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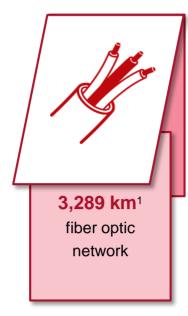
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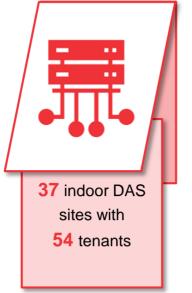
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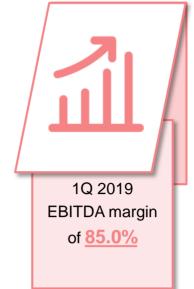
STP at a glance: Indonesia's premier wireless data network infrastructure provider



6,369 towers
(including 419
microcells)
10,487 tenants

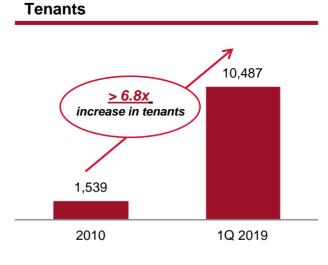


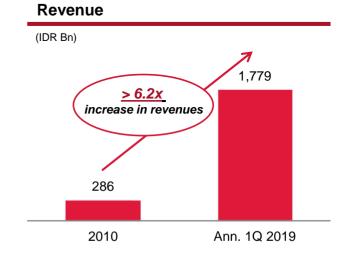






7 6,369 > 5.7x increase in towers 2010 1Q 2019





Indonesia has one of the most attractive tower markets globally...

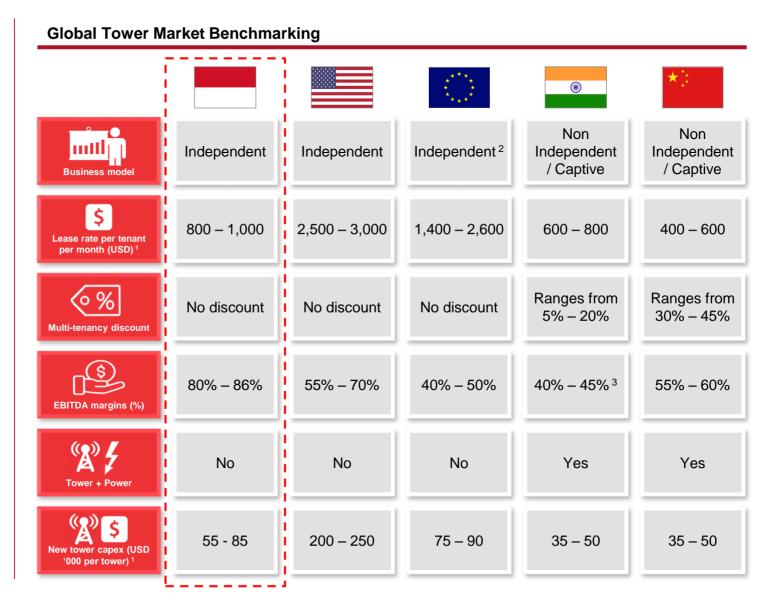


High barriers to entry including local regulations Significant growth opportunity Long term revenues with minimal churn and default risk

High EBITDA margins and free cash flow conversion

Strong operating

leverage



Source: Industry report

Notes: 1 In local currency, and stated in approximate USD for comparison purposes

² Independent tower business model in Western Europe, with the exception of Inwit in Italy

³ Indian average EBITDA margins relatively lower as revenue includes pass-through items, such as fuel cost

... supported by favourable mobile industry dynamics ...





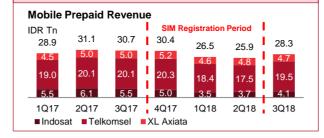
SIM registration will result in lower churn for mobile operators

- Prepaid SIM registration began on October 31, 2017 and was completed in May 2018
- Introduction of prepaid SIM registration likely to make customers stickier to one provider because they would have to register their SIM each time they change operators
- Operators offered significant discounts. particularly on data packages to acquire customers as customers would likely be stickier post implementation of SIM registration (translating into a lower customer acquisition cost)
 - Resulted in a period of heightened competition during the SIM registration period



Supportive competitive and pricing environment

- Since the end of the SIM registration process. mobile operators have gone through a period of ~9 months of improving competition with Telkomsel increasing prices thrice. Indosat twice and XL Axiata once, over this period
- This has resulted in improvement in prepaid revenue after having declined during the SIM registration period





