

# Building Tomorrow, Weathering Today

1Q25 Performance
Telkom Indonesia Earnings Call
2 May 2025

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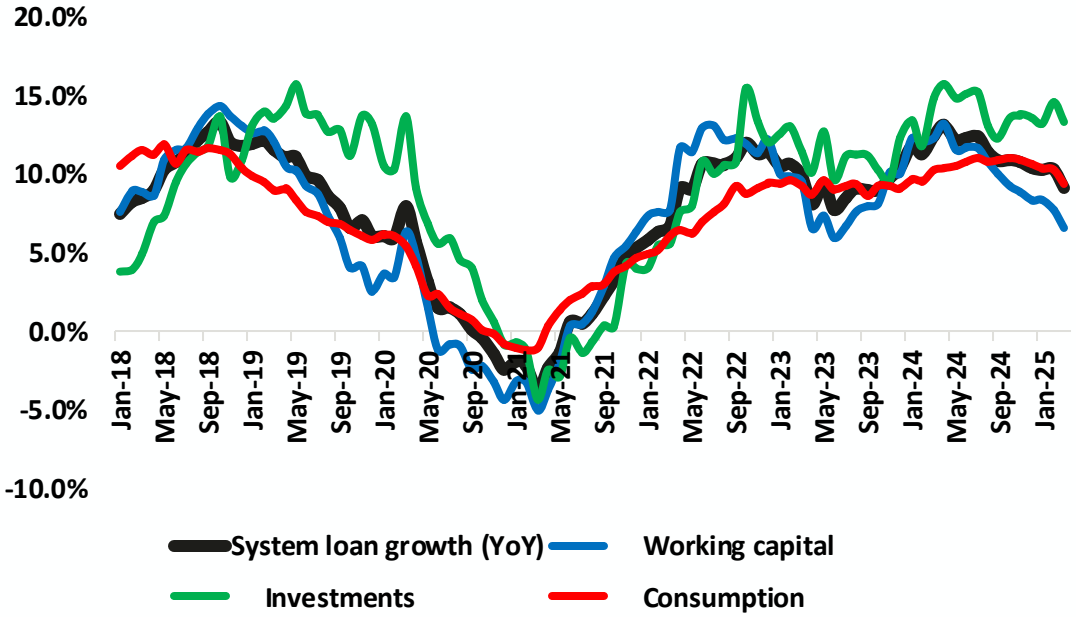


# Macro Economy Overview & Sector Update

# 1Q25 - Economy Overview

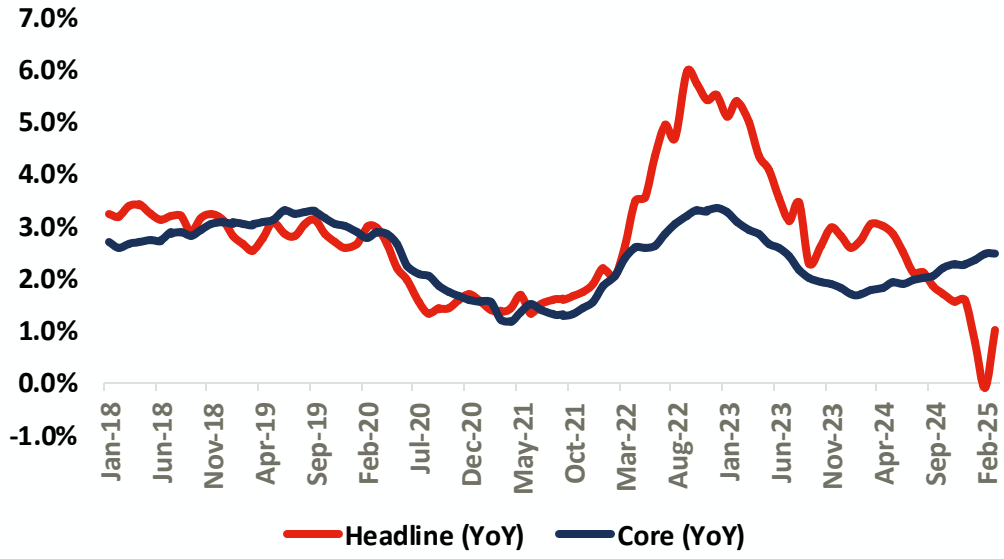
## Benign inflation from subdued consumer demand during festive period

