UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

or

□ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-08940

Altria Group, Inc.

(Exact name of registrant as specified in its charter)

Virginia	**13-3260245**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
6601 West Broad Street Richmond Virginia	**23230**
(Address of principal executive offices)	**(Zip Code)**

804-274-2200
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, $0.33 1/3 par value	MO	New York Stock Exchange
2.200% Notes due 2027	MO27	New York Stock Exchange
3.125% Notes due 2031	MO31	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes þ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	þ	Accelerated filer	□
Non-accelerated filer	□	Smaller reporting company	□
		Emerging growth company	□

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes □ No þ

At April 22, 2026, there were 1,669,891,235 shares outstanding of the registrant's common stock, par value $0.33 1/3 per share.

ALTRIA GROUP, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Altria Group, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in millions of dollars)
(Unaudited)

	March 31, 2026	December 31, 2025
Assets		
Cash and cash equivalents	**$ 3,531**	$ 4,474
Receivables	**284**	263
Inventories:		
Leaf tobacco	**525**	531
Other raw materials	**265**	245
Work in process	**24**	13
Finished product	**332**	281
	1,146	1,070
Other current assets	**241**	125
Total current assets	**5,202**	5,932
Property, plant and equipment, at cost	**4,707**	4,672
Less accumulated depreciation	**2,977**	2,962
	1,730	1,710
Goodwill	**5,787**	5,787
Other intangible assets, net	**11,873**	11,876
Investments in equity securities	**8,947**	8,617
Other assets	**1,045**	1,095
Total Assets	**$ 34,584**	$ 35,017

See notes to condensed consolidated financial statements.

Altria Group, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Continued)
(in millions of dollars, except share and per share data)
(Unaudited)

	March 31, 2026	December 31, 2025
Liabilities		
Current portion of long-term debt	**$ 542**	$ 1,569
Accounts payable	**701**	750
Accrued liabilities:		
Marketing	**895**	928
Settlement charges	**2,837**	2,178
Other	**1,653**	1,947
Dividends payable	**1,779**	1,782
Total current liabilities	**8,407**	9,154
Long-term debt	**24,060**	24,140
Deferred income taxes	**3,464**	3,370
Accrued pension costs	**120**	122
Accrued postretirement health care costs	**935**	939
Other liabilities	**759**	744
Total liabilities	**37,745**	38,469
Contingencies (Note 12)		
Stockholders' Equity (Deficit)		
Common stock, par value $0.33 1/3 per share (2,805,961,317 shares issued)	**935**	935
Additional paid-in capital	**5,894**	5,921
Earnings reinvested in the business	**35,859**	35,452
Accumulated other comprehensive losses	**(2,450)**	(2,627)
Cost of repurchased stock (1,135,384,913 shares at March 31, 2026 and 1,131,643,020 shares at December 31, 2025)	**(43,449)**	(43,183)
Total stockholders' equity (deficit) attributable to Altria	**(3,211)**	(3,502)
Noncontrolling interest	**50**	50
Total stockholders' equity (deficit)	**(3,161)**	(3,452)
Total Liabilities and Stockholders' Equity (Deficit)	**$ 34,584**	$ 35,017

See notes to condensed consolidated financial statements.

Altria Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Earnings
(in millions of dollars, except per share data)
(Unaudited)

For the Three Months Ended March 31,	2026	2025
Net revenues	**$ 5,428**	$ 5,259
Cost of sales	**1,252**	1,270
Excise taxes on products	**670**	740
Gross profit	**3,506**	3,249
Marketing, administration and research costs	**550**	588
Impairment of goodwill	**—**	873
Operating income	**2,956**	1,788
Interest and other debt expense, net	**258**	262
Net periodic benefit income, excluding service cost	**(3)**	(14)
(Income) losses from investments in equity securities	**(158)**	(143)
Earnings before income taxes	**2,859**	1,683
Provision for income taxes	**676**	606
Net earnings	**$ 2,183**	$ 1,077
Per share data:		
Basic and diluted earnings per share	**$ 1.30**	$ 0.63

See notes to condensed consolidated financial statements.

Altria Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Earnings
(in millions of dollars)
(Unaudited)

For the Three Months Ended March 31,	2026	2025
Net earnings	**$ 2,183**	$ 1,077
Other comprehensive earnings (losses), net of deferred income taxes:		
Benefit plans	**10**	1
ABI	**163**	(269)
Currency translation adjustments	**4**	(23)
Other comprehensive earnings (losses), net of deferred income taxes	**177**	(291)
Comprehensive earnings	**$ 2,360**	$ 786

See notes to condensed consolidated financial statements.

Altria Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
for the Three Months Ended March 31, 2026 and 2025
(in millions of dollars, except per share data)
(Unaudited)

	Attributable to Altria						
	Common Stock	Additional Paid-in Capital	Earnings Reinvested in the Business	Accumulated Other Comprehensive Losses	Cost of Repurchased Stock	Non-controlling Interest [1]	Total Stockholders' Equity (Deficit)
Balances, December 31, 2025	$ 935	$ 5,921	$ 35,452	$ (2,627)	$ (43,183)	$ 50	$ (3,452)
Net earnings	—	—	**2,183**	—	—	—	**2,183**
Other comprehensive earnings (losses), net of deferred income taxes	—	—	—	**177**	—	—	**177**
Stock award activity	—	**(27)**	—	—	**16**	—	**(11)**
Cash dividends declared ($1.06 per share)	—	—	**(1,776)**	—	—	—	**(1,776)**
Repurchases of common stock	—	—	—	—	**(280)**	—	**(280)**
Other	—	—	—	—	**(2)**	—	**(2)**
Balances, March 31, 2026	**$ 935**	**$ 5,894**	**$ 35,859**	**$ (2,450)**	**$ (43,449)**	**$ 50**	**$ (3,161)**
Balances, December 31, 2024	$ 935	$ 5,905	$ 35,516	$ (2,400)	$ (42,194)	$ 50	$ (2,188)
Net earnings	—	—	1,077	—	—	—	1,077
Other comprehensive earnings (losses), net of deferred income taxes	—	—	—	(291)	—	—	(291)
Stock award activity	—	(22)	—	—	18	—	(4)
Cash dividends declared ($1.02 per share)	—	—	(1,725)	—	—	—	(1,725)
Repurchases of common stock	—	—	—	—	(326)	—	(326)
Other	—	—	—	—	(3)	—	(3)
Balances, March 31, 2025	$ 935	$ 5,883	$ 34,868	$ (2,691)	$ (42,505)	$ 50	$ (3,460)

[1] Represents the non-cash contribution made by JTIUH to Horizon. See Note 1. *Background and Basis of Presentation*.

See notes to condensed consolidated financial statements.

Altria Group, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in millions of dollars)
(Unaudited)

For the Three Months Ended March 31,	2026	2025
Cash Provided by (Used in) Operating Activities		
Net earnings	**$ 2,183**	$ 1,077
Adjustments to reconcile net earnings to operating cash flows:		
Depreciation and amortization	**56**	71
Deferred income tax provision	**46**	26
Fair value adjustment for NJOY Transaction contingent payments	**—**	25
(Income) losses from investments in equity securities	**(158)**	(143)
Exit costs, net of cash paid	**(5)**	(1)
Impairment of goodwill	**—**	873
Cash effects of changes:		
Receivables	**(20)**	(80)
Inventories	**(76)**	(18)
Accounts payable	**(24)**	(136)
Income taxes	**610**	565
Accrued liabilities and other current assets	**(998)**	(302)
Accrued settlement charges	**659**	678
Pension plan contributions	**(4)**	(5)
Pension and postretirement, net	**(10)**	(20)
Other, net	**65**	110
Net cash provided by (used in) operating activities	**2,324**	2,720
Cash Provided by (Used in) Investing Activities		
Capital expenditures	**(93)**	(38)
Other, net	**(16)**	(5)
Net cash provided by (used in) investing activities	**(109)**	(43)
Cash Provided by (Used in) Financing Activities		
Long-term debt issued	**—**	997
Long-term debt repaid	**(1,069)**	—
Repurchases of common stock	**(280)**	(326)
Dividends paid on common stock	**(1,780)**	(1,730)
Other, net	**(28)**	(26)
Net cash provided by (used in) financing activities	**(3,157)**	**(1,085)**
Cash, cash equivalents and restricted cash: [1]		
Increase (decrease)	**(942)**	1,592
Balance at beginning of period	**4,492**	3,158
Balance at end of period	**$ 3,550**	$ 4,750

[1] For a reconciliation to our condensed consolidated balance sheets, see Note 13. *Additional Financial Statement Information - Cash, Cash Equivalents and Restricted Cash*.

See notes to condensed consolidated financial statements.

Altria Group, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Background and Basis of Presentation

When used in these notes, the terms "Altria," "we," "us" and "our" refer to either (i) Altria Group, Inc. and its consolidated subsidiaries or (ii) Altria Group, Inc. only and not its consolidated subsidiaries, as appropriate in the context.

- **Background:** At March 31, 2026, our wholly owned subsidiaries included Philip Morris USA Inc. ("PM USA"), which is engaged in the manufacture and sale of cigarettes; John Middleton Co. ("Middleton"), which is engaged in the manufacture and sale of machine-made large cigars and is a wholly owned subsidiary of PM USA; UST LLC ("UST"), which, through its wholly owned subsidiary U.S. Smokeless Tobacco Company LLC ("USSTC"), is engaged in the manufacture and sale of moist smokeless tobacco ("MST") products; Helix Innovations LLC ("Helix") and its foreign affiliates ("Helix International"), which are engaged in the manufacture and sale of oral nicotine pouches; and NJOY, LLC ("NJOY"), which is engaged in the manufacture and sale of e-vapor products. We operate primarily within the United States and generate substantially all of our revenue from domestic customers. Other wholly owned subsidiaries included Altria Group Distribution Company ("AGDC"), which provides domestic sales and distribution services to our operating companies, and Altria Client Services LLC ("ALCS"), which provides various support services to our companies in areas such as legal, regulatory, research and product development, consumer engagement, finance, human resources and external affairs. Our access to the operating cash flows of our subsidiaries consists of cash received from the payment of dividends and distributions, and the payment of interest on intercompany loans. At March 31, 2026, our significant subsidiaries were not limited by contractual obligations in their ability to pay cash dividends or make other distributions with respect to their equity interests.

At March 31, 2026, we owned a 75% economic interest in Horizon Innovations LLC ("Horizon"), a joint venture with JTI (US) Holding, Inc. ("JTIUH"), a subsidiary of Japan Tobacco Inc., which owned the remaining 25% economic interest. Horizon is responsible for the U.S. marketing and commercialization of heated tobacco stick products owned by either party. At March 31, 2026, Horizon had no products in the U.S. marketplace.

At March 31, 2026, we had investments in Anheuser-Busch InBev SA/NV ("ABI") and Cronos Group Inc. ("Cronos"). For further discussion of our investments, see Note 4. *Investments in Equity Securities*.

- **Basis of Presentation:** Our interim condensed consolidated financial statements are unaudited. We have prepared these interim condensed consolidated financial statements in conformity with United States generally accepted accounting principles ("GAAP") and have applied such principles on a consistent basis. We have omitted certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP. Our management believes that all adjustments necessary for a fair statement of the interim results presented have been reflected in our interim condensed consolidated financial statements. All such adjustments were of a normal recurring nature. Net revenues and net earnings for any interim period are not necessarily indicative of results that may be expected for the entire year.

These condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and related notes, which appear in our Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K").

Certain immaterial prior year amounts have been reclassified to conform with the current year's presentation.

On January 1, 2026, we adopted Accounting Standards Update ("ASU") 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU No. 2025-05"). This guidance provides a practical expedient for the calculation of current expected credit losses on current accounts receivable and current contract assets that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. We elected to apply this practical expedient upon adoption of ASU No. 2025-05, which had no impact on our condensed consolidated financial statements for the period ended March 31, 2026.

For a description of issued accounting guidance applicable to, but not yet adopted by, us, see Note 14. *New Accounting Guidance Not Yet Adopted*.

Note 2. Goodwill and Other Intangible Assets, net

Goodwill and other intangible assets, net, were as follows:

(in millions)	March 31, 2026 Goodwill	March 31, 2026 Other Intangible Assets, net	December 31, 2025 Goodwill	December 31, 2025 Other Intangible Assets, net
Smokeable products segment	**$ 99**	**$ 2,902**	$ 99	$ 2,909
Oral tobacco products segment	**5,078**	**8,637**	5,078	8,646
Other [1]	**610**	**334**	610	321
Total	**$ 5,787**	**$ 11,873**	$ 5,787	$ 11,876

[1] Comprised primarily of e-vapor reporting unit goodwill and definite-lived intangible assets related to our 2023 acquisition of NJOY.

Other intangible assets consisted of the following:

(in millions)	March 31, 2026 Gross Carrying Amount	March 31, 2026 Accumulated Amortization	December 31, 2025 Gross Carrying Amount	December 31, 2025 Accumulated Amortization
Indefinite-lived intangible assets	**$ 11,089**	**$ —**	$ 11,089	$ —
Definite-lived intangible assets	**1,676**	**892**	1,656	869
Total other intangible assets	**$ 12,765**	**$ 892**	$ 12,745	$ 869

At March 31, 2026, substantially all of our indefinite-lived intangible assets consisted of (i) MST trademarks of $8.5 billion, which consists of *Copenhagen*, *Skoal* and other MST trademarks of $4.0 billion, $3.6 billion and $0.9 billion, respectively, from our 2009 acquisition of UST, and (ii) cigar trademarks of $2.6 billion from our 2007 acquisition of Middleton. Definite-lived intangible assets, consisting primarily of intellectual property, certain cigarette trademarks and customer relationships, are amortized over a weighted-average period of approximately 19 years. Pre-tax amortization expense for definite-lived intangible assets was $23 million and $37 million for the three months ended March 31, 2026 and 2025, respectively.

The changes in goodwill and net carrying amount of intangible assets were as follows:

(in millions)	For the Three Months Ended March 31, 2026 Goodwill	For the Three Months Ended March 31, 2026 Other Intangible Assets, net	For the Year Ended December 31, 2025 Goodwill	For the Year Ended December 31, 2025 Other Intangible Assets, net
Balance at January 1	**$ 5,787**	**$ 11,876**	$ 6,945	$ 12,973
Changes due to:				
Acquisitions	**—**	**20**	—	5
Impairments	**—**	**—**	(1,158) [1]	(970)
Amortization	**—**	**(23)**	—	(132)
Balance at end of period	**$ 5,787**	**$ 11,873**	$ 5,787	$ 11,876

[1] Comprised of non-cash goodwill impairments of $873 million and $285 million recorded in the first and fourth quarters of 2025, respectively.

We conduct a required annual review of goodwill and indefinite-lived intangible assets for potential impairment as of October 1 of each year, in accordance with our accounting policy, and more frequently if an event occurs or circumstances change that would require us to perform an interim quantitative impairment assessment. There have been no events or changes in circumstances that indicate an interim quantitative impairment assessment was required as of March 31, 2026.

Our annual impairment test of goodwill and indefinite-lived intangible assets as of October 1, 2025 resulted in a non-cash, pre-tax impairment of $970 million to our e-vapor reporting unit's definite-lived intangible assets and a non-cash impairment of $285 million to our e-vapor reporting unit goodwill which we recorded in our consolidated statement of earnings for the year ended December 31, 2025.

At March 31, 2026 and December 31, 2025, accumulated impairment losses related to goodwill were $1,158 million, which related to the e-vapor reporting unit.

First Quarter of 2025 E-vapor Reporting Unit Goodwill Impairment

At December 31, 2024, the carrying value of the e-vapor reporting unit goodwill was $1,768 million. The estimated fair value of the e-vapor reporting unit goodwill exceeded its carrying value by approximately 28% ($0.3 billion). As further discussed in Note 12. *Contingencies*, Altria and certain of our affiliates, including NJOY, are defendants in lawsuits alleging patent infringement based on the

sale of *NJOY ACE* in the United States. In January 2025, the U.S. International Trade Commission ("ITC") issued an exclusion order and cease-and-desist orders prohibiting the importation and sale of *NJOY ACE* in the United States, which became effective on March 31, 2025. As a result, in connection with the preparation of our condensed consolidated financial statements for the period ended March 31, 2025, we concluded a triggering event had occurred and performed an interim impairment assessment. Based on the results of that assessment, we recorded a non-cash goodwill impairment of $873 million during the three months ended March 31, 2025. This impairment was due primarily to (i) lower projected volume and revenue due to *NJOY ACE*'s removal from the U.S. market and (ii) higher projected costs associated with the commercialization of NJOY's future e-vapor product portfolio, resulting in lower projected operating margins. As of March 31, 2025, after recording the impairment, the carrying value of goodwill within the e-vapor reporting unit was $895 million. In addition, the carrying value of the e-vapor reporting unit's net assets (including the effect of intercompany debt), which was negative, approximated its estimated fair value.

We used an income approach to estimate the fair value of the e-vapor reporting unit. Due to the presence of uncertainties, our cash flows were based on a range of scenarios that consider certain potential regulatory and market outcomes, including the projected impact of enforcement on illicit flavored disposable e-vapor products. In performing the discounted cash flow analyses, we made various judgments, estimates and assumptions, the most significant of which were volume, price, revenue, income, operating margins, scenario weightings, perpetual growth rate and discount rates. We developed these significant assumptions based on our evaluation of the future state of the e-vapor category, including macroeconomic conditions, governmental actions, and other factors, and based these assumptions on factors specific to NJOY's business. The discount rates used in performing the valuation ranged from 12.0% to 15.0% at March 31, 2025. All significant inputs are classified in Level 3 of the fair value hierarchy.

Note 3. Exit and Implementation Costs

Pre-tax implementation costs consisted of the following:

	For the Three Months Ended March 31,	
(in millions)	**2026**	**2025**
Smokeable products segment	**$ 5**	$ 13
Oral tobacco products segment	**1**	2
Total [1]	**$ 6**	$ 15

[1] Recorded in marketing, administration and research costs in our condensed consolidated statements of earnings.

There were no exit costs for the three months ended March 31, 2026 and 2025.

In October 2024, we announced a multi-phase *Optimize & Accelerate* initiative ("Initiative") designed to modernize our ways of working and enable us to increase our organization's speed, efficiency and effectiveness by centralizing work, outsourcing certain transactional tasks and streamlining, automating and standardizing processes.

We estimate total pre-tax charges for the Initiative to be approximately $175 million. As of March 31, 2026, total pre-tax charges since the inception of the Initiative were $130 million, consisting of employee separation costs of $43 million and implementation costs of $87 million. We expect to record the majority of the remaining charges by the end of 2027. All of these charges result in cash expenditures and consist of severance payments associated with employee separations, implementation costs for new technology and business advisory services and other costs. We record employee separation costs when probable and reasonably estimable. As of March 31, 2026, total cash payments since the inception of the Initiative were $103 million, consisting of $23 million for exit costs and $80 million for implementation costs.

A summary of the charges and cash paid for exit and implementation costs related to the Initiative is as follows:

(in millions)	**Exit Costs**	**Implementation Costs**	**Total**
Balances at December 31, 2024	$ 35	$ 22	$ 57
Charges	8	48	56
Cash paid	(18)	(61)	(79)
Balances at December 31, 2025	25	9	34
Charges	**—**	**6**	**6**
Cash paid	**(5)**	**(8)**	**(13)**
Balances at March 31, 2026	**$ 20** [1]	**$ 7**	**$ 27**

[1] Restructuring liabilities, all of which were severance liabilities.

Note 4. Investments in Equity Securities

The carrying amount of our investments consisted of the following:

(in millions)	March 31, 2026	December 31, 2025
ABI	**$ 8,627**	$ 8,303
Cronos	**320**	314
Total	**$ 8,947**	$ 8,617

(Income) losses from our investments in equity securities consisted of the following:

	For the Three Months Ended March 31,	
(in millions)	2026	2025
ABI [1]	**$ (159)**	$ (125)
Cronos [1]	**1**	(18)
(Income) losses from investments in equity securities	**$ (158)**	$ (143)

[1] Includes our share of amounts recorded by our investees and additional adjustments, if required, related to (i) the conversion from international financial reporting standards to GAAP and (ii) adjustments to our investments required under the equity method of accounting.

Investment in ABI

At March 31, 2026, we had an approximate 8.2% ownership interest in ABI, consisting of approximately 125 million restricted shares of ABI ("Restricted Shares") and approximately 34 million ordinary shares of ABI. Our Restricted Shares:

- are unlisted and not admitted to trading on any stock exchange;
- are convertible by us into ordinary shares of ABI on a one-for-one basis;
- rank equally with ordinary shares of ABI with regards to dividends and voting rights; and
- have director nomination rights with respect to ABI.

We account for our investment in ABI under the equity method of accounting because we have active representation on ABI's board of directors and certain ABI board committees. Through this representation, we believe we have the ability to exercise significant influence over the operating and financial policies of ABI and participate in ABI's policy making processes.

We report our share of ABI's results using a one-quarter lag because ABI's results are not available in time for us to record them in the concurrent period.

The fair value of our investment in ABI is based on (i) unadjusted quoted prices in active markets for ABI's ordinary shares and is classified in Level 1 of the fair value hierarchy and (ii) observable inputs other than Level 1 prices, such as quoted prices for similar assets for the Restricted Shares and is classified in Level 2 of the fair value hierarchy. Because we can convert our Restricted Shares into ordinary shares at our discretion, the fair value of each Restricted Share is based on the value of an ordinary share.

At March 31, 2026, the fair value of our investment in ABI was $11.0 billion, which exceeded its carrying value of $8.6 billion by approximately 27%. At December 31, 2025, the fair value of our investment in ABI was $10.3 billion, which exceeded its carrying value of $8.3 billion by approximately 24%.

Investment in Cronos

At March 31, 2026, we had an approximate 41.6% ownership interest in Cronos, consisting of approximately 157 million shares, which we account for under the equity method of accounting. We report our share of Cronos's results using a one-quarter lag because Cronos's results are not available in time for us to record them in the concurrent period.

The fair value of our investment in Cronos is based on unadjusted quoted prices in active markets for Cronos's common shares and is classified in Level 1 of the fair value hierarchy. At March 31, 2026, the fair value of our investment in Cronos was $396 million, which exceeded its carrying value of $320 million by approximately 24%. At December 31, 2025, the fair value of our investment in Cronos was $411 million, which exceeded its carrying value of $314 million by approximately 31%.

Note 5. Financial Instruments

Our investment in ABI, whose functional currency is the Euro, exposes us to foreign currency exchange risk on the carrying value of our investment. To manage this risk, we may designate Euro denominated unsecured long-term notes ("foreign currency denominated debt") and certain foreign exchange contracts, including cross-currency swap contracts and forward contracts (collectively, "foreign currency contracts"), as net investment hedges of our investment in ABI. At March 31, 2026 and December 31, 2025, we had no outstanding foreign currency contracts.

The aggregate carrying value and fair value of our total long-term debt were as follows:

(in millions)	March 31, 2026	December 31, 2025
Carrying value	**$ 24,602**	$ 25,709
Fair value	**22,727**	24,303
Foreign currency denominated debt included in long-term debt:		
Carrying value	**2,595**	2,638
Fair value	**2,545**	2,619

The fair value of our total long-term debt is based on observable market information derived from a third-party pricing source and is classified in Level 2 of the fair value hierarchy.

Net Investment Hedging

We recognize changes in the carrying value of the foreign currency denominated debt due to changes in the Euro to U.S. dollar exchange rate in accumulated other comprehensive losses related to ABI. We recognized pre-tax (gains) losses of our net investment hedges of $(43) million and $139 million for the three months ended March 31, 2026 and 2025, respectively.

Contingent Payments

In 2023, we acquired NJOY Holdings, Inc. ("NJOY Transaction"). The total consideration for the NJOY Transaction included the fair value of up to $500 million in additional cash payments contingent on receipt of U.S. Food and Drug Administration ("FDA") authorizations with respect to *NJOY ACE* menthol ($250 million, paid in 2024 following FDA authorization), blueberry ($125 million) and watermelon ($125 million) pod products.

The changes in the liability associated with contingent payments were as follows:

(in millions)	For the Three Months Ended March 31, 2026	For the Year Ended December 31, 2025
Balance at January 1	**$ 45**	$ 20
Change in the fair value of contingent payments [1]	**—**	25
Balance at end of period	**$ 45**	$ 45

[1] These pre-tax charges were recorded in the first quarter of 2025 in marketing, administration and research costs in our condensed consolidated statements of earnings and related to *NJOY ACE* blueberry and watermelon pod products.

We recognized the liability for contingent payments related to the NJOY Transaction at its estimated fair value as of the acquisition date. We recognize subsequent changes to the fair value in earnings until the contingency is resolved. In determining the estimated fair value, we made certain judgments, estimates and assumptions, the most significant of which was the likelihood of certain potential regulatory outcomes. We classified the liability for contingent payments in Level 3 of the fair value hierarchy.

Note 6. Benefit Plans

Components of Net Periodic Benefit Cost (Income)

Net periodic benefit cost (income) consisted of the following:

	Pension		Postretirement	
	For the Three Months Ended March 31,			
(in millions)	2026	2025	2026	2025
Service cost	**$ 8**	$ 9	**$ 2**	$ 3
Interest cost	**72**	79	**13**	14
Expected return on plan assets	**(99)**	(107)	**(1)**	(1)
Amortization:				
Net loss (gain)	**24**	13	**(3)**	(3)
Prior service cost (credit)	**1**	1	**(10)**	(10)
Net periodic benefit cost (income)	**$ 6**	$ (5)	**$ 1**	$ 3

Employer Contributions

We make contributions to our pension plans to the extent that the contributions are tax deductible and pay benefits that relate to plans for

salaried employees that cannot be funded under Internal Revenue Service regulations. We made employer contributions of $4 million to our pension plans and did not make any contributions to our postretirement plans during the three months ended March 31, 2026. Currently, we anticipate making additional employer contributions in 2026 to our pension and postretirement plans of up to approximately $56 million and $100 million, respectively. However, the foregoing estimates of 2026 contributions to our pension and postretirement plans are subject to change as a result of changes in tax and other benefit laws, changes in interest rates and asset performance significantly above or below the assumed long-term rate of return for each respective plan.

Note 7. Earnings per Share

We calculated basic and diluted earnings per share ("EPS") using the following:

	For the Three Months Ended March 31,	
(in millions)	**2026**	**2025**
Net earnings	**$ 2,183**	$ 1,077
Less: Distributed and undistributed earnings attributable to share-based awards	**(5)**	(5)
Earnings for basic and diluted EPS	**$ 2,178**	$ 1,072
Weighted-average shares for basic and diluted EPS	**1,673**	1,690

Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents are participating securities and, therefore, are included in our EPS calculation pursuant to the two-class method.

Note 8. Other Comprehensive Earnings/Losses

Changes in each component of accumulated other comprehensive losses, net of deferred income taxes, attributable to Altria were as follows:

	For the Three Months Ended March 31, 2026			
(in millions)	**Benefit Plans**	**ABI**	**Currency Translation Adjustments**	**Accumulated Other Comprehensive Losses**
Balances, December 31, 2025	$ (1,415)	$ (1,217)	$ 5	$ (2,627)
Other comprehensive earnings (losses) before reclassifications	**—**	**205**	**4**	**209**
Deferred income taxes	**—**	**(44)**	**—**	**(44)**
Other comprehensive earnings (losses) before reclassifications, net of deferred income taxes	**—**	**161**	**4**	**165**
Amounts reclassified to net earnings	**14**	**3**	**—**	**17**
Deferred income taxes	**(4)**	**(1)**	**—**	**(5)**
Amounts reclassified to net earnings, net of deferred income taxes	**10**	**2**	**—**	**12**
Other comprehensive earnings (losses), net of deferred income taxes	**10**	**163** [(1)]	**4**	**177**
Balances, March 31, 2026	**$ (1,405)**	**$ (1,054)**	**$ 9**	**$ (2,450)**

(in millions)	Benefit Plans	ABI	Currency Translation Adjustments	Accumulated Other Comprehensive Losses
	For the Three Months Ended March 31, 2025			
Balances, December 31, 2024	$ (1,392)	$ (1,018)	$ 10	$ (2,400)
Other comprehensive earnings (losses) before reclassifications	—	(331)	(23)	(354)
Deferred income taxes	—	73	—	73
Other comprehensive earnings (losses) before reclassifications, net of deferred income taxes	—	(258)	(23)	(281)
Amounts reclassified to net earnings	2	(14)	—	(12)
Deferred income taxes	(1)	3	—	2
Amounts reclassified to net earnings, net of deferred income taxes	1	(11)	—	(10)
Other comprehensive earnings (losses), net of deferred income taxes	1	(269) [1]	(23)	(291)
Balances, March 31, 2025	$ (1,391)	$ (1,287)	$ (13)	$ (2,691)

[1] Primarily reflects our share of ABI's currency translation adjustments and the impact of our designated net investment hedges related to our investment in ABI. For further discussion of designated net investment hedges, see Note 5. *Financial Instruments.*

Pre-tax amounts by component, reclassified from accumulated other comprehensive losses to net earnings were as follows:

(in millions)	For the Three Months Ended March 31, 2026	2025
Benefit Plans: [1]		
Net loss	**$ 23**	$ 11
Prior service credit	**(9)**	(9)
	14	2
ABI [2]	**3**	(14)
Pre-tax amounts reclassified from accumulated other comprehensive losses to net earnings	**$ 17**	$ (12)

[1] Amounts are included in net periodic benefit income, excluding service cost. For further details, see Note 6. *Benefit Plans.*
[2] Amounts are included in (income) losses from investments in equity securities.

