



**PT Link Net Tbk**  
**Company Presentation**  
**August 2017**

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The background features a dynamic, abstract composition of glowing blue fiber optic lines that curve and swirl across the frame. Interspersed among these lines are various hexadecimal characters (0-9, A-F) in a lighter blue, semi-transparent font, creating a sense of digital data flow and connectivity.

Section 1

Company overview

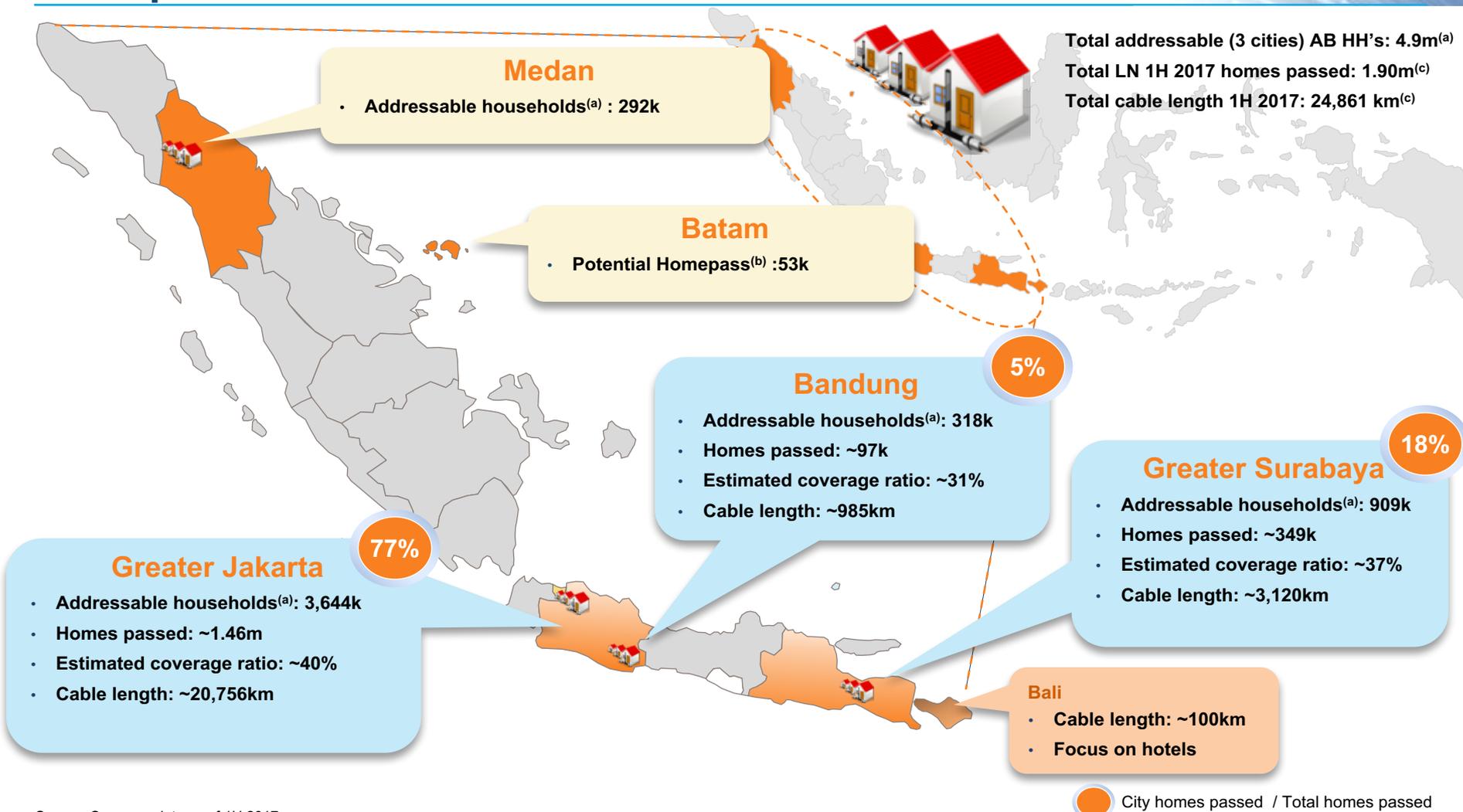
# Link Net – The gateway to Indonesian consumer homes



Source: Company data as of 1H 2017

- (a) NGBB: Next Generation Broadband
- (b) 4.9m addressable homes – Based on addressable market of AB SES households as defined by Nielsen (2015 definition of SES classification) (For Greater Jakarta, Greater Surabaya and Bandung)
- (c) 2014 – 2016

# NGBB provider of SCALE, operating in the most attractive metropolitan areas of Indonesia



Source: Company data as of 1H 2017

(a) Based on addressable market of AB SES households as defined by Nielsen (2015 definition of SES classification) – For Greater Jakarta, Greater Surabaya and Bandung

(b) Based on internal company data survey (in absence of Nielsen)

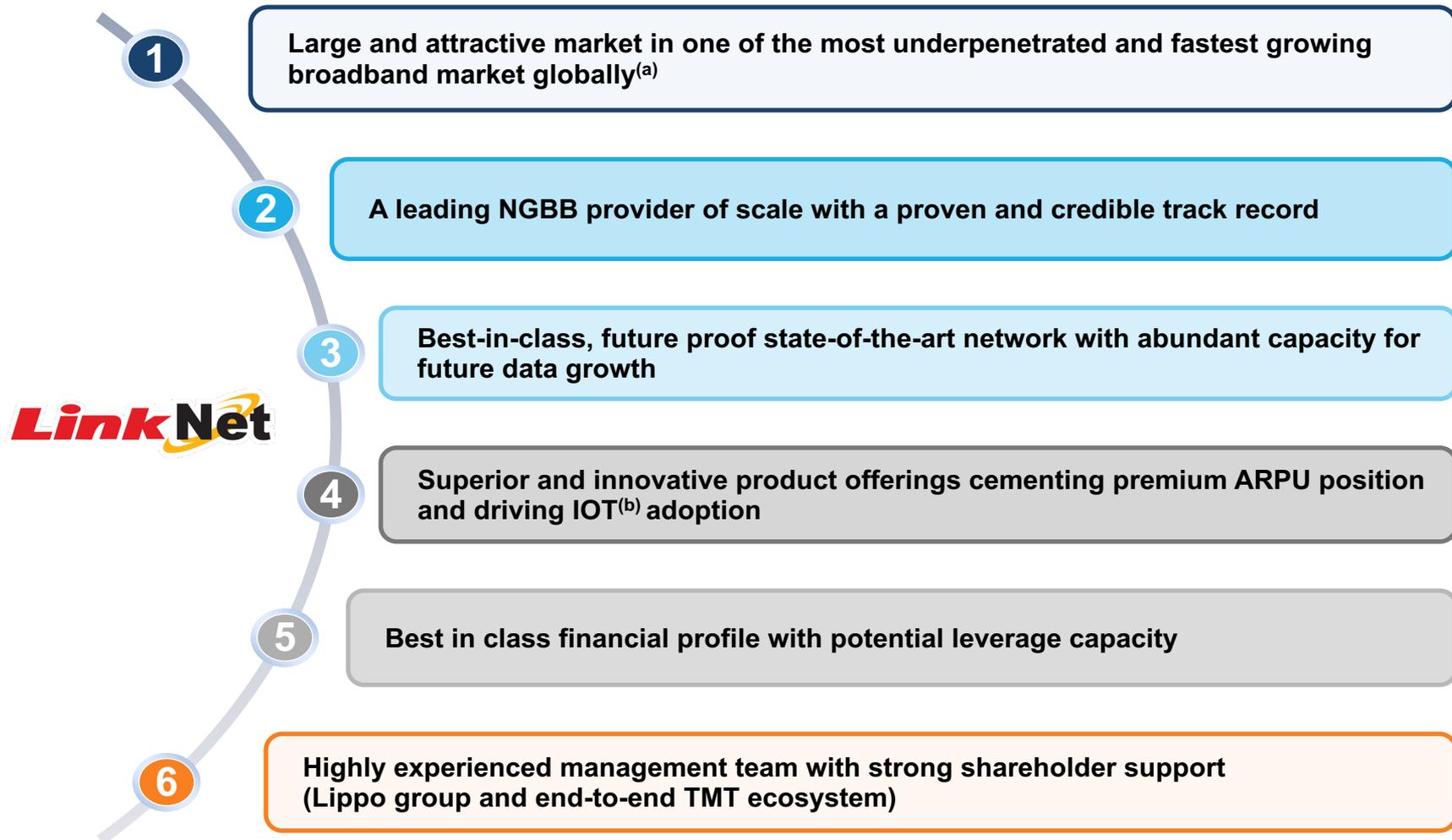
(c) For Greater Jakarta, Greater Surabaya and Bandung

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-centric atmosphere.

