

# Corporate Presentation

## 9M16 **Results**

PT Telkom Indonesia (Persero) Tbk

1 November 2016



# Disclaimer

This document may contain forward-looking statements within the meaning of safe-harbor. Actual results could differ materially from projections, estimations or expectations. These may involve risks and uncertainties, and may cause actual results and development to differ substantially from those expressed or implied in the statements. The company does not guarantee that any action, which may have been taken in reliance of this document will bring specific results as expected.

# TELKOM Introduction

9M16 Financial & Operational Results

Company Guidance 2016



# Board of Directors



## Telkom



**CEO TELKOM GROUP**  
ALEX J. SINAGA



**Director**  
INDRA UTOYO



**Director**  
HARRY M. ZEN



**Director**  
HERDI R. HARMAN



**Director**  
ABDUS SOMAD ARIEF



**Director**  
DIAN RACHMAWAN



**Director**  
HONESTI BASYIR

## Telkomsel



**CEO Telkomsel**  
RIRIEK ADRIANSYAH



**Director**  
HERI SUPRIADI



**Director**  
EDWARD YING SIEW HENG



**Director**  
ALISTAIR D JOHNSTON



**Director**  
MAS'UD KHAMID



**Director**  
SUKARDI SILALAH



**Director**  
PRIYANTONO RUDITO



**Director**  
NG SOO KEE

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# 9M16 Performance Highlights

**Telkom Indonesia** continued strong momentum in 9M16 by posting triple double-digit growth in **Revenue**, **EBITDA**, and **Net Income** of **13.8%**, **20.0%**, and **27.6%** YoY respectively.

**Data, Internet & IT Services** sharply increased by **37.2%** YoY. This segment contributed **37.7%** to total revenue.

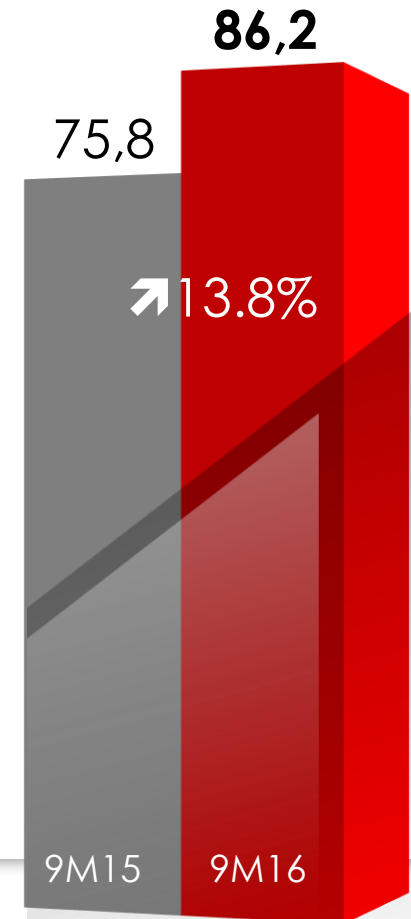
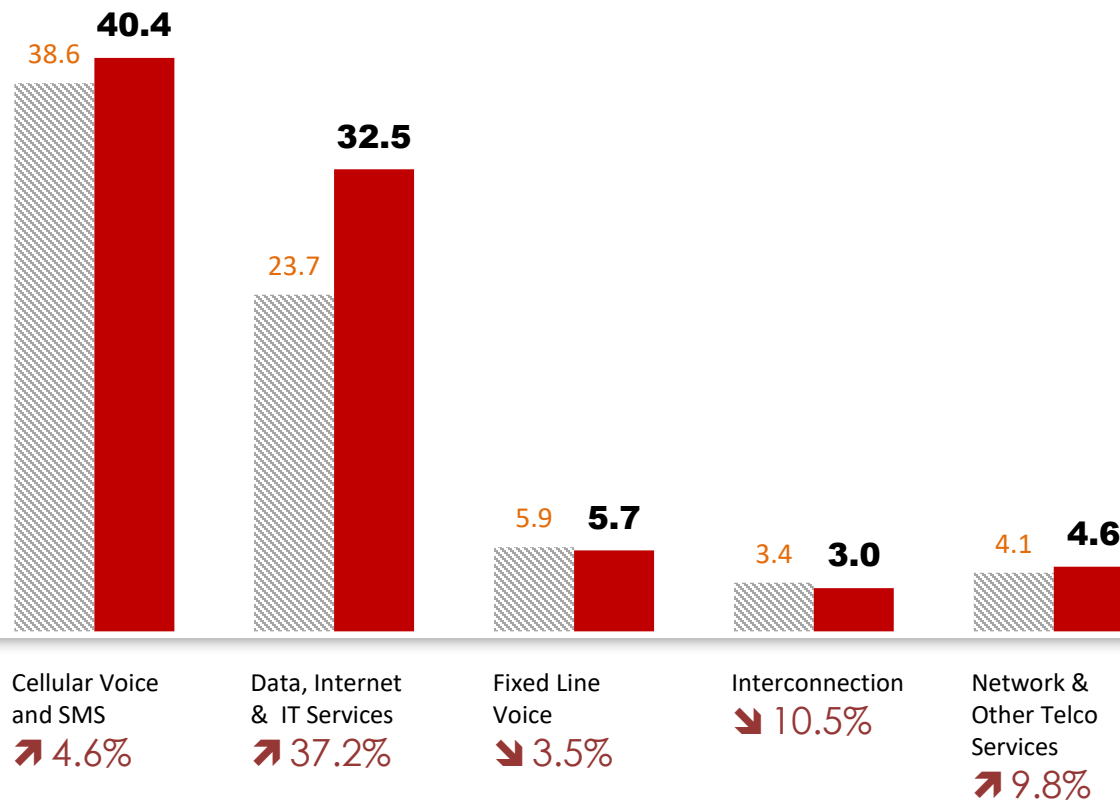
**Expenses** grew moderately by **8.0%** with manageable O&M charges.

