Smokeable and Smokeless Products Industry: Landscape (with Altria Group)

September 2025

Smoking kills

SMOKEABLE TOBACCO PRODUCTS

Smokable tobacco products are substances containing tobacco that are intended to be burned and inhaled. Common forms include cigarettes, cigars, cigarillos, related rolling papers and cigar wraps, and hookah/shisha. These products release nicotine, an addictive chemical, along with harmful chemicals and carcinogens when burned, posing significant health risks such as lung disease, heart disease, and cancer.

ORAL TOBACCO PRODUCTS

Oral tobacco products are tobacco or nicotine-containing forms used without burning, placed in the mouth to be chewed, sucked, or held between the gum and cheek. Common examples include chewing tobacco, snuff, snus, dissolvable tobacco, and nicotine pouches. These products deliver nicotine through the oral mucosa and can cause oral cancer, gum disease, and nicotine addiction.

E-VAPOR PRODUCTS

E-vapor products are devices that heat a cartridge containing liquid (called e-liquid or vape juice) to produce an inhalable aerosol, often containing nicotine, flavorings, and other chemicals. Common forms include e-cigarettes, vape pens, and pod systems. While marketed as alternatives to traditional smoking, they can still deliver addictive nicotine and harm the lungs and heart.

HEATED TOBACCO STICKS (HTS)

Heated tobacco sticks are tobacco products that are heated (but not burned) in a device to release a nicotine-containing aerosol, offering fewer harmful byproducts than traditional cigarette smoke but still posing health risks.

OTHER

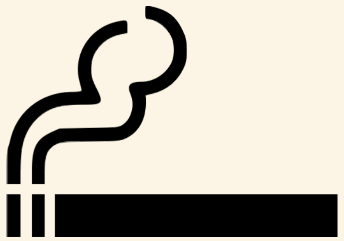
Other products include (1) hemp rolling paper and (2) oils, edibles, capsules, topicals, and smokables containing cannabis compounds like THC or CBD for pain relief or psychoactive highs.

KEY PLAYERS	Smokeable: Cigarettes	Smokeable: Cigars/Cigarillos	Smokeable: Other (pipe tobacco, shisha/hookah)	Oral: Moist Smokeless tobacco Products	Oral: Oral Nicotine Pouches	E-Vapor: e-Cigarettes	HTS Devices and Sticks	Other: Cannabinoid Products and Rolling Papers
Altria (US)	Premium Brands: Marlboro, MERIT, Benson & Hedges, PARLIAMENT, Virginia Slims. Altria and Philip Morris International (PMI) divide the cigarette market geographically: Altria operates primarily in the U.S., managing brands like Marlboro and holding about 45% of the U.S. market, while PMI focuses on international markets, selling Marlboro and other brands in over 180 countries with a global market share around 29%. This separation allows both to leverage the Marlboro brand without direct competition, though PMI has recently entered the U.S. nicotine market via Swedish Match. Discount Bands: L&M, Chesterfield, Cambridge, Basic	Black & Mild	Prince Albert; Carter Hall Pipe Tobacco	Skoal, Copenhagen, Husky, Red Seal	on!	NJOY	Heat-Bot-Burn Device: ploom Truly Unique. Heated Tobacco Stick: evo. Horizon Innovations, a joint venture owned 75% by Altria Group and 24% by Japan Tobacco Inc., is the exclusive entity through which its owners market and commercialize JTI's heated tobacco stick products in the U.S. *Ploom is marketed in the U.S. via the Horizon Innovations joint venture between JTI and Altria.* Horizon Innovations, JTI. Marlboro: Outside of the Horizon Innovations JV, Philip Morris USA will manufacture Marlboro HTS consumables for U.S. commercialization.	Cronos Group. Altria Group owns a 40.9% stake in Toronto-based Cronos, a cannabinoid company with sales in Canada, Israel, and internationally under the Spinach, Lord Jones, and PEACE NATURALS brand names. Spinach, Lord Jones, Peace Naturals
BAT – A Better Tomorrow – British American Tobacco (UK)	Dunhill, Viceroy, Vogue, Kent, Lucky Strike, Pall Mall, Kool (International markets), Rothmans			Grizzly, Kodiak	Velo	Vuse	glo	
中国烟草 China Tobacco (China)	Chunghwa, Hongtashan, Nanjing 南京, Honghe, Tobacco, Furongwang						kuanzhai, MOK, MC	
iMiracle – Shenzhen iMiracle Technology Co. (China)						Elfbar, Elfbar Vapes USA, Lost Mary, EBDESIGN, Funky Republic		
Imperial Brands (UK)	Kool (U.S. only), Winston (U.S. only), Davidoff Cigarettes, West, Gauloises, L&B, JPS John Player Special	Montecristo, Romeo y Julieta Desde 1875 Habana Cuba, Cohiba Habana Cuba, Dutch Masters	Mac Baren, Orlik, Sutliff – a Mac Baren Company		skruf, Zone X	blu	Heat-Not-Burn Device: Pulze. Heated Tobacco Stick: iD	
ITC Limited – Imperial Tobacco Company of India (India)	Wills Navy Cut, Classic, Gold Flake	Armenteros Hand Rolled Cigars						
JTI – Japan Tobacco (Japan)	Camel, Winston (International markets), Silk Cut, Natural American Spirit, LD, Sobranie, Benson & Hedges (In some markets), Glamour, Mevius		Borkum Riff, Erinmore, W.Ø.Larsen	LD	Nordic Spirit	logic.	Heat-Not-Burn Device: ploom Truly Unique. Heated Tobacco Stick: evo. Ploom is JTI's flagship heat-not-burn device, and the related consumables are branded as Evo sticks. JTI distributes these products globally, except in the U.S. where it partners with Altria Group, via the Horizon Innovations joint venture, market, commercialize and, upon U.S. Food and Drug Administration approval, sell heated tobacco stick products in the U.S. *Ploom is marketed in the U.S. via the Horizon Innovations JV between JTI and Altria.* Horizon Innovations, Altria	
JUUL (US)					JUUL			
KT&G – Korea Tobacco & Ginseng Corporation (South Korea)	This, time, Raison, Carnival, Pine, Esse, Tonino Lamborghini, Indigo, Bohem						Heat-Not-Burn Devices: lil Solid, lil AIBLE, lil Hybrid. Heated Tobacco Sticks: AIIM, Fiit, MIIX. In 2023, Philip Morris International (PMI) and KT&G agreed to expand KT&G's smoke-free products like "lil" globally under a 15-year deal in which PMI exclusively distributes KT&G's heat-not-burn devices and consumables outside South Korea, aiming to accelerate the shift from cigarettes to smoke-free alternatives.	
Oettinger Davidoff (Switzerland)		Davidoff of Geneva, Camacho	Danish Mixture Hausmarke					
Philip Morris International (UK)	Marlboro, L&M, Fortune, Chesterfield, Philip Morris, Parliament. Altria and Philip Morris International (PMI) divide the cigarette market geographically: Altria operates primarily in the U.S., managing brands like Marlboro and holding about 45% of the U.S. market, while PMI focuses on international markets, selling Marlboro and other brands in over 180 countries with a global market share around 29%. This separation allows both to leverage the Marlboro brand without direct competition, though PMI has recently entered the U.S. nicotine market via Swedish Match. Jackpot, Dji Sam Soe 234, Anggarda Paramita 1913, PT HM Sampoerna Tbk.			America's Best, General Original Swedish Snus, Longhorn	ZYN	VEEV	Heat-Not-Burn Device(s): IQOS, Bonds by IQOS, lil Hybrid, IQOS Iluma, lil Solid Ez, IQOS Originals. Altria Group has granted Philip Morris International (PMI) the exclusive rights to commercialize the *IQOS* brand in the U.S. PMI is currently the only major company selling heated tobacco sticks in the American market. Other international brands, such as Altria's *Ploom* and BAT's *Glo*, have either limited availability in the U.S. or are not yet on the market, as they await U.S. Food and Drug Administration approval. Heated Tobacco Sticks: TEREA made for IQOS, HEETS made for IQOS. TEREA and HEETS are specially designed heated tobacco sticks intended exclusively for use with IQOS ILUMA devices. Each stick contains a precisely measured tobacco blend and an internal metal heating element. When inserted into the IQOS ILUMA holder, the device's Smartcore Induction System heats the tobacco from within, releasing a nicotine-containing aerosol without combustion, ash, or smoke. This process provides a consistent and flavorful experience, with each stick lasting up to 14 puffs or six minutes, whichever comes first. The sticks are available in a variety of flavors to suit different preferences.	
RELX (UK / Cayman Islands)						RELX, waka Empowered by RELX		
Swisher (US)		Swisher Sweets, Optimo, Drew Estate, King Edward		Mail Pouch, Chattanooga Chew, Creek, Kayak, Goldriver, Railroad Mills	Rogue Nicotine on Demand			Hempire – Hemp rolling papers
Turning Point Brands (US)				Stoker's since 1940, Beech-Nut	FRE			Zig-Zag – Rolling papers, cigar wraps, and cigarillos; includes pre-rolled smoking papers made from hemp plant fibers

