

Altria's Third-Quarter and Nine-Months 2023 Earnings Conference Call

October 26, 2023



Altria

— FAMILY OF COMPANIES —

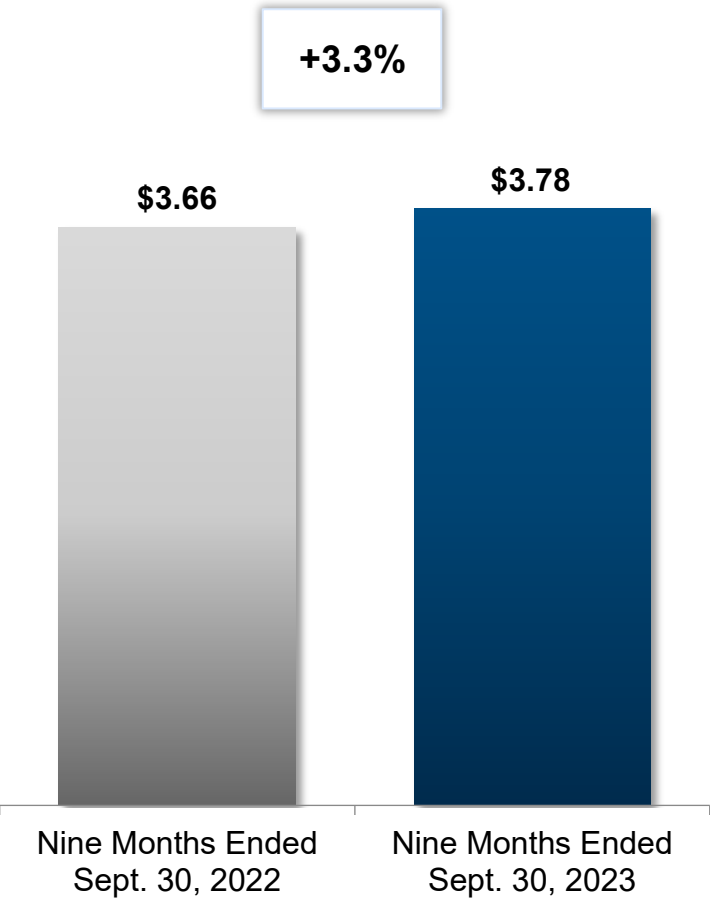
Safe Harbor Statement

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. We undertake 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 our publicly-filed reports, including (i) our Annual Report on Form 10-K for the year ended December 31, 2022 and (ii) our Quarterly Reports on Form 10-Q, and under “Forward-Looking and Cautionary Statements” in today’s earnings release.

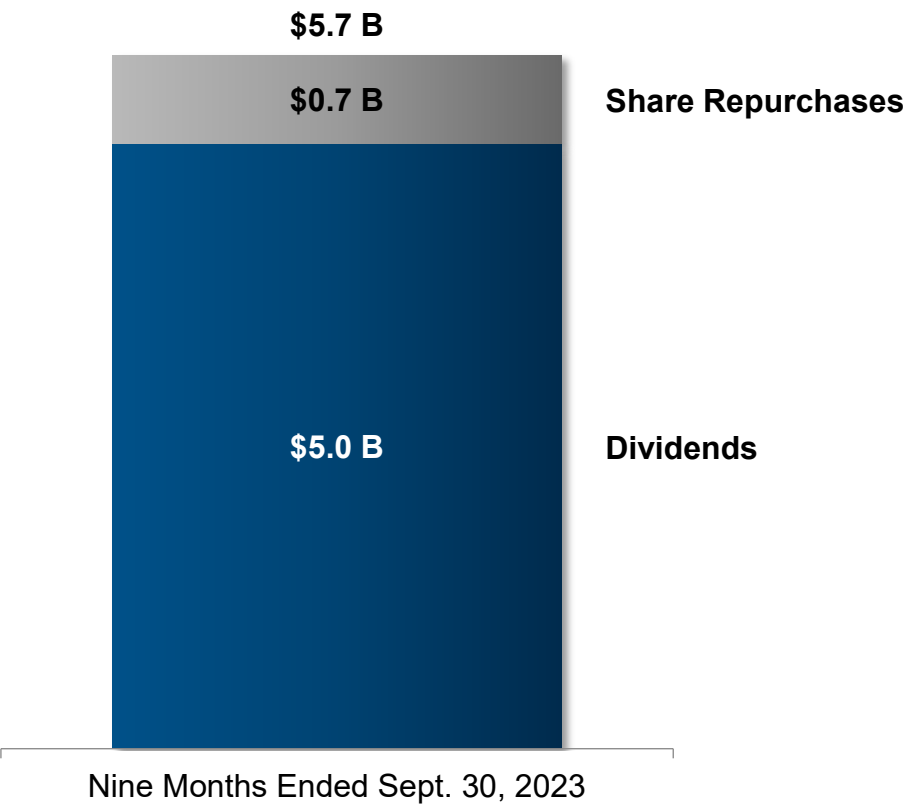
Reconciliations of non-GAAP financial measures included in this presentation to the most comparable GAAP measures are available on our website at altria.com.