**Telkomsel** delivered another triple double-digit growth in **Revenue**, **EBITDA**, and **Net Income** of **14.4%**, **18.9%**, and **27.3%** YoY respectively.

**Telkomsel** installed **20,808** new BTSs, of which around **90%** are 3G/4G BTS to enhance mobile broadband experience.

# Strong Revenue Growth, Driven by Data Business

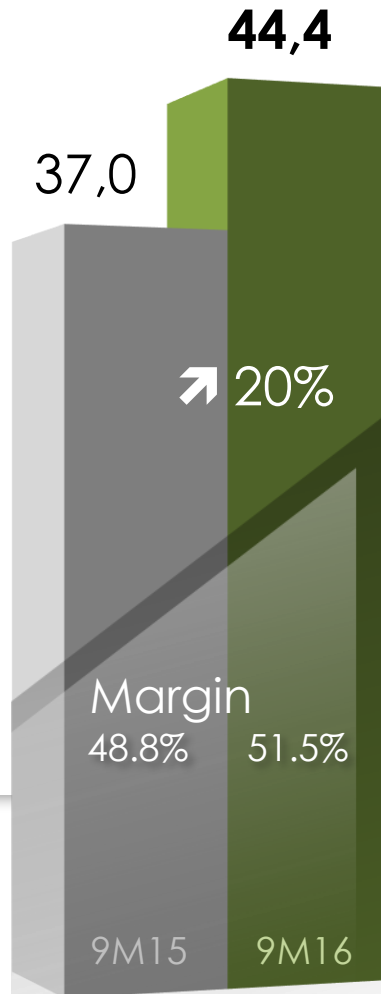
## Revenue YOY (Rp Trillion)



Note: SMS included SMS Banking and SMS advertising

▨ 9M15 ■ 9M16

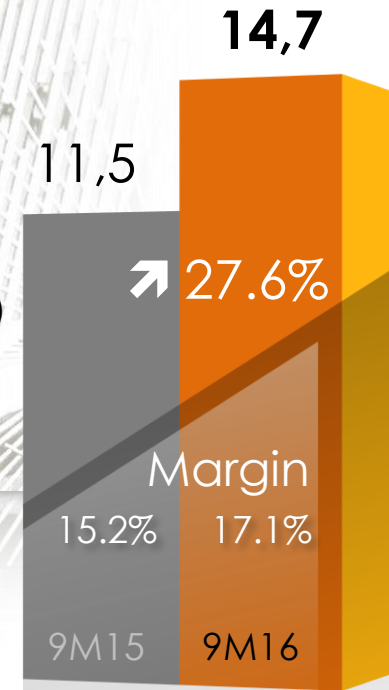
# Strong EBITDA & Net Income Growth with Healthy Margins



