



PT HM SAMPOERNA Tbk.

Public Expose

Mindaugas Trumpaitis

May 9, 2019

Forward-Looking and Cautionary Statements

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- HMS' business risks include: significant increases in cigarette-related taxes; the imposition of discriminatory excise tax structures; fluctuations in customer inventory levels due to increases in product taxes and prices; increasing marketing and regulatory restrictions, often with the goal of reducing or preventing the use of tobacco products; health concerns relating to the use of tobacco products and exposure to environmental tobacco smoke; litigation related to tobacco use; intense competition; regulatory and political developments; changes in adult smoker behavior; lost revenues as a result of counterfeiting, contraband and cross-border purchases; governmental investigations; unfavorable currency exchange rates and currency devaluations; adverse changes in applicable corporate tax laws; adverse changes in the cost and quality of tobacco and other agricultural products and raw materials; and the integrity of its information systems. HMS' future profitability may also be adversely affected should it be unsuccessful in its attempts to produce products with the potential to reduce exposure to harmful constituents in smoke, individual risk and population harm; if it is unable to successfully introduce new products, promote brand equity or improve its margins through increased prices and productivity gains; if it is unable to expand its brand portfolio internally and the development of strategic business relationships; or if it is unable to attract and retain the best global talent.
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Key highlights

- Positive economic trend
- Cigarette industry
 - Industry volume decline has slowed down
 - Trade inventory adjustment in Q1-2019 reflecting decline in speculative trading following the absence of tax driven price increases
- Sampoerna performance
 - #1 in volume share; leading in 3 cigarette categories (SKM, SKT, SPM)
 - Solid financial results
 - Well-positioned product portfolio and talented organization
- Investing in Indonesia by partnering with Small and Medium Entrepreneurs

Supporting the growth of Small Medium Enterprises and Digitalizing the Commercial Ecosystem



Sampoerna Retail Community "AYO" SRC

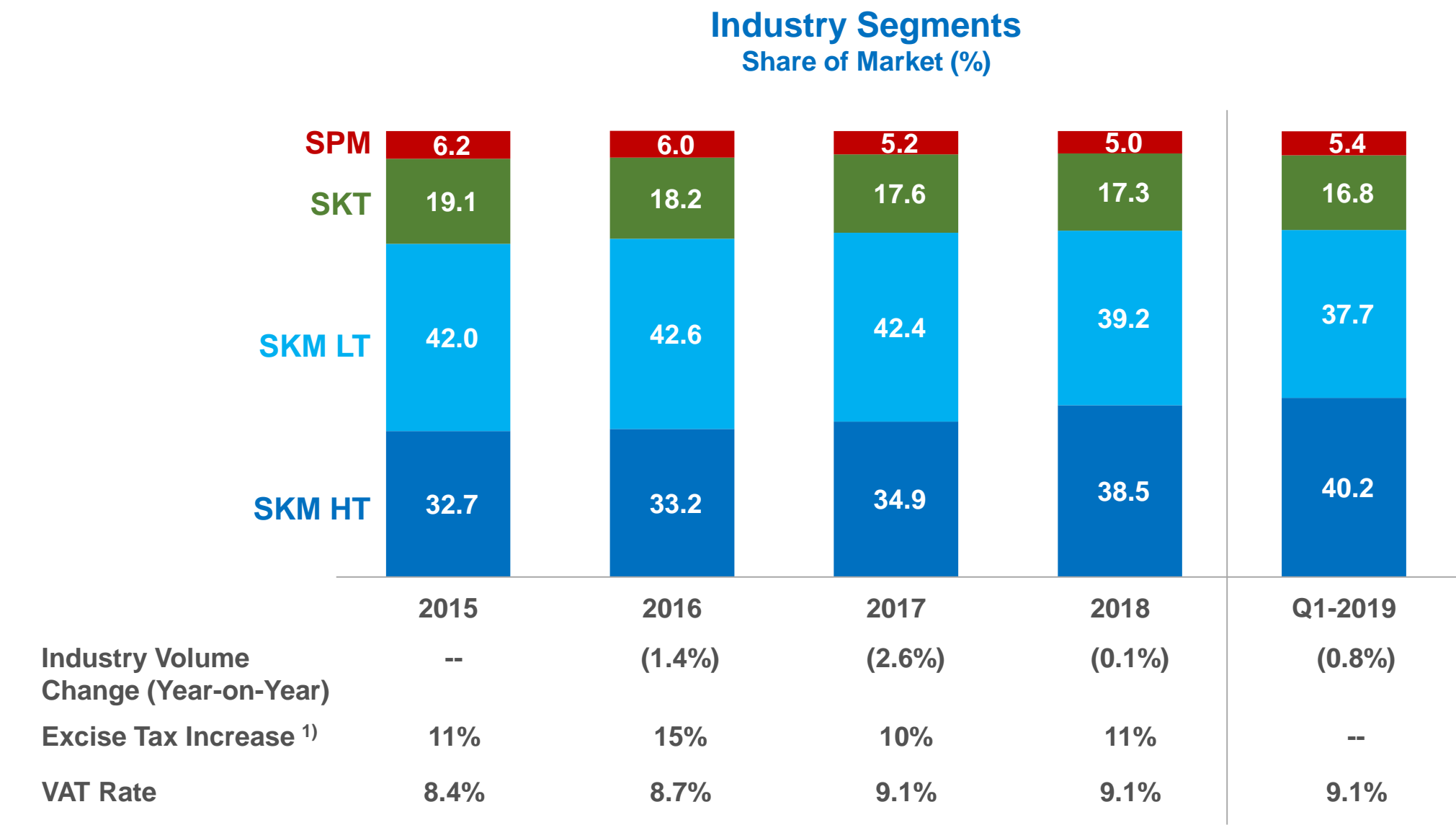
Kelola toko menjadi lebih mudah dan pendapatan menjadi lebih untung dengan AYO SRC

Pesan langsung dengan agen yang terdaftar tanpa antri

The image shows two smartphones displaying the AYO SRC app interface. The left phone shows the home screen with a store location, a price of 3.250, and a button to "DAPATKAN! 1 BUAH PIRING CANTIK". The right phone shows the "Order Online" screen with a total price of 2.400 and a button to "DAPATKAN! 1 BUAH PIRING CANTIK".