First Nine Months Results

Adjusted Diluted Earnings Per Share (EPS)*



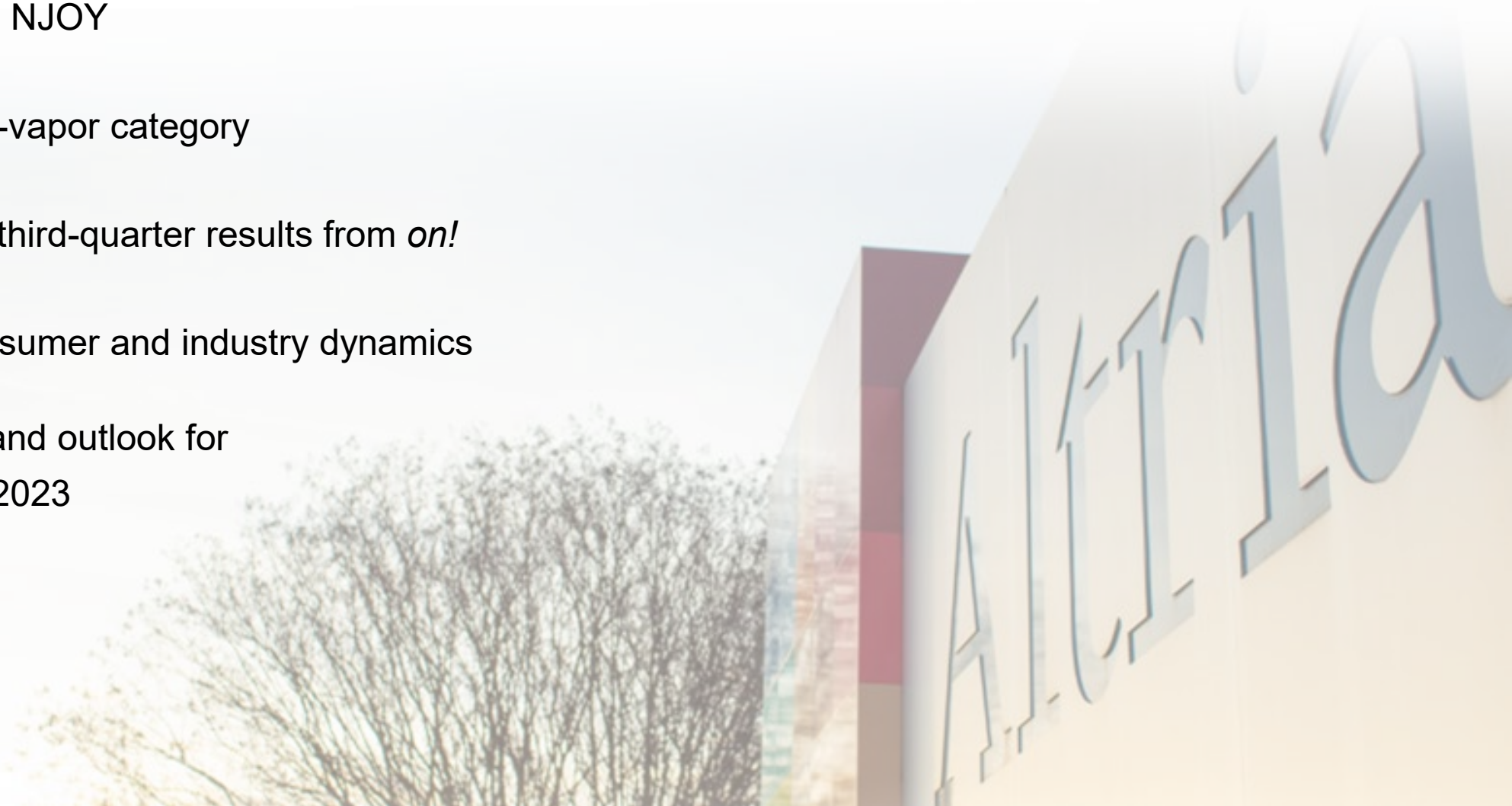
Cash Returned to Shareholders



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

Agenda

- Our progress with NJOY
- The state of the e-vapor category
- The encouraging third-quarter results from *on!*
- An update on consumer and industry dynamics
- Financial results and outlook for the remainder of 2023



NJOY – Growing the Business Responsibly & Sustainably

NJOY

an Altria Company

NJOY – Initial Progress

- Strengthened NJOY's supply chain
- Improved inventory conditions in stores and are actively working to close remaining inventory gaps
- Grew distribution of *NJOY ACE* (*ACE*) to ~42,000 stores
- *ACE* is now distributed in all the top-25 convenience store chains by e-vapor volume
- Began to amplify visibility with new point of sale and fixture signage



NJOY – Fourth Quarter 2023



- Continue to expect *ACE* expansion to reach 70,000 stores by year-end, representing ~70% of e-vapor volume and ~55% of cigarette volume*
- Further enhancements to visibility and product fixture space at retail
- Sell-in period for NJOY's Retail Trade Program
- Beginning to test a variety of promotional plans and anticipate more disruptive execution at retail

**Based on volume sold in the U.S. multi-outlet and convenience channel*

NJOY – Moving into 2024

- Consumer engagement strategies will focus on:
 - informing adult vapers and smokers of *ACE*'s attributes, such as battery capacity and pod size relative to other leading brands
 - generating trial and growing brand loyalty
- Launch of NJOY's new brand equity campaign



State of the E-Vapor Market

- Despite recent actions by the U.S. Food & Drug Administration (FDA), enforcement has been inadequate and ineffective
- We believe the FDA has the tools necessary to bring order to the market
- We are actively engaged with regulators, state and federal lawmakers, our trade partners and other stakeholders
- A strong course correction is needed to protect the tobacco harm reduction opportunity for the ~30 million adult smokers in the U.S.

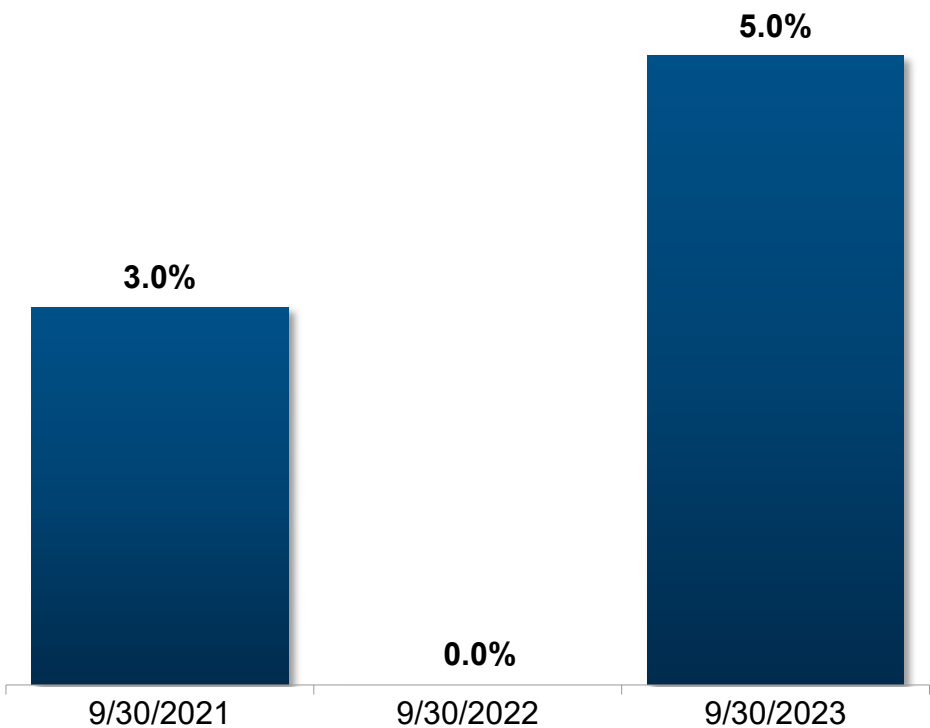


All third-party trademarks remain the property of their respective owners.

