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

IPTV Financial Results Q1-2020:

- PT MNC Vision Networks Tbk (“MVN” or “The Company”) posted a consolidated revenue of Rp842.7 billion in Q1-2020, up by 10% YoY from the previous year at Rp764.7 billion.
- The main contributor to the total revenue is still derived from the Company’s DTH/satellite service, representing 77% of the total consolidated revenue in Q1-2020, which grew strongly to Rp651.5 billion, up by 16% YoY from Rp560.2 billion in the same prior year period. While, Digital, IPTV, and broadband revenue grew significantly by 20% YoY from Rp184 billion last year to Rp220 billion in Q1-2020.
- Direct cost increased by 4% YoY to Rp436.2 billion in Q1-2020 from previously Rp419.7 billion in Q1-2019.
- The Company’s selling and G&A expense was up by 9% YoY to Rp48.9 billion in Q1-2020 from Rp45 billion last year. This was due to the acquisition of K-Vision in H2-2019, where expenses related to its operation was not accounted for in Q1-2019.
- EBITDA for Q1-2020 grew by 19% YoY to Rp357.6 billion from Rp299.9 billion last year, this represents 42% EBITDA margin compared to 39% EBITDA margin in the same period last year. While, MVN’s net income was recorded at Rp40.8 billion in Q1-2020, which represents 5% net income margin.

IPTV Business Update June 2020

- As recently announced, MVN completed its first local cable operator (LCO) acquisition in Batam, Kepulauan Riau for its majority shares of 80%. The newly acquired LCO, PT. AMG Kundur Vision (AMG), is targeted to have 35,000 subscribers by end of 2020. MVN is aggressively pursuing LCO acquisitions all over Indonesia to capture untapped Pay-TV market in areas not attainable by the Company’s 2 DTH units.
- As of May 2020, total aggregate subscribers of MVN subsidiaries through MNC Vision (post-paid DTH), K-Vision (pre-paid DTH), MNC Play (IPTV and broadband), Play Box (Android TV OTT Box), and LCO has reached 5.4 million subscribers. The Company is targeting to increase its subscribers base by end of 2020 to 7.3 million subscribers.

- The significant increase in the number of subscribers is driven by the rapid customer acquisition of K-Vision, which consistently acquired 8,000 customers per day. On the 1st of June, subscriber's daily acquisition was 11,680 new subscribers, which is a record high for the newly acquired unit.
- The Company's Android TV OTT Box called Playbox that was launched in February 2020, allows user to access MVN's pay channels, content library, VOD, and various downloadable applications. The launch of this product is in line with MVN's strategy to penetrate broadband households in major cities in Indonesia, which the Company can exploit through its superior content offering.
- Vision+, the Company's OTT platform, provides a deepen relationship with MVN's subscribers as it acts as a TV anywhere for the Company's subscribers' network. Running on both AVOD and SVOD model, the platform's has shown promising performance by gaining more than 29 million monthly active user (MAU) as of May 2020.
- Local content thrives amongst Pay-TV audiences and FTA channels always dominate the top 10 most watched channels on Pay-TV. Vision Prime, the newest pay channel under MNC Channel's portfolio performed exceptionally well by being ranked as the #1 pay channel on Pay-TV/IPTV platform (excl FTA channel) in May (10-16). Furthermore, the Company's 12 pay channels posted a new achievement by accumulating a total audience share of 21.1%, which was the highest amongst all pay channel group.

Comments from Ade Tjendra, President Director of MVN:

"We're pleased to report a good quarter that showed solid performance in all of our key financial metrics. Leveraging on the COVID-19 situation, our core businesses have staked out strong, sustainable and in a unique positions within the ecosystem and are performing very well. All of the Company's subsidiaries performance remains on track to achieve its financial and subscriber targets that we expect to translate into meaningful incremental value creation. I am expecting positive results for MVN in 2020."

Table 1. Summary of Key Financial Performances Q1-2020

Income Statements In IDR mio	Q1-2020	Q1-2019	Variance
			%
Revenues	842.659	764.691	10%
Satellite Services	651.491	560.170	16%
Digital, IPTV and Broadband Services	220.023	184.029	20%
Others	32.646	30.641	7%
(elimination)	(61.501)	(10.149)	
Direct Cost*)	436.175	419.748	4%
Depr & amort in Direct Cost	239.922	276.269	-13%
Gross Profit	166.562	68.674	143%
<i>Gross profit margin</i>	<i>20%</i>	<i>9%</i>	
Selling and Gen-Adm expense*)	48.927	45.023	9%
Depr & amort in Selling and Gen-Adm	16.082	2.549	531%
EBITDA	357.557	299.920	19%
<i>EBITDA Margin</i>	<i>42%</i>	<i>39%</i>	
Net Income (Loss)	40.811	(4.025)	1114%
<i>Net income margin</i>	<i>5%</i>	<i>-1%</i>	

*) : excluding depreciation and amortization

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