Annual Meeting of Shareholders

May 17, 2018
Safe Harbor Statement

Statements, including earnings guidance, in this presentation that are not reported financial results or other historical information are “forward-looking statements” within the meaning of Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current plans, estimates and expectations, and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Altria undertakes no obligation to publicly update or revise any forward-looking statement other than as required by applicable law. The risks and uncertainties relating to the forward-looking statements in this presentation include those described under “Risk Factors” in its Annual Report on Form 10-K for the year ended December 31, 2017 and those described under “Cautionary Factors That May Affect Future Results” in Altria’s Quarterly Report on Form 10-Q for the period ended March 31, 2018.

Reconciliations of non-GAAP Financial measures included in this presentation to the most comparable GAAP measures are available on Altria’s website at altria.com.
Business Update
Smokeable Products Segment Performance

### Adjusted OCI* in Billions

- **2012**: $6.3
- **2017**: $8.6

**CAGR** +6.4%

### Adjusted OCI* Margins

- **2012**: 41.2%
- **2017**: 51.2%

**CAGR** +10.0pp

*For reconciliation of non-GAAP to GAAP measures visit altria.com

Source: Altria company reports
Smokeless Products Segment Performance

Adjusted OCI* in Billions

2012: $1.0
2017: $1.4

Adjusted OCI* Margins

2012: 60.8%
2017: 67.8%

+7.4% CAGR
+7.0pp CAGR

* For reconciliation of non-GAAP to GAAP measures visit altria.com

Source: Altria company reports
Five-Year Shareholder Returns

Annual adjusted diluted EPS growth of nearly

9%* from $2.21 / share to $3.39 / share

$21B in dividends and a dividend rate that grew at a compounded annual rate of more than 8%

Another $6B in cash through share repurchases

A cumulative TSR of over 180%

* For reconciliation of non-GAAP to GAAP measures visit altria.com

Source: Bloomberg Daily Return

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We aspire to be the U.S. leader in authorized, non-combustible, reduced-risk products.
Continuum of Risk (submitted to FDA in 2009)

Risk Continuum of Tobacco Products
(Directional only – not to scale; adapted from Hatsukami* et al.)

Non-combustible Product Platforms

Smokeless/Oral Tobacco

E-Vapor

Heated Tobacco
THIS CHANGES EVERYTHING
Adjusted Diluted EPS* Performance

2016: $3.03  
2017: $3.39

+11.9%

*For reconciliation of non-GAAP to GAAP measures visit altria.com

Source: Altria company reports
Total Shareholder Returns

Note: Total shareholder return is simple price appreciation plus the reinvestment of the dividend as of the ex-dividend date

Source: Bloomberg
Cash Dividends

Dividends Paid (in Billions)

- **$4.8**
  - 2017

Annualized Dividend Growth

- **$2.44**
  - Aug-16
- **$2.64**
  - Aug-17

**51st increase in the last 48 years**

Source: Altria company reports
## Dividends & Share Repurchase

### Cash Returned to Shareholders (in Billions)

- **2017**
  - **Dividends**: $4.8
  - **Share Repurchases**: $2.9
  - **Total**: $7.7

### Annualized Dividend Growth

- **Aug-16**: $2.44
- **Aug-17**: $2.64
- **Increase**: +8.2%

**51st increase in the last 48 years**

Source: Altria company reports
2018 Performance

Adjusted Diluted EPS* Performance

- Q1 2017: $0.73 (Aug-17)
- Q1 2018: $0.95 (Mar-18)

Annualized Dividend Growth

- Aug-17: $2.64
- Mar-18: $2.80

*For reconciliation of non-GAAP to GAAP measures visit altria.com

Source: Altria company reports
Filed MRTPA on Copenhagen Snuff in 1Q 2018
2018 Guidance

- We reaffirm our guidance to deliver 2018 adjusted diluted EPS in a range of $3.90 to $4.03, representing a growth rate of 15% to 19% from our adjusted diluted EPS base of $3.39* in 2017.