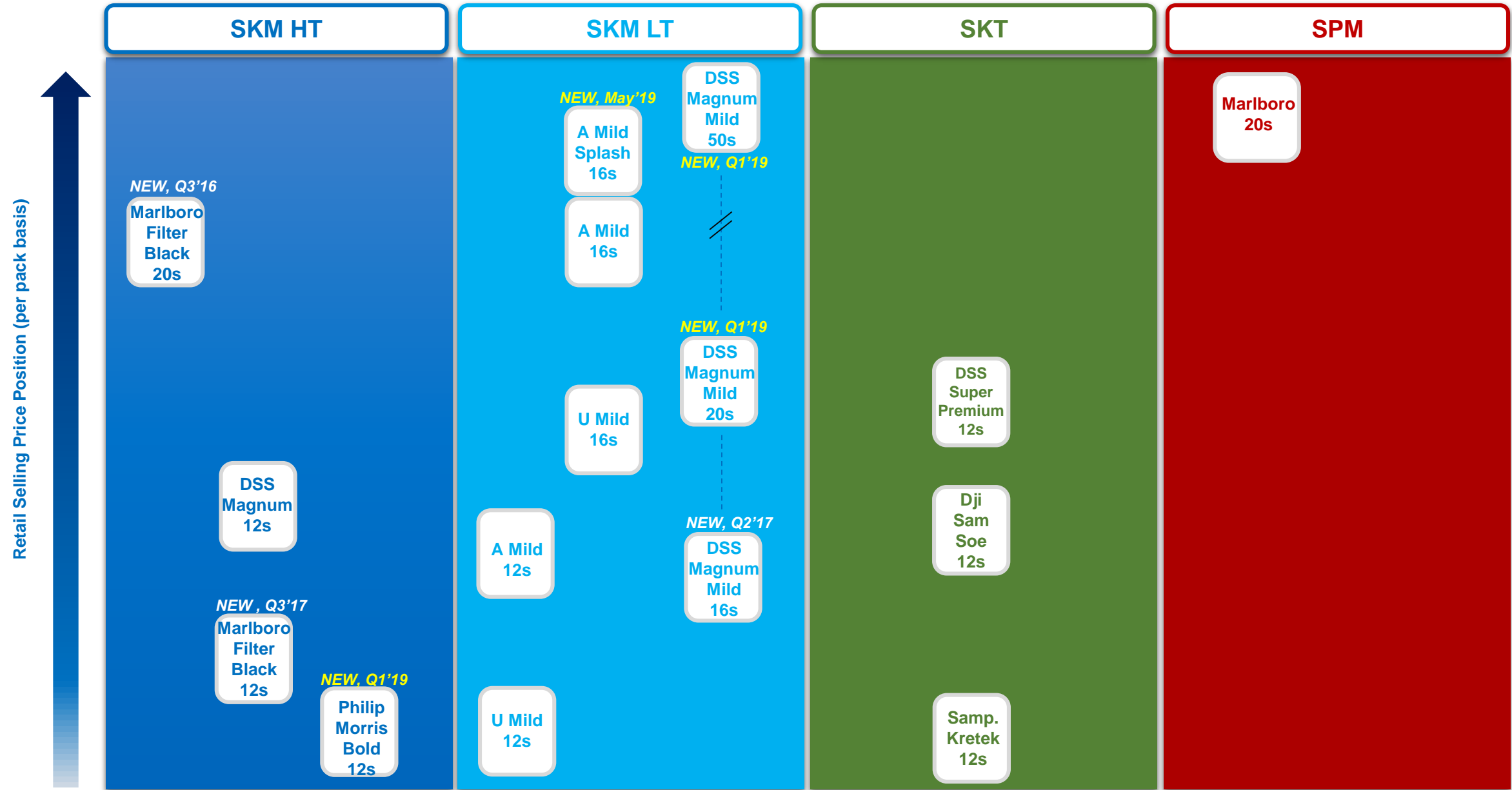


Industry volume decline has slowed down. SKM remains the fastest growing segment

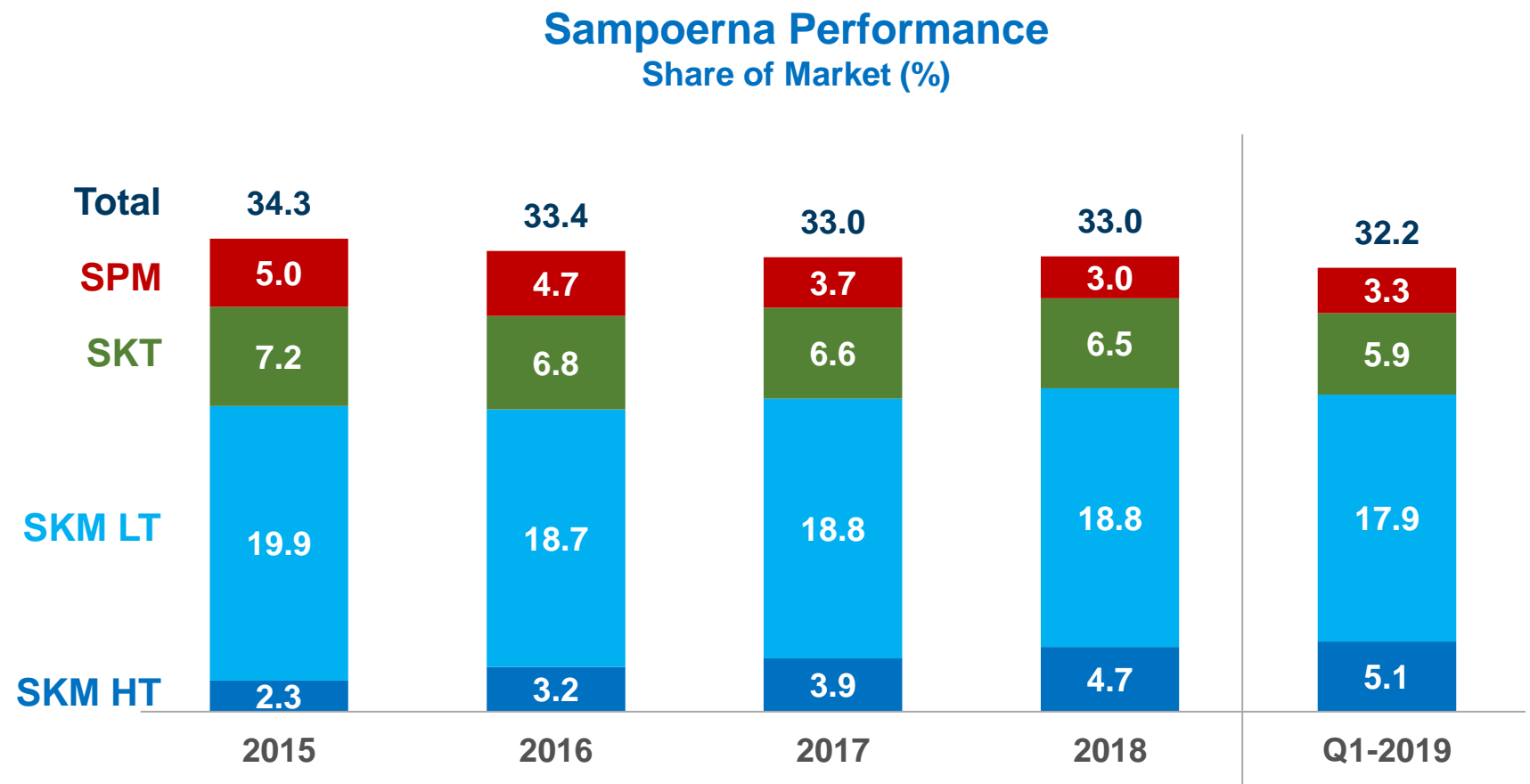


Source: Company Estimates. Figures may not foot due to rounding. Note: ¹⁾ estimated weighted industry average increase year-on-year

Well-positioned product portfolio to meet different adult smokers preferences in taste and price



Market leader in all 3 cigarette categories: SKM, SKT and SPM



Leading in all
three categories
(Q1 – 2019)