### Slower loan demand growth from debtors




Source: CGS, CEIC, Bank Indonesia

### Normalized inflation from electricity tariff subsidy




Source: CGS, CEIC, Bank Indonesia

- March 2025 recorded normalized headline inflation of 1.03% YoY, after electricity tariff subsidy normalized in March.
- Moderate inflation and Eid allowance (THR) has bigger impact to spending pattern.
- Nevertheless, people who did Mudik (homecoming) went down by 5% YoY, hence, retail spending was more vibrant at big cities vs hometown cities.
- BI remains accommodative by maintaining BI Rate at 5.75% in March 2025. However, the overall loan growth remains soft, with Working Capital loan continue to record negative growth.
- As the result of heightened global uncertainties and potential of slower global growth, BI prudently revised down its growth expectation on Indonesia GDP growth for 2025 to fall below the midpoint of its 4.7-5.5% forecast range

# 5 Bold Moves Progress Highlights

## Completing milestones

### FMC



**Operational Efficiency** Enhancement

**FMC Synergy value** monitoring & realization

**FMC Sales performance & IT system improvements** (inc. smart offering, one-billing system and Telkomsel One offers)

### InfraCo



**Initial phase of commercialization** (secured license and first sales to MyRepublic in Dec'24)

**Asset and business spin-off preparation**

**Business mindset shift** (efficiency focus)

### DC Co



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

**HDC Batam Development** (HDC Campus 1)

**Next stage of DC strategic partnership**

### B2B Digital IT Service



**B2B market penetration** & business acceleration

**Indibiz** platform vertical ecosystem

**B2B talent** capability strengthening

### DigiCo



**B2C – Scale up OpCo & strategic partner assessment** while optimizing business profitability

**B2B – Redesign under New Play approach**, scale up toward profitable digital business while exploring strategic partner

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# 1Q25 Financial & Operational Results

# 1Q25 Financial Highlights

## Telkom Indonesia

**Revenue moderated to** Rp 36.6 trillion ↓ 2.1% YoY

**EBITDA was booked at** Rp 18.2 trillion ↓ 6.1% YoY | **EBITDA margin** 49.8%

**Net Income stood at** Rp 5.8 trillion ↓ 4.0% YoY | **Net Income margin** 15.9%

**By factoring out Mark-to-Market in Investment**

**Operating Net Income** Rp 5.6 trillion ↓ 11.7% YoY | **Operating Net Income margin** 15.3%

**Diversification** from Consumer Business **contributed positively to TelkomGroup performance**, with **Enterprise revenue grew +2.9%** YoY to Rp5.0tn, while **Wholesale & Int'l revenue grew +0.6% YoY** to Rp4.8tn, driven by Mitratel and Data Center & Cloud business.

## Telkomsel (Stand-alone)

**Telkomsel booked Revenue of** Rp27.2 trillion ↓ 4.6% YoY

**Stable mobile customer base** 158.8 million ↓ 0.5% YoY

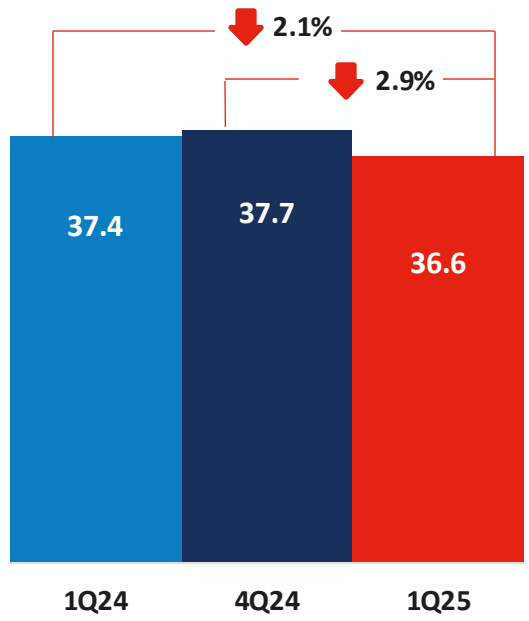
**ARPU Mobile moderated to** Rp 42.4K ↓ 6.5% YoY

