

Public Expose

Mindaugas Trumpaitis Bursa Efek Jakarta April 27, 2018



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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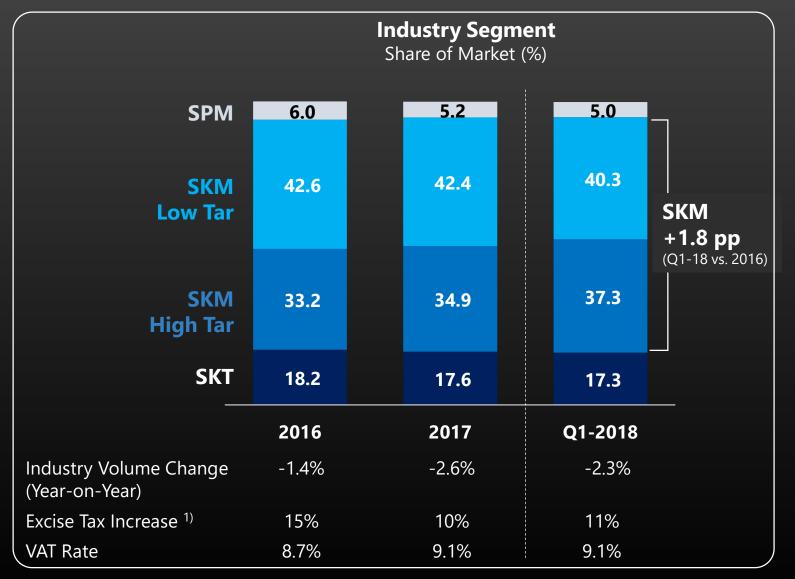


Key Message Points

- Strong macro economic environment
- Challenging operating environment
 - soft consumer spending
 - above-inflation excise tax-driven price increases
 - intense competition
- SKM category drives the industry
- Sampoerna: undisputed market leader, improved market share in Q1



Challenging industry environment

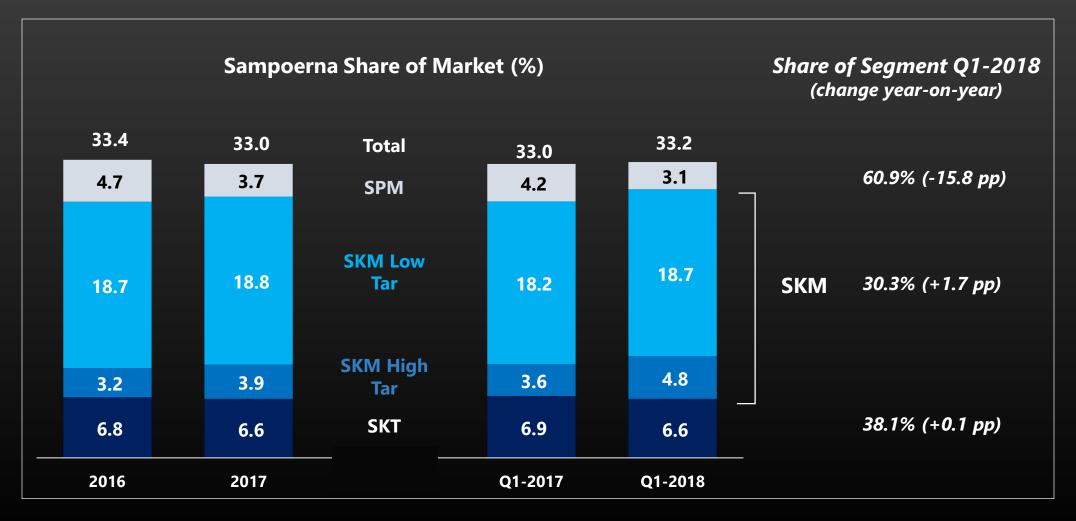


- Pressure on the cigarette industry
 - Above-inflation excise tax-driven price increases
 - Soft consumer spending
 - Full-year 2018: anticipate a decline of 1% to 3%
- Market dynamics
 - Growth of smaller pack products
 - SKM category is the industry driver

