PT. XL Axiata Tbk.

Corporate Presentation
For Q1 ended 31 March 2020
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1Q 20 Key Highlights

• **Good Start:** Despite challenges from increased competition, XL Axiata managed to record +1.3% QoQ revenue growth and 22.1% QoQ EBITDA growth with sustained profits.

• **Data:** Most-data centric operator with 86% smartphone penetration and Data revenue increasing 17% YoY and contributes 91% of service revenue in Q1 2020.

• **Balance Sheet Strengthened:** With tower sale completed, cash balance increased with net debt to EBITDA at below 1x.

• **Network:** Continued network investment across Indonesia with 4G service now in 449 cities and areas with more than 43k 4G BTS.
Covid-19 Updates

**Continuity**

- **WFH Implemented**: Most employees working from home since March 17th.
- **Business Continuity Plan (BCP)** in place to ensure smooth transition and business running as normal.
- **Network Roll-out**: No interruption to network roll-out and early planning ensured all equipment delivery ahead of schedule.

**Trends**

- **Move to Digital Accelerating**: Customers increasingly shifting to digital for reloads and data packet purchases.
- **Increasing Data Traffic**: Work from home is driving data traffic increase.
- **Traffic Shifting**: Traffic moving out of Jakarta and Greater Jakarta (Jabodetabek) to regional areas.
- **Unlimited Booster**: Driving strong acquisitions.

**Risks**

- **Prolonged impact**: A prolonged Covid-19 situation will impact livelihoods and discretionary spending which will hurt customer spending – telcos will not be immune.
- **Legacy declining at a faster rate**: Further accelerating the decline in Legacy (Voice & SMS).
- **Muted Lebaran seasonality**

**Support**

- **Free access**: 2GB/day to access government healthcare websites; e-learning & university portals; & Office365 tools.
- **Support frontliners**: Donation of PPE gear; Free services to officers & volunteers; reinforced network in hospitals.
- **Approximately IDR100bn** donated in form of cash, medical and safety kits, free data access and other benefits.
Financial Performance
Solid start to 2020 with revenue and EBITDA growing driven by Data and PAT increased significantly from the tower sale gain.
Reconciliation of Post to Pre IFRS 9, 15, 16

1Q 20 EBITDA (IDR bn)

- 1Q 20 EBITDA Post IFRS: 3,184
- Revenue: 507
- OPEX: 2,674

EBITDA Margin:
- 49%
- 41%

1Q 20 Normalized PAT (IDR bn)

- 1Q 20 Normalized PAT Post IFRS: 58
- EBITDA: 511
- D&A: 460
- Financial Charges: 124
- Income Tax: 18
- 1Q 20 Normalized PAT Pre IFRS: 113
Operating Expenses declined 10% YoY and 13% QoQ due to:

- Lower infrastructure expenses (-23% YoY, -24% QoQ) as a result of IFRS 16 adoption.
- Interconnect and Other Direct Expenses were -9% lower YoY due to lower interconnect arising from declining voice traffic.
- Marketing expenses were -1% lower YoY due to shifting of spending to digital.

*Regulatory Costs include USO & BHP costs previously included under other direct expenses.
Performance Drivers
Service Revenue increase driven by Data which contribution has increased to 91%
While subscribers declined in Q1 20 as a result of increased competition, ARPU and smartphone penetration remain stable.

### Subscribers (mn)

- **1Q 19**: 55.06
- **4Q 19**: 56.70
- **1Q 20**: 55.49

### ARPU (IDR k)

- **1Q 19**: 110
- **4Q 19**: 109
- **1Q 20**: 114

### Smartphone Penetration (%)

- **1Q 19**: 84%
- **4Q 19**: 86%
- **1Q 20**: 86%
Network expansion continues with total BTS now above 133k with 4G coverage in 449 cities across Indonesia.
Balance Sheet

Balance Sheet Remains healthy with higher cash balance due to tower proceeds while both gross and net debt to EBITDA improved.

Gross & Net Debt (IDR bn)

<table>
<thead>
<tr>
<th></th>
<th>Gross Debt</th>
<th>Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 19</td>
<td>13,836</td>
<td>12,239</td>
</tr>
<tr>
<td>1Q 20</td>
<td>11,850</td>
<td>8,868</td>
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Gross & Net Debt (IDR bn) Change:
-14% Gross Debt
-28% Net Debt

Gearing Ratios (x)

<table>
<thead>
<tr>
<th></th>
<th>Gross Debt to EBITDA</th>
<th>Gross Debt to EBITDA (incl. fin. lease)</th>
<th>Net Debt to EBITDA</th>
<th>Net Debt to EBITDA (incl. fin. lease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q 19</td>
<td>1.5</td>
<td>2.7</td>
<td>1.3</td>
<td>2.5</td>
</tr>
<tr>
<td>1Q 20</td>
<td>0.9</td>
<td>2.6</td>
<td>0.7</td>
<td>2.4</td>
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</tbody>
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Healthy FCF generation despite increased capex and committed roll-out in 2020

FCF (IDR bn)

1Q 19: 768
1Q 20: 1,400 (+82%)

Capitalized Capex (IDR bn)

1Q 19: 1,511
1Q 20: 1,784 (+18%)

Committed Capex (IDR bn)

1Q 19: 2,998
1Q 20: 3,996 (+33%)
No USD denominated debt with 46% floating and spread maturities

Borrowings Profile

- **Fixed vs. Floating**
  - IDR Floating: 54%
  - IDR Fixed: 46%

- **USD vs IDR Debt**
  - USD: 0%
  - IDR: 100%

### Maturities (IDR bn)

- Rest of 2020: 4,505
- 2021: 1,379
- 2022 & Beyond: 5,981
Thank You!