

Altria's Fourth-Quarter and Full-Year 2024 Earnings Conference Call

January 30, 2025



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 our 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 our Annual Report on Form 10-K for the year ended December 31, 2023, and under the heading “Forward-Looking and Cautionary Statements” in our earnings press release dated January 30, 2025.

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

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

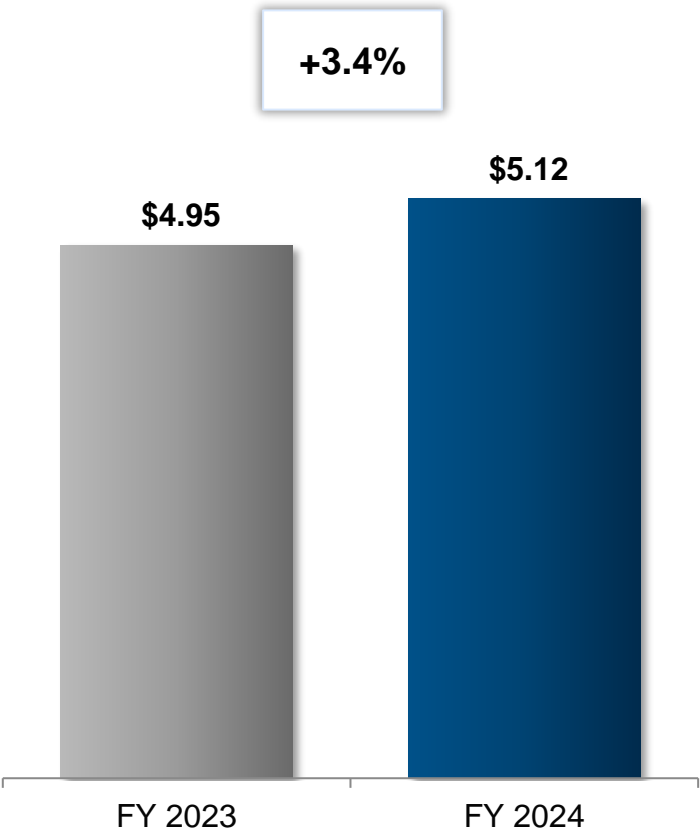
Moving beyond smoking™



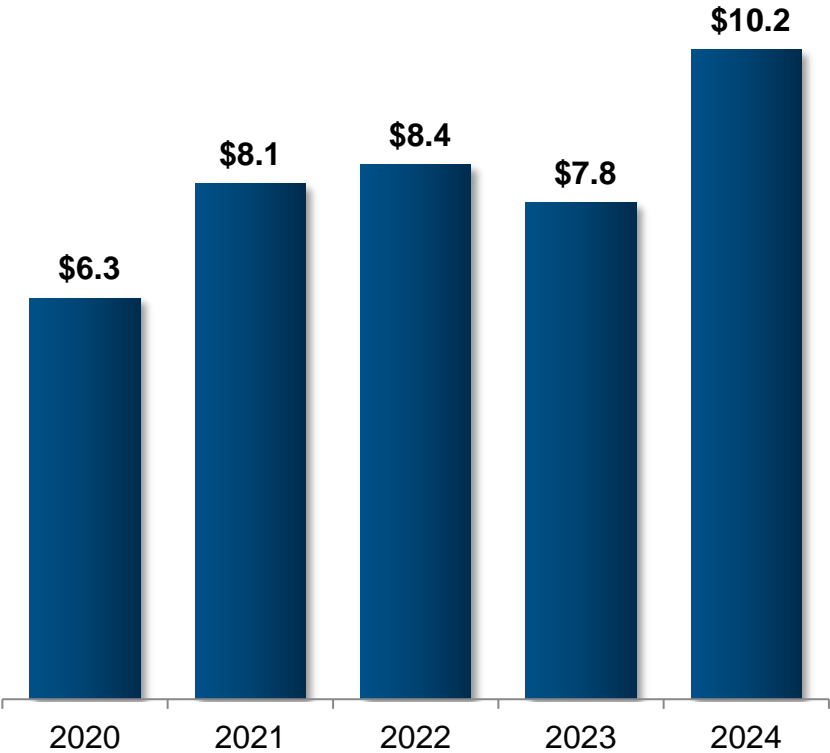
Altria

Strong Financial Results and Significant Cash Returns

Adjusted Diluted Earnings Per Share (EPS)*



Cash Returned to Shareholders
(\$ in billions)



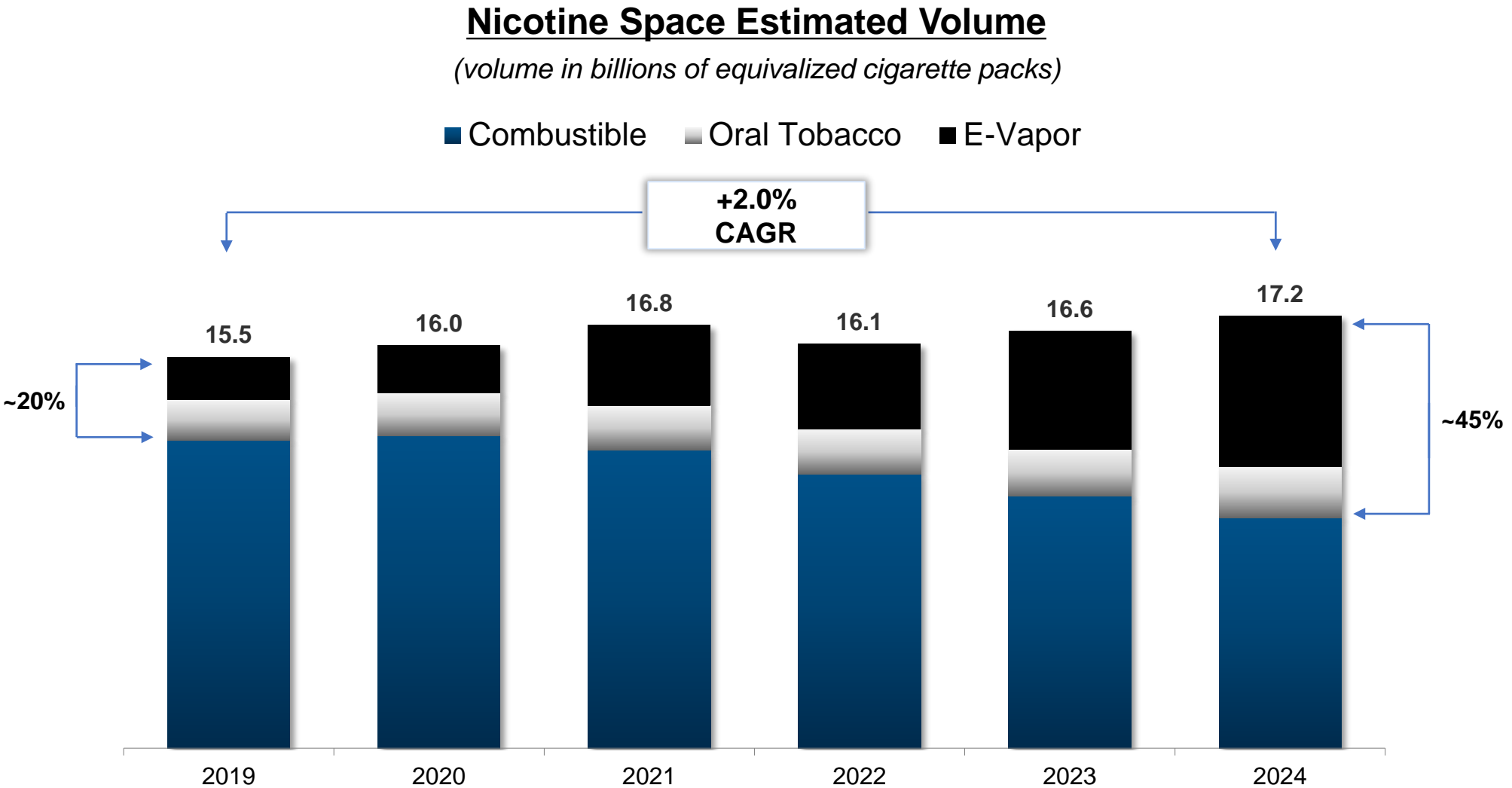
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Meaningful Progress Toward Our Vision



- NJOY receiving the first and only marketing granted orders from the FDA for menthol e-vapor products;
- Submitting PMTA applications to the FDA for next generation *NJOY* and *on!* products;
- Continuing preparations to commercialize *Ploom*, through our joint venture with JT; and
- Advocating for a responsible and well-regulated marketplace, including stepped-up enforcement against illicit market activity.

