

MVN (“IPTV”) Corporate Update

October 2019



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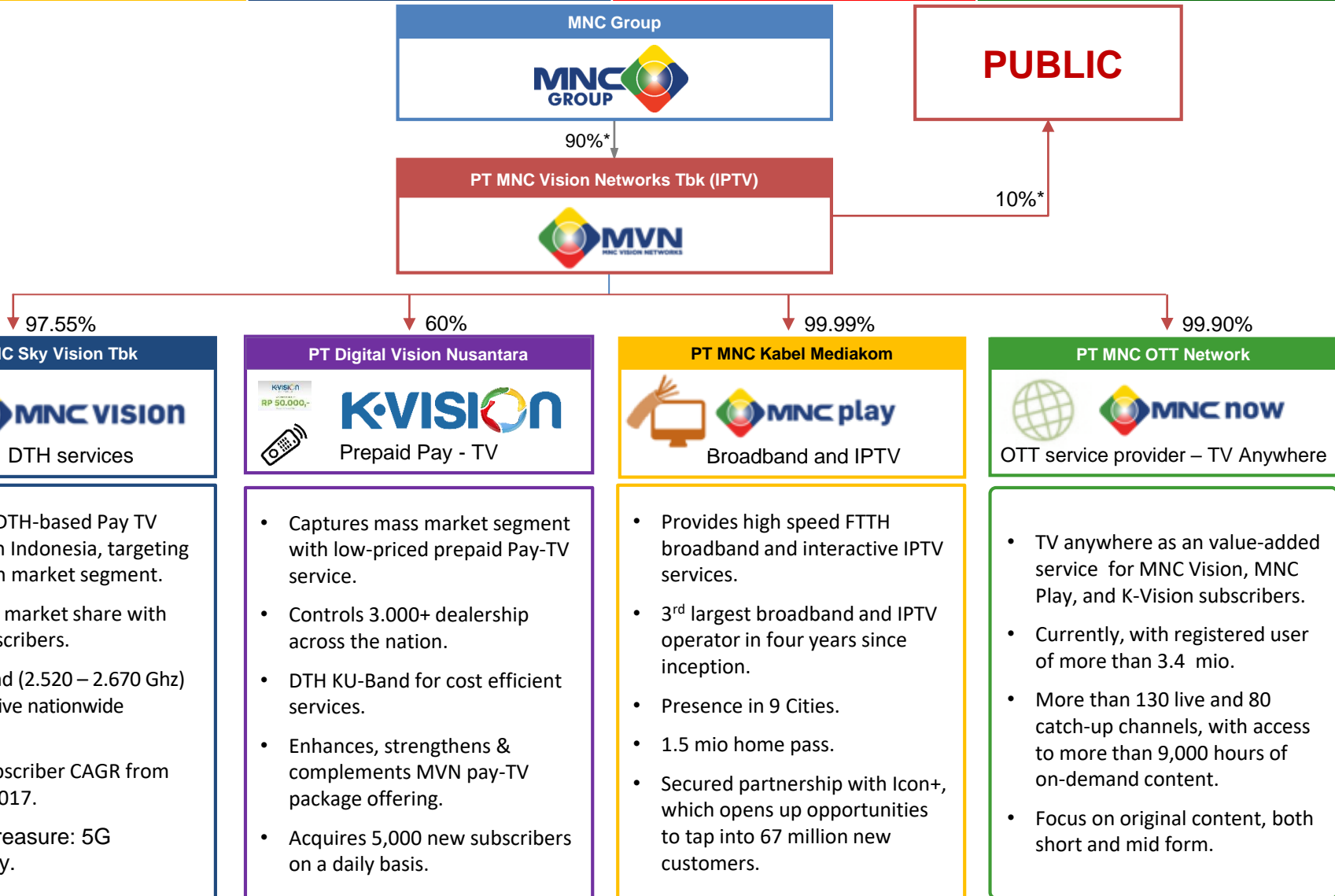
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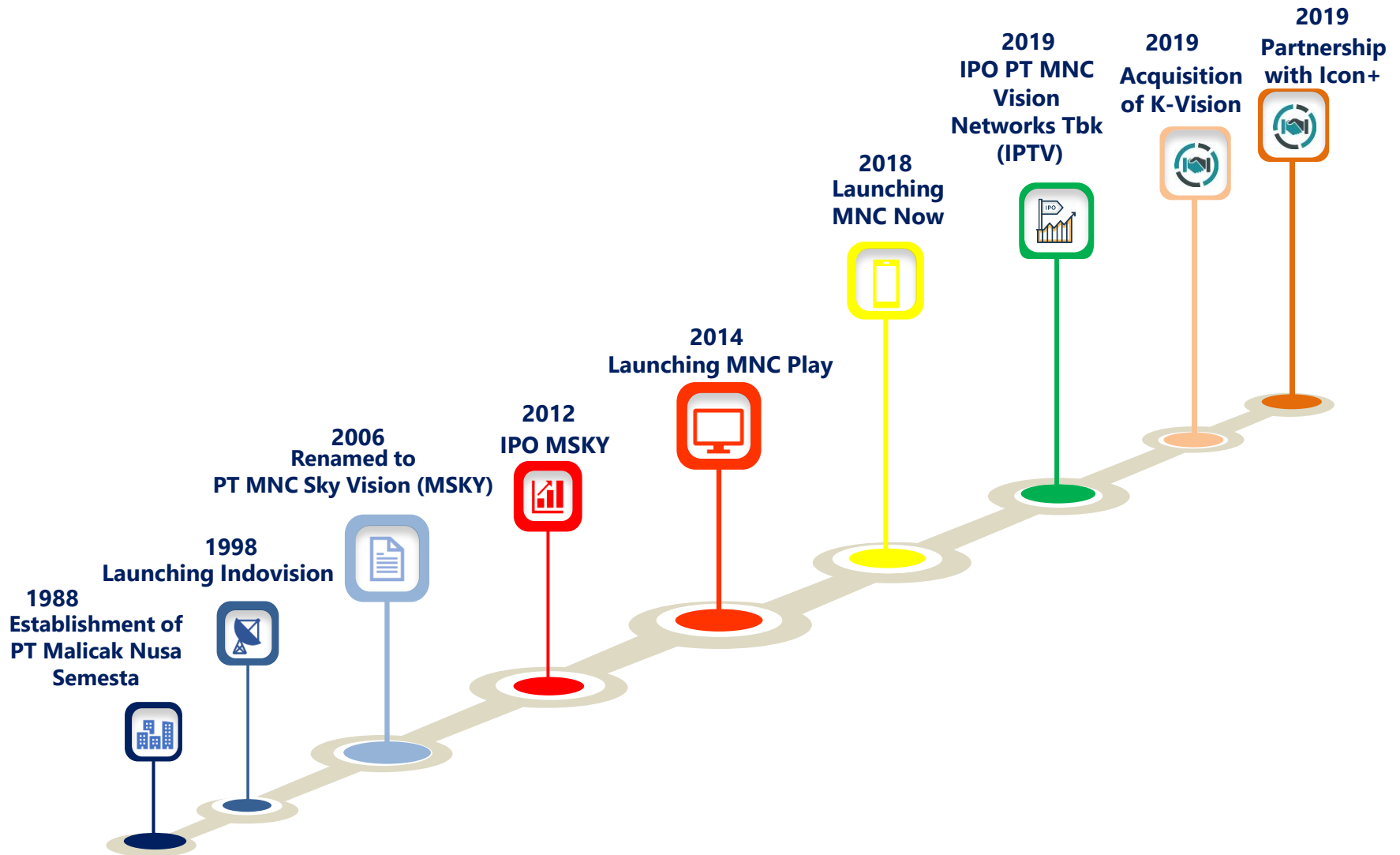
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The Most Comprehensive and Integrated Subscription Platform in Indonesia



*excluding exercise of warrant

Key Milestones



MVN strategy overview



MVN strategy can be articulated through 3 key factors across whole business and individual factors for MNC Vision, K-Vision, MNC Play, and MNC Now

- 1) **Value proposition:** Ability to capitalize on current market leading position with competitive and flexible pricing and packaging.
- 2) **Distribution:** Successfully evolved business model from DTH services to broadband + Digital Video Streaming (OTT) services to stay ahead of the market.
- 3) **Content & Group Synergy:** Leveraging on MNC Group synergies and content capabilities as a key differentiator to competitors.



