



PT. XL Axiata Tbk.

Corporate Presentation

For the 1H ended 30th June 2021

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"IDR" shall mean Indonesian Rupiah. Any discrepancies between individual amounts and totals are due to rounding.

1H 21 & 2Q 21 Key Highlights



- **Strong Revenue Growth:** Revenue grew 8% QoQ in 2Q 21 due to a strong Lebaran period and improving price environment.
- **EBITDA improvement:** EBITDA improvement of 8% QoQ with margins above 50% in 2Q 21.
- **Healthy Net Profits:** Net Profits of Rp395bn increased 23% QoQ in 2Q 21 bringing 1H 21 net profit to Rp716bn.
- **Data-Centric Operator:** 94% of service revenue from data with smartphone penetration at 91%, highest in the industry.
- **Healthy Financial Position:** Healthy financial position with low gearing and continued healthy cash generation.
- **Network Investment:** Sustained network investment across Indonesia with 4G service now in 458 cities and areas with 65k 4G BTS.

1H 21 Updates



Industry

- **Competition:** Improving competition through the 2nd quarter of the year with a slight easing of price competition.
- **Lebaran:** Seasonally strong Lebaran period this year with healthy spending by customers.
- **Education Quota:** The second phase of the education quota program has ended effective June 2021.

Opportunities

- **Industry Consolidation:** Consolidation in the industry will improve industry dynamics.
- **Structural Demand:** Digital way of working, school and daily life creates structural long-term demand for Data.
- **Home:** Increased demand for fixed broadband (FTTH) services.
- **Omnibus Law:** Long-term positive for the industry through capex and opex efficiencies for 5G & other benefits.

XL Axiata Strategy

- **Transformation On Track:** Ongoing revamp and digitization of end-to-end business processes to increase business efficiencies under Operational Excellence principles.
- **Fully Converged Operator:** Launch of XL Satu Fiber which is the first product of its kind in the market offering a convergence solution for customers.
- **Network Investment:** Continued 4G network expansion and network modernization across Indonesia.

Risks

- **Covid-19 Wave:** With the latest Covid-19 wave and lockdowns happening – economic impact may slow the recovery.
- **Price Competition:** The economic fallout from the latest Covid-19 wave could result in worsening competition.
- **Impact from Global Supply Chain Shock:** Risks from shortages of materials required for businesses to operate.

Covid-19 Support



Employee

- Business Continuity Plan (BCP) to ensure employee's health
- Vaccinating >97% Employees and >70% Family Member
- Inhouse Doctor served more than 8,000 Covid-19 Tests to employees
- Continued Work from Home (WFH) implemented since March 2020
- Provide 24 hours hotline for employee
- Apply daily health protocol and provide PPE for front-liners
- Activated digital working way for all activity
- Customize Let's Learn Program (LLP) to pandemic situation



Customer

- Provision of Students Data Quota Subsidy to support Government (MoE and MoRA)
- Provision of free access to 112, 117 & 119 Hotline
- Upgrade capacity at 6,000 BTS 4G and referral hospital for Covid-19
- Provide 15% discount for upgrade plan XL Prioritas up to 100GB
- Ensure the availability of SIM Card at 15,000 pulse kiosk/UMKM aids
- Add digital sales and reload channel



Community

- Vaccinating >60.000 people thru Sentra Vaksinasi Indonesia Bangkit
- Smartphone donation to underprivileged students
- Program for disaster-affected communities in Java, Sumatera, Kalimantan and Sulawesi and other areas
- Support virtual learning to underprivileged students in West Java & West Sulawesi
- Create regular online webinar to support SME, impacted to >7,200 participants
- XL HOME CSR for flooding in Banjarmasin residential area (groceries, Free Internet Center)

