



<b>Q2 2020 Earnings - Quarterly Metrics</b>		
<b>Smokeable</b>	<b>Q2 2020</b>	<b>△ vs. Q2 2019</b>
Marlboro Price Gap (vs. Lowest Effective)	32%	
Marlboro Net Pack Price	\$7.29	\$0.24
Lowest Effective Price	\$5.52	\$0.12
<u>Discount Segment Retail Share</u>	<u>24.5%</u>	<u>0.4pp</u>
Major Manufacturer Branded Discount	15.1%	(0.5pp)
Deep Discount	9.4%	+0.9pp
PM USA Menthol Retail Share	9.9%	(0.1pp)
Estimated Weighted Average State Excise Tax per pack	\$1.82	\$0.03
2020 PM USA Cigarette Wholesale Inventory Estimates:	(in billion units)	
End of Q2 2020	2.5	
End of Q1 2020	2.9	
End of Q2 2019	2.5	
End of Q1 2019	2.0	
2020 Cigarette Industry Wholesale Inventory:	(in billion units)	
End of Q2 2020	6.4	
End of Q1 2020	7.0	
End of Q2 2019	5.7	
End of Q1 2019	4.6	

Note: Wholesale inventory changes are one factor PM USA uses to estimate adjusted PM USA and industry volumes.

<b>Oral Tobacco</b>	<b>Q2 2020</b>	<b>△ vs. Q2 2019</b>
Copenhagen Price Gap (vs Leading Discount Brand)	19%	
Copenhagen Retail Price	\$5.37	\$0.32
Leading Discount Brand	\$4.52	\$0.20

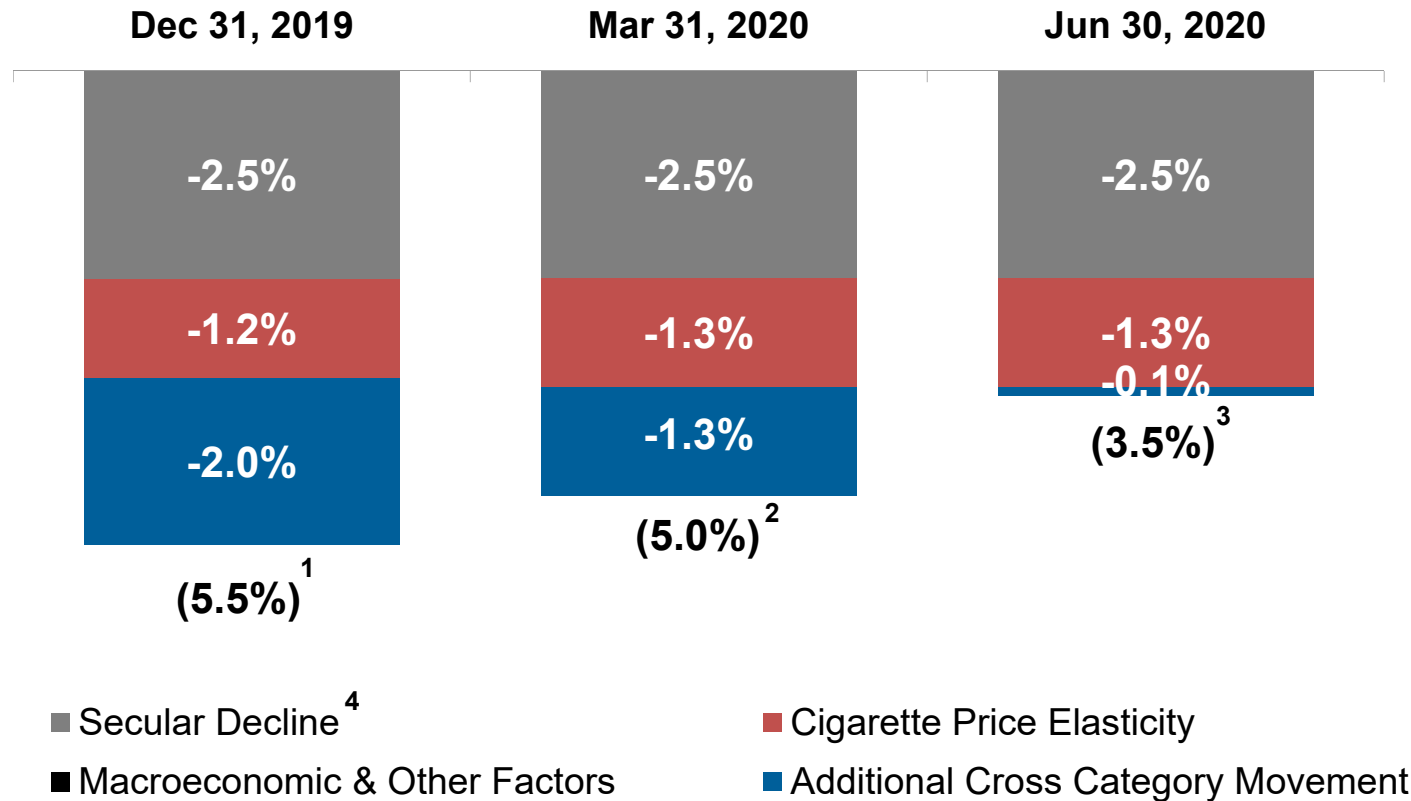
Note: All Smokeable and Oral Tobacco prices reflect IRI restatement.

