

## **Public Expose** PT Solusi Tunas Pratama Tbk

May 2021

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## Key Performance Highlights



-	2019 1 year (Audited)	2020 1 year (Audited)	Growth %
Strategic Asset Portfolio			
Total Tower Site	6,384	6,422	0.6%
Tower Site Tenancies	11,154	12,145	8.9%
Tower Tenancy Ratio (x)	1.75	1.89	8.1%
Fiber Optic Cable Network (km) <sup>1)</sup>	3,382	6,277	85.6%
Key Financial Highlights			
Revenues (in Billion Rupiah)	1,767.1	1,922.2	8.8%
EBITDA (in Billion Rupiah)	1,478.0	1,602.3	8.4%
EBITDA Margin	83.6%	83.4%	
Profit for the Period (in Billion Rupiah)	228.4	708.9	210.4%
Comprehensive Profit for the Period (in Billion Rupiah)	3.6	673.3	18602.8%
Net Borrowings to LQA EBITDA (x) <sup>2),3)</sup>	4.3	4.0	

Note:

1) Including fiber optic networks that STP operates under Icon+ partnership

2) Net Borrowings = Debt (US\$ debt is converted by rate based on the loan facilities) - Cash and Cash Equivalent.

3) LQA EBITDA = The last quarter's annualized EBITDA

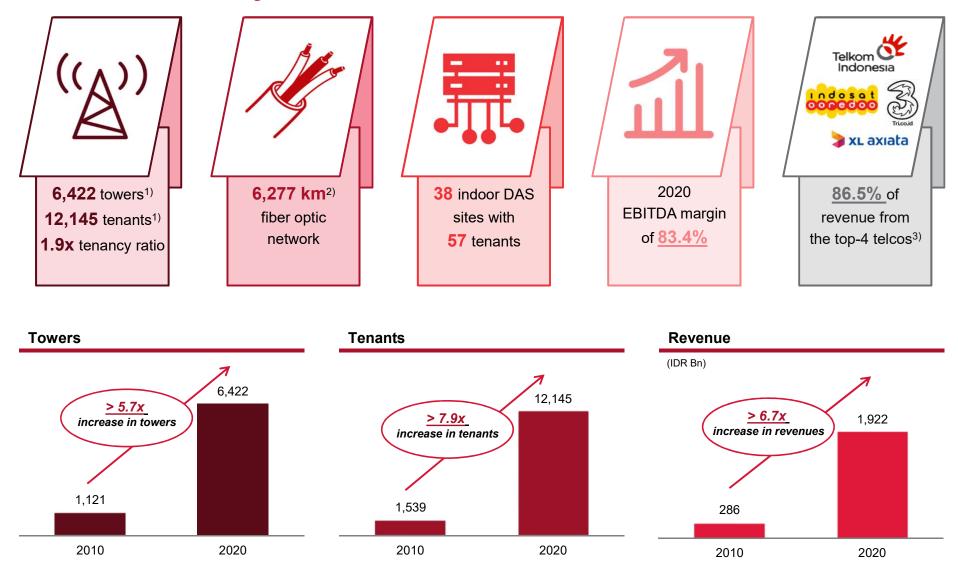


## Company Overview

## STP at a glance: Indonesia's premier optical & wireless infrastructure provider



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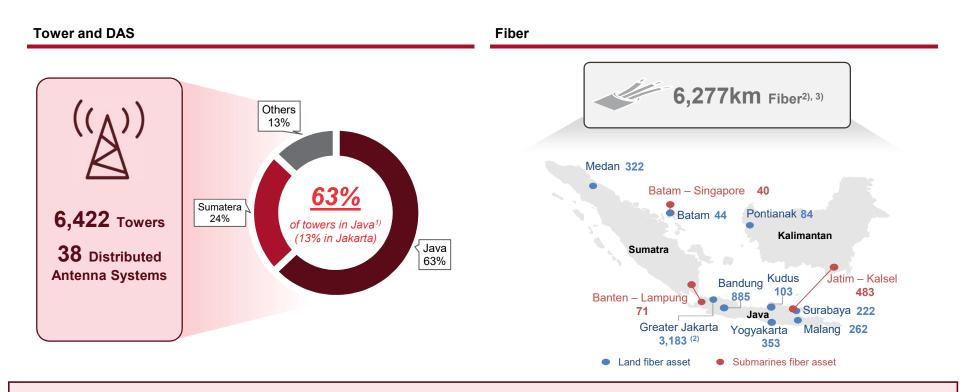
Notes: 1) As of 31 December 2020

2) As of 31 December 2020; includes fiber optic networks that STP operates under Icon+ partnership3) Revenue from Telkom Group includes Telkom Tbk, Telkomsel and Mitratel.

