



PT. XL Axiata Tbk.

Corporate Presentation

For the FY ended 31st December 2021

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

FY 21 & 4Q 21 Key Highlights



- **Steady Topline Momentum:** XL Axiata managed to record 3% YoY revenue growth in FY 21 with Q4 revenue growing 2% QoQ.
- **Continued EBITDA Improvement:** EBITDA improvement of 2% YoY in FY 21 with margins stable at 50%.
- **Strong Profitability:** Recorded Net Profit of Rp271bn in 4Q 21 bringing FY21 total net profit to Rp1.3tn – highest since 2013.
- **Sustained Network Investment:** Higher network investment to ensure best customer experience along with increased digitalization.
- **Value Focused:** With a better customer experience, XL Axiata will not be about the price game anymore but creating value for customers.
- **Convergence Driven:** Convergence penetration is now at 11% of FTTH base indicating strong demand for this product.

FY 21 Updates



Industry

- **Customer Experience:** Industry consolidation will result in a focus on better customer experience rather than competing on price.
- **Economic Activity:** Improved economic activity going into the end of the year with gradual reduction of movement restriction (PPKM).
- **Education Quota:** The third phase of the education quota was restarted effective September until the end of the year.

Opportunities

- **Economic Recovery:** With pandemic predicted to subside in 2022 – economic growth is expected to recover.
- **Structural Demand:** Digital lifestyle is here to stay creating structural demand for Data services from cellular operators.
- **Home:** Increased demand for fixed broadband (FTTH) services due to higher consumption patterns and market remains relatively underpenetrated.

Network Investment

- **Network Investment:** Capitalized capex of Rp10tn in 2021 investing in network infrastructure as well as increased digitalization for improved customer experience.
- **Improved Indicators:** Internal and external indicators showing improved network performance.
- **Sustained Investment:** Target to spend Rp9.0tn in 2022 to further enforce network position and good customer experience.

Risks

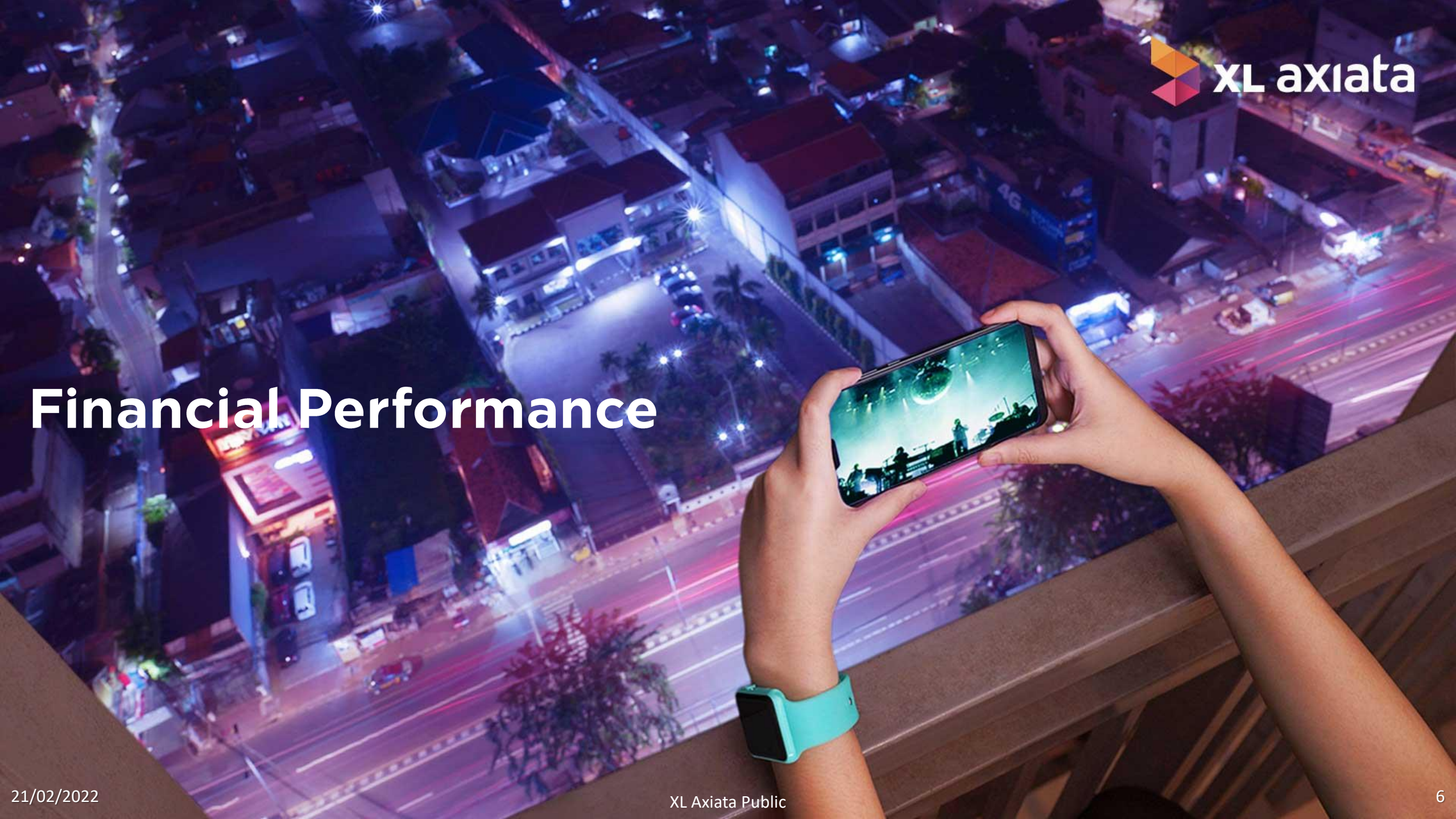
- **Inflationary Pressures:** High energy prices and demand spikes could drive up inflation - impacting purchasing power.
- **Impact from Global Supply Chain Shock:** Risks from shortages of materials required for business to operate.

