



# PT Indosat Tbk.

FY 2017 Results

# FY17 achievements



**IDR 1.1tn Net profit ; 2.8% growth**

**IDR 4.0tn Operating Profit ; 2.3% growth**

**40.2% solid data revenue growth**

**9.4% B2B revenue growth**

Data traffic growth

**+120%**

4G coverage

**+200 cities**

4G Population coverage

**+45%**





**Financial and  
Operational  
Highlights**

# FY17 YoY Overview



Consolidated Revenue increased 2.5% from IDR 29,185 billion to IDR 29,926 billion

EBITDA Margin reached 42.6%

Profit Attributable to Owners of The Parent increased 2.8% from IDR 1,105 billion to IDR 1,136 billion

Free Cash Flow decreased from IDR 2,460 billion to IDR 2,188 billion

# 4Q17 QoQ Overview



Consolidated Revenue decreased 1.3% from IDR 7,453 billion to IDR 7,360 billion

EBITDA Margin was at 38.8%

Profit Attributable to Owners of The Parent decreased 85.1% from IDR 306 billion to IDR 46 billion

Free Cash Flow decreased from IDR 1,007 billion to a negative IDR 1,335 billion

# Financial Highlights

in IDR billion

	FY-16	FY-17	YoY	3Q-17	4Q-17	QoQ
Operating Revenue	29,185	29,926	2.5%	7,453	7,360	-1.3%
EBITDA	12,864	12,763	-0.8%	3,232	2,856	-11.6%
EBITDA Margin	44.1%	42.6%	-1.5ppt	43.4%	38.8%	-4.6ppt
Profit Attributable to Owners of the Parent	1,105	1,136	2.8%	306	46	-85.1%