Smoke-Free Categories Continue to Grow

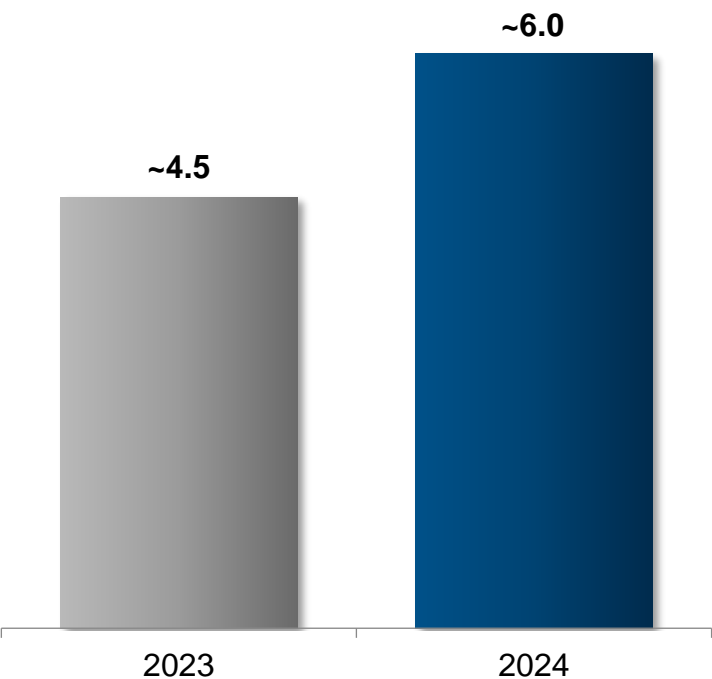


Source: ALCS CMII Estimates; ATCT; STARS; Circana; ALCS Consumer Research; External Sources. Numbers may not foot due to rounding.
EQ Estimation – For purposes of this theoretical analysis the following are assumed to be equivalent: 1 pack of cigarettes = 1 can of MST/SNUS/OTDN = 10 cigars = ~1.5mL e-vapor consumable.
Estimated category volume and share are subject to revisions based on the latest available data.

Illicit Products Driving E-Vapor Category Growth

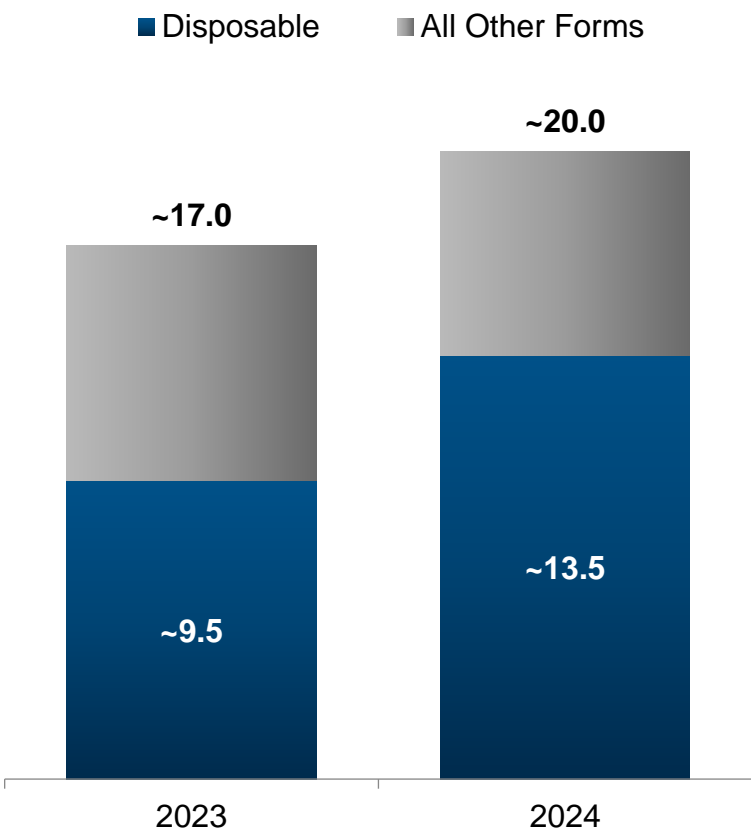
E-Vapor Category Volume

(volume in billions of equivalized cigarette packs)



Vapers by Form – Past 30-Day Usage

(twelve months ended, in millions)



Source: ALCS Estimates; ATCT; STARS; Circana; ALCS Consumer Research; External Sources. Rounded to nearest 0.5. Numbers may not foot due to rounding.
EQ Estimation – For purposes of this theoretical analysis the following are assumed to be equivalent: 1 pack of cigarettes = ~1.5mL e-vapor consumable. Estimated category volume subject to revisions based on latest available data.

The Regulatory Environment Remains Challenging

It has become clear that two markets exist in the U.S. – one for those who operate within the regulatory framework and one for those who flagrantly violate and evade the rules.

- The FDA has not authorized enough smoke-free products to meet consumer demand.
- Illicit product manufacturers, distributors and retailers have yet to experience any material consequences for violating Federal laws and regulations.



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2028 Enterprise Goals

2028 Enterprise Goals						
Corporate			U.S. Smoke-Free Products		Long-Term Growth	
Financial Policy & Capital Allocation	Share of U.S. Tobacco Space	Total Adjusted OCI Margin	U.S. Smoke-Free Volume	U.S. Smoke-Free Revenue	International Innovative Smoke-Free	Non-Nicotine

2028 Enterprise Goals and NJOY Targets Update

2028 Enterprise Goals						
Corporate			U.S. Smoke-Free Products		Long-Term Growth	
Financial Policy & Capital Allocation	Share of U.S. Tobacco Space	Total Adjusted OCI Margin	U.S. Smoke-Free Volume	U.S. Smoke-Free Revenue	International Innovative Smoke-Free	Non-Nicotine

- We believe the current state of illicit markets compromises our ability to achieve:
 - Our 2028 U.S. Smoke-Free Volume and Smoke-Free Revenue goals; and
 - The NJOY-specific financial targets we established in connection with that transaction.
- We are reassessing these smoke-free goals and NJOY targets and anticipate providing updates when we have more clarity on how the legitimate e-vapor market may evolve.

Conditions Needed to Rectify the Market

We are looking for signs of material progress.

- ✓ A decline in the growth of illicit products
- ✓ A meaningful increase in the number of illicit products prevented from entering the U.S.
- ✓ The Department of Justice or State Attorneys General bringing litigation against illicit manufacturers, distributors and importers
- ✓ The FDA authorizing more smoke-free products to establish a legal market that addresses adult consumer demand



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Our Corporate and Long-Term Growth Goals are Unchanged

2028 Enterprise Goals						
Corporate			U.S. Smoke-Free Products		Long-Term Growth	
Financial Policy & Capital Allocation	Share of U.S. Tobacco Space	Total Adjusted OCI Margin	U.S. Smoke-Free Volume	U.S. Smoke-Free Revenue	International Innovative Smoke-Free	Non-Nicotine

The update to our smoke-free goals does not impact our Corporate or Long-Term Growth goals. Our progress on our goals can be found in our fourth-quarter and full-year 2024 earnings press release.

