

**linknet**

# PT Link Net Tbk

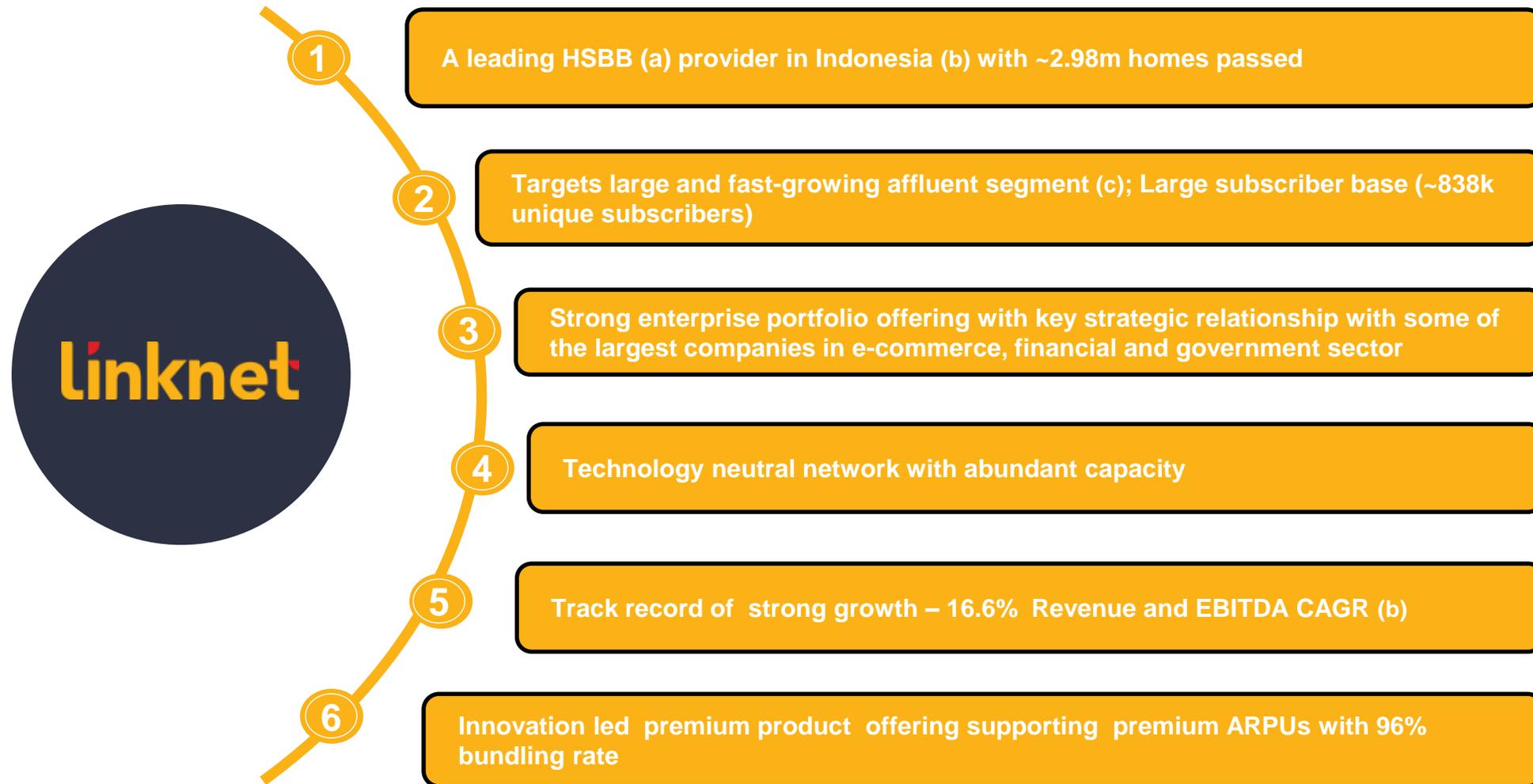
1H22 Company Presentation





## ■ Introduction to Link Net

# Link Net – The Gateway of Indonesian Consumers



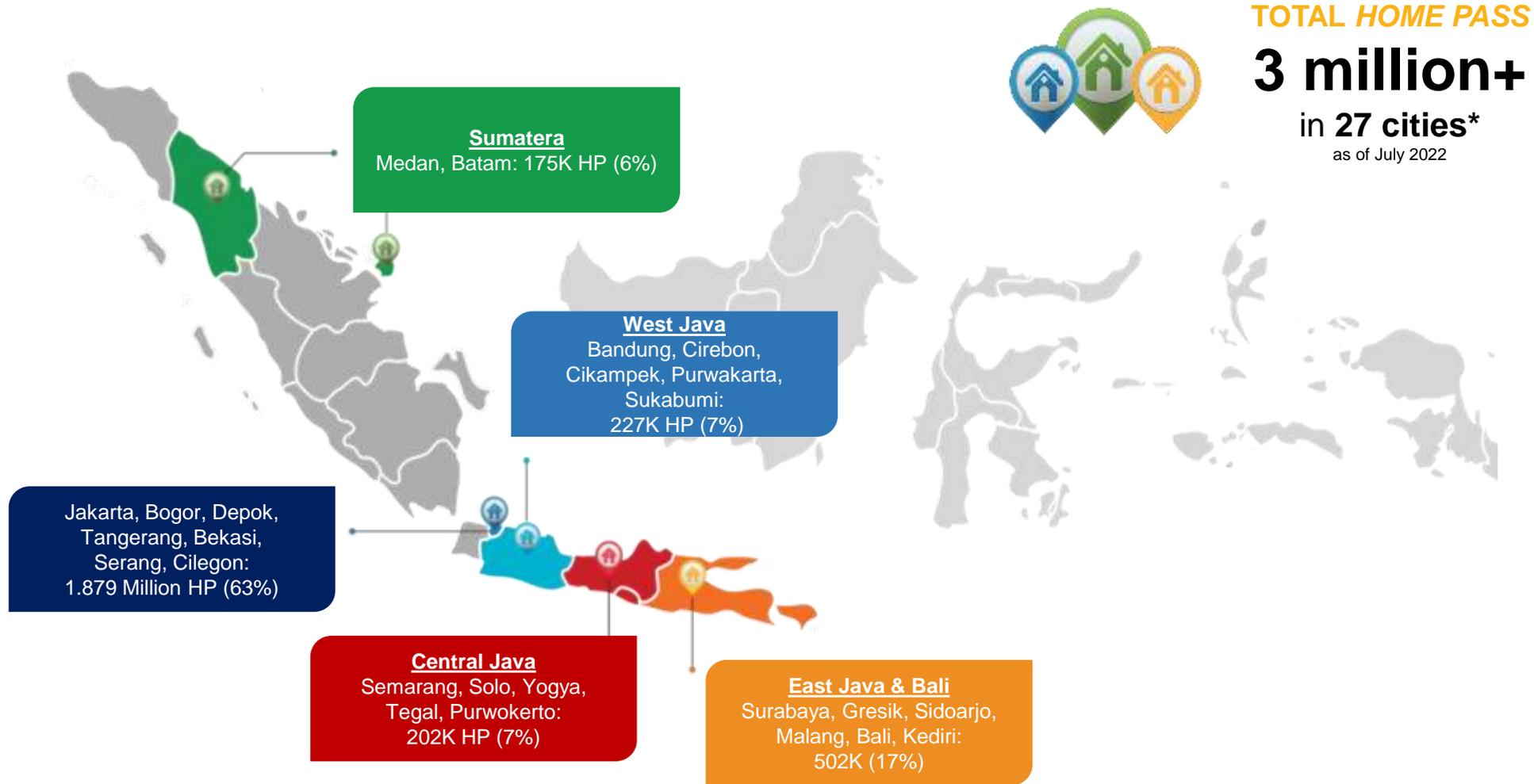
Note: Company data as of June 2022 unless otherwise stated

