



## **PRESS RELEASE**

June 22, 2020

# **LINK NET GROWS SUBSCRIBERS BY 31,757 IN 1Q20. HOME PASS GROWTH OF 73,629 IN 1Q20. REVENUE GROWTH OF 7.6%.**

### **1Q20 Year on Year Result Highlights**

- **Net Subscriber Additions of 31,757 in 1Q20**
- **Net Subscriber Additions of 75,274 as at End of May**
- **Home Pass Additions of 73,629 in 1Q20**
- **Home Pass Additions of 130,210 as at End of May**
- **Revenue Growth of 7.6% to Rp959bn**

**PT Link Net Tbk** (“Link Net” or the “Company”; stock code: “LINK”) added 73,629 home passes to its network, taking the total network size to 2.54 million as at the end of 1Q20. Up until the end of May, The Company added 130,210 home passes to its network taking the total network size to 2.6 million homes passed.

Link Net added an additional 31,757 net subscribers in 1Q20, taking the total number of subscribers to 699,962. Up until the end of May, Link Net has added a total of 75,274 new net subscribers. As at the end of May Link Net had a total of 743,479 subscribers. Link Net management have successfully expanded the company’s footprint outside of its 3 traditional core cities of Jakarta, Surabaya and Bandung. In 1Q20 approximately 32% of new subscribers came from outside these cities. The subscribers added to Link Net’s customer base have increased faster than at any other time in The Company’s listed history.

Link Net has historically been successful in driving up Average Revenue Per User (ARPU) over time. Those customers who began using Link Net’s service 5 years ago, in Jakarta, Surabaya and Bandung, on average their ARPU has increased by 52%, 59% and 51% respectively. As at the end of 1Q20, Link Net’s ARPU was Rp382k per month. While this has been on a controlled downward trend, The Company has acquired a record number of new subscribers. Link Net management expect that, as historically seen in all cities where The Company has expanded its footprint, that new subscriber ARPU will also increase over time and thus driving revenue and earnings.

Link Net booked revenue of Rp959bn in 1Q20, a 7.6% increase compared with 1Q19. Link Net’s sales team has been aggressively acquiring subscribers. It is expected that over time, customers which Link Net are acquiring now will on average be paying higher subscription fees each quarter as they opt to take on higher value products and services that Link Net offers. Link Net’s product offering is highly compelling and historically customers regularly choose to upgrade to higher value packages over time. For 1Q20 the slight decrease

in EBITDA was due in large part to the increase in cost of sales associated with pole rental, increase in bandwidth costs to provide customers with greater redundancy and the increase in employee costs as The Company has substantially increased the size of its sales team. EBITDA decreased by 4.2% to Rp516bn in 1Q2020.

Over the past year Link Net has rapidly expanded its network, embarked on an aggressive share buyback program and continues to pay high dividends. In that time the company has moved from a net cash to a net debt position. The debt Link Net currently carries had an associated finance costs of 45bn in 1Q20. Likewise pole rental increased by around Rp18bn to Rp35bn in 1Q20 Vs 1Q19. Both of these added expenses put pressure on Net Profit which decreased by 25.2% to 198 billion in 1Q20.

Mr. Marlo Budiman, President Director and CEO, commenting on the results, said: *Operationally Link Net has started the year on an excellent footing. We've recorded our highest subscriber growth in the companies listed history. Likewise the companies network expansion continues at a solid pace. The sales team have been able to effectively drive up penetration of new network areas. The Company's tele-sales team have likewise been efficient in demonstrating to customers the benefits of our higher value products. We've invested in our sales team over the past year and this is starting to show excellent results. We do expect our new subscribers ARPU to consistently rise as they opt to take on higher value products such as higher bandwidth and a greater selection of channels. As this happens we look forward to the expected revenue and earnings growth that will be derived from our subscriber base.*

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

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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