



StarHub

Many Lives of
**Hub
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StarHub Ltd Annual Report 2014



StarHub 4Q & FY2015 Results

16 February 2016

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.

Management Team



TAN Tong Hai
CEO



Dennis CHIA
CFO



Kevin LIM
CCO



Agenda

FY2015 Highlights

Financial Highlights

Business Highlights

2016 Outlook

Overview (FY-2015 vs FY-2014)

Financial

- Total revenue increased 2%
- Service revenue stable
- EBITDA decreased 5%
- EBITDA margin at 32.2%
- NPAT stable

Operational

- Revenue growth in Fixed Network
- Subscriber growth in post-paid Mobile & Residential Broadband
- Low churn rates seen across all businesses; especially for pay TV which registered 0.8%

Key Financial Highlights

| \$M | 4Q-2015 | 4Q-2014 | Change | FY-2015 | FY-2014 | Change |
|-------------------------------|--------------|---------|-----------|--------------|---------|-----------|
| Total Revenue | 634 | 647 | -2% | 2,444 | 2,387 | 2% |
| Service Revenue | 563 | 569 | -1% | 2,216 | 2,218 | 0% |
| EBITDA | 157 | 192 | -18% | 713 | 748 | -5% |
| EBITDA Margin | 27.9% | 33.8% | -5.9% pts | 32.2% | 33.7% | -1.6% pts |
| Taxation | (7) | (22) | -71% | (68) | (86) | -21% |
| Net Profit After Tax | 81 | 94 | -14% | 372 | 371 | 0% |
| Capex Cash Payments | 103 | 86 | 20% | 329 | 322 | 2% |
| % of Capex to Revenue | 16.3 | 13.3 | 3.0% pts | 13.5 | 13.5 | - |
| FCF / Fully Diluted Share | 1.1¢ | 2.8¢ | -60% | 12.4¢ | 19.2¢ | -35% |
| Net Debt to 2014 EBITDA ratio | 0.69x | 0.57x | 0.12x | 0.69x | 0.57x | 0.12x |

Revenue Contribution

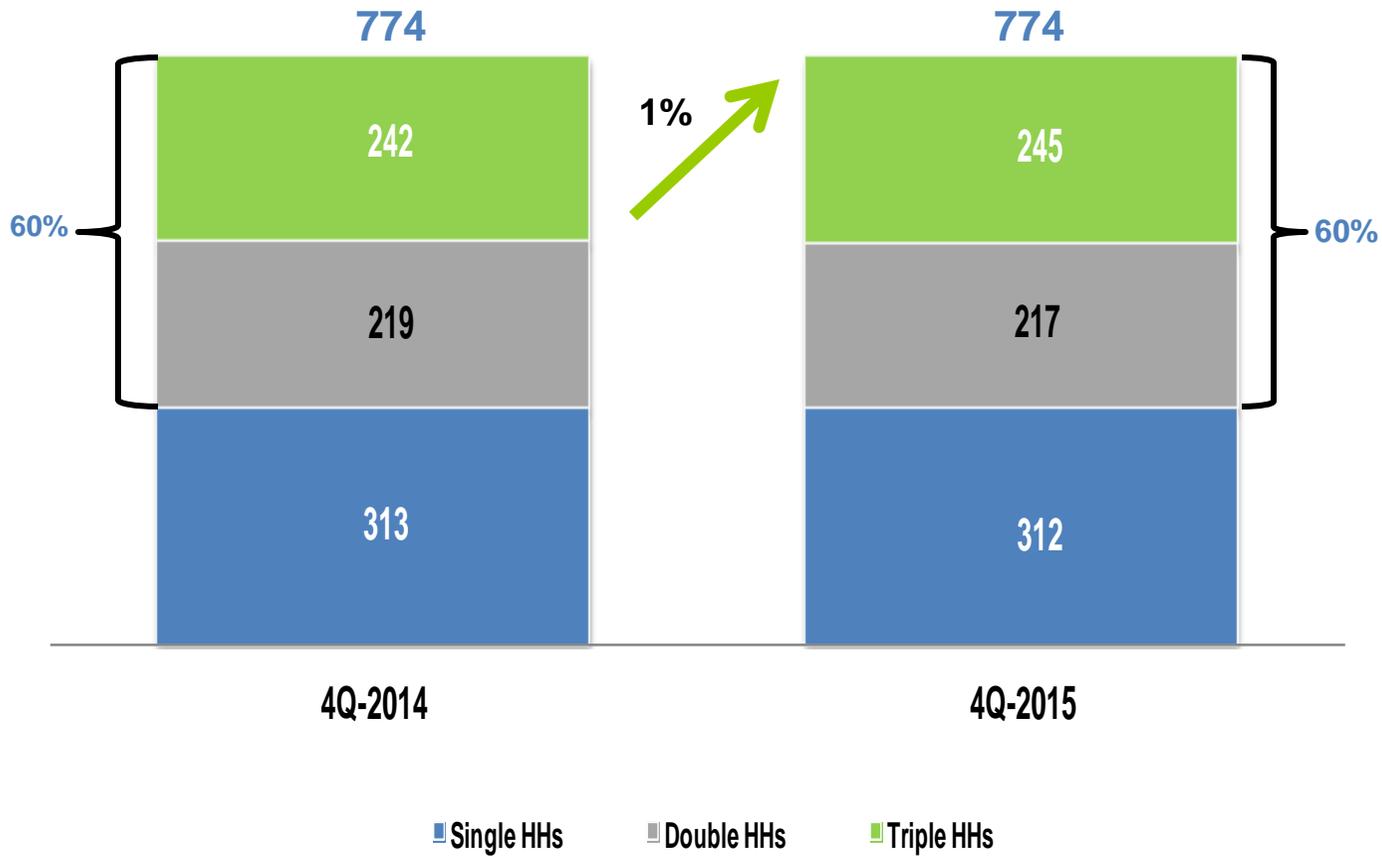
| Revenue | Quarter ended 31 Dec | | | | FY ended 31 Dec | | | |
|------------------------|----------------------|--------------|-----------------------|-------|-----------------|--------------|-----------------------|-------|
| | 2015 S\$m | 2014 S\$m | Incr / (Decr) S\$m | % | 2015 S\$m | 2014 S\$m | Incr / (Decr) S\$m | % |
| Mobile | 313.0 | 320.5 | (7.5) | (2.3) | 1,239.8 | 1,247.6 | (7.8) | (0.6) |
| Pay TV | 100.0 | 100.1 | (0.1) | (0.1) | 391.0 | 389.7 | 1.3 | 0.3 |
| Broadband | 52.1 | 47.7 | 4.4 | 9.2 | 200.3 | 201.9 | (1.6) | (0.8) |
| Fixed Network Services | 98.0 | 100.9 | (2.9) | (2.9) | 384.9 | 378.3 | 6.6 | 1.7 |
| Total service revenue | 563.1 | 569.2 | (6.1) | (1.1) | 2,216.0 | 2,217.5 | (1.5) | (0.1) |
| Sale of equipment | 70.7 | 78.2 | (7.5) | (9.6) | 228.3 | 169.7 | 58.6 | 34.5 |
| Total | 633.8 | 647.4 | (13.6) | (2.1) | 2,444.3 | 2,387.2 | 57.1 | 2.4 |

Revenue Mix

| Revenue mix | Quarter ended 31 Dec | | FY ended 31 Dec | |
|------------------------|----------------------|---------------|-----------------|---------------|
| | 2015 Mix % | 2014 Mix % | 2015 Mix % | 2014 Mix % |
| Mobile | 49.4 | 49.5 | 50.7 | 52.3 |
| Pay TV | 15.8 | 15.5 | 16.0 | 16.3 |
| Broadband | 8.2 | 7.4 | 8.2 | 8.5 |
| Fixed Network Services | 15.5 | 15.5 | 15.8 | 15.8 |
| Sale of equipment | 11.1 | 12.1 | 9.3 | 7.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 |

Hubbing Scorecard

Hubbing Households ('000)



* Numbers may not add up due to rounding.

