

TICKERS:

IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

Government of Indonesia : 52.1%
Public : 47.9%

CREDIT RATING:

Moody's : Baa1 (Stable)
Fitch Ratings : BBB (Stable)
Pefindo : idAAA (Stable)

Highlights

- In the nine months of 2023, PT Telkom Indonesia (Persero) Tbk (“Telkom or The Company”) recorded positive growth of 2.2% YoY to Rp111.2 trillion in Revenue supported by the growth of Data, Internet & IT Services at 4.8% YoY to Rp63.4 trillion with increasing IndiHome revenue and continuous transition from legacy to data.
- Telkomsel’s Digital Business revenue recorded a positive performance of 7.0% YoY driven by solid data payload growth resulting in an increased contribution of mobile revenues to 86.1% from 81.0% in the same period last year. Telkomsel also managed a robust amount of mobile customer base at 158.3 million and acceleration of additional IndiHome B2C in the encouraging amount of 205 thousand customers.
- EBITDA stood at Rp 59.1 trillion with EBITDA margin 53.1%, improved from 52.2% in the first half 2023. Meanwhile, Net Income grew by 17.6% YoY to Rp19.5 trillion during the period.
- Mitratel continues its leadership in the tower industry, and consistently improves its profitability. In 9M23, Revenue grew by 11.9% YoY, with EBITDA Margin expanded 2.1 ppt to 80.6%, supported by improving tenancy ratio to 1.50x from 1.44x last year.
- Telkom through its Enterprise Segment has launched Indibiz, which provides connectivity solution as well as digital platform and service that focuses on securing Small and Medium Enterprises (SMEs) and are categorized into Indibiz for Shophouse, Indibiz for Multifinance, Indibiz for School, and Indibiz for Hotel.

Financial Highlights			
Key Indicators (Rp. Bn)	YoY		
	9M23	9M22	Growth (%)
Revenues	111,238	108,874	2.2
Expenses	76,256	77,301	(1.4)
Operating Profit	34,982	31,573	10.8
EBITDA	59,063	59,459	(0.7)
EBITDA Margin (%)	53.1	54.6	(1.5) ppt
Net Income	19,499	16,581	17.6
Net Income Margin (%)	17.5	15.2	2.3 ppt
Operating Net Income*	19,644	19,418	1.2
Operating Net Income Margin (%)*	17.7	17.8	(0.1) ppt

Operational Highlights						
Subscribers (000)	YoY			QoQ		
	9M23	9M22	Growth (%)	3Q23	2Q23	Growth (%)
Broadband						
IndiHome**	9,801	9,038	8.4	9,801	9,528	2.9
Mobile Data User	126,013	120,609	4.5	126,013	117,976	6.8
Cellular						
Telkomsel Halo	7,461	7,512	(0.7)	7,461	7,400	0.8
Telkomsel Prabayar	150,838	152,323	(1.0)	150,838	145,869	3.4
Total	158,300	159,836	(1.0)	158,300	153,269	3.3

* By factoring out unrealized gain (loss) from our investment and previous year accelerated depreciation

** Consisted of residential customers of IndiHome in Telkomsel and enterprise customers in Enterprise segment

Investor Relations

PT Telkom Indonesia (Persero) Tbk
Telkom Landmark Tower, 39th Floor
Jl. Gatot Subroto Kav. 52, Jakarta 12710
Phone : 62 21 5215109
Fax : 62 21 5220500
Email : investor@telkom.co.id
Website : www.telkom.co.id

DISCLAIMER

This document contains financial conditions and result of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, which would be treated as forward-looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve risk and uncertainty that could cause actual results and development to differ materially from those expressed or implied in these statements. Telkom Indonesia does not guarantee that any action, which may have a taken in reliance on this document, will bring specific results as expected.

PT TELKOM INDONESIA (PERSERO) Tbk NINE MONTHS OF 2023 (UNAUDITED)

The following analysis and discussion are based on our Indonesian GAAP financial statements for nine months of 2023 and 2022. The reports have been submitted to Indonesia Financial Services Authority (OJK).

Revenues

Key Indicators (Rp. Bn)	YoY		
	9M23	9M22	Growth (%)
Data, Internet & IT Service	63,367	60,471	4.8
IndiHome	21,785	20,889	4.3
SMS, Fixed and Cellular Voice	10,815	13,662	(20.8)
Interconnection	6,627	6,148	7.8
Network and Other Telco Services	8,644	7,704	12.2
Total	111,238	108,874	2.2

During the nine months of 2023, Telkom booked consolidated revenue of Rp111.2 trillion or grew by 2.2% YoY with mobile data and IndiHome continued to be the growth drivers. The revenue details are as follows:

- **Data, Internet & IT Services revenues** grew by 4.8% YoY to Rp63.4 trillion driven by continuous growth of cellular data and internet revenue which grew by 5.3% YoY. Driven by strong traction in mobile data services, mobile data traffic increased by 9.3% YoY to 12,944 petabytes.
- **IndiHome** grew by 4.3% YoY to Rp21.8 trillion during the period. In the nine months of 2023, we added around 589 thousand additional subscribers in 9M23 coming from residential and enterprise customers.
- **SMS, Fixed and Cellular Voice revenues** decreased by 20.8% YoY to Rp10.8 trillion due to cannibalization from instant messaging (OTT) application and continuous transition from legacy to data.
- **Interconnection revenues** grew by 7.8% YoY to Rp6.6 trillion as we successfully managed to grab opportunities from the international wholesale voice business.
- **Network and Other Telecommunication Services revenues** increased by 12.2% YoY to Rp8.6 trillion, driven by tower leasing revenue as well as growing network business.

