
StarHub

Many Lives of  
**Hub  
bing**

StarHub Ltd Annual Report 2014

A series of horizontal bars of varying lengths and shades of green and blue, some with a dotted pattern, located at the bottom of the green panel.

# StarHub 2Q & 1H-2015 Results

## 5 August 2015

## Forward-looking Statements

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***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.***

# Management Team



**Dennis CHIA**  
**CFO**



**TAN Tong Hai**  
**CEO**



**Kevin LIM**  
**CCO**



# Agenda

**2Q2015 Highlights**

Financial Highlights

Business Highlights

2015 Outlook

## Overview (2Q-2015 vs 2Q-2014)

### Financial

- Total revenue increased 2%
- Service revenue increased 1%
- EBITDA increased 4%
- EBITDA margin at 35.1%
- NPAT increased 5%

### Operational

- Revenue growth in post-paid Mobile & Fixed Network
- Subscriber growth in post-paid Mobile, Pay TV & Residential Broadband
- Low churn rates maintained across all lines of business

# Key Financial Highlights

\$M	2Q-2015	2Q-2014	Change	1H-2015	1H-2014	Change
Total Revenue	<b>589</b>	576	2%	<b>1,207</b>	1,148	5%
Service Revenue	<b>554</b>	552	1%	<b>1,095</b>	1,096	0%
EBITDA	<b>195</b>	187	4%	<b>357</b>	365	-2%
EBITDA Margin	<b>35.1%</b>	34.0%	1.1% pts	<b>32.6%</b>	33.3%	-0.7% pts
Taxation	<b>(21)</b>	(21)	4%	<b>(38)</b>	(42)	-9%
Net Profit After Tax	<b>99</b>	94	5%	<b>173</b>	179	-3%
Capex Cash Payments	<b>62</b>	95	-34%	<b>159</b>	162	-2%
% of Capex to Revenue	<b>11</b>	17	-6% pts	<b>13</b>	14	-1% pts
FCF / Fully Diluted Share	<b>5.9¢</b>	3.6¢	66%	<b>3.3¢</b>	9.6¢	-66%
Net Debt to 2014 EBITDA ratio	<b>0.71x</b>	0.56x	0.15x	<b>0.71x</b>	0.56x	0.15x

•Numbers may not add up due to rounding

# Revenue Contribution

Revenue	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2015 S\$m	2014 S\$m	Incr / (Decr) S\$m %		2015 S\$m	2014 S\$m	Incr / (Decr) S\$m %	
Mobile	310.8	310.3	0.5	0.2	616.2	616.2	(0.0)	(0.0)
Pay TV	97.8	98.4	(0.6)	(0.6)	193.8	192.2	1.6	0.8
Broadband	49.0	51.0	(2.0)	(3.9)	97.1	104.9	(7.8)	(7.4)
Fixed Network Services	96.7	92.0	4.7	5.0	187.6	182.2	5.4	2.9
Total service revenue	554.3	551.8	2.5	0.5	1,094.7	1,095.6	(0.9)	(0.1)
Sale of equipment	35.2	24.7	10.5	42.6	112.7	52.3	60.4	115.7
Total	589.5	576.4	13.1	2.3	1,207.4	1,147.8	59.6	5.2

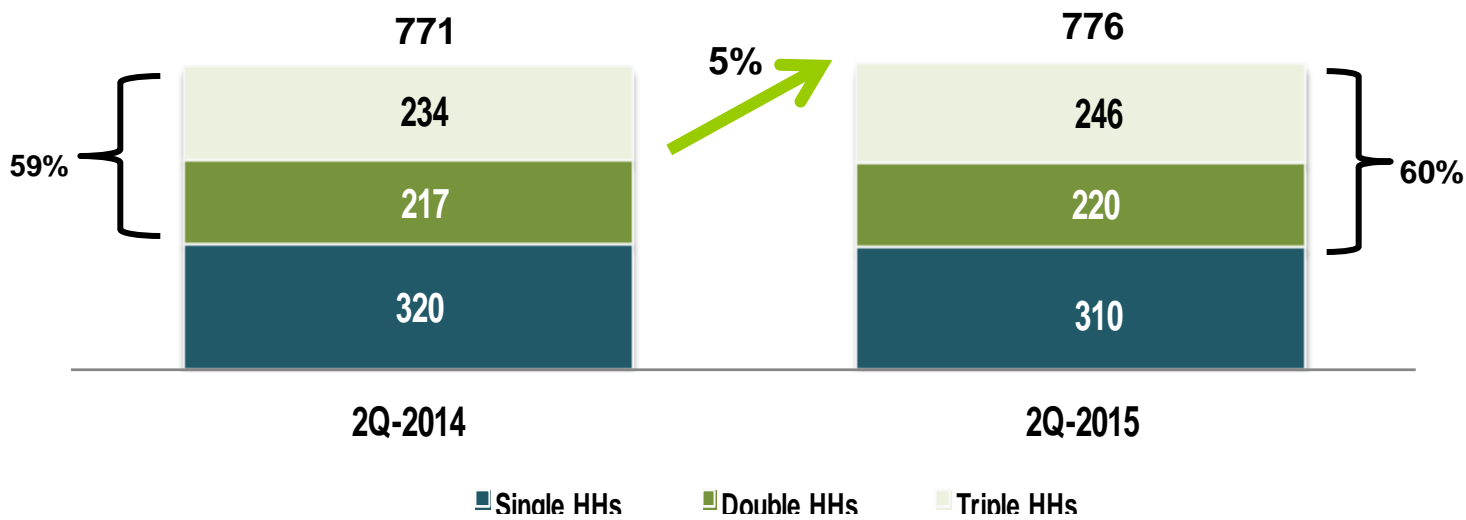
# Revenue Mix

Revenue mix	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2015 Mix %	2014 Mix %	2015 Mix %	2014 Mix %
Mobile	52.7	53.8	51.0	53.7
Pay TV	16.6	17.1	16.1	16.7
Broadband	8.3	8.8	8.0	9.1
Fixed Network Services	16.4	16.0	15.6	15.9
Sale of equipment	6.0	4.3	9.3	4.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>



# Hubbing Scorecard

Hubbing Households ('000)



\* Numbers may not add up due to rounding.

