



PT Link Net Tbk

Company presentation

April 2017

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Section 1

Company overview

Link Net – The gateway to Indonesian consumer homes



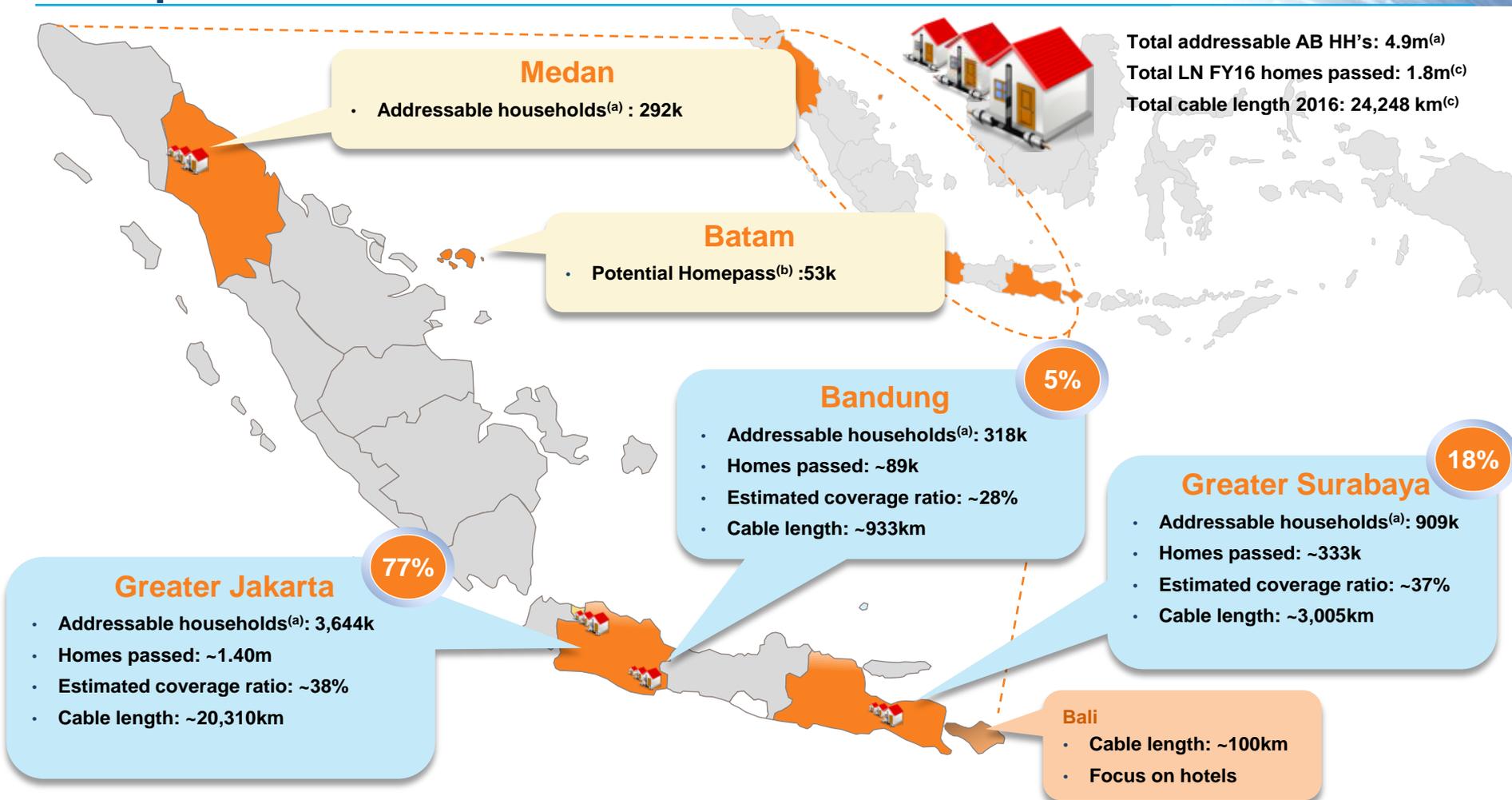
Source: Company data as of 2016

(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 EOP 2016

(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)

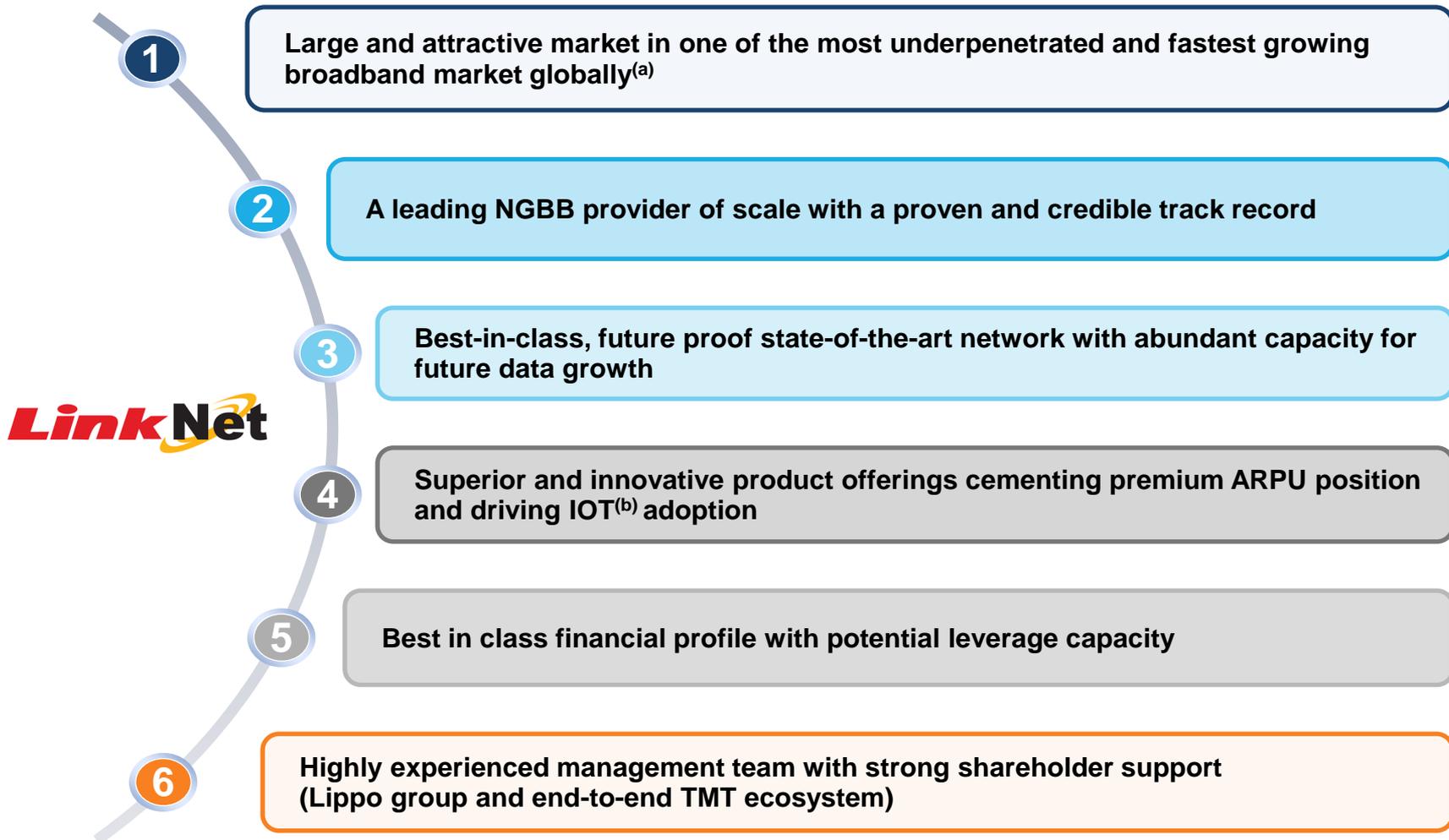
(c) For Greater Jakarta, Greater Surabaya and Bandung

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 aesthetic.

