



Indonesia on the cusp of a new era Empowering Indonesia

Presentation for
Capital Markets Day 2023

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Presented by

Vikram Sinha

President Director and CEO

Agenda

Indonesia – On the Cusp of a New Era

IOH's post-merger success

Future Focus – Core, Telco to Techco & AI

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Indonesia – Southeast Asia's largest nation to become a top five economy by 2050



Population of ~278mn
(4th biggest in the world)



~49% are below 30 years
(young population)



US\$1.4 trillion in nominal GDP
(16th biggest in the world)



5.0% GDP growth forecast in 2023
(averaging 4.7% since 2019)

Digital economy will double in size with a large base of digital consumers to spur new opportunities

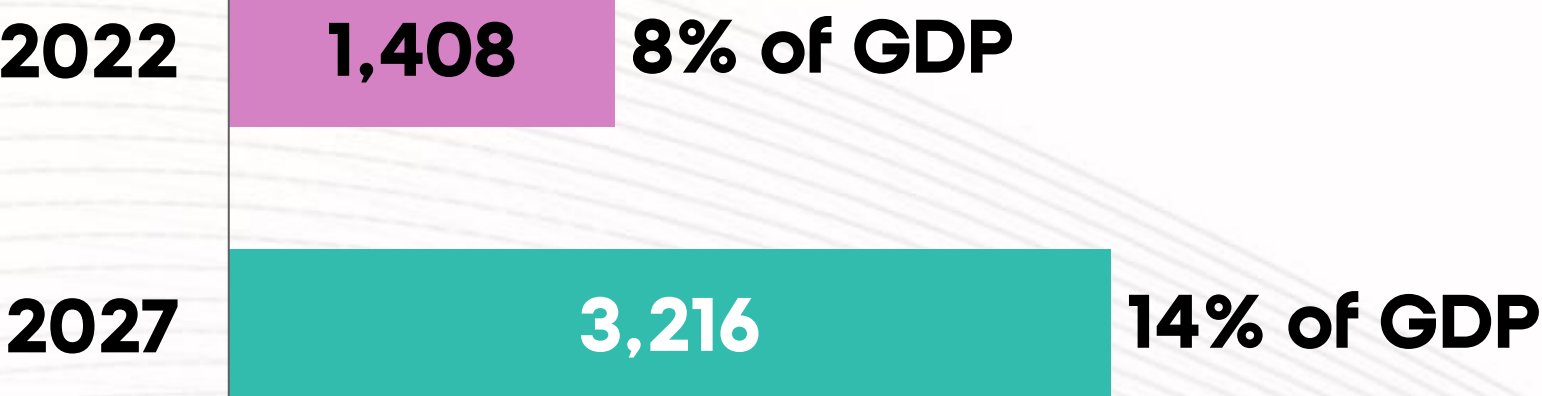
Internet Penetration



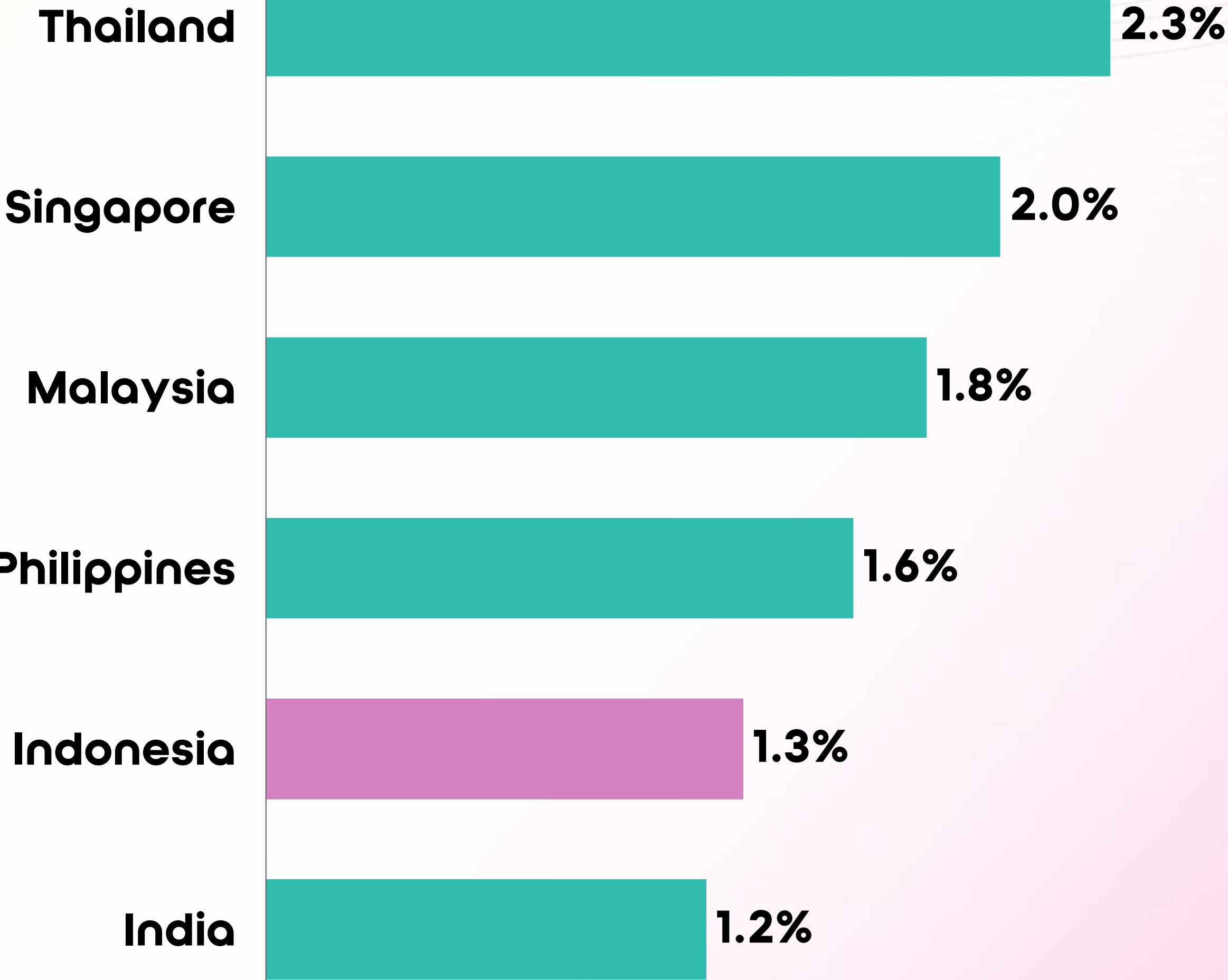
Internet Users (mil)



Digital Economy (Rp tn)



Cellular Spend as a % of GDP



