

# CORPORATE PRESENTATION FY22

**PT Dayamitra Telekomunikasi Tbk**





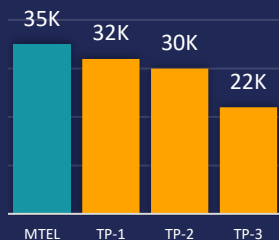
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# MITRATel COMPANY HIGHLIGHT

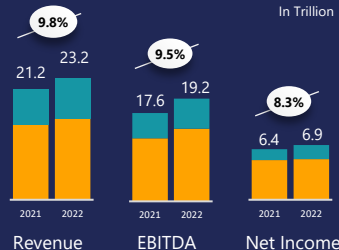
Independent Fastest Growing Tower Operator in Indonesia

Top Tower Owner in SEA



**Biggest Tower Owner in SEA countries** with 35,418 tower and high room for growth align with additional tenancy

YoY Growth MTEL Industry



**Industry leading growth (YoY) <sup>1)</sup>** with  
Revenue 12.5%  
EBITDA 18.5%  
Net Income 29.3%

**Net Debt to EBITDA 1.46x**

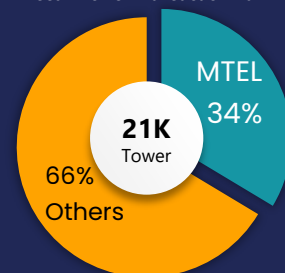
**Cost of Debt 7.46%**

**JIBOR 6.62%**

**Resilient to Global Macroeconomic Exposure** with 1.46x Net-Debt to EBITDA and Cost of debt 1% smaller than industry<sup>1)</sup>

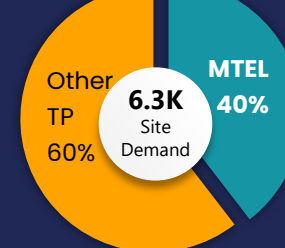
**Tower ecosystem consolidator champion** with the successful acquisition of >7,000 tower <sup>3)</sup> assets

Asean Tower Transaction 2022-2023



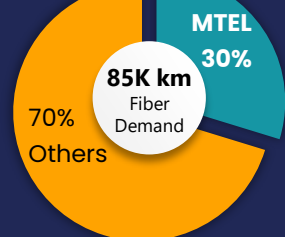
**Preferred Independent Towerco** to accelerate MNO coverage expansion with ~40% market share<sup>2)</sup>

Tower Tenancy Roll-out Share



Growth in adjacent business driven by **fiber portfolio expansion including 6,012 km fiber acquisition**

Fiber Roll-out Share



## Notes:

- 1) Competitor based on research report
- 2) Based on MNO roll-out in 2022
- 3) Include Proforma IOH tower acq in 1Q23

# MITRATTEL OWNERSHIP

The largest tower company in Southeast Asia and a prominent Public Company in Indonesia



Telkom  
Indonesia  
**71.85%**

PUBLIC **28.15%**

## Public Shares Ownership



Foreign

61.2%

38.8%



Domestic



## Total Shares

83,539,294,344

Market Cap as of 30 Dec 2022  
Rp66,8 Tn



## Public Shares

23,517,366,300

*Including shares ownership  
of INA, GIC, ADGF, and ADIA*

### Notes:

As of 30 December 2022. Based on data from Indonesia Securities Depository and Settlement Institution (KSEI)



# Industry Outlook Global and Regional

**PT Dayamitra Telekomunikasi Tbk**

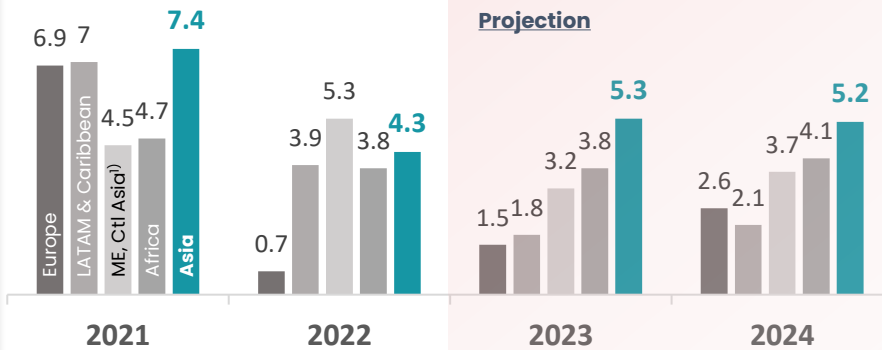


# MACRO PROJECTION & TELCO LANDSCAPE

## Macro projection & regional performance

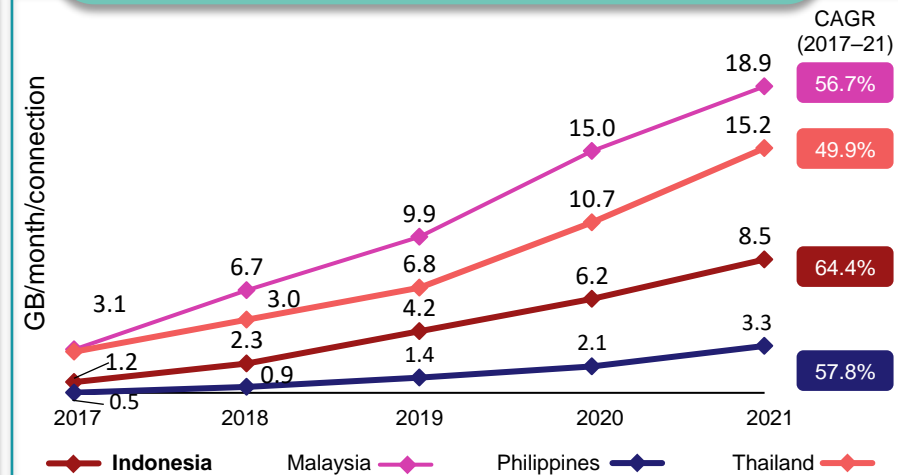
### World Economic Outlook Projection (%)