**EBITDA YoY**  
(Rp Trillion)



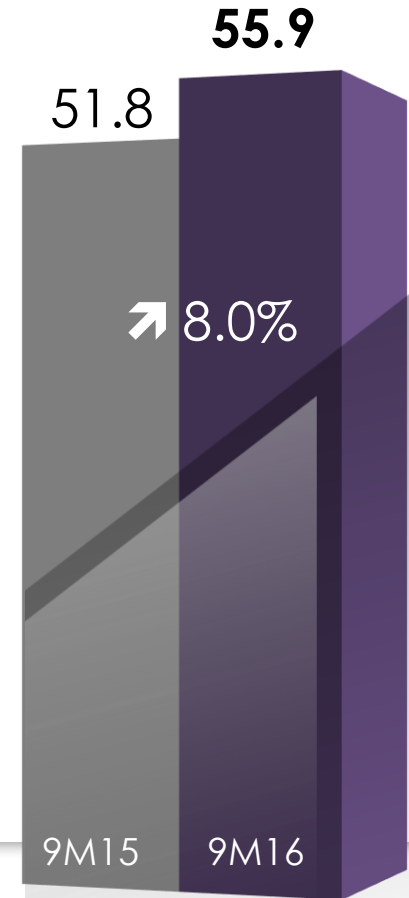
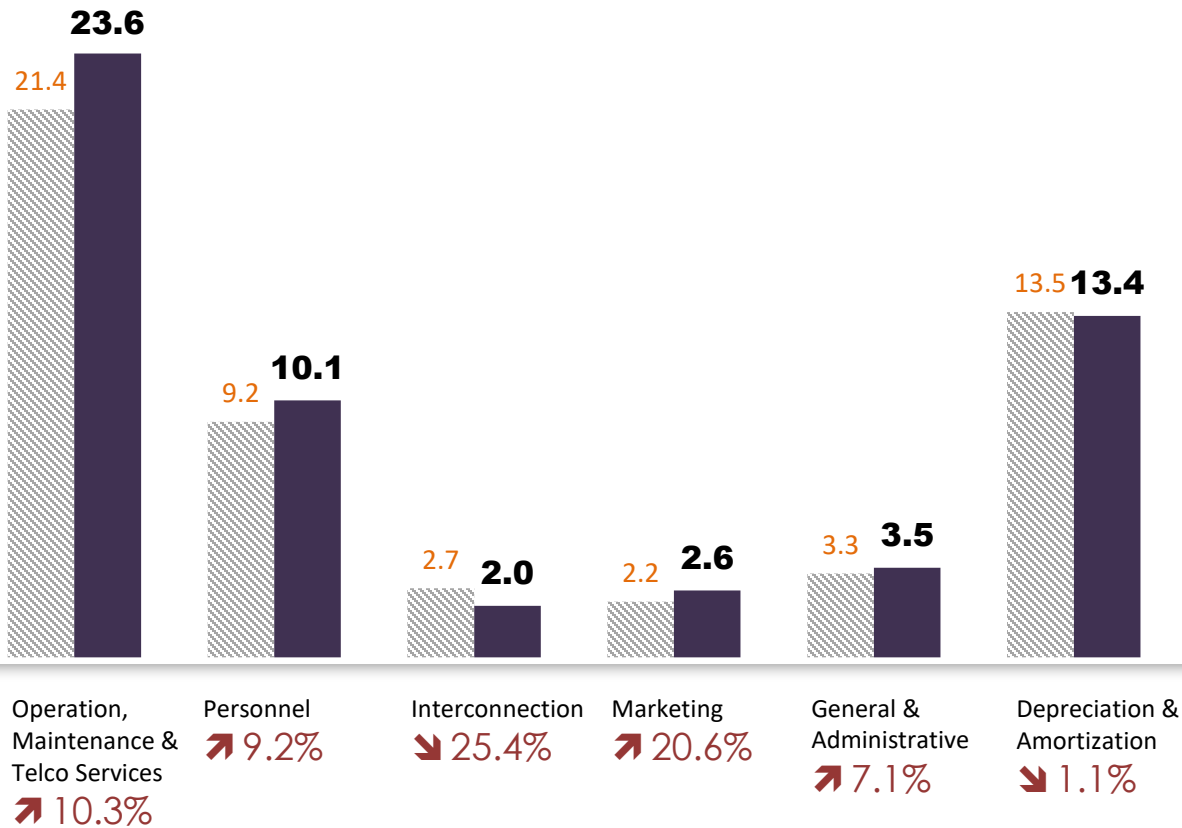
**Net Income YoY**  
(Rp Trillion)