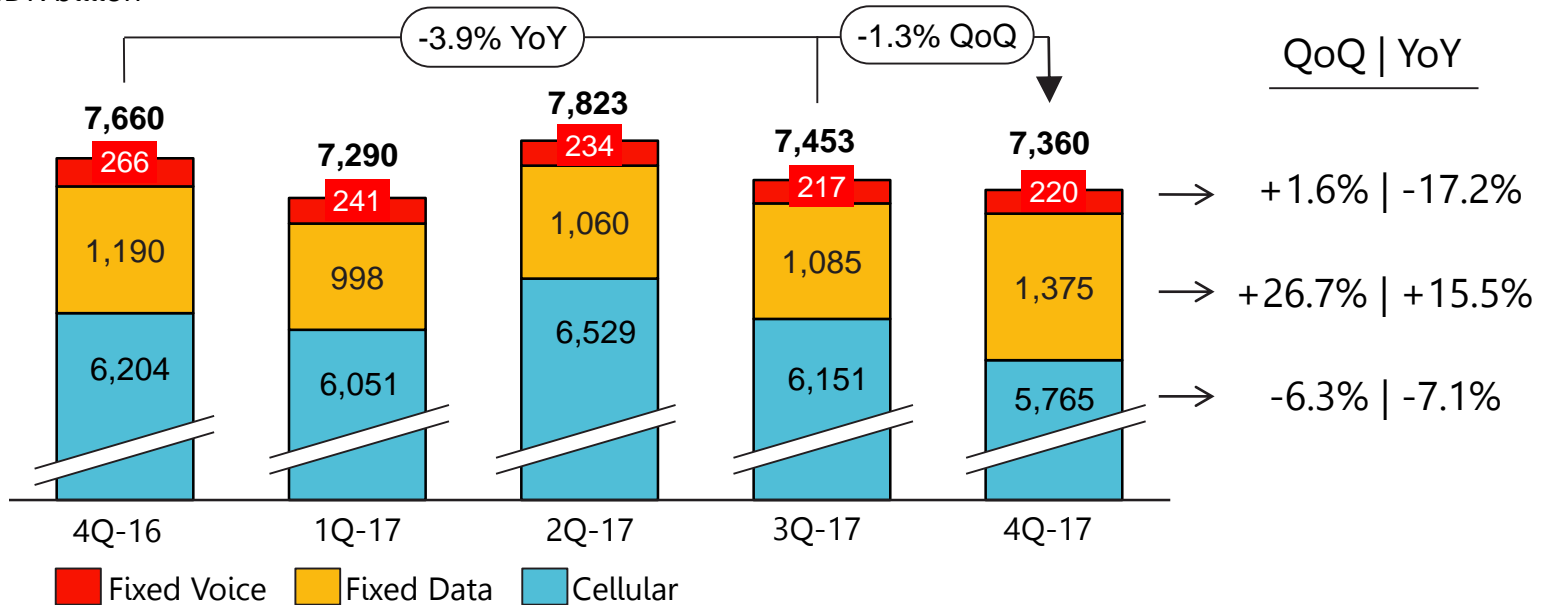
- Profitability meet guidance



# Segment Revenue Overview

## Operating Revenue Breakdown

in IDR billion



- Fixed data segment delivered outstanding performance supported by B2B IT services

# Cellular Revenue Performance

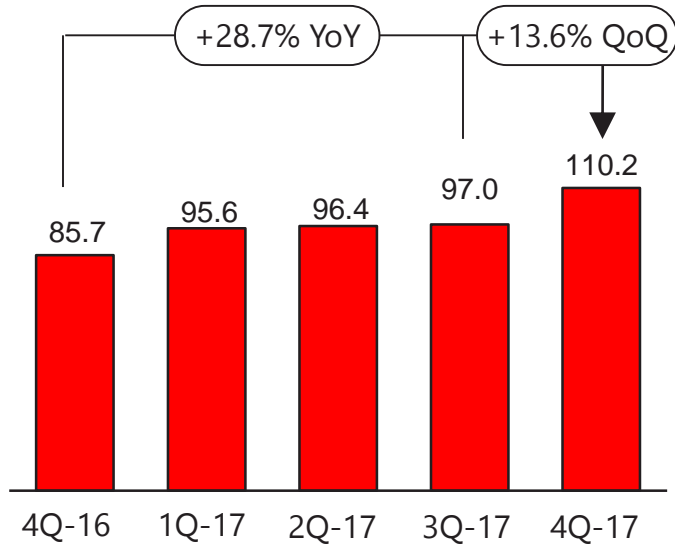
	<b>FY-17 VS FY-16</b>	<b>4Q-17 VS 3Q-17</b>	
Voice	-7.7%	-12.5%	<ul style="list-style-type: none"><li>- Data continued to deliver strong growth as customers behavior shift to data</li><li>- Legacy services continued to decline as data usage is growing</li></ul>
SMS	-22.9%	-17.1%	
Data	40.2%	8.4%	
VAS	12.1%	40.6%	Gaming and content usage grew in youth segment.



# Cellular Customer Base

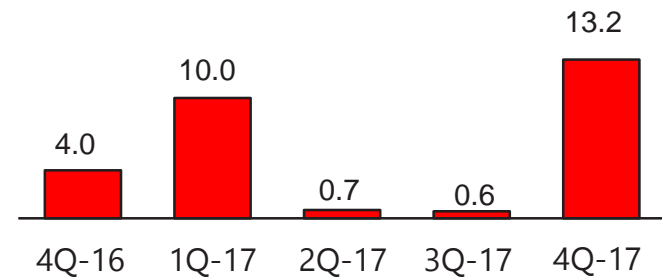
## Number of cellular customers

in million



## Net cellular customers adds

in million

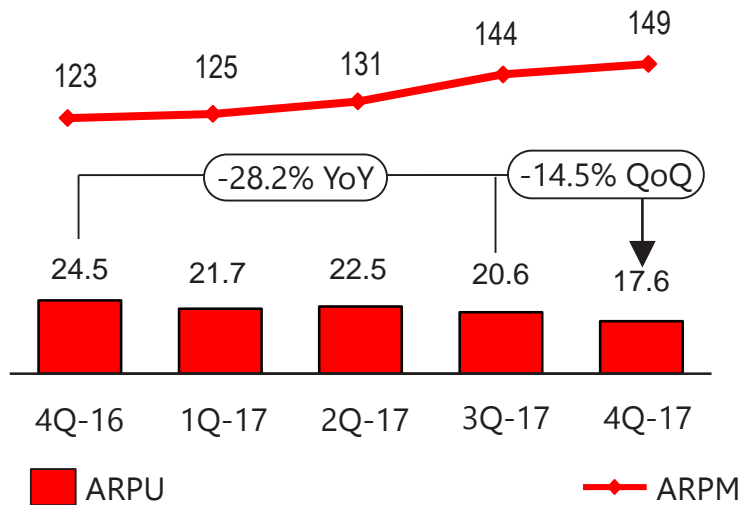


# ARPU and voice usage indicator

## ARPU and ARPM

in thousand IDR  
(ARPU)

