RESEARCH / EARNINGS AND VALUATION

Altria Stock Q3 2026: Adjusted EPS Up 4.8% as Pricing Offsets Falling Volumes

BY QSI LABS RESEARCH, QSI LABS · PUBLISHED 2 NOVEMBER 2026 · UPDATED 2 NOVEMBER 2026

> **As of:** Figures are as of Altria's third-quarter 2026 results: the earnings release of 29 October 2026 (Form 8-K, Exhibit 99.1) and the Form 10-Q for the quarter ended 30 September 2026, filed on 29 October 2026. Altria's fiscal year is the calendar year, so its Q3 2026 covers July to September 2026. The share price used in our valuation is the NYSE close of MO on 2 November 2026, $77.17. Analyst data were accessed on 2 November 2026. Published 2 November 2026.

The short answer. Altria stock Q3 2026 is a story of higher prices on fewer cigarettes. Altria reported net revenues of $6,132m for the three months to 30 September 2026, up 1.0%, and revenues net of excise taxes of $5,441m, up 3.6%. Reported diluted earnings per share rose 7.1% to $1.51 and adjusted earnings per share 4.8% to $1.52, while domestic cigarette shipments fell 2.9%. Altria raised its 2026 adjusted earnings guidance to $5.66 to $5.74 a share and expanded its share buyback by $1bn. The shares rose 5.2% on results day and closed at $77.17 on 2 November 2026, up 33.8% for the year. Our discounted cash flow model values the shares at $101.49, about 1.32 times the price; the gap comes mainly from a low 6.72% cost of capital and the $13.4bn market value of Altria's stake in Anheuser-Busch InBev, while the model assumes margins come down from today's levels.

Key takeaways

- **Revenue grew 1%, or 3.6% before excise taxes.** Net revenues were $6,132m, up from $6,072m. Excise taxes fell to $691m from $821m, so revenues net of excise taxes rose to $5,441m.
- **Earnings rose faster than revenue.** Operating income rose 2.6% to $3,313m and net earnings attributable to Altria 6.0% to $2,518m. Income from the Anheuser-Busch InBev (ABI) stake rose, and diluted shares fell 0.7% to 1,669 million.

- **Cigarette volumes keep falling.** Domestic cigarette shipments fell 2.9% to 15.7 billion sticks; adjusted for trade inventory, Altria estimates a 4% fall for its own shipments and 5% for the industry. Marlboro's retail share fell 1.0 point to 39.5%.
- **Pricing carried the smokeable business.** Smokeable products operating companies income rose 3.8% to $3,053m and the adjusted margin was 64.5% of revenues net of excise taxes.
- **Pouches grew, but oral tobacco shrank.** on! nicotine pouch shipments rose 13.3% to 47.8 million cans, while Copenhagen fell 10.1% and Skoal 12.6%; oral tobacco income fell 5.4% to $434m.
- **Our value: $101.49 a share,** against a $77.17 close on 2 November 2026. Across costs of capital from 5.72% to 7.72% and terminal growth from 1.5% to 3.5% the model gives $77.27 to $165.98. Analysts' average target is $73.45.
- **What to watch.** The pace of cigarette volume declines, the shift to discount brands, on! against rival pouches, NJOY ACE, which Altria does not expect back on the market in 2026, and litigation.

Key numbers from Altria's Q3 2026 earnings

$5.44bn Q3 2026 revenues net of excise taxes, up 3.6%; net revenues $6.13bn, up 1.0% FORM 10-Q	**$1.52** Adjusted diluted EPS, up 4.8%; reported $1.51, up 7.1% 8-K EX 99.1
$5.66-5.74 2026 adjusted EPS guidance, raised; growth of 4.5% to 6.0% 8-K EX 99.1	**-2.9%** Domestic cigarette shipments; about -4% adjusted for trade inventory 8-K EX 99.1
+13.3% on! nicotine pouch shipments, to 47.8m cans 8-K EX 99.1	**$101.49** QSILabs DCF value per share QSILABS DCF

MEASURE	Q3 2026	Q3 2025	CHANGE
Net revenues	$6,132m	$6,072m	+1.0%
Excise taxes on products	$691m	$821m	-15.8%
Revenues net of excise taxes	$5,441m	$5,251m	+3.6%
Operating income	$3,313m	$3,230m	+2.6%
Net earnings attributable to Altria	$2,518m	$2,375m	+6.0%
Reported diluted earnings per share	$1.51	$1.41	+7.1%
Adjusted diluted earnings per share	$1.52	$1.45	+4.8%
Smokeable products adjusted OCI margin	64.5%	64.4%	+0.1 points
Domestic cigarette shipments	15,725m sticks	16,192m sticks	-2.9%
on! shipments	47.8m cans	42.2m cans	+13.3%

Source: Altria Form 10-Q for the quarter ended 30 September 2026 and Q3 2026 earnings release (Form 8-K, Exhibit 99.1, 29 October 2026). OCI is operating companies income, operating income before general corporate expenses and amortization of intangibles.