Section 2

Key investment highlights

# Key investment highlights

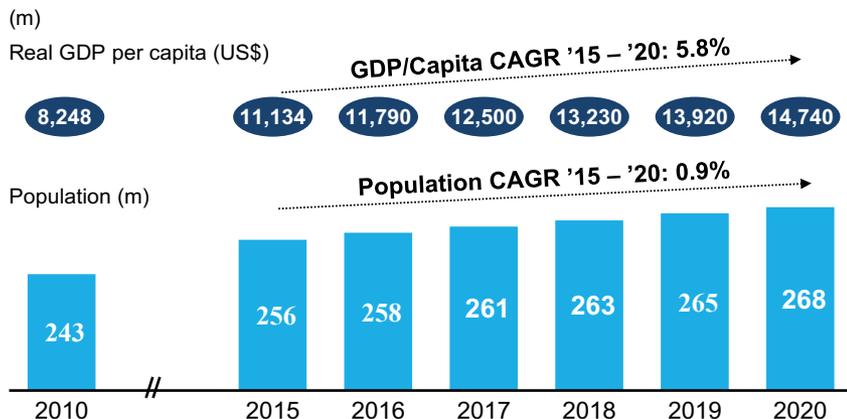


(a) Most underpenetrated and fastest growing broadband market globally out of the top 20 largest global economies – Media Partners Asia

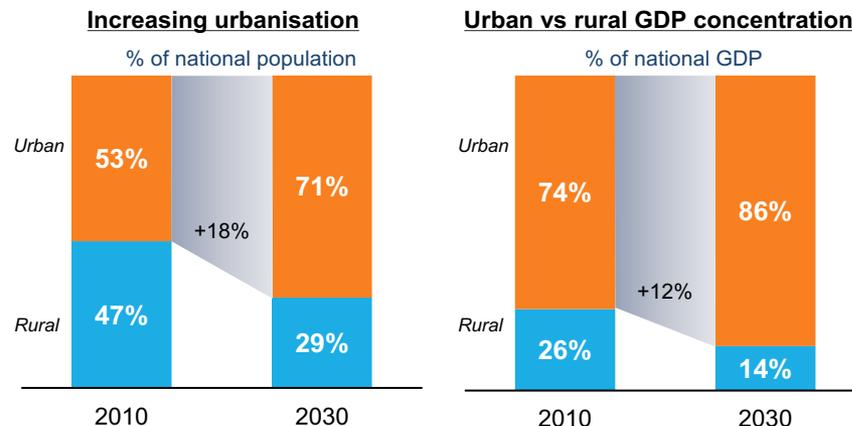
(b) IOT – Internet of Things

# 1 Indonesia – A large & exciting TMT market on the cusp of explosive growth

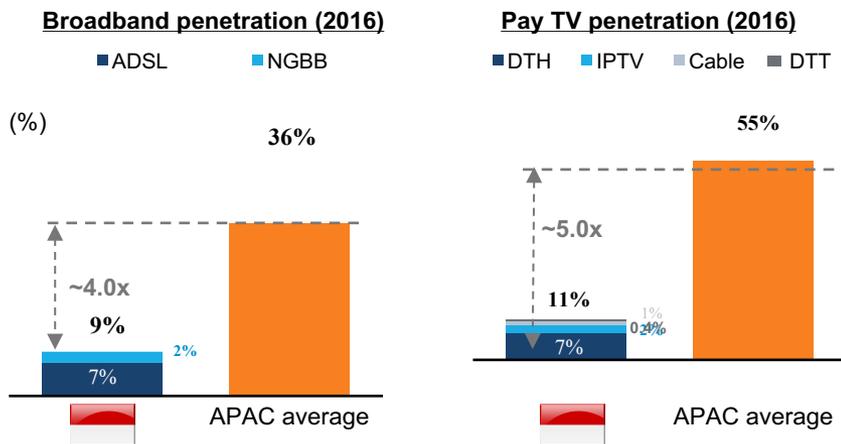
## Rapid population and GDP/capita growth in Indonesia<sup>(a)</sup>



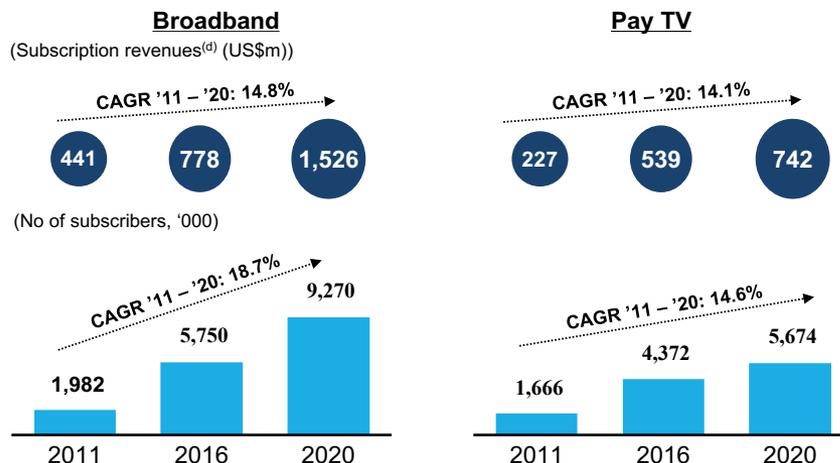
## Increasing urbanisation with GDP concentration in cities<sup>(b)</sup>



## Underpenetrated Broadband and Pay TV segments<sup>(c)</sup>



## Explosive growth in Indonesia's Broadband and Pay TV markets<sup>(c)</sup>



(a) Source: EIU

(b) Source: McKinsey Global Institute

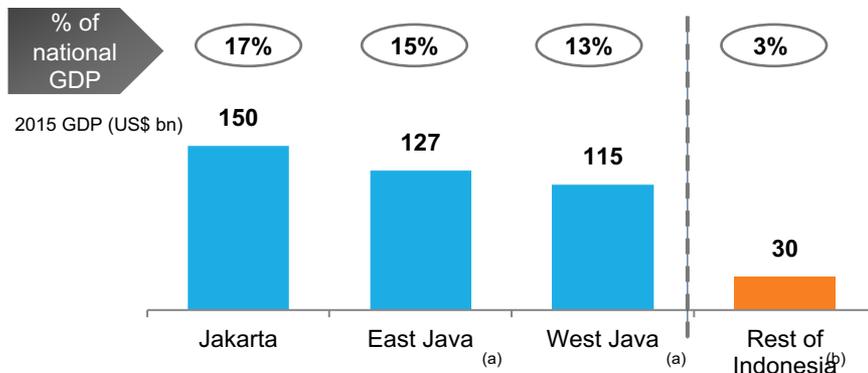
(c) Source: Media Partners Asia

Asia Pacific includes Australia, China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam

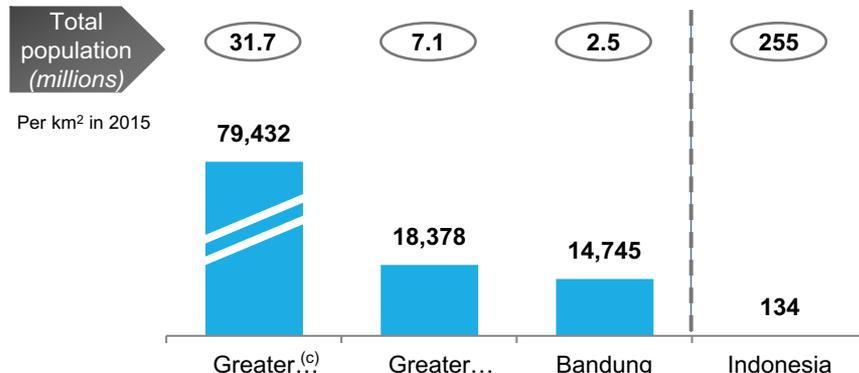
(d) Subscription revenue is defined as the revenue earned from recurring subscription in exchange for the provision of broadband and Pay TV services to subscribers

# 1 Targeted expansion strategy into high GDP and population areas focusing on the most lucrative and fastest growing demographics

## Operating in provinces with high GDP



## Operating in cities with high population



## Households in Link Net's operating cities (d,e)



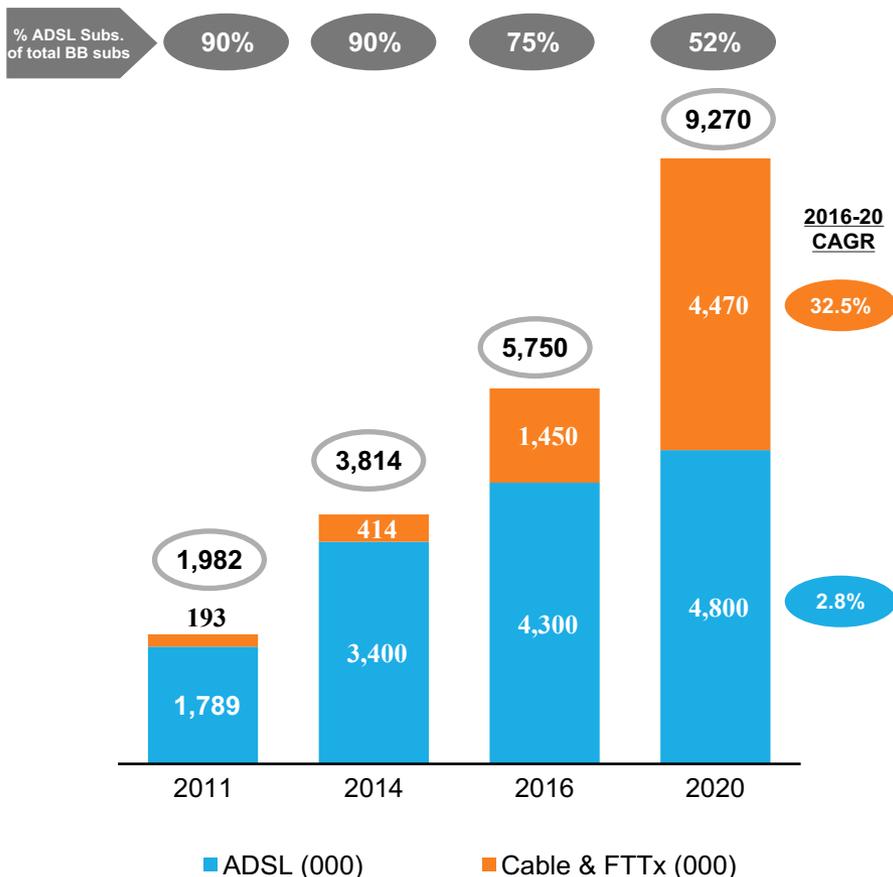
- Fast growing AB segment
- AB segment less price sensitive and very upgradable
- Unsatisfied demand for quality broadband and premium entertainment experience
- Affordable entry level packages also available for C1 segment

Link Net target markets

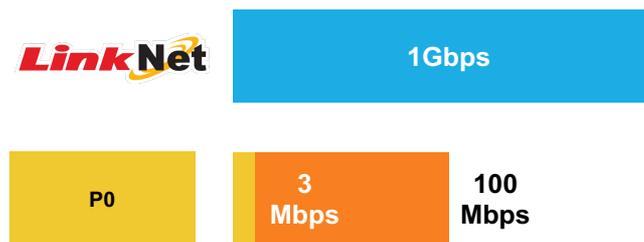
Source: Media Partners Asia, Biro Pusat Statistik (BPS), Nielsen (Assuming 4 pax per household) and Company data  
 (a) Key cities in East Java include Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo, Lamongan and West Java includes Bandung  
 (b) Rest of Indonesia figure is the average of the remaining top 12 provinces as per BPS excluding Jakarta, East Java and West Java  
 (c) Greater Jakarta include Bogor, Depok, Tangerang, Bekasi. Greater Surabaya include Malang, Gresik, Sidoarjo  
 (d) Cities include Greater Jakarta, Greater Surabaya and Bandung  
 (e) Based on Nielsen 2015, Monthly expenditure (A – IDR5m and above, B – IDR3m to 5m and above, C – IDR2m to 3m, D – IDR1.5m to 2m)

## 2 The preeminent NGBB provider in Indonesia, with proven track record and driving adoption of Internet of things

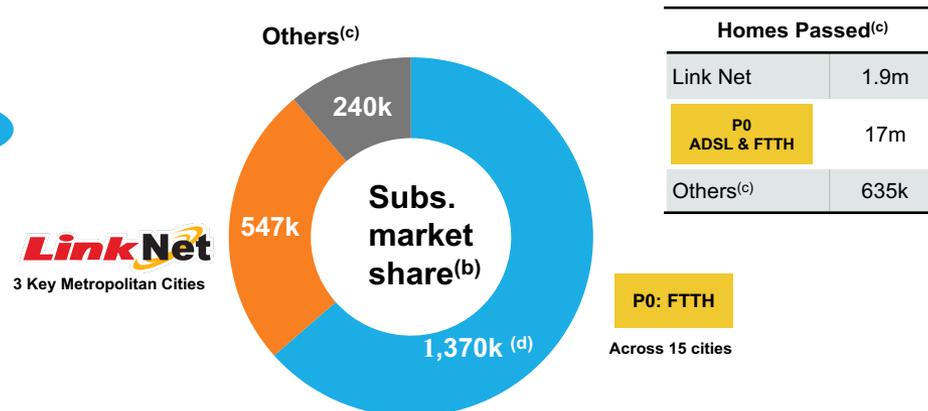
Large and fast growing market with strong demand<sup>(a)</sup>...



...with Link Net as a leading provider of broadband and IP services driving the adoption of Internet of Things...



