



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

# Table of contents

---

1. **Company overview**

---

2. **Key investment highlights**

---

3. **Key financial overview**

---

4. **Appendix**

---

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



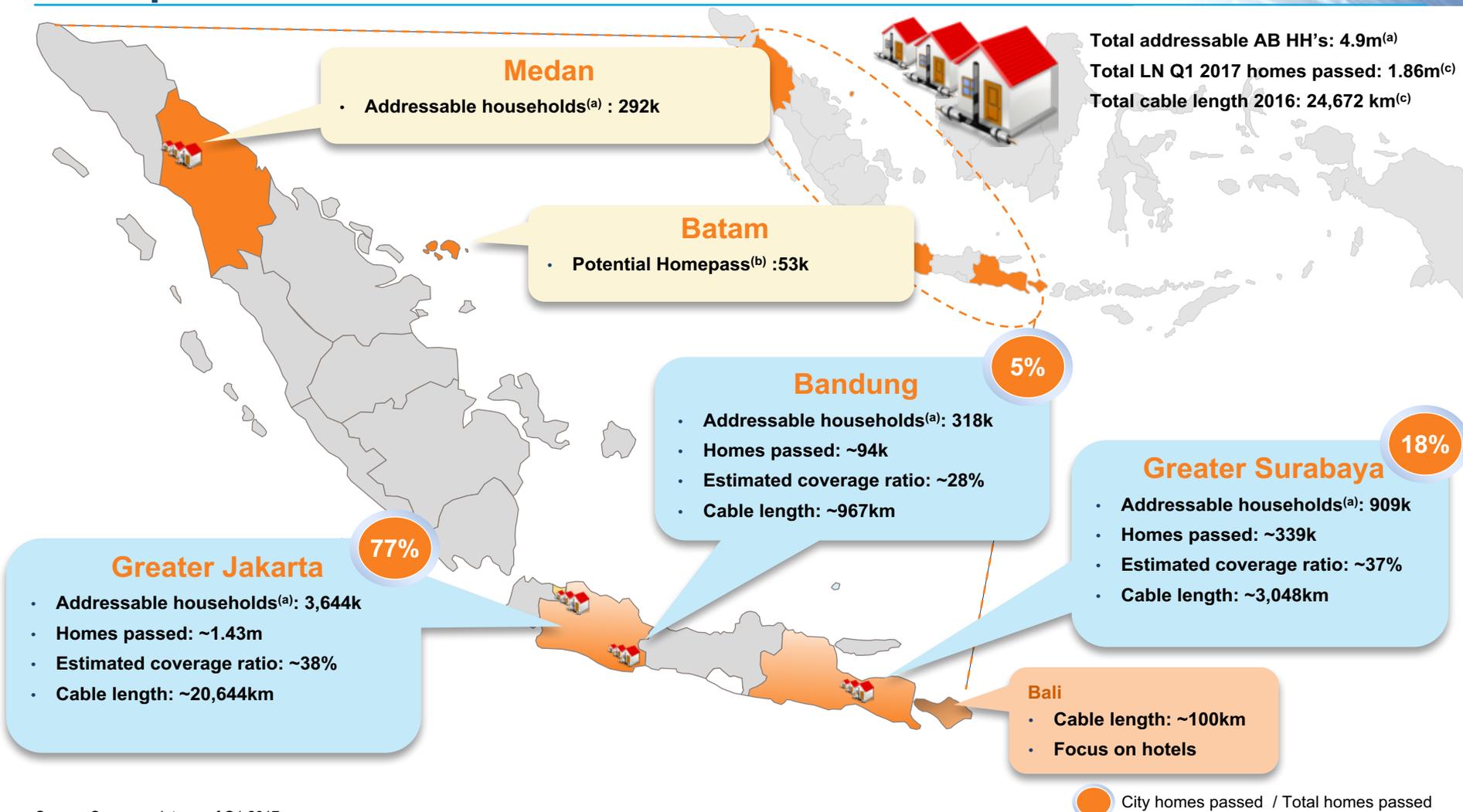
Source: Company data as of 2016

(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 Q1 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)

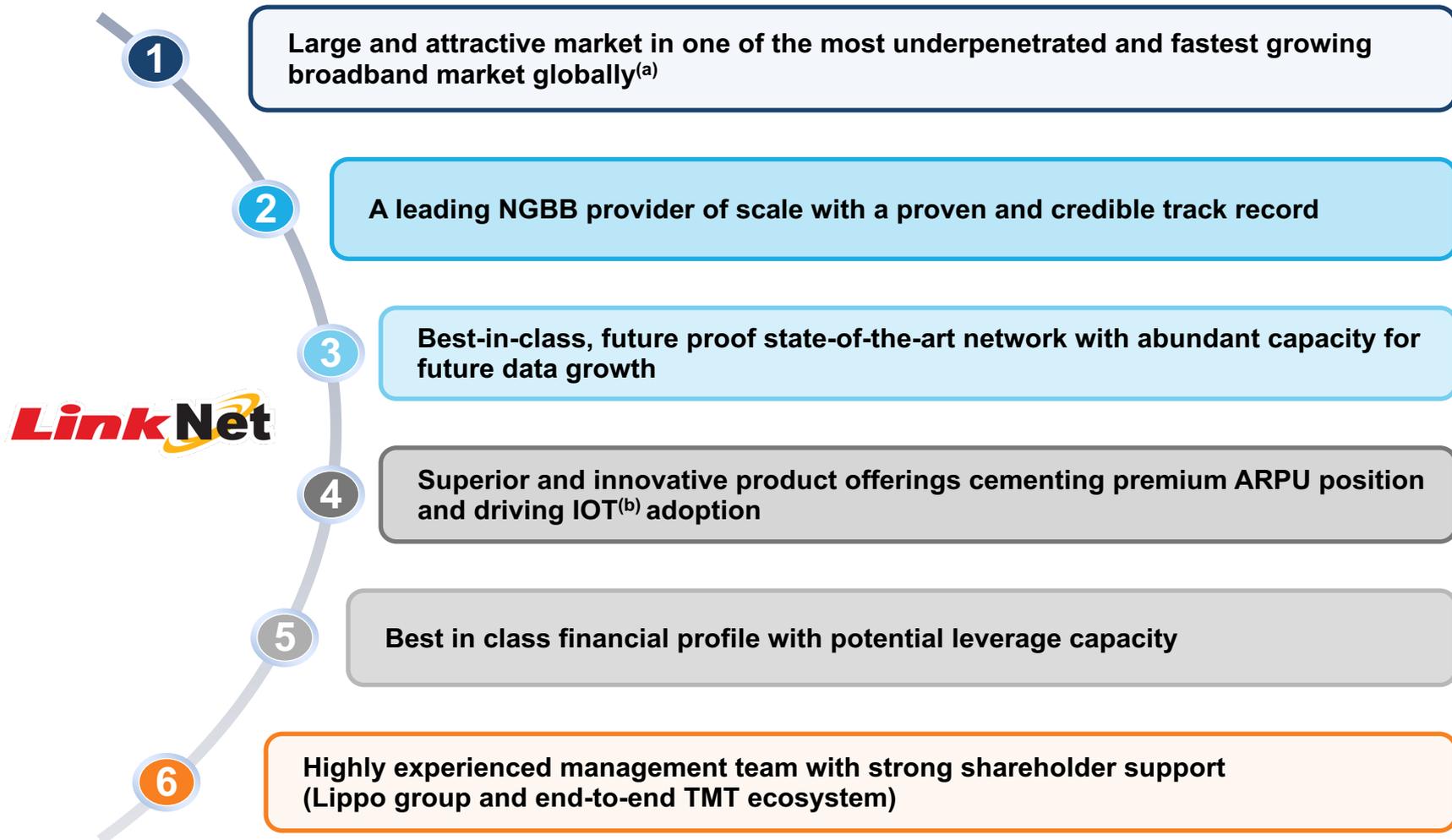
(c) For Greater Jakarta, Greater Surabaya and Bandung

