



PT HM SAMPOERNA Tbk.

Number : 109/CLD/HMS/VIII/2024
 Attachment : Attendance List and Q&A
 Re. : Report on the Implementation of Public Expose of
 PT Hanjaya Mandala Sampoerna Tbk. (the "**Company**")

Jakarta, August 1, 2024

To.

The Board of Directors of PT Bursa Efek Indonesia

Indonesia Stock Exchange Building

Jl. Jend. Sudirman Kav. 52-53

Jakarta - 12190

Attn.: Head of Company Evaluation Division I

Dear Sirs,

Referring to the Decree of the Board of Directors of PT Bursa Efek Indonesia Number: Kep-00066/BEI/09-2022 dated October 1, 2022, concerning Amendment to Rule Number I-E concerning the Information Disclosure Obligation and Letter from PT Hanjaya Mandala Sampoerna Tbk. ("Company") No.099/CLD/HMS/VII/2024 dated July 15, 2024, concerning Submission of Public Expose Plan, the Company's Letter No.103/CLD/HMS/VII/2024 dated July 24, 2024, regarding Submission of Public Expose Material, and the Company's Letter No.108/CLD/HMS/VII/2024 dated July 31, 2024, regarding additional information to the Public Expose material, hereby the Company submits Report on the Implementation of Public Expose which has been held:

Date : Monday, July 29, 2024
 Time : 10.00 - 11.00 Western Indonesian Time
 Venue : Glass House (Lantai 8)
 The Ritz-Carlton Jakarta - Pacific Place,
 Sudirman Central Business District (SCBD),
 Jl. Jenderal Sudirman Kav. 52-53, Lot 3 & 5,
 Jakarta – 12190
 Agenda : The Company's performance for Semester 1 2024

Participants attending the Public Expose (excluding the Management and employees of the Company) are 47 persons, consisting of financial analysts, media journalists and public in detail as set forth in Appendix 1.

The material of the Public Expose is presented by the Management of the Company, as follows:

No	Material	Speaker
1.	External Environment	The Ivan Cahyadi
	Sampoerna Business Performance, Strategy, and Initiatives	
	Sampoerna Untuk Indonesia	
	Wrap Up	
2.	Question and Answer	



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After the presentation by Management of the Company, the audience was given the opportunity to ask questions. Questions and answers take place in Bahasa Indonesia and English which are further summarized in Bahasa Indonesia and in detail as attached in Appendix 2.

Hence we convey the report, thank you.

Best Regards,

PT Hanjaya Mandala Sampoerna Tbk.

Signed and sealed

Andy Revianto

Corporate Secretary



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Attachment 1

**DAFTAR HADIR - ATTENDANCE LIST
PAPARAN PUBLIK - PUBLIC EXPOSE
PT HANJAYA MANDALA SAMPOERNA Tbk.
29 JUL 2024**

No	Nama Lengkap / Full Name	Nama Institusi / Name of Institution
1	Adrian Joezer	Mandiri Sekuritas
2	Azzahra Nasution	Masyarakat Umum / Public
3	Beatrice Benecia Setiawan	BNI Sekuritas
4	Christine Natasya	Bahana sekuritas
5	Diantha Putri	Sucor Sekuritas
6	Elizabeth Noviana	CGSI
7	Fabian Susanto	BCA Sekuritas
8	Faiq Asad	Maybank Sekuritas
9	Ronald Nawing	Sampoerna
10	Gina	Sampoerna
11	Jacob pondaag	Masyarakat Umum / Public
12	Jocelyn Santoso	Maybank Sekuritas
13	Ken Sukendra	Masyarakat Umum / Public
14	Laksmi Febriyanti	BNI Sekuritas
15	Natalia Sutanto	BRI Danareksa Sekuritas
16	Niko Pandowo	Sucor Sekuritas
17	Putu Chantika	Ciptadana Sekuritas
18	Sabela Nur Amalina	BRI Danareksa Sekuritas
19	Tarra Laurentia	BCA Sekuritas
20	Vida Cornelius	Ashmore
21	Wendy	RHB Sekuritas
22	Arianto Dermawan	Masyarakat Umum / Public
23	Andy Chandra	Masyarakat Umum / Public
24	Teddy Wiliharum	Masyarakat Umum / Public
25	Tan Meilanti	Masyarakat Umum / Public
26	Yansen	Masyarakat Umum / Public
27	Sutrimayanti	Masyarakat Umum / Public
28	The Cun	Masyarakat Umum / Public
29	Henry	Masyarakat Umum / Public



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Attachment 1

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PAPARAN PUBLIK - PUBLIC EXPOSE
PT HANJAYA MANDALA SAMPOERNA Tbk.
29 JUL 2024**