SKM

29.6%
Share of Segment

SKT

35.3%
Share of Segment

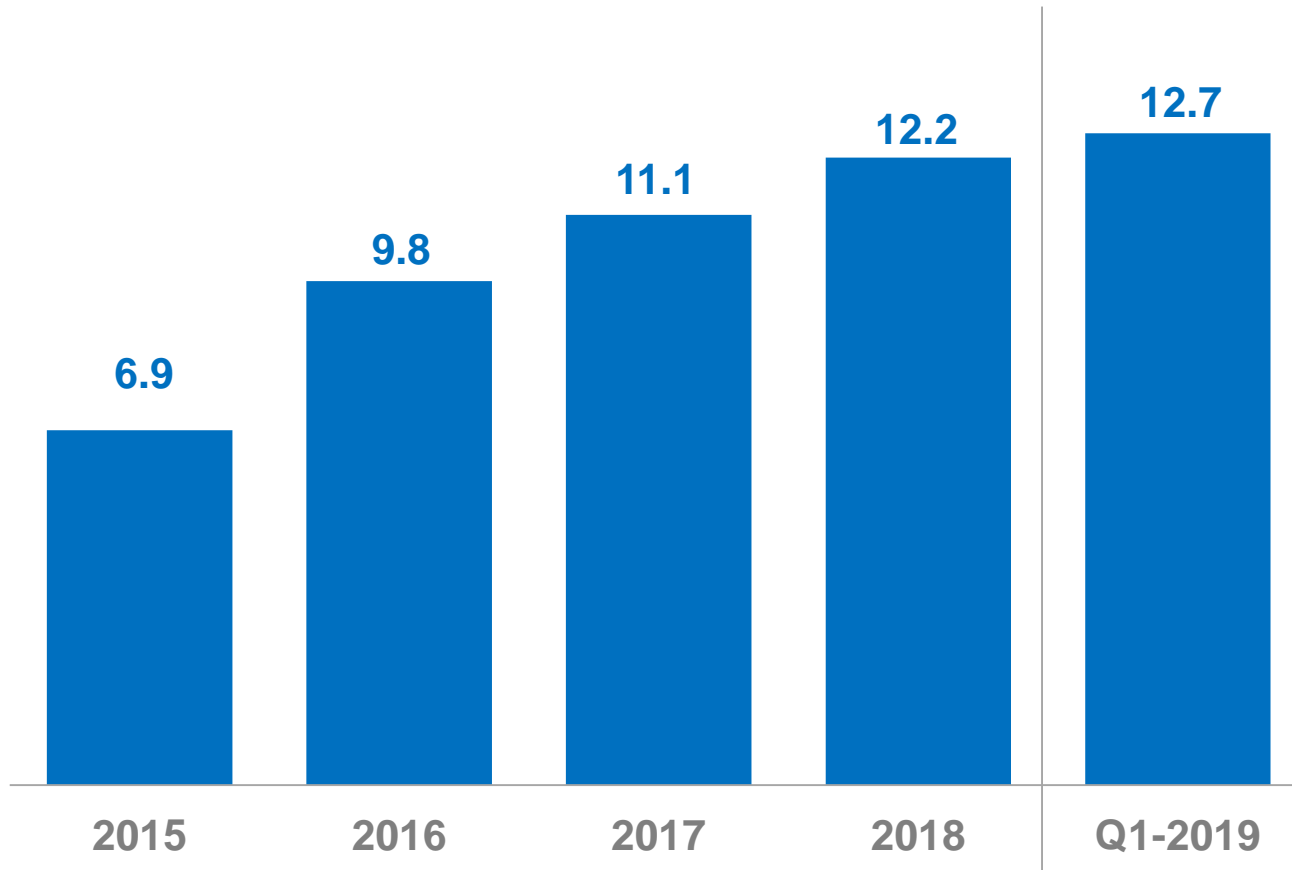
SPM

61.0%
Share of Segment

Source: Company Estimates. Figures may not foot due to rounding

Growing in SKM HT

