

TICKERS:

IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

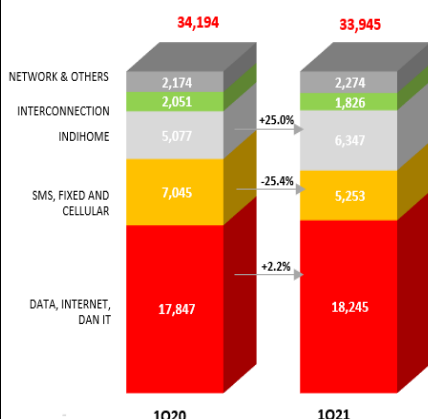
Government of Indonesia : 52.1%
Public : 47.9%

CONVERSION RATES (US\$ 1.00):

Mar 31, 2021 = Rp14,525.0
Dec 31, 2020 = Rp14,050.0
Mar 31, 2020 = Rp16,310.0

FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)


Share Price (June 25, 2021)

Rp3,250 (IDX) and USD22.7 (NYSE)

Market Capitalization (June 25, 2021)

Rp322 Tn (USD22.5 Bn)

Average Daily Trading (30 Days)

100.0 Mn Shares (IDX) & 415,215 DR (NYSE)
Source: Bloomberg

Highlights

- In 1Q21, Telkom recorded Rp33.9 trillion in Revenue, with better EBITDA and Net Income Margins.
- IndiHome continued solid performance by growing 25.0% YoY to Rp6.3 trillion in 1Q21 driven by increasing subscribers and better ARPU.
- Telkomsel continued to pursue digital business, revealed by strong growth in data traffic of 59.7%. In 1Q21, digital business contribution to total revenue reached 76.9% from 70.6% in the previous year.
- Telkomsel officially launched 5G service on May 27, 2021 which confirms its position as the first cellular operator to offer 5G in Indonesia. Telkomsel also refreshed its brand identity followed with product simplification.

Financial Highlights

Key Indicators (Rp. Bn)	YoY		
	1Q21	1Q20	Growth (%)
Revenues	33,945	34,194	(0.7)
Expenses	22,246	22,265	(0.1)
Operating Profit	11,699	11,929	(1.9)
EBITDA	18,809	18,759	0.3
EBITDA Margin (%)	55.4	54.9	0.5ppt
Net Income	6,014	5,862	2.6
Net Income Margin (%)	17.7	17.1	0.6Ppt

Operational Highlights

Subscribers (000)	YoY		
	1Q21	1Q20	Growth (%)
Broadband			
Fixed Broadband - IndiHome	8,149	7,255	12.3
Mobile Data User	114,831	105,064	9.3
Cellular			
Postpaid	6,589	6,438	2.3
Prepaid	158,103	156,129	1.3
Total	164,692	162,567	1.3

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DISCLAIMER

This document contains financial conditions and result of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, which would be treated as forward-looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve risk and uncertainty that could cause actual results and development to differ materially from those expressed or implied in these statements. Telkom Indonesia does not guarantee that any action, which may have been taken in reliance on this document, will bring specific results as expected.

PT TELKOM INDONESIA (PERSERO) Tbk FIRST QUARTER OF 2021 (UNAUDITED)

The following analysis and discussion are based on our Indonesian GAAP financial statements for the first quarter of 2021 and 2020. The reports have been submitted to Indonesia Financial Services Authority (OJK).

Revenues

Key Indicators (Rp. Bn)	YoY		
	1Q21	1Q20	Growth (%)
Data, Internet & IT Service	18,245	17,847	2.2
SMS, Fixed and Cellular Voice	5,253	7,045	(25.4)
IndiHome	6,347	5,077	25.0
Interconnection	1,826	2,051	(11.0)
Network and Other Telco Services	2,274	2,174	4.6
Total	33,945	34,194	(0.7)

Telkom recorded consolidated revenue of Rp33.9 trillion in the first quarter of 2021. IndiHome and mobile data became the growth drivers while legacy businesses continued to decline. The revenue details are as follows:

- **Data, Internet & IT Services revenues** grew by 2.2% YoY to Rp18.2 trillion with cellular data revenue as the growth driver. Mobile data traffic jumped by 59.7% YoY to 3,113 petabyte driven by strong traction in mobile data services.
- **SMS, Fixed and Cellular Voice revenues** declined by 25.4% YoY to Rp5.3 trillion due to cannibalization from instant messaging (OTT) application and continued transition from legacy to data. Voice and SMS revenue declined by 23.5% YoY and 33.7% YoY, respectively.
- **IndiHome** recorded revenue of Rp6.3 trillion or strongly grew by 25.0% YoY during the period. We added 133 thousand additional subscribers despite challenging operational activities due to measures and protocols in connection with COVID-19. Total subscribers reached 8.1 million at end of March 2021.
- **Interconnection revenues** declined by 11.0% YoY to Rp1.8 trillion in line with declining legacy international voice business.
- **Network and Other Telecommunication Services revenues** increased by 4.6% YoY to Rp2.3 trillion mainly due to higher business volume in managed services and tower lease.

