



PT. XL Axiata Tbk.

Corporate Presentation

For the 9M ended 30th September 2021

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

9M 21 & 3Q 21 Key Highlights



- **Continued Revenue Growth:** Revenue grew for the second consecutive quarter up 1.5% QoQ in 3Q 21 due to strong product traction.
- **EBITDA improvement:** EBITDA improvement of 1.5% QoQ with healthy margins maintained above 50% in 3Q 21.
- **Sustained Profits:** Rp300bn in Net Profits for Q3 21 bringing 9M 21 net profit to Rp1.0tn.
- **Healthy Subscriber Additions:** XL Axiata added 1.2mn customers during the quarter and maintained a healthy ARPU of Rp37k.
- **Data-Centric Operator:** 95% of service revenue from data with smartphone penetration at 92%, both highest in the industry.
- **Network Investment:** Sustained network investment across Indonesia with 4G service now in 458 cities and areas with 69k 4G BTS.

9M 21 Updates



Industry

- **Consolidation:** Merger will improve competitive dynamics with a more balanced structure in the industry.
- **Movement Restriction (PPKM):** Impacted economic activity in Q3 2021 but being gradually opened up as the situation continues to improve.
- **Education Quota:** The third phase of the education quota program has been restarted effective September 2021.

Opportunities

- **Economic Recovery:** With significant vaccine progress and reduction in cases, economic recovery should accelerate.
- **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 due to work from home and hybrid working.
- **Omnibus Law:** Long-term positive for the industry through capex and opex efficiencies for 5G as well as other benefits.

XL Axiata Strategy

- **Transformation:** Digitalization of end-to-end business processes with emphasis on artificial intelligence-based analytics to improve operational efficiency.
- **Network Investment:** Network investment to improve performance and cater to changing traffic patterns.
- **Converged Operator:** Launch of XL Satu Fiber which is the first product of its kind in the market offering a convergence solution for customers.

Risks

- **Covid-19 Resurgence:** Covid-19 re-emergence due to new variants could disrupt economic recovery.
- **Inflationary Pressures:** High energy prices and demand spikes could drive up inflation - impacting purchasing power.
- **Price Competition:** Deterioration in competition would negatively impact industry growth.
- **Impact from Global Supply Chain Shock:** Risks from shortages of materials required for businesses to operate.

XL Axiata's Covid 19 Response & Support



Employee

- Business Continuity Plan (BCP) to ensure employee's health
- Vaccinating >99% Employees and >95% Family Member
- Inhouse Doctor as a precautionary action for employee who return to the office
- Continuing Work from Home (WFH) implemented since March 2020 and implementing Hybrid following Government policies
- Providing 24 hours Emergency Response Team's hotline for employees
- Continuously educating employees by conducting Regular Health Webinars
- Activating digital working way for all activity



Customer

- Launched XL Prioritas package with Covid-19 Insurance
- Providing suitable data package during pandemic
- XL Center providing online services during PPKM (SIM Card activation, face to face CS with video call, and product delivery)
- Provision of Students Data Quota Subsidy to support Government
- Provision of free access to 112, 117 & 119 Hotline
- Upgraded capacity at 6,000 BTS 4G and referral hospital for Covid-19



Community

- Vaccinating >40.000 people thru Sentra Vaksinasi Indonesia Bangkit Depok & Medan
- Vaccinating >3.200 Students in Bandung thru Axis (product)
- School Renovation, Bridge building donation & Clean Water for Tanjung Pakis village by XL Employee
- Program for disaster-affected communities in Java, Sumatera, Kalimantan and Sulawesi and other areas.
- Create regular online webinar to support SME, impacted to >6,200 participants
- XL HOME CSR for flooding in Banjarmasin residential area (groceries, Free Internet Center)