FY2015 Highlights

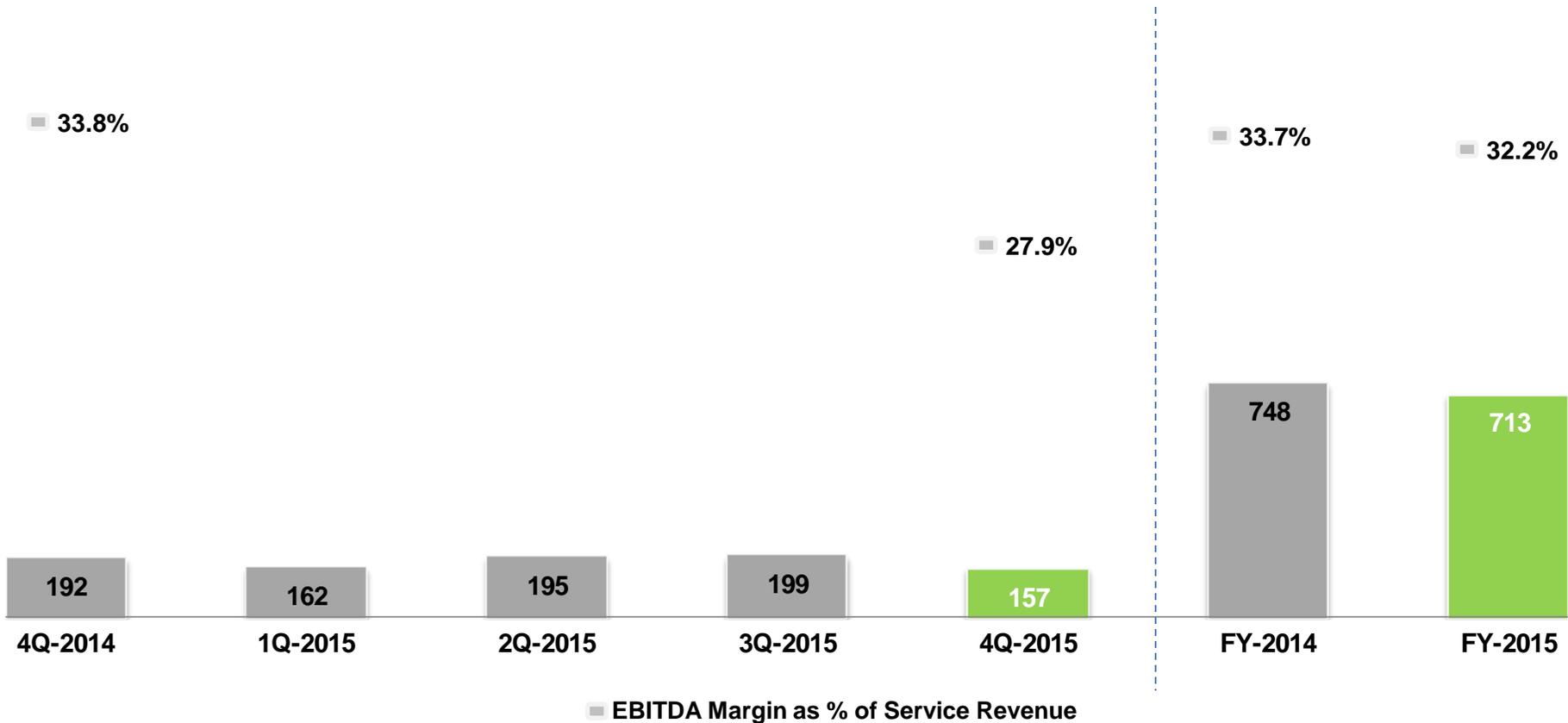
Financial Highlights

Business Highlights

2016 Outlook

EBITDA & EBITDA Margin

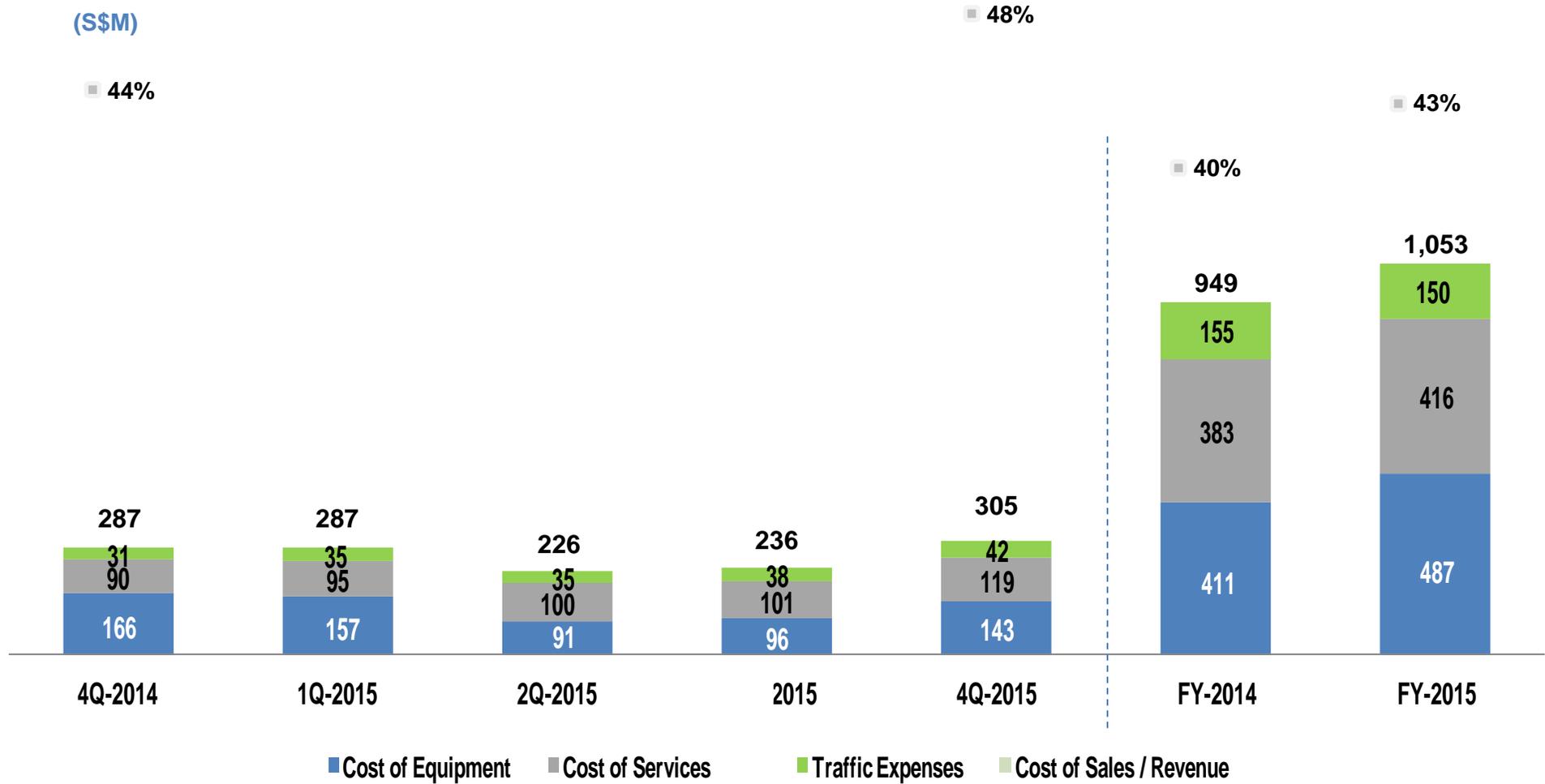
(S\$M)



