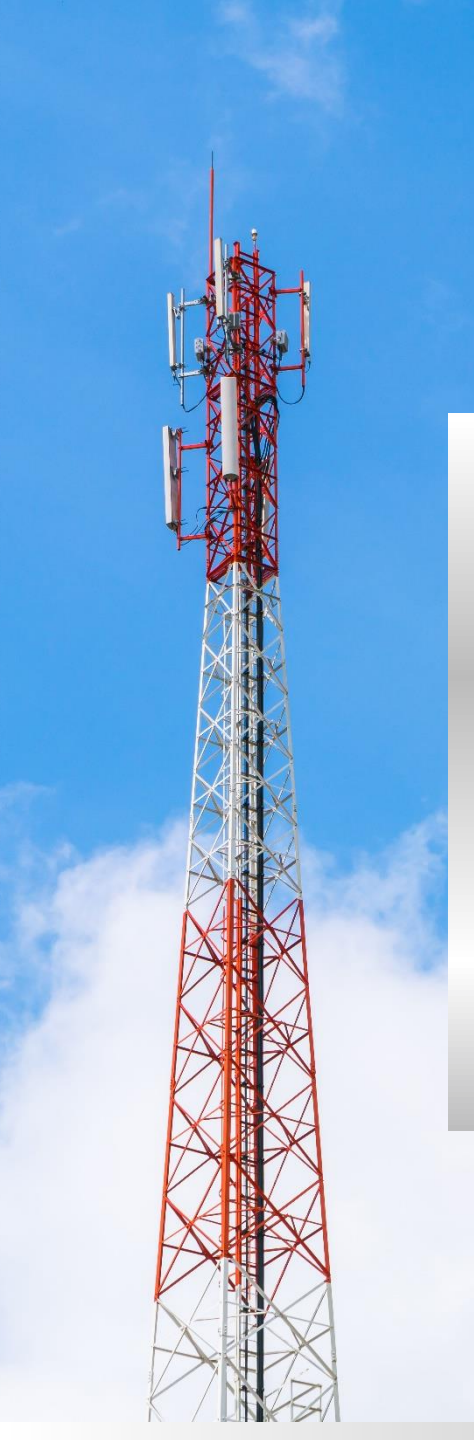


# CORPORATE PRESENTATION 1H-22

PT Dayamitra Telekomunikasi Tbk





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# MITRATel COMPANY HIGHLIGHT

Fastest Growing Tower Operator in Indonesia



The **biggest IPO** in the history of SOEs with total proceed of **18.8Tn** with **28%** of public ownership



**Robust** tower portfolio business with **high visibility revenue** and significant **potential revenue backlog growth**



Excellent investment grade rating from PEFINDO with **idAAA rating with stable outlook** and included in **FTSE Global Equity, IDX80, KOMPAS100, and ISSI Index.**



**Highest** financial & operational growth<sup>1)</sup>

5yr Revenue CAGR **14%**

5yr Tower CAGR **26%**



Blue-chip customer base **anchored by Telkomsel**, the **largest MNO** in Indonesia with c.48% market share<sup>2)</sup>



Evenly spread towers in **highly attractive locations** with **28,787** towers nationwide and **58%** towers are located in ex-Java

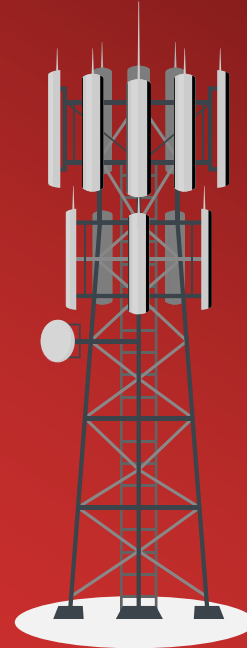


## Notes:

1) CAGR = Compound Annual Growth Rate : CAGR 2017-2021

2) According to Counterpoint Research as of 1Q-2022

Mitratel is a subsidiary of Telkom Indonesia. One of the largest telecommunication company in Southeast Asia and a prominent State-Owned Enterprise in Indonesia



## SWF Ownership

Among the list of reputable institutional investors owning MTEL shares, Sovereign Wealth Fund (SWF) from **Indonesia (INA)**, **Singapore (GIC)**, and **UAE (ADIA and ADGF)** owns the majority of public shares