## Strong portfolio of tower and fiber assets covering major prime locations



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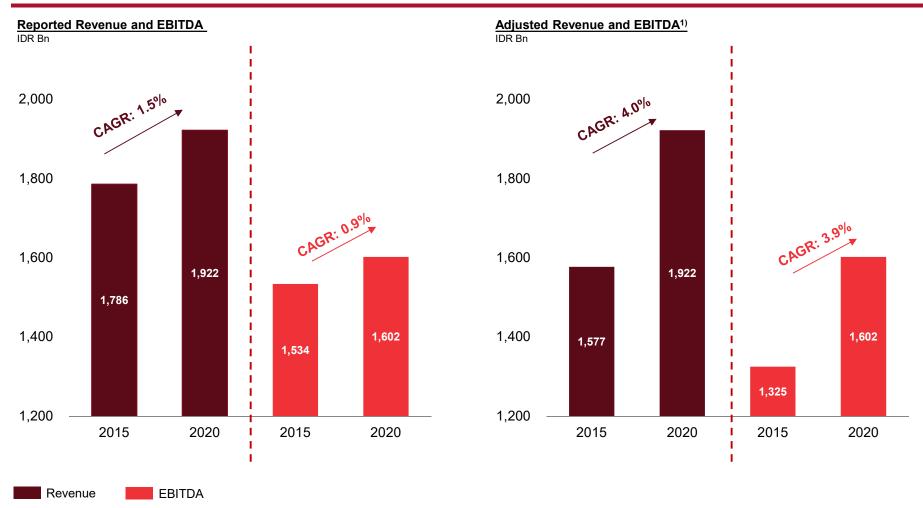
Prime tower and fiber assets portfolio to support STP's comprehensive solutions offering, including an expanding fiber optics network that allows the Company to capture surging demand driven by aggressive urban 4G / LTE rollout by mobile telecommunication operators

V Potential new business opportunities for providing wholesale fiber connection to broadband and pay TV operators

Notes:1) Java includes both Java and Bali Island, as well as Greater Jakarta2) Including fiber optic networks that STP operates under Icon+ partnership3) Not shown on map: Makassar (South Sulawesi): 225km of land fiber asset

# STP has been achieving robust growth of both revenue and EBITDA from core customers



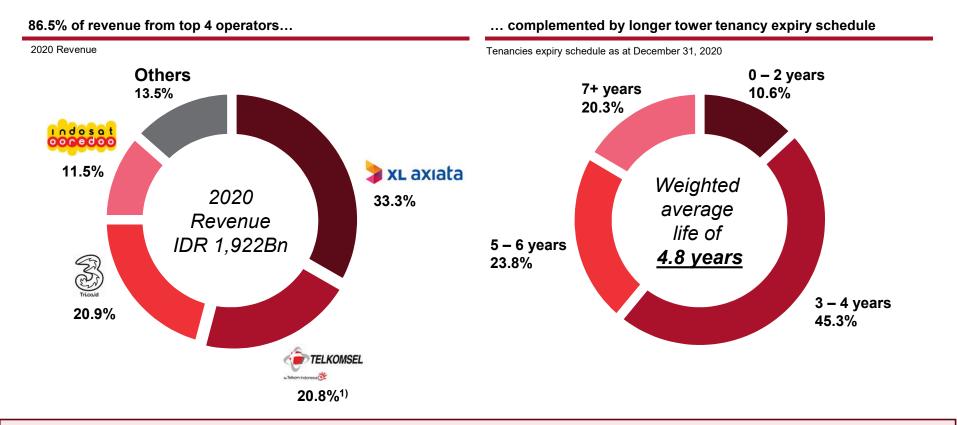


~4% revenue and EBITDA CAGR during 2015 – 2020 from core customers (i.e. excluding Flexi and Internux/First Media)

