



PHILIP MORRIS  
INTERNATIONAL

# Investor Information

September 2025



This Investor Information posting includes summaries of information set forth in PMI's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, Annual Report on Form 10-K for the year ended December 31, 2024, as well as press releases and presentations referenced in this document, and such summaries are qualified by reference to such documents, which are available at [www.pmi.com/investor-relations](http://www.pmi.com/investor-relations)

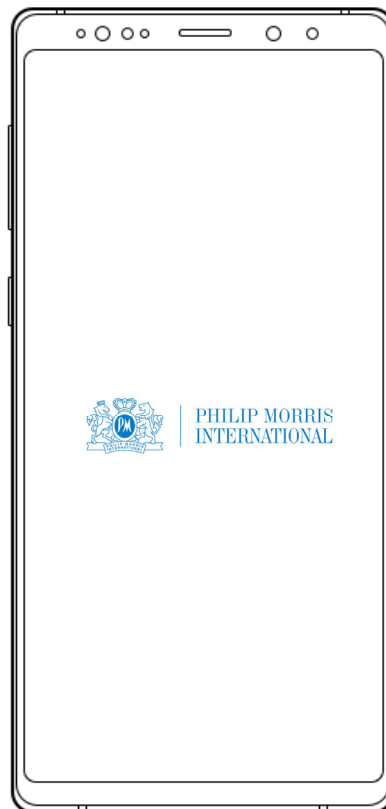
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## Reference Materials

You will find all of our latest public disclosures and other investor information for Philip Morris International on the [IR website](#) including:

- [Earnings Results](#) (Latest Earnings Q2, 2025, July 22, 2025)
- [PMI 2024 Annual Report](#)
- [2022-24 Recast Financial Information](#) (March 25, 2025)
- [2021-23 Recast Shipment Volume and Segment Information](#) (February 27, 2024)
- [Presentation Highlights](#) (incl. [Europe Investor Focus Event](#))
- [2023 Investor Day](#) (September 28, 2023)

Additionally, you can access our [Sustainability Resources](#) and [PMI Science](#)

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# Introduction

- A glossary of terms as well as adjustments, other calculations and reconciliations to the most directly comparable U.S. GAAP measures for non-GAAP financial measures cited in this presentation are available in Exhibit 99.2 to the company's Form 8-K dated July 22, 2025 and on our [Investor Relations website](#)

# Forward-Looking and Cautionary Statements

- This presentation contains projections of future results and goals and other forward-looking statements, including statements regarding expected financial or operational performance; capital allocation plans; investment strategies; market expectations; regulatory outcomes; business plans and strategies; and dividends. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. In the event that risks or uncertainties materialize, or underlying assumptions prove inaccurate, actual results could vary materially from those contained in such forward-looking statements. Pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, PMI is identifying important factors that, individually or in the aggregate, could cause actual results and outcomes to differ materially from those contained in any forward-looking statements made by PMI
- PMI's business risks include: excise tax increases and discriminatory tax structures; increasing marketing and regulatory restrictions that could reduce our competitiveness, eliminate our ability to communicate with adult consumers, or ban certain of our products in certain markets or countries; health concerns relating to the use of tobacco and other nicotine-containing products and exposure to environmental tobacco smoke; litigation related to tobacco and / or nicotine use and intellectual property; intense competition; the effects of global and individual country economic, regulatory and political developments, natural disasters and conflicts; the impact and consequences of Russia's invasion of Ukraine; changes in adult smoker behavior; the impact of natural disasters and pandemics on PMI's business; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations, and limitations on the ability to repatriate funds; adverse changes in applicable corporate tax laws; recent and potential future trade tariffs imposed by the U.S. and other countries, adverse changes in the cost, availability, and quality of tobacco and other agricultural products and raw materials, as well as components and materials for our electronic devices; and the integrity of its information systems and effectiveness of its data privacy policies. PMI's future profitability may also be adversely affected should it be unsuccessful in its attempts to introduce, commercialize, and grow smoke-free products or if regulation or taxation do not differentiate between such products and cigarettes; if it is unable to successfully introduce new products, promote brand equity, enter new markets or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally or through acquisitions and the development of strategic business relationships; if it is unable to attract and retain the best global talent; or if it is unable to successfully integrate and realize the expected benefits from recent transactions and acquisitions. Future results are also subject to the lower predictability of our smoke-free business' performance
- PMI is further subject to other risks detailed from time to time in its publicly filed documents, including PMI's Annual Report on Form 10-K for the fourth quarter and year ended December 31, 2024 and the Form 10-Q for the quarter ended June 30, 2025. PMI cautions that the foregoing list of important factors is not a complete discussion of all potential risks and uncertainties. PMI does not undertake to update any forward-looking statement that it may make from time to time, except in the normal course of its public disclosure obligations
- References to "PMI", "we", "our" and "us" mean Philip Morris International Inc., including its subsidiaries





# Section 1: Q2/H1 2025 and FY 2024 Results

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## Excellent H1 Performance After Another Strong Quarter

- Accelerating SFP multicategory momentum in Q2:
  - Offtake growth step-up for IQOS, ZYN & VEEV
  - Over \$4bn quarterly smoke-free net revenues
- Robust combustible pricing and gross profit growth
- Best-in-class growth across the P&L:
  - High single-digit top-line growth
  - Mid-teens adj. OI growth, significant margin expansion to >41%



## Q2: Strong Growth Model Drives Adj. EPS c.20% Higher

	Q2'25 vs. PY		Q2'25
	Organic	Adj. incl. Curr. & Acq/Div	
Shipment Volume	+1.2%		200 <sup>bn</sup>
Net Revenues	+6.8%	+7.1%	\$10.1 <sup>bn</sup>
Adj. Operating Income	+14.9%	+16.1%	\$4.2 <sup>bn</sup>
Adj. Diluted EPS	+18.9% (Excl. Currency)	+20.1% (Incl. Currency)	\$1.91

Note: Organic growth rates reflect currency-neutral adj. results, excl. acquisitions and divestitures. Shipment volume includes cigarettes and SFPs.  
Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## H1: Remarkable Growth Across the P&L

	H1'25 vs. PY		H1'25
	Organic	Adj. incl. Curr. & Acq/Div	
Shipment Volume	+2.5%		388 <sup>bn</sup>
Net Revenues	+8.4%	+6.5%	\$19.4 <sup>bn</sup>
Adj. Operating Income	+15.4%	+14.5%	\$8.0 <sup>bn</sup>
Adj. Diluted EPS	+17.7% (Excl. Currency)	+16.1% (Incl. Currency)	\$3.60

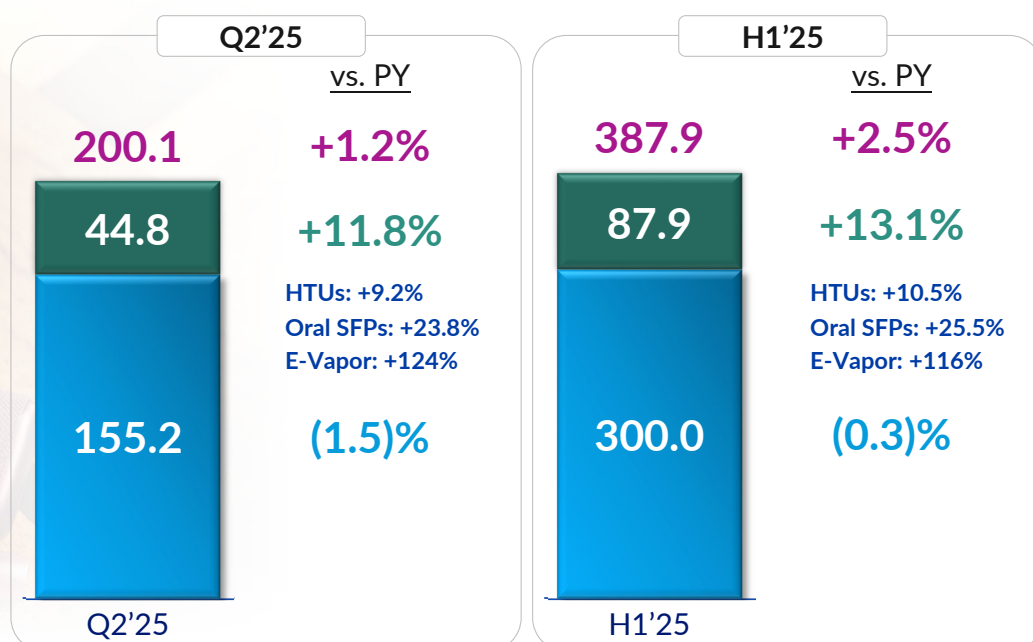
Note: Organic growth rates reflect currency-neutral adj. results, excl. acquisitions and divestitures. Shipment volume includes cigarettes and SFPs.  
Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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# Total Volume Growth Driven By Smoke-Free Products

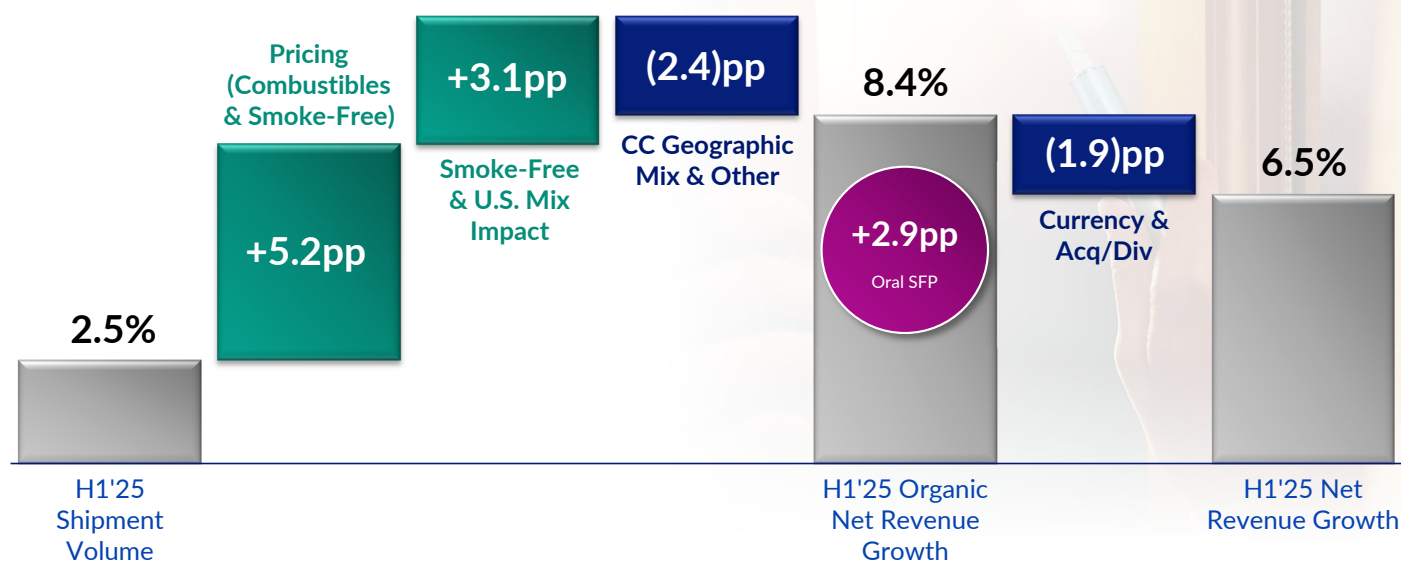
(shipments, equivalent bn units)



Note: Total may not foot due to rounding. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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# Sustainable Net Revenue Drivers: Volumes, Pricing & Mix

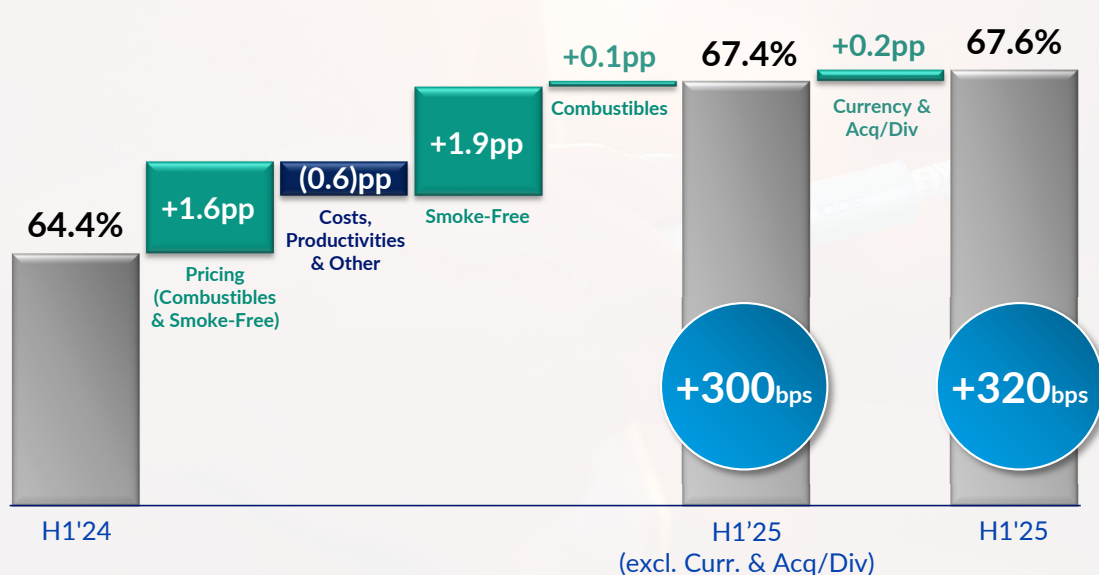


Note: Smoke-free & U.S. mix represents the impact of an increased proportion of smoke-free products at higher net-revenue per unit and is calculated at total PMI level, excluding the impact from market mix. It also includes the impact from changes in device volumes and the growing weight of the US smoke-free business. Total may not foot due to rounding. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## Strong Gross Margin Expansion While Investing for Growth

### H1'25 Adjusted Gross Profit Margin



### H1'25 Adj. OI Margin

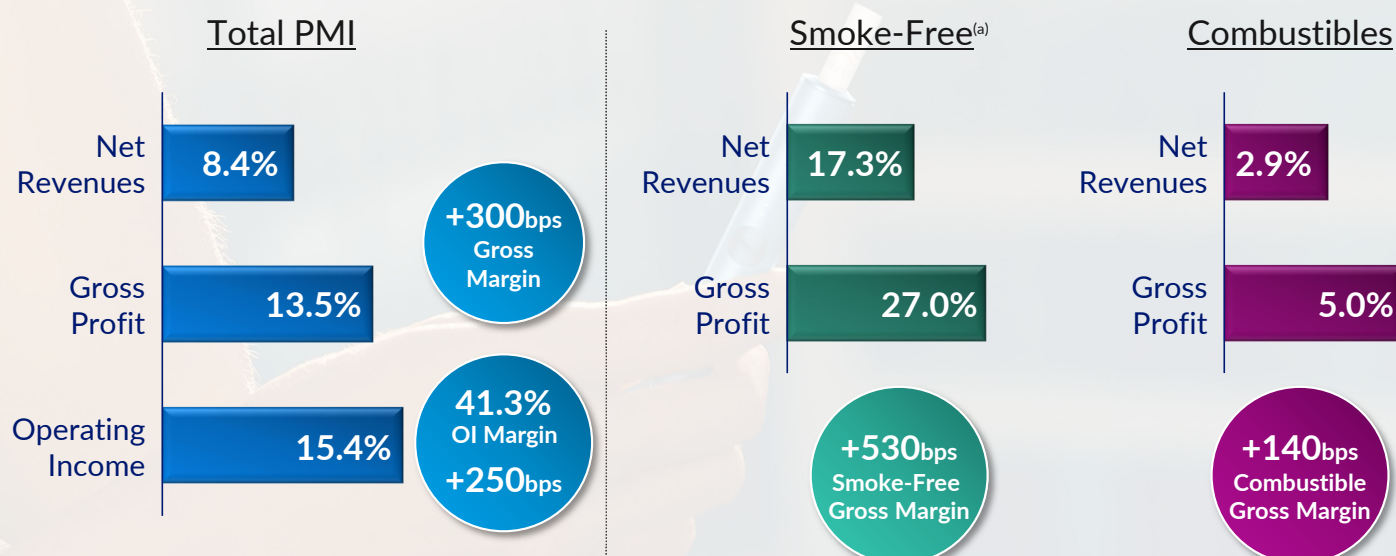


Note: Smoke-free and combustibles refer to volume/mix. Total may not foot due to rounding. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## Increasingly Profitable Smoke-Free Transformation

### H1'25 Organic Growth vs. PY



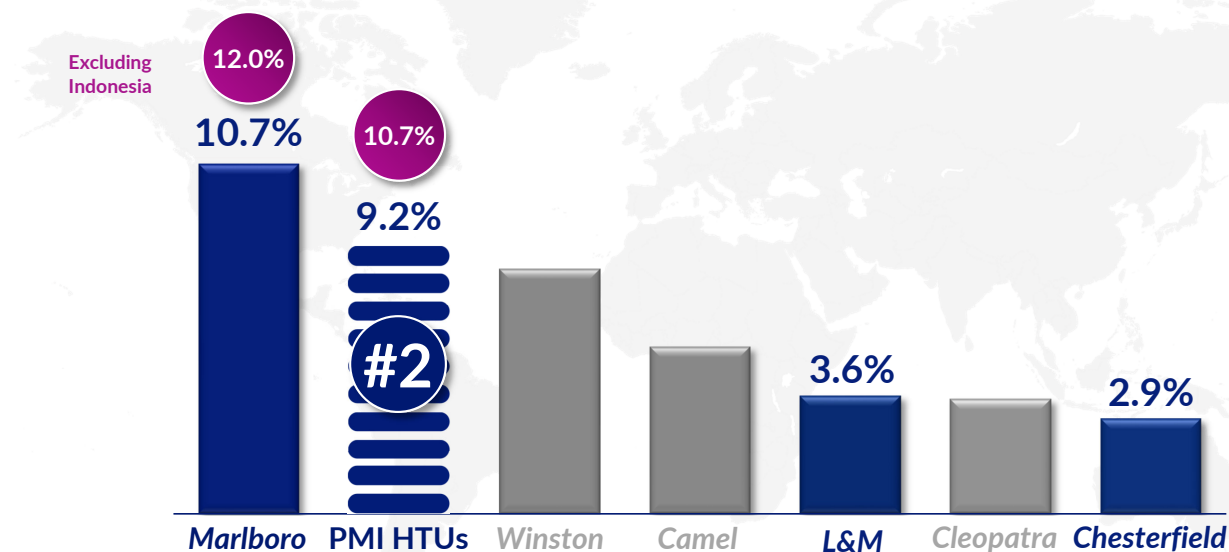
(a) Represents Smoke-Free Business. Note: Organic gross margin growth is calculated based on organic gross profit, divided by organic net revenues. Chart not to scale. Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions and divestitures. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## PMI HTUs: Second-Largest 'Brand' in IQOS Markets

Share in IQOS Markets (Q2'25)<sup>(a)</sup>



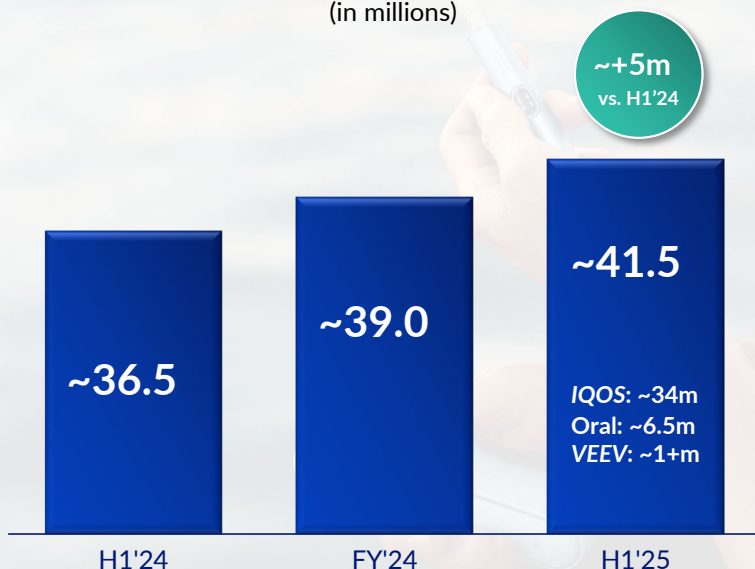
(a) Reflects markets (including Indonesia, following broader commercialization in the market) where IQOS is available in key cities or nationwide as of June 30, 2025

Note: All brands except 'PMI HTUs' include cigarettes only. Reflects PMI in-market sales volume as a percentage of total estimated sales volume for cigarettes and HTUs, including cigarillos in Japan. Source: PMI Financials or estimates as of July 10, 2025

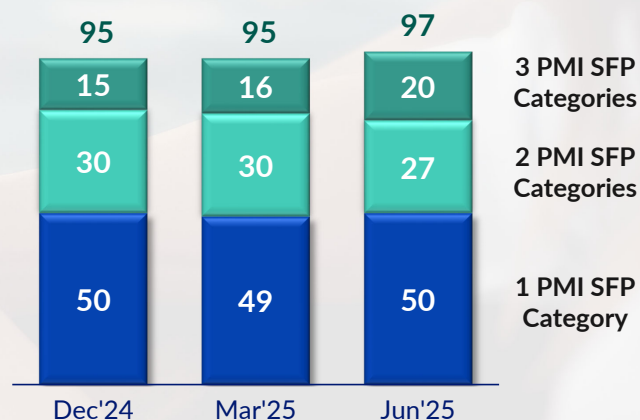
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## Multicategory Strategy Catalyzing SFP User Growth To >41m

Total Smoke-Free Product Users<sup>(a)</sup>  
(in millions)



PMI SFP Markets  
(#)

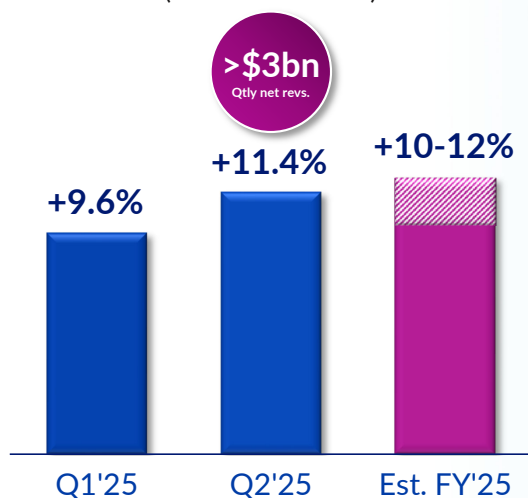


(a) See Glossary for definition. Source: PMI Financials, PMI Market Research or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## IQOS: Q2 Acceleration, #1 SFP Brand & Growth Engine

HTU Adjusted IMS Growth  
(Vs. Previous Year)

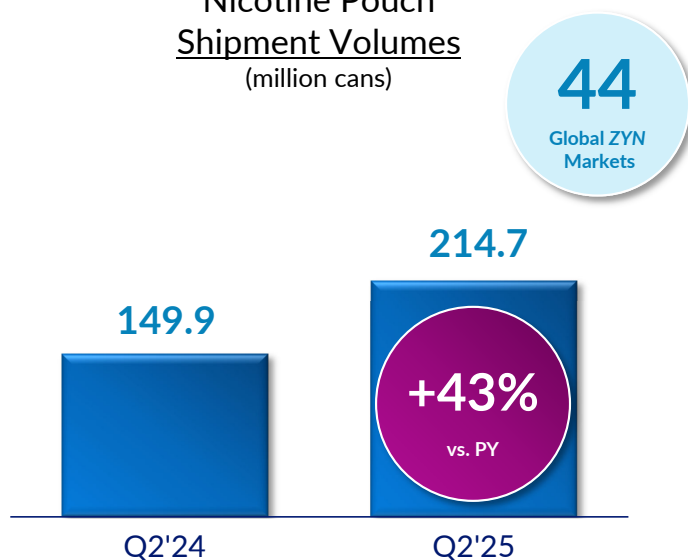


Note: Q1'25 adj. IMS growth restated from +9.4% based on latest data. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

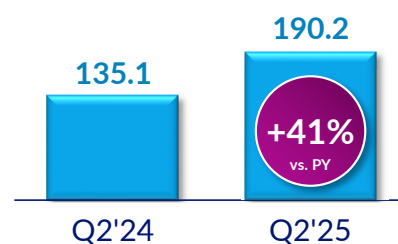
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## ZYN: Further Rapid Growth, Global Rollout Continues

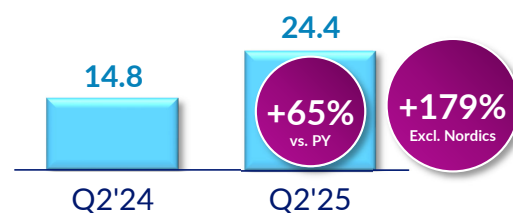
Nicotine Pouch  
Shipment Volumes  
(million cans)



U.S. ZYN Volumes  
(million cans)



International  
Nicotine Pouch  
Volumes  
(million cans)



Note: Total may not foot due to rounding. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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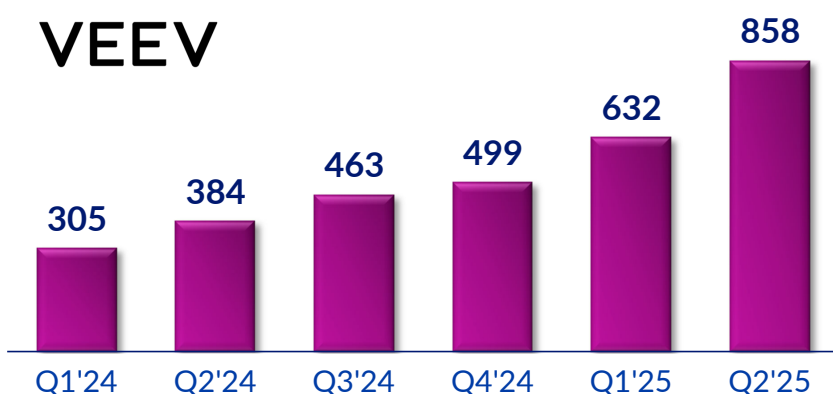
## VEEV: Profitable Volume Acceleration, Further Innovation

**VEEV Volumes**  
(shipments in million equivalent units)

**#1 in 6 Markets**  
(Closed Pods)



**VEEV**

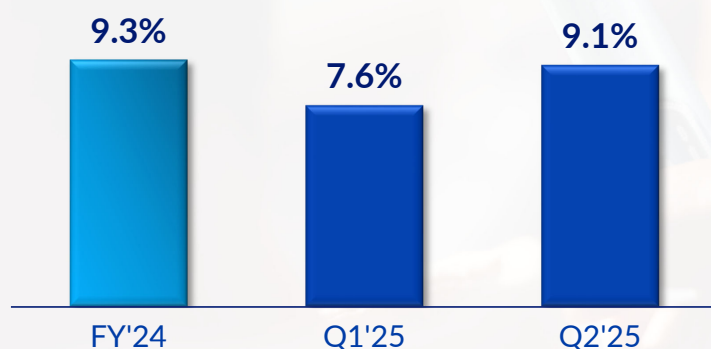


Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## Europe: Acceleration in IQOS & Multicategory Performance

**IQOS**  
Adj. IMS Growth vs. PY



**30**

Multicategory  
European Markets  
(Jun'25)

**Shipment Volumes**

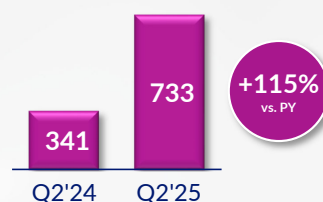
**ZYN**  
(million cans)



**+31%**  
vs. PY

**+148%**  
Excl. Nordics

**VEEV**  
(million eq. units)



**+115%**  
vs. PY

Europe Q2'25 IQOS, ZYN & VEEV Shipment Growth<sup>(a)</sup> **+13.5%**

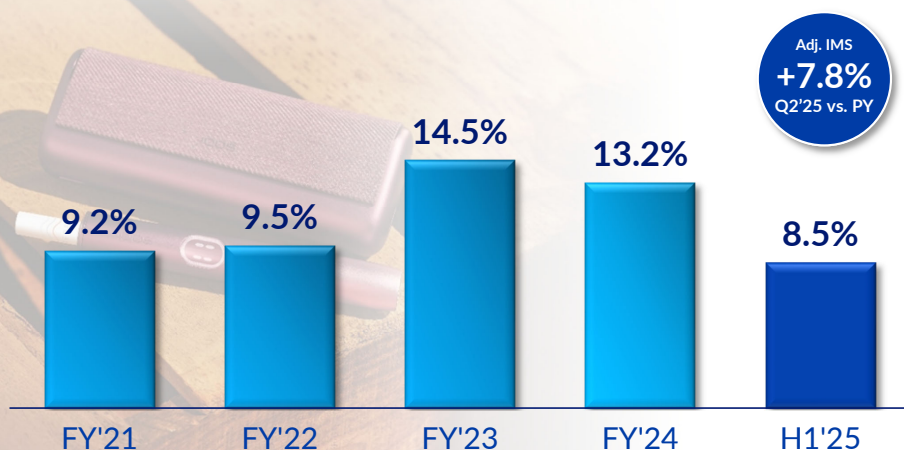
(a) IQOS, ZYN & VEEV only, equivalent units. ZYN includes residual volumes from other nicotine pouch brands. Note: Chart not to scale. Total may not foot due to rounding.  
Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## Japan: Continued Strong IQOS Momentum

**IQOS**

Adj. IMS Growth vs. PY



HnB Offtake  
Category Share<sup>(a)</sup>

**48%**

+3pp vs. PY

Q2'25  
PMI HTU Adj. SoM

**31.7%**

+2.3pp vs. PY

(a) Based on 3 C-Store Chains offtake (Jun'25). Base includes cigarettes, cigarillos and HTUs. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## Significant ZYN Growth, Shipments Subject to Quarterly Volatility

ZYN U.S. Shipment Volumes  
(million cans)



Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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# Strong SFP Growth Across Global Markets

(excl. U.S., Europe, Japan)

## IQOS

(Adj. IMS, billion units)

## ZYN

(Shipment, million cans)

## VEEV

(Shipment, million eq. units)



Global Markets IQOS, ZYN & VEEV Shipments Q2'25 Growth<sup>(a)</sup> **+18.0%**

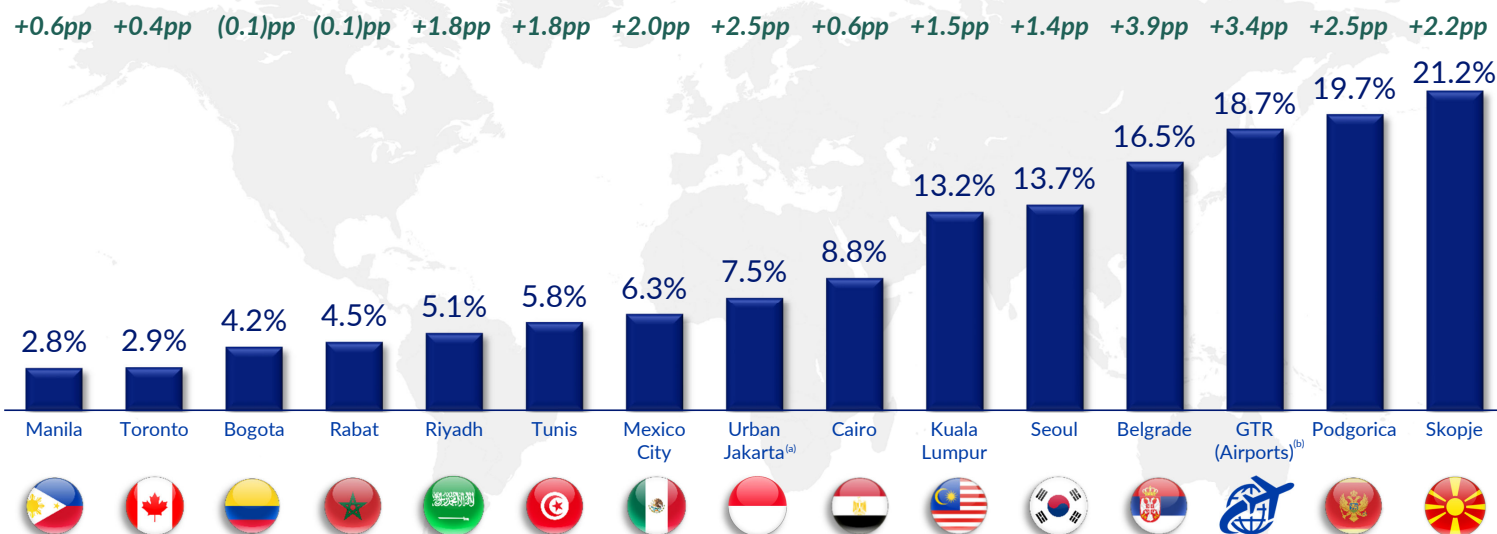
(a) IQOS, ZYN & VEEV only, equivalent units. ZYN includes residual volumes from other nicotine pouch brands. Chart not to scale. Total may not foot due to rounding. Data includes Global Travel Retail (excl. U.S.). Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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# Excellent IQOS Key City Progress Across Global Markets

PMI HTU Offtake Shares (Q2'25)

Change vs. PY



(a) Urban Jakarta offtake share reflects revised Nielsen survey, improving coverage and accuracy. Historical data: Q3'24: 5.8%, Q4'24: 6.1%, Q1'25: 5.7%. (b) Global Travel Retail includes airports where IQOS is available, offtake share based on Mar-May'25 vs. Mar-May'24. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## 2024: Outstanding Year for Smoke-Free Transformation

- Very strong organic top and bottom-line growth across all categories:
  - Fourth consecutive year of total volume growth
  - Continued IQOS growth momentum, increasing profitability
  - ZYN sequential volume acceleration
  - Strong combustible net revenue & profit growth
  - +15% organic OI growth, +10% in USD
- +9% USD Adj. diluted EPS growth, mitigating currency headwinds with price and cost actions
- Strong cashflow generation and deleveraging



Source: PMI Financials or estimates. Q4, 2024 Earnings, presented February 6, 2025

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## FY24: Very Good Growth Across Key Metrics