* Numbers may not add up due to rounding.

Cost Of Sales

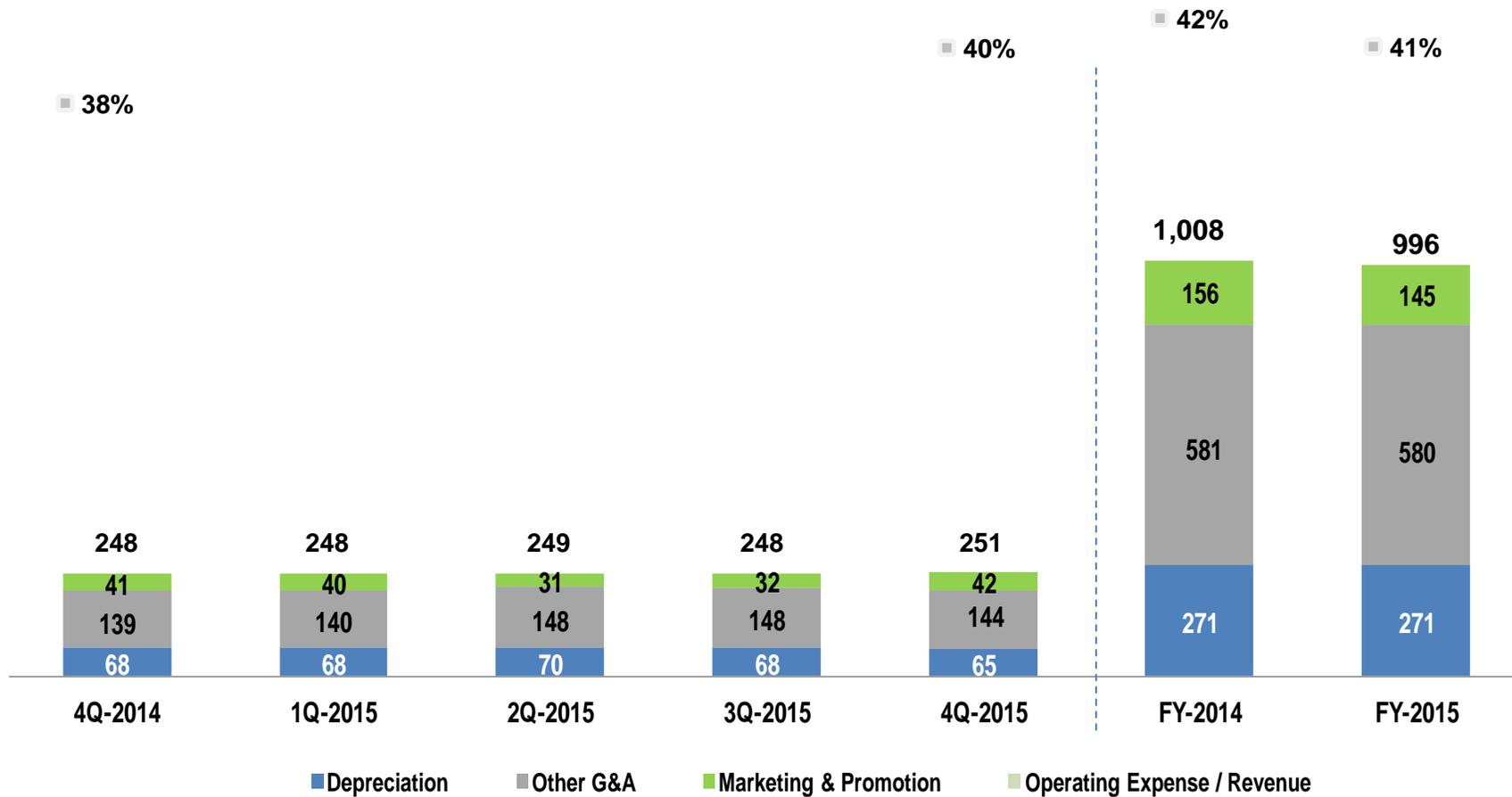
(S\$M)



* Numbers may not add up due to rounding.

Other Operating Expenses

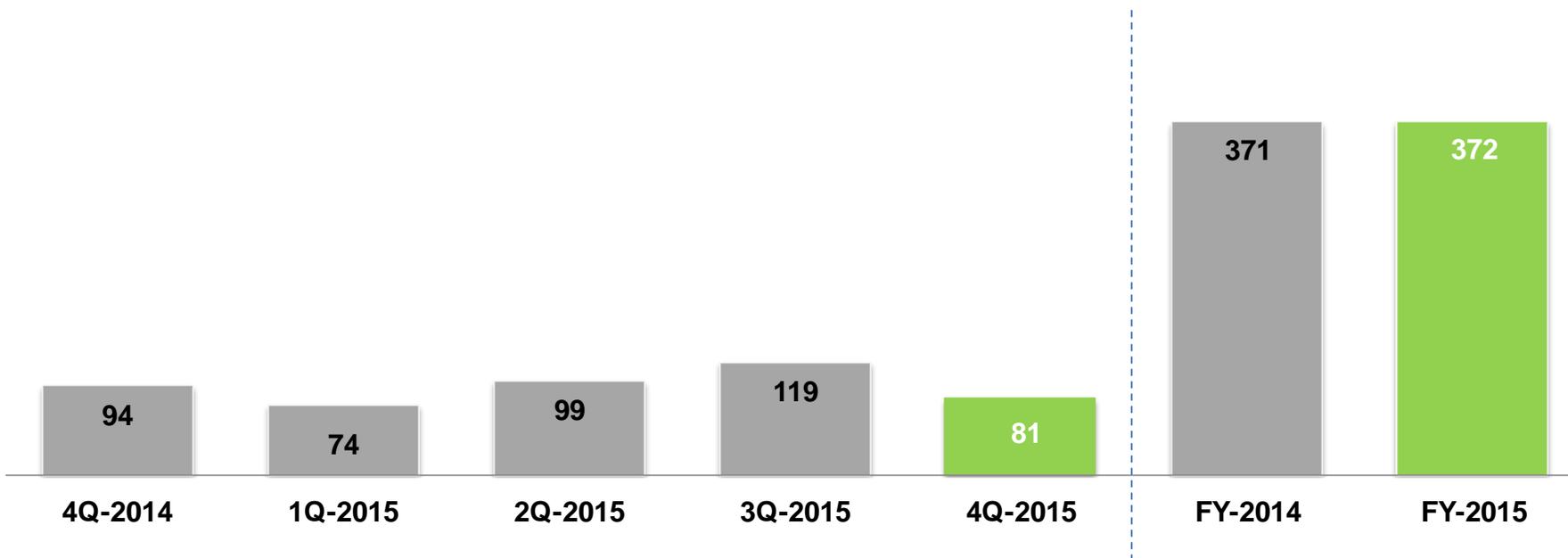
(S\$M)



* Numbers may not add up due to rounding.

