



# ENTERING A PORTAL OF POSSIBILITIES

**2023 Annual General Meeting**  
Chief Executive Presentation | 21 April 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.



# StarHub Today DIGITAL ECOSYSTEM PLAYER



\* All figures as at 31 December 2022 or as disclosed during Investor Day in December 2022.

### 4Q22 vs 4Q21 Service Revenue Growth

<b>+29%</b> SERVICE REVENUE	<b>+13%</b> Mobile	<b>+29%</b> Broadband	<b>+37%</b> Entertainment
	<b>+4%</b> Network Solutions	<b>+38%</b> Cybersecurity	<b>+216%</b> Regional ICT

## CONSUMER

Infinite Possibilities; Enriched Experiences

**1 In 2**  
Households

**1.5x**  
Services / Customer

**Strong #2 in Mobile<sup>1</sup>**  
By Service Revenue

**#1 in Broadband<sup>1</sup>**  
By Service Revenue

**#1 in Entertainment<sup>1</sup>**  
Amongst Telcos; by service revenue

### Key Products

- OTT (11 incl PL)
- GameHub+
- ProtectHub+
- LifeHub+

## ENTERPRISE

Enabling Digital Businesses of Tomorrow

CYBERSECURITY | CLOUD | CONNECTIVITY

**CONNECTIVITY & MANAGED SERVICES**

**CYBERSECURITY SERVICES**

**REGIONAL ICT SERVICES**

**#2**

**#1 in Cybersecurity**

**Regional Footprint**

### Key Products

- Cloud & Connectivity
- Future of Work & Digital Workplace
- Cybersecurity
- Green Tech Solutions

<sup>1</sup> As at December 2022, based on internal estimates.

# DARE +

GROWTH + TRANSFORMATION | FY2022 - FY2026



## DIGITAL

In Everything We Do



## ACCELERATING

Value Creation



## REALISING

Growth Without Frontiers



## EXPERIENCES

That Enrich Customers' Lives

## Transformation Advanced in 2022

### CONSUMER

*Infinity Play Product*

- 3 new verticals: GameHub+, ProtectHub+, LifeHub+
- Premier League – StarHub now has the widest range of sports content
- 11 OTT brands with Viu and Curiosity Stream being the latest additions
- Brand new cinematic and immersive home audio experience on the TV+ Pro box

### ENTERPRISE

*Connectivity, Cybersecurity, Cloud*

- Green Tech Managed Services
- Future of Work
- Mobility as a Service
- Enhanced capabilities through acquisitions to converge Connectivity, Cybersecurity and Cloud

### PLATFORM

*(Underway)*

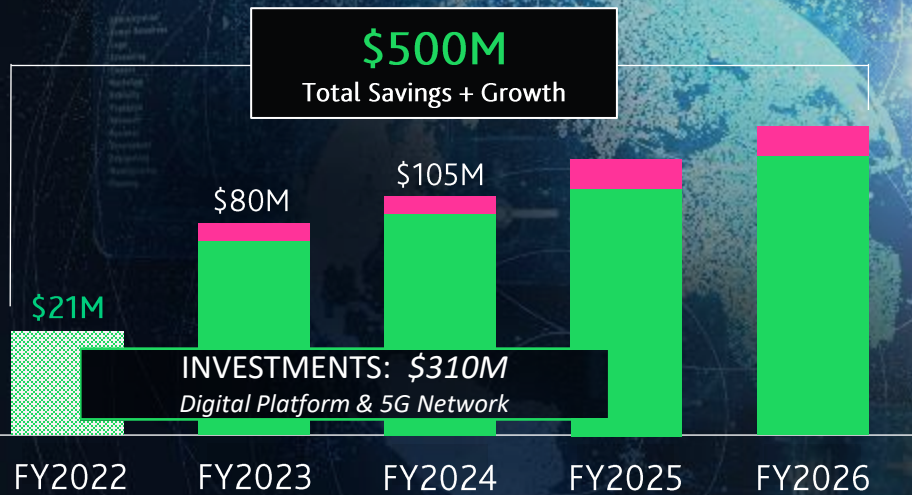
- All-in-1 App launched; to be completed in FY2023. Cloud IT stack for Consumer
- Cloud Infinity Network Transformation
- People & Culture

