



PT. XL Axiata Tbk.

Corporate Presentation

For the Quarter Ended 30th June 2022

Disclaimer

The following presentation contain statements about future events and expectations that are forward-looking statements by the management of PT XL Axiata Tbk. (“XL Axiata”) (“Company”), relating to financial trends for future periods, compared to the results for previous periods, characterised by the use of words and phrases such as “might”, “forecast”, “anticipated”, “project”, “may”, “believe”, “predict”, “expect”, “continue”, “will”, “estimate”, “target” and other similar expressions.

Forward looking information is based on management’s current views and assumptions including, but not limited to, prevailing economic and market conditions. Our business operates in an ever-changing macro environment. As such, any statement in this presentation that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause XL Axiata’s actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in the presentation or on its completeness, accuracy or fairness. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith

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

2Q 22 Key Highlights



- **Fastest growing operator:** Superior network quality, price hike, strong Lebaran effect resulted in revenue growth +9% QoQ.
- **Focus on Operational Excellence is bearing fruits:** 2Q 22 EBITDA expanded by 12% QoQ.
- **Best customer network experience:** #1 download speed and video streaming bring better user experience as results from our effective network & digitalization investment.
- **Convergence full speed ahead:** Strong convergence penetration, increased from 19% to 28% of FTTH base in one quarter. Closed LinkNet transaction with Axiata. Unlocking potential synergy in progress.
- **One stop B2B provider:** Acquisition of majority stake in Hypernet allows us to offer managed services capability, a complete B2B portfolio.

1H 2022 Updates

Industry

- **Price increase:** Other operators followed suit on raising price will push industry to be more cohesive for higher data monetization.
- **Competition:** Market is becoming more rational with better price discipline, operators now focusing on data monetization.
- **Holiday festivities:** Strong Lebaran and school holiday momentum gave rise to higher customer buying power & data usage.

Opportunities

- **Economic recovery:** Further travel relaxation & economy opening up will help improve people's mobility.
- **Structural demand:** Demand for digital services remain strong as society becoming more receptive to hybrid lifestyle (eCommerce, online meeting).
- **Customer demand for simplicity:** Converged products coupled with digital proposition delivers complete experience for our customer.

Network Investment

- **Network improvement:** Fiberization on track, 4G BTS added by 39% YoY, continue accelerating network experience through investment in sites rollout.
- **Customer experience:** #1 in download speed and video experience, result from our effective network design & spectrum refarming (3G shutdown progress: 92% completed).
- **Sustained investment:** Continuous monitoring and granular review to ensure optimum capex allocation.

Risks

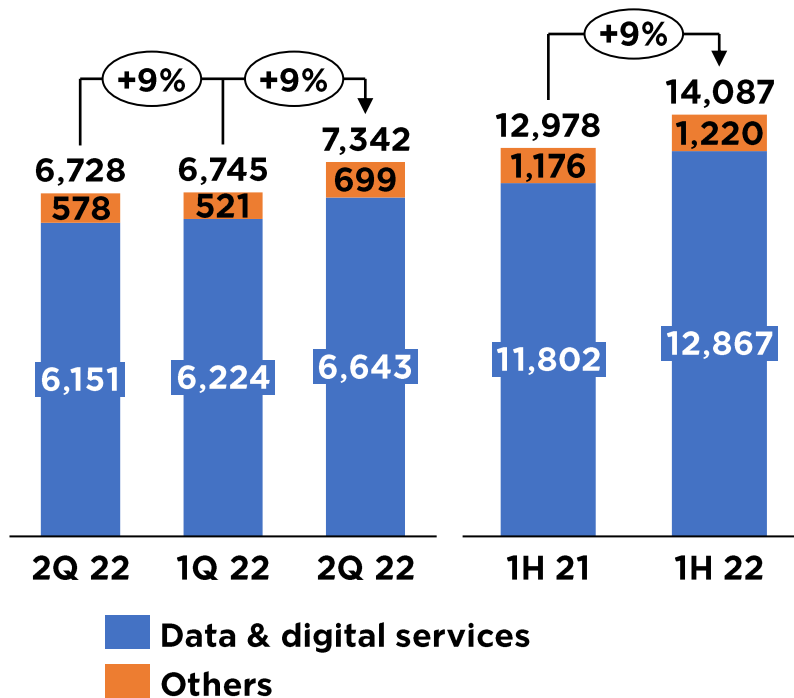
- **Economic risks:** Reduced customer buying power as a result from higher inflation, Covid-19 new variants, and customers' share of wallets for telco products & services.
- **Supply chain:** Due to prolonged geopolitical tension that challenge energy cost & logistics around the world.
- **Industry competition:** Current market is more disciplined, however situation may revert-back to previous stage.

