



3Q2022 Business Performance Update  
9 November 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.



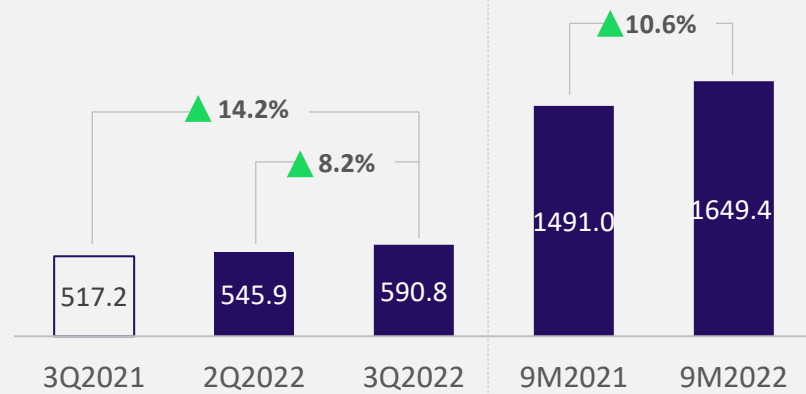
## FINANCIAL HIGHLIGHTS

# STARHUB

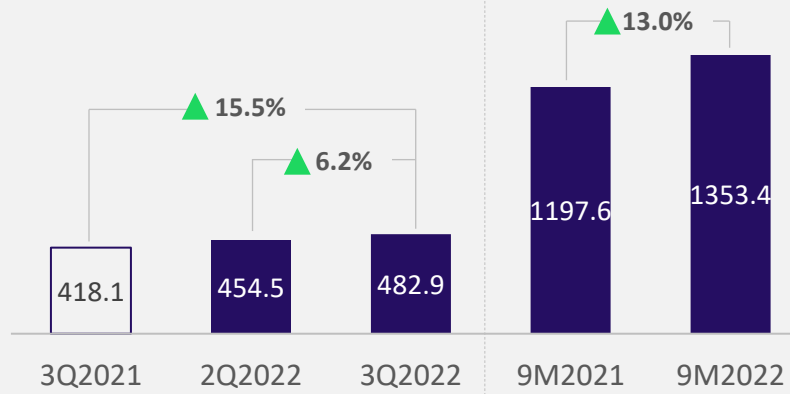


# FINANCIAL HIGHLIGHTS

## TOTAL REVENUE (\$'M)

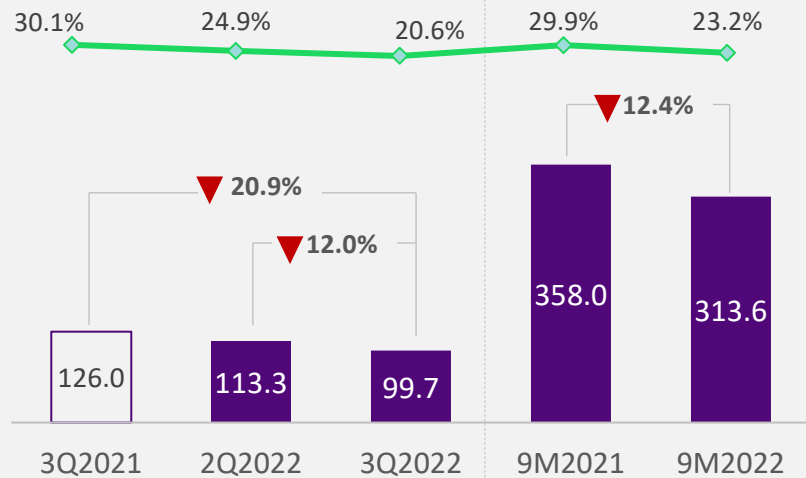


## SERVICE REVENUE (\$'M)



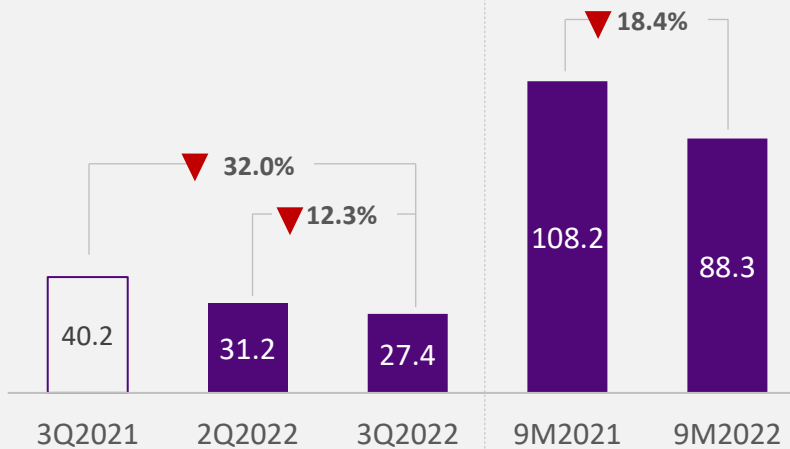
- 3Q2022 and 9M2022 YoY increase was due to higher contributions across all segments including Sales of Equipment
- 3Q2022 QoQ increase was due to higher contributions across all segments, partially offset by Broadband (-1.2% QoQ)

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



## NET PROFIT (\$'M)

(ATTRIBUTABLE TO SHAREHOLDERS)



