

# CORPORATE PRESENTATION FY22

**PT Dayamitra Telekomunikasi Tbk**



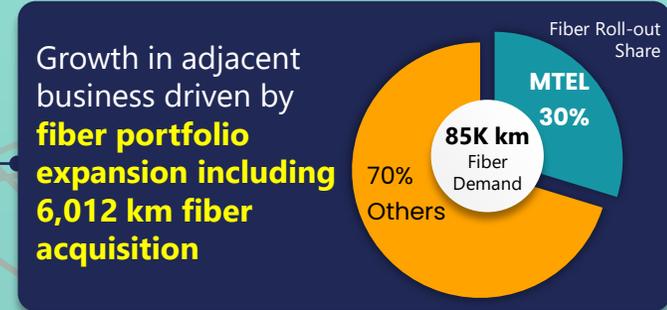
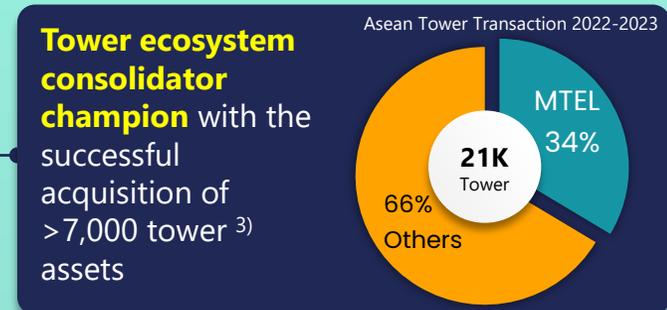
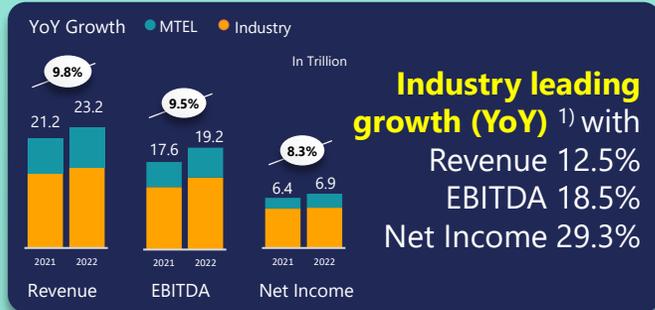
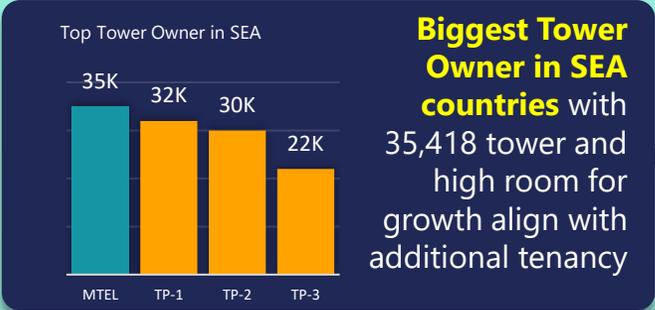


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# MITRATTEL COMPANY HIGHLIGHT

