



Europe Investor Focus Event

June 24, 2025

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; investment strategies; market expectations; regulatory outcomes; sustainability plans; business plans and strategies. 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, including women or diverse candidates; 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 March 31, 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

Glossary and Key Terms and Definitions

- 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 on our [Investor Relations website](#) with additional non-GAAP reconciliations and term definitions available at the end of this presentation



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Championing a Smoke-Free World

Europe Investor Focus Event: Region Overview

June 24, 2025

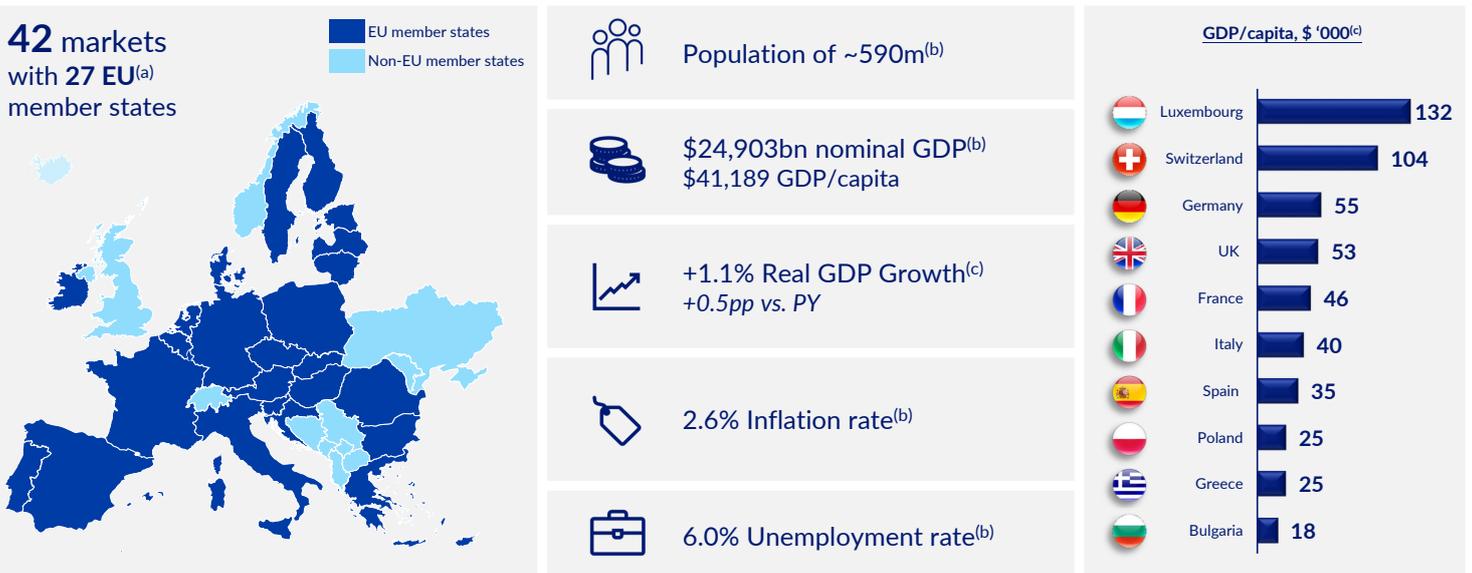
Massimo Andolina, *President Europe Region*

Massimo Andolina



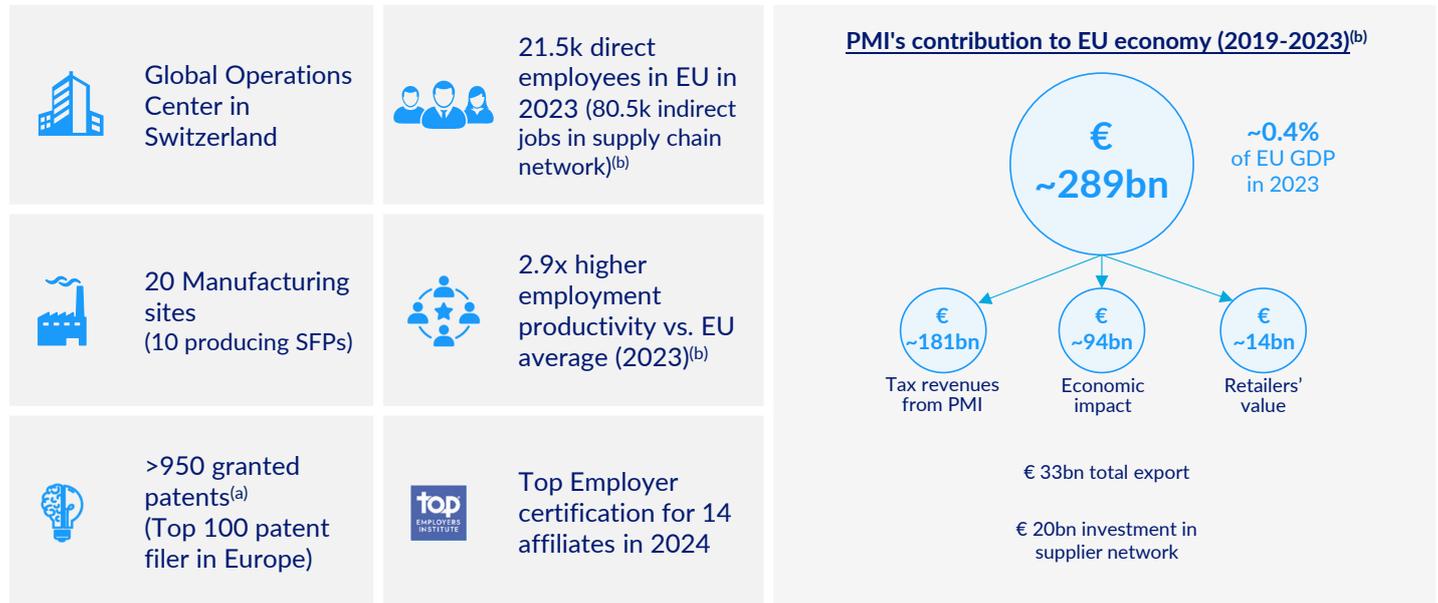
- **President PMI Europe Region** since January 2023
- Previously **Senior Vice President PMI Operations**, held since January 2018
- Joined Philip Morris in Lausanne in 2008 as **Director Operations Planning**. In 2011, he became **Vice President Operations of the Latin America and Canada Region** and two years later moved to oversee **European Union Region's Operations**. In 2016, he was appointed **Vice President Business Transformation**
- Prior to joining PMI, held a variety of international positions in strategic marketing and general management for **Tetra Pak International**. Mr. Andolina holds a degree in **mechanical engineering** from the **University of Palermo**, Italy, and an **MBA** from **IMD** in Lausanne, Switzerland

Europe Overview



(a) EU member states: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain (incl. Canary Islands), Sweden. Non-EU markets: Albania, Andorra, Bosnia & Herzegovina, Iceland, Kosovo, North Macedonia, Norway, Moldova, Monaco, Montenegro, Ukraine, United Kingdom, Serbia, Switzerland. (b) Region Europe (40 countries, excl. Canary Islands and Monaco), Oxford Global Economics August 2024 (c) European Union, 2024, IMF (World Economic Outlook October 2024) - GDP per capita, current prices, World Economic Outlook (October 2024) - Real GDP growth).

PMI Footprint in Europe



(a) PMI patents granted by the European Patent Office from 2019 – 2023. PMI consistently listed in Top 100 European Patent Applicants since 2014. Source: European Patent Office statistics. (b) Economic footprint of PMI in the EU 2019-2023, prepared by EY Parthenon at the request of Philip Morris International (PMI) to assess the economic, social, and cognitive impact of PMI's activities on the socio-economic development of the EU. Note: A glossary of relevant terms is available in the appendix at the end of this presentation

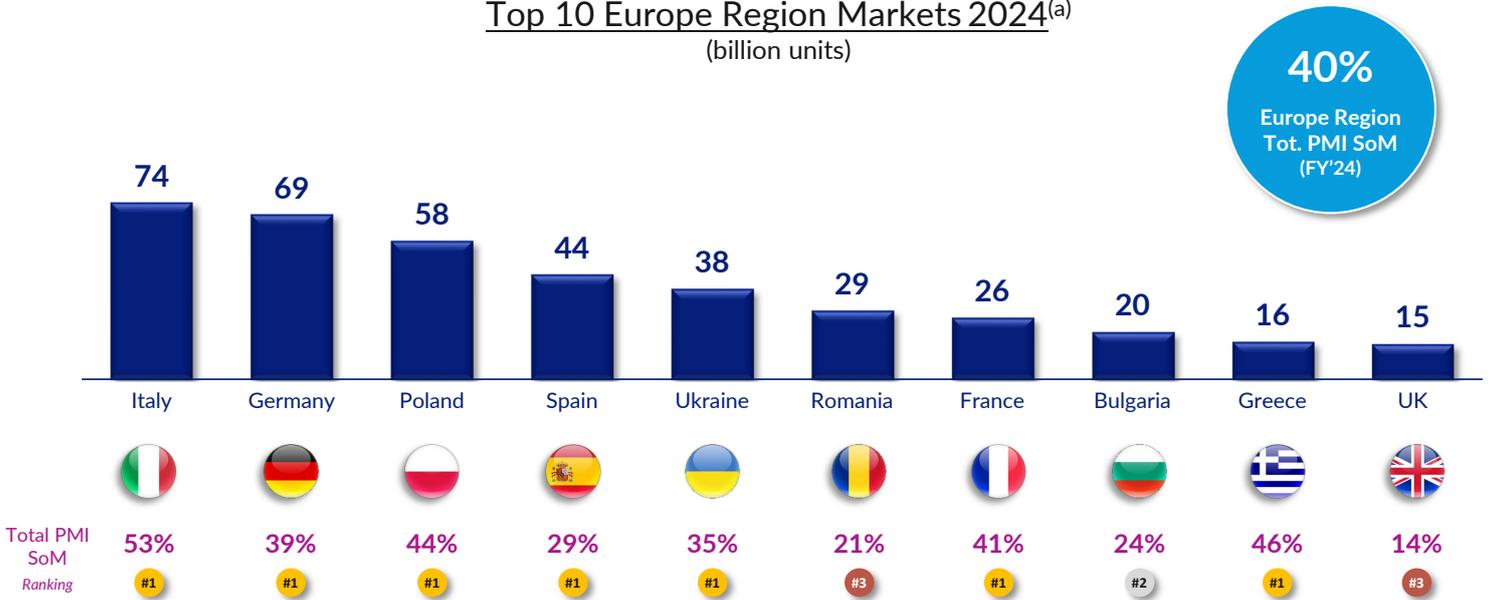
Strong PMI Performance in Europe, Largest Region by OI



(a) Shipment volume includes HTUs and Cigarettes. (b) Compound annual growth rate 2020-2024, excluding currency and acquisitions. Source: PMI Financials or estimates

Strong Leadership in Top European Markets...

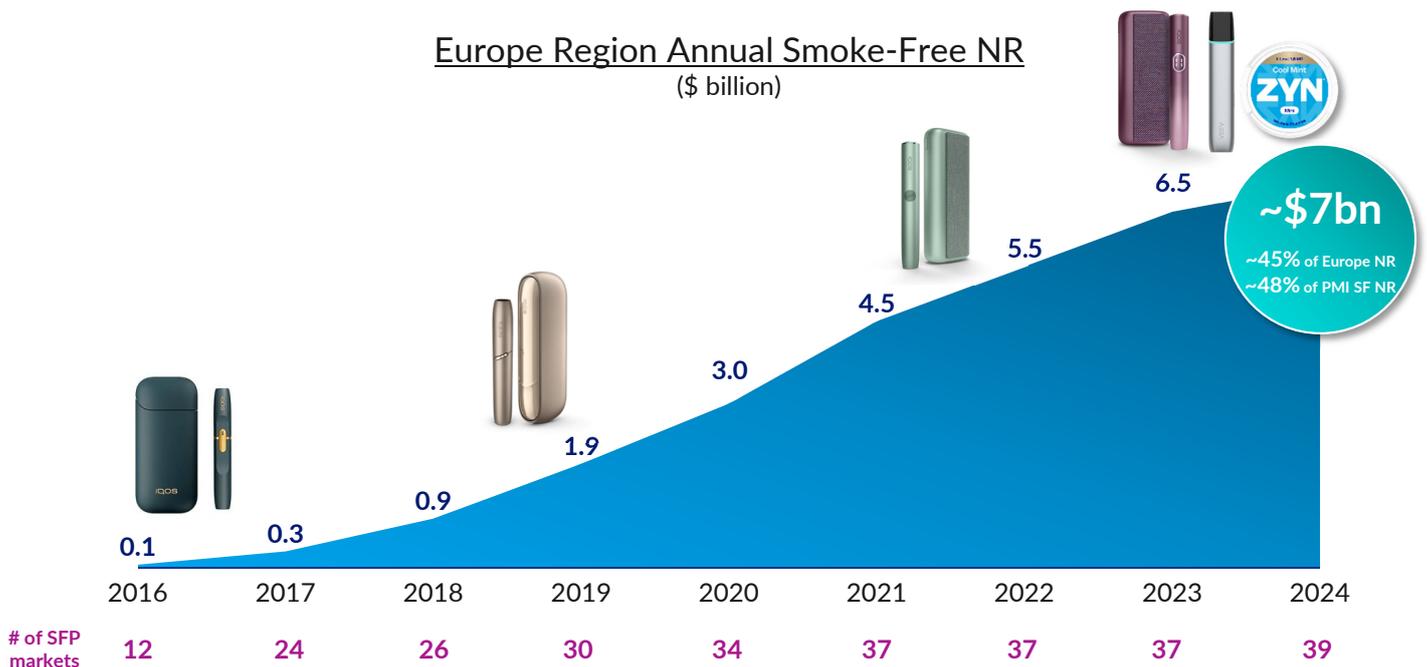
Top 10 Europe Region Markets 2024^(a)
(billion units)



(a) Top 10 Europe Region markets ranked by 2024 HTU and Cigarette total combined market IMS. Source: PMI Financials or estimates

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

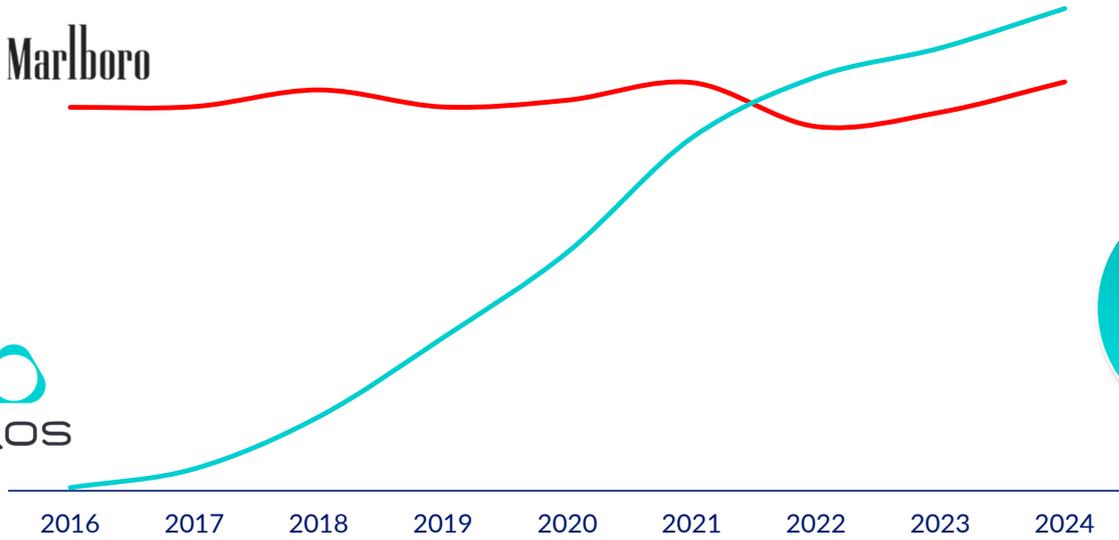
Europe Region Annual Smoke-Free NR
(\$ billion)



Source: PMI Financials or estimates

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

Europe Region Annual Net Revenues^(a)
(\$ billion)



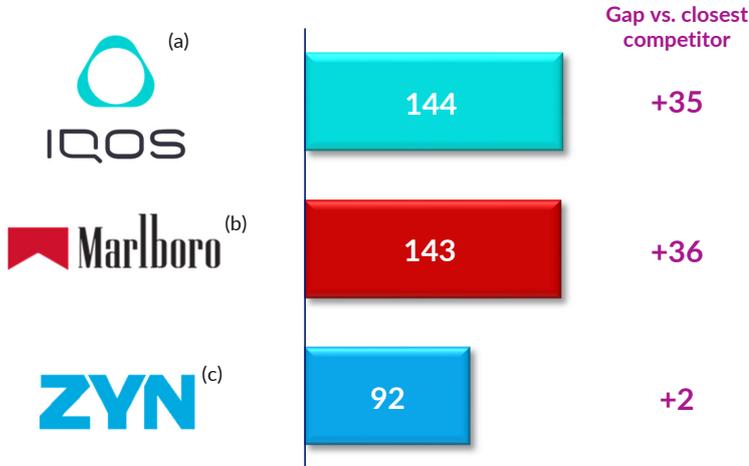
IQOS
Net Revenues
~\$6bn
FY'24

IQOS
>3X
volumes vs. closest
SFP competitor in key
EU markets^(b)

(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

Leadership in Brand Equity Driving Sustainable Growth

Meaningful Difference Index
(Kantar Brand Equity Advisor 2024)



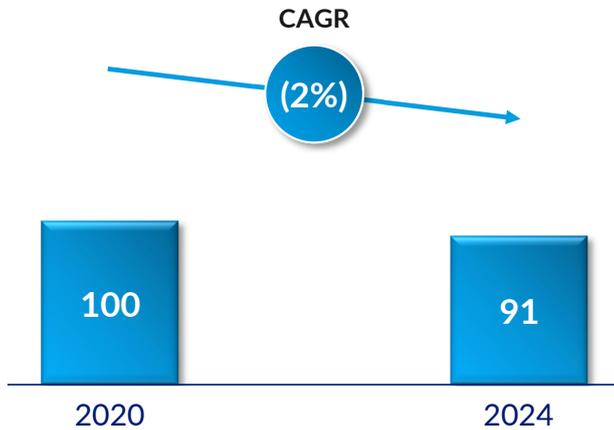
Meaningful Difference Index^(d)
(Kantar BrandZ EU 2024)

APPLE	~140
COCA-COLA	~140
NESPRESSO	~120
HEINEKEN	~115
L'OREAL	~115

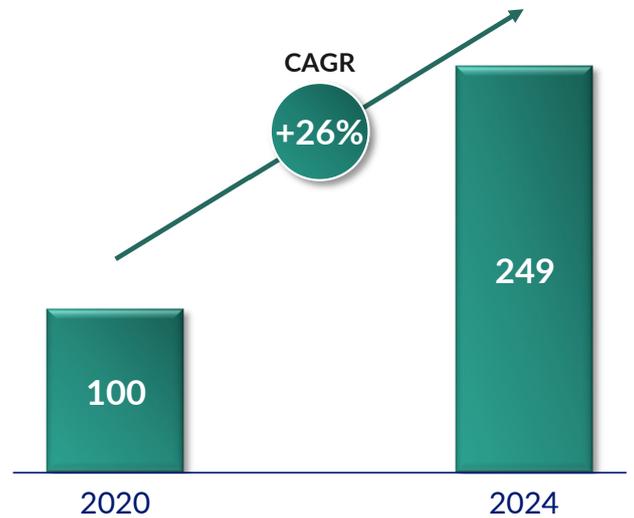
(a) IQOS within all SFPs, based on Kantar Brand Equity Advisor 2024 in Top 10 HnB markets in Europe. Meaningful Difference Index gap is calculated by comparison vs main SFP competitor within these 10 markets. (b) Marlboro within CC, based on Kantar Brand Equity Advisor 2024 in 7 European markets. (c) ZYN within all SFPs, based on Kantar Brand Equity Advisor 2024 in 8 European markets. Closest competitor within NP category is Velo and Meaningful Difference Index gap is calculated by comparison within these 8 markets (d) Kantar BrandZ EU 2024 data – Meaningful Difference of each brand calculated relatively to other brands within the same category. Note: Meaningful difference index based on average of Meaningful and Difference metrics. Source: PMI Market Research

