

28 April 2022 First Quarter 2022 Results

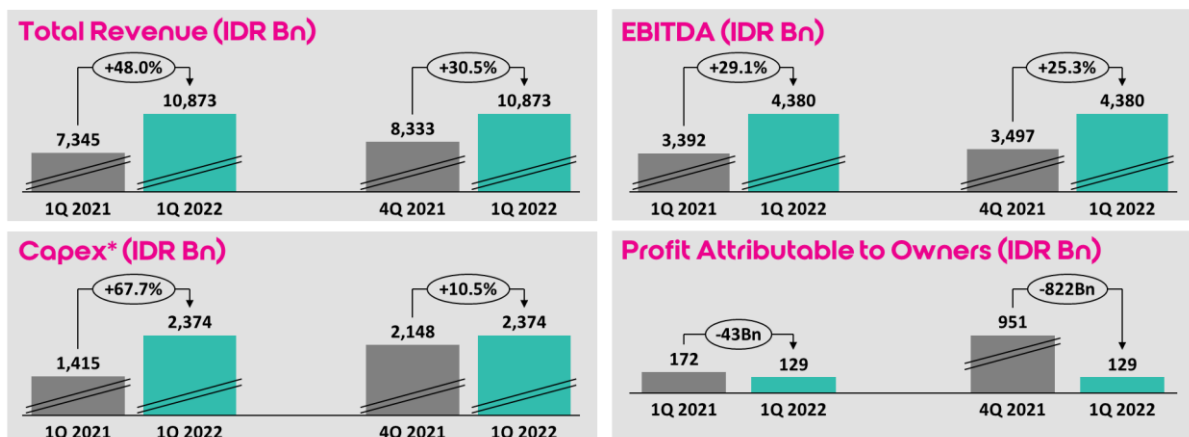
*Total revenue of IDR10,872.6 bn, 48.0% YoY.
EBITDA of IDR4,380.1 bn, 29.1% YoY. Sustained Net Profit of IDR128.7 bn*

PT Indosat Tbk. ("The Company") started its new post-merger journey in 2022 with a solid set of results in the first quarter of 2022, delivering a strong performance, with a 48.0% YoY increase in total revenue to IDR10,872.6 billion. EBITDA of IDR4,380.1 billion or increased by 29.1%, due to the merger. EBITDA margin stood at 40.3% in Q1 2022. Profit for The Period attributable to Owners of The Parent was IDR128.7 billion.

Post-merger, the Company's customer base increased 57.7% to 94.6 million in 1Q 2022. This enlarged subscriber based had only a slight impact to the Average Revenue per User (ARPU) in 1Q 2022 of IDR32.0 thousand, from previously IDR32.7 thousand in 1Q 2021.

The enlarged customer base resulted in strong data traffic growth by 98.5% YoY in 1Q 22, however the Company's network size had also increased with 4G BTS count rising to 120k enabling it to handle the strong rise in traffic.

Financial Highlights



* excluding Right of Use Assets under PSAK 73

On 4th of January 2022, the Company officially formalized its merger with PT Hutchison 3 Indonesia ("H3I") with the signing of the Deed of Merger No.09 dated 4th January 2022. Since the formalization of the merger, the Company has been focused on executing its vision to become the most preferred digital telco in Indonesia.

The focus in the first quarter of 2022 has been on the integration between the two companies to maximize the cost and capex synergies while delivering on the revenue opportunities. The Company's integration has so far been progressing on schedule with milestones being met and delivering synergies ahead of targets.

Both the Company's brands, IM3 and Tri, have been performing well within their respective target segments. This is reflected in both the improved Net Promoter Score (NPS) as well as the Customer Satisfaction Score (CSAT) evidence of growing customer trust in both brands.

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FIRST QUARTER 2022 OPERATING AND FINANCIAL RESULTS

PT Indosat Tbk (the "Company") has released its audited interim consolidated financial statements for the First Quarter 2022 ("1Q 2022"). The audited interim consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards (IFAS).

