



StarHub 1Q-2018 Results

3 May 2018

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.



1Q2018 Highlights



Financial Highlights



Business Highlights



2018 Outlook

Overview (1Q-2018 vs 1Q-2017)

Financial

- Service revenue decreased 1.4%
- Service EBITDA decreased 3.7%
- Service EBITDA margin at 32.1%
- NPAT decreased 13.1%

Operational

- 18% revenue growth in Enterprise Fixed
- Subscriber growth in pre-paid Mobile
- Low churn rate maintained across all businesses

Key Financial Highlights

S\$M	1Q-2018	1Q-2017 (restated)	Change
Total Revenue	561	589	-5%
Service Revenue	451	457	-1%
EBITDA	152	160	-5%
Service EBITDA [#]	145	150	-4%
Service EBITDA Margin	32.1%	32.8%	-0.8%pts
Taxation	(13)	(14)	-12%
Net Profit After Tax [^]	63	72	-13%
Capex Cash Payments	68	34	102%
% of Capex to Revenue	12.1	5.7	-6.4%pts
FCF / Fully Diluted Shares	0.6¢	6.7¢	-92%
Net Debt to TTM EBITDA Ratio	1.09x	0.88x	0.21x

[#] Service EBITDA = EBITDA less (Sales of Equipment – Cost of Equipment)

[^] NPAT, includes non-controlling interest (NCI)

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

* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15

Revenue Contribution

	First Quarter Ending 31 March			
	2018 S\$m	2017 (restated) S\$m	Incr / (Decr) S\$m	Incr / (Decr) %
Total Revenue				
Mobile services	205.1	220.7	(15.6)	(7.1)
Pay TV services	80.7	89.6	(8.9)	(10.0)
Broadband services	47.5	47.2	0.3	0.6
Enterprise Fixed services	117.5	99.6	18.0	18.0
Total Service Revenue	450.8	457.1	(6.3)	(1.4)
Sales of Equipment	110.2	131.6	(21.5)	(16.3)
Total Revenue	561.0	588.7	(27.8)	(4.7)

• Numbers may not add up due to rounding

* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15

Revenue Mix

	First Quarter Ending 31 March	
	2018 % mix	2017 (restated) % mix
Total Revenue		
Mobile services	36.6	37.5
Pay TV services	14.4	15.2
Broadband services	8.5	8.0
Enterprise Fixed services	21.0	16.9
Total Service Revenue	80.4	77.6
Sales of Equipment	19.6	22.4
Total Revenue	100.0	100.0

• Numbers may not add up due to rounding

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1Q2018 Highlights



Financial Highlights



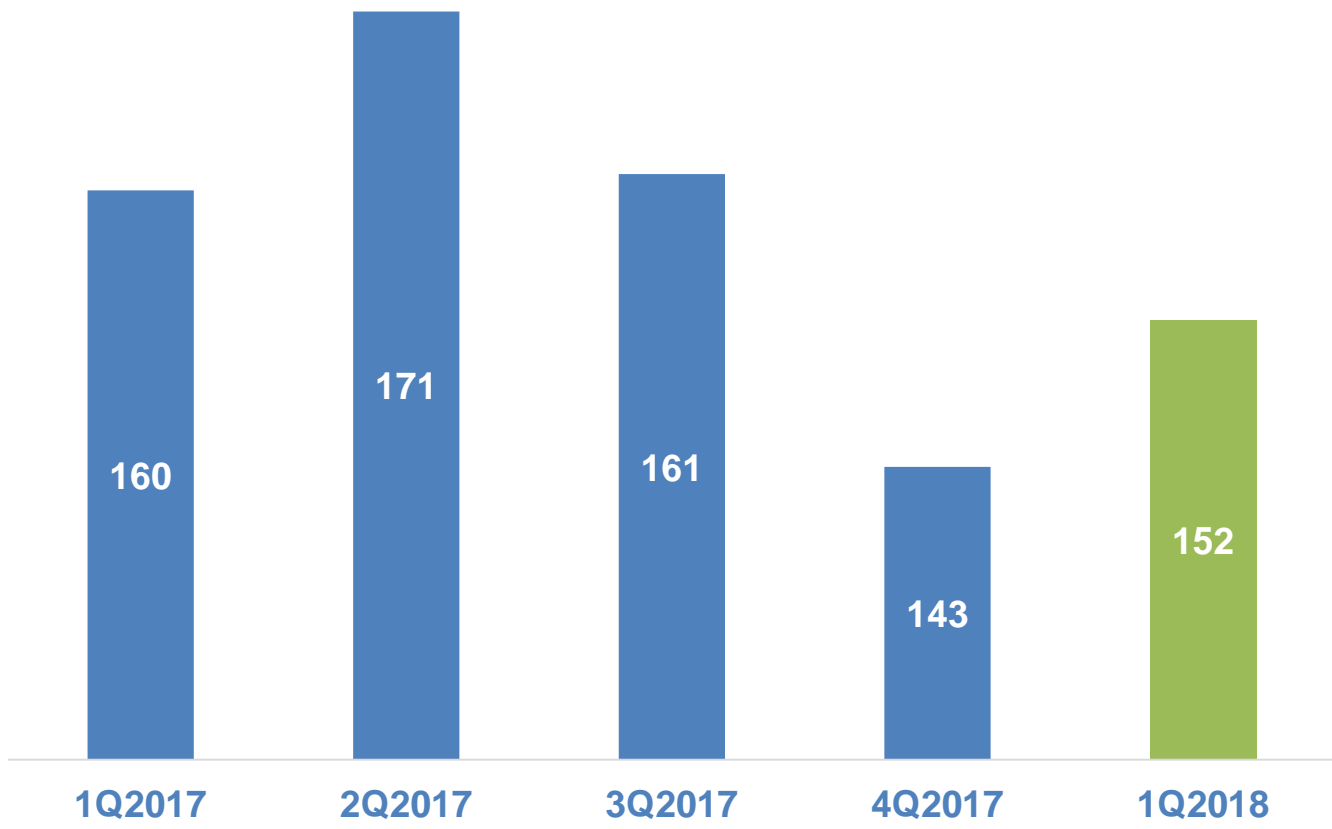
Business Highlights



2018 Outlook

EBITDA

(S\$M)

