



PT HM SAMPOERNA Tbk.

Number : 021/CLD/HMS/II/2023  
 Attachment : Attendance List, Q&A, and Presentation Material  
 Re. : Report on the Implementation of Public Expose of  
 PT Hanjaya Mandala Sampoerna Tbk. (the "**Company**")

Jakarta, 21 February 2023

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 Company No.014/CLD/HMS/II/2023 dated 6 February 2023 regarding Notice on the plan to carry out Public Expose PT Hanjaya Mandala Sampoerna Tbk. (the "Company"), the Company's letter No.019/CLD/HMS/II/2023 dated 15 February 2023 regarding Submission on the Public Expose Material and the Company's letter No.020/CLD/HMS/II/2023 regarding Submission on the update to the Public Expose Material, hereby the Company submits Report on the Implementation of Public Expose which has been held:

Date : Monday, 20 February 2023  
 Time : 13.00 - 14.00 Western Indonesian Time  
 Venue : Ballroom, The Langham, Sudirman Central Business District (SCBD) 8 Lot 28  
 Jakarta Selatan 12190.  
 Agenda : The Company's latest innovation in smoke-free tobacco products

Participants attending the Public Expose (excluding the Management and employees of the Company) are 86 persons, consisting of financial analysts 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 latest innovation in smoke-free tobacco products	Vasileios Gkatzelis
2.	Question and Answer	

UNOFFICIAL TRANSLATION



After the presentation by the 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



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**Appendix 1 – List of Attendees**

No	Media	Name
1	Bisnis Indonesia	Perry Maulana
2	Bisnis Indonesia	Markus Gabriel Noviarizal Fernandez (Rizal)
3	Bisnis Indonesia	lim Fathimah
4	Bisnis Indonesia	Hamilatus Syakdiah (Diah)
5	CNBC Indonesia	Khoirul Anam
6	CNBC Indonesia	Iman Ramadhan
7	CNN Indonesia	Sakti Darma
8	Clara Indonesia	Khenzie
9	DAMAN	Riga Ramadhan
10	<a href="#">Detik.com</a>	Jihaan
11	<a href="#">Detik.com</a>	Aulia Damayanti
12	Exquisite Media	Rizky Adityo
13	Folkative	Andrew Wildigar
14	Folkative	Cessa Kinanty Puti Heza
15	<a href="#">Gatra.com</a>	Birny Birdieni
16	<a href="#">Gatra.com</a>	Maria
17	<a href="#">Gatra.com</a>	Sarah
18	Harian Kontan	Ridwan N Mulyana
19	<a href="#">IDX Channel</a>	Suparjo
20	Indopos	Ali Rahman
21	<a href="#">Industri.co.id</a>	Ridwan
22	Jakarta Daily	Suksmajati Kumara
23	<a href="#">Jpnn</a>	Echi
24	Karawang Bekasi Ekspres	Arie Firmansyah
25	<a href="#">Kompas.com</a>	Yunanto Wiji Utomo
26	<a href="#">Kompas.com</a>	Farida
27	Kompasiana	Dandra Adrio
28	Kompasiana	Muhammad Syifa Syarofi
29	Kompasiana	Diaz Abraham
30	Kompasiana	Ery Kurniawati
31	Kompasiana	Charles Emanuel
32	Kompasiana	Azwardi Iqbal Usman
33	Kompasiana	Jhon Miduk Sitorus
34	Kompasiana	Daniel Mashudi
35	Koran Sindo	Heru Febrianto
36	Koran Sindo	Nila Kusuma
37	Liputan 6	Elga Nurmutia
38	<a href="#">Luxina.id</a>	Dean Syahmedi
39	<a href="#">Menslife.id</a>	Ferry Ardiansyah
40	<a href="#">MNC Portal</a>	Dinar
41	MRA Media	Indah Oktovani
42	MRA Media	Nabila putri maharani