**INA**  
5,98%

**ADIA**  
(<5%)

**GIC**  
5,73%

**ADGF**  
(<5%)



**Total Shares**

83.515.452.844



**Public Shares**

23.493.524.800



**IPO Date**

22 November 2021

# Industry Outlook Global and Regional

PT Dayamitra Telekomunikasi Tbk

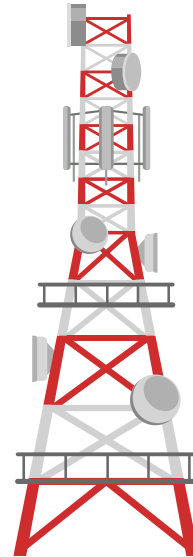


## Indonesia Tower Consolidation

Year	Seller	Buyer	Tower	Value (US\$ Mn)	Deal Structure
2022	<b>XL Axiata</b>	Edotco	1,021	52.2	Sale and Leaseback
2021	<b>STP Tower</b>	Protelindo	6,700	1,170.0	Company Acquisition
2021	<b>Telkomsel</b>	Mitratel	8,139	819.2	Sale and Leaseback
2021	<b>Telkom</b>	Mitratel	798	54.1	Inbrent
2021	<b>Centratama</b>	Edge Point Infrastructure	3,800	298.7	76.79% stake acquisition
2021	<b>Indosat Ooredoo</b>	Edge Point Infrastructure	4,247	750.0	Sale and Leaseback

Towerco in Indonesia is increasingly aggressive in developing its portfolio through **inorganic activities**. This is also influenced by the opening of foreign investment policies, one of which is the entry of big Asian players eDotco and new entry (edge point infrastructure) through consolidation of tower assets.

## Tower Capacity Demand Driver



**Data Payload  
2020-2026**

**+21%**  
CAGR

**5G  
penetration  
in 2025**

**27%**  
of Mobile  
Subscriber

**IoT devices in  
2025**

**>500 Mn**

The demand for this extra tower capacity will be largely driven by the needs of the mobile network operators (MNOs) in Indonesia, with the primary growth drivers are **the continuing escalation of mobile data, the accelerating rollout of 5G, and the implementation of IoT services.**

## Extending The Towerco's Portfolio



**TowerCos**



**InfraCos**



### The emergence of new portfolio offerings:

- **Primary/back-up energy generation and supply**, through ESCO dan PaaS
- **Managed network services**, FTTx dan DAS utilization
- **Support for 'Edge Computing' solutions**






The importance of MNOs to maintain its business model with limited assets and operationally efficient will also mean that **Tower Providers will become 'InfraCos'** by **expanding the portfolio of services** they offer to their tenant base.

### Notes:

Source: TowerXchange's Asia Q2-2022, Kearney (2021), Deloitte (2020)



# GLOBAL TOWER MARKETS

	Indonesia 	USA 	Europe 	India 	China 
<b>Predominant tower business model</b>	Independent	Independent	Independent	Independent	MNO Captive
<b>Average lease rate per tenant per month (USD)</b>	900 – 1,160	2,000 – 3,500	1,000 – 2,100	500 – 800	400 – 600
<b>Multi-tenancy discounts</b>	No discount	Variable based on Towerco	No discount	Yes	Yes
<b>Average EBITDA margins (post-ground lease) (%)</b>	70-80%	55-70%	50-65%	40-50%	55-75%
<b>Tower + power</b>	No	No	No	Yes	Yes
<b>New tower capex<sup>(1)</sup> (USD'000 per tower)</b>	c. 36-65	c. 175-250	c. 90-130	c. 35-50	c. 35-50
<b>Indicative single-tenant tower ROIC<sup>(2)</sup></b>	c. 11%	c. 5%	c. 7%	c. 1%	c. 4%
<b>Indicative two-tenant tower ROIC<sup>(3)</sup></b>	c. 25%	c. 17%	c. 16%	c. 9%	c. 7%
<b>Indicative three-tenant tower ROIC<sup>(4)</sup></b>	c. 38%	c. 26%	c. 27%	c. 16%	c. 9%

## The Indonesian tower market is defined by

Market leaders with the highest ROIC globally

Long term revenues with minimal churn and minimal default risk

High EBITDA margins and operating leverage

High barriers to entry including local regulations

Significant growth opportunities



### Notes: ROIC refers to "Return on invested capital"

- Does not include land acquisition costs such as pre-paid ground leases
- A single-tenant tower implies that the tower is only leased by a single customer (i.e. an anchor tenant)
- A two-tenant tower implies that the tower is leased by an anchor tenant and an additional tenant (which increases overall lease revenue from a single tower) – additional cost comes in the form of incremental colocation capex (e.g. reinforcement capex to support an additional tenant) and incremental opex (e.g. utility and monitoring costs) which is expected to be considerably less than opex for single tenant tower due to common costs (e.g. ground lease)
- A three-tenant tower implies that the tower is leased by an anchor tenant and two additional tenants (which increases overall lease revenue from a single tower) – additional cost comes in the form of incremental colocation capex (e.g. reinforcement capex to support the third tenant) and incremental opex (e.g. utility and monitoring costs)

Source: Analysys Mason

# TOWER INDUSTRY COMPARISON

MTEL has the highest CAGR 2017-2021 financially and operationally among competitors

