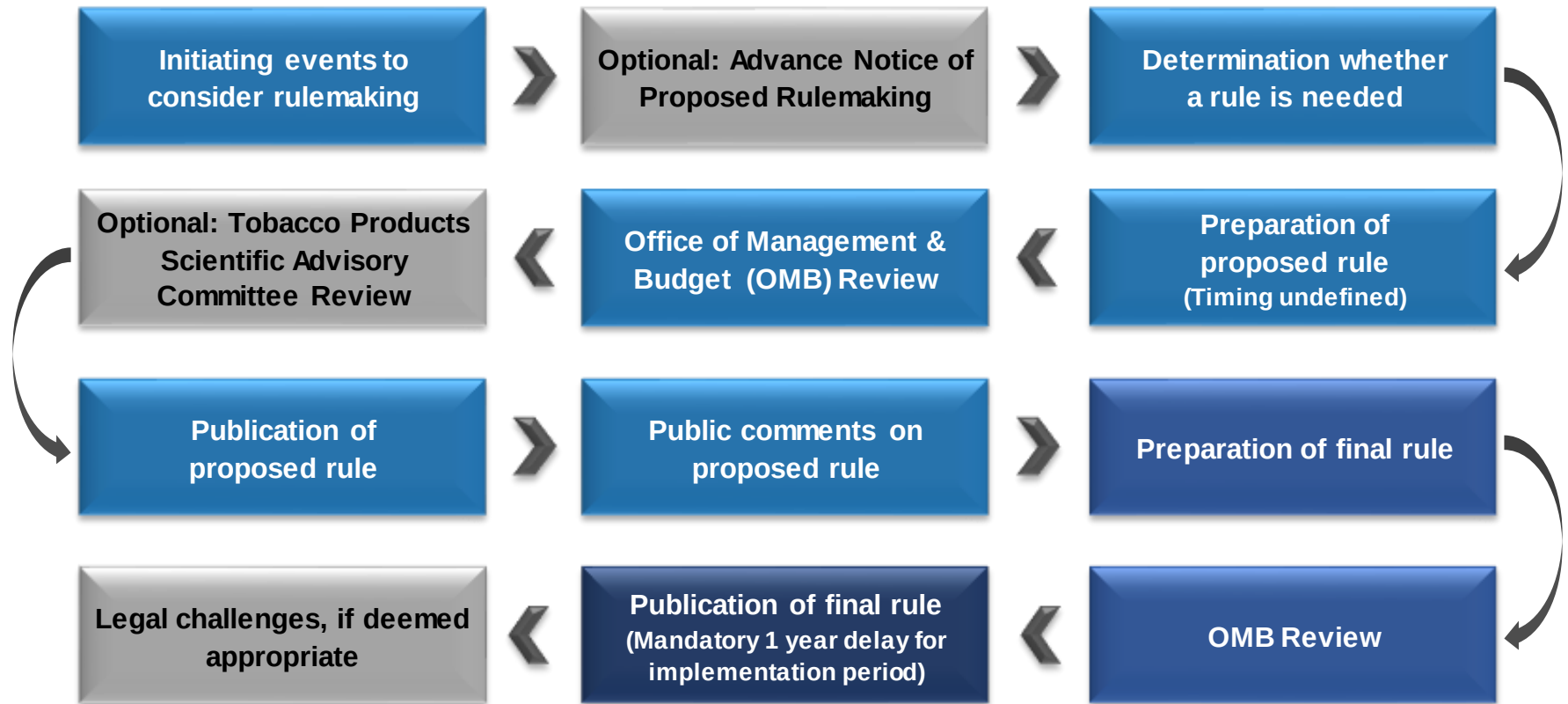
- The FDA has issued marketing denial orders for many e-vapor premarket tobacco product applications (PMTA), primarily for open systems and flavored e-liquids. PMTAs for the leading e-vapor products, including *JUUL*, are still in FDA review.

Oral Tobacco Products

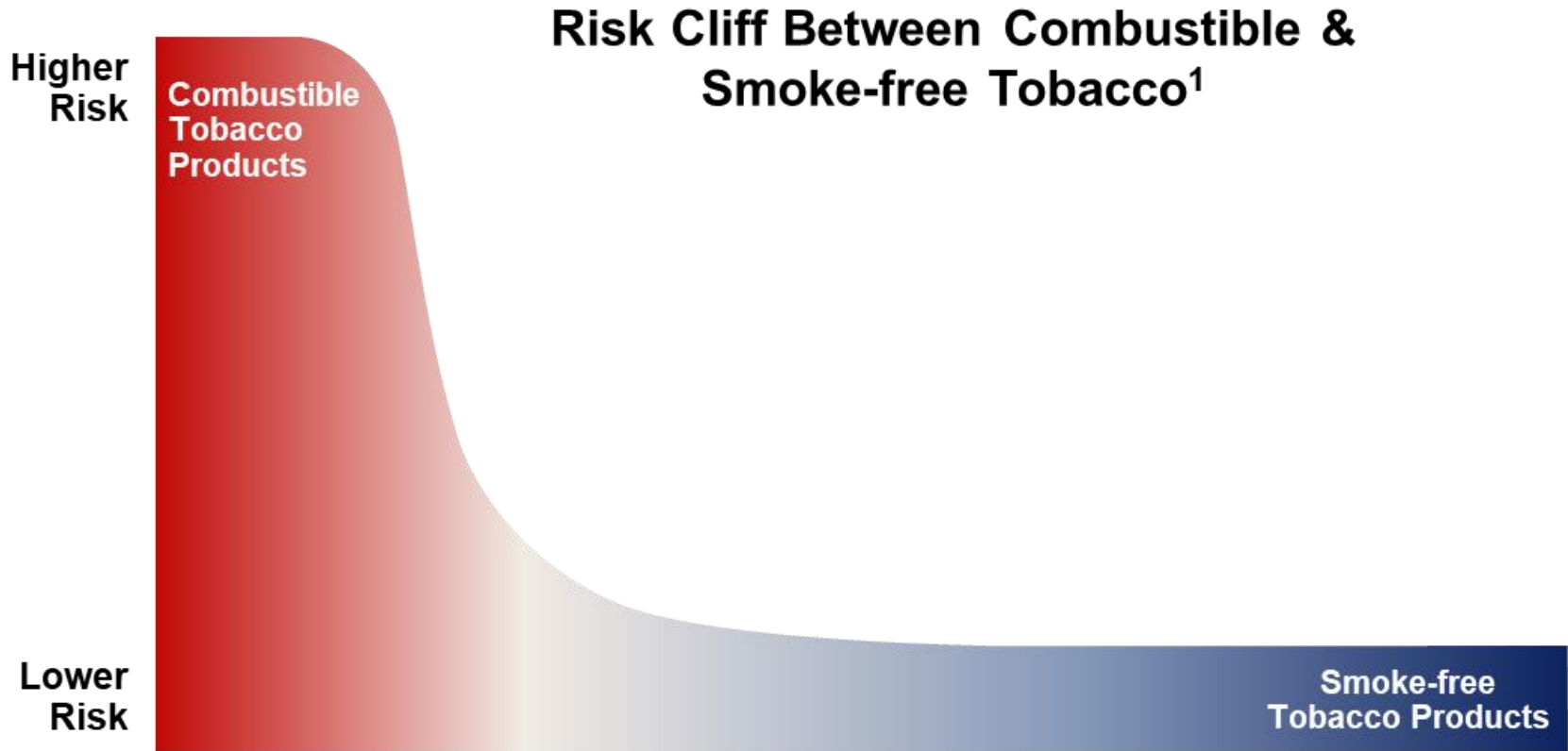
- PMTAs filed for the leading oral nicotine pouch products, including *on!*, remain in FDA review.
- Our *Verve Discs* and *Chews* (authorized in Blue Mint and Green Mint) were the first flavored product authorizations for newly deemed tobacco products.
- MRTP applications previously submitted for *Copenhagen* Snuff and competitive snus products remain in FDA review.