A Year of Growth and Progress for NJOY

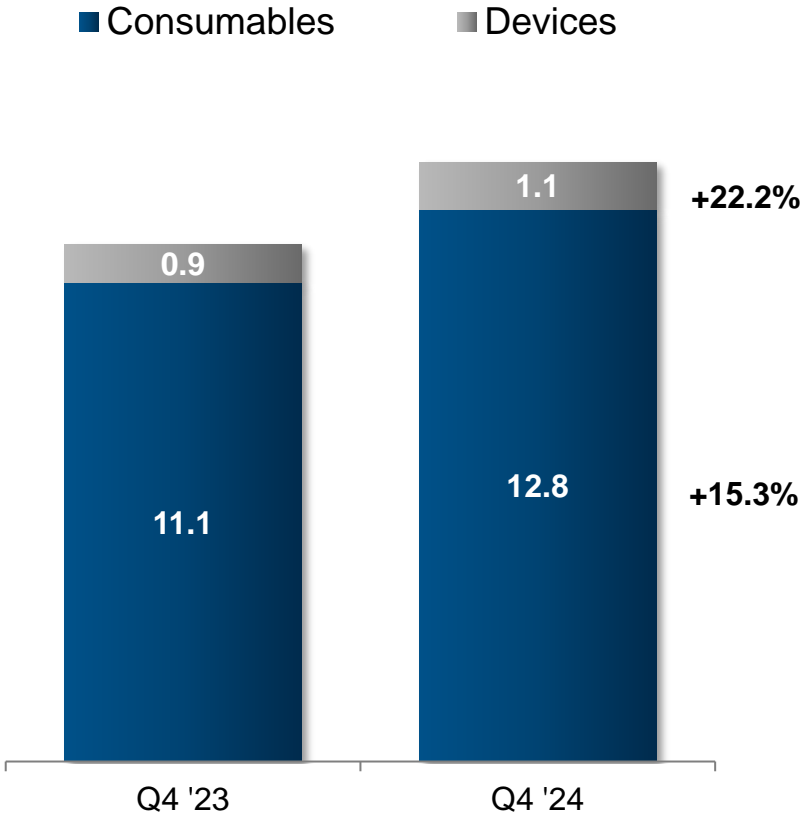
- Expanded distribution of *ACE* to over 100,000 stores;
- Secured premium positioning at retail in more than 80% of contracted stores;
- Executed trial generating activities with compelling results; and
- Introduced a new brand equity campaign with impactful consumer messaging.



NJOY Volume and Share Momentum

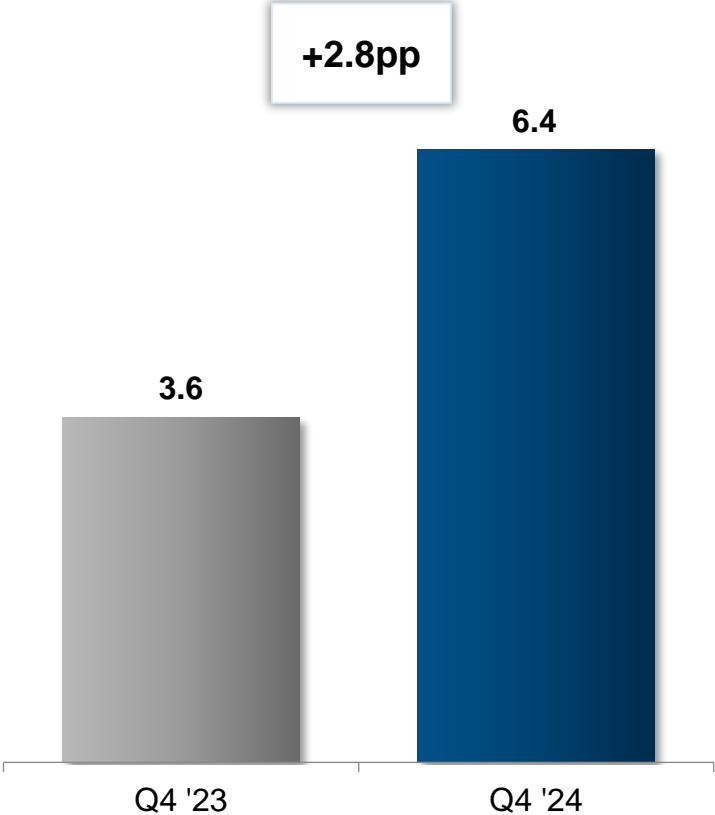
NJOY Shipment Volume

(in millions)



NJOY Consumables Retail Share

(total U.S.)



Source: Circana Projected Total U.S. MOC week ending 12/29/2024.

NJOY Litigation

- Yesterday, the ITC issued its final determination in JUUL Labs, Inc.'s case against NJOY.
- The ITC issued an exclusion order and cease-and-desist orders barring the importation and sale of *ACE*. The ITC's decision is currently under a 60-day review period by the Office of the U.S. Trade Representative, which could reject the ITC's decision.
- This decision would severely limit FDA-authorized choices, including the only FDA-authorized menthol e-vapor products.

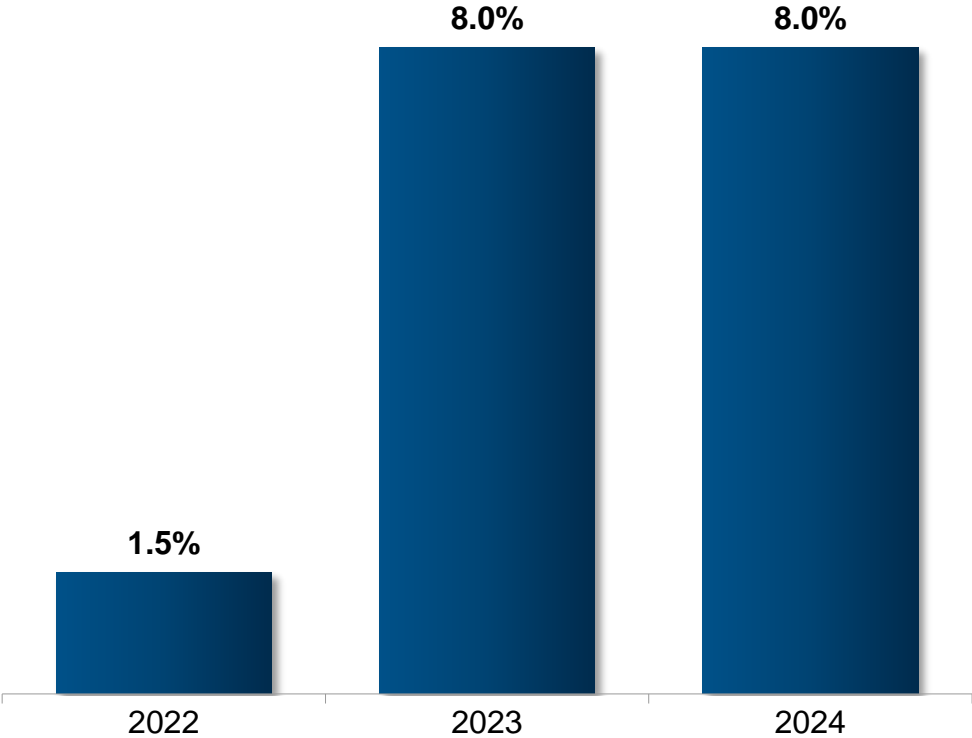


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U.S. Oral Tobacco Category and *on!* Shipment Volume

