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Telkom



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DIAN RACHMAWAN



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ZULHELFI ABIDIN



Director
DAVID BANGUN

Telkomsel



CEO Telkomsel
RIRIEK ADRIANSYAH



Director
HERI SUPRIADI



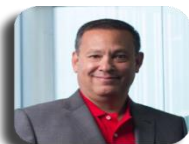
Director
EDWARD YING SIEW HENG



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SUKARDI SILALAHI



Director
MONTGOMERY HONG



Director
BOB APRIAWAN



Director
IRFAN TACHRIR

TELKOM in Brief

FY17 Financial & Operational Results

Company Guidance 2018



Share Ownership

Government **52.1%**

Public **47.9%**

Treasury Stock
1.7 Bn shares

Total Shares

100,799,996,400 shares

Market Capitalization

Rp374 Tn (USD27.5 Bn)*

Telkom Indonesia is listed at
Indonesia Stock Exchange (*Bloomberg: TLKM IJ*)
and New York Stock Exchange (*TLK US*)



*as of March 21, 2018

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FY17 Performance Highlights

Telkom Indonesia maintained strong performance in FY17, robust growth in **Revenue, EBITDA**, and **Net Income** of **10.2%**, **8.6%**, and **14.4%** YoY respectively.

Revenue growth was driven by **Data, Internet & IT Services** which increased by **28.7%** YoY. This segment contributed **43.2%** to total revenue, increased from 37.0% last year.

Telkomsel revenue grew by **7.5% YoY** with improved **EBITDA Margin** to **57.5%** from **57.4%**.

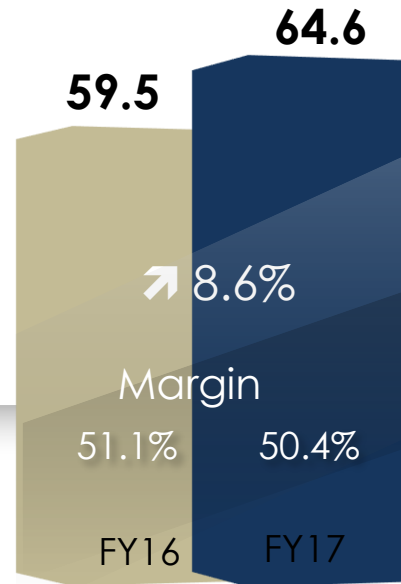
Telkomsel installed **31,672** new BTSs, all were 3G and 4G BTSs to enhance mobile broadband experience.

Healthy Revenue, EBITDA, and Net Income: Growth with Strong Margins

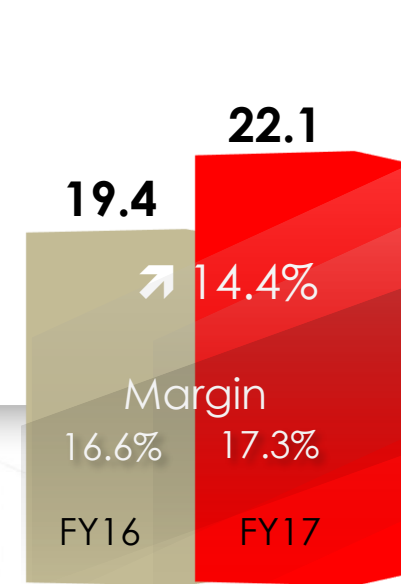
Revenue YoY
(Rp Trillion)



EBITDA YoY
(Rp Trillion)

