



# PT Link Net Tbk

## Company Presentation

FY 2019 Presentation

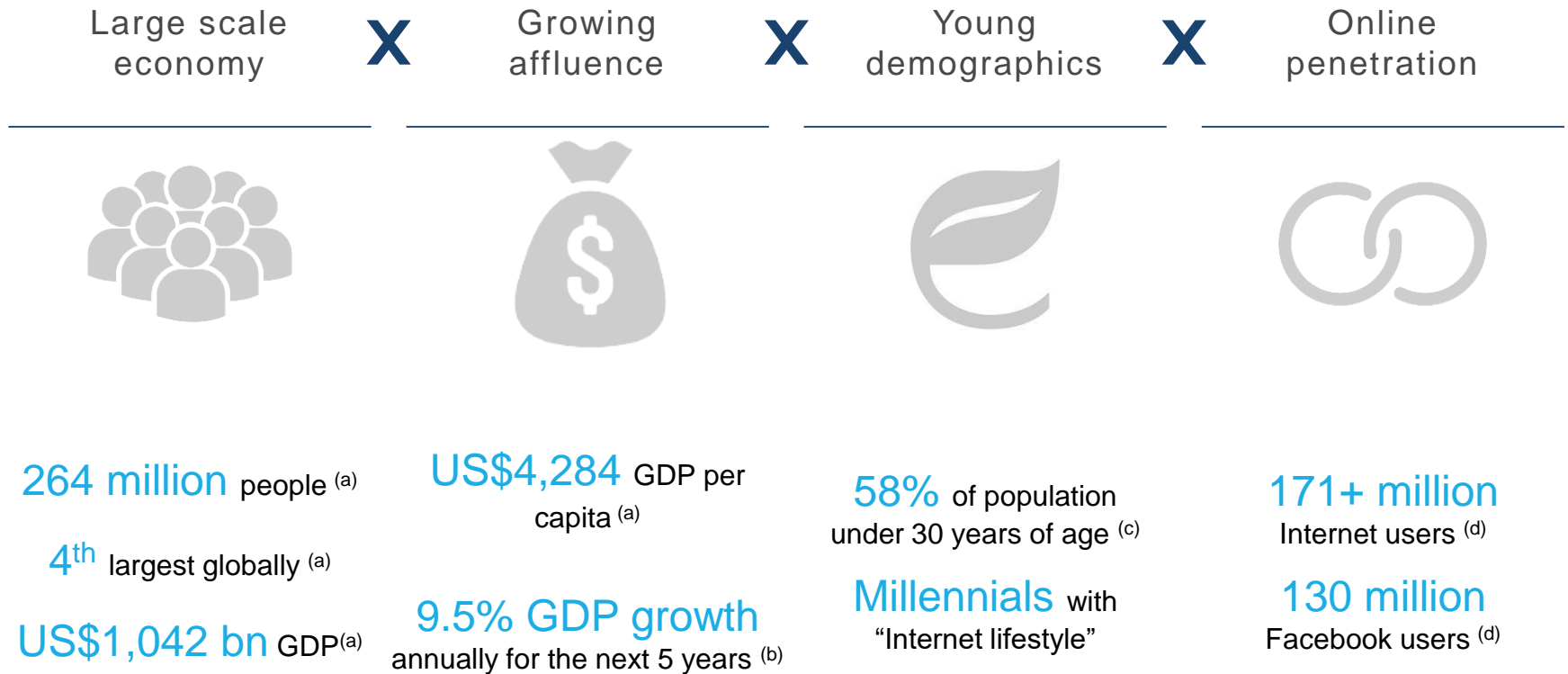


The background features a dark blue field with numerous glowing blue light trails that curve and swirl across the frame. Interspersed among these trails are various hexadecimal characters (0-9, A-F) in a lighter blue, semi-transparent font, creating a digital or data-themed aesthetic.

## Summary of Indonesia

### Key Indicators

# Indonesia Presents a Massive Internet Opportunity



**Indonesia's large and young population base, growing affluence, and expanding Internet user base are driving the future Internet opportunity**

Source:

- a) Trading Economics & World Bank (2018)
- b) Based on 2016-2021 CAGR. Represents nominal GDP Media Partners Asia (2018)
- c) CIA World Fact Book (2018)
- d) Indonesian Internet Network Information (APJII) (2019)

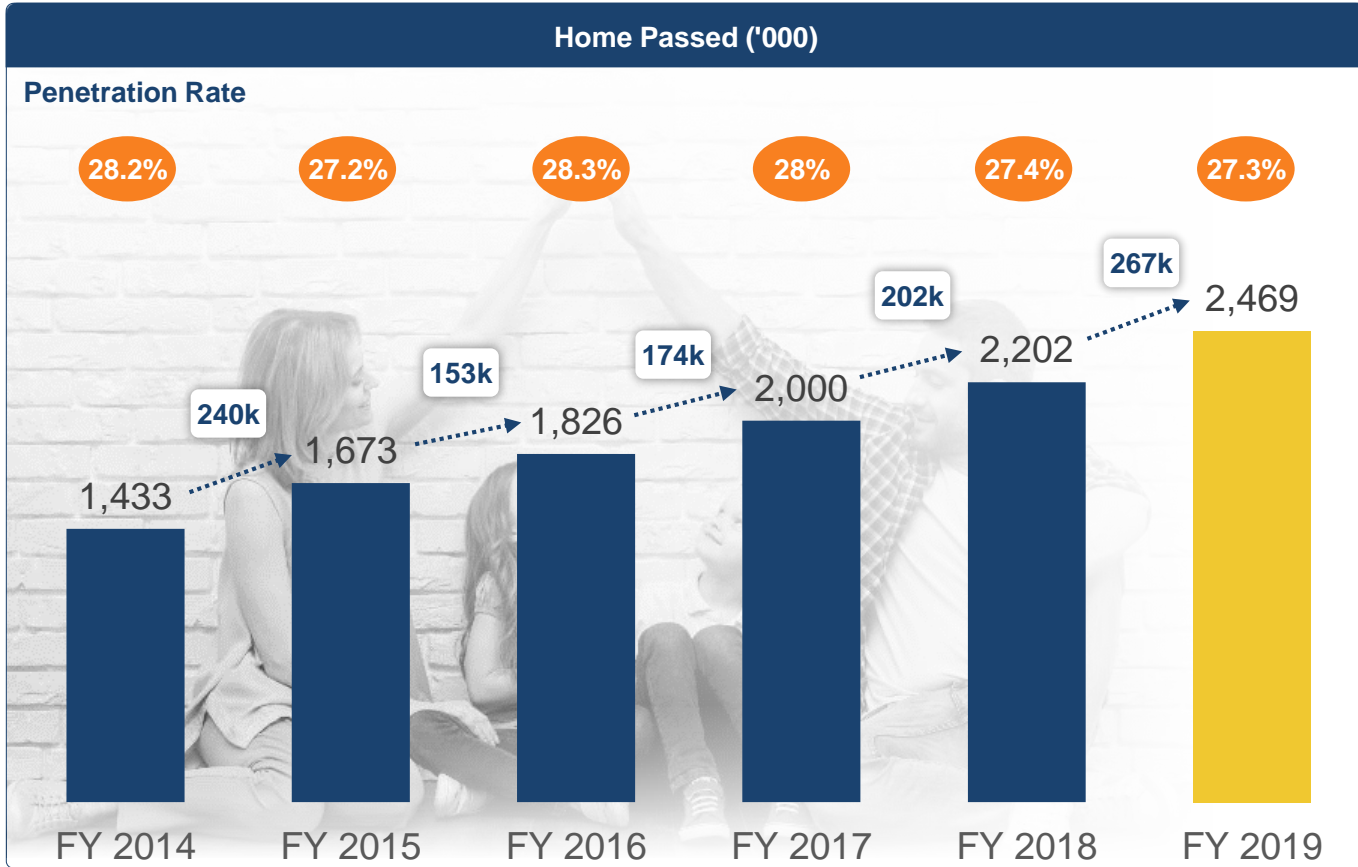
# Network Roll Out





City	HP Built by NRO		LN Portfolio as of FY 2020
	Q4 2019	FY 2019	
Greater Jakarta	26,981	91,877	1,720,541
Serang	1,366	1,366	1,366
Greater Surabaya	2,935	26,339	419,918
Bali	4,806	13,485	13,550
Bandung	5,181	27,616	165,060
Medan	6,341	27,090	47,519
Batam	6,823	28,183	51,788
Solo	5,931	22,907	24,762
Semarang	11,885	28,677	28,679
<b>Total</b>	<b>72,249</b>	<b>267,540</b>	<b>2,469,183</b>





# Link Net – The Gateway to Indonesian Consumer Homes



Note: Company data as of September 2019 unless otherwise stated

a) HSBB refers to High Speed Broadband which is a fixed network capable of providing internet speeds of at least 4Mbps

