

Altria's Third-Quarter and Nine-Months 2024 Earnings Conference Call

October 31, 2024



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 October 31, 2024.

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](https://www.altria.com).

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

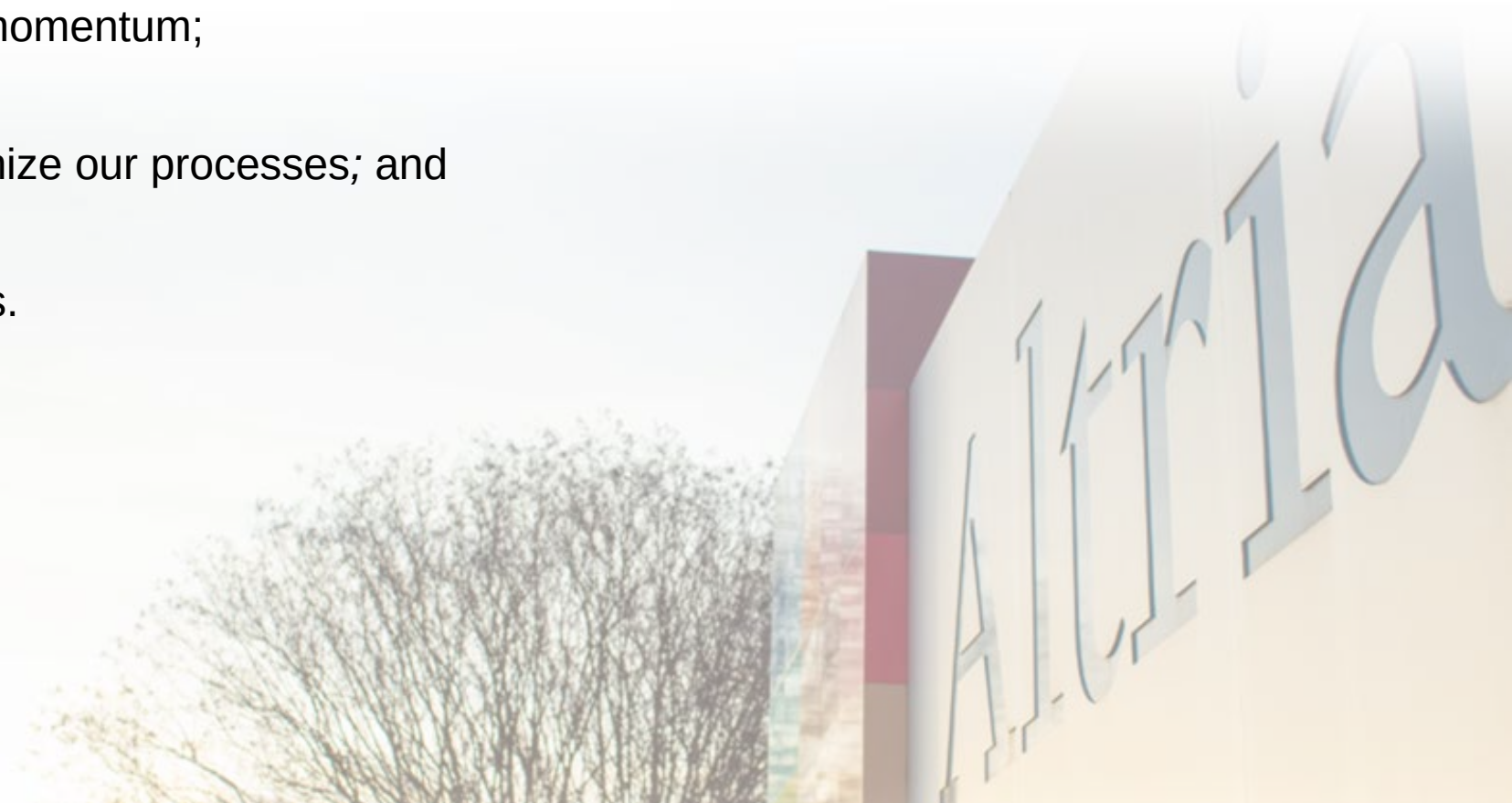
Moving beyond smoking™



Altria

Agenda

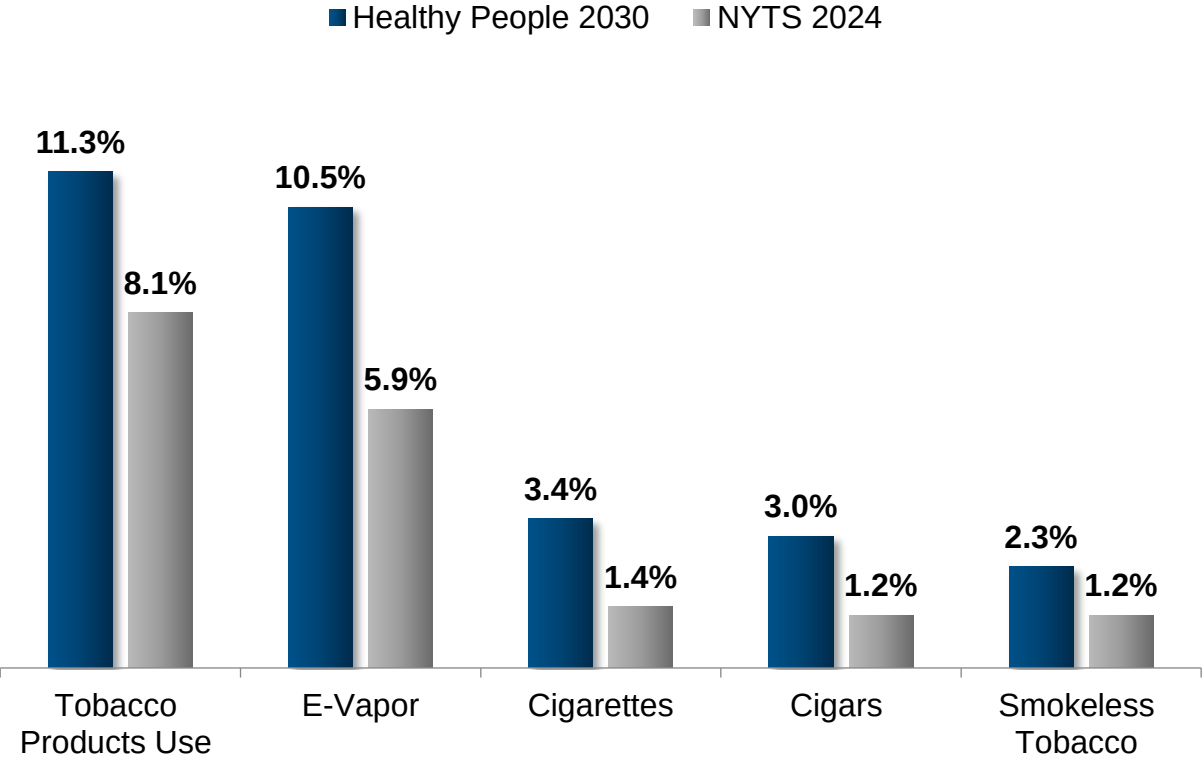
- Significant progress reducing underage tobacco use;
- Continued smoke-free products momentum;
- New initiative designed to modernize our processes; and
- Our financial and business results.



Healthy People 2030 Targets Have Been Exceeded

2024 National Youth Tobacco Survey (NYTS)

Healthy People 2030 Targets v. NYTS 2024
(Among Middle & High School Students)



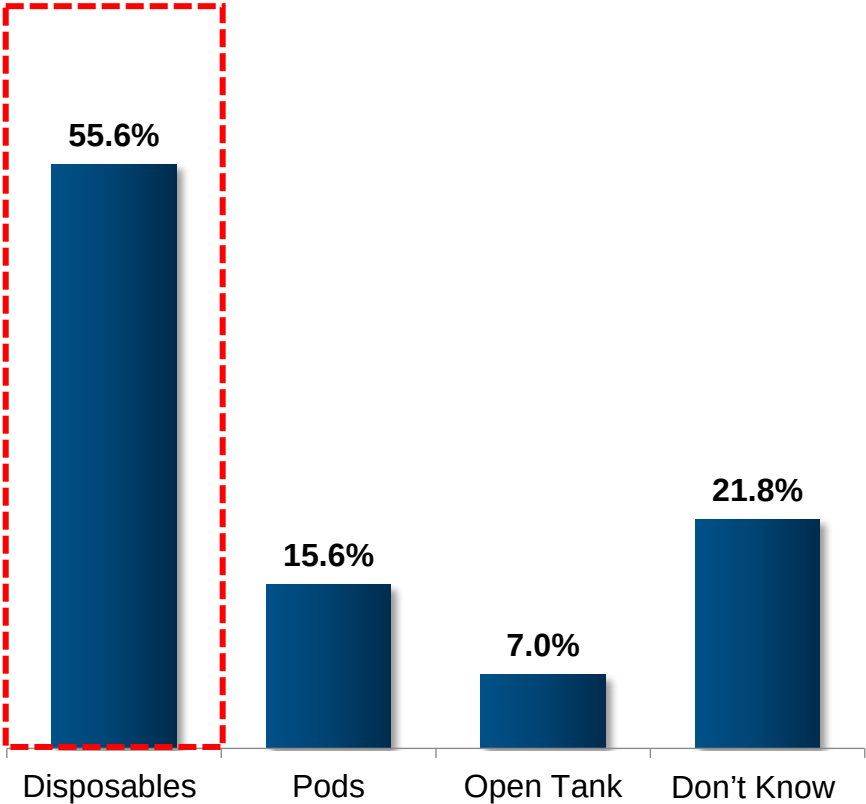
With the work of many stakeholders, we can keep tobacco and nicotine products from becoming an on-ramp for youth while still making available FDA-authorized smoke-free products as an off-ramp from cigarettes for adult smokers.