SMOKEABLE PRODUCTS

(2024 Net Revenues: $21.2B)

The Smokeable Products segment Consists of sales of (a) combustible cigarettes and (b) machine-made large cigars, substantially all sold in the U.S.



Combustible Cigarettes

PhilipMorrisUSA

Premium Brands

- Marlboro
- MERIT
- PARLIAMENT
- VIRGINIA SLIMS
- BENSON & HEDGES

Discount Bands

- L&M
- Chesterfield
- Cambridge
- Basic

Machine-Made Large Cigars

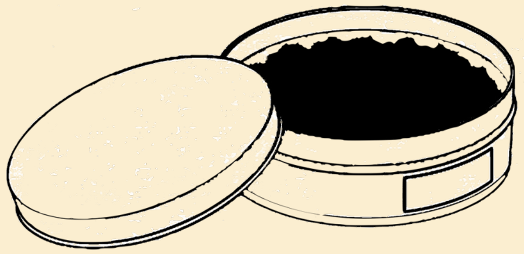
John Middleton
an Altria Company

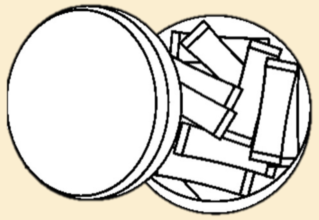
- Black & Mild

ORAL TOBACCO PRODUCTS

(2024 Net Revenues: $2.8B)

The Oral Tobacco Products segment connects Consists of sales of (a) moist smokeless tobacco products (b) oral nicotine pouches, and (c) heated tobacco stick products, substantially all sold in the U.S.





Moist Smokeless Tobacco Products

U.S. Smokeless Tobacco Co.
an Altria Company

- SKOAL
- Copenhagen
- HUSKY

Oral Nicotine Patches

HELIX INNOVATIONS
an Altria Company

- on!

Altria Group: Ecosystem

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Richmond, Virginia 23230
Phone: (804) 274-2200; Website: altria.com

Outside Relationships

Regulators	Capital	Suppliers	Customers

Key Subjects of Regulation

U.S. Environmental Protection Agency (EPA) (regulation of, and permits for, discharges, leaks, emissions, disposals, storage of particulate matter, hazardous waste, and toxic substances in the water, air and soil; superfund cleanup requirement for contamination)

U.S. Patent and Trademark Office (PTO); U.S. Copyright Office (USCO) (patent, trademark, service mark & copyright registrations and renewals)

U.S. Department of Labor (DOL) (DOL: regulation of work practices, wage and overtime record-keeping; EEOC: enforcement of anti-discriminatory laws in hiring, workplace practices and civil rights; OSHA: workplace health and safety, and serious injury reporting)

U.S. Department of the Treasury (FinCen: "know your customer" data collection requirements / anti-money laundering regulation; OFAC: restricted party transactions regulation; and Treasury: economic sanctions)

U.S. Internal Revenue Service (IRS) (regulation of corporate income, payroll, and withholding taxes)

