



PT. XL Axiata Tbk.

Corporate Presentation

For the Quarter Ended 31st March 2022

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

1Q 22 Key Highlights



- **Strong revenue growth:** XL Axiata managed to record +8% YoY revenue growth in 1Q 22 driven by data revenue.
- **Maintained EBITDA trajectory:** Grew by +2% YoY, invested higher on distribution to support high growth in revenue.
- **Despite poor seasonality:** Seasonality & market dynamics led to -3% QoQ revenue decline in 1Q'22.
- **Continued network investment:** High network investment ensuring best customer experience along with digitalization.
- **Value-focused proposition:** Concentrated our efforts on better customer experience rather than price game.
- **Converged operator:** Strong convergence penetration growth as penetration now at 19% of FTTH base validating our solid strategy.

1Q 2022 Updates



Industry

- **Customer Experience:** Industry consolidation will shift focus on better customer experience rather than price competition.
- **Competition:** Although the year started with aggressive competition, it has been easing down gradually towards end of quarter.
- **Economic Activity:** Improved economic activity with gradual reduction of movement restriction (PPKM).

Opportunities

- **Economic Recovery:** Pandemic cases continues downward trajectory, allowing further relaxation on people's mobility.
- **Structural demand:** Digital lifestyle formed during the pandemic creates structural demand for Data.
- **Home:** Increased demand for fixed broadband (FTTH) services due to higher consumption patterns and market remains relatively underpenetrated.

Network Investment

- **Network Investment:** Continued investing in network infrastructure and digitalization as well as spectrum usage optimization for improved customer experience.
- **Improved Indicators:** Internal and external indicators now showing we are the fastest mobile internet provider in market.
- **Sustained investment:** Aim to spend Rp9.0tn this year to continue enhancing network position and good customer experience.

Risks

- **Competition:** even though easing down but concern that the situation could revert-back to previous stage is still there.
- **Inflationary pressures:** Recent announcements indicated upcoming increase for fuel price & electricity tariff will impact purchasing power.
- **Impact from Global supply chain shock:** Russia-Ukraine war adding uncertainty in the market, prolonging risks on shortages of materials required for business to operate.

Next Step on Convergence Journey



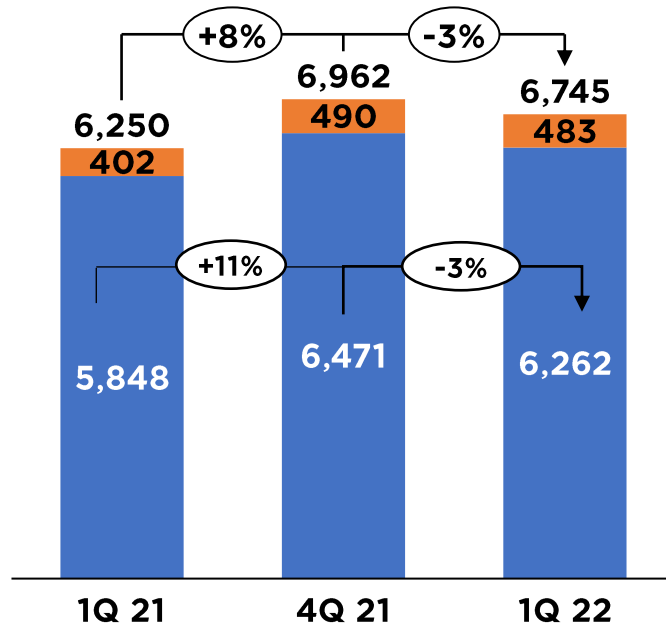
- On 27th January 2022, XL Axiata and Axiata announced the signing of a Conditional Share Purchase Agreement to jointly acquire a 66.03% stake in Linknet, one of the leading fixed broadband providers in Indonesia.
- This is the next step on XL Axiata's path to realizing its vision of becoming Indonesia's No 1 Converged Operator.
- The acquisition will generate significant synergies through sharing of backbone and transmission networks while also creating potential upside from convergence and enterprise segment opportunities.
- The deal is expected to close in Q3 2022.
- Regulatory approval is positively progressing, we do not see any major hurdles.