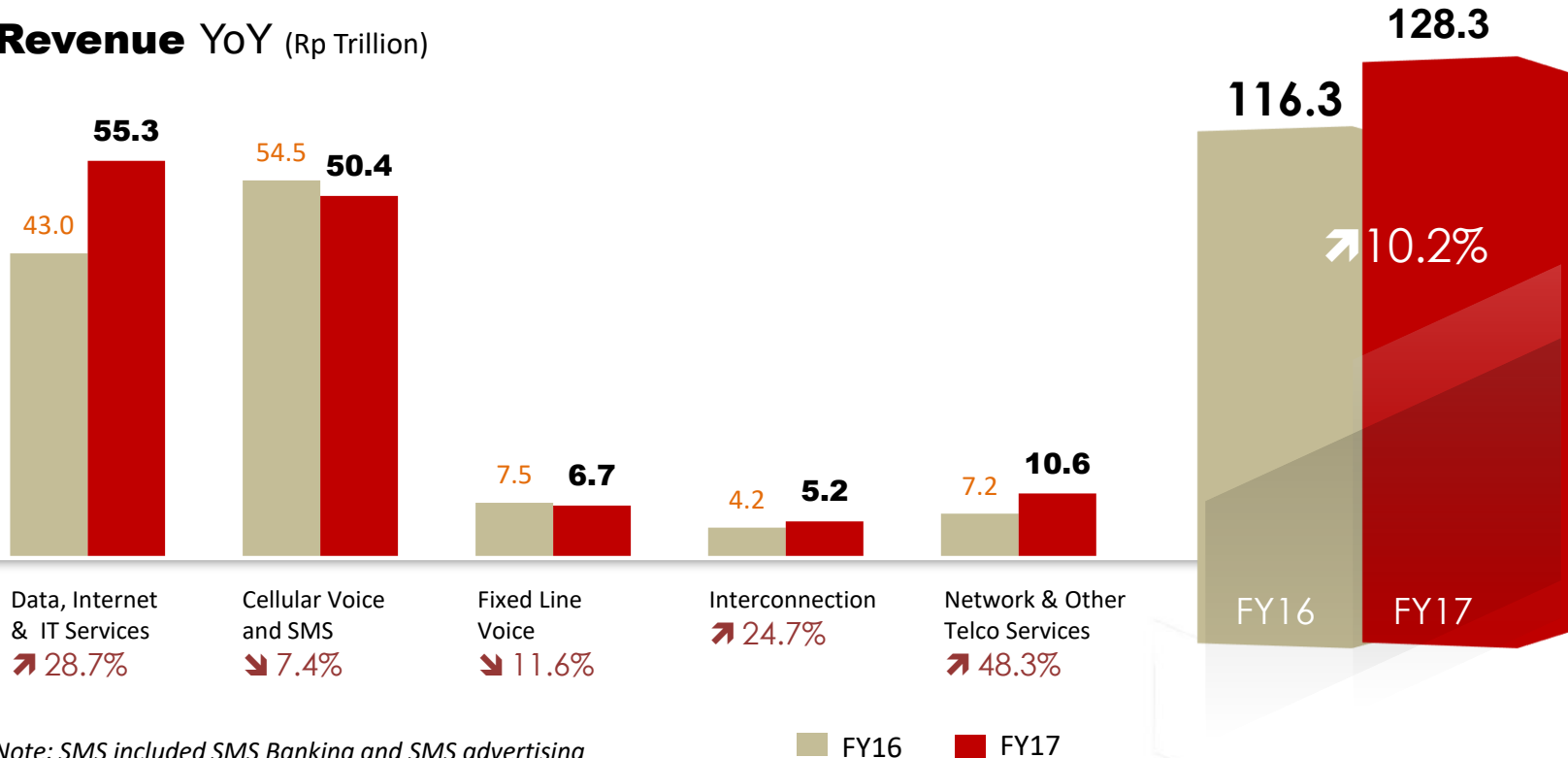


Net Income YoY
(Rp Trillion)



