

BUMN UNTUK INDONESIA

Telkom Indonesia

the world in your hand

Unveiling 1H24 Performance

A Comprehensive Corporate Presentation

July 2024

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.


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INDONESIA
Telkom
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TELKOM
in Brief

Board of Directors

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Ririek Adriansyah
President Director



Heri Supriadi
Director of Finance and Risk Management



FM Venusiana R
Director of Enterprise & Business Service



Herlan Wijanarko
Director of Network & IT Solution



Muhamad Fajrin Rasyid
Director of Digital Business



Budi Setyawan Wijaya
Director of Strategic Portfolio



Afriwandi
Director of Human Capital Management



Bogi Witjaksono
Director of Wholesale & International Service



Honesti Basyir
Director of Group Business Development

Telkomsel



Nugroho
President Director



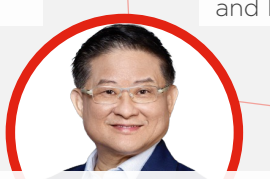
Daru Mulyawan
Director of Finance and Risk Management



Adiwinahyu Basuki Sigit
Director of Sales



Derrick Heng
Director of Marketing



Wong Soon Nam
Director of Planning and Transformation



Joyce Shia
Director of IT



Indra Mardiatna
Director of Network



Indrawan Ditapradana
Director of Human Capital Management

Share Ownership

Total Shares

99,062,216,600

Market Capitalization

Rp302 trillion or **USD18.6** billion

*as of 29 July 2024

Ownership



Listings

IDX CHANNEL

NYSE

Telkom Indonesia is the only dual-listed Indonesian company at Indonesia Stock Exchange and New York Stock Exchange

1H24 Highlights

Positive Revenue growth to

Rp75.3 trillion or **2.5%** YoY

Stable normalized EBITDA margin

Normalized EBITDA was **Rp 39.1** trillion ↑ **1.9%** YoY

Normalized EBITDA margin at **51.9%**

Telkomsel booked Revenue of

Rp57.2 trillion

↑ **29.9% YoY**

Growing customer base to

159.9 million

↑ **4.3% YoY**

ARPU sustained at

Rp45K

Convergence further improve to

47%

Wholesale and International Business revenue grew strongly by +13.1% YoY, driven by Data Center & Cloud revenue and MTEL's revenue from lessor by a solid +22.0% YoY and 15.4% YoY, respectively

In June 2024, **Telkomsel** has completed the sale and purchase agreement for In Building Services (IBS) Sites with total transaction value of Rp685 billion

Pathway to Unwavering Leadership

TELKOM ADAPTS TO STAY AHEAD OF THE CURVE

RISING GLOBAL TRENDS

1. **Global strategic competition –** China vs US
2. **Data security & sovereignty -** strengthened data protection laws and TechCos enhance user privacy
3. **Digital nation -** spending on digital & ICT increase
4. **Asia's economic dominance -** Asia account for >50% global GDP by 2045, Indonesia to be within top 10
5. **Consumer spending** shift from traditional to digital services
6. **Net zero race -** towards cleaner energy resources
7. **Urbanization worldwide**
8. **Advanced technology adoption –** AI & robotics, blockchain, quantum computing, etc

IMPLICATIONS TO TELCO INDUSTRY IN INDONESIA

1. **Connectivity nationwide –** with cost-efficient mix of technologies (e.g. fixed, mobile, satellite)
2. **B2C digital Services enhancement –** to capture value beyond connectivity
3. **B2B ICT service innovation –** by leveraging advanced tech (e.g. AI, blockchain, edge computing)
4. **Digital infrastructure (e.g. DC, tower, sub cable) –** robust & high-capacity to anticipate surge in data consumption
5. **Cost leadership –** due to stagnating business & high capex requirement
6. **Network infra & operations -** future-proof, secure & sustainable

5 Bold Moves Progress Highlights

FMC

Accelerating **operational efficiency**

Monitoring **synergy realization FMC**

InfraCo

Operational and Commercial Day-1 preparation

DC Co

HDC Cikarang Development (HDC Campus 1 Fl.2-4)

Preparation to **Unlock DC**

B2B Digital IT Service

Indibiz Platform Vertical Ecosystem & Low Hanging Fruit **Product Guardian**

DigiCo

B2B OpCo candidates business scale-up

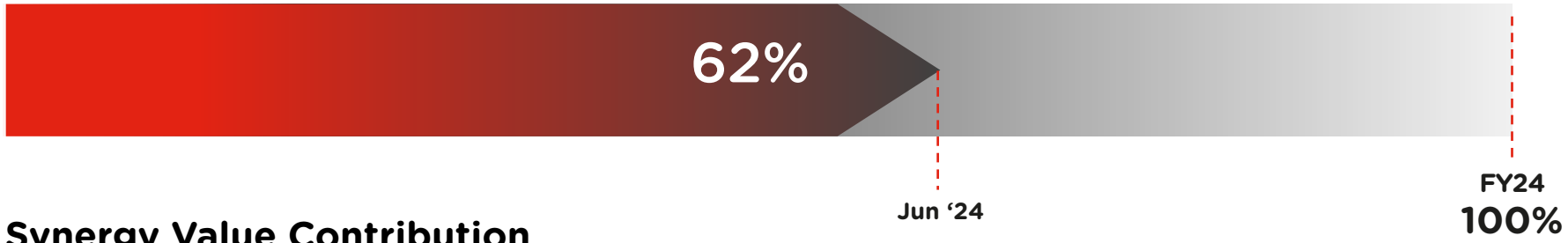
B2C Video platform est. process as **a new Indico's OpCo**



