



CONNECTING YOUR DIGITAL WORLD

FY2022 Results
7 February 2023





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

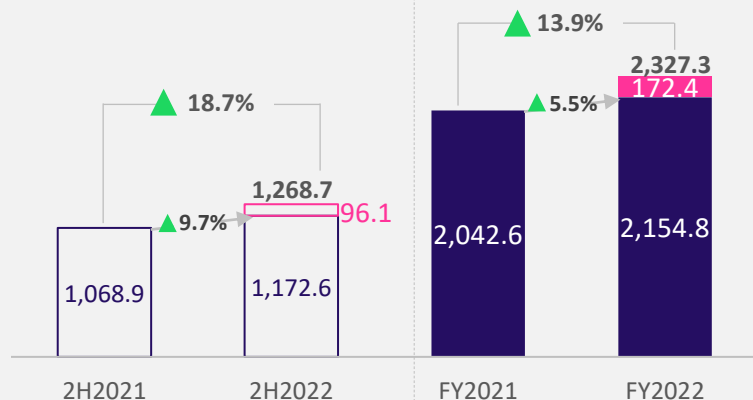
STARHUB



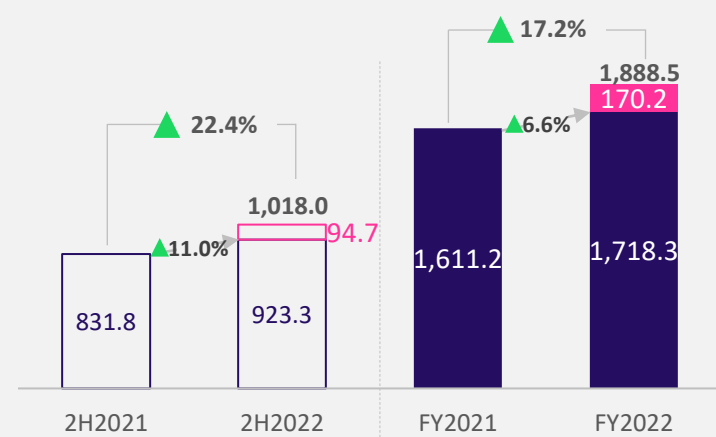
FINANCIAL HIGHLIGHTS

TOTAL REVENUE (\$'M)

■ JOS SG, JOS MY & MyRepublic Broadband



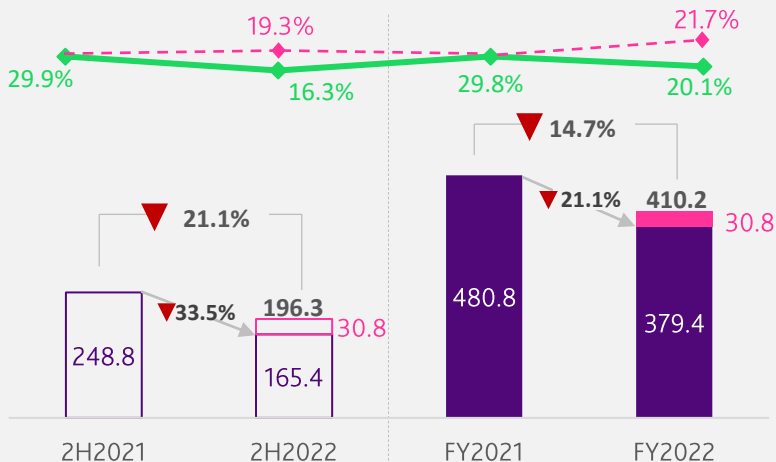
SERVICE REVENUE (\$'M)



- 2H2022 and FY2022 YoY increases were due to the consolidation of JOS & MyRepublic Broadband as well as higher contributions across all organic segments including Sales of Equipment
- Excluding contributions from MyRepublic Broadband, JOS SG and JOS MY, StarHub's FY2022 Total Revenue and Service Revenue grew 5.5% and 6.6% YoY, respectively

SERVICE EBITDA (\$'M)¹ / MARGIN (%)

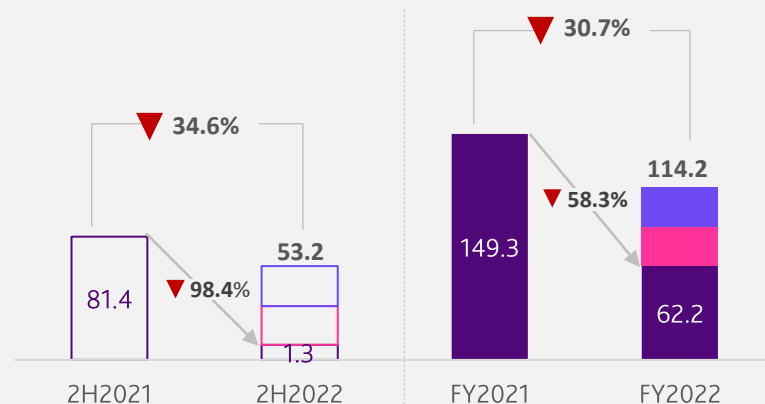
■ DARE+ Provisions -- Svc EBITDA Margin Excl DARE+ Provisions



NET PROFIT (\$'M)

(ATTRIBUTABLE TO SHAREHOLDERS)

■ DARE+ Provisions ■ Non-Operating Items



- Lower Service EBITDA was due to higher Opex driven by \$30.8 million in non-recurring provisions relating to DARE+ initiatives. Excluding these provisions, Service EBITDA and its margin would have been \$410M in FY2022 (-14.7% YoY) and 21.7%, respectively
- Lower NPAT was due to lower profit from operations (including the Provisions) and higher non-operating expenses from impairment losses of certain legacy network assets coupled with goodwill and intangible assets from Strateq; offset by higher non-operating income relating to the fair value gains in forward liability of Strateq and contingent consideration of MyRepublic Broadband. Excluding the DARE+ provisions, non-operating items and its corresponding tax effects, NPAT would have been \$114.2M in FY2022 (-30.7% YoY)