Sampoerna Share of Segment in SKM HT (%)



BARU



PHILIP MORRIS

BOLD

KUALITAS MANTAP KELAS DUNIA

**Rp 12.000/
12 BATANG***

*HARGA YANG DIREKOMENDASIKAN

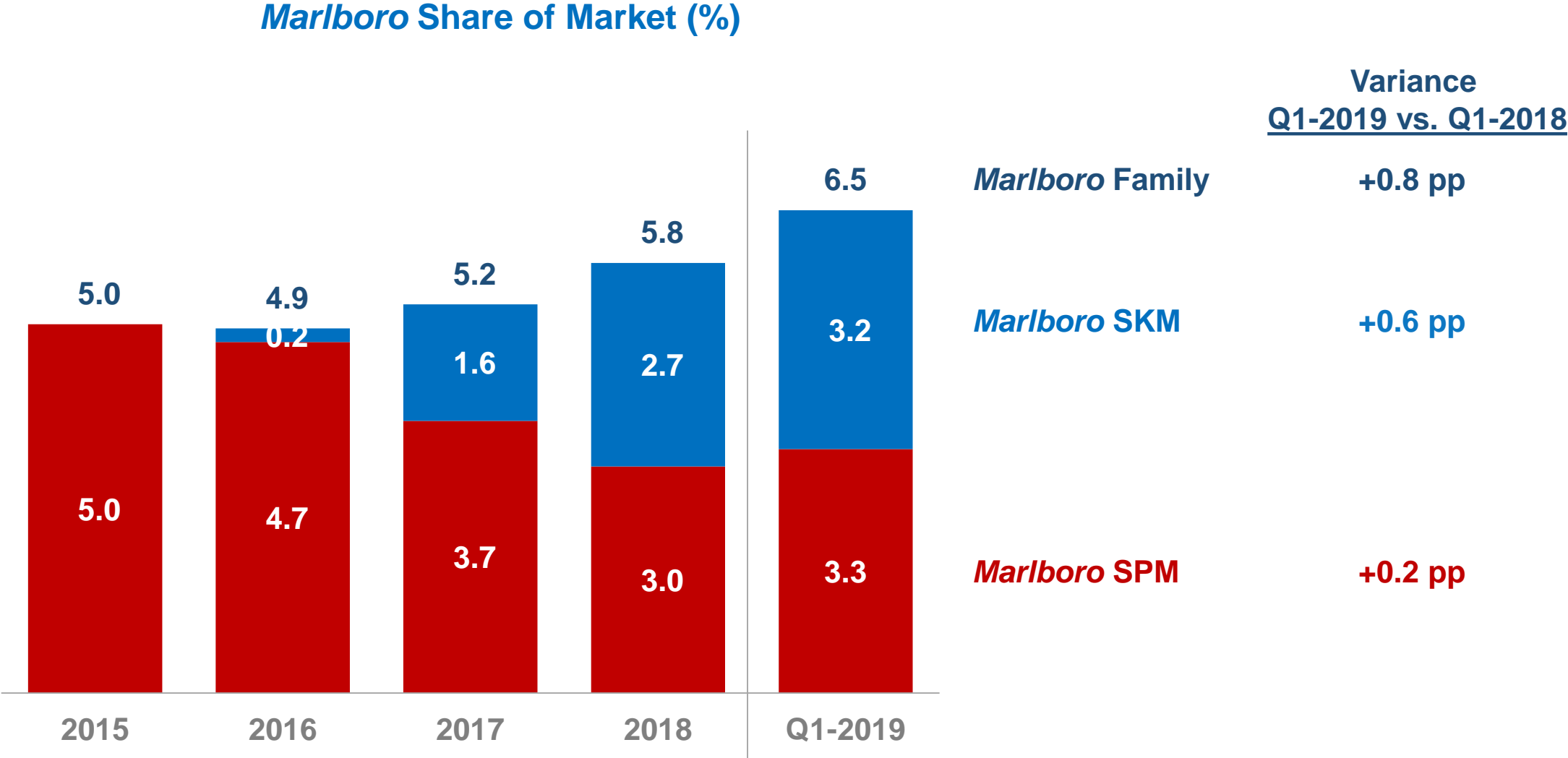
PERINGATAN:

KARENA MEROKOK, SAYA TERKENA KANKER TENGGOROKAN. LAYANAN BERHENTI MEROKOK (0800-177-6565)

18+



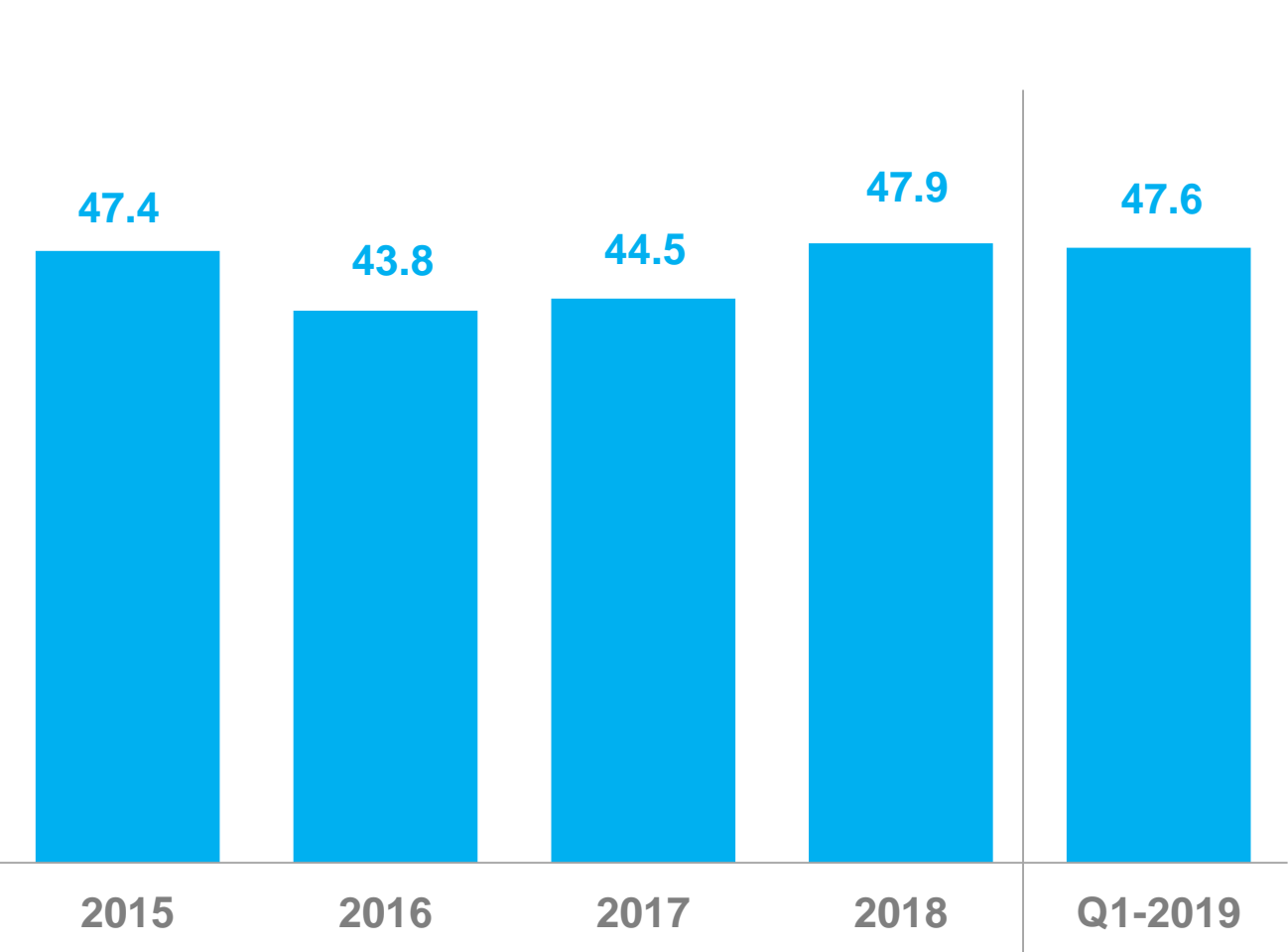
Growing Marlboro



Source: Company Estimates. Figures may not foot due to rounding

Leading in the SKM LT

Sampoerna Share of Segment in SKM LT (%)