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

## Section 2

# Key investment highlights

# Key investment highlights

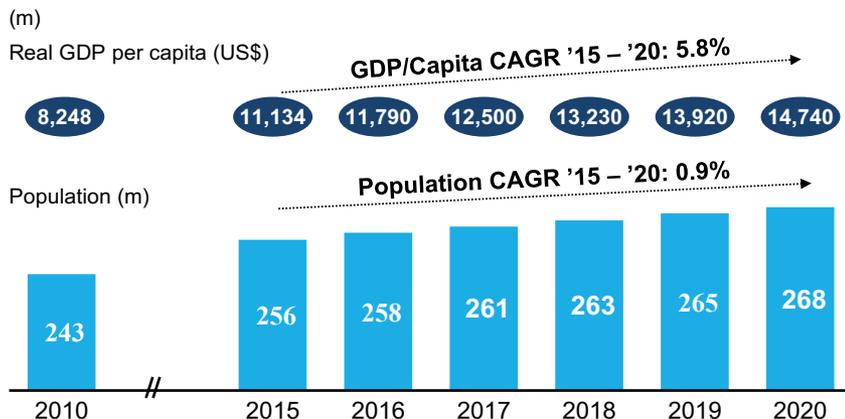


(a) Most underpenetrated and fastest growing broadband market globally out of the top 20 largest global economies – Media Partners Asia

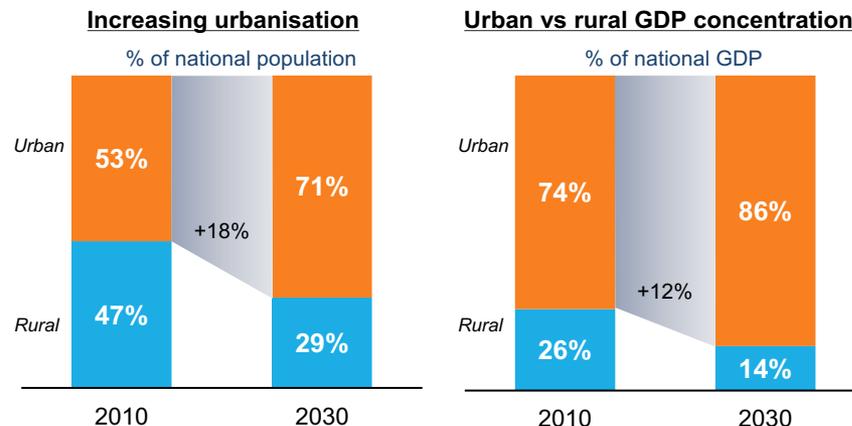
(b) IOT – Internet of Things

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

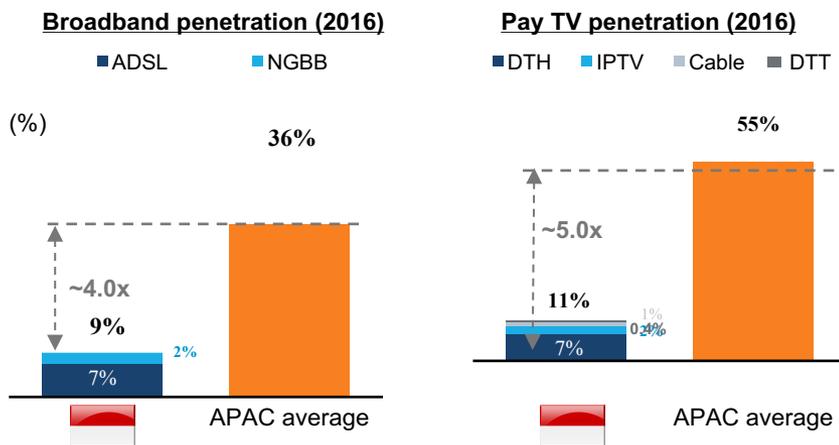
## Rapid population and GDP/capita growth in Indonesia<sup>(a)</sup>



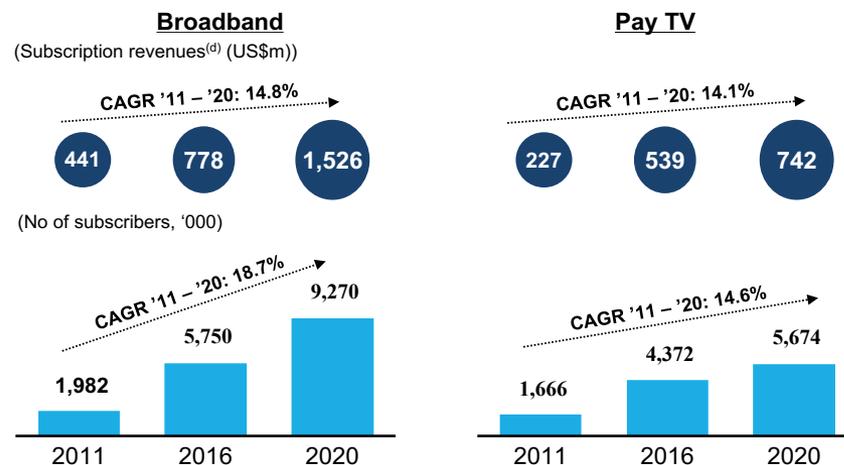
## Increasing urbanisation with GDP concentration in cities<sup>(b)</sup>



## 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

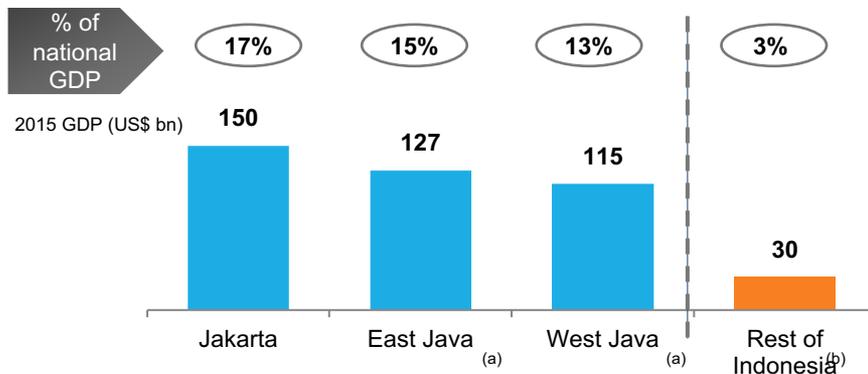
(c) Source: Media Partners Asia

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

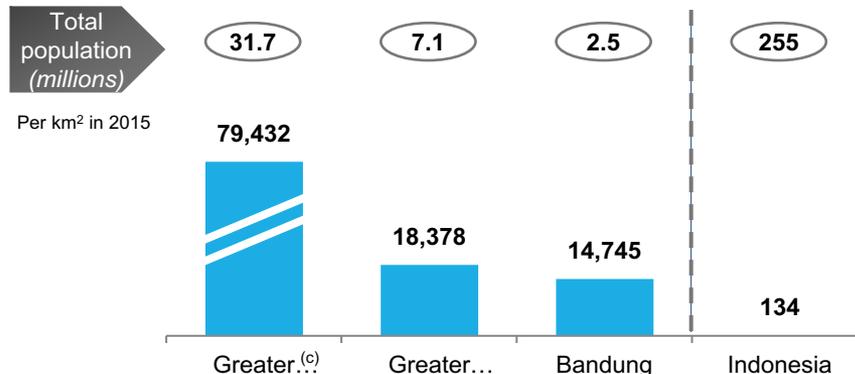
(d) Subscription revenue is defined as the revenue earned from recurring subscription in exchange for the provision of broadband and Pay TV services to subscribers