2Q2015 Highlights

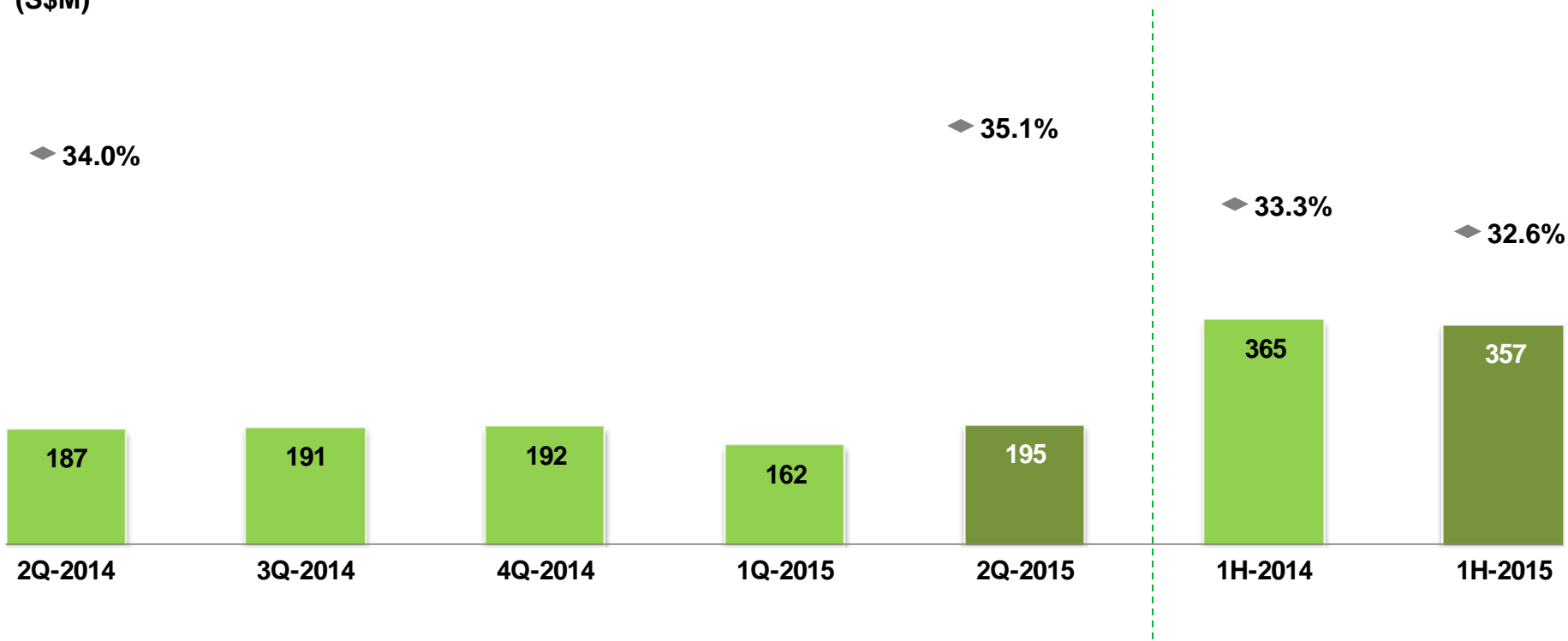
Financial Highlights

Business Highlights

2015 Outlook

# EBITDA & EBITDA Margin

(S\$M)

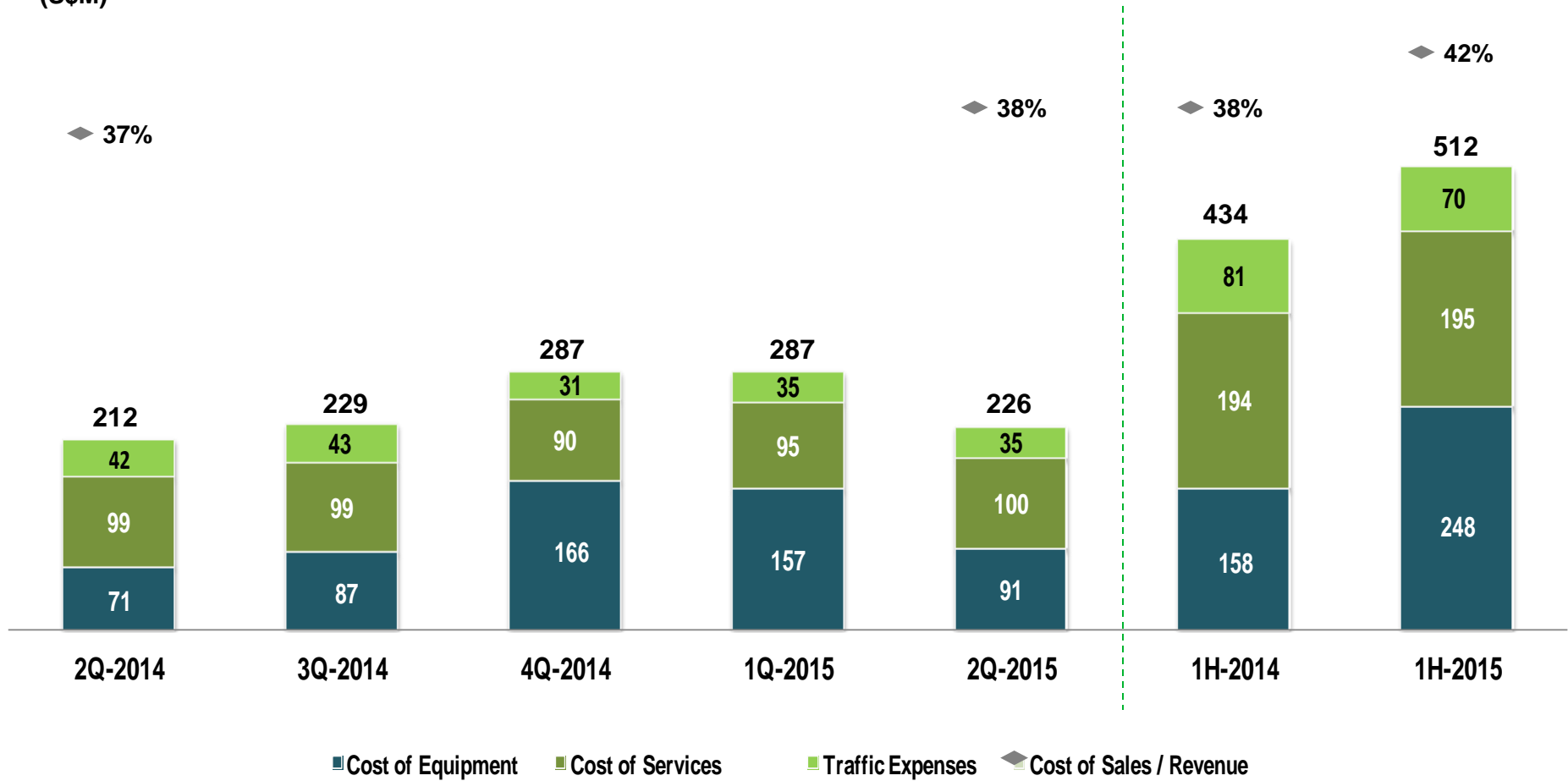


◆ EBITDA Margin as % of Service Revenue

\* Numbers may not add up due to rounding.

