

INVESTOR DAY **2023**

Moving beyond smokingTM



Altria

INVESTOR DAY 2023

Mac Livingston
VP Investor Relations



Safe Harbor Statement

- Statements 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. These forward-looking statements include statements regarding plans with respect to harm reduction; expansions of our product portfolio; changes with respect to product development processes, digital capabilities and consumer data and corporate organizational design; corporate enterprise goals, including with respect to our dividend, adjusted diluted EPS, adjusted OCI margin and debt-to-EBITDA ratio; U.S. smoke-free products enterprise goals, including with respect to volumes and net revenues; long-term growth enterprise goals; the closing of the NJOY Transaction; and expectations with respect to our relationships with our growers and suppliers. 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 as required by applicable law.
- The risks and uncertainties relating to the forward-looking statements in this presentation include those described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, including our inability to anticipate and respond to changes in adult tobacco consumer preferences and purchase behavior; our inability to compete effectively; the growth of the e-vapor category and other innovative tobacco products, including oral nicotine pouches, contributing to reductions in cigarette and MST consumption levels and shipment volume; our failure to commercialize innovative products, including tobacco products with reduced health risks relative to other tobacco products and that appeal to adult tobacco consumers; changes, including in macroeconomic and geopolitical conditions (including inflation), that result in shifts in adult tobacco consumer disposable income and purchasing behavior, including choosing lower-priced and discount brands; our failure to complete or manage successfully strategic transactions, including acquisitions, dispositions, joint ventures and investments in third parties or realize the anticipated benefits of such transactions; significant changes in price, availability or quality of tobacco, other raw materials or component parts, including as a result of changes in macroeconomic, climate and geopolitical conditions; our reliance on a few significant facilities and a small number of key suppliers, distributors and distribution chain service providers and the risks associated with an extended disruption at a facility or in service by a supplier, distributor or distribution chain service provider;

Safe Harbor Statement

the risk that we may be required to write down intangible assets, including trademarks and goodwill, due to impairment; the risk that we could decide, or be required to, recall products; the various risks related to health epidemics and pandemics, such as the COVID-19 pandemic, and the measures that international, federal, state and local governments, agencies, law enforcement and health authorities implement to address them; our inability to attract and retain a highly skilled and diverse workforce due to the decreasing social acceptance of tobacco usage, tobacco control actions and other factors; unfavorable outcomes with respect to litigation proceedings or any governmental investigations; the risks associated with significant federal, state and local government actions, including FDA regulatory actions, and various private sector actions; increases in tobacco product-related taxes; the risks associated with the various U.S. and foreign laws and regulations to which we are subject due to our international business operations; the risks concerning a challenge to our tax positions, an increase in the income tax rate or other changes to federal or state tax laws; the risks associated with legal and regulatory requirements related to climate change and other environmental sustainability matters; disruption and uncertainty in the credit and capital markets; a downgrade or potential downgrade of our credit ratings; our inability to attract investors due to increasing investor expectations of our performance relating to environmental, social and governance factors; the failure of our, or our key service providers' or key suppliers', information systems to function as intended, or cyber-attacks or security breaches; our failure to comply with personal data protection and privacy laws; the risk that the expected benefits of our investment in ABI may not materialize in the expected manner or timeframe or at all; the risks related to a challenge to our former investment in JUUL, which, if successful, could result in a broad range of resolutions; and the risks associated with our investment in Cronos, including legal, regulatory and reputational risks.

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

Investor Day Presenters



Billy Gifford
Chief Executive Officer



Shannon Leistra
Consumer Experience Officer



Jody Begley
Chief Operating Officer



Scott Myers
President & CEO
Altria Group Distribution Co.



Jennifer Hunter
Chief Sustainability
Officer



Paige Magness
SVP Regulatory Affairs



Todd Walker
SVP Government Affairs
& Public Policy



Megan Witherspoon
VP Communications



Sal Mancuso
Chief Financial Officer



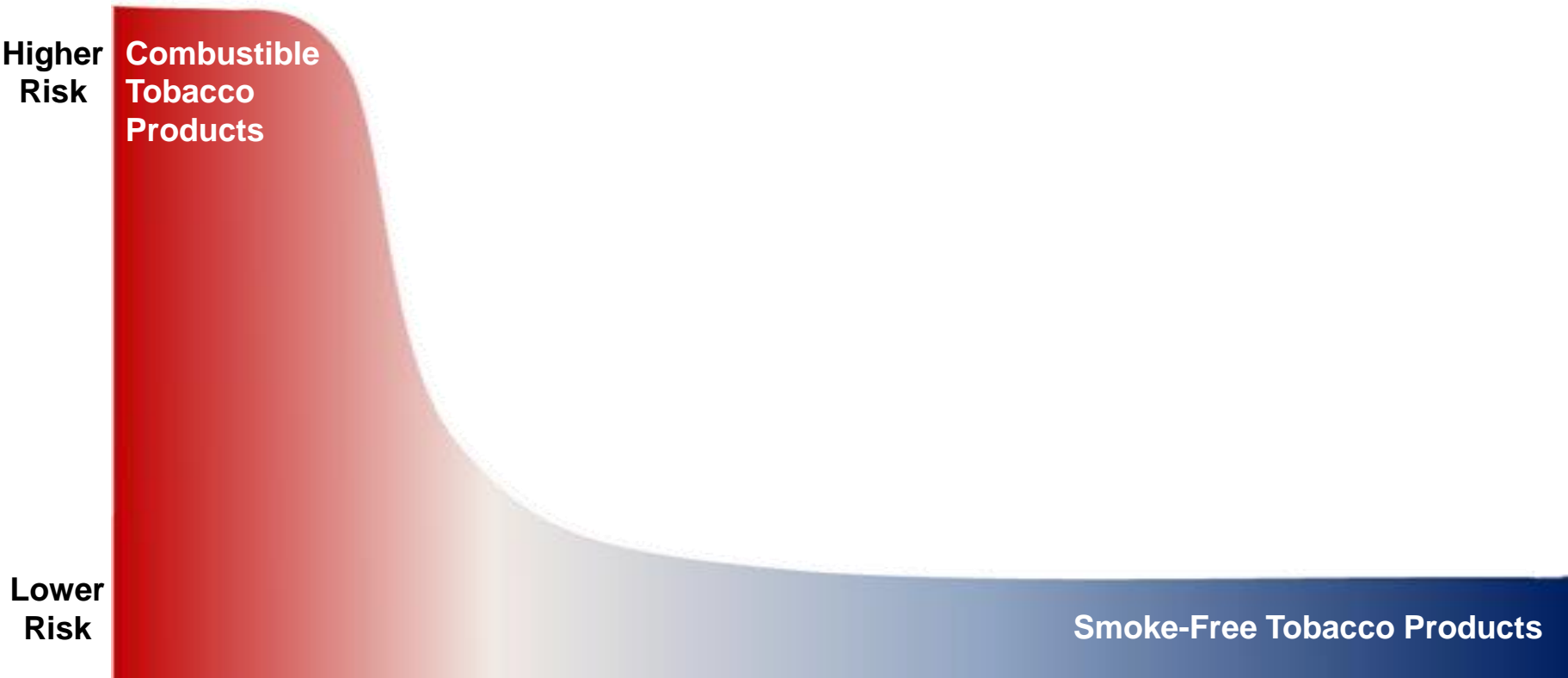
Olivier Houpert
Chief Innovation &
Product Officer

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Billy Gifford
Chief Executive Officer



Risk Cliff Between Combustible & Smoke-Free Tobacco



Adapted from Nutt, et. Al Estimating the Harms of Nicotine-Containing Products Using the MCDA Approach. Eur. Addict Res 2014; 20:218-225. Evaluation criteria include; product specific mortality; product related mortality; product specific morbidity; dependence; loss of tangibles; loss of relationships; injury; crime; environmental damage; family adversities; international damage; economic cost; and community.

How We're Preparing to Capture the Harm Reduction Opportunity in the U.S.

**Expanding our
Understanding of
Adult Tobacco
Consumers**

**Enhancing
our Innovative
Smoke-Free
Product Efforts**

**Creating the
Conditions for
Tobacco Harm
Reduction**

**Building the
Commercial Engine to
Responsibly Drive
Transition to Smoke-
Free Products**

Infrastructure to Drive Our Smoke-Free Businesses Forward



Digital



Trade Relationships

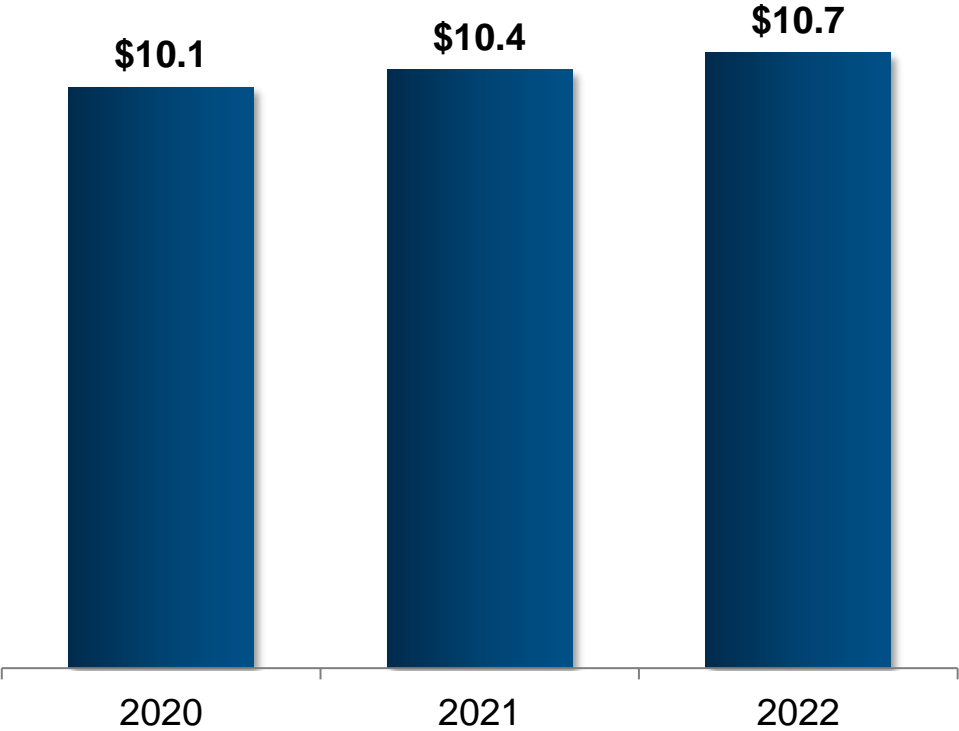


Manufacturing

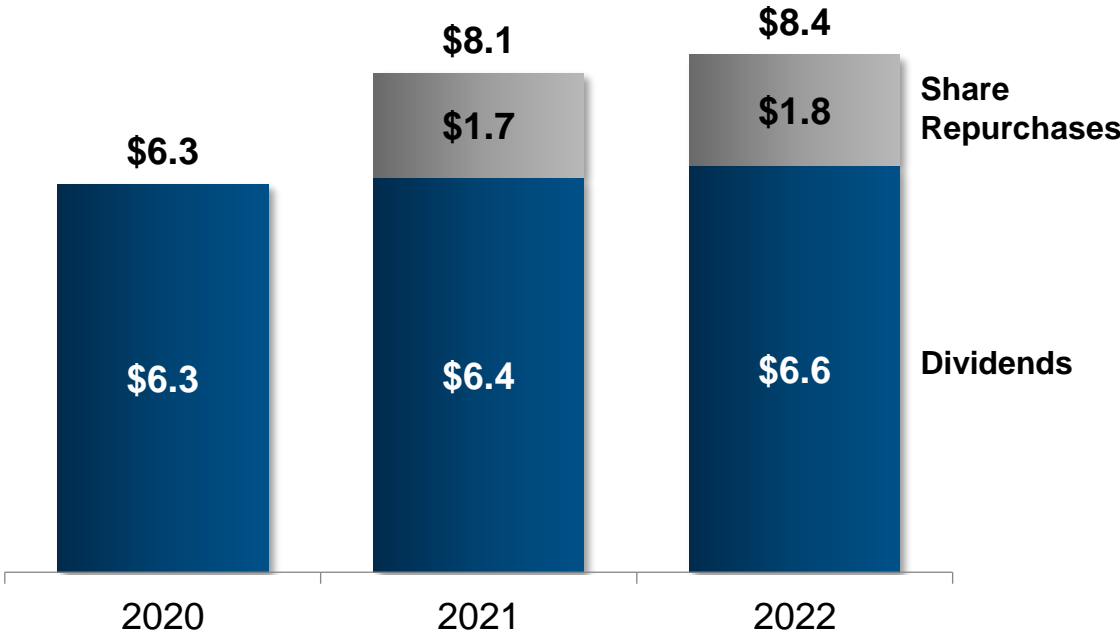
Smokeable Segment Funding Smoke-Free Efforts and Cash Returns