Altria Q3 2026 earnings: what happened

Altria released its third-quarter results and filed its Form 10-Q on 29 October 2026. Net revenues rose $60m, or 1.0%, to $6,132m, driven by the smokeable products segment. Altria collects federal excise taxes on cigarettes and passes them on, so it also reports revenues net of excise taxes; these rose 3.6% to $5,441m because excise taxes fell to $691m from $821m.

Operating income rose 2.6% to $3,313m. Below that line, income from investments in equity securities, mainly the ABI stake, rose to $242m from $107m, and interest and other debt expense fell to $270m from $278m. Earnings before income taxes rose 7.0% to $3,290m, the reported tax rate was 23.6% and net earnings attributable to Altria rose 6.0% to $2,518m, or

$1.51 a diluted share. Leaving out special items such as litigation charges, amortization and ABI-related items, adjusted earnings per share were $1.52, up 4.8%.

For the first nine months net revenues were $17,671m, up 1.4%, and revenues net of excise taxes $15,555m, up 3.3%. Reported diluted earnings per share rose 21.2% to $4.18, helped by comparison with an $873m goodwill impairment on the e-vapor business in early 2025, and adjusted earnings per share rose 5.1% to $4.33.



FIGURE 1 Altria's net revenues rose 1.0% to $6.13bn in Q3 2026; revenues net of excise taxes rose 3.6% to $5.44bn.

Altria raised its guidance for 2026 adjusted diluted earnings per share to $5.66 to $5.74, growth of 4.5% to 6.0% from $5.42 in 2025. Chief executive Sal Mancuso said: "Altria delivered strong financial performance in the third quarter, growing adjusted diluted earnings per share by 4.8%, while continuing to invest in our Vision and building on our foundation for the future."

ALTRIA FROM LATE 2025 TO NOVEMBER 2026

31 DEC 2025	2025 net revenues $23,279m and operating income $9,899m after impairments; MO ends the year at $57.66	Form 10-K; Yahoo Finance
7 JAN 2026	MO closes at $54.72, its 52-week closing low	Yahoo Finance
FEBRUARY 2026	About $1.1bn of 4.400% senior notes repaid at maturity	Form 10-Q
AUGUST 2026	Quarterly dividend raised 4.7% to $1.11 a share, the 61st increase in 57 years	8-K Ex 99.1
SEPTEMBER 2026	$0.5bn of 2.625% senior notes repaid at maturity; MO goes ex-dividend on 15 September	Form 10-Q; Yahoo Finance
28 OCT 2026	Board authorizes a $1bn expansion of the share buyback, which now runs to 31 December 2027	8-K Ex 99.1
29 OCT 2026	Q3 results and Form 10-Q; 2026 guidance raised to $5.66-5.74; MO rises 5.2% to $76.75	8-K Ex 99.1; Yahoo Finance
30 OCT 2026	MO closes at $78.03, its 52-week closing high	Yahoo Finance
2 NOV 2026	MO closes at $77.17, the price used in our valuation	Yahoo Finance

Investors liked the quarter. The shares rose 5.2% to $76.75 on 29 October, results day, closed at a 52-week high of $78.03 the next day and ended at $77.17 on 2 November, 14.6% above the 30 September close of $67.34 and up 33.8% for 2026. The 52-week closing low was $54.72 on 7 January 2026.