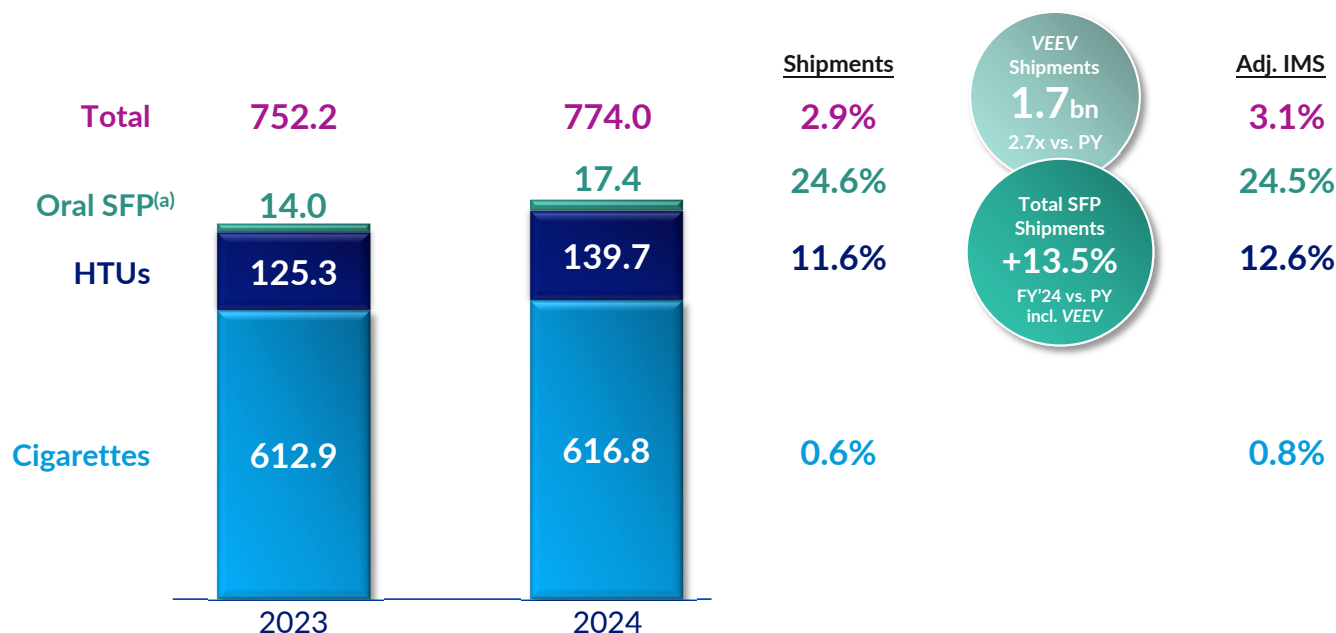
	FY'24 vs. PY		FY'24
	Organic	Adj. incl. Curr. & Acq.	
Shipment Volume	+2.9%		774 <sup>bn</sup>
Net Revenues (Adjusted)	+9.8%	+7.4%	\$37.9 <sup>bn</sup>
Operating Income (Adjusted)	+14.9%	+10.1%	\$14.7 <sup>bn</sup>
Adj. Diluted EPS	+15.6% (Curr. neutral)	+9.3%	\$6.57
Operating Cashflow			\$12.2 <sup>bn</sup>

Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions. Shipment volume includes HTUs, cigarettes and oral SFPs excluding snuff, snuff leaf and U.S. chew. Source: PMI Financials or estimates. Q4, 2024 Earnings, presented February 6, 2025

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## Fourth Consecutive Year of Volume Growth

(shipments in bn units; change vs. PY)

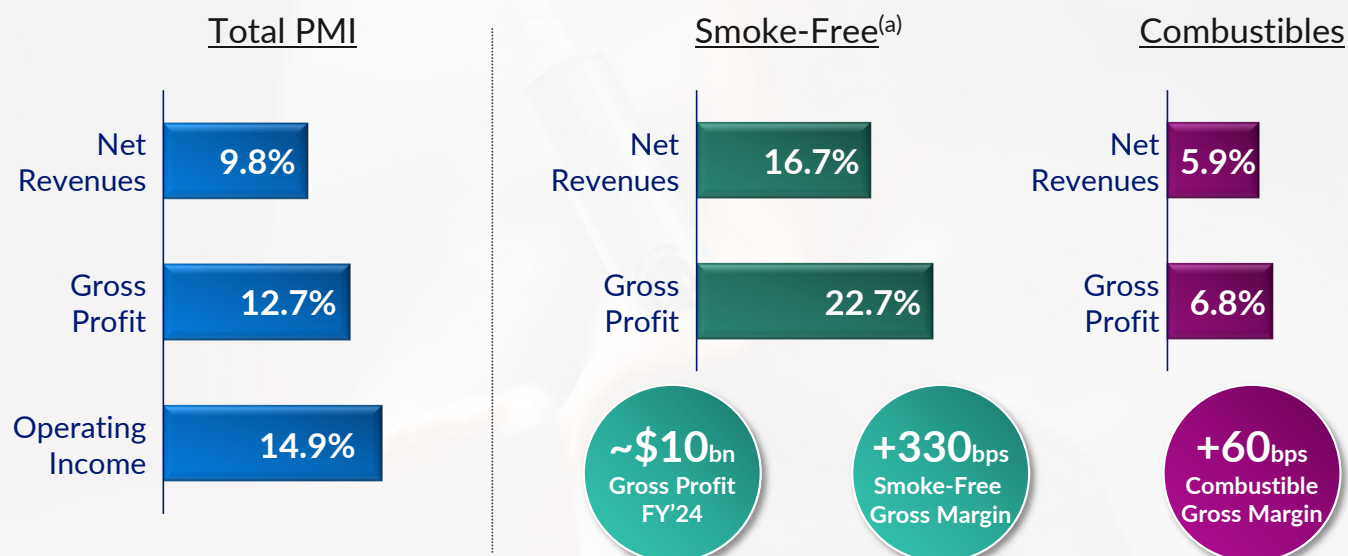


(a) Volumes shown in pouch or pouch equivalents, excluding snuff, snuff leaf and U.S. chew. Note: Total SFP volumes represent HTUs, Oral SFPs and VEEV volumes in equivalent units. Total may not foot due to rounding. Source: PMI Financials or estimates. Q4, 2024 Earnings, presented February 6, 2025

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## Accelerated Smoke-Free & Combustibles Performance

FY'24 Organic Growth vs. PY

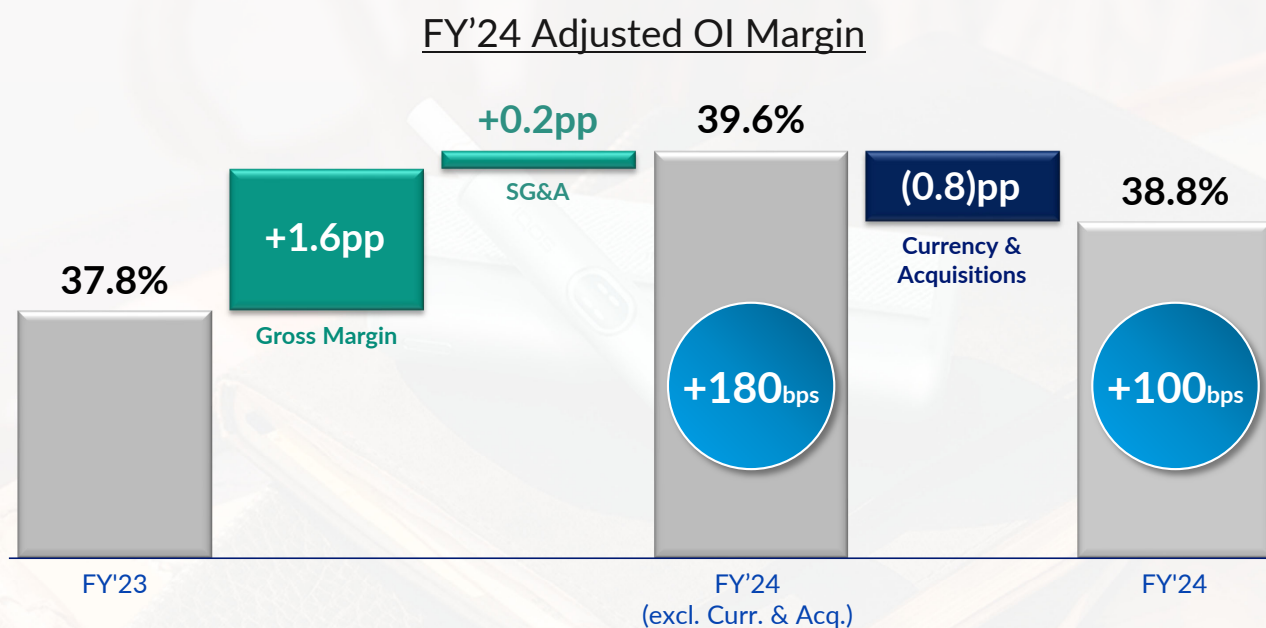


(a) Represents Smoke-Free Business. Note: Organic gross margin growth is calculated based on organic gross profit, divided by organic net revenues. Chart not to scale. Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions. Source: PMI Financials or estimates. Q4, 2024 Earnings, presented February 6, 2025

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## OI Margin Expansion While Investing For Growth

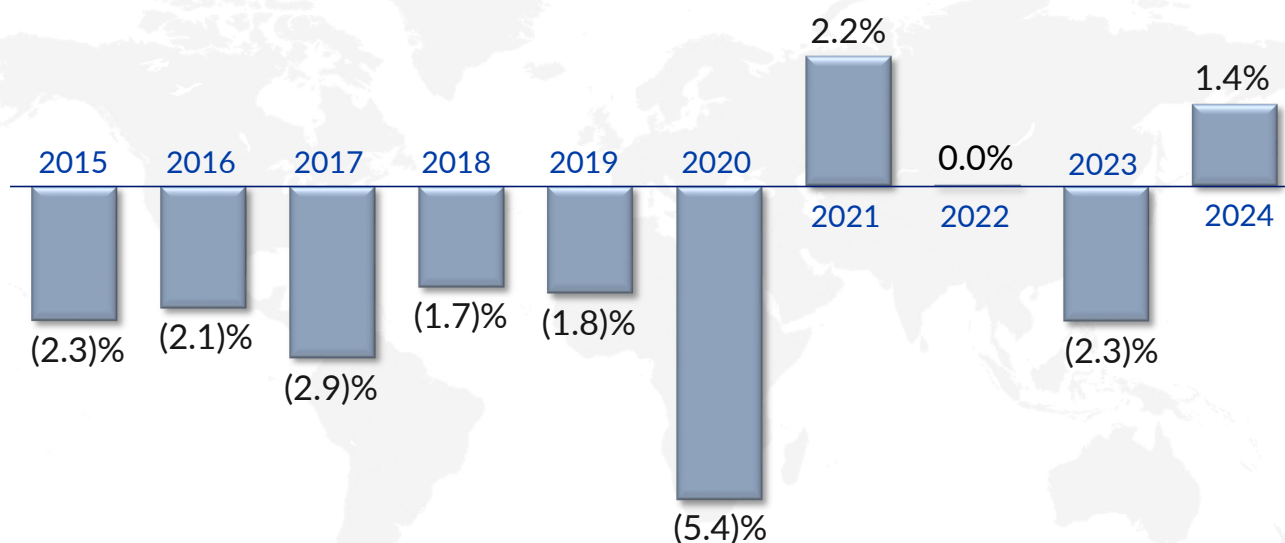


Note: Total may not foot due to rounding. Source: PMI Financials or estimates. Q4, 2024 Earnings, presented February 6, 2025

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## Total Cigarette & HTU Industry Volume Trend (2014-2024)

(% Change vs. PY)



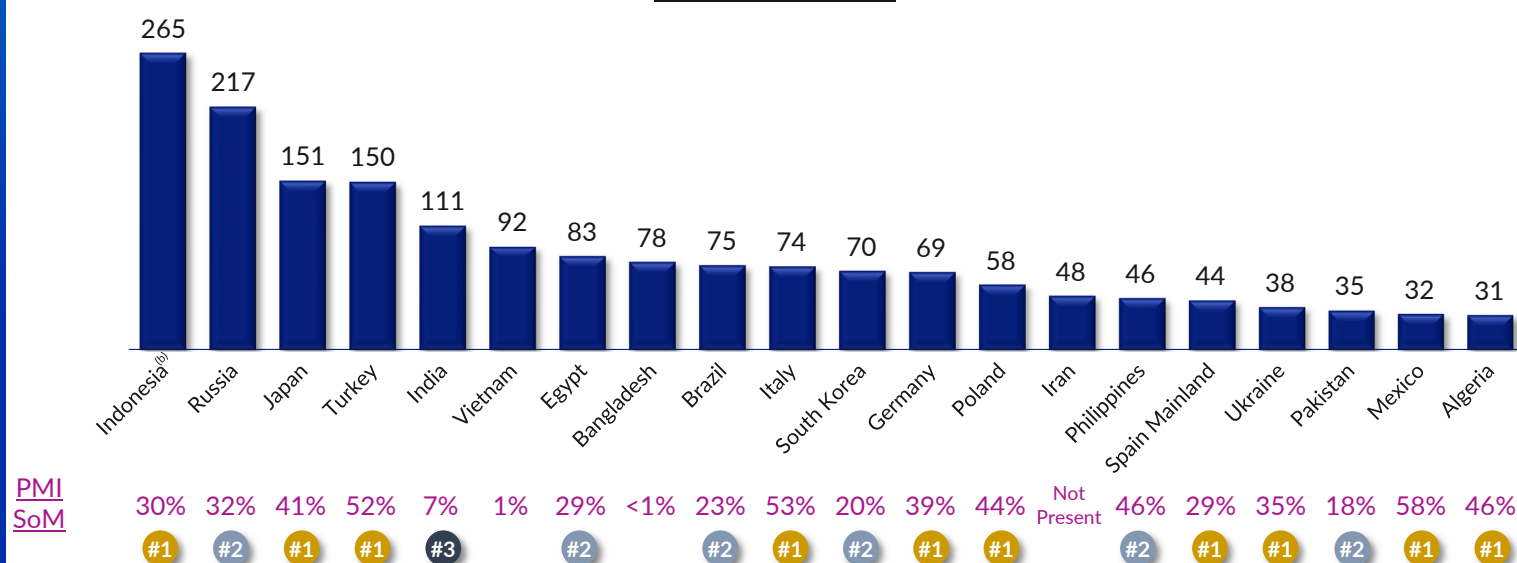
Note: Includes cigarillos in Japan. Excluding China and the U.S.  
Source: PMI Financials or estimates as of July 10, 2025

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## Leadership in Top Industry Volume Markets (2024)

(billion units)

Top 20 Markets<sup>(a)</sup>

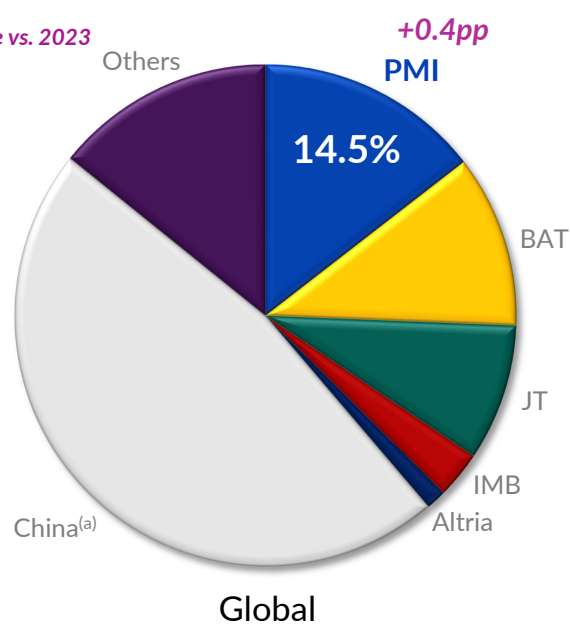


(a) Top 20 markets ranked by 2024 total industry volume, excluding the U.S., China and Global Travel Retail. (b) Indonesia Total Market data for 2023–2024 has been restated following a Nielsen methodology update. Note: As per our Annual Report on Form 10-K for the year ended December 31, 2024, we do not sell products in Belarus, Iran, North Korea or Syria. Reflects cigarettes and HTUs (where applicable) and includes cigarillos in Japan. Source: PMI Financials or estimates as of July 10, 2025

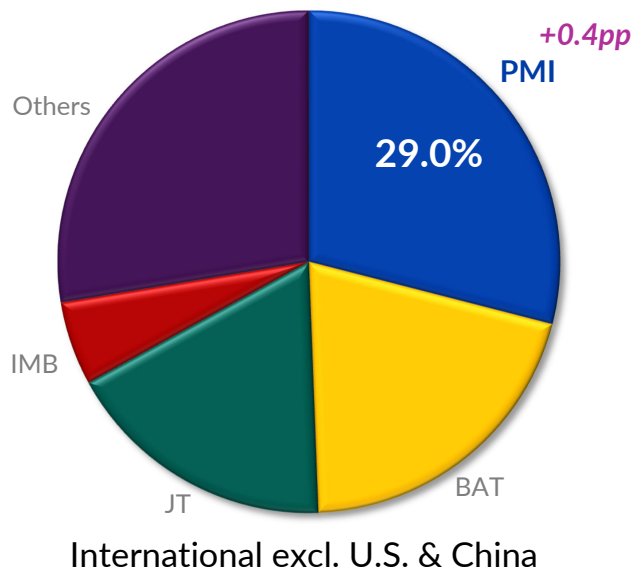
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## 2024 PMI Total Market Share (Cigarettes and HTUs)

Change vs. 2023



Global



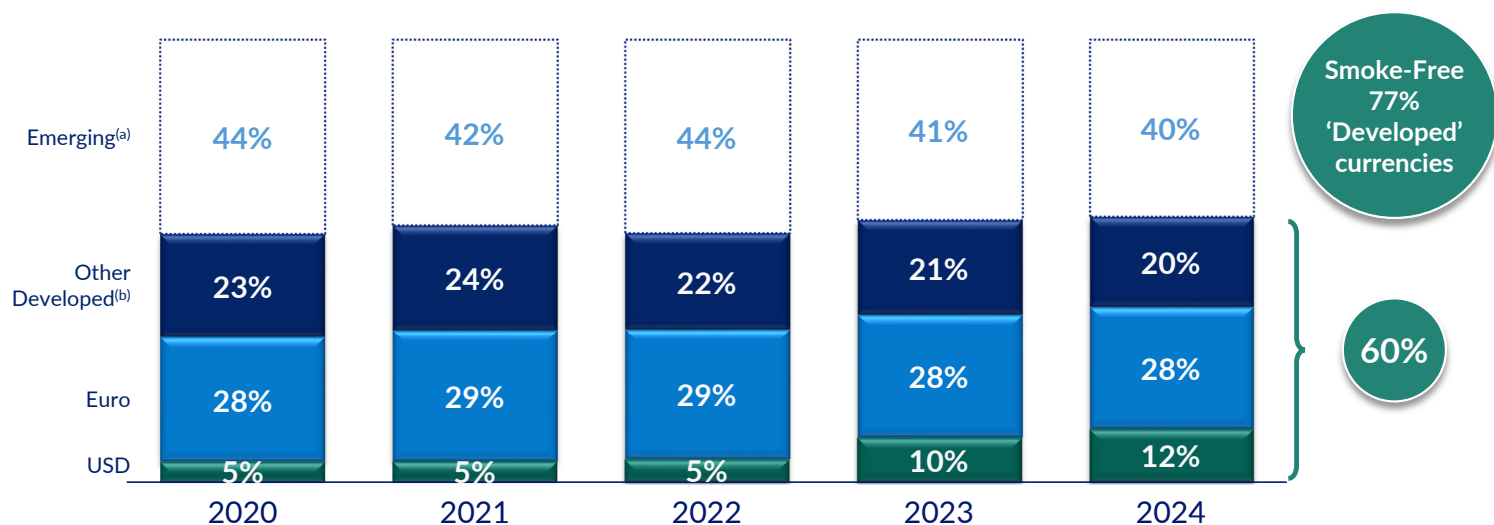
International excl. U.S. & China

(a) Excluding CNTC license production of *Marlboro* and *Parliament* cigarettes (2.3 billion units in 2024)  
 Note: Reflects cigarettes and HTUs. Industry volume includes cigarillos in Japan  
 Source: PMI Financials or estimates as of July 10, 2025

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## Improving Currency Profile Supports Real Growth

Adj. Net Revenues by Currency

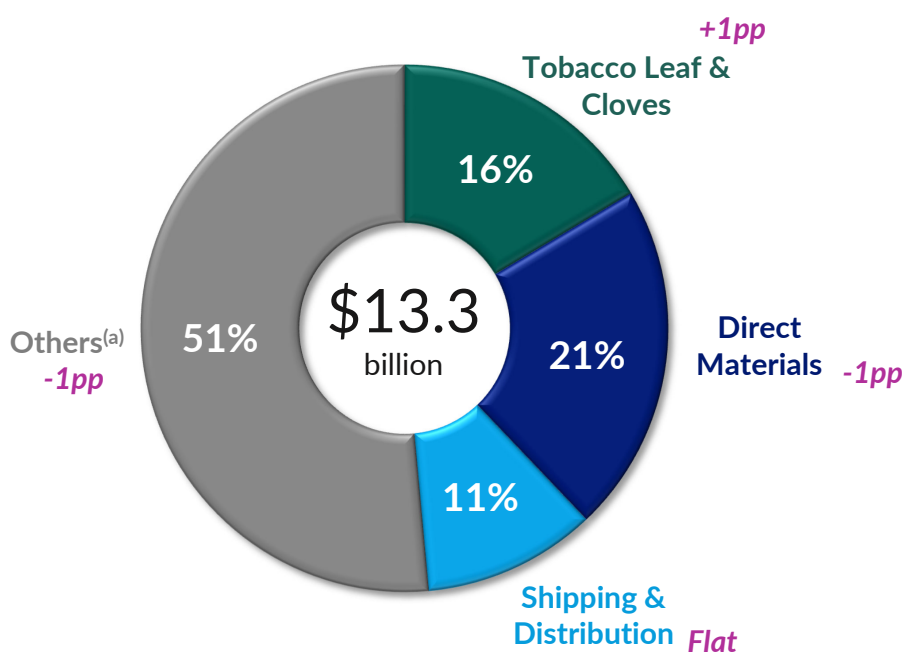


(a) Includes Czech Krona, Egyptian Pound, Indonesian Rupiah, Mexican Peso, Philippine Peso, Polish Zloty, Russian Ruble and Turkish Lira. (b) JPY, CHF, KRW, GBP, ILS, AUD, HKD, NOK, SGD, SEK, DKK, CAD and NZD. Note: Reflects currencies in which net revenues are generated. Total may not foot due to rounding. Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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## 2024 PMI Adjusted Cost of Goods Sold

Change vs. 2023



(a) Conversion, fixed manufacturing expenses, devices and other costs. Note: Excludes amortization and impairment of intangibles (\$51 million). Including amortization and impairment of intangibles, total Cost of Goods Sold is \$13.3 billion. Note: Total may not foot due to rounding. Source: PMI Financials or estimates

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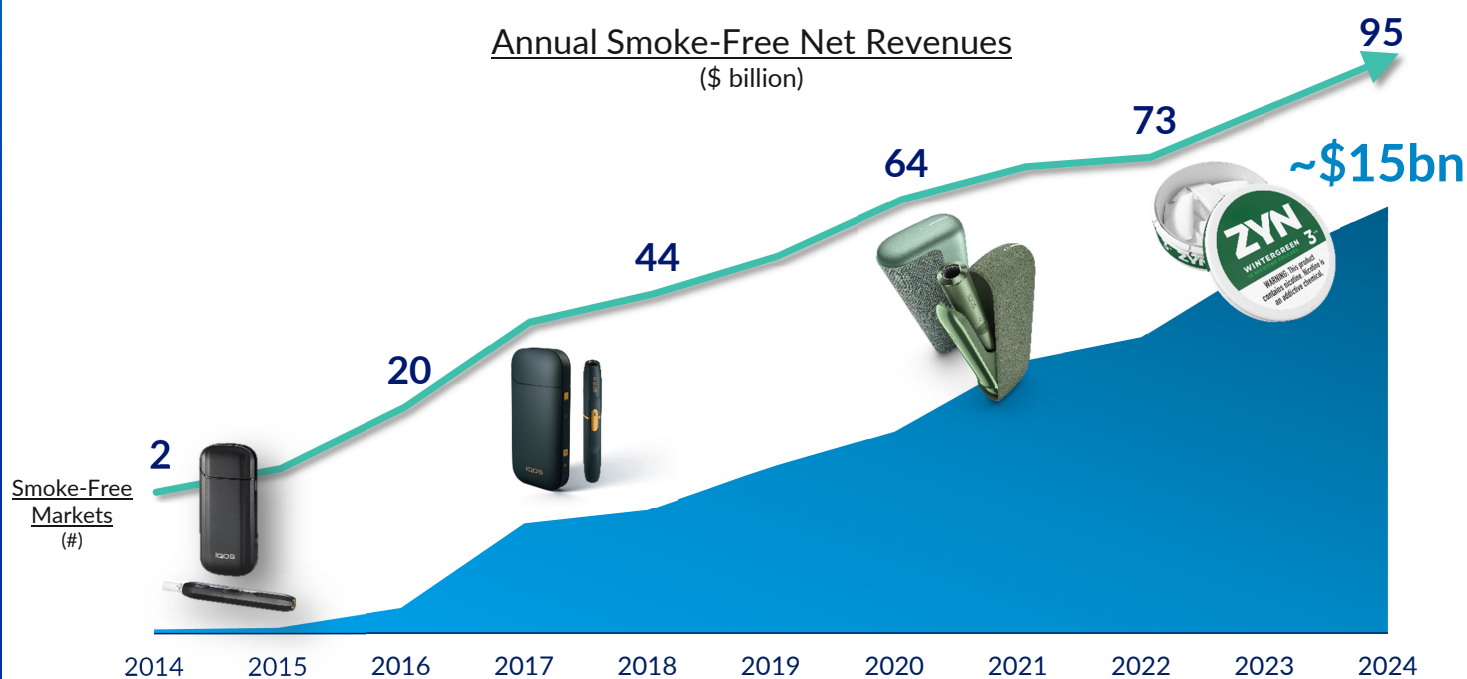
## Section 2: Smoke-Free Transformation

2

### 10 Years of Smoke-Free Transformation 2024 Key Milestones

- Nearly \$15bn smoke-free net revenues, >\$10bn total PMI adj. net earnings<sup>(a)</sup>
- Smoke-free net revenues 40% of total PMI in Q4, ~60% in Top-5 OI markets<sup>(b)</sup>
- Multi-category strategy deployed in ~50% of 95 smoke-free markets, >38.5m users
- >1bn oral smoke-free product<sup>(c)</sup> cans (644m nicotine pouch cans)
- FDA authorization for all ZYN products currently marketed by Swedish Match in the U.S.

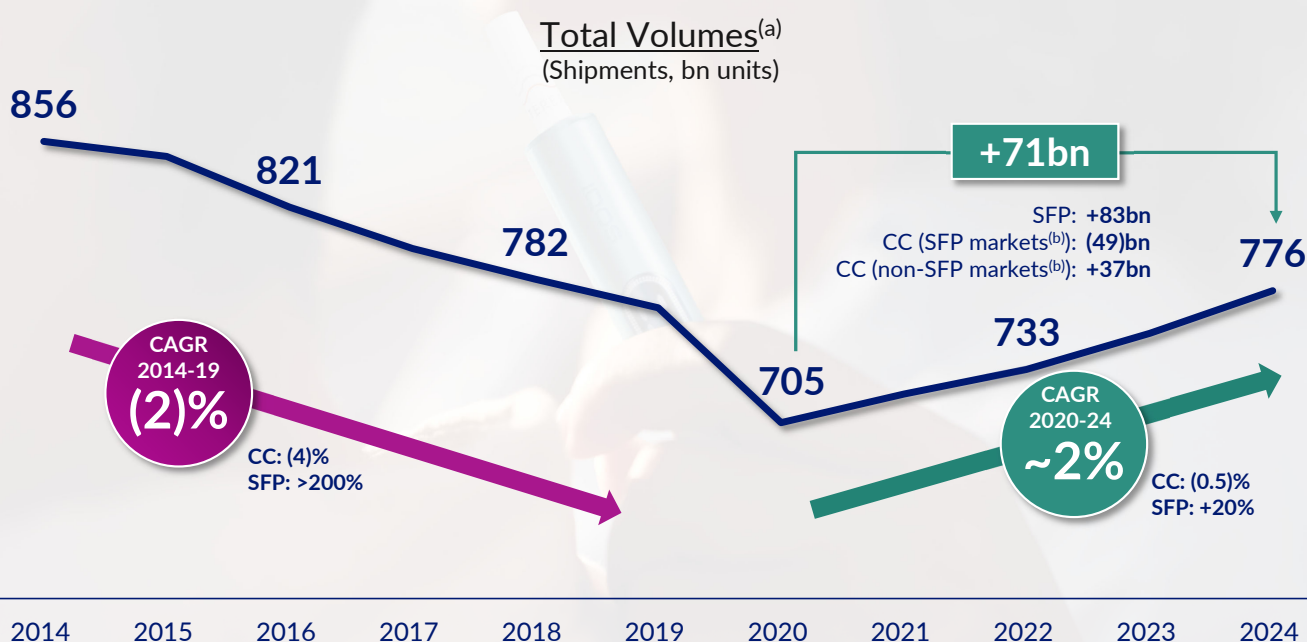
## Smoke-Free Approaching \$15 billion Top-Line & 100 Markets



Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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## Transforming From Decline to Growth in Total Volumes

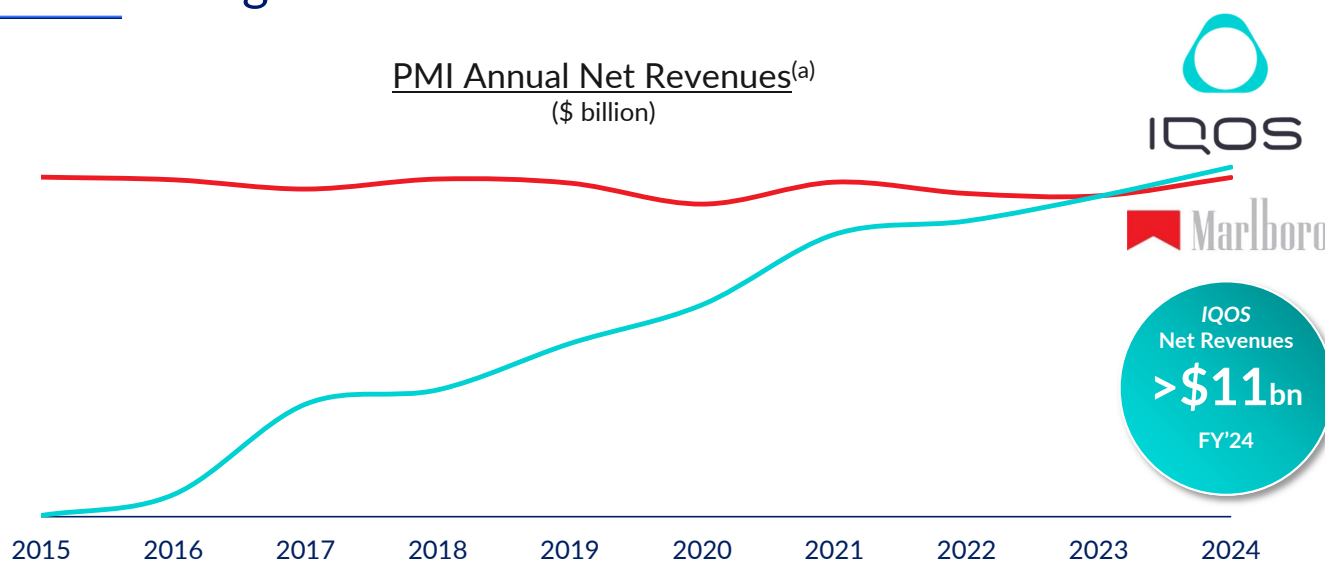


(a) Volumes for cigarettes, HTUs, Oral SFPs and e-vapor. Oral SFPs volumes shown in pouches or pouch equivalents, excluding snuff, snuff leaf and U.S. chew; e-vapor volumes shown in stick equivalent units. (b) Based on 73 PMI SFP markets as of December, 2022. Note: CC refers to combustible cigarettes.  
Source: PMI Financials or estimates. Based on CAGNY 2025, presented February 19, 2025

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## IQOS Overtaking Marlboro Within a Decade

PMI Annual Net Revenues<sup>(a)</sup>  
(\$ billion)



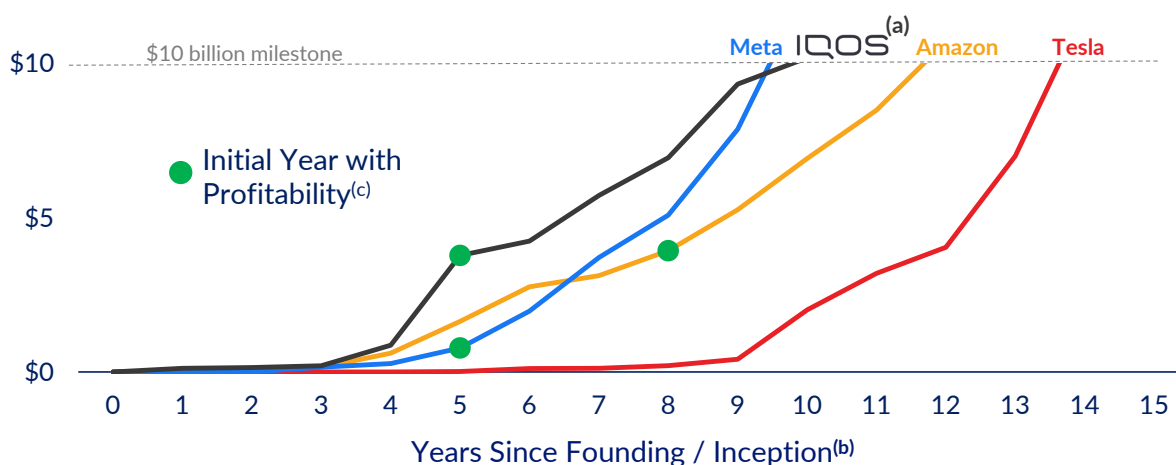
IQOS SoM rank in IQOS markets <sup>(b)</sup>	-	#35	#15	#6	#4	#3	#3	#3	#2	#2
IQOS Markets, #	7	20	38	44	52	64	68	68	71	76

(a) Marlboro includes Marlboro combustibles, IQOS represents Heat-not-Burn net revenues. (b) IQOS HTU volume share of market compared to other cigarette and HTU brands  
Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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## IQOS: Creating \$10bn+ Smoke-Free Business in Under a Decade (Presented at Investor Day 2023, PMI Data to 2022)

Annual Net Revenues  
(\$ billion)



(a) Total smoke-free product net revenues. In 2022, IQOS accounted for \$9.5 billion of PMI's \$10.2 billion total smoke-free net revenues

(b) 2012 used for PMI's smoke-free product net revenues, reflecting project endorsement. Company founding year used for other companies

(c) Reflects the year when operating income was positive for the first time. For IQOS, it reflects the year when product contribution for smoke-free products was positive for the first time