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

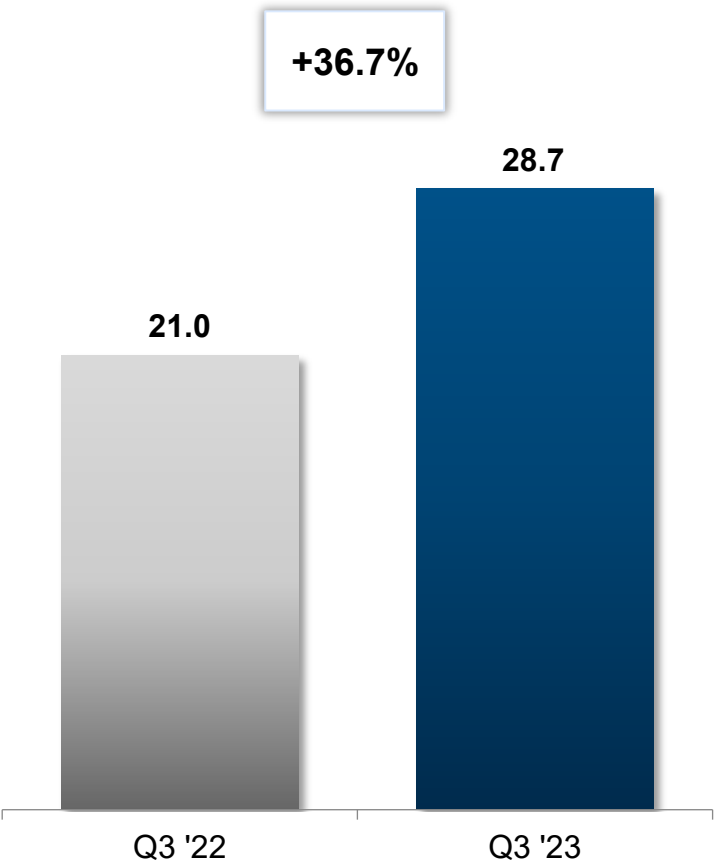
Oral Tobacco Industry Volume Growth

(estimates, six months ended)



on! Shipment Volume

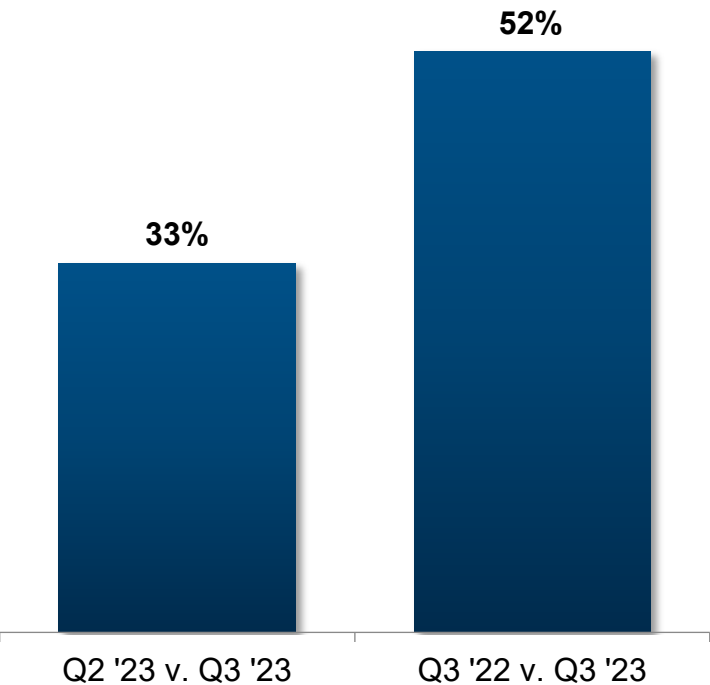
(cans in millions)



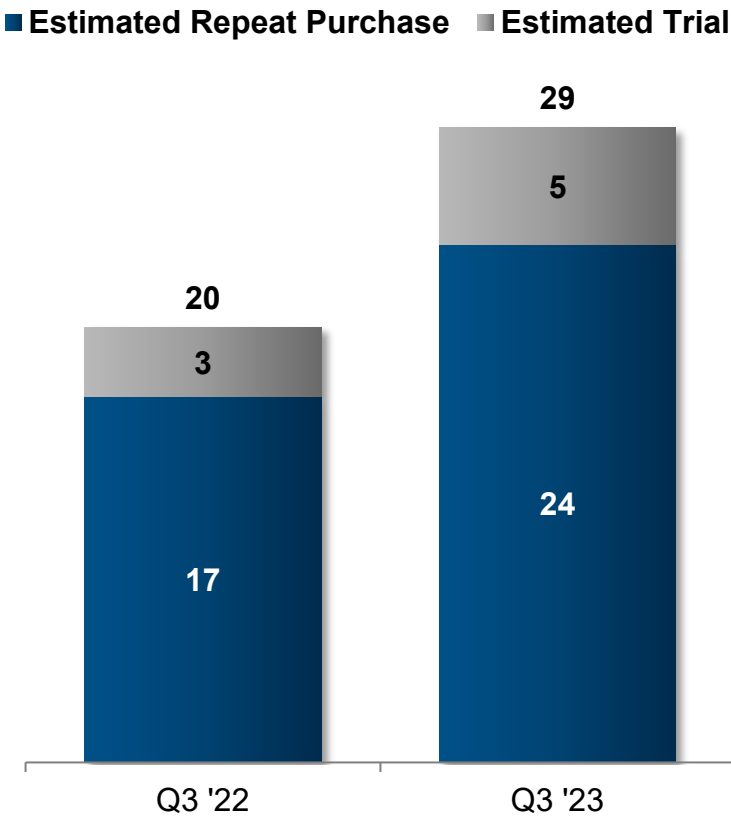
Source: ALCS CMII Estimates. Rounded to the nearest 0.5%. Oral Tobacco industry includes MST, snus and ONP products

Improved Profitability and Continued Brand Adoption

on! Increase in Retail Price per Can



on! Retail Sales Volume
(cans in millions)



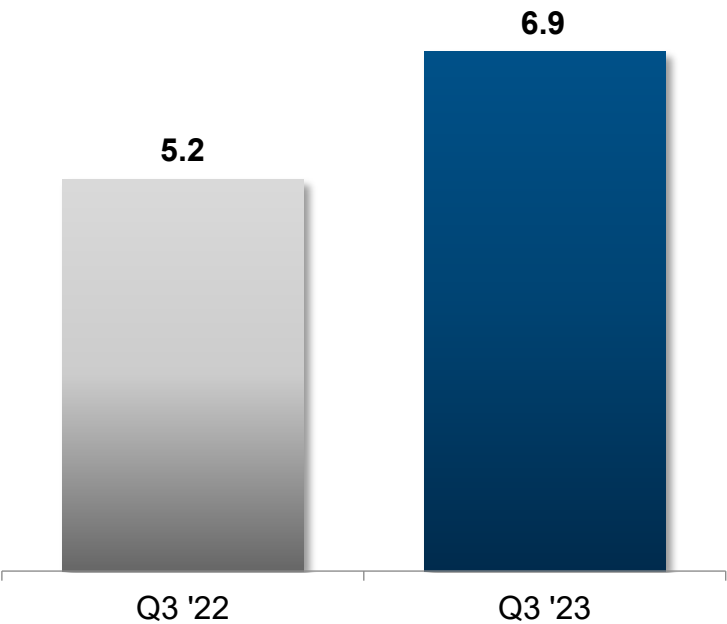
Source: CMII Estimates based on Circana Projected (MOC) data as of week ending 10/1/2023 and POS Scan Data as of week ending 9/30/2023

on! Share Growth

on! Share of Oral Tobacco Category

(total U.S.)

+1.7pp



Source: Circana Info Scan Oral Tobacco 2023 – MOC WE 10/01/23

on! PLUS

Our New Tobacco-Derived Nicotine Wet Pouch Product



“The pouch is unique and not like anything else on the market.”

“I really like the *on! PLUS* concept... I think it will be my daily oral product.”

