



# Management Presentation PT Solusi Tunas Pratama Tbk

June 2017

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A large decorative graphic consisting of a solid red circle with a dotted red border. Inside the solid circle is a grey, curved, wave-like shape. A horizontal red line with a small circle at its left end extends from the left edge of the solid red circle.

***Section 1  
Country and  
Industry  
Overview***



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



## Indonesia Tower Market

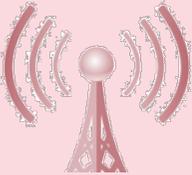
- ✓ High barriers to entry including local regulations
- ✓ Significant growth opportunity
- ✓ Long term revenues with minimal churn and default risk
- ✓ High EBITDA margins and free cash flow conversion
- ✓ Strong operating leverage
- ✓ Market leaders have the highest ROIC globally

## Global Tower Market Benchmarking

Business model	Independent	Independent	Independent <sup>2</sup>	Captive
Lease rate per tenant per month (USD) <sup>1</sup>	900 – 1,100	2,500 – 3,000	1,400 – 2,600	600 – 800
Multi-tenancy discount	No discount	No discount	No discount	Ranges from 5% – 20%
EBITDA margins (%)	86% – 87%	55% – 70%	40% – 50%	40% – 45% <sup>3</sup>
Tower + Power	No	No	No	Yes
New tower capex (USD '000 per tower) <sup>1</sup>	60 – 70	200 – 250	75 – 90	35 – 50

Source: Industry report

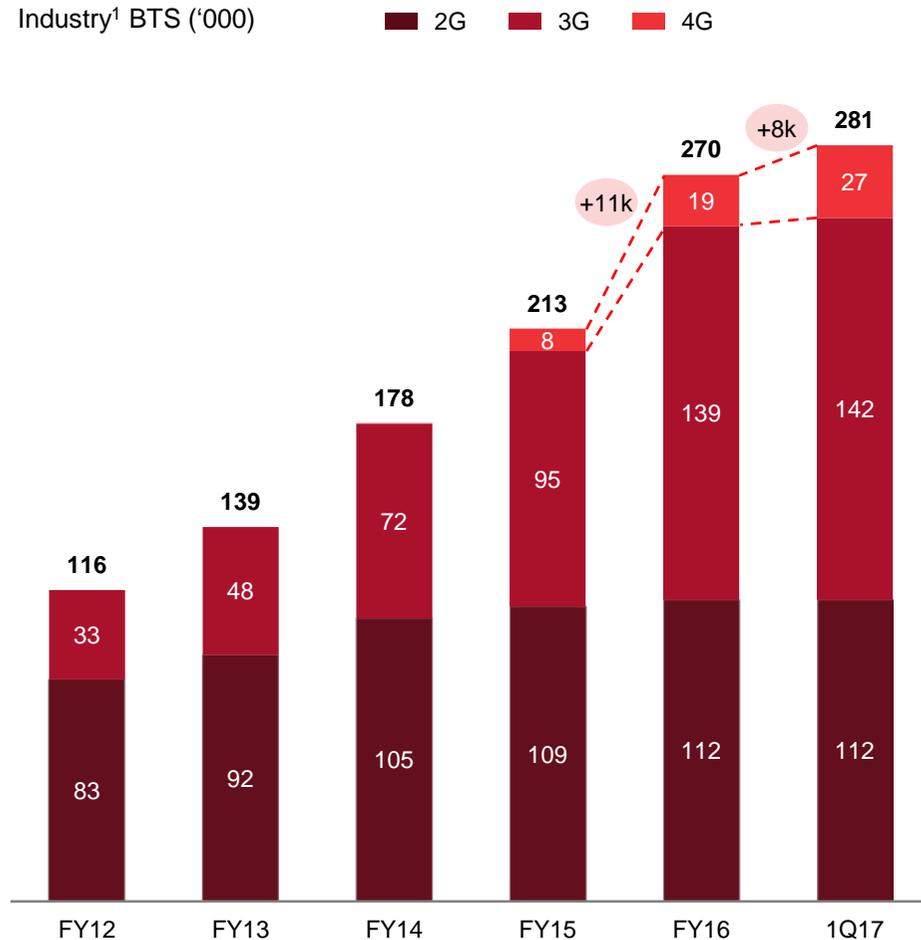
Note: <sup>1</sup> In local currency, and stated in approximate USD for comparison purposes; <sup>2</sup> Independent tower business model in Western Europe, with the exception of Inwit in Italy; <sup>3</sup> Indian average EBITDA margins relatively lower as revenue includes pass-through items, such as fuel cost

 <p><b>Coverage Expansion</b></p>	<p style="text-align: center;"><b>Network Coverage Expansion</b></p> <ul style="list-style-type: none"> <li>• Telkomsel currently has <b>c. 30,000 coverage sites</b> <ul style="list-style-type: none"> <li>• To achieve similar coverage, Indosat and XL Axiata will need additional <b>c. 8,500 coverage sites each</b></li> <li>• Expansion is likely to be focused outside Java</li> </ul> </li> </ul>	<p style="text-align: center;"><b>Palapa Ring</b></p> <ul style="list-style-type: none"> <li>• A nationwide fibre optic backbone expected to improve internet access across towns and villages in ex-Java where standalone deployment would not be economically viable for operators             <ul style="list-style-type: none"> <li>• Such initiative will further <b>reduce the cost of expansion to ex-Java areas</b> incentivizing Indosat and XL to strengthen their ex-Java network coverage</li> </ul> </li> </ul>
 <p><b>Capacity Growth</b></p>	<p style="text-align: center;"><b>Spectrum Constraint</b></p> <ul style="list-style-type: none"> <li>• Indonesian operators' spectrum holdings are <b>low compared to leading operators in Southeast Asia</b></li> <li>• Such constraint will generate <b>new tenancy demand</b> and <b>additional equipment revenues</b></li> </ul>	<p style="text-align: center;"><b>3G / 4G Expansion</b></p> <ul style="list-style-type: none"> <li>• Surging data demand will require operators to <b>upgrade networks</b> and <b>expand their 3G / 4G capacity</b>, generating <b>additional equipment revenues</b></li> </ul>
 <p><b>New Services</b></p>	<ul style="list-style-type: none"> <li>• Increasing urbanization will drive new services demand, such as <b>microcell pole leasing</b> and <b>broadband</b></li> <li>• Value proposition from such new services includes:             <ul style="list-style-type: none"> <li>• <b>Cover blank spots</b> and <b>increase network capacity</b> in dense data traffic areas</li> <li>• <b>Greater scalability</b> through faster deployment and lower capex per cell</li> <li>• <b>Dedicated fiber broadband</b> connections for companies</li> <li>• <b>Supporting wireless infrastructure</b> to provide wifi-offloads as required</li> </ul> </li> </ul>	

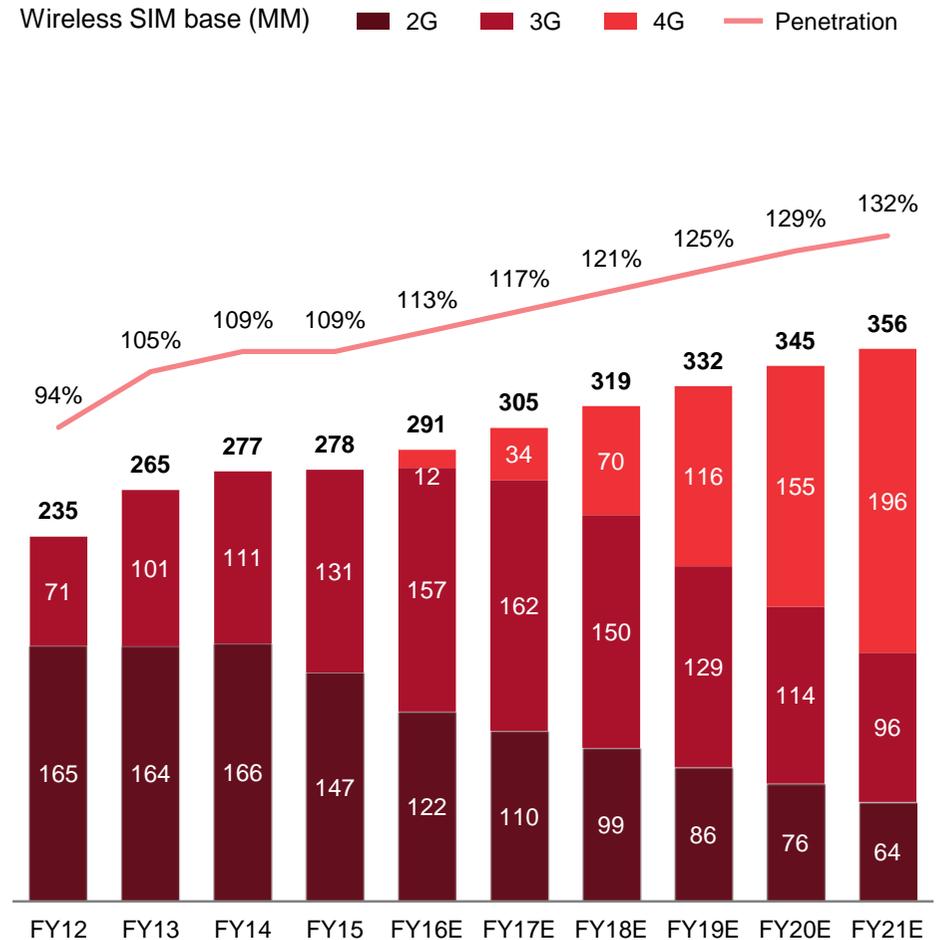
# Indonesia's telecom sector is transitioning from 3G to 4G...



## Indonesia's 4G network roll-out is just beginning...



## ...with 55% of SIM card users expected to use 4G by 2021



Source: Industry report

Note: <sup>1</sup> Includes Telkomsel, Indosat and XL Axiata

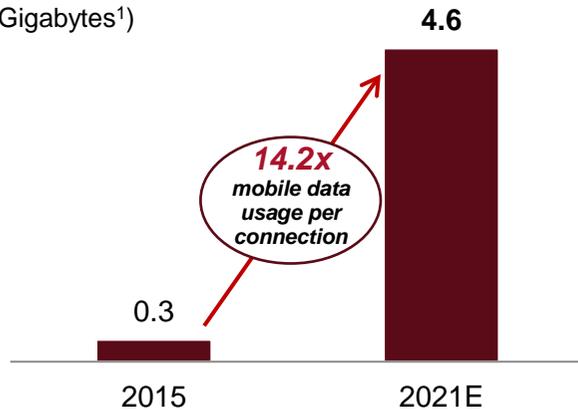
# ...as demand for mobile data continues to boom



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

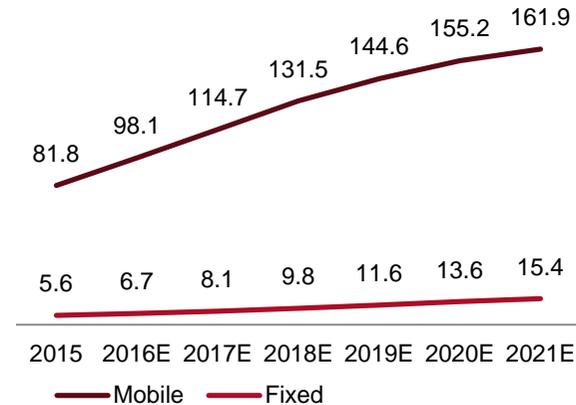
**Mobile data usage per connection is expected to increase 14.2x from 2015 to 2021E**

(Gigabytes<sup>1</sup>)

