

Indonesia's Premier Digital Infrastructure Company

2024 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 **35,400** towers and a total of **~170,000km** fiber optic network*

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



Maintained stable returns
ROI **8.1%** and ROE **18.8%**

TOWR shares included in
LQ45, IDX80, IDX30 Kompas100, Bisnis-27 SMinfra 18, Investor 33, IDX Vesta28
MSCI Small Cap Index

Part of ESG: ESGS Kehati, IDX ESGL , MSCI ESG Rating: A^(a)

(a) During the 4Q 2024

• Comprised of FTTH, FTTH, backbone, subsea cable. FTTH standalone 118,265 km fiber length with 1.83x utilization ratio

TOWR strategy supports ESG & sustainability goals

1. Capital Management

- Access to low-cost funding
- Liquidity amounts to \$ 739 mn ¹ as of 31 Dec 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, telecoms will reduce to 3 operators in 2025
- Opportunities for acquisitions still exist with fragmented players

5. Most unique in asset class

- Contracted revenue of Rp75.0 tn largest in market
- Attractively valued business with high annual recurring FCF that funds capex, dividend, share buybacks
- TOWR has been a successful consolidator

6. Efficient infrastructure provider

- EBITDA and AFFO 5-year CAGR of 14.7% and 12.2%, respectively, with 2024 ROE of 18.8%.

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. Consolidation of MNOs should create better business case for 5G
3. Towers per capita ratio of 1:2700 is roughly 1/3 that of USA or China ⁴

C. Prepared for new opportunities

1. Proven successful track record in expanding product offering
2. Strategy driven by evolving customer needs
3. Fixed-mobile convergence & 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: 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 higher asset utilisation (tower/fiber) or synergies' across asset classes

HIGH BARRIERS TO ENTRY

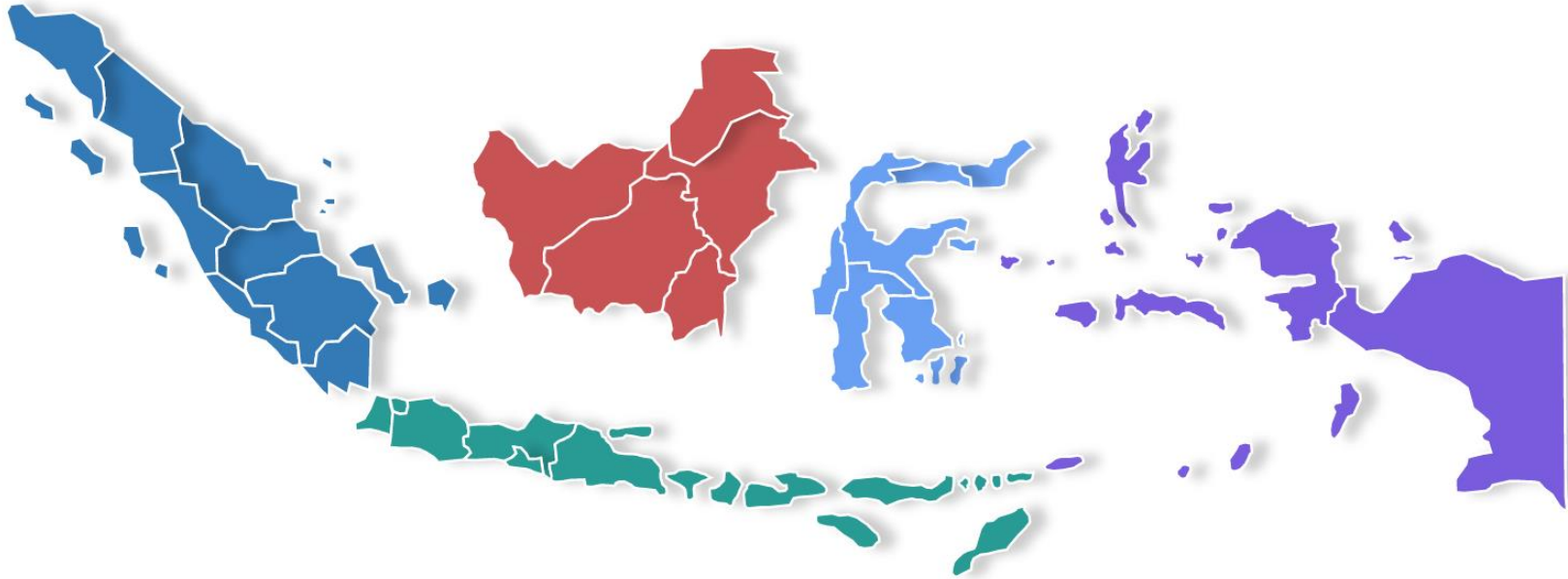
Significant investment needed, as well as **economies of scale**, knowledge of government rules and local conditions

FAST GROWING INDUSTRY

- **Surging data demand** creates need for more towers and fibers
- Current consumers behaviour require reliable and high speed internet leading to increase in need of fiber
- Expecting better 5G business case after MNO consolidation

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

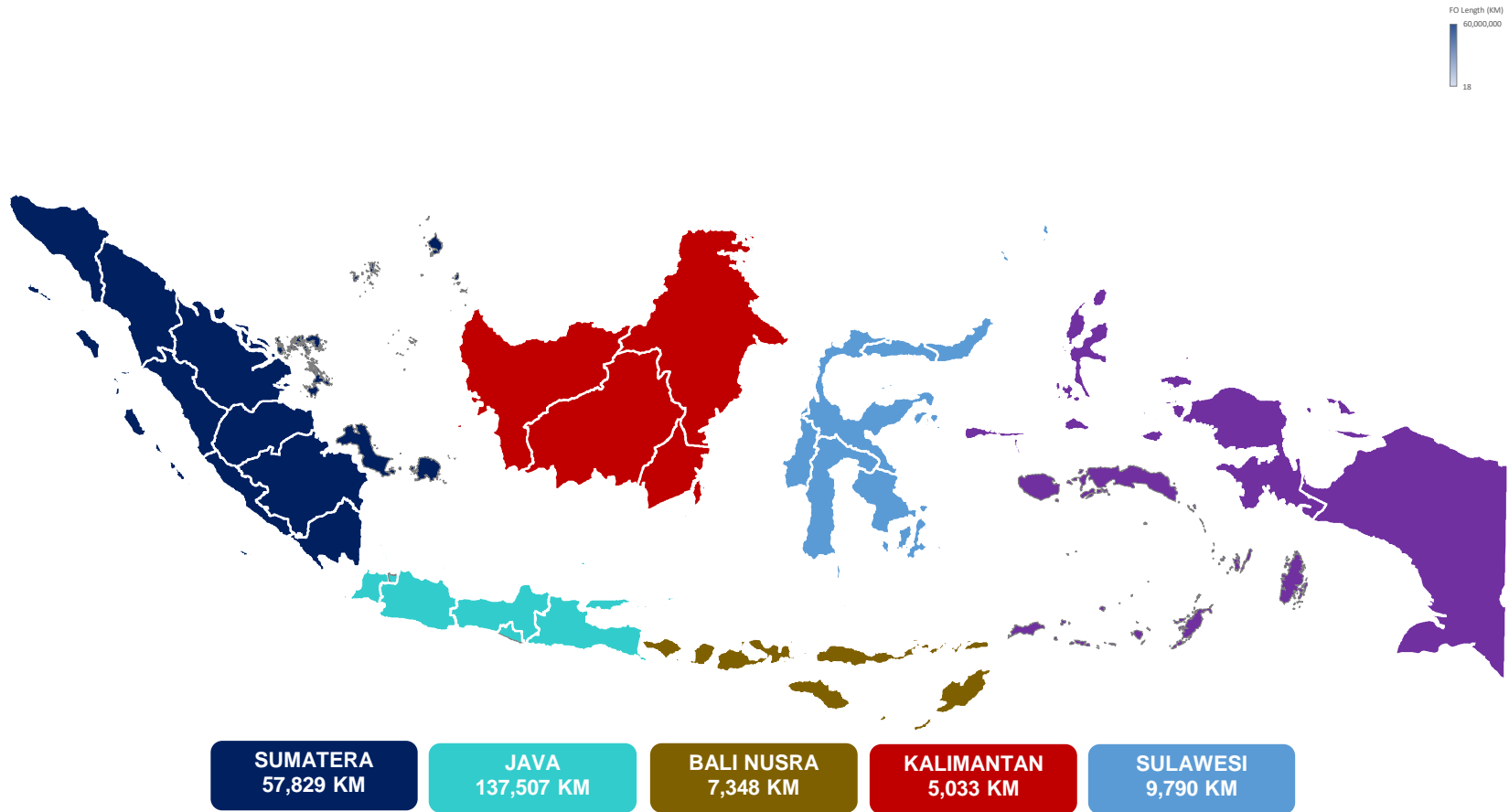
Update: Our Portfolio (Tower)



