



3Q/9M2020 BUSINESS PERFORMANCE UPDATE

6 November 2020





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.



KEY THEMES

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BUSINESS
HIGHLIGHTS &
OUTLOOK

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ENTERPRISE
BUSINESS
HIGHLIGHTS &
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01

3Q2020 FINANCIAL HIGHLIGHTS



3Q2020 AT A GLANCE



S\$489.7M TOTAL REVENUE	↓ 14.5% YoY ¹ ↑ 8.0% QoQ ²
S\$388.7M SERVICE REVENUE	↓ 10.6% YoY ¹ ↑ 3.3% QoQ ²
S\$131.1M SERVICE EBITDA ³	↓ 14.2% YoY ¹ ↑ 10.6% QoQ ²
33.7% SERVICE EBITDA MARGIN	↓ 1.4% pt YoY ¹ ↑ 7.0% pt QoQ ²
S\$44.5M NET PROFIT <small>(Attributable to shareholders)</small>	↓ 23.3% YoY ¹ ↑ 19.3% QoQ ²
S\$75.6M FREE CASH FLOW	↓ 29.3% YoY ¹ ↓ 51.4% QoQ ²

MOBILE

S\$134.1M REVENUE	↓ 29.4% YoY ¹ ↓ 6.5% QoQ ²	S\$29 ARPU (POSTPAID)	↓ 26.9% YoY ¹ ↓ 5.4% QoQ ²	1,454K SUBS (POSTPAID)	↑ 0.8% YoY ¹ ↑ 0.1% QoQ ²
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PAY TV

S\$47.1M REVENUE	↓ 16.0% YoY ¹ ↑ 0.5% QoQ ²	S\$40 ARPU	↓ 0.4% YoY ¹ ↑ 0.3% QoQ ²	321K SUBS	↓ 7.3% YoY ¹ ↓ 1.0% QoQ ²
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BROADBAND

S\$45.5M REVENUE	↑ 5.5% YoY ¹ ↑ 5.4% QoQ ²	S\$30 ARPU	↑ 8.2% YoY ¹ ↑ 5.2% QoQ ²	500K SUBS	↓ 1.0% YoY ¹ ↓ 0.2% QoQ ²
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NETWORK SOLUTIONS	CYBERSECURITY	REGIONAL ICT SERVICES
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S\$98.5M REVENUE	↓ 7.7% YoY ¹ ↓ 4.2% QoQ ²	S\$45.8M REVENUE	↑ 18.2% YoY ¹ ↑ 15.0% QoQ ²	S\$17.6M REVENUE	Consolidation of Strateq following completion of acquisition on 30 July 2020
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¹ Refers to 3Q2020 vs 3Q2019

² Refers to 3Q2020 vs 2Q2020



FINANCIAL OVERVIEW



S\$'M	3Q2020	3Q2019	Change (%)	9M2020	9M2019	Change (%)
Total Revenue	489.7	572.6	(14.5)	1,449.3	1,722.2	(15.8)
Service Revenue	388.7	434.7	(10.6)	1,169.8	1,321.4	(11.5)
Operating Expenses	434.5	501.6	(13.4)	1,301.8	1,521.9	(14.5)
Other Income	9.2	9.0	2.6	28.0	9.1	N.M. ³
EBITDA	143.0	170.5	(16.1)	408.5	478.7	(14.7)
Service EBITDA¹	131.1	152.8	(14.1)	375.3	443.2	(15.3)
Service EBITDA Margin (%)	33.7	35.1	(14.2) % pts	32.1	33.5	(1.4) % pts
Net Profit After Tax <i>Attributable to shareholders</i>	44.5	58.0	(23.3)	121.9	151.5	(19.6)
Free Cash Flow²	75.6	107.0	(29.3)	350.2	182.9	91.4
	As at 30 September 2020			As at 31 December 2019		
Net Debt to EBITDA (x)	1.45			1.51		