U.S. Department of Justice (DOJ) and Federal Trade Commission (FTC) (DOJ/FTC: enforcement of antitrust and fair-trade laws, and business combination/merger reviews and clearances; and DOJ: foreign corrupt practices law enforcement)

U.S. Department of Homeland Security (DHS) and Customs and Border Protection (CPB) (regulation of imports of finished goods, raw materials and supplies; customs duties administration)

U.S. Dept of Commerce, Bureau of Industry and Security / Export Administration (regulation of exports of finished goods, raw materials and supplies, and information handling; export licenses)

State & Local Governments (restrictions on the sale of certain tobacco products, including (a) by certain retail establishments, (b) with characterizing flavors, and (c) in certain package sizes; limits/bans on tobacco use)

Private Establishments and Employers (limits/bans on tobacco use)

U.S. Food and Drug Administration (FDA) (regulatory authority over all tobacco products, additives, safety, production, quality, labels, packaging, and mandatory recalls)

Regulatory Authority: Regulates design, manufacture, packaging, marketing, distribution of tobacco products—e.g., (a) ban on using adjectives such as "light," "low," or "mild" as descriptors for modified risk without FDA authorization, (b) mandates use of colored graphic warnings depicting negative health consequences of smoking, and (c) ban on underage access.

Product Standards: Regulates manufacturing and product standards appropriate for the protection of the public health, including investigating and enforcing tobacco safety laws and regulations and inspecting product manufacturing facilities.

Pre-Market Review and Approval: Establishes pre-market review pathways for marketing approval and denial orders of new and modified tobacco products, which may be less risky than cigarettes; conducts comprehensive reviews of scientific evidence in pre-market tobacco product applications to determine whether the marketing of flavored electronic nicotine delivery system products would be "appropriate for the protection of the public health" standard.

Prohibitions: Authority to prohibit express or implied claims that tobacco product is or may be less harmful than other tobacco products without FDA authorization.

Capital

Public Debt Holders

Hedge Counterparties

Commercial Banks (Administrative Agents: JPMorgan Chase, Citibank; Other Lenders: Barclays Bank, Credit Suisse, Deutsche Bank, Goldman Sachs Bank, Mizuho Bank, Bank of Nova Scotia)

Suppliers

Bakery, Confectionery, Tobacco Workers, & Grain Millers Union (BCTGM) (26%, or ~1,600, of Altria employees were hourly manufacturing employees who are subject to collective bargaining agreements)

Key Categories of Supply

Combustible Cigarettes

Tobacco (domestic tobacco suppliers and farmers; Philip Morris USA purchases nearly all its domestic tobacco meeting grade and quality standards directly from farmers under a contract growing program)

U.S. Growers of Bright Tobacco (also known as flue-cured leaf tobacco, bright is grown primarily in Virginia, the Carolinas, Georgia, Alabama and Florida)

U.S. Growers of Burley Tobacco (Burley tobacco is grown primarily in Kentucky and Tennessee, as well as in North Carolina, Virginia, West Virginia, Ohio, Indiana, and Missouri)

Leaf Merchants

Other Direct Materials

Paper Board (for packaging)

Acetate Tow (used in filter making)

Fine Paper (used in the manufacturing of cigarette)

Nicotine and Other Chemical Suppliers

Cigars

Third Party Cigar Importers (Middleton contracts with a third-party importer to supply a majority of its cigars)

Leaf Merchants (Middleton purchases burley, dark air-cured and flue-cured leaf tobacco through leaf merchants)

Oral Nicotine Pouch Products

Plastic Cans and Lids (for nicotine pouches and traditional snus products)

Nicotine Salt or Nicotine Premix (for nicotine pouches)

Pouch Material (individual pouch making and additives)

E-Vapor Products

E-Vapor Materials (NJOY contracts with third-party importers to supply all of its products)

Services

Utilities (external suppliers)

Transportation (external suppliers)

Warehousing (external suppliers)

Customers

Smokeable Tobacco Products Customers (and selected customers)

Retailers (300,000+ national retailers, pharmacies, and grocery stores in 50 states via direct sales and distribution)

DOLLAR GENERAL, FAMILY DOLLAR, DOLLAR TREE, sam's club, amazon, RITE AID, Walgreens, Kroger, Publix, Albertsons

Independent Distributors (often distribute other fast-moving consumer goods and are responsible for distribution in a particular market)

PFG, McLANE, Atlantic Dominion

Business Regulation

Bond Financing

Foreign Currency Exchange Derivatives

Working Capital Financing

Labor Union Representation and Collective Bargaining Services

Supplies of Tobacco, Nicotine, Flavorings, Chemicals, Cigarette Wrapping Paper, Filters, and Other Raw Materials, Imported Cigars, and Smoking Accessories

Sales of Combustible Cigarette Products in the U.S. (cigarettes and cigars)

Altria Group, Inc. (a Virginia corporation)

Debt Structure

Debt ($24.9 Billion @ 12/31/2024) | Credit Ratings: A3 (Moody's), BBB (S&P), BBB (Fitch)

Working Capital	Debt Issued or Guaranteed by Parent					
$3.0B Revolving Credit Facility Outstanding: $0 (matures 2028)	2025-2031 Euro Notes ($3.0B) @ 1.70%-3.13%	2027 US Debentures ($42M) @ 7.75%	2025-2029 USD Notes ($4.7B) @ 2.35%-6.20%	2030-2039 USD Notes ($5.4B) @ 2.45%-10.20	2041-2049 USD Notes ($8.9B) @ 3.40%-5.95%	2050-2061 USD Notes ($3.0B) @ 3.70%-6.20%

Legal Entity Structure

Altria Group, Inc.