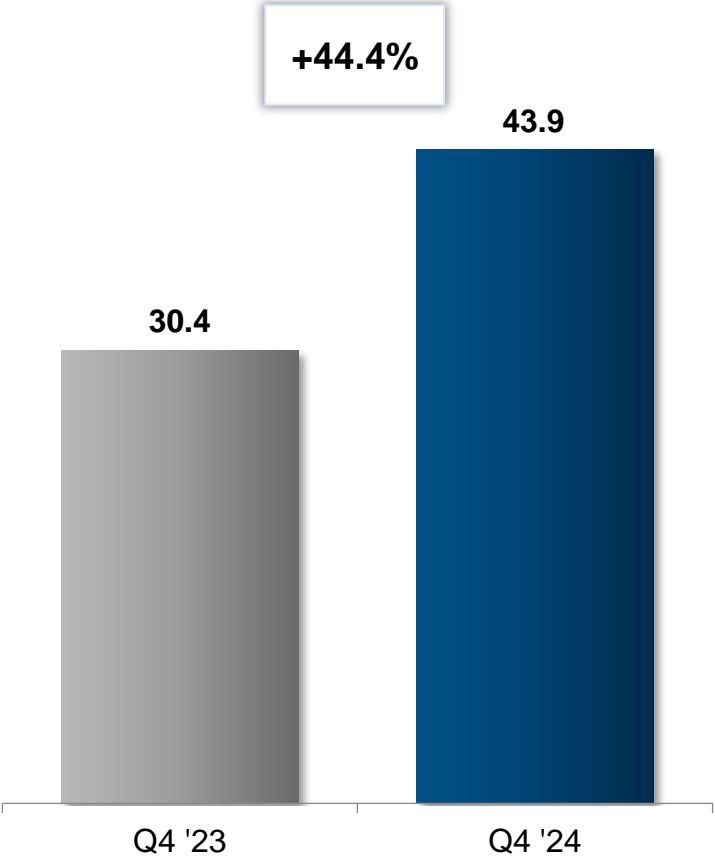
Oral Tobacco Industry Volume Growth

(six months ended)



on! Shipment Volume

(cans in millions)



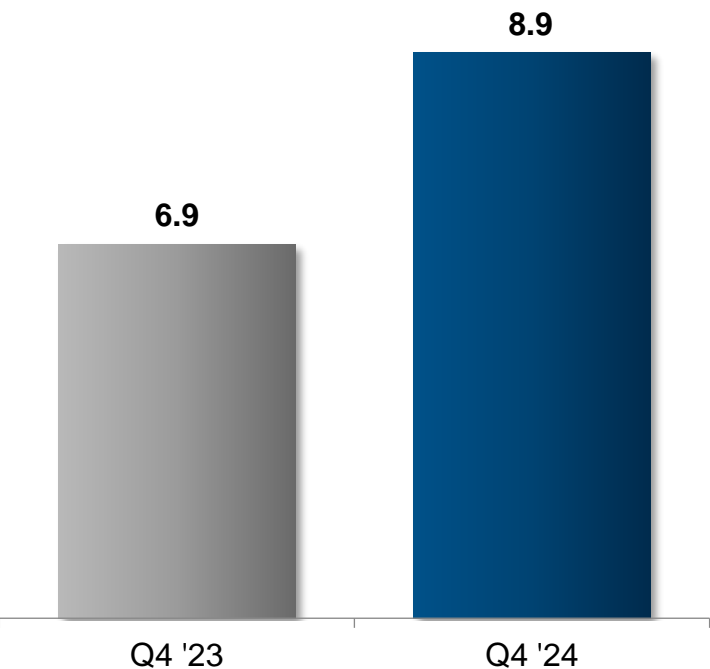
Source: ALCS CMI estimates. Rounded to the nearest 0.5%. Oral tobacco industry includes MST, snus and ONP products.

on! Share Strength and Repeat Purchaser Growth

on! Share of Oral Tobacco Category

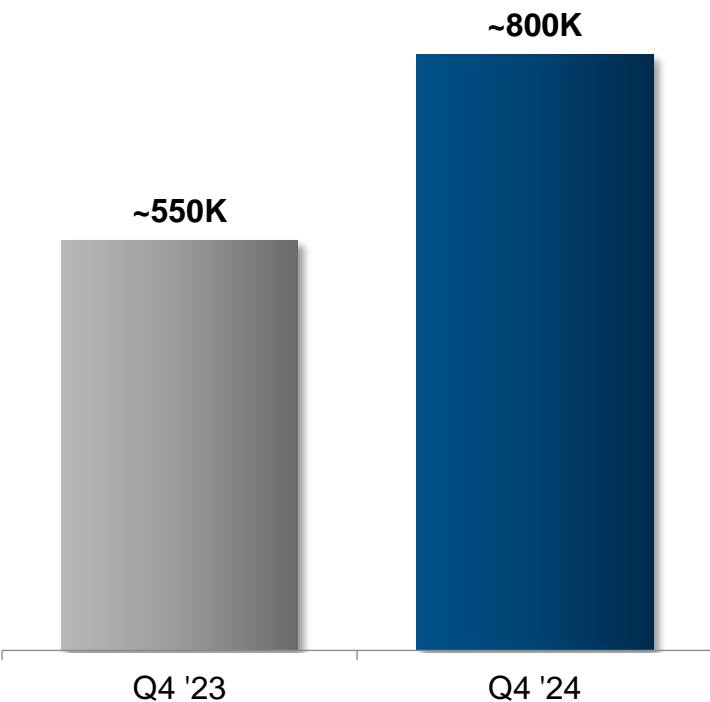
(total U.S.)

+2.0pp



on! Repeat Purchasers¹

>40%



¹Estimated numbers of ATCs 21+ that regularly purchase on! (e.g. 6+ weeks)
Source: ALCS CMI estimates based on Circana Projected Total U.S. MOC data week ending 12/29/2024 and POS scan data week ending 12/29/2024.

IT'S ON!

oni[®] NICOTINE POUCHES



on! PLUS

- Competing in Sweden and the United Kingdom at select retail and e-commerce
- ‘*FLEX TECH*’ pouch offers a unique product experience and we are encouraged by *on! PLUS*’ momentum
- Gaining valuable consumer and marketplace insights
- Launching two new flavors: Raspberry Lemon and Watermelon Mint



Continued Progress on Heated Tobacco Portfolio



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2025 Financial Outlook

- Our planned investment areas include:
 - Marketplace activities in support of our smoke-free products; and
 - Smoke-free product research, development and regulatory preparations.
- We expect to deliver full-year 2025 adjusted diluted EPS¹ of \$5.22 to \$5.37^{2,3}. This range represents an adjusted diluted EPS growth rate of 2% to 5% from a 2024 base of \$5.12.



¹ For reconciliations of non-GAAP to GAAP measures visit altria.com.

² Our guidance includes the impact of one fewer shipping day in 2025, which occurs in the first quarter, assumes limited impact on combustible and e-vapor product volumes from enforcement efforts in the illicit e-vapor market and includes the reinvestment of anticipated cost savings related to our previously announced *Optimize & Accelerate* initiative. In addition, the guidance range includes lower expected net periodic benefit income.

³ While the 2025 full-year adjusted diluted EPS guidance accounts for a range of scenarios, the external environment remains dynamic. We will continue to monitor conditions related to (i) the economy, including cumulative impact of inflation (ii) adult tobacco consumer dynamics, including purchasing patterns and adoption of smoke-free products, (iii) illicit product enforcement and (iv) regulatory, litigation and legislative developments.

Moving beyond smoking



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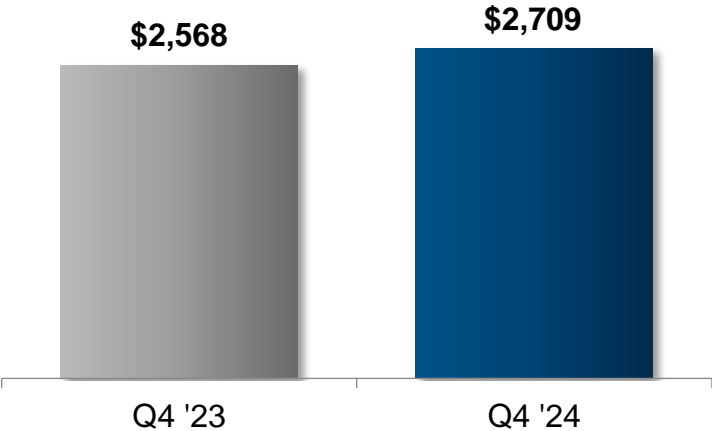
Smokeable Products Segment

Adjusted Operating Companies Income (OCI)*

Fourth Quarter

(\$ in millions)