Section 2

Key investment highlights

Key investment highlights



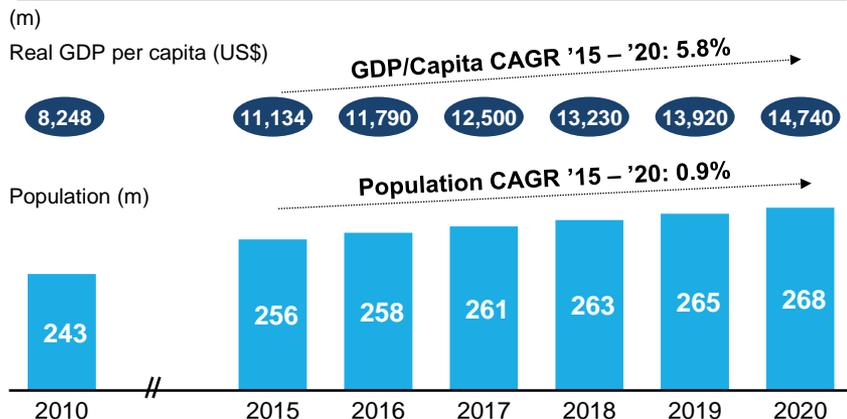
(a) Most underpenetrated and fastest growing broadband market globally out of the top 20 largest global economies – Media Partners Asia

(b) IOT – Internet of Things

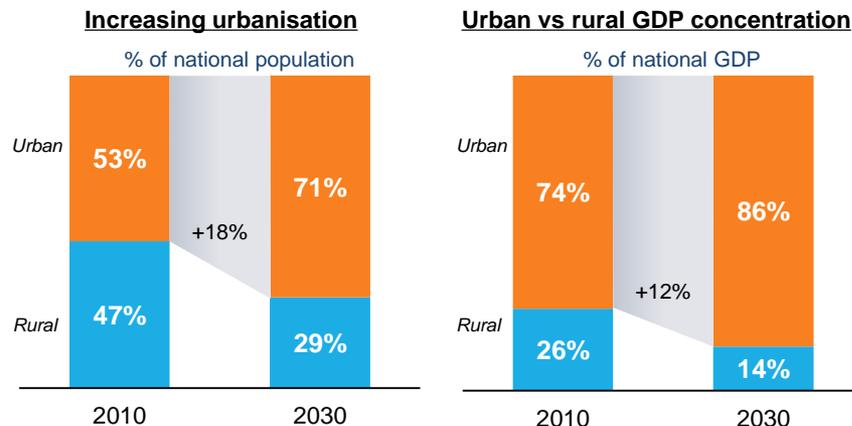
1

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

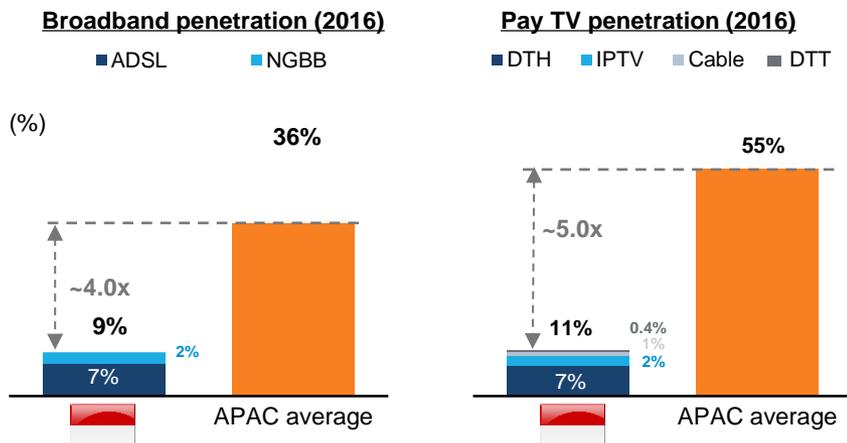
Rapid population and GDP/capita growth in Indonesia^(a)



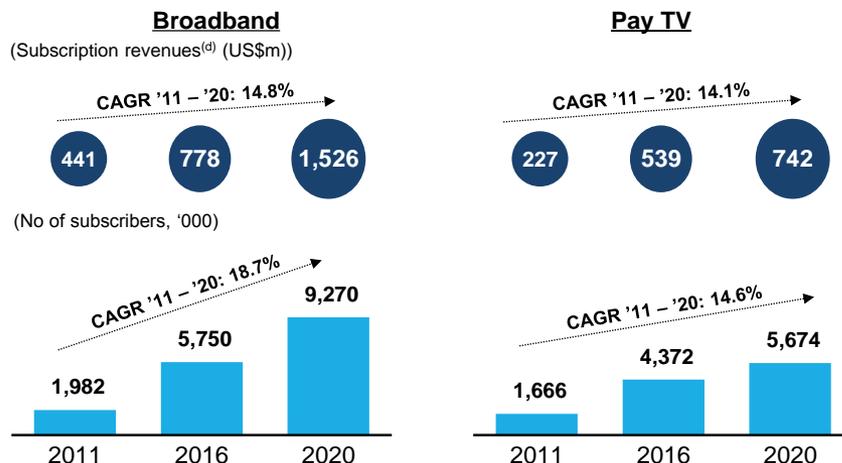
Increasing urbanisation with GDP concentration in cities^(b)



Underpenetrated Broadband and Pay TV segments^(c)



Explosive growth in Indonesia's Broadband and Pay TV markets^(c)



(a) Source: EIU

(b) Source: McKinsey Global Institute

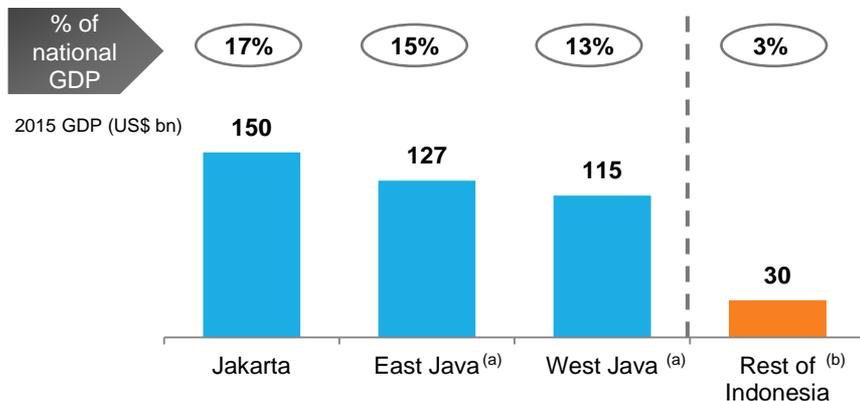
(c) Source: Media Partners Asia

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

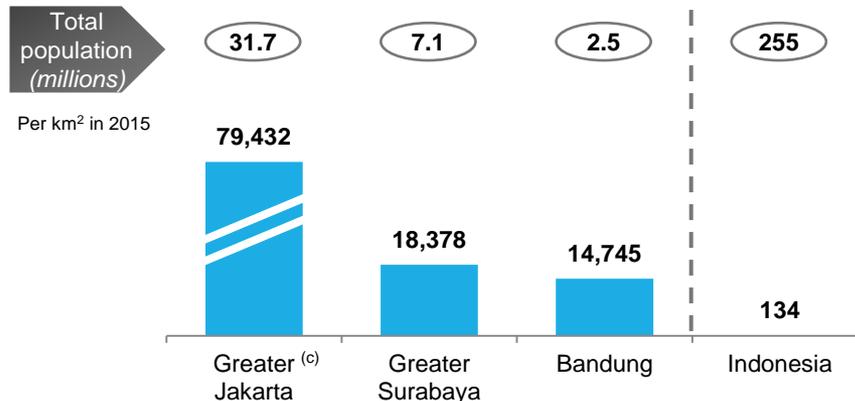
(d) Subscription revenue is defined as the revenue earned from recurring subscription in exchange for the provision of broadband and Pay TV services to subscribers

