

Investor Presentation PT Solusi Tunas Pratama Tbk

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Section 1 Country and Industry Overview

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



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Source: Industry report

Note: 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



Palapa Ring **Network Coverage Expansion** Telkomsel currently has c. 30.000 coverage sites A nationwide fibre optic backbone expected to improve internet access across towns and villages in ex-Java where standalone • To achieve similar coverage, Indosat and XL Axiata will need deployment would not be economically viable for operators additional c. 8,500 coverage sites each • Such initiative will further reduce the cost of expansion to • Expansion is likely to be focused outside Java Coverage ex-Java areas incentivizing Indosat and XL to strengthen Expansion their ex-Java network coverage **Spectrum Constraint 3G / 4G Expansion** Indonesian operators' spectrum holdings are low compared to Surging data demand will require operators to upgrade leading operators in Southeast Asia networks and expand their 3G / 4G capacity, generating additional equipment revenues Such constraint will generate new tenancy demand and additional equipment revenues Capacity Growth 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 **New Services**

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



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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



Source: InMobi – APAC Mobile Market Overview (Q3 2016), other industry report Note: ¹ A gigabyte (GB) is 10⁹ bytes of data; ²Across mobile operating platform

Indonesia is the top market destination for mobile app industry²



Indonesia's fixed broadband market is nascent





Indonesia has amongst the lowest fixed broadband penetration...

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



...and a relatively low average fixed broadband speed



... whilst mobile penetration has surpassed 100%



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



Section 2 Company Overview

Indonesia's premier wireless data network infrastructure provider



6,363 macro towers and 561 microcell poles with 11,726 tenants Telkom C Indonesia ~89% of 2,823 km fiber revenue from Indosa STP ooredoo optic network the top-4 telcos¹ 🖌 xL axiata 1H17 EBITDA **39** indoor DAS sites margin of with 79 tenants <u>86.3%</u>

Key investment highlights



Prime provider of tower and fiber telecom infrastructure in Indonesia Strong execution track record of both organic and inorganic growth 2 Entrenched customer relationships underpinning significant high 3 quality contracted revenue backlog ST Data network / LTE infrastructure services are our key differentiators Well-utilized balance sheet 5 6 Strong management team





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







2...of both organic and inorganic growth

STP



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







Breakdown of 1H17 revenue contribution by operator

Breakdown of new tenancies (%)

1Q15 2Q15 3Q15 4Q15 1Q16 2Q16 3Q16 4Q16 1Q17 2Q17

We continue to grow our Telkomsel tenancies

✓ Key customers are Indonesia's four largest and most creditworthy mobile telecommunication operators contributing ~89% of revenue

32%

■ Telkomsel ■ Others

- \checkmark 88% of total tenancies are due for renewal from 2020 and beyond
- V 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

STP





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

Our capabilities	МСР	IBS / Indoor DAS	Mobile backhaul	ISP services	Wi-fi access point & hotspot leasing	Fiber to the home services
Customer base	Telecom operators	Telecom operators ISP	Telecom operators	Enterprise customers	Telecom operators Ad agencies ISP	Telecom operators Cable TVs ISP

Increasing revenue contribution from microcell poles + fiber



(Revenue contribution from microcell poles + fiber)¹

- 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: 1 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



86.3%

1.668

LQA 2Q17

---- EBITDA Margin

85.3%

1,554

2016

85.3%

112

1.422

2015

Flexi

(IDR Bn) (IDR Bn) 2013A-16A CAGR: 31% 2013A-16A CAGR: 29% 112 85.9% 82.9% 99 1.927 1.821 1.674 89 99 89 973 751 789 604 2013 2014 2015 2016 LQA 2Q17 2013 2014 Flexi Revenue EBITDA

Strong growth trajectory with industry-leading profitability metrics

Consistently increasing EBITDA every guarter over the last 14 guarters



6 Well-utilized balance sheet





Deleveraging profile

Net debt / LQA EBITDA¹ (x)



Prudent risk management policy

- ✓ FX hedges in place to mitigate volatility in currency and interest rate
- ✓ 87%² 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: 56%² is hedged against FX risk

Debt maturity profile









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 Wordlwide 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



Section 3 Growth Strategy



Our four pillars of organic growth



1 Significant tenancy ratio expansion potential



Evolution of our tenancies over time

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

Axis case study³ – our first acquisition



Source: Industry report

Notes: ¹ Excluding Bakrie and Flexi tenancies of 211, 211, 210, 210 and 210 in 2012, 2013, 2014, 2015 and 2016 respectively; ² 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; ³ 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