# Cost Of Sales

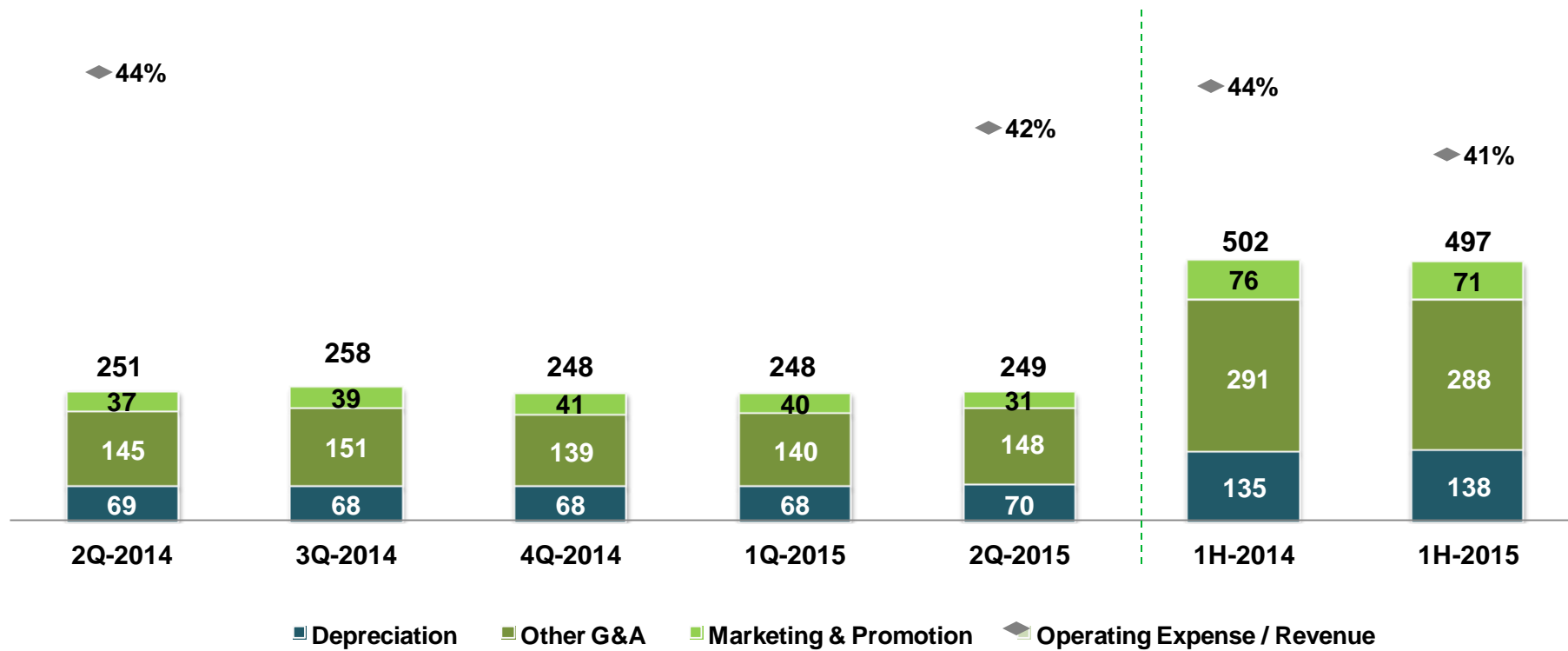
(S\$M)



\* Numbers may not add up due to rounding.

# Other Operating Expenses

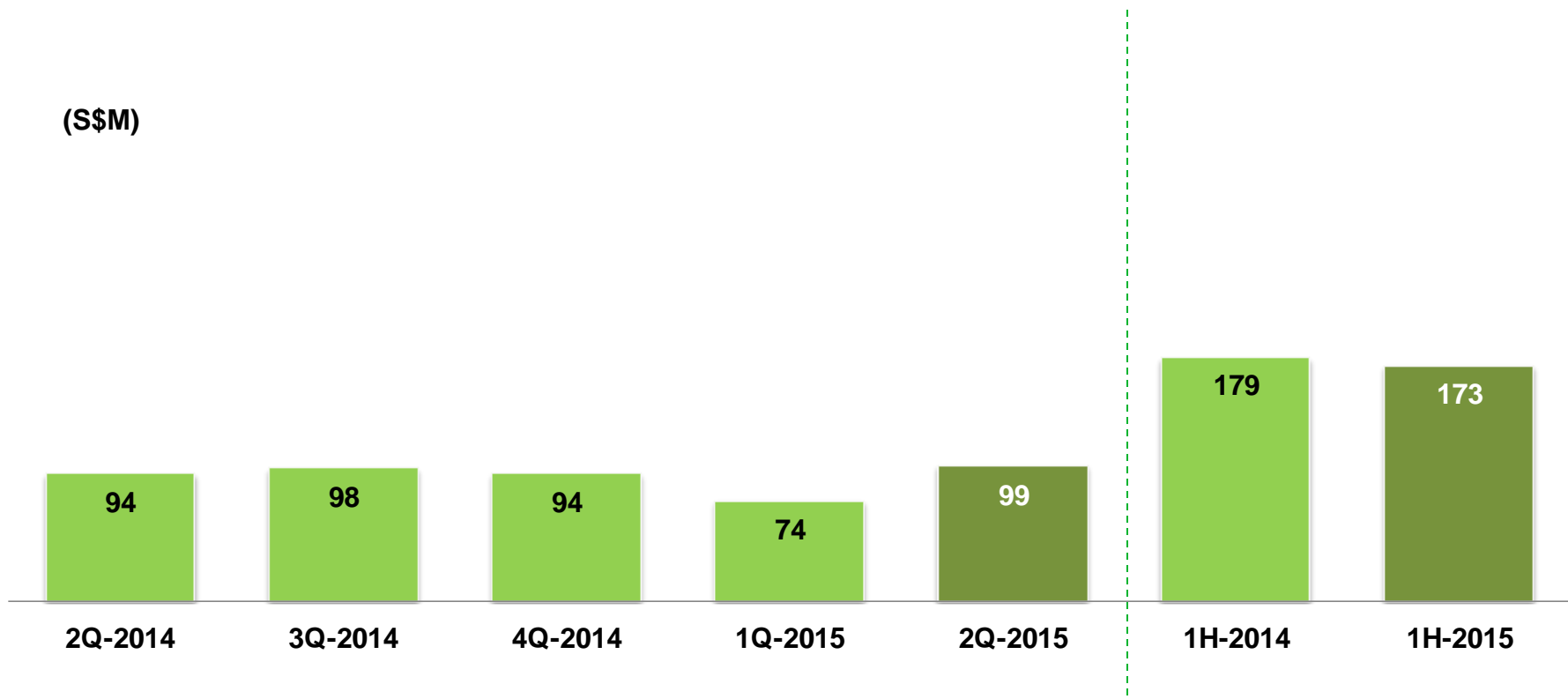
(S\$M)



\* Numbers may not add up due to rounding.

