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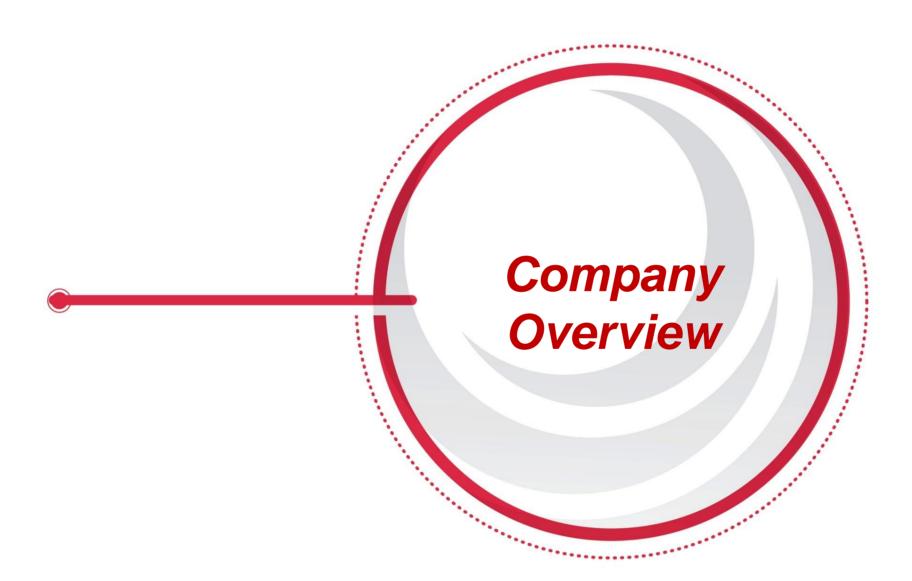
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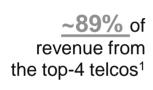


# Indonesia's premier wireless data network infrastructure provider





6,333 towers and562 microcell poles with11,774 tenants









**2,847 km** fiber optic network







38 indoor DAS sites with 63 tenants

# Key investment highlights



1 Prime provider of tower and fiber telecom infrastructure in Indonesia

2 Strong execution track record of both organic and inorganic growth

Entrenched customer relationships underpinning significant high quality contracted revenue backlog

STP

Data network / LTE infrastructure services are our key differentiators

5 Consistent growth with industry-leading profitability metrics

6 Well-utilized balance sheet

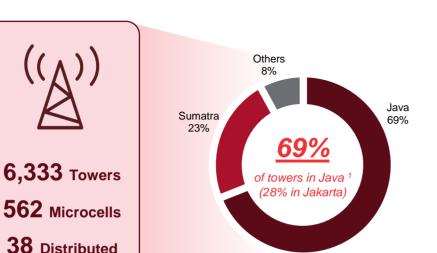
7 Strong management team

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



#### Tower, microcell and DAS

**Antenna Systems** 



#### Fiber

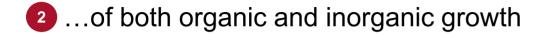


- ✓ First listed TowerCo in Indonesia to obtain license to lease out space on microcell poles (10-year contract) and possess fiber optics backbone to connect microcell poles supporting aggressive urban 3G / LTE rollout by mobile telecommunication operators
- ✓ Comprehensive solution includes microcell 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





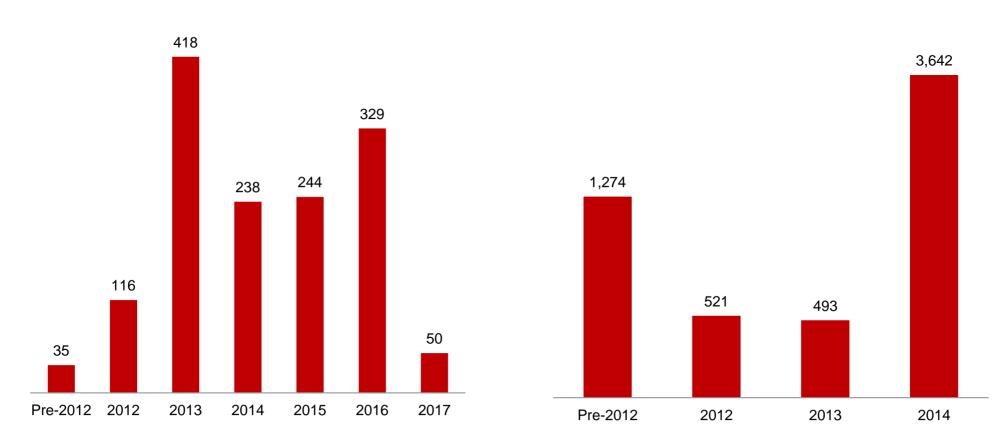
**Towers Tenants** Revenue (IDR Bn) 11,774 6,895 1,908 > 6.2x > 7.7x > 6.7x increase in increase in increase in tenants revenues towers 1,121 286 1,539 2010 2017 2010 2017 2010 2017





Build-to-suits ("BTS") towers1

### **Acquired towers**



Note: <sup>1</sup>In gross tower additions p.a.