Revenue Growth Driven by Data Business

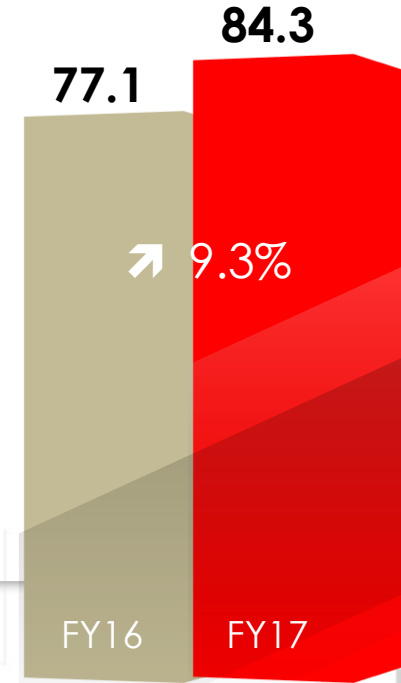
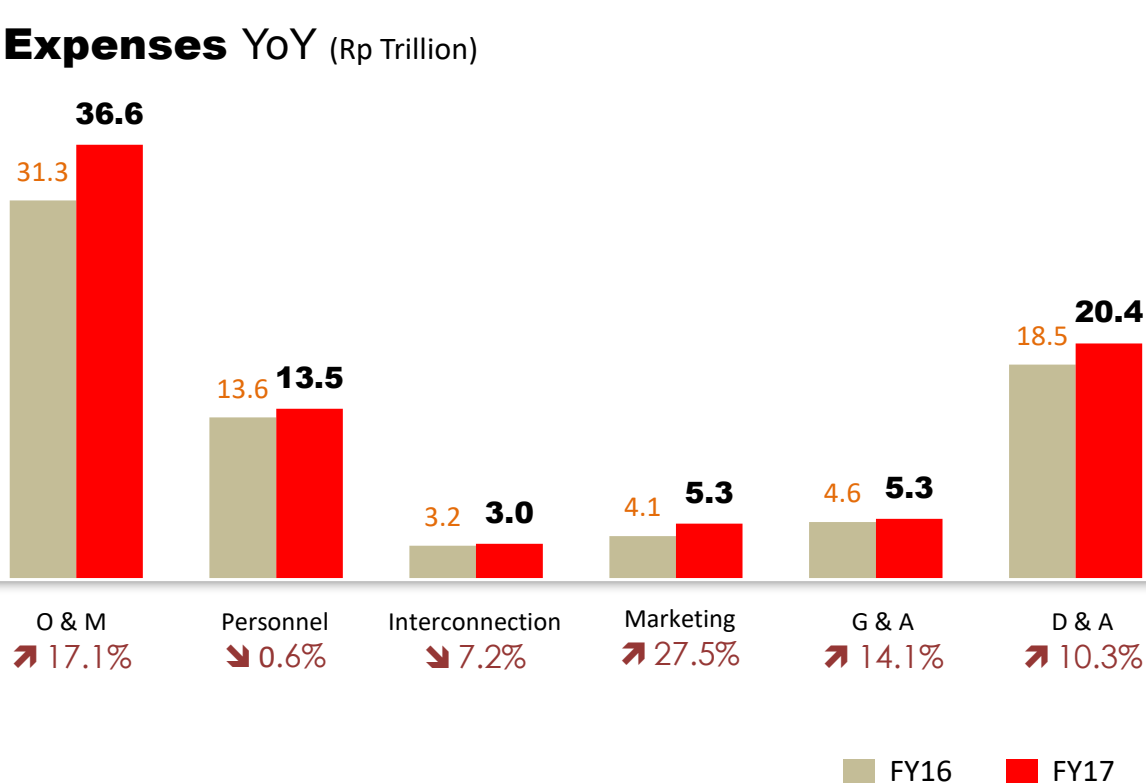
Revenue YOY (Rp Trillion)