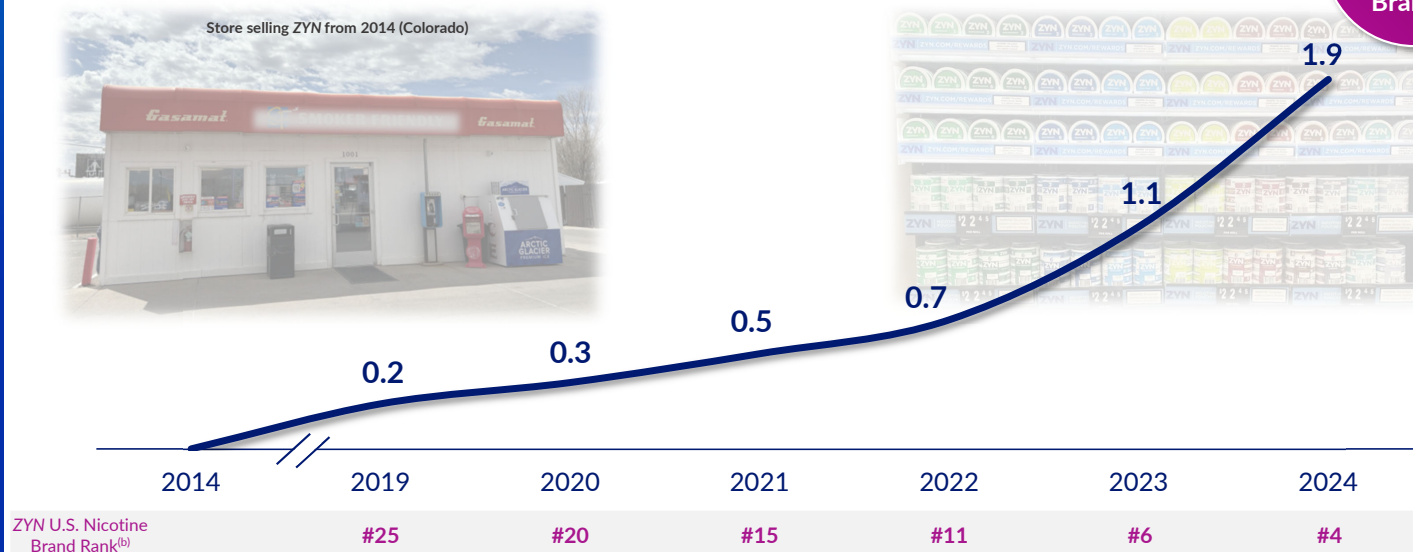
Source: PMI Financials, Bloomberg, Investor Day 2023, presented September 28, 2023

38

## 10 Years of ZYN: Nearing \$2bn U.S. Net Revenues

**ZYN Net Revenues<sup>(a)</sup>**  
(\$ billion)

**#1 U.S.  
Smoke-free  
Brand<sup>(c)</sup>**



(a) Represents Americas segment. (b) Ranking as of Q4 of each year, based on Circana LLC Retail Sales Value. (c) Ranking based on 2024, Circana LLC Retail Sales Value. Source: Data prior to 2023 based on Swedish Match financials. PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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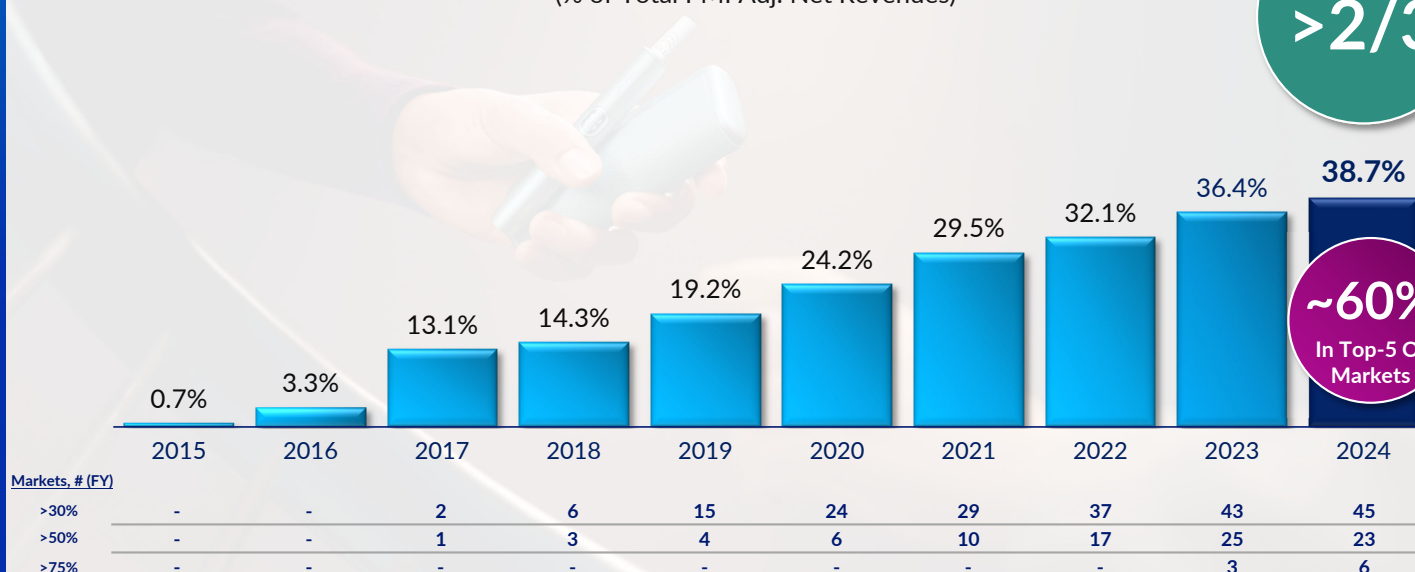
## Becoming Substantially Smoke-Free By Net Revenues

**Smoke-Free Net Revenues<sup>(a)</sup>**  
(% of Total PMI Adj. Net Revenues)

2030 Vision

**>2/3**

**~60%**  
In Top-5 Oil  
Markets



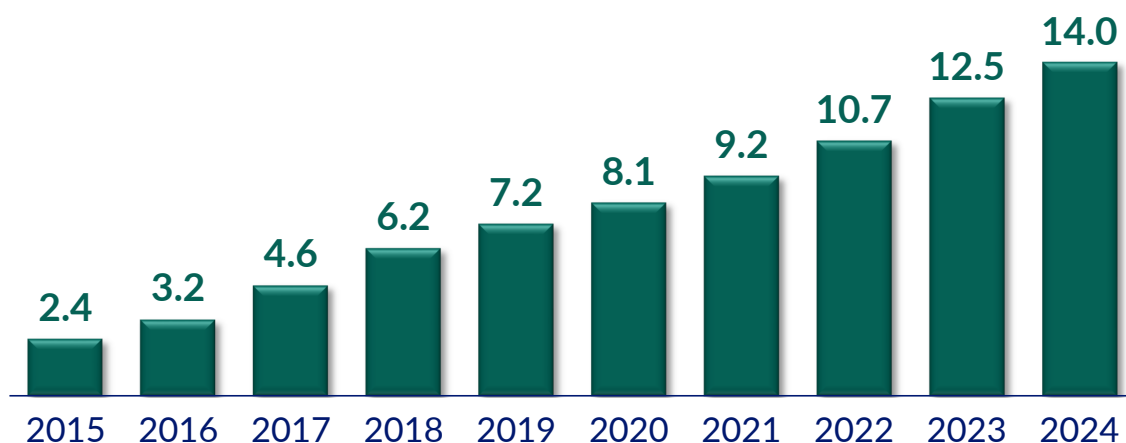
(a) Smoke-free represents Smoke-Free Business. For further information, please see Section 9: Appendix and Reconciliation of non-GAAP Measures. Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

40



## Substantial Investment in Best-in-Class Capabilities

Cumulative Smoke-Free Product Investments  
(\$ billion)

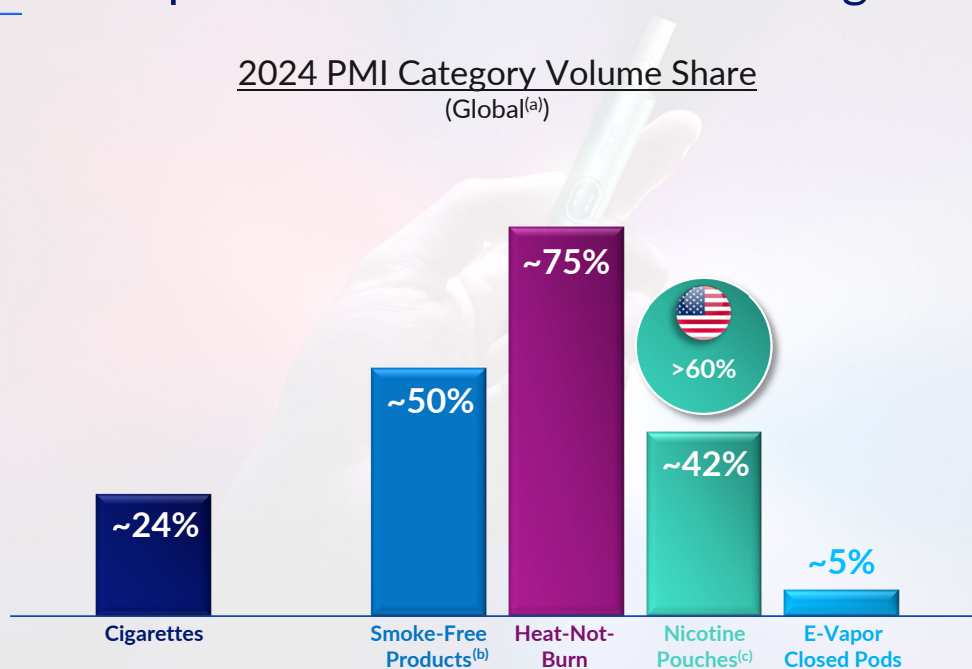


Note: Investments reflect research, product and commercial development, production capacity, scientific substantiation, and studies on adult smoker understanding. Includes investment to develop, scientifically substantiate and commercialize smoke-free products since 2008. Does not include Swedish Match and Wellness & Healthcare.  
Source: PMI Financials or estimates

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## Strong Leadership in Most Attractive SFP Categories

2024 PMI Category Volume Share  
(Global<sup>(a)</sup>)



Note: PMI does not sell cigarettes in the U.S. (a) Excluding China. (b) Excludes open tank e-vapor systems and traditional oral products. (c) In cans.  
Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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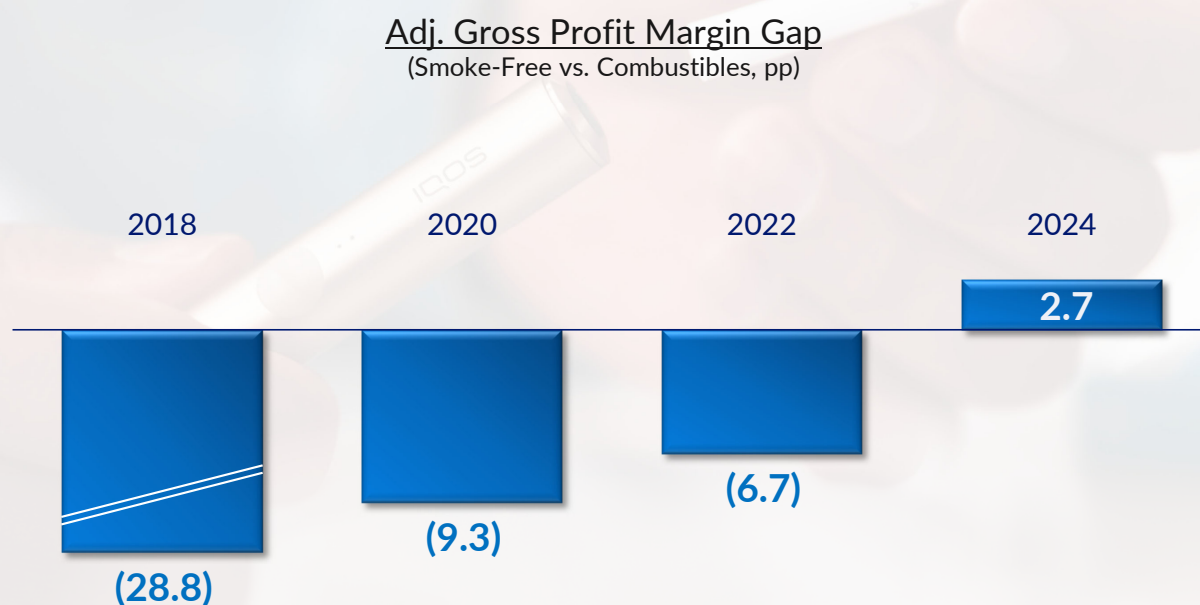
## Favorable & Improving SFP Unit Economics: Key Growth Pillar

(\$/000, 2024)	Intl. Cigarettes PMI Average	Intl. IQOS (Incl. devices) <sup>(a)</sup> Average	Current Ratio vs Cig.	U.S. ZYN Average	Current Ratio vs. Intl. Cig.
Net Revenue	~36	~80	~2.2x	~215	~6x
COGS	~13	~26		~30	
Gross Profit	~23	~54	~2.4x	~185	~8x

Note: Per thousand rates, where one unit = one nicotine pouch or one HTU. (a) IQOS financials, including devices, allocated to HTU on per '000 basis.  
Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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## Smoke-Free Increasingly Profitable As Top-Line Grows



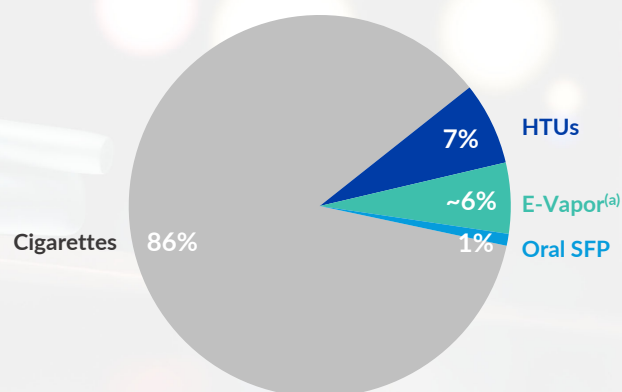
Note: Smoke-Free Business includes Wellness & Healthcare. Adjusted gross profit margin calculated based on adjusted gross profit, divided by adjusted net revenues.  
Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

44

## Substantial Int'l Growth Opportunity for IQOS, ZYN & VEEV

- Total nicotine market close to stable, continued migration to smoke-free products
- Changing consumer preferences generate incremental growth opportunities:
  - IQOS & ZYN well-positioned for SFP poly-use in the U.S. and internationally
  - Multicategory approach to innovation and commercialization

2024 International Volumes by Category  
(est. stick equivalent units)

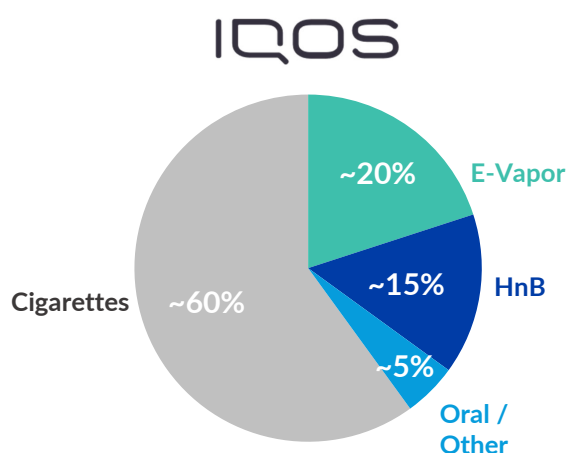


(a) Includes estimated size of open tank systems and illicit e-vapor. Note: Excludes China and U.S. Excludes other tobacco products (OTP). Source: PMI Financials or estimates, various data sources. CAGNY 2025, presented February 19, 2025.

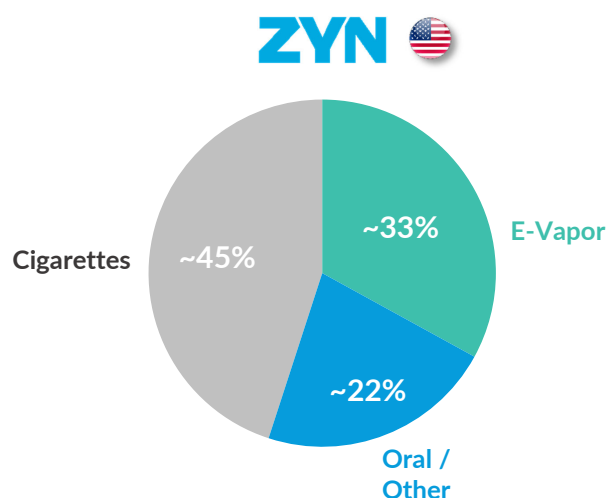
45

## SFP Categories Source From Cigarettes & Each Other

IQOS Sourcing (Europe)<sup>(a)</sup>



ZYN Sourcing (U.S.)<sup>(b)</sup>



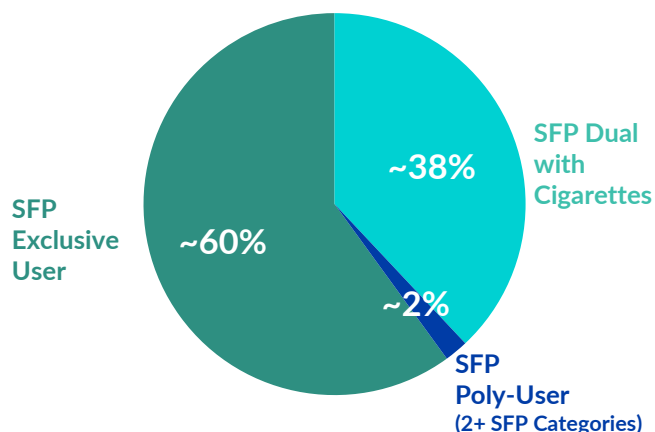
(a) PMI estimates as of Dec'24. (b) U.S. Sizing Research 2024, U.S. Market Landscape Q4 2023 through Q4 2024. Note: Total may not foot due to rounding. Source: PMI Market Research. CAGNY 2025, presented February 19, 2025

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## Smoke-Free Poly-Users Access More Consumption Occasions

SFP User Breakdown<sup>(a)</sup>

(% of SFP Users)



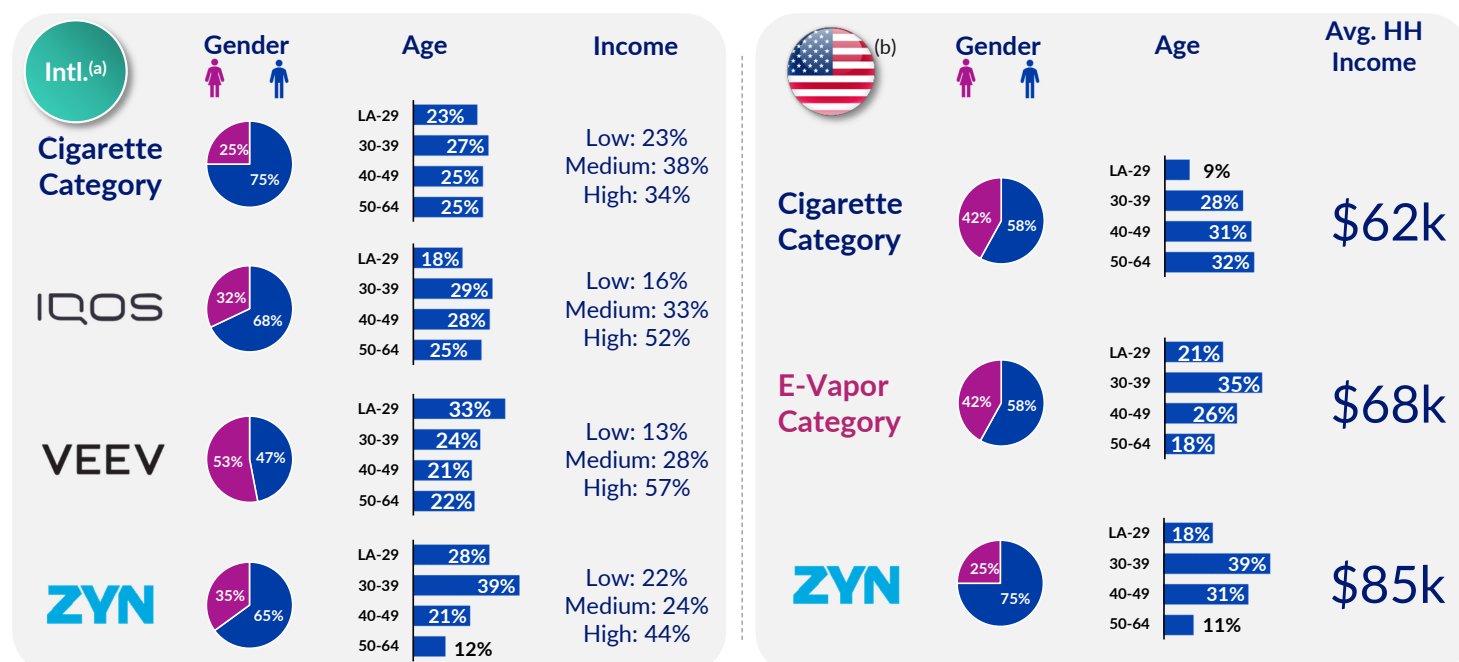
**SFP Users: 21% of Total LANU<sup>(a)</sup>**

(a) Based on consumer panel data from 62 international markets in Q3'24. (b) Based on 62 international markets, as of Q3, 2024. Estimates of daily consumption based on a number of simplifying assumptions and do not represent actual nicotine uptake by SFP users, which is a function of a number of factors including but not limited to type of product used, duration of use, and patterns of use. Source: PMI Market Research. CAGNY 2025, presented February 19, 2025

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- Poly-usage is small on global scale but growing, notably in certain markets
- SFP poly-users tend to have substantially higher daily consumption vs. exclusive use of one SFP category<sup>(b)</sup>
- Dual-users with cigarettes also consume more while they transition to SFPs
- Exclusive HnB users average daily consumption broadly in line with cigarettes
- Exclusive vapers tend to have lower daily consumption

## PMI SFPs Overindex to Consumers Aged 30-49, Higher Income



(a) PMI estimates as of Q3'24, excluding U.S., China, Russia and Ukraine. (b) U.S. Sizing Research 2024, U.S. Market Landscape Q4 2023 through Q4 2024. Note: U.S. legal age is 21 years old. Source: PMI Market Research. CAGNY 2025, presented February 19, 2025

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## Laser Focus on Responsible Marketing

- SFPs marketed in a responsible manner to legal-age smokers and nicotine users
- Responsibly selected flavors can play an important role in switching legal age smokers to SFPs
- National regulation and enforcement critical to minimizing underage usage and the availability of illicit products
- Those under the legal age of purchase should not have access to, or use, any nicotine product
- After ~10 years of IQOS globally and ZYN in the U.S., overall rates of underage use remain very low



Source: CAGNY 2025, presented February 19, 2025

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## Strong Brand Equity Drives Sustainable Growth

### 2024 Meaningful Difference Index



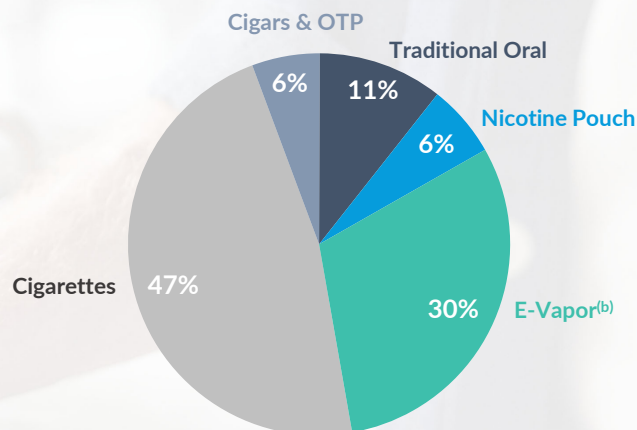
(a) Refers to Marlboro international and is based on select focus markets. (b) IQOS within SFPs & based on Kantar Brand Equity Advisor 2023 and 2024 in Top 15 HnB markets. (c) ZYN within U.S. total nicotine. Note: Meaningful difference index based on average of Meaningful and Difference metrics.  
Source: PMI Market Research. CAGNY 2025, presented February 19, 2025

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## Substantial U.S. Growth Opportunity for ZYN & IQOS

- The U.S. is likely to be our biggest market by net revenues over the mid-term
- Largest total nicotine market by value<sup>(a)</sup>, with ~\$25bn profit pool
- Nicotine industry >300bn units, rapidly going smoke-free
- Nicotine pouch growth potential: e-vapor & cigarettes 5x and 8x bigger
- IQOS designed for adult smokers, can also appeal to legal-age vapers, many of whom are not fully converted from cigarettes

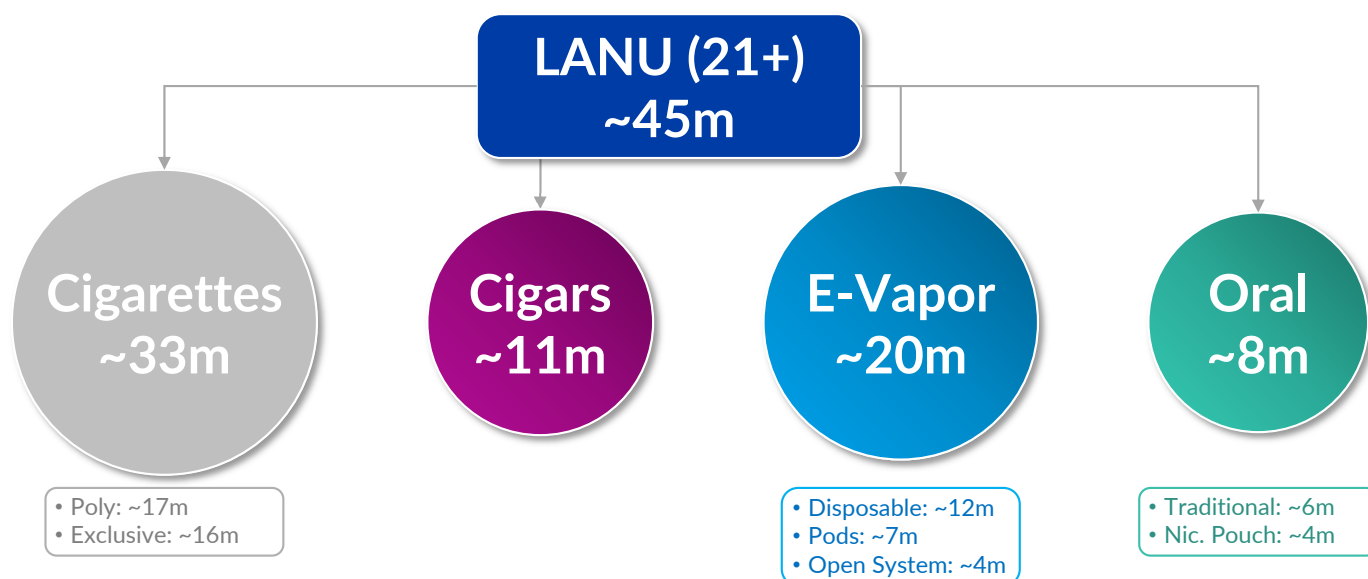
2024 U.S. Volumes by Category  
(est. stick equivalent units)



(a) Excluding China. Note: Cigars & OTP includes cigars, little filtered cigars and other tobacco (loose, roll, etc.). Traditional Oral includes moist snuff, snus and chew. (b) E-Vapor includes pods, open systems, disposables and includes estimated illicit consumption.  
Source: PMI Financials or estimates based on Nielsen, MSA and industry experts. CAGNY 2025, presented February 19, 2025

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## ... With ~45 Million Legal-Age Nicotine Users in 2023



### High degree of poly-use across and within categories

Total LANU are net of estimated poly-users across categories. Estimated past 7-day use. Note: CDC data (not shown) estimates use 'every day or some days'. LANU stands for legal-age nicotine users. Source: PMI Market Research or estimates. Investor Meeting with PMI U.S. Management Team, presented September 24, 2024.

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# ZYN<sup>®</sup>

#1 U.S. smoke-free brand<sup>(a)</sup>

Among Top-10 U.S. brands in convenience retail<sup>(b)</sup>

Unique premium brand, strong resonance with LANUs

Strong underlying momentum

Distribution in ~170k stores

(a) Retail sales value, based on Circana, last 52 weeks ended Sep 1, 2024. (b) Retail sales value, based on Nielsen, last 52 weeks ended Aug 3, 2024  
Source: PMI Financials or estimates. Investor Meeting with PMI U.S. Management Team, presented September 24, 2024

## IQOS: 10% Share Reached Within 6 Years in Many Markets

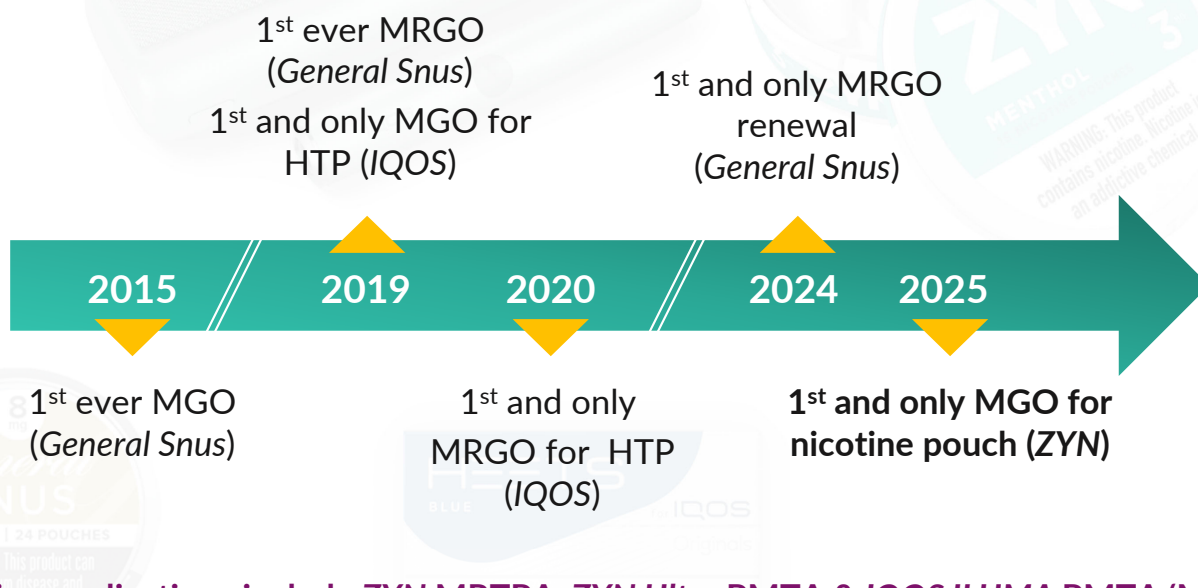


Number of Years to Reach 10% SoM<sup>(a)</sup>



(a) Reflects year in which PMI HTU share reached 10% following initial IQOS launch in the market  
Source: PMI Financials or estimates. Investor Day 2023, presented September 28, 2023

## Leading the Way On Science-Backed FDA Authorizations



Key pending applications include ZYN MRTPA, ZYN Ultra PMTA & IQOS ILUMA PMTA/MRTPA

Note: MGO stands for Marketing Granted Order (PMTA), and MRGO stands for Modified Risk Granted Order (MRTPA). CAGNY 2025, presented February 19, 2025

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## Driving Industry Standards in Under-21 Prevention



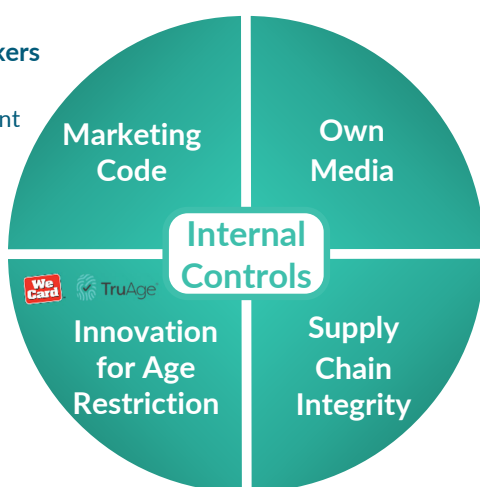
### External Influence

#### Society & Policy Makers

- State / Federal regulatory engagement
- Law enforcement engagement

#### Social Sourcing

- Top-level support of industry solutions
- Consumer campaigns



#### Social Media

- Take-down requests of inappropriate content
- Call-out to social media companies

#### Retail Access

- Strict U21 contract terms
- Trade communication & training
- Monitoring & enforcement

Swedish Match<sup>®</sup>

The maker of ZYN nicotine pouches.

OUR ACTIONS ADD UP.



AT SWEDISH MATCH WE MAKE NICOTINE PRODUCTS, AND WE'RE TAKING STEPS TO HELP KEEP OUR PRODUCTS ACCESSIBLE ONLY TO ADULT NICOTINE USERS 21+.