Financial Performance

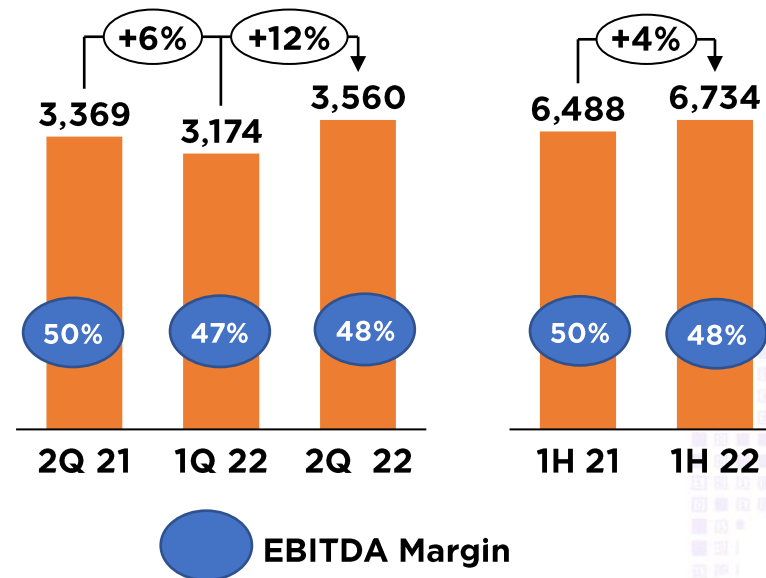
Financial Performance

XL Axiata recorded strong performance in 2Q 22 with 9% QoQ increase in revenue; 12% QoQ increase in EBITDA and 242% QoQ increase in PATAMI.

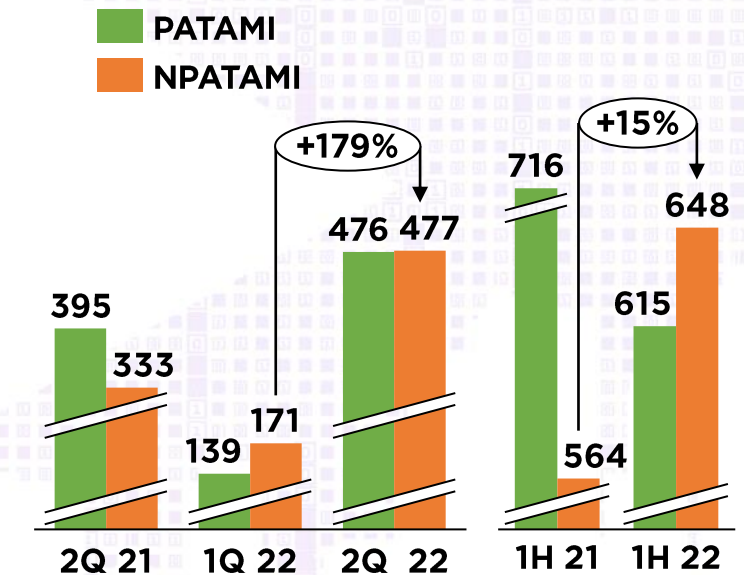
Revenue (IDR bn)



EBITDA (IDR bn)



PATAMI & NPATAMI (IDR bn)*



Normalized Items (net of tax):