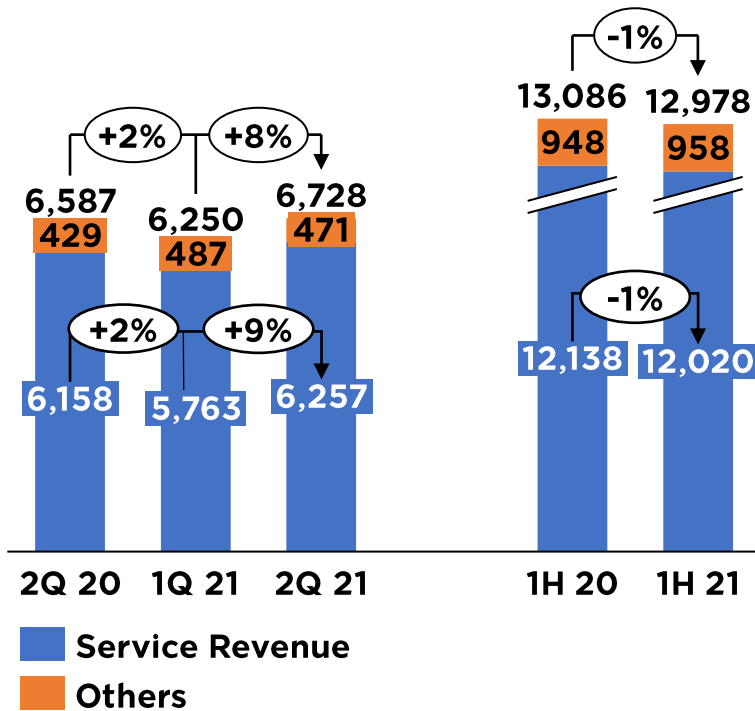
Financial Performance

Financial Performance

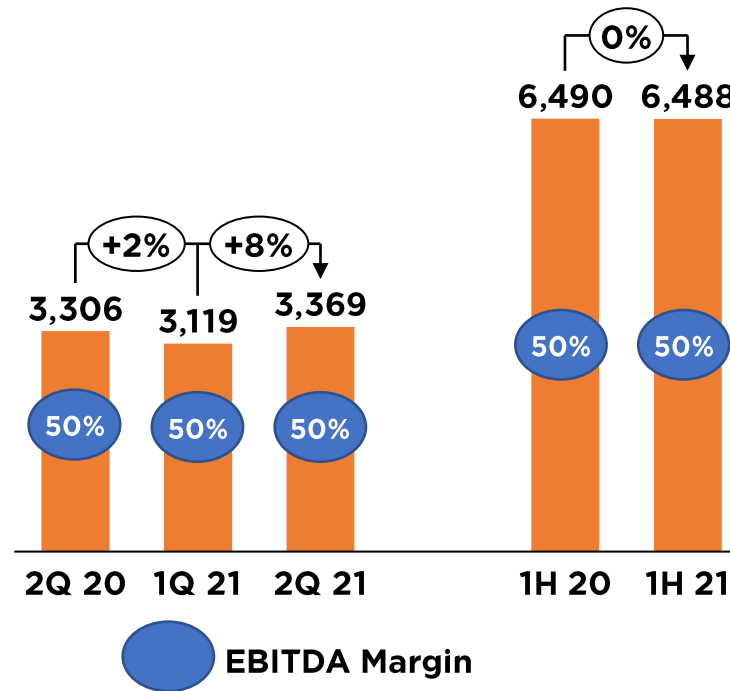


XL Axiata recorded a strong performance in 2Q 21 with 8% QoQ increase in revenue; 8% QoQ increase in EBITDA and 23% QoQ increase in net profits.

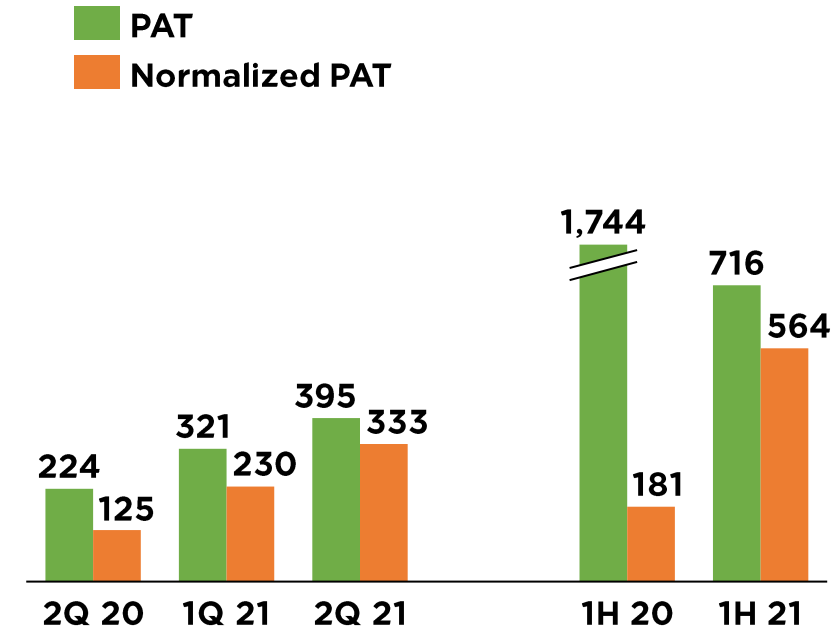
Revenue (IDR bn)



EBITDA (IDR bn)



