

Indonesia's Premier Digital Infrastructure Company

3Q2024 Results Presentation



PT Sarana Menara Nusantara Tbk

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TOWR Investment Highlights

Premier digital infrastructure company in Indonesia

One of the **largest Independent** digital infrastructure companies in Indonesia with **35,371** towers and **258,135 km** fiber*

Solid build-to-suit model for towers and fiber with long-term **predictable** cash flows

Investment grade ratings with S&P and Fitch with **stable** outlook



Continuous strong performance
5-yr Revenue CAGR **15.2%**^(a)
5-yr EBITDA CAGR **15.5%**^(a)

Sustained strong returns
ROI **8.9%** and ROE **19.5%**

TOWR shares included in
LQ45, IDX80, Kompas100, Bisnis-27,
SMinfra 18, Investor 33, IDX SMC liquid
ESG stock indices: ESGS Kehati, IDX
LQ45 low carbon leaders, IDX SMC
composite,
MSCI Small Cap Index
MSCI ESG rating of AA^(b)

^(a) CAGR = Compounded Annual Growth Rate; CAGR 2019 – 2024

^(b) During the 3Q 2024

* Including 215,671 kms revenue generating tower fiber with 1.8x utilization ratio

TOWR strategy supports ESG & sustainability goals

1. Capital Management

- Access to low-cost funding
- Liquidity amounts to \$ 965 mn ¹ as of 30 Sept 2024
- Investment grade ratings from top rating agencies inline with global best practice

2. Low-risk business

- Digital infrastructure business with high demand difficult to replace.
- Proven enforceability of long-term irrevocable contracts

3. ESG-conscious company

- Very small carbon footprint
- 95% of internet traffic in Indonesia is wireless
- Towers and fiber are important to reduce digital gap

4. Attractive industry structure

- Industry consolidating
- Opportunities for acquisitions still exist with fragmented players

5. Most unique in asset class

- Contracted revenue of Rp78.8 tn is largest in market
- Attractively valued business with high annual recurring FCF that funds capex, dividend, share buybacks
- TOWR has been successful a consolidator

6. Efficient infrastructure provider

- EBITDA and AFFO 5-year CAGR of 15.5% and 13.6%, respectively, with 2023 ROE of 19.5%.

Going into the future

A. Best positioned to benefit from growth in internet

1. Invest strong FCF and low cost of capital.
2. Indonesia still in middle of 4G cycle
3. Telco business for tower cos to include more SoW, asset types; inline with Protelindo strategies.

B. Improve Indonesia internet

1. Need for high internet speed and traffic still growing strong supported by young population³
2. Only 50% of Indonesia territory is served with 4G signal ⁴
3. Towers per capita ratio of 1:2700 is roughly 1/3 that of USA or China ⁵

C. Prepared for new opportunities

1. Proven successful track record in expanding product offering
2. Strategy driven by evolving customer needs
3. Fixed-mobile converge & 5G represent another set of opportunities

¹ includes committed or offered term sheets from financial institutions and cash in bank ² USO is Universal Service Obligation. Government is mandating for nation-wide telecommunication infrastructure spending to reduce digital gap ³ for 2020; adapted from industry sources ⁴ source: PT Telkom, September 2020. ⁵ source: Verdhana Sekuritas.

The Industry

Tower and Fiber Business

Long-term Predictable Revenue with Upside

PREDICTABLE REVENUE

Long-term contracts* (10 years for tower and can be longer for fiber), **non-cancellable** and renewable

DEPENDENT TENANTS

Contract renewal likely due to high relocation cost and significant network impact

UPSIDE FROM ADDITIONAL REVENUE

Incremental revenue from colocation or higher asset utilisation at minimal additional cost

HIGH BARRIERS TO ENTRY

Significant investment needed, as well as **economies of scale**, knowledge of government rules and local conditions

FAST GROWING INDUSTRY

- **Surging data demand** creates need for more towers and fibers
- 4G consumers require reliable and high speed internet leading to increase in FTTT
- Impact from 5G to come in 2-3 years

**In general, lease price includes annual inflation escalator for opex portion*

Typical Tower Company Growth Model

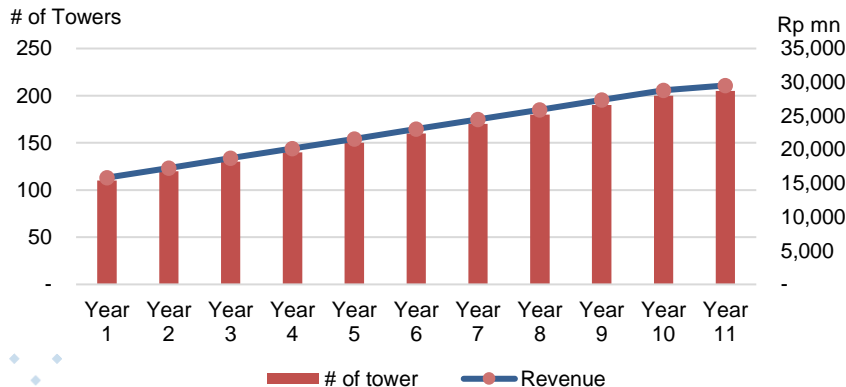
New Built-to-Suit Tower

Additional towers and contract renewals grow revenue

	Year 1	Year 2	Year 3	Year 4-10	Year 11
Existing tower	100				
Additional tower	10	10	10	70	10
Contract ended					-100
Renewed contract					100
Churn rate (5%)					-5
Total tower	110	120	130	200	205
Revenue (Rp mn)	15,840	17,280	18,720	29,520

Contract renewals

Assuming 100 existing towers with 10 year lease period, renewed at Year 11 with 5% churn rate. Additional new site assumes 10 towers p.a.



Colocation Boosts ROI

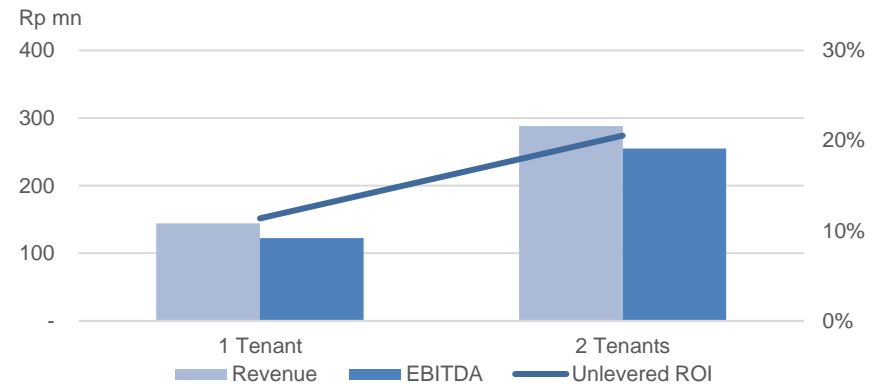
Colocation boosts unlevered ROI and accelerates payback period