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

b) Revenue and EBITDA CAGR over FY2011 to FY2020

# Link Net's Footprints

Continuously expanding our coverage to reach more cities in Indonesia



Note: Company data as of June 2022 unless otherwise stated

# Business Overview

## A. Residential Business

# Our Competitive Edge

Always serves customers with best products & service quality



## UNLIMITED ENTERTAINMENT WITH BEST CONTENT

**Most Channels & Highest** number of **HD** channels of any provider in Indonesia (231 channels; 102 HD, 4 4K)\*

**OTT** (Catchplay, HBO GO, VIU, GoPlay and more to come)

## LEADING THE WAY IN PRODUCT INNOVATION

**Digital Smart Box X1**  
An interactive smart TV experience

**FirstMediaX**  
TV anywhere application

**DOCSIS 3.1 & FTTH**  
Ready (up to 10Gbps)

**SuperWifi**  
Mesh Wifi router for best coverage

## SUPERIOR QUALITY OF SERVICE

**SLA (3 – 4 hours)**  
to respond to network issues

**24 Hours Call Centers**  
Dedicated Lines to Premium Customers

**My FirstMedia App**  
one stop digital self care for 24 hours quick solution

## RELIABLE NETWORK CONNECTION

Regular upgrade & maintain networks

Implementation of **CNH (Customer Network Health Status)**, a system that monitors the general health of our Network

**20 years** of experience in Network Architecture

\*based on the most expensive package's channel offerings.

# Continued Commitment to Become the Leading Internet, Pay TV and Entertainment Provider in Indonesia

Essential Local Content	Factual & Lifestyle Brands	Regional and Kids Entertainment	Movies and Entertainment	Leading Sports and News channels	OTT

- Highest number of HD and 4K channels to provide superior quality HD experience for customers:
  - Currently offers 102\* HD Channels and 4 4K Channels
  - Total of 231<sup>(a)</sup> channels (102HD, 125 SD, 4 4K)
- First to launch TV Anywhere service with more than 100 channels
  - Highest number of TV Anywhere channels amongst cable TV operators
- Recently forged partnerships with OTT providers further boosting OTT content library for customers

- Deep and unique understanding of Indonesia's viewership preferences
- Content sourced through various international and local providers, with whom Link Net has established deep relationships

**Widest and Diverse Channel Selection Addressing Viewership Preferences**

(a) Based on the most expensive package's channel offerings.

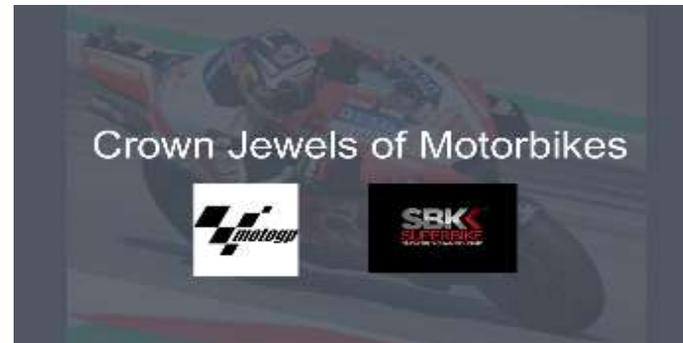
# Content Pack Addition – SPOTV Package

We've added a content pack called SPOTV which our customers can use to watch popular sports including MotoGP, Golf, Tennis Grand Slams and the Badminton World Tour. This package along with our existing sports content provides our customers with the markets most comprehensive content offering.

**Mandalika – Indonesian Moto GP**  
March 2022



**Moto GP & Superbike**  
All Year



**BWF - Badminton**  
All Year



**Wimbledon (Jun 2022)**  
**US Open (Aug 2022)**



**The Open (GOLF)**  
Jul-Aug 2022



**Others**



# Continued Investments in Digital Self-Service Capabilities



We continue to invest in our digital self-service capabilities to increase customer convenience and to reduce our costs.

We now provide the option for customers to add various value-added services via our self-care app, My FirstMedia.

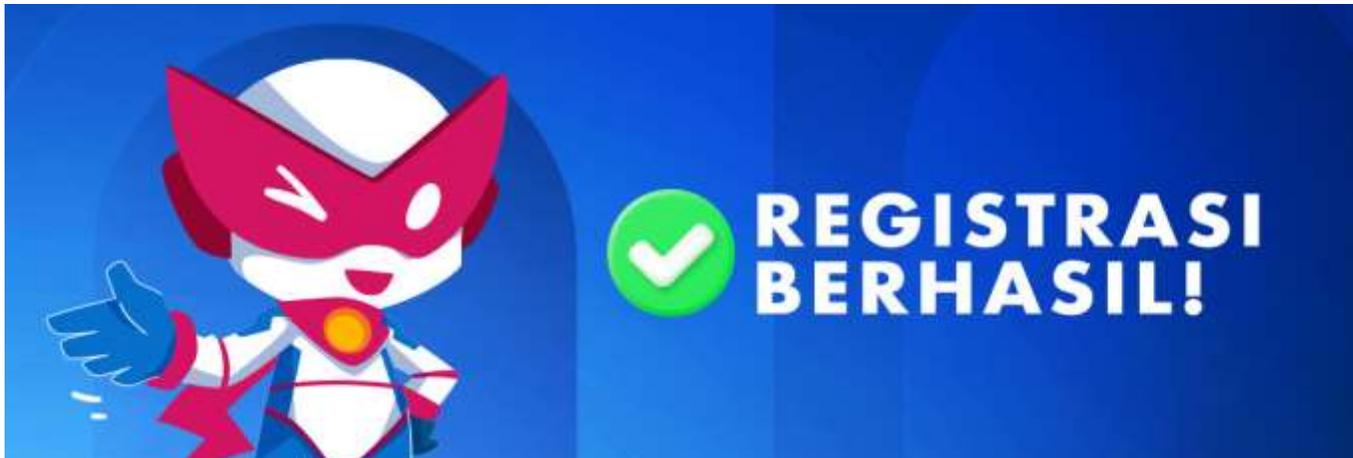
Customers are becoming more comfortable with digital self-service application and e-Wallet payment options, and we will continue to invest and grow our digital sales channels.