# 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)



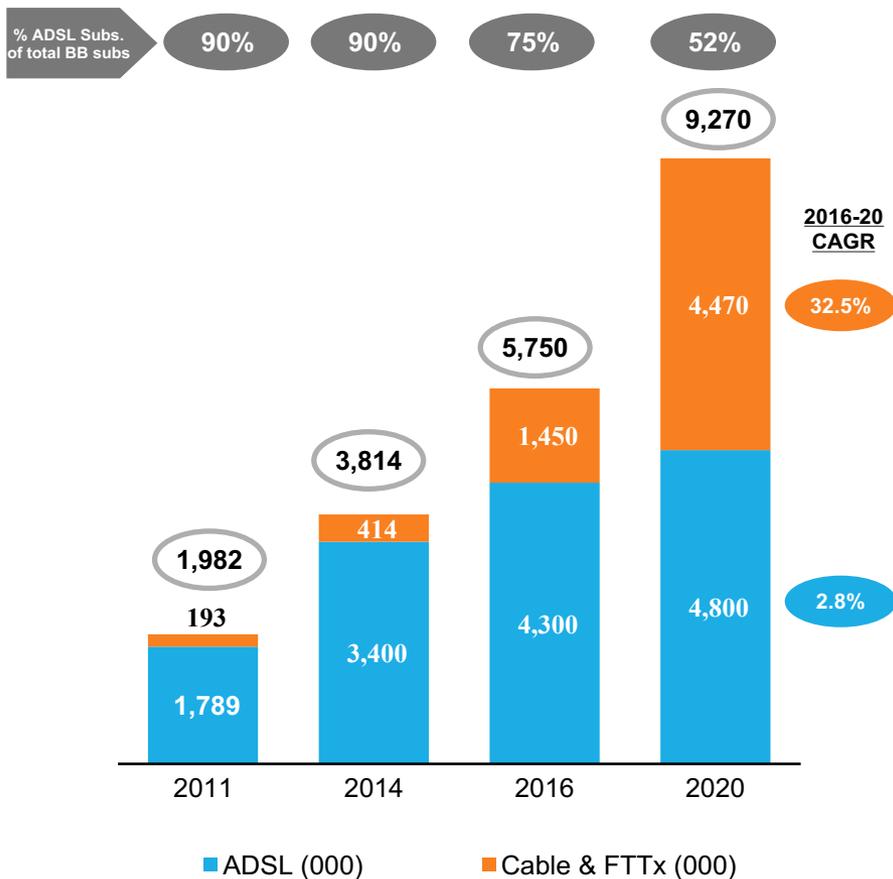
- Fast growing AB segment
- AB segment less price sensitive and very upgradable
- Unsatisfied demand for quality broadband and premium entertainment experience
- Affordable entry level packages also available for C1 segment

Link Net target markets

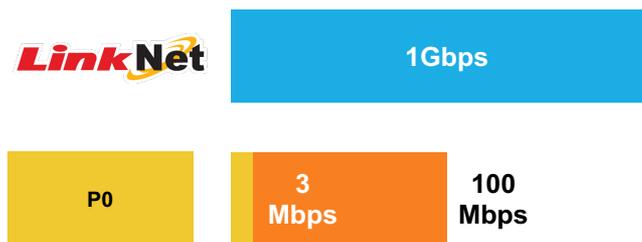
Source: Media Partners Asia, Biro Pusat Statistik (BPS), Nielsen (Assuming 4 pax per household) and Company data  
 (a) Key cities in East Java include Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo, Lamongan and West Java includes Bandung  
 (b) Rest of Indonesia figure is the average of the remaining 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

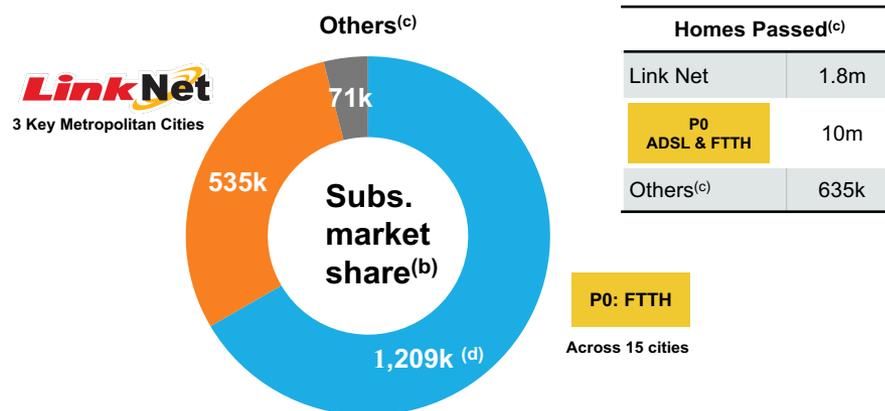
Large and fast growing market with strong demand<sup>(a)</sup>...



...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 Q1 2017 earnings call report / disclosure

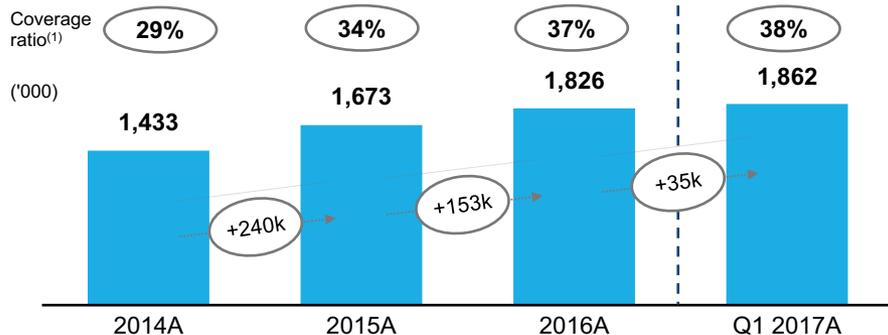
(c) Source: "Others" Homes passed data sourced from news articles and internal company data. Subs market share "Others" data from MPA 2016 and internal company

(d) Source: calculated based on 1H2016 earnings call percentage of fiber versus non-fiber subscriber

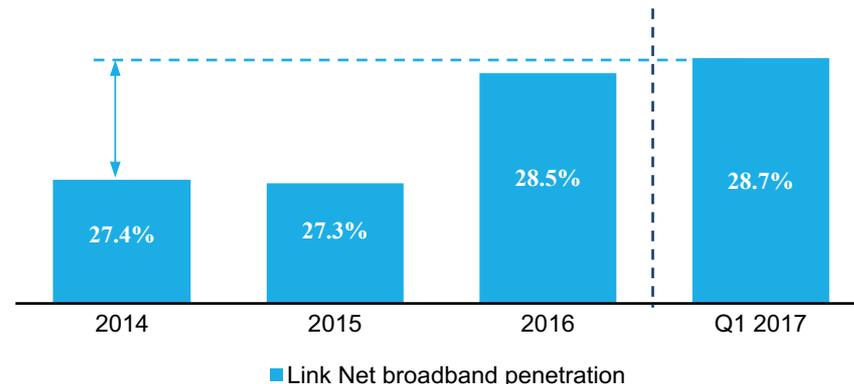
## 2 Established presence provides foundation for premium ARPUs and core subscriber base