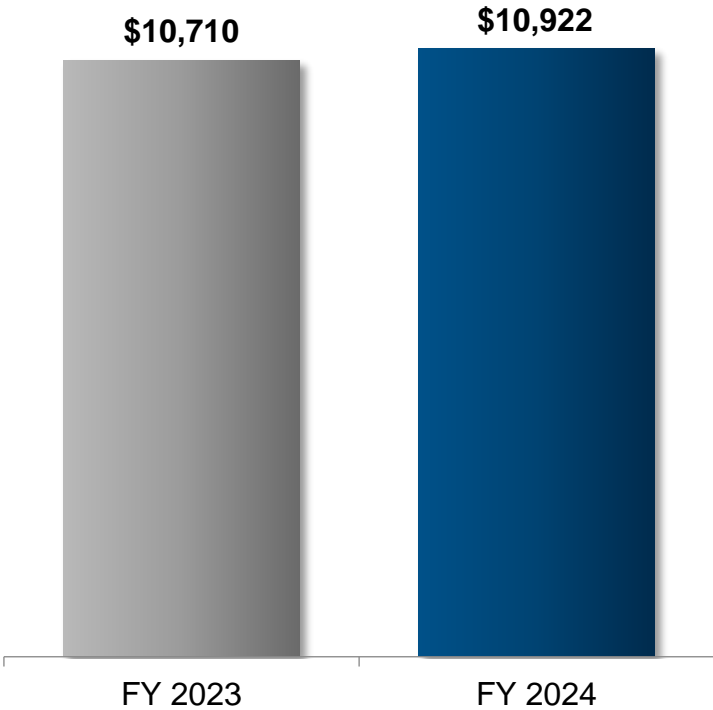
+5.5%



Full Year

(\$ in millions)

+2.0%

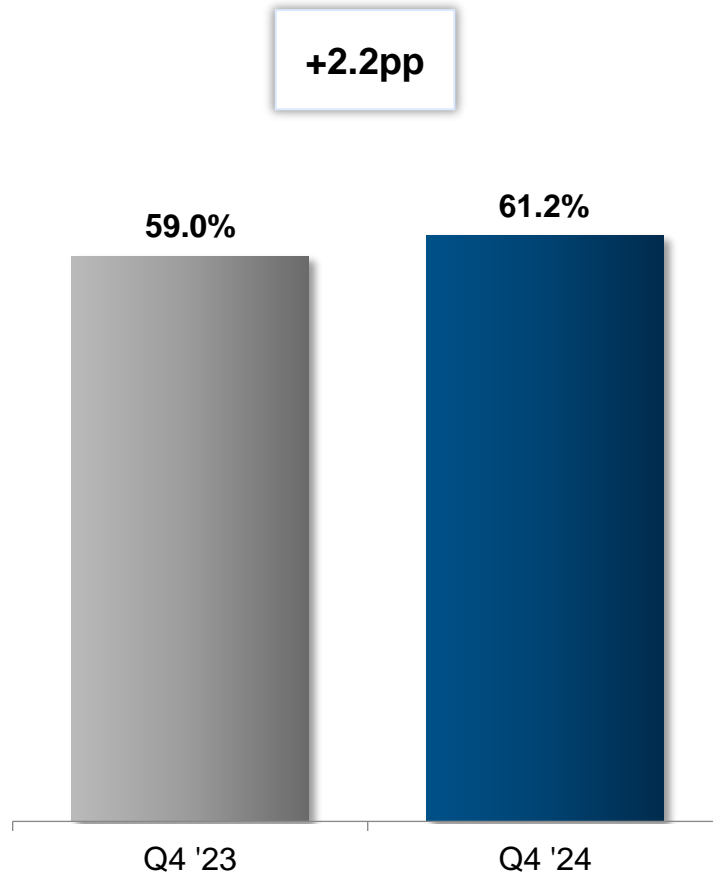


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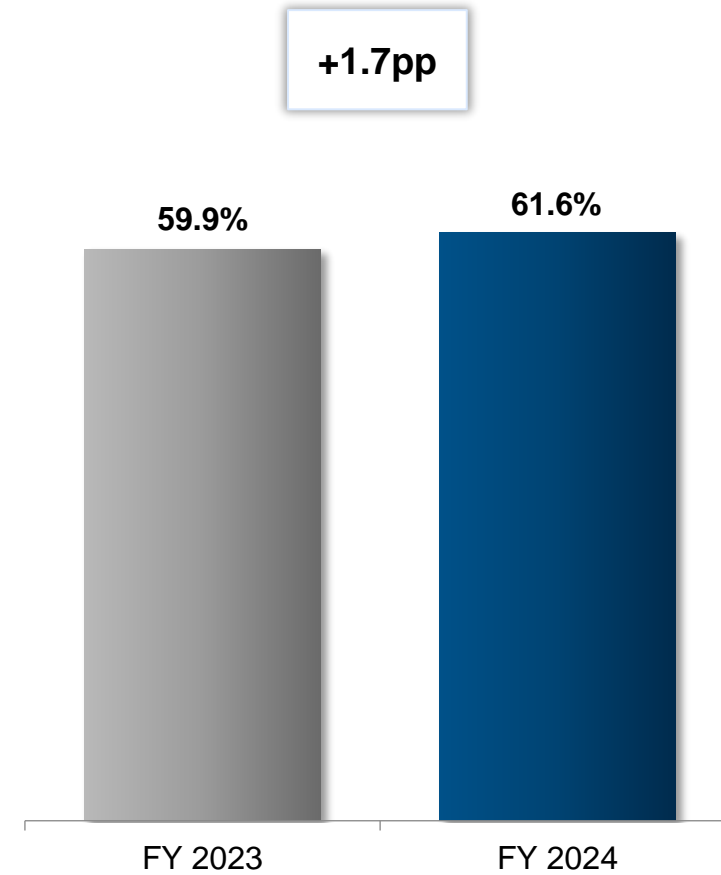
Smokeable Products Segment