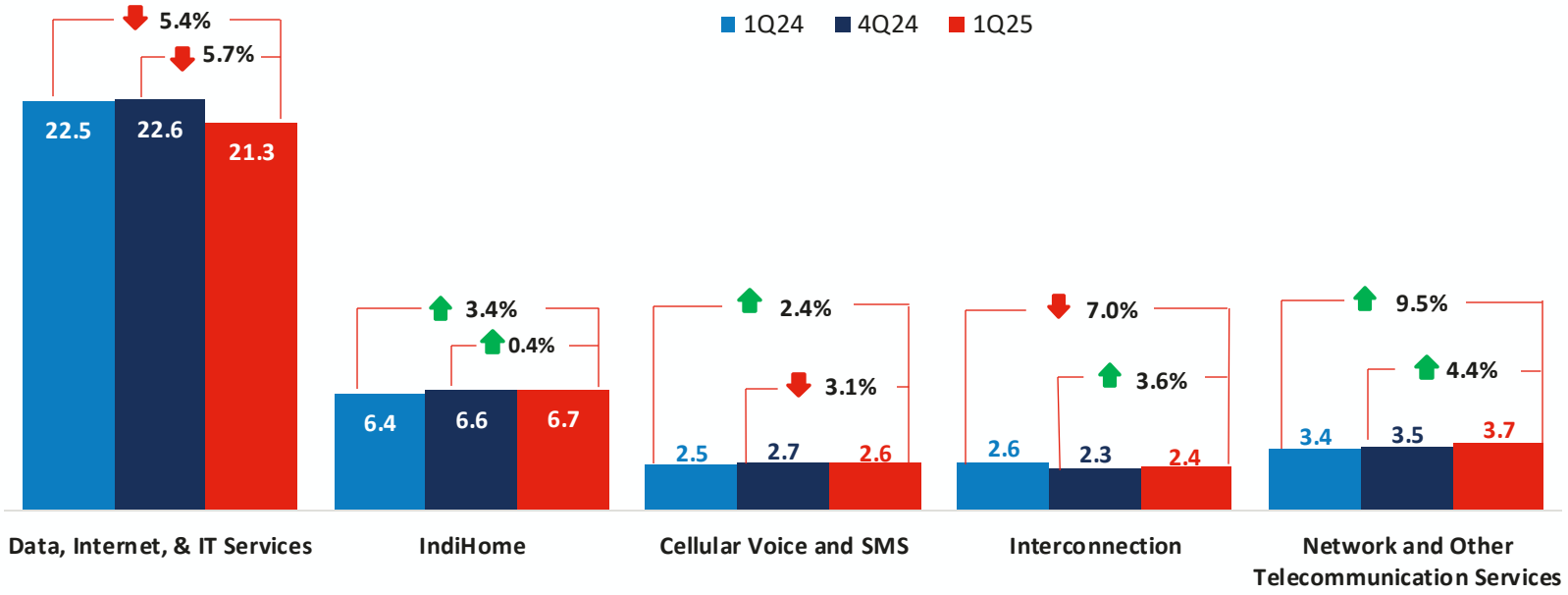
**Convergence moderated to** 55%

**Payload** 5,643 PB ↑ 19.8% YoY

# Financial Highlight - Revenues

In Rp Trillion



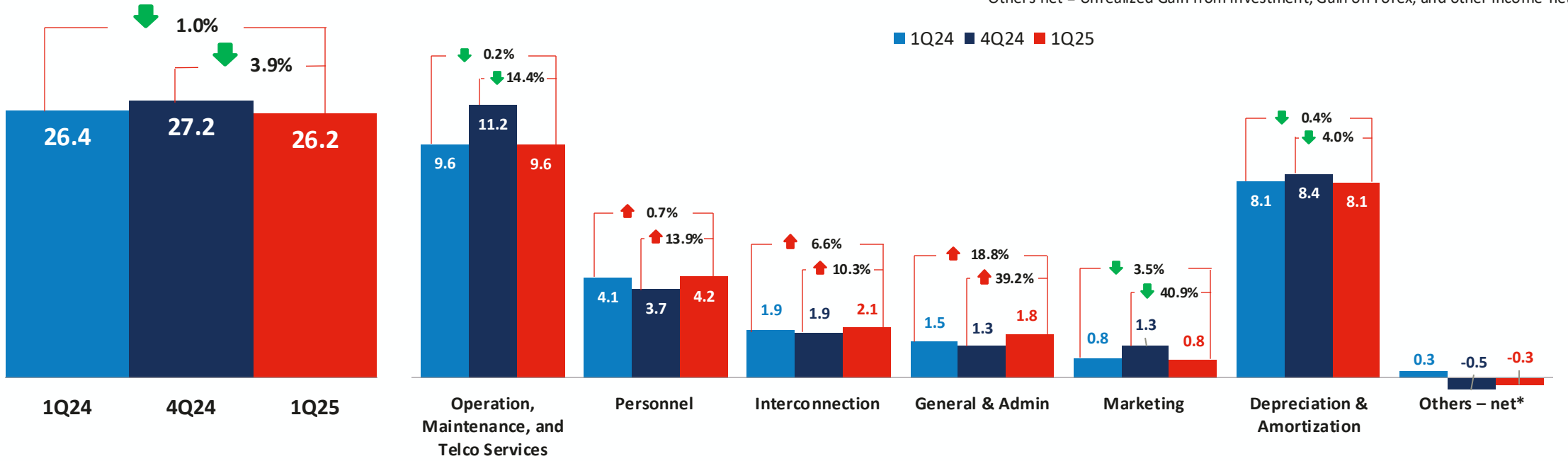

- **Data, Internet & IT Services** moderation in revenue was largely reflected broader economic headwinds and subdued consumer spending during Lebaran festive season.
- **IndiHome** continued showing heathy growth driven by network expansion; also recorded net new subscribers of ~230k subscribers in 1Q25.
- **SMS, Fixed and Cellular Voice** saw annual growth in revenue, primarily due to a change in accounting treatment.
- **Interconnection Revenues** moderated annually, reflecting ongoing shift towards OTT platforms.
- **Network and Other Telecommunication Services** delivered solid growth mainly driven by satellite services and payment solution businesses

For further details, please refer to Infomemo 1Q25

# Financial Highlight - Expenses

In Rp Trillion

*Others-net = Unrealized Gain from investment, Gain on Forex, and other income-net



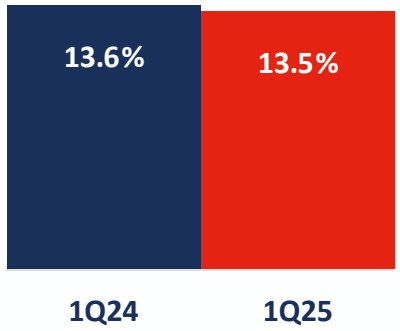

- **Operation & Maintenance (O&M)** growth is controlled on both annual and quarterly basis, reflecting the tangible impact of our cost initiative aimed at improving operational efficiency.
- **Personnel expenses** saw a slight uptick despite lower headcounts due to the implementation of new regulation regarding employee's income tax during 1Q25.
- **Interconnection** rose on both annual and quarterly basis reflecting readiness to cater for higher international traffic volumes, supporting service delivery at current operational scale.
- **General & Admin (G&A)** an increase was attributable to a combination of low base in 1Q24 and 4Q24 (recovery in collection in several business items in both quarters) and provision booking on IndiHome B2C that started in 3Q24.
- **Marketing expenses** decline to adjust for seasonality related to Lebaran holiday and relatively fewer working days during the period. Still in-line at 2.1% of TelkomGroup revenue
- **Depreciation & Amortization** moderated, reflecting TelkomGroup continuous initiatives in optimizing Capex and Opex

