



Number : 166/CLD/HMS/XI/2022  
Attachment : Attendance List and Q&A  
Re. : Report on the Implementation of Public Expose of  
PT Hanjaya Mandala Sampoerna Tbk. (the “**Company**”) via Electronic

Jakarta, 4 November 2022

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 Letter of the Company No.152/CLD/HMS/IX/2022 dated 27 September 2022 regarding Notice on the plan to carry out Annual Public Expose PT Hanjaya Mandala Sampoerna Tbk. (the “Company”) as amended by Letter of the Company No.153/CLD/HMS/X/2022 dated 4 October 2022 regarding Notice of changes on the schedule of the Annual Public Expose via Online of the Company and Letter of the Company No.165/CLD/HMS/X/2022 dated 31 October 2022 regarding Submission on the updated Annual Public Expose Material for the Company’s Performance from beginning of the year until September 2022, hereby the Company submits Report on the Implementation of Public Expose which has been held:

Date : Tuesday, 1 November 2022  
Time : 10.00 - 11.00 Western Indonesian Time  
Platform : Microsoft Teams Meeting  
Agenda : The Company's Performance from the beginning of the year until September 2022

Participants attending the Public Expose (excluding the Management and employees of the Company) are 88 persons, consisting of financial analysts, retail investors, shareholders and media journalists 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.	The Company's Performance from the beginning of the year until September 2022	Vasileios Gkatzelis
2.	Question and Answer	



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

**Yly Suardy**  
Corporate Secretary

**Appendix 1****PT HM Sampoerna Tbk.****Public Expose 2022****The Company's Performance from the beginning of the year until September 2022****November 1, 2022 10.00 – 11.00**

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<b>No</b>	<b>Name</b>	<b>Institution</b>
1	Nathania Giovanna	Bahana Sekuritas
2	Randi Ramadhan	BCA Sekuritas
3	George Matheus	BCW Global
4	Naufal Armia Arifin	BCW Global
5	Eka Rahmawati Rahman	Binaartha Sekuritas
6	lim Fathimah	Bisnis Indonesia
7	Peri Maulana	Bisnis Indonesia
8	Fathiya Dahrul	Bloomberg
9	Lakhmita Febriyanti	BNI Sekuritas
10	Patricia Gabriela	BNI Sekuritas
11	Natalia Sutanto	BRI
12	Risfan	BRI Prioritas
13	Felisyia Wijaya	CGS-CIMB
14	Chantika	Ciptadana
15	Laksmi Rowter	Citi
16	Anam CNBC	CNBC
17	Iman Ratra	CNBC
18	Teti	CNBC
19	Edbert Surya	Credit Suisse
20	Shafira	Detikcom
21	Rizki	Emitennews
22	Tanaya	Fortune
23	Akbar Fadhillah	PT HM Sampoerna Tbk.
24	Agnia Tri Ameili	PT HM Sampoerna Tbk.
25	Ranggie Annisaa Chaninda	PT HM Sampoerna Tbk.
26	Daniel Ferryanto	PT HM Sampoerna Tbk.
27	Deasy Florentina	PT HM Sampoerna Tbk.
28	Salomo Lumban Gaol	PT HM Sampoerna Tbk.
29	Rianto Probo Hartono	PT HM Sampoerna Tbk.
30	Sugianto Hence	PT HM Sampoerna Tbk.
31	Irawati	PT HM Sampoerna Tbk.
32	Sebastian Jammer	PT HM Sampoerna Tbk.
33	Reza Juniarsyah	PT HM Sampoerna Tbk.
34	Ali Komarudin	PT HM Sampoerna Tbk.
35	Yonathan Kristian	PT HM Sampoerna Tbk.
36	Erna Kusumawati	PT HM Sampoerna Tbk.
37	Lovina Pristya Liman	PT HM Sampoerna Tbk.
38	Irene Patricia Limas	PT HM Sampoerna Tbk.
39	Ahmad Maulana	PT HM Sampoerna Tbk.