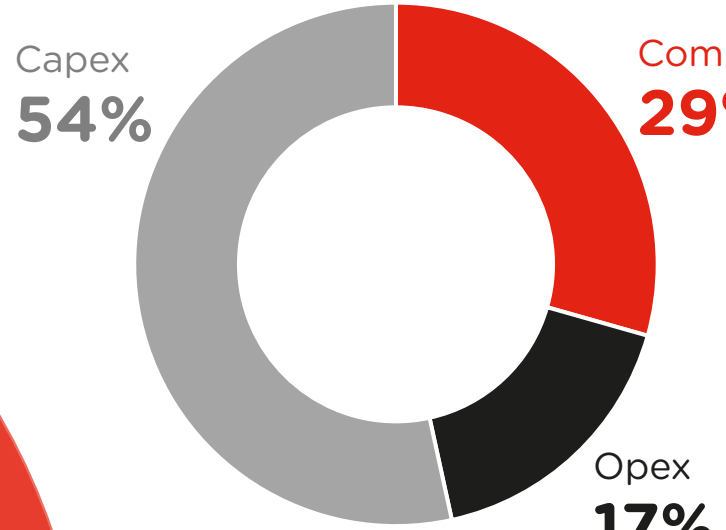
Tracking our Journey on Synergy Value

KEY ACHIEVEMENTS AND STRATEGIC INSIGHTS

Synergy Value Realization (YTD Jun '24)



Synergy Value Contribution



Scope of realization includes

- Capex optimization through group procurement and network efficiency;
- Upselling and cross-selling of IndiHome and mobile businesses; and
- Opex efficiency including leveraging customer touch points, content synergy, and technician optimization.
- Introduced Early Retirement Program (ERP) as part of strategic initiatives to lift productivity

Advancing forward:
Key developments in Data Center Operations

18 MW EXPANSION IN HDC CIKARANG ON TRACK FOR COMPLETION, AI-READY CAMPUSES PLANNED FOR HDC CIKARANG AND BATAM



AI DC	Cloud / GPUaaS	AI LLM	Apps / Use Cases	Professional Services (System Integration)
Strengthen Telkom's data centers by building AI-enabled data centers		Integrate AI technology in Big Box (big data & analytics products) to create GenAI solutions		Enhance IT Service & BPO capability to offer AI system integration in Telkom customers' system & business process[1]
Enhance wholesale business for national digital infrastructure development		**Build innovative ICT solutions, supported by inorganic capability build**		**Build innovative ICT solutions, supported by inorganic capability build**

Actively engage in AI-related R&D (e.g. LLM for Bahasa Indonesia)

SPREAD		UTILITY	
32DCs	27 Domestic DCs 5 International DCs	**~70%**	Average utilization

CAPACITY

EXISTING
~42MW

- **HYERSCALE DC** — NeutraDC by Telkom Indonesia
- **ENTERPRISE DC**
- **MICRO-EDGE DC** — neuCentrIX

ROADMAP

2023	2024	2025	2026
HDC Cikarang has fully operated	Capacity expansion for enterprise DC & HDC	Unlock TelkomDC through Strategic Partnership	Expansion in Regional DC & anchor
Entity establishment through Joint Venture for HDC Batam	Start Unlocking Telkom DC	Start to operate in HDC Batam	Start HDC Cikarang Campus 2 construction
Edge DC expansion and Regional DC consolidation	Start HDC Batam construction	Explore expansion in Regional DC & anchor	
Unlock preparation			

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1H24 Financial & Operational Results