- 3Q2020 Opex decreased YoY due mainly to lower cost of sales and Other Opex, partially offset by the increase in Opex relating to Cybersecurity & Regional ICT services (consolidation of Strateq from 31 July 2020)
- 3Q2020 Other Income rose YoY due to Job Support Scheme payouts recognised (3Q2020: \$7.0M; 9M2020: \$22.7M) and higher income grant, partially offset by lower recovery of tunnel fees from TPG
- 9M2020 Free Cash Flow YoY growth was due to higher cash from operating activities coupled with lower Capex payments

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

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

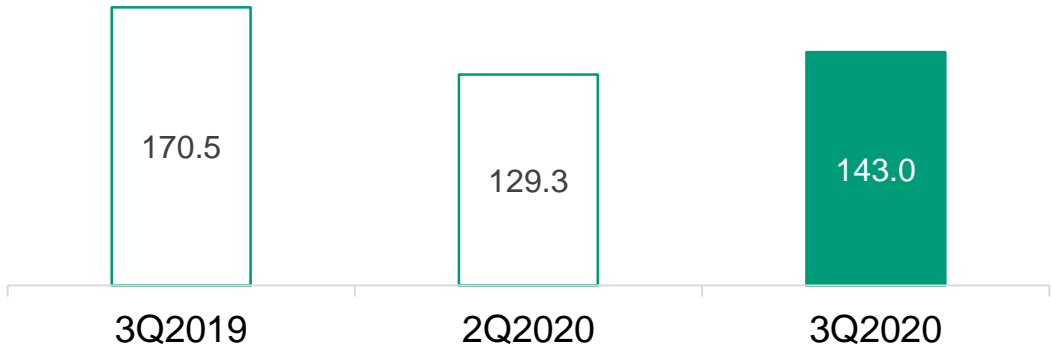
³ N.M. denotes Not Meaningful

* Numbers may not add up due to rounding / TTM = Trailing Twelve Months

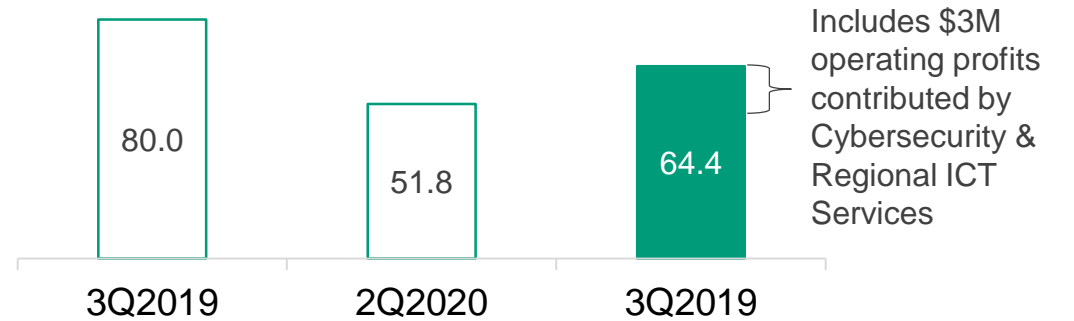
PROFIT HIGHLIGHTS



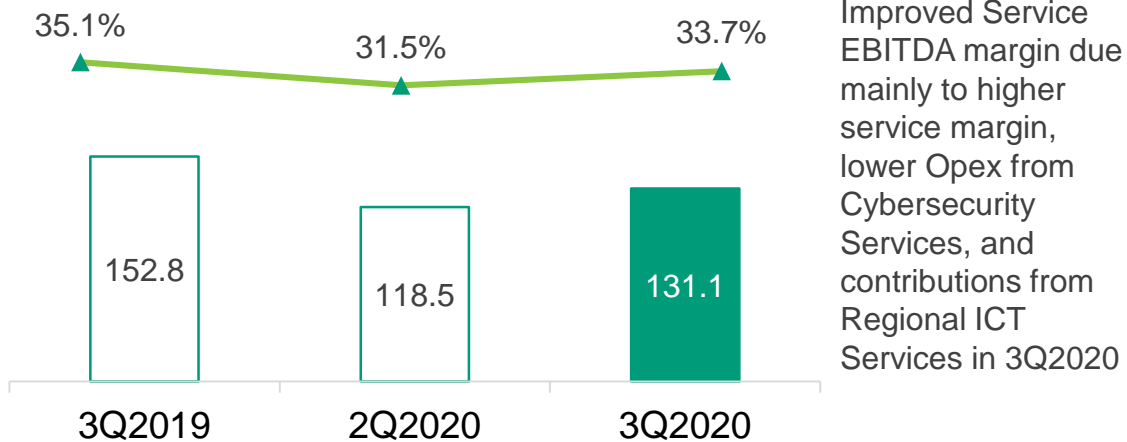
EBITDA (S\$'M)



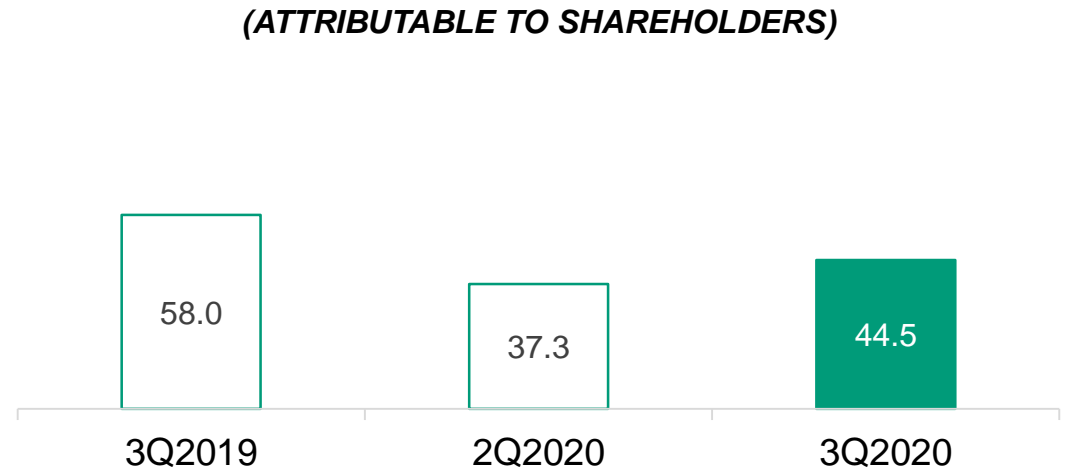
PROFIT FROM OPERATIONS (S\$'M)



SERVICE EBITDA (S\$'M) / MARGIN (%)



NET PROFIT (S\$'M)

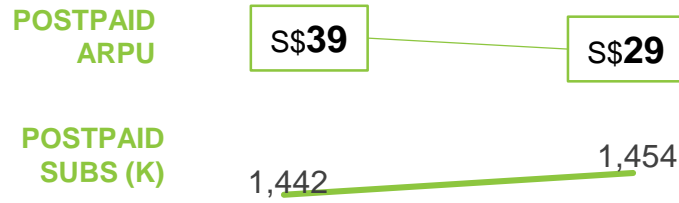


CONSUMER BUSINESS HIGHLIGHTS & OUTLOOK

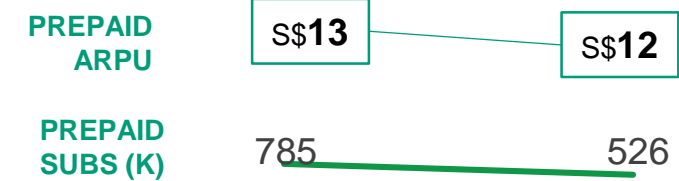
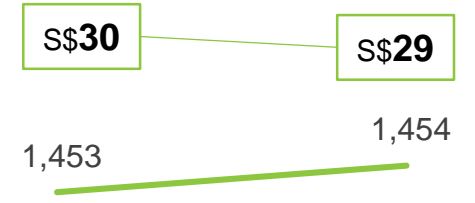


