

Altria's First-Quarter 2022 Earnings Conference Call

April 28, 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, 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.

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

Moving beyond smoking™



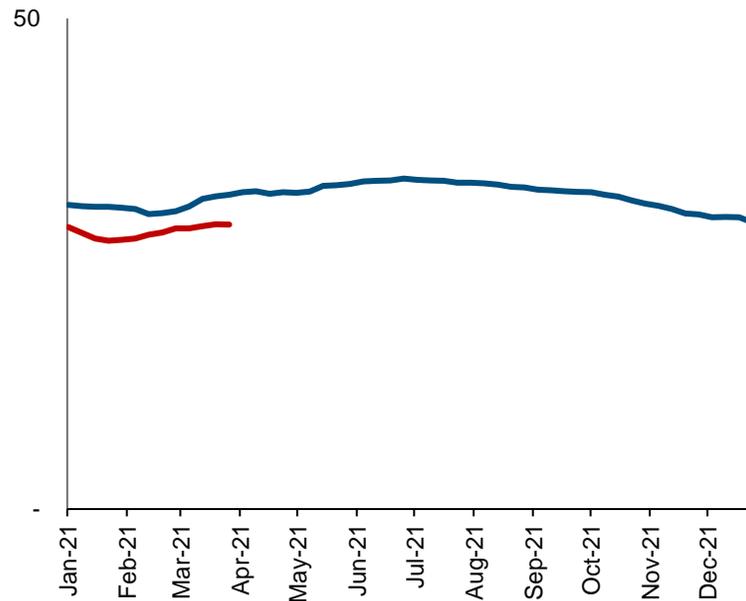
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Cigarette Trips and Volume Sales Trends¹

2021, 2022

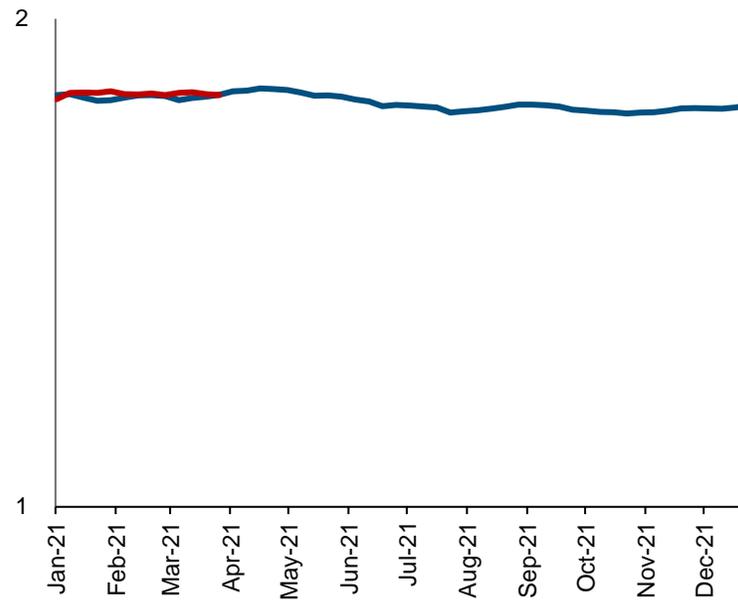
Total Trips

(in millions)



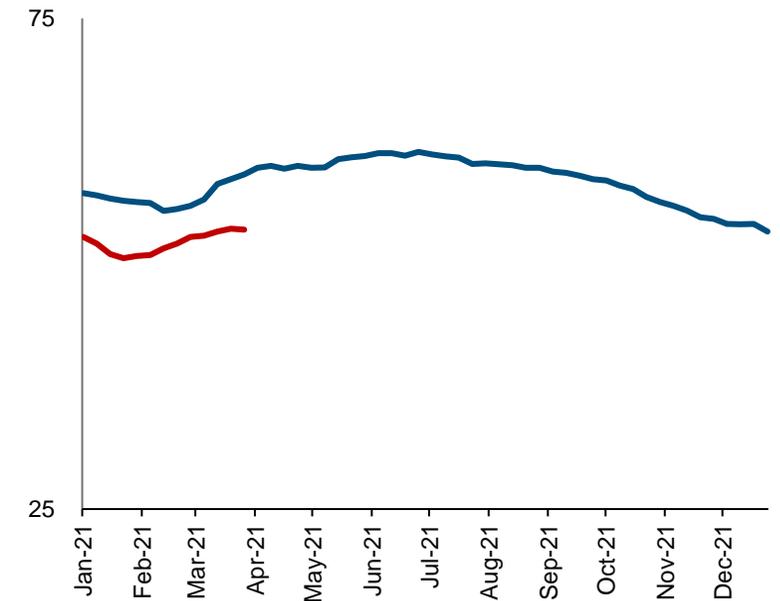
Volume Per Trip

(in packs)



Total Volume

(in millions)

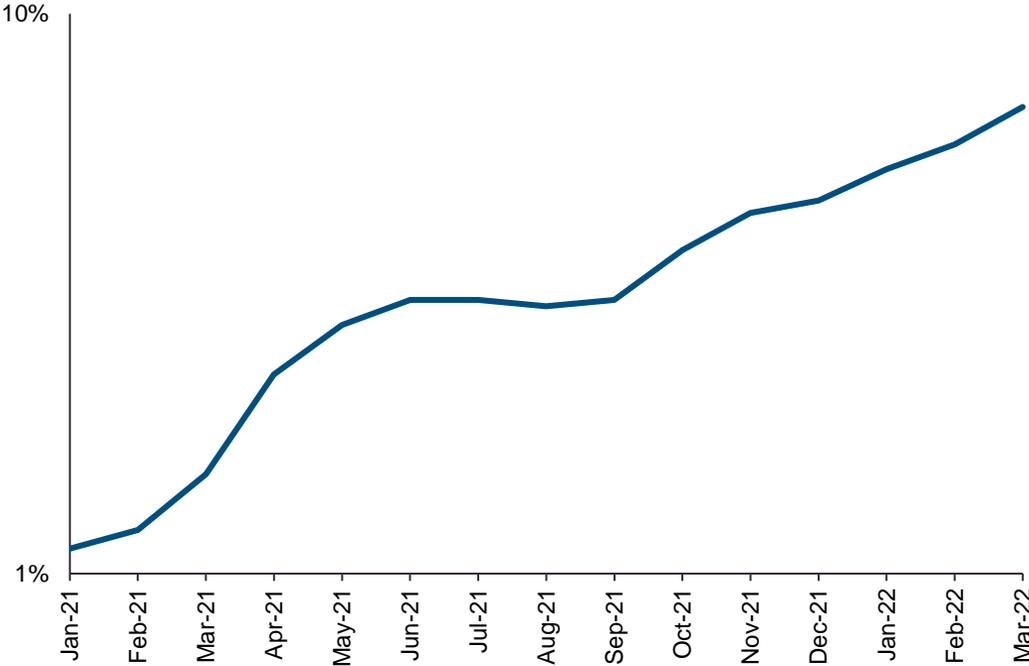


Databricks POS Scan week ending 04.02.2022 as of 04.12.2022

¹ Store reporting Volume Sales for Cigs, Marlboro & AOM for all weeks 2021, 2022 (Store Sample ~59K)

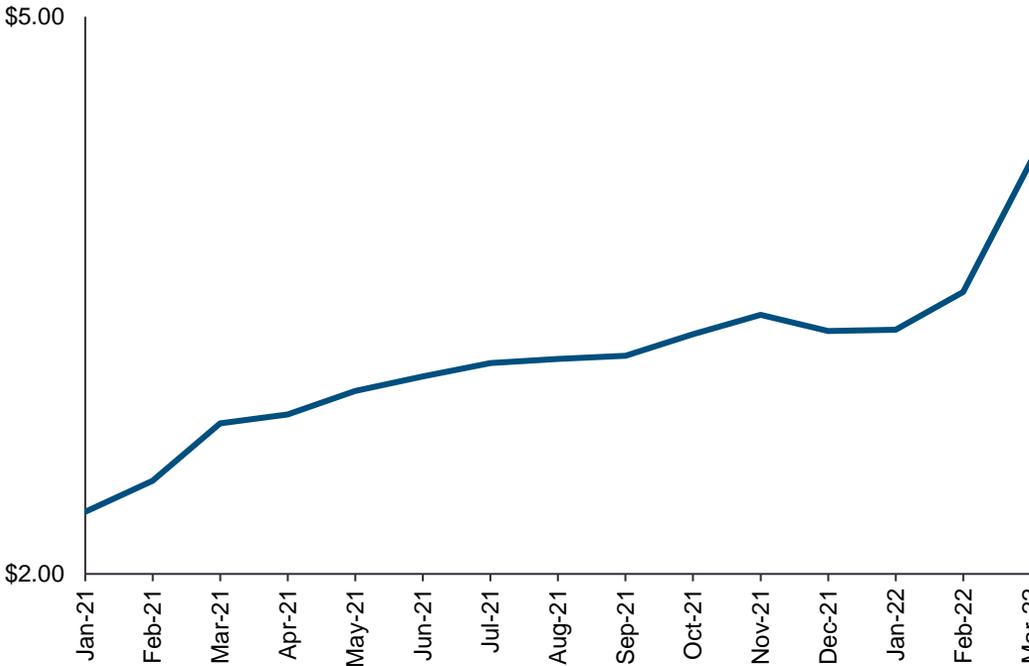
Macroeconomic Headwinds

Consumer Price Index



Source: U.S. Bureau of Labor Statistics: 12-month percentage change, Consumer Price Index