Source: Tobacco Use – Healthy People 2030, 2024 National Youth Tobacco Survey - Tobacco Product Use Among Middle and High School Students — United States, 2024

Disposable Products are Contributing to Youth Usage

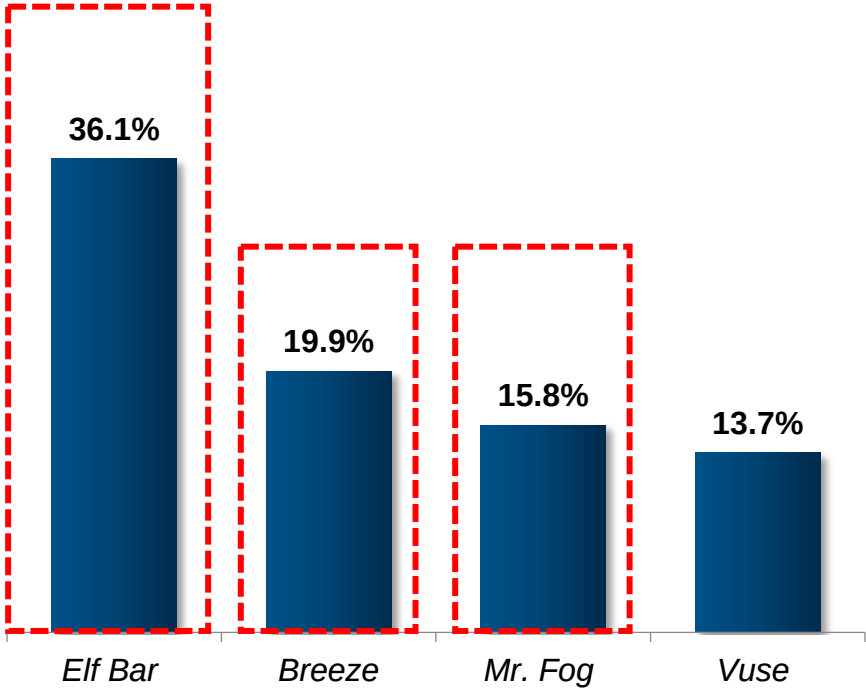
Device Type Used Most Often

(Among Middle & High School Current E-Cigarette Users)



Any Brands Used

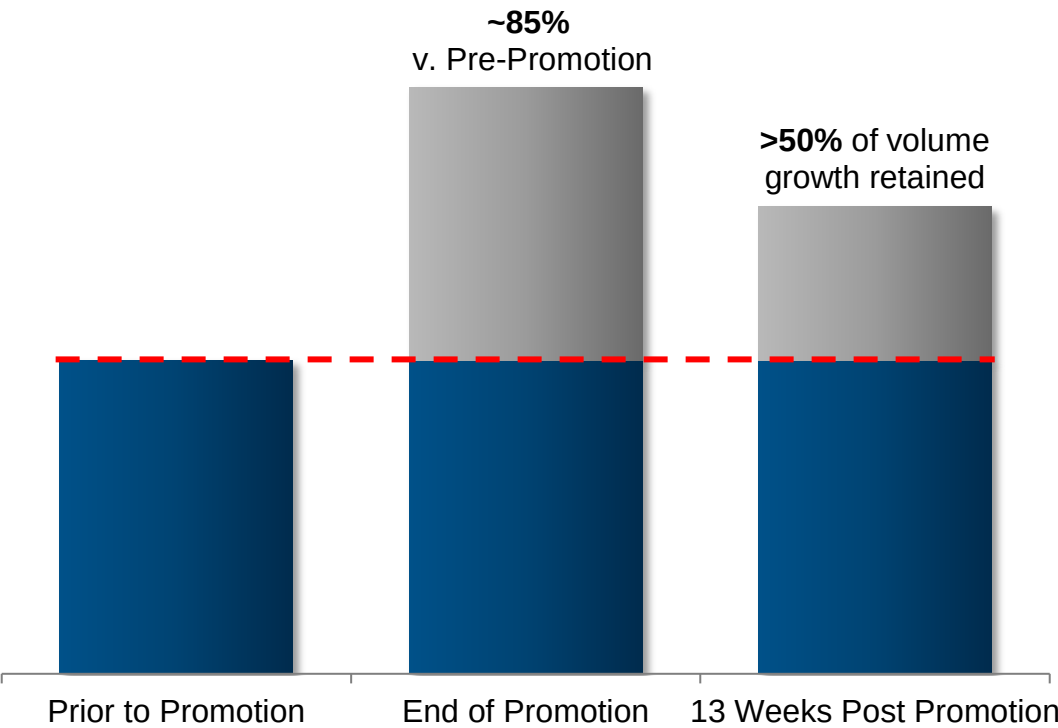
(Among Middle & High School Current E-Cigarette Users)



Source: Notes from the Field: E-Cigarette and Nicotine Pouch Use Among Middle and High School Students — United States, 2024 | MMWR, Current e-cigarette users were asked to report the brands they used in the past 30 days, including any write-in responses for brands not listed, with the option to select more than one brand.