- Lower Service EBITDA was due to higher staff cost, marketing & promotions (one-off expense relating to Premier League), repairs & maintenance (including DARE+ investments relating to Network & IT Transformation) and occupancy costs (mainly utilities)
- Lower NPAT is due to lower profit from operations, partially offset by lower net finance costs and lower taxation
- Excluding the aforementioned one-off expenses relating to Premier League and DARE+ investments, Service EBITDA would have been S\$105.6M (-16.2% YoY; -6.8% QoQ); NPAT would have been S\$32.3M (-19.8% YoY; +3.4% QoQ)

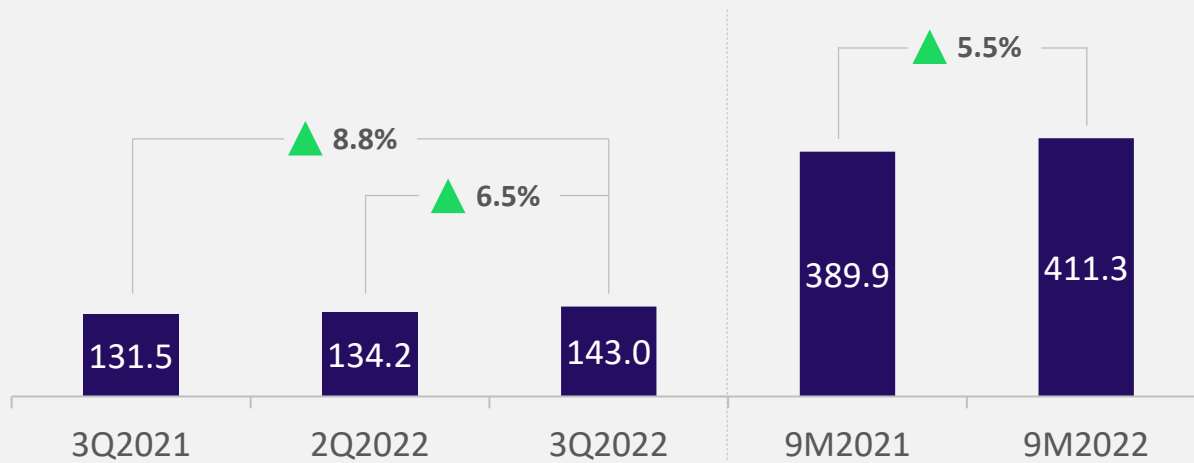
<sup>1</sup> Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)