Emerging Market and Developing Economies GDP Growth



Growth in emerging and developing Asia (including **Indonesia**) is expected to **outpace the other regions**

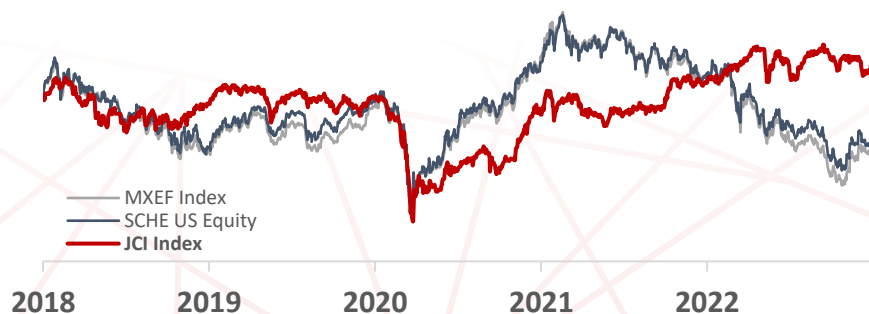
## Telco Industry Trends



- **Data usage in Indonesia grew 64% more** than other Southeast Asian
- Indonesia is a country with the **6th largest number of startup companies in the world**, reaching 2,400 startups. this will **drive the growth of data usage in Indonesia**

## Relative Historical Performance

JCI vs Emerging Market ETF



**Indonesian Market made a steady recovery post COVID-19**, outperforming several Emerging Market funds over 2 years period

### Telkomsel coverage map<sup>2)</sup>



### IOH coverage map<sup>2)</sup>



### XL Axiata coverage map<sup>2)</sup>



### Smartfren coverage map<sup>2)</sup>



Significant gaps in coverage, particularly in Sumatra

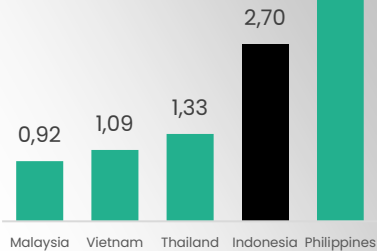
- MNOs other than Telkomsel are expected to **expand their network coverage ex-Java** to catch up with Telkomsel
- **Mitratel is well placed to capture most of the co-location demand** from MNOs other than Telkomsel

# TOWER INDUSTRY TRENDS

## Tenancy Demand

### Population/Tower

Indonesia tower coverage :  
1 tower per 2,700 population



- Indonesia with 1 towers for every 2,7K population will need more sites to be added for MNO's network expansion to support growing demand
- 35K New tenant (B2S & Colo) to be built in Indonesia over the next 5 years

## Adjacent Business

- FTTT is a great opportunity for tower providers in Indonesia to support MNOs in increasing their backhaul capacity needs
- PTTT is the second largest opportunity, driven by the need for power for the off-grid sites



### Fiber to the Tower (FTTT)

Expected market size 2026 :  
IDR2.7 – 3.3 trillion



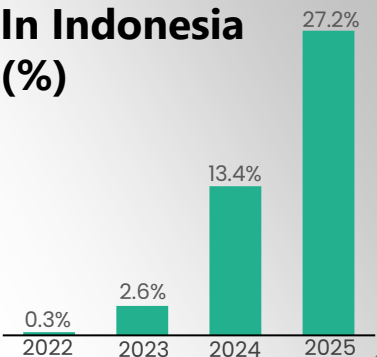
### Power to the Tower (PTTT)

Expected market size 2026 :  
IDR1.6 – 2.0 trillion



## 5G Penetration

### Projected 5G penetration In Indonesia (%)



- 5G impact still expected to reach 27% penetration by 2025 with only top players starting to host 5G commercial services
- 5G implementation will drive the need for small cell on street furniture, densification on fiber network and additional power

## Operational Optimization

- Digital twins : Allowing for predictive maintenance and simulations by mirroring the physical tower
- Operators are looking towards renewable energy to keep operational costs low as the deployment of 5G begins



### Digital Twins



### Renewable Energy

# Performance Highlights 2022

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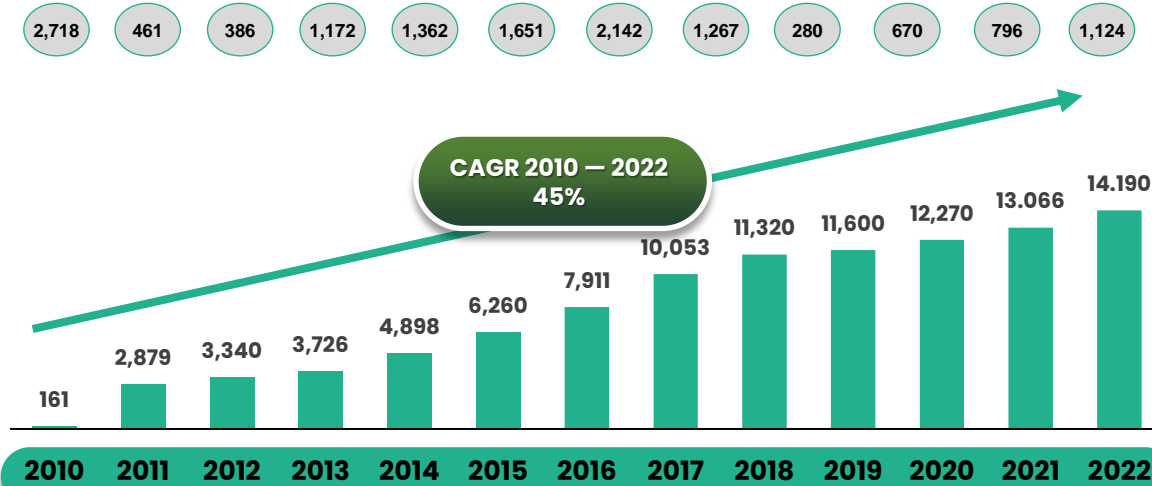




