

2015

TELKOMSEL

WOW!

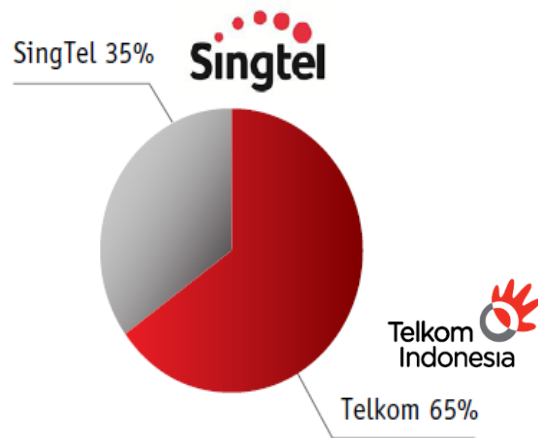
# Telkomsel Corporate Presentation

SingTel Investor Day  
3 Jun 2015

Heri Supriadi- Director of Finance  
Alistair Johnston- Director of Marketing



## Profile



- Operating since 1995, Telkomsel is the subsidiary of PT Telekomunikasi Indonesia Tbk (65%) and Singapore Telecom Mobile Pte Ltd (35%)
- Leading cellular operator in Indonesia serving more than 141 million customers
- Covering  $\pm$  95% of population with more than 4,800 employees

## Brands

Top Brand Equities in Indonesia:



## Network

Maintained network superiority:

- 90,552 BTS on-air, 48% of which were 3G/4G BTS
- $\pm$  300 broadband cities



# Widest Coverage in Indonesia

Population Coverage:  $\pm 95\%$   
with 3G Coverage:  $\pm 60\%$

Papua, Maluku,  
Sulawesi, Kalimantan  
CB portion:  
22%

Sumatera  
CB portion: 28%



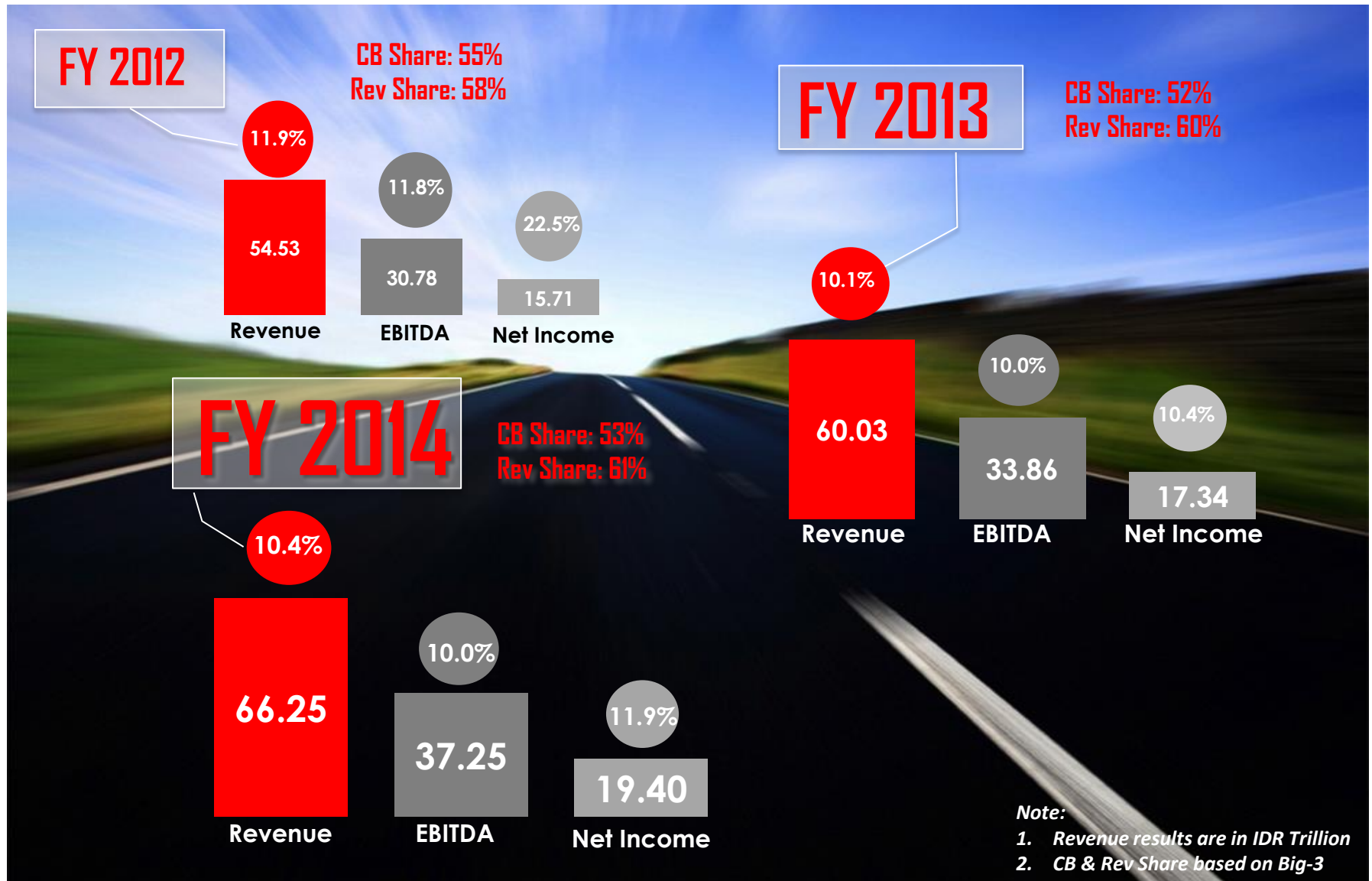
Greater Jakarta &  
West Java  
CB portion: 24%

