

# Link Net:

## Value illumination and path to monetisation

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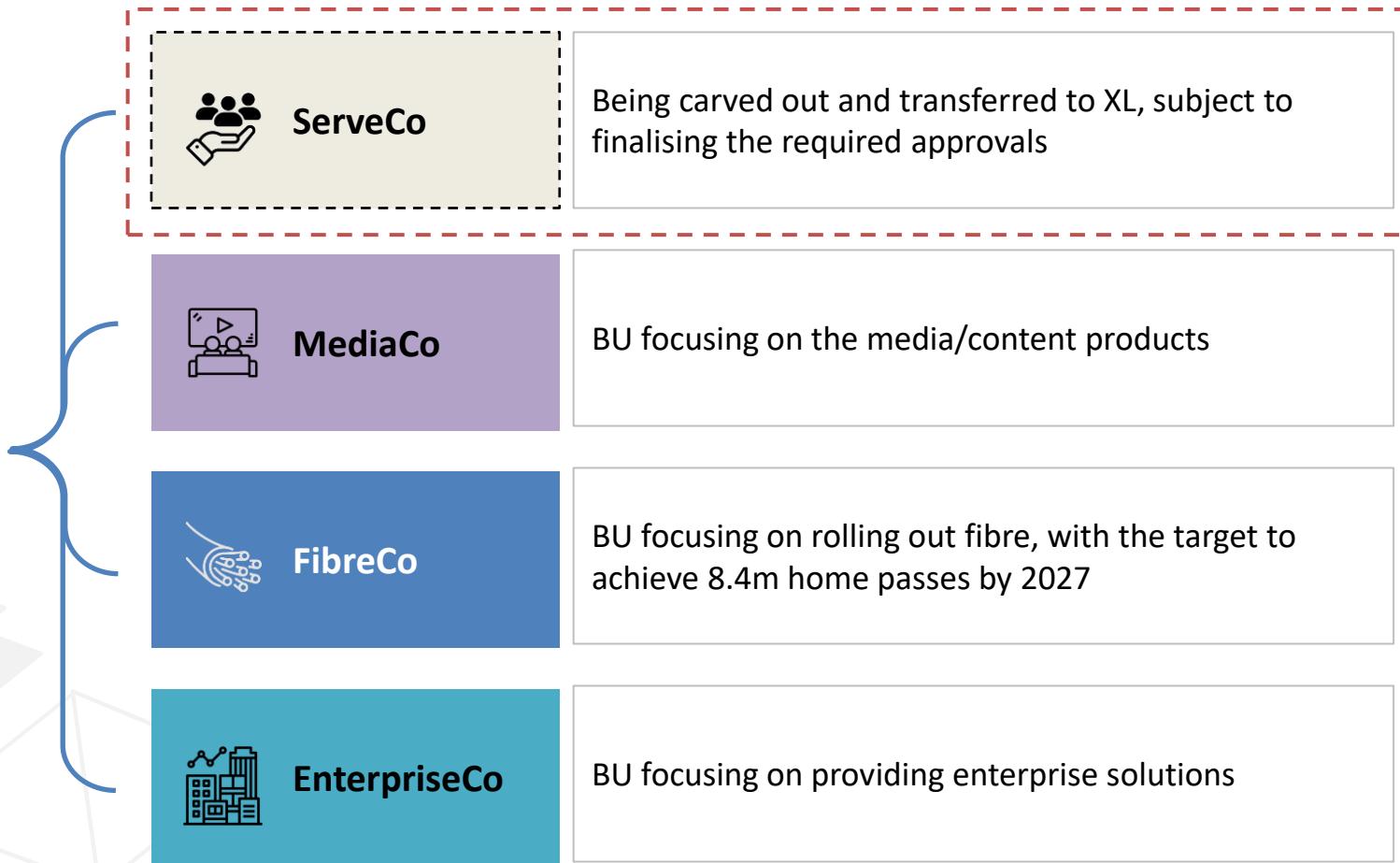
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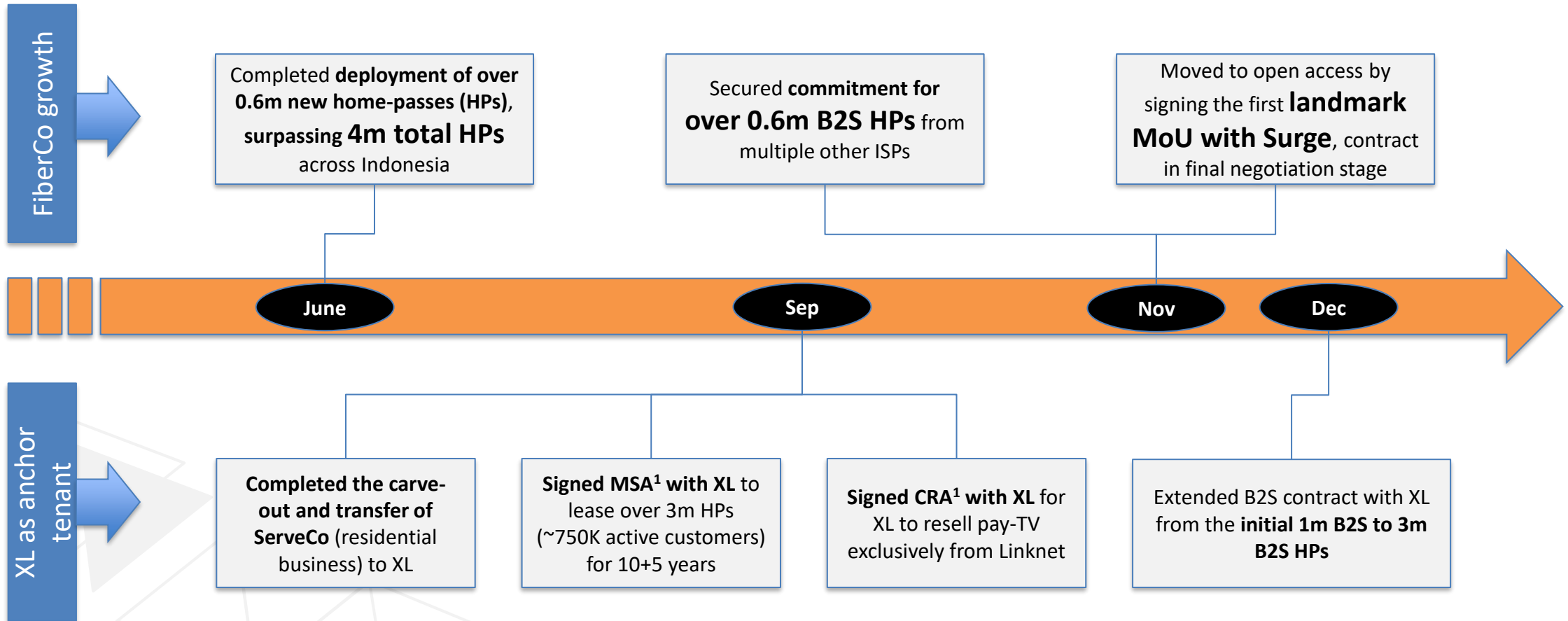
Recap: Linknet has successfully completed the carve-out and transfer of ServeCo to XL as per the plan and has moved to further delayer the BUs