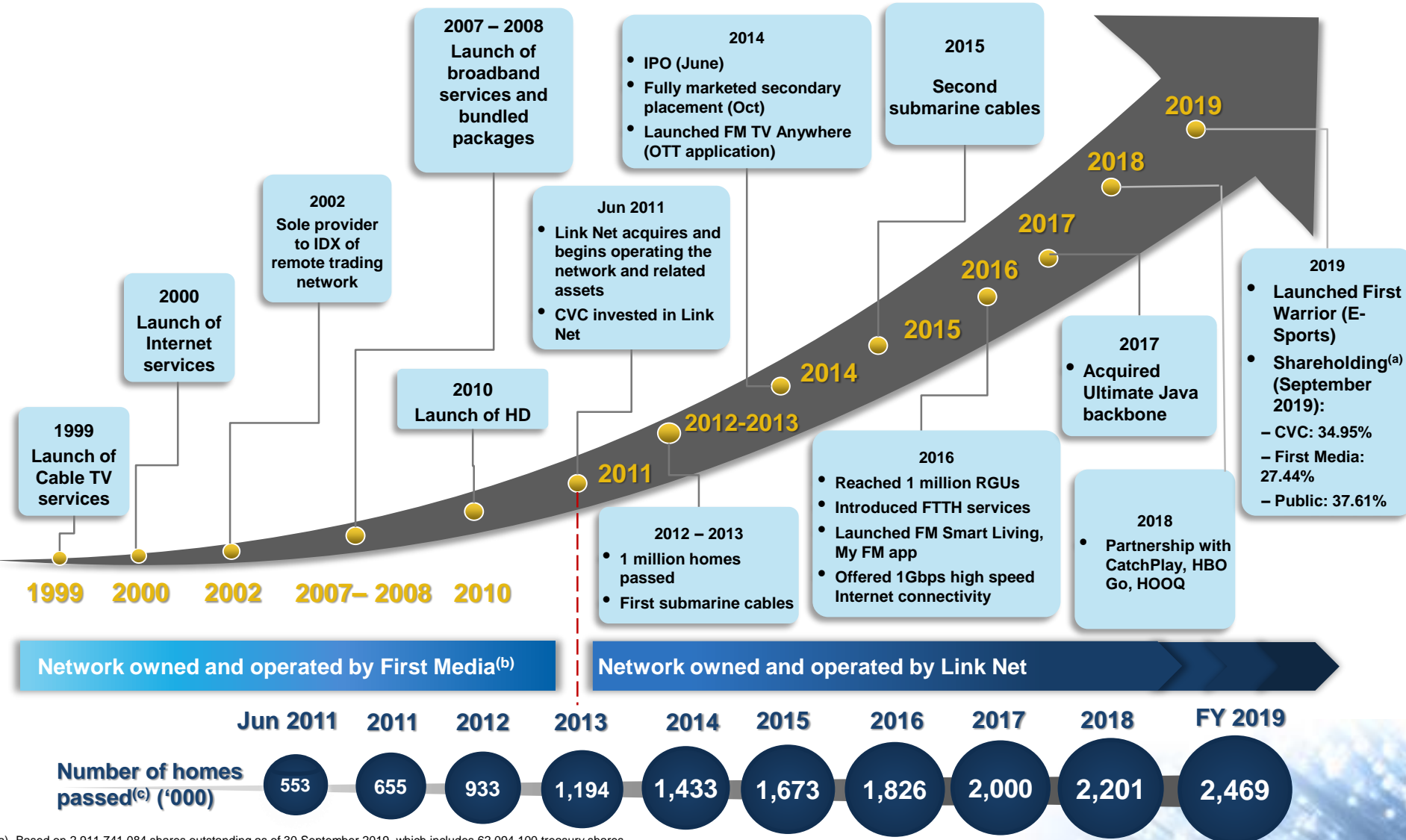
b) Source: 2018 Media Partners Asia. Link Net is a leading HSBB provider in Indonesia in terms of subscriber market share as of 30 June 2018 according to Media Partners Asia

c) 7.3m addressable homes – According to, and based on addressable market of Upper 1, Upper 2 and Middle 1 SEC households, as defined by, Nielsen (2Q17 definition of SEC classification) – For Greater Jakarta, Greater Bandung, Greater Surabaya (Includes Malang) and Medan. Nielsen reports based on number of people aged 10 and above. Addressable homes or households is derived by assuming each home or household has 4 people each

d) Revenue CAGR over 9M14 to 9M19

e) EBITDA is a non-GAAP financial measure of the Company's performance and should not be considered as an alternative to performance measures derived in accordance with IFAS. Other companies may calculate this non-GAAP measure differently which limits its usefulness as a comparative measure. EBITDA margin is defined as EBITDA divided by revenue

# Corporate Milestones



**2007 – 2008**  
Launch of broadband services and bundled packages

**2014**

- IPO (June)
- Fully marketed secondary placement (Oct)
- Launched FM TV Anywhere (OTT application)

**2015**  
Second submarine cables

**2002**  
Sole provider to IDX of remote trading network

**Jun 2011**

- Link Net acquires and begins operating the network and related assets
- CVC invested in Link Net

**2000**  
Launch of Internet services

**2010**  
Launch of HD

**1999**  
Launch of Cable TV services

**2016**

- Reached 1 million RGUs
- Introduced FTTH services
- Launched FM Smart Living, My FM app
- Offered 1Gbps high speed Internet connectivity

**2012 – 2013**

- 1 million homes passed
- First submarine cables

**2017**  
Acquired Ultimate Java backbone

**2018**  
Partnership with CatchPlay, HBO Go, HOOQ

**2019**

- Launched First Warrior (E-Sports)
- Shareholding<sup>(a)</sup> (September 2019):
  - CVC: 34.95%
  - First Media: 27.44%
  - Public: 37.61%

a) Based on 2,911,741,084 shares outstanding as of 30 September 2019, which includes 62,094,100 treasury shares  
 b) The Company acquired certain assets, liabilities and rights of use relating to the Network from PT First Media Tbk ("First Media") in June 2011 and commenced its current broadband and cable TV business thereafter. As of 30 September 2019, First Media held 27.4% of the outstanding shares of Link Net  
 c) Number of homes passed are as at the end date for each period



# Sales Strategy



# Subscriber Acquisition Strategy

**Locality  
Promo**



**Promotions Tailored to any Location Leading to Higher  
Subscriber Acquisition**

**Network  
Extension**



**Maximizing Return on Investment through Strategic  
Network Extension**

**Account  
ID's**



**Identifying Leads in Link Net's Existing Network**

**SMB  
Ruko**



**Targeting Small & Medium Enterprise Businesses**

**First  
Squad**



**Frequent Branded Events**



## Content

- Most Channels & Highest number of HD channels of any provider in Indonesia (212 Channels, 89 HD)
- OTT (Catchplay, HBO GO) and more to come



## Product

- Digital Set-Top Box X1 – Providing customers with an interactive smart TV experience
- FMx – TV anywhere application allowing our customers to view our channels on the go
- SuperWifi – Mesh Wifi router providing best coverage and throughput in customer house.



## Quality of Service

- SLA (3 – 4 hour to respond to network issues)
- 24 Hour Call Centers
- Dedicated Lines to Premium Customers



## Superior Network Quality

- Upgrading & maintaining our network
- Implementation of CNH (Customer Network Health Status), a system that monitors the general health of our Network
- 20 years of Experience in Network Architecture



**Indonesia Content Marketing Award 2018 & 2019**  
 The Best Content Marketing Implementation in Office Equipment/IT/Telecommunication for Owned Media Category from Grid Story Factory & Grid Voice (Kompas Gramedia Group)



**Service Quality Award 2018 & 2019**  
 Diamond Award for ISP for Corporate Customers Category from Service Excellence Magazine and Carre-CCSL



**Contact Center Service Excellence Award 2018**  
 Excellence (First Rank) for Internet Service Provider Category from Service Excellence Magazine and Carre-SQM



**Indonesia WOW Brand 2018 & 2019**  
 Pay TV Category from MarkPlus, Inc



**Indonesia's Top 100 Most Valuable Brand 2018 & 2019**  
 Indonesia's Top 100 Most Valuable Brand from SWA and Brand Finance Indonesia



**Social Media Award 2018**  
 Pay TV Category from Marketing Magazine and Sosial MediaWave



**50 Best of the Best Companies 2017 & 2018**  
 from Forbes Indonesia



**Mobile DNA Award 2018**  
 Network Category with Subcategory Provider Internet Broadband from MarkPlus, Inc




**Indonesia Best Public Companies 2018**  
 Indonesia Fastest Growing New Public Company 2018 : Trade, Service & Investment Category from Warta Ekonomi




**Indonesia Most Innovative Business Award 2017 & 2018**  
 Advertising, Printing, and Media Category from Warta Ekonomi

# ...with high barriers to entry


## High barriers to entry from...

- 
**Access to Existing Subscribers:** Existing subscribers reluctant to provide access for new cable laying, which would result in disruptions and a high degree of inconvenience

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- 
**Financial Capability:** Able to invest in significant capital expenditure to improve existing network and support future expansion plans

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- 
**Strong Brand and Customer Base:** Established position and significant market share results in attractive economies of scale in the long run

## Link Net business profiles



### Geographic focus

**Urban areas**  
with high population density and GDP concentration (2.47m homes passed)



### Product focus

Superior **fixed broadband and pay TV** offerings



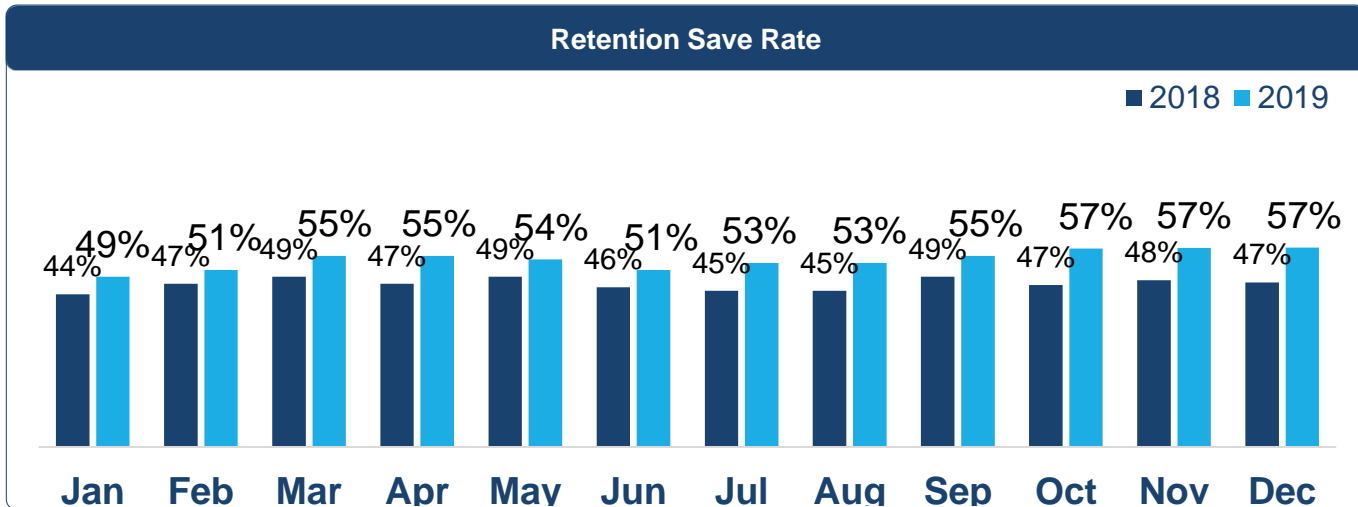
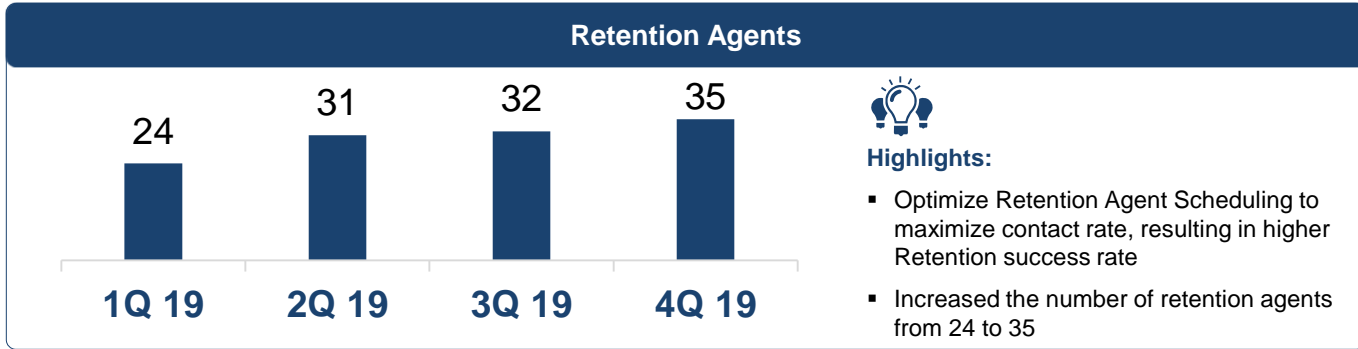
### Demographic focus

