



Link Net

PT Link Net Tbk

Q1 2016 Earnings Conference Call

May 2, 2016

Link Net

Q1 2016 highlights

▪ Achievements

- Profitable growth sustained with **EBITDA margin at record high of 59.1%**
- **Revenue growth** slower but steady **up 12% yoy**
- **Net profit up 29% yoy** at a **high 27.9% margin**
- **Strong free cash flow** generation even as pace of **CAPEX investments maintained**
- Large leverage capacity maintained with **record high net cash position**

▪ Improvements

- **Subscriber RGU base grew 18% yoy** bringing overall penetration¹ **up to 27.5%**
- Better customer retention with average **monthly churn 0.1% lower at 2.2%**

▪ Challenges

- **Premium ARPU maintained** albeit **3% lower** at IDR402 thousand
- **Enterprise business** still in growth mode but has **yet to gain significant momentum** amidst softness in the SME and advertising markets

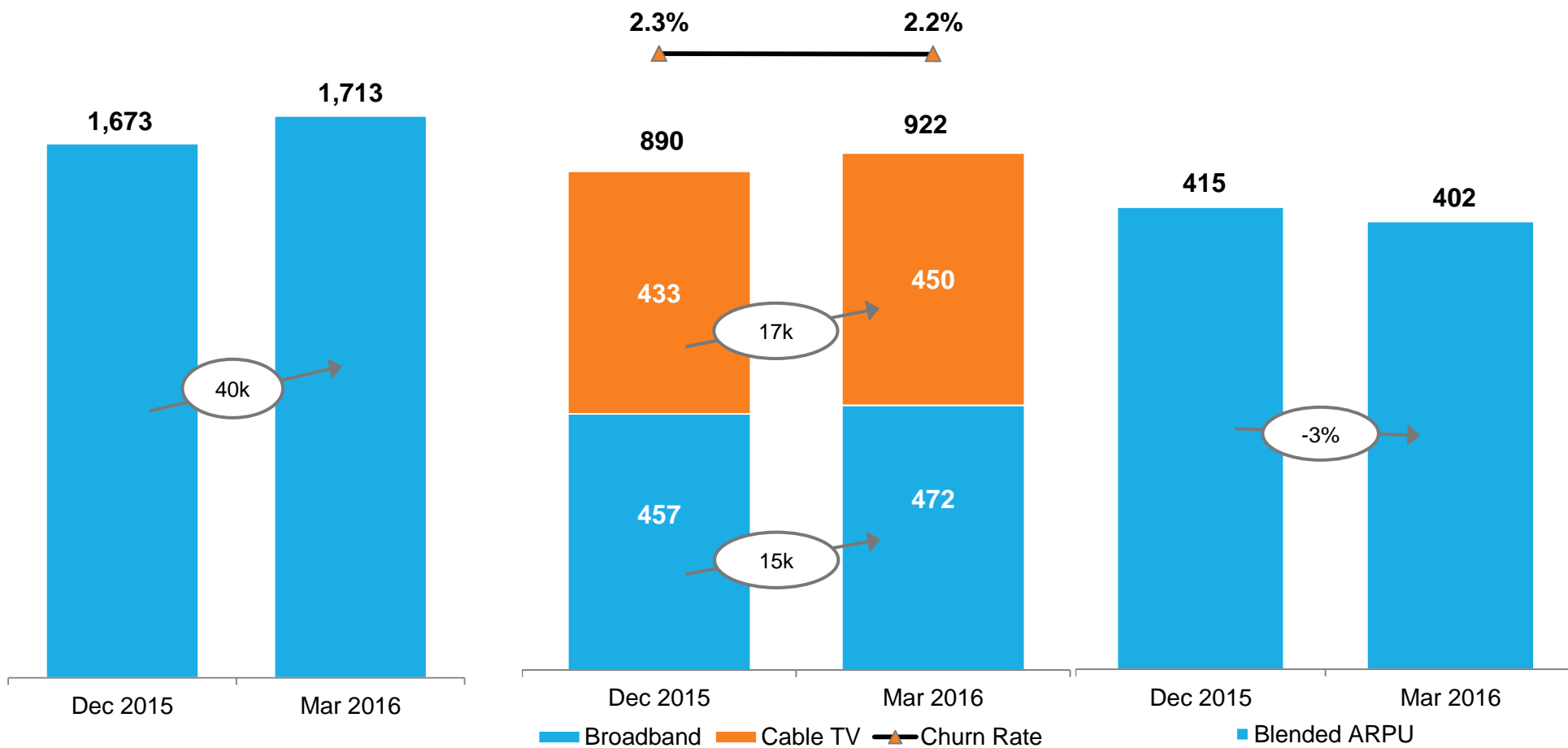
¹Calculated as end of period broadband subscribers as a percentage of end of period homes passed

