

PT. XL Axiata Tbk.

Corporate Presentation For 1H ended 30 June 2020



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

1H 20 Key Highlights



- **Double Digit Growth:** Despite challenges from increased competition and Covid-19, XL Axiata managed to increase service revenue by double digits, +10% YoY.
- **Gained Market Share:** XL Axiata gained 1ppt of revenue market share in 1H 20, outperforming industry revenue growth.
- **Sustained Profitability:** EBITDA rose by 37% YoY while XL Axiata remained in a net profit position in 1H 20.
- **Data-Centric Operator:** 91% of service revenue from data with smartphone penetration at 87%, highest in the industry.
- **Network:** Continued network investment across Indonesia with 4G service now in 456 cities and areas & 49k 4G BTS.

1H 20 Updates



Continuity

- **Flexible Working:** Head Office open but majority of employees continue to Work From Home.
- **Productivity Increased:** Better employee efficiency and time management due to less travel.
- **Digitalization:** With remote working, acceleration of business process shift to digital with increased automation & simplification.

Opportunities

- **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.
- **Digital:** Accelerated shift to Digital, with more purchases through online channels.

Trends

- **Competition:** Rising competition with all operators having some form of Unlimited proposition in the market.
- **Lebaran:** Slight increase but not as significant as previous years
- **Spending Power:** Decrease in spending power, especially in the lower-end.

Risks

- **U-shaped recovery:** With prolonged impact from Covid-19, likelihood of a U-shaped (lower for longer) recovery instead of a V-shaped (quick rebound) recovery.
- **2021 recovery:** Instead of recovery in 2H of the year, it could be 2021 before conditions start to improve.

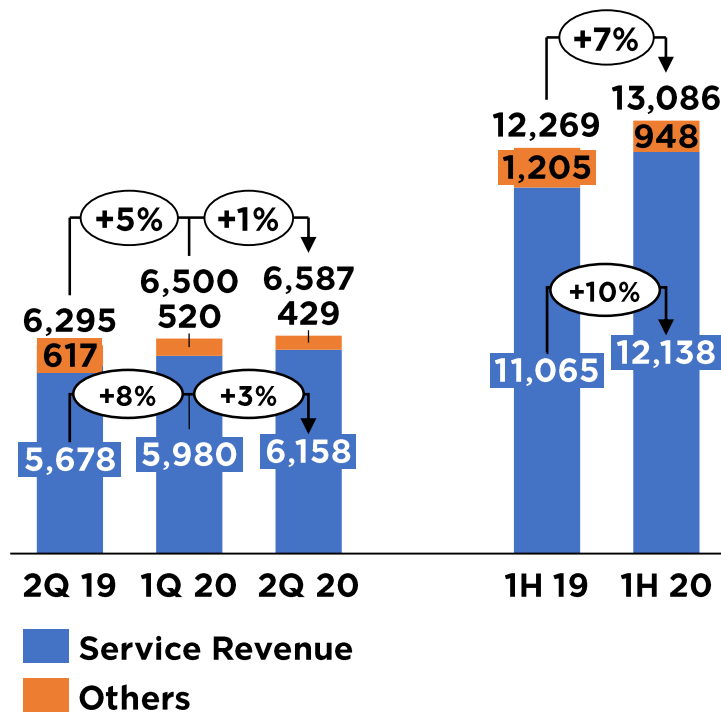
Financial Performance



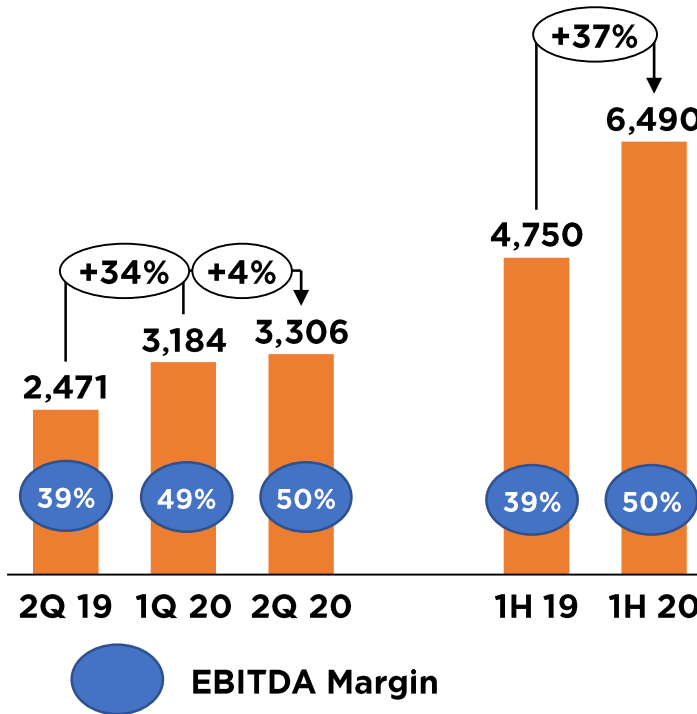
Financial Performance

Strong start to 2020 with double digit growth in service revenue, increased EBITDA & consistent net profits