(in billions)

Smokeable Segment Adjusted Operating Companies Income* (OCI)



Cash Returns to Shareholders



~\$23 Billion Returned Over the Past Three Years

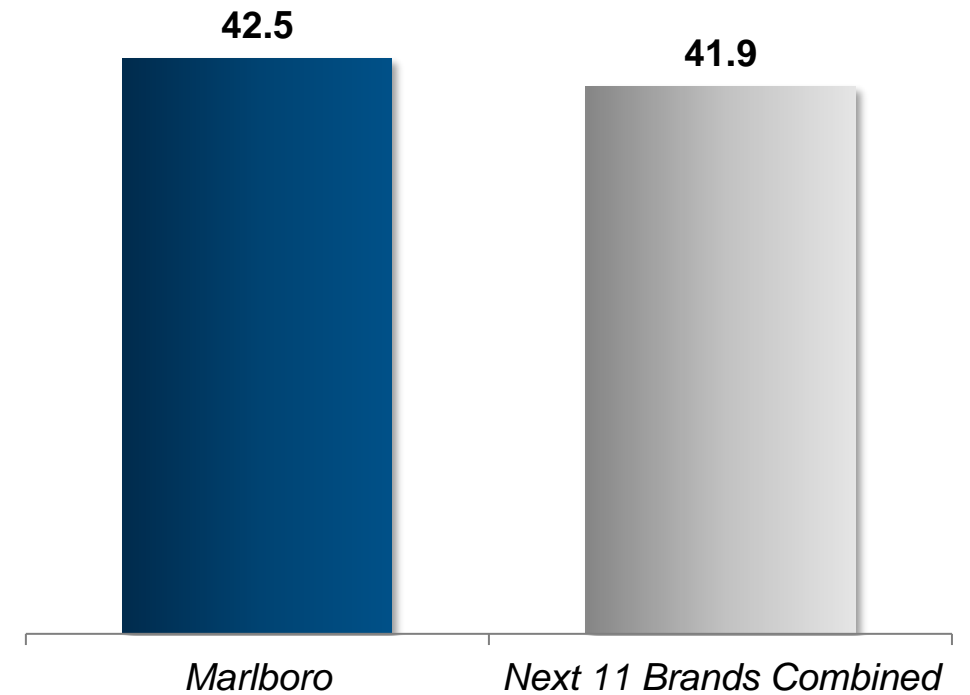
*For reconciliations of non-GAAP to GAAP measures visit altria.com.



Marlboro is the Leading Cigarette Brand for Adult Smokers



FY 2022 Share



Source: IRI/MSAi InfoScan – Blended, WE 1/1/2023

Our Future Smoke-Free Portfolio*

E-Vapor



Heated Tobacco



New
Internally
Developed
HTC
Product

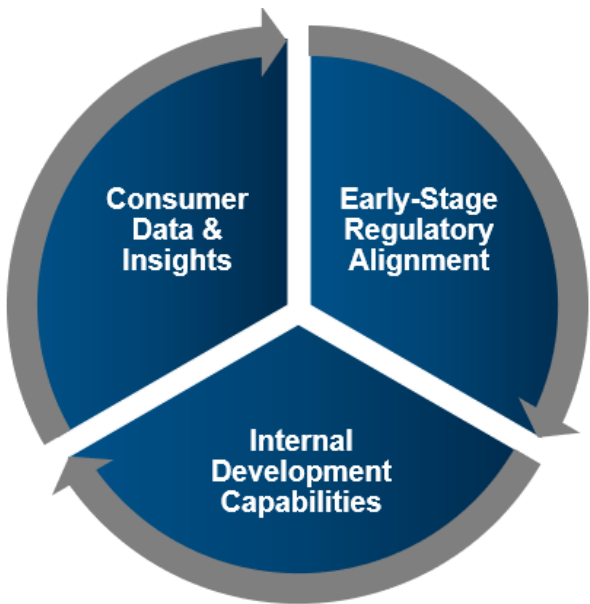
Oral Tobacco



New
Internally
Developed
Product

*Subject to closing of NJOY Transaction. All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

Changes to Support our Vision



**Product Development
Innovation System**



**Enhanced Digital
Capabilities & Adult
Tobacco Consumer Data**



**Organizational Design to
Drive Innovation**

Creating the Conditions for Harm Reduction

**Establish a Market
of Authorized
Reduced-Harm
Products**

**Address Nicotine
Misperceptions**

**Lead the Way on
Responsibility**

**Advocate for Harm
Reduction, Not
Prohibition**

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 Revenue	Non-Nicotine Revenue

Some Enterprise Goals are subject to closing of NJOY Transaction.

INVESTOR DAY 2023

Shannon Leistra
Consumer Experience Officer



Understanding Adult Tobacco Consumers (ATCs)