For further details, please refer to Infomemo 1Q25

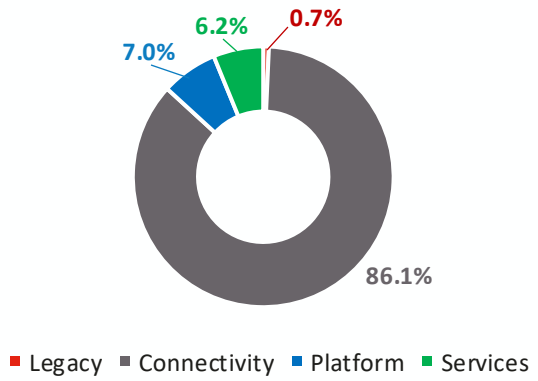
# Optimized Capex to Navigate Growth

## Group Procurement supporting efficiencies

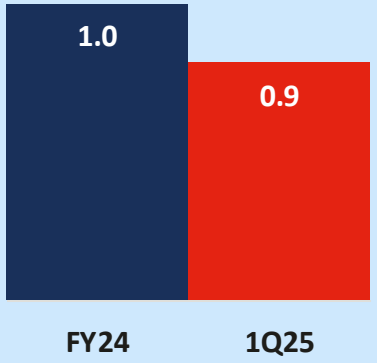
### Capex to Revenue Ratio



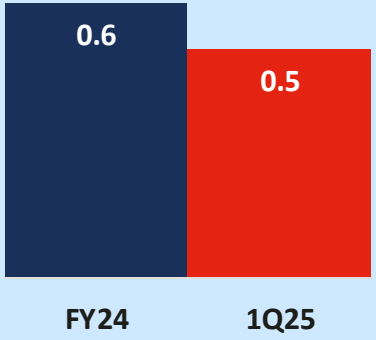

### Capex Breakdown 1Q25



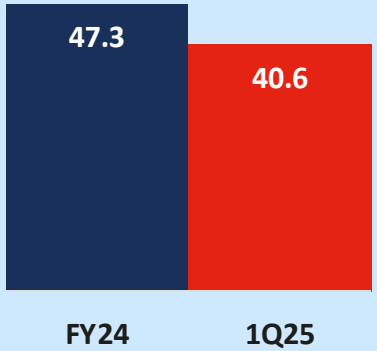

### Debt to EBITDA (x)



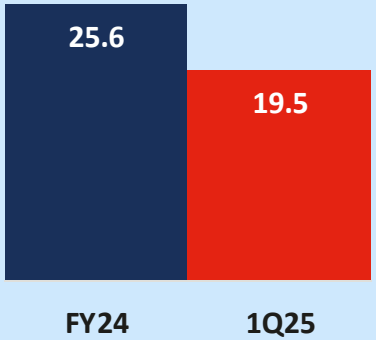

### Net Debt to EBITDA (x)




### Debt to Equity (%)




### Net Debt to Equity (%)

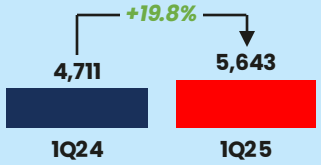





# 1Q25 Updates - Consumer Business

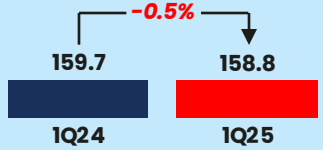
## Reinforcing Focus on Quality-Driven Growth amid Prolonged Macro Uncertainty

### Improved productivity in the mobile business




**Data Payload (in PB)**

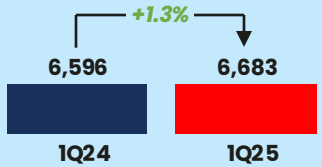
with a slight decline in Customer Base




**Mobile CB** *(in Mn)*

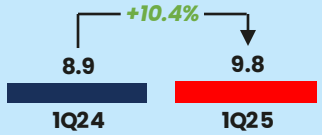
...enhancing base quality to drive long-term market repair