Independent Fastest Growing Tower Operator in Indonesia

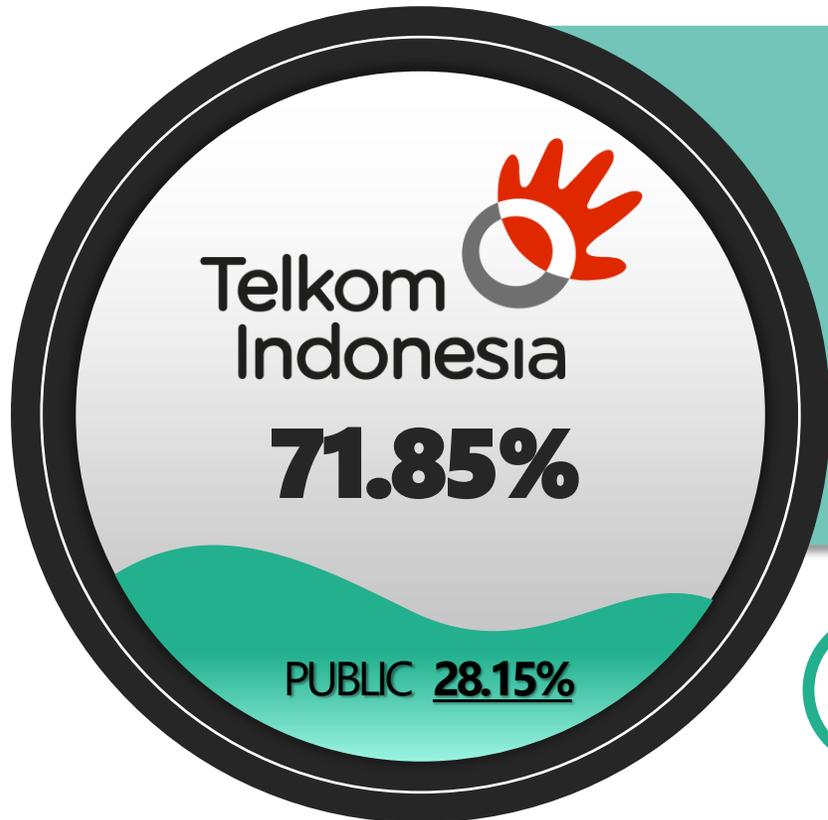


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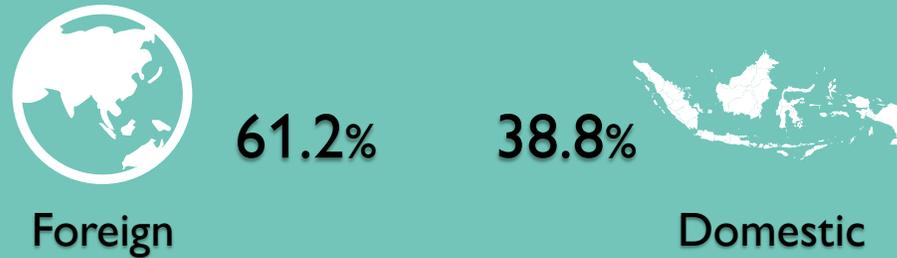
- 1) Competitor based on research report
- 2) Based on MNO roll-out in 2022
- 3) Include Proforma IOH tower acq in 1Q23

# MITRATEL OWNERSHIP

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



## Public Shares Ownership



Market Cap as of 30 Dec 2022  
Rp66,8 Tn



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

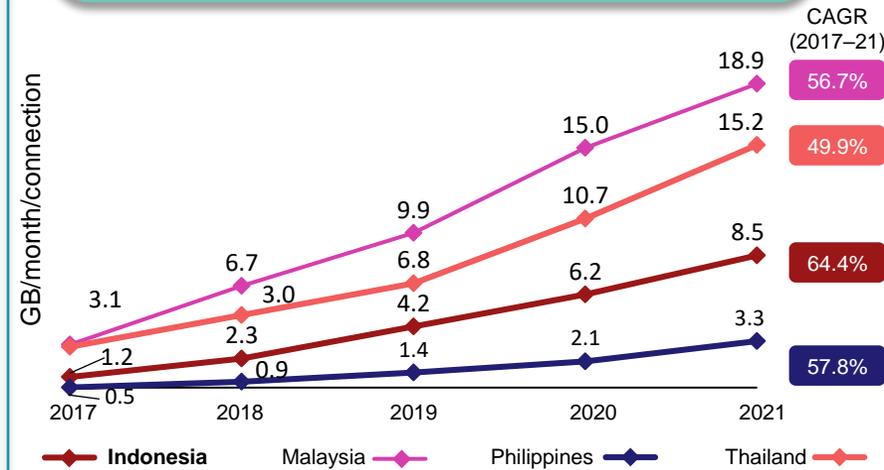
### World Economic Outlook Projection (%)

Emerging Market and Developing Economies GDP Growth



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

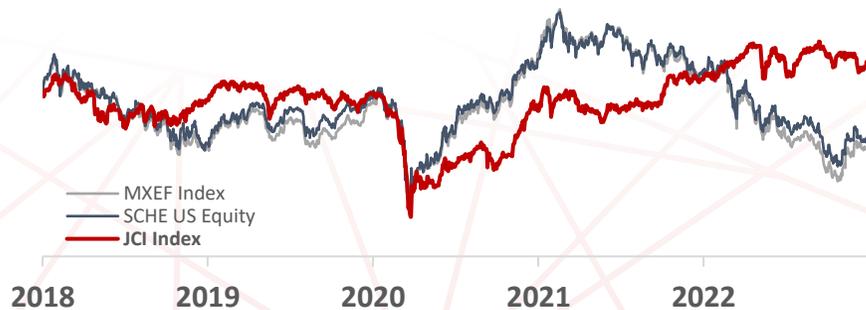
## Telco Industry Trends



- **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>



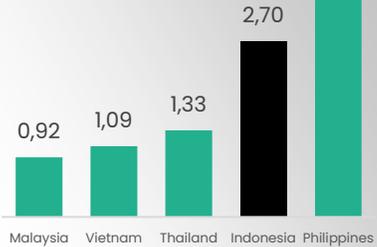
Significant gaps in coverage, particularly in Sumatra

- 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

## 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

- FTTH 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



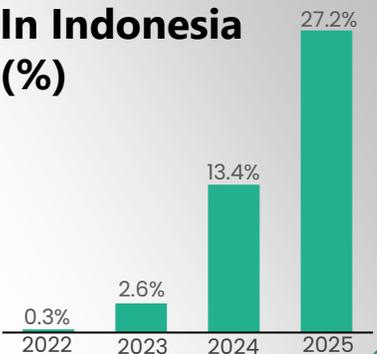
### Power to the Tower (PTTT)