Homes passed & net adds on track as premium ARPU slides on more cautious repricing stance

Homes Passed ('000)

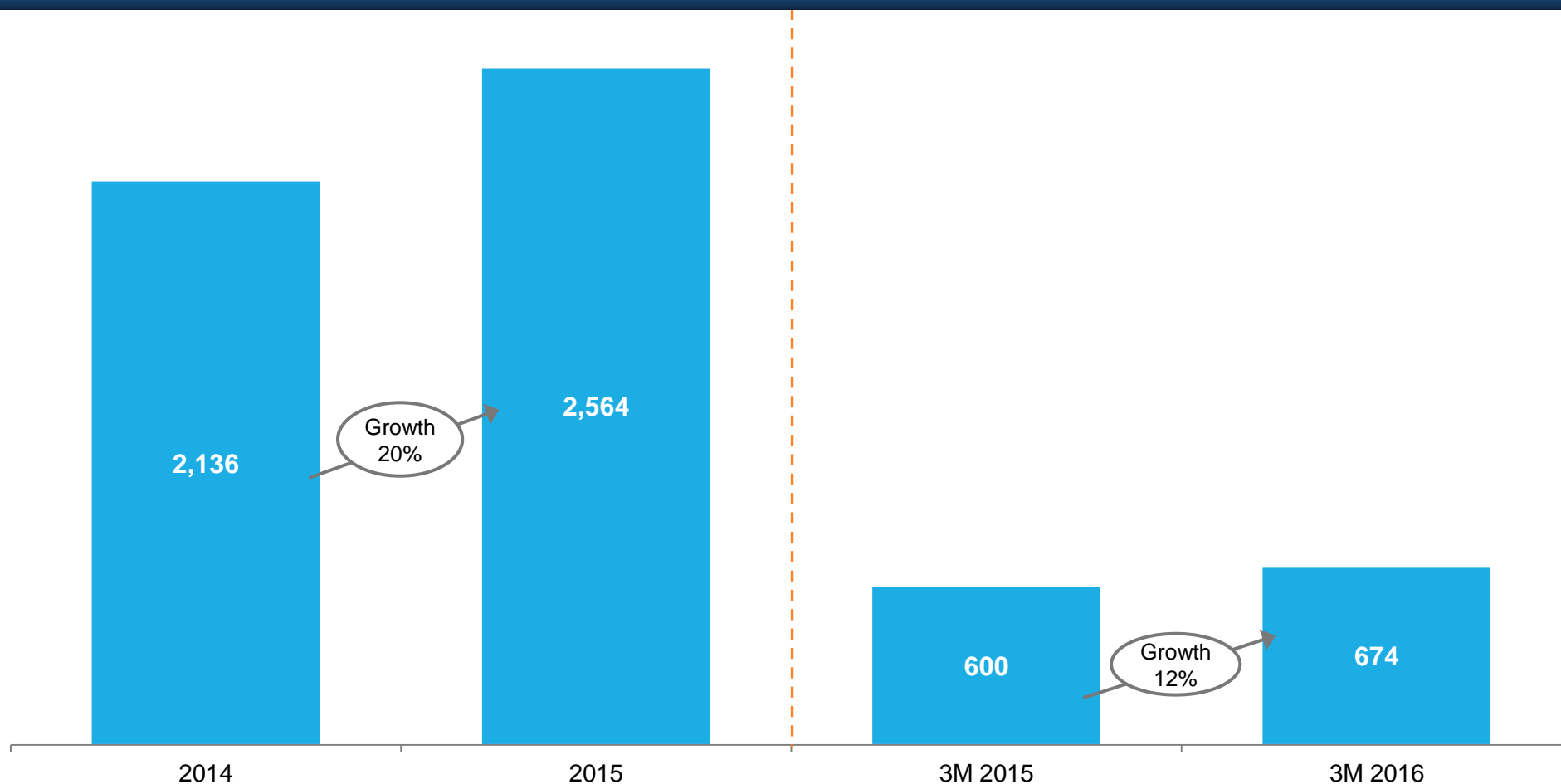
RGUs ('000) and Churn %

ARPU (IDR '000)



Moderate revenue growth as enterprise business yet