Now part of XL Axiata's fixed broadband services to residential customers

Internally separated with independent P&L, clear cost structure, dedicated management, distinct customer segments and inter-BU transfer pricing agreements with clear rate cards at arms-length

# Progress through 2024: Key highlights and milestones on the path to transformation towards a full-fledged FiberCo



1. MSA = Master Services Agreement, CRA = Content Reseller Agreement

# Linknet is now composed of three highly complementary business segments



## FibreCo

Lease FTTH infrastructure to telcos/ISPs via long-term contracts

- No. 1 wholesale FTTH position (after Telkom)
- ~7m homes passed (4m already deployed, 3m pipeline)
- Long-term contracts with minimum guarantee & escalation
- 10+5-year contract with XL, others in pipeline<sup>2</sup>
- Carrier neutral wholesale model
- Open access MoU signed with Surge, contract in negotiation
- 100% fibre by end of 2028
- Ahead of schedule HFC to FTTH migration<sup>1</sup>



## EntCo

Range of connectivity, ICT & cybersecurity solutions for enterprise customers

- Large, blue-chip customer base
- 2.6k+ enterprise customers<sup>3</sup>
- Long-tenured customer relationships
- 5.5 years average tenure<sup>3</sup>
- Satisfied & highly sticky customer base
- 130%+ net revenue retention rate for top 50 customers<sup>4</sup>
- Proven ability to continually grow ARPC
- 20%+ ARPC growth<sup>5</sup>