4G coverage a focus area for mobile operators

- Indonesia is an emerging market and is still in the process of upgrading networks to 4G
- 4G BTS consists of only ~25% of total BTS¹ meaning that operators will still require significant investment to expand 4G coverage
- Indosat, XL Axiata and 3 Indonesia are focused on accelerating its network rollout to match Telkomsel's network coverage (Telkomsel has ~2-4x more 4G BTS vs. XL and Indosat)





Higher LTV subscriber base

Operators able to focus resources on capex vs. subscriber acquisition



Willingness to invest and improve their network

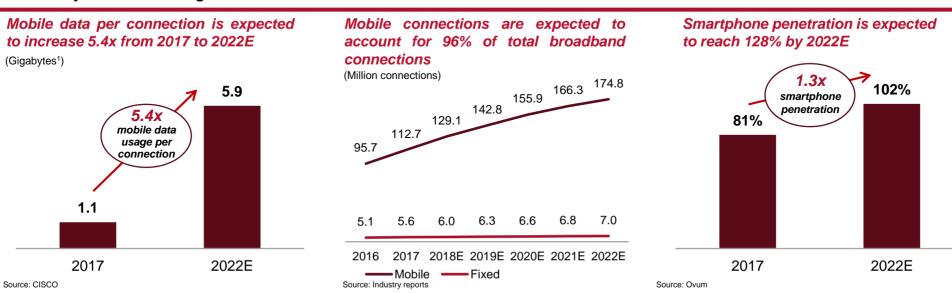
Source: Company filings

Note: 1 Among the top 3 operators: Telkomsel, XL Axiata and Indosat

...as demand for mobile data continues to boom which will drive the requirement for higher quality coverage

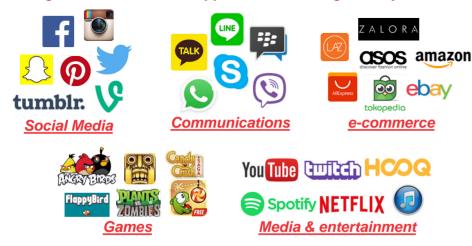


We are only in the first inning of Indonesia's mobile data revolution...

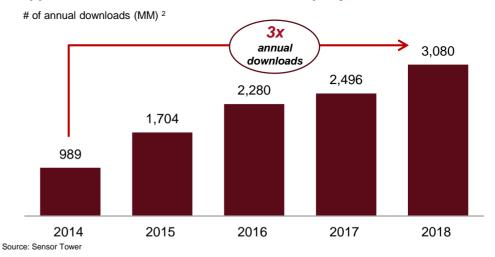


...driven by an increasingly literate mobile generation

Emergence of content and apps is transforming the way we live



App downloads in Indonesia have risen rapidly



Tower industry poised to benefit from higher capex spend by mobile operators



Higher Capex for Network Investments

 Both XL Axiata and Indosat have publicly committed to spend more capex over the next few years in an effort to improve its network connectivity

Capex

IDR Tn



■ Indosat ■ XL Axiata

Source: Historical from company filings, Projections from Capital IQ as of 9 April 2019

Capex spend guidance for 2019 of around IDR7.5Tn.

which will remain focused on data network investment in 4G and continuous network improvements and modernization in and outside Java... On the IDR 7.5Tn capex that we are probably going to spend in 2019, we are **probably going to spend more to outside Java**. By end of 2018, population coverage, our 4G population coverage outside Java is close to 80%. By end of 2019, with investment that we are putting in, population coverage will be close to 90%

- XL Axiata CFO, 4Q18 Earnings Call, 15 Feb 2019

On the US\$2Bn capex, the plan was we will spend it over three years (2019-21). <u>In 2019</u>, we are already confirmed that we will spend IDR10.3Tn out of this US\$2 billion capex

Indosat CEO, 3Q18 Earnings Call, 27 Nov 2018

The direction is to keep investing in the network, both Java and outside Java. <u>Directionally, there's been some important investment outside Java. This is an important area for us</u>