*Adjusted OCI Margins**

Fourth Quarter



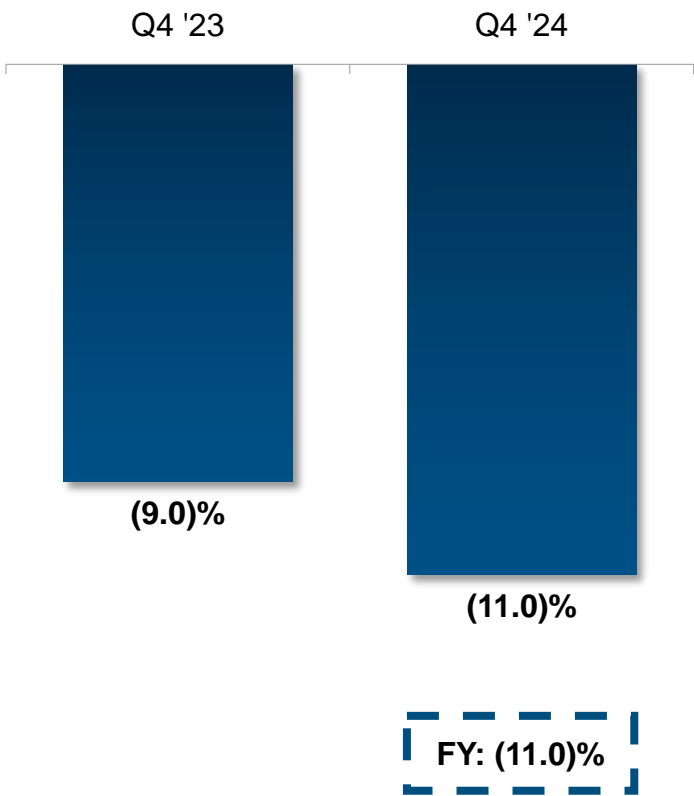
Full Year



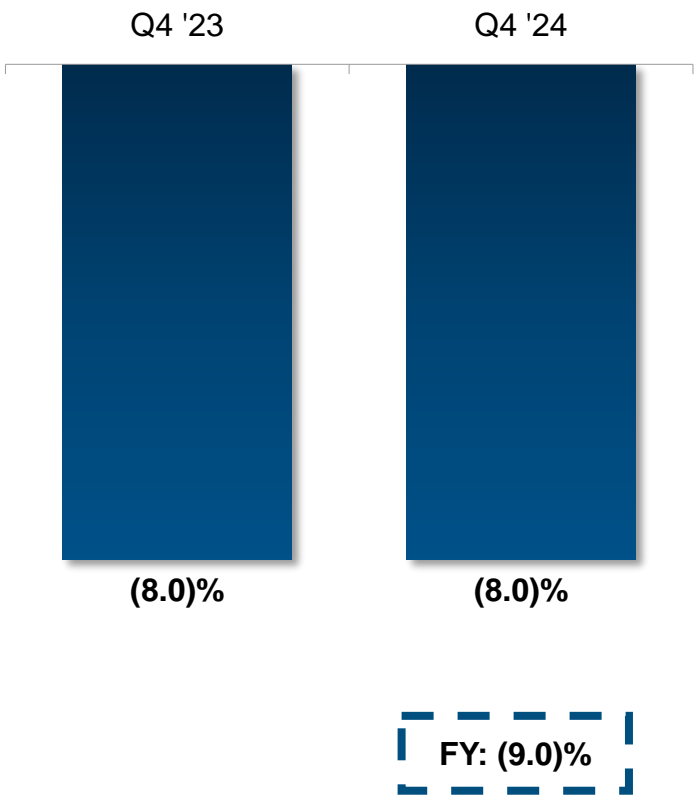
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Adjusted Cigarette Decline Rates

Smokeable Segment



Total Industry



Source: ALCS CMI estimates – rounded to nearest 0.5%.
Note: Estimates are subject to revision due to wholesaler resubmission of inventory data.

Cigarette Industry Volume Decomposition Estimates

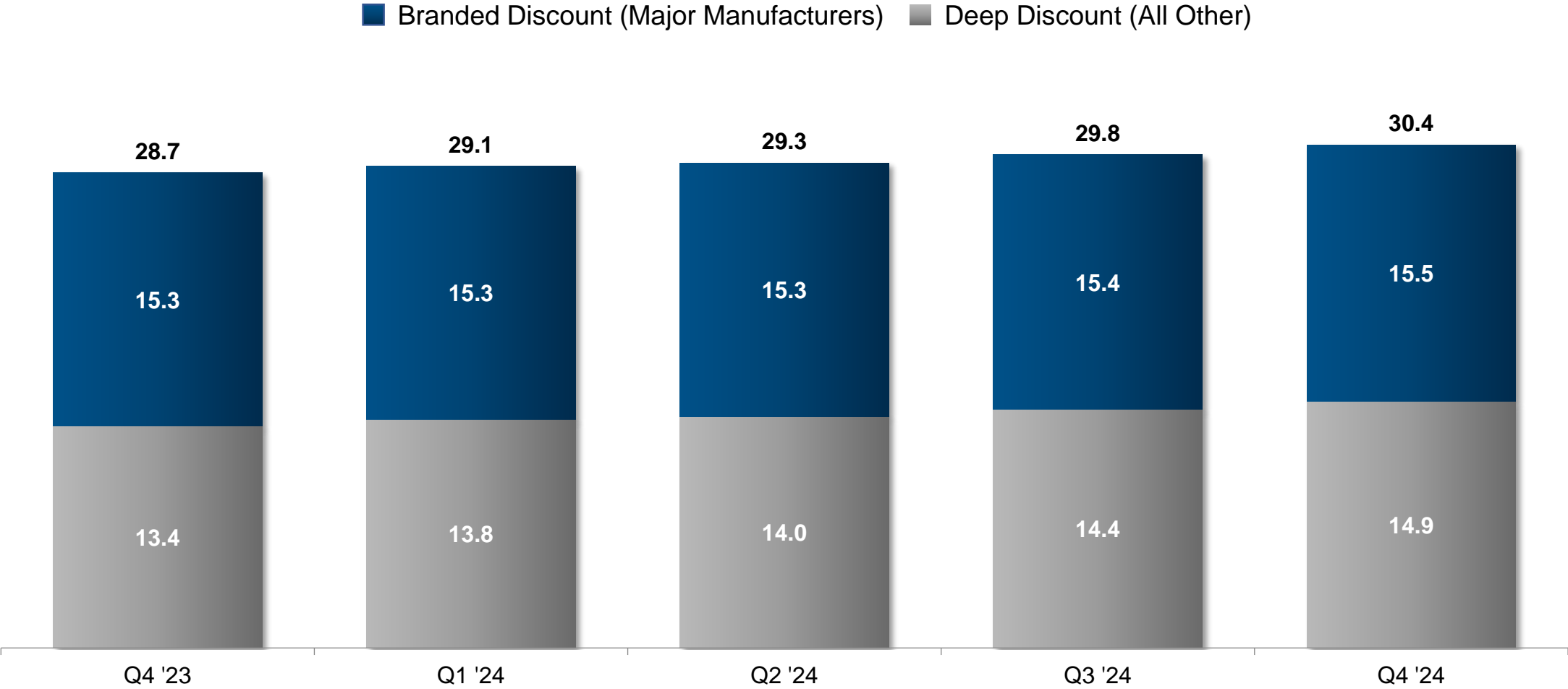
Twelve Months Ended

	3/31/24	6/30/24	9/30/24	12/31/24
Secular Decline Rate ¹	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity ²	(1.8)%	(1.9)%	(2.0)%	(2.1)%
Macroeconomic, Cross Category Movement & Other Factors	(3.7)%	(4.1)%	(4.5)%	(4.4)% ³
Estimated Industry Decline	(8.0)%	(8.5)%	(9.0)%	(9.0)%

- 1 Impact to cigarette industry volume due to the decline in adult smokers 21+, excluding cross category movements.
- 2 Reflects a cigarette price elasticity coefficient of -0.35.
- 3 Cross category cigarette volume impacts are currently estimated at 3% to 4%, primarily driven by illicit flavored disposable e-vapor products.

Source: ALCS Advanced Analytics estimates.

