

Corporate Presentation 9M18 **Results**

PT Telkom Indonesia (Persero) Tbk

October 2018



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 in Brief

9M18 Financial & Operational Results

Company Guidance 2018



Board of Directors

Telkom Group



CEO TELKOM GROUP
ALEX J. SINAGA



Director
HARRY M. ZEN



Director
HERDY R.
HARMAN



Director
ABDUS SOMAD
ARIEF



Director
DIAN
RACHMAWAN



Director
SITI
CHOIRIANA



Director
ZULHELFI
ABIDIN



Director
DAVID
BANGUN

Telkomsel



CEO Telkomsel
RIRIEK
ADRIANSYAH



Director
HERI
SUPRIADI



Director
EDWARD YING
SIEW HENG



Director
ALISTAIR D
JOHNSTON



Director
SUKARDI
SILALAH



Director
MONTGOMERY
HONG



Director
BOB
APRIAWAN



Director
IRFAN TACHRIR



Share Ownership

Government **52.1%**

Public **47.9%**

Total Shares

99,062,216,600 shares

Market Capitalization

Rp359.6 Tn (USD23.8 Bn)*

Telkom's AGMS for the fiscal year of 2017 decided to withdraw the remaining 1,737,779,800 treasury shares by reduction of the Company's issued and paid up capital.

On July 2, 2018, the Company's amended Articles of Association has obtained the approval from the Ministry of Law and Human Rights of the Republic of Indonesia.

Telkom Indonesia is listed at
Indonesia Stock Exchange (*Bloomberg: TLKM IJ*)
and New York Stock Exchange (*TLK US*)



*as of October 26, 2018

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9M18 Performance Highlights

Telkom Indonesia recorded **Rp99.2 trillion of Revenue**, grew by **2.3% YoY** and **8.8% QoQ** in the third quarter 2018, in the middle of tight competition in telco industry.

Telkomsel bounced back in 3rd Quarter by recording **10.1% QoQ growth in revenue**, supported by its Digital business which grew by **19.8% YoY** and **16.2% QoQ**

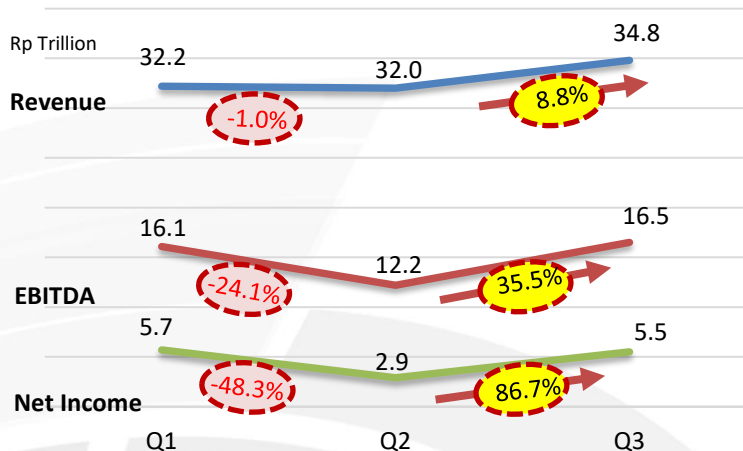
Telkomsel remained focus on growing its digital business and providing excellent customer experience, installing **22,578 new BTSs** during 9M18, all of which were 4G BTS.