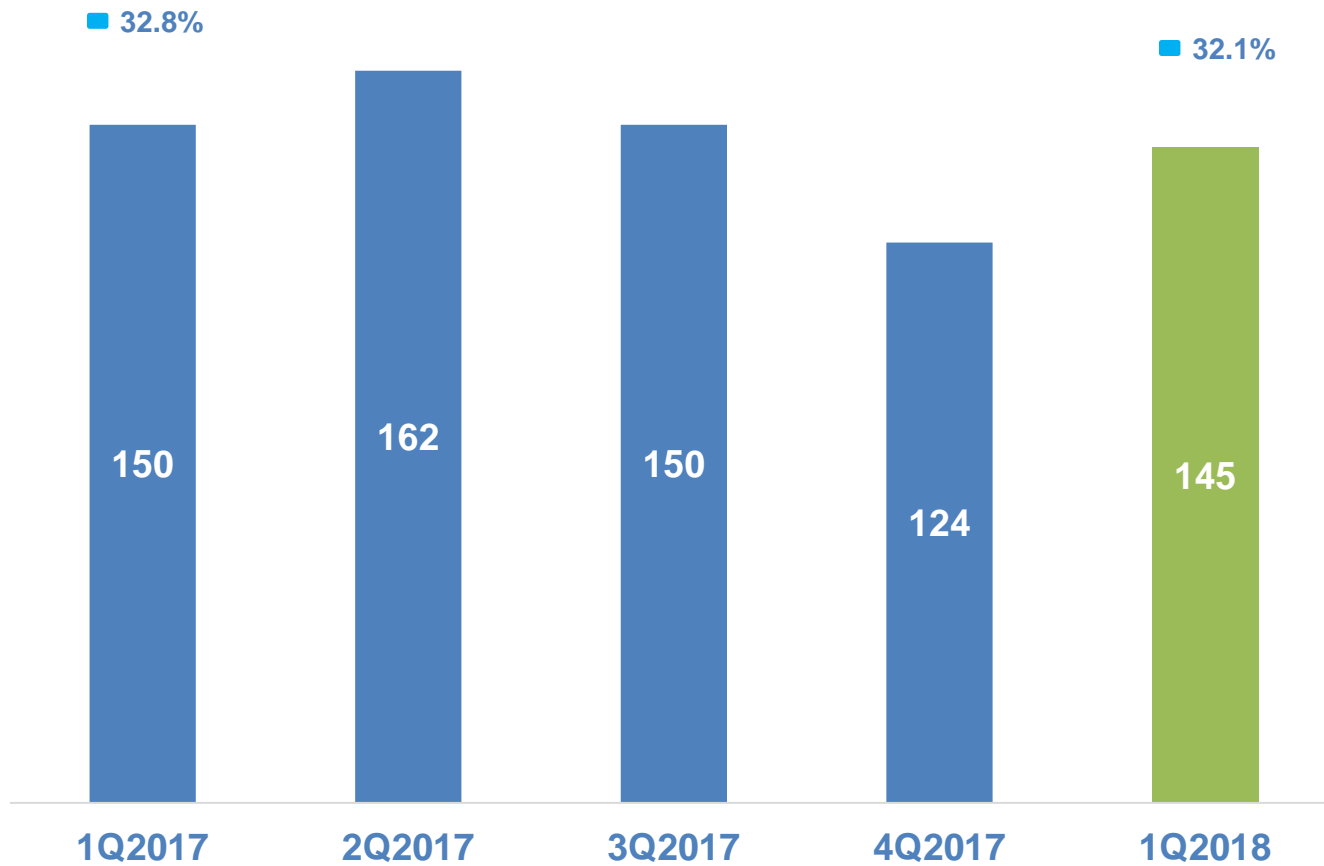


* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15



Service EBITDA & Service EBITDA Margin

(S\$M)



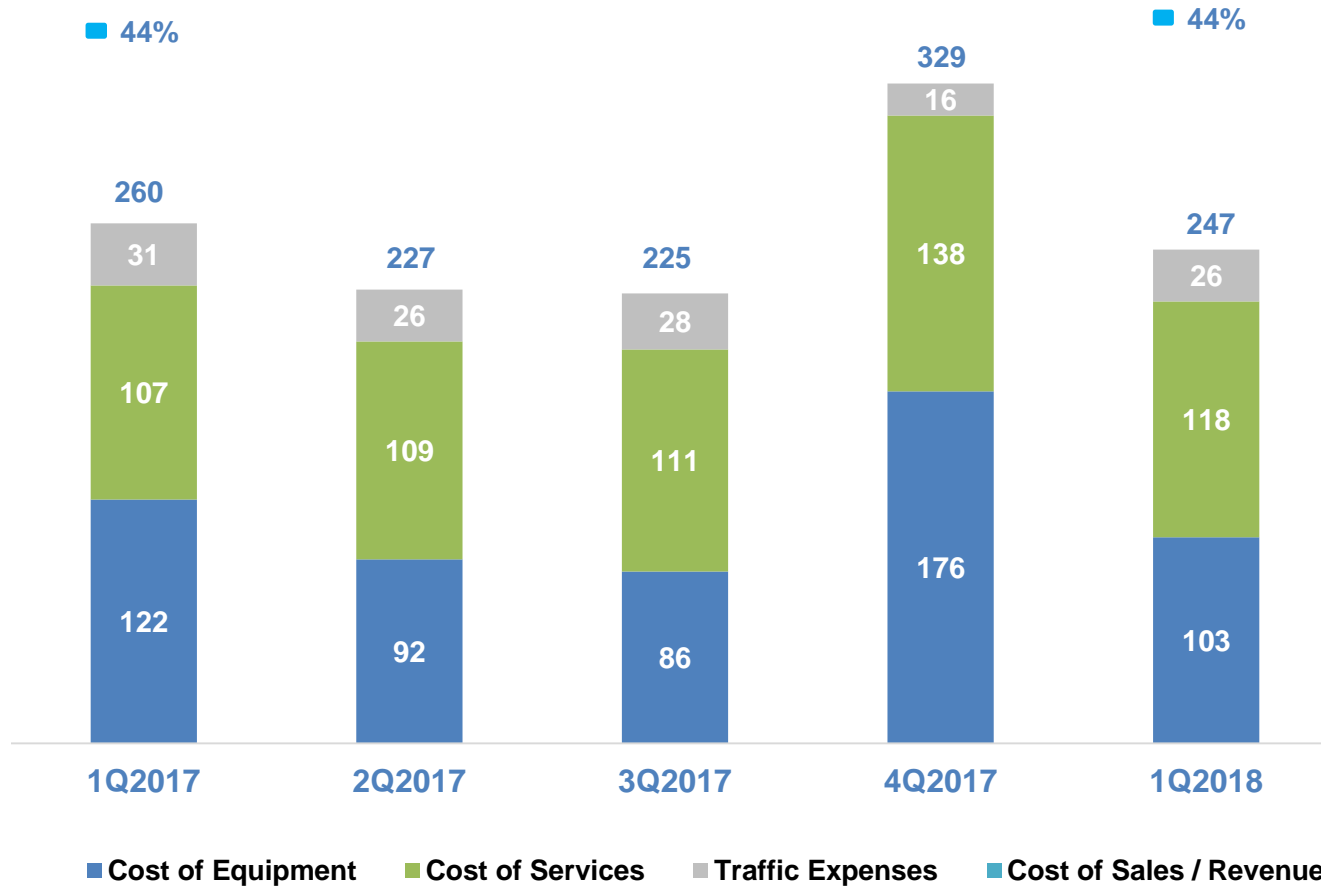
■ Service EBITDA Margin as % of Service Revenue