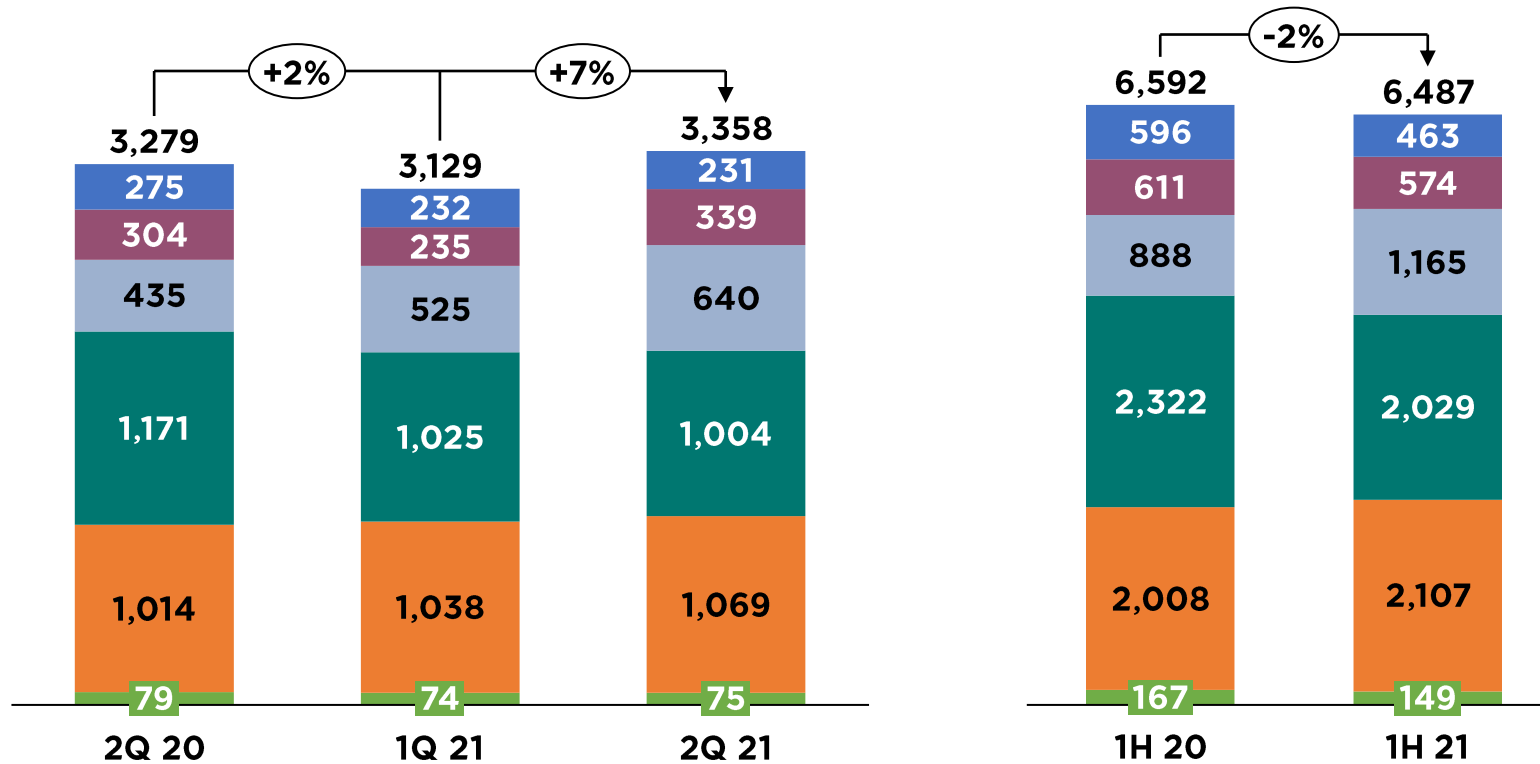
PAT & Normalized PAT (IDR bn)



Normalized Items (net of tax):

2Q 20: IDR115bn tower gain & IDR15bn forex loss
 1Q 21: IDR93bn picocell gain; IDR4bn tower loss & IDR2bn forex gain
 2Q 21: IDR62bn picocell gain & IDR0.2bn forex loss
 1H 20: IDR1,545bn tower gain & IDR17bn forex gain
 1H 21: IDR155bn picocell gain; IDR4bn tower loss & IDR2bn forex gain

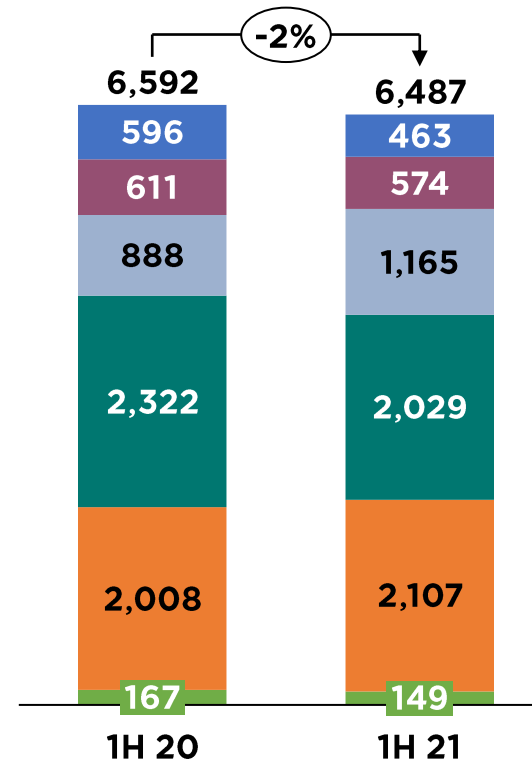
Operating Expenses



2Q 21 Operating Expenses increased 7% due to:

- Marketing expenses increased QoQ due to expanding distribution footprint & Lebaran spend.
- Labour Costs increased QoQ due to a provision release in the prior quarter.
- Regulatory Costs increased due to increase in frequency fees.
- This is offset by lower Infrastructure costs due to site renewals as well as flat Interconnect & Other Direct Expenses as well as Overhead Costs.

However, Operating Expenses are lower 2% YoY in 1H 21



*Regulatory Costs include USO & BHP costs previously included under other direct expenses.

