



MEDIA RELEASE
For immediate release

StarHub Reports FY2022 Service Revenue of \$1.9B, Achieves 17.2% YoY Growth and Higher Revenue Across All Segments

- Exceeds prior guidance for FY2022 for Service Revenue, Service EBITDA margin and Capex Commitment
- FY2022 Net Profit of \$62.2M and positive Free Cash Flow of \$222M despite DARE+ investments made
- Proposed Final Dividend of 2.5 cents per share; bring total FY2022 dividend to 5.0 cents – consistent with guidance and dividend policy
- Offers FY2023 guidance: 8%-10% Service Revenue YoY growth; maintained Service EBITDA margin of approx. 20%; Capex Commitment of 13%-15% of Total Revenue (including investments)

Singapore, 7 February 2023 – StarHub reported today Service Revenue and Total Revenue for the year ended 31 December 2022 (“FY2022”) of \$1.9 billion and \$2.3 billion, respectively. This represents a 17.2% and 13.9% year-on-year (“YoY”) growth compared to \$1.6 billion and \$2.0 billion reported a year ago (“FY2021”).

StarHub’s FY2022 Service Revenue and Total Revenue grew 6.6% and 5.5% YoY, respectively, excluding contributions from acquisitions completed during the year – namely, MyRepublic Broadband, JOS Singapore and JOS Malaysia. The higher topline performance was also lifted by Mobile revenue growth of 7.5% to \$564.4 million; Broadband revenue growth of 5.6% to \$204.6 million; Entertainment revenue growth of 16.0% to \$216.3 million; and Enterprise revenue growth of 3.8% to \$733.1 million.

In November 2022, StarHub raised its Service Revenue guidance for FY2022 to “12% to 15%”, expecting higher contributions across most segments. The 17.2% growth in FY2022 Service Revenue exceeds this guidance.

The Group reported FY2022 Service EBITDA of \$379.4 million, representing a margin of 20.1%, in line with prior guidance of “At least 20%”. Excluding non-recurring provisions relating to DARE+ initiatives made during the year, Service EBITDA margin would have been higher at 21.7% for FY2022.

STARHUB

67 Ubi Avenue, StarHub Green, 408942, Singapore

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Similarly, in line with the updated Capex Commitment guidance that was lowered to "9% to 12% of Total Revenue"¹ in anticipation of some Capex spend delays, StarHub reported FY2022 Capex Commitment of 7.3%¹ as a percentage of Total Revenue.

Commenting on the results, StarHub's Chief Executive, Nikhil Eapen, said, *"We drove our DARE+ transformation aggressively in 2022, launching new products, services and platforms that take us well beyond telco to being a digital ecosystem player. Our FY2022 results reflect traction achieved – Infinity Play has allowed us to maintain and improve ARPU against continued price erosion in the industry; our Enterprise business sharpened its focus on the 3C's², which has delivered growth across Network Solutions, Cybersecurity and Regional ICT Services. We also drove integration efforts that are already resulting in meaningful revenue and cost synergies."*

"We have made initial investments and non-recurring provisions which, while impacting our bottomline performance in the short term, are necessary for us to accelerate growth on a leaner, smarter cloud-enabled and digitally-centric platform in the mid- to long-term. We continue to strive towards enhancing total shareholder returns by focusing on our DARE+ growth and value creation. Our goal remains unchanged – \$500M in cumulative gross profit growth and cost savings between FY2021 and FY2026, with stable-state incremental NPAT run rate of \$80 million p.a. from FY2026."

In November 2022, StarHub disclosed that the Group intends to recognise impairments of certain legacy network assets in 4Q2022, as well as the recognition of an impairment loss of goodwill and intangible assets relating to the discontinuation of one of Strateq's business lines, offset by a reduction in forward liability recorded upon the acquisition of Strateq. This is to ensure alignment to StarHub's DARE+ growth strategy and initiatives. These impairments have contributed to an increase in non-operating expenses and non-operating income in FY2022 ("Non-Operating Items").

¹ Including investments relating to DARE+ and IT Transformation, but excluding 5G Capex and spectrum right.

² The 3C's refer to the convergence of Connectivity, Cloud and Cybersecurity.



In view of the above; coupled with higher operating expenses mainly due to \$30.8 million in non-recurring provisions relating to DARE+ initiatives, StarHub reported a 58.3% decline in FY2022 net profit attributable to shareholders ("NPAT") of \$62.2 million. Excluding the DARE+ Provisions, Non-Operating Items and corresponding tax effects, NPAT would have been \$114.2 million, representing a 30.7% YoY decline.

The Group has also released its guidance for FY2023, which reflects key DARE+ updates provided during Investor Day in December 2022. These updates include identifying opportunities to accelerate the pace of StarHub's DARE+ growth and transformation initiatives and an increase in DARE+ investments to \$310 million (from \$270 million) mainly due to the Cloud Infinity network transformation. Management had also reiterated the DARE+ \$500 million target in cumulative gross profit growth and cost savings to be achieved between FY2022 and FY2026.

For FY2023, the Group expects Service Revenue to grow between 8% and 10% YoY, lifted by higher contributions from Entertainment (full-year contributions from Premier League), Cybersecurity and Regional ICT Services, as well as revenue from new DARE+ initiatives. In line with the December 2022 update on the delay of IT Transformation and increased investments relating to Cloud Infinity, Service EBITDA Margin is expected to remain steady at "Approximately 20%", while Capex Commitment is expected to be 13% to 15% of total revenue (including investments). StarHub remains disciplined in managing its BAU Capex Commitment, which remains unchanged at between 5% and 7%. The Group's FY2022 balance sheet remained healthy with positive free cash flow of \$222.3 million and Net Debt to EBITDA of 1.38 times as at 31 December 2022.

Taking into consideration short- to mid-term business conditions, cash flow and investment requirements, as well as results expected from the ongoing business transformation initiatives, StarHub is declaring a final dividend of 2.5 cents per share. Combined with the interim dividend of 2.5 cents per share, this brings the total dividend to be distributed for FY2022 to 5.0 cents per share. This is in line with prior guidance and the Group's dividend policy³.

³ To distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items), payable on a semi-annual basis.



For FY2023, the Group also expects to distribute a minimum of 5.0 cents per ordinary share. StarHub remains committed to its dividend policy³.

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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 7 February 2023.

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.

For enquiries, please contact:

Amelia LEE
Head, Investor Relations
StarHub Ltd
Office: (65) 9008 6114
Email: amelia.jw.lee@starhub.com

Cassie FONG
Head, Corporate Communications
StarHub Ltd
Office: (65) 9101 2211
Email: cassie@starhub.com

67 Ubi Avenue, StarHub Green, 408942, Singapore

