

PT. XL Axiata Tbk.

Corporate Presentation For Q1 ended 31 March 2020



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

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.

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**

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

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.

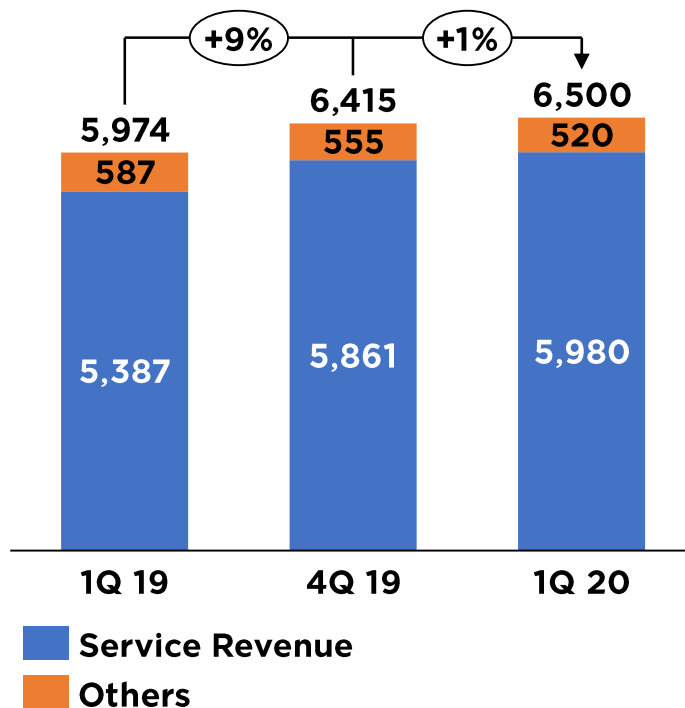
Financial Performance



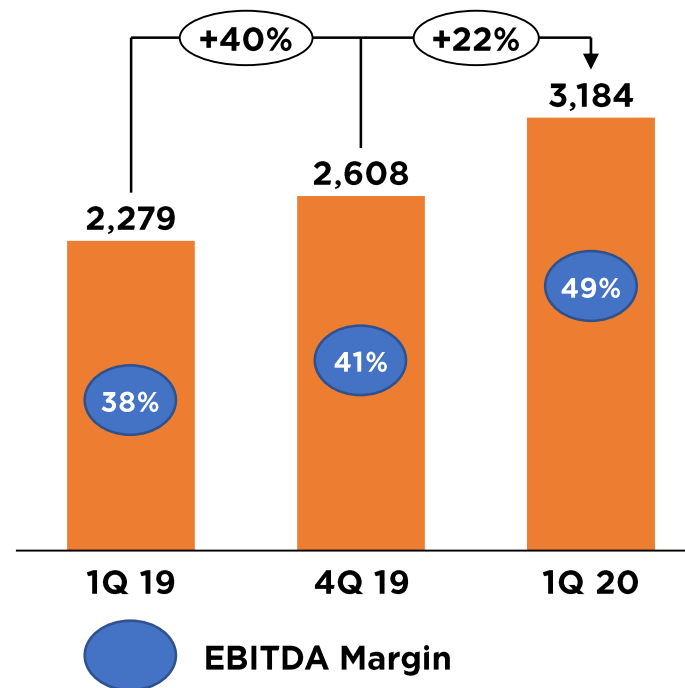
Financial Performance

Solid start to 2020 with revenue and EBITDA growing driven by Data and PAT increased significantly from the tower sale gain

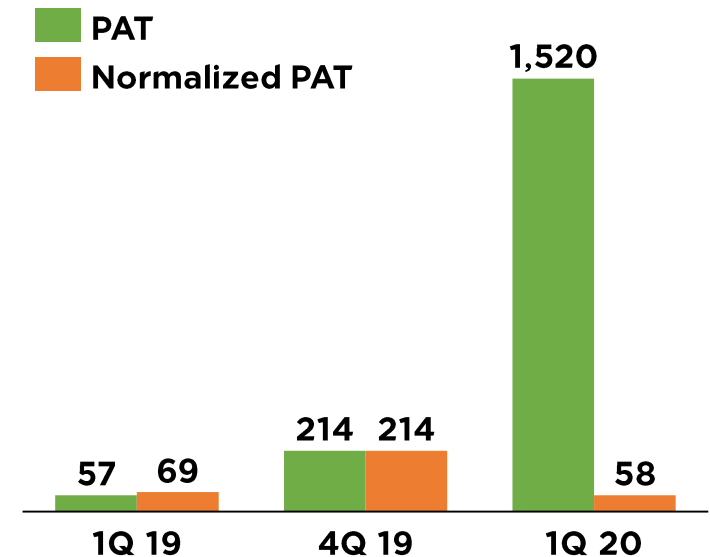
Revenue (IDR bn)