Total Industry: Growth for SFP, While CC Declines

Estimated CC Industry Volume^(a)
(Indexed, 2020=100)



Estimated Smoke-Free Industry Volume^(b)
(Indexed, 2020=100)



(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

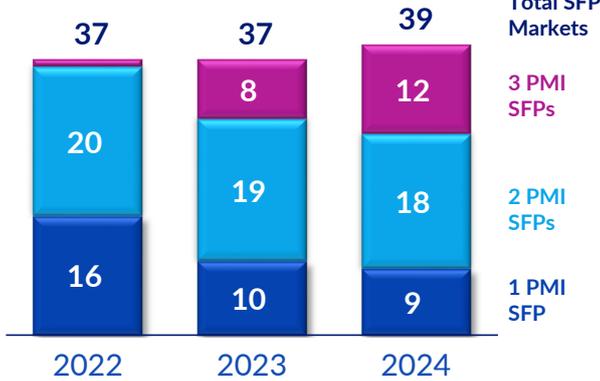
European LANUs Have Embraced All SFP Categories



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

Accelerated Expansion, Complementary Growth of All SFPs

of markets in Europe with PMI SFP platforms



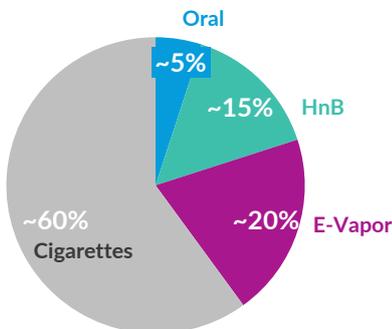
FY'24 Shipment Volume Growth in Europe (change vs. PY, %, billion eq. units)



(a) ZYN reflects total nicotine pouch shipments. Source: PMI Financials or estimates

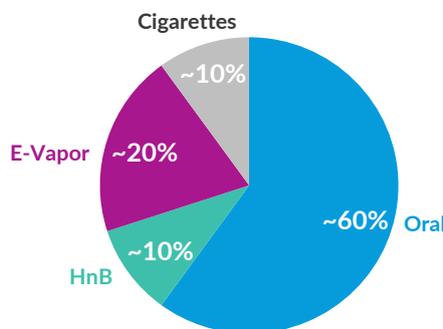
PMI LANU Acquisition in Europe: Diversified Across Categories

IQOS Sourcing



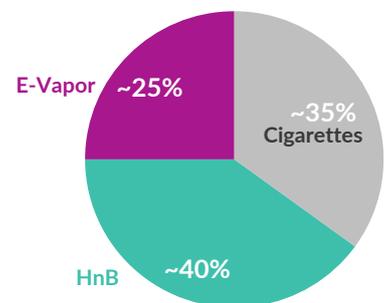
IQOS predominantly sources from CC and increasingly from e-vapor

ZYN Sourcing
(excl. Nordics)



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

VEEV Sourcing

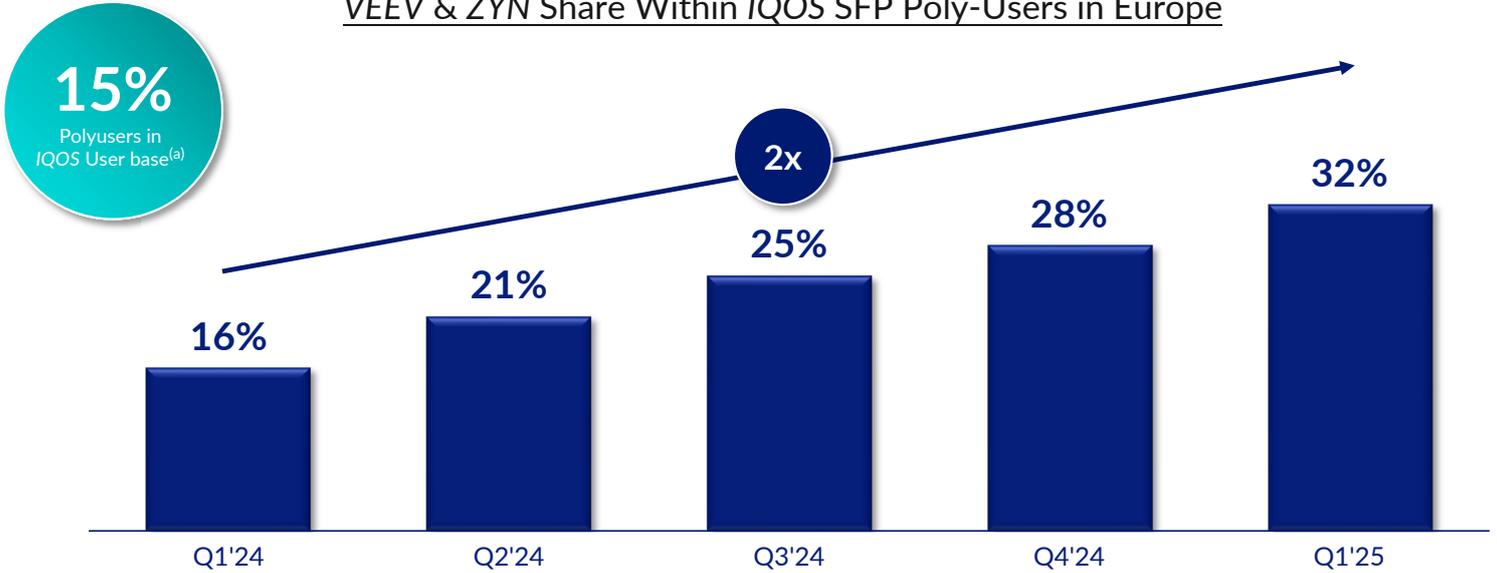


VEEV naturally sourcing at first from IQOS poly-users and with notable traction among CC LAS

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

Increasing LAU Retention Within PMI SFP Franchise

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

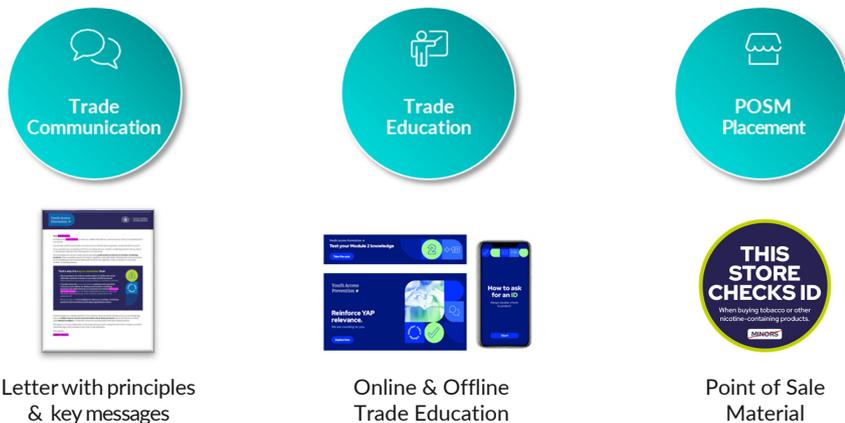


(a) 2024 average
 Note: Based on past 7-day use, 2023 - 2024. LAU stands for Legal-Age Users. Source: PMI Market Research or estimates

Engaging LANU Responsibly with Youth Access Prevention (YAP)

PMI YAP in Indirect Retail Channel

>90% of shipment volume^(a) covered by YAP programs



PMI YAP in Own Channels^(b)

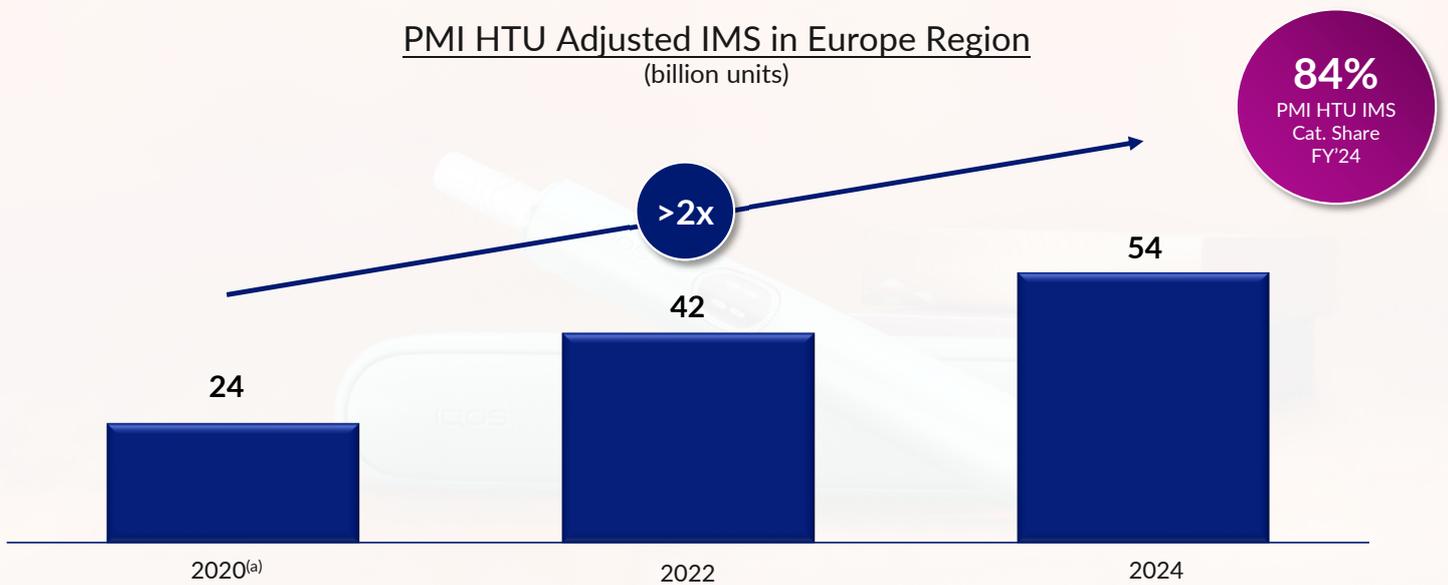
- Mystery Shopper Program: mandatory age verification through ID checks
- Scope: PMI Brand Retail and e-commerce (at delivery)
- Audit: Brand Retail shop staff and delivery couriers
- Coverage: Pan-European coverage
- Target: 100% success rate

(a) PMI aspiration. Total shipment volume includes cigarettes, other tobacco products (OTPs), and smoke-free product consumables. Data excludes Swedish Match and wellness and healthcare business. (b) Own channels include PMI Brand Retail shops and e-commerce (at delivery). Source: PMI Financials or estimates



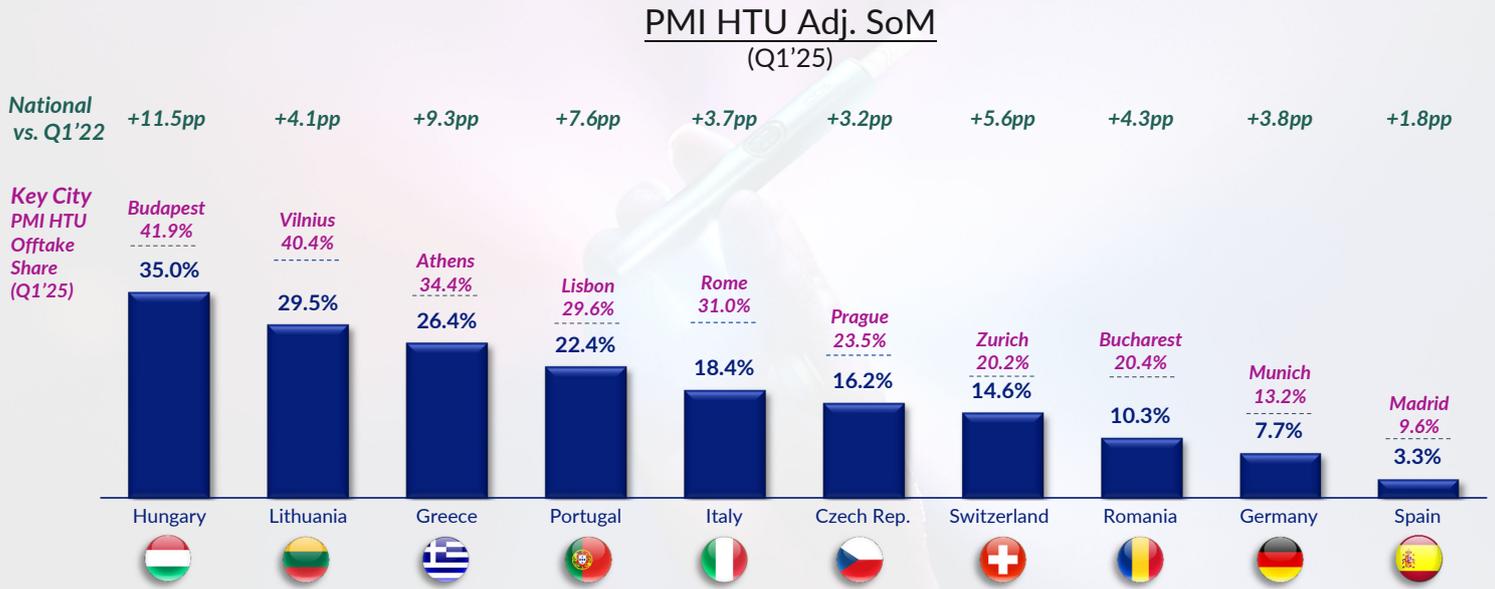
IQOS: the Undisputed Leader in HnB

PMI HTU Adjusted IMS in Europe Region
(billion units)



(a) For 2020 IMS is reported, adjusted thereafter. Source: PMI Financials or estimates

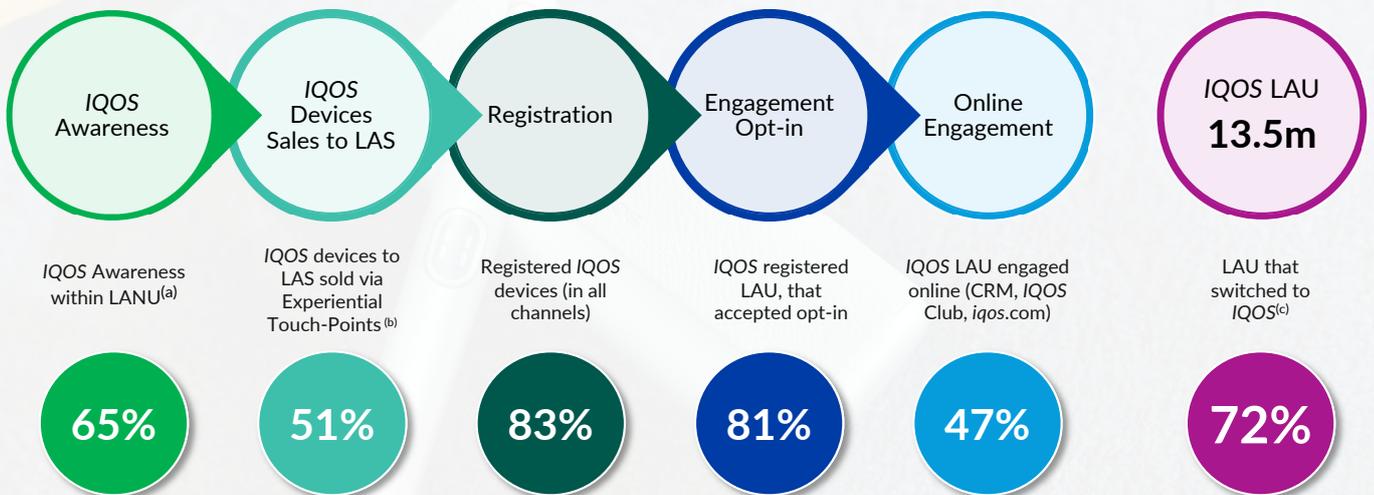
IQOS: Key Cities Lead National HTU Share Growth



Note: National and key city share of total market (CC + HTUs) as reported in Q1'25 Earnings. Source: PMI Financials or estimates

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

IQOS: We Continue to Build an Iconic Brand

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

21

Markets with Brand Activation

23

Own Brand Events

166

Festivals & Plug-ins

>1.5m

Direct Consumer Contacts

Source: PMI Estimates



IQOS: ILUMA i Rolling Out Latest Device Innovation

IQOS ILUMA i
PRIME



IQOS ILUMA i



IQOS ILUMA i
ONE



- 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

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)

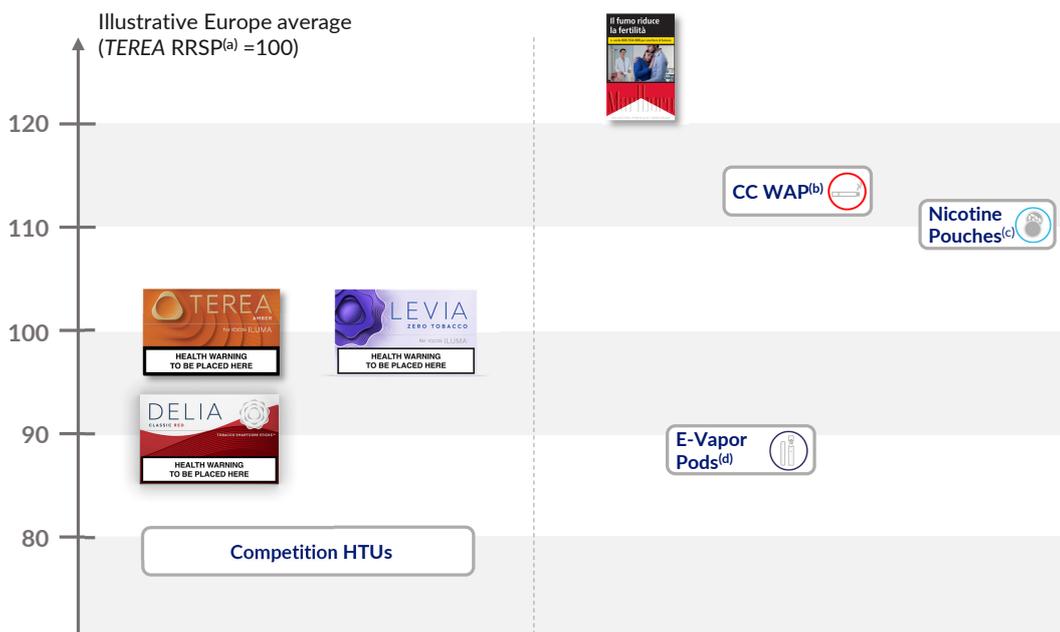


New TEREA Design
(Czech Rep., Slovakia, Italy)

Source: PMI Financials or estimates

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...Catering to Different Price Points



(a) Price referring to Recommended Retail Selling Price (RRSP), illustrative calculated as approximate median value of respective products in available European markets in Jan'25 (b) CC WAP - Cigarettes Weighted Average Price per pack (c) E-Vapor Pods RRSP per Pod, for VEEV and key competitor brands (d) Nicotine Pouches RRSP per can - RRSP of ZYN & VELO