Audited Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

Key Indicators (in IDR billion)	Quarterly			Quarterly		
	1Q 2022	1Q 2021	Growth %	1Q 2022	4Q 2021	Growth %
Revenues	10,872.6	7,345.3	48.0	10,872.6	8,333.2	30.5
• Cellular	9,378.1	6,045.1	55.1	9,378.1	6,609.3	41.9
• MIDI	1,307.9	1,166.5	12.1	1,307.9	1,572.0	(16.8)
• Fixed Telecom	186.6	133.7	39.5	186.6	151.9	22.8
Expenses	(9,656.7)	(6,416.0)	50.5	(9,656.7)	(6,056.0)	59.5
Operating Profit	1,215.9	929.3	30.8	1,215.9	2,277.2	(46.6)
Other Expenses - Net	(1,053.0)	(629.7)	67.2	(1,053.0)	(692.2)	52.1
Profit for the Period						
Attributable to Owners						
of The Parent	128.7	172.2	(25.2)	128.7	950.7	(86.5)
EBITDA*	4,380.1	3,391.9	29.1	4,380.1	3,496.5	25.3
EBITDA Margin	40.3%	46.2%	(5.9ppt)	40.3%	42.0%	(1.7ppt)

Financial Ratios

	Formula	1Q 2022	1Q 2021
Interest Coverage**	EBITDA/Interest Payment	11.67	8.01
Net Debt to EBITDA***	(Debt - Cash & Cash Equivalent)/Total EBITDA	1.13	1.13

* EBITDA (earnings before interest, taxes, depreciation and amortization) is a non-IFAS measure that management believes is a useful supplemental measure of cash generated prior to debt service, capital expenditures and income tax. Investors are cautioned that EBITDA should not be construed as an alternative to net income determined in accordance with IFAS as an indicator of the Company's performance or to cash flows from operations as a measure of liquidity and cash flows. EBITDA does not have a standardized meaning prescribed by IFAS. The Company's method of calculating EBITDA may differ from the methods used by other companies and, accordingly, it may not be comparable to similarly titled measures used by other companies.

** Calculated using EBITDA and interest payment for the periods ended 31 March 2022 and 2021.

*** Net debt excludes lease liabilities.

AUDITED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenues of IDR10,872.6 billion were recorded for 1Q 2022, an increase of IDR3,527.3 billion or 48.0% higher compared to 1Q 2021. The Company's Cellular, MIDI, and Fixed Telecommunication business each contributed 86.3%, 12.0%, and 1.7%, respectively to the consolidated operating revenues for the period ended 31 March 2022.

- **Cellular Revenues** increased by 55.1% compared to 1Q 2021, attributable to increase in Data revenue and VAS, offsetting decrease in Voice, SMS, and Tower rental revenues.
- **MIDI Revenues** increased by 12.1% compared to 1Q 2021, driven by increase revenue in Fixed Connectivity and Fixed Internet offset by a decrease in IT services.
- **Fixed Telecommunication Revenues** increased by 39.5% compared to 1Q 2021 driven by increase in International Call and Fixed Line revenues.

Expenses of IDR9,656.7 billion were recorded for 1Q 2022, an increase of IDR3,240.7 billion or 50.5% higher compared to 1Q 2021. This increase was mainly due to increase in all expenses as impact from merger of two companies.

- **Cost of Services:** increased by IDR2,171.2 billion or 69.7% higher over 1Q 2021, in line with higher number of sites and higher revenue as impact from merger, which resulted in increased frequency fee, interconnection, maintenance, utilities, rent, leased circuit, USO, and installation costs.
- **Depreciation and Amortization:** increased by IDR814.8 billion or 32.7% higher over 1Q 2021, mainly due to impact of depreciation from additional fixed assets from merger impact and network roll out.
- **Personnel Expenses:** increased by IDR269.7 billion or 59.7% higher over 1Q 2021 mainly due to higher headcount as impact from merger and one-off reversal related with implementation new labor law in 2021.
- **Marketing Expenses:** increased by IDR60.8 billion or 25.9% higher over 1Q 2021, mainly due higher advertising, marketing agency and customer loyalty, offset by lower channel program and subscriber acquisition cost.

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- **General and Administration Expenses:** increased by IDR37.4 billion or 24.7% higher over 1Q 2021 mainly due to higher professional fee and insurance as impact from merger of two companies.
- **Other Operating Income:** increased by IDR113.2 billion or 343.4% higher over 1Q 2021 mainly due to one-offs reversal related with tower sale in 2022 and one-off tax provision in 2021.

Other Expense - net: The Company recorded expense of IDR1,053.0 billion, increased by IDR423.3 billion or 67.2% higher over 1Q 2021. This increase was primarily due to higher finance costs by IDR409.8 billion (mainly from higher finance charges under lease liabilities and higher debt related financing expenses) and lower gain on change in fair value of derivatives - net by IDR27.9 billion, offset by higher interest income by IDR5.7 billion and higher gain on foreign exchange by IDR8.7 billion.