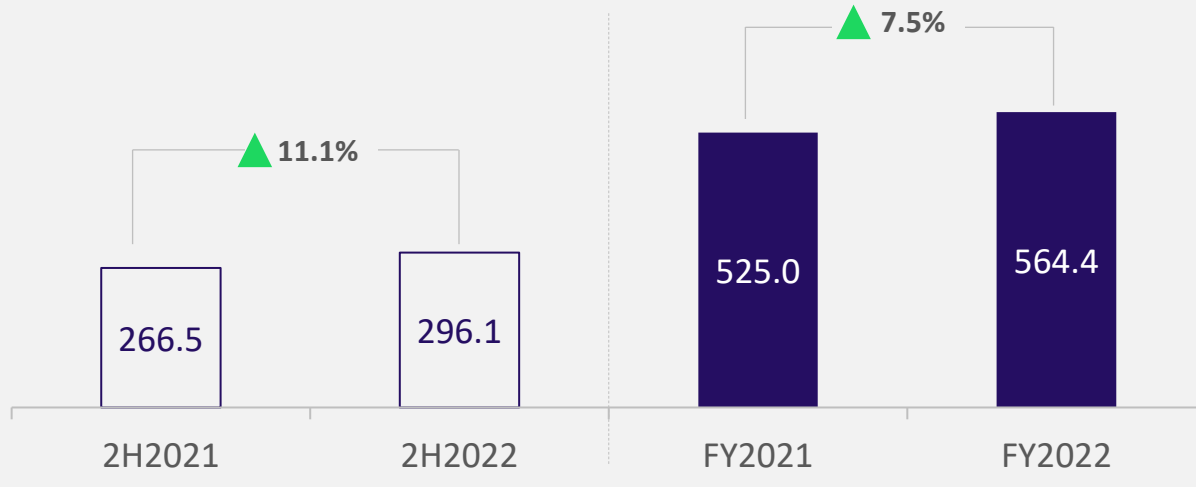
¹ Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)

² QoQ refers to 1Q2022 vs 4Q2021; YoY refers to 1Q2022 vs 1Q2021



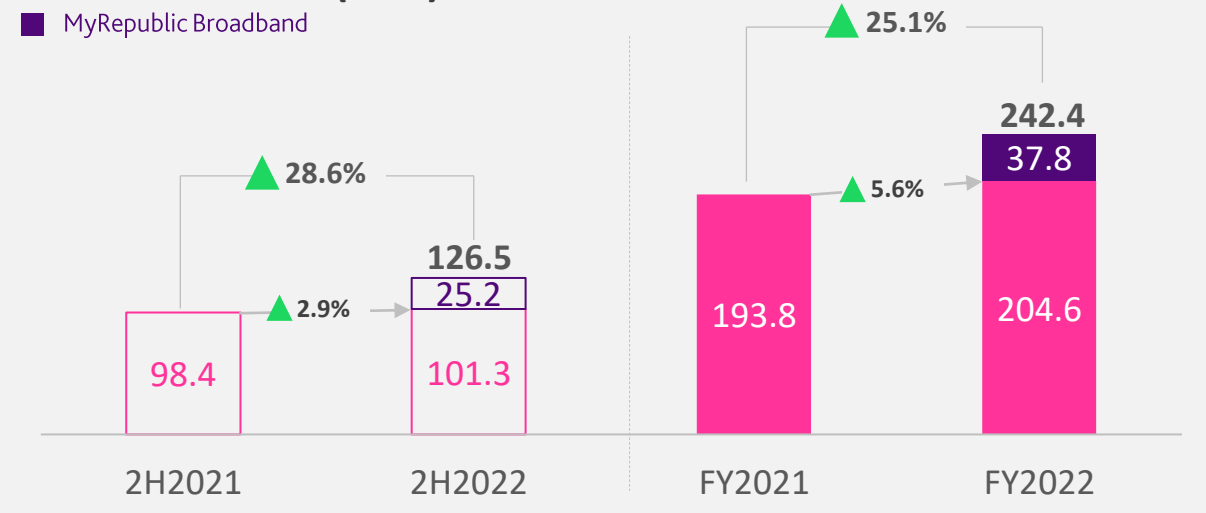
SEGMENTAL REVENUE

MOBILE¹ (\$'M)

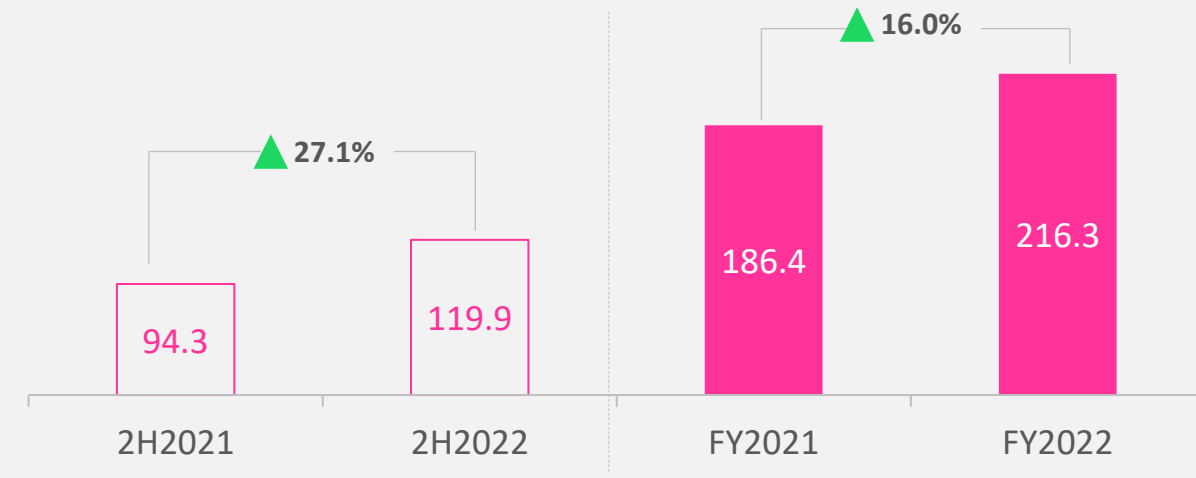


BROADBAND^{1,3} (\$'M)

■ MyRepublic Broadband

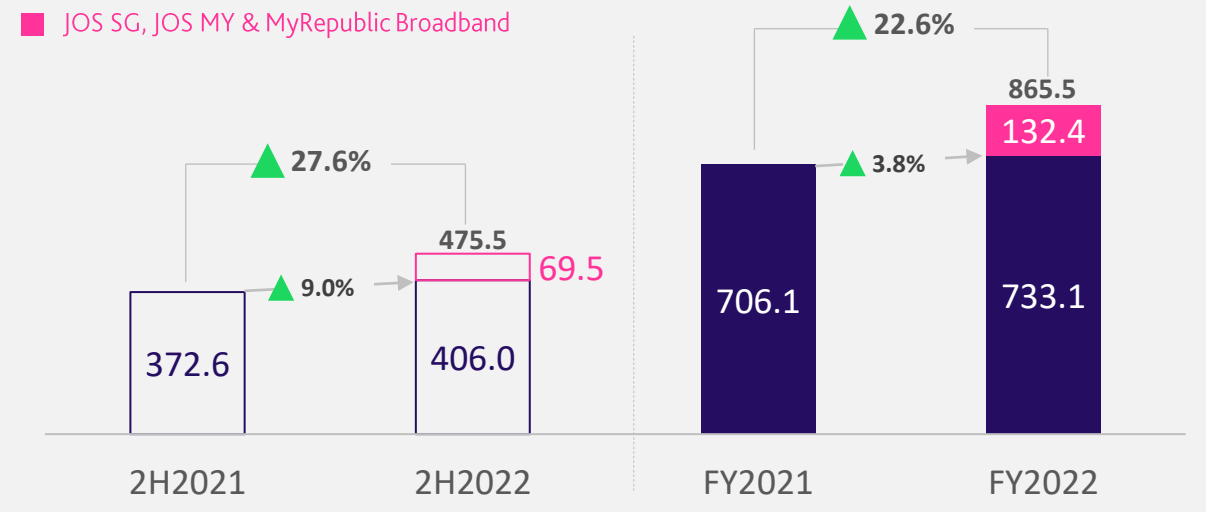


ENTERTAINMENT¹ (\$'M)