Note: 1) Adjusted to exclude Flexi and Internux/First Media, which ceased operations in 2016 and 2018 respectively to present a comparable basis for 2020

# Entrenched relationship with prime customers, underpinning significant high quality backlog





✓ Key customers are Indonesia's four largest and most creditworthy mobile telecommunication operators contributing 86.5% of revenue

✓ STP has been successful in renewing its tenancies, which results in a longer tenancy expiry schedule

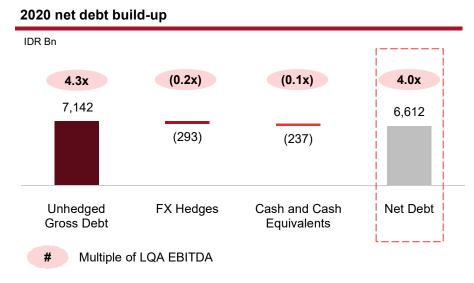
V Our lease rates are fully reflective of current market rates and c.98% of our leases are IDR denominated (remaining 2% is pegged to USD)

Note: 1) Revenue from Telkom Group includes Telkom Tbk, Telkomsel and Mitratel.

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

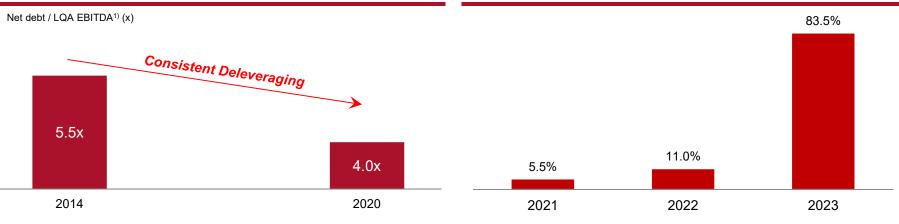


**Deleveraging profile** 



#### Prudent risk management policy

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



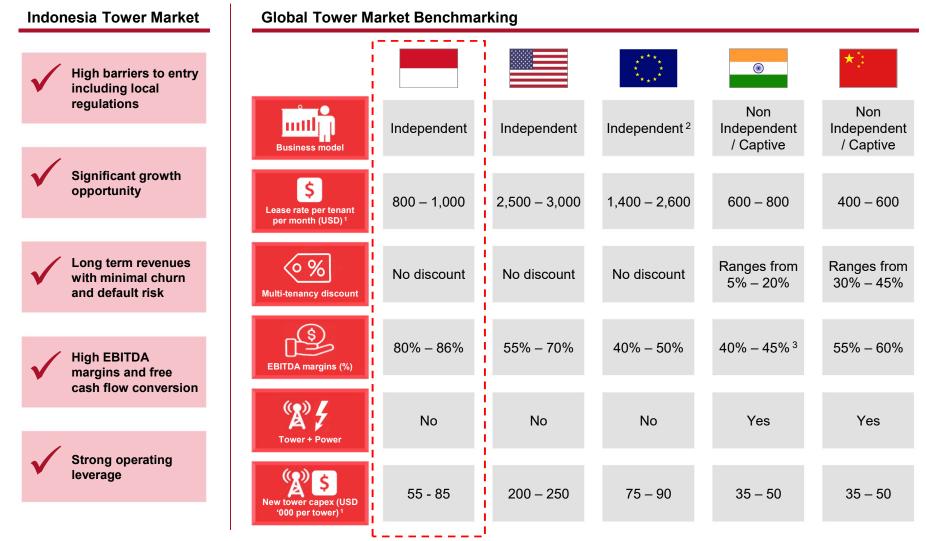
#### Debt maturity profile (as % of total outstanding)

**Notes**: 1) Net debt refers to gross debt stated at hedge rate less cash 2) Based on hedge rate

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



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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