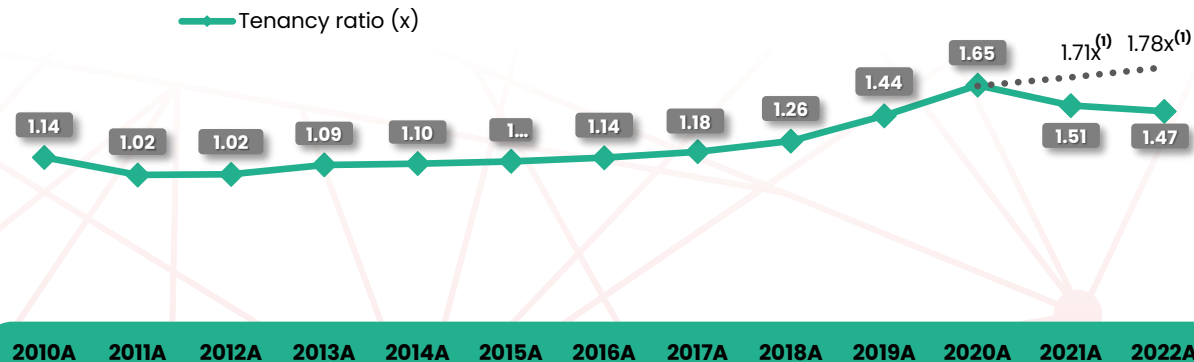
# MITRATTEL PROVEN TRACK RECORD



## Track record of organic growth in built-to-suit towers



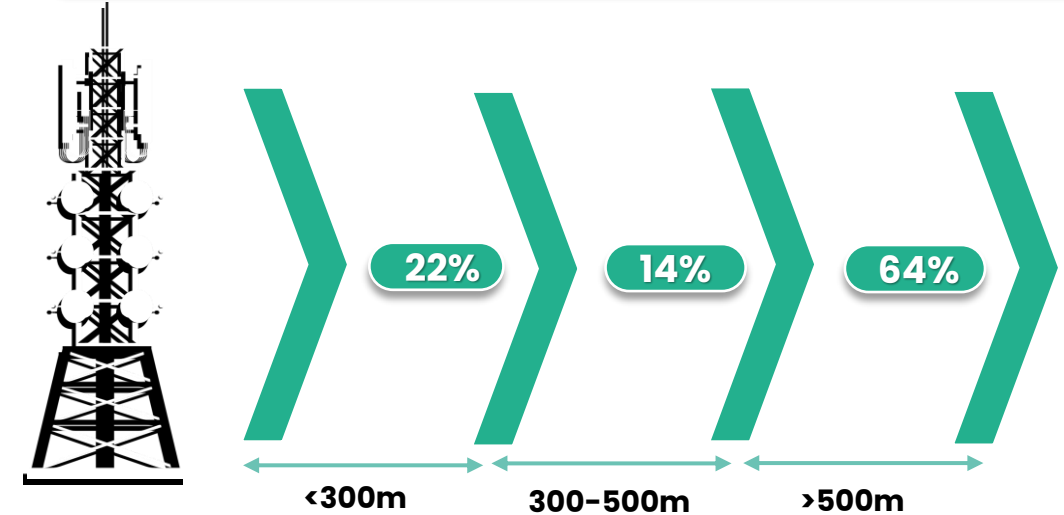
## Proven execution track record of growing colocations on our portfolio



**Notes:**  
1. Excluding the acquisition of 4,139 sites from Telkomsel in 1H 2021, 4,000 sites from Telkomsel in 9M2021, and 6,000 site from Telkomsel in 9M2022.