Financial Highlights

Positive Revenue growth to **Rp 75.3** trillion ↑ **2.5%** YoY

EBITDA was booked at **Rp 37.9** trillion ↓ **1.3%** YoY

EBITDA margin was at **50.3%**

By factoring out cost related to Early Retirement Program (ERP) cost

Normalized EBITDA was **Rp 39.1** trillion ↑ **1.9%** YoY

Normalized EBITDA margin at **51.9%**

Net Income stood at **Rp 11.8** trillion ↓ **7.8%** YoY

Net Income margin at **15.6%**

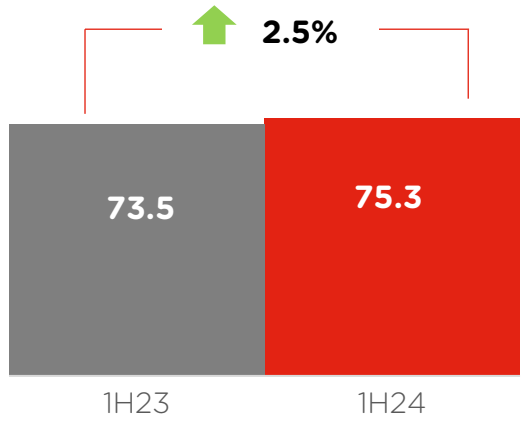
By factoring out Early Retirement Program (ERP) cost, Mark-to-Market GOTO, and One-off from Unlocking Assets

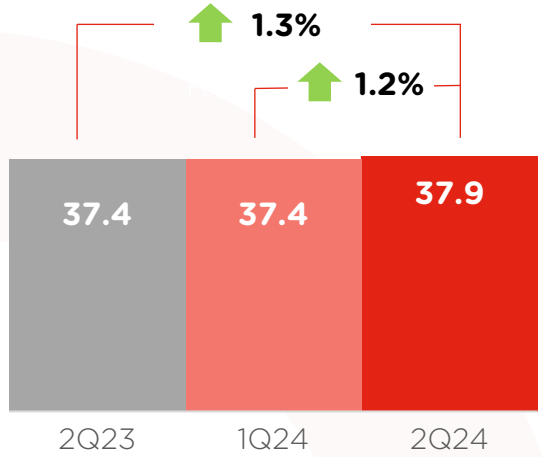
Operating Net Income was **Rp 13.0** trillion ↑ **4.2%** YoY

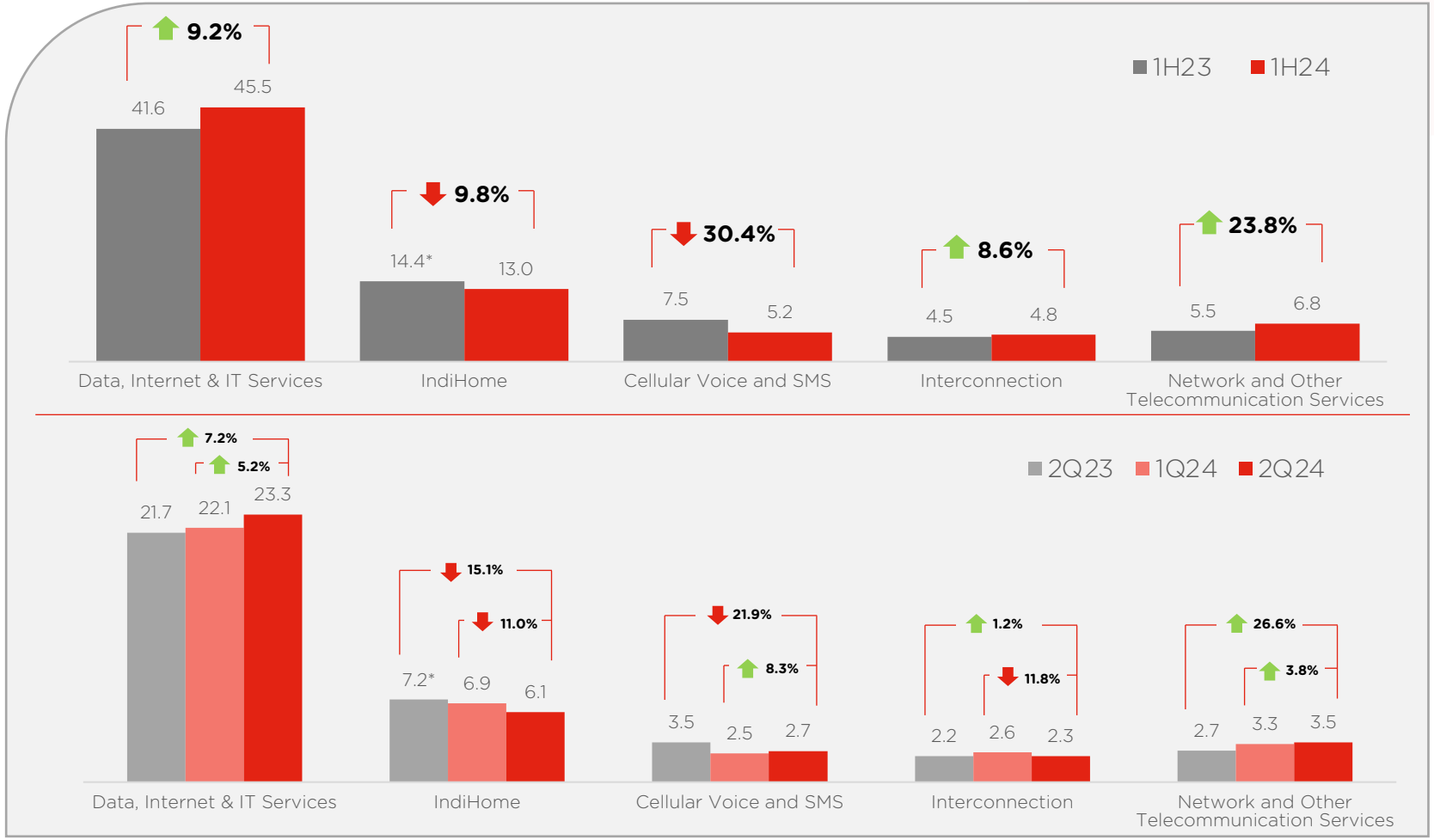
Operating Net Income margin at **17.3%**

