



# PT Link Net Tbk

Q2 2016 Earnings Conference Call

August 3, 2016



# H1 2016 highlights

## ▪ Achievements

- Profitable growth sustained with **EBITDA margin at record high of 59.7%**
- **Revenue growth steady at 12.6% yoy**
- **Net profit up 26.4% yoy at a high 28.5% margin**
- **Strong free cash flow generation even as CAPEX investments on track**

## ▪ Improvements

- **Subscriber RGU base grew 18.7% yoy** bringing overall penetration<sup>1</sup> **up to 28.2%**
- Better customer retention with average **monthly churn lower at 2.1%**

## ▪ Challenges

- **Premium ARPU maintained**, as combination of **defense & attack** strategies adopted
- **Enterprise business has yet to gain significant momentum** amidst softness in the SME and advertising markets

## ▪ Key Initiatives

- **FTTH expansion** in selected areas
- **Malang (East Java) roll-out** and commercial launch
- **1Gbps Mach 1** high speed internet launch
- **4K Ultra HD picture** and **4K X1 Smart Box** launch
- **“FMX”** enhanced TV Anywhere service launch

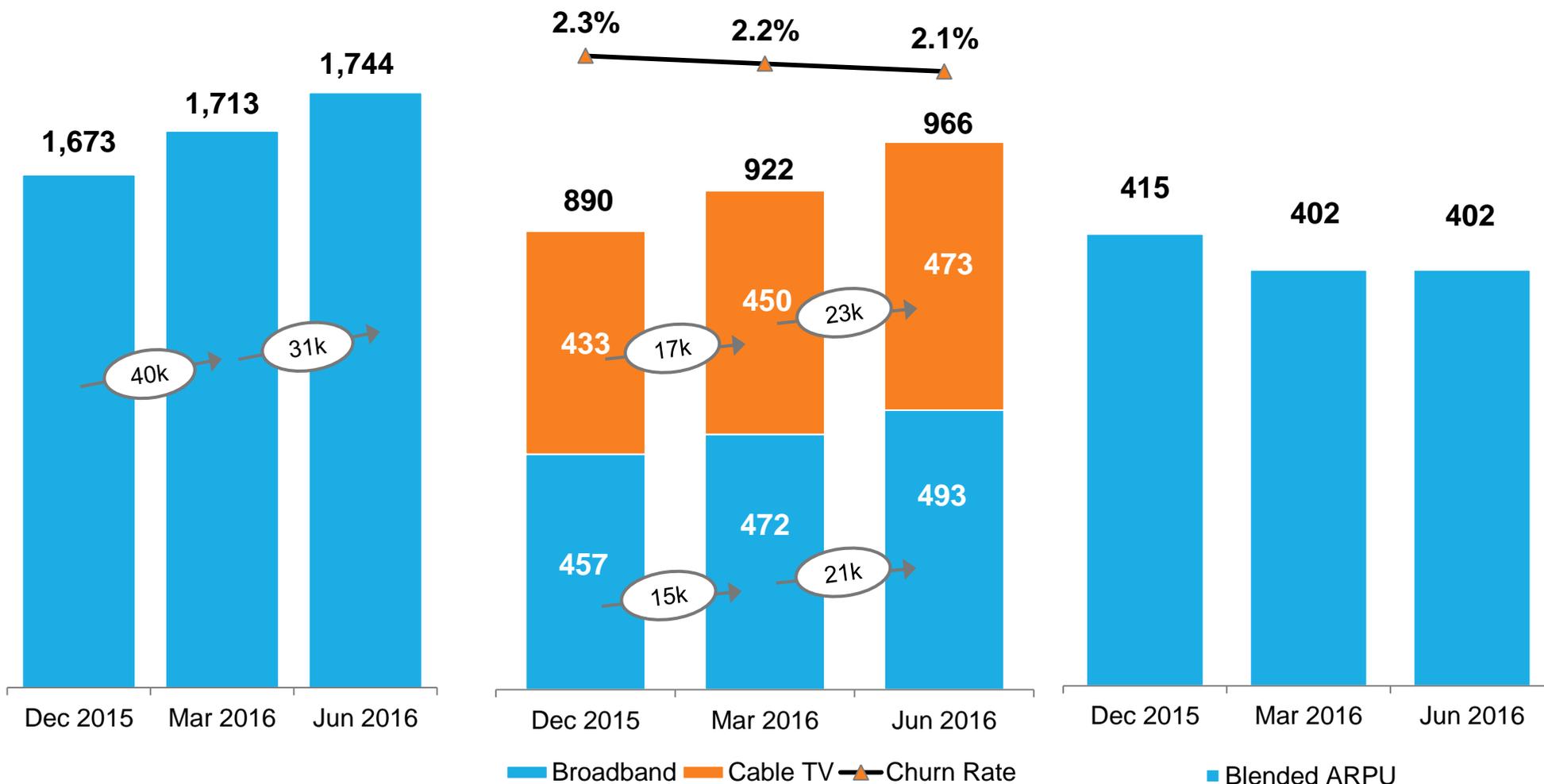
<sup>1</sup>Calculated as end of period broadband subscribers as a percentage of end of period homes passed