NJOY Volume Retention Reflects Consumer Satisfaction

Average Pod Volume Growth



Source: POS Scan; Stores Submitting E-Vapor Data all weeks since July 2023



NJOY Brand Equity Investments Yielding Positive Results



NJOY's Net Promoter Score

+20pp

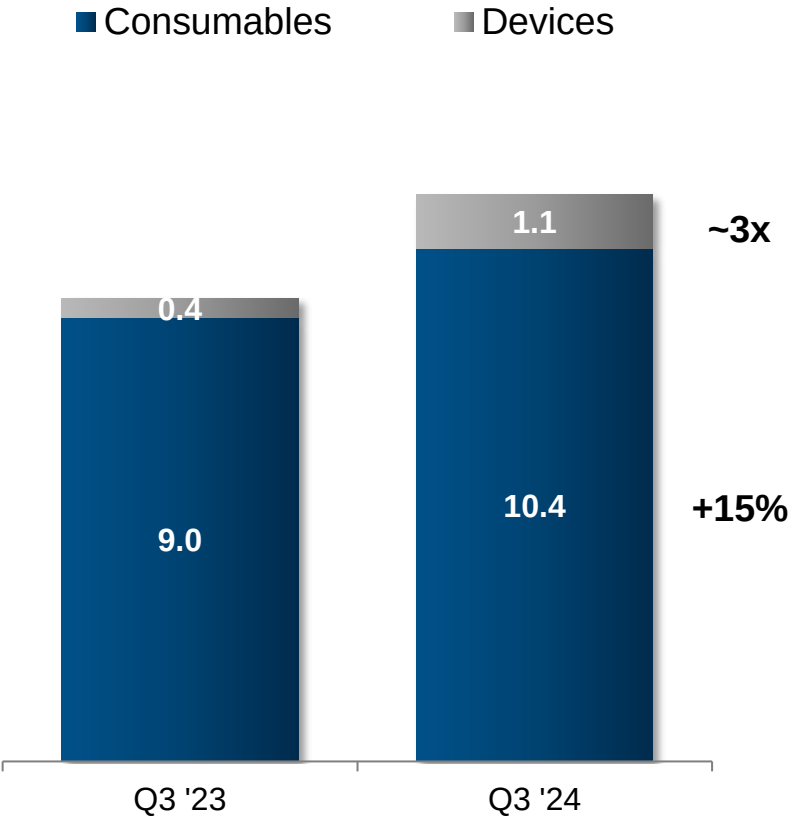
2024 YTD average v. 2023

Source: Awareness and Perception Tracker Q1 to Q3 2024

NJOY Volume and Share Momentum

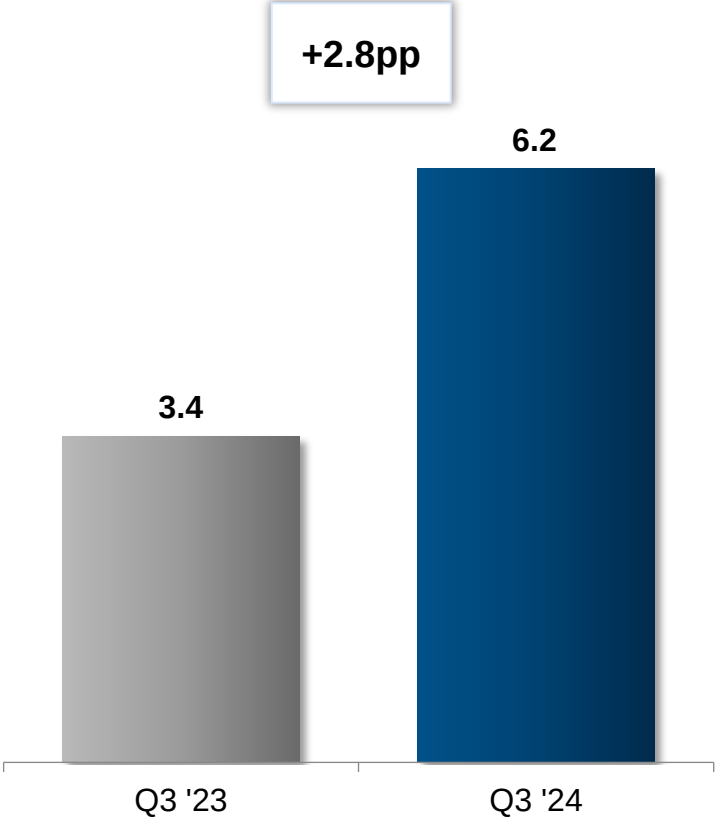
NJOY Shipment Volume

(in millions)



NJOY Consumables Retail Share

(total U.S.)



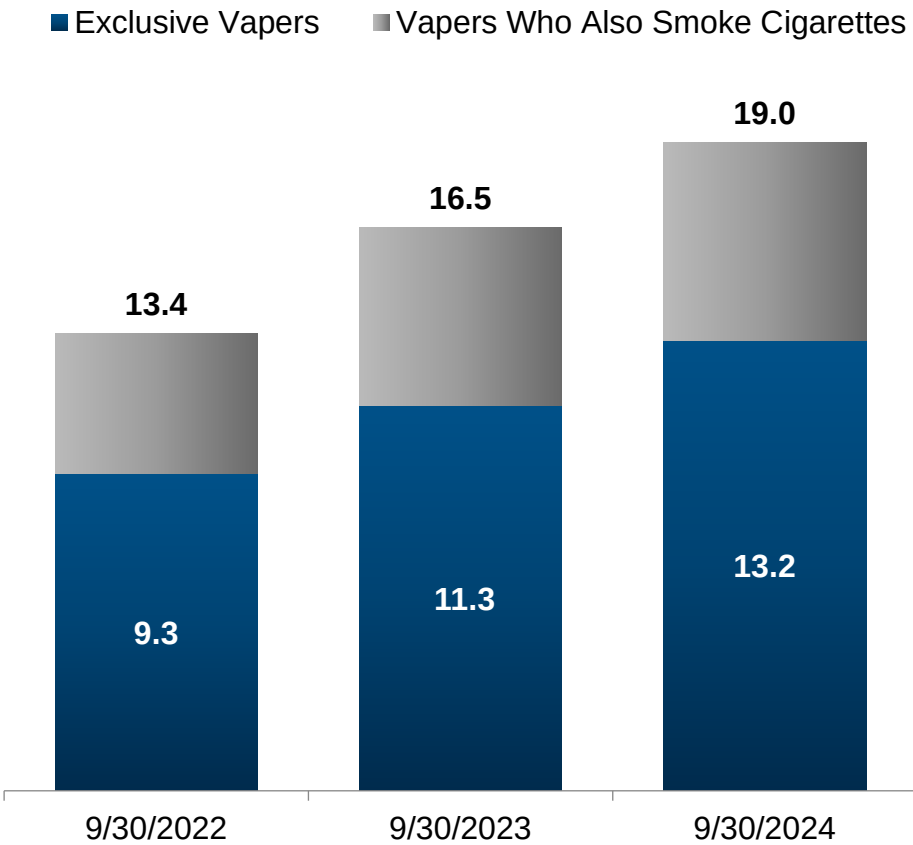
Source: Circana Projected Total U.S. MOC week ending 9/29/2024.

Illicit Products Driving E-Vapor Category Growth

Adult Vapers 21+ - Past 30-Day Usage

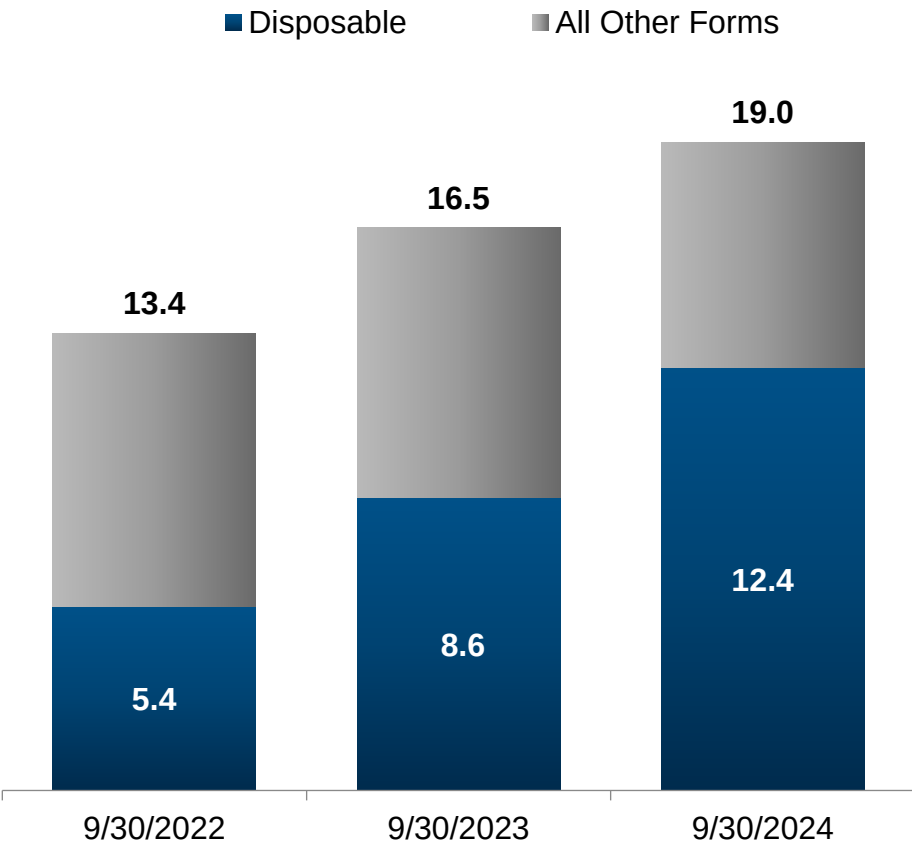
Vapers by Cigarette Usage

(twelve months ended, in millions)



Vapers by Form

(twelve months ended, in millions)



Source: ATCT September 2022 to September 2024.

Positive Enforcement Actions Against Illicit E-Vapor

- This summer, the U.S. Food and Drug Administration (FDA) with U.S. Customs and Border Protection, seized more than 50,000 unauthorized e-vapor products from China.
- In August, the FDA issued a proposed rule requiring all imported e-vapor products to include a PMTA-submission tracking number.
- Last week, the federal task force announced a joint seizure of unauthorized e-vapor products valued at \$76 million.



