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

IPTV Financial Results Q2-2020

- PT MNC Vision Networks Tbk (“MVN” or “The Company”) posted a consolidated revenue of Rp890.9 billion in Q2-2020, an increase of 13% compared to Q2-2019 at Rp785 billion.
- The majority of the Company’s revenue is still contributed by its satellite services (MNC Vision and K-Vision), which contributes 67% of Q2-2020 (72% of H1-2020) total consolidated revenue, representing 7% YoY growth from Rp554.3 billion in Q2-2019 to Rp593 billion this year.
- Digital, IPTV, and broadband service grew by 40% YoY to Rp270 billion from Rp192.6 billion in the same prior-year period. The increase was largely due to the Company’s continued strong performance and growth in subscribers through MNC Play (broadband and IPTV) and Vision+ (OTT platform).
- EBITDA in Q2-2020 increased significantly to Rp362.7 billion, up by 15% YoY from Rp315.7 billion in the same period last year. This represents 41% EBITDA margin as opposed to 40% EBITDA margin in Q2-2019. While, net income was recorded at Rp85 billion, with net income margin stood at 10%.

IPTV Financial Results H1-2020

- Total consolidated revenue for H1-2020 reached Rp1,734 billion, which was a 12% YoY growth from the previous year at Rp1,550 billion.
- Satellite services revenue grew by 12% YoY from Rp1,114 billion in H1-2019 to Rp1,244 billion in 2020. On the other hand, Digital, IPTV, and broadband services revenue was up by 17% YoY, from Rp367.6 billion to Rp430.2 billion in H1-2020.
- The Company’s direct cost increased by 9% in H1-2020 to Rp892.8 from Rp820 billion in the same prior-year period. Prudent cost management has effectively caused the mere increase in MVN’s direct cost despite the Company’s DTH prepaid service, K-Vision, which was non-existent in H1-2019.

- EBITDA increased strongly by 17% YoY to Rp720.2 billion in H1-2020 from Rp617.3 billion previously, which represents 42% EBITDA margin compared to 40% in the same period last year. The Company's net income was posted at Rp125.8 billion with a net income margin of 7%.

IPTV Business Update July 2020

- MVN's 2 DTH Pay-TV units – MNC Vision (postpaid) and K-Vision (prepaid) have performed exceptionally well to date, in terms of its subscribers' acquisition. K-Vision's acquisition in June 2020 reached 288,000 subscribers and is on pace to reach over 350,000 new subscribers in the month of July. By end of this month, both units will have combined subscribers' base of 5.6 million (MNC Vision: 2.1 million; K-Vision: 3.5 million) and the Company is targeting it to reached an aggregate of 7 million subscribers by end of 2020.
- In the midst of an evolving consumer behavior due to the pandemic, where people are staying home more, the Company will look to capitalize this with the introduction of a digital ordering feature on its prepaid DTH service called QR link. This allows K-Vision to push its existing subscribers to purchase top-up vouchers from their respective TV screens, which will ramp up the Company's upselling initiatives to achieve higher revenue on voucher sales. Moreover, QR link implementation would see the Company to achieve Rp50-70 billion voucher sales per month as opposed to Rp10-14 billion previously.
- The Company's fixed broadband and IPTV unit through MNC Play has entered a new phase of operational development where it will minimize internal rolling out activities. For this reason, capex allocation related to network expansion will decrease significantly. Moving forward, MVN will pursue to lease excess capacity from ICON+, FiberStar, and other network operator/provider to expand its subscribers' growth, maximize subscribers' penetration of its existing 1.5 million homepass, and push its android TV OTT box (Playbox) sales to all broadband households in the country. The Company is targeting subscribers to reach 400,000 (MNC Play and Playbox) by the end of 2020.

- Vision+ has grown to be one of the fastest-growing OTT service in Indonesia with the biggest paid subscribers of 1.2 million, while monthly active users (MAU) reaching 29 million as of today. Vision+ is a SVOD OTT service, offered together with MVN's DTH, IPTV, and android box, considered to be one of the biggest and most sought OTT in the region, offering both linear and VOD content. By the end of 2020, the Company is targeting Vision+ to have 2 million paid subscribers.
- In pursuance to capture all the available Pay-TV market, MVN is aggressively expanding its presence through partnership and acquisition of local cable operators (LCO) in Indonesia. To date, there are close to 250 LCO that have partnered with MVN through content licensing and the Company is seeking to acquire these LCOs when the opportunity presents itself. As previously announced, MVN acquired its first LCO in Batam, Kepulauan Riau, which has 25,000 subscribers. There are over 8 million subscribers based in the country within these LCOs, the Company is pursuing to acquire at least 2 million subs based within the next 2-3 years through acquisition in various provinces.
- MVN has its own content production unit called MNC Channels, which produces 12 linear pay channels and VOD content. The performance of these channels have been encouraging, with 3 channels ranked in the top 20 most watch channel as of June 2020. The next phase of development is to continuously increasing the quality of these channels and the Company targets to have at least 3 channels to be in the top 10 most-watched channels by the end of 2020. Kindly note, Vision Prime channel was ranked no 1 for the month of May 2020.

Comments from Ade Tjendra, President Director of MVN:

"We reported a strong quarter with a very encouraging operational performance despite the disruption posed by Covid-19 pandemic. In Q2-2020 alone, subscribers' acquisition under K-Vision has gone beyond what we expected with over 760,000 new subscribers. The next step is to optimize our upselling strategies for repeated purchase of the top-up vouchers hence the introduction of QR link, which we strongly believe can generate significant incremental earnings for the Company. All in all, I am delighted with the performance of all the operating subsidiaries of MVN and we are looking forward to record another astonishing semester in 2020.

Table 1. Summary of Key Financial Performances H1-2020

Income Statements In IDR mio	1H-2020	1H-2019	Variance	Q2-2020	Q2-2019	Variance
			%			%
Revenues	1.733.596	1.549.669	12%	890.938	784.977	13%
Satellite Services	1.243.627	1.114.484	12%	593.050	554.314	7%
Digital, IPTV and Broadband Services	430.197	367.569	17%	270.012	192.638	40%
Others	59.772	67.616	-12%	27.876	38.025	-27%
Direct Cost*)	892.764	819.992	9%	456.589	400.025	14%
Depr & amort in Direct Cost	500.012	538.016	-7%	260.090	261.966	-1%
Gross Profit	340.820	191.661	78%	174.259	122.986	42%
<i>Gross profit margin</i>	<i>20%</i>	<i>12%</i>		<i>20%</i>	<i>16%</i>	
General & Administrative expense*)	120.608	112.379	7%	71.681	69.219	4%
Depr & amort in Gen&Admin	29.143	9.076	221%	13.061	4.664	180%
EBITDA	720.224	617.298	17%	362.668	315.733	15%
<i>EBITDA Margin</i>	<i>42%</i>	<i>40%</i>		<i>41%</i>	<i>40%</i>	
Net Income (Loss)	125.792	22.903	449%	84.981	26.927	216%
<i>Net income margin</i>	<i>7%</i>	<i>1%</i>		<i>10%</i>	<i>3%</i>	

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