## Strategic tower locations and not close to each other



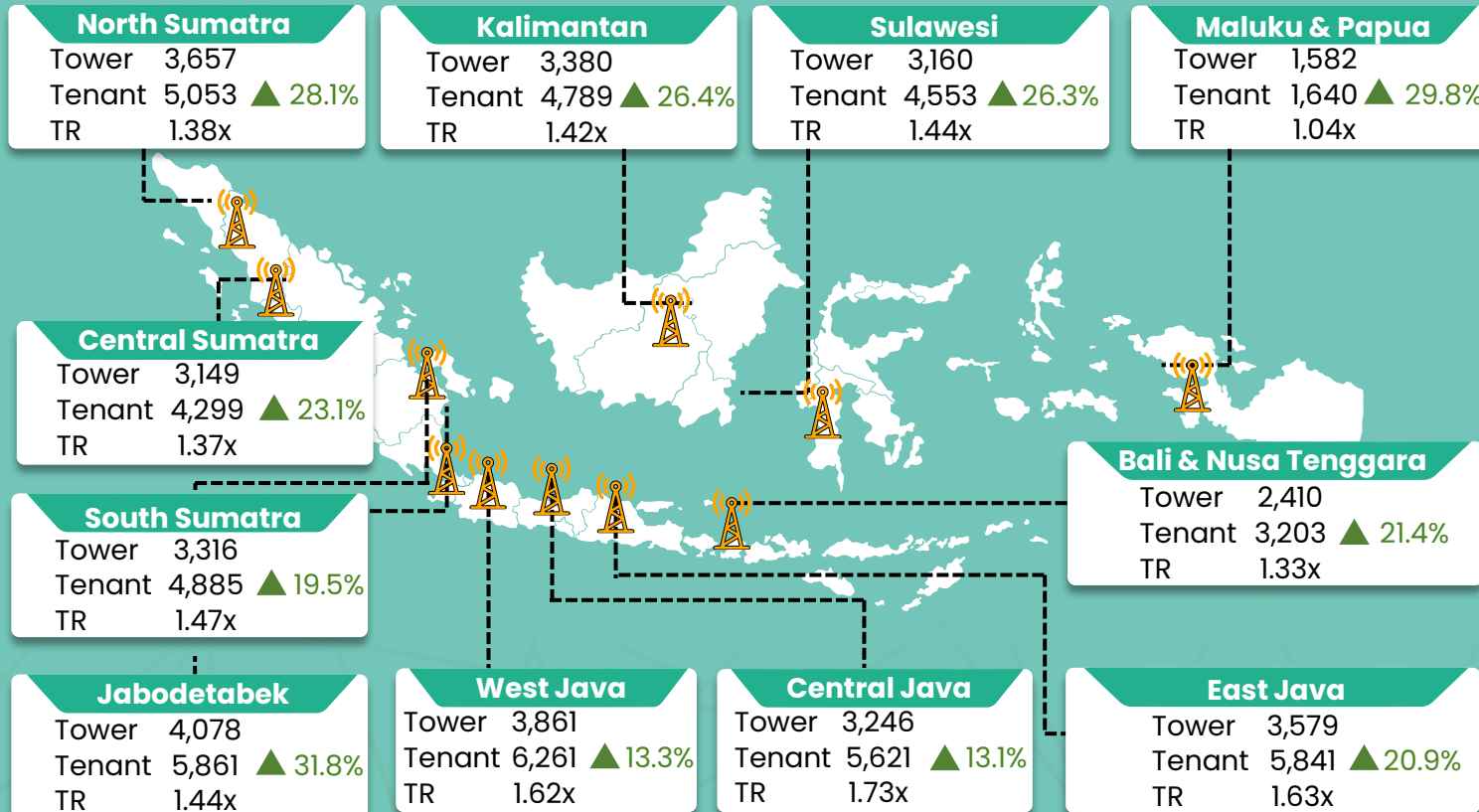
## Significant colocation potential on current tower portfolio

- Aggressive tower growth, driven by **organic growth CAGR 2010 - 2022 of 45%** and as the **biggest tower consolidator** in Indonesia with the acquisition of 20K towers since 2019
- Currently 1.47x tenancy ratio with 25K single-tenant towers as **opportunity for colocations growth**
- Of the 35K Mitratel towers, there is potential for colocation of MTEL towers as many as **4K potential sites for TSEL**, **25K sites for IOH**, **29K for XL** and **33K for Smartfren**

# OPERATIONAL HIGHLIGHTS



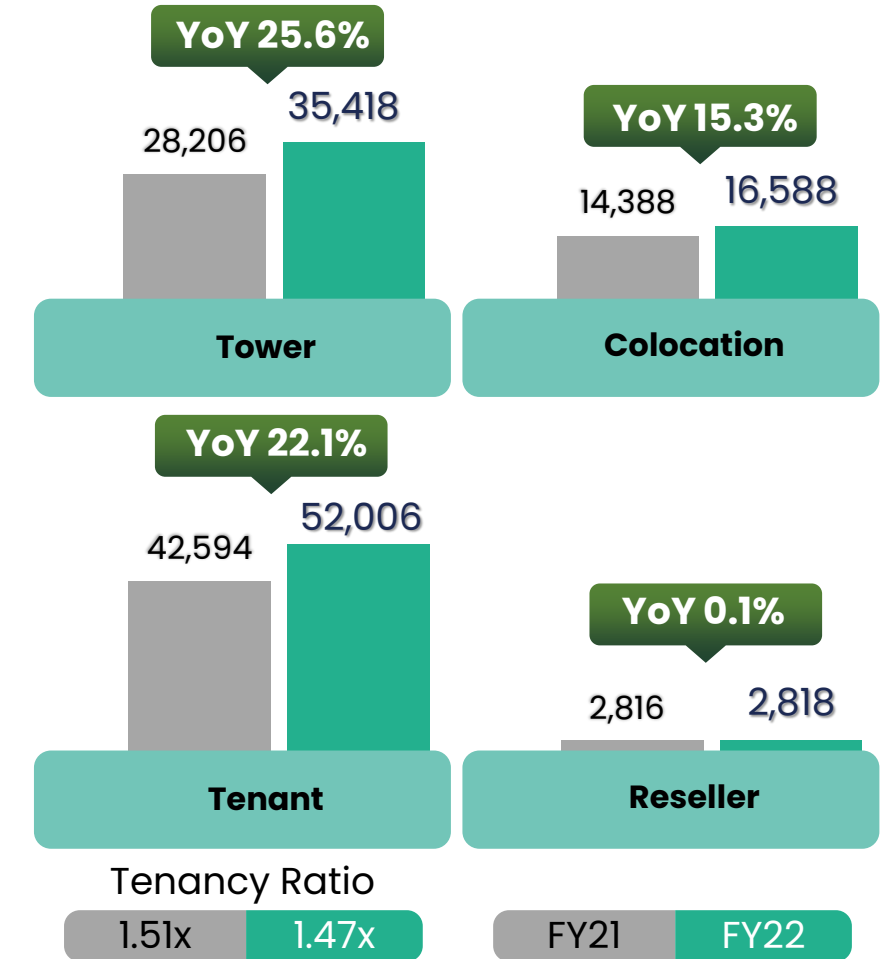
We have the largest tower portfolio in Indonesia spread across strategic locations. The key to the company's fundamental growth will be driven by the 58% towers in ex-Java by adding colocations and increasing the tenancy ratio