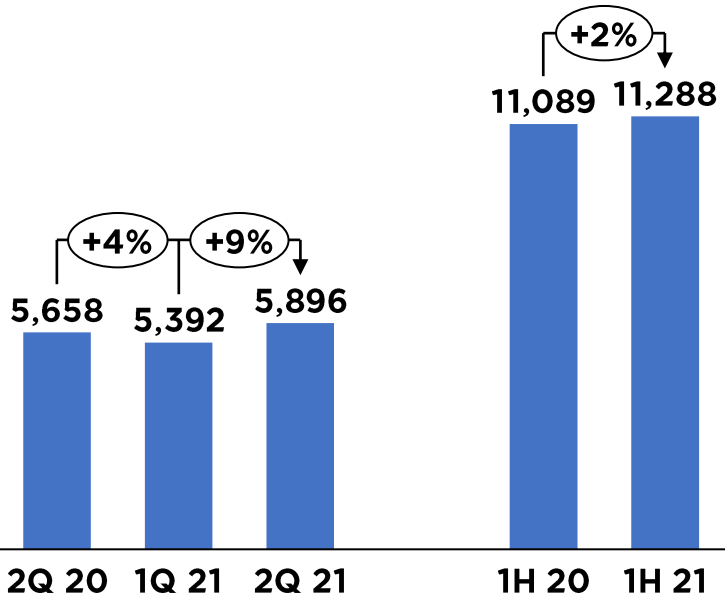
Performance Drivers

Data Revenue

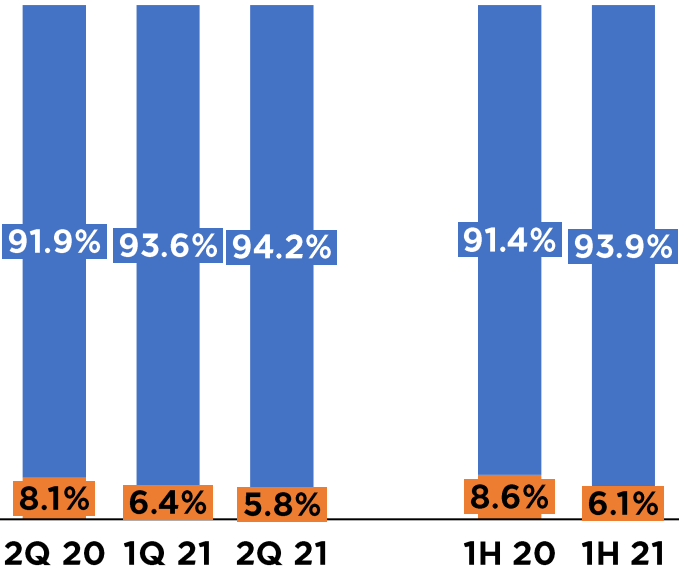


Data Revenue grew 9% QoQ in 2Q 21 driven by increased usage and now contributing 94% of Service Revenue

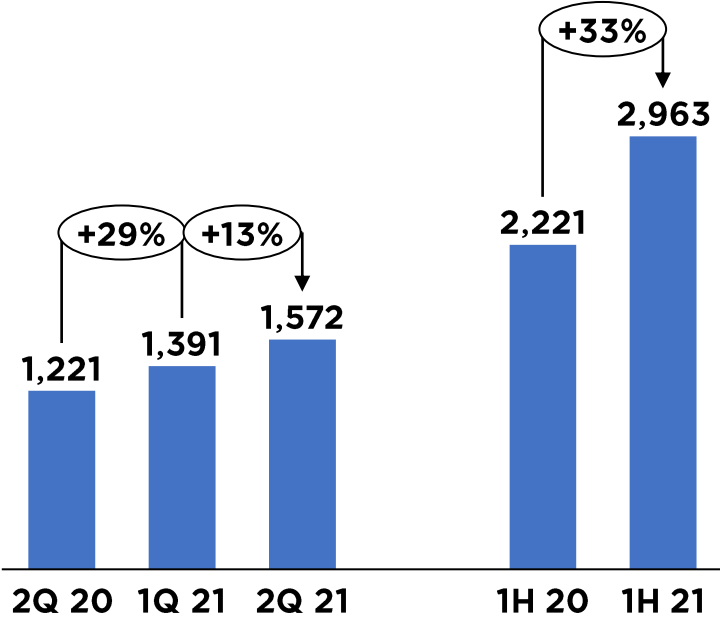
Data Revenue (IDR bn)



Data % of Service Revenue



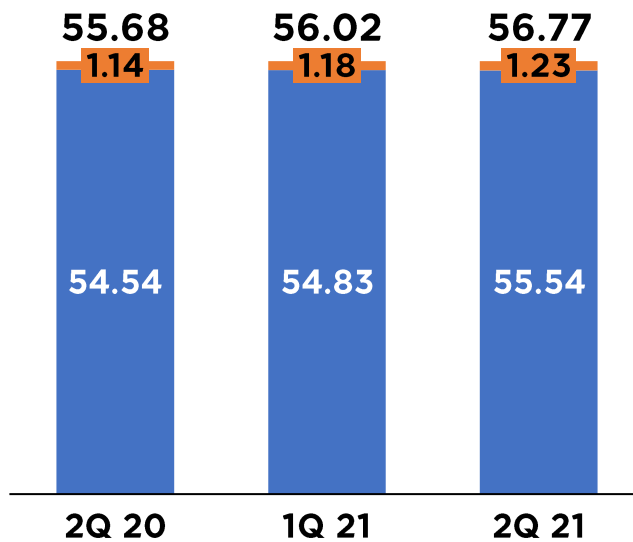
Total Traffic (PB)