Java & Bali  
CB portion: 26%

## Indonesia Telco Industry Overview

- 8 players (4 GSM + 4 CDMA) in a saturated industry with 130% SIM penetration.
- Opportunities to grow Digital Business with around 45% data users and 30% 3G/4G capable device penetration.
- Data traffic and revenue grew 110% and 37% YoY, respectively in 1Q-15.

# FY 2014- 3<sup>rd</sup> CONSECUTIVE YEAR of TRIPLE DOUBLE DIGIT growth

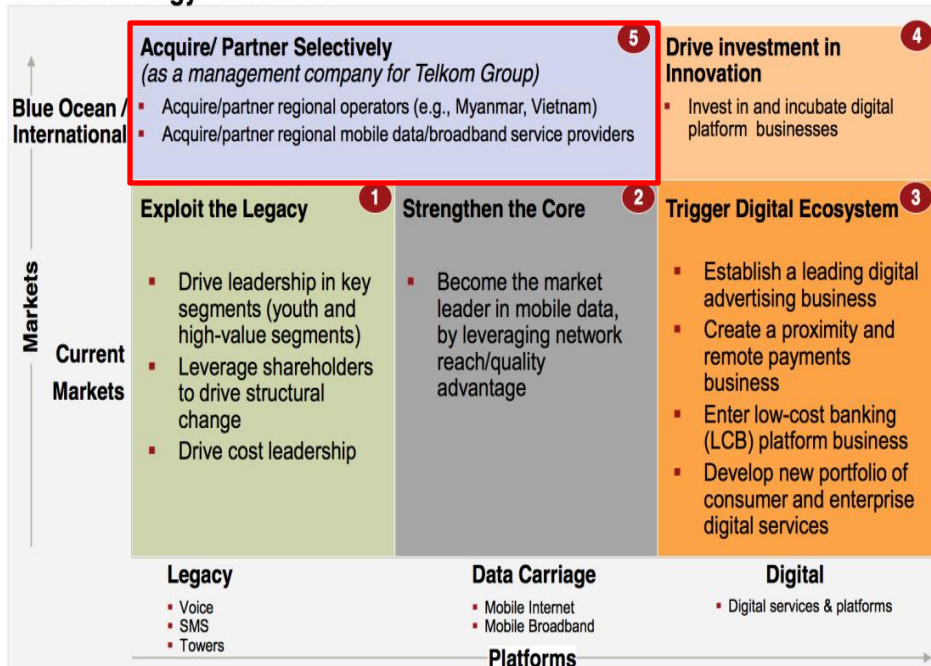




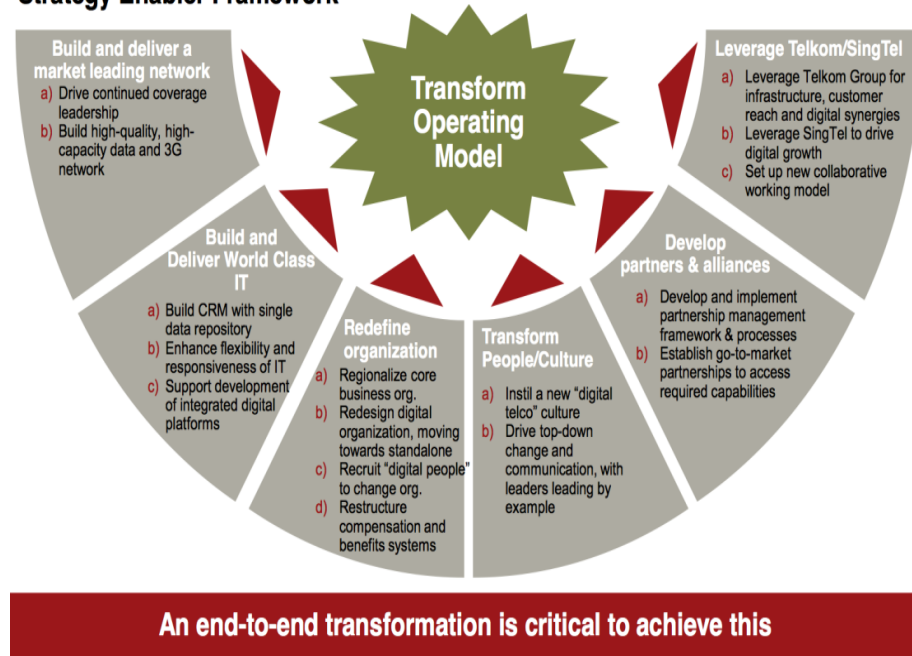
# These results were achieved thru commitment towards our long-term growth strategy framework

## Corporate Strategy for 2013-2017

### Growth Strategy Framework