Note 9. Segment Reporting

At March 31, 2026, our reportable segments were (i) smokeable products, consisting of combustible cigarettes and machine-made large cigars; and (ii) oral tobacco products, consisting of MST products and oral nicotine pouches.

For the year ended December 31, 2025, we concluded that our e-vapor products operating segment met the quantitative threshold for presentation as a reportable segment in accordance with Accounting Standards Codification 280, *Segment Reporting* ("ASC 280"), as a result of the non-cash impairments of e-vapor reporting unit goodwill and related definite-lived intangible assets recorded in 2025. See Note 2. *Goodwill and Other Intangible Assets, net*. As a result, in our 2025 Form 10-K, we presented e-vapor products as a reportable segment (previously in our all other category) and recast segment information for comparative periods. As of March 31, 2026, we concluded that the e-vapor products operating segment was not expected to be of continuing significance and did not meet the quantitative thresholds as prescribed under ASC 280 for separate reportable segments. As such, the e-vapor products operating segment is no longer considered a reportable segment, and we included the e-vapor products operating segment results in our all other category for all periods presented.

At March 31, 2026, our all other category included (i) e-vapor products, consisting of our NJOY business; (ii) Horizon; (iii) Helix International; and (iv) other business activities, which primarily consists of research and development ("R&D") expense related to certain new product platforms and technologies.

Altria's Chief Executive Officer is our chief operating decision maker ("CODM"). Our measure of segment profitability is segment operating companies income (loss) ("OCI"), which is defined as operating income before general corporate expenses and amortization of intangibles. Our CODM uses OCI for planning, forecasting and evaluating business and financial performance of the segments, including allocating capital and other resources to our segments and evaluating results relative to employee compensation targets. Interest and other debt expense, net, along with net periodic benefit income, excluding service cost, and provision for income taxes are centrally managed at the corporate level and, accordingly, such items are not presented by segment since they are excluded from the measure of segment profitability reviewed by our CODM. We do not disclose information about total assets by segment because such information is not reported to or used by our CODM. Segment goodwill and other intangible assets, net, are disclosed in Note 2. *Goodwill and Other Intangible Assets, net.*

Segment data were as follows:

	For the Three Months Ended March 31,	
(in millions)	**2026**	**2025**
Net revenues:		
Smokeable products	**$ 4,758**	$ 4,622
Oral tobacco products	**669**	654
All other	**1**	(17)
Net revenues	**$ 5,428**	$ 5,259
Earnings before income taxes:		
OCI:		
Smokeable products	**$ 2,673**	$ 2,469
Oral tobacco products	**435**	433
All other	**(76)**	(1,014)
Amortization of intangibles	**(23)**	(37)
General corporate expenses	**(53)**	(63)
Operating income	**2,956**	1,788
Interest and other debt expense, net	**258**	262
Net periodic benefit income, excluding service cost	**(3)**	(14)
(Income) losses from investments in equity securities	**(158)**	(143)
Earnings before income taxes	**$ 2,859**	$ 1,683

Smokeable products segment OCI consisted of the following, including expenses under the significant expense principle in accordance with GAAP:

	For the Three Months Ended March 31,	
(in millions)	**2026**	**2025**
Net revenues	**$ 4,758**	$ 4,622
Settlement charges [1]	**(668)**	(687)
Excise taxes on products sold	**(648)**	(715)
Other segment items [2]	**(769)**	(751)
Operating companies income	**$ 2,673**	$ 2,469

[1] Represents charges related to State Settlement Agreements included in cost of sales. For additional information, see *Health Care Cost Recovery Litigation* in Note 12. *Contingencies*.

[2] Other segment items includes manufacturing, marketing, administration and research costs, FDA user fees and other costs.

For the oral tobacco products segment, we did not identify any expenses under the significant expense principle in accordance with GAAP. Other segment items for our oral tobacco products segment include manufacturing, marketing, administration and research costs and excise taxes on products sold. Total oral tobacco products other segment items were $234 million and $221 million for the three months ended March 31, 2026 and 2025, respectively. The CODM reviews total oral tobacco products segment expenses in the aggregate in conjunction with the review of budget-to-actual OCI variances to manage segment operations.

Details of our depreciation expense and capital expenditures were as follows:

(in millions)	For the Three Months Ended March 31, 2026	2025
Depreciation expense:		
Smokeable products	$ 13	$ 15
Oral tobacco products	11	10
General corporate and other	9	9
Total depreciation expense	$ 33	$ 34
Capital expenditures:		
Smokeable products	$ 52	$ 18
Oral tobacco products	34	13
General corporate and other	7	7
Total capital expenditures	$ 93	$ 38

The comparability of OCI for our reportable segments was affected by the following:

- **Tobacco and Health and Certain Other Litigation Items:** We recorded pre-tax charges related to tobacco and health and certain other litigation items as follows:

(in millions)	For the Three Months Ended March 31, 2026	2025
Smokeable products segment	$ 2	$ 36
Interest and other debt expense, net	—	4
Total	$ 2	$ 40

We recorded the amounts shown in the table above in our smokeable products segment in marketing, administration and research costs in our condensed consolidated statements of earnings. For further discussion, see Note 12. *Contingencies*.

Note 10. Debt

Short-term Borrowings and Borrowing Arrangements

At March 31, 2026 and December 31, 2025, we had no short-term borrowings.

We have a $3.0 billion senior unsecured 5-year revolving credit agreement ("Credit Agreement") that expires on October 24, 2029 and includes an option, subject to certain conditions, for us to extend the term for an additional one-year period. We intend to use any borrowings under our Credit Agreement for general corporate purposes.

At March 31, 2026, we had availability under the Credit Agreement for borrowings of up to an aggregate principal amount of $3.0 billion.

Pricing for interest and fees under our Credit Agreement may be modified in the event of a change in the rating of our long-term senior unsecured debt. We expect interest rates on borrowings under our Credit Agreement to be based on the Term Secured Overnight Financing Rate plus a percentage based on the higher of the ratings of our long-term senior unsecured debt from Moody's Investors Service, Inc. and Standard & Poor's Financial Services LLC. The applicable percentage for borrowings under our Credit Agreement at March 31, 2026 was 1.0% based on our long-term senior unsecured debt ratings on that date. Our Credit Agreement does not include any other rating triggers or any provisions that could require the posting of collateral.

Our Credit Agreement includes various covenants, one of which requires us to maintain a ratio of Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) to Consolidated Interest Expense of not less than 4.0 to 1.0, calculated for the four most recent fiscal quarters. At March 31, 2026, we were in compliance with our covenants in our Credit Agreement. The terms "Consolidated EBITDA" and "Consolidated Interest Expense," each as defined in our Credit Agreement, include certain adjustments.

PM USA guarantees any borrowings under our Credit Agreement and any amounts outstanding under our commercial paper program.

Long-term Debt

The aggregate carrying value of our total long-term debt at March 31, 2026 and December 31, 2025 was $24.6 billion and $25.7 billion, respectively.

In February 2026, we repaid in full at maturity our 4.400% senior unsecured notes in the aggregate principal amount of approximately $1.1 billion.

At March 31, 2026 and December 31, 2025, accrued interest on long-term debt of $243 million and $425 million, respectively, was included in other accrued liabilities on our condensed consolidated balance sheets.

For a discussion of the fair value of our long-term debt and the designation of our Euro denominated senior unsecured notes as a net investment hedge of our investment in ABI, see Note 5. *Financial Instruments*.

Note 11. Income Taxes

The income tax rates for the three months ended March 31, 2026 and 2025 were 23.6% and 36.0%, respectively. The change in the income tax rate was due primarily to the non-deductible impairment of the e-vapor reporting unit goodwill in 2025. For further discussion of the non-deductible impairment, see Note 2. *Goodwill and Other Intangible Assets, net*.

Note 12. Contingencies

Legal proceedings covering a wide range of matters are pending or threatened in various United States and foreign jurisdictions against Altria and certain of our subsidiaries, including PM USA and NJOY, as well as our indemnitees. Various types of claims may be raised in these proceedings, including product liability, unfair trade practices, antitrust, tax liability, contraband shipments, patent infringement, employment matters, environmental matters, claims alleging violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), claims for contribution and claims of competitors, shareholders or distributors. Legislative action, such as changes to tort law, also may expand the types of claims and remedies available to plaintiffs.

Litigation is subject to uncertainty, and it is possible that there could be adverse developments in pending or future cases. An unfavorable outcome or settlement of pending tobacco-related or other litigation could encourage the commencement of additional litigation. Damages claimed in some tobacco-related and other litigation are or can be significant and, in certain cases, have ranged in the billions of dollars. The variability in pleadings in multiple jurisdictions, together with the actual experience of management in litigating claims, demonstrates that the monetary relief that may be specified in a lawsuit bears little relevance to the ultimate outcome. In certain cases, plaintiffs claim that defendants' liability is joint and several. In such cases, we may face the risk that one or more co-defendants decline or otherwise fail to participate in the bonding required for an appeal or to pay their proportionate or jury-allocated share of a judgment. As a result, under certain circumstances, we may have to pay more than our proportionate share of any bonding- or judgment-related amounts. Furthermore, in those cases where plaintiffs are successful, we also may be required to pay interest and attorneys' fees.

Although PM USA historically has been able to obtain required bonds or relief from bonding requirements in order to prevent plaintiffs from seeking to collect judgments while adverse verdicts have been appealed, there remains a risk that such relief may not be obtainable in all cases. This risk has been substantially reduced given that 47 states and Puerto Rico limit the dollar amount of bonds or require no bond at all. However, tobacco litigation plaintiffs have challenged the constitutionality of Florida's bond cap statute in several cases, and plaintiffs may challenge state bond cap statutes in other jurisdictions as well. Such challenges may include the applicability of state bond caps in federal court. States, including Florida, also may seek to repeal or alter bond cap statutes through legislation. Although we cannot predict the outcome of such challenges, it is possible that our condensed consolidated results of operations, cash flows or financial position could be materially affected in a particular fiscal quarter or fiscal year by an unfavorable outcome of one or more such challenges.

We record provisions in our condensed consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. At the present time, while it is reasonably possible that an unfavorable outcome in a case may occur, except to the extent discussed elsewhere in this Note 12. *Contingencies*: (i) management has concluded that it is not probable that a loss has been incurred in any of the pending cases; (ii) management is unable to estimate the possible loss or range of loss that could result from an unfavorable outcome in any of the pending cases; and (iii) accordingly, management has not provided any amounts in our condensed consolidated financial statements for unfavorable outcomes, if any. Litigation defense costs are expensed as incurred.

We have achieved substantial success in managing litigation. Nevertheless, litigation is subject to uncertainty and significant challenges remain. It is possible that our condensed consolidated results of operations, cash flows or financial position could be materially affected in a particular fiscal quarter or fiscal year by an unfavorable outcome or settlement of certain pending litigation. We believe, and have been so advised by counsel handling the respective cases, that we have valid defenses to the litigation pending against us, as well as valid bases for appeal of adverse verdicts. We have defended, and will continue to defend, vigorously against litigation challenges. However, we may enter into settlement discussions in particular cases if we believe it is in our best interests to do so.

Judgments Paid and Provisions for Tobacco and Health (Including *Engle* Progeny Litigation) and Certain Other Litigation Items: The changes in our accrued liability for tobacco and health and certain other litigation items, including related interest costs, for the periods specified below are as follows:

	For the Three Months Ended March 31,	
(in millions)	**2026**	**2025**
Accrued liability for tobacco and health and certain other litigation items at beginning of period	**$ 71**	$ 96
Pre-tax charges for:		
Tobacco and health and certain other litigation [1]	**2**	36
JUUL-related settlements [2]	**—**	—
Related interest costs	**—**	4
Payments	**(10)**	(18)
Accrued liability for tobacco and health and certain other litigation items at end of period	**$ 63**	$ 118

[1] Includes judgments, settlements and fee disputes associated with tobacco and health and certain other litigation.

[2] Includes the settlement of certain e-vapor product litigation relating to JUUL e-vapor products. See *E-vapor Product Litigation* below for a discussion of these settlements.

The accrued liability for tobacco and health and certain other litigation items, including related interest costs, was included in accrued liabilities and other liabilities on our condensed consolidated balance sheets. Pre-tax charges except for related interest costs were included in marketing, administration and research costs in our condensed consolidated statements of earnings. Pre-tax charges for related interest costs were included in interest and other debt expense, net in our condensed consolidated statements of earnings.

Since October 2004, PM USA has paid judgments and settlements (including related costs and fees) totaling approximately $1.2 billion and interest totaling approximately $245 million as of March 31, 2026. These amounts include payments for *Engle* progeny judgments (and related costs and fees) totaling approximately $454 million and related interest totaling approximately $62 million.

Security for Judgments: To obtain stays of judgments pending appeal, PM USA has posted various forms of security. As of March 31, 2026, PM USA has posted appeal bonds totaling approximately $15 million, which have been collateralized with restricted cash and are included in assets on our condensed consolidated balance sheets.

Overview of Tobacco-Related Litigation

Types and Number of U.S. Cases: Claims related to tobacco products generally fall within the following categories: (i) smoking and health cases alleging personal injury brought on behalf of individual plaintiffs; (ii) health care cost recovery cases brought by governmental (both domestic and foreign) plaintiffs seeking reimbursement for health care expenditures allegedly caused by cigarette smoking and/or disgorgement of profits; (iii) e-vapor cases alleging violation of RICO, fraud, failure to warn, design defect, negligence, antitrust, patent infringement and unfair trade practices; and (iv) other tobacco-related litigation described below. Plaintiffs' theories of recovery and the defenses raised in tobacco-related litigation are discussed below.

The table below lists the number of certain tobacco-related cases pending in the United States against us as of:

	April 27, 2026	**April 24, 2025**	**April 22, 2024**
Individual Smoking and Health Cases [1]	**218**	198	174
Health Care Cost Recovery Actions	**1**	1	1
E-vapor Cases[2]	**16**	24	5,177
Other Tobacco-Related Cases [3]	**3**	3	3

[1] Includes as of April 27, 2026, 34 cases filed in Illinois, nine cases filed in New Mexico, 94 cases filed in Massachusetts, 15 cases filed in Oregon, seven cases filed in Hawaii, 11 cases filed in the U.S. Virgin Islands, 38 cases filed in Pennsylvania and nine non-*Engle* cases filed in Florida. Does not include individual smoking and health cases brought by or on behalf of plaintiffs in Florida state and federal courts following the decertification of the *Engle* class (these *Engle* progeny cases are discussed below in *Smoking and Health Litigation - Engle Progeny Cases*).

[2] In May 2023, we reached agreement on terms to resolve the majority of the Multidistrict Litigation lawsuits, and, in March 2024, the court granted final approval of the settlement. Pending final dismissal of these cases, as of April 27, 2026, the remaining cases include 11 individual cases that opted out of the settlement, four class action lawsuits pending in Canada and one individual state court case relating to the Multidistrict Litigation. For further discussion of the Multidistrict Litigation settlement, see *E-vapor Product Litigation* below.

[3] See *Certain Other Tobacco-Related Litigation - "Lights/Ultra Lights" Cases and Other Smoking and Health Class Actions* below.

International Tobacco-Related Cases: As of April 27, 2026, (i) Altria is named as a defendant in four e-vapor class action lawsuits in Canada; (ii) PM USA is a named defendant in nine health care cost recovery actions in Canada, seven of which also name Altria as a defendant; and (iii) PM USA and Altria are named as defendants in six smoking and health class actions filed in various Canadian

provinces. See *Smoking and Health Litigation - Other Smoking and Health Class Actions* below for a discussion of the smoking and health class actions filed in various Canadian Provinces. Also, see *Guarantees and Other Similar Matters* below for a discussion of the Distribution Agreement (defined below) between Altria and PMI that provides for indemnities for certain liabilities concerning tobacco products.

Tobacco-Related Cases Set for Trial: As of April 27, 2026, one *Engle* progeny case, no individual smoking and health cases and no e-vapor cases are set for trial through June 30, 2026. Trial dates are subject to change.

Trial Results: Since January 1999, excluding the *Engle* progeny cases (separately discussed below), verdicts have been returned in 88 tobacco-related cases in which PM USA was a defendant. Verdicts in favor of PM USA and other defendants were returned in 54 of the 88 cases. Of the 34 non-*Engle* progeny cases in which verdicts were returned in favor of plaintiffs, 29 have reached final resolution.

See *Smoking and Health Litigation - Engle Progeny Trial Results* below for a discussion of verdicts in state and federal *Engle* progeny cases involving PM USA as of April 27, 2026.

Smoking and Health Litigation

Overview: Plaintiffs' allegations of liability in smoking and health cases are based on various theories of recovery, including negligence, gross negligence, strict liability, fraud, misrepresentation, design defect, failure to warn, nuisance, breach of express and implied warranties, breach of special duty, conspiracy, concert of action, violations of unfair trade practice laws and consumer protection statutes and claims under the federal and state anti-racketeering statutes. Plaintiffs in the smoking and health cases seek various forms of relief, including compensatory and punitive damages, treble/multiple damages and other statutory damages and penalties, creation of medical monitoring and smoking cessation funds, disgorgement of profits, and injunctive and equitable relief. Defenses raised in these cases include lack of proximate cause, assumption of the risk, comparative fault and/or contributory negligence, statutes of limitations and preemption by the Federal Cigarette Labeling and Advertising Act.

Non-*Engle* Progeny Litigation: The charts below summarize the verdicts in and post-trial status of certain non-*Engle* progeny smoking and health cases in which verdicts were returned in favor of plaintiffs. The first chart lists cases that are pending as of April 27, 2026 where PM USA has determined an unfavorable outcome is not probable and the amount of loss cannot be reasonably estimated, and the second chart lists cases that have concluded in the past 12 months where PM USA paid a final judgment. In this Note 12. *Contingencies*, references to "R.J. Reynolds" are to R.J. Reynolds Tobacco Company. Unless otherwise noted for a particular case, the jury's award for compensatory damages will not be reduced by any finding of plaintiff's comparative fault. Further, the damages noted reflect adjustments based on post-trial or appellate rulings. A chart listing certain verdicts for plaintiffs in pending *Engle* progeny cases can be found in *Smoking and Health Litigation - Engle Progeny Trial Results* below.

Currently Pending Non-Engle Cases with Verdicts against PM USA
(rounded to nearest $ million)

Plaintiff	Verdict Date	Defendant(s)	State	Compensatory Damages [1]	Punitive Damages (PM USA)	Post-Trial Status
Petruzziello	November 2025	PM USA R.J. Reynolds	MA	<$1 million	$0	Plaintiff has filed a notice of appeal.
Perez-Trinidad	October 2025	PM USA R.J. Reynolds	MA	$1 million	$5.5 million	PM USA and R.J. Reynolds have filed notices of appeal.
Amaral	March 2025	PM USA R.J. Reynolds	MA	$4 million	$25 million	PM USA and R.J. Reynolds have filed notices of appeal.
Ricapor-Hall	August 2023	PM USA	HI	$6 million ($3 million)	$8 million	PM USA's appeal and plaintiff's cross-appeal remain pending. In April 2025, the Hawaii Supreme Court granted plaintiff's application to transfer the appeal to that Court from the Intermediate Court of Appeals.
Fontaine	September 2022	PM USA	MA	$8 million	$56 million	The Massachusetts Supreme Judicial Court affirmed judgment.

[1] PM USA's portion of the compensatory damages award is noted parenthetically where the court has ruled that comparative fault applies.

Non-Engle Cases Concluded in Past 12 Months
(rounded to nearest $ million)

Plaintiff	Verdict Date	Defendant(s)	State	Payment Amount for Damages (if any)
Woodley	August 2023	PM USA	MA	$5 million
Taylor	August 2024	PM USA	OR	<$1 million

***Engle* Progeny Cases:** *Engle* progeny cases are individual smoking and health lawsuits filed by Florida resident plaintiffs against one or more cigarette manufacturer defendants. The lawsuits arose following the Florida Supreme Court's decertification of the class in *Engle, et. al. v. R.J. Reynolds Tobacco Co., et. al.*, a smoking and health class action lawsuit filed in Florida state court against multiple

defendants, including PM USA, in which the jury returned a verdict in favor of the plaintiff class and the trial court assessed punitive damages against the defendants. In July 2006, the Florida Supreme Court mandated that the trial court's punitive damages award be vacated, that the class approved by the trial court be decertified and that members of the decertified class could file individual actions against defendants within one year of issuance of the mandate. Plaintiffs in *Engle* progeny lawsuits are entitled to rely on certain liability findings from the class action lawsuit, substantially reducing each plaintiff's burden of proof. These liability findings stipulate: (i) that smoking causes various diseases; (ii) that nicotine in cigarettes is addictive; (iii) that defendants' cigarettes were defective and unreasonably dangerous; (iv) that defendants concealed or omitted material information not otherwise known or available knowing that the material was false or misleading or failed to disclose a material fact concerning the health effects or addictive nature of smoking; (v) that defendants agreed to conceal or omit information regarding the health effects of cigarettes or their addictive nature with the intention that smokers would rely on the information to their detriment; (vi) that defendants sold or supplied cigarettes that were defective; and (vii) that defendants were negligent.

Pending *Engl*e Progeny Cases: The deadline for filing *Engle* progeny cases expired in January 2008, at which point a total of approximately 9,300 federal and state claims were pending. As of April 27, 2026, approximately 44 state court cases were pending against PM USA or Altria. Each federal *Engle* progeny case has been resolved.

***Engle* Progeny Trial Results:** As of April 27, 2026, 147 federal and state *Engle* progeny cases involving PM USA have resulted in verdicts. Eighty-eight were returned in favor of plaintiffs, four of which have been reversed post-trial or on appeal and remain pending. Fifty-nine verdicts were returned in favor of PM USA, one of which has been reversed post-trial or on appeal and remains pending. In addition, there have been a number of mistrials, only some of which have resulted in new trials as of April 27, 2026.

Post-trial activity in a case can result in a final resolution that differs from the initial verdict. In many cases, parties have appealed either compensatory or punitive damages awards or both. Courts also have increased and decreased the amounts of compensatory damages juries have awarded, decreased the amounts of punitive damages juries have awarded, declared mistrials and vacated judgments, in whole or in part, with respect to compensatory and punitive damages awards. Initial verdicts have been reversed in whole or in part on appeal or following retrial. Juries have returned verdicts in favor of or against PM USA awarding no damages. In cases where juries returned verdicts against PM USA awarding no damages, some trial courts have decided to award plaintiff damages notwithstanding the verdict. Cases also have been dismissed with or without prejudice before or after a verdict.

The charts below list the verdicts in and post-trial status of certain *Engle* progeny cases in which verdicts were returned in favor of plaintiffs. The first chart lists cases that are pending as of April 27, 2026 where PM USA has determined an unfavorable outcome is not probable and the amount of loss cannot be reasonably estimated, and the second chart lists cases that have concluded in the past 12 months. Unless otherwise noted for a particular case, the jury's award for compensatory damages will not be reduced by any finding of plaintiff's comparative fault. Further, the damages noted reflect adjustments based on post-trial or appellate rulings.

Currently Pending Engle Cases with Verdicts against PM USA
(rounded to nearest $ million)

Plaintiff	Verdict Date	Defendant(s)	Court	Compensatory Damages [1]	Punitive Damages (PM USA)	Post-Trial Status
Garcia	June 2024	PM USA	Miami-Dade	$2 million	$10 million	Appeals to the Third District Court of Appeal pending.

[1] PM USA's portion of the compensatory damages award is noted parenthetically where the court has ruled that comparative fault applies.

Engle Cases Concluded in Past 12 Months
(rounded to nearest $ million)

Plaintiff	Verdict Date	Defendant(s)	Court	Payment Amount for Damages (if any)
Chacon	October 2023	PM USA	Miami-Dade	$1 million
McCall	October 2023	PM USA	Broward	<$1 million

Other Smoking and Health Class Actions: Since the dismissal in May 1996 of a purported nationwide class action brought on behalf of allegedly addicted smokers, plaintiffs have filed numerous putative smoking and health class action suits in various state and federal courts. In general, these cases have purported to be brought on behalf of residents of a particular state or states (although a few cases have purported to be nationwide in scope) and have raised addiction claims and, in many cases, claims of physical injury as well.

Class certification has been denied or reversed by courts in approximately 60 smoking and health class actions involving PM USA. See *Certain Other Tobacco-Related Litigation* below for a discussion of "Lights" and "Ultra Lights" class action cases and medical monitoring class action cases pending against PM USA.

As of April 27, 2026, PM USA and Altria are named as defendants, along with other cigarette manufacturers, in six class actions filed in the Canadian provinces of Alberta, Manitoba, Nova Scotia, Saskatchewan and British Columbia. In Saskatchewan and British Columbia (two separate cases), plaintiffs seek class certification on behalf of individuals who suffer or have suffered from various diseases, including chronic obstructive pulmonary disease, emphysema, heart disease or cancer, after smoking defendants' cigarettes. In the

actions filed in Alberta, Manitoba and Nova Scotia, plaintiffs seek certification of classes of all individuals who smoked defendants' cigarettes. In March 2019, all of these class actions were stayed as a result of three Canadian tobacco manufacturers (none of which is related to us) seeking protection under Canada's Companies' Creditors Arrangement Act (which is similar to Chapter 11 bankruptcy in the United States). The companies entered into these proceedings following a Canadian appellate court upholding two smoking and health class action verdicts against those companies totaling approximately CAD $13 billion. In August 2025, a plan for those companies was implemented, under which those companies agreed, among other things, to pay an aggregate global settlement amount of CAD $32.5 billion to resolve all tobacco product-related claims and litigation in Canada. Under the plan, Altria and PM USA have obtained releases of claims and the related litigation against them will be dismissed. Pursuant to the indemnification obligations in the Distribution Agreement, neither Altria nor PM USA is responsible for any payments required to resolve the Canadian litigation. See *Guarantees and Other Similar Matters* below for a discussion of the Distribution Agreement between Altria and PMI, which provides for indemnities for certain liabilities concerning tobacco products.

Health Care Cost Recovery Litigation

Overview: In the health care cost recovery litigation, governmental entities seek reimbursement of health care cost expenditures allegedly caused by tobacco products and, in some cases, of future expenditures and damages. Relief sought by some but not all plaintiffs includes punitive damages, multiple damages and other statutory damages and penalties, injunctions prohibiting alleged marketing and sales to minors, disclosure of research, disgorgement of profits, funding of anti-smoking programs, additional disclosure of nicotine yields, and payment of attorney and expert witness fees.

Although there have been some decisions to the contrary, most judicial decisions in the United States have dismissed all or most health care cost recovery claims against cigarette manufacturers. Nine federal circuit courts of appeals and eight state appellate courts, relying primarily on grounds that plaintiffs' claims were too remote, have ordered or affirmed dismissals of health care cost recovery actions. The U.S. Supreme Court has refused to consider plaintiffs' appeals from the cases decided by five federal circuit courts of appeal.

In addition to the cases brought in the United States, health care cost recovery actions have been brought against tobacco industry participants, including PM USA and Altria, in Canada (nine cases), and other entities have stated that they are considering filing such actions.

Since the beginning of 2008, the Canadian Provinces of British Columbia, New Brunswick, Newfoundland and Labrador, Quebec, Alberta, Manitoba, Saskatchewan, Prince Edward Island and Nova Scotia have brought health care reimbursement claims against cigarette manufacturers. PM USA is named as a defendant in the British Columbia and Quebec cases, while both Altria and PM USA are named as defendants in the New Brunswick, Newfoundland and Labrador, Alberta, Manitoba, Saskatchewan, Prince Edward Island and Nova Scotia cases. The Nunavut Territory and Northwest Territory have passed legislation permitting similar claims, but lawsuits based on this legislation have not been filed. All of these cases were stayed pending resolution of proceedings in Canada involving three tobacco manufacturers (none of which are affiliated with us) under the Companies' Creditors Arrangement Act discussed above. As discussed above, in August 2025, a plan for those companies was implemented. See *Smoking and Health Litigation - Other Smoking and Health Class Actions* above for a discussion of these proceedings. See *Guarantees and Other Similar Matters* below for a discussion of the Distribution Agreement between Altria and PMI that provides for indemnities for certain liabilities concerning tobacco products.