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

* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15

Cost Of Sales

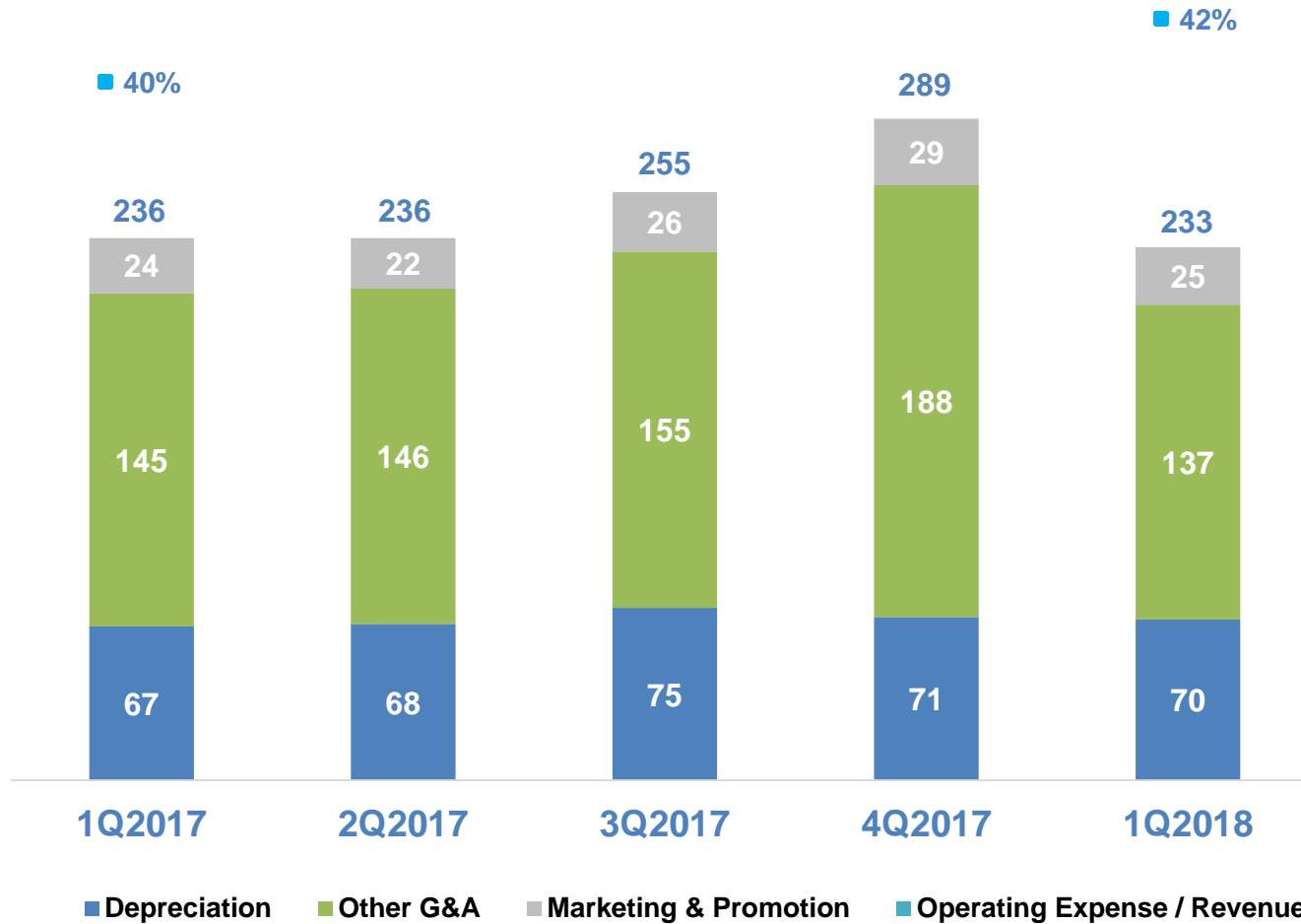
(S\$M)



* Numbers may not add up due to rounding.

Other Operating Expenses

(S\$M)