# Homes passed and RGU additions on track as penetration and churn improves further

Homes Passed ('000)

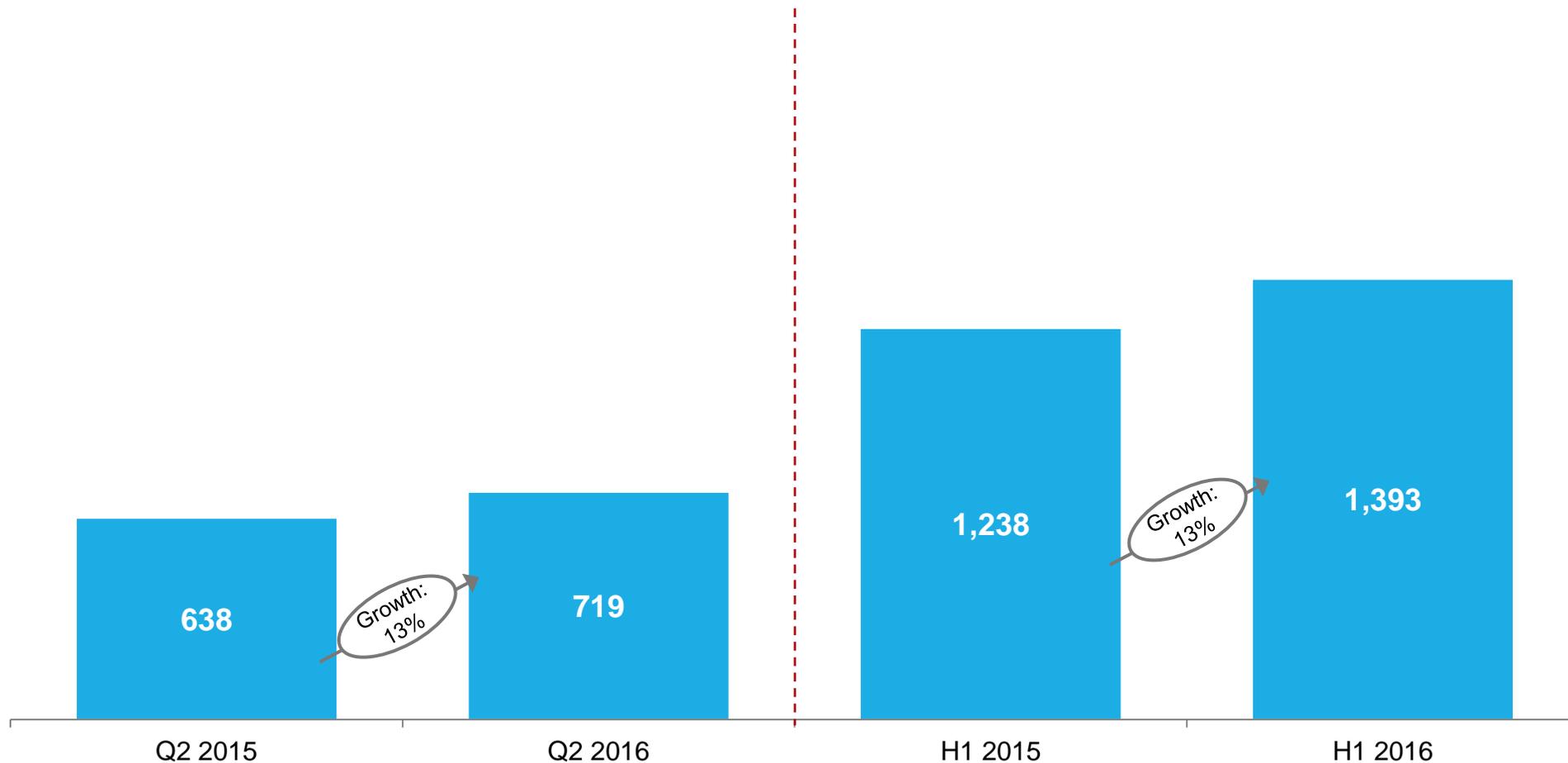
RGU ('000) and Churn

ARPU (IDR '000)



# Steady revenue growth despite challenging