EBITDA (IDR bn)



PAT & Normalized PAT (IDR bn)



Normalized Items (net of tax):

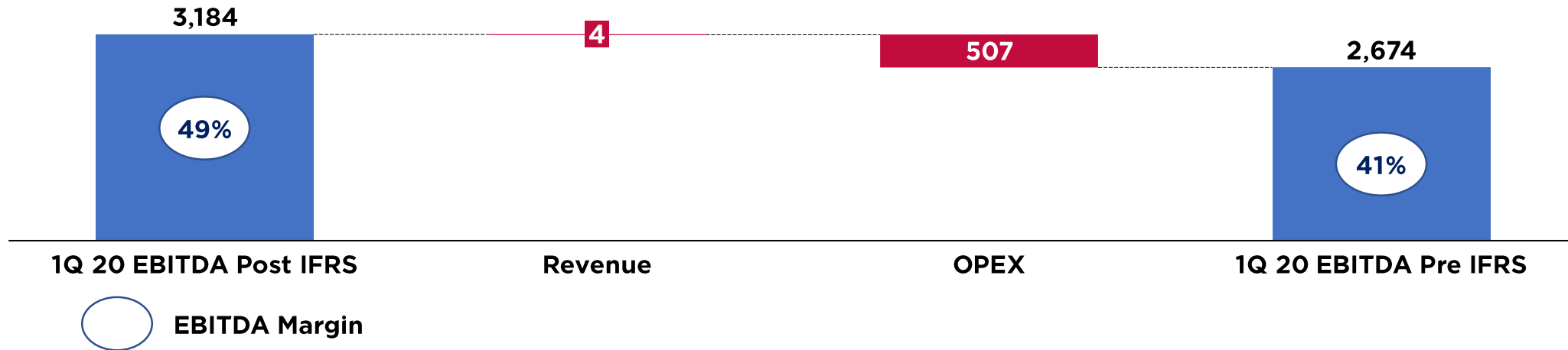
1Q 19: IDR11bn forex loss

4Q 19: IDR6bn forex loss & IDR6bn data center gain

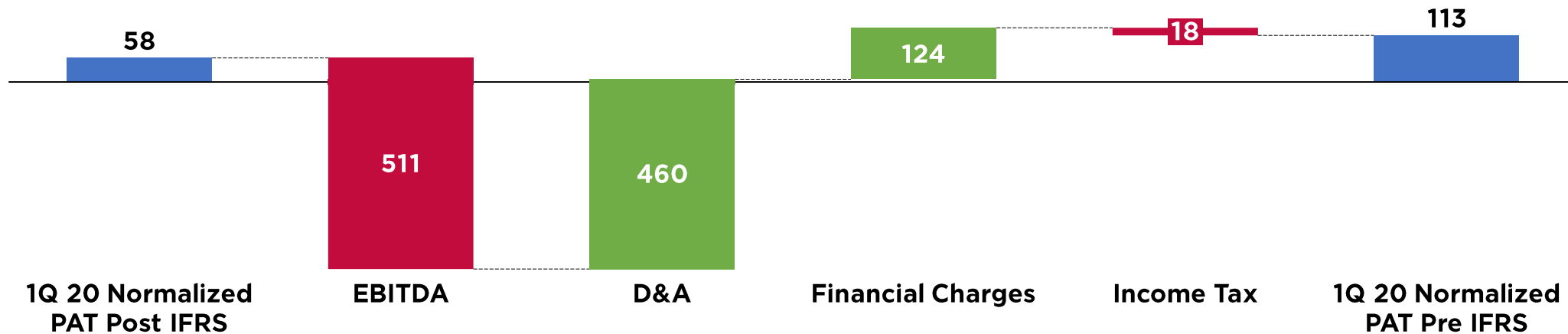
1Q 20: IDR33bn forex gain & IDR1,429bn tower gain

Reconciliation of Post to Pre IFRS 9, 15, 16

1Q 20 EBITDA (IDR bn)