ATC Data Gathered in 2022



**Research
With ~50,000 ATCs**



**~4.5 Billion ATC
Transactions at Retail**



**~730 Million
ATC Engagements
with our Brands**

Source: Altria CMII, AGDC and D&T Estimates

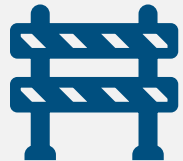
ATC Research Findings



Unique ATC Clusters



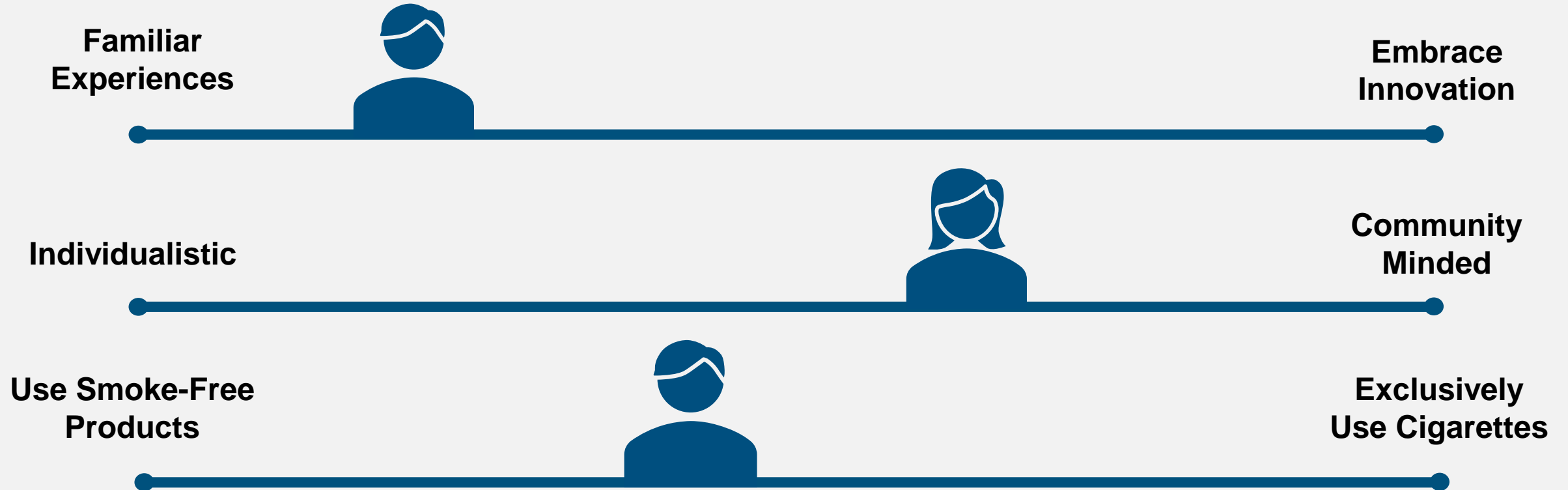
Distinct Usage Moments



Barriers & Motivators

ATC Clusters

Represent Different Product Choices, Personalities and Worldviews

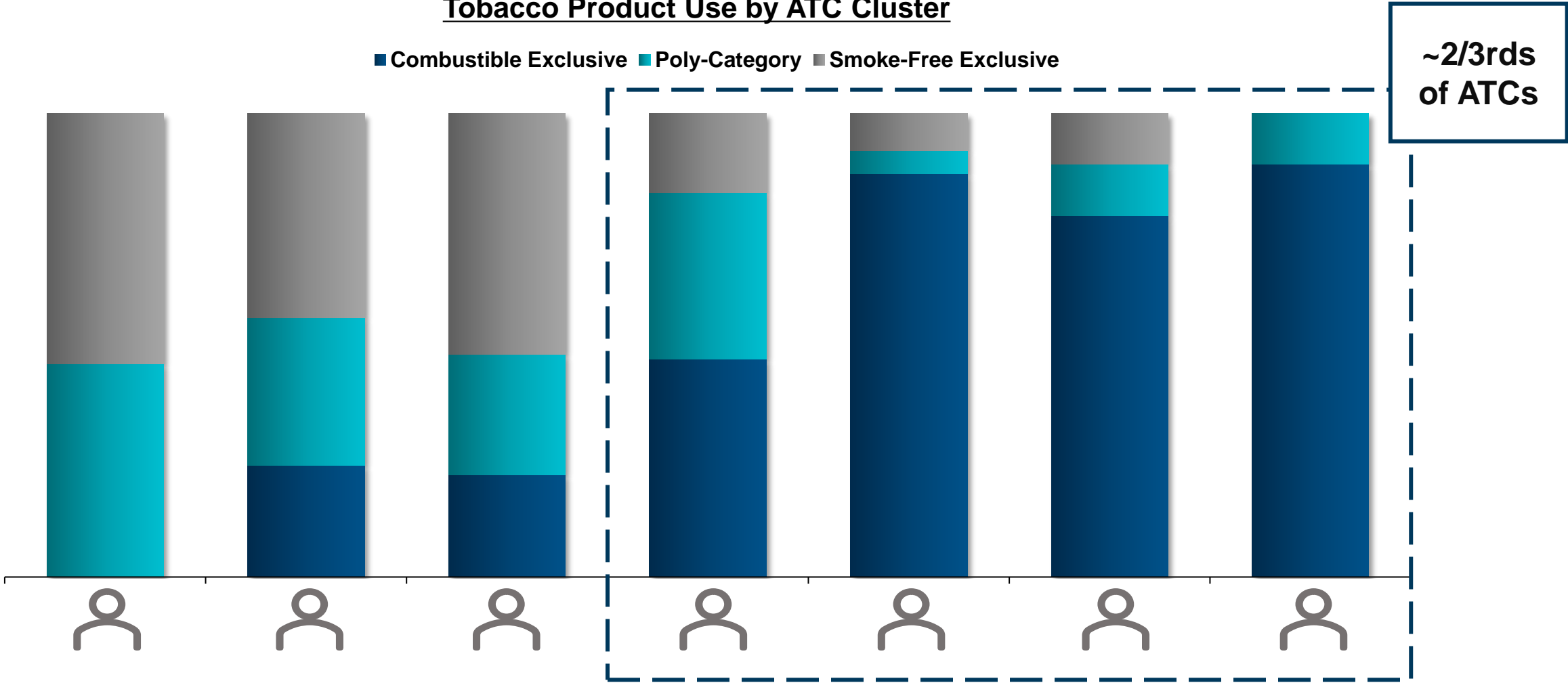


Source: CMII Analysis

Combustible Product Use Varies By ATC Cluster

Growing Interest in Smoke-Free Products Across All of Them

Tobacco Product Use by ATC Cluster



Source: Tobacco Landscape 2.0 | Altria Client Services

Distinct Usage Moments for Tobacco Enjoyment



Source: CMII Analysis

Detach Moments

Occasions When ATCs Use Their Tobacco Product to Help Them Disconnect

Indulge

Reward

Break



Source: CMII Analysis

Detach Moments

Occasions When ATCs Use Their Tobacco Product to Help Them Disconnect

Indulge

Reward

Break



Source: CMII Analysis

Detach Moments

Occasions When ATCs Use Their Tobacco Product to Help Them Disconnect

Indulge

Reward

Break



Source: CMII Analysis

Engage Moments

Occasions When ATCs Want to Connect with Others and Life Around Them

Enhance

Hang-Out

Multitask



Source: CMII Analysis

Engage Moments

Occasions When ATCs Want to Connect with Others and Life Around Them

Enhance

Hang-out

Multitask



Source: CMII Analysis

Engage Moments

Occasions When ATCs Want to Connect with Others and Life Around Them

Enhance

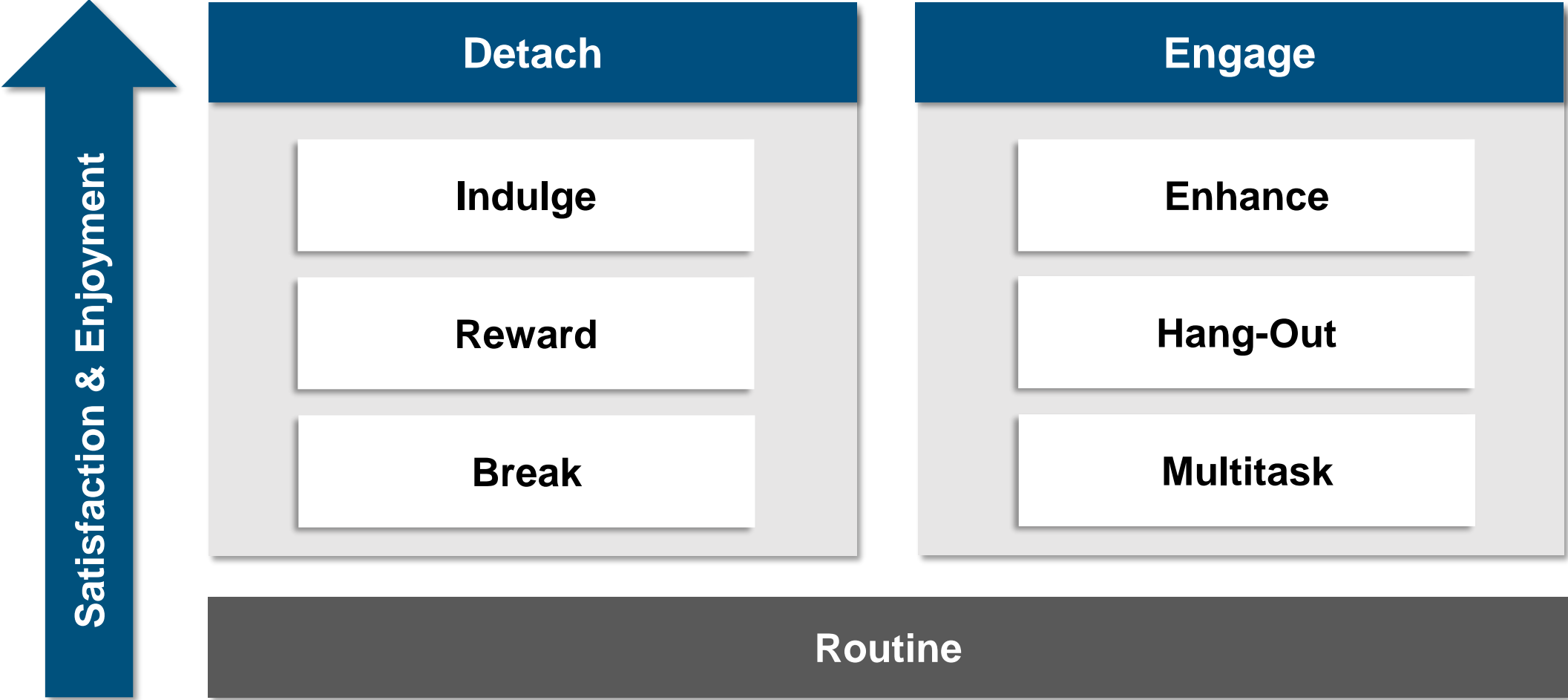
Hang-Out

Multitask



Source: CMII Analysis

Not Every Moment Has the Same Level of Satisfaction



Source: CMII Analysis

Product Requirements Can Vary Depending on the Moment



Shifts in Key Tobacco Moments

Example: How the Pandemic Disrupted Tobacco Moments

Enhance

Hang-Out



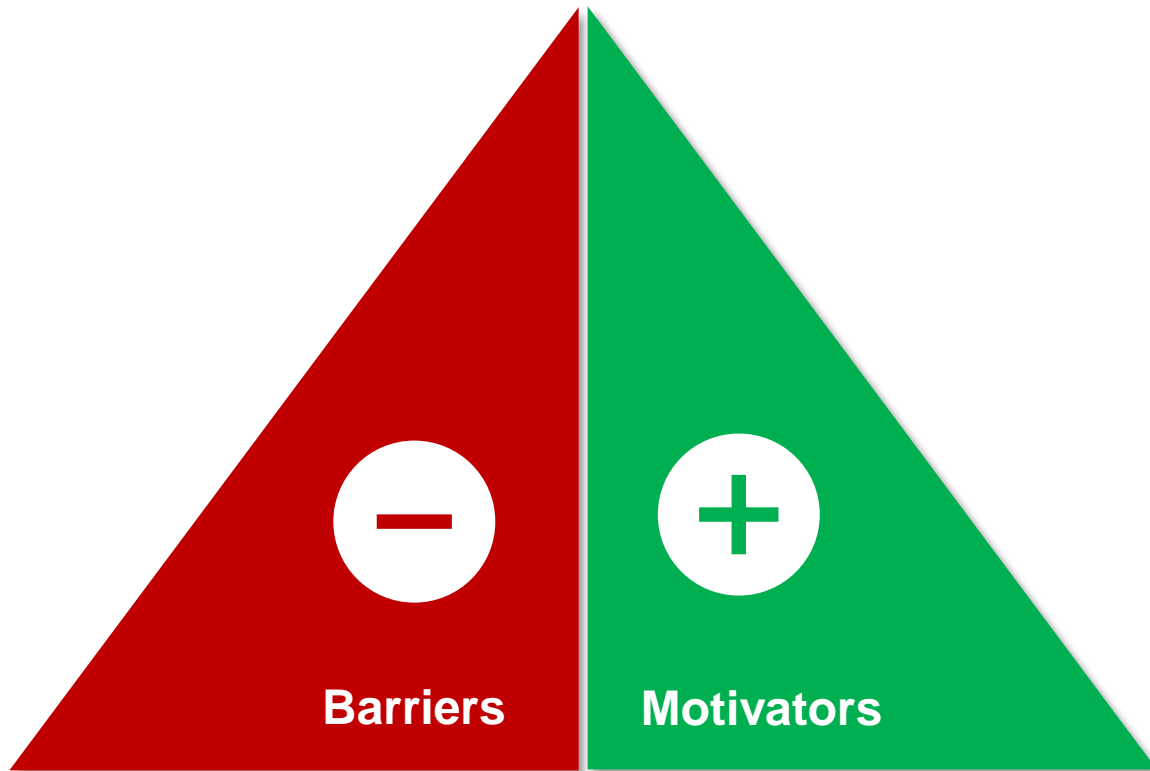
Multitask



Source: CMII Analysis

Barriers and Motivators to Switching

Understanding Adult Tobacco Consumer Motives Behind Their Choices



Smoke-Free Product Requirements

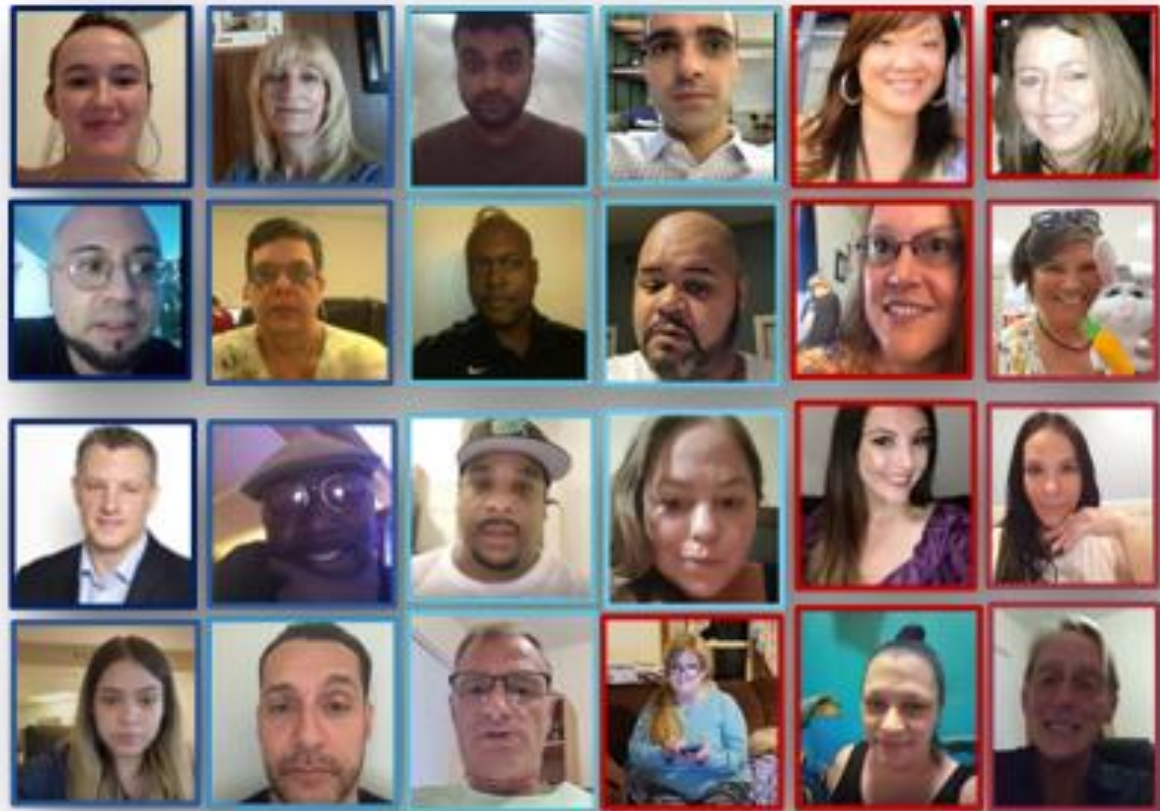
Nicotine Satisfaction

Easy to Carry

Enjoyable Experience

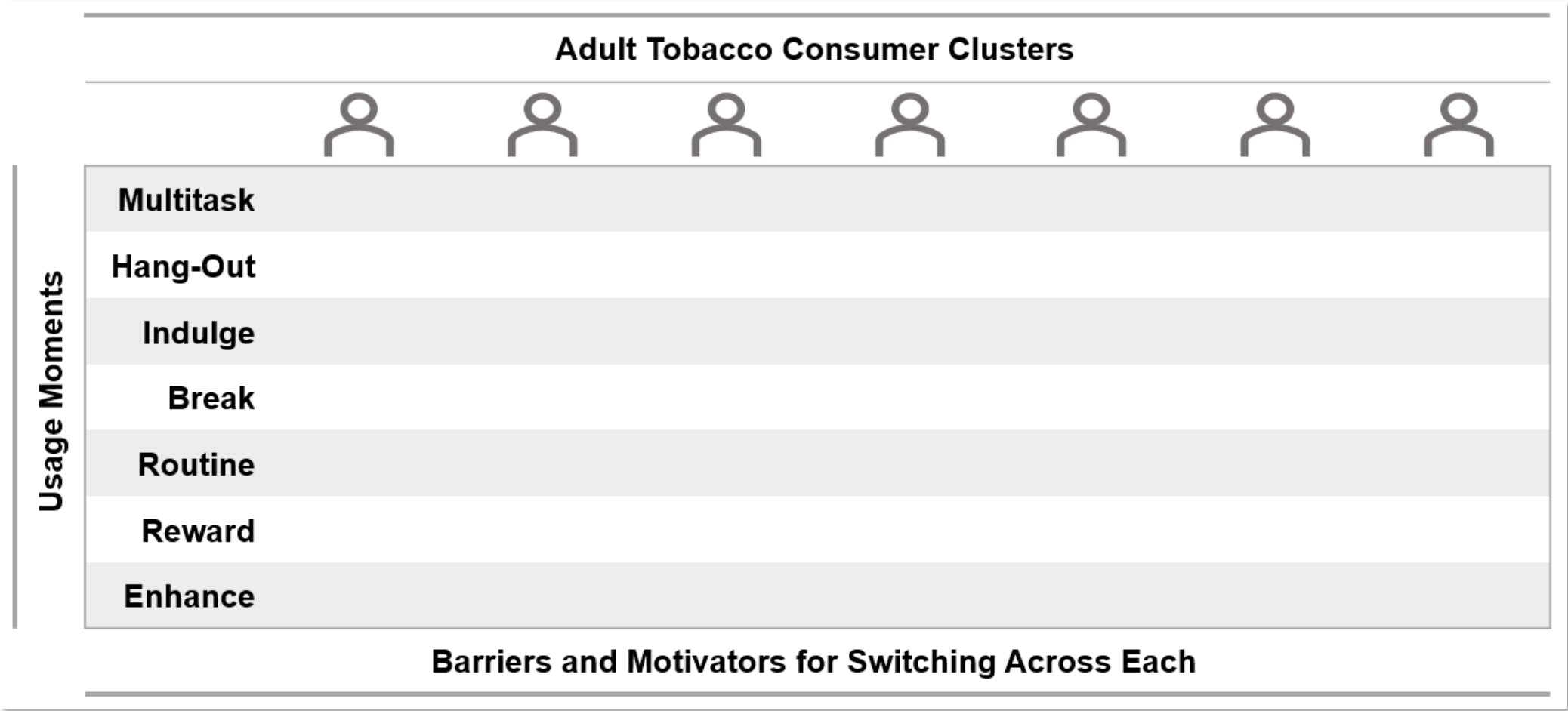
Source: CMII Analysis

Adult Tobacco Consumer Empathy



ATC Framework Informs Enterprise-Wide Efforts

Simplified for Illustrative Purposes



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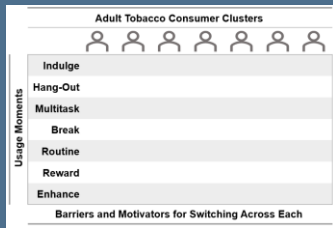
Jody Begley
Chief Operating Officer