SIMULATION FOR 1 TOWER

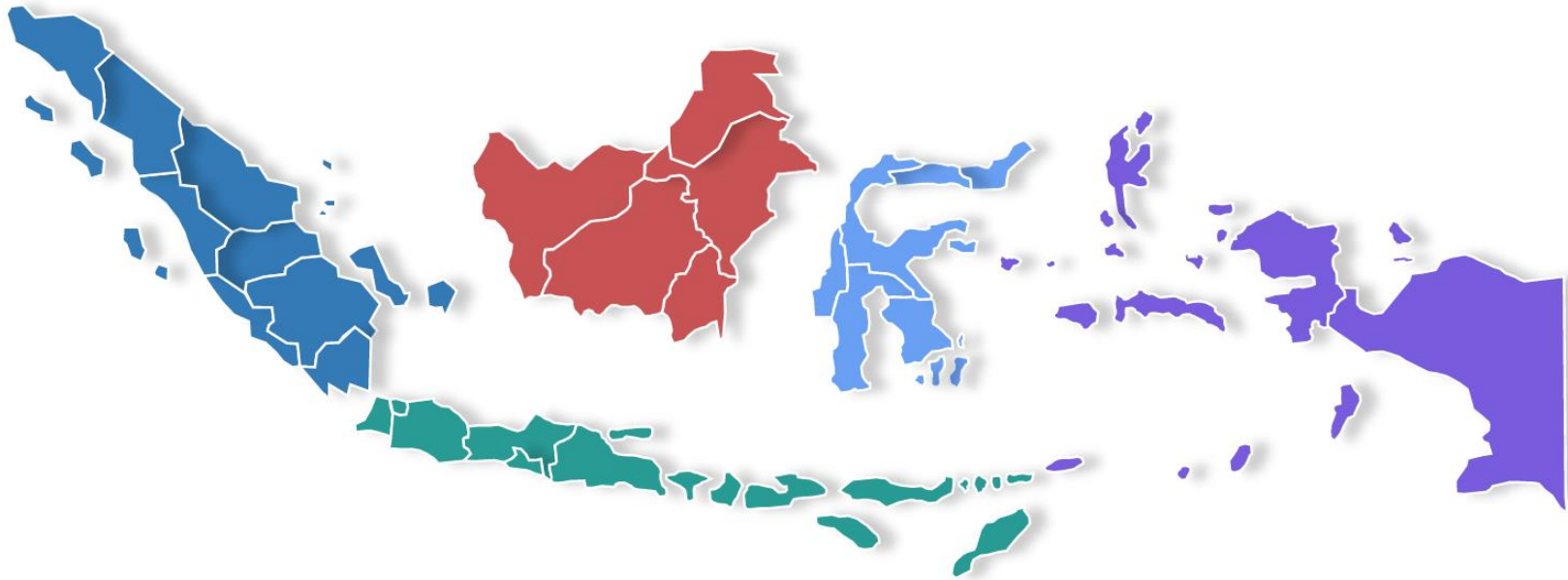
		1 Tenant	2 Tenants
Revenue	Rp mn	144	288
EBITDA	Rp mn	122	255
EBITDA margin	%	85.0%	88.5%
Capex & ground lease*	Rp mn	950	1,100
Unlevered ROI**	% p.a.	11.4%	20.6%
Payback period	years	8.80	4.87

*Assuming 10 years ground lease

** EBITDA minus 10% final tax divided by total capex



Update: Our Portfolio (Tower)



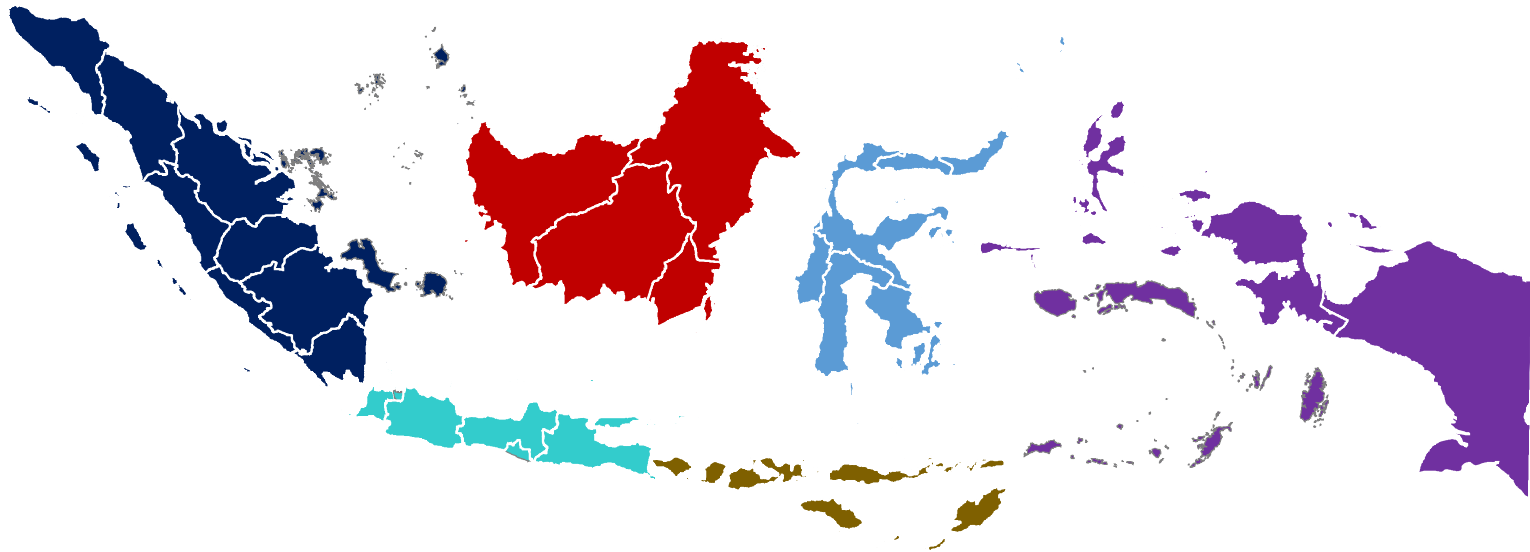
Jawa, Bali, NTT, NTB 21,019 Tower	Sumatera 7,984 Tower	Kalimantan 3,199 Tower	Sulawesi 2,717 Tower	Maluku & Papua 452 Tower
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Total Tower : 35,371

Update: Our Portfolio (Fiber)

FO Length (KM)
60,000,000

18



Island	Fiber Length (KM)
SUMATERA	57,077 KM
JAVA	135,748 KM
BALI NUSRA	8,341 KM
KALIMANTAN	4,763 KM
SULAWESI	9,742 KM

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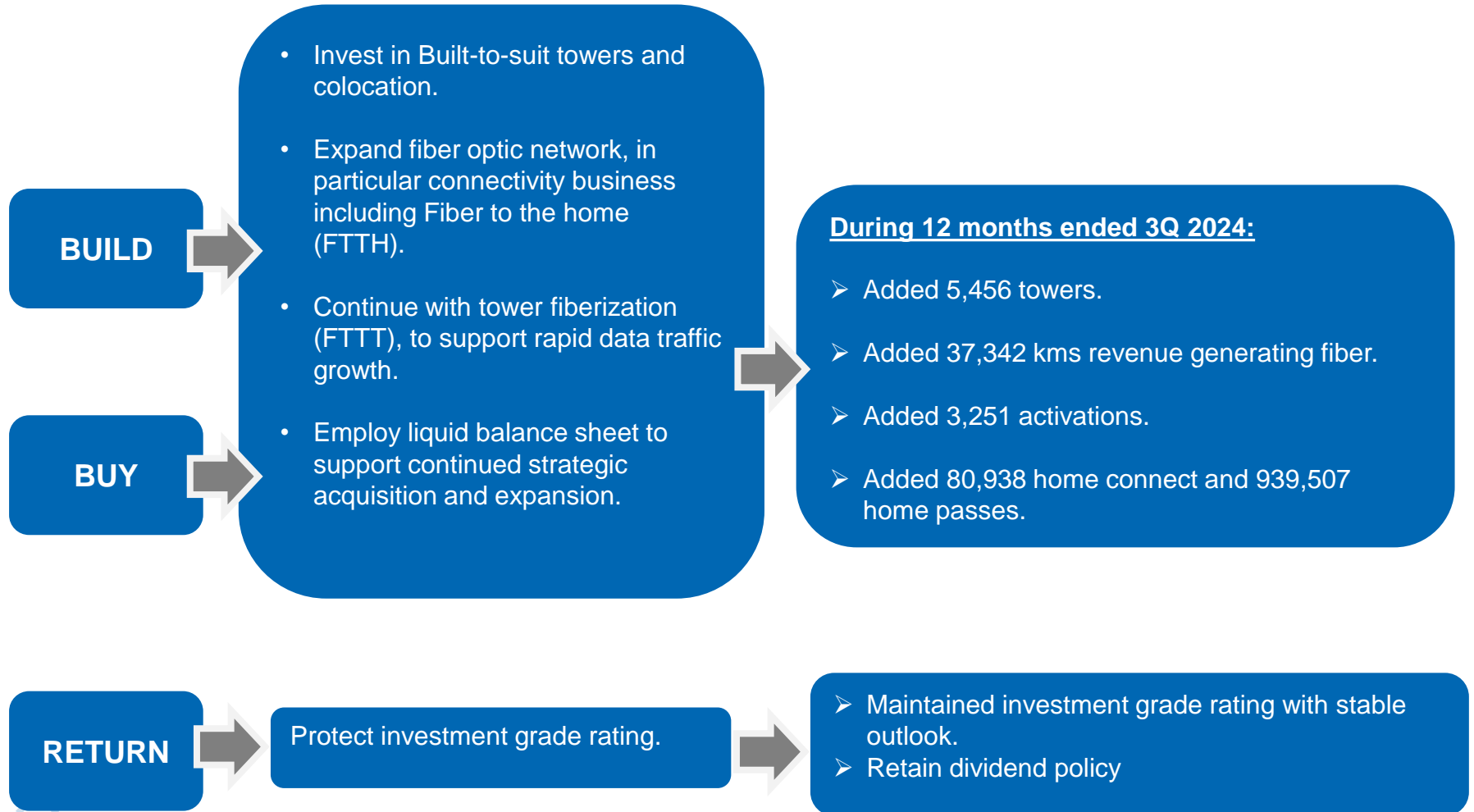
Total Length: (258,135 Km)