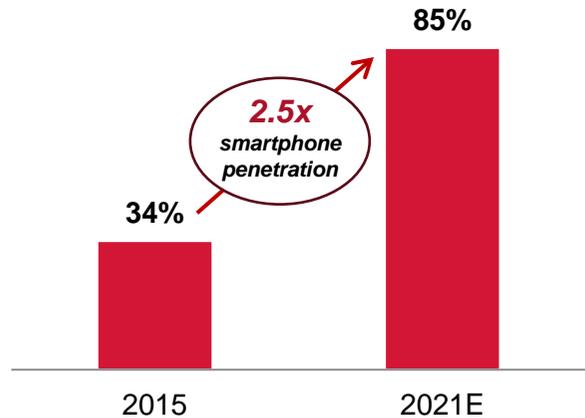


**Mobile connections are expected to account for 92% of total broadband connections**

(Million connections)

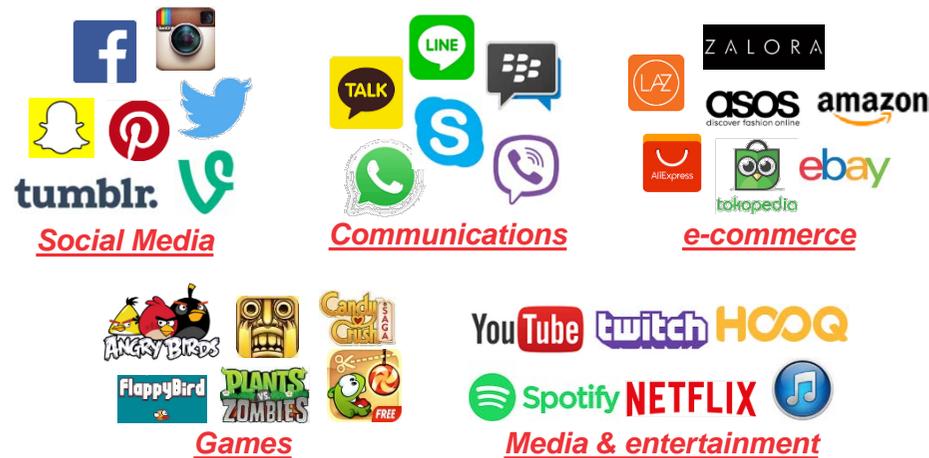


**Smartphone penetration is expected to reach 85% by 2021**



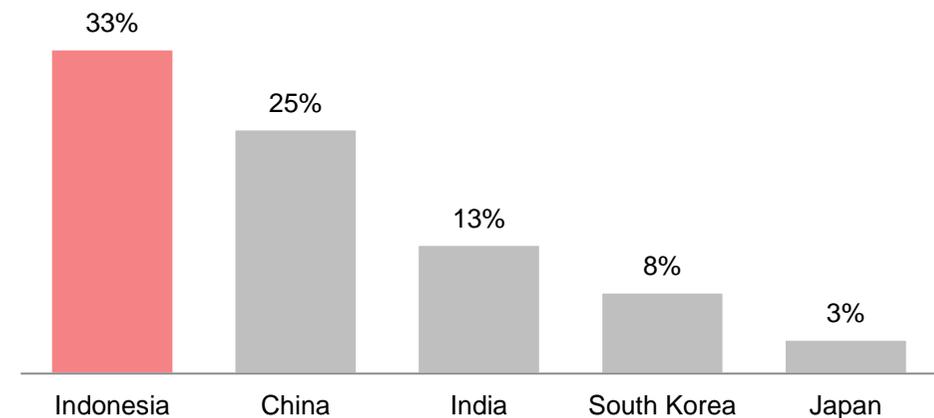
...driven by an increasingly literate mobile generation

**Emergence of content and apps is transforming the way we live**



**Indonesia is the top market destination for mobile app industry<sup>2</sup>**

(% regional share in Asia Pacific)

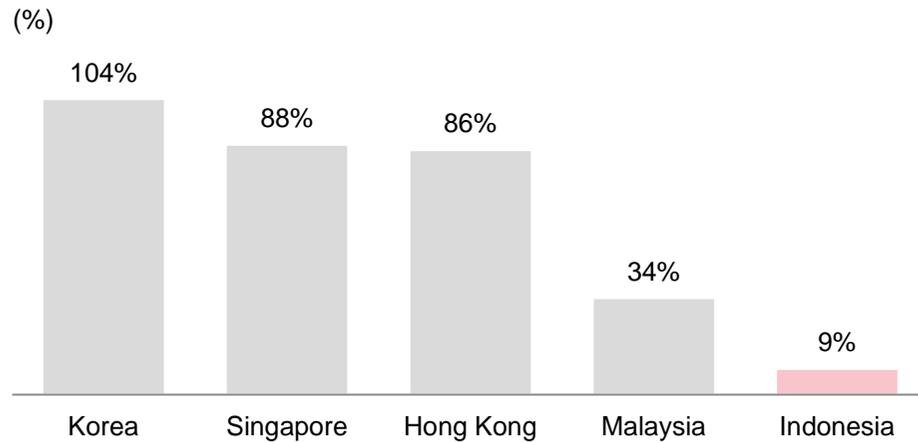


Source: InMobi – APAC Mobile Market Overview (Q3 2016), other industry report  
 Note: <sup>1</sup> A gigabyte (GB) is 10<sup>9</sup> bytes of data; <sup>2</sup> Across mobile operating platform

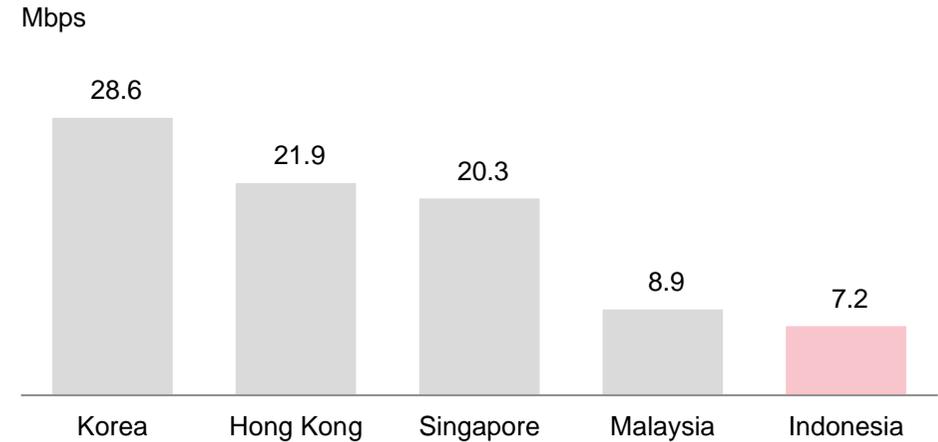
# Indonesia's fixed broadband market is nascent



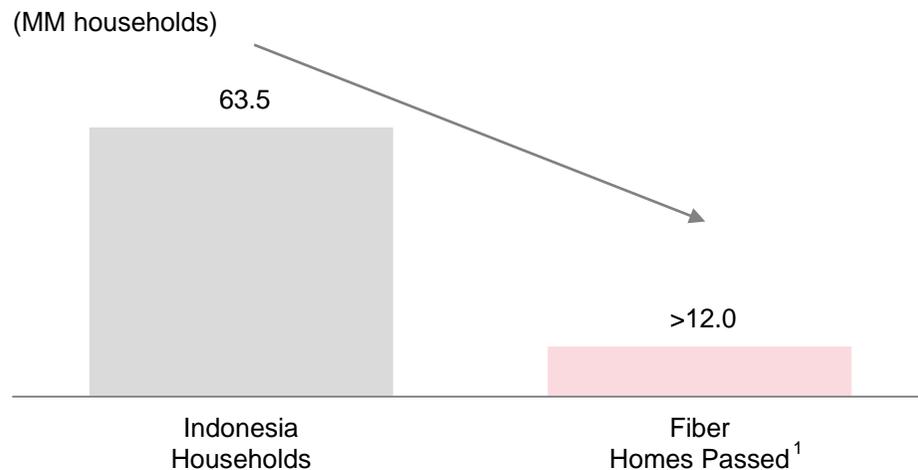
## Indonesia has amongst the lowest fixed broadband penetration...



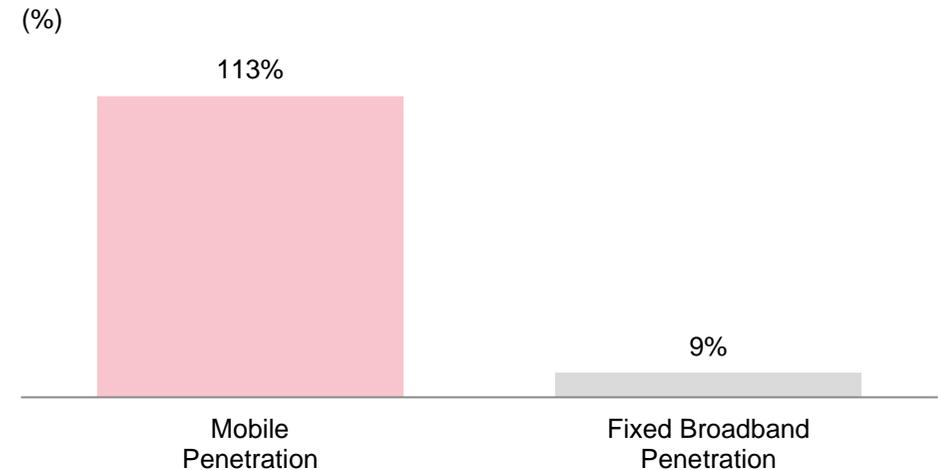
## ...and a relatively low average fixed broadband speed



## Only c. 19% of homes in Indonesia have access to fiber ...



## ... whilst mobile penetration has surpassed 100%

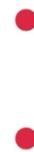


Source: Media Partners Asia (2017), Akamai (1Q 2017), Industry Report

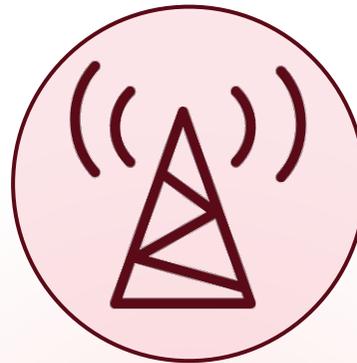
Note: <sup>1</sup> Based on homes passed of broadband operators offering fiber services; does not represent households which subscribe to fiber services which is a smaller subset

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***Section 2  
Company  
Overview***

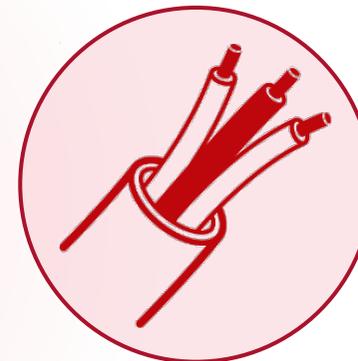


# Indonesia's premier wireless data network infrastructure provider



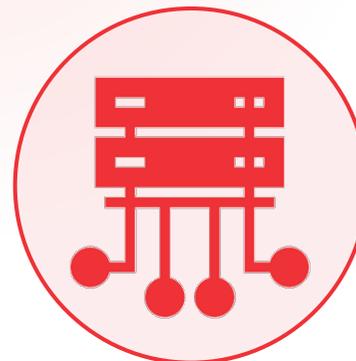
**6,346** macro towers and  
**555** microcell poles with  
**11,471** tenants