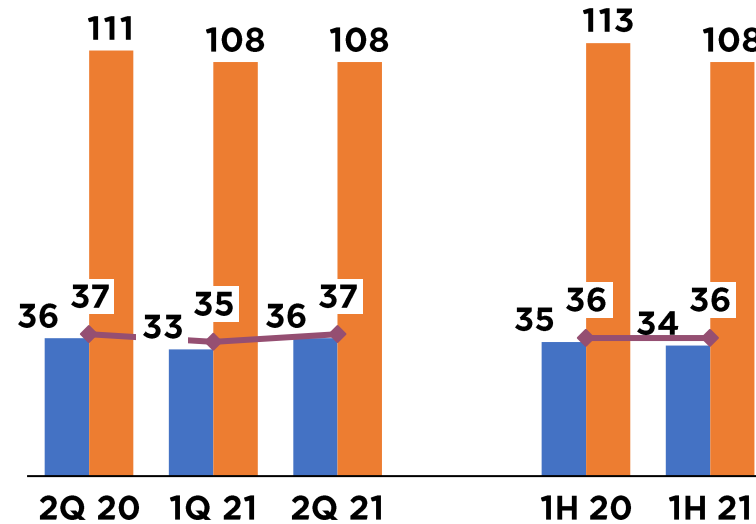
■ Data Revenue
■ Non-Data Revenue

Subscribers increased QoQ along with smartphone penetration while blended ARPU increased 6% QoQ to Rp37k in 2Q 21

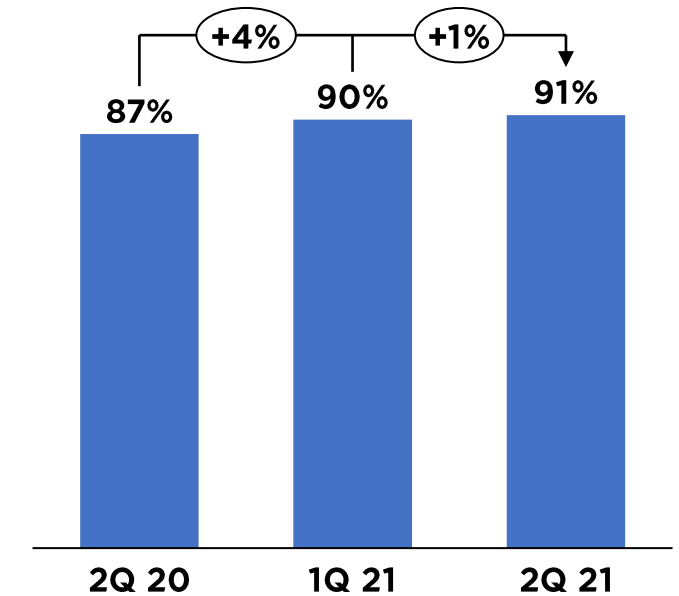
Subscribers (mn)



ARPU (IDR k)



Smartphone Penetration (%)