IndiHome reached **4.7 million** customers, **grew by 101.2% YoY**

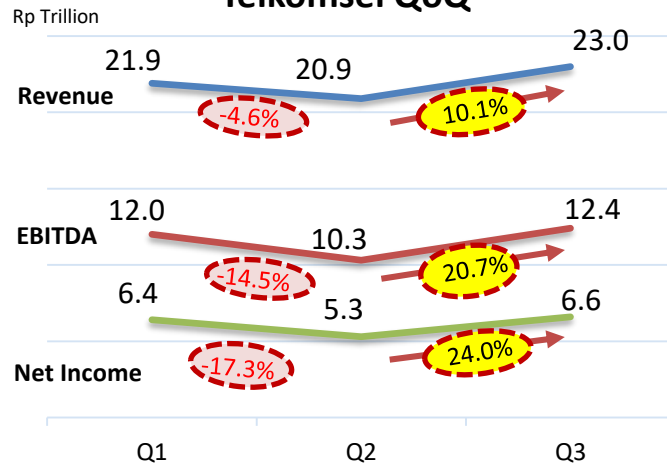
Rebound in 3rd Quarter

We successfully **bounced back** and recorded **strong growth** in 3Q18
Telkomsel recorded a strong performances in 3Q18 by delivering **triple-double-digit growth**
in Revenue, EBITDA & Net Income