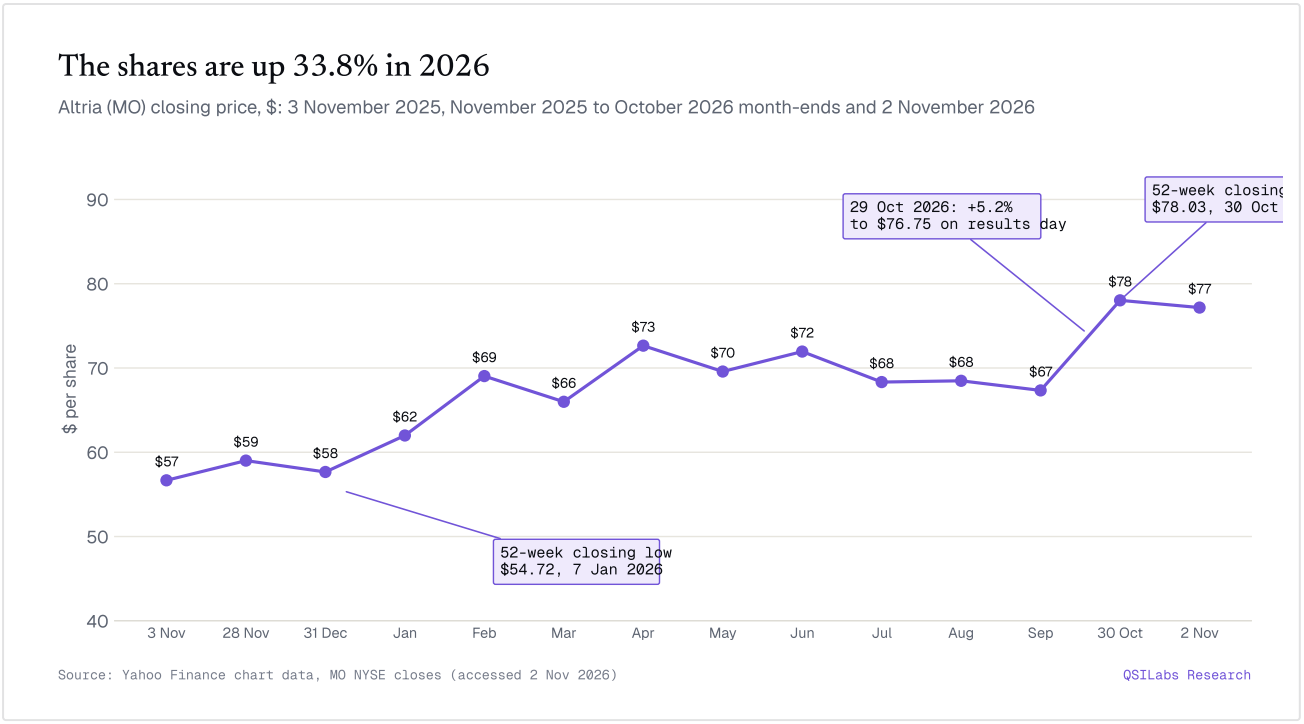


FIGURE 2 Altria shares closed at $77.17 on 2 November 2026, up 33.8% for the year, after rising 5.2% on results day, 29 October.

How did Altria grow earnings with fewer cigarettes?

By charging more. Smokeable products, cigarettes such as Marlboro and cigars such as Black & Mild, made up $5,432m of the $6,132m of net revenues. Segment net revenues rose 0.8%, and Altria said higher pricing more than offset higher promotional spending, lower shipment volume and a shift towards discount brands. Revenues net of excise taxes rose 3.7% to $4,762m and operating companies income 3.8% to $3,053m, helped also by higher refunds of taxes and duties paid on imported cigarettes. The adjusted margin rose 0.1 points to 64.5%.

Volumes are the cost. Marlboro shipments fell 6.4% to 13.3 billion sticks and other premium brands 6.3%, while discount brands such as Basic rose 40.5% to 1.7 billion sticks. Total domestic cigarette shipments fell 2.9%. Marlboro's share of all cigarettes sold at retail fell 1.0 point to 39.5%, but its share of the premium segment rose 0.3 points to 60.0%, and Altria's total cigarette share rose 0.3 points to 45.7%. Discount brands took 34.1% of the industry, up 2.0 points, which Altria put down to "continued discretionary income pressures on adult smokers".

Altria also makes cigarettes for others to sell abroad. These contract-manufactured exports rose to 1,595 million sticks from 311 million, and Altria said it is investing in that capability.