Tobacco Regulatory Update (continued)

FDA Rulemaking Process



U.S. Tobacco Harm Reduction Opportunity



¹ Adapted from Nutt, et al. Estimating the Harms of Nicotine-Containing Products Using the MCDA Approach. Eur. Addict Res 2014; 20:218-225.



2022 Financial Outlook

- Our plans for the year ahead include a continuation of our strategy to balance earnings growth and shareholder returns with investments toward our Vision.
- For 2022, our planned investment areas include: (i) digital consumer engagement, (ii) smoke-free product research, development and regulatory preparations and (iii) marketplace activities in support of our smoke-free products.
- We're also monitoring various factors in the dynamic external environment¹.
- We expect to deliver full-year 2022 adjusted diluted EPS² of \$4.79 to \$4.93³. This range represents an adjusted diluted EPS growth rate of 4% to 7% from a 2021 base of \$4.61. We expected 2022 adjusted diluted EPS growth to be weighted toward the second half of the year.

¹ Factors include the economy (including the impact of inflation), the impact of current and potential future COVID19 variants and mitigation strategies, adult tobacco consumer dynamics, including tobacco usage occasions, available disposable income, purchasing patterns and adoption of smoke-free products.

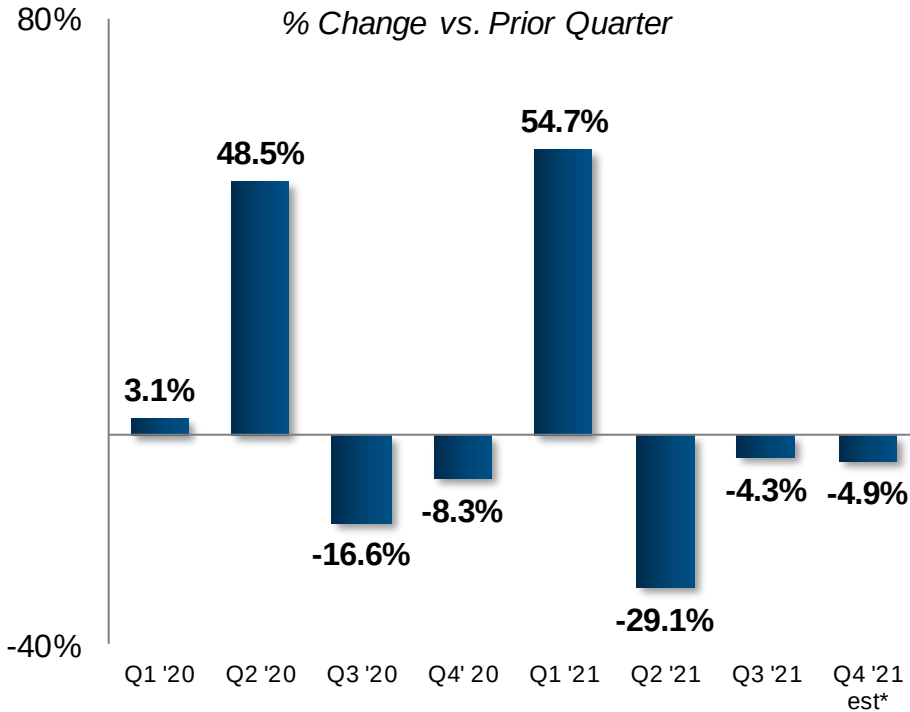
² For reconciliations of non-GAAP to GAAP measures visit altria.com.

³ Guidance includes anticipated inflationary increases in Master Settlement Agreement expenses and direct materials expenses and our current expectation that we will not have access to the IQOS system in 2022.

Macroeconomic Influences on Adult Tobacco Consumers

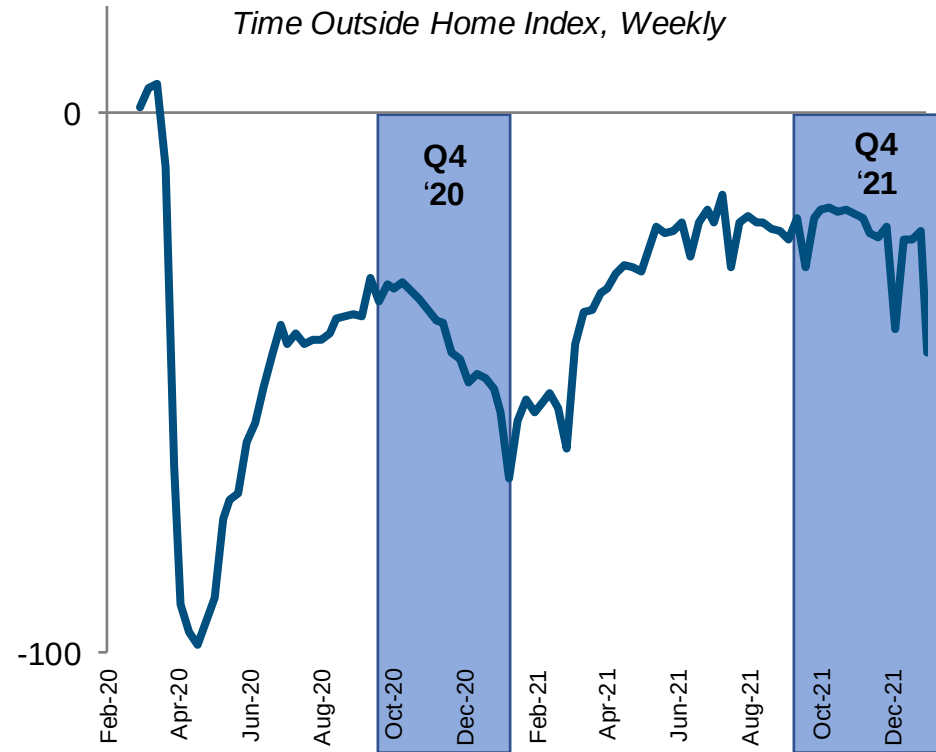
Personal Disposable Income

% Change vs. Prior Quarter



Consumer Mobility

Time Outside Home Index, Weekly



Source: BEA Disposable Personal Income and Blue Chip Economic Indicators Report
*Q4 '21 represents Blue Chip Economic Indicators consensus estimate as of January 10, 2022