- FTTT: 215,671 Km with 1.8x utilization ratio
- FTTH: 20,350 Km
- Backbone and Submarine: 22,114 Km

SMN 3Q2024 Performance

Company Strategy: **Build – Buy – Return**

We will maintain our position as a leading telecom infrastructure company and continue to deliver optimal value to our stakeholders.



Diverse Product Portfolio

Currently we are the only independent infrastructure provider of scale that provides most complete suite of services to Indonesia telecom market

TOWER

- Total 35,371 towers and 58,165 tenants as of 30 Sept 2024. Tenancy ratio 1.64x.
- 54% of towers located in Java and 46% ex-Java.
- MNOs have growing need for additional scope from TowerCos tower providers such as managed service and additional assets such as batteries

There continued to be new organic site opportunities for coverage and capacity.

Fiber to The Tower (FTTT)

- FTTT increases the value and utility of our network to Telcos.
- ~215,600 kms revenue generating fiber by end of Sept 2024.
- Network focus to support surging data traffic.
- Like tower model, non-cancellable, long term contracts and opportunity for higher utilization with other fiber solutions for customers.

Tower business offers a platform for sustained FTTT growth.

CONNECTIVITY

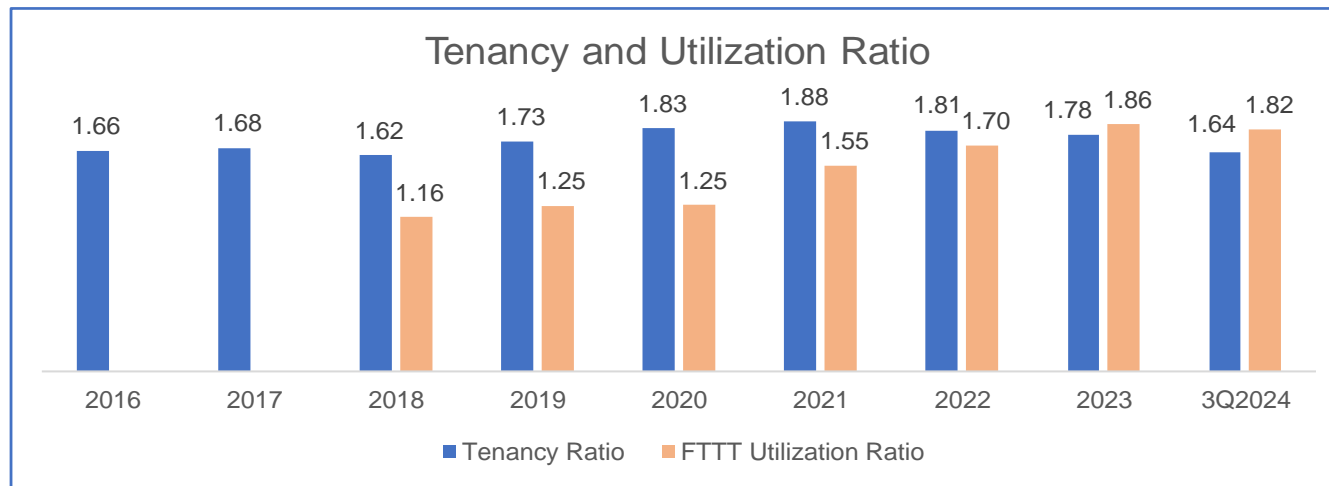
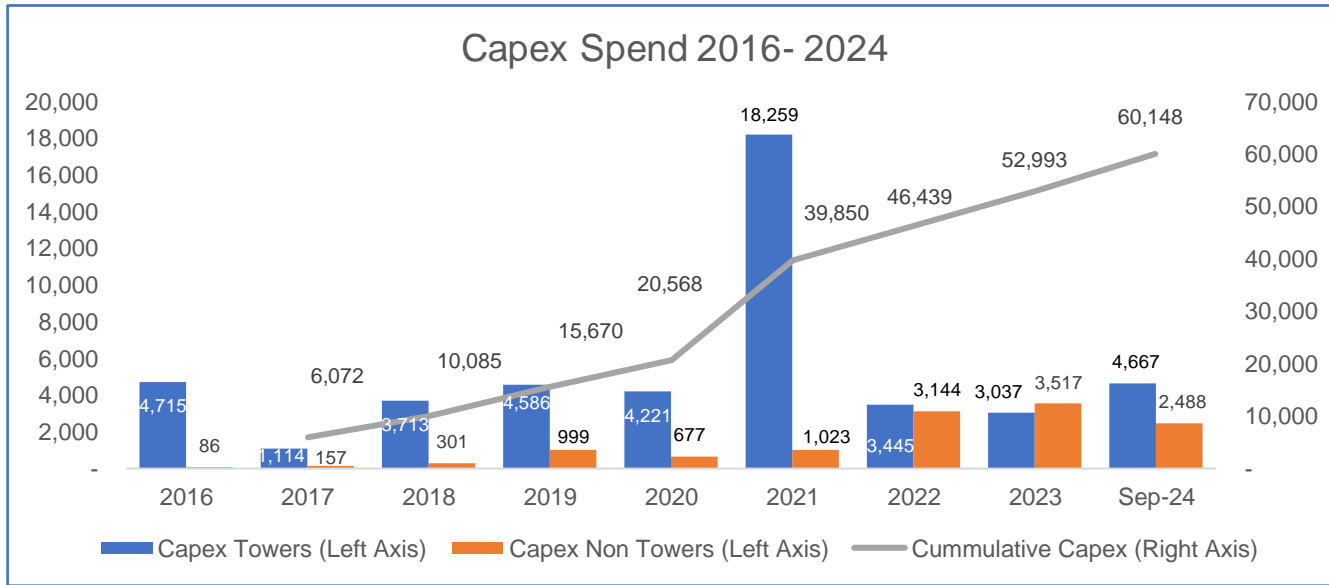
- Actively seeking opportunities to provide connectivity (with various offering using VSAT, wireless/wireline, etc.) under B2B or B2G arrangements.
- Currently have 15,761 activations by the end of Sept 2024.