Settlements of Health Care Cost Recovery Litigation: In November 1998, PM USA and certain other tobacco product manufacturers entered into the Master Settlement Agreement (the "MSA") with 46 states, the District of Columbia and certain United States territories to settle asserted and unasserted health care cost recovery and other claims. PM USA and certain other tobacco product manufacturers had previously entered into agreements to settle similar claims brought by the States of Mississippi, Florida, Texas and Minnesota (together with the MSA, the "State Settlement Agreements"). The State Settlement Agreements require that the original participating manufacturers or "OPMs" (now PM USA, R.J. Reynolds and, with respect to certain brands, ITG Brands, LLC ("ITG")) make annual payments of approximately $10.4 billion, subject to adjustments for several factors, including inflation, market share and industry volume. For the three months ended March 31, 2026 and 2025, the aggregate amount recorded in cost of sales with respect to the State Settlement Agreements was approximately $700 million for each period. These amounts include PM USA's estimate of amounts related to NPM Adjustments discussed below.

Non-Participating Manufacturer ("NPM") Adjustment Disputes: The "NPM Adjustment" is a reduction in MSA payments made by the OPMs and those manufacturers that are subsequent signatories to the MSA (collectively, the "participating manufacturers" or "PMs") that applies if the PMs collectively lose at least a specified level of market share to non-participating manufacturers since 1997, subject to certain conditions and defenses. The applicability of this reduction has been subject to certain disputes, some of which have been resolved via settlement, as discussed below.

Settlements of NPM Adjustment Disputes.

- *Multi-State Settlement*. As of December 2025, a total of 39 states and territories had joined the multi-state settlement. Pursuant to this settlement, PM USA has received $1.47 billion since 2014 and expects to receive annual credits applied against PM USA's MSA payments through 2041.

- *New York Settlement.* In 2015, PM USA entered into a separate NPM Adjustment settlement in which PM USA settled the NPM Adjustment disputes with the State of New York in perpetuity. PM USA has received $646 million pursuant to the New York settlement and expects to receive annual credits applied against the MSA payments due to the State of New York going forward.
- *Montana Settlement*. In 2020, PM USA entered into a separate NPM Adjustment settlement in which PM USA settled the NPM Adjustment disputes with the State of Montana through 2030, resulting in a payment from PM USA to the State of Montana for an insignificant amount.
- *Massachusetts Settlement*. In 2024, PM USA entered into a separate NPM Adjustment settlement in which PM USA settled the NPM Adjustment disputes with the Commonwealth of Massachusetts through 2011. As a result of this settlement, PM USA received $28 million as a credit against its April 2026 MSA payment to the Commonwealth of Massachusetts. PM USA recorded $28 million as a reduction in costs of sales in the third quarter of 2024.
- *Washington Settlement.* In 2025, PM USA entered into a separate NPM Adjustment settlement in which PM USA settled the NPM Adjustment disputes with the State of Washington through 2015. As a result of this settlement, PM USA received $53 million as a credit against its April 2026 MSA payment to the State of Washington. In addition to the amounts recorded in the fourth quarter of 2023 discussed below in connection with the 2005 through 2007 NPM Adjustments, PM USA recorded a $22 million reduction in costs of sales and $4 million of interest expense in the fourth quarter of 2025.
- *U.S. Territories Settlement*. In 2025, PM USA entered into a separate NPM Adjustment settlement in which PM USA settled the NPM Adjustment disputes with American Samoa, Guam, the Commonwealth of the Northern Mariana Islands and the U.S. Virgin Islands through 2024. As a result of this settlement, PM USA received a credit in an insignificant amount applied against its April 2026 MSA payment to those territories. PM USA recorded an insignificant amount as a reduction in cost of sales in the third quarter of 2025.

Continuing NPM Adjustment Disputes with States That Have Not Settled.

- *2004 NPM Adjustment.* The PMs and 10 states that had not settled the NPM Adjustment disputes for 2004 participated in a multi-state arbitration. The arbitration panel found three of these states (Washington, Missouri and New Mexico) were not diligent in the enforcement of their escrow statutes in 2004, and PM USA received approximately $52 million on account of the 2004 NPM Adjustment as a credit against its April 2023 MSA payment. The State of New Mexico challenged the determination in its state court, and the trial court vacated the award. PM USA appealed, and the New Mexico Court of Appeals reinstated the award.
- *2005-2007 NPM Adjustments.* The PMs and six states that had not settled the NPM Adjustment disputes are currently arbitrating certain NPM Adjustment disputes before a single arbitration panel. The arbitration encompasses three years, 2005 through 2007, for five of the six states, and one year, 2005, for one state. As of April 27, 2026, the arbitration panel found the States of Maryland, Wisconsin and Ohio diligent for all three years, the State of Washington not diligent for all three years and the State of Missouri not diligent for 2005. The State of Washington subsequently settled, as discussed above. PM USA recorded $14 million as a reduction in costs of sales and $21 million as interest income in the fourth quarter of 2023 for its estimate of the minimum amount of the 2005 through 2007 NPM Adjustments it will receive related to the Washington finding. PM USA recorded an insignificant amount as a reduction in cost of sales in the first quarter of 2026 related to the Missouri finding.
- *Subsequent Years.* No assurance can be given as to when proceedings for 2008 and subsequent years will be scheduled or the precise form those proceedings will take.

Other Disputes under the State Settlement Agreements: The payment obligations of the tobacco product manufacturers that are parties to the State Settlement Agreements, as well as the allocations of any NPM Adjustments and related settlements, have been and may continue to be affected by R.J. Reynolds's acquisition of Lorillard Tobacco Company in 2015 and its related sale of certain cigarette brands to ITG (the "ITG transferred brands"). PM USA continues to dispute how the ITG transferred brands are treated in allocating the NPM Adjustments and profit adjustments under the State Settlement Agreements.

In December 2019, the State of Mississippi filed a motion in Mississippi state court seeking to enforce the Mississippi State Settlement Agreement against PM USA, R.J. Reynolds and ITG concerning the tax rates used in the annual calculation of the net operating profit adjustment payments starting in 2018. In September 2024, PM USA and the State of Mississippi settled their dispute over the profit adjustment payments. Pursuant to the settlement, PM USA paid $7 million to the State of Mississippi for 2018 through 2023. Accordingly, PM USA recorded $5 million of expense to cost of sales and $2 million of interest expense in the third quarter of 2024.

In May 2023, PM USA and R.J. Reynolds filed a motion in the U.S. District Court for the Eastern District of Texas seeking to enforce the Texas State Settlement Agreement against the State of Texas concerning the same tax rate issue raised by the State of Mississippi. The State of Texas filed a cross-motion to enforce, and the court found in favor of the State of Texas. In March 2025, the court issued a final order in the matter, finding that PM USA owes $31 million to the State of Texas, plus pre- and post-judgment interest. PM USA has appealed, and the appeal remains pending.

In July 2024, the State of Minnesota filed a motion in Minnesota state court seeking to enforce the Minnesota State Settlement Agreement against PM USA, R.J. Reynolds and ITG concerning the same tax rate issues raised by the States of Mississippi and Texas.

The court found in favor of the State of Minnesota. In October 2025, the court issued an order as to damages, finding that PM USA owes the State of Minnesota $10 million plus pre- and post-judgment interest. PM USA has appealed, and the appeal remains pending.

E-vapor Product Litigation

We have been named as defendants in federal class action lawsuits, individual lawsuits and "third party" lawsuits relating to JUUL e-vapor products, which include school districts, state and local governments and tribal and healthcare organization lawsuits. We refer to this litigation in the United States collectively as the "Multidistrict Litigation." The theories of recovery in the Multidistrict Litigation include violation of RICO, fraud, failure to warn, design defect, negligence, public nuisance and unfair trade practices. Plaintiffs seek various remedies, including compensatory and punitive damages, restitution or remediation (for plaintiffs that are government entities) and an injunction prohibiting product sales. We also have been named as defendants in a group of cases pending in a consolidated California state court proceeding.

In May 2023, we reached agreement on terms to resolve the majority of the Multidistrict Litigation lawsuits as well as the majority of the group of cases pending in the consolidated California state court proceeding for $235 million, for which amount we recorded a pre-tax provision in the second quarter of 2023. In March 2024, the court granted final approval of the class action settlement, and we paid the settlement amount in the second quarter of 2024. The settlement applies to all of the Multidistrict Litigation except 11 individual cases that opted out of the settlement, all of the consolidated California cases except nine individual cases that opted out of the settlement and 38 "third party" cases brought by Native American tribes. We separately agreed to settle the cases brought by Native American tribes in July 2024, and these cases have been dismissed. We recorded a pre-tax provision for $20 million in the second quarter of 2024 related to the Native American tribes settlement and paid the settlement amount in October 2024. Neither settlement applies to four class action lawsuits pending in Canada or 17 putative class action antitrust lawsuits. For a description of the antitrust cases not subject to the settlement, see *Antitrust Litigation* below.

E-vapor Patent Litigation

JUUL Patent Litigation: In June 2023, JUUL and VMR Products LLC ("VMR") filed a lawsuit against Altria and our affiliates AGDC, ALCS, NJOY Holdings, Inc. ("NJOY Holdings") and NJOY in the U.S. District Court for the District of Arizona asserting claims of patent infringement based on the sale of *NJOY ACE* in the United States. Plaintiffs seek various remedies, including damages and an injunction on sales of *NJOY ACE*. The lawsuit is currently stayed.

Also in June 2023, the same plaintiffs filed a related action against the same defendants with the ITC. There, the plaintiffs also allege patent infringement, but the remedies sought include an exclusion order that would prohibit the importation of *NJOY ACE* into the United States. No damages are recoverable in the proceedings before the ITC. In January 2025, following an initial determination by the Administrative Law Judge ("ALJ"), the ITC issued its final determination finding that *NJOY ACE* infringes the four patents plaintiffs asserted and issued an exclusion order and cease-and-desist orders prohibiting the importation and sale of *NJOY ACE* in the United States. The orders became effective on March 31, 2025. We have appealed the orders to the U.S. Court of Appeals for the Federal Circuit. The orders will remain in effect during the pendency of the appeal.

In November and December 2023 and February 2024, Altria and our affiliates filed petitions with the U.S. Patent Office Patent Trial and Appeal Board ("PTAB") challenging the validity of the patents underlying JUUL and VMR's patent infringement claims. In May, June and August 2024, the PTAB denied Altria's requests to institute review as to four patents (including three of the patents that form the basis of the ITC's final determination) and, in June 2024, granted Altria's request to institute review as to one of the patents that forms the basis of the ITC's final determination. In June 2025, the PTAB issued its decision concluding that the patent it reviewed was valid. We have appealed the PTAB's decision to the U.S. Court of Appeals for the Federal Circuit.

In August 2023, NJOY filed a complaint against JUUL in the U.S. District Court for the District of Delaware asserting claims of patent infringement based on the sale of certain JUUL e-vapor products, including the currently marketed *JUUL* device and *JUULpods*, in the United States. The lawsuit was stayed pending the final determination of an ITC investigation NJOY filed against JUUL in August 2023 (discussed below). In October 2025, after the final determination of the corresponding ITC investigation, NJOY moved to lift the stay, and the court granted the motion. JUUL subsequently moved to re-stay the case, which was denied. Trial currently is set for June 2027.

Also in August 2023, NJOY filed a related action against JUUL with the ITC alleging patent infringement and seeking a ban on the importation and sale of the same JUUL products in the United States. In December 2024, the ALJ issued an initial determination concluding that, while the patents NJOY asserted against JUUL are valid, JUUL products do not infringe the patents. On review, the ITC affirmed the ALJ's initial determination that the JUUL products do not infringe the asserted patents and terminated the investigation. In May 2025, we appealed the ITC's final determination to the U.S. Court of Appeals for the Federal Circuit. Subsequently, in July 2025, we voluntarily dismissed the appeal and, in October 2025, moved to lift the stay on NJOY's lawsuit against JUUL in the U.S. District Court for the District of Delaware (discussed above).

In November 2023, JUUL filed petitions with the PTAB challenging the validity of the patents underlying NJOY's patent infringement claims. In May 2024, the PTAB agreed to review JUUL's challenge to both of the NJOY patents asserted against JUUL. In May 2025, the PTAB issued its decision concluding that the patents it reviewed were valid. The deadline to appeal the PTAB's decision has passed, and JUUL did not appeal.

In August 2025, JUUL filed an additional lawsuit against Altria and our affiliates AGDC, ALCS, NJOY Holdings and NJOY in the U.S. District Court for the District of Arizona asserting claims of patent infringement based on the sale of *NJOY Daily* in the United States. Plaintiff seeks various remedies, including damages and an injunction on sales of *NJOY Daily* and any other products NJOY may be developing or preparing for commercialization in the United States that would infringe JUUL's patent.

Also in August 2025, JUUL filed a related action against the same defendants with the ITC. There, JUUL also alleges patent infringement, but the remedies sought include an exclusion order that would prohibit the importation into the United States of *NJOY Daily* and any other products NJOY may be developing or preparing for commercialization in the United States that would infringe JUUL's patent. No damages are recoverable in the proceedings before the ITC. In April 2026, the ALJ granted NJOY's motion for summary determination, finding that the sole patent that forms the basis of JUUL's action is invalid. JUUL has petitioned the ITC to review the ALJ's initial determination.

In November 2025, Altria, AGDC, ALCS, NJOY Holdings and NJOY sued the ITC and the ALJ in the U.S. District Court for the Eastern District of Virginia, seeking to enjoin the ITC and ALJ from adjudicating JUUL's action. The lawsuit asserts that Altria and our affiliates are entitled to have JUUL's claims heard in a federal court and be tried to a jury, and that the ALJ is unconstitutionally appointed and shielded from removal by the President. Altria and our affiliates have moved for summary judgment and a preliminary injunction. Also in November 2025, NJOY Holdings and NJOY filed a petition with PTAB challenging the validity of the patent underlying JUUL's August 2025 actions. In April 2026, PTAB issued a discretionary denial of that petition, refusing to reach the merits of whether JUUL's patent is valid.

In September 2025, NJOY, ALCS, and AGDC filed an action against JUUL with the ITC alleging patent infringement and seeking a ban on the importation and sale of the same JUUL products in the United States. A hearing before the ALJ is scheduled for September 2026, and we expect an initial determination from the ALJ in December 2026, subject to the ALJ's ability to grant himself an extension. The ALJ's recommendation will be reviewed by the ITC, and we expect the ITC's final determination in April 2027, subject to the ITC's right to grant itself an extension.

R.J. Reynolds Patent Litigation: ALCS filed a lawsuit against R.J. Reynolds in the U.S. District Court for the Middle District of North Carolina alleging patent infringement by R.J. Reynolds' e-vapor products. In September 2022, a jury awarded ALCS $95 million in damages for past infringement, plus supplemental damages and interest. In January 2023, the court ordered R.J. Reynolds to pay ALCS a 5.25% royalty on future sales of its infringing product resulting in positive net income through the expiration of the relevant patents in 2035. R.J. Reynolds filed a notice of appeal of the judgment to the U.S. Court of Appeals for the Federal Circuit, which affirmed the judgment in December 2024. In August 2025, R.J. Reynolds petitioned the U.S. Supreme Court to review the federal appellate court's affirmance of the federal district court's judgment. In October 2025, the U.S. Supreme Court denied R.J. Reynolds' petition.

In July 2024, R.J. Reynolds moved the district court to vacate the judgment, including the damages awards and ongoing royalties, on the grounds that R.J. Reynolds obtained a sublicense to the asserted patents from JUUL in December 2023. In December 2024, the district court denied the motion as to the damages award and royalties due through December 2023. The district court also found that additional proceedings were warranted on the part of the motion regarding royalties after R.J. Reynolds obtained the sublicense. The district court's evidentiary hearing occurred in April 2026. Any gains related to this lawsuit remain subject to these district court proceedings. Accordingly, they have not yet been determined to be realized or realizable in accordance with GAAP and have not been recognized in our condensed consolidated financial statements.

Antitrust Litigation

In March 2023, we entered into a stock transfer agreement with JUUL pursuant to which, among other things, we transferred to JUUL all of our beneficially owned JUUL equity securities.

As of April 27, 2026, 17 putative class action lawsuits have been filed against Altria and JUUL in the U.S. District Court for the Northern District of California. In November 2020, these lawsuits were consolidated into three complaints (one on behalf of direct purchasers, one on behalf of indirect purchasers and one on behalf of indirect resellers). The consolidated lawsuits, as amended, allege that Altria and JUUL violated Sections 1, 2 and/or 3 of the Sherman Antitrust Act of 1890 and Section 7 of the Clayton Antitrust Act and various state antitrust and consumer protection laws by restraining trade and/or substantially lessening competition in the U.S. closed-system electronic cigarette market. Plaintiffs seek various remedies, including treble damages, attorneys' fees, a declaration that the agreements between Altria and JUUL are invalid and rescission of the transaction. In February 2024, the court ordered that certain of the direct-purchaser plaintiffs' claims against JUUL be sent to arbitration pursuant to an arbitration provision in JUUL's online purchase agreement and dismissed without prejudice the direct-purchaser plaintiffs' claims for injunctive relief. In April 2025, plaintiffs voluntarily dismissed all monopolization claims and all claims against the Altria defendants under California's Unfair Competition Law. In February 2026, the U.S. District Court for the Northern District of California certified three classes of plaintiffs (one of direct purchasers, one of indirect purchasers and one of indirect resellers). In March 2026, Altria and JUUL filed a petition with the Ninth Circuit Court of Appeals seeking discretionary review of the class certification decision, which the court granted in April 2026. The trial with respect to the remaining claims in the consolidated lawsuits currently is set to commence in September 2026.

Certain Other Tobacco-Related Litigation

"Lights/Ultra Lights" Cases and Other Smoking and Health Class Actions: Plaintiffs have sought certification of their cases as class actions, alleging among other things, that the uses of the terms "Lights" and/or "Ultra Lights" constitute deceptive and unfair trade practices, common law or statutory fraud, unjust enrichment or breach of warranty, and have sought injunctive and equitable relief, including restitution and, in certain cases, punitive damages. These class actions have been brought against PM USA and, in certain instances, Altria or our other subsidiaries, on behalf of individuals who purchased and consumed various brands of cigarettes. Defenses raised in these cases include lack of misrepresentation, lack of causation, injury and damages, the statute of limitations, non-liability under state statutory provisions exempting conduct that complies with federal regulatory directives, and the First Amendment. Twenty-one state courts in 23 "Lights" cases have refused to certify class actions, dismissed class action allegations, reversed prior class certification decisions or have entered judgment in favor of PM USA. As of April 27, 2026, two "Lights/Ultra Lights" class actions are pending in U.S. state courts. Neither case is active.

As of April 27, 2026, one smoking and health case alleging personal injury or seeking court-supervised programs or an ongoing medical monitoring program on behalf of individuals exposed to ETS and purporting to be brought on behalf of a class of individual plaintiffs, is pending in a U.S. state court. The case is currently inactive.

Environmental Regulation

Altria and our former subsidiaries are subject to various federal, state and local laws and regulations concerning the discharge of materials into the environment, or otherwise related to environmental protection, including, in the United States: the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act (commonly known as "Superfund"), which can impose joint and several liability on each responsible party. Altria and our former subsidiaries are involved in several cost recovery/contribution cases subjecting them to potential costs of remediation and natural resource damages under Superfund or other laws and regulations. We expect to continue to make capital and other expenditures in connection with environmental laws and regulations.

We provide for expenses associated with environmental remediation obligations on an undiscounted basis when such amounts are probable and can be reasonably estimated. Such accruals are adjusted as new information develops or circumstances change. Other than those amounts, it is not possible to reasonably estimate the cost of any environmental remediation and compliance efforts that we may undertake in the future. In the opinion of our management, however, compliance with environmental laws and regulations, including the payment of any remediation costs or damages and the making of related expenditures, has not had a material adverse effect on our condensed consolidated results of operations, capital expenditures, financial position or cash flows.

Guarantees and Other Similar Matters

In the ordinary course of business, we have agreed to indemnify a limited number of third parties in the event of future litigation. Additionally, we provide certain guarantees to a limited number of third parties related to contractual obligations. At March 31, 2026, we had $43 million of unused letters of credit obtained in the ordinary course of business. These items have not had, and are not expected to have, a significant impact on our liquidity.

Under the terms of a distribution agreement between Altria and PMI ("Distribution Agreement"), entered into as a result of our 2008 spin-off of our former subsidiary PMI, liabilities concerning tobacco products will be allocated based in substantial part on the manufacturer. PMI will indemnify Altria and PM USA for liabilities related to tobacco products manufactured by PMI or contract manufactured for PMI by PM USA, and PM USA will indemnify PMI for liabilities related to tobacco products manufactured by PM USA, excluding tobacco products contract manufactured for PMI. We do not have a related liability recorded on our condensed consolidated balance sheet at March 31, 2026 as the fair value of this indemnification is insignificant.

As part of our supplier financing program, Altria guarantees the financial obligations of ALCS under the financing program agreement.

PM USA guarantees our obligations under our outstanding debt securities, any borrowings under our $3.0 billion Credit Agreement and any amounts outstanding under our commercial paper program.

Note 13. Additional Financial Statement Information

Share Repurchases

In January 2025, our Board of Directors ("Board" or "Board of Directors") authorized a $1.0 billion share repurchase program that it expanded to $2.0 billion in October 2025. At March 31, 2026, we had $720 million remaining under this program, which expires on December 31, 2026. Share repurchases depend on marketplace conditions and other factors, and the program remains subject to the discretion of our Board.

Our share repurchase activity was as follows:

	For the Three Months Ended March 31,	
(in millions, except per share data)	**2026**	**2025**
Total number of shares repurchased	**4.5**	5.7
Aggregate cost of shares repurchased	**$ 280**	$ 326
Average price per share of shares repurchased	**$ 62.33**	$ 56.97

Cash, Cash Equivalents and Restricted Cash

A reconciliation of cash, cash equivalents and restricted cash on our condensed consolidated balance sheets to the amounts reported in our condensed consolidated statements of cash flows is as follows:

	March 31, 2026	December 31, 2025
Cash and cash equivalents	**$ 3,531**	$ 4,474
Restricted cash included in other current assets	**5**	7
Restricted cash included in other assets	**14**	11
Cash, cash equivalents and restricted cash	**$ 3,550**	$ 4,492

Restricted cash consisted primarily of cash deposits collateralizing appeal bonds posted by PM USA to obtain stays of judgments pending appeals. See Note 12. *Contingencies*.

Receivables

We record receivables net of the cash discounts on our condensed consolidated balance sheets. At March 31, 2026, December 31, 2025 and December 31, 2024, receivables were $284 million, $263 million and $177 million, respectively.

Deferred Revenue

We record deferred revenue when our businesses receive payment in advance of product shipment, which we include in other accrued liabilities on our condensed consolidated balance sheets until revenue is recognized, and our companies typically satisfy their performance obligations within three days of receiving payment. At March 31, 2026, December 31, 2025 and December 31, 2024, deferred revenue was $169 million, $231 million and $215 million, respectively. At March 31, 2026, December 31, 2025 and December 31, 2024, there were no differences between amounts recorded as deferred revenue from contracts with customers and amounts subsequently recognized as revenue.

Supplier Financing

We facilitate a voluntary supplier financing program through a third-party intermediary under which participating suppliers may elect to sell receivables due from us to participating third-party financial institutions at the sole discretion of both the suppliers and the financial institutions. At March 31, 2026 and December 31, 2025, confirmed outstanding obligations under the supplier financing program, which are recorded in accounts payable on our condensed consolidated balance sheets, were $157 million and $159 million, respectively.

Note 14. New Accounting Guidance Not Yet Adopted

The following table provides a description of issued accounting guidance applicable to, but not yet adopted by, us:

Standards	Description	Effective Date for Public Entity	Effect on Financial Statements
ASU Nos. 2024-03 and 2025-01 Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses	The guidance will require additional disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses.	The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027.	We are in the process of evaluating the impact of this guidance on our disclosures.
ASU No. 2025-06 Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software	The guidance replaces the current framework that is based on software development project stages with updated criteria, focused on management's authorization and the probability of project completion, to determine the timing for cost capitalization.	The guidance is effective for fiscal years beginning after December 15, 2027, and interim periods within those fiscal years.	We are in the process of evaluating the impact of this guidance on our consolidated financial statements and related disclosures.

Standards	Description	Effective Date for Public Entity	Effect on Financial Statements
ASU No. 2025-07 Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract	The guidance refines the scope of Topic 815 by excluding from derivative accounting non-exchange trading contracts that have underlyings based on operations or activities specific to one of the parties to the contract with certain exceptions and clarifies the applicability of Topic 606 to share-based noncash consideration received from a customer in exchange for goods or services.	The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years.	We are in the process of evaluating the impact of this guidance on our consolidated financial statements and related disclosures.
ASU No. 2025-09 Derivatives and Hedging (Topic 815): Hedge Accounting Improvements	The guidance includes expanding eligibility for cash flow hedges of groups of forecasted transactions, introducing a model for hedging forecasted interest payments on "choose-your-rate" debt instruments, permitting designation of variable price components in forecasted purchases or sales of nonfinancial assets and clarifying guidance for net investment hedges and dual hedge strategies.	The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years.	We are in the process of evaluating the impact of this guidance on our consolidated financial statements and related disclosures.
ASU No. 2025-11 Interim Reporting (Topic 270): Narrow-Scope Improvements	The guidance clarifies interim disclosure requirements, provides a comprehensive list of disclosures required by GAAP and includes a disclosure principle for events since the last annual reporting period to enhance consistency in interim reporting.	The guidance is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027.	We are in the process of evaluating the impact of this guidance on our interim condensed consolidated financial statements and related disclosures.
ASU No. 2025-12 Codification Improvements	The guidance provides changes that clarify, correct errors or make minor improvements to GAAP.	The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within those fiscal years.	We are in the process of evaluating the impact of this guidance on our consolidated financial statements and related disclosures.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the other sections in this Quarterly Report on Form 10-Q ("Form 10-Q"), including our condensed consolidated financial statements and related notes contained in Item 1. Financial Statements of this Form 10-Q ("Item 1"). All references to "Notes" in this MD&A are to Notes to our condensed consolidated financial statements in Item 1. When used in this Form 10-Q, the terms "Altria," "we," "us" and "our" refer to either (i) Altria Group, Inc. and its consolidated subsidiaries or (ii) Altria Group, Inc. only and not its consolidated subsidiaries, as appropriate in the context.

In this MD&A section, we refer to the following "adjusted" financial measures: adjusted operating companies income (loss) ("OCI"); adjusted OCI margins; adjusted net earnings; adjusted diluted earnings per share ("EPS"); and adjusted effective tax rates. We also refer to the ratio of debt-to-Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization, as defined in our credit agreement, which includes certain adjustments). These financial measures are not required by, or calculated in accordance with, United States generally accepted accounting principles ("GAAP") and may not be calculated the same as similarly titled measures used by other companies. These financial measures should thus be considered as supplemental in nature and not considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. For a further description of these non-GAAP financial measures, see the *Non-GAAP Financial Measures* section below.

Executive Summary

Our Business

We have a leading portfolio of nicotine products for U.S. nicotine consumers age 21+. We are *Moving Beyond Smoking*® by responsibly transitioning adult smokers to a smoke-free future, competing vigorously for existing smoke-free adult nicotine consumers and exploring new growth opportunities - beyond the United States and beyond nicotine ("Vision"). We previously established our 2028 Enterprise Goals ("2028 Goals") to provide our investors with specific metrics to measure our progress as we execute on our Vision. For further discussion of our 2028 Goals, see our Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K").

Our wholly owned subsidiaries include leading manufacturers of both combustible and smoke-free products. In combustibles, we own Philip Morris USA Inc. ("PM USA"), the most profitable U.S. cigarette manufacturer, and John Middleton Co. ("Middleton"), a leading U.S. cigar manufacturer.

