



# PT Indosat Tbk.

1H 2018 Results



**Financial and  
Operational  
Highlights**

# Financial Highlights

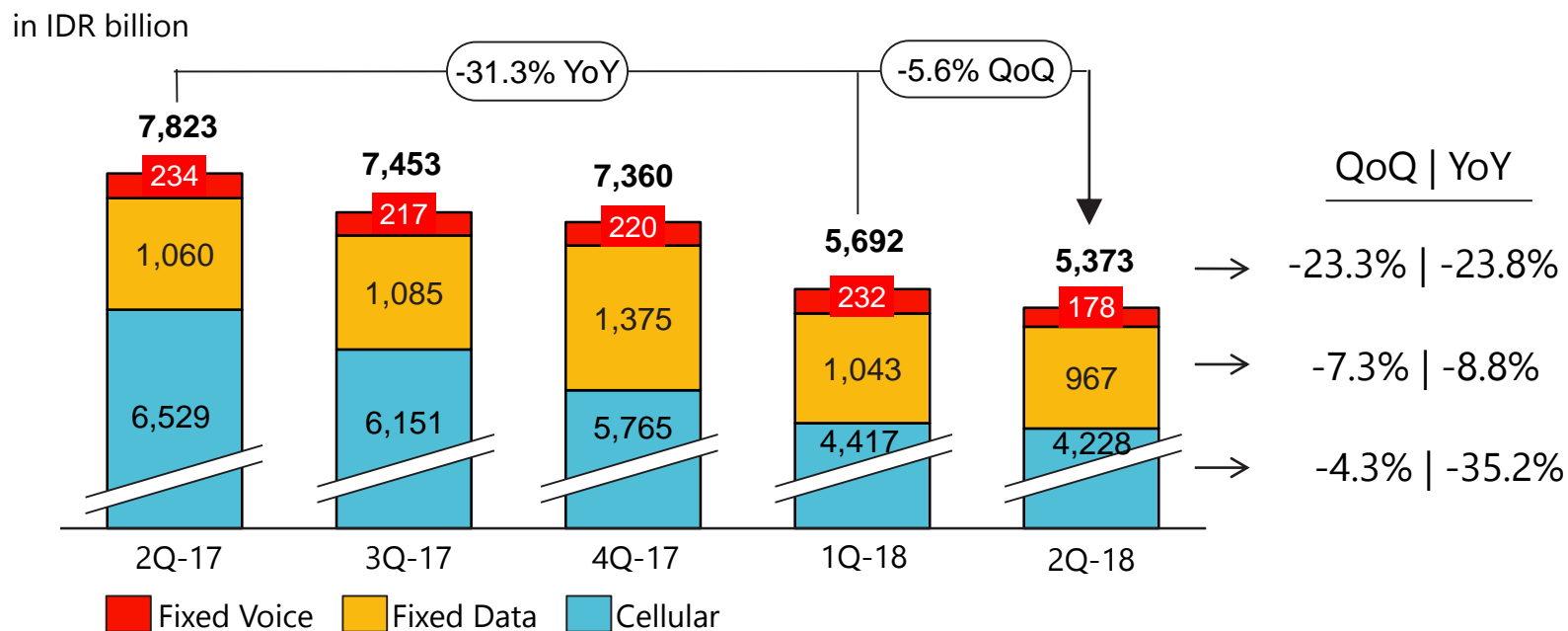
in IDR billion

	1H-17	1H-18	YoY	1Q-18	2Q-18	QoQ
Operating Revenue	15,112	11,066	-26.8%	5,692	5,373	-5.6%
EBITDA	6,674	3,503	-47.5%	1,942	1,560	-19.7%
EBITDA Margin	44.2%	31.7%	-12.5ppt	34.1%	29.0%	-5.1ppt
Profit Attributable to Owners of the Parent	784	-694	-188.5%	-506	-188	+62.8%