Financial Performance

Financial Performance

This quarter XL Axiata recorded a 8% YoY revenue increase and healthy EBITDA despite lower QoQ revenue due to seasonality and competition

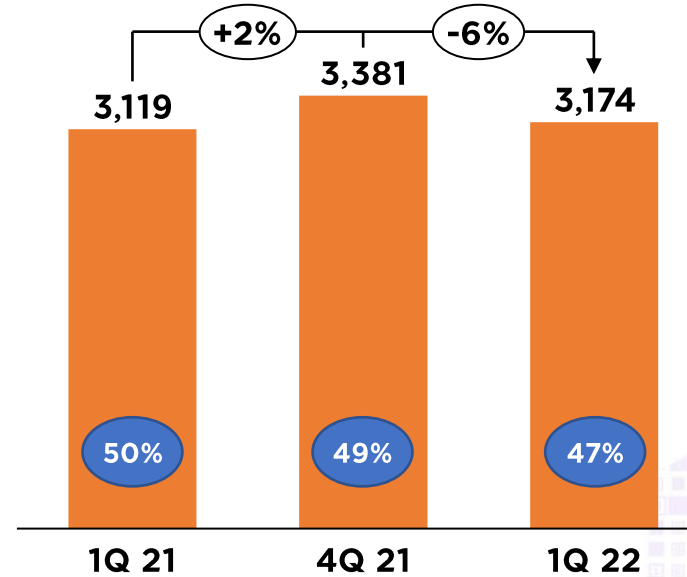
Revenue (IDR bn)



Service Revenue*
Others

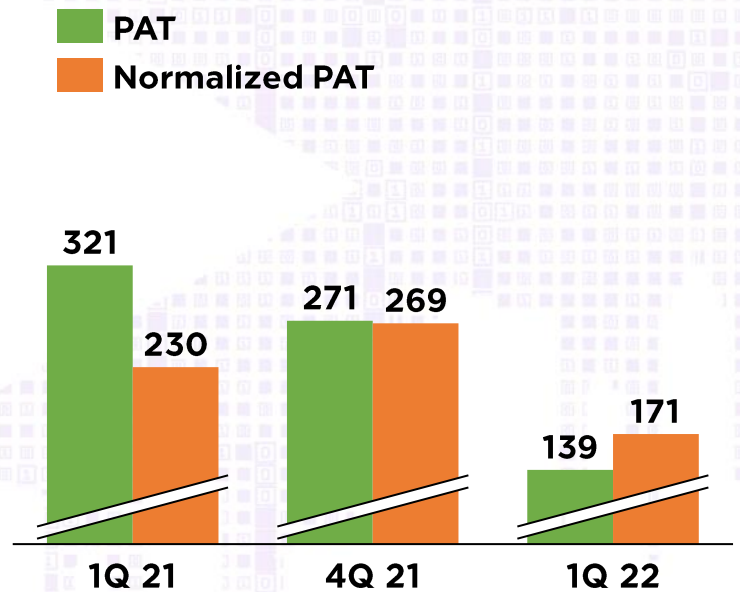
*Service Revenue includes FTTH

EBITDA (IDR bn)



EBITDA Margin

PAT & Normalized PAT (IDR bn)



Normalized Items (net of tax):

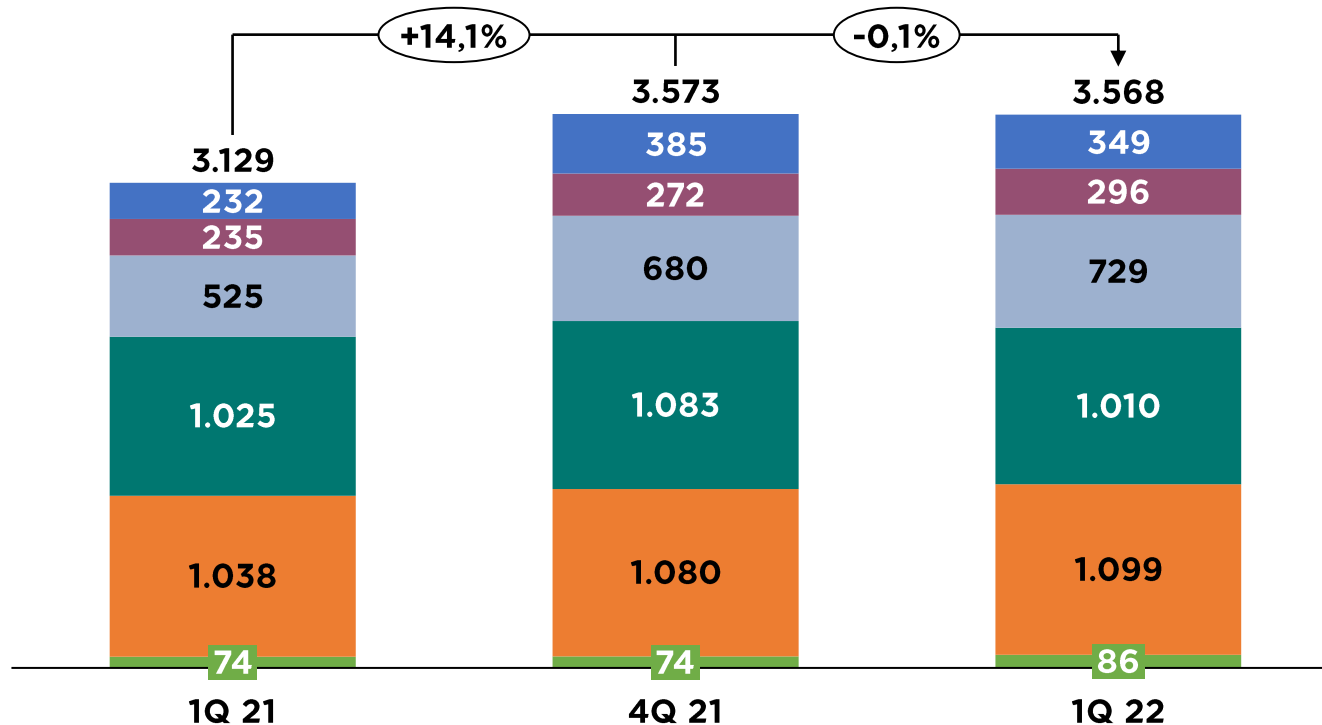
1Q 21: IDR93bn picocell gain; IDR4bn tower loss & IDR2bn forex gain