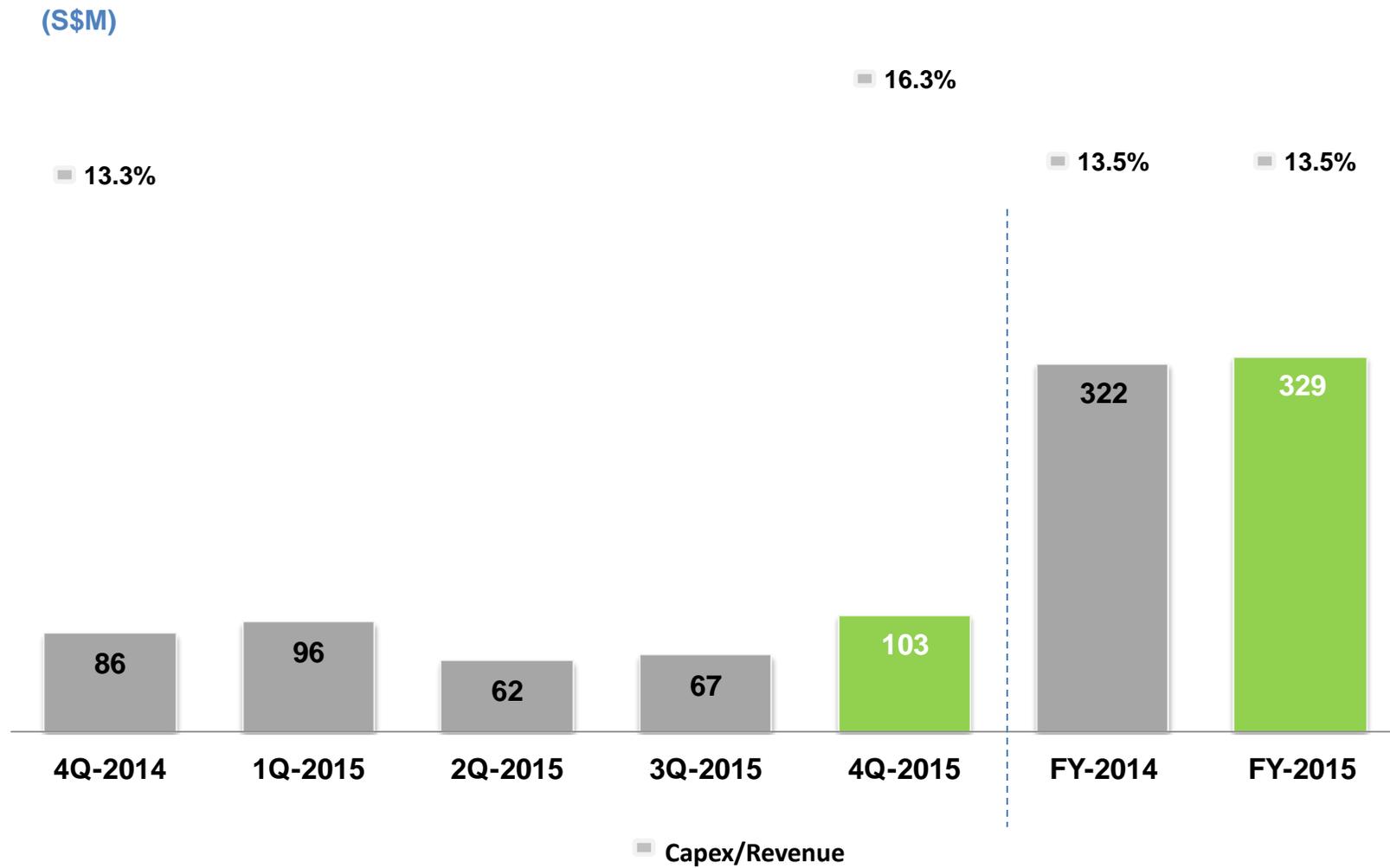
Net Profit After Tax

(S\$M)



* Numbers may not add up due to rounding.

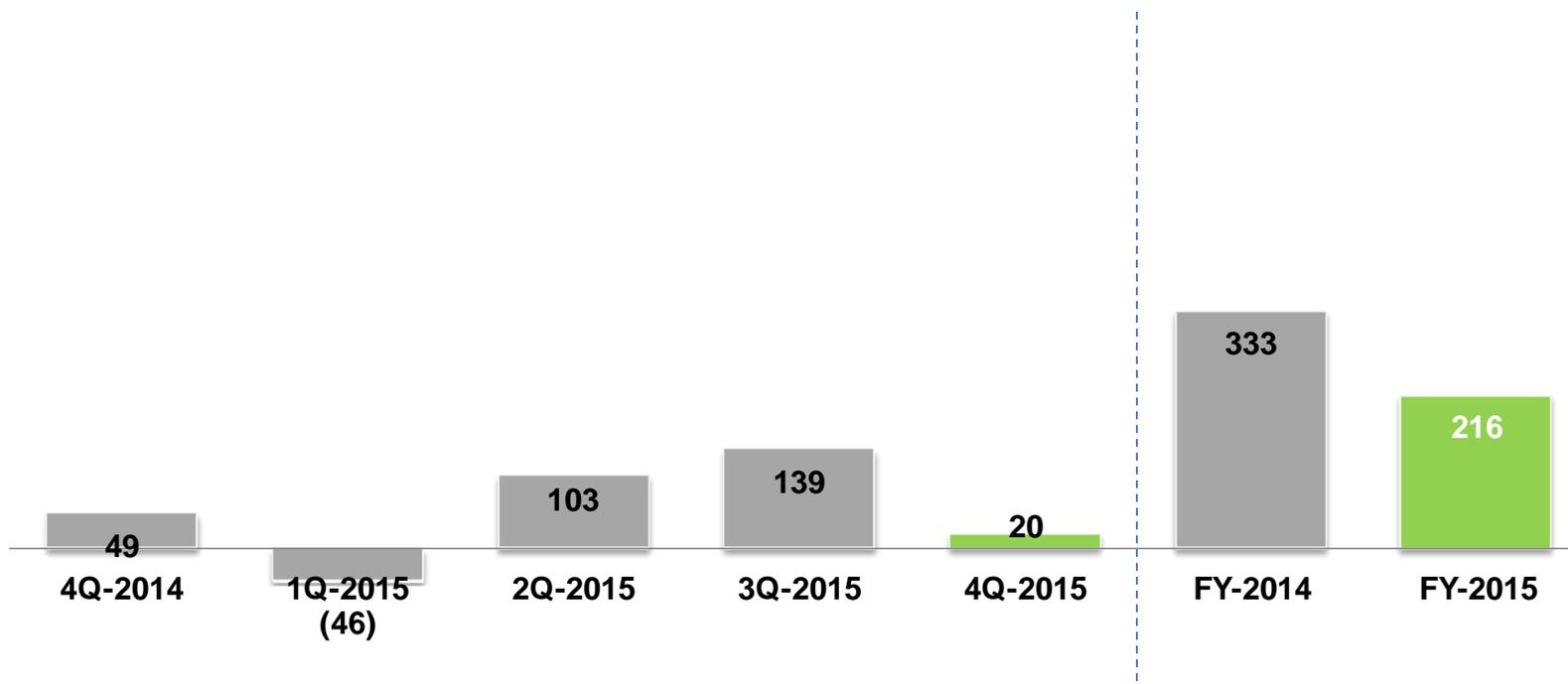
Capex (cash payments)



* Numbers may not add up due to rounding.