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

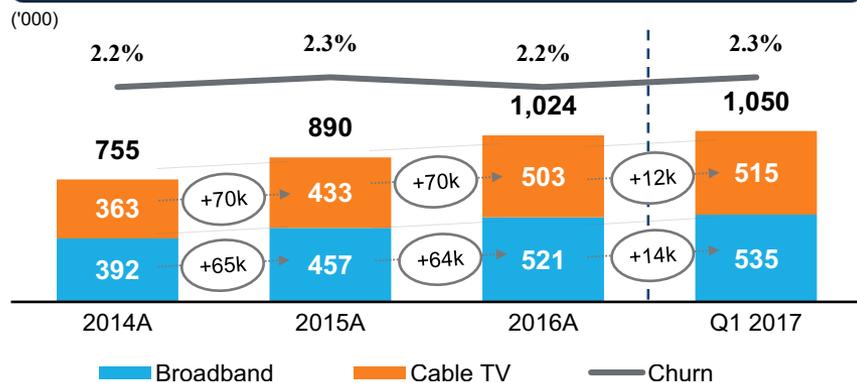
### Increasing homes passed



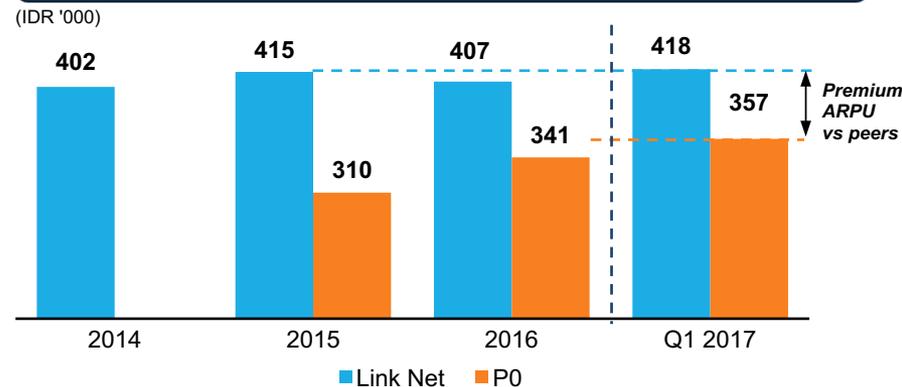
### Increasing penetration rate despite increased competition and enlarged network size



### Growing RGUs with stable churn



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



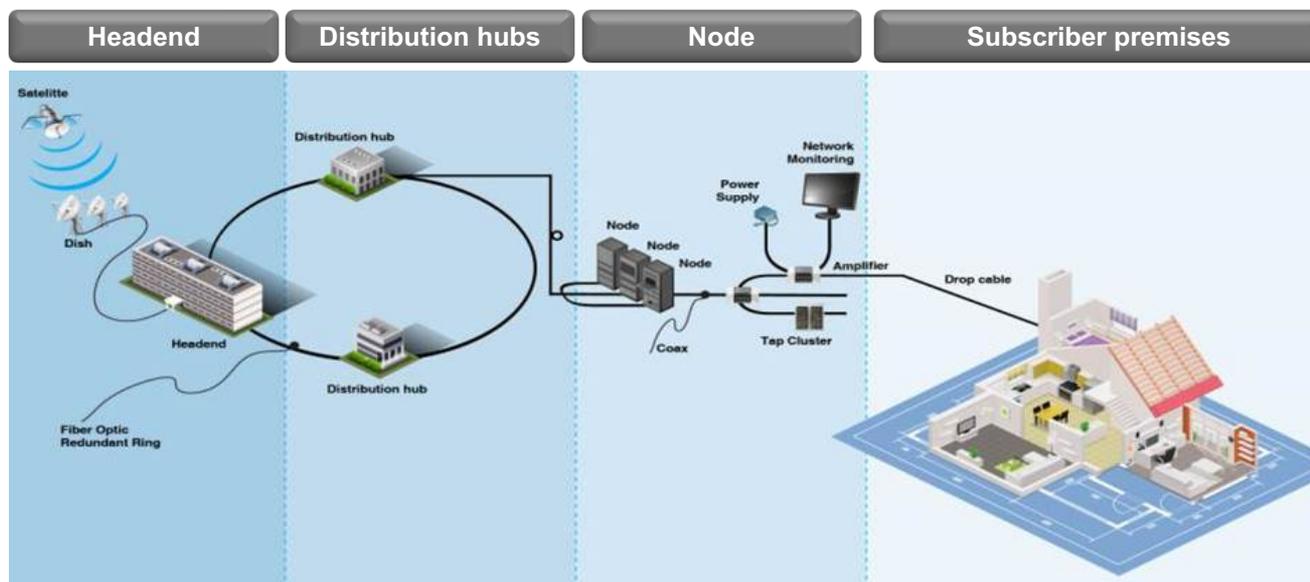
Source: Company data and various public sources

(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



**>24,000 km** of cable across Indonesia

Has access to a total of **580 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

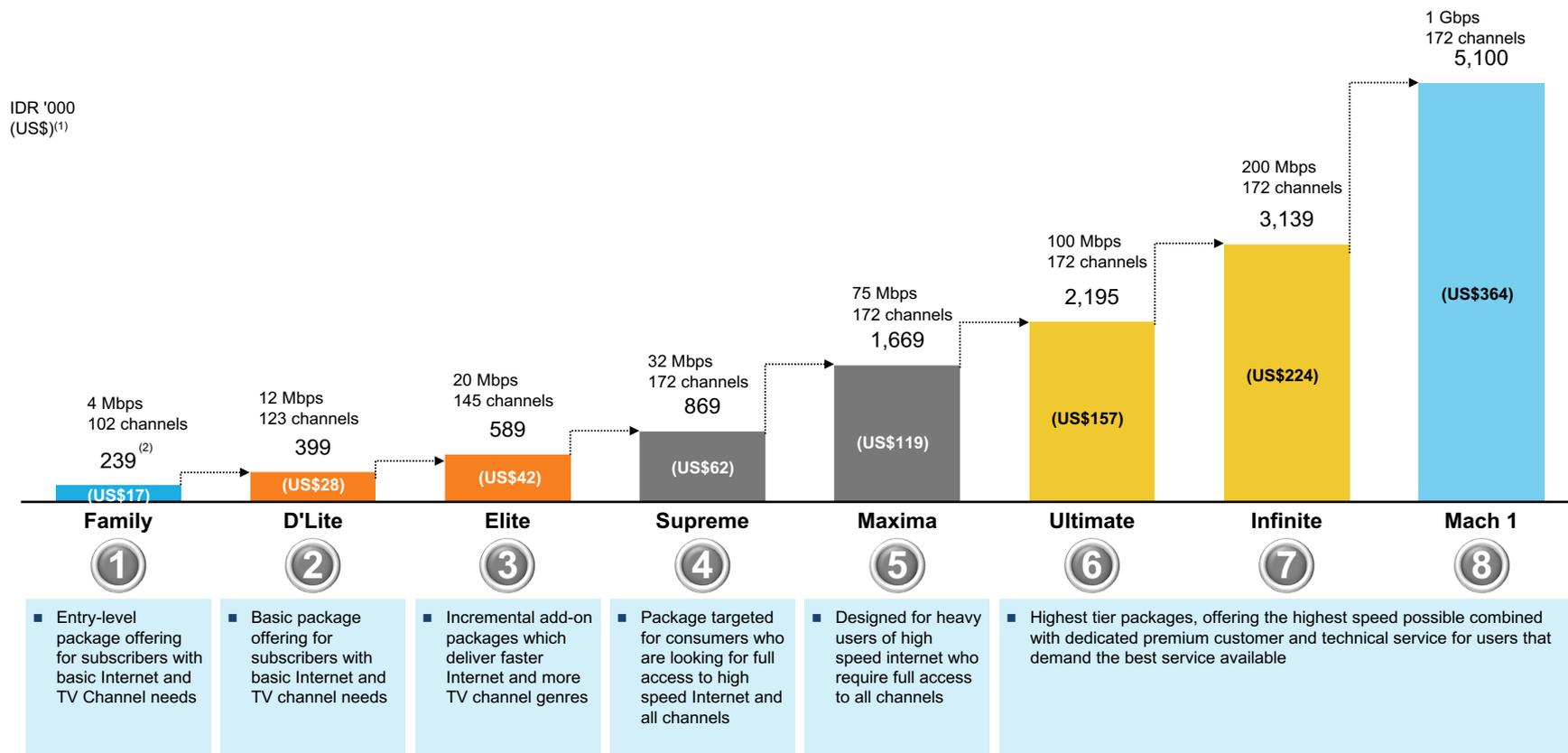
(a) Limited exceptions for certain last mile owned by property developers