**Affluent households**  
Upper 1, Upper 2 & Middle 1<sup>(a)</sup>

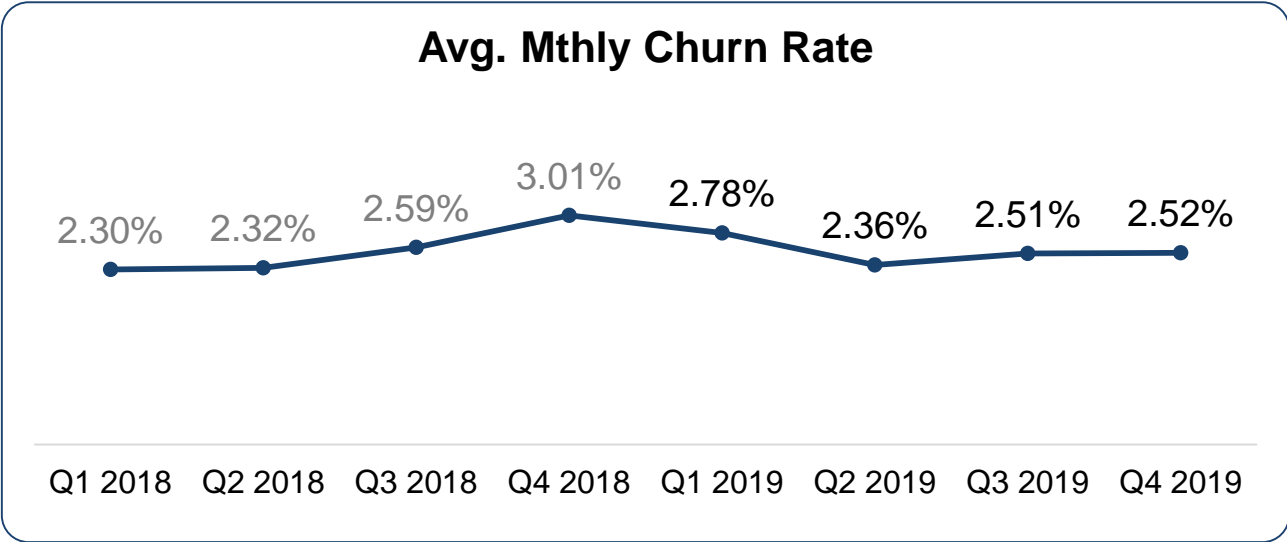


Source: 2017 Media Partners Asia unless otherwise stated

According to, and based on addressable market of Upper 1, Upper 2 and Middle 1 SEC households as defined by, Nielsen (2Q17 definition of SEC classification)

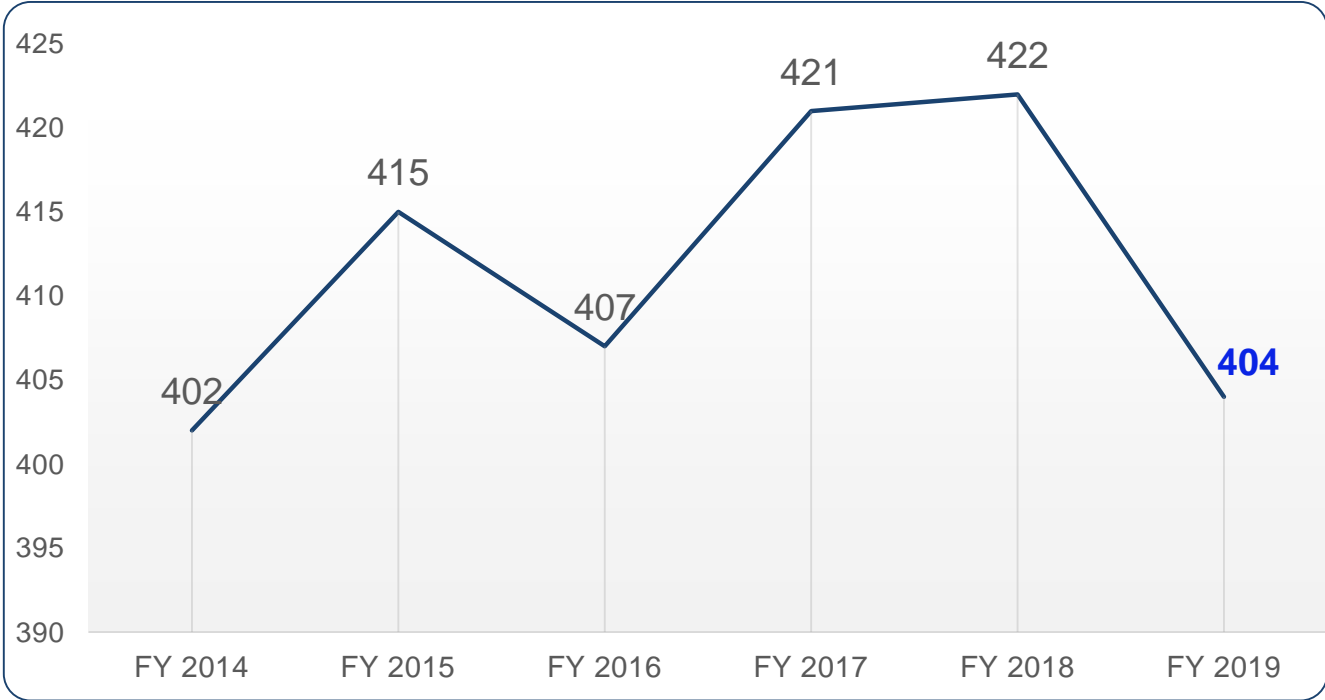


Increasing the number of retention agents & optimizing working hours to better match our customers schedule has been effective at managing churn



# ARPU (Rp '000)

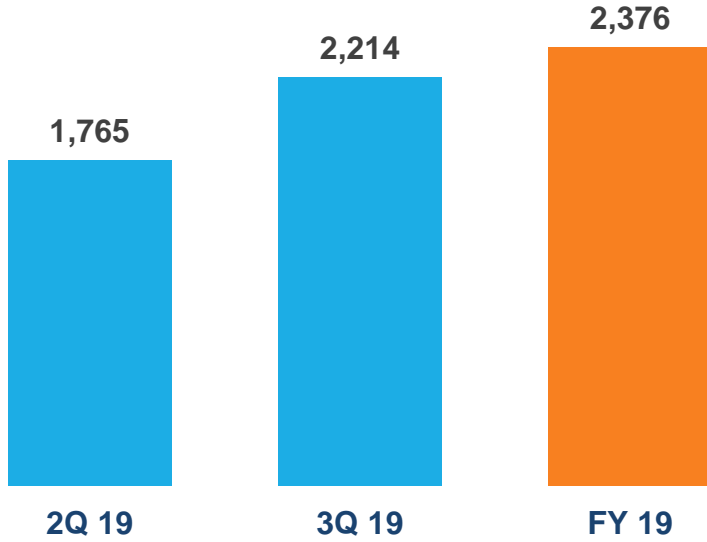
Maintained ARPU at around Rp 400K; as expected to be lower, aiming at subs growth and larger market share expanding into secondary cities.



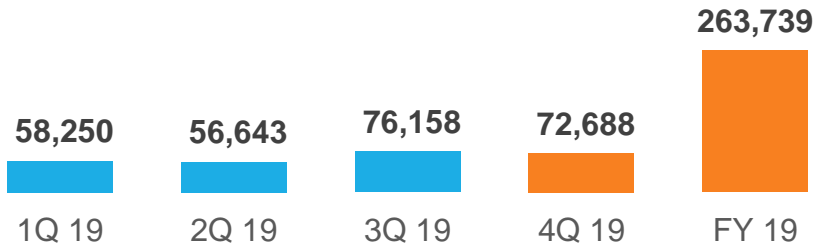


# Subscriber Additions

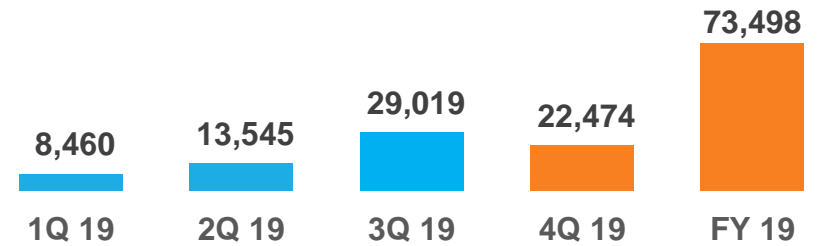
Sales Force Employees



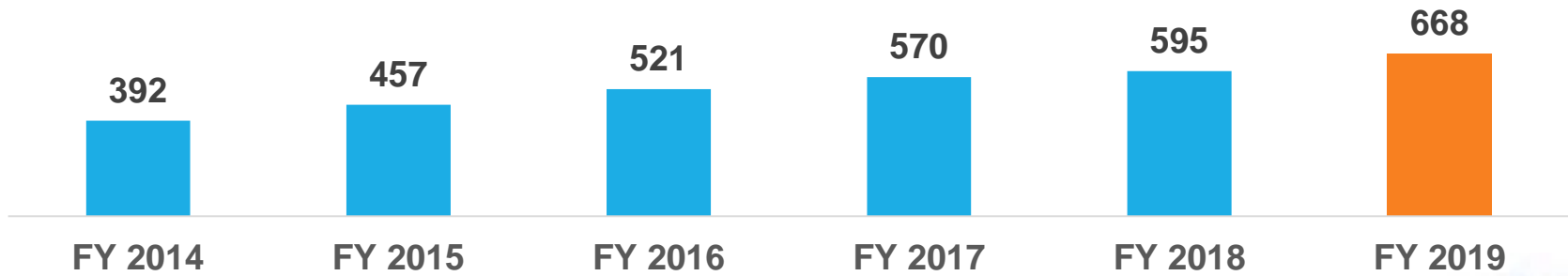
Gross Subscriber Addition



Net Subscriber Addition



Total Subscribers



# Enterprise Business



# Leading Connectivity and ICT Solutions

**Industry Focus**

The diagram illustrates LinkNet's industry focus. At the center is a grey circle with the LinkNet logo. Six surrounding circles, each with a different color and a dotted border, represent different industry segments. Bidirectional arrows connect the central LinkNet circle to each of these segments: Government & Public Services (dark blue), Wholesale & E-Commerce (light blue), Financial Services (orange), Hospitality, Education & Media (grey), General Business (yellow), and Energy & Resources (red).