■ MTEL ■ TP A ■ TP B

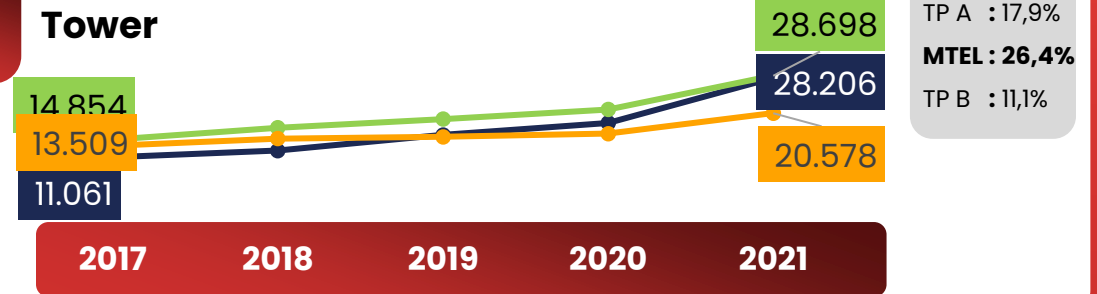
CAGR '17-'21



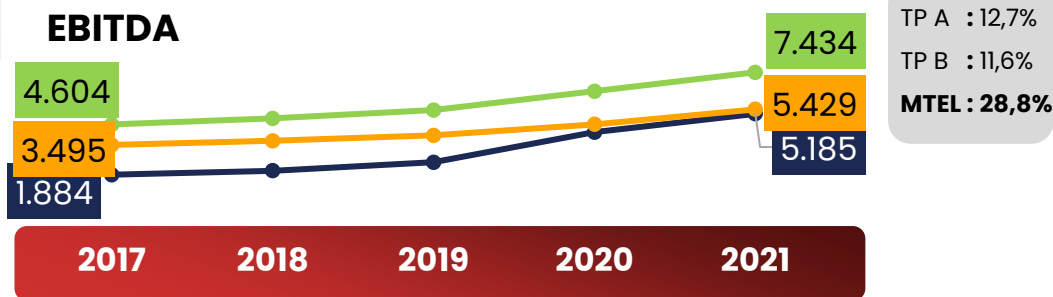
## Revenue



## Tower



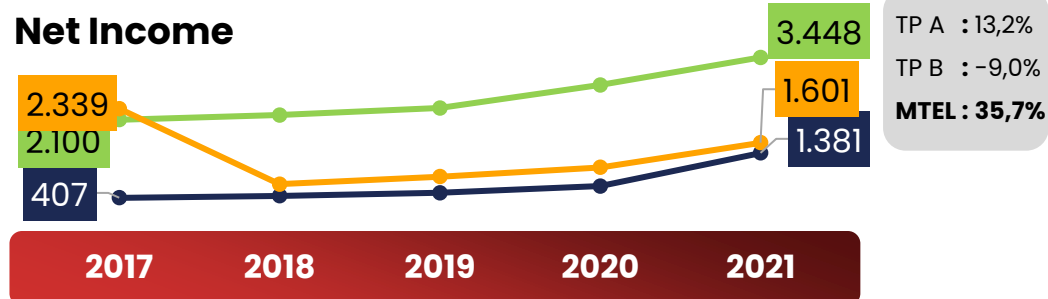
## EBITDA



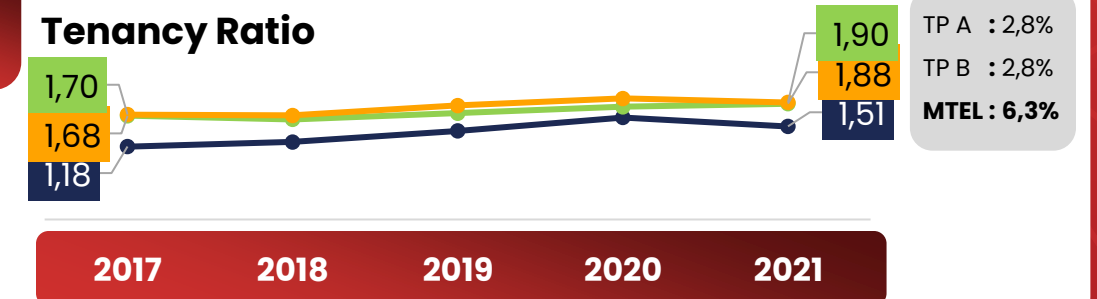
## Tenant



## Net Income



## Tenancy Ratio



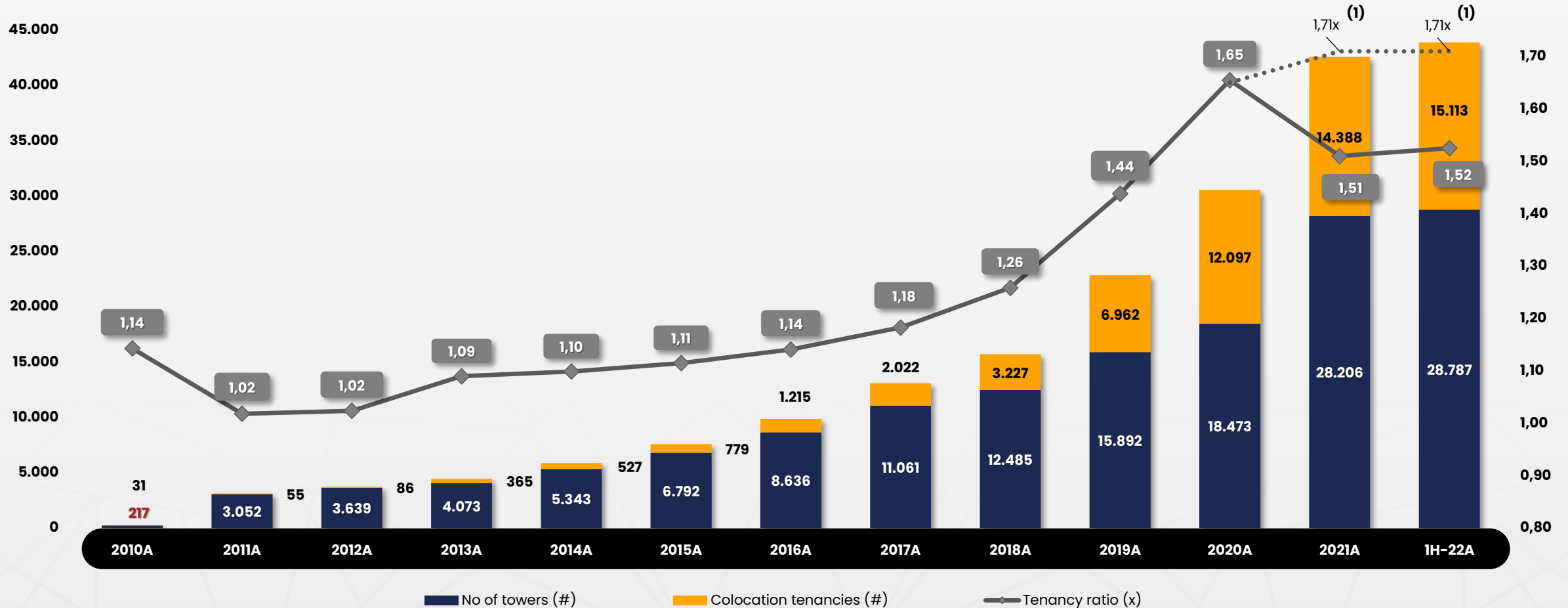