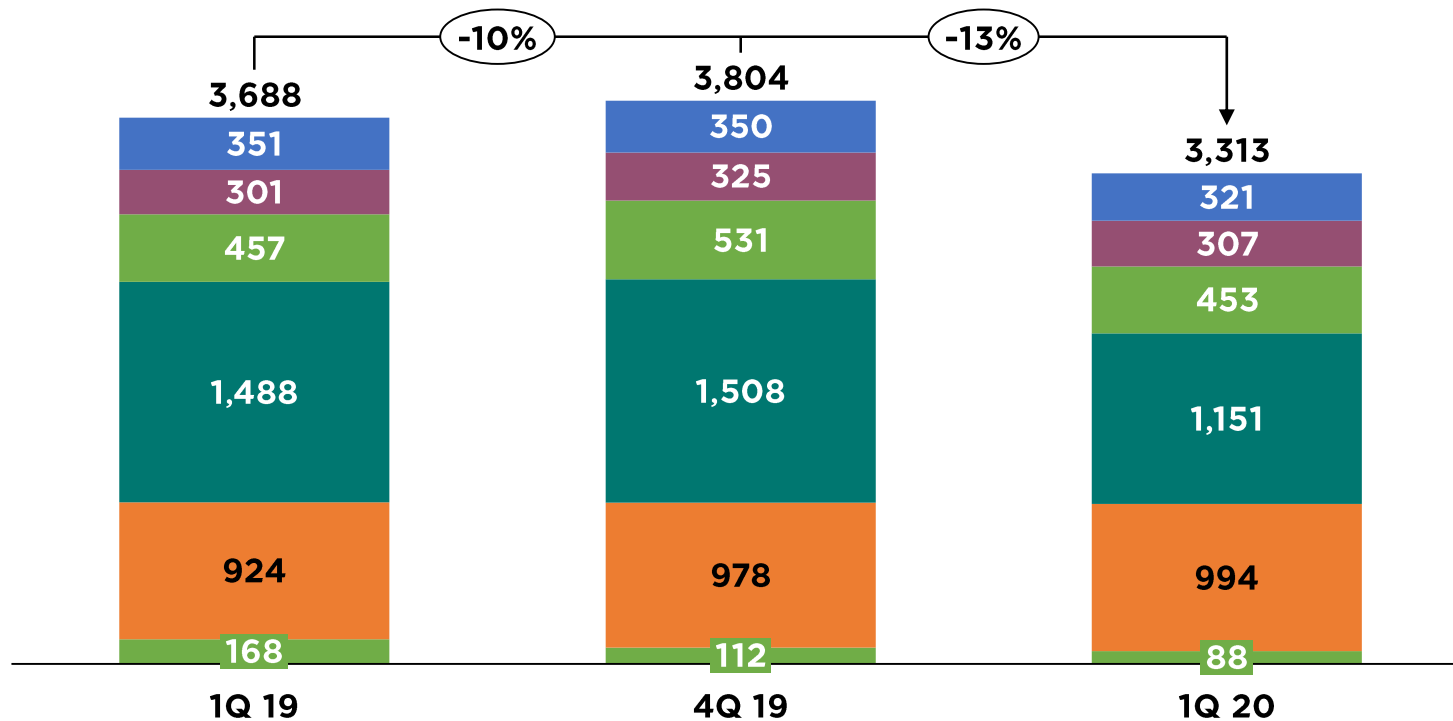


1Q 20 Normalized PAT (IDR bn)