Weekly Retail Gasoline and Diesel Prices

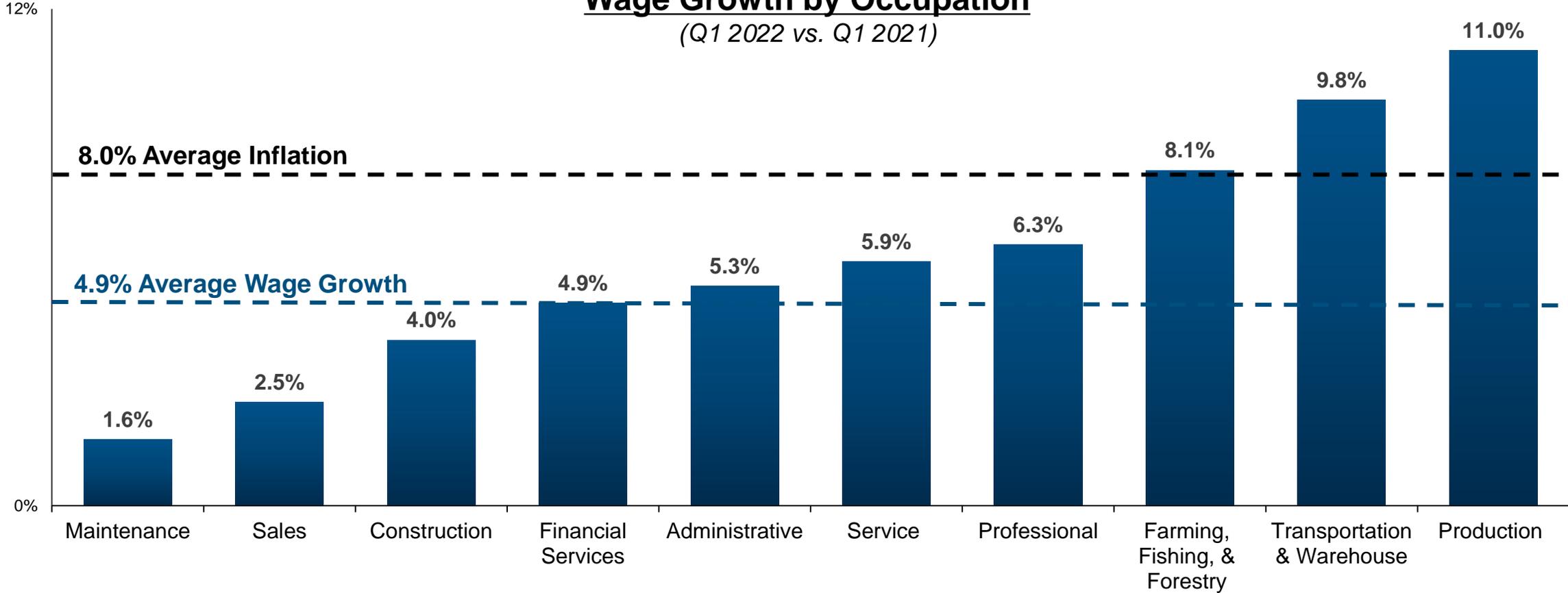


Source: U.S. Energy Information Administration: Weekly Retail Gasoline and Diesel Prices (dollars per Gallon, Including Taxes)



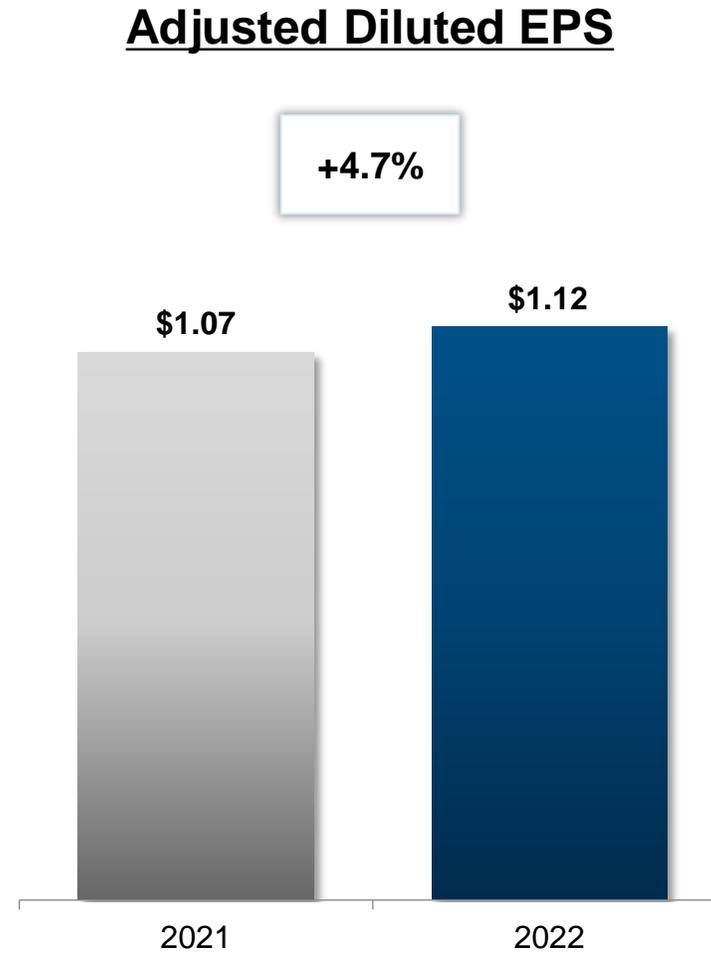
Macroeconomic Tailwinds

Wage Growth by Occupation
(Q1 2022 vs. Q1 2021)



Source: U.S. Bureau of Labor Statistics: Median usual weekly earnings of full-time wage and salary workers by occupation and sex, quarterly averages, not seasonally adjusted