### Maintaining healthy growth in Fixed Broadband business




**Fixed Broadband B2C Revenue** *(in Rp Bn)*

...as we further expand our market leadership



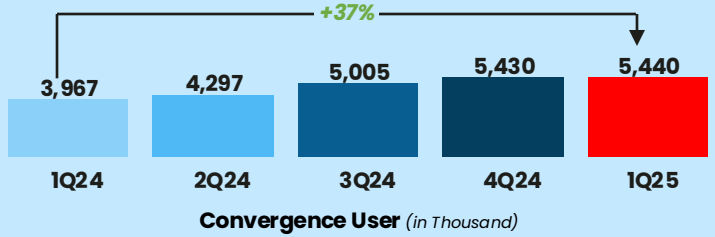

**Fixed Broadband CB** *(in Mn)*

...underscoring our focus on sustainable expansion

### Strengthening Resiliency Driven by Long-Term Value Creation

### Capturing household synergies while deepening customer engagement

**Further driving the adoption of convergence services**




**Convergence User** *(in Thousand)*

**Continuing strong momentum**

**1Q25**

**230K**

**Net Adds**

**in accelerating FBB penetration**

**Yielding positive impact of synergy initiatives and cost optimization**

**Profitability Improvement Progressing Steadily**




**EBITDA Margin** *(in %)*

**with further improvement in profitability as integration progresses**

***The completion of one-billing integration***

***Improved FMC offering*** *with broader reach to cater mass-market segment*

**Wide selection of OTT contents**

Netflix, Viu, Disney+ Hotstar, Vidio, MAX STREAM, ZEE5, KLIKFILM, LIONSGATE PLAY, prime, CATCHPLAY, max, FlexTV, crunchyroll, bilibili, Premium, IndiHome TV, WeTV, VISION+, iQIYI, BIOSKOP ONLINE

***Enriching our bundled offerings***

***Driving convergence and household value***

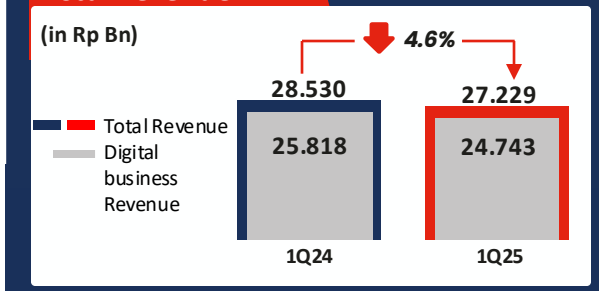
| Paket Complete | Paket Dynamic | Paket Easy |
|---|---|---|
| Start from Rp 405k (up to 100M bps) | Start from Rp 370k (up to 300M bps) | Rp 120k |
| • Family Quota 15GB<br>• Orbit Quota 20GB<br>• Calls On-net 30 Mins<br>• SMS On-net 30 SMS | • Family Quota 15GB<br>• Calls On-net 30 Mins<br>• SMS On-net 30 SMS | • Family Quota 10GB<br>• Orbit Quota 25GB<br>• Calls On-net 30 Mins<br>• SMS On-net 30 SMS |

# 1Q25 Updates - Consumer Business

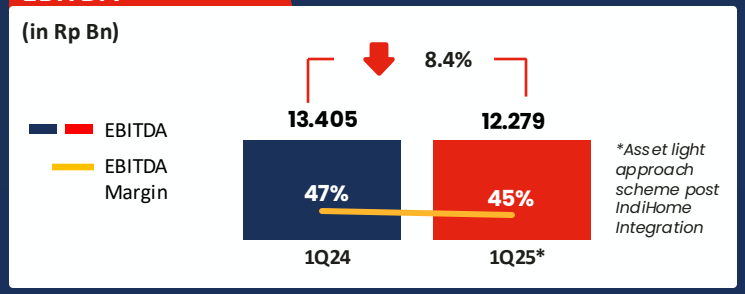
## Maintained Disciplined Execution as Macro Headwind Persists

