



# 3Q2021 BUSINESS PERFORMANCE UPDATE

10 November 2021





## 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

01

**FINANCIAL HIGHLIGHTS**

02

**BUSINESS UPDATES**



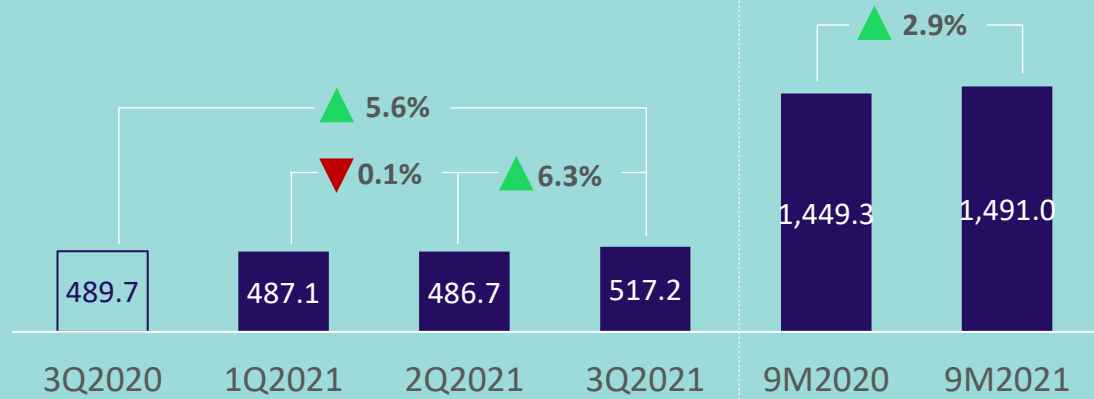
FINANCIAL HIGHLIGHTS

STARHUB

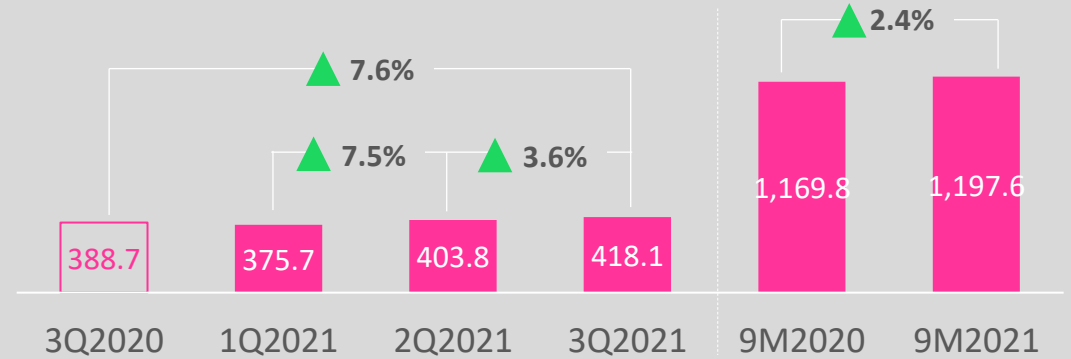


# FINANCIAL HIGHLIGHTS

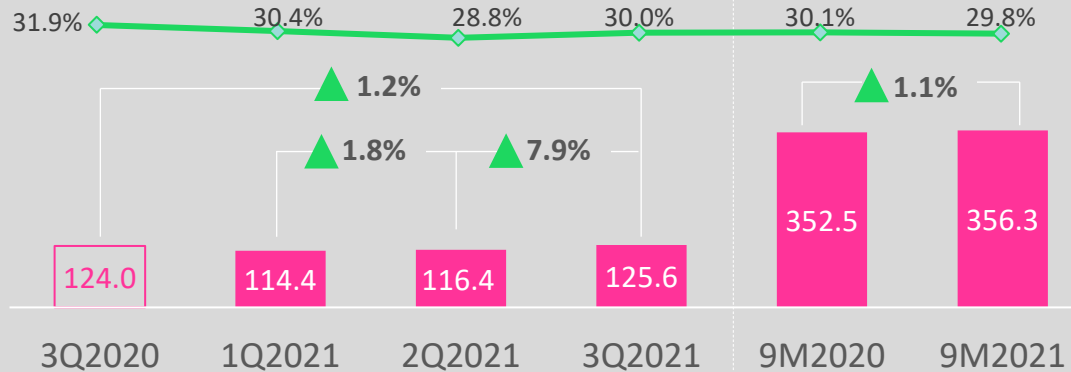
## TOTAL REVENUE (\$'M)