Financial Performance – Revenues

In Rp Trillion





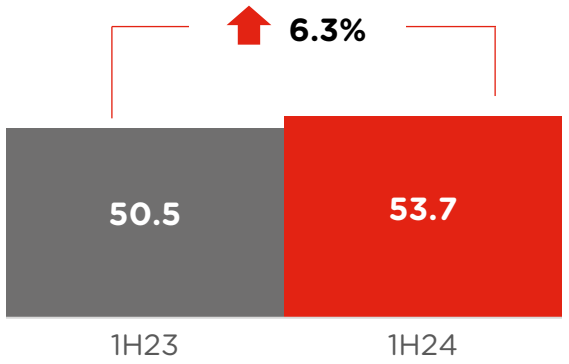


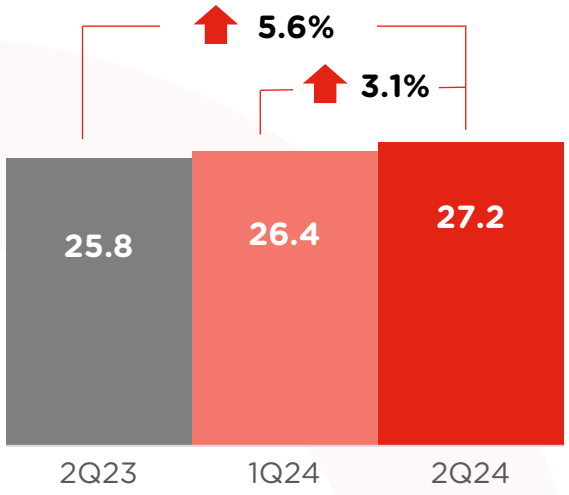
*) in 3Q23, there was a transfer of IndiHome B2B Business, of which now recorded under Data, Internet, & IT Services as well as Network and Other Telco Services.
For comparable IndiHome B2C revenue, please refer to page 19