(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 Apr 2017

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

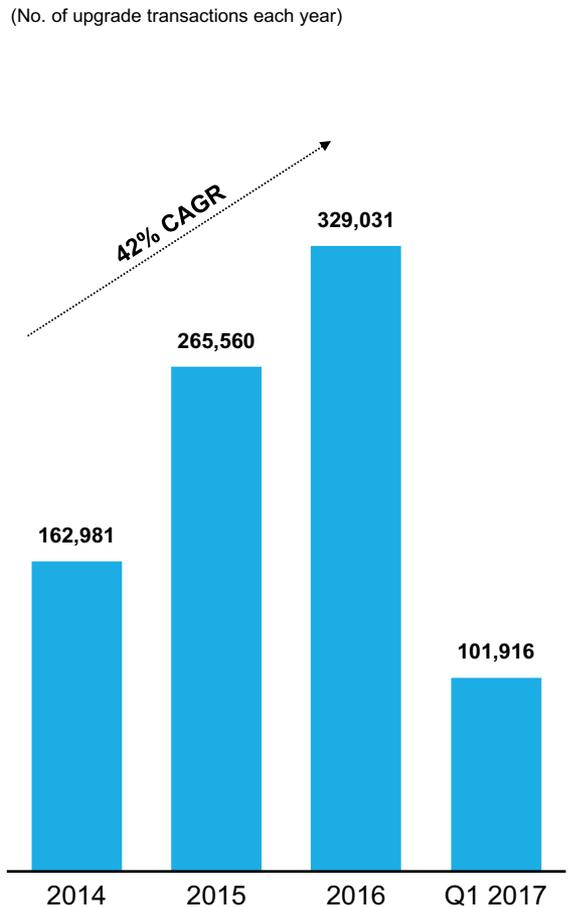
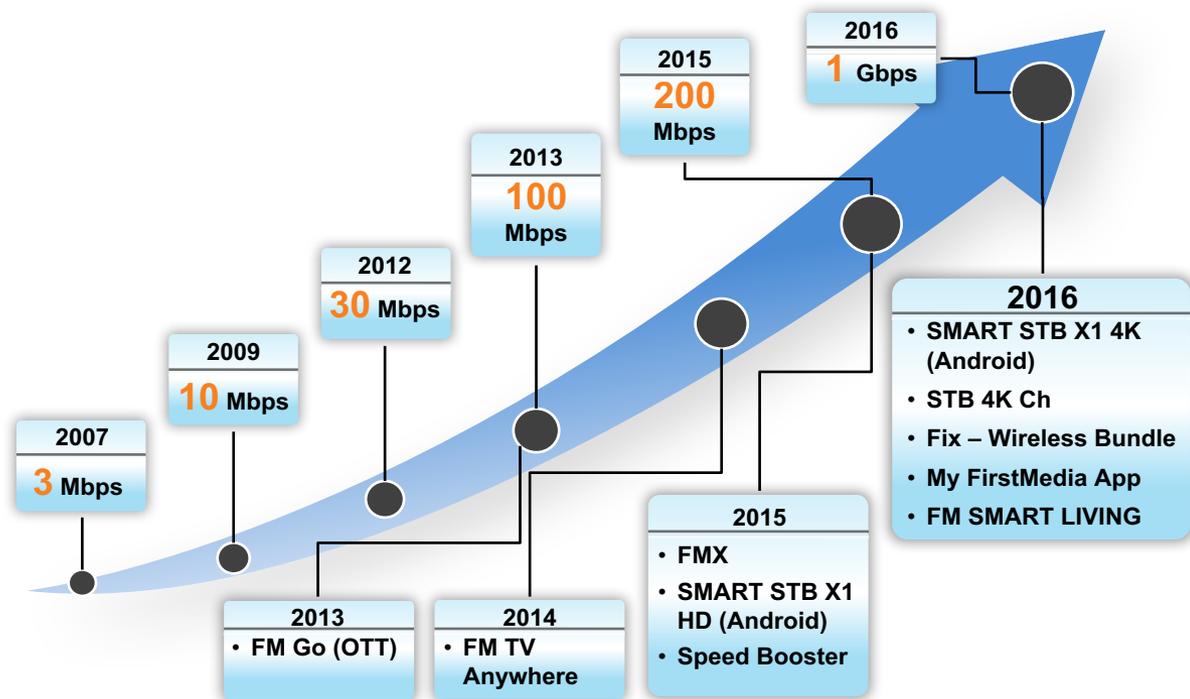
(2) Wireless Docsis 3.0 Modem (previously Docsis 2.0) and HD STB for FAMILY and D'LITE & Wireless Docsis 3.0 Wi-fi Modem and X1 4K STB (previously X1 HD STB) for ELITE up plus FirstMediaX