## MediaCo

Provide content offerings on a wholesale basis

- Deeply entrenched with low churn
- ~500k PayTV end subscribers<sup>3</sup>
- Exclusive pay TV content service provider to XL
- 5+5-year contract
- Strong ties with top content providers
- 16+ years content provider relationships
- Top-tier and unique content portfolio
- HBO Max rights – 1 of only 2 providers<sup>6</sup> in Indonesia

Note:

1. Migration commenced in 2021
2. More BTS being signed up with other ISPs
3. As of November 2024

4. Top 50 customers (~40% revenue contribution to EntCo) in FY20, compared against LTM Nov-24 revenues from the same set of customers
5. 2020-2023 ARPC CAGR for customers contributing 80% of recurring revenue in each year. Recurring revenue as of Dec considered for each year
6. The other provider is Telkom, which is the incumbent

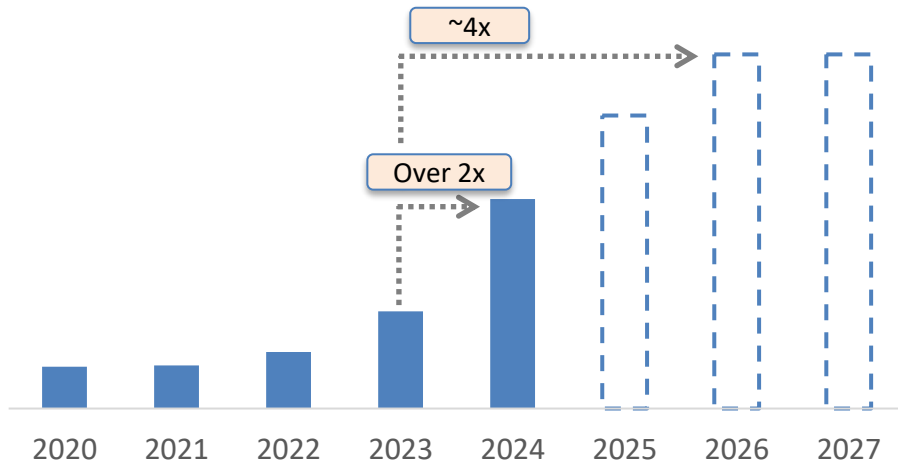
# FibreCo has accelerated the Fiber Factory model by securing multiple B2S contracts and rolling out at 2x capacity compared to historical average at optimal cost



## Network rollout

- + Increased contracted B2S with XL to 3m HPs including 1m already contracted in 2023
- + Secured contracts for additional B2S HPs from 3<sup>rd</sup> parties beyond XL
- + Rollout of 2024 significantly higher compared to prior years

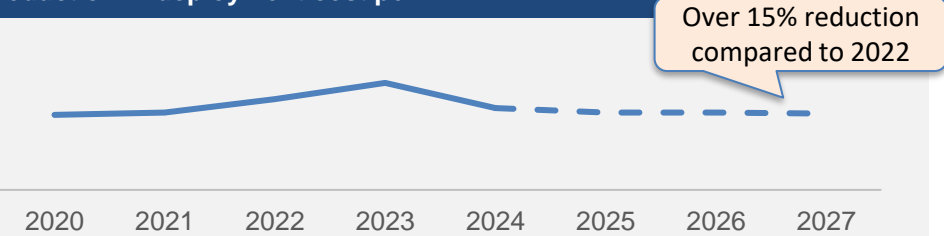
Monthly average HP rollout (in thousands)<sup>1</sup>



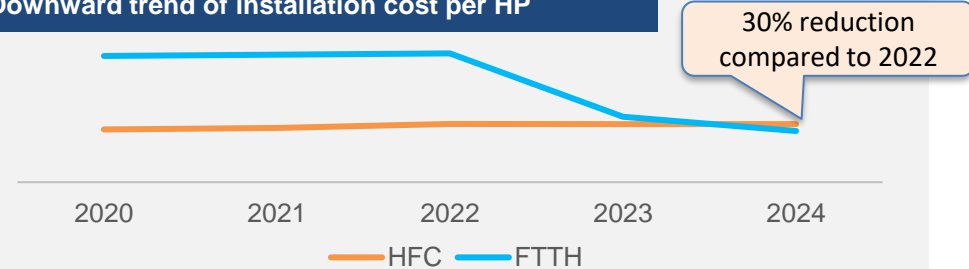
Note:  
1. 2024 shows rollout pace in H1, as there was no new rollout in H2 2024, apart from minor extensions in existing areas, due to focus on ServeCo transaction