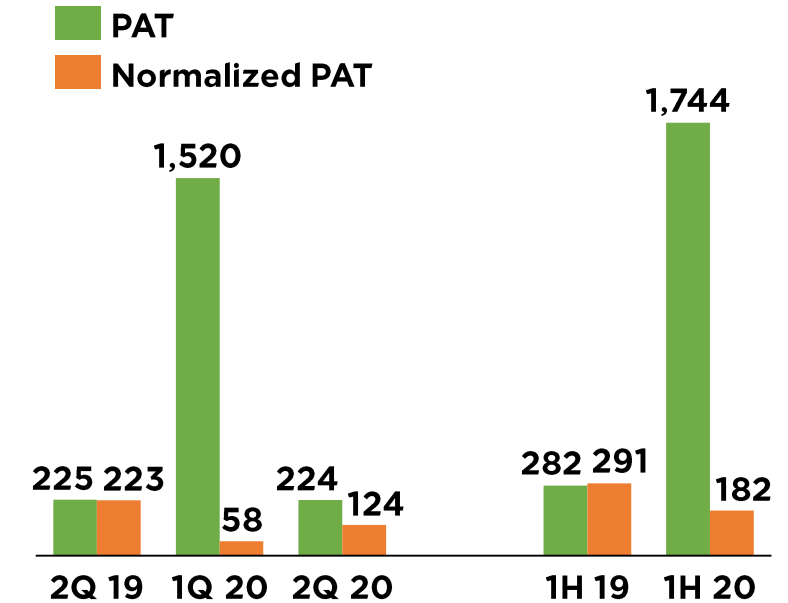
Revenue (IDR bn)



EBITDA (IDR bn)



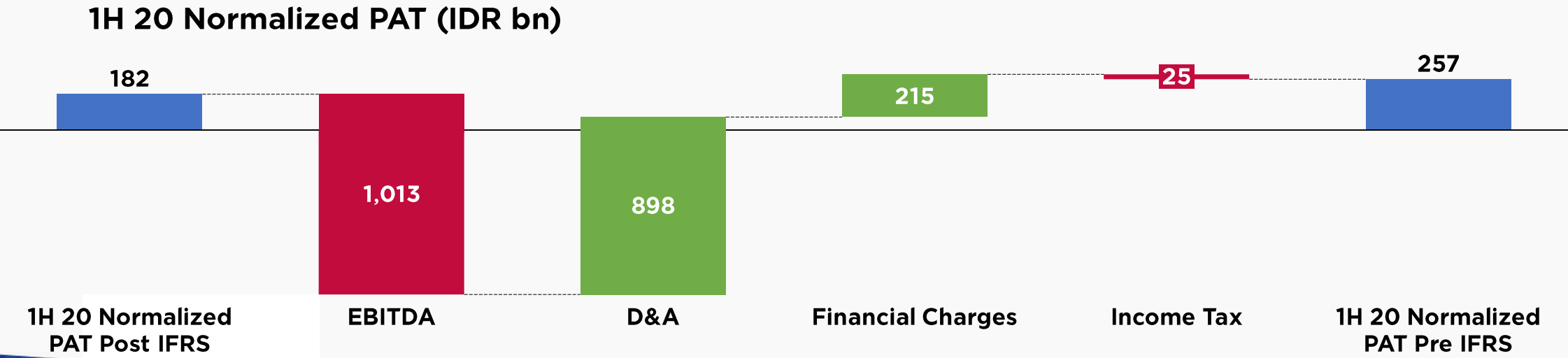
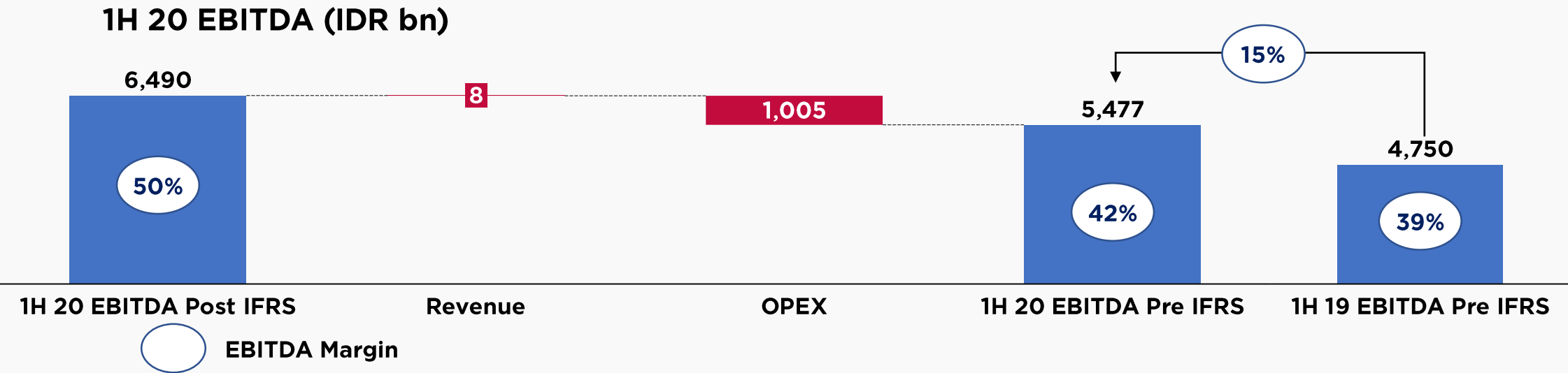
PAT & Normalized PAT (IDR bn)