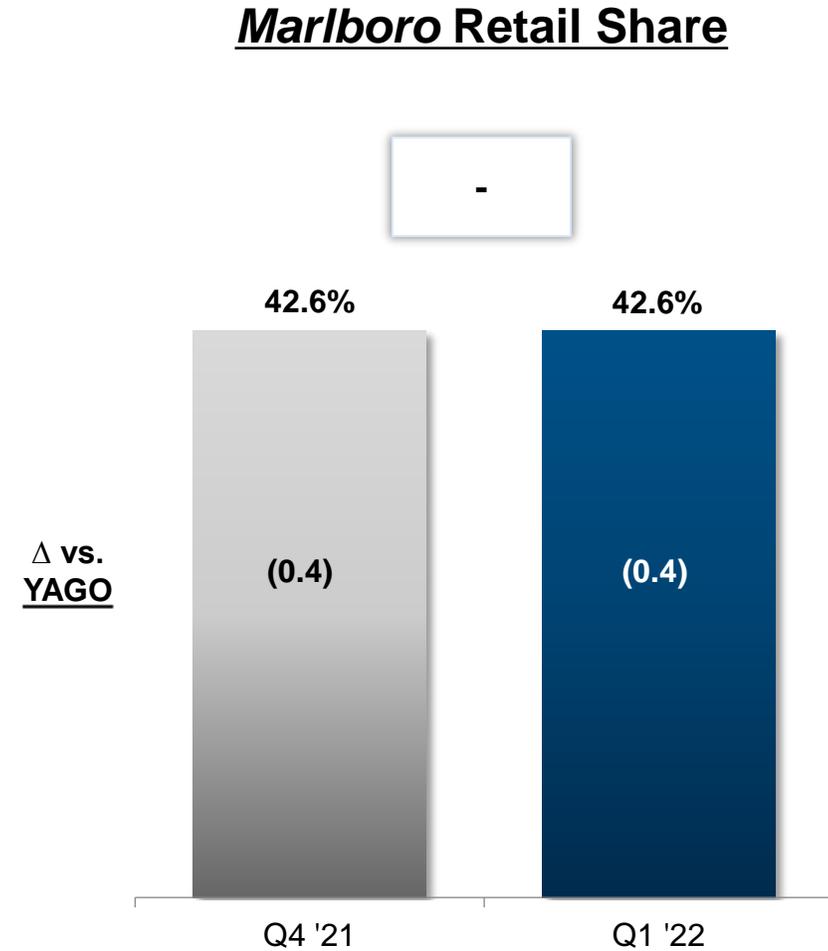
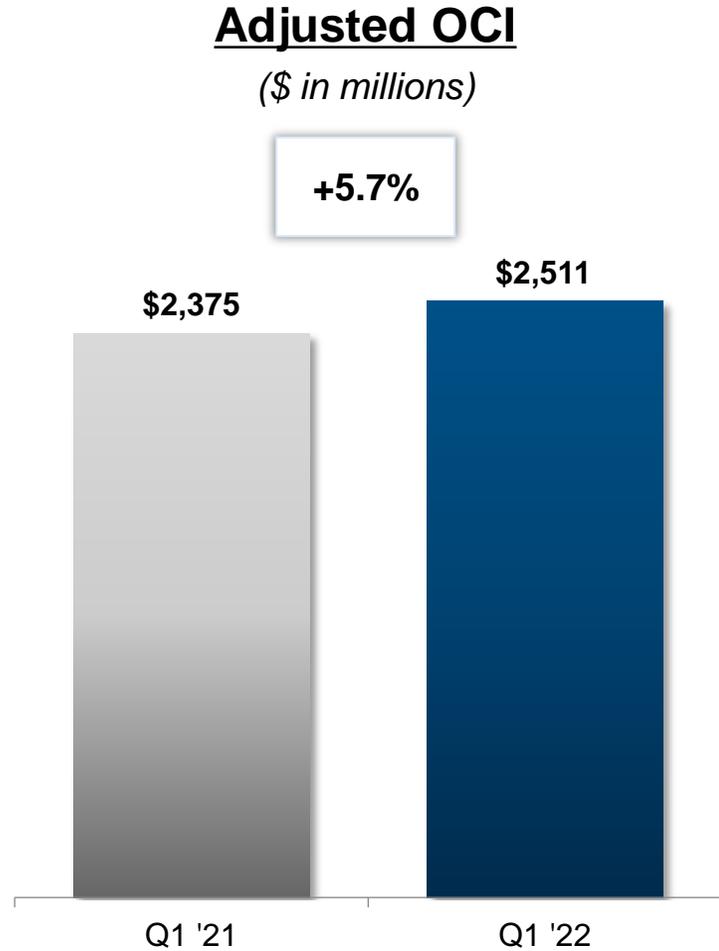
Q1 2022: Adjusted Diluted Earnings Per Share (EPS)*



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

Smokeable Products Segment

Adjusted Operating Companies Income* (OCI)



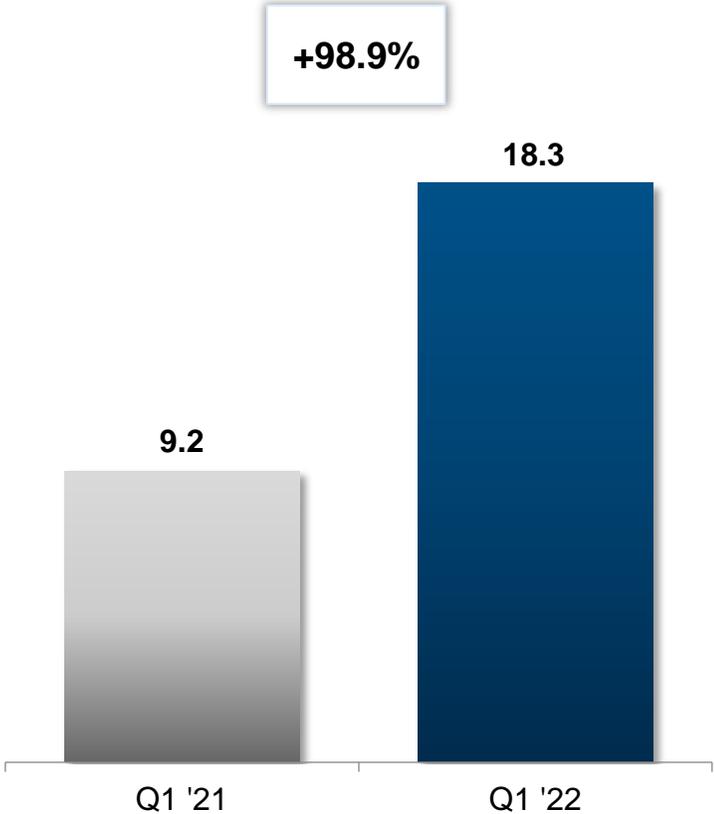
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Source: IRI/MSAi InfoScan – Blended, WE 04/03/22

Continued *on!* Share Growth and Shipment Volume

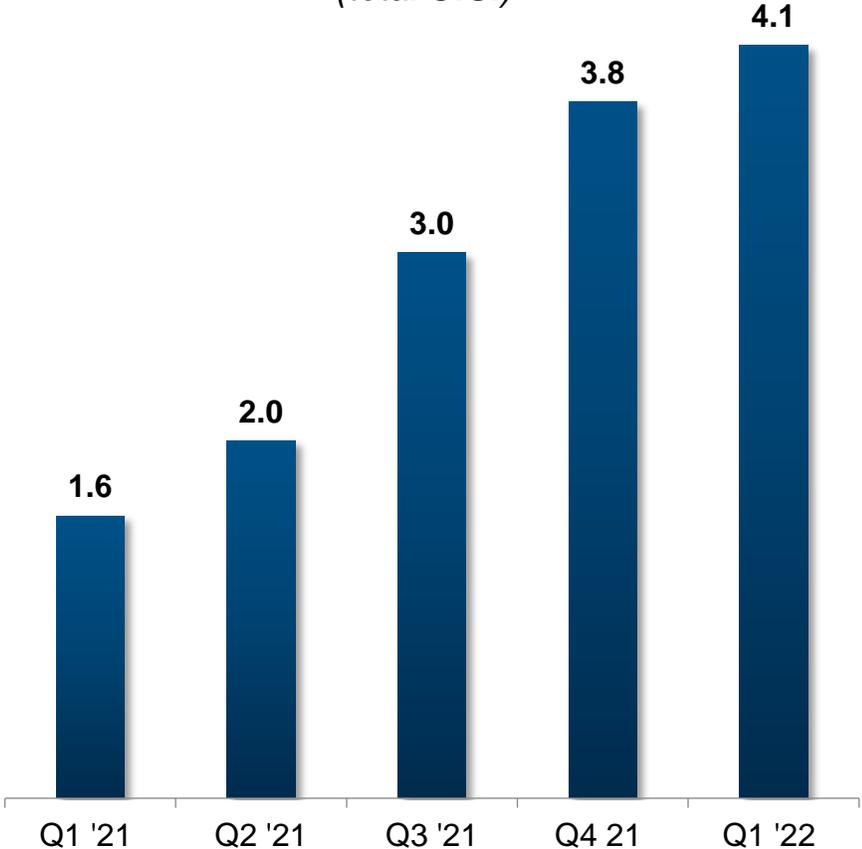
on! Shipment Volume

(cans in millions)



on! Share of Oral Tobacco Category

(total U.S.)