Financial Performance - Expenses

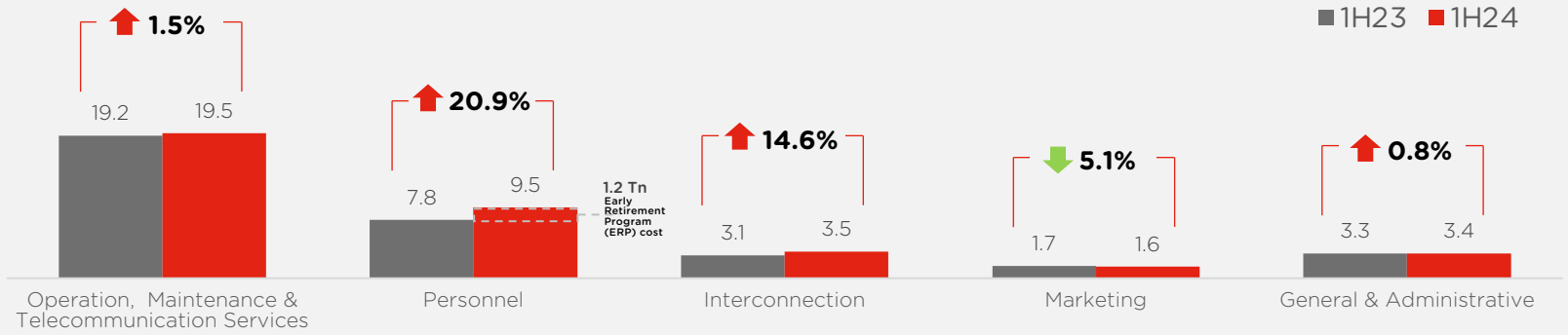
In Rp Trillion

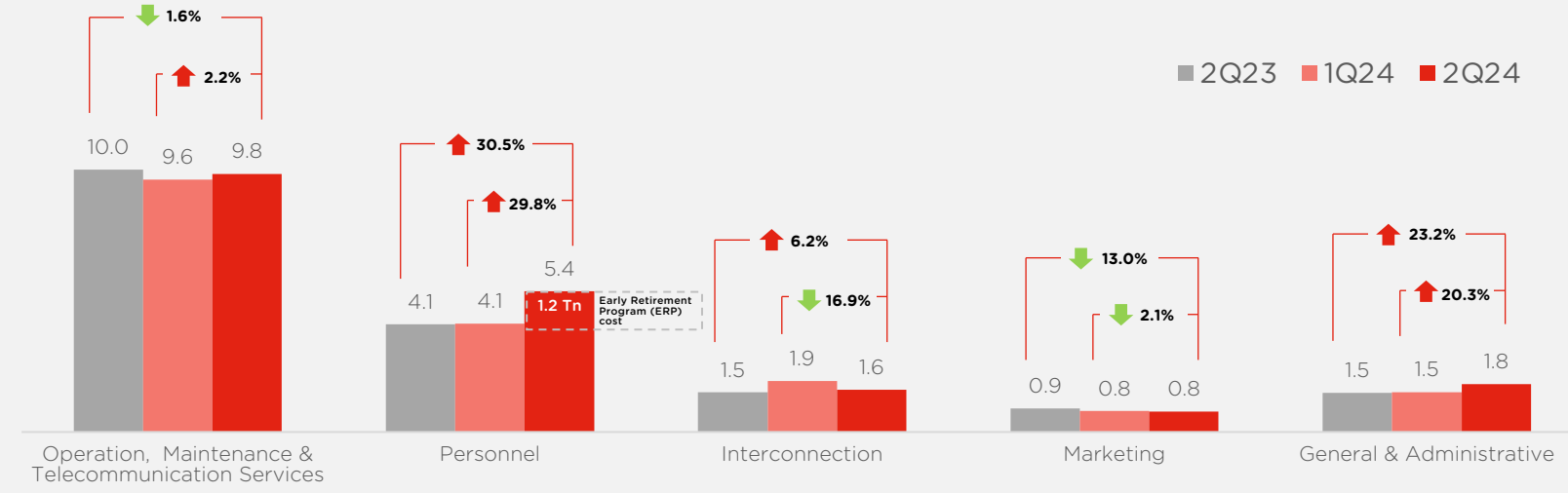
Total Expenses





Operating Expenses



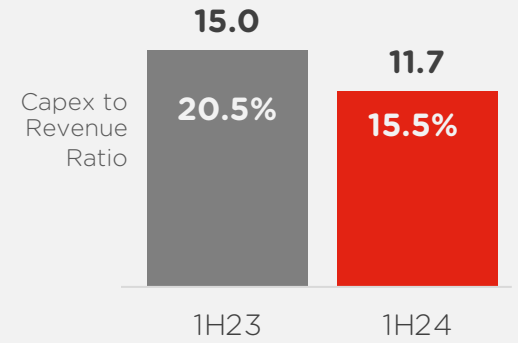




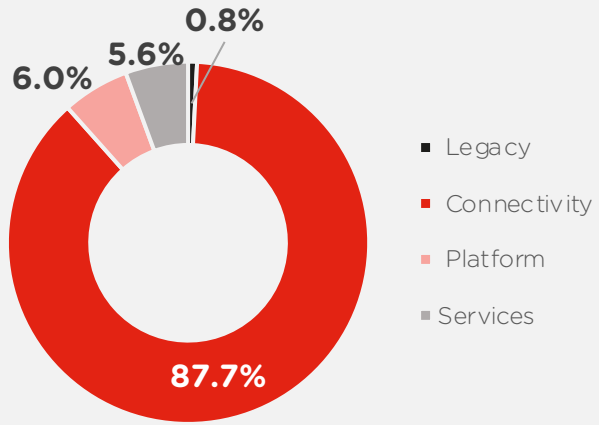
Optimized Capex to Navigate Growth

Capex

In Rp Trillion

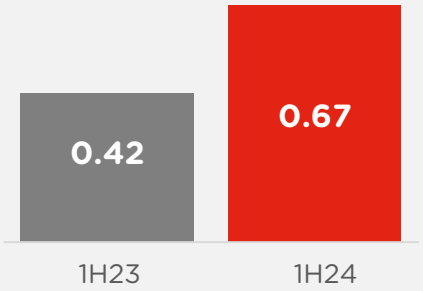


Capex Breakdown 1H24

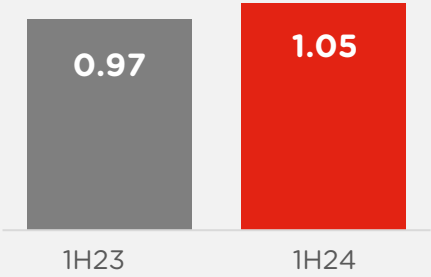


Gearing Ratio

Net Debt to EBITDA (x)



Debt to EBITDA (x)