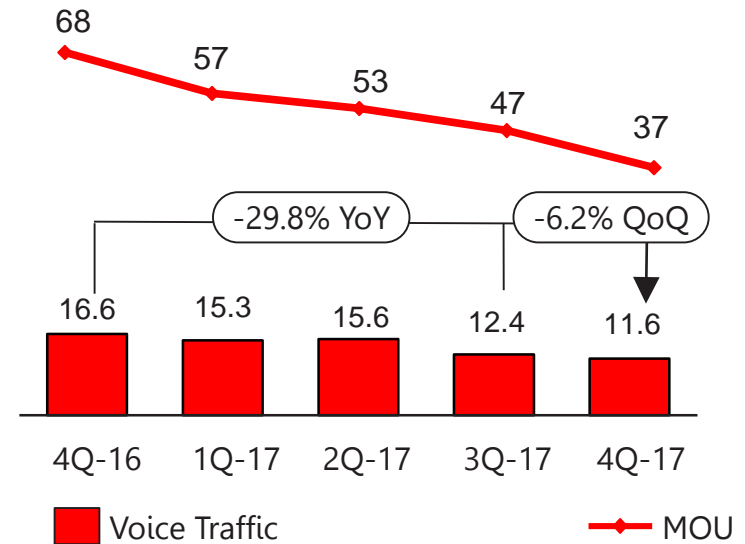
in IDR  
(ARPM)



## Voice Traffic and MOU

in billion minutes  
(Voice Traffic)

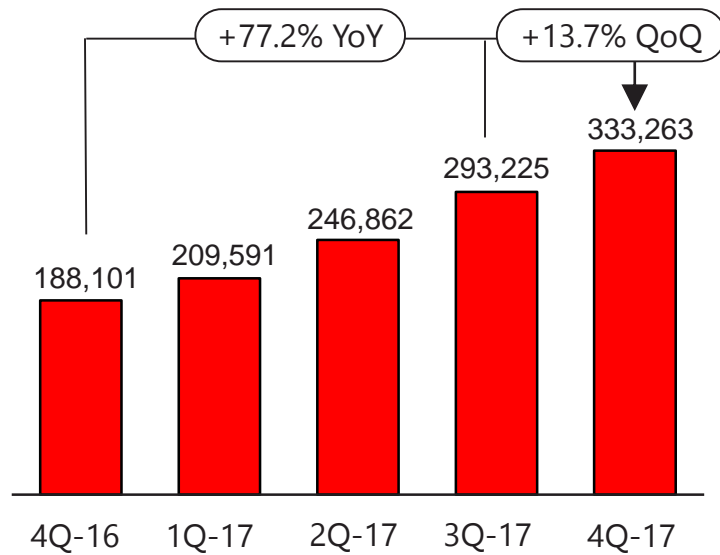
in minute/subscriber  
(MOU)