# NADIA – New Account Digital Interactive Assistant

To increase new customers' experience, we have developed a digital assistant called NADIA, which can assist new customers to sign up for our services.

With NADIA, new customers will be guided on step-by-step basis to subscribe and activate their First Media account, including:

- Checking customers' coverage
- Choosing specific package
- Filling customer's details & verification process
- Choosing installation schedule
- Tracking technician schedule visit



# Business Overview

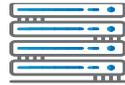
## B. Enterprise Sales

# Total ICT Solutions for Enterprise Customers

## Our Services



Connectivity



Data Center



Manage Services



Cloud Services



Voice



VSAT Services

## Industry Solutions



Financial Services



Hospitality



Telecommunication



Government & Public Services



Energy & Resources



Media & Entertainment



Manufacture



Education



Property



Transportation



FIRST KLAZ

Enjoy excellent Learning Management System and learning experience with integrated solution for School, Teacher, Parents, Students.



TEMPERATURE SCREENING SYSTEM

Detect fever real time per millisecond with AI and face recognition for preventive solution to minimize risk for manufacture and office building



CISCO WEBEX MEETING

Working at home or remotely shouldn't impact your normal business meetings, no matter what device you are on for small, medium and large enterprise



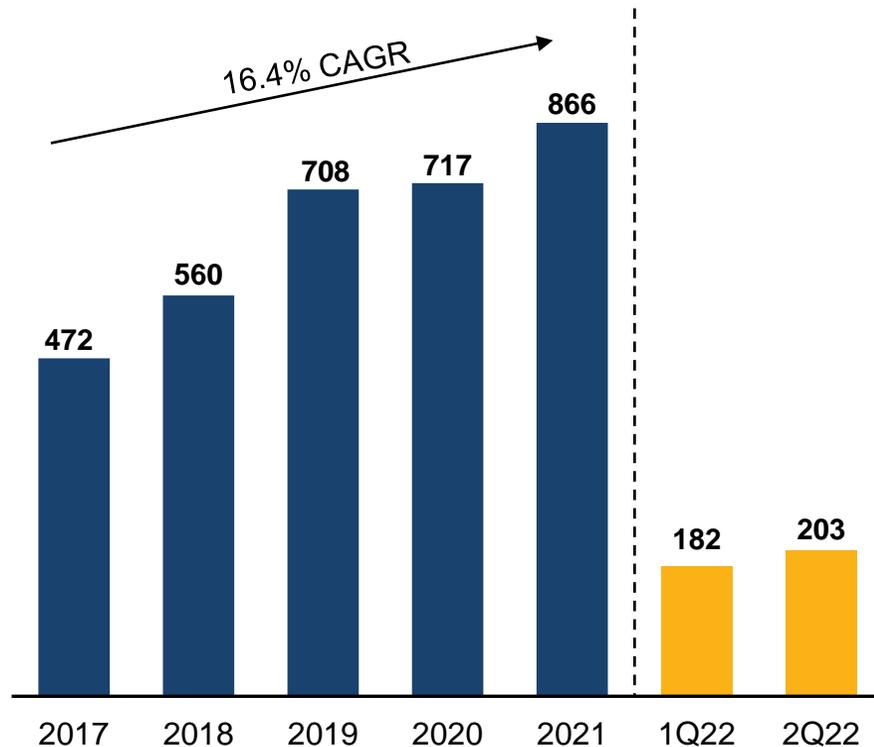
IdeaHUB

Breaks the limitation of traditional conference and space by all in one collaborative boards to have more efficient teamwork



# Continued Recovery of Link Net's Enterprise Business

## Enterprise Business Revenue (IDR bn)



note: Enterprise Revenue including Media

## Enterprise Sales Strategy

- ✓ Leverage existing network and Partner with other Providers to extend Coverage and Services, targeting incremental sales from existing and New Customers
- ✓ To become one of the best data communications and ICT solutions providers

# Serve More Than 2,500 Enterprise Customers

- ✓ **Our customers require Reliable and Trusted connectivity needs**, especially in the FSI and Digital business, where the risk exposure is high
- ✓ With our highly resilient network, we are able to provide **99.99% redundancy for mission-critical services**

## Indonesia Stock Exchange



Link Net is the main provider for the Indonesia Stock Exchange (IDX) since 2001, making Link Net the most trusted internet provider in the Financial Services Industry.