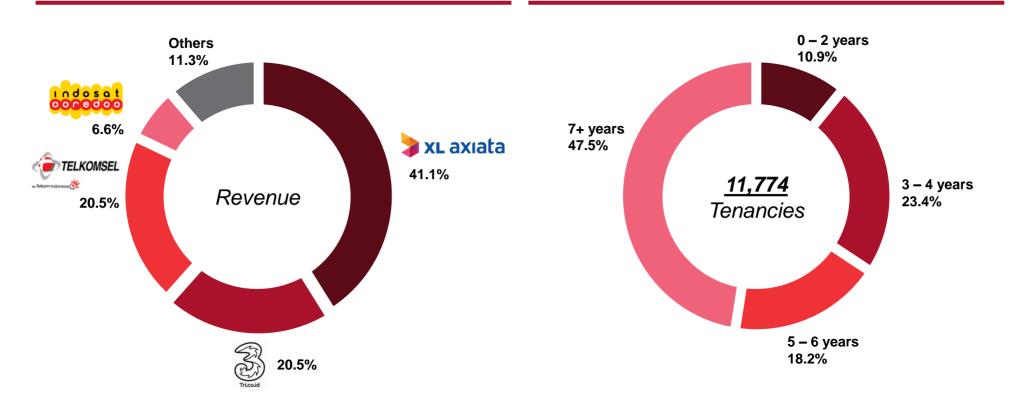
Indonesia's third largest listed independent tower portfolio with 1,430 build-to-suit ("B2S") towers completed and 5,930 acquired towers

# Entrenched customer relationships underpinning significant high quality backlog



#### 2017 Revenue breakdown (%)

#### **Tenancies expiry schedule**



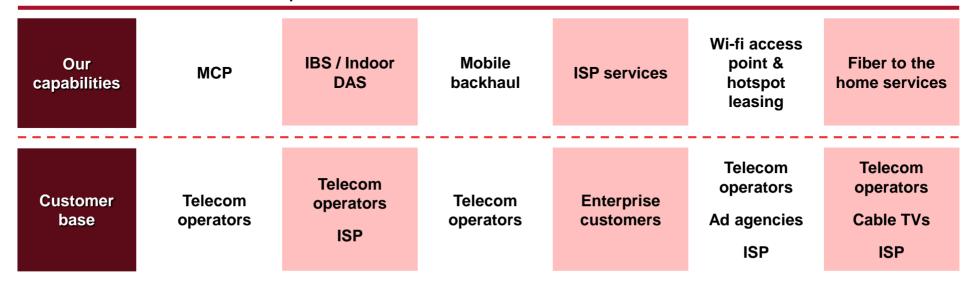
- √ Key customers are Indonesia's four largest and most creditworthy mobile telecommunication operators contributing ~89% of revenue
- √ 89% of total tenancies are due for renewal from 2020 and beyond
- ✓ Our lease rates are fully reflective of current market rates and c. 98% of our leases are IDR denominated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



# Data network / LTE infrastructure services are our key differentiators



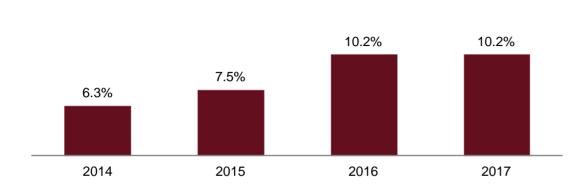
#### STP's data network / LTE infra related products and services



### Increasing revenue contribution from non-conventional tower business (microcell poles + fiber)

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

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- ✓ **Upfront capital expenditure** to build out backbone fiber network infrastructure has been **completed**
- ✓ Lower payback period for microcell poles
- ✓ Revenue contribution from microcell poles and fiber has been relatively stable in the last two years

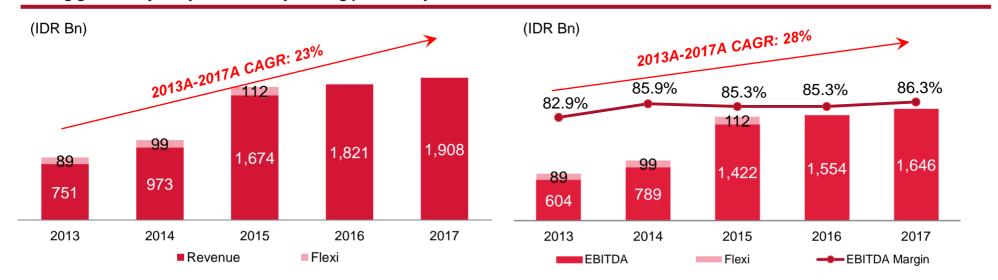
Note: 1Revenue on a pro-forma basis, taking into account full year effect of acquisition of 3,500 XL towers for 2014 and excluding revenues from Bakrie Telecom and Telkom Flexi