...and the anchor provider to affluent AB households in Indonesia's top 3 metropolitan cities



Note: NGBB defined as Next Generation Broadband

(a) Source: MPA 1H2016

(b) Source: TLKM and Link Net based on 1H 2017 earnings call report / disclosure

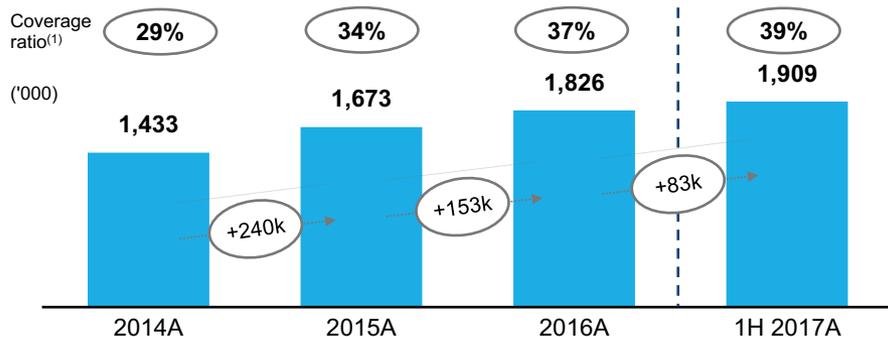
(c) Source: "Others" Homes passed data sourced from news articles and internal company data. Subs market share "Others" data from MPA (MNC Play, Biznet, MyRepublic, and Indosat Ooredoo)

(d) Source: calculated based on 1H2017 earnings call percentage of fiber versus non-fiber subscriber

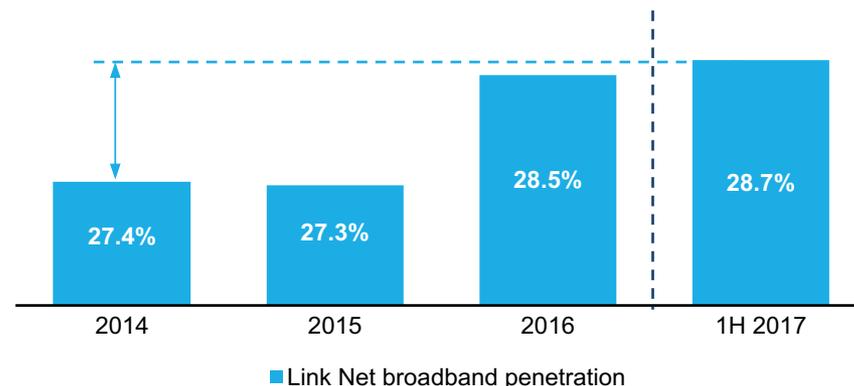
## 2 Established presence provides foundation for premium ARPUs and core subscriber base

Despite increasing competition, Link Net has continued to expand its network, enlarge its subscriber base whilst maintaining its premium ARPU

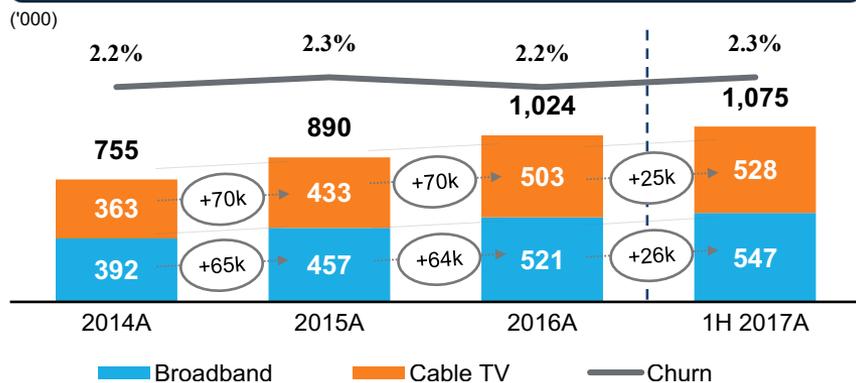
### Increasing homes passed



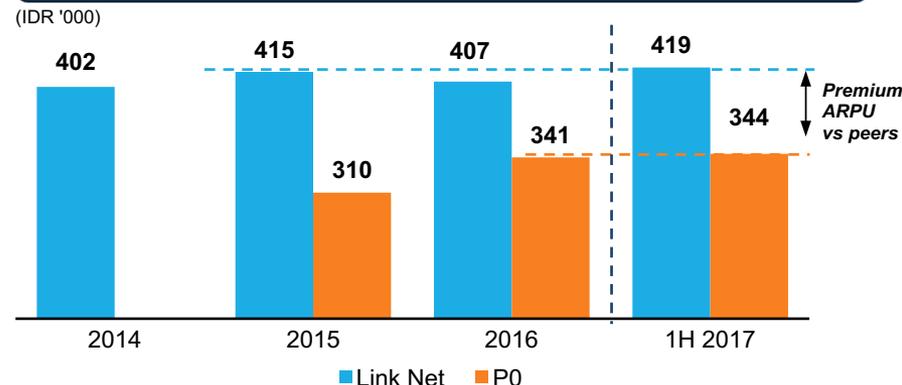
### Increasing penetration rate despite increased competition and enlarged network size



### Growing RGUs with stable churn



### Maintaining premium ARPU vs peers<sup>(2)</sup>



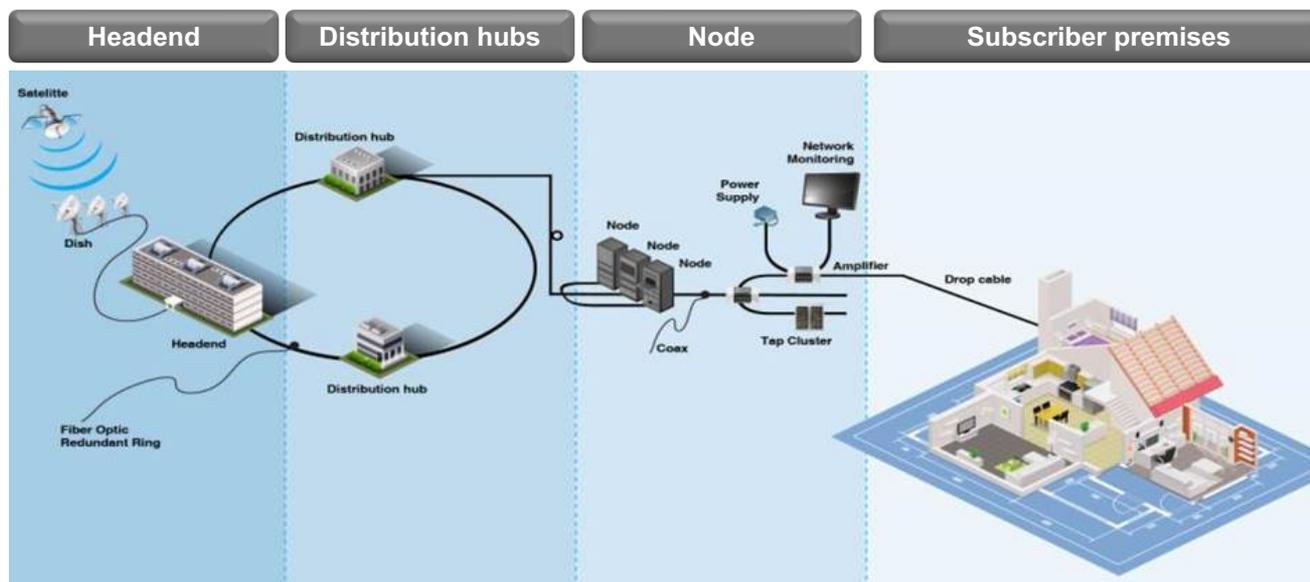
Source: Company data and various public sources

(1) Coverage ratio derived by dividing homes passed by 4.9m estimated addressable homes in Greater Jakarta, Greater Surabaya and Bandung

(2) For P0, ARPU represents the last quarter ARPU in 2015 and 2016

### 3 Solid technology ecosystem with state of the art network

Future proof network with abundant bandwidth capacity and high level of network redundancy



✓ ~25,000 km of cable across Indonesia

✓ Has access to a total of 780 Gbps of International bandwidth capacity

✓ Owns and operates >5 Tbps fiber lines to Singapore gateway

✓ Fully owned fiber backbone and last mile<sup>(a)</sup>

✓ Offering a superior quality network:

- Low average home-to-nodes ratio (~360 homes per node)<sup>(b)</sup>
- **HFC**: Fully DOCSIS 3.0 enabled capable of speeds up to 1Gbps. Easily upgradeable to DOCSIS 3.1
- **FTTH**: In white areas for speeds >10 Gbps
- Innovations to reach less densed areas

Source: Company information

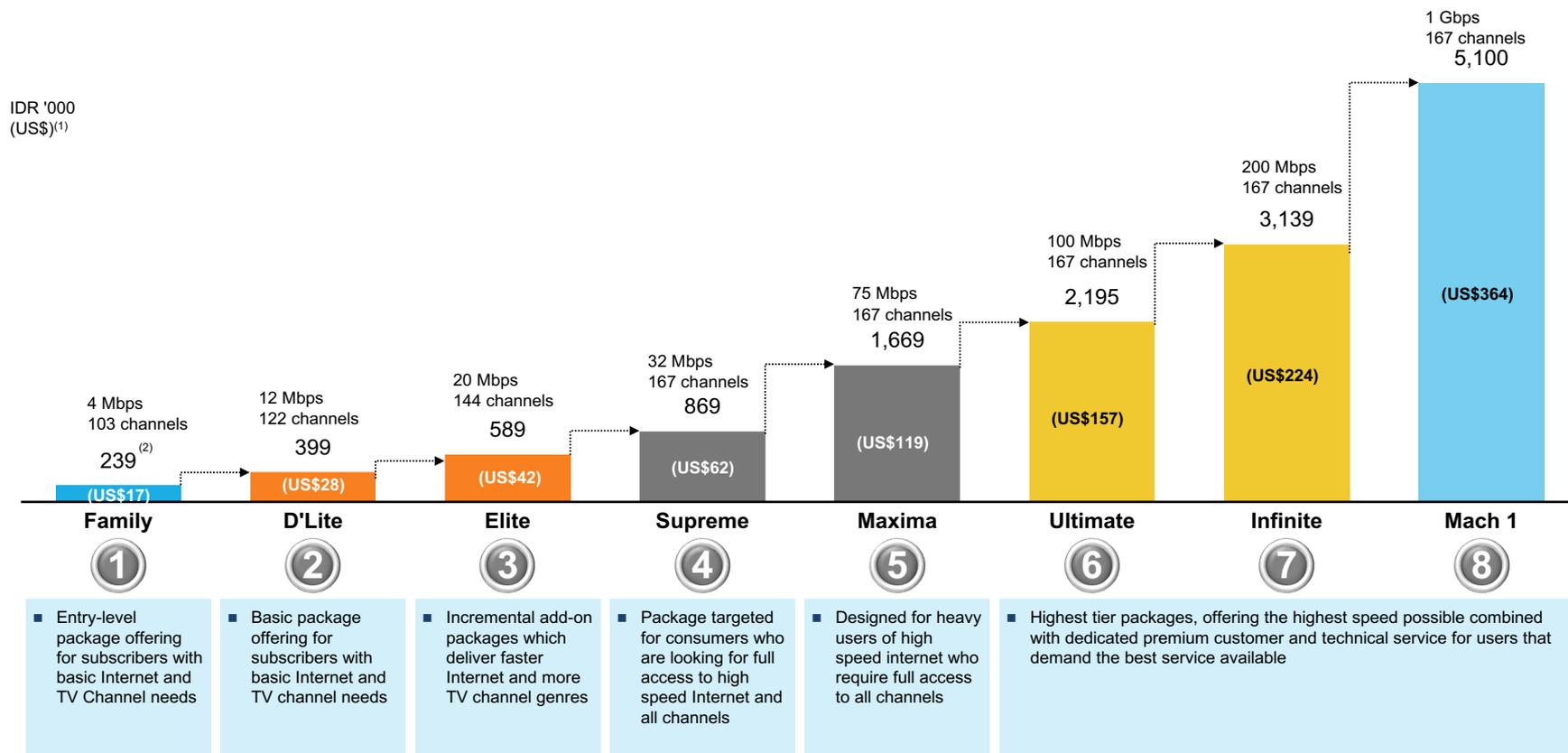
(a) Limited exceptions for certain last mile owned by property developers

(b) Source: Media Partners Asia

3

# Winning price–value range of broadband and video content packages

Catering to a large addressable market from a large C population to a fast growing AB segment



**Profitability margins are similar across all packages from entry-level to most premium tier package**

Source: Company data as of Jul 2017

(1) USD/IDR exchange rate of 14,000

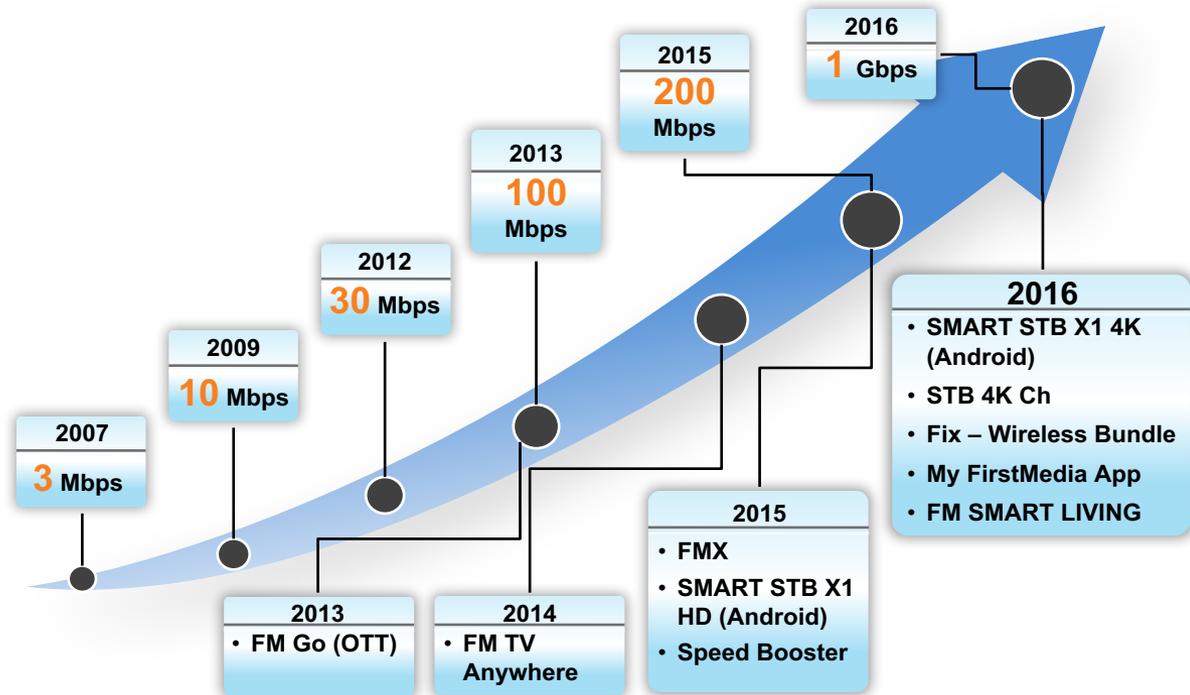
(2) Wireless Docsis 3.0 Modem (previously Docsis 2.0) and HD STB for FAMILY and D'LITE & Wireless Docsis 3.0 Wi-fi Modem and X1 4K STB (previously X1 HD STB) for ELITE up plus FirstMediaX