## Financial Sector Industry (FSI)



## Digital Business / E-commerce



## TMT



## Retail



## Hospitality



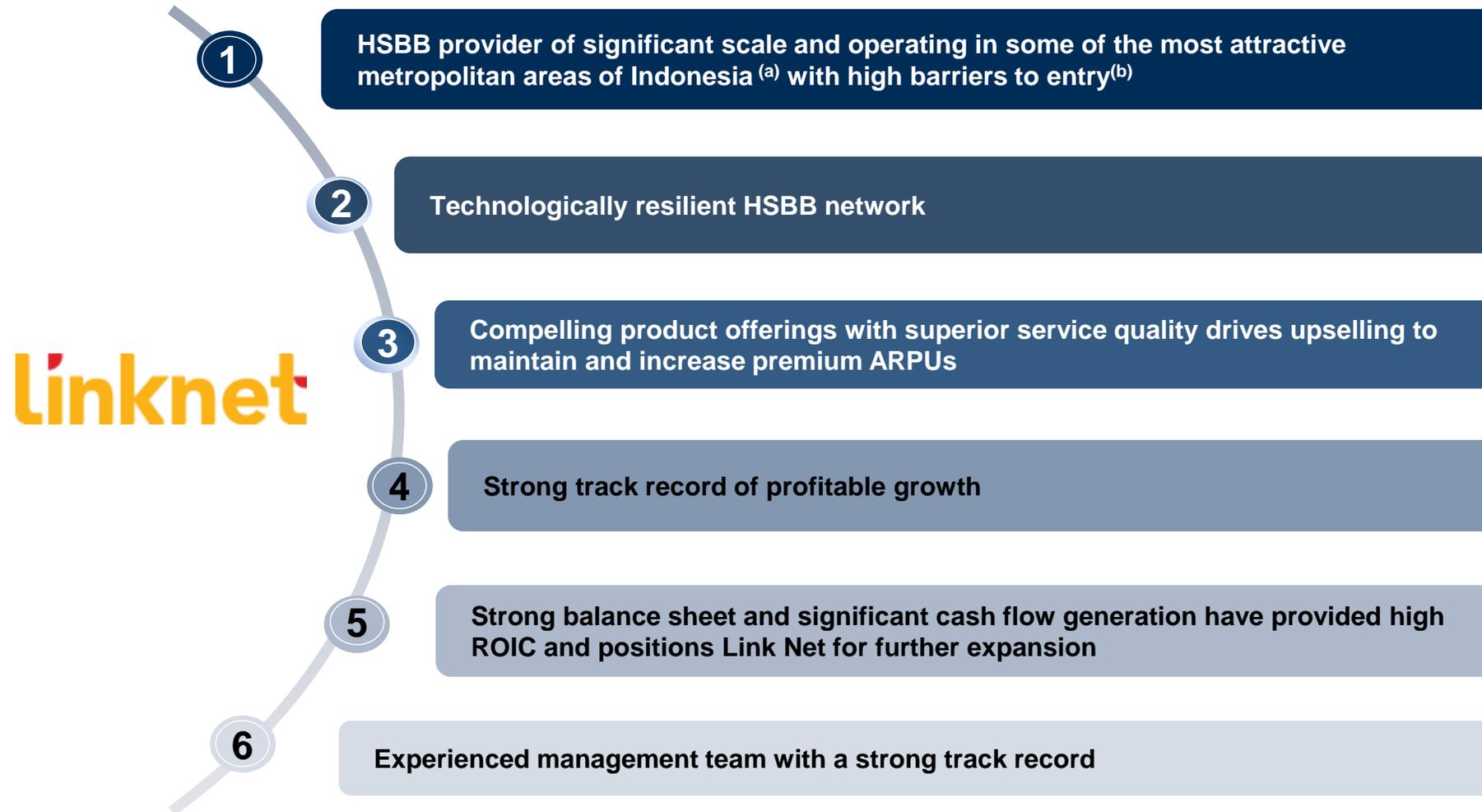
## Government





## ■ Key Investment Highlights

# Key Investment Highlights



a) Indonesia is one of the most underpenetrated and fastest growing broadband and pay TV markets globally in terms of subscribers out of the top 20 largest global economies. (2018 Media Partners Asia)

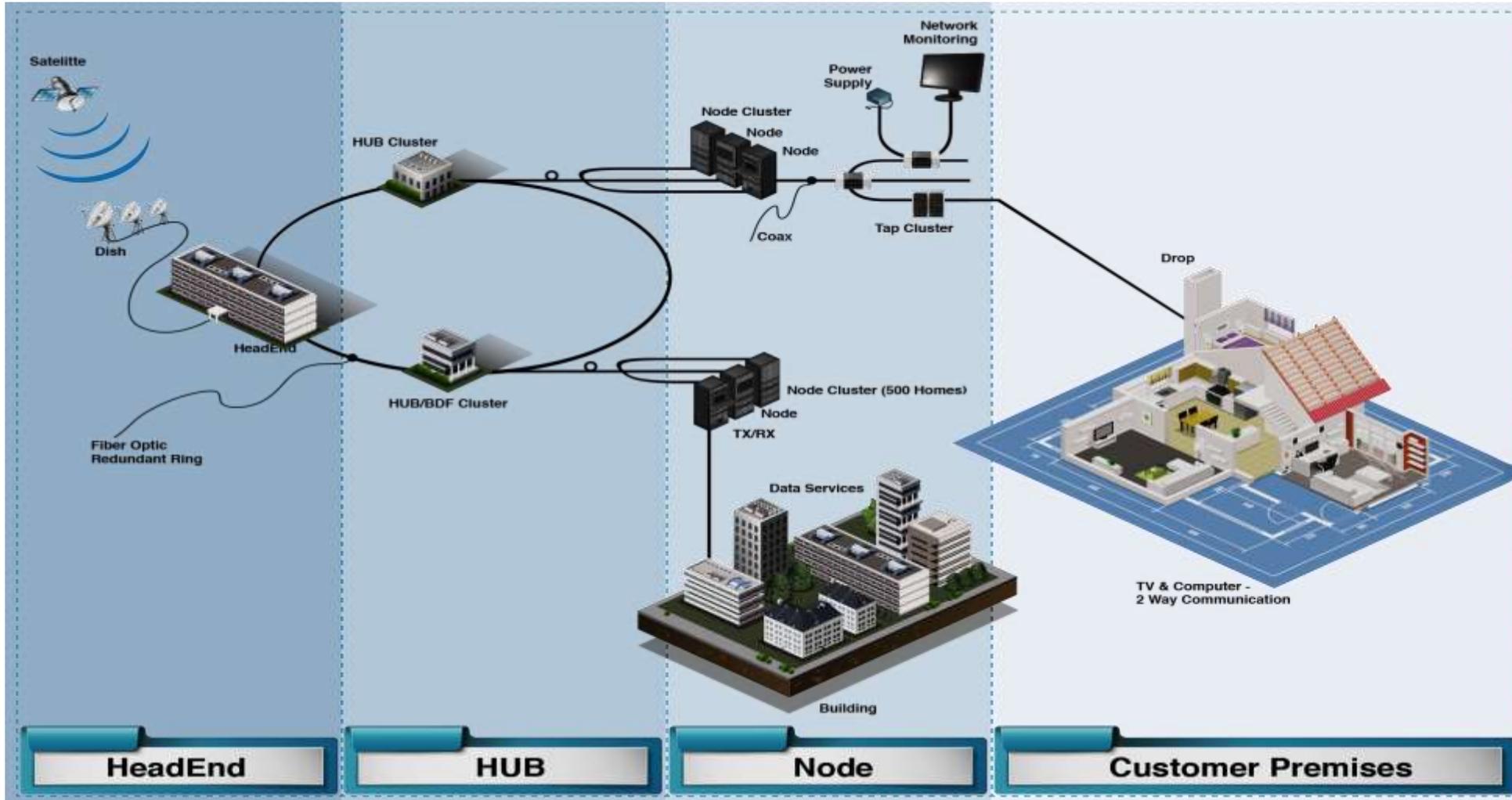
b) Media Partners Asia (2018)