ENTERPRISE^{2,3} (\$'M)

■ JOS SG, JOS MY & MyRepublic Broadband



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

² Acquisition of JOS SG & MY was completed on 3 January 2022

³ Consolidation of MyRepublic Broadband with effect from 2Q2022



FY2022 GUIDANCE CHECKLIST

FY2022 GUIDANCE

FY2022 PERFORMANCE

SERVICE REVENUE



YoY At Least
12% - 15%
(Updated: Nov 2022)



YoY
17.2%

EXCEEDED EXPECTATIONS

SERVICE EBITDA MARGIN

At Least
20%

20.1%

MET EXPECTATIONS

CAPEX COMMITMENT
(As % of Total Revenue)

BAU Capex¹

5% - 7%

Including Investments²

9% - 12%
(Updated: Nov 2022)

7.3%
Including Investments²

BETTER THAN EXPECTED

DIVIDEND / SHARE

At Least 5.0 Cents or Dividend Policy³

5.0 Cents

MET EXPECTATIONS

¹ Excluding 5G Capex and spectrum right, as well as investments relating to DARE+ and IT Transformation
² Excluding 5G Capex and spectrum right, but including investments relating to DARE+ and IT Transformation

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.



FINANCIAL OVERVIEW

S\$'M	2H2022	2H2021	Change (%)	FY2022	FY2021	Change (%)
Total Revenue	1,268.7	1,068.9	18.7	2,327.3	2,042.6	13.9
Service Revenue	1,018.0	831.8	22.4	1,888.5	1,611.2	17.2
Operating Expenses	(1,214.1)	(949.5)	27.9	(2,181.1)	(1,825.0)	19.5
Other Income	4.4	7.8	(43.2)	8.5	14.2	(40.2)
EBITDA	187.3	265.0	(29.3)	417.0	510.9	(18.4)
Service EBITDA ¹	165.4	248.8	(33.5)	379.4	480.8	(21.1)
Service EBITDA ¹ Margin (%)	16.3	29.9	(13.6) %pts	20.1	29.8	(9.7) %pts
Net Profit After Tax <i>Attributable to shareholders</i>	1.3	81.4	(98.4)	62.2	149.3	(58.3)
Free Cash Flow ²	161.0	302.5	(46.8)	222.3	484.6	(54.1)
	As At 31 December 2022			As At 31 December 2021		
Net Debt to TTM EBITDA (x)	1.38			1.04		

¹Service EBITDA = EBITDA less (Sales of Equipment – Cost of Equipment)