- Indosat CSO, 4Q18 earnings Call, 6 Mar 2019

4G Coverage Growth: Operators looking to ex-Java expansion

Operators planning to expand its network ex-Java

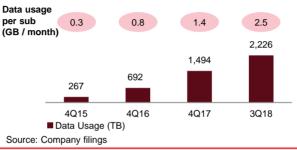
- Telkomsel has the strongest network in Indonesia, based on its overall coverage and also 4G coverage alone
- XL Axiata and Indosat have strong network coverage in Java, only with scattered coverage across the rest of Indonesia
- Hence, not only do these operators need to densify their 4G networks, but there is the need to expand networks outside Java



Capacity Growth: Densification of network as data usage accelerates

Accelerating data usage

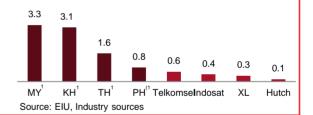
- Data revenue is expected to become the industry's most important revenue driver and has resulted in increase in competition in this segment
- Total data usage across the top 3 operators have increased ~8x since 2015



Lack of spectrum

- Indonesian operators' spectrum holdings are low on a per population basis compared to operators regionally
- No spectrum auctions expected in near-term, implying that operators will likely need to invest in equipment to increase capacity of their network connectivity

MHz per capita (MM)



Strong portfolio of tower and fiber assets covering major prime locations



Tower, microcell and DAS

(including 419

microcells)

37 Distributed

Others 15% Java 61% Sumatra **6.369** Towers 24% of towers in Java (22% in Jakarta) **Antenna Systems**

Fiber



- ✓ Prime tower and fiber assets portfolio to support STP's comprehensive solutions offering, including an expanding fiber optics network that allows the Company to capture surging demand driven by aggressive urban 4G / LTE rollout by mobile telecommunication operators
- ✓ Potential new business opportunities for providing wholesale fiber connection to broadband and pay TV operators

Optimized business strategy for STP's core tower business





- Leveraging prime locations of existing tower portfolio, STP has increasingly focused on expanding colocation business, which has significantly lower capex and operational costs
- Improving tower economics despite a challenging operating environment



- Improved quality of earnings with the removal of Internux and Axis tenancies
- Focused on proactively maintaining long-term relationship with high quality customers



 Optimizing pricing strategy to enhance competitiveness, which is the key for winning new contracts and locking in tenancy renewals



 Negotiations of land lease renewal start 1–2 years in advance, to minimize potential loss of towers/tenants

STP has benefited immensely from the above initiatives:



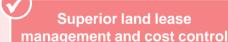
More efficient usage of capital structure



Higher quality and visibility of earnings



New contracts secured with prime customers



Actively enhancing returns on its tower portfolio through colocation

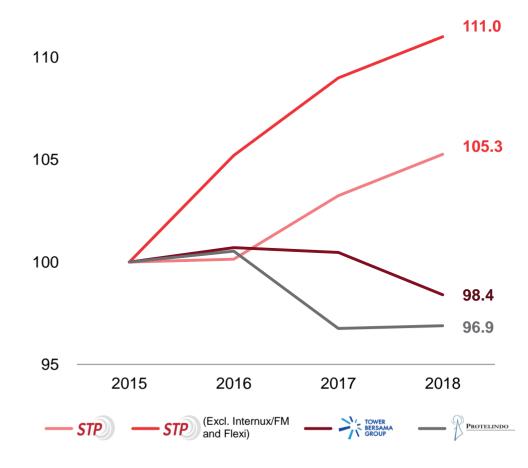


Continued focus on colocation in a challenging operating environment...

Annual gross tenancy additions

...resulting in superior tower economics over the last 3 years compared to competitors