**Recent initiatives**

- **Segment Dedicated Sales Teams**
  - Focus on Specific Industry segment & Key Accounts which put Attention on digital transformation.
- **Link Net Provide End to End Enterprise Solutions : Connectivity & ICT Solution**
  - LinkNet can be a Partner for Digital Transformation or Industry 4.0

## Our Services : Expand from Core Connectivity Provider to Industry Solution

### Connectivity



Lease Line



IPLC



DWDM



VSAT

### Internet & TV



HDIPA



IP transit



BoD



TV

### Managed Service



Re-Sell Equipment



Managed Wifi



Engineer Support

### Value Added



Data Center



Cloud Services



Voice Solution

### Industry Solution



First Klaz



Hospitality



Remote Solution

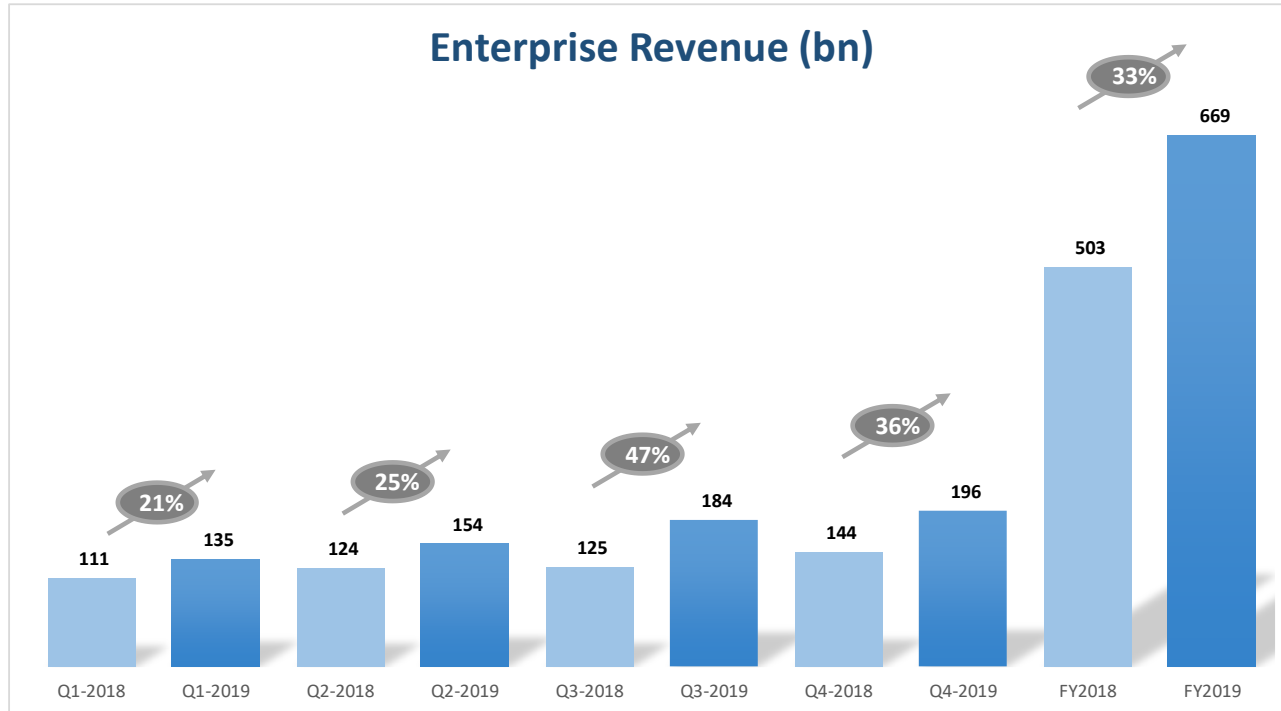
# Key Customers in Focus Industry Segments

- LinkNet is proven to be a Reliable and Trusted Connectivity Provider**, Our strong presence in Indonesia Stock Exchange, Financial Industry and Main Partner in Digital business, where exposure is high
- We leverage our presence in Key Account Customers and Acquire New Major Clients in the Industry which will expose LinkNet brand.

Financial Sector Industry (FSI)		Digital business / e-commerce		
Media		Hospitality		Energy & Resources
				Government

Note:  
 (a) Refers to mission critical customers like IDX. For normal enterprise customers, redundancy is c.99.8%  
 ★ Sole provider to IDX's capital markets integrated network since 2002

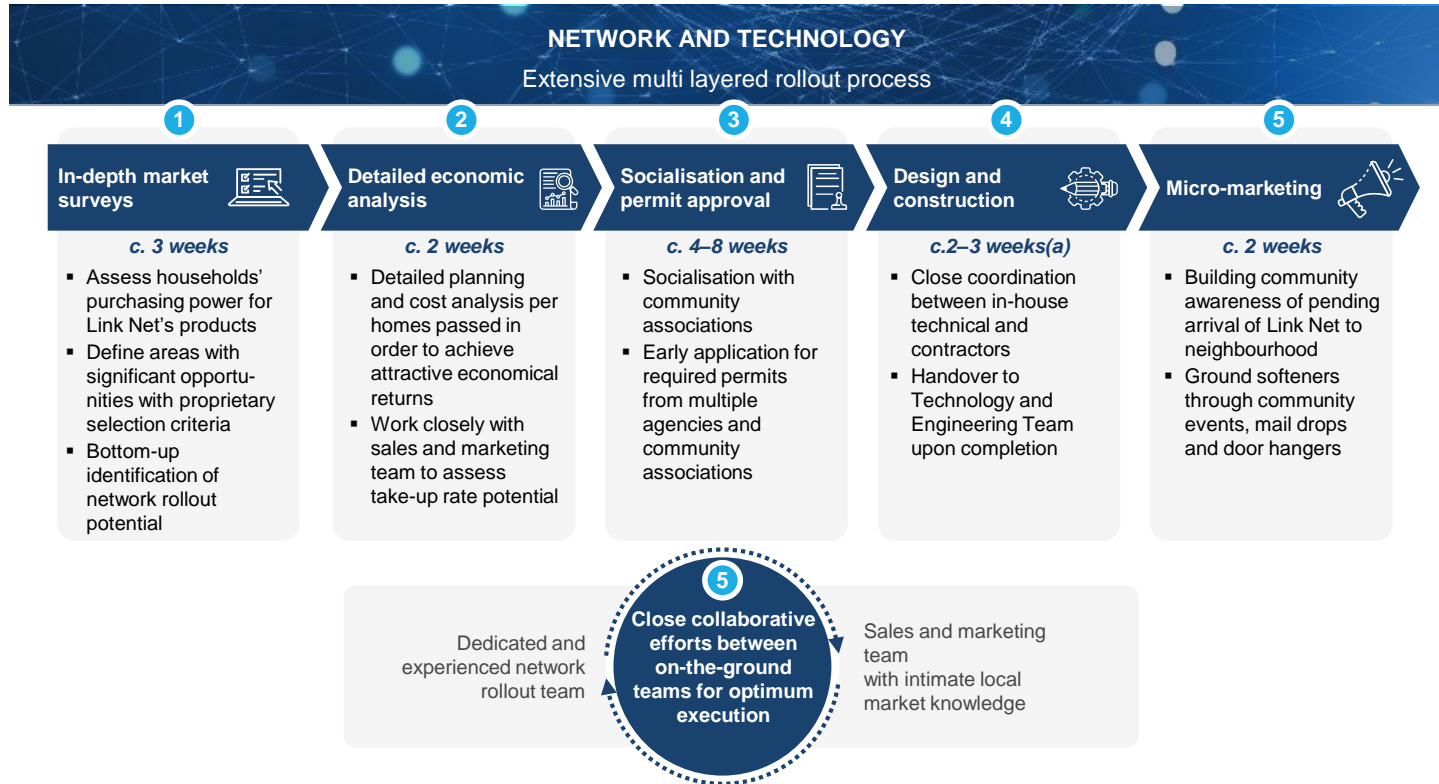
## Enterprise Performance (bn)



Normalized Revenue- excluding Revenue derived from Internux

# Network Expansion Strategy

# Proven and Structured Approach to Network Build-Out



Ability to effectively manage a time-consuming, multi-layered rollout process, difficult for competitors to replicate.

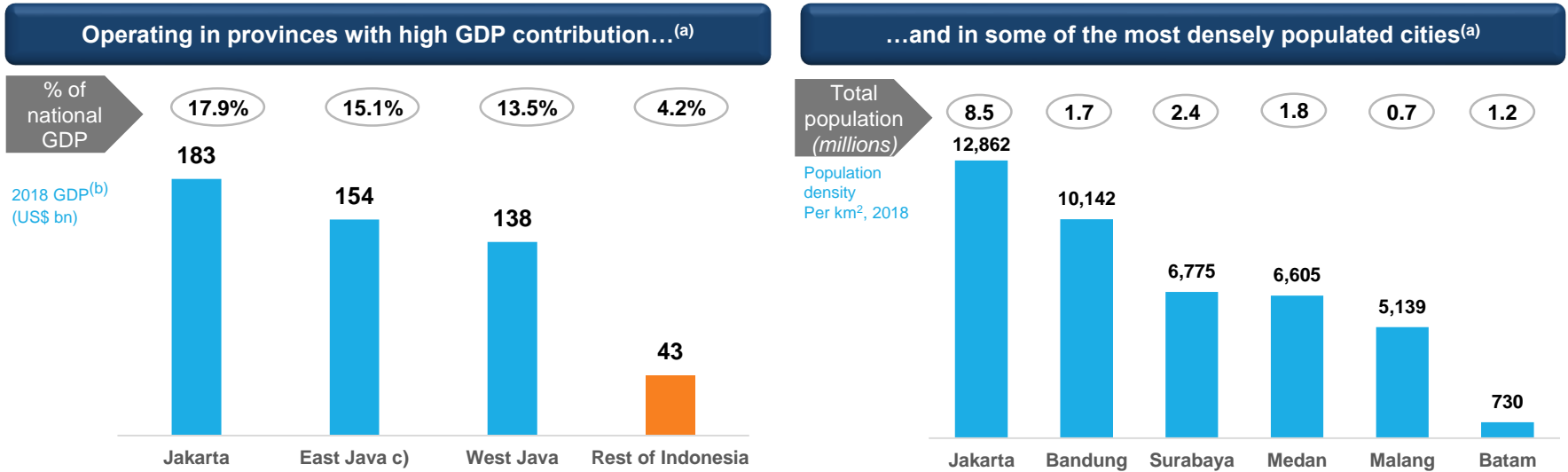
Note: (a) Assuming aerial network rollout. Design and construction take 4 to 6 weeks if underground rollout.