Note: All price is including CPE rental All price exclude 10% VAT

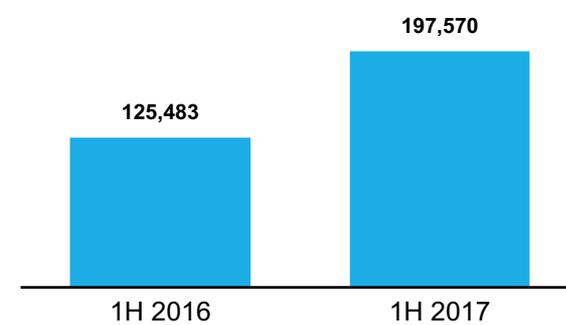
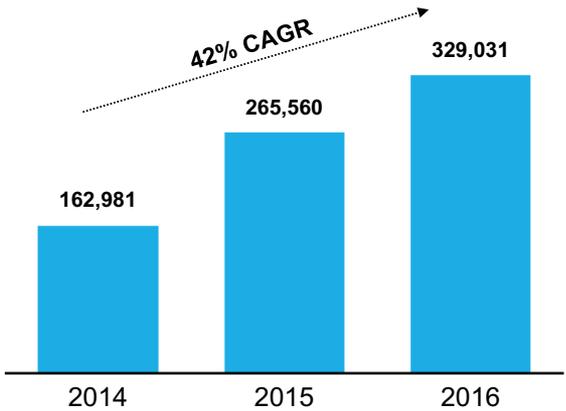
# 4 Premium ARPU maintained based on proven track record of product innovations and upselling

Superior innovation-led product strategy

Combination of push and pull strategies to drive conversions and upselling



(No. of upgrade transactions each year)



Multi-Screen Interactive Experience with next generation cable OTT STB



Ultra High Definition Resolutions



Bringing Convenience to Subscribers via My FM App



TV Anywhere with FMX



SMART Living

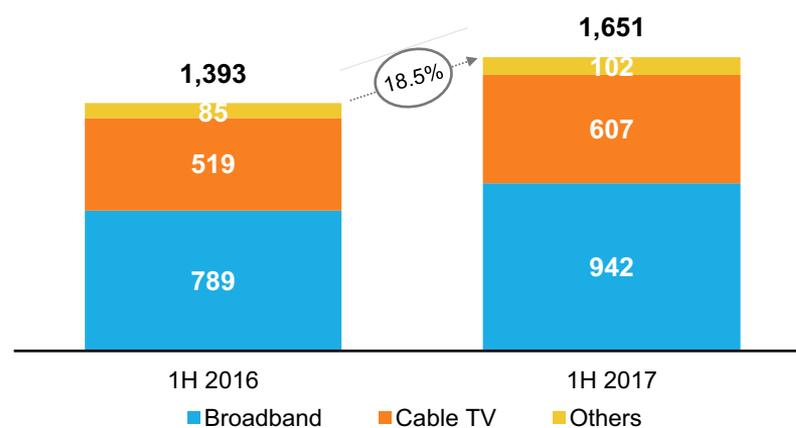
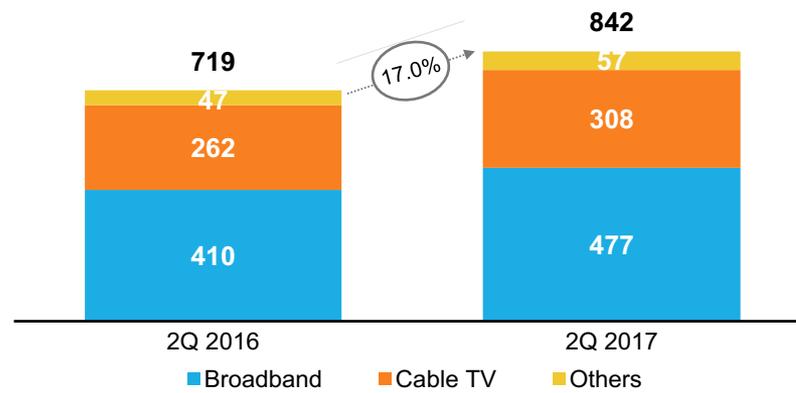
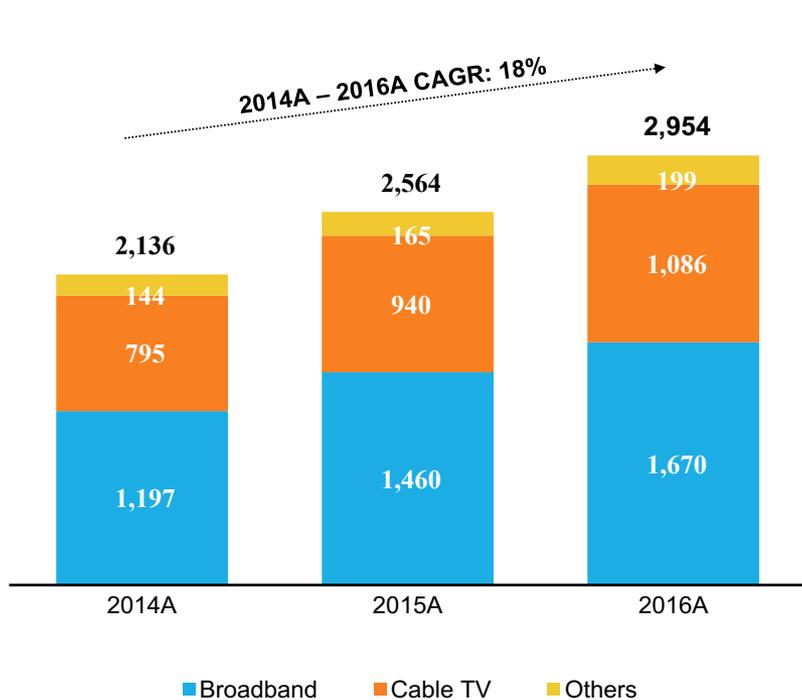
Source: Company data

Note: Upgrade transactions refers to any type of upgrade transaction a Link Net subscriber enters into which results in his overall ARPU increasing

# 5 Highly attractive financial profile with potential leverage capacity

Revenue by segment

(IDR in billions)



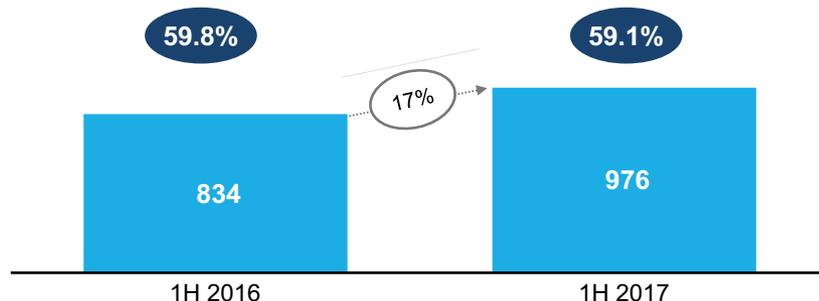
Source: Company information

## 5 Highly attractive financial profile with potential leverage capacity

### EBITDA

(IDR in billions)

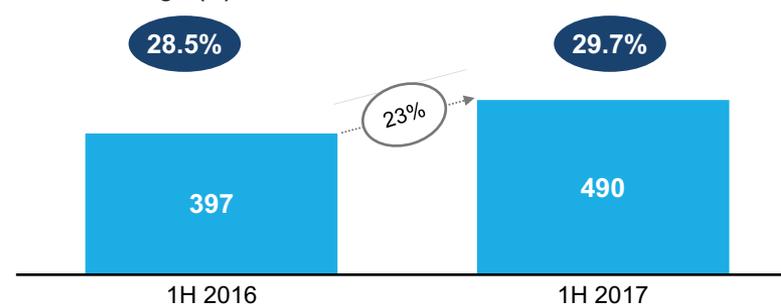
EBITDA margin (%)