# High Barriers to Entry



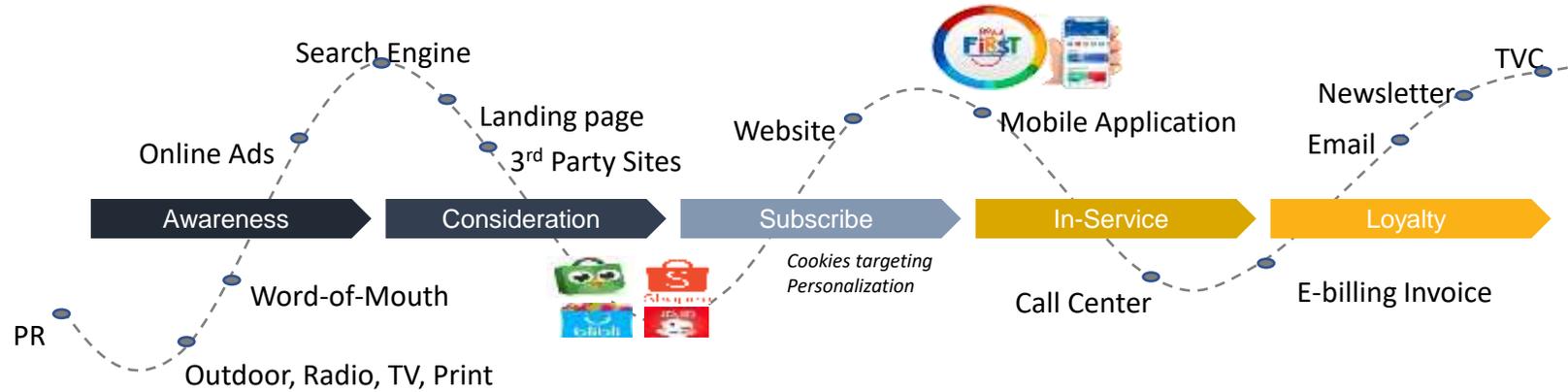
## Human Capital and Technology Management Skills

high level of expertise in network design and architecture as well as highly qualified technical personnel to build the network



# High Barriers to Entry (Cont'd)

- 
**Strong Brand and Customer Base**  
 building brand awareness and sustaining lifetime relationships with customers



For the 4<sup>th</sup> time received The Best Contact Center Indonesia Award



For the 3<sup>rd</sup> time in a row received Indonesia Content Marketing Awards



For the 5<sup>th</sup> time received Indonesia WOW Brand Award



For the 3<sup>rd</sup> time in a row received Service Quality Award



Indonesia Customer Experience Award 2020 for Fixed Internet Broadband & Pay TV

Categories:

- Customer Experience
- Technology Innovation
- Digital Media
- Business Contribution
- Operations
- People Development
- Employee Engagement

ISO CERTIFICATION

- 9001:2015 Quality management system
- 14001:2015 Environmental management system
- 20000-1:2011 IT Service Management System
- 27001:2013 Information security management system

# Technologically Resilient HSBB Network

Link Net has Already Completed Most of Its End-to-End Network Infrastructure, Assuring Network Quality and Reducing Future Investment Requirement

International Gateway

Inter-city Connection

Intra-city Connection

Last Mile Roll-out

Vertically Integrated End-to-end Network Infrastructure

3 international fiber lines / submarine cables providing bandwidth to Singapore

B2JS  
JSSC  
MCS

Ultimate Java Backbone (connecting 45 Cities)

Jakarta - Merak Cable

Surabaya Denpasar Cable System  
Jakarta Surabaya Submarine Cable

36,233 km of cable network(b)

100% proprietary intra-city connection in all of the operating cities

Substantially self-owned last mile roll-out(c)

Selective Usage of Third-Party Network for Quality

Note:

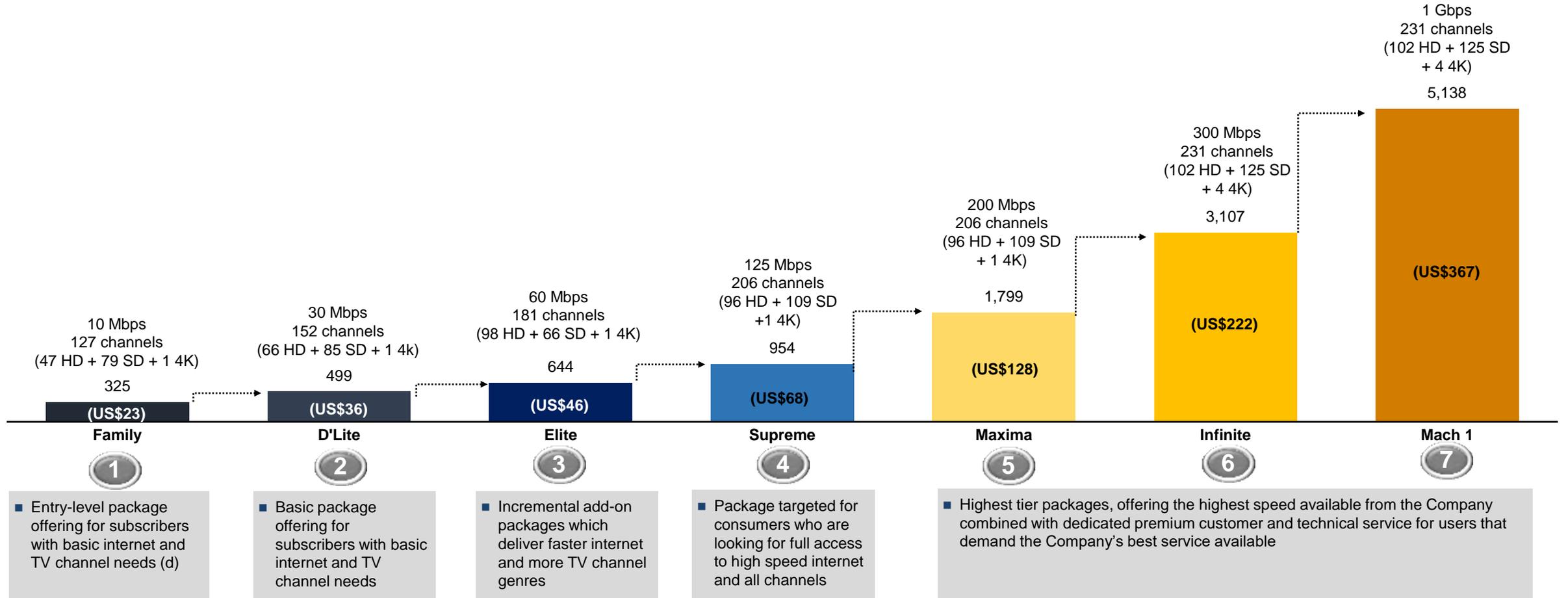
a) Link Net acquired a 15-year right to use the Ultimate-Java backbone in 2017

b) Total cable length includes HFC and FTTH as of June 2022

c) Limited exceptions for certain last mile owned by property developers

# Compelling Product Offerings with Superior Service Quality

## Wide Range of Product Offerings to Cater Different Customer Needs<sup>(a,b)</sup>



Note: As of June 2022; in IDR'000; FX at IDR14,000 / USD

a) All price is including CPE rental, excluding 10% VAT and add-on channels (if any)

b) 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. Prices for all packages include First Media X