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.

Financial Performance

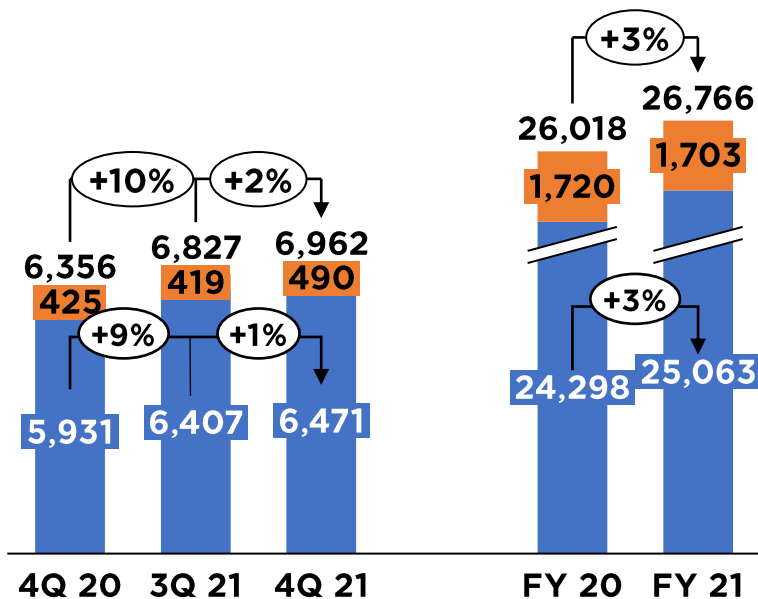


Financial Performance



XL Axiata recorded a good performance in FY 21 with a 3% YoY increase in revenue; 2% YoY increase in EBITDA and Rp1.3tn in profit (highest since 2013).

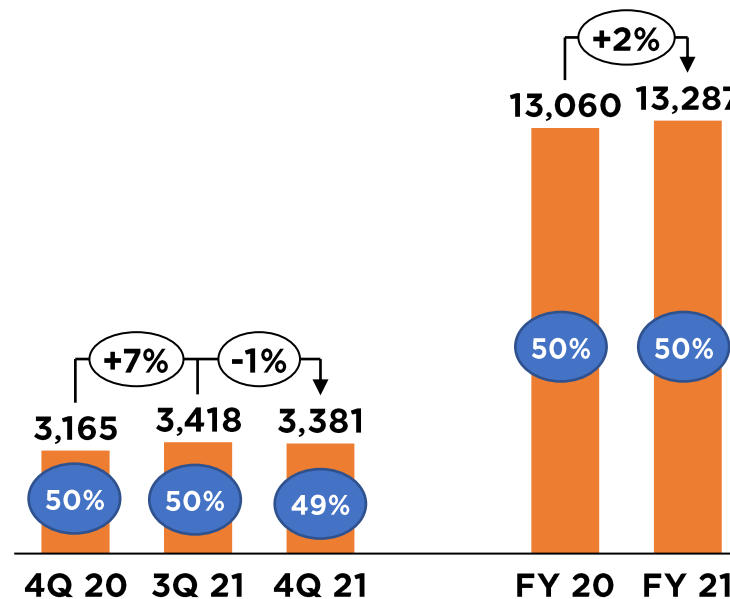
Revenue (IDR bn)



■ Service Revenue*
■ Others

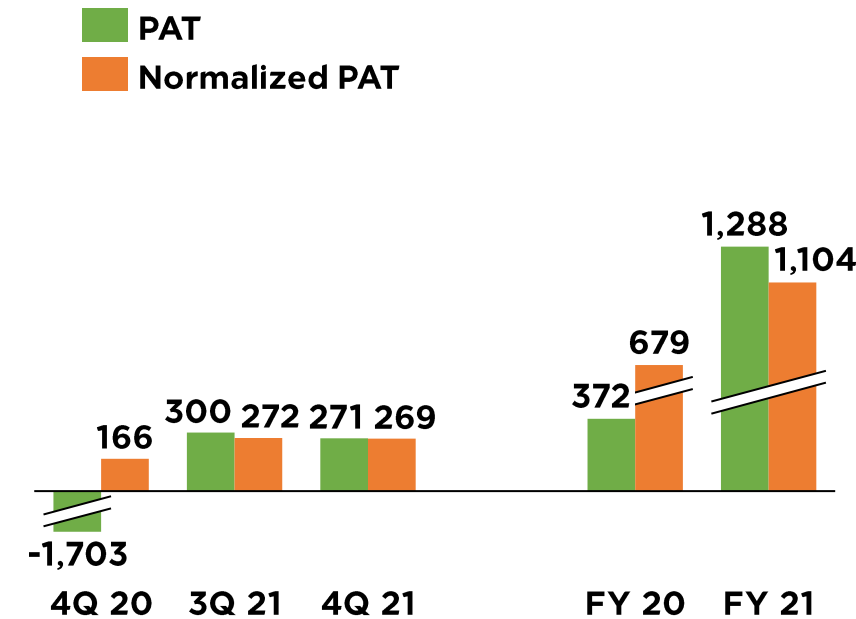
*Service Revenue includes FTTH

EBITDA (IDR bn)



● EBITDA Margin

PAT & Normalized PAT (IDR bn)



Normalized Items (net of tax):

4Q 20: IDR1,934bn acc. depn.; IDR70bn picocell gain; IDR14bn data center gain; IDR17bn tower loss & IDR2bn forex loss.