Expenses

Key Indicators (Rp. Bn)	YoY		
	9M23	9M22	Growth (%)
Operating Expense			
Operation, Maintenance & Telecommunication Services	28,864	27,167	6.2
Personnel	11,678	11,155	4.7
Interconnection	4,525	3,865	17.1
General & Administrative	4,520	4,449	1.6
Marketing	2,588	2,779	(6.9)
Total Operating Expenses	52,175	49,415	5.6
Depreciation & Amortization	24,081	25,018	(3.7)
Unrealized Loss on Changes in Fair Value of Investments	182	3,084	(94.1)
Loss (Gain) on Foreign Exchange - net	41	(168)	(124.4)
Other Income - net	(223)	(48)	364.6
Total Expenses	76,256	77,301	(1.4)

Telkom was able to manage the expenses healthily and recorded total expenses decreased by 1.4% YoY to Rp76.3 trillion while Operating Expenses grew by 5.6% YoY to Rp52.2 trillion during the nine months of 2023. Details of expenses are as follows:

- **Operation & Maintenance (O&M) expenses** were Rp28.9 trillion or grew by 6.2% YoY, mainly resulting from higher spectrum frequency usage fee.
- **Personnel expenses** grew by 4.7% YoY to Rp11.7 trillion, due to increasing employee benefits and actuarial calculation.
- **Interconnection expenses** were Rp4.5 trillion or grew by 17.1% YoY, in line with our growing international wholesale voice business.
- **General & Administrative expenses** increased moderately by 1.6% YoY to Rp4.5 trillion to support our transformation and business activities during the period.
- **Marketing expenses** decreased by 6.9% YoY to Rp2.6 trillion mainly due to selective promotion strategies align with healthy conduct initiatives.
- **Depreciation & Amortization expenses** declined by 3.7% YoY to Rp24.1 trillion due to the recognition of accelerated depreciation during the same period last year.
- We recorded **Unrealized Loss on Changes in Fair Value of Investments** of Rp182 billion mainly to recognize unrealized loss from our investment in GoTo as its market price was Rp85 per share at the end of September 2023.
- We recorded **Loss on Foreign Exchange - net** of Rp41 billion at the end of September 2023.
- **Other Income – net** was booked at Rp223 billion, due to lower non-operating expenses and higher non-operating income during the period.

EBITDA and Net Income

During the nine months of 2023, EBITDA stood at Rp59.1 trillion with EBITDA margin of 53.1%, improved from 52.2% in the first half of 2023. In the same period, we booked healthy Net Income which grew 17.6% YoY to Rp19.5 trillion with Net Income Margin of 17.5%, improved from 15.2% in the same period last year.

Financial Position

Key Indicators (Rp. Bn)	End of		
	9M23	FY22	Growth (%)
Total Assets	276,212	275,192	0.4
Total Liabilities	126,719	125,930	0.6
Non-controlling Interests	18,800	20,004	(6.0)
Total Equity	149,493	149,262	0.2

- Total assets at end of September 2023 stood at Rp276.2 trillion, slightly increased by 0.4% YTD.
- Total liabilities during the nine months of 2023 slightly grew by 0.6% YTD to Rp126.7 trillion.
- Non-controlling interests decreased by 6.0% YTD due to dividend payment in subsidiary.
- Our equity was Rp149.5 trillion or slightly grew by 0.2% YTD during the period.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	9M23	9M22	Growth (%)
Cash Flows from Operating Activities	42,777	50,866	(15.9)
Cash Flows used in Investing Activities	(26,262)	(26,761)	(1.9)
Cash Flow used in Financing Activities	(22,517)	(31,035)	(27.4)
Net (Decrease) Increase in Cash and Cash Equivalents	(6,002)	(6,930)	(13.4)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(39)	277	(114.1)
Allowance for Expected Credit Losses	(1)	(1)	0.0
Cash and Cash Equivalents at Beginning of Year	31,947	38,311	(16.6)
Cash and Cash Equivalents at End of Period	25,905	31,657	(18.2)

- Net cash provided by operating activities during the nine months of 2023 declined by 15.9% YoY to Rp42.8 trillion due to higher payment for operating expenses in 2023, resulting in lower outstanding trade payable balances. However, cash received from customers increased by 3.6% YoY.
- Net cash used in investing activities decreased by 1.9% to Rp26.3 trillion.
- Net cash used in financing activities significantly decreased by 27.4% YoY to Rp22.5 trillion, resulting from lower loan repayment in 9M23 compared to the same period last year.

Debts

Currencies (Rp. Bn)	End of		Portion (%)	
	9M23	FY22	9M23	FY22
IDR/Rupiah	68,569	62,295	99.4	98.8
USD/US Dollar	282	531	0.4	0.8
JPY/Japanese Yen	119	181	0.2	0.3
MYR/Malaysian Ringgit	29	34	0.0	0.1
Total	68,999	63,041	100.0	100.0

In the nine months of 2023, total debts (including lease liabilities) stood at Rp69.0 trillion or grew by 9.5% YTD from Rp63.0 trillion at the end of 2022 resulting from lower debt repayment than new load withdrawal. Around 99.4% of our debts were in Rupiah currency, around 0.4% were in US Dollar currency and the remaining balance were in Japanese Yen and Malaysian Ringgit, consisting of short and long-term bank loans, bonds, two-step loans, loans from non-bank financial institution, as well as lease liabilities. By excluding lease liabilities, our total debt was Rp50.1 trillion as of 30 September 2023 and Rp44.4 trillion as of 31 December 2022. The debt was allocated to capital expenditure (capex) deployment and working capital stability.

Our Debt-to-Equity Ratio (“DER”) and Debt to EBITDA were still relatively manageable at 46.2% and 0.9x.