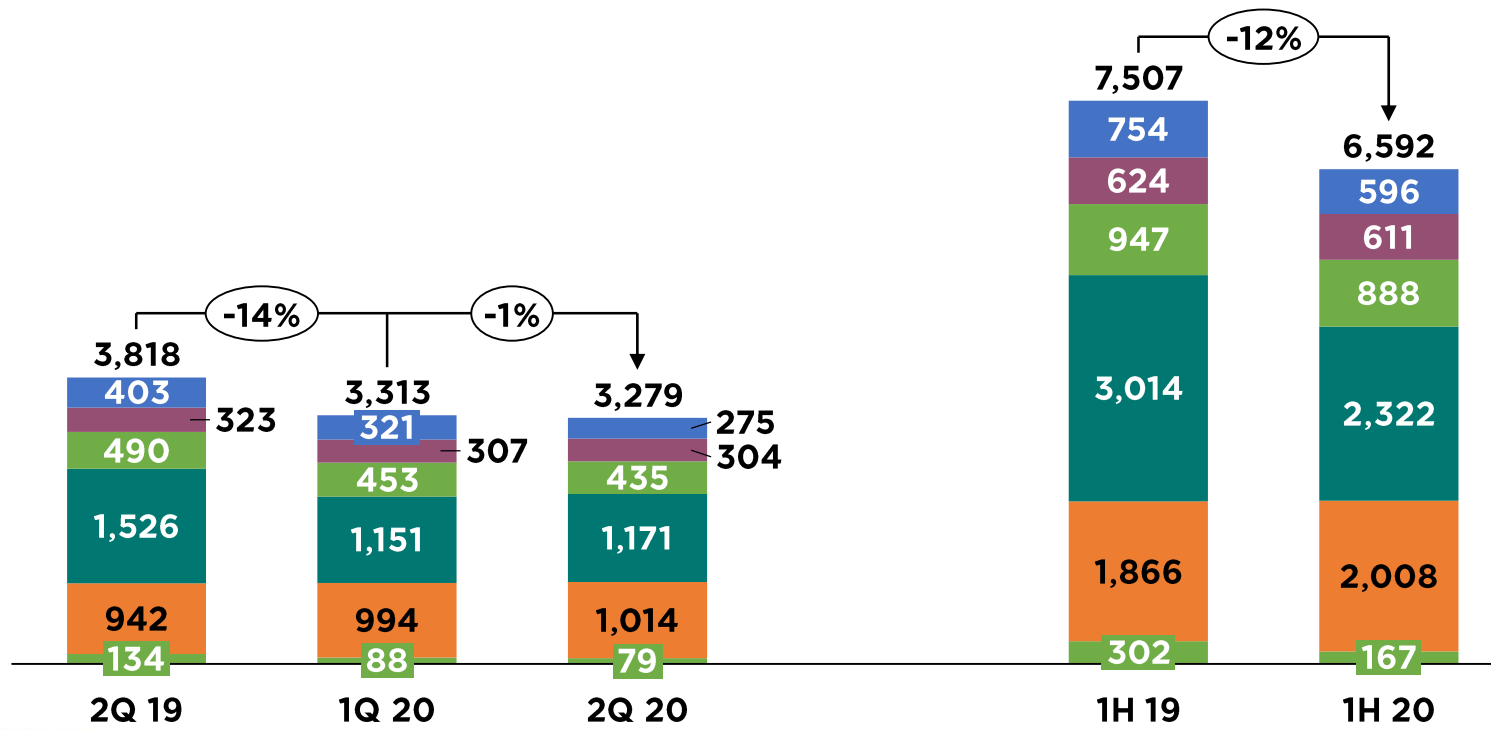
Normalized Items (net of tax):

2Q 19: IDR3bn forex gain
 1Q 20: IDR33bn forex gain & IDR1,429bn tower gain
 2Q 20: IDR15bn forex loss & IDR115bn tower gain
 1H 19: IDR9bn forex loss
 1H 20: IDR17bn forex gain & IDR1,545bn tower gain

Reconciliation of Post to Pre IFRS 9, 15, 16



Operating Expenses



1H 20 Operating Expenses declined 12% YoY due to:

- Lower infrastructure expenses (-23% YoY) as a result of IFRS 16 adoption.
- Interconnect and Other Direct Expenses declined - 21% YoY mainly due to lower interconnect as a result of declining voice traffic
- Marketing expenses declined -6% YoY due to shifting of spending to digital.