Jawa, Bali, NTT, NTB 20,996 Tower	Sumatera 8,000 Tower	Kalimantan 3,216 Tower	Sulawesi 2,734 Tower	Maluku & Papua 454 Tower
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Total Tower : 35,400

Update: Our Portfolio (Revenue-generating Fiber)



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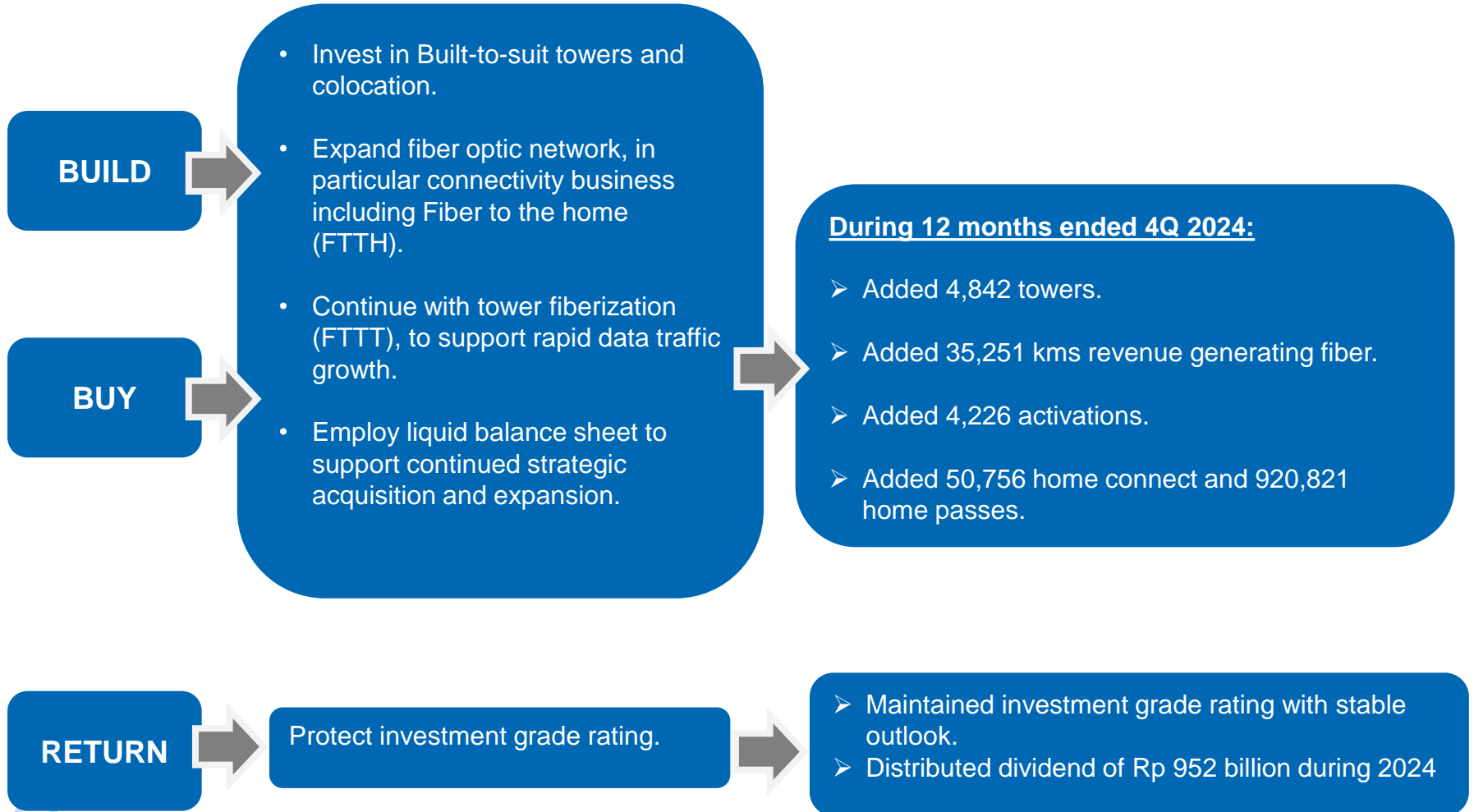
Total Length: (262,589 Km)

- FTTT: 217,507 Km with 1.8x utilization ratio
- FTTH: 22,165 Km
- Backbone and Submarine: 22,917 Km

SMN 4Q2024 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 35,400 towers and 58,035 tenants as of 31 Dec 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.
- ~217,500 kms revenue generating fiber by end of Dec 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