2Q 21: IDR62bn picocell gain; IDR0.2bn forex loss

1Q 22: IDR30bn acc.depn. & IDR2bn forex loss

2Q 22: IDR29bn acc.depn; IDR3bn forex loss & IDR31bn tower gain

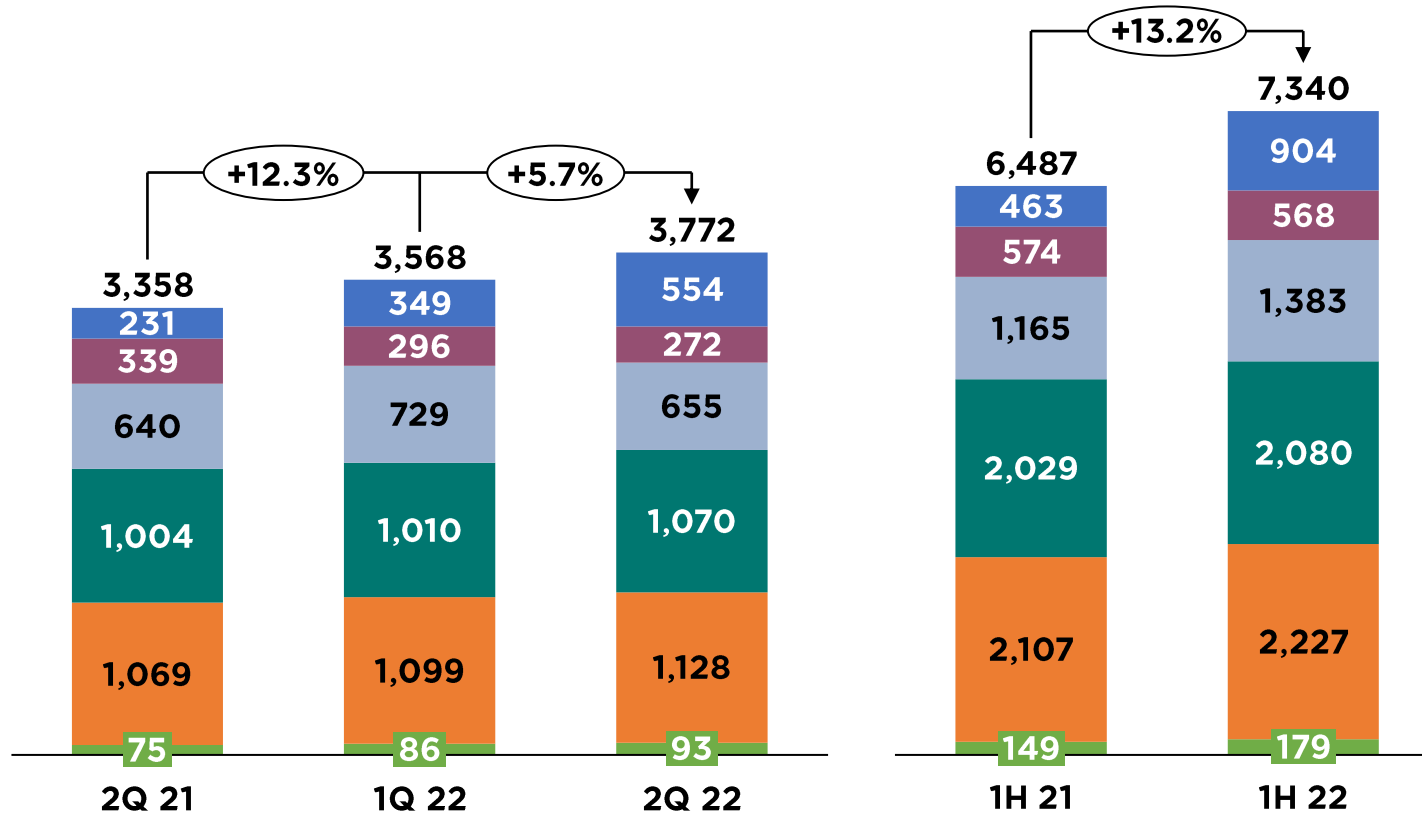
1H 21: IDR155bn picocell gain; & IDR 4bn tower loss & IDR2bn forex gain

1H 22: IDR59bn acc.depn; IDR5bn forex loss & IDR31bn tower gain

* Post Hypernet acquisition

Operating Expenses

■ Interconnection and Other Direct Expenses
■ Labor Costs
■ Sales and Marketing
■ Infrastructure
■ Regulatory Costs
■ Supplies and Overhead



2Q'22 revenue grew 9% QoQ, faster than Operating Expenses at 5.7%, with the following highlights:

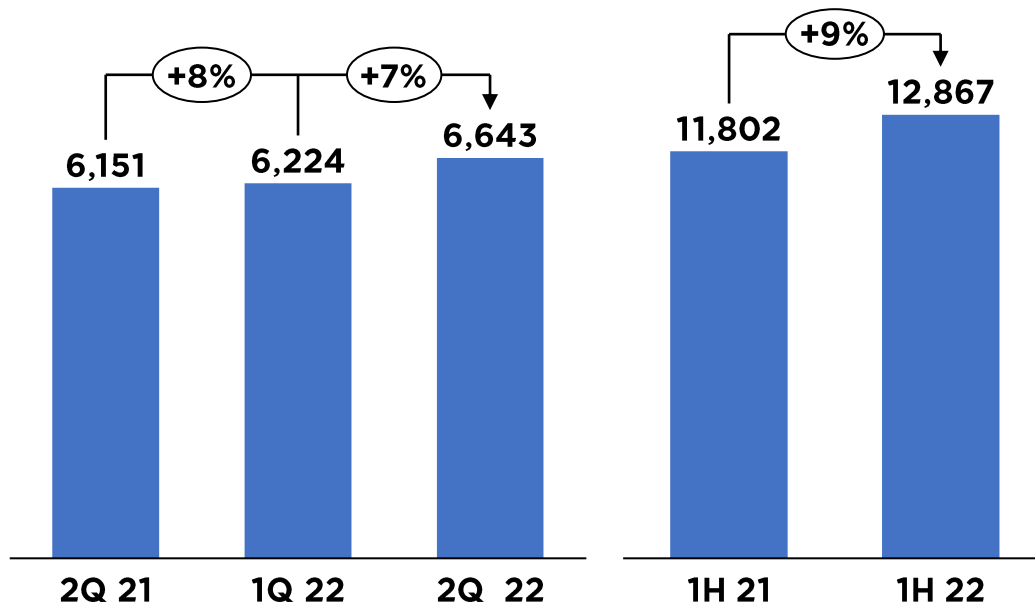
- Lower Sales & Marketing costs by 10% QoQ
- Lower Labor costs
- Interconnection and other direct expenses increased QoQ due to Device Bundling Cost.
- Regulatory Costs increased QoQ due to frequency & USO fees.

Performance Drivers

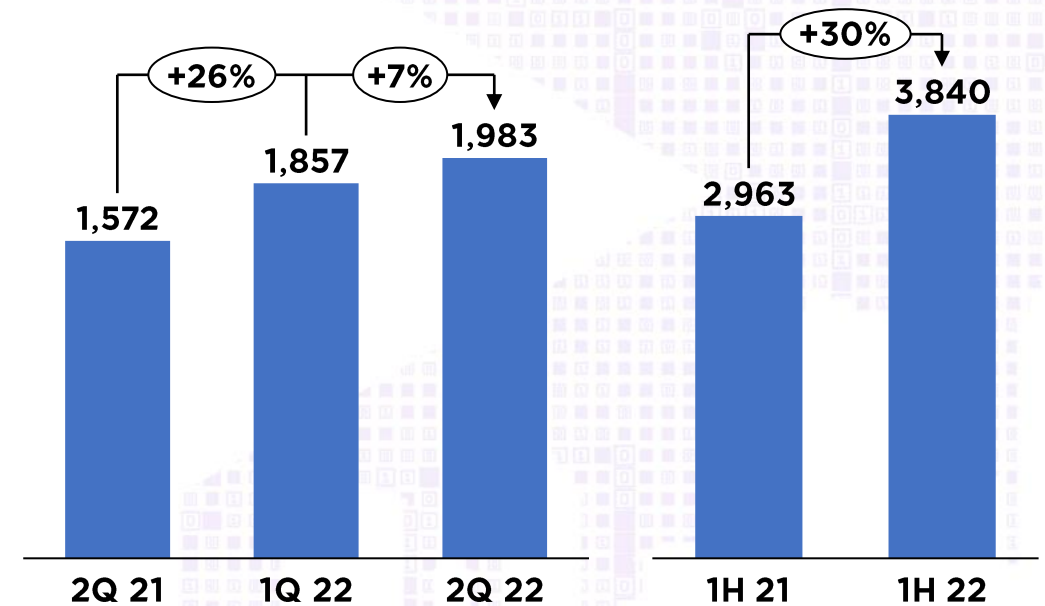
Data Revenue

Data revenue grew 7% QoQ in 2Q 22 driven by price increase and strong Lebaran effect.

Data & Digital services Revenue (IDR bn)