# Moderate Growth in Expenses

## Expenses YOY (Rp Trillion)



▨ 9M15    ■ 9M16

# Excellent Operational Results

## Telkomsel Operational

- Total customers: 163.7mn, increased 10.2% YoY.
- 3G/4G-capable device users: 76.4 mn (+37.3% YoY). 11.9 mn has enjoyed 4G.
- Mobile data payload jumped 84.7% YoY to 631,269 TB.
- Added 20,808 new BTS (90% 3G/4G). Total BTS 124,097 (59% 3G/4G).

## TELKOM Operational

- IndiHome subs reached 1,524K in 9M16, increased 124.8% YoY
- Fixed broadband users (incl. non-IndiHome) increased 15.4% YoY to 4.3 Million



IndiHome FIBER

Saatnya Beralih ke Fiber, **IndiHome 100% Fiber!**

GRATIS - 1000 Menit Nelpom Lokal atau Interlokal | Download & Streaming Music | Anti Virus

IndiHome FIBER UR IndiHome Melon

TRIPLE PLAY

The advertisement features a red background with a white house-shaped frame containing images of people using various services: Internet, Phone, and IPTV. The text promotes the transition to fiber optic services, highlighting a free offer of 1000 minutes of local or interlocal calls, music download and streaming, and anti-virus protection. Logos for IndiHome FIBER, UR, IndiHome, and Melon are displayed at the bottom.



Untuk Anda kami terus berinovasi.