- Philip Morris USA Inc. (PM USA) — John Middleton Co. (Middleton) — Cigarettes; Large Cigars
- UST LLC (UST) — U.S. Smokeless Tobacco Company LLC (USSTC) — Moist Smokeless Tobacco Products
- Helix Innovations LLC (Helix) — Helix's Foreign Affiliates (Helix International) — Oral Nicotine Pouches
- NJOY, LLC (NJOY) — Horizon Innovations LLC (75%) — E-Vapes & Heated Tobacco Sticks
- Altria Client Services LLC (ALCS) — Altria Group Distribution Company — Internal Distribution, Capital & Services
- Cronos Group Inc. (40.9%) — Anheuser-Busch InBev SA/NV (8.1%) — Investments

Equity Structure

Equity Capital

Share Repurchase Program	Preferred Stock	Common Stock
Authorized: $1.0B; Expiration: none; Balance: $93.5M	Authorized: 10.0M shares; Issued: none; Record Holders: n/a	Authorized: 12.0B shares; Issued: 2.8B shares; Outstanding: 1.7B shares; Record Holders: ~46,000

Securities Law Regulation, Stock Listing Requirements, and Corporation Law Requirements

Equity Capital

Dividends and Common Stock Repurchases

Professional Services

Governance

Board of Directors

- Ian L.T. Clarke (A, F, N)
- Kathryn B. McQuade (C, E (chair), F)
- Richard S. Stoddart (A, I, N)
- Marjorie M. Connelly (A (chair), I, N)
- Debra J. Kelly-Ennis (A, E, I, N (chair))
- Ellen R. Strahlman (E, F, I (chair), N)
- R. Matt Davis (F, I, N)
- George Muñoz (A, C (chair), E, F)
- M. Max Yzaguirre (A, C, F, I)
- William F. Gifford, Jr. (E)
- Virginia E. Shanks (C, E, F (chair), I)

Committees: Audit (A), Compensation and Talent Development (C), Executive (E), Finance (F), Innovation (I), Nominating Corporate Governance and Social Responsibility (N)

Leadership

- CEO: Billy Gifford
- SVP Corporate Citizenship and Chief Sustainability Officer: Jennifer Hunter
- SVP, Chief Strategy and Growth Officer: Heather Newman
- EVP, COO: Jody Begley
- EVP, CFO: Sal Mancuso
- SVP, Government Affairs & Public Policy: Todd Walker
- Chief Innovation and Product Officer: Olivier Houpert
- EVP, General Counsel: Bob McCarter
- SVP, CHRO and Chief Compliance Officer: Charlie Whitaker

Corporate Matters

Finance and Accounting: Finance; Treasury; Tax; Audit; Financial Planning & Analysis; Controller; Compliance; Strategy & Business Development; Procurement; Internal Audit; Information Services

Human Resources: Talent; Total Rewards; Inclusion & Diversity; Employee Experience; Compliance; Compliance & Integrity Program; Systems; Risk Mitigation Initiatives; Labor Relations

Strategy and Growth: International Development; Corporate Development; Enterprise Strategy and Planning; New Growth Ventures; Consumer & Market Insights; Digital and Technology Organization; Advanced Analytics; Information Services; Digital Marketing Services

Legal: Corporate Governance; Corporate Secretary; Liaison between Board of Directors & Altria Group Management; Legal Operations (including commercial contracting); Regulatory Affairs and Sciences; Intellectual Property; Litigation Management

Services: Corporate Responsibility; Investor Relations; Consumer Engagement; Product Development; External and Government Affairs; Research; Communications

Operations: Tobacco Product Manufacturing; Tobacco Product Marketing; Tobacco Product Distribution; Environment, Health And Safety; Supply Chain; Integrated Facility Management; Logistics & Warehousing; Sales & Operation Planning

Operations

Smokeable Products (2024 Net Revenues: $21.2B)

The Smokeable Products segment consists of sales of (1) combustible cigarettes and (2) machine-made large cigars, substantially all sold in the U.S.

Combustible Cigarettes

The Combustible Cigarettes business unit includes Philip Morris USA's (PM USA) sales of combustible cigarettes. PM USA is the largest cigarette company in the United States.

PhilipMorrisUSA — President, CEO: Jon Moore

Leading Cigarette Brands (primarily sold inside the U.S.): Marlboro is PM USA's principal cigarette brand and has been the largest U.S. cigarette brand for 50 years.

Premium Brands: Marlboro (Marlboro accounts for 42% retail market share of all U.S. cigarette brands), PARLIAMENT, MERIT, VIRGINIA SLIMS, BENSON & HEDGES

Discount Brands: L&M, Chesterfield, Cambridge, Basic

Cigarettes Shipment Volume (sticks in millions): 68.6M	Cigarettes Retail Share: 45.9%
Marlboro: 62,584,000	Marlboro: 41.7%
Other Premium (Virginia Slims and Parliament): 3,186,000	Other Premium (Virginia Slims and Parliament): 2.2%
Discount (such as L&M and Basic): 2,812,000	Discount (such as L&M and Basic): 2.0%

Tobacco Containing: Combustible cigarettes

Machine-Made Large Cigars

The Combustible Cigarettes business unit includes John Middleton Co. (Middleton) is engaged in the manufacture and sale of machine-made large cigars. *Black & Mild* is the Middleton's principal cigar brand.

John Middleton, an Altria Company — Managing Director, General Manager: Kenya Blake

Black & Mild

Cigars Shipment Volume (sticks in millions): 1,754
Black & Mild: 1,750
Other: 4

Tobacco Containing: Combustible cigars

U.S. Combustible Cigarettes Competition

British American Tobacco (BAT); Key Subsidiary: REYNOLDS; Leading Brands: PALL MALL, KENT, LUCKY STRIKE, KOOL, DUNHILL; Japan Tobacco (JT) — Leading Brands: CAMEL, WINSTON; IMPERIAL BRANDS — KOOL (U.S. only), WINSTON (U.S. only)

Oral Tobacco Products ($2.8B)

The Oral Tobacco Products segment consists of sales of (1) moist smokeless tobacco products and (2) tobacco leaf-free products that contain tobacco-derived nicotine (i.e., oral nicotine pouches), substantially all sold in the U.S.

Moist Smokeless Tobacco (MST) Products

This unit includes US Smokeless Tobacco Co.'s (USSTC) sales of MST, a type of moist, loose-leafed tobacco that is not smoked or burned. These traditional smokeless tobacco products also go by the names chewing tobacco, dipping tobacco, dissolvable tobacco, and snuff. USSTC is the leading producer and marketer of MST products. USSTC's Skoal and Copenhagen chewing tobaccos are two of the most popular and long-standing brands in the moist snuff market.