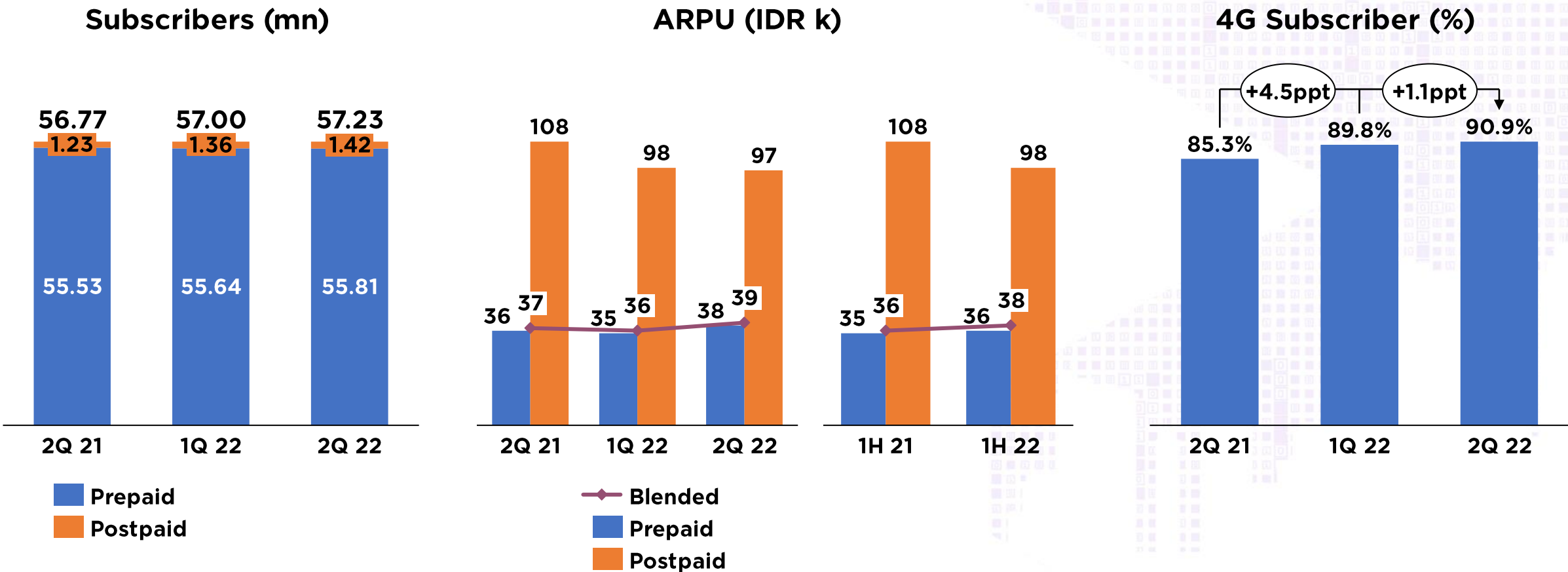
Total Traffic (PB)



Customers



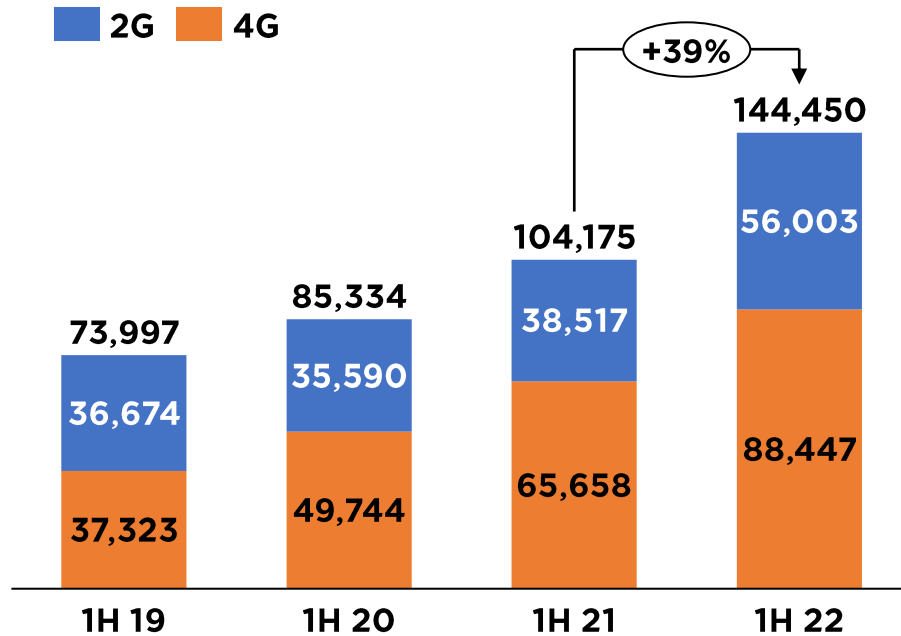
Higher YoY subscribers with higher blended ARPU indicating a healthy customer development as we are focusing on quality customers.