Fiber to the Home (FTTH)

- FTTH assets reaches ~1,500,000 home passes by the end of Sept 2024.
- Currently have 158,620 home connect with 11% penetration rate

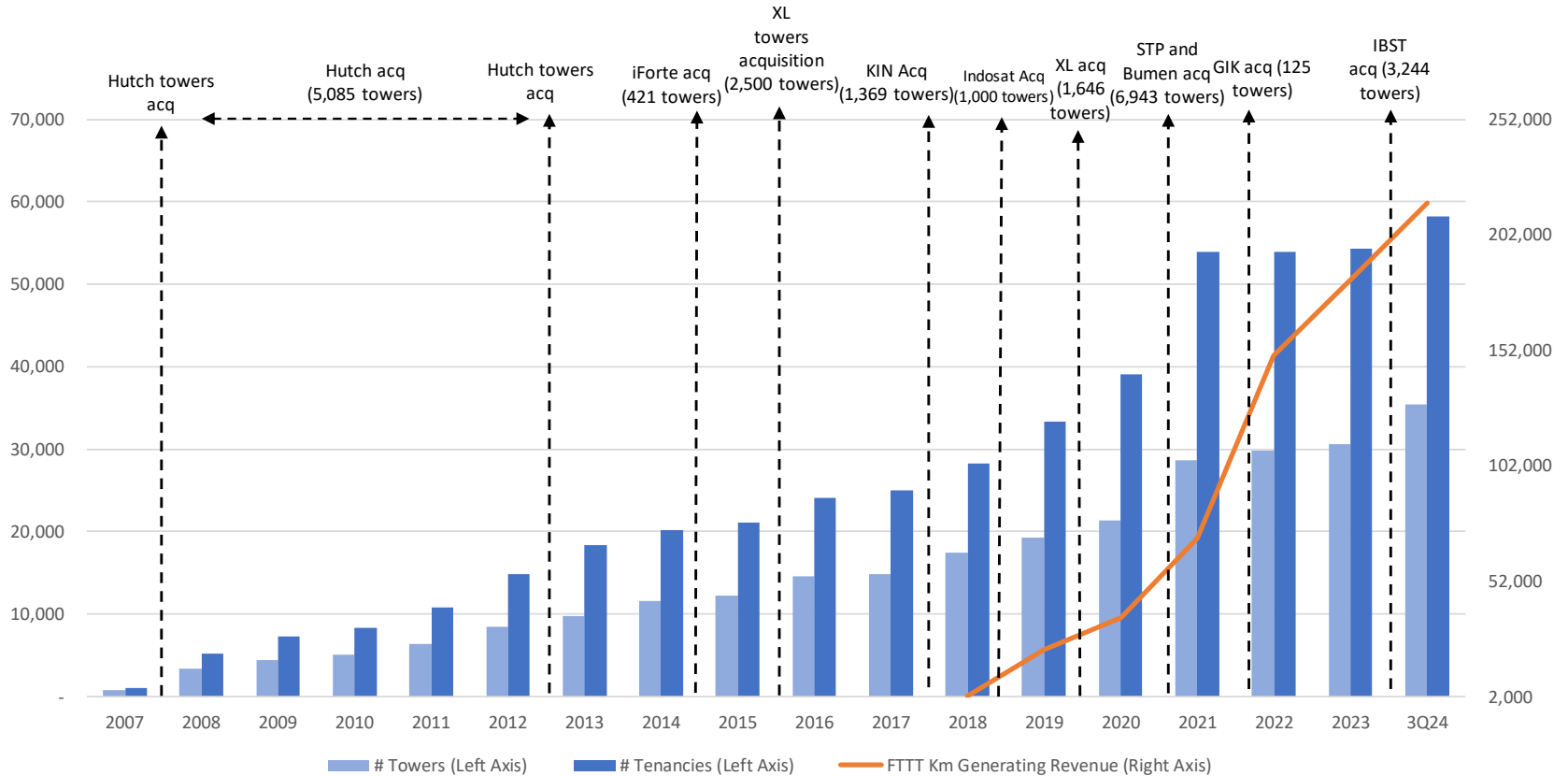
Strong growth potential given low penetration and increased demand for integrated offerings.

Diversifying Business Base



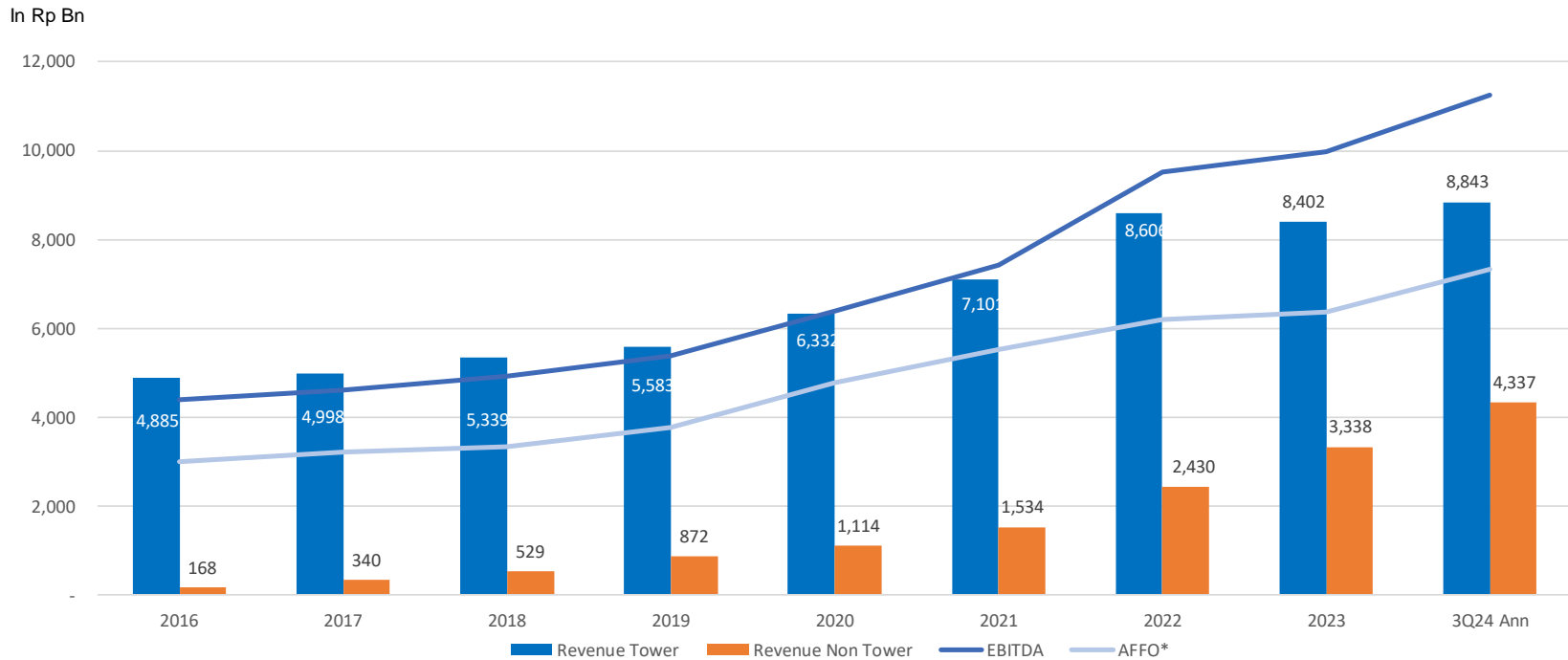
Note: Tower tenancy ratio and Fiber utilization ratio calculation does not include asset and operational synergies between Towers, FTTT and FTTH business

Track Record of Consistent Growth ...