Expenses

Key Indicators (Rp. Bn)	YoY		
	1Q21	1Q20	Growth (%)
Operating Expense			
Operation, Maintenance & Telecommunication Services	8,452	8,252	2.4
Personnel	3,500	3,451	1.4
Interconnection	1,136	1,519	(25.2)
Marketing	755	641	17.8
General & Administrative	1,293	1,572	(17.7)
Total Operating Expenses	15,136	15,435	(1.9)
Depreciation & Amortization	7,286	6,849	6.4
Forex (Gain) / Loss	(78)	(205)	(62.0)
Others (Income) / Expense	(98)	186	(152.7)
Total Expenses	22,246	22,265	(0.1)

In the first quarter of 2021, we posted total expenses of Rp22.2 trillion or decreased by 0.1% YoY, with Operating Expenses declined by 1.9% YoY to Rp15.1 trillion. Details of expenses are as follows:

- **Operation & Maintenance (O&M) expenses** rose by 2.4% YoY to Rp8.5 trillion as we continued to develop digital infrastructure in an effort to grow Digital Connectivity and Digital Business both in cellular and fixed-line services.
- **Personnel expenses** rose by 1.4% YoY to Rp3.5 trillion relatively in line with country's inflation level.
- **Interconnection expenses** decreased by 25.2% YoY to Rp1.1 trillion in line with declining wholesale voice business.
- **Marketing expenses** increased by 17.8% YoY to Rp755 billion due to higher advertising and marketing research costs.
- **General & Administrative expenses** decreased by 17.7% YoY to Rp1.3 trillion as we successfully improved collection of receivables in all segments.
- **Depreciation & Amortization** increased by 6.4% YoY to Rp7.3 trillion in line with continued investment to strengthen our digital infrastructure both in mobile and fixed line businesses.
- We recorded **Net Forex Gain** of Rp78 billion by the end of March 2021.
- We booked **Other Income – net** of Rp98 billion from higher non-operating income and lower non-operating expense during the period.

EBITDA and Net Income

EBITDA in 1Q21 was Rp18.8 trillion or grew by 0.3% YoY with EBITDA margin expanded to 55.4% from 54.9%, indicated successful cost efficiency. Meanwhile, we posted Net Income of Rp6.0 trillion or increased by 2.6% YoY with better Net Income margin of 17.7% compared to 17.1% last year.

Financial Position

Key Indicators (Rp. Bn)	End of		
	1Q21	FY20	Growth (%)
Total Assets	257,848	246,943	4.4
Total Liabilities	129,950	126,054	3.1
Non-controlling Interests	19,265	18,362	4.9
Total Equity	127,898	120,889	5.8

- Total assets at end of March 2021 was Rp257.8 trillion or rose by 4.4% YTD mainly due to an increase in cash & cash equivalents.
- Total liabilities as of 31 March 2021 rose by 3.1% YTD to Rp130.0 trillion due to higher long-term borrowings and short-term bank loans.
- Non-controlling interests increased by 4.9% YTD as a dividend paid was less than subsidiaries' current profits for the year.
- Our equity increased by 5.8% YTD to Rp127.9 trillion due to higher retained earnings from the company's performance.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	1Q21	1Q20	Growth (%)
Cash Flows from Operating Activities	17,433	17,603	(1.0)
Cash Flows from/(used in) Investing Activities	(6,763)	(5,089)	32.9
Cash Flow from/(used in) Financing Activities	367	(6,850)	(105.4)
Net Increase (Decreased) in Cash & Cash Equivalents	11,037	5,664	94.9
Effect of Exchange Rate Changes on Cash and Cash Equivalents	103	459	(77.6)
Cash and Cash Equivalents at Beginning of Year	20,589	18,242	12.9
Cash and Cash Equivalents at End of Period	31,729	24,365	30.2

- Net cash provided by operating activities in 1Q21 reached Rp17.4 trillion or drop by 1.0% YoY during this period. The decrease was mainly attributable to lower cash receipt from tax refund and increasing in VAT payment. However, cash from customer increased by 9.8% YoY to Rp32.1 trillion.

- Net cash used in investing activities increased by 32.9% YoY due to higher capex utilization for network enhancement.
- Net cash used in financing activities decreased by 105.4% YoY as withdrawal of new loans and borrowing were higher than repayment for loans and borrowings.

Debts

Currencies (Rp. Bn)	End of		Portion (%)	
	1Q21	FY20	1Q21	FY20
IDR/Rupiah	66,652	63,992	98.0	97.8
USD/US Dollar	912	1,011	1.3	1.5
JPY/Japanese Yen	404	418	0.6	0.6
MYR/Malaysian Ringgit	40	41	0.1	0.1
Total	68,008	65,462	100.0	100.0

Total debts (including lease liabilities) amounting to Rp68.0 trillion as of 31 March 2021, increased by 3.9% YTD. Around 98% of our debts were in Rupiah currency, around 1.3% were in US Dollar currency and the remaining balance were in Japanese Yen and Malaysian Ringgit, consisting of short and long-term bank loans, bonds, medium term notes, two-step loans, loans from non-bank financial institution, as well as lease liabilities.

During the period, finance cost was Rp982 billion or drop by 19.2% YoY compared to the same period last year.

Our debt to equity ratio ("DER") was still relatively low at 53.2%. The strong balance sheet profile was appreciated by credit rating agencies. Moody's and Fitch assigned Baa1 (one notch above the sovereign rating) and BBB respectively, both with a stable outlook. Whilst the Indonesian rating agency Pefindo assigned $idAAA$ with a stable outlook.

Gearing Ratio

Ratios (%)	End of		
	1Q21	FY20	Growth (ppt)
Net Debt to Equity	27.4	36.0	(8.6)
Debt to Equity	53.2	54.2	(1.0)
Debt to EBITDA (times)	0.9	0.9	0.0
Debt Service Ratio (times)	2.4	2.5	(0.1)

Notes:

- Net Debt to Equity is calculated as Total Debt deducted by Cash & Cash Equivalent and Other Current Financial Assets, then divided by Total Equity
- Debt Equity is Total Debt to Total Equity
- Debt to EBITDA represented by Total Debt to Annualized EBITDA
- Debt Service Ratio is calculated as Annualized EBITDA divided by the sum of Annualized Finance Cost and Short-term Debt

