



PHILIP MORRIS ČR

Kutná Hora, September 24, 2019

PRESS RELEASE

## Philip Morris ČR a.s. Reports Mid-2019 Financial Results

**Philip Morris ČR a.s. reported today consolidated revenues of CZK 8.2 billion and net income of CZK 2.0 billion for the first half of 2019, representing an increase of 27.5% and 15.8%, respectively, compared to the same period in 2018.**

### Highlights for the half-year ended June 30, 2019 include:

- Consolidated revenues, net of excise tax and VAT, increased by 27.5% (or 27.3%, excluding the exchange rate impact) to CZK 8.2 billion;
- Consolidated net income increased by 15.8% to CZK 2.0 billion;
- Total domestic shipment volume increased by 2.8% in the Czech Republic and 3.2% in Slovakia;
- Domestic heated tobacco products shipments reached 0.5 billion units in the Czech Republic and 0.2 billion units in Slovakia.

*„We are pleased to report robust performance in the first half of 2019: we enjoyed a continuing growth of sales of HEETS and IQOS devices thanks to increasing IQOS adult user base, registering 104,000 and 51,000 new IQOS adult users in the Czech Republic and Slovakia, respectively, which provided us with yet another assurance that the company’s vision of pursuing the smoke-free future was the right decision. Moreover, the decline in sales of our combustible products was more than offset by positive impacts of price increases implemented by Philip Morris ČR a.s. and Philip Morris Slovakia s.r.o. in the second half of 2018 and the first half of 2019.“* said Árpád Könye, Chairman of the Board of Directors and Managing Director of Philip Morris ČR a.s., the affiliate responsible for Philip Morris International Inc.’s business in the Czech Republic and Slovakia.

Philip Morris ČR a.s. estimated combined market share (of cigarettes and heated tobacco products) increased by 1.7 share points with *HEETS* advancing by 3.6 share points while our cigarette market share declined by 1.9 share points compared to the same period in 2018. The estimated total combined market of cigarettes and heated tobacco products in the Czech Republic increased by 0.8% in the first half of 2019 compared to the same period in 2018.

Philip Morris Slovakia s.r.o. estimated combined market share increased by 0.3 share points with *HEETS* advancing by 3.7 share points while our cigarette market share declined by 3.4 share points. The estimated total combined market of cigarettes and heated tobacco products in Slovakia increased by 2.7% in the first half of 2019 compared to the same period in 2018.

**The full 2019 Mid-Year Report is available at [www.philipmorris.cz](http://www.philipmorris.cz)**

The Board of Directors  
Philip Morris ČR a.s.

**Philip Morris ČR a.s.**  
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**Philip Morris ČR a.s.**

Philip Morris ČR a.s., an affiliate of Philip Morris International Inc., is the largest manufacturer and distributor of tobacco products and also a limited risk distributor of the smoke-free tobacco products *HEETS*, *IQOS* devices and related accessories in the Czech Republic, and is listed on the Prague Stock Exchange (Burza cenných papírů Praha). The company, which has been present in the country since 1992, employs more than 1,000 people across the Czech Republic. Philip Morris ČR a.s. has a 99% interest in Philip Morris Slovakia s.r.o. registered in the Slovak Republic. Over the past 27 years, Philip Morris ČR a.s. has supported numerous charitable projects, including the development of social programs aimed at improving living conditions in local communities. For more information, see [www.philipmorris.cz](http://www.philipmorris.cz).

**Philip Morris International: Building a Smoke-Free Future**

Philip Morris International (PMI) is leading a transformation in the tobacco industry to create a smoke-free future and ultimately replace cigarettes with smoke-free products to the benefit of adults who would otherwise continue to smoke, society, the company and its shareholders. PMI is a leading international tobacco company engaged in the manufacture and sale of cigarettes, smoke-free products and associated electronic devices and accessories, and other nicotine-containing products in markets outside the U.S. PMI is building a future on a new category of smoke-free products that, while not risk-free, are a much better choice than continuing to smoke. Through multidisciplinary capabilities in product development, state-of-the-art facilities and scientific substantiation, PMI aims to ensure that its smoke-free products meet adult consumer preferences and rigorous regulatory requirements. PMI's smoke-free *IQOS* product portfolio includes heated tobacco and nicotine-containing vapor products. As of June 30, 2019, PMI estimates that approximately 8 million adult smokers around the world have already stopped smoking and switched to PMI's heat-not-burn product, which is currently available for sale in 48 markets in key cities or nationwide under the *IQOS* brand. For more information, please visit [www.pmi.com](http://www.pmi.com) and [www.pmisience.com](http://www.pmisience.com).