# Strong Data Usage

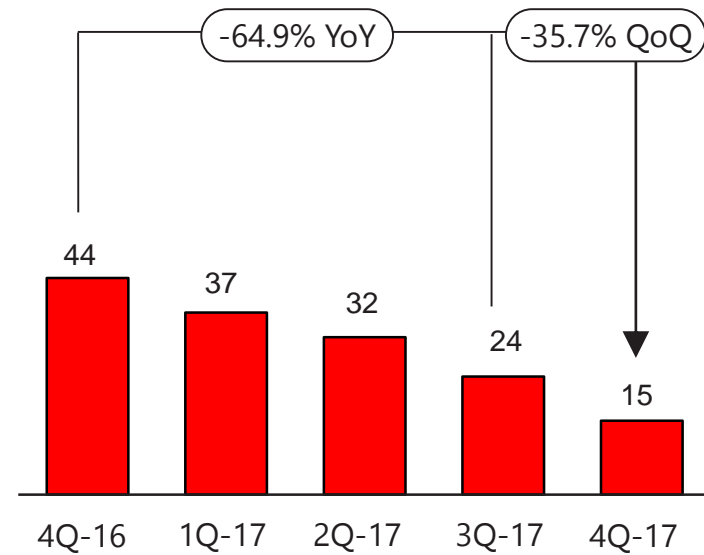
## Data Usage

in TByte



## SMS Delivered

in billion



# Operational expenses

as percentage of revenue

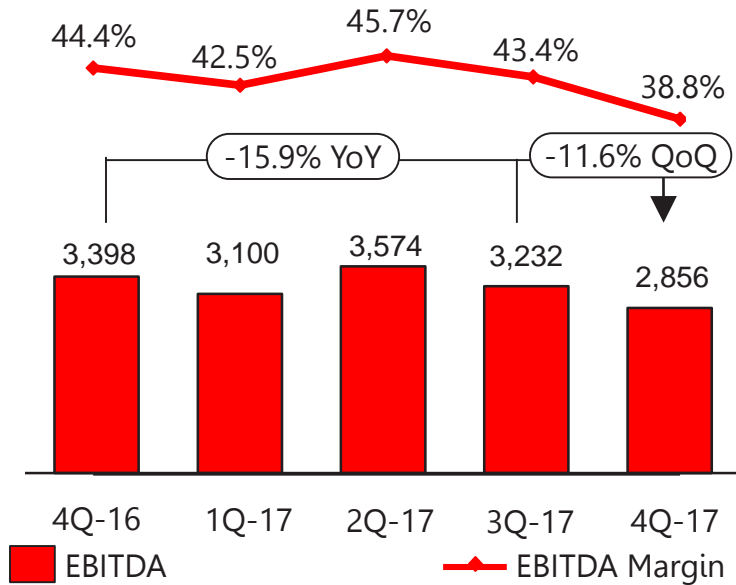
	4Q-16	1Q-17	2Q-17	3Q-17	4Q-17
Cost of Service (CoS)	40.9%	42.6%	39.6%	41.2%	45.8%
Personnel	7.2%	8.2%	7.2%	7.6%	4.0%
Marketing	3.5%	3.6%	4.2%	4.7%	4.6%
General and Administration	4.0%	3.1%	3.2%	3.2%	6.7%
Total Operating Expenses	55.6%	57.5%	54.3%	56.6%	61.2%
Depreciation and Amortization	29.4%	30.5%	28.2%	29.8%	29.9%
Total Expenses	85.1%	88.0%	82.5%	86.4%	91.1%