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

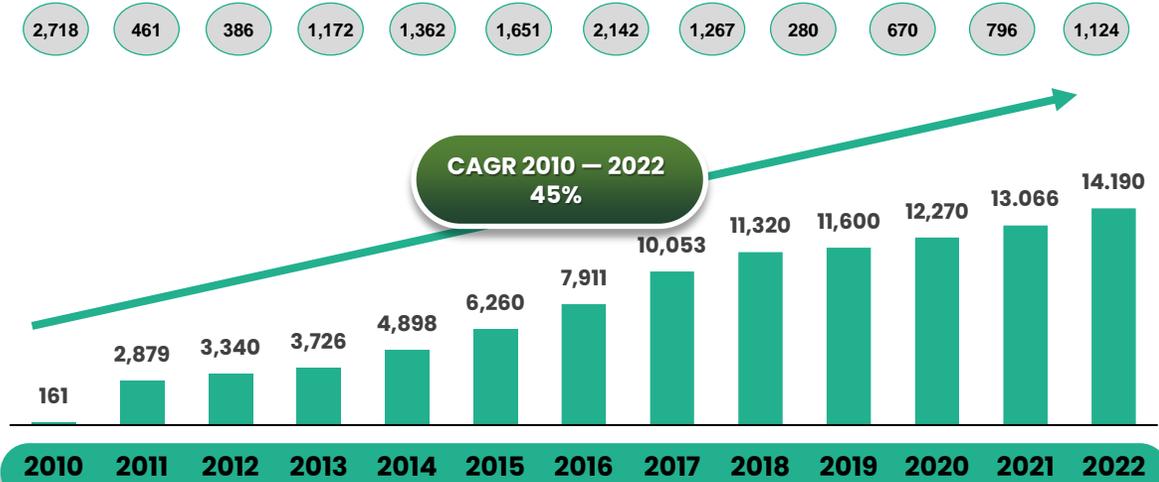
**PT Dayamitra Telekomunikasi Tbk**



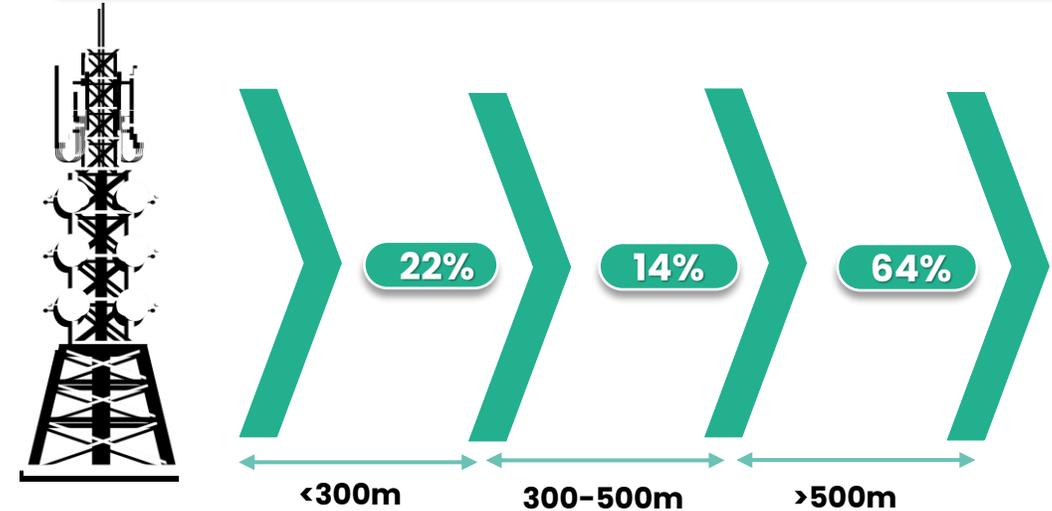
# MITRATTEL PROVEN TRACK RECORD



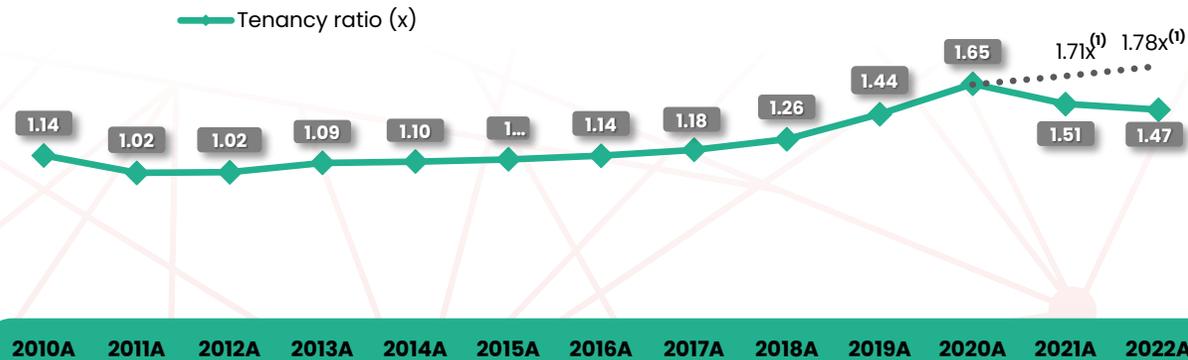
## Track record of organic growth in built-to-suit towers