Focus on targeting urban and sub urban to penetrate new markets.

- Continue to offer differentiated high quality content.
- Proactive management of piracy via cooperation with authorities & content providers



- Prepaid Pay TV, which captures mass market in Indonesia
- Strong distribution channel that can be utilize by MVN's subsidiary (more than 3000 dealers across Indonesia)



- Build on the momentum of subscriber growth in its IPTV / broadband business via aggressive roll out and marketing strategy.
- Upselling to existing Vision customers in major cities.

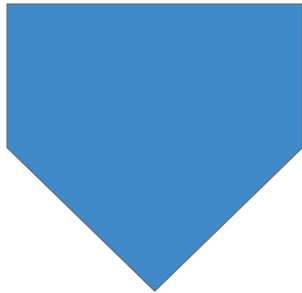


- Retention tool for MNC Vision, K-Vision, and MNC Play customers for TV Anywhere and future upsell to premium VOD content.
- Tapping on “mobile first” market and the Group content library to drive advertising revenue and acquire paid subscribers.

Value Proposition - Competitive product and pricing strategy



Offers flexible pricing strategy based on the packages to cater customer viewing preferences.



One-time purchase

USD 35 – FTA forever, MNC channels for 1 year

Starter Pack + Add on

USD 5/month – 55+ channels

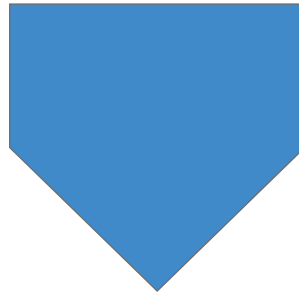
Family Pack

USD 8/month – 57+ channels

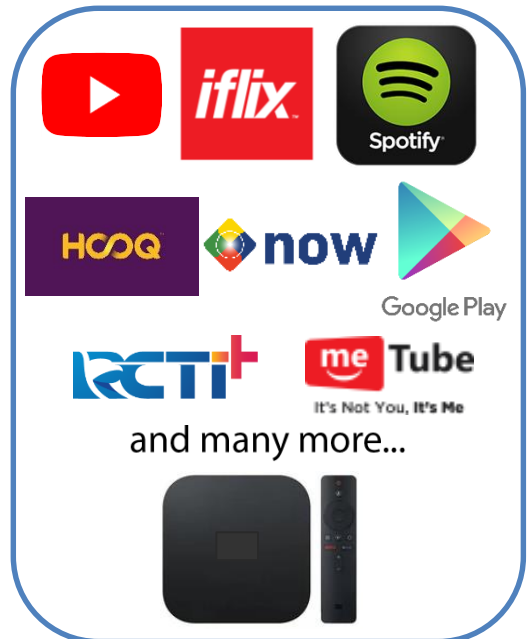
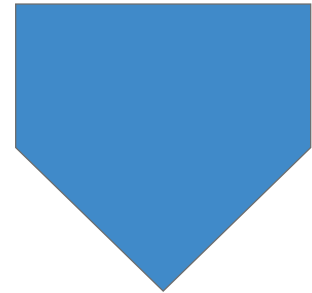
Value Packs

USD 16 – USD 21/month

Providing exclusive local content from MNC Media as leading content company & international differentiated premium content.



Constantly introduce product innovation. eg. more HD offering and technology innovation - Android TV Hybrid set top box.