<sup>2</sup> QoQ refers to 1Q2022 vs 4Q2021; YoY refers to 1Q2022 vs 1Q2021

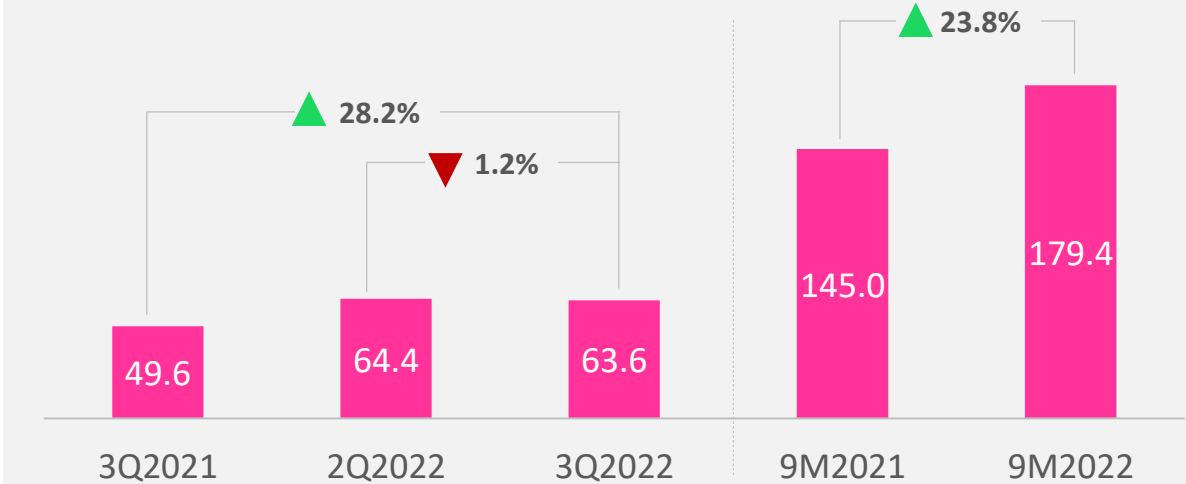


# SEGMENTAL REVENUE

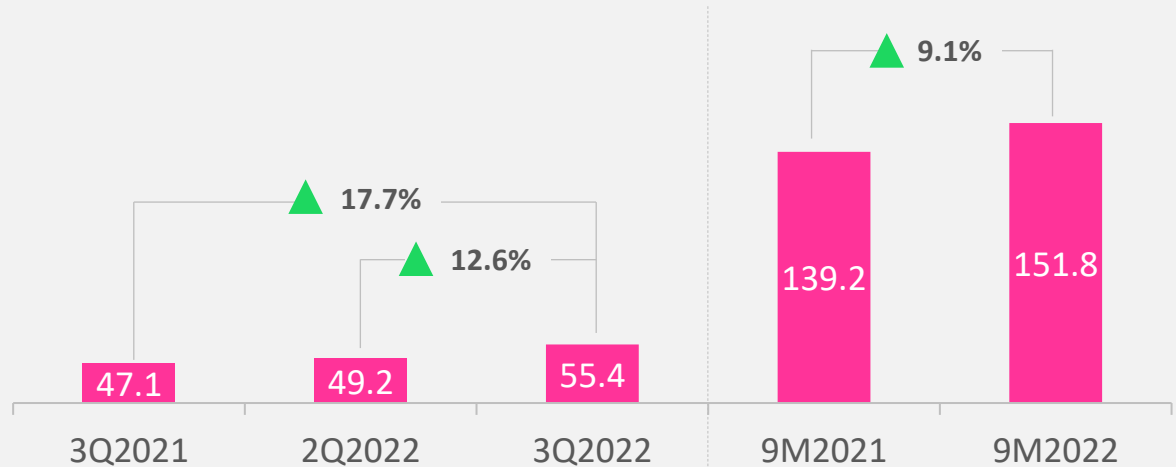
## MOBILE<sup>1</sup> (\$'M)