In smoke-free products, we own U.S. Smokeless Tobacco Company LLC ("USSTC"), the leading global moist smokeless tobacco ("MST") manufacturer, Helix Innovations LLC ("Helix"), a leading manufacturer of oral nicotine pouches, and NJOY, LLC ("NJOY"), an e-vapor manufacturer with products covered by marketing granted orders ("MGO") from the U.S. Food and Drug Administration

("FDA"). Additionally, we have a majority-owned joint venture, Horizon Innovations LLC ("Horizon"), for the U.S. marketing and commercialization of heated tobacco stick products. As of the date of this Form 10-Q, Horizon had no products in the U.S. marketplace.

The brand portfolios of our operating companies include *Marlboro*®, *Black & Mild*®, *Copenhagen*®, *Skoal*®, *on!*® and *NJOY*®. Trademarks related to Altria referenced in this Form 10-Q are the property of Altria or our subsidiaries or are used with permission.

Our investments in equity securities include Anheuser-Busch InBev SA/NV ("ABI"), the world's largest brewer, and Cronos Group Inc. ("Cronos"), a leading Canadian cannabinoid company.

Trends and Developments

In this section of the MD&A, we discuss certain factors that have impacted our businesses as of the date of this Form 10-Q. In addition, we are aware of and address certain trends and developments that could, individually or in the aggregate, have a material impact on our businesses, including the value of our investments in equity securities, in the future. In this section, we focus on the discretionary income pressures on adult nicotine consumers, evolving consumer preferences, illicit flavored disposable e-vapor products and supply chain disruptions. Other trends and developments are discussed elsewhere in this MD&A.

Through the first quarter of 2026, U.S. adult nicotine consumers continued to face inflationary pressure on discretionary income, with impacts more pronounced among lower-income consumers. Heightened geopolitical risk and uncertainty following the recent developments in the Middle East contributed to increased energy price volatility, with gas prices increasing to an average of $3.64 per gallon during March. The increase in gas prices contributed to elevated inflation in March of 3.3%, above the Federal Reserve's 2% target and the highest level since early 2024. These macroeconomic pressures were partially offset by incremental near-term liquidity support, as Internal Revenue Service data indicates average tax refunds through the end of March increased versus the prior year.

Overall discretionary income pressures on adult nicotine consumers have resulted in increased discount brand share and contributed to evolving adult nicotine consumer preferences, each of which has negatively impacted the sales volumes of certain of our operating companies' premium brands. For the first quarter of 2026, the discount retail share of the cigarette category reached 33.3%, an increase of 2.4 share points versus the first quarter of 2025 and 0.5 share points sequentially. Additionally, we believe that a significant number of adult nicotine consumers switch among nicotine categories, use multiple forms of nicotine products and try innovative nicotine products, such as e-vapor products and oral nicotine pouches. The U.S. nicotine pouch category continued to grow throughout the first quarter of 2026 to 58.1% of the U.S. oral tobacco category, an increase of 9.1 share points versus the first quarter of 2025. When adjusted for trade inventory movements, our smokeable products segment domestic cigarette shipment volume declined by an estimated 4% in the first quarter of 2026 versus the first quarter of 2025. When adjusted for trade inventory movements, total estimated domestic cigarette industry volume declined by 5% in the first quarter of 2026 versus the first quarter of 2025. In the fourth quarter of 2025, we estimated the industry decline rate to be 6.5% versus the fourth quarter of 2024. We believe that the 1.5 percentage points change in the domestic cigarette industry volume decline rate in the first quarter of 2026 was due primarily to reduced cross-category movement between cigarettes and illicit flavored disposable e-vapor products. As innovative smoke-free products evolve to better address the preferences of adult nicotine consumers, these consumers continue to transition from cigarettes and MST products to innovative smoke-free products, which has reduced the sales volumes of our operating companies' cigarette and MST products.

In response to the proliferation of illicit flavored disposable e-vapor products, states and the federal government have taken various regulatory and enforcement actions. For example, the FDA and U.S. Customs and Border Protection have made it more difficult to import properly declared illicit e-vapor products, seized unauthorized e-vapor products and issued warning letters to importers. Despite these enforcement measures, insufficient actions against manufacturers, distributors and retailers of nicotine products requiring FDA review for which no PMTAs have been submitted have allowed such products to continue to proliferate in the market. We expect that effective enforcement against illicit flavored disposable e-vapor products will occur more gradually than initially anticipated.

Additionally, we continue to see increased illicit activity across multiple nicotine categories, including nicotine pouch products and cigarettes. In 2026, traditional tobacco retailers continued to carry various synthetic oral nicotine pouch products. We continue to track the overall dynamics across multiple nicotine categories as well as competitive threats to our brands.

We are monitoring volatility in domestic and global economies and disruptions in the supply and distribution chains. This volatility and disruption are the result of several factors, including macroeconomic conditions, raw materials availability and geopolitical events. We continue to work to mitigate the potential negative impacts of these macroeconomic and geopolitical dynamics on our businesses through, among other actions, proactive engagement with current and potential suppliers and distributors and the development of alternative sourcing strategies.

See *Operating Results by Business Segment - Business Environment* for additional information on the trends and developments discussed above.

The trends and developments above have not had a material adverse impact on our results of operations, cash flows or financial position or our ability to achieve our Vision. As the trends and developments evolve and new ones emerge, we will continue to evaluate the potential impacts on our businesses, investments and Vision.

Consolidated Results of Operations for the Three Months Ended March 31, 2026

The changes in net earnings and diluted EPS for the three months ended March 31, 2026, from the three months ended March 31, 2025, were due primarily to the following:

(in millions, except per share data)	Net Earnings	Diluted EPS
For the three months ended March 31, 2025	$ 1,077	$ 0.63
2025 Acquisition-related items	65	0.04
2025 Asset impairment, exit and implementation costs	884	0.52
2025 Tobacco and health and certain other litigation items	30	0.02
2025 Amortization of intangibles	31	0.02
2025 ABI-related special items	17	0.01
2025 Cronos-related special items	(18)	(0.01)
2025 Income tax items	3	—
Subtotal 2025 special items	1,012	0.60
2026 NPM Adjustment Items	**9**	—
2026 Acquisition-related items	**(2)**	—
2026 Asset impairment, exit and implementation costs	**(5)**	—
2026 Tobacco and health and certain other litigation items	**(2)**	—
2026 Amortization of intangibles	**(20)**	**(0.01)**
2026 ABI-related special items	**(1)**	—
2026 Cronos-related special items	**(2)**	—
2026 Income tax items	**(12)**	**(0.01)**
Subtotal 2026 special items	**(35)**	**(0.02)**
Fewer shares outstanding	**—**	**0.01**
Change in tax rate	**11**	**0.01**
Operations	**118**	**0.07**
For the three months ended March 31, 2026	**$ 2,183**	**$ 1.30**
2026 Reported Net Earnings and Reported Diluted EPS	**$ 2,183**	**$ 1.30**
2025 Reported Net Earnings and Reported Diluted EPS	$ 1,077	$ 0.63
% Change	**100%+**	**100%+**
2026 Adjusted Net Earnings and Adjusted Diluted EPS	**$ 2,218**	**$ 1.32**
2025 Adjusted Net Earnings and Adjusted Diluted EPS	$ 2,089	$ 1.23
% Change	**6.2 %**	**7.3 %**

For a discussion of special items and other business drivers affecting the comparability of statements of earnings amounts and reconciliations of adjusted earnings and adjusted diluted EPS, see *Consolidated Operating Results* below.

- **Fewer Shares Outstanding:** Fewer shares outstanding were due to shares we repurchased under our share repurchase programs.
- **Operations:** The increase of $118 million in operations (which excludes the impact of special items shown in the table above) was due primarily to higher OCI.

For further details, see *Consolidated Operating Results* and *Operating Results by Business Segment* below.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, our management also reviews certain financial results, including OCI, OCI margins, net earnings and diluted EPS, on an adjusted basis, which excludes certain income and expense items that our management believes are not part of underlying operations. These items may include, for example, loss on early extinguishment of debt, restructuring charges, asset impairment charges, acquisition, disposition and integration-related items, equity investment-related special items, certain income tax items, charges associated with tobacco and health and certain other litigation items, resolutions of certain non-participating manufacturer ("NPM") adjustment disputes under the Master Settlement Agreement ("NPM Adjustment Items") and amortization expense associated with definite-lived intangible assets ("amortization of intangibles"). While amortization of intangibles is excluded from our adjusted financial measures, net revenues generated from these definite-lived intangible assets during the periods

presented, if applicable, are included in our adjusted financial measures. In addition, our management reviews the ratio of debt-to-Consolidated EBITDA, which we use as a factor to determine our ability to access the capital markets and make investments in pursuit of our Vision. Consolidated EBITDA is calculated in accordance with our Credit Agreement (defined below in *Liquidity and Capital Resources*) and includes certain adjustments. Our management does not view any of these special items to be part of our underlying results as they may be highly variable, may be unusual or infrequent, are difficult to predict and can distort underlying business trends and results. Our management also reviews income tax rates on an adjusted basis, which may exclude certain income tax items from our reported effective tax rate.

Our management believes that the foregoing financial measures provide useful additional insight into underlying business trends and results, and provide a more meaningful comparison of year-over-year results. Our management uses these financial measures and regularly provides these to our chief operating decision maker ("CODM") for planning, forecasting and evaluating business and financial performance, including allocating capital and other resources and evaluating results relative to employee compensation targets. The foregoing financial measures are not required by, or calculated in accordance with, GAAP and may not be calculated the same as similarly titled measures used by other companies. The foregoing financial measures should thus be considered as supplemental in nature and not considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. When we provide a non-GAAP measure in this Form 10-Q, we also provide a reconciliation of that non-GAAP financial measure to the most directly comparable GAAP financial measure.

Discussion and Analysis

Our critical accounting policies and estimates are discussed in our 2025 Form 10-K; there have been no updates to these critical accounting estimates, except as noted below.

Critical Accounting Estimates

Goodwill and Other Intangible Assets Impairment Testing

We conduct a required annual review of goodwill and indefinite-lived intangible assets for potential impairment as of October 1 of each year, in accordance with our accounting policy, and more frequently if an event occurs or circumstances change that would require an interim quantitative impairment assessment. There have been no events or changes in circumstances that indicate an interim quantitative impairment assessment was required as of March 31, 2026.

E-Vapor Reporting Unit Goodwill

In 2025, we recorded impairments of the values of the goodwill and other intangible assets within our e-vapor reporting unit as a result of the U.S. International Trade Commission ("ITC") exclusion order and cease-and-desist orders prohibiting the importation and sale of *NJOY ACE* into the United States and our expectation that effective enforcement against illicit flavored disposable e-vapor products would occur more gradually than initially anticipated. As of December 31, 2025, the estimated fair value and carrying value of the e-vapor goodwill was $610 million after recording impairments during the first and fourth quarters of 2025. In addition, the carrying value of the e-vapor reporting unit's net assets (including the effect of intercompany debt), which was negative, approximated its estimated fair value.

We believe that the estimated fair value of the e-vapor reporting unit at December 31, 2025 remains reasonable and there are no events or circumstances indicating an impairment for the three months ended March 31, 2026. Fair value calculations are sensitive to changes in certain judgments and assumptions. The significant judgments and assumptions that drive the fair value of the reporting unit are the (i) timing and extent of effective enforcement against illicit flavored disposable e-vapor products; (ii) timing and likelihood of regulatory authorizations of e-vapor products, including of NJOY's products; (iii) timing of the commercialization of NJOY e-vapor products in the United States; (iv) long-term growth of the e-vapor category; and (v) conversion rates of illicit flavored disposable e-vapor consumers to FDA-authorized e-vapor products and, specifically, NJOY's e-vapor products. Fair value calculations can be negatively affected by changes in these judgments and assumptions, some of which relate to broader macroeconomic conditions and governmental actions outside of our control. If these assumptions or judgments regarding the expectations for the future state of the e-vapor category and NJOY's business fail to materialize as anticipated, if we experience unfavorable outcomes with respect to litigation proceedings (including actions alleging patent infringement), or if the discount rate used to estimate the fair value increases, we could have additional non-cash impairments of our e-vapor reporting unit goodwill in future periods, which could be material. Based on our 2025 annual impairment test, a hypothetical 1% increase in the discount rate used to estimate the fair value of the e-vapor reporting unit would have resulted in a goodwill impairment charge of approximately $150 million. For further discussion of these factors, see *Operating Results by Business Segment - Business Environment* below.

Skoal Trademark Indefinite-Lived Intangible Asset

At December 31, 2025, the estimated fair value of the *Skoal* trademark exceeded its carrying value by approximately 7% ($0.3 billion). MST products, including *Skoal*, continued to be negatively impacted due in part to evolving adult nicotine consumer preferences, which have continued to contribute to reductions in sales volumes for MST products, including *Skoal*. For further discussion, see *Trends and Developments* above and *Operating Results by Business Segment - Business Environment - Summary* below.

We believe that the estimated fair value of the *Skoal* trademark at December 31, 2025 remains reasonable and there are no events or circumstances indicating an impairment for the three months ended March 31, 2026. If the decline in sales volume for *Skoal* is higher than currently estimated and results in material revenue declines, we believe there may be a material adverse effect on the significant assumptions used in performing our valuation. If *Skoal*'s actual revenue and income or long-term outlook are significantly unfavorable compared to forecasted performance used to estimate the fair value or if the discount rate used to estimate the fair value increases, we could have material non-cash impairments of the *Skoal* trademark in future periods. Based on the 2025 annual impairment test, a hypothetical 1% increase in the discount rate used to estimate the fair value of *Skoal* trademark would have resulted in an impairment charge of approximately $90 million. For further discussion of these factors, see *Operating Results by Business Segment - Business Environment* below.

For further discussion of goodwill and other intangible assets see Note 2. *Goodwill and Other Intangible Assets, net* ("Note 2").

Consolidated Operating Results

	For the Three Months Ended March 31,	
(in millions)	**2026**	**2025**
Net Revenues:		
Smokeable products	**$ 4,758**	$ 4,622
Oral tobacco products	**669**	654
All other	**1**	(17)
Net revenues	**$ 5,428**	$ 5,259
Excise Taxes on Products:		
Smokeable products	**$ 648**	$ 715
Oral tobacco products	**22**	25
Excise taxes on products	**$ 670**	$ 740
Operating Income:		
OCI:		
Smokeable products	**$ 2,673**	$ 2,469
Oral tobacco products	**435**	433
All other	**(76)**	(1,014)
Amortization of intangibles	**(23)**	(37)
General corporate expenses	**(53)**	(63)
Operating income	**$ 2,956**	$ 1,788

As discussed further in Note 9. *Segment Reporting* ("Note 9"), our CODM reviews OCI, which is defined as operating income before general corporate expenses and amortization of intangibles, to evaluate the performance of, and allocate resources to, our segments. Our management believes it is appropriate to disclose this measure to help investors analyze our business performance and trends.

The following table provides a reconciliation of adjusted net earnings and adjusted diluted EPS for the three months ended March 31:

(in millions of dollars, except per share data)	Earnings before Income Taxes	Provision for Income Taxes	Net Earnings	Diluted EPS
2026 Reported	**$ 2,859**	**$ 676**	**$ 2,183**	**$ 1.30**
NPM Adjustment Items	**(11)**	**(2)**	**(9)**	**—**
Acquisition-related items	**2**	**—**	**2**	**—**
Asset impairment, exit and implementation costs	**6**	**1**	**5**	**—**
Tobacco and health and certain other litigation items	**2**	**—**	**2**	**—**
Amortization of intangibles	**23**	**3**	**20**	**0.01**
ABI-related special items	**1**	**—**	**1**	**—**
Cronos-related special items	**2**	**—**	**2**	**—**
Income tax items	**—**	**(12)**	**12**	**0.01**
2026 Adjusted for Special Items	**$ 2,884**	**$ 666**	**$ 2,218**	**$ 1.32**
2025 Reported	$ 1,683	$ 606	$ 1,077	$ 0.63
Acquisition-related items	79	14	65	0.04
Asset impairment, exit and implementation costs	888	4	884	0.52
Tobacco and health and certain other litigation items	40	10	30	0.02
Amortization of intangibles	37	6	31	0.02
ABI-related special items	21	4	17	0.01
Cronos-related special items	(18)	—	(18)	(0.01)
Income tax items	—	(3)	3	—
2025 Adjusted for Special Items	$ 2,730	$ 641	$ 2,089	$ 1.23

The following special items affected the comparability of statements of earnings amounts for the three months ended March 31, 2026 and 2025:

- **Acquisition-Related Items:** We recorded net pre-tax charges reflecting expenses primarily related to the ITC exclusion order and cease-and-desist orders prohibiting the importation and sale of *NJOY ACE* in the United States. These charges are net of any insurance recoveries from insurance contracts associated with the acquisition of NJOY Holdings, Inc. ("NJOY Transaction"). For further information on the ITC's determination, see *E-vapor Product Litigation - JUUL Patent Litigation* in Note 12. *Contingencies* ("Note 12"). We recorded these items as follows:

	For the Three Months Ended March 31,	
(in millions)	**2026**	**2025**
Net revenues [1]	**$ —**	$ 34
Cost of sales [1]	**—**	37
Marketing, administration and research costs [2]	**1**	(17)
Total	**$ 1**	$ 54

[1] Included in our all other category.

[2] Recorded as general corporate expense. Amount is net of $22 million of insurance recoveries for the three months ended March 31, 2025. To date, we incurred total costs of $152 million, primarily associated with the ITC exclusion order and cease-and desist orders prohibiting the importation and sale of *NJOY ACE* in the United States and patent infringement lawsuits related to the NJOY Transaction, which were offset by insurance recoveries of $64 million.

Additionally, we recorded a non-cash, pre-tax charge of $25 million for the three months ended March 31, 2025 for the change in the fair value of the contingent payments associated with the NJOY Transaction, which was recorded as general corporate expense and included in marketing, administration and research costs in our condensed consolidated statements of earnings. For further information, see *Contingent Payments* in Note 5. *Financial Instruments*.

- **Asset Impairment:** We recorded a non-cash impairment charge of $873 million to reduce the carrying value of the e-vapor reporting unit goodwill to its estimated fair value for the three months ended March 31, 2025 in our all other category. For further discussion, see Note 2.

- **Tobacco and Health and Certain Other Litigation Items:** For a discussion of tobacco and health and certain other litigation items and a breakdown of these costs by segment, see Note 12 and *Tobacco and Health and Certain Other Litigation Items* in Note 9, respectively.
- **Amortization of Intangibles:** We recorded pre-tax amortization expense of definite-lived intangible assets of $23 million and $37 million for the three months ended March 31, 2026 and 2025, respectively, in marketing, administration and research costs in our condensed consolidated statements of earnings.

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Net revenues, which include excise taxes billed to customers, increased $169 million (3.2%), due primarily to higher net revenues in our smokeable products segment.

Cost of sales decreased $18 million (1.4%), due primarily to lower NJOY costs and lower shipment volume in our smokeable products segment, partially offset by higher manufacturing costs in our smokeable products segment.

Excise taxes on products decreased $70 million (9.5%), due primarily to 2026 refunds of taxes and duties paid on imported cigarettes and lower shipment volume in our smokeable products segment.

Marketing, administration and research costs decreased $38 million (6.5%), due primarily to lower tobacco and health and certain other litigation items, lower amortization of intangibles, lower general corporate expenses and lower costs related to our *Optimize & Accelerate* initiative ("Initiative"), partially offset by higher spending in our smokeable products and oral tobacco products segments.

Operating income increased $1,168 million (65.3%), due primarily to higher OCI (which includes the impact of a non-cash impairment of the e-vapor reporting unit goodwill in 2025).

(Income) losses from investments in equity securities were favorable $15 million (10.5%), due primarily to favorable results from our investment in ABI.

Reported net earnings of $2,183 million increased $1,106 million (100%+), due primarily to higher operating income. Reported basic and diluted EPS of $1.30, each increased by 100%+, due primarily to higher reported net earnings.

Adjusted net earnings of $2,218 million increased $129 million (6.2%), due primarily to higher OCI. Adjusted diluted EPS of $1.32 increased by 7.3%, due primarily to higher adjusted net earnings and fewer shares outstanding.

Operating Results by Business Segment

Business Environment

Summary

The U.S. nicotine industry faces a number of business, legal and regulatory challenges that have materially adversely affected and may continue to materially adversely affect our business, results of operations, cash flows or financial position or our ability to achieve our Vision. These challenges, some of which are discussed in more detail in Note 12, and in Part I, Item 1A Risk Factors in our 2025 Form 10-K, include:

- pending and threatened litigation and bonding requirements;
- restrictions and requirements imposed by the Family Smoking Prevention and Tobacco Control Act ("FSPTCA") and restrictions and requirements (and related enforcement actions) that have been, and in the future will be, imposed by the FDA;
- the FDA's failure to effectively address illicit nicotine products on the market, including illicit disposable e-vapor and oral nicotine pouch products;
- illicit trade in nicotine products, including cigarettes, e-vapor products and oral nicotine pouch products;
- actual and proposed excise tax increases, as well as changes in tax structures and tax stamping requirements;
- bans and restrictions on nicotine product use imposed by governmental entities and private establishments and employers;
- other federal, state and local government actions, including:
  - restrictions on the sale of certain nicotine products, the sale of nicotine products by certain retail establishments, the sale of nicotine products with characterizing flavors and the sale of nicotine products in certain package sizes;
  - additional restrictions on the advertising and promotion of nicotine products;
  - other actual and proposed tobacco- or nicotine-related legislation and regulation;
  - prohibitions on the sale of tobacco products based on environmental concerns and the imposition of responsibility on manufacturers for the disposal, recycling or other treatment of post-consumer goods such as plastic packaging; and
  - governmental investigations;
- reductions in consumption levels of cigarettes and MST products resulting in lower shipment volumes;

- increased efforts by tobacco control advocates and other private sector entities (including retail establishments) to further restrict the availability and use of nicotine products or the ability to communicate with adult consumers through third-party digital platforms;
- changes in adult nicotine consumer purchase behavior, which is influenced by various factors such as macroeconomic and geopolitical conditions (including inflation, tariffs and the economic impacts of international armed conflicts), the proliferation of illicit disposable e-vapor products, excise taxes and product price gap relationships, each of which has resulted and may in the future result in adult nicotine consumers switching to lower-priced nicotine products and lower shipment volumes;
- the highly competitive nature of all nicotine categories, including competitive disadvantages related to the impact on cigarette prices due to the settlement of certain healthcare cost recovery litigation, the growth of innovative nicotine products, such as e-vapor and oral nicotine pouch products, and the ability of competitors to receive refunds of certain duties, taxes and fees paid on imported tobacco products when offsetting volumes of those products or substantially similar products are subsequently exported;
- the growth of products using nicotine analogues that are designed to imitate the effects of nicotine but are not subject to the FDA regulatory framework for tobacco products; and
- potential adverse changes in prices, availability and quality of tobacco, other raw materials and component parts, including as a result of changes in macroeconomic, geopolitical, climate and environmental conditions.

We continue to monitor the evolving business, legal and regulatory challenges within our business environment to assess potential impacts on us. Changes in these and other conditions could have a material adverse effect on our business, results of operations, cash flows, financial position and our ability to achieve our Vision.

FSPTCA and FDA Regulation

- **The Regulatory Framework:** The FSPTCA and its related regulations establish broad FDA regulatory authority over all tobacco products and, among other provisions:
  - impose restrictions on the advertising, promotion, sale and distribution of tobacco products (see *Final Tobacco Marketing Rule* below);
  - establish premarket review pathways for new and modified tobacco products (see *Premarket Review Pathways for Tobacco Products and Market Authorization Enforcement* below);
  - prohibit any express or implied claims that a tobacco product is or may be less harmful than other tobacco products without FDA authorization;
  - authorize the FDA to impose tobacco product standards that are appropriate for the protection of public health (see *Potential Product Standards* below); and
  - equip the FDA with a variety of investigatory and enforcement tools, including the authority to inspect product manufacturing and other facilities (see *Investigation and Enforcement* below).

Effective April 2022, the U.S. Congress expanded the statutory definition of tobacco products to include products containing nicotine derived from any source, including synthetic nicotine. See *Premarket Review Pathways for Tobacco Products and Market Authorization Enforcement* below for additional information. Currently, however, the statutory definition of tobacco products does not cover products containing nicotine analogues, which are designed to imitate the effects of nicotine. As a result, products containing nicotine analogues are not subject to the FDA regulatory framework for tobacco products.

- **Final Tobacco Marketing Rule:** As required by the FSPTCA, the FDA has promulgated a wide range of advertising and promotion restrictions for cigarettes and smokeless tobacco[1] products (the "Final Tobacco Marketing Rule"), which the FDA has subsequently amended to expand specific provisions to all tobacco products, including cigars, pipe tobacco and e-vapor and oral nicotine products containing tobacco-derived nicotine or other tobacco derivatives such as synthetic nicotine. The Final Tobacco Marketing Rule currently does not apply to products containing nicotine analogues.

- **Rulemaking and Guidance:** From time to time, the FDA issues proposed regulations and guidance, which may be issued in draft or final form, that generally involve public comment and may include scientific review. We actively engage with the FDA to develop and implement the FSPTCA's regulatory framework, including submission of comments to various FDA policies and proposals and participation in public hearings and engagement sessions.

The FDA's implementation of the FSPTCA and related regulations and guidance also may have an impact on enforcement efforts by states, territories and localities of their laws and regulations as well as of the State Settlement Agreements (see *State Settlement Agreements* below). Such enforcement efforts may adversely affect our operating companies' abilities to market and sell tobacco products in those states, territories and localities.

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[1] *"Smokeless tobacco," as used in this section of this Form 10-Q, refers to smokeless tobacco products first regulated by the FDA in 2009, including MST. It excludes oral nicotine pouches, which were first regulated by the FDA in 2016.*

- **Premarket Review Pathways for Tobacco Products and Market Authorization Enforcement:** The FSPTCA permits the sale of tobacco products on the market as of February 15, 2007 and not subsequently modified ("Pre-existing Tobacco Products") and new or modified products authorized through the pre-market tobacco product application ("PMTA"), Substantial Equivalence ("SE") or SE Exemption pathways. Subsequent FDA rules also provide a Supplemental PMTA pathway designed to increase the efficiency of submission and review for modified versions of previously authorized products.

For products currently on the market, the FDA premarket authorization enforcement policy varies based on product type and date of availability on the market, specifically:

- Pre-existing Tobacco Products are exempt from the premarket authorization requirement;
- cigarette and smokeless tobacco products that were modified or first introduced into the market between February 15, 2007 and March 22, 2011 are generally considered "Provisional Products" for which SE reports were required to be filed by March 22, 2011. These reports must demonstrate that the product has the same characteristics as a product on the market as of February 15, 2007 or to a product previously determined to be substantially equivalent, or has different characteristics but does not raise different questions of public health;
- tobacco products that were first regulated by the FDA in 2016, including cigars, e-vapor products and oral nicotine pouches that are not Pre-existing Tobacco Products, are generally products for which either an SE report or PMTA needed to be filed by September 9, 2020; and
- tobacco products containing nicotine from any source other than tobacco (*e.g.*, synthetic nicotine) that were on the market between March 15, 2022 and April 14, 2022 and are not Pre-existing Tobacco Products are generally products for which a manufacturer must have filed a PMTA by May 14, 2022. A manufacturer was permitted to keep such a product on the market until July 13, 2022 provided that a PMTA was filed by May 14, 2022. Thereafter, unless the FDA granted the product a marketing order, the product is subject to possible FDA enforcement.

The FSPTCA requires the FDA to issue a marketing order (either an MGO or a marketing denial order ("MDO")) with respect to a PMTA no later than 180 days after receipt of the PMTA. Following the 180-day FDA review period, the FSPTCA allows any party that receives an MDO to seek expedited judicial review of the ruling in a federal appellate court within 30 days. Together, these statutory deadlines for FDA action and judicial review create a structure and timeline for manufacturers seeking to market new products. While it is possible that the FDA may bring an enforcement action relating to commercialized products for which a PMTA has been pending longer than the 180-day review period, we believe that any such enforcement action would conflict with the FSPTCA. Our operating companies may decide to commercialize products that have not received MGOs from the FDA if the operating company submitted a PMTA with respect to any such product in compliance with the FSPTCA and the FDA failed to issue a marketing order within the statutory review period.

Modifications to currently marketed products, including modifications that result from, for example, changes to the quantity of tobacco product(s) in a package, a manufacturer being unable to acquire ingredients or a supplier or contract manufacturer being unable to maintain the consistency required in ingredients or manufacturing processes, could trigger the FDA's premarket review process. Additionally, a manufacturer may be unable to maintain consistency in manufacturing processes as it increases the scale of its manufacturing operations in response to market expansion or product introduction. These circumstances could cause a manufacturer to receive (i) a "not substantially equivalent" determination or (ii) a denial or withdrawal of a PMTA, either of which could result in a product being removed from the market. In addition, new scientific data continues to be developed relating to innovative nicotine products, which could impact the FDA's determination as to whether a product is, or continues to be, appropriate for the protection of public health and could, therefore, result in the removal of one or more products from the market. Any such actions affecting our operating companies' products could have a material adverse impact on our business, results of operations, cash flows or financial position.