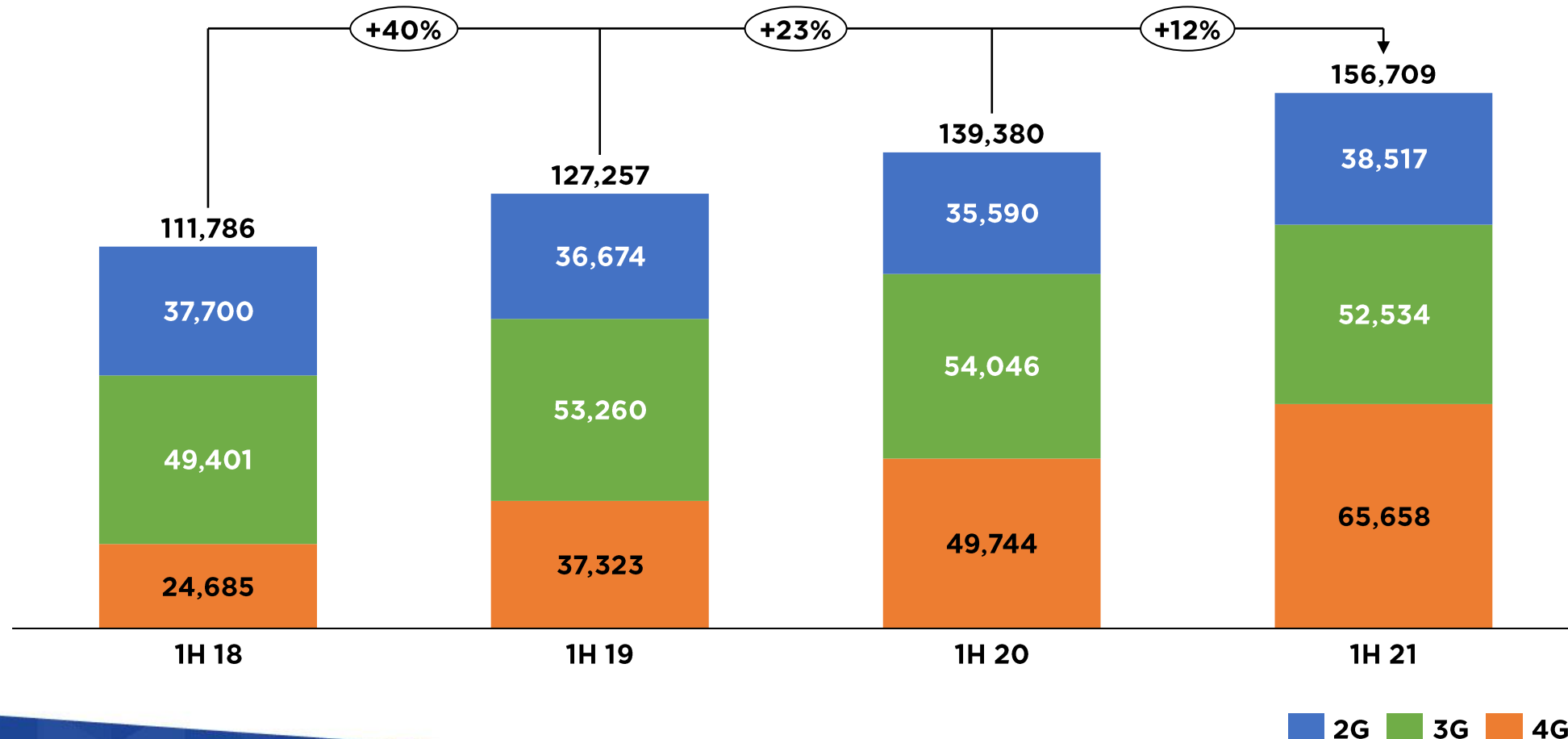


Prepaid
Postpaid

Blended
Prepaid
Postpaid

Base Stations

Network expansion continues with total BTS now above 156k with 4G coverage in 458 cities across Indonesia and more than 65k 4G BTS