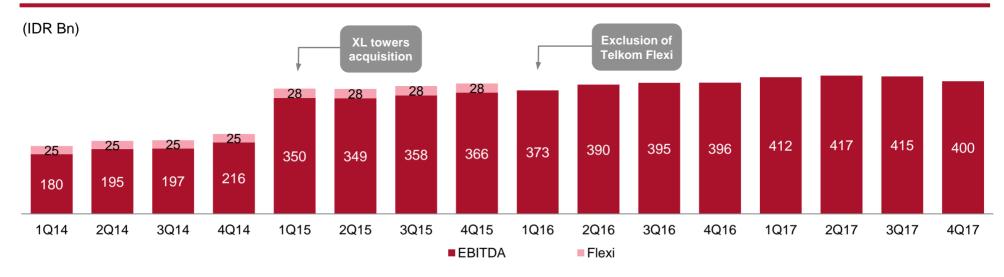
# 5 Consistent growth with industry-leading profitability metrics



#### Strong growth trajectory with industry-leading profitability metrics



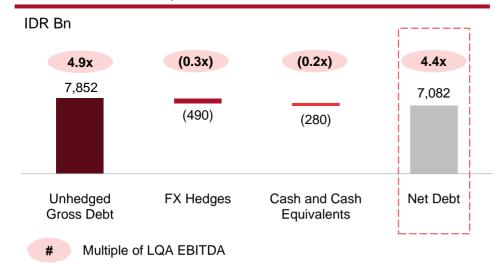
### Consistently growing EBITDA over the last four years and remain steady in 4Q17



# Well-utilized balance sheet



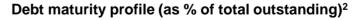


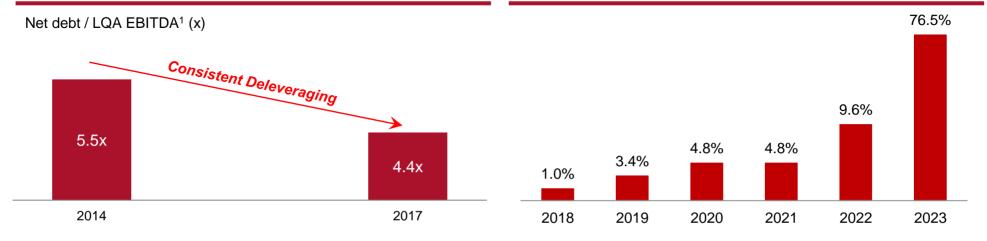


#### Prudent risk management policy

- ✓ FX hedges in place to mitigate volatility in currency and interest rate
- √ 74% of all outstanding debt is hedged against interest rate fluctuation risk²
- √ 53% of all outstanding debt is USD denominated<sup>2</sup> which is 100% hedged against FX risk for principal and interest payments

### **Deleveraging profile**





Notes: ¹Net debt refers to gross debt stated at hedge rate less cash; ²Debt has been refinanced with a new loan in March 2018 with balloon payment by 2023, hedge and maturity profiles are for new debt.

# 7 Strong management team





**Nobel Tanihaha**President Director

- President Director of STP since 2006
- Currently serving on BOD of SAP, PT Jaring Lintas Indonesia and PT Kharisma Agung Grahanusa
- Graduated from University of Southern California with a Bachelor of Science in 1996



Juliawati Gunawan
Director

- Financial Controller of STP from 2009 to 2011, and Director of STP since 2011
- Worked as an auditor and consultant at Arthur Anderson and Ernest & Young Indonesia before joining STP as the finance controller
- Graduated from Tarumanegara University with a Bachelor Economics in 1993