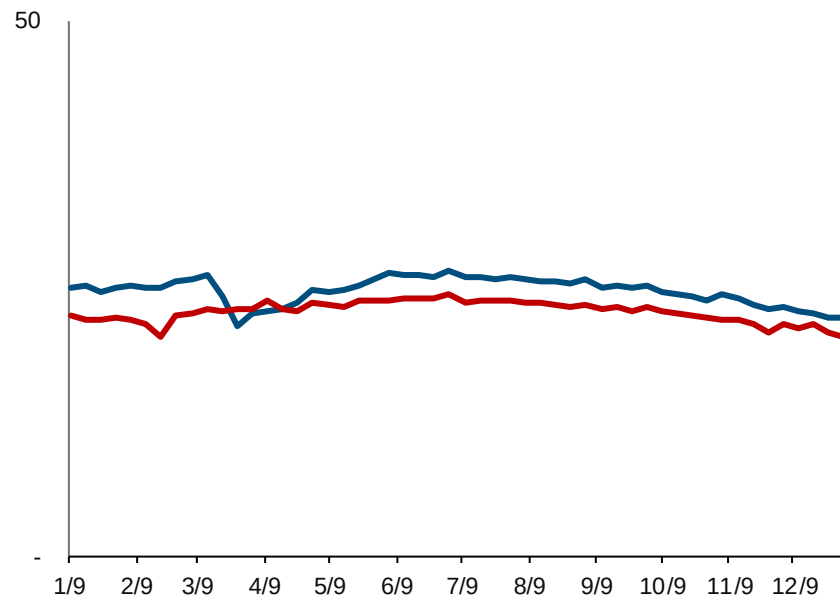
Source: Google COVID-19 Community Mobility Report; Indexed against maximum % change from January 2020

Cigarette Trips and Volume Sales Trends¹

2020, 2021

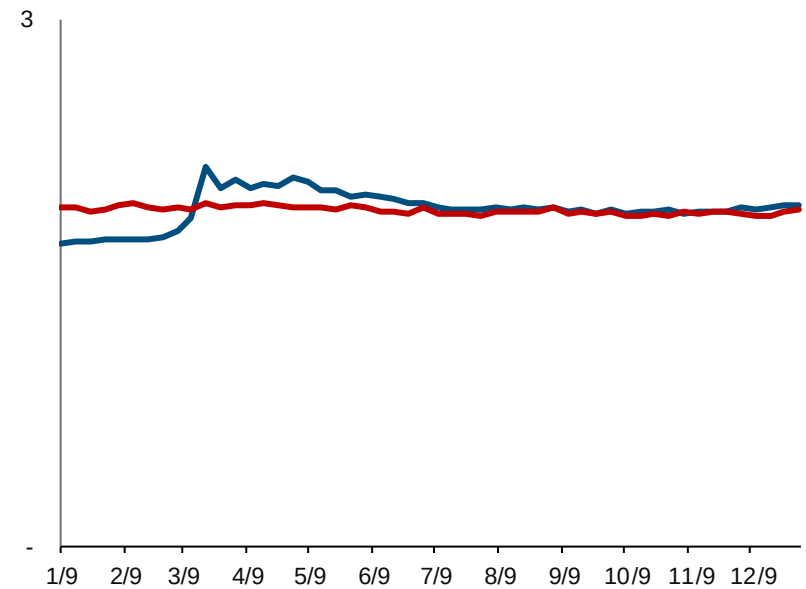
Total Trips

(in millions)



Volume Per Trip

(in packs)



Source: Databricks POS Scan WE 01/03/2022 as of 01/12/22

¹ Store reporting Volume Sales for Cigs, Marlboro & AOM for all weeks 2020, 2021 (Stores Sample ~47K)

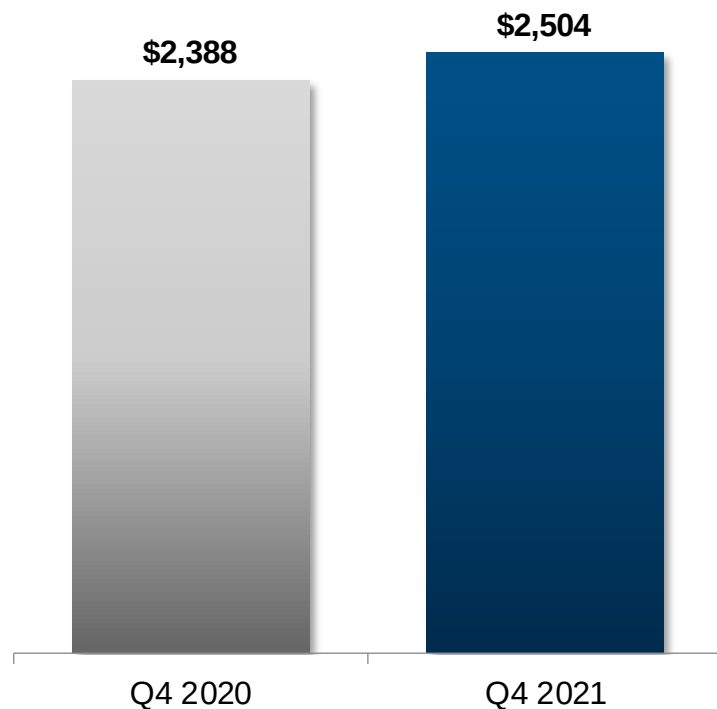
Q4 2021: Smokeable Products Segment

Adjusted Operating Companies Income (OCI) and Adjusted OCI Margins**

Adjusted OCI

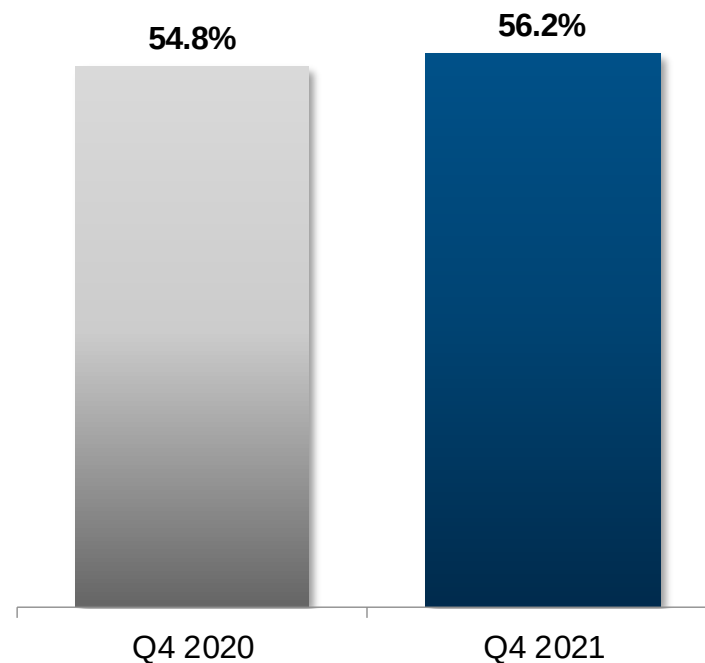
(\$ in millions)