business and competitive environment

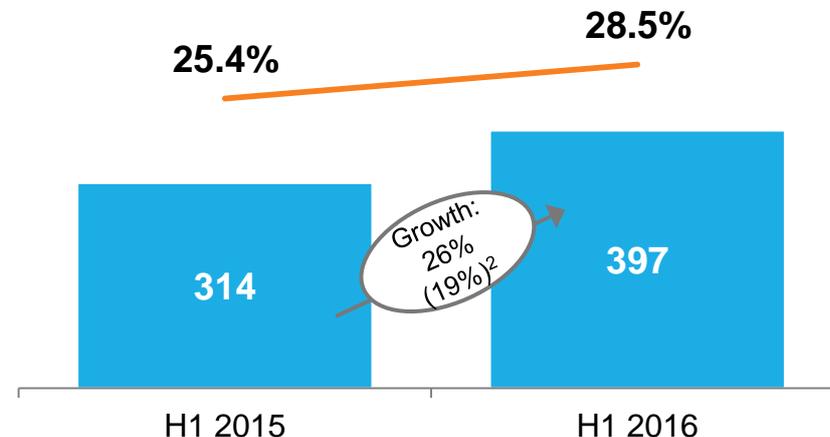
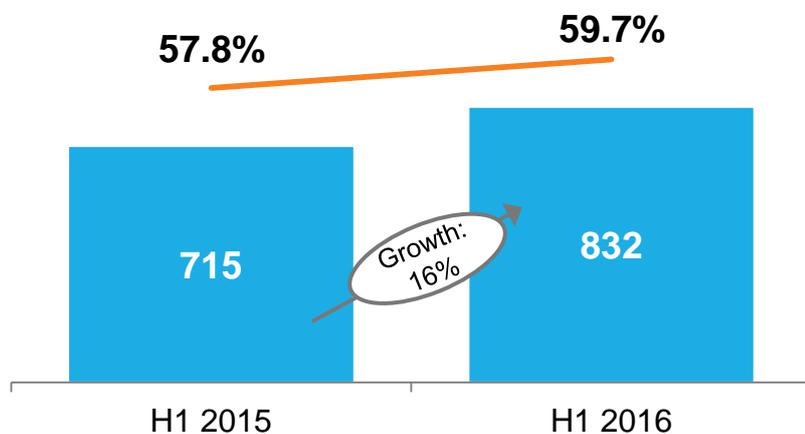
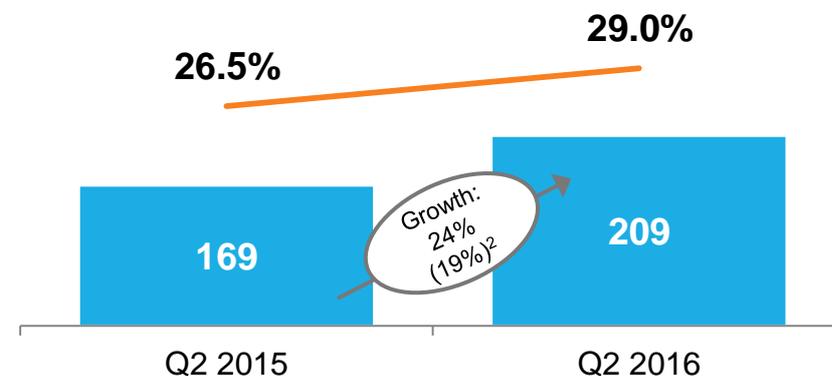
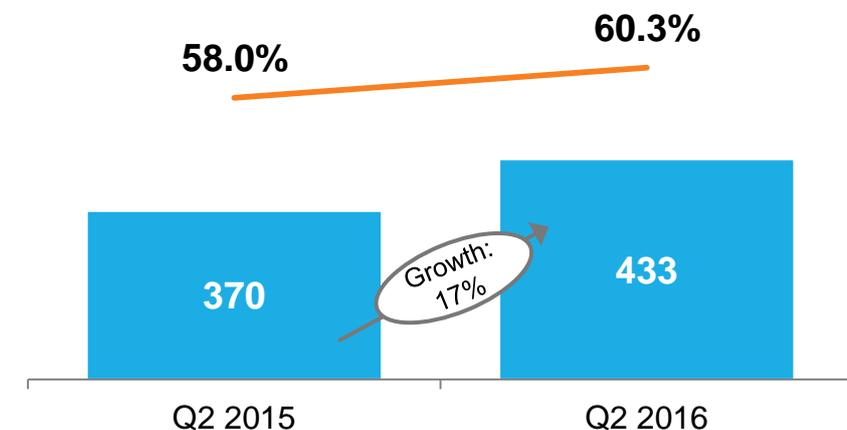
Revenue (IDR bn)