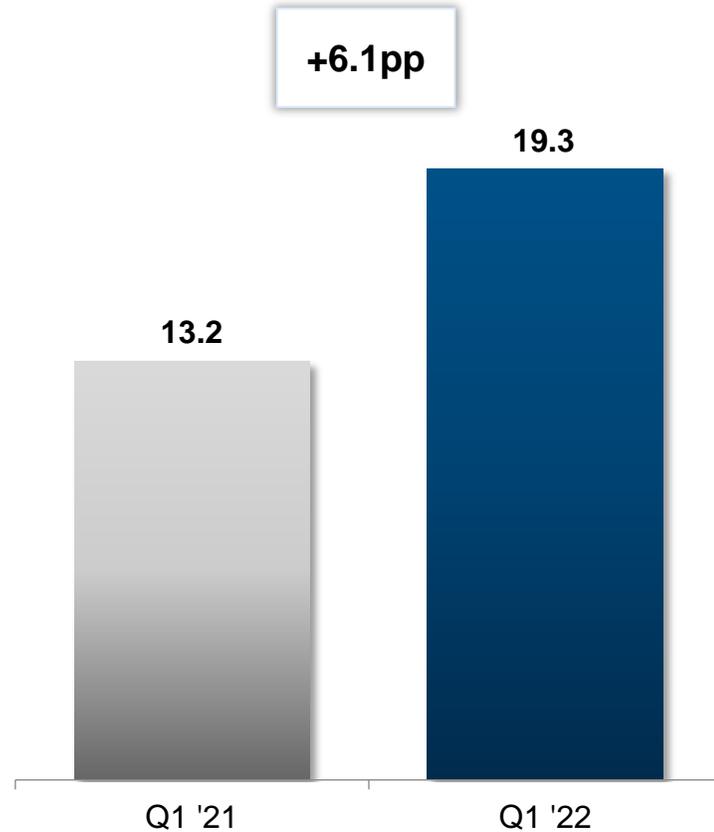
Source: IRI InfoScan Oral Tobacco MOC, WE 04/03/22



Oral Nicotine Pouch (ONP) Category Growth

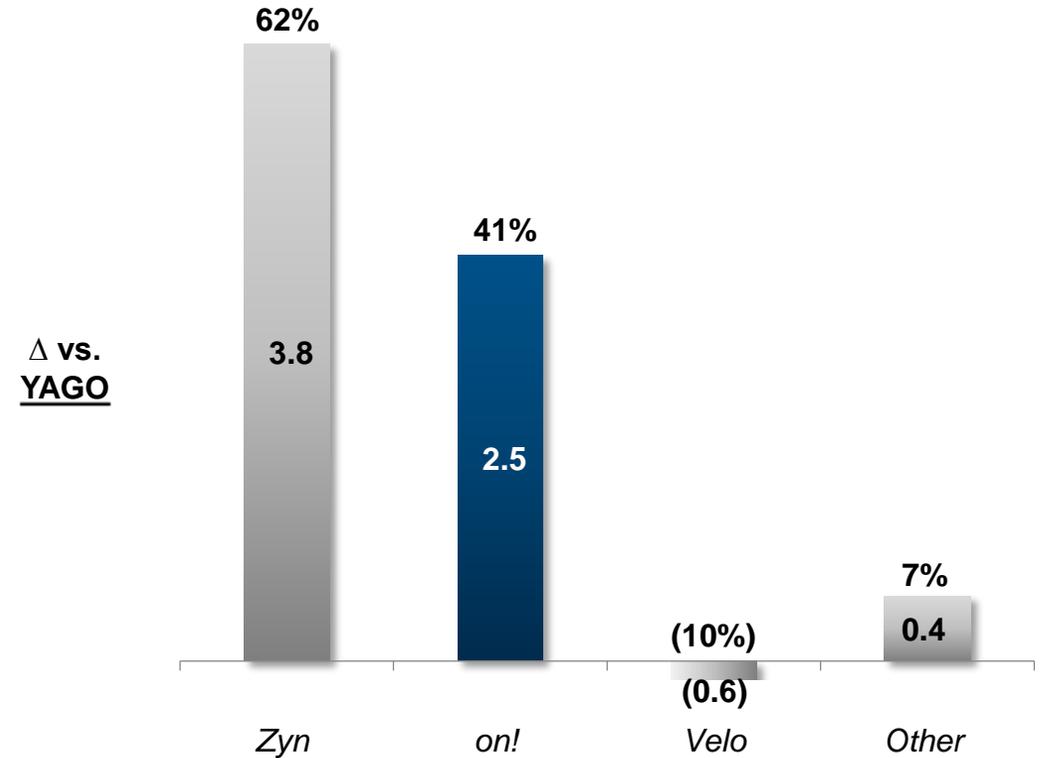
Share of total U.S. oral tobacco category

ONP Share



ONP Share Growth by Brand

(Q1 2022 vs. Q1 2021)



Source: IRI InfoScan Oral Tobacco MOC, WE 04/03/22

Oral Tobacco Regulatory Update

- Our premarket tobacco product applications (PMTA) for the entire *on!* portfolio remain pending with the U.S. Food and Drug Administration (FDA), and we believe the FDA should determine that the marketing of these products is appropriate for the protection of public health.
- We are also actively working on modified risk tobacco product applications (MRTP) for *on!*. We believe MRTP claims would provide impactful points of differentiation for the brand and important tools in educating and ultimately transitioning smokers to less harmful products.

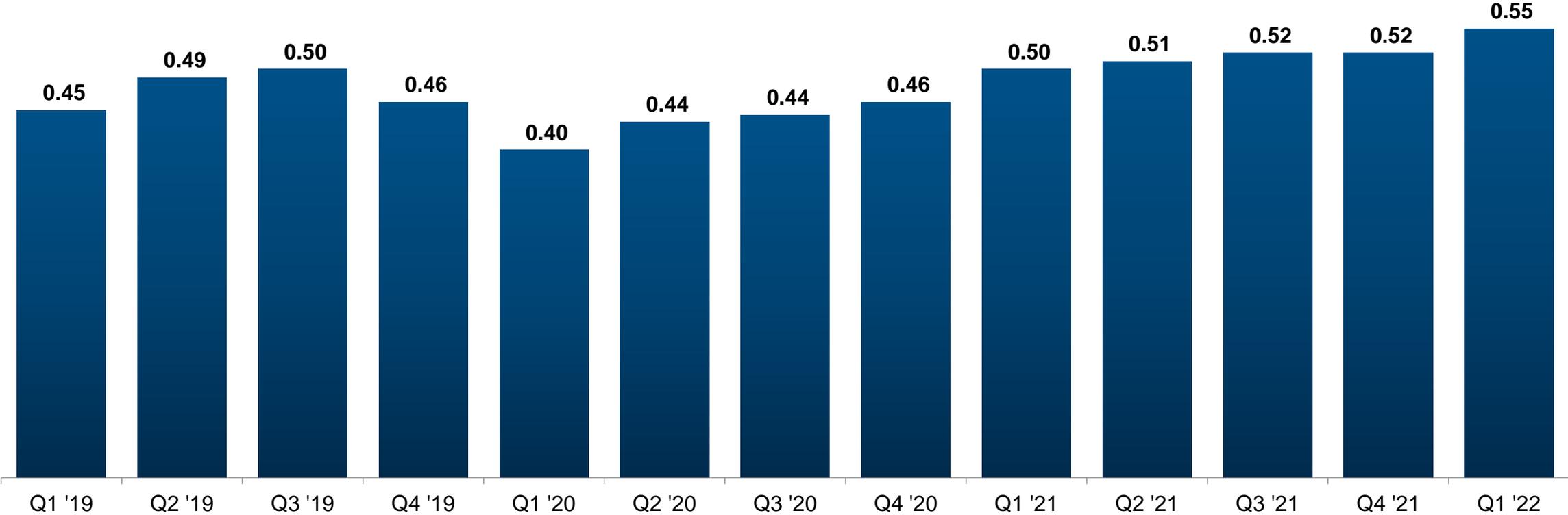


E-Vapor Category Volume

Estimated Equivalized Volume (in billions of units)

Quarterly Estimates

Q1 2022 Category Δ
4% Q/Q Increase
10% Y/Y Increase



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





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

Regulatory Update

Synthetic Nicotine

- President Biden signed a bill last month to bring synthetic nicotine products under FDA regulation.
- The bill allows manufacturers of synthetic nicotine products currently on the market to keep those products on the market for 120 days after the bill's enactment provided that they submit a PMTA for those products by May 14th.
- Unless the FDA grants a PMTA within that time period, the products become unlawful and subject to FDA's enforcement discretion.
- We believe this legislation is an important step toward the creation of a responsible smoke-free marketplace consisting solely of FDA authorized products.