“It’s one of the best nicotine pouches I’ve tried! Will definitely buy again.”

Source: CMI adult tobacco consumer research (legal age+) October 2023 and consumer quotes per Haypp Group

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

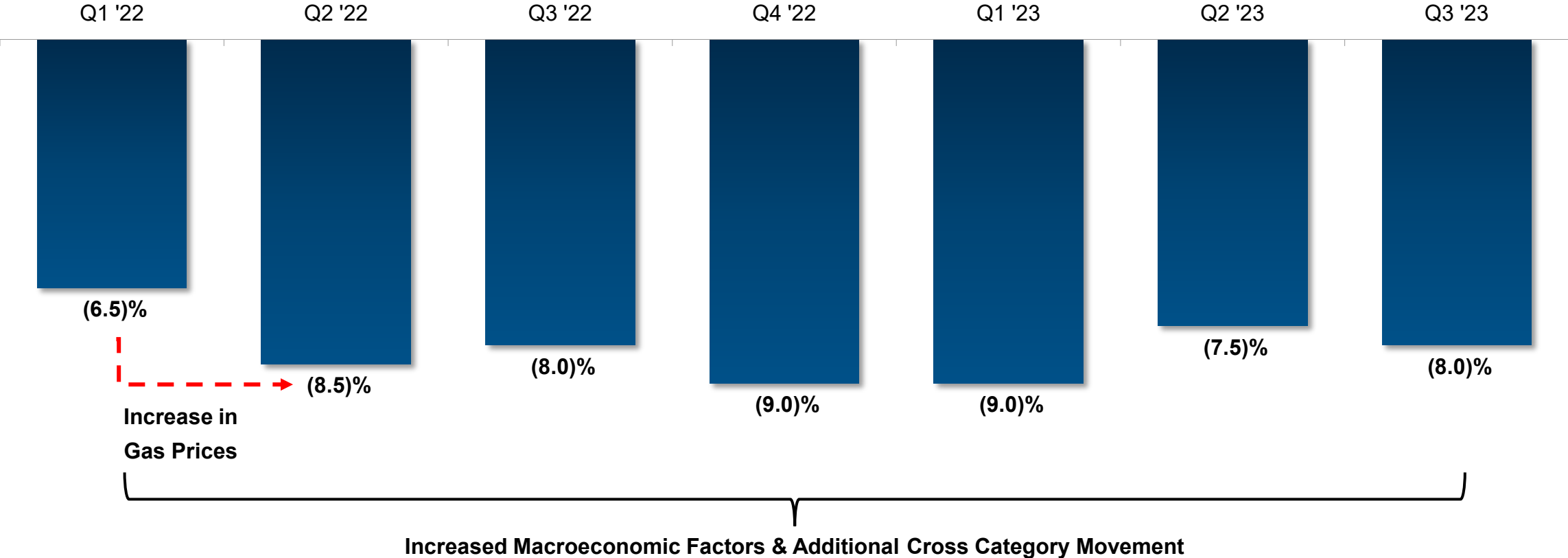
Moving beyond smoking™



Altria

Consumer and Industry Dynamics

Adjusted Cigarette Industry Decline Rates



Source: ALCS CMII 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

	12/31/22	3/31/23	6/30/23	9/30/23
Secular Decline Rate ¹	(2.5)%	(2.5)%	(2.5)%	(2.5)%
Cigarette Price Elasticity ²	(2.0)%	(2.0)%	(1.9)%	(1.9)%
Macroeconomic, Additional Cross Category Movement & Other Factors	(3.5)%	(4.0)%	(4.1)%	(4.1)% ³
Estimated Industry Decline	(8.0)%	(8.5)%	(8.5)%	(8.5)%

1 Includes approximately 1% historical movement across tobacco categories.

2 Reflects a cigarette price elasticity coefficient of -0.35.

3 Includes approximately 1.5% to 2.5% of cross category movement from cigarettes to e-vapor, primarily driven by illegal flavored disposable e-vapor products.

Source: ALCS Advanced Analytics Estimates

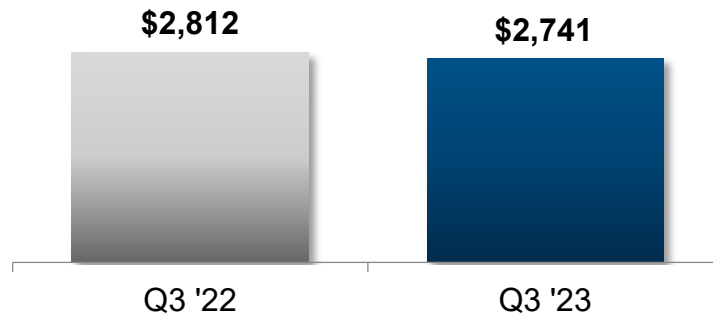
Smokeable Products Segment

Adjusted Operating Companies Income* (OCI)

Q3: Adjusted OCI

(\$ in millions)

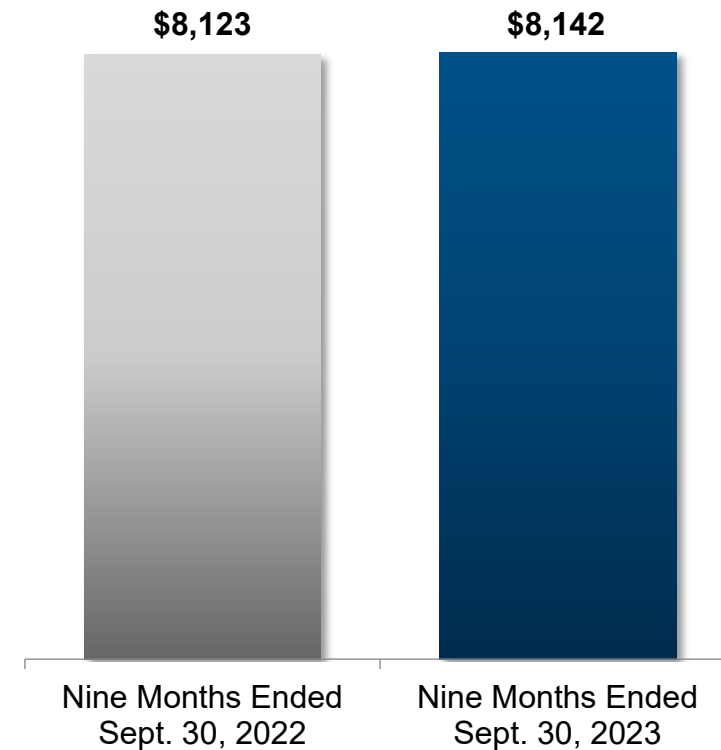
(2.5)%



First Nine Months: Adjusted OCI

(\$ in millions)