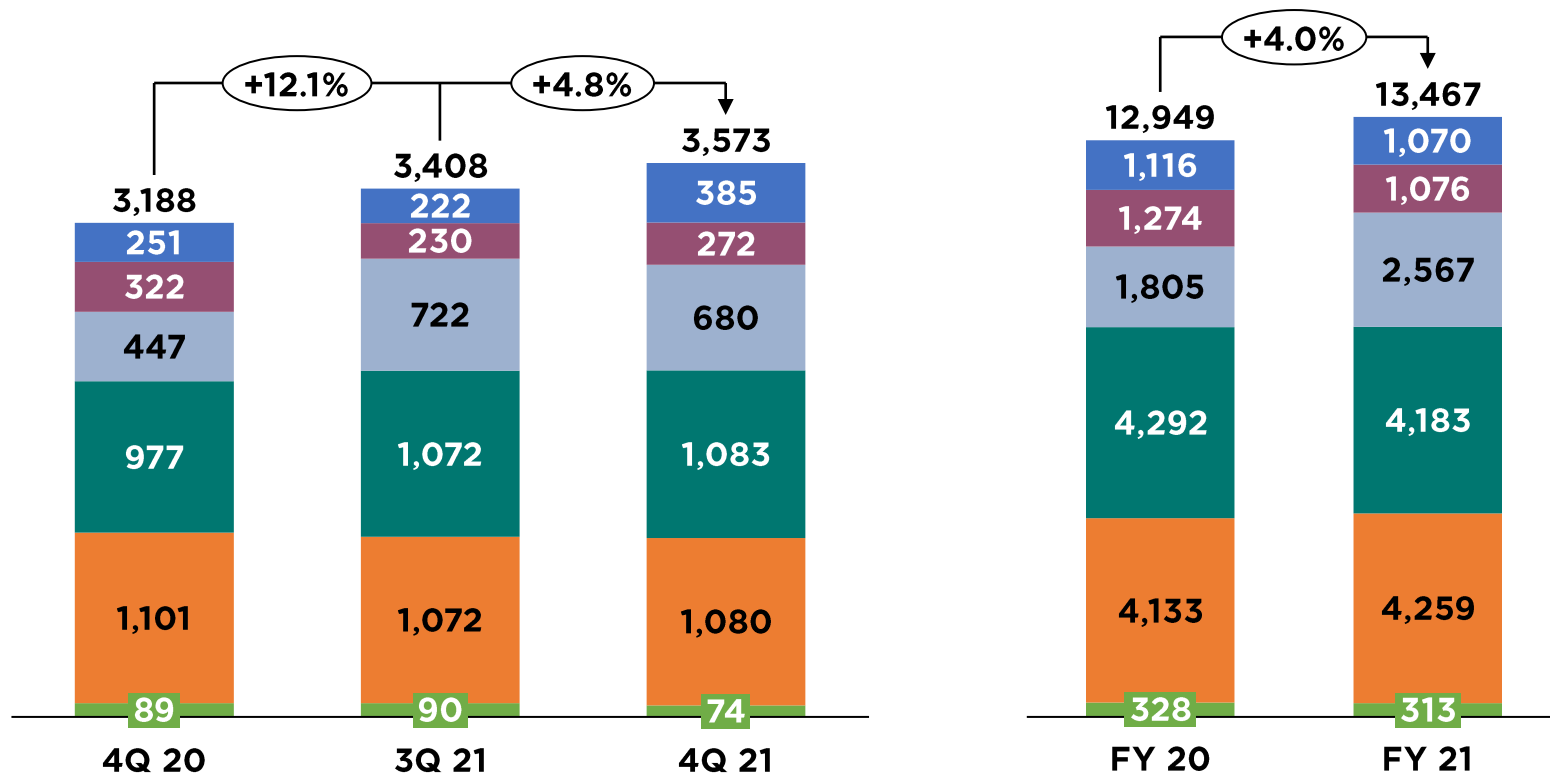
3Q 21: IDR25bn picocell gain & IDR3bn forex gain

4Q 21: IDR2bn forex gain

FY 20: IDR1,537bn tower gain; IDR1,934bn acc. depn.; IDR70bn picocell gain; IDR14bn data center gain & IDR6bn forex gain

FY 21: IDR181bn picocell gain; IDR4bn tower loss & IDR7bn forex gain

Operating Expenses



4Q 21 Operating Expenses increased 4.8% QoQ due to:

- Direct Costs increased QoQ due to higher device costs.
- Infrastructure Costs increased QoQ due to expanding network footprint.
- Regulatory Costs increased QoQ due to increase in frequency fees.
- Employee costs increased QoQ due to a reversal of provision in Q3 21
- This is offset by lower Sales & Marketing Costs as well as lower Overheads QoQ.