# EBITDA and Net Profit performance

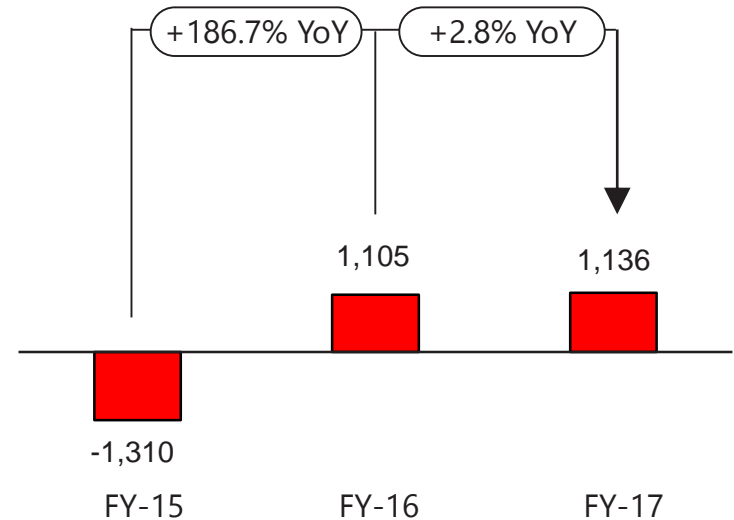
## EBITDA and EBITDA margin

in IDR billion



## Net profit

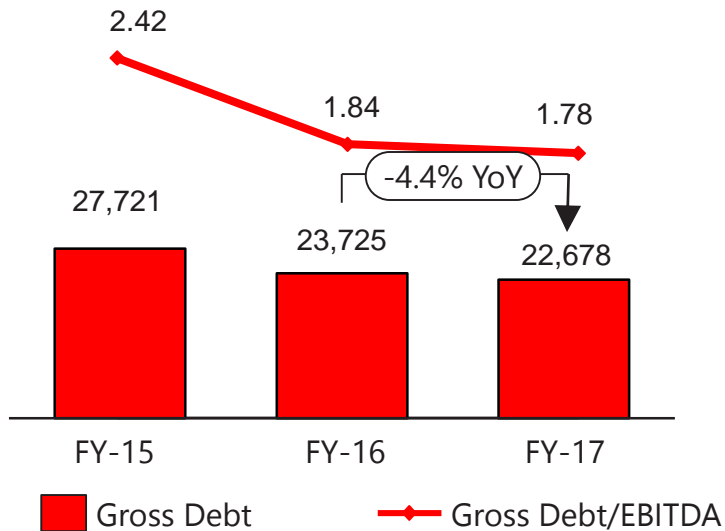
in IDR billion



# Balance sheet

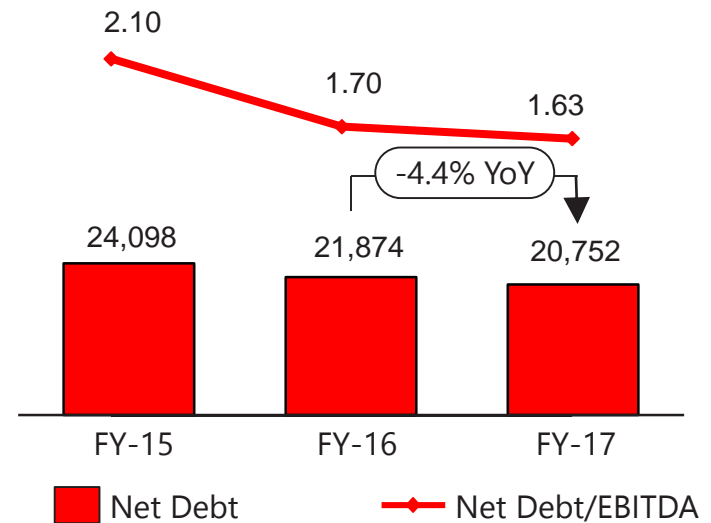
## Gross debt\* and gross debt/EBITDA

in IDR billion



## Net debt\* and net debt/EBITDA

in IDR billion

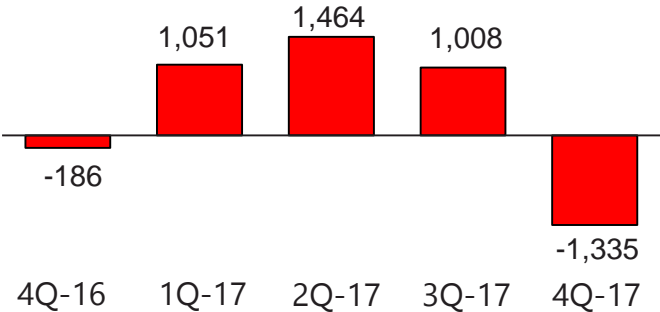


\* IDR 3.97tn, IDR 3.51tn and IDR 3.13tn of obligation under finance lease are included in FY15, FY16 and FY17 respectively