Financial Ratios

Ratios (%)	YoY		
	1Q21	1Q20	Growth (ppt)
EBIT Margin	34.5	34.9	(0.4)
EBITDA Margin	55.4	54.9	0.5
Net Income Margin	17.7	17.1	0.6
Current Ratio	80.0	79.6	0.4
Total Liabilities to Equity	101.6	91.2	10.4
Return on Assets	13.0	13.7	(0.7)
Return on Equity	26.2	26.2	0.0
Return on Invested Capital	17.1	17.8	(0.7)

Notes:

- EBIT Margin is EBIT to Revenue
- EBITDA Margin is EBITDA to Revenue
- Net Income Margin is calculated as Profit Attributable to Owners of the Company divided by Revenue
- Current Ratio represented by Current Assets divided by Current Liabilities
- Total Liabilities to Equity is Total Liabilities to Total Equity
- Return on Assets represented by Total Profit divided by Total Assets
- Return on Equity represented by Total Profit divided by Total Equity
- Return on Invested Capital is calculated as Annualized Total Profit divided by sum of Total Debt and Total Equity

Capital Expenditure

In the first quarter of 2021, Telkom spent Rp5.7 trillion in capital expenditure (capex) or 16.9% of total revenue in the first quarter of 2021. Our Capex was utilized to strengthen network and other supporting infrastructures as well as to enhance capacity to provide better customer experience. In fixed line businesses, capex was primarily used to develop fiber-based access and backbone infrastructures, and small portion for other projects such as towers and Data Center. Meanwhile in mobile services, capex was absorbed to further improve 4G network quality and capacity, as well as IT system enhancement.

RESULTS BY SEGMENT

Mobile Segment

Telkomsel Financial Result

Telecommunication industry starts the year with continued COVID-19 pandemic and slower than expected recovery to have impact on the overall society with macroeconomic conditions and consumer spending while the shift of legacy business towards Data services continually to accelerate and remains intense competitive landscape.

Entering 2021 with a set of headwinds and lower seasonality lead to pressure on revenues, Telkomsel managed to sustain healthy levels of profitability supported by core and Digital Services. As new engine of growth, Digital Business posted a growth of +3.1% YoY driven by Data and Digital Services performances that grew +0.4% YoY and +22.6% YoY, respectively accounted for 76.9% of total revenue, increased from 70.6% last year.

In the non-financial aspect, Telkomsel managed to have 164.7 million subscribers with more productive & engaged in Data service as shown by the number of Data user, Data payload and payload per Data user.

Telkomsel also continue to augment network reach & quality by increasing the number of BTS operated of which 79% were 3G/4G BTS.

With the rapidly evolving customer needs and the transformation taking place in the society, Telkomsel committed to enhance product offerings and digital capabilities while accelerating and expanding its current digital ecosystem. Telkomsel will go further beyond connectivity and explores opportunities in new digital initiatives and solutions supported by a superior network quality to cater the needs of customers, thus continue to focus on long-term growth.

In overall, through consistent assessment with prudent execution, Telkomsel believes this is the right path on digitalization journey into a digital telco company and strengthening the development of digital-based telecommunication services in the daily lives for securing a company's long-term growth and at the same time providing differentiation for subscribers across the nation.

Digital Business

Digital Business remained the engine of growth as the leading digital telecommunication company in Indonesia supported by a focus on maintaining dominance in network supply. This segment recorded positive performance with 3.1% YoY growth to Rp16,324 billion and increased its contribution to total revenue to 76.9% from 70.6% last year (Pre-PSAK 72, Digital Business growth would be 5.8% YoY with 79.0% contribution to total revenue).

Revenue from Data to maintain by 0.4% YoY to Rp13,915 billion with 114.8 million Data users (+9.3% YoY) & 3G/4G capable device at 121.6 million (+7.1% YoY & 73.8% penetration) as well as healthy growth in Data payload (+59.7% YoY to 3,188,180 TB).

Legacy Business: Voice and SMS

Continued natural transition phase of Legacy toward Data & impact of OTT services cannibalization, Telkomsel's Legacy business was slowing down with Voice revenue decreased by 31.3% YoY to Rp3,756 billion with declining Voice traffic by 16.8% YoY and SMS revenue declined by 43.9% YoY to Rp366 billion with declining SMS traffic by 37.0% YoY. Having this challenge, Telkomsel managed to prolong the tail while addressing customers' need with consistent network quality and services. Furthermore, Telkomsel also expanding digital ecosystem and creating strategic initiatives that believe will support to enhance digital services and solutions.

The following table summarizes Telkomsel's financial results for the period ended 31 March 2021:

Consolidated Statements of Profit and Loss

Key Indicators (Rp. Bn)	YoY			QoQ		
	1Q21	1Q20	Growth (%)	1Q21	4Q20	Growth (%)
Revenues	21,215	22,424	(5.4)	21,215	21,969	(3.4)
Legacy	4,891	6,595	(25.8)	4,891	7,299	(33.0)
Digital Business	16,324	15,829	3.1	16,324	14,670	11.3
Expenses incl. Depr. and others	12,509	13,133	(4.7)	12,509	13,007	(3.8)
EBITDA	12,501	13,819	(9.5)	12,501	12,606	(0.8)
EBITDA Margin (%)	58.9	61.6	(2.7)ppt	58.9	57.4	1.5ppt
Net Income	6,724	7,056	(4.7)	6,724	7,045	(4.6)
Net Income Margin (%)	31.7	31.5	0.2ppt	31.7	32.1	(0.4)ppt
Proportion of Digital Business (%)	76.9	70.6	6.4ppt	76.9	66.8	10.2ppt