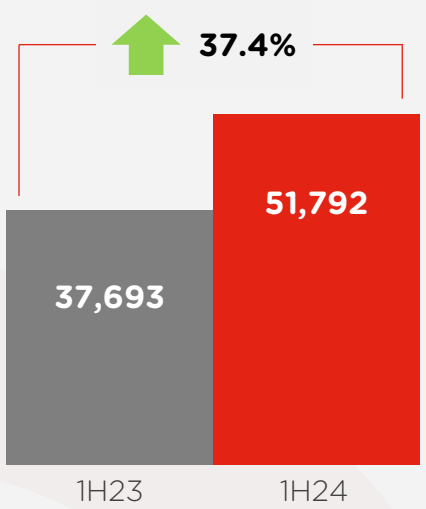


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Delivering our Healthy Sustainability and Increased Productivity

CONTINUOUSLY ENHANCING VALUE PROPOSITIONS FOR CUSTOMERS

Managing Continuity of Digital Business



Digital Business Revenue
(in Rp Bn)

...which reflects the potential for future expansion

Focus on the realization of synergy creation

Cross-sell activities

Service integration

Platform cost

Content synergy

Saving in lower cost of CPE

No investment duplication

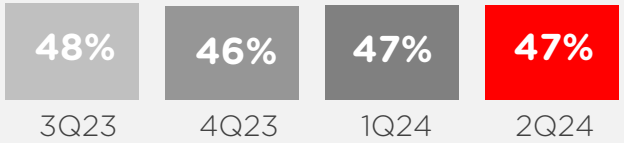
Sales vehicle optimization

Acceleration of closing overlapping customer touch points

~300 Customer Touch Points

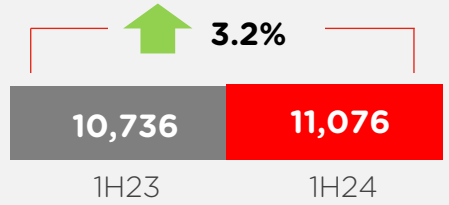
Closed Until 1H 2024

Sustainable healthy profitability



EBITDA Margin

...and maintained bottom-line growth...



Net Income
(in Rp Bn)

...to achieve healthy fundamental

TELKOMSEL

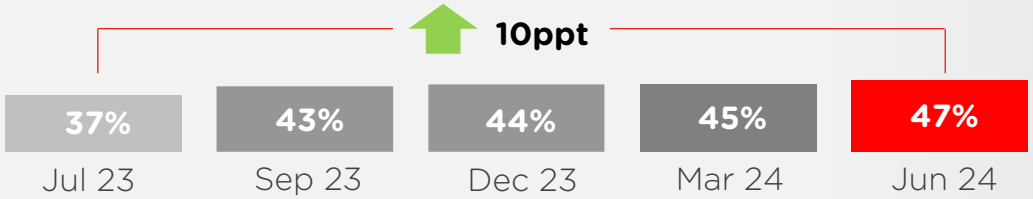
Delivering our Healthy Sustainability and Increased Productivity