# Segment Revenue Overview

## Operating Revenue Breakdown



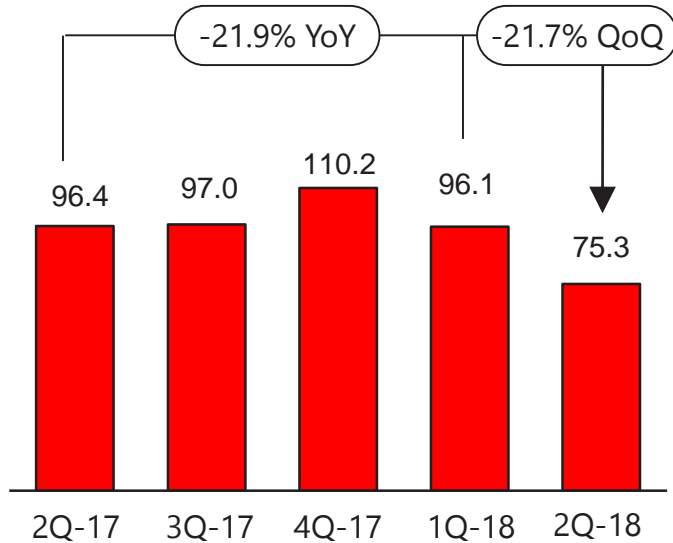
# Cellular Revenue Performance

	1H-18 VS 1H-17	2Q-18 VS 1Q-18	
Voice	-33.4%	-7.9%	Shifting business model from push marketing strategy to customer's demand driven Go-To-Market Strategy
SMS	-57.1%	-20.4%	
Data	-12.6%	-5.0%	
VAS	-3.7%	-2.3%	

# Cellular Customer Base

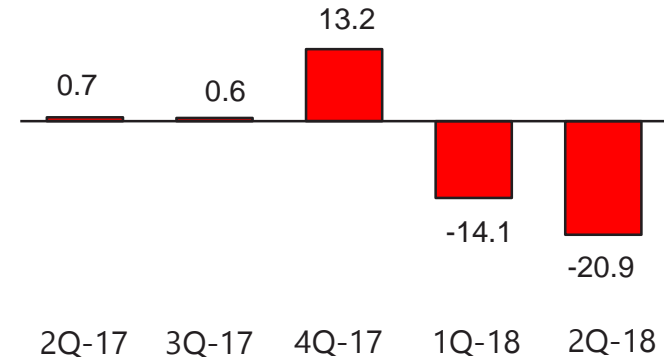
## Number of cellular customers

in million



## Net cellular customers adds

in million

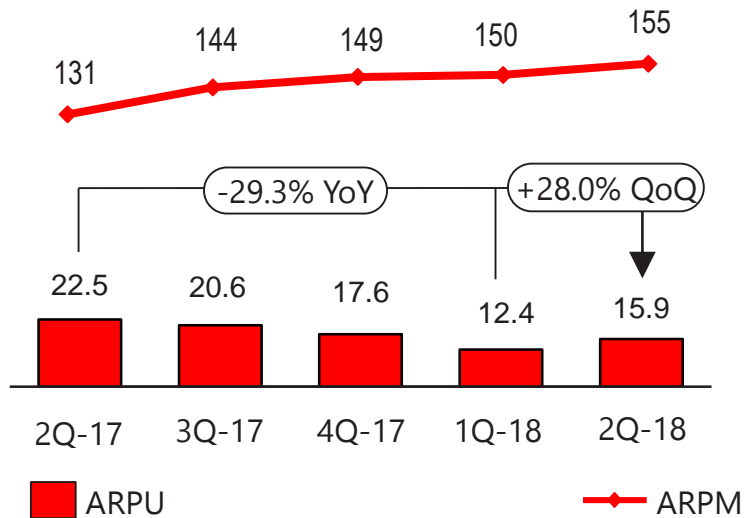


# ARPU and voice usage indicator

## ARPU and ARPM

in thousand IDR  
(ARPU)

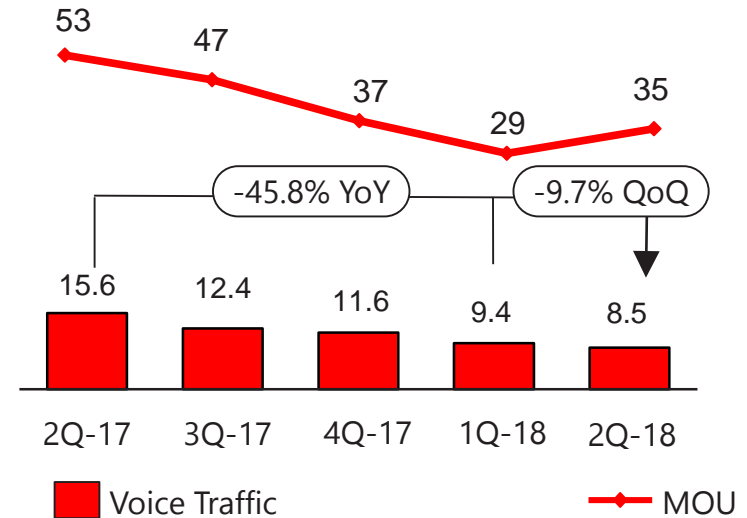
in IDR  
(ARPM)



