



1H2022 Results  
4 August 2022

# CONNECTING YOUR DIGITAL WORLD





# Forward-Looking Statements

The following presentation may contain forward-looking statements by StarHub Ltd (“StarHub”) relating to financial trends for future periods.

Some of the statements in this presentation which are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These forward-looking statements are based on StarHub’s current views, intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub’s control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and uncertainties. Because actual results could differ materially from StarHub’s current views, intentions, plans, expectations, assumptions and beliefs about the future, such forward-looking statements are not and should not be construed as a representation, forecast or projection of future performance of StarHub. It should be noted that the actual performance of StarHub may vary significantly from such statements.



# Key Themes

01

**FINANCIAL HIGHLIGHTS**

02

**BUSINESS HIGHLIGHTS**

03

**OUTLOOK**





FINANCIAL HIGHLIGHTS

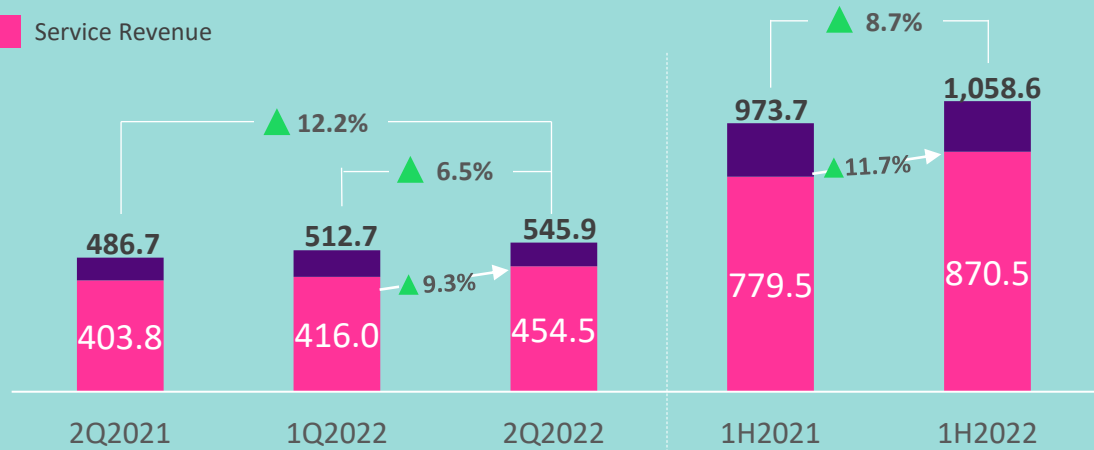
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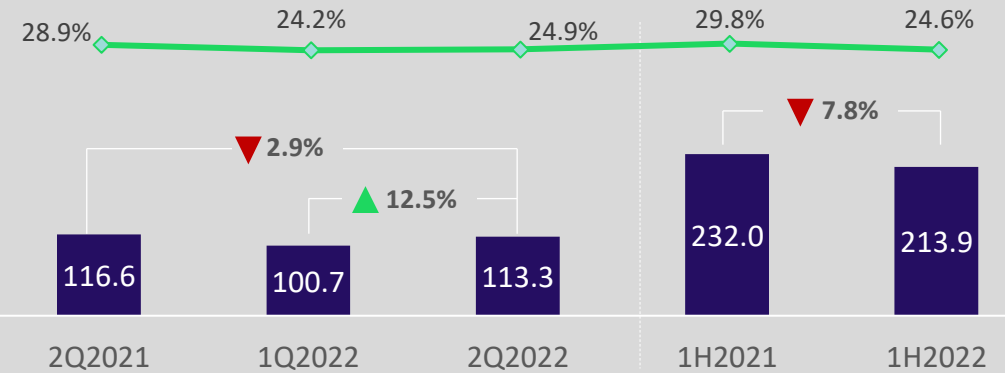
# FINANCIAL HIGHLIGHTS