# Free cash flow & Capex

## Free cash flow

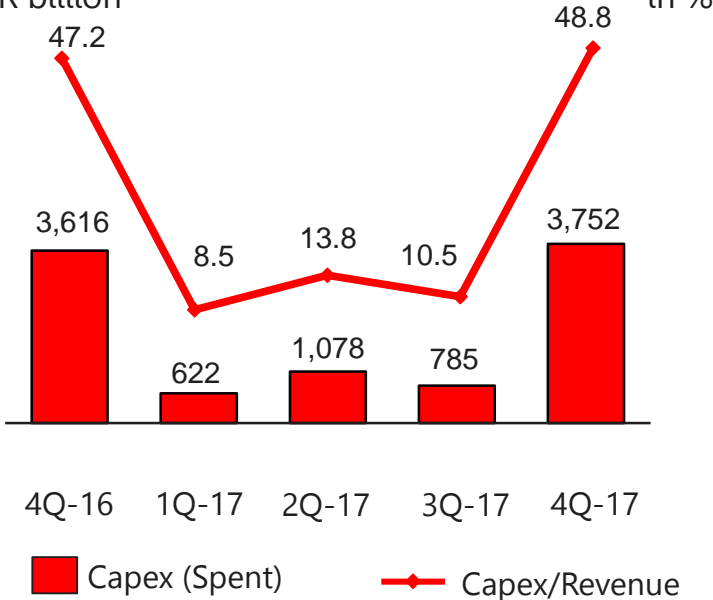
in IDR billion



## Capex and Capex/Revenue

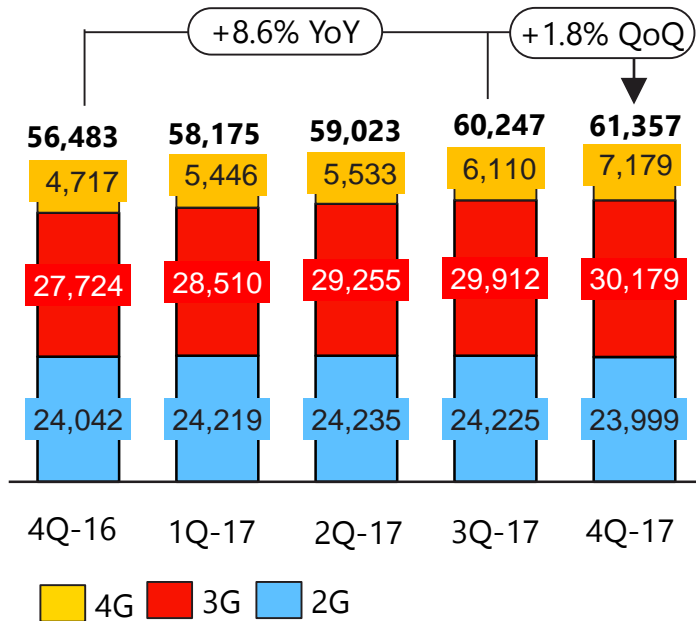
in IDR billion

in %

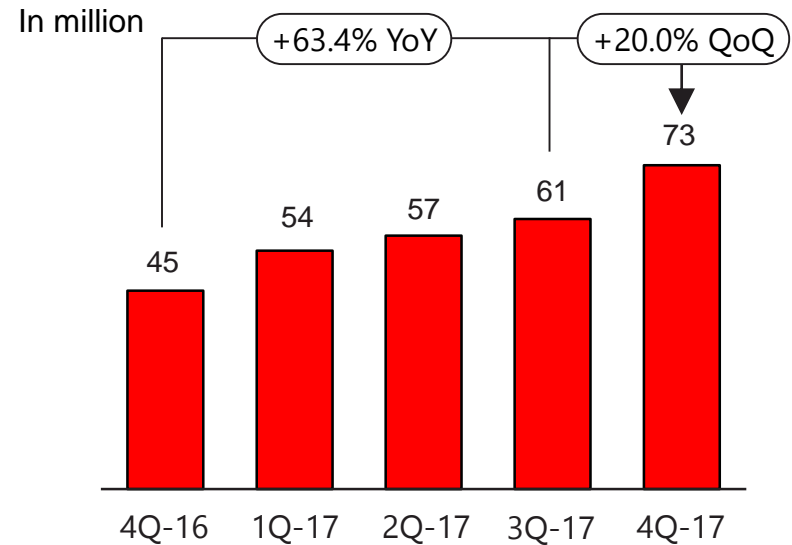


# Network & Data User

## Number of BTS



## Smartphone User



- 4G coverage has reached 205 cities in Indonesia, 93 cities addition during 2017.





**Key updates**

# 2018 Guidance

	2017 Guidance	FY 2017 Actual	2018 Guidance
Consolidated Revenue Growth	In line with market	2.5%	Low single digit
EBITDA Margin	Low to Mid 40's	42.6%	Low to Mid 40's
CAPEX	~ IDR 6 trillion (Spent)	IDR 6.2 trillion (Spent)	~ IDR 8 trillion (Spent)



# Thank You

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**Supplemental  
Information**

# IM2 case development



On September 16, 2014, the South Jakarta Attorney Office (“Kejaksaan Negeri Jakarta Selatan”), without preliminary notification, executed the Supreme Court’s Decision on Mr. Indar Atmanto. The execution was done based on a quotation of the Supreme Court’s Decision, which states, among others, that (i) Mr. Indar Atmanto is found guilty and sentenced to eight years imprisonment and charged with penalty of Rp300,000,000,- (if the penalty is not paid, Mr. Indar Atmanto would serve an additional six months imprisonment), and (ii) IM2 pay the losses sustained by the State amounting to Rp1,358,343,346,674,-.