~89% of  
revenue from  
the top-4 telcos<sup>1</sup>



**2,783 km** fiber  
optic network

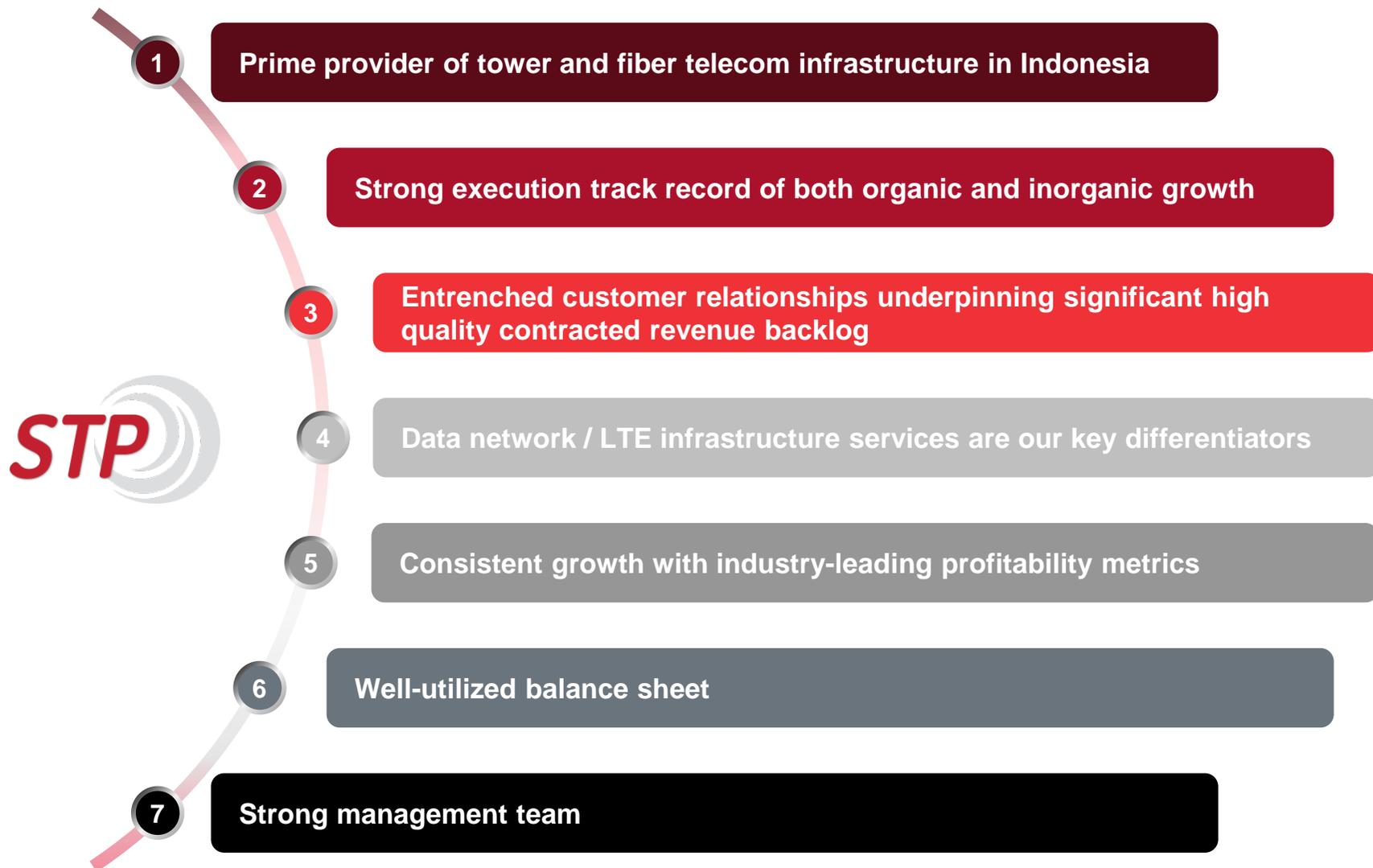
1Q17 EBITDA  
margin of  
**86.1%**



**39** indoor DAS sites  
with **83** tenants

Note: <sup>1</sup>Revenues from Telkom Group includes Telkomsel, Mitratel, and resellers with Telkomsel as the end customer

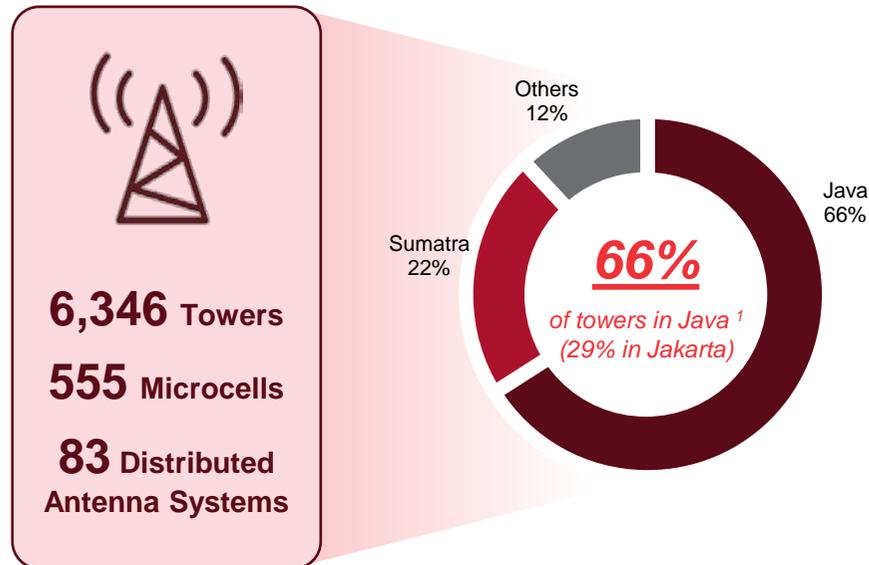
# Key investment highlights



# 1 Prime provider of tower and fiber telecom infrastructure in Indonesia



## Tower, microcell and DAS



## Fiber



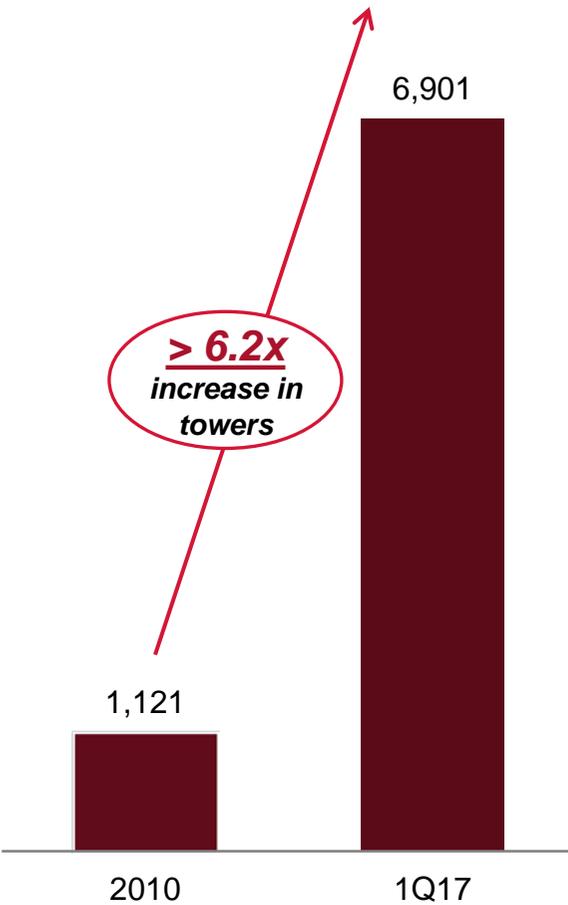
- ✓ **First listed TowerCo** in Indonesia to obtain license to **lease out space on microcell poles (20-year contract)** and possess fiber optics backbone to connect microcell poles **supporting aggressive urban 3G / LTE rollout by mobile telecommunication operators**
- ✓ **Fiber optics coverage reaching 6 million premises in Jakarta** to support growing data traffic demand
- ✓ **Comprehensive solution** includes **microcell poles, DAS and fiber optic network**, with magnitude and proportion expected to increase
- ✓ Potential new business opportunities for providing **wholesale fiber connection to broadband and pay TV operators**

Note: <sup>1</sup> Java includes both Java and Bali Island as well as Greater Jakarta; Diagram refers to towers and microcells

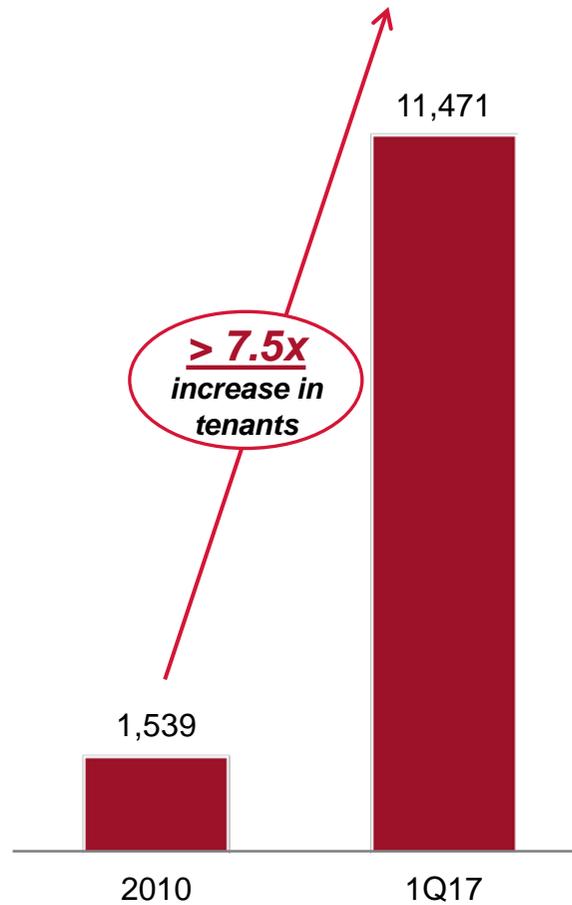
## 2 Strong execution track record...



