

TICKERS:

IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

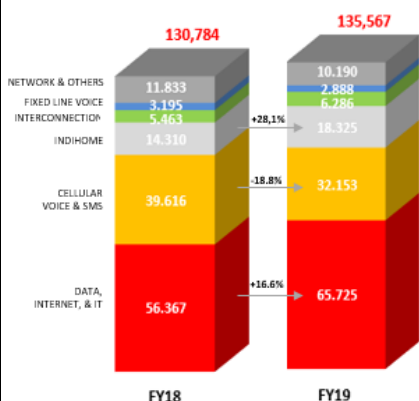
Government of Indonesia : 52.1%
Public : 47.9%

CONVERSION RATES (US\$ 1.00):

Dec 31, 2019 = Rp13,882.5
Dec 31, 2018 = Rp14,380.0

FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)


Share Price (May 26, 2020)

Rp3,250 (IDX) and USD21.64 (NYSE)

Market Capitalization (May 26, 2020)

Rp322 Tn (USD21.8 Bn)

Average Daily Trading (30 Days)

102.2 Mn Shares (IDX) & 317,663 DR (NYSE)

Source: Bloomberg

Highlights

- IndiHome continued its strong momentum with revenue increased by 28.1% to Rp18.3 trillion with 7 million subscribers by the end of 2019.
- Data, Internet, and IT service increased by 16.6% to Rp65.7 trillion in FY19 driven by fast growing mobile data.
- Telkom Indonesia's revenue grew by 3.7% YoY. Amidst continuous legacy revenue decline, EBITDA margin still went up by 2.6ppt to 47.8% primarily due to increase of IndiHome's EBITDA margin from 25.6% in FY18 to 33.9% in FY19.
- Cash flows from operating activities reached historical high of Rp54.95 trillion or jumped by 20.3% YoY during 2019.
- Telkomsel deployed c. 23 thousand 4G BTSs during 2019 which brought total BTS on air to c. 212 thousand units. While, Telkom's fiber-based backbone length reached c. 164,700 Km by the end of 2019.

Financial Highlights

Key Indicators (Rp. Bn)	YoY		Growth (%)
	FY19	FY18	
Revenues	135,567	130,784	3.7
Expenses	93,173	91,939	1.3
Operating Profit	42,394	38,845	9.1
EBITDA	64,832	59,181	9.5
EBITDA Margin (%)	47.8	45.3	2.6ppt
Net Income	18,663	18,032	3.5
Net Income Margin (%)	13.8	13.8	0.0ppt

Operational Highlights

Subscribers (000)	YoY		Growth (%)
	FY19	FY18	
Broadband			
Fixed Broadband	9,037	7,260	24.5
IndiHome	7,003	5,104	37.2
Non-IndiHome	2,034	2,156	(5.7)
Mobile Data User	110,253	106,553	3.5
Cellular			
Postpaid	6,376	5,400	18.1
Prepaid	164,729	157,587	4.5
Total	171,105	162,988	5.0

Investor Relations

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DISCLAIMER

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PT TELKOM INDONESIA (PERSERO) Tbk FULL YEAR OF 2019 (AUDITED)

The following analysis and discussion are based on our Indonesian GAAP financial statements for full year of 2019 and 2018. The reports have been submitted to Indonesia Financial Services Authority (OJK).

Revenues

Key Indicators (Rp. Bn)	YoY		
	FY19	FY18	Growth (%)
Data, Internet & IT Service	65,725	56,367	16.6
Cellular Voice and SMS	32,153	39,616	(18.8)
IndiHome	18,325	14,310	28.1
Interconnection	6,286	5,463	15.1
Fixed Line Voice	2,888	3,195	(9.6)
Network and Other Telco Services	10,190	11,833	(13.9)
Total	135,567	130,784	3.7

Telkom recorded total revenue of Rp135.6 trillion in 2019, an increase of 3.7% YoY. Mobile data and IndiHome were the growth drivers for this period. The details of our Revenue lines are as follows:

- **Data, Internet & IT Services revenues** increased by 16.6% YoY, primarily attributable to the high increase of cellular data revenue which significantly jumped by 23.3% YoY. Our mobile data traffic increased by 53.6% YoY to 6,558 petabyte mainly fueled by the increasing data users consumption driven by variety of digital contents.
- **Cellular Voice and SMS revenues** decreased by 18.8% YoY with both voice and SMS services revenues declined by 17.6% and 23.1%, YoY respectively, due to cannibalization from instant messaging (OTT) applications as smartphone adoption has been getting higher.
- **IndiHome** revenue grew to Rp18.3 trillion or jumped by 28.1%, as the service reached 7.0 million subscribers in FY19 or rose by 37.2% YoY from 5.1 million in FY18, supported by effective marketing strategy and improving technician performance.
- **Interconnection revenues** increased by 15.1% YoY as a result of our initiative to grab overseas wholesale voice business opportunities.
- **Fixed Line Voice revenues** dropped by 9.6% YoY due to cannibalization from mobile services that resulted in declining fixed line traffic.
- **Network and Other Telecommunication Services revenues** declined by 13.9% YoY, mainly caused by device sales which dropped by 40.1%, in line with strategy changes in Enterprise business to focus on more profitable products and services.