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	3Q24
# Towers	781	3,312	4,415	5,072	6,427	8,482	9,766	11,595	12,237	14,562	14,854	17,437	19,319	21,381	28,698	29,794	30,558	35,371
# Tenancies	984	5,137	7,282	8,365	10,798	14,849	18,322	20,138	21,038	24,144	25,011	28,319	33,346	39,127	53,975	53,967	54,284	58,165
FTTT Km Generating Revenue												2,345	21,977	36,346	70,465	149,811	182,256	215,671
Number of Activations under Connectivity												5,612	7,041	7,503	9,283	10,572	12,672	15,761

and Strong Financial Performance

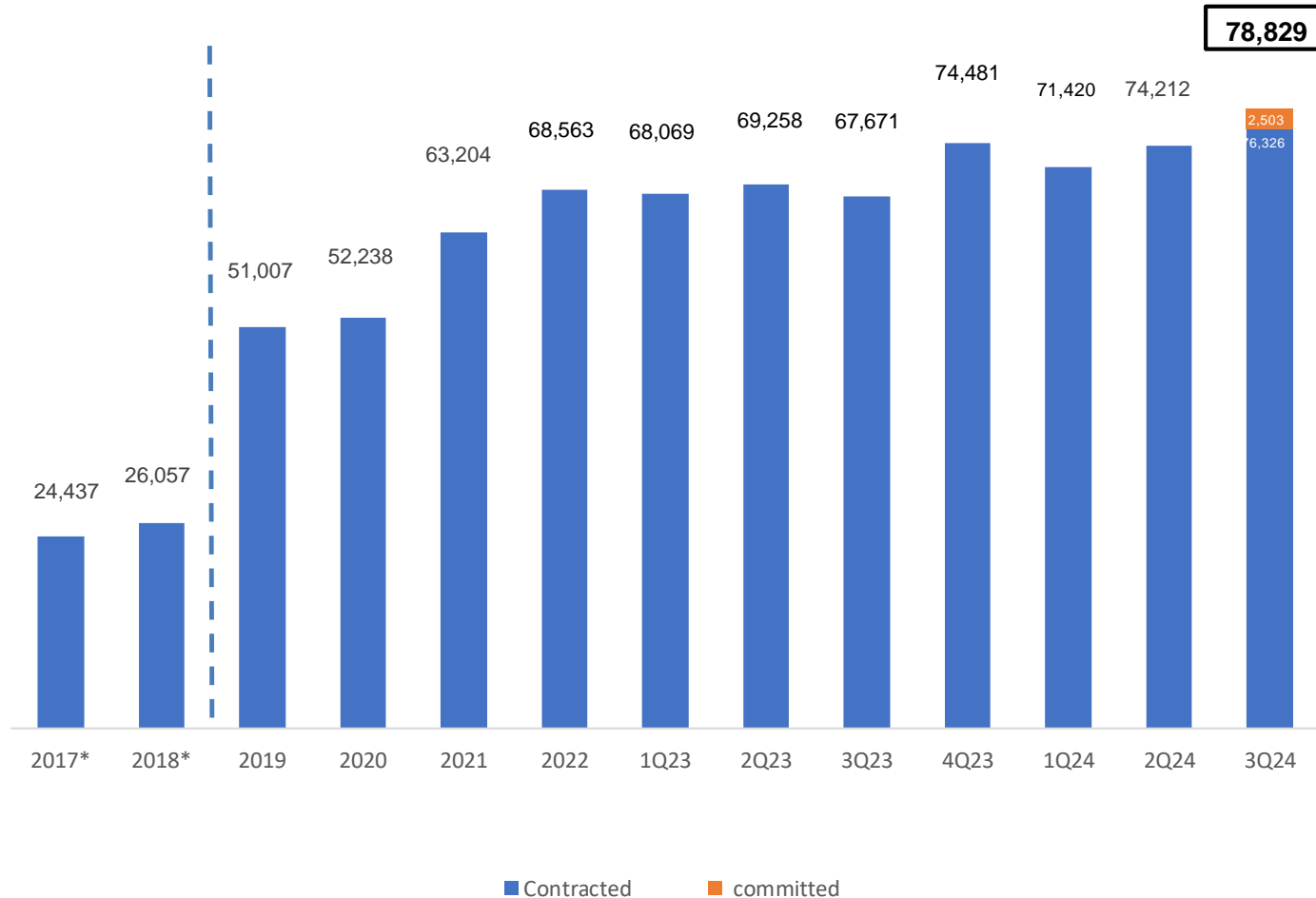


	2016	2017	2018	2019	2020	2021	2022	2023	3Q24 (Ann)	CAGR
Revenue Tower	4,885	4,998	5,339	5,583	6,332	7,101	8,606	8,402	8,843	7.7%
Revenue Non Tower	168	340	529	872	1,114	1,534	2,430	3,338	4,337	50.1%
EBITDA	4,408	4,604	4,932	5,385	6,405	7,434	9,517	9,980	11,250	12.4%
AFFO*	3,009	3,213	3,348	3,776	4,774	5,525	6,210	6,375	7,340	11.8%

* AFFO = EBITDA - (Interest + Tax + Maintenance Capex)

... with Excellent Future Revenue Visibility

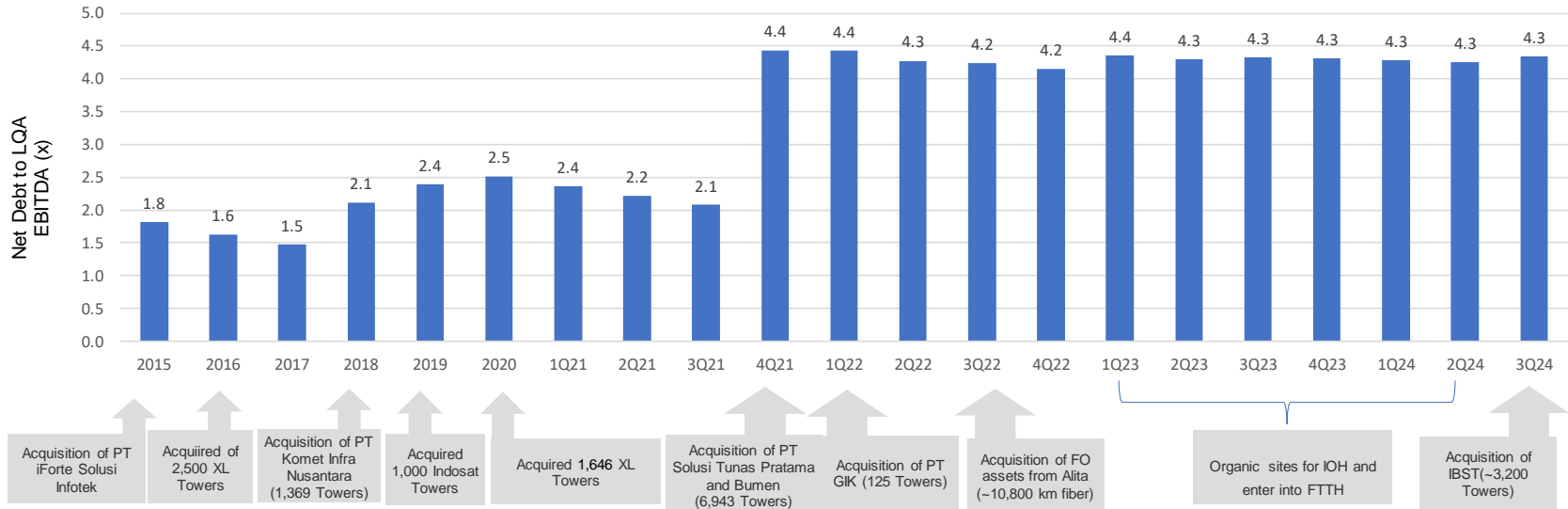
Long term contracts and commitments underwrite more than Rp78.8 trillion of committed future revenue through 2042, not including value of potential future contract renewals.