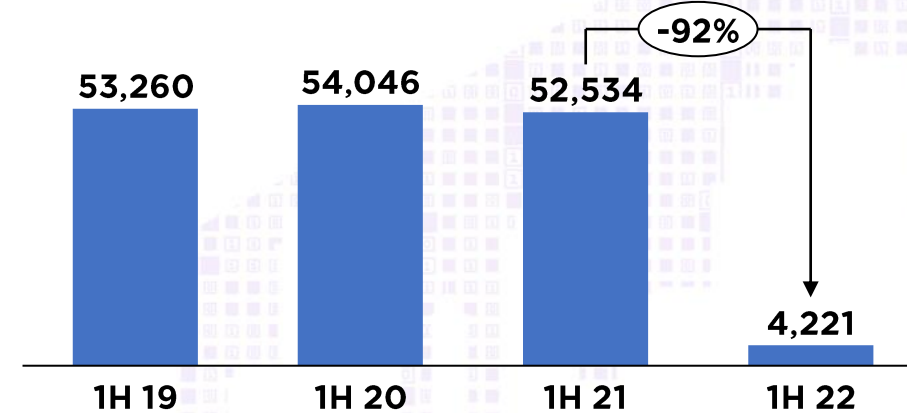
Base Stations

Network expansion continues with total 4G BTS now above 88k.
Spectrum usage optimization progressing well with 3G BTS now less than 5k.