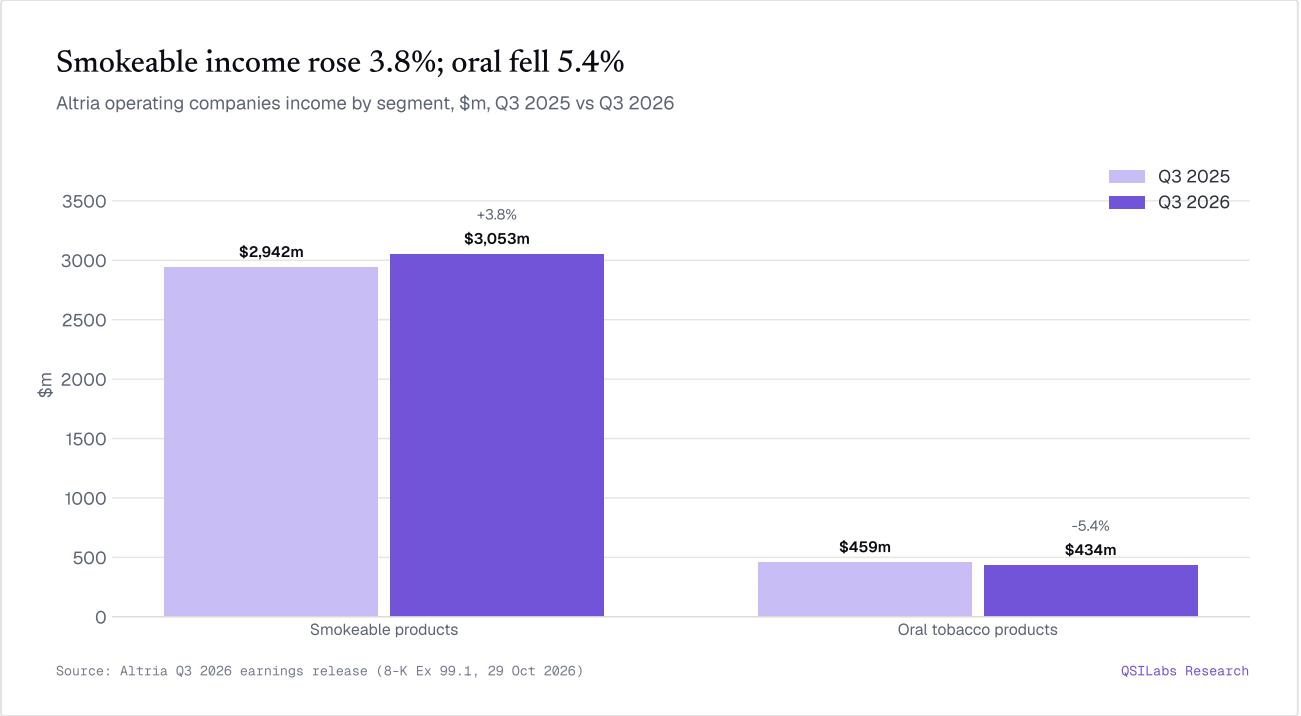


FIGURE 3 Smokeable products income rose 3.8% to $3.05bn in Q3 2026 while oral tobacco income fell 5.4% to $434m.

Over a longer period, revenue has drifted down while profit held up. Net revenues fell from $26.15bn in 2020 to $23.28bn in 2025 as volumes fell and excise taxes went with them, while operating income was between $10.3bn and $11.9bn in every year from 2019 to 2024. It fell to $9.9bn in 2025 because of impairment charges, and we model $12.45bn for 2026.

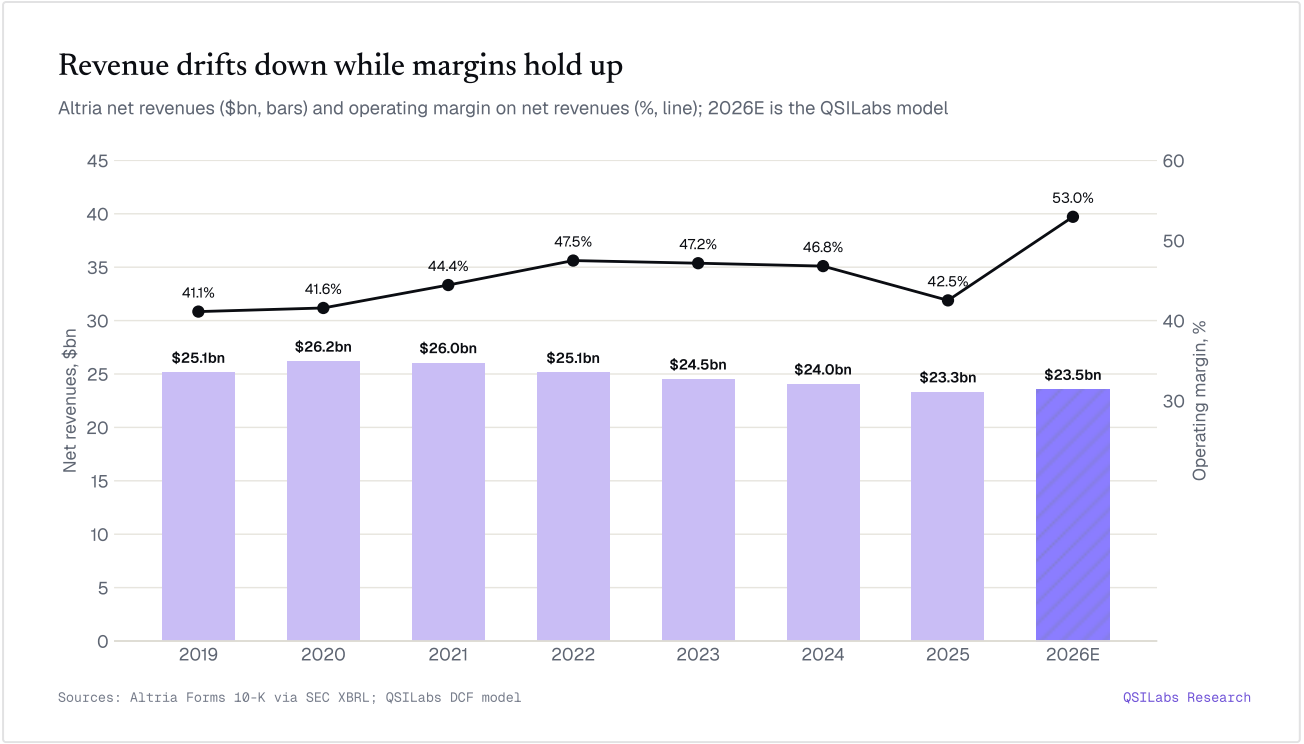


FIGURE 4 Altria's net revenues fell from $26.2bn in 2020 to $23.3bn in 2025, and we model $23.5bn for 2026; the operating margin, on net revenues, was 42.5% in 2025 after impairments, and we model 53.0% for 2026.

Are Altria's nicotine pouches growing?