|   | # of towers | % portfolio | Tenancy ratio |
|---|-------------|-------------|---------------|
| Tower network in the Java region            | 14,764      | 42%         | 1.60x         |
| Largest tower network in the ex-Java region | 20,654      | 58%         | 1.38x         |



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



Tenancy Ratio

1.51x 1.47x

FY21 FY22

# PERFORMANCE HIGHLIGHTS

## Financial Performance FY2022

**EM**

75.5%

79.5%

YoY 12.5%

6,870

7,729

YoY 18.5%

5,185

6,142

YoY 29.3%

1,381

1,785

Revenue

EBITDA

Net Income

FY21

FY22

(in IDR bn)

## Operational Performance FY2022



**7,212**  
**New Tower**

(Total Tower FY22 : 35,418)



**9,412**  
**New Tenant**

(Total Tenant FY22 : 52,006)



**16,641 km**

(10.6K km Organic and 6K km Inorganic)

# HIGH GROWTH TOWER BUSINESS REVENUES

FY21

FY22

## Tower Leasing

- Revenue increased by 17.4% to Rp6,371 trillion driven by sustainable growth of tower & colocation lease revenue, including from tower acquisition of TELKOMSEL in July 2022
- Focus on further growing the site leasing business through organic growth, and identifiable inorganic growth

from  
79%

to 82%  
of  
revenue

YoY 17.4%

5,425

6,371

## Reseller

- Revenue increased by 6.9% YoY to Rp699 billion during the period driven by renewal reseller contract and additional tower reseller tenant in 2022
- 2,818 tenant resellers in the Portfolio remained stable where this portfolio will be phased out in the next few years

from  
10%

to 9%  
of  
revenue

YoY 6.9%

653

699

## Tower Related Business

- Revenues of Rp659 billion, or decrease by -16.7% from last year as we more selectively capture tower related opportunities with a higher margin
- Future plans to expand Tower Related Businesses include power to tower, edge computing, small cells, and infrastructure solutions for the 5G network

from  
12%

to 9%  
of  
revenue

YoY -16.7%

791

659





# MANAGEABLE EXPENSES

YoY 10.8%

4,129 4,576

Total Expenses  
(OPEX + DA)

YoY -5.8%

1,684 1,587

Operating  
Expenses

YoY 22.2%

2,445 2,989

D&A

- Planning & O&M towers increase 3.1% due to inorganic activity of 6K TSEL tower, however Mitratel has succeeded to decrease OM cost to revenue ratio by -1.3%, while still prioritizing quality of service and maintenance
- Construction and PM decreased due to selectively in capturing business with higher profitability
- G&A increased by 28.0% due to investor engagement programs, public company-related activities, and new IT system operational
- Mitratel has succeeded in carrying out an organizational transformation by refocusing more on customer-centricity. This keeps employee compensation expenses remain stable with a slight drop at 0.8% YoY
- Other costs 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 Account Receivables
- Depreciation & Amortization mainly increase due to inorganic activity 6K TSEL Tower acquisition in July 2022

FY21

FY22

(in IDR bn)