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



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

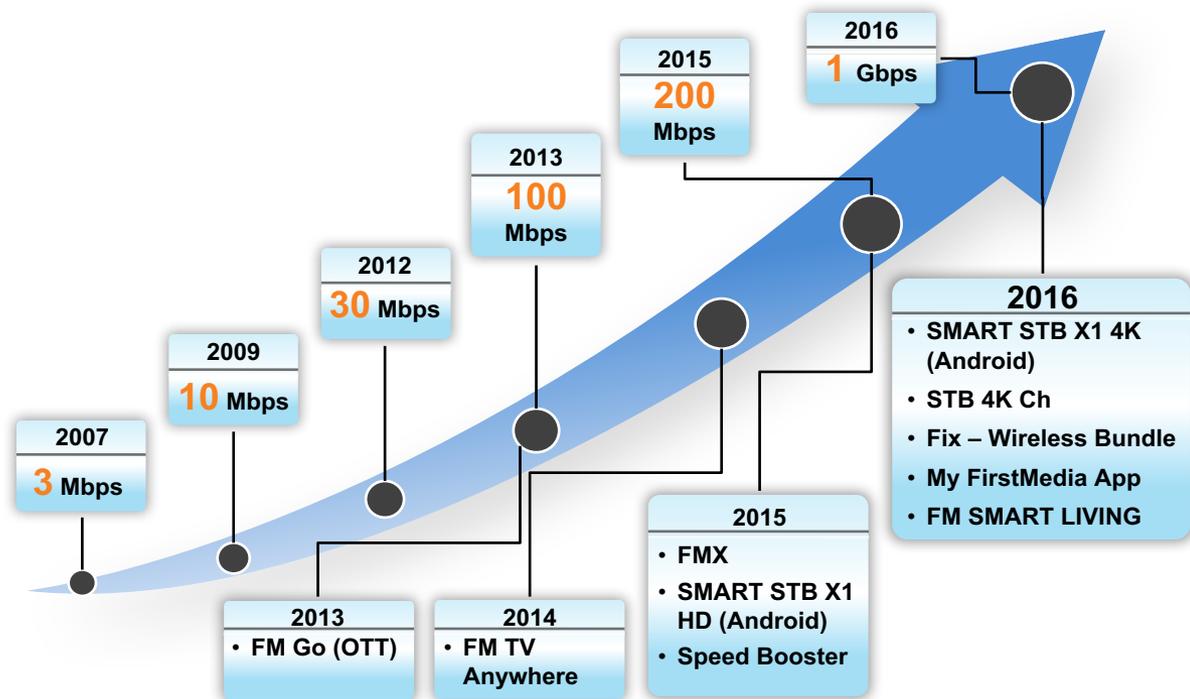
Source: Company data

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

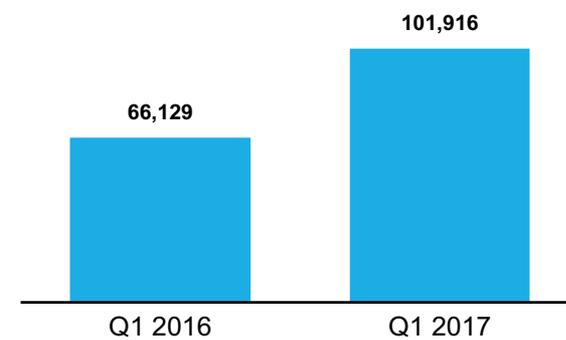
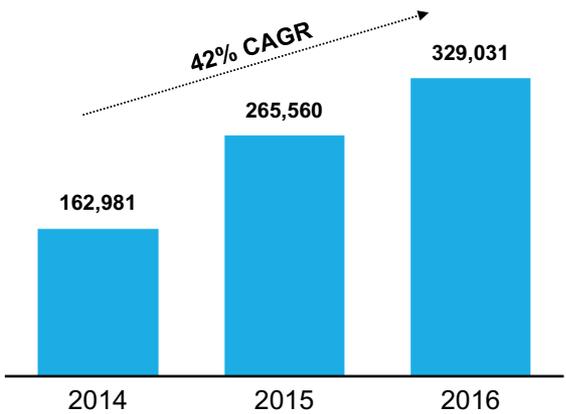
# 4 Premium ARPU maintained based on proven track record of product innovations and upselling

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

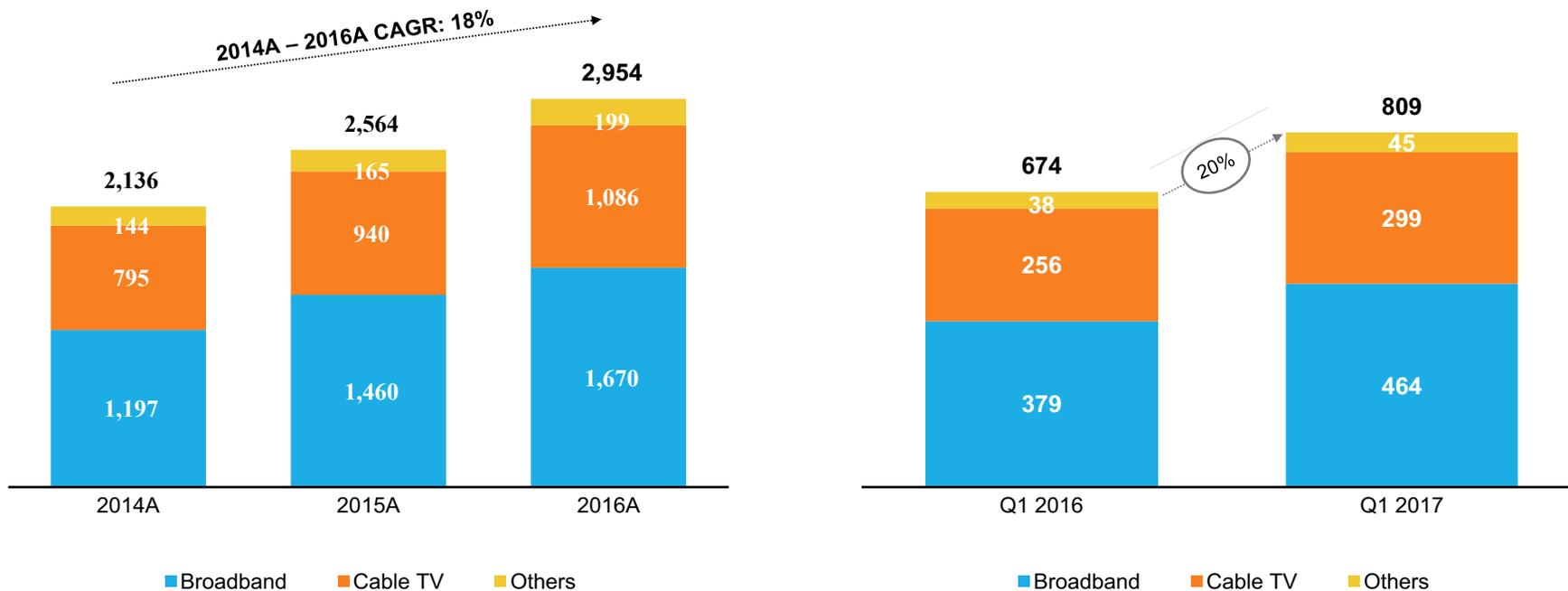
Source: Company data

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)



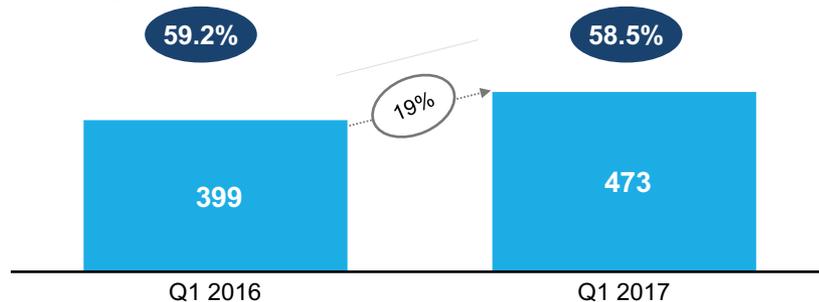
Source: Company information

## 5 Highly attractive financial profile with potential leverage capacity

### EBITDA

(IDR in billions)