# DARE+

\* Chart not drawn to scale

## TRANSFORMATION + GROWTH

■ Expected Gross Profit<sup>1</sup> Growth     ■ Executed Gross Profit<sup>1</sup> Growth  
■ Expected Cost savings             ■ Executed Cost savings



**\$220M**

Expected gross profit<sup>1</sup> 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: Gathering Momentum*

### \$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.



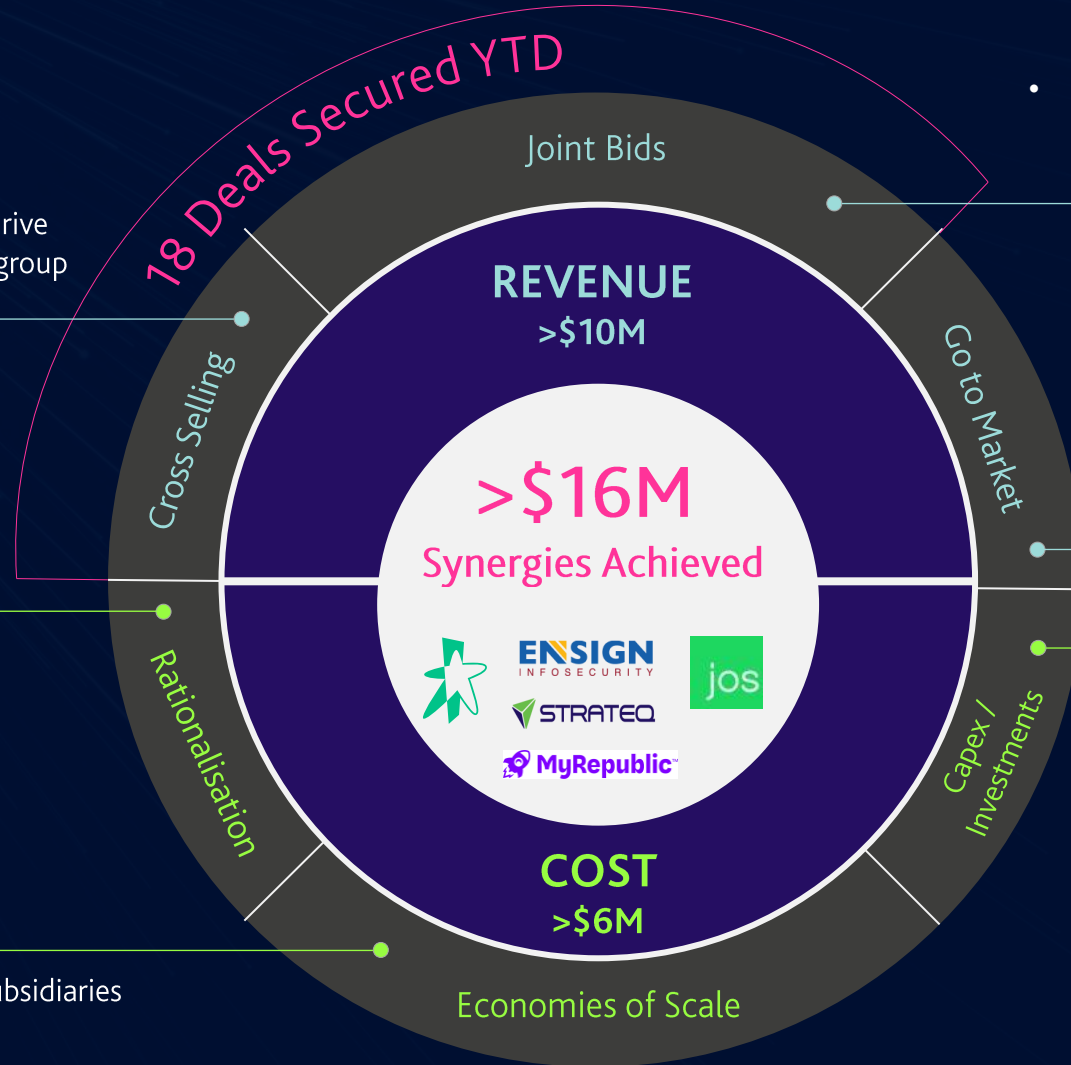
# Advancing DARE+

## Stronger-Than-Expected Synergies Achieved Across Enlarged Group In FY2022

- Continue refining incentives and targets to drive greater cross-selling efforts across enlarged group