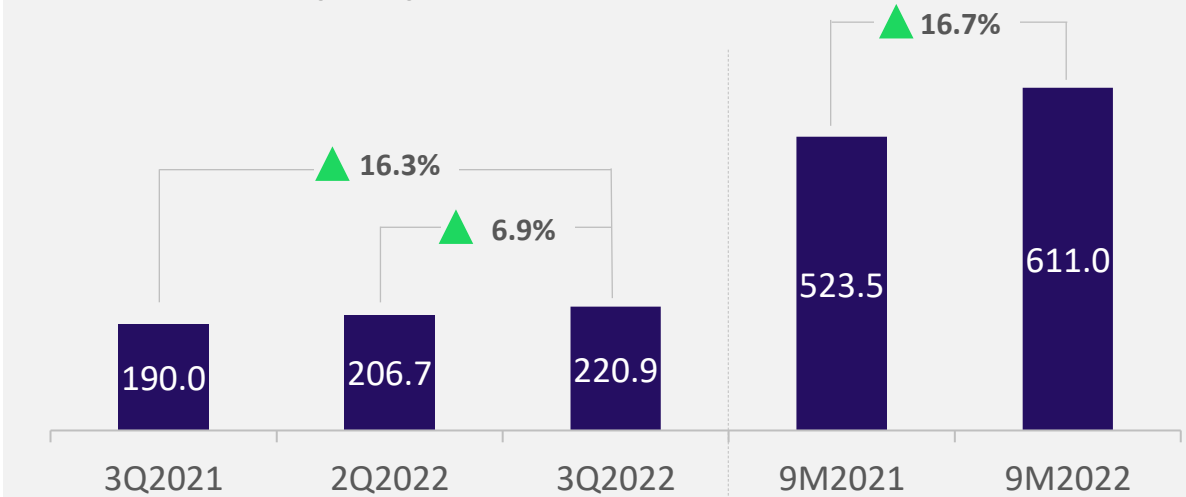
## BROADBAND<sup>1,3</sup> (\$'M)



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



## ENTERPRISE<sup>2,3</sup> (\$'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



# FY2022 GUIDANCE UPDATE

	FY2022 GUIDANCE	9M2022 PERFORMANCE	Nov 2022 UPDATE
<b>SERVICE REVENUE</b>	 YoY At Least <b>10%</b>	<b>EXCEEDED EXPECTATIONS</b> <b>13.0%</b>	 YoY <b>12% - 15%</b> Higher contributions expected from Mobile (roaming recovery), Broadband, Entertainment, Cybersecurity & Regional ICT Services; offset by lower contributions from Network Solutions
<b>SERVICE EBITDA MARGIN</b>	At Least <b>20%</b>	<b>EXCEEDED EXPECTATIONS</b> <b>23.2%</b>	<b>No Change</b>
<b>CAPEX COMMITMENT</b> <i>(As % of Total Revenue)</i>	<u>BAU Capex<sup>1</sup></u> <b>7% - 9%</b>	<b>BETTER THAN EXPECTED</b> <b>6.3%</b>	<u>BAU Capex<sup>1</sup></u>  <b>5% - 7%</b> While DARE+ execution remains on track, there are some delays in Capex spend into FY2023.
	<u>Including Investments<sup>2</sup></u> <b>12% - 15%<sup>3</sup></b>		

<sup>1</sup> Excluding 5G Capex and spectrum right, as well as investments relating to DARE+ and IT Transformation  
<sup>2</sup> Excluding 5G Capex and spectrum right, but including investments relating to DARE+ and IT Transformation  
<sup>3</sup> Investments in 5G Radio Access Network (RAN) are treated as Opex

## DARE+

### BUSINESS REVIEW

*Ensuring right infrastructure & fundamentals to solidify StarHub's long-term competitiveness & growth*