+0.2%

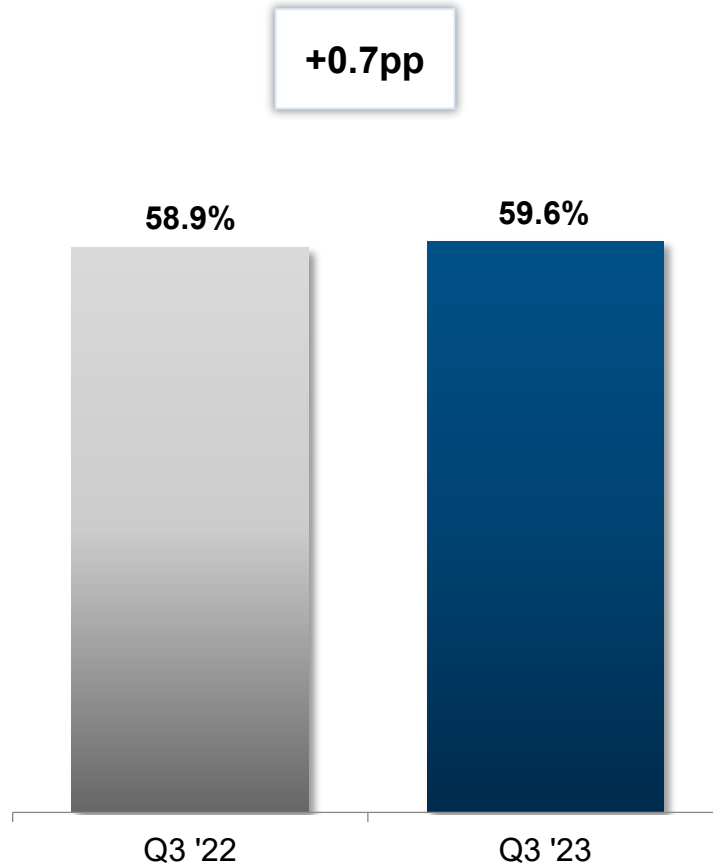


*For reconciliations of non-GAAP to GAAP measures visit altria.com.