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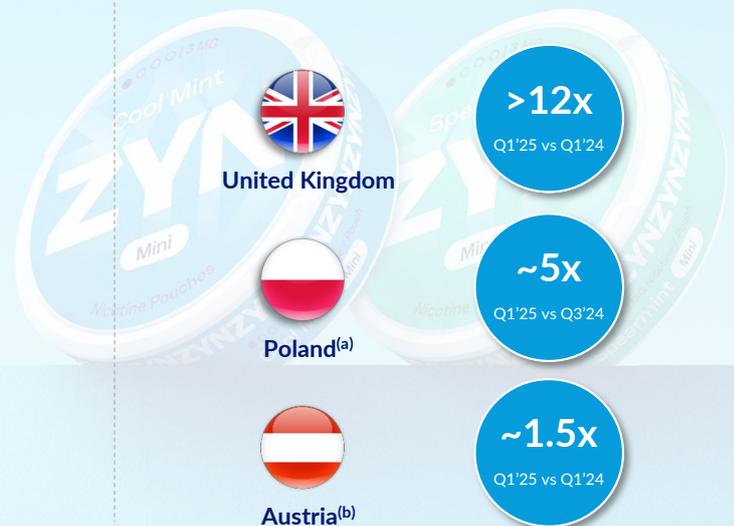


ZYN: Accelerated Geo-Expansion and Growth Across Europe

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

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

ZYN: Building Category and Premium Brand



Note: All brand activations have age verification in place



E-Vapor 'Made Right' With Focus on VEEV ONE

VEEV ONE

VEEV NOW ULTRA

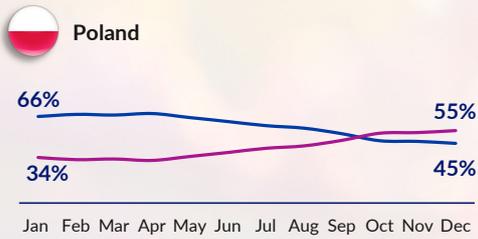
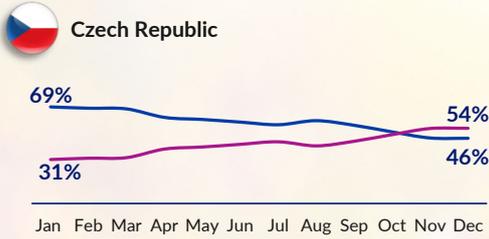


21
Markets with
VEEV ONE

14
Markets with
VEEV NOW
ULTRA

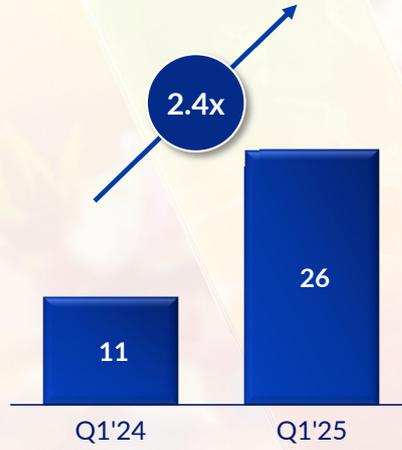
VEEV ONE: Pods Leadership Growing Rapidly After Launch

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



— Disposables — Pods

VEEV ONE Shipments (million pods)



Top-3 pod brand in 13 European markets^(a) in <24 months



(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

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



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



(a) TMO for Trade Mark Owner. (b) L/SL for Low/ Super Low. (c) Excluding currency. Source: PMI Financials or estimates

Europe Region: On Track For >2/3 Smoke Free NR by 2030

- Europe on track to achieve 50% Smoke-Free NR by 2025 and >2/3 by 2030
- Committed to deliver the benefits of Tobacco Harm Reduction to society
- Continued volume growth led by smoke-free products, with multicategory expansion:
 - Continued IQOS growth to overtake *Marlboro* in volume terms
 - Accelerated ZYN expansion, with focus on building category and brand
 - Continued profitable VEEV growth to reach leadership position within closed pod segment across Europe
- Maintain leadership in CC, led by *Marlboro* with sustained pricing power



Source: PMI Financials or estimates

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Championing a Smoke-Free World

Europe Investor Focus Event: Regulatory Landscape

June 24, 2025

Christos Harpantidis,
Senior Vice President, External Affairs

Christos Harpantidis

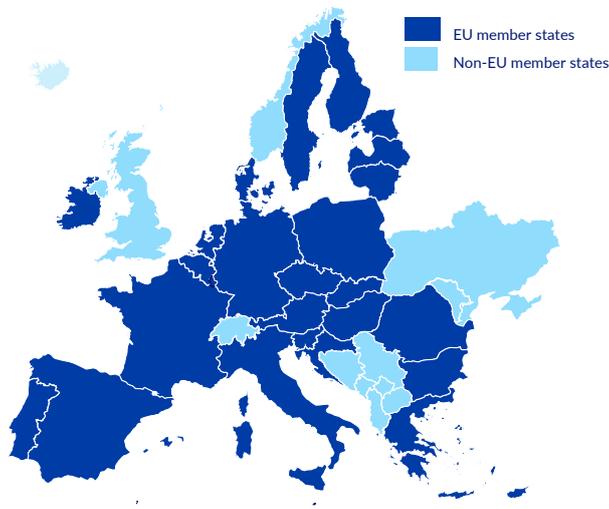


Senior Vice President, External Affairs

- Joined Papastratos, PMI's Greek affiliate, in 2003, holding key commercial roles in Greece and abroad
- From 2012 to 2015, worked at PMI's Operations Center in Lausanne in sales strategy and new product commercialization
- In 2015, became Chairman and Managing Director of Papastratos and Head of the EU South-East Cluster, leading the launch of IQOS and advancing PMI's smoke-free vision
- After serving as Area Vice President, South-East Europe Cluster, appointed Senior Vice President, External Affairs in May 2024
- Holds a physics degree from Aristotle University and a master's in economics and an MBA from Kent University, UK

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Europe: Varied Landscape of EU and Non-EU Countries



- 27 countries form the European Union (EU) with a single market
- EU Customs Union allows duty-free movement of goods, including tobacco
- 20 countries use the Euro as their official currency
- 25 EU and 4 non-EU member states are in the Schengen Area (passport-free travel)
- EU member states: tobacco regulation is fully or partially harmonized through three key directives
- Non-EU member states: tobacco regulation is set by national rules

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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

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Heated Tobacco Products (HTPs)

• Harmonized under TPD:

- **Market Access** – notification/authorization in EU Member States^(a)
- **Flavors** – characterizing flavor^(b) 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

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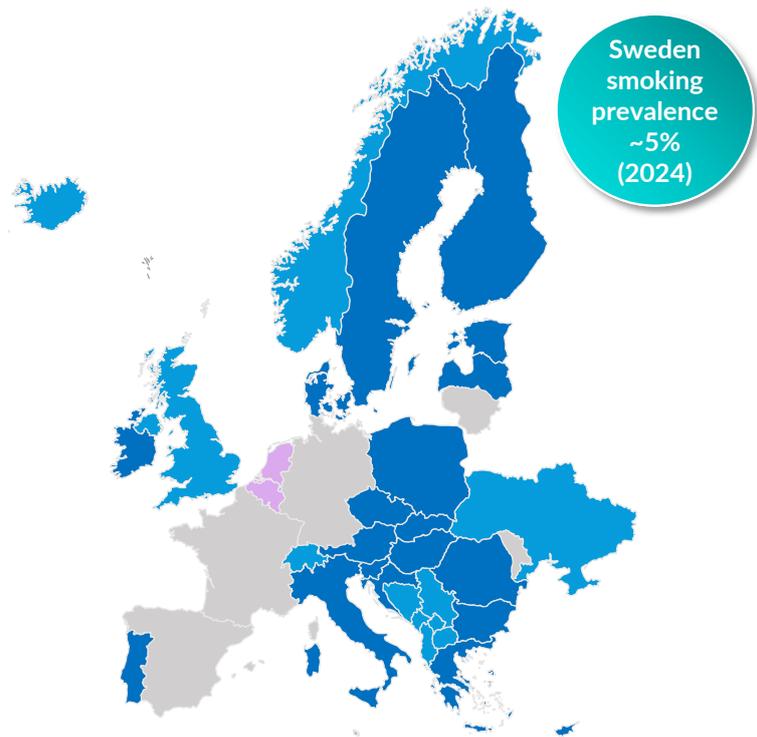
E-Cigarettes

- **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

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



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

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Smoke-Free Products are Taxed Under National Regulations

- SFPs are not covered under the existing TED, but EU member states as well as non-EU countries tax them under their national tax policies

Heated Tobacco Products



- 21 EU member states + 8 non-EU countries have created a dedicated fiscal framework

E-Cigarettes



- 24 EU member states + 11 non-EU countries have created a dedicated fiscal framework

Nicotine Pouches



- 13 EU member states + 5 non-EU countries have created a dedicated fiscal framework

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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.'

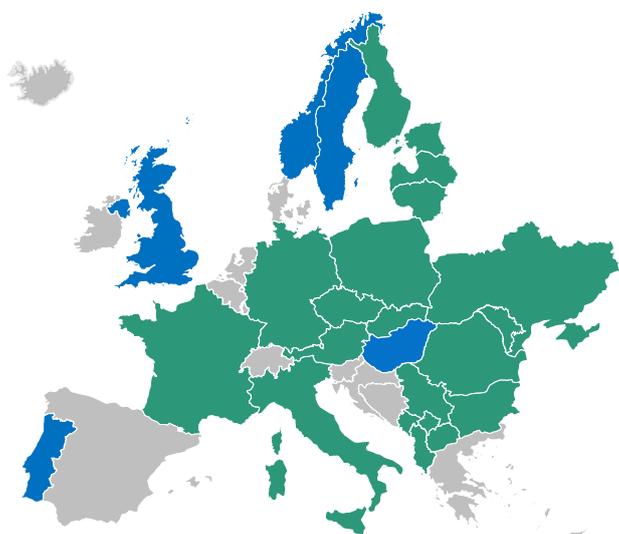
Czech Republic: The Action Plan Addiction Policy 2023-2025
 'Tax settings should be sought that take increased account of the risk profile of individual products, i.e., the aim is to set the tax (price) of alternative tobacco and nicotine products appropriately in relation to the price of tobacco products 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 [...]'

Predictability Through Long-Term Excise Tax Plans

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



(a) Weighted Average Price

Long-term Tax Plans (21)	Automatic Adjustment (5)	No LTP or indexation (16)
Austria (2023-2025)	Norway (CPI, annually)	Andorra
Italy (2023-2026)	Portugal (based on avg EU WAP ^(a))	Belgium
Kosovo (2022-2025)	Sweden (CPI, annually)	Bosnia & Herzegovina
Montenegro (2023-2025)	United Kingdom (RPI + 2%, annually)	Canary Islands
Serbia (2021-2025)	Hungary (CPI, annually)	Croatia
Albania (2022-2026)		Cyprus
France (2023-2026)		Denmark
Monaco (2023-2026)		Greece
Germany (2023-2026)		Iceland
Latvia (2024-2026)		Ireland
Moldova (2024-2026)		Luxembourg
Romania (2023-2026)		Malta
Czech Republic (2023-2027)		Monaco
Finland (2024-2027)		Netherlands
Lithuania (2024-2027)		Slovenia
Poland (2025-2027)		Spain
Estonia (2023-2028)		Switzerland
Slovakia (2025-2028)		
Ukraine (2025-2028)		
Bulgaria (2025-2029)		
North Macedonia (2024-2030)		

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

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EU Institutional Structure in Law-Making

- **European Commission**
 - The leadership consists of 27 Commissioners, one from each EU member state
 - Exclusive competence to propose legislation
- **European Parliament**
 - Consists of 720 MEPs directly elected by EU citizens every five years
 - Reviews, amends and adopts legislative proposals
- **Council of the European Union**
 - Consists of government ministers from each EU member state
 - Reviews, amends and adopts legislative proposals

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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^(a) 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

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Summary: Positive Momentum In Complex Environment

- Over 110m LANU in Europe deserve the right to information about better alternatives to cigarettes & access to smoke free products
- Banning or severely restricting SFPs, while allowing the sale of combustible cigarettes, is a clear policy mistake and perpetuates smoking
- In most European countries differentiated regulatory treatment of SFPs is already in place:
 - Fiscal differentiation applies across almost all European countries and across all categories of nicotine products, while 11 countries already apply fiscal differentiation based on their risk profiles
 - Even for the emerging Nicotine Pouches category, 15 countries have a regulatory framework, and 18 countries have a fiscal classification ahead of major EU legislative milestones
- European legislative process is slow and complex but offers the opportunity for constructive debate between member states and the Commission, and significant room for legislative adaptations at country level
- We believe EU member states differentiated treatment of SFP categories is a very good predictor for the upcoming EU Directives

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Europe Investor Focus Event: Italy Overview

June 24th, 2025

Pasquale Frega, *Managing Director Italy*

Pasquale Frega



- **Managing Director** of Philip Morris Italy since Feb'25
- **20+ year experience in Pharmaceutical industry** in Europe and the Americas
- Most recently served as **President for Canada and Latin America at Novartis**. Prior to this, **Country President for Novartis Italy**, securing its #1 position in the Pharma industry in the country
- Demonstrated track record of **stakeholder engagement to shape adequate regulatory environments**

Italy: Third Largest Economy in EU

- Demographics & GDP:
 - Population ~59m (70% Urban)
 - GDP '25 +0.6%; '24 +0.7%
 - GDP per capita ~\$40k
- Unemployment 6.2% in '24 (Youth 19.4%)
- Inflation '25: 1.5%; '24: 1.0%
- 5th largest exporter globally (\$675bn in 2024^(a))
- ~68m tourists in 2024^(b)
 - ~11% from USA



(a) Trading Economics, United Nations Data. (b) ISTAT, 2023. Top ten cities by population reported in the map. Source: ISTAT (Dec'24 Actual data), Banca d'Italia (2025 Estimate in Apr'25), Istituto Superiore di Sanità, 2024, Logista 55

Stable Regulatory, Fiscal and Distribution Framework

Regulatory

- Regulatory differentiation between SFPs and combustible
- Whole-of-government approach for international engagement

Fiscal

- Fiscal categories established for all SFP products
- Stable taxation for all nicotine products
- Substantial excise differential between combustible and smoke-free products

Licensing System

- State controlled Tobacco Sales licensing system (~50k POS)
- Monopolies Agency (ADM) oversight of entire process

PM Italy: Integrated Value Chain From Leaf To Recycling...

<p>Tobacco Leaf and Innovation hub</p> <p>Purchasing 50% of domestic tobacco leaf production</p> 	<p>Bologna Manufacturing Hub</p> <p>Largest Greenfield investment in Italy in the 21st century^(a)</p> 	<p>Institute for Manuf. Competences</p> <p>Recognized cross-Industry leader in manufacturing 4.0 innovation</p> 	<p>Owned and third-party retail network</p> <p>Industry Best Practice in Europe</p> 	<p>Digital Service Centers</p> <p>Serving >4 million consumers and retailers across Italy</p> 	<p>End-of-Life</p> <p>Local recycling centers for IQOS and VEEV devices</p> 
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(a) "Largest Greenfield Factory in Italy in the 2000s, on 310 000 sqm of which 110 000 for the production site" Studio 4 Capitali – Ambrosetti, 2023
Source: Studio 4 Capitali – Ambrosetti, 2023

..Significantly Contributing to the Italian Economy

~€10.1bn
(0.5% GDP)

PMI total contribution to Italian economy in '22

~41,000 jobs
Of which ~3,000 direct

Job Creation across the entire Value Chain



~€1.4bn

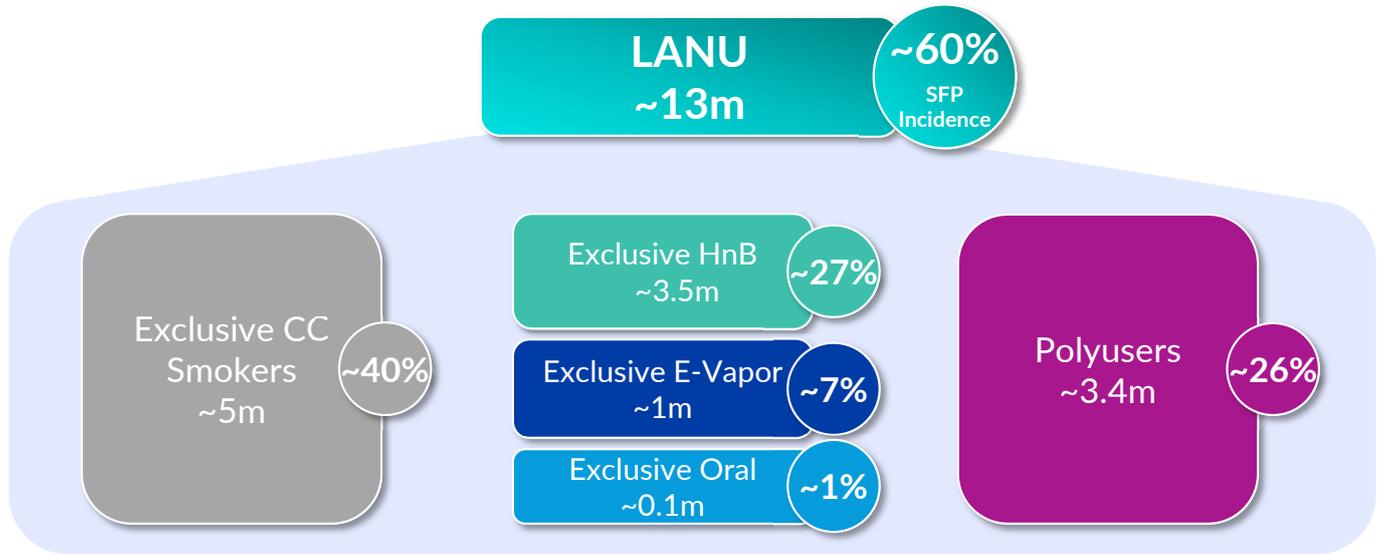
Investment in manufacturing technology and innovation^(a)

~€1.9bn
(7y CAGR 40%)

PMI in Italy total export value in '23

(a) Investment in 2013-2022. Source: Studio 4 Capitali – Ambrosetti, 2023. Note: A glossary of relevant terms is available in the appendix at the end of this presentation

~60% of LANUs Choose Smoke Free Products



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

PMI Success Across All Categories



Cigarettes
46% SoC^(a)

Market leader



HnB
83% SoC^(b)

Market leader



E-Vapor
32% SoC^(c)