## Strategic tower locations and not close to each other



## 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.



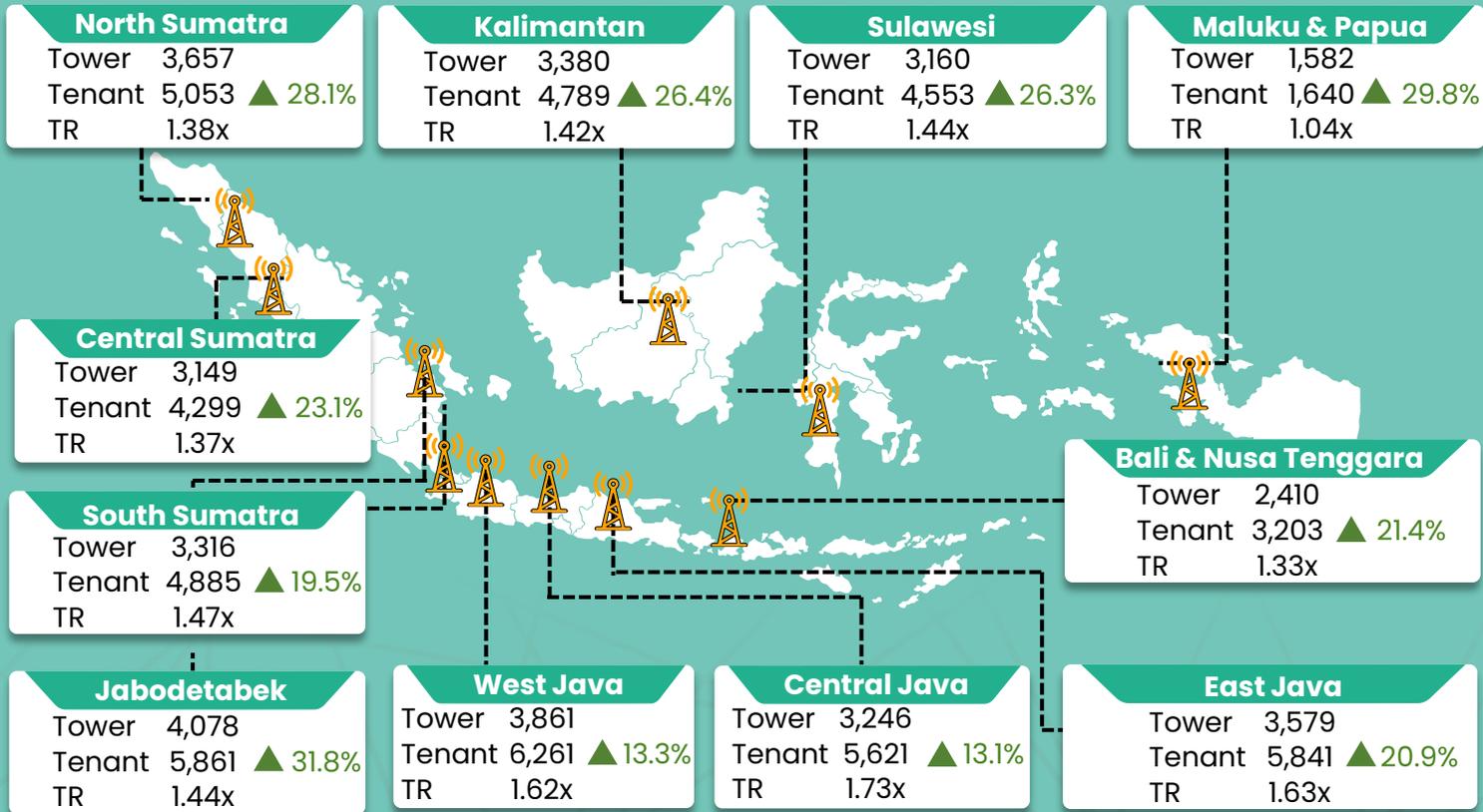
## Significant colocation potential on current tower portfolio