PSAK 72 Impact on Legacy and Digital Business Revenues

Reported & Pre-PSAK 72 Figures (Rp. Bn)	YoY					QoQ					
	1Q21	1Q21*	1Q20	Growth (%)	Growth* (%)	1Q21	1Q21*	4Q20	4Q20*	Growth (%)	Growth* (%)
Total Revenue	21,215	21,215	22,424	(5.4)	(5.4)	21,215	21,215	21,969	21,973	(3.4)	(3.4)
Legacy Revenue	4,891	4,464	6,595	(25.8)	(32.3)	4,891	4,464	7,299	5,036	(33.0)	(11.4)
<i>Legacy to Total Revenue (%)</i>	23.1	21.0	29.4	(6.4)ppt	(8.4)ppt	23.1	21.0	33.2	22.9	(10.2)ppt	(1.9)ppt
Digital Business Revenue	16,324	16,751	15,829	3.1	5.8	16,324	16,751	14,670	16,937	11.3	(1.1)
<i>Digital Business to Total Revenue (%)</i>	76.9	79.0	70.6	6.4ppt	8.4ppt	76.9	79.0	66.8	77.1	10.2ppt	1.9ppt

Note: * Pre-PSAK 72 Figures

- New local standard result of PSAK 72 implementation required to allocate bundle of product to different service types based on Stand-alone Selling Price with revenue recognition based on fulfilment of performance obligations (i.e. usage).
- Since local standard result of PSAK 72 implementation is more on recording & allocation process, it does not change on fundamental/performance with the same Revenue, EBITDA & Net Income figures.
- Telkomsel committed to implement the local standard result of PSAK 72 in order to achieve regulatory compliance with higher transparency & control over operations.

Operating Expenses

As of March 2021, total expenses including depreciation, amortization and others decreased by 4.7% YoY to Rp 12,509 billion in line with cost leadership initiatives to continue manage the cost with stable Operational & Maintenance cost (efficient network design & technology) while having continuous network development and existing asset optimization.

Able to manage cost differently & logically through numerous initiatives lead to healthy levels of profitability with 58.9% EBITDA Margin and 31.7% Net Income Margin.

Consolidated Statements of Financial Position

Key Indicators (Rp Bn)	Mar-21	Dec-20	Growth (%)
Current Assets	25,508	19,488	30.9
Non-Current Assets	82,089	84,164	(2.5)
Total Assets	107,596	103,652	3.8
Current Liabilities	31,339	28,997	8.1
Non-Current Liabilities	22,446	23,568	(4.8)
Equity	53,811	51,088	5.3
Total Liabilities and Stockholders Equity	107,596	103,652	3.8

As of 31 March 2021, Total Assets increased 3.8% to Rp107,596 billion, Total Liabilities increased 2.3% to Rp53,785 billion and Total Equity increased 5.3% to Rp 53,811 billion.

- Current Assets increased 30.9% to Rp25,508 billion, mainly due to increase in cash and cash equivalents, while Non-Current Assets decreased 2.5% to Rp82,089 billion due to decrease in fixed assets.
- Current Liabilities increased 8.1% to Rp31,339 billion, mainly due to increase in current maturities of obligation under lease and Non-current Liabilities decreased 4.8% to Rp22,446 billion due to decrease in obligation under lease.
- Total Equity increased by 5.3% to Rp53,811 billion, mainly due to increase in retained earnings.

Cash Flow

- Net cash generated from operations in March 2021 increased 2.6% YoY to Rp12,939 billion mainly due to increase in total cash receipts from operating activities.
- Cash flow used in investment activities decreased 49.3% YoY to Rp871 billion and Net cash used in financing activities (exclude Dividend) decreased 81.1% YoY to Rp1,098 billion due to higher cash inflow as a result of tower sale and leaseback transactions.

Consolidated Statements of Cash Flows

Key Indicators (Rp Bn)	1Q21	1Q20	Growth (%)
Cash Flows from Operating Activities	12,939	12,608	2.6
Cash Flows for Investing Activities	(871)	(1,719)	(49.3)
Cash Flows for Financing Activities	(1,098)	(5,804)	(81.1)
Dividend Payment	(3,860)	-	N/A
Net Increase in Cash & Cash Equivalents	7,110	5,086	39.8
Cash and Cash Equivalents at Beginning of Period	9,154	8,583	6.6
Cash and Cash Equivalents at End of Period	16,264	13,669	19.0

Debt Profile

As of 31 March 2021, Telkomsel's total outstanding loans amounted to Rp1,000 billion from revolving credit facilities that expires in 2021. As of 31 March 2021, Telkomsel Debt to Equity Ratio (DER) was 1.9% (exclude lease liabilities).

Description	Local Currency Rp bn
% from total loan	100%
Loan maturity	
2021	1,000
Total	1,000

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 31 March 2021, the covenants were as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	≥ 1.25	5.41
Total Debt to Tangible Net Worth	≤ 2.00	0.02

Notes: Debts in covenants exclude lease liabilities.

Ratios	Mar-21	Dec-20	Growth (ppt)
Debt to Equity (%)	1.9	3.9	(2.0)
Debt to EBITDA (times)	0.07	0.08	(6.2)%

Mobile Digital Services

With the rapidly evolving customer needs and the transformation taking place in the society, Telkomsel committed to enhance product offerings and digital capabilities to go beyond connectivity while accelerating and expanding its current digital ecosystem, thus continue to focus on customer needs and long-term growth supported by network quality.

- Initiatives related to video, music & games content including enhanced the positioning of MAXstream in the video streaming industry with more than 7 million monthly active users through partnerships with OTTs.
- Augmented the functionalities of by.U, a fully digital prepaid product offering integrated services based on fully customizable digital applications with positive growth of customer to reach 1.9 million customers.

- Developing Telkomsel Orbit, a home wireless internet service as an effort to leverage strong network capacity with more than 56 thousand customers.
- Explores opportunities by unlocking digital capabilities/asset thru new digital initiatives to meet customer needs & bring values in the new normal era in order to not only complement connectivity but also finding/exploring key component of growth story.

