



Jakarta, Indonesia – 29 October 2019

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

IPTV Financial Results Q3-2019:

- PT MNC Vision Networks Tbk (“MVN” or “The Company”) has recorded a revenue of Rp 977.8 billion in Q3-2019, up by 13% YoY from the previous year at Rp 868.5 billion. DTH/satellite service revenue is still the main contributor to the total revenue, representing 68% of the total consolidated revenue in Q3-2019, which grew by 9% YoY from Rp 612.8 billion in Q3-2018 to Rp 666.7 billion this year.
- In Q3-2019, digital, IPTV, and broadband revenue grew significantly by 50% YoY from Rp 204.7 billion last year to Rp 307.4 billion. The increase was largely due to the Company’s digital/OTT platform performance, which has been performing extremely well, on top of the growth in revenue for IPTV and broadband.
- Other revenue in Q3-2019 decreased by 16% to Rp 42.8 billion from Rp 51.2 billion in the same prior year period. Other revenue mainly consists of non-core business and advertising.
- Direct cost was up by 12% YoY to Rp 427 Billion in Q3-2019 from Rp 379.7 billion in Q3-2018.
- The Company’s G&A expense has decreased by 11% from Rp 79.7 billion last year to Rp 70.7 billion, which contributed partly for the growth in MVN’s EBITDA. EBITDA for Q3-2019 grew significantly by 17% YoY to Rp 480.1 billion from Rp 409.2 billion last year, which represents 49% EBITDA margin compared to 47% EBITDA margin in the same period last year. Moreover, the Company’s net income was posted at Rp 133.9 billion with net income margin stood at 14%.

IPTV Financial Results 9M-2019

- MVN recorded a revenue of Rp 2,527 billion in 9M-2019, up by 5% YoY from the previous year at Rp 2,404 billion. DTH/satellite service revenue remains relatively stable at Rp 1,798 billion in 9M-2019 from Rp 1,796 billion in the same prior year period.

- In 9M-2019, digital, IPTV, and broadband revenue grew significantly by 46% YoY to Rp 678.1 billion from Rp 464.6 billion in 9M-2018. While, other revenue decreased by 19% YoY to Rp 116.6 billion in 9M-2019 from previously Rp 144.5 billion.
- Direct cost was up by 5% YoY from previously Rp 1,213 billion to Rp 1,268 billion in 9M-2019.
- MVN's G&A expense decreased from Rp 172 billion in 9M-2018 to Rp 162.4 billion in 9M-2019, which cause EBITDA margin to expands. EBITDA rose by 8% YoY from Rp 1,020 billion last year to Rp 1.097 billion in 9M-2019. This translates to EBITDA margin of 43.4% compared to 42.4% in 9M-2018. Furthermore, MVN's net income was posted at Rp 156.8 billion representing a net income margin of 6%.

Business Update 9M-2019

- The Company made a strategic corporate action in August 2019 by acquiring K-Vision, a DTH (Ku-band) prepaid Pay-TV. Through K-Vision, MVN amasses various revenue streams, such as the sale of set-up box, advertising, and prepaid voucher consisting of premium content packages with a price range of Rp 50,000 to Rp 180,000 per month. The Company is targeting at least 30% of STB users to consistently subscribe prepaid vouchers every month. Currently, K-Vision is gaining more than 5000 subscribers on a daily basis and should significantly increase MVN's revenue, particularly next year.
- Another positive development for the Company, MVN will implement new initiatives on its subsidiary, MNC Vision, a DTH post-paid Pay-TV that uses S-band weatherproof satellite technology. The management has decided to innovate MNC Vision's business model from lending STB/equipment to selling it outright to consumers. Furthermore, the adjustment should have a substantial positive impact, which will drive higher revenue, healthier cash flow, and less overhead cost by avoiding STB/equipment retrieval and reparation cost due to churn. Currently, MNC Vision has 2.4 mio subscribers with ARPU of Rp.72,777.
- MNC Play (IPTV and Broadband), a wholly owned subsidiary of the Company, has 262,856 subscribers with ARPU of Rp 289,763 as of September 2019 with close to 1.5 mio home pass (51% ready for sell and 49% in feeder phase). MNC Play entered an agreement with ICON+, a subsidiary of PT PLN (state own electricity company), to rollout FTTH networks throughout the country. MNC Play is given the rights to use ICON+ network to offer high speed internet and IPTV services.