- 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

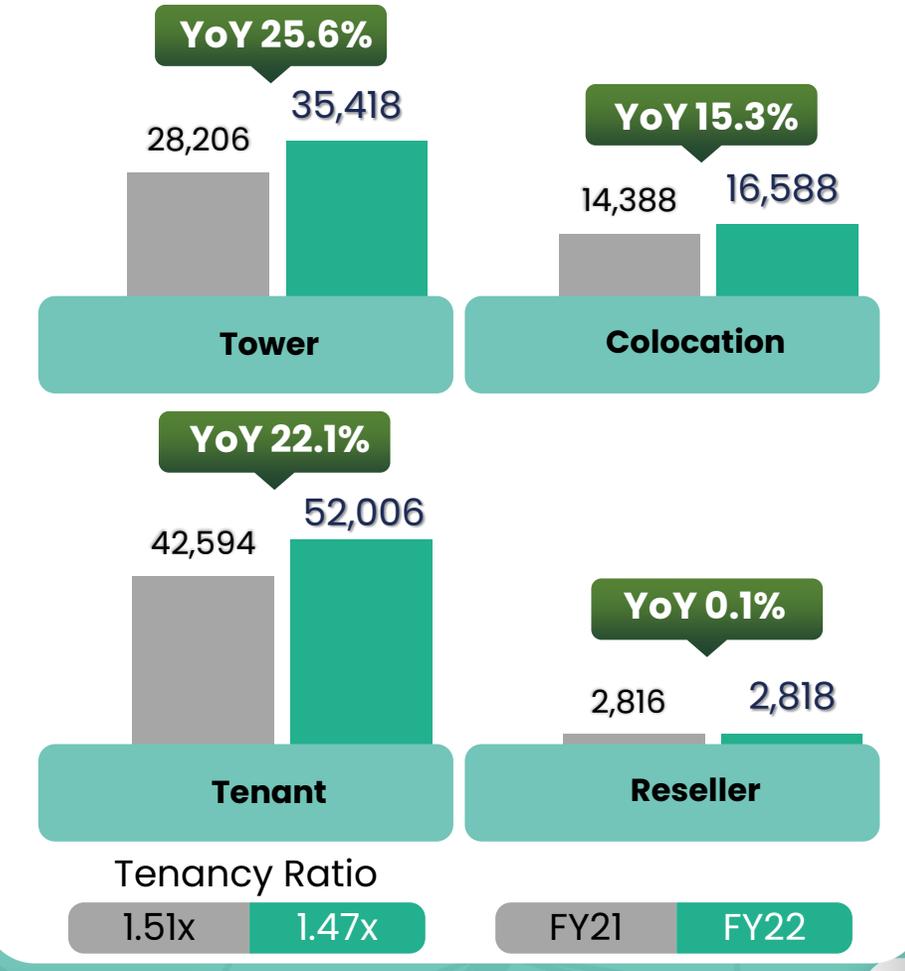


We have the largest tower portfolio in Indonesia spread across strategic locations. The key to the company's fundamental growth will be driven by the 58% towers in ex-Java by adding colocations and increasing the tenancy ratio



	# 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 (FY21) | 1.47x (FY22)

# PERFORMANCE HIGHLIGHTS

## Financial Performance FY2022

### EM

75.5%

79.5%

### NIM

20.1%

23.1%

YoY 12.5%

YoY 18.5%

YoY 29.3%

6,870

7,729

5,185

6,142

1,381

1,785

Revenue

EBITDA

Net Income

FY21

FY22

(in IDR bn)