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

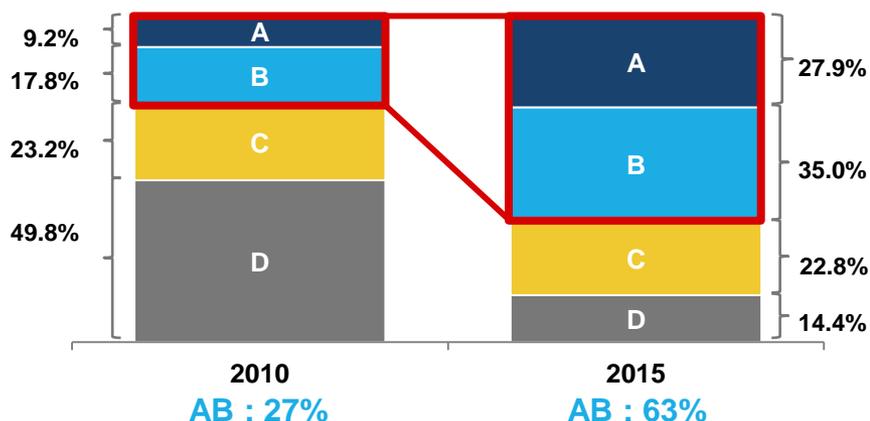
Operating in provinces with high GDP



Operating in cities with high population



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



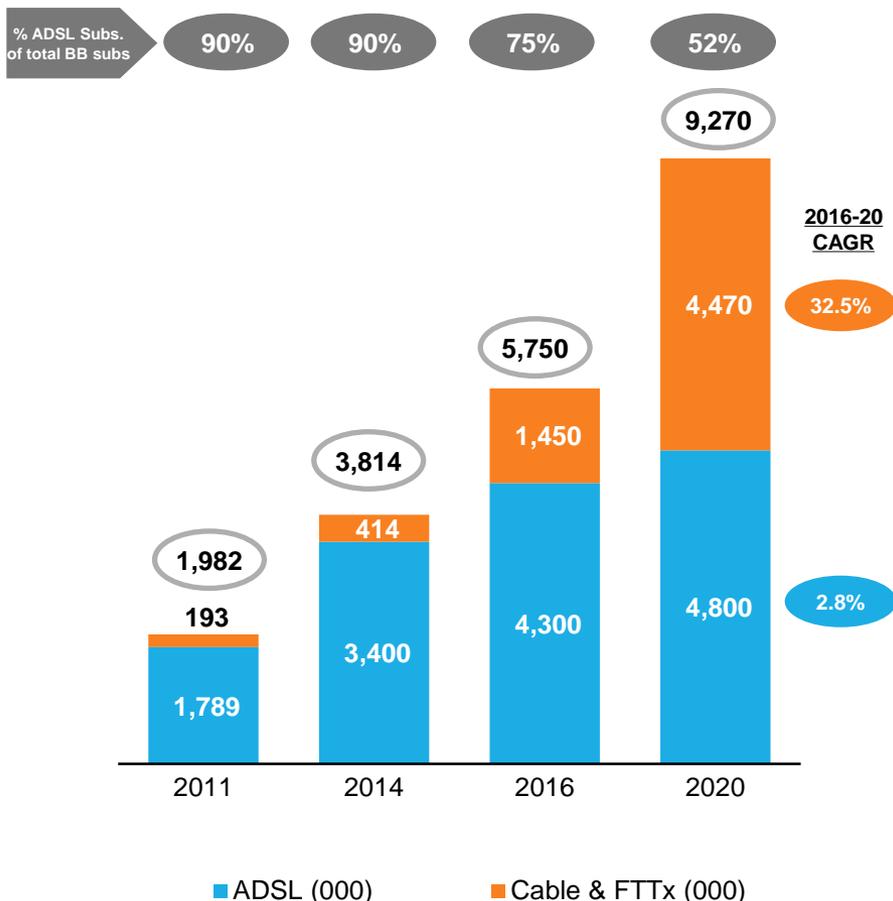
- Fast growing AB segment
- AB segment less price sensitive and very upgradable
- Unsatisfied demand for quality broadband and premium entertainment experience
- Affordable entry level packages also available for C1 segment

Link Net target markets

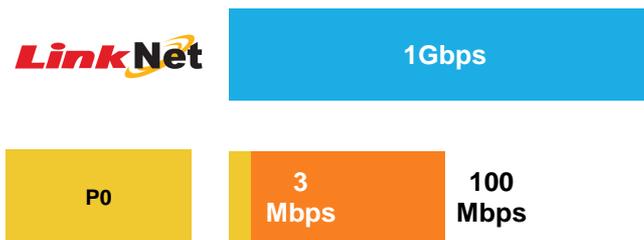
Source: Media Partners Asia, Biro Pusat Statistik (BPS), Nielsen (Assuming 4 pax per household) and Company data
 (a) Key cities in East Java include Gresik, Bangkalan, Mojokerto, Surabaya, Sidoarjo, Lamongan and West Java includes Bandung
 (b) Rest of Indonesia figure is the average of the remaining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

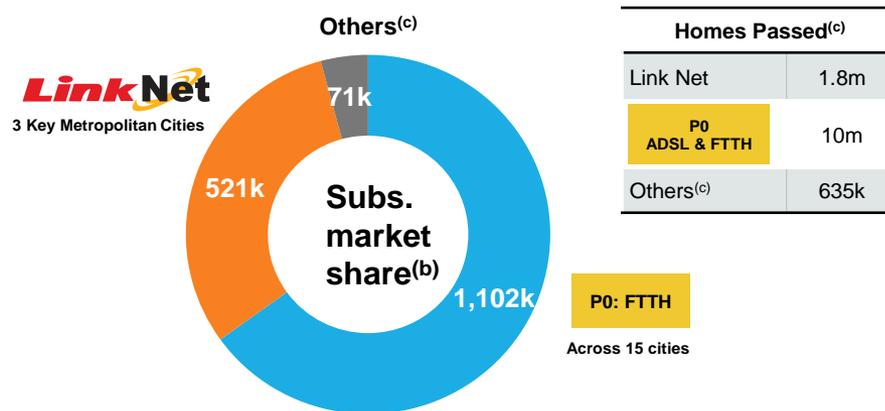
Large and fast growing market with strong demand^(a)...



...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

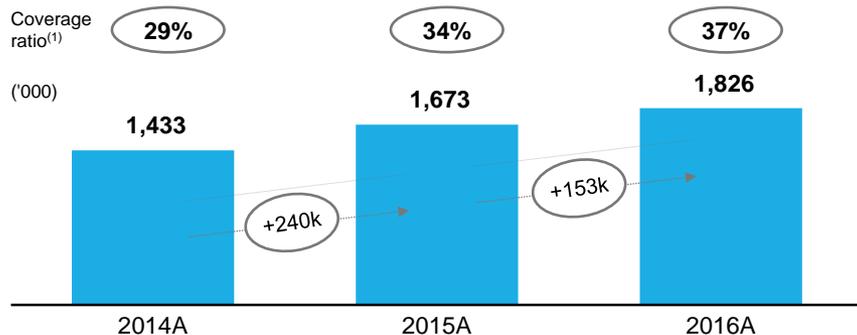
(b) Source: TLKM and Link Net based on FY16 earnings call report / disclosure

(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

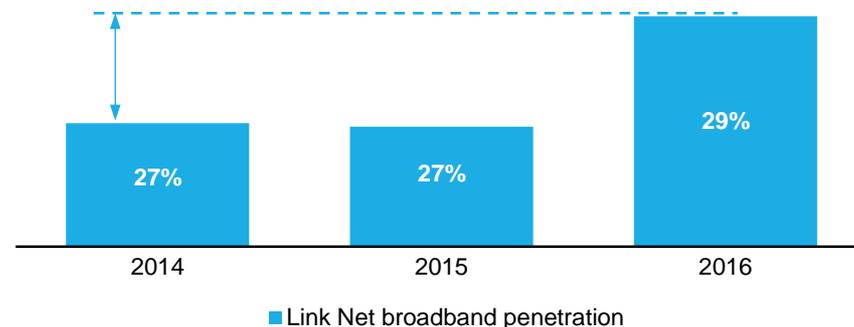
2 Established presence provides foundation for premium ARPUs and core subscriber base