YOY PERFORMANCE & COMMENTARY

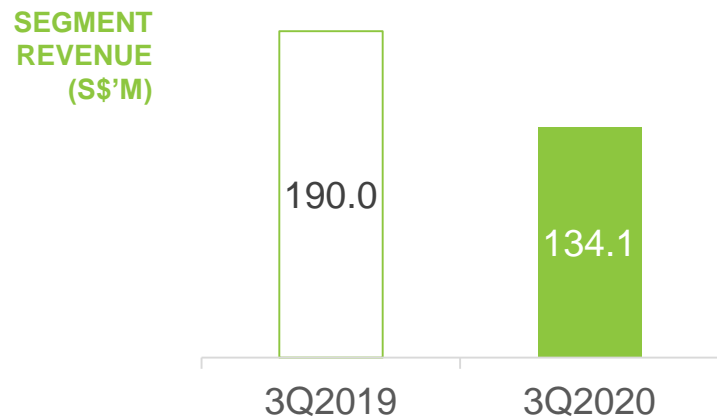
QOQ PERFORMANCE



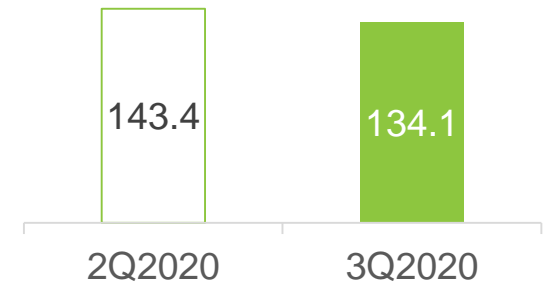
- Lower postpaid ARPU due to lower roaming, VAS and data usage revenues as a result of COVID-19 impact
- Increase in postpaid subscribers mainly due to higher giga! subscribers since its launch in June 2019
- Average monthly churn rate in 3Q2020 was 1.0% (2Q2020: 0.8%; 3Q2019: 1.6%)



- Lower prepaid subscriber base due to overall drop in tourist numbers as a result of COVID-19

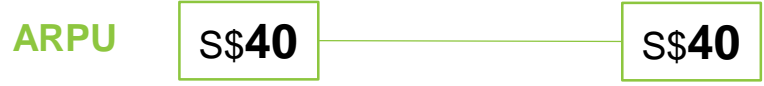


- Mobile service revenue declined 29.4% due to decrease in
 - Postpaid ARPU;
 - Prepaid revenues;
 - Offset by higher SMS and voice usage
- Overall average data usage continued to grow to reach 11.4Gb in 3Q2020 (2Q2020: 10.0Gb; 3Q2019: 8.8Gb)