Operating Expenses

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



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.*

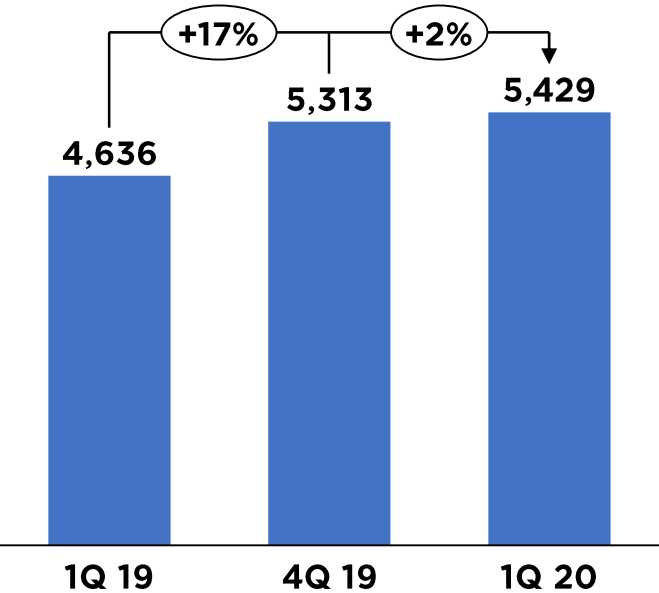
Performance Drivers

Data Revenue

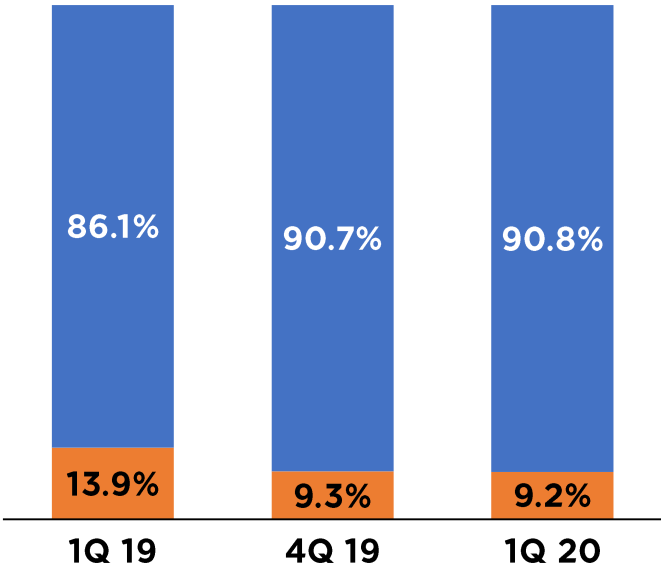


Service Revenue increase driven by Data which contribution has increased to 91%

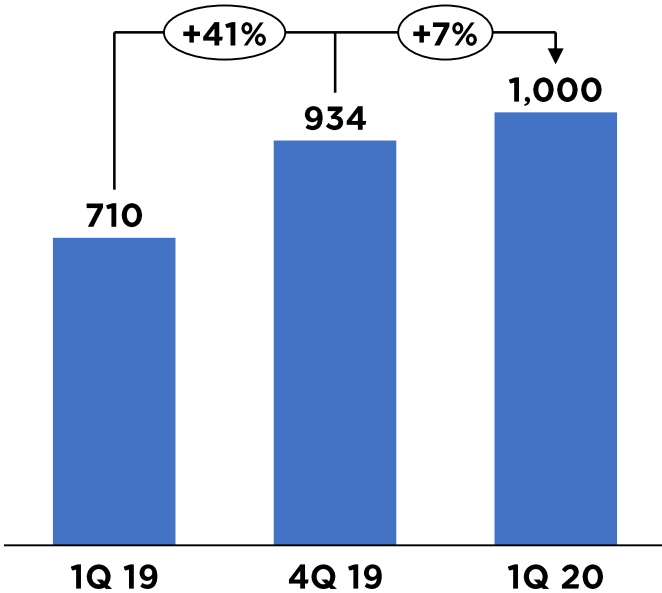
Data Revenue (IDR bn)



Data % of Service Revenue



Total Traffic (PB)



■ Data Revenue
■ Non-Data Revenue

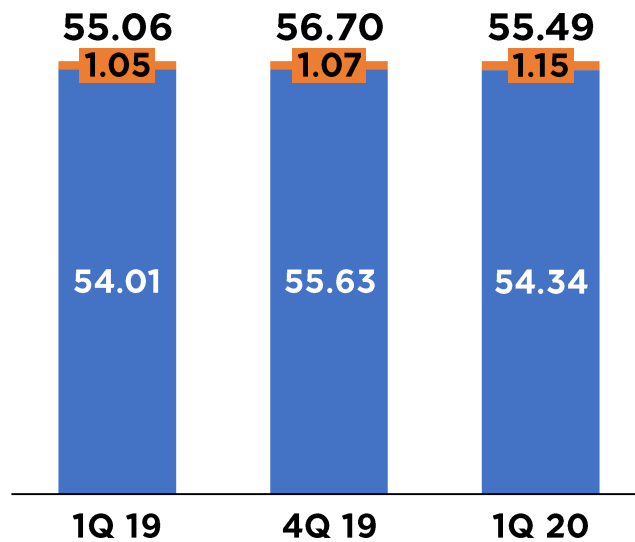
Customers

While subscribers declined in Q1 20 as a result of increased competition, ARPU and smartphone penetration remain stable

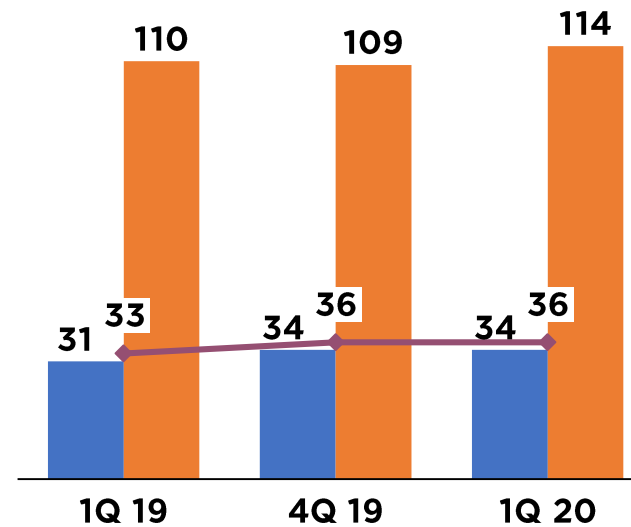
Subscribers (mn)

ARPU (IDR k)