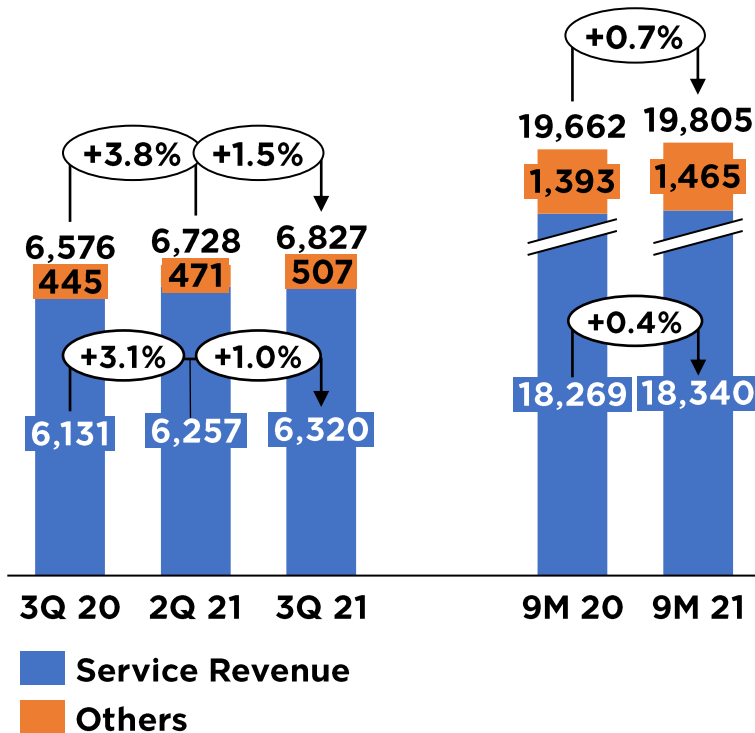
Financial Performance

Financial Performance

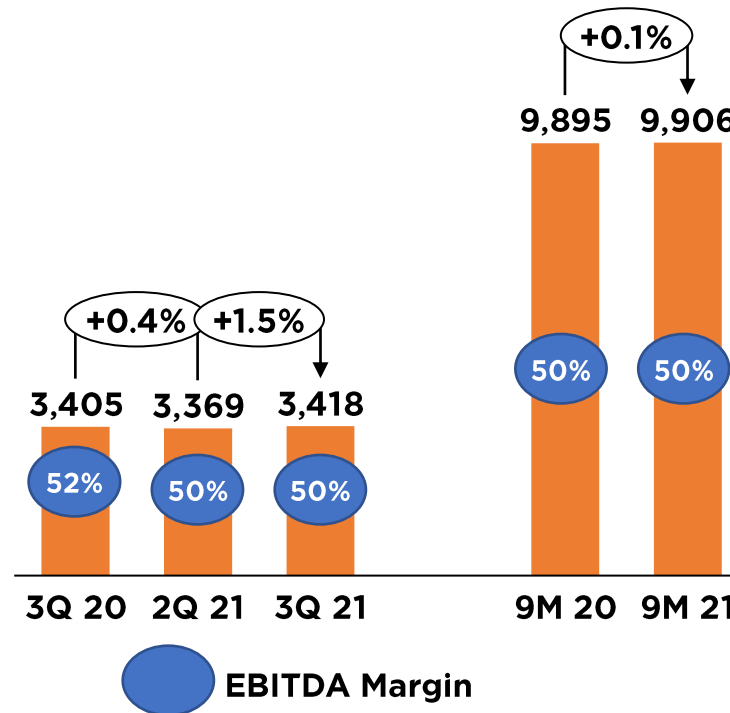


XL Axiata recorded a good performance in 3Q 21 with 1.5% QoQ increase in revenue; 1.5% QoQ increase in EBITDA with sustained net profits.

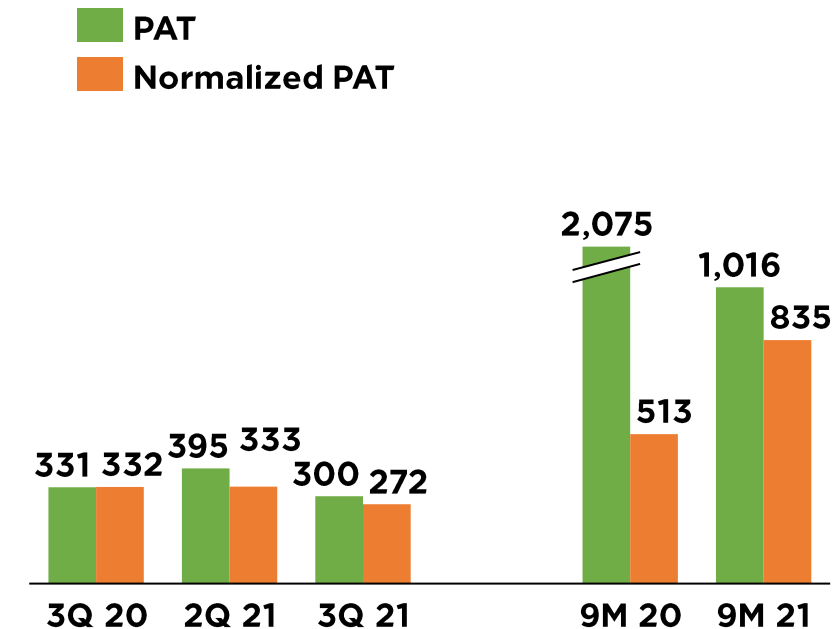
Revenue (IDR bn)



EBITDA (IDR bn)