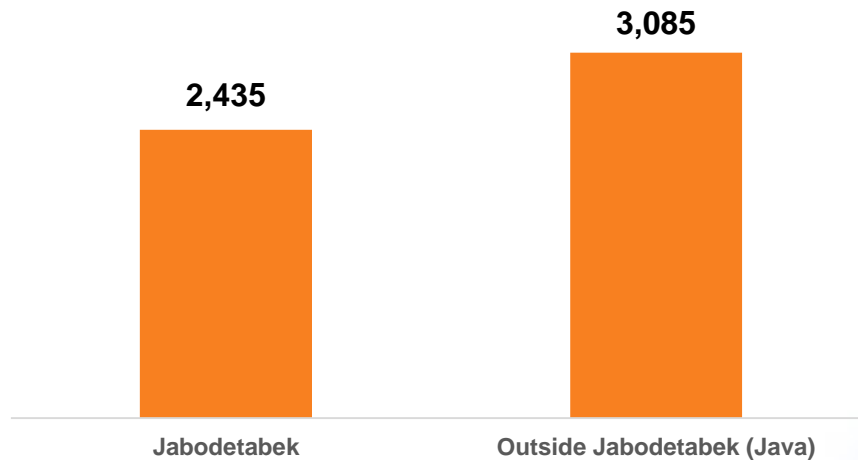
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## High Speed Broadband & PayTV Growth

# 1 Link Net – Leading HSBB Provider of Scale and Operating in Some of the Most Attractive Metropolitan Areas of Indonesia...



## Total Addressable Homes in Java<sup>(e)</sup>

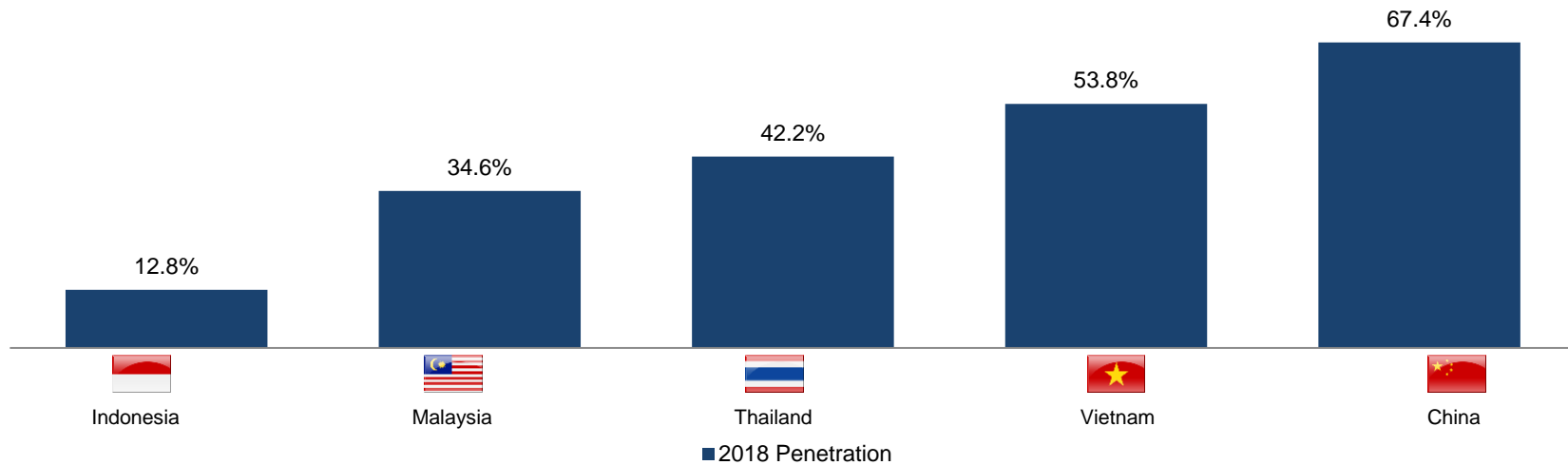


a) Badan Pusat Statistik ("BPS") (2018)  
 b) GDP assumes the average USD/IDR exchange rate of 14,200  
 c) Key cities in East Java include Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo, Lamongan and in West Java includes Bandung  
 d) Rest of Indonesia figure is the average of the remaining top 9 provinces as per BPS excluding Jakarta, East Java and West Java  
 e) Company data  
 f) Potential of 6.6 million homes in middle class in selected Java island

# Indonesia fixed broadband is significantly underpenetrated

Fixed broadband penetration rate of key comparable countries

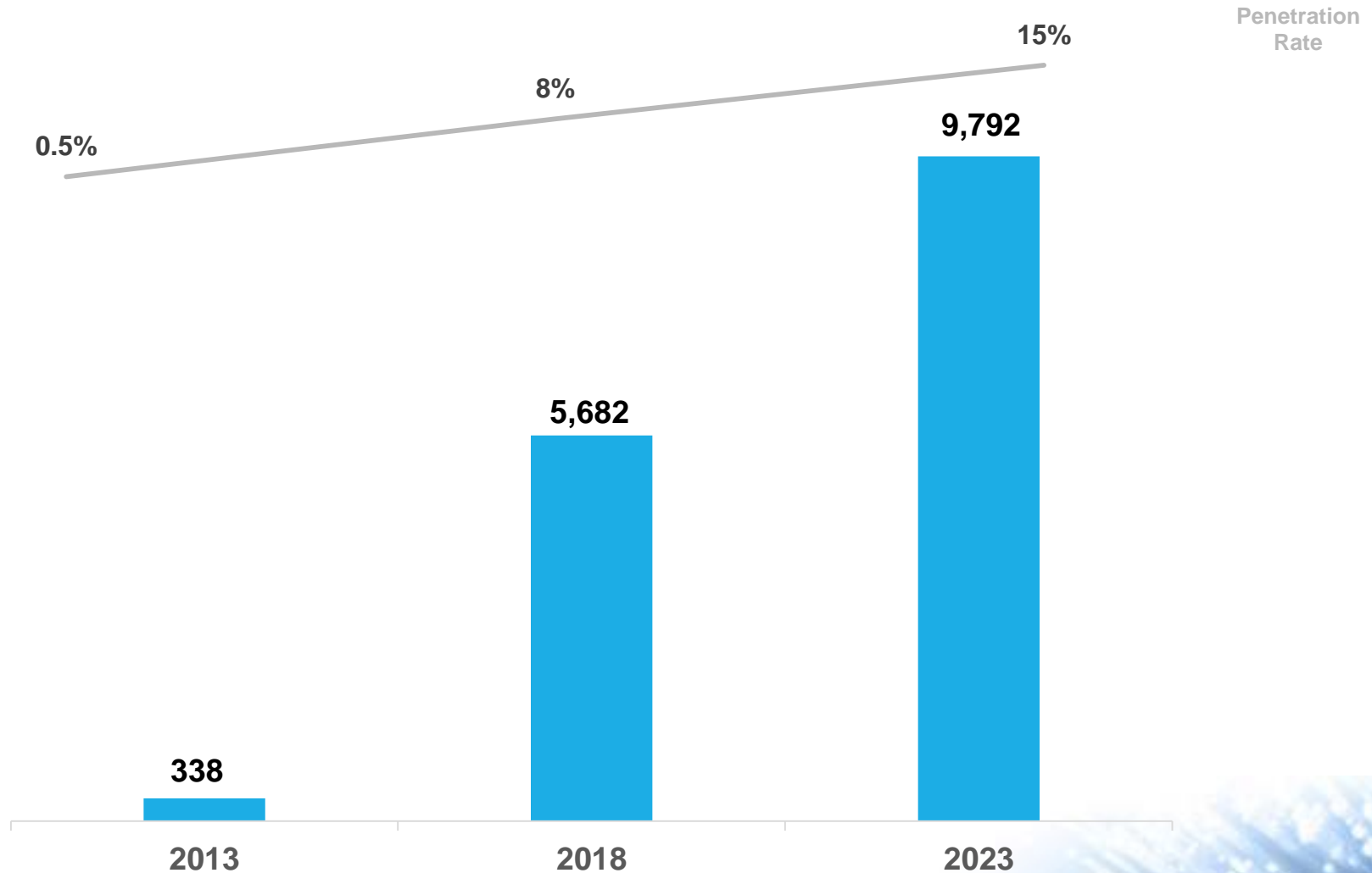
## 2018 Broadband Penetration



Despite the increasing demand for connectivity, fixed broadband penetration in Indonesia remains one of the lowest in the region, providing ample room for industry growth.

Source: Media Partners Asia (2018), .