Expenses

Key Indicators (Rp. Bn)	YoY		
	FY19	FY18	Growth (%)
Operating Expense			
Operation, Maintenance & Telecommunication Services	42,226	43,791	(3.6)
Personnel	13,012	13,178	(1.3)
Interconnection	5,077	4,283	18.5
Marketing	3,724	4,214	(11.6)
General & Administrative	6,696	6,137	9.1
Total Operating Expenses	70,735	71,603	(1.2)
Depreciation & Amortization	23,178	21,406	8.3
Forex (Gain) / Loss	86	(68)	226.5
Others (Income) / Expense	(826)	(1,002)	17.6
Total Expenses	93,173	91,939	1.3

Total Expenses increased by 1.3% YoY in FY19, with O&M expense decreased by 3.6% and Depreciation & Amortization expense rose by 8.3% YoY. Details of expenses are as follows:

- **Operation & Maintenance (“O&M”) expenses** declined by 3.6% YoY mainly due to decline in cost of devices, IT services, and managed service solutions in line with business focus changes in Enterprise segment.
- **Personnel expenses** slightly declined by 1.3% YoY, mainly due to actuarial calculation that resulted in lower pension benefit cost.
- **Interconnection expenses** rose by 18.5% YoY, in line with the growth in our international wholesale voice business.
- **Marketing expenses** declined by 11.6% YoY primarily due to effective sales and marketing programs.
- **General & Administrative expenses** grew by 9.1% YoY.
- **Depreciation & Amortization Depreciation & Amortization** rose by 8.3% YoY due to assets addition, in line with infrastructure development in mobile and fixed-line business, including fiber-based backbone and access, and 4G BTS.
- We recorded **Net Forex Loss** of Rp86 billion in 2019.
- **Others – net** recorded an income of Rp826 billion.

EBITDA and Net Income

In FY19, we posted EBITDA of Rp64,832 billion or went up by 9.5% YoY while Net Income grew to Rp18,663 billion or rose by 3.5%. Furthermore, EBITDA margin increased to 47.8% from 45.3% mainly due to successful cost efficiency while Net Income margin was relatively stable at 13.8%.

Financial Position

Key Indicators (Rp. Bn)	End of		
	FY19	FY18	Growth (%)
Total Assets	221,208	206,196	7.3
Total Liabilities	103,958	88,893	16.9
Non-controlling Interests	17,689	18,393	(3.8)
Total Equity	117,250	117,303	(0.0)

- Total assets at end of 2019 was Rp221.2 trillion, increased by 7.3% YTD mainly due to additional fixed assets in line with our continuous network development.
- Total liabilities as of 31 December 2019 stood at Rp104.0 trillion, grew by 16.9% YTD. The increase in liabilities were driven by loan, tax liabilities, unearned income, and employee benefit liabilities.
- Non-controlling interests decreased by 3.8% to Rp17,689 billion in line with dividend distribution of subsidiaries.
- Our equity was flat in FY19 as we maintained our retained earnings and company's performance.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	FY19	FY18	Growth (%)
Cash Flows from Operating Activities	54,949	45,671	20.3
Cash Flows from/(used in) Investing Activities	(35,791)	(35,090)	2.0
Cash Flow from/(used in) Financing Activities	(18,247)	(18,458)	(1.1)
Net Increase (Decreased) in Cash & Cash Equivalents	911	(7,877)	111.6
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(108)	171	(163.2)
Cash and Cash Equivalents at Beginning of Year	17,439	25,145	(30.6)
Cash and Cash Equivalents at End of Period	18,242	17,439	4.6

- Net cash provided by operating activities in 2019 exceeded Rp54.9 trillion for the first time or jumped by 20.3% YoY, particularly from higher cash received from our customers.
- Net cash used in investing activities was higher by 2.0% YoY mainly due to higher purchase of equipments as we continue to strengthen our mobile and fixed line network infrastructure.
- Net cash used in financing activities declined by 1.1% YoY as we made lower loan and borrowings repayments due to smaller loans and borrowings withdrawals.

Debts

Currencies (Rp. Bn)	End of		Portion (%)	
	Dec-19	Dec-18	Dec-19	Dec-18
IDR/Rupiah	50,212	41,722	96.4	94.6
USD/US Dollar	1,315	1,636	2.5	3.7
JPY/Japanese Yen	491	602	0.9	1.4
MYR/Malaysian Ringgit	66	127	0.1	0.3
Total	52,084	44,087	100.0	100.0

At the end of December 2019, total debts (including financial lease) amounting to Rp52.1 trillion, increased by 18.1% compared to the end of 2018. Around 96% of our debts were in Rupiah currency, around 2.5% 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 financial leases.

At the end of December 2019, total financial lease was Rp2.3 trillion. Around 94% of the figures was for tower lease and the remaining was for other financial leases.

Our debt to equity ratio ("DER") was still relatively low at 44.4%. 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 stable outlook. Whilst the Indonesian rating agency Pefindo assigned idAAA with stable outlook.