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



STRONG BALANCE SHEET

NET DEBT TO EBITDA

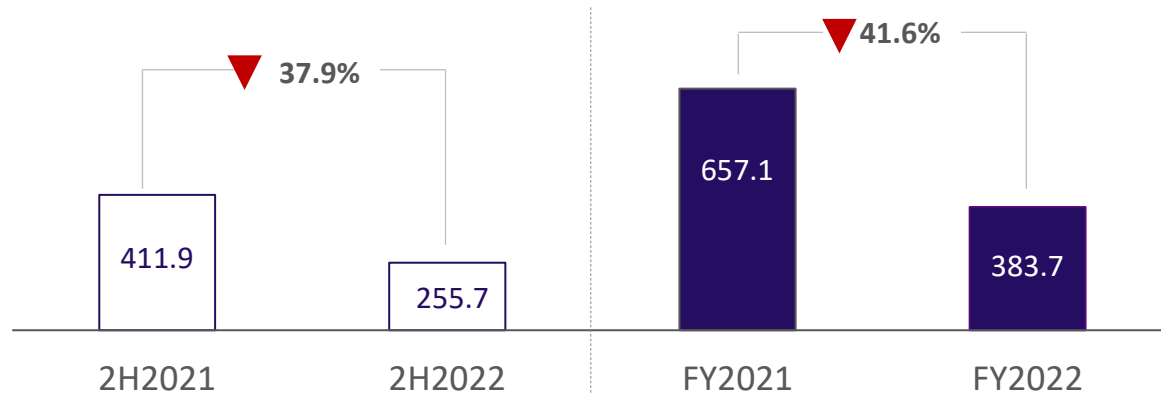
1.38x

FY2022 DIVIDEND

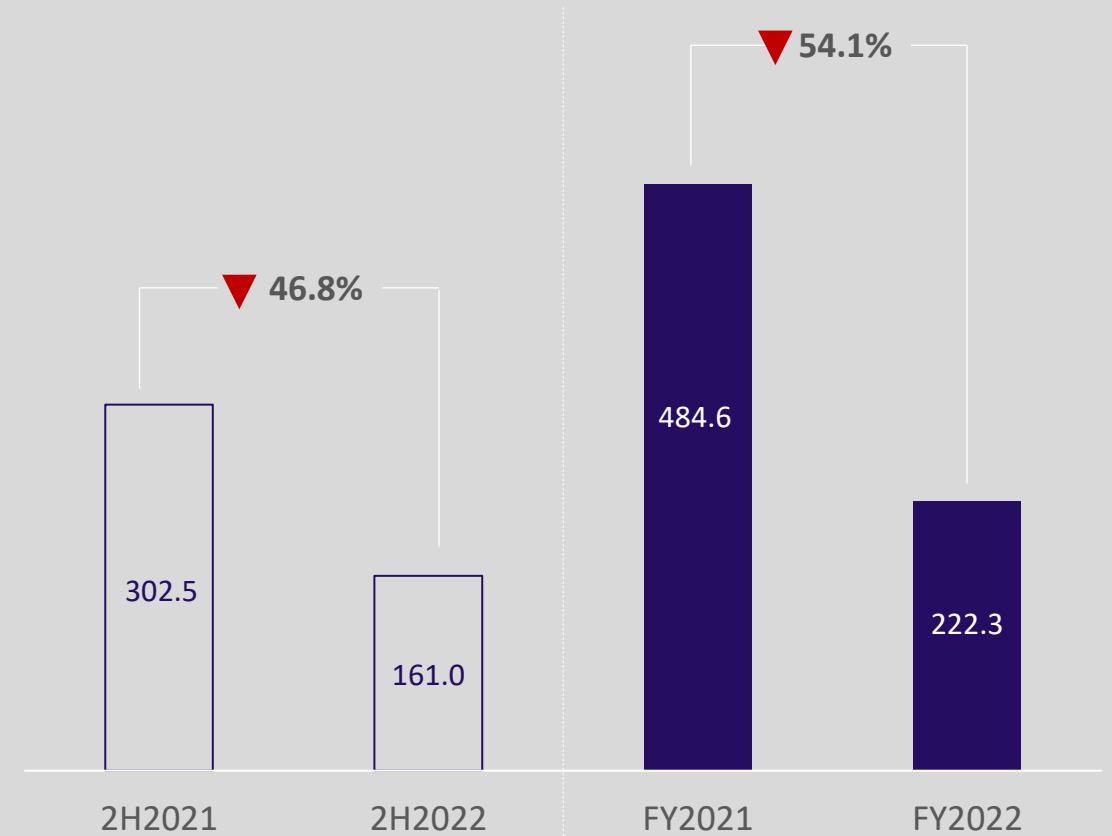
5.0 cents/share

Final Dividend: 2.5 cents / share

NET CASH FROM OPERATING ACTIVITIES (\$'M)



FREE CASH FLOW (\$'M)



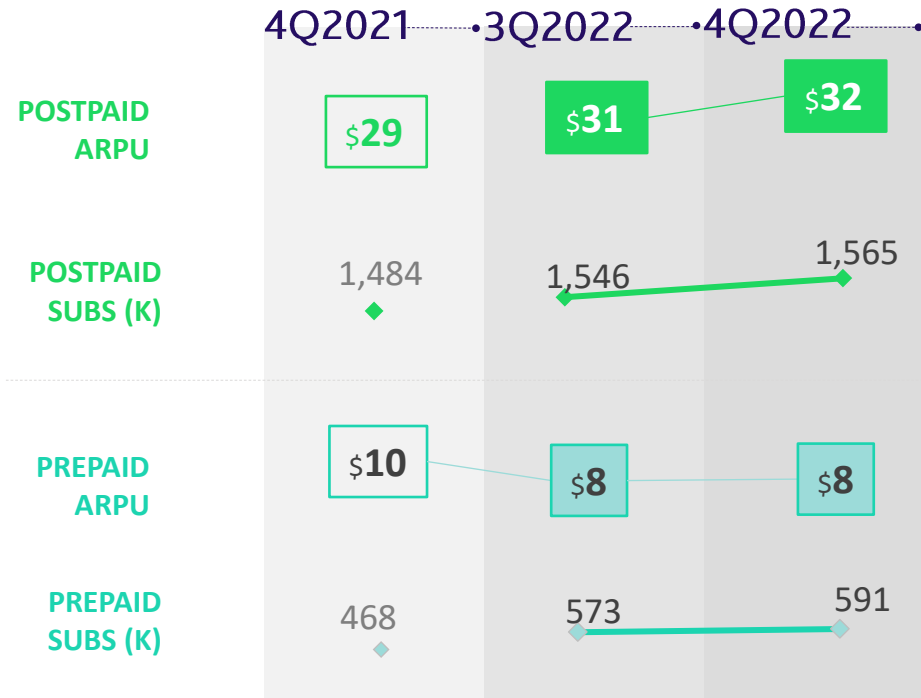


BUSINESS HIGHLIGHTS

STARHUB



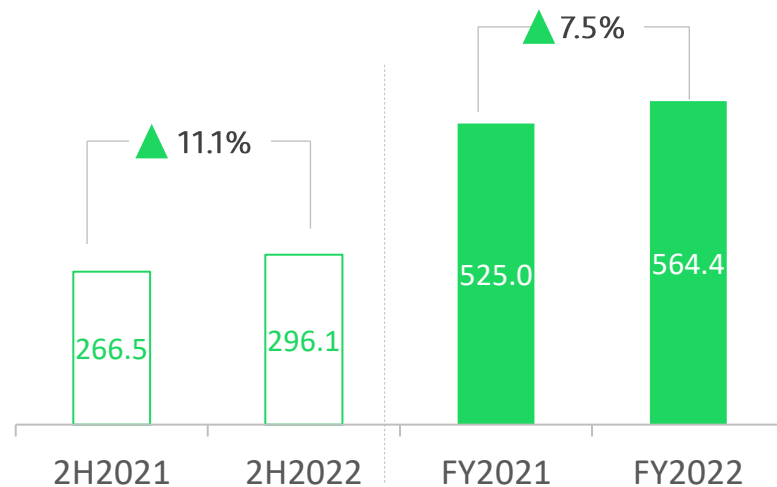
MOBILE¹



- Postpaid ARPU rose YoY² and QoQ² 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 19K QoQ² and 81K YoY², lifted by an expansion of the giga! subscriber base
- Average monthly churn rate was stable at 0.8% in 4Q2022 and FY2022 (3Q2022: 0.8%; 4Q2021: 0.8%; FY2021: 0.9%)

- ARPU remained steady QoQ², while the YoY² decline was due to increased promotions
- Prepaid subscribers grew 18K QoQ² and 123K YoY² in tandem with the increase in tourists and foreign workers as a result of the re-opening of borders

SEGMENT REVENUE (\$\$'M)