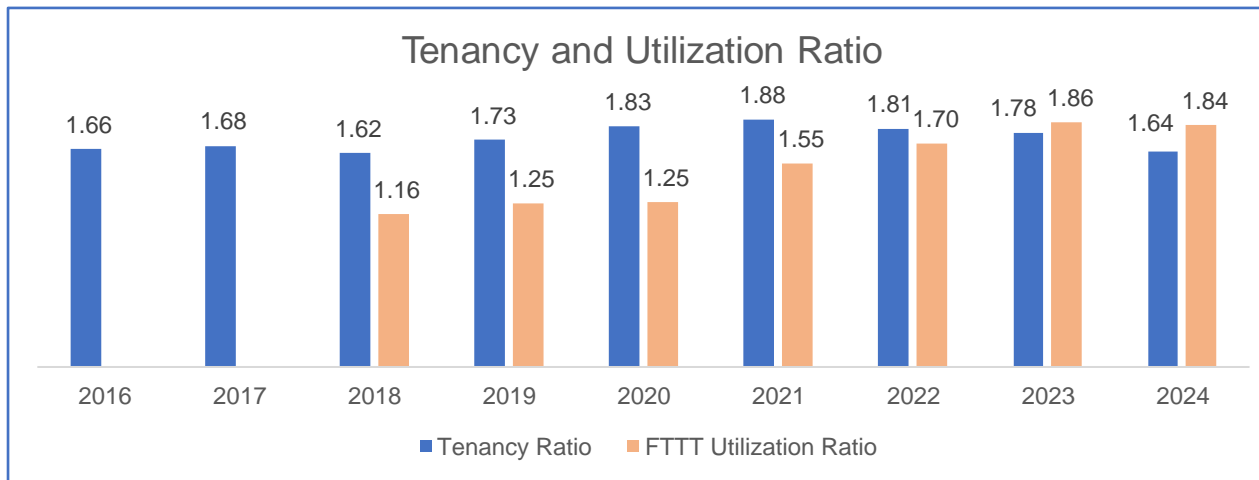
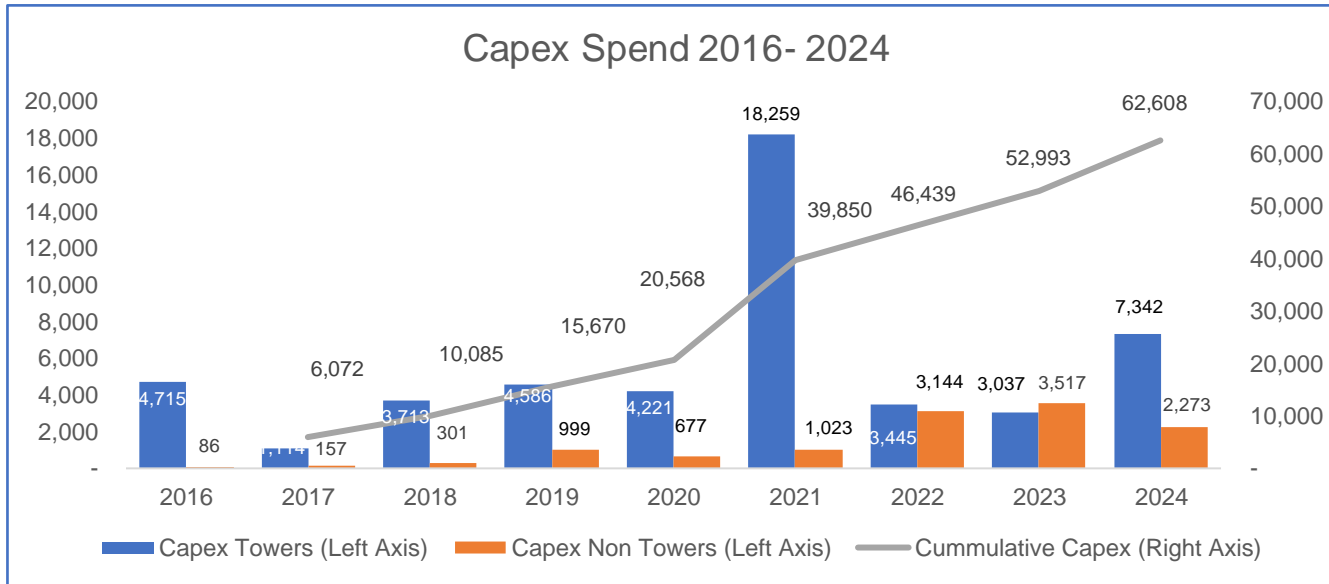
- Actively seeking opportunities to provide connectivity (with various offering using VSAT, wireless/wireline, etc.) under B2B or B2G arrangements.
- Currently have 16,898 activations by the end of Dec 2024.

Fiber to the Home (FTTH)

- FTTH assets reaches ~1,781,800 home passes by the end of Dec 2024.
- Currently have 169,242 home connect with 9% penetration rate

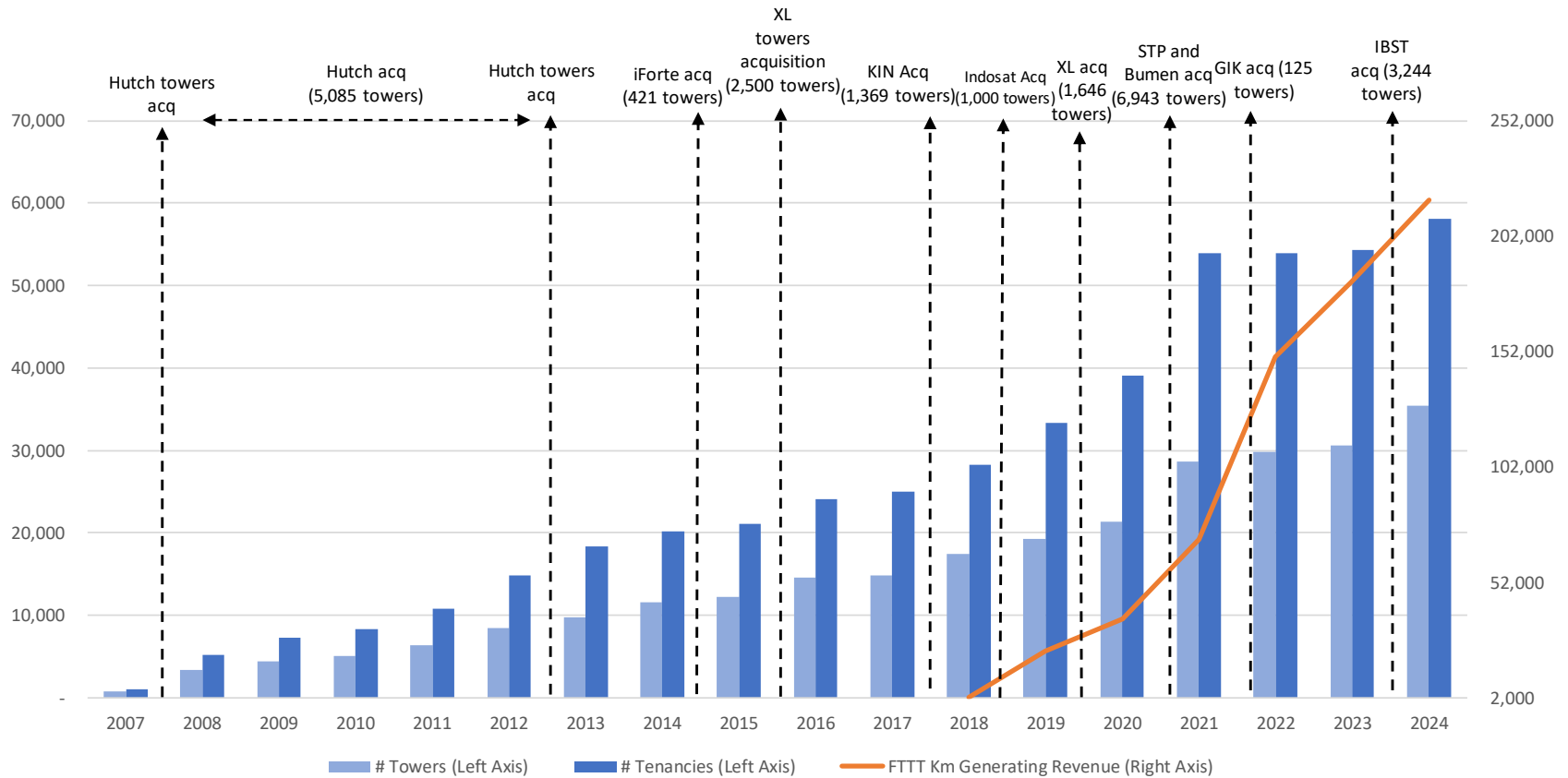
Strong growth potential given low penetration and increased demand for integrated offerings.