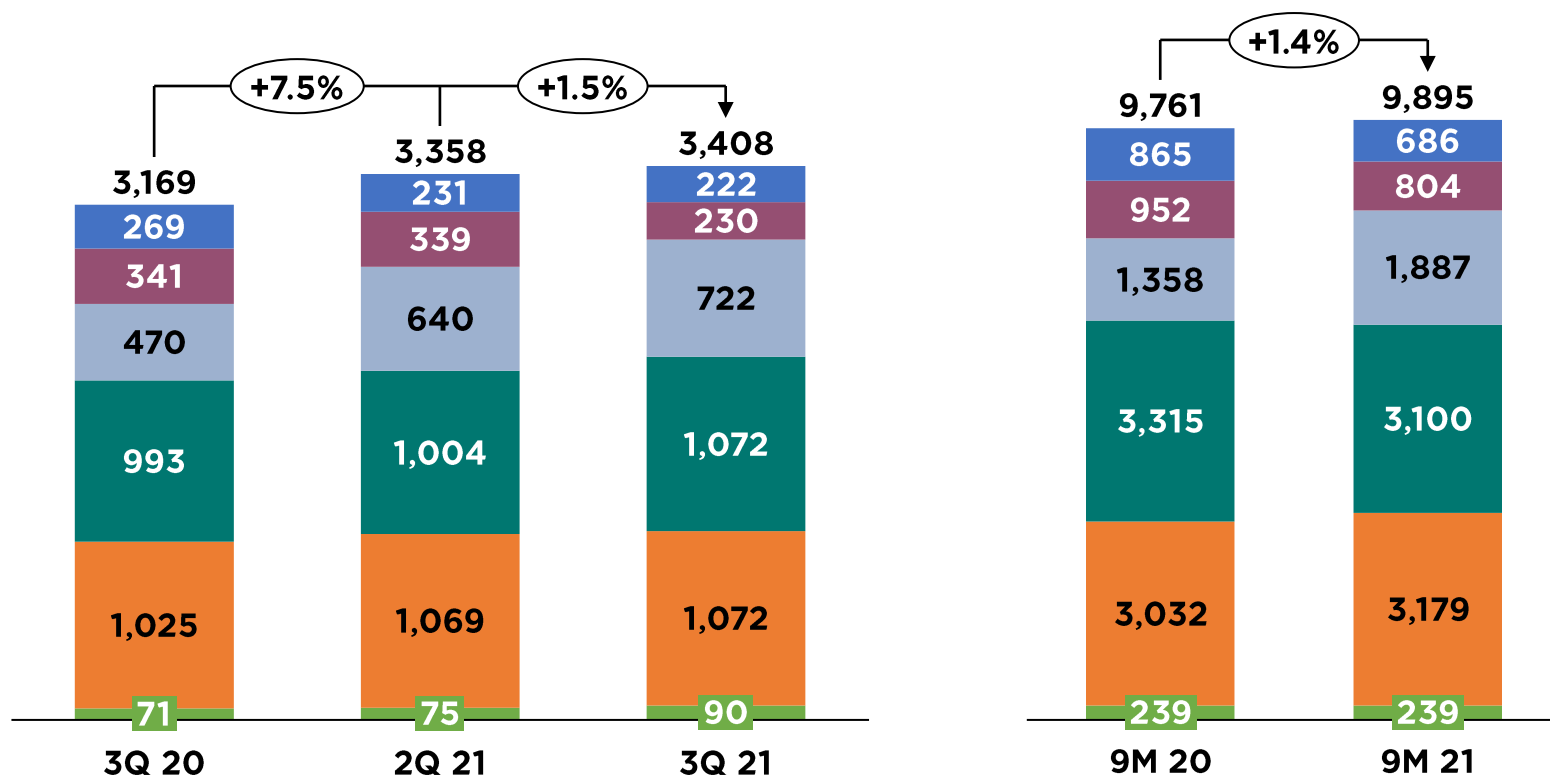
PAT & Normalized PAT (IDR bn)



Normalized Items (net of tax):

3Q 20: IDR10bn tower gain & IDR10bn forex loss
 2Q 21: IDR62bn picocell gain & IDR0.2bn forex loss
 3Q 21: IDR25bn picocell gain & IDR3bn forex gain
 9M 20: IDR1,554bn tower gain & IDR8bn forex gain
 9M 21: IDR181bn picocell gain; IDR4bn tower loss & IDR5bn forex gain

Operating Expenses



3Q 21 Operating Expenses increased 1% QoQ due to:

- Sales & Marketing expenses increased QoQ due to investments in distribution channels and more digital advertising.
- Infrastructure Costs increased QoQ due to expanding network footprint.
- Regulatory Costs increased due to increase in frequency fees.
- Overhead Costs increased QoQ due to higher consultancy fees as a result of ongoing projects.
- This is offset by lower Employee costs and Interconnect & Other Direct Costs.

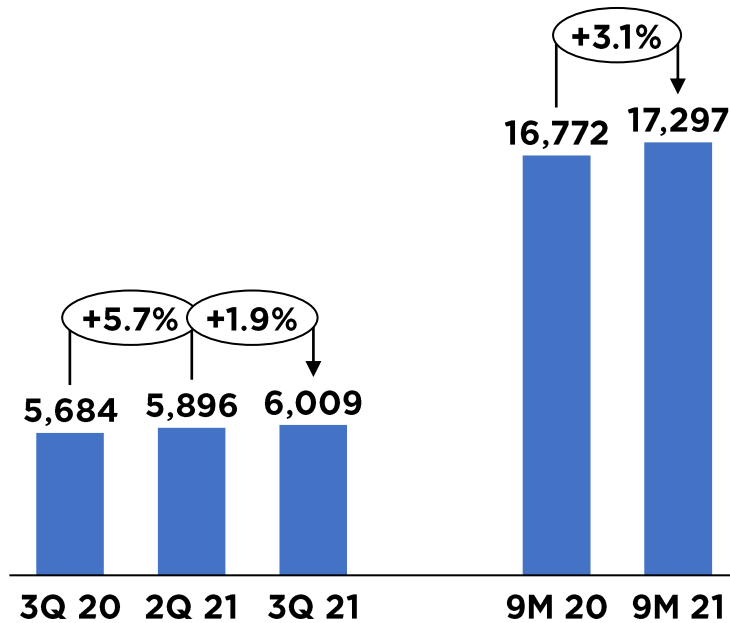
*Regulatory Costs include USO & BHP costs previously included under other direct expenses.