# Performance Highlights 1H 2022

**PT Dayamitra Telekomunikasi Tbk**



# MITRATTEL EVOLUTION



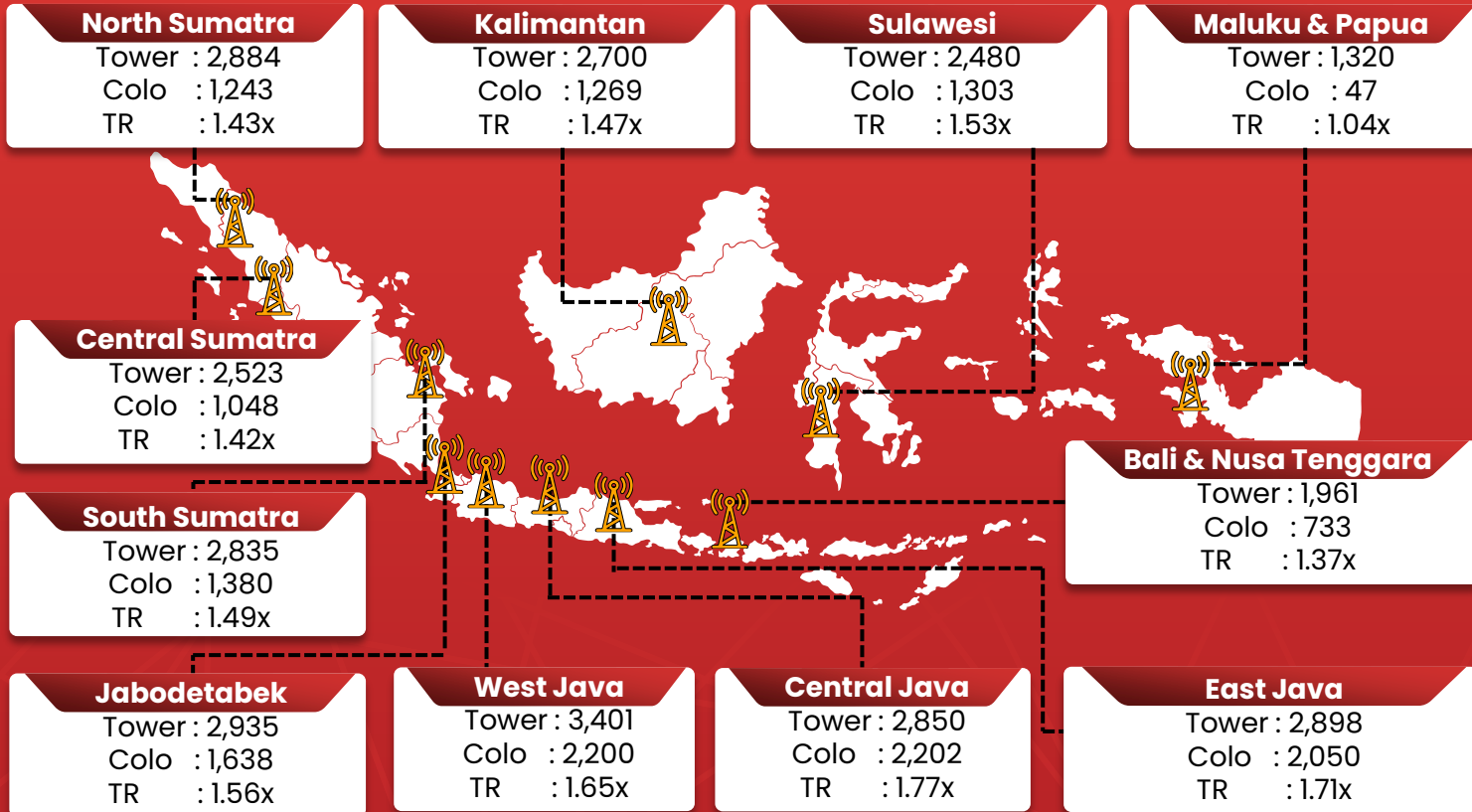
**Notes:**

1. Excluding the acquisition of 4,139 sites from Telkomsel in 1H 2021 and 4,000 sites from Telkomsel in 3Q2021