Diversifying Business Base



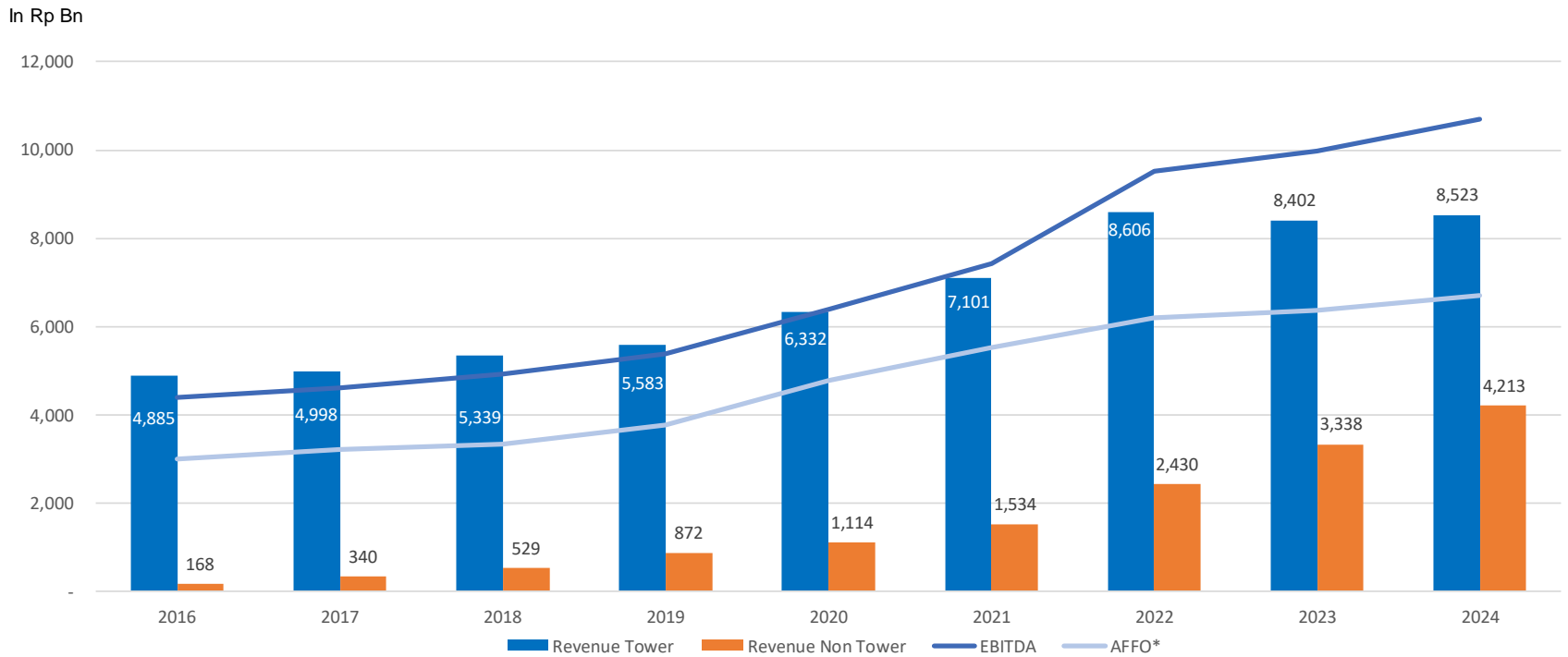
Note: Tower tenancy ratio and Fiber utilization ratio calculation does not include asset and operational synergies between Towers, FTTT and FTTH business

Track Record of Consistent Growth ...



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
# 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	35,400
# 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	58,035
FTTH Km Generating Revenue												2,345	21,977	36,346	70,465	149,811	182,256	217,507
Number of Activations under Connectivity												5,612	7,041	7,503	9,283	10,572	12,672	16,898