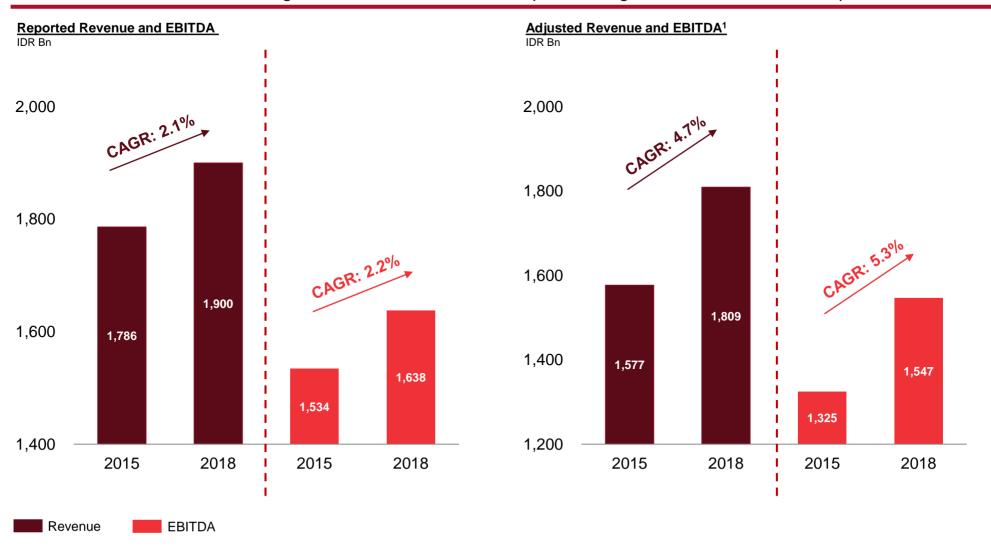
Revenue per tower¹, rebased to 100



STP has been achieving robust growth of both revenue and EBITDA from core customers¹ ...



~5% revenue and EBITDA CAGR during 2015 - 2018 from core customers (i.e. excluding Flexi and Internux/First Media)

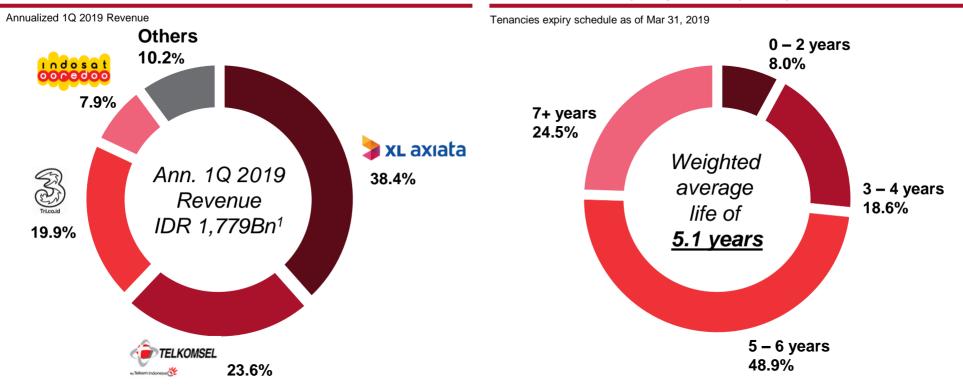


Entrenched relationship with prime customers, underpinning significant high quality backlog



92% of revenue from top 4 operators...

... complemented by longer tenancy expiry schedule

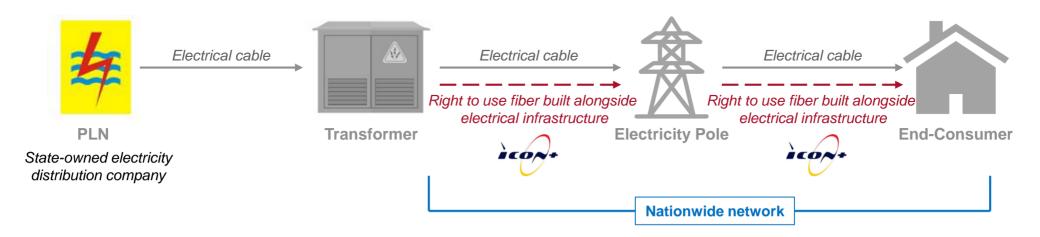


- ✓ Key customers are Indonesia's four largest and most creditworthy mobile telecommunication operators contributing ~90% of revenue
- ✓ STP has been successful in renewing its tenancies, which results in a longer tenancy expiry schedule
- ✓ Our lease rates are fully reflective of current market rates and c. 98% of our leases are IDR denominated (remaining 2% USD denominated)

Superior competitive advantage in tower fiberisation



Partnership with Icon+ unlocks new potential for STP to tap on existing electrical infrastructure to expand fiber network



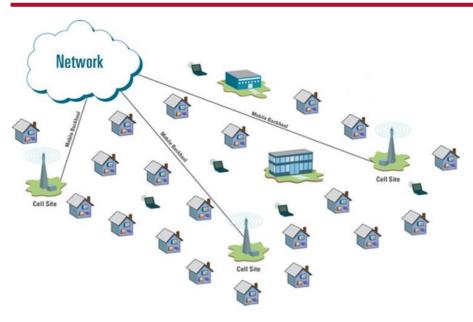
Partnership framework with Icon+

- Icon+ has the right to use fiber network built alongside PLN's electrical infrastructure
- PLN will provide the right of way access and fiber cable to STP
- STP expected to incur the necessary capital expenditure and operating expenses associated with rolling out the fiber network
- STP to use the fiber network on a revenue sharing basis