### Towers

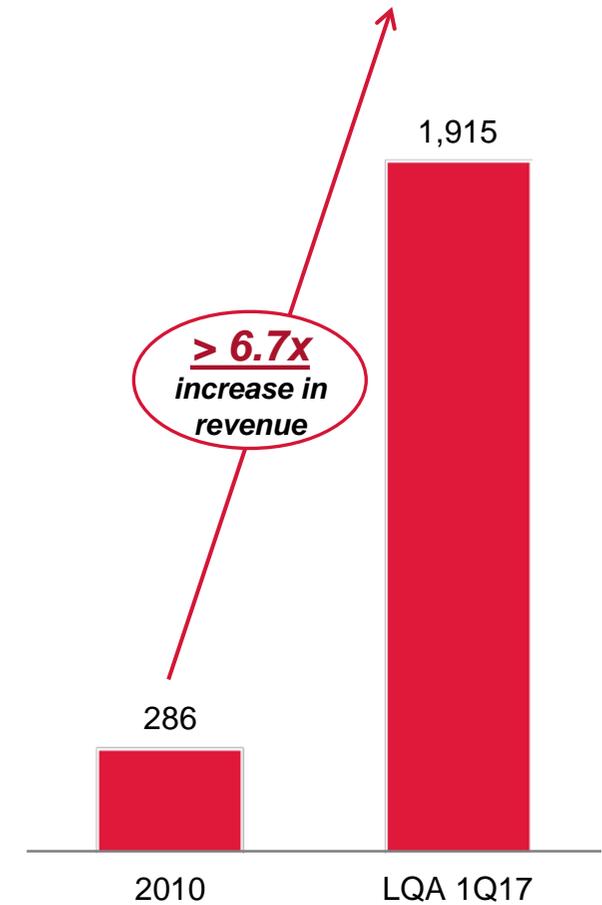


### Tenants



### Revenue

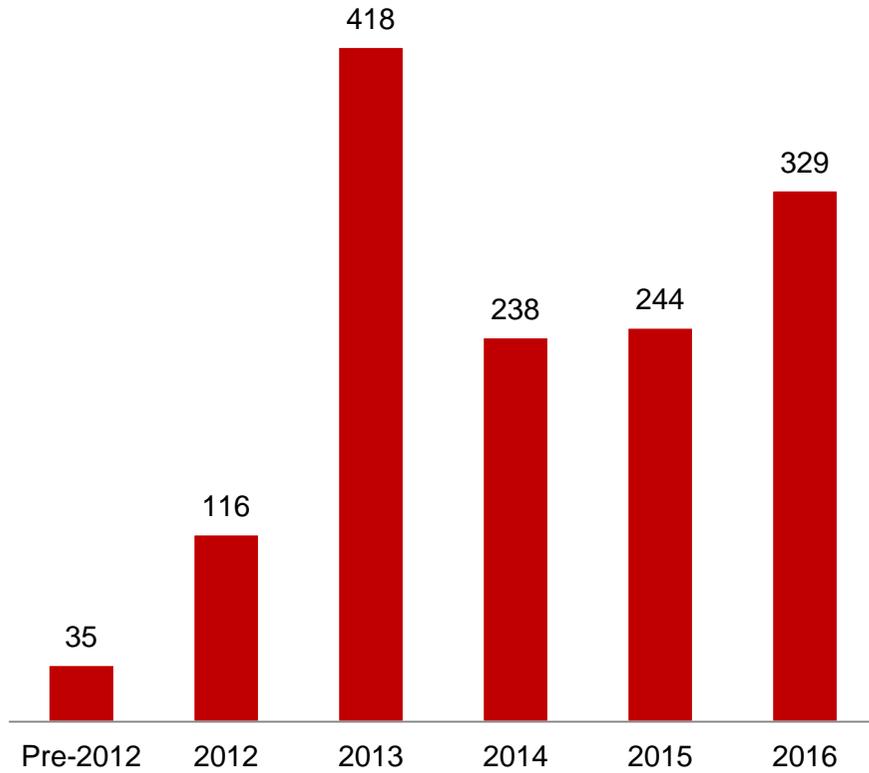
(IDR Bn)



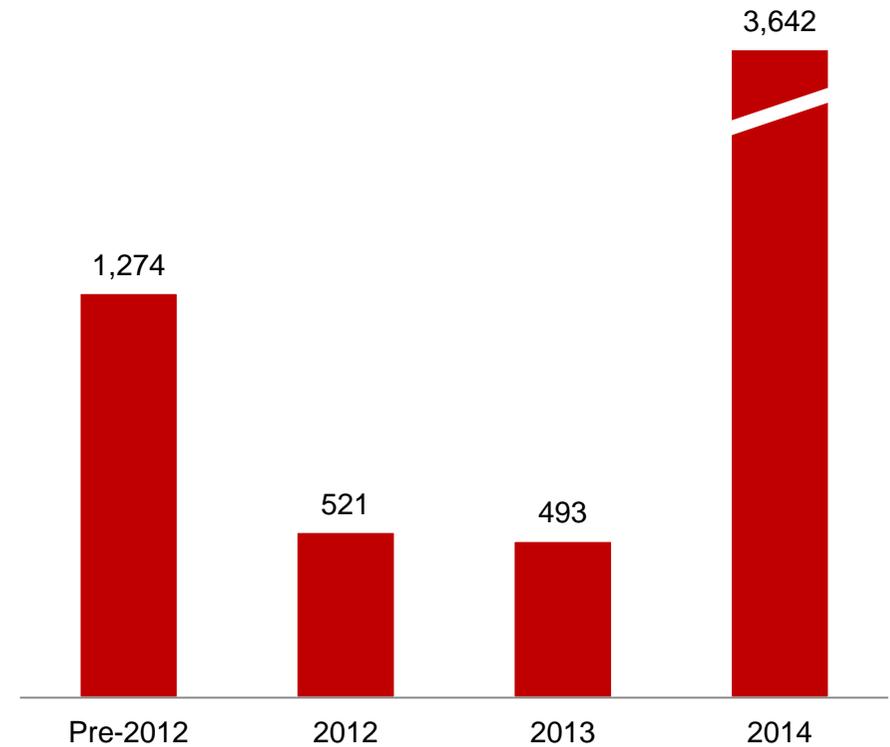
## 2 ...of both organic and inorganic growth



### Build-to-suits ("BTS") towers



### Acquired towers

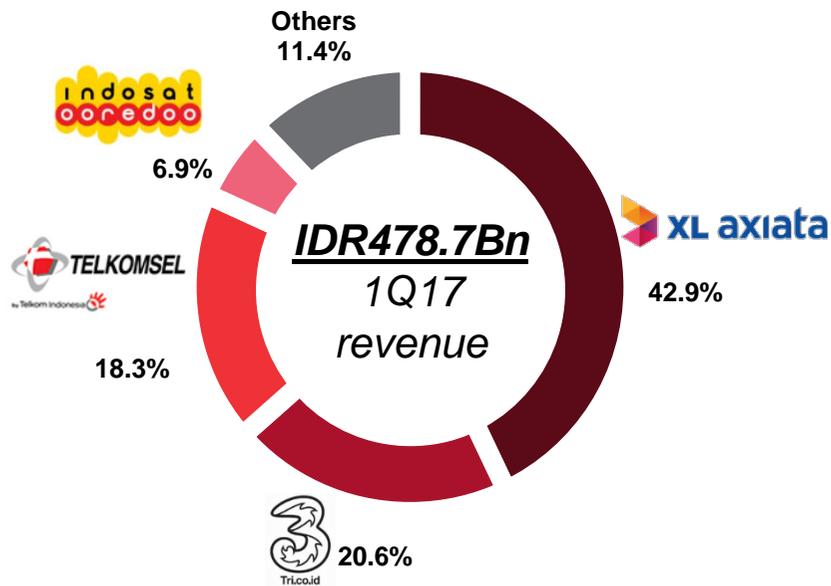


**Indonesia's third largest independent tower portfolio  
comprising 1,380 build-to-suit ("B2S") towers and 5,930 acquired towers**

### 3 Entrenched customer relationships...



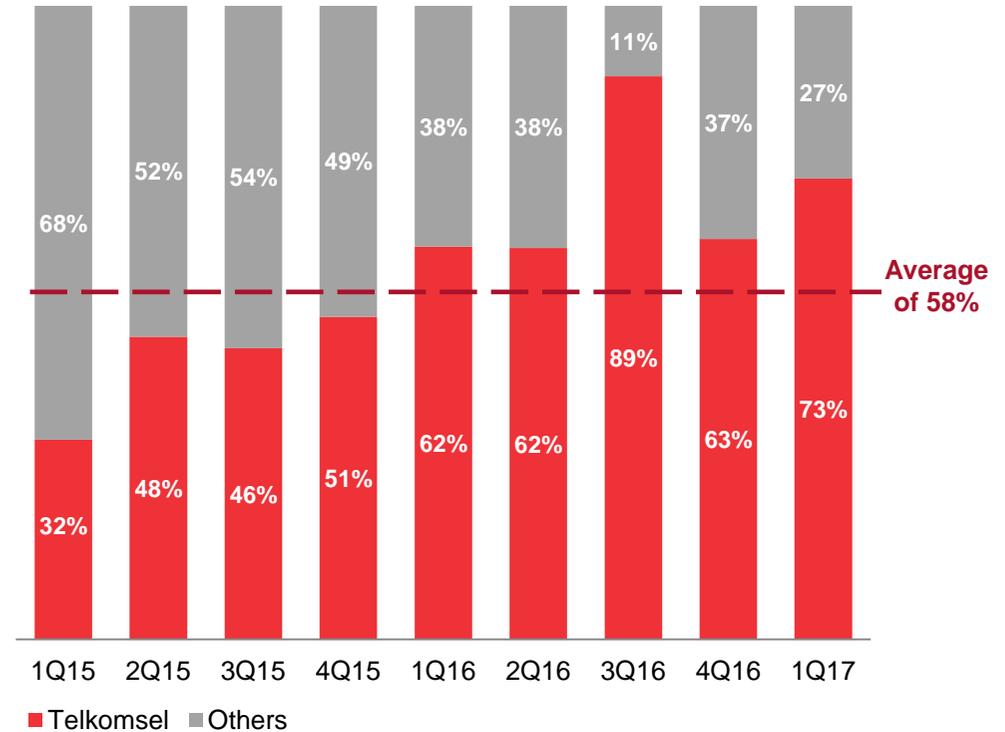
#### Breakdown of 1Q17 revenue contribution by operator



**~89% of revenue from big-4 telcos**

#### We continue to grow our Telkomsel tenancies

Breakdown of new tenancies (%)

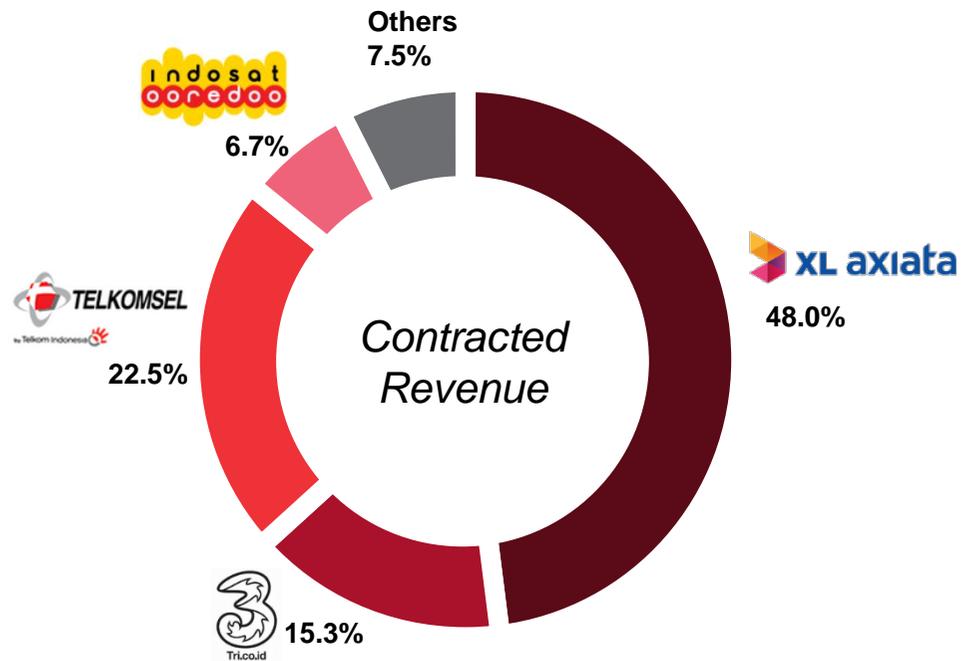


- ✓ Key customers are **Indonesia's four largest and most creditworthy mobile telecommunication operators** contributing **~89% of revenue**
- ✓ **88% of total tenancies are due for renewal from 2020 and beyond**
- ✓ **Our lease rates are fully reflective of current market rates** and c. 98% of our leases are IDR denominated (remaining 2% USD denominated)