to gain key momentum

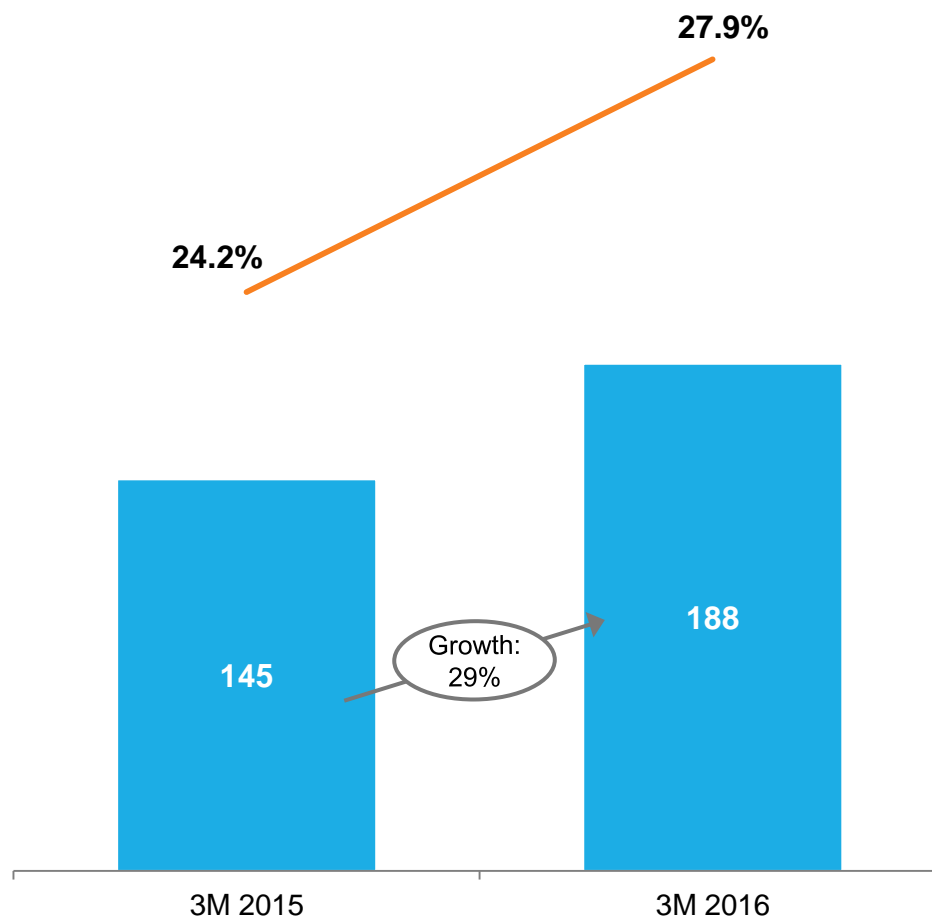
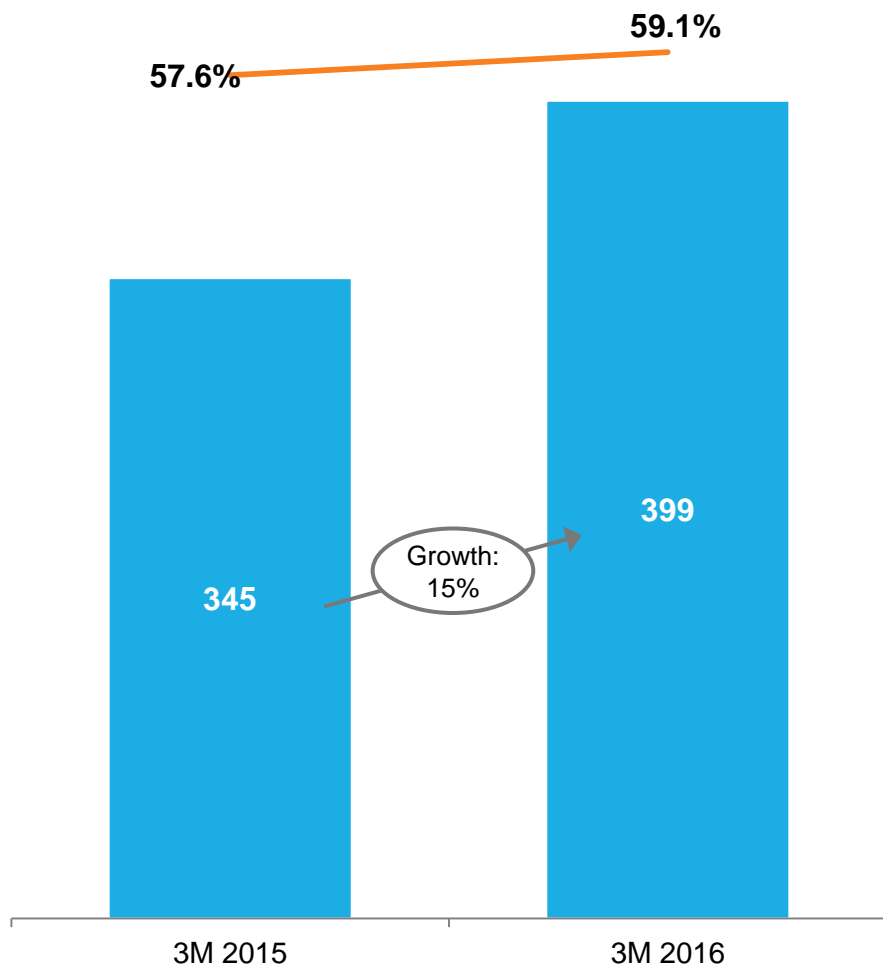
Revenue (IDR bn)