No	Nama Lengkap / Full Name	Nama Institusi / Name of Institution
30	Sandra regina	Masyarakat Umum / Public
31	Syefruil yuzartan	Masyarakat Umum / Public
32	Sibarani vla cusdi	Masyarakat Umum / Public
33	hasan wadjo	Media/Kompasindo.com
34	Eko Wahyudi	Media/Fortune Indonesia
35	Hana	Media/Katadata
36	Annisa Dea	Media/Kompas.com
37	Maria F	Media/JPNN
38	Matheus	Media/Tribunnews
39	Lenidira	Media/Kontan
40	Sudibyo	Media/The Jakarta Post
41	Elga Nurmutia	Media/CNBC Indonesia
42	Thomas Mola	Media/Bisnis Indonesia
43	Artha	Media/Bisnis Indonesia
44	Ade Hapsari	Media/Medcom.id
45	Pipit	Media/Liputan6.com
46	Tangguh	Media/IDX Channel
47	Heri	Media/Antaranews



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Attachment 2

PT Hanjaya Mandala Sampoerna Tbk.

Public Expose 2024 – Q&A Session

July 29, 2024 at 10.00 – 11.00

Question 1

Elga Nurmutia – *from CNBC Indonesia*

Good morning everyone, I am Elga from CNBC Indonesia. I have a question. Recently, the Indonesian government has highlighted the increasing trend of consumers switching to cheaper cigarette segment. This has been cited as one of the reasons for the decline in tobacco excise revenue. What is Sampoerna's response to this downtrading phenomenon? Could you elaborate on the points mentioned earlier? Thank you.

Ivan Cahyadi – *President Director of PT HM Sampoerna Tbk.*

Thank you for the question. As we have mentioned earlier, the downtrading phenomenon is something we need to carefully observe. Indonesia shows a strong economic growth, as seen from our GDP growth. However, the consumer confidence index and the consumer purchasing power appears to be softening and is not only impacting the tobacco industry, but other industries in general.

These economic factors have led to the increased growth of illegal cigarettes, and according to the study done by the Directorate General of Customs and Excise with UGM, illegal cigarettes have increased 50% compared to 2020.

The same can be said about the growth of Below Volume Tier 1 cigarettes of 5 points in the first half of 2024 compared to the first half 2023. We continue to observe these issues, along with the upcoming excise tax policies, which we hope will consider the challenges that we have mentioned before, to ensure the sustainability of the legal tobacco industry. We hope that multi-year excise tax policy will remain, moderate excise tax increase with measurable economic parameter, such as inflation.

We also hope for continuous protection of the labour-intensive SKT segment, a fair excise tax gap between tax tier to create level playing field, risk-based excise policy and eradication of illegal cigarettes. Hopefully this answers your questions.

Question 2

Wendy – *from RHB Securities*

I'm Wendy from RHB Securities. I have a few questions. First, what does Sampoerna expect from the government regarding cigarette excise policies in 2025, both in terms of percentage and structure? Second, how big is the market for electronic cigarettes (vape) in Indonesia, and what



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are the revenue targets for *IQOS* and *VEEV*? Lastly, does the company plan to launch an open-system *VEEV*? Thank you.

Ivan Cahyadi – President Director of PT HM Sampoerna Tbk.

Thank you for the question. Regarding excise, as I previously mentioned, the excise tax increase since the pandemic period until 2024, on average, is four times the inflation rate. Both the industry players and government need to understand the importance of moderate excise tax increase with measurable economic parameters such as inflation.

We hope government to consider these factors for fiscal policy in the tobacco industry: the continuity of the multi-year policy, a moderate excise tax increase based on a measurable parameters, the protection of the labour-intensive SKT segment, a risk-based excise policy to support innovation in the tobacco industry, and a solution for accelerating growth of downtrading as I mentioned in my presentation, specially in the SKM segment.

On your second question related to smoke-free products, Sampoerna is continuously innovating through new product launches. Last Friday, we launched *TEREA Sun Pearl* and *TEREA Oasis Pearl*, to further support the growth of our smoke-free products. To answer Pak Wendy's question regarding the growth and the size of the smoke-free product. In Urban Jakarta, *IQOS* market share has reached 4.5% in the second quarter 2024, a 1.8-points increase versus the second quarter 2023. *IQOS* legal age users as of Q2'2023 have reached more than 200,000.

As for the vape industry, we recently launched *VEEV Now* and *VEEV One*, focusing on the closed-system liquid market in targeted areas of several urban cities. We currently have no plans to enter the open-system market.

Question 3

Lakshmi Rowter – from CITIGROUP

I'm Lakshmi from Citigroup Securities. Sampoerna is a significant contributor to the economy. However, the market share of legal cigarettes continues to decline. What advice does Sampoerna have for the government to reduce illicit cigarette sales? What concrete steps should be taken? Secondly, in the SKM segment, does Sampoerna prioritizes market share or profitability? and how will this affect future pricing policies? Lastly, can you share any trends in market share or volume for SKT? Thank you.