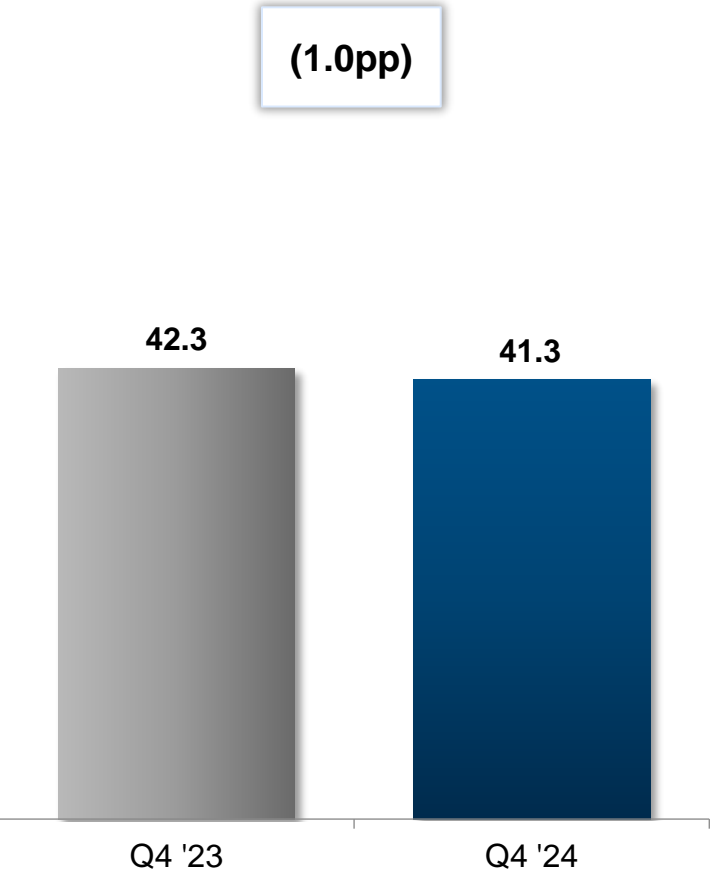
Discount Retail Share



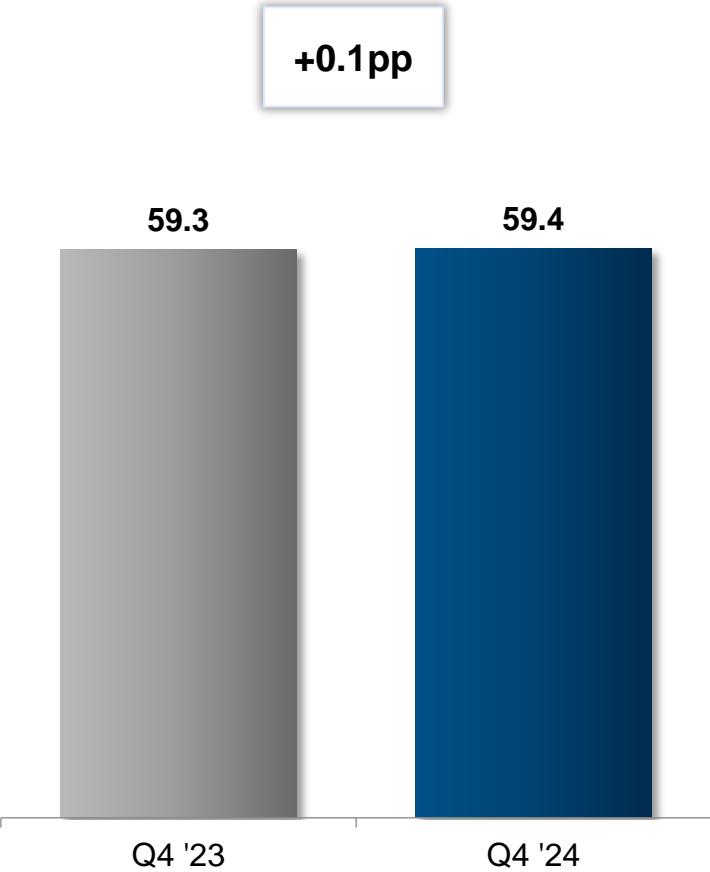
*Note: Discount sequential share from Q3'24 to Q4'24 was +0.6pp vs. the 5-year average sequential change of +0.5pp.
Source: Circana InfoScan Cigarette 2024-Blended, week ending 12/29/2024.*

Marlboro Retail Share and Share of Premium

Marlboro Retail Share¹



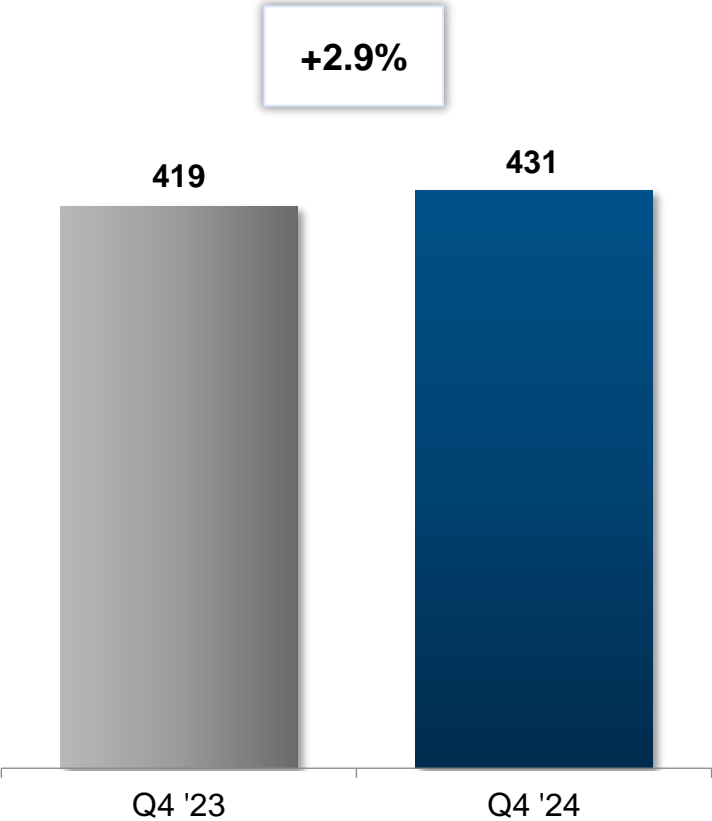
Marlboro Share of Premium



¹Sequential share change from Q3'24 to Q4'24 was (0.3pp) vs. the 5-year average sequential change of (0.2pp).
Source: Circana InfoScan Cigarette 2024-Blended, week ending 12/29/2024.

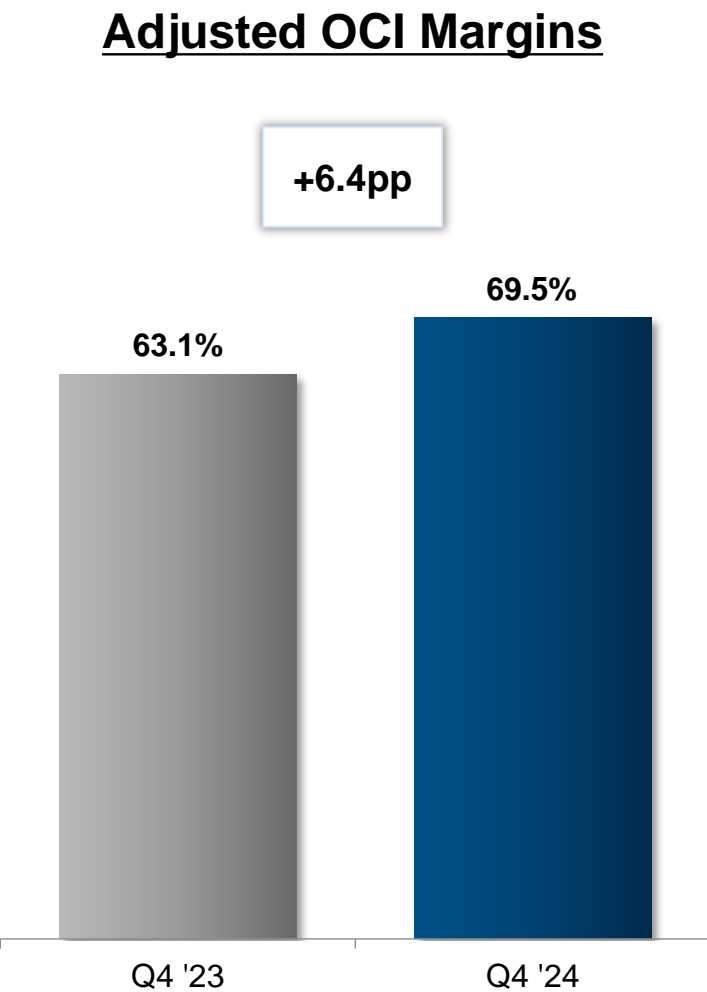
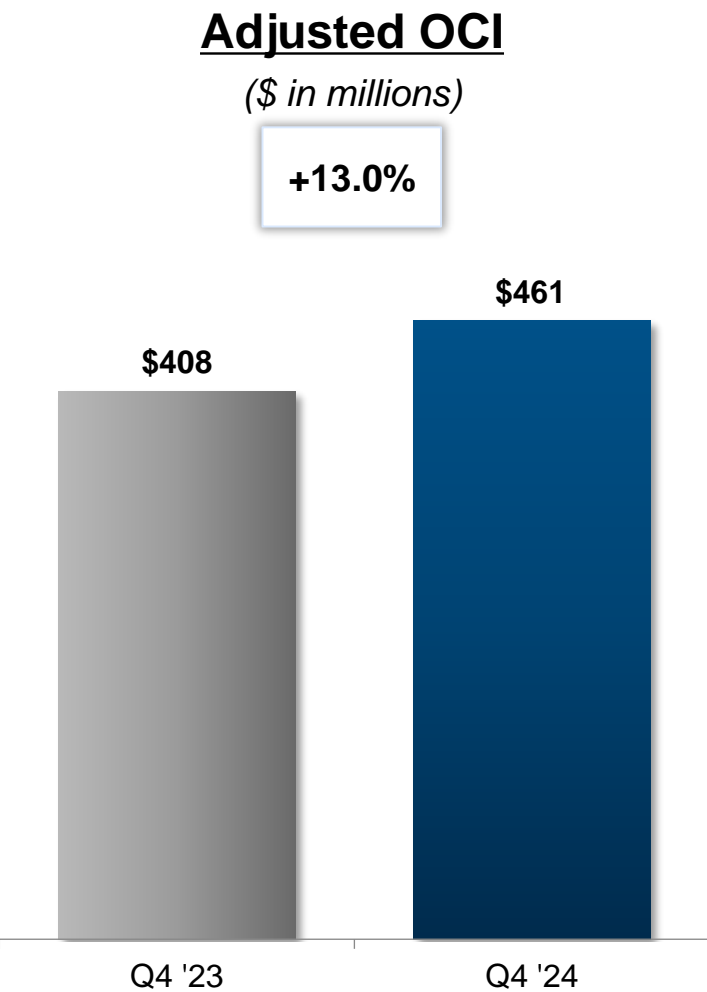
John Middleton Cigars