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43	Nextren	Zihan Fajrin
44	Okezone/MNC	Ipal
45	Pos Kota	Aep
46	Review1st	Febri Ani
47	<a href="#">RM.id</a>	Aditya Nugroho
48	Sampai Jauh	Wulan Octaviani
49	Solopos	Rayendra Pramudyanto
50	<a href="#">Suara.com</a>	Fauzi
51	<a href="#">SWA</a>	Ubaidillah
52	The Editors Club	Alexa Picaulima
53	The Jakarta Post	Arinda
54	The Jakarta Post	Sheena
55	Tribun Jabar	Cikwan
56	Tribunnews	Febrian Adhitya
57	Tribunnews	Matheus Elmerio
58	Tribunnews	Sanusi
59	Tplus Magz	Dicky Yuniarto
60	USS Feed	Risma Azhari
61	Vapemagz	Aldi
62	Vapemagz	Ari Satrio
63	<a href="#">VOI.id</a>	Maria Trisnawati Pongo
64	<a href="#">Merdeka.com</a>	Sulaeman

No	Research House (Analysts)	Name
1	Ciptadana	Putu Chantika
2	CIMB (CGS CIMB)	Felisya Wijaya
3	CIMB (CGS CIMB)	Illona Freddy
4	Maybank	Willy
5	Mirae	Christine Natasya
6	RHB	Wendy
7	BCA Securities	Muhammad Randi Ramadhan
8	Indo Premier	Andrianto Saputra
9	Indo Premier	Lukito Supriadi
10	Maybank	Jocelyn santoso
11	CLSA	Jennifer Natalia Widjaja
12	Mandiri	Eimi Setiawan
13	BRI Danareksa	Natalia Sutanto
14	Bahana	Tarra Laurentia
15	BNI Sekuritas	Laksmi Febriyanti
16	BNI Sekuritas	Patricia Gabriela
17	Macquarie	Akshay Sugandi
18	Credit Suisse	Steven Ho
19	Trimegah Sekuritas	Heribertus Ariando
20	Yuanta Sekuritas Indonesia	Laras Nadira
21	Samuel Sekuritas Indonesia	Yosua Zisokhi
22	Jarvis Asset Management	Deidy Wijaya



## Appendix 2 – Questions and Answers

### **Question 1:**

#### **Why do you invest in smoke-free products? Is it really the future of the tobacco business?**

I think we need to start with the fundamentals. Sampoerna, as a tobacco company, we have always been very clear. The best choice is to never start smoking or quit any form of tobacco or nicotine-containing products altogether.

However, the reality is today, there are approximately 1 billion adult smokers around the world, which WHO projected in 2025 to stay roughly the same. Those adult smokers who would otherwise continue to smoke cigarettes, which is the most harmful way of consuming nicotine, deserve a pragmatic and sensible approach and solution that is better than smoking cigarettes.

As a company that has been investing for more than 10 years in research and development leveraging science and technology, today, there is a solution for this 1 billion adult smoker around the world. Because we know that the vast majority of harmful compounds found in cigarette smoke were associated with smoking cigarettes that combust. So today, our smoke-free products do not combust. And that is why heated tobacco products represent a much better choice versus continuing smoking

So by harnessing science and technology, we developed innovative smoke-free tobacco alternatives to complement other tobacco family products, which is one of the major public health opportunities.

And as a Tobacco company, this is exactly what is expected from us. This is the area where we can make the biggest impact, and as Sampoerna, we have 110 years of history on how we can deliver the most sustainable value to society, and that is why we are committed to leveraging science and technology and complement.

After more than 110 years, today, there is a solution for 1 billion smokers around the world, smoke-free that is why.

### **Question 2:**

#### **Why Sampoerna chose now to introduce IQOS ILUMA in Indonesia? Do you think that now is the right time?**

Indonesia is the first country in Southeast Asia to introduce ILUMA as a continuation of the IQOS Club, which launched in 10 big cities in Indonesia. We always try to continuously innovate and prepare our portfolio of smoke-free products by listening to complaints from adult smokers about how they use tobacco products. Some of the progress we have made through technology and innovation were also based on input from adult smokers and has been carried out by scientists at Philip Morris International. We then introduce the IQOS ILUMA, which was presented by Mr. Vassilis, with several advantages compared to IQOS.