* 2017 & 2018 exclude committed revenue and renewals

Strong Investment Grade Balance Sheet

Leverage comfortably within investment grade range despite acquisitions and dividend.



3Q24 Credit Matrix

Gross Debt	Rp51,408bn
Interest Coverage Ratio	3.7x
Average Interest Rate (as of 30 Sept 2024)	6.3%
Corporate Credit Rating (S&P/Fitch National/Fitch Global)	BBB-/ AAA/BBB

SMN 3Q2024 Summary of Financial Results

Sarana Menara Nusantara (SMN) Group

Abridged consolidated statement of profit and loss.

(In RP Bn)	2017	2018	2019	2020	2021	2022	2023	3Q23	3Q24	yoy
Revenues	5,337.9	5,867.9	6,454.3	7,445.4	8,635.3	11,035.7	11,740.3	2,943.1	3,295.2	12.0%
Cost of revenues	(277.4)	(427.5)	(458.3)	(415.2)	(480.4)	(607.8)	(684.5)	(175.8)	(234.3)	33.3%
Depreciation and amortization	(894.9)	(1,114.4)	(1,349.6)	(1,644.0)	(1,859.8)	(2,306.7)	(2,843.3)	(570.0)	(799.3)	40.2%
Gross income	4,165.6	4,325.9	4,646.4	5,386.2	6,295.2	8,121.2	8,212.6	1,996.8	2,261.5	13.3%
Operating expenses	(456.9)	(508.5)	(610.7)	(625.3)	(720.7)	(911.3)	(1,076.3)	(264.6)	(248.4)	6.2%
Operating income	3,708.7	3,817.4	4,035.7	4,760.9	5,574.5	7,209.9	7,136.3	1,730.1	2,013.1	16.4%
Other income										
Interest income	68.1	33.9	39.1	33.6	24.7	23.4	20.5	3.8	24.5	
Finance charges	(687.3)	(872.3)	(957.9)	(1,090.6)	(1,262.0)	(2,276.4)	(2,768.5)	(660.3)	(774.3)	
Finance charges (PSAK 73)	-	-	-	(110.7)	(108.3)	(115.5)	(89.5)	(25.6)	(22.5)	
Foreign exchange gains/(losses), net	(2.4)	(37.3)	56.0	(182.8)	8.9	(92.8)	-	7.0	(82.4)	
(Impairment expense)/reversal of allowance for impairment	(139.7)	153.9	(103.0)	32.5	(13.5)	(4.8)	-	-	-	
Others, net	(144.5)	(143.9)	(61.0)	(44.0)	(173.3)	(284.6)	(195.0)	(62.9)	(140.6)	
Other income / (expense), net	(905.8)	(865.7)	(1,026.8)	(1,362.0)	(1,523.5)	(2,750.6)	(3,032.5)	(738.0)	(995.3)	34.9%
Profit before tax	2,802.9	2,951.7	3,008.9	3,398.9	4,051.0	4,459.3	4,103.8	899.7	1,017.9	13.1%
Corporate income tax expense										
Tax expense	(591.3)	(695.8)	(722.5)	(691.6)	(810.7)	(930.4)	(903.3)	(251.5)	(204.2)	
Deferred tax expense	(111.5)	(55.8)	66.7	146.3	207.6	(32.4)	103.2	23.9	42.1	
Total corporate income tax expense	(702.8)	(751.6)	(655.8)	(545.3)	(603.1)	(962.7)	(800.2)	(176.4)	(162.1)	8.1%
Net Income	2,100.1	2,200.1	2,342.0	2,836.0	3,427.4	3,442.0	3,253.1	866.5	842.2	-2.8%
EBITDA	4,603.4	4,931.8	5,385.3	6,404.9	7,434.3	9,516.6	9,979.6	2,502.7	2,812.5	12.4%
YoY Revenue growth	5.60%	9.9%	10.0%	15.4%	16.0%	27.8%	6.4%	5.5%	12.0%	
Gross margin	78.0%	73.7%	72.0%	72.3%	72.9%	73.6%	70.0%	74.7%	68.6%	
EBITDA margin	86.2%	84.0%	83.4%	86.0%	86.1%	86.2%	85.0%	85.0%	85.4%	
Net income margin	39.3%	37.5%	36.3%	38.1%	39.7%	31.2%	27.7%	29.4%	25.6%	

Sarana Menara Nusantara (SMN) Group

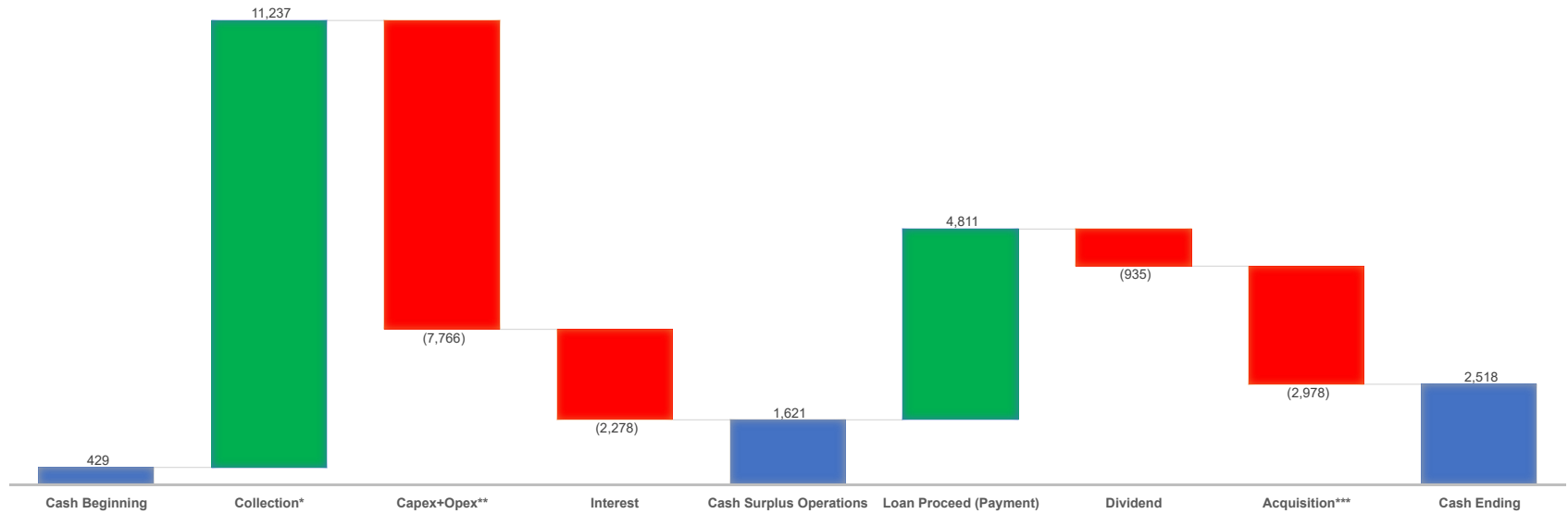
Abridged consolidated statement of financial position.