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

NJOY Litigation

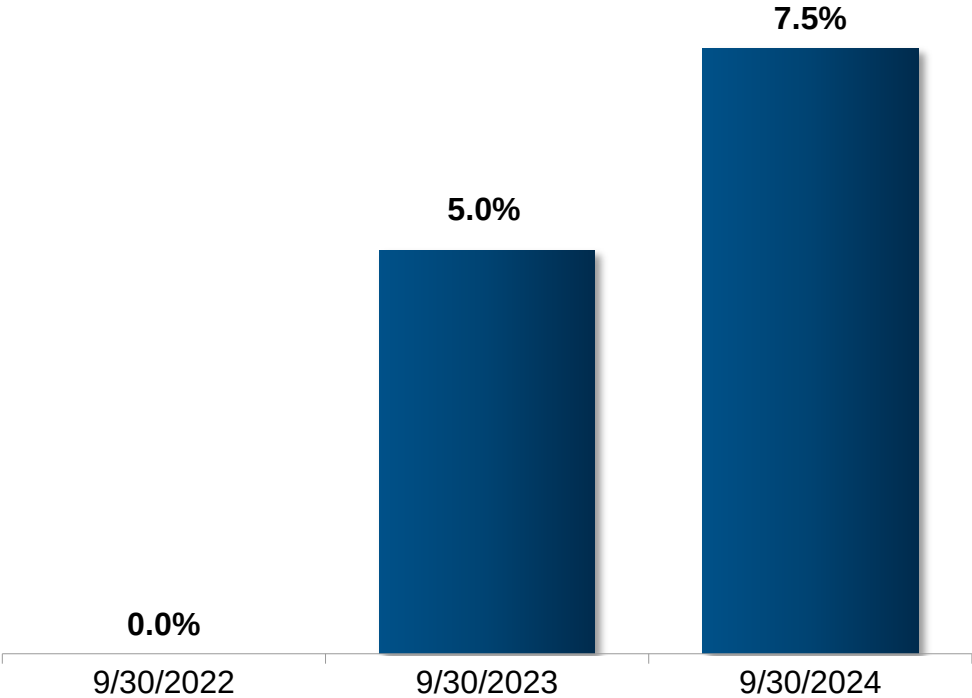
- Last week, the Administrative Law Judge in NJOY's case against JUUL extended the deadline for her initial determination to December 6, 2024.
- We have developed strategies that we believe would allow *ACE* to remain on the market or limit sales disruption in the event of certain adverse litigation outcomes. We continue to believe in the strength of our claims and are vigorously defending against JUUL's allegations.



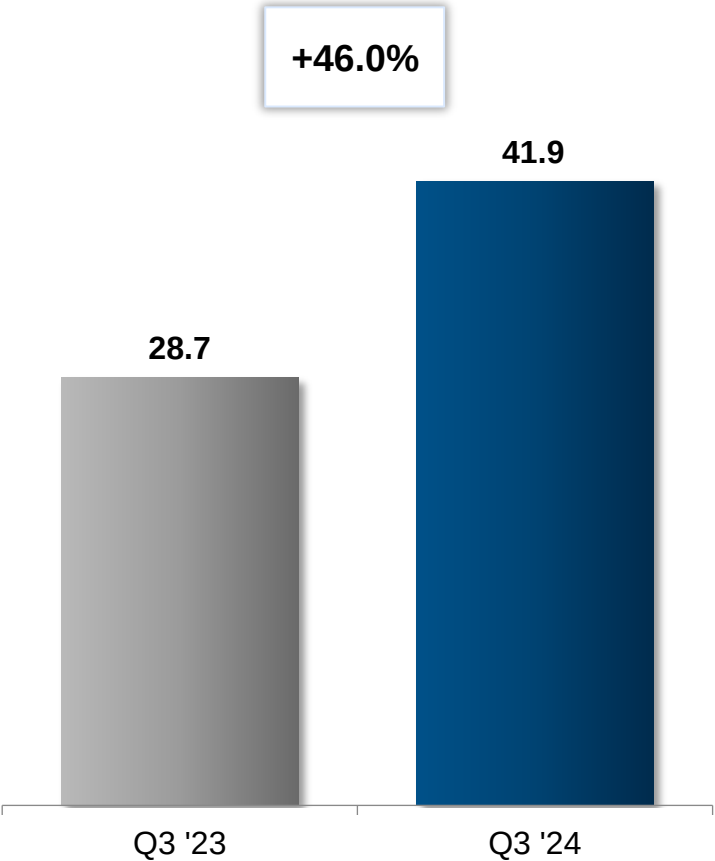
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U.S. Oral Tobacco Category and *on!* Shipment Volume

Oral Tobacco Industry Volume Growth
(estimates, six months ended)



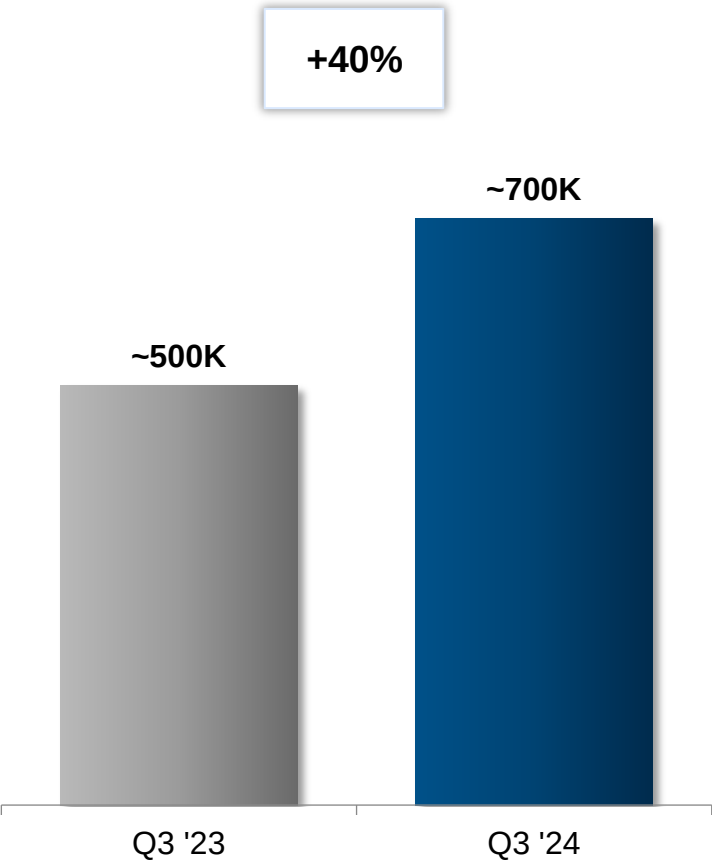
***on!* Shipment Volume**
(cans in millions)



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

on! Repeat Purchasers Continue to Grow

on! Repeat Purchasers

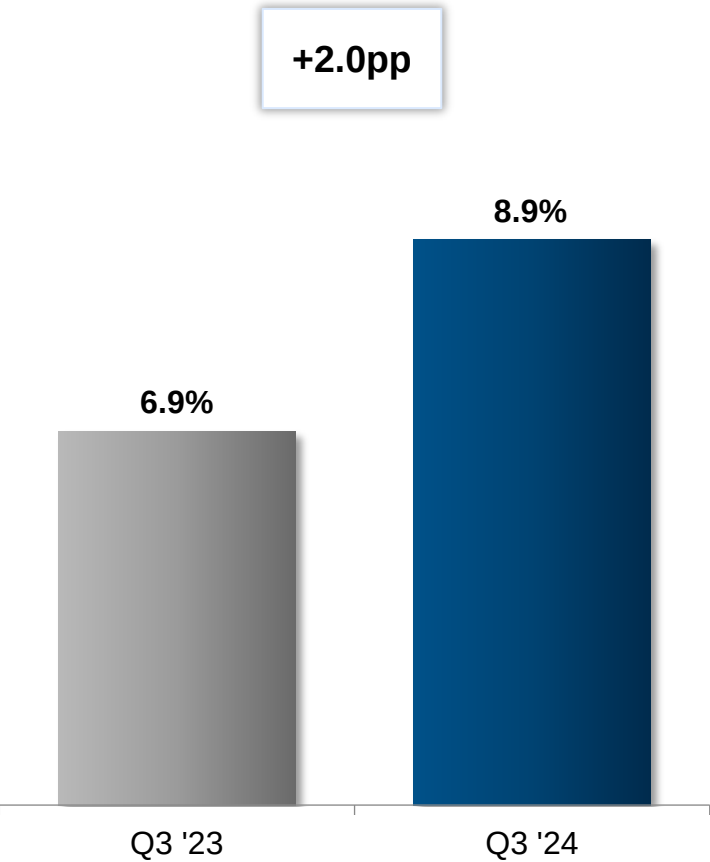


Source: ALCS CMII estimates based on Circana Projected Total U.S. MOC data week ending 9/29/2024 and POS scan data week ending 9/28/2024.

Consistent *on!* Share Momentum

on! Share of Oral Tobacco Category

(total U.S.)



Source: ALCS CMII estimates based on Circana Projected Total U.S. MOC data week ending 9/29/2024.