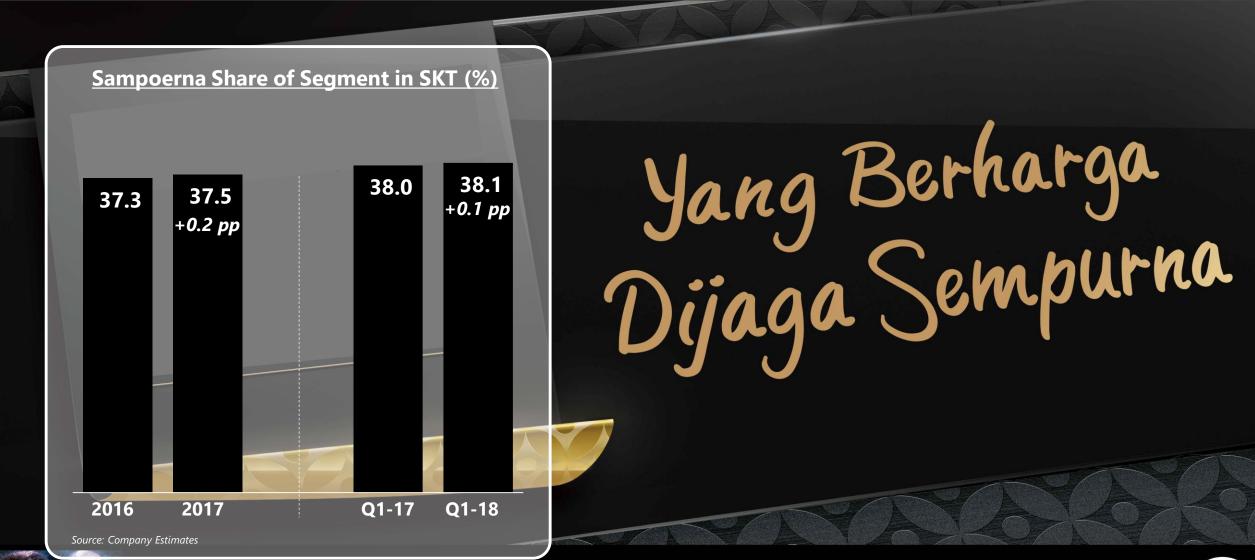


Sampoerna retains leadership position

Improved share of market performance



No one supports SKT like Sampoerna

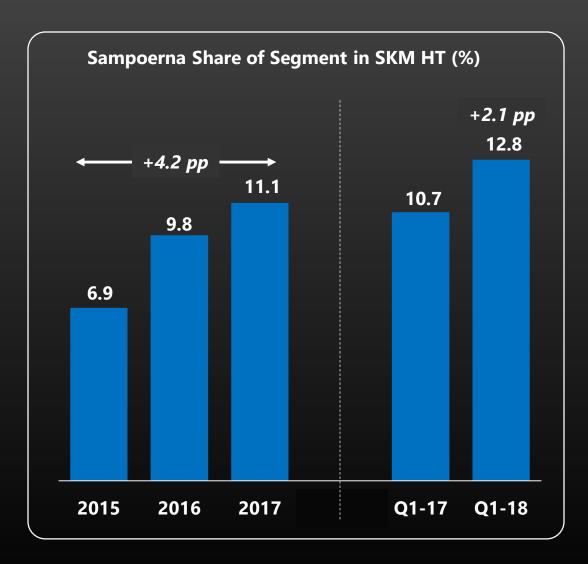


PERINGATAN: MEROKOK MEMBUNUHMU





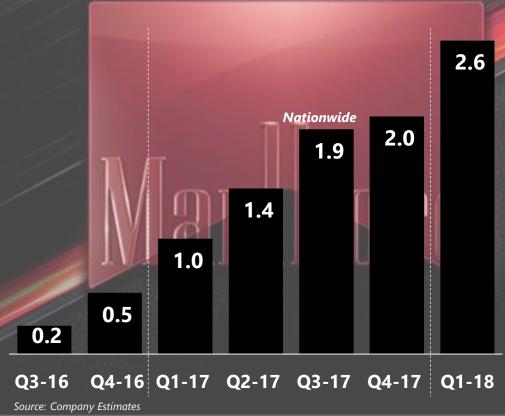
Expanding footprint in SKM HT category



- Marlboro Filter Black 20s
 - Launched September 2016 in 25 cities
 - Gradual distribution expansion to nationwide in 2017

- Marlboro Filter Black 12s
 - Launched September 2017 in 19 focus cities
 - Distribution expansion to nationwide by April 2018

Marlboro Filter Black Share of Market (%)