Free Cash Flow

(S\$M)



* Numbers may not add up due to rounding.

FY2015 Highlights

Financial Highlights

Business Highlights – Mobile

2016 Outlook

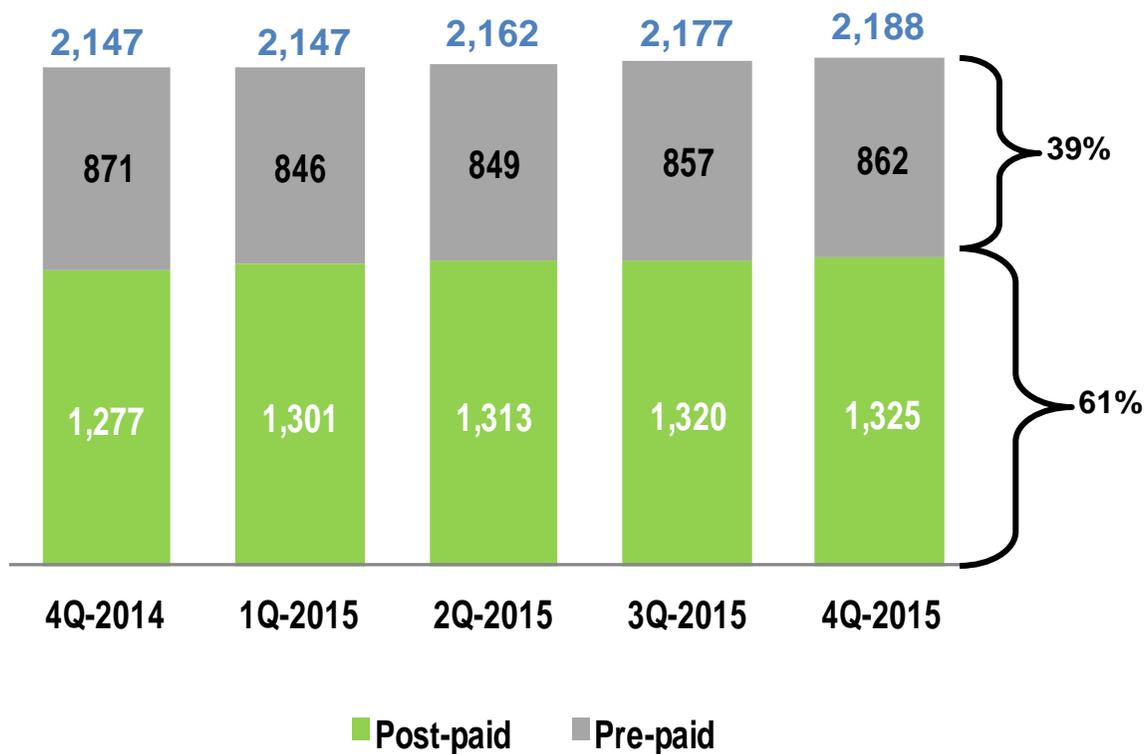
Mobile (FY-2015 vs FY-2014)

- ❖ Post-paid customer base expanded 49k
- ❖ Post-paid ARPU increased S\$2 to S\$70



Mobile Customer Base

Customers ('000)

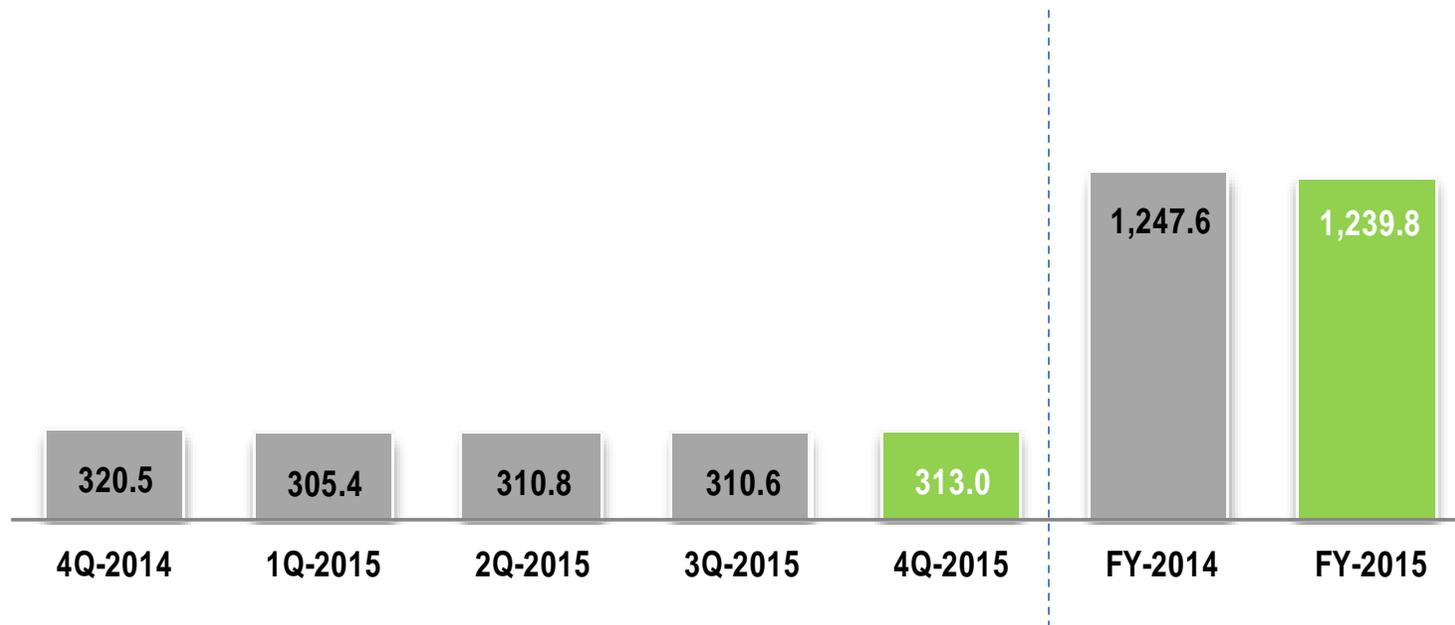


* Numbers may not add up due to rounding.