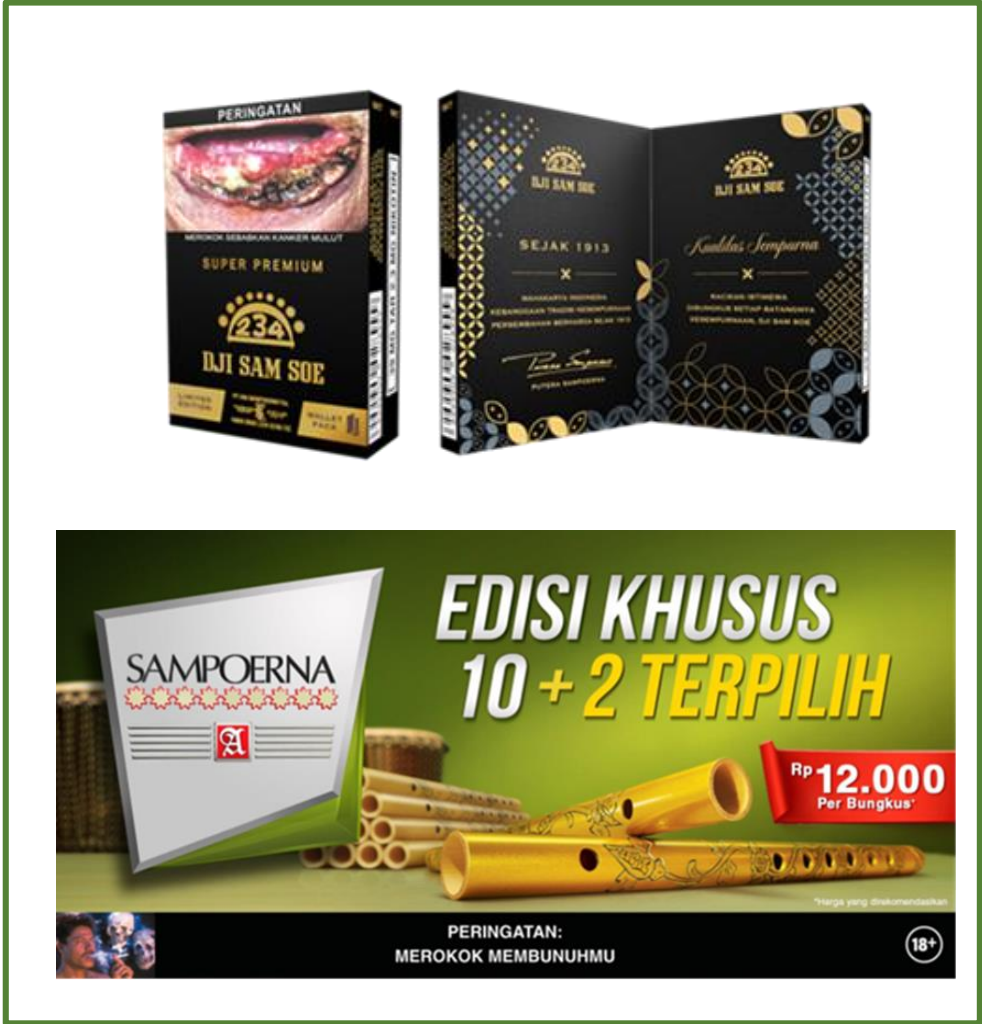
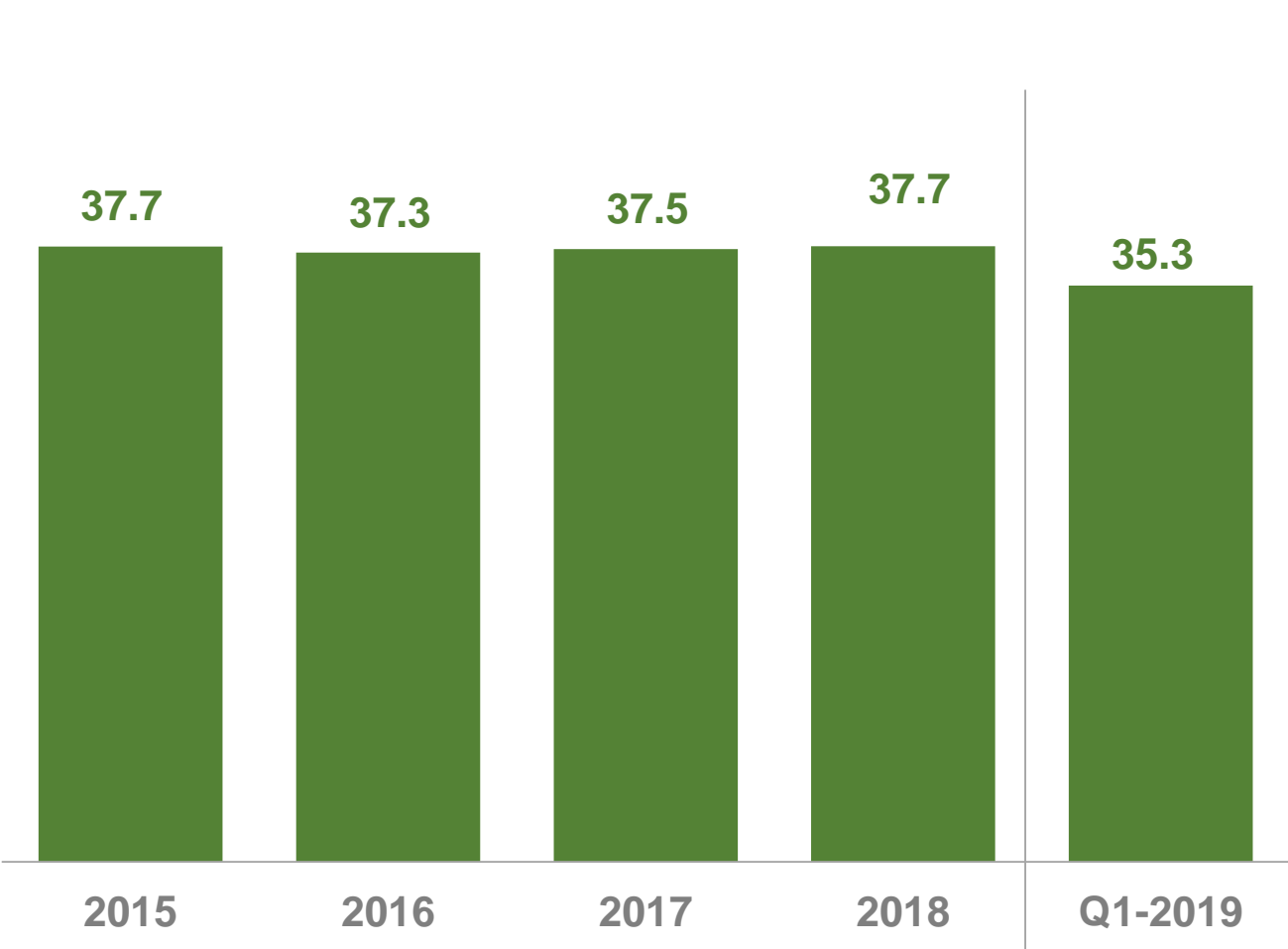