Underage nicotine pouch use remains very low at 1.8% in CDC's 2024 NYTS survey

Source: Investor Meeting with PMI U.S. Management Team, presented September 24, 2024

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## Well Positioned to Capture and Lead U.S. Smoke-Free Growth



- Leading the industry with science-backed smoke-free products:
  - Integrated, complementary premium smoke-free portfolio with ZYN & IQOS
  - No combustible cigarette business, no cigarette cannibalization
- Building a strong engine to drive sustainable growth:
  - Combining the best of PMI & Swedish Match talent & knowhow
  - Building infrastructure & core capabilities to serve IQOS & ZYN
  - Dedicated to serving the U.S. legal-age nicotine consumer, with absolute focus on youth access prevention

Source: PMI Financials or estimates. Investor Meeting with PMI U.S. Management Team, presented September 24, 2024

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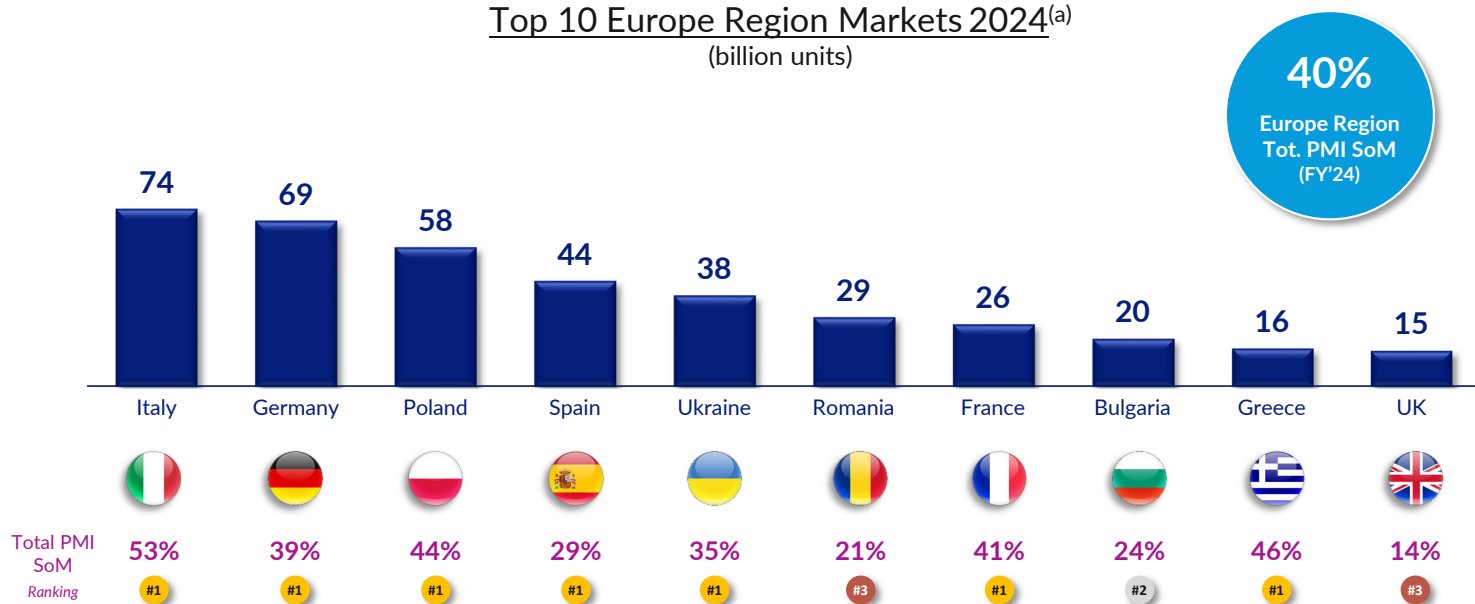
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INTERNATIONAL

Championing a Smoke-Free World

### Section 3: Key Highlights from Europe Focus Event

## Strong Leadership in Top European Markets...

Top 10 Europe Region Markets 2024<sup>(a)</sup>  
(billion units)

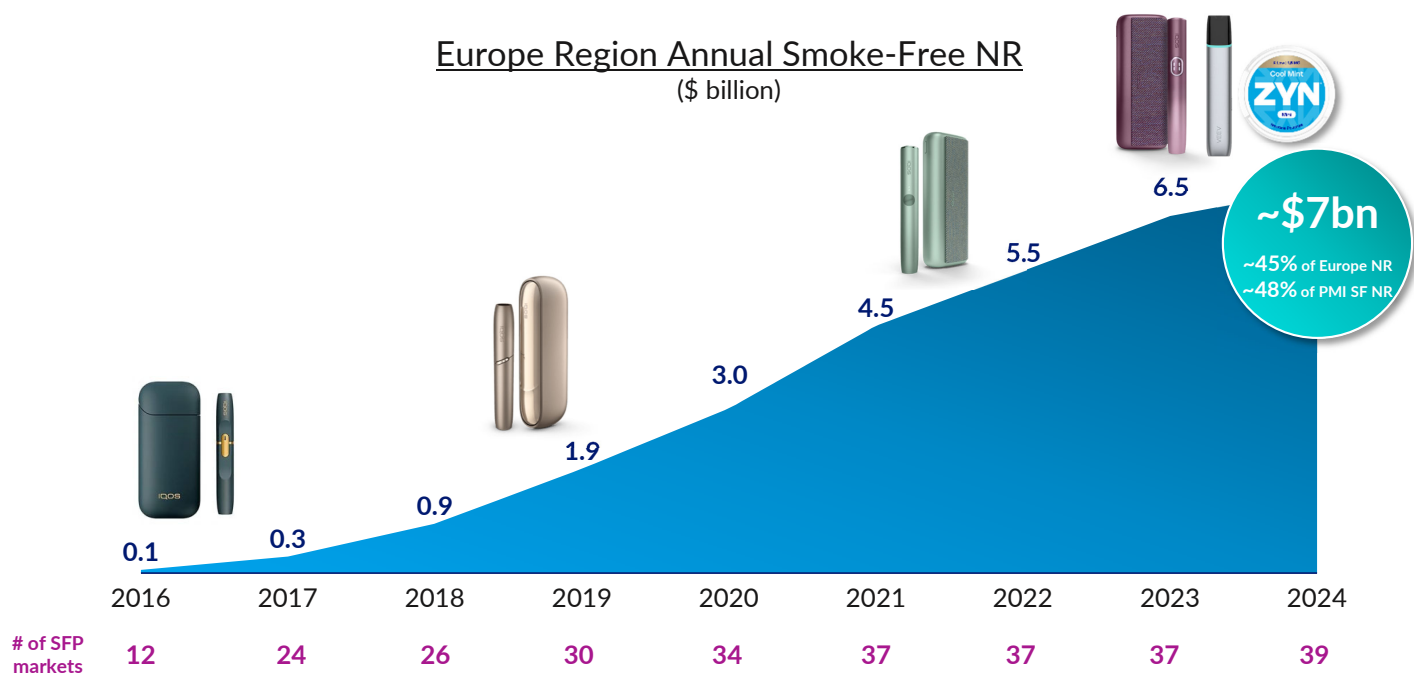


(a) Top 10 Europe Region markets ranked by 2024 HTU and Cigarette total combined market IMS.  
Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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## ...with Impressive Smoke-Free Revenue Growth in <10 Years...

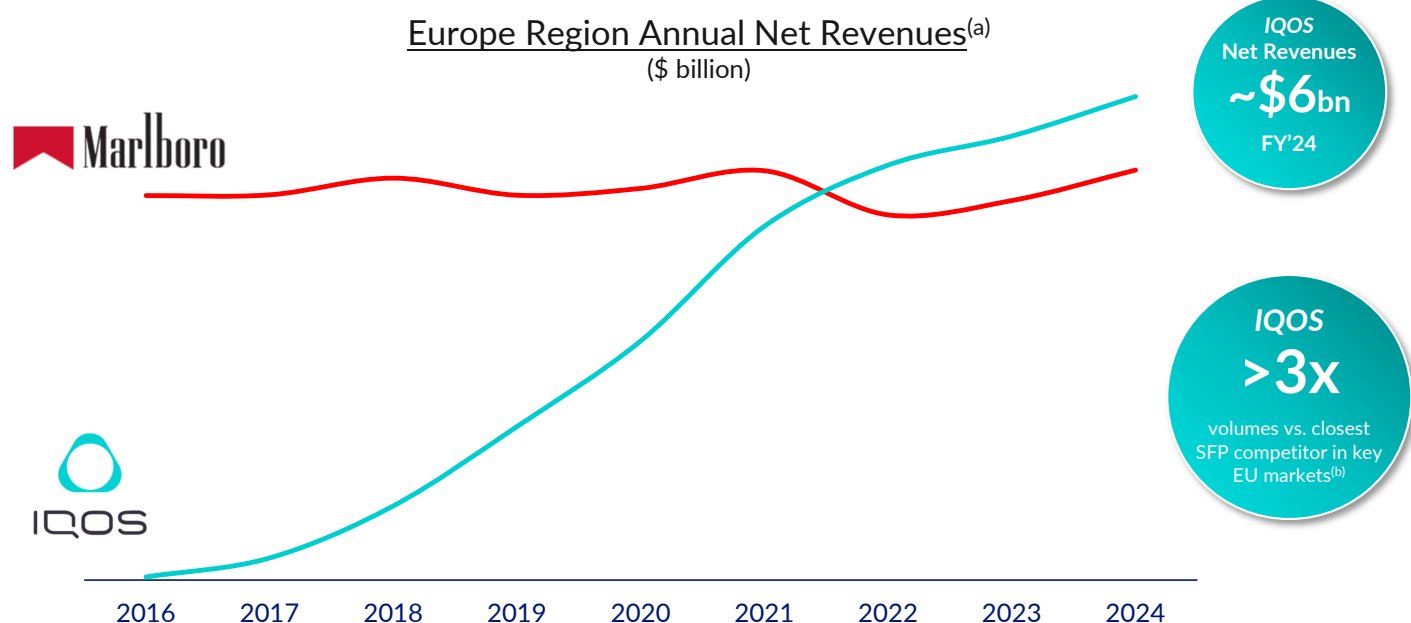
Europe Region Annual Smoke-Free NR  
(\$ billion)



Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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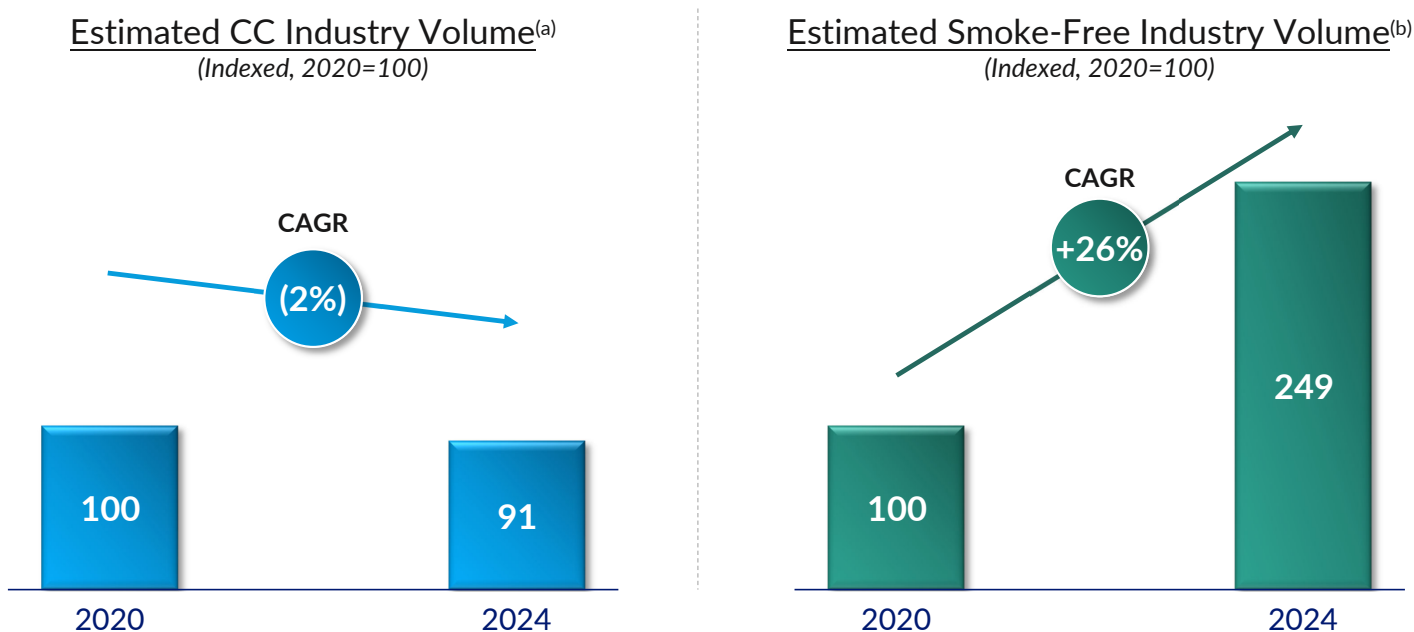
## ...and IQOS #1 PMI Nicotine Brand in Europe in <7 Years



(a) Marlboro includes Marlboro total Cigarettes and OTP, IQOS represents HTUs and IQOS devices net revenues. (b) Based on Nielsen in 3 representative large markets – Czech Republic, Germany and Romania. Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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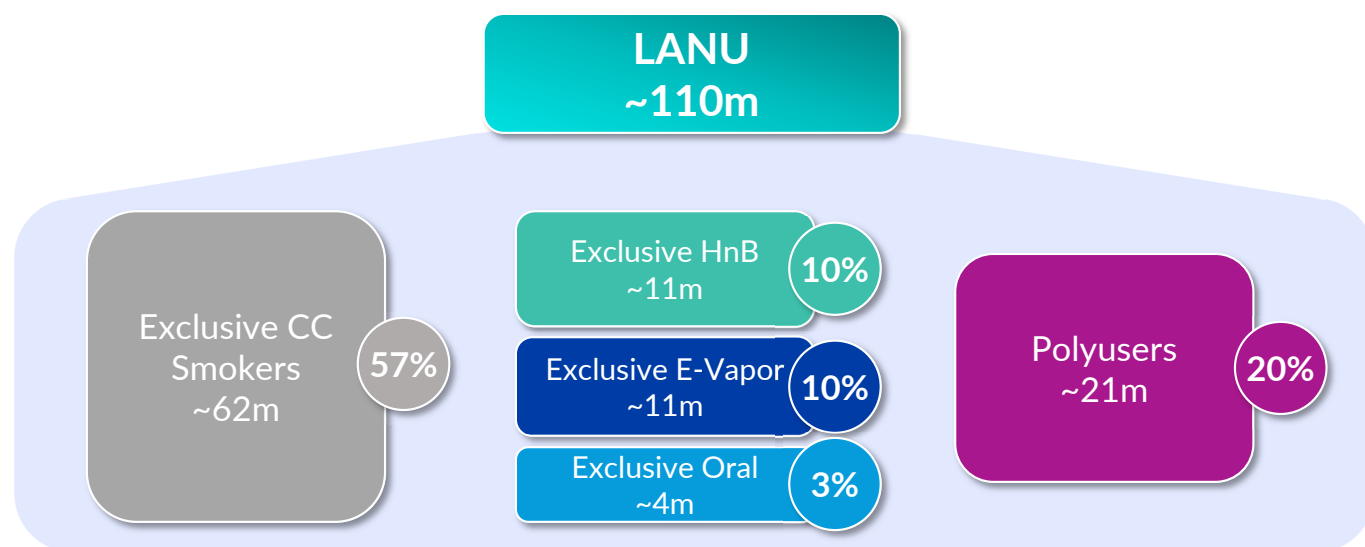
## Total Industry: Growth for SFP, While CC Declines



(a) CC including cigarettes & OTP. (b) Based on reported IMS industry in 2020, on adjusted IMS industry thereafter. E-Vapor excluding open systems, Oral including Snus and Nicotine Pouches. Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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## European LANUs Have Embraced All SFP Categories

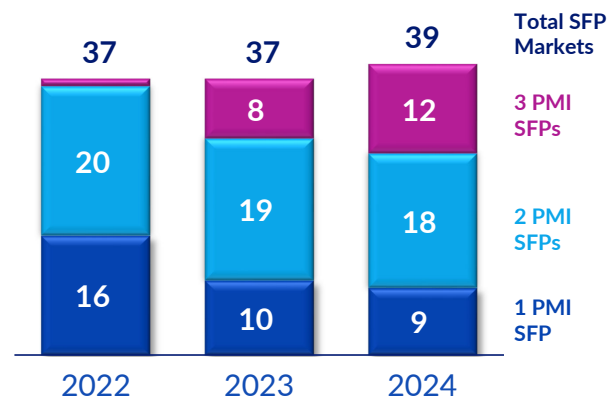


Note: Based on past 7-day use, Q4'24. LANU stands for Legal-Age Nicotine Users. E-vapor includes open systems. All categories include illicit. Polyusers includes those who use 2 or more categories, including CC. Source: PMI Market Research or estimates. Europe Investor Focus Event, presented June 24, 2025

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## Accelerated Expansion, Complementary Growth of All SFPs

# of markets in Europe with  
PMI SFP platforms



FY'24 Shipment Volume Growth in Europe  
(change vs. PY, %, billion eq. units)

IQOS

+9%

+4.4bn

ZYN

+39%(a)

+0.3bn(a)

VEEV

>100%

+0.9bn

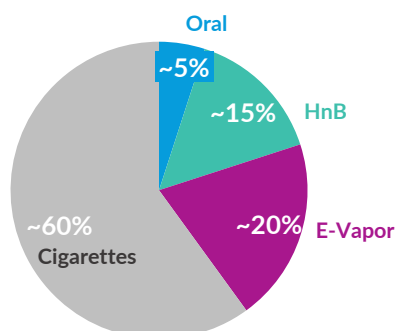
(a) ZYN reflects total nicotine pouch shipments. Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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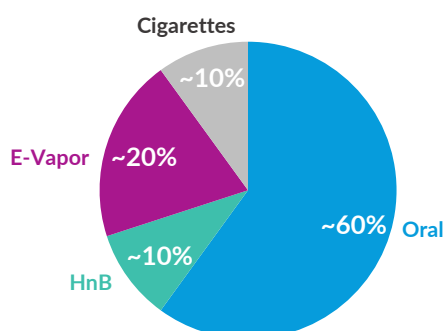
## PMI LANU Acquisition in Europe: Diversified Across Categories

### IQOS Sourcing



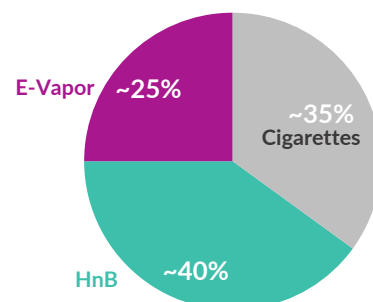
IQOS predominantly sources from CC and increasingly from e-vapor

### ZYN Sourcing (excl. Nordics)



ZYN initially sourcing from competition, with our focus on switching LAS

### VEEV Sourcing



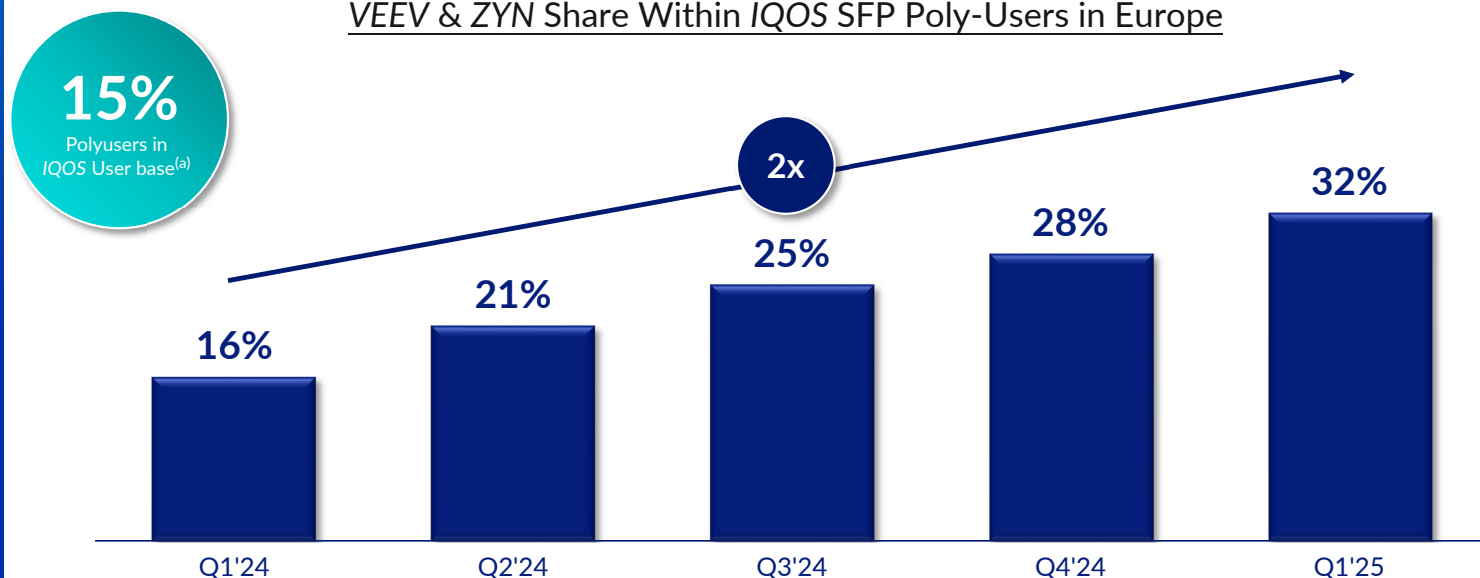
VEEV naturally sourcing at first from IQOS poly-users and with notable traction among CC LAS

Based on past 7-day use in Q4 2024, with all respondents declared as LANU. LANU stands for Legal-Age Nicotine Users. LAS stands for Legal-Age Smokers. Sourcing estimates shown correspond to the predominantly used nicotine containing product category declared by LANU, before purchasing IQOS, ZYN or VEEV. Sourcing by previous LANU's nicotine containing product usage state (i.e., Exclusive or Poly) is not available. Source: PMI Market Research or estimates. Europe Investor Focus Event, presented June 24, 2025

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## Increasing LAU Retention Within PMI SFP Franchise

### VEEV & ZYN Share Within IQOS SFP Poly-Users in Europe



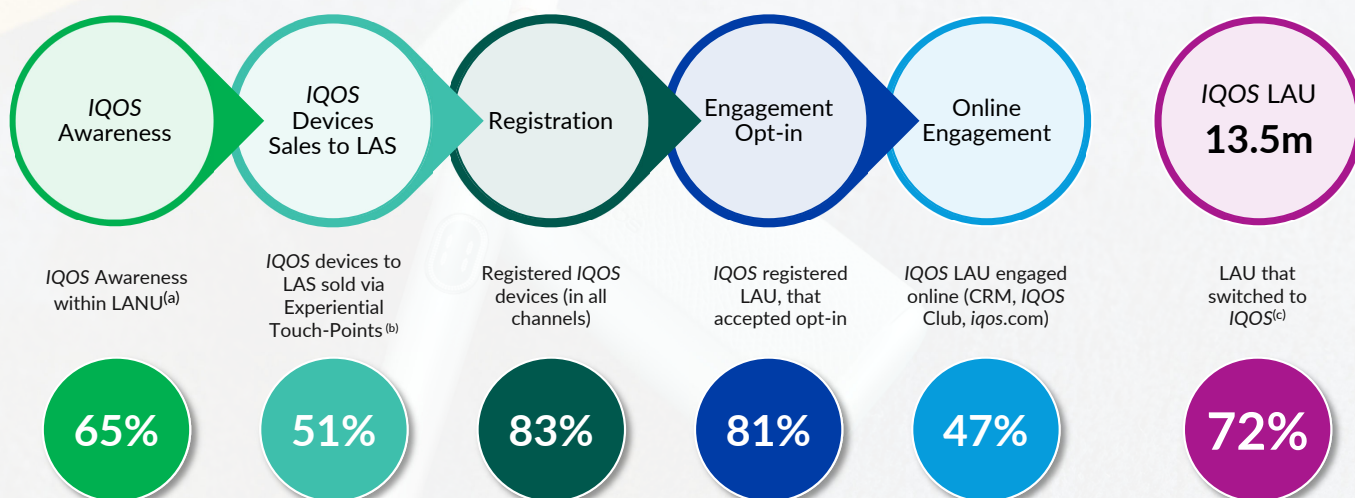
(a) 2024 average

Note: Based on past 7-day use, 2023 - 2024. LAU stands for Legal-Age Users. Source: PMI Market Research or estimates. Europe Investor Focus Event, presented June 24, 2025

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# IQOS: Impressive Metrics Across the Consumer Journey

(Europe Region data)



(a) IQOS awareness December 2024 3MMA (b) Experiential Touch-Points include PMI Brand Retail, iqos.com, IQOS Partners, Sales Experts. (c) Estimated users who have switched to IQOS and stopped smoking. Note: Estimated past 7-day use Q1'25. LANU stands for Legal-Age Nicotine Users, LAS stands for Legal-Age Smokers, LAU stands for Legal-Age Users. Source: PMI Market Research, Financials or Estimates. Europe Investor Focus Event, presented June 24, 2025

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## IQOS: We Continue to Build an Iconic Brand

Europe Region Brand Activations (2024)  
(mandatory age verification)



Source: PMI Estimates. Europe Investor Focus Event, presented June 24, 2025

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## IQOS: ILUMA i Rolling Out Latest Device Innovation



- IQOS ILUMA i - latest device innovation
- Phased launch in 20 European markets to-date:
  - IQOS ILUMA i PRIME launched first in Q4'24, premium proposition
  - IQOS ILUMA i and IQOS ILUMA i ONE followed from Q1'25
  - Roll-out to complete in H2'25



Touch Screen



Pause Mode



FlexPuff



FlexBattery

Source: Europe Investor Focus Event, presented June 24, 2025

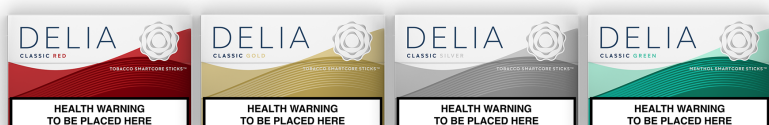
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## IQOS: HTU Portfolio to Delight Distinct Consumer Needs

### Latest HTU Portfolio



Recent launch of LEVIA across 18 European markets



DELIA now present in 17 European markets

### HTU Innovation Pipeline



**LEVIA with Capsules**  
(launch in Europe, summer'25)



**New TEREА Design**  
(Czech Rep., Slovakia, Italy)

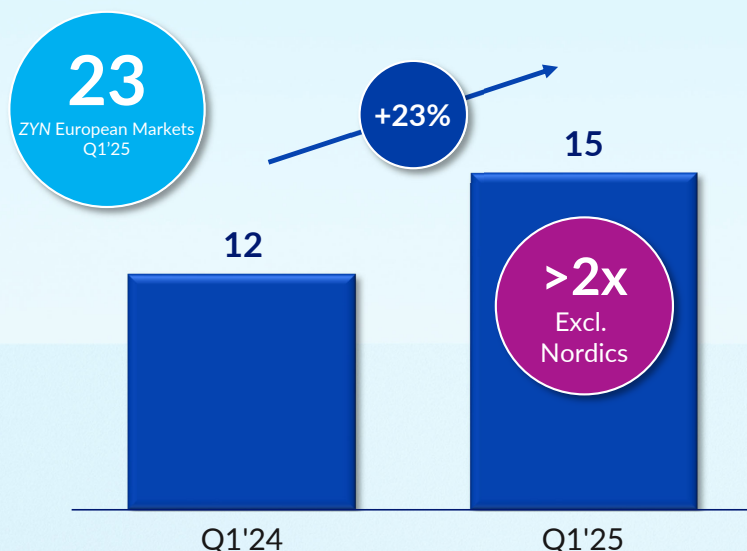
Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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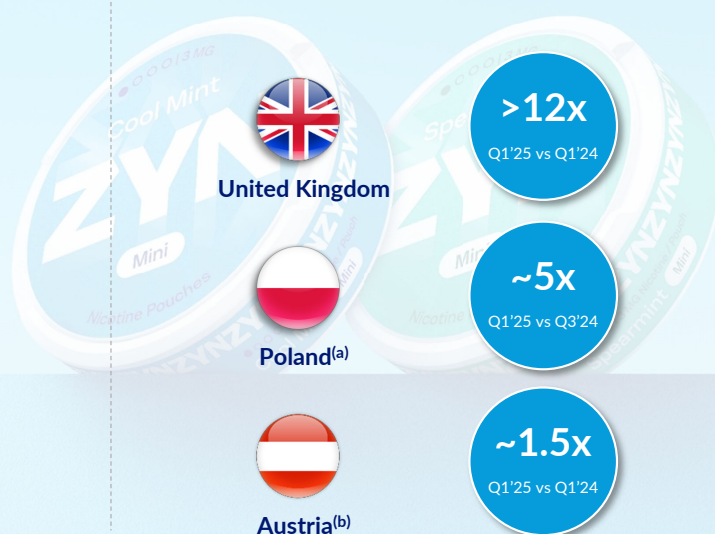


## ZYN: Accelerated Geo-Expansion and Growth Across Europe

Europe Nicotine Pouch Shipments  
(million cans)



Nicotine Pouch IMS



(a) ZYN launched in Poland in Jul'24 (b) ZYN launched in Austria in Feb'25, in addition to existing nicotine pouch brand THUNDER.  
Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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## ZYN: Vertical and Horizontal Portfolio Focusing on LAS

Nicotine Levels

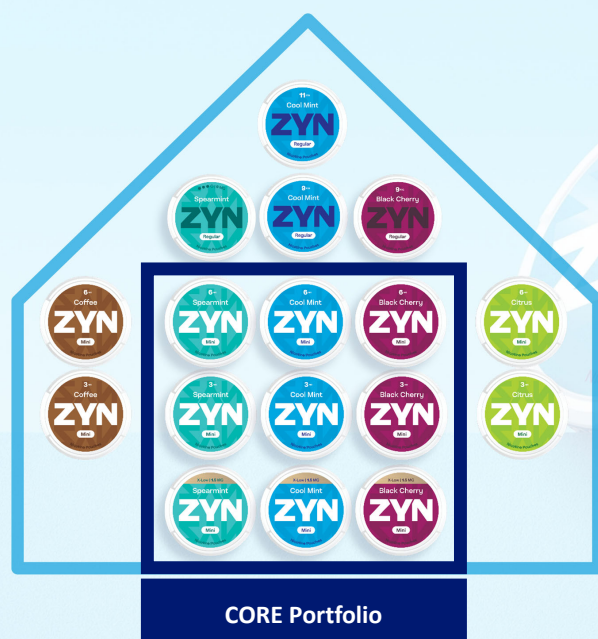
11 mg

9-10 mg

6 mg

3-4 mg

1.5 mg



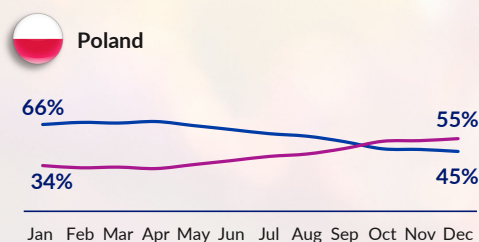
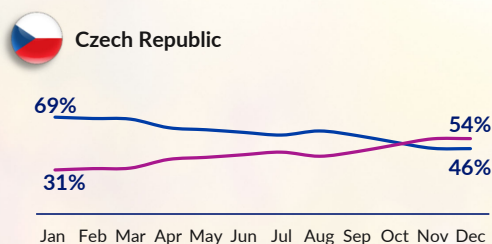
- Mini Dry portfolio designed for LAS to switch
- Mini >50% of ZYN portfolio outside of Nordics (Q1'25)
- Slim Moist for existing Nicotine Pouch LAU in mature geographies

Note: Products shown reflect illustration of ZYN portfolio, non-exhaustive. LAS stands for Legal-Age Smokers, LAU stands for Legal-Age Users.  
Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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# VEEV ONE: Pods Leadership Growing Rapidly After Launch

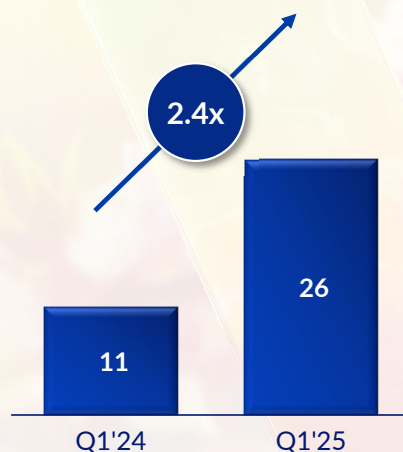
## Closed E-Vapor Market (Pods vs Disposables) (IMS 2024)



— Disposables — Pods

(a) Based on Mar/ Apr '25 (based on availability) offtake third party data (Nielsen or equivalent). Estonia based on Dec'24.  
Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

## VEEV ONE Shipments (million pods)



## Top-3 pod brand in 13 European markets<sup>(a)</sup> in <24 months



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## Latest Innovation: VEEV inPRIME



- Anchored in 'Vaping Made Right' strategy for responsible, profitable growth
- Reinforce leadership in closed pod segment with proprietary technology
- Key benefits (vs. VEEV ONE):
  - Bigger cloud size, delivering a superior sensory experience with higher intensity of flavors
  - Larger battery capacity & faster charging
  - Responsive draw™ sensorial feedback
  - Up to 1,400 puffs/ pod (vs 1,000 puffs of VEEV ONE)
  - 80% of pod & device components are recyclable
  - Device body made from 75% recycled aluminium
  - Optimized cost profile

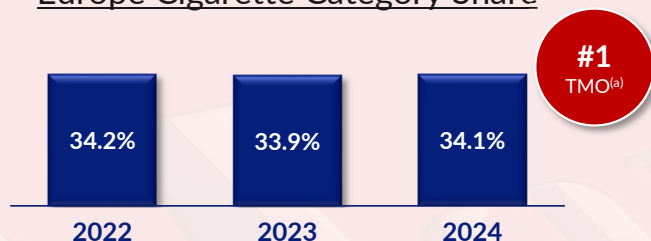
Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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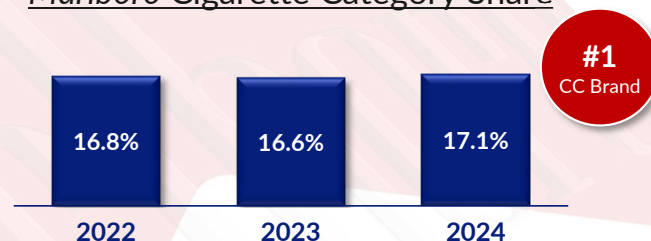


## Secured CC Leadership and Value Creation to Fuel SFP Growth

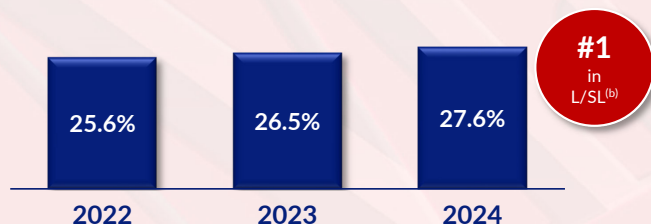
### Europe Cigarette Category Share



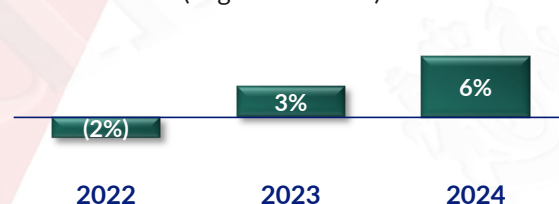
### Marlboro Cigarette Category Share



### PMI Share in Low/ Super Low CC Segment



### Europe Combustible Net Revenues (% growth vs. PY)<sup>(c)</sup>



(a) TMO for Trade Mark Owner. (b) L/SL for Low/ Super Low. (c) Excluding currency. Source: PMI Financials or estimates. Europe Investor Focus Event, presented June 24, 2025

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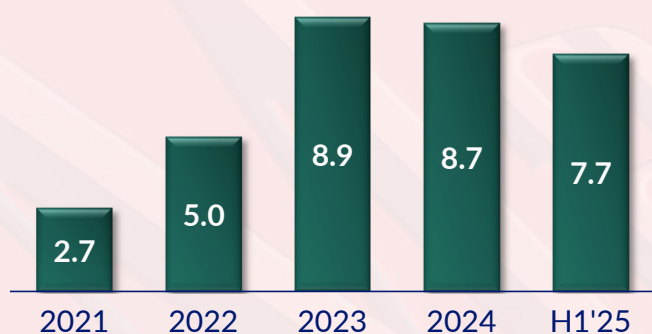
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## Section 4: Combustibles Strategy and Performance