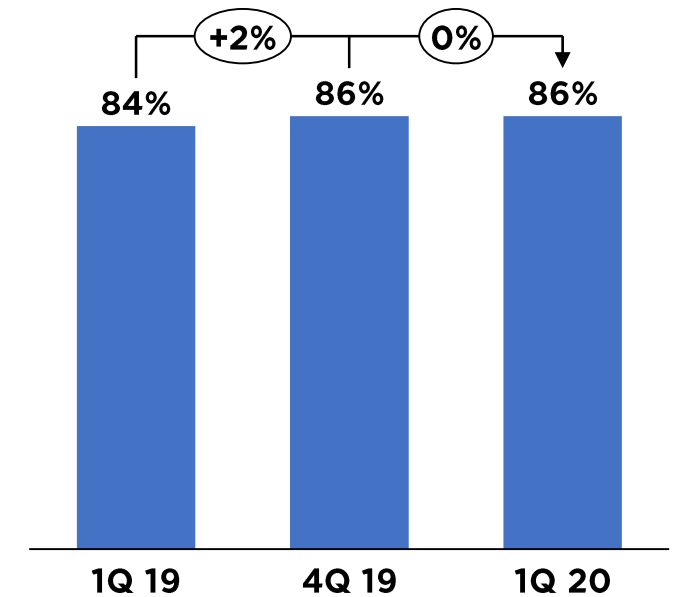
Smartphone Penetration (%)



Prepaid
Postpaid

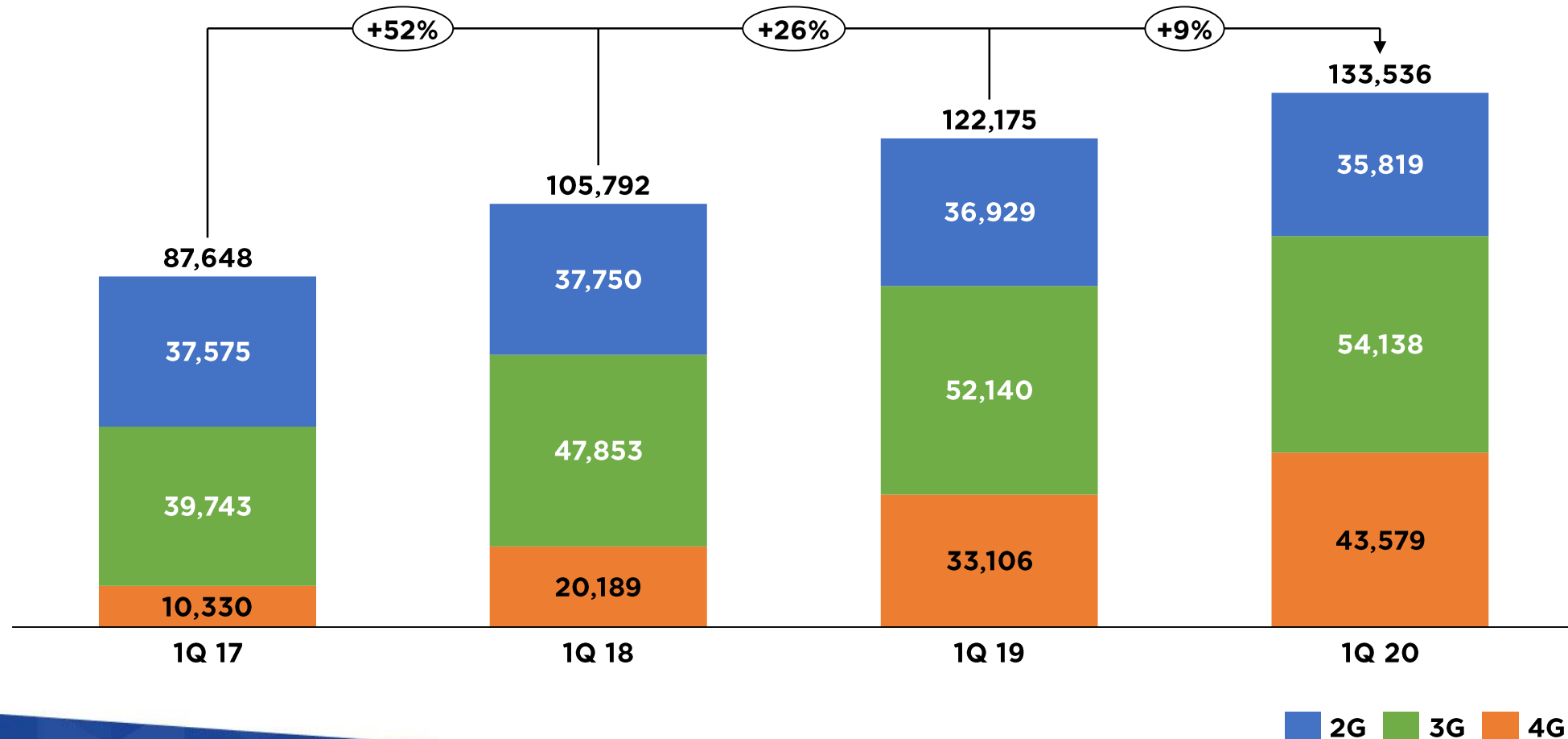


Blended
Prepaid
Postpaid



Base Stations

Network expansion continues with total BTS now above 133k with 4G coverage in 449 cities across Indonesia