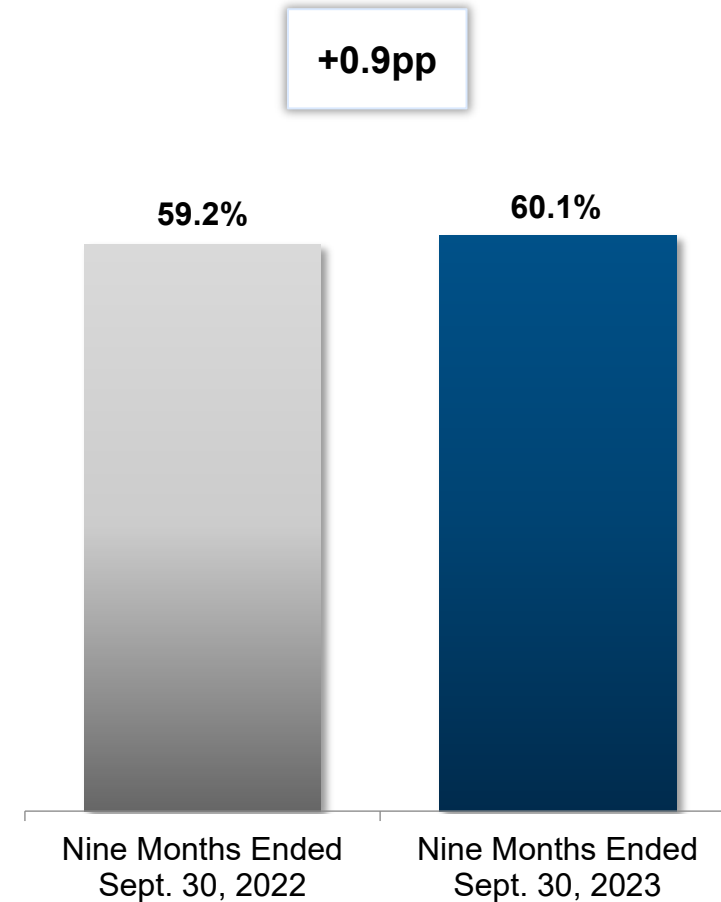
Smokeable Products Segment

*Adjusted OCI Margins**

Q3: Adjusted OCI Margins



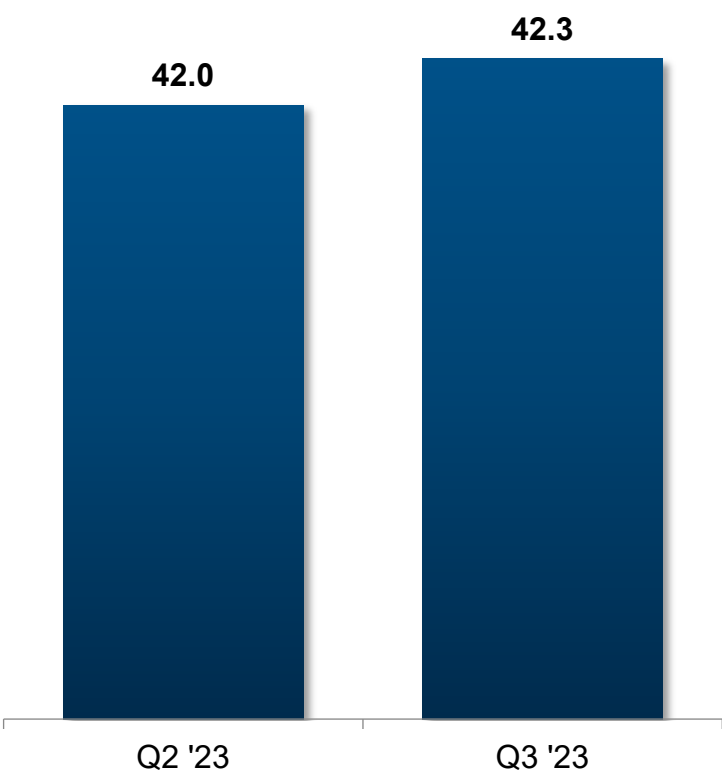
First Nine Months: Adjusted OCI Margins



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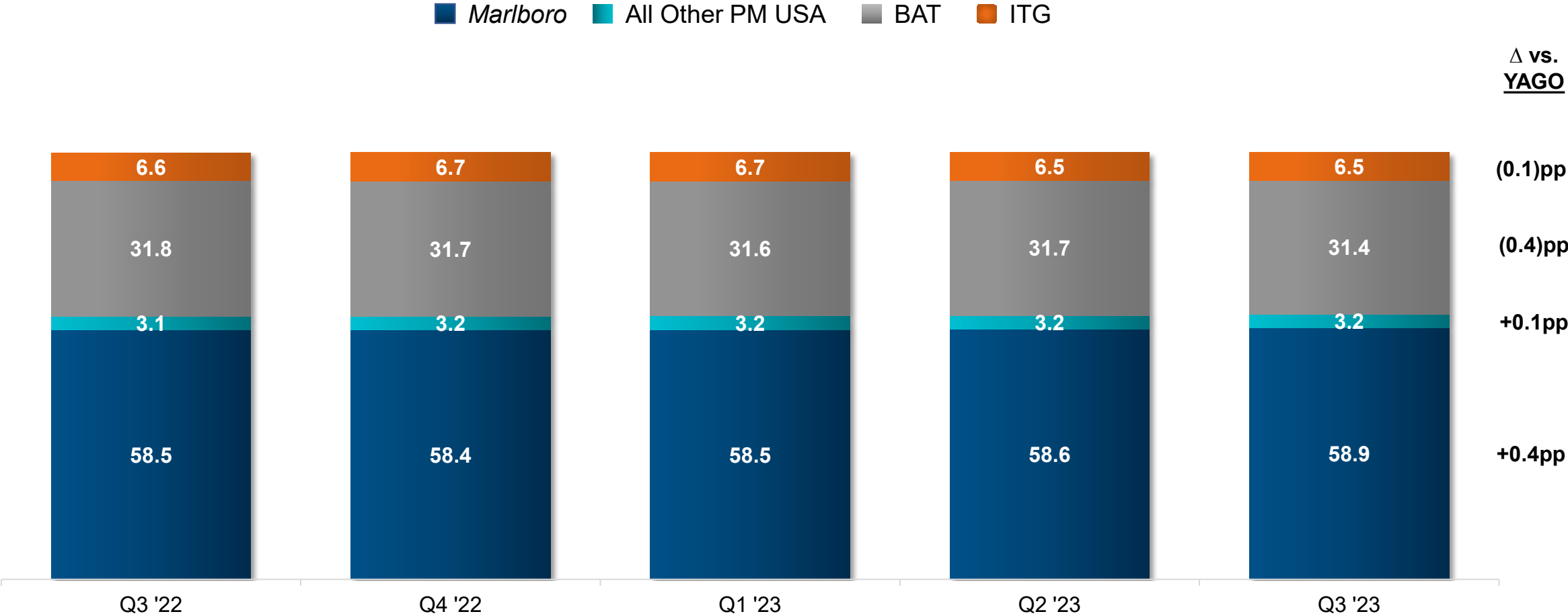
PM USA Revenue Growth Management

Marlboro Retail Share



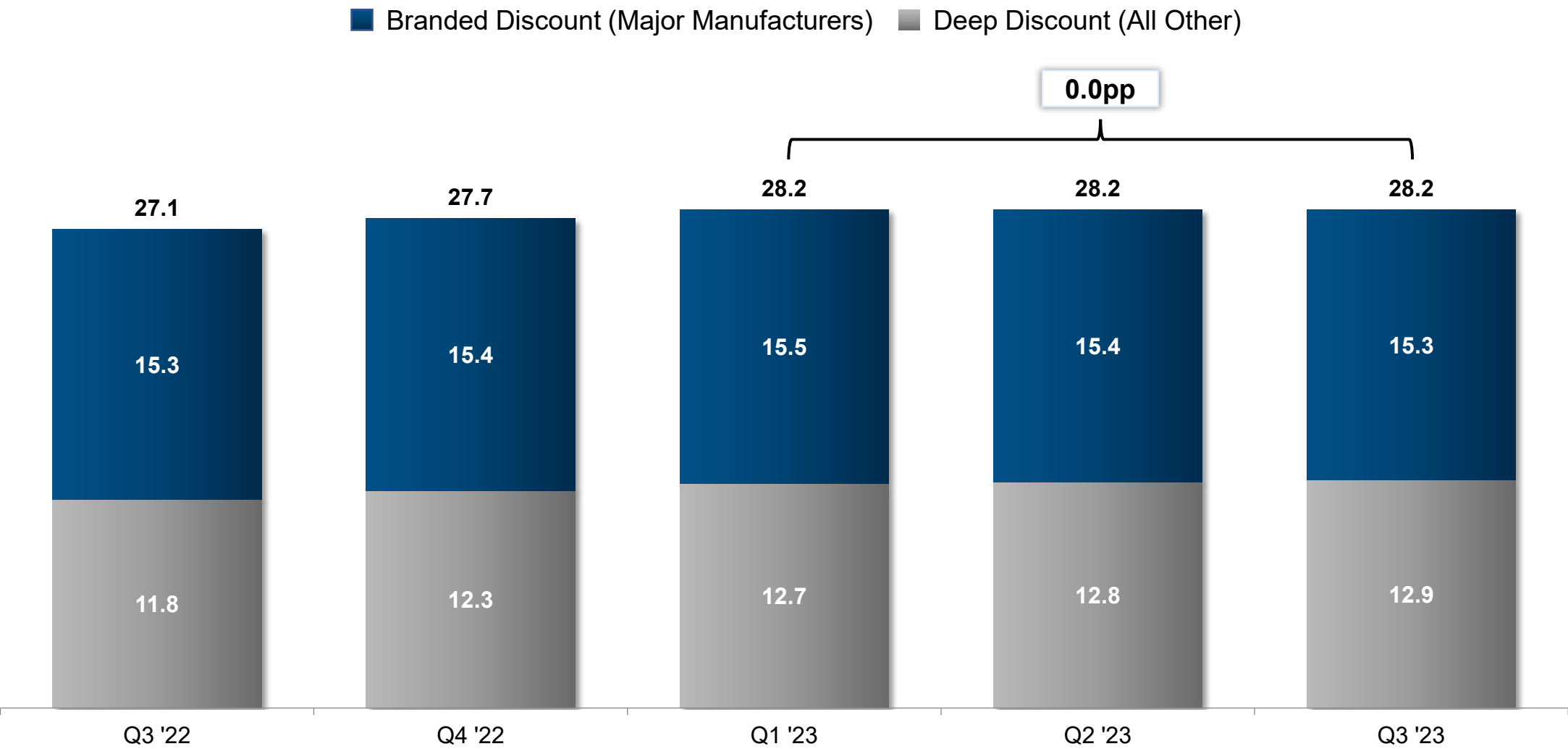
Source: Circana Info Scan Cigarette 2023 – Blended WE 10/01/2023
Marlboro retail share for the second quarter of 2023 was revised to 42.0 from 42.1, based upon the most recent periodic data refresh from Circana.