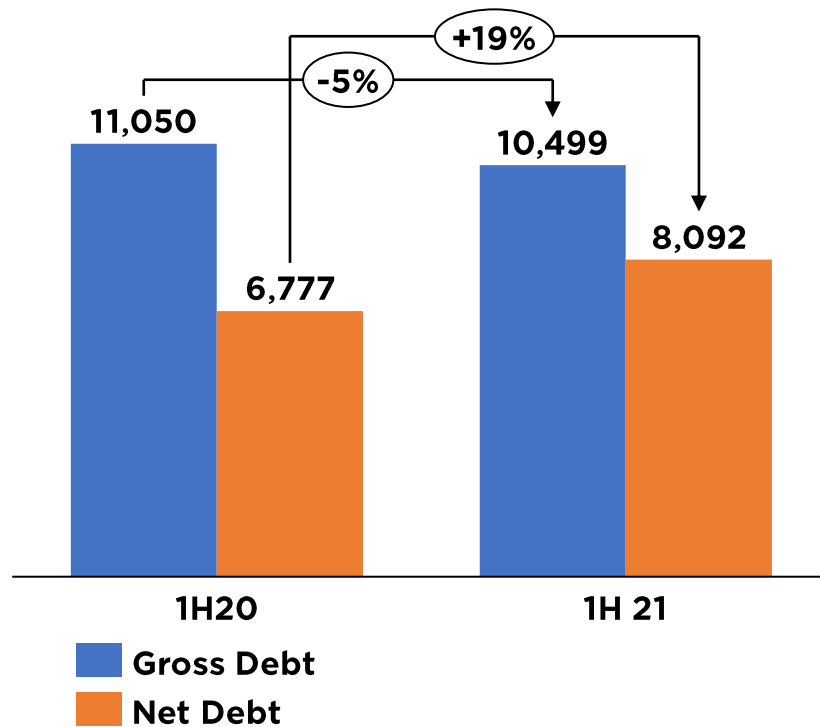
Financials



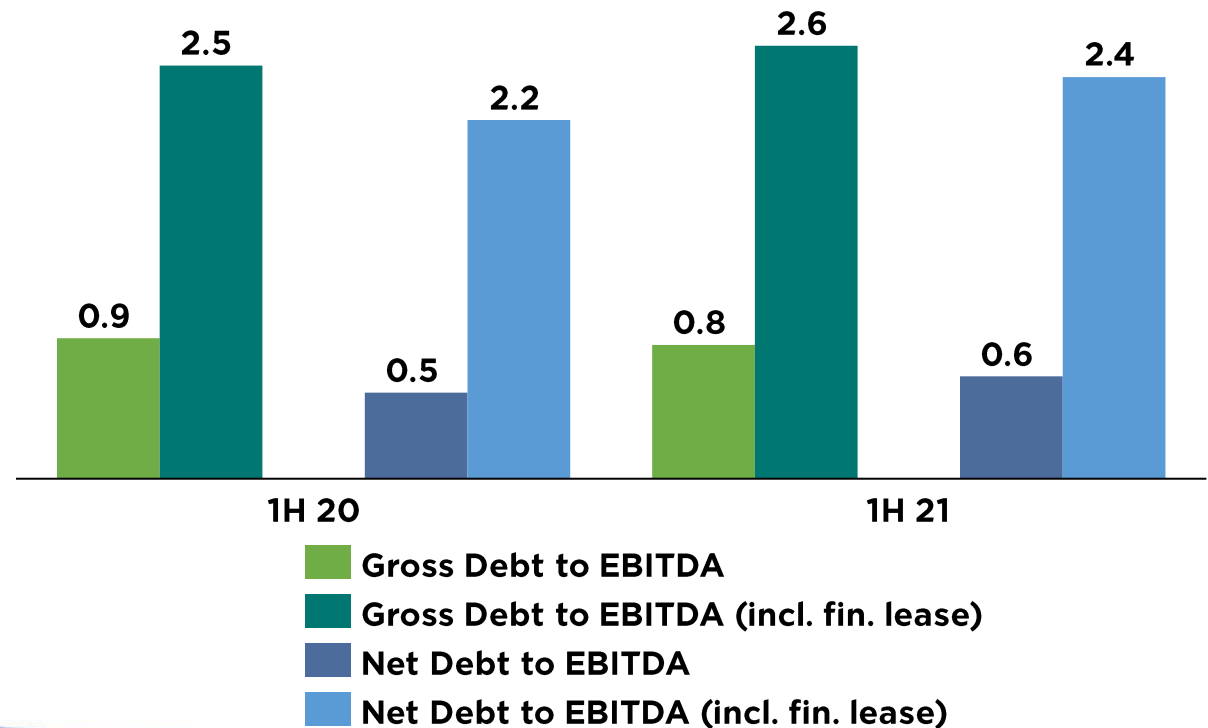
Balance Sheet

Balance Sheet remains healthy with manageable levels of net debt and stable gearing

Gross & Net Debt (IDR bn)



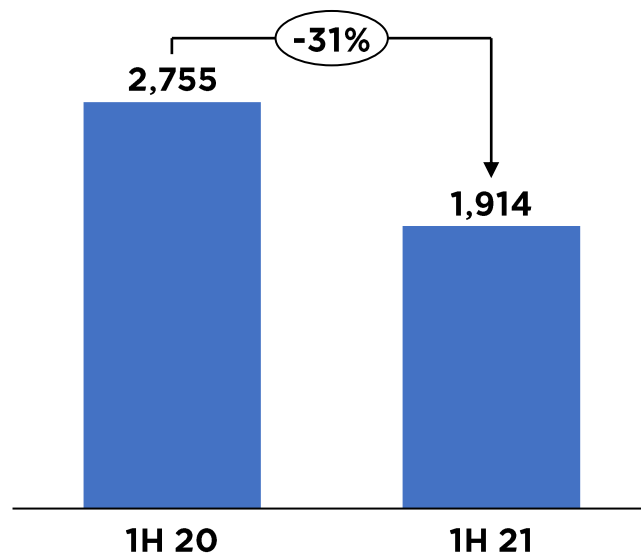
Gearing Ratios (x)



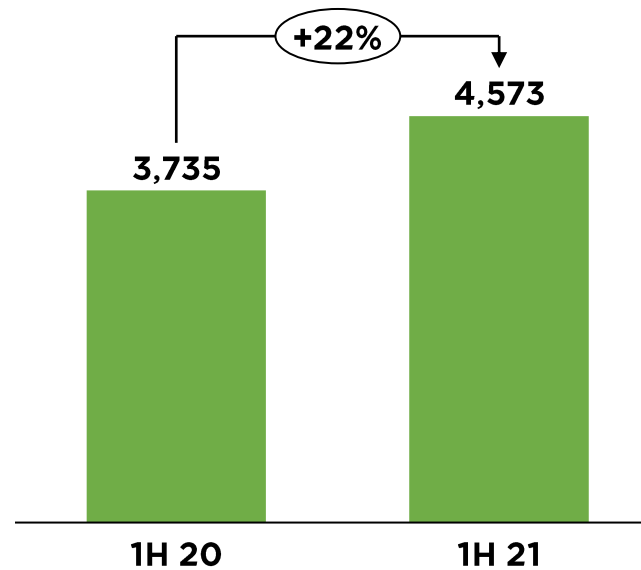
Cash Flow

Higher YoY capex to support network expansion and drive revenue growth with still healthy cash generation

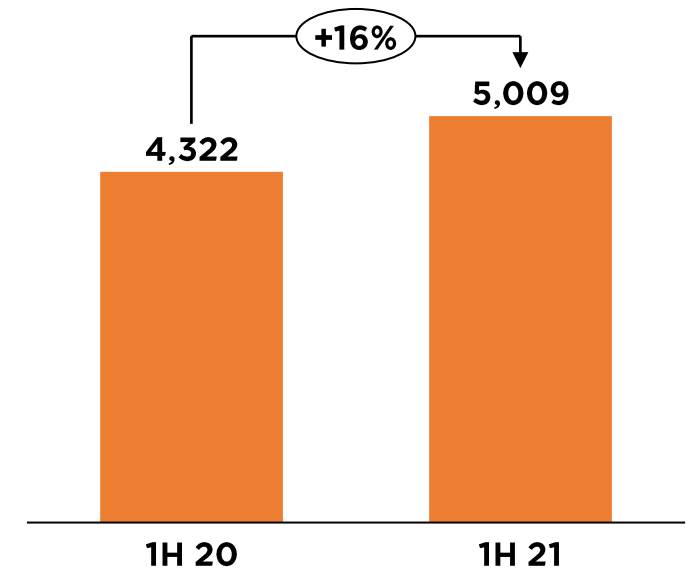
FCF (IDR bn)