## Combustibles: Robust Model, Strong Pricing & Profit Growth

Combustible Pricing  
(% organic growth vs. PY)<sup>(a)</sup>



Combustible Gross Profit  
(% organic growth vs. PY)

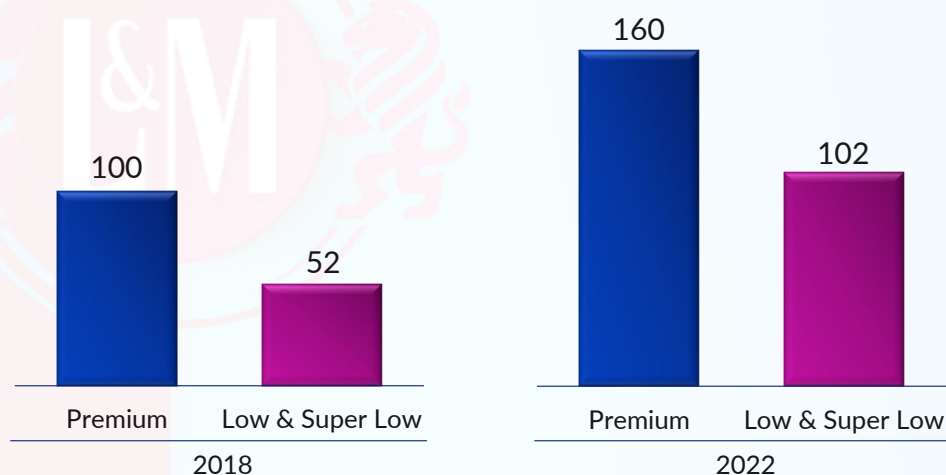


(a) Pricing variance is based on adjusted net revenues. Source: PMI Financials or estimates. Q2, 2025 Earnings, presented July 22, 2025

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## Unit Rates Attractive Across Price Points

Cigarette Net Revenue Unit Rates  
Top 10 PMI Pricing Markets  
(index = Premium 2018)



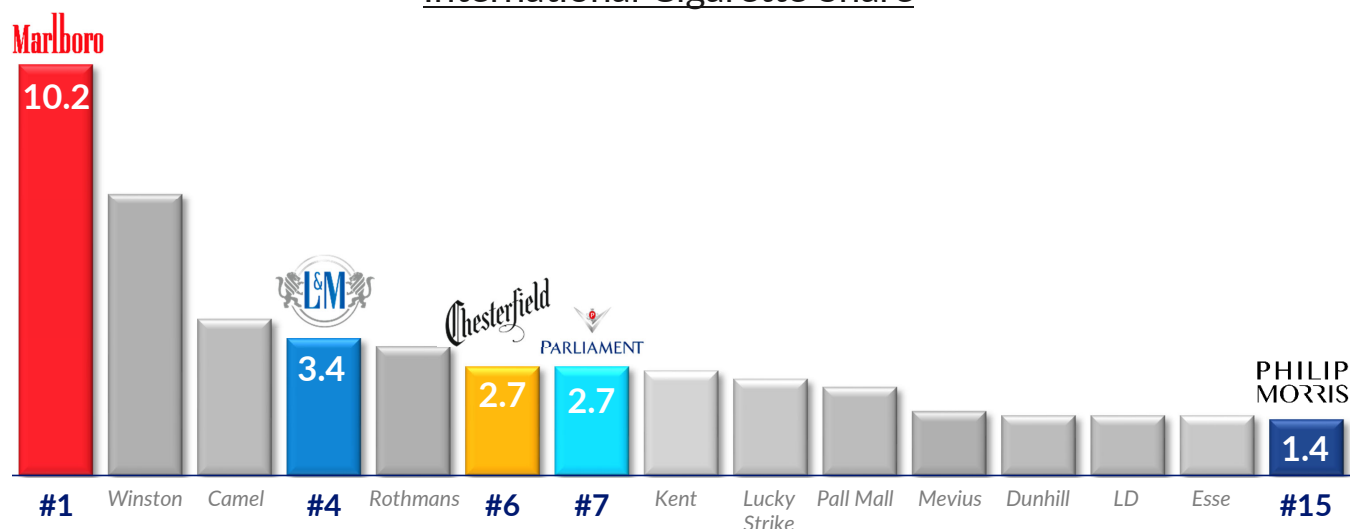
Note: Unit rates are net revenues per '000 sticks, evolution indexed in local currency, aggregated for Top 10 PMI pricing contribution markets (2018-2022)  
Source: PMI Financials or estimates. Investor Day 2023, presented September 28, 2023

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## PMI Cigarettes: Top-15 International Brands (2024)

(%)

International Cigarette Share<sup>(a)</sup>



**PMI Owns Five of the World's Top-15 International Cigarette Brands**

(a) In-market sales volume of cigarette brand as a percentage of total estimated sales volume for cigarettes

Note: Excluding China and the U.S. Philip Morris includes Philip Morris, Philip Morris Dubliss, and Philip Morris/Dubliss. Marlboro includes Marlboro, Marlboro Chesterfield and Crafted by Marlboro. Includes cigarillos in Japan. Source: PMI Financials or estimates as of July 10, 2025

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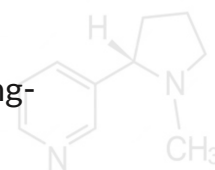
PHILIP MORRIS  
INTERNATIONAL

Championing a Smoke-Free World

## Section 5: Tobacco Harm Reduction: Regulatory & Science

# Nicotine: The Science is Clear, Societal Understanding is Evolving

- Nicotine is addictive and not risk-free but is not the primary cause of smoking-related diseases
- Nicotine consumption changes the levels / release of chemicals like dopamine which can enhance mood, cognitive skills (e.g. attention and memory), but does not cause intoxication and is not functionally impairing
- Nicotine carries little risk for healthy adults at levels typical of consumer nicotine products
- Many authorities<sup>(a)</sup> have looked extensively at the components of cigarette smoke and consistently conclude that nicotine is not a carcinogen and therefore does not cause cancer



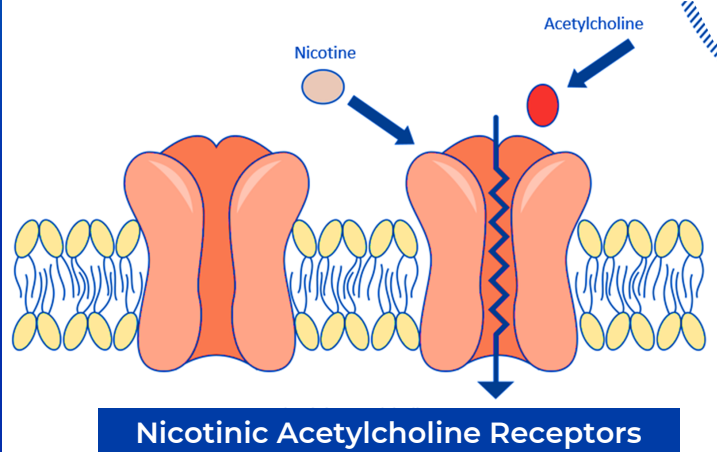
(a) Includes WHO, US FDA, IARC, US HHS.

Source: Newhouse 2004, Benowitz 2009, Mayer 2014, Satel 2015, Gottlieb 2017, Royal College of Physicians, UK NHS, Various. CAGNY 2025, presented February 19, 2025

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## Nicotine is a Neuromodulator

Can Enhance Mood, Cognition, and Memory ... and More



### Nicotine Induced Neurotransmitter Release<sup>(a)</sup>

<b>Dopamine</b>	Pleasure, appetite suppression
<b>Noradrenaline</b>	Arousal, appetite suppression
<b>Acetylcholine</b>	Arousal, cognitive enhancement
<b>Glutamate</b>	Learning, memory enhancement
<b>Serotonin</b>	Mood modulation, appetite suppression
<b>β-Endorphin</b>	Reduction of anxiety and tension
<b>GABA</b>	Reduction of anxiety and tension

Note: Nicotine is reinforcing and can lead to withdrawal symptoms and craving which lead people to continue to consume it. Source: (a) Benowitz 2008 (DOI: 10.1038/clpt.2008.3).

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# Nicotine Does Not Cause Cancer

## Public Health Organizations Have Not Categorized Nicotine as a Carcinogen

Original Investigation

### Does nicotine replacement therapy cause cancer? Evidence from the Lung Health Study

Robert P. Murray, John E. Connett, & Lisa M. Zazulka

(a)

In the US FDA's List of Harmful and Potentially Harmful Constituents<sup>(b)</sup> they Classify **Nicotine** as a Reproductive and Developmental Toxicant and Addictive—**not a Carcinogen**

Constituent

Carcinogen (CA), Respiratory Toxicant (RT), Cardiovascular Toxicant (CT) Reproductive or Developmental Toxicant (RDT), Addictive (AD)

Nicotine

RDT, AD

(c)

Extracted from IARC Monograph 83 "Table 1.14. Carcinogens in Cigarette Smoke"

Chemical Class	Number of Carcinogens	Representative Carcinogens	
Polycyclic aromatic hydrocarbons (PAHs) and heterocyclic hydrocarbons	15	Benzo[ <i>a</i> ]pyrene Benz[ <i>a</i> ]anthracene	Dibenz[ <i>a,h</i> ]anthracene Furan
N-Nitrosamines	8	4-(Methylnitrosamino)-1-(3-pyridyl)-1-butanone (NNK) N'-Nitrosonornicotine (NNN)	
Aromatic amines and Heterocyclic amines	12	4-Aminobiphenyl	2-Naphthylamine
Aldehydes	2	Formaldehyde	Acetaldehyde
Phenolic compounds	2	Catechol	Caffeic acid
Volatile hydrocarbons	7	Benzene Isoprene	1,3 Butadiene
Other organic compounds	12	Ethylene oxide	Acrylonitrile
Metals and metal compounds	8	Cadmium	Polonium-210

Source: (a) Murray 2009 (DOI: 10.1093/ntr/ntp104); (b) US FDA "Harmful & Potentially Harmful Constituents in Tobacco Products & Tobacco Smoke"; (c) IARC Monograph 83: "Tobacco Smoke & Involuntary Smoking".

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# Nicotine Content

Category-Specific Nicotine Contents are Not Comparable Because They Do Not Consider Use Behaviors or Nicotine Delivery



**Range: 7.2-18.3 mg**  
nicotine / cigarette <sup>(a)</sup>

Depends on the amount of tobacco and tobacco blend.



**Range: 4-6 mg**  
nicotine / stick \*

Depends on the variant amount of tobacco and tobacco blend.



**Range: 3-36 mg/mL**  
EU & UK = 40 mg / 2 mL e-liquid <sup>(b)</sup>

2 mL e-cigarette in not a single use product, it will typically last for hundreds of puffs.

*Note per Tobacco Product Directive:*  
20 mg/mL = max. nicotine strength  
2 mL = max. e-cigarette tank size



**Median: 9.5 mg**  
nicotine / pouch <sup>(c)</sup>

Range of nicotine in pouches is broad. The most popular brands contain less nicotine.

*Note:*  
≤20 mg = In many existing standards  
≤16.6 mg = Recommendation German Federal Institute for Risk Assessment

Based on a number of sources reporting mg/g of tobacco and approximated. Numbers are approx. for comparative purposes and products with higher nicotine exist in some markets.  
Source: (a) Kozlowski et al. 1998 (DOI: 10.1136/tc.7.4.369), (b) Nicotine vaping in England: 2022 evidence update, (c) BfR (2022), Health risk assessment of nicotine pouches (bund.de).

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# Nicotine Levels Were Similar Across Product Use Groups

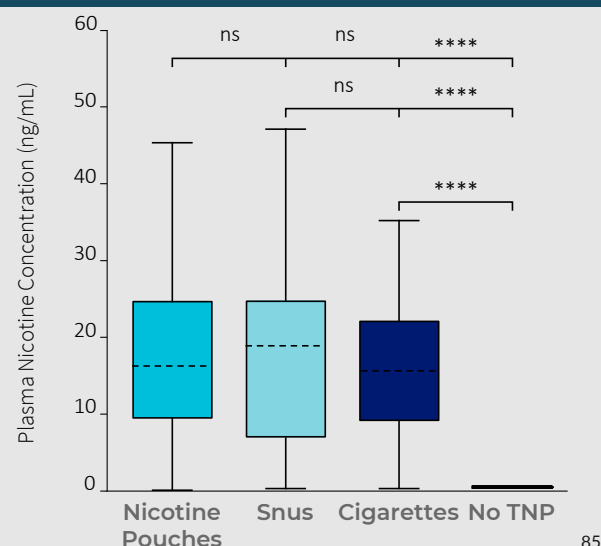
Despite Differences in Products, Nicotine Content and Nicotine Extraction

## Study Design



Source: ISRCTN38557348 (SM22-03) Pramfalk et al., (submitted).

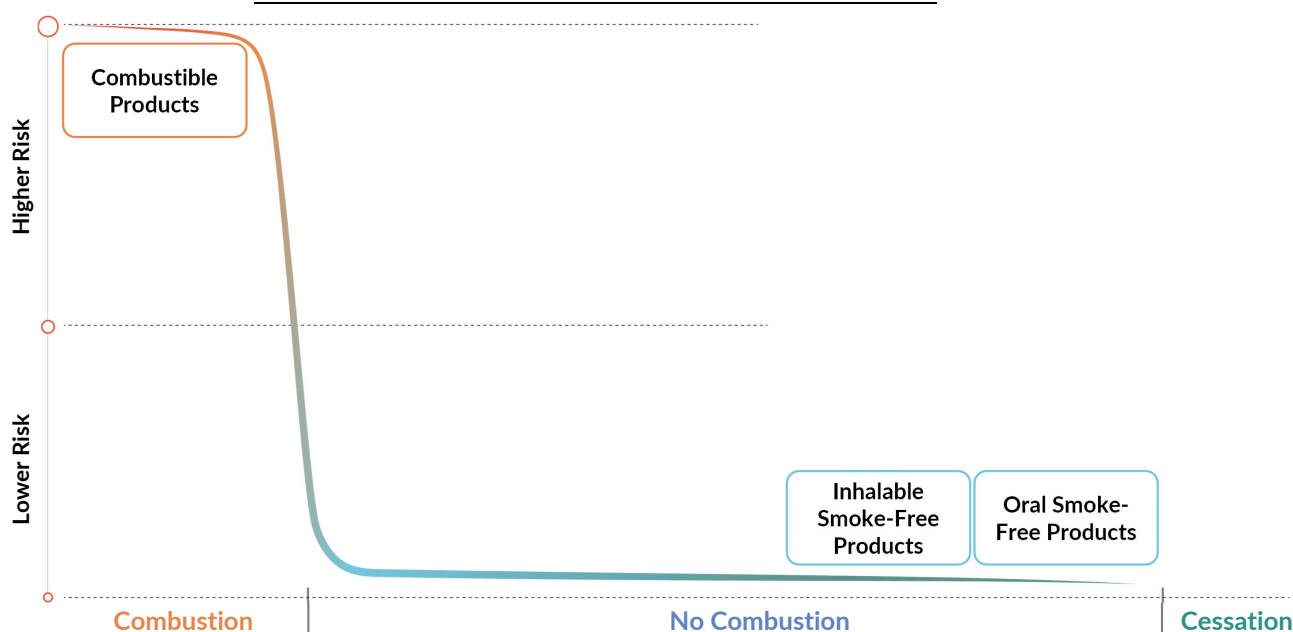
## Plasma Nicotine Concentrations By Product Use Group



85

# The Science is Clear: SFPs Are A Much Better Alternative

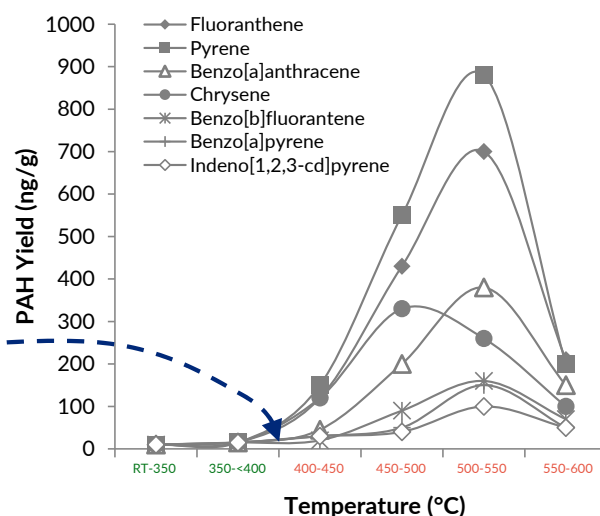
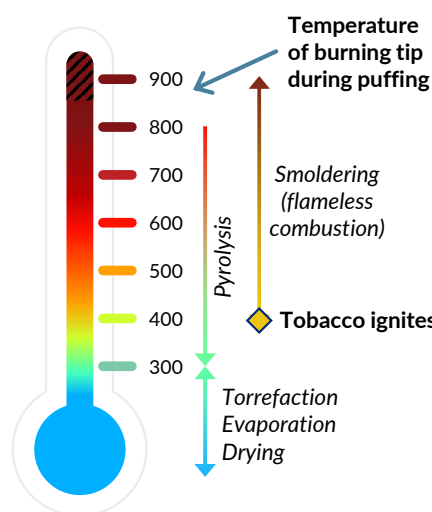
## Tobacco Harm Reduction: Continuum of Risk



Note: Charts are used for illustrative purposes; not to scale. Combustible Products include cigarettes, cigars and cigarillos. Inhalable Smoke-Free Products include Heat-not-Burn and e-vapor. Oral Smoke-Free Products include nicotine pouches and snus. Source: CAGNY 2024, presented February 21, 2024

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# Cigarette Combustion Causes Harm to Health



*As the Temperature Increases Beyond the Ignition Point of Tobacco the HPHC Emission Increases*

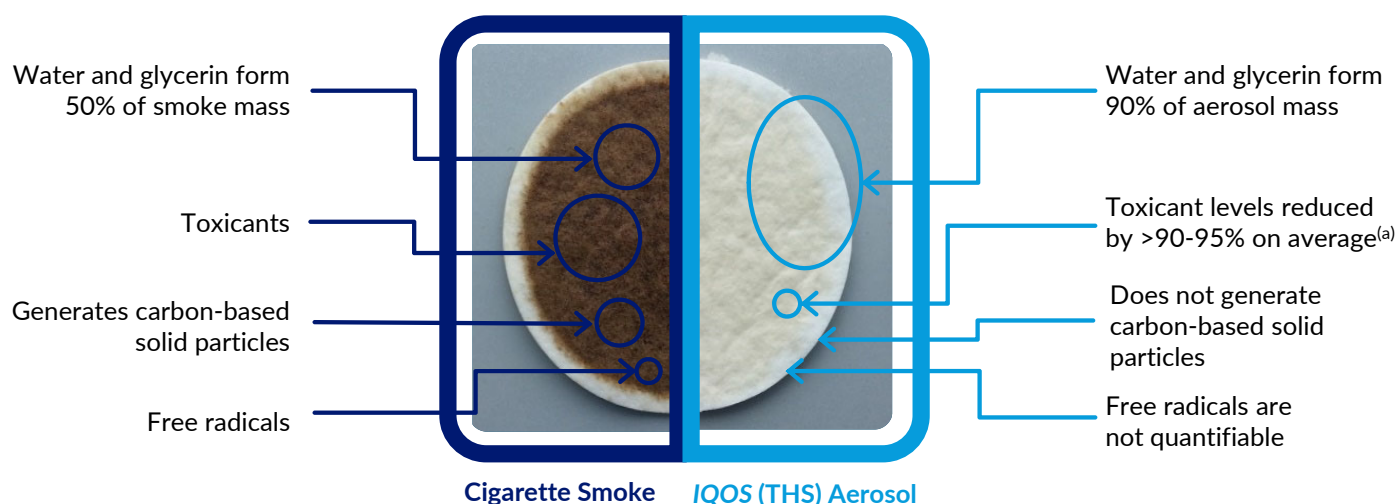
Note: HPHC stands for Harmful and Potentially Harmful Constituent. PAH stands for polycyclic aromatic hydrocarbons

Source: Left chart: Cozzani, 2020 (DOI: 10.1016/j.tca.2019.178475); right chart: McGrath, 2007 (DOI: 10.1016/j.fct.2006.12.010). Investor Day 2023, presented September 28, 2023

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# The Difference Between Cigarette Smoke & IQOS (THS) Aerosol

## Heated Tobacco Aerosol Chemistry & Physics



*Smoke and Aerosol Were Collected on a Cambridge Filter Pad in Accordance with the Health Canada Intense Puffing Regimen*

(a) 90-95% reduced levels of toxicants represents the average reductions in levels of a range of harmful chemicals (excluding nicotine) compared to the smoke of a reference cigarette

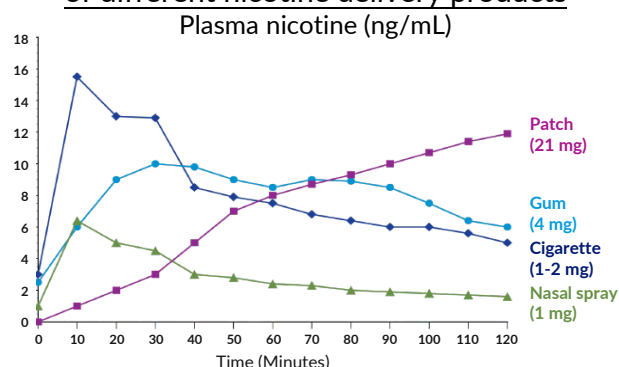
Note: THS here stands for Tobacco Heating System. The residue on the filter pad are from 5 cigarettes and 5 THS respectively.

Source: Ghosh, 2014 (DOI: 10.2478/cttr-2014-0008) and Shein M and Geschke G, hem. Res. Toxicol. 2019, 32, 6, 1289-1298, <https://doi.org/10.1021/acs.chemrestox.9b00085>. Investor Day 2023, presented September 28, 2023

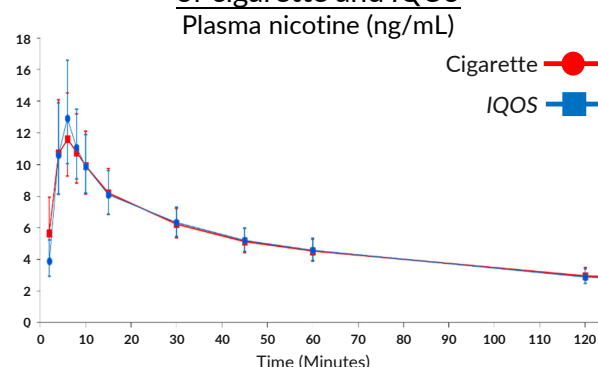
88

## IQOS: Nicotine Pharmacokinetic Profile

Levels of nicotine in the blood following use of different nicotine delivery products



Levels of nicotine in the blood following use of cigarette and IQOS



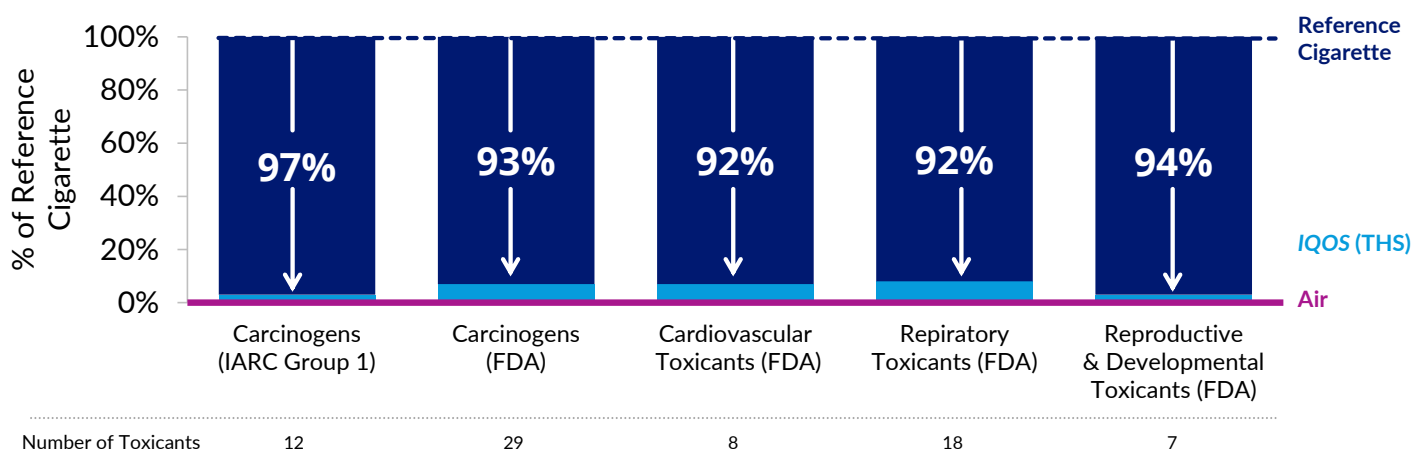
- The amount and rate of nicotine absorbed by the body is influenced by the route of absorption
- No notable difference in the nicotine absorption between cigarette and IQOS

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## Reduced Toxicant Formation in IQOS (THS) Aerosol

### Heated Tobacco Aerosol Chemistry & Physics

Average Reduction in Formation of Harmful or Potentially Harmful Constituents of IQOS (THS) Relative to Reference Cigarette, by Disease Category<sup>(a)</sup>



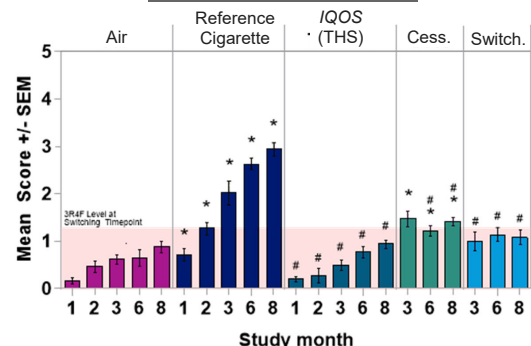
(a) Analysis of the 54 Harmful or Potentially Harmful Constituents as defined by FDA. Includes Health Canada, the WHO and the FDA-18 lists of HPHCs  
Note: THS here stands for Tobacco Heating System. Health Canada's Intense Puffing Regime. Comparison on a per-stick basis (excluding nicotine). Reference Cigarette = 3R4F: University of Kentucky Reference Cigarette  
Source: Investor Day 2023, presented September 28, 2023

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# Mouse Toxicology Study – Findings in Lung & Vascular System After IQOS (THS) Exposure

ApoE<sup>-/-</sup> Mice Exposed for 8 Months, 3 h/day and 5 days/week to IQOS (THS) Aerosol

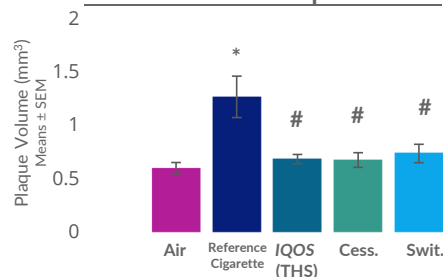
## Pulmonary Emphysema



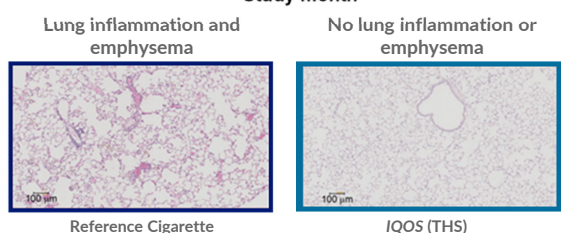
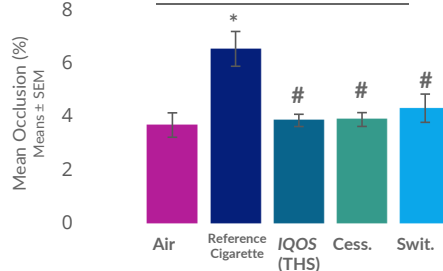
C57BL/6 ApoE<sup>-/-</sup>

\*: different from air (p<0.05)  
#: different from reference cigarette (p<0.05)

## Atherosclerotic Plaque Volume



## Aortic Arch Occlusion



Note: THS: Tobacco Heating System; Reference Cigarette = 3R4F: University of Kentucky Reference Cigarette. Source: Phillips, B et al. (2016) Toxicol Sci 149(2): 411-432. Source: Investor Day 2023, presented September 28, 2023

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# Comparison of Exposure to HPHCs in Cigarettes, Swedish Snus and Nicotine Pouches

## Cigarettes



- Exposure to over 6000 chemicals, including high levels of carcinogens and toxicants affecting the lung, heart and other organ systems <sup>(a)</sup>
- Exposure to ~100 HPHCs
- Lung exposure to carbon-based nanoparticles and free radicals
- Lung exposure to 600 mg/m<sup>3</sup> total particulate matter

## Snus



- Exposure to a much lower number of chemicals overall with significantly lower exposure to carcinogens and toxicants affecting the lung, heart and other organ systems.
- Exposure to 15<sup>(b)</sup> HPHCs out of 36 HPHCs measured <sup>(c)</sup>
- No exposure to carbon-based nanoparticles and free radicals
- No direct lung exposure

U.S. FDA authorized marketing with modified risk claim for diseases.

"Using General Snus instead of cigarettes puts you at a lower risk of mouth cancer, heart disease, lung cancer, stroke, emphysema, and chronic bronchitis." U.S. FDA Oct. 22, 2019

## Nicotine Pouches



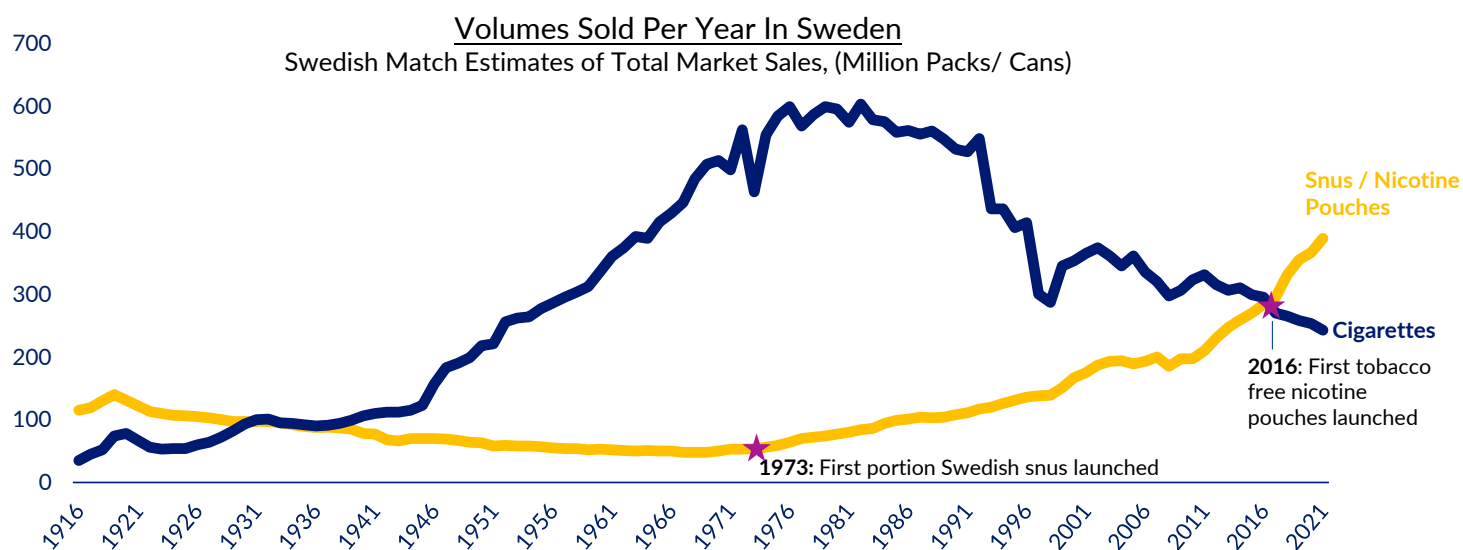
- Exposure to harmful chemicals even lower compared to Snus
- Exposure to 4<sup>(b)</sup> HPHCs out of 36 HPHCs measured <sup>(c)</sup>
- No exposure to carbon-based nanoparticles and free radicals
- No direct lung exposure

(a) Rodgman A, Perfetti TA. The chemical components of tobacco and tobacco smoke. Boca Raton (FL): CRC Press, Taylor & Francis Group; 2013  
(b) Excluding nicotine

(c) Back et al. BMC Chemistry (2023) 17:9, <https://doi.org/10.1186/s13065-023-00918-1>  
Source: Investor Day 2023, presented September 28, 2023

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# Oral Tobacco Products and Cigarette Sales in Sweden



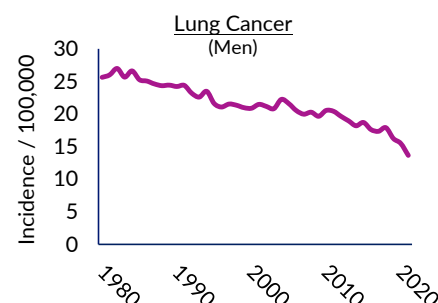
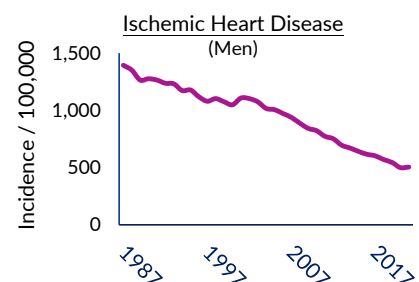
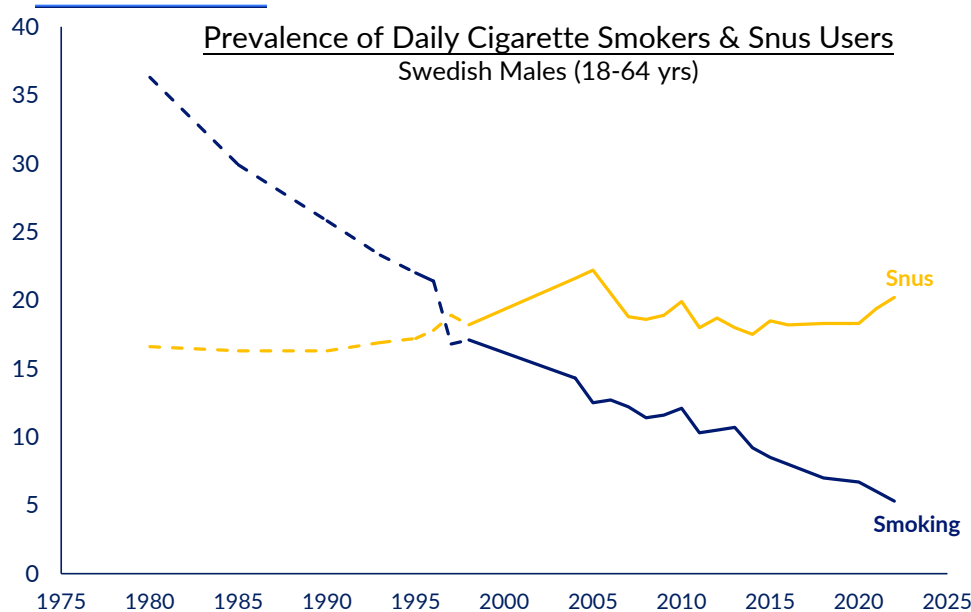
Note: Temporal associations do not demonstrate cause and effect and are subject to inherent limitations. Specific factors associated with changing cigarette sales volumes over time have not been fully analyzed. 20 cigarettes per pack; 21 estimated average pouches in can for snus and nicotine pouches. Source: [1] Swedish Match estimates; Scientific Literature [2] Ramström 2016 (DOI: 10.3390/ijerph13111110); [3] Clarke 2019 (DOI: 10.1186/s12954-019-0335-1); [4] Furberg 2005 (DOI: 10.1136/tc.2005.012476); [5] Ramström 2006 (DOI: 10.1136/tc.2005.014969); [6] Rodu 2002 (DOI: 10.1046/j.1365-2796.2002.01057.x). Jefferies Virtual Reduced Risk Seminar, presented May 7, 2024