Gearing Ratio

Ratios (%)	End of		
	Dec-19	Dec-18	Growth (ppt)
Net Debt to Equity	28.4	21.6	6.8
Debt to Equity	44.4	37.6	6.8
Debt to EBITDA (times)	0.8	0.7	0.1
Debt Service Ratio (times)	2.9	4.3	(1.4)

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 to 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		
	FY19	FY18	Growth (ppt)
EBIT Margin	31.3	29.7	1.6
EBITDA Margin	47.8	45.3	2.6
Net Income Margin	13.8	13.8	0.0
Current Ratio	71.5	93.5	(22.0)
Total Liabilities to Equity	88.7	75.8	12.9
Return on Assets	12.5	13.1	(0.6)
Return on Equity	23.5	23.0	0.5
Return on Invested Capital	16.3	16.7	(0.4)

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 full year of 2019, Telkom Group spent Rp36.6 trillion in capital expenditure (capex) or 27.0% of revenue. We utilized our capex mainly to enhance our digital capabilities to capture growth opportunities in the digital space. In mobile services, it was mainly allocated for radio access network (4G BTS) deployment and IT system enhancement. While in fixed businesses, it was primarily absorbed to develop fiber-based access and backbone infrastructure, including submarine cable systems and a satellite to support fixed as well as mobile broadband businesses. Some portions of capex were also utilized for other projects such as tower.

RESULTS BY SEGMENT

Mobile Segment

Telkomsel Financial Result

After experiencing a highly dynamic year growth in 2018, Indonesia mobile telecommunications industry returns to positive in 2019 with continuing competitive environment in healthier and more rational way coupled with on-going Legacy toward Data services transition, initiatives in Data monetization as well as behavior shifting of customers. With variety of strategic initiatives to maintain and improve profitability, Telkomsel experienced a similar trajectory to closed the year 2019 with a positive performance of Revenues, EBITDA and Net Income at Rp91.1 trillion (+2.1% YoY), Rp49.2 trillion (+3.7% YoY) and Rp25.8 trillion (+1.0% YoY), respectively supported by transformation initiatives in Digital Business as engine of growth along with Cost Leadership initiatives to effectively manage operational expenses lead to improved EBITDA Margin to 54.0% (+0.9ppt). The current market dynamics which also factored in undeniable impact of outbreak in Corona virus or COVID-19 to Indonesia including to telecommunications sector with opportunities arisen from evolving customers' needs in digital has confirmed Telkomsel's belief

as market leader to lead the shifting of industry to healthier manner to provide better opportunities for growth of Data & Digital Services as the future of telecommunications industry.

On the back of effective marketing campaign with initiatives in retaining customers supported by prepaid SIM registration lead to lower churn & behavior shifting of customer, Telkomsel recorded 171.1 million subscribers in 2019 which increased by 5.0% YoY. Telkomsel expects to see ongoing natural cleansing as impact of reinforcement in prepaid SIM registration policy. However, the registration policy has resulted in a better-quality customer base with higher numbers of real active subscribers and improvement in ARPU as well as more efficient SIM card production costs. It will also have positive long-term impact and support the emergence of healthier competition in the industry.

In line with our philosophy to always lead in network supply including in outside Java to maintain & strengthen our network leadership and growing our Digital Business, we deployed 23,162 new BTS in 2019 with all of BTS were 4G-based. Our data traffic increased by 53.6% YoY to 6,558 petabyte mainly fueled by number of Data User that reached 110.3 million (+3.5% YoY & 64.4% penetration), 3G/4G capable device at 119.3 million (+11.5% YoY & 69.7% penetration) and from promising consumption at 5.2 GB per Data User, increased +54.7% compared to previous year. By the end of 2019, Telkomsel's BTS on-air totaled 212,235 units (+12.2% YoY), 76.3% of which were 3G/4G BTS.

Legacy Business: Voice and SMS

Along with natural transition phase of Legacy toward Data & impact of OTT services cannibalization, Telkomsel's Legacy business was slowing down with Voice revenue decreased by 18.5% YoY to Rp26,790 billion with declining Voice traffic by 13.7% YoY and SMS revenue declined by 39.8% YoY to Rp3,973 billion with declining SMS traffic by 30.1% YoY. Initiatives in personalized marketing approach to offer better value package and attractive Combo (Voice & Data) package were exercised in order to manage the downtrend of Legacy business.

Digital Business: Data Connectivity and Digital Services

Digital Business remained the engine of growth with focus to continue in leading of network supply in 3G and 4G infrastructure. This segment recorded strong performance with 23.1% YoY growth to Rp58,237 billion and increased its contribution to total revenue substantially to 63.9% from 53.0% last year. As Legacy revenue base becomes smaller, and Data/Digital Services revenue growth picks up combined with strong Data traffic, Telkomsel has been able to grow its Digital Business while facing natural disruption of Legacy trend and led the shifting of industry to healthier conduct for providing better growth opportunities of overall mobile revenue.

Revenue from Data grew by 22.3% YoY to Rp50,550 billion, driven by 110.3 million Data user with an increasing of 3G/4G capable device penetration to 69.7% as well as healthy growth in Data payload, which increased by 53.6% YoY to 6,558 petabyte. Digital Services also grew strongly by 29.0% YoY to Rp7,687 billion and has become the main driver of Telkomsel's transformation from a Telco Company to a Leading Digital Telco Company.