Note: SMS included SMS Banking and SMS advertising

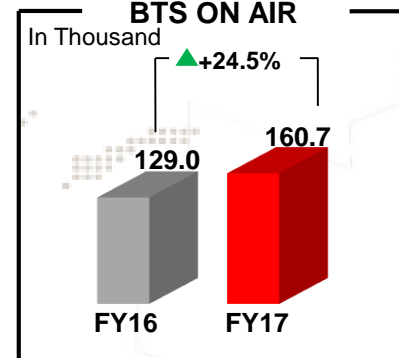
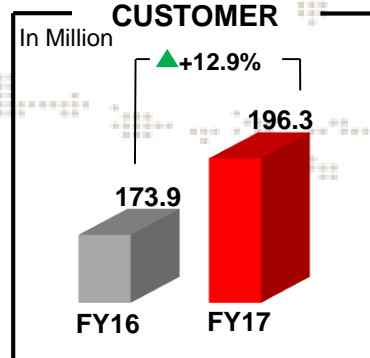
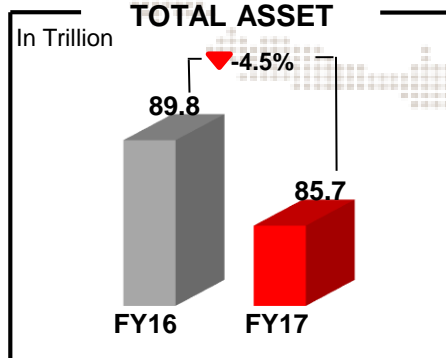
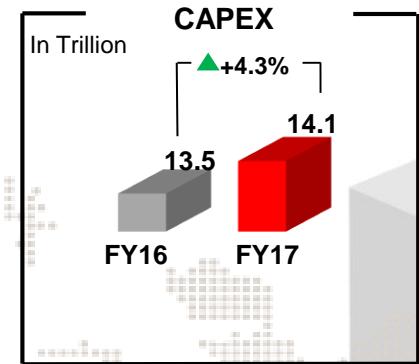
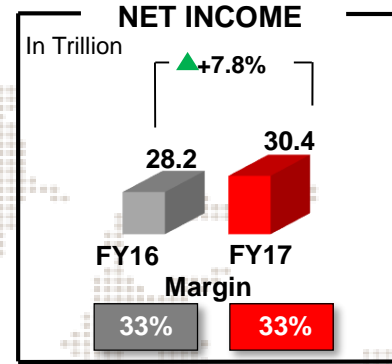
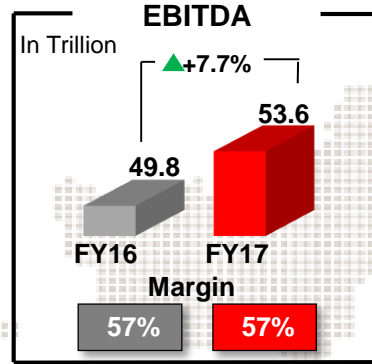
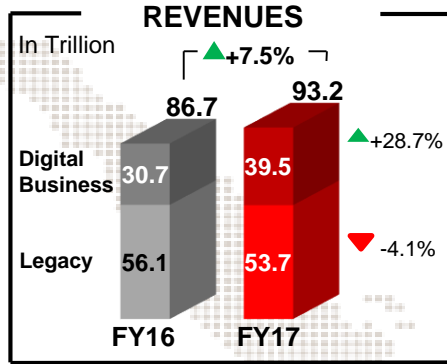
Manageable Expenses

Expenses YOY (Rp Trillion)



Telkomsel Performance: Delivered a strong set of results during 2017

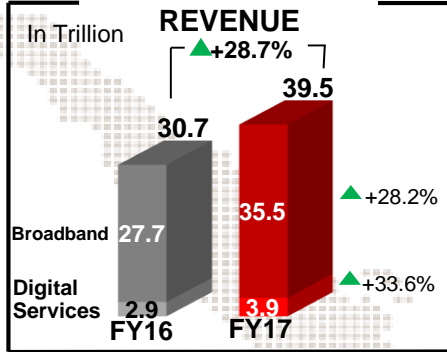
YEAR-ON-YEAR ACHIEVEMENT



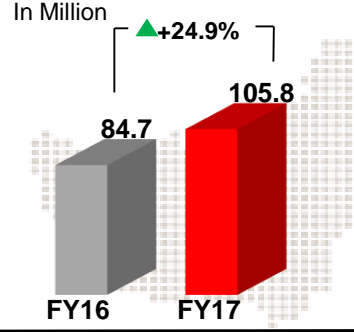
Telkomsel Performance: Continue to Focus on Digital Business

YEAR-ON-YEAR ACHIEVEMENT

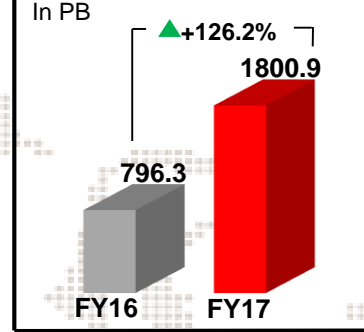
DIGITAL BUSINESS



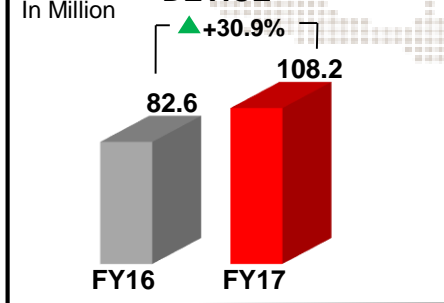
DATA USER



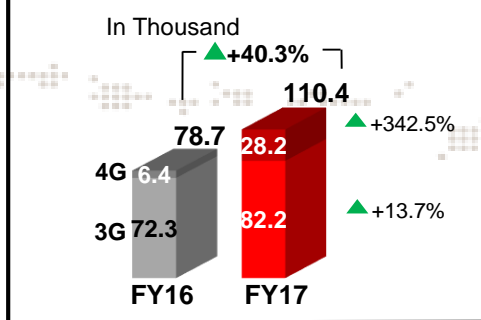
DATA TRAFFIC



3G/4G CAPABLE DEVICE



3G & 4G BTS ON AIR



Digital Business:



Excellent Operational Results

Telkomsel Operational



- 3G/4G-capable device users: 108.2 Mn (+30.9% YoY). 49.6 Mn has enjoyed 4G
- Mobile data payload jumped 126.2% YoY to 2,168,245 TB
- Added 31,672 new BTSs (all were 3G/4G). Total BTS 160,705 (around 70% 3G/4G)
- 4G LTE BTS: 28,153 BTS
- Total customers: 196.3 Mn, increased 12.9% YoY

TELKOM Operational



- Added 1.3 mn new customers in 2017
- Total IndiHome subscribers reached 2.97 Mn, increased 82.6% YoY
- 65% 3P customers : 35% 2P customers
- IndiHome revenue grew 48.1% YoY to Rp8.2 Tn
- ARPU in 4Q17 Rp285K

Enterprise Business

We serve Corporate, Government, and SME clients with integrated solutions:

- smart enablers
- data center and cloud
- platforms and application
- business process outsourcing

 **13%**
Indonesia enterprise
ICT Market

TELKOM
Enterprise Business



19.1 Tn  **21.0%**
Revenues (Rp)

Corporate

Increasing trend for Indonesian corporations to focus on their core businesses and outsource their ICT solution needs

1,450
Corporate Clients

58%
to rev.

Government

Government IT-related spending is around Rp15 trillion annually

944
Institutions

23%
to rev.

SME

3.7 million identified SMEs in our database with very low ICT adoption rate

300,000
SME Clients

19%
to rev.

Wholesale & International Business Services

We serve domestic and international traffic carrier, wholesale connectivity, towers, satellite, as well as telecommunication and infrastructure managed services

7.4 Tn

↑ 26.8%

Revenues (Rp)

TELKOM-4 Satellite

has reached **75% progress**
and is expected to launch in mid-2018

SEA-ME-WE-5

20,000 km from Dumai, Indonesia - Marseille, France
has started to operate in January 2017

Maps of Indonesia Backbone Network

SEA-US

15,000 km from Manado, Indonesia - California, USA
Commenced operation by August 2017

IGG

Indonesia Global Gateway
Connect SEA-ME-WE 5, SEA-US and our domestic network **has reached 62% progress and is expected to commence operation in 3Q18**

Legend:

- : < 2015
- : 2015
- : 2016
- : 2017
- : Indonesia Global Gateway (2018)

Network Modernization and M&A

Switching Centers Modernization

**Copper-based
Switching
Centers**

1,234

**Copper-based Switching Centers
Modernized**

282

Modernized in 2017

465

Total modernized until 2017

**All Fiber-based
Switching Centers**

by 2021

M&A

In an effort to
enhance digital
capabilities

**Bosnet
Distribution
Indonesia**

e-logistics

**Nutech
Integrasi**

e-transportation

**TS Global
Network
Sdn Bhd**

Satellite
communication
service

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FY17 Operational & Financial Results

Company Guidance 2018



2018 Guidance

Revenue Growth

To grow in line or slightly better than industry. Telco industry is expected to grow at mid single digit in 2018

EBITDA & Net Income Margins

To decline by around 2% to 3% in line with revenue shift from legacy (voice and SMS) towards data and continued infrastructure development

CAPEX

Around 25% of revenue with focus on broadband infrastructures, both mobile and fixed line

MAIN PROGRAM

Delivering Best Customer Experiencing

Delighting Customer Journey by Delivering Superior Digital Experience

Expanding Digital Business

Defend and Expand Digital Connectivity and Boosting Digital Services & Solutions

Intensifying Smart Inorganic

Optimizing Smart Inorganic to Strengthen Digital Capabilities and Enhance Enterprise Value

Thank You

PT Telkom Indonesia (Persero) Tbk

March 2018