Market leader
Closed pods

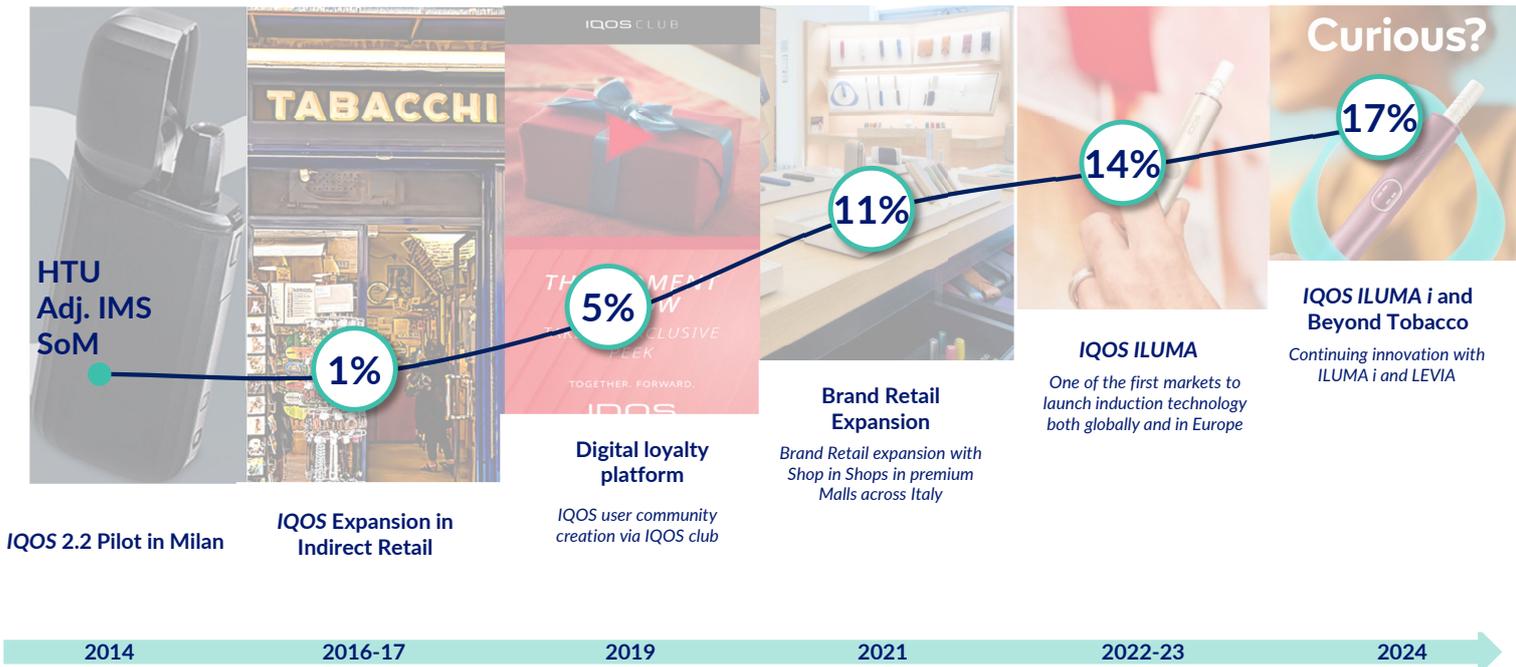


Nicotine Pouches
13% SoC^(d)

Pilot Launch in Q4'24
Expansion in Mar'25

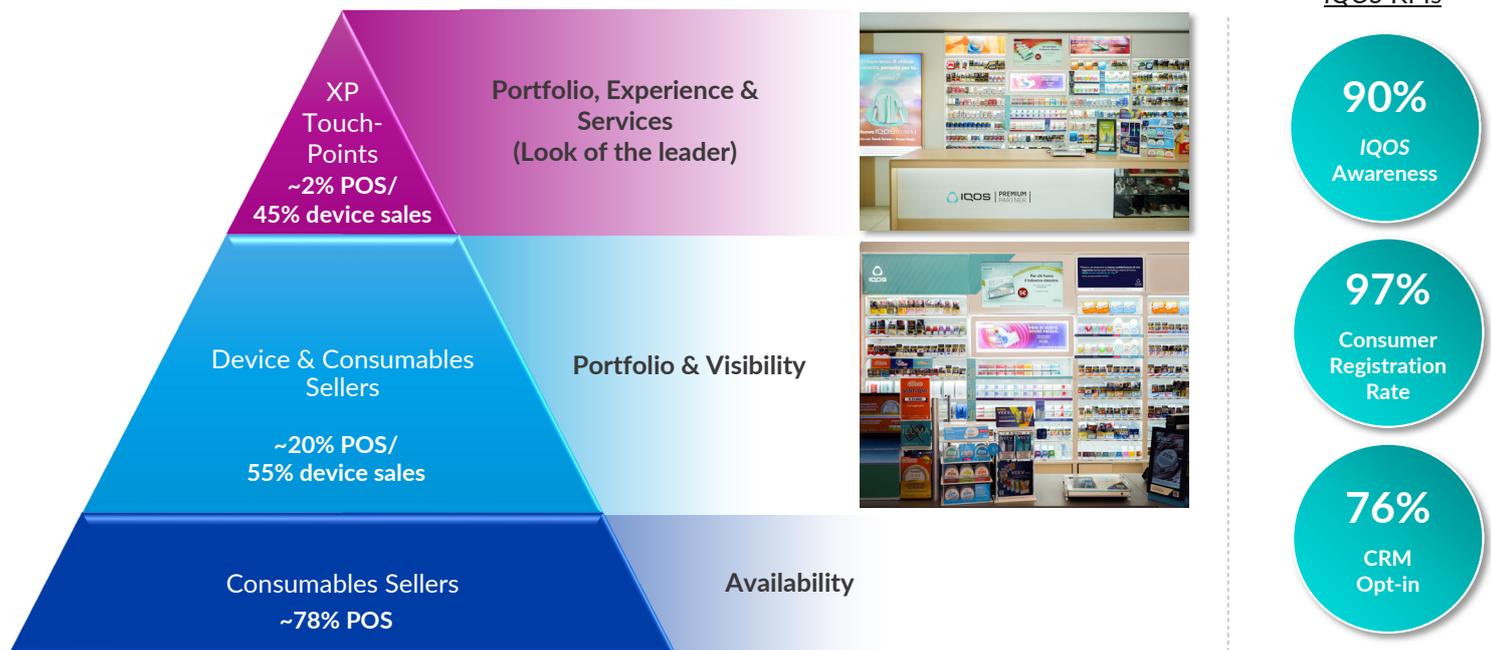
(a) Logista IMS. (b) Nielsen Offtake. (c) Based on Nielsen, Offtake, Closed systems (excl. open tanks and disposables). (d) Nielsen, Offtake, March 2025
Note: all data refer to FY 2024, unless specified otherwise

IQOS Trajectory, an Outstanding 10-Year Journey



Source: Logista FY Adj. IMS SoM: 2017, 2019, 2021, 2022, 2024

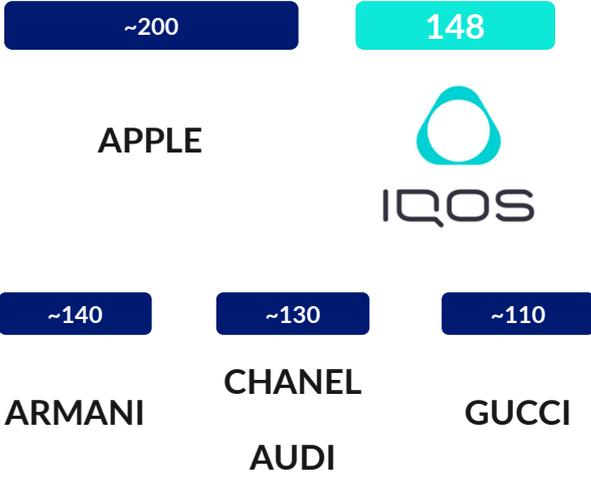
Superior Retail Infrastructure in a Multicategory Environment



Note: XP refers to experiential touchpoints. Source: CRM, NCPT, 2024

IQOS in the "League of Icons"

Brand Meaningful Difference Index
(Italy, 2024)

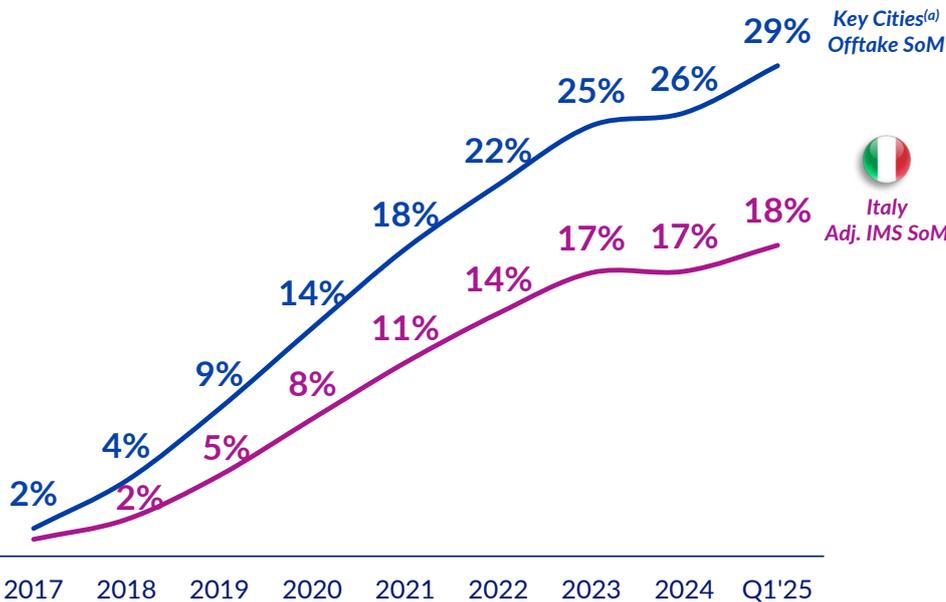


Note: Meaningful difference index measures brand strength within own category
Source: IQOS, Kantar Brand Equity Advisor, Italy 2024; Other Brands, Kantar BrandZ 2024

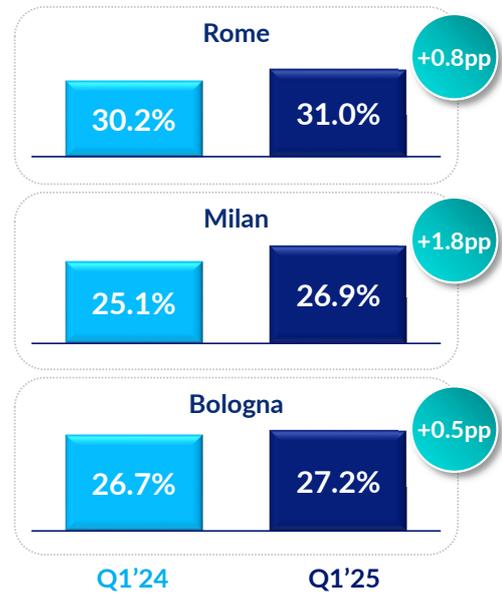


Outstanding Key City Performance

PMI HTU Share



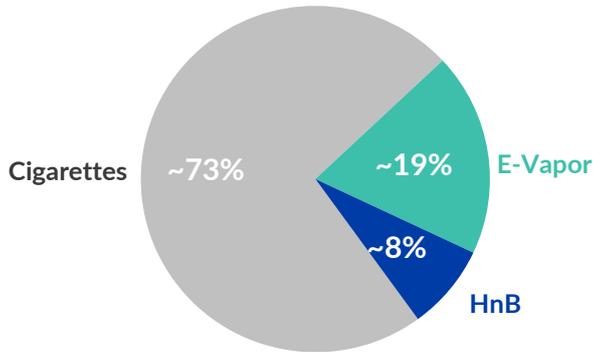
PMI HTU Offtake Share^(a)



(a) Rome and Milan municipalities, Bologna-Modena provinces. Note: Chart not to scale. Source: Key cities - Logista Offtake, Italy - Adjusted IMS

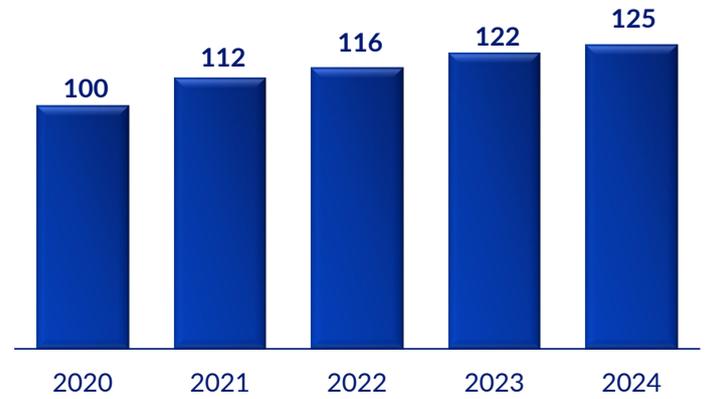
Strong IQOS Fundamentals, Continued Momentum

IQOS LANU Sourcing^(a)



Growing Acquisition Pace^(b)

Indexed values, 2020 Device to non-IQOS LANU = 100

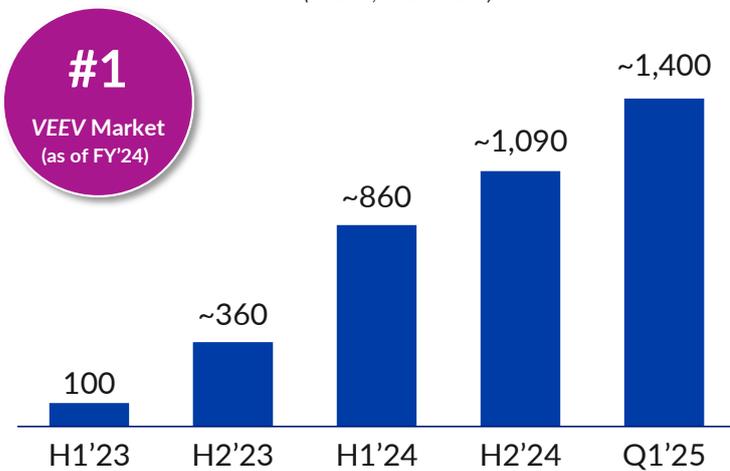


(a) Dec'24 IQOS Owners Panel, Consolidated. (b) Logista, PM Italy data or estimates

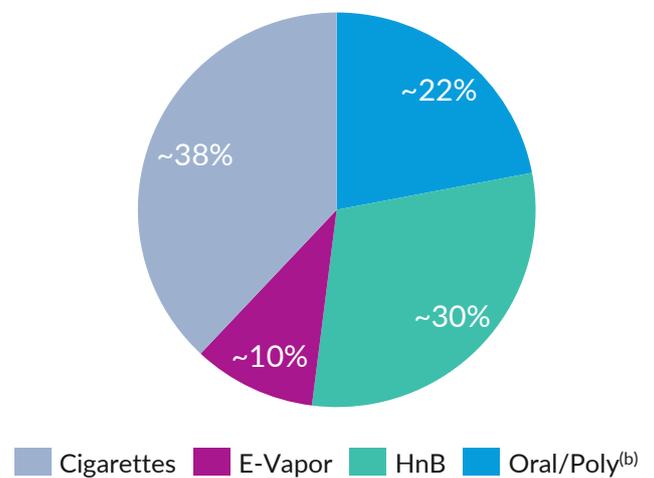
Promising Success with VEEV and ZYN

VEEV Pods Monthly Avg. IMS

(Indexed, H1'23 = 100)



ZYN Sourcing^(a)



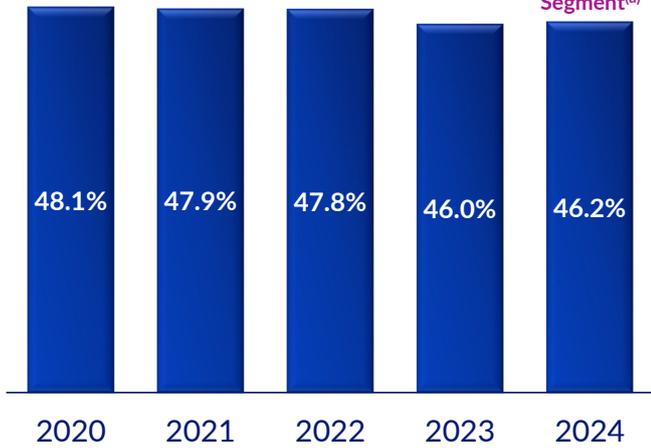
(a) Consumer Surveys conducted between Oct'24 and Mar'25, with all respondents declared as LANU. LANU stands for Legal-Age Nicotine Users. (b) Oral & Polyusage. Source: PMI Market Research, Financials and estimates

Undisputed Leader in CC

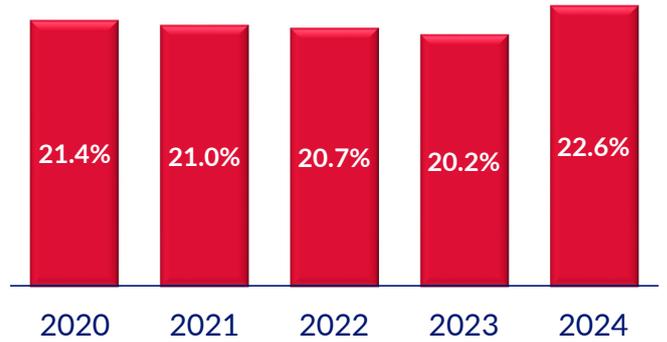


Share of CC Category

95%
PMI Share of Premium Segment^(a)



Marlboro Share of CC Category

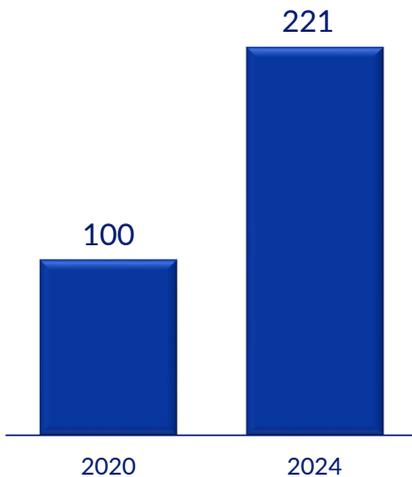


(a) PMI Share of Premium and Above Premium. Source: Logista IMS

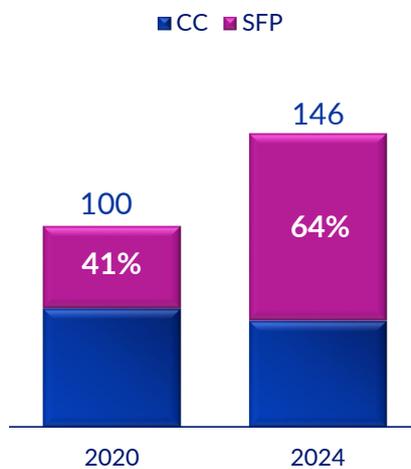
SFPs: Multiplier of Key Financial Metrics in Italy

Indexed values,
2020 = 100

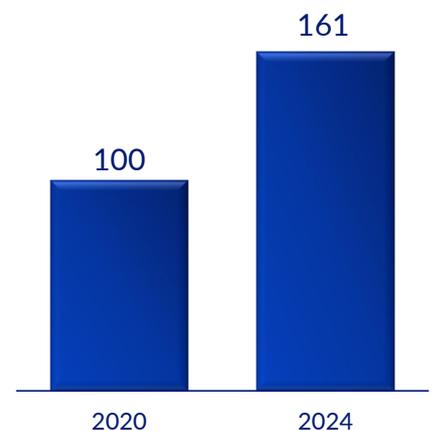
HTU IMS Volume



Net Revenues



Operating Income



Note: Net revenues and operating income excluding currency and acquisitions. Charts not to scale. Source: PMI Financials or estimates

Multicategory Ambition & Strategy

- Continue to lead SFP growth in Europe
- Accelerate smoke-free performance by deploying all product categories through multicategory execution:
 - Continue IQOS growth through portfolio innovations and brand building
 - Maintain VEEV momentum and sustain leadership in closed pods segment
 - Accelerate ZYN expansion, with focus on building category and brand leveraging on portfolio verticalization
- Maintain *Marlboro* leadership and continue value generation