MNC Vision – Focus on Quality & Efficiency



Advance Payment

- Advance Payment focus to boost upfront collection and improve customer sustainability.
- Customer to choose advance payment methods – pay 4 get 6 or pay 8 get 12.

Establishment of Super Branch

- Super Branch, a synergy between MNC Vision and MNC Play to optimize frontliners' performance and increase operational efficiency in strategic areas.

Addition of New Sales Touch Points

- MVN secured a strategic partnership with Kimia Farma, a leading pharmaceutical producer and distributor in Indonesia.
- Kimia Farma has over 1200 branches all over the nation and should solidify MVN sales touch point moving forward.

Re-assessment of Branches to Increase Efficiency

- The Company to conduct a review on selected MNC Vision branches all over the country and eliminate non – performing branches with focus on productivity, which ultimately leads to a lower operational expenditure.

Distribution - Enlarged and Diversified Sales Channels



Strong in-house network of 101 branch offices of MNC Vision and MNC Play will be synergized with wide distribution network of K-Vision targeting urban and rural areas in Indonesia



Acquisition approach through multi sales channels :

- Direct selling to prospected customers in residential area by door-to-door internal sales channel, and modern store sales channel
- Telemarketing sales channel
- Supported distribution network from external sales channel and dealer

- Proactive acquisition approach through 3000+ dealers, which enables MVN to penetrate mass market segment
- Prepaid voucher distribution through various messenger application that serves as an effective sales channel for existing subscribers

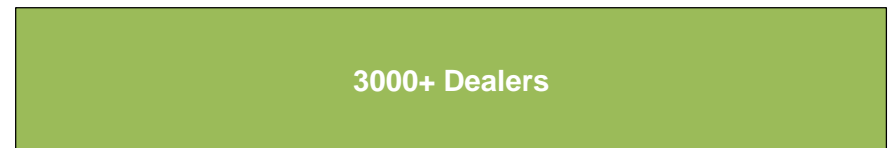
MNC Vision and MNC Play – strong in-house distribution and sales channel



In-house: 94%

External: 6%

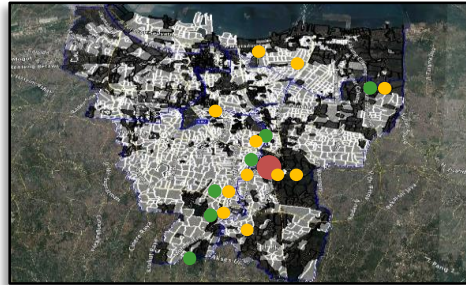
K- Vision wide distribution network



External: 100%

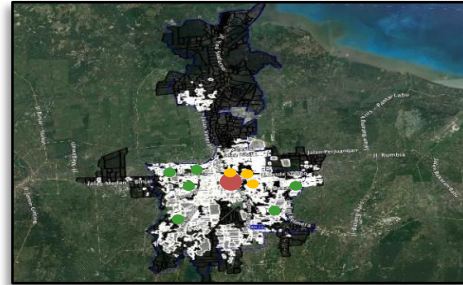
Distribution - Play's extensive last mile network

JAKARTA



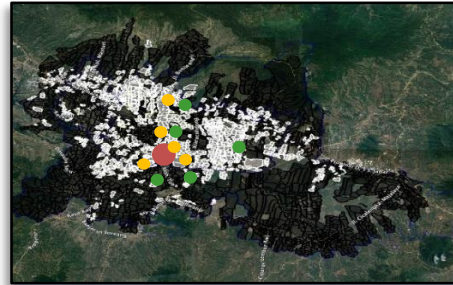
- Year of rollout: 2014 – ongoing
- Population: 10.4m⁽¹⁾
- Homes passed: 542,604
- Penetration rate: 20%