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

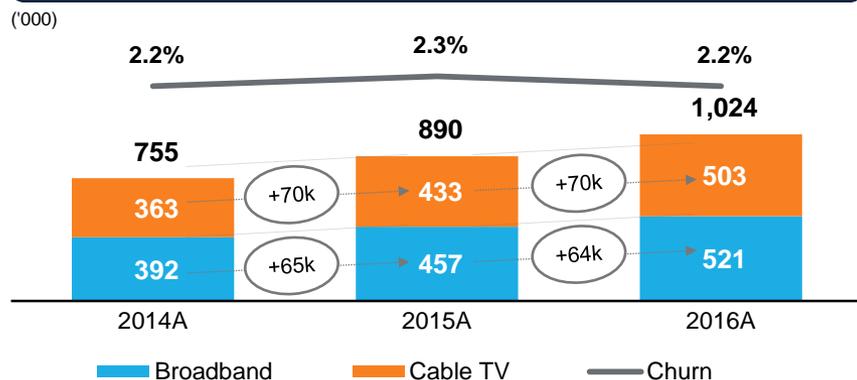
Increasing homes passed



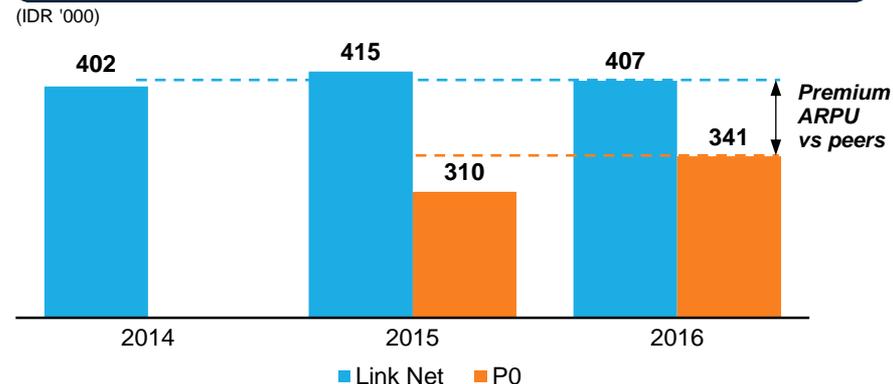
Increasing penetration rate despite increased competition and enlarged network size



Growing RGUs with stable churn



Maintaining premium ARPU vs peers⁽²⁾



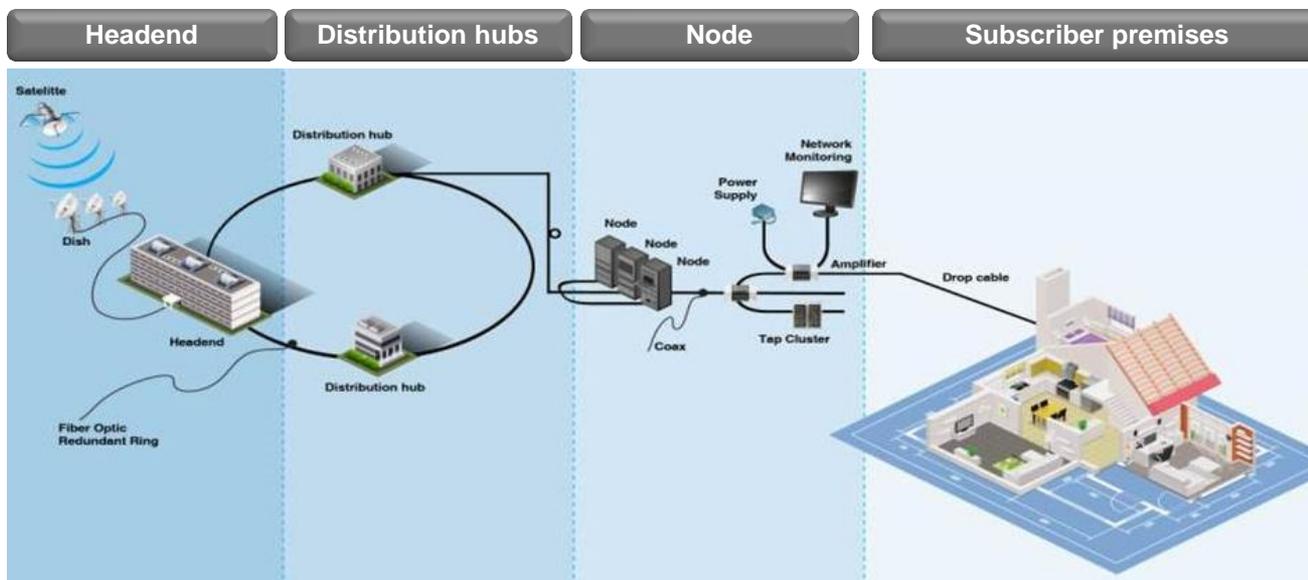
Source: Company data and various public sources

(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^(a)

✓ Offering a **superior quality** network:

- Low average home-to-nodes ratio (~360 homes per node)^(b)
- **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

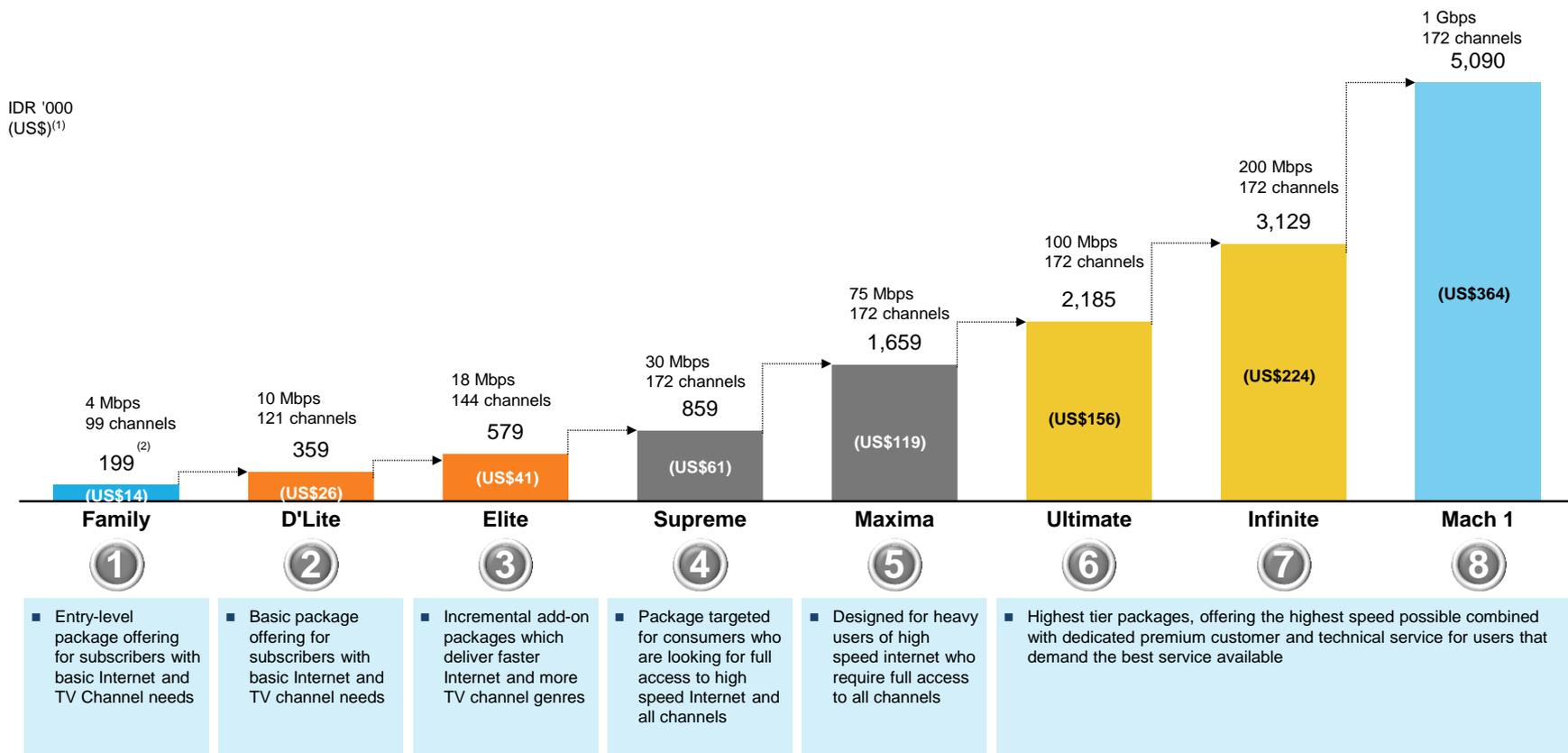
(a) Limited exceptions for certain last mile owned by property developers