US Smokeless Tobacco Co., an Altria Company

Leading MST Brands: *Copenhagen & Skoal*

President and CEO: Michael Brace

Oral Tobacco Products Retail Share: 37.5%
Copenhagen: 19.1%
Skoal: 7.6%
Other (primarily Red Seal and Husky): 2.5%

Oral Tobacco Products Shipment Volume (cans and packs): 774.7M
Copenhagen: 401.5
Skoal: 147.0
Other (primarily Red Seal and Husky): 65.9

Tobacco Containing: Smokeless Tobacco

Oral Nicotine Pouches

This unit includes sales in the U.S. of *on!* oral nicotine pouches sold by Helix Innovations. Nicotine pouches—cellulose pouches containing nicotine extracted from tobacco and flavors but no tobacco—are placed between the gum and cheek where the nicotine is absorbed into the bloodstream.

HELIX INNOVATIONS, an Altria Company

Managing Director and GM: Jay Zapko

Non-Tobacco Containing: Nicotine Pouches

Oral Nicotine Pouches Stats
Oral Tobacco Products Shipments (cans and packs): 160.3M
Retail Share: 8.3%

U.S. Oral Tobacco Products Competition

Moist Smokeless Tobacco: Swedish Match/Swisher, Grizzly (Reynolds), BAT, Stoker's, KODIAK; Oral Nicotine Pouches: ZYN (Zyn is the U.S. market leader (70% share)), ROGUE, BAT VELO

All Other ($38M)

The All Other segment includes (1) NJOY, (2) Horizon Innovations heated tobacco stick products, and (3) equity securities investments and research and development activities related to certain new product platforms and technologies.

CRONOS GROUP — 40.9% stake; ABInBev — 8.1% stake

e-Vapor Products

This unit encompasses NJOY, a major American company that manufactures and distributes electronic cigarettes and vaping products—i.e., handheld battery-powered devices that heat an e-liquid (with a ceramic heater or a wick and coil) to produce an aerosol or vapor—hence the term "vaping"—rather than smoke. NJOY was a pioneer in the e-cigarette industry, founded in 2007, and was one of the first brands to gain significant market share in the early days of vaping in the U.S.

NJOY

Non-Tobacco Containing: eVapor

e-Vapor Statistics
Consumables Products Shipments: 46.6M
Devices Products Shipments: 5.0M
Retail Share of Consumables in the U.S. Multi-Outlet and Convenience Channel: 5.5%

FDA Approval, But… (In 2023, Altria Group, Inc. fully acquired NJOY, gaining a strong foothold in the growing e-vapor market shortly after divesting its minority stake in JUUL Labs. The NJOY acquisition was bolstered by U.S. Food and Drug Administration authorization of NJOY products, including NJOY ACE® pod system and NJOY DAILY®, the first e-vapor products to receive market authorizations from the FDA for both tobacco and menthol variants, allowing them to be legally marketed in the U.S.). Currently, NJOY is the only FDA authorized menthol e-vapor product.

U.S. FOOD & DRUG ADMINISTRATION

International Trade Commission Ban (Due to patent infringement orders obtained by JUUL from the International Trade Commission, effective 3/31/25, NJOY is prohibited from importing, marketing, selling and distributing NJOY ACE devices and pods in the U.S. Altria has appealed this ban and is working on new designs that do not infringe on JUUL's patents.)

Heated Tobacco Sticks

Heated Tobacco Sticks: This unit consists of sales of heated tobacco stick (HTS) products through the Horizon Innovations joint venture with Japan Tobacco Inc. Horizon Innovations is the exclusive entity through which the owners market and commercialize HTS products in the U.S.

HORIZON INNOVATIONS

Horizon Innovations LLC: Horizon Innovation is responsible for the U.S. commercialization of current and future HTS products. It is owned 75% by Altria and 25% by JTI (US) Holding, Inc. (JTIUH), a subsidiary of Japan Tobacco Inc. Upon authorization by the FDA of a pre-market tobacco application of JTIUH's Ploom HTS products, JTIUH will supply Ploom HTS devices and Philip Morris USA will manufacture Marlboro HTS consumables for U.S. commercialization.

ploom — Ploom is a joint venture with Japan Tobacco; Marlboro

HTS Statistics: As of February 26, 2025, there are no products in the U.S. marketplace from the joint venture.

Investments in Equity Securities

Cronos Group, Inc. (NASDAQ: CRON; 40.9% ownership): Toronto-based Cronos is a cannabinoid company with sales in Canada, Israel, and internationally under the Spinach, Lord Jones, and PEACE NATURALS brand names. Consists of ~157 million shares; Altria has the right to nominate four directors of Cronos's seven-member board of directors.

Anheuser-Busch InBev (NYSE: ABI; 8.1% ownership): Belgium-based AB InBev is the world's largest beer company, brewing and distributing 500+ beer brands like Budweiser, Corona, and Stella Artois. Altria expects to maintain the right to select two nominees for election to ABI's board of directors at ABI's 2025 annual meeting. Consists of ~125 million restricted shares and ~34 million ordinary shares.