### DEEPENING CUSTOMER VALUE, SUSTAINING REVENUE QUALITY, AND NAVIGATING UNCERTAINTY WITH RESILIENCE

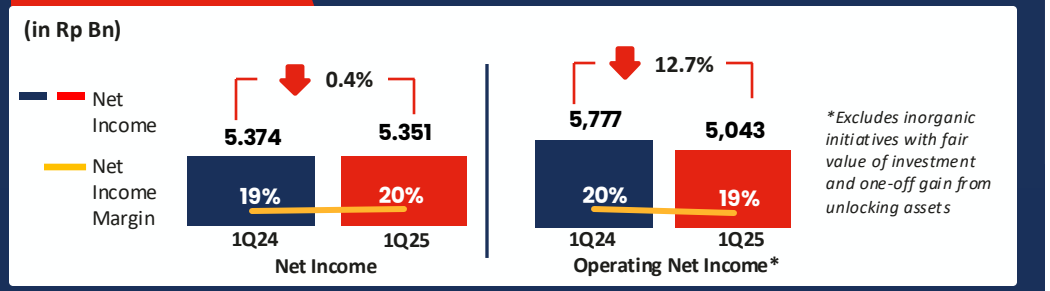
#### Total Revenue



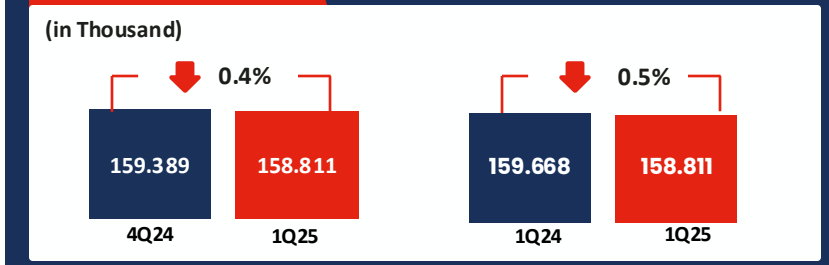

#### EBITDA



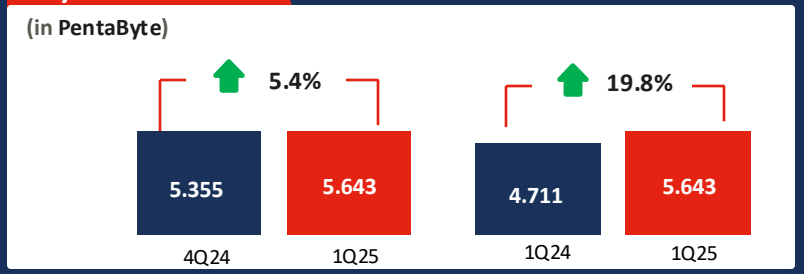

#### Net Income



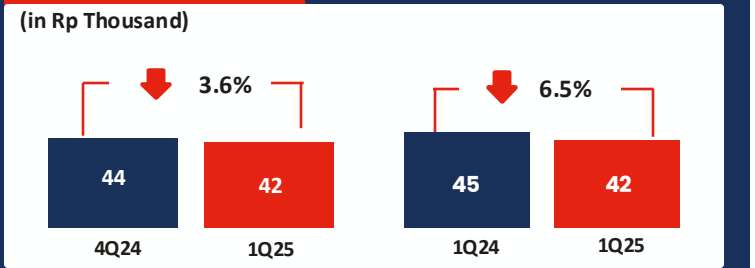

#### Customer Base




#### Payload



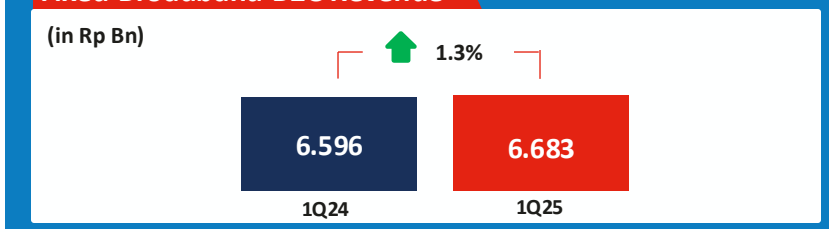

#### ARPU



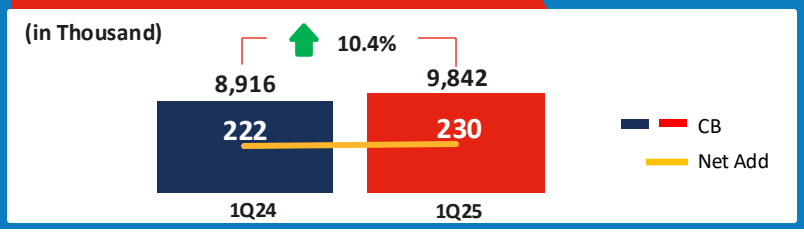

### DRIVING SUSTAINABLE GROWTH THROUGH MARKET LEADERSHIP EXPANSION

### CONTINUOUS FOCUS ON QUALITY-LED CONVERGENCE TO FURTHER STRENGTHEN RESILIENCY

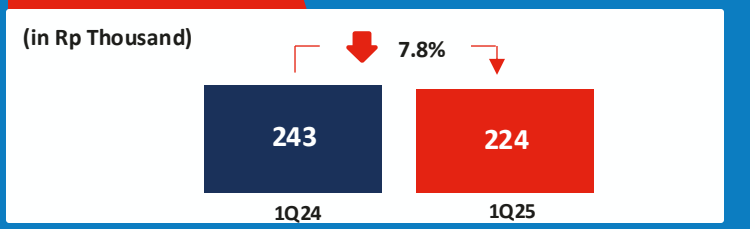
#### Fixed Broadband B2C Revenue




#### Fixed Broadband Customer Base




#### ARPU IndiHome



# 1Q25 Updates - Wholesale & International and Enterprise Business

Providing connectivity while digitizing the economy

## Enterprise Business

### Revenue

**Rp5.0** trillion — 2.9% YoY

**Biggest Solutions Contributors**

- Enterprise Connectivity
- Satellite Services
- Payment Business