<b>Other</b>	<b>Q2 2020</b>	<b>1H 2020</b>
Capital Expenditures	\$54 million	\$106 million
Ongoing Depreciation and Amortization	\$65 million	\$130 million

<b>Smokeable Shipping Days</b>					
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>FY</b>
2019	64	65	66	66	261
2020	65	65	66	66	262

# Cigarette Industry Volume Decomposition Estimates

## Twelve Months Ended



Source: ALCS CMI estimates

<sup>1</sup> Macroeconomic & Other Factors were a 0.2% tailwind to the cigarette industry volume decline rate for LTM 12/31/19

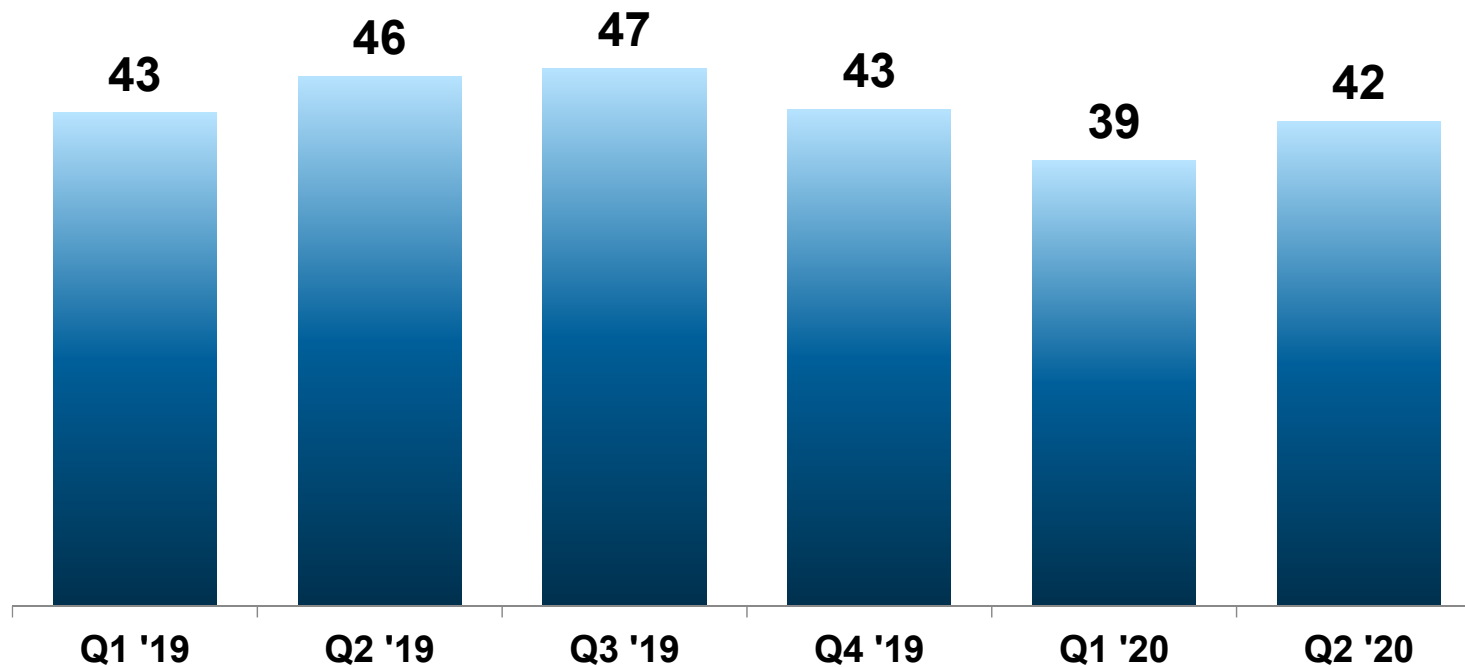
<sup>2</sup> Macroeconomic & Other Factors were a 0.1% tailwind to the cigarette industry volume decline rate for LTM 3/31/20

<sup>3</sup> Macroeconomic & Other Factors were a 0.4% tailwind to the cigarette industry volume decline rate for LTM 6/30/20

<sup>4</sup> Includes approximately 1% historical movement across tobacco categories

# JUUL Performance

Estimated Equivalized Volume Share of Category



Source: ALCS CMI estimates

Note: Share based on volume equivalized to cartridges (1 disposable = 1 cartridge = 1mL e-liquid) Estimated category volume and share are subject to revisions based on the latest available data