Smoke-Free Product Development Process

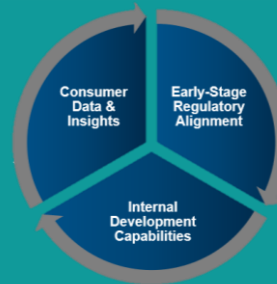
Simplified for Illustrative Purposes

Phase 1



**Identify Unmet
ATC Needs**

Phase 2



**Product Design and
Preliminary Regulatory Studies**

Phase 3



**Formal Regulatory
Preparations**

Inhalable Alternatives Designed for Adult Smokers



Enhance Moments



Indulge Moments

Our Future Smoke-Free Portfolio*

E-Vapor



Heated Tobacco



Oral Tobacco



*Subject to closing of NJOY Transaction. All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

NJOY ACE is Currently the Only Authorized Pod Product

Regulatory Status of Major Pod-based E-Vapor Products



NJOY

Marketing Granted Orders issued for *NJOY ACE* device, Rich Tobacco (5%) pods and Classic Tobacco (2.4%; 5%) pods.

Pre-market tobacco product applications (PMTAs) remain pending for menthol-flavored pods.



It appears that PMTAs remain pending for all currently marketed *Vuse Alto* products.



Market Denial Orders were issued by the FDA in June 2022 for all currently marketed JUUL products.

The FDA administratively stayed the denial orders on a temporary basis in July 2022. No FDA determination has been made regarding the stay order.

Source: FDA.gov. All third-party trademarks remain the property of their respective owners.

E-Vapor Product Requirements

Most Important Attributes when Selecting an E-Vapor Product

Among Adult Smokers and Adult Vapers

Product Performance

Enjoyable Flavor

Nicotine Satisfaction

Resistance to Draw

Fullness of Vapor

Device Performance

Puff Count

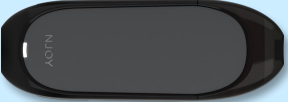


Easy to Use and Maintain

Battery Life

Source: CMII Analysis

E-Vapor Product and Device Performance

E-Vapor Device Features

	Battery Capacity (mAh)	Pod Volume (mL)	Puffs* per Pod
 NJOY ACE	400	1.9	325
 VUSE Alto	350	1.8	275
 JUUL	247	0.7	200

Post-Trial Feedback on NJOY ACE

Among Adult Smokers and Adult Vapers

“Comfortable to hold and convenient to carry.”

“A smooth inhale that’s easy to pull.”

“Enjoyable, full-bodied and **balanced** non-menthol flavor.”

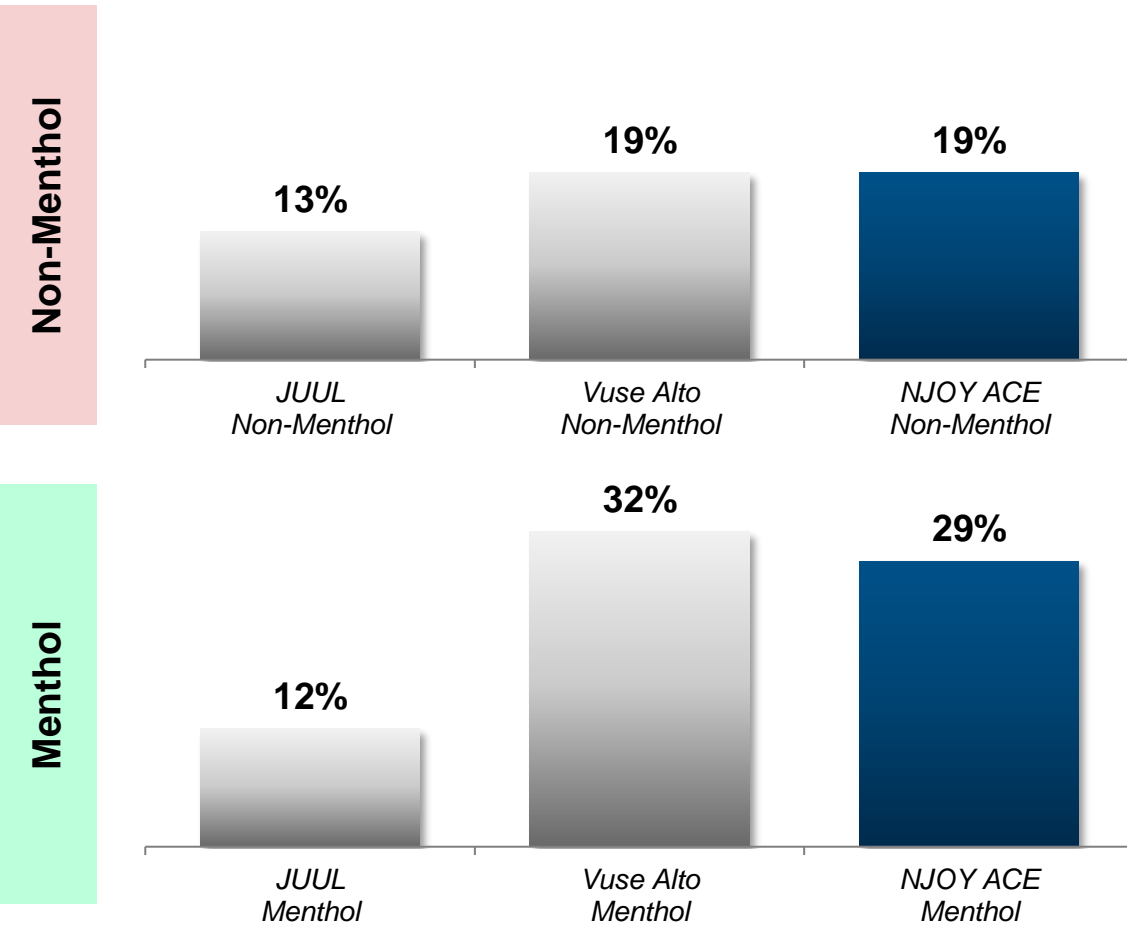
Source: Company websites & third-party reports. *Puff count represents an estimate based on machine testing. All third-party trademarks remain the property of their respective owners.

Source: CMII January 2023 Quantitative Research Final Report

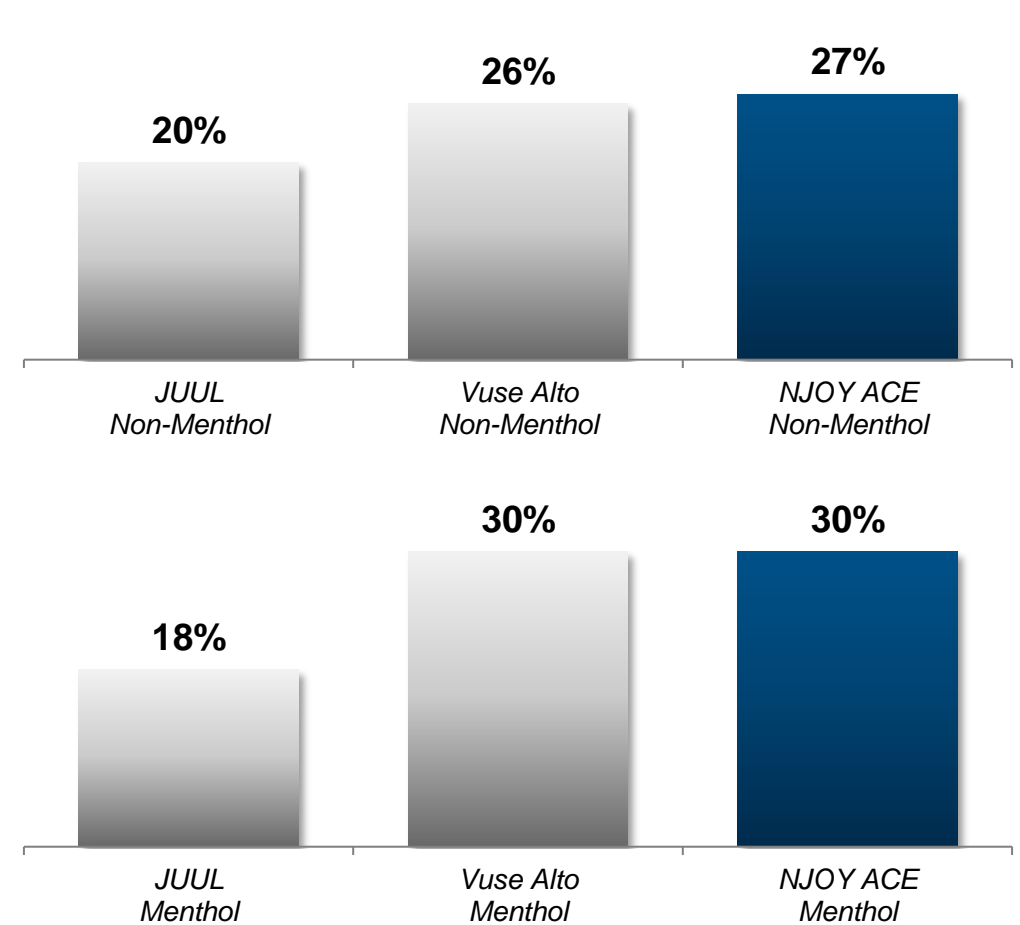
ATC Research

% of Post-Trial Survey Participants Who “Definitely Would Buy” Listed Product

Adult Smokers



Adult Vapers

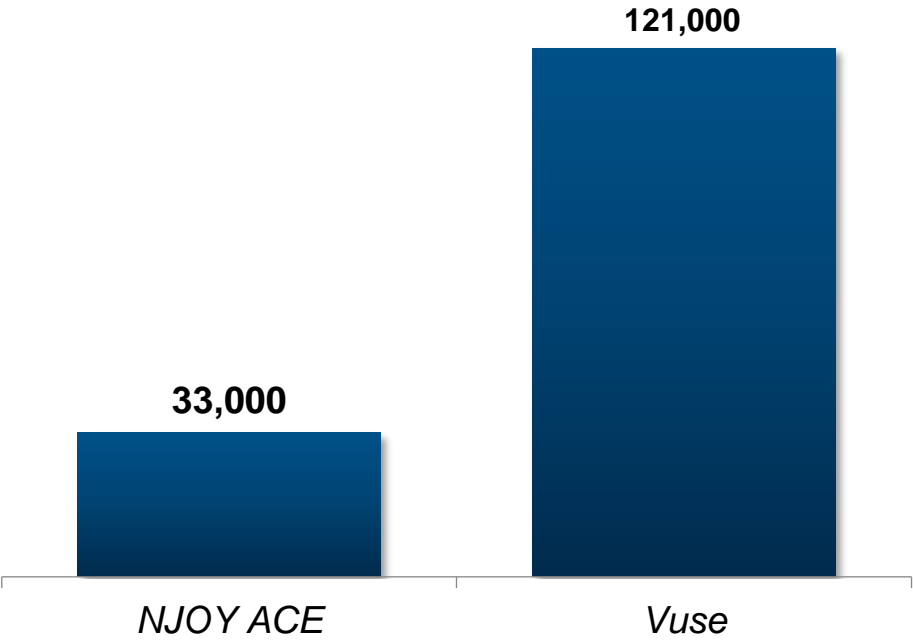


Source: CMII January 2023 Quantitative Research Final Report. N = 94 adult smokers, 82 adult vapers and 95 adults that use both cigarettes and vapor age 21+

Current NJOY Distribution

FY 2022 Store Count

(Total U.S. excludes vape shops)