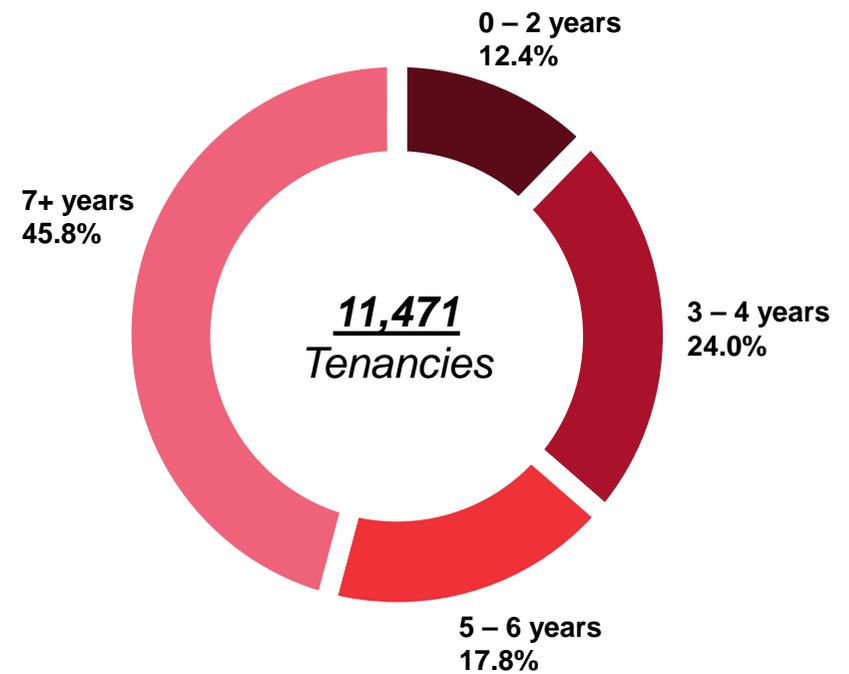
### 3 ...underpinning significant high quality backlog



#### Contracted revenue as of 1Q17



#### Tenancies expiry schedule



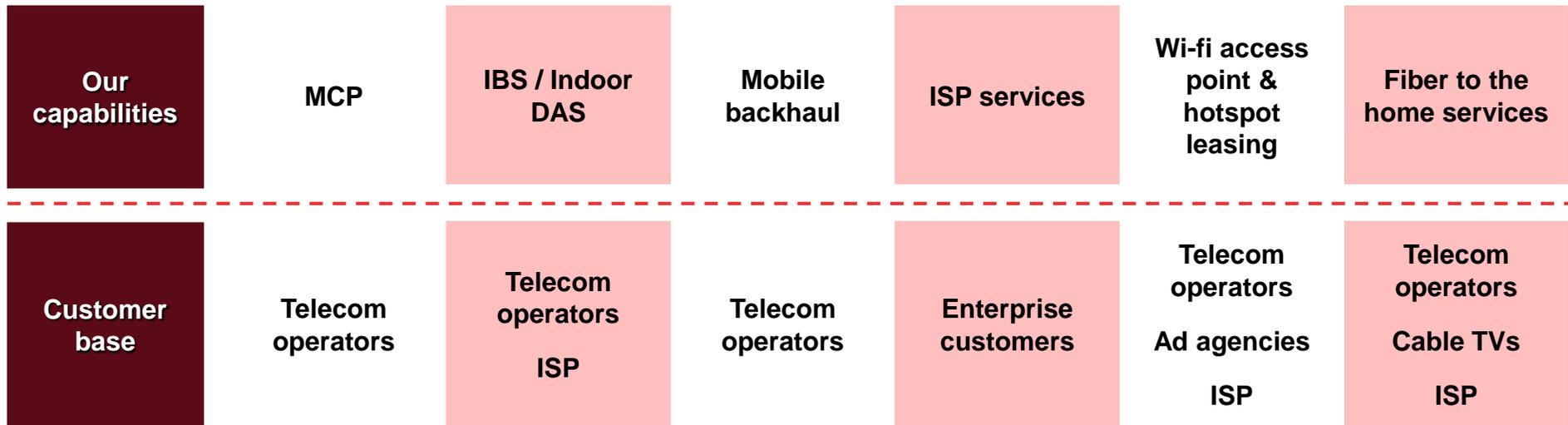
**92.5% of contracted revenue** are sourced from **Big-4 telecom operators**

**63.6% of tenancies** will not be up for renewal until **5 years**

# 4 Data network / LTE infrastructure services are our key differentiators

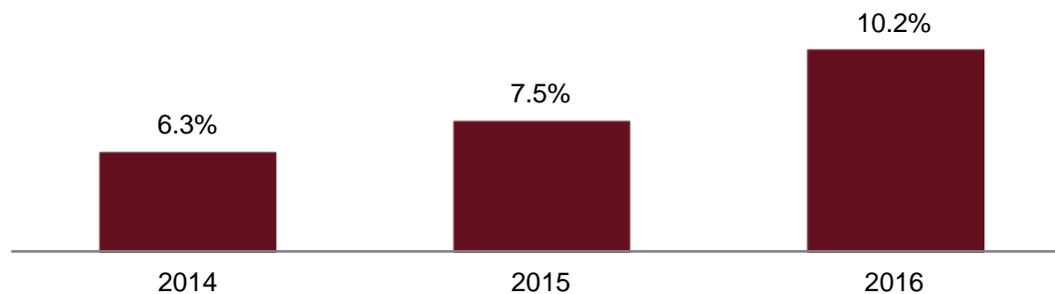


## STP's data network / LTE infra related products and services



## Increasing revenue contribution from microcell poles + fiber

(Revenue contribution from microcell poles + fiber)<sup>1</sup>



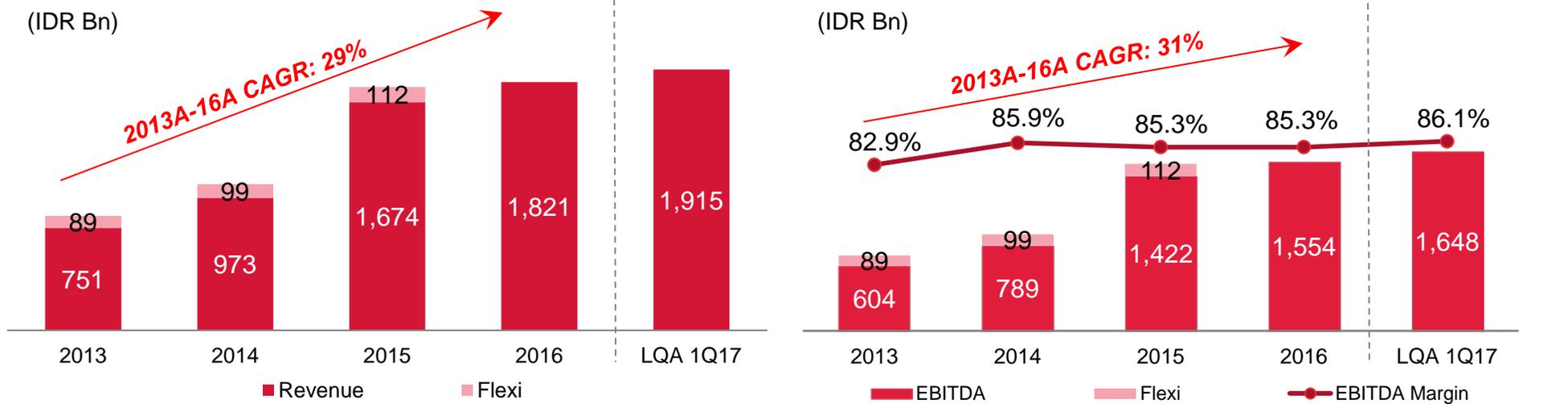
- ✓ **Upfront capital expenditure** to build out backbone fiber network infrastructure has been **completed**
- ✓ **EBITDA per tenancy** from microcell pole and fiber is **higher** than macro tower's
- ✓ Revenue contribution from **microcell poles and fiber** has been **increasing over time**

Note: <sup>1</sup> Revenue on a pro-forma basis, taking into account full year effect of acquisition of 3,500 XL towers for 2014 and excluding revenues from Bakrie Telecom and Telkom Flexi

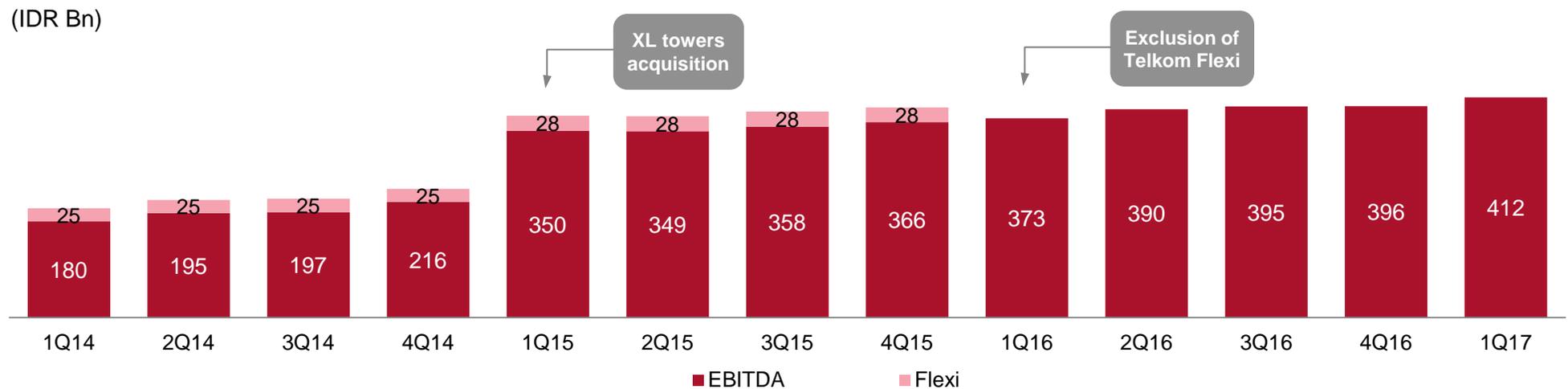
# 5 Consistent growth with industry-leading profitability metrics



## Strong growth trajectory with industry-leading profitability metrics



## Consistently increasing EBITDA every quarter over the last 12 quarters

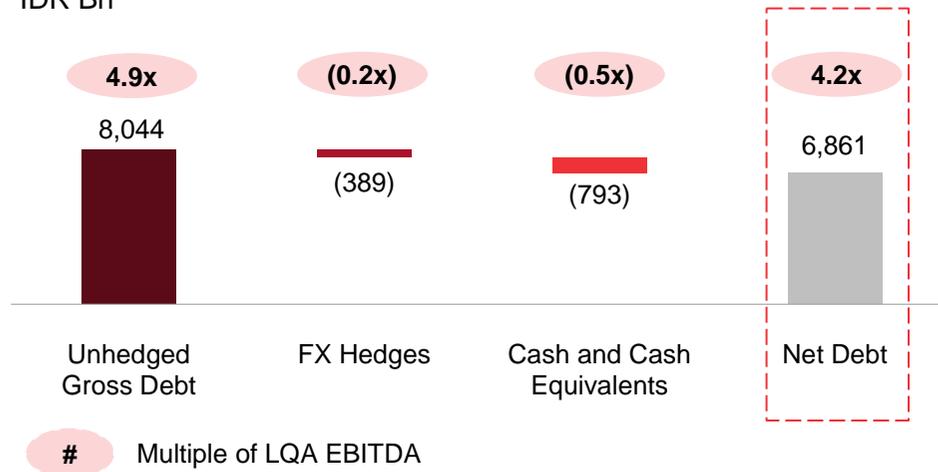


## 6 Well-utilized balance sheet



### 1Q17 net debt build-up

IDR Bn



### Deleveraging profile

Net debt / LQA EBITDA<sup>1</sup> (x)