Telkom Group Consolidated QoQ

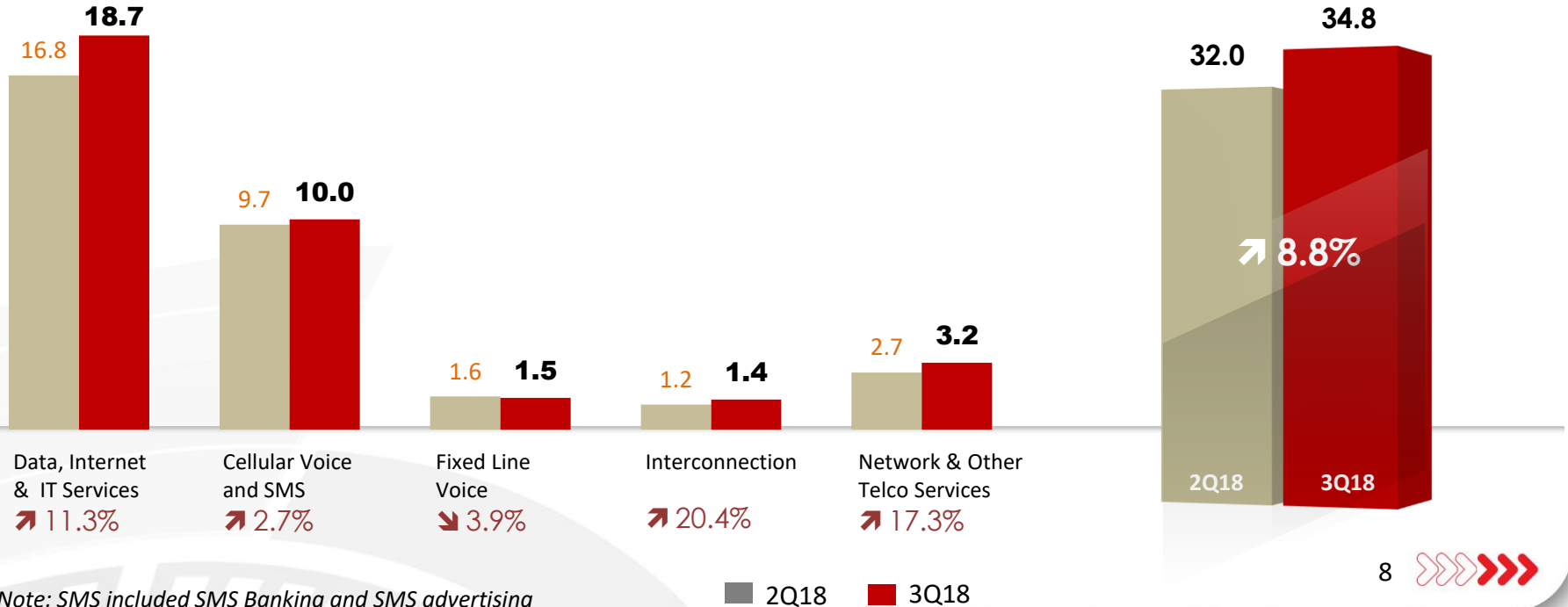


Telkomsel QoQ



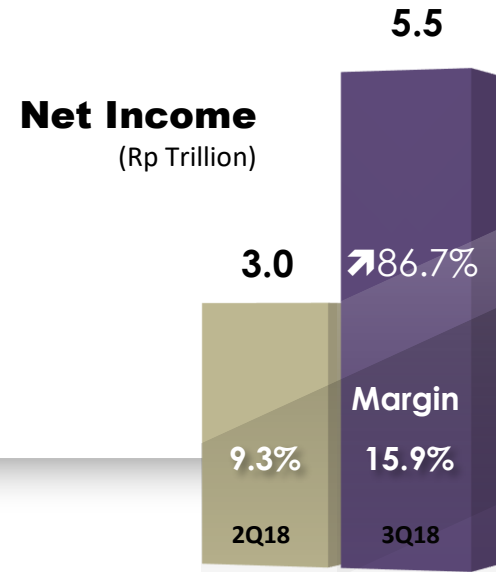
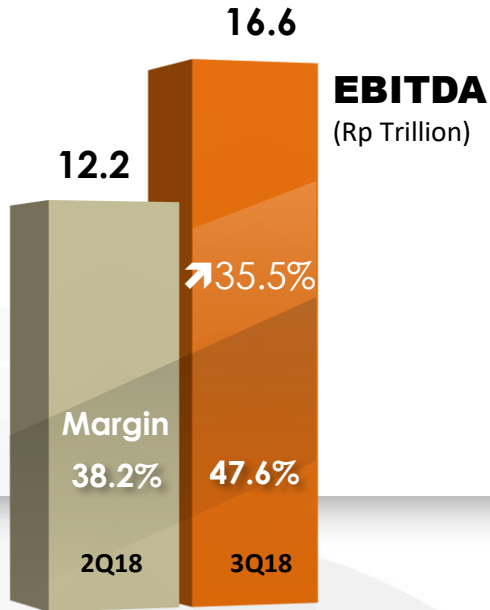
Data, Internet & IT Services as the Growth Driver

Revenue QoQ (Rp Trillion)



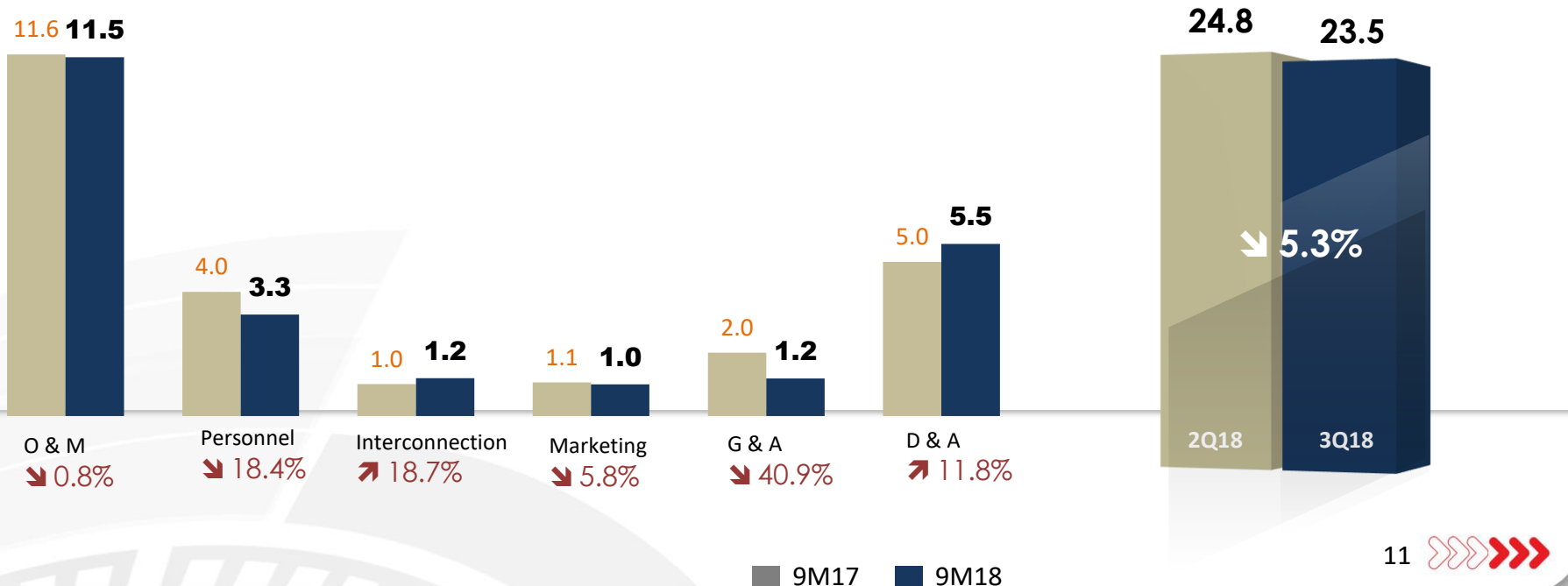
Note: SMS included SMS Banking and SMS advertising