(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 Feb 2017

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

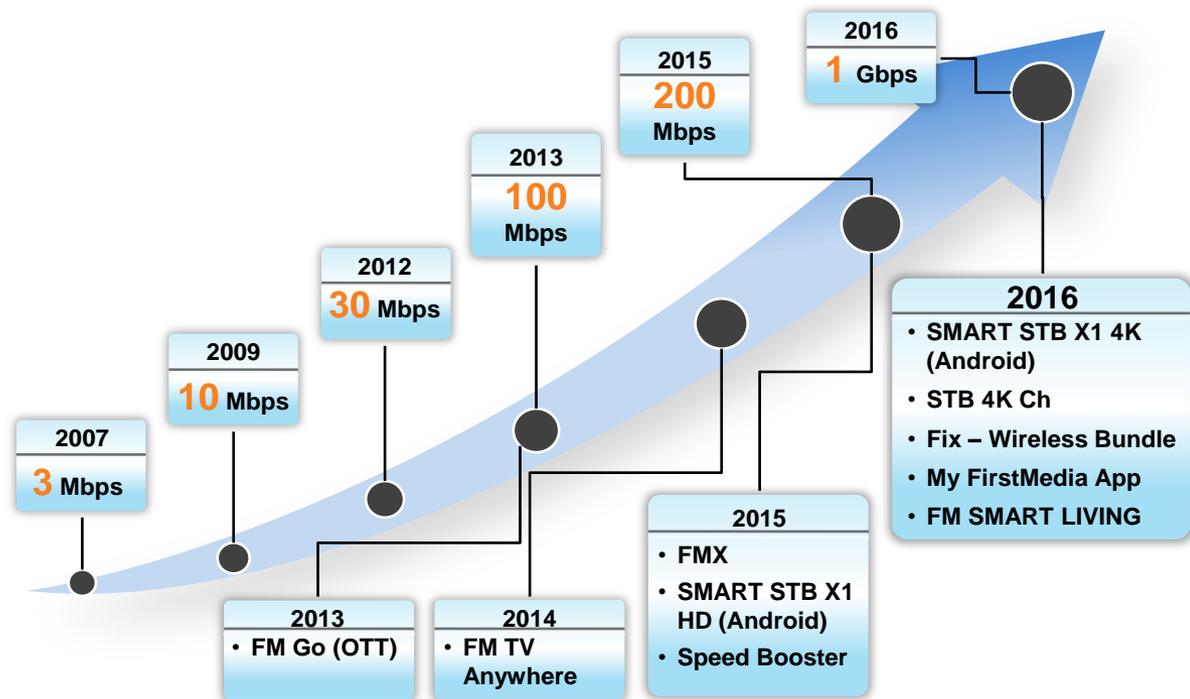
(2) Wireless Docsis 2.0 Wi-fi Modem and HD STB for FAMILY and D'LITE & Wireless Docsis 3.0 Wi-fi Modem and X1 STB for ELITE up

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

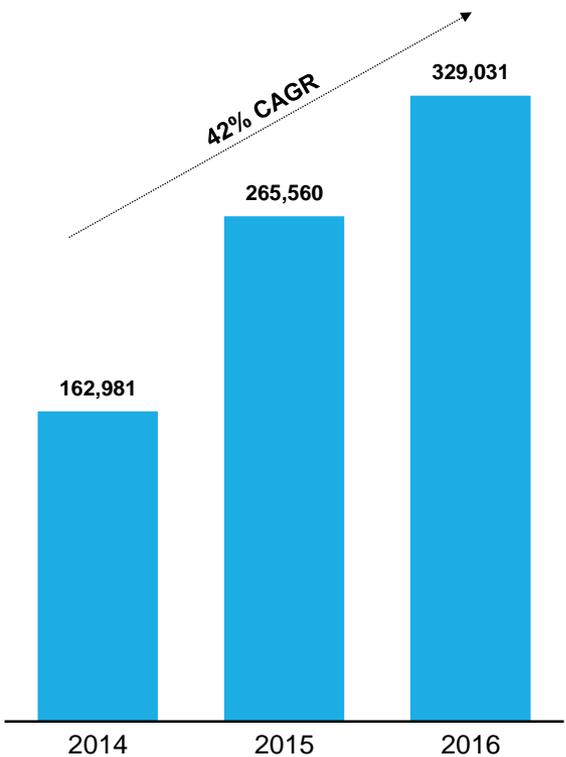
4 Premium ARPU maintained based on proven track record of product innovations and upselling

Superior innovation-led product strategy

Combination of push and pull strategies to drive conversions and upselling



(No. of upgrade transactions each year)



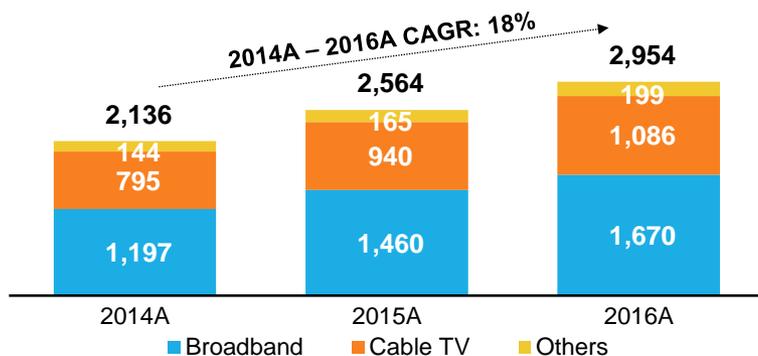
Source: Company data

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

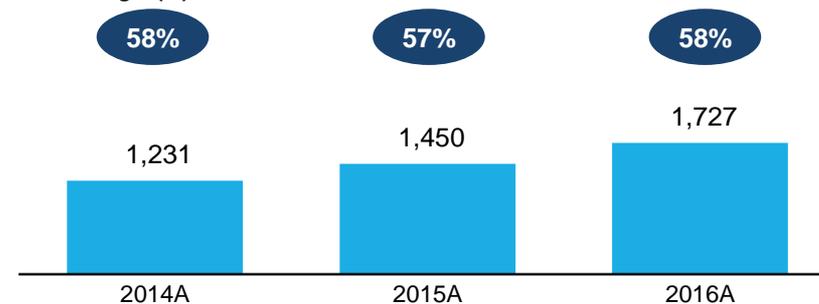
(IDR in billions)



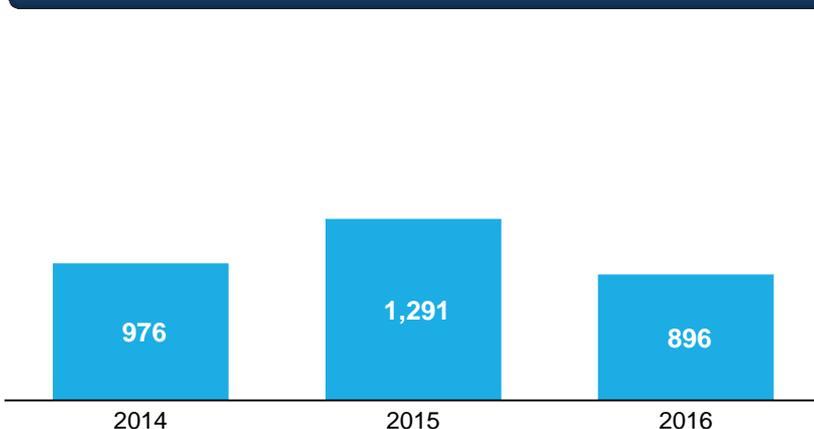
EBITDA

(IDR in billions)

EBITDA margin (%)

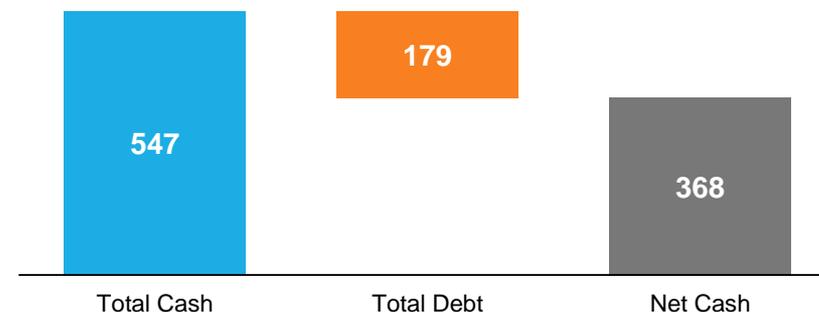


Capex (IDR bn)⁽¹⁾



Net Cash with potential leverage capacity⁽²⁾

(IDR in billions)



Source: Company information

(1) Capex represents additions to property, plant and equipment (PPE)

(2) Total cash and debt position as of September 30, 2016. 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 alphanumeric characters, including letters like 'A', 'B', 'C', 'D', 'E', 'F' and numbers like '0', '1', '2', '3', '4', '5', '6', '7', '8', '9', creating a digital or data-centric aesthetic.