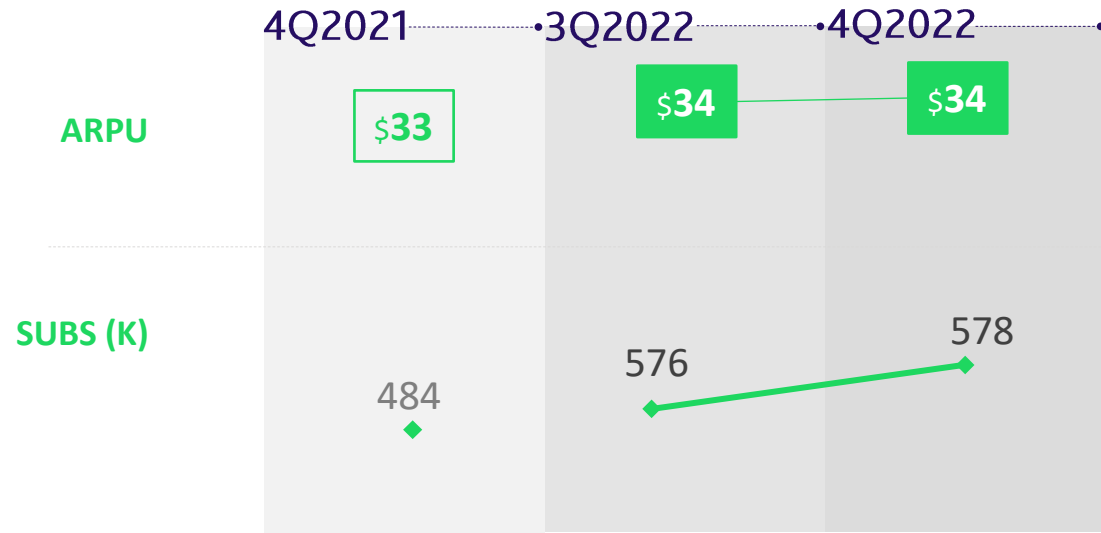


- Higher YoY revenue in 2H2022 and FY2022 was mainly due to higher Postpaid revenue driven by roaming recovery, offset by lower Prepaid revenue
- This was despite the absence of a \$4.0 million revenue relating to an infrastructure project recognised in 2H2021 and an SFRS adjustment of \$2.2 million made in 2H2022
- Excluding the above, Mobile revenue would have been 12.8% higher YoY in 2H2022 and 8.4% higher YoY in FY2022
- Overall average data usage reached 14.4Gb in 4Q2022 and 13.7Gb in FY2022 (3Q2022: 14.3Gb; 4Q2021: 12.7Gb; FY2021: 12.8Gb)

¹Comparatives have been restated to take into account the reclassification of Entertainment OTT from Mobile and Broadband to Entertainment
²QoQ refers to 4Q2022 vs 3Q2022; YoY refers to 2H2022 vs 2H2021 and/or FY2022 vs FY2021



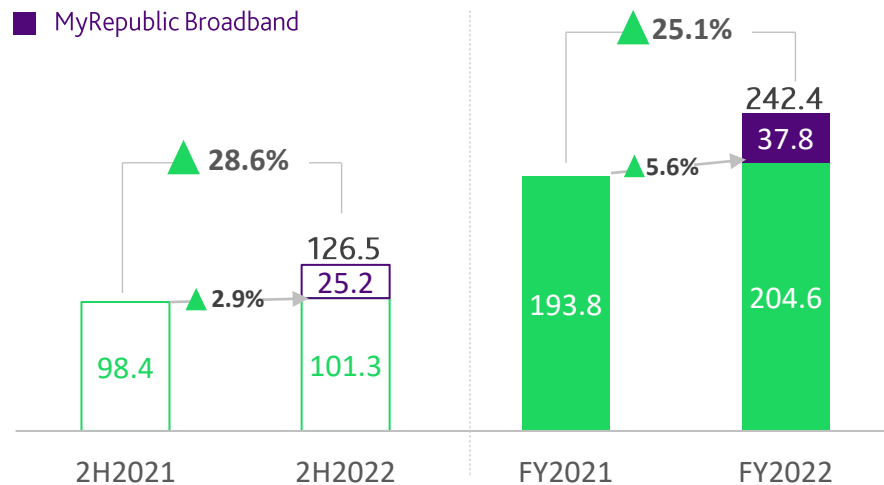
BROADBAND¹



- ARPU remained stable QoQ², while it increased YoY² due to higher subscription revenue achieved as well as the consolidation of MyRepublic Broadband from 2Q2022

- Subscribers increased YoY² and QoQ² due to the consolidation of MyRepublic Broadband subscribers from 2Q2022
- Average monthly churn rate remained stable at 0.6% in 4Q2022 and FY2022 (3Q2022: 0.6%; 4Q2021: 0.7%; FY2021: 0.8%)

SEGMENT REVENUE (\$\$'M)



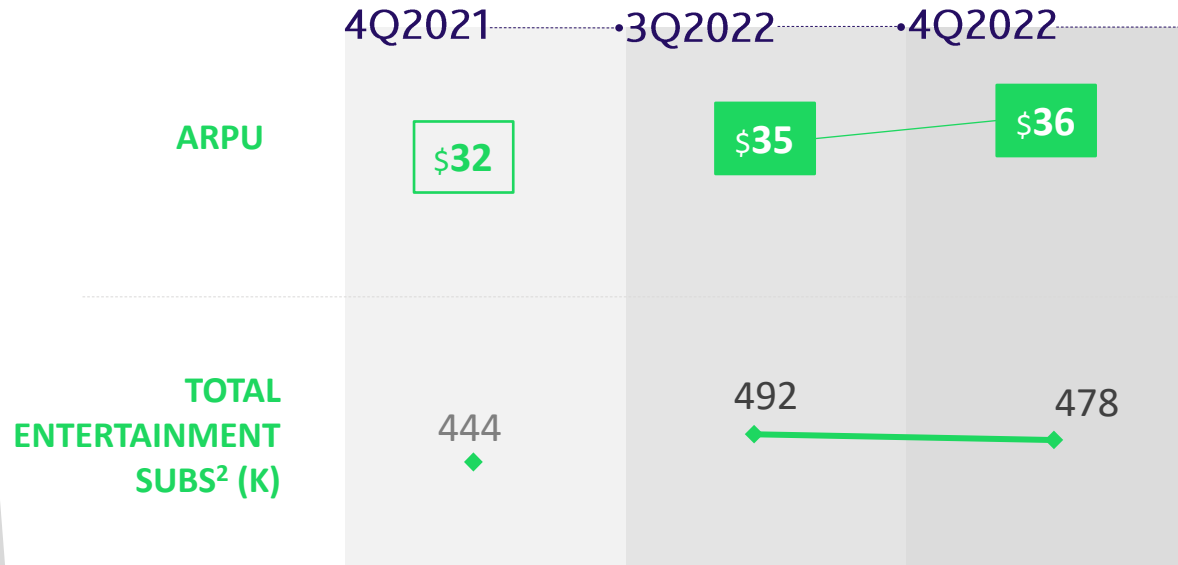
- Higher revenue YoY² lifted by the consolidation of MyRepublic Broadband and higher subscription revenue achieved.

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

² QoQ refers to 4Q2022 vs 3Q2022; YoY refers to 2H2022 vs 2H2021 and/or FY2022 vs FY2021



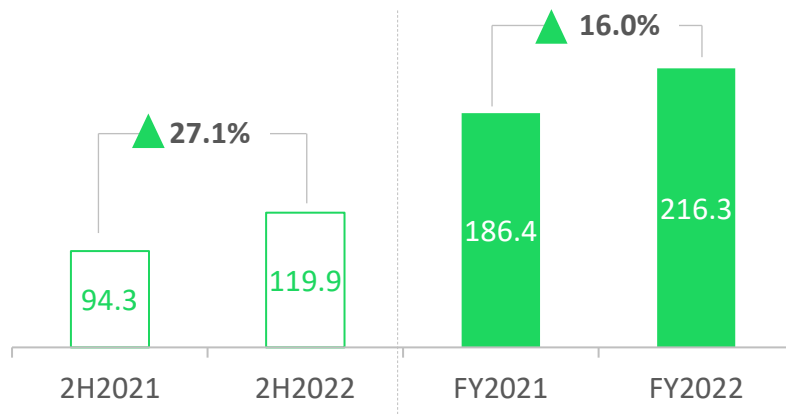
ENTERTAINMENT¹



- ARPU increased QoQ³ and YoY³ lifted mainly by World Cup and Premier League.