# Stronger margins on further scale and cost advantages as well as stronger Rupiah

EBITDA (IDR Bn)

Net Profit<sup>1</sup> (IDR Bn)

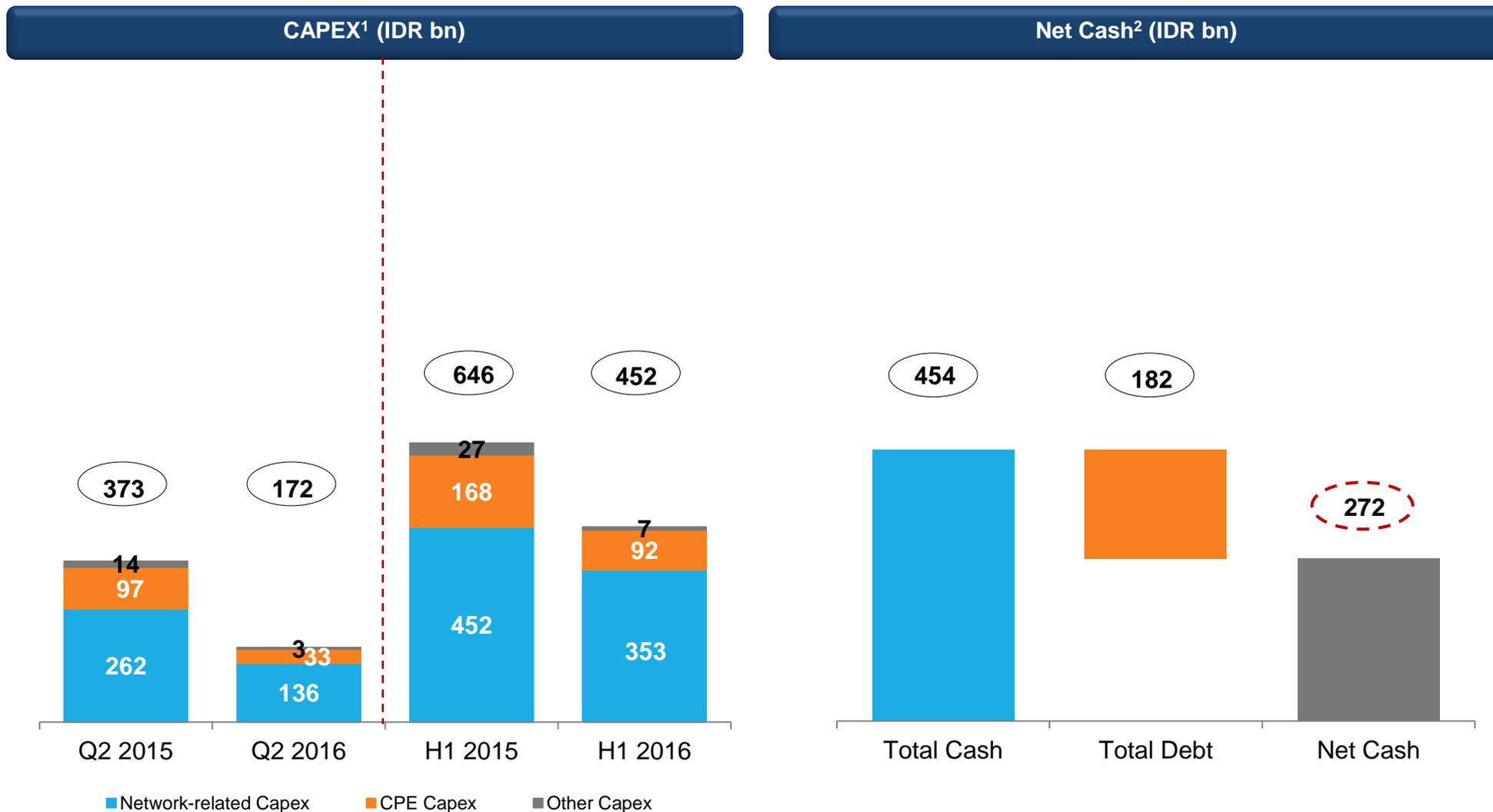


EBITDA and Net profit margins

<sup>1</sup> Finance costs in 1H 2016 P&L include net foreign exchange gain of Rp7 billion and financing & payment channel charges of Rp24 billion.

<sup>2</sup> On normalized basis for 2015 (excluding share in associate losses)

# Smarter and more strategic spending on back of strong balance sheet



<sup>1</sup> Capital expenditure represents additions to property, plant and equipment (PPE).

<sup>2</sup> Total cash and debt position as of June 30, 2016. Total debt mainly comprises vendor financing.



**Link Net**

Appendix

**Link Net**

# Profit and loss summary

6M ended June 30,

(IDR bn)	1H 2015	1H 2016
<b>Revenue</b>	<b>1,237.5</b>	<b>1,393.1</b>
<b>EBITDA</b>	<b>715.3</b>	<b>831.9</b>
D&A	(236.8)	(293.7)
<b>Operating Profit</b>	<b>478.6</b>	<b>538.2</b>
<i>Margin %</i>	38.7%	38.6%
Finance Income	8.3	6.6
Finance Cost	(42.6)	(17.5)