## Operational Performance FY2022



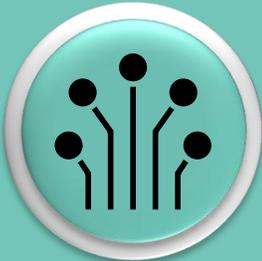
**7,212**  
**New Tower**

(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

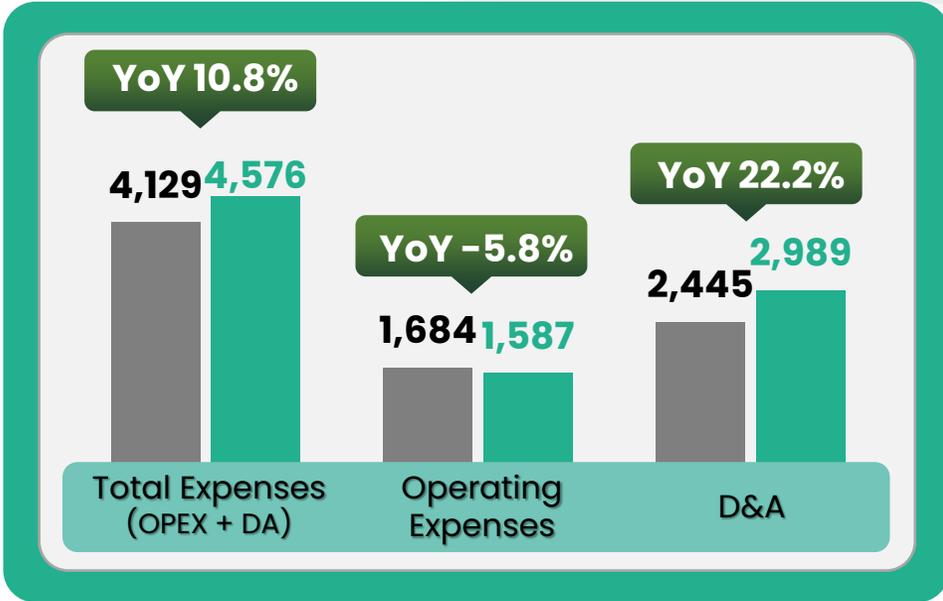
YoY -16.7%

791

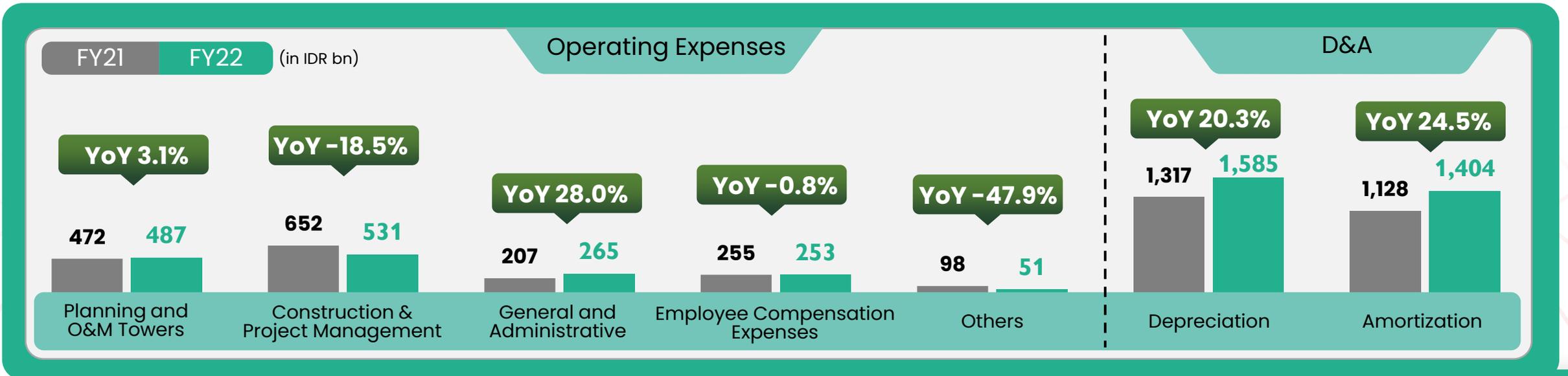
659



# MANAGEABLE EXPENSES



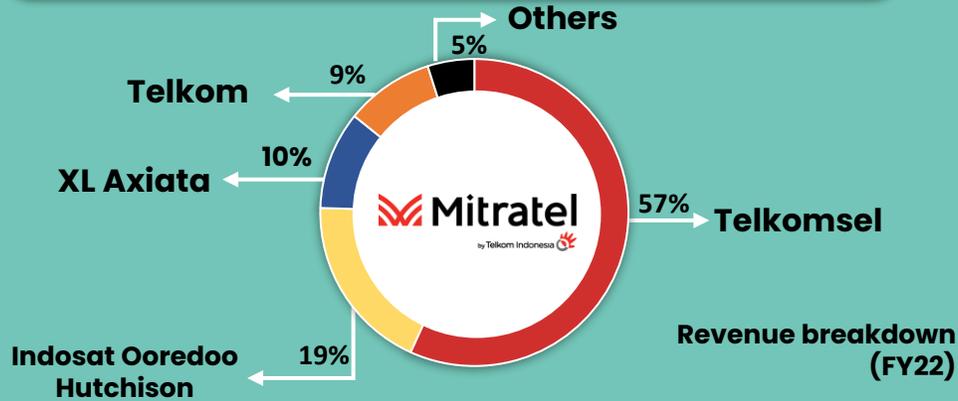
- **Planning & O&M towers increase 3.1%** due to inorganic activity of 6K TSEL tower, **however Mitratel has succeeded to decrease OM cost to revenue ratio by -1.3%**, while still prioritizing quality of service and maintenance
- **Construction and PM** decreased due to **selectively in capturing business 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**



# HIGH QUALITY CUSTOMERS WITH SIGNIFICANT BACKLOG

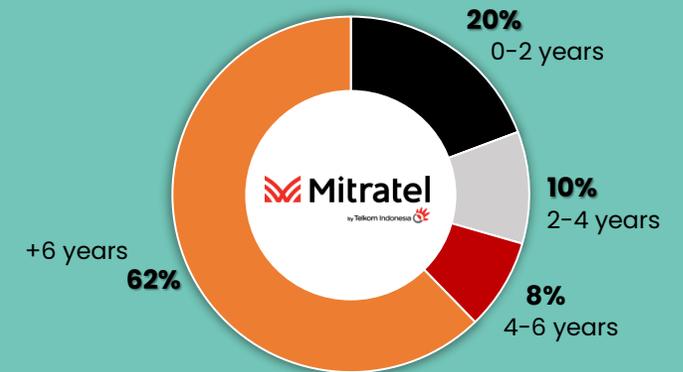
86% of revenue from the largest MNOs in Indonesia underpinned by a strong anchor tenant

## Revenue backed by high quality customers

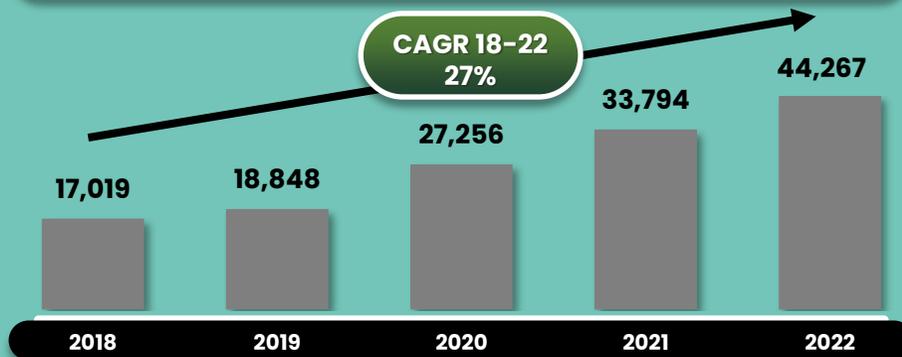


## Long Tenancy Expiry Schedule

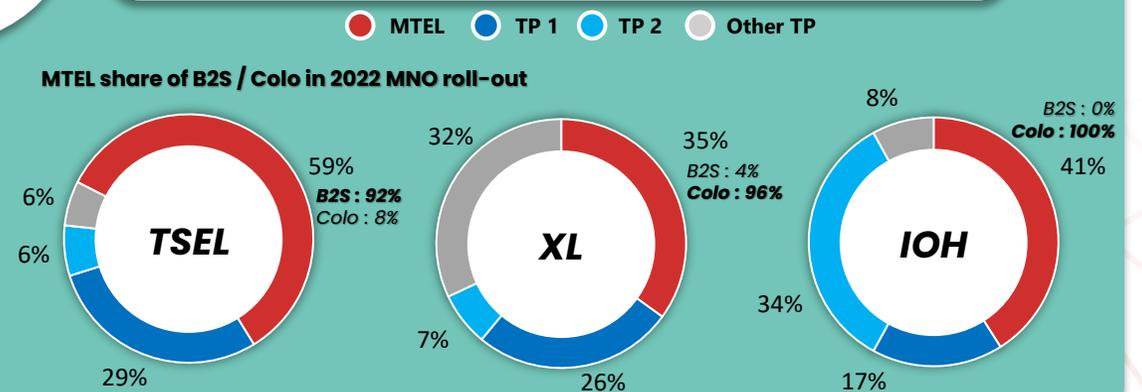
**~70%**  
of our contracts has more than 4 years until expire.