Following Telkomsel's initial investment in Gojek in November 2020, the two companies have integrated various aspects of their services to provide users with new benefits and helped to accelerate the digitization of micro, small and medium enterprises (MSMEs). These initiatives include:

- The integration of Telkomsel MyAds with GoBiz, which enables Gojek's MSME partners to efficiently expand their outreach to Telkomsel users.
- Easy onboarding for Gojek's MSME partners to become Telkomsel reseller partners.
- Affordable data packages for Gojek driver-partners, which can be accessed on the GoPartner and MyTelkomsel applications.
- Convenient access to Telkomsel's outlets and resellers via GoShop.
- Co-marketing for gaming services through Telkomsel's Dunia Games and GoPay.

Customer Base

As of March 2021, Telkomsel managed to have 164.7 million subscribers and saw positive trends of user engagement with increasing payload and payload per Data user that align with corporate strategy in Data.

Network Deployment

Continuous network development to support our focus on Digital Business with aggressive 4G BTS deployment. As we have covered most of the population by 4G LTE network throughout the nation, the deployment will also be prioritizing quality and capacity. The network rolls out brought total BTS on air to 234,165 units at the end of March 2021, or increased by 6.8% YoY, of which 183,913 units were 3G/4G BTS (+8.8% YoY).

IT Development

We continue to enhance and strengthen our IT platform in order to improve our customer analytics' capability to be able to digitalize and provide more personalized products to our customers. Moreover, we also elevate and expand our digital capabilities for the distinctive digital experience of customer.

Telkomsel's sustainable financial performance was supported by solid operational performance. The following table shows key operational performance as of 31 March 2021:

Key Indicators	YoY			QoQ		
	1Q21	1Q20	Growth (%)	1Q21	4Q20	Growth (%)
Customer Base (000)	164,692	162,567	1.3	164,692	169,542	(2.9)
ARPU (000)	43	45	(3.1)	43	44	(2.2)
BTS on Air (units)	234,165	219,323	6.8	234,165	231,172	1.3
Total Employees (*including subs & associated co)	5,352	5,372	(0.4)	5,352	5,371	(0.4)
MoU (in billion minutes)	33.1	39.8	(16.8)	33.1	36.4	(9.1)
SMS (in billion units)	6.6	10.5	(37.0)	6.6	8.5	(22.2)
Data Payload (TB)	3,188,180	1,996,842	59.7	3,188,180	2,973,105	7.2

Fixed Line Services

Fixed Broadband IndiHome

IndiHome posted Rp6.3 trillion in revenue or grew by 25.0% YoY. IndiHome revenue contribution to TelkomGroup significantly increased to 18.7% in 1Q21 from 14.8% in the same period last year. Supported by higher economic of scale and better operating leverage, IndiHome EBITDA margin was 45.2% in 1Q21, significantly improved from 38.9% in FY20.

We added around 133 thousand additional customers during 1Q21, brought total subscribers to reach 8.15 million by the end of March 2021 or rose by 12.3% YoY. Around 58% of total customers were on Dual Play Package while the remaining 42% were on Triple Play. IndiHome plays important role in building digital society as its services cover 496 (96.5%) cities/districts throughout Indonesia. We focused on improving ARPU that in 1Q21 ARPU was Rp266 thousand compared to Rp262 thousand in the previous quarter.

In an effort to increase ARPU, we encourage new customers to subscribe on Triple Play or to subscribe at higher speed. We also persuade existing customers to upgrade to Triple Play. We entice existing customers to upgrade to higher speed or to purchase various add-ons such as various mini packs or additional hybrid boxes. Increasing ARPU was largely helped by revenue from add-ons that grew by 33.2% YoY and contributed to around 15.0% to IndiHome revenue, higher than previous year which contributed to 14.1% of total IndiHome revenue.

We also focused on improving the churn rate. We took several initiatives in an effort to reduce churn, e.g. the application of one-month subscription fee as a deposit in advance, as well as minimum 12 months subscription agreement.

In addition, we keep enriching IndiHome content by adding IndiHome Cinema, a live streaming and video on demand platform in IndiHomeTV to further improve customer experience.

Around 90.1% of the IndiHome revenue was generated from residential customers (Consumer Segment, with around 95.8% contribution to the segment's revenue), while the remaining 9.9% was from business clients (Enterprise Segment).

Enterprise Business

In the first quarter of 2021, the Enterprise segment recorded Rp4.1 trillion in revenue or declined by 5.1% YoY as the pandemic started to impact enterprise sectors significantly in 2Q20, hence 1Q20 was still relatively in higher base.

Application services, digital platforms such as IT Services and data center and cloud increased healthily. One of the areas that become our focus is Data Center as the demand is growing significantly in line with the rising activities of digital business players. We have three main domestic data center facilities and in an effort to lead the supply of data center business, we are currently in the progress of developing new sites of Data Center (Hyperscale Data Center) certified as tier 3 and 4 that will be completed in stages, and the operation of the first stage is expected to start in the second half of 2021.

We serve three customer segments under our Enterprise business, which are corporate clients, government, and small and medium-sized businesses (SMB) which contributed around 55%, 24%, and 21% of Enterprise segment revenue, respectively, in 1Q21.