and Strong Financial Performance

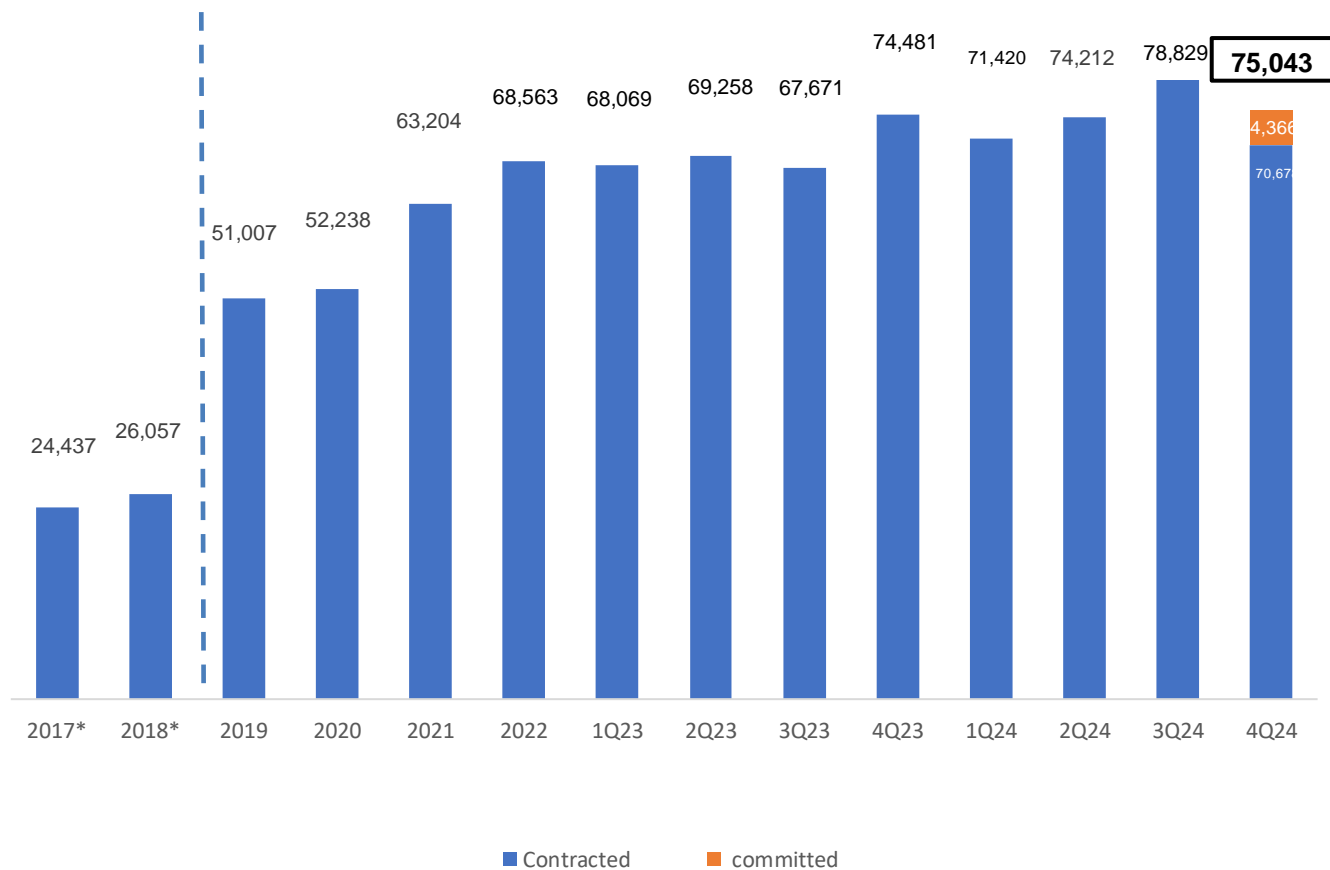


	2016	2017	2018	2019	2020	2021	2022	2023	2024	CAGR
Revenue Tower	4,885	4,998	5,339	5,583	6,332	7,101	8,606	8,402	8,523	7.2%
Revenue Non-Tower	168	340	529	872	1,114	1,534	2,430	3,338	4,213	49.6%
EBITDA	4,408	4,604	4,932	5,385	6,405	7,434	9,517	9,980	10,700	11.7%
AFFO*	3,009	3,213	3,348	3,776	4,774	5,525	6,210	6,375	6,703	10.5%

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

... with Excellent Future Revenue Visibility

Long term contracts and commitments underwrite more than Rp75.0 trillion of committed future revenue through 2042, not including value of potential future contract renewals.



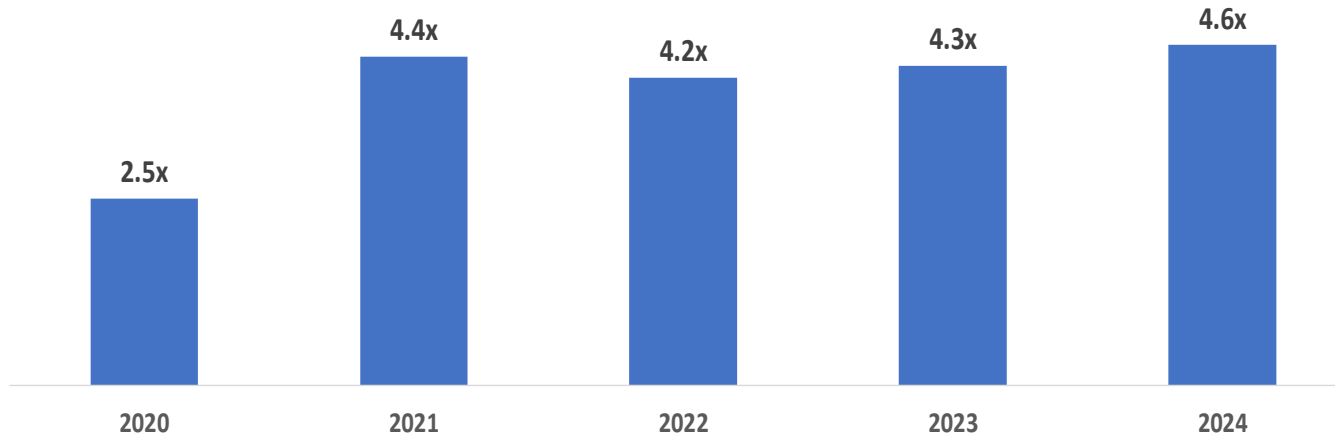
* 2017 & 2018 exclude committed revenue and renewals

Strong Investment Grade Balance Sheet

Leverage comfortably within investment grade range despite acquisitions and dividend.

Leverage Profile (Net Debt to LQA EBITDA)

2023-2025 = period under which relocations of IOH tower leases involving building out of new tower sites (~5,088)



4Q24 Credit Matrix

Gross Debt	Rp51,489bn
Interest Coverage Ratio	3.2x
Average Interest Rate (as of 30 Sept 2024)	6.2%
Corporate Credit Rating (S&P/Fitch National/Fitch Global)	BBB-/ AAA/BBB

SMN 2024 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	2024
Revenues	5,337.9	5,867.9	6,454.3	7,445.4	8,635.3	11,035.7	11,740.3	12,735.8
Cost of revenues	(277.4)	(427.5)	(458.3)	(415.2)	(480.4)	(607.8)	(684.5)	(898.6)
Depreciation and amortization	(894.9)	(1,114.4)	(1,349.6)	(1,644.0)	(1,859.8)	(2,306.7)	(2,843.3)	(3,097.7)
Gross income	4,165.6	4,325.9	4,646.4	5,386.2	6,295.2	8,121.2	8,212.6	8,739.5
Operating expenses	(456.9)	(508.5)	(610.7)	(625.3)	(720.7)	(911.3)	(1,076.3)	(1,137.1)
Operating income	3,708.7	3,817.4	4,035.7	4,760.9	5,574.5	7,209.9	7,136.3	7,602.4
Other income								
Interest income	68.1	33.9	39.1	33.6	24.7	23.4	20.5	67.4
Finance charges	(687.3)	(872.3)	(957.9)	(1,090.6)	(1,262.0)	(2,276.4)	(2,768.5)	(3,087.9)
Finance charges (PSAK 73)	-	-	-	(110.7)	(108.3)	(115.5)	(89.5)	(49.8)
Foreign exchange gains/(losses), net	(2.4)	(37.3)	56.0	(182.8)	8.9	(92.8)	-	
(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)	(336.5)
Other income / (expense), net	(905.8)	(865.7)	(1,026.8)	(1,362.0)	(1,523.5)	(2,750.6)	(3,032.5)	(3,406.7)
Profit before tax	2,802.9	2,951.7	3,008.9	3,398.9	4,051.0	4,459.3	4,103.8	4,195.7
Corporate income tax expense								
Tax expense	(591.3)	(695.8)	(722.5)	(691.6)	(810.7)	(930.4)	(903.3)	(978.9)
Deferred tax expense	(111.5)	(55.8)	66.7	146.3	207.6	(32.4)	103.2	147.8
Total corporate income tax expense	(702.8)	(751.6)	(655.8)	(545.3)	(603.1)	(962.7)	(800.2)	(831.1)
Net Income	2,100.1	2,200.1	2,342.0	2,836.0	3,427.4	3,442.0	3,253.1	3,335.4
EBITDA	4,603.4	4,931.8	5,385.3	6,404.9	7,434.3	9,516.6	9,979.6	10,700.1
YoY Revenue growth	5.60%	9.9%	10.0%	15.4%	16.0%	27.8%	6.4%	8.5%
Gross margin	78.0%	73.7%	72.0%	72.3%	72.9%	73.6%	70.0%	68.6%
EBITDA margin	86.2%	84.0%	83.4%	86.0%	86.1%	86.2%	85.0%	84.0%
Net income margin	39.3%	37.5%	36.3%	38.1%	39.7%	31.2%	27.7%	26.2%