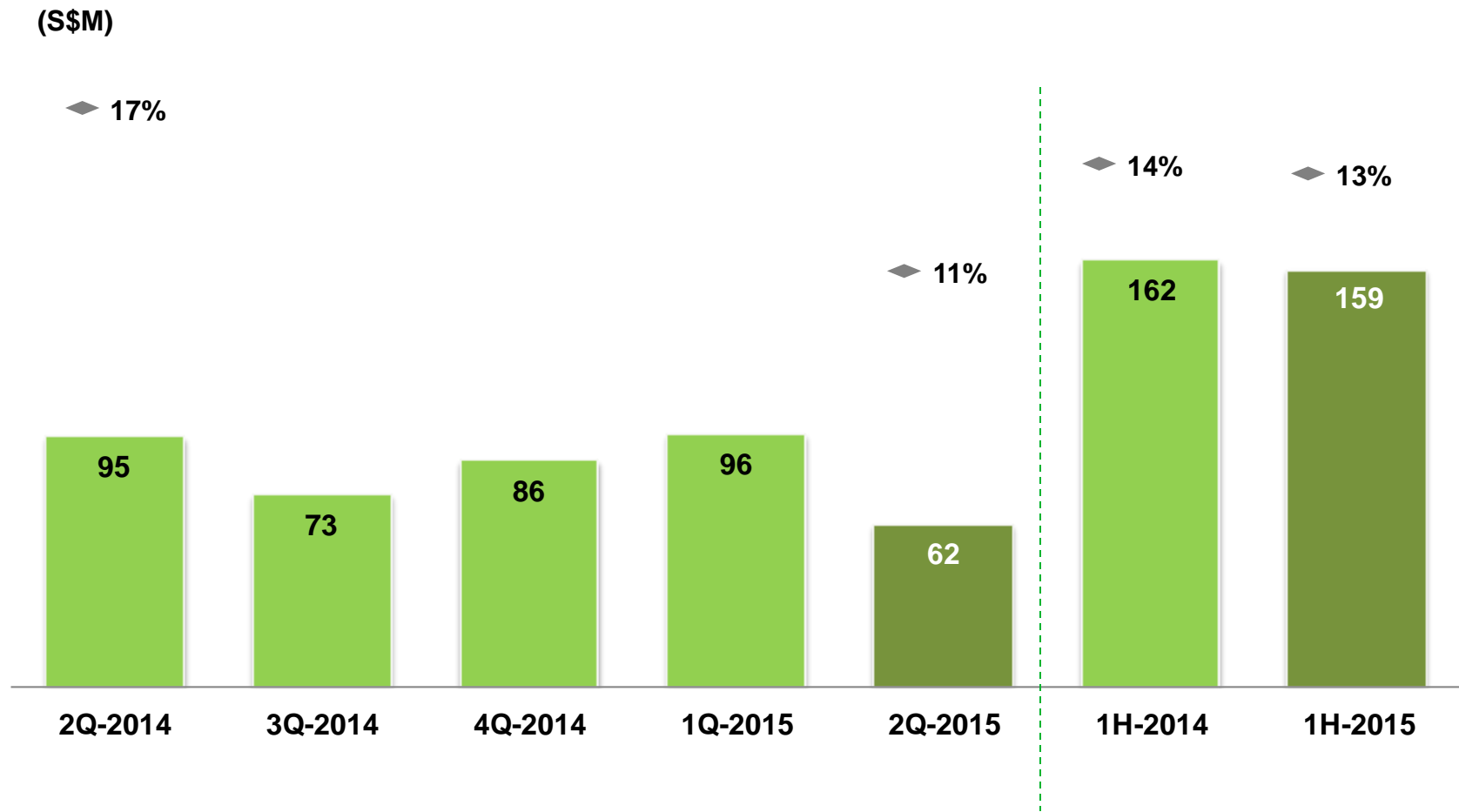
# Net Profit After Tax

(S\$M)



\* Numbers may not add up due to rounding.

# Capex (cash payments)

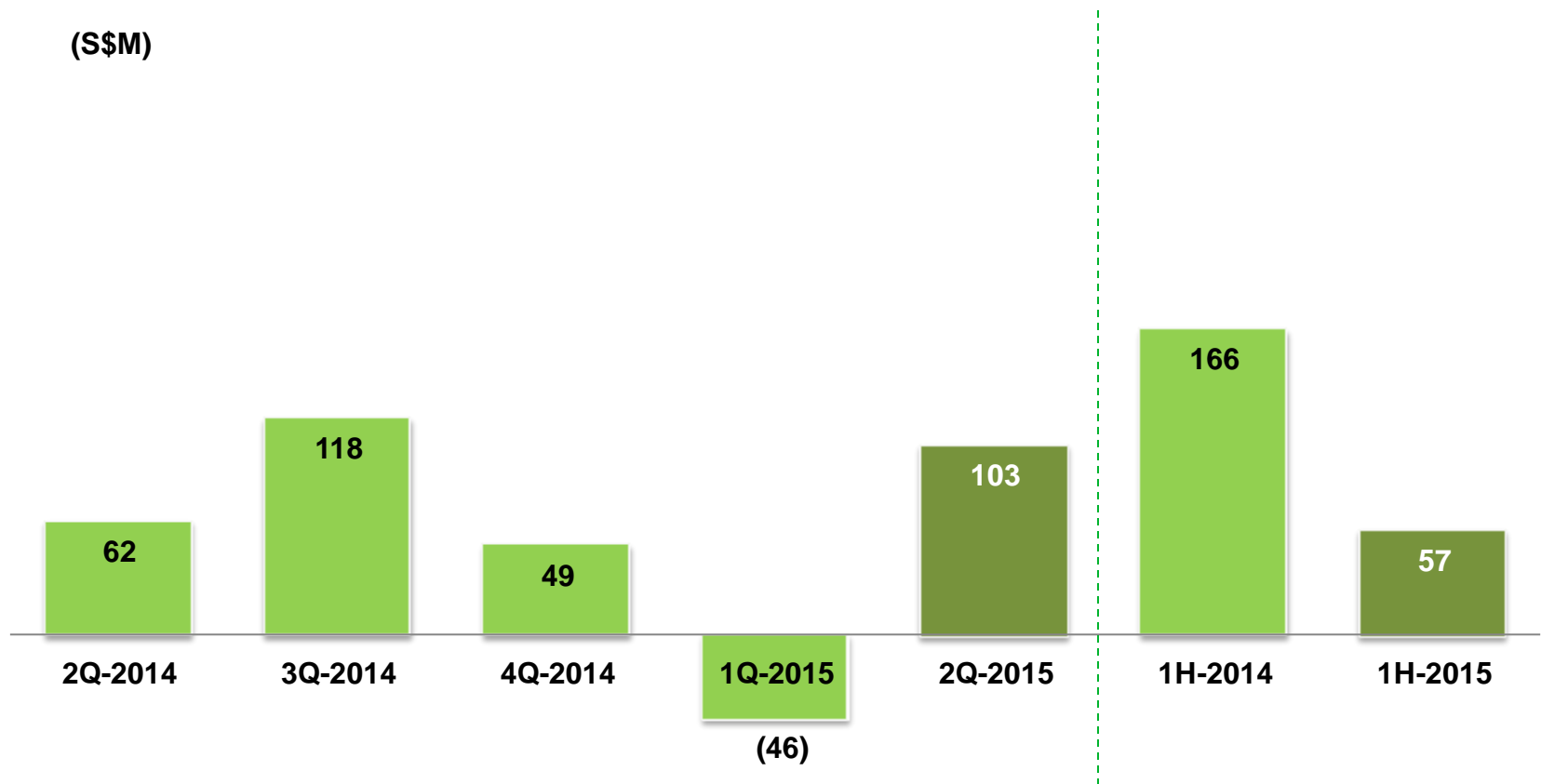


◆ Capex/Revenue

\* Numbers may not add up due to rounding.

# Free Cash Flow

(S\$M)



\* Numbers may not add up due to rounding.