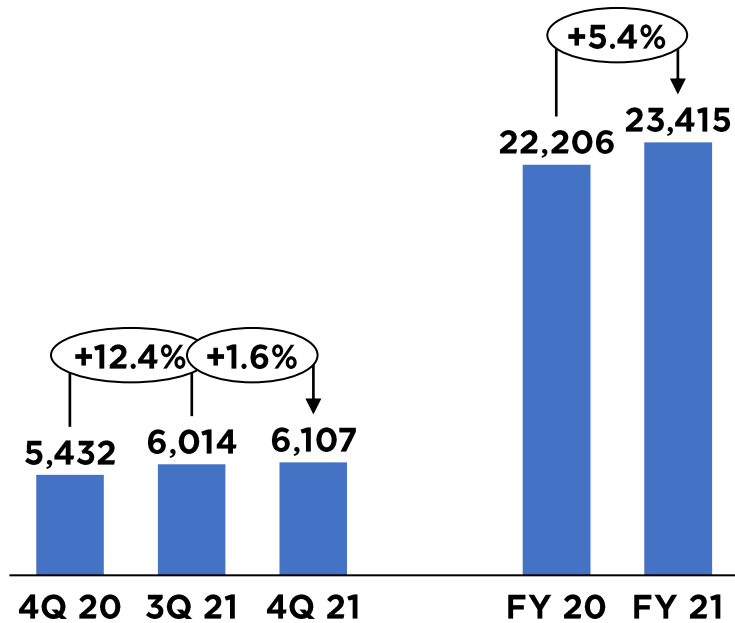
*Regulatory Costs include USO & BHP costs previously included under other direct expenses.

Performance Drivers

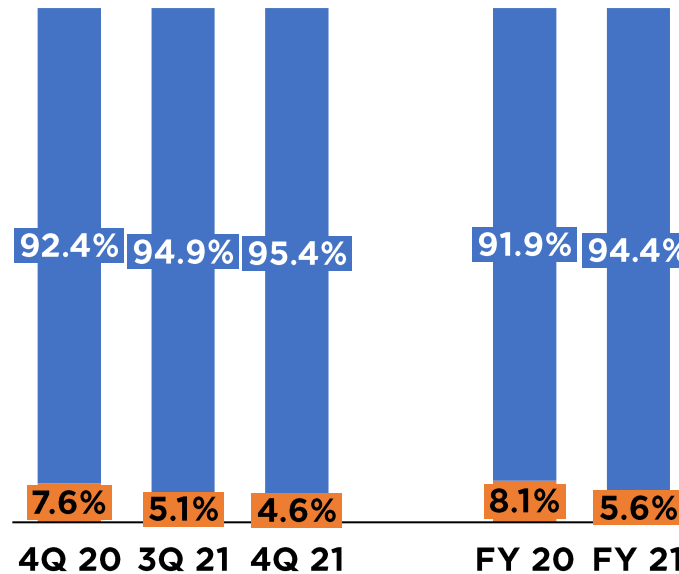
Data Revenue

Data Revenue grew 2% QoQ in 4Q 21 driven by increased usage contributing 95% of Service Revenue

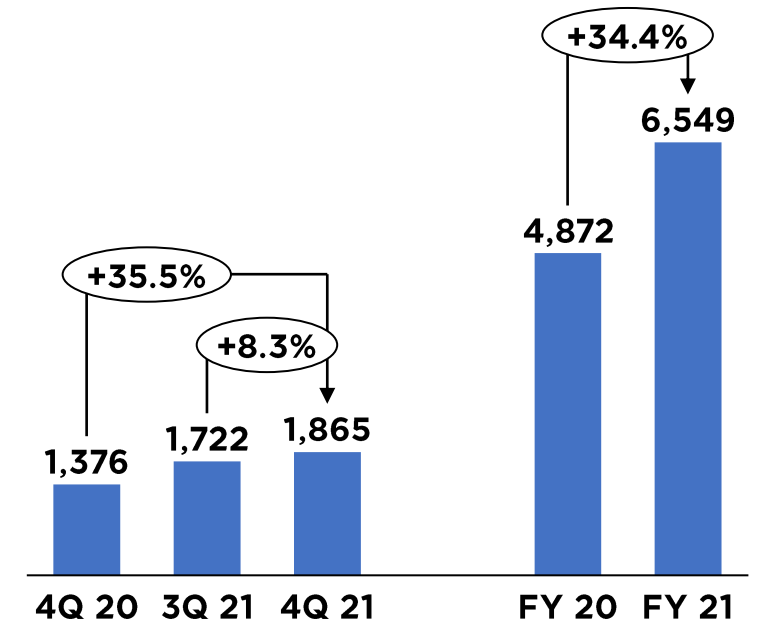
Data Revenue (IDR bn)



Data % of Service Revenue



Total Traffic (PB)