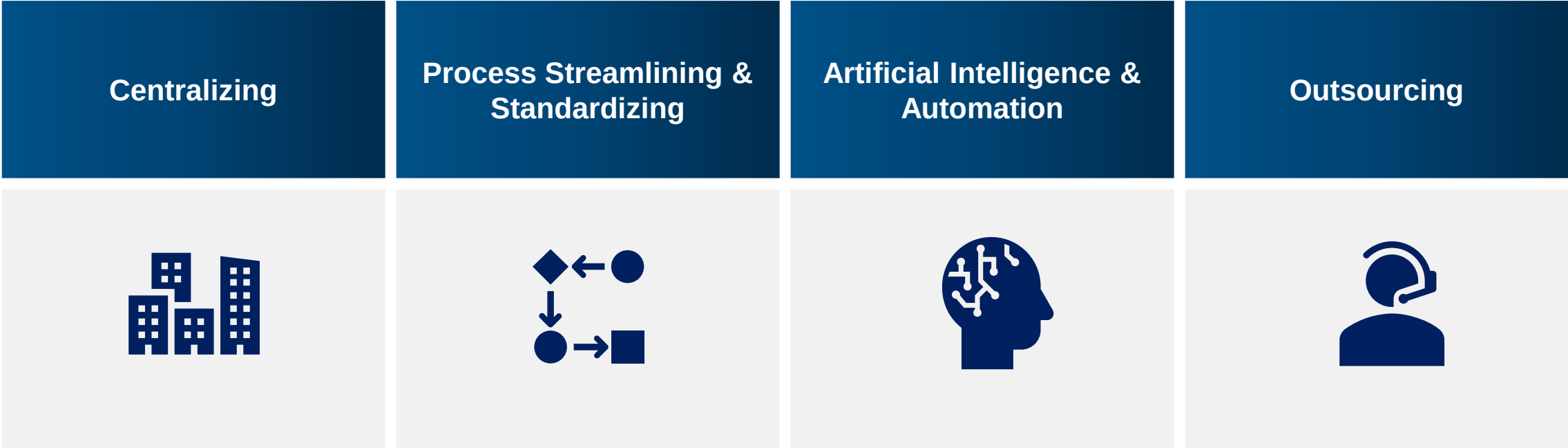
FDA Must Clarify its Enforcement Posture on Synthetic Products

- According to federal law, it is illegal to sell or distribute a synthetic nicotine product in the United States that has not received a market granted order from the FDA by July 2022.
- To date, the FDA has not authorized any synthetic nicotine pouch products. Despite the clarity of the statute, the FDA's refusal to enforce the law is causing confusion amongst legitimate manufacturers.



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Optimize & Accelerate Initiative



We expect the initial phases of the initiative will deliver at least \$600 million in cumulative cost savings over the next five years, which we plan to reinvest in our businesses in support of our Vision and Enterprise Goals.

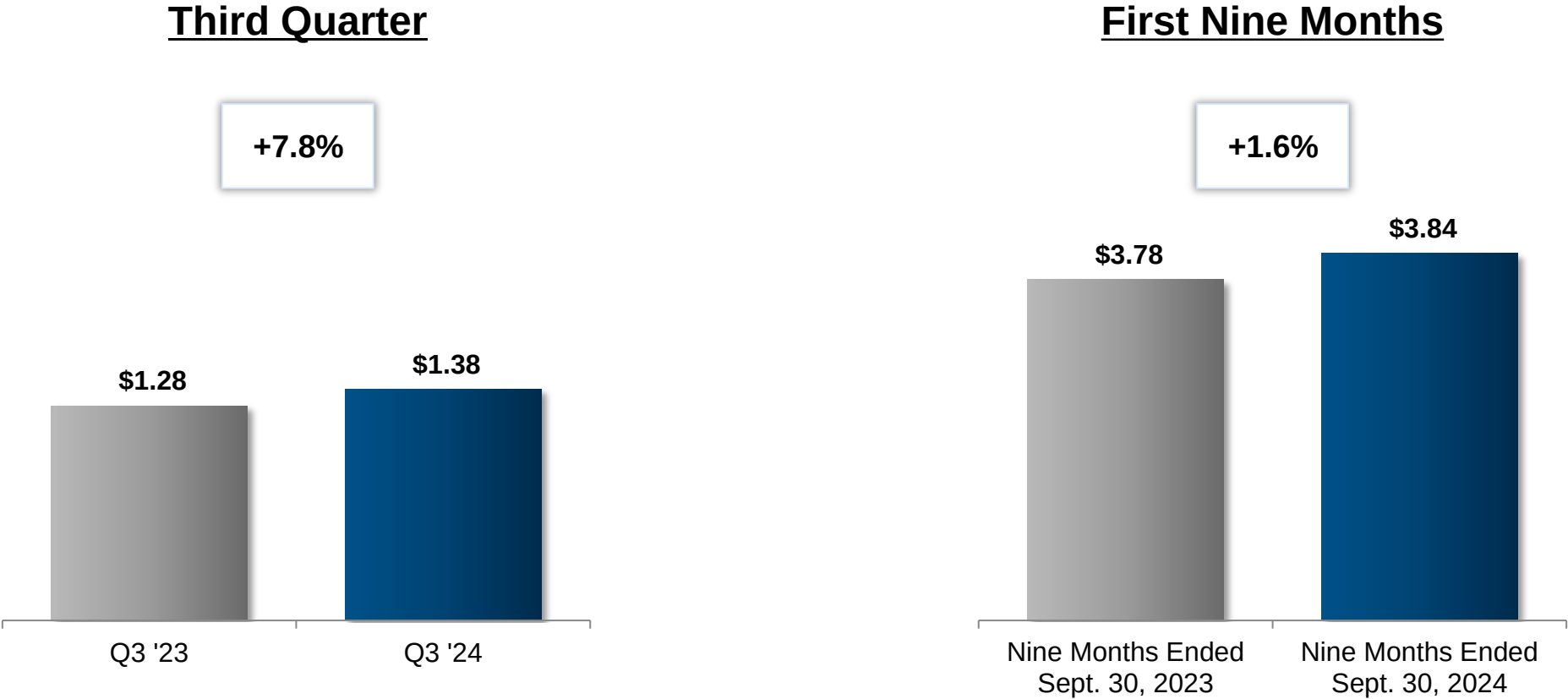
Responsibly lead
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to a smoke-free future.

Moving beyond smoking™



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Adjusted Diluted Earnings Per Share (EPS)* and Financial Outlook



We reaffirm our full-year 2024 guidance range to deliver adjusted diluted EPS in a range of \$5.07 to \$5.15, representing a growth rate of 2.5% to 4% from a base of \$4.95 in 2023.

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

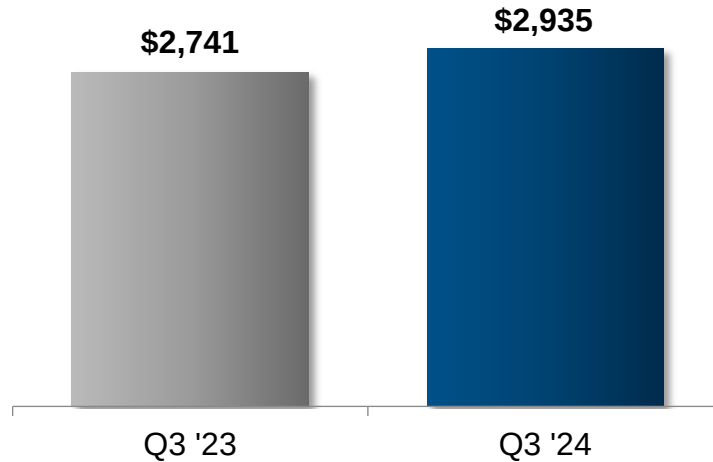
Smokeable Products Segment

Adjusted Operating Companies Income* (OCI)

Third Quarter

(\$ in millions)

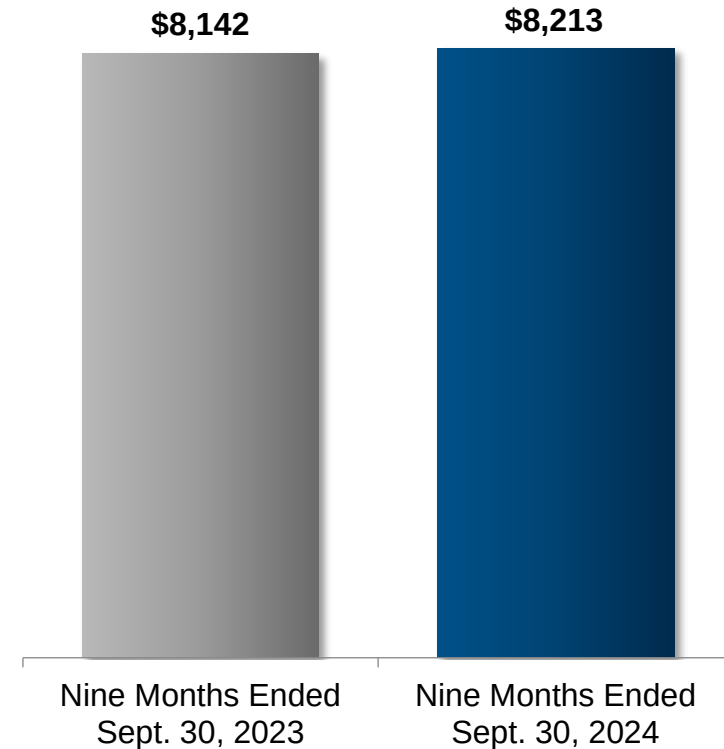
+7.1%



First Nine Months

(\$ in millions)