## Voice Traffic and MOU

in billion minutes  
(Voice Traffic)

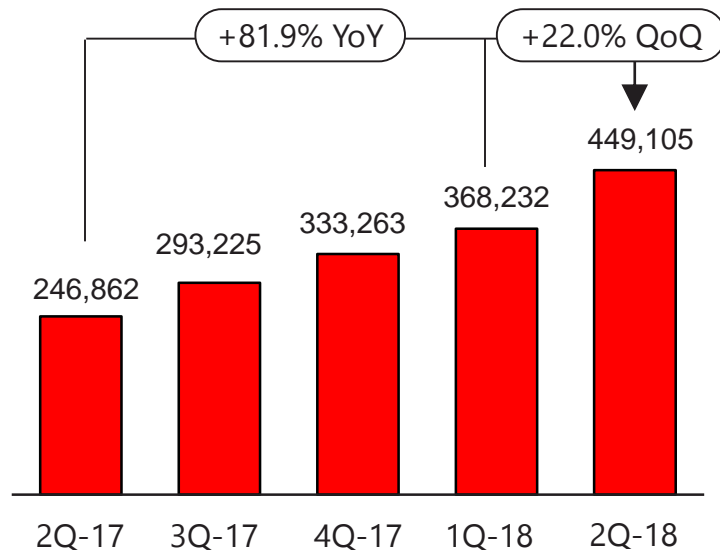
in minute/subscriber  
(MOU)