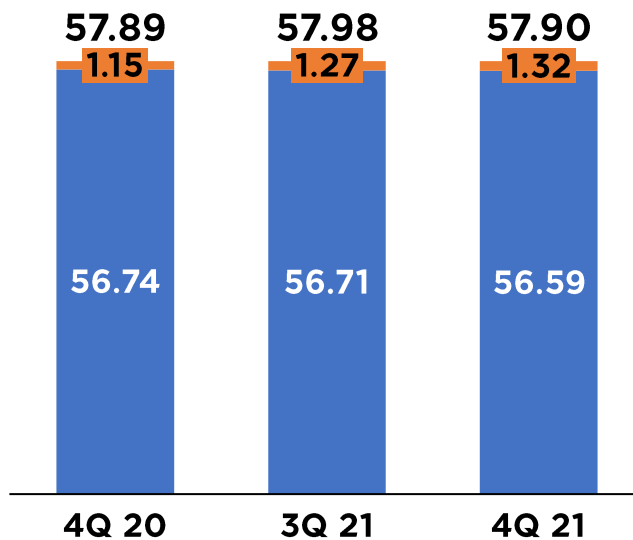


■ Data Revenue
■ Non-Data Revenue

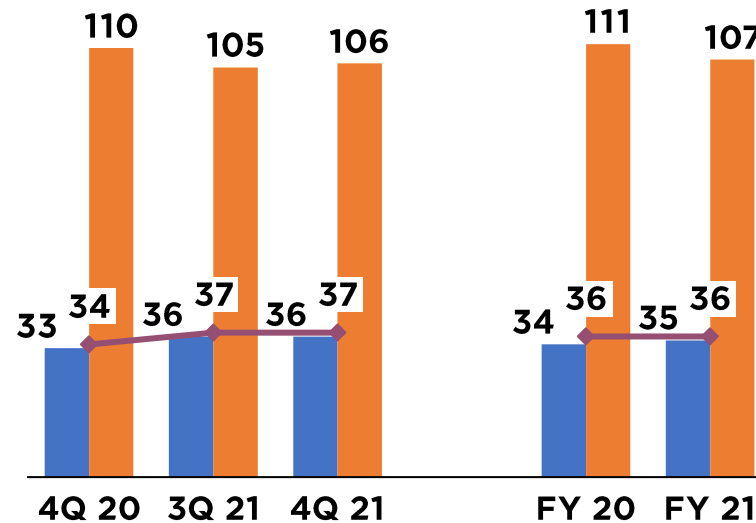
Customers

Subscribers flat YoY with smartphone penetration to 92% while blended ARPU maintained at Rp36k indicating healthy customer development

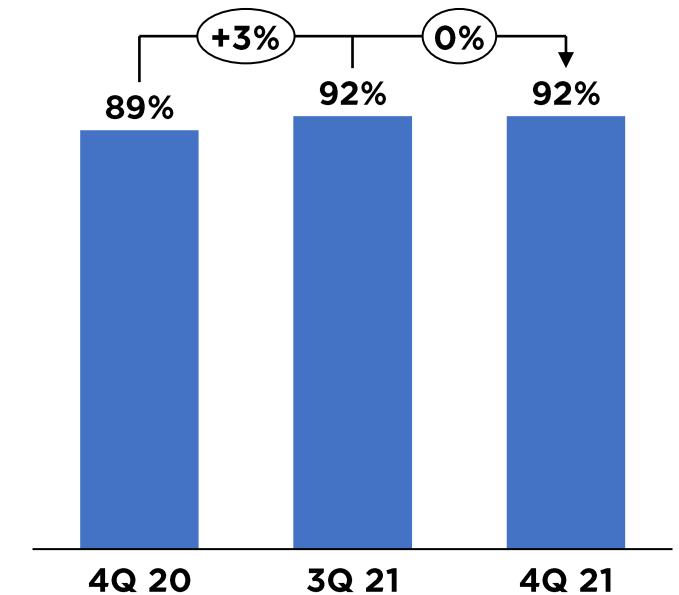
Subscribers (mn)



ARPU (IDR k)



Smartphone Penetration (%)