CONTINUOUSLY ENHANCING VALUE PROPOSITIONS FOR CUSTOMERS

Driving Productivity Gains by Bringing More Value to Customers

Maintaining our leadership as the nation's largest convergence operator

Convergence Penetration



Strategizing to lock customers into convergence

4.3Mn
Converged Users

1H23 3.1Mn

Improved Net Add Run-rate

1H23 Pre-Integration 316K

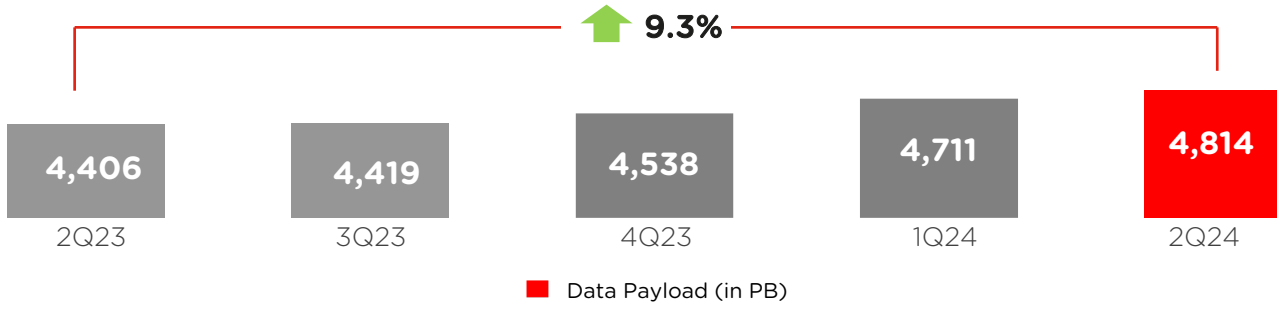
1H24 Post-Integration 449K

Showcasing increased customer quality and consumption

Building Solid Fundamental

~80Mn
Digital Asset Users

Improved customers' productivity



aligned with our commitment to value-added offerings

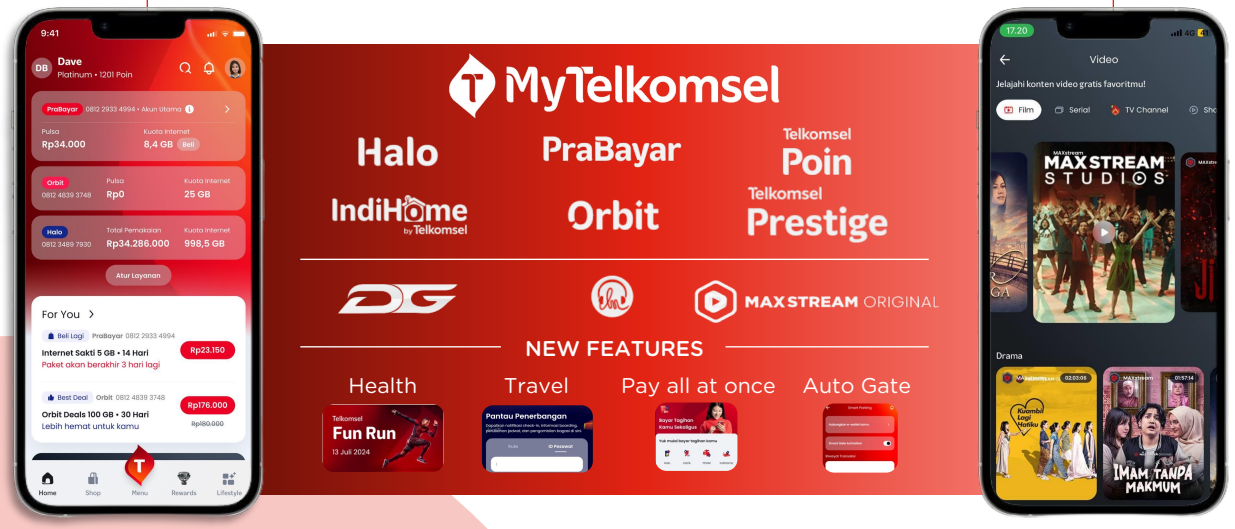
TELKOMSEL
Unlocking Future Growth Possibilities

LEVERAGING OUR EXTENSIVE DIGITAL ECOSYSTEM TO ENHANCE CUSTOMER EXPERIENCE

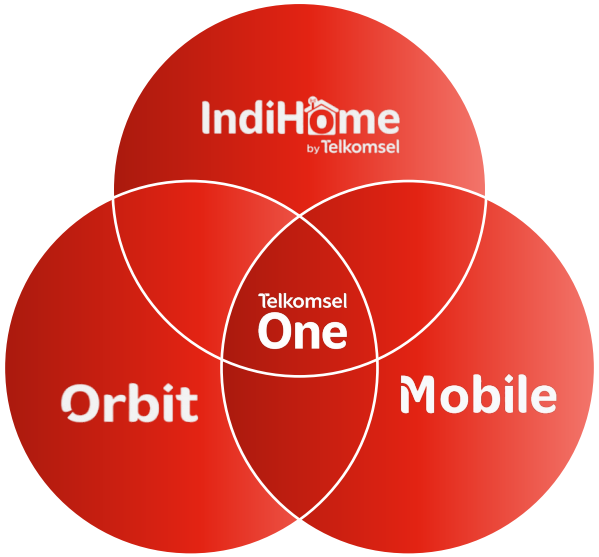
Embracing customers' daily digital lifestyle in ONE app

Unbreakable **Connectivity**

Compelling **Lifestyle Experience**



Convenience of multi-product offerings



Building Engaging Ecosystem B2B2C

Expanding opportunities and extend customer interaction through ecosystem engagement

Smart Living



Digital Solution for SME - ME



Creating Unique Experience



Promoting B2B2C ecosystem concept through strategic partnership

TELKOMSEL

Fundamental Strategy to Achieve Company Profitability Journey

MAXIMIZING CONVERGENCE AND DIGITAL BUSINESS TO DRIVE SUSTAINABLE PERFORMANCE

1 Serving Broader Mobile Customer

Improving share
both in Java and ex-Java

Next generation -IoT capability as
end-to-end solution

Continuously focus on customer centricity

Expanding our reach to
youth and mass market segment

by.U Telkomsel Lite

60-70% Subscribers Under CVM

2 Accelerate FBB Penetration

Expand into new segments

EZnet

Ring-fence existing subscribers through
CVM and bundled value-added offerings

Better customer journey

800K – 1Mn Annual Net Adds

3 Leading Convergence Operator

Grow converged users

Locking up households

Drive ARPH Growth

Looking ahead, Telkomsel 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

MID-TERM STRATEGIC PLAN

- Focus on HVC and converting to converged customer through FMC, Cross-sell and Up-sell to grow horizontally & vertically
- Execute extensive innovative products & contents to secure revenue per household
- IT Transformation
  - integration & billing system
  - improve analytics capability
  - faster deliverable