Gearing Ratio

Ratios	End of		
	9M23	FY22	Growth (ppt)
Net Debt to Equity (%)	27.6	19.9	7.7
Debt to Equity (%)	46.2	42.2	4.0
Net Debt to EBITDA (times)	0.5	0.4	0.1
Debt to EBITDA (times)	0.9	0.8	0.1
Debt Service Ratio (times)	2.3	3.0	(0.7)

Notes:

- Net Debt to Equity is calculated as Total Debt deducted by Cash & Cash Equivalent and Other Current Financial Assets, then divided by Total Equity
- Debt to Equity is Total Debt to Total Equity
- Net Debt to EBITDA is calculated as Total Debt deducted by Cash & Cash Equivalent and Other Current Financial Assets, then divided by Annualized EBITDA
- Debt to EBITDA represented by Total Debt to Annualized EBITDA
- Debt Service Ratio is calculated as Annualized EBITDA divided by the sum of Annualized Finance Cost and Short-term Debt

Financial Ratios

Ratios (%)	YoY		
	9M23	9M22	Growth (ppt)
EBIT Margin	31.4	29.0	2.4
EBITDA Margin	53.1	54.6	(1.5)
Net Income Margin	17.5	15.2	2.3
Current Ratio	71.8	82.3	(10.5)
Total Liabilities to Equity	84.8	85.7	(0.9)
Return on Assets	12.3	11.3	1.0
Return on Equity	22.6	20.9	1.7
Return on Invested Capital	15.5	14.3	1.2

Notes:

- EBIT Margin is EBIT to Revenue
- EBITDA Margin is EBITDA to Revenue
- Net Income Margin is calculated as Profit Attributable to Owners of the Company divided by Revenue
- Current Ratio represented by Current Assets divided by Current Liabilities
- Total Liabilities to Equity is Total Liabilities to Total Equity
- Return on Assets represented by Total Profit divided by Total Assets
- Return on Equity represented by Total Profit divided by Total Equity
- Return on Invested Capital is calculated as Annualized Total Profit divided by sum of Total Debt and Total Equity

Capital Expenditure

During the nine months of 2023, Telkom spent Rp22.1 trillion in capital expenditure (capex) or represented 19.9% of total revenue. Our capex was utilized to strengthen network and other supporting infrastructures as well as to enhance capacity to provide better customer experience. In fixed line businesses, capex spending was mostly allocated for fiber-based access and submarine backbone infrastructure development, and for other projects such as towers and data centers. Also, capex was absorbed for further improvement of 4G network quality and capacity, commencement of 5G roll out as well as enhancement of IT system in mobile business.

5 BOLD MOVES STRATEGY

Telkom initiated the 5 Bold Moves Strategy to build competitive advantages in the areas of digital connectivity, digital platforms, and digital services. This strategy aims to strengthen the Company's position as a world-class digital telco company, with long term objective of creating higher value for the Company's stakeholders. By having this 5 Bold Moves strategy, Telkom Group can diversify and expand its market share form to B2B business while also can defending its position as the B2C Telco market leader. We are of the view that the 5 Bold Moves strategy could maximize opportunity and value creation for the group.

CONSUMER: TELKOMSEL AND INDIHOME

Fixed-Mobile Convergence (FMC)

The first initiative in 5 Bold Moves Strategy was successfully executed on 1 July 2023 as IndiHome and its commercial aspects were legally integrated to Telkomsel. The reason and purpose of the Spin-Off are to

maintain competitiveness and superiority of Telkom, facing competition in the Indonesian telecommunication sector. For further details, please refer to Telkom's Info Memo below.

Largest Convergence Operator to Digitize Nation with Unbreakable Internet Harnessing High-speed Demand and Focus on Market Share Productivity

Telkom and Telkomsel have signed a deed of spin-off to integrate IndiHome

IndiHome B2C segment has been smoothly integrated into Telkomsel and serving existing customers without any disruption. This agreement is an important milestone to leverage leadership both in fixed and mobile and become the largest convergence operator nationwide with unbreakable internet service. This initiative also a foundation to create a sustainable impact on community, supporting the acceleration of digital inclusion and digital economy, increasing the level playing field of the Indonesian telecommunications industry, and strengthening the company's business in the future.

IndiHome services will further strengthen Telkomsel's position in the telecommunications and digital industry in Indonesia by ensuring continuity and value creation as well as grab opportunities by capturing whole journey and serve customer thru cross-sell and up-sell initiatives to maintain and converged customers.

Leading position both in Mobile and Fixed with quality customer and productivity improvement

Telkomsel continue to focus on market share productivity through customer centricity approach and healthier conduct with right pricing to retain customer stickiness by optimizing CVM (Customer Value Management) while managing market relevance and relative market position.

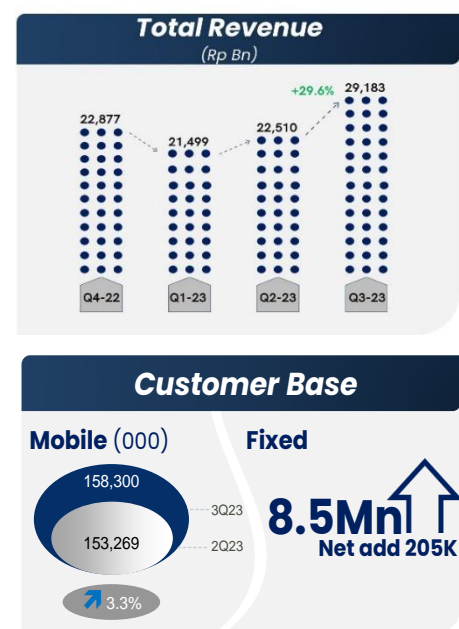
In Q3-2023, Telkomsel managed a robust amount of mobile customer base at 158.3 million and acceleration of additional IndiHome B2C towards 8.5 million customers driven by cross-selling and up-selling activities.

Healthy ARPU growth which serve higher payload both in Mobile and Fixed, makes Telkomsel becoming House of Payload in Indonesia indicated improvement of customer productivity and quality supported by continuous network improvement and automation.

Capture positive momentum underpinned by core Broadband with Digital Services portfolio

Optimistic Indonesia economic outlook in 2023 with controlled inflation rates and better development of poverty rate demonstrated the national economic resilience. The Indonesian telecommunications industry showed its resilience with commitment of maintaining healthy market conduct and increasing demand of high-quality data service with opportunities turn led to industry optimism to secure profitability and sustainability in growth.

Telkomsel recorded positive consolidated revenues growth (+10.6% YoY & +29.6% QoQ) with healthy levels of profitability supported by growth of Digital Business driven by healthy growth of Data and Digital Services as indicative room for future growth.



Embrace new scheme to manage profitability and securing margin

We adopt an asset-light approach with infrastructure remaining at the Group as Telkomsel focuses on the customer-facing side of the business. With this scheme, there will be a new rate of margin with the biggest profitability share in the industry supported by synergy initiatives.

