



Philip Morris ČR a.s. Reports Financial Results for the First Half of 2025

Kutná Hora, 30th September 2025. Philip Morris ČR a.s. has published its financial and economic results for the first half of this year. Consolidated revenues (excluding excise tax and VAT) increased by 2.9% compared to the first half of last year, reaching a total of CZK 10.7 billion. The consolidated net profit for the period amounted to CZK 1.6 billion. The overall decline in the company's shipments of nicotine products by 4.6% to 4.6 billion units is a result of the continued decrease in consumer demand for traditional cigarettes. In contrast, sales of the company's smoke-free products in the Czech Republic and Slovakia increased year-on-year by 100 million units.

"Our half-year financial and economic results confirm the continuous shift of Czech and Slovak consumers away from traditional cigarettes. We continue to innovate our portfolio of smoke-free products and offer our adult customers a wide broad of alternatives with reduced or potentially reduced health risks," said Fabio Costa, Chairman of the Board and Managing Director of Philip Morris ČR a.s. *"Examples include the launch of ZYN nicotine pouches on the Czech market at the beginning of January, the spring release of the updated IQOS ILUMA i heated tobacco device, the limited edition of the VEEV ONE Perspectives e-vapor and a wide range of new flavours and variants. All of this is done with one goal – to support all adult smokers quit cigarettes for good."*

Shipments of Philip Morris products in the Czech Republic and Slovakia decreased by 4.6% to 4.6 billion units. The decline in cigarette shipments was partially offset by the growth in smoke-free product sales. Total consolidated revenues increased by 2.9% compared to the first half of 2024, reaching CZK 10.7 billion. This growth was primarily driven by favourable pricing developments across the portfolio of both traditional and smoke-free products (+CZK 0.5 billion) and increased sales of smoke-free alternatives (+CZK 0.2 billion). Operating profit decreased by 12.6% to CZK 1.9 billion, despite a positive currency exchange rate impact of 0.1 percentage points. This development reflects the impact of lower sales volumes and targeted investments aimed at strengthening a long-term performance of the company. As a result, net profit reached CZK 1.6 billion, a decrease of 13.3% compared to the same period last year.

The total combined market for cigarettes and heated tobacco products declined in the Czech Republic by an estimated 3.9% to 6.7 billion units compared to the first half of 2024. In Slovakia, the market also decreased, by an estimated 3.6% to a total of 3.3 billion units. Philip Morris remains the market leader in both countries, with an estimated market share of 39.8% in the Czech Republic and 50.3% in Slovakia.



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Philip Morris ČR a.s.

Philip Morris ČR a.s. is a subsidiary of Philip Morris International (PMI), a leading international tobacco company working to deliver a smoke-free future. In addition to traditional tobacco products, on the Czech market Philip Morris ČR a.s. distributes the *IQOS ILUMA* heating tobacco device and compatible *TEREA* tobacco and *LEVIA* non-tobacco consumables, the *lil SOLID* tobacco heating device with *Fiit* tobacco consumables, the *VEEV ONE* e-cigarette, *VEEV NOW ULTRA* disposable-vapour device, nicotine pouches *ZYN* and other related accessories. Philip Morris ČR a.s., which has been operating in the Czech Republic since 1992 and employs more than 1,100 people, is listed on the Prague Stock Exchange (BCPP). At the same time, it owns a 99% business share in the subsidiary Philip Morris Slovakia s.r.o., registered in the Slovak Republic. For more than 30 years, the company has contributed to helping various charitable projects, including projects involving the support of social programs aimed at improving living conditions in local communities. The announcement contained in this press release should be read in conjunction with our latest published Annual Financial Report and is not indicative of our future results. Future results involve a number of business risks and uncertainties that are summarized in the Annual Financial Report in the section of *Risk Factors Related to Our Business and Industry*. You can find more information at www.philipmorris.cz, including the annual financial report for 2024.

Philip Morris International Inc.: A Global Smoke-Free Champion

Philip Morris International is a leading international consumer goods company, actively delivering a smoke-free future and evolving its portfolio for the long term to include products outside of the tobacco and nicotine sector. The company's current product portfolio primarily consists of cigarettes and smoke-free products, including heat-not-burn, nicotine pouch and e-vapor products. As of June 30, 2025, PMI's smoke-free products were available for sale in 97 markets, and PMI estimates they were used by 41 million adults around the world. The smoke-free business accounted for 41% of PMI's first-half 2025 total net revenues. Since 2008, PMI has invested over \$14 billion to develop, scientifically substantiate and commercialize innovative smoke-free products for adults who would otherwise continue to smoke, with the goal of completely ending the sale of cigarettes. This includes the building of world-class scientific assessment capabilities, notably in the areas of pre-clinical systems toxicology, clinical and behavioural research, as well as post-market studies. Following a robust science-based review, the U.S. Food and Drug Administration has authorized the marketing of Swedish Match's *General* snus and *ZYN* nicotine pouches and versions of PMI's *IQOS* devices and consumables - the first-ever such authorizations in their respective categories. Versions of *IQOS* devices and consumables and *General* snus also obtained the first-ever Modified Risk Tobacco Product authorizations from the FDA. With a strong foundation and significant expertise in life sciences, PMI has a long-term ambition to expand into wellness and healthcare areas and aims to enhance life through the delivery of seamless health experiences. References to "PMI", "we", "our" and "us" mean Philip Morris International Inc., and its subsidiaries. For more information, please visit www.pmi.com and www.pmisience.com.

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