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PHILIP MORRIS
INTERNATIONAL

Championing a Smoke-Free World

Europe Investor Focus Event: Germany Overview

June 24th, 2025

Veronika F. Rost, *Managing Director Germany*

Veronika F. Rost



- Joined PMI in April 2024 as **Managing Director Germany**, leading the local organization in driving the smoke-free transformation
- 25+ years of experience in global consumer and luxury goods companies, across Europe, Asia and the US. Before joining PMI:
 - Managing Director Germany at Estée Lauder Companies
 - Managing Director Germany, Austria & Switzerland at COTY and Diageo
 - Senior leadership roles at Reckitt Benckiser and Procter & Gamble
- Business Administration degree from Reutlingen University, Germany, Bachelor of Art (Hons.) from Middlesex University, UK, plus MBA from The Wharton School, US

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Germany: Decentralized with Distinct Consumer Dynamics



Population: **84.6m** (urban 78%, rural 22%),

Level of Urbanization: **Only 4 cities >1m** inhabitants, 2/3 of population live in city below 100k inhabitants

Age: Average **45 years**, 22% 65+yo

26% of population with migrant background

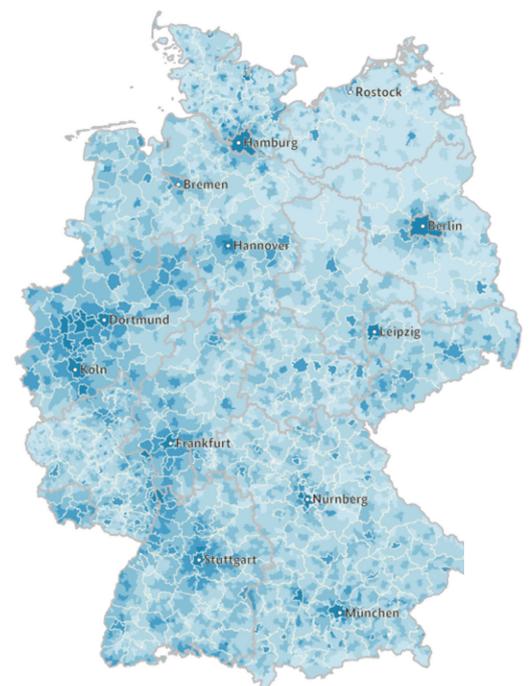


Relatively **low unemployment** (~6%)

Stabilizing inflationary environment (~2%)

Economic downturn (-0.2% GDP Growth in 2024); projected outlook 0% in 2025, 1% in 2026

€25k available income (30% higher than EU avg.) yet **smart-shoppers** and **late adopters**



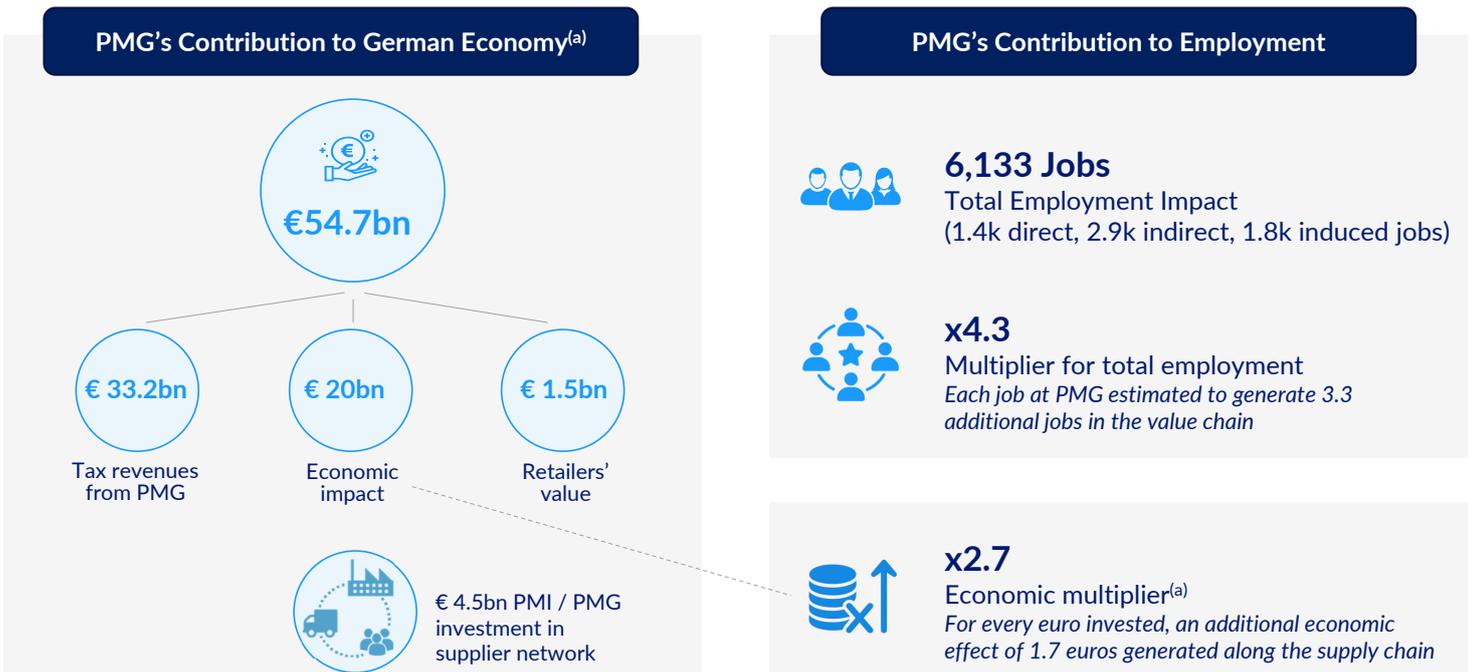
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Complex Retail Landscape, Significant E-Commerce Presence



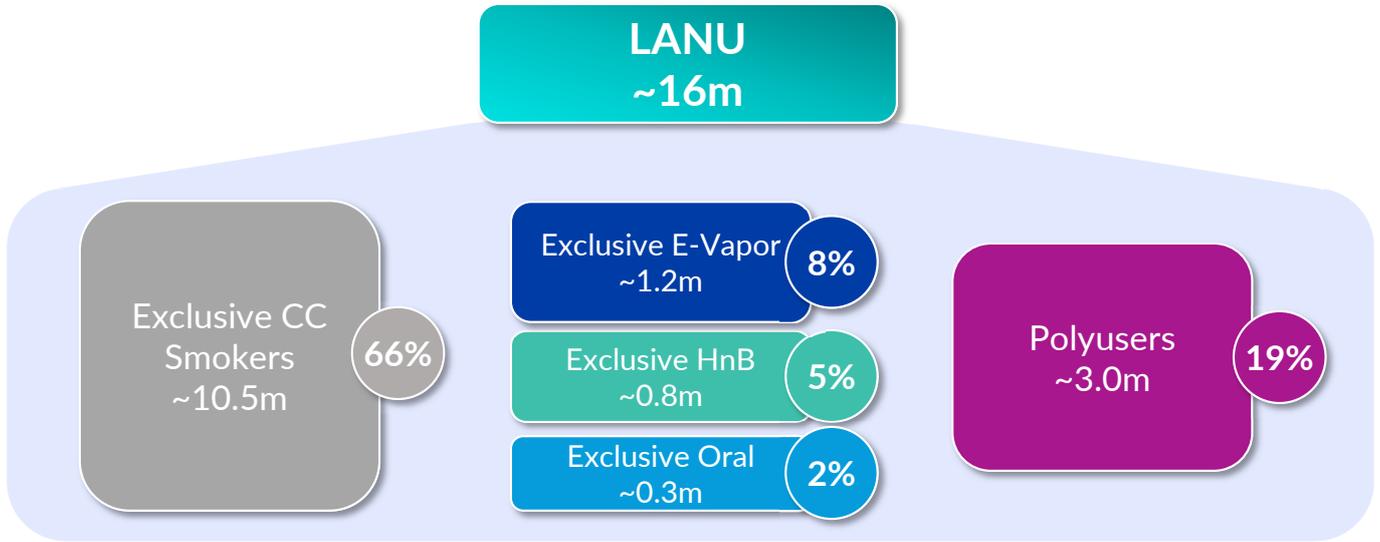
(a) Including 250k vending machines. Source: PMI Financials or estimates

PMG: Strong Contributor to German Economy & Employment



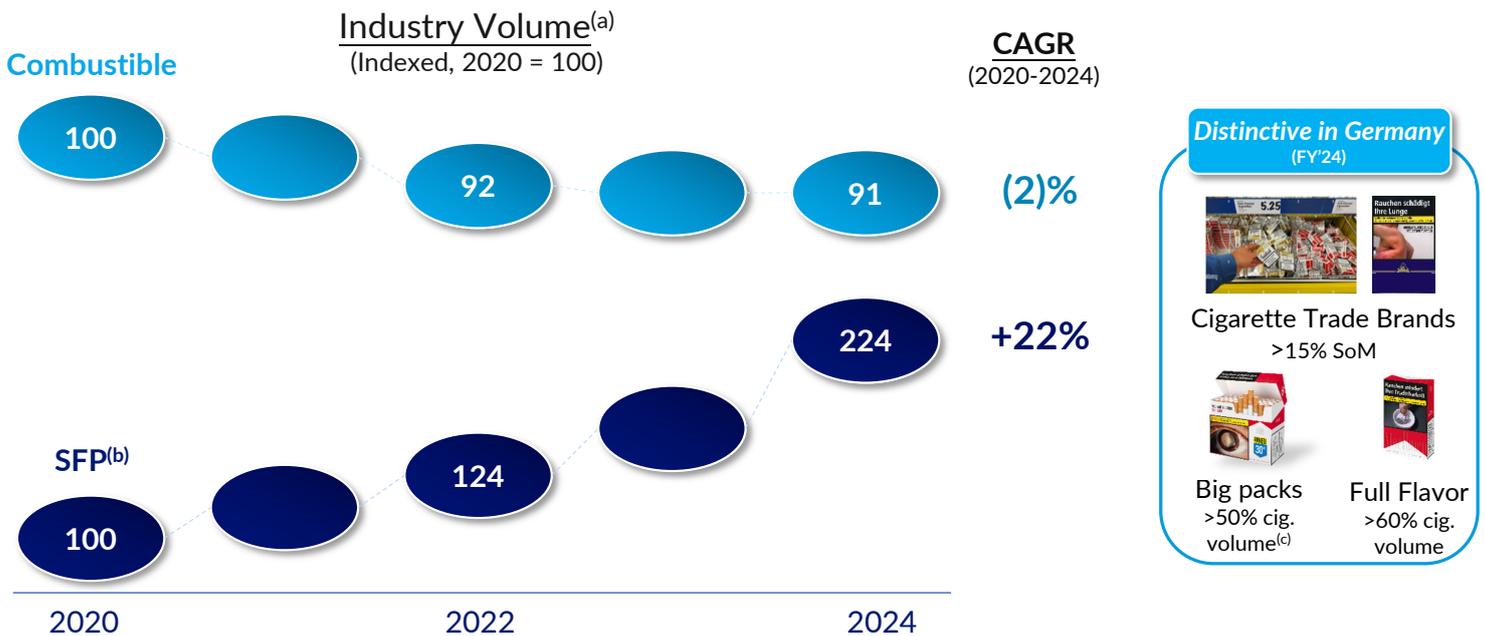
(a) 2019 - 2023. Source: Economic footprint of PMI in the EU 2019-2023, prepared by EY Parthenon at the request of Philip Morris International (PMI) to assess the economic, social, and cognitive impact of PMI's activities on the socio-economic development of the EU. Note: A glossary of relevant terms is available in the appendix at the end of this presentation

Consumer: ~16 Million LANUs, Growing Poly-Users



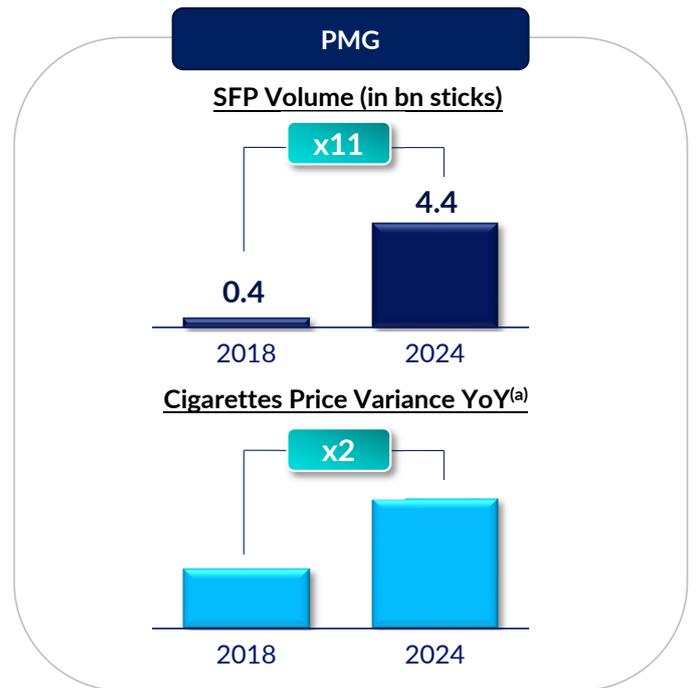
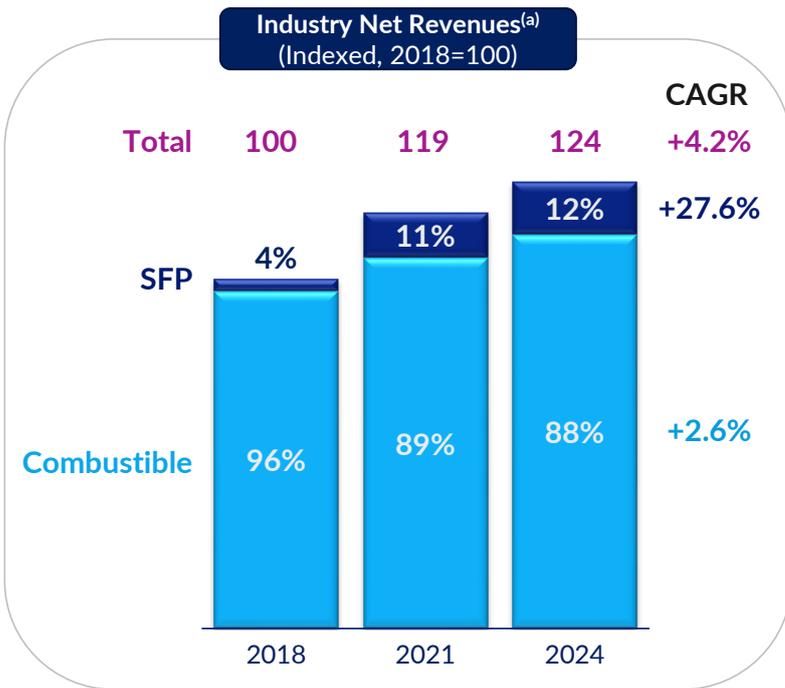
Note: Based on past 7-day use, Q4'24. LANU stands for Legal-Age Nicotine Users. E-vapor includes open systems. All categories include illicit. Polyusers includes those who use 2 or more categories, including CC. Source: PMI Market Research or estimates

Industry Volume: Gradual Transition towards SFPs



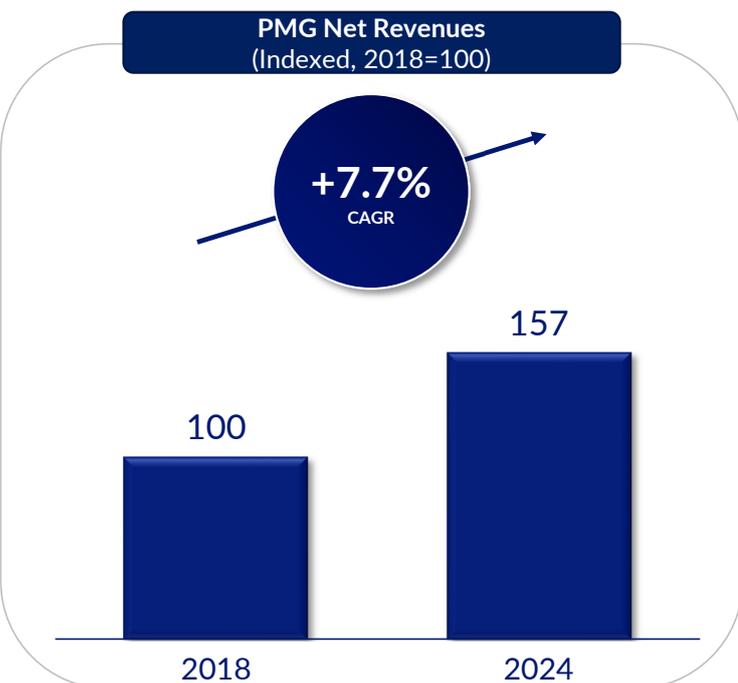
(a) Reported industry data based on IMS. Combustible including cigarettes and OTP; (b) SFP includes HTU based on industry data (adjusted for 2022, 2023 and 2024) and e-vapor excluding open tanks. (c) 2XL-9XL packs. Note: Chart is not to scale. Source: PMI Financials or estimates and Nielsen

Industry Value: Increase Driven by Pricing & SFP Growth...