2Q2015 Highlights

Financial Highlights

**Business Highlights - Mobile**

2015 Outlook

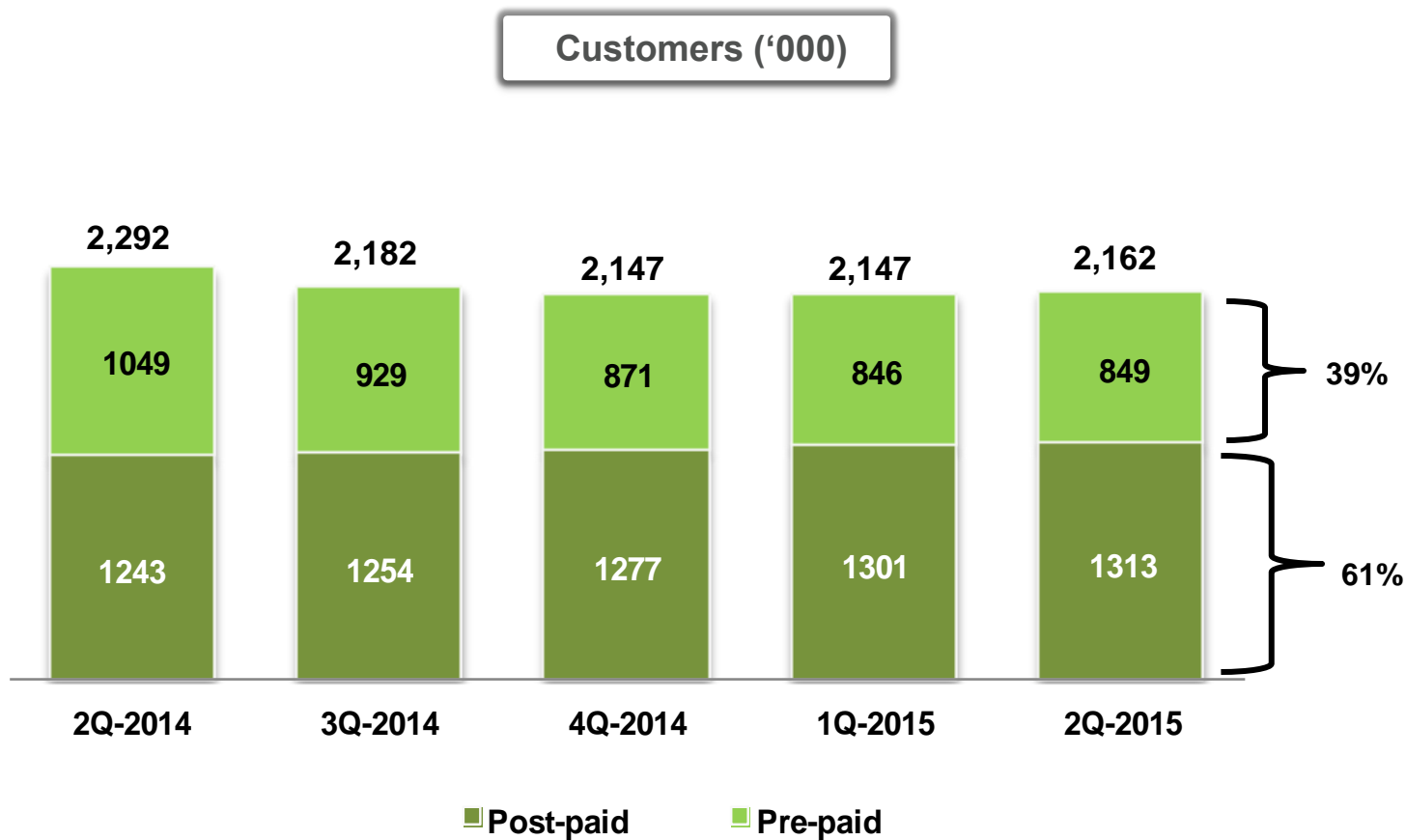
## Mobile (2Q-2015 vs 2Q-2014)

- ✓ Post-paid customer base expanded 70k
- ✓ Post-paid ARPU increased S\$2 to S\$70

More than 4G, it's  
**#4GHD**



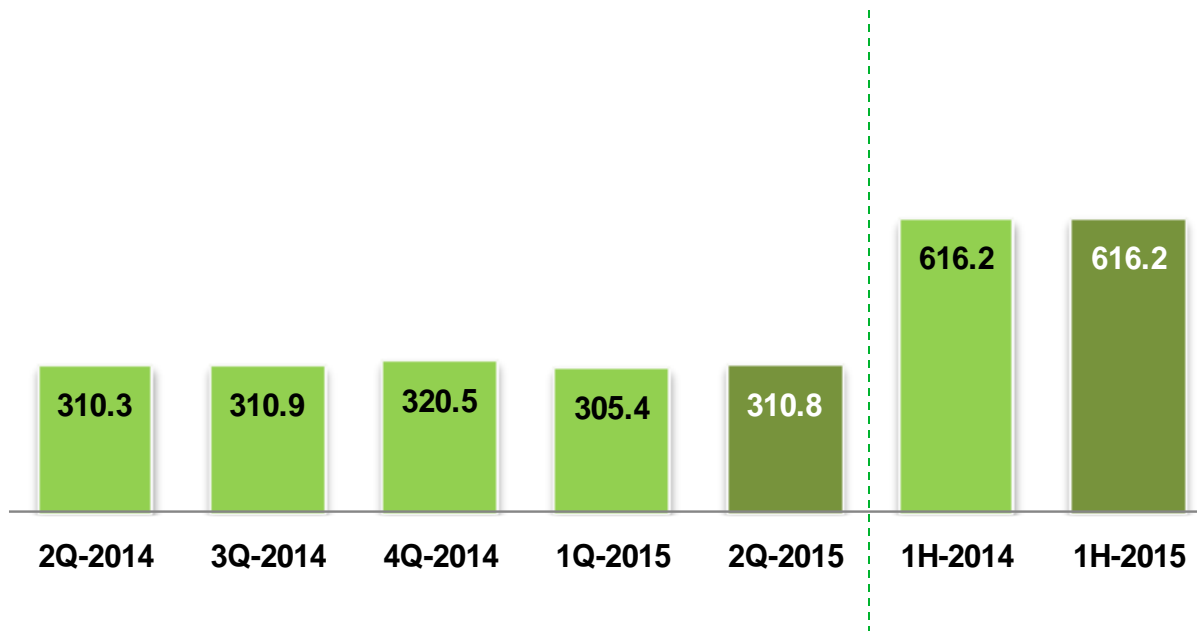
# Mobile Customer Base



\* Numbers may not add up due to rounding.

# Mobile Revenue

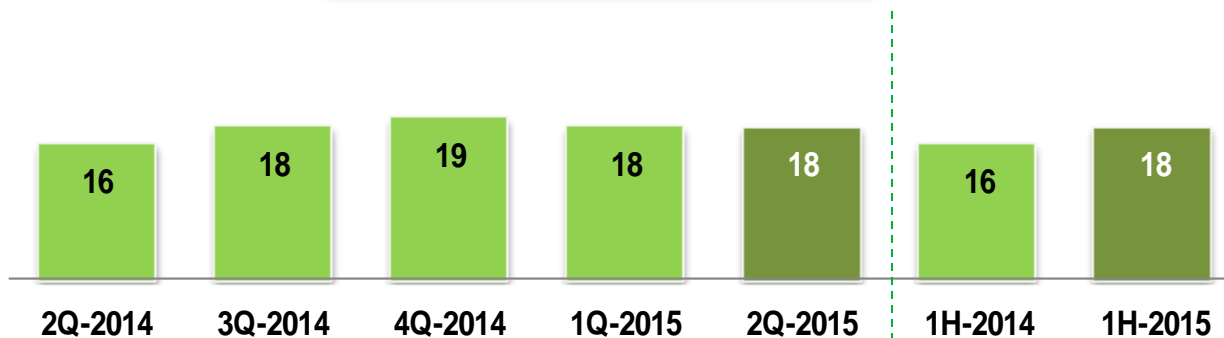
Mobile Revenue (S\$M)