The following table summarizes Telkomsel's financial results for the year ended 31 December 2019:

Statement of Profit and Loss

Financial Performance (Rp. Bn)	YoY			QoQ		
	FY19	FY18	Growth (%)	4Q19	3Q19	Growth (%)
Revenues	91,088	89,246	2.1	22,781	23,201	(1.8)
Legacy	32,852	41,947	(21.7)	7,644	8,173	(6.5)
Digital Business	58,237	47,299	23.1	15,136	15,028	0.7
Expenses incl. Depreciation and Others	56,134	54,707	2.6	13,939	14,242	(2.1)
EBITDA	49,218	47,439	3.7	12,457	12,529	(0.6)
EBITDA Margin (%)	54.0	53.2	0.9ppt	54.7	54.0	0.7ppt
Net Income	25,799	25,536	1.0	6,577	6,517	0.9
Net Income Margin (%)	28.3	28.6	(0.3)ppt	28.9	28.1	0.8ppt
Proportion of Digital Business (%)	63.9	53.0	10.9ppt	66.4	64.8	1.7ppt

Telkomsel recorded operating revenues of Rp91,088 billion in FY19, an increase by 2.1% YoY.

Postpaid revenue increased by 2.7% YoY to Rp8,229 billion while Prepaid revenue increased by 3.0% YoY to Rp77,574 billion reflecting active customer being more productive supported by behavior shifting from starter pack toward renewal consumption post SIM card registration program. Interconnection and International Roaming revenues decreased by 22.2% YoY to Rp3,689 billion mainly due to declining Voice and SMS traffic from other local operators as an impact of substitute services from OTT applications.

As of December 2019, total expenses including depreciation and amortization increased by 2.6% YoY to Rp56,134 billion. The growth itself mainly driven by Operational & Maintenance expenses as company's initiative to strengthen 4G LTE services and maximize Broadband service quality also align with the consistent development of infrastructure in 2019, which increased by 12.2% YoY in terms of BTS numbers. However, for all other expense components have been effectively managed reflected from a decrease in General Administration as well as Marketing Expenses in the YoY basis.

Statements of Financial Position

Statements of Financial Position (Rp Bn)	Dec-19	Dec-18	Growth (%)
Current Assets	18,657	16,836	10.8
Non-Current Assets	64,073	65,814	(2.6)
Total Assets	82,730	82,650	0.1
Current Liabilities	20,892	20,737	0.7
Non-Current Liabilities	12,629	10,767	17.3
Equity	49,209	51,147	(3.8)
Total Liabilities and Stockholders' Equity	82,730	82,650	0.1

As of 31 December 2019, Total Assets increased 0.1% to Rp82,730 billion, Total Liabilities increased 6.4% to Rp33,521 billion and Total Equity decreased 3.8% to Rp49,209 billion.

- Current Assets increased 10.8% to Rp18,657 billion, mainly due to increase in cash and cash Equivalents.
- Non-current Assets decreased 2.6% to Rp64,073 billion, mainly due to decrease in Fixed Assets.
- Current Liabilities increased 0.7% to Rp20,892 billion, mainly due to increase in taxes payable and unearned revenue.
- Non-current Liabilities increased 17.3% to Rp12,629 billion, mainly due to increase in medium-term loans net of current maturities.
- Total Equity decreased by 3.8% to Rp49,209 billion, mainly due to decrease in retained earnings as the company distributed dividend in the current period.

Cash Flow

Net cash generated from operations in December 2019 increased 12.4% YoY to Rp41,478 billion mainly contributed by higher cash receipts from operational activities. Cash flow used in investment activities decreased 16.4% YoY to Rp13,448 billion mainly due to lower payment of infrastructure spending as our initiatives in Capex efficiency. Net cash used in financing activities (exclude Dividend) decreased to Rp439 billion as the company has made repayment for loans.

Statements of Cash Flows

In Rp. Billion	FY19	FY18	Growth (%)
Cash Flow from Operating Activities	41,478	36,910	12.4
Cash Flow for Investing Activities	(13,448)	(16,095)	(16.4)
Cash Flow from Financing Activities	439	2,998	(85.4)
Dividend Payment	(26,382)	(27,865)	(5.3)
Net Increase (Decrease) in Cash & Cash Equivalents	2,087	(4,051)	151.5
Cash and Cash Equivalents at Beginning of Periods (Years)	6,497	10,548	(38.4)
Cash and Cash Equivalents at End of Periods (Years)	8,583	6,497	32.1

Debt Profile

As of 31 December 2019, Telkomsel's total outstanding loans amounted to Rp6,000 billion from revolving credit facilities, of which 50% and 50% coming from facility that expires in 2021 and 2023, respectively. As of 31 December 2019, Telkomsel Debt to Equity Ratio (DER) was 18.5%.

Description	FY19	FY18	Growth
Net Debt to Equity (%)	1.1	4.2	(3.1) ppt
Debt to Equity (%)	18.5	16.9	1.6 ppt
Net Debt to EBITDA (times)	0.01	0.05	(76.8)%
Debt to EBITDA (times)	0.21	0.25	(14.6)%

Mobile Digital Services

A number of investments and key initiatives have been established to accelerate the growth of Digital Services, in line with Telkomsel's mission to serve customer's digital preferences and build a digital Indonesia with continuous Digital Service's scale up and innovations with key products and services in this segment included Digital Lifestyle, Mobile Financial Services, Digital Advertising, Digital Mobile Banking, and Internet of Things (IoT):