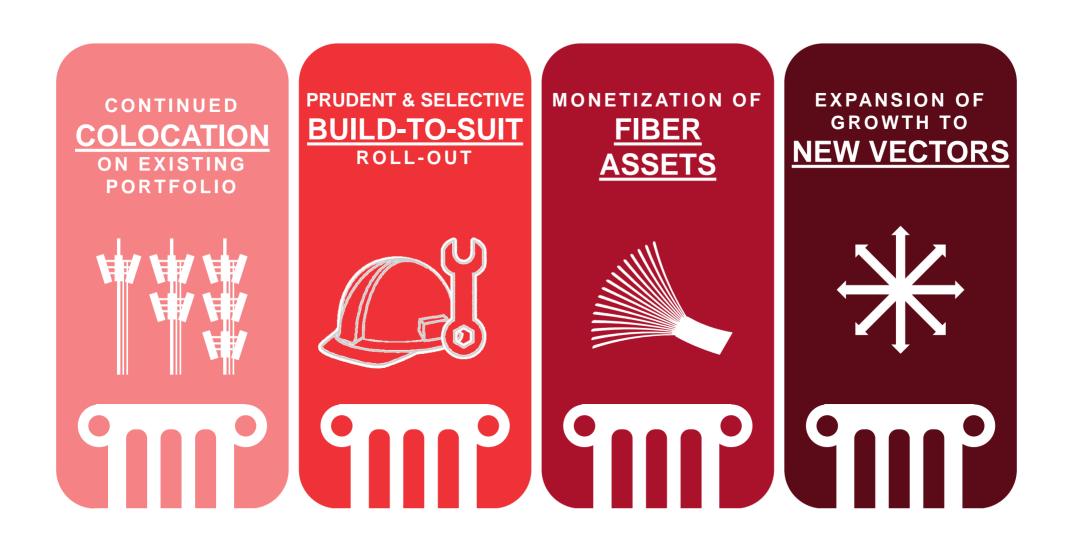
Tommy Gustavi Utomo Director

- Head of Property Management of STP from 2012 to 2013, and Director of STP since 2013
- Previously worked at Bangun Cipta Sarana Group, Sahid International Group, Netwave Multi Media and Bakrie Telecom before joining STP as the Head of Property Management Department
- Obtained Master in International Business from University of Indonesia in 2006





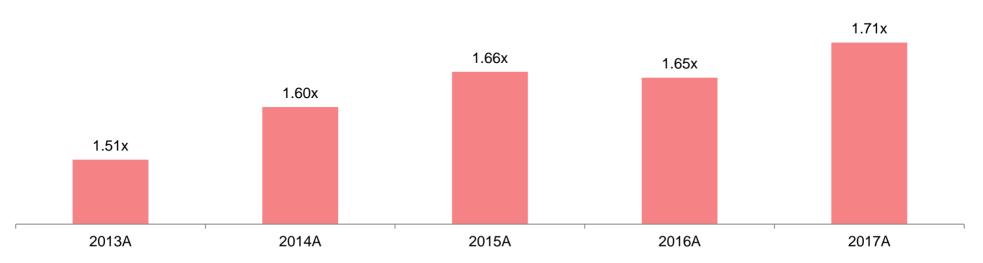




### Significant tenancy ratio expansion potential



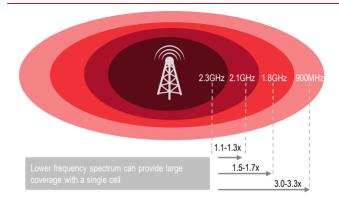
#### Evolution of our tenancies<sup>1</sup> over time



#### Upside in tenancy ratio driven by capacity growth

- ✓ Deployment of higher frequency spectrum is expected to increase as telecom operators expand their 3G and 4G capacity
- ✓ Higher frequency spectrum requires a denser network to maintain the same coverage
- Network densification by operators is expected to generate higher colocations on existing tenancies
- ✓ We are well-positioned to capture colocation demand given that our tower portfolio is predominantly located in urban areas in Jakarta and Java

Illustrative overview of coverage area ratios of cells at different frequencies<sup>2</sup>



### Expansion of growth to new vectors



#### Home fiberisation

- 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 3,300 homes in 2017
- Secured contracts with XL Axiata, First Media and My Republic







#### **Enterprise solution**

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

Hitachi - STP Partnership





Global leader in data center and cloud solution

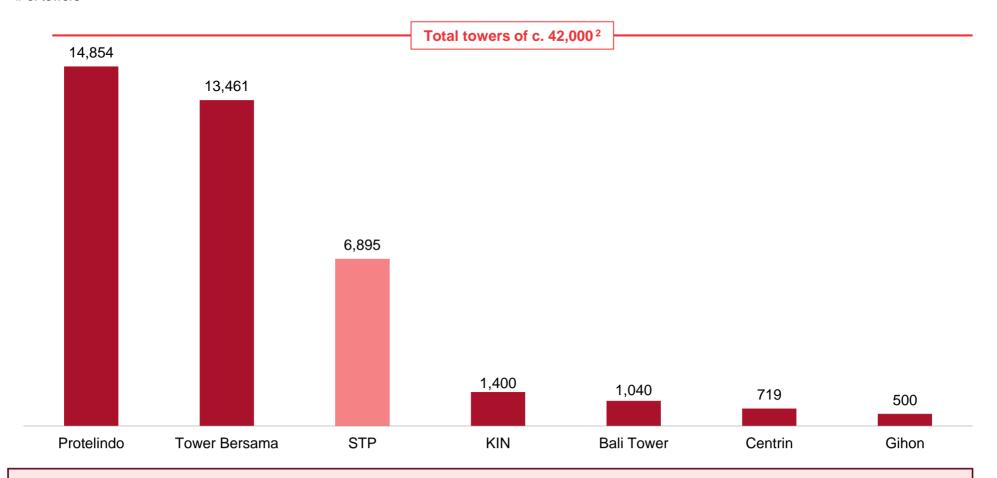
Operator of #1 independent fiber infrastructure in Indonesia