# Growing ARPU Overtime

Through annual price increase and periodic (quarterly) upselling/cross selling of our customers, we have been able to consistently increase ARPU over time. For example, a customer in Jakarta who started using our service 5 years and was at Rp350k per month, would now be paying Rp532k per month, an increase of 52%. This has been consistent trend in our original 3 network areas.

## The growth in ARPU of each selected major cities:

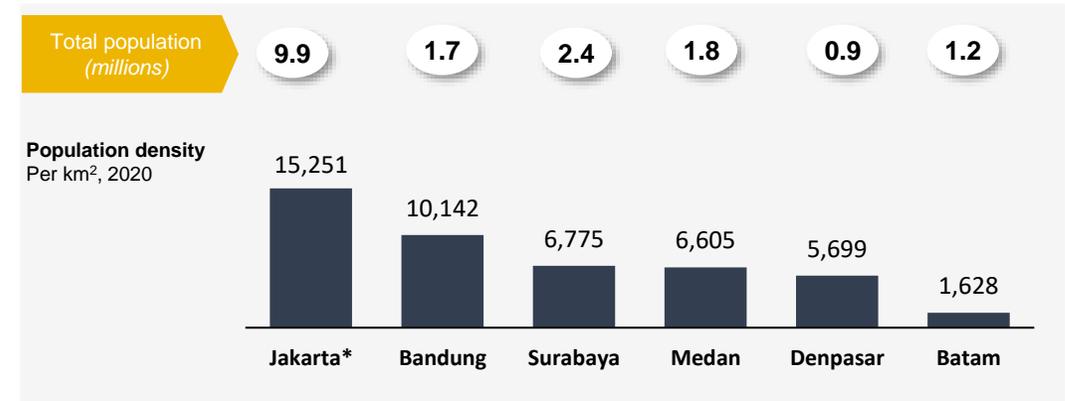
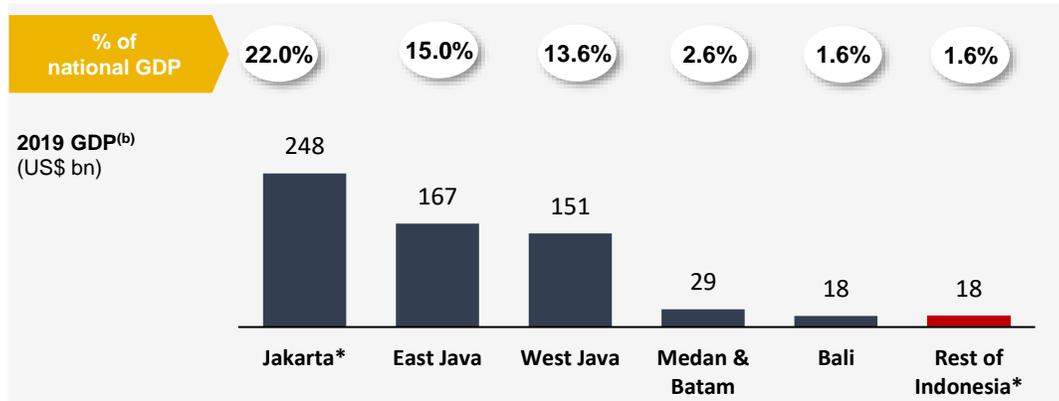
Area	5 Year ARPU Growth
Jakarta	52%
Bandung	59%
Surabaya	51%

## The growth of ARPU in newer cities:

Area	ARPU Growth (0-12 Months)	ARPU Growth (13-24 Months)
Medan	10%	43%
Batam	9%	28%
Solo	10%	33%

Overtime, customers demand for data continue to increase. As customers readily use streaming services and video intensive applications, demand for data will continue to grow and thus increase their appetite to upgrade to higher bandwidth packages

# Targets Large and Fast-Growing Affluent Segment



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



a) Badan Pusat Statistik ("BPS") (2020);

b) GDP assumes the average USD/IDR exchange rate of 14,200;

c) Jakarta and Greater Jakarta

d) Rest of Indonesia figure is the average of the remaining provinces as per BPS excluding Jakarta & Greater Jakarta, East Java and West Java, Medan & Batam and Bali;