Telcos like Indosat have a role to play to nurture **Infinite Possibilities**

278 million Indonesians

64 million MSMEs

\$270 billion digital economy

- 1 Untapped potential of rural areas
- 2 Digital talent foundation development
- 3 National digitalisation landscape
- 4 Growing middle income class
- 5 Tech startups spur digital innovation
- 6 Micro & Small enterprise revolution
- 7 Large and medium enterprise growth

... and Empower Indonesia

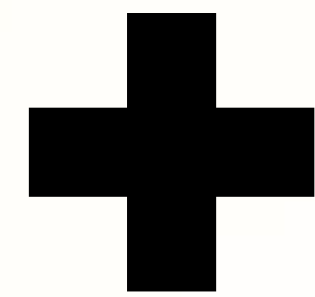
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On 4th of Jan 2022, IOH was born



Bigger

Bolder


Better

There were doubters

Telecoms mergers are challenging

Idea-Vodafone merger faces major hurdles

3 min read • 22 Mar 2017, 01:29 AM IST

Join us 

Amrit Raj

Revenue leakage due to the merger and lack of full synergy due to Vodafone and Idea Cellular existing as separate brands under a combined entity likely to weigh in

INNOVATION • CONSUMER TECH

Was Sprint Buying Nextel One Of The Worst Acquisitions Ever At \$35b?