Performance Drivers

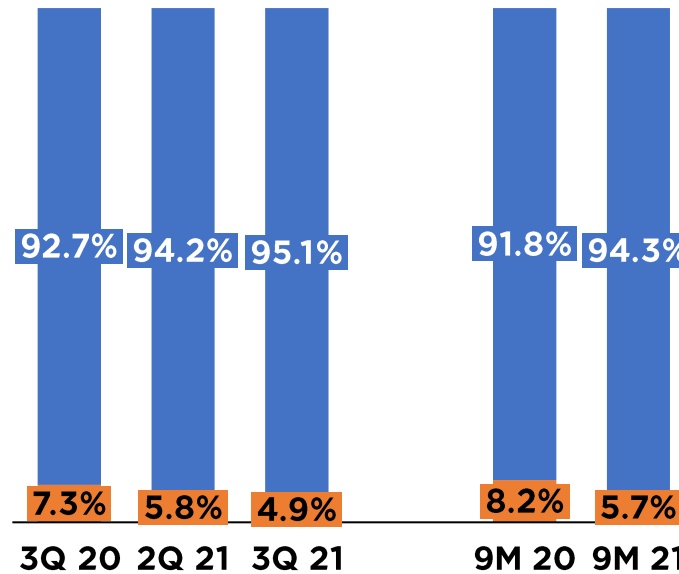
Data Revenue

Data Revenue grew 2% QoQ in 3Q 21 driven by increased usage and now contributing 95% of Service Revenue

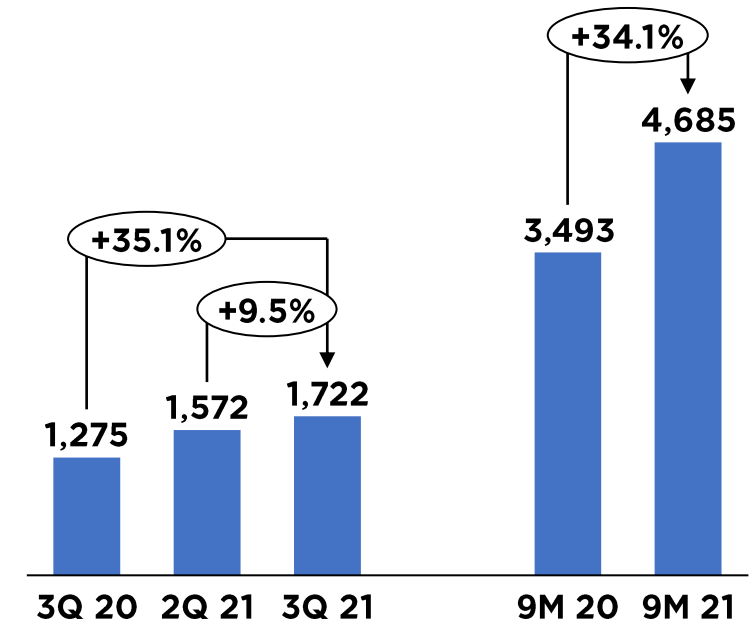
Data Revenue (IDR bn)



Data % of Service Revenue



Total Traffic (PB)