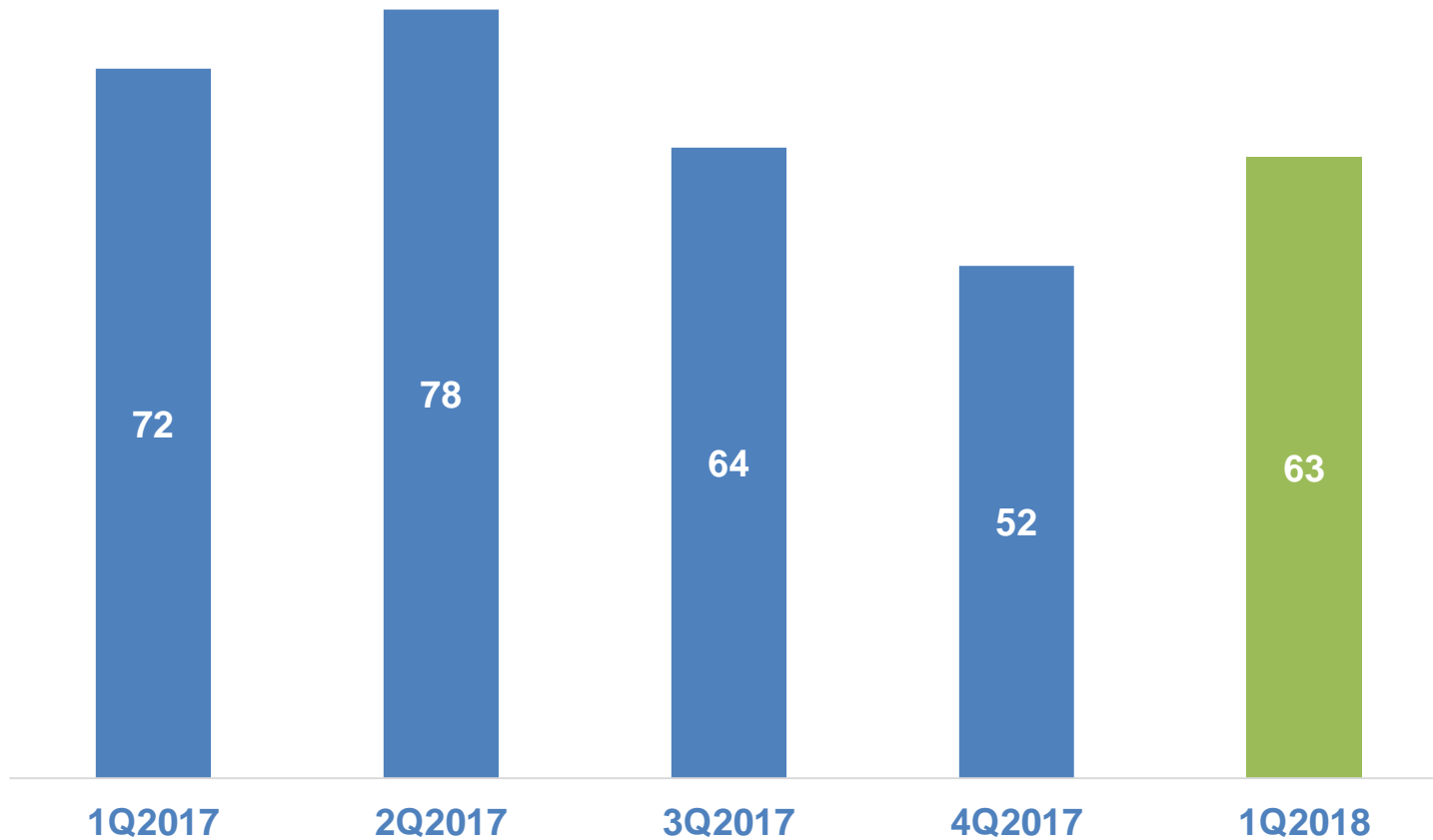


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Net Profit After Tax

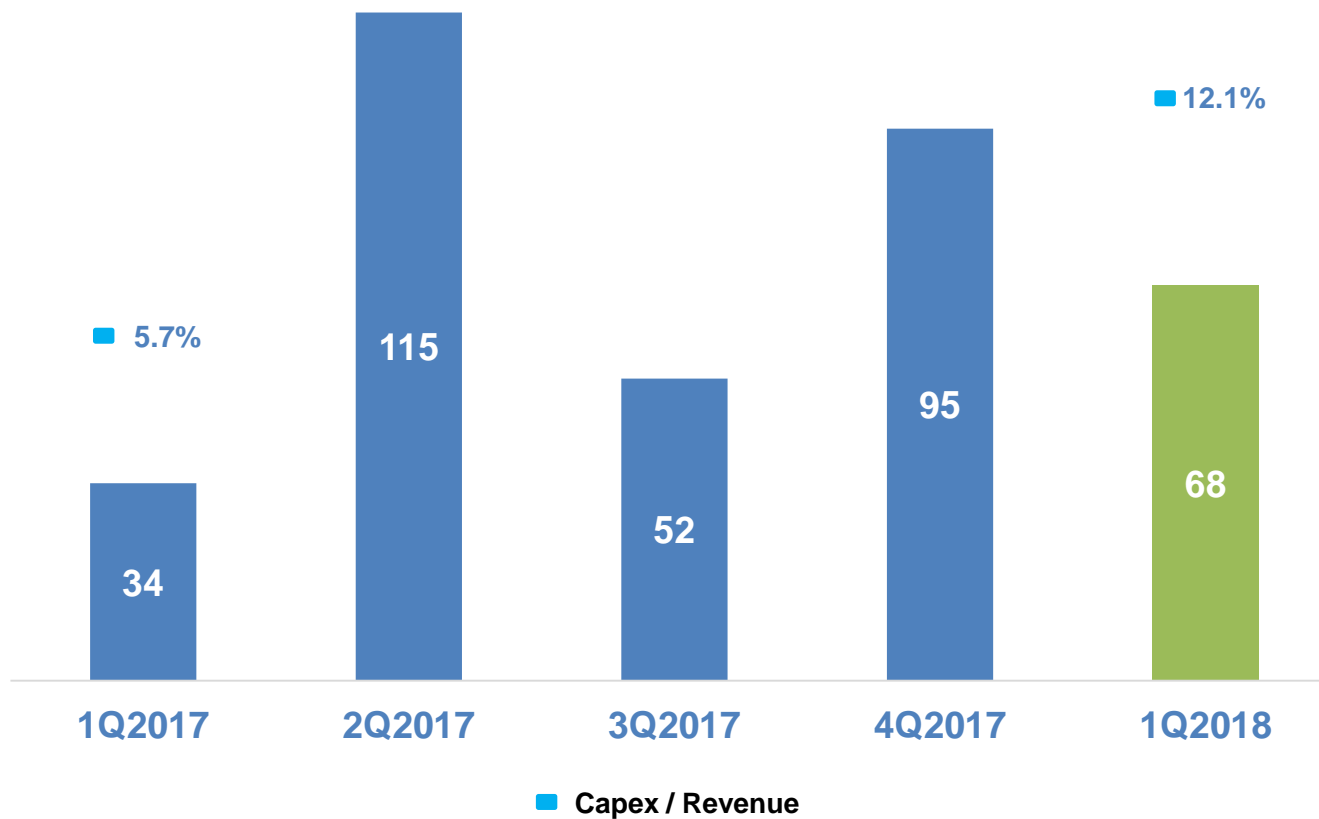
(S\$M)



* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15

Capex (cash payments)

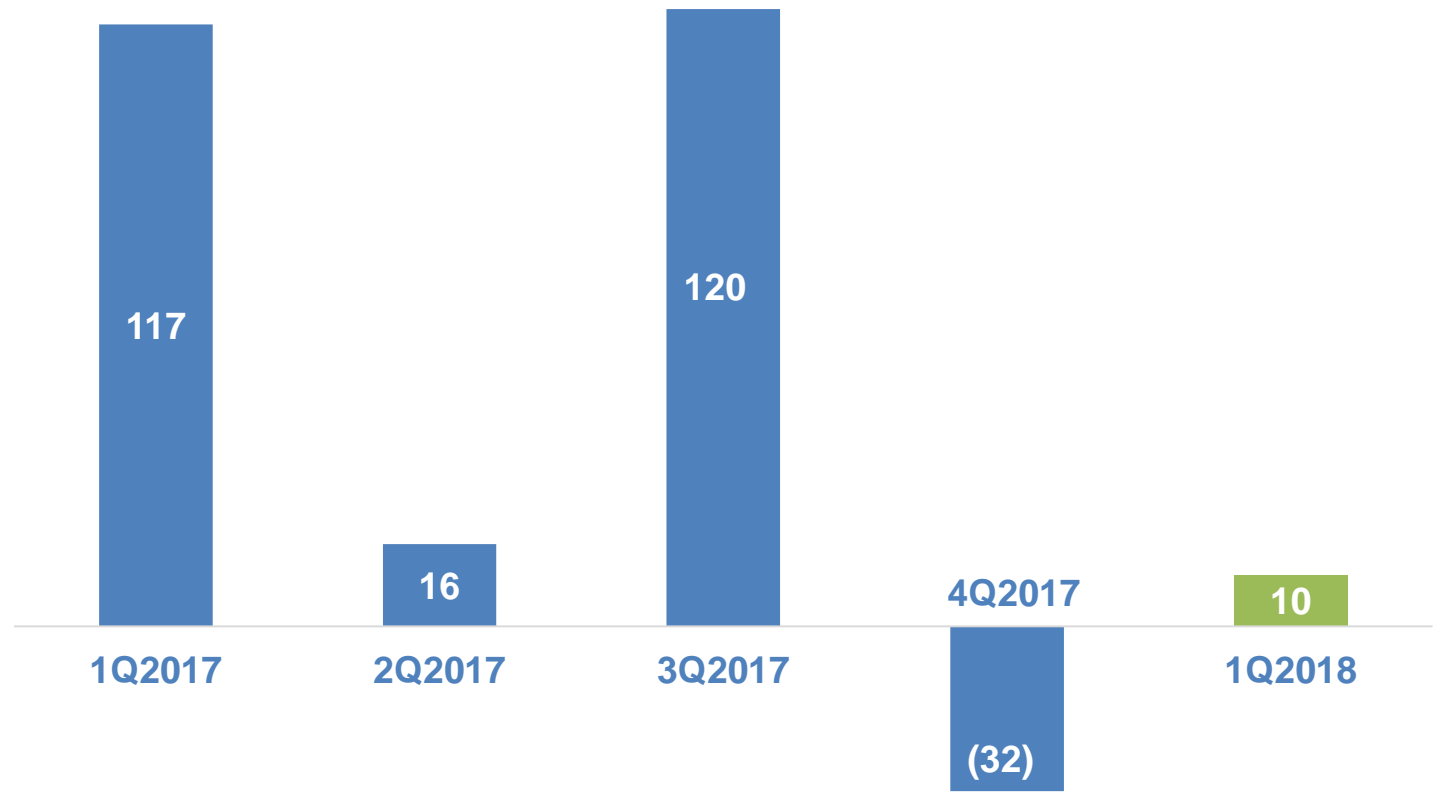
(S\$M)



* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15

Free Cash Flow

(S\$M)