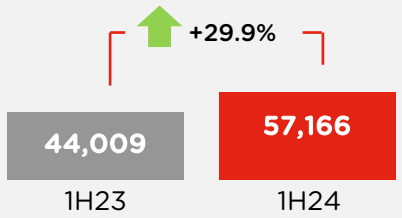
TELKOMSEL

Driving Sustainable Performance and Healthy Profitability

POSITIVE CONSOLIDATED REVENUES POST INTEGRATION TO CAPTURE POSITIVE MOMENTUM

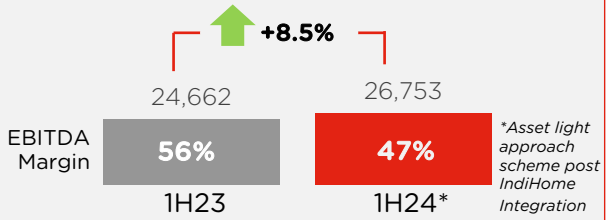
Revenue

(in Rp Bn)



EBITDA

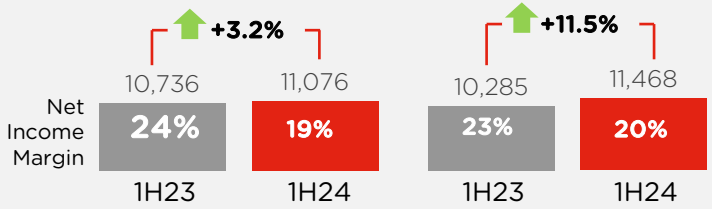
(in Rp Bn)



*Asset light approach scheme post IndiHome Integration

Net Income

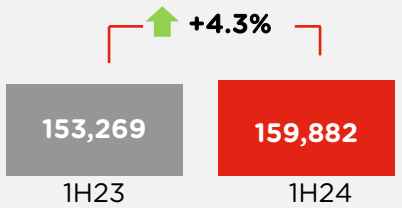
(in Rp Bn)



*Excludes inorganic initiatives with fair value of investment and one-off from unlocking assets

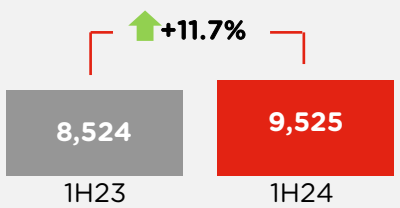
Customer Base

(in Thousand)



Payload

(in PB)



ARPU

(in Rp Thousand)

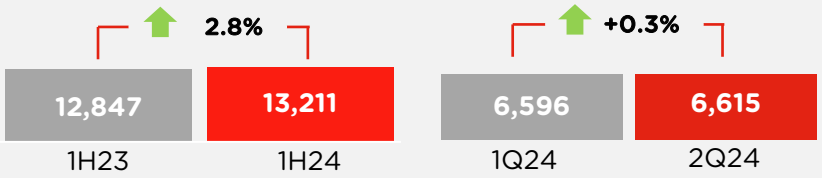


Maintaining Business Continuity of IndiHome

CONSISTENT GROWTH TRAJECTORY OF FIXED BROADBAND BUSINESS

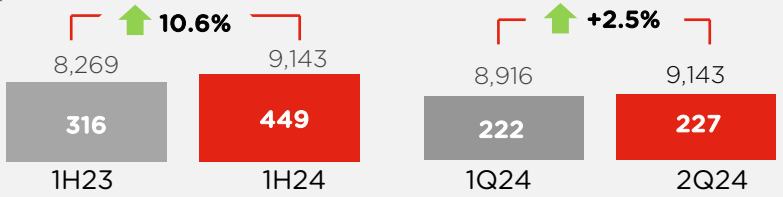
IndiHome B2C Revenue

(in Rp Bn)



Home Broadband Customer Base

(in Thousand)



ARPU

(in Rp Thousand)



Fixed Line Business

Enterprise Business

Revenue

Rp10.2
trillion
9.4% YoY

Biggest Solutions Contributors	• Enterprise Connectivity • Digital Services
Strenghtening the Business	• Cloud Business • Digital IT Services • CyberSecurity • Strategic Partnership with Global Tech Players
Segment	• Government • State Owned Enterprise • Private Enterprise • SME: Indibiz

Wholesale & International Business

Revenue

Rp9.2
trillion
13.1% YoY

- International Wholesale Voice
- Digital Infastructure

Revenue (Mitratel Stand-alone)

Rp4.5
trillion
7.8% YoY

EBITDA **83.1%**

Net Income Margin **23.9%**

38,581 TOWERS
Biggest Towerco in SEA In terms of towers owned

Tenancy Ratio **1.52x**

32 DATA CENTER

27	5
domestic	overseas

42MW
IT Load Capacity

Average Total Utilization Rate
~70%

Revenue

Rp1.0
trillion
22.0% YoY

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Company Guidance 2024

Guidance

FY24 Guidance

REVENUE

Low-Single Digit

EBITDA

~50-52%

CAPEX

~22-24%


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