YOY PERFORMANCE & COMMENTARY

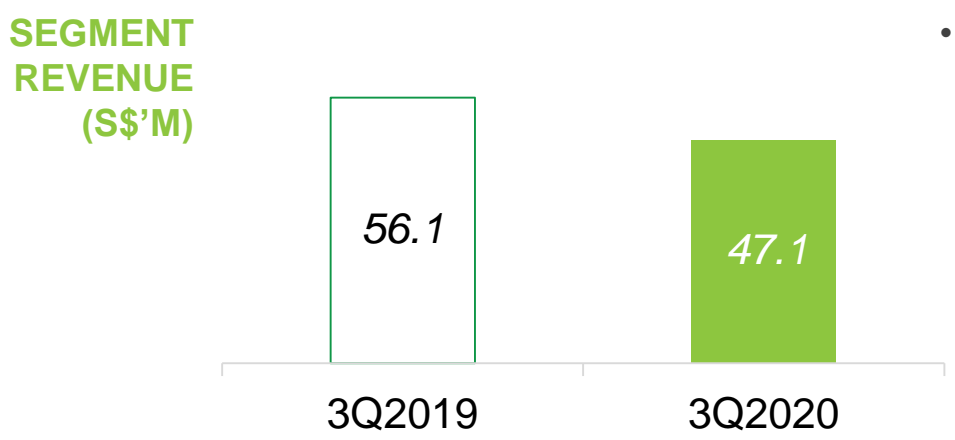
QOQ PERFORMANCE



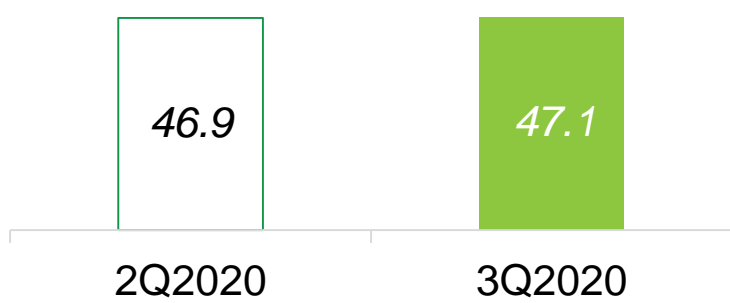
- Subscriber base has remained relatively stable since the completion of the cable-to-fibre migration in September 2019, declining 0.3% on average per month



- Average monthly churn rate in 3Q2020 was 0.7% (2Q2020: 0.4%; 3Q2019: 2.2%)



- YoY revenue decrease mainly due to:
 - Lower subscriber base relating to the cable-to-fibre migration in FY2019
 - COVID-19 impact on commercial revenue and advertising due to prudent cost management by commercial clients



YOY PERFORMANCE & COMMENTARY

QOQ PERFORMANCE

ARPU



- Higher ARPUs achieved due to reduced subscription discounts extended to customers



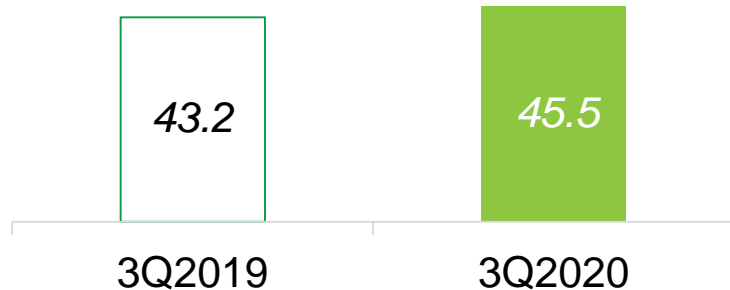
SUBS (K)



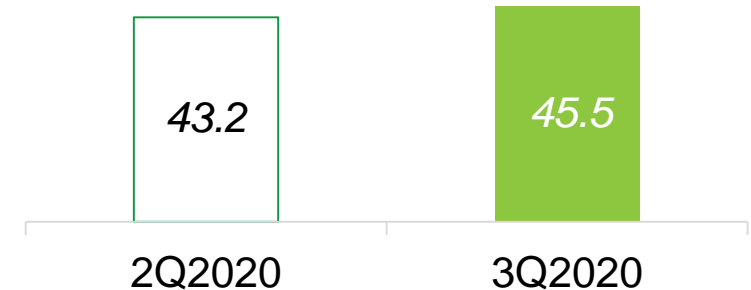
- Average monthly churn rate in 3Q2020 was 0.6% (2Q2020: 0.3%; 3Q2019: 0.9%)



SEGMENT REVENUE (\$'M)



- YoY revenue growth due to higher ARPU achieved

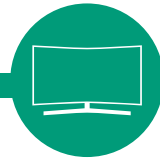




HELLO 5G

MOBILE+

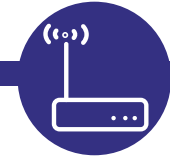
First in Singapore to launch 5G; widest population coverage of >70% as at end-September 2020.