- The Company's digital/OTT platform, MNC Now, which serves as a TV anywhere for the subscribers of MNC Vision, K-Vision, and MNC Play, has done tremendously well as of September in terms of its MAU performance. As of today, its MAU has reached over 10 mio. MVN will look to monetize this through advertising sales on its platform. At some point, MNC Now will be open to partner with various international and local production house for their content through SVOD business model (revenue sharing).

Comments from Ade Tjendra, President Director of MVN:

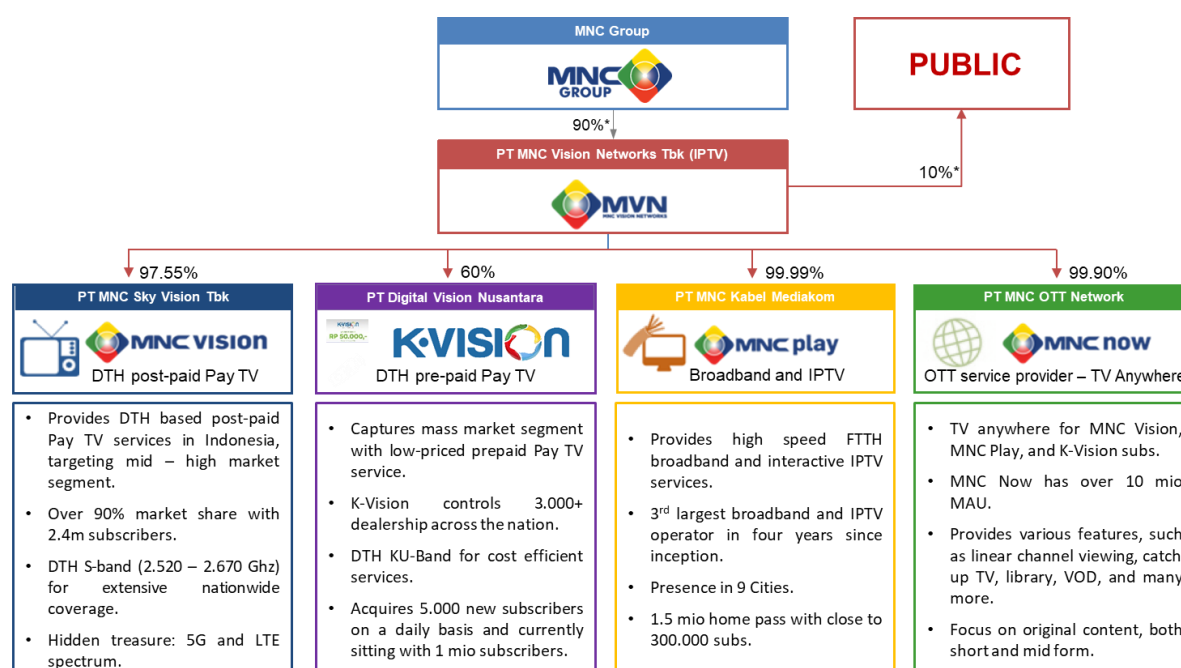
"We are delighted with the Company's impressive 9M-2018 performance and very confident that we will be able to achieve the full year expected results. I am particularly excited by the changes on MNC Vision's business model. The move should reduce the costs of STB, viewing card/CAS, outdoor unit, and low noise block (LNB) by at least 25% as well as content cost due to economies of scale. Significant changes will also be made on MNC Play, which now will sell and lease back its home pass network to third party or sell and lease back through a business trust/REIT concept. This will undoubtedly lower MNC Play capex and opex requirements in the foreseeable future. Last but not least, we are also excited with the future development of MNC Now. The management is targeting its MAU to reach 20 mio by end of 2019 and 75 mio by end of 2020."