(a) Calculation is on an organic basis. Note: SFP includes HTU and E-vapor excluding open tanks. Chart is not to scale. Source: PMI Financials or Estimates

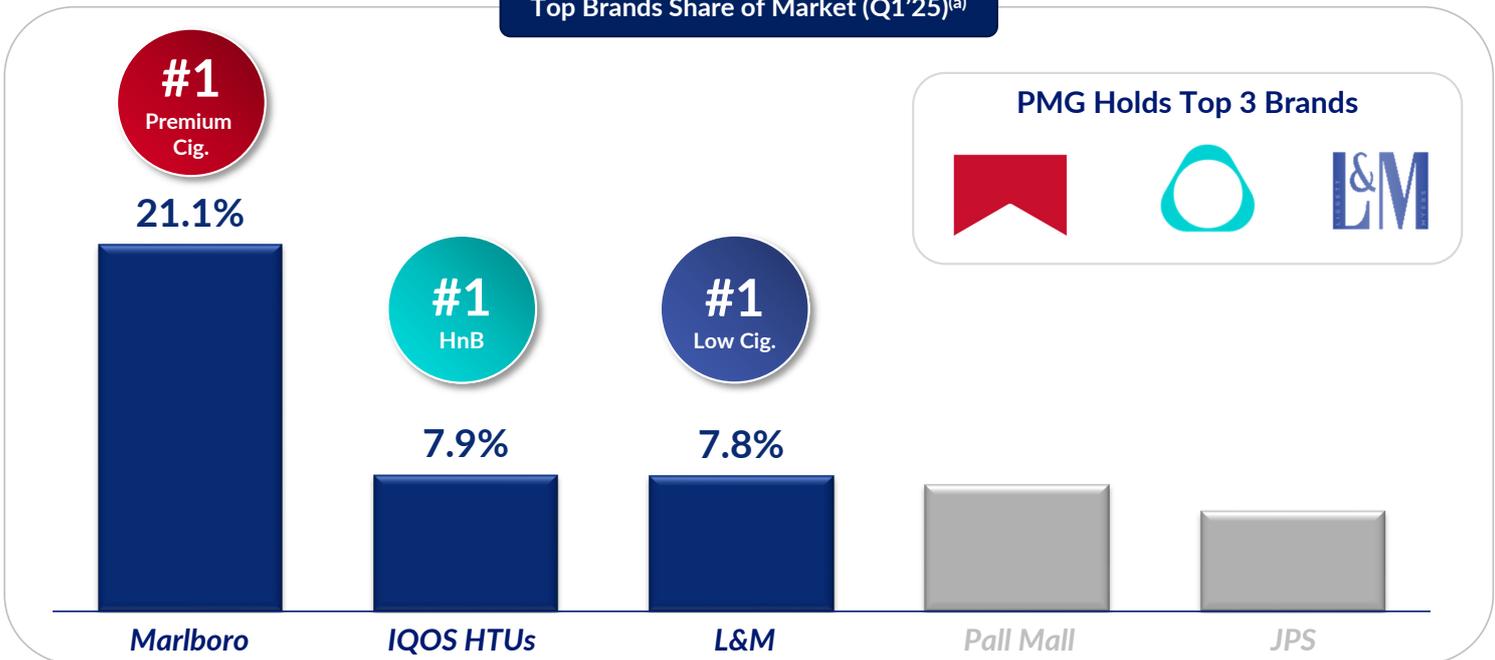
...Resulting in Significant Net Revenue & OI Growth for PMG



Note: Net revenues and operating income excluding currency and acquisitions. Source: PMI Financials or estimates

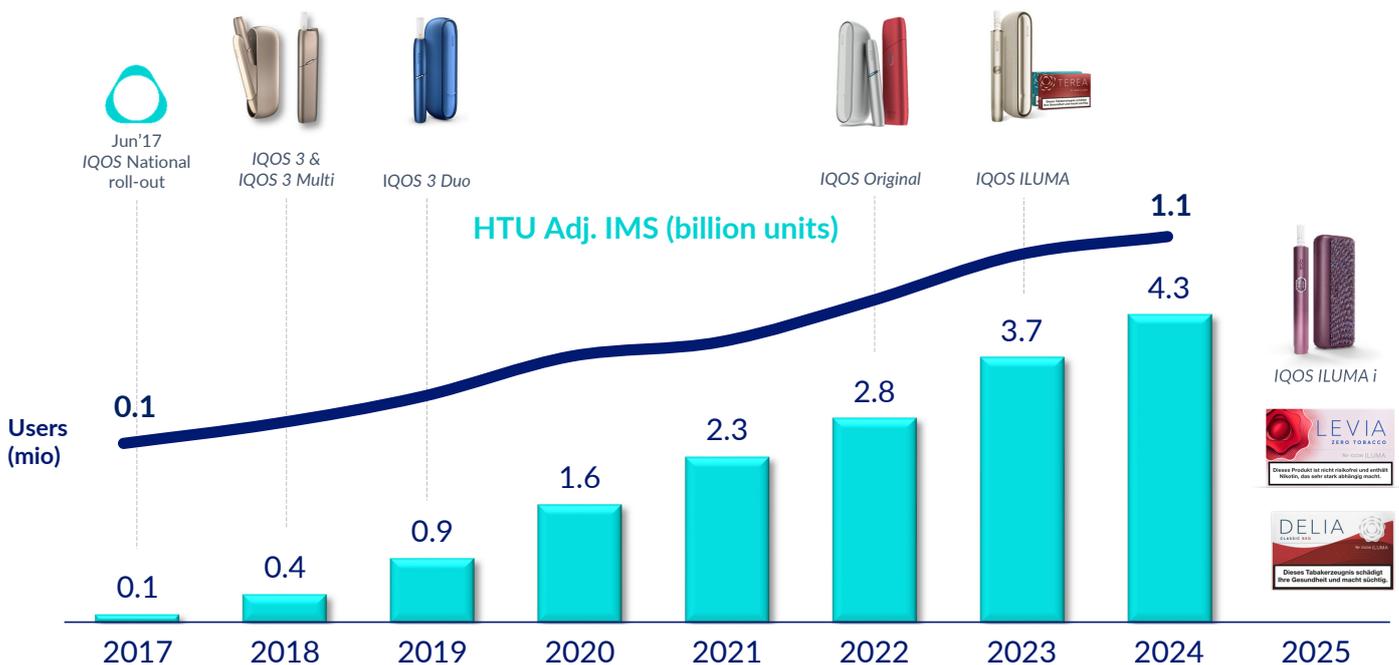
PMG: Undisputed Leader in Highly Competitive Environment

Top Brands Share of Market (Q1'25)^(a)



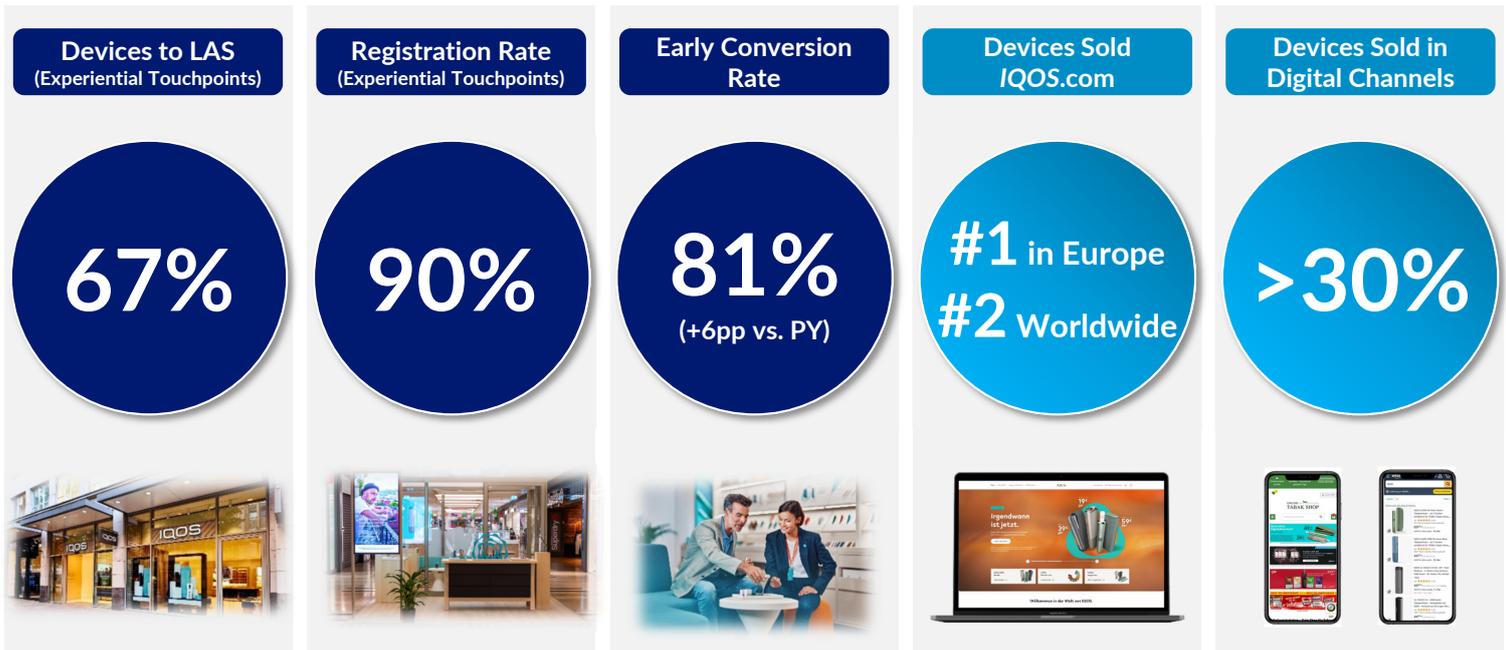
(a) Estimated Brand split for TMOs, based on reported IMS data. Source: PMI Financials or Estimates

HnB: Accelerating IQOS Volume with Further Potential



Source: Nielsen Panel, PMI Financials or Estimates.

Excellent Commercial KPIs, Underpinning Robust Growth

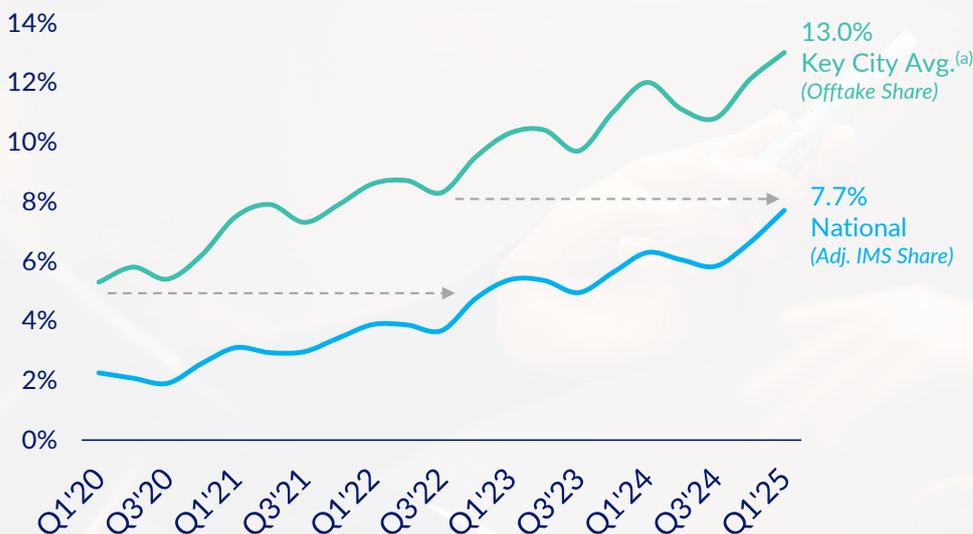


Note: Early conversion rate represents conversion within first 90 days after purchase. Source: PMI Financials or estimates, 2024 data (peak for conversion rate)

IQOS Momentum in Focus Cities Demonstrating the Potential

PMI HTU Share

National Shares Reaching Prior City Levels Within 2-3 years



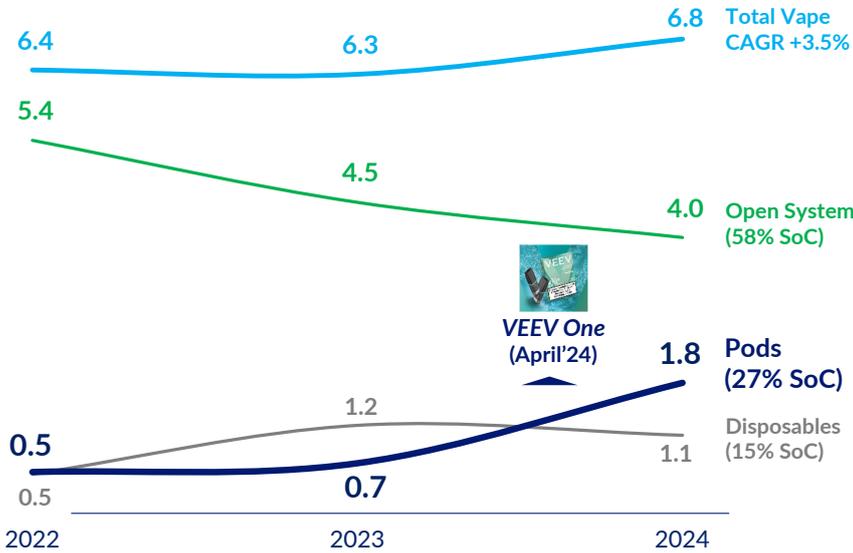
PMI HTU Offtake Share



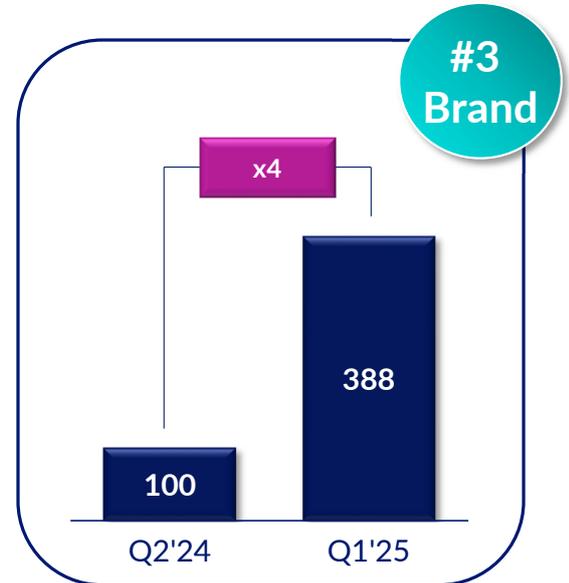
(a) Reflects the average of Hamburg, Munich and Stuttgart. Source: PMI Panel Nielsen, Financials or estimates

E-Vapor: Building Strong Category Position, Focused on Pods

E-Vapor Market Performance
(estimated in bn eq. units)

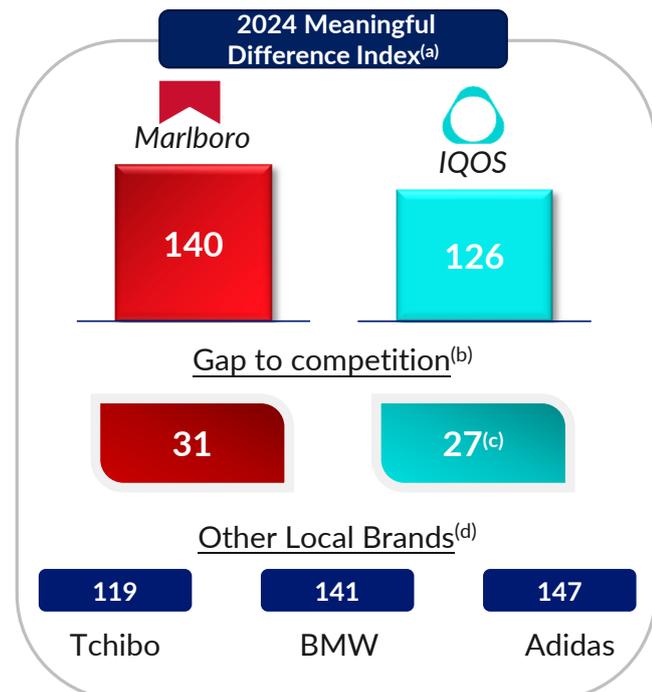
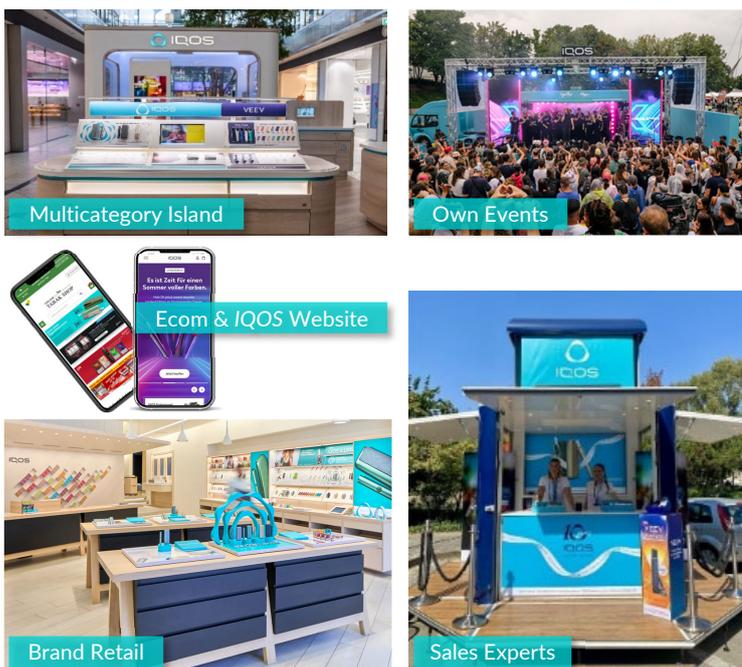


VEEV ONE (Pods) Offtake Volume
(Indexed, Q2'24=100)



Note: #3 Brand is based on SoM in pods category. Source: PMI Financials or estimates, Nielsen Panel, 1ml liquid = 10 equivalent units

Engaging Consumer Activation to Build Superior Brand Equity



(a) Kantar Brand Equity Advisor. Meaningful difference index: meaningful refers to the capacity of brands to drive affinity among Legal Age Smokers (LAS) and address their needs; difference refers to the ability of brands to generate perceptions of uniqueness and trendsetting among LAS. Meaningful difference is reported as a combined index score, where 100 represents the category average. (b) Represents index point gap to closest competitor, SFP for IQOS. Note: In the studies, Marlboro is not benchmark vs. IQOS, the two studies are therefore not comparable; (c) Reflects gap vs. closest competing HnB competitor; (d) Kantar BrandZ 2024 data. Source: PMI Financials or estimates

Oral: PMG Preparing for ZYN, behind Appropriate Regulation

- Regulatory: Nicotine pouches effectively banned due to current German “novel food” classification
- Commercialization: Selling not allowed, but consumption is legal
- Current Access: Sourcing online, from neighboring countries or via local retail channels selling illegally
- Next Steps: Address with new government coalition



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PMG Multicategory Ambition & Strategy



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Europe Investor Focus Event: Greece Overview

June 24th, 2025

Kostas Salvaras, Area Vice President South-East Europe

Kostas Salvaras, Vice President South-East Europe Area



29 years in PMI, with a **diverse experience** spanning sales & distribution, marketing, consumer experience, SFP and general management in **Ukraine, Russia, Japan, Greece and USA**

More recently held the roles of **VP Inhalable Smoke-free Products PMI USA, President PMI Russia and Managing Director PMI Ukraine, Caucasus & Moldova**

13 markets with a population of **61m** and **14m LANU**

7 countries in EU, **6 candidates**

\$1.1 trillion GDP

+4k employees, 4 factories^(a)



(a) Includes joint venture in North Macedonia

Greece At a Glance



Population^(a) of ~**10.5m**
(46% urban)

Tourism arrivals^(b) ~**36m**
(~13% direct contribution to GDP)



~**2.7m LAMU**^(c)
(43.6% Nicotine Incidence)



\$24,720 GDP/capita^(d)
(+39% vs. 2020)

+2.3% Real GDP Growth^(e)
(x2.1 vs. EU average)

150.9% Debt/GDP^(f)
(improving by ~28pp vs. 2020)

+1.4% Budget Surplus^(g) Q1'25
(+3.2% projection FY'25)

Investment-grade status regained^(h)
(Moody's credit rating upgrade, with stable outlook - March'25)



(a) Hellenic Statistical Authority, (b) Institute of Greek Tourism Confederation, (c) PMI estimate (d) Greece, 2024, IMF (World Economic Outlook (October 2024) - GDP per capita, current prices), (e) Greece, 2024 vs. 2023, IMF (World Economic Outlook (October 2024) - Real GDP growth), (f) Greece, 2024, IMF (World Economic Outlook (October 2024) - General Government Gross Debt (% of GDP)), (g) Greek Ministry of National Economy and Finance (Medium-Term Fiscal Structural Plan 2025-2028 update April'25), (h) Moody's (March'25)

Papastratos: 95 Years of Strong Heritage Reinvented

Estimated Footprint

- ~€700m investment since IQOS launch^(a)
- Approx. >85% of production exported 35+ countries
- ~€0.4bn exports value > fresh vegetables



- Approx. >€1bn taxes annually ~2% of Government revenues
- Direct employment of ~1.4k people

Route to Market

- General Trade market ~95% of the market general trade, of which ~1/3 kiosks



- 95 years Exclusive Distributors Model

(a) Planned to be completed by 2025. Note: A glossary of relevant terms is available in the appendix at the end of this presentation. Source: PMI internal estimates

Papastratos: 95 Years of Strong Heritage Reinvented

Corporate Brand

- **Most Admired Company** for 4 years in a row (Fortune)
- **Most Attractive Employer** for 5 years in a row (Randstad)



- The only Equal Salary Certified in Greece

Regulation & Taxation

- SFP as a **pillar of harm reduction** strategy (National Action Plan against smoking)



- **Approved health claims** for IQOS ILUMA and TERA
- **Stable tobacco taxation** since 2017

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>50% LANUs Embracing 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

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Success Across All Categories in Greece



HnB
84% SoC^(a)

Category leader
& #1 nicotine brand



Cigarettes
32% SoC^(a)

Category leader
& #2 nicotine brand



E-Vapor
37% SoC^(b)