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<b>No</b>	<b>Name</b>	<b>Institution</b>
40	Jumei Megahwati	PT HM Sampoerna Tbk.
41	Lina Erlinna Mulyono	PT HM Sampoerna Tbk.
42	Muthe Muthiah	PT HM Sampoerna Tbk.
43	Indra Utama Nasution	PT HM Sampoerna Tbk.
44	Aris Praptono	PT HM Sampoerna Tbk.
45	Bambang Priambodo	PT HM Sampoerna Tbk.
46	Fransisca Rahardja	PT HM Sampoerna Tbk.
47	Andy Revianto	PT HM Sampoerna Tbk.
48	Ari Sugiarto Santoso	PT HM Sampoerna Tbk.
49	Celicia Sari	PT HM Sampoerna Tbk.
50	Dewi Puspa Sari	PT HM Sampoerna Tbk.
51	Yohanes Firdian Sinembadan	PT HM Sampoerna Tbk.
52	Yly Suardi	PT HM Sampoerna Tbk.
53	Cicilia Tri Sulistyawati	PT HM Sampoerna Tbk.
54	Agnes Sumita	PT HM Sampoerna Tbk.
55	Andrew Hendrawan Tjahja	PT HM Sampoerna Tbk.
56	Juanda Tjoe	PT HM Sampoerna Tbk.
57	Mariani Budi Tresno	PT HM Sampoerna Tbk.
58	Gaudencia Vania	PT HM Sampoerna Tbk.
59	Eddy Wijaya	PT HM Sampoerna Tbk.
60	Khansa Wimana	PT HM Sampoerna Tbk.
61	Farah Rania Wiraatmadja	PT HM Sampoerna Tbk.
62	Yonathan Pratama	PT HM Sampoerna Tbk.
63	Fastia Wininda	PT HM Sampoerna Tbk.
64	Ranin Dhita	PT HM Sampoerna Tbk.
65	Teuku Malikussales	PT HM Sampoerna Tbk.
66	Hindra	PT HM Sampoerna Tbk.
67	Trio	IDN Times
68	Khoirifa	Infobank
69	Patricia	Katadata
70	Sugeng Adji	Kontan
71	KPP Madya Surabaya	KPP Madya Surabaya
72	Fariza	Kumparan
73	Elga	Liputan 6
74	Eimi Setiawan	Mandiri Sekuritas
75	William Jefferson	Maybank
76	Christine Natasya	Mirae
77	Raka Junico	MNC Group
78	Rizqa Leony	MNC Portal

**Appendix 1****PT HM Sampoerna Tbk.****Public Expose 2022****The Company's Performance from the beginning of the year until September 2022****November 1, 2022 10.00 – 11.00**

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<b>No</b>	<b>Name</b>	<b>Institution</b>
79	Divya	Morgan Stanley
80	Cindy Alicia	NH Korindo
81	Ahmad Syaiful Badari	Publik
82	Almaas Rahmawati	Publik
83	Andino	Publik
84	Andre	Publik
85	Arijit Garai	Publik
86	Aurelio	Publik
87	Avila Amorita	Publik
88	Awan GH	Publik
89	Bayu Santoso	Publik
90	Bio Bisnis	Publik
91	Steven Bong	Publik
92	Budi	Publik
93	Camelia B	Publik
94	David	Publik
95	Edbert	Publik
96	Erwin Tanaka	Publik
97	Gilang	Publik
98	Handiman Soetoyo	Publik
99	Hendra	Publik
100	Hery	Publik
101	Jason	Publik
102	Jennifer	Publik
103	Jody Indra Wijaya	Publik
104	John	Publik
105	Johny Susanto	Publik
106	Dwi Kartika	Publik
107	Li Zhong	Publik
108	Made Sulaksana	Publik
109	Mangesti Diah Sulistiani	Publik
110	Muchsin Kosen	Publik
111	Phendy	Publik
112	Putra Ariawan	Publik
113	Radio Cuan	Publik
114	Rafaella Akbar	Publik
115	Ricky	Publik
116	Rizkina Aliya	Publik
117	Rudy Susanto	Publik

**Appendix 1**  
**PT HM Sampoerna Tbk.**  
**Public Expose 2022**  
**The Company's Performance from the beginning of the year until September 2022**  
**November 1, 2022 10.00 – 11.00**

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No	Name	Institution
118	Sensen	Publik
119	Stephen	Publik
120	Terence AO	Publik
121	Thomas	Publik
122	Toni Edra Pohan	Publik
123	Tri Prilianto	Publik
124	Jocelin Go	PwC
125	Wendy	RHB
126	Yosua Zisokhi	Samuel Sekuritas Indonesia
127	Erick Mandalika	SindoNews
128	Matheus Elmerio	Tribunnews
129	Nadila	TribunNews
130	Bernice Chew	UBS
131	Sandy Ham	Verdhana
132	Samuel Christian	Verdhana

**Appendix 2**  
**PT HM Sampoerna Tbk.**  
**Public Expose 2022**  
**Results for the first nine months of 2022**  
**November 1, 2022 at 10.00 – 11.00**

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**Question 1**

**lim Fathimah** – Bisnis Indonesia

Good morning. I am lim from Bisnis Indonesia.

Sampoerna net profit in Q3 2022 is lower compared to the pre-pandemic level. My question is, can you please elaborate the reasons behind lower profitability and what is the Company's strategies to improve revenue and profitability going forward?