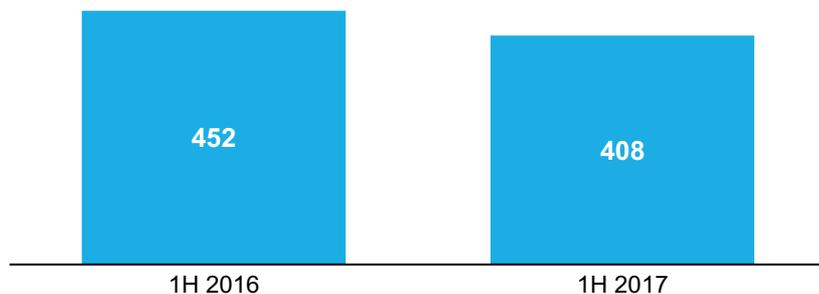
### Net Profit

(IDR in billions)

Net Profit margin (%)



### Capex (IDR bn)<sup>(1)</sup>



### Net Cash with potential leverage capacity<sup>(2)</sup>

(IDR in billions)



Source: Company information

(1) Capex represents additions to property and equipment

(2) Total cash and debt position as of June 30, 2017. Total debt mainly comprises vendor financing

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## Section 3

# Key financial overview

# Profit and loss summary

(IDR bn)	As at June 30		2Q ended June 30	
	1H 2016	1H 2017	2Q 2016	2Q 2017
<b>Revenue</b>	<b>1,393.1</b>	<b>1,650.6</b>	<b>719.3</b>	<b>841.6</b>
<b>EBITDA</b>	<b>833.6</b>	<b>975.6</b>	<b>434.8</b>	<b>502.6</b>
D&A	(294.8 )	(314.1)	(149.7)	(158.6)
<b>Operating Profit</b>	<b>538.8</b>	<b>661.5</b>	<b>285.1</b>	<b>344.0</b>
<i>Margin %</i>	38.7%	40.1%	39.6%	40.9%
Finance Income	6.6	7.7	3.6	3.6
Finance Cost	(17.5)	(17.8)	(10.4)	(9.9)
Share in Loss of Associate	-	-	-	-
<b>Profit Before Tax</b>	<b>527.9</b>	<b>651.4</b>	<b>278.3</b>	<b>337.7</b>
Tax Expense	(130.5)	(161.2)	(68.8)	(83.6)
<b>Net Profit</b>	<b>397.4</b>	<b>490.2</b>	<b>209.5</b>	<b>254.1</b>
<i>Margin %</i>	28.5%	29.7%	29.1%	30.2%

# Balance sheet summary

(IDR bn)	As at Jun 30 2016	As at Jun 30, 2017
<b>Current Assets</b>		
Cash and Cash Equivalents	453.9	531.0
Trade Receivables	291.3	419.5
<b>Total Current Assets</b>	<b>782.4</b>	<b>1,006.7</b>
<b>Non-Current Assets</b>		
Property and Equipment - Net	3,663.5	3,916.9
<b>Total Non-Current Assets</b>	<b>3,963.1</b>	<b>4,286.0</b>
<b>Total Assets</b>	<b>4,745.5</b>	<b>5,292.7</b>
<b>Current Liabilities</b>		
Payables	122.1	247.9
Current Maturities of Long-Term Debt & Finance lease payable	38.7	42.4
<b>Total Current Liabilities</b>	<b>566.6</b>	<b>890.5</b>
<b>Non-Current Liabilities</b>		
Long-Term Debt – Net of Current Maturities	143.1	111.8
<b>Total Non-Current Liabilities</b>	<b>245.4</b>	<b>235.2</b>
<b>Total Liabilities</b>	<b>812.0</b>	<b>1,125.8</b>
<b>Total Equity</b>	<b>3,933.5</b>	<b>4,166.9</b>
<b>Total Liabilities and Equity</b>	<b>4,745.5</b>	<b>5,292.7</b>

Net Cash of  
IDR 376.9 bn



Section 4a  
Appendix

# Introduction: Link Net's deep and experienced management team



**Irwan Djaja, Chief Executive Officer**

- Over 23 years of experience in auditing, consulting and corporate finance in various industries
- Holds two doctorate degrees in Management and Law
- Earned numerous accounting professional certifications
- Has numerous leadership roles in leading successful companies under Lippo's TMT pillar to growth. Previously CFO and CEO First Media, CEO Berita Satu, CFO Link Net



**Timotius Sulaiman, Chief Financial Officer**

- Over 21 years of experience in auditing, accounting in big five accounting firms, various leadership experience roles in multimedia and telco companies including Orange TV, Nokia Siemens Network, and Mobile-8 Telecom
- Holds a master degree in Management
- Previously, Director and CFO in PT Internex (Bolt! 4G LTE)



**Meena Adnani, Content Director**

- Over 23 years of experience in media, content and marketing and legal counsel
- Previously EVP, Content Development and Business Affairs in First Media, Tbk



**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 PT Link Net, Tbk



**Desmond Poon, Chief Technology Officer & Product Director**

- Over 22 years of experience in technology, media and networked
- Previously VP/Head, Home Solutions and Architecture (SHINE) in StarHub Ltd Singapore



**Liryawati, Chief Marketing Officer**

- Over 23 years of experience in area of marketing, sales and retail FMCG, major electronic company, and telco
- Previously worked in Philip Morris International, Coca Cola, Samsung Electronics and was a CMO for PT Internex (BOLT! 4G LTE)



**Agus Setiono, New Roll Out ("NRO") Director**

- Seasoned leader in operations, marketing in major foreign bank with more than 28 years of experience in technology, media and networks
- Previously VP of Cards Marketing in Citibank Indonesia



**Edward Sanusi, Operations Director**

- 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)