## Strong future revenue visibility

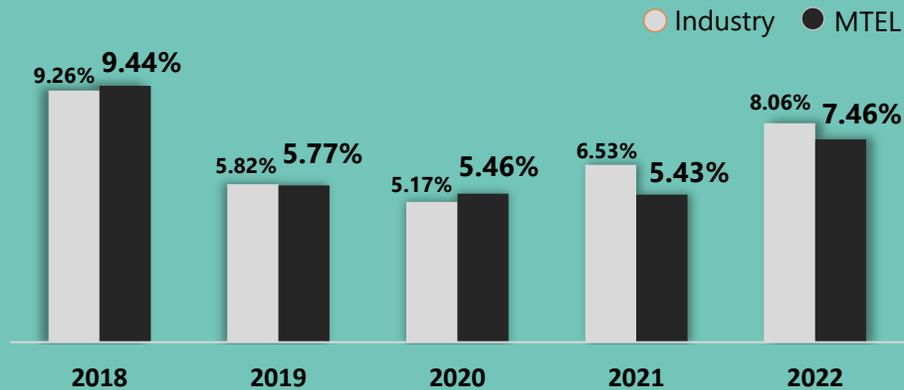


## Highest market share from MNO roll-out



# SUPERIOR BALANCE SHEET & CASH FLOW

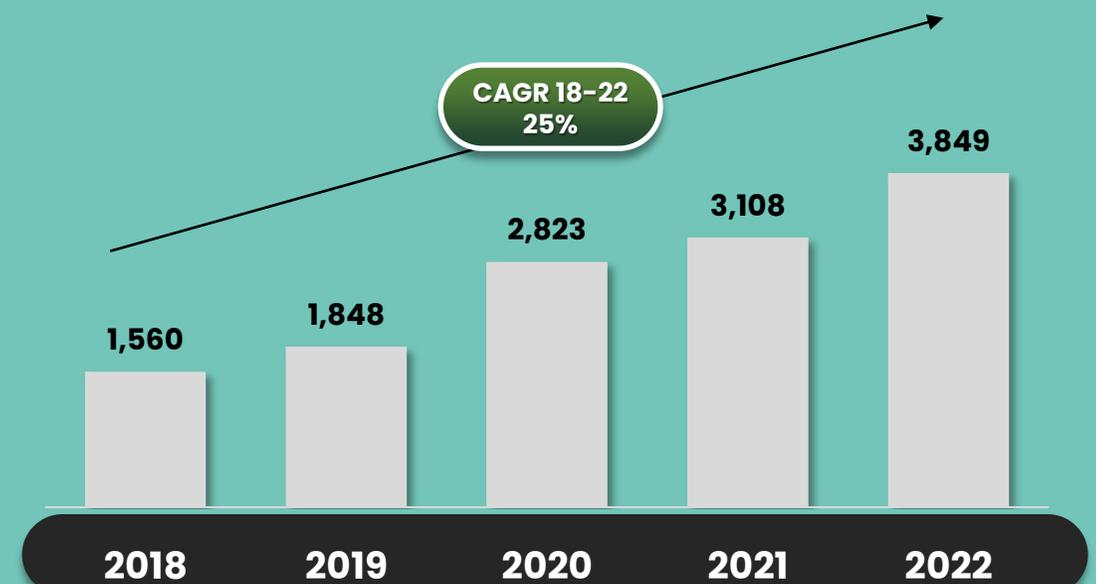
## Mitratel Cost of Debt



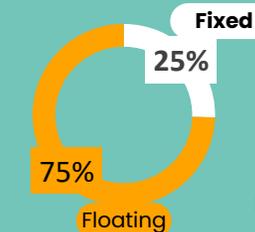
Healthy leverage ratios with ample capacity to increase