# OPERATIONAL HIGHLIGHTS



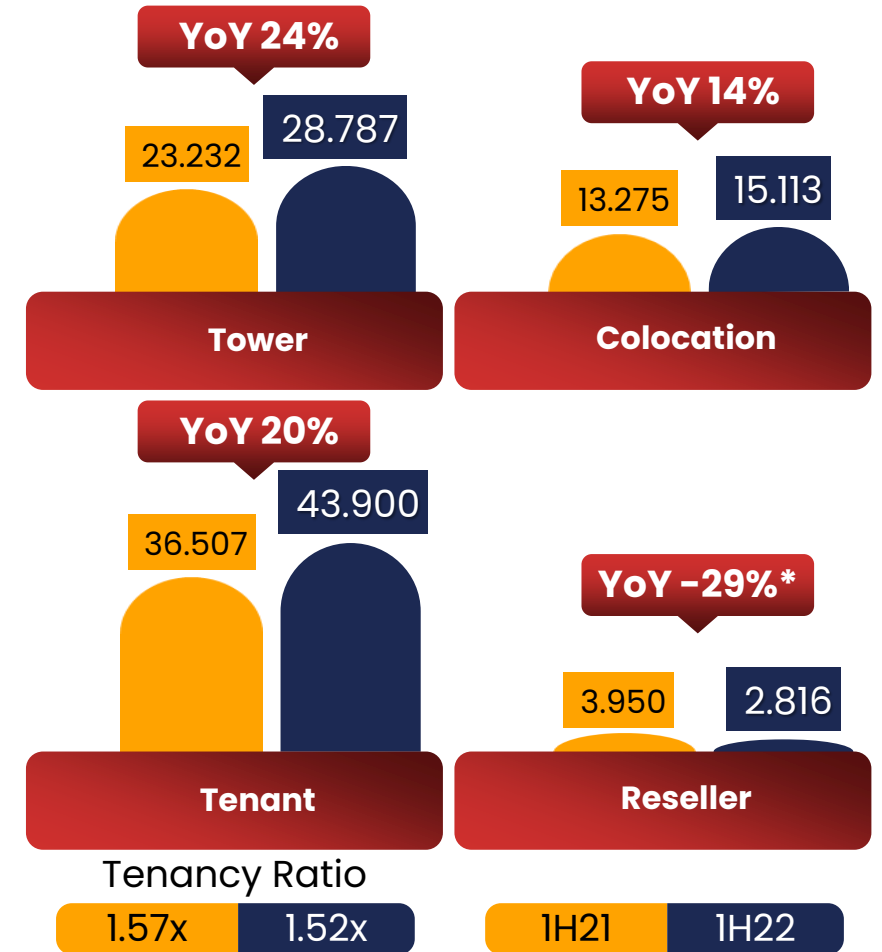
We have the largest tower portfolio in Indonesia in highly strategic locations nationwide, which puts us in advantage position to capitalize on the need for network densification in both urban and rural areas across the nation