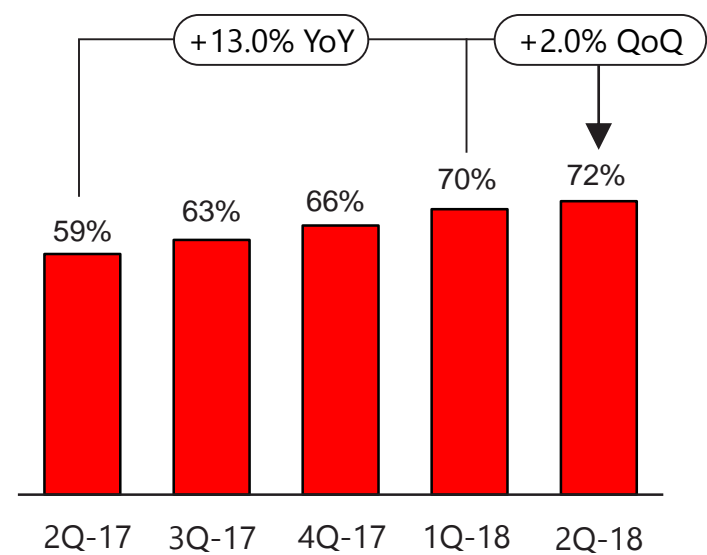
# Strong Data Usage

## Data Usage

in TByte



## Smartphone Penetration





# Operational expenses

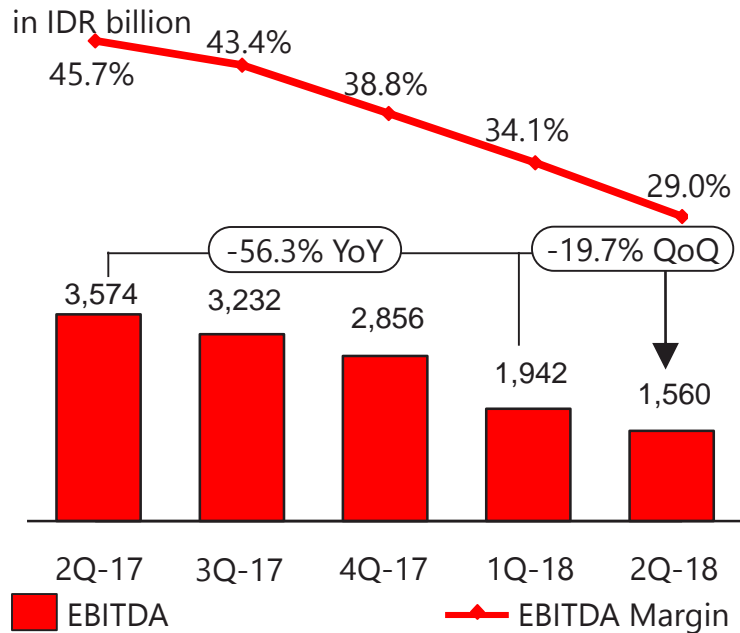
as percentage of revenue

	2Q-17	3Q-17	4Q-17	1Q-18	2Q-18
Cost of Service (CoS)	39.6%	41.2%	45.8%	50.2%	53.1%
Personnel	7.2%	7.6%	4.0%	10.3%	10.7%
Marketing	4.2%	4.7%	4.6%	3.1%	5.5%
General and Administration	3.2%	3.2%	6.7%	2.2%	1.7%
Total Operating Expenses	54.3%	56.6%	61.2%	65.9%	71.0%
Depreciation and Amortization	28.2%	29.8%	29.9%	36.5%	37.6%
Total Expenses	82.5%	86.4%	91.1%	102.4%	108.5%