EBITDA and Net Income QoQ Bounced Back



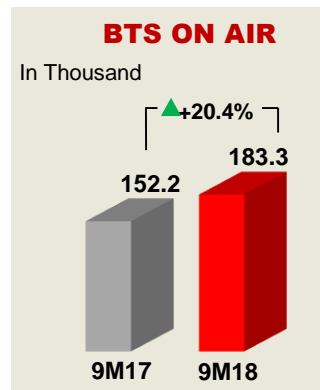
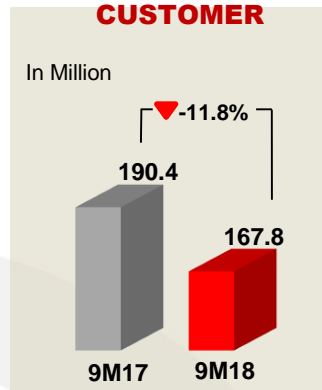
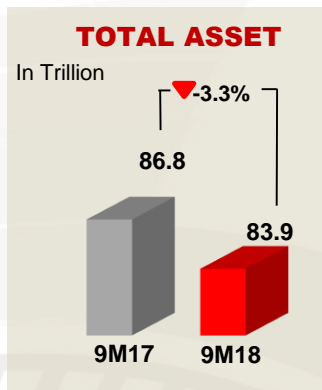
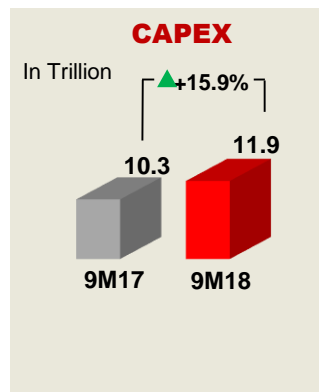
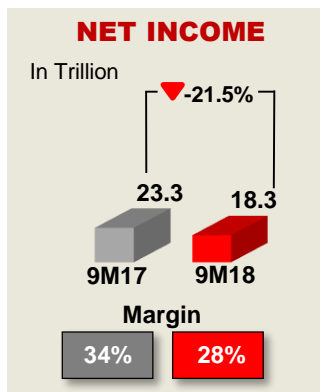
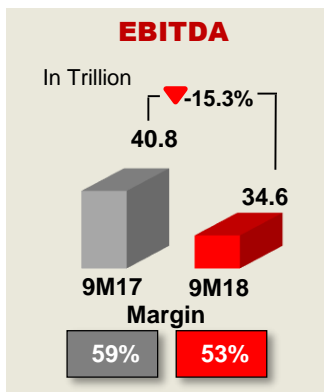
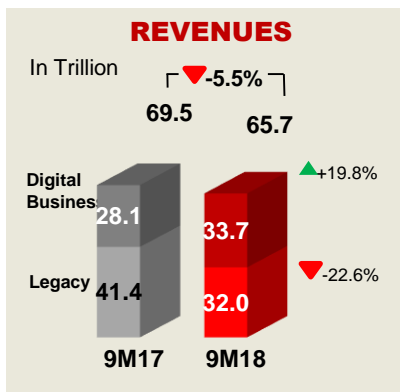
Manageable Expenses

Expenses QOQ (Rp Trillion)