Yes, but not fast enough to offset moist snuff. Oral tobacco net revenues were flat at $688m. Shipments of on! pouches rose 13.3% to 47.8 million cans, while Copenhagen fell 10.1% to 79.8 million and Skoal 12.6% to 27.1 million, so total oral shipments fell 4.3% to 170.6 million cans. Oral tobacco operating companies income fell 5.4% to $434m, partly on costs of consolidating the smokeless tobacco factories, and the adjusted margin fell 2.8 points to 66.4%.

The category is moving Altria's way only slowly. Nicotine pouches were 61.2% of the US oral tobacco category, up 5.8 points, and Altria estimates the oral industry's volume grew 5.5% over the six months to 30 September. on! held 8.3% of all oral tobacco, up 0.1 points, but its share of the pouch category fell 1.3 points to 13.5%. Altria's total oral share fell 2.7 points to 27.9%. Helix, its pouch business, has rolled out on! PLUS 12-milligram nationally and added two flavours.

E-vapor is still small. NJOY ACE has been off the US market since an International Trade Commission exclusion order took effect on 31 March 2025, and Altria's guidance assumes it does not return in 2026.

How much cash is Altria returning to shareholders?

Almost all of it. In the first nine months Altria paid $5.3bn of dividends and spent $735m buying back 11.2 million shares at an average of $65.78. In August it raised the quarterly dividend 4.7% to $1.11 a share, its 61st increase in 57 years, an annual rate of $4.44, or 5.75% of the 2 November close. The board has added $1bn to the buyback programme, which now runs to 31 December 2027, and Altria targets mid-single-digit dividend growth each year through 2028.

The balance sheet is steady. Debt was $24.1bn at 30 September, down from $25.7bn at the end of 2025 after Altria repaid $1.1bn of notes in February and $0.5bn in September, against cash of $2.7bn. Altria targets debt of about 2.0 times its credit-agreement EBITDA. It also owns about 8.1% of ABI, roughly 159 million shares that it carried at $9.0bn against a fair value of $11.8bn at 30 September, and about 42.6% of the cannabis company Cronos.

Altria stock Q3 2026: is MO undervalued?

On our numbers, yes. Our model values Altria at $101.49 a share, about 1.32 times the $77.17 close on 2 November 2026.

We forecast operating income and the cash Altria's tobacco businesses generate after tax and investment, and discount it at the weighted average cost of capital. That gives unlevered free cash flow of $9.86bn in 2027, $9.29bn in 2030 and $8.71bn in 2036 and an enterprise value of $178.3bn. To reach equity value we add cash of $2.7bn and deduct debt of $24.1bn, the $1.86bn dividend declared before 30 September and still payable at that date and the after-tax pension and retiree health deficit of $0.84bn. We add the ABI stake at the 2 November ADR price of $83.97, $13.35bn, the Cronos stake at $0.52bn and $0.79bn of cash generated between 30 September and 2 November net of interest. That gives an equity value of $168.8bn, or $101.49 a share on 1,663.4 million shares.

The cost of capital is 6.72%. The cost of equity is 6.97%: a US 10-year Treasury yield of 5.12% plus a beta of 0.41 times an equity risk premium of 4.46%. The beta is the global tobacco industry's unlevered beta of 0.363 relevered at Altria's debt-to-equity ratio of 0.19, and the risk premium is the US premium because almost all of Altria's revenue is in the United States. Debt is 15.8% of capital at an after-tax cost of 5.39%. After 2036 we assume growth of 2.5% a year; that terminal value is 62.4% of enterprise value.

Plainly, two things drive the value. Tobacco shares move little with the market, so the beta and the discount rate are low; Altria's own five-year beta, 0.46 according to StockAnalysis, is a little higher, and at a 7.22% cost of capital the model gives $90.90. And the ABI stake alone adds about $8.03 a share. On the cash flows, 2027 free cash flow is about 7.7% of the market value.

Our forecast for Altria

Altria's fiscal year is the calendar year. We forecast on net revenues, which include excise taxes, but build the forecast on revenues net of excise taxes, which analysts forecast and Altria uses for its margin goals. For 2026 we take S&P Global's consensus revenue net of excise taxes of $20.71bn, compiled by StockAnalysis, which implies $5.16bn in the fourth quarter. For 2027 we take consensus of $20.91bn, growth of 0.97%, and hold that rate in 2028, the end of Altria's 2028 goals period. Growth then rises in a straight line to 2.5% in 2036. Excise taxes fall 4% a year, in line with Altria's estimate of its underlying cigarette volume decline, so net revenues grow more slowly: from $23.52bn in 2026 to $23.60bn in 2027 and $26.27bn in 2036.

Operating income is $12.45bn in 2026, from consensus adjusted earnings per share of $5.70, and $12.93bn in 2027, from consensus of $5.92. That is a margin of 61.8% of revenues net of excise taxes in 2027, which we hold in 2028, when Altria targets an adjusted OCI margin of at least 60%. We then move it in a straight line to 55.7% in 2033, Altria's average operating margin on revenues net of excise taxes from 2021 to 2025 with impairments added back, and hold it there. On net revenues the margin goes from 54.8% in 2027 to 51.8% in 2036. Tax is 23.0%, Altria's adjusted effective rate for the first nine months.