- Telkomsel aims to become the leading mobile lifestyle provider in the country and pushing digital ecosystem through several platforms such as video, games, and music. In December 2019, Telkomsel still expands its positioning on video ecosystem by enriching content and platform for mass market video. MAXstream has been launched to serve as the platform and has become the one-stop video portal from aggregation of OTT video apps, linear channels, and VOD content with more than 20 million downloads. Telkomsel also maintains its position as the leading operator in Indonesia that provide almost all value chain of gaming ecosystem including media and distribution, payment, e-sport, and step into Game Publishing by releasing its second game "Lord of Estera" under Dunia Games brand after previously launched its first game "Shellfire". Under Dunia Games, Telkomsel has more than 7 million monthly active users. Meanwhile in Music, Telkomsel focused on improving user experience of Langit Musik, partnering with OTT music apps and maximizing revenue from RBT.
- In Mobile Financial Services, Telkomsel's flagship product TCASH has changed to LinkAja in February 2019 as a joint e-money service from the State-owned Enterprise (SOE) based on TCASH platform. The collaboration with a unified e-money service platform is expected to realize financial inclusion and to create a cashless society in Indonesia.
- Through Digital Advertising business, Telkomsel aims to become a dominant media owner in Indonesia's digital Advertising industry. Enhanced by Big Data Analytics engine, Telkomsel Digital Advertising provides a more accurate customer targeting to 171 million subscribers, resulting a higher ROI while simultaneously delivering better advertising value and relevancy to advertisers. Telkomsel offers an extensive range of Digital Advertising services including conventional text messaging, timely advertising for mobile coupons, and display advertising in mobile applications.
- Mobile Banking business also continued to grow, enabling financial institutions to provide mobile banking services, and the recently launched Mobile App. Through Mobile Banking business, we provide Indonesian citizens to enjoy broader access to financial transactions through their mobile phones.
- Telkomsel extended the footprint in Internet of Things business to go beyond connectivity to capture a substantial share of IoT business opportunities with services consist of Smart Connectivity, Fleet Sight and InTank. In addition, Telkomsel rolls out Narrow-Band IOT (NB-IoT) technology, which currently covers Greater Jakarta region and enhanced with IoT Lab and Telkomsel Incubation (TINC) to explore both business and technology opportunities for massive NB-IoT implementation in Indonesia.

Going forward, Telkomsel will continue to scale-up Digital Services business more rapidly through innovations and partnership along with developing the digital ecosystem – a key foundation for Telkomsel to become a leading digital telco company and building a digital Indonesia.

Customer Base

As of December 2019, Telkomsel served 171.1 million subscribers nationwide, increased by 5.0% YoY with Data users at 110.3 million where supported by effective marketing campaign with initiatives in retaining customers supported by prepaid SIM registration lead to lower churn & behavior shifting of customer. Telkomsel expects to see ongoing natural cleansing as impact of reinforcement in prepaid SIM registration policy. Furthermore, Data consumption have reached 5.2GB/Data user (+54.7% YoY) align with Telkomsel strategy to increase Data penetration.

ARPU

As we are shifting from Legacy Business to Digital Business, our double-digit growth in Digital ARPU has been able to compensate the declining of Legacy ARPU which reflected in blended ARPU growth which mainly due to increase in Data user productivity as well as strong growth in Data traffic.

Network Deployment

Our focus on Digital Business was reflected from our network deployment. This year, we continued to accelerate our network development with aggressive 4G BTS deployment to support Digital Business as Data traffic jumped 53.6% YoY. As we have covered most of the population by 4G LTE network throughout the nation, the deployment will also prioritizing quality and capacity as well as level of demand in Broadband cities. We have deployed 79,834 4G BTS for the full year of 2019. The network rolls out brought total BTS on air to 212,235 units at the end of December 2019, or increased by 12.2% YoY, of which 161,938 units were 3G/4G BTS (+16.7% YoY).

IT Development

We continue to enhance and strengthen our IT platform in order to improve our customer analytics' capability. Therefore, we can 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 December 2019:

	YoY			QoQ		
	FY19	FY18	Growth (%)	4Q19	3Q19	Growth (%)
Customer Base (000)	171,105	162,988	5.0	171,105	170,928	0.1
ARPU (000)	46	41	13.3	45	46	(2.7)
BTS on Air (units)	212,235	189,081	12.2	212,235	209,910	1.1
Total Employees (*including subs & associated co)	5,465	5,535	(1.3)	5,465	5,439	0.5
MoU (in billion minutes)	178.7	207.0	(13.7)	42.9	44.3	(3.2)
SMS (in billion units)	54.1	77.4	(30.1)	11.3	14.1	(20.5)
Data Payload (TB)	6,715,227	4,373,077	53.6	1,929,727	1,753,358	10.1

Fixed Line Services

Fixed Broadband IndiHome

As we added around 491 thousand new customers during 4Q19, total IndiHome subscribers reached 7.0 million by the end of 2019 or jumped by 37.2% YoY. IndiHome Triple Play represented around 48% at the end of 2019 while the remaining 52% were Dual Play Package. We push new customers to subscribe on Triple Play and encourage existing customers to upgrade to Triple Play.

In FY19 IndiHome recorded Rp18.3 trillion of revenue, grew by 28.1% YoY. Around 89% of the revenue was contributed by residential customers, while the remaining was from business segment. In line with higher economic of scale, we successfully improved IndiHome's EBITDA margin from 25.6% in 2018 to 33.9% in 2019. IndiHome ARPU in 4Q19 was Rp244 thousand, decreased from Rp256 thousand in the previous quarter due to more dual play customers and promotions offered to customers in selected areas. In the last quarter of 2019, we provided Indihome Phoenix and Streamix packages that offered attractive prices in several competitive areas. In an effort to increase ARPU, we encourage customers to upgrade to higher speed or to purchase other various add-ons such as mini pack and Movin'. Revenue from add-ons is getting more important, that contributed 13.6% of total IndiHome revenue in FY19.