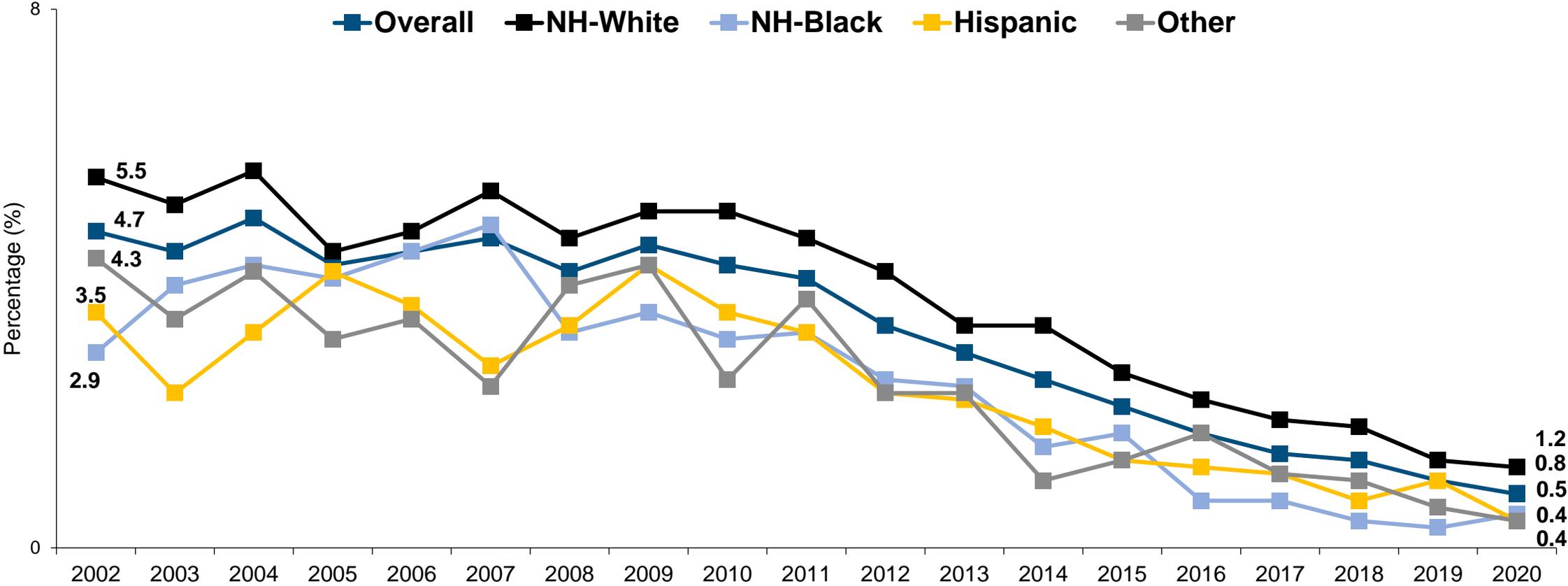
Regulatory Update (continued)

FDA Rulemaking Process



National Survey on Drug Use and Health 2002-2020

Prevalence of menthol cigarette smoking among youth ages 12-17 by race/ethnicity



Source: ALCS analysis of National Survey on Drug Use and Health 2002-2020. Data before 2004 may not be directly comparable to post 2004 as 2002 and 2003 item asked whether respondents smoked menthol or regular cigarettes most often. 2004 on item asked if the cigarettes you smoked during the past 30 days menthol (yes/no response). Caution should be used when comparing estimates between 2020 and prior years due to methodological changes for 2020 due to COVID-19.

Id. Other Race category includes Non-Hispanic (NH) Native American, Alaskan Native, Native Hawaiian, Other Pacific Islander, Asian, and/or more than one race.

Moving beyond smoking™



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Inflationary Environment Update

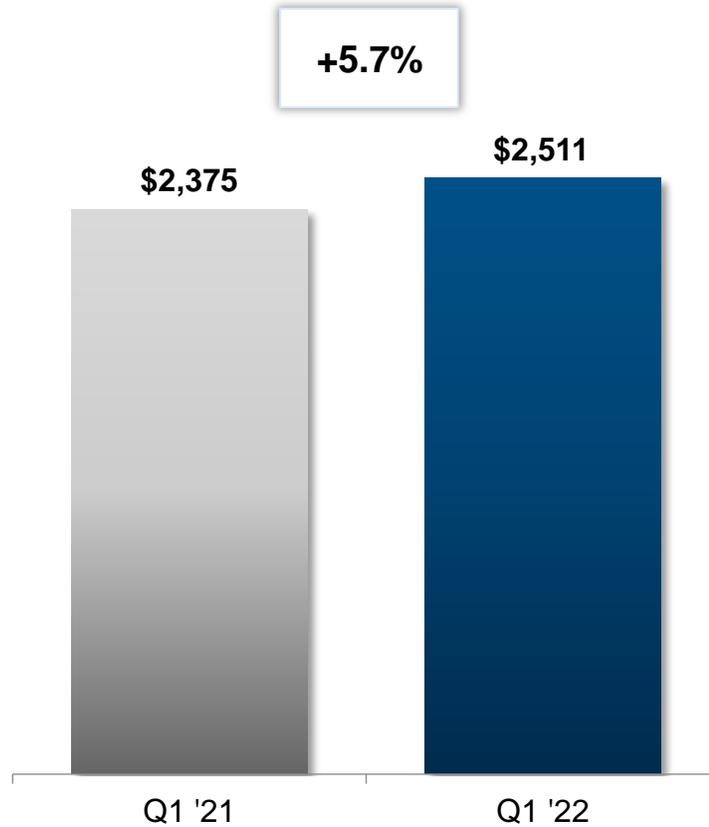
- We continue to monitor the potential impacts to our operations and supply chain, and we are actively working to mitigate risk.
- Thanks to the hard work of our teams, we have not experienced material adverse impact from these events.
- While our company will continue to monitor the situation, our hearts go out to the suffering Ukrainian people and to all those affected by the war.

Smokeable Products Segment

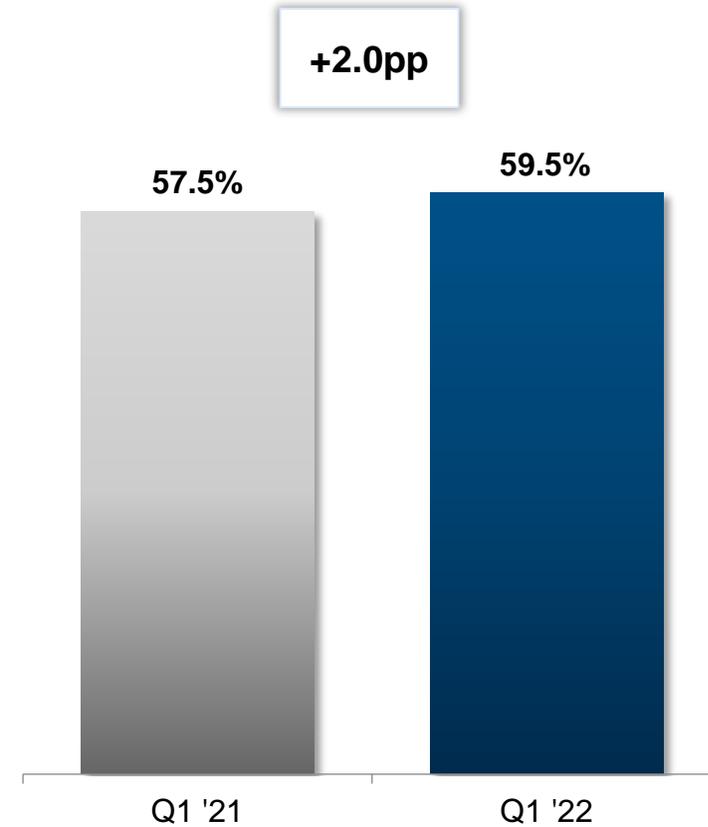
Adjusted OCI and Adjusted OCI Margins**

Adjusted OCI

(\$ in millions)