- Reduced office space
- Insourcing of contracts
- Streamlined workforce

- Expansion of insurance coverage to include subsidiaries
- Joint procurement
- Inventory optimisation



- Joint capabilities increased competitive edge in tenders
- Significant wins include a project for Malaysia's upcoming financial district & a contract with the largest private property developer in Singapore

- Joint innovation: E.g. StarHub's Cybersecure Business Solutions developed
- Additional GTM engines for StarHub's products & services
- Pass-through deals across enlarged Group

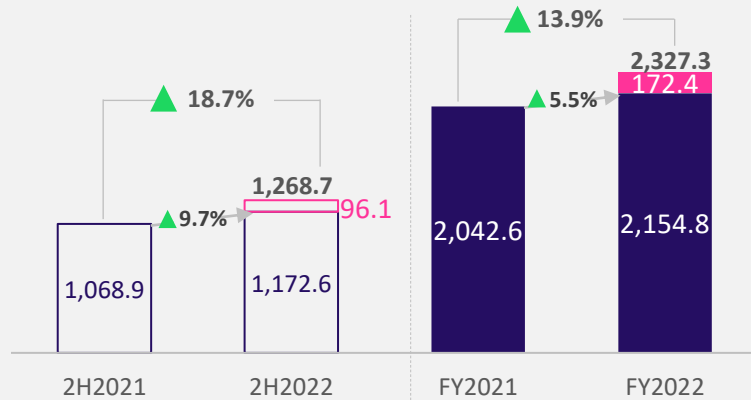
- Greater collaboration with HKBN
- Network collaboration with MyRepublic Broadband to reduce duplication



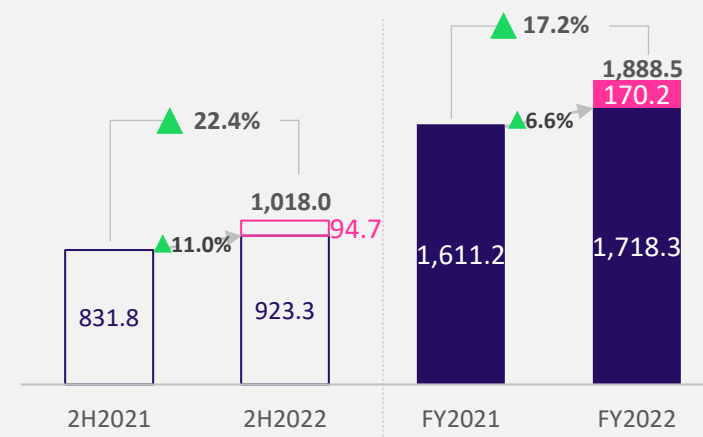
# Healthy FY2022 Exit Rates Despite DARE+ Investment Phase

## TOTAL REVENUE (\$'M)

■ JOS SG, JOS MY & MyRepublic Broadband



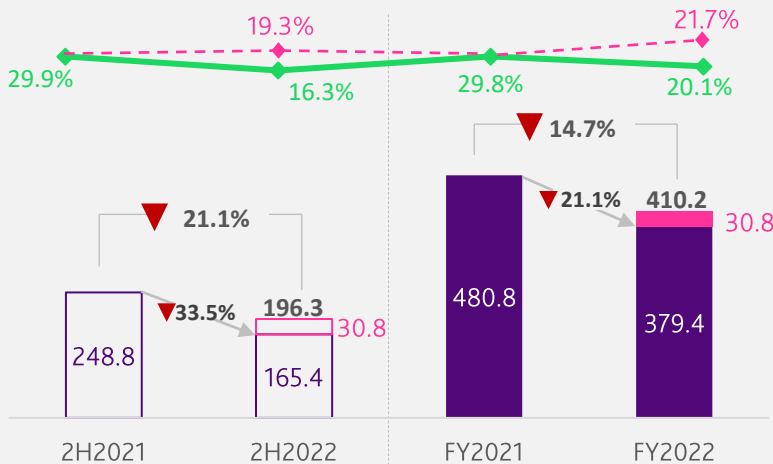
## SERVICE REVENUE (\$'M)