■ Data Revenue
■ Non-Data Revenue

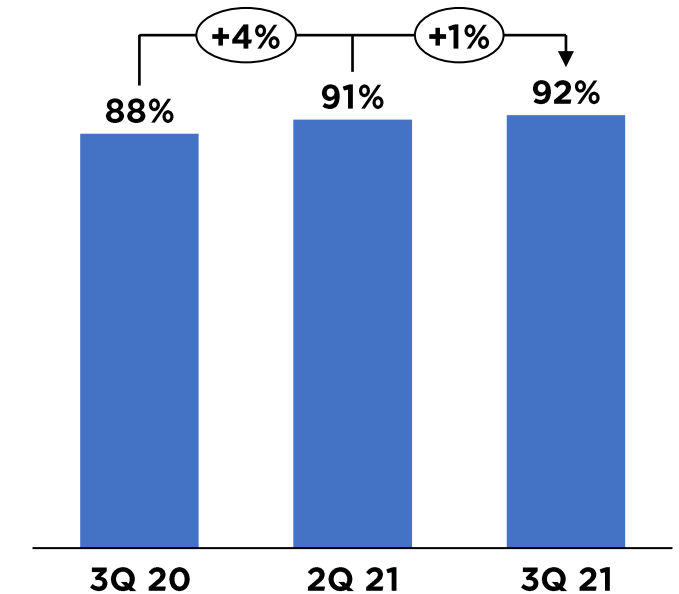
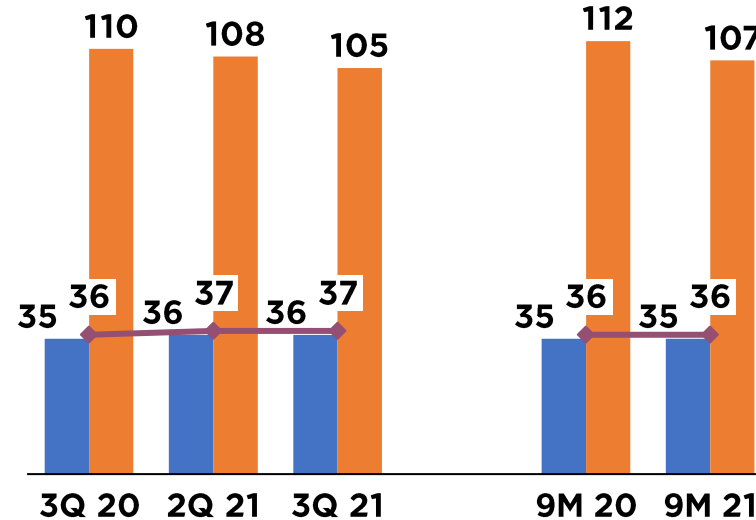
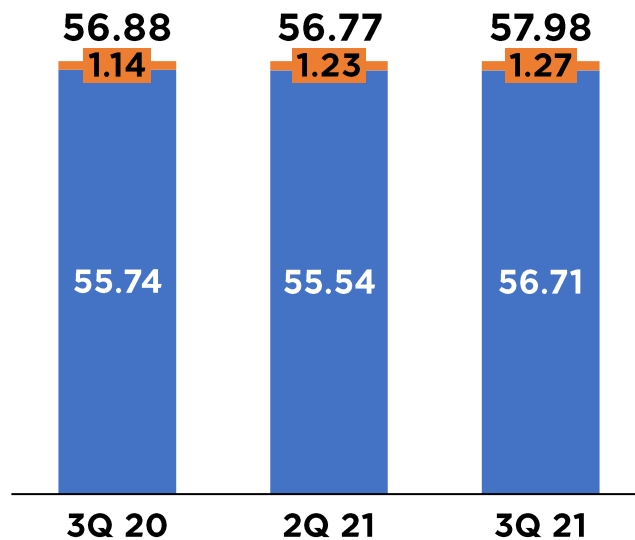
Customers

Subscribers increased by 1.2mn QoQ along with smartphone penetration to 92% while blended ARPU maintained at Rp37k indicating healthy customer development

Subscribers (mn)

ARPU (IDR k)

Smartphone Penetration (%)