+4.9%



Adjusted OCI Margins

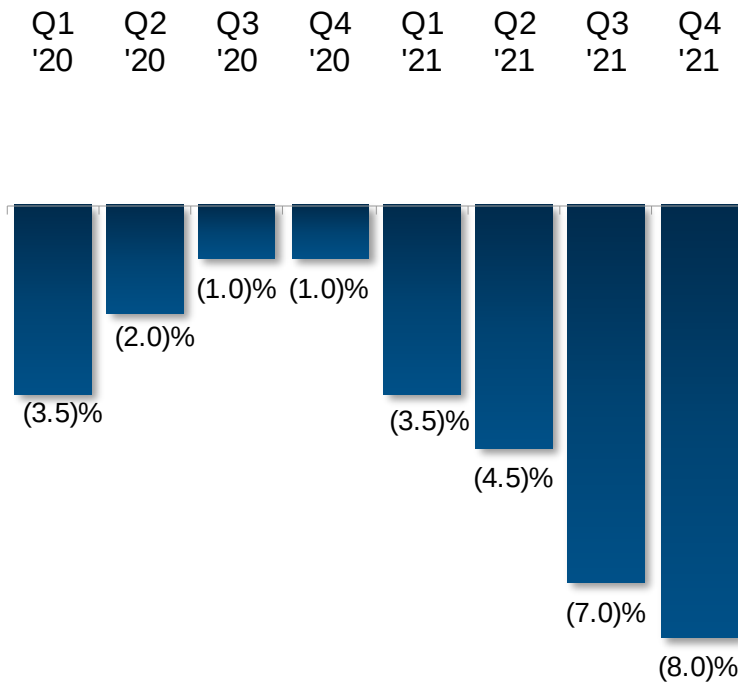
+1.4pp



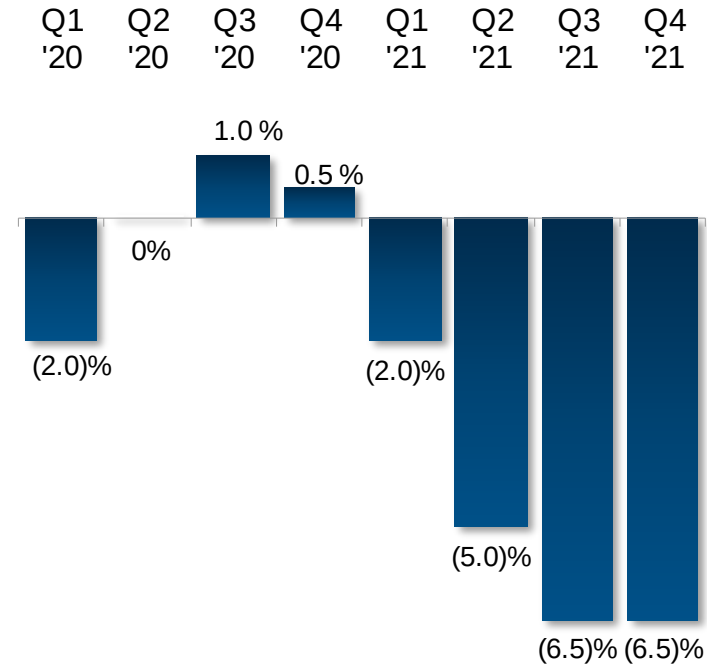
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Adjusted Cigarette Decline Rates - Quarterly

Smokeable Segment



Total Industry



Source: AVI SCMI estimates – rounded to nearest 0.5%

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

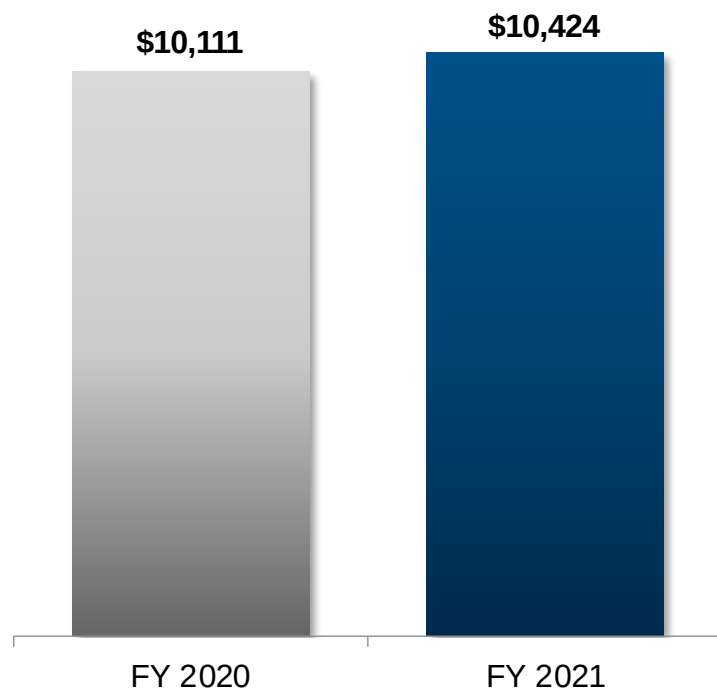
FY 2021: Smokeable Products Segment

Adjusted OCI and Adjusted OCI Margins**

Adjusted OCI

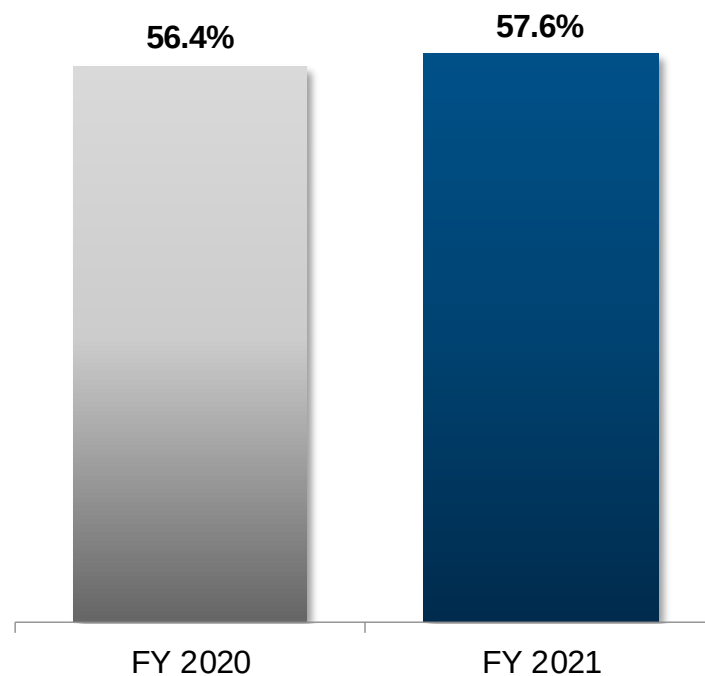
(\$ in millions)