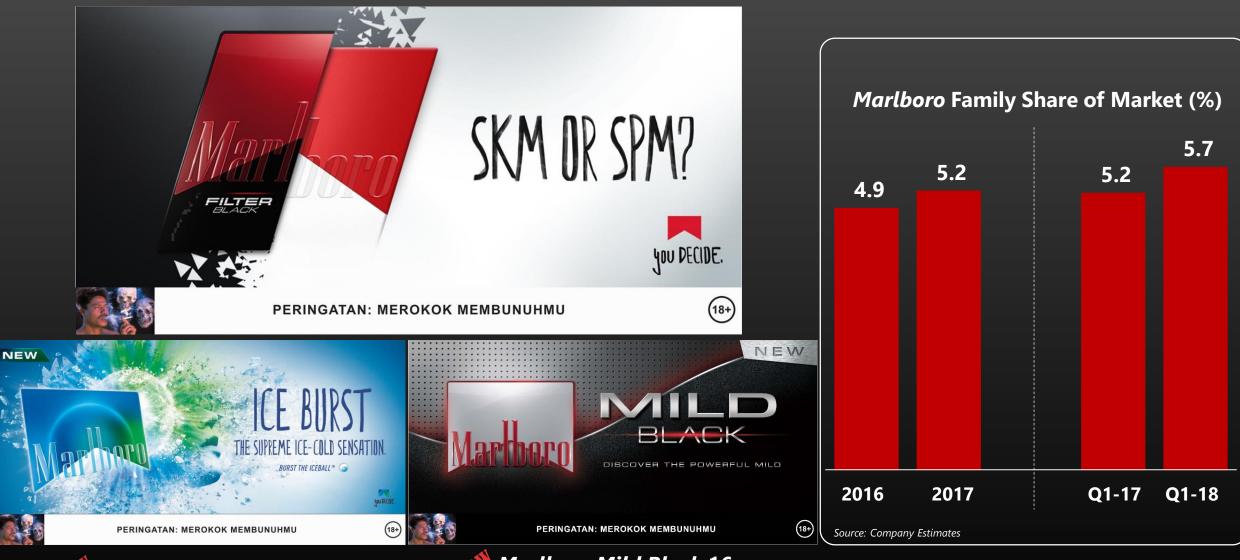
UNLEASH THE PERFORMANCE



PERINGATAN: MEROKOK MEMBUNUHMU



Marlboro Filter Black contributing to Marlboro family performance

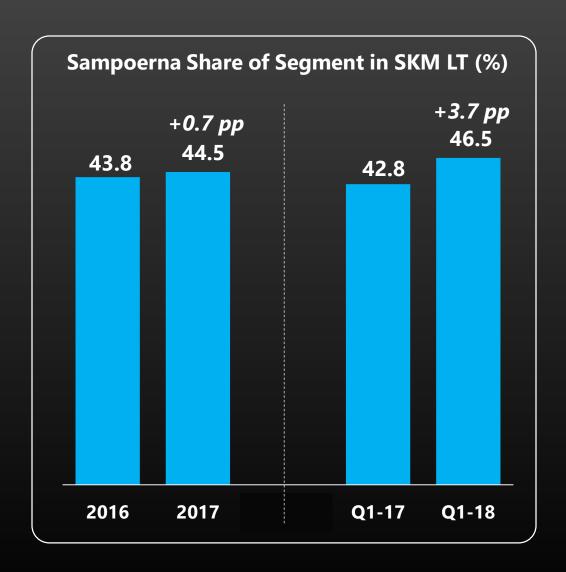


Marlboro Ice Burst 20s
Launched in February 2018

Marlboro Mild Black 16s
Launched in April 2018



Leadership in SKM LT and gaining share of segment



New product launches

- Dji Sam Soe Magnum Mild 16s
 - launched May 2017
- A Platinum 16s
 - launched December 2017 in specific
 Key Account channels
 - distribution expansion in April 2018

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PERINGATAN: MEROKOK MEMBUNUHMU Launched at the end of December 2017 with limited distribution in specific Modern Trade channel