Sarana Menara Nusantara (SMN) Group

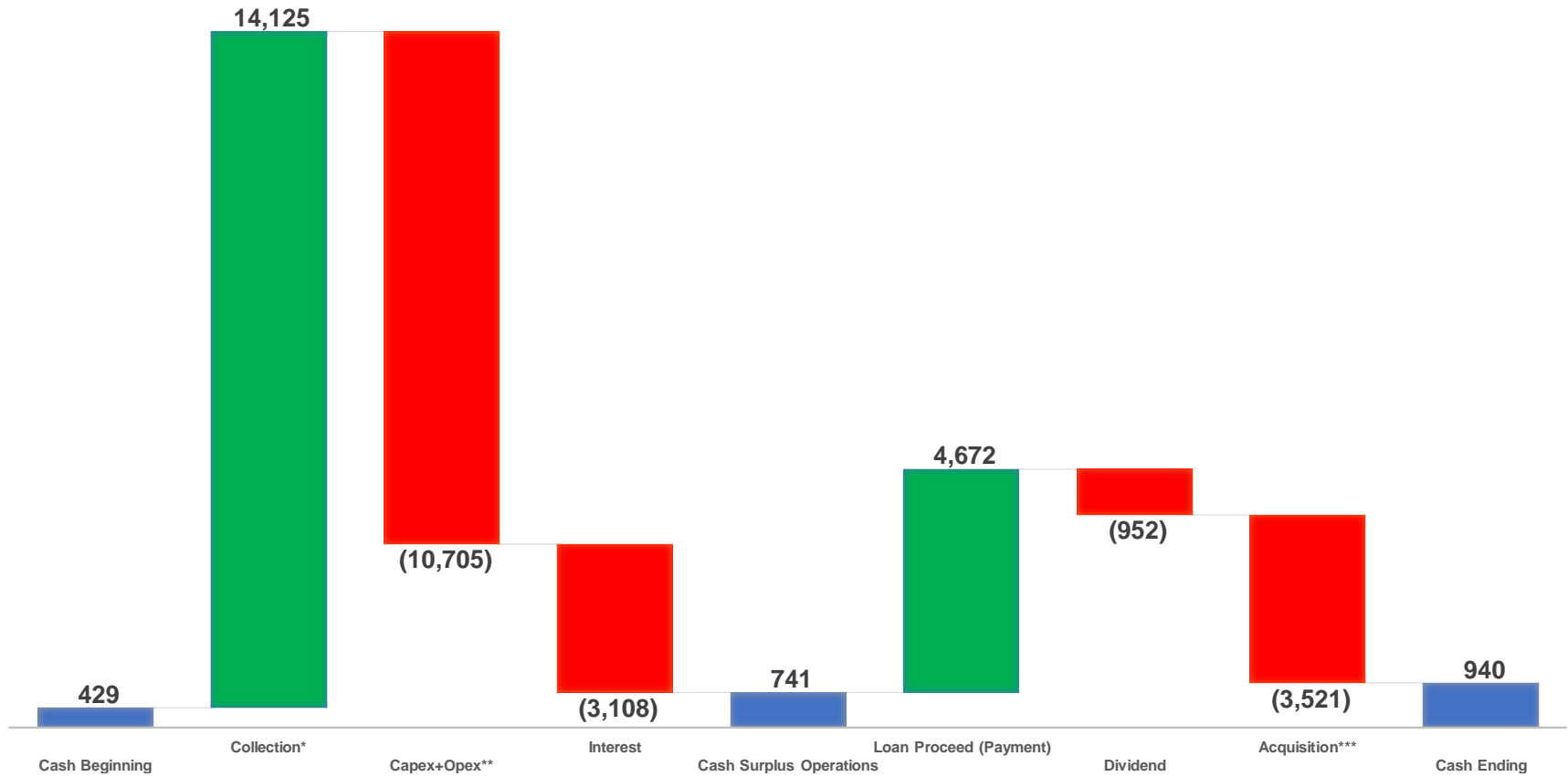
Abridged consolidated statement of financial position.

(In RP bn)	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	940.2
Restricted cash	-	-	-	6.6	4.9	2.0	0.0	0.1	0.5
Trade receivables	351.7	624.0	821.0	1,347.6	1,240.1	2,171.3	2,557.8	3,086.3	3,292.8
Other current asset	337.5	77.4	490.9	526.5	314.7	476.5	784.7	911.8	722.3
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	4,955.8
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	72,872.5
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	77,828.4
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	14,679.3
Current portion of long-term bonds	998.7	-	657.9	-	35.9	1,008.2	1,113.9	7,252.2	274.9
Leasing payable	-	-	-	-	281.3	353.3	387.0	265.3	245.7
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	4,924.4
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	20,124.2
<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	35,264.9
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	1,198.3
Leasing payable	-	-	0.8	-	1,730.7	2,192.3	1,590.6	180.1	673.1
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	1,398.7
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	38,534.9
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	58,659.2
<i>Equity</i>									
Common shares	530.7	530.7	530.7	530.7	530.7	530.7	530.7	527.8	531.5
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	79.2
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	19,122.9
Non-controlling interests	0.1	0.1	-	36.1	30.0	31.0	31.8	55.3	70.6
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	19,169.2

SMN Group.