+3.1%



Adjusted OCI Margins

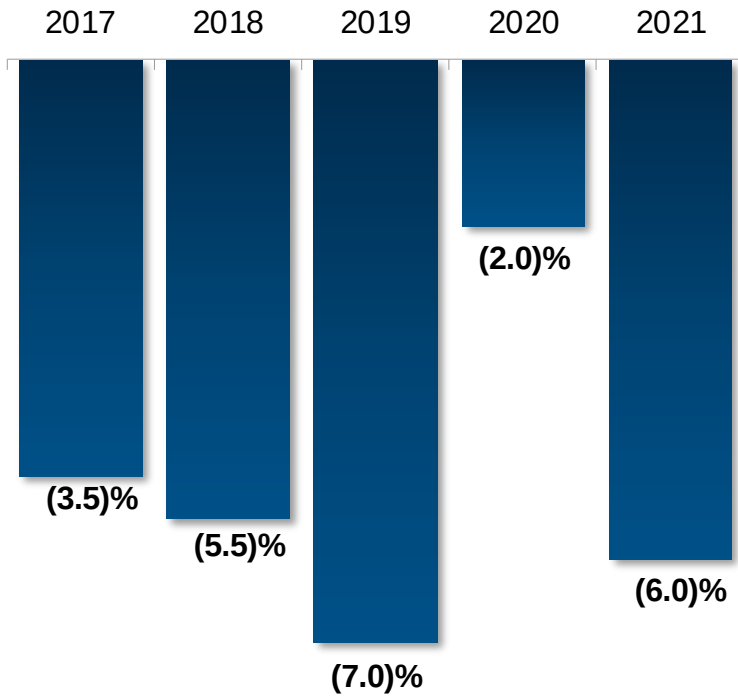
+1.2pp



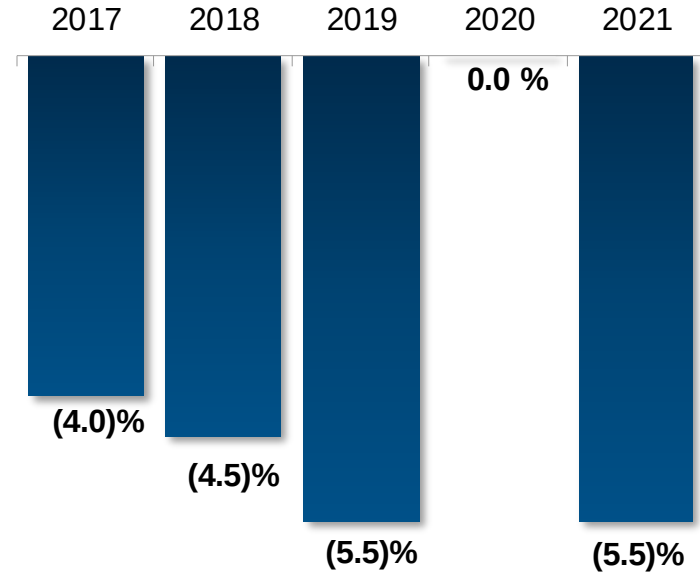
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Adjusted Cigarette Decline Rates - Annual