PAY TV TRANSFORMATION

STARHUB TV+

Hybrid entertainment system, seamless OTT integration with Live TV / on-demand shows. Enhanced content delivery and entertainment experience.



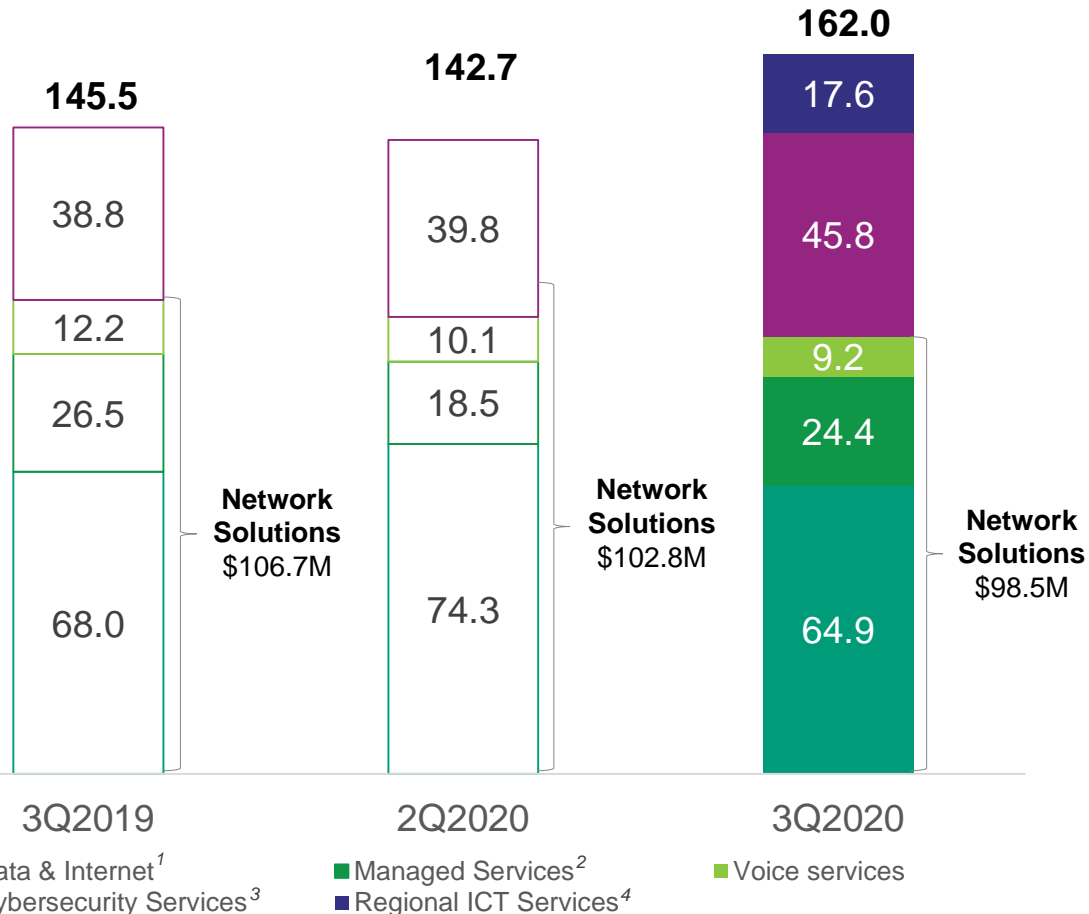
BROADBAND NICHE

Prudently manage ARPUs and strengthen foothold in higher-value segments such as gaming.