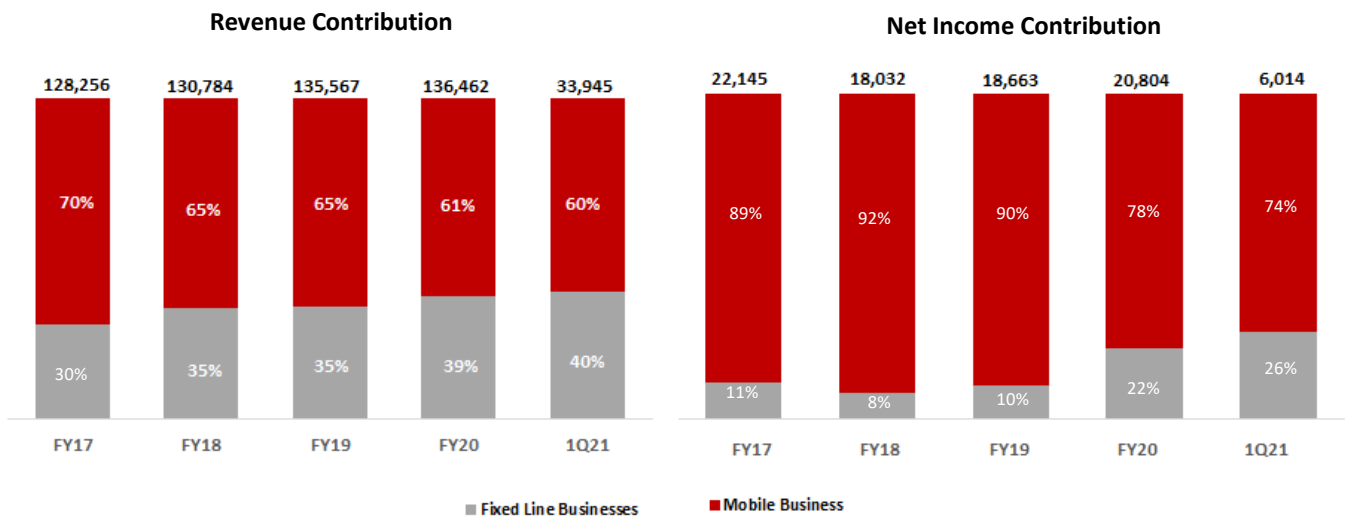
Wholesale and International Business

WIB segment recorded Rp3.3 trillion in revenue or declined by 0.4% YoY dragged by lowered volume in international wholesale voices.

This segment is largely supported by tower and data center businesses. After we successfully consolidated our tower assets within the group and a series of inorganic activities, this segment recorded revenue from tower lease of Rp600 billion or grew by 17.0% YoY. We are of the view that tower business still has the opportunity to grow, driven by 5G technology that has been rolled-out in Indonesia.

To enhance the WIB position as an enabler for other segments and to serve external customers, we strengthen data center infrastructure under WIB called NeuCentriX. We operate NeuCentriX data centers in 23 locations, of which five located overseas and 18 located in our modernized ex-switching centers (STO). All NeuCentriX data centers under WIB are integrated to the Telkom network, including connected to our main data centers, so that our customers can experience our best digital connectivity and digital platforms. Data center business also has potential to be unlocked in the future.

In the last five years, contribution from fixed line businesses to Group revenue and net income continued to grow reflecting our well-diversified businesses, as shown in the charts below.



In digital space, we have an aspiration to have partnership and collaboration with digital player champions to accelerate our digital transformation. We expect that such partnership and collaboration will enhance our capability to provide a better experience for our customers with various digital services. Through MDI, we also have the aspirations to develop and nurture start-up companies in various business sectors, with focus on healthcare, education, logistic, finance and agriculture areas. The investment activities in MDI is directed to build synergy with our existing businesses, and seek for value appreciation at once.

Recent Activities

■ Telkomsel's additional investment in Gojek

In May 2021, following the initial USD 150 million investment, Telkomsel invested an additional USD 300 million in Gojek to strengthen synergies and to explore deeper integration of services. This investment builds on the existing collaboration and will open up new synergies as the two companies scale up digital services and deliver new innovative solutions. Specifically, Telkomsel and Gojek will explore more opportunities to integrate their digital services, with the aim of delivering greater value to consumers, partners and businesses. The two companies will also continue to work together to grow Indonesia's digital lifestyle sector, help businesses leverage digital solutions and further develop the technology talent pool in the country.

■ Telkomsel launches 5G

After receiving a permit (SKLO - *Surat Keterangan Laik Operas*) from the Ministry of Communication and Information, Telkomsel has officially launched 5G service on May 27, 2021 which confirms its position as the first cellular operator to offer 5G in Indonesia. In its first phase of 5G commercialization, Telkomsel 5G services are available at selected points across 9 cities, which includes Jakarta, Surabaya, Makassar, Bali, Batam, Medan, Solo, Balikpapan, and Bandung. Telkomsel will maximize

the use of 5G to present a variety of new digital products and services that can transform lives and implement the advantages of the 5G network to further encourage the growth of digital connectivity, digital platforms and digital services in Indonesia as well as the development of future technology solutions such as artificial intelligence, cloud computing and the Internet of Things.

■ **Telkomsel's new brand identity**

In June 2021, Telkomsel introduces new identity as the symbol of change as commitment to continuously adapting and being relevant that can answer various challenges through a more comprehensive digital transformation roadmap continuation of the company. Through the presence of the company's new brand identity as a symbolization of our integrity, purposeful, empowering & exciting, the rejuvenation of Telkomsel further strengthens its new identity as the leading digital telco company in Indonesia with digital trifecta (Digital Connectivity, Digital Service & Digital Platform). The digital trifecta represented as a comprehensive and integrated Telkomsel digital ecosystem through the various product and service innovations based on the best customer-centric solutions, sustainable development of leading networks, as well as strong collaboration with related leading technology companies and strategic partners in Indonesia, to improve people's digital lifestyle experiences.