Profit for the Period Attributable to Owners of the Parent: The Company recorded net profit of IDR128.7 billion, decreased by IDR43.5 billion primarily driven by higher operating expense, higher depreciation and amortization, and higher financing cost, as impact from merger of two companies, offset by higher revenue.

AUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Key Indicators (in IDR billion)	1Q 2022	FY 2021	Growth %
ASSETS			
Current Assets	13,480.1	11,499.4	17.2
Non-Current Assets	87,457.2	51,897.7	68.5
TOTAL ASSETS	100,937.3	63,397.1	59.2
LIABILITIES			
Current Liabilities	34,694.0	28,658.1	21.1
Non-Current Liabilities	39,335.5	24,436.2	61.0
TOTAL LIABILITIES	74,029.5	53,094.3	39.4
TOTAL EQUITY	26,907.8	10,302.8	161.2
TOTAL LIABILITIES & EQUITY	100,937.3	63,397.1	59.2

- **Current assets** increased by 17.2% to IDR13,480.1 billion, mainly due to an increase in Prepaid Expense and Account Receivable.
- **Non-current asset** increased by 68.5% to IDR87,457.2 billion, mainly due to higher fixed asset and higher intangible asset impact from merger of two companies.
- **Current liabilities** increased by 21.1% to IDR34,694.0 billion mainly due to higher lease liabilities as impact of reclassification of long-term portion to current portion net with repayment during the period.
- **Non-current liabilities** increased by 61.0% at IDR39,335.5 billion mainly due to higher lease liabilities as impact from additional number of rented sites, higher non-current bonds and loans payables, as impact from merger of two companies.

Cash Flow and Capital Expenditure

Key Indicators (in IDR billion)	1Q 2022	1Q 2021	Growth %
Net Cash Flows Provided by Operating Activities	3,406.6	2,668.4	27.7
Net Cash Flows Used in Investing Activities	(2,282.3)	(2,199.9)	3.7
Net Cash Flows Used in Financing Activities	(1,071.2)	(405.4)	164.2
Net Foreign Exchange Differences from Cash and Cash Equivalents	8.6	36.6	(76.5)
Net Increase in Cash and Cash Equivalents	61.7	99.7	(38.1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,789.0	1,782.2	112.6
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,850.7	1,881.9	104.6

Capex in 1Q 2022 amounted to IDR2,373.7 billion (excluding IDR1,804.7 billion of Right of Use Assets). Approximately 92.0% of the Capex was allocated to cellular, to support data services demand and the remaining balance was allocated to MIDI, infrastructure and IT Capex.

Total outstanding debt: As of 31 March 2022, the Company had total outstanding gross debts (excluding unamortized transaction costs and lease liabilities) of IDR20,694.8 billion. The Company's cash position as at 31 March 2022 stood at IDR3,850.7 billion and net debt is at IDR16,844.1 billion. The composition of the Company's gross debt, excluding lease liabilities, is as follows:

Debt Proportion (Principal amount)	1Q 2022	1Q 2021	Growth %
IDR Loans (billion)	11,148.8	4,181.1	166.6%
IDR Bonds (billion)	9,546.0	11,779.0	(19.0%)

Total maturing debt: in the next twelve months, IDR7.0 trillion of the Company's debt is maturing. The average tenor of debt is 1.97 years as of 31 March 2022.

OPERATIONAL RESULTS

Key Indicators	YoY			Quarterly		
	1Q 2022	1Q 2021	Growth %	1Q 2022	4Q 2021	Growth %
Customers - Postpaid (million)	1.6	1.7	(6.2)	1.6	1.6	0.4
Customers - Prepaid (million)	93.0	58.3	59.6	93.0	61.3	51.7
Customers - Total (million)	94.6	60.0	57.7	94.6	62.9	50.4
ARPU (Postpaid) (IDR thousand)	63.9	82.7	(22.7)	63.9	66.4	(3.7)
ARPU (Prepaid) (IDR thousand)	31.5	31.3	0.7	31.5	34.0	(7.4)
ARPU (Blended) (IDR thousand)	32.0	32.7	(2.1)	32.0	34.8	(8.0)
MoU	12.9	21.8	(41.0)	12.9	17.6	(27.0)
Data Traffic (TB)	2,947,773	1,485,182	98.5	2,947,773	1,871,979	57.5
SMS Traffic (bn)	0.7	1.5	(51.6)	0.7	1.1	(31.9)

The Company ended 1Q 2022 with a total cellular customer base of 94.6 million. 1Q 2022 customer number increased by 34.6 million customers compared with Q1 2021.