Section 3

Key financial overview

Profit and loss summary

(IDR bn)	Year ending December 31,		
	2014	2015	2016
Revenue	2,136.0	2,564.3	2,954.1
EBITDA	1,230.7	1,449.9	1,726.6
D&A	(393.4)	(515.1)	(604.8)
Operating Profit	837.3	934.8	1,121.8
<i>Margin %</i>	39.2%	36.5%	38.0%
Finance Income	17.6	15.5	-
Finance Cost	(55.7)	(73.0)	(32.7) ⁽¹⁾
Share of Loss in Associate	(43.2)	(20.9)	-
Profit Before Tax	755.9	859.4	1,089.1
Tax Expense	(198.0)	(216.7)	(270.5)
Net Income	557.9	639.7	818.6
<i>Margin %</i>	26.1%	24.9%	27.7%

Source: Company information

(1) On a net basis

Balance sheet summary

Balance sheet summary (IDR bn)	As at Dec 31,	As at Dec 31,	As at Dec 31,
	2014	2015	2016
Current Assets			
Cash and Cash Equivalents	358.7	325.4	546.7
Trade Receivables	176.8	242.1	324.4
Total Current Assets	574.9	604.8	907.2
Non-Current Assets			
Property, Plant and Equipment – Net	2,693.6	3,492.8	3,807.4
Total Non-Current Assets	3,167.3	3,833.3	4,147.9
Total Assets	3,742.2	4,438.1	5,055.0
Current Liabilities			
Payables	112.7	177.2	232.9
Current Maturities of Long-Term Debt	90.7	69.8	48.9
Total Current Liabilities	551.4	647.8	850.8
Non-Current Liabilities			
Long-Term Debt – Net of Current Maturities	91.3	31.4	130.3
Total Non-Curent Liabilities	156.8	122.9	241.2
Total Liabilities	708.2	770.8	1,092.0
Total Equity	3,034.0	3,667.3	3,963.1

Net Cash of
IDR 367.5 bn



Section 4a
Appendix

Introduction: Link Net's deep and experienced management team



Irwan Djaja, Chief Executive Officer

- Over 20 years of experience in audit, consulting and corporate finance in various industries including telecoms and media
- 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

- 20 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

- 22 years of experience in media and marketing
- Previously Executive Vice President of Content Development and Business Affairs at First Media, Tbk



Sutrisno Budidharma, Sales Director

- 24 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

- 19 years of experience in technology
- Previously Vice President of Home Solutions and Architecture at StarHub



Liryawati, Investor Relation Director

- 20 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

- 23 years of experience in consumer and operations
- Previously Vice President of Cards Marketing at Citibank



Edward Sanusi, Operations Director

- 19 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

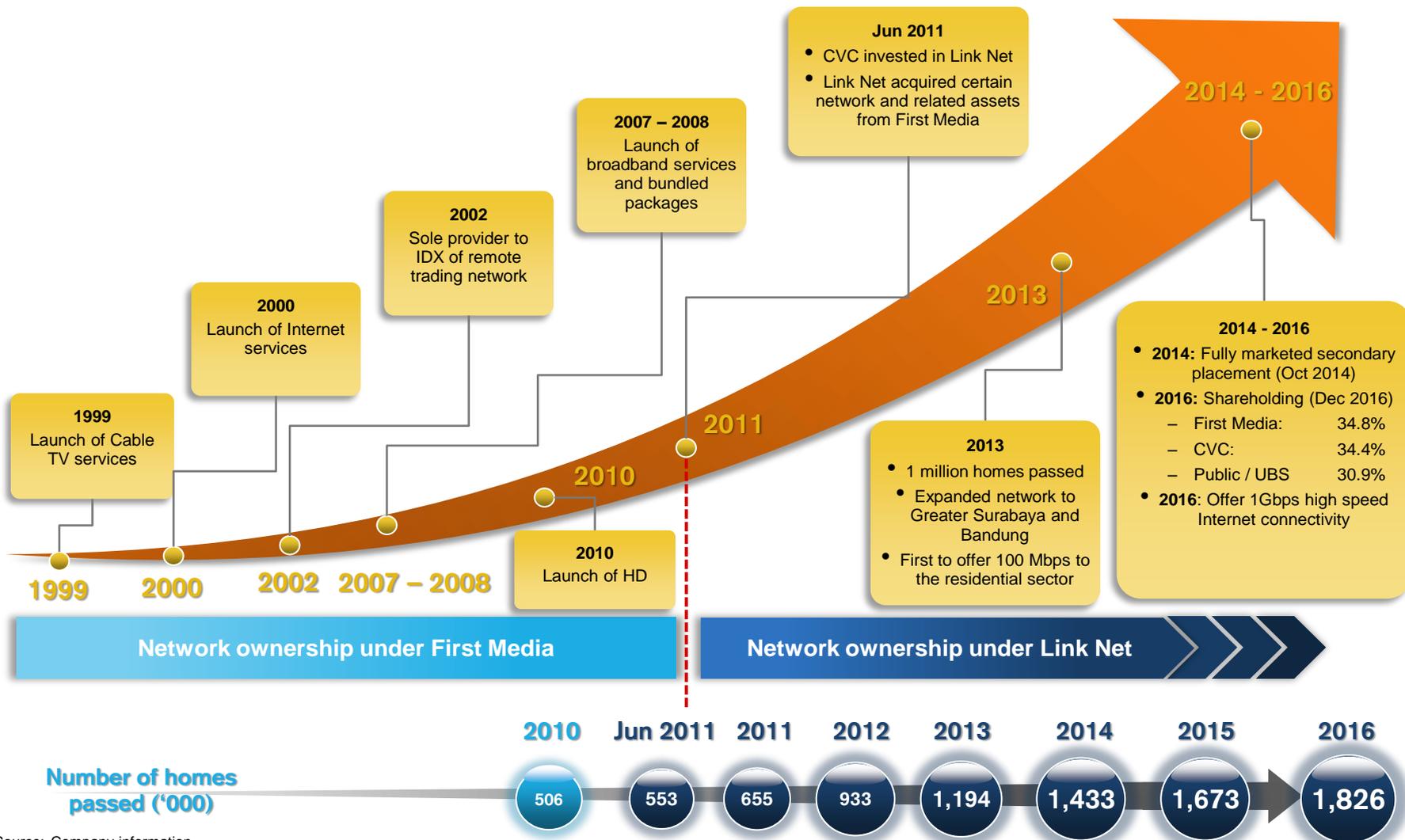


Ferliana Suminto, Director of Corporate Resources

- 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



Customer Loyalty Award Net Promoter Leader Award 2016
Pay TV & Broadband/Fixed ISP category
SWA magazine, 2011-2016

Company	Score	Company	Score
PT Telekomunikasi Indonesia Tbk	95.00	PT Telekomunikasi Indonesia Tbk	95.00
PT Telkom Indonesia Tbk	94.00	PT Telkom Indonesia Tbk	94.00
PT Indosat Tbk	93.00	PT Indosat Tbk	93.00
PT Transvision Tbk	92.00	PT Transvision Tbk	92.00
PT Citigroup Indonesia Tbk	91.00	PT Citigroup Indonesia Tbk	91.00
PT Bank Mandiri Tbk	90.00	PT Bank Mandiri Tbk	90.00
PT Bank Central Asia Tbk	89.00	PT Bank Central Asia Tbk	89.00
PT Bank Negara Indonesia Tbk	88.00	PT Bank Negara Indonesia Tbk	88.00
PT Bank Rakyat Indonesia Tbk	87.00	PT Bank Rakyat Indonesia Tbk	87.00
PT Bank Permata Tbk	86.00	PT Bank Permata Tbk	86.00
PT Bank Sinergi Tbk	85.00	PT Bank Sinergi Tbk	85.00
PT Bank Jombang Tbk	84.00	PT Bank Jombang Tbk	84.00
PT Bank Panca Bakti Tbk	83.00	PT Bank Panca Bakti Tbk	83.00
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	82.00	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	82.00
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PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	30.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	30.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	29.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	29.00
PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	28.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	28.00
PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	27.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	27.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	26.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	26.00
PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	25.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	25.00
PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	24.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	24.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	23.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	23.00
PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	22.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	22.00
PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	21.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	21.00
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PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	19.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	19.00
PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	18.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	18.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	17.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	17.00
PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	16.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	16.00
PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	15.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	15.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	14.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	14.00
PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	13.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	13.00
PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	12.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	12.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	11.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	11.00
PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	10.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	10.00
PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	9.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	9.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	8.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	8.00
PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	7.00	PT Bank Pembangunan Daerah Irian Jaya Barat Tenggara Tbk	7.00
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PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	3.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	3.00
PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	2.00	PT Bank Pembangunan Daerah Irian Jaya Barat Selatan Tbk	2.00
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PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	0.00	PT Bank Pembangunan Daerah Irian Jaya Barat Utara Tbk	0.00

