



MEDIA RELEASE

For immediate release

StarHub Reports 15.5% YoY Growth in 3Q2022 Service Revenue of \$482.9M; Higher YoY Contributions Across All Segments

- Raises FY2022 guidance for Service Revenue that is expected to grow at least 12% to 15% YoY; also lowers guidance for Capex Commitment
- YoY growth across Mobile, Broadband, Entertainment and Enterprise segments (including Network Solutions and Regional ICT Services)

Singapore, 9 November 2022 – StarHub reported today year-on-year (“YoY”) Service Revenue growth of 15.5% to \$482.9 million for the quarter ended 30 September (“3Q”) 2022 from \$418.1 million a year ago. This was lifted by higher YoY revenue reported across all segments. Across the same comparative periods, Total Revenue rose 14.2% YoY to \$590.8 million in 3Q2022 compared to \$517.2 million in 3Q2021.

For the nine-month period ended 30 September (“9M”) 2022, StarHub achieved a 13.0% YoY growth in Service Revenue to \$1.35 billion, ahead of prior guidance offered for FY2022 of “at least 10%” YoY growth. 9M2022 Service EBITDA margin was 23.2% versus the guided “At least 20%”, while Capex Commitment¹ was 6.3% of Total Revenue, compared to the guided “12% to 15% of Total Revenue”².

Expecting higher contributions across most segments, StarHub raised its Service Revenue guidance for FY2022 to “12% to 15%”. FY2022 Capex Commitment¹ guidance was lowered to “9% to 12% of Total Revenue”² in anticipation of some Capex spend delays, although the execution of DARE+ remains on track. StarHub reiterated its Service EBITDA margin guidance of “At least 20%” for FY2022.

As part of the DARE+ growth and transformation programme and to ensure our infrastructure is aligned towards StarHub’s growth strategy and initiatives, the Group intends to recognise write-offs of certain legacy assets in 4Q2022.

¹ Excluding 5G Capex and spectrum right, but including investments relating to DARE+ and IT Transformation

² Investments in 5G Radio Access Network (RAN) are treated as Opex





Commenting on the results, StarHub's Chief Executive, Nikhil Eapen, said, *"Entering into the last quarter of 2022, we remain focused on our DARE+ journey. Our Infinity Play and M&A strategies have fuelled the growth of our traditional consumer verticals – Mobile, Entertainment and Broadband. Beyond that, we are excited about the scalability and possibilities that could be unlocked with our new consumer verticals – Cloud Gaming, Peace of Mind, and our latest addition, LifeHub+, a digital health service.*

Our Enterprise business continues to enhance our converged offerings in Connectivity, Cloud Networking and Cybersecurity. We continue to pursue larger size deals and build a strong order book for better earnings visibility into FY2023. We are also gaining traction in our Green Tech solutions as we continue to build a pipeline to grow this segment. Concurrently, we are seeing results from deeper integration and collaboration across the enlarged Group, having won joint tenders as we sharpen our competitive edge alongside JOS SG & MY and Strateq.

Meanwhile, as we face challenging macro and market conditions, we continue to maintain a long-term view and continue to optimise our business strategies to secure our growth positioning. We also continue to invest in the strengthening of our fundamentals, accelerating efforts in IT Transformation and Network Virtualisation and Modernisation to deliver innovation and a seamless digital experience to customers."

In tandem with the reopening of borders, StarHub's Mobile revenue grew 8.8% YoY in 3Q2022 lifted by higher Postpaid ARPU achieved of \$31 compared to \$28 in 3Q2021, as well as an expansion of its subscriber base.

Broadband revenue rose 28.2% YoY to \$63.6 million in 3Q2022, lifted mainly by the consolidation of MyRepublic Broadband and higher take-up of the StarHub 2Gbps plans. Entertainment revenue grew 17.7% YoY to \$55.4 million in 3Q2022 mainly due to higher Premier League subscriptions that commenced from 3Q2022 and higher advertising revenue achieved.



The Enterprise business continued to deliver double-digit YoY revenue growth of 16.3% in 3Q2022, reporting revenue of \$220.9 million. This was mainly due to higher YoY contributions from Network Solutions arising from growth in the Managed Services segment and the consolidation of MyRepublic Broadband; as well as the consolidation of JOS Singapore and Malaysia that boosted Regional ICT Services' YoY segment performance.

Overall, 3Q2022 Service EBITDA declined 20.9% YoY to \$99.7 million due to higher staff costs, marketing & promotions (one-off expense relating to Premier League), repairs & maintenance (including DARE+ investments relating to Network and IT Transformation), and occupancy costs (mainly relating to utilities). 3Q2022 net profit attributable to shareholders ("NPAT") declined 32.0% YoY to \$27.4 million.

Excluding the aforementioned one-off expenses for Premier League and DARE+ investments, Service EBITDA for 3Q2022 would have instead declined 16.2% YoY to \$105.6 million, and NPAT would have been 19.8% lower YoY at \$32.3 million.

StarHub's balance sheet remained healthy with positive free cash flow of \$54.2 million in 3Q2022 and net debt to EBITDA of 1.39 times as at 30 September 2022.

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For more details on the Group's performance, please visit <http://ir.starhub.com/>. Other materials available on StarHub's investor relations website include the investor presentation, results announcement, as well as the audio webcast archive to be made available after 9 November 2022.



About StarHub

StarHub is a leading homegrown Singapore company that delivers world-class communications, entertainment and digital services. With our extensive fibre and wireless infrastructure and global partnerships, we bring to people, homes and enterprises quality mobile and fixed services, a broad suite of premium content, and a diverse range of communication solutions. We develop and deliver to corporate and government clients solutions incorporating artificial intelligence, cybersecurity, data analytics, Internet of Things and robotics. We are committed to conducting our business in a sustainable and environmentally responsible manner. Listed on the Singapore Exchange mainboard, StarHub is a component stock of the SGX iEdge SG ESG Leaders and Transparency Indices and included in ESG-focused FTSE4Good Index Series. StarHub is ranked as the world's most sustainable Wireless Telecommunications Service Provider and Singapore's most sustainable Telco, in Corporate Knights Global 100. Visit www.starhub.com for more information.

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