(In RP bn)	2016	2017	2018	2019	2020	2021	2022	2023	3Q24
ASSETS									
<i>Current assets</i>									
Cash and cash equivalents	2,905.3	2,348.3	963.4	593.8	1,442.6	4,748.4	308.6	428.7	2,518.3
Restricted cash	-	-	-	6.6	4.9	2.0	0.0	0.1	13.5
Trade receivables	351.7	624.0	821.0	1,347.6	1,240.1	2,171.3	2,557.8	3,086.3	2,476.7
Other current asset	337.5	77.4	490.9	526.5	314.7	476.5	784.7	911.8	763.0
Total current assets	3,594.5	3,049.7	2,275.3	2,474.4	3,002.3	7,398.1	3,651.1	4,426.9	5,771.5
Total non-current assets	15,192.3	15,713.8	20,684.2	25,191.3	31,247.2	58,430.5	61,974.0	63,992.1	73,070.6
TOTAL ASSETS	18,786.8	18,763.5	22,959.5	27,665.7	34,249.6	65,828.7	65,625.1	68,418.9	78,842.1
LIABILITIES AND EQUITY									
<i>Current liabilities</i>									
Current portion of long-term loans	516.7	633.8	1,732.8	1,944.8	4,073.9	15,432.2	8,062.6	11,072.2	14,171.1
Current portion of long-term bonds	998.7	-	657.9	-	35.9	1,008.2	1,113.9	7,252.2	3,987.8
Leasing payable	-	-	-	-	281.3	353.3	387.0	265.3	196.8
Other current liabilities	1,787.6	1,596.6	2,361.1	2,620.3	2,834.1	5,086.6	4,882.5	5,709.3	6,272.2
Total current liabilities	3,303.0	2,230.4	4,751.8	4,565.1	7,225.2	21,880.3	14,446.1	24,299.0	24,627.9
<i>Non-current liabilities</i>									
Long-term loans, net of current portion	5,971.3	5,775.3	7,069.7	11,247.1	11,926.3	23,535.5	29,261.6	24,825.8	31,967.9
Bonds payable	2,432.2	2,589.6	2,023.4	1,976.3	2,148.7	4,463.3	4,556.4	1,317.5	1,197.7
Leasing payable	-	-	0.8	-	1,730.7	2,192.3	1,590.6	180.1	676.9
Other non-current liabilities	1,120.6	1,066.3	1,080.6	1,116.6	1,034.6	1,695.3	1,338.1	1,284.9	2,104.4
Total non-current liabilities	9,524.1	9,431.2	10,174.5	14,340.0	16,840.3	31,886.4	36,746.7	27,608.3	35,946.8
Total liabilities	12,827.1	11,661.6	14,926.3	18,905.1	24,065.5	53,766.7	51,192.8	51,907.3	60,574.7
<i>Equity</i>									
Common shares	530.7	530.7	530.7	530.7	530.7	530.7	530.7	527.8	517.6
Treasury Stock	-	-	(126.6)	(514.1)	(786.9)	(931.4)	-931.4	-931.3	-738.7
Share Based Payment	-	-	-	-	-	23.9	64.9	92.3	103.7
Difference arising from transactions resulting in changes in the equity of subsidiary	-	-	-	-	-	(11.9)	38.4	0.0	
Other comprehensive income	(23.2)	24.6	81.4	2.8	44.6	25.7	62.1	78.8	61.2
Retained earnings / (accumulated deficit)	5,452.3	6,546.4	7,547.8	8,705.1	10,365.6	12,394.0	14,635.9	16,688.8	18,234.7
Non-controlling interests	0.1	0.1	-	36.1	30.0	31.0	31.8	55.3	88.8
Total equity	5,959.9	7,101.8	8,033.3	8,760.6	10,184.0	12,062.0	14,432.3	16,511.7	18,267.3

Protelindo Group

Abridged consolidated statement of cashflows (9M 2024).

in Rp Bn



* Numbers included VAT

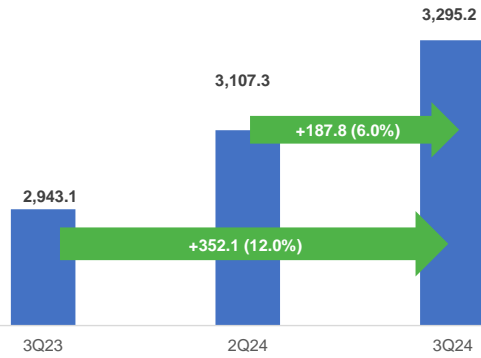
** Including ground lease

*** Integra, ATMI, BMG, Varnion and IBST Acquisition

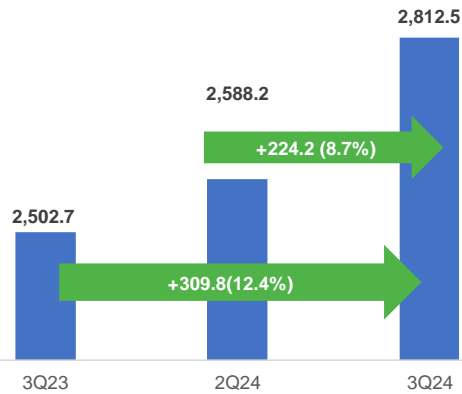
Profit and Loss Movement 3Q2024

in Rp Bn

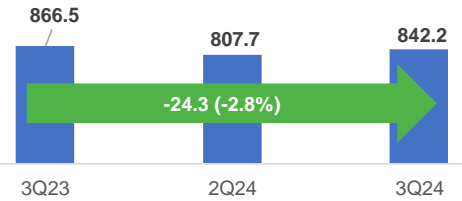
Revenue



EBITDA

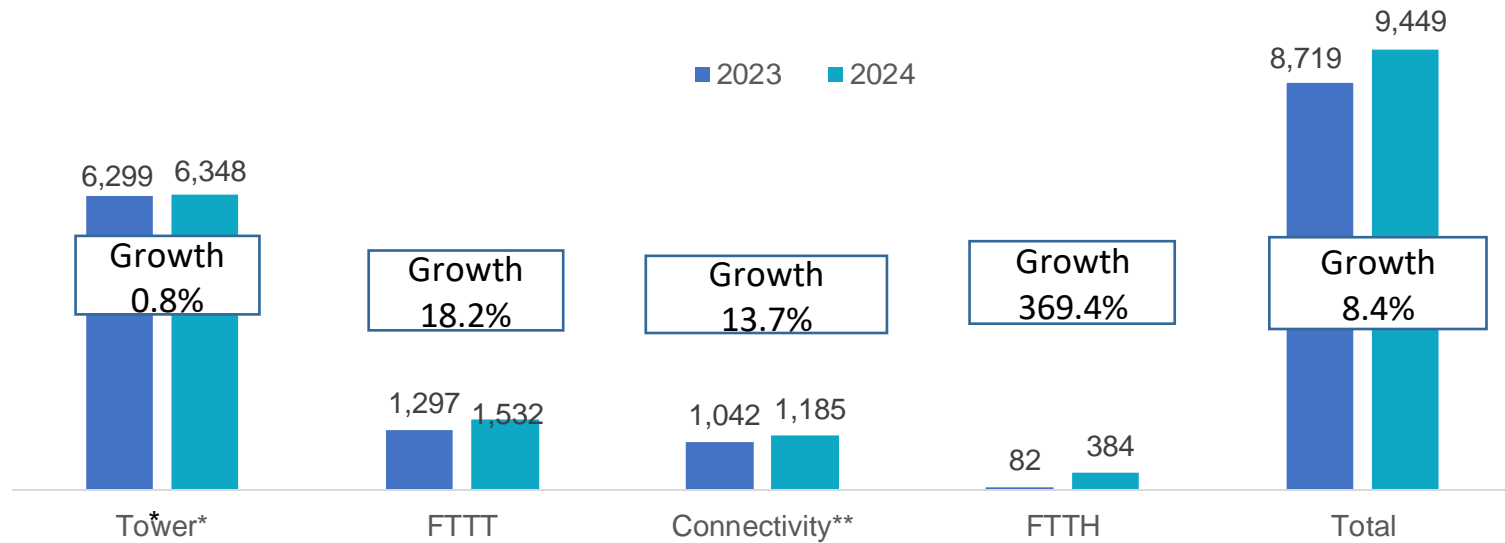


Net Income



Revenue Analysis (YTD Sept 2023 vs YTD Sept 2024)

