



## PRESS RELEASE

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# LINK NET MANAGEMENT PROPOSES RECORD HIGH DIVIDEND OF RP674 BILLION FOR FY18, SUBSTANTIALLY INCREASING DIVIDEND PAYOUT RATIO. ARPU CONTINUES TO RISE AND REACHED RECORD LEVEL OF RP422,000. 201,000 NEW HOME PASSES IN FY18.

### FY18 Year on Year Result Highlights

- Management proposes record high dividend payment of Rp674 billion, DPR of 60% in FY18 a 34% increase Versus 2017 of Rp503 billion and raising DPR from 50%.
- ARPU reaches record high of Rp422,000 in FY18
- 201,000 new home passes in FY18, a solid 15% increase from FY17. Targeted to increase to a minimum of 250,000 home passes in FY19.
- One off Internux write downs of Rp334 billion
- Proposed Changes to Board of Commissioners & Board of Directors

PT Link Net Tbk (“Link Net” or the “Company”; stock code: “LINK”) management are proposing to pay a record high dividend of **Rp674 billion for FY18**, equating to a **60% dividend payout ratio (DPR)** of normalized Net Profit. The dividend payout will be **Rp232 per share** based on existing shares excluding treasury stock. The proposed dividend of Rp674 billion is Rp170 billion more and an absolute +34% increase from Link Net’s FY17 dividend of Rp503 billion.

Link Net had a record high **Average Revenue Per User (ARPU) of Rp422,000** for FY18. The Company saw a surge in ARPU in 4Q18 post a blended 4% price increase that was implemented in the last part of 3Q18. While increasing ARPU, as expected the significant price increase did have a short term effect of increasing churn and this led to temporarily soft subscriber numbers in 4Q18. In addition to this Link Net had 5,000 ‘Bolt Home’ subscribers who were impacted due to Internux’s cessation of service. In 1Q19 subscriber numbers are looking substantially better than 4Q18 and this trend is expected to continue. As at FY18 Link Net has 595,000 subscribers.

Operationally Link Net expanded its network by 201,000 home passes in FY18, an increase of 15% from 2017 home pass numbers. The Company has a total network size of 2.2 million home passes as at FY18. The growth of Link Net’s network will continue on its upward trajectory, with management guiding 250,000 new home passes in 2019. Based on Link Net’s 1Q19 home pass numbers we are confident of achieving 250,000 home passes in 2019.

The company has made one off write downs for Rp334 billion related to Internux. The write downs mainly include Rp161 billion of account receivables that we believe are uncollectible due to the to revocation of Internux's 4G spectrum license. The write downs also include Rp155 billion for Internux related inventory. Inventory comprised of both wireless CPE's and fixed wireless devices which were for Link Net bundled customers. **These write downs are one off and there will be no further Internux or Internux related provisions.**

Link Net management believe that the Company's Board of Directors and Commissioners needs to be representative of the make up of the share register and be comprised of both financial and technically skilled professionals. Link Net's Chief Technology Officer (CTO) and Head of Product, Desmond Poon, will be proposed as a Director on Link Net's board of directors at the company's upcoming Annual General Meeting of Shareholders (AGMS). Desmond has distinguished himself as Link Net's CTO for 8 years. He played a key role in growing the business from 550,000 home passes and 193,000 subscribers in 2011 to 2,200,000 home passes and 595,000 subscribers in 2018. He oversees the product planning, as well as engineering and operations of the company. He has launched several initiatives during his tenure in Linknet, such as OTT, Android TV STB, 4K TV, FTTH, and Smart Living. Prior to joining Link Net, he was the Vice President of Network Engineering in Starhub, where he held similar responsibilities. He holds a Masters and Bachelor Degree of Computer Technology from the Nanyang Technological University, as well as a Masters of Business Administration from the University of Surrey. Desmond has built strong relationships with shareholders and he will bring business strategy acumen, technical expertise as well as strong corporate governance credentials to the role. Mr. Henry Riady will be resigning as a director at the Company's upcoming AGMS. We thank Henry for his service to Link Net.

Management will propose current Independent Director, Mr. Suvir Varma, becoming a Commissioner on Link Net's Board of Commissioner's. Suvir was a senior partner and head of private equity practice in Asia at Bain and Company and was a Member of the executive committee at Singapore Venture Capital & Private Equity Association. With more than 20 years experience across consulting and finance related roles focusing on strategic developments and operational improvements. Suvir will make a fine addition to our board of commissioners. Link Net Independent Commissioner Mr. Bintan Saragih, will be stepping down from the board of commissioners at the upcoming Annual General Meeting of Shareholders. We thank Bintan for his service to Link Net.

Financially, Link Net booked revenue of Rp3.73 trillion in FY18, growing +9.7% versus FY17. EBITDA for FY18 was Rp1.86 trillion however normalized EBITDA after one off Internux related provisions was Rp2.20 trillion. The company recorded Net Profit of Rp789 billion however normalized Net Profit after one off Internux related provisions was Rp1.12 trillion. The dividend payment of Rp674 billion, a payout ratio of 60%, is based on Normalized Net Profit.

Link Net has a share buyback program in place and year to date have purchased 2,676,200 shares. Link Net's shareholders approved at the Company's December 2018 Extraordinary General Meeting of Shareholders to reduce issued capital by more than 130 million shares. Upon approval by the Minister of Law and Human Right, Link Net's issued and paid-up capital will be reduced from 3,042 billion to 2,911 billion shares.

Mr. Marlo Budiman, President Director and CEO, commenting on the results, said: The company continued on its strong growth trajectory by adding 200,000 new home passes to

Link Net's network in 2018. The growth of home passes will continue to increase and I'm confident of achieving 250,000 home passes in 2019.

Revenue growth of 9.7% was one of the highest growth rates amongst our Indonesian industry peers. I'm confident that our continued subscriber growth along with a market leading ARPU will continue to contribute to strong revenue and earnings growth in 2019.

### **About PT Link Net Tbk**

PT Link Net Tbk ("Link Net"), established in 1996, is the largest provider of services via cable in Indonesia, providing subscription of high quality television services, high-speed next generation broadband internet, and data communications. Link Net operates in Greater Jakarta, Greater Surabaya (including Malang), Bandung, Bali, Medan and Batam.

Link Net owns and operates a network of Hybrid Fiber Coaxial cable ("HFC") and Fiber-to-the Home (FTTH) that provide high-speed internet access services to retail and business customers. Link Net also operates a subscription television channel in collaboration with PT First Media Television ("FMTV"), its subsidiary.

Learn more at [www.ir.linknet.co.id](http://www.ir.linknet.co.id)

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