Products Regulated in 2009: Most cigarette and smokeless tobacco products currently marketed by PM USA and USSTC are "Provisional Products." PM USA and USSTC timely submitted SE reports for these Provisional Products and have received SE determinations on certain Provisional Products. Those products that were found by the FDA to be not substantially equivalent (certain smokeless tobacco products) had been discontinued for business reasons prior to the FDA's determinations; therefore, those determinations did not impact business results. PM USA and USSTC have other Provisional Products that continue to be subject to the FDA's premarket review process. In the meantime, they can continue marketing these products unless the FDA determines that a specific Provisional Product is not substantially equivalent.

In addition, the FDA has communicated that it will not review a certain subset of Provisional Product SE reports and that the products that are the subject of those reports can continue to be legally marketed without further FDA review. PM USA and USSTC have Provisional Products included in this subset of products.

While we believe PM USA's and USSTC's current Provisional Products meet the statutory requirements of the FSPTCA, we cannot predict how the FDA will ultimately apply law, regulation, guidance or enforcement authority to various SE reports. Should PM USA or USSTC receive unfavorable determinations on any SE report currently pending with the FDA, we believe PM USA and USSTC can replace the vast majority of these product volumes with other FDA authorized products or with Pre-existing Tobacco Products.

Cigarette and smokeless tobacco products introduced into the market or modified after March 22, 2011 are "Non-Provisional Products" and must apply to receive an MGO from the FDA prior to being offered for sale. MGOs for Non-Provisional Products may be obtained by filing an SE report, a PMTA or using another premarket pathway established by the FDA. PM USA and USSTC may not be able to obtain an MGO for non-provisional products because the FDA may determine that any such product does not meet the statutory requirements for approval.

Products Regulated in 2016: Manufacturers of products first regulated by the FDA in 2016, including cigars, oral nicotine pouches and e-vapor products, that were on the market as of August 8, 2016 and not subsequently modified must have filed an SE report or a PMTA by the filing deadline of September 9, 2020 in order for their products to remain on the market. These products can remain on the market during FDA review through enforcement discretion, so long as the report or application was timely filed with the FDA. For those products still under FDA review, it is uncertain when and for how long the FDA may permit continued marketing and sale of those products pursuant to its discretion. For products (new or modified) not on the market as of August 8, 2016, manufacturers must file an SE report or a PMTA. As described above, the FSPTCA requires the FDA to issue a marketing order with respect to a PMTA no later than 180 days after receipt of the PMTA.

Helix submitted PMTAs for *on!* oral nicotine pouches on the market as of August 2016 in May 2020, PMTAs for additional *on!* oral nicotine pouches in September 2024, PMTAs for *on! PLUS* oral nicotine pouches in tobacco, mint and wintergreen flavors in June 2024 and PMTAs for *on! PLUS* oral nicotine pouches in six additional flavors in November 2025. In September 2025, the FDA launched a pilot program intended to increase efficiency and streamline the review process for PMTAs for select oral nicotine pouch products. Also in September 2025, the FDA communicated to Helix that PMTAs for certain of its products, including *on! PLUS,* were being reviewed through the pilot program. In December 2025, the FDA issued MGOs with respect to *on! PLUS* oral nicotine pouches in tobacco, mint and wintergreen flavors in 6 mg and 9 mg nicotine levels. As of April 27, 2026, the FDA has not issued a marketing order with respect to any other *on!* or *on! PLUS* product.

As of April 27, 2026, Middleton has received MGOs or exemptions that cover over 99% of its cigar product volume.

As a result of the NJOY Transaction, we gained full global ownership of NJOY's e-vapor product portfolio, including *NJOY ACE*, a pod-based e-vapor product with an MGO from the FDA, and *NJOY Daily*, which also has an MGO. In June 2024, NJOY received MGOs with respect to two *NJOY ACE* menthol products and two *NJOY Daily* menthol products. *NJOY ACE* is subject to ITC exclusion and cease-and-desist orders prohibiting importation and sale in the United States. Although *NJOY Daily* is not subject to these orders, JUUL has asserted claims of patent infringement based on the sale of *NJOY Daily* in the United States. See Note 12.

Effect of Adverse FDA Determinations: FDA review timeframes have varied. It is therefore difficult to predict the duration of FDA reviews of SE reports or PMTAs. An unfavorable determination on an application, the withdrawal by the FDA of a prior MGO, an FDA enforcement action or other changes in FDA regulatory requirements could result in the removal of products from the market. A "not substantially equivalent" determination, a denial of a PMTA, an MGO withdrawal or an enforcement action by the FDA with respect to one or more products (each of which could require the removal of the product or products from the market) could have a material adverse impact on our business, results of operations, cash flows or financial position. Also, adverse FDA determinations or enforcement actions concerning innovative nicotine products could have a material adverse effect on our innovative nicotine businesses and our ability to achieve our Vision.

Post-Market Surveillance: Manufacturers that receive MGOs must adhere to the FDA post-market record keeping and reporting requirements, as detailed in market orders and in the final PMTA rule. The requirements include prior notification of marketing activities. The FDA may amend requirements of an MGO or withdraw the MGO based on this information if, among other reasons, it determines that the continued marketing of the products is no longer appropriate for the protection of the public health. If the FDA fails to issue a marketing order within the statutory review period with respect to a PMTA submitted by one of our operating companies and that operating company elects to commercialize the applicable product, we expect that operating company will execute its plans consistent with the post-market record keeping and reporting requirements of the FDA's most recently issued MGOs for similar products.

- **FDA Regulatory Actions**
- *Graphic Warnings*: In March 2020, the FDA issued a final rule requiring 11 textual warnings accompanied by color graphics depicting certain negative health consequences of smoking on cigarette packaging and advertising. PM USA and other cigarette manufacturers filed lawsuits challenging the final rule on substantive and procedural grounds. In December 2022, the U.S. District Court for the Eastern District of Texas found in favor of cigarette manufacturers in one such suit and blocked the rule, finding it unconstitutional on the basis that it compelled speech in violation of the First Amendment. The FDA appealed the decision, and, in March 2024, the U.S. Court of Appeals for the Fifth Circuit reversed the district court and remanded the case for further proceedings. In August 2024, the cigarette manufacturers in the suit petitioned the U.S. Supreme Court to review the case, which the U.S. Supreme Court declined to do.

  In January 2025, the U.S. District Court for the Eastern District of Texas found in favor of cigarette manufacturers that had challenged the final rule on the basis that the FDA exceeded its statutory authority by requiring cigarette packaging and

advertising to contain 11 specific warnings when it only had the authority to require nine. In its ruling, the court granted a preliminary injunction staying the FDA's enforcement of the rule against all cigarette manufacturers pending further litigation. In March 2025, the FDA appealed that decision to the U.S. Court of Appeals for the Fifth Circuit.

In December 2024, PM USA and several Georgia co-plaintiffs filed suit against the FDA in the U.S. District Court for the Southern District of Georgia, challenging the final rule on substantive and procedural grounds. In August 2025, the federal court vacated the final rule on the basis that the FDA violated federal law by not disclosing timely data it relied on in creating the rule. In October 2025, the FDA appealed that decision to the U.S. Court of Appeals for the Eleventh Circuit.

- *Underage Access and Use of Certain Tobacco Products*: The FDA announced regulatory actions in September 2018 to address underage access to and use of e-vapor products. We have engaged with the FDA on this topic and have reaffirmed to the FDA our ongoing and long-standing commitment to preventing underage use. For example, we advocated raising the minimum legal age to purchase all tobacco products to 21 at the federal and state levels to further address underage use, which is now federal law. We continue to advocate in states that have not yet raised the minimum legal age to purchase all tobacco products to 21.
- *E-Vapor Products*: In September 2022, the FDA represented that it had resolved more than 99% of the timely applications it had received, the vast majority of which were for e-vapor products and resulted in MDOs. As of April 27, 2026, many manufacturers of menthol and other flavored e-vapor products have received MDOs for failure to provide sufficiently strong product-specific scientific evidence to demonstrate that the benefits of their products to adult smokers overcome the risks that their products pose to youth. The FDA has communicated in these MDOs that vapor products with non-tobacco flavors present unique questions relevant to the FDA's "Appropriate for the Protection of Public Health" standard and that successful applications require strong, product-specific evidence. This perspective is reflected in the FDA's March 2026 draft guidance on flavored electronic nicotine delivery systems. A number of manufacturers are challenging the MDOs for their products. In January 2024, the U.S. Court of Appeals for the Fifth Circuit ruled that the FDA had unlawfully changed its position with respect to the information required to obtain a PMTA. In April 2025, the U.S. Supreme Court vacated the U.S. Court of Appeals for the Fifth Circuit's determination, concluding that manufacturers had been given fair notice of the PMTA requirements, and remanded the case for further review. Other U.S. Courts of Appeals have upheld adverse FDA determinations.
- **Potential Product Standards**
- *Nicotine in Cigarettes and Other Combustible Tobacco Products*: In January 2025, the FDA proposed a tobacco product standard that would establish a maximum nicotine level in cigarettes and certain other combustible tobacco products (including little cigars, cigarillos and most large cigars) significantly lower than the average concentration in these products currently on the market with the aim of making such products minimally or non-addictive. The public comment period on the proposed product standard closed in September 2025, and we have engaged with the FDA through the rulemaking process, including by submitting comments. We believe the rulemaking process for this proposed product standard will take multiple years to complete.
- *Flavors in Tobacco Products*: In April 2022, the FDA issued two proposed product standards: (i) banning menthol in cigarettes and (ii) banning all characterizing flavors (including menthol) in cigars. We submitted comments during the notice-and-comment period. In October 2023, the FDA submitted the two proposed product standards to the White House Office of Management and Budget for review. In January 2025, the Trump Administration withdrew the two proposed product standards from the Office of Management and Budget ("OMB") and sent them back to the FDA.
- *N-nitrosonornicotine ("NNN") in Smokeless Tobacco*: In January 2017, the FDA proposed a product standard for NNN levels in finished smokeless tobacco products.

If any one or more of the foregoing potential product standards were to become final and was appealed and upheld in the courts, it could have a material adverse effect on our business, results of operations, cash flows or financial position, including a material adverse effect on the carrying value of certain of our assets such as our cigar trademarks.

- **Tobacco Product Manufacturing Practices:** In March 2023, the FDA, pursuant to the requirements of the FSPTCA, issued a proposed rule setting forth requirements for tobacco product manufacturers regarding the manufacture, design, packing and storage of their products. This proposed rule establishes a framework of tobacco product manufacturing practices. OMB lists the rule as a long-term action. If the proposed rule were to take effect, our operating companies could experience increased costs to comply with the rule.
- **Impact on Our Business; Compliance Costs and User Fees:** Additional FDA regulatory actions under the FSPTCA could have a material adverse effect on our business, results of operations, cash flows or financial position in various ways. For example, actions (or inaction) by the FDA could:
  - impact the consumer acceptability of nicotine products;
  - discontinue, delay or prevent the sale or distribution of existing, new or modified nicotine products;

- limit adult nicotine consumer choices;
- impose restrictions on communications with adult nicotine consumers;
- create a competitive advantage or disadvantage for certain nicotine companies;
- impose additional manufacturing, labeling or packaging requirements;
- impose additional restrictions at retail;
- result in increased illicit trade in nicotine products; and
- otherwise significantly increase the cost of doing business.

The FSPTCA imposes user fees on cigarette, cigarette tobacco, smokeless tobacco, cigar and pipe tobacco manufacturers and importers to pay for the cost of regulation and other matters. The FSPTCA does not impose user fees on e-vapor products or oral nicotine pouch manufacturers. The cost of the FDA user fee is allocated first among tobacco product categories subject to FDA user fees and then among manufacturers and importers within each respective category based on their relative market shares, all as prescribed by the FSPTCA and FDA regulations. Payments for user fees are adjusted for several factors, including market share and industry volume. See *Liquidity and Capital Resources - Payments Under State Settlement Agreements and FDA Regulation* below for a discussion of our FDA user fee payments. In addition, our operating companies' compliance with the FSPTCA's regulatory requirements has resulted, and will continue to result, in additional costs. The amount of additional compliance and related costs has not been material in any given quarter or year-to-date period but could become material, either individually or in the aggregate. The failure to comply with FDA regulatory requirements, even inadvertently, and FDA enforcement actions also could have a material adverse effect on our business, results of operations, cash flows or financial position.

- **Investigation and Enforcement:** The FDA has a number of investigatory and enforcement tools available to it, including document requests and other required information submissions, facility inspections, facility closures, examinations and investigations, injunction proceedings, monetary penalties, product withdrawal and recall orders, and product seizures. Investigations or enforcement actions could result in significant costs or otherwise have a material adverse effect on our business, results of operations, cash flows or financial position.

Although the FDA, in conjunction with other federal entities, has increased enforcement activity, insufficient actions against manufacturers, distributors and retailers of tobacco products requiring FDA review for which no PMTA has been submitted have allowed such products to proliferate on the market. In addition, the FDA's failure to clearly define product pathways and issue marketing orders within the statutory review period has resulted in a market with few authorized smoke-free products available to adult nicotine consumers.

Excise Taxes

Tobacco products are subject to substantial excise taxes in the United States. Significant increases in tobacco-related taxes or fees have been proposed or enacted (including with respect to e-vapor products) and are likely to continue to be proposed or enacted at the federal, state and local levels within the United States. The frequency and magnitude of excise tax increases can be influenced by various factors, including the composition of executive and legislative bodies.

Federal, state and local cigarette excise taxes have increased substantially over the past two decades, far outpacing the rate of inflation. Between the end of 1998 and April 27, 2026, the weighted-average state cigarette excise tax increased from $0.36 to $2.02 per pack. As of April 27, 2026, one state (Utah) has enacted legislation increasing cigarette excise taxes in 2026, and various increases are under consideration or have been proposed.

Many states currently tax MST using an ad valorem method, which is calculated as a percentage of the price of the product, typically the wholesale price. This ad valorem method results in more tax being paid on premium products than is paid on lower-priced products of equal weight. We support legislation to convert ad valorem taxes on MST to a weight-based methodology because, unlike the ad valorem tax, a weight-based tax subjects cans of equal weight to the same tax. As of April 27, 2026, the federal government, 24 states, Puerto Rico, Philadelphia, Pennsylvania and Cook County, Illinois have adopted a weight-based tax methodology for MST.

An increasing number of states and localities are proposing excise taxes on e-vapor products and oral nicotine pouches. As of April 27, 2026, 34 states, the District of Columbia, Puerto Rico and a number of cities and counties have enacted legislation to tax e-vapor products. These taxes are calculated in varying ways and may differ based on the e-vapor product form. Similarly, 19 states and the District of Columbia have enacted legislation to tax oral nicotine pouches.

Tax increases are expected to continue to have an adverse impact on sales of our operating companies' products through lower consumption levels and the potential shift in adult nicotine consumer purchases from premium to non-premium or discount cigarettes, to lower-taxed nicotine products or to counterfeit and contraband products. Lower sales volume and reported share performance of our operating companies' products could have a material adverse effect on our business, results of operations, cash flows or financial position. Changes to federal or state tax laws or challenges to one or more of our positions with respect to those laws, including with respect to the availability of duty drawback, which allows manufacturers to receive refunds of certain duties, taxes and fees paid on imported tobacco products when offsetting volumes of those products or substantially similar products are subsequently exported, could

increase the taxes and other fees payable with respect to our operating companies' products or reduce the amount of taxes and other fees paid by our operating companies for which refunds are available. In addition, substantial excise tax increases on e-vapor and oral nicotine products may negatively impact adult smokers' transition to these products, which could materially adversely affect our innovative nicotine businesses and our ability to achieve our Vision.

International Treaty on Tobacco Control

The World Health Organization's Framework Convention on Tobacco Control (the "FCTC") entered into force in February 2005. As of April 27, 2026, 182 countries, as well as the European Union, have become parties to the FCTC. While the United States is a signatory of the FCTC, it is not a party to the agreement, as the agreement has not been submitted to, or ratified by, the U.S. Senate. The FCTC is the first international public health treaty and its objective is to establish a global agenda for tobacco regulation with the purpose of reducing initiation of tobacco use and encouraging cessation. The treaty recommends (and in certain instances, requires) signatory nations to enact legislation that would address various tobacco-related issues.

There are a number of proposals under consideration by the governing body of the FCTC, some of which call for substantial restrictions on the manufacture, marketing, distribution and sale of tobacco products. It is not possible to predict the outcome of these proposals or the impact of any FCTC actions on legislation or regulation in the United States, either indirectly or as a result of the United States becoming a party to the FCTC, or whether or how these actions might indirectly influence FDA regulation and enforcement.

State Settlement Agreements

As discussed in Note 12, during 1997 and 1998, PM USA and other major domestic cigarette manufacturers entered into the State Settlement Agreements. These settlements require participating manufacturers to make substantial annual payments, which are adjusted for several factors, including inflation, operating income, market share and industry volume. Higher rates of inflation can increase our financial liability under the State Settlement Agreements as the State Settlement Agreements' inflation calculations require us to apply the higher of 3% or the U.S. Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers ("CPI-U") percentage rate as published in January of each year. As of December 2025, the applicable percentage rate was approximately 2.7% based on the latest CPI-U data. We will continue to monitor the impact of increased inflation on the macroeconomic environment and our businesses.

For a discussion of the impact of the State Settlement Agreements on us, see *Liquidity and Capital Resources - Payments Under State Settlement Agreements and FDA Regulation* below and Note 12. The State Settlement Agreements also place numerous requirements and restrictions on participating manufacturers' business operations, including prohibitions and restrictions on the advertising and marketing of cigarettes and smokeless tobacco products. The State Settlement Agreements also place restrictions on the use of brand name sponsorships and brand name non-tobacco products and prohibitions on targeting youth and the use of cartoon characters. In addition, the State Settlement Agreements require companies to affirm corporate principles directed at reducing underage use of cigarettes; impose requirements regarding lobbying activities; limit the industry's ability to challenge certain tobacco control and underage use laws; and provide for the dissolution of certain tobacco-related organizations and place restrictions on the establishment of any replacement organizations.

In November 1998, USSTC entered into the Smokeless Tobacco Master Settlement Agreement (the "STMSA") with the attorneys general of various states and United States territories to resolve the remaining health care cost reimbursement cases initiated against USSTC. The STMSA required USSTC to adopt various marketing and advertising restrictions. USSTC is the only smokeless tobacco manufacturer to sign the STMSA.

Other International, Federal, State and Local Regulation and Governmental and Private Activity

- **International, Federal, State and Local Regulation:** Various states and localities have enacted or proposed legislation that imposes restrictions on tobacco products (including cigarettes, smokeless tobacco, cigars, e-vapor products and oral nicotine pouches), such as legislation that (i) prohibits the sale of all tobacco products or certain tobacco categories, such as e-vapor, (ii) prohibits the sale of tobacco products with characterizing flavors, such as menthol cigarettes and flavored e-vapor products, (iii) requires the disclosure of health information separate from or in addition to federally mandated health warnings, (iv) restricts commercial speech or imposes additional restrictions on the marketing or sale of tobacco products and (v) requires manufacturers of e-vapor products to certify that they are in compliance with FDA requirements to be allowed to sell in the state. The legislation varies in terms of the type of tobacco products, the conditions under which such products are or would be restricted or prohibited, and exceptions to the restrictions or prohibitions. As of April 27, 2026, multiple states and localities are considering legislation to ban flavors in one or more tobacco products, and six states (California, Massachusetts, New Jersey, New York, Rhode Island and Utah) and the District of Columbia have passed such legislation. Some states, such as New York and Illinois, exempt certain products that have received FDA market authorization through the PMTA pathway. The legislation in the State of California, which became effective in December 2022, bans the sale of most tobacco products with characterizing flavors, including menthol, mint and wintergreen. The State of Maryland banned e-vapor product flavors other than tobacco and menthol through Maryland Department of Assessments and Taxation rulemaking.

The States of Indiana, Massachusetts and Utah passed legislation capping the amount of nicotine in e-vapor products. As of April 27, 2026, legislation relating to this issue is pending in one other state.

Similar restrictions to those enacted or proposed in various U.S. states and localities on e-vapor and oral nicotine pouch products have been enacted or proposed internationally.

Certain legislation imposing restrictions on tobacco products, such as state laws requiring manufacturers of e-vapor products to certify that they are in compliance with federal law in order to sell products in the state, aligns with our Vision, and we actively engage with lawmakers in support of such legislation. It is possible, however, that legislation, regulation or other governmental action could be enacted or implemented that could have a material adverse impact on our business, results of operations, cash flows or financial position. Such action also could negatively impact adult smokers' transition to smoke-free products, which could materially adversely affect our innovative nicotine businesses and our ability to achieve our Vision. We have challenged and will continue to challenge certain federal, state and local legislation and other governmental action, including through litigation.

- **Federal, State and Local Legislation to Increase the Legal Age to Purchase Tobacco Products:** In December 2019, after a number of states and localities proposed and enacted legislation to increase the minimum age to purchase all tobacco products, including e-vapor products, the federal government passed legislation increasing the minimum age to purchase all tobacco products, including e-vapor products, to 21 nationwide. As of April 27, 2026, 44 states, the District of Columbia and Puerto Rico have enacted laws increasing the legal age to purchase tobacco products to 21. Although an increase in the minimum age to purchase tobacco products may have a negative impact on our operating companies' sales volumes, we support and advocate for raising the minimum legal age to purchase all tobacco products to 21 at the federal and state levels.

- **Health Effects of Tobacco Products, Including E-vapor Products:** Reports with respect to the health effects of smoking have been publicized for many years, including various reports by the U.S. Surgeon General. We believe that the public should be guided by the messages of the U.S. Surgeon General and public health authorities worldwide in making decisions concerning the use of tobacco products, including e-vapor products. Along with the scientific and public health communities, we continue to study and gather scientific evidence concerning the health effects of e-vapor and other innovative nicotine products. It is not possible to predict the results of ongoing scientific research or the types of future scientific research into the health risks of tobacco exposure and the impact of such research on legislation and regulation. Scientific determinations as to any health risks or negative health consequences associated with the use of e-vapor and other innovative nicotine products could materially adversely affect our innovative nicotine products businesses and our ability to achieve our Vision.

Most jurisdictions within the United States have restricted smoking in public places and some have restricted vaping in public places. Some public health groups have called for, and various jurisdictions have adopted or proposed, bans on smoking and vaping in outdoor places, in private apartments and in cars transporting children.

- **Other Legislation or Governmental Initiatives:** In addition to the actions discussed above, other regulatory initiatives affecting the tobacco industry have been adopted or are being considered at the federal level and in a number of state and local jurisdictions. For example, legislation has been introduced or enacted at the state or local level to subject tobacco products to various reporting requirements and performance standards; establish educational campaigns relating to tobacco consumption or tobacco control programs or provide additional funding for governmental tobacco control activities; restrict the sale of tobacco products in certain retail establishments and the sale of tobacco products in certain package sizes; prohibit the sale of tobacco products based on environmental concerns; impose responsibility on manufacturers for the disposal, recycling or other treatment of post-consumer goods such as plastic packaging; require tax stamping of smokeless tobacco products; require the use of state tax stamps using data encryption technology; and further restrict the sale, marketing and advertising of cigarettes and other tobacco products. Such legislation may be subject to constitutional or other challenges on various grounds, which may or may not be successful. In addition, if a pandemic or similar health emergency occurs, state and local governments may reimpose additional health and safety requirements for all businesses, which could result in the potential temporary closure of certain businesses and facilities. It is possible that tobacco manufacturing and other facilities and the facilities of our suppliers, our suppliers' suppliers and our trade partners could be subject to additional government-mandated temporary closures and restrictions.

It is not possible to predict what, if any, additional legislation, regulation or other governmental action will be enacted or implemented (and, if challenged, upheld) relating to the manufacturing, design, packaging, marketing, advertising, sale or use of tobacco products, or the tobacco industry generally. Any such legislation, regulation or other governmental action could have a material adverse impact on our business, results of operations, cash flows or financial position.

- **Governmental Investigations:** From time to time, we are subject to governmental investigations on a range of matters. For example, we are, or have been, subject to a number of governmental investigations with respect to our former investment in JUUL, which we divested in March 2023, including the following: (i) the U.S. Federal Trade Commission ("FTC") issued a Civil Investigative Demand to us while conducting its antitrust review of our former investment in JUUL; (ii) the U.S. Securities and Exchange Commission commenced an investigation relating to our acquisition, disclosures and accounting controls in connection with the JUUL investment; and (iii) the New York State Office of the Attorney General and the Commonwealth of Massachusetts Office of the Attorney General, separately, issued independent subpoenas to us seeking documents relating to our former investment in and provision of services to JUUL.

Private Sector Activity on Tobacco Products

A number of retailers, including national chains, have discontinued the sale of all tobacco products, and others have discontinued the sale of e-vapor products. Reasons for the discontinuation include change in corporate policy and, with respect to e-vapor products, reported illnesses and the uncertain regulatory environment. Furthermore, third-party digital platforms, such as app stores, have restricted, and in some cases prohibit, communications with adult nicotine consumers concerning tobacco products. It is possible that if this private sector activity becomes more widespread it could have an adverse effect on our business, results of operations, cash flows or financial position.

Illicit Trade in Tobacco Products

Illicit trade in tobacco products has had, and could continue to have, an adverse impact on our businesses, including the sales volumes and market shares of our operating companies' innovative and smoke-free products and traditional tobacco products. Illicit trade can take many forms, including the sale of counterfeit tobacco products; the sale of tobacco products requiring FDA review for which no PMTA has been submitted; the sale of tobacco products in the United States that are intended for sale outside the country; the sale of untaxed tobacco products over the Internet and by other means designed to avoid the collection of applicable taxes; and diversion into one taxing jurisdiction of tobacco products intended for sale in another. Counterfeit tobacco products, for example, are manufactured by unknown third parties in unregulated environments. Counterfeit versions of our products can negatively affect adult nicotine consumer experiences with and opinions of those brands. Illicit disposable e-vapor and oral nicotine pouch products may be designed to appeal to youth and are manufactured without scientific standards, exposing consumers to undocumented risks. Illicit trade in tobacco products also harms law-abiding wholesalers and retailers by depriving them of lawful sales and undermines the significant investment we have made in legitimate distribution channels. Moreover, illicit trade in tobacco products results in federal, state and local governments losing tax revenues. Losses in tax revenues can cause such governments to take various actions, including increasing excise taxes, imposing legislative or regulatory requirements, or asserting claims against manufacturers of tobacco products or members of the trade channels through which such tobacco products are distributed and sold, each of which could have an adverse effect on our business, results of operations, cash flows or financial position.

Prohibitionist policies, such as California's ban on the sale of flavored tobacco products, which went into effect in 2022, can have unintended negative consequences, including the proliferation of counterfeit and unregulated products. We actively engage with regulators, state and federal lawmakers, our trade partners and other stakeholders to bring awareness to these issues. When appropriate, we also take legal action to protect our FDA-authorized e-vapor product business, such as the lawsuit we filed in federal court in California against manufacturers, distributors and retailers of illicit e-vapor products, which we settled in October 2025. Pursuant to the terms of the settlement, a foreign manufacturer and certain domestic distributors of illicit disposable e-vapor devices are prohibited from selling or shipping flavored e-vapor products to consumers, retailers, wholesalers or distributors located in the State of California and from selling or shipping such products to anyone if they have actual knowledge that the products will ultimately be resold or reshipped to consumers in the State of California.

In June 2024, the U.S. Department of Justice ("DOJ") and the FDA announced the creation of a federal multi-agency task force to combat the illegal marketing and sale of e-vapor products in the United States. The DOJ and the FDA stated that the task force will focus on many topics, such as investigating and prosecuting new criminal, civil, seizure and forfeiture actions under various U.S. laws, including the FSPTCA. While these federal entities have increased enforcement activity against manufacturers, distributors and retailers of tobacco products requiring FDA review for which no PMTA has been submitted, we do not believe these efforts have had a significant impact on the volume of such products on the market.

Price, Availability and Quality of Tobacco, Other Raw Materials, Ingredients and Component Parts

Shifts in crops (such as those driven by economic conditions, adverse weather patterns and natural disasters), government restrictions and mandated prices, production control programs, economic trade sanctions, import duties and tariffs, international trade disruptions, labor disruptions, inflation, geopolitical instability, climate and environmental changes and disruptions due to man-made or natural disasters may increase the cost or reduce the supply or quality of tobacco and other raw materials, ingredients and component parts used to manufacture our operating companies' products. Any significant change in the nature or consequences of these factors could negatively impact our ability to continue manufacturing and marketing existing products, increase our costs or negatively impact adult nicotine consumer product acceptability and have a material adverse effect on our business and profitability.