ENTERPRISE BUSINESS HIGHLIGHTS & OUTLOOK



ENTERPRISE REVENUE (S\$'M)



Enterprise Revenue

- 11.4% YoY growth due to higher Cybersecurity revenue and consolidation of Strateq under Regional ICT Services, offset by lower contributions from Network Solutions

Network Solutions

- Data & Internet – lower revenue due to renewals of domestic leased circuits at lower rates
- Managed Services – fewer project completions due to delayed customer spending resulting from COVID-19 impact
- Voice Services – lower voice and international traffic due to COVID-19 impact

Cybersecurity & Regional ICT Services

- Cybersecurity revenue growth due to consolidation of Ensign and higher business demand
- Consolidation of Strateq following completion of acquisition on 30 July 2020
- Operating profits from both segments reached \$3M in 3Q2020, a \$6.7M YoY improvement from 3Q2019

¹ SmartUC & SIP Trunking have been reclassified from Data & Internet to Voice Services

² Managed Services include Analytics, Cloud, ICT solutions and Facility Management

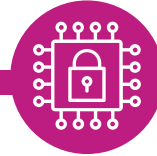
³ Includes service revenue from Ensign & D'Crypt

⁴ Includes service revenue from Strateq



NETWORK SOLUTIONS

- Gradual increase in activity in Phase Two of Singapore's reopening
- Enterprises expected to continue investing in network infrastructure as part of digitalisation journey
- Continued deferment of new investments resulting in projects to be delivered next year



CYBERSECURITY SERVICES

- **Ensign:** continue to strengthen capabilities & pursue significant growth opportunities in Asia-Pacific
- **D'Crypt:** commenced delivery of units for the Intelligent Transport Systems as part of the Singapore Mobility 2030 plan and IoT devices for contact tracing



REGIONAL ICT SERVICES

- Pursue growth in cloud services, data analytics and SaaS to ride digitalisation wave

04

RECENT DEVELOPMENTS



IT TRANSFORMATION
COMMENCED 3Q2020

Technology &
Business
Transformation

IT
Rightsourcing

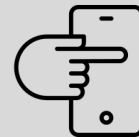
BACKBONE OF STARHUB'S DIGITAL STRATEGY

DIGITAL BUSINESS TRANSFORMATION

- 1] Leading and differentiated digital customer experiences
- 2] Product simplification and rationalization
- 3] Lean and automated processes
- 4] Data and AI driven
- 5] Agile operating and delivery model



+43% Digital sales transaction
YoY Growth¹



+12% My StarHub App - Monthly Active Users
YoY Growth¹

SINGAPORE'S WIDEST 5G NSA COVERAGE

As at September 2020

70%
National Coverage



- Commenced 3.5GHz 5G SA rollout planned for 4Q2020; vendors have been appointed
- Completed 5G base station sites identification; site preparation and installation are underway
- In progress: (i) Implementation of 5G SA Core network; and (ii) transmission network to serve the new 5G base stations



5G HANDSETS

Apple	iPhone 12, <i>iPhone 12 mini</i> , iPhone 12 Pro, <i>iPhone 12 Pro Max</i>
HUAWEI	P40 Pro, Pro+ 5G
Samsung	Galaxy S20 Ultra 5G, Galaxy S20 FE 5G Galaxy Note20 5G, Galaxy Note20 Ultra 5G Galaxy Z Fold2 5G Galaxy Z Flip 5G Galaxy Tab S7+ 5G
OPPO	Find X2 Pro 5G
Realme	<i>X50 5G</i> , X50 Pro 5G
vivo	<i>X50 Pro 5G</i>

Legend

Launched

Upcoming

Launched, pending software upgrade



5G FOR ENTERPRISE

Key Focus Areas	<ul style="list-style-type: none"> • 5G solutions • IoT • Enterprise wireless access • Mobile private network
Partners for Use Case Development	<ul style="list-style-type: none"> • NYP • A*Star Institute for Infocomm Research (I2R) • NUS
Focus Clusters	<ul style="list-style-type: none"> • Smart estates • Government • Industry 4.0 • Ports



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