# Highly fragmented market provides inorganic growth opportunities



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

# of towers



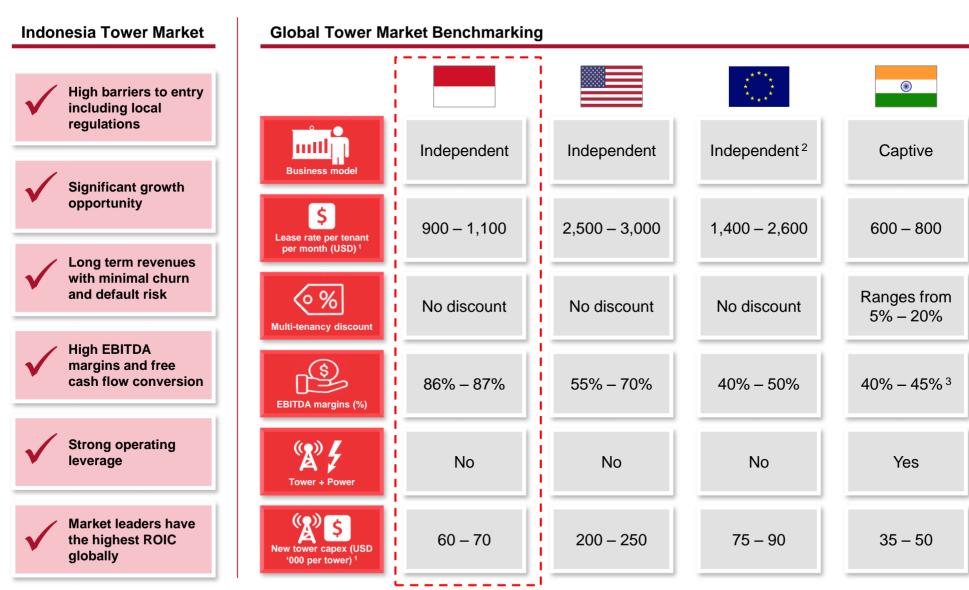
- ✓ Indonesia independent tower market is highly fragmented, and thus offers inorganic growth opportunities
- √ We will focus on acquisitions where we could extract significant synergies





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





Source: Industry report

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

### ...underpinned by strong organic growth fundamentals





#### **Network Coverage Expansion**

#### Palapa Ring

- Telkomsel currently has c. 30,000 coverage sites
  - To achieve similar coverage, Indosat and XL Axiata will need additional **c. 8,500** coverage sites **each**
  - Expansion is likely to be focused outside Java

- 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
- Such initiative will further reduce the cost of expansion to ex-Java areas incentivizing Indosat and XL to strengthen their ex-Java network coverage



**Expansion** 

#### Capacity Growth

#### **Spectrum Constraint**

#### 3G / 4G Expansion

- Indonesian operators' spectrum holdings are low compared to leading operators in Southeast Asia
- Such constraint will generate new tenancy demand and additional equipment revenues
- Surging data demand will require operators to upgrade networks and expand their 3G / 4G capacity, generating additional equipment revenues



- Increasing urbanization will drive new services demand, such as microcell pole leasing and broadband
- Value proposition from such new services includes:
  - Cover blank spots and increase network capacity in dense data traffic areas
  - Greater scalability through faster deployment and lower capex per cell
  - Dedicated fiber broadband connections for companies
  - Supporting wireless infrastructure to provide wifi-offloads as required