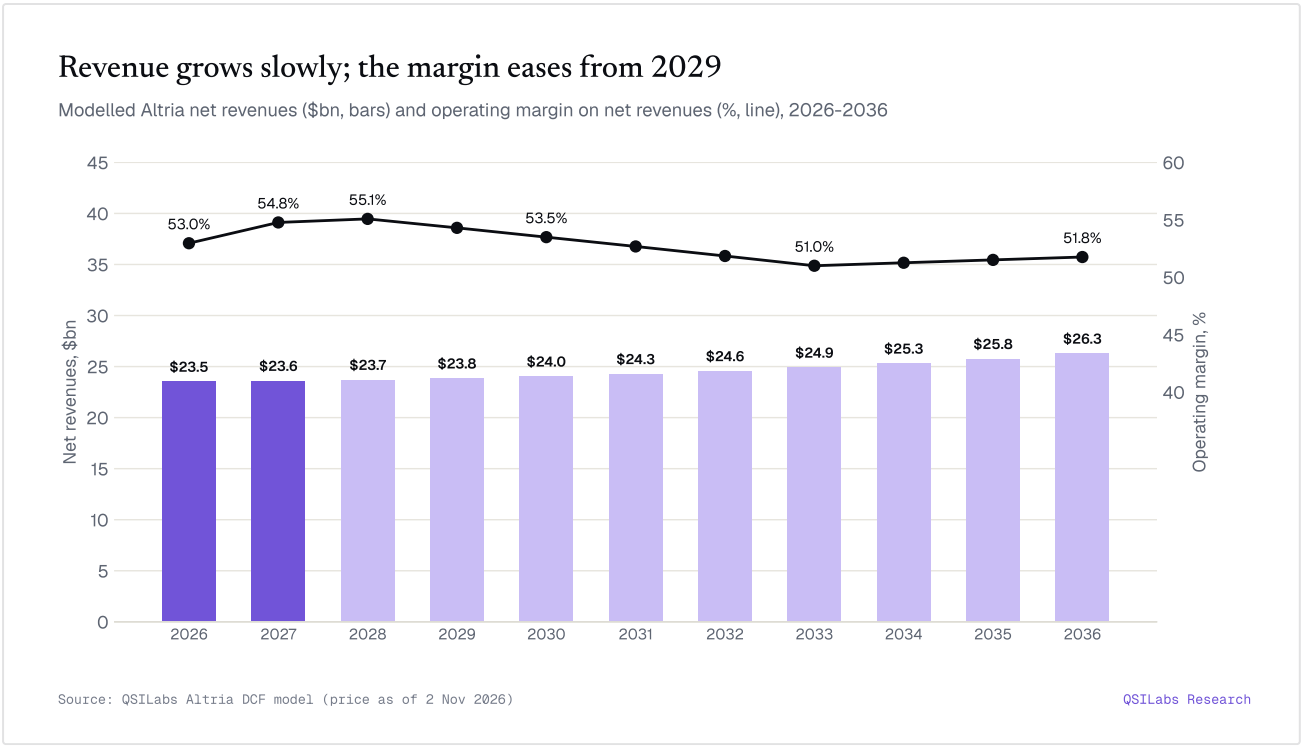


FIGURE 5 We forecast net revenues rising from $23.5bn in 2026 to $26.3bn in 2036, with the operating margin on net revenues at 54.8% in 2027 and 55.1% in 2028, falling to 51.0% in 2033 and 51.8% in 2036.

Capital spending is $337.5m in 2026, the middle of Altria's $300m to $375m guidance, and the same 1.44% of net revenues in 2027. After that our house method raises it each year to a long-run level of 7.94% of revenue in 2036, far above the 0.6% to 0.9% Altria spent in 2024 and 2025. Held at the guided 1.44%, the model gives $104.68.

Our previous model, priced at the 21 October close of $73.83, gave $101.91. It used revenue growth of 2.1% a year rising to 2.5% without a cited source and an operating margin held at 46.7% of net revenues. On that old growth and margin path, today's model gives $100.37, so the sourced forecast adds $1.12. Holding the 2027 margin to 2036 instead of letting it fall gives $111.00, and zero terminal growth, for a business whose volumes are shrinking, gives $87.19.

How the number moves if you argue with us

The table shows our value per share at different costs of capital and terminal growth rates. At a 7.72% cost of capital and 1.5% terminal growth, the corner of the grid, the model gives $77.27, about the share price.

COST OF CAPITAL	GROWTH 1.5%	GROWTH 2.0%	GROWTH 2.5%	GROWTH 3.0%	GROWTH 3.5%
5.72%	$114.81	$122.49	$132.52	$146.20	$165.98
6.22%	$102.43	$107.95	$114.92	$124.03	$136.44
6.72%	$92.43	$96.49	**$101.49**	$107.80	$116.04
7.22%	$84.19	$87.23	$90.90	$95.41	$101.10
7.72%	$77.27	$79.59	$82.33	$85.63	$89.68

A simpler two-stage cross-check in the same workbook gives $95.40.