### Prudent risk management policy

- ✓ **FX hedges** in place to **mitigate volatility in currency and interest rate**
- ✓ **90%**<sup>3</sup> of all outstanding debt is **hedged** against **interest rate fluctuation risk**
- ✓ 87% of all outstanding debt is USD denominated, of which:
  - Principal: **100%** is **hedged** against **FX risk**
  - Interest: **67%**<sup>2</sup> is **hedged** against **FX risk**

### Debt maturity profile



Notes: <sup>1</sup>Net debt refers to gross debt less cash; <sup>2</sup> Post loan prepayment in April 2017 of ~IDR 300 billion

## 7 Strong management team



**Nobel Tanihaha**  
President Director

- President Director of STP since 2006
- Currently serves as Director of PT Sekawan Abadi Prima and President Director of PT Jaring Lintas Indonesia
- Previously served as Director of Vikay Group (property)
- Holds Bachelor of Science from University of Southern California, USA



**Juliawati Gunawan**  
Director

- Financial Controller of STP from 2009 to 2011, and Director of STP since 2011
- Previously was an auditor at Andersen Worldwide Indonesia and a consultant at EY Indonesia
- Holds Bachelor of Economics majoring in Accounting from Tarumanagara University, Indonesia



**Tommy Gustavi Utomo**  
Director

- Head of Property Management of STP from 2012 to 2013, and Director of STP since 2013
- Previously served as General Manager of Project Site Acquisition at PT Bakrie Telecom
- Holds Master of International Business from University of Indonesia and Bachelor of Economics from Gajah Mada University, Indonesia

# We lead our peers across several key operating and financial metrics

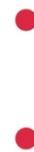


<b>Towers</b>	<b>6,901</b>	<b>14,587</b>	<b>12,874</b>
<b>Organic Tower Adds <sup>1</sup></b>	<b>281 <sup>2</sup></b>	<b>85 <sup>3</sup></b>	<b>1,150</b>
<b>Tenancy Ratio</b>	<b>1.66x</b>	<b>1.65x</b>	<b>1.66x</b>
<b>“Big 4” Revenue Contribution</b>	<b>89%</b>	<b>84% <sup>1</sup></b>	<b>89% <sup>1</sup></b>
<b>Fiber &amp; Microcells Revenue Contribution</b>	<b>10.2%</b>	<b>6.0% <sup>1</sup></b>	<b>None</b>
<b>EBITDA Margin</b>	<b>86.1%</b>	<b>86.3%</b>	<b>86.6%</b>
<b>4Q12–1Q17 EBITDA CAGR</b>	<b>26.4%</b>	<b>19.1%</b>	<b>13.8%</b>
<b>Net Debt / LQA EBITDA</b>	<b>4.2x</b>	<b>1.5x</b>	<b>5.1x</b>

Note: <sup>1</sup>As of FY2016; <sup>2</sup>Adjusted for deduction of Flexi towers; <sup>3</sup>Excluding acquisition of XL towers and divestment of Netherlands assets

A large, central graphic consisting of a solid red circle with a dotted red border. Inside the solid circle are several overlapping, curved grey bands that resemble a stylized spiral or a series of concentric arcs. A horizontal red line with a small circle at its left end extends from the left edge of the solid red circle.

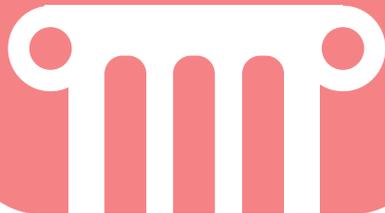
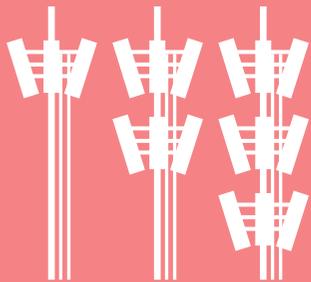
***Section 3  
Growth  
Strategy***



# Our four pillars of organic growth



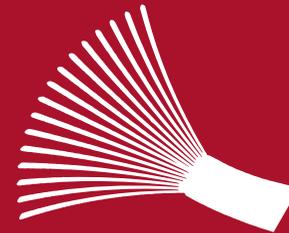
CONTINUED  
COLOCATION  
ON EXISTING  
PORTFOLIO



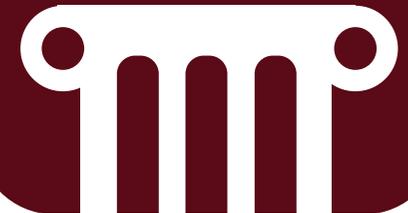
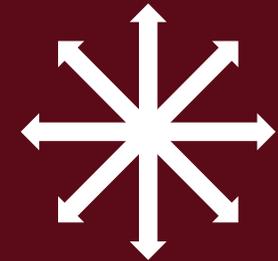
PRUDENT & SELECTIVE  
BUILD-TO-SUIT  
ROLL-OUT



TOWER  
FIBERISATION



EXPANSION OF  
GROWTH TO  
NEW VECTORS



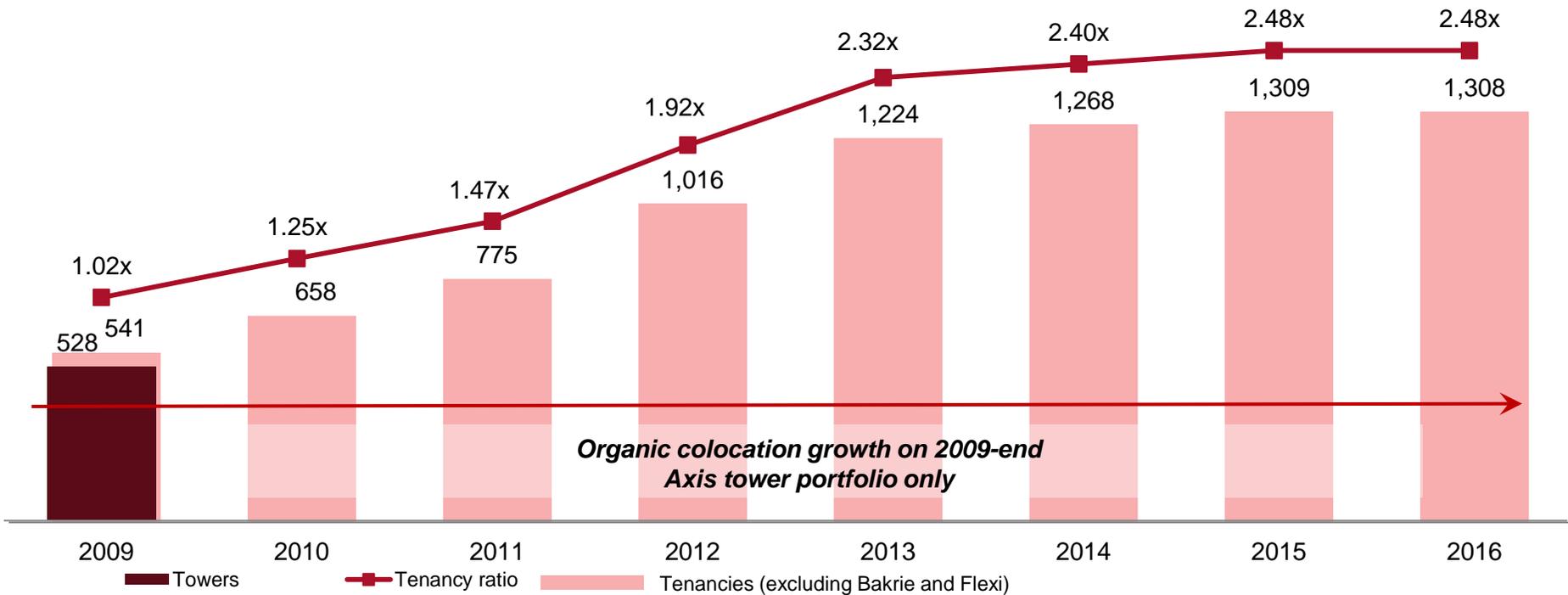
# 1 Significant tenancy ratio expansion potential



## Evolution of our tenancies over time

Beginning tenancy ratio for all acquired / B2S sites <sup>1</sup>	1.15x
Tenancy ratio at Mar 2017 <sup>2</sup>	1.77x
<b>Organic colocation by STP</b>	<b>+0.62x</b>

## Axis case study<sup>3</sup> – our first acquisition



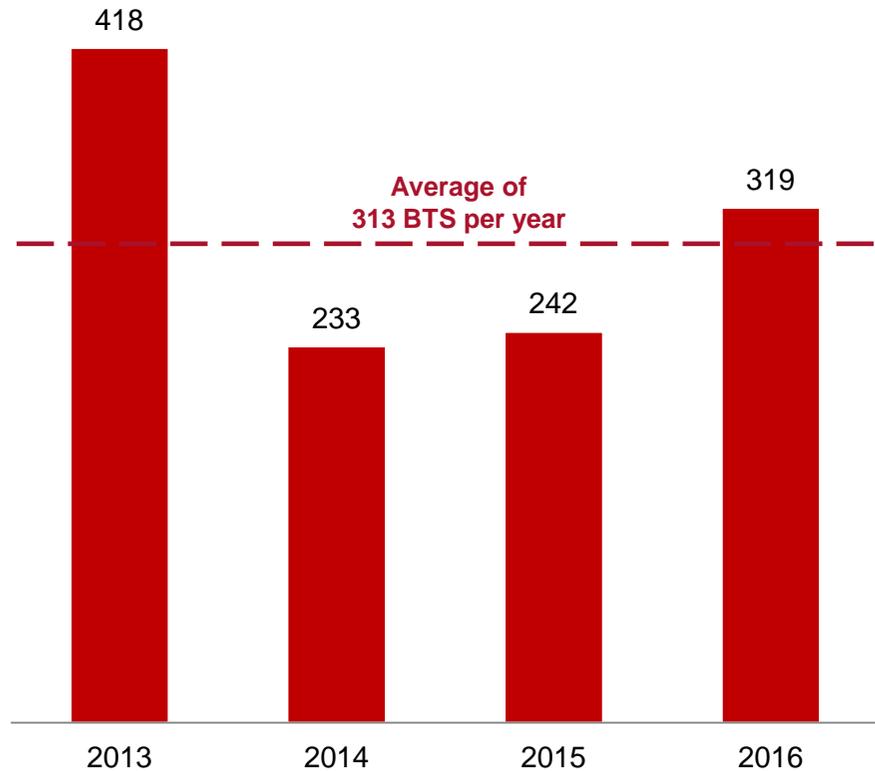
Source: Industry report

Notes: <sup>1</sup> Excluding Bakrie and Flexi tenancies of 211, 211, 210, 210 and 210 in 2012, 2013, 2014, 2015 and 2016 respectively; <sup>2</sup> Calculated as the sum of tenancies of tower portfolios at point of acquisition and completion of BTS sites, divided by the sum of towers acquired and BTS sites as of September 30, 2014; excludes XL acquisition; <sup>3</sup> Case study of portfolio of 528 under-construction towers acquired from Axis in 2007. The towers were fully-constructed in 2009;