## Operating Expenses

YoY 3.1%

472 487

Planning and  
O&M Towers

YoY -18.5%

652 531

Construction &  
Project Management

YoY 28.0%

207 265

General and  
Administrative

YoY -0.8%

255 253

Employee Compensation  
Expenses

YoY -47.9%

98 51

Others

## D&A

YoY 20.3%

1,317 1,585

Depreciation

YoY 24.5%

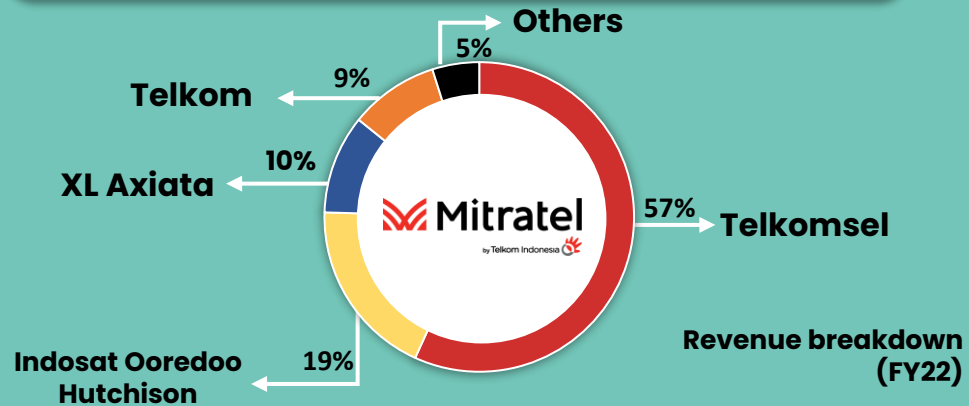
1,128 1,404

Amortization

# HIGH QUALITY CUSTOMERS WITH SIGNIFICANT BACKLOG

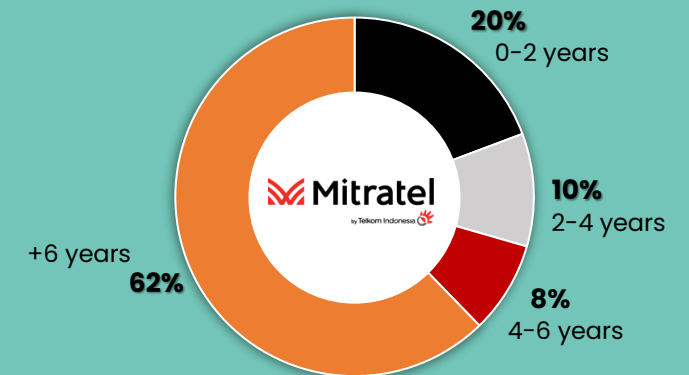
86% of revenue from the largest MNOs in Indonesia underpinned by a strong anchor tenant

## Revenue backed by high quality customers

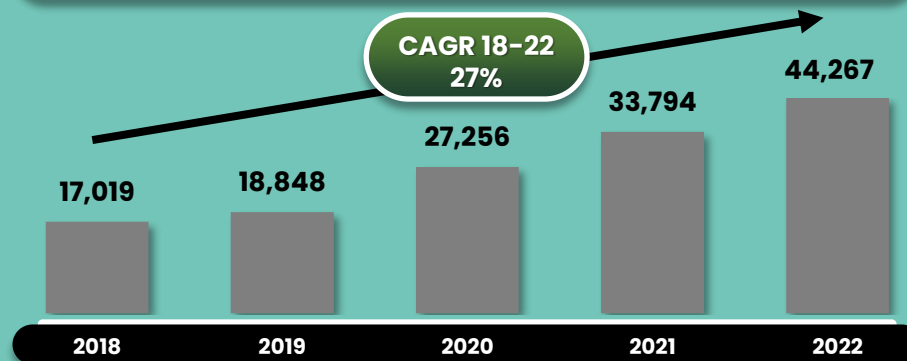


## Long Tenancy Expiry Schedule

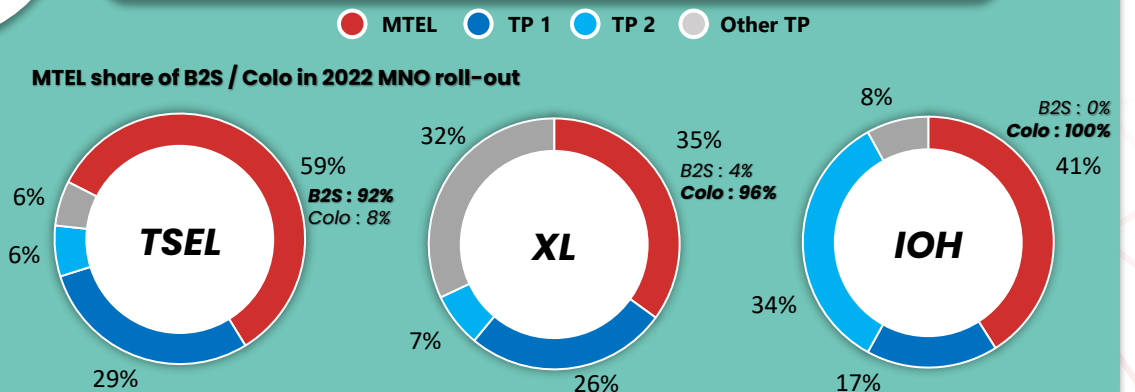
**~70%**  
of our contracts has  
more than 4  
years until expire.