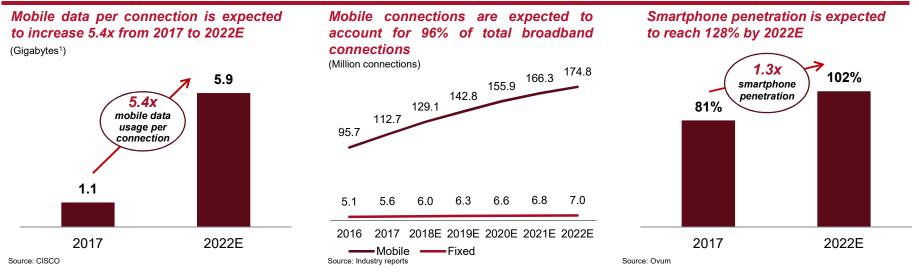
3) Indian average EBITDA margins relatively lower as revenue includes pass-through items, such as fuel cost

## ...with a booming demand for mobile data which drives the need for higher quality coverage



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

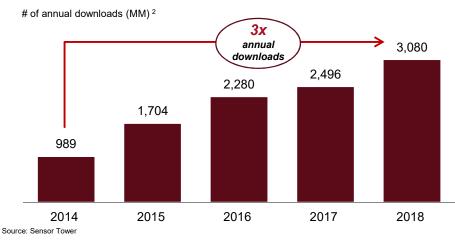


...driven by an increasingly literate mobile generation

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



#### App downloads in Indonesia have risen rapidly



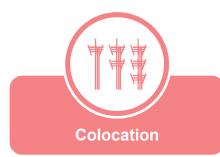
**Notes**: 1) A gigabyte (GB) is 10<sup>9</sup> bytes of data 2) Across mobile operating platforms





### **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 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:

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More efficient usage of capital structure

Higher quality and visibility of earnings

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New contracts secured with prime customers

Superior land lease management and cost control

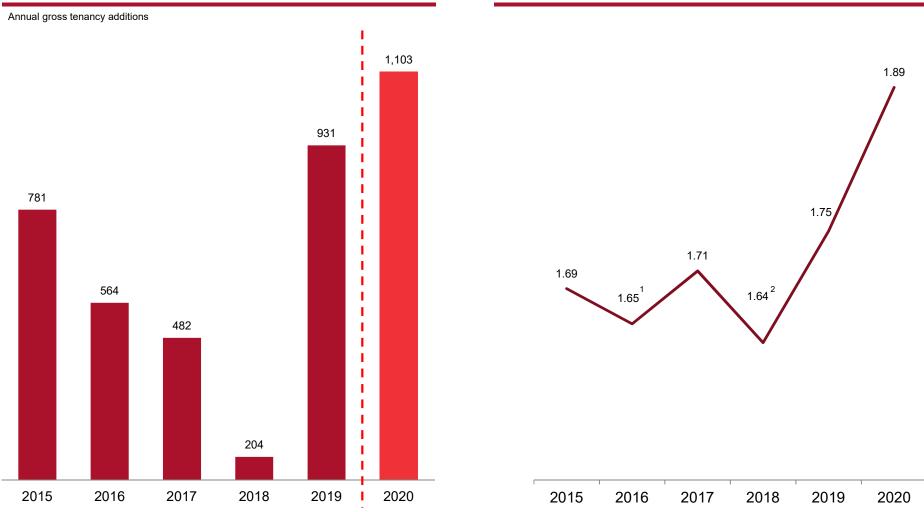
## Strong focus on colocation demand



...resulting in increasing tenancy ratio over the last 5 years

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



Notes: 1) The decrease in the tenancy ratio as a result of Telkom ceased its CDMA operations in 2016.

2) The decrease in the tenancy ratio as a result of the termination of Internux/First Media and XL-Axis tenancies in 2018

## Fiber business



Continue B2S Fiber to Tower	Aggressive 2 <sup>nd</sup> tenant onboarding	Expand FTTH Open Access Home Pass	Increase NAP <sup>1</sup> Capacity				
<ul> <li>Continue implementation plans for rolling out fiber optics ("FO") networks.</li> <li>Engagement with telcos on Fiber to Tower requirements focused on the same cities</li> </ul>	<ul> <li>Engagement with 2<sup>nd</sup> tenant or 3<sup>rd</sup> tenant for deployed fiber to tower</li> </ul>	<ul> <li>Greater engagement with regional &amp; local Internet Service Providers ("ISP")</li> <li>Focus on same areas as Indosat FO footprint</li> </ul>	<ul> <li>Overall increase in Internet bandwidth during COVID 19</li> <li>Engagement with existing and new ISPs to increase demand</li> </ul>				
STP stands to benefit immensely from the above initiatives: Stp stands to benefit immensely f							