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

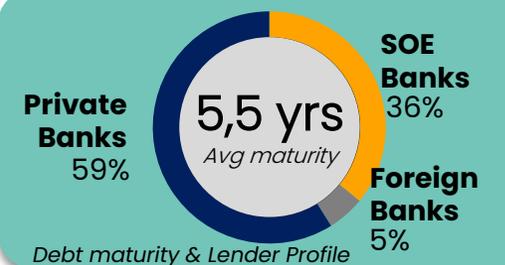
## Recurring Free Cash Flow



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



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

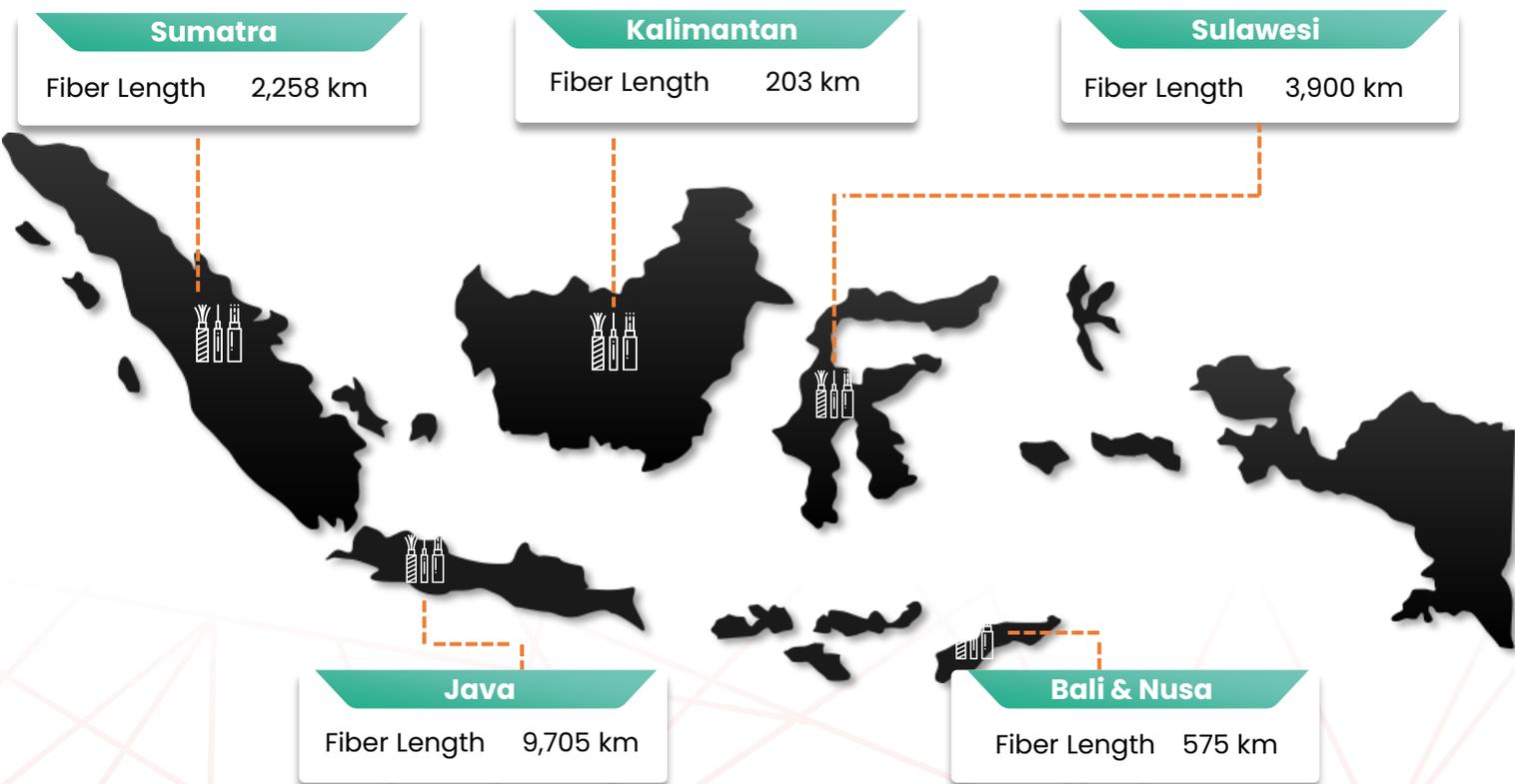


All Debt as of FY22 have been **clean basis** without collateral

# MITRATTEL 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



	# of Fiber km	% portfolio
Java region	9,705	58%
ex-Java region	6,936	42%

**Total length:  
16,641 Km**

## 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

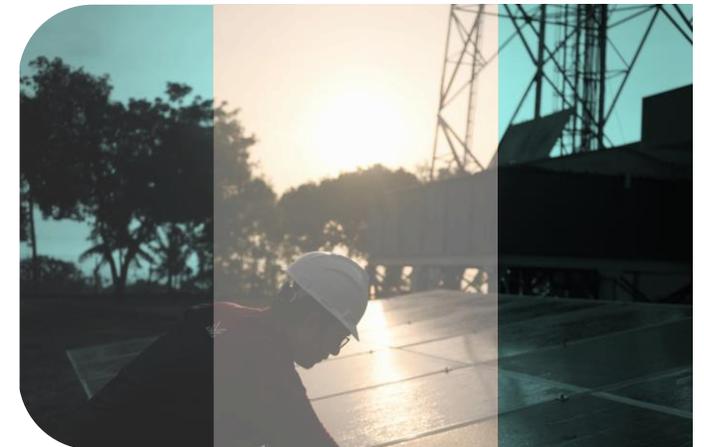
### Reduce energy consumed

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

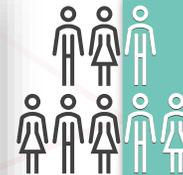


Included in **IDX:ESGLEADERS Index (Sept-2022)**

### ISO 45001:2018



### ISO 31000:2018



71% Male

29% Female

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

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

**Notes:**

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

# GUIDANCE FOR 2023

**11%**  
Revenue Increase



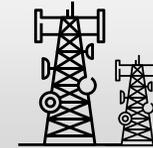
**11%**  
EBITDA Increase



**7Tn**  
CAPEX Plan



**4K** Organic  
Tenant Add



**1.5K** Inorganic  
Tenant Add



**13K KM**  
Fiber Optic Deployment





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