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

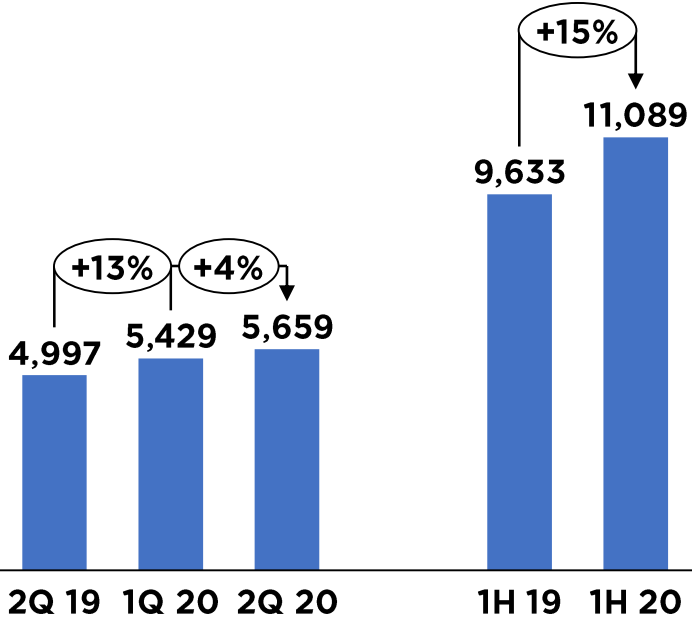
Performance Drivers

Data Revenue

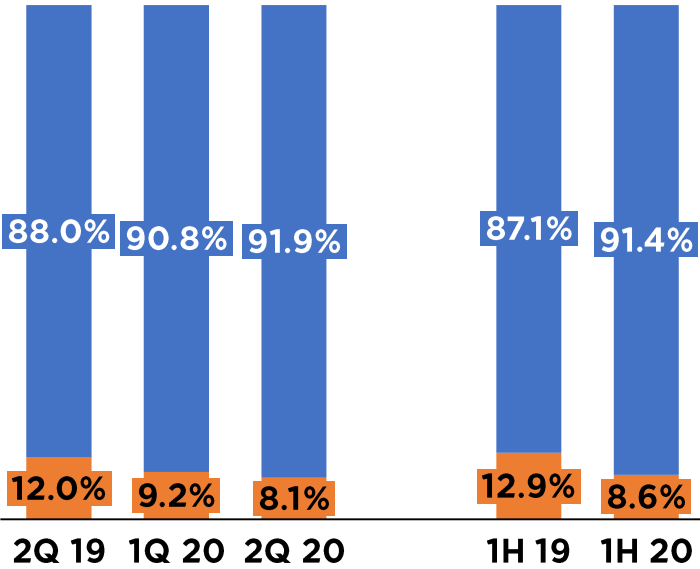


Service Revenue increase driven by Data which contribution has increased to 91% in 1H 20

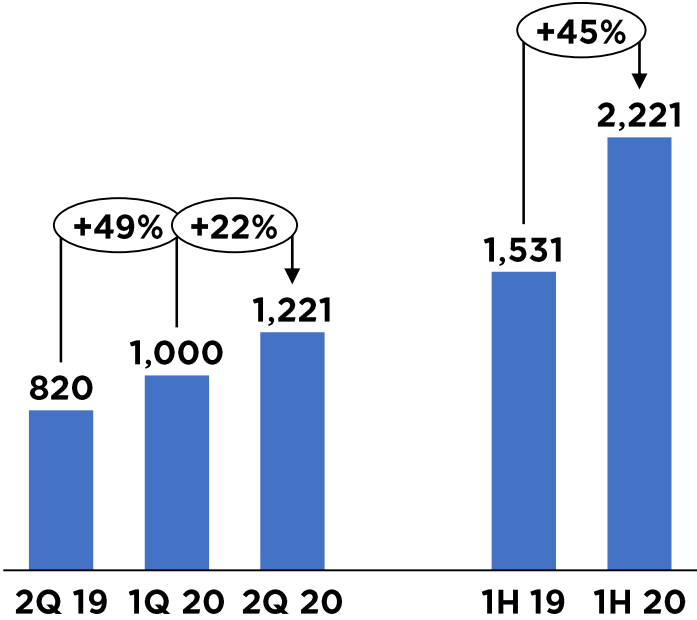
Data Revenue (IDR bn)



Data % of Service Revenue



Total Traffic (PB)