### Strategy Enabler Framework



**Mid way through corporate transformation programs and results have been positive**

# As well as innovative marketing & digital services introduced in 2014



# New Board of Directors working to sustain the strong results in 2015



**Alistair D. Johnston**  
Director of Marketing

**Sukardi Silalahi**  
Director of Network

**Edward Ying Siew Heng**  
Director of Planning and Transformation

**Ng Soo Kee**  
Director of IT

**Heri Supriadi**  
Director of Finance

**Ririk Adriansyah**  
President Director

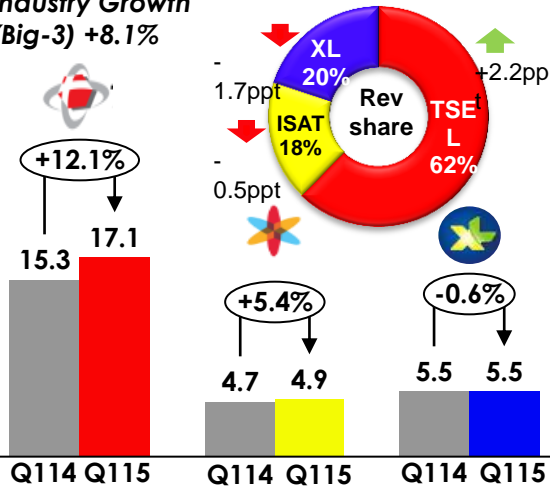
**Priyantono Rudito**  
Director of Human Capital Management