## 2 Organic growth via disciplined build-to-suit initiatives



### Build-to-suits (“BTS”)



### Our philosophy

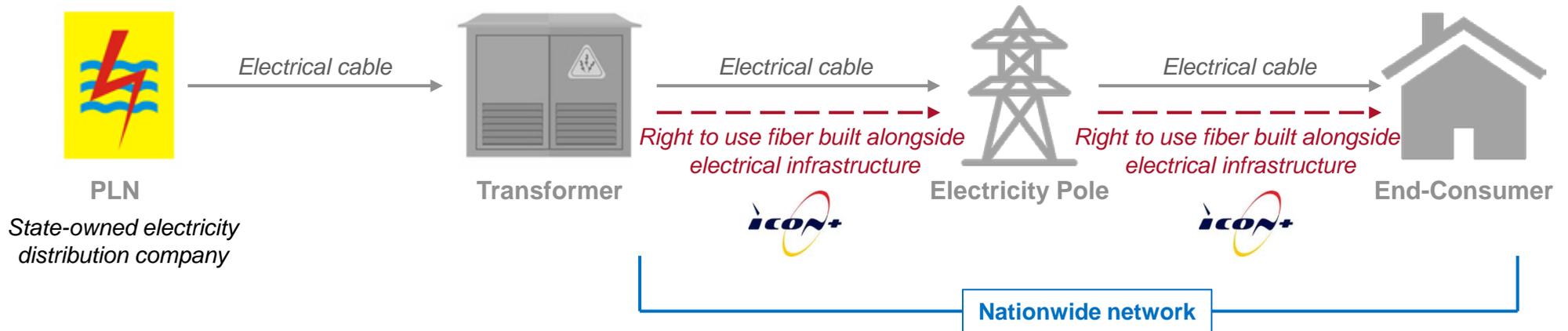
- ✓ **No speculative** build-to-suits
- ✓ **Assessment of colocation potential** before tower builds
- ✓ Towers are **FCF-accretive on Day 1**
- ✓ Contracts with tenants **legally binding**
- ✓ Majority of rent paid **1 year in advance**

Towers are not built without a contract in hand

### 3 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 incur the necessary **capital expenditure for constructing the fiber network**
- STP expected to incur **operating expenses associated with rolling out the fiber network**
- **STP to use the fiber network on a profit sharing basis**

#### Tower fiberisation

- ✓ Fiberisation of sites is becoming **increasingly attractive economically**
- Microwave backhaul has become more expensive over time
- Capacity requirement for telecom operators has increased driven by continuously increasing data consumption

## 4 Expansion of growth to new vectors



### Home fiberisation

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- ✓ Partnership with icon+ unlocks potential of **home fiberization**
- ✓ Solution for telecom operators to **offload 3G/4G network to WiFi at homes**
- ✓ Could be further monetized by selling capacity to **broadband providers**

### Case study

- Completed a pilot project of fiberisation of 2,000 homes in 2016
- Secured contracts with XL Axiata, First Media and My Republic



### Enterprise solution

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- ✓ Signed a framework agreement with Hitachi to jointly provide data center and cloud services to enterprises in Indonesia

### Hitachi – STP Partnership

**HITACHI**

*Global leader in  
data center and  
cloud solution*



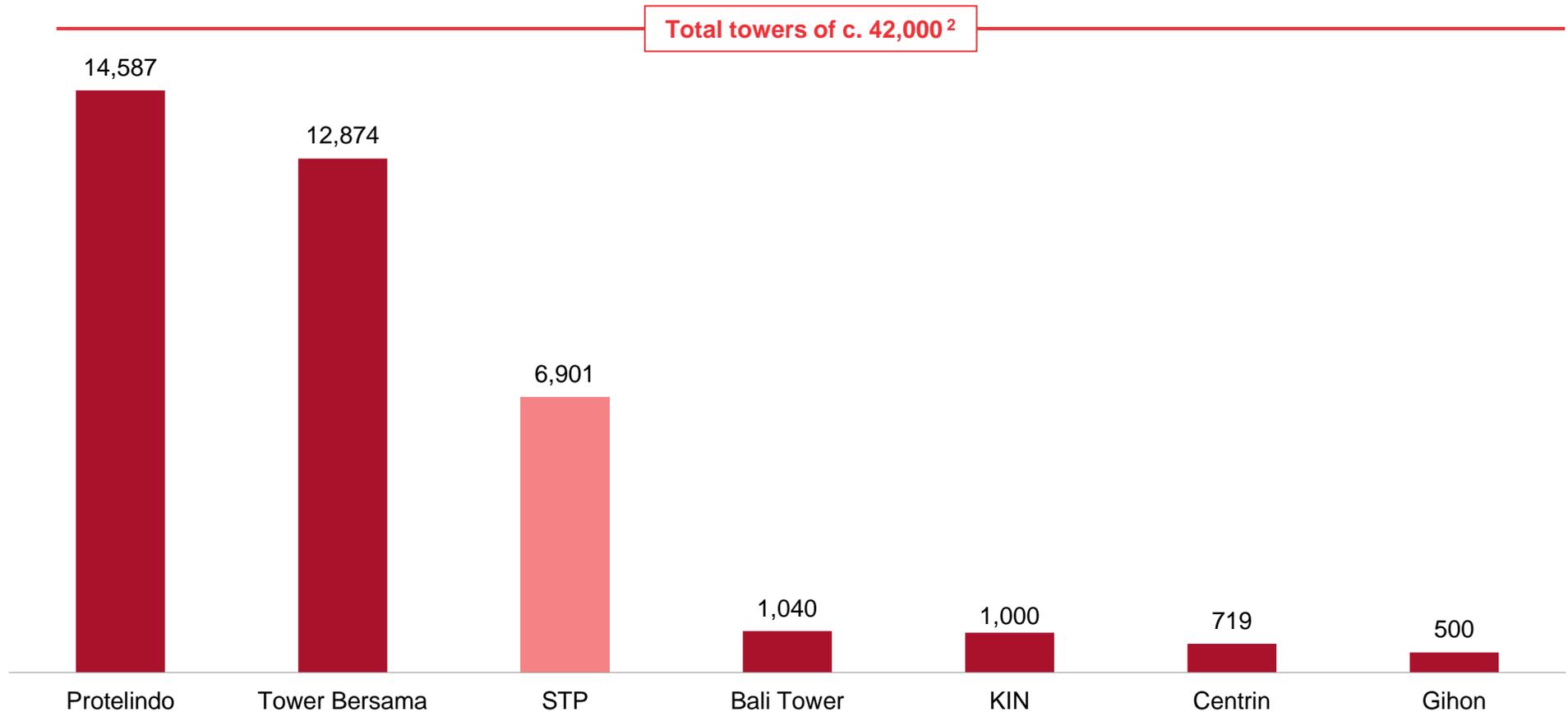
*Operator of #1  
independent fiber  
infrastructure in  
Indonesia*

# Highly fragmented market provides inorganic growth opportunities



## Indonesia independent tower market <sup>1</sup>

# of towers



- ✓ Indonesia independent tower market is **highly fragmented**, and thus offers **inorganic growth opportunities**
- ✓ We will focus on acquisitions where we could extract **significant synergies**

Notes: <sup>1</sup>Tower Bersama, Protelindo and STP as of 31 March 2017, Mitratel and Bali Tower as of 31 Dec 2016, Remaining companies from Tower Xchange report dated 3 Nov 2016; <sup>2</sup>Including smaller tower operators which are not shown on the diagram

A large, central graphic consisting of a solid red circle with a dotted red border. Inside the solid circle are several overlapping, light grey curved bands that create a dynamic, swirling effect. A horizontal red line with a small circle at its left end extends from the left edge of the solid red circle.

***Appendix A  
Summary  
Financials***



# Income statement



## Income statement (in IDR millions, unless otherwise specified)

	2013	2014	2015	2016	1Q 2016	1Q 2017
(in IDR millions)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
<b>Revenue</b>	<b>840,097</b>	<b>1,071,929</b>	<b>1,785,853</b>	<b>1,821,446</b>	<b>465,900</b>	<b>478,731</b>
Cost of Revenue						
Depreciation and Amortization	(103,818)	(117,791)	(186,766)	(228,250)	(53,177)	(57,732)
Other Cost of Revenues	(70,809)	(90,841)	(137,331)	(130,218)	(30,493)	(31,457)
Total	(174,627)	(208,632)	(324,097)	(358,468)	(83,670)	(89,189)
<b>Gross Profit</b>	<b>665,469</b>	<b>863,297</b>	<b>1,461,756</b>	<b>1,462,978</b>	<b>382,230</b>	<b>389,542</b>
<i>Gross Profit Margin (%)</i>	79.2%	80.5%	81.9%	85.3%	82.0%	81.4%
Operating Expenses						
Depreciation and Amortization	(7,634)	(10,217)	(16,279)	(22,486)	(4,533)	(5,615)
Other Operating Expenses	(76,146)	(92,930)	(114,782)	(137,546)	(34,844)	(35,128)
Total	(83,780)	(103,147)	(131,061)	(160,032)	(39,377)	(40,743)
<b>Operating Profit</b>	<b>581,689</b>	<b>760,150</b>	<b>1,330,695</b>	<b>1,302,946</b>	<b>342,853</b>	<b>348,799</b>
<i>Operating Profit Margin (%)</i>	69.2%	70.9%	74.5%	72.8%	73.6%	72.9%
Increase (Decrease) in Fair Value of Investment Property	91,665	(383,566)	3,610	(202,872)	-	-
Interest Income	12,401	15,784	31,342	15,697	2,755	7,758
Financial Charges	(285,456)	(440,086)	(1,035,031)	(1,005,066)	(264,419)	(253,941)
Others – Net	(132,170)	(460,166)	(88,601)	298,645	1,644	(4,975)
<b>Profit (Loss) Before Tax</b>	<b>268,128</b>	<b>(507,884)</b>	<b>242,015</b>	<b>409,350</b>	<b>82,833</b>	<b>97,641</b>
Income Tax Benefits (Expenses)	(70,519)	127,840	(105,140)	(172,221)	(26,801)	(28,532)
<b>Profit (Loss) for the Period</b>	<b>197,609</b>	<b>(380,044)</b>	<b>136,875</b>	<b>237,129</b>	<b>56,032</b>	<b>69,109</b>
<b>Attributable to:</b>						
- Owners of the Parent	197,596	(380,044)	136,875	237,129	56,032	69,109
- Non-controlling Interest	14	-	-	-	-	-

# Statements of financial position (assets)



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

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	1Q 2017 (Unaudited)
<b>Current Assets</b>					
Cash and Cash Equivalents	525,226	1,318,888	229,325	184,996	793,465
Trade Receivables – Third Parties	193,888	100,415	279,237	958,050	573,197
Other Current Financial Assets	240,593	132,796	246,478	573,649	332,510
Inventory	51,095	70,458	54,644	47,852	47,105
Prepaid Taxes	224,302	742,199	730,279	566,362	536,769
Advances and Prepaid Expenses	134,366	144,938	277,609	235,921	271,298
<b>Total Current Assets</b>	<b>1,369,470</b>	<b>2,509,694</b>	<b>1,817,572</b>	<b>2,566,830</b>	<b>2,554,344</b>
<b>Non-Current Assets</b>					
Prepaid Expenses – Net of Current Portion	303,097	476,320	503,945	573,551	606,412
Investment Property	3,783,891	9,304,749	9,542,252	9,667,972	9,724,588
Property and Equipment	345,319	479,036	525,836	550,270	543,974
Intangible Assets	129,303	124,417	119,532	121,495	119,845
Deferred Tax Assets	-	-	-	125	126
Other Non-Current Financial Assets	379,793	484	1,229,610	539,051	197,556
<b>Total Non-Current Assets</b>	<b>4,941,403</b>	<b>10,385,006</b>	<b>11,921,175</b>	<b>11,452,464</b>	<b>11,192,501</b>
<b>Total Assets</b>	<b>6,310,873</b>	<b>12,894,700</b>	<b>13,738,747</b>	<b>14,019,294</b>	<b>13,746,845</b>