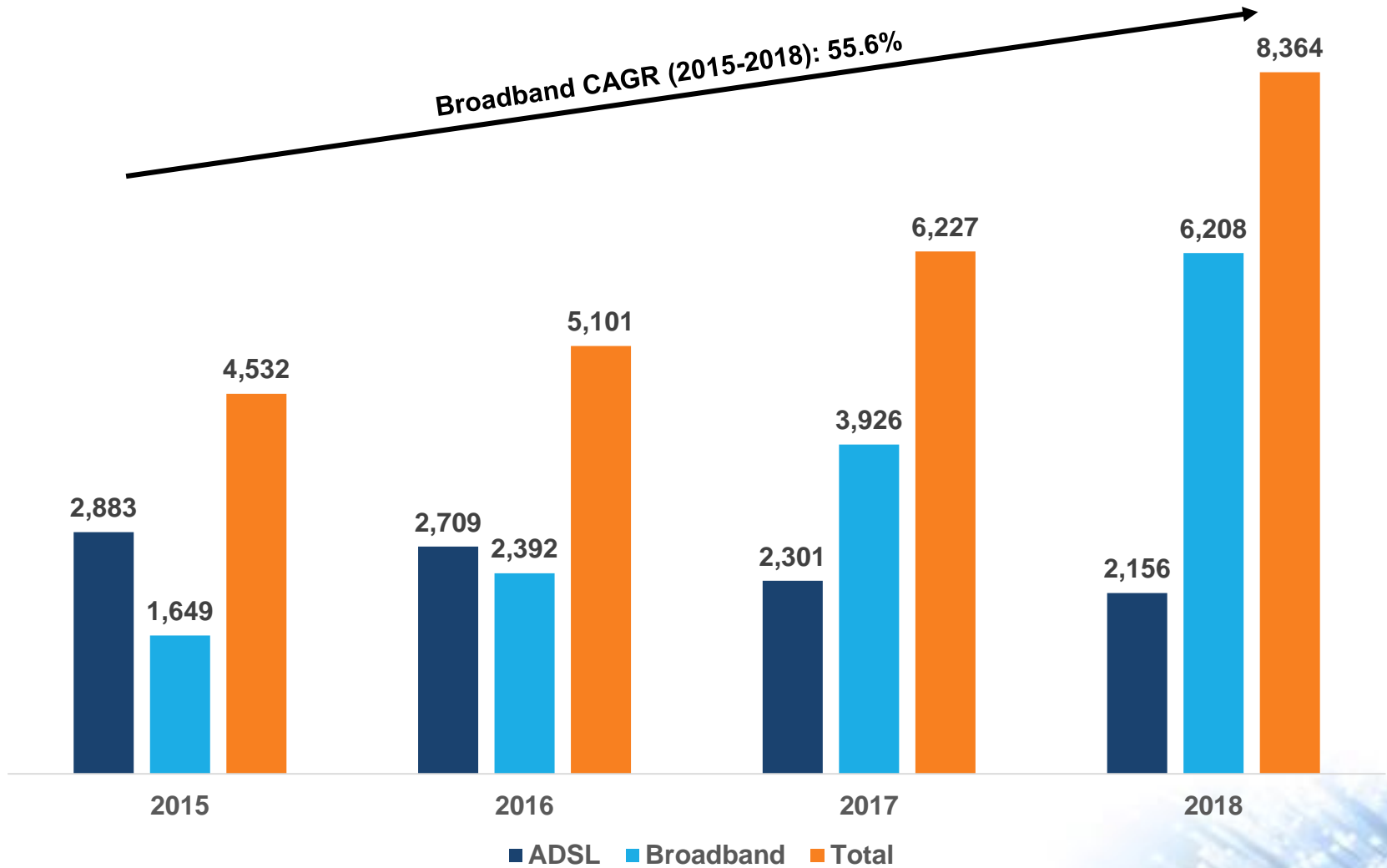
# High Speed Broadband (FTTH & HFC) Penetration Growth in Indonesia



Source: Media Partner Asia 2018

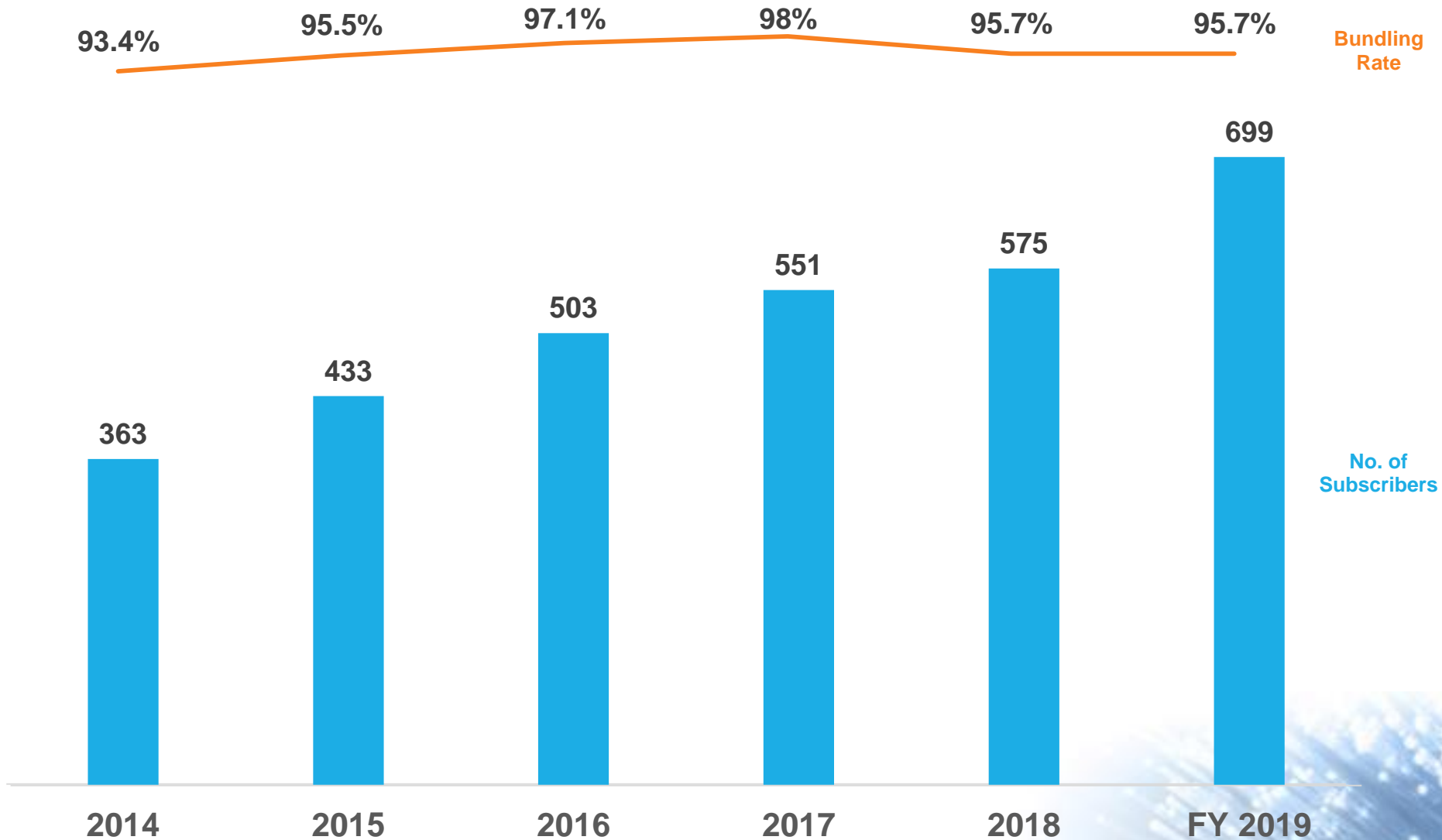
Note: Penetration Rate is calculated by dividing Total FTTH+Cable / Total Households in Indonesia (~ 67mn)

# Fixed Broadband Penetration Growth in Indonesia



Source: Media Partners Asia (2018), Mandiri Sekuritas Research (2019).

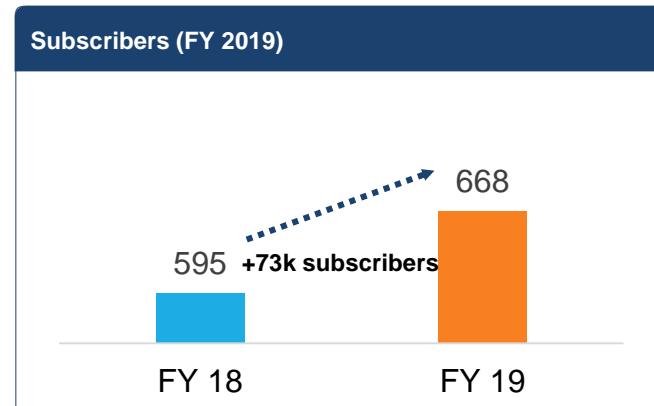
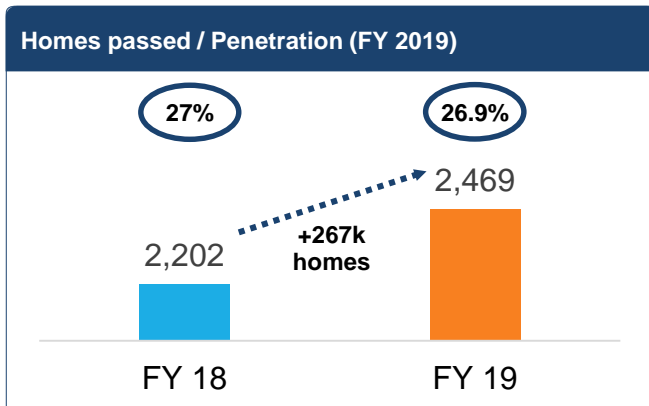
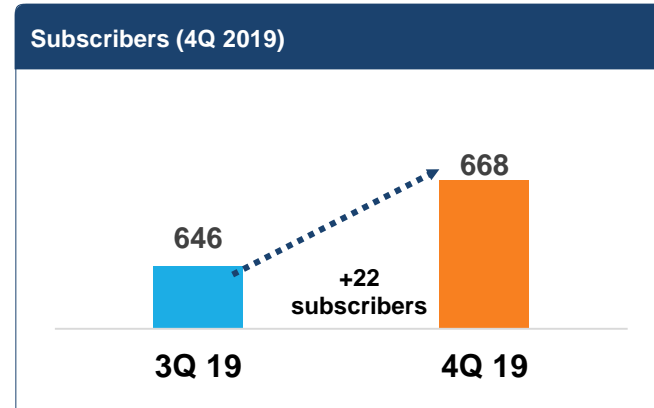
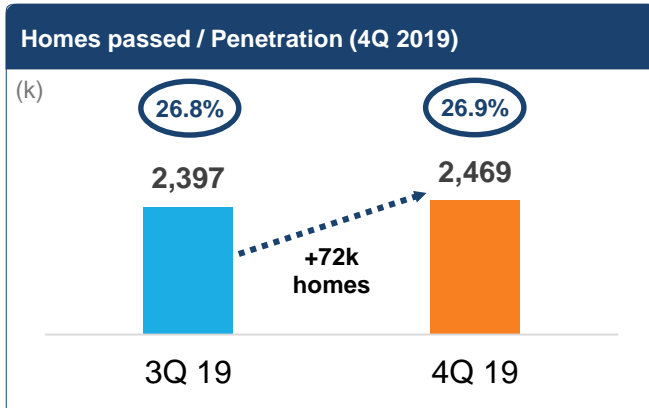
# Link Net Cable TV Growth



