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INVESTOR RELEASE PT MNC VISION NETWORKS TBK (“IPTV”)

IPTV Financial Results Q4-2019 (unaudited)

- PT MNC Vision Networks Tbk (“MVN” or “The Company”) has recorded a revenue of Rp987.3 billion in Q4-2019, an increase of 20% YoY from the previous year at Rp822.6 billion.
- Satellite service revenue grew by 23% YoY from Rp587.6 billion in Q4-2018 to Rp724 billion this year. The strong growth in satellite service revenue was a result of the acquisition of K-Vision in mid-2019, which has been performing extremely well in capitalizing middle to low market segment in Indonesia.
- In Q4-2019, digital, IPTV, and broadband service revenue grew significantly by 34% YoY from Rp189.3 billion last year to Rp252.8 billion. The increase was largely due to the Company’s OTT platform performance, Vision+, which is now the largest in the region in terms of its monthly active user (MAU) and the continued growth of MNC Play.
- Direct cost was up by 24% YoY to Rp471.9 billion in Q4-2019 from Rp380.7 billion in Q4-2018.
- The Company’s G&A expense has decreased by 4% from Rp106 billion last year to Rp101.4 billion, resulting in EBITDA to grow significantly by 23% YoY in Q4-2019 to Rp413.9 billion from Rp335.9 billion last year. This represents 42% EBITDA margin compared to 41% in the same period last year.
- The Company’s net income was posted at Rp172.8 billion, with net income margin stood at 17%. Kindly note that the net income result in Q4-2019 represents 52% of FY-2019 net income results. This is partly contributed by the vast customer acquisition of K-Vision, which have been performing well post-acquisition.

IPTV Financial Results FY-2019 (unaudited)

- MVN posted a consolidated revenue of Rp3,525 billion in FY-2019, up by 9% YoY from the previous year at Rp3,227 billion. Satellite services revenue, which comprised of the Company's DTH businesses remain to provide a significant share of MVN consolidated revenue at 71.5%.
- For FY-2019, satellite services revenue has managed to increase by 6% YoY to Rp2,522 billion from Rp2,384 billion in the same prior year period. Contribution from K-Vision, a DTH prepaid Pay-TV unit, which the Company acquired in mid-2019, has proven to be a big factor in the growth of MVN's satellite services revenue.
- Digital, IPTV, and broadband services revenue grew significantly to Rp931 billion from Rp653.9 billion in FY-2018, this represents an impressive 42% YoY growth. While, other revenue decreased by 4% YoY to Rp193.8 billion in FY-2019 from the previous year at Rp201.1 billion. Other revenue mainly consists of MVN's non-core businesses.
- Direct cost went up by 9% YoY from previously Rp1,593 billion to Rp1,740 billion in FY-2019. Meanwhile, G&A expense decreased by 5% YoY from Rp278.1 billion in FY-2018 to Rp263.9 billion in FY-2019.
- EBITDA increase strongly by 12% YoY from Rp1,356 billion last year to Rp1,521 billion in FY-2019. This translates to EBITDA margin of 43% compared to 42% in FY-2018. Moreover, MVN's net income was recorded at Rp329.5 billion representing a net income margin of 9%.

IPTV Business Update

- MVN's DTH post-paid Pay-TV – MNC Vision, has altered its business model from lending its equipment to selling it outright to consumers through dealers located all over the country. The adjustment will provide MVN with higher revenue, better cash flow, and less overhead cost going forward through avoiding equipment retrieval and reparation related cost.

- The Company is planning to monetize its 150 MHz spectrum that sits on 2.520 – 2.670 GHz band (LTE and 5G), which currently is in use for MNC Vision. Post-monetization of the spectrum, the Company will migrate the satellite utilization of MNC Vision from S-band to KU-band.
- MVN's other DTH Pay-TV unit, K-Vision (pre-paid Pay-TV), has proved to be a catalyst for the Company in penetrating middle to low market in Indonesia. To date, K-Vision has over 2 million subscribers and in January 2020 alone, it has managed to acquire 205,000 new subscribers. The Company is now focus to push existing and upcoming subscribers to regularly subscribe top up vouchers to enable them to access a wider range of content selections as well as offer internet bundling packages in partnership with internet service provider (ISP).
- The Company has launched an Android TV OTT Box called Playbox in February 2020. The device allows user to access MVN's pay channels, content library, VOD, and various downloadable applications. Through Playbox, MVN is now able to penetrate untapped non – MVN broadband internet users in Indonesia, with more than 6 million target homes that can potentially be a subscriber.
- MNC Play (broadband and IPTV), a wholly owned subsidiary of the Company, has 290.500 subscribers as of 2019, which was an increase of 10% from 2018 at 265.000 subscribers. MVN believes that one of the growth driver for the Company lies with the operational efficiency and development of its broadband and IPTV business. Moving forward, MNC Play will minimize its internal network rolling out activities, push the home pass penetration through the partnership with ICON+ & other neutral network provider, and encourage upselling initiatives to increase its ARPU.
- MVN content proposition through MNC Channels has also been a favorable component for the Company, which allows all of its subsidiary to perform well. To clarify, the Company has the biggest Pay-TV/IPTV customer base in Indonesia, with an aggregate total of more than 4.7 million subscribers as of 2019 and MVN's OTT platform, Vision+, which is by far has cemented its position as the biggest OTT platform in the region with more than 27 million monthly active user (MAU).
- As previously announced in December 2019 in regards to the Company's plan to acquire PT Link Net Tbk. MVN is currently undergoing a due diligence process, which is expected to be completed in February 2020 and the closing of the transaction is thought to be completed by April 2020.