## SERVICE REVENUE (\$'M)

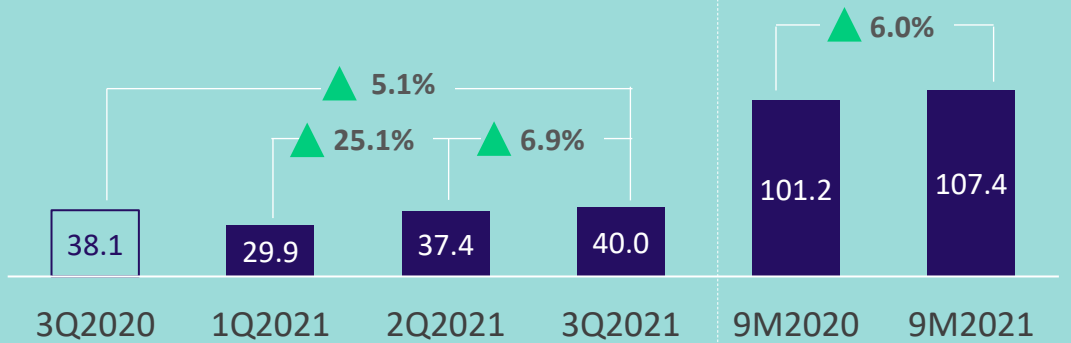


## SERVICE EBITDA (\$'M)<sup>1</sup> / MARGIN (%) – EXCL JSS<sup>2</sup>



## NET PROFIT (\$'M) – EXCL JSS<sup>2</sup>

(ATTRIBUTABLE TO SHAREHOLDERS)



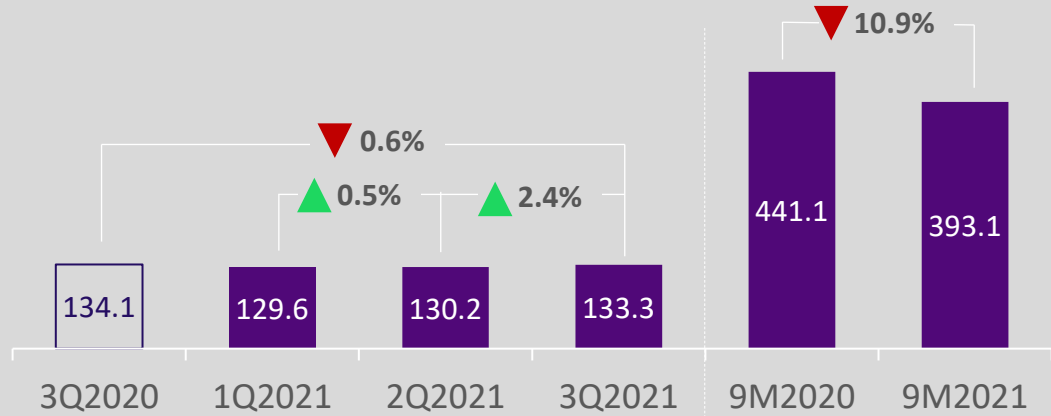
<sup>1</sup> Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)

<sup>2</sup> Excluding the effect of JSS payouts recognised over the comparative periods