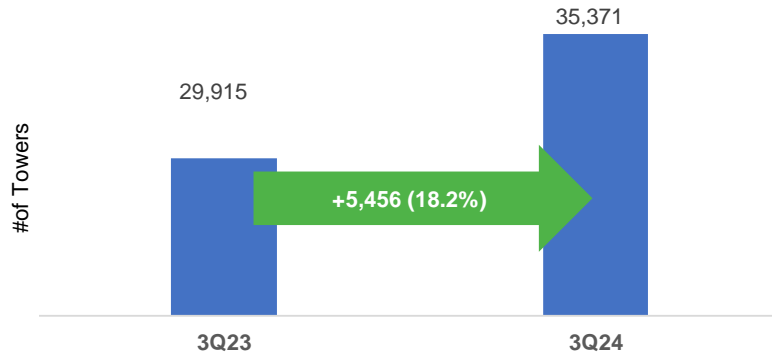
in Rp Bn



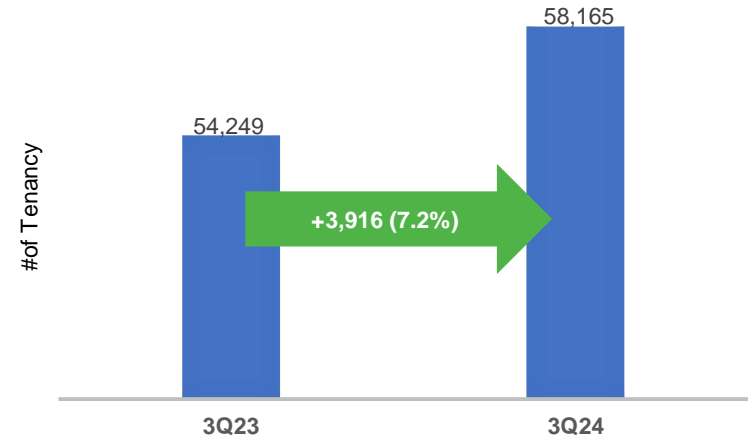
• * Including managed services
• ** Including Digital Payment

Summary Operational Data (3Q23 vs 3Q24)

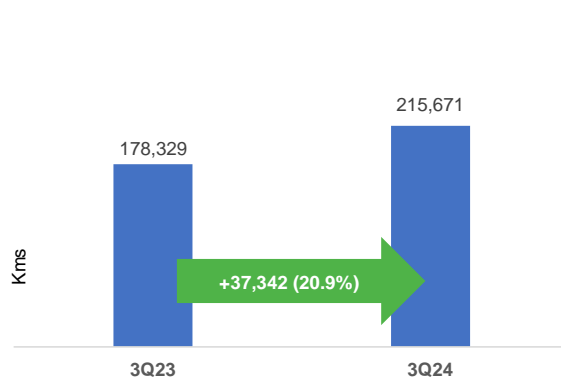
Towers



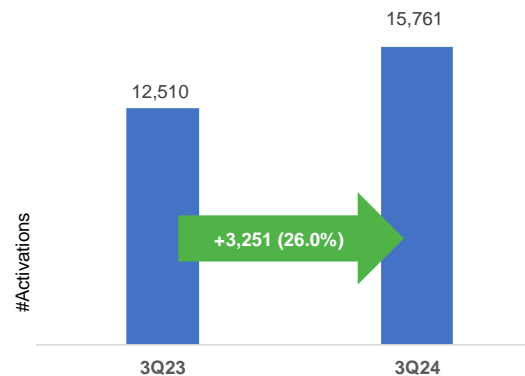
Tenancy



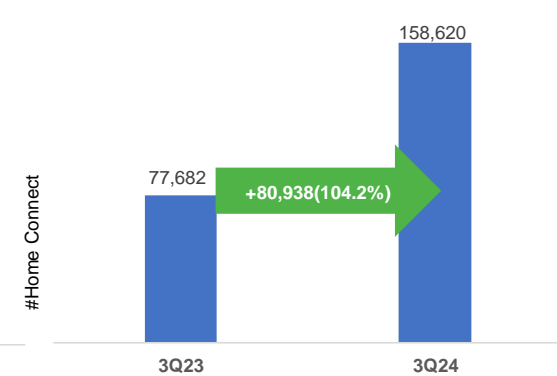
FTTT



Connectivity



FTTH



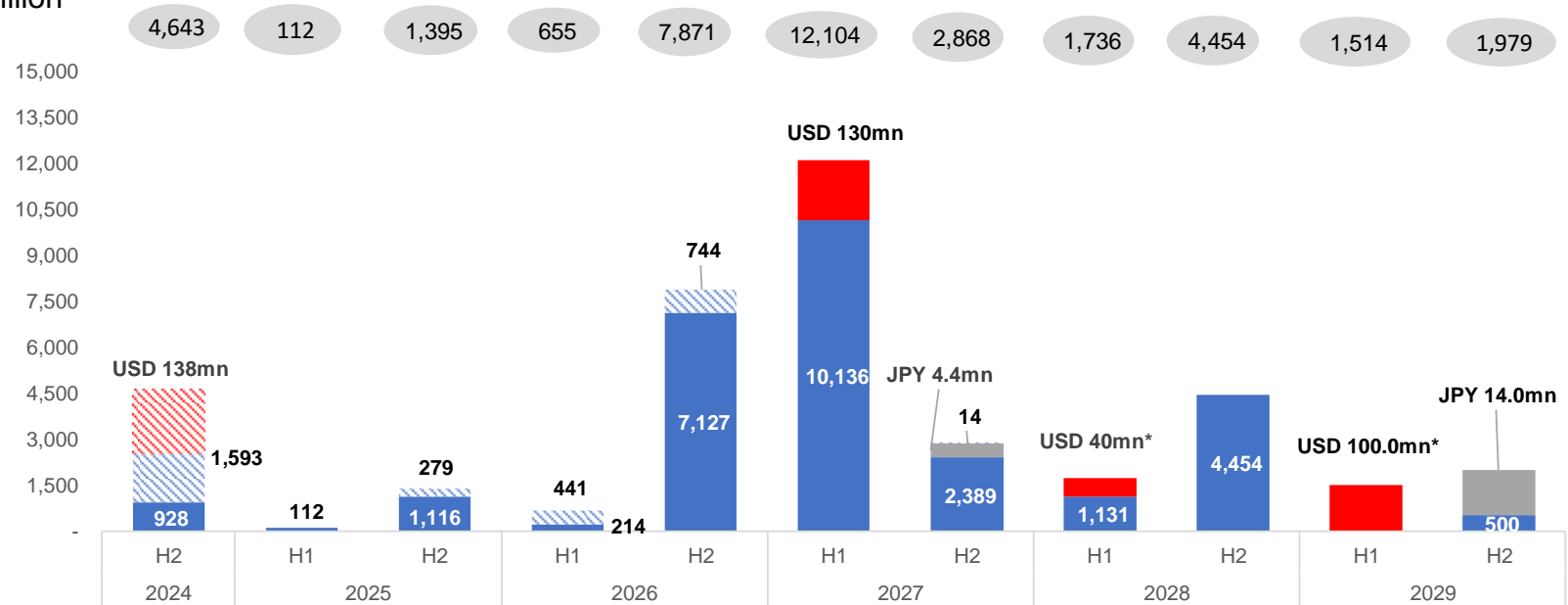
Appendix

Long Term Debt*: 56.8% floating, 43.2% fixed, avg. interest 6.3%

- Incremental borrowing of the Company has been done in Rupiah, or in some cases where there are forex borrowing, financial hedges are then employed.
- USD debt maturing 2028 and 2029 are covered with financial hedges at Rupiah to USD exchange of 15,000 and 15,000, respectively.

Maturity Profile

* USD loan hedged into IDR
in Rp Billion



• As of Sept 2024

• BI Middle rate as of Sept 2024: 1USD = IDR15,138 ; 1JPY = IDR105.66

■ IDR Loan ■ USD Loan ■ JPY Loan ■ IDR Bond ■ USD Bond

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