	# of towers	% portfolio	Tenancy ratio
Tower network in the Java region	12,084	42%	1.67x
Largest tower network in the ex-Java region	16,703	58%	1.42x



Tower and tenant growth is the highest in Indonesia driven by strong organic development and smart inorganic activities



Tenancy Ratio

1.57x 1.52x

1H21 1H22

\*) Reseller decrease due to Telkom Tower acquisition in Aug'21



## EM

76.5%

77.5%

## NIM

21.7%

23.9%

YoY 15%

3.726

3.227

YoY 17%

2.888

2.478

YoY 27%

892

701

Revenue

EBITDA

Net Income

1H21

1H22

(in IDR bn)

## Operational Performance 1H2022



**581  
New Tower**

(Total Tower 1H2022 : 28,787)



**1,306  
New Tenant**

(Total Tenant 1H2022 : 43,900)



**8,000 km**

(Actual demand of fiber as of 1H2022)

1H21

1H22

## Tower Leasing

- Revenue increased by 17% to Rp2,989 trillion driven by sustainable growth of tower & colocation lease revenue, including from tower acquisition of TELKOMSEL & Telkom in August 2021.
- Focus on further growing the site leasing business through organic growth, and identifiable inorganic growth

from  
79%

to 80%  
of  
revenue

YoY 17%

2.556

2.989

## Reseller

- Revenue decreased by 10% YoY to Rp339 billion during the period driven by tower reseller acquisition of 798 towers from Telkom in August 2021 which move existing reseller revenue from related tower to tower owned revenue.
- 2.816 resellers left in Portfolio (a 29% drop from 1H20)

from  
11%

to 9%  
of  
revenue

YoY -10%

376

339

## Tower Related Business

- Revenues of Rp399 billion, or higher by 35% from the same period last year as we continue to capture tower related opportunities with a higher margin
- Future plans to expand Tower Related Businesses include fiber, small cells, and infrastructure solutions for the 5G network

from  
9%

to 11%  
of  
revenue

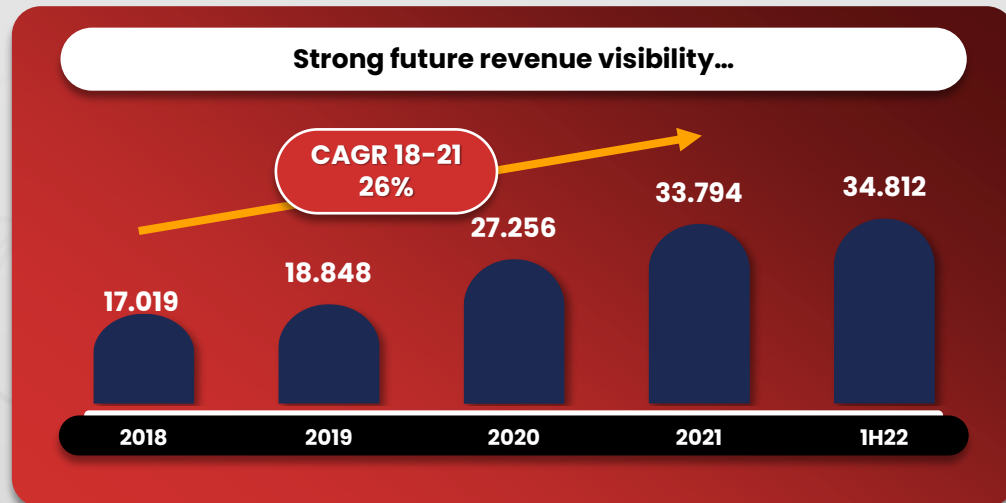
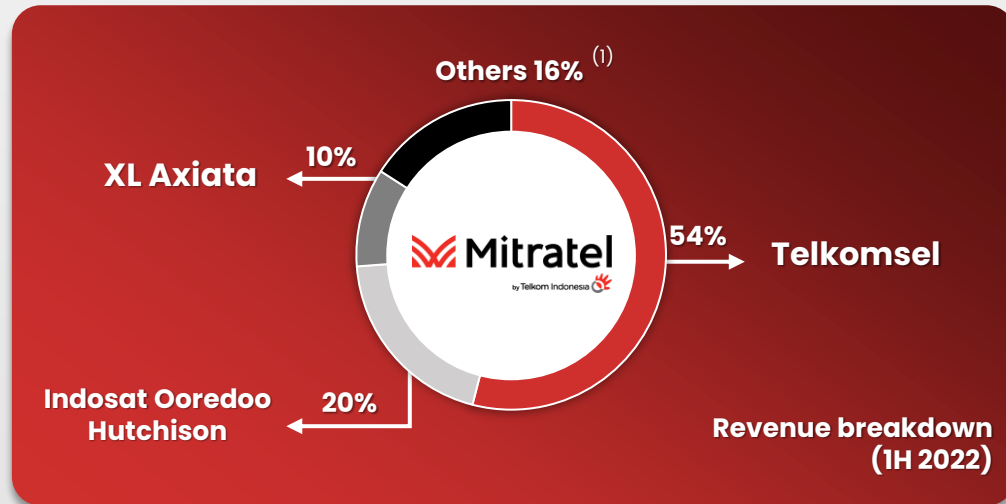
YoY 35%