PEFINDO25 Index
(01/08/2015 to 31/01/2016)
Company/Stock with sound financial and liquidity performance
PEFINDO25 initiated by Central Bank Indonesia and IDX



Word Of Mouth Marketing Award 2015
First Winner in Cable TV category
SWA magazine, 2011-2015



2015 Frost & Sullivan Indonesia Excellent Awards
Fixed Broadband Service of the Year
(Company recognized to have pushed boundaries of excellence – rising above competitions and demonstrating outstanding performance)



Word Of Mouth Marketing Award 2015
Fixed Internet Provider category
SWA magazine, 2011-2015



Top Brand Award 2012-2014
Internet Service Provider Fixed
From Frontier Consulting Group & Marketing Magazine



Indonesia WOW Brand 2015
Silver Champion of Indonesia
WOW Brand 2015
Pay TV Category
From Markplus Inc



Corporate Image Award 2012-2014
Pay TV & Internet Provider
From Frontier Consulting Group & TEMPO Magazine



Indonesia WOW Brand 2015
Gold Champion of Indonesia
WOW Brand 2015
Fixed Internet Service Provider Category
From Markplus Inc



Top Telco 2015
Top Fixed Internet 2015
From Itech Magazine



Net Promoter Leader Award 2011-2014
Pay TV and BB/Fixed ISP category
From SWA magazine

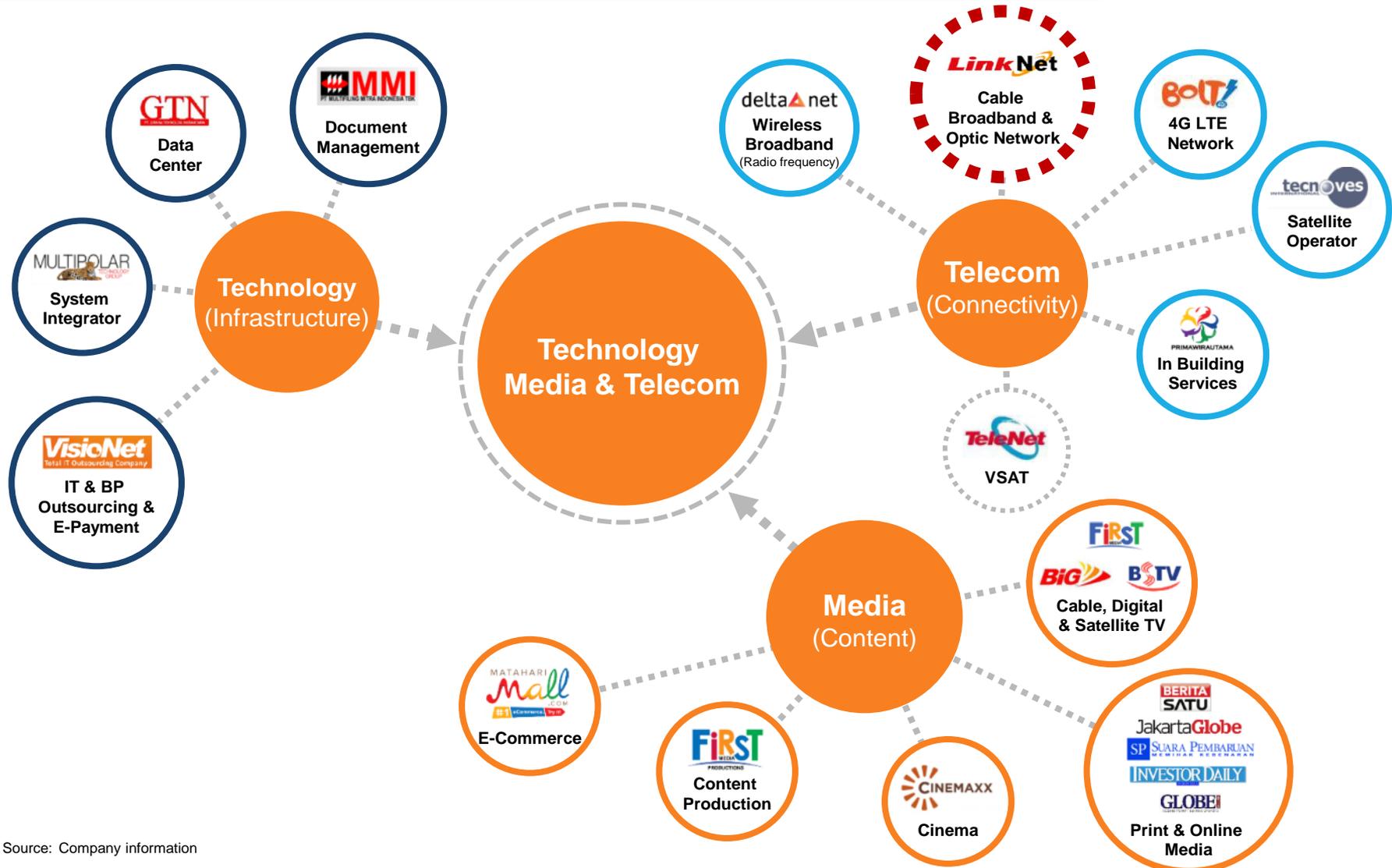


Brand Finance plc Brand Rating
Rank 79th in Most Valuable Indonesia Brands 2015
From Brand Finance



Top IT & Telco 2014-2016
Top Fixed Internet Provider
From iTech Magazine

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

HOTEL ARYADUTA

A Touch of Luxury



IMPERIAL KLUB GOLF

Karawaci, Tangerang

HEALTH CARE



EDUCATION



TECHNOLOGY MEDIA TELCO



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.

Section 4b
Appendix –
Competitive landscape

Limited impact from competition on Link Net's operations

Link Net and P0 are the only 2 players of scale in the Indonesian NGBB space. P0 has been expanding its network over the last 2 years.

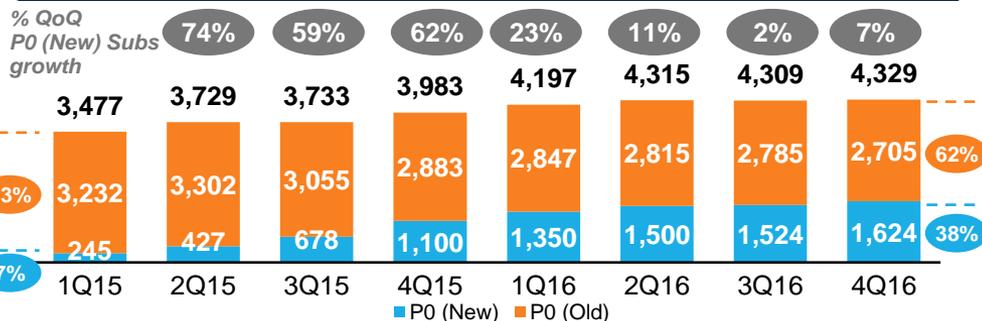
P0 has expanded its NGBB network over the last 2 years...

(millions of homes passed)



- ❑ P0 has >12m homes passed currently (Includes both ADSL and FTTH)

... resulting in an enlarged P0 (New) subscriber base ('000s)...