Ivan Cahyadi – President Director of PT HM Sampoerna Tbk.

Thank you for your questions, ibu Lakshmi. Regarding illicit cigarettes, Sampoerna as an industry player has been working hand-in-hand with the government and appreciates the government's efforts in combating illegal cigarettes, which includes prevention and countermeasures. Despite the effort, illegal cigarettes still continue to grow in number. We believe there is a need for a more effective measure in countering illegal cigarettes that involves all stakeholders, especially with Indonesia having 17,000 islands. We hope more efforts will be in place for the protection of all legal industry players; and again this involves all stakeholders to lower the rate of illegal cigarettes.



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On your second question, Sampoerna is the market leader in the Indonesian tobacco industry and within segment, the leader in the SKM Low Tar and SPM segments. In the SKM High Tar (SKM HT) segment, we gained the most share of SKM HT segment. Based on research, our brands have the highest brand equity and relatively high growth in brand equity. *Dji Sam Soe* *Magnum* has the highest brand equity growth last year. While brand equity of *Sampoerna A* or *A Mild* is almost double than the average of key brands.

Though we are unable to elaborate further on our future strategies, the equity of our brands is important. We continue to focus on innovation, in product, brand campaign and adult smokers programs to provide sustainable value. A concrete example of innovation is our most recent launch of *Sampoerna A Gala* which incorporates capsule innovation. So, we will continue to put forward efforts for innovation and brand building, so that we can provide sustainable value. This also includes innovations in our smoke-free products.

On the SKT segment, the protection of the labour-intensive SKT segment is not only the responsibility of the government, but also all the industry players, which should be reflected through excise tax policy and innovation. As an industry player, in Q2 this year we have introduced new SKT brands as part of our innovation.

In addition, this year Sampoerna has added SKT production facilities across Java. This is a part of our commitment to continuously contribute to Indonesia and at the same time delivering innovation and value added to the SKT adult smokers. We show our contribution to the SKT segment through new product launches, two of which are *Sampoerna Kretek Prima* and *Magnum Kretek*, leveraging growing brand equity of Sampoerna's brands.

Question 4

Sudibyo M. Wiradji – *from The Jakarta Post*

I'm Sudibyo from The Jakarta Post. Sampoerna is known for its commitment towards human resource development. Can you elaborate on Sampoerna's commitment to developing its employees and other stakeholders in the supply chain, from tobacco farmers to traditional retailers? Thank you.

Ivan Cahyadi – *President Director of PT HM Sampoerna Tbk.*

As a company that has operated for 111 years in Indonesia, Sampoerna is highly committed to employee development. We employ over 90,000 people, all of whom receive training to enhance their skills and qualifications.

Programs such as "Skills for the Future" help employees develop not only for today but also future-ready skills. We also have the HOPE (Help, Overcome, Prepare, Energize) Program – an entrepreneurship and financial literacy training scheme as part of the additional postemployment or retirement program.

Our commitment extends beyond our employees and to the entire supply chain, including 22,000 tobacco and clove farmers which I believe is big. We show our commitment by practicing the Good Agricultural Practices and Agricultural Labor Practices. We are committed to preventing child labor, a good working condition, and creating a safe working environment.



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We also support MSMEs through various initiatives. Last Monday, I attended “Pesta Rakyat,” a collaboration event between Sampoerna, Indonesia Business Chambers (KADIN) and the government. Together with KADIN and the government, we are supporting MSMEs to grow not only in Indonesia but also go international through export. I was able to meet various types of inspiring MSMEs. I have also encountered successful MSMEs, with one MSME exporting their products to Japan and another MSME winning a world baking championship in Paris.

Sampoerna's support to MSME started in 2007 through our Sampoerna Entrepreneurship Training Center (SETC) program. These accomplishments are truly Sampoerna's pride and joy as it shows that we are not focused only on the business aspect, but also on creating multiplier effect to Indonesia. At retail, “Sampoerna Retail Community (SRC)” SRC has grown into more than 250,000 SRC Stores throughout Indonesia, again a big accomplishment.

We implement these programs as part of Sampoerna's commitment in adding value throughout our supply chain, in alignment with our three-hand philosophy. If there is anything you would like to add Ibu Elvira, please go ahead.

Elvira Lianita – External Affairs Director of PT HM Sampoerna Tbk.

I believe Pak Ivan has summarized it well. Sampoerna's commitment to human resource development are not limited to Sampoerna employees, but inclusive of the community as a whole. We believe that the development of human resources will not only drive company growth, but will also contribute to the broader economy and society.