- 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)<sup>1</sup> / MARGIN (%)

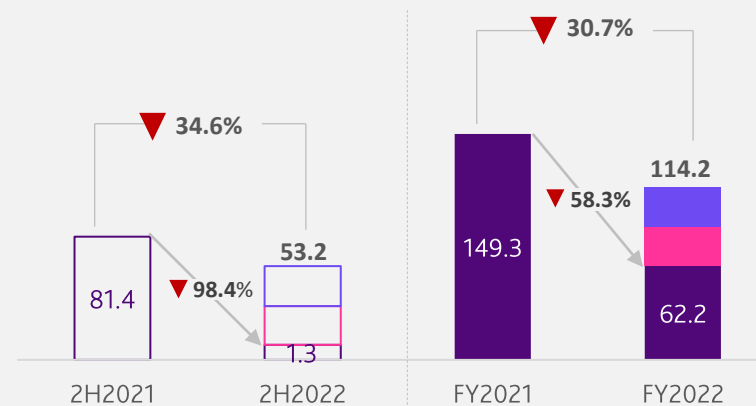
■ DARE+ Provisions    - - Svc EBITDA Margin Excl DARE+ Provisions  
 — Svc EBITDA Margin (Reported)



## 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)

<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



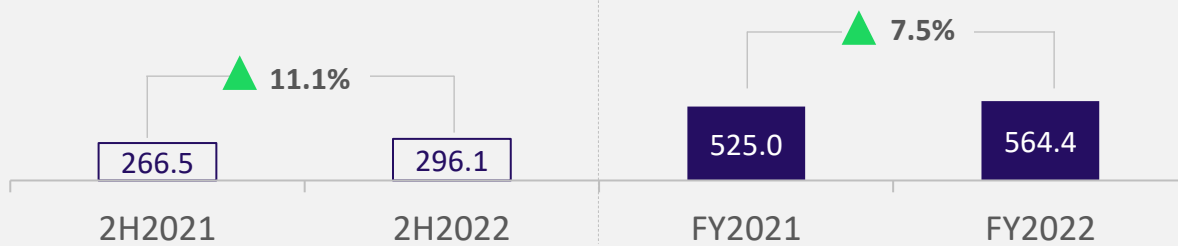
# Steady & Improving FY2022 Operational Metrics

## MOBILE<sup>1</sup>

POSTPAID ARPU (\$\$)



MOBILE SERVICE REVENUE (\$\$'M)

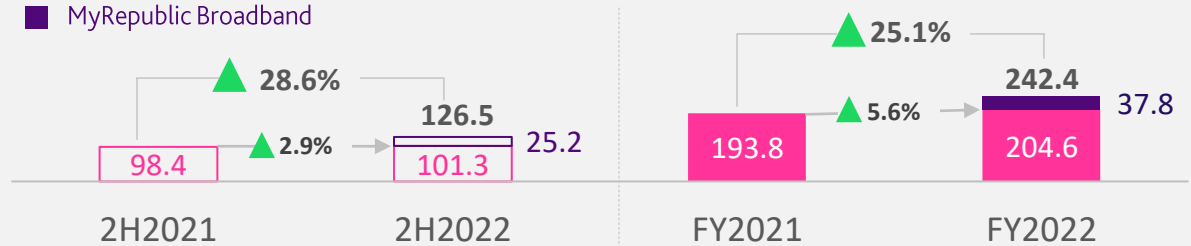


## BROADBAND<sup>1,3</sup>

ARPU (\$\$)

