



Philip Morris ČR a.s. in 2024: Growth in key economic indicators confirms the path to a smoke-free future

Prague, April 29, 2025. Philip Morris ČR a.s. has published its Annual Financial Report, which now includes a Sustainability Statement in accordance with the CSRD Directive and reported its economic and financial results for 2024.

- Consolidated revenues (net of excise tax and VAT) reached CZK 21.6 billion, i.e. 5.0% more than in the previous year.
- Consolidated operating profit of CZK 4.0 billion increased by 3.4% compared to the previous year and consolidated net profit reached CZK 3.3 billion, i.e. approximately the same level as last year.
- Total domestic sales in the Czech Republic and Slovakia, at 9.8 billion units (*cigarettes and smoke-free products recalculated to cigarette equivalent*) in 2024 declined slightly year-on-year by 3.4%. While the traditional cigarette market continues to decline, sales of smoke-free alternatives are growing slightly.

"It is evident that evolving consumer demand and the sustained decrease in sales of traditional tobacco products are persisting. It shows that adult smokers are increasingly looking for less harmful alternatives. We offer them a broad portfolio of products in a variety of categories in Czechia and Slovakia to ensure that nobody has to go back to cigarettes," said Fabio Costa, Chairman and Managing Director of Philip Morris ČR a.s. *"It is proving to be possible to accelerate the PMI's vision of a smoke-free future while at the same time delivering strong economic results, as we have done over the past year. While overall cigarette sales were down again year-on-year, we managed to increase both consolidated revenues as well as the profit,"* said Fabio Costa.

The total combined market of cigarette and heat-not-burn in the Czech Republic declined by an estimated 6.0% year-on-year to a total of 14.6 billion units in 2024, while in Slovakia it declined by an estimated 2.7% to 6.9 billion units. Total shipments of Philip Morris ČR a.s. and Philip Morris Slovakia s.r.o. followed the market trend, recording a 3.4% year-on-year decline to 9.8 billion units. Despite this, consolidated revenues net of excise tax and VAT increased by 5.0% year-on-year to a total of CZK 21.6 billion. Excluding currency effects, our consolidated revenues, net of excise tax and VAT, increased by 3.0% or CZK 0.6 billion.

Philip Morris remains the market leader in both markets with an estimated market share of 39.6% in the Czech Republic and 52.6% in Slovakia. In the Czech Republic, the company's total shipments decreased by 3.7% to 6.1 billion units. The shipments of combustible portfolio decreased by 0.2 billion units to 3.8 billion units compared to 2023, while shipments of smoke-free products reached 2.3 billion units, remaining at the previous year's level.

In Slovakia, the company's total shipments decreased by 2.9% to 3.7 billion units. Combustible portfolio shipments decreased by 0.2 billion units (vs. prior year) to 2.5 billion units, while shipments of smoke-free products increased by 0.1 billion units (vs. prior year) to 1.2 billion units in the same period.

Revenues from manufacturing services slightly decreased by 3.5% (vs. prior year) to CZK 2.7 billion due to lower volumes.

Also in 2024, the company focused on developing a smoke-free portfolio in existing categories. An upgraded version of the IQOS ILUMA i Prime tobacco heating device was introduced, bringing new features and technologies. In the e-cigarette segment, a variant of the VEEV NOW ULTRA disposable e-cigarette was introduced, bringing in particular a significantly longer battery life. In the Czech Republic and Slovakia, a major innovation was launched in the form of ZYN nicotine pouches. As announced in January of this year, these will also be produced in the Czech Republic. *"ZYN nicotine pouches are a key part of our smoke-free portfolio and another option for those adult smokers who would otherwise continue to smoke cigarettes. With the planned production in Kutná Hora, this category will then play an important role in the development of our factory and the entire region,"* says Fabio Costa.

Also new in the current 2024 Annual Financial Report is the extensive publication of information on the progress the company is making in the areas of corporate governance, reducing the environmental impact of the business and employment issues and society, in line with the requirements of the CSRD Directive. This step confirms the company's commitment to transparency and accountability to shareholders and the public.



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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. You can find more information at www.philipmorris.cz, including the annual 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 December 31, 2024, PMI's smoke-free products were available for sale in 95 markets, and PMI estimates they were used by 38.6 million adults around the world. The smoke-free business accounted for 42% of PMI's first-quarter 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 behavioral 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