MEDAN



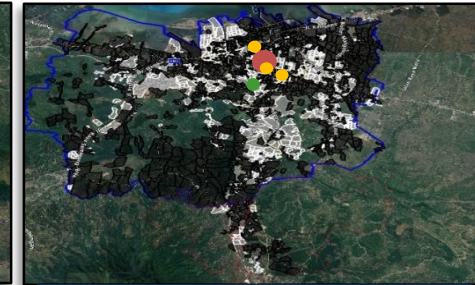
- Year of rollout: 2016 – ongoing
- Population: 2.2m⁽¹⁾
- Homes passed: 145,700
- Penetration rate: 13%

BANDUNG



- Year of rollout: 2015 – ongoing
- Population: 2.5m⁽²⁾
- Homes passed: 220,997
- Penetration rate: 12%

SEMARANG



- Year of rollout: 2015 – ongoing
- Population: 1.6m⁽²⁾
- Homes passed: 163,324
- Penetration rate: 22%

DEPOK, TANGERANG, BEKASI



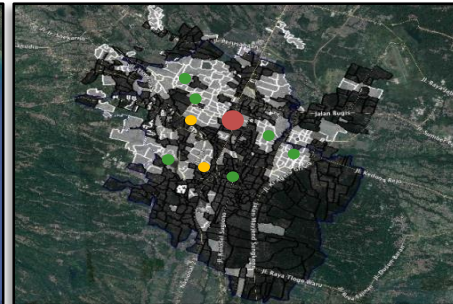
- Year of rollout: end of 2018 – ongoing
- Population: 8.6m⁽²⁾
- Home passed: 3,940 (Depok), 4,687 (Tangerang), 2,484 (Bekasi)
- Penetration rate: 3% (Depok), 6% (Tangerang), 19% (Bekasi)

SURABAYA



- Year of rollout: 2015 – ongoing
- Population: 2.9m⁽¹⁾
- Homes passed: 295,935
- Penetration rate: 16%

MALANG




















- Year of rollout: 2016 – ongoing
- Population: 0.9m⁽²⁾
- Homes passed: 113,148
- Penetration rate: 22%



MNC Play has secured a partnership with ICON+ to roll out 120,000 home pass per annum. This opens up new opportunities to penetrate PLN's customer base of 67 million

Note: 1. As of 2017; 2. As of 2016

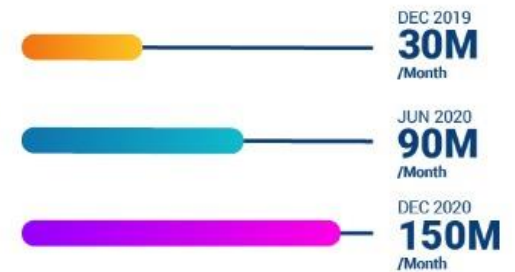
Source: BPS Indonesia, MVN management ● Business district areas ● Key residential developments ● Shopping malls

MNC NOW Strategy	
 Acquisition	<div data-bbox="817 315 1690 394">  MNC VISION  K-VISION  MNC play </div> <ul style="list-style-type: none"> • TV Anywhere Connect - a strong value-add for MNC Vision, K-Vision, and MNC Play subscribers • Cross promotion <div data-bbox="739 575 1758 686">  TELKOMSEL  XL  indosat ooredoo  smartfren </div> <ul style="list-style-type: none"> • Telco partnership – a strategic venture that allows MNC Now users to access the platform with affordable data plan through bundle packages
 Content Strategy CONTENT IS KING	<div data-bbox="739 846 1769 925">  MNC PICTURES  MNC ANIMATION  ASIA MEDIA PRODUCTIONS  RCTI  MNC TV  GTV </div> <ul style="list-style-type: none"> • Production of original content (drama, talent show, sitcom, reality, etc) • Acquisition short-mid form content (MNC Library & 3rd parties)
 Source of Revenue	 <ul style="list-style-type: none"> • Revenue from Advertising • Upsell to premium/branded SVOD