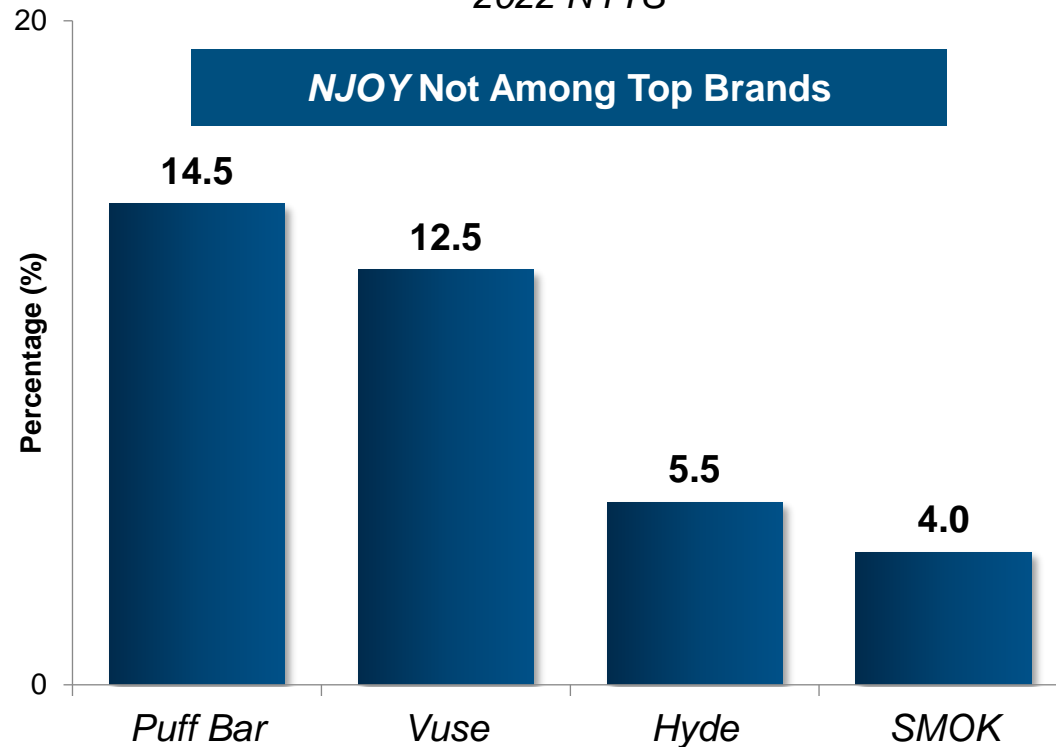
Source: STARS FY 2022

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

Underage Use Prevention by NJOY

Usual Brand Used Among Middle & High School E-Cigarette Users Combined

2022 NYTS



NJOY is developing access-restriction technology for its devices using Bluetooth® connectivity.

NJOY is preparing PMTAs with this technology for menthol and two non-tobacco flavored *ACE* products.

Source: ALCS analysis of NYTS 2022. All third-party trademarks remain the property of their respective owners

Our Future Smoke-Free Portfolio*

E-Vapor



Heated Tobacco

New
Internally
Developed
HTC
Product



Oral Tobacco



New
Internally
Developed
Product

*Subject to closing of NJOY Transaction. All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

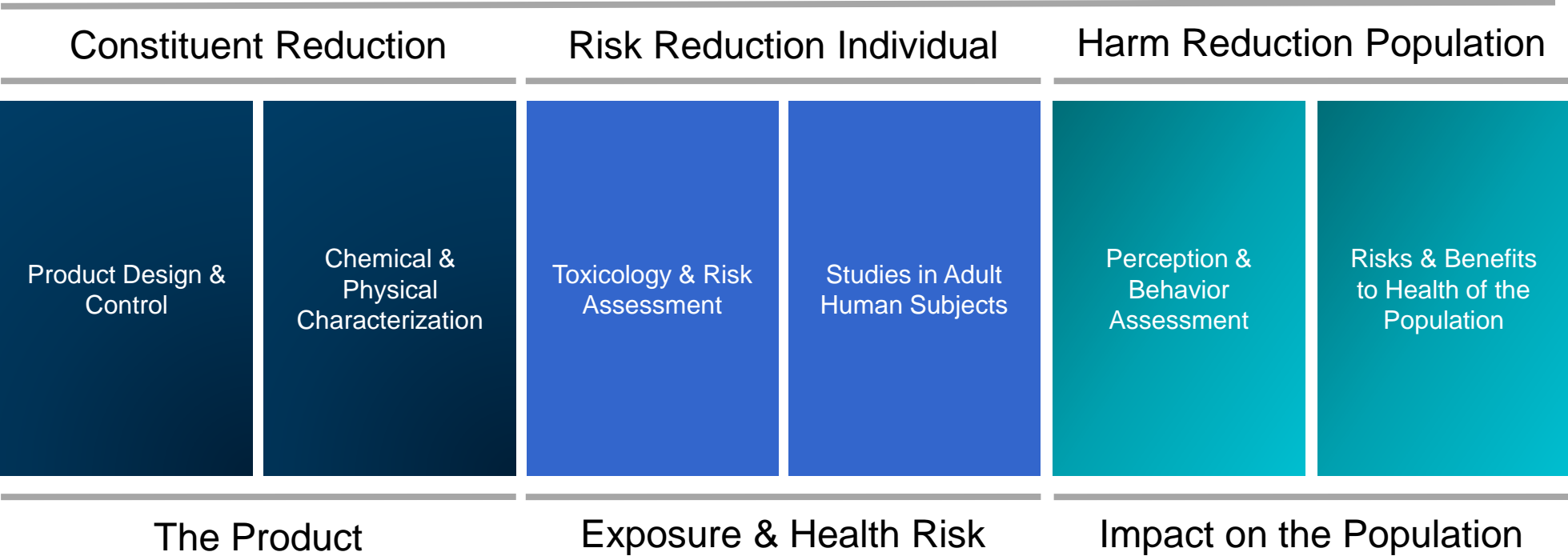
Our Partnership with JT Group

Marlboro

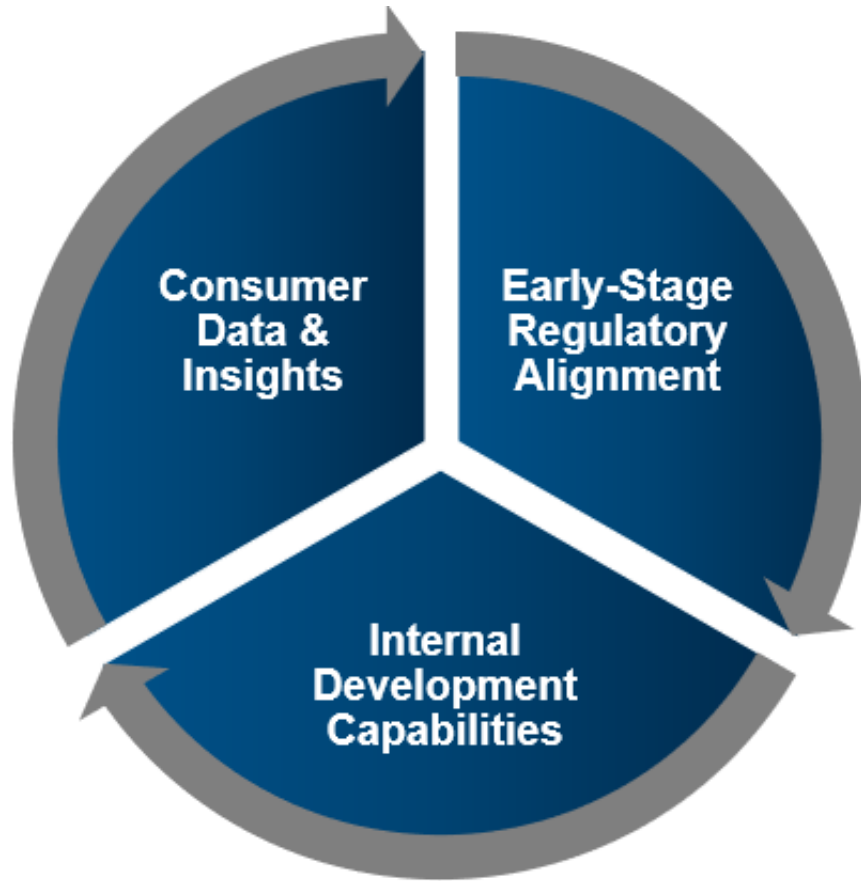


All third-party trademarks remain the property of their respective owners.

Altria’s Framework for Reduced Harm Tobacco Products



Internally Developed Heated Tobacco Capsule Product



- Some adult smokers are interested in innovative heated tobacco products that bear less physical resemblance to traditional cigarettes.
- This includes the millions of U.S. smokers who tried, but ultimately rejected, e-vapor products.
- These consumers are self-conscious about the image of being a smoker and find heated tobacco stick products cumbersome and complex.

Source: CMI Analysis

Our Heated Tobacco Capsule Product



SWIC™

HEAT + TOBACCO

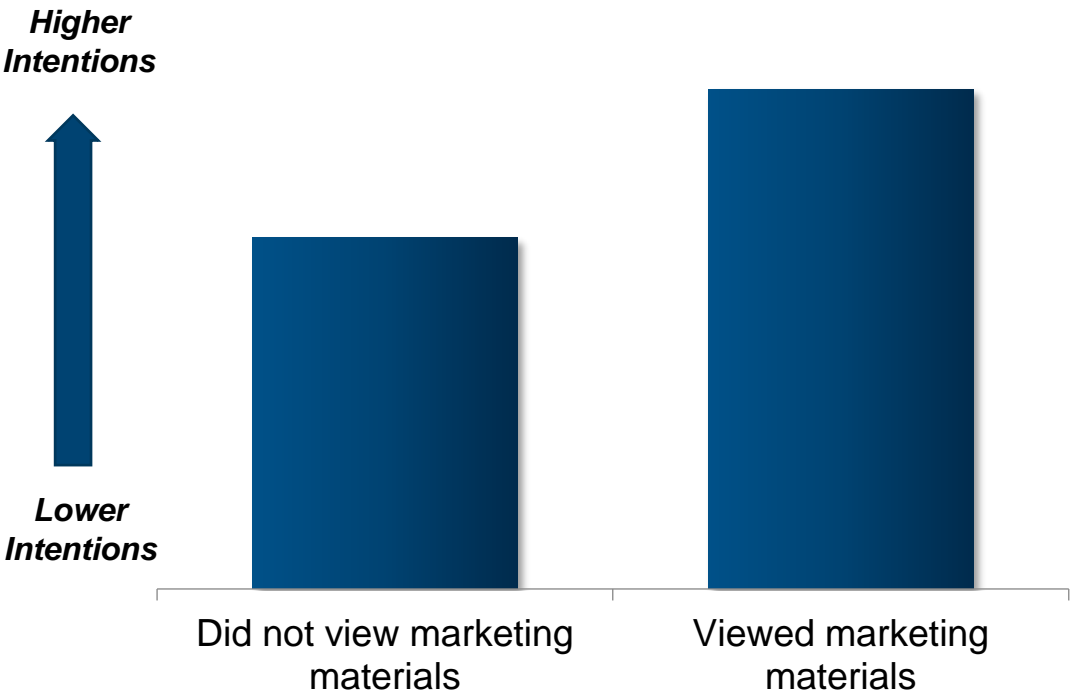
- Using our proprietary technology, tobacco-filled capsules are heated to deliver a satisfying inhale that is similar to a cigarette.
- Each capsule is single use and lasts for one tobacco occasion.
- *SWIC* features a simple and intuitive user experience.



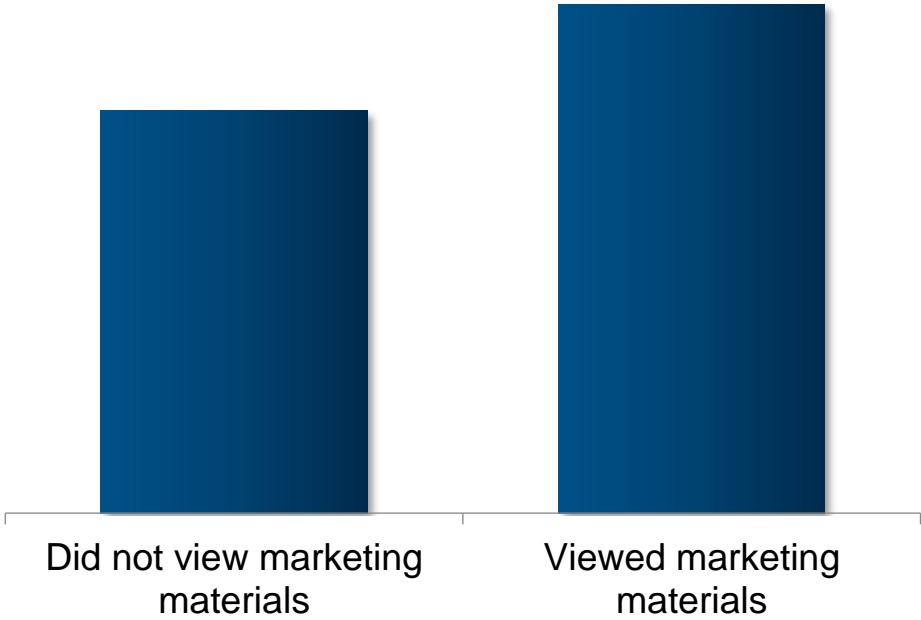
Product and capsule size not to scale. SWIC is subject to FDA authorization.