+0.9%

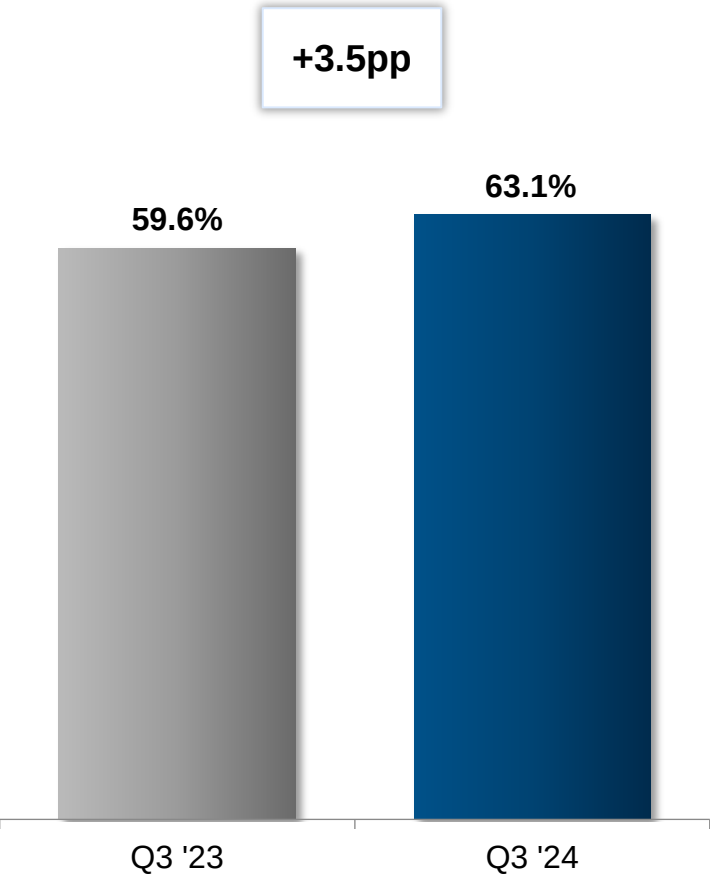


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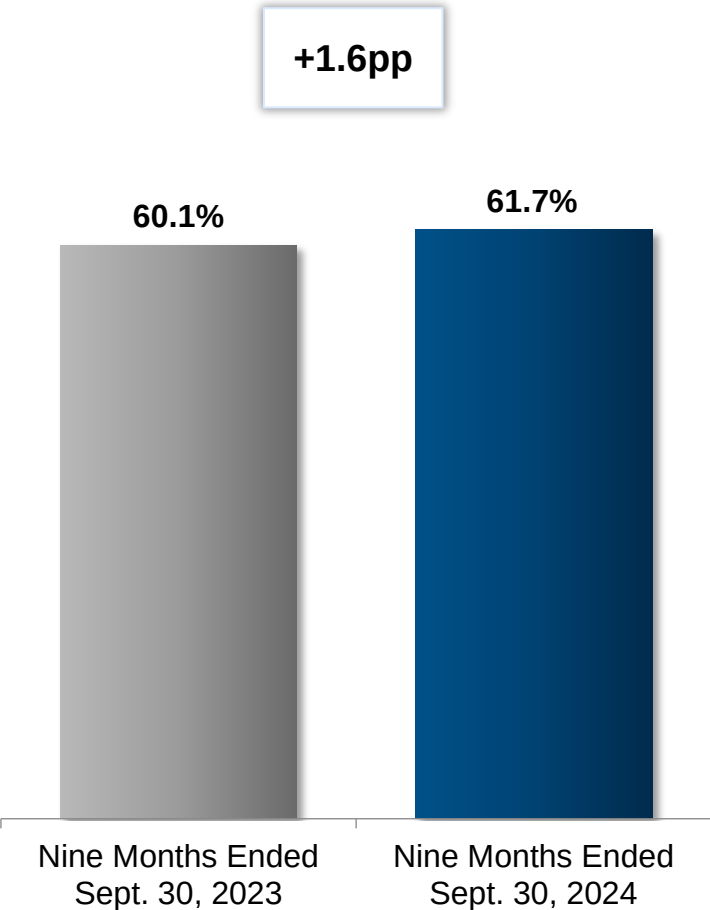
Smokeable Products Segment

*Adjusted OCI Margins**

Third Quarter



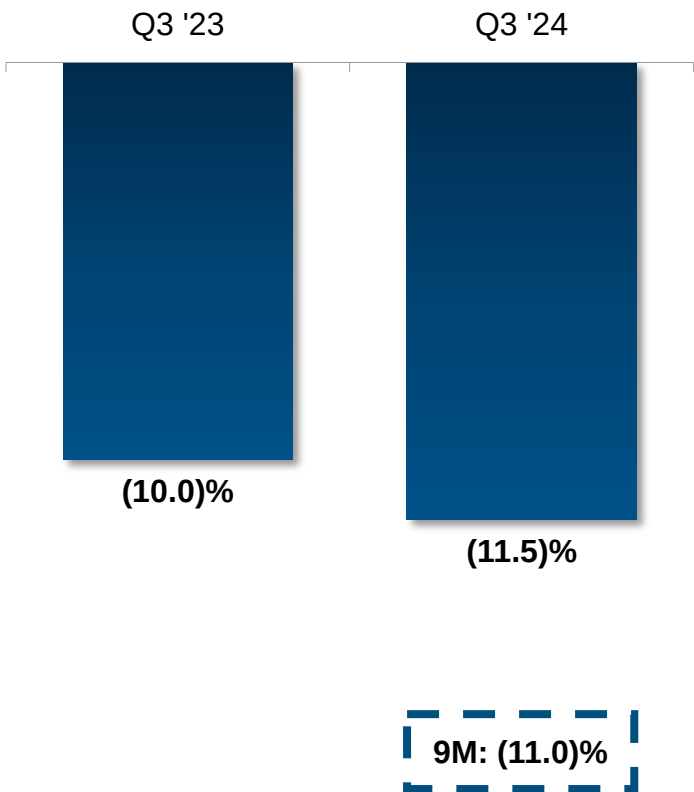
First Nine Months



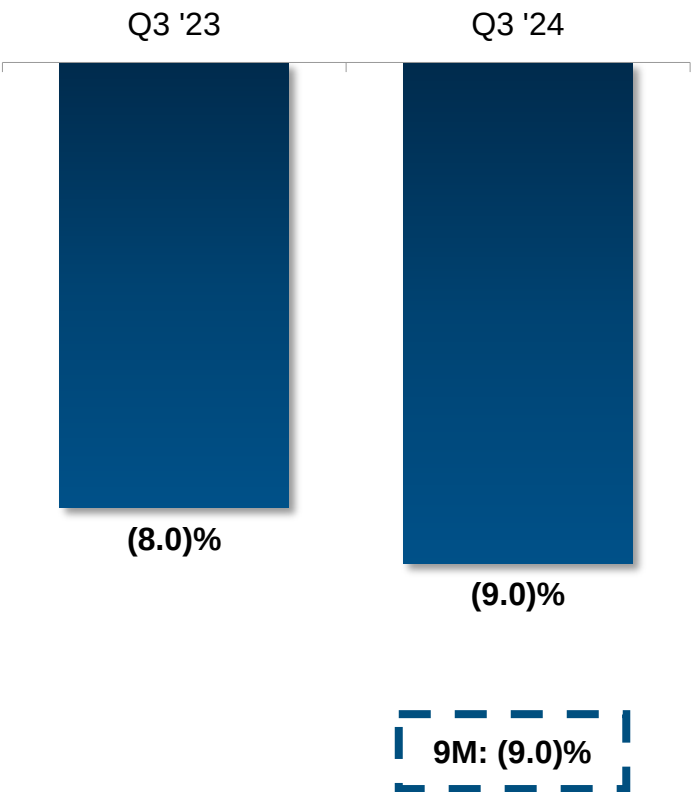
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Adjusted Cigarette Decline Rates