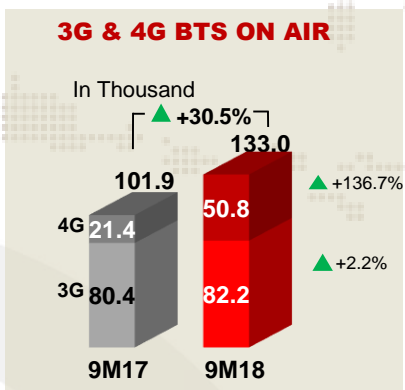
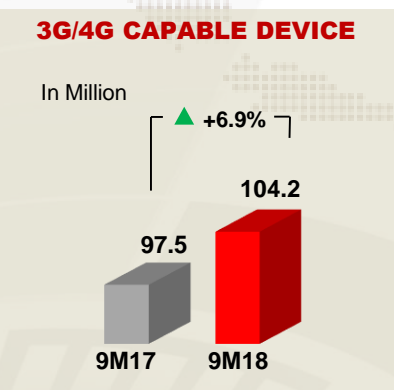
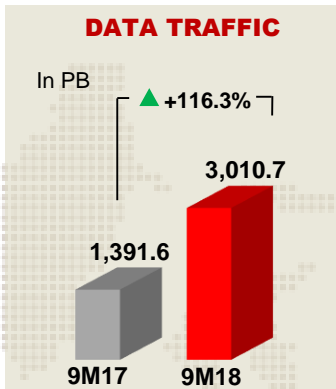
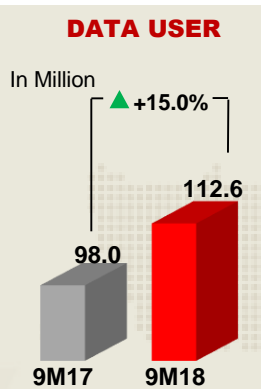
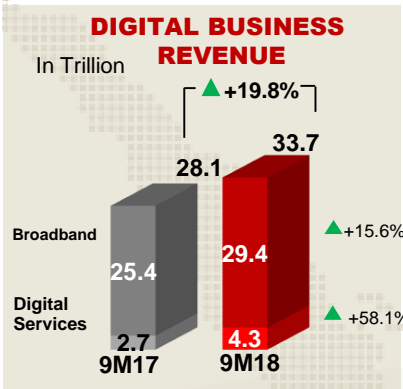
Telkomsel Performance

YEAR ON YEAR



Telkomsel Performance

YEAR ON YEAR



DIGITAL BUSINESS



Excellent Operational Results

Telkomsel Operational



- Mobile data users: 112.6 Mn (+15.0% YoY). 49.5 Mn has enjoyed 4G
- Mobile data payload jumped 116.3% YoY to 3,011 PB
- Added 22,578 new BTSs (all were 4G). Total BTS 183.3K (133.0K 3G/4G)
- Telkomsel started to raise data price nationwide by 4% - 11% in early July.

TELKOM Operational



- Consumer segment revenue grew 23.1% to Rp10.0 Tn. IndiHome revenue grew 57.7% YoY to Rp9.0 Tn
- Improved IndiHome profitability with higher economic of scale, improvement in sales and technician productivity, product diversification, and better network quality & IT system
- 1.7 Mn new IndiHome subscribers during 9M18. Total subscribers reached 4.7 M, grew 101.2% YoY.

Enterprise Business

Growth in
Enterprise Segment Revenue **18.9%**

Growing trend of business process **digitalization** of Indonesian corporates

Telkom is in the **leading position to serve** the needs as we have end to end facilities



TELKOM
Enterprise Business

Revenues
Rp18.8 Trillion



Wholesale & International Business

Domestic and international traffic carrier, wholesale connectivity, towers, satellite, as well as telecommunication and infrastructure managed services