**Mas'ud Khamid**  
Director of Sales

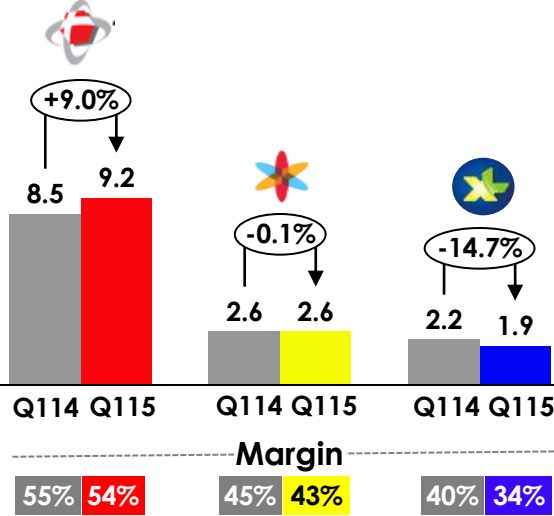
# Maintained momentum in Q1-15, outperformed the industry

## Cellular Revenue (Rp.Tn)

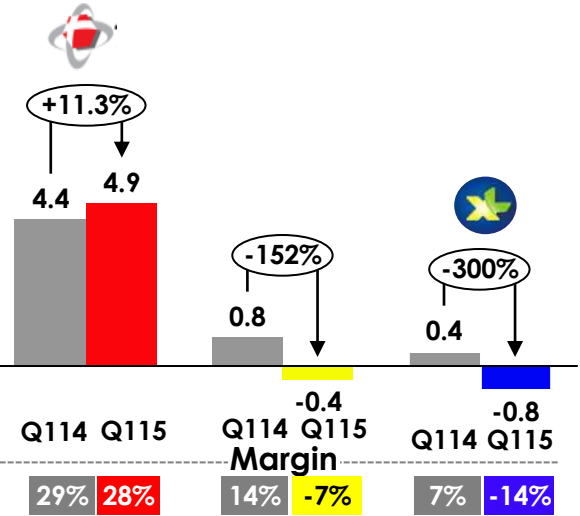
Industry Growth (Big-3) +8.1%



## EBITDA (Rp.Tn)

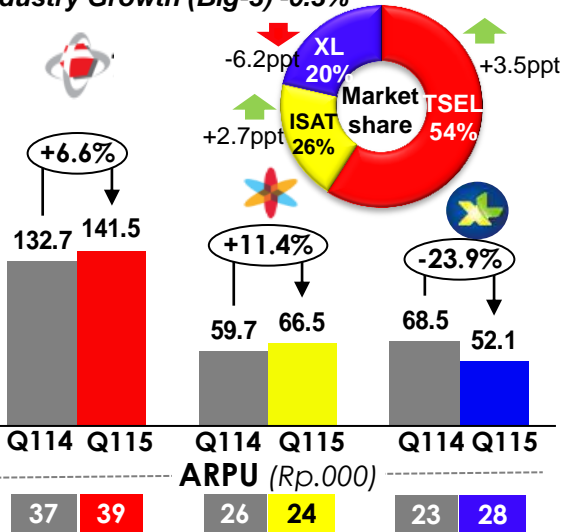


## Net Income (Rp.Tn)

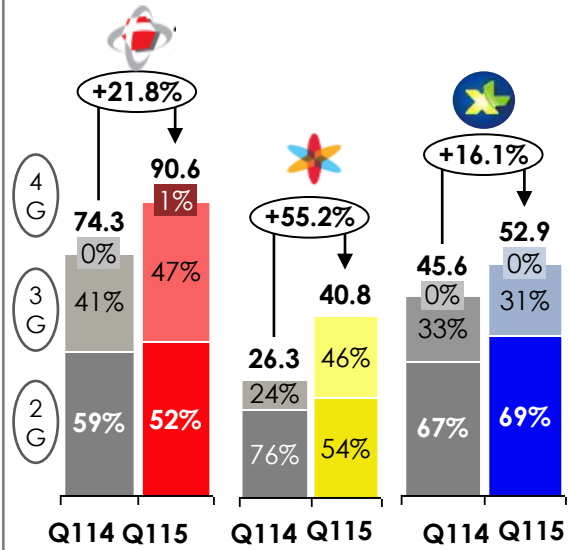


## Customer Base (Mn)

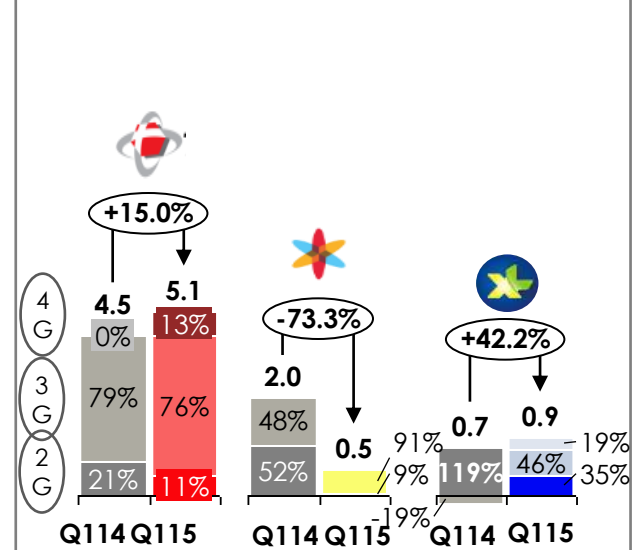
Industry Growth (Big-3) -0.3%



## BTS On Air (000)



## BTS New Roll Out (000)





# Corporate Masterpiece Programs in 2015 to further strengthen our position as leading DiCO in Indonesia

## 1 Redefine Mobile Digital Experience



- Improves customer engagement & service discovery through MyTelkomsel mobile apps & web portal

## 2 Digital Payment Experience

- Promote “digi-lifestyle” with seamless customer experience in digital payment
- Fire up T-Cash activation and transaction volume
- Winning digital payment market in Indonesia

**t-cash**



## 3 True Broadband Experience



- Deliver world class data user experience in 30 top broadband cities
- Position Telkomsel as THE most trusted mobile broadband service provider

# Delivering the WOW ! Experience in 2015

## TRIPLE DOUBLE DIGIT GROWTH

### Exploit the Legacy

*Legacy Revenue +3.0% YoY*

### Strengthen the Core

*Broadband Revenue +33,4% YoY*