Financial Performance - Consistent healthy performance in the industry

Telkomsel continues to have positive momentum with Digital Business contribution as engine of growth while unlocking potential synergy from convergence of fixed and mobile. We try to capture the whole journey to connect homes and families by providing seamless products & services to reach better customer experience.

Key Indicators (Rp. Bn)	YoY			QoQ		
	9M23	9M22	Growth (%)	3Q23	2Q23	Growth (%)
Financial (Rp Bn)						
Revenues Mobile	66,591	66,161	0.6	22,582	22,510	0.3
Legacy	9,262	12,601	(26.5)	2,946	2,967	(0.7)
Digital Business	57,328	53,560	7.0	19,636	19,543	0.5
Revenues IndiHome B2C	6,602	-	N/A	6,602	-	N/A
Total Revenues	73,193	66,161	10.6	29,183	22,510	29.6
Total Expenses	34,585	28,359	22.0	15,237	9,816	55.2
EBITDA	38,608	37,802	2.1	13,946	12,694	9.9
Margin (%)	52.7	57.1	(4.4) ppt	47.8	56.4	(8.6) ppt
Net Income	16,375	16,790	(2.5)	5,639	5,409	4.3
Margin (%)	22.4	25.4	(3.0) ppt	25.0	24.0	0.9 ppt
Operating Net Income*	16,518	15,963	3.5	6,232	5,385	15.7
Margin (%)	24.8	24.1	0.7 ppt	27.6	23.9	3.7 ppt
Proportion of Digital Business to Mobile Revenue (%)	86.1	81.0	5.1 ppt	87.0	86.8	0.1 ppt

*) Excludes inorganic initiatives with fair value of investment in GoTo

Capture positive momentum underpinned by Digital Business Revenue towards convergence adoption

Telkomsel continues to deliver topline improvement with Digital Business remained the engine of growth as a result of healthy conduct initiative with productivity improvement. This segment recorded a positive performance and increased its contribution to mobile revenues to 86.1% from 81.0% last year driven by healthy growth of Data and Digital Services with digital drivers' potency as indicative room for future growth. We are committed to deliver variety of value-added services and innovative end-to-end product included Digital Lifestyle, Digital Advertising, Digital Enterprise Solution & IoT business.

Revenue from Digital Business grew by 7.0% YoY with healthy growth in Data payload supported by scaling up Digital Services capabilities as connectivity complementary which has grown rapidly. Digital Business has been the key drivers of Telkomsel transformation as a digital telco company with initiatives to optimize and accelerate its adoption through quality products and services. Moreover, we also elevate and expand our digital capabilities for the distinctive digital experience of the customer.

We focus to retain our customers through CVM plan and providing the best customer experience to maintain stickiness & productivity. We keep enhancing our analytical engine and hyper micro segmentation to improve our offering to meet customers' needs.

Maintained business continuity of IndiHome and serving best customer experience bundled with high-speed plan

On July 1, 2023, B2C segment of IndiHome has been smoothly integrated into Telkomsel and serving existing customers without any disruption. In less than one month, we launched new product called "Telkomsel One" as a commitment in continuing the implementation of FMC initiative that will further encourage equal distribution of digital connectivity for the community with a wide selection of customer-centric packages and multi-screen approach initiative through content optimization.

In the initial stage, we are continuously focused on maintaining business continuity of IndiHome to maximize synergy value while delivering on the revenue opportunities. The integration that only started in 3 months has been progressing on schedule which include the cross-sell activities, service integration, platform cost & content synergy, no investment duplication and customer touch point integration.

Moreover, Telkomsel successfully accelerating new additional customers of IndiHome B2C in the amount of 205K within three months with stable ARPU at Rp 257K. Looking ahead, we are dedicated to continually improving our services and serving an even broader customer base while maintaining the high standards of quality and value that our customers expect.

Operating Expenses – Cost optimization initiatives to drive OPEX effectiveness

As of September 2023, total expenses increased by 22.0% YoY to Rp34,585 billion as the impact of IndiHome integration which mainly due to the adoption of a new wholesale agreement. This agreement enables us to get privileged access to Telkom's widest infrastructure to strengthen the digital ecosystem by providing the best and most equitable digital connectivity nationwide. In addition, we will be achieving cost optimization and efficiency along with an increase in productivity and improvement in the economies of scale including the biggest traffic share and potential users.

Moreover, it is in line with the company's continuous effort for network optimization and securing spectrum as well as digital investment to expand Digital Business performances.

To maximize synergy initiatives, we achieved content optimization and acceleration of closing down overlapping customer touch points more than 190 outlets. This streamlined approach will not only maintain the current level of customer satisfaction but also lead to improved customer experiences and increased operational efficiency in the future.

EBITDA and Net Income – Consistently healthy and sustainable

We are adopting an asset-light approach which provides advantages by leveraging Telkom's resources with no duplication of investment for the network deployments. A new rate of EBITDA will be reflected and positively growing with the biggest profitability share in the industry supported by synergy initiatives aligned with the improvement of penetration rate.

Telkomsel booked Net Income of Rp16,375 billion and Rp16,790 billion in 9M-2023 and 9M-2022 respectively which mainly from the changes in fair value of investment in GoTo.

For simple normalization on the valuation, Operating Net Income in 9M-2023 and 9M-2022 reached at Rp16,518 billion and Rp15,963 billion respectively (+3.5% YoY) with healthy levels of profitability were still maintained.