Enterprise Business

Our Enterprise segment was still in progress of business transformation as we shift our focus to more profitable products and services and reduce low margin and non-recurring businesses. Revenue from Enterprise segment declined by 11.2% YoY to Rp18.7 trillion. The decline was mainly attributed to lower revenues in IT services and other Device-related businesses that have lower margins, and was also partly due to the cyclical characteristics of project based businesses. At the same time however, we saw significant increase in Data Center and Cloud businesses.

We serve three customer segments under our Enterprise business, which are corporate clients, government, and small and medium-sized business (SMB) which contributed around 56%, 29%, and 15% of Enterprise segment revenue, respectively, in FY19.

Wholesale and International Business

WIB revenue increased by Rp525 billion or 5.2% YoY to Rp10,609 billion. The revenue growth was supported by, among others, the growth of international wholesale voice services, A2P SMS, Data Centre and growth of tower business driven by colocation and asset acquisition.

WIB acts as an enabler for other segments in TelkomGroup, in particular for mobile business. WIB segment's role is very important and strategic in providing the Group's internal support, while at the same time also serve external customers, which is reflected in the TelkomGroup's consolidated results.

Recent Activities

■ COVID-19 Pandemic Spread

The Corona virus or COVID-19 outbreak since early 2020 has posed undeniable impact on the overall society and economy including Indonesia which telecommunication industry has been no exception. Positioning in low exposure industry from global COVID-19 impact, Telkomsel will keep strive to overcome the impact and has conducted several tactical actions to fight the COVID-19 crisis. These tactical actions coupled with opportunities arisen from evolving customers' needs will cover in several areas including workforce policy, business development & commerce approach, financial aspect, social campaign & Corporate Social Responsibility in order to maintain the business and to provide optimum services to customers.

■ IndiHome and Mobile Data Traffic

As of March 31, 2020, IndiHome customers was 7.26 million subscribers, an addition of 252 thousand subscribers despite flood events in several cities including greater Jakarta and COVID-19 pandemic. Moreover, mobile data traffic also increased by 41.7% YoY to 1,950 petabyte by the end of March 2020.

Product and Marketing Activities

Fixed Line and Enterprise

■ IndiHome Prestige, Streamix, and Phoenix

These three packages are variations from the previous packages called Premium Package (3P), Netizen 1 (2P), and Netizen 2 (2P). However, these packages are enriched by providing some added value in digital services such as OTT video (Iflix, Hooq, Catchplay), cloud storage, IndiHome Study, and IndiHome Music.

■ Rumah Ceria 2020

Several promos given to IndiHome customers such as: (1) 10% discount promos for purchasing minipack IndiMovie2, IndiSport, and IndiKorea via all sales channel; (2) Cashback promos for payment through LinkAja; and (3) MyIndiHome extra points for customers registering IndiHome 3P during the promo period 15 October - 31 December 2019.

■ IndiHome Package 1 Gbps

Special package for customers who are interested in installing IndiHome with high-speed internet service so that it can improve the customer experience. The target of this service is new apartment customers or premium cluster customers.

Mobile

■ Acceleration on Data

Telkomsel launched by.U, the first fully-digital prepaid cellular service in Indonesia that provides an end-to-end digital experience for all telecommunications needs, ranging from selected delivery options to by.U telephone numbers, internet quota, additional quota (toppings) to payment. By.U was developed specifically for the Gen Z segment in Indonesia which is continuously online, accommodates them through integrated services based on fully customizable digital applications.

■ Acceleration on smartphone penetration

For postpaid customers, kartuHalo bundling package brings more aggressive benefits with higher quota of up to 50GB per month specifically to support the preorder and launch of flagship smartphone including Samsung Galaxy Note 10 & 10+. For prepaid customers, Telkomsel also launched TAU Lite 6 and TAU Lite 7 packages which were bundled with affordable 4G smartphones such as Advan, Vivo, Oppo, Evercoss, etc.

■ Acceleration on Digital Service penetration

Telkomsel in collaboration with Warner Media Entertainment has now made HBO Go available on the one-stop video portal MAXstream, enabling its customers to enjoy the entire collection of HBO blockbuster shows and films anytime, anywhere, with a variety of special data package options. Telkomsel also introduced Halo Play, a collaboration with HBO GO and several OTT video streaming providers with a complete mobile services package and premium subscriptions to HBO GO, VIU Premium and Vidio Gold, as well as higher entertainment quotas.

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 level. The awards and accolades that we received during 4Q19 are as follows:

- Investor Magazine Awards for Telkom as The Best State-owned Enterprise (SoE) 2019 for category non-financial telecommunication & broadcasting sector. Telkom also won as The Best Bond Issuer 2019 for non-financial sector category.
- CNBC Indonesia Award 2019 for Telkom as The Best Digital Human Capital Development and The Best Corporate Strategy.
- The Indonesia Best Brand Awards 2019 from SWA Networks & MARS Indonesia for Telkom IndiHome as Platinum Best Fixed Broadband.
- Gatra Awards 2019 for Telkom as The Most Expansive State-owned Enterprise (SoE) in investment category.