1Q2018 Highlights



Financial Highlights



Business Highlights - Mobile



2018 Outlook

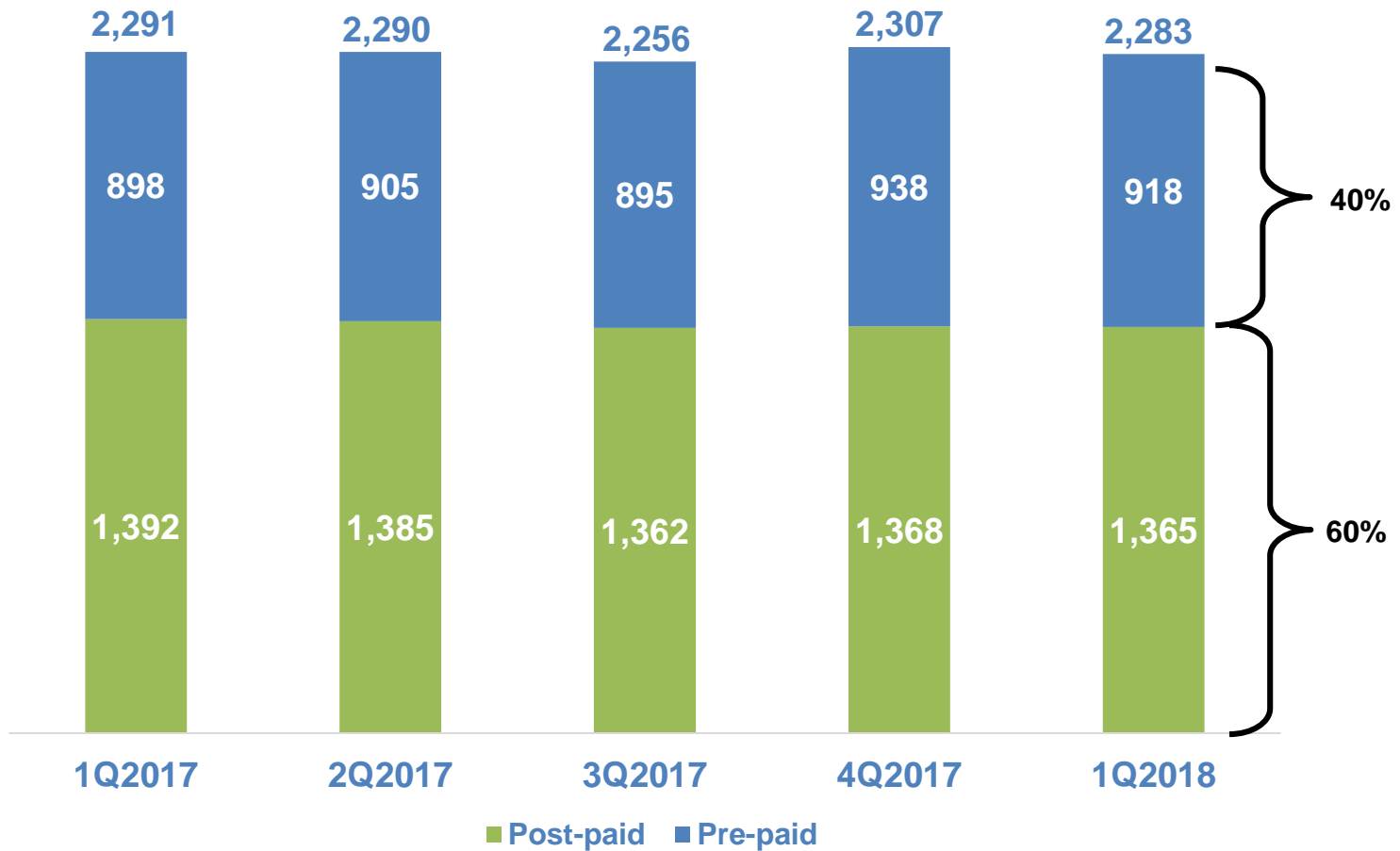
➤ Mobile (1Q-2018 vs 1Q-2017)

- Total customer base decreased by 8k
- Pre-paid and post-paid ARPU decreased S\$2



Mobile Customer Base

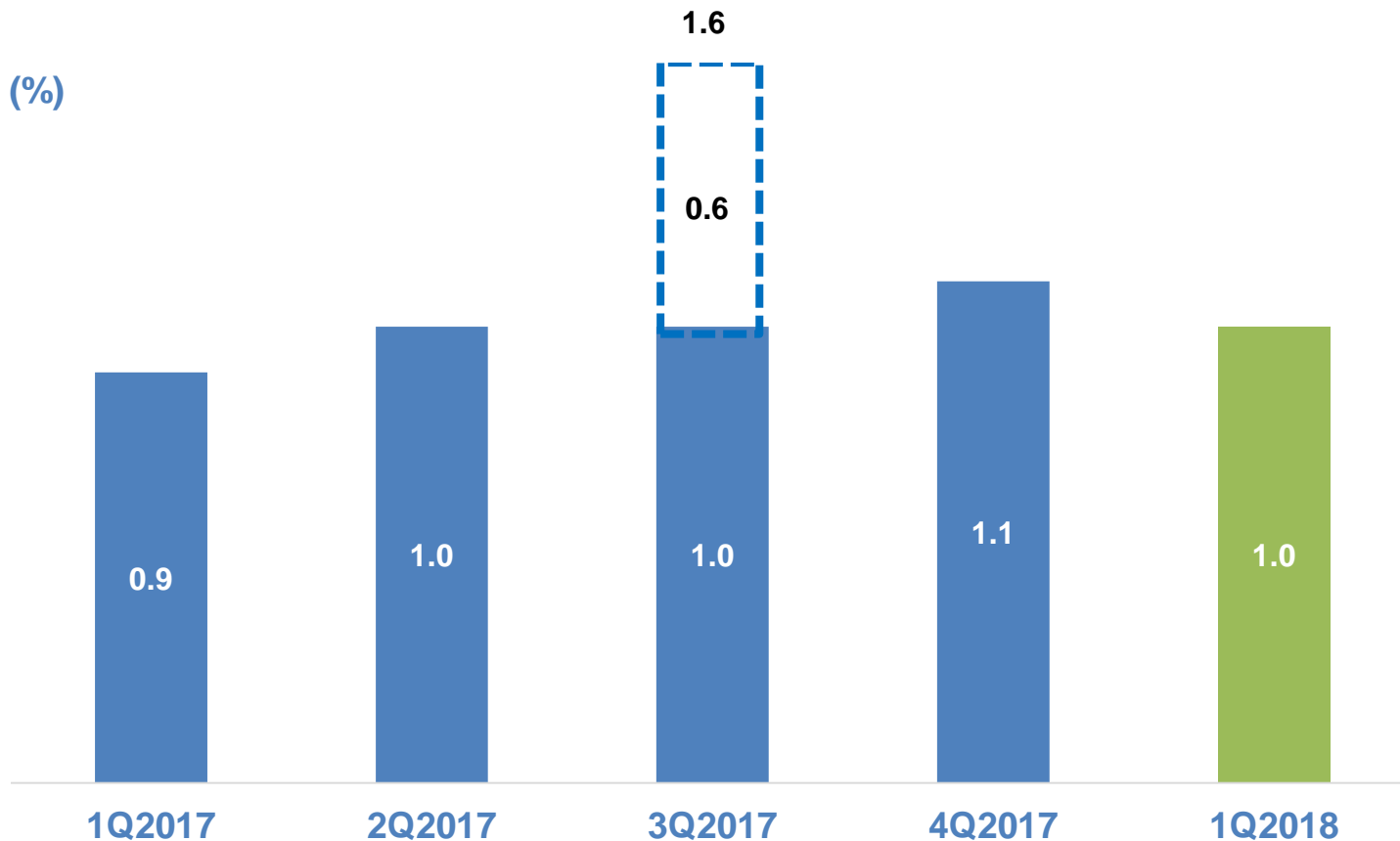
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* Numbers may not add up due to rounding.