Operational Performance – Industry leading indicators showcasing strong business and solid execution

Key Indicators	YoY			QoQ		
	9M23	9M22	Growth (%)	3Q23	2Q23	Growth (%)
Mobile Customer Base (000)	158,300	159,836	(1.0)	158,300	153,269	3.3
IndiHome B2C (000)	8,474	-	N/A	8,474	-	N/A
ARPU Mobile (000)	47.8	42.9	11.4	48.6	49.7	(2.2)
ARPU IndiHome B2C (000)	256.5	-	N/A	256.5	-	N/A
BTS on Air (units)	233,052	260,815	(10.6)	233,052	228,377	2.0
Data Payload (TB)	13,254,485	12,128,796	9.3	4,525,550	4,511,530	0.3

- Robust 158.3 million quality mobile customers** and encouraging amount of Indihome B2C as a result of healthy conduct initiatives with productivity improvement, maximize customers value while focusing on renewals as well as cross-selling and up-selling offering through FMC initiatives. Furthermore, we have persistently strengthened our analytical capabilities by implementing hyper macro segmentation through CVM.
- We are demonstrating productivity improvement** and higher quality customers, as indicated by increased payload, customer consumption, and substantial ARPU uplift which in line with company's commitment to bringing value added through various partnership and synergy in excellence contents, product, and services.
- Finished the process of 3G to 4G service upgrade** (3G shutdown) with total BTS reached 233,052 units including 183,621 4G BTS which covered more than 97% of the population throughout the nation.
- Telkomsel as the only company from Indonesia, together with 30 leading companies declared the Autonomous Network Manifesto** which established the best standards and practices to accelerate the adoption of independent network to support the growth of the telecommunications and digital industry through the development of an autonomous network architecture based on Open Digital Architecture (ODA). It is also aligned with our initiative to strengthen network leadership through coverage and quality to support our position as house of payload in Indonesia with focus on Digital Business and improved customer experience in adopting a digital lifestyle. Our efforts have been acknowledged by Ookla® Speedtest Awards™ 2023 for January – June 2023 period which Telkomsel successfully reach recognition in broadband mobile category including Best Mobile Network, Best Mobile Coverage, Fastest Mobile Network, Top-Rated Mobile Network, Best Mobile Video Experience dan Best Mobile Gaming Experience.

- Serving the best customer experience to retain and foster stickiness by transforming MyTelkomsel** and integrated the services of end-to-end product including tracking package, transparency usage, new loyalty program, and realize all services and digital lifestyle in One bill, One app, One touch point, One solution. We also completed the services with Veronika virtual human interaction supported by OpenAI. Currently with better engagement, MyTelkomsel app garner more than 35 million monthly active users which giving us opportunity to deliver our commitment to provide customers with the right products and services specifically tailored to their needs.

Consolidated Statements of Balance Sheet - Maintained fundamental financial position

Description (Rp Bn)	Sep-23	Dec-22	Growth (%)
Current Assets	14,055	15,937	(11.8)
Non-current Assets	90,117	85,055	6.0
Total Assets	104,172	100,991	3.1
Current Liabilities	39,306	31,272	25.7
Non-current Liabilities	39,797	39,677	0.3
Equity	25,069	30,042	(16.6)
Total Liabilities & Equity	104,172	100,991	3.1

- Lower Current Assets mainly due to decrease in cash and cash equivalents while higher Non-current Assets due to increase in fixed assets and prepaid expenses (non-current).
- Higher Current Liabilities mainly due to increase in current maturities of medium-term loans while Non-current Liabilities due to the increase in unearned revenues.
- Lower total Equity mainly due to decrease in retained earnings.

Consolidated Statements of Cash Flows – Sustainable cash generations

Description (Rp Bn)	9M23	9M22	Growth (%)
Cash Flows from Operating Activities *)	31,563	32,334	(2.4)
Cash Flows for Investing Activities	(9,995)	(4,599)	117.3
Cash Flows for Financing Activities	(24,107)	(21,828)	10.4
Net Decrease/Increase in Cash and Cash Equivalents	(2,538)	5,907	N/A
Cash and Cash Equivalents at Beginning of Period	6,352	2,766	129.6
Cash and Cash Equivalents at End of Period	3,814	8,673	(56.0)

*) Includes effect of foreign exchange rate changes

- Lower cash flows from operating activities mainly due to payments for operating expenses, as well as up front and annual fees of the new 2.1 GHz bandwidth frequency.
- Cash flows for investing activities higher was higher due to proceed from the sales of towers in the previous period.
- Cash flows for financing activities was lower mainly due to timing in the payments of short and medium-term loans.

Debt Profile

As of 30 September 2023, Telkomsel's total outstanding loans amounted to Rp5,400 billion from utilization of revolving credit facilities. Telkomsel has to maintain several financial covenants related to its loans/debts as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	≥ 1.25	3.63
Total Debt to Tangible Net Worth	≤ 2.00	0.29

Notes: Debts covenants exclude lease liabilities.

Credit Ratings - Excellent credit quality

Telkomsel has excellent credit quality and is one of the highest rated companies in Indonesia. Telkomsel's latest ratings issued by Fitch Rating Indonesia are as follows:

	Ratings	Outlook	Issued Date
Fitch Ratings Indonesia	AAA (National Long-Term)	Stable	October 20, 2023

WHOLESALE AND INTERNATIONAL BUSINESS (WIB)

WIB segment posted Rp12.3 trillion in revenue or rose by 9.1% YoY driven by our growing international wholesale voice business and our digital infrastructure business.

Data Center Co

As of September 2023, we have a total of 32 data center facilities (27 domestic and 5 overseas) with average utilization rate of 70% that spread over 4 countries (Indonesia, Singapore, Hongkong, and Timor Leste). Our data centers consist of an IT load capacity of 42 MW. In order to capture the opportunity in the Data Center business, we have been investing a significant amount of capital expenditure in this business.

Through our subsidiary, PT Telkom Data Ekosistem, with NeutraDC as the brand, we focus on developing business in Hyperscale Data Center (HDC) and Enterprise Data Center to serve large enterprise needs with various customer segmentations. Meanwhile, our Edge Data Centers are aimed to support local government, local ISP, and Small and Medium Enterprise (SMEs) businesses across Indonesia.

Building partnerships with technology leaders is one of Telkom Data Center's strategic initiatives to strengthen the company's portfolio, accelerate the transformation process, and improve the digital capabilities. The initiative to establish strategic partnerships with several global tech companies is expected to have a positive impact on Telkom's business development, especially in the digital platform and digital services domain. As a result, during the nine months, data center and cloud business booked Rp1.4 trillion of revenue which grew by 9.1% YoY.