- Total Entertainment subscriber base grew 34K YoY³ and reduced 14K QoQ³
- Average monthly churn rate⁴ reduced to 0.9% in 4Q2022 and FY2022 (3Q2022: 1.1%; 4Q2021: 1.1%; FY2021: 1.2%)

SEGMENT REVENUE (\$\$'M)



- Revenue grew YoY³ mainly due to higher subscription revenue, commercial TV and advertising revenue driven mostly by the Premier League and World Cup

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

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

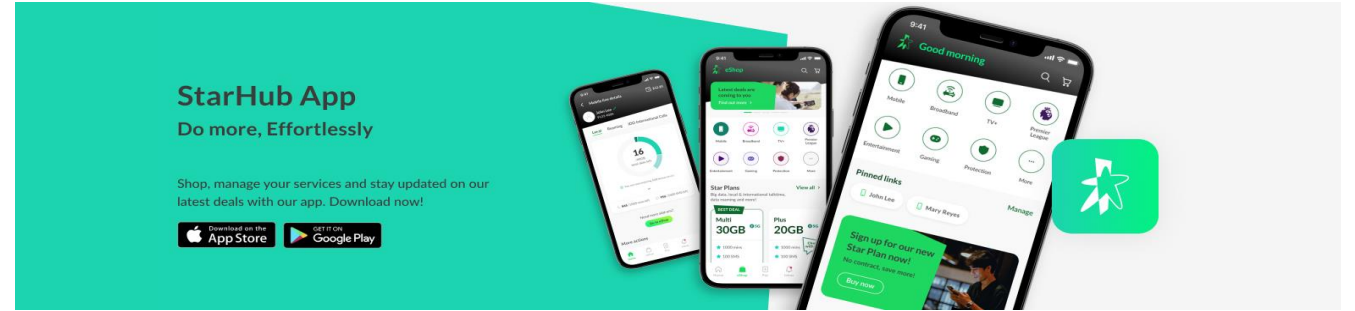
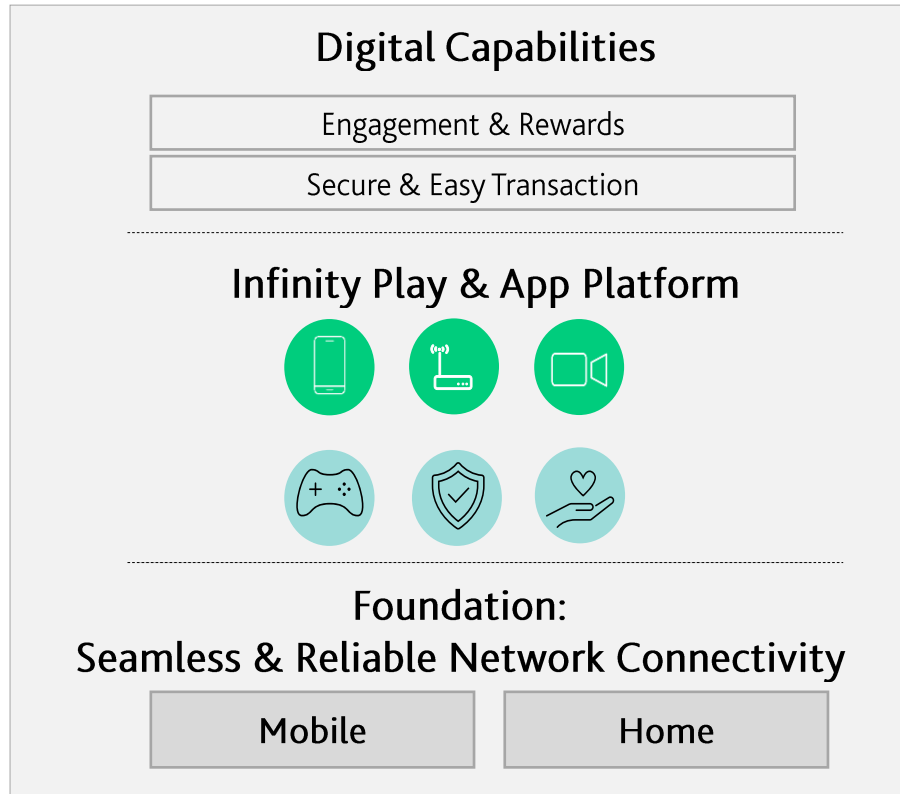
³QoQ refers to 4Q2022 vs 3Q2022; YoY refers to 2H2022 vs 2H2021 and/or FY2022 vs FY2021

⁴Referring to churn for traditional Pay TV only



Infinity Play To Be Delivered On A Single-App Platform

All-In-One Integrated Platform



Key Benefits

For Consumers:

- Subscribe to core and adjacent services on a unified platform
- Personalised 'Next Best Offer' targeting capabilities to drive service level penetration
- Simple, frictionless digital experience

For StarHub:

- Digitalisation of the operating model
- Agile tech stack to enable faster to market
- Data insight for decision making

Initial Results

- >20% YoY MAU increase
- 14% YoY increase in online transactions
- >80% chatbot accuracy & bot handling rate

Digital transformation expected to be completed in FY2023; end-to-end transformation completed within 18 months.

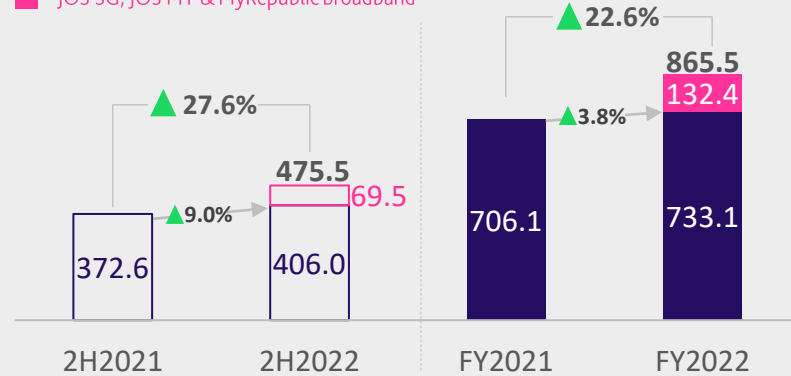
- First release launched in end-FY2022; new releases expected in coming quarters
- Agile delivery enabling rapid deployment and speed to market
- Transformation of digital stacks, customer interfaces, and enhanced capabilities including data lake and personalised recommendations