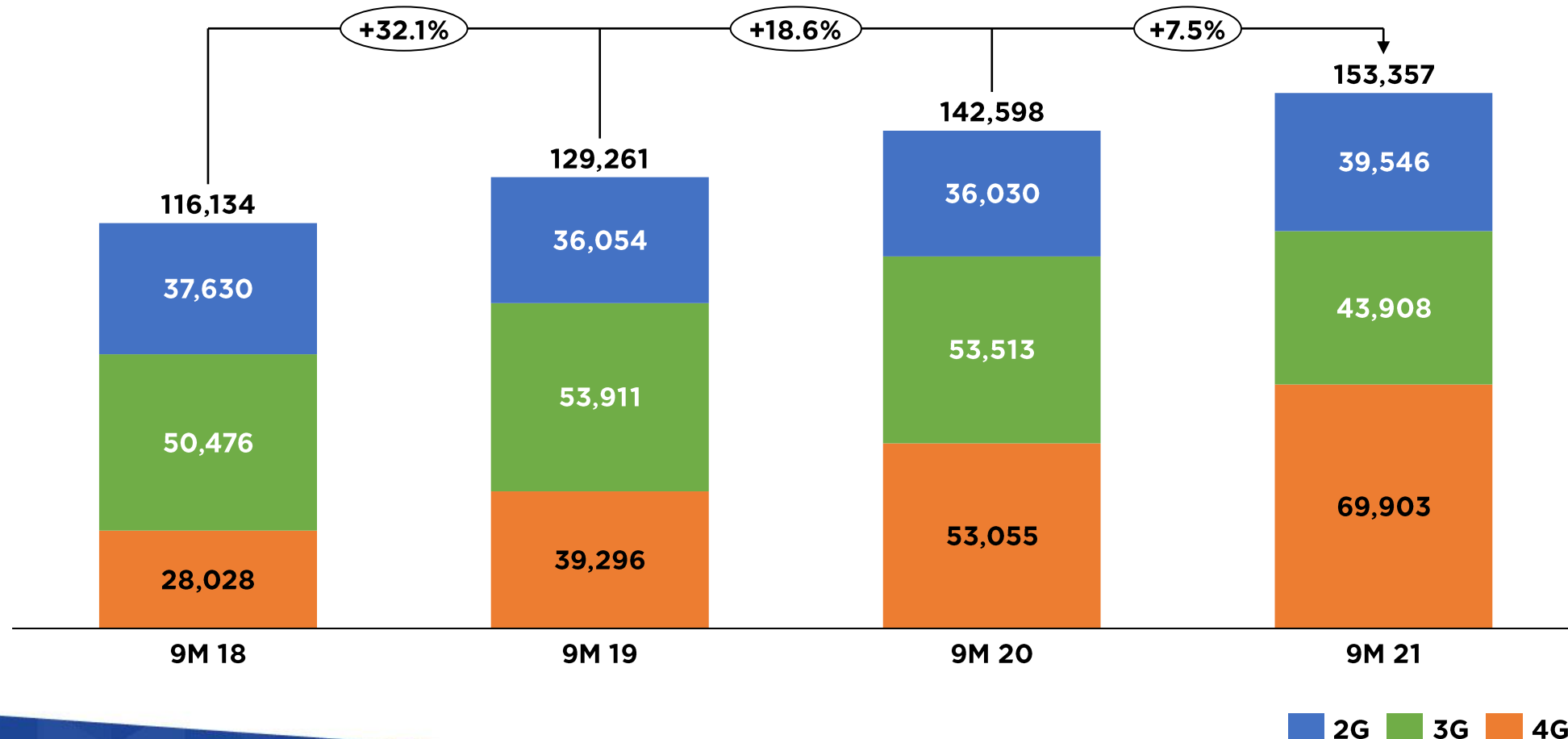


Prepaid
Postpaid

Blended
Prepaid
Postpaid

Base Stations

Network expansion continues with total BTS now above 153k with 4G coverage in 458 cities across Indonesia and more than 69k 4G BTS