Post-paid Average Monthly Churn Rate

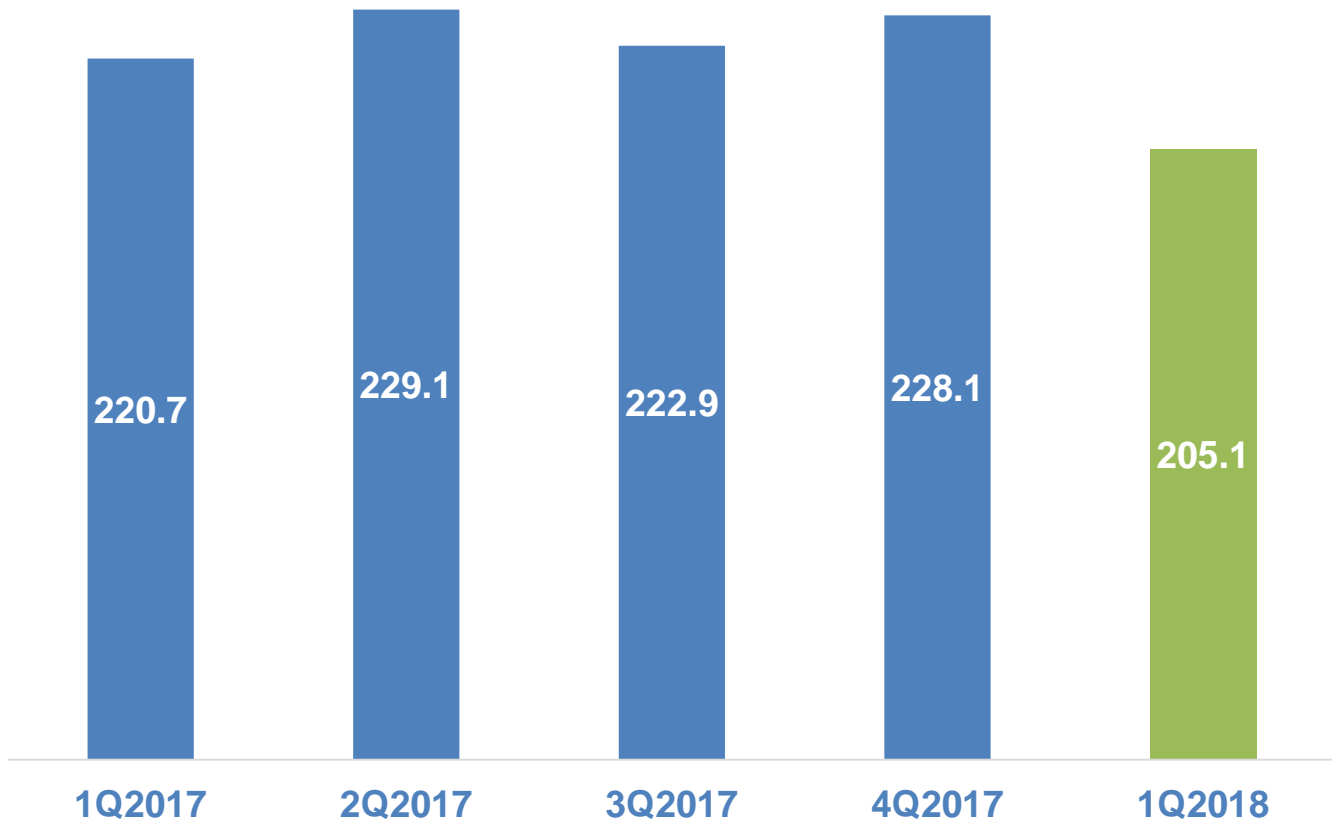


Including one-time termination of 23k inactive legacy data-only lines

* Change in computation basis from end-subscriber base to average end-subscriber base

Mobile Revenue

(S\$M)

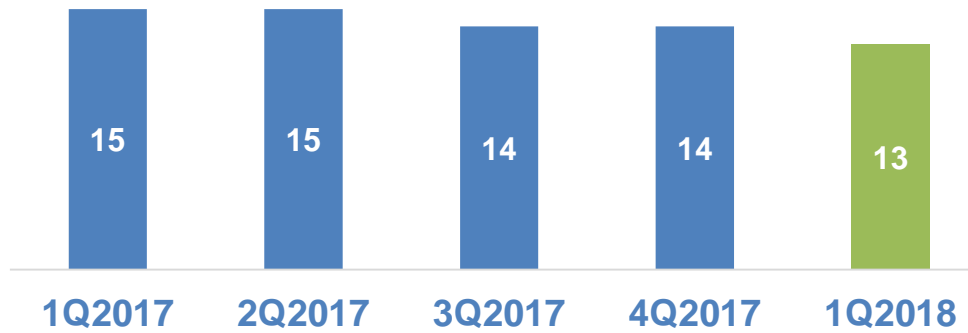


* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15

Mobile ARPU

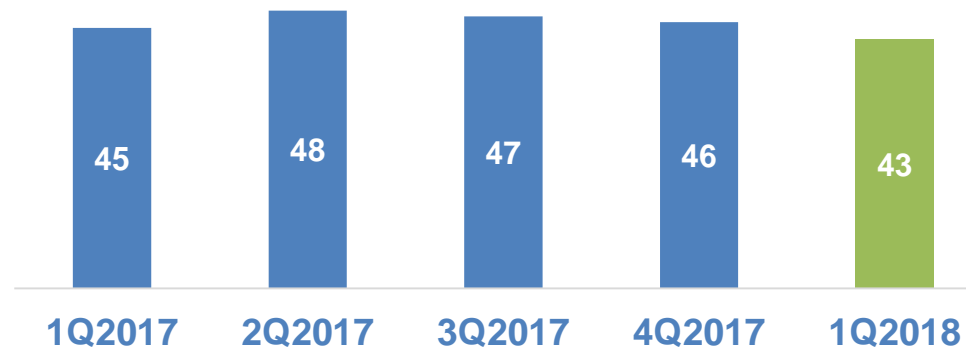
(S\$ per month)

Pre-paid



(S\$ per month)

Post-paid



* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15



1Q2018 Highlights



Financial Highlights



Business Highlights – Pay TV



2018 Outlook

Pay TV (1Q-2018 vs 1Q-2017)

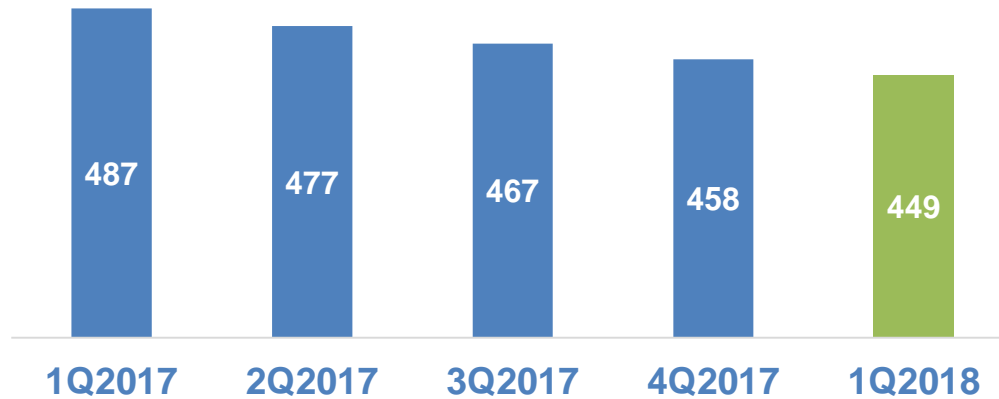
- ❖ Revenue decreased 10%
- ❖ ARPU at S\$51
- ❖ Customer base decreased 38k



Pay TV Base & Churn

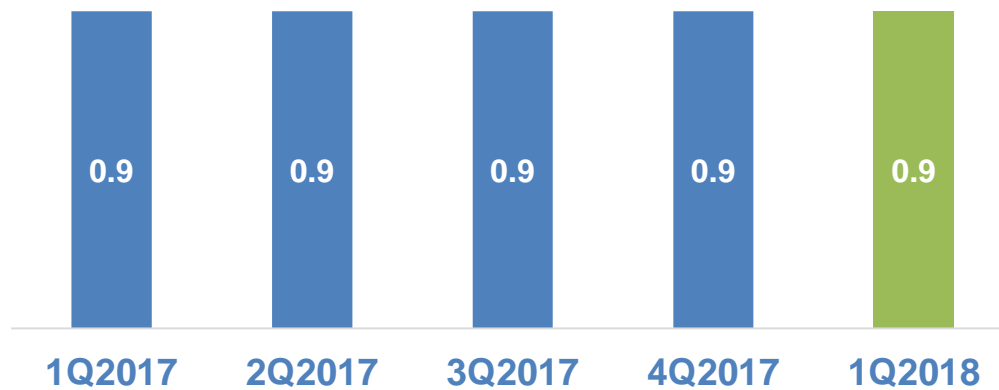
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Customers