Smokeable Segment



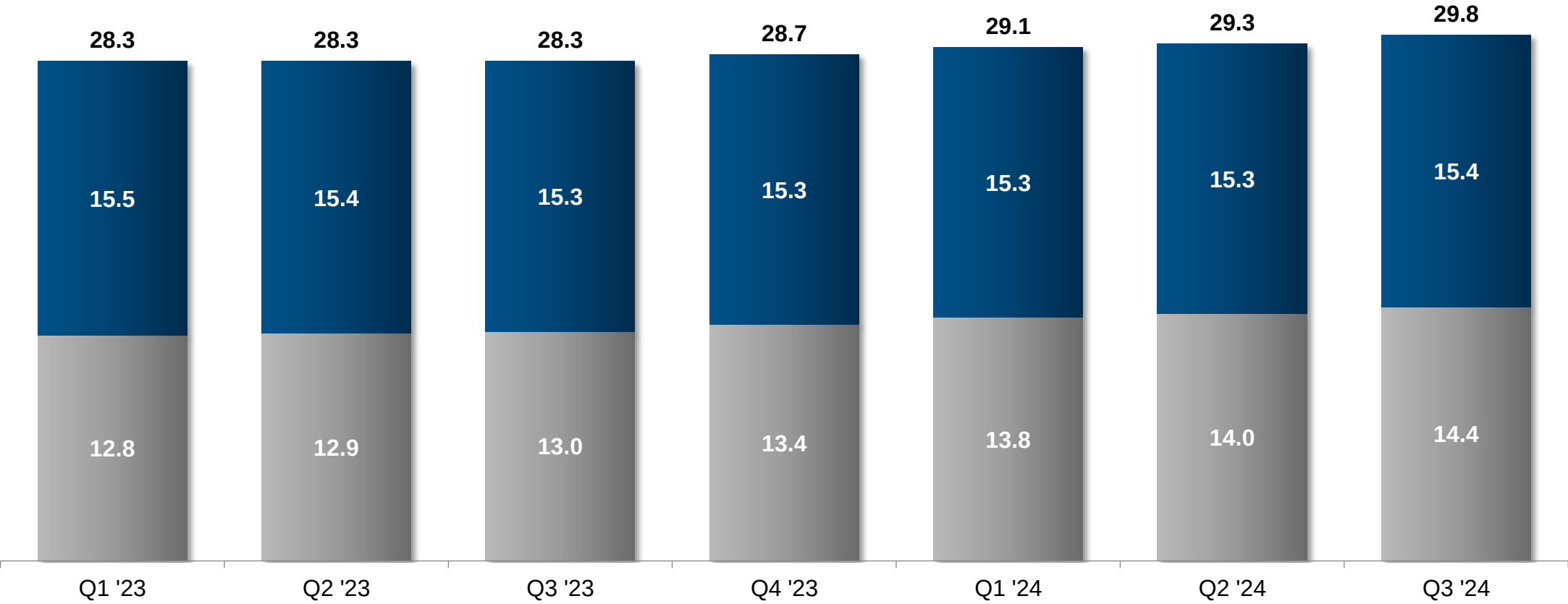
Total Industry



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

Discount Retail Share

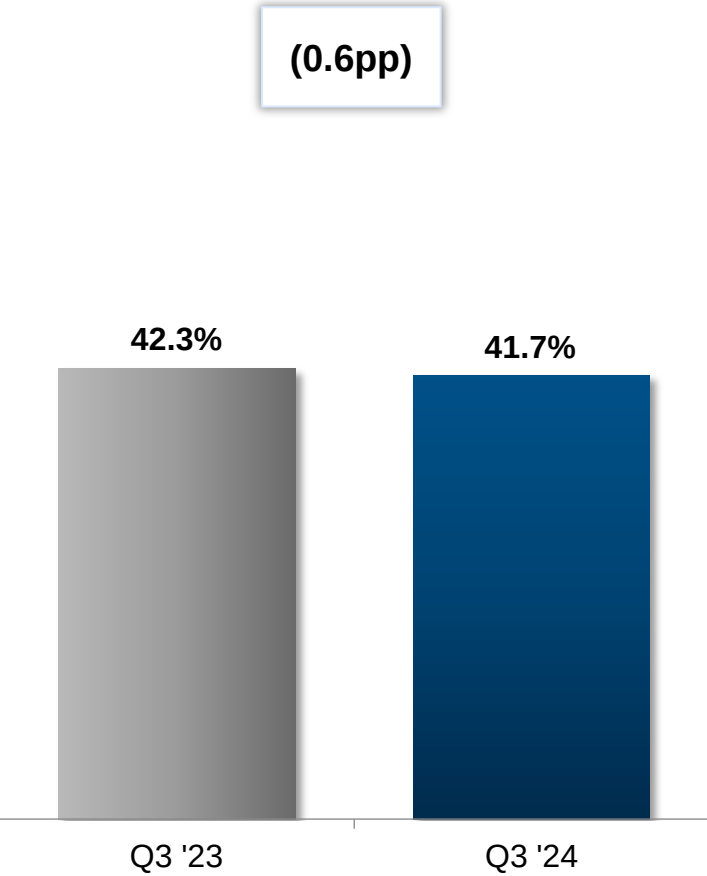
■ Branded Discount (Major Manufacturers) ■ Deep Discount (All Other)



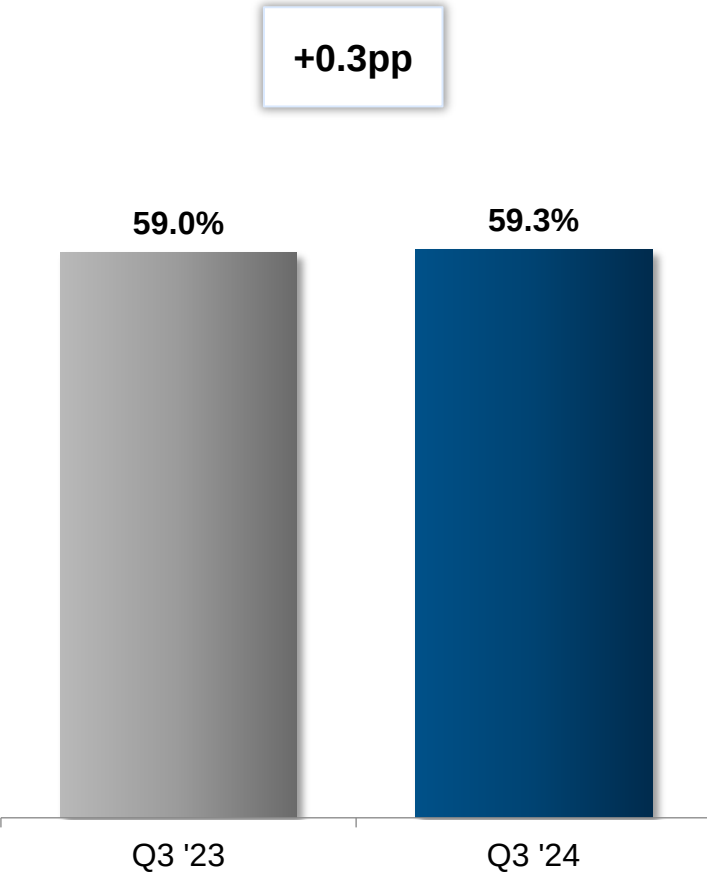
Source: Circana InfoScan Cigarette 2024-Blended, week ending 9/29/2024.

Marlboro Retail Share and Share of Premium

Marlboro Retail Share



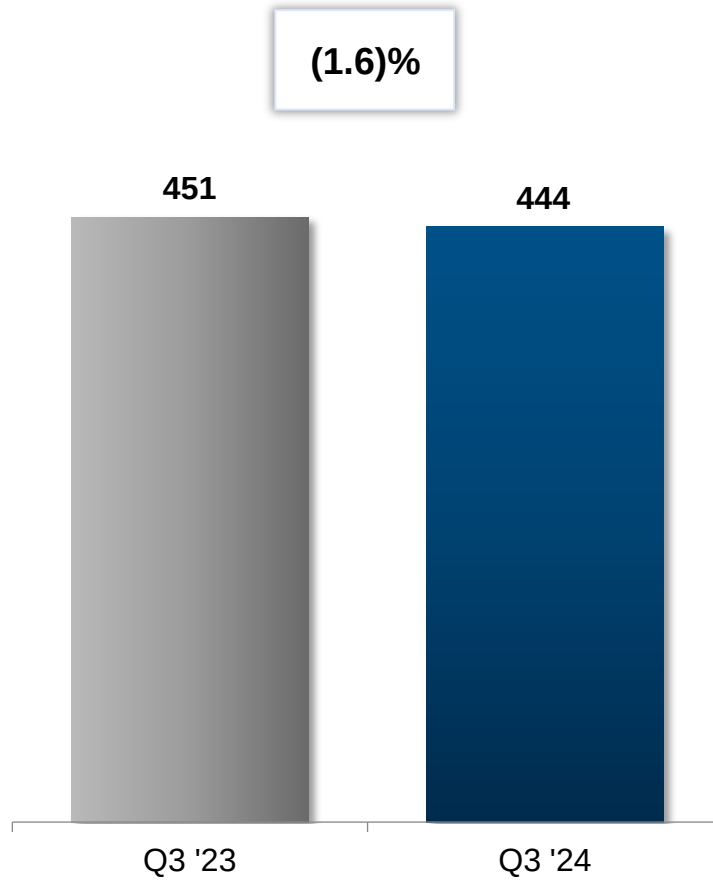
Marlboro Share of Premium



Source: Circana InfoScan Cigarette 2024-Blended, week ending 9/29/2024.