**Strengthening the Business**

- Cloud Business
- Digital IT Services
- Cybersecurity
- building strategic partnerships with global technology players

**Segment**

- Government
- State Owned Enterprise
- Private Enterprise
- SME: Indibiz

## Wholesale & International Business

### Revenue

**Rp4.8** trillion

0.6% YoY

- Digital Infrastructure
- International Wholesale Voice

### Revenue Mitratel (Stand-alone)

**Rp2.3** trillion

1.4% YoY

**EBITDA Margin** 83.0%

**Net Income Margin** 23.3%

**39,593** TOWERS

Biggest TowerCo in SEA In terms of towers owned

**Tenancy Ratio** 1.52

**35** Data Center

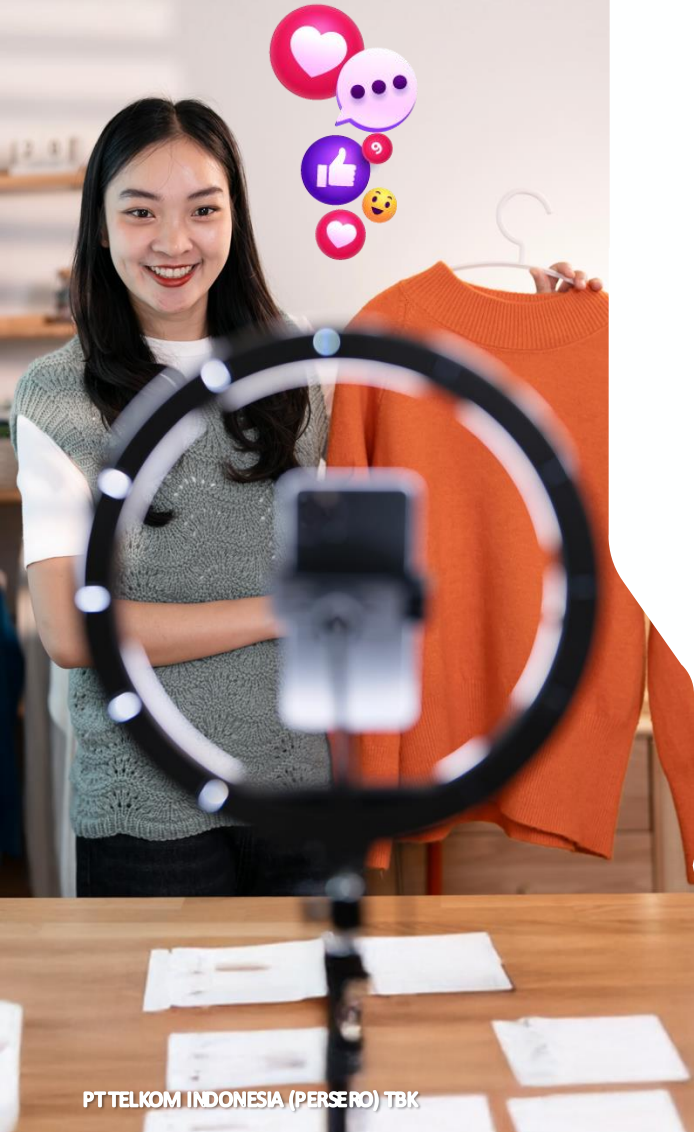
**30** domestic | **5** overseas

**42**MW IT Load Capacity

Average Total Utilization Rate (TDE Stand-alone) **~85%**

Revenue **Rp446** Billion

# 2025 Company Guidance



| 2025 Guidance |
| --- |
| **Revenue:** Low single digit |
| **EBITDA Margin:** c50-52% |
| **Capex/Sales ratio:** c17-19% |



# Thank You

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