## TOTAL REVENUE (\$'M)

Service Revenue

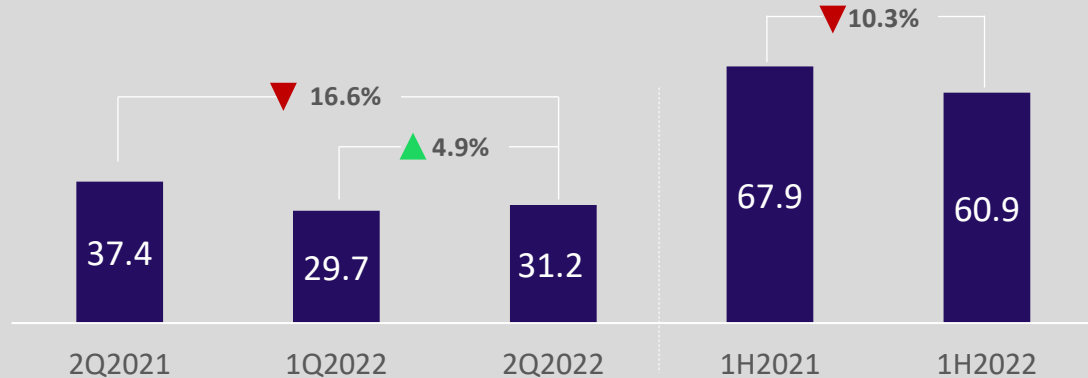


## SERVICE EBITDA (\$'M)<sup>1</sup> / MARGIN (%)

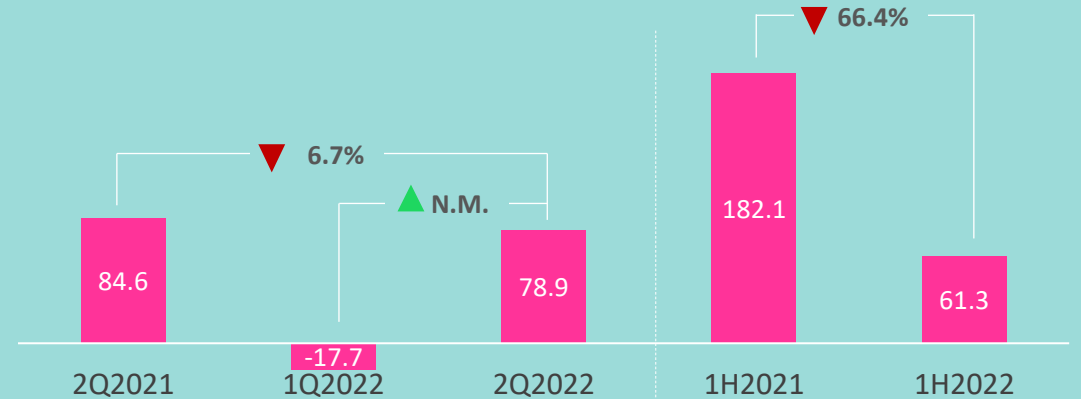


## NET PROFIT (\$'M)

(ATTRIBUTABLE TO SHAREHOLDERS)



## FREE CASH FLOW (\$'M)

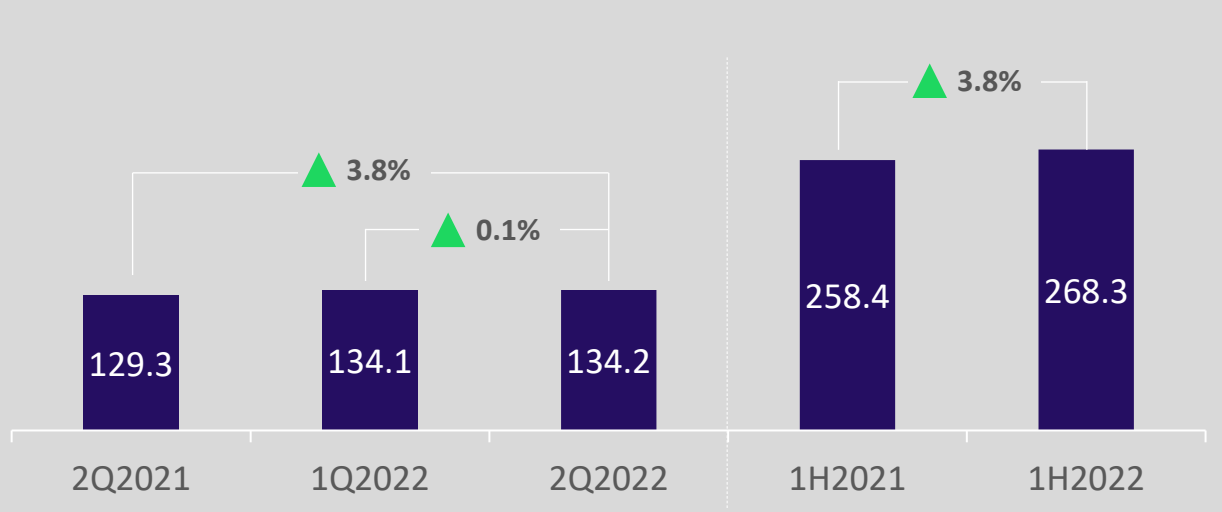


<sup>1</sup> Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)