■ **TelkomGroup Responses to COVID-19**

In response to the current market dynamics, Telkom implemented several tactical actions in order to support employees & community:

- a. Activation of the Business Continuity Plan (BCP) not only to address any emergent obstacles related to the pandemic, but also to provide a means for employees to contribute through CSR programs.
- b. More valuable & better pricing product as one initiative to keep with market relevance and to protect relative market position with focus on renewal package as well as aiming for new potential productive customers supported by network capability.
- c. Continue to focus on securing profitability through various cost-efficiency measures to streamline operational expenses.
- d. Expanding Digital Services portfolio related to video, music and games content to complement connectivity while capturing growth opportunities through new digital initiatives with prudent execution for securing company's long-term growth and at the same time building differentiation.

Product and Marketing Activities

Fixed Line and Enterprise

■ **IndiHome Paket Guru, Dosen, Pelajar dan Mahasiswa**

As a form of support for online teaching and learning activities, IndiHome offers packages that are supported by fast internet connections, various interactive TV services, and free calls for 50 minutes to facilitate the activities of teachers, lecturers, and students throughout Indonesia.

■ IndiHome Paket Gamer

As a form of facilitating gaming activities, IndiHome introduces packages with super fast internet networks and some interesting game benefits such as exclusive items, in game currency, double experience, drop rates, and so on.

ADDITIONAL INFORMATION

Awards and Recognition

As a reflection of our business excellence, innovative products and services, reliable network infrastructure, widest coverage areas, excellent customer service, strategy execution and strong management operation, we received awards and accolades for various categories from leading institutions at both national and international levels. The awards and accolades we received during 1Q21 among others:

- Contact Center World Awards for Telkomsel with Best in Customer Service (Gold Winner-Asia Pacific and Silver Winner-Global) from Contact Center World.
- Appreciation for Telkomsel as the biggest tax contributor in Large Taxpayer Office 4 (KPP Wajib Pajak Besar Empat) for tax year 2020 from DJP (Direktorat Jenderal Pajak).
- Marketing Brands Award 2021 for Telkomsel in cellular operator category with *simPATI* product from Iconomics.
- Indonesia Top Digital Public Relations Award 2021 for Telkomsel in telecommunication provider category from TRAS N CO Indonesia.
- Indonesia PR Program of the Year 2021 for Telkomsel in Journalist Choice category from MIX-Marketing Communication.
- Indonesia WOW Brand Awards 2021 for Telkomsel in cellular operator category (Gold Winner) and by.U in digital operator (Gold Winner) from MarkPlus Insight Research.
- Public Relations Indonesia Awards 2021 for Telkomsel in Corporate Public Relations category (PR Campaign HUT RI 75 TAHUN - Gold Winner) and Most Popular in Print Media category from PR Indonesia.
- 1st Best Good Corporate Government (Telco) for Telkom from Economic Review.
- Indonesia Corporate PR Award for Telkom from Warta Ekonomi.
- Marketing Brands Awards 2021 for Telkom and Excellent in Brand Among Iconomics Marketing Brands Award 2021 for IndiHome from Iconomics.
- BCOMMS 2021 Honourable Mention for Telkom from Kementerian BUMN.
- Digital Technology Innovation Award 2021 for Best Digital Transformation Company, Best CEO, and Best CIO for Telkom from Itech.
- Social Media (Gold Winner Media Cetak Marketing PR) for Telkom from PRIA.
- Indonesia Digital Innovation Award 2021 for Telkom and The Most Famous Fixed Broadband with the Widest Coverage and the Best Customer Service in Indonesia for IndiHome from Warta Ekonomi.

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of March 31, 2021 (unaudited) and December 31, 2020 (audited)
(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

	Mar 31, 2021	Dec 31, 2020	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	31,729	20,589	54.1
Other current financial assets	1,198	1,303	(8.1)
Trade Receivables			
Related parties	1,473	1,644	(10.4)
Third parties	10,907	9,695	12.5
Contract assets	1,098	1,036	6.0
Other receivables	278	214	29.9
Inventories	901	983	(8.3)
Contract cost	531	454	17.0
Prepaid taxes	2,863	3,170	(9.7)
Claim for tax refund	745	854	(12.8)
Other current assets	6,340	6,561	(3.4)
Total Current Assets	58,063	46,503	24.9
NON-CURRENT ASSETS			
Contract assets	209	203	3.0
Long-term investments in financial instruments	4,307	4,045	6.5
Long-term investments in associates	176	192	(8.3)
Contract cost	1,429	1,254	14.0
Property and equipment	159,887	160,923	(0.6)
Right of use asset	17,388	18,566	(6.3)
Intangible assets	6,941	6,846	1.4
Deferred tax assets – net	3,533	3,578	(1.3)
Other non-current assets	5,915	4,833	22.4
Total Non-current Assets	199,785	200,440	(0.3)
TOTAL ASSETS	257,848	246,943	4.4
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade Payables			
Related parties	874	928	(5.8)
Third parties	15,137	16,071	(5.8)
Contract liabilities	7,223	7,834	(7.8)
Other payables	711	578	23.0
Taxes payable	4,568	2,713	68.4
Accrued expenses	14,521	14,265	1.8
Customers deposits	2,500	2,024	23.5
Short-term bank loans	12,191	9,934	22.7
Current maturities of long-term borrowings	8,381	9,350	(10.4)
Current maturities of lease liabilities	6,451	5,396	19.6
Total Current Liabilities	72,557	69,093	5.0
NON-CURRENT LIABILITIES			
Deferred tax liabilities – net	692	561	23.4
Contract liabilities	1,103	1,004	9.9
Long service award provisions	1,252	1,254	(0.2)
Pension benefits and other post-employment benefits obligations	13,133	12,976	1.2
Long-term loans and other borrowings	33,418	30,561	9.3
Lease liabilities	7,567	10,221	(26.0)
Other liabilities	228	384	(40.6)
Total Non-current Liabilities	57,393	56,961	0.8
TOTAL LIABILITIES	129,950	126,054	3.1
EQUITY			
Capital stock	4,953	4,953	0.0
Additional paid-in capital	2,711	2,711	0.0
Other equity	467	374	24.9
Retained earnings			
Appropriated	15,337	15,337	0.0
Unappropriated	85,165	79,152	7.6
Net Equity Attributable to:			
Owners of the Parent Company	108,633	102,527	6.0
Non-controlling interest	19,265	18,362	4.9
TOTAL EQUITY	127,898	120,889	5.8
TOTAL LIABILITIES AND EQUITY	257,848	246,943	4.4