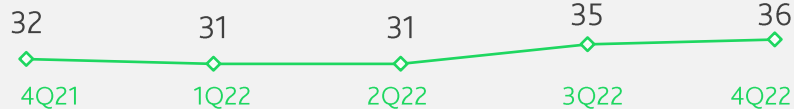


SERVICE REVENUE (\$\$'M)

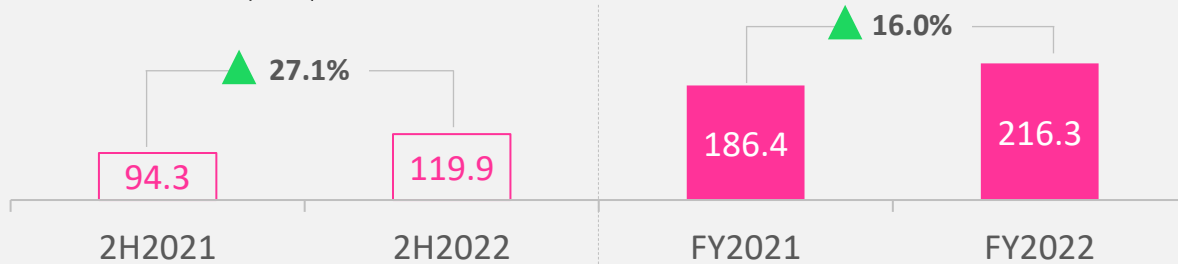


## ENTERTAINMENT<sup>1</sup>

ARPU (\$\$)

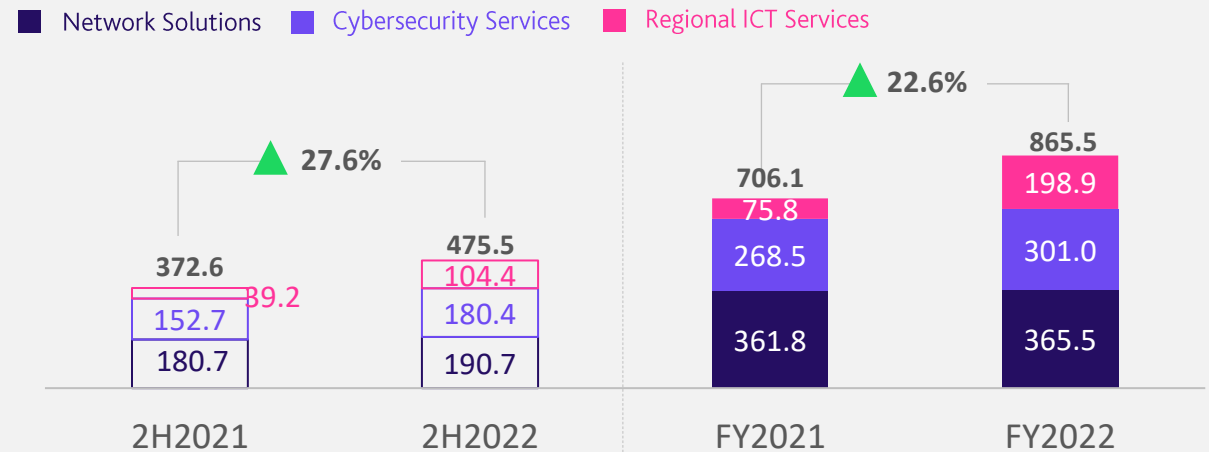


SERVICE REVENUE (\$\$'M)