InfraCo

Following FMC initiative, Telkom intends to establish InfraCo as a new entity in the fourth quarter of 2023. This entity is expected to serve as Telkom's primary driver for boosting enterprise value by facilitating widespread fiber penetration, providing exceptional services, and fostering enhanced value creation to effectively tackle strong competition.

This initiative is a key component of the "5 Bold Moves" strategy focusing on optimizing network utilization, capex, increase market penetration by enhancing external revenue, and offering superior network services. By having InfraCo, we can increase fiber network value, secure Telkom's position as Telco market leader, ensure InfraCo to focus on fiber business, improve Margin EBITDA, as well as open future business opportunities to meet investor's expectation.

Tower

Mitratel owns 37,091 towers in all regions of Indonesia, maintaining its position as the largest tower provider in Southeast Asia. In the nine months of 2023, Mitratel's tenancy ratio improved to 1.50x compared to 1.44x last year. In addition, Mitratel enjoys site diversification as around 58% of towers are located in ex-Java, while the remaining 42% are located in Java. Therefore, we believe the tower business still has the opportunity to grow, driven by increasing demand for mobile data and the upcoming 5G technology implementation.

On a stand-alone basis, in 9M23, Mitratel recorded Revenue of Rp6.27 trillion or grew by 11.9% YoY, driven by tower leasing revenue. EBITDA and Net Income grew by 14.8% and 16.6% YoY, respectively. Both EBITDA Margin is expanding to 80.6%, increased by 2.1 ppt, and Net Income Margin is at 22.8%, increased by 0.9 ppt. Colocation number and the number of tenants grew by 21.3% and 10.5% YoY respectively. Furthermore, Mitratel has demonstrated a strong financial position with a relatively low leverage ratio of 1.9x (net debt to EBITDA). This allows the company to better weather economic downturns and take advantage of growth opportunities while providing stability to shareholders.

Mitratel is also expanding to the Fiber-to-the-Tower business as part of its strategy to strengthen its product portfolio to become a digital infrastructure company. Mitratel also strengthens the fiber optic business by deploying 12,401 km organically as of 9M23, bringing total fiber optic length to 29,042 km by end of nine months of 2023.

ENTERPRISE BUSINESS (EBIS)

B2B Digital IT Services

During the nine months of 2023, Enterprise segment recorded Rp14.6 trillion in revenue or grew by 6.6% YoY, resulting from B2B Digital IT Digital Services and Enterprise Connectivity solutions as the biggest contributors in Enterprise segment. We serve several customer segments under our Enterprise business, which are Government, State-Owned Enterprise (SoE), Private Enterprise, and Small and Medium Enterprises (SMEs). We keep strengthening our capability in cloud business, including to build strategic partnership with global tech players.

Following the spin-off of IndiHome to Telkomsel and to further implement the 5 Bold Moves Strategy, Enterprise Segment through B2B Digital IT Service Initiative has launched a new umbrella brand namely Indibiz in the third quarter of 2023 to focus on securing SMEs. Indibiz provides connectivity solution as well

as digital platform and service to these SMEs and are categorized into Indibiz for Shophouse, Indibiz for Multifinance, Indibiz for School, and Indibiz for Hotel.

In this initiative, there are several areas that we are now focusing on, which are growing business on Government and Large Enterprise, transforming regional resources for B2B Digital IT Service business through Indibiz to capture SMEs market, and strengthening digital IT Services. We expect these efforts will leverage our capability to deliver digital solutions to our customers.

ADDITIONAL INFORMATION

Developing in a Sustainable Way

Through ESG and business sustainability programs, Telkom seeks to create synergies among stakeholders to contribute to environmental preservation, social progress, governance development, and business sustainability. These are represented by Telkom's achievements in several prominent ESG evaluations. Telkom gained "Good" (Baik, fourth out of five grades) category in Indonesia's Ministry of SOE's ESG implementation assessment. The assessment conducted by Indonesia's National Government Internal Auditor (Badan Pengawasan Keuangan dan Pembangunan, BPKP), through the methodology developed by BPKP and Monash University Australia. Telkom also included as Top Ten Constituents of the Indonesia Stock Exchange (IDX) ESG Leaders index, effective from August 2022. IDX ESG Leaders Index measures the price performance of stocks considered as having good ESG ratings, are not involved in significant controversies, and have decent transaction liquidity as well as financial performance. In 2023, Telkom also rated A by Morgan Stanley Capital International (MSCI), this rate has been achieved for three years in a row from previously in 2016-2020 the company achieved BBB rate.

We believe that Telkom's business operations have impact on the environment, society, industry, and governments. Therefore, Telkom is always striving to ensure its sustainability positive impacts and upholds the vision of a world-class, trusted digital lifestyle services and solutions provider, who supports the economic development of the nation.

In Telkomsel, we have been developing "Telkomsel Jaga Bumi" as an umbrella campaign to unite several of our environmental initiatives connecting with our business and CSR programs:

- Waste management – SIM card plastic waste processing into smartphone holders (redistributed to the retail outlets) and pavement block (to renovate and develop building facilities).
- Carbon offset donation – Telkomsel Poin exchange to support carbon offset activities mostly in the form of tree planting, particularly in mangrove forests.
- Digitalization support initiatives – Tahura (Taman Hutan Raya/Great Forest Parks) digitalization program with IoT/dashboard monitoring and forest conservation education activities with augmented and virtual reality technologies.

Telkomsel consistently strengthens its role as a society enabler through leading technology leadership in maximizing digital experiences for all customers that is carried out through several company programs as well as sharing more goodness with Corporate Social Responsibility (CSR) program. Through this initiative, Telkomsel encourages enthusiasm "Sambungkan Senyuman/Continue a Smile" of kindness in maintaining people's optimism throughout Ramadan, Eid al-Fitr, Eid al-Adha, and Christmas & New Year with delivery of donations across Indonesia. Telkomsel also provide inclusive services in 19 GraPARI to help customer with disabilities especially deaf person as a part of implementation of sustainable ESG principle.