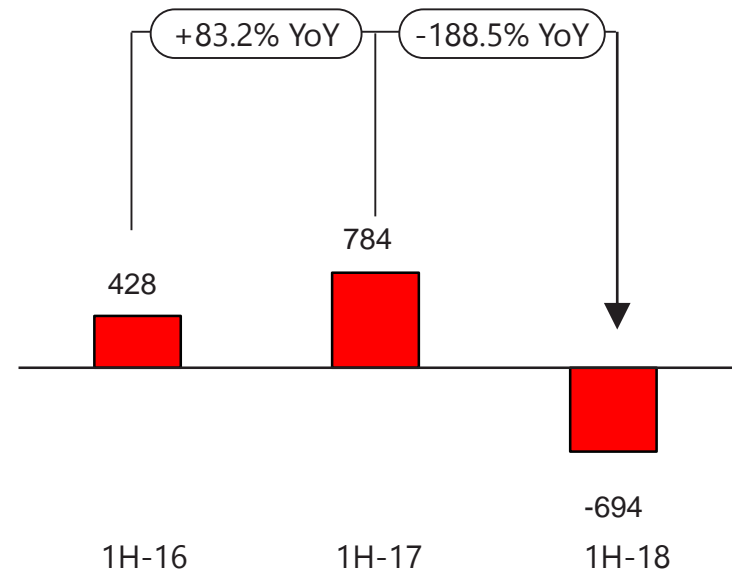
# EBITDA and Net Profit performance

## EBITDA and EBITDA margin



## Net profit

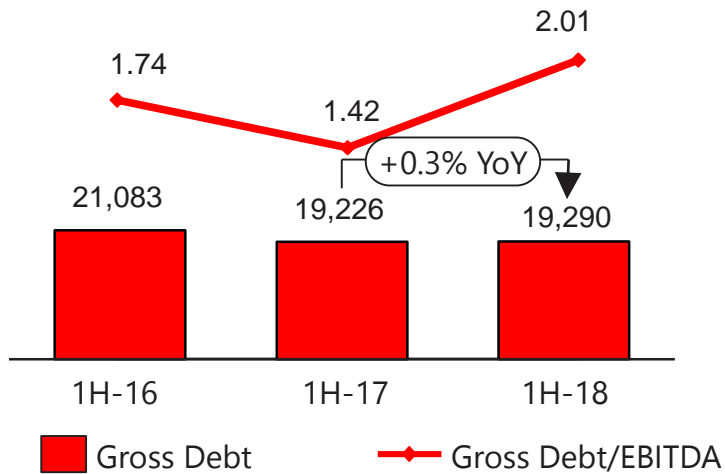
in IDR billion



# Balance sheet

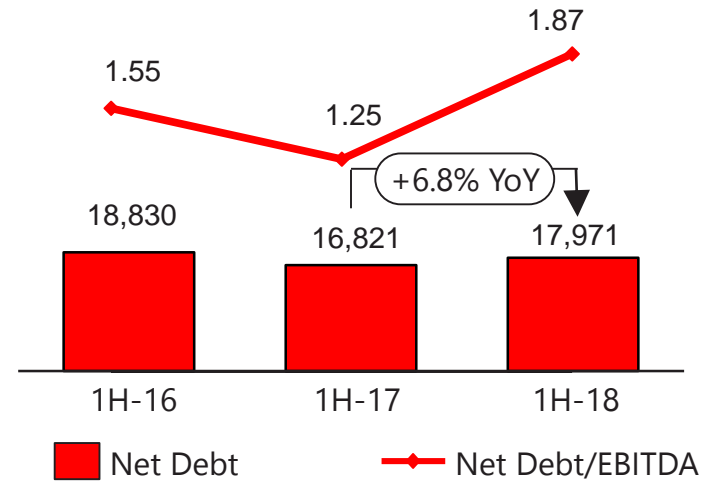
## Gross debt\* and gross debt/EBITDA

in IDR billion



## Net debt\* and net debt/EBITDA

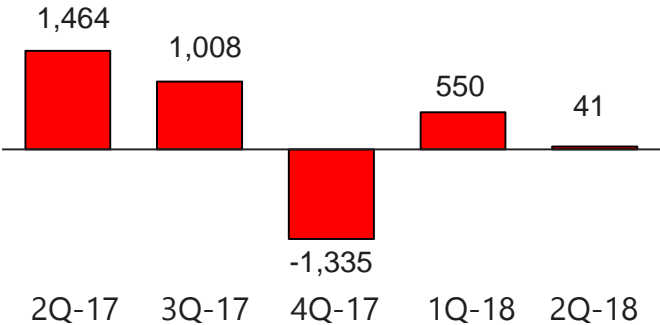
in IDR billion



# Free cash flow & Capex

## Free cash flow

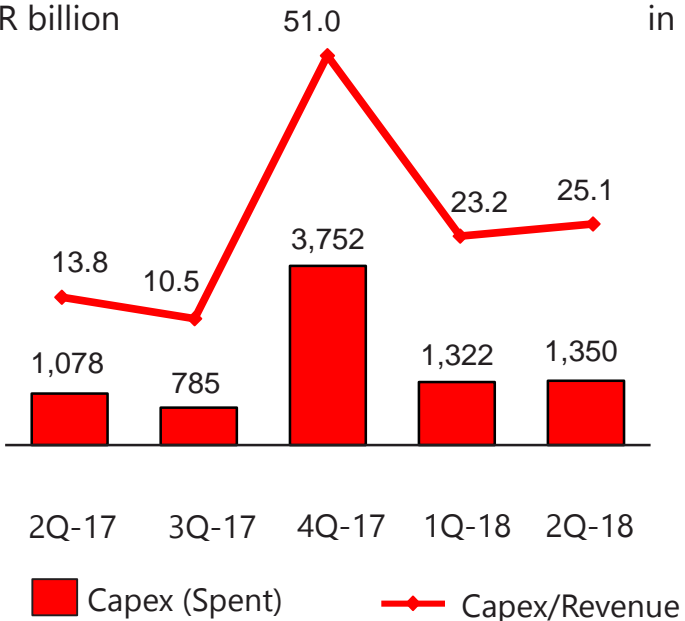
in IDR billion



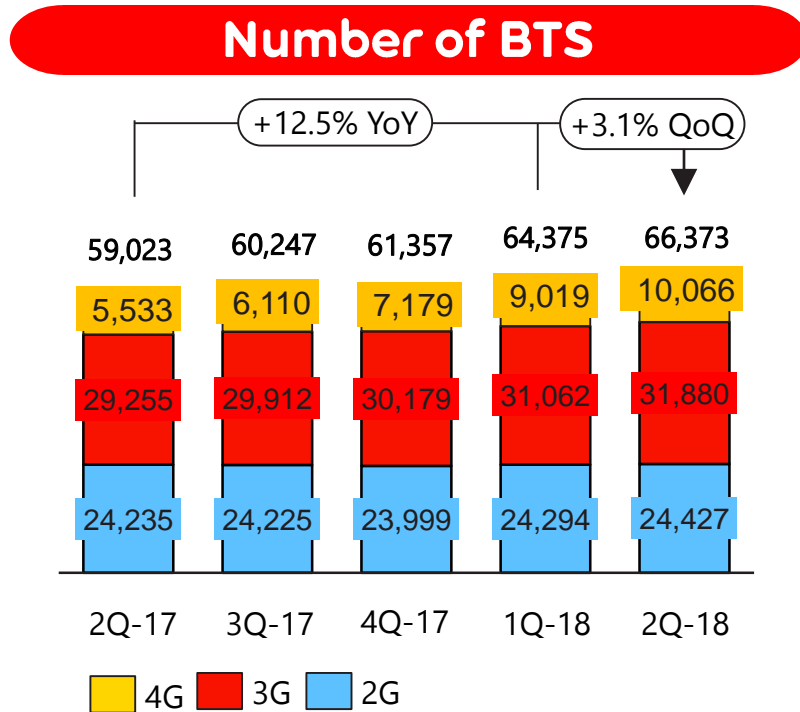
## Capex and Capex/Revenue

in IDR billion

in %



# Network Development



More than 80% of total sites have been modernized since 2013 and READY for 4.5G and beyond technology deployment