Source: Industry report

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

FY16

FY17

FY15

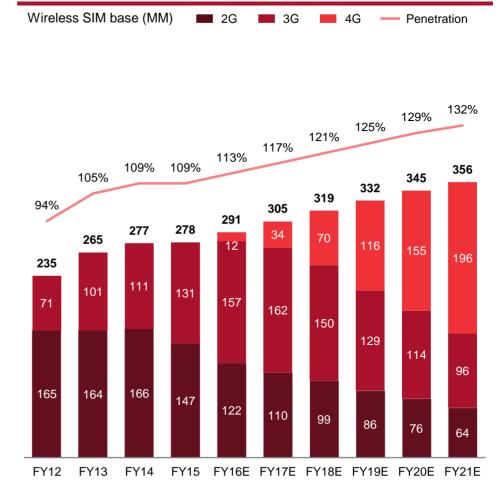




### Industry<sup>1</sup> BTS ('000) G

FY14

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



FY12

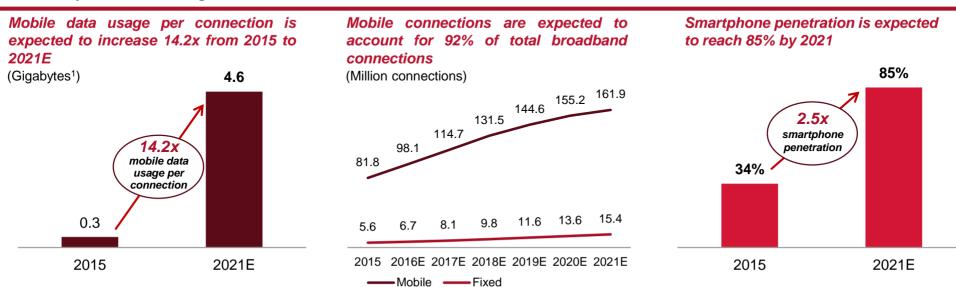
Note: 1Includes Telkomsel, Indosat and XL Axiata

FY13

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

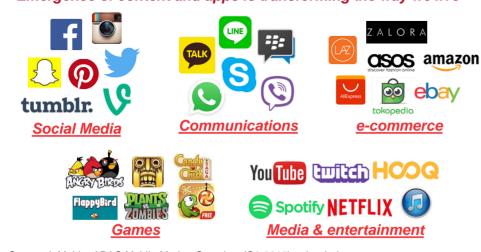


#### We are only in the first inning of Indonesia's mobile data revolution...

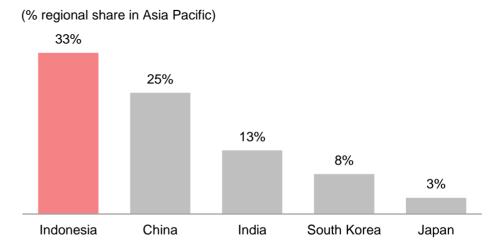


#### ...driven by an increasingly literate mobile generation

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



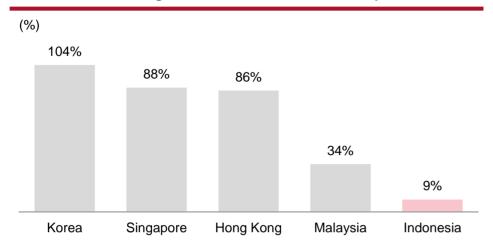
### Indonesia is the top market destination for mobile app industry<sup>2</sup>



### Indonesia's fixed broadband market is nascent



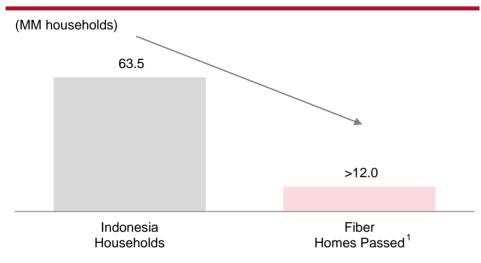
### Indonesia has amongst the lowest fixed broadband penetration...



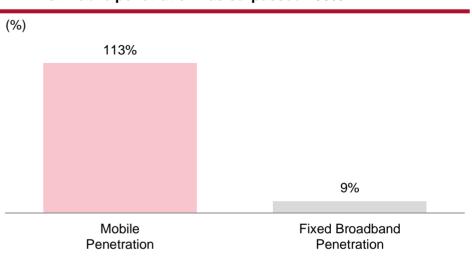
#### ...and a relatively low average fixed broadband speed



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



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







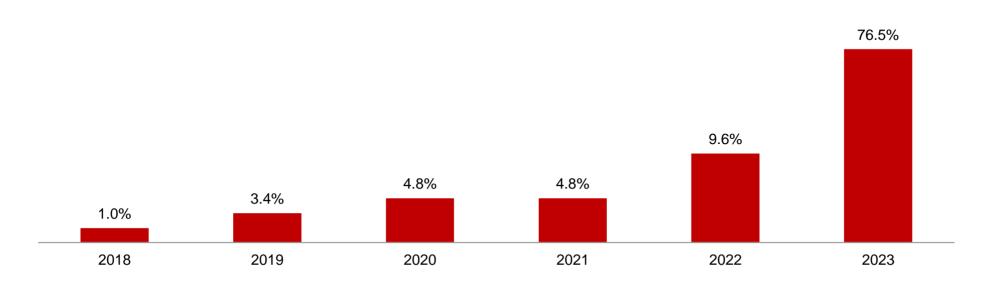
# Signed New Loan Facilities in February 2018...



- √ New loan fascilities comprising USD 297 million term loan and Rp 3,850 billion term loan and revolving loan fascilities
- √ Utilized the fascilities to refinance:

- ✓ All the Company's outstanding term loans (consisting of US\$ 208 million and Rp 970 billion term loans), and
- ✓ Redeem in full the US\$ 300 million bonds outstanding

#### Debt maturity profile (as % of total outstanding)<sup>1</sup>



Notes: 1Debt has been refinanced with a new loan in March 2018 with balloon payment by 2023, hedge and maturity profiles are for new debt.