# Financials & Operational KPI's

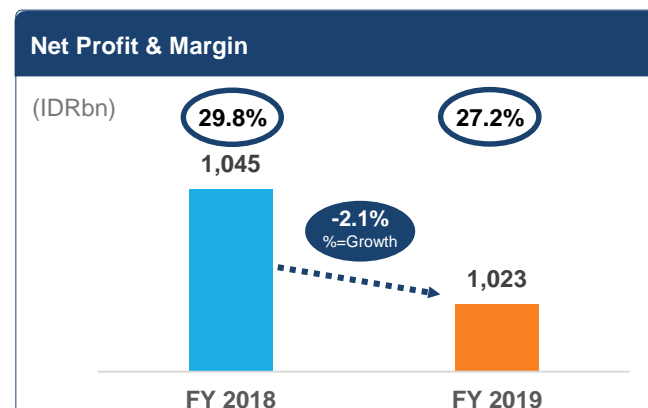
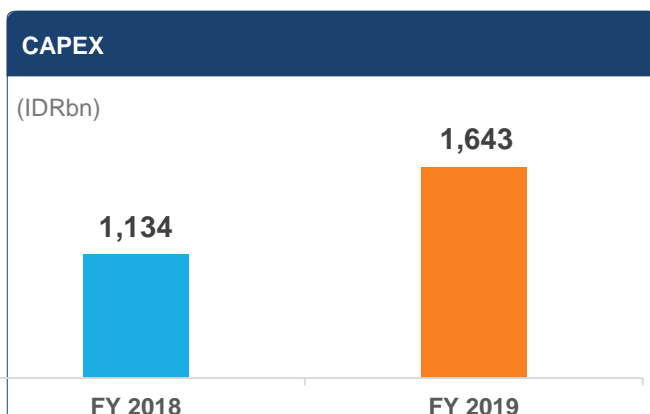
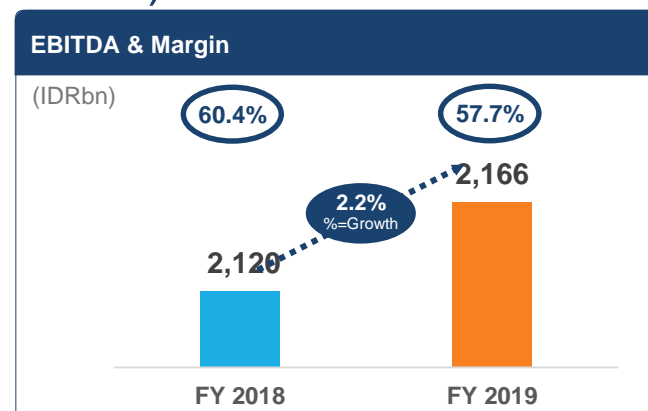
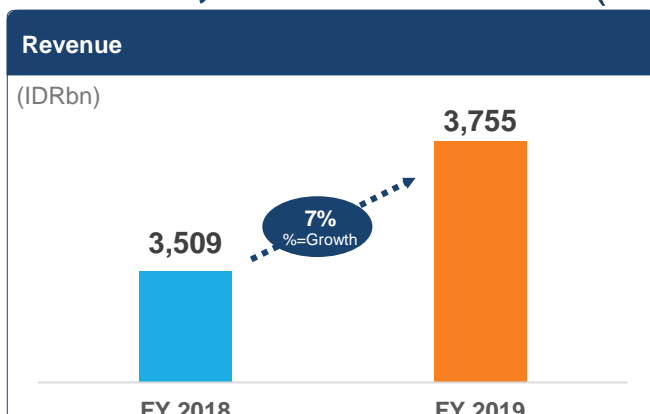


# Operational Highlights 4Q & FY 2019





## FY 2019 Financial Highlights – Revenue, EBITDA, and Net Profit (in IDR bn)



# Aggressive Share Buy-Back & Sector Leading Dividend Yield



## Share Buy-Back

### 1 Shareholders Approved Cancellation of Treasury Shares in July: 48,545,600

- Total issued capital post-cancellation: 2,863,195,484
- Issued Shares prior to Cancellation: 2,911,741,084

### 2 Buyback Mandates:

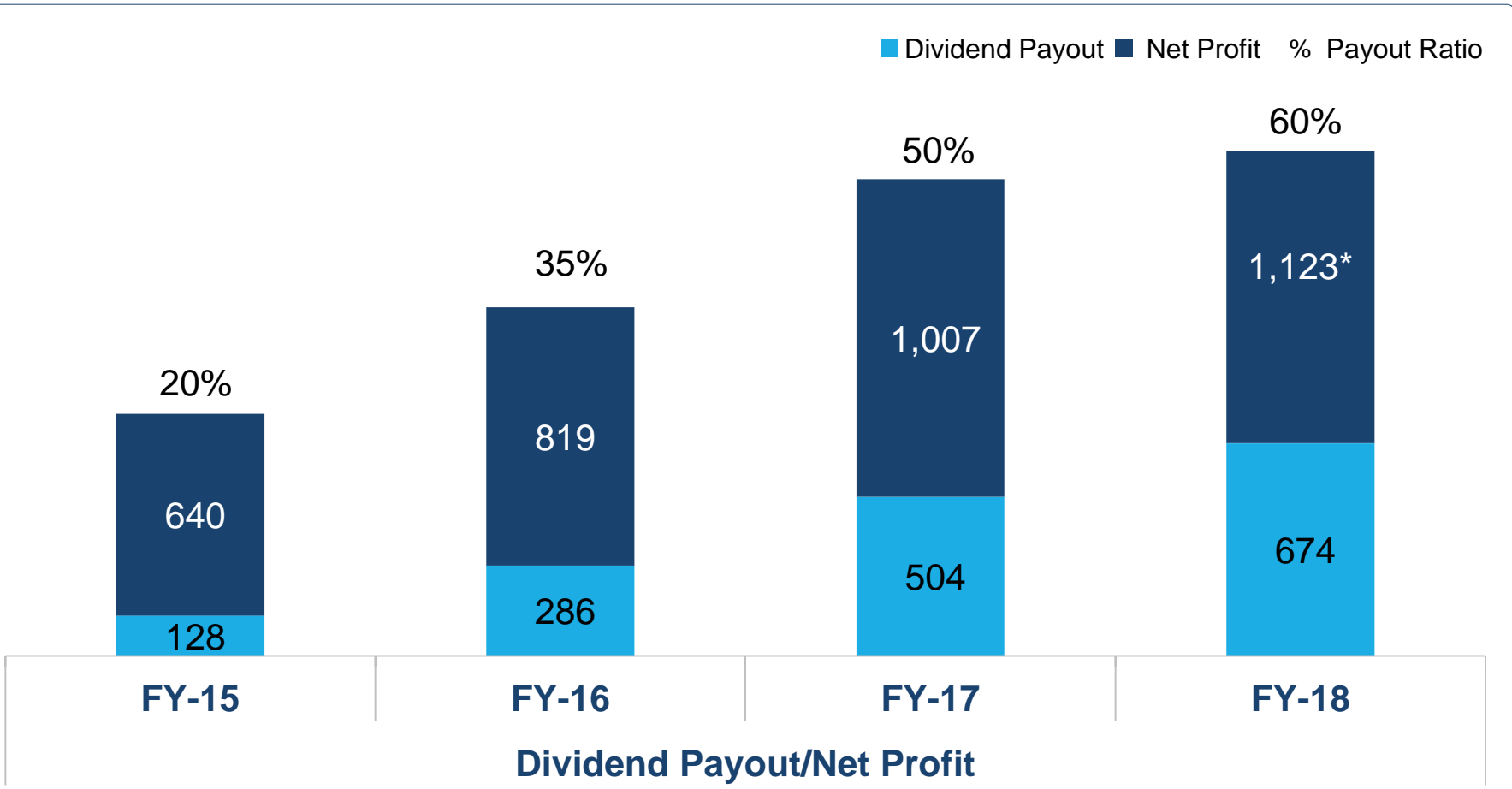
- Maximum of 75,146,002, up until July 2020
- Approved New Buy-Back 211,173,546 until February 2021
- Total Buy-Back Mandate: 286,319,548

### 3 Price Limit of all Buy-Backs Rp6,000 Per-Share



Period	Amount (Rp)	Unit	Average Price
19-Mar	13,863,962,000	3,146,900	4,352
19-Apr	27,446,638,000	6,378,500	4,331
19-May	62,660,417,000	15,170,200	4,121
19-Jun	23,488,797,000	5,600,000	4,221
19-Jul	32,558,830,000	7,623,800	4,263
19-Aug	56,733,881,000	13,698,100	4,160
19-Sep	45,853,438,000	11,425,500	4,012
19-Oct	24,182,866,000	5,745,500	4,209
19-Nov	7,097,498,000	1,665,500	4,302
19-Dec	15,682,477,000	3,878,600	4,057
20-Jan	45,625,050,000	12,078,000	3,790
20-Feb	99,547,016,000	27,794,100	3,596
20-Mar	159,998,813,000	45,955,400	3,478
<b>Total BuyBack</b>	<b>614,739,683,000</b>	<b>160,160,100</b>	<b>4,069</b>

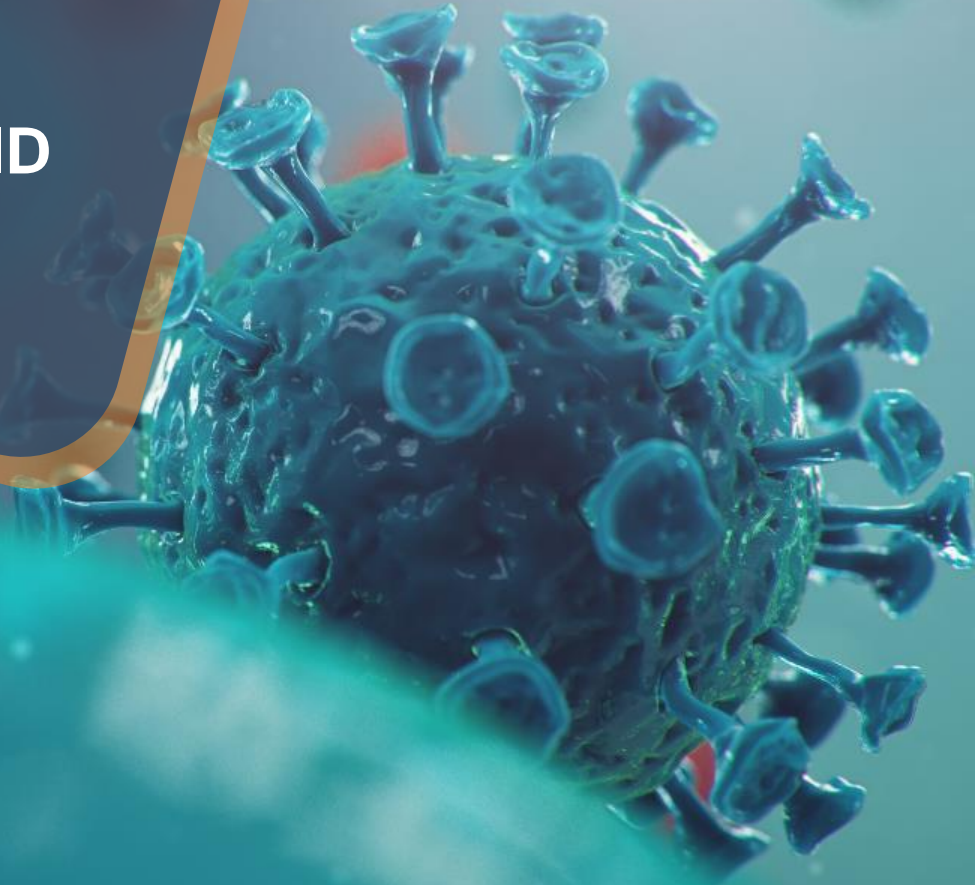
# Dividend Payout IDR bn



Based on current share price of 4,100 and issued capital of 2,863,195,484. Link Net offers a yield of 5.5% assuming FY18 DPS