- 4G coverage has reached 239 cities in Indonesia, 34 cities addition during 1H 2018.



**Key updates**

# 2018 Updated Guidance

	2018 Guidance	1H 2018 Actual
Consolidated Revenue Growth	Below market	-26.8%
EBITDA Margin	High 30's	31.7%
CAPEX	~ IDR 8 trillion (Spent)	IDR 2.7 trillion (Spent)



# Thank You

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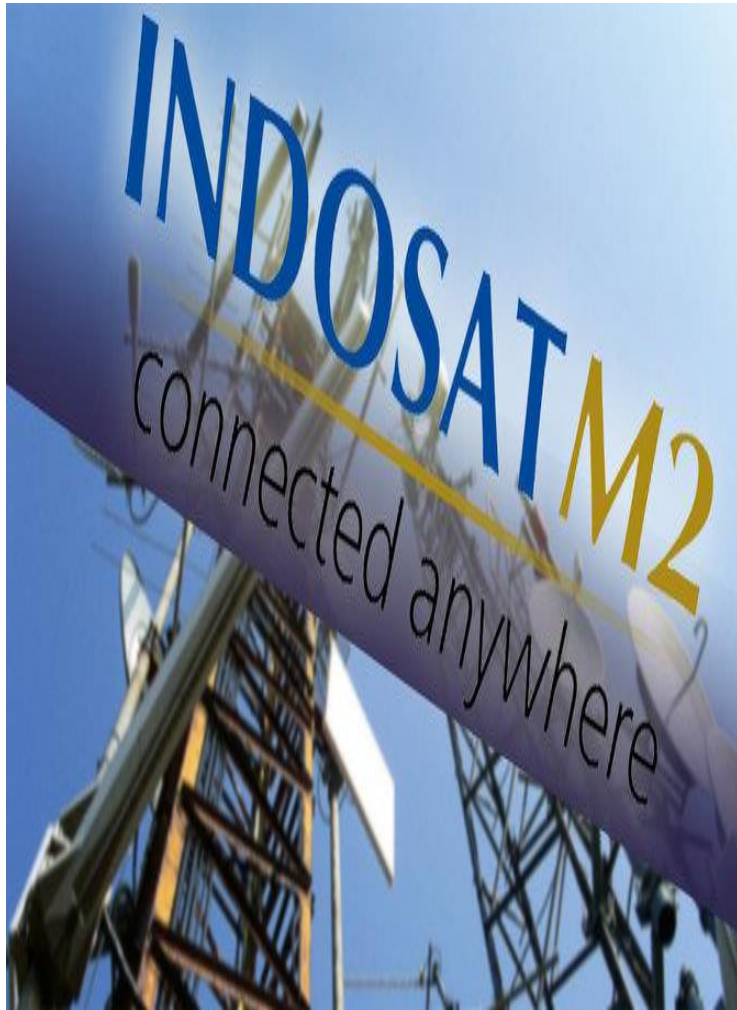
[investor@indosatooredoo.com](mailto:investor@indosatooredoo.com)





**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



On 13 March 2018, PEFINDO has affirmed its “idAAA” ratings for PT Indosat Tbk (ISAT) and its Shelf Registration Bond II Year 2017-2019, Shelf Registration Bond I Year 2014-2016, and Bond VIII Year 2012. PEFINDO has also affirmed its “idAAA(sy)” ratings for ISAT’s Shelf Registration Sukuk Ijarah II Year 2017-2019, Shelf Registration Sukuk Ijarah I Year 2014-2016, and Sukuk Ijarah V Year 2012. The outlook for the corporate rating is “stable”.