Other U.S. Competition

eVapor Competition: JUUL, BAT VUSE, blu, logic. (JTI)

Heated Tobacco Stick Competition: IQOS, a brand Altria Group assigned the exclusive U.S. commercialization rights of the IQOS brand to Philip Morris International, which is the only major seller of heated tobacco sticks in the U.S. The other global brands like *Ploom* and *glo* are either not yet available or have limited distribution while awaiting FFDA regulatory approval. BAT glo

Sales of Smokeless Tobacco Products (chewing, dipping and dissolvable tobacco, snuff, and oral nicotine pouches)

Agreements With Philip Morris International (PMI) (PMI, the former parent of Altria, and Altria have agreed on an array of intellectual property ownership)

Horizon Innovations Joint Venture Agreement

Non-Exclusive, Irrevocable Global License to Juul Labs Heated Tobacco Intellectual Property

Gas Stations: bp, SUNOCO, ExxonMobil

Tobacco Stores and Outlets: Low Bob's, Tobacco Superstore, Wild Bill's Tobacco

Smokeless Tobacco Customers

Wholesale Distributors: Atlantic Dominion, Costco Business Center, PFG, HUB, McLANE, allen brothers

Tobacco Stores and Outlets: Low Bob's, Tobacco Superstore, Wild Bill's Tobacco

Hyper- and Super-Markets, Chain Retailers, Convenience Stores: DOLLAR GENERAL, amazon, FAMILY DOLLAR, Walmart, Walgreens, NORTHERNER

Intellectual Property Agreement with Philip Morris International

PMI owns (1) all rights to jointly funded IP outside the U.S. and (2) the trademark rights to Marlboro only outside the U.S. PM USA, a wholly owned subsidiary of Altria Group, owns all rights to jointly funded intellectual property in the U.S.

This means PMI cannot directly sell their products in the U.S. except for IQOS Heating System Products. Under the terms of a purchase agreement entered into in October 2022, Altria assigned the exclusive U.S. commercialization rights to the IQOS Tobacco Heating System to PMI. In addition, PMI is allowed to conduct R&D and manufacture its products in the U.S.

Outside Relationships

Customers	Suppliers	Capital	Regulators

Significant Shareholders

- Vanguard Group (9.51%)
- Blackrock Inc. (7.31%)
- State Street Corporation (4.31%)
- Charles Schwab (3.70%)
- Geode Capital Management (2.66%)
- Institutional Ownership (62.23%)

Professional Service Firms

- PwC (audit services)
- Leo Burnett Worldwide (advertising services)
- Mercury (public relations & lobbying services regarding tobacco product legislation)
- Multi-Firm Legal Services Strategy
- Wachtell, Lipton, Rosen & Katz (transactional legal services)
- Weil, Gotshal & Manges (e-cigarette patent litigation services)
- Latham & Watkins (tobacco litigation services)
- Wilkinson Stekloff (FTC antitrust litigation services)
- Microsoft Azure (cloud computing, storage, and data analytics services platform)
- Horizon Innovations, LLC (Horizon is a joint venture of with a U.S. subsidiary of Japan Tobacco Inc. (25%) and Atria (75%) for the U.S. marketing and commercialization of heated tobacco stick products)
- Juul Labs (JUUL Labs is JUUL Labs is privately owned, with the largest stakes held by its founders, James Monsees and Adam Bowen. Altria previously held a 35% stake, which it sold back in 2022. As part of the transaction, JUUL granted Altria a non-exclusive, irrevocable global license to certain JUUL heated tobacco intellectual property. However, Altria considers this license to have minimal value, since the rights are non-exclusive, no products or technology were transferred, and the JUUL Heated Tobacco IP is unrelated to Altria's current product development plans.)

Securities and Corporate Governance Regulators

U.S. Securities and Exchange Commission (SEC) (regulation of offers and sales of securities, material event disclosure and financial reporting requirements; recordkeeping requirements; anti-bribery law)

New York Stock Exchange (NYSE) (listing, maintenance and corporate accountability rules)

Virginia Secretary of State (administration and enforcement of Virginia corporation law governing business entity formation and dissolution, shareholder, board and officer governance / meetings, fiduciary duties of loyalty and care of directors, executive management duties, financial reporting, charter document amendments, mergers and acquisitions, and corporate penalties for non-compliance)

Key Company Data (as of 12/31/2024)

Business Overview: Richmond, Virginia-based Altria Group is the parent company of the leading U.S. makers of cigarettes, cigars, pipes, moist smokeless tobacco and oral nicotine pouches. In light of the potential harm and legal risks associated with tobacco products, Altria is Moving Beyond Smoking and leading the way in moving adult smokers away from cigarettes by taking action to transition millions to potentially less harmful choices, such as non-combustible products (vapes, heat sticks).

Share Data	Financial Highlights
Stock Exchange (NYSE) Ticker Symbol: MO	Statement of Earnings
Share Price: $63.94 (9/18/2025)	Net Revenues: $24.0B
Earnings Per Share (Trailing 12 Months): $5.17	Cost of Sales: $6.1B
Forward Annual Dividend: $4.24/share	Excise Taxes: $3.6B
Market Capitalization: $108.5B (9/18/2025)	Gross Profit: $14.4B (59.8% Margin)
	Operating Expenses: $2.2B
	Operating Income: $11.2B
	Net Income: $11.3B

Resources	Balance Sheet
Employees: 6,200	Total Assets: $35.2B
Headquarters: Richmond, VA	Total Liabilities: $37.4B
Research and Technology Center: Richmond, VA	Long-Term Debt: $23.4B
Manufacturing Locations: Richmond, VA (cigarettes, cigars, and oral nicotine pouches)	Equity: ($2.2B)
Significant Manufacturing and Processing Locations: Nashville, TN and Hopkinsville, KY (oral products)	Cash Flow
	From Operations: $8.8B
	Used in Investing: $2.2B
	Used in Financing: $11.5B
	Financial Returns
	Return on Equity: n/a%

Vision

Vision: Altria's vision is to responsibly lead the transition of adult smokers to a smoke-free future. The company is *Moving Beyond Smoking*, leading the way in moving adult smokers away from cigarettes by taking action to transition millions to potentially less harmful choices – believing it is a substantial opportunity for adult tobacco consumers, our businesses and society.