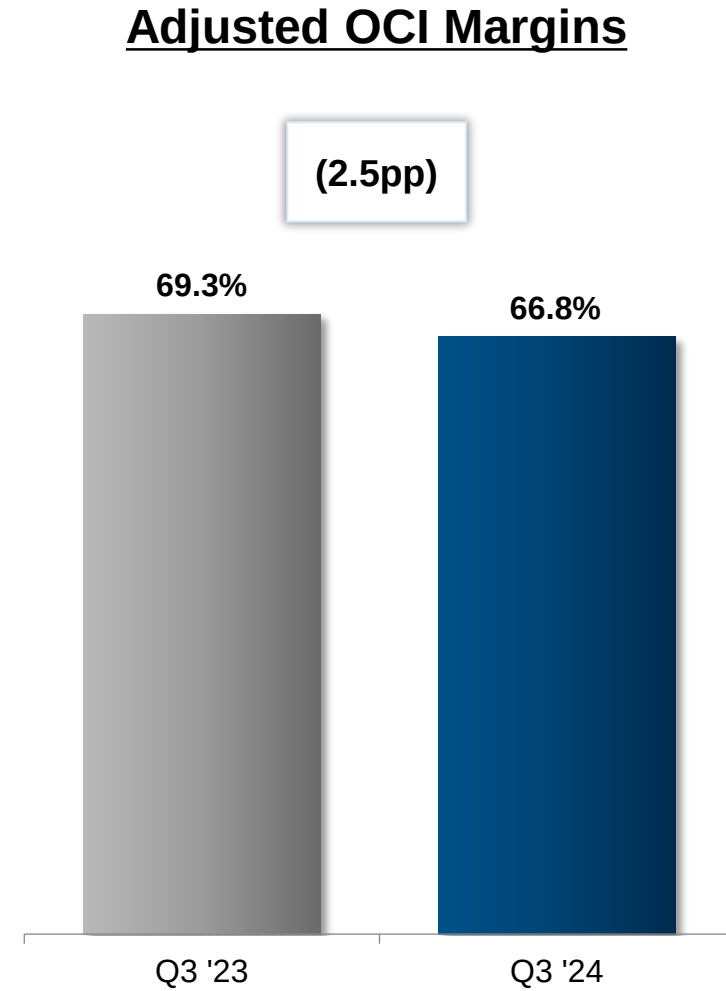
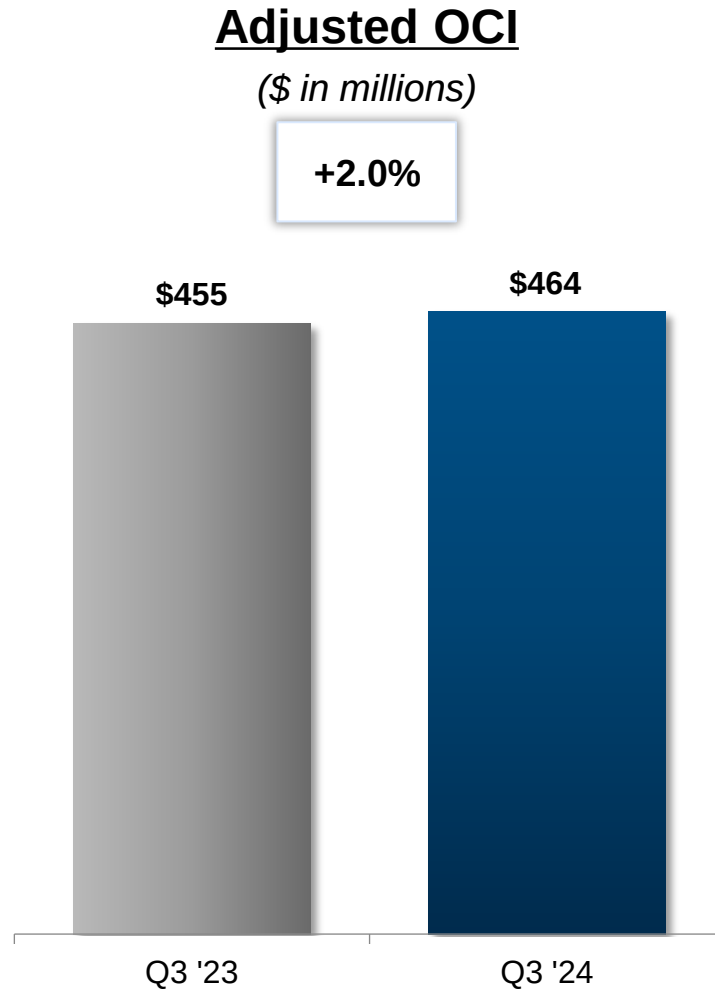
John Middleton Cigars

Reported Shipment Volume



Oral Tobacco Products Segment

Adjusted OCI and Adjusted OCI Margins**

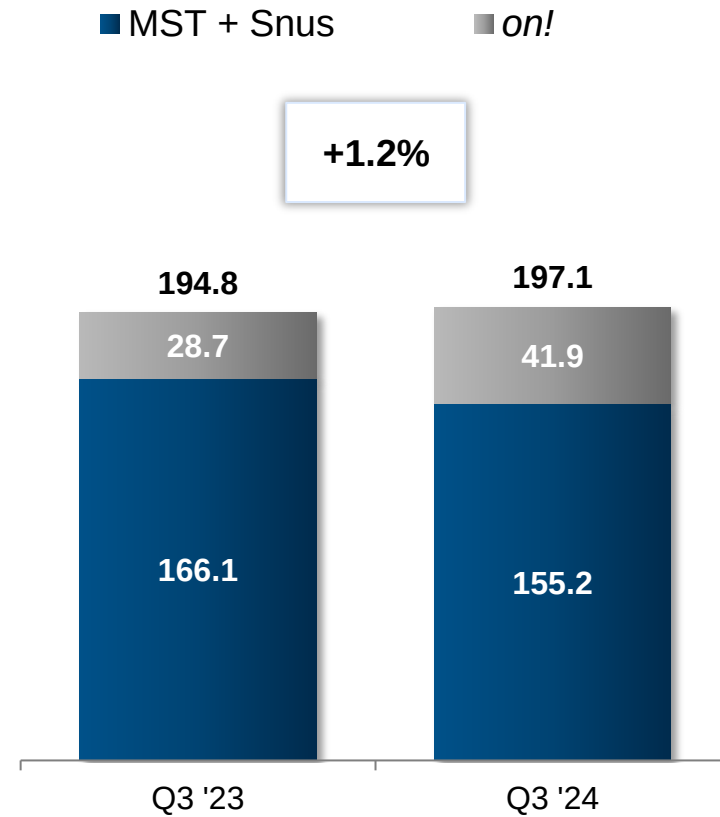


*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Total Oral Volume Increased Driven by *on!* Momentum

Oral Tobacco Shipment Volume

(in millions)



ABI Investment



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

JUUL-Related Tax Losses

- In October, we reached an agreement with the IRS regarding the tax treatment of the ordinary losses related to our former investment in JUUL. We have claimed \$4 billion of ordinary losses and \$4.1 billion of capital losses on our 2023 tax return.
- Of the \$4.1 billion of capital losses, \$3.2 billion offset capital gains related to the *IQOS* transaction and the partial sale of our investment in ABI.
- We have \$5.6 billion of capital losses remaining from the JUUL investment, including \$900 million that are available to offset capital gains through 2028.
 - For financial statement purposes, none of the tax benefit for the \$5.6 billion has been recognized.

Committed to Long-Term Value for Our Investors

Dividends

- Paid \$1.7 billion in dividends in the third-quarter.
- Raised our dividend by 4.1% in August, our 59th increase in the past 55 years.

Share Repurchase

- Repurchased \$680 million of shares during the third-quarter.
- Approximately \$310 million remaining under our currently authorized share repurchase program, which we expect to complete by the end of this year.

Debt

- 2.1x total debt-to-EBITDA* ratio as of September 30, 2024.

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