\* Normalized Net Profit is without Provisions

# CSR – COVID





## First Media supports activities & productivity of Indonesian Families

Providing **Unlimited High Speed** Broadband internet & **Variety** of TV cable's content



# CSR Programs

Appreciation & Encouragement to Medical Workers



# CSR Programs

## Appreciation & Encouragement to Medical Workers



Provide **63.500** multivitamin Pharmaton Formula capsules, donated to **4** referral hospitals for the case of COVID-19



**RS Pelni  
Petamburan  
8 Apr 2020**



**RS Mitra  
Keluarga  
Jatiasih  
8 Apr 2020**



**RSUP  
Fatmawati  
9 Apr  
2020**



**RS Siloam  
Kelapa Dua  
9 Apr  
2020**



## Strive to Maintain Service Quality

Strongly encourage customers to utilize more **the self-care digital tools** for customers' ease & convenience.



My FirstMedia App



Cek.firstmedia.com

### ENABLE TO DO:

- **Digital troubleshooting:** reset STB/modem, online booking technician visit schedule
- **Customer Inquiry**
- **Billing information** checking and online **payment**
- **Service upgrade:** add internet speed or TV packs
- Claim **Loyalty First Rewards**

Continue **innovating** new products & value-added services



# Appendix

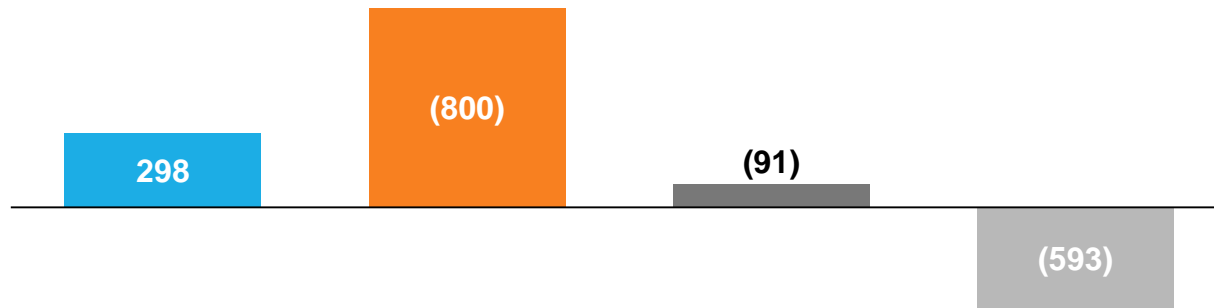
## Link Net KPI's

Keys Operational Driver	2018	2019	Q1-2020	YoY Growth 2018-2019
<b>Homes Passed :</b>				
Beginning Balance	2,000,498	2,201,719	2,468,639	
Addition	201,221	266,920	73,629	32.7%
Ending Balance	2,201,719	2,468,639	2,542,268	12.1%
<b>Subscribers CATV:</b>				
Beginning Balance	550,909	575,097	645,110	
Ending Balance	575,097	645,110	674,958	12.2%
<b>Subscribers BB :</b>				
Beginning Balance	570,158	594,707	668,205	
Ending Balance	594,707	668,205	699,962	12.4%
<b>Bundled %</b>	<b>95.7%</b>	<b>95.2%</b>	<b>95.5%</b>	
<b>Net Adds (*) :</b>	<b>24,549</b>	<b>73,498</b>	<b>31,757</b>	<b>199.4%</b>
<b>ARPU :</b>				
Blended ARPU	422,000	402,000		-4.3%
<b>Pen. Rate :</b>				
	27.4%	27.3%	27.7%	
<b>Churn Rate :</b>				
Average/Month	2.47%	2.52%	2.60%	

# Cash and Debt Position

**Cash and Debt Position (FY19)**

(IDRbn)



Cash and Cash  
Equivalents

Bank Loan

Obligation Under Capital  
Lease

Net Debt

# Experienced management team with a strong track record



**Marlo Budiman, Chief Executive Officer**

- More than 15 years experience in senior executive roles across various industries including telecommunications and consulting.
- Has had multiple leadership roles and has excelled in growing revenue, cost management, debt restructuring and corporate strategy.
- Holds degrees in finance and real estate from Ohio State University.



**Victor Indajang, Chief Operations Officer & Deputy CEO**

- Extensive experience as director of operations and technology roles across banking and the high speed broadband industry over the last 13 years
- Previously served as Link Net's operations director from 2009 until 2015
- Played a pivotal role in developing operations that support Link Net's network



**Johannes, Chief Financial Officer**

- Johannes has more than 20 years of experience across Finance and Audit through various senior executive leadership roles.
- Previous to Link Net, Johannes was a senior finance executive at PT Smart Tbk (Sinarmas Group Company)



**Edward Sanusi, Chief Technology Officer**

- Over 21 years of experience in managing technology related business models for software development, ISP, Cable TV, social media, and system integration
- Previously Director / CEO in PT Plexis Erakarsa Pirantiniaga (PlasMedia)



**Santi Basuki, Marketing Director**

- 13 years experience in marketing and customer relationship management
- Currently covers marketing strategic planning for acquisitions, customers portfolio management, and marketing communications



**Agus Setiono, New Roll Out Director**

- Seasoned leader in operations, marketing in major foreign bank with more than 28 years of experience in technology, media and networks
- Prior to joining Link Net, he was the VP of Card Marketing in Citibank Indonesia



**Benni Lim, Supply Chain Director**

- Over 26 years of experience throughout directors roles is various telecommunications companies such as Managing Director at PT Petro Data System, PT Power Telecom, CEO PT Graha Teknologi Nusantara



**Ferliana Suminto, Corporate Resource Director**

- Seasoned leader with more than 23 years of experience in finance, business development, information and communication technology, including an exposure in UPH, and PT. Matahari Putra Prima
- Prior to joining Link Net, she was the Chief Financial Officer in PT. Indonesia Media Televisi



**Sutrisno Budidharma, Sales Director**

- Over 27 years of extensive experience in leading product sales teams in banking and branch management in the banking sector
- Previously Business Development and Direct Sales Director in Link Net



**Agung Wiguna, Enterprise Sales Director**

- Over 17 years experience in senior leadership positions across telecom, media, and consulting companies, including PT Solusi Tunas Pratama Tbk
- Holds a Masters of Management in Finance and a Bachelor degree in Civil Engineering

**Complementary skills and expertise with strong domestic and international track record**

# Board of Commissioners



**Jonathan L. Parapak, President Independent Commissioner**

- Extensive experience of senior executive position for more than 30 years across healthcare and telecommunication industries.
- Ha Wibawa Seroja Nugraha degree from the Indonesian National Resilience/Defence Institute, a Master of Engineering Science degree and a Bachelor of Electrical Engineering Communications degree from the University of Tasmania.



**Bintan Regen Saragih, Independent Commissioner**

- Had an extensive experience of more than 30 years in consulting across industries such as education, law and telecommunication.
- Currently a Dean for Law Faculty of Pelita Harapan University.
- Holds a Doctoral of Law from Padjajaran University and a Bachelor of Law from the University of Indonesia.



**Edward Daniel Horowitz, Commissioner**

- More than 30 years of experience in international media and telecommunication.
- Holds a Master of Business Administration from the Columbia University and a Bachelor of Science degree in Physics from the City College of New York.



**Sigit Prasetya, Commissioner**

- More than 20 years experience in senior executive roles investment and finance.
- Holds a Master of Business Administration from University of New South Wales and a Bachelor degree in Math from the Bandung Institute of Technology.



**Suvir Varma, Commissioner**

- Mr. Suvir Varma was a Senior Partner and Head of Private Equity Practice in Asia at Bain & Company Inc. and was a Member of Executive Committee at Singapore Venture Capital & Private Equity Association
- He has more than 20 years of experience across consulting and finance-related roles focusing on strategic developments and operational improvements
- Received a Bachelor of Science – Hons., Finance, Accounting and Business Policy from Babson College and MBA in Finance, Strategy and Accounting from University of Chicago

# Board of Directors



**Marlo Budiman, President Director**

- More than 15 years experience in senior executive roles across various industries including telecommunications and consulting.
- Has had multiple leadership roles and has excelled in growing revenue, cost management, debt restructuring and corporate strategy.
- Holds degrees in finance and real estate from Ohio State University.



**Henry Jani Liando, Director**

- More than 20 years of experience in finance and business planning in senior roles.
- Appointed the Company's Independent Director since 2013.
- Holds a Master of Business Administration in Finance from Oregon State University and a Bachelor in Chemical Engineering from the Bandung Institute of Technology.



**Desmond Poon, Director**

- Desmond currently serves as Chief Product and Technology Officer of PT Link Net Tbk.
- He oversees the product planning, as well as engineering and operations of the Company.
- During his tenure in Link Net, he has launched several initiatives such as OTT, Android TV STB, 4K TV, FTTH, and Smart Living.
- Prior joining Link Net, he was the Vice President of Network Engineering in Starhub Singapore
- He holds a Masters and Bachelor Degree of Computer Technology from Nanyang Technological University and a Masters of Business Administration from the University of Surrey



**Wonbae Lee, Director**

- Senior Managing Director of CVC's private equity operations team in Asia, based in Singapore and with 20 years of experience in senior roles across finance, consulting and healthcare
- Prior joining Link Net, he held the GM position of Asia-Pacific in GE Healthcare and was with AstraZeneca as the country president of Indonesia
- Held a Bachelor of Business Administration degree from Korea University and MBA from Harvard Business School.



**Andy Nugroho Purwohardono**

- More than 25 years experience in senior executive roles across finance, retail, and consulting.
- He is currently serving as the Managing Director of CVC Asia Pacific Limited's Indonesia, Director of Matahari Department Store Tbk, and Director of MAP Aktif Adiperkasa.
- Holds a Master of Business Administration from the University of Texas and a Bachelor of Science in Industrial Engineering from Oregon State University.