Moving Beyond Smoking

Altria Group: Supplement

Altria

September 2025

A FDA REGULATION

FSPTCA and FDA Regulation of Tobacco Products

FAMILY SMOKING PREVENTION AND TOBACCO CONTROL ACT (2009)

Gave the FDA authority to regulate tobacco products

- Regulate manufacturing, marketing, and distribution
- Require health warnings on packaging
- Ban flavored cigarettes, certain marketing

↓

FDA AUTHORITY

- Manufacturing
- Marketing
- Premarket review

↓

PREMARKET REVIEW PATHWAYS

PMTA (Premarket Tobacco Application)	SUBSTANTIAL EQUIVALENCE	MRTP (Modified Risk Tobacco Product)
Must show "appropriate for protection of public health"	Must show "as safe as" existing product	Must show reduced harm or risk

↓

YOUTH PROTECTIONS

- Minimum age of 21 for sales
- Ban on flavors in most products
- Marketing restrictions
- Online sales requirements

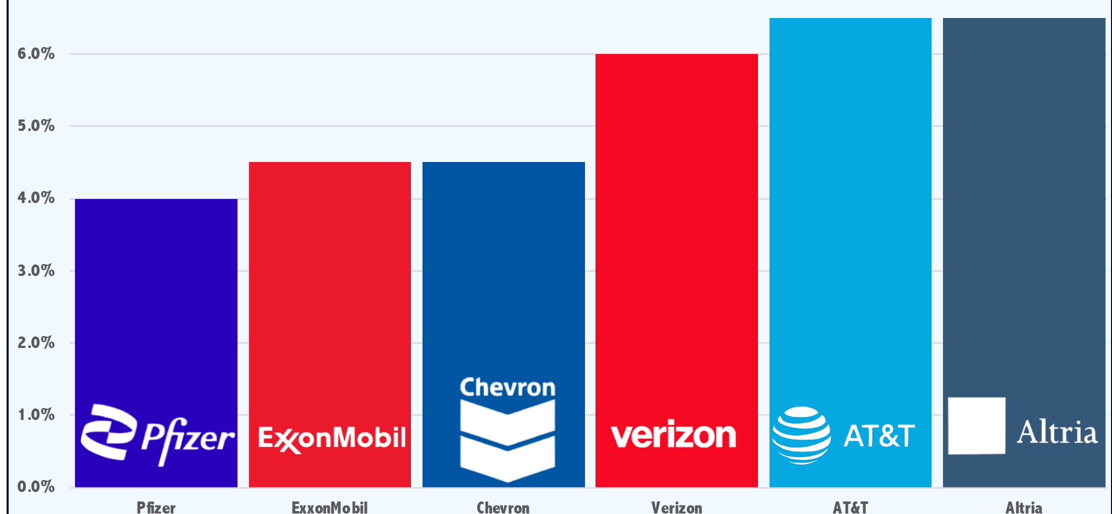
B DIVIDEND POLICY

Altria is very well known for its dividend payments. In fact, it's considered one of the highest-yielding dividend stocks in the consumer staples and tobacco sector. A few key points:

- Altria has a long history of paying consistent and growing dividends, which appeals to income-focused investors.
- Its dividend yield is often significantly higher than the broader S&P 500 average, reflecting both the stable cash flow from its tobacco products and the slower growth of the industry.
- The company's dividend policy is a major reason many investors hold Altria stock, even amid regulatory and litigation risks in the tobacco sector.

Examples of high-yield dividend stocks (typically >5%)

(High yield often comes with higher risk--e.g., debt, regulatory pressure, industry cyclicality)



C OVERVIEW OF CIGARETTE PRODUCTION PROCESS

Altria's cigarette production process generally involves the growth, harvesting, curing, and processing of tobacco before it is blended with other ingredients. The resulting tobacco is then used to manufacture cigarettes, which are packaged and distributed for sale to consumers.

1 CULTIVATE TOBACCO

Tobacco seeds are sown in specially-constructed seedbeds. The seeds are sown in seedbeds (not too close together) to give each seedling enough room to grow. Tobacco seeds germinate rapidly in five to ten days. Under the ideal seedbed conditions, they will grow to a height of 15-20 centimeters in about two months. They are then transplanted in the fields.

↓ Tobacco Seedling

2 HARVEST TOBACCO

After 2-3 months, the plants, which ripen from the bottom to the top, are ready for harvesting. Farmers growing (1) ***Virginia tobacco*** start harvesting by picking the early ripening leaves closest to the ground. then move up the plant, picking the stalk layers as they ripen. Only three to six leaves are removed from the plant at each harvesting stage, (2) ***Burley tobacco*** cut the whole plant and remove the leaves from the stalk after curing, and (3) ***Oriental tobacco*** harvest by hand, one by one, off the plant as they ripen.

↓ Harvested Tobacco Leaves

3 CURING TOBACCO

Curing tobacco plays a major role in the final leaf quality and brings out the characteristic taste of each tobacco type. (1) ***Virginia tobacco*** is 'flue-cured,' hung in curing barns for up to a week where heated air is generated to dry the leaves. As the leaves lose moisture, they develop their distinct aroma, texture, and color. ***(2) Burley tobacco*** is 'air-cured' in barns for up to two months; the heat and humidity come from natural ventilation. (3) ***Oriental tobacco*** is 'sun-cured' by hanging the leaves outdoors in the sun for about two weeks.

↓ Cured Tobacco Leaves

Cigarette Making Process

4 SORTING, PACKING AND SALE OF TOBACCO

When the leaves have been cured, the tobacco farmer sorts them according to stalk position and quality, and packs them separately into bales for delivery to the point of sale. At the point of sale, the leaves are graded by expert leaf buyers who assess leaf quality by carefully checking variations in color, texture, and aroma.

Altria

↓ Graded, Cured Tobacco Leaves

5 DRYING TOBACCO

Once the tobacco has been purchased, it is shipped to a local processing factory where the leaves are further processed and dried for uniformity. After the drying process, the tobacco is pressed into cases for shipment around the world.

Altria

↓ Cases of Dried Tobacco Leaves

6 TOBACCO AGING

Tobacco leaf may be stored for several years while the tobacco undergoes a natural aging and mellowing process that helps to improve the flavor. The aged tobacco is then shipped to a manufacturing center.

Altria

↓ Cases of Dried, Aged Tobacco Leaves

7 TOBACCO PROCESSING

In a manufacturing center, the tobacco undergoes a conditioning process where high temperatures and humidity restore moisture to suitable levels for cutting and blending tobacco and completing the cigarette making process. Tobacco is precisely cut and **blended** according to company recipes to produce tobaccos for various brands of cigarettes. These brand recipes include ingredients and flavors that are added to the tobacco to give each brand its unique characteristics.