Capitalized Capex (IDR bn)



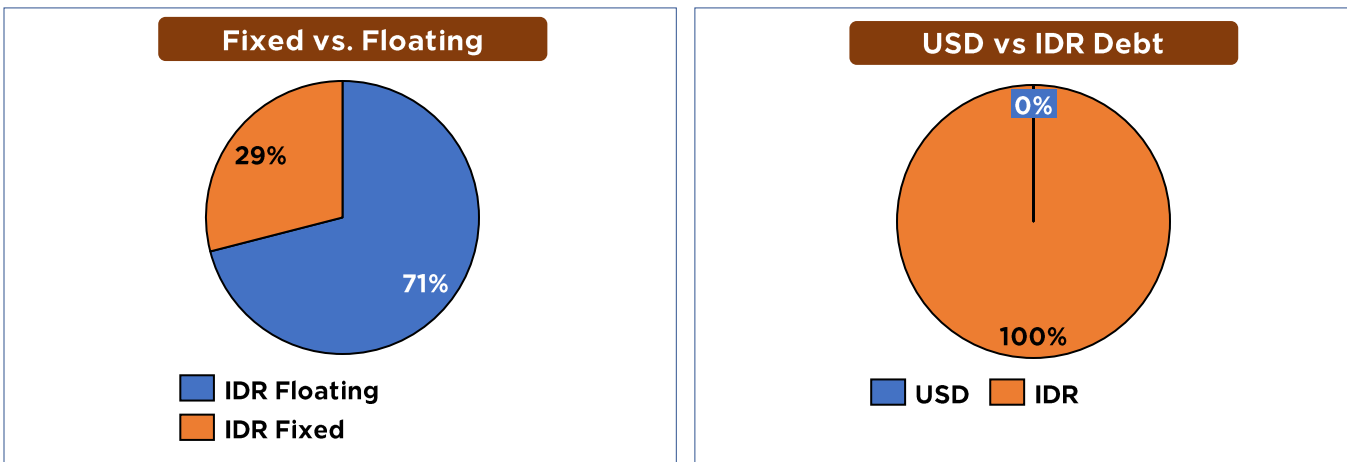
Committed Capex (IDR bn)



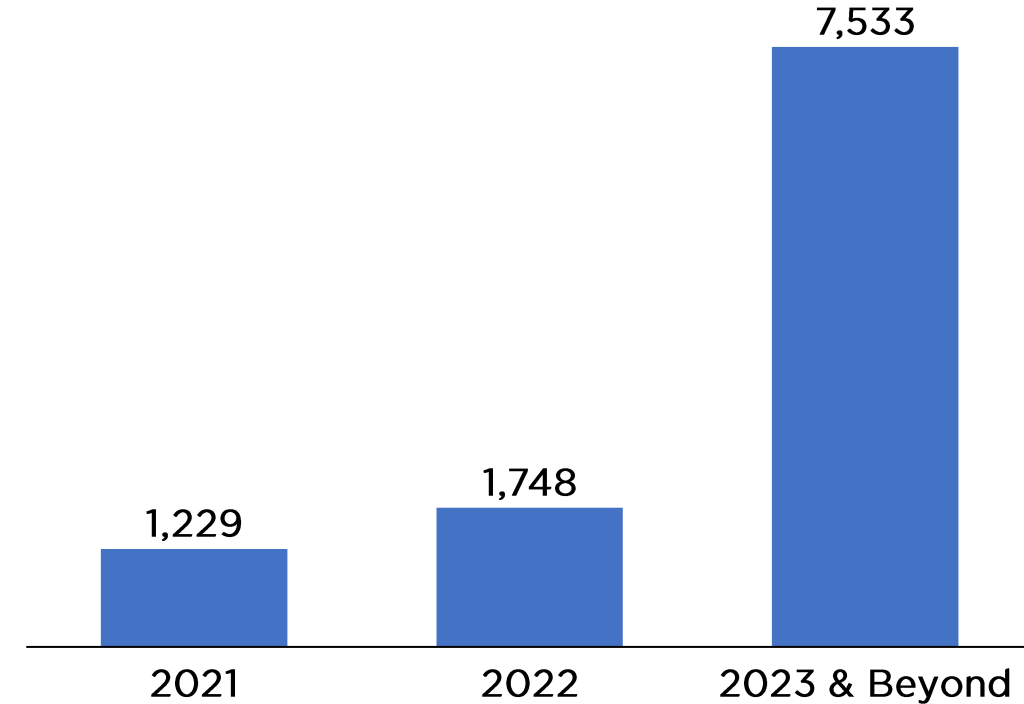
Borrowings Profile

No USD denominated debt with 71% floating and manageable debt repayments over the next 2 years

Borrowings Profile



Maturities (IDR bn)



FY21 Consolidated Guidance



- **Revenue Growth:** In-line with market.
- **EBITDA Margins:** Low 50%
- **Capex:** Around Rp7.0tn.

Thank You!