Subsequently, on January 16, 2015, Mr.Indar Atmanto and/or his lawyer or IM2 received the document on the Supreme Court’s decision regarding the litigation case. As of the issuance date of the consolidated financial statements, Mr. Indar Atmanto and IM2 plan to conduct further legal act by submitting a reconsideration request *peninjauan kembali* (“PK”).

On March 16, 2015, Mr. Indar Atmanto’s submission of Judicial Review [Peninjauan Kembali (“PK”)] was officially registered at the Corruption Court under No. 08/AKTA.PID.SUS/PK/TPK/2015/PN.Jkt.Pst.

On November 4, 2015, the Supreme Court’s official website announced that the Judicial Review filed by Mr. Indar Atmanto was rejected based on Supreme Court’s decision dated October 20, 2015. However, no detailed information regarding the exact content of such Supreme Court’s decision was available. As of the issuance date of the interim consolidated financial statements, the official copy of such Supreme Court’s decision hasn’t been received.

# Credit ratings

## STANDARD & POOR'S

On December 8, 2017, S&P Global Ratings raised its long-term corporate credit rating on Indonesia-based telecommunications operator PT Indosat Tbk. (Indosat) to '**BBB-**' from '**BB+**'. The outlook is **stable**. The upgrade reflects their expectation that Indosat will maintain its solid cash flow adequacy and reduce debt over the next 12-24 months. The company's steady cash flows, moderate capital spending, and prudent financial policies should support the improvement. We anticipate that Indosat's ratio of funds from operations (FFO) to debt will remain above 40% until 2019.



On 21 August 2017, PEFINDO has affirmed its "**idAAA**" rating for PT Indosat Tbk (ISAT)'s Shelf Registered Bond I Phase IV Year 2016 Serie A of IDR1,075 billion and its "**idAAA(sy)**" rating for ISAT's Shelf Registered Sukuk Ijarah I Phase IV Year 2016 Serie A of IDR163 billion that will mature on September 12, 2017.

## MOODY'S

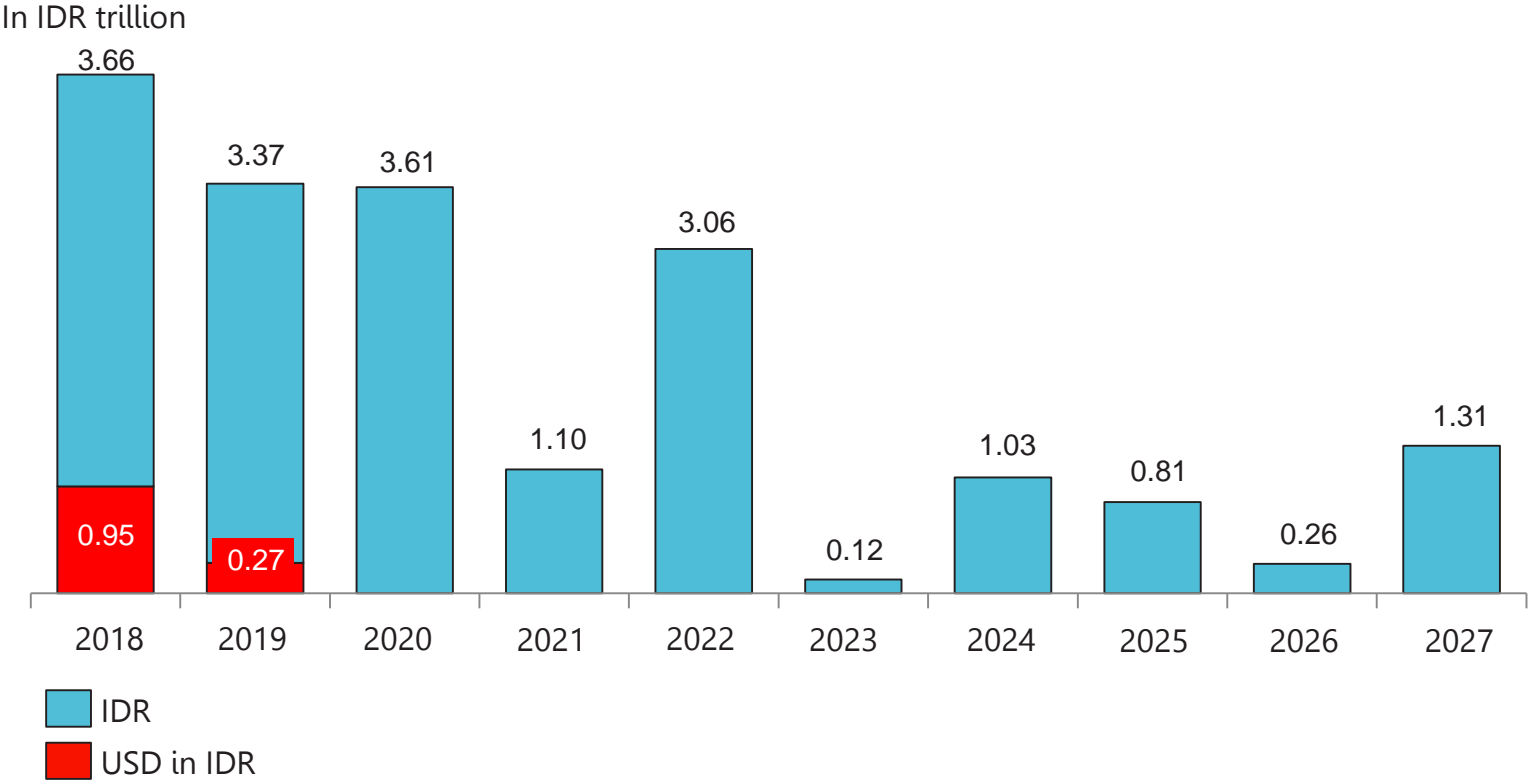
On 12 May 2017, Moody's Investors Service has upgraded to **Baa3** from Ba1 the issuer rating of Indosat Tbk. (P.T.) (Indosat Ooredoo). The outlook for the rating is **stable**. At the same time, Moody's has withdrawn the company's Ba1 Corporate Family Rating. The rating upgrade reflects the continued strengthening of Indosat Ooredoo's operational metrics as well as the ongoing stabilization of its financial profile, including lower leverage levels.