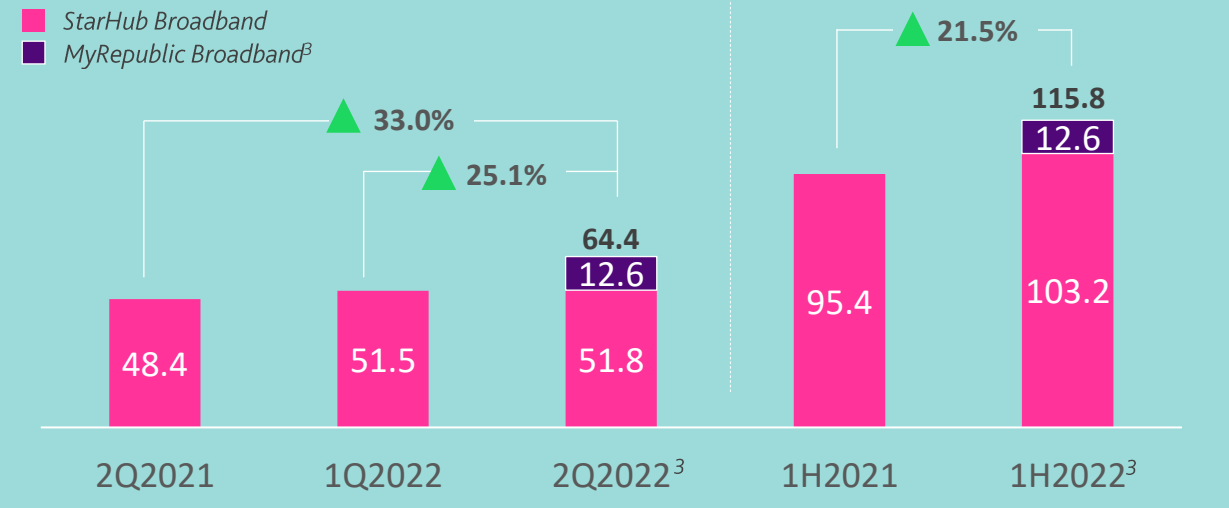


# SEGMENTAL REVENUE

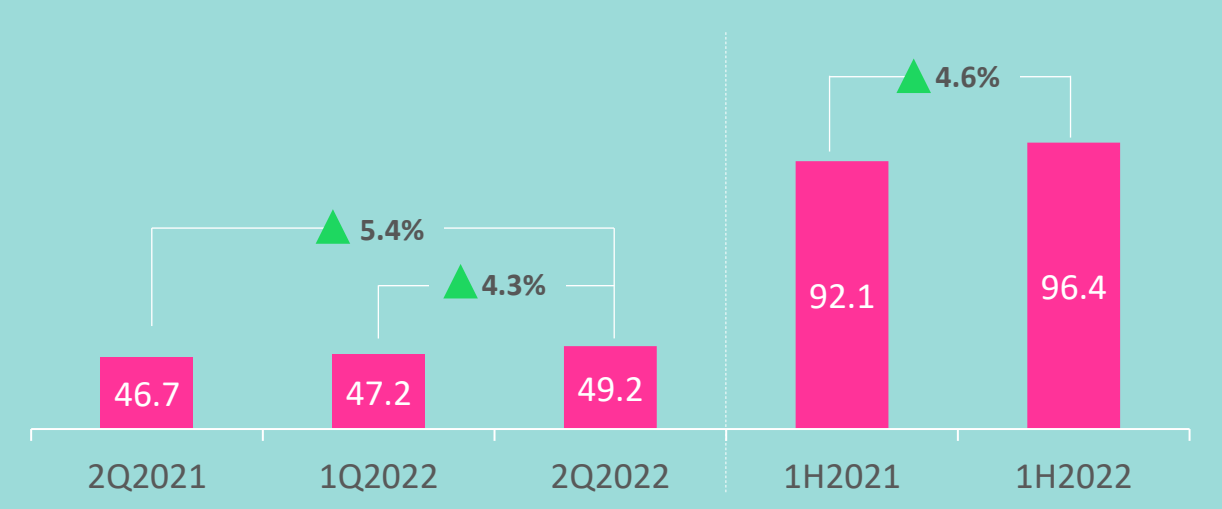
## MOBILE<sup>1</sup> (\$'M)