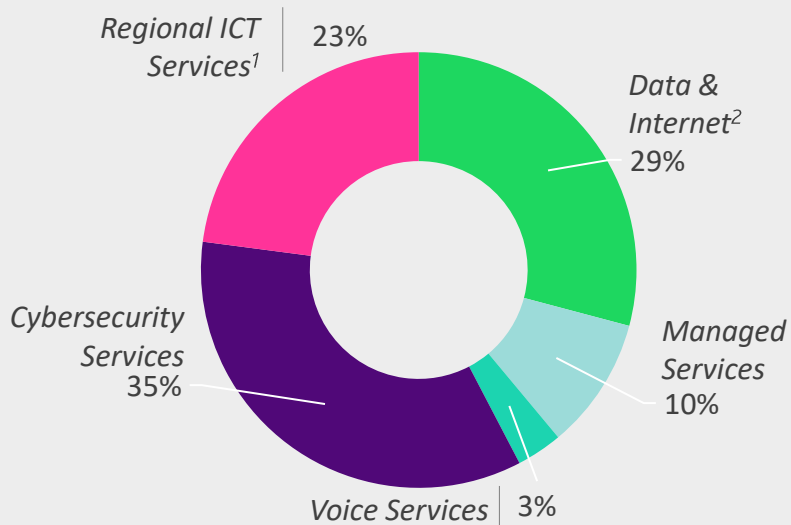
ENTERPRISE

ENTERPRISE BUSINESS^{1,2} (\$'M)

■ JOS SG, JOS MY & MyRepublic Broadband



FY2022 ENTERPRISE REVENUE MIX (%)



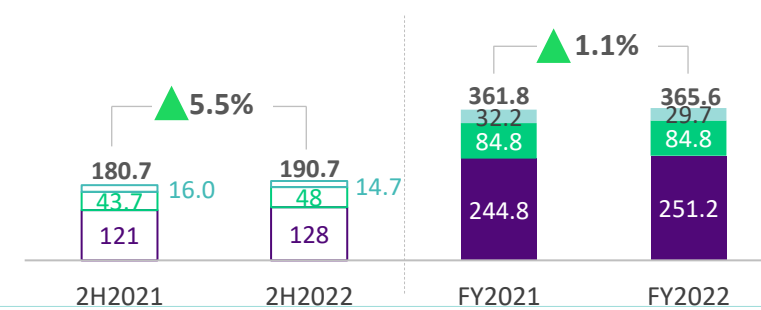
¹ Consolidation of JOS SG & MY following completion of acquisition on 3 January 2022

² MyRepublic Broadband was consolidated from 2Q2022.

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

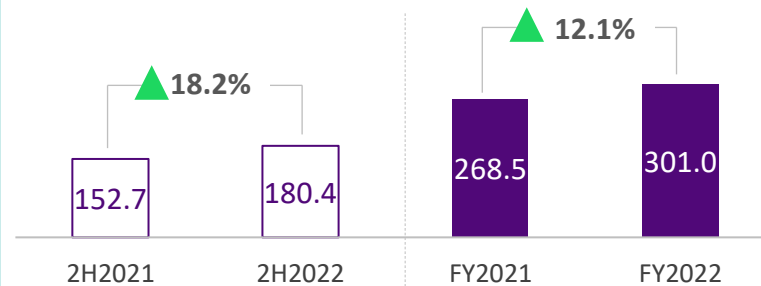
NETWORK SOLUTIONS (\$'M)

■ Data & Internet² ■ Managed Services ■ Voice Services



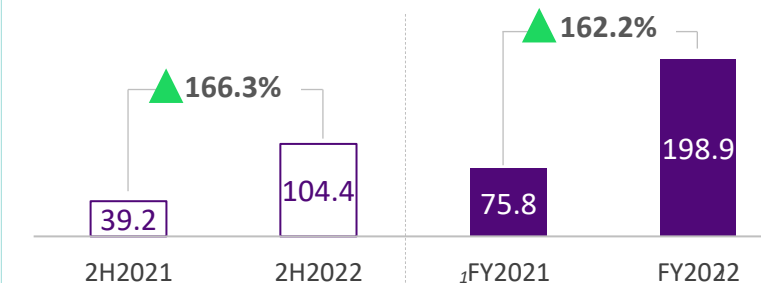
- Higher YoY³ revenue due to higher contributions from Data & Internet (lifted by the consolidation of MyRepublic Broadband² that contributed revenue of \$13M in FY2022); and Managed Services (more project completions)
- This is offset by lower Voice Services revenue due to lower domestic and international traffic

CYBERSECURITY SERVICES (\$'M)



- Maintained double-digit YoY³ revenue growth, lifted by higher revenue derived from overseas markets
- Contributed FY2022 operating profit of \$13.6M, \$10.2M higher YoY in tandem with the higher revenue recorded and in the absence of a \$4.2M one-time inventory write-off in 2H2021; partially offset by higher Opex
 - Excluding the inventory write-off, operating profit in FY2022 would have increased \$6.0M YoY

REGIONAL ICT SERVICES¹ (\$'M)