Strong margins on further scale and cost advantages as well as stronger Rupiah

EBITDA (IDR bn)

Net Profit ⁽¹⁾ (IDR bn)



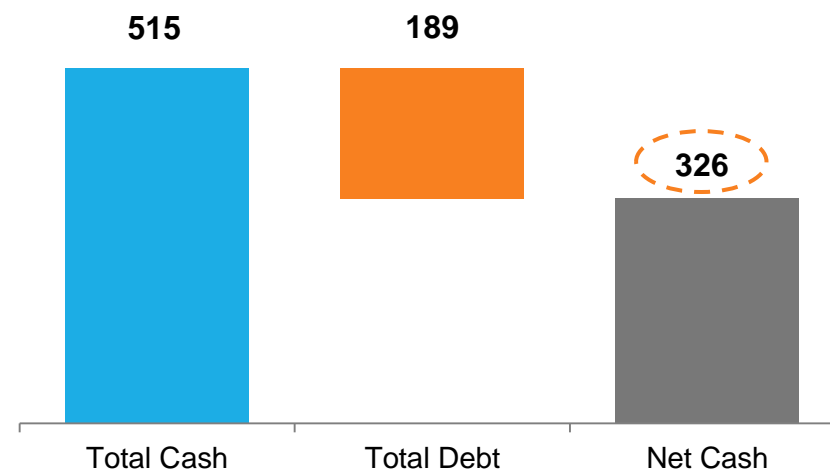
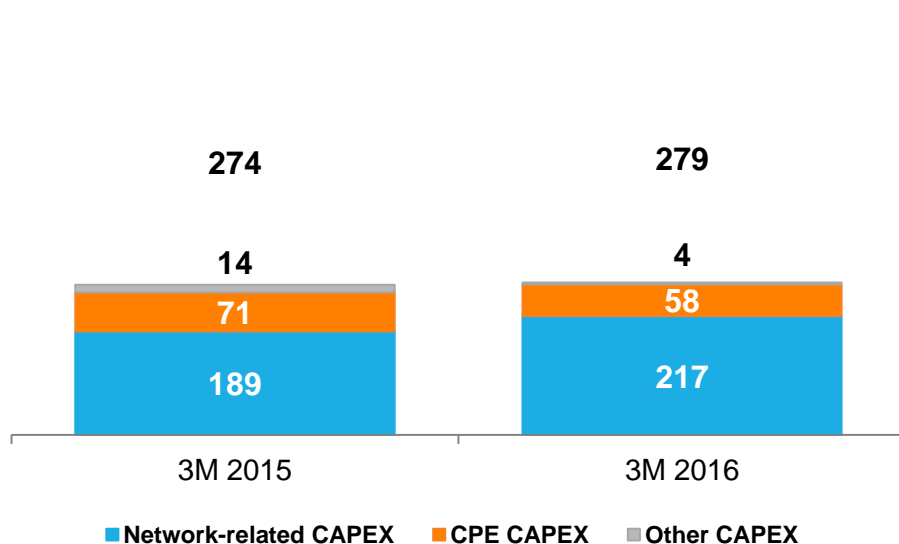
— EBITDA and Net Profit Margins

¹ Finance costs include net foreign exchange translation gains of Rp14 billion and financing and payment channel charges of Rp8 billion.

Strategic investments in expansion continue on back of strong balance sheet

CAPEX¹ (IDR bn)

Net Cash² (IDR bn)



¹ Capital expenditure represents additions to property, plant and equipment (PPE).

² Total cash and debt position as of March 31, 2016. Total debt mainly comprises vendor financing.



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Appendix

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Profit and loss summary

(IDR bn)	Year Ended December 31		3M ended March 31	
	2014	2015	1Q 2015	1Q 2016
Revenue	2,136.0	2,564.3	599.9	673.8
EBITDA	1,230.7	1,449.9	345.4	398.5
D&A	(393.4)	(515.1)	(112.1)	(144.8)
Operating Profit	837.3	934.8	233.2	253.7
<i>Margin %</i>	39.2%	36.5%	38.9%	37.7%
Finance Income	17.6	15.5	3.5	2.9
Finance Cost	(55.7)	(73.0)	(24.4)	(7.0)
Share in Loss of Associate	(43.2)	(20.9)	(14.8)	0.0
Profit Before Tax	755.9	856.4	197.5	249.6
Tax Expense	(198.0)	(216.7)	(52.4)	(61.7)
Net Profit	557.9	639.7	145.2	188.0
<i>Margin %</i>	26.1%	24.9%	24.2%	27.9%

Balance sheet summary

(IDR bn)	As at Dec 31	As at Mar 31,
	2015	2016
Current Assets		
Cash and Cash Equivalents	325.4	514.6
Trade Receivables	242.1	258.7
Total Current Assets	604.8	809.0
Non-Current Assets		
Property, Plant and Equipment - Net	3,492.8	3,635.2
Total Non-Current Assets	3,833.3	3,950.8
Total Assets	4,438.1	4,759.8
Current Liabilities		
Payables	177.2	170.6
Current Maturities of Long-Term Debt	69.8	53.8
Total Current Liabilities	647.8	663.8
Non-Current Liabilities		
Long-Term Debt – Net of Current Maturities	31.4	135.2
Total Non-Curent Liabilities	123.0	240.8
Total Liabilities	770.8	904.5
Total Equity	3,667.3	3,855.3
Total Liabilities and Equity	4,438.1	4,759.8

Net Cash of
IDR 325.6 bn