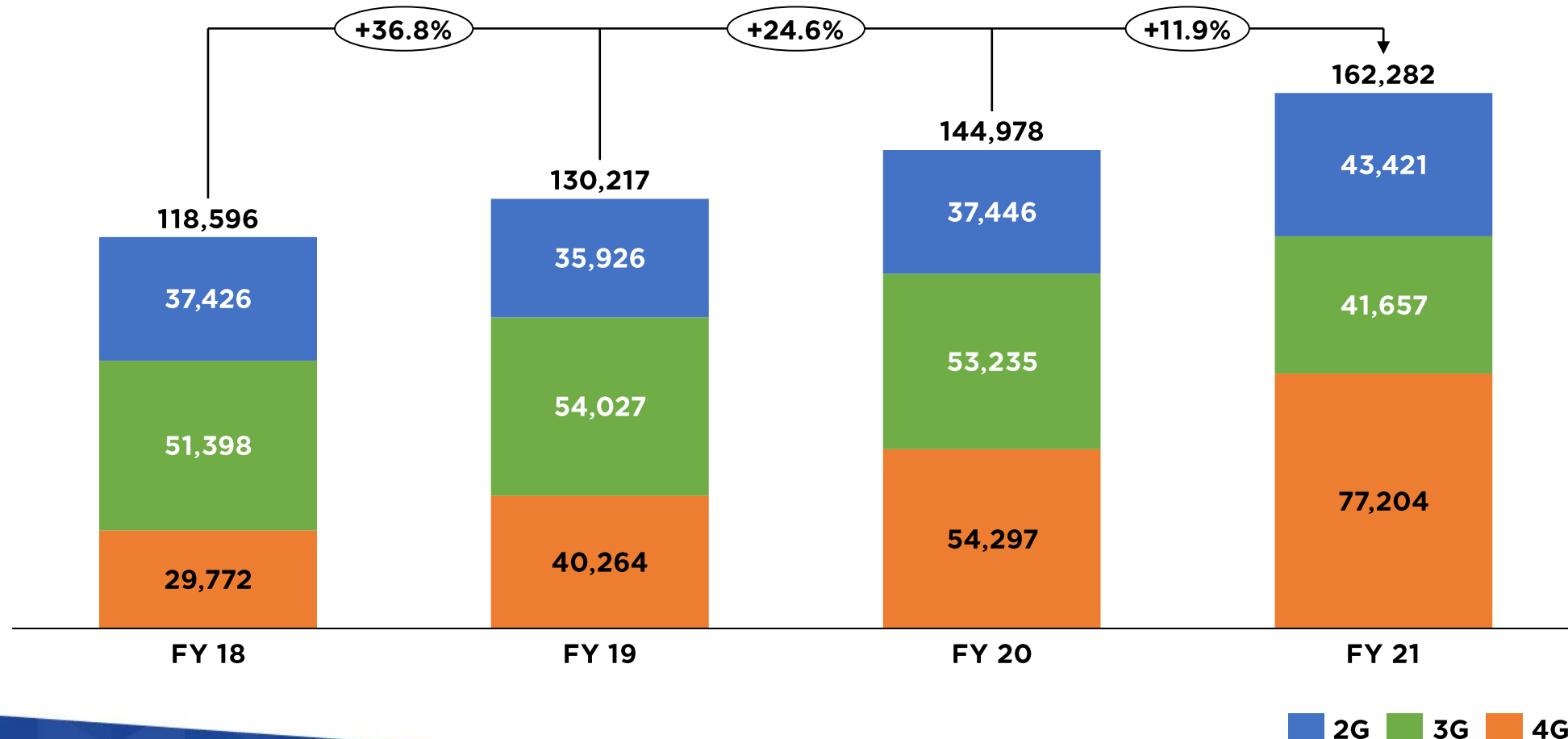


Prepaid
Postpaid

Blended
Prepaid
Postpaid

Base Stations

Network expansion continues with total BTS now above 162k with 4G coverage in 458 cities across Indonesia and more than 77k 4G BTS