Opportunity for STP to provide connectivity for telecom operators through deployment of mobile backhaul



Overview of mobile backhaul product offering



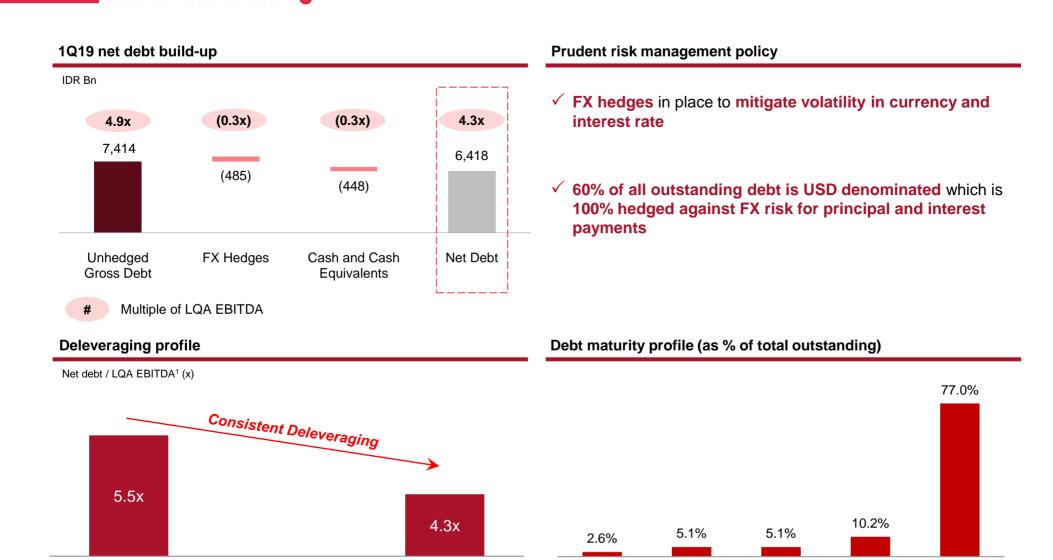
Mobile Backhaul refers to the network between the base station sites (Node-B, eNode-B, BTS) and the network controller site (Radio Network Controller = RNC, S-GW)

Tower fiberisation

- √ Fiberisation of sites is becoming increasingly attractive economically
 - Microwave backhaul has become more expensive over time
 - Over a 5 year period, total fiberisation cost with microwave is estimated to be c. 5x more expensive than with fiber optics
 - Capacity requirement for telecom operators has increased driven by continuously increasing data consumption
 - STP is able to offer connectivity through either leasing of core fiber or fiber capacity

Well-utilized balance sheet with continuous deleveraging and prudent hedging program





1Q 2019

Note: 1 Net debt refers to gross debt stated at hedge rate less cash





Income statement



Income statement (in IDR millions, unless otherwise specified)