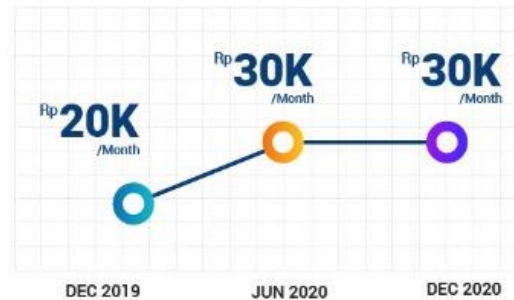
MNC Now – Key Objectives



INCREASE NUMBER OF STREAM PLAYS



INCREASE PREMIUM SUBSCRIBER



SUBSCRIPTION FEE



AD SALES

Ability to leverage on potential synergies with MNC Group



Utilize shared Infrastructure Facility

- Shared broadcasting center
- Shared call center
- Innovation center
- Shared content production



Marketing and promotion

- Optimize FTA and other media platform for improving brand awareness, advertising promotion and customer engagement



Leverage sales distribution channels

- Leverage MNC Group sales & distribution network
- Database cross selling



Content Synergy

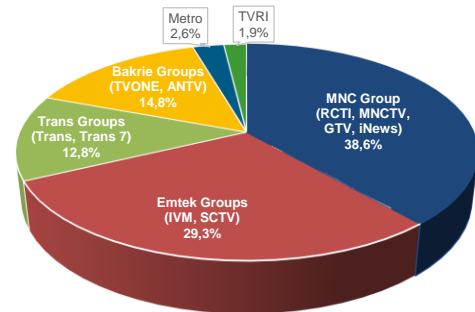


- MVN exclusive local channels and content are sourced and produced through agreements with MNC Group.
- Leverage MNC Studios and MNC Pictures capabilities to build original content portfolio.
- International content agreements are 3-way agreements between the content provider, MNC Vision, MNC Play and MNC Now.

Content synergies across MNC platform



Strength of FTA⁽¹⁾



Platform	RCTI	MNC TV	GTV	iNews
Indihome	✗	✗	✗	✗
First Media	✗	✗	✓	✓
BigTV	✗	✗	✓	✓
Transvision	✓	✓	✓	✗
Nexmedia	✓	✓	✓	✗

Exclusive MVN channels

Rank	Channel	MVN Status
1	CARTOON NETWORK	NON-EXCLUSIVE
2	DISNEY JUNIOR	NON-EXCLUSIVE
3	DISNEY CHANNEL	NON-EXCLUSIVE
4	MNC INFOTAINMENT	EXCLUSIVE
5	HBO	NON-EXCLUSIVE
6	CINEMAX	NON-EXCLUSIVE
7	KIDS CHANNEL	EXCLUSIVE
8	BERITA SATU	NON-EXCLUSIVE
9	MNC NEWS	EXCLUSIVE
10	MNC MUSLIM	EXCLUSIVE
11	NGC WILD	NON-EXCLUSIVE
12	DRAMA CHANNEL	EXCLUSIVE
13	FOX CHANNEL	NON-EXCLUSIVE
14	MNC SPORTS	EXCLUSIVE
15	FOX MOVIES	NON-EXCLUSIVE
16	NATIONAL GEOGRAPHIC CHANNEL	NON-EXCLUSIVE
17	HBO FAMILY	NON-EXCLUSIVE
18	MOVIE CHANNEL	EXCLUSIVE
19	HBO HITS	NON-EXCLUSIVE
20	AXN	NON-EXCLUSIVE

MNC branded

- 7 out of top 20 most watched Pay TV channels are MVN exclusive channels and produced by MNC Group.

Content acquisition

Top 5 foreign network

1	FOX	Fox Networks Group
2	HBO	HBO Asia
3	Disney	The Walt Disney Company
4	bein	Bein Asia Limited
5	Celestial Movie Channel LTD	

Top 5 events / seasonal content

1	Premier League	Bein Asia Limited
2	Union Des Association European	
3	Futball Momentum Asia	
4	Lagardere Sports Asia	
5	Futball Momentum Asia	

Investment in original content



- MNC's FTA channels have the largest audience share
- MVN is the only major Pay TV platform with exclusive rights to MNC's FTA channels

- Large subscriber base allows MVN to negotiate preferred terms with premium international content providers.