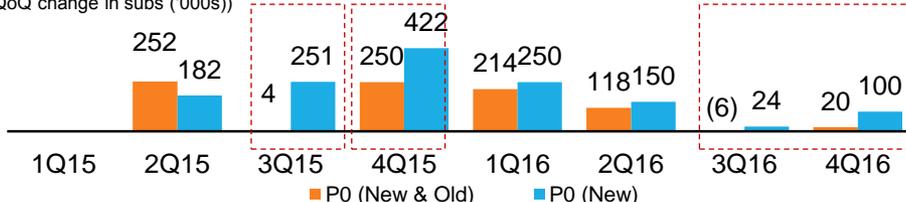


- ❑ P0 (New)'s subscriber base represents c. 35% of its fixed broadband subscriber base
- ❑ Growth of its P0 (New) subscriber base has slowed over recent quarters despite the continued network rollout

... which are from a combination of ADSL upgrades and new additions

Likely quarters with mostly ADSL upgrades to NGBB

(QoQ change in subs ('000s))

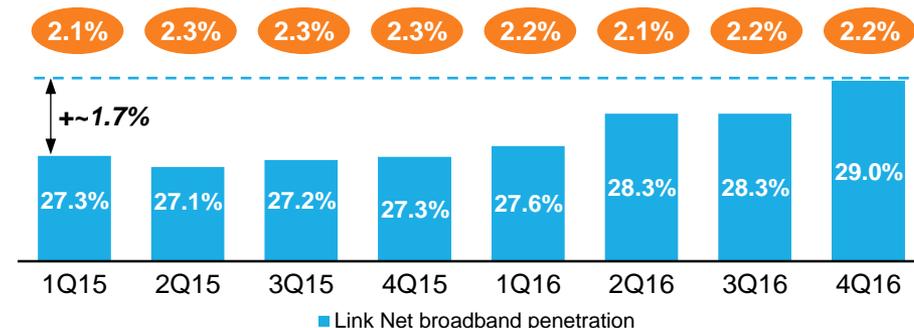


- ❑ P0 (New)'s subscriber growth is likely coming from internal existing ADSL subscriber upgrades and from areas where Link Net has decided not to roll-out

Limited impact from competition on Link Net's operations (Cont'd)

Link Net's penetration has crept up while churn rates have remained stable despite continued network expansion

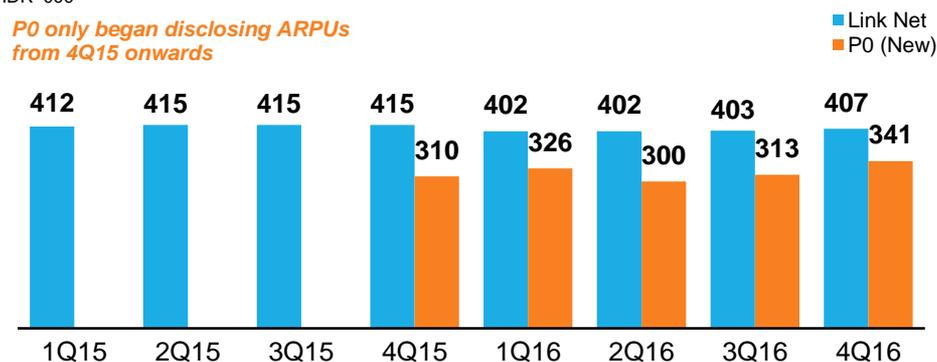
Churn rate



ARPUs have remained stable as well at a premium to P0's

IDR '000

P0 only began disclosing ARPUs from 4Q15 onwards



Limited impact on Link Net's operations due to:

- 1) Natural barriers to entry from Link Net's first mover advantage
- 2) Differing strategic goals:
 - Strategic expansion into areas with the most lucrative and fastest growing demographics
 - Link Net's superior and innovation-led product offering
- 3) Under-penetrated broadband market allowing room for both Link Net and P0 to expand

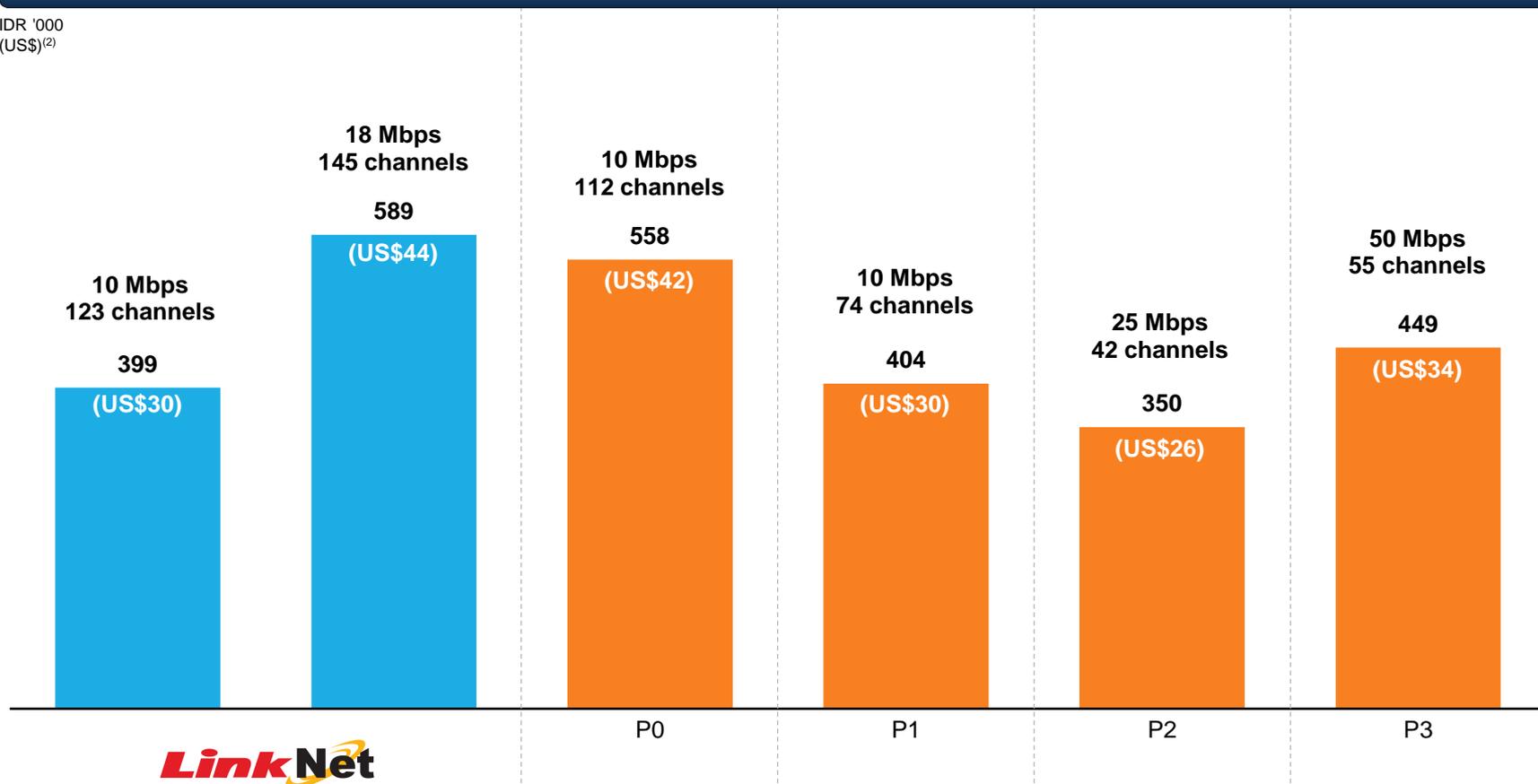
Link Net has achieved the following despite the competitive environment:

- Link Net has continued to increase its network at a steady rate (1.4m to 1.8m homes passed in 2 years to 2016)
- Continued growth of subscriber base (~1m RGUs as of 2016) and penetration rates with controlled churn rates despite competitive environment
- 18% Revenue CAGR (14A – 2016A)
- Stable premium ARPUs and EBITDA margins

Superior product offering with combo of broadband and Cable TV services compared to peers

Package price⁽¹⁾

IDR '000
(US\$)⁽²⁾



Source: Company data, Corporate websites of service providers as of March 2017

(1) For comparison across products, packages analysed offer 10 & 18 Mbps for Link Net vs. others similar mbps Internet package

(2) USD/IDR exchange rate of 13,300