Share in Loss of Associate	(20.9)	-
<b>Profit Before Tax</b>	<b>423.4</b>	<b>527.3</b>
Tax Expense	(109.4)	(130.5)
<b>Net Profit</b>	<b>314.0</b>	<b>396.8</b>
<i>Margin %</i>	25.4%	28.5%

# Balance sheet summary

(IDR bn)	As at Dec 31 2015	As at Jun 30, 2016
<b>Current Assets</b>		
Cash and Cash Equivalents	325.4	453.9
Trade Receivables	242.1	291.3
<b>Total Current Assets</b>	<b>604.8</b>	<b>782.4</b>
<b>Non-Current Assets</b>		
Property, Plant and Equipment - Net	3,492.8	3,663.5
<b>Total Non-Current Assets</b>	<b>3,833.3</b>	<b>3,963.1</b>
<b>Total Assets</b>	<b>4,438.1</b>	<b>4,745.5</b>
<b>Current Liabilities</b>		
Payables	177.2	122.1
Current Maturities of Long-Term Debt	69.8	38.7
<b>Total Current Liabilities</b>	<b>647.8</b>	<b>566.6</b>
<b>Non-Current Liabilities</b>		
Long-Term Debt – Net of Current Maturities	31.4	143.1
<b>Total Non-Curent Liabilities</b>	<b>123.0</b>	<b>245.4</b>
<b>Total Liabilities</b>	<b>770.8</b>	<b>812.0</b>
<b>Total Equity</b>	<b>3,667.3</b>	<b>3,933.5</b>
<b>Total Liabilities and Equity</b>	<b>4,438.1</b>	<b>4,745.5</b>

Net Cash of  
IDR 272.1 bn