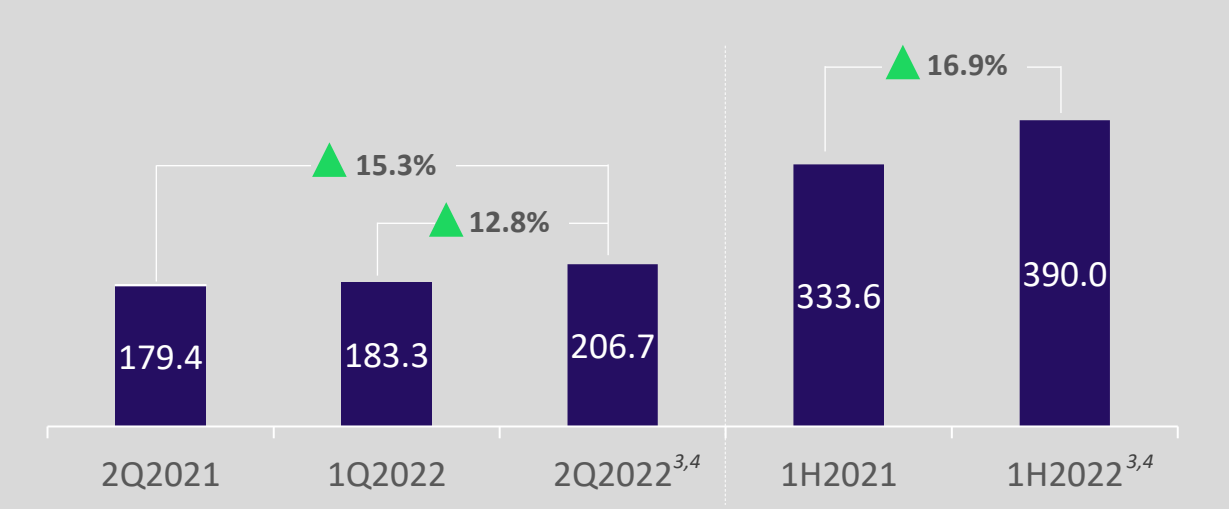
## BROADBAND<sup>1</sup> (\$'M)



## ENTERTAINMENT<sup>1</sup> (\$'M)



## ENTERPRISE (\$'M)




<sup>1</sup> Comparatives have been restated to take into account the reclassification of Entertainment OTT from Mobile and Broadband to Entertainment  
<sup>2</sup> Acquisition of JOS SG & MY was completed on 3 January 2022

<sup>3</sup> Consolidation of MyRepublic Broadband with effect from 2Q2022  
<sup>4</sup> MyRepublic Broadband contributed \$4.2M in revenue to the Data & Internet segment in 2Q2022



# FY2022 GUIDANCE CHECKLIST

	FY2022 GUIDANCE	1H2022 PERFORMANCE	
<b>SERVICE REVENUE</b>	 YoY At Least <b>10%</b>	 <b>11.7%</b>	<b>EXCEEDED EXPECTATIONS</b> Stronger contributions across all segments, consolidation of HKBN JOS SG & MY from 1Q2022 and MyRepublic Broadband from 2Q2022
<b>SERVICE EBITDA MARGIN</b>	At Least <b>20%</b>	<b>24.6%</b>	<b>EXCEEDED EXPECTATIONS</b> Lower-than-expected Opex (excluding Depreciation & Amortisation) and higher-than-expected Other Income offset by lower service margin.
<b>CAPEX COMMITMENT<sup>1</sup></b>	<b>12% - 15%</b> Of Total Revenue	<b>7.5%</b> Of Total Revenue	<b>EXCEEDED EXPECTATIONS</b> Delays in Capex spend.
<b>DIVIDEND / SHARE</b>	At Least <b>5.0 Cents</b>	Interim Dividend <b>2.5 Cents</b>	<b>IN LINE WITH EXPECTATIONS</b>

<sup>1</sup> Excluding 5G Capex and spectrum right, Including investments relating to DARE+ and IT Transformation.