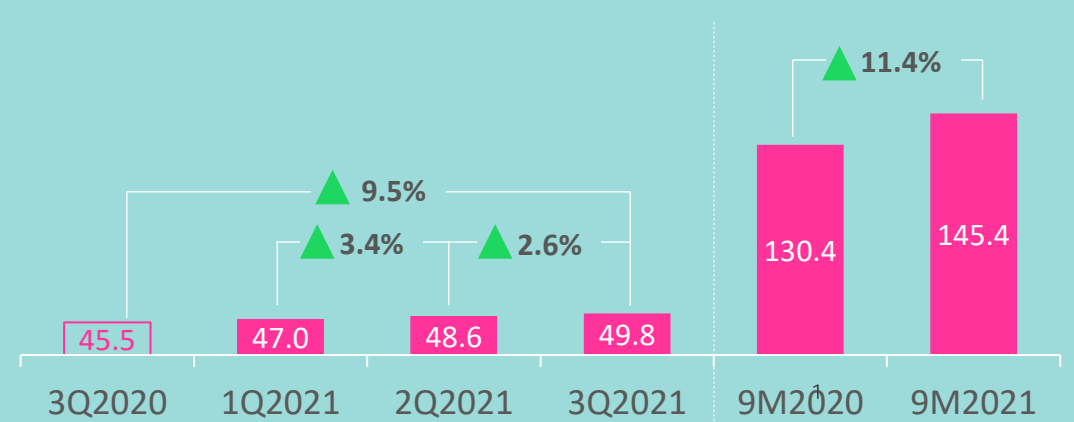


# SEGMENTAL REVENUE

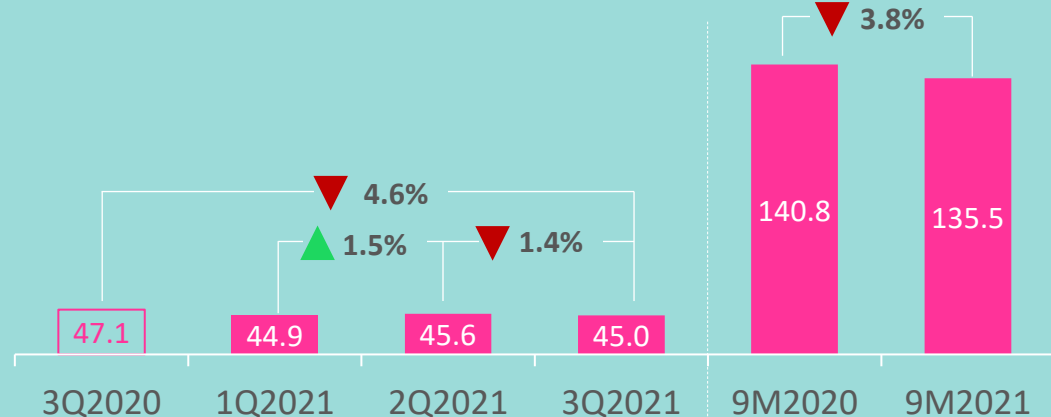
## MOBILE (\$'M)



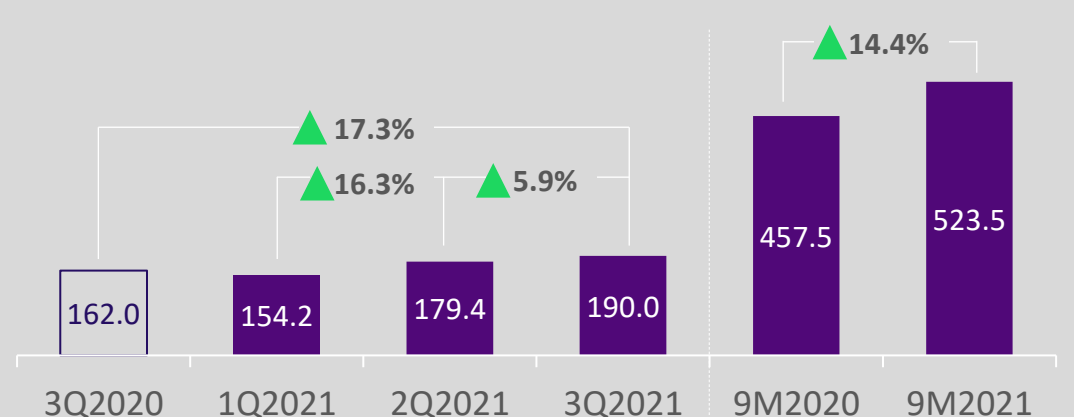
## BROADBAND (\$'M)



## ENTERTAINMENT<sup>2</sup> (\$'M)



## ENTERPRISE (\$'M)



<sup>1</sup> Includes \$1.5M one-time rebate extended to customers due to service disruption in April 2020