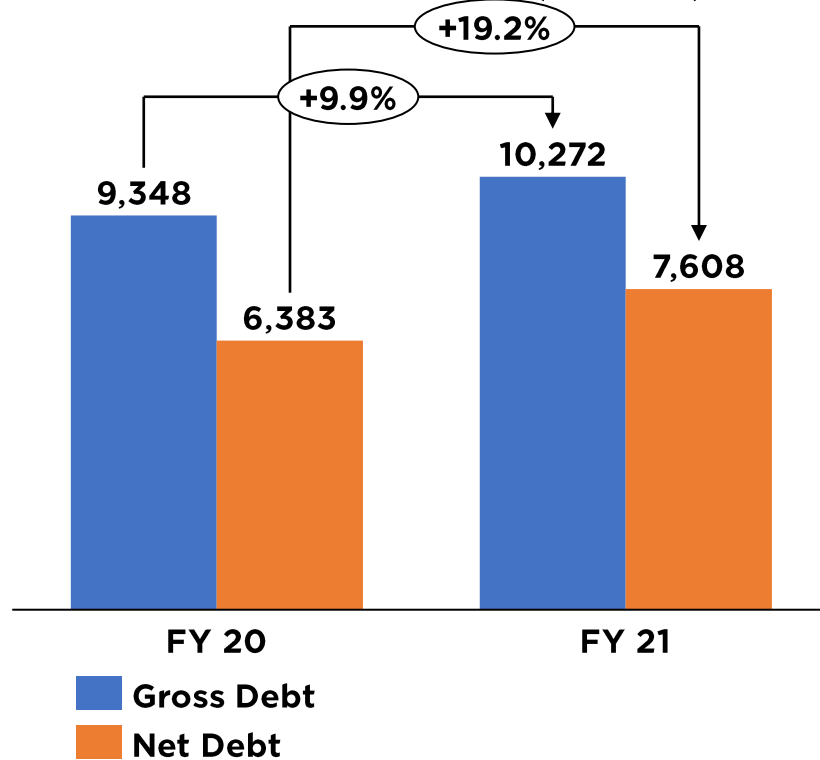
Financials



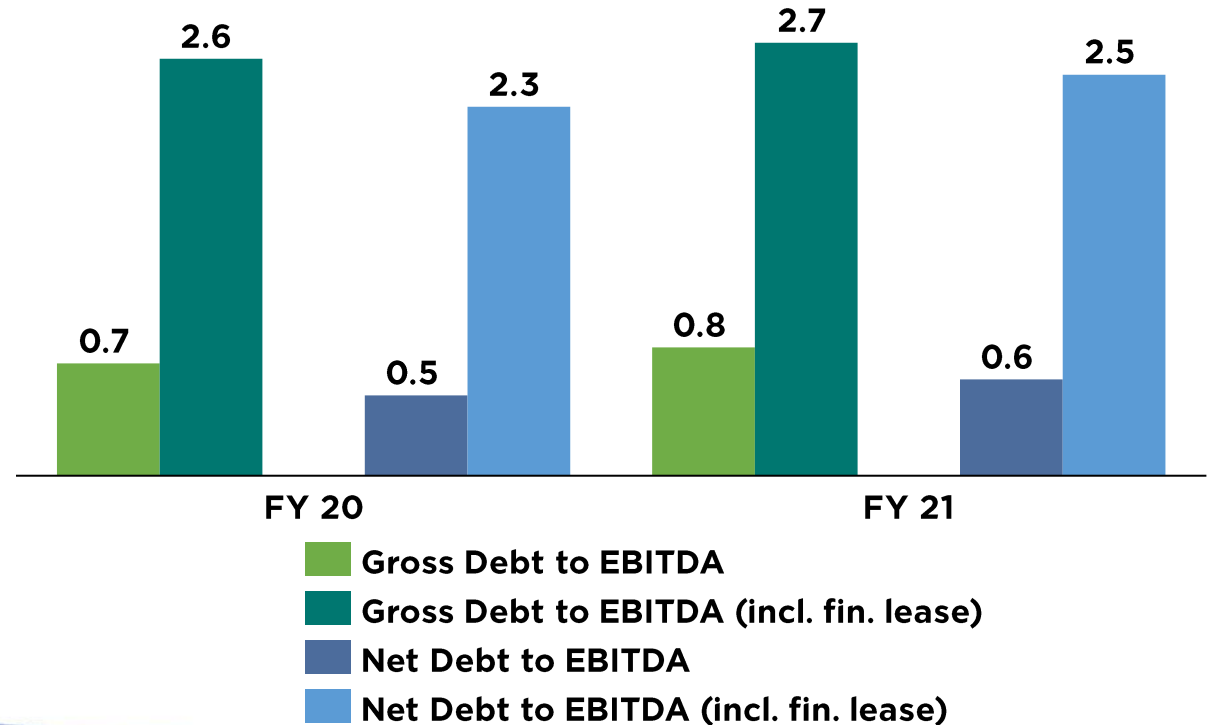
Balance Sheet

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

Gross & Net Debt (IDR bn)



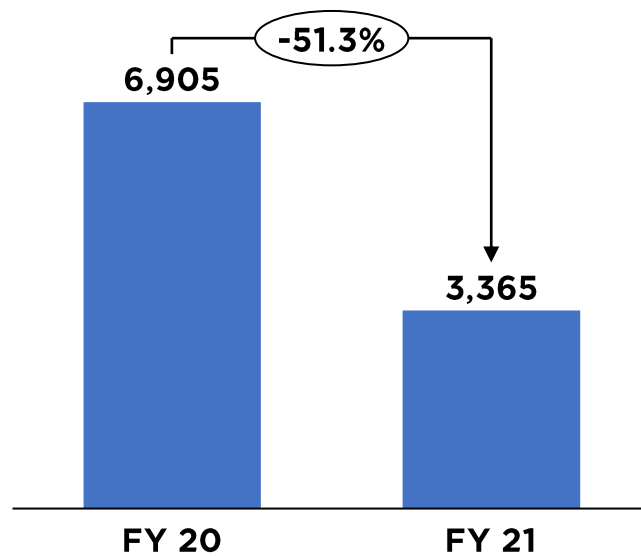
Gearing Ratios (x)



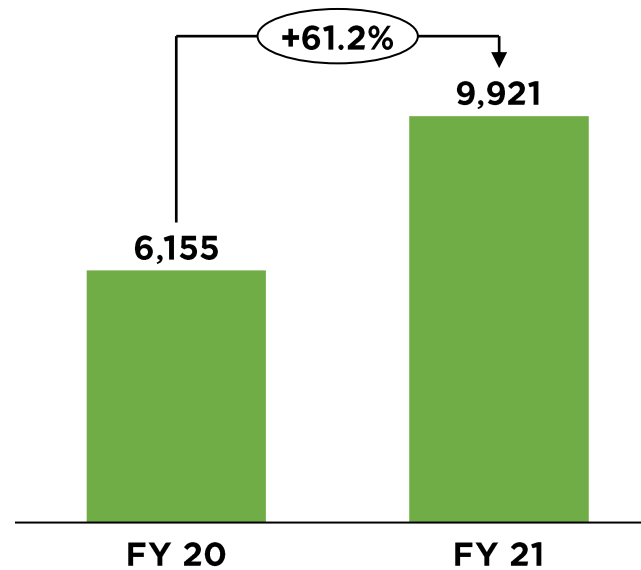
Cash Flow

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

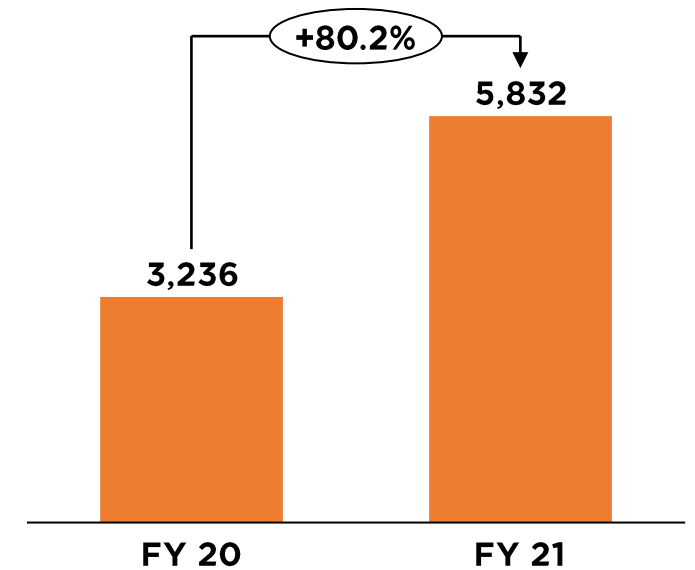
FCF (IDR bn)