New launches 2019



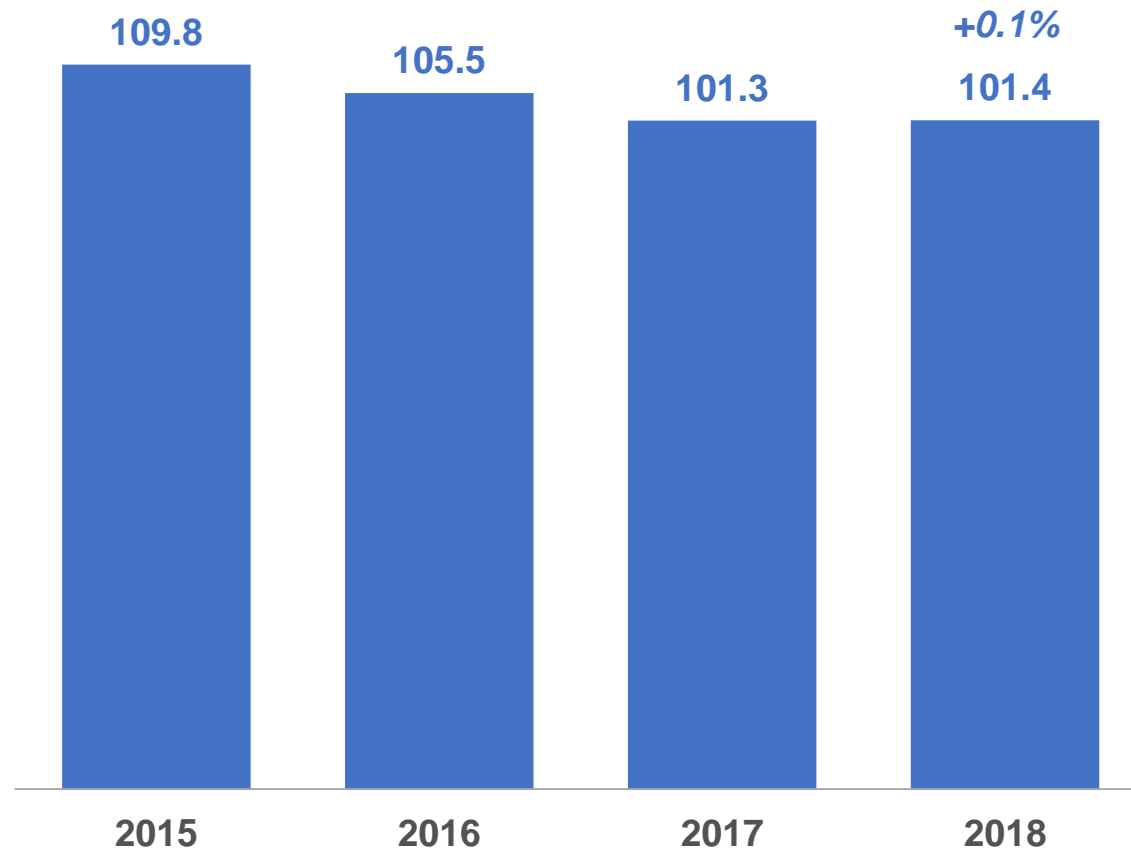
Leading in the SKT through product innovations

Sampoerna Share of Segment in SKT (%)

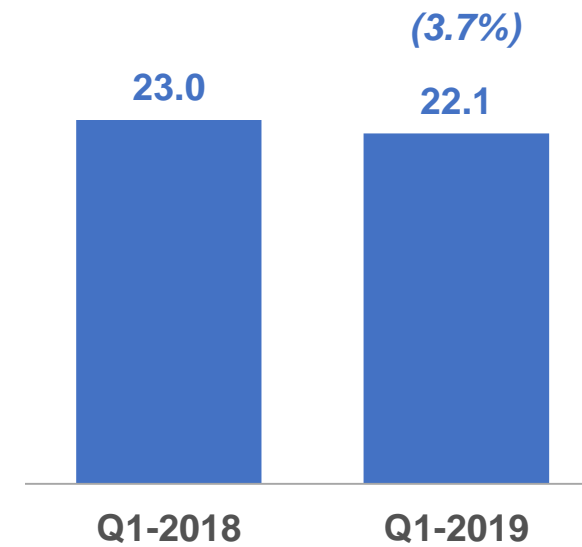


Sampoerna Volume (billion units)