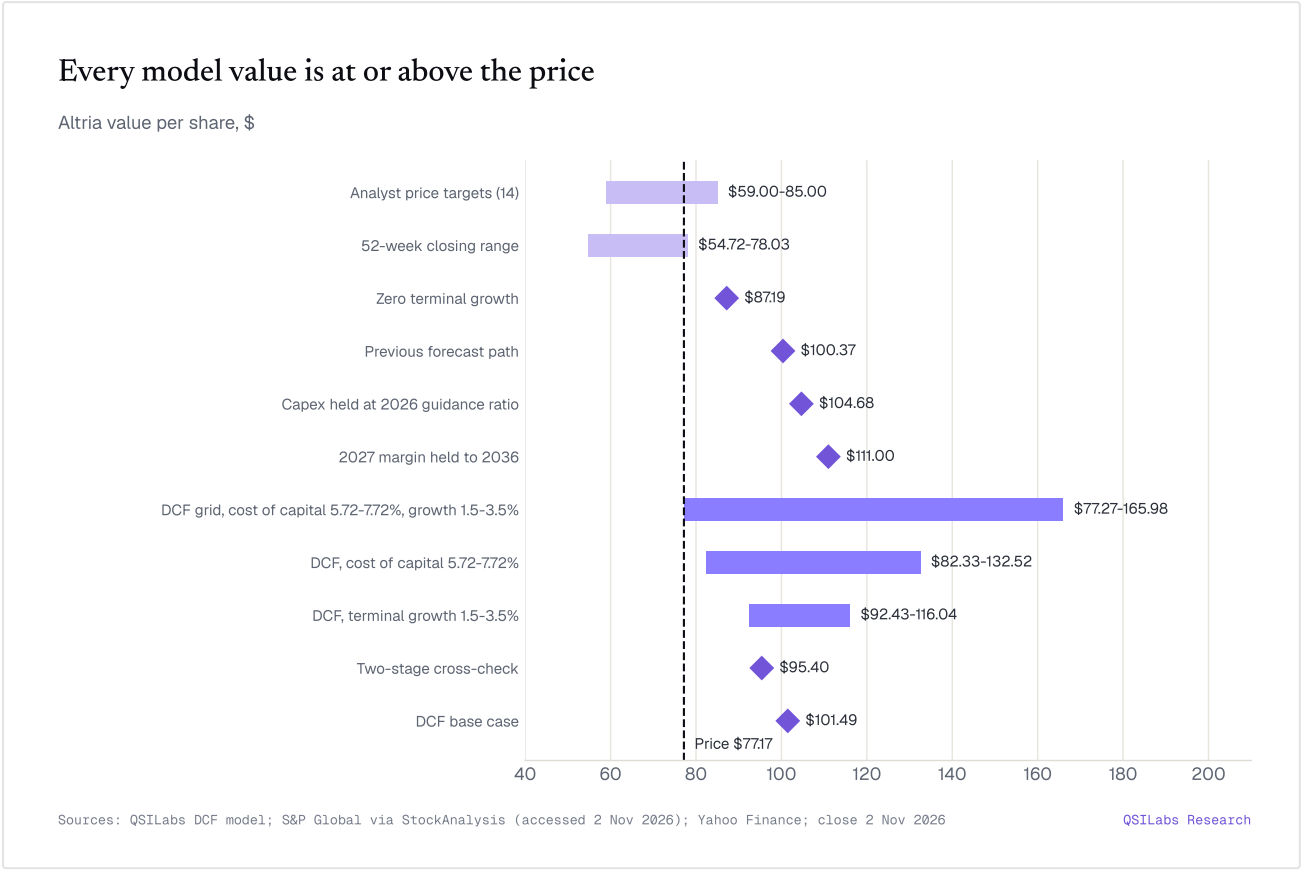


FIGURE 6 Every version of our model gives a value at or above the $77.17 share price, from $77.27 to $165.98; analysts' price targets range from $59 to $85.

For the share price to be right on our method, investors would need a cost of capital near 8% with low terminal growth, or profits that shrink with volumes rather than grow with prices.

Risks to the Altria investment case

- **Volumes.** Altria estimates its underlying cigarette shipments fell 4% and the industry 5%. Faster declines would test how far prices can rise.
- **Trading down.** Discount brands took 34.1% of the industry in the quarter, up 2.0 points, and Marlboro's share fell 1.0 point. More trading down would squeeze revenue per pack.
- **Smoke-free products.** on! is losing share of the pouch category and NJOY ACE is off the market, so Altria still depends on cigarettes for most of its profit.
- **Regulation and taxes.** Excise tax increases, FDA rules and actions against illicit flavored e-vapor products can all change demand.
- **Litigation.** Altria accrued $141m for tobacco and health and other litigation at 30 September and faces further suits, including patent cases over NJOY ACE.
- **Valuation risk.** Our value relies on a 6.72% cost of capital and on margins staying near their history. At 7.72% and 1.5% terminal growth it falls to $77.27, about the price.

FAQ

What value does QSILabs put on Altria stock?