## ENTERPRISE<sup>2,3</sup>

SERVICE REVENUE (\$\$'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

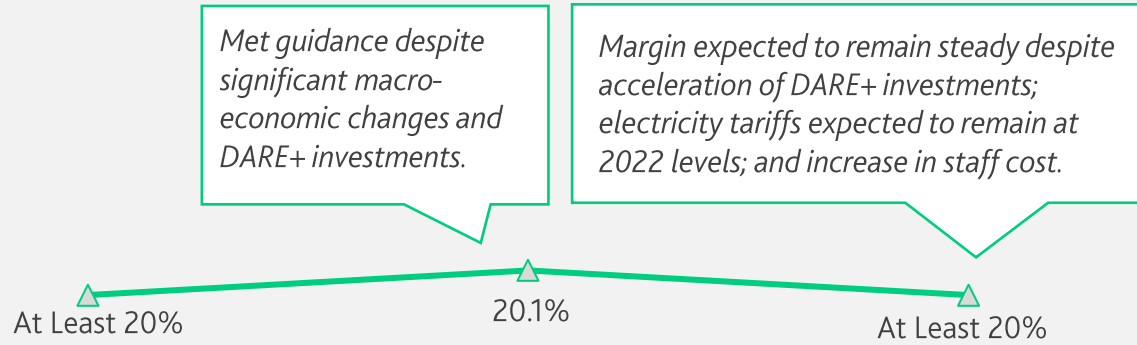
<sup>3</sup> Consolidation of MyRepublic Broadband with effect from 2Q2022



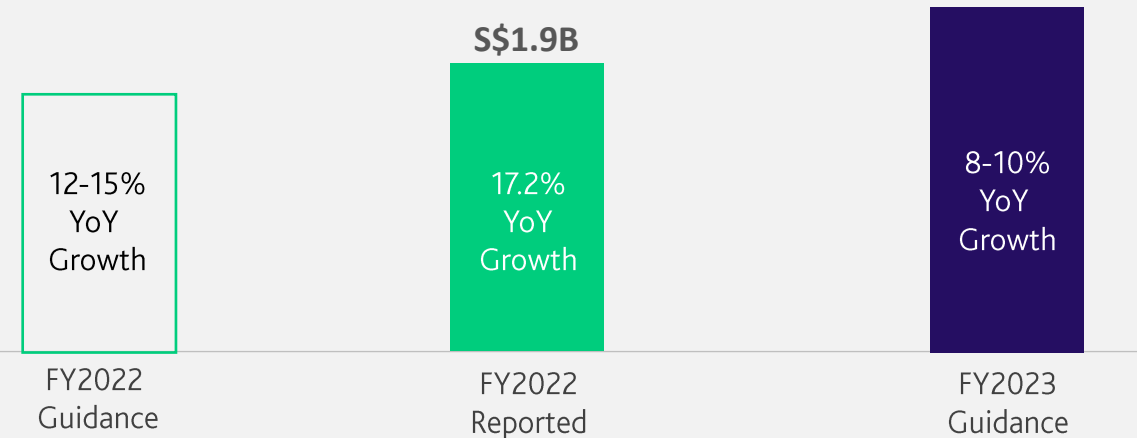


# FY2023 Guidance: DARE+ Acceleration

## SERVICE REVENUE & SERVICE EBITDA MARGIN

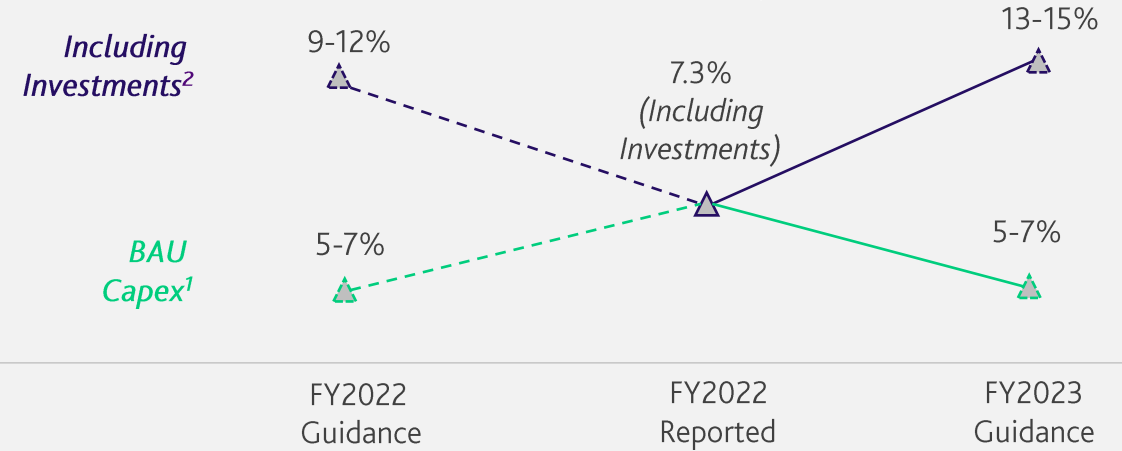


Higher contributions from Entertainment (full-year contributions from Premier League); Mobile roaming recovery; Cybersecurity and Regional ICT Services; and revenue from new DARE+ initiatives