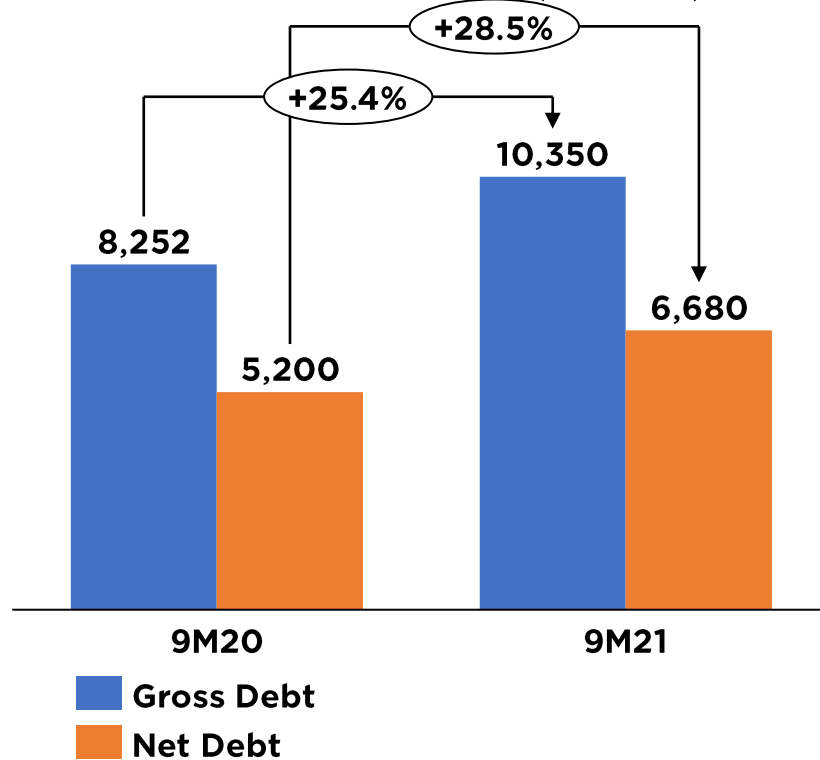
Financials



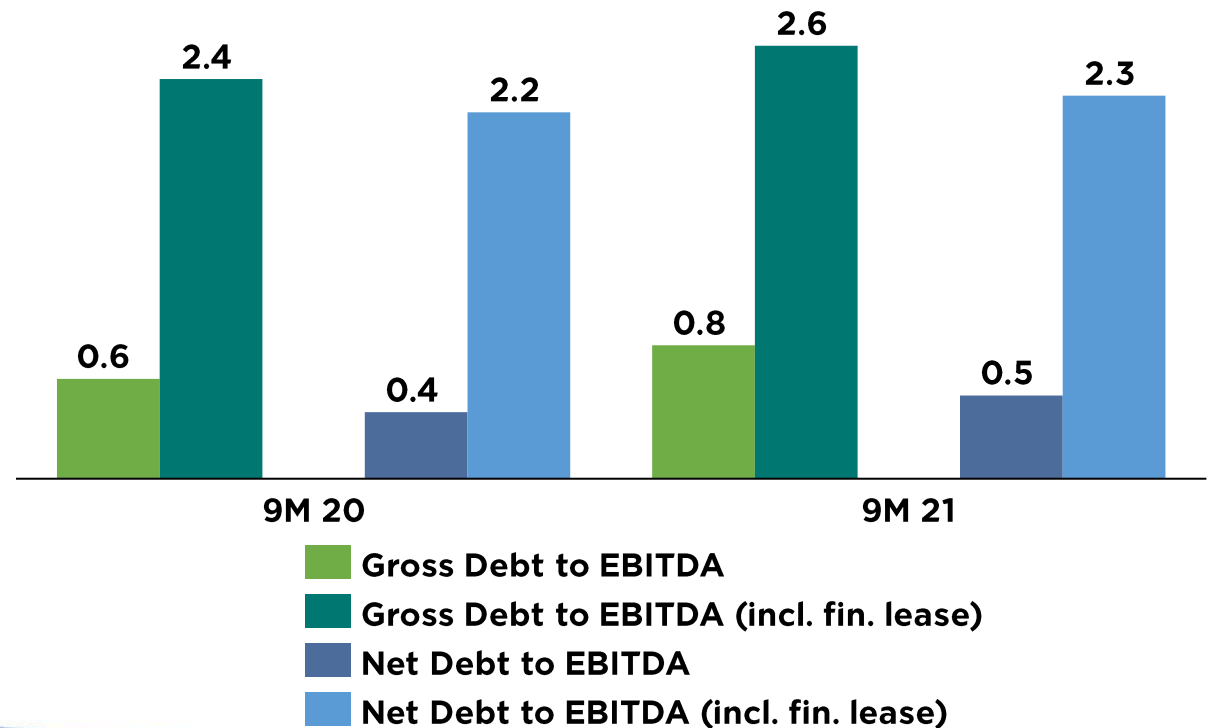
Balance Sheet

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

Gross & Net Debt (IDR bn)



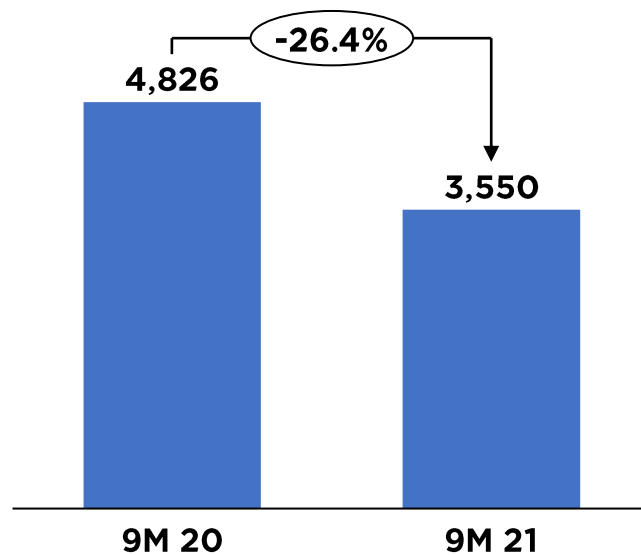
Gearing Ratios (x)



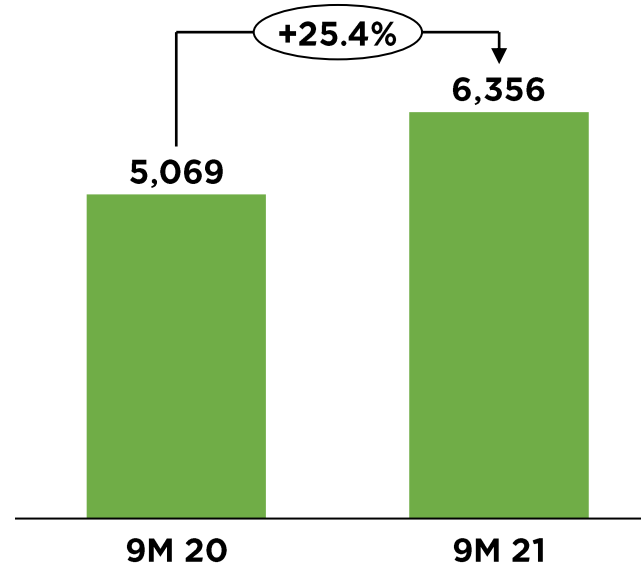
Cash Flow

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

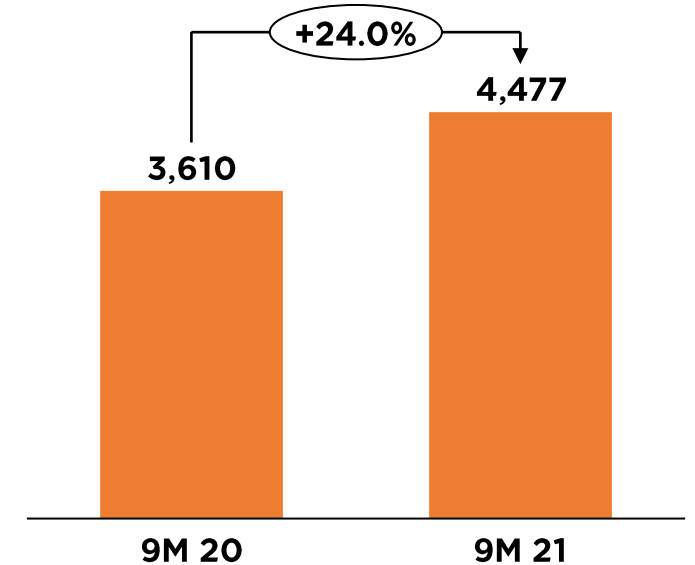
FCF (IDR bn)