### Trigger Digital Ecosystem

*Digital Services Revenue 38.0 % YoY*



**TRUE**  
BROADBAND  
EXPERIENCE



**ENRICH**  
SMARTPHONE  
EXPERIENCE



**PRIVILEGE**  
POSTPAID  
EXPERIENCE



**ENGAGING**  
YOUTH  
EXPERIENCE



**TRUSTED**  
SERVICE  
EXPERIENCE

# There are significant challenges ahead..



## OTT Services

Cannibalization of Voice & SMS revenue growth by OTT services



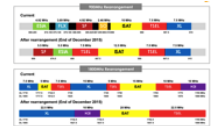
## Data Pricing

Subscribers' migration to larger data packages will accelerate decline in data yield (RPMB)



## Spectrum

Disparity in spectrum assets with Telkomsel having twice the number of subscribers than competitors



## New Competitors

Competition from non-traditional players threatens sustainability of double digits revenue growth



## Changing Regulations

Interconnection, enforcing SIM Card registration



## Gaps in Digital Expertise

Lack of internal Digital Marketing & UX Specialists



# 2015 Corporate Guidance

## Revenue

Inline or slightly above market growth rate

## EBITDA Margin

Slightly decline as compared to FY 2014  
(-1%)

## Capex

18%-20% Capex spending as % of revenue

## ARPU

Slightly increased as compared to FY 2014

## BTS Roll-out

Focus on 3G-4G, accounted for >75% of new BTS  
deployed



**2015**

**TELKOMSEL**

**WAW!**

Great Experience