The following initiatives will be carried out, resulting in write-offs of certain legacy assets in 4Q2022:

#### REGIONAL ICT REVIEW

- Discontinue one of Strateq's business lines to focus on growing other core businesses & develop other capabilities to generate the right returns and growth
- Write-off of goodwill and intangible assets; offset by a reduction in forward liability that was recorded at the date of acquisition

#### NETWORK INFRASTRUCTURE REVIEW

- Shut down certain legacy infrastructure as part of the ongoing technology evolution, and to focus on the rollout the 5G Standalone network
- We expect this to result in the write-off of these network assets



# FINANCIAL OVERVIEW

S\$'M	3Q2022	2Q2022	3Q2021	3Q22 vs 3Q21 YoY Change (%)	3Q22 vs 2Q22 QoQ Change (%)	9M2022	9M2021	YTD YoY Change (%)
Total Revenue	590.8	545.9	517.2	14.2	8.2	1,649.4	1,491.0	10.6
Service Revenue	482.9	454.5	418.1	15.5	6.2	1,353.4	1,197.6	13.0
Operating Expenses	547.1	496.3	456.2	19.9	10.2	1,514.1	1,331.6	13.7
Other Income	2.4	2.3	3.1	(23.6)	4.5	6.4	9.5	(32.3)
EBITDA	109.5	120.6	132.9	(17.6)	(9.2)	339.2	378.8	(10.4)
Service EBITDA <sup>1</sup>	99.7	113.3	126.0	(20.9)	(12.0)	313.6	358.0	(12.4)
Service EBITDA <sup>1</sup> Margin (%)	20.6	24.9	30.1	-9.5%pts	-4.3%pts	23.2	29.9	-6.7%pts
Net Profit After Tax <i>Attributable to shareholders</i>	27.4	31.2	40.2	(32.0)	(12.3)	88.3	108.2	(18.4)
Free Cash Flow <sup>2</sup>	54.2	78.9	166.5	(67.5)	(31.3)	115.4	348.6	(66.9)
	As At 30 September 2022				As At 31 December 2021			
Net Debt to TTM EBITDA (x)	1.39				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

STARHUB





# MOBILE<sup>1</sup>

POSTPAID  
ARPU



POSTPAID  
SUBS (K)



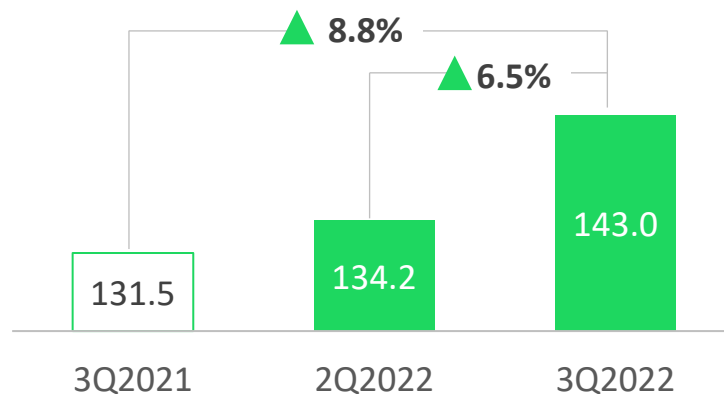
PREPAID  
ARPU



PREPAID  
SUBS (K)



SEGMENT  
REVENUE  
(S\$'M)