## Strong future revenue visibility

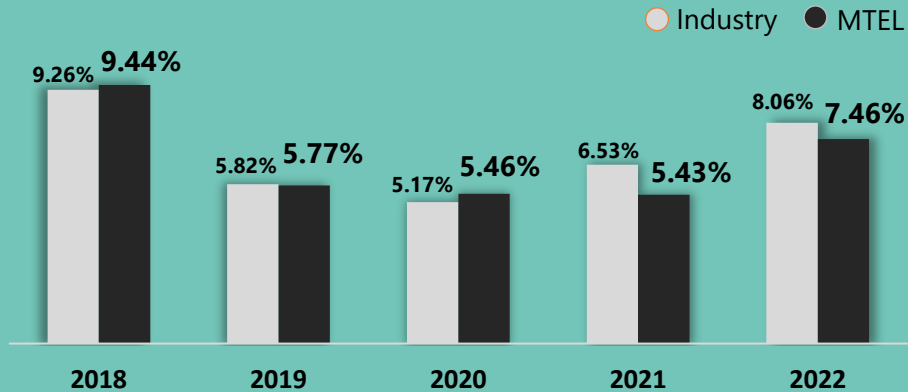


## Highest market share from MNO roll-out



# SUPERIOR BALANCE SHEET & CASH FLOW

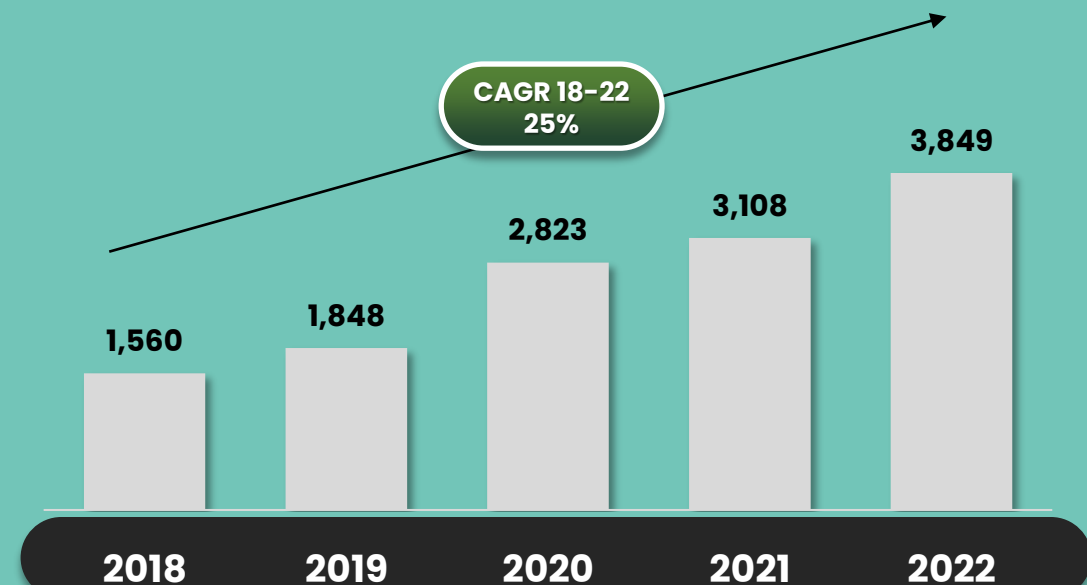
## Mitratel Cost of Debt



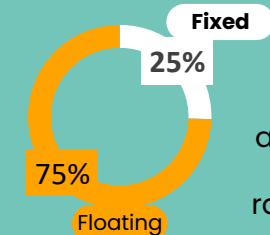
Healthy leverage ratios with ample capacity to increase

| Component (IDR bn)     | Dec-21 | Dec-22 | Covenant Bank |
|------------------------|--------|--------|---------------|
| Cash                   | 19,133 | 6,339  |               |
| EBITDA                 | 5,185  | 6,142  |               |
| Debt                   | 18,071 | 15,289 |               |
| Equity                 | 33,646 | 33,766 |               |
| Debt to Equity (x)     | 0.54   | 0.45   | < 5.00        |
| Debt to EBITDA (x)     | 3.49   | 2.49   | < 5.00        |
| Net debt to EBITDA (x) | (0.20) | 1.46   | < 5.00        |

## Recurring Free Cash Flow

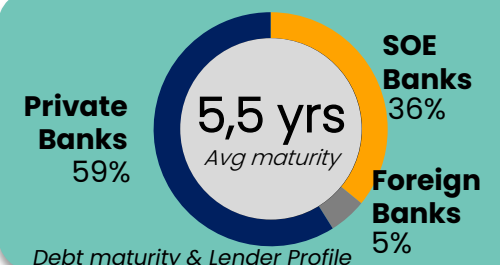


Notes:  
FCF = EBITDA - (Maintenance Capex+Interest Expense+Tax+Capitalized rent)



MTEL debt as of FY22

Good Debt-  
Management  
amidst the risk of  
rising interest  
rate environment



Debt maturity & Lender Profile

All Debt as of FY22 have been **clean basis** without collateral

# MITRATel PORTFOLIO HIGHLIGHT : FIBER



Mitratel has succeeded in driving the rapid development of its fiber portfolio in 2022. The key to the growth of this new portfolio is driven by building a strategic partnership to accelerate go to market, obtaining high share orders from OLO operators and in-organic corporate actions with total assets of around 16,641 km until FY 2022