## Cost improvements

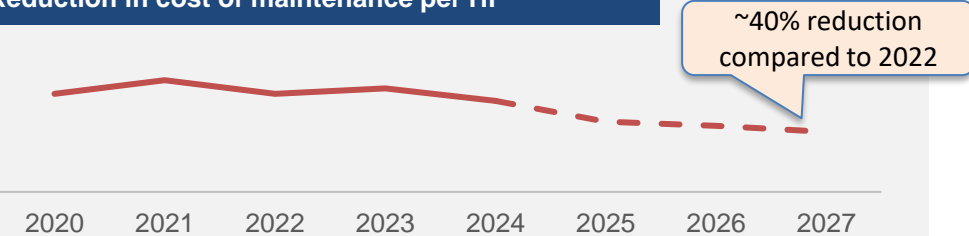
### Reduction in deployment cost per HP<sup>2</sup>



### Downward trend of installation cost per HP



### Reduction in cost of maintenance per HP



Note:  
2. Higher cost in 2023 because off scattered area and not fully utilized backbone

# Value creation in FiberCo will be driven by both managing cashflow from existing business as well as future growth fuelled by strategic funding

## Existing business

### Revenue growth

- Open access on existing 4m HP footprint
- Provide infrastructure to EntCo for enterprise services

### Cost management

- Optimisation of maintenance cost across the existing network
- Reduction of installation cost per home connect

Linknet has already signed a landmark MoU with Surge for open access

## Future growth

### Build-to-Suit (BTS) rollout

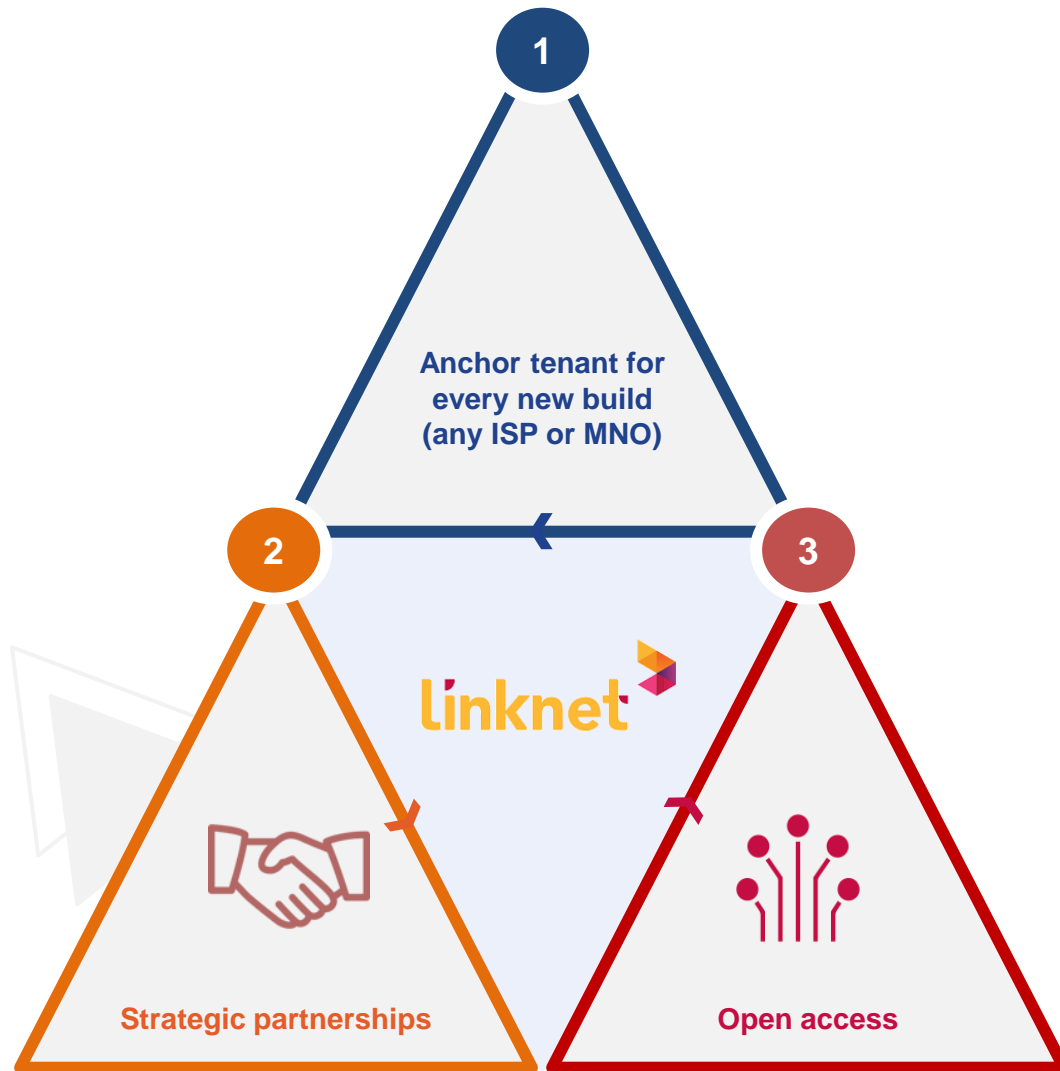
- 2.4m HP rollout commitment from XL
- Additional commitments from other ISPs in discussion (~0.6m secured already)
- Ambition to reach 8.4m total HP by 2027