As with other agricultural commodities, tobacco price, quality and availability can be influenced by variations in weather patterns and natural disasters, including those caused by climate change, and macroeconomic conditions and imbalances in supply and demand, among other factors. For varieties of tobacco only available in limited geographies, government-mandated prices and production control programs, political instability or government prohibitions on the import or export of tobacco in certain countries pose additional risks to price, availability and quality. As consumer demand increases for innovative smoke-free products and decreases for combustible and MST products, the volume of tobacco leaf required for production of these products has decreased, resulting in reduced tobacco leaf demand. Reduced demand for tobacco leaf may result in the reduced supply and availability of domestic tobacco and increased costs, as growers divert resources to other crops or cease farming. Macroeconomic factors, such as tariffs, may exacerbate reductions in demand for tobacco leaf by increasing the cost of purchasing tobacco leaf from a supplier in another country. The unavailability or

unacceptability of any one or more particular varieties of tobacco leaf or the unavailability of nicotine extract necessary to manufacture our operating companies' products could negatively impact our ability to continue marketing existing products or impact adult nicotine consumer product acceptability, which could have a material adverse effect on our business and profitability. In addition, the nicotine used in our operating companies' innovative smoke-free products is extracted from tobacco produced in one country. If we are unable to identify alternate sources of nicotine for our operating companies' innovative products, we could be exposed to supply risk.

Current geopolitical and macroeconomic conditions (including tariffs, inflation, high interest rates, labor shortages, supply and demand imbalances and international armed conflict) and adverse weather events have caused and continue to cause worldwide disruptions and delays to supply chains and commercial markets, and have limited access to, and increased the cost of, raw materials, ingredients and component parts (for example, wood tips used in our cigar products and aluminum used in our packaging). As consumer demand increases for innovative smoke-free products and decreases for combustible and MST products, the volume of raw materials, ingredients and component parts required for the production of combustible and MST products has decreased. Reduced demand for raw materials, ingredients and component parts may reduce supply and availability of raw materials, ingredients and component parts as suppliers divert resources to other products or cease producing these products. Furthermore, challenging economic conditions can create the risk that our suppliers, distributors, logistics providers or other third-party partners suffer financial or operational difficulties, which may impact their ability to provide us with or distribute finished product, raw materials and component parts and services in a timely manner or at all. If we are unable to identify alternate sources of raw materials, ingredients and component parts for our operating companies' products, we could be exposed to supply risk.

We have implemented and continue to implement various strategies to help secure sufficient supplies of raw materials, ingredients and component parts for production, including maintaining inventory levels of certain tobacco varieties that cover several years, purchasing raw materials, ingredients and component parts from disperse geographic regions throughout the world and entering into long-term contracts with some of our tobacco growers and direct material suppliers. To date, the impact on us of changes in the price, availability and quality of tobacco, other raw materials, ingredients and component parts has not been material. However, the effects of current macroeconomic and geopolitical conditions, including tariffs, on prices, availability and quality of such items may continue, which could have a material adverse effect on our business, results of operations, cash flows or financial position.

In addition, government taxes and restrictions and prohibitions on the sale and use of certain materials used in our operating companies' products may limit access to, and increase the costs of, raw materials and component parts and, potentially, impede our ability to sell certain of their products. For example, certain states have passed extended producer responsibility legislation concerning packaging. Because certain of our operating companies' products' packaging consists of single-use plastics, single-use plastic bans and extended producer responsibility mandates could result in bans on some of our operating companies' product packaging or their products and adversely impact our costs and revenues. Additional taxes and limitations on the use of certain single-use plastics have been proposed by the U.S. Congress and various state and local governments. These existing and potential future laws and regulations could increase the costs of, and impair our ability to, source certain materials used in the packaging for our products.

Timing of Sales

In the ordinary course of business, we are subject to many influences that can impact the timing of sales to customers, including the timing of holidays and other annual or special events, the timing of promotions, customer incentive programs and customer inventory programs, as well as the actual or speculated timing of pricing actions and tax-driven price increases.

Operating Results

Smokeable Products Segment

Financial Results

The following table summarizes operating results, includes reported and adjusted OCI margins, and provides a reconciliation of reported OCI to adjusted OCI for our smokeable products segment:

	Operating Results		
	For the Three Months Ended March 31,		
(in millions)	**2026**	**2025**	**Change**
Net revenues	**$ 4,758**	$ 4,622	2.9 %
Excise taxes	**(648)**	(715)	
Revenues net of excise taxes	**$ 4,110**	$ 3,907	
Reported OCI	**$ 2,673**	$ 2,469	8.3 %
NPM Adjustment Items	**(4)**	—	
Asset impairment, exit and implementation costs	**5**	13	
Tobacco and health and certain other litigation items	**2**	36	
Adjusted OCI	**$ 2,676**	$ 2,518	6.3 %
Reported OCI margins [(1)]	**65.0 %**	63.2 %	1.8 pp
Adjusted OCI margins [(1)]	**65.1 %**	64.4 %	0.7 pp

[(1)] Reported and adjusted OCI margins are calculated as reported and adjusted OCI, respectively, divided by revenues net of excise taxes.

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Net revenues, which include excise taxes billed to customers, increased $136 million (2.9%), due primarily to higher pricing ($330 million), which includes higher promotional investments, lower shipment volume and a higher percentage of discount shipment volume relative to premium ("volume/cigarette mix") ($196 million).

Reported OCI increased $204 million (8.3%), due primarily to higher pricing, which includes higher promotional investments, 2026 refunds of taxes and duties paid on imported cigarettes ($51 million) and lower tobacco and health and certain other litigation items ($34 million), partially offset by volume/cigarette mix ($160 million) and higher manufacturing costs ($47 million).

Adjusted OCI increased $158 million (6.3%), due primarily to higher pricing, which includes higher promotional investments, and 2026 refunds of taxes and duties paid on imported cigarettes, partially offset by volume/cigarette mix and higher manufacturing costs.

Shipment Volume and Retail Share Results

The following table summarizes our smokeable products segment's shipment volume performance:

	Shipment Volume		
	For the Three Months Ended March 31,		
(sticks in millions)	**2026**	**2025**	**Change**
Cigarettes:			
Marlboro	**11,960**	12,978	(7.8)%
Other premium	**601**	678	(11.4)%
Discount	**1,306**	548	100%+
Total domestic cigarettes [1]	**13,867**	14,204	(2.4)%
Cigars:			
Black & Mild	**403**	405	(0.5)%
Other	**1**	—	100%+
Total cigars	**404**	405	(0.2)%
Total domestic smokeable products	**14,271**	14,609	(2.3)%
Contract manufactured export cigarettes [2]	**610**	—	100%+

[1] Domestic cigarettes shipment volume includes *Marlboro*; Other premium brands, such as *Virginia Slims* and *Parliament*; and Discount brands, which include *L&M* and *Basic.* Domestic cigarettes volume includes units sold as well as promotional units sold for distribution in the U.S. and excludes units sold for distribution to Puerto Rico, U.S. Territories to overseas military and by Philip Morris Duty Free Inc., none of which, individually or in the aggregate, is material to our smokeable products segment.

[2] Contract manufactured export cigarettes shipment volume represents contract manufactured cigarettes for third parties that market and sell tobacco products outside the U.S.

The following table summarizes our domestic cigarettes retail share performance:

	Retail Share		
	For the Three Months Ended March 31,		
	2026	**2025**	**Percentage Point Change**
Cigarettes:			
Marlboro	**39.7 %**	41.1 %	(1.4)
Other premium	**2.1**	2.2	(0.1)
Discount	**3.6**	1.7	1.9
Total cigarettes	**45.4 %**	45.0 %	0.4

Note: Retail share results for cigarettes are based on data from Circana, LLC ("Circana"), as well as Management Science Associates, Inc. ("MSAi"). Circana maintains a blended retail service that uses a sample of stores and certain wholesale shipments to project market share and depict share trends. This service tracks sales in the food, drug, mass merchandisers, convenience, military, dollar store and club trade classes. For other trade classes selling cigarettes, retail share is based on shipments from wholesalers to retailers through the Store Tracking Analytical Reporting System, as provided by MSAi. This service is not designed to capture sales through other channels, including the internet, direct mail and some tax-advantaged outlets. It is the standard practice of retail services to periodically refresh their retail scan services, which could restate retail share results that were previously released in these services.

For a discussion of volume trends and factors that impact volume and retail share performance, see *Trends and Developments* and *Operating Results by Business Segment - Business Environment - Summary* above.

Three Months Ended March 31, 2026 Compared with the Three Months Ended March 31, 2025

Our smokeable products segment's reported domestic cigarettes shipment volume decreased 2.4%, driven primarily by the industry's decline rate (impacted by the continued discretionary income pressures on adult nicotine consumers), partially offset by trade inventory movements and retail share gains. When adjusted for trade inventory movements, our smokeable products segment domestic cigarette shipment volume decreased by an estimated 4%. When adjusted for trade inventory movements, total domestic cigarette industry volume decreased by an estimated 5%.

Marlboro's retail share of the premium segment was 59.5%, an increase of 0.1 share point versus the prior year and 0.2 share points sequentially.

Total cigarettes industry discount category retail share was 33.3%, an increase of 2.4 share points versus the prior year and 0.5 share points sequentially, due primarily to continued discretionary income pressures on adult nicotine consumers.

Pricing Actions

PM USA and Middleton executed the following pricing actions during 2026 and 2025:

- Effective February 8, 2026, Middleton increased various list prices across substantially all of its cigar brands resulting in a weighted-average increase of approximately $0.12 per five-pack.
- Effective January 18, 2026, PM USA increased the list price of *Marlboro* (excluding Mainline Menthol and 72s Menthol) and *L&M* by $0.20 per pack. PM USA also increased the list price of all its other premium cigarette brands by $0.25 per pack.
- Effective October 12, 2025, PM USA increased the list price of *Marlboro* (excluding Mainline Menthol and 72s Menthol) and *L&M* by $0.17 per pack. PM USA also increased the list price of all its other premium cigarette brands by $0.22 per pack.
- Effective July 20, 2025, PM USA increased the list price of *Marlboro* (excluding Mainline Menthol and 72s Menthol) and *L&M* by $0.17 per pack. PM USA also increased the list price of all its other premium cigarette brands by $0.22 per pack.
- Effective April 20, 2025, Middleton increased various list prices across substantially all of its cigar brands resulting in a weighted-average increase of approximately $0.14 per five-pack.
- Effective April 13, 2025, PM USA increased the list price of *Marlboro* (excluding Mainline Menthol and 72s Menthol) and *L&M* by $0.20 per pack. PM USA also increased the list price of all its other premium cigarette brands by $0.25 per pack.
- Effective January 19, 2025, PM USA increased the list price of *Marlboro* (excluding Mainline Menthol and 72s Menthol) and *L&M* by $0.17 per pack. PM USA decreased the list price of *Marlboro* Black by $0.28 per pack. PM USA also increased the list price of all its other premium cigarette brands by $0.22 per pack.

In addition:

- Effective April 12, 2026, PM USA increased the list price of *Marlboro* (excluding Mainline Menthol and 72s Menthol) and *L&M* by $0.20 per pack. PM USA also increased the list price of all its other premium cigarette brands by $0.25 per pack.

Oral Tobacco Products Segment

Financial Results

The following table summarizes operating results, includes reported and adjusted OCI margins, and provides a reconciliation of reported OCI to adjusted OCI for our oral tobacco products segment:

	Operating Results		
	For the Three Months Ended March 31,		
(in millions)	**2026**	**2025**	**Change**
Net revenues	**$ 669**	$ 654	2.3 %
Excise taxes	**(22)**	(25)	
Revenues net of excise taxes	**$ 647**	$ 629	
Reported OCI	**$ 435**	$ 433	0.5 %
Asset impairment, exit and implementation costs	**1**	2	
Adjusted OCI	**$ 436**	$ 435	0.2 %
Reported OCI margins [1]	**67.2 %**	68.8 %	(1.6) pp
Adjusted OCI margins [1]	**67.4 %**	69.2 %	(1.8) pp

[1] Reported and adjusted OCI margins are calculated as reported and adjusted OCI, respectively, divided by revenues net of excise taxes.

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Net revenues, which include excise taxes billed to customers, increased $15 million (2.3%), as higher pricing ($47 million), which includes higher promotional investments, was partially offset by lower shipment volume and a higher percentage of *on!* shipment volume relative to MST ("volume/product mix") ($32 million).

Reported and adjusted OCI were essentially unchanged as higher pricing, which includes higher promotional investments, was mostly offset by lower volume/product mix ($29 million) and higher costs ($17 million).

Shipment Volume and Retail Share Results

The following table summarizes our oral tobacco products segment's shipment volume performance:

	Shipment Volume		
	For the Three Months Ended March 31,		
(cans in millions)	**2026**	**2025**	**Change**
Copenhagen	**80.4**	89.7	(10.4)%
Skoal	**27.9**	31.4	(11.1)%
on!	**46.2**	39.3	17.6 %
Other	**15.4**	15.0	2.7 %
Total oral tobacco products	**169.9**	175.4	(3.1)%

Note: Other primarily includes *Red Seal* and *Husky*. Oral tobacco products shipment volume includes cans sold, as well as promotional units, but excludes non-domestic volume, which is currently not material to our oral tobacco products segment. New types of oral tobacco products, as well as new packaging configurations of existing oral tobacco products, may or may not be equivalent to existing MST products on a can-for-can basis. To calculate volumes of cans shipped, one can of oral nicotine pouches, irrespective of the number of pouches in the can, is assumed to be equivalent to one can of MST.

The following table summarizes our oral tobacco products segment's retail share performance:

	Retail Share		
	For the Three Months Ended March 31,		
	2026	**2025**	**Percentage Point Change**
Copenhagen	**13.7 %**	16.9 %	(3.2)
Skoal	**5.3**	6.5	(1.2)
on!	**7.8**	8.6	(0.8)
Other	**2.2**	2.5	(0.3)
Total oral tobacco products	**29.0 %**	34.5 %	(5.5)

Note: Our oral tobacco products segment's retail share results exclude non-domestic volume, which is currently not material to our oral tobacco products segment. Retail share results for oral tobacco products are based on data from Circana, a tracking service that uses a sample of stores to project market share and depict share trends. This service tracks sales in the food, drug, mass merchandisers, convenience, military, dollar store and club trade classes on the number of cans sold. Oral tobacco products are defined by Circana as domestic oral products, in the form of MST and all oral nicotine pouch products (inclusive of tobacco-derived and synthetic oral nicotine products). New types of oral tobacco products, as well as new packaging configurations of existing oral tobacco products, may or may not be equivalent to existing MST products on a can-for-can basis. For example, one can of oral nicotine pouches, irrespective of the number of pouches in the can, is assumed to be equivalent to one can of MST. Because this service represents retail share performance only in key trade channels, it should not be considered a precise measurement of actual retail share. It is the standard practice of retail services to periodically refresh their retail scan services, which could restate retail share results that were previously released in these services.

For a discussion of volume trends and factors that impact volume and retail share performance, see *Trends and Developments* and *Operating Results by Business Segment - Business Environment - Summary* above.

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Our oral tobacco products segment's reported domestic shipment volume decreased 3.1%, driven primarily by retail share losses, partially offset by the industry's growth rate and trade inventory movements. When adjusted for trade inventory movements, our oral tobacco products segment's reported domestic shipment volume decreased by an estimated 8.5%.

Total oral tobacco products category industry volume increased by an estimated 9.5% over the six months ended March 31, 2026, driven primarily by growth in oral nicotine pouches, partially offset by declines in MST volumes.

Our oral tobacco products segment's retail share was 29.0%, a decrease of 5.5 share points versus the prior year due primarily to share declines for MST products, and a decrease of 0.4 share points sequentially, as share declines for MST products were partially offset by oral nicotine pouch segment share growth.

Total U.S. oral tobacco category share for *on!* nicotine pouches was 7.8%, a decrease of 0.8 share points versus the prior year and an increase of 0.2 share points sequentially.

The U.S. nicotine pouch category grew to 58.1% of the U.S. oral tobacco category, an increase of 9.1 share points. *on!*'s share of the nicotine pouch category was 13.4%, a decrease of 4.2 share points.

Pricing Actions

USSTC and Helix executed the following pricing actions during 2026 and 2025:

- Effective March 29, 2026, Helix increased the list price on its *on!* brand by $0.20 per can.
- Effective February 17, 2026, USSTC increased the list price on its *Copenhagen*, *Skoal* and *Red Seal* brands by $0.12 per can.
- Effective November 18, 2025, USSTC increased the list price on its *Copenhagen*, *Skoal* and *Red Seal* brands by $0.10 per can. USSTC also increased the list price on its *Husky* brands by $0.08 per can.
- Effective July 22, 2025, USSTC increased the list price on its *Copenhagen* and *Red Seal* brands by $0.12 per can. USSTC also increased the list price on its *Skoal* brands by $0.17 per can and *Husky* brands by $0.25 per can.
- Effective April 22, 2025, USSTC increased the list price on its *Copenhagen* and *Red Seal* brands by $0.12 per can. USSTC also increased the list price on its *Skoal* brands by $0.17 per can.
- Effective February 23, 2025, Helix increased the list price on its *on!* brand by $0.20 per can.
- Effective January 21, 2025, USSTC increased the list price on its *Copenhagen* and *Red Seal* brands by $0.12 per can. USSTC also increased the list price on its *Skoal* brands by $0.17 per can.

Liquidity and Capital Resources

We are a holding company that is primarily dependent on the capital resources of our subsidiaries to satisfy our liquidity requirements. Our access to the operating cash flows of our subsidiaries consists of cash received from the payment of dividends and distributions, and the payment of interest on intercompany loans. At March 31, 2026, our significant subsidiaries were not limited by contractual obligations in their ability to pay cash dividends or make other distributions with respect to their equity interests. In addition, we receive cash dividends on our interest in ABI and will continue to do so as long as we hold shares in ABI and ABI pays dividends.

At March 31, 2026, we had $3.5 billion of cash and cash equivalents. In addition to having access to the operating cash flows of our subsidiaries, our capital resources include access to credit markets in the form of commercial paper, availability under our $3.0 billion senior unsecured 5-year revolving credit agreement (“Credit Agreement”), which we use for general corporate purposes, and access to credit markets through the issuance of long-term senior unsecured notes. For additional information, see *Capital Markets and Other Matters* below.

In addition to funding current operations, we primarily use our net cash from operating activities for payment of dividends, share repurchases under our share repurchase programs, repayment of debt, acquisitions of or investments in businesses and assets and capital expenditures.

We believe our cash and cash equivalents balance, along with our future cash flows from operations, capacity for borrowings under our Credit Agreement and access to credit and capital markets, provide sufficient liquidity to meet the needs of our business operations and to satisfy our projected cash requirements for the foreseeable future, including the next 12 months.

Capital Markets and Other Matters

Credit Ratings - Our cost and terms of financing and our access to commercial paper markets may be impacted by applicable credit ratings. The impact of credit ratings on the cost of borrowings under our Credit Agreement is discussed in Note 10. *Debt* (“Note 10”).

At March 31, 2026, the credit ratings and outlook for our indebtedness by major credit rating agencies were:

	Short-term Debt	Long-term Debt	Outlook
Moody’s Investors Service, Inc.	**P-2**	**A3**	**Stable**
Standard & Poor’s Financial Services LLC (“S&P”)	**A-2**	**BBB+**	**Stable**
Fitch Ratings Inc.	**F1**	**BBB+**	**Stable**

Credit Lines - From time to time, we have short-term borrowing needs to meet our working capital requirements arising from the timing of payments under State Settlement Agreements, quarterly income tax payments and quarterly dividend payments, and generally use our commercial paper program to meet those needs.

At March 31, 2026, we had availability under our Credit Agreement for borrowings of up to an aggregate principal amount of $3.0 billion, and we were in compliance with the covenants in our Credit Agreement. We monitor the credit quality of our bank group and do not know of any potential non-performing credit provider in that group. For further discussion on borrowing arrangements, see Note 10.

Long-Term Debt - At March 31, 2026 and December 31, 2025, our total long-term debt was $24.6 billion and $25.7 billion, respectively. In February 2026, we repaid in full at maturity our 4.400% senior unsecured notes in the aggregate principal amount of approximately $1.1 billion. For further discussion of long-term debt, see Note 10.

At March 31, 2026, our debt-to-Consolidated net earnings and debt-to-Consolidated EBITDA ratios were calculated as follows:

(in millions)		For the Twelve Months Ended March 31, 2026 [1]
Consolidated net earnings	**$**	**8,053**
Interest and other debt expense, net		1,075
Provision for income taxes		2,512
Depreciation and amortization		251
EBITDA		**11,891**
(Income) loss from investments in equity securities and noncontrolling interest, net		(525)
Dividends from less than 50% owned affiliates		208
Asset impairment and exit costs		978
Impairment of goodwill		285
Consolidated EBITDA	**$**	**12,837**
Current portion of long-term debt [2]	$	542
Long-term debt [2]		24,060
Debt	**$**	**24,602**
Debt / Consolidated net earnings		**3.1**
Debt / Consolidated EBITDA		**1.9**

[1] Calculated for the four most recent fiscal quarters.
[2] Balance at March 31, 2026.

Guarantees and Other Similar Matters - As discussed in Note 12, we had unused letters of credit obtained in the ordinary course of business and certain guarantees to a limited number of third parties related to contractual obligations. As part of the supplier financing program further discussed in Note 13. *Additional Financial Statement Information - Supplier Financing*, Altria guarantees the financial obligations of ALCS under the financing program agreement. In addition, as discussed below in *Supplemental Guarantor Financial Information* and in Note 10, PM USA guarantees our obligations under our outstanding debt securities, any borrowings under our Credit Agreement and any amounts outstanding under our commercial paper program. These items have not had, and are not expected to have, a significant impact on our liquidity.

Payments Under State Settlement Agreements and FDA Regulation - PM USA has entered into State Settlement Agreements with the states, the District of Columbia and certain U.S. territories that call for certain payments. In addition, PM USA, Middleton and USSTC are subject to quarterly user fees imposed by the FDA as a result of the FSPTCA. For further discussion of the State Settlement Agreements, see *Health Care Cost Recovery Litigation* in Note 12.

Based on current agreements and estimates of inflation, operating income, market share and annual industry volume decline rates, the estimated amounts that we may charge to cost of sales for payments related to State Settlement Agreements and FDA user fees are $3.0 billion on average for the next three years. The estimated amount excludes the potential impact of any NPM Adjustment Items.

The estimated amounts due under the State Settlement Agreements charged to cost of sales in each year are generally paid in April of the following year. The amounts charged to cost of sales for FDA user fees are generally paid in the quarter in which the fees are incurred. We paid approximately $2.4 billion in April 2026 for amounts accrued in 2025 under the State Settlement Agreements. We recorded $0.7 billion of charges to cost of sales for each of the three months ended March 31, 2026 and 2025, in connection with the State Settlement Agreements and FDA user fees. The payments due under the terms of the State Settlement Agreements and FDA user fees are subject to adjustment for several factors, including inflation, operating income, market share and volume. The future payment amounts discussed above are estimates, and actual payment amounts will differ to the extent underlying assumptions differ from actual future results. For further discussion on the potential impact of inflation on future payments, see *Operating Results by Business Segment - Business Environment - State Settlement Agreements* above.

Litigation-Related Deposits and Payments - Litigation is subject to uncertainty, and an adverse outcome or settlement of litigation could have a material adverse effect on our results of operations, cash flows or financial position in a particular fiscal quarter or fiscal year, as more fully disclosed in Note 12.

Equity and Dividends

During the first three months of 2026 and 2025, we paid dividends of $1,780 million and $1,730 million, respectively, an increase of 2.9%, reflecting a higher dividend rate, partially offset by fewer shares outstanding as a result of shares we repurchased under our share

repurchase program. Our current annualized dividend rate is $4.24 per share. We have a progressive dividend goal targeting mid-single digits dividend growth annually through 2028. Future dividend payments remain subject to the discretion of our Board.

For further discussion of our share repurchase programs, see Note 13. *Additional Financial Statement Information - Share Repurchases* and Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds of this Form 10-Q.

Financial Review

Cash Provided by/Used in Operating Activities

During the first three months of 2026, net cash provided by operating activities was $2,324 million compared with $2,720 million during the first three months of 2025. This decrease was due primarily to payments for certain transferable income tax credits in 2026 and higher payments for interest on long-term debt, partially offset by higher net revenues in our smokeable products segment.

We had a working capital deficit at March 31, 2026 and December 31, 2025, and believe we have the ability to fund working capital deficits with cash provided by operating activities, borrowings under our Credit Agreement and access to the credit and capital markets.

Cash Provided by/Used in Investing Activities

During the first three months of 2026, net cash used in investing activities was $109 million compared with $43 million during the first three months of 2025. This increase was due primarily to investments in our manufacturing capabilities and innovative products.

Cash Provided by/Used in Financing Activities

During the first three months of 2026, net cash used in financing activities was $3,157 million compared with $1,085 million during the first three months of 2025. This increase was due to repayments of long-term debt in 2026 and issuances of long-term debt in 2025.

New Accounting Guidance Not Yet Adopted

See Note 14. *New Accounting Guidance Not Yet Adopted* for a discussion of issued accounting guidance applicable to, but not yet adopted by, us.

Contingencies

See Note 12 for a discussion of contingencies.

Supplemental Guarantor Financial Information

PM USA ("Guarantor"), which is a 100% owned subsidiary of Altria Group, Inc. ("Parent"), has guaranteed the Parent's obligations under its outstanding debt securities, borrowings under its Credit Agreement and amounts outstanding under its commercial paper program ("Guarantees"). Pursuant to the Guarantees, the Guarantor fully and unconditionally guarantees, as primary obligor, the payment and performance of the Parent's obligations under the guaranteed debt instruments ("Obligations"), subject to release under certain customary circumstances as noted below.

The Guarantees provide that the Guarantor guarantees the punctual payment when due, whether at stated maturity, by acceleration or otherwise, of the Obligations. The liability of the Guarantor under the Guarantees is absolute and unconditional irrespective of: any lack of validity, enforceability or genuineness of any provision of any agreement or instrument relating thereto; any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from any agreement or instrument relating thereto; any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the Obligations; or any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Parent or the Guarantor.

Under applicable provisions of federal bankruptcy law or comparable provisions of state fraudulent transfer law, the Guarantees could be voided, or claims in respect of the Guarantees could be subordinated to the debts of the Guarantor, if, among other things, the Guarantor, at the time it incurred the Obligations evidenced by the Guarantees:

- received less than reasonably equivalent value or fair consideration therefor; and
- either:
  - was insolvent or rendered insolvent by reason of such occurrence;
  - was engaged in a business or transaction for which the assets of the Guarantor constituted unreasonably small capital; or
  - intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, under such circumstances, the payment of amounts by the Guarantor pursuant to the Guarantees could be voided and required to be returned to the Guarantor, or to a fund for the benefit of the Guarantor, as the case may be.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding with respect to the foregoing. Generally, however, the Guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the saleable value of its assets, all at a fair valuation;

- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

To the extent the Guarantees are voided as a fraudulent conveyance or held unenforceable for any other reason, the holders of the guaranteed debt obligations would not have any claim against the Guarantor and would be creditors solely of the Parent.

The obligations of the Guarantor under the Guarantees are limited to the maximum amount as will not result in the Guarantor's obligations under the Guarantees constituting a fraudulent transfer or conveyance, after giving effect to such maximum amount and all other contingent and fixed liabilities of the Guarantor that are relevant under Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to the Guarantees. For this purpose, "Bankruptcy Law" means Title 11, U.S. Code, or any similar federal or state law for the relief of debtors.

The Guarantor will be unconditionally released and discharged from the Obligations upon the earliest to occur of:

- the date, if any, on which the Guarantor consolidates with or merges into the Parent or any successor;
- the date, if any, on which the Parent or any successor consolidates with or merges into the Guarantor;
- the payment in full of the Obligations pertaining to such Guarantees; and
- the rating of the Parent's long-term senior unsecured debt by S&P of A or higher.

The Parent is a holding company; therefore, its access to the operating cash flows of its wholly owned subsidiaries consists of cash received from the payment of dividends and distributions, and the payment of interest on intercompany loans by its subsidiaries. Neither the Guarantor nor other 100% owned subsidiaries of the Parent that are not guarantors of the debt ("Non-Guarantor Subsidiaries") are limited by contractual obligations on their ability to pay cash dividends or make other distributions with respect to their equity interests.