<sup>2</sup> Consists of service revenue from Pay TV only



# FINANCIAL OVERVIEW

S\$'M	3Q2021	2Q2021	3Q2020	3Q21 vs 3Q20 YoY Change (%)	3Q21 vs 2Q21 QoQ Change (%)	9M2021	9M2020	YTD YoY Change (%)
Total Revenue	517.2	486.7	489.7	5.6	6.3	1,491.0	1,449.3	2.9
Service Revenue	418.1	403.8	388.7	7.6	3.6	1,197.6	1,169.8	2.4
Operating Expenses	456.2	436.5	434.5	5.0	4.5	1,331.6	1,301.8	2.3
Other Income	3.1	4.2	9.2	(66.5)	(26.0)	9.5	28.0	(66.0)
EBITDA	132.9	123.2	143.0	(7.3)	7.9	378.8	408.5	(7.3)
Service EBITDA <sup>1</sup>	125.7	116.6	131.1	(4.1)	7.8	357.7	375.3	(4.7)
<i>Service EBITDA<sup>1</sup> – Excl JSS</i>	<i>125.6</i>	<i>116.4</i>	<i>124.0</i>	<i>1.2</i>	<i>7.9</i>	<i>356.3</i>	<i>352.5</i>	<i>1.1</i>
Service EBITDA <sup>1</sup> Margin (%)	30.1	28.9	33.7	(3.6) %pts	1.2 %pts	29.9	32.1	(2.2) %pts
<i>Service EBITDA<sup>1</sup> Margin – Excl JSS (%)</i>	<i>30.0</i>	<i>28.8</i>	<i>31.9</i>	<i>(1.9) %pts</i>	<i>1.2 %pts</i>	<i>29.8</i>	<i>30.1</i>	<i>(0.3) %pts</i>
Net Profit After Tax <i>Attributable to shareholders</i>	40.2	37.4	44.5	(9.5)	7.6	108.2	121.9	(11.2)
<i>Net Profit After Tax Attributable to shareholders (Excl JSS)</i>	<i>40.0</i>	<i>37.4</i>	<i>38.1</i>	<i>5.1</i>	<i>6.9</i>	<i>107.4</i>	<i>101.2</i>	<i>6.0</i>
Free Cash Flow <sup>2</sup>	166.5	84.6	75.6	120.1	96.8	348.6	350.2	(0.5)
	As At 30 September 2021				As At 31 December 2020			
Net Debt to TTM EBITDA (x)	1.27				1.41			

<sup>1</sup>Service EBITDA = EBITDA less (Sales of Equipment – Cost of Equipment)

<sup>2</sup>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





# FY2021 GUIDANCE CHECKLIST

As At Feb 2021

## GUIDANCE

## UPDATE

<b>SERVICE REVENUE</b>	<b>Stable</b>	<b>No Change</b>	<ul style="list-style-type: none"> <li>• Higher YoY contributions from Cybersecurity services and Regional ICT services (Strateq full year consolidation)</li> <li>• Lower YoY revenue from Mobile (COVID-19 impact), Pay TV (lower subscriber base and advertising revenue) and Network Solutions</li> </ul>
<b>SERVICE EBITDA MARGIN</b>	<b>24% - 26%</b>	 <b>At Least 26%</b> <i>(Updated: Nov 2021)</i>	<p>Revised guidance as a result of:</p> <ul style="list-style-type: none"> <li>• StarHub’s disciplined approach to expenditure through various cost optimisation initiatives</li> <li>• Postponement of Opex relating to IT Transformation</li> <li>• Higher contributions expected from Cybersecurity Services</li> </ul>
<b>CAPEX COMMITMENT<sup>1</sup></b>	<b>9%-11%</b> Of Total Revenue	 <b>7%-9%</b> <i>(Updated: Aug 2021)</i>	<ul style="list-style-type: none"> <li>• Lowered guidance due to ongoing transition of IT-related Capex to cloud-based Opex model alongside other Capex delays</li> </ul>
<b>DIVIDEND /SHARE</b>	<b>Higher of 5.0 Cents or Dividend Policy</b>	<b>No Change</b>	<ul style="list-style-type: none"> <li>• Declared interim dividend of 2.5 cents per share</li> <li>• Reiterate commitment to Dividend Policy – to distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items)</li> </ul>

<sup>1</sup> Excluding 5G Capex and Spectrum Right





BUSINESS UPDATES

STARHUB



# MOBILE

POSTPAID  
ARPU



POSTPAID  
SUBS (K)