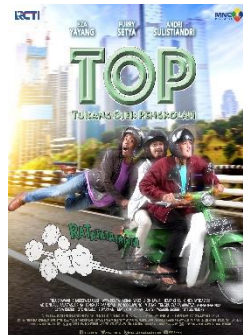
- Leveraging on MNC content expertise and facilities to derive original content that will be showcased on Pay TV as first window to attract subscribers

Leveraging on vast library of MNC original productions to create unique positioning in the market for both linear and VOD



- Proven track record of generating popular local productions that cater to the taste of Indonesian audience with most of the top drama series produced by MNC Group
- Most watched genres produced by MNC Group include Indonesian sinetron (drama series) and globally renowned talent search programs tailored to fit Indonesian culture and language

Top Drama Series Titles



Popular MNC Talent Search Programs



Creation of MVN original content portfolio supported by the expansive production capabilities of MNC Studios



Creative Content



NOW Original
Short (5-8 mins)
and mid (10-20
mins) Web Series

- Drama
- Comedy sketch
- Lifestyle

RCTI/MNCTV/GTV
Short Clips
(3-5 mins)

- Highlights
- Segment
- Bloopers
- Behind the scenes
- Interviews



Long Form



MNC VOD Library
(30-60 mins)

- Dramas
- Talent show
- Reality show
- Entertainment
- Lifestyle
- Kids

MVN Original Productions
(30 min series)

- Drama
- Talent show



Optimizing Additional Sources of Revenue

A Advertising sales



Synergy with MNC Group

Synergize with other units in MNC Group to increase selling value



Complete Segment Sales Packages

Advertisement on channels and programs from DTH satellite, IPTV, and digital platform targeting all segment



Creative ads

Utilize our on-air assets (EPG Banner, squeeze frame & super impose) in program to increase selling value



Competitive Pricing

Provide incentive and competitive pricing in the market to keep market share

B Corporate sales

Expanding new market

Aggressive acquisition for other properties besides hotels & apartments (hospitals, malls, café resto, oil mining housing)



Competitive pricing

Flexibility of choosing individual channels with more competitive pricing



Excellent after-sales service

Supported by technicians in 101 branch offices with 24/7 call center



Continuous innovation

Updating and providing new technology as per client's request (digital quality and IPTV)



Key investment highlights



- 1 Indonesia is an untapped market with tremendous growth potential
- 2 #1 market position in Pay TV with unrivalled customer offering
- 3 Strong original content portfolio by leveraging MNC Media's content expertise
- 4 Strong collaboration between MVN in-house distribution with K-Vision wide external dealer network
- 5 Best-in-class technology and infrastructure provides unparalleled service quality
- 6 Financial profile demonstrates successful implementation of strategy

IPTV H1-2019 Financial Results



Income Statements In IDR mio	YTD		Variance
	H1-2019	H1-2018	YoY
Revenues	1.549.668	1.535.923	0,89%
Program retransmission service	1.131.273	1.183.239	-4,39%
Broadband and IPTV	351.717	259.876	35,34%
Advertising	62.173	89.355	-30,42%
Others	11.660	3.949	195,26%
Digital	19.059	-	100,00%
(elimination)	(26.214)	(496)	
Direct Cost	840.641	833.101	0,91%
Depreciation and amortization - Direct Cost	538.016	501.454	7,29%
Gross profit	171.011	201.368	-15,08%
<i>Gross profit margin</i>	<i>11,04%</i>	<i>13,11%</i>	
General & Administrative expense	91.730	92.371	-0,69%
Depreciation and amortization - GA	9.076	4.235	114,31%
EBITDA	617.297	610.451	1,12%
<i>EBITDA Margin</i>	<i>39,83%</i>	<i>39,74%</i>	
Net Income	22.902	(65.340)	-
<i>Net income margin</i>	<i>1,48%</i>	<i>-4,25%</i>	



Linknet Acquisition

Synergy & Cost Savings from acquisition



Revenues Synergy

- Additional revenue from FTA, MNC channels, library and original production.
- Additional revenue from advertising sales.
- Additional revenue from relocation of overlapping network.
- Additional revenue from OTT SVOD/AVOD.