BTS count 4G & 2G



3G BTS shut down progress



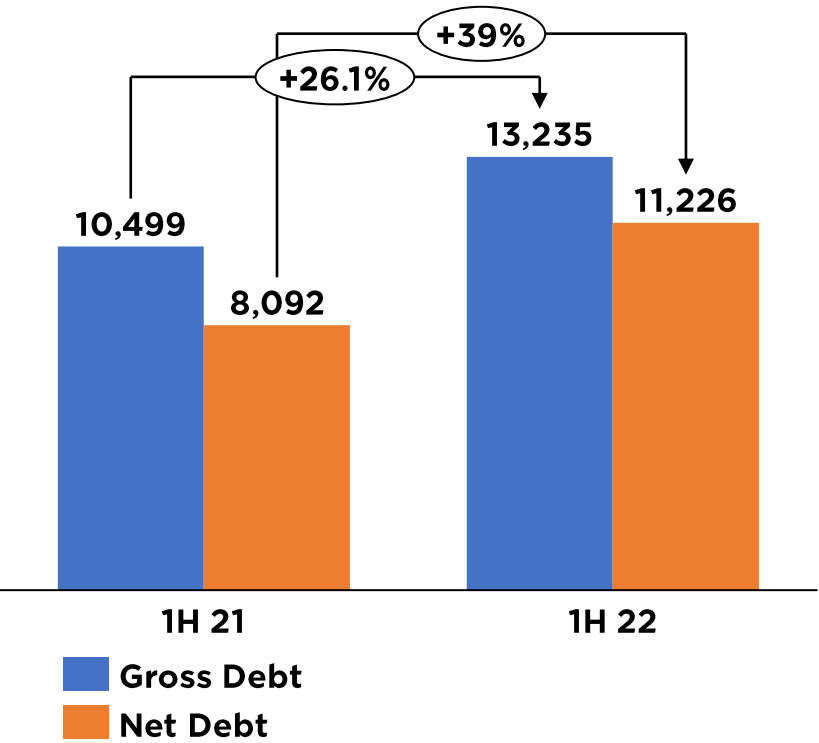
Financials

Balance Sheet

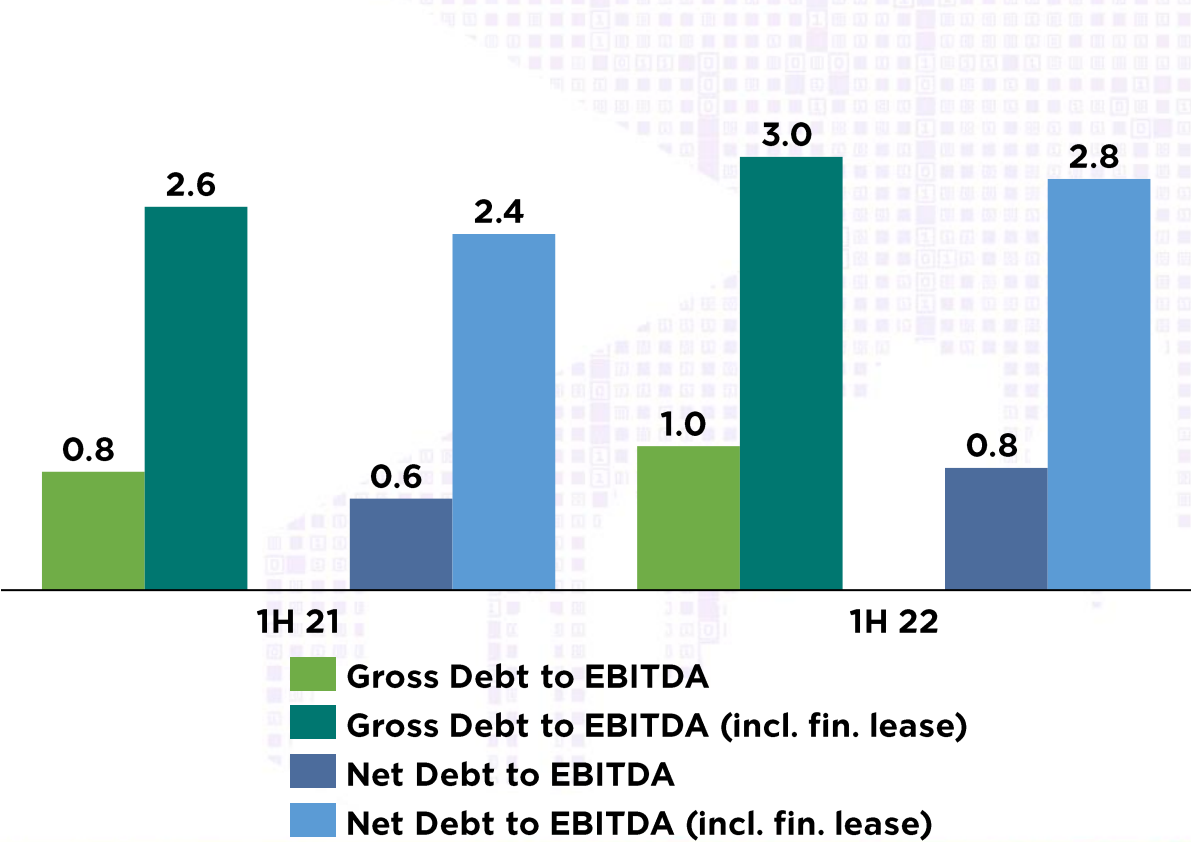


Balance Sheet remains healthy post Link Net deal, forward focus on deleveraging

Gross & Net Debt (IDR bn)



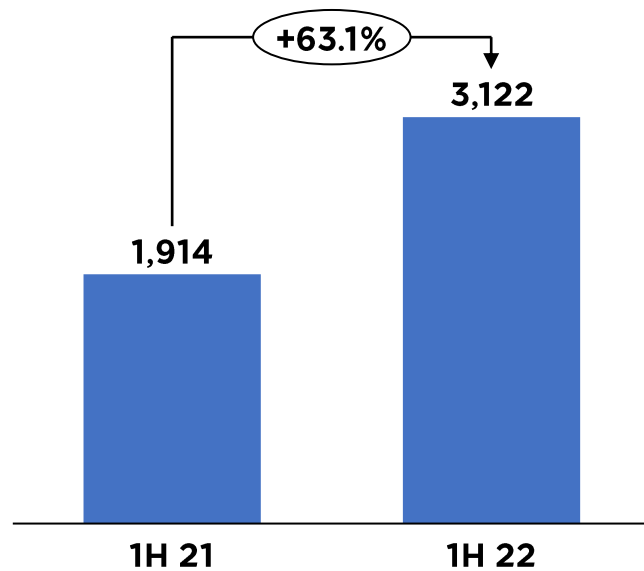
Gearing Ratios (x)



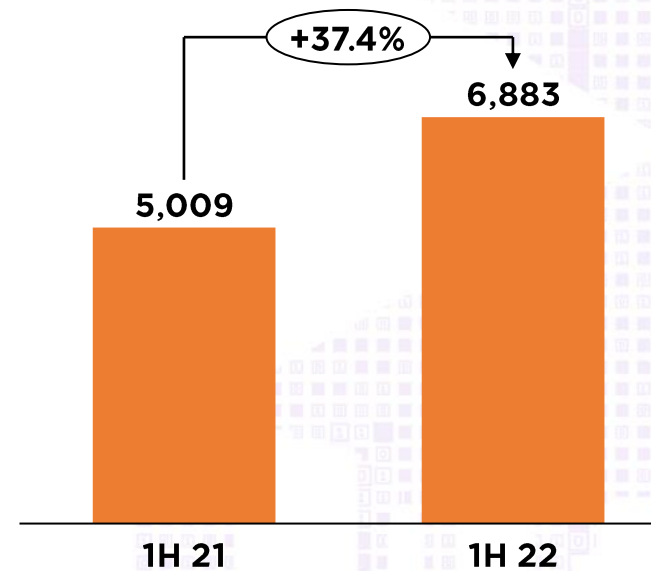
Cash Flow

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

FCF (IDR bn)