Capitalized Capex (IDR bn)



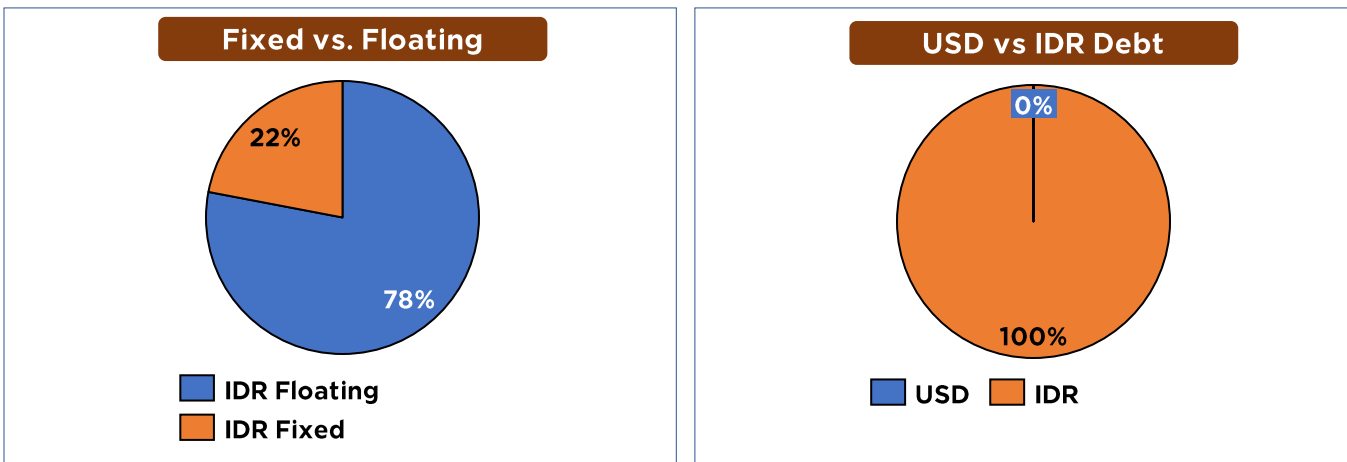
Committed Capex (IDR bn)



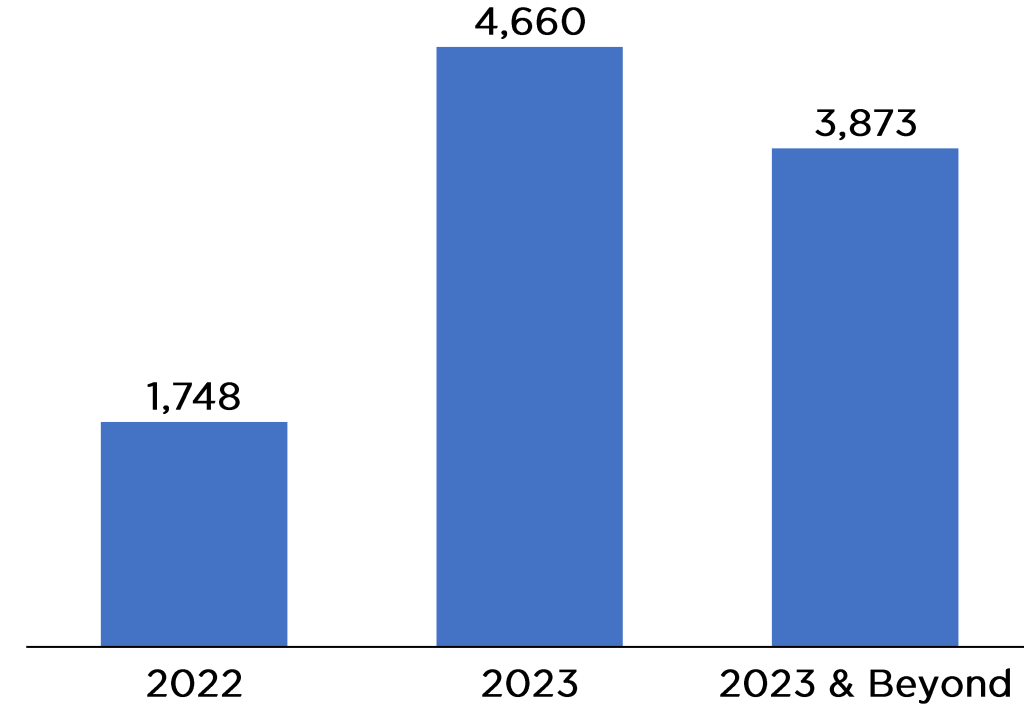
Borrowings Profile

No USD denominated debt with 78% 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.



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 XL axiata

Membangun
Indonesia
Digital

THANK YOU!