# Statements of financial position (liabilities)



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

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	1Q 2017 (Unaudited)
<b>Current Liabilities</b>					
Trade Payables					
- Related Party	18,007	3,562	293	17,227	3,510
- Third Parties	17,120	29,012	31,684	51,728	20,151
Other Current Financial Liabilities	209	8,450	523	454	425
Taxes Payable	5,306	11,343	32,857	19,489	5,936
Accruals	102,672	116,339	211,919	172,969	134,960
Deferred Income	110,215	565,129	250,459	732,401	882,832
Short-Term Bank Loan	-	1,741,600	-	-	-
Short-Term Syndicated Loan	-	-	-	100,000	-
Current Portion of Long-Term Bank Loan	308,485	3,732,000	304,180	-	-
<b>Total Current Liabilities</b>	<b>562,014</b>	<b>6,207,435</b>	<b>831,915</b>	<b>1,094,268</b>	<b>1,047,814</b>
<b>Non-Current Liabilities</b>					
Long-Term Loan	2,656,440	4,153,169	3,754,404	3,846,124	3,841,162
Bond Payable	-	-	4,056,000	3,967,221	3,937,612
Due to Related Party – Non-Trade	471,243	471,243	-	-	-
Deferred Tax Liabilities	318,876	187,384	264,041	402,508	423,267
Long-Term Employment Benefit Liabilities	7,826	12,792	17,851	20,789	20,789
<b>Total Non-Current Liabilities</b>	<b>3,454,385</b>	<b>4,824,588</b>	<b>8,092,296</b>	<b>8,236,642</b>	<b>8,222,830</b>
<b>Total Liabilities</b>	<b>4,016,399</b>	<b>11,032,023</b>	<b>8,924,211</b>	<b>9,330,910</b>	<b>9,270,644</b>

# Statements of financial position (equity)



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

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	1Q 2017 (Unaudited)
<b>Equity</b>					
Issued and Paid-Up Capital	79,429	79,436	113,758	113,758	113,758
Additional Paid-in Capital – Net	1,229,780	1,230,128	3,589,495	3,589,711	3,589,711
Retained Earnings	933,803	553,131	690,484	925,598	994,707
Other Comprehensive Income	51,462	(18)	420,799	59,257	(222,035)
<b>Total Equity Attributable To:</b>					
- Owners of the Parent	2,294,474	1,862,677	4,814,536	4,688,384	4,476,201
- Non-controlling Interest	-	-	-	-	-
<b>Total Equity</b>	<b>2,294,474</b>	<b>1,862,677</b>	<b>4,814,536</b>	<b>4,688,384</b>	<b>4,476,201</b>
<b>Total Liabilities And Equity</b>	<b>6,310,873</b>	<b>12,894,700</b>	<b>13,738,747</b>	<b>14,019,294</b>	<b>13,746,845</b>

# Statements of cash flows



## Statements of Cash Flows ( in IDR millions)

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	1Q 2017 (Unaudited)
<b>Cash Flows from Operating activities</b>					
Cash Received from Customers	603,107	1,432,225	1,201,587	1,622,474	1,244,970
Payment to Suppliers and Opex	(371,175)	(740,265)	(215,098)	(219,457)	(44,243)
Interest Received	12,401	15,784	31,342	15,697	7,758
Tax Payment	(58,660)	(33,731)	(50,418)	(1,032)	(7,101)
<b>Net Cash provided by operating</b>	<b>185,673</b>	<b>674,013</b>	<b>967,413</b>	<b>1,417,682</b>	<b>1,200,384</b>
<b>Cash Flows from Investing activities</b>					
Property and Equipment acquisition-net	(181,791)	(161,375)	(92,682)	(77,611)	(24,133)
Prepayment for Ground lease	(168,616)	(247,332)	(209,993)	(215,769)	(102,970)
Investment property – net	(1,402,830)	(5,884,799)	(292,856)	(308,910)	(86,787)
Advances for construction	--	(8,681)	(48,388)	74	(143)
Others	(13)	--	(20,000)	20,000	--
<b>Net Cash used in investing</b>	<b>(1,753,250)</b>	<b>(6,302,187)</b>	<b>(663,919)</b>	<b>(577,315)</b>	<b>(214,033)</b>
<b>Cash Flows from Financing activities</b>					
Net Proceeds from exercise of Limited Public offering II	--	--	1,931,016	--	--
Proceeds from Exercise of Warrant serie I	284,590	355	172	--	--
Financing transactions	1,836,130	6,906,903	(6,107,864)	85,982	(100,000)
Proceeds from Bond issuance	--	--	3,859,800	--	--
Payment of financial charges	(336,037)	(498,368)	(1,072,118)	(973,885)	(278,435)
Others	44,858	11,404	--	--	--
<b>Net cash flows from financing</b>	<b>1,829,541</b>	<b>6,420,294</b>	<b>(1,388,994)</b>	<b>(887,903)</b>	<b>(378,435)</b>
<b>Net (decrease) increase in cash</b>	<b>261,964</b>	<b>792,120</b>	<b>(1,085,500)</b>	<b>(47,536)</b>	<b>608,916</b>
Effect of forex difference on cash	(64)	1,542	(4,063)	3,207	(447)
Cash and cash equivalent at beginning of year	263,326	525,226	1,318,888	229,325	184,996
<b>Cash and cash equivalent at end of year</b>	<b>525,226</b>	<b>1,318,888</b>	<b>229,325</b>	<b>184,996</b>	<b>793,465</b>

A large, central graphic consisting of a solid red circle with a dotted red border. Inside the solid circle are several overlapping, semi-transparent grey rings that create a tunnel-like or spiral effect. A horizontal red line with a small circle at its left end extends from the left edge of the solid red circle.

***Appendix B  
Additional  
Materials***



# Proven track record of sites acquisition and synergies extraction



## Track record in acquisition of sites with high colocation potential

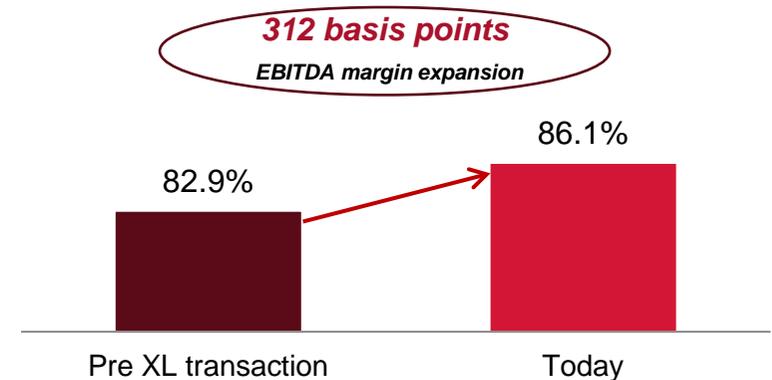
Year	Telco	# towers	Tenancy ratio at acquisition
2014	XL Axiata	3,500	1.66x
2014	Independent tower company	142	1.65x
2013	Independent tower company	493	1.38x
2012	Independent tower companies	321	1.40x
2012	Hutchison	200	1.00x
2010-2011	Independent tower companies	203	1.31x
2009	Bakrie	543	1.00x
2007 <sup>1</sup>	Axis	528	1.00x
<b>Total / Weighted average</b>		<b>5,930</b>	<b>1.47x<sup>2</sup></b>

## Key criteria for target tower portfolios

- ✓ High potential for **future co-locations**
- ✓ Ease of **land lease or acquisition**
- ✓ Ease of **community approvals**
- ✓ **Credit strength** of potential tenants
- ✓ **Financing** options

## Our acquisitions have significant scope for synergies

- ✓ Removal of **overlapping resources / support systems**
- ✓ Greater potential for multiple tenancy site erections result in **reduced capex and operating leverage**
- ✓ Greater **colocation opportunities** on combined portfolio
- ✓ Towers acquired from XL were fully integrated in **3 months**, and have contributed to **significant EBITDA margin uplift** since then



**Strong track record of inorganic growth with 5,930 towers acquired over the last 9 years**

Note: <sup>1</sup> 528 under-construction towers were acquired in 2007, fully constructed in 2009. <sup>2</sup> Calculated as the sum of tenancies of tower portfolios at point of acquisition, divided by the sum of towers acquired

## Deal Structure<sup>1</sup>

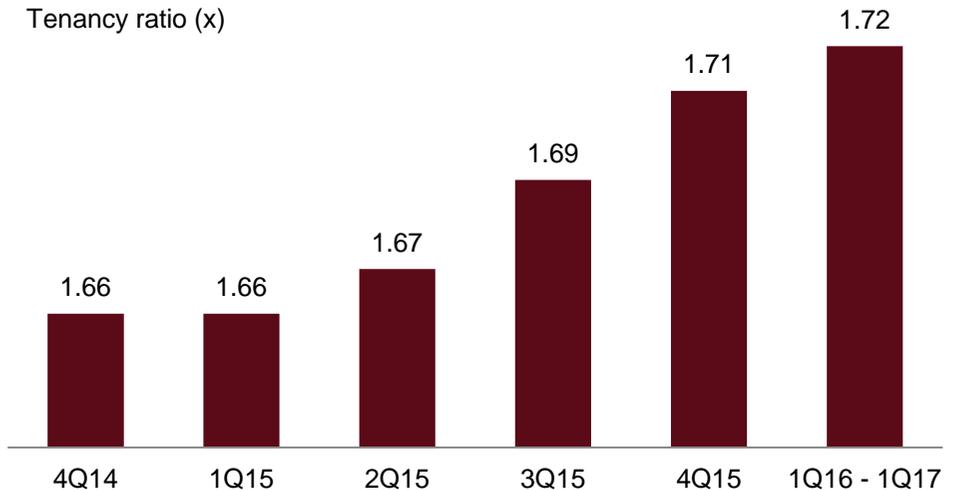
Towers acquired	3,500
Tenants acquired	5,793
Tenancy ratio	1.66x
Purchase price	IDR5,600Bn / c. US\$464MM
EBITDA multiple	8.0-8.5x EBITDA
Value per tower	IDR1,600MM / c. US\$132k
Consideration	Cash
Announcement / closing	October 1, 2014 / December 23, 2014

XL portfolio highlights	<ul style="list-style-type: none"> <li>● 92% of towers are ground-based towers with higher colocation potential</li> <li>● 98% of total tenants from the Big-4 operators                             <ul style="list-style-type: none"> <li>● Representing 84% revenue contribution</li> </ul> </li> <li>● Average lease rate: IDR19MM / month / tower                             <ul style="list-style-type: none"> <li>● XL tenancies: IDR10MM / month / tenant</li> </ul> </li> <li>● Total contracted revenues of IDR6.5Tn</li> <li>● Inflation escalator present in all of colocation tenancies</li> <li>● Opex scalability and cost synergies expected</li> </ul>
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Strategic rationale	<ul style="list-style-type: none"> <li>● Solidifies STP's position as a "Big 3" player in the Indo tower landscape, doubling its portfolio to 6,625 towers and 10,423 tenants</li> <li>● Established #2 telecom operator (XL Axiata) as an anchor tenant on 100% of the acquired sites</li> <li>● Increased total contracted revenue from IDR6.0Tn to IDR12.5Tn, with average lease period increasing from 6.5 to 7.4 years</li> <li>● Attractive opportunity for value creation by increasing tenancy</li> <li>● Potential to realize cost synergies with existing STP towers business in operation and maintenance costs</li> </ul>
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Note: <sup>1</sup> All figures are shown as excluding Bakrie

## We have steadily improved tenancy ratios since the acquisition



## We have actively renewed land leases

