



PRESS RELEASE

August 30, 2022

Link Net 2Q2022 Financial and Operational Results

- Link Net booked Revenue & EBITDA of Rp1,058bn & Rp487bn in 2Q2022
- Link Net added an additional 115k home passes in 1H2022 and Surpassed 3mn homes passed in July 2022

PT Link Net Tbk (“Link Net” or the Company; stock code: “LINK”)

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. 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.

To position Link Net’s residential portfolio for future growth, the Company has strengthened its targeted customer profile to those subscribers who see value in and are willing to pay for premium high-speed broadband and Pay TV services. Overall, Link Net’s focus on customers seeking premium services, a temporary reduction in network expansion and an adjustment in customer behavior has temporarily impacted Link Net’s business by placing upward pressure on churn, decreasing gross subscriber additions, and thus placed downward pressure on ARPU. As residential portfolio realignment to higher quality customers is embedded, Link Net expects to increase customer lifecycles. Overall, by accelerating network growth and adjusting the residential customer portfolio, Link Net is building a foundation for 2023 with an emphasis of lowering churn, stabilizing ARPU and greater customer acquisition.

Link Net booked revenue of Rp2.11tn in 1H2022 a Year-on-Year decrease of 2.1%. EBITDA in 1H2022 was Rp1.06 trillion as a higher cost base led to a decrease in EBITDA of 14.7% Year-on-Year. Net Profit in the first half of 2022 was Rp141bn, rising depreciation and finance costs contributing to a decrease of Net Profit by 70.1% Year on Year.

Financials (IDR bn)	1H22	1H21	%
Revenue	2,110	2,156	-2.1%
EBITDA	1,058	1,240	-14.7%
EBITDA Margin (%)	50.1%	57.5%	
Net Profit	141	472	-70.1%
Net Profit Margin (%)	6.7%	21.9%	

Link Net added 115k homes passed to its network as of 1H2022 taking the company's total network size to 2,985k homes passed. As of July 2022, Link Net has expanded its network to reach more than 3 million homes passed. In 2Q2022, Link Net's total subscriber base was reduced by 14k and as at 2Q2022, the company had total net subscribers of 838k. Average Revenue Per User as at 2Q2022 was Rp333k.

Operational	1H22	FY21
Homes Passed ('000)	2,985	2,870
Homes Passed Additions ('000)	115	190

Link Net's Enterprise business strengthened in 2Q2022 with revenue increasing 11.5% Quarter-on-Quarter from Rp182bn to Rp203bn. Year on Year the Enterprise business revenue grew 8.1% in 2Q2022. For the first half of 2022, Enterprise revenue increased 9.4% to Rp384bn compared with Rp351bn in the first half 2021. As of the first half 2022, Enterprise revenue contributed to 18.2% of Link Net's total revenue.

Enterprise Revenue (IDR bn)	1H22	1H21	%	2Q22	2Q21	%
Enterprise Revenue	384	351	9.4%	203	188	8.1%
Contribution to Total Revenue	18.2%	16.3%		19.2%	17.2%	

Link Net's management team are incredibly happy to welcome new majority shareholders who are specialists in managing and growing telecommunications assets. On the 22nd of June 2022, Link Net warmly welcomed Axiata's indirect and wholly owned subsidiary Axiata Investments Indonesia and XL Axiata to the Company's share register. Their ownership of Link Net is more than 66% excluding treasury shares. Link Net is now a very proud member of the Axiata family. Having Axiata and XL Axiata business partners will create benefits for Link Net's customers, employees and shareholders. There are opportunities for synergies for both Link Net and XL Axiata from their combined position in sharing of backbone and transmission networks. A commercial agreement detailing the long-term operating model between XL Axiata and Link Net, with optimum synergistic benefits is currently being prepared.

President Director Comments:

Mr. Marlo Budiman, President Director and CEO, commenting on the results: *"Link Net's Enterprise business continues its path of growth, network expansion will begin to accelerate, and we are developing synergies with our new business partners which will contribute to revenue enhancement and cost efficiencies. While we've experienced temporary challenges, through network expansion, realignment of our residential portfolio and through productive synergies with our new business partners we are building a foundation for sustainable financial and operational growth for 2023 and beyond."*

About PT Link Net Tbk

PT Link Net Tbk ("Link Net") is one of the largest cable service providers in Indonesia. Link Net owns and operates a network of Hybrid Fiber Coaxial cable ("HFC") and Fiber-to-the-Home ("FTTH") that provides high-speed internet access services, high-quality pay television services, and data communications under "First Media" brand for residential customers and "Link Net" brand for corporate customers.

Learn more at <https://ir.linknet.co.id>

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