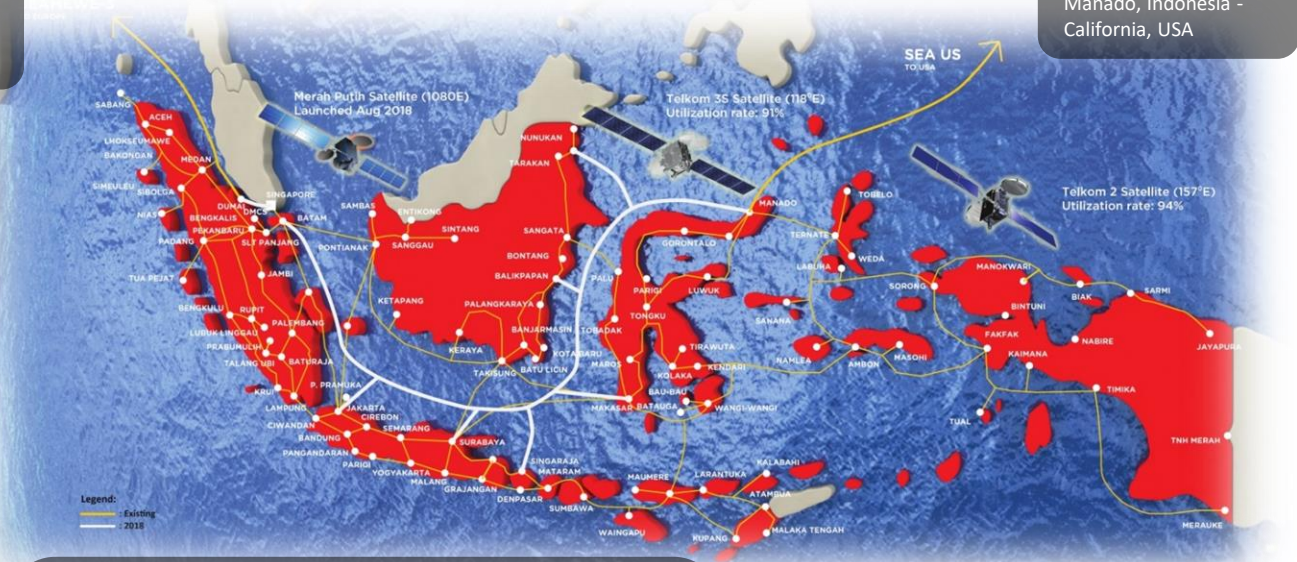
Rp7.0 Trillion Revenues (Rp) ↗ 32.6%

SEA-ME-WE-5
20,000 km from Dumai, Indonesia - Marseille, France

SEA-US
15,000 km from Manado, Indonesia - California, USA



Merah Putih Satellite
August 7, successfully launched satellite Merah Putih



Indonesia Global Gateway
Connect SEA-ME-WE 5, SEA-US and our domestic network **has reached 99% progress and is expected to commence operation in 4Q18**

Risk Management

Limited Forex Risk Exposure

- **Debts** mostly denominated in Rupiah with less than 4% is denominated in foreign currency.
- **Capex** around 85% of procurement contracts are denominated in Rupiah.
- Recorded Rp76 billion of **Forex Gain** amidst strengthening USD

Debt Re-profiling

- Issued **Medium Term Notes** of Rp1.5 trillion, in an effort to have higher portion of fixed interest rate debt.
- **MTN fixed interest/sharing rates** 7.25% (1 Year), 8.0% (2 Year) and 8.35% (3 Year) respectively.
- To **anticipate** the potential risk of **increasing trend in interest rate**



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2018 Guidance

Revenue Growth

We expect Telkomsel to grow inline or slightly above cellular industry.

Overall Telkom Group is expected to grow around mid to high single digit

EBITDA & Net Income Margins

Expected to decline in line with revenue shift towards digital business and continued infrastructure development

CAPEX

Around 25% of revenue with more capex for fixed broadband business

MAIN PROGRAM

Delivering Best Customer Experience

Delighting Customer Journey by Delivering Superior Digital Experience

Expanding Digital Business

Defend and Expand Digital Connectivity and Boosting Digital Services and Solutions

Intensifying Smart Inorganic

Optimizing Smart Inorganic to Strengthen Digital Capabilities and Enhance Enterprise Value

Thank You

PT Telkom Indonesia (Persero) Tbk
October, 2018