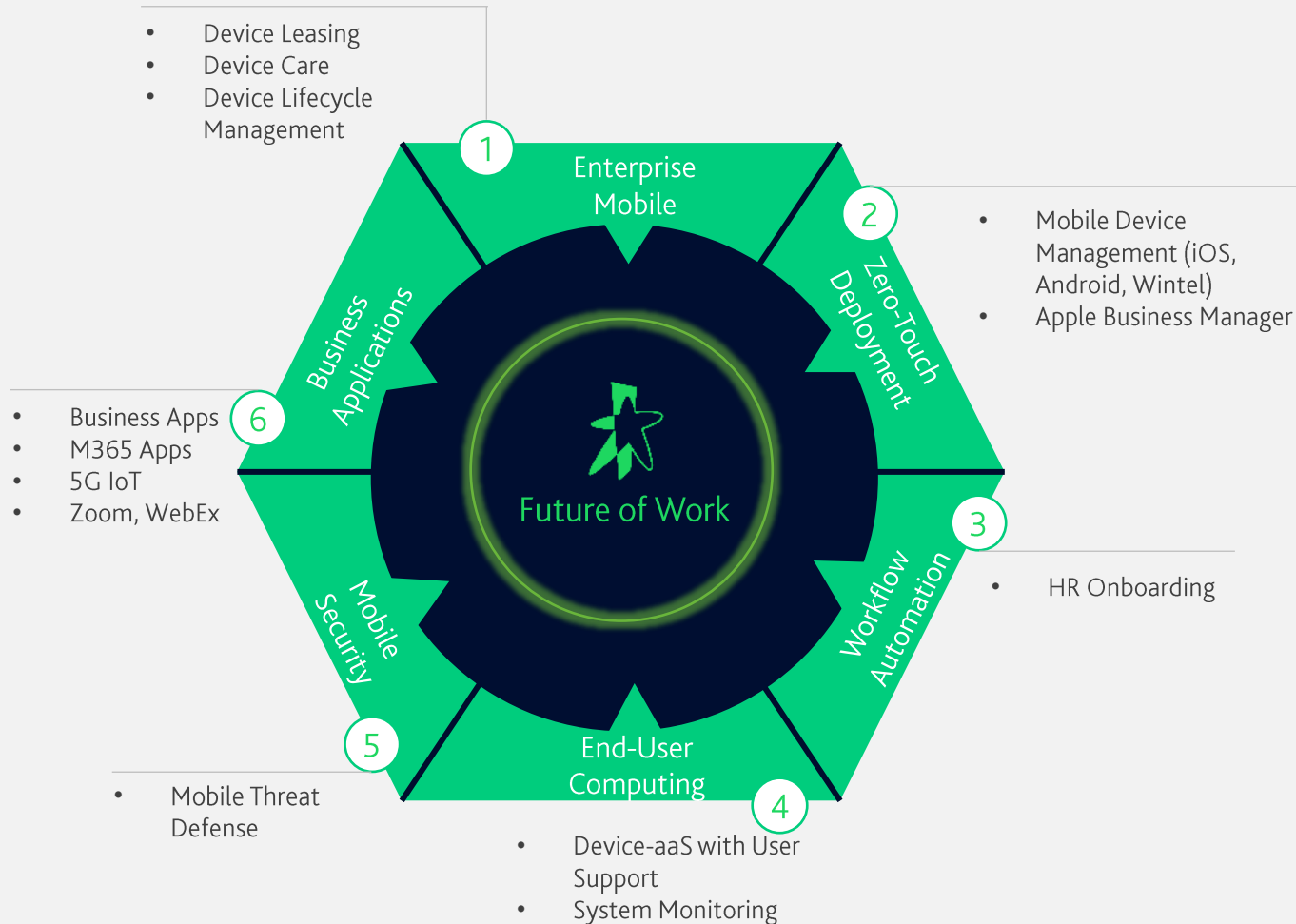
- Higher YoY³ revenue due to the consolidation of JOS SG & MY (acquisition completed on 3 Jan 2022)
- Contributed FY2022 operating profit of \$3.1M, \$1.4M higher YoY in tandem with the higher revenue recorded



Advancing DARE+: Future of Work

Furthering the Convergence of 3Cs

End-to-End Solution for Mobile Workforce & Hybrid Workplace



Connectivity | Cloud | Cybersecurity



CONTRACT WINS



>\$8M

End User Computing and Services for enterprises



>\$6M

Virtual Desktop Infrastructure for two major healthcare organisations



OUTLOOK & GUIDANCE

STARHUB

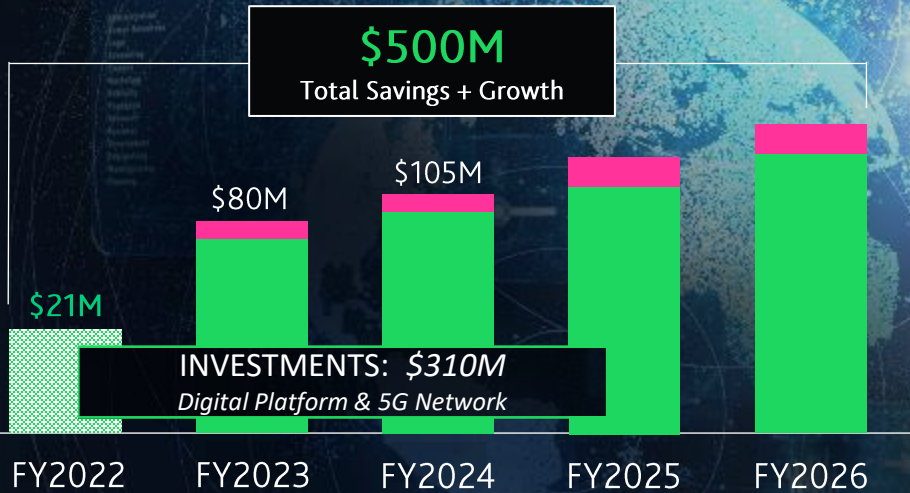
DARE+

As At December 2022 – Investor Day 2022

* Chart not drawn to scale

TRANSFORMATION + GROWTH

■ Expected Gross Profit¹ Growth ■ Executed Gross Profit¹ Growth
■ Expected Cost savings ■ Executed Cost savings



\$220M

Expected gross profit¹ growth (FY22-FY26)



\$280M

Expected savings (FY22-FY26)

\$80M p.a.

Stable State Incremental NPAT Run Rate (From FY26)



Advancing DARE+ First Year Progress Update

\$500M In Target Outcomes Unchanged

Despite increase in investments from \$270M to \$310M (see below). Additional costs relating to Premier League will be offset by additional growth outcomes to be derived from Cloud Infinity.

~\$21M In Outcomes Achieved In FY2022

Below original target of \$35M: Exceeded savings target from network and operational optimisation; offset by below-target margin growth due to delays relating to IT and Network Transformation, and additional Consumer verticals launched in FY2022.

Expected Investments Increase to \$310M

Increased from original \$270M estimate mainly due to investments required for Cloud Infinity network transformation.

Investments Mostly In FY23 and FY24

Due to 3- to 5-month delays in FY22 investments relating to certain IT Transformation projects (timing of financial year).

~24% Invested To Date

Key FY22 investments relate to IT Transformation, Content (Premier League), 5G and start-up costs relating to new business initiatives.



FY2023 GUIDANCE

FY2022 PERFORMANCE

FY2023 GUIDANCE

SERVICE REVENUE

 YoY
17.2%

 YoY At Least
8% - 10%

Mainly due to higher contributions from Entertainment (full-year contributions from Premier League); Mobile roaming recovery; revenue from new DARE+ initiatives; higher contributions from Cybersecurity and Regional ICT Services

SERVICE EBITDA MARGIN

20.1%

Approx.
20%

Mainly due to Opex investments mainly relating to IT and Network Transformation; expectations for electricity tariffs to remain at 2022 levels; and increase in staff cost

CAPEX COMMITMENT
(As % of Total Revenue)

7.3%
Including Investments²

BAU Capex¹
5% - 7%
Including Investments²

13% - 15%³

Mainly due to the aforementioned delay in IT Transformation and investments to be made for Cloud Infinity Network Transformation and other DARE+ business initiatives.

DIVIDEND / SHARE

5.0 Cents

At Least 5.0 Cents or Dividend Policy⁴

Based on expectations that the outcomes generated from DARE+ will enable the Group to sustain or exceed the aforesaid dividend.

¹ Excluding 5G Capex and spectrum right, as well as investments relating to DARE+ and IT Transformation
² Excluding 5G Capex and spectrum right, but including investments relating to DARE+ and IT Transformation

⁴ To distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items), payable on a semi-annual basis.

STARHUB

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