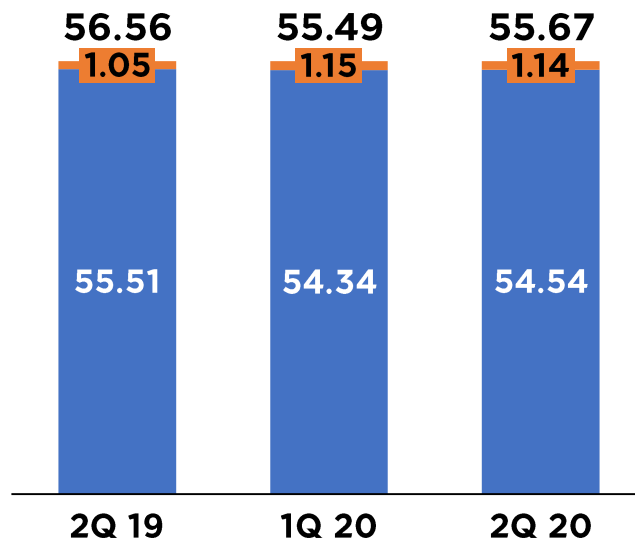


■ Data Revenue
■ Non-Data Revenue

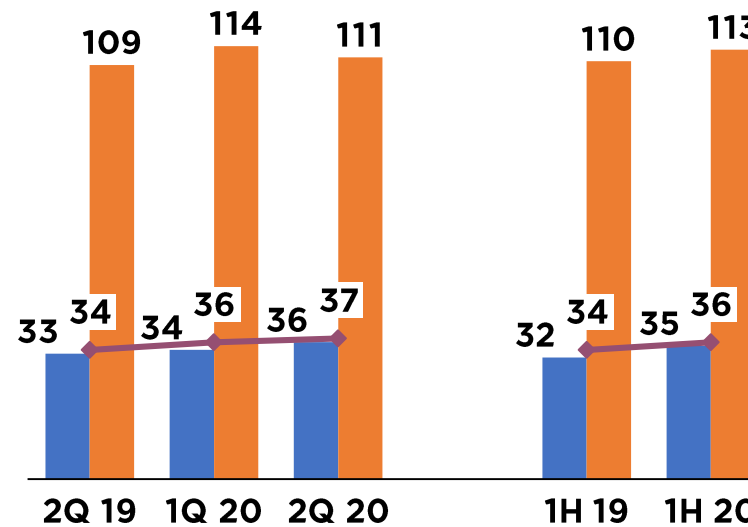
Customers

Subscribers rose in 2Q 20 along with ARPU indicating quality of acquisitions

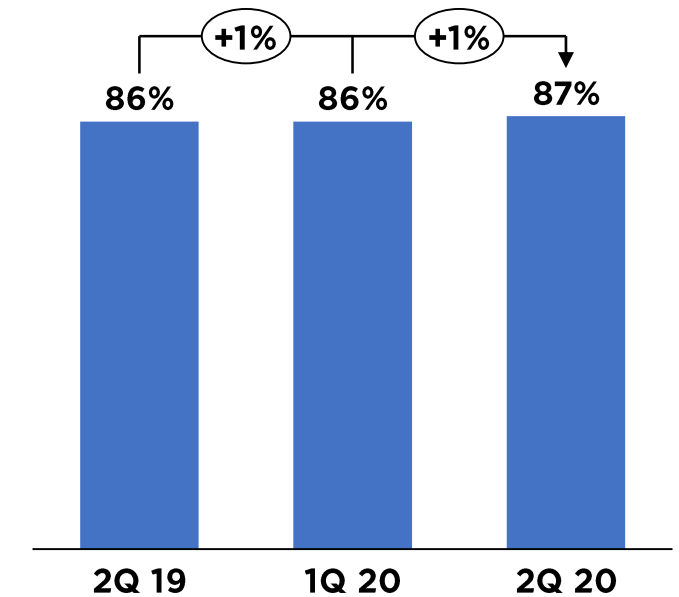
Subscribers (mn)



ARPU (IDR k)



Smartphone Penetration (%)