Table 1. Summary of Key Financial Performances 9M-2019

Income Statements In IDR mio	Actual YTD		Variance	Actual Q3		Variance
	9M 2019	9M 2018	YoY	Q3-2019	Q3-2018	YoY
Revenues	2.527.444	2.404.386	5%	977.776	868.463	13%
Satellite Services	1.798.001	1.796.036	0%	666.728	612.797	9%
Digital, IPTV and Broadband Services	678.145	464.589	46%	307.369	204.713	50%
Others	116.605	144.504	-19%	42.772	51.200	-16%
(elimination)	(65.307)	(743)		(39.093)	(247)	
Direct Cost*)	1.267.640	1.212.756	5%	426.999	379.655	12%
General & Administrative expense*)	162.447	172.029	-6%	70.717	79.658	-11%
EBITDA	1.097.357	1.019.601	8%	480.060	409.150	17%
<i>EBITDA Margin</i>	<i>43,42%</i>	<i>42,41%</i>		<i>49%</i>	<i>47%</i>	
Depreciation and amortization	804.263	762.210	6%	257.171	256.521	0%
Net Income	156.766	(70.035)	-	133.864	(4.695)	-
<i>Net income margin</i>	<i>6%</i>	<i>-</i>		<i>14%</i>	<i>-</i>	

*): excluding depreciation and amortization

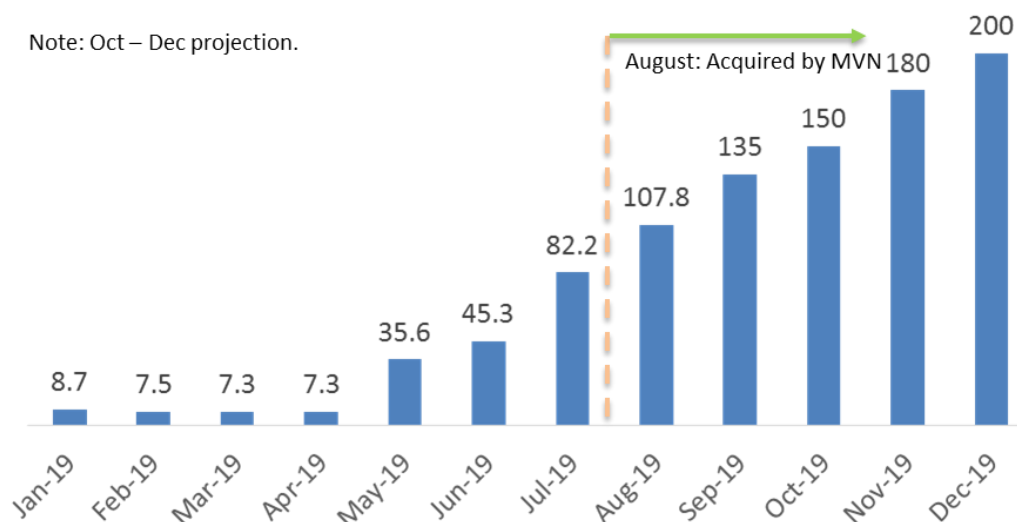
Table 2. Corporate Structure PT MNC Vision Networks Tbk (“IPTV”)



*excluding exercise of warrant

Table 3. K-Vision Customer Acquisition Post Acquisition (in thousands)

Note: Oct – Dec projection.



For more information, please contact:

Investor Relations:
Luthan Fadel Putra
luthan.putra@mncgroup.com

Samuel Christopher Hartono
samuel.tanoesoedibjo@mncgroup.com

PT Media Nusantara Citra Tbk.
MNC Tower, 29th floor
Jl. Kebon Sirih Kav 17 - 19
Jakarta 10340
Phone: 62-21 3913338
Fax : 62-21 3910454

Disclaimer

By accepting this Press Release, you are agreeing to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. The information and opinions contained in this Press Release have not been independently verified, and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. It is not the intention to provide, and you may not rely on this Press Release as providing, a complete or comprehensive analysis of the condition (financial or other), earnings, business affairs, business prospects, properties or results of operations of the company or its subsidiaries. The information and opinions contained in this Press Release are provided as at the date of this presentation and are subject to change without notice. Neither the company (including any of its affiliates, advisors and representatives) nor the underwriters (including any of their respective affiliates, advisors or representatives) shall have any responsibility or liability whatsoever (in negligence or otherwise) for the accuracy or completeness of, or any errors or omissions in, any information or opinions contained herein nor for any loss howsoever arising from any use of this presentation. In addition, the information contained in this Press Release contains projections and forward-looking statements that reflect the company's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the company and its directors. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those forecasts and projected. This Press Release is not and does not constitute or form part of any offer, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto. Any investment in any securities issued by the company or its affiliates should be made solely on the basis of the final offer document issued in respect of such securities.