- Top Digital Awards 2019 for Telkom as Top Digital Implementation on Insurance Sector, Top Leader on Digital Implementation, Top Digital Transformation Readiness, Top Internet Service Provider, and Top Fixed Internet Provider 2019 for IndiHome.
- Employer of Choice Award 2019 from SWA Network for Telkom.
- Infobank The Best SoE 2019 from Infobank magazine for Telkom as the Excellence in Financial Performance Throughout 2018.
- Asia-Pacific Best Practices Awards 2019 from Frost & Sullivan for Telkom as 2019 Indonesia IoT Services Provider of the Year, and for Telkomsel as Indonesia Mobile Data Service Provider of the Year and Indonesia Telecom Service Provider of the Year.
- Indonesia Living Legend Companies 2019 for Telkom as The Indonesian Living Legend Company 2019 since 1856.
- Red Hat APAC Innovation Awards 2019 for Telkomsel in Digital Transformation category from Red Hat.
- Broadband World Forum 2019 for Telkomsel in Best Wireless Broadband Solution category from Informa Tech.
- World Branding Awards 2019 for Telkomsel as Brand of the Year in Telecommunication Mobile Indonesia from World Branding Forum.
- Influential Brands 2019 for Telkomsel as Top Brand Telecommunication from Brand Alliance.
- Indonesia Best Brand Award (IBBA) 2019 for *simPATI* SIM Card GSM with Best Brand Platinum for its achievement of Indonesian Best Brand Award for 9 consecutive years from SWA Magazine & MARS Research.
- Indonesia Best Employer Brand Awards 2019 for Telkomsel as Indonesia's Best Employer Brand from Employer Branding Institute, World HRD Congress & Stars of the Industry Group.
- Wonderful Indonesia Co-Branding Champions 2019 for Telkomsel as The Best Creative Product for Inbound Traveler from Ministry of Tourism of the Republic of Indonesia.
- BUMN Award 2019 for Telkomsel as TOP 10 Popular SOE Subsidiaries in Telecommunication category from Warta Ekonomi.
- BUMN Branding & Marketing Award 2019 for Telkomsel as The Best Branding, Brand Identity & Digital Marketing from BUMN Track.
- Kementerian KOMINFO Award 2019 for Telkomsel as 'Telecommunication Provider with the Widest Network Coverage, Quality of Services & The Higher Telecommunication PNPB Payer 2019' from the Ministry of Communication and Information Technology.
- Indonesia PR of the Year 2019 for Telkomsel with Launching Telkomsel by.U as The Best Marketing Program 2019 from SWA Magazine and Mix Marketing & Communication

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2019

(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

	2019	2018	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	18,242	17,439	4.6
Other current financial assets	554	1,304	(57.5)
Trade Receivables - net of provision for impairment of receivables			
Related parties	1,792	2,126	(15.7)
Third parties	10,005	9,288	7.7
Other receivables - net of provision for impairment of receivables	292	727	(59.8)
Inventories – net of provision for obsolescence	585	717	(18.4)
Assets held for sale	39	340	(88.5)
Prepaid taxes	2,569	2,749	(6.5)
Claim for tax refund	992	596	66.4
Other current assets	6,652	7,982	(16.7)
Total Current Assets	41,722	43,268	(3.6)
NON-CURRENT ASSETS			
Long-term investments	1,944	2,472	(21.4)
Property and equipment – net of accumulated depreciation	156,973	143,248	9.6
Intangible assets – net of accumulated amortization	6,446	5,032	28.1
Deferred tax assets – net	2,898	2,504	15.7
Other non-current assets	11,225	9,672	16.1
Total Non-current Assets	179,486	162,928	10.2
TOTAL ASSETS	221,208	206,196	7.3
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade Payables			
Related parties	819	993	(17.5)
Third parties	13,078	13,773	(5.0)
Other payables	449	448	0.2
Taxes payable	3,431	1,180	190.8
Accrued expenses	13,736	12,769	7.6
Unearned income – current	7,352	5,190	41.7
Advances from customers	1,289	1,569	(17.8)
Short-term bank loans	8,705	4,043	115.3
Current maturities of long-term borrowings	9,510	6,296	51.0
Total Current Liabilities	58,369	46,261	26.2
NON-CURRENT LIABILITIES			
Deferred tax liabilities – net	1,230	1,252	(1.8)
Unearned Income - noncurrent	803	652	23.2
Long service award provisions	1,066	852	25.1
Pension benefits and other post-employment benefits obligations	8,078	5,555	45.4
Long-term borrowings - net of current maturities	33,869	33,748	0.4
Other liabilities	543	573	(5.2)
Total Non-current Liabilities	45,589	42,632	6.9
TOTAL LIABILITIES	103,958	88,893	16.9
EQUITY			
Capital stock	4,953	4,953	-
Additional paid-in capital	2,711	2,455	10.4
Other equity	408	507	(19.5)
Retained earnings			
Appropriated	15,337	15,337	-
Unappropriated	76,152	75,658	0.7
Net Equity Attributable to:			
Owners of the Parent Company	99,561	98,910	0.7
Non-Controlling Interests	17,689	18,393	(3.8)
TOTAL EQUITY	117,250	117,303	(0.0)
TOTAL LIABILITIES AND EQUITY	221,208	206,196	7.3

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2019
(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