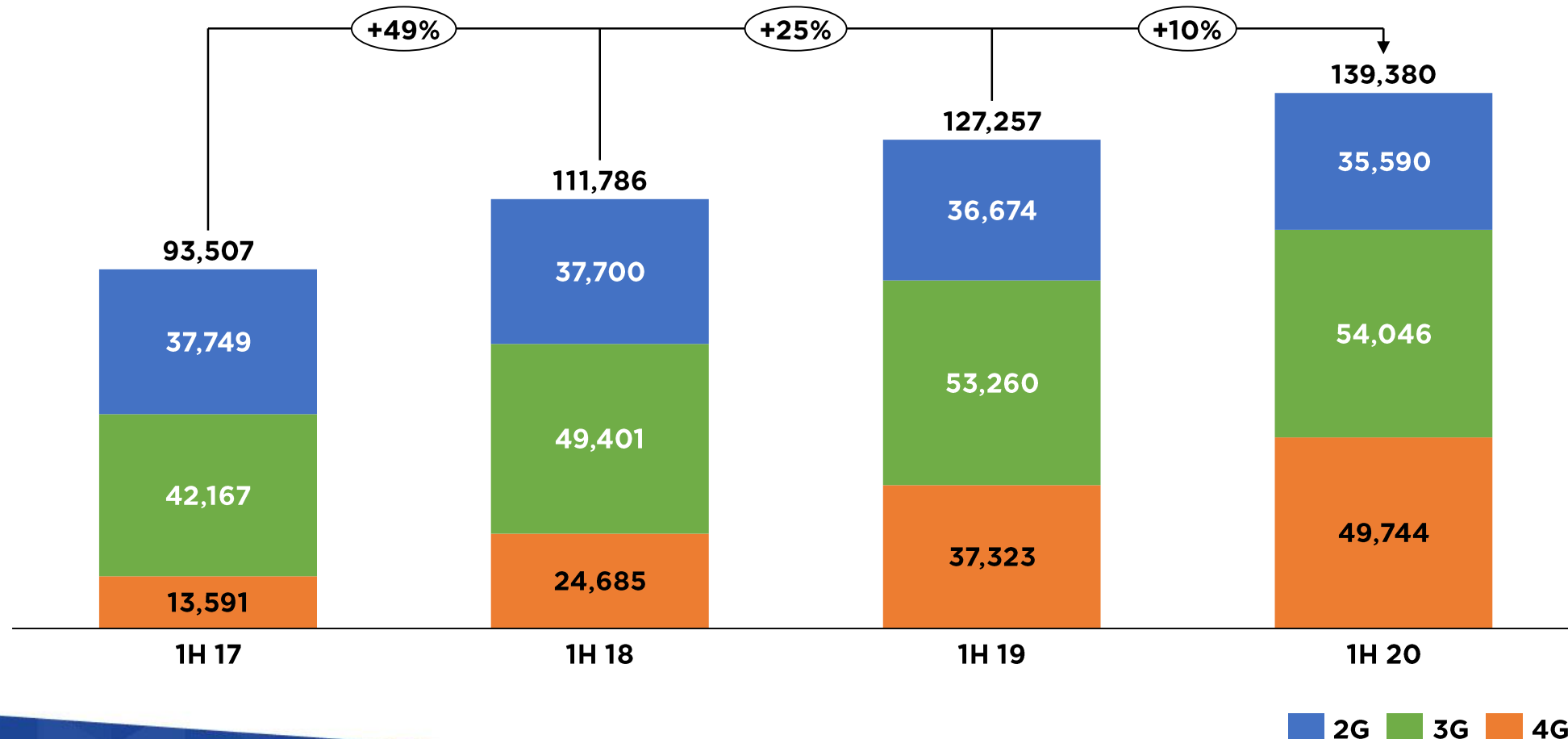


Prepaid
Postpaid

Blended
Prepaid
Postpaid

Base Stations

Network expansion continues with total BTS now above 139k with 4G coverage in 456 cities across Indonesia and 49k 4G BTS