Smokeable Segment



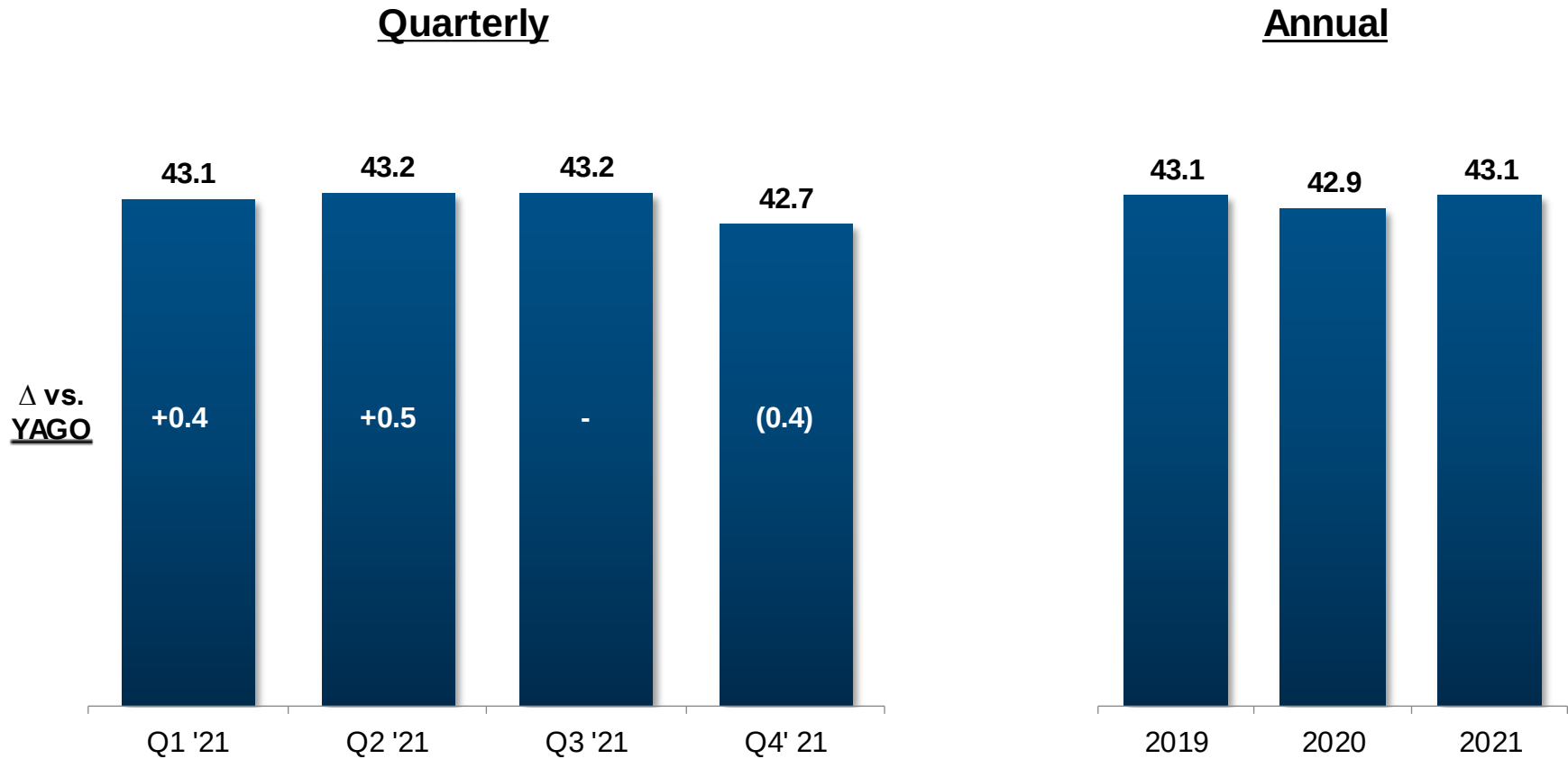
Total Industry



Source: AVI SCMI estimates – rounded to nearest 0.5%

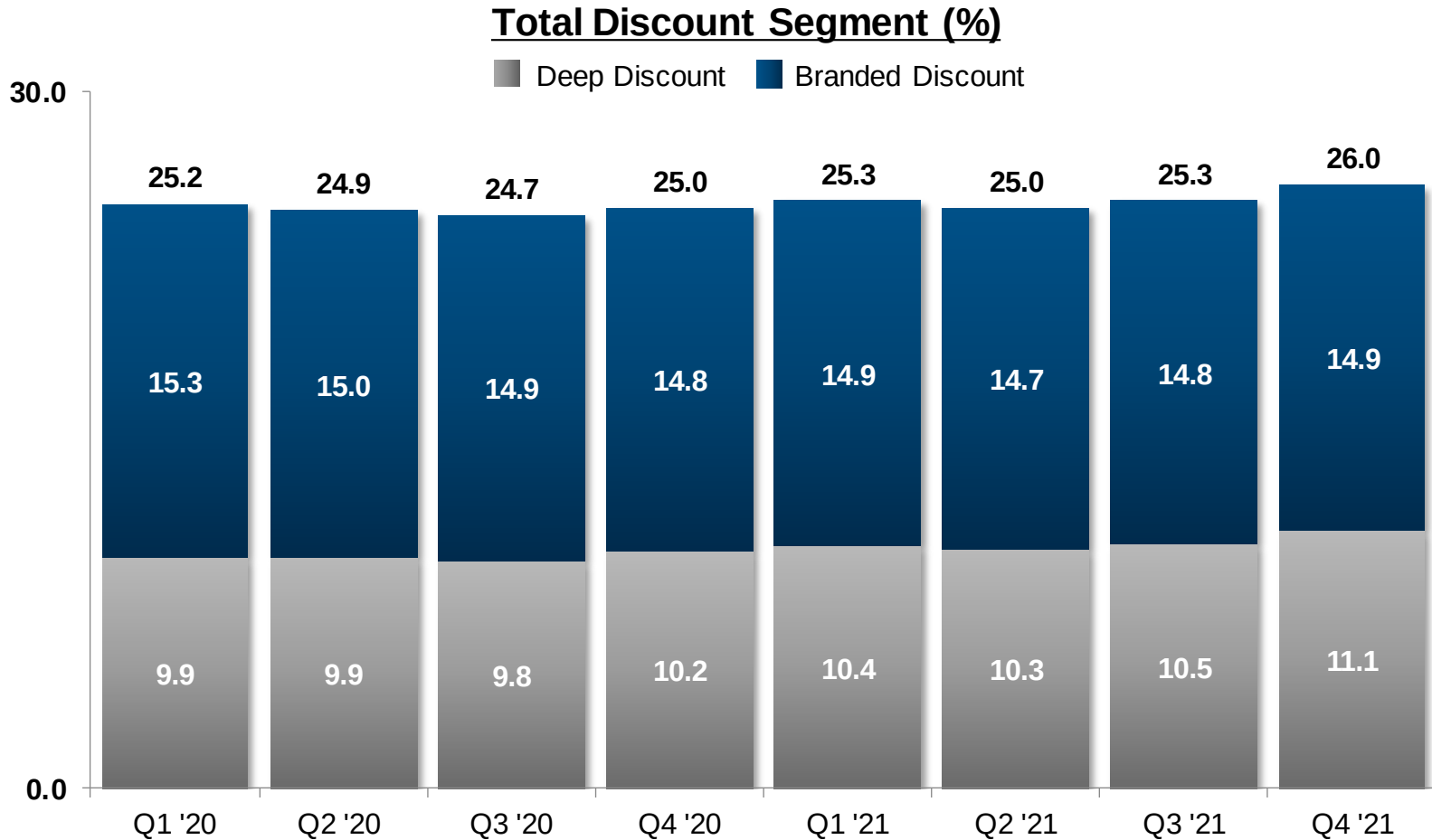
Note: Estimates are subject to revision due to wholesaler resubmission of inventory data

Smokeable Products Segment – *Marlboro* Retail Share



Source: IRI/MSAi InfoScan Cigarette 2021 – Blended, WE01/02/22

Discount Segment Retail Share



Source: IRI/MSAi InfoScan Cigarette 2021 – Blended, WE01/02/22

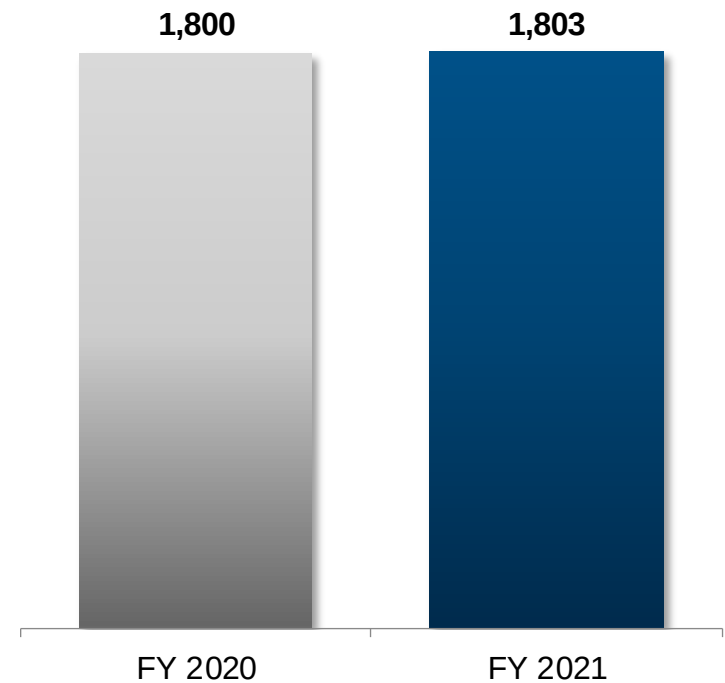
John Middleton Cigars



Reported Shipment Volume

(in millions)