Capitalized Capex (IDR bn)



Committed Capex (IDR bn)

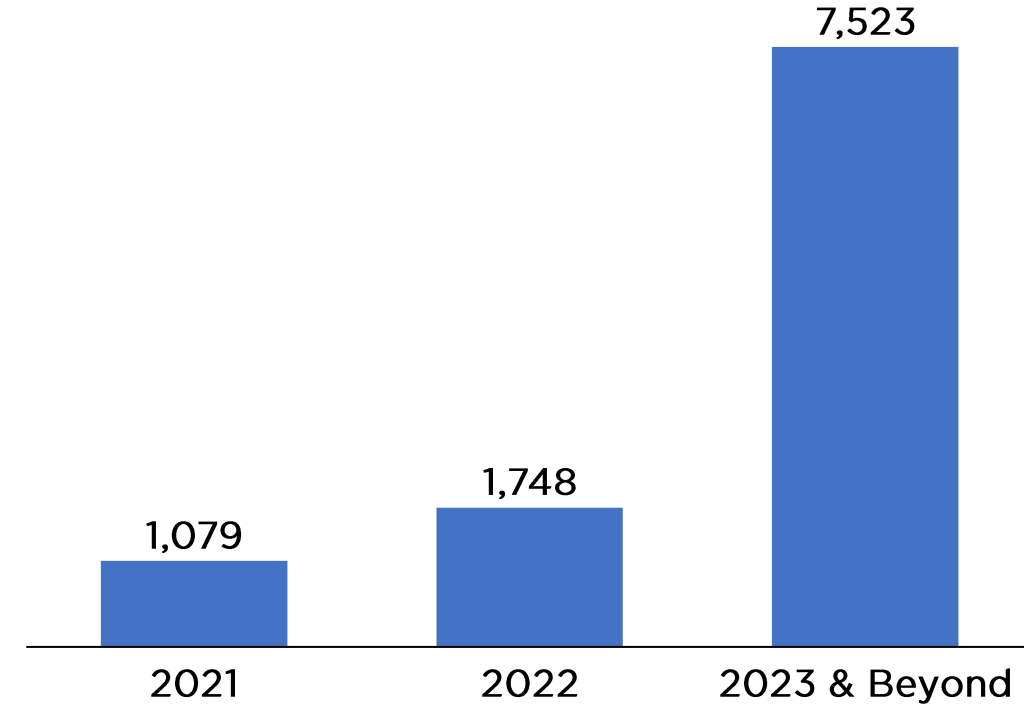
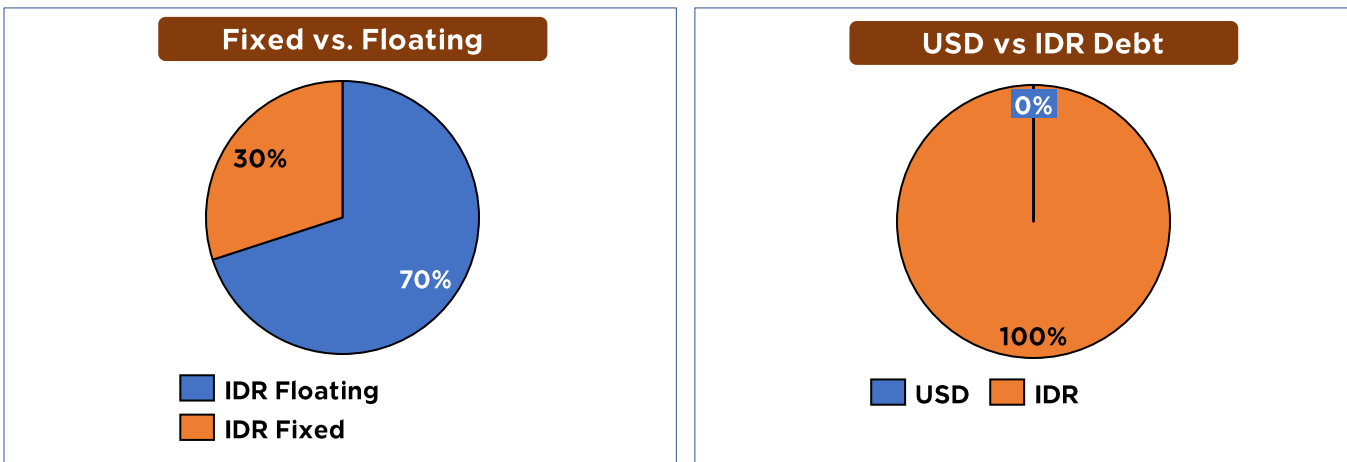


Borrowings Profile

No USD denominated debt with 70% 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 Rp8.5tn.



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 XL axiata

Membangun
Indonesia
Digital

THANK YOU!