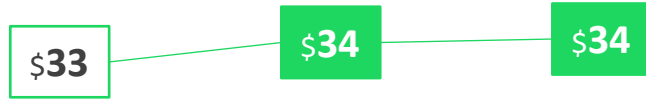
- Postpaid ARPU rose YoY<sup>2</sup> and QoQ<sup>2</sup> mainly due to higher roaming and VAS revenue, offset by lower voice subscription, IDD and excess usage revenue and the ongoing migration towards SIM Only plans
- Postpaid subscriber base grew 26K or 1.7% QoQ<sup>2</sup>, and 88K subscribers or 6.0% YoY<sup>2</sup>, lifted by an increase in the giga! subscriber base
- Average monthly churn rate remained low at 0.8% for 3Q2022 (2Q2022: 0.7%; 3Q2021: 0.8%)
- ARPU remained steady QoQ<sup>2</sup>, while the YoY<sup>2</sup> decline was due to increased promotions
- Prepaid subscribers grew 39K QoQ<sup>2</sup> and 115K YoY<sup>2</sup> due to gradual travel recovery from tourists' segment as a result of the re-opening of borders from 2Q2022 onwards
- 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 Postpaid and Prepaid revenues
- Overall average data usage reached 14.3Gb in 3Q2022 (2Q2022: 13.0Gb; 3Q2021: 12.8Gb)

<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 3Q2022 vs 2Q2022; YoY refers to 3Q2022 vs 3Q2021



# BROADBAND<sup>1</sup>

## ARPU



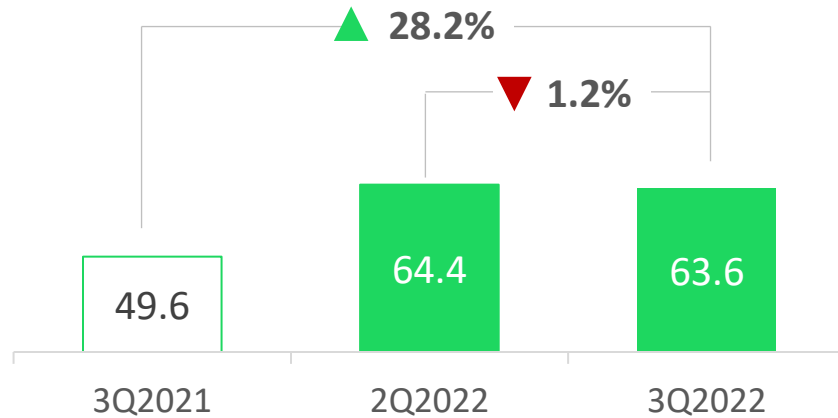
- ARPU remained stable QoQ<sup>2</sup>, while it increased YoY<sup>2</sup> due to the continued take up of the higher-value StarHub 2Gbps plans and the consolidation of MyRepublic Broadband from 2Q2022

## SUBS (K)



- Subscribers increased YoY<sup>2</sup> and QoQ<sup>2</sup> due to the consolidation of MyRepublic Broadband subscribers from 2Q2022
- Average monthly churn rate in 3Q2022 was 0.6% (2Q2022: 0.5%; 3Q2021: 0.7%)

## SEGMENT REVENUE (\$'M)



- Higher revenue YoY<sup>2</sup> lifted by the consolidation of MyRepublic Broadband, which contributed revenue of \$12.4M for 3Q2022, alongside continued take up of the higher-value StarHub 2Gbps plans

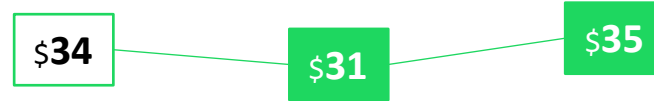
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<sup>2</sup> QoQ refers to 3Q2022 vs 2Q2022; YoY refers to 3Q2022 vs 3Q2021