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



- 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

- 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



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 2,000 homes in 2016
- 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

HITACHI



Global leader in data center and cloud solution Operator of #1 independent fiber infrastructure in Indonesia

Highly fragmented market provides *inorganic growth* opportunities





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



Appendix A Summary Financials

Income statement



Income statement (in IDR millions, unless otherwise specified)

	2013	2014	2015	2016	1H 2016	1H 2017
(in IDR millions)	(Audited)	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	840,097	1,071,929	1,785,853	1,821,446	957,830	960,575
Cost of Revenue						
Depreciation and Amortization	(103,818)	(117,791)	(186,766)	(228,250)	(111,222)	(117,260)
Other Cost of Revenues	(70,809)	(90,841)	(137,331)	(130,218)	(66,351)	(61,944)
Total	(174,627)	(208,632)	(324,097)	(358,468)	(83,670)	(89,189)
Gross Profit	665,469	863,297	1,461,756	1,462,978	780,257	781,371
Gross Profit Margin (%)	79.2%	80.5%	81.9%	85.3%	81.5%	81.3%
Operating Expenses						
Depreciation and Amortization	(7,634)	(10,217)	(16,279)	(22,486)	(10,922)	(11,225)
Other Operating Expenses	(76,146)	(92,930)	(114,782)	(137,546)	(73,448)	(69,533)
Total	(83,780)	(103,147)	(131,061)	(160,032)	(84,370)	(80,758)
Operating Profit	581,689	760,150	1,330,695	1,302,946	695,887	700,613
Operating Profit Margin (%)	69.2%	70.9%	74.5%	72.8%	72.7%	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	9,567	13,840
Financial Charges	(285,456)	(440,086)	(1,035,031)	(1,005,066)	(500,538)	(504,782)
Others – Net	(132,170)	(460,166)	(88,601)	298,645	64,552	(21,181)
Profit (Loss) Before Tax	268,128	(507,884)	242,015	409,350	269,468	188,490
Income Tax Benefits (Expenses)	(70,519)	127,840	(105,140)	(172,221)	(80,494)	(57,720)
Profit (Loss) for the Period	197,609	(380,044)	136,875	237,129	188,974	130,770
Attributable to:						
- Owners of the Parent	197,596	(380,044)	136,875	237,129	188,974	130,770
- Non-controlling Interest	14	-	-	-	-	-

Statements of financial position (assets)

STP

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

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	2Q 2017 (Unaudited)
Current Assets	(/tutiled/	(nuclear)	(//ddited)	(ridalica)	(Unaddited)
Cash and Cash Equivalents	525,226	1,318,888	229,325	184,996	496,851
Trade Receivables – Third Parties	193,888	100,415	279,237	958,050	370,967
Other Current Financial Assets	240,593	132,796	246,478	573,649	347,401
Inventory	51,095	70,458	54,644	47,852	44,324
Prepaid Taxes	224,302	742,199	730,279	566,362	524,525
Advances and Prepaid Expenses	134,366	144,938	277,609	235,921	273,280
Total Current Assets	1,369,470	2,509,694	1,817,572	2,566,830	2,057,348
Non-Current Assets					
Prepaid Expenses – Net of Current Portion	303,097	476,320	503,945	573,551	733,575
Investment Property	3,783,891	9,304,749	9,542,252	9,667,972	9,774,450
Property and Equipment	345,319	479,036	525,836	550,270	541,982
Intangible Assets	129,303	124,417	119,532	121,495	118,196
Deferred Tax Assets	-	-	-	125	195
Other Non-Current Financial Assets	379,793	484	1,229,610	539,051	155,794
Total Non-Current Assets	4,941,403	10,385,006	11,921,175	11,452,464	11,324,192
Total Assets	6,310,873	12,894,700	13,738,747	14,019,294	13,381,540

Statements of financial position (liabilities)