(%)

Average Monthly Churn Rate

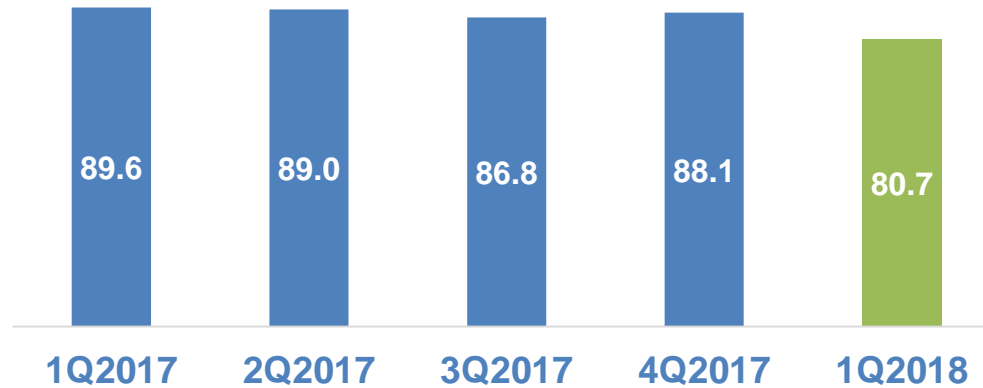


* Change in computation basis from end-subscriber base to average end-subscriber base

Pay TV Revenue & ARPU

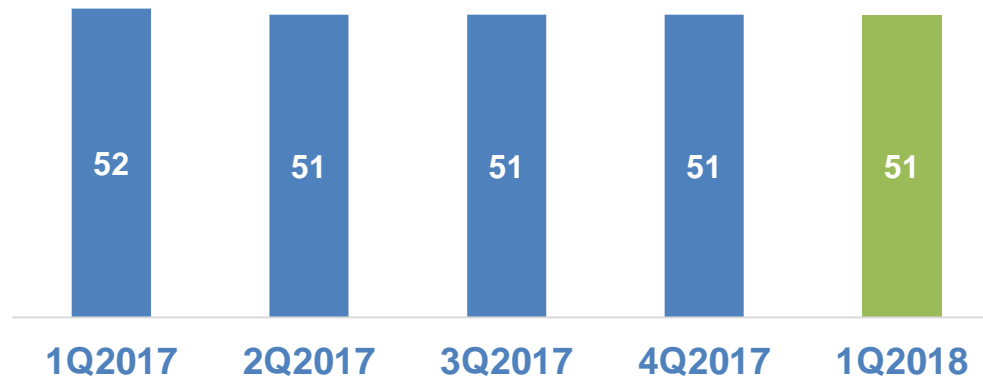
(S\$M)

Revenue



(S\$ per month)

ARPU



* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15



1Q2018 Highlights



Financial Highlights



Business Highlights - Broadband



2018 Outlook

Broadband (1Q-2018 vs 1Q-2017)

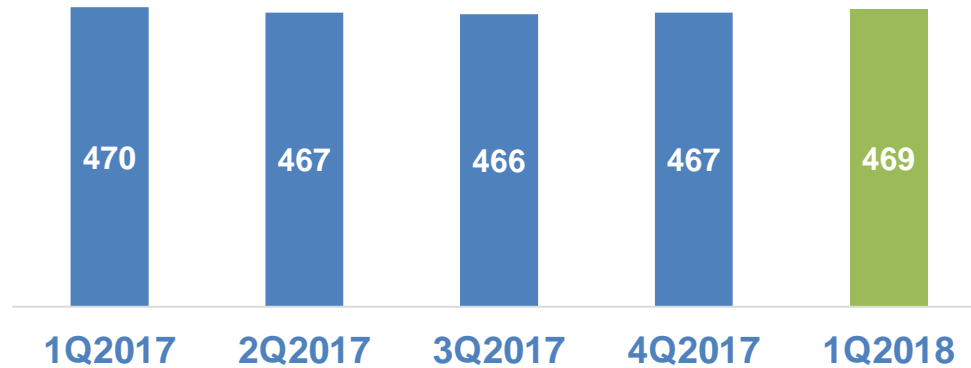
- ❖ Revenue stable
- ❖ ARPU flat at S\$33
- ❖ Customer base decreased by 1k



Broadband Base & Churn

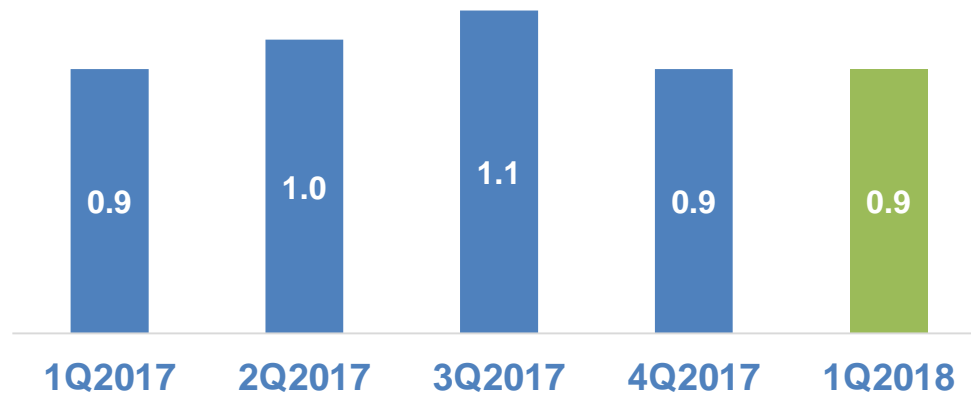
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Customers



(%)

Average Monthly Churn Rate

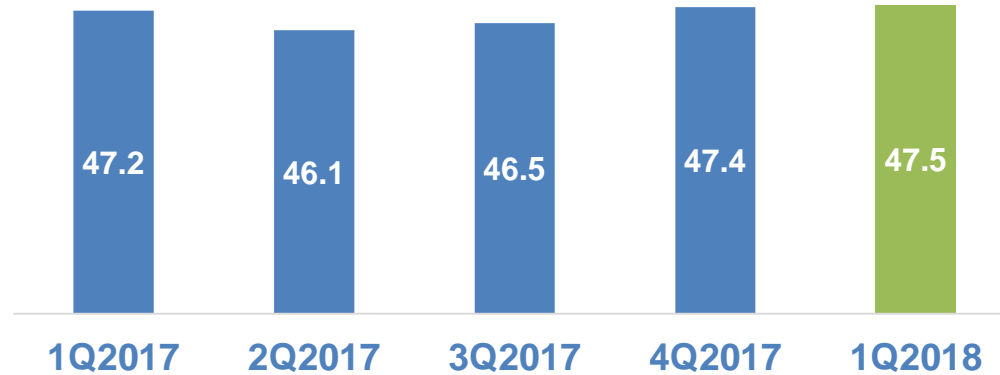


* Change in computation basis from end-subscriber base to average end-subscriber base