TELKOMSEL

Telkom Indonesia

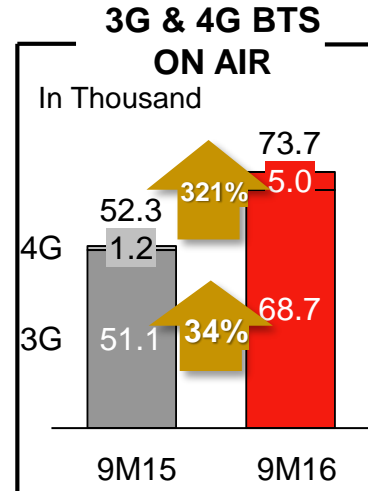
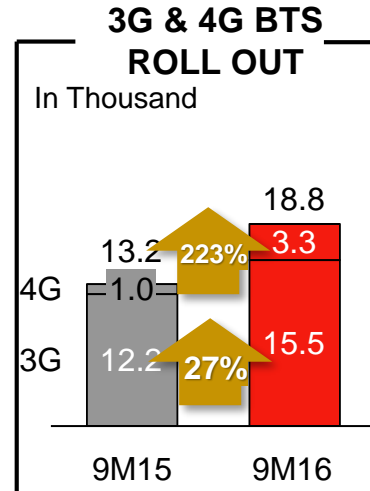
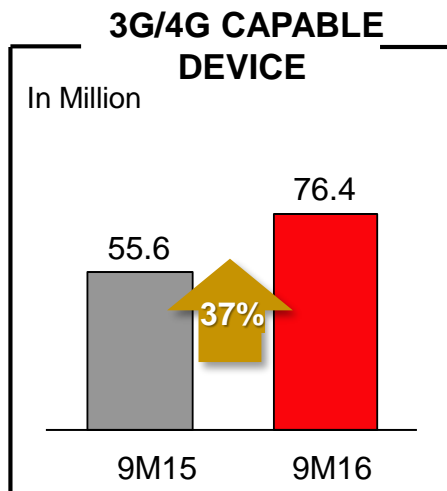
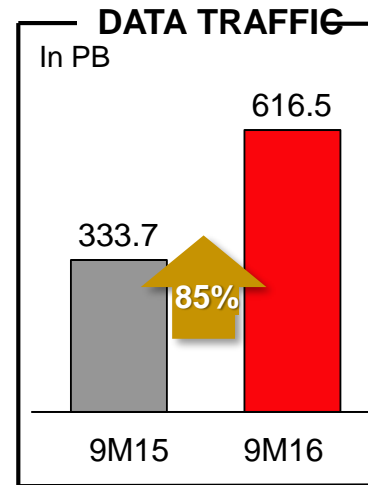
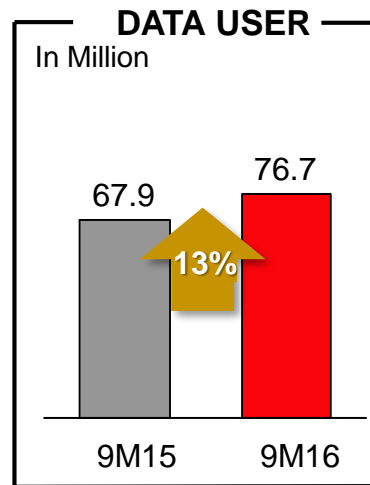
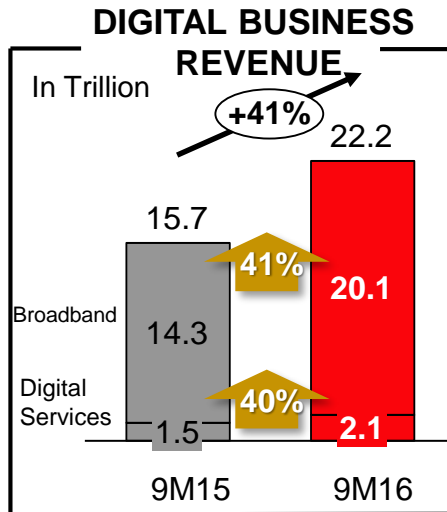
The advertisement shows a smiling couple in a red and white setting. The text 'Untuk Anda kami terus berinovasi.' is prominently displayed. The Telkomsel logo and 'Telkom Indonesia' branding are at the bottom.

# Telkomsel : Continue to Focus on Digital Business

Engine of growth and accounted for 35% of Total Revenues



## YEAR-ON-YEAR ACHIEVEMENT



### Broadband:



Telkomsel  
Flash



BlackBerry

### Digital Services:

- Digital Lifestyle
- Digital Advertising
- Digital Payment & Mobile Banking
- M2M Business



# Strong Enterprise & Wholesale Business

## Enterprise Business Services

*Delivers fixed line services to corporate, SMEs, and government*

**1,399**

Corporate  
Customers

**636**

Government  
institution

**190,850**

SME Customers

**64%**

*National market  
share (Traffic)*

**2,349**Gbps

total bandwidth in service  
(integrated IT Solutions)

## Supporting Smart City Initiatives

*Implementation of IT-based public services system*

**211** cities

Smart City System by TELKOM including Surabaya, Bandung & Bogor

## Wholesale Business

*To serve other licensed operators in Indonesia*

# Superior Network



**id-Access**  
True  
Broadband  
Access

>12Mn  
fiber-based  
homes passed

1,524K  
IndiHome 3P  
customers

**id-Con**  
Indonesia  
Digital  
Convergence

>75,000 sqm  
data center facility area

Finalizing Jurong  
data center  
( 20,000 sqm  
facility area)