Mobile Revenue

Mobile Revenue (S\$M)

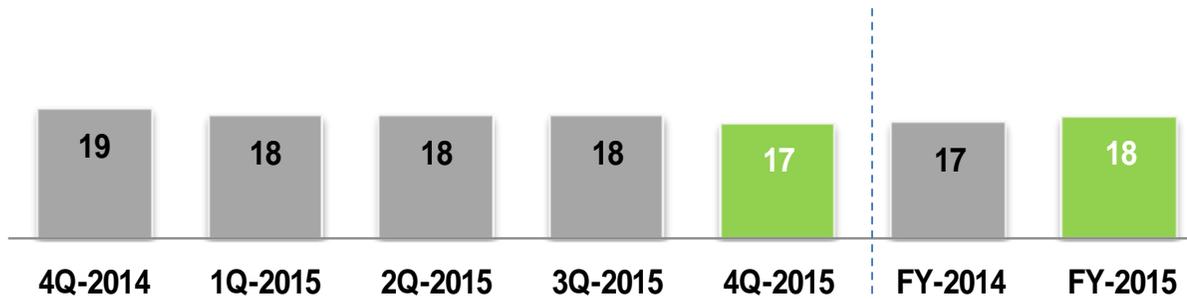


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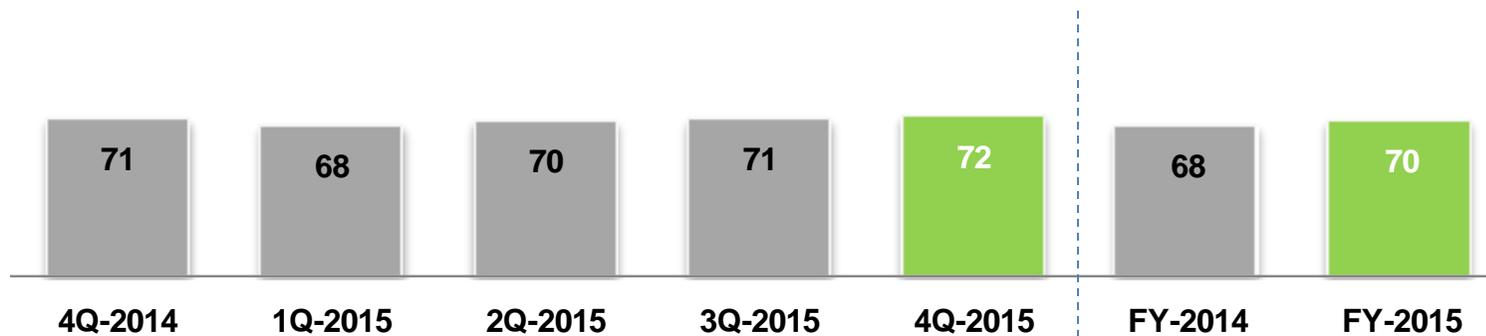


Mobile ARPU

Pre-paid ARPU (S\$ per month)



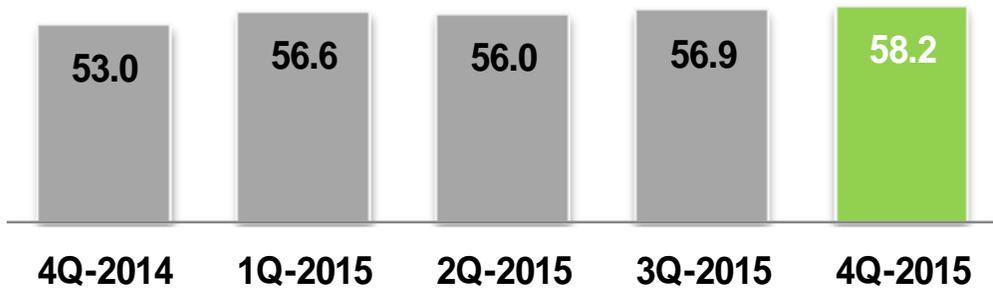
Post-paid ARPU (S\$ per month)



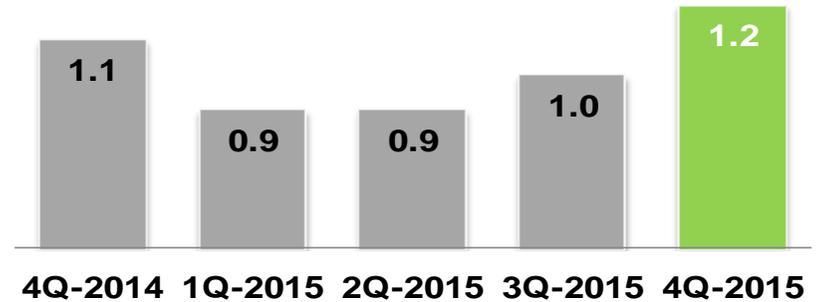


Mobile Non-Voice & Churn Trend

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



Post-paid Monthly Churn Rate (%)



FY2015 Highlights

Financial Highlights

Business Highlights – Pay TV

2016 Outlook

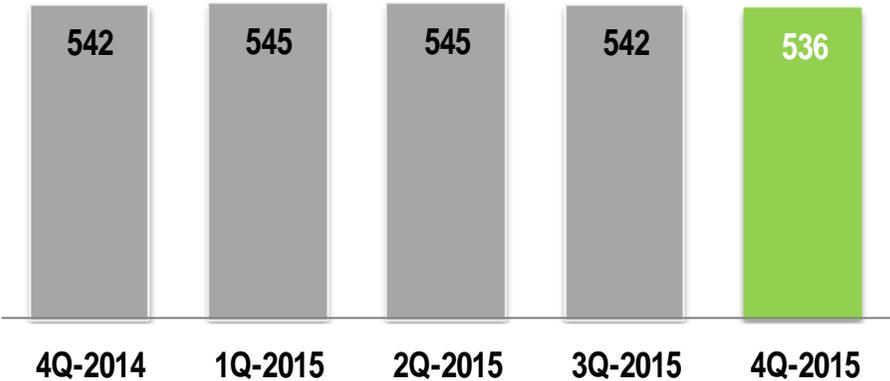
Pay TV (FY-2015 vs FY-2014)

- ❖ Revenue stable
- ❖ ARPU at S\$51
- ❖ Customer base decreased 6k

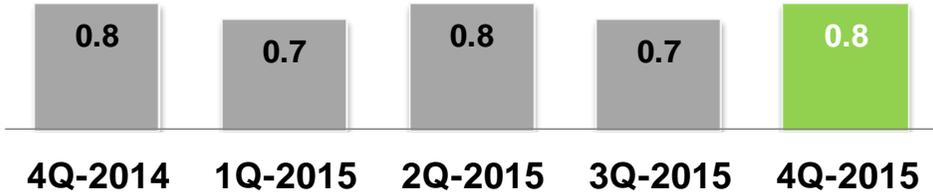


Pay TV Base & Churn

Customers ('000)