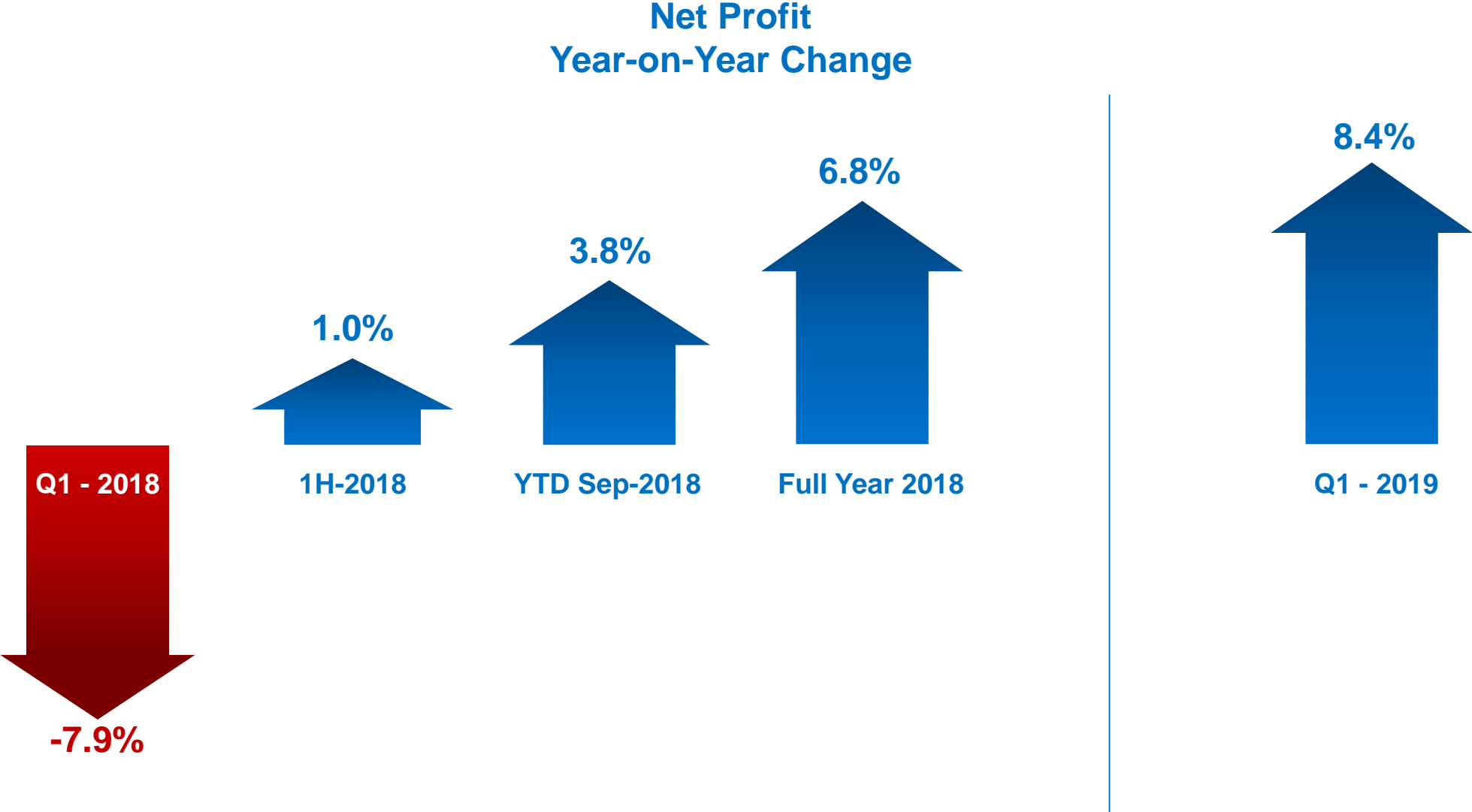
Full Year



Q1



Increasing profit



Strong financial results in 2018

Full Year

in IDR trillion	2017		2018	
		<u>YoY Var.</u>		<u>YoY Var.</u>
Net Revenues	99.1	▲ 3.8%	106.7	▲ 7.7%
Gross Profit	24.2	▲ 1.5%	25.5	▲ 5.3%
EBITDA	17.0	▲ 1.4%	17.9	▲ 5.1%
Net Profit	12.7	▼ 0.7%	13.5	▲ 6.8%

Financial growth continues in 1st quarter

Full Year					Quarter			
in IDR trillion	2017		2018		Q1 - 2018		Q1 - 2019	
		<u>YoY Var.</u>		<u>YoY Var.</u>		<u>YoY Var.</u>		<u>YoY Var.</u>
Net Revenues	99.1	▲ 3.8%	106.7	▲ 7.7%	23.1	▲ 2.5%	23.8	▲ 2.9%
Gross Profit	24.2	▲ 1.5%	25.5	▲ 5.3%	5.5	▼ 5.3%	5.9	▲ 7.1%
EBITDA	17.0	▲ 1.4%	17.9	▲ 5.1%	4.0	▼ 8.3%	4.2	▲ 5.5%
Net Profit	12.7	▼ 0.7%	13.5	▲ 6.8%	3.0	▼ 7.9%	3.3	▲ 8.4%

Striving to be Indonesia's most respected company

- **Indonesia Country Contributor Award 2018** as one of the highest tax payers from Warta Ekonomi
- **Asia Responsible Enterprise Award 2018**
- Series of awards from **World Sustainability Congress Award 2018**
- **Padmamitra Awards 2018** in Overall CSR Program for Disaster Category from the Ministry of Social Affairs and the Global CSR Forum
- **2 Most Improved Public Listed Companies** for ASEAN Corporate Government Scorecard (ACGS) from ASEAN Capital Market Forum (ACMF)
- **Top Employers Indonesia** from Top Employers Institute
- **Equal-Salary Certification**
- Awards for **Best Workplace Practices, Best Community Program, Empowerment of Women** from Global CSR Award Dr. Martin Blake International

Thank You