295

399

# HIGH QUALITY CUSTOMERS WITH SIGNIFICANT BACKLOG

84% of revenue from the largest MNOs in Indonesia underpinned by a strong anchor tenant



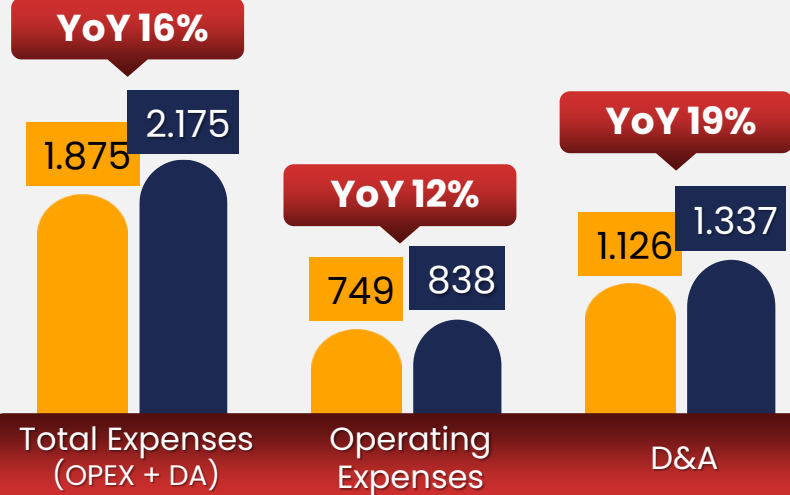
**Notes:**

1. Includes managed services provided to Telkom
2. According to Telkom 2021 Annual Report

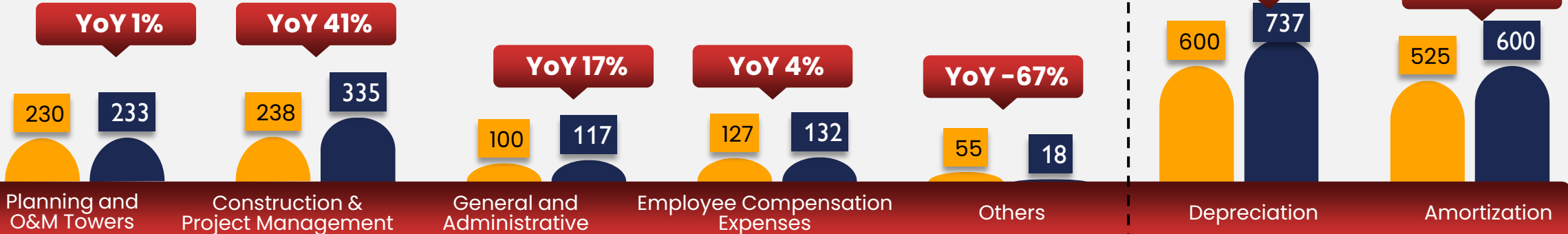


# EXPENSES

- Despite of additional towers due to the acquisition last Aug'21, Mitratel successfully managed to keep **Planning and O&M Towers** cost growth (1%) far below tower leasing revenue growth (17%).
- Construction and PM** increased **aligned with an increase in revenue of tower-related portfolio**.
- G&A** increase due to **improvement in IT system, investor engagement program, and public related activities carried by the Company**.
- Mitratel has succeeded in carrying out an organizational transformation** by refocusing more on **customer-centricity**, as seen in the increase in **Employee compensation expenses**.
- Others cost** include tower partnership cost, allowance of expected credit loss, etc. **decrease mainly due to changes in tower partnership expense to amortization and reduction in old aging AR**.
- Depreciation & Amortization** mainly increase due to high tower growth from **organic development and inorganic activity**



1H21 1H22 (in IDR bn)



# Superior Balance Sheet

Mitratel has a stronger leverage compared to other TowerCos with relatively low debt in IDR currency only