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Three Months Period Ended March 31, 2021 and 2020 (unaudited)
(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

	2021	2020	Growth (%)
REVENUES	33,945	34,194	(0.7)
COST AND EXPENSES			
Operation, maintenance, and telecommunication service expenses	(8,452)	(8,252)	2.4
Depreciation and amortization expenses	(7,286)	(6,849)	6.4
Personnel expenses	(3,500)	(3,451)	1.4
Interconnection expenses	(1,136)	(1,519)	(25.2)
General and administrative expenses	(1,293)	(1,572)	(17.7)
Marketing expenses	(755)	(641)	17.8
Gain on foreign exchange – net	78	205	(62.0)
Other income (expenses) - net	98	(186)	(152.7)
OPERATING PROFIT	11,699	11,929	(1.9)
Finance income	153	219	(30.1)
Finance cost	(982)	(1,215)	(19.2)
Share of loss of associated companies – net	(54)	(9)	500.0
PROFIT BEFORE INCOME TAX	10,816	10,924	(1.0)
INCOME TAX (EXPENSE) BENEFIT			
Current	(2,243)	(2,831)	(20.8)
Deferred	(186)	208	189.4
	(2,429)	(2,623)	(7.4)
PROFIT FOR THE YEAR	8,387	8,301	1.0
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation	93	419	(77.8)
Share of other comprehensive income of associated companies	-	4	(100.0)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Defined benefit actuarial losses – net	(1)	-	100.0
Other comprehensive losses - net	92	423	(78.3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	8,479	8,724	(2.8)
Profit for the year attributable to:			
Owners of the parent company	6,014	5,862	2.6
Non-controlling interests	2,373	2,439	(2.7)
	8,387	8,301	1.0
Total comprehensive income for the year attributable to:			
Owners of the parent company	6,106	6,285	(2.8)
Non-controlling interests	2,373	2,439	(2.7)
	8,479	8,724	(2.8)
BASIC EARNING PER SHARE (in full amount)			
Net Income per share	60.71	59.17	2.6
Net Income per ADS (100 Series B shares per ADS)	6,070.93	5,917.49	2.6

Table 3
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2021 (UNAUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2020 (AUDITED)
 (Figures are presented in billions of Rupiah)

	MAR 2021	DEC 2020	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	16,264	9,154	77.7
Accounts receivable - net	1,869	871	114.7
Unbilled revenue	1,983	2,358	(15.9)
Prepaid tax and expenses – current	4,263	5,228	(18.5)
Others	1,129	1,877	(39.9)
Total Current Assets	25,508	19,488	30.9
NON-CURRENT ASSETS			
Long-term investments	2,302	2,348	(1.9)
Fixed assets – net	72,642	74,901	(3.0)
Intangible assets – net	5,682	5,540	2.6
Prepaid tax and expenses - non current	1,376	1,291	6.6
Others	87	85	2.0
Total Non-current Assets	82,089	84,164	(2.5)
TOTAL ASSETS	107,596	103,652	3.8
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable & accrued liabilities	14,019	12,606	11.2
Taxes payable	1,746	796	119.3
Unearned revenue	5,455	5,847	(6.7)
Current maturities of medium-term loans	1,000	2,000	(50.0)
Current maturities of lease liabilities	9,120	7,747	17.7
Total Current Liabilities	31,339	28,997	8.1
NON-CURRENT LIABILITIES			
Provision for employee benefits	5,044	4,858	3.8
Lease liabilities - net of current maturities	16,914	18,562	(8.9)
Deferred tax liabilities	488	148	229.5
Total Non-current Liabilities	22,446	23,568	(4.8)
EQUITY			
Capital stock - Rp 1,000,000 par value			
Authorized - 650,000 shares			
<i>Issued and fully paid - 182,570 shares</i>	183	183	0.0
Additional paid-in capital	1,531	1,531	0.0
Retained earnings	52,098	49,374	5.5
Total Equity	53,811	51,088	5.3
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	107,596	103,652	3.8

Table 4
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (UNAUDITED)
 (Figures in tables are presented in billions of Rupiah)

	MAR 2021	MAR 2020	Growth (%)
REVENUES			
Legacy	4,891	6,595	(25.8)
Digital Business	16,324	15,829	3.1
Data	13,915	13,864	0.4
Digital services	2,410	1,965	22.6
Total Revenues	21,215	22,424	(5.4)
EXPENSES			
Operations & maintenance	5,014	5,014	0.0
Personnel	1,375	1,270	8.3
Marketing	484	439	10.2
General & administrative	242	297	(18.5)
Cost of services	1,210	1,066	13.6
Interconnection & international roaming	388	519	(25.3)
Depreciation & amortization	5,031	4,673	7.7
Others – net	(1,235)	(145)	N/A
Total Expenses	12,509	13,133	(4.7)
Finance charges - net	(346)	(412)	(16.0)
INCOME BEFORE TAX	8,360	8,879	(5.9)
INCOME TAX EXPENSE	(1,636)	(1,823)	(10.3)
NET INCOME	6,724	7,056	(4.7)
EBITDA	12,501	13,819	(9.5)
EBITDA Margin	58.9%	61.6%	(2.7)ppt
ROA	22.9%	26.6%	(3.7)ppt
ROE	45.0%	46.4%	(1.4)ppt