



Company	Ticker	Sector	Industry
Altria Group Inc	MO-US	Consumer Staples	Tobacco

Business Description

Altria Group, Inc. operates as a holding company, which engages in the manufacture and sale of cigarettes in the United States. It operates through the following segments: Smokeable Products, Oral tobacco products, and Wine. The Smokeable Products segment consists of cigarettes manufactured and sold by PM USA and machine-made large cigars and pipe tobacco manufactured and sold by Middleton. The Oral tobacco products segment is primarily moist smokeless tobacco products (MSTs) through brands like Copenhagen and Skoal as well as on! oral nicotine pouches sold by Helix. The Wine segment, through subsidiary Ste. Michelle Wine Estates Ltd, produces Washington State wines, primarily Chateau Ste. Michelle and 14 Hands, and owns wineries in or distributes wines from several other wine regions. The company was founded in 1919 and is headquartered in Richmond, VA.

Price Chart



Key Info & Metrics

Empirical Research Rank:	3
Date Purchased:	01/02/2018
Price:	\$46.56
52-Week Range:	\$40.38 - \$56.57
Dividend Yield:	7.90%
Market Cap (\$M):	\$83,444
Forward Price-to-Earnings:	9
Total Return	
Year-to-Date:	1.9%
1 Year:	-0.0%
3 Year:	27.9%
5 Year:	-0.4%

Investment Case - Updated: November 6, 2022

Altria Group is best known for its smokeable tobacco products including the Marlboro brand, but they are working to move beyond traditional combustible products to oral and e-vapor products. Altria's Vision by 2030 campaign is meant to responsibly lead the transition of adult smokers to a smoke free future. This shift is important as cigarette volumes continue to fall industry-wide including a decline of 6.5 percent in the fourth quarter of 2021.

Despite the decline in volumes of traditional cigarettes, Altria managed to grow its smokeable products segment revenue, net of excise taxes in 2021 by 1 percent to \$18.1 billion and its adjusted operating companies income increased 3.1 percent to \$10.4 billion. Altria's oral tobacco products segment, its growth engine generated revenue growth of 3 percent in 2021 to \$2.5 billion but adjusted operating companies income fell 1.6 percent as the company stepped up marketing of its On! brand.

Altria targets paying out approximately 80 percent of adjusted earnings per share in dividends which results in a significantly above market dividend yield.

Disclaimer

CapFinancial Partners, LLC (dba "CAPTRUST") is a registered investment adviser. This report contains analysis/opinions as of the date of the report (subject to change without notice). This is not a recommendation to invest in an individual stock, but rather it is a summary of select data/statistics considered by CAPTRUST in making discretionary investment decisions (and may not include all relevant factors). Investing involves risk, so there is always a possibility of loss. Past performance is not a guarantee of future results. CAPTRUST (and/or associated persons) may engage in securities transactions in a manner inconsistent with the information contained herein.