## Appendix: Summary Financials

## Income statement



Income statement (in IDR millions, unless otherwise specified)

	FY 2016*	FY 2017	FY 2018	FY 2019	FY 2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Revenue	1,821,446	1,908,487	1,899,775	1,767,050	1,922,151
Cost of revenue	(130,218)	(125,183)	(119,055)	(123,933)	(136,601)
Operating expenses	(137,546)	(137,257)	(142,989)	(165,077)	(183,281)
EBITDA	1,553,682	1,646,047	1,637,731	1,478,040	1,602,269
EBITDA Margin (%)	85.3%	86.2%	86.2%	83.6%	83.4%
Depreciation and Amortization	(340,941)	(336,405)	(383,392)	(392,193)	(471,106)
Operating Profit	1,212,741	1,309,642	1,254,339	1,085,847	1,131,163
Operating Profit Margin (%)	66.6%	68.6%	66.0%	61.4%	58.8%
Other Income (Expense)					
Financial Charges	(1,005,066)	(1,002,138)	(954,603)	(855,885)	(807,756)
Other than Financial Charges - net	313,378	(96,370)	(1,502,074)	11,909	395,279
Profit (Loss) Before Tax	521,053	211,134	(1,202,338)	241,871	718,686
Income Tax Benefits (Expenses)	(208,596)	119,827	(21,505)	(13,489)	(9,803)
Net Profit (Loss) After Tax	312,457	330,961	(1,223,843)	228,382	708,883
Total Other Comprehensive Income					
for the Period Net Off Tax	(446,690)	(920,615)	100,338	(224,771)	(35,611)
Total Comprehensive Income for the Period	(134,233)	(589,654)	(1,123,505)	3,611	673,272
Note: * Restated					

Note: \* Restated

## Statements of financial position (assets)



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

	FY 2016*	FY 2017	FY 2018	FY 2019	FY 2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Current Assets					
Cash and Cash Equivalents	184,996	280,149	147,045	361,534	237,176
Trade Receivables - Third Parties	958,050	754,948	1,005,389	611,786	614,221
Other Current Financial Assets	573,649	282,188	274,269	221,119	223,538
Inventory	47,852	37,922	35,295	37,649	45,234
Prepaid Taxes	566,362	438,350	355,081	264,173	240,118
Advance and Prepaid Expenses	235,921	245,321	256,442	268,345	83,984
Total Current Assets	2,566,830	2,038,878	2,073,521	1,764,606	1,444,271
Non-Current Assets					
Prepaid Expenses - Net of Current Portion	573,551	785,863	847,204	799,699	62,328
Property and Equipment	10,218,242	9,404,369	8,288,344	8,441,722	9,161,218
Right of Use Assets	-	-	-	-	1,265,241
Intangible Assets	121,495	114,897	108,299	110,769	105,874
Deferred tax Assets	125	229	747	1,145	2,340
Other Non-Current Financial Assets	539,051	265,832	352,366	46,884	3,464
Total Non-Current Assets	11,452,464	10,571,190	9,596,960	9,400,219	10,600,465
Total Assets	14,019,294	12,610,068	11,670,481	11,164,825	12,044,736