# ENTERTAINMENT<sup>1</sup>

ARPU



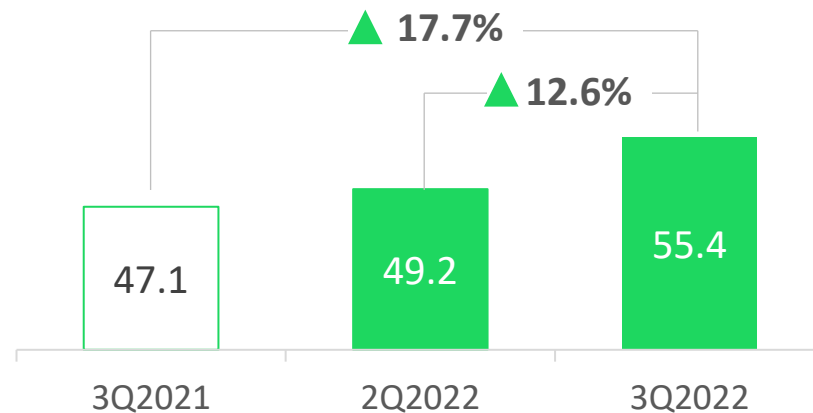
- ARPU increased QoQ<sup>3</sup> and YoY<sup>3</sup> due to Premier League subscription that started from 3Q2022

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



- Total Entertainment subscribers grew by 84K YoY<sup>3</sup> and 23K subscribers QoQ<sup>3</sup>
- Average monthly churn rate<sup>4</sup> in 3Q2022 was 1.1% (2Q2022: 0.8%; 3Q2021: 1.2%)

SEGMENT REVENUE (\$\$'M)



- Revenue grew YoY<sup>3</sup> and QoQ<sup>3</sup> due to higher Premier League subscription which started from 3Q2022
- The growth of advertising revenue also contributed to the QoQ<sup>3</sup> and YoY<sup>3</sup> 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

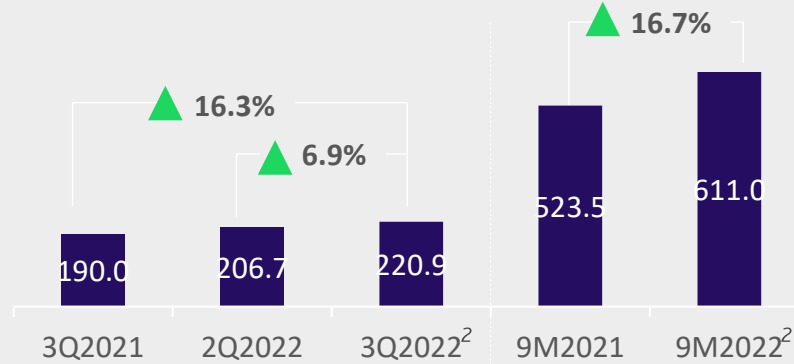
<sup>3</sup>QoQ refers to 3Q2022 vs 2Q2022; YoY refers to 3Q2022 vs 3Q2021