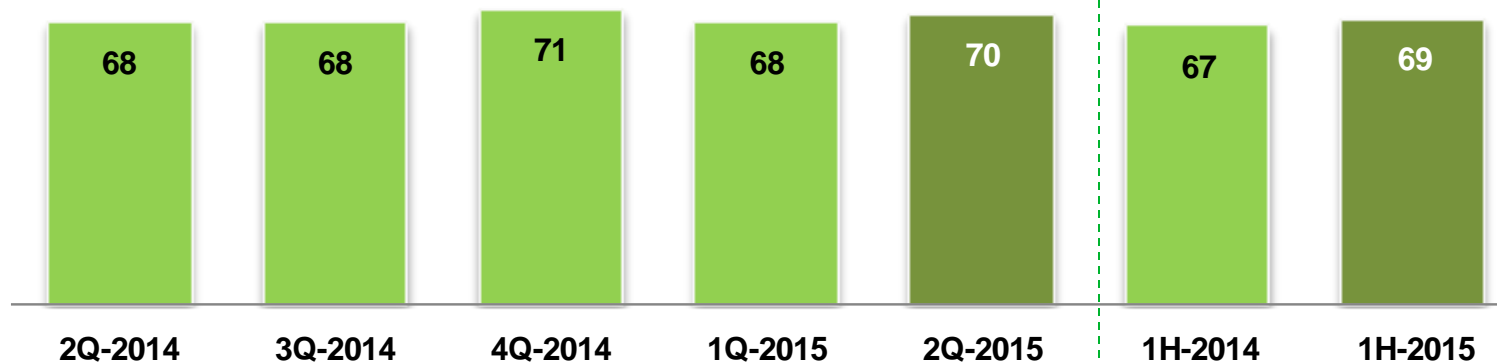
\* Numbers may not add up due to rounding.

# Mobile ARPU

Pre-paid ARPU (S\$ per month)



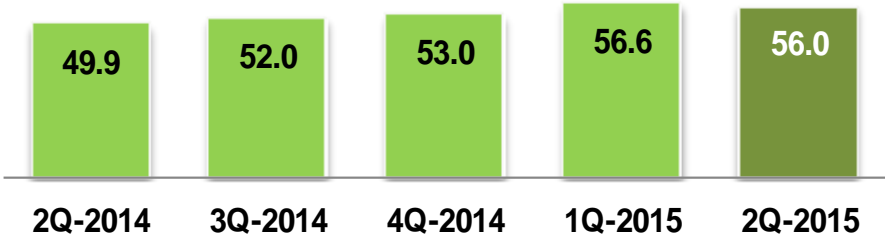
Post-paid ARPU\* (S\$ per month)



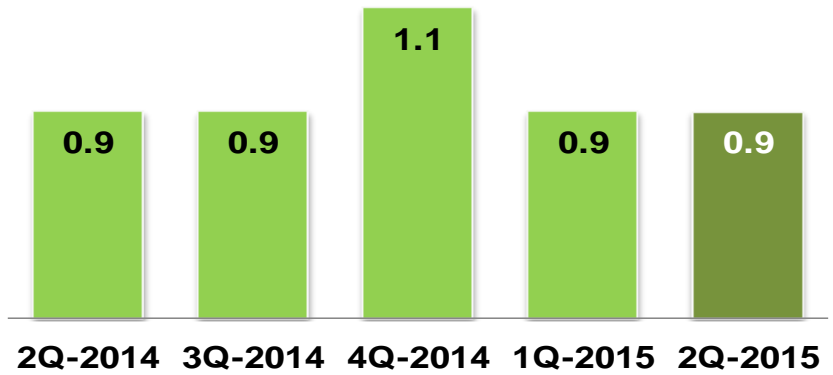
\* Restated to exclude internal revenue

# Mobile Non-Voice & Churn Trend

Post-paid Non-Voice Services\* (% of ARPU)



Post-paid Monthly Churn Rate (%)



\* Restated to exclude internal revenue

2Q2015 Highlights

Financial Highlights

**Business Highlights – Pay TV**

2015 Outlook

## Pay TV (2Q-2015 vs 2Q-2014)

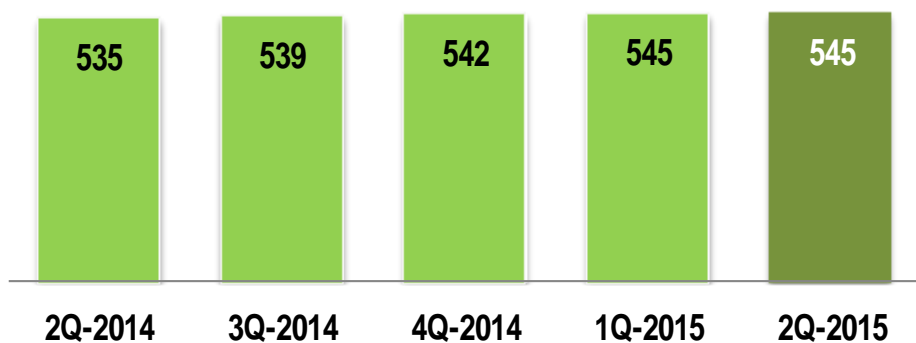
- ✓ Revenue decreased 1%
- ✓ ARPU at S\$52
- ✓ Customer base increased 10k



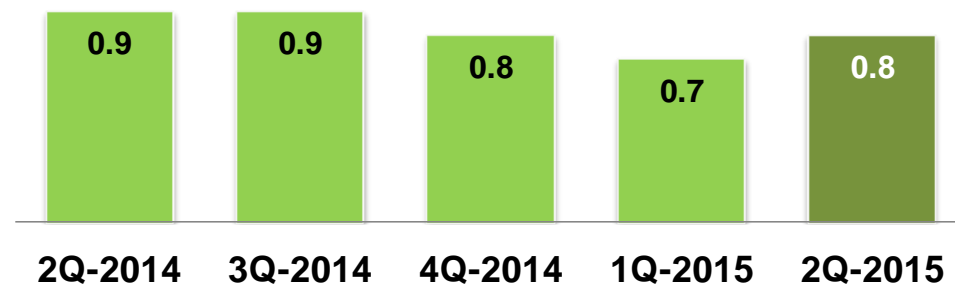


# Pay TV Base & Churn

Customers ('000)

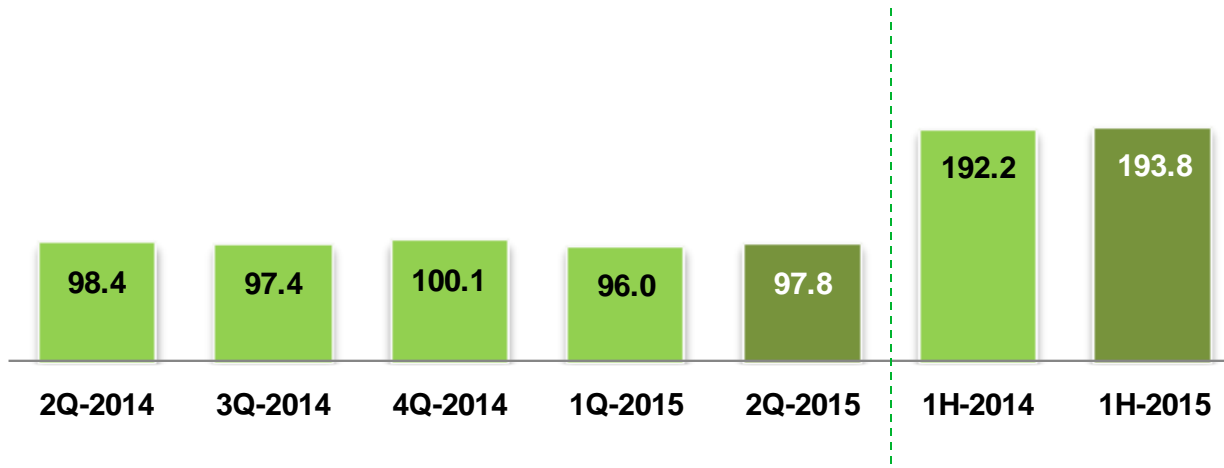


Average Monthly Churn Rate (%)