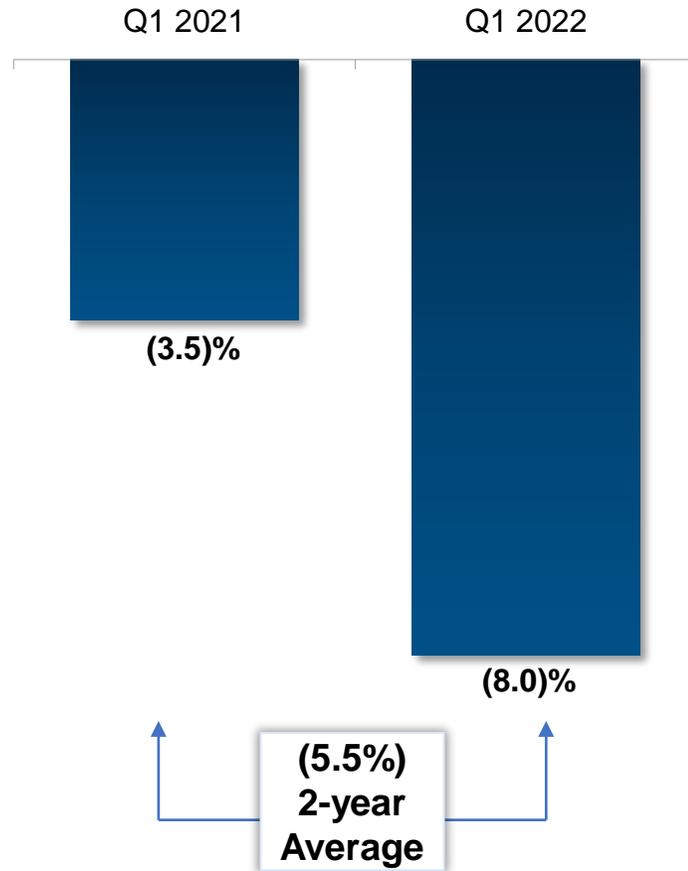
Adjusted OCI Margins



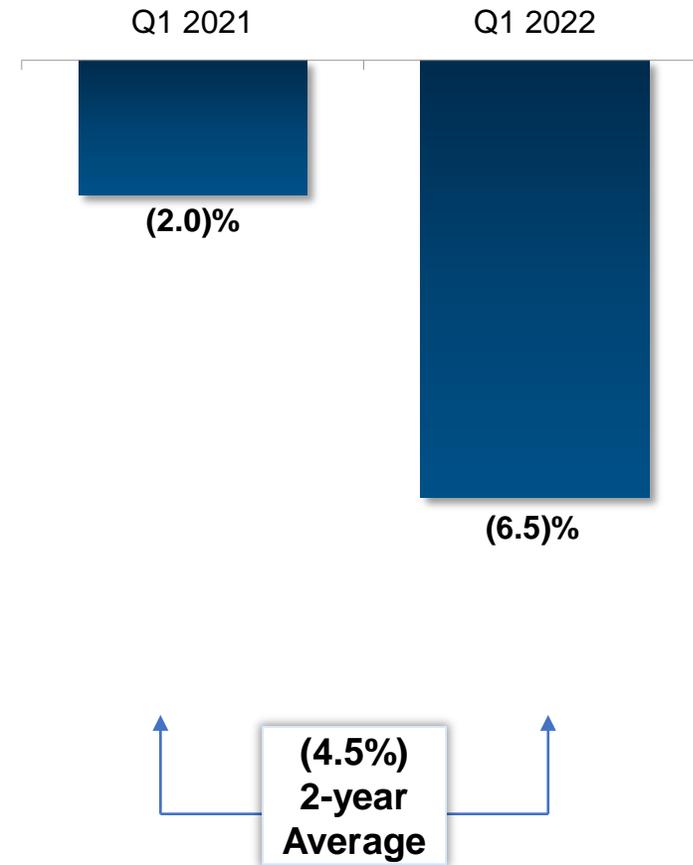
*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Adjusted Cigarette Decline Rates

Smokeable Segment



Total Industry

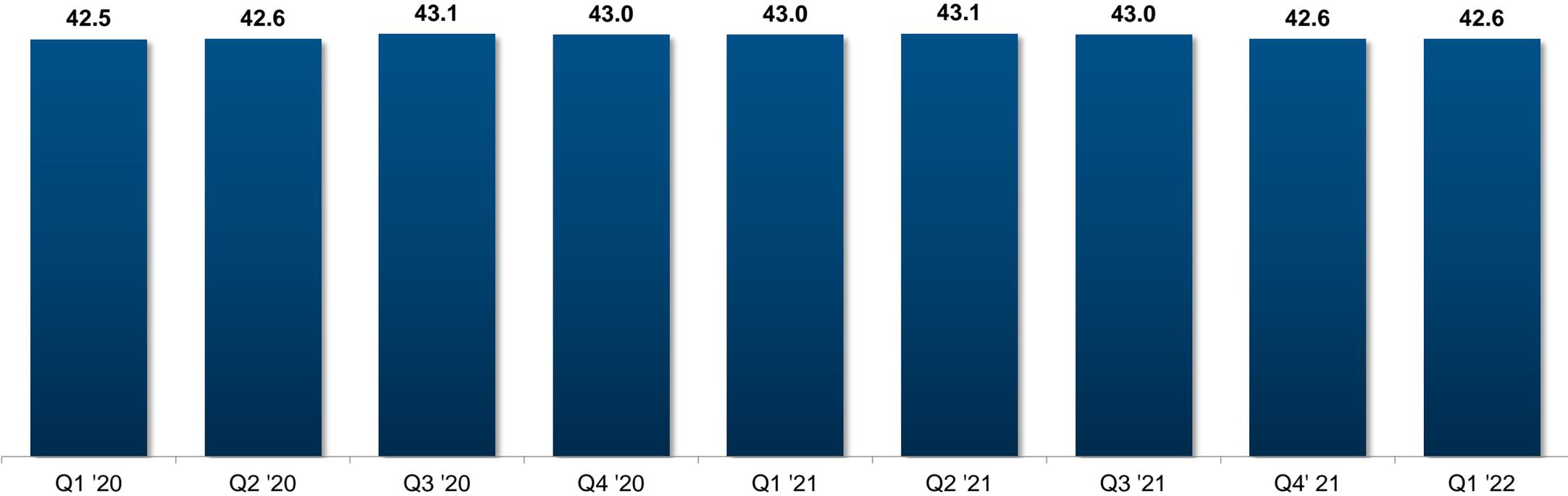


Source: AVI SCMI estimates – rounded to nearest 0.5%

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

Smokeable Products Segment

Marlboro Retail Share



Marlboro Share of Premium Segment

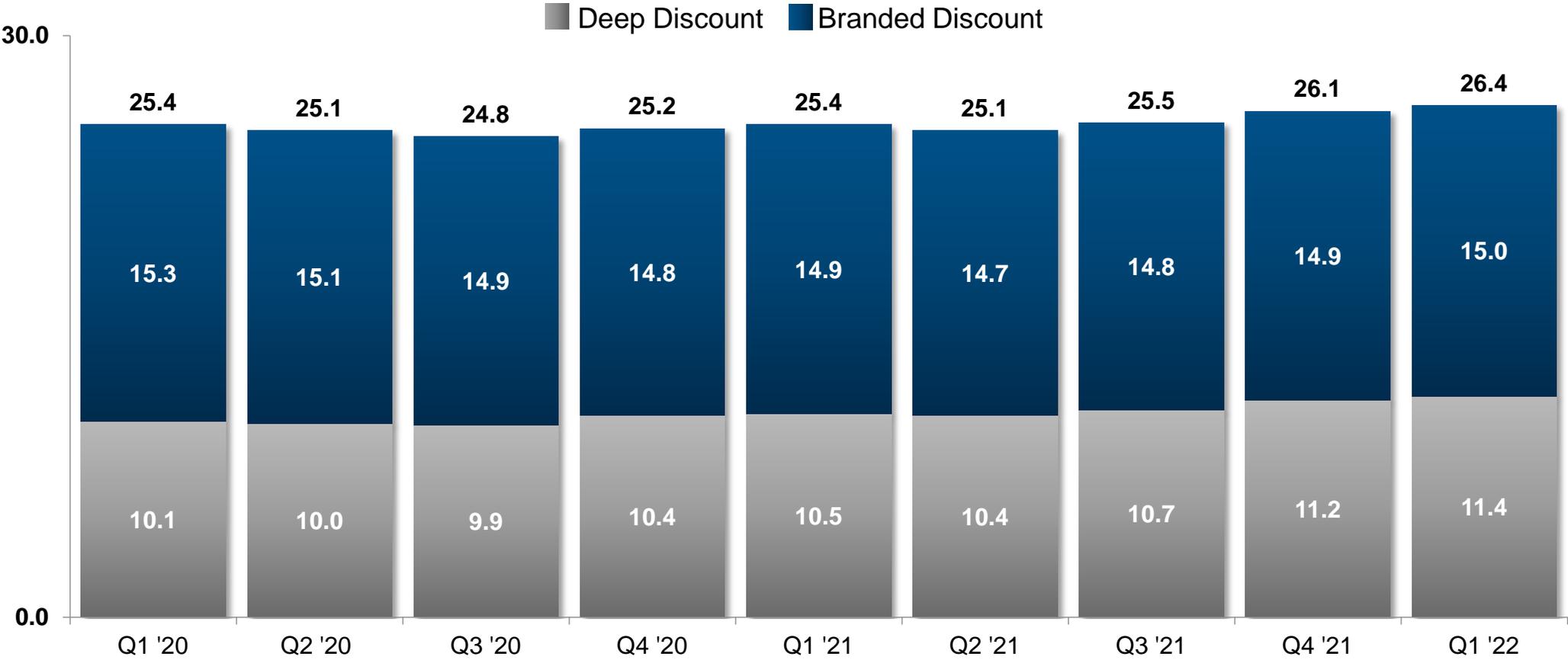


Source: IRI/MSAi InfoScan – Blended, WE 04/03/22



Discount Retail Share

Total Discount Segment (%)