Adult Smoker Intentions to Try and Use SWIC

AS Intention to Try SWIC



AS Intention to Use SWIC



Intentions to try and use among non-tobacco consumers were low and statistically did not change after viewing the materials.

Source: Preliminary data analysis, Perceptions and Behavioral Intentions Study for Products Intended to be Marketed as SWIC™ (ALCS-REG-22-04-HT); N = 1186 adult smokers and 1174 adult nonusers age 21+

Our Future Smoke-Free Portfolio*

E-Vapor



Heated Tobacco



Oral Tobacco



**New
Internally
Developed
Product**

*Subject to closing of NJOY Transaction. All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

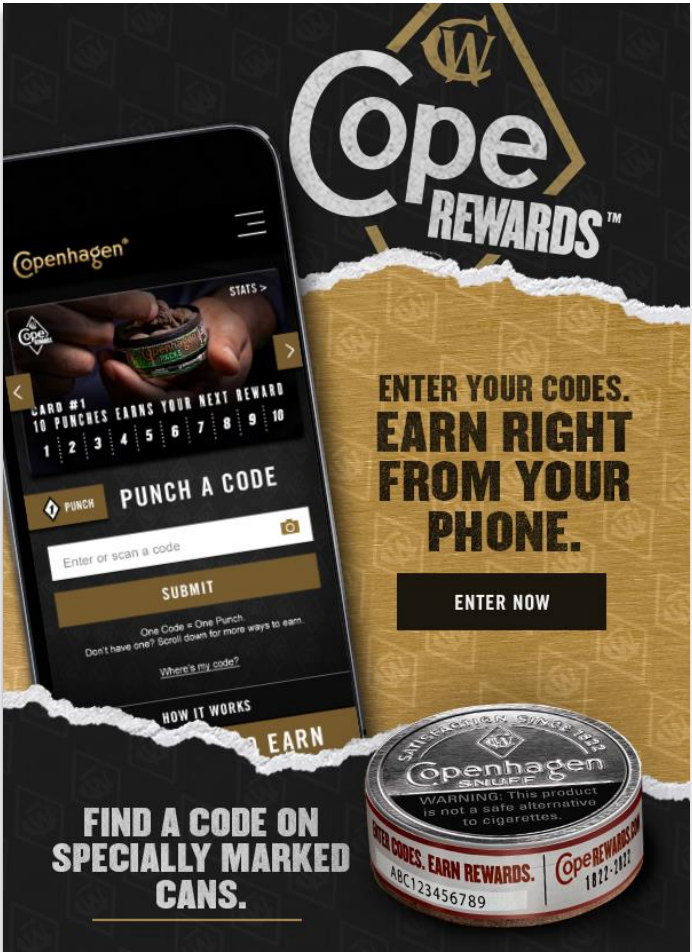
Moist Smokeless Tobacco



Copenhagen's Long-Standing Leadership

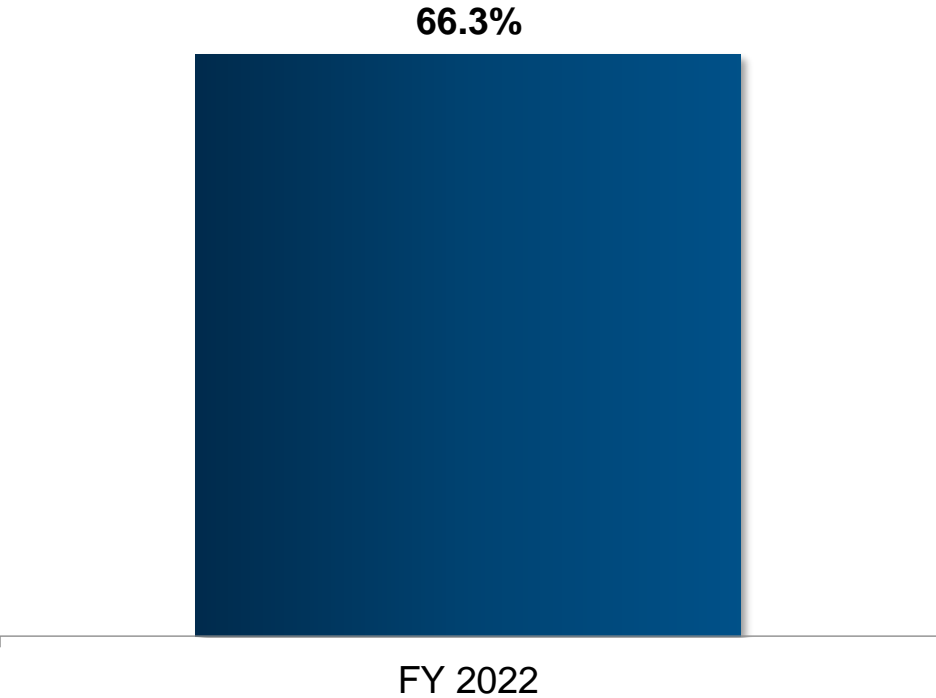


Cope Rewards Resonates with Adult Dippers



Oral Tobacco Products Segments

Adjusted OCI Margins*

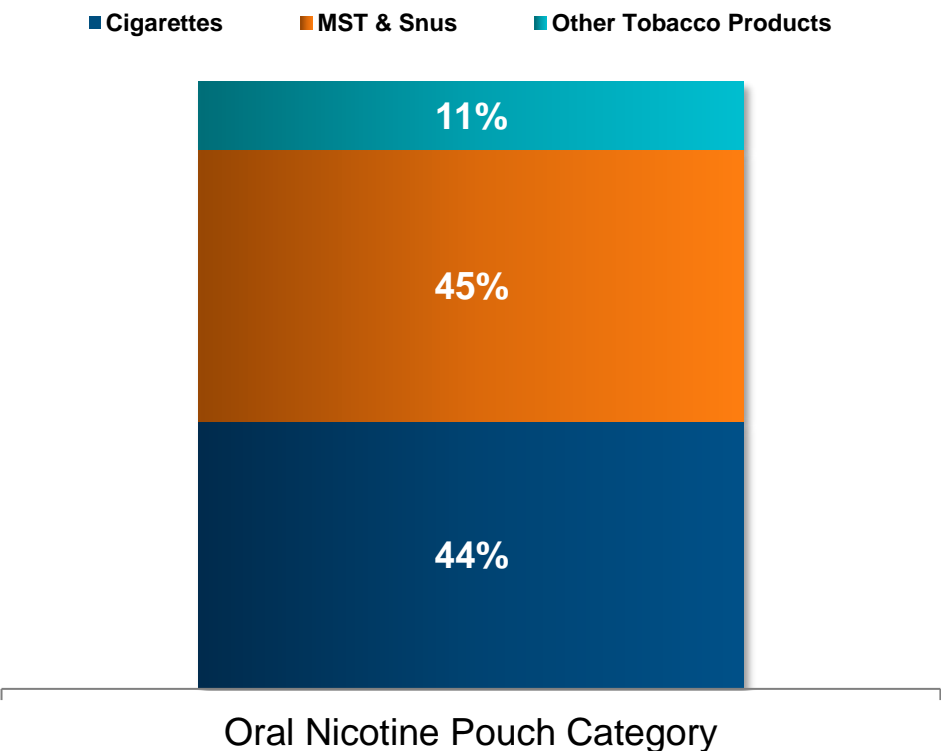


*For reconciliations of non-GAAP to GAAP measures visit altria.com.

Oral Nicotine Pouch (ONP) Category Dynamics

ONP Category Sourcing

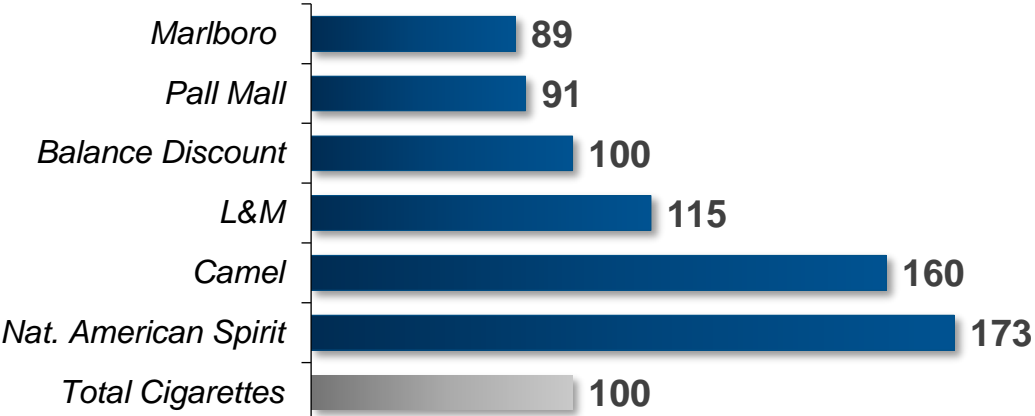
(By Primary Tobacco Category)



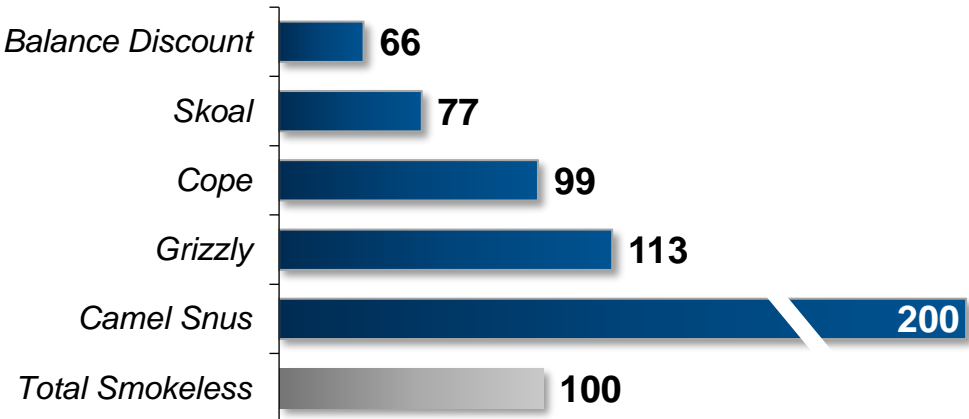
Source: POS Scan and Loyalty Data WE 12/31/22; Limited to LIDs consistently shopping in every quarter Q4 '21 to Q4' 22. Primary Tobacco Category is category with 50%+ volume for LID in Q4 '21; Excludes volume from ONP Primary. Repurchasers are LIDs that have purchased ONP in 6+ weeks during Q4 '22

ONP Repurchase Index

Usual Cigarette Brand



Usual MST Brand



Source: POS Scan and Loyalty Data WE 12/31/22; Limited to LIDs consistently shopping in every quarter Q4 '21 to Q4' 22; Repurchasers are LIDs that have purchased ONP in 6+ weeks during Q4'22