# FINANCIAL OVERVIEW

S\$'M	2Q2022	1Q2022	2Q2021	2Q22 vs 2Q21 YoY Change (%)	2Q22 vs 1Q22 QoQ Change (%)	1H2022	1H2021	YTD YoY Change (%)
Total Revenue	545.9	512.7	486.7	12.2	6.5	1,058.6	973.7	8.7
Service Revenue	454.5	416.0	403.8	12.6	9.3	870.5	779.5	11.7
Operating Expenses	496.3	470.7	436.6	13.7	5.5	967.0	875.5	10.5
Other Income	2.3	1.8	4.2	(45.9)	25.0	4.1	6.4	(36.6)
EBITDA	120.6	109.1	123.2	(2.0)	10.6	229.7	245.9	(6.6)
Service EBITDA <sup>1</sup>	113.3	100.7	116.6	(2.9)	12.6	213.9	232.0	(7.8)
Service EBITDA <sup>1</sup> Margin (%)	24.9	24.2	28.9	(4.0) %pts	0.7%pts	24.6	29.8	(5.2) %pts
Net Profit After Tax <i>Attributable to shareholders</i>	31.2	29.7	37.4	(16.6)	4.9	60.9	67.9	(10.3)
Free Cash Flow <sup>2</sup>	78.9	(17.7)	84.6	(6.7)	n.m.	61.3	182.1	(66.4)
	As At 30 June 2022				As At 31 December 2021			
Net Debt to TTM EBITDA (x)	1.30				1.04			

<sup>1</sup>Service EBITDA = EBITDA less (Sales of Equipment – Cost of Equipment)

<sup>2</sup>Free Cash Flow refers to net cash from operating activities less purchase of property, plant and equipment and intangible assets in the cash flow statement





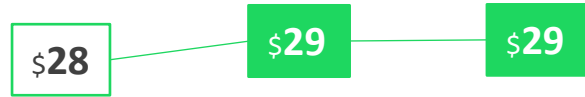
BUSINESS HIGHLIGHTS

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# MOBILE<sup>1</sup>

POSTPAID  
ARPU



POSTPAID  
SUBS (K)



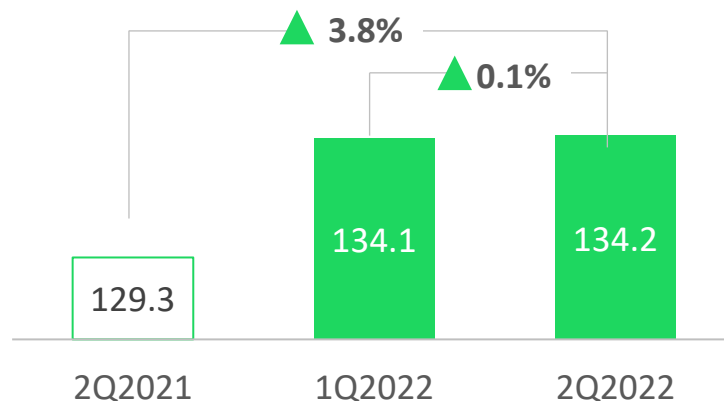
PREPAID  
ARPU



PREPAID  
SUBS (K)



SEGMENT  
REVENUE  
(\$\$'M)



- Postpaid ARPU rose YoY<sup>2</sup> mainly due to higher roaming and VAS revenue, offset by lower excess usage revenue and the ongoing migration towards SIM Only plans
- Excluding an IFRS adjustment made in 2Q2022, ARPU would have risen \$1 QoQ<sup>2</sup> and \$2 YoY<sup>2</sup> to \$30 in 2Q2022
- Postpaid subscriber base grew 77,000 subscribers or 5.4% YoY<sup>2</sup>, lifted by an increase in the giga! subscriber base
- Average monthly churn rate remained low at 0.7% for 2Q2022 (1Q2022: 0.8%; 2Q2021: 0.9%)

- ARPU remained steady QoQ, while the YoY decline was due to increased promotions
- Prepaid subscribers grew 17K QoQ and 26K YoY

- YoY<sup>2</sup> increase was mainly due to higher Postpaid revenue offset by lower Prepaid revenue
- QoQ<sup>2</sup> growth was due to higher Prepaid venue offset by lower Postpaid revenue
- Excluding a one-off revenue from an infrastructure project recorded in 1Q2022 and an IFRS adjustment made in 2Q2022, revenue would have increased 5.5% YoY and 3.0% QoQ
- Overall average data usage reached 13.0Gb in 2Q2022 (1Q2022: 12.9Gb; 2Q2021: 12.9Gb)

<sup>1</sup>Comparatives have been restated to take into account the reclassification of Entertainment OTT from Mobile and Broadband to Entertainment  
<sup>2</sup>QoQ refers to 2Q2022 vs 1Q2022; YoY refers to 2Q2022 vs 2Q2021