e) Company analysis, based on Nielson SES Study 2020

f) Potential of 6.6 million homes in middle class in selected Java island



## ■ Financial & Operational Overview

# 1H22 & 2Q22 Financial Results at Summary

## 1H 2022 Results

Revenue booked at  
**IDR2.11tn**  
decreased by  
**2.1%**  
in 1H22 vs 1H21

EBITDA booked at  
**IDR1.06tn**  
decreased by  
**14.7%**  
in 1H22 vs 1H21

EBITDA Margin at  
**50.1%**  
in 1H22

Net Profit booked at  
**IDR141bn**  
decreased by  
**70.1%**  
in 1H22 vs 1H21

Net Profit Margin at  
**6.7%**  
In 1H22

## 2Q 2022 Results

Revenue booked at  
**IDR1.06tn**  
decreased by  
**2.7%**  
in 2Q22 vs 2Q21

EBITDA booked at  
**IDR487bn**  
decreased by  
**22.1%**  
in 2Q22 vs 2Q21

EBITDA Margin at  
**46.0%**  
in 2Q22

Net Profit booked at  
**IDR13bn**  
decreased by  
**94.1%**  
in 2Q22 vs 2Q21

Net Profit Margin at  
**1.2%**  
In 2Q22

# Operational Overview

## Penetration Rate

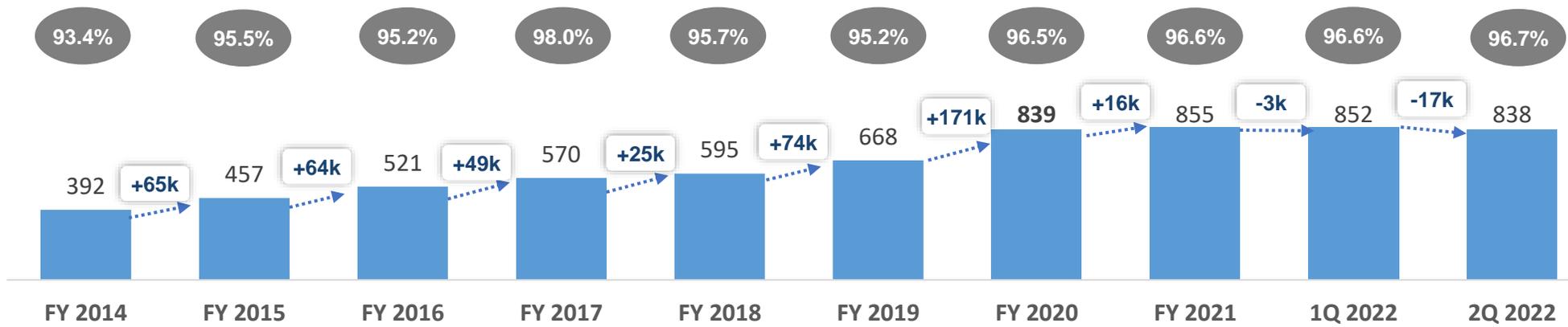


## Homes Passed ('000)



## Total Subscribers

Bundling Rate (%)





## ▀ Link Net's ESG Journey

# Link Net's ESG Journey – Improvement of Ecovadis Score

2021

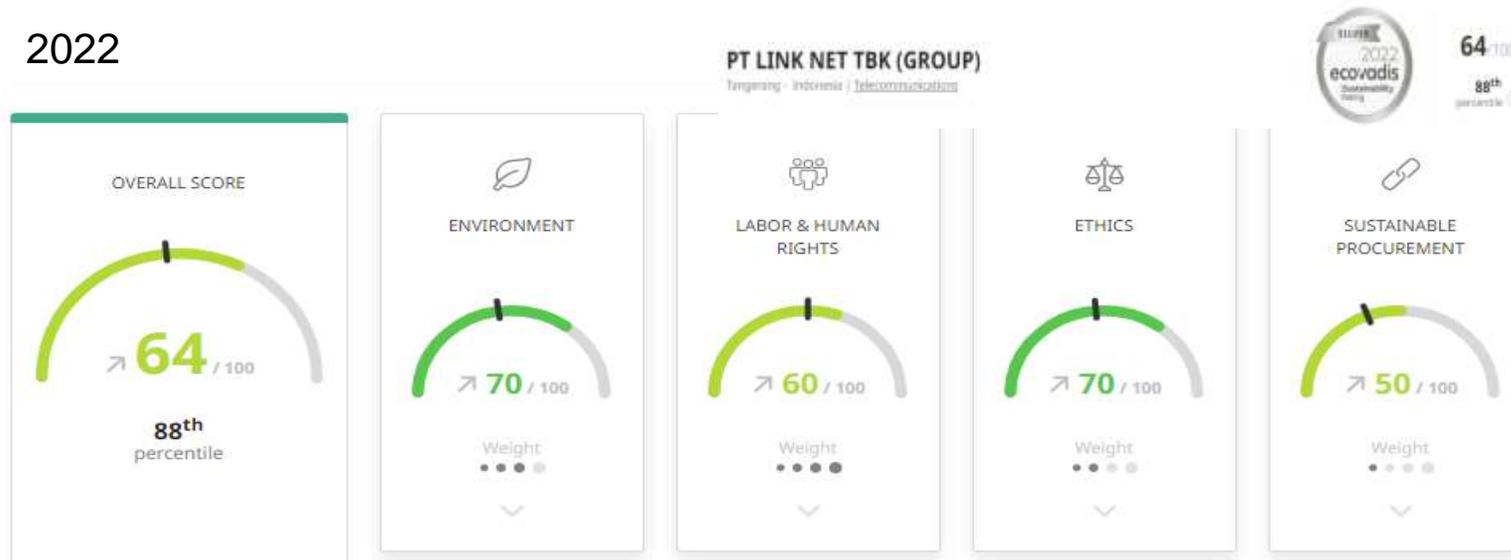


Link Net has embarked upon an environmental, social and governance (ESG) program over the past year. The purpose of this program is to strengthen Link Net's business practices with the aim of being a leader in ESG in Indonesia.

To track and quantify progress Link Net engages a global ESG screening company named EcoVadis which conducts a comprehensive assessment covering environment, labor & human rights, ethics and sustainable procurement.

In Link Net's first year of assessment the company received a score 45/100 which placed Link Net as better than or as good as 45% of telecommunications companies screened by EcoVadis globally.

2022



In the time since this assessment the Company implemented various programs to strengthen its business practices. In Link Net's most recent assessment, published in August, the Company's score was 64/100 which places Link Net in the top 12% of telecommunications companies screened globally by EcoVadis.

Link Net will continue to build on this success in the coming year to ensure that the Company is a leading corporate citizen in Indonesia.