Committed Capex (IDR bn)

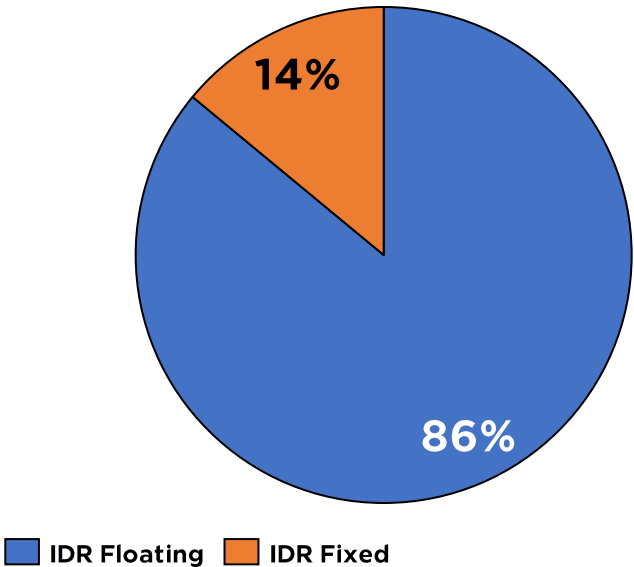


Borrowings Profile

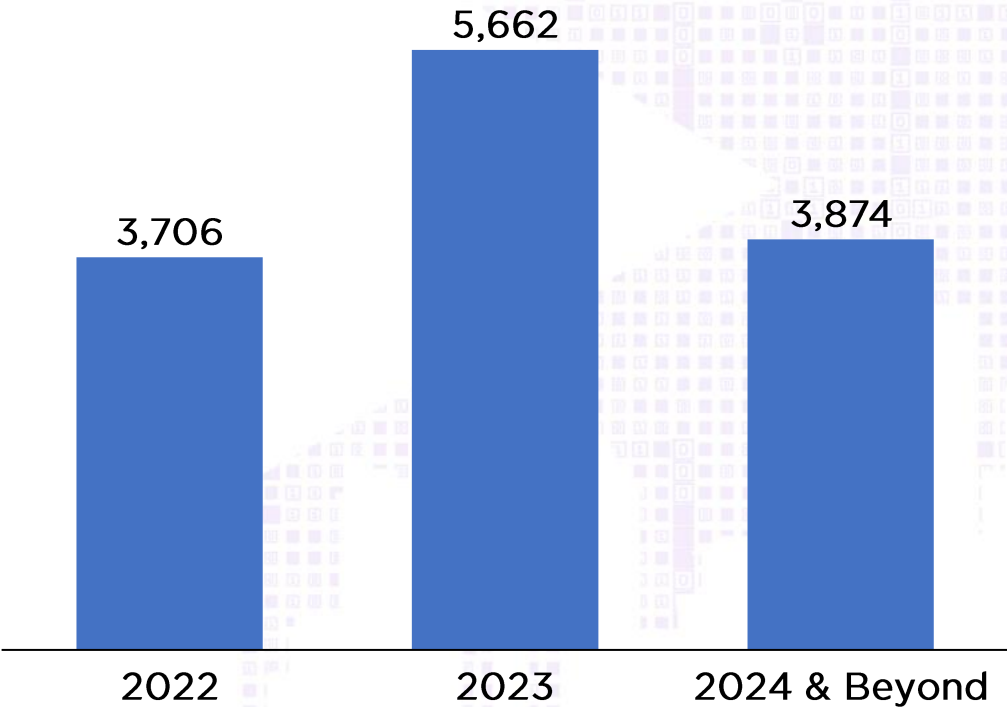
No USD denominated debt with 86% floating and manageable debt repayments over the next 2 years. We continue to maintain triple-A* credit rating.

Borrowings Profile

Fixed vs. Floating



Maturities (IDR bn)



* As per Fitch Rating July 2022 report

FY22 Consolidated Guidance



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

Thank You