## CAPEX COMMITMENT

(As % of Total Revenue)



## DIVIDEND PER SHARE

# Minimum of 5.0 Cents

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

<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

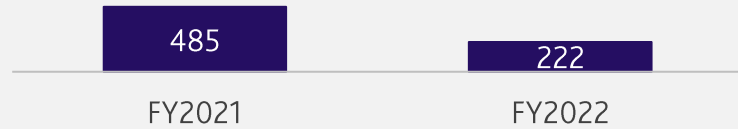


# Strong Balance Sheet & Liquidity

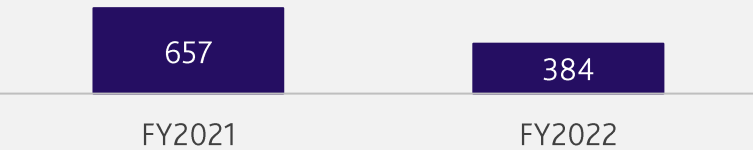
## ABILITY TO FUND REQUIREMENTS ADEQUATELY

No immediate need to tap market until FY24<sup>1</sup>

Positive Free Cash Flow  
(S\$'M)



Healthy Operating Cash Flow Generation  
(S\$'M)



Cash & Cash Equivalents  
(S\$'M)



<sup>1</sup> Adequate funding based on BAU requirements, excluding spectrum right and M&A

## HEALTHY CREDIT METRICS & DIVERSIFIED MATURITY PROFILE

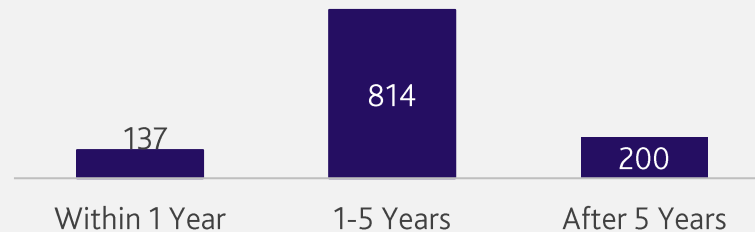
**1.38x**  
Net Debt  
To EBITDA  
(31 Dec 2022)

Presents good headroom vs regional peers' average of about 2.4x.

**9.2x**  
Interest Rate  
Cover  
(31 Dec 2022)

Strong ability to service existing borrowings, in line with regional peers.

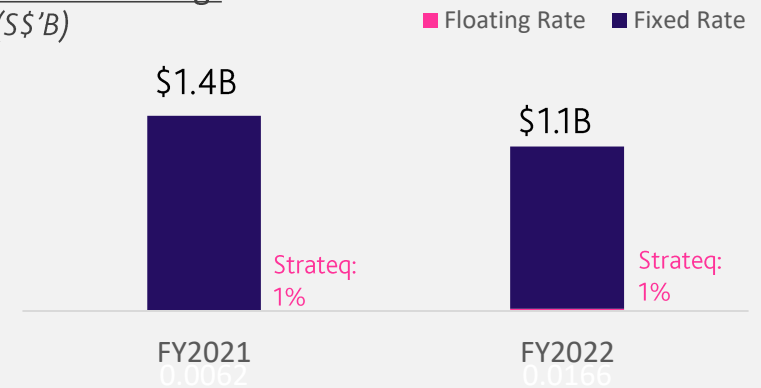
Debt Maturity Profile (As at 31 Dec 2022)  
(S\$'M)