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## Real-World Data and Evidence on Harm Reduction in Sweden



Usage Rates of Snus and Cigarettes in Swedish Men Correlate With a Reduction in Tobacco Related Diseases



Note: Temporal associations do not demonstrate cause and effect and are subject to inherent limitations. Specific factors associated with changing daily smoker prevalence, ischemic heart disease and lung cancer over time have not been fully analyzed. Source: Incidence Data - Swedish National Board Of Health And Welfare, Statistical Database (Accessed 5/2023); Prevalence Data: 1980-1998 - Henningfield J, Fagerstrom K Tobacco Control 2001;10:253-257; 2004-2022 - National Public Health Survey/Living Habits/ Tobacco And Nicotine (Accessed 6/2023). Investor Day 2023, presented September 28, 2023

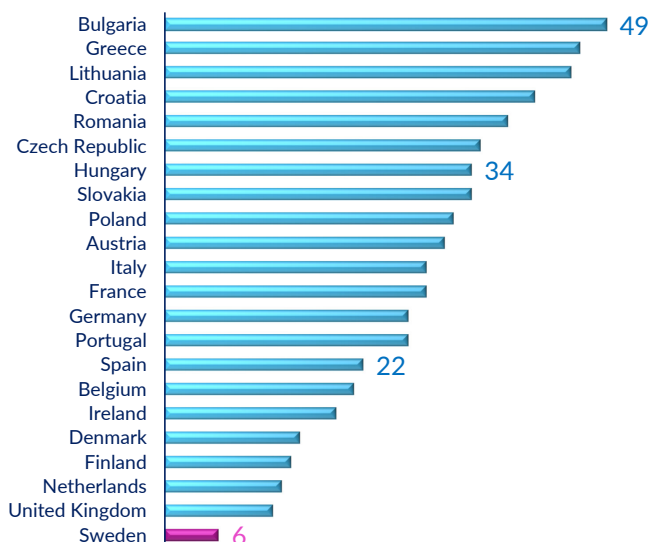
94



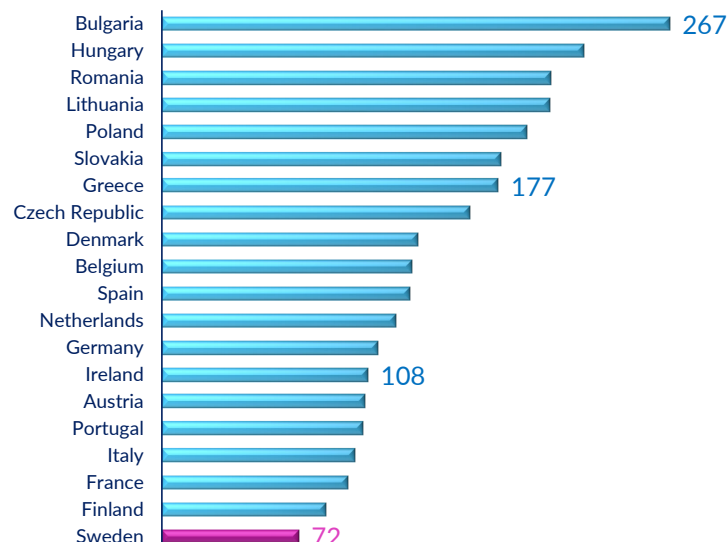
# Sweden: Lowest Male Smoking Prevalence and Tobacco-Attributable Mortality in EU



**Male Smoking Prevalence**  
(2020)



**Male Deaths per 100,000 Attributable to Tobacco**  
(2019)



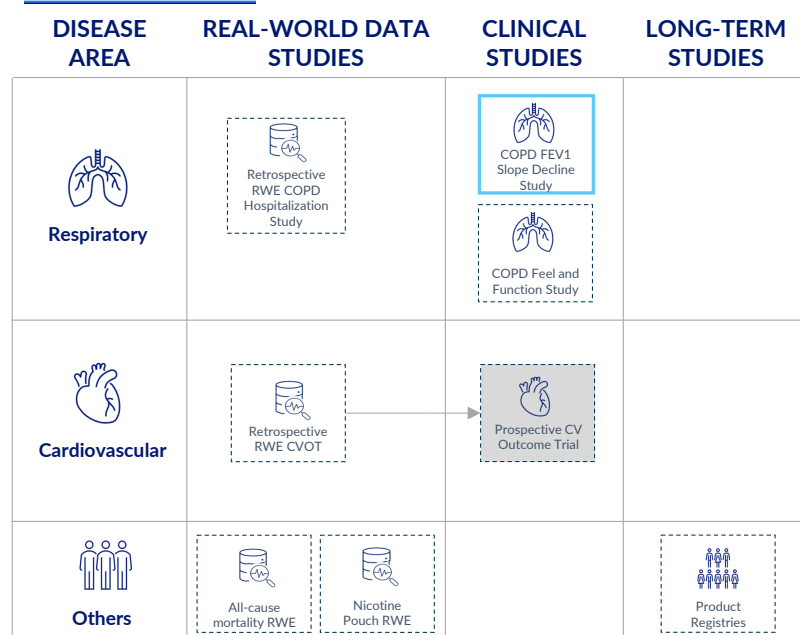
Note: The charts in this slide do not demonstrate cause and effect and are subject to inherent limitations

Source: Dataset Special Eurobarometer 506: Attitudes of Europeans towards tobacco and electronic cigarettes, February 2021 Lars M. Ramström: National availability of snus is clearly associated with lower rates of mortality attributable to tobacco—while country-level implementation of WHO tobacco control measures is not, Global Forum on Nicotine 2022, <https://gfn.events/new-research/lars-m-ramstrom-2022/>, CAGNY 2024, presented February 21, 2024

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## Future Evidence Generation For Relative Risk Reduction

Studies to Show Substantial Evidence on Major Smoking Related Diseases – Our Roadmap



### Core Strategy to Show Substantial Evidence in Diseases

- Focus on Epidemiology / Real-World Evidence
- Healthcare Utilization, e.g., hospitalization
- Demonstrate Direct Clinical Benefit:
  - Feel / Symptoms
  - Function / Activity
  - Survival / Mortality

Legend: Ongoing (blue outline), Planned (dashed blue outline), Plan-B (dotted blue outline). COPD = Chronic Obstructive Pulmonary Disease, CV = Cardiovascular

CVOT = Cardiovascular Outcome Trial

RWE = Real-World Evidence

Source: Investor Day 2023, presented September 28, 2023

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## Integrity of Our Scientific Assessment

- Adhere to internationally recognized standards including Good Laboratory Practices and Good Clinical Practices
- Follow international test guidelines (e.g., OECD TG) and make nonguideline methods publicly available
- Share the raw data from our published nonclinical studies with the scientific community
- The methods and results from the IQOS systems toxicology studies, submitted to the FDA as part of our MRTP applications, were subjected to scientific scrutiny through the sbv IMPROVER methodology<sup>(a)</sup>
- Welcome independent studies of our SFPs. Encourage others to undertake serious non-clinical and clinical studies with IQOS
- Believe our consumers deserve our unwavering commitment to help them fully understand the benefits of switching to SFPs

*We believe our scientific research capabilities are on par with the best in the life science industries*

**541**  
Publications & Book Chapters

**314**  
Toxicological Assessments

**32**  
Clinical Assessments

**76**  
Perception & Behavior Studies

(a) sbv IMPROVER stands for Systems Biology Verification combined with Industrial Methodology for Process Verification in Research  
Note: SFPs stands for Smoke-Free Products. All figures 2008 – 2024. Source: PMI Financials or estimates

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## SFPs: Independent Verification on PMI Science

(Select Governmental Reports)



**Greek Ministry of Health (Greece, 2023)** "The concentration of chemical substances with recognized toxicity produced when using IQOS with HEETS AMBER tobacco sticks is lower compared to conventional smoking... The best choice is to quit tobacco and nicotine use altogether." In February 2025, the Greek Ministry of Health authorized a substantially similar claim and disclaimer for IQOS ILUMA devices with seven TEREVA variants.



**Superior Health Council of Belgium (SHC) (Belgium, 2022):** "e-cigarettes are substantially less harmful than smoking cigarettes and therefore are a better alternative for smokers [...] the vast majority of the risks of tobacco smoking are not caused by nicotine, but by the harmful substances that are released by the combustion of tobacco"



**Superior Health Council of Belgium (SHC) (Belgium, 2020):** "heat-not-burn products, while not safe, have a more favorable toxicity profile than cigarettes"



**China National Tobacco Quality Supervision and Test Centre (China, 2019):** "THS 2.2 delivered fewer harmful constituents than the conventional cigarette 3R4F."



**Federal Institute for Risk Assessment (BfR) (Germany, 2018):** "The herein confirmed reductions of relevant toxicants by about 80-99% are substantial."



**Food and Drug Administration (FDA) (U.S., 2018):** "The independent testing performed by STL [FDA's Southeast Tobacco Laboratory] confirmed the lower levels of selected [harmful and potentially harmful compounds] HPHCs in the aerosol from the HeatSticks compared to mainstream cigarette smoke."



**Public Health England (UK, 2018):** "Compared with cigarette smoke, heated tobacco products are likely to expose users and bystanders to lower levels of particulate matter and harmful and potentially harmful compounds. The extent of the reduction found varies between studies."



**National Institute for Public Health and the Environment (RIVM) (the Netherlands, 2018):** "The use of heatsticks with the IQOS is harmful to health, but probably less harmful than smoking tobacco cigarettes."



**UK Committee of Toxicology (UK, 2017)** "It is likely that there is a reduction in risk, though not to zero, to health for smokers who switch completely to heat-not-burn tobacco products."

Note: To date, several governmental agencies have published their scientific findings that analyze the harm-reduction potential of certain SFPs versus continuing smoking, including the above select examples. Refer to Form 10-Q for the quarter ended June 30, 2025, for additional information. SFPs stands for Smoke-Free Products

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# Countries Recognize the Relationship Between Tax Levels and the Different Risk Profiles of Nicotine & Tobacco Products

(Select Governmental Reports)



## Italy: Court of Auditors Opinion on Budget 2023

'The downward **differentiation** of these products (if referring to HTPs) theoretically responds to the **principle that the level of excise duties should have a correspondence with the extent of the social damage** caused by the consumption of these products.'



## Austria: Explanatory Notes to Tobacco Tax Act 2022

'As a result of changes to the Tobacco Tax Act 2022, the tobacco tax for cigarettes, cigars, cigarillos, fine-cut tobacco and tobacco for heating is to be further restricted or adjusted in moderate steps in order [...] In addition, '**harm reduction**' considerations should also be included in taxation.'



## Poland: Parliamentary Office of Legislative Analysis

'Meanwhile, a distinction should be made between the proven **harmfulness of different forms of nicotine supply**.'

'Based on the opinion (point IV) and possible studies (point V), arrange the excise tax in accordance with the message **less harm less tax**.'



## Romania: Fiscal Code Art 439

'The non-harmonized excise duties are **special taxes** applied to the following products with **reduced risk potential**:

- **Heated tobacco products** - **Liquids containing nicotine** - **Products intended for inhalation without combustion, containing tobacco substitutes, with or w/o nicotine**.'



## Czech Republic: The Action Plan Addiction Policy 2023-2025

'**Tax settings** should be sought that take **increased account of the risk profile of individual products**, i.e., the aim is to set the tax (price) of alternative tobacco and nicotine products appropriately in relation to the price of tobacco products intended for smoking, and thus **economically motivate smokers to switch to less risky alternatives to smoking**.'



## Sweden: Government Press Release on Taxation

'For snus, however, **there are reasons to lower that tax** instead. The tax on snus is today clearly lower than the tax on cigarettes and smoking tobacco, **because cigarettes and smoking tobacco are considered to pose a greater health risk**. The difference should be further reflected.'



## Ukraine: MoF Expert Opinion, 2024

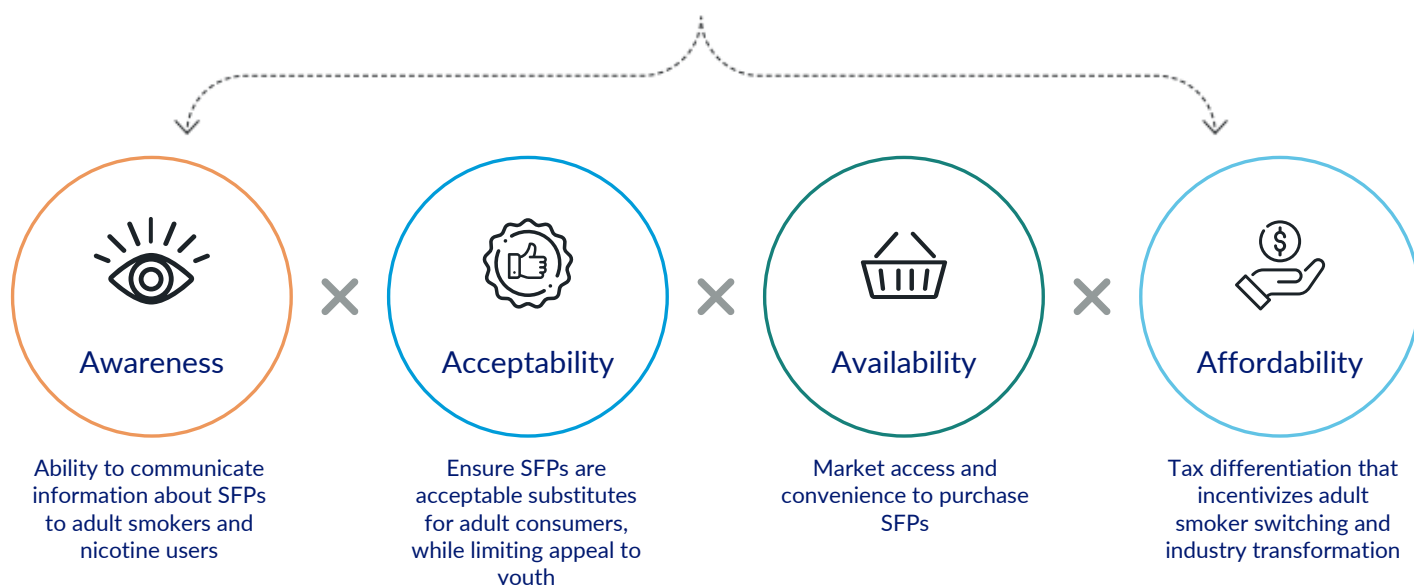
'In addition, the implementation of the proposed excise policy, namely in terms of excise tax rates for HnB products, will create the conditions for the **gradual replacement of traditional cigarette smoking with less harmful alternative tobacco products** [...]

Source: Europe Investor Focus Event, presented June 24, 2025

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## Policy Principles to Better Enable Switching to SFPs

Government regulations should aim to support smoke-free products through greater:

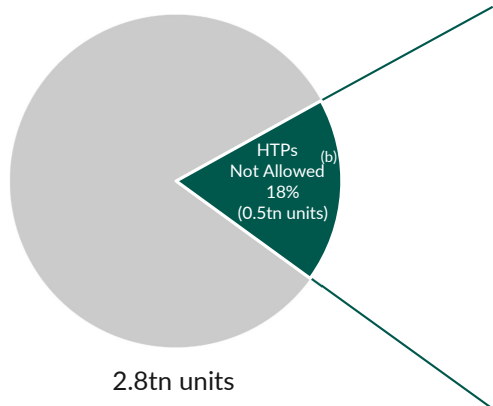


Source: Investor Day 2023, presented September 28, 2023

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## Restrictive Regulations Prevent Adult Smoker Access to Better Alternatives in Many Markets (Presented at Investor Day 2023)

2022 International Market<sup>(a)</sup>  
Cigarette + HTU Industry Volume



Top Industry Volume Markets

	2022
Turkey	117bn
India	101bn
Vietnam	86bn
Brazil	64bn
Argentina	30bn

80%  
of Total  
'Non-Accessible'  
Market Volume

Top PMI Net Revenue / Unit Markets  
vs. PMI International Cigarette Average

	2022
Hong Kong	3.1x
Australia	2.7x
Singapore	2.6x

(a) International market excluding China and including cigarillos in Japan

(b) Reflects markets where heated tobacco products are banned or otherwise subject to significant market access barriers

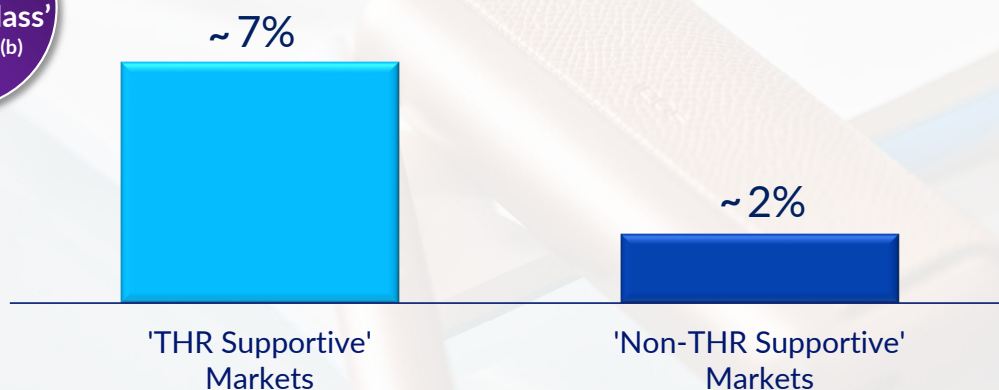
Source: PMI Financials or estimates. Investor Day 2023, presented September 28, 2023

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## Restrictive Regulations Limit SFP Growth

Median PMI HTU Market Share<sup>(a)</sup>

~15%  
'Best-in-Class'  
Markets<sup>(b)</sup>



(a) Reflects median quarterly HTU market share six years after the launch of IQOS

(b) 'Best-in-Class' Markets reflect the median share of the top-five 'THR Supportive' Markets

Note: Reflects markets (i) where IQOS has been present for at least six years and (ii) qualify as PMI top-40 income markets for 2022. 'THR Supportive' markets reflect markets that have regulations that are generally more permissive with respect to communication and awareness building for heated tobacco products compared to cigarettes

Source: PMI Financials or estimates. Investor Day 2023, presented September 28, 2023

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## Cost of Regulatory Inaction

### Encouraging progress being made in many countries – however:

- A failure to acknowledge the role that harm reduction can play in bringing about the end of cigarettes seriously hinders the ability of adult-smokers to switch to better alternatives
- The science is clear – it is no longer a case of *IF* smoke-free alternatives are better than cigarette smoking, but *BY HOW MUCH* they are better
- Many policymakers perceive it as safer to abstain from the debate rather than be seen as “siding” with the industry by adopting risk reduction policies
- Not making a decision on smoke-free products today is a decision in and of itself – and it’s a decision with consequences
- Governments and public health authorities must act – quickly and decisively – rather than remaining tied to outdated approaches that have failed to solve the problem of smoking

***Embracing harm reduction will accelerate the end of smoking***

Source: Investor Day 2023, presented September 28, 2023

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## Global Excise Tax Environment

- In general, governments recognize that revenue predictability and collection efficiency can be enhanced by regular and reasonable excise tax increases, high proportion of specific elements in excise tax structures, multi-year tax calendars and income or inflation indexation:
  - Over the last 10 years, the large majority of the key markets where we operate have shifted their tax structure to include a higher specific tax element while lowering ad valorem rates
- EU excise tax:
  - Reasonable current EU harmonized framework covering smoking tobacco products, providing governments with structural flexibility between specific, ad valorem and minimum excise tax tools
- Excise taxes on smoke-free products significantly different from cigarettes in many geographies, consistent with tobacco harm reduction potential

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# EU Regulation: Tobacco Products Directive (TPD, 2014)



*Applies to all tobacco products (smoking and smokeless), e-cigarettes, herbal products for smoking; doesn't apply to new categories such as nicotine pouches*

## TPD aims to

- Facilitate the smooth functioning of the internal market while ensuring a high level of health protection, especially for youth

## TPD harmonizes

- Ingredients
- Health warning labels
- Market access (ban on snus)
- Tracking and tracing

## Member states

- Are free to regulate sales channels, smoking & use of SFPs in public places, age limits for tobacco and nicotine containing products purchase

Source: Europe Investor Focus Event, presented June 24, 2025

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# Heated Tobacco Products (HTPs)



## • Harmonized under TPD:

- **Market Access** – notification/authorization in EU Member States<sup>(a)</sup>
- **Flavors** – characterizing flavor<sup>(b)</sup> ban from 2023 as extension of 2014 TPD
- **Packaging / Labelling**
  - Smokeless differentiated text-based health warning labels
  - Branded packaging permitted with only Finland, Ireland and Denmark requiring plain packaging

- **Member states:** scientifically substantiated 'off-pack' consumer information on reduced formation permitted in Portugal, Italy, Cyprus and Greece based on product authorization

(a) In Malta, a heritage ban of all smokeless products remaining in National law. (b) Under the TPD, a characterizing flavor refers to a clearly noticeable smell or taste other than one of tobacco, resulting from an additive or a combination of additives. Source: Europe Investor Focus Event, presented June 24, 2025

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## E-Cigarettes



- **Harmonized under TPD:**
  - **Market Access** – notification
  - **Packaging / Labelling**
    - Text-based health warnings for nicotine containing e-cigarettes
    - Branded packaging permitted with only Finland and Denmark requiring plain packaging
  - **Nicotine limits** at 20mg/ml, pod size 2ml, and bottle size on open tanks 10ml
- **Member states:**
  - **Flavors** – 8 EU member states (& Norway) have flavor restrictions in place
  - **Disposable e-cigarettes** – banned or due to be banned in France, Belgium, United Kingdom, with other regulators considering the same

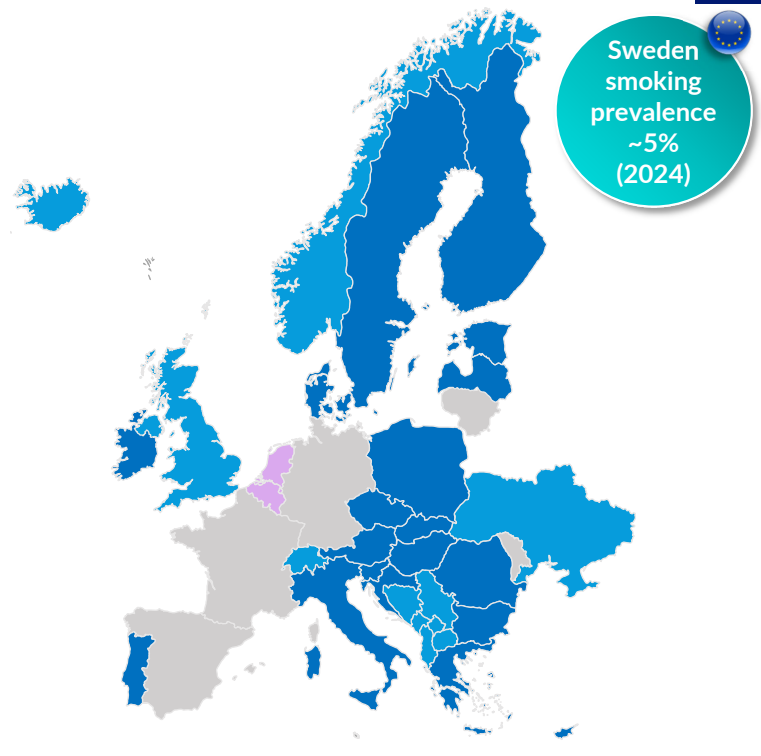
Source: Europe Investor Focus Event, presented June 24, 2025

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## Nicotine Pouches

*Regulations dealt with at a national level in EU Member States, as they are not regulated under the current Tobacco Products Directive (TPD)*

- Market Access – EU member states
- Market Access – non-EU member states
- Category ban
- Restricted Access or proposed ban/restriction



Source: Public Health Agency of Sweden. Europe Investor Focus Event, presented June 24, 2025

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# EU Regulation: Tobacco Excise Directive (TED, 2011)

*Applies to manufactured tobacco products (cigarettes, fine-cut tobacco, cigars, cigarillos, and other smoking tobacco), doesn't apply to e-cigarettes and new categories such HTPs and nicotine pouches*

## TED aims to

- Ensure the proper functioning of the internal market by preventing tax-related distortions
- Support public health protection

## TED harmonizes

- Excise tax categories of manufactured tobacco products
- The principles of taxation inc. tax structure & base (e.g., ad valorem and/or specific; weight of tobacco or per stick)
- The minimum excise tax levels to be applied per each category

## Member states

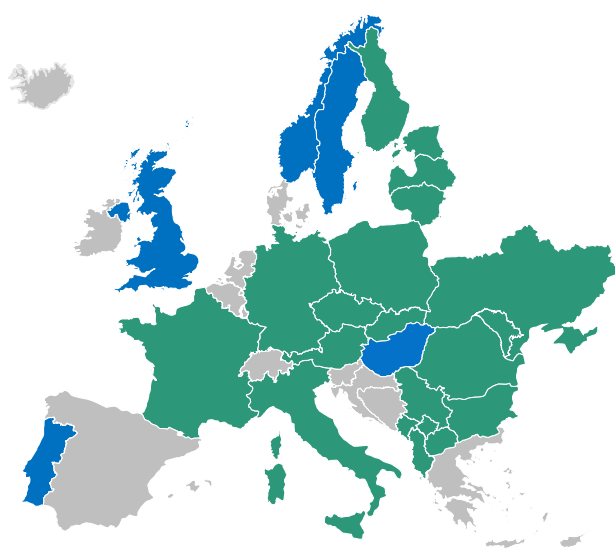
- Are free to apply excise duty rates above the minimum, according to their own national needs

Source: Europe Investor Focus Event, presented June 24, 2025

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# Predictability Through Long-Term Excise Tax Plans

Long-term excise tax plans (LTPs) typically foster stability and predictability for industry and government revenues



## Long-term Tax Plans (21)

Austria (2023-2025)  
Italy (2023-2026)  
Kosovo (2022-2025)  
Montenegro (2023-2025)  
Serbia (2021-2025)  
Albania (2022-2026)  
France (2023-2026)  
Monaco (2023-2026)  
Germany (2023-2026)  
Latvia (2024-2026)  
Moldova (2024-2026)  
Romania (2023-2026)  
Czech Republic (2023-2027)  
Finland (2024-2027)  
Lithuania (2024-2027)  
Poland (2025-2027)  
Estonia (2023-2028)  
Slovakia (2025-2028)  
Ukraine (2025-2028)  
Bulgaria (2025-2029)  
North Macedonia (2024-2030)

## Automatic Adjustment (5)

Norway (CPI, annually)  
Portugal (based on avg EU WAP<sup>(a)</sup>)  
Sweden (CPI, annually)  
United Kingdom (RPI + 2%, annually)  
Hungary (CPI, annually)

## No LTP or indexation (16)

Andorra  
Belgium  
Bosnia & Herzegovina  
Canary Islands  
Croatia  
Cyprus  
Denmark  
Greece  
Iceland  
Ireland  
Luxembourg  
Malta  
Monaco  
Netherlands  
Slovenia  
Spain  
Switzerland

(a) Weighted Average Price. Source: Europe Investor Focus Event, presented June 24, 2025

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# EU Regulation: Tobacco Advertising Directive (TAD, 2003)

*Applies to all tobacco products and e-cigarettes; doesn't apply to new categories such as nicotine pouches*

## TAD aims to

- Eliminate barriers to the internal market
- Ensure a high level of health protection

## TAD harmonizes

- Ban on cross-border tobacco advertising in print media, radio, and online
- Ban on certain sponsorship of events or activities with cross-border effects

## Member states

- Are free to regulate their own advertising rules within their territories

Source: Europe Investor Focus Event, presented June 24, 2025

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# Legislative procedures of EU Tobacco Directives

- TPD and TAD: Ordinary legislative procedure:
  - College of Commissioners (27 Commissioners) adopts proposals for new/revision of a directives
  - The European Commission submits a proposal to the Council and the European Parliament
  - The Council and Parliament adopt the proposal by qualified majority<sup>(a)</sup> and simple majority, respectively
- TED: Special legislative procedure:
  - College of Commissioners will adopt the proposal for the revision of TED
  - The Commission submits the proposal to the Council
  - The Council must adopt unanimously by all 27 member states (Parliament is only consulted)
- Member states must then transpose the directive into national law within a set deadline

(a) Qualified majority: at least 15 out of 27 EU member states must vote yes and those 15 countries must represent at least 65% of the EU's total population.  
Source: Europe Investor Focus Event, presented June 24, 2025

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## EU Regulatory and Fiscal Developments (1/2)

- Increasing number of countries incorporating Tobacco Harm Reduction into fiscal and regulatory legislative processes
- EU Tobacco Excise Directive ("TED"):
  - In July 2025, the EU Commission published a legislative proposal for the revision of the 2011 EU Tobacco Excise Directive.
  - The proposal intends to review minimum excise tax rates for combustible tobacco products and expands the scope of the directive to include smoke-free products, such as heated tobacco, e-cigarettes, and nicotine pouches, providing differentiated tax treatment for novel tobacco and nicotine containing products.
  - This proposal marks the beginning of the formal legislative process which requires unanimous approval by all EU Member States and subsequent transposition of TED into national legislation in the EU 27 Member States.
  - The proposal contemplates an implementation date for this directive of January 1, 2028, and provides for an additional transitional period of four years for several categories, including heated tobacco and nicotine pouches.

Note: Indicative timelines for TED and TPD reviews according to the latest public information

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## EU Regulatory and Fiscal Developments (2/2)

- EU Tobacco Products Directive (TPD) Review:
  - The proposal for a revision of TPD is announced to be published during the mandate of this new EU Commission. Open Public Consultation on an evaluation of the existing TPD and Tobacco Advertising Directive closed on May 16, 2023.
  - Ordinary legislative procedure: EU Parliament and Council co-deciding; Qualified majority
  - Once adopted, directive to be transposed into national legislations of all 27 Member States; implementation usually requires 12 months minimum
- The TPD empowered the European Commission to withdraw the exemption from the characterizing flavor ban applicable to all tobacco products other than cigarettes and roll-your-own tobacco:
  - The Commission adopted a Delegated Directive, introducing a definition of HTP, and requiring the Member States to ban HTP with characterizing flavor, based on a "substantial change of circumstances"
  - The majority of Member States have already adopted or published laws to transpose the Delegated Directive. In the markets that enforce the provisions of the Delegated Directive, the ban is effective since October 23, 2023, and the remaining markets are expected to adopt and implement until May 2026.

Note: Indicative timelines for TED and TPD reviews according to the latest public information

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## Section 6: Sustainable Transformation

### Integrated Report 2024

→ [Full Report Available Here](#)

→ [Sustainability Strategy and Performance Highlights](#)

2015  
2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025  
2026  
2027  
2028  
2029  
2030

we were

we are transforming for good  
10 YEARS OF SMOKE-FREE

we will be

## Our Statement of Purpose

### Transforming for good



The Company is actively accelerating the decline of cigarette smoking beyond what traditional tobacco control measures can achieve alone.



PMI remains committed to accelerating the end of smoking and laying the foundations of a strong business in areas of wellness and healthcare as we strive to develop commercially successful products that have a net positive impact on society.



This means not only transforming the Company to deliver on its purpose but also inspiring the industry to follow its lead.



PMI's key stakeholder constituencies, which are fundamental to both the achieving of its purpose and to the pace of its progress, will be affected in different ways by PMI's transformation.



PMI believes that with the right regulatory encouragement and support from civil society, cigarette sales can end within 10 to 15 years in many countries.

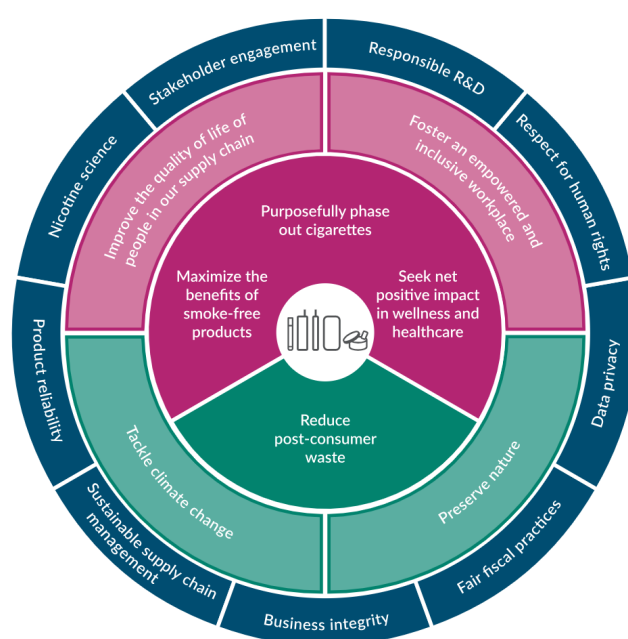


Note: Issued by PMI's Board, PMI's Statement of Purpose was published in 2022 Proxy Statement as an update to the letter to shareholders published in 2017 Proxy Statement and the Statement of Purpose published in 2020 Proxy Statement  
Source: ESG Highlights, May 2023. CECF CEO Investor Forum, presented November 14, 2023

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## Our Sustainability Strategy

- Impact-driven approach to sustainability
- Separate identification of environmental and social impacts
- Distinct forms of social and environment impacts:
  - Product impact: those impacts generated by our products (what we produce)
  - Operational impact: those impacts generated by our business operations (how we produce)
- 8 impact-driven strategies: 4 on product impacts + 4 on operational impacts
- 9 governance-related topics define our ability to successfully address environmental and social issues



Source: Q2, 2023 Earnings, presented July 20, 2023

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## Sustainability: Business Transformation Metrics

	2015	2022	2023	2024	Aspirations
Number of markets where smoke-free products are available for sale <sup>(a)</sup>	7	73	84	95	100 by 2025
Number of markets where >50% of net revenues are smoke-free	-	17	25	23	~60 by 2030
Number of markets where >75% of net revenues are smoke-free	-	-	3	6	~40 by 2030
Commercial expenditure (Marketing) (smoke-free/total)	8%	74%	74%	78%	
Change in combustible tobacco product shipment volume (billion units) vs. 2015 baseline <sup>(a)</sup>	n/a	(26.8)%	(27.9)%	(27.6)%	
R&D expenditure ratio <sup>(a)</sup> (smoke-free/total)	69.6%	98.8%	99.4%	99.5%	
Supply chain direct spend <sup>(a)</sup> (smoke-free/total)	n/a	43%	41%	40%	
Number of factories producing smoke-free products out of total number of factories <sup>(a)</sup>	3 out of 48	14 out of 49	16 out of 50	16 out of 51	

(a) See Appendix.