# BROADBAND<sup>1</sup>

ARPU



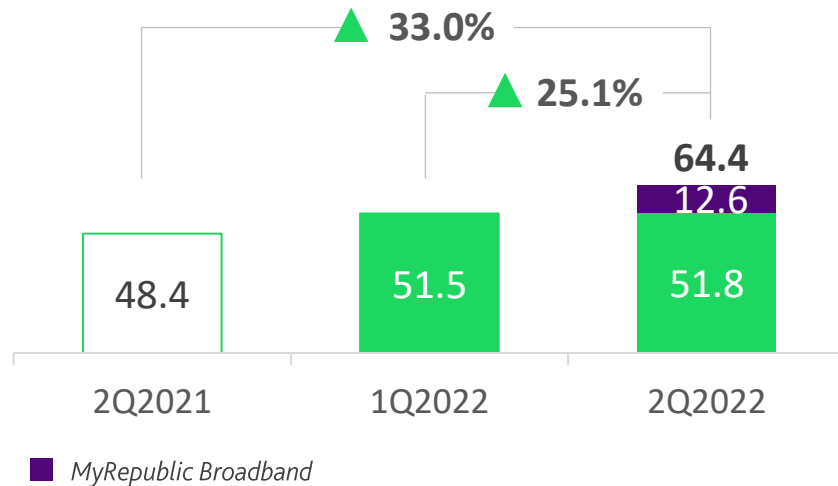
- ARPU increased due to continued take up of the higher-value 2Gbps plans and the consolidation of MyRepublic Broadband

SUBS (K)



- Subscribers increased YoY<sup>2</sup> and QoQ<sup>2</sup> due to the consolidation of MyRepublic Broadband subscribers in 2Q2022
- Average monthly churn rate in 2Q2022 was 0.6% (1Q2022: 0.5%; 2Q2021: 0.9%)

SEGMENT REVENUE (\$\$'M)



- Higher revenue lifted by the consolidation of MyRepublic Broadband, which contributed revenue of \$12.6M for 2Q2022, alongside continued take up of the higher-value StarHub 2Gbps plans

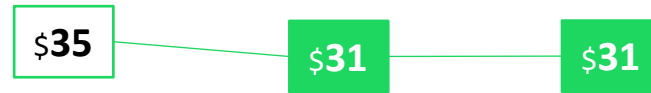
<sup>1</sup> Comparatives have been restated to take into account the reclassification of Entertainment OTT from Mobile and Broadband to Entertainment

<sup>2</sup> QoQ refers to 2Q2022 vs 1Q2022; YoY refers to 2Q2022 vs 2Q2021



# ENTERTAINMENT<sup>1</sup>

ARPU



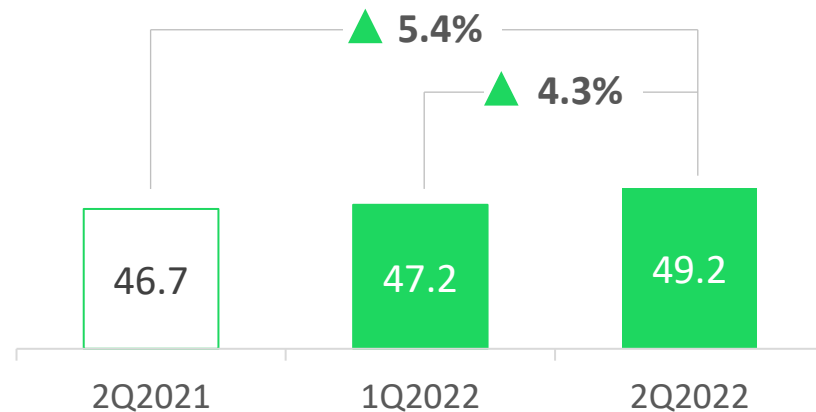
- With the reclassification of Entertainment-related contributions back to the Entertainment segment from Mobile and Broadband, ARPU declined YoY due to an expanded subscriber base and was stable QoQ
- ARPU would have been stable QoQ<sup>3</sup> and higher YoY<sup>3</sup> without the effect of the reclassification

TOTAL ENTERTAINMENT SUBS<sup>2</sup> (K)



- Total Entertainment subscribers grew by 81K YoY and 19K subscribers QoQ<sup>3</sup>
- Average monthly churn rate<sup>4</sup> in 2Q2022 remained steady at 0.8% (1Q2022: 0.8%; 2Q2022: 1.3%)