4Q 21: IDR2bn forex gain

1Q 22: IDR30bn acc.depn. & IDR1.6bn forex loss

Operating Expenses

■ Interconnection and Other Direct Expenses
 ■ Infrastructure
 ■ Regulatory Costs*
 ■ Salaries & Employee Benefits
 ■ Sales and Marketing
 ■ Supplies and Overhead



1Q 22 Operating Expenses decreased 0.1% QoQ due to:

- Employee costs increased QoQ due to a provision release in Q4 21.
- Marketing costs increased QoQ due to expanding distribution footprint.
- Regulatory Costs increased QoQ due to increase in frequency fees.
- Overhead increased QoQ due to higher professional fees.
- This is offset by lower Infrastructure Costs and Direct Costs.

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

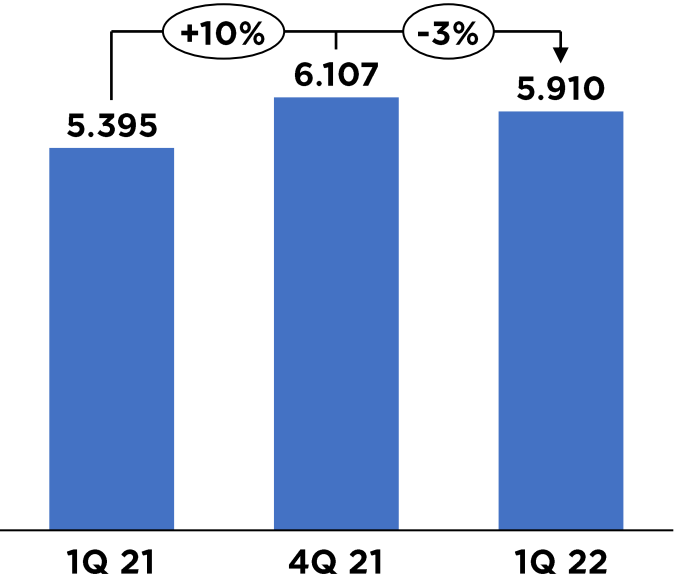
Performance Drivers

Data Revenue

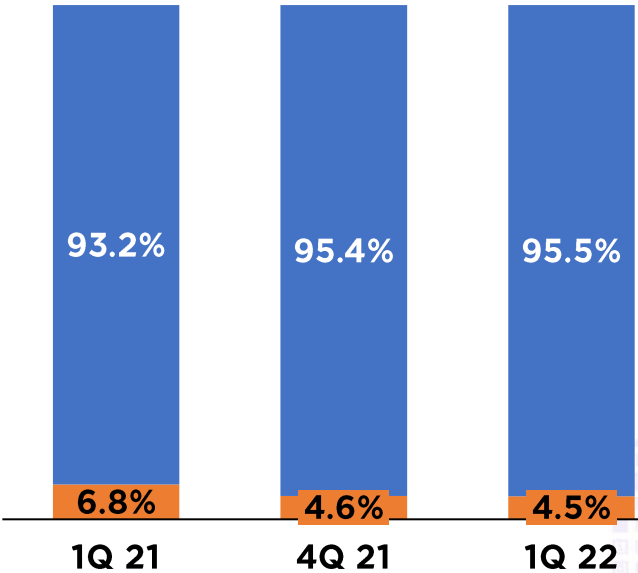


Data maintained the contribution above 95% of Service Revenue

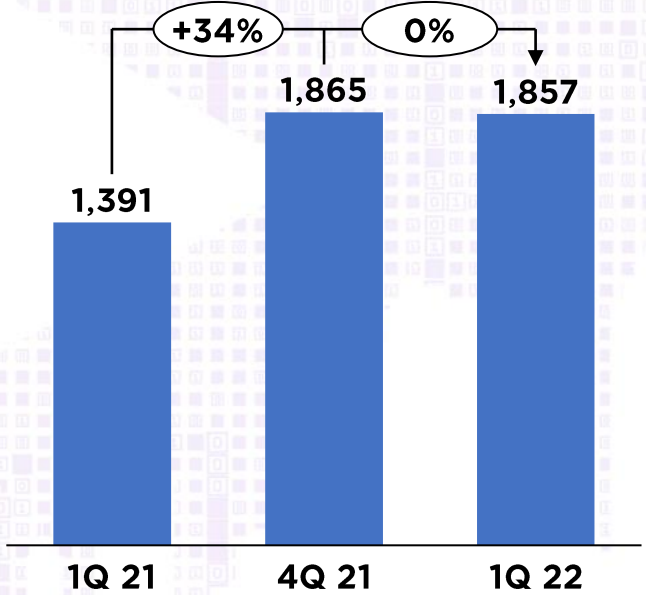
Data Revenue (IDR bn)



Data % of Service Revenue*



Total Traffic (PB)



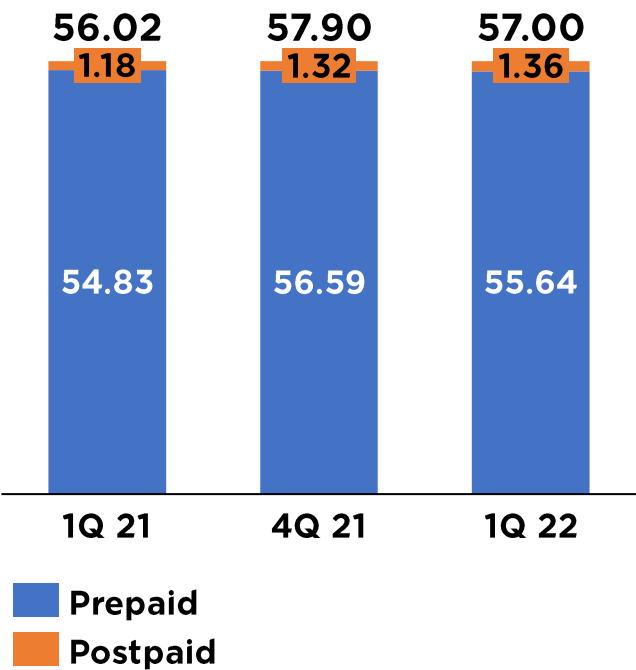
■ Data Revenue
■ Non-Data Revenue

*Service Revenue excludes FTTH

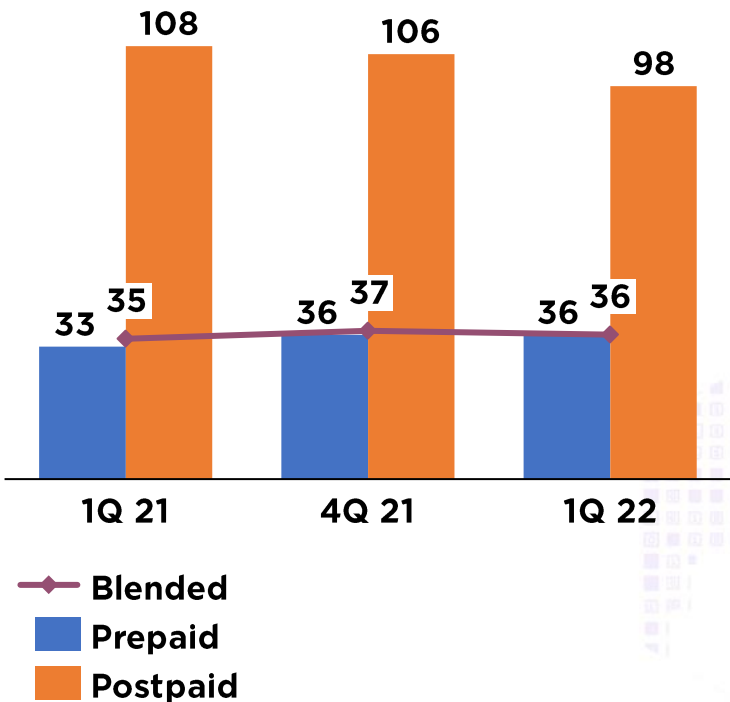
Customers

Higher YoY subscribers with higher blended ARPU indicating a healthy customer development as we are focusing on quality customers