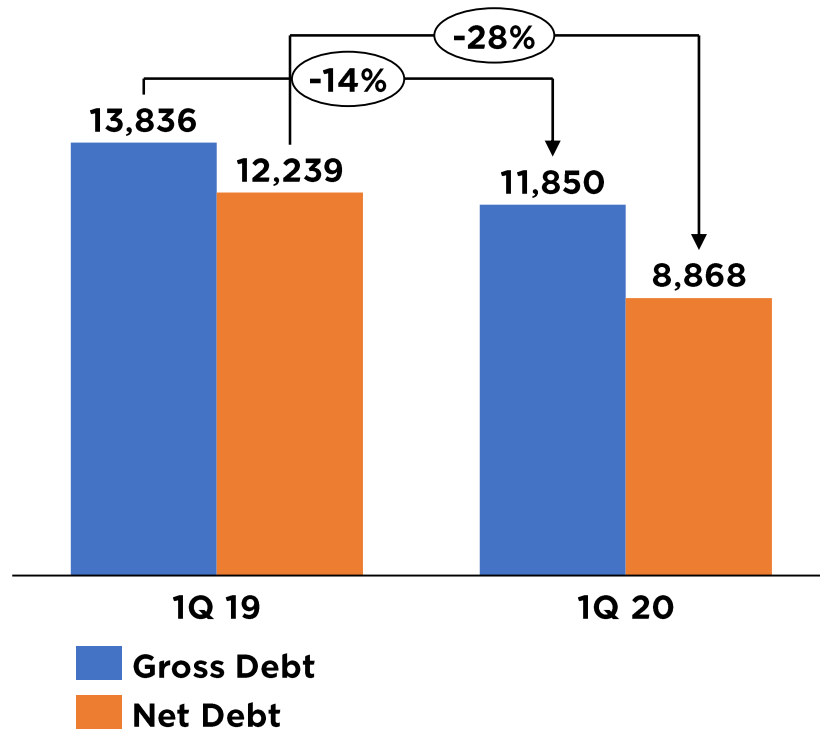
Financials



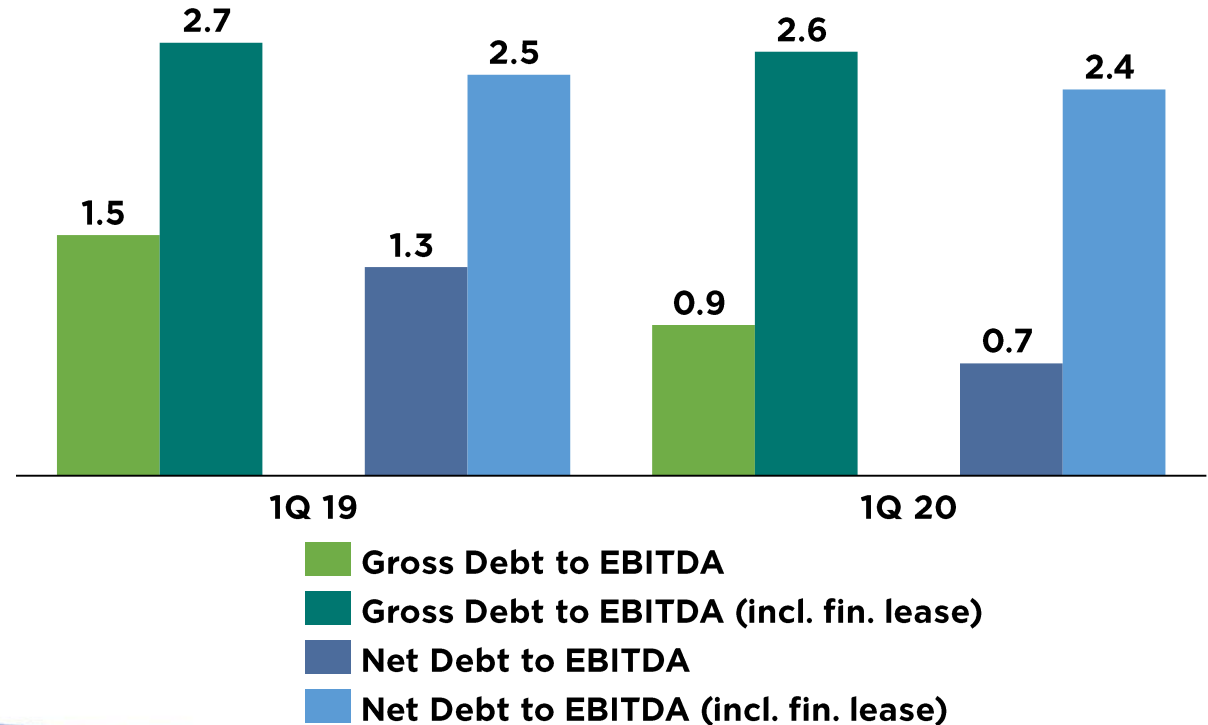
Balance Sheet

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)



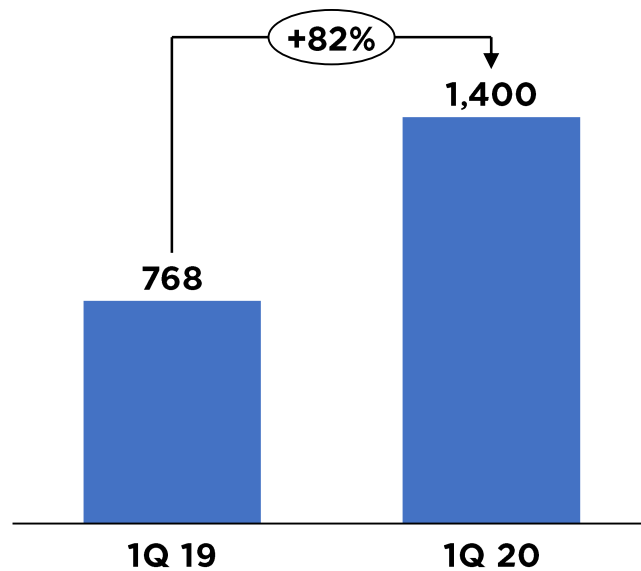