- Postpaid ARPU increased QoQ<sup>1</sup> mainly due to higher roaming, plan subscription and higher revenue from 5G enterprise initiatives offset by lower VAS and excess data usage revenues. Postpaid ARPU remained steady YoY<sup>1</sup>
- 1.0% QoQ<sup>1</sup> subscriber base growth due to increased take-up of the higher-margin SIM Only plans
- Average monthly churn rate in 3Q2021 was 0.8% (1Q2021:1.0%; 2Q2021: 0.9%; 3Q2020: 1.1%)

PREPAID  
ARPU

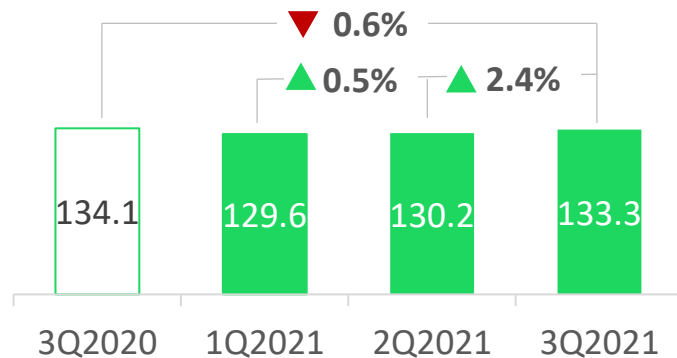


PREPAID  
SUBS (K)



- Prepaid ARPU remained steady QoQ<sup>1</sup>
- Prepaid subscriber base declined YoY<sup>1</sup> and QoQ<sup>1</sup> due to sustained COVID-19 travel restrictions and some migration towards SIM Only plans

SEGMENT  
REVENUE  
(S\$'M)

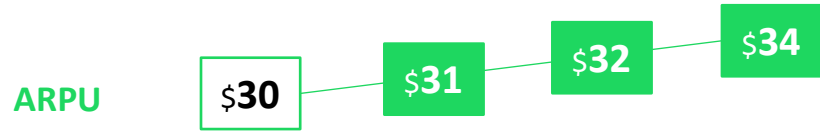


- Improved QoQ<sup>1</sup> revenue due to increased ARPU coupled with growth in subscriber base
- Revenue declined YoY<sup>1</sup> mainly due to lower Prepaid revenues offset by higher Postpaid revenues
- Overall average data usage reached 12.8Gb in 3Q2021 (1Q2021: 12.7Gb; 2Q2021: 12.9Gb; 3Q2020: 11.4Gb)

<sup>1</sup> QoQ refers to 3Q2021 vs 2Q2021; YoY refers to 3Q2021 vs 3Q2020



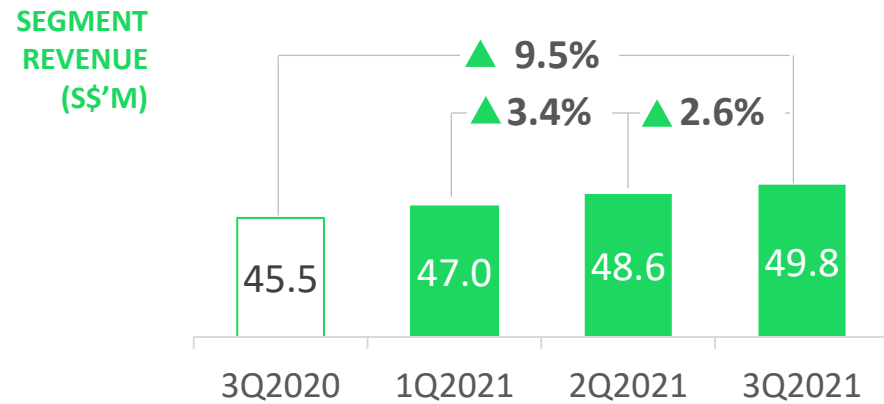
# BROADBAND



- ARPU improvements due to reduction in subscription discounts extended to customers and increased take up in higher-tier 2 Gbps plans and faster WiFi routers



- Stable average monthly churn rate in 3Q2021 at 0.7% (1Q2021: 0.7%; 2Q2021: 0.9%; 3Q2020: 0.6%)