Nielsen Share of Market at Modern Trade = 0.5% in Q1 2018





PERINGATAN: MEROKOK MEMBUNUHMU





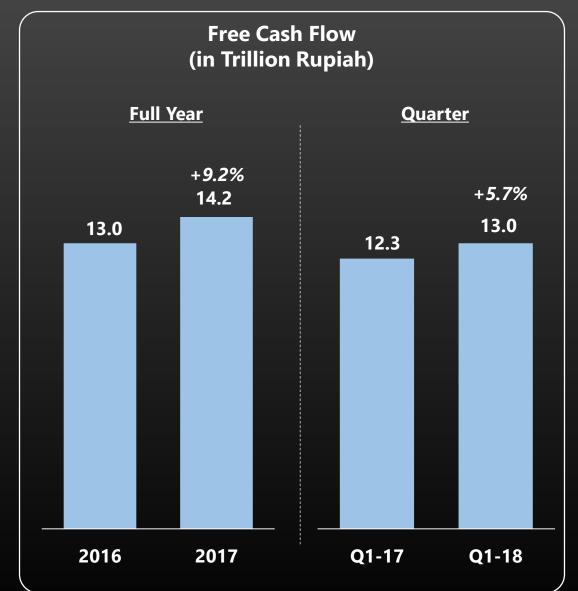
Key Performance Indicators

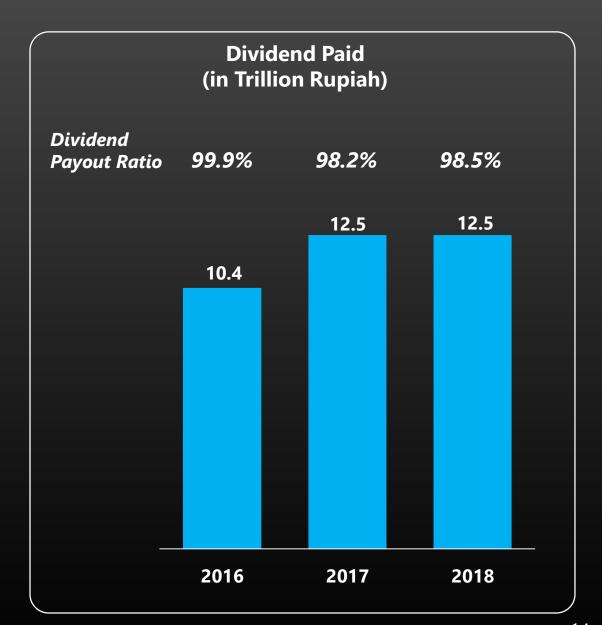
	Full Year 2016	Full Year 2017	% Change Year-on-Year	Q1-2017	Q1-2018	% Change Year-on-Year
Sampoerna Volume (in billion units)	105.5	101.3	-4.0%	23.4	23.0	-1.8%
Share of Market (in %)	33.4%	33.0%	-0.5 pp	33.0%	33.2%	0.2 pp
(in Rupiah Billion)						
Net Revenue	95,467	99,091	3.8%	22,576	23,136	2.5%
Gross Profit	23,855	24,216	1.5%	5,807	5,496	-5.3%
EBITDA	16,765	16,997	1.4%	4,362	4,000	-8.3%
Net Profit	12,762	12,671	-0.7%	3,291	3,032	-7.9%
Adjusted Net Profit Change*			0.7%			

^{*}reflect Adjusted Net Profit 2016 excluding significant one-time non-operational gains in 2016



Free Cash Flow and Dividend Paid







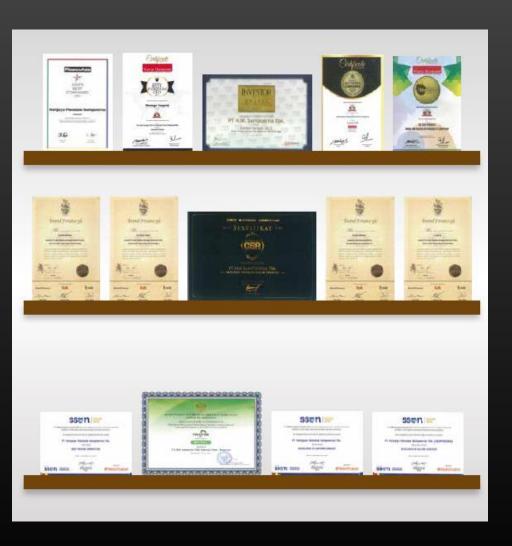
Sampoerna supports Small Medium Enterprises (SMEs)







Striving to be Indonesia's most respected company



- Asia's Best Companies 2017 from Finance Asia
- The Best Issuer 2017 in Cigarette, Pharmaceutical, and Household Sector from Investor Award
- Indonesia's Top 100 Most Valuable Brands from SWA Magazine
- Awards in the Human Resources Service from International Quality Productivity Centre (IQPC)
- Indonesia Most Admired Company 2017 from Warta Ekonomi
- "Green Rating" from the Ministry of Environment and Forestry
- Recognition from East Java Provincial Government for Zero Work Accident, Occupational Safety and Health Management System, Special Awards in the field of Industrial Relations
- **CSR Appreciation** from Seputar Indonesia 2017 (Kelompok Media Sindo Group)



Thank You