SEGMENT REVENUE (\$\$'M)



- Revenue grew YoY<sup>3</sup> and QoQ<sup>3</sup> due to higher subscription prices
- The growth of advertising revenue also contributed to the YoY increase in segment revenue

<sup>1</sup>Comparatives have been restated to take into account the reclassification of Entertainment OTT from Mobile and Broadband to Entertainment

<sup>2</sup>Includes residential Pay TV subscribers with and without over-the-top ("OTT") subscriptions, as well as Mobile and Broadband subscribers with OTT subscriptions

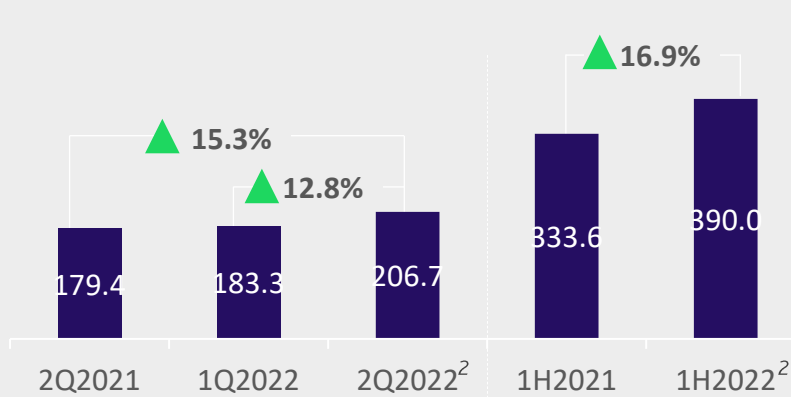
<sup>3</sup>QoQ refers to 2Q2022 vs 1Q2022; YoY refers to 2Q2022 vs 2Q2021

<sup>4</sup>Referring to churn for traditional Pay TV only

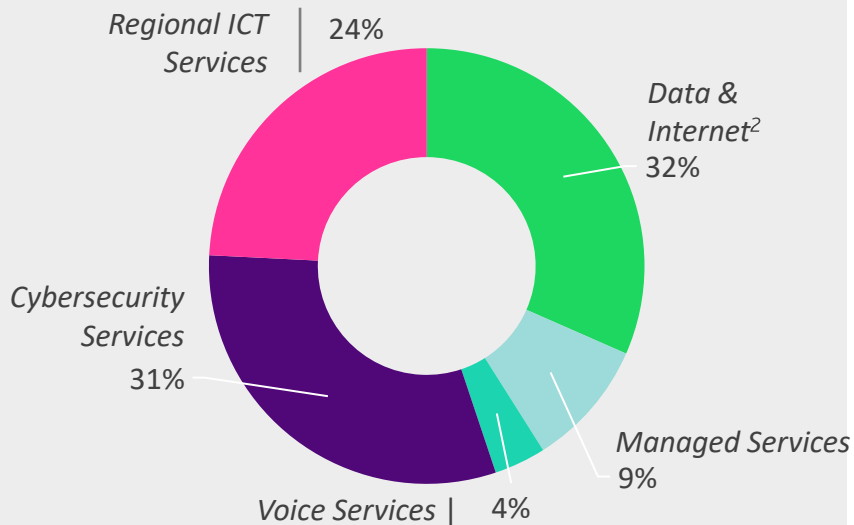


# ENTERPRISE

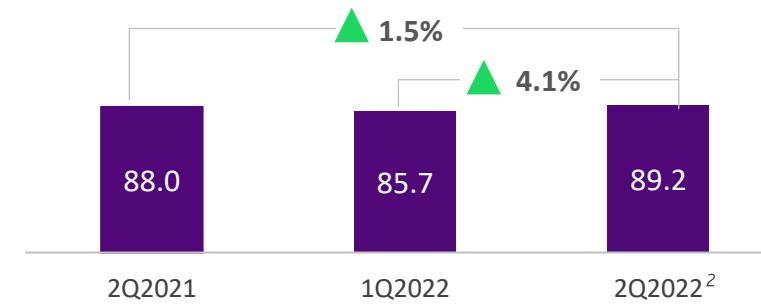
## ENTERPRISE BUSINESS (\$'M)