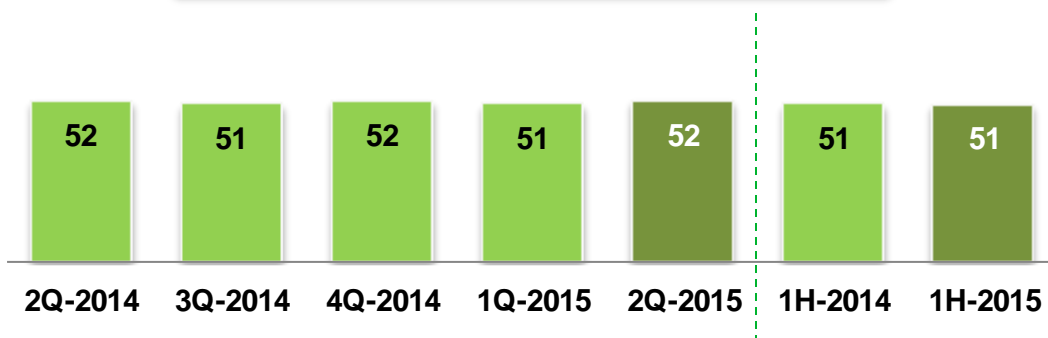


# Pay TV Revenue & ARPU

Pay TV Revenue (S\$M)



Residential Pay TV ARPU\* (S\$ per month)



\* Restated to exclude internal revenue

2Q2015 Highlights

Financial Highlights

**Business Highlights - Broadband**

2015 Outlook

## Broadband (2Q-2015 vs 2Q-2014)

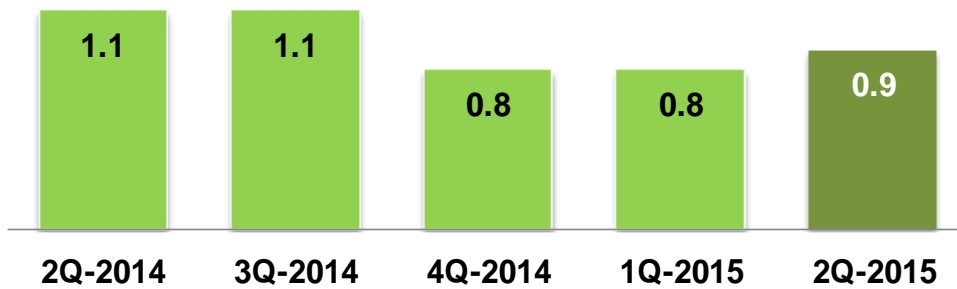
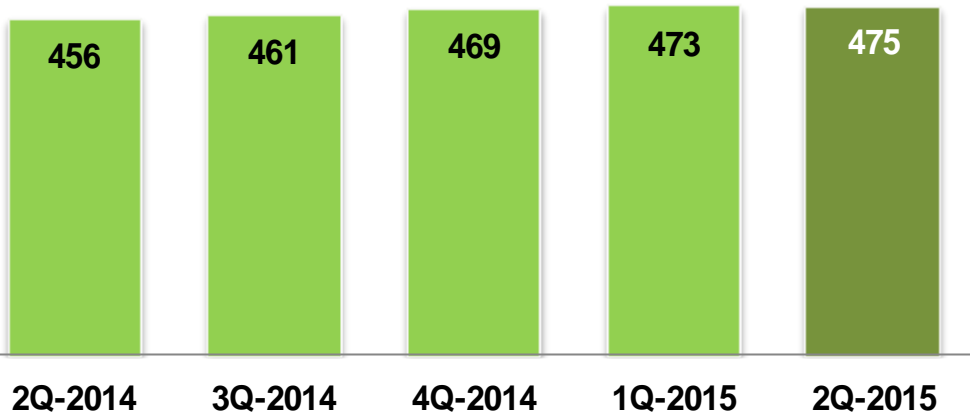
- ✓ Revenue decreased 4%
- ✓ ARPU at S\$33
- ✓ Customer base grew 19k



# Broadband Base & Churn

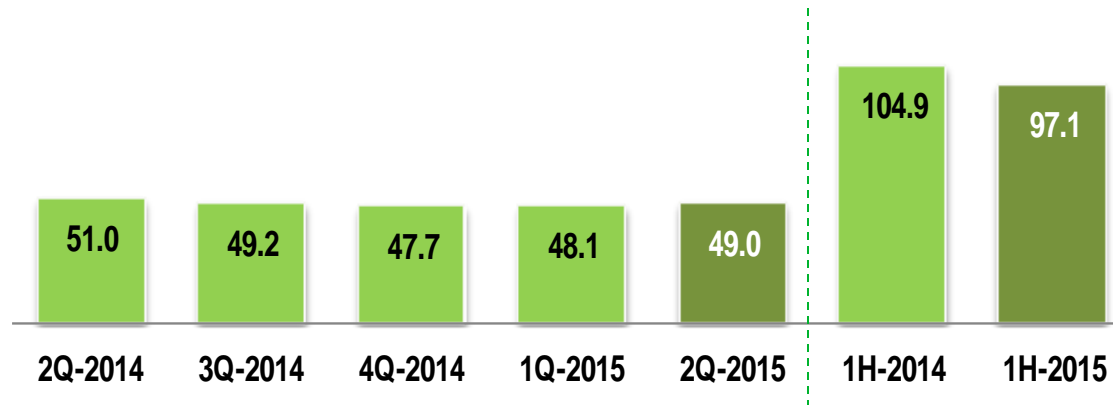
Customers ('000)

Average Monthly Churn Rate (%)

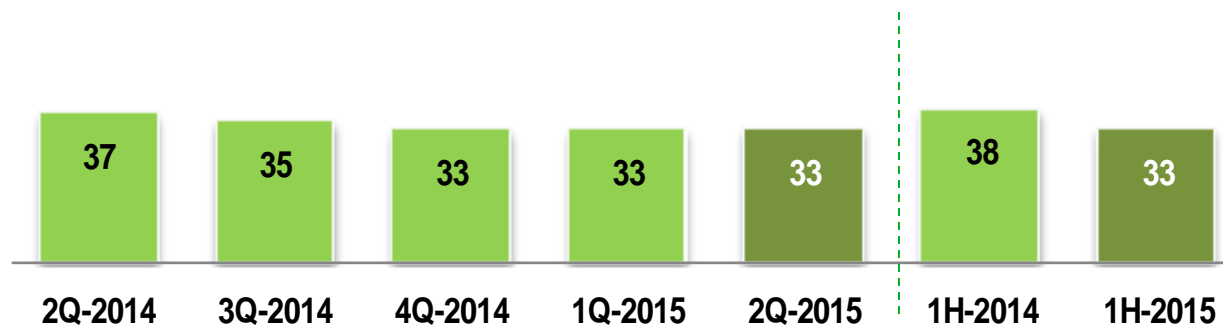


# Broadband Revenue & ARPU

Broadband Revenue (S\$M)



Residential Broadband ARPU\* (S\$ per month)