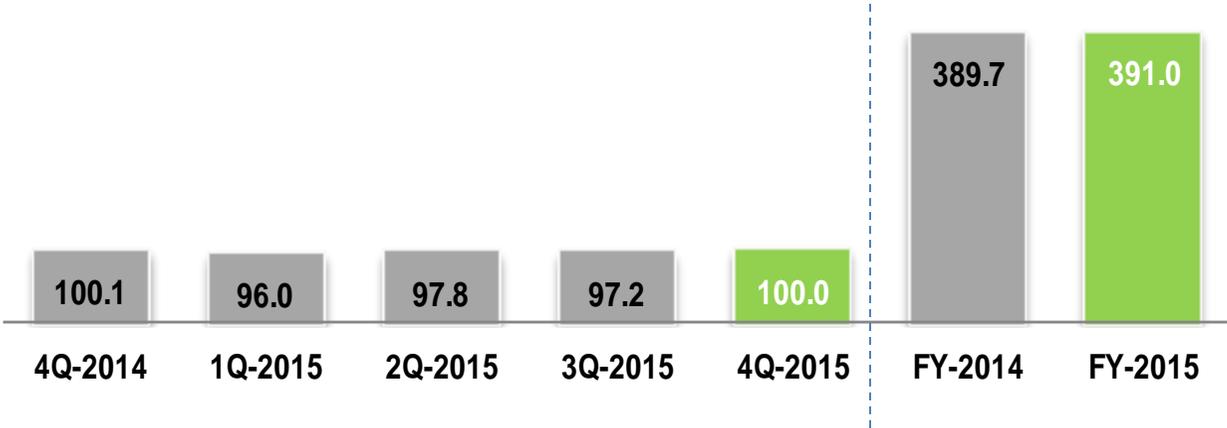


Average Monthly Churn Rate (%)



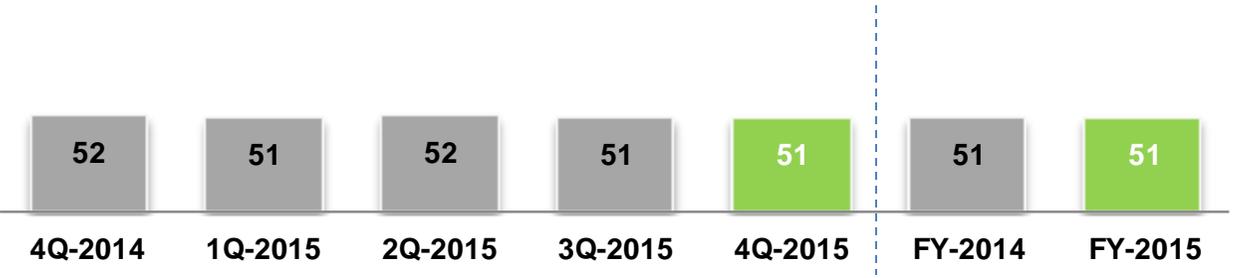
Pay TV Revenue & ARPU

Pay TV Revenue (S\$M)



* Numbers may not add up due to rounding.

Residential Pay TV ARPU (S\$ per month)



FY2015 Highlights

Financial Highlights

Business Highlights – Broadband

2016 Outlook

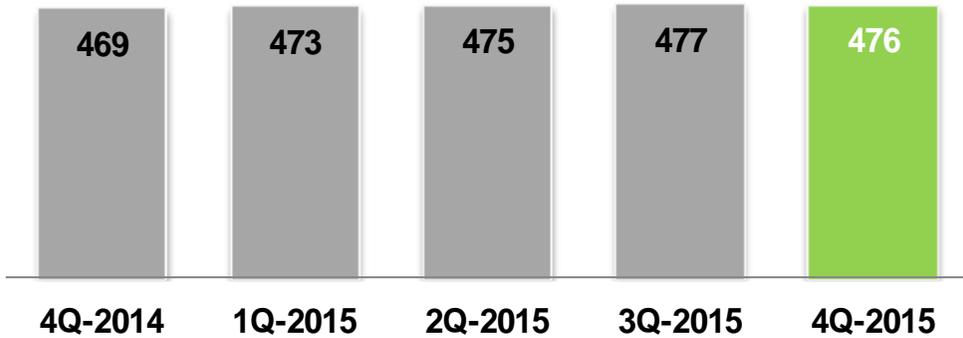
Broadband (FY-2015 vs FY-2014)

- ❖ Revenue decreased 1%
- ❖ ARPU at S\$34
- ❖ Customer base grew 6k

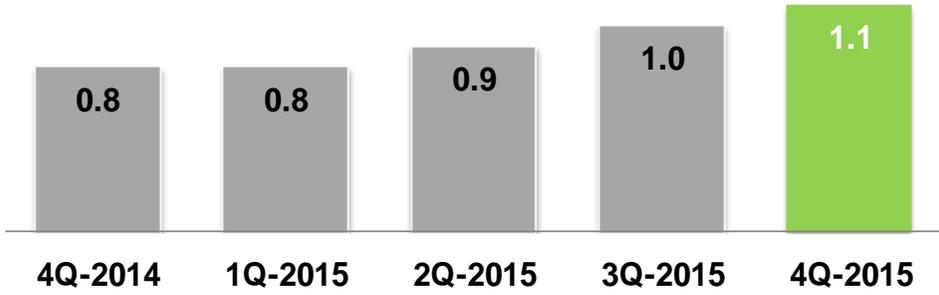


Broadband Base & Churn

Customers ('000)

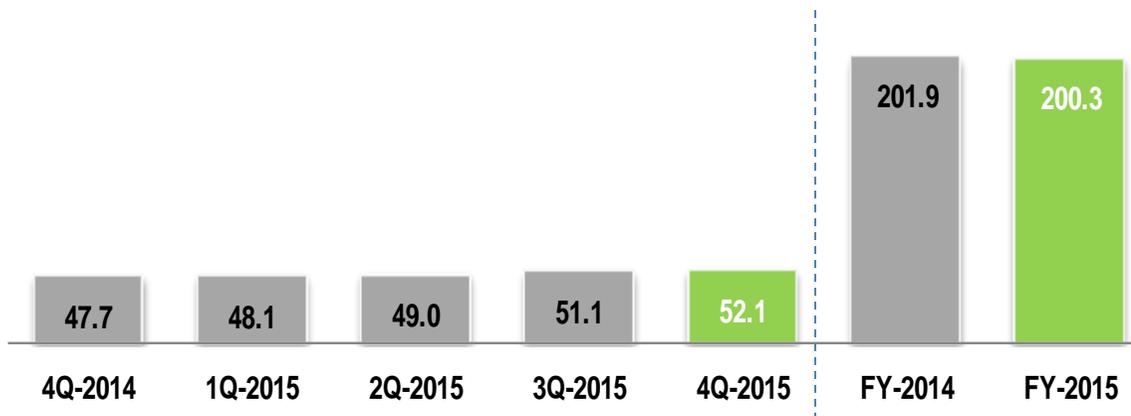


Average Monthly Churn Rate (%)



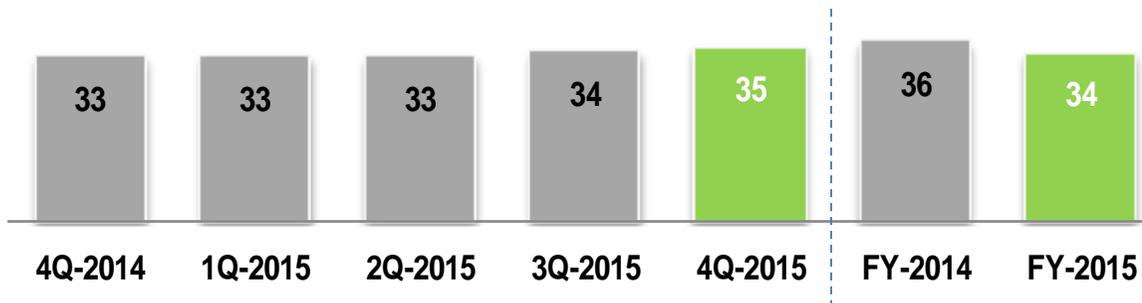
Broadband Revenue & ARPU

Broadband Revenue (S\$M)



* Numbers may not add up due to rounding.