How a Mega-Merger Nearly Destroyed a Brazilian Telecom Giant

Market had similar concerns on ours

FitchRatings

Fitch Places Indosat on
Negative Watch on Planned
Merger, Change of Control

Tue 21 Sep 2021

MOODY'S

"At the same time, the merger introduces **integration and execution risks**, as well as **uncertainties over future financial** policies of the MergeCo,"

Wed 12 Jan 2022

However, we are heading towards one of the most successful merger & integration stories globally



**Network Integration
completed a year ahead
of schedule**



**Growing customer base
to 100 million by
delivering consistent
experience**



**Better business
profitability from revenue
growth & synergy
realization**

On track to deliver higher end of synergies promised of \$400mn

While consistently delivering strong results

9M2023 Results



Total Revenue

USD 2.4 Bn

IDR 37.5 Tn

⬆️ **8.5% YoY**

Normalized Net-Profit

USD 143 Mn

IDR 2.2 Tn

⬆️ **254.8% YoY**

Cellular Revenue

USD 2.1 Bn

IDR 32.2 Tn

⬆️ **7.8% YoY**

Normalized EBITDA

USD 1.1 Bn

IDR 17.5 Tn

⬆️ **21.7% YoY**

Normalized EBITDA Margin

46.7%

⬆️ **5.1% YoY**

Data Traffic

10,701 PB

⬆️ **16.5% YoY**

Customers

99.4 Mn

⬆️ **0.8 Mn YoY**

Own App Monthly Active Users

36.4 Mn

⬆️ **9 Mn YoY**

ARPU

USD 2.2

IDR 34.7 K

⬆️ **2.5% YoY**

Total BTS

221,425

⬆️ **18.0% YoY**

FX Rate IDR 15,526



And creating value for all our stakeholders



Enterprise Value

1.7X Growth

\$3.1bn → **\$5.4bn**
Dec 2021 Nov 2023



Share-Price

~4X Growth

Since merger announcement
IDR9,100
Nov 2023



Employee
Satisfaction

+4pp Growth

In employee
satisfaction
score

Outperforming industry expectations
(7 quarters since the merger)

1.4%

growth in cellular revenue share

7.3%

growth in EBITDA margin

5 Mn

growth in mobile customers

10.4%

growth in mobile ARPU

*Market shares are for 3 players – IOH, XL and TSEL. Cellular revenues are calculated from the reported total revenues in quarterly earnings

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Our Core Business will Remain an Absolute Priority



**Significant
Revenue
Opportunity
in Mobile**

**Continue
To Drive
Close to
Double Digit
Growth**

**ARPU
Potential
From
Maximizing
Value to
Customer**

**EBITDA
Margin
Upside From
Realizing
Synergy
Value**

While also embarking on our next journey from Telco to Techco



TELCO

Telecom Infrastructure

Dependent on a few large suppliers

Capex Intensive

Connectivity Revenues

Poor growth

VS

TECHCO

Technology Platform

Strong technology development capabilities

R&D Spending 5 to 15% of revenues

Ecosystem Revenue

High growth

The 5 pillars of Indosat's TechCo Journey



#1 Empowering Indonesia

Large addressable opportunity driven
by a strong purpose

#2 Marvelous Experience

Customer/Stakeholder Centricity

#3 Innovation Engine

Mature tech platform

#4 Digital Leadership

Digital native champions

#5 Gotong Royong

Partnering for growth

#High growth | #High customer satisfaction | #Ability to drive growth in adjacencies

AI will help IOH scale quicker and more efficiently

IOH: AI-Native TechCo

AI for IOH \Rightarrow AI as a Service \Rightarrow AI as a Solution

**STAGE
MARVELOUS
EXPERIENCES**

**GROW
REVENUES**

**STRENGTHEN
ROIC**

IOH Objectives \Rightarrow
(2-4 years)

Leadership
NPS & CSAT

Strong
Topline Growth &
Adjacent Revenue

Healthy
ROIC > WACC



A Company With A

Proven **GROWTH** Mindset

We are setting ourselves up for a **BIGger** cause

Empowering Indonesia



Thank You