



Maximize the benefits of smoke-free products

3

Number of markets where >50% of net revenues are smoke-free

KPI description

The indicator refers to the number of markets where net revenues from smoke-free exceed 50% of total net revenues for each relevant market, measuring the access provided to adult smokers around the world in combination with the degree of global product penetration among adult smokers who switch to better alternatives rather than continued smoking. This serves as a key indicator of our commitment to drive the obsolescence of cigarettes as fast as possible in as many markets as possible.

Definitions

Net revenues The term refers to PMI's operating revenues from the sale of our products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes if applicable.

Net revenues related to smoke-free, excluding wellness Refer to the operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes, if applicable. These net revenue amounts consist of the sale of our products that are not combustible tobacco products, such as heat-not-burn, e-vapor, and oral products, as well as consumer accessories.

Net revenues related to combustible tobacco products The operating revenues generated from the sale of these products, including shipping and handling charges billed to customers, net of sales and promotion incentives, and excise taxes. These net revenue amounts consist of the sale of our cigarettes and other tobacco products that are combusted. Other tobacco products primarily include roll-your-own and make-your-own cigarettes, pipe tobacco, cigars, and cigarillos, and do not include smoke-free products.

Total net revenue Refers to the combined total of net revenues related to smoke-free products and net revenues related to combustible tobacco products.

Scope

Included Net revenues includes all those recognized within the reporting period by PMI, as disclosed in our Annual Report on Form 10-K and Year-End Earnings Release.

Excluded Wellness net revenues.

Calculation methodology

The count of markets where over 50% of net revenues are derived from smoke-free.

Net revenue ratio per market is calculated as:

$$= \left(\frac{\text{Net revenues related to smoke-free in the market}}{\text{Total net revenues in the market}} \right) \times 100\%$$

Data management

Markets are reported as per the taxonomy defined in PMI's financial reporting system and aligned with our Annual Report on Form 10-K. For further details on our reporting of revenues, please refer to our 10-K filings and Investor Relations materials.

Data verification The KPI, as published in [PMI's Value Report 2025](#), has been assured by PwC (limited assurance).

See the independent practitioner's [limited assurance report](#)