Share of Premium Segment



Source: Circana Info Scan Cigarette 2023 – Blended WE 10/01/2023

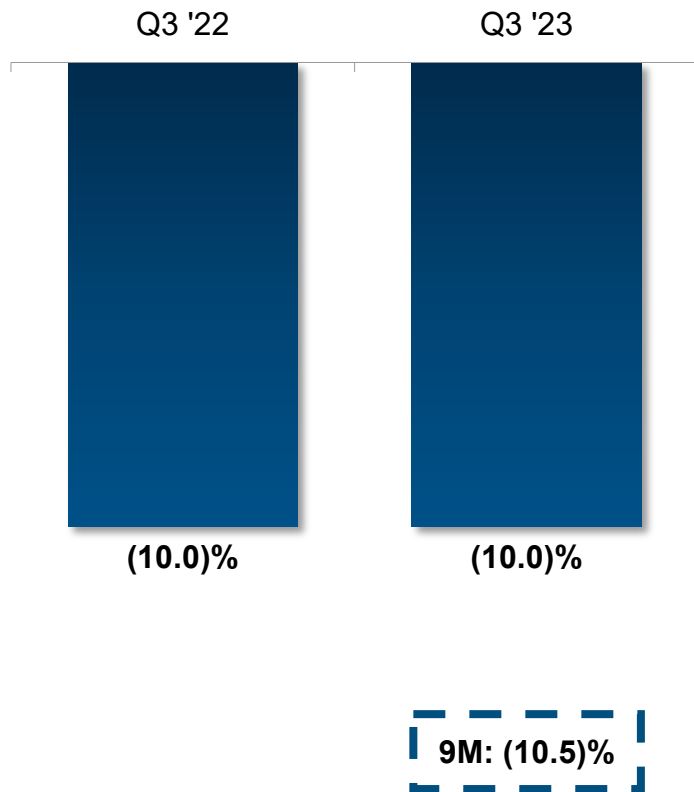
Discount Retail Share



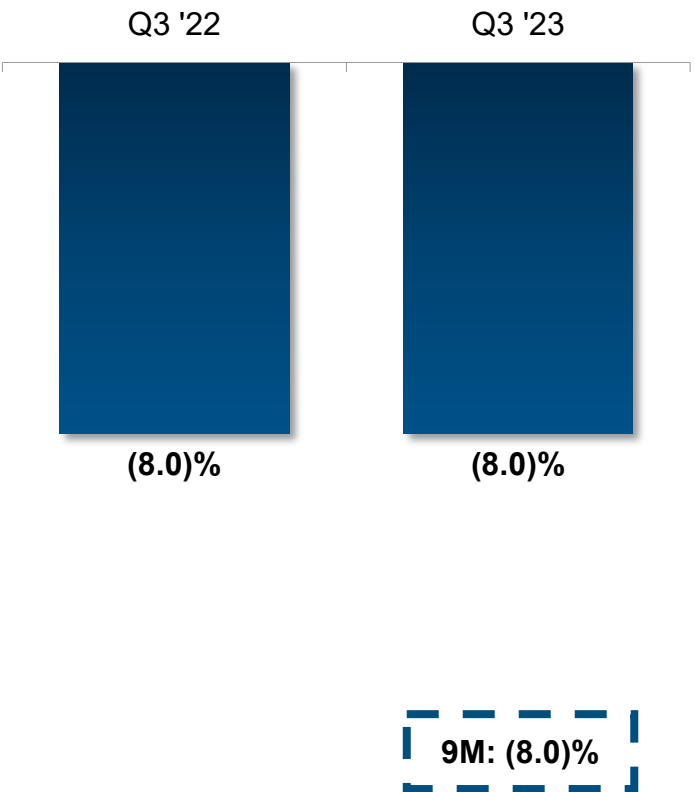
Source: Circana Info Scan Cigarette 2023 – Blended WE 10/01/2023