	2014	2015	2016*	2017	2018	1Q 2018	1Q 2019
(in IDR millions)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	1,071,929	1,785,853	1,821,446	1,908,487	1,899,775	490,399	444,727
Cost of Revenue							
Depreciation and Amortization	(117,791)	(186,766)	(318,455)	(313,640)	(359,618)	(84,809)	(74,093)
Other Cost of Revenues	(90,841)	(137,331)	(130,218)	(125,183)	(119,055)	(29,881)	(30,319)
Total	(208,632)	(324,097)	(448,673)	(438,823)	(478,673)	(112,690)	(104,412)
Gross Profit	863,297	1,461,756	1,462,978	1,543,514	1,421,102	377,709	340,315
Gross Profit Margin (%)	80.5%	81.9%	75.4%	77.0%	74.8%	77.0%	76.5%
Operating Expenses							
Depreciation and Amortization	(10,217)	(16,279)	(22,486)	(22,765)	(23,774)	(5,495)	(5,457)
Other Operating Expenses	(92,930)	(114,782)	(137,546)	(137,257)	(142,989)	(35,104)	(36,236)
Total	(103,147)	(131,061)	(160,032)	(160,022)	(166,763)	(40,599)	(41,693)
Operating Profit	760,150	1,330,695	1,212,741	1,309,642	1,254,339	337,110	298,622
Operating Profit Margin (%)	70.9%	74.5%	66.6%	68.6%	66.0%	68.7%	67.1%
EBITDA	888,158	1,533,740	1,553,682	1,646,053	1,637,731	425,414	378,172
EBITDA Margin (%)	82.9%	85.9%	85.3%	86.2%	86.2%	86.7%	85.0%
Increase (Decrease) in Fair Value of Investment Property	(383,566)	3,610			(919,255)		
Interest Income	15,784	31,342	15,697	20,057	7,984	3,588	3,959
Financial Charges	(440,086)	(1,035,031)	(1,005,066)	(1,002,138)	(954,603)	(241,475)	(221,898)
Others – Net	(460,166)	(88,601)	297,681	(116,427)	(590,803)	19,846	(98,336)
Profit (Loss) Before Tax	(507,884)	242,015	521,053	211,134	(1,202,338)	119,069	(17,653)
Income Tax Benefits (Expenses)	127,840	(105,140)	(208,596)	119,827	(21,505)	(9,364)	(59)
Profit (Loss) for the Period	(380,044)	136,875	312,457	330,961	(1,223,843)	109,705	(17,712)
Attributable to:							
- Owners of the Parent	(380,044)	136,875	312,457	330,961	(1,223,843)	109,705	(17,712)
- Non-controlling Interest							

Statements of financial position (assets)



Statements of financial position (Assets, in IDR millions, unless otherwise specified)

					1	
	2014 (Audited)	2015 (Audited)	2016* (Audited)	2017 (Audited)	2018 (Audited)	1Q 2019 (Unaudited)
Current Assets	(Addited)	(Addited)	(Addited)	(Addited)	(Addited)	(Onaudited)
Cash and Cash Equivalents	1,318,888	229,325	184,996	280,149	147,045	447,613
Trade Receivables – Third Parties	100,415	279,237	958,050	754,948	1,005,389	116,623
Other Current Financial Assets	132,796	246,478	573,649	282,188	274,269	402,601
Inventory	70,458	54,644	47,852	37,922	35,295	37,055
Prepaid Taxes	742,199	730,279	566,362	438,350	355,081	349,040
Advances and Prepaid Expenses	144,938	277,609	235,921	245,321	256,442	281,641
Total Current Assets	2,509,694	1,817,572	2,566,830	2,038,878	2,073,521	1,634,573
Non-Current Assets						
Prepaid Expenses – Net of Current Portion	476,320	503,945	573,551	785,863	847.204	813,854
Investment Property	9,304,749	9,542,252				
Property and Equipment	479,036	525,836	10,218,242	9,404,369	8,288,344	9,279,757
Intangible Assets	124,417	119,532	121,495	114,897	108,299	114,066
Deferred Tax Assets			125	229	747	623
Other Non-Current Financial Assets	484	1,229,610	539,051	265,832	352,366	237,557
Total Non-Current Assets	10,385,006	11,921,175	11,452,464	10,571,190	9,596,960	9,445,857
Total Assets	12,894,700	13,738,747	14,019,294	12,610,068	11,670,481	11,080,430

Statements of financial position (liabilities)

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Statements of financial position (Liabilities, in IDR millions, unless otherwise specified)

	2014 (Audited)	2015 (Audited)	2016* (Audited)	2017 (Audited)	2018 (Audited)	1Q 2019 (Unaudited)
Current Liabilities		·				
Trade Payables						
- Related Party	3,562	293	17,227	9,578	486	3,320
- Third Parties	29,012	31,684	51,728	26,116	14,410	13,237
Other Current Financial Liabilities	8,450	523	454	427	157	1,014
Taxes Payable	11,343	32,857	19,489	9,693	8,863	12,789
Accruals	116,339	211,919	172,969	159,945	77,463	117,687
Deferred Income	565,129	250,459	732,401	615,401	852,120	717.961
Short-Term Bank Loan	1,741,600					
Short-Term Syndicated Loan			100,000		222,766	378,267
Current Portion of Long-Term Bank Loan	3,732,000	304,180			360,000	
Total Current Liabilities	6,207,435	831,915	1,094,268	821,160	1,536,265	1,244,275
Non-Current Liabilities						
Long-Term Loan	4,153,169	3,754,404	3,846,124	3,649,029	7,134,063	6,841,057
Bond Payable		4,056,000	3,967,221	4,019,204	-	
Due to Related Party – Non-Trade	471,243					
Deferred Tax Liabilities	187,384	264,041	402,508			
Long-Term Employment Benefit Liabilities	12,792	17,851	20,789	27,265	30,248	30,249
Total Non-Current Liabilities	4,824,588	8,092,296	8,241,963	7,695,498	7,164,311	6,871,306
Total Liabilities	11,032,023	8,924,211	9,336,231	8,516,658	8,700,576	8,115,581