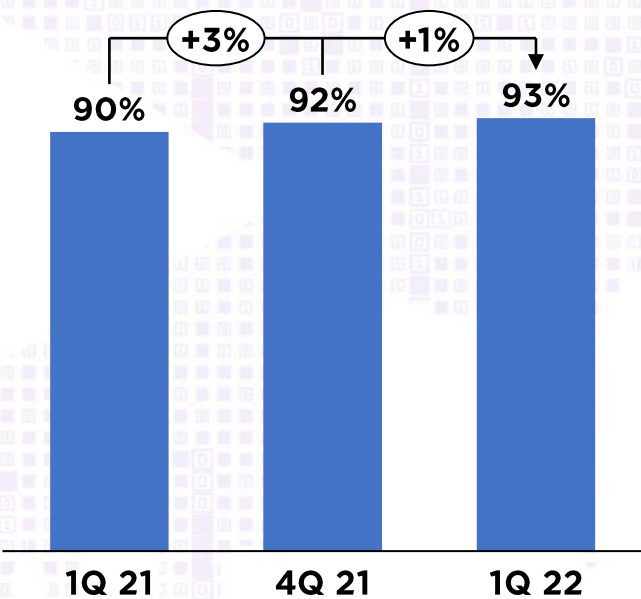
Subscribers (mn)



ARPU (IDR k)



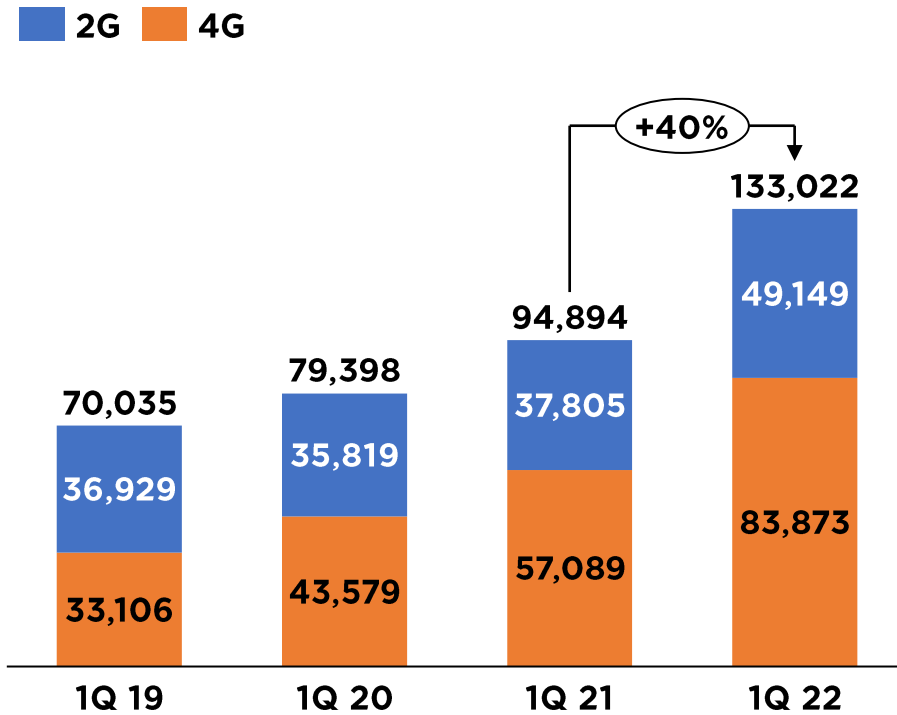
Smartphone Penetration (%)



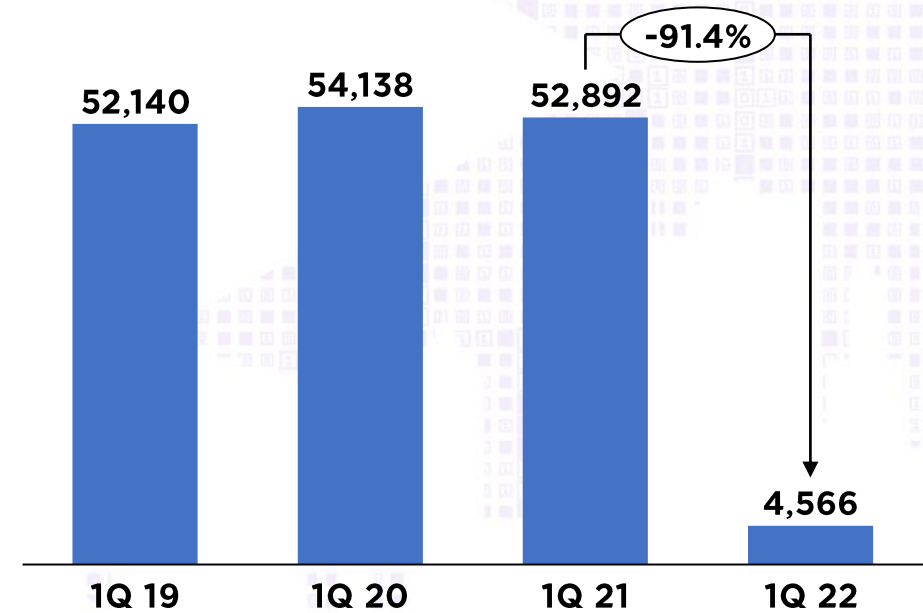
Base Stations

Network expansion continues with total 4G BTS now above 83k with coverage in 460 cities.
Spectrum usage optimization progressing well with 3G BTS now less than 5k.