Note: Select Business Transformation Metrics displayed. Source: PMI Financials or estimates.

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## Sustainability at the Core of Our Transformation

- Driving shareholder returns is dependent on delivering on transformation
- Product transformation at the core of sustainable growth and becoming a more sustainable company
- Increasingly direct link to our executive compensation

### Performance Share Unit Metrics

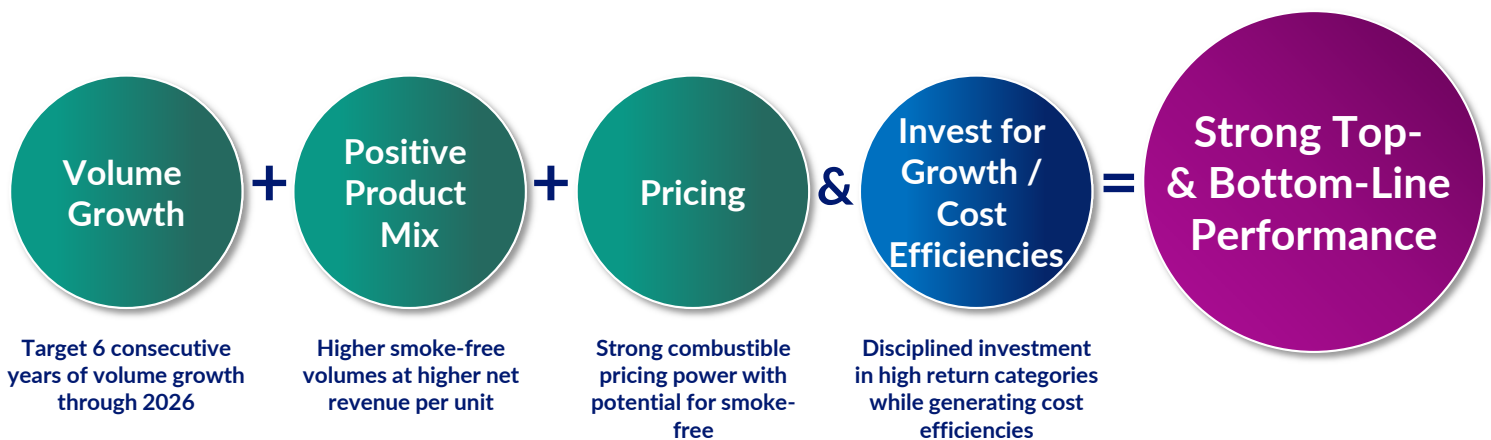




## Section 7: 2024-2026 Targets and 2030 Vision

7

### Strong Overall Financial Model for Sustainable Growth



*Delivering sustainable growth while investing and rewarding shareholders*

## Ambitious 2024-2026 Targets (Presented at Investor Day 2023)

**Positive**

Total Shipment  
Volume CAGR<sup>(a)</sup>

**6-8%**

Net Revenue  
Organic CAGR

**8-10%**

Adjusted OI  
Organic CAGR

**9-11%**

Adjusted Diluted EPS  
Currency-Neutral CAGR<sup>(b)</sup>

(a) Reflects cigarettes, HTUs and oral smoke-free products (excluding U.S. Chew)

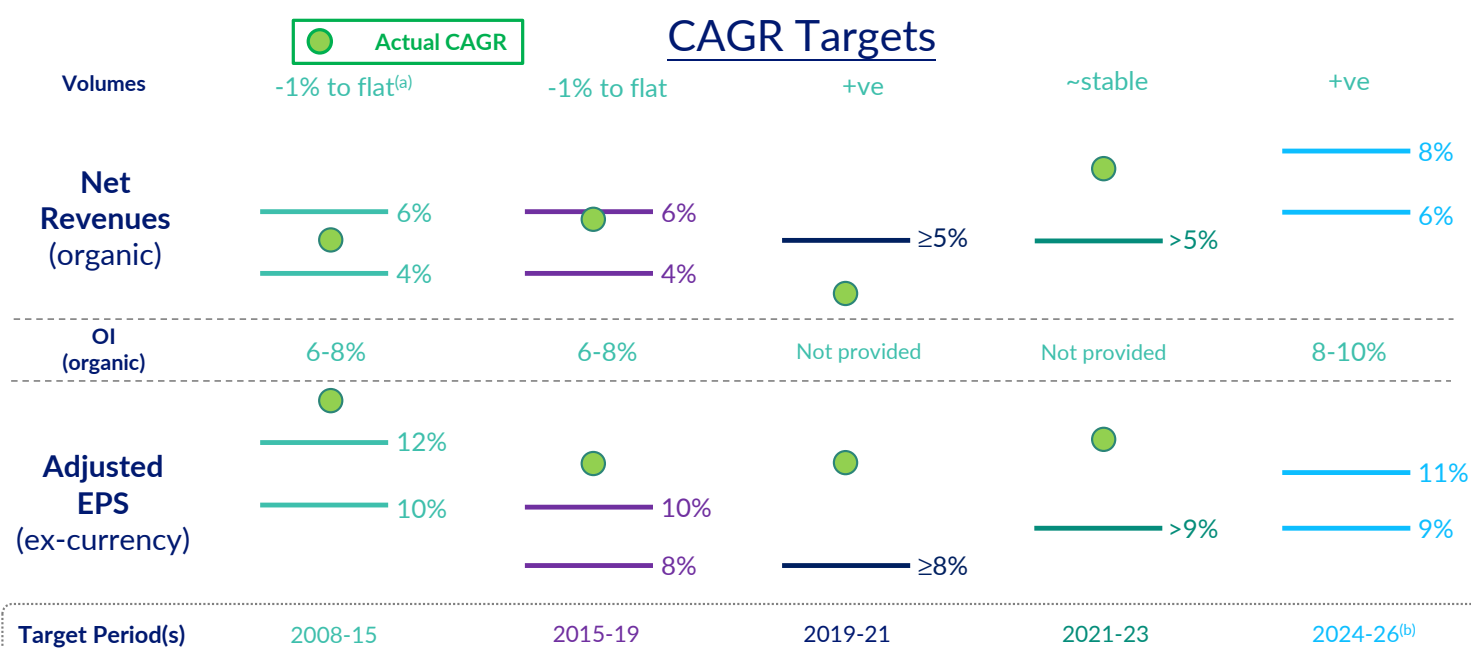
(b) At 2023 corporate income tax rates

Note: Growth rates presented on an organic basis reflect currency-neutral adjusted results, excluding acquisitions.

Source: PMI Financials or estimates. Investor Day 2023, presented September 28, 2023

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## Enhanced Quality & Quantum of Growth As We Transform



(a) -1% to flat from 2014 onwards, target from '08 spin was +1%, achieved +0.2% over '08-'13. (b) At 2023 corporate income tax rates. Note: Net revenue and adjusted EPS actual CAGRs for the 2017-19 and 2019-21 periods reflect "like-for-like" performance, adjusted for the deconsolidation of RBH in 2019.

Source: PMI Financials or estimates. Based on CAGNY 2025, presented February 19, 2025

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## 2030 Ambition: Substantially Smoke-Free



50-75% net revenues ~20 markets

>75% net revenues ~40 markets

Note: Smoke-free markets are markets where PMI smoke-free products are available in key cities or nationwide  
Source: PMI Financials or estimates. CAGNY 2024, presented February 21, 2024

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## Section 8: Capital Structure and Shareholder Returns

## Strong, Sustainable Growth & Returns

### Top-Line

- High single-digit organic growth: Volumes, pricing & smoke-free mix

### OI Growth

- Robust margin expansion: Pricing, smoke-free mix & cost efficiencies

### USD Delivery

- Best-in-class organic growth enables USD growth over time  
Improving currency profile, growth levers on pricing & cost

### Deleveraging

- Growing EBITDA, strong cash conversion

### Superior Total Shareholder Return

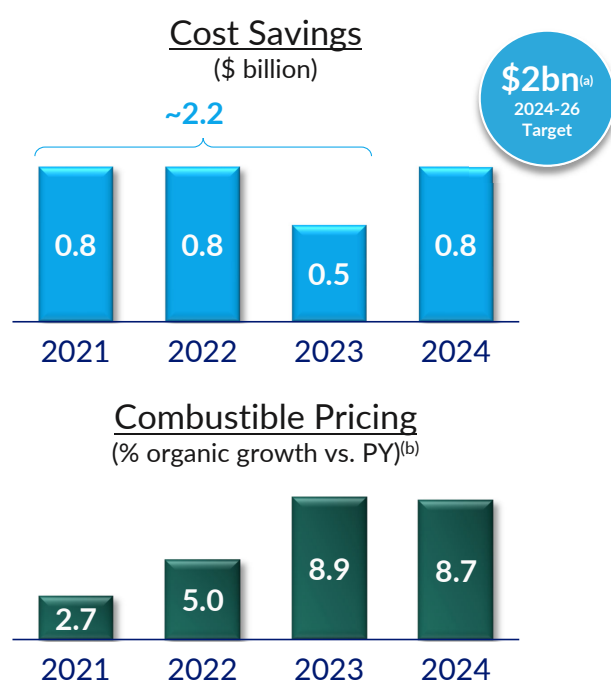
- Consistent dividend growth and future optionality

Source: PMI Financials or estimates. CAGNY 2025, presented February 19 2025

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## Additional Levers for Growth: Cost Savings & Pricing

- Pricing and efficiencies key enabler of:
  - USD growth delivery
  - Investments in U.S. and international growth
- Strong pricing power on combustibles and SFPs
- Significant cost & margin opportunities over time:
  - Manufacturing productivities
  - SG&A
  - SFP operating leverage

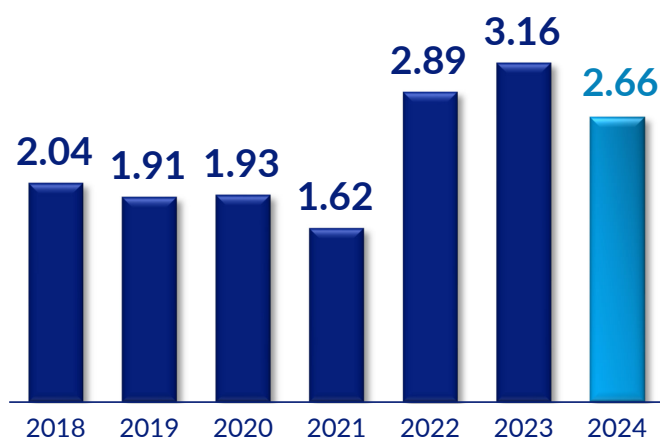


(a) Cumulative gross cost efficiencies. (b) Pricing variance is based on adjusted net revenues. Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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## Deleveraging For Future Shareholder Returns

### Net Debt to Adjusted EBITDA Ratio<sup>(a)</sup>

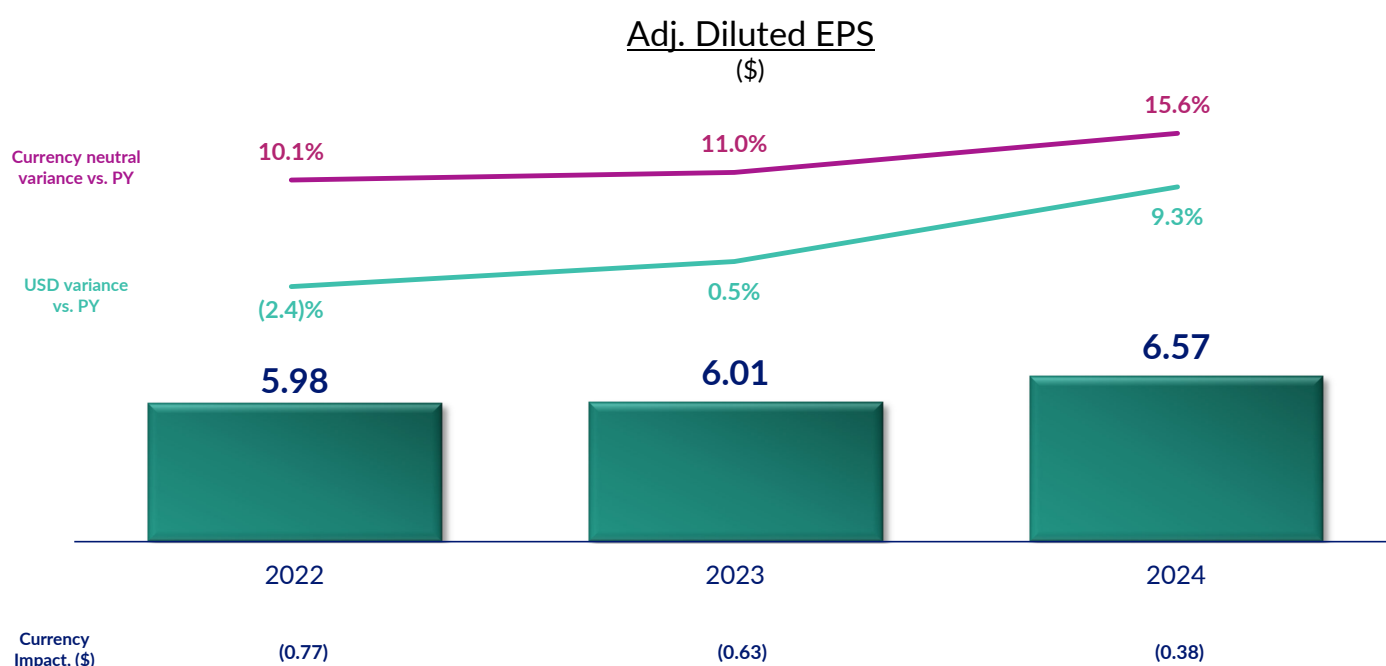


- Long-term credit ratings and outlook: A2 (Stable) / A- (Positive) / A (Stable)<sup>(b)</sup>
- Continue to target ~2.0x net debt to adjusted EBITDA by end of 2026, with further improvement in 2025
- Unwavering commitment to sustainable dividend growth
  - Long-term target payout ~75% of adjusted diluted EPS

(a) As of December 31, on a 12-month rolling basis. Source: PMI Financials or estimates  
 (b) As of June 30, 2025, reflects ratings for Moody's, Standard & Poor's and Fitch, respectively

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## Converting Currency-Neutral Growth Into USD

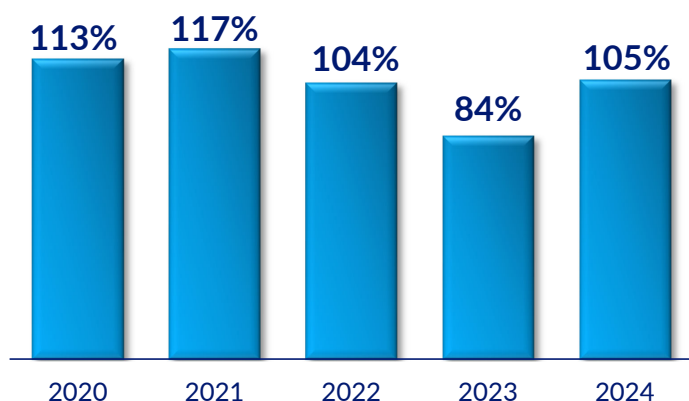


Source: PMI Financials or estimates. Based on CAGNY 2025, presented February 19, 2025

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## Strong Cash Conversion & Returns on Capital

Cash Conversion<sup>(a)</sup>  
(Free Cash Flow / Adj. Net Earnings)



Return on Invested Capital

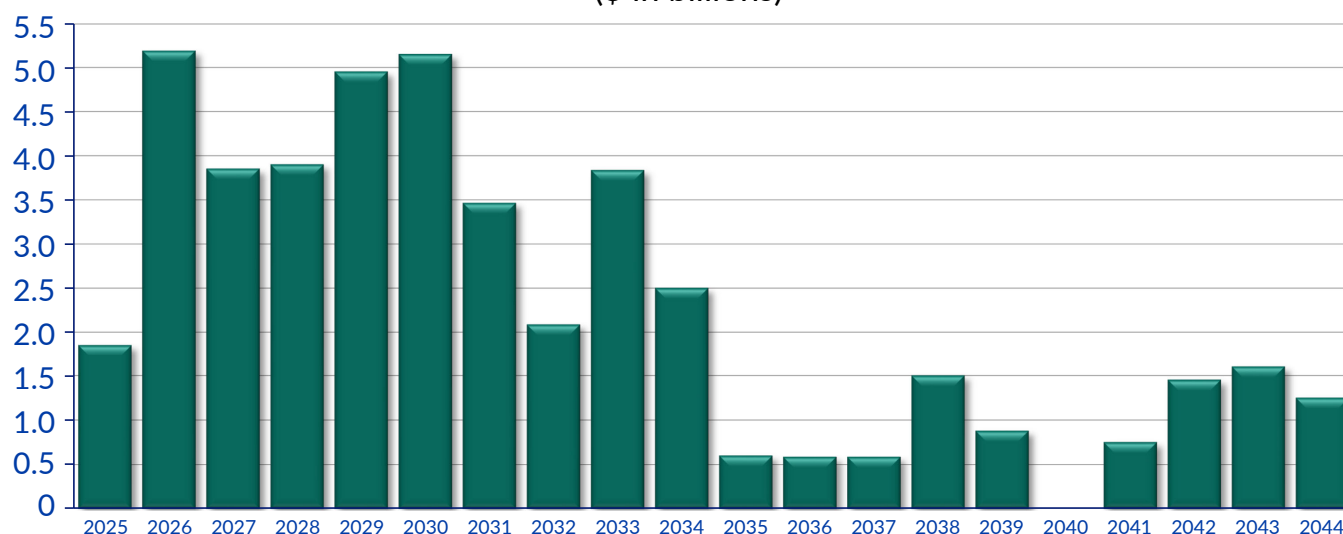


(a) Cash Conversion is calculated by Free Cash Flow / Adjusted Net Earnings attributable to PMI. (b) Return on Invested Capital from 2020 to 2024, calculated as NOPAT / (Average Shareholders Equity + Net Debt). Source: PMI Financials or estimates. CAGNY 2025, presented February 19, 2025

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## Well-Laddered Bond Portfolio

Bond Maturity Profile as of June 30, 2025  
(\$ in billions)

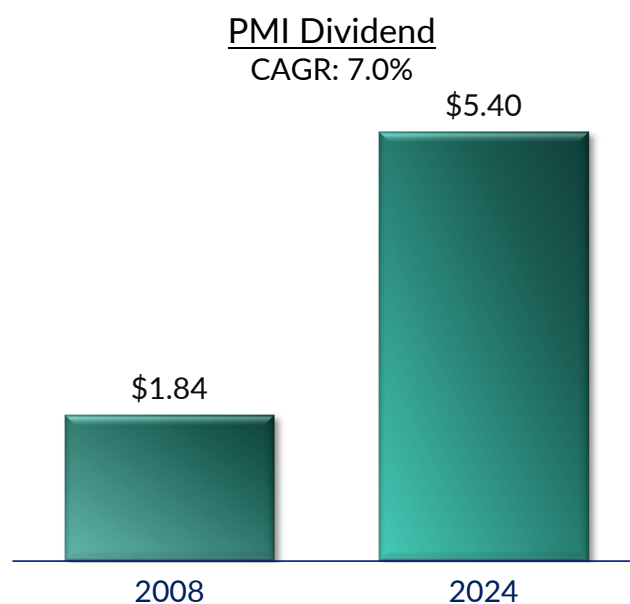


Source: PMI Financials or estimates

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## Strong Financial Performance & Rewards to Shareholders

- Unwavering commitment to progressive dividend policy
- Seventeen years of dividend growth
- Total increase of ~194% since 2008
- Target dividend pay-out ratio of 75% over time



Note: Dividends for 2008 and 2024 are annualized rates. The 2008 annualized rate is based on a quarterly dividend of \$0.46 per common share, declared June 18, 2008. The 2024 annualized rate is based on a quarterly dividend of \$1.35 per common share, declared September 12, 2024.  
Source: PMI Financials or estimates.

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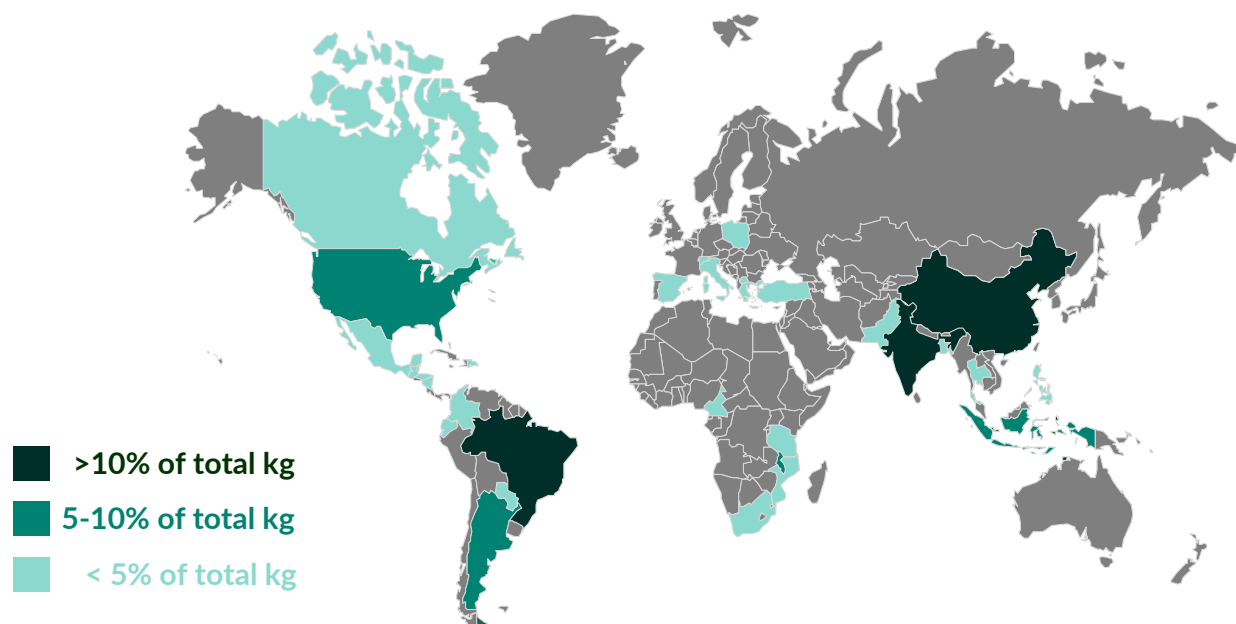
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## Section 9: Appendix and Reconciliation of non-GAAP Measures



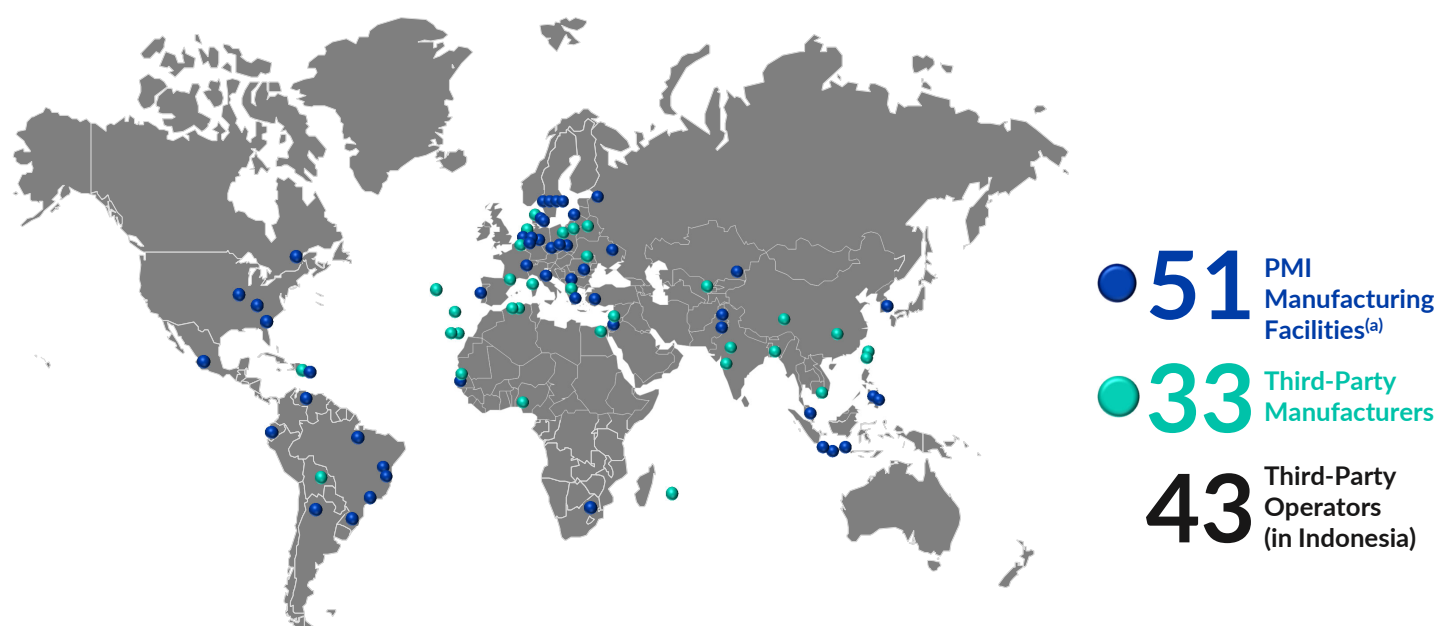
## PMI Tobacco Leaf Purchases by Geography (2024)



Note: Including Swedish Match  
Source: PMI Operations

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## PMI Manufacturing Footprint (December 31, 2024)



(a) Includes facilities in Greece, Indonesia, Italy, Korea, Poland, Romania, Russia, Switzerland and U.S. that are fully or partially dedicated to the production of Heated Tobacco Units. 16 of the 51 facilities are producing smoke-free products.  
Source: PMI Operations and Form 10-K for the year ended December 31, 2024

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# Cigarette Excise Tax Structures: Select Markets

(July 1, 2025)

Argentina		
	%	
	Nominal	RSP <sup>(f)</sup>
Social Assistance Fund (SAF) <sup>(a)</sup>	7.00	7.00
Special Tobacco Fund (STF) <sup>(b)</sup>	8.35	8.47
Excise Tax <sup>(c)</sup>	73.00	57.66
VAT <sup>(d)</sup>	21.00	4.48
Turnover Tax <sup>(e)</sup>	3.68	0.59
Tax Burden		78.20

<sup>(a)</sup> 7% x RSP  
<sup>(b)</sup>  $7.35\% \times (\text{RSP} - \text{SAF} - \text{VAT}) + \text{ARS } 67,8254$  (as of July 2025)  
<sup>(c)</sup>  $73\% \times (\text{RSP} - \text{SAF} - \text{VAT} - \text{STF})$ . Minimum excise tax: ARS 0.00  
<sup>(d)</sup>  $(\text{NEFP} + \text{Wholesaler \& Retailer margin}) \times 21\%$   
<sup>(e)</sup> NEFP x 3.68%  
<sup>(f)</sup> Based on Philip Morris soft pack (ARS 3460.00)  
 Note: NEFP is net ex-factory price

Australia	
Tobacco Excise Tax (AUD/Kg)	2,158.65
Tobacco Excise Tax (AUD/000) <sup>(a)</sup>	1,403.12
VAT (Nominal)	10.0%

Egypt			
Price Tier (RSP per pack in EGP)	1 (0 – 38.88)	2 (+38.88- 56.44)	3 (56.44+)
Ad Valorem Excise Tax (% of RSP)	50%	50%	50%
Specific Excise Tax (EGP/000)	225.0	350.0	375.0
Health Tax (EGP/000)	67.5	67.5	67.5

France	
Ad Valorem Excise Tax	55.0%
Specific Excise Tax (EUR/000)	72.70
Minimum Excise Tax (EUR/000)	378.80
VAT (Nominal)	20.0%

Germany	
Ad Valorem Excise Tax	19.84%
Specific Excise Tax (EUR/000)	117.10
Minimum Total Tax (EUR/000) <sup>(a)</sup>	241.63
VAT (Nominal)	19.0%

<sup>(a)</sup> Minimum Total Tax (MTT) also includes the VAT

Note: 20 cigarettes per pack

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# Cigarette Excise Tax Structures: Select Markets (cont.)

(July 1, 2025)

Japan	
National – Tobacco Tax (JPY/pack)	136.04
National – Special Tobacco Tax (JPY/pack)	16.40
Local Excise Tax (JPY/pack)	<u>152.44</u>
Total (JPY/pack)	304.88
VAT (Nominal)	10.0%

South Korea	
Tobacco Consumption Tax (KRW/pack)	1,007
Public Health Tax (KRW/pack)	841
Education Tax (KRW/pack)	443
Green Fund Tax (KRW/pack)	29
Individual Consumption Tax (KRW/pack)	594
Farmer's Subsidy Tax (KRW/pack)	5
Total (KRW/pack)	2,919
VAT (Nominal)	10.0%

Mexico	
Ad Valorem Excise Tax <sup>(a)</sup>	160.0%
Specific Excise Tax (MXN/000)	644.5
VAT (Nominal)	16.0%

<sup>(a)</sup> Ad valorem excise tax is 160% of manufacturer / wholesale price to retail excluding taxes (VAT and Excise)

Philippines	
Specific Excise Tax (PHP/pack) <sup>(a)</sup>	66.15

<sup>(a)</sup> January 1, 2024 onwards (+5% / year)

Poland	
Ad Valorem Excise Tax	32.05%
Specific Excise Tax (PLN/000)	345.00
Minimum Excise Tax (PLN/000)	657.95
VAT (Nominal)	23.0%

Italy	
Ad Valorem Excise Tax	49.5%
Specific Excise Tax (EUR/000)	29.50
Minimum Total Tax (EUR/000) <sup>(a)</sup>	209.30
VAT (Nominal)	18.0%

<sup>(a)</sup> Minimum Total Tax also includes the VAT

Spain	
Ad Valorem Excise Tax	48.5%
Specific Excise Tax (EUR/000)	33.50
Minimum Excise Tax (EUR/000)	150.00
VAT (Nominal)	21.0%

Turkey	
Ad Valorem Excise Tax (% of RSP)	50.0%
Specific Excise Tax (TRY/000)	525.0
Minimum Excise Tax (TRY/000)	1831.3
VAT (Nominal)	20.0%

Note: 20 cigarettes per pack

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# Cigarette Excise Tax Structure: Indonesia

(July 1, 2025)

CC – Cigarette Type	Volume Tier	Price Tier	Minimum HJE <sup>(a)</sup> (IDR/stick)		Total Excise + Regional Tax (IDR/stick)	
			Current	Previous <sup>(b)</sup>	Current	Previous <sup>(b)</sup>
Machine-Made Kretek (SKM)	Volume Tier 1 (> 3 billion units)	1	2,375	2,260	1,354.1	1,354.1
	Volume Tier 2 (≤ 3 billion units)	1	1,485	1,380	820.6	820.6
Whites (SPM)	Volume Tier 1 (> 3 billion units)	1	2,495	2,380	1,469.6	1,469.6
	Volume Tier 2 (≤ 3 billion units)	1	1,565	1,465	873.4	873.4
Hand-Rolled Kretek (SKT) / Hand-Rolled White (SPT)	Volume Tier 1 (> 2 billion units)	1	2,170	1,981	531.3	531.3
		2	1,555	1,375	415.8	415.8
	Volume Tier 2 (> 500 million units–2 billion units)	1	995	865	245.3	245.3
	Volume Tier 3 (≤ 500 million units)	1	860	725	134.2	134.2

(a) HJE stands for banderole price

(b) Previous rates effective from January 1 to December 31, 2024

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# Excise Tax Structure: Japan

(July 1, 2025)

## Cigarettes

- Excise tax increases of JPY 20/pack in October 2018, 2020 and 2021:
  - No increase in October 2019, due to nominal VAT increase from 8% to 10%

## Heated Tobacco Products (HTPs)

- "Heated tobacco" category:
  - Dedicated excise tax category for heated tobacco products (previously: pipe tobacco category)
  - Taxable base for the specific excise tax is weight of heated tobacco
  - For products using liquid to create an aerosol, the liquid portion is considered as tobacco for tax purposes
- Heated tobacco excise tax is being phased in over a five-year period (2018-2022), with the fifth year reflecting 100% of the new system (heated tobacco category). See next slide for details

## HTP Excise Tax Structure

	Pipe Tobacco Category	Heated Tobacco Category
RSP (JPY/pack) <sup>(a)</sup>	580	580
VAT (Nominal)	10%	10%
RSP Net of VAT (JPY/pack)	527	527
Effective Specific Rate (JPY/kg)	15,244	19,055 <sup>(b)</sup>
Tax Base	Full product weight (13.4 g/pack) <sup>(c)</sup>	Heated tobacco weight (5.4 g/pack) <sup>(d)</sup>
Specific Yield (JPY/000)	10,213	5,145
Effective Ad Valorem Rate	n/a	30%
Tax Base	n/a	RSP net of VAT
Ad Valorem Yield (JPY/000)	n/a	7,909
Total Excise Tax Yield (JPY/000)	10,213	13,054
	0%	100%

Heated Tobacco Category: Indicative Excise Tax Payable as of October 1, 2022 (JPY/000)

13,054

(a) Illustrative RSP. (b) Reflects effective specific rate for the fifth year of five-year-phase-in period. (c) Reflects indicative "total weight" for TEREHA Menthol HeatSticks. (d) Reflects indicative "heated tobacco weight" for TEREHA Menthol HeatSticks

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Note: 20 cigarettes/heated tobacco units per pack

## Multi-Year Tobacco Tax Plan: Japan

(July 1, 2025)

	<u>Previous</u>	<u>Oct 1, 2018 – Sept 30, 2019</u>	<u>Oct 1, 2019 – Sept 30, 2020</u>	<u>Oct 1, 2020 – Sept 30, 2021</u>	<u>Oct 1, 2021 – Sept 30, 2022</u>	<u>Oct 1, 2022 and Onwards</u>
VAT (Nominal)	8%	8%	10%	10%	10%	10%
Excise Tax: Cigarettes (JPY/000)	12,244	13,244	13,244	14,244	15,244	15,244
Excise Tax: Pipe Tobacco (JPY/kg) <sup>(a)</sup>	12,244	13,244	13,244	14,244	15,244	15,244
<b>Excise Tax: New HTP Category</b>						
-Effective Specific Rate (JPY/kg) <sup>(b)</sup>	-	16,555	16,555	17,805	19,055	19,055
-Effective Ad Valorem Rate <sup>(c)(d)</sup>	-	30%	30%	30%	30%	30%
<b>HTP Phase-in Period</b>						
-Portion of New HTP System	-	20%	40%	60%	80%	100%
-Portion of Previous System	-	80%	60%	40%	20%	0%

(a) Previously, HTPs were taxed based on pipe tobacco excise tax rate

(b) Taxable base is weight of heated tobacco

(c) Taxable base is RSP net of VAT

(d) Effective ad valorem rate is calculated as the excise tax incidence based on announced average RSP

Note: Based on current law

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## Retail Selling Prices

You will find retail selling prices by market and product category at the following link:

- [July 2025 – RSPs](#)

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## PMI: Peer Group

- Altria
- Anheuser-Busch InBev
- BAT
- Coca-Cola
- Colgate-Palmolive
- Diageo
- Heineken
- Imperial Brands
- Japan Tobacco
- Johnson & Johnson
- Kimberly-Clark
- Kraft-Heinz
- McDonald's
- Mondelēz International
- Nestlé
- PepsiCo
- Procter & Gamble
- Roche
- Unilever

Source: Form 10-K for the year ended December 31, 2024 (p. 23)

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## Industry Volume Overview – Europe

(Billion Equivalent Units)

Market	Product Group	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
France	Cigarettes	46.2	45.7	45.1	40.9	37.8	36.4	34.1	32.3	29.6	26.0
	HTU	-	-	-	-	0.1	0.2	0.2	0.2	0.2	0.2
	OTP	16.3	16.4	15.7	14.3	13.6	15.2	14.3	12.7	11.7	10.7
Germany	Cigarettes	80.0	78.1	76.7	74.8	72.4	73.0	71.6	66.5	65.4	64.5
	HTU	-	-	0.1	0.4	0.9	1.7	2.4	3.7	3.5	4.7
	OTP	43.0	42.5	41.3	40.9	40.3	42.2	41.3	40.0	39.9	40.0
Italy	Cigarettes	73.8	72.1	69.3	67.5	64.6	61.7	61.1	60.2	58.3	58.7
	HTU	-	0.1	0.5	1.5	3.3	5.7	9.3	12.6	14.9	14.9
	OTP	7.2	7.4	8.1	8.5	8.9	9.4	9.3	9.0	8.8	8.7
Poland	Cigarettes	41.1	41.3	41.6	42.8	45.0	43.2	45.6	49.4	49.2	49.9
	HTU	-	-	0.1	0.4	1.2	2.4	3.8	6.3	7.5	8.1
	OTP	4.0	4.1	5.0	5.5	6.2	7.2	7.8	7.9	7.7	7.2
Spain	Cigarettes	46.7	46.7	44.9	44.8	45.1	41.4	42.1	43.8	42.6	43.0
	HTU	-	-	0.1	0.2	0.3	0.4	0.5	0.8	1.0	1.3
	OTP	12.8	12.4	12.3	12.5	13.4	14.2	14.3	15.0	15.6	16.0

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption. Depending on the market and distribution model, IMS may represent an estimate. Consequently, past reported periods may be updated to ensure comparability and to incorporate the most current information.