Reported Shipment Volume
(in millions)



Oral Tobacco Products Segment

Adjusted OCI and Adjusted OCI Margins**

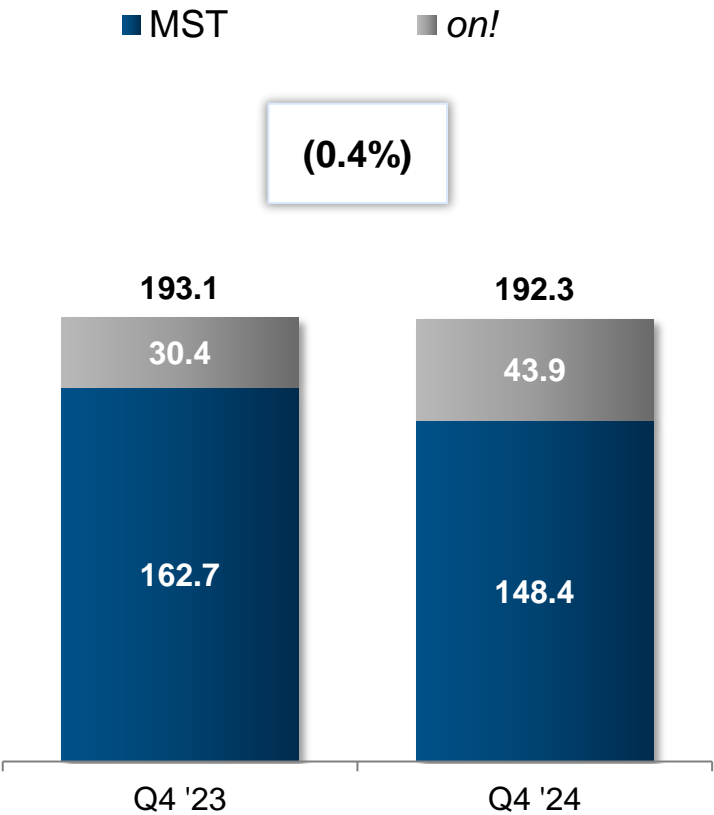


**For reconciliations of non-GAAP to GAAP measures visit altria.com.*

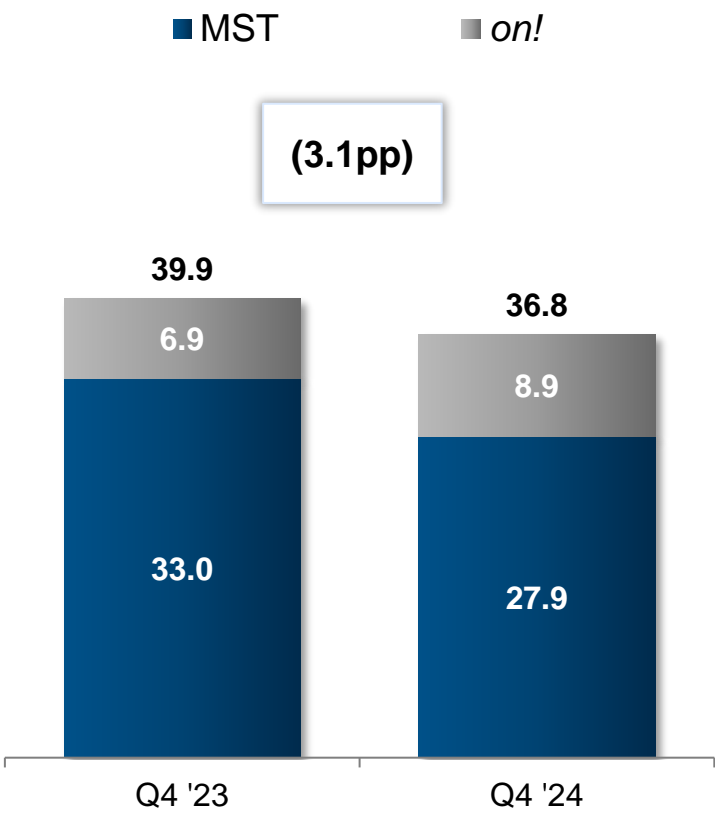
Oral Tobacco Products Segment Volume and Share

Reported Shipment Volume

(in millions)



Retail Share



Source: Circana InfoScan Cigarette 2024-Blended, week ending 12/29/2024.

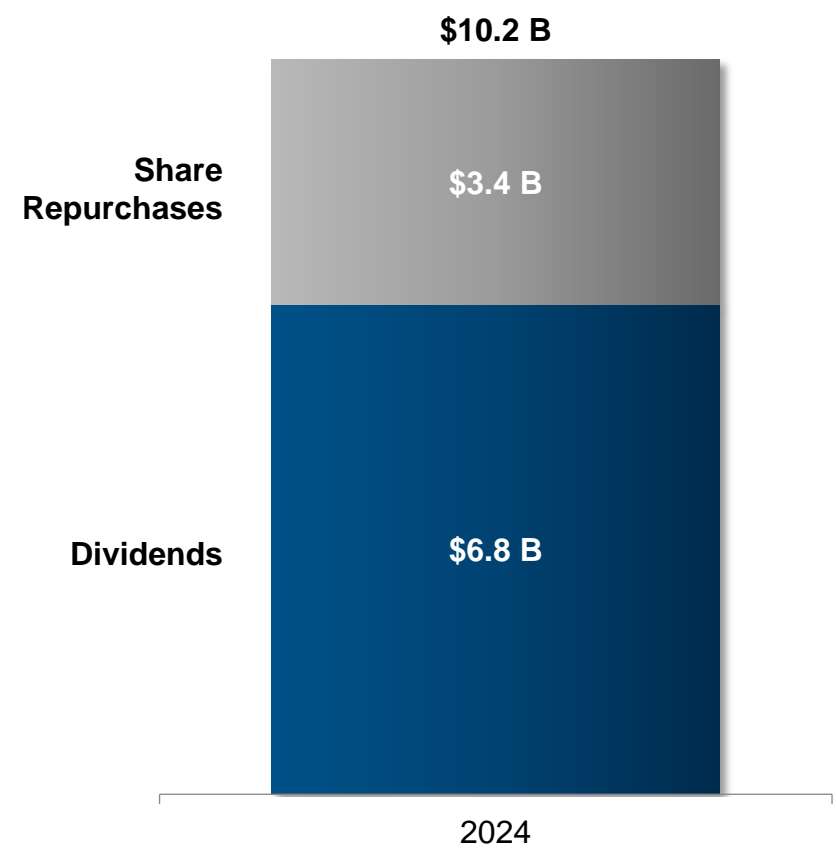
ABI Investment



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Committed to Long-Term Value for Our Investors

Cash Returned to Shareholders



2024

Dividend Increase

+4.1%

Debt-to-EBITDA*

2.1x

2025

New Share Repurchase Program

\$1 Billion

*For the Twelve Months Ended December 31, 2024. For reconciliations of non-GAAP to GAAP measures visit altria.com.