+0.2%



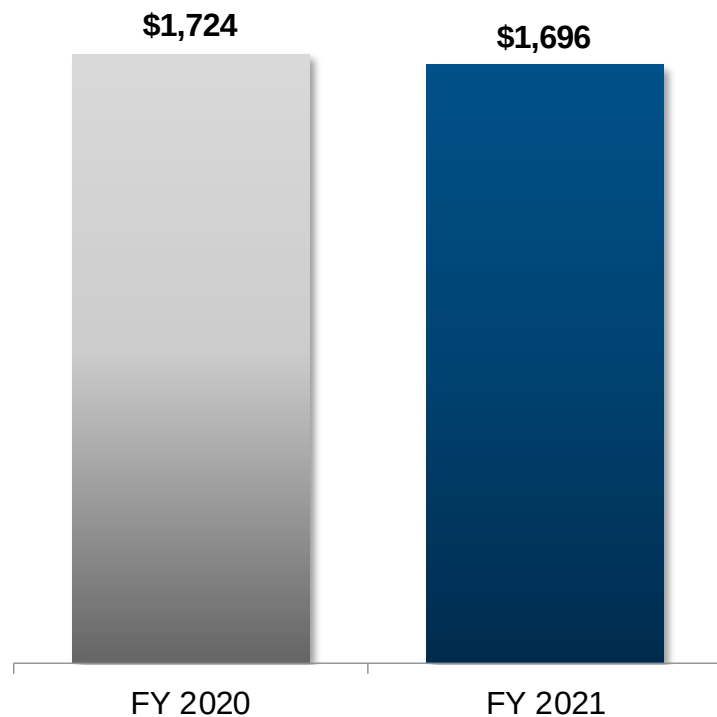
FY 2021: Oral Tobacco Products Segment

Adjusted OCI and Adjusted OCI Margins**

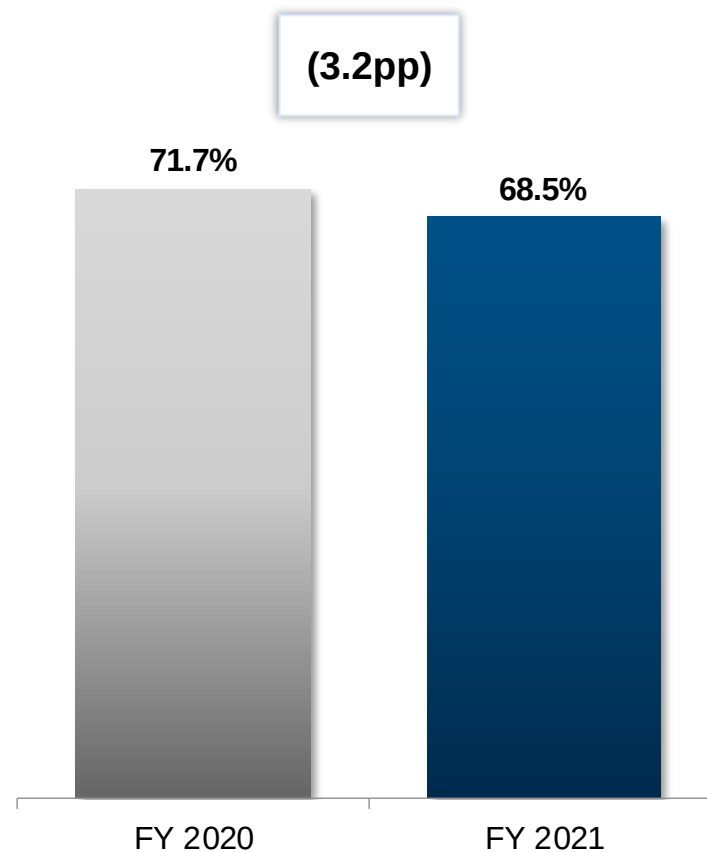
Adjusted* OCI

(\$ in millions)

(1.6%)