# Change in Accounting Policy

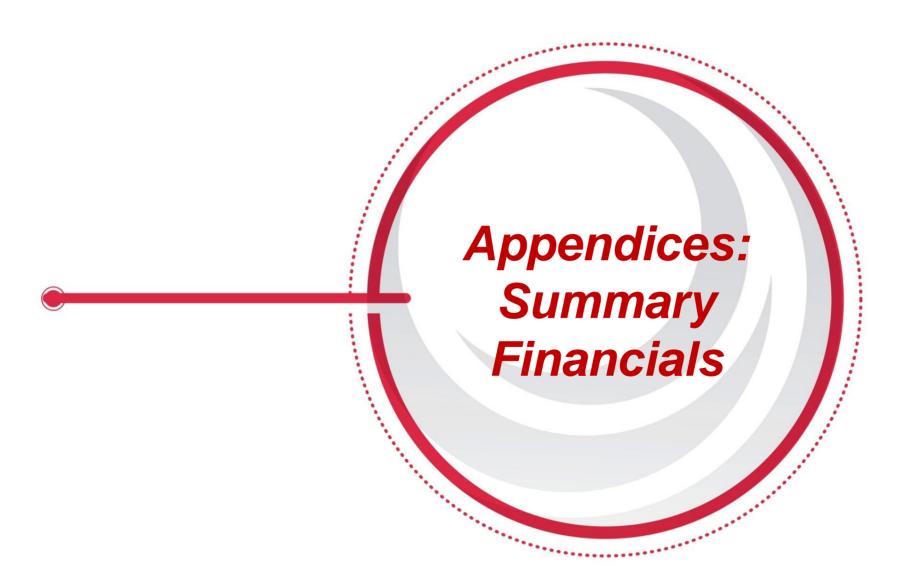


- ✓ Adoption of new ISAK 31: Interpretation on the scope of PSAK 13: Investment Property
- √ No impact on EBITDA and cash flow

### Impact of adoption of the new accounting change

	Dec-2016	Dec-2016	Dec-2017
(in IDR millions)	(Audited)	(Audited – Restated)	(Audited)
Balance Sheet Comparison			
Asset			
Investment Properties	9,667,972		
Fixed Asset	550,270	10,218,242	9,404,369
Liabilities			
Deferred Tax Liabilities	402,508	407,829	
Equity			
Other Comprehensive Income	925,598	157,422	509,528
Retained Earnings	59,257	822,122	(119,647)
Profit & Loss Comparison			
Cost of Revenues			
Depreciation & Amortization	228,250	318,455	313,645





# Income statement

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

	2013	2014	2015	2016*	2017
(in IDR millions)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenue	840,097	1,071,929	1,785,853	1,821,446	1,908,487
Cost of Revenue					
Depreciation and Amortization	(103,818)	(117,791)	(186,766)	(318,455)	(313,640)
Other Cost of Revenues	(70,809)	(90,841)	(137,331)	(130,218)	(125,183)
Total	(174,627)	(208,632)	(324,097)	(448,673)	(438,823)
Gross Profit	665,469	863,297	1,461,756	1,462,978	1,543,514
Gross Profit Margin (%)	79.2%	80.5%	81.9%	75.4%	77.0%
Operating Expenses					
Depreciation and Amortization	(7,634)	(10,217)	(16,279)	(22,486)	(22,765)
Other Operating Expenses	(76,146)	(92,930)	(114,782)	(137,546)	(137,257)
Total	(83,780)	(103,147)	(131,061)	(160,032)	(160,022)
Operating Profit	581,689	760,150	1,330,695	1,212,741	1,309,642
Operating Profit Margin (%)	69.2%	70.9%	74.5%	66.6%	68.6%
Increase (Decrease) in Fair Value of Investment Property	91,665	(383,566)	3,610		
Interest Income	12,401	15,784	31,342	15,697	20,057
Financial Charges	(285,456)	(440,086)	(1,035,031)	(1,005,066)	(1,002,138)
Others – Net	(132,170)	(460,166)	(88,601)	297,681	(116,427)
Profit (Loss) Before Tax	268,128	(507,884)	242,015	521,053	211,134
Income Tax Benefits (Expenses)	(70,519)	127,840	(105,140)	(208,596)	119,827
Profit (Loss) for the Period	197,609	(380,044)	136,875	312,457	330,961
Attributable to:					
- Owners of the Parent	197,596	(380,044)	136,875	312,457	330,961
- 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)	2017 (Audited)
Current Assets	(Addited)	(Addited)	(Addited)	(Addited)	(Addited)
Cash and Cash Equivalents	525,226	1,318,888	229,325	184,996	280,149
Trade Receivables – Third Parties	193,888	100,415	279,237	958,050	754,948
Other Current Financial Assets	240,593	132,796	246,478	573,649	282,188
Inventory	51,095	70,458	54,644	47,852	37,922
Prepaid Taxes	224,302	742,199	730,279	566,362	438,350
Advances and Prepaid Expenses	134,366	144,938	277,609	235,921	245,321
Total Current Assets	1,369,470	2,509,694	1,817,572	2,566,830	2,038,878
Non-Current Assets					
Prepaid Expenses – Net of Current Portion	303,097	476,320	503,945	573,551	785,863
Investment Property	3,783,891	9,304,749	9,542,252		
Property and Equipment	345,319	479,036	525,836	10,218,242	9,404,369
Intangible Assets	129,303	124,417	119,532	121,495	114,897
Deferred Tax Assets				125	229
Other Non-Current Financial Assets	379,793	484	1,229,610	539,051	265,832
Total Non-Current Assets	4,941,403	10,385,006	11,921,175	11,452,464	10,571,190
Total Assets	6,310,873	12,894,700	13,738,747	14,019,294	12,610,068