Statements of financial position (equity)

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Statements of financial position (Equity, in IDR millions, unless otherwise specified)

Equity	2014 (Audited)	2015 (Audited)	2016* (Audited)	2017 (Audited)	2018 (Audited)	1Q 2019 (Unaudited)
Issued and Paid-Up Capital	79,436	113,758	113,758	113,758	113,758	113,758
Additional Paid-in Capital – Net	1,230,128	3,589,495	3,589,711	3,589,711	3,589,711	3,589,711
Retained Earnings	553,131	690,484	822,112	(119,647)	(719,479)	(737,189)
Other Comprehensive Income	(18)	420,799	157,422	509,528	(14,145)	(1,491)
Total Equity Attributable To:						
- Owners of the Parent	1,862,677	4,814,536	4,683,063	4,093,410	2,969,905	2,964,849
- Non-controlling Interest						
Total Equity	1,862,677	4,814,536	4,683,063	4,093,410	2,969,905	2,964,849
Total Liabilities And Equity	12,894,700	13,738,747	14,019,294	12,610,068	11,670,481	11,080,430

Statements of cash flows

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Statements of cash flows (in IDR millions)

					!	-
	2014 (Audited)	2015 (Audited)	2016* (Audited)	2017 (Audited)	2018 (Audited)	1Q 2019 (Unaudited)
Cash Flows from Operating activites	(Addited)	(Addited)	(Addited)	(Addited)	(Addited)	(Orlaudited)
Cash Received from Customers	1,432,225	1,201,587	1,622,474	2,225,161	1,892,016	1,078,451
Payment to Suppliers and Opex	(740,265)	(215,098)	(219,457)	(162,272)	(137,503)	(31,527)
Interest Received	15,784	31,342	15,697	20,057	(112,414)	(27,058)
Tax Payment and Others	(33,731)	(50,418)	(1,032)	(1,727)	(5,047)	(12,037)
Net Cash provided by operating	674,013	967,413	1,417,682	2,084,673	1,637,052	1,007,829
Cash Flows from Investing activities	074,010	301,410	1,411,002	2,004,010	1,007,002	1,007,023
Property and Equipment acquisition-net	(161,375)	(92,682)	(386,463)	(315,596)	(161,295)	(21,058)
Prepayment for Ground lease	(247,332)	(209,993)	(215,769)	(395,687)	(210,370)	(18,387)
Investment property – net	(5,884,799)	(292,856)	(210,700)	(000,007)	(210,070)	(10,007)
Advances for construction	(8,681)	(48,388)	74	(1,710)	(3,159)	(8,735)
Others	(0,001)	(20,000)	24,843	(1,710)	(3,139)	(0,733)
	/6 202 49 7 \	• • •	•	(712.002)	(274 924)	(40 400)
Net Cash used in investing	(6,302,187)	(663,919)	(577,315)	(712,993)	(374,824)	(48,180)
Cash Flows from Financing activites						
Net Proceeds from exercise of Limited Public offering II		1,931,016				
Proceeds from Exercise of Warrant serie I	355	172				
Financing transactions (Net)	6,906,903	(6,107,864)	85,982	(406,576)	(652,027)	(464,971)
Proceeds (Payment) from Bond issuance		3,859,800				
Payment of financial charges	(498,368)	(1,072,118)	(973,885)	(869,813)	(733,256)	(192,878)
Others	11,404					
Net cash flows from financing	6,420,294	(1,388,994)	(887,903)	(1,276,389)	(1,385,283)	(657,849)
Net (decrease) increase in cash	792,120	(1,085,500)	(47,536)	95,291	(123,055)	301,800
Effect of forex difference on cash	1,542	(4,063)	3,207	(138)	(10,049)	(1,232)
Cash and cash equivalent at beginning of year	525,226	1,318,888	229,325	184,996	280,149	147,045
Cash and cash equivalent at end of year	1,318,888	229,325	184,996	280,149	147,045	447,613