Nicotine Pouch Moments



Hang-Out Moments



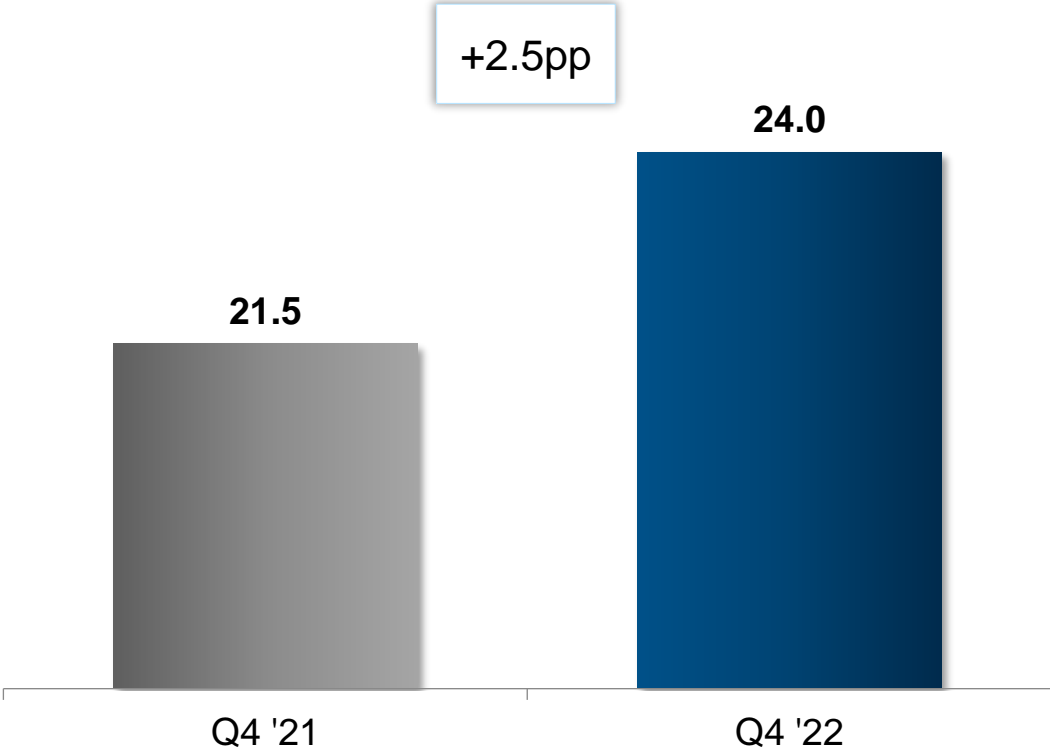
Multitask Moments

Impressive Performance from *on!*



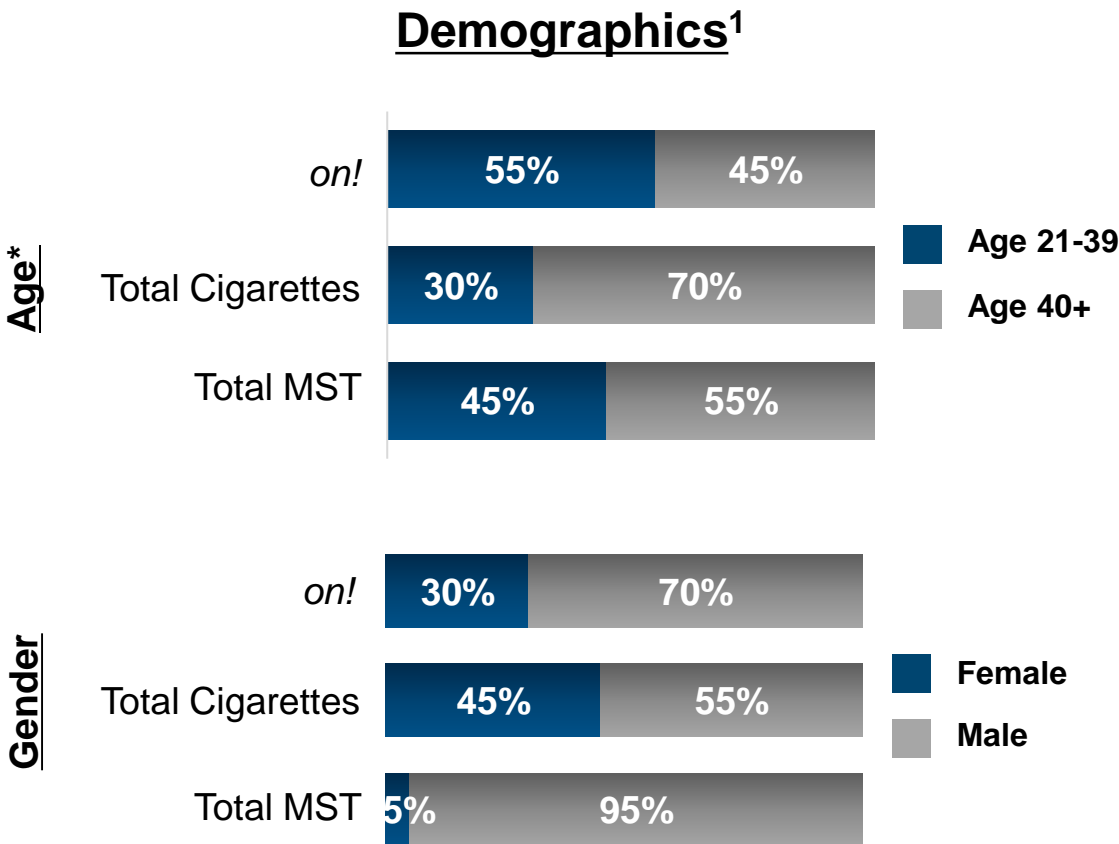
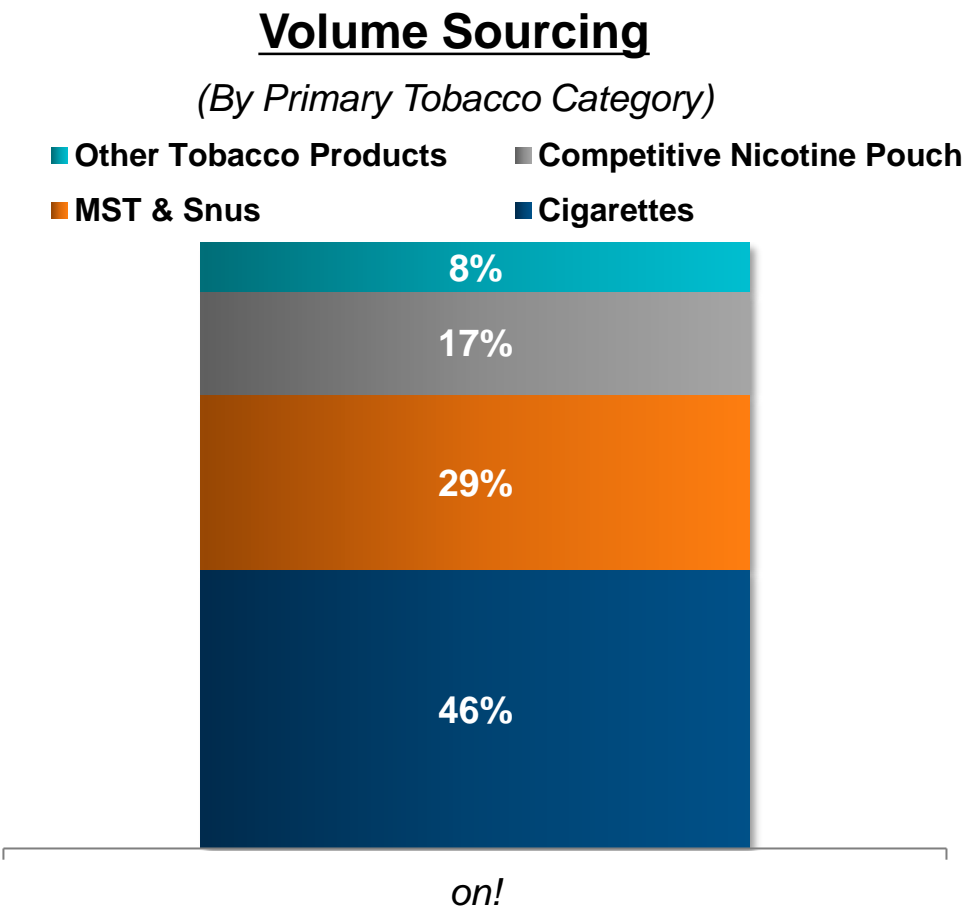
on! Share of Nicotine Pouch

(Total U.S.)



Source: IRI InfoScan Oral Tobacco MOC, WE 1/01/23

on! Sourcing Dynamics



Source: POS Scan and Loyalty Data WE 12/31/22; Includes Trial and Awareness offers. Limited to LIDs consistently shopping in every quarter Q4 '21 to Q4' 22. Primary Tobacco Category is category with 50%+ volume for LID in Q4 '21; Repurchasers are LIDs that have purchased on! in 6+ weeks during Q4 '22; Competitive Nicotine Pouch for on! is defined as Rogue, Velo and ZYN.

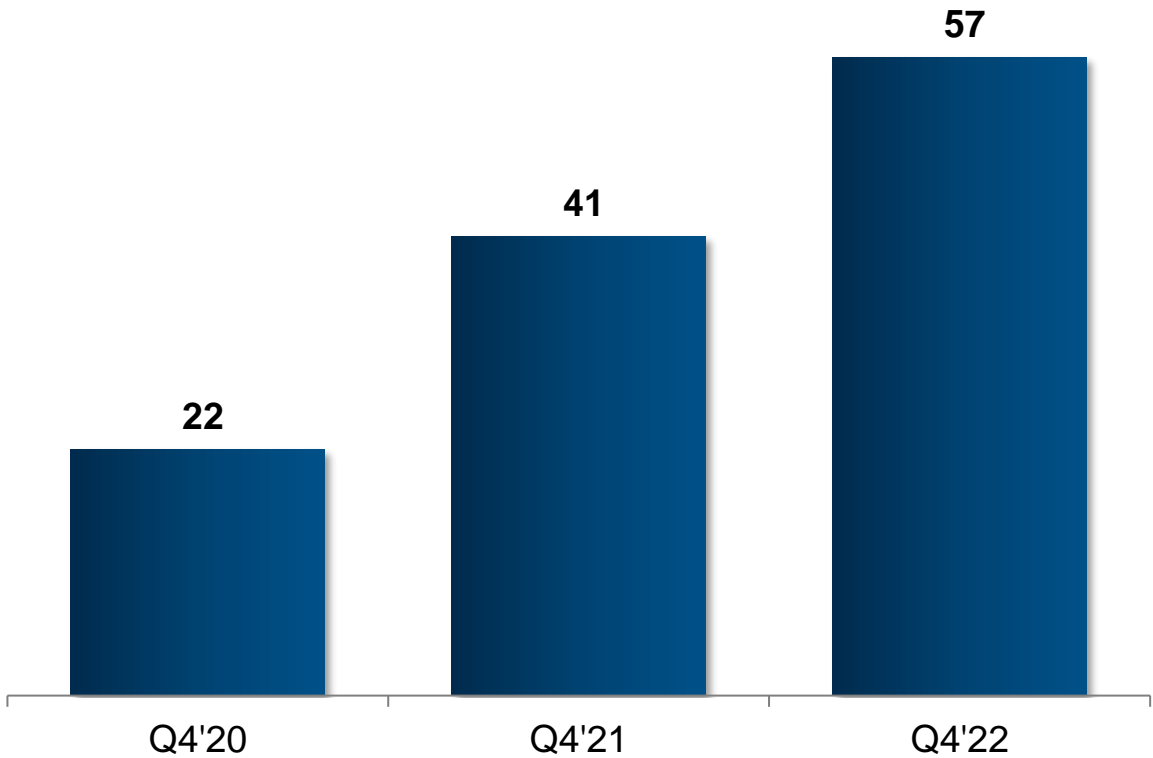
Source: Q1-Q4 2022 Nicotine Pouch Awareness & Perceptions Tracker (based on regular brand on!) – *includes ages 21-54 only ; ATCT 12MM (Dec 2022) *ages 21-99 only.
¹ Values rounded to the nearest 5%



on! Brand Awareness Continues to Grow



Awareness of on!
(Among Total ATCs 21-54)



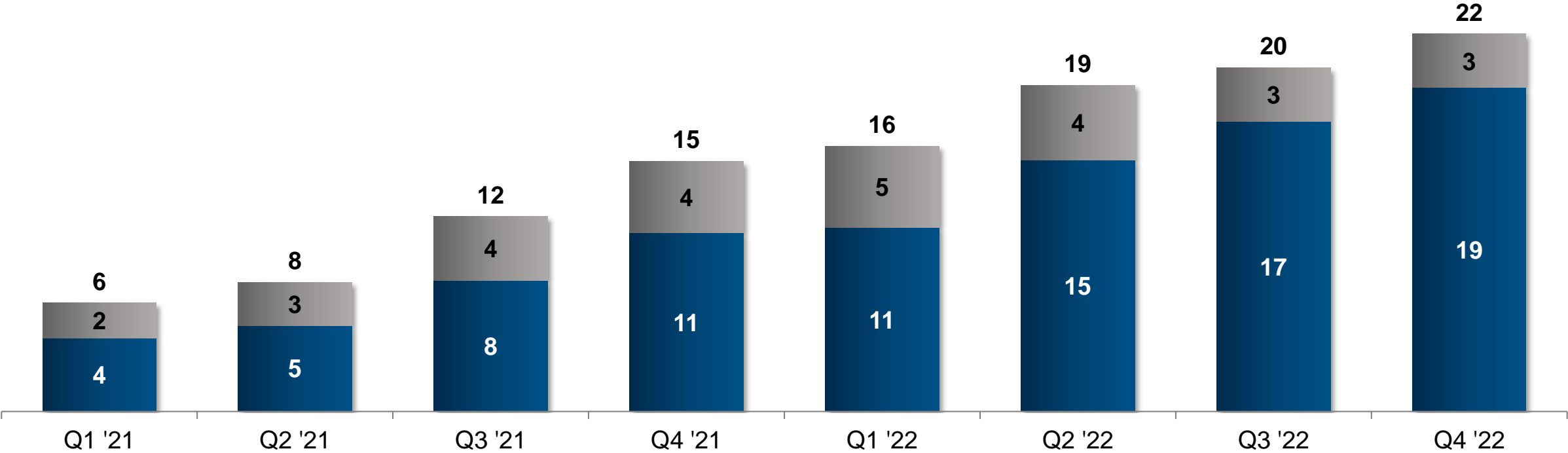
Source: 2022 Nicotine Pouch Awareness & Perceptions Tracker – Q4 2022 Results based on total aided and unaided brand awareness