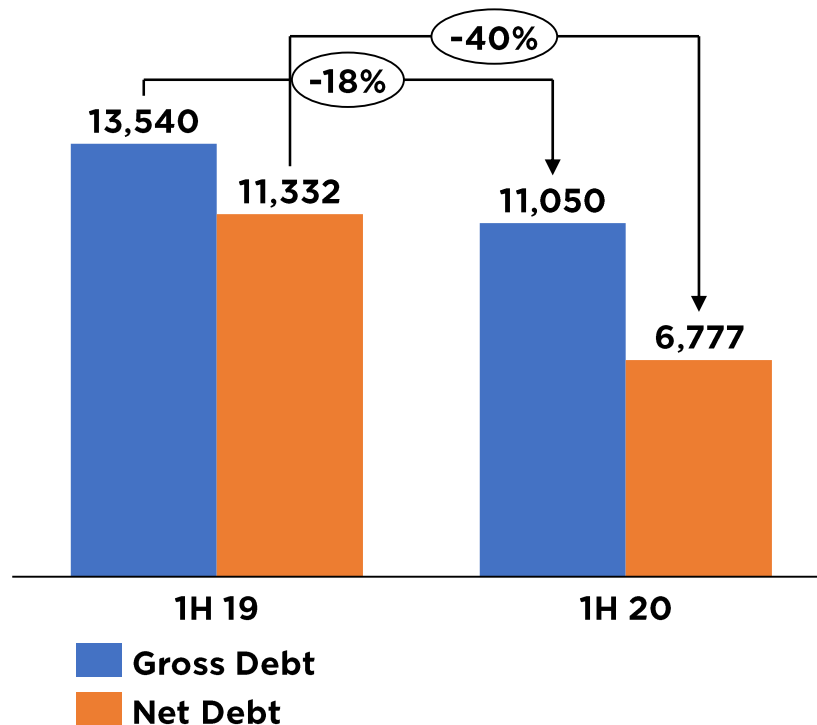
Financials



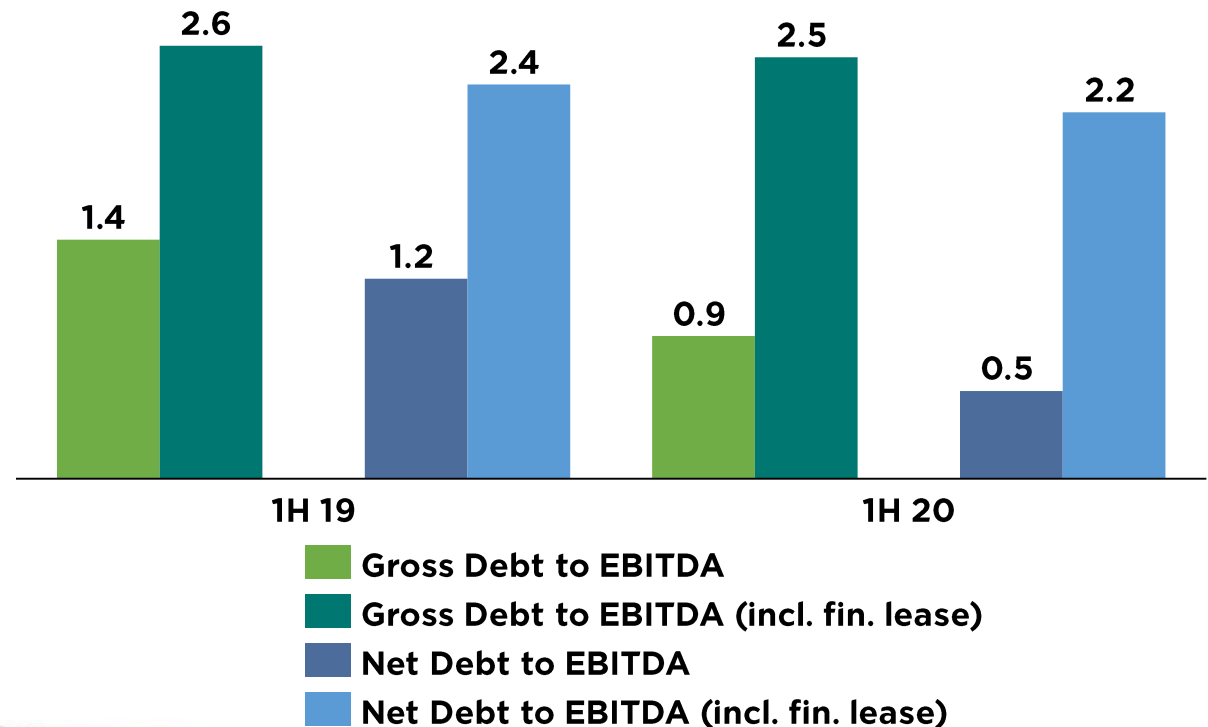
Balance Sheet

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)



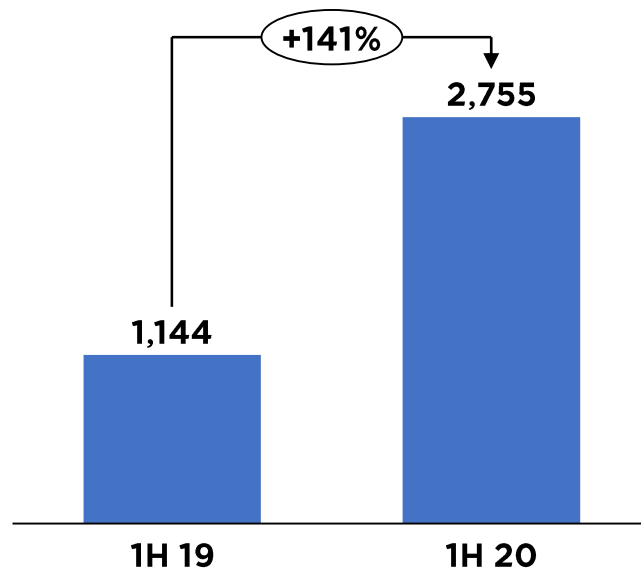
Gearing Ratios (x)



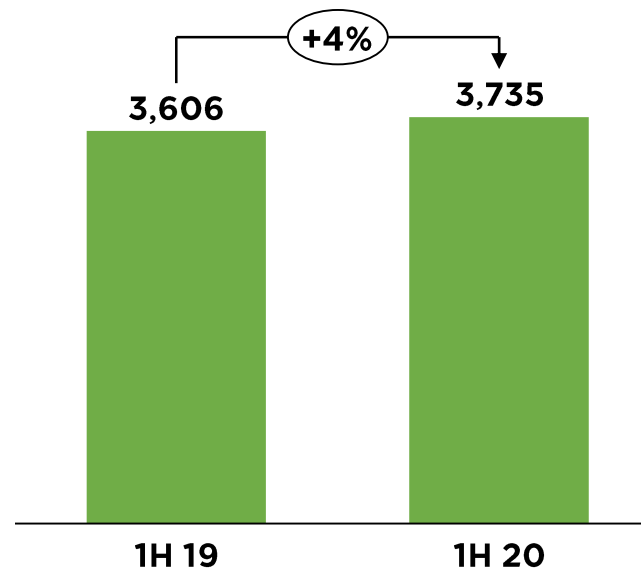
Cash Flow

Healthy FCF generation despite increased capex in 2020

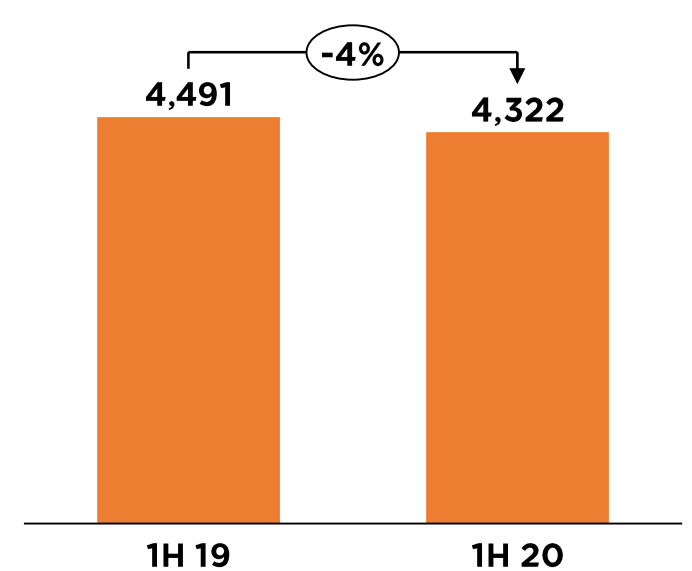
FCF (IDR bn)