## SEA-ME-WE-5

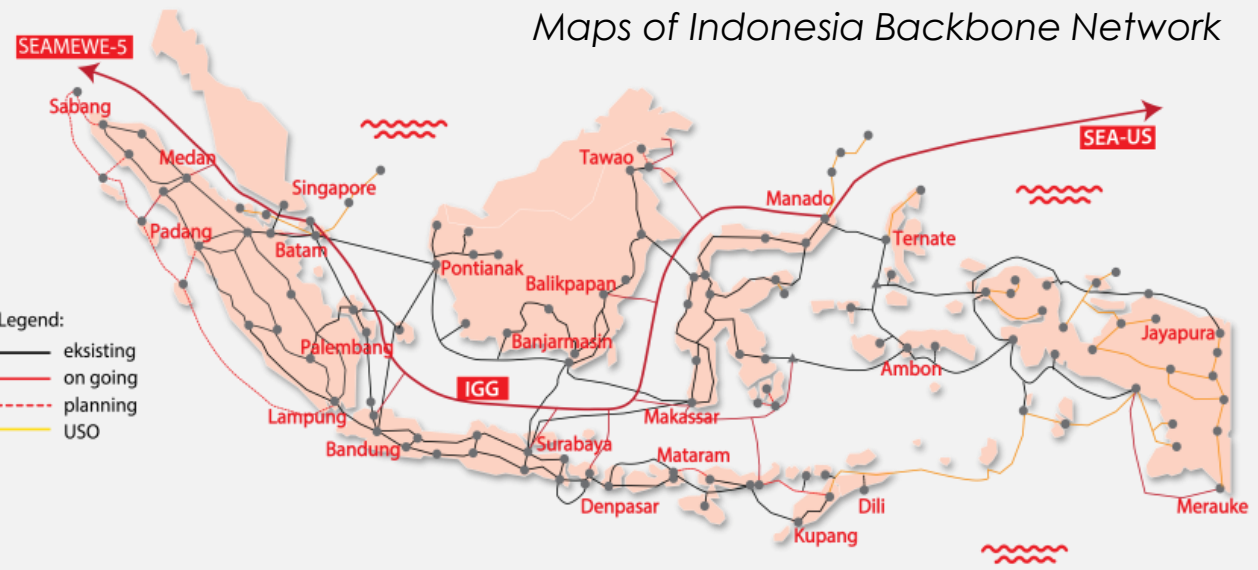
17,800 km from Dumai,  
Indonesia - Marseille, France  
Expected completion Q4 2016

## SEA-US

14,400 km from Manado,  
Indonesia - California, USA  
Expected completion Q3 2017

## IGG

Indonesia Global Gateway  
Connect SEA-ME-WE 5, SEA-  
US and our domestic network



Maps of Indonesia Backbone Network

**id-Ring**  
Nationwide  
Broadband  
Backbone

>83,000 km  
existing nationwide fiber-  
based backbone network

>48,000 km  
additional fiber-based  
backbone in 2016 - 2018

**TELKOM**  
Satellites

## Telkom-3S

- replacing Telkom-2
- 42 active trp, 24 std C-band trp, 8 extended C-band trp & 10 Ku-band trp.
- expected launch Q1/2017

## Telkom-4

- replacing Telkom-1
- 48 std C-band trp, 12 extended C-band trp
- expected launch Q3/2018

# Major Development in 3Q16

## Change in Board of Directors

On September 9, 2016, Mr. Muhammad Awaluddin was appointed as President Director of PT Angkasa Pura II (Persero).



## Application Service License in Myanmar

Telin Myanmar awarded license for ISP, private line voice/data services and value added services.



## Melon Indonesia

Telkom acquired 49% stake in Melon Indonesia from SK Planet. Melon has > 5 Million song catalogues to enrich digital contents.



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# 2016 Guidance

## Revenue Growth

To grow better than market rate in FY16 by continued effort in growing digital business

## EBITDA & Net Income Margins

To slightly decline in line with continued broadband infrastructure development and revenue shift towards digital business

## CAPEX

Around 25% of revenue with focus on broadband infrastructure

## MAIN PROGRAM

### Telkomsel

Leading Mobile Digital Business

### Indonesia Digital Network

Drive Digital Home & Enterprise

### International Expansion

Smart International Business Growth



**Thank You**

**PT Telkom Indonesia (Persero) Tbk**

October 2016