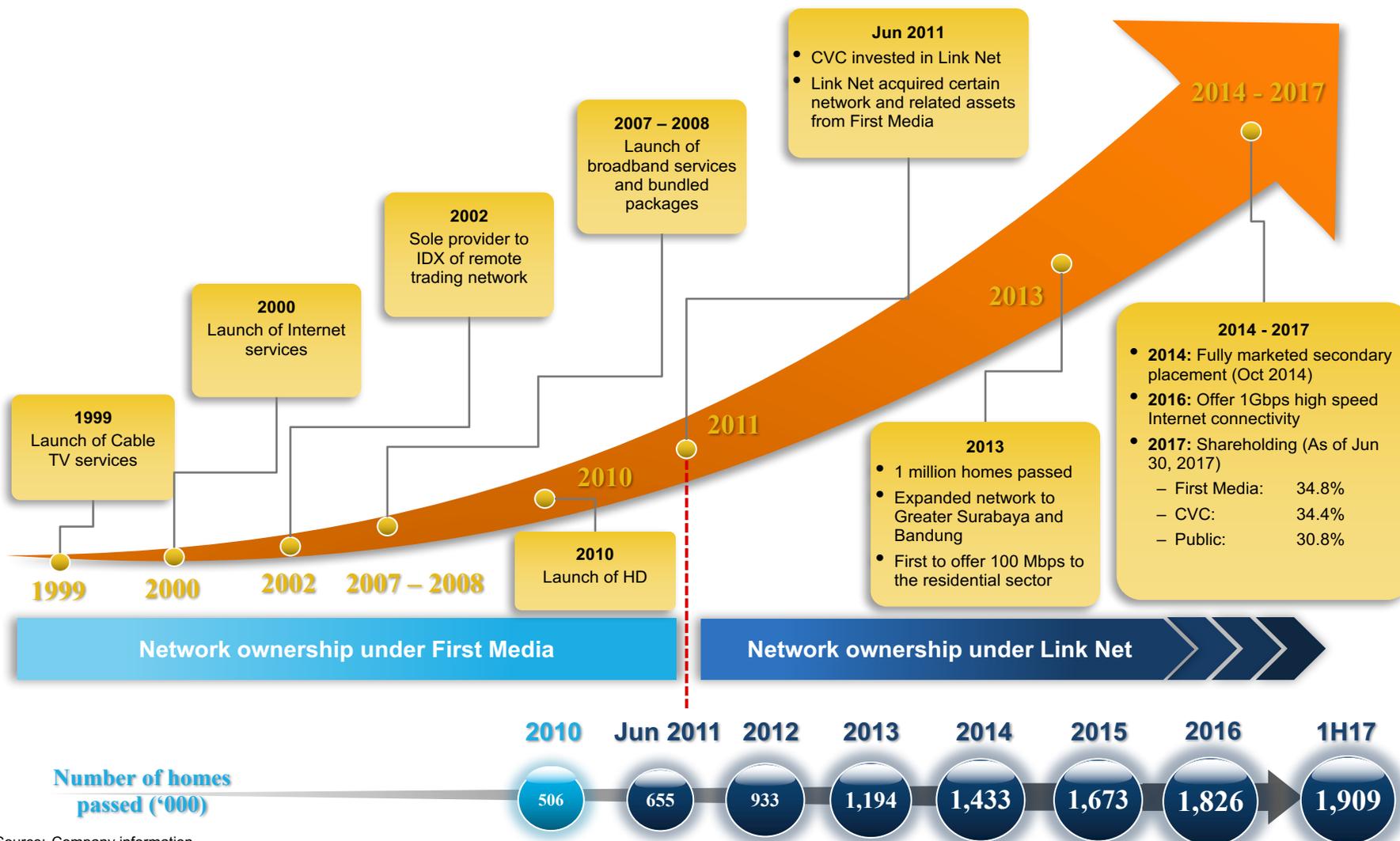


**Ferliana Suminto, Director of Corporate Resources**

- 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
- Previously CFO in PT. Indonesia Media Televisi.

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

# Key corporate milestones



Source: Company information

# Link Net industry accolades and awards



## Service Quality Award 2017

**Diamond (First Rank)  
Pay TV Category  
by Service Excellence  
Magazine and  
Carre-CCSL**



## Indonesia WOW Brand 2015 & 2017

**Silver Champion  
for Pay TV Category,  
2015 & 2017  
Gold Champion for Fixed ISP  
Category, 2015  
From Markplus Inc**



## Top Telco 2014-2016

**Top Fixed Internet  
Category  
From Itech  
Magazine**



## Indonesia Most Innovative Business Award 2017

**Advertising, Printing, and Media Category  
From Warta Ekonomi**



## Customer Loyalty Award Net Promoter Leader Award 2016



**Pay TV & Broadband/Fixed ISP category  
SWA magazine, 2011-2016**



**Word Of Mouth  
Marketing Award  
2015**



**Brand Finance plc  
Brand Rating  
2015**



**Top Brand Award  
2012-2014**



**PEFINDO25 Index  
(01/08/2015 to  
31/01/2016)**



**Net Promoter Leader  
Award 2011-2014**

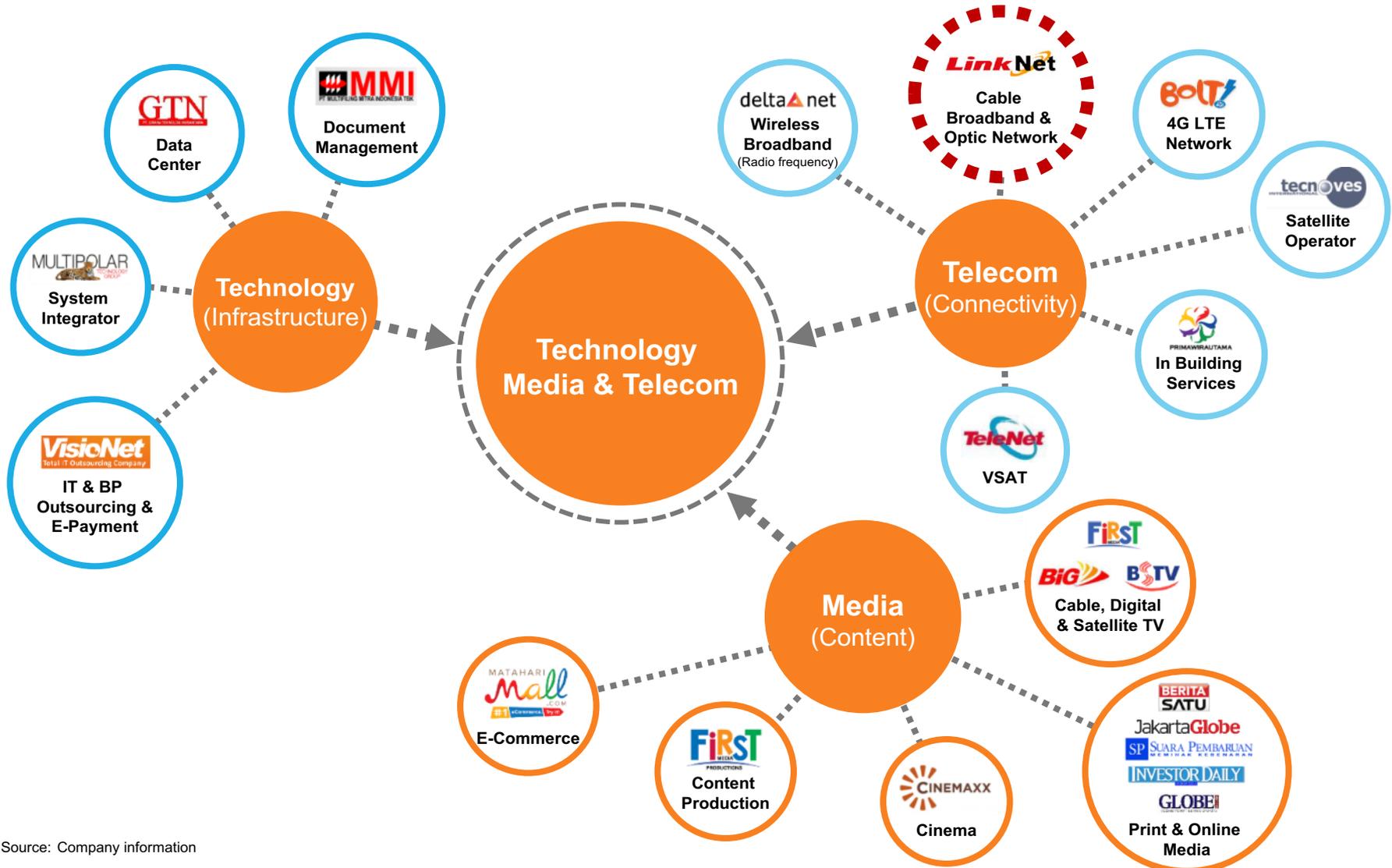


**Corporate Image  
Award 2012-2014**



**2015 Frost & Sullivan  
Indonesia Excellent  
Awards**

# Lippo's Technology Media and Telecommunications businesses are an end-to-end ecosystem



# Link Net could generate synergies with Lippo's various business segments



**LIPPO GROUP**

Successfully built **SCALE** and rooted **LEADERSHIP** in Indonesia **High-growth sectors**  
 Combined Revenue **US\$ 4.9 billion**

Largest private service group in Indonesia

Market leader in strategic sectors in Indonesia

Gateway to reach Indonesia consumers

Provider of world-class products and services to Indonesian consumers

Partner of choice for reputable global institutions

## FINANCIAL SERVICES



## PROPERTY



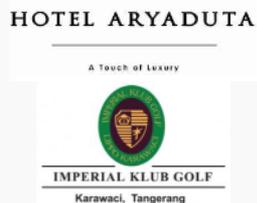
## MALLS



## RETAILS



## HOSPITALITY



## HEALTH CARE



## EDUCATION



## TECHNOLOGY MEDIA TELCO