**Vassilis Gkatzelis** – PT HM Sampoerna Tbk. President Director

Thank you very much for the question.

Let me start by explaining the key industry dynamics over the last years. As we all know since 2020 there have been three main factors that have affected the profitability of the industry. The first, has been the double digit excise tax increases beyond inflation; the second, has been the widening of excise tax gaps between Volume Tier 1 and Below Volume Tier 1; and these two factors coupled with the third factor which is consumer affordability issues during the pandemic have accelerated the downtrading.

In terms of the excise tax differences, I mentioned that on the excise tax gaps, we have around 40% excise tax gap, that is the absolute excise tax gaps between Volume Tier 1 and Volume Tier 2 players in machine-made kretek. And this has doubled from around IDR 195 per stick in 2017 to IDR 385 per stick in 2022. And the downtrading has accelerated, so the low price segment is now around 36% market share, this has almost doubled over the course of five years. This has impacted the profitability of the industry, especially the Tier 1 players including Sampoerna.

Now let's see what we have been doing and what is the current situation. First, we have been always talking a long-term view, in the way we are balancing the business and creating long term value for key stakeholders.

You have seen that our topline performance has remain strong and we have been recovering year-on-year. So we have posted 7.9% volume growth and 15% net revenues growth; and when it comes to profitability, although it is still declining on a year-to-date basis we see sequential improvement. So in Quarter 3 we have been showing growth versus the prior quarters also we see improvement versus the same quarter of prior year. What is important to note also is that for the first time since 2019, we have been taking net pricing, so we have managed to pass-on the tax in Quarter 3 and deliver net pricing.

So, still what is important is to have a sustainable fiscal environment that is why we need a sustainable excise tax gaps and we need to have a fiscal policy that has a balanced view that will address the key objectives of economic recovery, public health, employment, and state revenue.

As a company we have key strengths including our brands, our route to market, organization and also our investments in smoke free products for the future, so we are well positioned for capturing value and creating value for the broader ecosystem of Indonesia.

### **Question 2**

**Lakshmi Rowter** – CITI

Thank you Sampoerna Management Team for the time.

I'm curious about your hand rolled segment or SKT, which is now around 20% of sales, what is your strategy there and what have been your investments? I think you mentioned about that earlier in the presentation and going forward, what is the comfortable level of business size in consolidated numbers? Thank you

**Vassilis Gkatzelis** – PT HM Sampoerna Tbk. President Director

Thank you very much for the question.

The SKT, the hand-rolled segment, is a heritage product of Indonesia. Let me start with explaining a bit about market dynamics and what has happened, because always our starting point is the market trends and the market preference. Over the last decade the hand rolled segment has been under declining trend and has been under pressure. But recently we have seen in the last few years, the hand rolled segment size has stabilized and has returned to growth. We know that the hand-rolled segment is the key segment not only for adult smokers but also because of the economy and the value it provides to the broader economy of Indonesia. We mentioned earlier that around 70% of the tobacco industry workers are employed in the SKT or hand-rolled segment and the hand rolled segment absorbs disproportionately higher amount of tobacco and clove from the local farmers. So handrolled segment is a vital sector for the economy and now Sampoerna provides value for the broader ecosystem.

We have consistently invested and maintain our employment even in difficult times. Now that the trend of the market has stabilized, we have indeed seen that the SKT portfolio of Sampoerna has been growing. I mentioned YTD we have been growing 7.9% volume. *Dji Sam Soe*, our flagship brand, has been growing 10.7% driven by the hand-rolled and we have been maintaining our investment and commitment. We believe that fiscal policy will take into account the importance in the employment. The hand-rolled today, besides the volume part, represents 25% of our revenue, it is still very well-balanced. As a company we look at different cigarette types but we believe in the role of hand-rolled segment in the industry and broader economy.

### **Question 3**

**Anam** - CNBC Indonesia

Thank you for the opportunity. SKT segment is labor intensive. What is the Company recommendation with regards to policy in SKT segment in 2023?

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

Good afternoon, Pak Anam. Thank you for the question.

As mentioned earlier, the SKT segment is a labor-intensive segment and provides a greater direct impact on employment absorption and double the usage of tobacco and clove compared

to the machine-made cigarette. In total, the SKT category absorbs approximately 70% of the total industry workers being employed in the tobacco industry. After the industry decline in 2007, SKT started to show signs of recovery posting 21% share of market in 2021. We appreciate government's policy towards the SKT segment, especially in the past 2 years where it contributes to the recovery of this labor-intensive category.

We strongly hope that the Government policy for hand-rolled segment will continue, as the base for fiscal policy next year, for the purpose of sustainable employment absorption in the tobacco industry. Thank you