Residential Broadband ARPU (S\$ per month)



FY2015 Highlights

Financial Highlights

Business Highlights – Fixed Networks

2016 Outlook

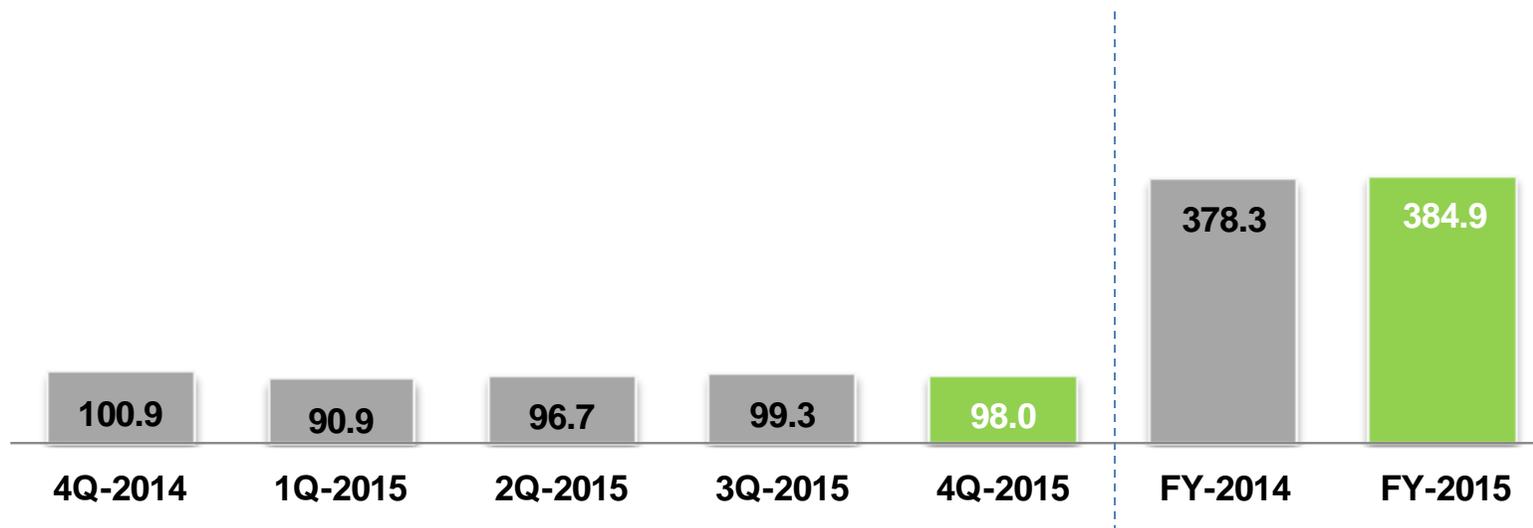
Fixed Network Services (FY-2015 vs FY-2014)

- ❖ Data & Internet revenue increased 3%
- ❖ Voice revenue decreased 6%



Fixed Network Services

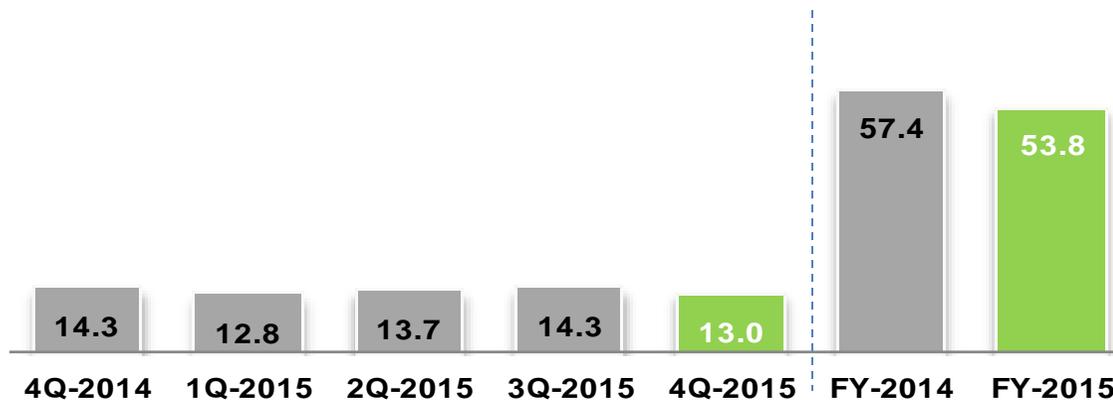
Fixed Network Revenue (S\$M)



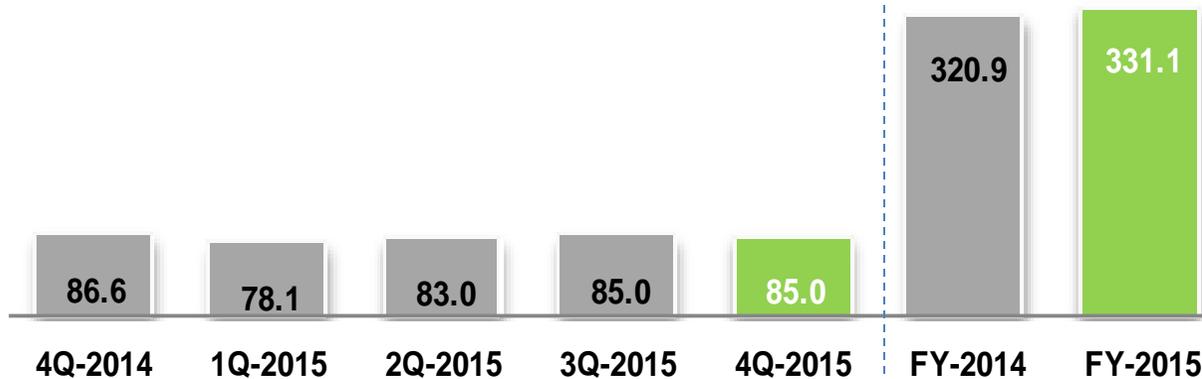
* Numbers may not add up due to rounding.

Voice/Data & Internet

Voice Revenue (S\$M)



Data & Internet Revenue (S\$M)



* Numbers may not add up due to rounding.

FY2015 Highlights

Financial Highlights

Business Highlights

2016 Outlook



FY2016 Outlook



- ❖ **Revenue:** Service revenue to grow in the low single digit
- ❖ **EBITDA:** EBITDA margin on service revenue to be about 31%
- ❖ **CAPEX:** Cash capex to be about 13% of total revenue
(excludes spectrum payment)
- ❖ **Dividend:** Intend to maintain annual cash dividend of 20.0 cents per share for FY2016
Propose final dividend of 5.0 cents per share for FY2015



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