Category leader
in Pods



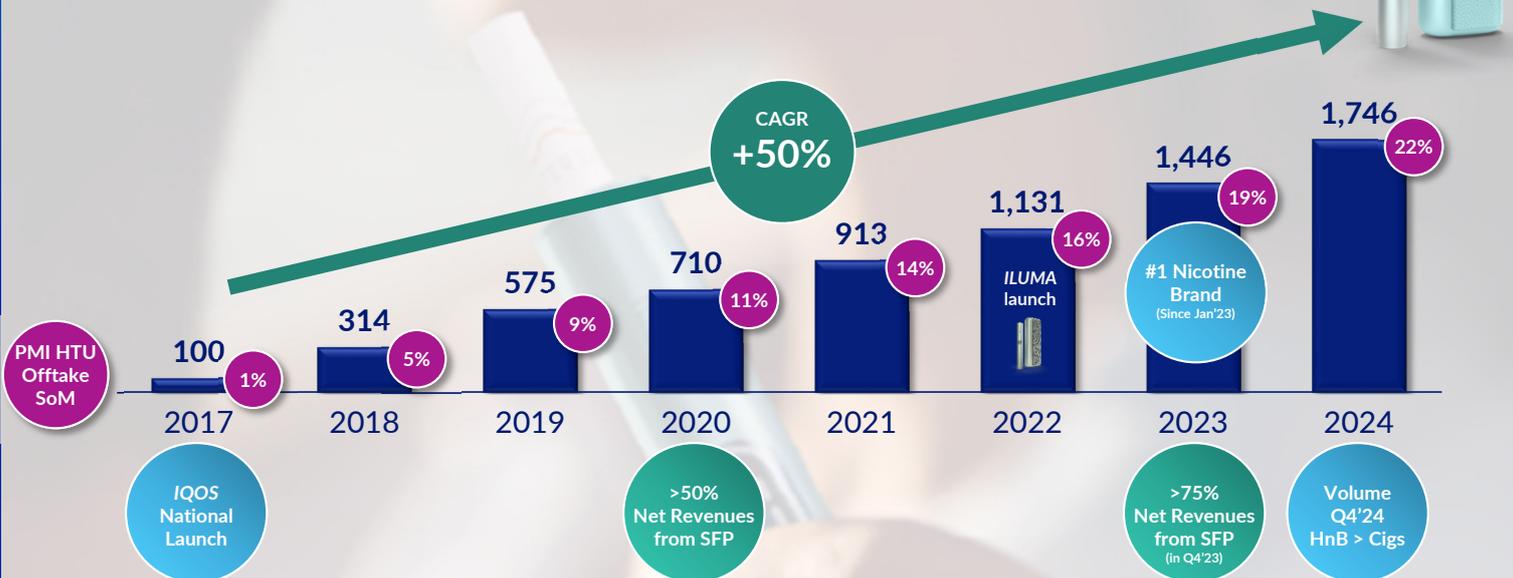
Nicotine Pouches
14% SoC^(b)

Launch Jul'24
Expansion Feb'25

(a) Based on reported Actual IMS (2024) (b) Based on Nielsen, April'25, Closed systems (excl. open tanks and disposables) & Nicotine Pouches

IQOS: Dynamic & Accelerating Growth

HnB IMS Volume
(Indexed, 2017=100)

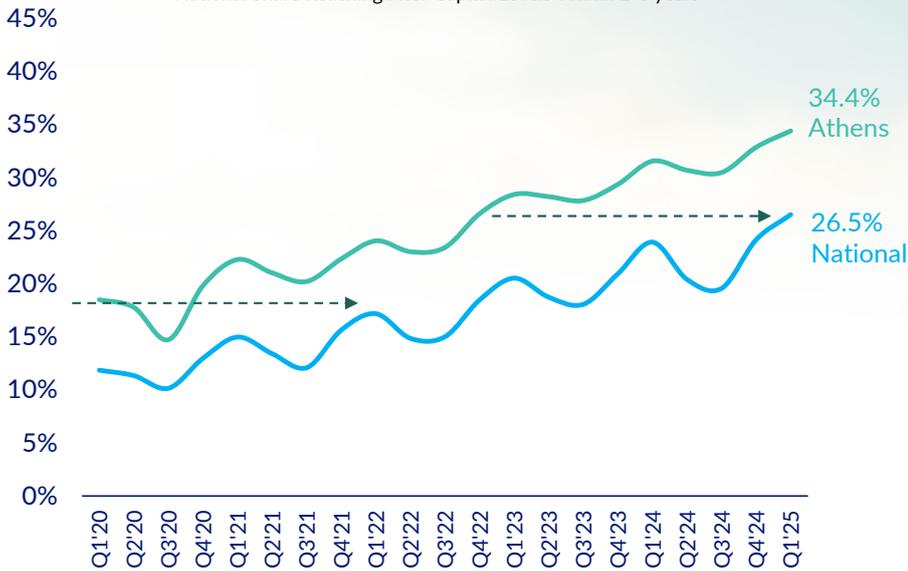


Source: PMI Financials or Estimates

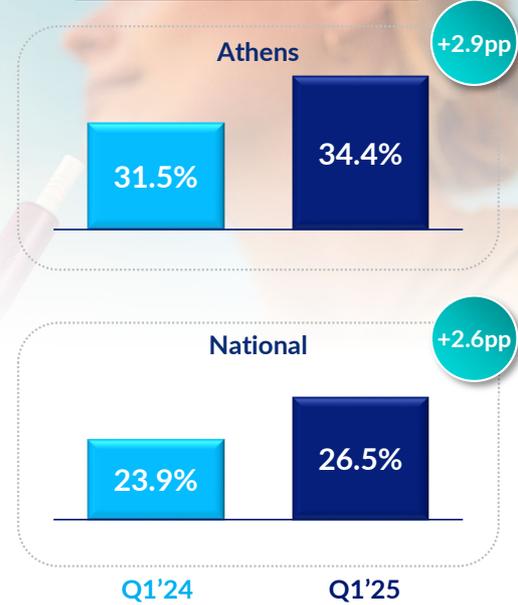
IQOS Momentum in Athens Demonstrates National Potential

PMI HTU Offtake Share

National Share Reaching Prior Capital Levels Within 2-3 years



PMI HTU Offtake Share

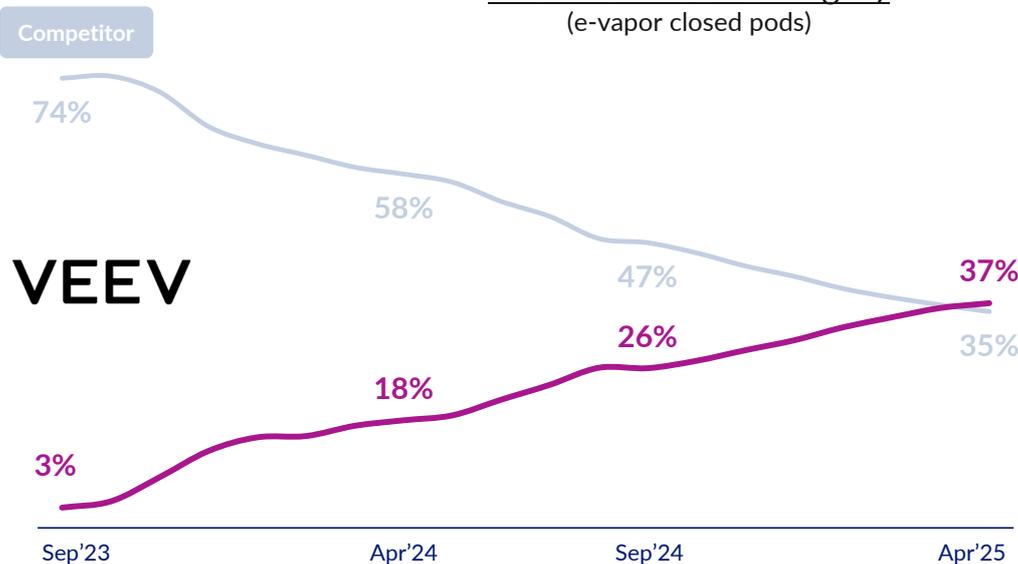


Source: Nielsen and internal estimates

95

VEEV: #1 in Pod Segment

Offtake Share of Category (e-vapor closed pods)



+163%
volume growth
Q1'25 vs. PY



Source: Nielsen and PMI financials

96

Strong 'Phygital' Ecosystem Supports Multicategory Deployment



Brand Retail



IQOS Partners



Indirect Retail & Tech Chains



In store promotion



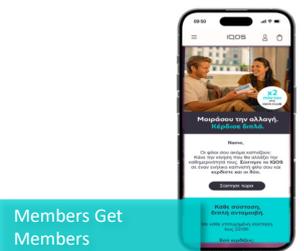
Events & HORECA



Digital Engagement



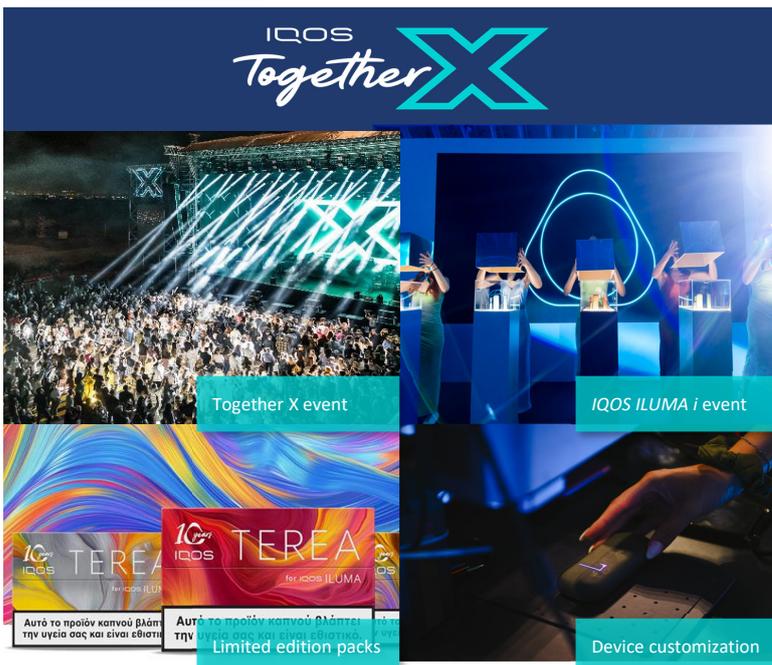
Ecom & Digital Care



Members Get Members

Note: All activities are directed to Legal Age Nicotine Users

Focus on Brand Building Results in Strong Consumer KPIs



Meaningful Difference Index^(a), '24

Saliency Index^(a), '24

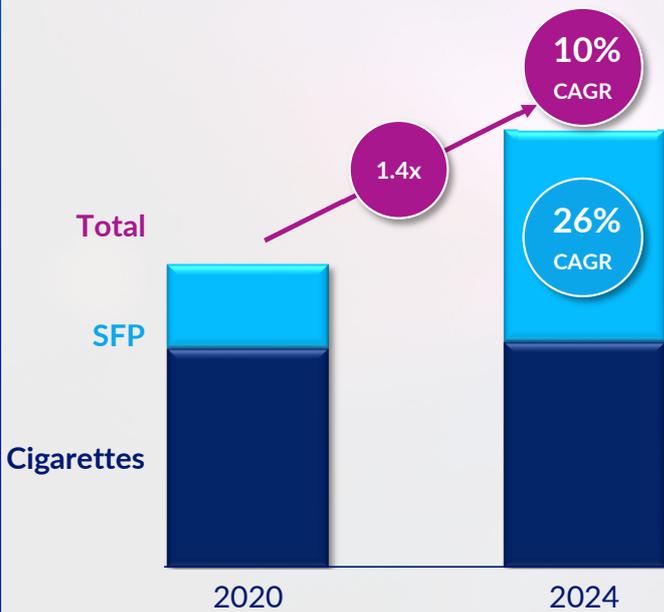


56.4 IQOS Brand NPS^(c)

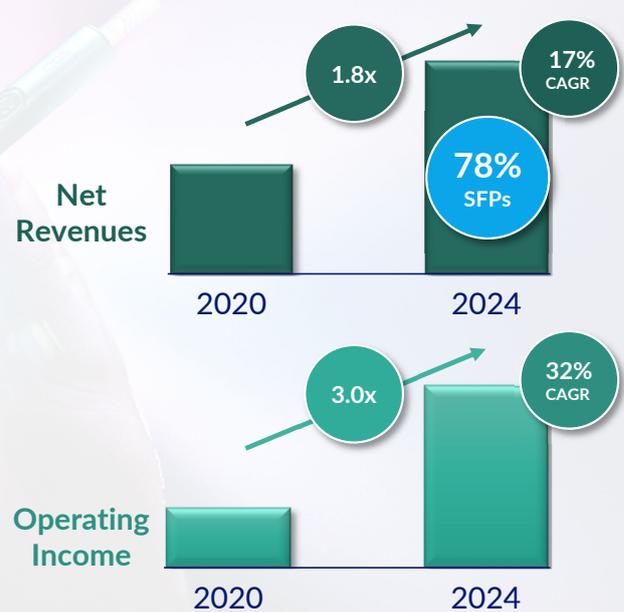
Source: (a) Kantar Brand Equity Advisor, 2024 (b) Adoption Tracker, FY 2024, Base: P12M (c) Brand NPS: Qualtrics NPS FY 2024 (d) P4 Post Buy Tracker Veev entrants 12mm 2024. All activities are directed to Legal Age Nicotine Users

Strong Performance Driven by SFP Growth

Volume Evolution^(a)



Net Revenues & Operating Income



(a) PMI IMS data. SFP includes HnB, e-vapor & oral smokeless. Note: Net revenues and operating income excluding currency and acquisitions. Chart not to scale.
Source: PMI Financials or estimates

Preserving Heritage and Realizing Smoke-Free Future

Leverage strong competitive advantages to win in every category:

- Established Corporate brand & 95 years of heritage
- Superior Brand Equity, #1 nicotine brand (IQOS), #1 in pods (VEEV), #1 in cigarettes (Marlboro)
- Exclusive distribution model & excellent commercial engine with own infrastructure





Europe Investor Focus Event: Romania Overview

June 24th, 2025

Kostas Salvaras, Area Vice President South-East Europe

Growing Economy, 6th Most Populous Country in the EU



Population 19m
(~70% in cities below 100k & rural areas)

4m Romanians living abroad



LANU 4.2m
(36.4% Nicotine Incidence)

Status signaling important
(39% premium share in cigarettes vs. 24% EU)



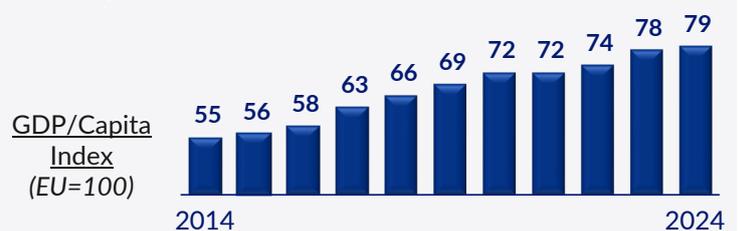
\$370bn GDP
(+48% vs. 2020)

\$1,200 average net monthly salary
(+42% vs. 2020)

\$110bn in EU funding since accession



Fast paced growth,
closing gap vs. EU



PMI Romania: Key Contributor to the Economy

Estimated Footprint

- ~€650m investment since IQOS launch (2017)
- ~€850m taxes in 2023 (~1.6% of Gov. revenues)
- ~€620m exports to 54 markets (1% of Romania's exports)
- Direct employment of ~1.5k people (Employment incl. value chain impact of ~8.8k)



Corporate Brand

- #1 Employer in CPG and #2 overall (Unde Lucrăm)
- Employee engagement index at 94%
- Best industry recycling program



Fiscal and Regulatory

- 5-year excise tax plan, fiscal categories established for all SFP products (nicotine pouches since 2024)
- SFP are mentioned as reduced risk products in local legislation (differentiated communication permitted)

Note: A glossary of relevant terms is available in the appendix at the end of this presentation. Source: PMI internal estimates

Fragmented Traditional Trade, Consolidated Key Accounts

Vincom

Legra
Tex

Punctual
Comimpex

Licurici

Luzan
Logistic

48
Wholesalers

48k

Total POS

Supermarket

Gas

Discounter

Tobacconist

General Trade
(urban)

General Trade
(rural)



#POS
(‘000)

3.4

1.4

0.9

0.7

15

27

Industry
Volume
Distribution

38%

35%

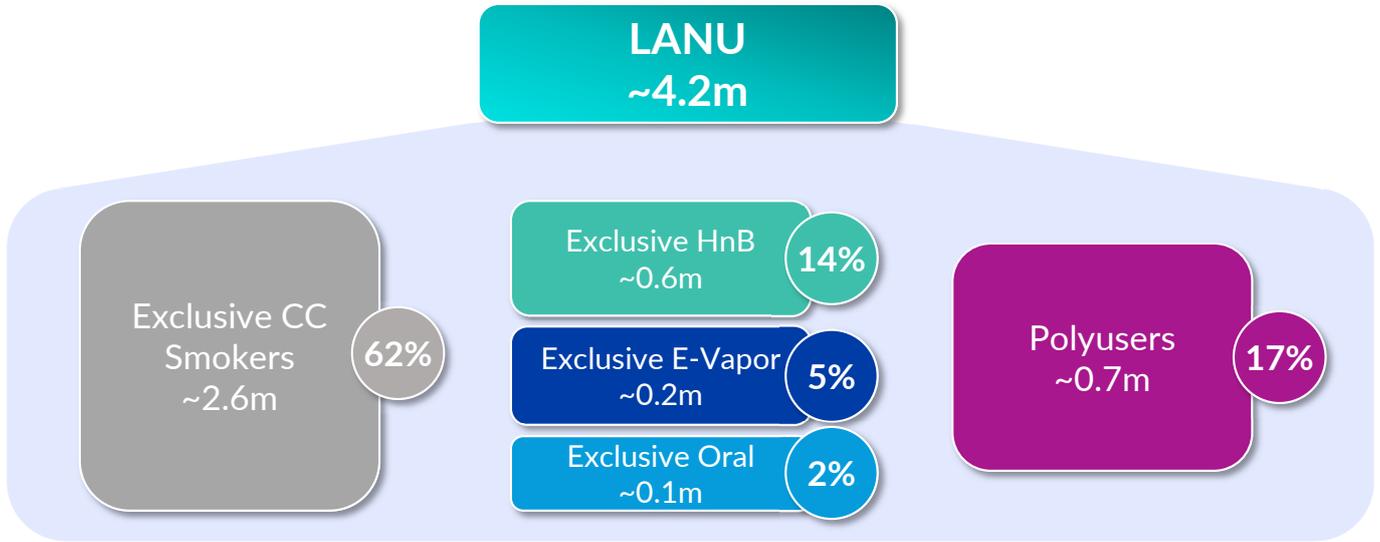
27%

Digital / Online



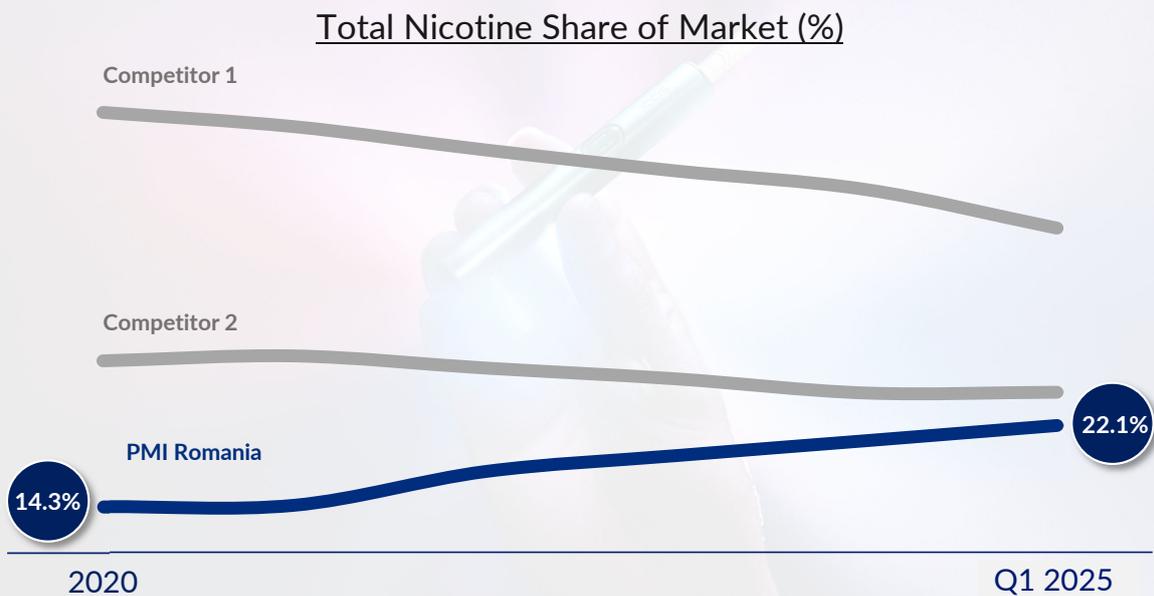
16 E-retailers

LANUs Embracing SFP, Significant Potential to Convert Smokers



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

Gaining Market Share in Highly Competitive Environment



Note: Total SoM comprises CC, HnB, e-vapor. Source: PMI estimate

Leader in SFPs, Growing Across All Categories



HnB
86% SoC^(a)