### Fiber Factory

- Reduced cost of rollout monetising existing network and using new methodologies
- Multi-vendor turnkey and semi-turnkey approach for faster rollout

Linknet is exploring various options to secure additional funding for the above growth ambition

# FiberCo has a well-defined GTM strategy for value creation



1

- + **Existing network** – long-term contract (10+5) in place with XL; high penetration already achieved
- + **Build-to-suit** – backed by contracted **minimum guarantee with anchor tenant**

2

- + Target primarily **upper-and middle-class segments**
- + **Develop strategic partnerships** with ISPs and real estate developers
- + **Optimise deployment costs** with strict area selection criteria




3

- + **Offer Open Access on existing footprint** and any new B2S to multiple ISPs at the end of exclusivity period
- + **Selective Open Access rollout** such as new capital city in Kalimantan
- + **End-to-end** open access solutions

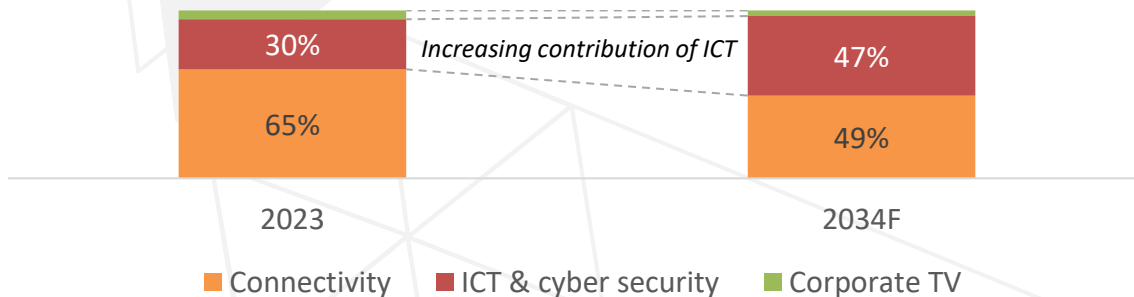


# EntCo is diversifying its services, moving beyond connectivity, offering E2E ICT solutions while maintaining and serving key clients



 <p><b>Connectivity</b></p>	<p>Connectivity services via dedicated infra: dark fibre, leased line, etc.</p> <p>Internet connectivity for businesses via shared networks</p>
 <p><b>ICT &amp; cyber security solutions</b></p>	<p>End-to-end solutions bundling equipment (along with connectivity products and managed services)</p> <p>VSAT or voice-related services, professional services (installation, relocation), and wireless connectivity (dedicated internet, P2P, etc.)</p> <p>Networking services provided by service providers, includes SD-WAN and VPN</p> <p>Cybersecurity-related managed solutions, managed security</p> <p>IaaS cloud services, DC co-location and managed equipments, IT infra</p>
 <p><b>Corporate TV</b></p>	<p>IPTV and CATV for corporate and hospitality customers such as hotels, hospitals, retailers and serviced apartments</p>

Revenue contribution (% of total)