Cost Savings

MVN Level:

- Saving of content cost by 1% to 3%.

Play Level:

- Gradual elimination of marketing expenses.
- Saving of bandwidth costs, gradually will be reduced by 5% to 30%.
- Savings of Opex (G&A and salary), gradually will be reduced by 5% to 30%.

Network Sale & Lease Back

1. Upon the completion of the acquisition, MVN will possess close to 4 million homepass. The Company plans to monetize this through “sale and lease back” of its network.
2. For new areas, MVN will lease its network from third parties.
3. This method will significantly reduce MVN Capex and Opex in the future.

Note: Standard pricing for network sale and lease back.

- Sale : Rp 3 mio per home pass
- Lease back : Rp 135 k per subscriber

Consolidated projected P/L with Linknet acquisition



In Rp billion

MVN								
Description	2018A	2019P	2020P	2021P	2022P	2023P	2024P	2025P
Revenue (MVN + Link Net pre-synergy)	3.227	3.832	8.580	9.513	10.528	11.679	12.972	14.421
Revenue Growth		19%	124%	11%	11%	11%	11%	11%
Additional Revenue due to synergy	-	-	83	317	661	1.045	1.596	2.219
Total Revenue (MVN + Link Net post-synergy)	3.227	3.832	8.663	9.829	11.189	12.724	14.567	16.640
Revenue Growth		19%	126%	13%	14%	14%	14%	14%
EBITDA (MVN + Link Net pre-synergy)	1.356	1.599	4.285	4.808	5.366	5.996	6.755	7.473
EBITDA Margin	42%	42%	50%	51%	51%	51%	52%	52%
EBITDA Growth			168%	12%	12%	12%	13%	11%
Revenue + Cost Saving due to synergy	-	-	118	359	755	1.213	1.833	2.706
EBITDA (MVN + Link Net post-synergy)	1.356	1.599	4.403	5.167	6.121	7.210	8.588	10.179
EBITDA Margin	42%	42%	51%	53%	55%	57%	59%	61%
EBITDA Growth			175%	17%	18%	18%	19%	19%
Net Income (MVN + Link Net pre-synergy)	(47)	210	1.195	1.518	1.829	2.212	2.790	3.224
Net Income Margin	-1%	5%	14%	16%	17%	19%	22%	22%
Net Income Growth		-546%	470%	27%	20%	21%	26%	16%
Revenue + Nett Cost Saving post-synergy	-	-	111	335	774	1.284	1.861	2.720
Net Income (MVN + Link Net post-synergy)	(47)	210	1.306	1.853	2.602	3.495	4.651	5.944
Net Income Margin	-1%	5%	15%	19%	23%	27%	32%	36%
Net Income Growth			523%	42%	40%	34%	33%	28%

Notes:

1. Linknet is Consolidated as of January 2020
2. 63% acquisition of Linknet

Breakdown of synergy and cost savings



In Rp billion

	2020	2021	2022	2023	2024	2025
Additional revenue:						
FTA, MNC channels, library and original production	9	9	46	98	198	401
Advertising sales	9	9	46	98	198	401
Relocation of overlapping network	66	264	528	792	1.123	1.321
OTT SVOD/AVOD	-	34	41	56	77	97
Total	83	317	661	1.045	1.596	2.219
Cost saving:						
MVN:						
Content Cost	11	12	19	26	28	43
MKM:						
Marketing expense	4	4	10	20	24	58
Bandwith cost	11	17	47	94	139	284
Operating expense (GnA & Salary)	8	10	19	28	46	103
Total	35	42	94	168	237	487
Total Add. Revenue & Cost saving	118	359	755	1.213	1.833	2.706