- The improved Broadband revenue was mainly due to higher ARPU achieved



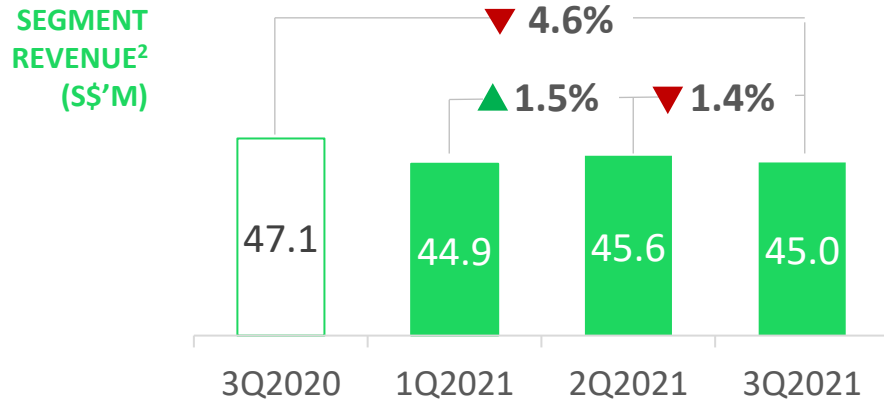
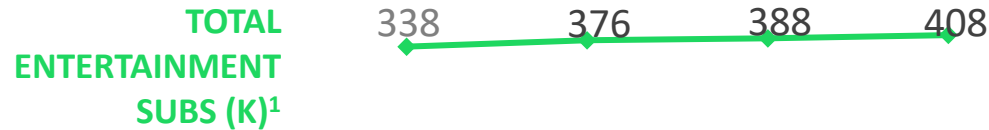
# ENTERTAINMENT



- ARPU improved YoY<sup>3</sup> and QoQ<sup>3</sup> due to increased price for HomeHub bundled plans



- 20.9% YoY<sup>3</sup> and 5.2% QoQ<sup>3</sup> growth in Total Entertainment subscribers mainly due to higher OTT take-up
- Average monthly churn rate in 3Q2021 was 1.2% (1Q2021: 1.1%; 2Q2021: 1.3%; 3Q2020: 0.7%)



- YoY decline in segment revenue mainly due to:
  - Lower Pay TV subscriber base offset by higher ARPUs
  - Lower commercial TV revenue and advertising spend by business customers

<sup>1</sup> Includes residential Pay TV subscribers with and without over-the-top (“OTT”) subscriptions, as well as Mobile and Broadband subscribers with OTT subscriptions

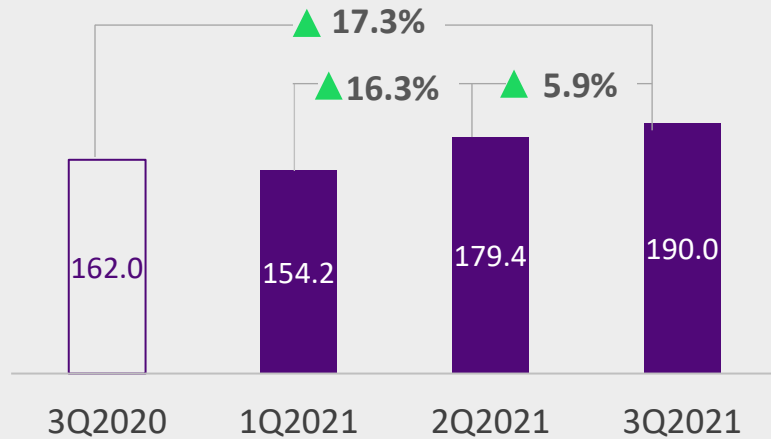
<sup>2</sup> Consists of service revenue from Pay TV only