Adjusted Cigarette Decline Rates

Smokeable Products Segment



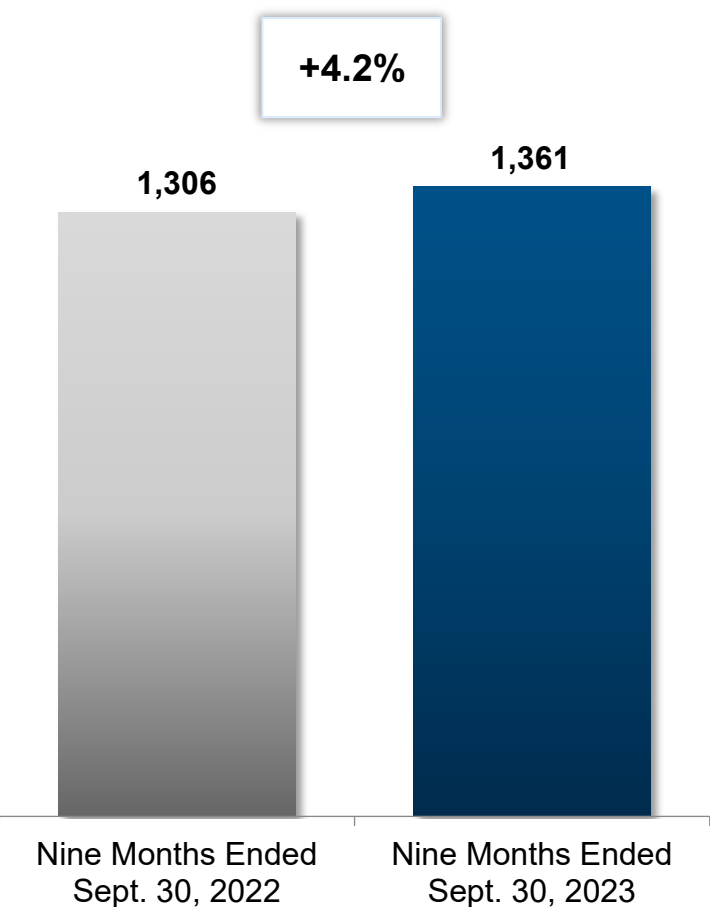
Total Industry



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

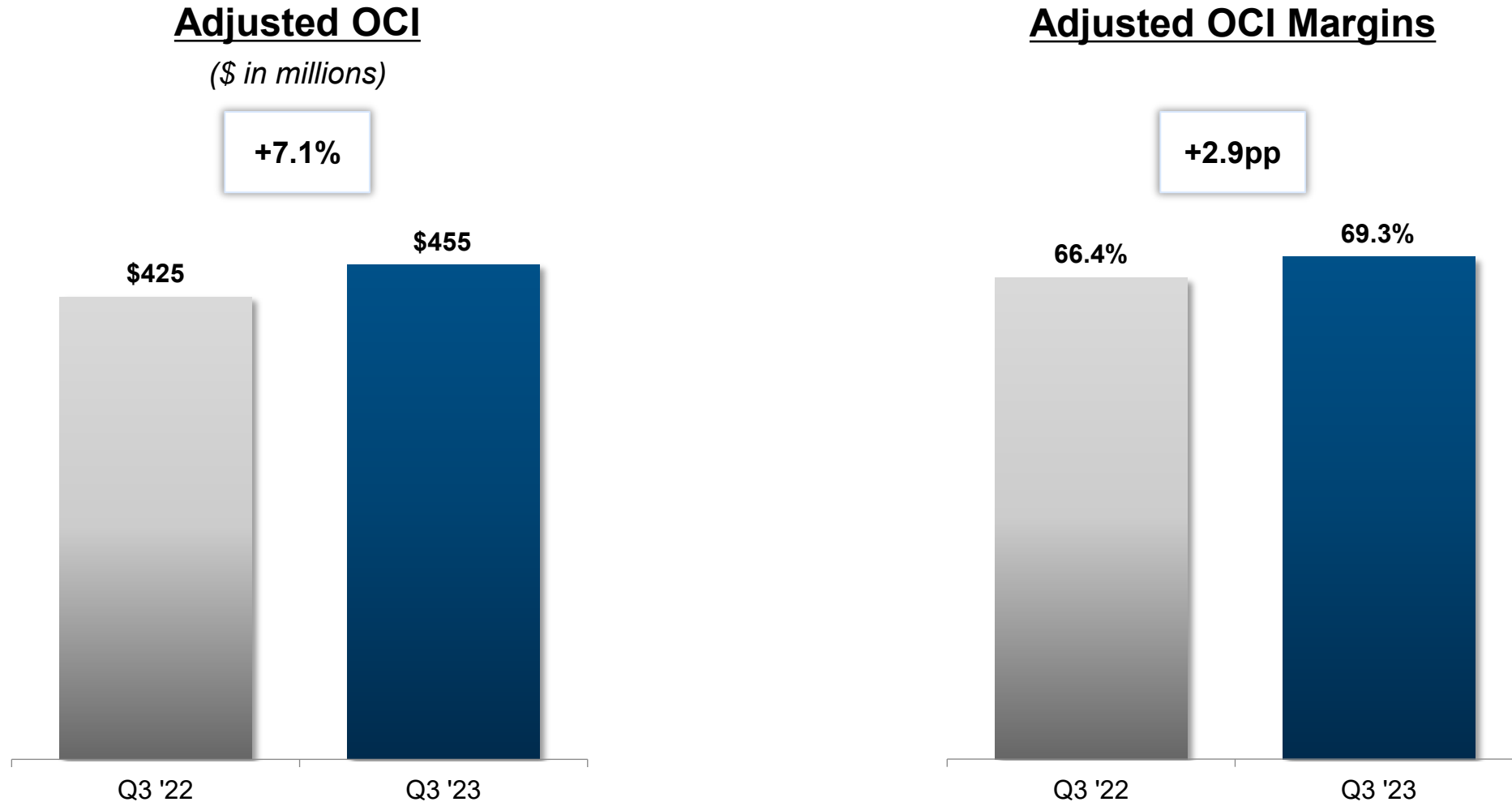
John Middleton Cigars

Reported Shipment Volume



Q3 2023 Oral Tobacco Products Segment

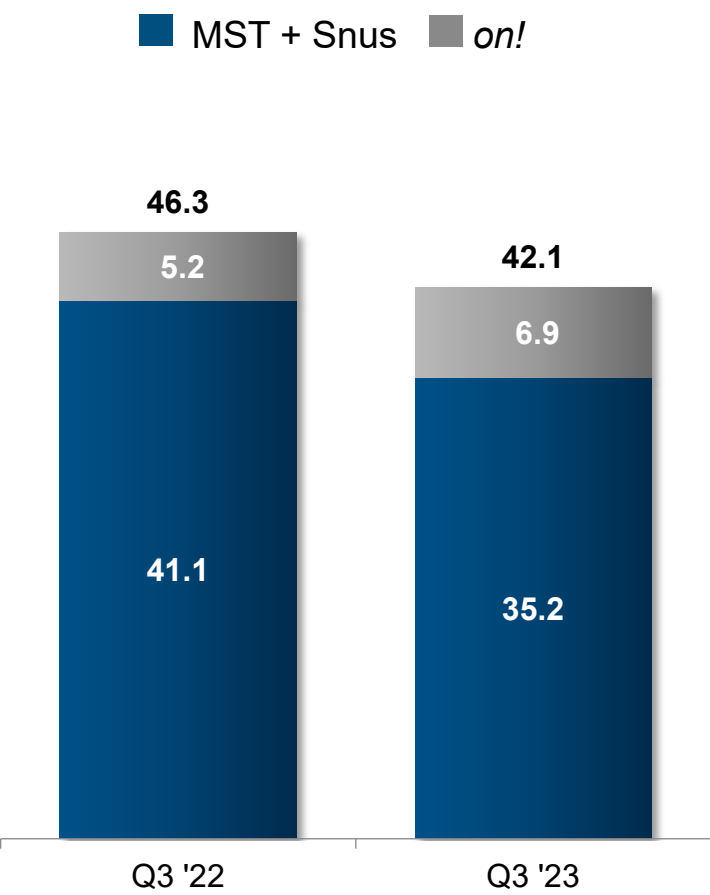
Adjusted OCI and Adjusted OCI Margins**



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Oral Tobacco Products Segment

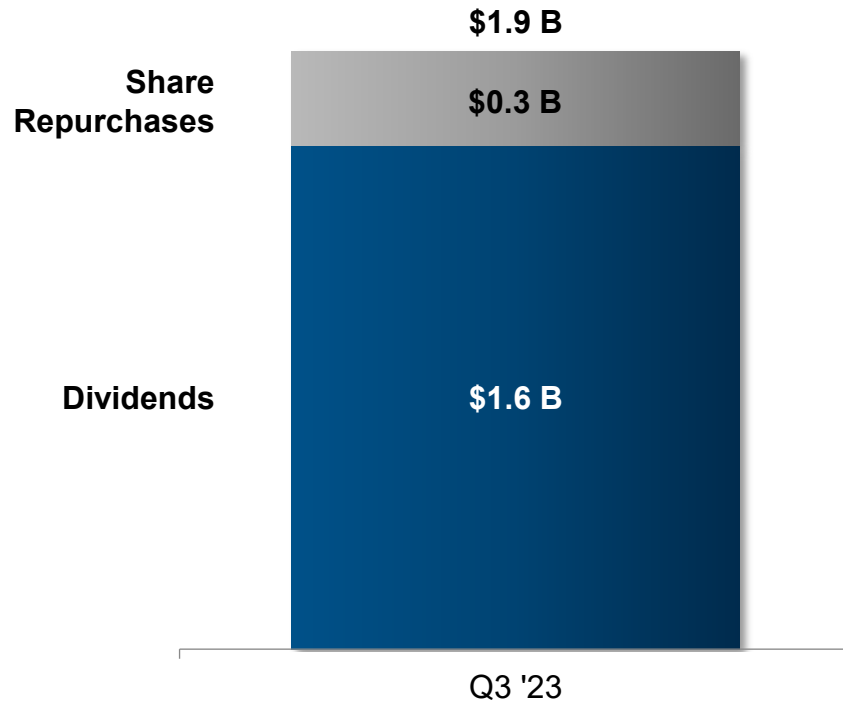
Retail Share



Source: Circana Info Scan Oral Tobacco 2023 - MOC, WE 10/01/23

Creating Long-Term Shareholder Value

Cash Returned to Shareholders



- Raised our dividend per share by 4.3%, in-line with our new progressive dividend goal
- 58th dividend increase in the last 54 years
- \$268 million remaining under our current share repurchase program, which we expect to complete by the end of this year
- As of September 30, our Debt-to-EBITDA* ratio was 2.1x

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Financial Outlook

- We are narrowing our full-year 2023 guidance range
- Expect to deliver adjusted diluted EPS* in a range of \$4.91 to \$4.98
- This range represents a growth rate of 1.5% to 3% from a base of \$4.84 in 2022

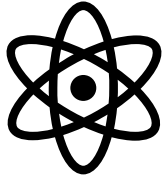
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Connect & Transform

Open Innovation to Support Altria's Existing Capabilities



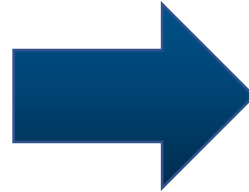
Subject Matter Expertise



New Technologies



Disruptive Innovations



Altria