BTS count 4G & 2G



3G BTS shut down progress

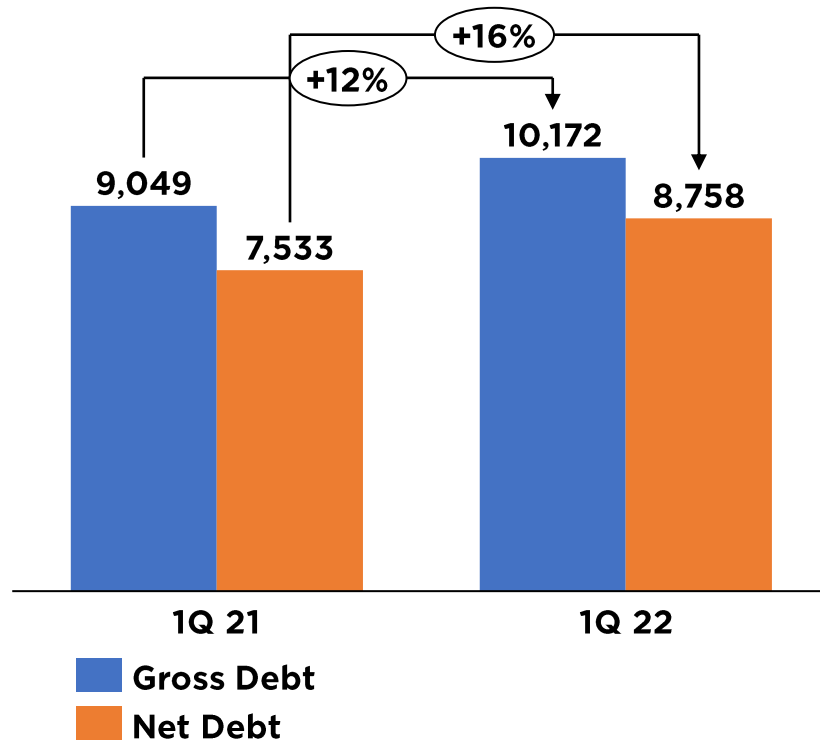


Financials

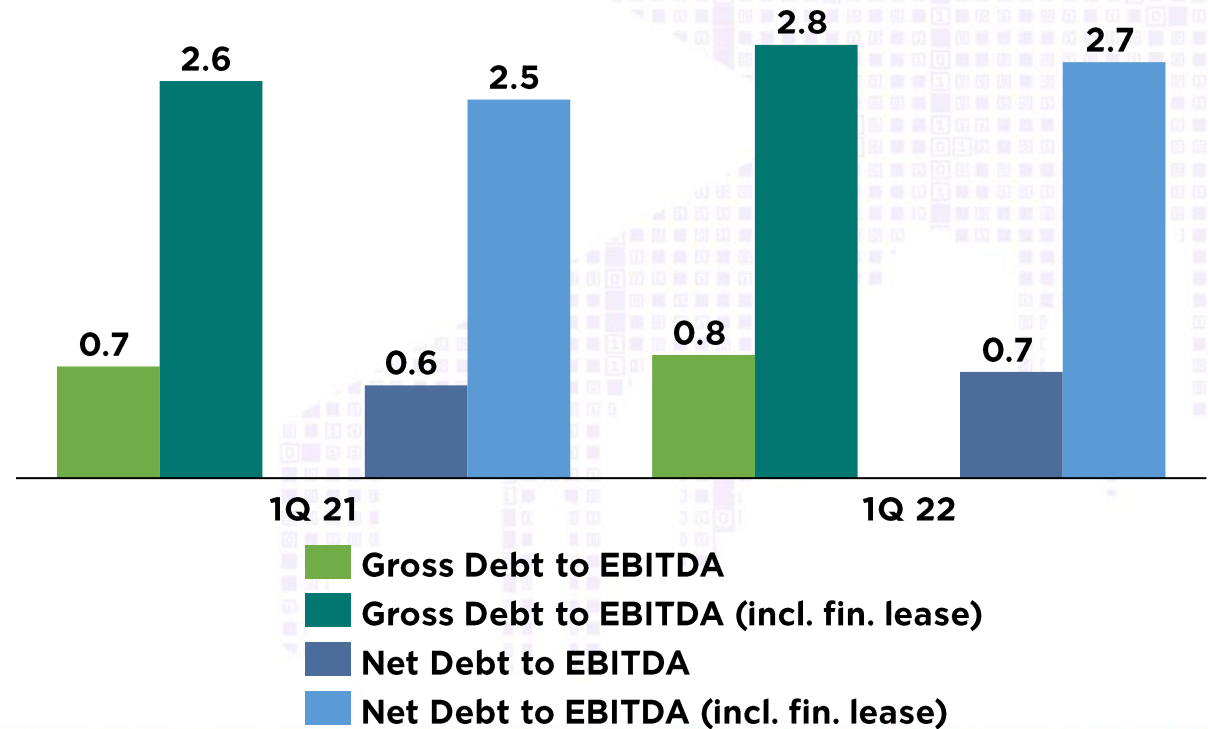
Balance Sheet

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

Gross & Net Debt (IDR bn)



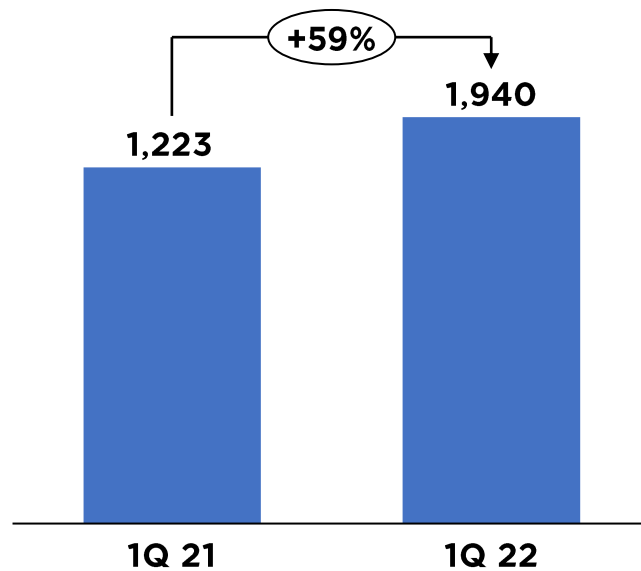