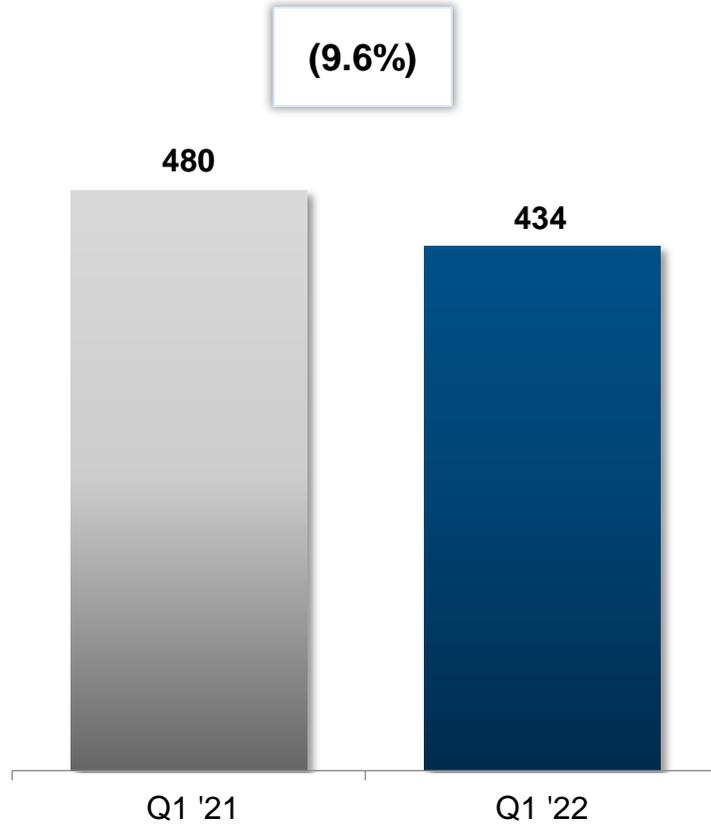


Source: IRI/MSAi InfoScan Cigarette 2021 – Blended, WE 04/03/22

John Middleton Cigars

Reported Shipment Volume

(in millions)

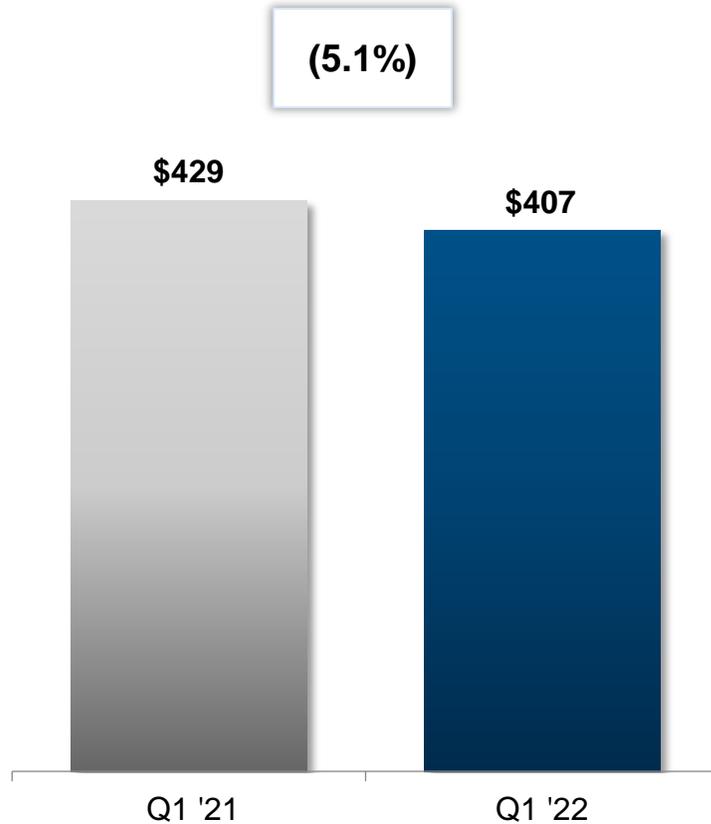


Q1 2022: Oral Tobacco Products Segment

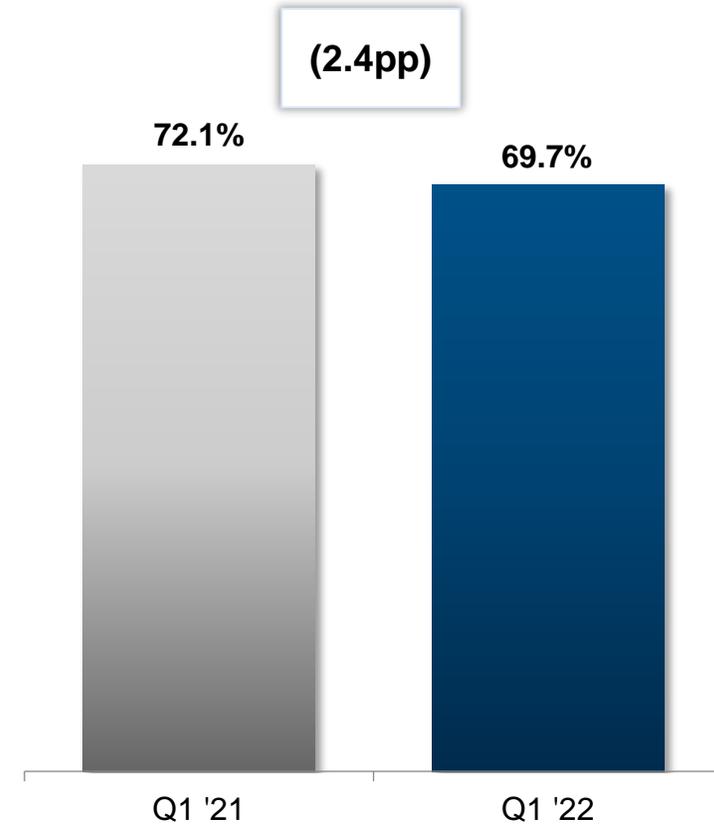
Adjusted OCI and Adjusted OCI Margins**

Adjusted OCI

(\$ in millions)