	2019	2018	Growth (%)
REVENUES	135,567	130,784	3.7
Operation, maintenance and telecommunication service expenses	(42,226)	(43,791)	(3.6)
Depreciation and amortization expenses	(23,178)	(21,406)	8.3
Personnel expenses	(13,012)	(13,178)	(1.3)
Interconnection expenses	(5,077)	(4,283)	18.5
General and administrative expenses	(6,696)	(6,137)	9.1
Marketing expenses	(3,724)	(4,214)	(11.6)
Gain (loss) on foreign exchange – net	(86)	68	(226.5)
Other income - net	826	1,002	(17.6)
OPERATING PROFIT	42,394	38,845	9.1
Finance income	1,092	1,014	7.7
Finance costs	(4,240)	(3,507)	20.9
Share of profit of associated companies	(166)	53	(413.2)
Impairment of associated companies	(1,172)	-	100.0
PROFIT BEFORE INCOME TAX	37,908	36,405	4.1
INCOME TAX (EXPENSE) BENEFIT			
Current	(10,619)	(9,432)	12.6
Deferred	303	6	4950.0
	(10,316)	(9,426)	9.4
PROFIT FOR THE YEAR	27,592	26,979	2.3
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation	(105)	146	(171.9)
Change in fair value of available-for-sale financial assets	6	(10)	160.0
Share of other comprehensive income of associated companies	16	(14)	214.3
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Defined benefit actuarial gain (loss) – net	(2,109)	4,820	(143.8)
Other comprehensive income – net	(2,192)	4,942	(144.4)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	25,400	31,921	(20.4)
Profit for the year attributable to:			
Owners of the parent company	18,663	18,032	3.5
Non-controlling interests	8,929	8,947	(0.2)
	27,592	26,979	2.3
Total comprehensive income for the year attributable to:			
Owners of the parent company	16,624	22,844	(27.2)
Non-controlling interests	8,776	9,077	(3.3)
	25,400	31,921	(20.4)
BASIC EARNING PER SHARE (in full amount)			
Net Income per share	188.40	182.03	3.5
Net Income per ADS (100 Series B shares per ADS)	18,839.68	18,202.70	3.5

Table 3
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2019
 (Figures are presented in billions of Rupiah)

	DEC 2019	DEC 2018	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	8,583	6,497	32.1
Accounts receivables	1,631	2,116	(22.9)
Unbilled Revenue	2,296	1,602	43.3
Current portion of long-term prepayments	5,138	5,250	(2.1)
Others	1,010	1,370	(26.3)
Total Current Assets	18,657	16,836	10.8
NON-CURRENT ASSETS			
Long-term investment	345	7	N/A
Fixed assets-net	55,229	56,899	(2.9)
Advances for fixed assets	-	20	N/A
Intangible assets-net	5,120	5,157	(0.7)
Prepayments – Non-current portion	3,267	3,519	(7.2)
Others	111	212	(47.7)
Total Non-current Assets	64,073	65,814	(2.6)
TOTAL ASSETS	82,730	82,650	0.1
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term loan	-	750	N/A
Accounts payable & accrued liabilities	12,961	13,913	(6.8)
Taxes payable	1,366	490	178.6
Unearned revenue	5,697	4,773	19.4
Current maturities of obligation under finance leases	869	811	7.2
Total Current Liabilities	20,892	20,737	0.7
NON-CURRENT LIABILITIES			
Medium-term loans	6,000	4,000	50.0
Obligations under finance lease	2,236	3,105	(28.0)
Deferred tax liabilities	1,208	1,324	(8.8)
Others	3,184	2,337	36.3
Total Non-current Liabilities	12,629	10,767	17.3
EQUITY			
Capital Stock - Rp1,000,000 par value			
Authorized - 650,000 shares			
Issued and fully paid - 182,570 shares	183	183	0.0
Additional paid-in capital	1,531	1,505	1.7
Retained earnings	47,495	49,459	(4.0)
Total Equity	49,209	51,147	(3.8)
TOTAL LIABILITIES AND EQUITY	82,730	82,650	0.1

Table 4
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF PROFIT AND LOSS
For the Year Ended December 31, 2019
 (Figures in tables are presented in billions of Rupiah)

	<u>2019</u>	<u>2018</u>	<u>Growth (%)</u>
REVENUES			
Postpaid	8,229	8,009	2.7
Prepaid	77,574	75,306	3.0
Interconnection & international roaming	3,689	4,740	(22.2)
Others	1,597	1,191	34.0
Total Revenues	<u>91,088</u>	<u>89,246</u>	2.1
EXPENSES			
Operation & maintenance	25,938	25,059	3.5
Personnel	4,846	4,074	19.0
Marketing	2,462	3,347	(26.4)
General & Administration	1,860	2,072	(10.2)
Cost of services	4,325	4,063	6.4
Interconnection & international roaming	2,439	3,191	(23.6)
Depreciation & amortization	14,227	13,480	5.5
Others – net	37	(579)	106.4
Total Expenses	<u>56,134</u>	<u>54,707</u>	2.6
Finance charges – net	(352)	(455)	(22.6)
INCOME BEFORE TAX	34,602	34,084	1.5
INCOME TAX EXPENSE	(8,803)	(8,548)	3.0
NET INCOME	<u>25,799</u>	<u>25,536</u>	1.0
EBITDA	49,218	47,439	3.7
EBITDA Margin- over revenues	54.0%	53.2%	0.9 ppt
ROA	31.2%	30.3%	0.9 ppt
ROE	51.4%	48.5%	2.9 ppt