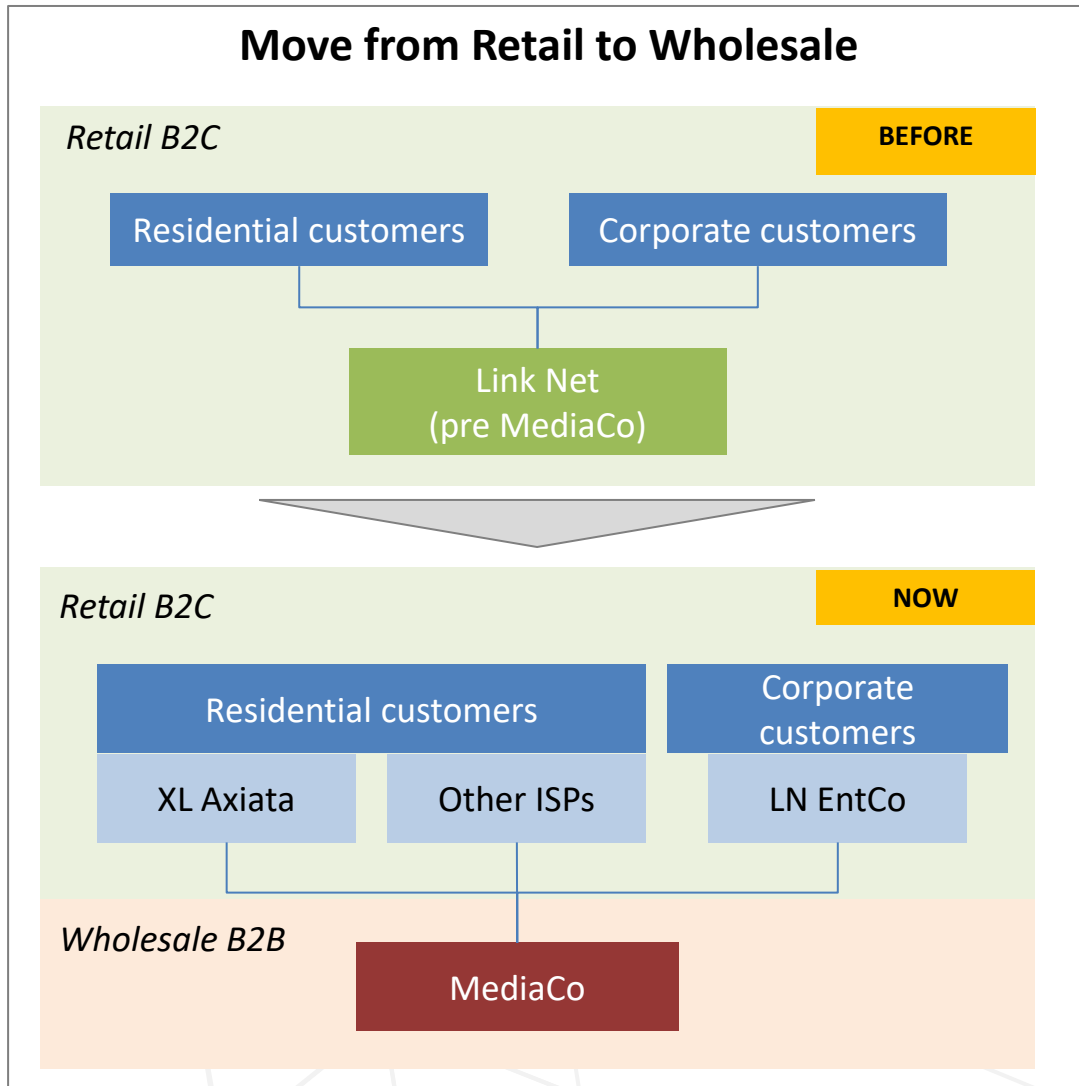


## Overview of enterprise customer segments

<p><b>Government</b></p> 	
<p><b>Financial services</b></p> 	
<p><b>Hospitality &amp; media</b></p> 	
<p><b>Telecom operators</b></p> 	
<p><b>Others</b></p> 	

# MediaCo has, on one side, moved from B2C to B2B, while on the other hand, it has transformed to provide E2E media solutions

## Move from Retail to Wholesale



## E2E future-ready media solutions

Residential customers	Pay TV via XL	Wholesale rights for XL to provide all channels to customers (150+ channels)
	Pay TV via other ISPs	Wholesale rights for other ISPs to provide over 30 channels to customers, more rights being negotiated
	OTT	OTT rights for over 60 channels including being one of only 2 providers to have access to HBO Max
Corporate customers	Hospitality content offering	Serving major hospitality clients including major hotel chains (JW Marriott, Fairmont, Pullman, Mulia), hospitals (Siloam, National Hospital, Adi Husada, Mayapada), retail and government bodies
	Media sales	Offer on screen (TVC) as well as off screen (booting ads, welcome screen scrollers etc), manage premium ad-inventory and offer digital campaigns and sponsorships

# Thank You