## WELL-HEDGED: 99% FIXED

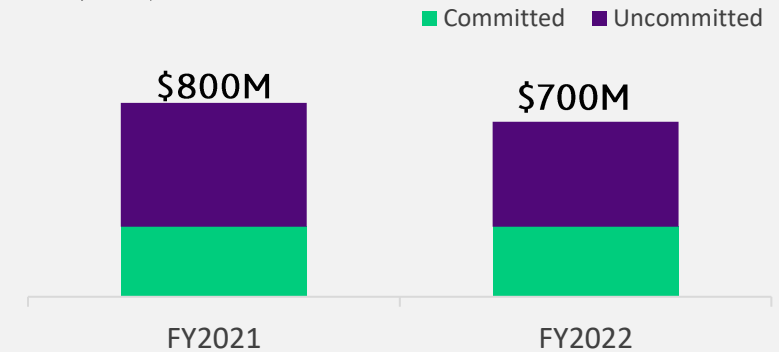
99% of debt on fixed rates; average maturities of 4 years

Total Borrowings  
(S\$'B)



## SUFFICIENT LIQUIDITY

Committed vs Uncommitted Undrawn Facilities Limit  
(S\$'M)





# Continued Commitment to Sustainability

## FY2022 ACHIEVEMENTS

# E

- 10% of energy use comes from renewable sources
- Launched Green Tech solutions to assist companies to meet their sustainability goals

# S

- Invested **\$1.9M** into community investment initiatives that benefitted **>12,000** beneficiaries, with **>600 hours** volunteered by StarHub’s staff
- Provided about **18,000 hours** of trainings to **96%** of StarHub’s workforce

# G

- **89%** adherence rate to our Supplier Code of Conduct
- Established inaugural Board Diversity Policy – Board comprises **25%** females
- Robust cybersecurity protection measures – **zero** incidents of compromise

# NET ZERO BY 2050

## 50% Reduction In Scope 1 & 2 Emissions by 2030

## 25% Reduction In Scope 3 Emissions by 2030

## 30% Renewable Energy Usage By 2050



World’s Most Sustainable  
Fixed and Wireless Telecom  
Service Provider



A- Leadership Score  
CDP Climate Change  
2022





# FY2023 Priorities: Positioning For Long-Term Growth



MOBILE  
Strong #2<sup>1</sup>



ENTERTAINMENT  
#1<sup>2</sup>



BROADBAND  
#1<sup>1</sup>



ENTERPRISE  
Sharpened Edge; #1 Cyber

## INFINITY PLAY

Bundling across Consumer lines of businesses for differentiation & to drive consumption; including new verticals – GameHub+, ProtectHub+, LifeHub+.

## CONNECTIVITY | CLOUD | CYBERSECURITY

Network Solutions + Cybersecurity Services + Regional ICT Services  
Rich synergies to propel mutual growth; with possibility to tap regional opportunities.

- Scale up new verticals; add more consumption drivers to strengthen Infinity Play
- Mobile: Increase 5G penetration
- Entertainment: Continue leveraging PL as acquisition tool; content delivery transformation
- Broadband: Capitalise on augmented market leadership to target higher-value segment
- Digital Acceleration: All-in-1 app to complete by FY23
- Optimise performance of existing assets and continue cost management

- Leverage combined capabilities to pursue larger, more complex projects
- Converge 3C's to deliver compelling value to customers & move up value chain
- Accelerate new platforms – Green Tech, Future of Work, Multi-Cloud Networking
- Harness greater revenue and cost synergies across enlarged Enterprise Group
- Leverage Cloud Infinity and Edge capabilities to amplify future opportunities



**DIGITAL & CLOUD TRANSFORMATION:** Digital Engagement; Unified Platform; Agility & Speed To Market; Tailored Experiences



**NETWORK CLOUD TRANSFORMATION:** Accelerate Cloud Infinity; Smart 5G Rollout; High Quality & Reliable Network Experience



**SUSTAINABLE & RESPONSIBLE:** Engaging the right talents to accelerate DARE+; Embedded ESG Business Practices



**Acquisitive Growth** to accelerate DARE+ and strengthen market leadership

BUSINESS PRIORITIES

RE-PLATFORM

M&A GROWTH

<sup>1</sup>By service revenue market share, based on internal estimates | <sup>2</sup>By service revenue and subscriber market share among Pay TV service operators.



# ENTERING A PORTAL OF POSSIBILITIES

THANK YOU

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