On 25 February 2018, Fitch Ratings has affirmed Indonesian telecom operator PT Indosat Tbk's (Indosat Ooredoo) Long-Term Foreign-and Local-Currency Issuer Default Rating (IDR) at 'BBB+' simultaneously affirmed the foreign-currency senior unsecured rating at '**BBB+**'. Fitch Ratings has also affirmed Indosat Ooredoo's National LongTerm Rating at '**AAA(idn)**'. The Outlook is **Stable**.



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.

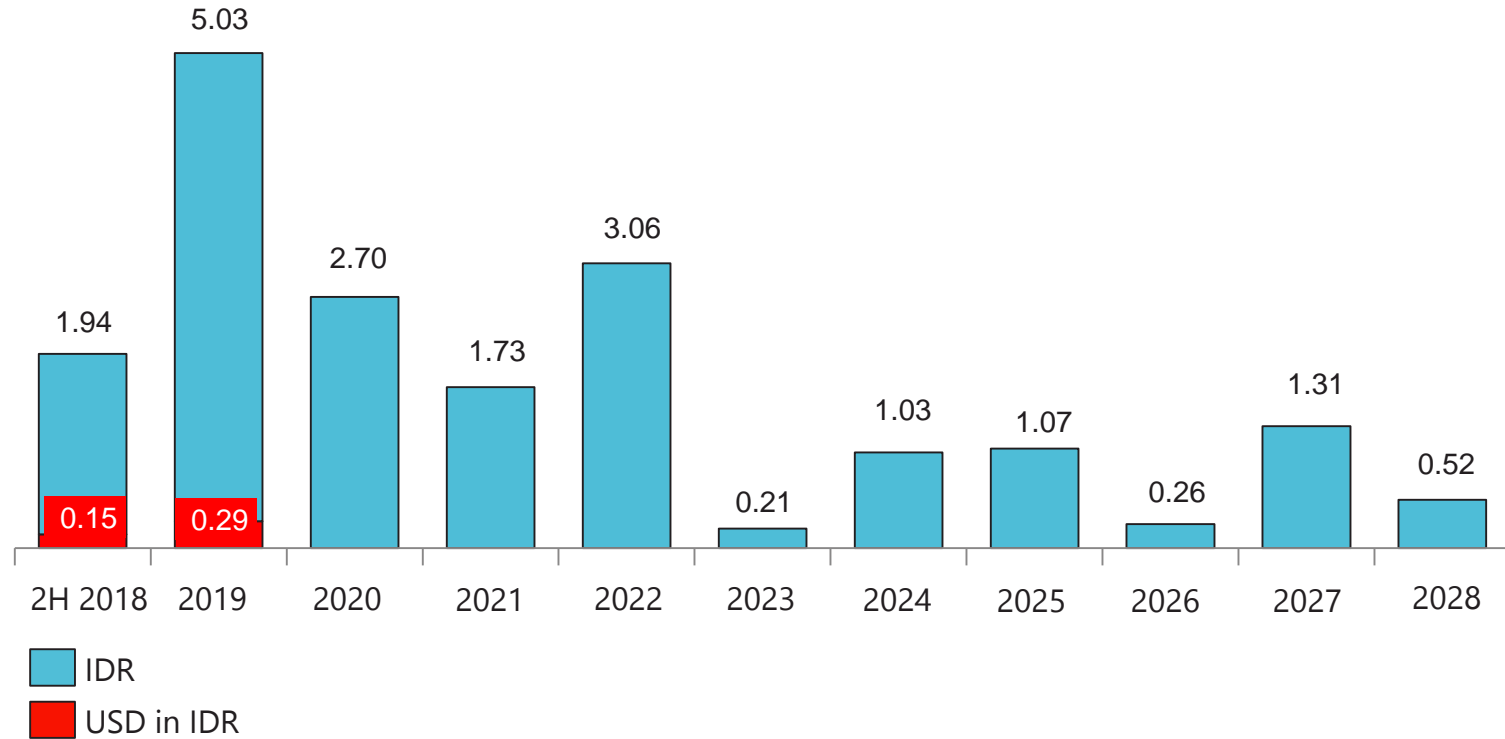


On 12 May 2017, Moody's Investors Service has upgraded to **Baa3** from Ba1 the issuer rating of Indosat Tbk. (P.T.) (Indosat Ooredoo). The outlook for the rating is **stable**. At the same time, Moody's has withdrawn the company's Ba1 Corporate Family Rating. The rating upgrade reflects the continued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



# Debt maturity profile\*

In IDR trillion



\* 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