Abridged consolidated statement of cashflows (2024).

in Rp Bn



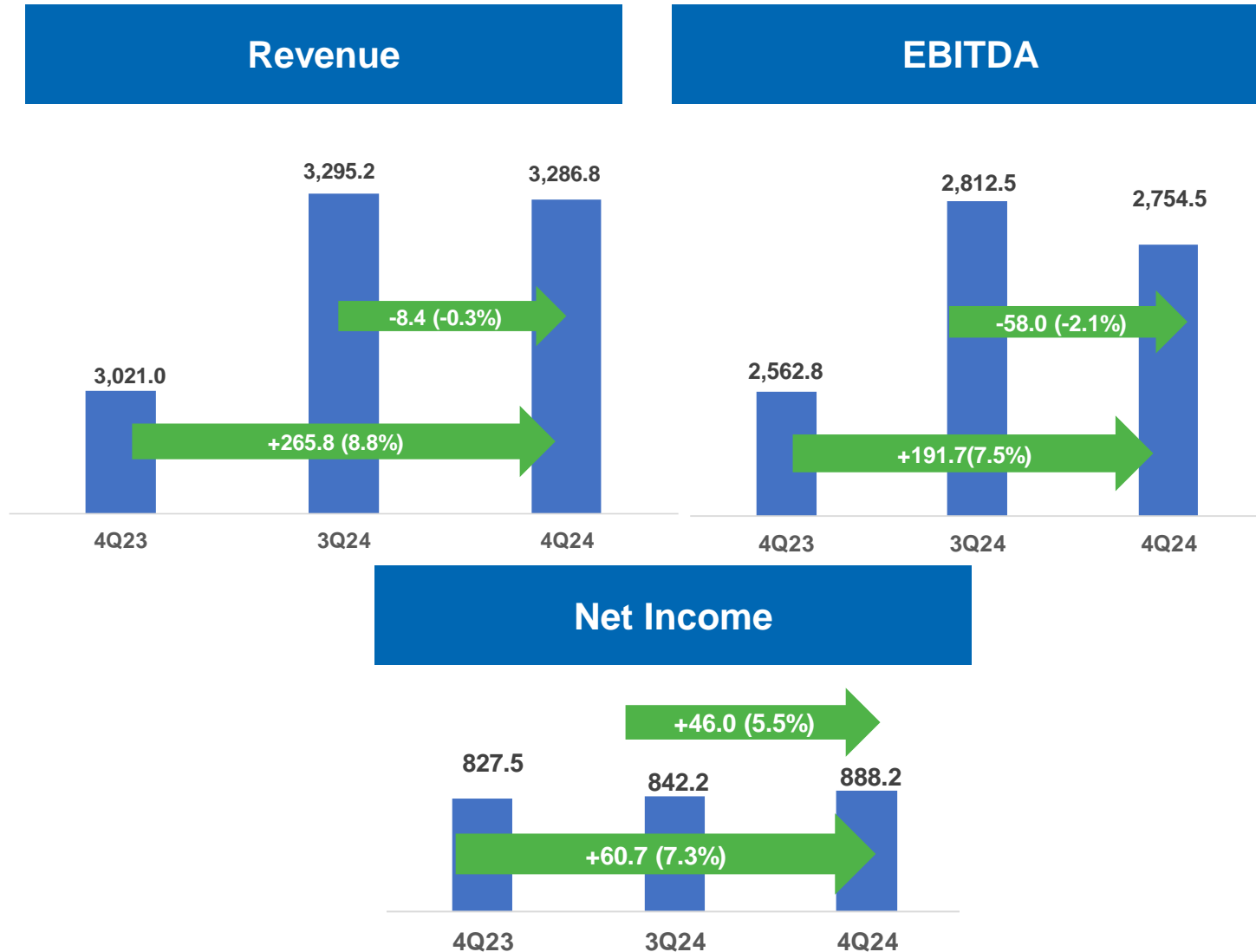
* Numbers included VAT

** Including ground lease

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

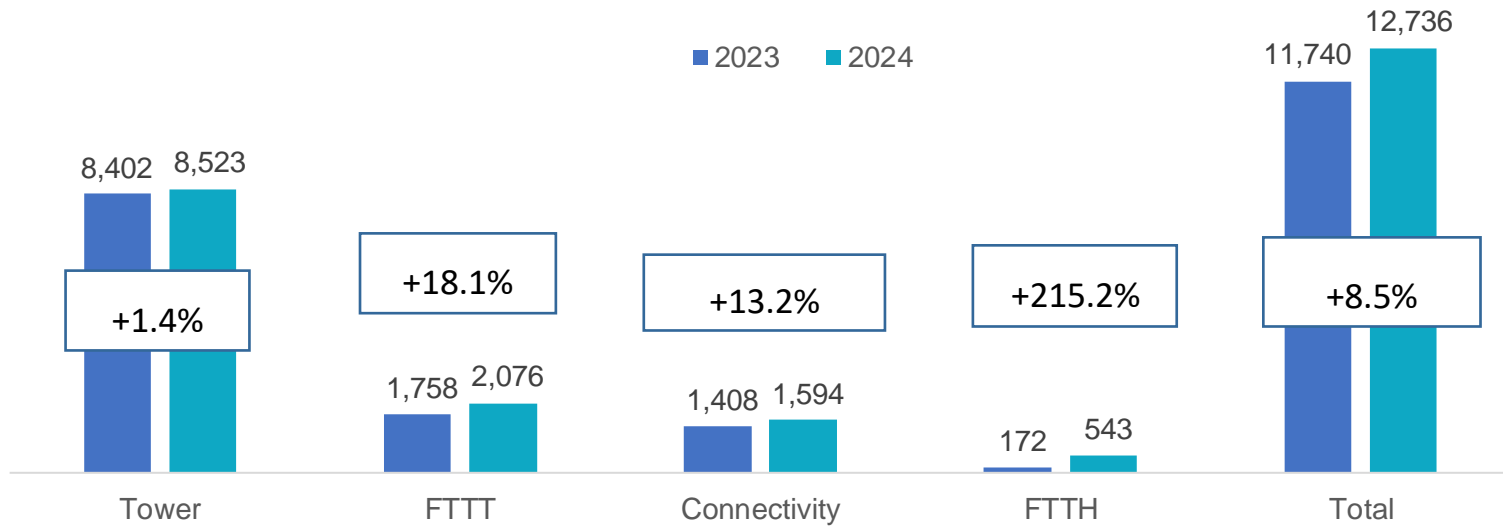
Profit and Loss Movement 2024

in Rp Bn



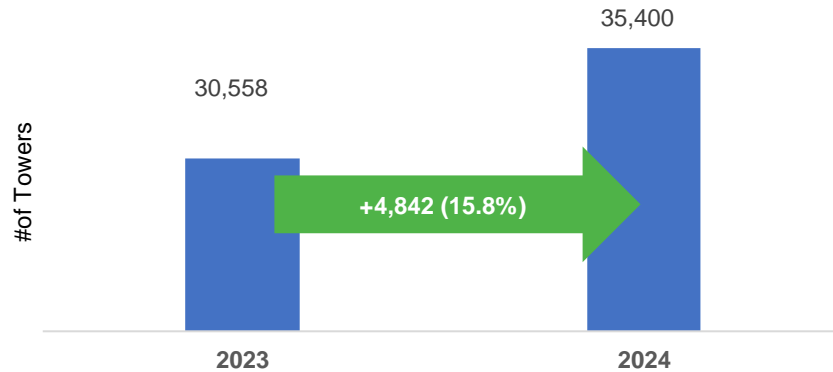
Revenue Analysis (2023 vs 2024)

in Rp Bn

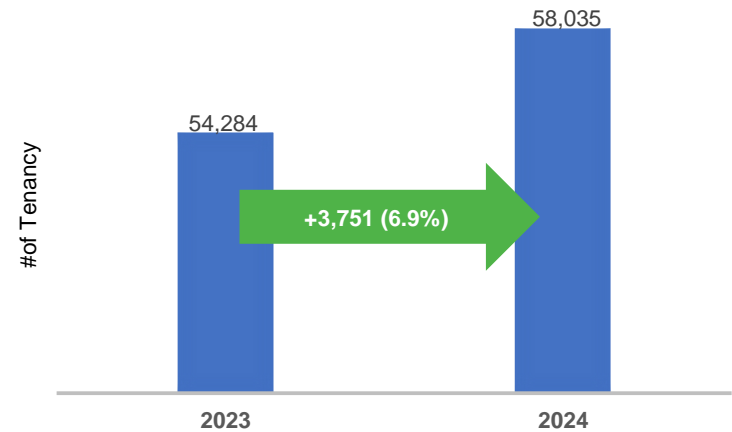


Summary Operational Data (2023 vs 2024)