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

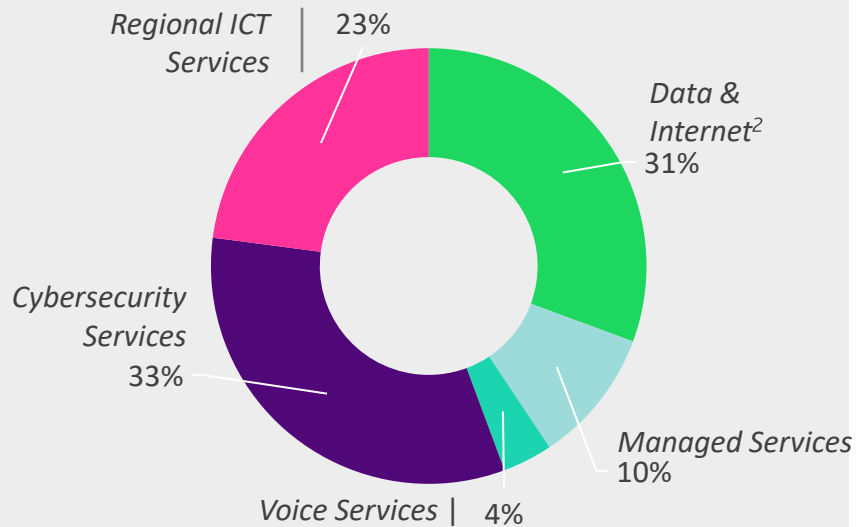


# ENTERPRISE

## ENTERPRISE BUSINESS (\$'M)



## 9M2022 ENTERPRISE REVENUE MIX (%)

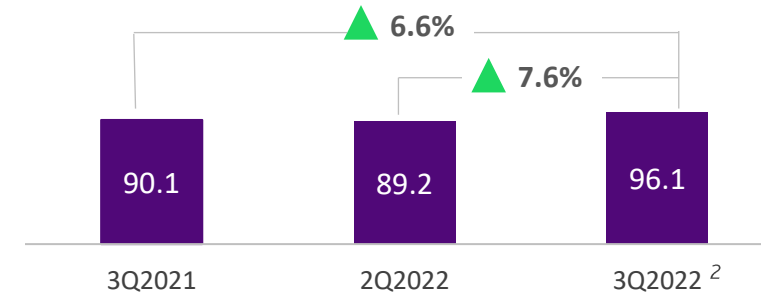


<sup>1</sup> Consolidation of JOS SG & MY following completion of acquisition on 3 January 2022

<sup>2</sup> MyRepublic Broadband was consolidated from 2Q2022, contributing \$4.3M and \$8.5M to the Data & Internet segment in 3Q2022 and 9M2022 respectively.

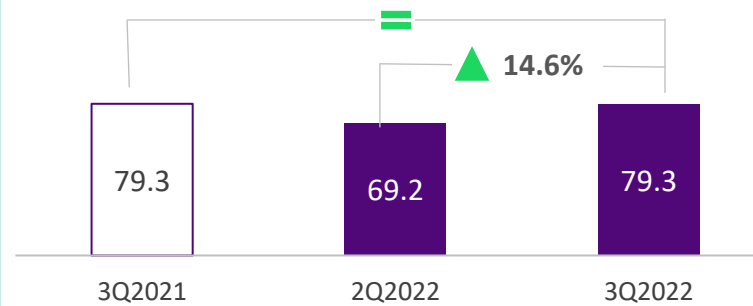
<sup>3</sup> QoQ refers to 3Q2022 vs 2Q2022; YoY refers to 3Q2022 vs 3Q2021

## NETWORK SOLUTIONS (\$'M)



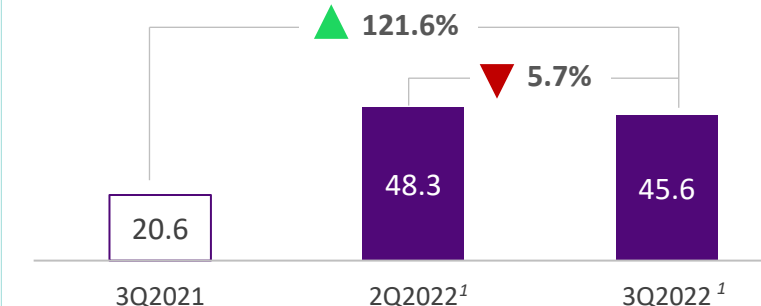
- Higher YoY<sup>3</sup> revenue due to higher contributions from Data & Internet resulting mainly from the consolidation of MyRepublic Broadband<sup>2</sup>, and Managed Services
- Higher QoQ<sup>3</sup> revenue due to higher contributions from Data & Internet and Managed Services

## CYBERSECURITY SERVICES (\$'M)



- YoY<sup>3</sup> revenue is stable
- Higher QoQ<sup>3</sup> revenue due to a major product delivery in 3Q2022
- Recorded 9M2022 operating profit of \$6.0M, \$0.8M lower compared to 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 9M2022 segment operating profit of \$0.6M, \$0.2M lower compared to a year ago due to lower operating profit from STQ and JOS SG, partially offset by higher operating profit from JOS MY



STARHUB

StarHub Investor Day  
*7 December 2022*

**CONNECTING  
YOUR  
DIGITAL WORLD**

Advancing DARE+

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