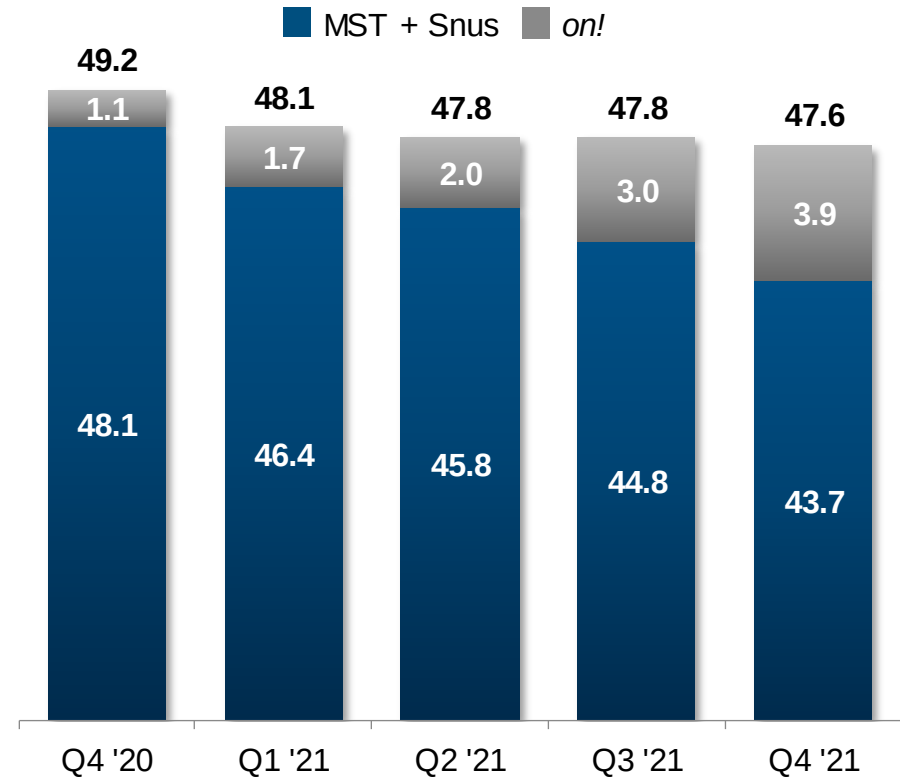


Adjusted* OCI Margins



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

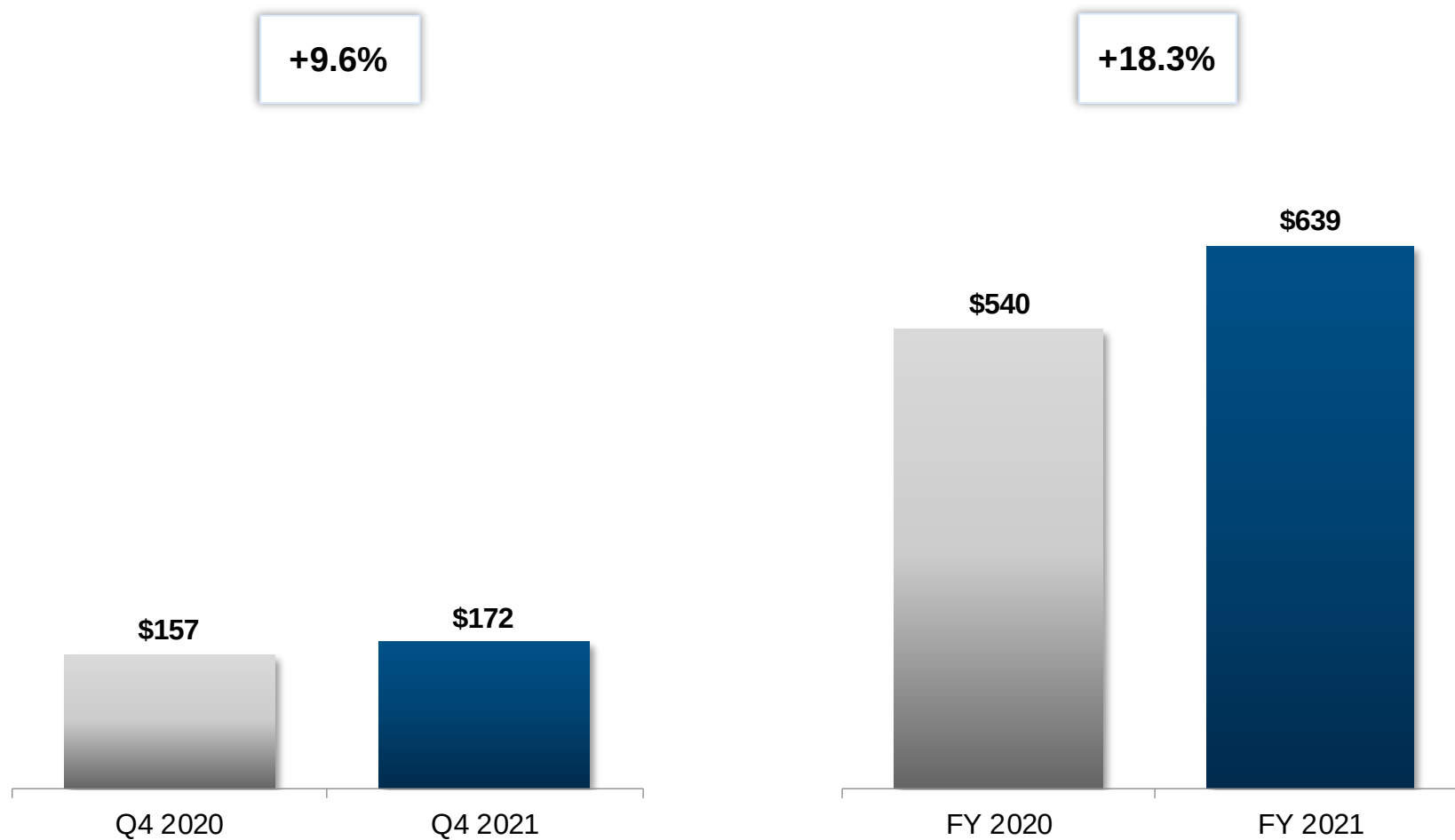
Oral Tobacco Products Segment Retail Share



Source: IRI/MSAi InfoScan Oral Tobacco 2021 – MOC, WE 01/02/22

Adjusted Equity Earnings* From ABI Investment

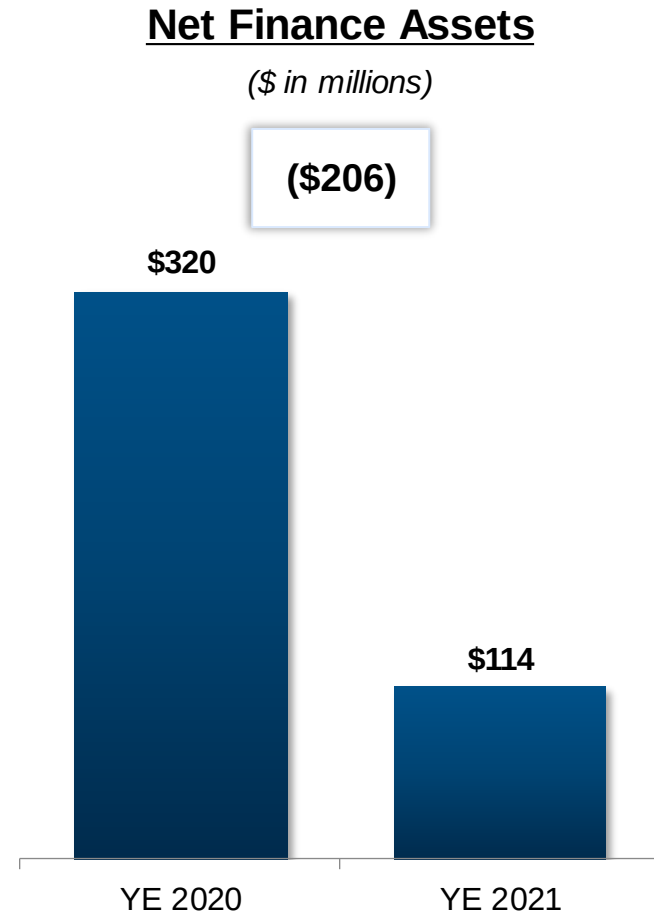
\$ in millions



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

Philip Morris Capital Corporation (PMCC)

- We continue to make progress on our wind-down of PMCC
- As previously announced, we expect to fully complete the PMCC wind-down by the end of 2022



Shareholder Value Creation

Dividends

- Paid \$6.4 billion in dividends in 2021.
- Raised the dividend for the 56th time in the past 52 years.

Share Repurchases

- Repurchased 35.7 million shares totaling \$1.7 billion in 2021.
- Sold Ste. Michelle Wine Estates and expanded our share repurchase program from \$2 billion to \$3.5 billion.
- \$1.8 billion remaining under the current share repurchase program which we expect to complete by December 31, 2022.

Credit Metrics

- 2.3x debt-to-EBITDA* ratio as of December 31, 2021.
- 4.0% weighted average coupon as of December 31, 2021.

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