Awards and Recognition

As a reflection of our business excellence, innovative products and services, reliable network infrastructure, widest coverage areas, excellent customer service, strategy execution as well as strong management operation, we received awards and accolades for various categories from leading institutions at both national and international levels. The awards and accolades we received during 3Q23 among others:

- Gold in Economic Pillar Category in Bisnis Indonesia Corporate Social Responsibility Award (BISRA) 2023 from Business Indonesia.
- Asia-Pacific Climate Leaders Award 2023 from The Financial Times and Statista.
- Outstanding Award for Integrated Initiative - PaDi UMKM in Indonesia Awards 2023 from iNews Media Group.
- Excellent Predicate, First-ranked (Champion) in telecommunication sector in Indonesia Most Reputable Companies 2023 category from SWA.
- The Best GCG Practices Non-Financial Sector BigCap and TOP 5 Emiten BigCap in The 14th IICD Corporate Governance Award from Indonesian Institute for Corporate Directorship (IICD).
- DigiAI myDigiLearn: Generative AI in Learning Knowledge Management in IDX Channel Anugerah Inovasi Indonesia 2024 (ICAII) from IDX channel.
- International Business Awards 2023 Winner with 16 Awards (7 Gold, 3 Silver, and 6 Bronze) in many Innovation Categories for Enterprise segment.
- TOP 5 Best Workplaces in Indonesia from Great Place To Work ASEAN & Australia - New Zealand (1 Agustus 2023).
- TOP 20 Best Workplace in Asia from Great Place To Work Global (30 Agustus 2023).
- Best Mobile Network, Best Mobile Coverage, Fastest Mobile Network, Top-Rated Mobile Network, Best Mobile Video Experience dan Best Mobile Gaming Experience for Telkomsel from Ookla® Speedtest Awards™ 2023 for January – June 2023.
- Special Achievement in GIS (SAG) Award through ArcGIS technology for Telkomsel from Esri.
- The Most Popular Corporate Awards in Mainstream Media 2023 for Telkomsel from Serikat Pekerja Pers.
- Business Indonesia CSR Award (BISRA) for Telkomsel in Environmental Element, Silver Champion (Telkomsel Jaga Bumi) category from Bisnis Indonesia.
- Indonesia Most Reputable Companies for Telkomsel in Telecommunications Category, Excellence Award from SWA.
- Detikcom Awards for Telkomsel in Best Telecommunications Operator in Indonesia Category from Detikcom.

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
September 30, 2023 (unaudited) and December 31, 2022 (audited)
 (Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>Growth (%)</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents - net	25,905	31,947	(18.9)
Other current financial assets - net	1,773	1,349	31.4
Trade receivables - net allowance for expected credit losses			
Related parties	1,682	1,620	3.8
Third parties	8,213	7,014	17.1
Contract assets - net	2,457	2,457	0.0
Other receivables - net	576	245	135.1
Inventories - net	1,475	1,144	28.9
Assets held for sale	6	6	0.0
Contract cost	734	671	9.4
Prepaid taxes	2,784	1,464	90.2
Claim for tax refund	1	380	(99.7)
Other current assets	5,122	6,760	(24.2)
Total Current Assets	<u>50,728</u>	<u>55,057</u>	<u>(7.9)</u>
NON-CURRENT ASSETS			
Contract assets - net	14	34	(58.8)
Long-term investments	8,714	8,653	0.7
Contract cost	1,519	1,741	(12.8)
Property and equipment	176,438	173,329	1.8
Right-of-use assets	21,508	20,336	5.8
Intangible assets	8,023	8,302	(3.4)
Deferred tax assets - net	4,396	4,117	6.8
Other non-current assets	4,872	3,623	34.5
Total Non-current Assets	<u>225,484</u>	<u>220,135</u>	<u>2.4</u>
TOTAL ASSETS	<u>276,212</u>	<u>275,192</u>	<u>0.4</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables			
Related parties	472	431	9.5
Third parties	12,973	18,026	(28.0)
Contract liabilities	6,520	6,295	3.6
Other payables	477	463	3.0
Taxes payable	4,803	5,372	(10.6)
Accrued expenses	13,044	15,445	(15.5)
Customer deposits	2,944	2,382	23.6
Short-term bank loans	11,796	8,191	44.0
Current maturities of long-term loans and other borrowings	11,977	8,858	35.2
Current maturities of lease liabilities	5,689	4,925	15.5
Total Current Liabilities	<u>70,695</u>	<u>70,388</u>	<u>0.4</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities - net	1,051	1,023	2.7
Contract liabilities	2,532	1,561	62.2
Long service award provisions	1,158	1,031	12.3
Pension benefits and other post-employment benefits obligations	11,463	10,272	11.6
Long-term loans and other borrowings	26,345	27,331	(3.6)
Lease liabilities	13,192	13,736	(4.0)
Other liabilities	283	588	(51.9)
Total Non-current Liabilities	<u>56,024</u>	<u>55,542</u>	<u>0.9</u>
TOTAL LIABILITIES	<u>126,719</u>	<u>125,930</u>	<u>0.6</u>
EQUITY			
Capital stock	4,953	4,953	0.0
Additional paid-in capital	2,711	2,711	0.0
Other equity	9,664	9,697	(0.3)
Retained earnings			
Appropriated	15,337	15,337	0.0
Unappropriated	98,028	96,560	1.5
Net equity attributable to:			
Owners of the parent company	130,693	129,258	1.1
Non-controlling interest	18,800	20,004	(6.0)
TOTAL EQUITY	<u>149,493</u>	<u>149,262</u>	<u>0.2</u>
TOTAL LIABILITIES AND EQUITY	<u>276,212</u>	<u>275,192</u>	<u>0.4</u>

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
For the Nine Months Period Ended September 30, 2023 and 2022 (unaudited)
(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