## FitchRatings

On 10 March 2017, Fitch Ratings has upgraded PT Indosat Tbk's (Indosat Ooredoo) Long-Term Foreign-Currency Issuer Default Rating (IDR) and foreigncurrency senior unsecured debt rating to '**BBB+**' from '**BBB**' and simultaneously affirmed its LongTerm Local Currency IDR at '**BBB+**'. Fitch Ratings Indonesia has also affirmed the National LongTerm Rating at '**AAA(idn)**'. The Outlook is **Stable**.



# Debt maturity profile\*



\* Excluding obligation under finance lease



# Spectrum overview

in Mhz



**Indosat**

Valid until



**Telkomsel**



**XL Axiata**



**Hutchison**



**Smartfren**

	850 - 900 Mhz	1800 Mhz	2100 Mhz	2300 Mhz
Indosat	2 x 12.5 2020	2 x 20.0 2020	2 x 15.0 2019, 2026, 2028	15.0* 2019
Telkomsel	2 x 15	2 x 22.5	2 x 15.0	45.0
XL Axiata	2 x 7.5	2 x 22.5	2 x 15.0	-
Hutchison	-	2 x 10.0	2 x 15.0	-
Smartfren	2 x 11.0	-	-	30.0

\* Indosat/IM2: West Java exclude Bogor, Depok & Bekasi





# Disclaimer

- PT Indosat Tbk ( "Indosat" or "Company" ) cautions investors that certain statements contained in this document state its management's intentions, hopes, beliefs, expectations, or predictions of the future are forward-looking statements
- The Company wishes to caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:
  - The Company's ability to manage domestic and international growth and maintain a high level of customer service
  - Future sales growth
  - Market acceptance of the Company's product and service offerings
  - The Company's ability to secure adequate financing or equity capital to fund our operations
  - Network expansion
  - Performance of the Company's network and equipment
  - The Company's ability to enter into strategic alliances or transactions
  - Cooperation of incumbent local exchange carriers in provisioning lines and interconnecting our equipment
  - Regulatory approval processes
  - Changes in technology
  - Price competition
  - Other market conditions and associated risks
- The company undertakes no obligation to update publicly any forward-looking statements, whether as a result of future events, new information, or otherwise