Mitratel debt profiling to lower CoD; anticipating interest rate hike

## Cost Of Debt

5.43%

5.25%

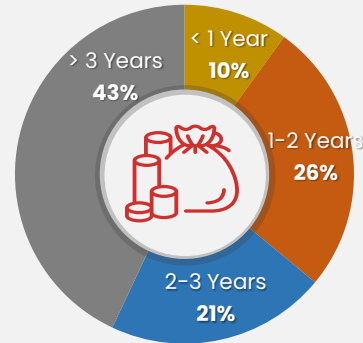
2021

1H2022



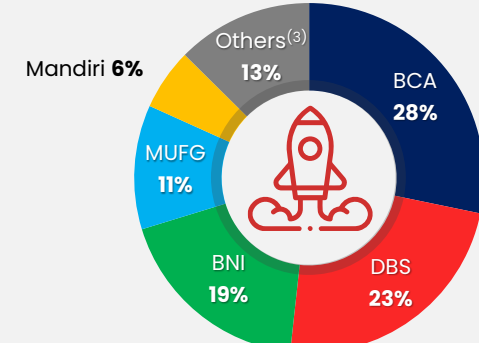
Debt maturity profile

## As of 1H22



Existing relationship with top lenders in Indonesia

## As of 1H22



Healthy leverage ratios with ample capacity to increase

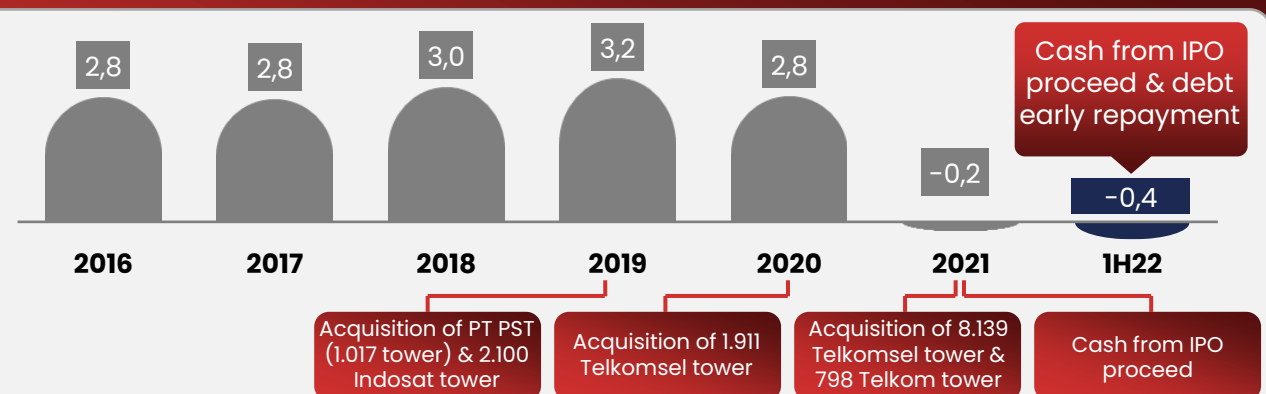


Net Debt to LTM EBITDA

Component (IDR bn)	2021	LTM 1H22	Covenant -Bank
Cash	19,133	17,022	
EBITDA <sup>(1)</sup>	5,185	5,596	
Debt <sup>(2)</sup>	18,071	14,841	
Equity	33,646	33,495	
Interest Coverage Ratio	3.5	3.4	
Debt to Equity (x)	0.5	0.4	< 5.00
Debt to EBITDA (x)	3.5	2.6	< 5.00
Net debt to LTM EBITDA (x)	-0.2	-0.4	< 5.00

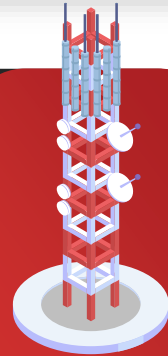
### Notes:

- EBITDA is defined as total revenues less cost of revenues and operating expenses, excluding any depreciation and amortization
- Debt excluding lease liabilities as per agreed covenants
- Others include Permata & HSBC



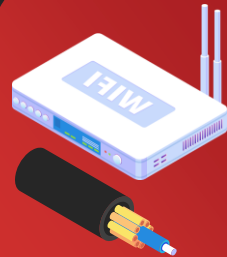
## Tower Leasing

Focus on **organic and domestic inorganic** activities in 2022



## Fiber Optic

Capturing Fiber Optic demand from MNOs



## Edge Infra Solution

Launching **Proof of Concept (POC) Edge Computing** services collaboration with Telkom, TSEL and MTEL in Q3-2022



## Project Solution

Capture new project solutions with **high margin**



## Managed Service

Start new scheme **Managed Service bussiness** in Q3-2022



## Power to Tower Solution

Prepare to strategic partnership agreement for **Solar Panel System showcase** to be implemented in Q3-2022





# GUIDANCE FOR 2022 (updated)

**12%**  
Revenue Increase



**2.5K**  
Colocation Add

**15%**  
EBITDA Increase



**1K** Organic & **6K** Inorganic  
Tower Add

**14Tn**  
CAPEX Plan



**9K KM**  
Fiber Optic Deployment



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