\* Restated to exclude internal revenue

2Q2015 Highlights

Financial Highlights

**Business Highlights – Fixed Network Services**

2015 Outlook

## Fixed Network Services (2Q-2015 vs 2Q-2014)

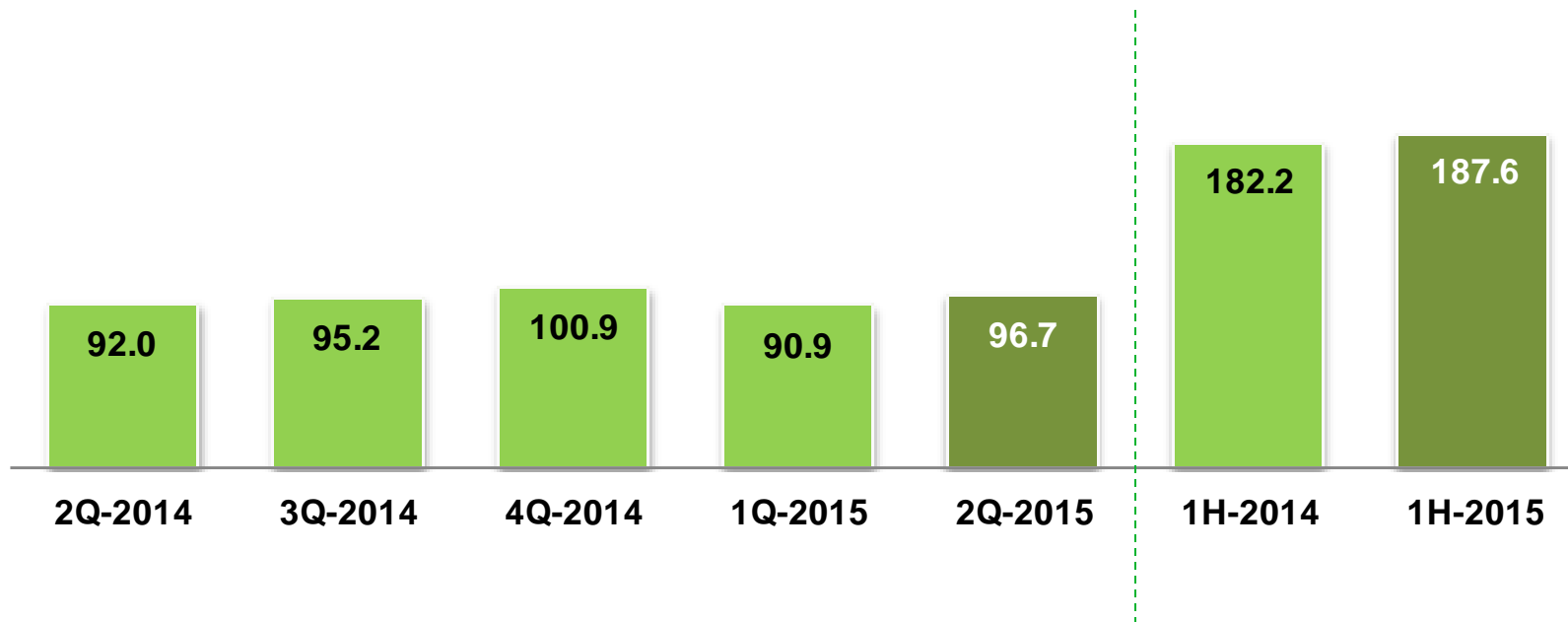
- ✓ Data & Internet revenue increased 7%
- ✓ Voice revenue decreased 6%





# Fixed Network Services

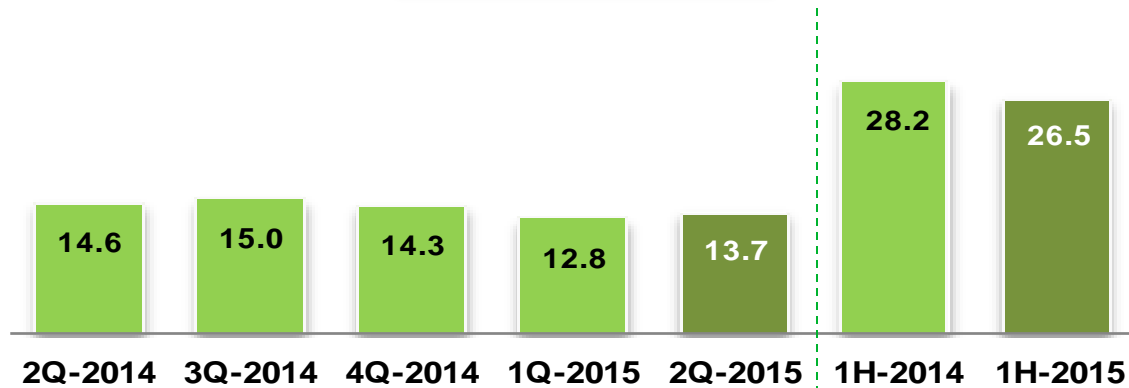
Fixed Network Revenue (S\$M)



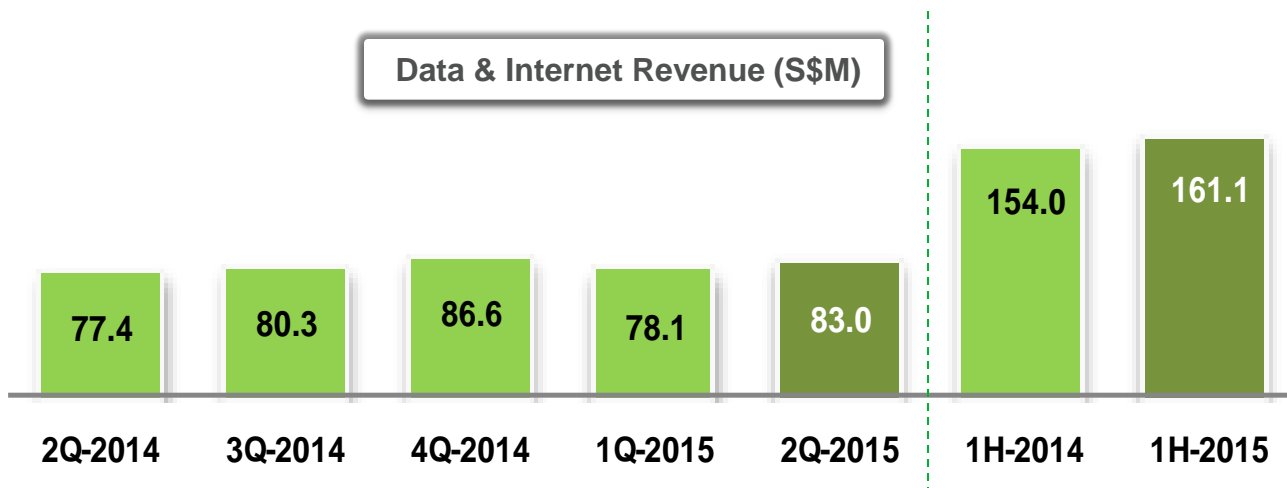
\* Numbers may not add up due to rounding.

# Voice/Data & Internet

Voice Revenue (S\$M)



Data & Internet Revenue (S\$M)



\* Numbers may not add up due to rounding.

2Q2015 Highlights

Financial Highlights

Business Highlights

2015 Outlook

## FY2015 Outlook

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- ✓ **Revenue:** Maintain service revenue growth in the low single-digit range
- ✓ **EBITDA:** Maintain EBITDA margin on service revenue to be about 32%
- ✓ **CAPEX:** Maintain cash capex to be about 13% of total revenue
- ✓ **Dividend:** Declare 2Q-2015 dividend of 5.0 cents per share  
Intend to maintain annual cash dividend of 20.0 cents per share for FY2015



## Investor Relations Contact

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