Gearing Ratios (x)



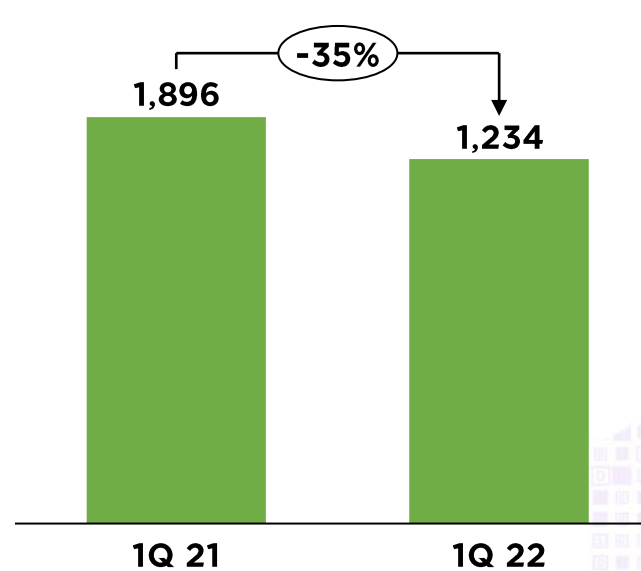
Cash Flow

Higher FCF due to healthy cash generation as we collected higher receipts from customers

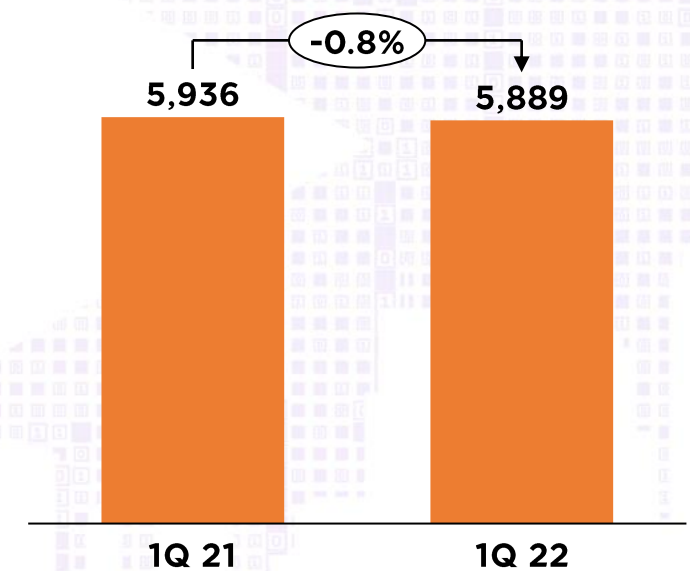
FCF (IDR bn)



Capitalized Capex (IDR bn)