Our discounted cash flow model gives $101.49 a share, against a $77.17 close on 2 November 2026. Across costs of capital from 5.72% to 7.72% and terminal growth from 1.5% to 3.5% the value ranges from $77.27 to $165.98. A two-stage cross-check gives $95.40.

Should I buy Altria stock after the Q3 2026 results?

We do not give personal advice. Altria grew adjusted earnings per share 4.8% and raised guidance, but cigarette volumes are falling about 4% a year and its smoke-free products are still small. On our numbers the shares trade below the value of their cash flows, largely because of a low cost of capital. Read the sensitivity table and the risks above before deciding.

How much did Altria earn in the third quarter of 2026?

Altria reported net earnings attributable to the company of $2,518m for the three months to 30 September 2026, up 6.0% from $2,375m, on net revenues of $6,132m. Reported diluted

earnings per share were $1.51 and adjusted earnings per share $1.52.

What is Altria's 2026 earnings guidance?

Altria expects 2026 adjusted diluted earnings per share of $5.66 to $5.74, growth of 4.5% to 6.0% from $5.42 in 2025. It raised the range with its third-quarter results on 29 October 2026.

How fast are Altria's cigarette volumes falling?

Altria's domestic cigarette shipments fell 2.9% to 15,725 million sticks in the third quarter of 2026. Adjusted for trade inventory movements, Altria estimates its shipments fell about 4% and the US industry's about 5%.

What share of the nicotine pouch market does on! have?

on! had 13.5% of the US nicotine pouch category in the third quarter of 2026, down 1.3 points, and 8.3% of all oral tobacco. Its shipments rose 13.3% to 47.8 million cans.

How much is Altria's dividend?

Altria pays $1.11 a share each quarter, $4.44 a year, after a 4.7% increase in August 2026. That is a yield of about 5.75% on the $77.17 close on 2 November 2026.

What price target do analysts have for MO?

The 14 analysts compiled by StockAnalysis have an average target of $73.45, about 4.8% below the $77.17 close on 2 November 2026, with a low of $59 and a high of $85. Their consensus rating is Hold.

How much debt does Altria have?

Altria had $24.1bn of debt at 30 September 2026, including $1.2bn due within a year, and $2.7bn of cash. It repaid $1.6bn of notes at maturity in 2026 and targets debt of about 2.0 times EBITDA as defined in its credit agreement.

What is Altria's stake in Anheuser-Busch InBev worth?

Altria owns about 8.1% of ABI, roughly 159 million shares. At the 2 November 2026 ADR price of $83.97 that is about $13.35bn, or about $8 per Altria share; Altria's 10-Q put the fair value

at $11.8bn on 30 September.

Who runs Altria?

Sal Mancuso is Altria's chief executive officer, according to its third-quarter 2026 earnings release.

Sources

1. Altria Group, Inc., Form 10-Q for the quarter ended 30 Sep 2026 (filed 29 Oct 2026; accession 0000764180-26-000114) www.sec.gov
2. Altria Group, Inc., 2026 third-quarter and nine-months results (Form 8-K, Exhibit 99.1, 29 Oct 2026; accession 0000764180-26-000112) www.sec.gov
3. Altria Group, Inc., Form 10-K for the year ended 31 Dec 2025 www.sec.gov
4. SEC XBRL company facts for Altria (CIK 764180): annual and quarterly net revenues and operating income data.sec.gov
5. StockAnalysis: Altria forecast and analyst ratings, S&P Global data (accessed 2 Nov 2026) stockanalysis.com
6. StockAnalysis: Altria statistics (accessed 2 Nov 2026) stockanalysis.com
7. Yahoo Finance chart data: MO, BUD and CRON closing prices and MO dividends (November 2025 to November 2026) query1.finance.yahoo.com
8. Damodaran Online: global industry betas, cost of capital and country equity risk premiums, January 2026 pages.stern.nyu.edu
9. QSILabs Altria discounted cash flow model (internal; price as of 2 Nov 2026)

About this analysis

Written by QSI Labs Research. We read Altria's filings (the Form 10-Q for the quarter ended 30 September 2026, the third-quarter earnings release filed with the SEC on Form 8-K, the Form 10-K for 2025 and annual and quarterly data in SEC XBRL) and value the company with a discounted cash flow model: revenue and operating margin are forecast year by year to 2036, and unlevered free cash flow is discounted at the weighted average cost of capital, with a terminal value after that; debt is deducted and the ABI and Cronos stakes are added at market value. Forecasts are QSILabs estimates based on S&P Global consensus and Altria's 2028 goals; every reported figure is cited to its source. Figures as of Q3 2026 results; price as of the 2 November 2026 close.

Disclaimer

This article is for information only and is not investment advice, a recommendation or an offer to buy or sell any security. QSI Labs and its authors may hold positions in the securities discussed. Forecasts and valuations are estimates that depend on assumptions that may prove wrong. Figures are taken from company filings and third-party sources believed to be reliable, but we do not guarantee their accuracy. Do your own research or consult a licensed adviser before investing.