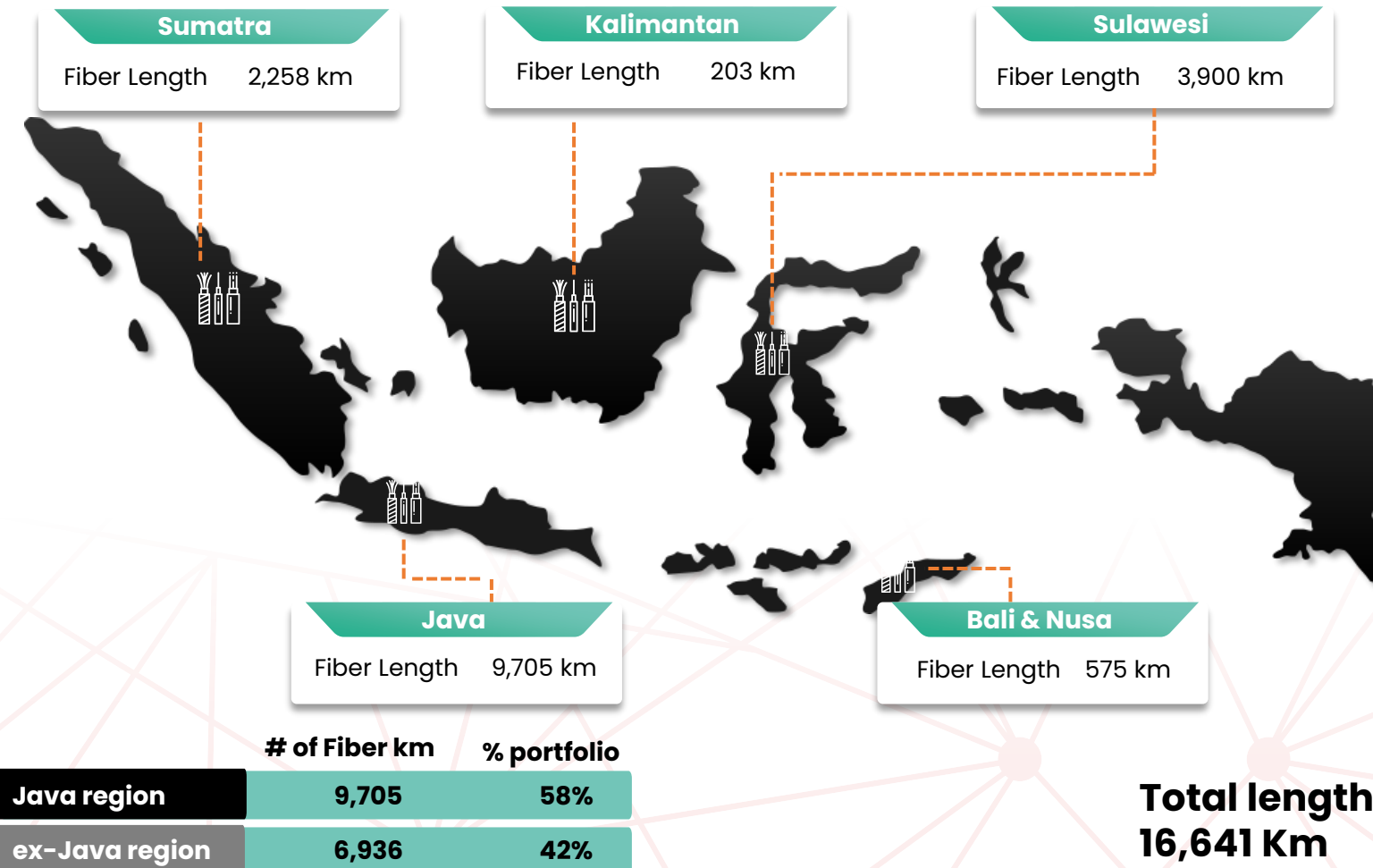
## Key Highlight of Fiber portfolio journey in 2022

**25K Km**  
of orders received by  
MTEL in 2022

Mitratel managed to get 25K km of fiber orders from MNO or 30% of total MNO fiber roll-out in 2022, with the achievement of organic fiber development of 10,629 km in Dec' 2022

**6K Km**  
Fiber Asset  
From Inorganic

MTEL has successfully carried out corporate actions through its in organic fiber portfolio 6,012 km in 2022, this has a positive impact on corporate value in pursuing and accelerating the number of fiber assets owned by other tower providers





# PROMOTE ESG FOR A SUSTAINABLE FUTURE

## Right Environmental Approach

### Reduce emissions

CO<sub>2</sub> emission dropped by 7,7% YoY. Substitute diesel with renewable energy especially in off grid and bad grid sites



- GHG<sup>1)</sup> Emission tracking
- Revitalizing Solar Panel System for off-grid sites
- Development of a more environmentally-friendly infrastructure

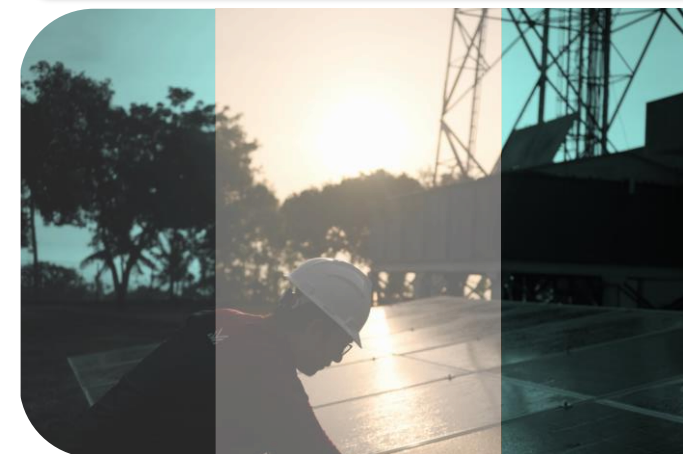
### Reduce energy consumed

Drive energy efficiency and reduce electricity consumption by utilizing smart energy management (i.e., IoT sensors)



### Reduce waste produced

Replace Valve Regulated Lead Acid (VRLA) battery with Li-ion battery in 348 sites across Indonesia



## Right Communication (Social)

- Assessment of Social impact on Tower Sites
- Procurement Policy & Procedure in accordance with ESG standard
- Socializing environmentally-friendly products to customers

## Right Governance

Mitratel committed to improve the sustainability aspects and ultimately providing the most optimum return for the shareholders



Included in  
**IDX:ESGLEADERS**  
Index (Sept-2022)

### ISO 45001:2018



### ISO 31000:2018



71%  
Male

29%  
Female

Anti-discriminatory,  
Diversity, Scholarship chance,  
and Career Development Policy  
for all Employees

Increasing **women participation**  
(1% YoY increase)

#### Notes:

<sup>1)</sup> Green House Gases

# GUIDANCE FOR 2023

**11%**  
Revenue Increase



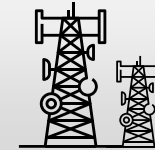
**11%**  
EBITDA Increase



**7Tn**  
CAPEX Plan



**4K** Organic  
Tenant Add



**1.5K** Inorganic  
Tenant Add



**13K KM**  
Fiber Optic Deployment





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