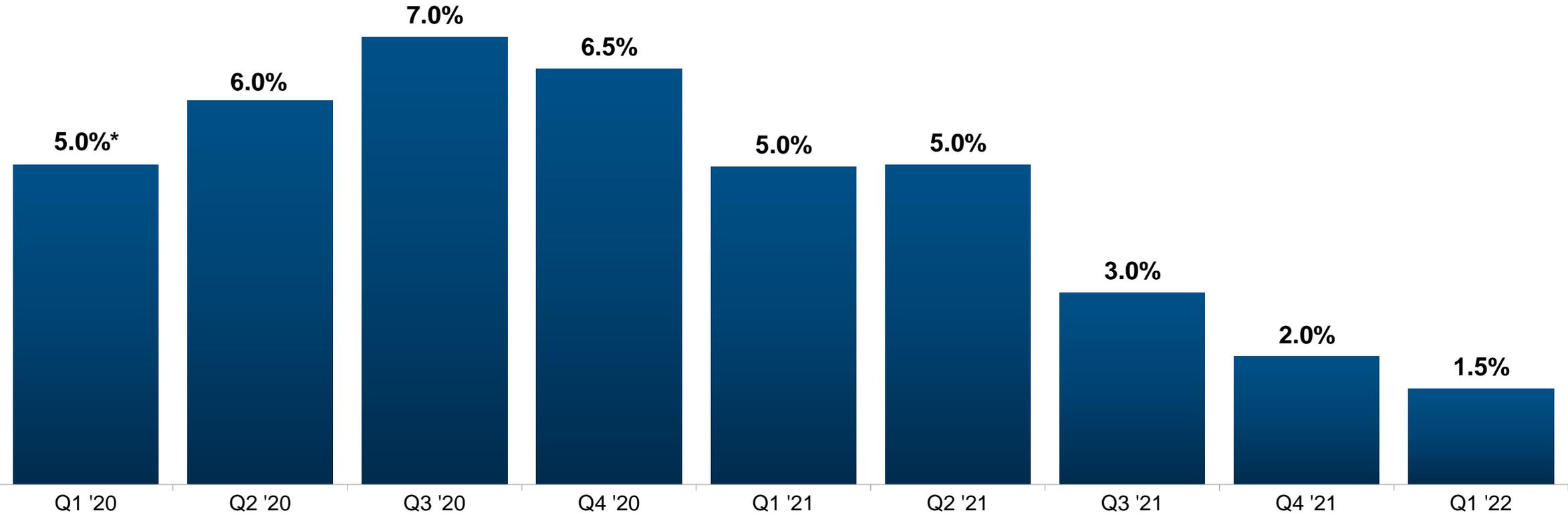
Adjusted OCI Margins



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

Oral Tobacco Industry Volume Growth Estimates

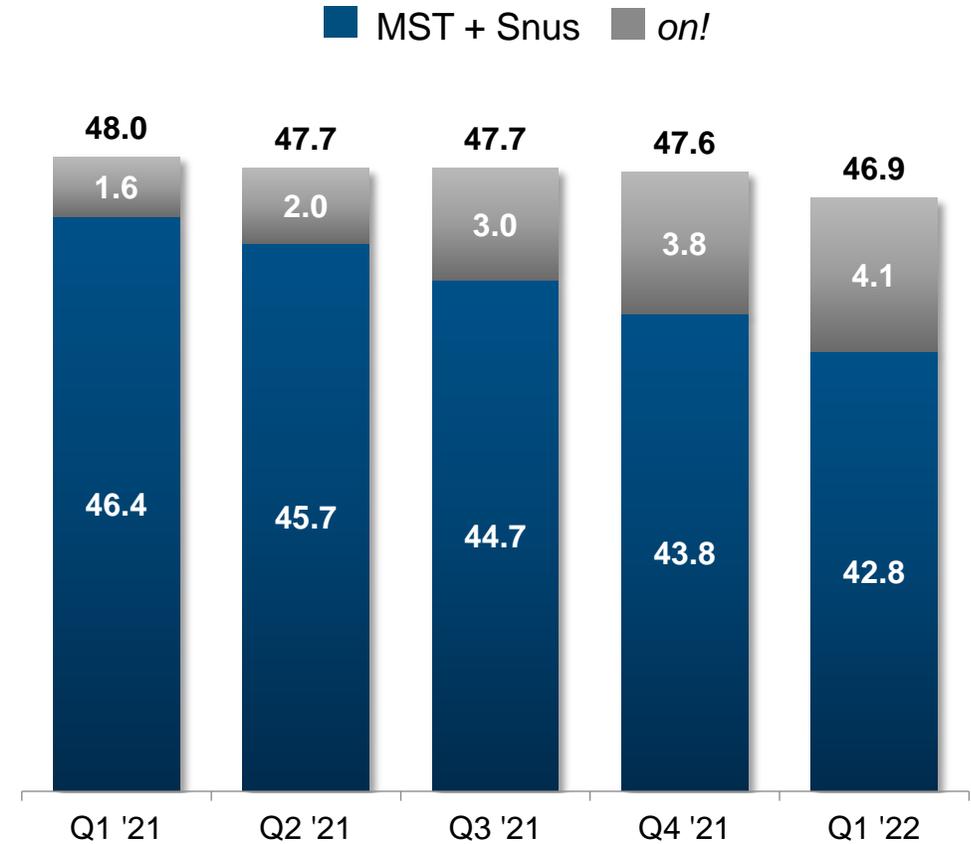
Six Months Ended



Source: AVI SCMI Estimates - rounded to the nearest 0.5%
Oral Tobacco industry includes MST, snus and oral nicotine pouch products
* Q1 & Q2 2020 includes an adjustment for estimated retail loading due to COVID-19



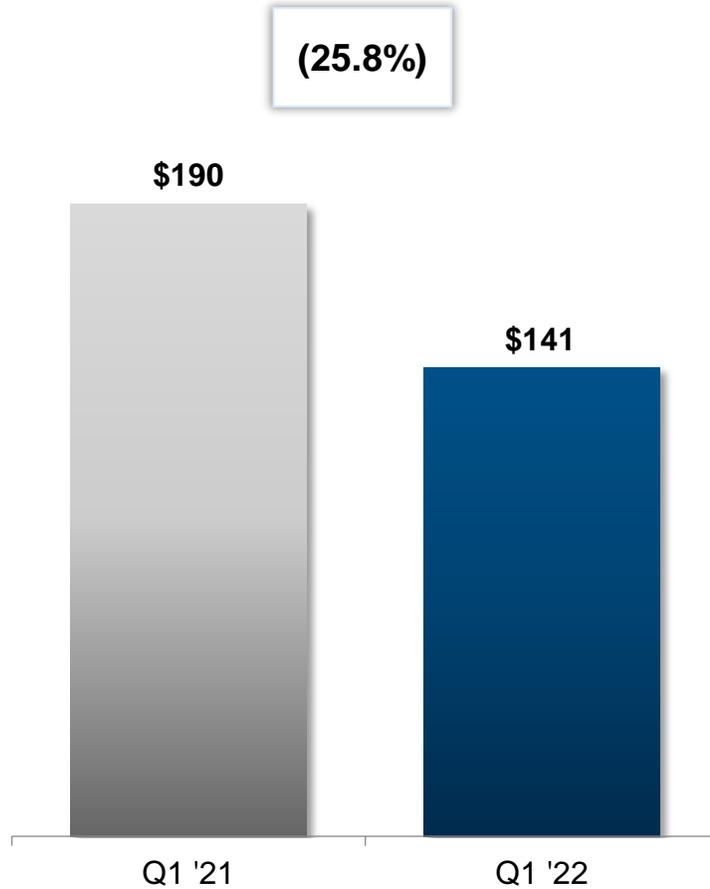
Oral Tobacco Products Segment Retail Share



Source: IRI/MSAi InfoScan Oral Tobacco 2021 – MOC, WE 04/03/22

Adjusted Equity Earnings* From ABI Investment

\$ in millions

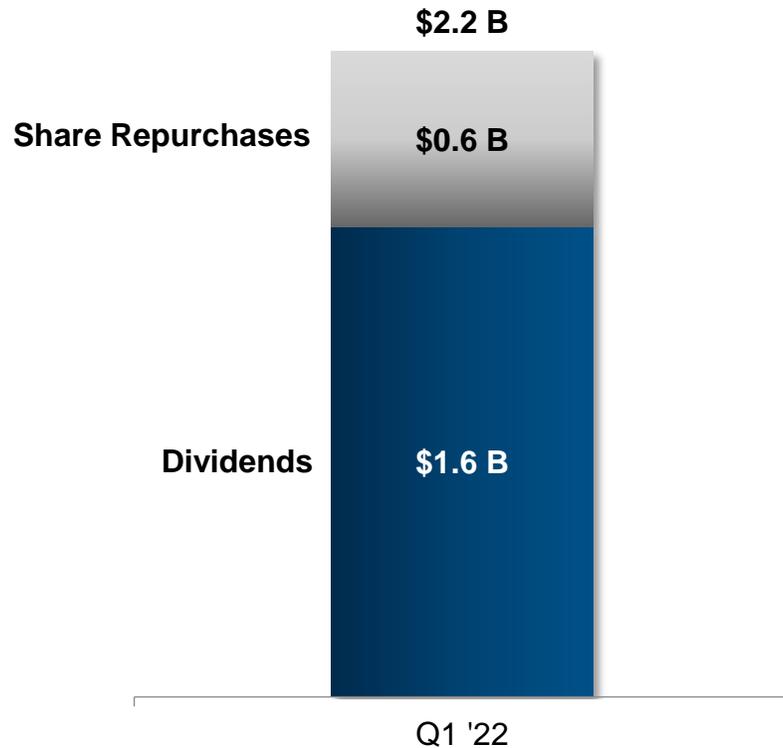


*For reconciliations of non-GAAP to GAAP measures visit altria.com.

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Capital Allocation and Guidance

Cash Returned to Shareholders



2022 Guidance

- We reaffirm our guidance to deliver 2022 full-year adjusted diluted EPS* in a range of \$4.79 to \$4.93. This range represents an adjusted diluted EPS growth rate of 4% to 7% from a \$4.61 base in 2021.
- We continue to expect that 2022 adjusted diluted EPS growth will be weighted toward the second half of the year.

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Committed to Reducing our Environmental Impact



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