Category leader



Vape Pods
64% SoC^(b)

Category leader



Nicotine Pouches
19% SoC^(c)

Launched Nov'24

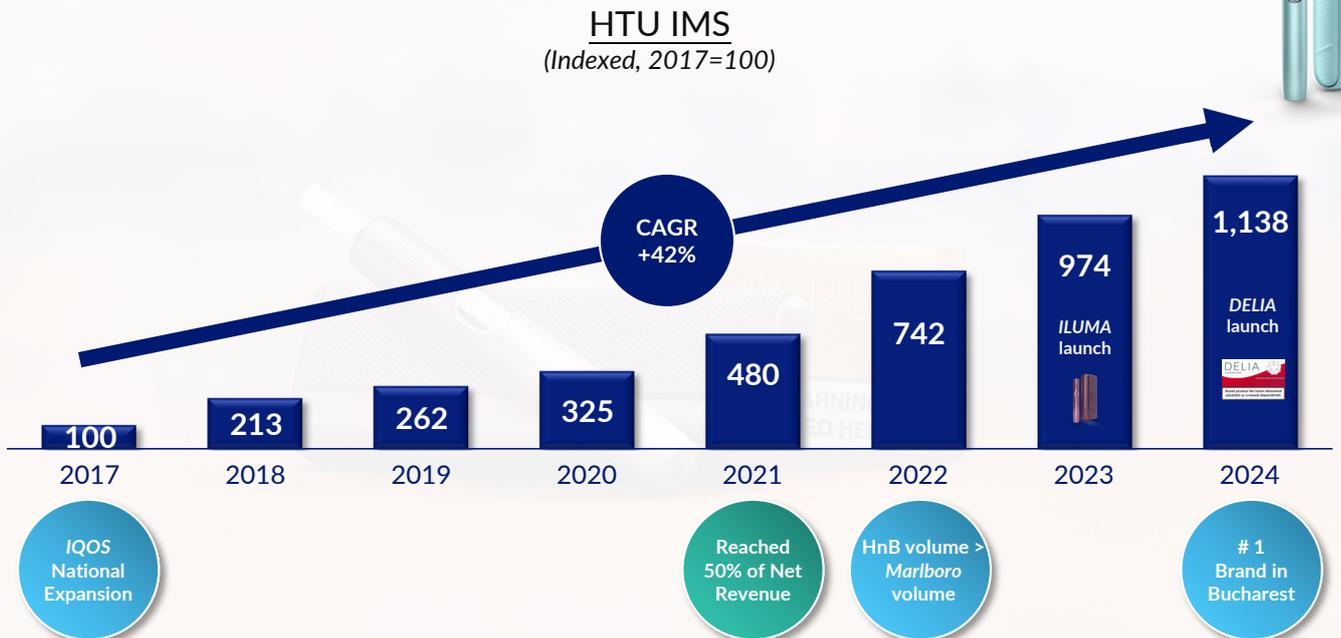


Cigarettes
13.4% SoC^(d)

Growing
+1.5pp vs. 2020

(a) Based on reported Actual IMS (FY'24). (b) Nielsen SoC in pods Dec'24 (excl. open tanks and disposables). (c) Nicotine Pouches Actual IMS Dec'24. (d) Based on reported Actual IMS (FY'24) 107

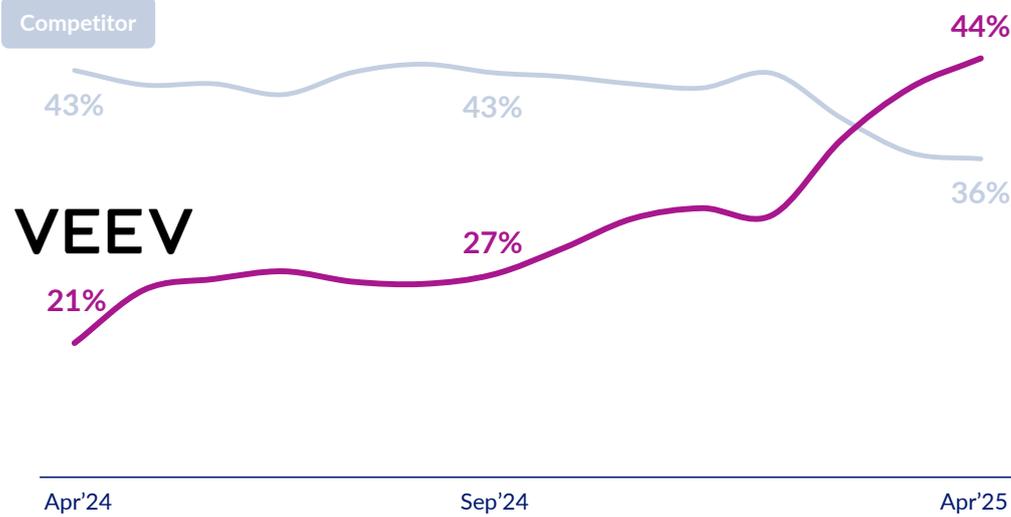
Continuous IQOS Growth Since 2017 National Expansion



Note: PMI HTU offtake share in Bucharest, 20.4% in Q1'25 (based on CC and HTU), as reported in Q1'25 Earnings. Source: PMI data and estimates, Nielsen

VEEV: #1 in E-Vapor Closed Systems

Offtake Share of Category (Total closed systems^(a))



64%
SoC in Pods
Dec'24

x3.1
IMS Q1'25
vs. PY



(a) Includes pods & disposables. Source: Nielsen

Multicategory Approach Driven by Consumer Centricity

Brand Retail

Store activation

Indirect Retail

IQOS CLUB

HoReCa

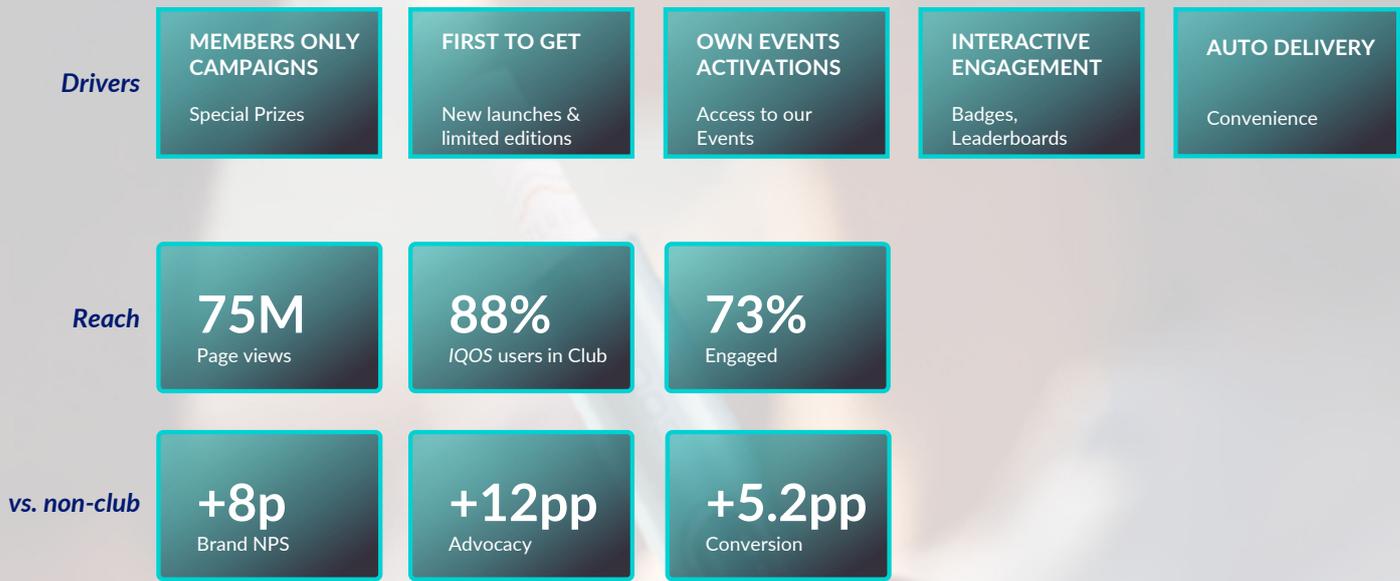
Digital Engagement

E-commerce

Events

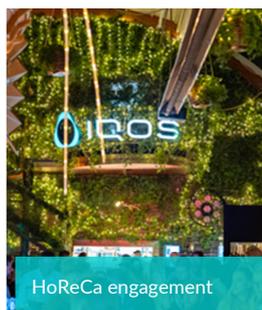
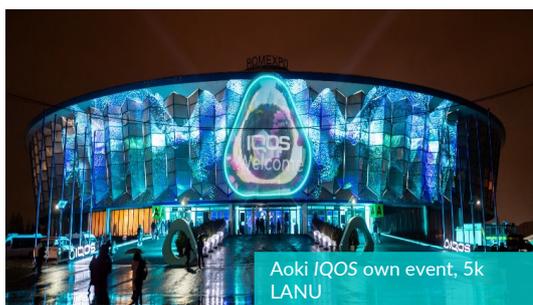
Note: All activities are directed to Legal Age Nicotine Users

IQOS Club Driving Loyalty and Engagement



Source: PMI internal data. All activities are directed to Legal Age Nicotine Users

Brand Building Driving Strong Equity



Meaningful Difference Index
(IQOS 2024, Marlboro 2023)

Saliency Index
(2024, 1st year of VEEV)



IQOS



VEEV

146

116

77

+26 vs. closest competitor

#2 in e-vapor

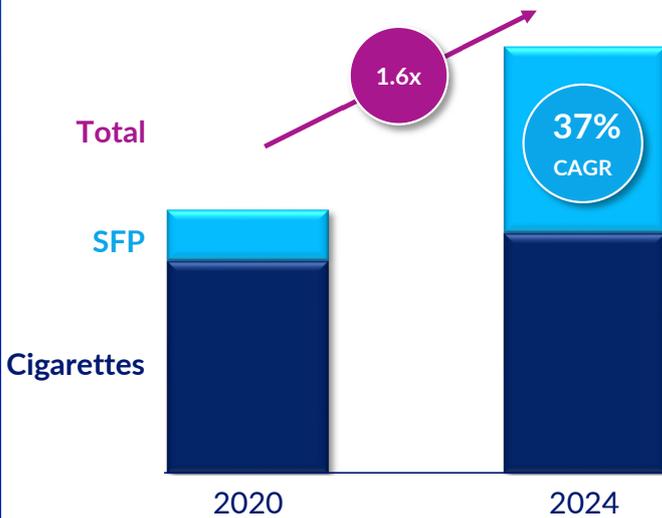
73 Brand NPS

56 Brand NPS

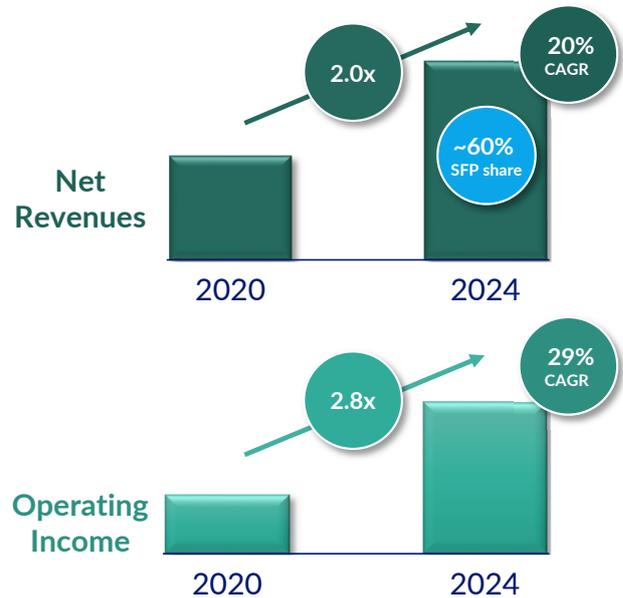
Source: BEA 2024, 2023 Marlboro Study. All activities are directed to Legal Age Nicotine Users

SFP Volume Growth and Pricing Driving Profitable Growth

Volume Evolution^(a)



Net Revenues & Operating Income



(a) PMI IMS data. SFP includes HnB, e-vapor & oral smokeless. Note: Net revenues and operating income excluding currency and acquisitions. Source: PMI Financials or estimates

Romania: Winning in Competitor Stronghold

Capturing the growing SFP opportunity:

- IQOS #1 Brand Equity in SFP
- VEEV #1 share in closed systems
- ZYN as future growth engine

• Value opportunity in cigarettes

- Engaged organization, advanced customer facing infrastructure and high return commercial investments



Win in all Categories



PHILIP MORRIS
INTERNATIONAL

Championing a Smoke-Free World

Europe Investor Focus Event

June 24, 2025

Appendix and Reconciliation of Non-GAAP Measures

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

Reconciliation of Operating Income to Adjusted Operating Income, excluding Currency and Acquisitions
(\$ in millions) / (Unaudited)

Operating Income	Special Items	Adjusted Operating Income	Currency	Adjusted Operating Income excluding Currency	Acquisitions	Adjusted Operating Income excluding Currency & Acquisitions	Operating Income	Special Items	Adjusted Operating Income	Total	Excluding Currency	Excluding Currency & Acquisitions	
2021							Years Ended December 31,		2020		% Change		
\$ 6,357	\$ (179)	\$ 6,535	\$ 393	\$ 6,142	\$ 19	\$ 6,123	Europe	\$ 5,352	\$ (96)	\$ 5,448	20.0%	12.7%	12.4%
2022							Years Ended December 31,		2021		% Change		
\$ 5,518	\$ (470)	\$ 5,988	\$ (1,021)	\$ 7,009	\$ 2	\$ 7,007	Europe	\$ 6,357	\$ (179)	\$ 6,535	(8.4)%	7.3%	7.2%
2023							Years Ended December 31,		2022		% Change		
\$ 5,299	\$ (1,061)	\$ 6,360	\$ 185	\$ 6,175	\$ 177	\$ 5,998	Europe	\$ 5,518	\$ (470)	\$ 5,988	6.2%	3.1%	0.2%
2024							Years Ended December 31,		2023		% Change		
\$ 6,547	\$ (432)	\$ 6,979	\$ 3	\$ 6,976	\$ -	\$ 6,976	Europe	\$ 5,299	\$ (1,061)	\$ 6,360	9.7%	9.7%	9.7%

Source: PMI Financials or estimates

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

Reconciliation of Reported Operating Income to Adjusted Operating Income
(\$ in millions) / (Unaudited)

Europe Region	Years Ended December 31,				
	2020	2021	2022	2023	2024
Reported Operating Income	\$ 5,352	\$ 6,357	\$ 5,518	\$ 5,299	\$ 6,547
Asset acquisition cost	-	(51)	-	-	-
Restructuring charges	(59)	(72)	-	(47)	-
Amortization of intangibles	(37)	(55)	(106)	(221)	(206)
Impairment of goodwill and other intangibles	-	-	(112)	(680)	(26)
Charges related to the war in Ukraine	-	-	(151)	(53)	-
Costs associated with Swedish Match AB offer	-	-	(53)	-	-
Swedish Match AB acquisition accounting related items	-	-	(48)	-	-
Termination of agreement with Foundation for a Smoke-Free World	-	-	-	(60)	-
Loss on sale of Vectura Group	-	-	-	-	(199)
Adjusted Operating Income	\$ 5,448	\$ 6,535	\$ 5,988	\$ 6,360	\$ 6,979

Source: PMI Financials or estimates

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Glossary: Economic footprint

Economic footprint of PMI in the EU 2019-2023 , prepared by EY Parthenon at the request of Philip Morris International (PMI) to assess the economic, social, and cognitive impact of PMI's activities on the socio-economic development of the EU. It was complemented by some local external studies (such as Studio 4 Capitali – Ambrosetti for Italy) prepared for some key EU markets.

The direct, indirect and induced contributions generated by PMI's business activity in the European Union and different EU markets have been estimated by applying econometric models based on sectoral interdependencies (i.e., Leontief Model).

Therefore, most of the data relies on estimates and modeling that cannot be directly linked to PMI Financials.

PMI's contribution: Reference to slides 7, 58, 74, 90, 103

- **Total Contribution** is the result of the estimated PMI impact of three distinct components: Tax revenue, Business activities and Retail value.
- **Tax Revenue** refers to the total estimated amount generated from various forms of taxation due to PMI's activities. This includes excise taxes on the sale of PMI products, corporate income taxes, and value-added taxes (VAT).
- **Economic Impact of PMI's business activities** comprises the direct, indirect, and induced effects of its operations. This includes the estimated:
 - Direct effects from the output produced by PMI's core business activities, including production and sales.
 - Indirect effects from the activities generated within PMI's supply chain, using input-output tables to capture interdependencies between industries.
 - Induced effects from the spending of income earned through direct and indirect activities, using household spending patterns and interconnections between sectors.
- **Retail Value** refers to the estimated value generated by the retailer's margins from the sale of PMI products.
- **Total Export** refers to the estimated value of PMI's products exported from the EU and specific EU markets.
- **Investment in Supplier Network** refers to the estimated financial resources PMI spends on its suppliers within the EU or specific EU markets. This includes expenditures on raw materials, packaging, logistics, and other essential services.
- **The Economic Multiplier** is a factor used to estimate the broader economic impact of an initial investment. It represents the total estimated value generated in the economy for each unit of direct effects.
- **Indirect jobs** is estimated based on primarily driven by PMI's extensive activities in labor-intensive industries such as agriculture (for raw material), with suppliers and service providers.
- **Induced jobs** is the estimated demand generated by PMI's direct and indirect jobs that stimulates additional economic activity, leading to an estimated impact on employment in various other sectors of the European Union and specific market economy.
- **Investments in manufacturing technology and innovation / Investments since IQOS launch** represent the estimated amounts spent for the commissioning/transformation of the production plants into RRP (reduced-risk products) as well as the expansion and constant modernization of the various sites and machinery.



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