- In February 2020, MVN has secured an exclusive agreement with Liga Indonesia Baru (LIB) to broadcasts Liga 1 and Liga 2 (Indonesia Soccer League 1 and 2) for a total of 306 and 62 matches respectively in the Company's platforms, namely MNC Vision, K-Vision, MNC Play (non-exclusive), and Vision+ as well as rights to distribute the broadcasting license for LCO, which the Company has aggressively acquired all over the nation. The first match of the competition will commence on the 29th of February 2020. On top of the Indonesia Soccer Leagues, MVN will also broadcast various top soccer competition, such as Euro 2020, La Liga (Spain), and Serie A (Italy).

Comments from Ade Tjendra, President Director of MVN:

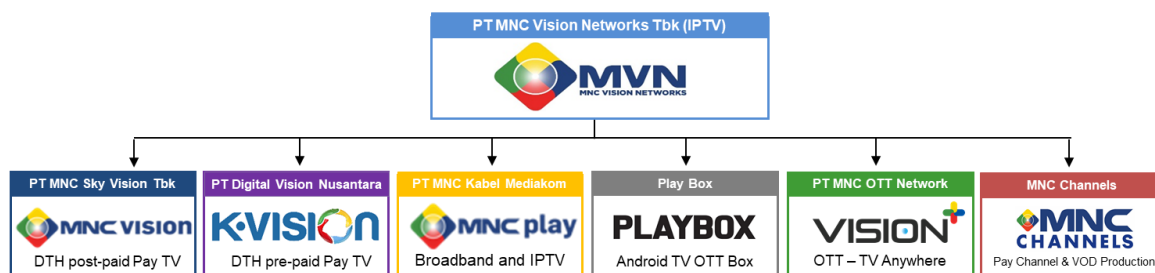
"We are very pleased with the results that the company have achieved in 2019. During that time we have done several strategic actions through the acquisition of K-Vision and the upcoming deal to acquire Link Net, which will be completed before April 2020. Furthermore, we are very excited entering 2020, especially with all the developments that have been made within the Company, namely the introduction of Playbox, modification on MNC Vision business model, LCO acquisition, and the possible monetization of our 5G spectrum. In order to enrich K-Vision subscribers' experience, we will soon introduce internet bundling packages in partnership with internet service provider (ISP). All in all, we are expecting another great result this coming year."

Table 1. Summary of Key Financial Performances FY-2019

Income Statements In IDR mio	YTD		Variance	Q4-2019		Variance
	YTD 2019	YTD 2018	YoY	Q4-2019	Q4-2018	YoY
Revenues	3.524.912	3.227.281	9%	987.319	822.646	20%
Satellite Services	2.522.051	2.383.616	6%	724.050	587.580	23%
Digital, IPTV and Broadband Services	930.959	653.931	42%	252.814	189.342	34%
Others	193.812	201.099	-4%	77.207	56.595	36%
(elimination)	(121.910)	(11.365)		(66.752)	(10.871)	
Direct Cost*)	1.739.576	1.593.417	9%	471.936	380.660	24%
General & Administrative expense*)	263.896	278.074	-5%	101.449	106.045	-4%
EBITDA	1.521.440	1.355.790	12%	413.934	335.941	23%
<i>EBITDA Margin</i>	<i>43%</i>	<i>42%</i>		<i>42%</i>	<i>41%</i>	
Depreciation and amortization	1.103.187	1.024.471	8%	298.924	262.262	14%
Net Income	329.520	(69.132)	-	172.754	903	19031%
<i>Net income margin</i>	<i>9%</i>	<i>-2%</i>		<i>17%</i>	<i>0%</i>	

*): excluding depreciation and amortization

Table 2. Corporate Structure of PT MNC Vision Networks Tbk (“IPTV”)



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