Note: \* Restated

## Statements of financial position (liabilities)



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

	FY 2016* (Audited)	FY 2017 (Audited)	FY 2018 (Audited)	FY 2019 (Audited)	FY 2020 (Audited)
Current Liabilities	(Addited)	(Addited)	(Addited)	(Addited)	(Addited)
Trade Payables					
- Related Party	17,227	9,578	486	2,548	29
- Third Party	51,728	26,116	14,410	8,512	15,172
Other Current Financial Liabilities	454	427	157	15,383	25,607
Taxes Payable	19,489	9,693	8,863	7,791	52,821
Accruals	172,969	159,945	77,463	171,741	184,768
Deferred Income	732,401	615,401	852,120	688,183	582,609
Current Portion of Lease Liability	-	-	-	-	33,946
Short-Term Bank Loan	-	-	360,000	300,000	450,000
Short-Term Syndicated Loan	100,000	-	-	-	
Current Portion of Long-Term Bank Loan	-	-	222,766	372,831	376,064
Total Current Liabilities	1,094,268	821,160	1,536,265	1,566,989	1,721,016
Non-Current Liabilities					
Long-Term Portion of Lease Liability	-	-	-	-	292,749
Long-Term Loan	3,846,124	3,649,029	7,134,063	6,585,646	6,315,792
Bond Payable	3,967,221	4,019,204	-	-	-
Deferred tax Liabilities	407,829	-	-	-	-
Other Non-Current Financial Liabilities	-	-	-	-	13,613
Long-Term Employment Benefit Liabilities	20,789	27,265	30,248	38,674	54,778
Total Non-Current Liabilities	8,241,963	7,695,498	7,164,311	6,624,320	6,676,932
Total Liabilities	9,336,231	8,516,658	8,700,576	8,191,309	8,397,948
Note: * Restated					10

## Statements of financial position (equity)

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

	FY 2016*	FY 2017	FY 2018	FY 2019	FY 2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Equity					
Issued and Paid-Up Capital	113,758	113,758	113,758	113,758	113,758
Additional Paid-Up Capital - Net	3,589,771	3,589,771	3,589,771	3,589,771	3,589,771
Retained Earnings	822,112	(119,647)	(719 <i>,</i> 479)	(482,813)	219,288
Other Comprehensive Income	157,422	509,528	(14,145)	(247,200)	(278,169)
Total Equity Attributed to:					
- Owners of the Parent	4,683,063	4,093,410	2,969,905	2,973,516	3,644,648
- Non Controlling Interest	-	-	-	-	2,140
Total Equity	4,683,063	4,093,410	2,969,905	2,973,516	3,646,788
Total Liabilities and Equity	14,019,294	12,610,068	11,670,481	11,164,825	12,044,736

Note: \* Restated

### Statements of cash flows



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Statements of cash flows (in IDR millions)

	FY 2016*	FY 2017	FY 2018	FY 2019	FY 2020
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Cash Flows from Operating Activities					
Cash Received from Customers	1,622,474	2,225,161	1,892,016	2,154,474	1,902,694
Payment to Suppliers and Opex	(219,457)	(162,272)	(249,917)	(290,194)	(385,392)
Interest Received	15,697	20,057	7,984	13,058	19,001
Tax Payment and Others	(1,032)	1,727	(13,031)	(369)	(33,855)
Net Cash provided by operating	1,417,682	2,084,673	1,637,052	1,876,969	1,502,448
Cash Flows from Investing Activities					
Property and Equipment - Procurement	(386,463)	(315,596)	(161,295)	(299,348)	(408,519)
Payments For Land Lease	(215,769)	(395,687)	(210,370)	(223,391)	-
Addition of Intangible Assets	-	-	-	(6,880)	(4,899)
Advances for Construction	74	(1,710)	(3,159)	(4,689)	(923)
Others	24,843	-	-	-	_
Net Cash used in investing	(577,315)	(712,993)	(374,824)	(534,308)	(414,341)
Cash Flows from Financing Activities					
Financing Transaction - net	85,982	(406,576)	3,471,473	(323,188)	(251,266)
Payments of right of use assets lease liabilities	-	-	-	-	(267,363)
Proceeds (Payment) from Bond Issuance	-	-	(4,123,500)	-	-
Payment of Financial Charges	(973 <i>,</i> 885)	(869 <i>,</i> 813)	(733,256)	(805 <i>,</i> 560)	(692,860)
Net Cash used in financing	(887,903)	(1,276,389)	(1,385,283)	(1,128,748)	(1,211,489)
Net (decrease) increase in cash	(47,536)	95,291	(123,055)	213,913	(123,382)
Effect of forex difference on cash	3,207	(138)	(10,049)	576	(976)
Cash and cash equivalent at beginning of year	229,325	184,996	280,149	147,045	361,534
Cash and cash equivalent at end of year	184,996	280,149	147,045	361,534	237,176

Note: \* Restated