The following tables include summarized financial information for the Parent and the Guarantor. Transactions between the Parent and the Guarantor (including investment and intercompany balances as well as equity earnings) have been eliminated. The Parent's and the Guarantor's intercompany balances with Non-Guarantor Subsidiaries have been presented separately. This summarized financial information is not intended to present the financial position or results of operations of the Parent or the Guarantor in accordance with GAAP.

Summarized Balance Sheets
(in millions of dollars)

	Parent		Guarantor	
	March 31, 2026	**December 31, 2025**	**March 31, 2026**	**December 31, 2025**
Assets				
Due from Non-Guarantor Subsidiaries	**$ —**	$ —	**$ 347**	$ 347
Other current assets	**3,627**	4,394	**902**	871
Total current assets	**$ 3,627**	$ 4,394	**$ 1,249**	$ 1,218
Due from Non-Guarantor Subsidiaries	**$ 6,561**	$ 6,561	**$ —**	$ —
Other assets	**8,635**	8,394	**1,201**	1,195
Total non-current assets	**$ 15,196**	$ 14,955	**$ 1,201**	$ 1,195
Liabilities				
Due to Non-Guarantor Subsidiaries	**$ 3,665**	$ 3,950	**$ 1,162**	$ 1,140
Other current liabilities	**2,690**	4,329	**4,723**	3,628
Total current liabilities	**$ 6,355**	$ 8,279	**$ 5,885**	$ 4,768
Total non-current liabilities	**$ 25,783**	$ 25,785	**$ 623**	$ 607

Summarized Statements of Earnings (Losses)
(in millions of dollars)

	For the Three Months Ended March 31, 2026	
	Parent [1]	**Guarantor** [2]
Net revenues	**$ —**	**$ 4,458**
Gross profit	**—**	**2,787**
Net earnings (losses)	**(138)**	**1,923**

[1] For the three months ended March 31, 2026, net earnings (losses) include $92 million of intercompany interest income from non-guarantor subsidiaries and $103 million of interest expense from non-guarantor subsidiaries.

[2] For the three months ended March 31, 2026, net earnings (losses) include $65 million of intercompany interest income from non-guarantor subsidiaries.

Cautionary Factors That May Affect Future Results

Forward-Looking and Cautionary Statements

This Form 10-Q contains statements concerning our expectations, plans, objectives, future financial performance and other statements that are not historical facts. You can identify these forward-looking statements by our use of words such as “strategy,” “expects,” “continues,” “plans,” “anticipates,” “believes,” “will,” “estimates,” “forecasts,” “intends,” “projects,” “goals,” “objectives,” “guidance,” “targets” and other words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts.

We cannot guarantee that any forward-looking statement will be realized, although we believe we have been prudent in our plans, estimates and assumptions. Achievement of future results is subject to risks, uncertainties and assumptions that may prove to be inaccurate. Should known or unknown risks or uncertainties materialize, or should underlying estimates or assumptions prove inaccurate, actual results could differ materially from those anticipated, estimated or projected. You should bear this in mind as you consider our forward-looking statements and whether to invest in or remain invested in our securities. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, we are identifying important factors that, individually or in the aggregate, could cause actual results and outcomes, including with respect to our ability to achieve our Vision, to differ materially from those contained in, or implied by, any forward-looking statements we make. Any such statement is qualified by reference to the following cautionary statements. We elaborate on these important factors and the risks we face throughout this Form 10-Q, particularly in the *Executive Summary* and *Business Environment* sections preceding our discussion of the operating results of our segments above, and in our other publicly filed reports, including our 2025 Form 10-K. These factors and risks include the following:

- our inability to anticipate and respond to changes in adult nicotine consumer preferences and purchase behavior;
- our inability to compete effectively;
- the growth of the e-vapor category, including illicit disposable e-vapor products, which contributes to reductions in domestic cigarette consumption levels and shipment volume;
- the impact of illicit trade in nicotine products and the sale of products designed to avoid the regulatory framework for nicotine products, each of which contribute to reductions in the consumption levels and shipment volumes of our businesses’ products;
- our failure to develop and commercialize innovative products, including nicotine products that may reduce health risks relative to other nicotine products and appeal to adult nicotine consumers;
- changes, including in macroeconomic and geopolitical conditions (including inflation, tariffs and the economic impacts of international armed conflicts), that result in shifts in adult nicotine consumer disposable income and purchasing behavior, including choosing lower-priced and discount brands or products, and reductions in shipment volumes;
- unfavorable outcomes with respect to litigation proceedings or any governmental investigations, including significant monetary and non-monetary remedies and importation bans;
- the risks associated with significant federal, state and local government actions, including FDA regulatory actions and inaction, and various private sector actions;
- the risk that regulators, including the FDA, and courts may interpret laws, rules and regulations applicable to our operating companies’ products differently than we do;
- increases in nicotine product-related taxes;
- our failure to complete or manage successfully strategic relationships or transactions, including acquisitions, dispositions, joint ventures, commercial relationships and investments in third parties, or realize the anticipated benefits of such transactions;
- significant changes in price, availability or quality of tobacco, other raw materials or component parts, including as a result of changes in macroeconomic, geopolitical, climate and environmental conditions;

- our reliance on a few significant facilities and a small number of key suppliers, distributors and distribution chain service providers and the risks associated with an extended disruption at a facility or in service by a supplier, distributor or distribution chain service provider;
- the risk that we may be required to write down goodwill and intangible assets, including trademarks and other intellectual property, due to impairment;
- the risks associated with our Initiative, including risks relating to business continuity, our internal control over financial reporting and audit procedures and our ability to recognize the expected efficiencies;
- the risk that we could decide, or be required, to recall products;
- the various risks related to health epidemics and pandemics and the measures that international, federal, state and local governments, agencies, law enforcement and health authorities implement to address them;
- our inability to attract and retain a highly skilled workforce due to the decreasing social acceptance of tobacco usage, tobacco control actions and other factors;
- the compliance risks associated with our expanded international business activities and the related complexity of U.S. and foreign laws and regulations applicable to those activities;
- the risks concerning a challenge to our tax positions, an increase in the income tax rate or other changes to federal or state tax laws;
- the risks associated with legal and regulatory requirements related to climate change and other environmental sustainability matters;
- disruption and uncertainty in the credit and capital markets, including risk of losing access to these markets;
- a downgrade or potential downgrade of our credit ratings;
- the impact of heightened focus by investors and other stakeholders on our performance relating to corporate responsibility matters;
- the failure of our, or our key service providers' or key suppliers', information systems to function as intended, or cyber-attacks or security breaches affecting us or our key service providers or key suppliers;
- our failure, or the failure of our key service providers or key suppliers, to comply with laws related to personal data protection, privacy, artificial intelligence and information security;
- the risk that the expected benefits of our investment in ABI may not materialize in the expected manner or timeframe or at all; and
- the risks associated with our investment in Cronos, including legal, regulatory and reputational risks and the risk that the expected benefits of the transaction may not materialize in the expected manner or timeframe or at all.

You should understand that it is not possible to predict or identify all factors and risks. Consequently, you should not consider the foregoing list to be complete. We do not undertake to update any forward-looking statement that we may make from time to time except as required by applicable law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The fair value of our long-term debt, all of which is fixed-rate debt, is subject to fluctuations resulting primarily from changes in market interest rates. The fair value of our long-term debt and the change in fair value based on a 1% increase or decrease in market interest rates were as follows:

(in billions)	March 31, 2026	December 31, 2025
Fair value	**$ 22.7**	$ 24.3
Decrease in fair value from a 1% increase in market interest rates	**1.7**	1.8
Increase in fair value from a 1% decrease in market interest rates	**2.0**	2.1

Item 4. Controls and Procedures

We carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e)) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

There have been no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 12 for a discussion of legal proceedings pending against us. See also Exhibits 99.1 and 99.2 to this Form 10-Q.

Item 1A. Risk Factors

Information regarding Risk Factors appears in Part I, Item 1A. Risk Factors of our 2025 Form 10-K. There have been no material changes to the risk factors previously disclosed in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In January 2025, our Board authorized a $1.0 billion share repurchase program. In October 2025, the Board authorized a $1.0 billion expansion of this program to $2.0 billion, which expires on December 31, 2026 (as expanded, "January 2025 share repurchase program"). Share repurchases depend on marketplace conditions and other factors, and the program remains subject to the discretion of our Board.

Our share repurchase activity for each of the three months in the period ended March 31, 2026, was as follows:

Period	Total Number of Shares Purchased [1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs
January 1-31, 2026	**2,184,939**	**$ 59.54**	**2,184,939**	**$ 869,907,063**
February 1-28, 2026	**645,463**	**$ 67.50**	**257,393**	**$ 853,382,426**
March 1-31, 2026	**2,059,077**	**$ 65.09**	**2,046,701**	**$ 720,179,319**
	4,889,479	**$ 62.93**	**4,489,033**	

[1] The total number of shares purchased includes (a) shares purchased under the January 2025 share repurchase program and (b) shares withheld by Altria in an amount equal to the statutory withholding taxes for vested stock-based awards previously granted to eligible employees (which totaled 388,070 in February and 12,376 in March).

Item 5. Other Information

During the quarter ended March 31, 2026, none of our directors or officers adopted, modified or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

10.1	Form of Restricted Stock Unit Agreement (2026).
10.2	Form of Performance Stock Unit Agreement (2026).
10.3	Form of Confidentiality and Non-Competition Agreement.
22	Guarantor Subsidiary of the Registrant. Incorporated by reference to Altria Group, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025 (File No. 1-08940).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Certain Litigation Matters.
99.2	Trial Schedule for Certain Cases.
101	The following financial statements from our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Cash Flows, (ii) Condensed Consolidated Statements of Earnings, (iii) Condensed Consolidated Statements of Comprehensive Earnings, (iv) Condensed Consolidated Balance Sheets, (v) Condensed Consolidated Statements of Stockholders' Equity (Deficit), and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALTRIA GROUP, INC.

/s/ SALVATORE MANCUSO

Salvatore Mancuso
Executive Vice President and
Chief Financial Officer

April 30, 2026

Exhibit 10.1

THE ALTRIA GROUP, INC.
2025 PERFORMANCE INCENTIVE PLAN

RESTRICTED STOCK UNIT AGREEMENT

ALTRIA GROUP, INC. ("Company"), a Virginia corporation, hereby grants to the employee identified in the Stock Award section of the Award Statement ("Employee") under the Altria Group, Inc. 2025 Performance Incentive Plan ("Plan") a restricted stock unit award ("Award") with respect to the number of shares of Common Stock of the Company ("Common Stock") set forth in the Stock Award section of the Award Statement ("RSUs"), all in accordance with and subject to the following terms and conditions of this Restricted Stock Unit Agreement ("Agreement").

1. Definitions. Whenever the following terms are used in this Agreement, they will have the meanings set forth below. Capitalized terms not otherwise defined herein will have the same meanings as in the Plan.

(a) **"Award Date"** means the date on which the Award is granted to the Employee, as specified in the Award Statement.

(b) **"Award Statement"** means the written notice of a restricted stock unit award provided to the Employee by the Company.

(c) **"Code"** means the Internal Revenue Code of 1986, as amended.

(d) **"Compensation and Talent Development Committee"** means the Compensation and Talent Development Committee of the Board of Directors of Altria Group, Inc.

(e) **"Disability"** means a disability that entitles the Employee to benefits under the applicable long-term disability insurance program of the Company or any of its Subsidiaries.

(f) **"Normal Retirement"** means retirement from active employment with the Company and its Subsidiaries following both attainment of age 65 and completion of five years of service with the Company and its Subsidiaries.

(g) **"Payment Date**" has the meaning set forth in Section 6(a) of this Agreement.

(h) **"Retirement"** means retirement from active employment with the Company and its Subsidiaries following both attainment of age 50 and completion of five years of service with the Company and its Subsidiaries.

(i) **"Subsidiary"** means any company in which the Company, directly or indirectly, has a beneficial ownership interest of greater than 50 percent.

(j) **"Termination of Employment"** means a separation from service within the meaning of Code section 409A with the Company and all of its Subsidiaries, which includes circumstances in which the Employee is reasonably anticipated not to perform further services with the Company and its Subsidiaries. Notwithstanding the foregoing, with respect to an Employee who is not a United States taxpayer and is based in a jurisdiction outside the United States, a Termination of Employment shall be deemed to occur on the date that such Employee gives or is given notice of termination of employment with the Company and all of its Subsidiaries.

(k) **"Vesting Date"** means the date set forth in the Award Statement upon which the Award is generally no longer subject to forfeiture.

2. Condition to Award. The Company or its delegate, in its sole discretion, may require the Employee to execute a Confidentiality and Non-Competition Agreement in consideration of the Award by notifying the Employee of such requirement as soon as practicable after the Award Date. In such instance, the Award is consideration for and contingent on the Employee's execution of the Confidentiality and Non-Competition Agreement. The Employee's failure to execute the Confidentiality and Non-Competition Agreement within a reasonable time after receipt, as specified by the Company or its delegate, but in no event later than 90 days after the Company or its delegate provides the Employee with the Confidentiality and Non-Competition Agreement, will result in complete nullification of the Agreement, and the Employee will forfeit any and all rights to the Award.

3. Normal Vesting. The RSUs will vest on the Vesting Date, provided that the Employee remains an employee of the Company or a Subsidiary from the Award Date through the Vesting Date and otherwise satisfies the terms of this Agreement and the Plan. The Employee will have no rights to the shares of Common Stock or cash equivalent until the RSUs have vested.

4. Accelerated Vesting. In the event that the Employee experiences a Termination of Employment with the Company and all of its Subsidiaries prior to the Vesting Date due to death, Disability, or Normal Retirement, the RSUs will become fully vested on the date of such Termination of Employment. In addition, in the event of a "Change in Control" within the meaning of the Plan, the RSUs will become vested and payable in the circumstances and in the manner specified in section 6(a) of the Plan and Section 11 below.

5. Forfeiture. If the Employee experiences a Termination of Employment with the Company and all of its Subsidiaries for any reason other than death, Disability, or Normal Retirement prior to the Vesting Date, the Employee will forfeit all rights to the RSUs immediately after Termination of Employment. For purposes of this paragraph, the sale of a Subsidiary that employs the Employee will be considered a Termination of Employment with respect to such Employee. Notwithstanding the foregoing, upon a Termination of Employment described in this paragraph, the Compensation and Talent Development Committee may, in its sole discretion, vest some or all of the RSUs.

6. Payment of RSUs. The RSUs will become payable upon the normal or accelerated vesting date described in Section 3, 4, or 5 or following any later payment date described in Section 11, if applicable ("Payment Date"). Payment, in the form of issuance of shares of Common Stock and/or cash, will be made as soon as practicable following the Payment Date. However, in all cases payment will be made by the later of (a) December 31 of the year of the Payment Date or (b) two and a half months after the Payment Date. Upon such payment, the Company will issue and deliver to the Employee the number of shares of Common Stock equal to the number of vested RSUs or, if the Compensation and Talent Development Committee so determines in its sole discretion, the cash equivalent value of such shares of Common Stock, as determined by the Compensation and Talent Development Committee, in either case subject to satisfaction of applicable tax and/or other obligations as described in Section 9.

7. Voting and Dividend Rights. Unless and until the RSUs vest and the underlying Common Stock has been delivered to the Employee, the Employee will not have a right to vote the RSUs or receive dividends associated with shares of Common Stock underlying the RSUs. However, from the Award Date until the Vesting Date, the Employee will have the right to receive, free of vesting conditions (but subject to applicable withholding taxes), dividend equivalent cash payments in lieu of the dividends that the Employee would have received had the Employee held such shares of Common Stock, unless otherwise determined by the Compensation and Talent Development Committee.

8. Unfunded Award and Transfer Restrictions. Prior to settlement, the RSUs represent an unfunded and unsecured obligation of the Company. This Award and the RSUs are non-transferable and may not be sold, conveyed, assigned, transferred, pledged, or otherwise disposed of or encumbered at any time prior to vesting and settlement of the RSUs. If the Employee attempts to violate this Section 8, such action will be null and void, the Award will immediately become null and void, and the RSUs granted under the Award will be forfeited. These restrictions will not apply, however, to any shares of Common Stock or cash payments that the Employee has received pursuant to Section 6. If the Employee is a resident of Canada, the Employee acknowledges that the shares of Common Stock that the Employee receives pursuant to Section 6 are subject to a restriction on the first trade under Canadian securities laws. As a result, the Employee acknowledges that any first trade of such shares of Common Stock must be made (a) through an exchange, or a market, outside of Canada, (b) to a person or company outside of Canada, or (c) otherwise in compliance with applicable Canadian securities laws.

9. Taxes and Withholding Taxes. The Company is authorized to satisfy any withholding taxes arising in connection with this Award by (a) deducting the number of RSUs having an aggregate value equal to the amount of withholding taxes due, or (b) the remittance of the required amounts from any proceeds realized upon the open-market sale of the Common Stock received in payment of vested RSUs by the Employee. The Company is authorized to satisfy any withholding taxes arising from the payment of cash in lieu of dividends pursuant to Section 7 by withholding the required amounts from such cash payment. The Company is also authorized to satisfy any withholding taxes referred to in this Section 9 by requiring a cash payment from the Employee or by withholding from other payments due to the Employee. If the Employee is covered by a Company tax equalization policy, the Employee also agrees to pay to the Company any additional hypothetical tax obligation calculated and paid under the terms and conditions of such tax equalization policy. The Employee agrees that the Employee is responsible for, and the Company and its Subsidiaries are not responsible for, any personal tax consequences in connection with the RSUs.

10. Beneficiary for Payments Upon Death. Upon the death of the Employee, any Common Stock or cash amounts paid in connection with the RSUs will be paid to the Employee's estate. Notwithstanding the foregoing, the Compensation and Talent Development Committee may elect to permit the Employee to designate a beneficiary other than the Employee's estate, and if the Compensation and Talent Development Committee so permits, then the proceeds will be paid to such beneficiary.

11. Code Section 409A Special Payment Provisions. This Agreement will be construed in a manner consistent with Code section 409A and the regulations thereunder. Special payment provisions apply under this Section 11 in two situations: (a) for RSUs with a Vesting Date between January 1 and March 15, if the Employee will become eligible for Retirement before the calendar year preceding the Vesting Date and (b) for RSUs with a Vesting Date after March 15, if the Employee will become eligible for Retirement before the calendar year in which the Vesting Date occurs. If the special payment provisions apply, then notwithstanding anything in this Agreement to the contrary:

(i) If the Employee is a "specified employee" within the meaning of Code section 409A, any payment of RSUs under Section 6 that is on account of his or her Termination of Employment will be delayed until the earlier of six months following such Termination of Employment or the Employee's death.

(ii) In the event of a "Change in Control" under section 6(b) of the Plan that is not also a "change in control event" with the meaning of Treas. Reg. §1.409A-3(i)(5)(i), any RSUs that would otherwise become vested and paid pursuant to section 6(a) of the Plan upon such Change in Control will become vested, but will not be paid upon such Change in Control, and will instead be paid at the time the RSUs would otherwise be paid pursuant to this Agreement.

(iii) This Section 11(iii) applies in the event of a sale of a Subsidiary that is treated as a Termination of Employment under Section 5, but that does not result in a "separation from service" within the meaning of Code section 409A. In such event, any RSUs that become vested pursuant to Section 5 upon such sale will not be paid upon the accelerated vesting date, but will instead be paid upon the earlier of (A) the normal vesting date under Section 3 or (B) the Employee's separation from service (within the meaning of Code section 409A) from the sold Subsidiary, including by reason of death or Disability.

12. Compensation Recoupment. Notwithstanding anything in this Agreement to the contrary, this Award shall be subject to the Altria Group, Inc. Executive Compensation Recoupment Policy and any other policy regarding forfeiture or compensation recoupment adopted by the Board of Directors of the Company ("Board") or appropriate Committee of the Board. The Employee agrees by accepting this Award that the Board or Committee may make a cancellation, impose a repayment obligation, or take other necessary or appropriate actions to enforce this paragraph.

13. Employment Relationship. Nothing in this Agreement or in the Plan shall confer upon the Employee any right to continue in the employ of the Company or any Subsidiary for any period of specific duration or interfere with or restrict in any way the right of the Company or any Subsidiary, which is hereby expressly reserved, to remove, terminate or discharge the Employee at any time for any reason whatsoever, with or without cause and with or without advance notice.

14. Entire Agreement; Severability. This Agreement and the Plan, along with the referenced information in the Award Statement, represents the entire agreement between the parties regarding the subject matter of this Agreement. The terms and provisions of the Plan are incorporated into and made a part of this Agreement. To the extent any provision of this Agreement is inconsistent or in conflict with any term or provision of the Plan, the Plan will govern. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

IN WITNESS WHEREOF, this Restricted Stock Unit Agreement has been duly executed as of the date first written above.

ALTRIA GROUP, INC.

By: Mary C. Bigelow
Corporate Secretary

Exhibit 10.2

THE ALTRIA GROUP, INC.
2025 PERFORMANCE INCENTIVE PLAN

PERFORMANCE STOCK UNIT AGREEMENT

ALTRIA GROUP, INC. ("Company"), a Virginia corporation, hereby grants to the employee identified in the Stock Award section of the Award Statement ("Employee") under the Altria Group, Inc. 2025 Performance Incentive Plan ("Plan") a performance stock unit award ("Award") with respect to the target number of shares of Common Stock of the Company ("Common Stock") set forth in the Stock Award section of the Award Statement ("PSUs"), all in accordance with and subject to the following terms and conditions of this Performance Stock Unit Agreement ("Agreement").

1. Definitions. Whenever the following terms are used in this Agreement, they will have the meanings set forth below. Capitalized terms not otherwise defined herein will have the same meanings as in the Plan.

(a) **"Award Date"** means the date on which the Award is granted to the Employee, as specified in the Award Statement.

(b) **"Award Statement"** means the written notice of a performance stock unit award provided to the Employee by the Company.

(c) **"Code"** means the Internal Revenue Code of 1986, as amended.

(d) **"Compensation and Talent Development Committee"** means the Compensation and Talent Development Committee of the Board of Directors of Altria Group, Inc.

(e) **"Disability"** means a disability that entitles the Employee to benefits under the applicable long-term disability insurance program of the Company or any of its Subsidiaries.

(f) **"Normal Retirement"** means retirement from active employment with the Company and its Subsidiaries following both attainment of age 65 and completion of five years of service with the Company and its Subsidiaries.

(g) "**Payment Date**" has the meaning set forth in Section 6(a) of this Agreement.

(h) **"Performance Percentage"** means a percentage that is determined based on the Company's performance during the applicable PSU performance period against performance goals pre-determined by the Compensation and Talent Development Committee.

(i) **"Subsidiary"** means any company in which the Company, directly or indirectly, has a beneficial ownership interest of greater than 50 percent.

(j) **"Termination of Employment"** means a separation from service within the meaning of Code section 409A with the Company and all of its Subsidiaries, which includes circumstances in which the Employee is reasonably anticipated not to perform further services with the Company and its Subsidiaries. Notwithstanding the foregoing, with respect to an Employee who is not a United States taxpayer and is based in a jurisdiction outside the United States, a Termination of Employment shall be deemed to occur on the date that such Employee gives or is given notice of termination of employment with the Company and all of its Subsidiaries.

(k) **"Vesting Date"** means the date set forth in the Award Statement upon which the Award is generally no longer subject to forfeiture.

2. Condition to Award. The Company or its delegate, in its sole discretion, may require the Employee to execute a Confidentiality and Non-Competition Agreement in consideration of the Award by notifying the Employee of such requirement as soon as practicable after the Award Date. In such instance, the Award is consideration for and contingent on the Employee's execution of the Confidentiality and Non-Competition Agreement. The Employee's failure to execute the Confidentiality and Non-Competition Agreement within a reasonable time after receipt, as specified by the Company or its delegate, but in no event later than 90 days after the Company or its delegate provides the Employee with the Confidentiality and Non-Competition Agreement, will result in complete nullification of the Agreement, and the Employee will forfeit any and all rights to the Award.

3. Normal Vesting.

(a) The PSUs will vest on the Vesting Date, provided that the Employee remains an employee of the Company or a Subsidiary from the Award Date through the Vesting Date and otherwise satisfies the terms of this Agreement and the Plan. The Employee will have no rights to the shares of Common Stock or cash equivalent until the PSUs have vested.

(b) The number of PSUs that become vested on the Vesting Date will be equal to the target number of PSUs multiplied by the Performance Percentage. The Performance Percentage will be determined by the Compensation and Talent Development Committee. Notwithstanding the foregoing, if the date on which the Compensation and Talent Development Committee makes a final determination of the Performance Percentage is after the Vesting Date, then the date of the final determination will be treated as the Vesting Date for purposes of determining the number of PSUs that become vested and for purposes of Section 6. The Compensation and Talent Development Committee will make a final determination of the Performance Percentage no later than March 1 of the year in which the Vesting Date occurs.

4. Special Vesting. In the event of the Employee's death or Disability prior to the Vesting Date, the target number of PSUs will become vested on the date of such death or Disability. In the event of the Employee's Termination of Employment with the Company and all of its Subsidiaries due to Normal Retirement prior to the Vesting Date, the service condition to PSU vesting set forth in Section 3(a) will be deemed satisfied, and the number of PSUs that become vested on the Vesting Date will be determined based on actual performance as set forth in Section 3(b). In addition, in the event of a "Change in Control" within the meaning of the Plan, the PSUs will become vested and payable in the circumstances and in the manner specified in section 6(a) of the Plan.

5. Forfeiture. If the Employee experiences a Termination of Employment with the Company and all of its Subsidiaries for any reason other than death, Disability, or Normal Retirement prior to the Vesting Date, the Employee will forfeit all rights to the PSUs immediately after Termination of Employment. For purposes of this paragraph, the sale of a Subsidiary that employs the Employee will be considered a Termination of Employment with respect to such Employee. Notwithstanding the foregoing, upon a Termination of Employment described in this paragraph, the Compensation and Talent Development Committee may, in its sole discretion, determine that the service condition to PSU vesting, set forth in Section 3(a), will be deemed satisfied for some or all of the PSUs. In such event, the number of such PSUs that become vested on the Vesting Date will be determined based on actual performance as set forth in Section 3(b).

6. Payment of PSUs.

(a) PSUs will become payable upon the Vesting Date specified in Section 3, except that in the case of death or Disability, the PSUs will become payable upon such event, and in the case of a "Change in Control" within the meaning of the Plan, the PSUs will become payable as provided in Section 6(a) of the Plan. The date on which the PSUs become payable is referred to herein as the Payment Date.

(b) Payment, in the form of issuance of shares of Common Stock and/or cash, will be made as soon as practicable following the Payment Date. However, in all cases payment triggered by the Vesting Date will be made no later than March 15 following such Vesting Date, and payment made due to a payment trigger that occurs earlier than the Vesting Date (i.e., death, Disability or following a "Change in Control" as provided in Section 6(a) of the Plan) will be made by the later of (i) December 31 of the year of the Payment Date or (ii) two and a half months after the Payment Date. Upon such payment, the Company will (A) issue and deliver to the Employee the number of shares of Common Stock equal to the number of vested PSUs or, if the Compensation and Talent Development Committee so determines in its sole discretion, the cash equivalent value of such shares of Common Stock, as determined by the Compensation and Talent Development Committee, and (B) pay to the Employee in a single lump sum any cash amount accrued with respect to dividends. Payment of such shares of Common Stock and cash amounts will be subject to satisfaction of applicable tax and/or other obligations as described in Section 9.

7. Voting and Dividend Rights. Unless and until the PSUs vest and the underlying Common Stock has been delivered to the Employee, the Employee will not have a right to vote the PSUs or receive dividends associated with shares of Common Stock underlying the PSUs. However, the Employee will accrue under the PSUs a cash amount in lieu of the dividends that the Employee would have received had the Employee held, from the Award Date to the date of payment, the number of shares of Common Stock that become issuable pursuant to this Agreement, unless otherwise determined by the Compensation and Talent Development Committee.

8. Unfunded Award and Transfer Restrictions. Prior to settlement, the PSUs represent an unfunded and unsecured obligation of the Company. This Award and the PSUs are non-transferable and may not be sold, conveyed, assigned, transferred, pledged, or otherwise disposed of or encumbered at any time prior to vesting and settlement of the PSUs. If the Employee attempts to violate this Section 8, such action will be null and void, the Award will immediately become null and void, and the PSUs granted under the Award will be forfeited. These restrictions will not apply, however, to any shares of Common Stock or cash payments that the Employee has received pursuant to Section 6. If the Employee is a resident of Canada, the Employee acknowledges that the shares of Common Stock that the Employee receives pursuant to Section 6 are subject to a restriction on the first trade under Canadian securities laws. As a result, the Employee acknowledges that any first trade of such shares of Common Stock must be made (a) through an exchange, or a market, outside of Canada, (b) to a person or company outside of Canada, or (c) otherwise in compliance with applicable Canadian securities laws.