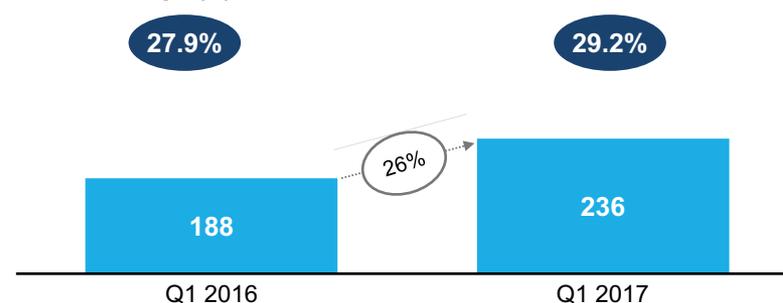
EBITDA margin (%)



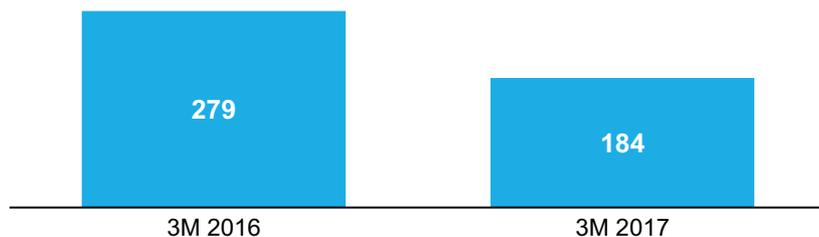
### Net Profit

(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 March 31, 2017. Total debt mainly comprises vendor financing

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 (A-F, 0-9) in a lighter blue, semi-transparent font, creating a sense of digital data flow and connectivity.

## Section 3

# Key financial overview

## Profit and loss summary

(IDR bn)	Year ended Dec 31		3M ended Maret 31	
	2015	2016	1Q 2016	1Q 2017
<b>Revenue</b>	<b>2,564.3</b>	<b>2,954.2</b>	<b>673.8</b>	<b>809.0</b>
<b>EBITDA</b>	<b>1,449.9</b>	<b>1,726.6</b>	<b>398.8</b>	<b>473.0</b>
D&A	(515.1)	(604.8)	(145.0)	(155.5)
<b>Operating Profit</b>	<b>934.8</b>	<b>1,121.8</b>	<b>253.7</b>	<b>317.5</b>
<i>Margin %</i>	36.5%	38.0%	37.7%	39.2%
Finance Income	15.5	13.0	2.9	4.1
Finance Cost	(73.0)	(45.7)	(7.0)	(7.9)
Share in Loss of Associate	(20.9)	-	-	-
<b>Profit Before Tax</b>	<b>856.4</b>	<b>1,089.1</b>	<b>249.6</b>	<b>313.7</b>
Tax Expense	(216.7)	(270.5)	(61.7)	(77.6)
<b>Net Profit</b>	<b>639.7</b>	<b>818.6</b>	<b>188.0</b>	<b>236.2</b>
<i>Margin %</i>	24.9%	27.7%	27.9%	29.2%

# Balance sheet summary

(IDR bn)	As at Dec 31 2016	As at Mar 31, 2017
<b>Current Assets</b>		
Cash and Cash Equivalents	546.7	655.3
Trade Receivables	324.4	338.4
<b>Total Current Assets</b>	<b>907.2</b>	<b>1,045.6</b>
<b>Non-Current Assets</b>		
Property and Equipment - Net	3,807.4	3,844.0
<b>Total Non-Current Assets</b>	<b>4,147.9</b>	<b>4,244.3</b>
<b>Total Assets</b>	<b>5,055.0</b>	<b>5,289.9</b>
<b>Current Liabilities</b>		
Payables	232.9	178.1
Current Maturities of Long-Term Debt	48.9	45.4
<b>Total Current Liabilities</b>	<b>850.8</b>	<b>852.8</b>
<b>Non-Current Liabilities</b>		
Long-Term Debt – Net of Current Maturities	130.3	120.8
<b>Total Non-Curent Liabilities</b>	<b>241.2</b>	<b>237.9</b>
<b>Total Liabilities</b>	<b>1,092.0</b>	<b>1,090.7</b>
<b>Total Equity</b>	<b>3,963.1</b>	<b>4,199.2</b>
<b>Total Liabilities and Equity</b>	<b>5,055.0</b>	<b>5,289.9</b>

Net Cash of  
IDR 489.1 bn



Section 4  
Appendix

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



**Irwan Djaja, Chief Executive Officer**

- Over 23 years of experience in audit, consulting and corporate finance in various industries including telecoms and media
- Hold two doctorate degrees in Management and Law
- Earned numerous international accounting professional certifications
- Has held a number of senior positions for TMT pillar of Lippo Group, i.e. CFO and CEO First Media, CEO Berita Satu, CFO Link Net, etc.



**Timotius Sulaiman, Chief Financial Officer**

- Over 21 years experience in audit & accounting in multimedia and telco companies including Orange TV, Nokia Siemens Network, and Mobile-8
- Previously, Director and CFO at PT Internux (Bolt! 4G LTE)



**Meena Adnani, Marketing & Content Channel Director**

- Over 23 years of experience in media, content and marketing and legal council
- Previously Executive Vice President of Content Development and Business Affairs at First Media, Tbk



**Sutrisno Budidharma, Sales Director**

- Over 27 years of banking experience in banking where he was responsible for Sales and Branch Operations
- Previously, Business Development & Direct Sales Director at PT Link Net, Tbk



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

- Over 22 years of experience in technology, media and networked
- Previously Vice President/Head of Home Solutions and Architecture at StarHub Ltd Singapore



**Liryawati, Investor Relation Director**

- Over 23 years in FMCG, Electronics and Telco. Expertise in Marketing, Sales and Retail
- Previously, worked in Philip Morris, Coca-Cola, Samsung. Last position as CMO to BOLT! 4G TD-LTE Operator



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

- Over 30 years of experience in technology, media and networks.
- Seasoned leader in operations, marketing in major foreign bank.
- Previously Vice President of Cards Marketing at Citibank Indonesia



**Edward Sanusi, Operations Director**

- Over 21 years experience in managing technology related business models for software development, ISP, Cable TV, Social Media and system integration
- Previously, Managing Director at Plasmedia - PT Plexis Erakarsa Pirantiniaga