Gearing Ratios (x)



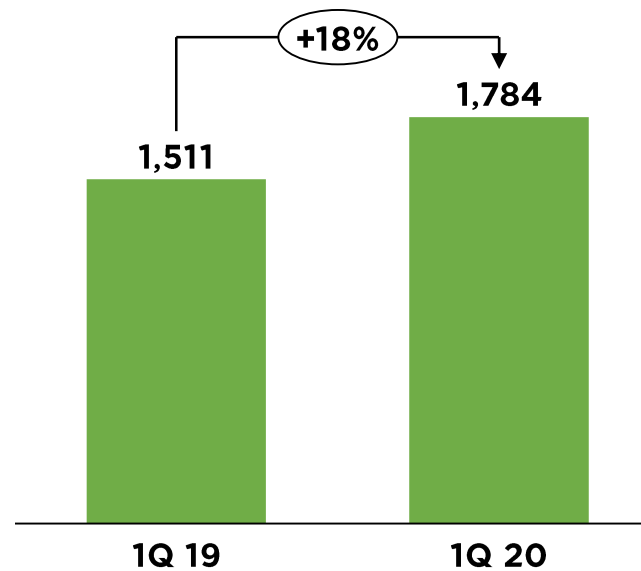
Cash Flow

Healthy FCF generation despite increased capex and committed roll-out in 2020

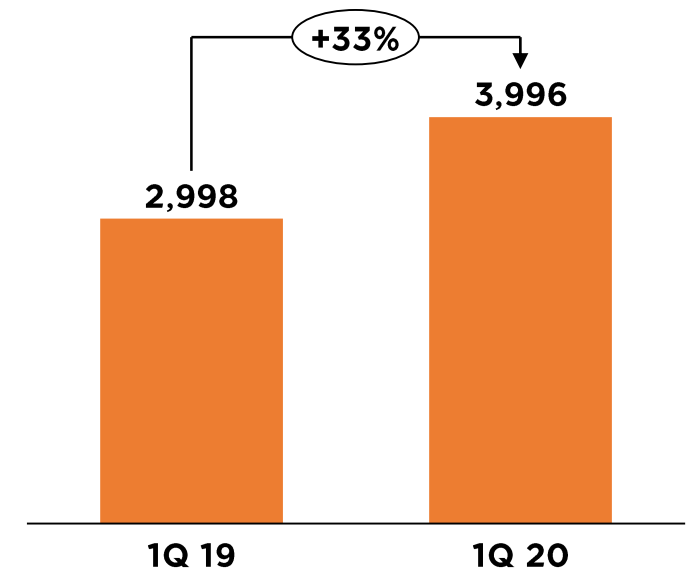
FCF (IDR bn)