9. Taxes and Withholding Taxes. The Company is authorized to satisfy any withholding taxes arising in connection with this Award by (a) deducting the number of PSUs having an aggregate value equal to the amount of withholding taxes due, or (b) the remittance of the required amounts from any proceeds realized upon the open-market sale of the Common Stock received in payment of vested PSUs by the Employee. The Company is authorized to satisfy any withholding taxes arising from the payment of cash in lieu of dividends pursuant to Section 7 by withholding the required amounts from such cash payment. The Company is also authorized to satisfy any withholding taxes referred to in this Section 9 by requiring a cash payment from the Employee or by withholding from other payments due to the Employee. If the Employee

is covered by a Company tax equalization policy, the Employee also agrees to pay to the Company any additional hypothetical tax obligation calculated and paid under the terms and conditions of such tax equalization policy. The Employee agrees that the Employee is responsible for, and the Company and its Subsidiaries are not responsible for, any personal tax consequences in connection with the PSUs.

10. Beneficiary for Payments Upon Death. Upon the death of the Employee, any Common Stock or cash amounts paid in connection with the PSUs will be paid to the Employee's estate. Notwithstanding the foregoing, the Compensation and Talent Development Committee may elect to permit the Employee to designate a beneficiary other than the Employee's estate, and if the Compensation and Talent Development Committee so permits, then the proceeds will be paid to such beneficiary.

11. Compensation Recoupment. Notwithstanding anything in this Agreement to the contrary, this Award shall be subject to the Altria Group, Inc. Dodd-Frank Compensation Recoupment Policy, the Altria Group, Inc. Executive Compensation Recoupment Policy and any other policy regarding forfeiture or compensation recoupment adopted by the Board of Directors of the Company ("Board") or appropriate Committee of the Board. The Employee agrees by accepting this Award that the Board or Committee may make such a cancellation, impose such a repayment obligation, or take other necessary or appropriate actions to enforce this paragraph.

12. Employment Relationship. Nothing in this Agreement or in the Plan shall confer upon the Employee any right to continue in the employ of the Company or any Subsidiary for any period of specific duration or interfere with or restrict in any way the right of the Company or any Subsidiary, which is hereby expressly reserved, to remove, terminate or discharge the Employee at any time for any reason whatsoever, with or without cause and with or without advance notice.

13. Entire Agreement; Severability. This Agreement and the Plan, along with the referenced information in the Award Statement, represents the entire agreement between the parties regarding the subject matter of this Agreement. The terms and provisions of the Plan are incorporated into and made a part of this Agreement. To the extent any provision of this Agreement is inconsistent or in conflict with any term or provision of the Plan, the Plan will govern. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

IN WITNESS WHEREOF, this Performance Stock Unit Agreement has been duly executed as of the date first written above.

ALTRIA GROUP, INC.

By: Mary C. Bigelow
Corporate Secretary

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

In consideration of my ____ stock award and other good and valuable consideration, the sufficiency of which is acknowledged, the Company and I agree to this Confidentiality and Non-Competition Agreement ("Agreement").

1. The following definitions apply to this Agreement:

a. "Company" means the Altria Group company for which I currently work and its successors and assigns.

b. "Company Affiliate" means, with the exclusion noted in the final sentence of this subparagraph, Altria Group, Inc., its wholly-owned subsidiaries and affiliates, and their successors and assigns. "Company Affiliate" also includes: (i) Horizon Innovations LLC, a joint venture between Philip Morris USA and Japan Tobacco International (JTI), a subsidiary of JT Group; and/or (ii) any other joint venture between the Company or a Company Affiliate and JT Group or one of its subsidiaries. The Company itself is excluded from the definition of "Company Affiliate."

c. "I," "me," or "my" refers to _____.
Employee Name

d. "Confidential Information" means information that is confidential and proprietary to the Company and/or any Company Affiliate, including but not limited to: trade secrets; lists of and other non-public information about current and prospective customers; business plans or strategies; marketing plans; sales and account records; prices or pricing strategy or information; current and proposed non-public advertising and promotional programs; research or development projects or plans; non-public financial information; methods, systems, techniques, procedures, designs, formulae, inventions, discoveries, processes, concepts, ideas, know-how, works of authorship, hardware, computer software programs, databases, methods of manufacture and improvements thereof, whether or not it may be protected under any patent, copyright, trademark, trade secret or other principles; and other technical, technological, or business information of a similar nature not generally known to the public (other than by my breach of this Agreement), which if misused or disclosed, could adversely affect the business of the Company and/or any Company Affiliate. Confidential Information includes any such information that I may prepare or create during my employment, whether on behalf of the Company or on behalf of any Company Affiliate to whom I am providing services, as well as such information that has been or may be created by others in those capacities to which I have obtained access as a result of or through my employment. Confidential Information does not include information that is generally known to the public or that has been made known to the public through no fault of my own.

e. "Competitor" means any individual, group, company, enterprise, or other entity that develops, manufactures, markets, distributes, and/or sells tobacco or other products or technologies that compete (or, upon introduction to the marketplace, will compete) with tobacco, nicotine, heat-not-burn products or technologies, or other products or technologies that are manufactured, marketed, distributed, sold, and/or being developed by the Company and/or any Company Affiliate (including but not limited to Philip Morris USA, U.S. Smokeless Tobacco Company, John Middleton Co., Helix Innovations, LLC, and NJOY, LLC). The term "Competitor" also includes any other entity under

common ownership (in whole or in part) or legal affiliation with a competing entity, as identified in the preceding sentence, which provides support to such competing entity.

f. "Competitive Activities" means any employment with, engagement as a consultant or contractor for, rendering of any services to, or other material assistance in any capacity to any Competitor.

g. "Adverse Party" means any individual, group, company, union, governmental body or other entity, excluding a Competitor, that has pecuniary and/or non-pecuniary interests known to be in opposition or otherwise adverse to those of the Company and/or any Company Affiliate.

2. During the period of my employment, I will devote my full time and best efforts to the business of the Company and/or any Company Affiliate. Moreover, I further agree that, during my period of employment, I will take no action that conflicts with or infringes on the rights or interests of any third party for which I have performed services either as an employee, consultant, or contractor. Specifically, I agree that, during the period of my employment, I am not to use or disclose any confidential or proprietary information of any third party or otherwise violate any written or verbal agreement I may have entered into with any third party while performing services as an employee, consultant, or contractor of that third party. A disclosure of information pursuant to paragraph 9 does not violate this paragraph.

3. Except as provided by paragraph 9, authorized by the Company and/or any Company Affiliate, or necessary to perform my job duties for the Company or any Company Affiliate, I will not at any time during my employment or after the termination of my employment for whatever reason: (a) disclose any Confidential Information to any person, company, or other entity of any type, (b) use any Confidential Information for my own benefit or the benefit of any person, company, or other entity of any type, or (c) remove, or aid in the removal of, any Confidential Information from the premises of the Company or any Company Affiliate or from any other location where Confidential Information is maintained or stored. I understand and agree that all Confidential Information is, and at all times remains, the property of the Company and/or any Company Affiliate.

4. I agree that, as used in this Agreement, "Work Product" means and includes all of the following: any invention, discovery, process, method, technique, formula, concept, idea, work of authorship, and improvement thereof, whether or not it may be protected under patent, copyright, trademark, trade secret or other principles, that is related to the business, anticipated business, research, development, design activities or products of the Company and/or any Company Affiliate.

a. I agree that the Company and/or any Company Affiliate shall have sole and exclusive proprietary rights in and to all Work Product that is conceived, developed, or made by me alone or in conjunction with others: (i) during my employment with the Company or any Company Affiliate, whether or not during regular working hours, on Company premises, or with Company materials, and/or (ii) after the termination of my employment with the Company or any Company Affiliate, if such Work Product is based on or related to, or arises or results from, any work performed by me for the Company or on behalf of any Company Affiliate during my employment. I agree to disclose promptly and fully to the Company all such Work Product. I also agree to treat all such Work Product as Confidential Information except to the extent specifically directed otherwise by the Company and/or any Company Affiliate.

b. I agree to and hereby do assign to the Company and/or any Company Affiliate all right, title, and interest, including all intellectual property rights, in and to all Work Product, including, without limitation, the assignment of right to claim priority. To the extent that any such Work Product, or portion of such Work Product, is protected under the U.S. Copyright laws, such Work Product shall be considered a "Work Made for Hire" as defined in the U.S. Copyright laws, and shall automatically be owned by the Company and/or any Company Affiliate. I also agree to waive all claims to moral rights, rights of attribution, or similar rights in any Work Product.

c. During and after my employment with the Company or any Company Affiliate, I agree to cooperate fully with the Company and/or any Company Affiliate in the protection (including any litigation or controversy) of any intellectual property rights derived from or related to its Work Product. I further agree that if the Company or Company Affiliate is unable, after reasonable effort, to secure my signature on any such papers, any executive officer of the Company or any Company Affiliate, as applicable, shall be entitled to execute any such papers as my agent and attorney-in-fact, and I hereby irrevocably designate and appoint each executive officer of the Company or any Company Affiliate as my agent and attorney-in-fact to execute any such papers on my behalf, and to take any and all actions as the Company or Company Affiliate may deem necessary or desirable in order to protect its rights and interests in any Work Product, under the conditions described in this sentence.

d. I understand and agree that the provisions of this Agreement requiring assignment of Work Product to the Company and/or any Company Affiliate do not apply to any invention that is developed completely on my own time without using the Company's or any Company Affiliate's equipment, supplies, facility, or Confidential Information except for those inventions that (i) relate to the Company's or Company Affiliate's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by me for the Company and/or Company Affiliate.

5. Except as provided by paragraph 9, at the end of my employment, regardless of how or why my employment ends, I will surrender and return to the Company or any Company Affiliate I am working for at that time any and all property of the Company and/or any Company Affiliate, as well as all copies of written or electronic records of Confidential Information in my possession or control.

6. I agree that, as a result of my exposure to Confidential Information, my responsibilities as an employee of the Company and/or any Company Affiliate, and my association with the Company and/or any Company Affiliate, their products and technologies, goodwill, and customers and business relationships, I will be in a position to cause irreparable harm to the Company and/or any Company Affiliate. Thus, during my employment and for eighteen (18) months after the end of such employment, regardless of how or why my employment ends, I will not:

a. Engage in any Competitive Activities if those Competitive Activities would be similar to the services I performed within the last three (3) years of my employment.

b. Organize, establish, or operate as a Competitor.

c. Engage in any Competitive Activities if, in the performance of those Competitive Activities, I would reasonably be expected to use or would inevitably use any Confidential Information learned by me during my employment.

d. Contact or solicit business from, in a manner competitive with or adverse to the interests of the Company and/or any Company Affiliate, any customer or potential customer of the Company and/or any Company Affiliate with whom I had contact or for whom I provided services during the last twelve (12) months of my employment.

e. Solicit or induce any employee of the Company and/or any Company Affiliate to leave the employment of the Company and/or the Company Affiliate.

f. Hire or otherwise engage the services of any employee of the Company and/or any Company Affiliate.

g. Assist any Competitor or Adverse Party in taking any of the actions described in subparagraphs (d) through (f) immediately above.

I agree that the Company and/or any Company Affiliate develops, manufactures, markets, and/or sells cigarettes and cigarette or tobacco related products or technologies that are, or are intended to be, marketed and/or sold throughout the United States, and that my duties will pertain to such products or technologies and therefore affect the business of the Company and/or any Company Affiliate throughout the United States. I also agree that the Company and/or any Company Affiliate develops, manufactures, markets, and/or sells smokeless tobacco, cigars, nicotine products or technologies, heat-not-burn products or technologies, and other products and associated technologies that are, or are intended to be, marketed and/or sold throughout the United States and foreign countries, and that my duties will pertain to such products or technologies and therefore affect the business of the Company and/or any Company Affiliate throughout the United States and such foreign countries. I further agree that the activities prohibited by this paragraph 6 would be harmful to the Company and/or any Company Affiliate regardless of where those activities occur and that my exposure to Confidential Information, in particular, would give me and any Competitor for whom I provide services an unfair economic advantage. Therefore, I agree that the scope of the restrictions of subparagraphs 6(a) and (b) above pertain to: (1) the development, manufacturing, marketing, and/or sale by any Competitor of any cigarettes and cigarette or tobacco related products or technologies intended for marketing and/or sale in the United States; and (2) the development, manufacturing, marketing, and/or sale by any Competitor of any smokeless tobacco, cigars, nicotine products or technologies, heat-not-burn products or technologies, or other products and associated technologies intended for marketing and/or sale in the United States or intended for marketing and/or sale in any foreign country that the Company and/or any Company Affiliate markets and/or sells similar products or technologies. I understand that the restrictions of subparagraphs 6(c) through (g) above are tied to information, employees, and/or customers of the Company and/or any Company Affiliate and therefore are limited in that manner rather than geographically.

I understand and agree that the activities prohibited by this paragraph 6 would be harmful to the Company and/or any Company Affiliate regardless of where those activities occur and that my exposure to Confidential Information, in particular, would give me and any Competitor for whom I provide services an unfair economic advantage. Thus, I understand and agree that the restriction applies anywhere in the world.

I understand and agree that if at any time I hold an active license to practice law in any jurisdiction, the restrictions of subparagraphs 6(a) through (g) above do not prohibit me from the practice of law in that jurisdiction and the restrictions of subparagraphs 6(a) through (g) above shall be interpreted to prohibit my activities only to the extent consistent with the applicable rules of professional conduct for that jurisdiction.

7. If I am offered and want to accept employment with a Competitor or Adverse Party during my employment or the eighteen (18) month period following the end of my employment, then prior to my acceptance of such employment I will inform the Company or the Company Affiliate for which I last worked, if different, in writing of the identity of the Competitor or Adverse Party, my proposed duties for that Competitor or Adverse Party, and the proposed starting date of that employment. I also agree that I will inform the Competitor or Adverse Party of the terms of this Agreement.

8. I agree that, after the end of my employment, I may engage in any business activity or gainful employment of any type and in any place except as described above. I agree that I will be reasonably able to earn a livelihood without violating the terms of this Agreement.

9. Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency. Specifically, nothing in this Agreement:

a. limits me (with or without prior notice to the Company and/or any Company Affiliate) from raising in good faith or participating in an investigation regarding any potential violation of law or regulation with any governmental or regulatory agency, including the Securities and Exchange Commission (SEC);

b. prevents me from making any disclosure protected by law under the whistleblower provisions of any state or federal statutes or regulations;

c. prevents me from filing a charge or complaint with, or participating in the investigation of any charge or complaint before, a governmental agency, including the Equal Employment Opportunity Commission and National Labor Relations Board;

d. prevents me from discussing or disclosing information about alleged discrimination, sexual harassment, or sexual assault, except as provided in paragraph 10 below;

e. prevents me from discussing or disclosing information about alleged unlawful criminal activity or unfair employment practices to any local, state, or federal government agency; or

f. interferes with my right to make truthful statements about the terms and conditions of my employment with the Company for purposes of engaging in protected concerted activity, or to interfere with any of my other rights protected under Section 7 of the National Labor Relations Act, provided that such statements are entitled to protection under the law.

10. To the extent my role in the Company (whether in Human Resources, Compliance & Integrity, Legal, management, or otherwise) gives me access to confidential, sensitive, and/or privileged

personnel information about other employees, I understand I must keep confidential and not disclose such information.

11. Unless it would impede my ability to communicate directly with any governmental or regulatory agency, including the SEC, I agree that I will immediately notify the Company if I receive a subpoena, order from a court or administrative agency, or other legal process which seeks to require disclosure of Confidential Information. I understand that nothing in this Agreement prohibits me from complying with and responding truthfully to any lawfully-issued subpoena, court order, or other lawful request by any regulatory agency or governmental authority.

12. I agree that the Company and/or any Company Affiliate are beneficiaries of this Agreement and have a legitimate business interest in preventing me from taking any actions that would violate this Agreement. I also understand that at the end of my employment, I may be working for or employed by a Company Affiliate instead of the Company. I understand and agree that such Company Affiliate may enforce this Agreement, in addition to the Company and any other beneficiary of this Agreement that may have the right to enforce it. I further agree that the Company and/or any Company Affiliate (individually and taken as a whole) would be irreparably harmed if I violated the terms of this Agreement or if any of its terms were not specifically enforced and that money damages would not provide adequate relief. I therefore agree that if I violate or threaten to violate any term of this Agreement, the Company and/or any Company Affiliate shall be entitled to injunctive relief, specific performance, any other equitable remedies, and any and all remedies at law, plus its costs and attorneys' fees incurred to enforce this Agreement or to obtain any other relief.

13. I agree that if the Company and/or any Company Affiliate waives or allows any breach of this Agreement, that waiver or allowance will not be a waiver of any future or other breach, whether of a similar or dissimilar nature.

14. I agree that each provision of this Agreement is a separate and independent clause. If any clause is found to be unenforceable, that finding will not impair the enforceability of any other clauses. Further, if any provisions of this Agreement should ever be deemed to exceed the time, geographic area, or activity limitations permitted by applicable law, I agree that such provisions should be and are reformed to the maximum time, geographic area, and activity limitations permitted by applicable law. I authorize a court having jurisdiction to reform the provisions to the maximum time, geographic area, and activity limitations permitted by applicable law.

15. I agree that this Agreement may not be changed, modified or otherwise terminated, in whole or in part, unless agreed to in writing by me, on my own behalf, and a Vice President or higher within the Human Resources & Compliance Department of Altria Client Services, on behalf of the Company.

16. I acknowledge I may have executed a previous agreement or agreements ("Prior Agreement") addressing the subjects and obligations set forth in this Agreement. To the extent any provision in a Prior Agreement provides lesser protection to the Company, a Company Affiliate, and/or any predecessor entity to the Company or a Company Affiliate than a provision in this Agreement, such provision is superseded by this Agreement and may not be used as a defense to a breach of this Agreement by me. For example, if any Prior Agreement contains a subparagraph excluding JUUL Labs, Inc. from the definition of Competitor, that subparagraph is superseded by this Agreement. In all

other respects, any Prior Agreement shall remain in full force and effect. I understand and agree that this Agreement is in addition to, and separately enforceable from, any Prior Agreement.

17. I agree that my employment with the Company is at-will and for no fixed duration. Either the Company or I may terminate the employment relationship at any time, for any reason that either the Company or I may deem appropriate, regardless of whether or not I have violated any term of this Agreement. I further agree that the restrictions set forth in this Agreement will apply regardless of the reason or circumstances of the termination of my employment.

18. I understand and agree that Philip Morris International Inc. (PMI) and JUUL Labs, Inc. (JUUL) are each a Competitor as defined in subparagraph 1(e).

19. I agree that, for purposes of this Agreement, my employment means and includes any periods of employment with the Company or any Company Affiliate after I sign this Agreement. I agree that, if I transfer employment to a Company Affiliate, the terms and conditions of this Agreement shall continue in full force and effect, and all rights and obligations belonging to the Company under this Agreement will transfer or otherwise inure to the Company Affiliate to which I transfer.

20. I understand and agree that the Company and/or any Company Affiliate encourages me to consult with an attorney prior to signing this Agreement. I acknowledge that I had the opportunity to do so.

21. I agree that this Agreement will be governed by and interpreted in accordance with the laws of the Commonwealth of Virginia, unless otherwise required by applicable law without regard to a jurisdiction's choice of law rules. Any dispute arising between the parties related to or involving this Agreement will be litigated in a court having jurisdiction in the Commonwealth of Virginia, and I agree and stipulate that the Circuit Courts of the City of Richmond, Virginia and the surrounding counties, and the United States District Court for the Eastern District of Virginia, Richmond Division, shall have personal jurisdiction over me and that venue is proper in such courts for all actions or proceedings with respect to this Agreement.

I understand and acknowledge by signing below that nothing in this Confidentiality and Non-Competition Agreement limits me from raising in good faith or participating in an investigation regarding any potential violation of law or regulation with any governmental or regulatory agency, including the Securities and Exchange Commission (SEC).

_____ _____

Employee's Name Employee's Signature

_____ _____

Personnel Number Date

Exhibit 31.1

Certifications

I, William F. Gifford, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Altria Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2026

/s/ WILLIAM F. GIFFORD, JR.
William F. Gifford, Jr.
Chief Executive Officer

Exhibit 31.2

Certifications

I, Salvatore Mancuso, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Altria Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 30, 2026

/s/ SALVATORE MANCUSO
Salvatore Mancuso
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Altria Group, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William F. Gifford, Jr., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ WILLIAM F. GIFFORD, JR.
William F. Gifford, Jr.
Chief Executive Officer
April 30, 2026

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Altria Group, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Salvatore Mancuso, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SALVATORE MANCUSO
Salvatore Mancuso
Executive Vice President and
Chief Financial Officer
April 30, 2026

Exhibit 99.1

CERTAIN LITIGATION MATTERS

As described in Note 12. *Contingencies* to Altria Group, Inc.'s ("Altria") condensed consolidated financial statements in Part I, Item 1 of the Quarterly Report on Form 10-Q to which this Exhibit 99.1 is attached ("Note 12"), there are legal proceedings covering a wide range of matters pending or threatened in various United States and foreign jurisdictions against Altria and certain of our subsidiaries, including Philip Morris USA Inc. ("PM USA"), as well as our indemnitees. Various types of claims may be raised in these proceedings, including product liability, unfair trade practices, antitrust, tax liability, contraband shipments, patent infringement, employment matters, environmental matters, claims alleging violation of the Racketeer Influenced and Corrupt Organizations Act, claims for contribution and claims of competitors, shareholders or distributors. Claims related to tobacco products generally fall within the following categories: (i) smoking and health cases alleging personal injury brought on behalf of individual plaintiffs, (ii) smoking and health cases primarily alleging personal injury or seeking court-supervised programs for ongoing medical monitoring and purporting to be brought on behalf of a class of individual plaintiffs, including cases in which the aggregated claims of a number of individual plaintiffs are to be tried in a single proceeding, (iii) health care cost recovery cases brought by governmental (both domestic and foreign) plaintiffs seeking reimbursement for health care expenditures allegedly caused by cigarette smoking and/or disgorgement of profits, (iv) class action suits alleging that the use of the terms "Lights" and "Ultra Lights" constitute deceptive and unfair trade practices, common law fraud or statutory fraud, unjust enrichment, breach of warranty, or violations of the Racketeer Influenced and Corrupt Organizations Act, (v) class action suits involving e-vapor products and (vi) international cases. The following lists certain of the pending claims against Altria and PM USA included in these and other categories.

SMOKING AND HEALTH LITIGATION

The following lists the consolidated individual smoking and health cases as well as smoking and health class actions pending against PM USA and, in some cases, Altria and/or its other subsidiaries and affiliates, as of April 27, 2026. See *International Cases* below for a list of smoking and health class actions pending in Canada.

Domestic Class Actions

Engle, et al. v. R.J. Reynolds Tobacco Co., et al., Circuit Court, Eleventh Judicial Circuit, Dade County, Florida, filed May 5, 1994. See Note 12 for a discussion of this case (which has concluded) and the *Engle* progeny litigation.

Young, et al. v. The American Tobacco Company, et al., Civil District Court, Orleans Parish, Louisiana, filed November 12, 1997.

HEALTH CARE COST RECOVERY LITIGATION

See *International Cases* below for a list of international health care cost recovery actions.

"LIGHTS/ULTRA LIGHTS" CASES

The following lists the "Lights/Ultra Lights" class actions pending against Altria and/or its various subsidiaries and others as of April 27, 2026.

Moore, et al. v. Philip Morris Incorporated, et al., Circuit Court, Marshall County, West Virginia, filed September 17, 2001.

Virden v. Altria Group, Inc., et al., Circuit Court, Hancock County, West Virginia, filed March 28, 2003.

ANTITRUST LITIGATION

In Re JUUL Labs, Inc. Antitrust Litigation, United States District Court, Northern District of California, filed April 7, 2020.

See Note 12 for a discussion of this case.

INTERNATIONAL CASES

The following lists cases pending against Altria and/or its subsidiaries in foreign jurisdictions as of April 27, 2026.

Canada

Her Majesty the Queen in Right of British Columbia v. Imperial Tobacco Limited, et al., Supreme Court, British Columbia, Vancouver Registry, Canada, filed January 24, 2001. Health care cost recovery action.

Her Majesty the Queen in Right of the Province of New Brunswick v. Rothmans, Inc., et al., Court of Queen's Bench of New Brunswick Judicial District of Fredericton, Canada, filed March 13, 2008. Health care cost recovery action.

Dorion v. Canadian Tobacco Manufacturers' Council, et al., Court of Queen's Bench of Alberta, Judicial District of Calgary, Canada, filed on or about June 17, 2009. Smoking and health class action.

Semple v. Canadian Tobacco Manufacturers' Council, et al., Supreme Court of Nova Scotia, Canada, filed on or about June 18, 2009. Smoking and health class action.

Kunka v. Canadian Tobacco Manufacturers' Council, et al., Court of Queen's Bench of Manitoba, Winnipeg Judicial Centre, Canada, filed on an unknown date in June 2009. Smoking and health class action.

Adams v. Canadian Tobacco Manufacturers' Council, et al., Court of Queen's Bench for Saskatchewan, Judicial Centre of Regina, Canada, filed on or about July 10, 2009. Smoking and health class action.

Bourassa v. Imperial Tobacco Canada Limited, et al., Supreme Court of British Columbia, Victoria Registry, Canada, filed on or about June 25, 2010. Smoking and health class action.

McDermid v. Imperial Tobacco Canada Limited, et al., Supreme Court of British Columbia, Victoria Registry, Canada, filed on or about June 25, 2010. Smoking and health class action.

Attorney General of Newfoundland and Labrador v. Rothmans Inc., et al., Supreme Court of Newfoundland and Labrador, Trial Division, Canada, filed February 8, 2011. Health care cost recovery action.

Her Majesty the Queen in the Right of Manitoba v. Rothmans, Benson & Hedges Inc., et al., Court of Queen's Bench of Manitoba, Winnipeg Judicial Centre, Canada, filed May 31, 2012. Health care cost recovery action.

Attorney General of Quebec v. Imperial Tobacco Canada Limited, et al., Superior Court of Quebec, Montreal District, Canada, filed June 8, 2012. Health care cost recovery action.

Her Majesty in Right of Alberta v. Altria Group, Inc., et al., Court of Queen's Bench of Alberta, Judicial District of Calgary, Canada, filed June 8, 2012. Health care cost recovery action.

Her Majesty the Queen in Right of Saskatchewan v. Rothmans, Benson & Hedges Inc., et al., Court of Queen's Bench of Saskatchewan, Judicial Centre of Saskatoon, Canada, filed on June 8, 2012. Health care cost recovery action.

Her Majesty in the Right of the Province of Prince Edward Island v. Rothmans, Benson & Hedges, Inc., et al., Supreme Court of Prince Edward Island, filed on September 10, 2012. Health care cost recovery action.

Her Majesty the Queen in Right of the Province of Nova Scotia v. Benson & Hedges, Inc., et al., Supreme Court of Nova Scotia, filed on January 2, 2015. Health care cost recovery action.

Salvatore, et al. v. JUUL Labs Canada, Ltd., et al., Quebec, District of Montreal Superior Court, filed June 12, 2019. E-vapor class action.

Stephens, et al. v. JUUL Labs, Inc., et al., British Columbia, Canada Supreme Court, filed October 1, 2019. E-vapor class action.

O'Donnell, et. al. v. JUUL Labs, Canada, Ltd., et al., Ontario, Ontario Superior Court, filed April 17, 2020. E-vapor class action.

His Majesty the King in Right of the Province of British Columbia v. JUUL Labs, Inc., et al., Supreme Court of British Columbia, filed December 12, 2025. E-vapor health care cost recovery action.

See Note 12 for a discussion of these cases.

Exhibit 99.2

TRIAL SCHEDULE FOR CERTAIN CASES

Below is a schedule, as of April 27, 2026, setting forth by month the number of individual smoking and health cases against Philip Morris USA Inc. that are scheduled for but not in trial through June 30, 2026.

2026

Engle progeny

April	0
May	1
June	0

As of April 27, 2026, there are no *Engle* progeny cases in trial.

Other Individual Smoking & Health

April	0
May	0
June	0

As of April 27, 2026, there are no non-*Engle* progeny cases in trial.