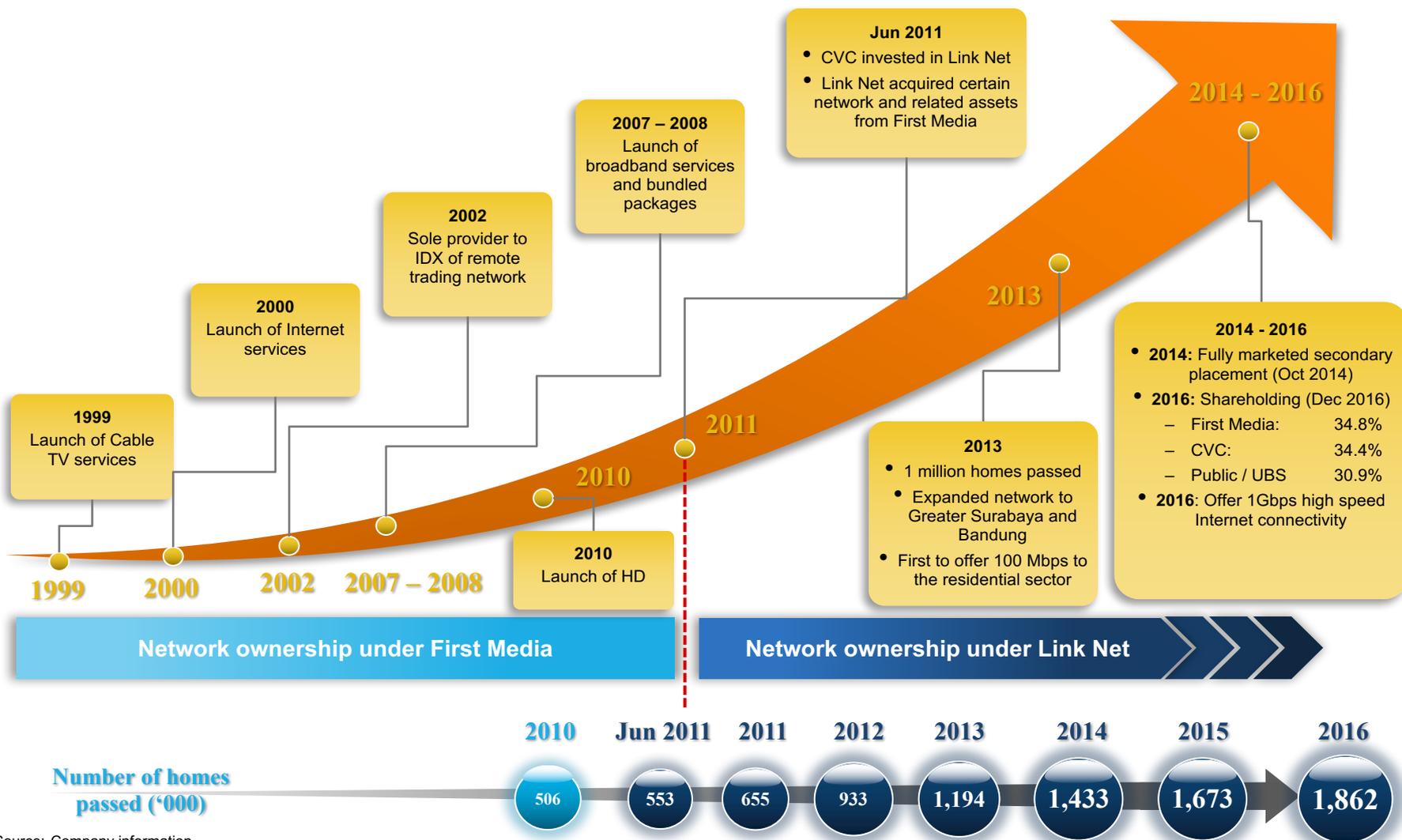


**Ferliana Suminto, Director of Corporate Resources**

- Over 20 years experience in finance, business development as well as information & communication technology, including those at Pelita Harapan University
- Currently covering matters related to procurement and HR

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

# Key corporate milestones



Source: Company information

# Link Net industry accolades and awards



## 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

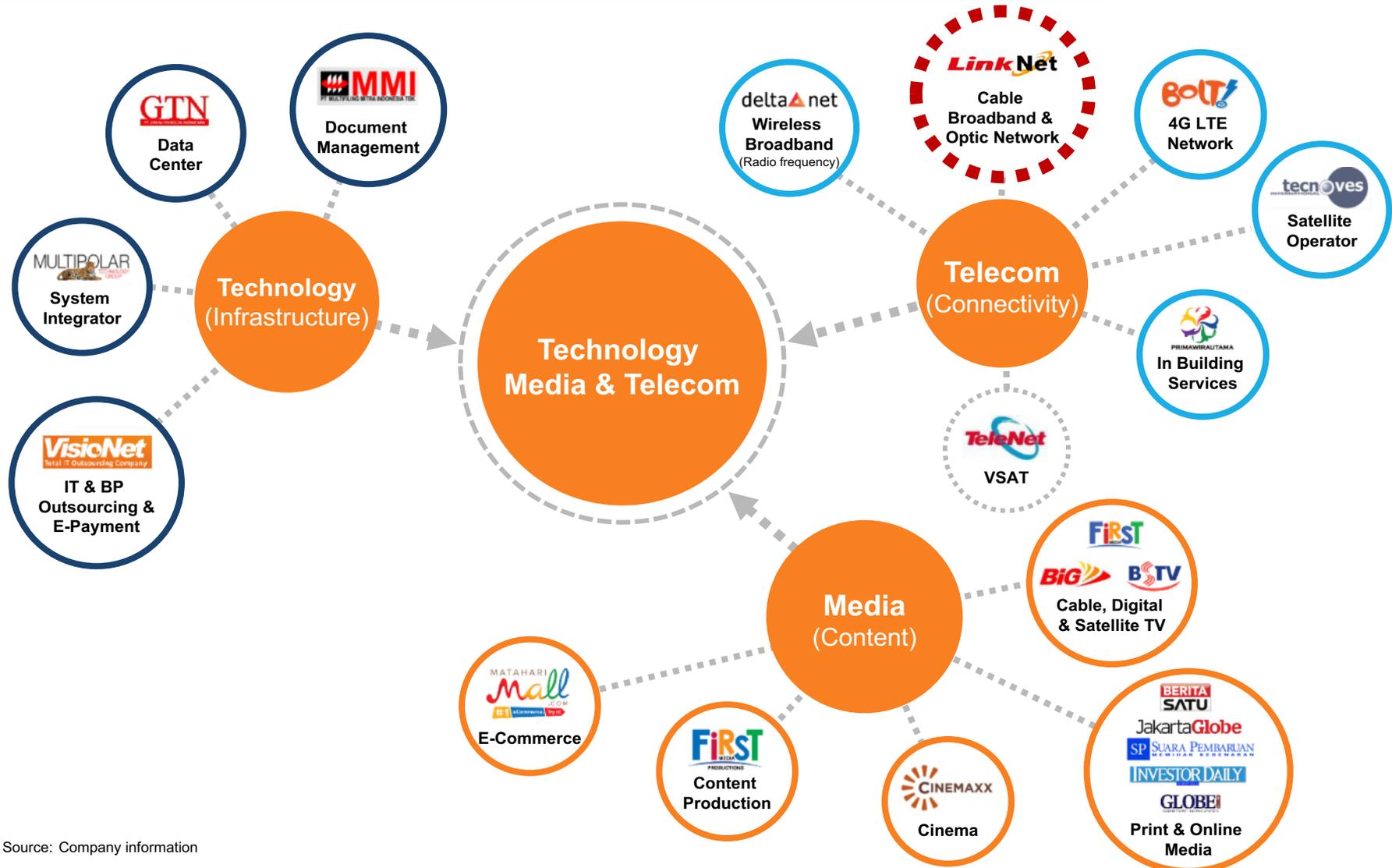


2015 Frost & Sullivan Indonesia Excellent Awards



Corporate Image Award 2012-2014

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



Source: Company information

# 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\$ 2.5 billion**, market caps **over US\$ 11 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



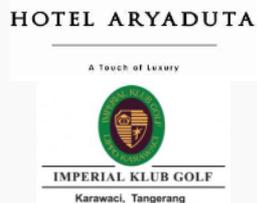
## MALLS



## RETAILS



## HOSPITALITY



## HEALTH CARE



## EDUCATION



## TECHNOLOGY MEDIA TELCO