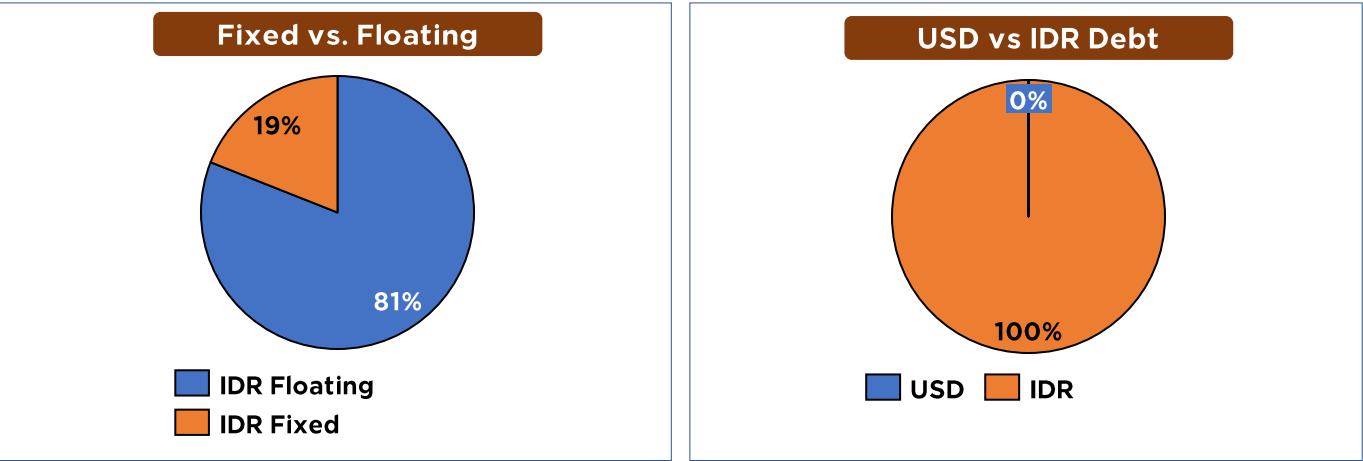
Committed Capex (IDR bn)



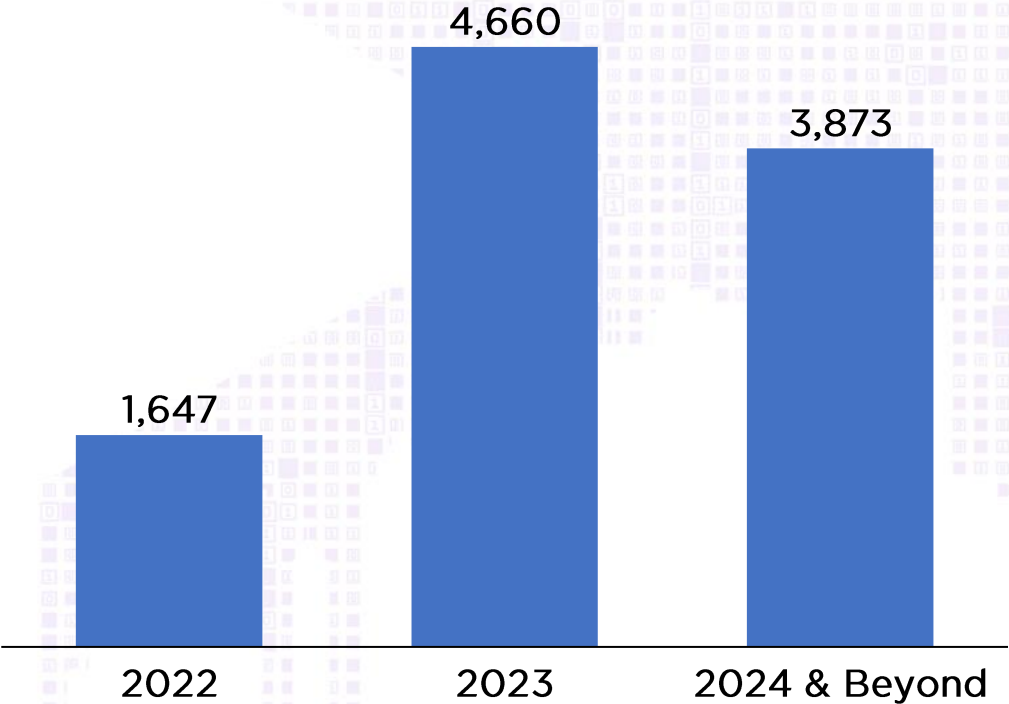
Borrowings Profile

No USD denominated debt with 81% floating and manageable debt repayments over the next 2 years

Borrowings Profile



Maturities (IDR bn)



FY22 Consolidated Guidance



- **Revenue Growth:** In-line with market.
- **EBITDA Margins:** Low 50%
- **Capex:** Around Rp9.0tn.

Thank You