**Question 3:**

**What makes IQOS ILUMA a better choice than to continue smoking?**

Our scientific studies have confirmed that IQOS generates no combustion or smoke. And like the previous IQOS devices, IQOS ILUMA emits, on average, 95% lower levels of harm compared to cigarettes.

And as we said before, it is always key to highlight that smoke-free products like IQOS ILUMA are not risk-free and that always the best choice is to never start smoking or quit tobacco or nicotine-containing products. So, IQOS ILUMA is our most advanced technology so far. We have invested more than a decade in research and development, and we have the pleasure of having Dr. Badrul Chaduri, who will give you a more elaborate form of science regarding smoke-free products after this.

**Question 4:**

**Would you provide some colors about the smoke-free product environment or landscape globally, major markets, PMI's SFP performance, and your view of SFP in Indonesia?**

IQOS has been having a very strong performance around the world in terms of Heated tobacco. In 73 markets, we have, as we speak, almost 17.8 million adults who have already switched to ILUMA. The conversion rate is around 70%, so 70% of adult smokers who bought IQOS ILUMA have been converted and left cigarettes behind. Now, 2022 also was a year of considerate performance. Globally, IQOS consumables grew by more than 21%, excluding Russia and Ukraine, and we have grown strong momentum of performance around the world, namely in Japan, in the EU, and also in emerging markets. In emerging markets, the IQOS platform, in terms of consumers, has grown by around almost 50% if we exclude Russia and Ukraine.

We had strong performance also in several emerging markets, such as in Jakarta, in Cairo, and in the capital city of Malaysia. I urge you to see the PMI's portfolio for the Year 2022, where they debut the exact performance of IQOS. But here, we are really excited by the momentum of IQOS ILUMA and the potential to make an impact not only on the business results but also on public health.

Now when it comes to IQOS ILUMA, it is only available in 60 markets, Indonesia is the first market in South East Asia to launch IQOS ILUMA, and this is the most advanced technology because it has been designed through taking into account besides technology and science, and real feedback of adult smokers and adult consumers. So if we address both marketed existing users from our IQOS before to IQOS ILUMA, but also acquire new users, adult smokers who would otherwise continue to smoke cigarettes

So this is a very exciting opportunity and very strong momentum.

Let's go now to Indonesia. As we have communicated, we have publicly stated that IQOS launched since March 2019.



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At the end of 2021, we reported in our annual report that we had 65,000 IQOS club members. These members were a valued stage of conversion. But I would say we will probably see a similar conversion in Indonesia as in other parts of the world. 2 out of 3 purchases are previously technology related. And we continue to invest in Indonesia; we just realized a major investment of more than 180 million USD, and, as we say, it is the number one factory in Southeast Asia and the 7th in the world.

So it is part of our commitment to Indonesia, part of our sustainability framework, to create value for the long term. And the IQOS ILUMA is a continuation of our IQOS Club with a target presence in 10 regional cities. So, we are taking a gradual approach, we are assessing conversion, and of course, as I said in the beginning, in line with the Spirit of Gotong Royong, this is where we need the support of everyone. As I said earlier, in the question of alternative tobacco, we need good alternatives, but we need good adoption, and we need adult smokers who have a long-standing ritual so they can convert and leave smoke behind.

That's why all of us can create awareness, whether in our family, adult smoker friends in our family, in our friends' circle, and media; analysts can play major roles, so I think it takes stronger operation, and as a firm believer of collaboration, Indonesia is the perfect example of collaboration.

Last, because also some of the questions were about and related to the latest finance, projections, etc. We are going to publish our annual results by the end of April, and we are going to publish the annual report for 2022. As we shared in the last Public Expose back in November 2022. We have seen year-to-date and public attainment (public expose). Because these are the latest public attainments. We have seen robust topline growth, we have seen sequence market share improvement in our business in Indonesia. And Q3 of 2022 was the first quarter of positive net pricing over the past (year).

So this is a proud improvement in our business, and we will discuss more in the next iteration when our next report is published.