<sup>3</sup> QoQ refers to 3Q2021 vs 2Q2021; YoY refers to 3Q2021 vs 3Q2020

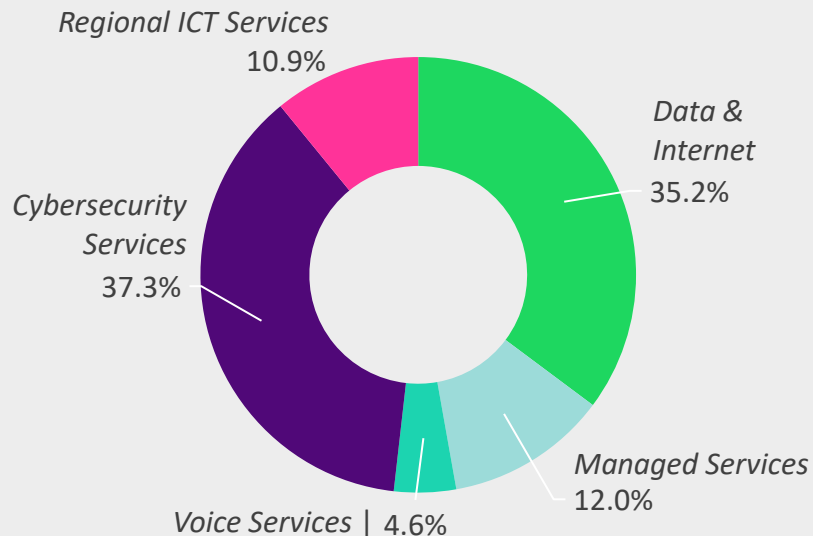


# ENTERPRISE

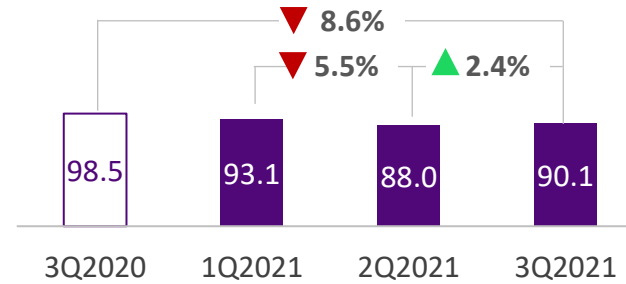
## ENTERPRISE BUSINESS (\$'M)



## 9M2021 ENTERPRISE REVENUE MIX (%)

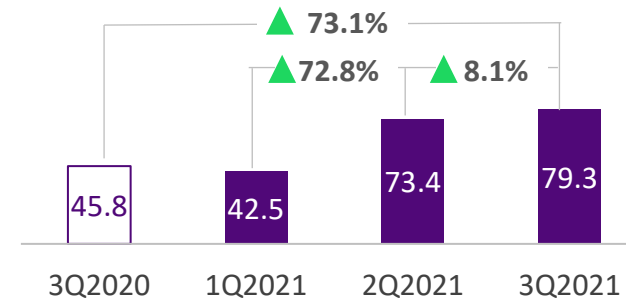


## NETWORK SOLUTIONS (\$'M)



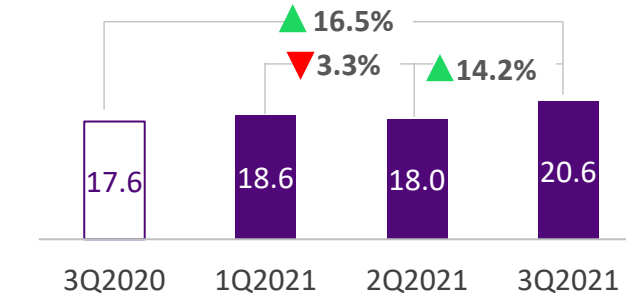
- YoY<sup>1</sup> decline mainly due to lower revenues from Data & Internet and Voice Services offset by higher revenue from Managed Services

## CYBERSECURITY SERVICES (\$'M)



- YoY<sup>1</sup> revenue growth was mainly due to stronger business demand as Ensign prepares for post COVID-19 recovery
- Recorded operating profit of \$6.8M in 9M2021, which was \$6.1M higher YoY<sup>1</sup>

## REGIONAL ICT SERVICES (\$'M)



- FY2021 marks the first full year consolidation of Stratseq
- Recorded operating profit of \$0.8M in 9M2021, which was \$0.5M higher YoY<sup>1</sup>

<sup>1</sup> QoQ refers to 3Q2021 vs 2Q2021; YoY refers to 3Q2021 vs 3Q2020

MARK YOUR CALENDARS!

STARHUB INVESTOR DAY  
22 NOVEMBER 2021

TRANSFORMATION  
FOR A NEW GENERATION

DARE +

WATCH THIS SPACE!

# STARHUB

---

***Investor Relations:***  
*Amelia LEE | IR@StarHub.com*

@starhub