# Statements of financial position (liabilities)



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

				-	
	2013	2014	2015	2016*	2017
Current Lightilities	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Current Liabilities					
Trade Payables				 	
- Related Party	18,007	3,562	293	17,227	9,578
- Third Parties	17,120	29,012	31,684	51,728	26,116
Other Current Financial Liabilities	209	8,450	523	454	427
Taxes Payable	5,306	11,343	32,857	19,489	9,693
Accruals	102,672	116,339	211,919	172,969	159,945
Deferred Income	110,215	565,129	250,459	732,401	615,401
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		
Total Current Liabilities	562,014	6,207,435	831,915	1,094,268	821,160
Non-Current Liabilities					
Long-Term Loan	2,656,440	4,153,169	3,754,404	3,846,124	3,649,029
Bond Payable			4,056,000	3,967,221	4,019,204
Due to Related Party – Non-Trade	471,243	471,243			
Deferred Tax Liabilities	318,876	187,384	264,041	402,508	
Long-Term Employment Benefit Liabilities	7,826	12,792	17,851	20,789	27,265
Total Non-Current Liabilities	3,454,385	4,824,588	8,092,296	8,241,963	7,695,498
Total Liabilities	4,016,399	11,032,023	8,924,211	9,336,231	8,516,658

# Statements of financial position (equity)

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

				!	
	2013	2014	2015	2016*	2017
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Equity					
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	822,112	(119,647)
Other Comprehensive Income	51,462	(18)	420,799	157,422	509,528
Total Equity Attributable To:					
- Owners of the Parent	2,294,474	1,862,677	4,814,536	4,683,063	4,093,410
- Non-controlling Interest					
Total Equity	2,294,474	1,862,677	4,814,536	4,683,063	4,093,410
Total Liabilities And Equity	6,310,873	12,894,700	13,738,747	14,019,294	12,610,068

# Statements of cash flows

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### Statements of cash flows (in IDR millions)

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016* (Audited)	2017 (Audited)
Cash Flows from Operating activites	(Addited)	(Addited)	(Addited)	(Addited)	(Addited)
Cash Received from Customers	603,107	1,432,225	1,201,587	1,622,474	2,225,161
Payment to Suppliers and Opex	(371,175)	(740,265)	(215,098)	(219,457)	(162,272)
Interest Received	12,401	15,784	31,342	15,697	20,057
Tax Payment and Others	(58,660)	(33,731)	(50,418)	(1,032)	(1,727)
Net Cash provided by operating	185,673	674,013	967,413	1,417,682	2,084,673
Cash Flows from Investing activities					
Property and Equipment acquisition-net	(181,791)	(161,375)	(92,682)	(386,463)	(315,596)
Prepayment for Ground lease	(168,616)	(247,332)	(209,993)	(215,769)	(395,687)
Investment property – net	(1,402,830)	(5,884,799)	(292,856)		
Advances for construction		(8,681)	(48,388)	74	(1,710)
Others	(13)		(20,000)	24,843	
Net Cash used in investing	(1,753,250)	(6,302,187)	(663,919)	(577,315)	(712,993)
Cash Flows from Financing activites					
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	(406,576)
Proceeds from Hedge Restructuring					
Proceeds from Bond issuance			3,859,800		
Payment of financial charges	(336,037)	(498,368)	(1,072,118)	(973,885)	(869,813)
Others	44,858	11,404			
Net cash flows from financing	1,829,541	6,420,294	(1,388,994)	(887,903)	(1,276,389)
Net (decrease) increase in cash	261,964	792,120	(1,085,500)	(47,536)	95,291
Effect of forex difference on cash	(64)	1,542	(4,063)	3,207	(138)
Cash and cash equivalent at beginning of year	263,326	525,226	1,318,888	229,325	184,996
Cash and cash equivalent at end of year	525,226	1,318,888	229,325	184,996	280,149