Source: PMI estimates as of July 10, 2025

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## Industry Volume Overview – Europe (cont.)

(Billion Equivalent Units)

Market	Product Group	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Croatia	Cigarettes	6.1	6.0	6.2	6.2	6.1	5.7	5.7	6.0	6.4	7.0
	HTU	-	-	-	0.1	0.2	0.3	0.4	0.5	0.7	0.8
	OTP	0.3	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Czech Republic	Cigarettes	20.4	20.5	20.3	20.0	19.7	17.0	15.2	14.5	12.8	12.0
	HTU	-	-	0.1	0.5	1.2	1.7	2.1	2.9	2.7	2.7
	OTP	2.6	2.5	2.4	2.2	2.2	1.9	1.7	1.5	1.3	1.2
Greece	Cigarettes	16.4	15.3	13.8	12.8	12.1	10.9	11.1	11.3	11.5	11.9
	HTU	-	-	0.2	0.6	1.2	1.5	2.0	2.7	3.4	4.2
	OTP	4.1	4.2	3.8	3.9	4.2	4.3	4.4	4.4	4.5	4.5
Hungary	Cigarettes	7.3	7.4	7.6	8.1	8.3	7.7	6.9	6.5	5.7	5.6
	HTU	-	-	-	-	0.2	0.8	1.6	2.7	3.0	3.5
	OTP	10.4	10.4	9.1	8.4	7.8	7.7	7.3	6.9	6.4	6.0
Latvia	Cigarettes	1.9	1.9	1.9	2.0	1.9	1.8	1.7	1.8	1.7	1.7
	HTU	-	-	-	-	0.1	0.2	0.2	0.2	0.3	0.3
	OTP	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption. Depending on the market and distribution model, IMS may represent an estimate. Consequently, past reported periods may be updated to ensure comparability and to incorporate the most current information.

Source: PMI estimates as of July 10, 2025

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## Industry Volume Overview – Europe (cont.)

(Billion Equivalent Units)

Market	Product Group	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Lithuania	Cigarettes	3.1	3.1	2.9	2.8	2.7	2.4	2.4	2.2	2.1	2.0
	HTU	-	-	-	0.1	0.4	0.6	0.7	1.0	1.1	1.1
	OTP	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.2
Norway	Cigarettes	1.8	1.7	1.7	1.4	1.4	1.9	1.9	1.3	1.3	1.3
	OTP	1.0	1.0	0.9	0.7	0.7	0.9	0.9	0.7	0.6	0.5
	Snus	1.8	1.9	1.9	2.0	2.1	2.9	3.5	2.9	3.8 <sup>(a)</sup>	2.6 <sup>(a)</sup>
Portugal	Cigarettes	9.7	9.8	10.2	9.7	9.7	9.0	8.8	9.1	8.9	8.7
	HTU	-	-	0.1	0.3	0.6	0.9	1.2	1.7	2.1	2.5
	OTP	1.8	1.5	1.2	1.0	1.0	1.0	1.0	1.0	0.9	0.9
Romania	Cigarettes	24.0	24.2	24.3	24.4	25.5	25.6	25.9	26.4	25.8	26.2
	HTU	-	-	0.2	0.5	0.7	0.9	1.3	2.0	2.6	3.0
	OTP	-	-	-	-	-	0.1	0.2	0.2	0.3	0.3
Slovak Republic	Cigarettes	7.1	7.1	7.2	7.1	7.1	6.9	6.4	6.2	5.9	5.6
	HTU	-	-	-	0.3	0.5	0.7	0.9	1.2	1.2	1.3
	OTP	0.5	0.5	0.3	0.3	0.3	-	-	-	-	-

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption. Depending on the market and distribution model, IMS may represent an estimate. Consequently, past reported periods may be updated to ensure comparability and to incorporate the most current information.

(a) On a like-for-like basis, applying post-acquisition conversion methodology to 2022 and 2023, the estimated total Snus market in Norway is flat in 2023 vs. 2022 and ~+12% in 2024 vs. 2023

Source: PMI estimates as of July 10, 2025

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## Industry Volume Overview – Europe (cont.)

(Billion Equivalent Units)

Market	Product Group	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Slovenia	Cigarettes	3.6	3.6	3.5	3.5	3.4	3.2	3.2	3.3	3.1	2.9
	HTU	-	-	-	0.1	0.1	0.2	0.3	0.4	0.4	0.5
	OTP	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
Sweden	Cigarettes	5.7	5.7	5.4	5.3	5.2	5.0	4.8	4.8	4.5	4.3
	HTU	-	-	-	-	-	0.1	0.1	0.1	0.1	0.1
	OTP	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2
	Snus	8.0	8.3	8.5	8.9	9.0	8.8	8.8	9.2	6.1 <sup>(a)</sup>	5.7
Switzerland	Cigarettes	9.8	9.4	9.3	9.1	8.8	9.2	8.9	8.5	8.0	7.8
	HTU	-	-	0.1	0.2	0.3	0.4	0.6	0.9	1.1	1.2
	OTP	1.3	1.4	1.4	1.4	1.5	1.6	1.7	1.7	1.7	1.7
	Snus	-	-	-	-	-	-	-	-	-	0.2
United Kingdom	Cigarettes	31.4	29.6	27.9	26.0	23.5	24.1	23.7	20.3	17.0	14.7
	HTU	-	-	-	-	0.1	0.3	0.5	0.6	0.7	0.8
	OTP	10.0	10.3	10.5	10.6	10.7	13.8	14.4	11.9	9.6	7.7

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption. Depending on the market and distribution model, IMS may represent an estimate. Consequently, past reported periods may be updated to ensure comparability and to incorporate the most current information.

(a) On a like-for-like basis (applying post-acquisition conversion methodology to 2022), the estimated total Snus market in Sweden is lower by ~12%. This data does not include nicotine pouch volumes.

Source: PMI estimates as of July 10, 2025

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## Industry Volume Overview – SSEA, CIS & MEA

(Billion Equivalent Units)

Market	Product Group	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Egypt	Cigarettes	78.4	83.2	86.4	86.0	87.4	85.8	93.1	92.8	72.9	81.3
	HTU	-	-	-	-	-	-	0.2	0.8	1.3	1.5
Indonesia <sup>(a)</sup>	Cigarettes	320.0	315.6	303.5	302.5	305.2	275.9	293.5	304.0	268.8	264.0
	HTU	-	-	-	-	-	-	-	0.2	0.6	1.2
	OTP	11.5	12.7	14.3	14.0	12.6	21.0	17.9	22.6	26.9	24.6
Philippines <sup>(b)</sup>	Cigarettes	90.2	79.3	74.9	73.2	70.5	61.8	56.0	53.2	42.7	45.8
	HTU	-	-	-	-	-	-	0.2	0.2	0.2	0.3
Russia	Cigarettes	294.1	280.0	259.7	236.3	217.7	203.7	196.9	187.6	182.2	192.7
	HTU	-	-	0.3	2.6	8.8	15.4	19.9	21.2	21.2	23.8
Turkey	Cigarettes	103.2	105.5	106.2	118.5	119.7	114.8	125.1	116.8	137.4	150.5
	OTP	-	-	-	-	-	-	-	11.9	12.4	4.7

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption. Depending on the market and distribution model, IMS may represent an estimate. Consequently, past reported periods may be updated to ensure comparability and to incorporate the most current information.

(a) Indonesia Total Market data for 2023–2024 has been restated following a Nielsen methodology update. (b) Data source changed in 2024. 2023 and prior years not restated which may affect comparability

Source: PMI estimates as of July 10, 2025

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## Industry Volume Overview – EA, AU & PMI GTR

(Billion Equivalent Units)

Market	Product Group	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Australia	Cigarettes	16.5	15.7	13.9	12.8	12.0	11.0	9.7	8.9	7.2	5.1
	OTP	3.4	3.5	3.5	3.8	3.9	3.7	3.2	2.8	2.3	1.8
Japan	Cigarettes	182.3	173.8	151.4	132.7	121.1	102.8	94.4	92.7	89.2	84.0
	HTU	0.2	5.2	20.0	34.6	36.7	40.1	45.0	50.4	56.7	64.6
	OTP	-	-	-	0.9	4.0	12.4	11.2	5.1	3.1	2.5
South Korea	Cigarettes	67.3	73.6	69.0	62.8	61.2	64.1	62.8	61.9	60.0	57.4
	HTU	-	-	1.6	6.8	7.3	7.5	8.9	10.7	12.0	13.0
New Zealand	Cigarettes	1.8	1.8	1.7	1.7	1.5	1.4	1.2	1.1	1.0	0.9
	HTU	-	-	-	-	-	-	-	-	-	-
	OTP	0.9	0.8	0.8	0.7	0.8	0.8	0.7	0.5	0.5	0.4
Singapore	Cigarettes	2.8	2.8	2.8	2.8	2.7	3.1	3.0	2.7	2.3	2.2

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption. Depending on the market and distribution model, IMS may represent an estimate. Consequently, past reported periods may be updated to ensure comparability and to incorporate the most current information.

Source: PMI estimates as of July 10, 2025

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## Industry Volume Overview – Americas

(Billion Equivalent Units)

Market	Product Group	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Argentina	Cigarettes	40.8	38.7	38.2	36.9	34.1	31.0	30.0	30.3	28.8	26.4
	OTP	0.2	0.2	0.3	0.2	0.1	0.1	0.2	-	0.1	0.1
Mexico <sup>(a)</sup>	Cigarettes	33.8	36.2	35.8	35.5	35.5	30.5	32.0	32.2	31.9	31.4
	HTU	-	-	-	-	-	0.1	0.1	0.1	0.1	0.2

Note: Industry volumes are PMI estimates for tax-paid in-market sales (sales to the retail channel, depending on the market and distribution model) based on the latest available data from a number of internal and external sources. The figures include volumes above 50 million units for cigarettes, other tobacco products ("OTP": primarily make-your-own tobacco, roll-your-own tobacco, pipe tobacco, cigars and cigarillos), and heated tobacco units (HTUs), where applicable. The figures exclude other tobacco and nicotine product categories that may be present in certain markets, most notably e-cigarettes, oral tobacco and nicotine products, and shisha. The volumes may not reflect actual domestic consumption. Depending on the market and distribution model, IMS may represent an estimate. Consequently, past reported periods may be updated to ensure comparability and to incorporate the most current information.

(a) Data source changed in 2024. 2022 and prior years not restated which may affect comparability

Source: PMI estimates as of July 10, 2025

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## Sustainability Business Transformation Metrics - Glossary

- For definition of KPIs, see PMI Integrated Report 2024 Glossary.
- Unless otherwise stated, all applicable business transformation metrics include Swedish Match related data as of November 11, 2022 (acquisition date), as well as wellness and healthcare business.
- Change in combustible tobacco product shipment volume (billion units) vs. 2015 baseline is calculated based on millions of units. Combustible tobacco products shipment volume includes cigarettes and other tobacco products expressed in cigarette equivalent units.
- Direct spend focuses on materials used in the manufacture of our products; it includes tobacco leaf, direct materials, and electronic devices and accessories. Data excludes Swedish Match and wellness and healthcare business.
- Number of factories producing smoke-free products out of total number of factories reflects the number of factories operated and owned by PMI at the end of the respective year. "Smoke-free products factories" is defined as manufacturing facilities producing heated tobacco units and oral nicotine products. The number of factories reported is based on location, i.e., if a facility is one location but has several physical areas (plants), the facility is counted as one.

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries Reconciliation of Non-GAAP Measures

Reconciliation of Reported Diluted EPS to Reported Diluted EPS, excluding Currency,  
and Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS, excluding Currency  
(Unaudited)

	Years Ended December 31,		
	2024	2023	% Change
<b>Reported Diluted EPS</b>	<b>\$ 4.52</b>	<b>\$ 5.02</b>	<b>(10.0)%</b>
Less: Currency	(0.38)	-	-
<b>Reported Diluted EPS, excluding Currency</b>	<b>\$ 4.90</b>	<b>\$ 5.02</b>	<b>(2.4)%</b>

	Years Ended December 31,		
	2024	2023	% Change
<b>Reported Diluted EPS</b>	<b>\$ 4.52</b>	<b>\$ 5.02</b>	<b>(10.0)%</b>
Restructuring charges	0.10	0.06	-
Termination of distribution arrangement in the Middle East	-	0.04	-
Impairment of goodwill and other intangibles	0.01	0.44	-
Amortization of intangibles	0.40	0.25	-
Charges related to the war in Ukraine	-	0.03	-
Megapolis localization tax impact	0.05	-	-
Swedish Match AB acquisition accounting related items	-	0.01	-
Income tax impact associated with Swedish Match AB financing	0.14	(0.11)	-
Egypt sales tax charge	0.03	-	-
Loss on sale of Vectura Group	0.13	-	-
South Korea indirect tax charge	-	0.11	-
Termination of agreement with Foundation for a Smoke-Free World	-	0.07	-
Impairment related to the RBH equity investment	1.49	-	-
Fair value adjustment for equity security investments	(0.27)	(0.02)	-
Tax items	(0.03)	0.11	-
<b>Adjusted Diluted EPS</b>	<b>\$ 6.57</b>	<b>\$ 6.01</b>	<b>9.3%</b>
Less: Currency	(0.38)	-	-
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 6.95</b>	<b>\$ 6.01</b>	<b>15.6%</b>

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Research & Development Expenditure by Product Category  
(\$ in millions) / (Unaudited)

	Years Ended December 31,			
	2015	2022	2023	2024
Combustible Tobacco	\$ 129	\$ 7	\$ 4	\$ 3
Smoke-Free	\$ 294	\$ 634	\$ 705	\$ 755
<b>Total PMI</b>	<b>\$ 423</b>	<b>\$ 642</b>	<b>\$ 709</b>	<b>\$ 759</b>

Note: Sum of product categories might not foot to Total PMI due to roundings

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Reconciliation of Net Earnings attributable to PMI to Adjusted Net Earnings attributable to PMI  
(\$ in millions) / (Unaudited)

	Years ended December 31,		Change Fav./ (Unfav.)		Variance Fav./ (Unfav.)					
	2024	2023	Total	Excl. Curr. & Acquis.	Total	Currency	Acquisitions	Price	Vol/ Mix	Cost/ Other
<b>Net Earnings attributable to PMI</b>	<b>\$ 7,057</b>	<b>\$ 7,813</b>	<b>(9.7)%</b>	<b>(2.2)%</b>	<b>(756)</b>	<b>(594)</b>	<b>9</b>	<b>2,203</b>	<b>764</b>	<b>(3,138)</b>
Restructuring charges	(150)	(96)	(56.3)%	(56.3)%	(54)	-	-	-	-	(54)
Impairment of goodwill and other intangibles	(20)	(678)	97.1%	97.1%	658	-	-	-	-	658
Amortization of intangibles	(629)	(389)	(61.7)%	(61.7)%	(240)	-	-	-	-	(240)
Megaplis localization tax impact	(77)	-	-	-	(77)	-	-	-	-	(77)
Income tax impact associated with Swedish Match AB financing	(209)	170	-(100)%	-(100)%	(379)	-	-	-	-	(379)
Egypt sales tax charge	(39)	-	-	-	(39)	-	-	-	-	(39)
Loss on sale of Vectura Group	(206)	-	-	-	(206)	-	-	-	-	(206)
Impairment related to the RBH equity investment	(2,316)	-	-	-	(2,316)	-	-	-	-	(2,316)
FV Adjustment for equity security investments	418	38	+100%	+100%	380	-	-	-	-	380
Tax items	47	(173)	+100%	+100%	220	-	-	-	-	220
Other adjustments impacting 2023 only <sup>(a)</sup>	-	(411)	+100%	+100%	411	-	-	-	-	411
<b>Adjusted Net Earnings attributable to PMI</b>	<b>\$ 10,238</b>	<b>\$ 9,352</b>	<b>9.5%</b>	<b>15.7%</b>	<b>886</b>	<b>(594)</b>	<b>9</b>	<b>2,203</b>	<b>764</b>	<b>(1,496)</b>

(a) Represents adjustments impacting 2023 only: South Korea indirect tax charge (\$174 million), Termination of agreement with Foundation for a Smoke-Free World (\$111 million), Termination of distribution arrangement in the Middle East (\$70 million), Charges related to the war in Ukraine (\$43 million), and Swedish Match AB acquisition accounting related items (\$13 million). Source: PMI Financials or estimates

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Net Revenues by Product Category  
(\$ in millions) / (Unaudited)

Years Ended December 31,

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Combustible Tobacco	\$ 26,595	\$ 25,818	\$ 24,970	\$ 25,378	\$ 24,083	\$ 21,747	\$ 22,067 <sup>(a)</sup>	\$ 21,572	\$ 22,334 <sup>(b)</sup>	\$ 23,218
Smoke-Free	199	867	3,778	4,247	5,722	6,947	9,338	10,190	12,840	14,660
<b>Total PMI</b>	<b>\$ 26,794</b>	<b>\$ 26,685</b>	<b>\$ 28,748</b>	<b>\$ 29,625</b>	<b>\$ 29,805</b>	<b>\$ 28,694</b>	<b>\$ 31,405</b>	<b>\$ 31,762</b>	<b>\$ 35,174</b>	<b>\$ 37,878</b>

(a) 2021 Includes a reduction in net revenues of \$246 million related to the Saudi Arabia customs assessment. Excluding this impact total PMI adjusted net revenues are \$31,651 million and for combustible tobacco \$22,313 million. (b) 2023 Includes a reduction in net revenues of \$80 million related to the termination of distribution arrangement in the Middle East. Excluding this impact total PMI adjusted net revenues are \$35,254 million and for combustible tobacco \$22,414 million. Note: Sum of product categories or Regions might not foot to Total PMI due to roundings. Source: PMI Financials or estimates

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Reconciliation of Gross Profit by Product Category to Adjusted Gross Profit  
(\$ in millions) / (Unaudited)

Years Ended December 31,

	2018			2020			2022			2024		
	Gross Profit	Special Items	Adj. Gross Profit	Gross Profit	Special Items	Adj. Gross Profit	Gross Profit	Special Items <sup>(a)</sup>	Adj. Gross Profit	Gross Profit	Special Items <sup>(b)</sup>	Adj. Gross Profit
Combustible Tobacco	\$ 17,210	\$ -	\$ 17,210	\$ 14,986	\$ -	\$ 14,986	\$ 14,475	\$ (57)	\$ 14,532	\$ 14,830	\$ -	\$ 14,830
Smoke-Free	1,657	-	1,657	4,139	-	4,139	5,885	(299)	6,184	9,719	(51)	9,770
<b>Total PMI</b>	<b>\$ 18,867</b>	<b>\$ -</b>	<b>\$ 18,867</b>	<b>\$ 19,125</b>	<b>\$ -</b>	<b>\$ 19,125</b>	<b>\$ 20,360</b>	<b>\$ (356)</b>	<b>\$ 20,716</b>	<b>\$ 24,549</b>	<b>\$ (51)</b>	<b>\$ 24,600</b>

(a) 2022 full-year includes Swedish Match AB acquisition accounting related items (\$125 million of which \$18 million in Combustible Tobacco and \$107 million in Smoke-Free), impairment of goodwill and other intangibles (\$112 million in Smoke-Free), charges related to the war in Ukraine (\$61 million of which \$39 million in Combustible Tobacco and \$22 million in Smoke-Free) and amortization of intangibles (\$58 million in Smoke-Free). (b) 2024 full-year reflects amortization of intangibles in Smoke-Free, all amounts are related to cost of goods sold. Note: Sum of product categories and special items might not foot due to roundings. Source: PMI Financials or estimates

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

#### Reconciliation of Reported Diluted EPS to Adjusted Diluted EPS, excluding Currency (Unaudited)

	Years Ended December 31,			Years Ended December 31,			Years Ended December 31,			Years Ended December 31,		
	2021	2020	% Change	2022	2021	% Change	2023	2022	% Change	2024	2023	% Change
<b>Reported Diluted EPS</b>	<b>\$ 5.83</b>	<b>\$ 5.16</b>	<b>13.0%</b>	<b>\$ 5.81</b>	<b>\$ 5.83</b>	<b>(0.3)%</b>	<b>\$ 5.02</b>	<b>\$ 5.81</b>	<b>(13.6)%</b>	<b>\$ 4.52</b>	<b>\$ 5.02</b>	<b>(10.0)%</b>
Restructuring charges	0.12	0.08		-	0.12		0.06	-		0.10	0.06	
Termination of distribution arrangement in the Middle East	-	-		-	-		0.04	-		-	0.04	
Impairment of goodwill and other intangibles	-	-		-	-		0.44	0.06		0.01	0.44	
Amortization of intangibles	0.05	0.04		0.15	0.05		0.25	0.09		0.40	0.25	
Saudi Arabia customs assessments	0.14	-		-	0.14		-	-		-	-	
Equity investee ownership dilution	(0.04)	-		-	(0.04)		-	-		-	-	
Asset acquisition cost	0.03	-		-	0.03		-	-		-	-	
Charges related to the war in Ukraine	-	-		0.08	-		0.03	0.08		-	0.03	
Megapolis localization tax impact	-	-		-	-		-	-		0.05	-	
Swedish Match AB acquisition accounting related items	-	-		0.06	-		0.01	0.06		-	0.01	
Costs associated with Swedish Match AB offer	-	-		0.06	-		-	0.06		-	-	
Income tax impact associated with Swedish Match AB financing	-	-		(0.13)	-		(0.11)	(0.13)		0.14	(0.11)	
Egypt sales tax charge	-	-		-	-		-	-		0.03	-	
Loss on sale of Vectura Group	-	-		-	-		-	-		0.13	-	
South Korea indirect tax charge	-	-		-	-		0.11	-		-	0.11	
Termination of agreement with Foundation for a Smoke-Free World	-	-		-	-		0.07	-		-	0.07	
Impairment related to the RBH equity investment	-	-		-	-		-	-		1.49	-	
Fair value adjustment for equity security investments	-	0.04		(0.02)	-		(0.02)	(0.02)		(0.27)	(0.02)	
Brazil indirect tax credit	-	(0.05)		-	-		-	-		-	-	
Tax items	-	(0.06)		(0.03)	-		0.11	(0.03)		(0.03)	0.11	
<b>Adjusted Diluted EPS</b>	<b>\$ 6.13</b>	<b>\$ 5.21</b>	<b>17.7%</b>	<b>\$ 5.98</b>	<b>\$ 6.13</b>	<b>(2.4)%</b>	<b>\$ 6.01</b>	<b>\$ 5.98</b>	<b>0.5%</b>	<b>\$ 6.57</b>	<b>\$ 6.01</b>	<b>9.3%</b>
Less: Currency	0.12	-		(0.77)	-		(0.63)	-		(0.38)	-	
<b>Adjusted Diluted EPS, excluding Currency</b>	<b>\$ 6.01</b>	<b>\$ 5.21</b>	<b>15.4%</b>	<b>\$ 6.75</b>	<b>\$ 6.13</b>	<b>10.1%</b>	<b>\$ 6.64</b>	<b>\$ 5.98</b>	<b>11.0%</b>	<b>\$ 6.95</b>	<b>\$ 6.01</b>	<b>15.6%</b>

Source: PMI Financials or estimates

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

#### Net Cash Provided by Operating Activities to Free Cash Flow (\$ in millions) / (Unaudited)

	Years Ended December 31,				
	2020	2021	2022	2023	2024
Net cash provided by operating activities	\$ 9,812	\$ 11,967	\$ 10,803	\$ 9,204	\$ 12,217
Capital expenditures	(602)	(748)	(1,077)	(1,321)	(1,444)
<b>Free Cash Flow</b>	<b>\$ 9,210</b>	<b>\$ 11,219</b>	<b>\$ 9,726</b>	<b>\$ 7,883</b>	<b>\$ 10,773</b>

Source: PMI Financials or estimates

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Reconciliation of Net Earnings Attributable to PMI to Adjusted Net Earnings Attributable to PMI  
(\$ in millions) / (Unaudited)

	Years Ended December 31,				
	2020	2021	2022	2023	2024
<b>Net Earnings attributable to PMI</b>	<b>\$ 8,056</b>	<b>\$ 9,109</b>	<b>\$ 9,048</b>	<b>\$ 7,813</b>	<b>\$ 7,057</b>
Restructuring charges	(123)	(181)	-	(96)	(150)
Termination of distribution arrangement in the Middle East	-	-	-	(70)	-
Impairment of goodwill and other intangibles	-	-	(98)	(678)	(20)
Amortization of intangibles	(59)	(78)	(129)	(389)	(629)
Saudi Arabia customs assessments	-	(215)	-	-	-
Equity Investee Ownership Dilution	-	55	-	-	-
Asset Acquisition Cost	-	(51)	-	-	-
Charges related to the war in Ukraine	-	-	(128)	(43)	-
Megapolis localization tax impact	-	-	-	-	(77)
Swedish Match AB acquisition accounting related item	-	-	(94)	(13)	-
Costs Associated to Swedish Match AB offer	-	-	(99)	-	-
Income tax impact associated with Swedish Match AB financing	-	-	203	170	(209)
Egypt sales tax charge	-	-	-	-	(39)
Loss on sale of Vectura Group	-	-	-	-	(206)
South Korea Indirect Tax Charge	-	-	-	(174)	-
Termination of agreement with Foundation for a Smoke-Free World	-	-	-	(111)	-
Impairment related to the RBH equity investment	-	-	-	-	(2,316)
FV Adjustment for equity security investments	(62)	-	39	38	418
Brazil Indirect Tax Credit	78	-	-	-	-
Tax items	93	-	40	(173)	47
<b>Adjusted Net Earnings attributable to PMI</b>	<b>\$ 8,129</b>	<b>\$ 9,579</b>	<b>\$ 9,314</b>	<b>\$ 9,352</b>	<b>\$ 10,238</b>

Source: PMI Financials or estimates

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Reconciliation of Non-GAAP Measures

Calculation of Total Debt to Adjusted EBITDA and Net Debt to Adjusted EBITDA Ratios  
(\$ in millions, except ratios) / (Unaudited)

	Years Ended December 31,						
	2018	2019	2020	2021	2022	2023	2024
<b>Net Earnings</b>	<b>\$ 8,286</b>	<b>\$ 7,728</b>	<b>\$ 8,592</b>	<b>\$ 9,710</b>	<b>\$ 9,527</b>	<b>\$ 8,268</b>	<b>\$ 7,503</b>
Equity investments and securities (income)/loss, net	(60)	(149)	(16)	(149)	(137)	(157)	(637)
Provision for income taxes	2,445	2,293	2,377	2,671	2,244	2,339	3,017
Interest expense, net	665	570	618	628	588	1,061	1,143
Impairment related to the RBH equity investment	-	-	-	-	-	-	2,316
Depreciation, amortization and impairment of goodwill and other intangibles	989	964	981	998	1,189	2,078	1,814
Restructuring charges and Others <sup>(a)</sup>	-	1,229	30	513	391	604	424
<b>Adjusted EBITDA</b>	<b>\$ 12,325</b>	<b>\$ 12,635</b>	<b>\$ 12,582</b>	<b>\$ 14,371</b>	<b>\$ 13,802</b>	<b>\$ 14,193</b>	<b>\$ 15,580</b>
<b>December 31,</b>							
	2018	2019	2020	2021	2022	2023	2024
Short-term borrowings	\$ 730	\$ 338	\$ 244	\$ 225	\$ 5,637	\$ 1,968	\$ 137
Current portion of long-term debt	4,054	4,051	3,124	2,798	2,611	4,698	3,392
Long-term debt	26,975	26,656	28,168	24,783	34,875	41,243	42,166
<b>Total Debt</b>	<b>\$ 31,759</b>	<b>\$ 31,045</b>	<b>\$ 31,536</b>	<b>\$ 27,806</b>	<b>\$ 43,123</b>	<b>\$ 47,909</b>	<b>\$ 45,695</b>
Cash and cash equivalents	6,593	6,861	7,280	4,496	3,207	3,060	4,216
<b>Net Debt</b>	<b>\$ 25,166</b>	<b>\$ 24,184</b>	<b>\$ 24,256</b>	<b>\$ 23,310</b>	<b>\$ 39,916</b>	<b>\$ 44,849</b>	<b>\$ 41,479</b>
<b>Ratios:</b>							
<b>Total Debt to Adjusted EBITDA</b>	<b>2.58</b>	<b>2.46</b>	<b>2.51</b>	<b>1.93</b>	<b>3.12</b>	<b>3.38</b>	<b>2.93</b>
<b>Net Debt to Adjusted EBITDA</b>	<b>2.04</b>	<b>1.91</b>	<b>1.93</b>	<b>1.62</b>	<b>2.89</b>	<b>3.16</b>	<b>2.66</b>

(a) For the year ended December 31, 2024 "Others" includes loss on sale of Vectura Group (\$199 million) and Egypt sales tax charge (\$45 million). For the year ended December 31, 2023 "Others" includes South Korea indirect tax charge (\$204 million), Termination of agreement with Foundation for a Smoke-Free World (\$140 million), a reduction in revenues related to the termination of a distribution arrangement in the Middle East (\$80 million), charges related to the war in Ukraine (\$53 million) and Swedish Match AB acquisition accounting related items (\$18 million). For year ended December 31, 2022 "Others" includes charges related to the war in Ukraine (\$151 million), costs associated with Swedish Match AB offer (\$115 million) and Swedish Match AB acquisition accounting related item (\$125 million). For the year ended December 31, 2021 "Others" includes a reduction in net revenues related to the Saudi Arabia customs assessments (\$246 million) and asset acquisition cost (\$51 million). For the year ended December 31, 2020 "Others" include the Brazil indirect tax credit (\$119 million). For the year ended December 31, 2019 "Others" include the Canadian tobacco litigation-related expense (\$194 million), the loss on deconsolidation of RBH (\$239 million) and the Russia excise and VAT audit charge (\$374 million). Source: PMI Financials or estimates

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## PHILIP MORRIS INTERNATIONAL INC. and Subsidiaries

### Calculation of Non-GAAP Measures

Calculation of Net Operating Profit After Tax (NOPAT)  
(\$ in millions, except effective tax rate) / (Unaudited)

	Years Ended December 31,				
	2020	2021	2022	2023	2024
<b>Operating income</b>	<b>\$ 11,668</b>	<b>\$ 12,975</b>	<b>\$ 12,246</b>	<b>\$ 11,556</b>	<b>\$ 13,402</b>
Pension and other employee benefit costs	(97)	(115)	(24)	(45)	(60)
<b>Operating income net of pension and other employee benefit costs</b>	<b>11,571</b>	<b>12,860</b>	<b>12,222</b>	<b>11,511</b>	<b>13,342</b>
<i>Effective tax rate</i>	(21.7)%	(21.8)%	(19.3)%	(22.4)%	(24.7)%
<b>Net operating profit after tax (NOPAT)</b>	<b>\$ 9,060</b>	<b>\$ 10,052</b>	<b>\$ 9,865</b>	<b>\$ 8,935</b>	<b>\$ 10,042</b>

Note: Net operating profit after tax may not foot due to roundings. Source: PMI Financials or estimates