STP

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

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	2Q 2017 (Unaudited)
Current Liabilities	(Addited)	(Addited)	(Addited)	(Addited)	(Onaddited)
Trade Payables					
- Related Party	18,007	3,562	293	17,227	4,074
- Third Parties	17,120	29,012	31,684	51,728	18,575
Other Current Financial Liabilities	209	8,450	523	454	424
Taxes Payable	5,306	11,343	32,857	19,489	17,176
Accruals	102,672	116,339	211,919	172,969	170,047
Deferred Income	110,215	565,129	250,459	732,401	683,136
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	893,432
Non-Current Liabilities					
Long-Term Loan	2,656,440	4,153,169	3,754,404	3,846,124	3,556,264
Bond Payable	-	-	4,056,000	3,967,221	3,941,611
Due to Related Party – Non-Trade	471,243	471,243	-	-	-
Deferred Tax Liabilities	318,876	187,384	264,041	402,508	444,419
Long-Term Employment Benefit Liabilities	7,826	12,792	17,851	20,789	20,789
Total Non-Current Liabilities	3,454,385	4,824,588	8,092,296	8,236,642	7,963,083
Total Liabilities	4,016,399	11,032,023	8,924,211	9,330,910	8,856,515

Statements of financial position (equity)



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

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	2Q 2017 (Unaudited)
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	925,598	1,056,368
Other Comprehensive Income	51,462	(18)	420,799	59,257	(234,872)
Total Equity Attributable To:					
- Owners of the Parent	2,294,474	1,862,677	4,814,536	4,688,384	4,525,025
- Non-controlling Interest	-	-		-	-
Total Equity	2,294,474	1,862,677	4,814,536	4,688,384	4,525,025
Total Liabilities And Equity	6,310,873	12,894,700	13,738,747	14,019,294	13,381,540

Statements of cash flows



Statements of cash flows (in IDR millions)

	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)	2Q 2017 (Unaudited)
Cash Flows from Operating activites	(Addited)	(Addited)	(Audited)	(Audited)	(Unaddited)
Cash Received from Customers	603,107	1,432,225	1,201,587	1,622,474	1,696,451
Payment to Suppliers and Opex	(371,175)	(740,265)	(215,098)	(219,457)	(95,045)
Interest Received	12,401	15,784	31,342	15,697	13,840
Tax Payment	(58,660)	(33,731)	(50,418)	(1,032)	(8,525)
Net Cash provided by operating	185,673	674,013	967,413	1,417,682	1,606,721
Cash Flows from Investing activities					
Property and Equipment acquisition-net	(181,791)	(161,375)	(92,682)	(77,611)	(49,053)
Prepayment for Ground lease	(168,616)	(247,332)	(209,993)	(215,769)	(266,807)
Investment property – net	(1,402,830)	(5,884,799)	(292,856)	(308,910)	(143,413)
Advances for construction		(8,681)	(48,388)	74	(1,896)
Others	(13)		(20,000)	20,000	
Net Cash used in investing	(1,753,250)	(6,302,187)	(663,919)	(577,315)	(461,169)
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					27,994
Proceeds from Bond issuance			3,859,800		
Payment of financial charges	(336,037)	(498,368)	(1,072,118)	(973,885)	(454,861)
Others	44,858	11,404			
Net cash flows from financing	1,829,541	6,420,294	(1,388,994)	(887,903)	(883,443)
Net (decrease) increase in cash	261,964	792,120	(1,085,500)	(47,536)	312,109
Effect of forex difference on cash	(64)	1,542	(4,063)	3,207	(254)
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	496,851



Appendix B Additional Materials



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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 ¹	Axis	528	1.00x
Total / Weigl	nted average	5,930	1.47x ²

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: 1528 under-construction towers were acquired in 2007, fully constructed in 2009. ² Calculated as the sum of tenancies of tower portfolios at point of acquisition, divided by the sum of towers acquired

XL towers case study



Deal Structure¹

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	 92% of towers are ground-based towers with higher colocation potential 98% of total tenants from the Big-4 operators Representing 84% revenue contribution Average lease rate: IDR19MM / month / tower XL tenancies: IDR10MM / month / tenant Total contracted revenues of IDR6.5Tn Inflation escalator present in all of colocation tenancies Opex scalability and cost synergies expected 	
Strategic rationale	 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 Established #2 telecom operator (XL Axiata) as an anchor tenant on 100% of the acquired sites Increased total contracted revenue from IDR6.0Tn to IDR12.5Tn, with average lease period increasing from 6.5 to 7.4 years Attractive opportunity for value creation by increasing tenancy Potential to realize cost synergies with existing STP towers business in operation and maintenance costs 	

We have steadily improved tenancy ratios since the acquisition



We have actively renewed land leases