Capitalized Capex (IDR bn)



Committed Capex (IDR bn)

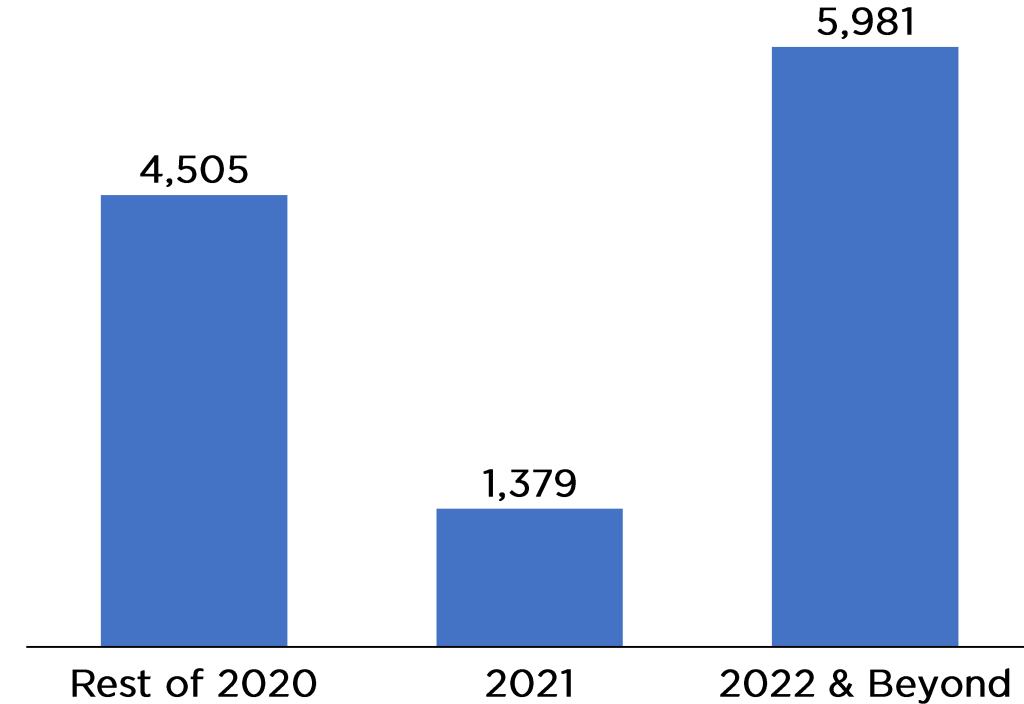
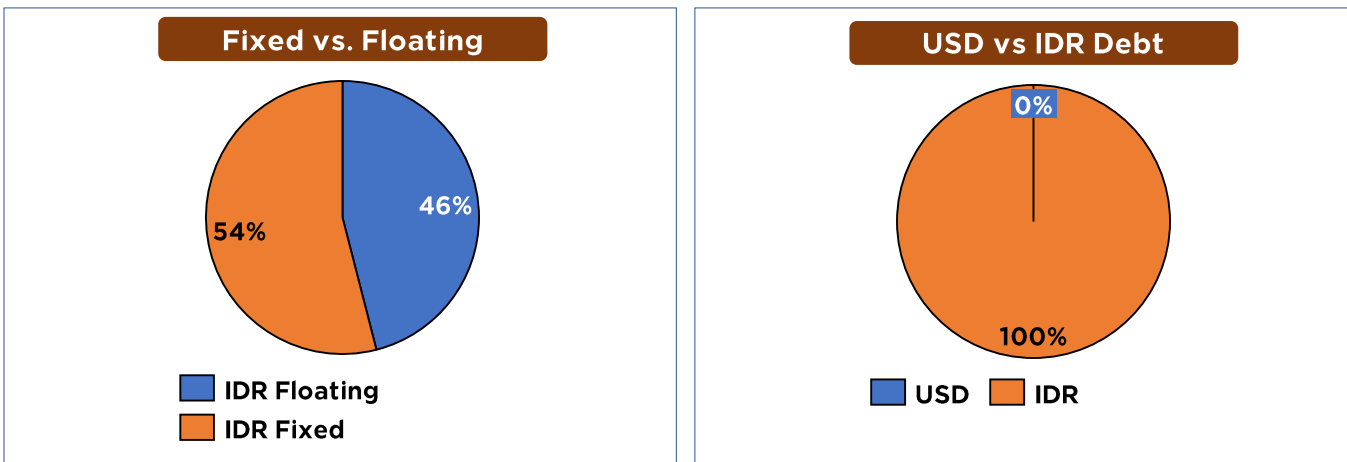


Borrowings Profile

No USD denominated debt with 46% floating and spread maturities

Borrowings Profile

Maturities (IDR bn)



Thank You!