Capitalized Capex (IDR bn)



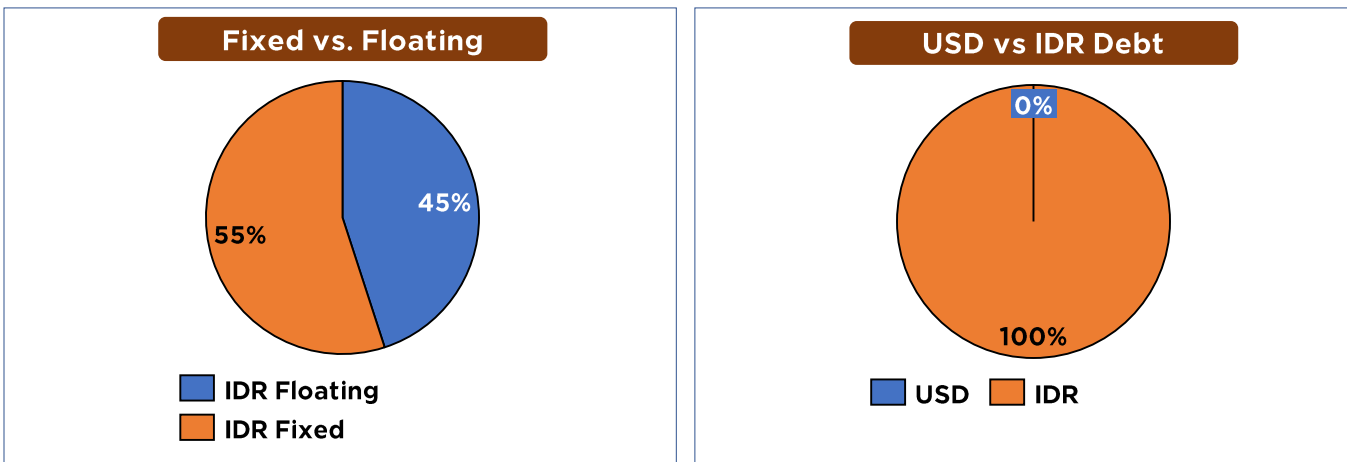
Committed Capex (IDR bn)



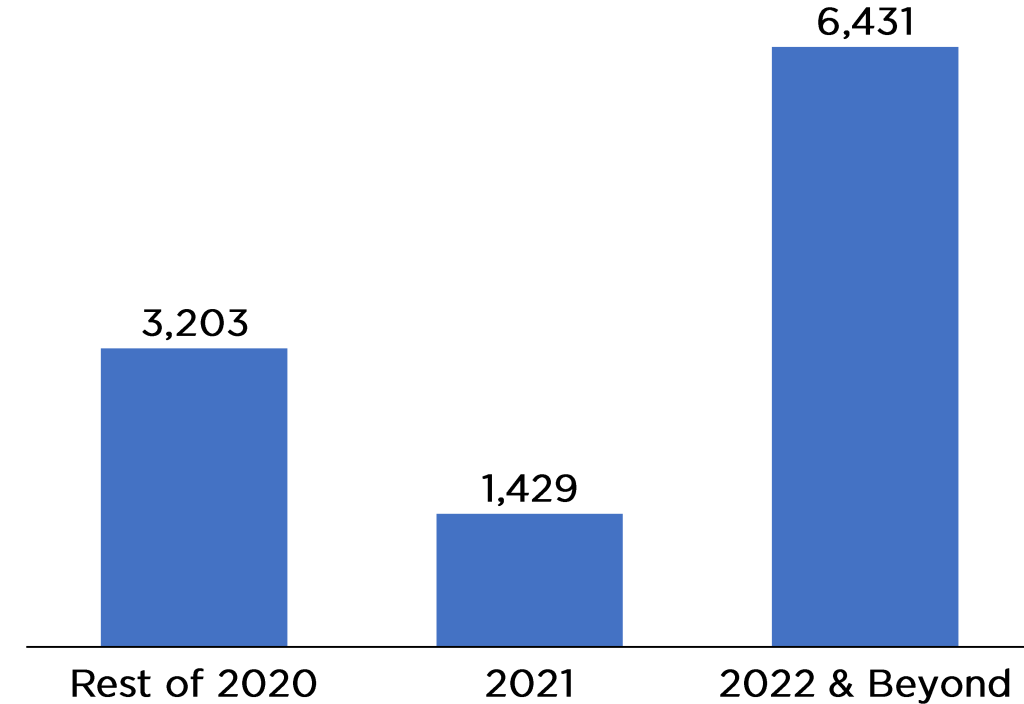
Borrowings Profile

No USD denominated debt with 45% floating and spread maturities

Borrowings Profile



Maturities (IDR bn)



Thank You!