Average Revenue per User (ARPU) for cellular customers in Q1 2022 stood at IDR32.0 thousand or IDR0.7 thousand lower compared to Q1 2021.

Average Minutes of Usage (MOU) per customer decreased to 12.9 minutes, a 41.0% decrease compared to Q1 2021 in-line with the industry trend of traditional voice services.

NETWORKS

As of 31 March 2022, the Company has operated ~120K 4G BTS (adding ~54K 4G BTS during the period) and 56 5G BTS.

Key Indicators		YoY		Change
		1Q 2022	1Q 2021	
Base Transceiver Stations (BTS)	2G	48,823	28,143	73.5
	3G	37,520	28,576	31.3
	4G	120,082	66,313	81.1
	5G	56	-	100.0

About Indosat Ooredoo Hutchison

Indosat Ooredoo Hutchison (IDX: ISAT)'s vision is to become the most preferred digital telco of Indonesia. Through its world-class digital telecom services and preeminent network, Indosat Ooredoo Hutchison strives to connect and empower every Indonesian. Jointly controlled by Ooredoo Group and CK Hutchison, Indosat Ooredoo Hutchison was formed through the merger of PT Indosat Tbk and PT Hutchison 3 Indonesia in 2022.

Ticker: **ISAT**; Closing Price: **IDR5,175**; Market Capitalization: **IDR41.7 trillion**; Ratings: **Pefindo idAAA (Stable)**; **Fitch AA(idn) (Stable)**; USD Rate: **IDR14,349**

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**AUDITED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
For The Three Months Ended 31 March 2022 and 2021
(Expressed in Billions of Rupiah)

Description	2022	2021	Growth (%) ⁽¹⁾
REVENUES			
Cellular	9,378.1	6,045.1	55.1
Multimedia, Data Communication, Internet ("MIDI")	1,307.9	1,166.5	12.1
Fixed Telecommunications	186.6	133.7	39.5
TOTAL REVENUES	10,872.6	7,345.3	48.0
(EXPENSES) INCOME			
Cost of Services	(5,286.3)	(3,115.1)	69.7
Depreciation and Amortization	(3,310.3)	(2,495.5)	32.7
Personnel	(721.4)	(451.7)	59.7
Marketing	(296.1)	(235.3)	25.9
General and Administration	(188.7)	(151.3)	24.7
Share of Net (Loss) Profit of Associates and Joint Ventures	(8.3)	4.2	(298.4)
Loss on Foreign Exchange - net	(2.3)	(4.7)	(52.5)
Amortization of Deferred Gain on Sale and Leaseback of Towers	35.9	35.3	1.7
Others - Net	120.8	(1.9)	6,826.3
TOTAL EXPENSES	(9,656.7)	(6,416.0)	50.5
OPERATING PROFIT	1,215.9	929.3	30.8
Interest Income	12.2	6.5	85.5
Gain (Loss) on Foreign Exchange - net	5.2	(3.5)	(247.8)
Gain on Change in Fair Value of Derivatives - net	0.1	28.0	(99.5)
Finance Costs	(1,070.5)	(660.7)	62.0
OTHER EXPENSES - Net	(1,053.0)	(629.7)	67.2
PROFIT BEFORE INCOME TAX	162.9	299.6	(45.6)
INCOME TAX BENEFIT (EXPENSE)	1.3	(96.5)	(101.4)
PROFIT FOR THE PERIOD	164.2	203.1	(19.1)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO :			
OWNERS OF THE PARENT	128.7	172.2	(25.2)
NON-CONTROLLING INTERESTS	35.5	30.9	14.6
TOTAL	164.2	203.1	(19.1)

1) Percentage changes may vary due to rounding.

Disclaimer

This document contains certain financial information and results of operation, and may also contain certain projections, plans, strategies, and objectives of Indosat Ooredoo Hutchison, that are not statements of historical fact which would be treated as forward-looking statements within the meaning of applicable law. Forward looking statements are subject to risks and uncertainties that may cause actual events and Indosat Ooredoo Hutchison's future results to be materially different than expected or indicated by such statements. No assurance can be given that the results anticipated by Indosat Ooredoo Hutchison, or indicated by any such forward looking statements, will be achieved.

The financial information provided herein is based on Indosat Ooredoo Hutchison's consolidated financial statements in accordance with Indonesian Financial Accounting Standards.

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