## 1H2022 ENTERPRISE REVENUE MIX (%)

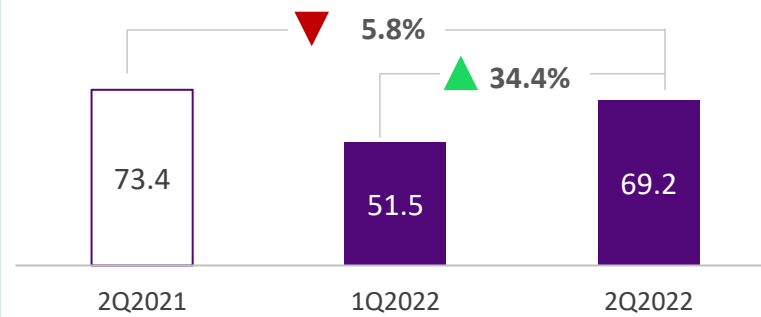


## NETWORK SOLUTIONS (\$'M)



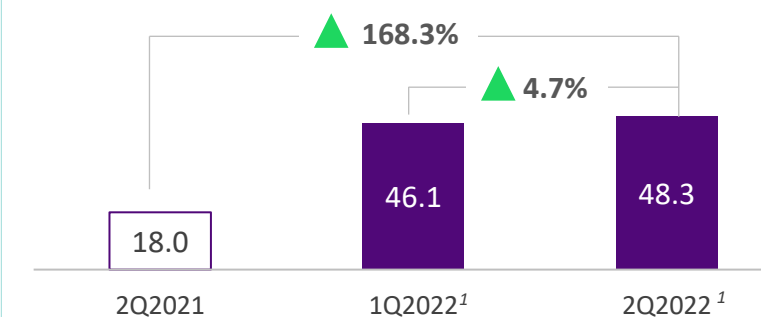
- Higher YoY<sup>3</sup> revenue due to higher contributions from Data & Internet resulting mainly from the consolidation of MyRepublic Broadband<sup>2</sup>, offset by lower revenue from Managed Services and Voice Services
- Higher QoQ<sup>3</sup> revenue due to higher contributions from Data & Internet resulting mainly from the consolidation of MyRepublic Broadband<sup>2</sup> and Voice Services, offset by lower revenue from Managed Services

## CYBERSECURITY SERVICES (\$'M)



- Lower YoY<sup>3</sup> revenue in the absence of a major project delivered in 1H2021
- Higher QoQ<sup>3</sup> revenue due to early delivery of significant product sales in 1H2022
- Recorded 1H2022 operating profit of \$0.5M compared to \$1.0 million a year ago due to higher staff cost offset by higher service margin

## REGIONAL ICT SERVICES (\$'M)



- Higher YoY<sup>3</sup> revenue due to consolidation of JOS SG & MY (acquisition completed on 3 Jan 2022)
- Recorded 1H2022 segment operating profit of \$0.8M compared to \$0.1M a year ago

<sup>1</sup> Consolidation of JOS SG & MY following completion of acquisition on 3 January 2022

<sup>2</sup> MyRepublic Broadband was consolidated from 2Q2022, contributing \$4.2M in revenue to the Data & Internet segment in 2Q2022

<sup>3</sup> QoQ refers to 2Q2022 vs 1Q2022; YoY refers to 2Q2022 vs 2Q2021



# Continued DARE+ Execution

## CONSUMER

## ENTERPRISE

### *COVID-19 Recovery*

- Gradual roaming & Prepaid recovery

- Data & Voice expected to stabilise due to product portfolio refresh
- Healthy demand for Managed services especially in the areas of Managed Network & Managed Cloud

### *DARE+ Progress*

- Expanding verticals, products & services to create new revenue streams (e.g. addition of Viu as 11<sup>th</sup> OTT brand)
- Encouraging traction for Premier League & new Infinity Play verticals (e.g. Cloud Gaming / Peace of Mind)
- Continued innovation – e.g. unprecedented digital experience for Premier League customers, offered for the first time as standalone product
- Super App – development is on track

- Launched new solutions for Connectivity (750mbps business broadband), Cloud (revamped Cloud Connect) and Cybersecurity (Cybersecure Managed SASE product suite)
- Deepened proposition as smart orchestrator offering end-to-end solutions that solves salient business challenges
- To pursue more partnerships to deliver higher value and enhanced experiences to Enterprise customers

### *Accelerated Growth*

- Positive contributions from JOS SG & MY, and MyRepublic Broadband in 1H2022 as we continue to harness revenue and cost synergies across enlarged Group
- Continue to explore other synergistic M&A opportunities to elevate or accelerate DARE+ objectives



# STARHUB

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