



PMI's Vision for a Smoke-Free Future

We have a bold ambition: We are building PMI's future on smoke-free products that—while not risk-free—are a far better choice than continued smoking.

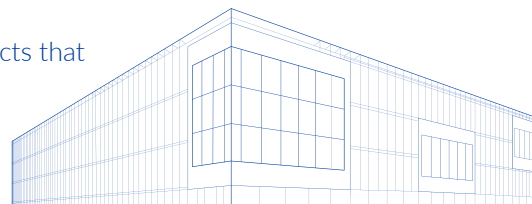
30 years of innovation, 10 years of progress

For more than 30 years, PMI has leveraged technology and science to develop, assess, and commercialize less harmful alternatives to cigarettes. We are disrupting our business to replace cigarettes with science-based smoke-free products as soon as possible—and shifting our resources and fundamentally changing both our purpose and our operations.

Our ambition is for smoke-free products to account for two-thirds of total net revenues by 2030. And we believe that with the right regulatory frameworks, dialogue and support from civil society, cigarette sales can end within 10 to 15 years in many countries.

To turn our ambition into reality, adults who smoke need real alternatives that help those who don't quit, switch completely to smoke-free products.

By leveraging science and technology, we can provide these people with products that have the potential to be far less harmful than continuing to smoke cigarettes. This is a commonsense solution we have embraced and is increasingly being supported by others – including in academia, public health, and governments.



Since 2008, PMI invested **\$14 USD billion** to develop, scientifically substantiate, and commercialize innovative smoke-free products for adults who would otherwise continue to smoke, with the goal of completely ending the sale of cigarettes.¹



We employ more than **1400 R&D positions**, including scientists, engineers, technicians, and support staff, to continuously innovate and enhance our smoke-free portfolio.²



In 2024, **78% of our commercial efforts** and **99.5% of PMI's R&D** expenditures were dedicated to our smoke-free products.³



In 2014, PMI introduced **IQOS**, its first heat-not-burn platform in its smoke-free products portfolio, in Italy and Japan.⁴



As of December 31, 2024, PMI's smoke-free products were available for sale in **97 markets**.⁵



PMI estimates that approximately **41.5 million** adults around the world use PMI's smoke-free products. Of these, approximately **34 million are IQOS users**.⁶



Approximately, **72% of people who switch to IQOS** and stop smoking cigarettes. This is a much higher conversion rate than has been observed for other smoke-free products around the world.⁷



Smoke-free business accounted for approximately **41% of PMI's total net revenues** in Q2 2025.⁸



In Q4 2023, **our heated tobacco product IQOS replaced Marlboro cigarettes** as our leading brand (in net revenue). This marks a historic stride towards becoming a company that no longer sells cigarettes.⁹