**Thank You**

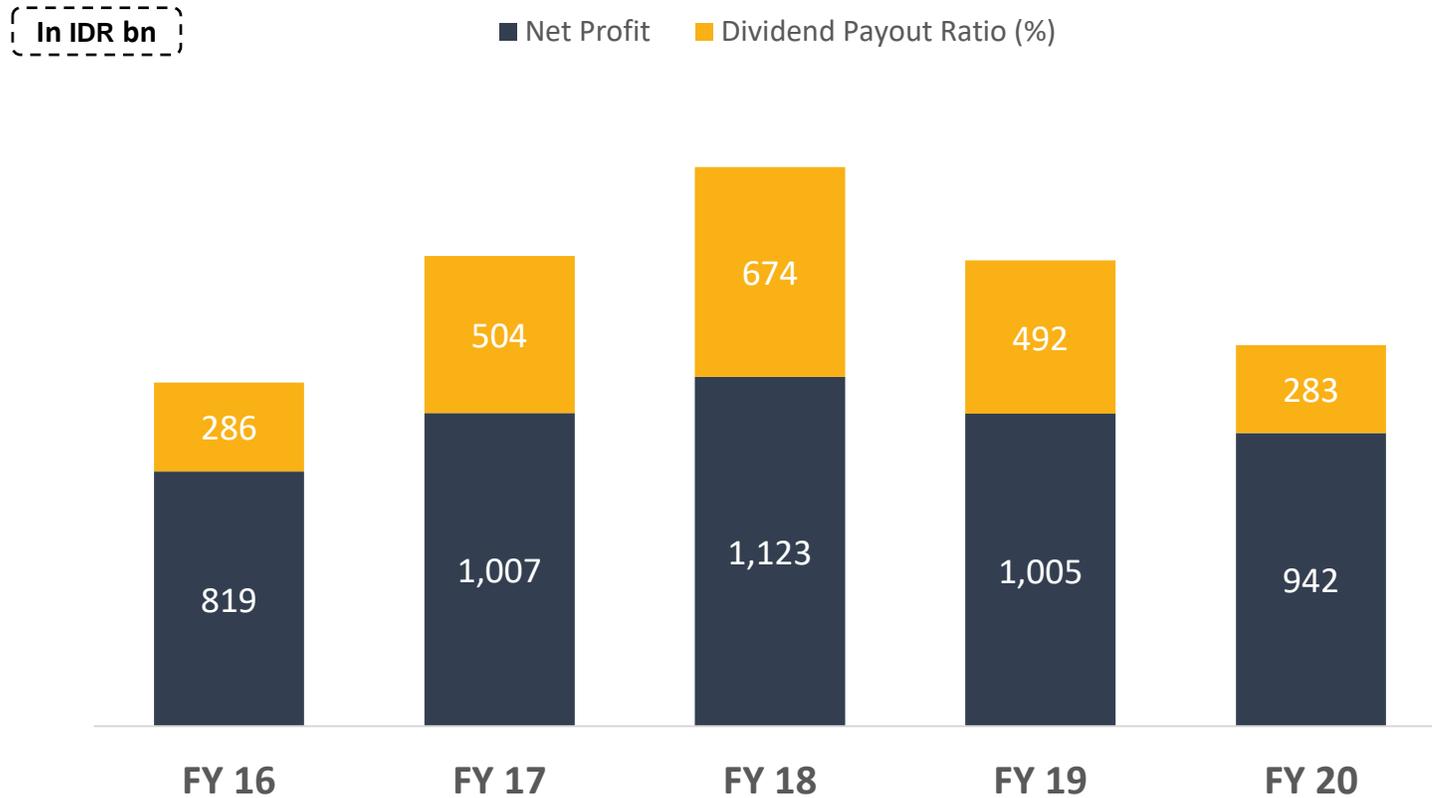
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[www.linknet.co.id](http://www.linknet.co.id)



## Appendix

# Historical Dividend Payout



Total Dividend Payout From  
2016-2020:  
**Rp2,238,418,824,199**

Total Share Buyback Over  
the Last 5 Years:  
**Rp1,240,009,965,500**

Total Capital Returned  
to Shareholders Through  
Dividend & Share Buyback:  
**Rp3,478,428,789,699**

\*Normalized Net Profit

# Historical Share Buy-Back

## Issued Capital & Treasury Shares:

- Total issued capital: **2,863,195,484**
- Since 2016 Link Net has bought back a total of **291,068,500 shares** worth Rp1,240,009,065,500

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

**Existing Treasury Shares: 111,614,500**

Period	Amount (Rp)	Unit	Average Price
2016	386,228,396,000	83,963,800	4,600
2017	15,414,088,000	3,147,600	4,897
2018	223,627,798,500	43,796,900	5,106
2019	309,568,804,000	74,332,600	4,069
2020	305,170,879,000	85,827,500	3,556
<b>Total</b>	<b>1,240,009,965,500</b>	<b>291,068,000</b>	<b>4,260</b>

# Experienced Management Team with a Strong Track Record



**Marlo Budiman, President Director & 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



**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 & Head of Product**

- 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



**Sutrisno Budidharma, Residential 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



**Tanus Susanto, Supply Chain Director**

- Over 20 years of experience in Finance, Accounting, Tax, Operations and GA in various industries including Telecommunication, Insurance and Retail. Prior to this position, he was the Deputy CFO of PT Link Net Tbk



**Ferliana Suminto, Content Director**

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

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

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



**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



**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



**Yosafat Hutagalung, Chief of Human Capital**

- Over 20 years of experience in various companies with the position of Human Resources Director
- Prior to PT Link Net, he leads numbers of successful Human Resources function in a wide range of industries



**Santi Basuki, Marketing Director**

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



# Board of Commissioners



**Dr. Shridhir Sariputta Hansa Wijayasuriya, President Commissioner**

- Over 30 years of experience in the field of telecommunication and recognized Locally (in Sri Lanka) and Internationally as a key contributor towards the development of the mobile communications industry in Asia
- Currently, serving as CEO Telecommunication Business and Group Executive Vice President of Axiata Group Berhad from Januari 2020, having previously served as Corporate EVP and Regional CEO South Asia from 2016



**Jonathan L. Parapak, Independent Commissioner**

- Extensive experience of senior executive position for more than 30 years across healthcare and telecommunication industries
- He is now serving as a Rector of Pelita Harapan University, an Independent Commissioner of PT Matahari Department Store Tbk and was the Independent Commissioner of PT Siloam International Hospitals Tbk (2014-2019)
- 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



**Alexander Rusli, Independent Commissioner**

- Extensive experience in the telecommunications industry having served as the Chief Executive Officer of Indosat Ooredoo and member of the board in Protelindo
- Alex is on the board of Commissioners of PT Unilever Indonesia Tbk, one of Indonesia's largest listed companies
- He is also a commissioner at one of Indonesia's largest private hospital operator's PT Medikaloka Hermina Tbk



**Thomas Hundt, Commissioner**

- Brings more than 30 years of experience in the telecommunication industry including at Director of Siemens AG Germany, Member of Supervisory Board of Azerfon LLC Alzerbaijan, and Executive Project Manager and CFO-CMO at North-East Finance & Control Nokia Siemens Network GmbH & Co. KG Germany
- He was also served at various board level positions in telecommunication companies in Cambodia. He joined with Axiata Group Company in 2014 and has served various director positions, with his last position as Group Chief Strategy & Technology Officer of Axiata Group Berhad.



**Dian Siswarini, Commissioner**

- More than 20 years of experience within telecommunication industry
- She held several key positions at Department Network and Engineering, Network Services Director, and Director/Chief Digital Services Officer at PT XL Axiata Tbk
- Currently, she is serving as the President Director of PT XL Axiata Tbk

# Board of Directors

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## **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
- He was managing partner at Y&K Capital where he specialized in corporate strategy and debt restructuring. Prior to this he was with Sampoerna Telekomunikasi Indonesia for 8 years where he was Chief Financial Officer (CFO)
- Holds degrees in finance and real estate from Ohio State University



## **Victor Indajang, Director**

- Extensive experience as director of operations and technology roles across banking and the high-speed broadband industry over the last 13 years
- He was a senior executive in Citibank's Indonesia operations and was Link Net's Operations Director. He later appointed as the Chief Operations Officer since 2018
- Played a pivotal role in developing operations that support Link Net's network