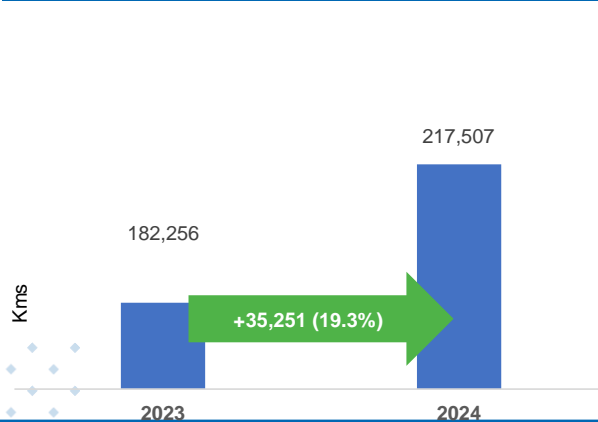
Towers



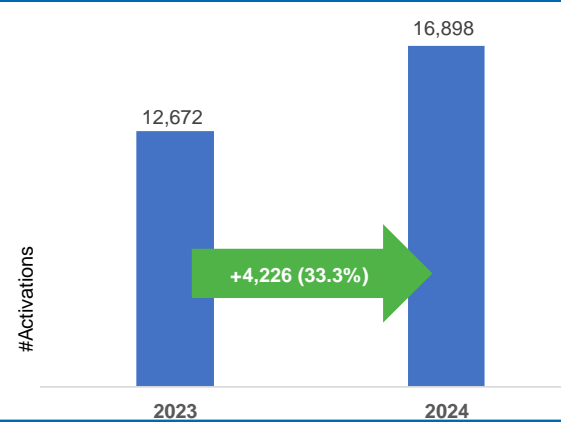
Tenancy



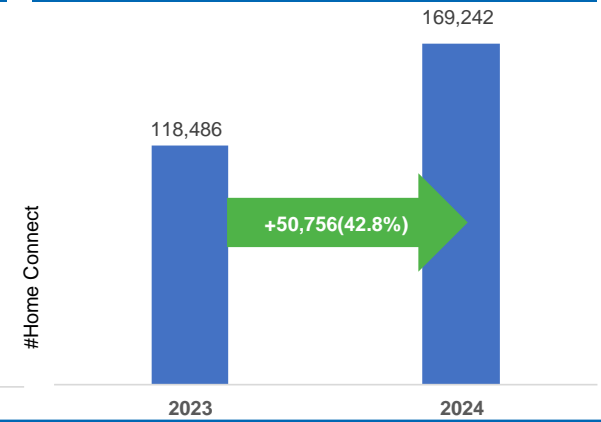
FTTT



Connectivity



FTTH



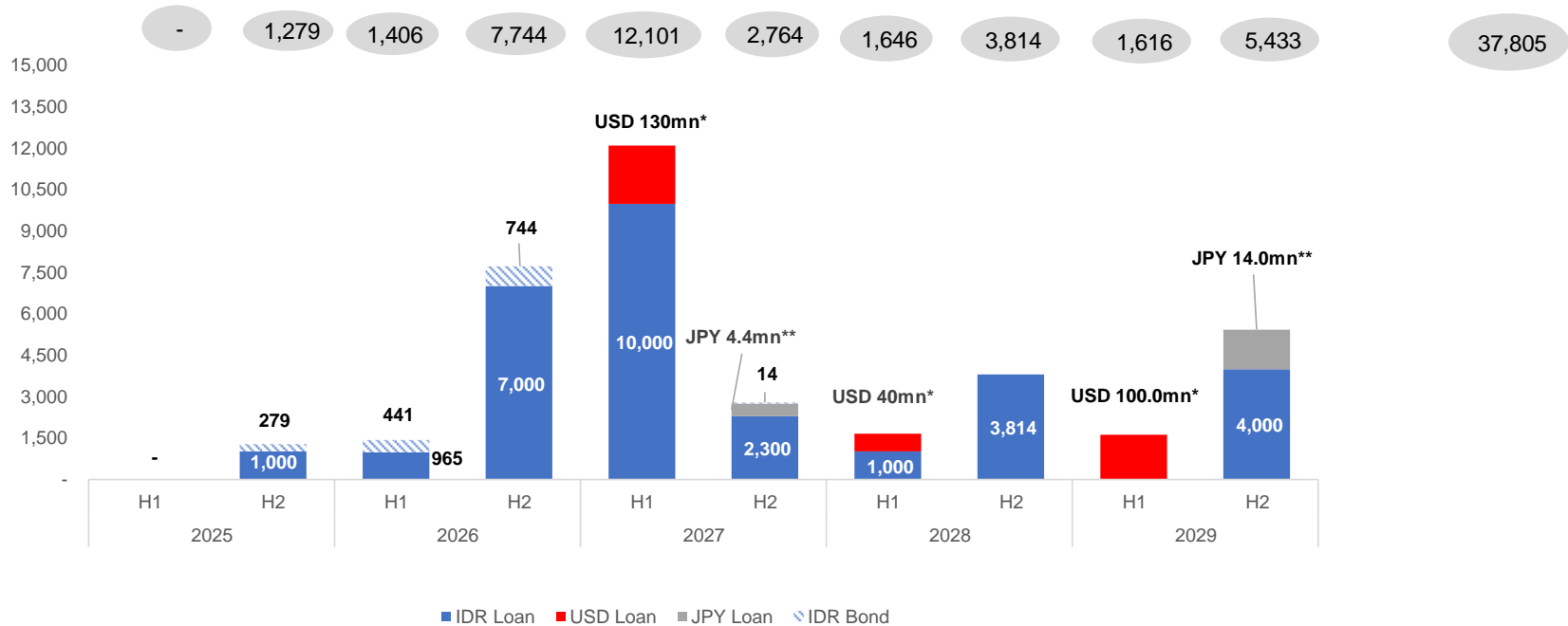
Appendix

Long Term Debt*: 63.6% floating, 36.4% fixed, avg. interest 6.2%

- 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 Dec 2024
- BI Middle rate as of Dec 2024: 1USD = IDR16,162 ; 1JPY = IDR102.36

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