	<u>2023</u>	<u>2022</u>	<u>Growth (%)</u>
REVENUES	111,238	108,874	2.2
COST AND EXPENSES			
Operation, maintenance, and telecommunication service expenses	(28,864)	(27,167)	6.2
Depreciation and amortization expenses	(24,081)	(25,018)	(3.7)
Personnel expenses	(11,678)	(11,155)	4.7
Interconnection expenses	(4,525)	(3,865)	17.1
General and administrative expenses	(4,520)	(4,449)	1.6
Marketing expenses	(2,588)	(2,779)	(6.9)
Unrealized gain on changes in fair value of investments	(182)	(3,084)	(94.1)
Other income - net	223	48	364.6
Gain (loss) on foreign exchange - net	(41)	168	(124.4)
OPERATING PROFIT	34,982	31,573	10.8
Finance income	758	627	20.9
Finance cost	(3,462)	(3,009)	15.1
Share of profit of long-term investment in associates	4	6	(33.3)
PROFIT BEFORE INCOME TAX	32,282	29,197	10.6
INCOME TAX (EXPENSE) BENEFIT			
Current	(6,897)	(7,278)	(5.2)
Deferred	4	897	(99.6)
	<u>(6,893)</u>	<u>(6,381)</u>	8.0
PROFIT FOR THE PERIOD	25,389	22,816	11.3
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation	(33)	201	(116.4)
Share of other comprehensive income of long-term investment in associates	-	1	(100.0)
<i>Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:</i>			
Defined benefit actuarial loss - net	(1,429)	(1)	142,800
Other comprehensive income (loss) - net	<u>(1,462)</u>	<u>201</u>	(827.4)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	23,927	23,017	4.0
Profit for the period attributable to:			
Owners of the parent company	19,499	16,581	17.6
Non-controlling interests	5,890	6,235	(5.5)
	<u>25,389</u>	<u>22,816</u>	11.3
Total comprehensive income for the period attributable to:			
Owners of the parent company	18,037	16,782	7.5
Non-controlling interests	5,890	6,235	(5.5)
	<u>23,927</u>	<u>23,017</u>	4.0
BASIC EARNINGS PER SHARE (in full amount)			
Net income per share	196.84	167.38	17.6
Net income per ADS (100 Series B shares per ADS)	19,683.59	16,737.97	17.6

Table 3
PT TELEKOMUNIKASI SELULAR AND ITS SUBSIDIARIES (TELKOMSEL)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 (UNAUDITED) AND DECEMBER 31, 2022 (AUDITED)
 (Figures in the table are presented in billions of Rupiah)

	<u>SEP 2023</u>	<u>DEC 2022</u>	<u>Growth (%)</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3,814	6,352	(40.0)
Accounts receivable - net	1,933	1,516	27.5
Unbilled revenues	4,027	1,749	130.2
Inventories	490	317	54.4
Prepaid expenses - current	2,778	5,316	(47.7)
Others	1,014	686	47.8
Total Current Assets	<u>14,055</u>	<u>15,937</u>	(11.8)
NON-CURRENT ASSETS			
Long-term investments	2,688	2,833	(5.1)
Fixed assets - net	48,500	46,454	4.4
Right of use assets - net	28,155	27,301	3.1
Intangible assets - net	6,296	6,697	(6.0)
Prepaid expenses – non - current	2,156	1,376	56.6
Others	2,323	393	491.2
Total Non-current Assets	<u>90,117</u>	<u>85,055</u>	6.0
TOTAL ASSETS	<u>104,172</u>	<u>100,991</u>	3.1
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	16,312	14,725	10.8
Taxes payable	3,103	3,048	1.8
Unearned revenue	4,670	4,273	9.3
Current maturities of lease liabilities	9,820	8,225	19.4
Current maturities of medium-term loans	4,400	1,000	340.0
Short-term loans	1,000	-	N/A
Total Current Liabilities	<u>39,306</u>	<u>31,272</u>	25.7
NON-CURRENT LIABILITIES			
Lease liabilities - net of current maturities	30,987	32,977	(6.0)
Provision for employee benefits	5,929	5,124	15.7
Deferred tax liabilities – net	-	158	(100.0)
Unearned revenues, net of current portion	2,506	969	158.7
Other non-current liabilities	375	450	(16.7)
Total Non-current Liabilities	<u>39,797</u>	<u>39,677</u>	0.3
EQUITY			
Capital stock - Rp 1,000,000 par value			
Authorized - 650,000 shares			
<i>Issued and fully paid - 217,421 shares</i>	217	183	19.1
Additional paid-in capital	7,665	1,531	400.6
Retained earnings:			
<i>Appropriated</i>	43	37	19.1
<i>Unappropriated</i>	17,106	28,246	(39.4)
Other Equity	13	13	0.0
Non-Controlling Interest	24	33	(25.7)
Total Equity	<u>25,069</u>	<u>30,042</u>	(16.6)
TOTAL LIABILITIES AND EQUITY	<u>104,172</u>	<u>100,991</u>	3.1

Table 4
PT TELEKOMUNIKASI SELULAR AND ITS SUBSIDIARIES (TELKOMSEL)
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)
 (Figures in the table are presented in billions of Rupiah)

	SEP 2023	SEP 2022	Growth (%)
REVENUES			
Legacy	9,262	12,601	(26.5)
Digital Business	57,328	53,560	7.0
IndiHome	6,602	-	N/A
Total Revenues	73,193	66,161	10.6
EXPENSES			
Operations and maintenance	20,712	15,686	32.0
Personnel	5,213	4,763	9.5
Marketing & Sales	1,904	1,657	14.9
General and administrative	1,211	1,137	6.5
Cost of services	4,360	4,012	8.7
Interconnection and international roaming	1,184	1,104	7.3
Total Expenses exclude depreciation & others	34,585	28,359	22.0
Depreciation and amortization	15,896	15,744	1.0
Others - net	73	471	(84.6)
Total Expenses include depreciation & others	50,553	44,574	13.4
Finance charges - net	(1,755)	(1,545)	13.6
INCOME BEFORE TAX	21,030	20,985	0.2
INCOME TAX EXPENSE	(4,655)	(4,195)	11.0
NET INCOME	16,375	16,790	(2.5)
EBITDA	38,608	37,802	2.1
EBITDA Margin	52.7%	57.1%	(4.4) ppt
ROA	25.9%	23.9%	2.0 ppt
ROE	85.4%	63.2%	22.2 ppt