Altria

↓ Cut, Blended Tobacco

8 CIGARETTE MAKING AND PACKING

Blended tobacco, referred to as "filler" or "cut-filler," is delivered to cigarette making machines, where the tobacco is stored in hoppers which allow filler to drop down onto prepared cigarette paper. The paper is wrapped around the tobacco and sealed to form continuous rods. These are cut to length for cigarettes. Filter-tipped brands have a double-length filter inserted between every two cigarettes which are sealed to the rods then cut in half to produce two filtered cigarettes. Packer machines (1) insert cigarettes into packs, packs into cartons and cartons into cases and (2) send to storage.

Altria

↓ Cases of Cigarettes

9 WHOLESALE CIGARETTE DISTRIBUTION

Cigarette cases are shipped to warehouses to be sold to wholesale distributors. Retailers buy from these wholesale distribution channels.

↓ Cases of Cigarettes

10 RETAIL CIGARETTE DISTRIBUTION

Wholesale distributors sell to retailers, which in turn sell to the end consumer.

D GLOSSARY

Chew Bags: Chew bags are slightly different than chewing tobacco. Although often compared to Swedish snus in terms of look and taste, chew bags feature larger cuts of tobacco leaf, while snus contains tobacco powder. Chew bags can be either dry or moist.

Cigarillos: Cigarillos are small cigars, thinner than regular cigars but thicker than cigarettes. They often have a similar size and shape to cigarettes but are wrapped in tobacco leaves or paper made from tobacco.

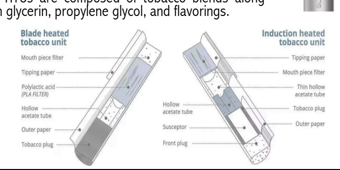
Combustible Tobacco Products: Combustible tobacco products are those that involve burning tobacco to generate smoke, which is then inhaled.

E-Liquid: E-liquid refers to a liquid solution typically used in e-vapor products, such as e-cigarettes. E-liquids typically contain different levels of nicotine, flavors, glycerin and/or propylene glycol. The e-cigarette heats the e-liquid to produce an aerosol that the user inhales.

E-Vapor: E-vapor products are battery-powered devices, commonly known as e-cigarettes, that vaporize a liquid solution containing nicotine and flavors to create an inhalable aerosol. While traditional e-vapor products come with rechargeable batteries and replaceable or refillable cartridges, disposable e-vapor products are single-use devices that come prefilled with e-liquid.

Heat-Not-Burn Products: Heat-not-burn products electrically heat tobacco or a nicotine substrate, using either inductive or resistive heating, just enough to release a nicotine-containing aerosol without burning. They are used with heated tobacco units designed for heating that contain a tobacco plug (made from tobacco leaves that are ground and reconstituted into tobacco sheets that are then crimped) or a non-tobacco substrate infused with nicotine.

Heated tobacco units (HTUs) or Tobacco Sticks: HTUs are designed to be used together with a tobacco heating device to release a nicotine-containing aerosol for the user to inhale, but without burning the tobacco like a cigarette would do. HTUs are composed of tobacco blends along with glycerin, propylene glycol, and flavorings.



Induction Heating: Inductive heating uses electromagnetic induction to generate heat within a material. An alternating current is passed through a coil, creating a magnetic field. When a conductive material (like some metals) is placed within this magnetic field, it induces eddy currents within the material. These eddy currents flow through the material's resistance, generating heat. Unlike resistive heating, which relies on the material itself resisting the flow of electric current to produce heat, inductive heating uses a magnetic field to induce the current and therefore the heat.

INDUCTION

Kreteks: A type of cigarette popular in some parts of Asia, often containing spices or cloves in addition to tobacco.

Nicotine: Nicotine is a highly addictive stimulant found in tobacco plants. It affects the nervous system by increasing dopamine levels, leading to temporary feelings of pleasure and alertness. Commonly consumed through smoking, vaping, or chewing tobacco, nicotine can raise heart rate and blood pressure. While it provides short-term stimulation, long-term use is associated with addiction and health risks like heart disease and lung issues.

Nicotine Pouches: Nicotine pouches contain nicotine, together with water, flavorings, and plant- based fibers. The nicotine in the pouches is extracted into the saliva and is absorbed mainly via the mucous membranes in the mouth before entering the blood stream.

Other Oral Smoke-Free Products (SFP): Other oral SFPs encompasses various tobacco or nicotine-containing products that do not involve burning such as snus, nicotine pouches, and chewing tobacco that are promoted as being a less harmful alternative to cigarettes.

Resistive Heating: Resistive heating refers to a method of heating tobacco or a tobacco-containing material using an electrical current passing through a resistive element. An electrical current is passed through a heating element, which has a specific resistance. This resistance causes the element to heat up. This heat is then transferred to the tobacco or tobacco-containing material. The goal is to heat the tobacco enough to generate a flavorful aerosol containing nicotine without burning the tobacco. Unlike inductive heating, which uses a magnetic field to induce the current and therefore the heat, resistive heating relies on the material itself resisting the flow of electric current to produce heat.

Smoke Free Products (SFPs) : Smoke-free products are products that deliver nicotine without burning tobacco; they have the potential to present less risk of harm compared with continued smoking. Smoke-free products are not risk free, and they contain nicotine, which is addictive. Smoke-free products are designed for adult smokers who would otherwise continue to smoke.

Snuff, Snus and Moist Snuff: Snuff consists of finely ground tobacco. Snus contains moist powdered tobacco that is wrapped in a cellulose pouch. Moist snuff and snus products are placed between the gum and the cheek or upper lip, with nicotine absorbed into the bloodstream mainly via the mucous membranes in the mouth.

Susceptor: A susceptor is a material that heats up when exposed to certain types of energy, such as electromagnetic fields or radio waves. In Heated Tobacco Products, a susceptor (often made of metal) is embedded within the tobacco stick. It is heated inductively or resistively to generate heat, which then warms the tobacco to create an aerosol.

Tobacco Bits: Tobacco bits are loose chewing tobacco in pellet form