*For reconciliation of non-GAAP to GAAP measures visit altria.com

Source: Altria company reports
Altria Stock Performance

*PMI Spin-off - 2018*

Source: Bloomberg
Tobacco Harm Reduction

Despite efforts to persuade people never to start or to quit if they do, millions of adults will continue using tobacco products. For these consumers, reduced-risk products may offer a promising opportunity to reduce the harm associated with tobacco use, particularly cigarette smoking.
Underage Tobacco Prevention

Note: third-party trademarks are the property of their respective owners and are included for informational purposes only.
If you decide to quit using tobacco...

YOU CAN DO IT!

“IT's tough. It’s challenging. It’s a struggle. But at the end of the day, it’s possible. Do not give up until you’re done.”

- Antonio S., Smoked for 18 years, Smoke-free for ~1 year

Call

Call 1-800-QUIT-NOW

Speak to an expert in your state to get support and information to help you quit

Visit

Smokefree.gov

Access expert quitting information from the National Cancer Institute

Chat

Get Live Help

Chat Online with a live National Cancer Institute counselor

Explore

Online Resources

Explore a range of tools to help you quit and stay tobacco-free
Supply Chain Responsibility

- Develop Long-Lasting Relationships
- Develop a Diverse Supplier Base
- Promote a Strong Culture of Responsibility
- Monitor and Assess Supplier Performance
Tobacco Good Agricultural Practices Program

A sustainable supply of high-quality tobacco is crucial to the future of Altria’s tobacco companies. To this end, our tobacco companies consistently work to provide their workers with fair and safe working conditions and to ensure that any practices or products from these tobacco companies are compliant with Good Agricultural Practices (GAP) program guidelines. These initiatives are designed to protect the health and safety of our workers and to promote the sustainable production of tobacco.

**Tobacco Purchases**

In the U.S., our tobacco companies contract directly with tobacco growers. In international tobacco, our tobacco companies purchase tobacco from suppliers with whom we contract directly from growers. 

**GAP Program Elements**

The GAP program addresses the following areas as they relate to tobacco products:

- Labor: Fair and safe working conditions
- Student involvement and management
- Crop management

**Domestic GAP Program**

**Labor Management**

- Domestic tobacco growers must ensure that their tobacco labor practices comply with all applicable laws, including the Fair Labor Standards Act (FLSA), the Occupational Safety and Health Act, and the Family Medical Leave Act (FMLA).

- Our tobacco companies communicate our expectations on issues including:

  **CHILD LABOR**

  - Domestic tobacco growers may not employ or allow minors (younger than 16 years of age) or any person under 18 years of age deemed incapable of performing hazardous duties.

  - All tobacco growers must post on their property the state’s correct minimum age for tobacco workers.

  - The U.S. Secretary of Labor has determined that certain jobs held by adult workers are not hazardous.

  - Domestic tobacco growers and their employers must be aware of and comply with all applicable state and federal laws.

  - We prohibit the use of any tobacco products while at work.

**FREEDOM OF ASSOCIATION**

- We encourage growers to ensure the right of those sharing equal rights in the enterprise to associate freely without hindrance or intimidation.

**REAL PROPERTY SAFETY**

- All U.S. adult tobacco workers must receive emergency and safety training in tobacco industry-specific emergency and safety measures.

**Supplemental Information**

- The program is designed to ensure that our tobacco labor practices comply with all applicable laws, including the Fair Labor Standards Act (FLSA), the Occupational Safety and Health Act (OSHA), and the Family Medical Leave Act (FMLA).

- Domestic tobacco growers are required to provide their employees with the appropriate personal protective equipment to prevent exposure to hazardous chemicals.
External Recognition

- CR's 100 Best Corporate Citizens 2017
- THE CIVIC 50
- DiversityInc Top 50 Companies for Diversity 2017
- CDP A List 2017

Altria
Regulation G Disclosure

- For reconciliations and further explanations of non-GAAP financial measures, visit: altria.com