Increased on! Trial and Repurchases

on! Retail Sales Volume

(in Millions of Cans)

■ Estimated Repeat Purchase ■ Estimated Trial

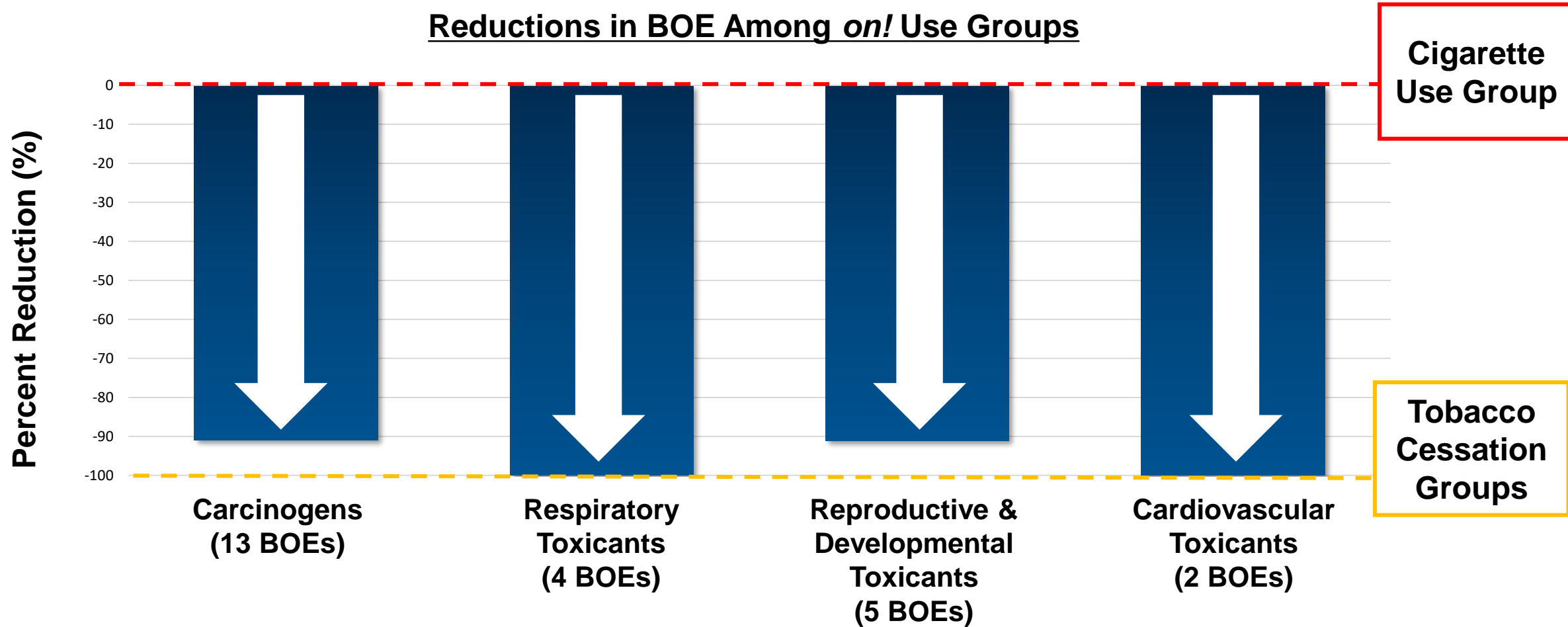


Helix reduced on! promotional spend per can by approximately 15% during the second half of 2022, compared to the first half.

Source: CMII Estimates based on IRI Projected (MOC) data as of week ending 1/1/2023 and POS Scan Data as of week ending 12/31/2022

Reductions in Biomarkers of Exposure (BOE)

Relative to Tobacco Cessation and Continued Smoking

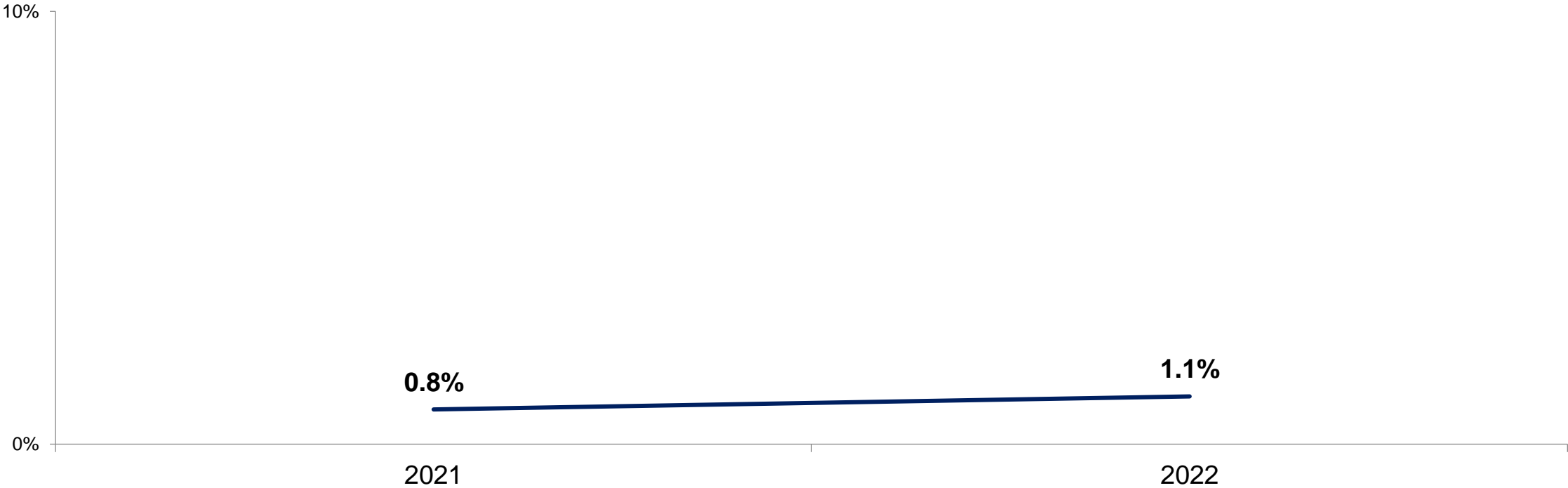


Source: ALCS, Based on group Least Square mean ratios from statistical model comparing the Day 7 BOE level after switching to *on!* Pouches (average of three groups: 2mg, 4mg, 8mg Mint Pouches) to the BOE level of the continued smoking group (set as 0) and relative to the tobacco cessation group (set at -100%).

Limited Nicotine Pouch Use Among Middle and High School Students

National Youth Tobacco Survey 2021-2022

Current (past 30-day) Nicotine Pouch Use Among Middle & High School Students Combined



Sources: [Tobacco Product Use and Associated Factors Among Middle and High School Students — United States, 2021](#), [Tobacco Product Use Among Middle and High School Students — United States, 2022](#)

Note: Nicotine pouch use is defined as current use of nicotine pouches on ≥ 1 day during the past 30 days.

Note: The authors caution that because of changes in methodologies, including differences in survey administration and data collections procedures, the ability to compare estimates from 2022 with those from previous NYTS waves is limited; differences between estimates might result from changes in methodology, actual behavior, or both. Detailed information about NYTS is available here: [National Youth Tobacco Survey \(NYTS\) | CDC](#)

Expanding Our Oral Tobacco Portfolio



New
Internally
Developed
Product



New products are subject to FDA authorization.

Nicotine Pouches Designed for Adult Dippers & Dual Users

on! PLUS Features

A Wet, Spit-Free Tobacco-Derived Nicotine Pouch Product

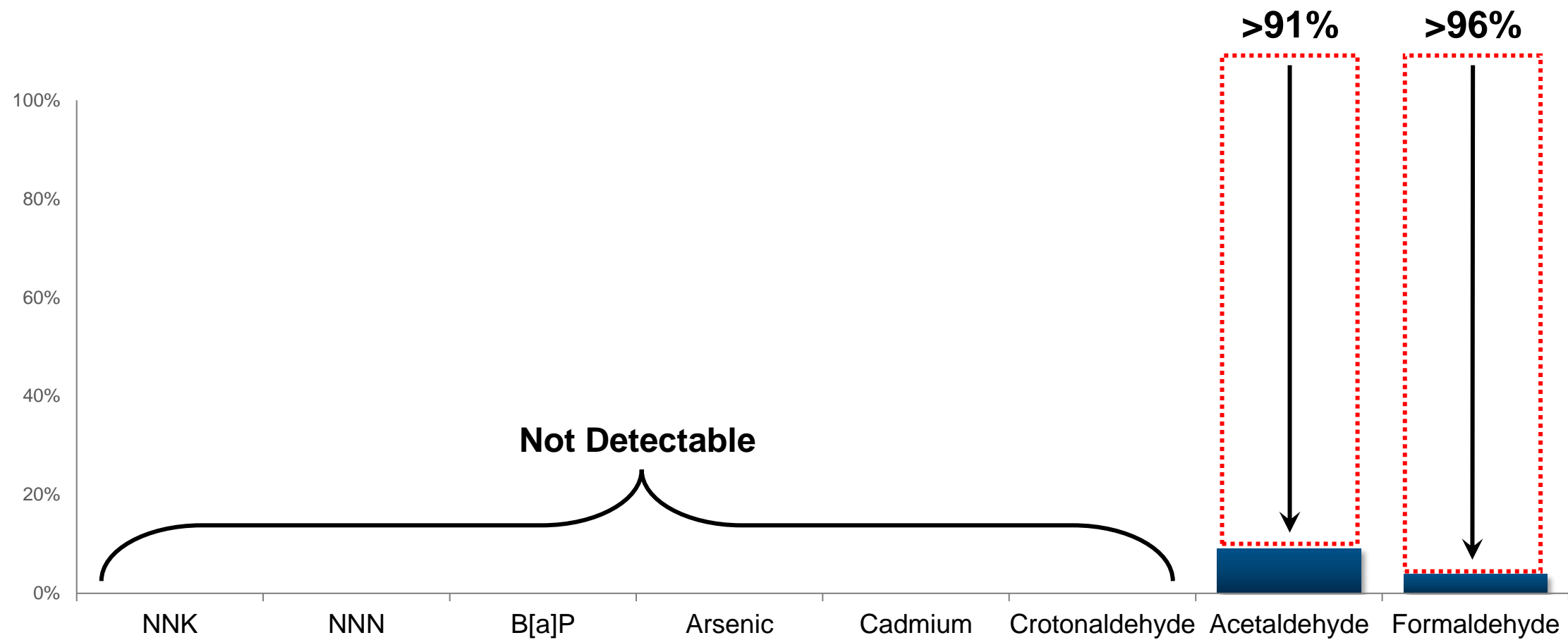
- An optimized flavor system and range of nicotine strengths.
- A pouch that's larger* than any other tobacco-derived nicotine pouch on the U.S. market.
- A seamless pouch made of our proprietary “soft-feel” material.
- A responsible disposal compartment.



* on! PLUS pouches are larger than any other tobacco-derived nicotine pouch on the U.S. market by weight. New products are subject to FDA authorization

% Reduction in HPHC Levels of *on! PLUS* 6mg Product

Compared to Grizzly Long Cut Wintergreen



As=Arsenic; B[a]P=Benzo[a]pyrene; BLOQ=Below Limit of Quantitation; Cd=Cadmium; NNK=4-(methylnitrosamino)-1-(3-pyridyl)-1-butanone; NNN=N-nitrosomonicotine,
Source: Percent reductions based on average HPHC levels in 6 mg New product compared to the average HPHC levels for Market Product, Published Data for other OTDN Products - Separations 2022, 9(3), 65

Our Future Smoke-Free Product Portfolio*



*Subject to closing of NJOY Transaction. All new products subject to FDA authorization. All third-party trademarks remain the property of their respective owners.

Smoke-Free 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 Revenue	Non-Nicotine Revenue

U.S. Smoke-Free Volume

Grow total U.S. smoke-free volumes by at least **35%** from our 2022 base of 800 million units.

U.S. Smoke-Free Revenue

Approximately **double** our total U.S. smoke-free net revenues to **\$5 billion** over the same time frame, of which **\$2 billion** will be from **innovative smoke-free products**.

Some Enterprise Goals are subject to closing of NJOY Transaction.

Moving beyond smoking™



Altria