Broadband Revenue & ARPU

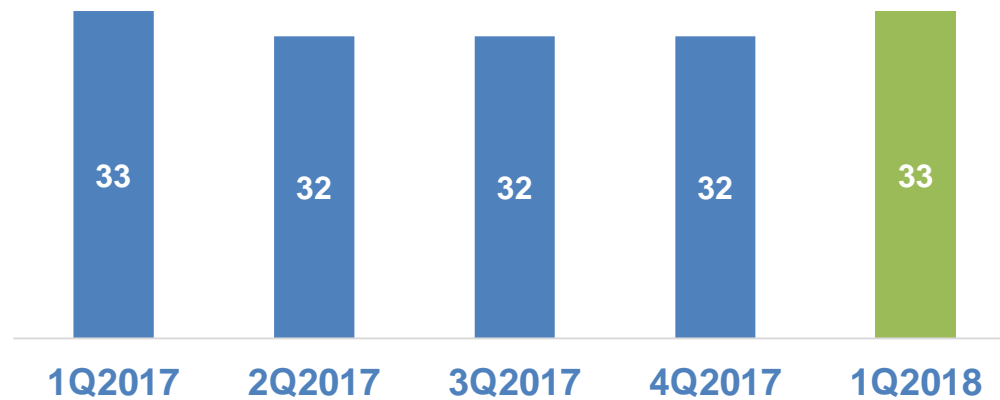
(S\$M)

Revenue



(S\$ per month)

ARPU



* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15



1Q2018 Highlights



Financial Highlights



Business Highlights – Enterprise Fixed



2018 Outlook

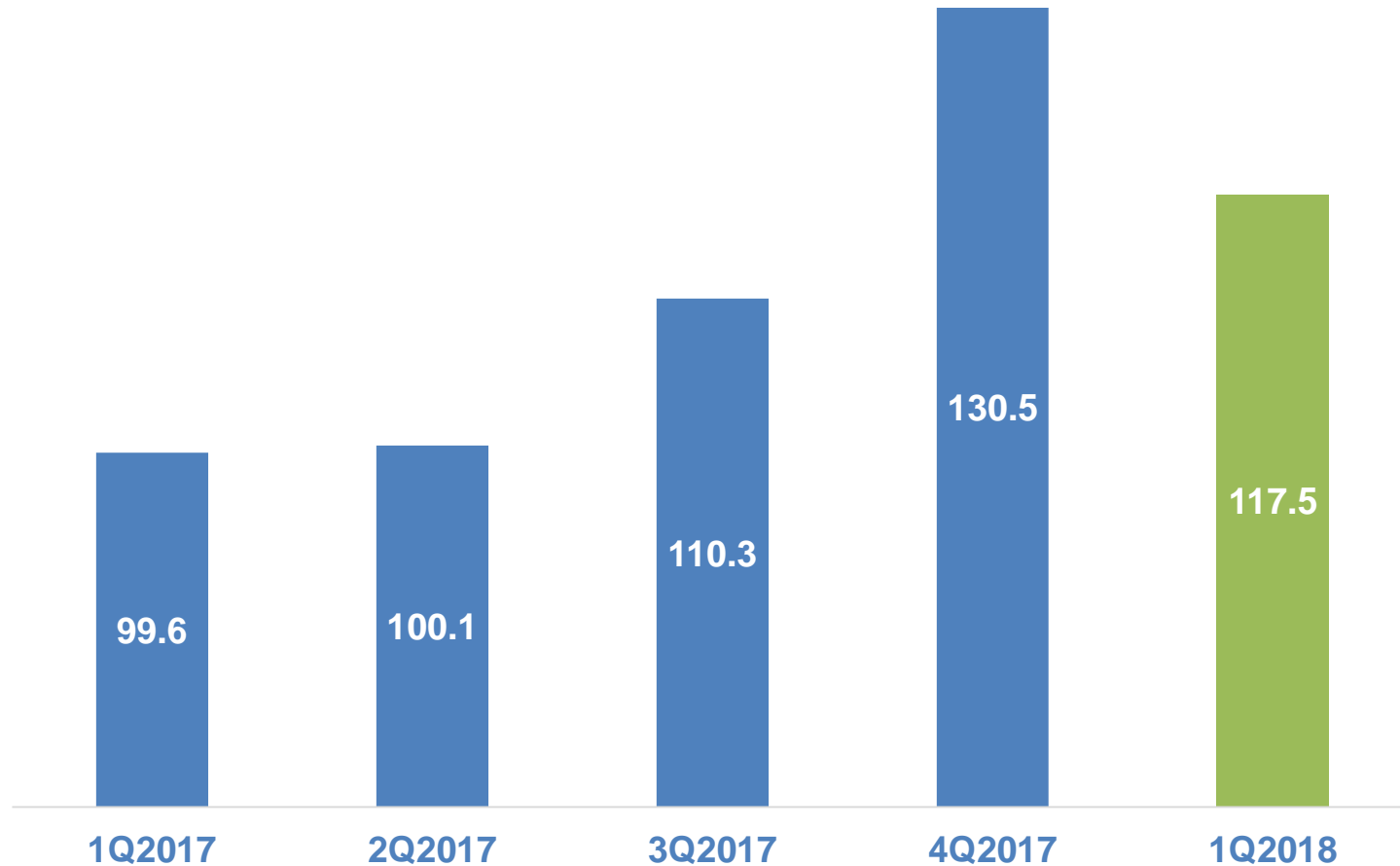
Enterprise Fixed (1Q-2018 vs 1Q-2017)

- Data & Internet revenue increased 1.7%
- Managed services increased 124.2%
- Voice revenue decreased 31.4%



Enterprise Fixed Revenue

(S\$M)



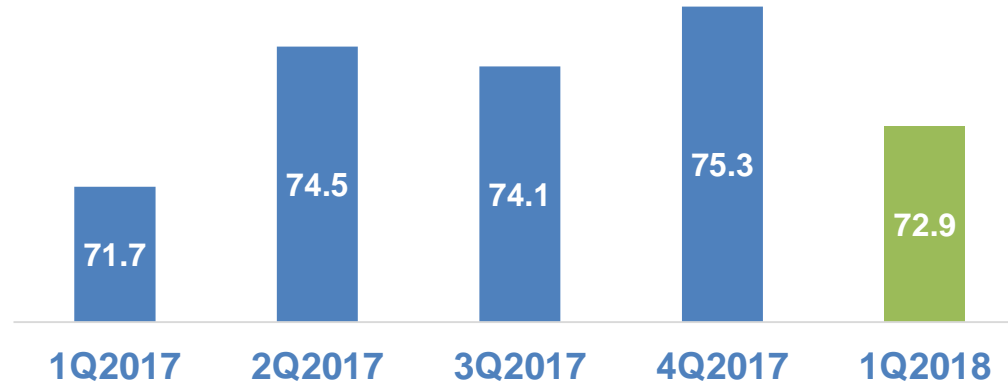
* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15



Data & Internet/Managed services

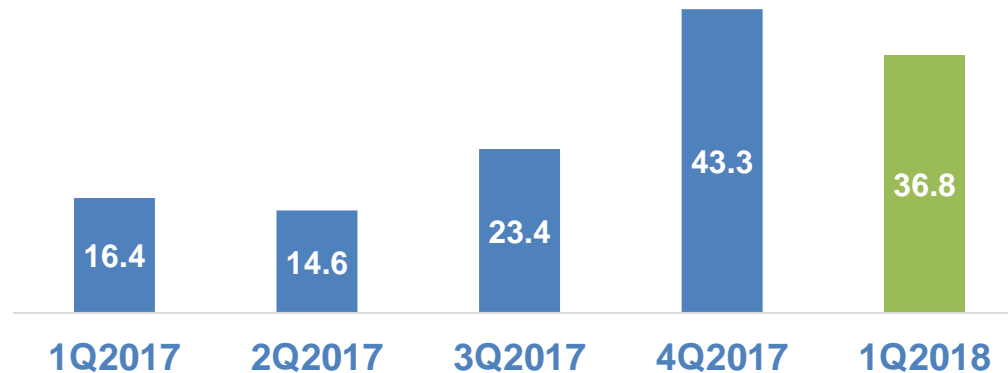
(S\$M)

Data & Internet



(S\$M)

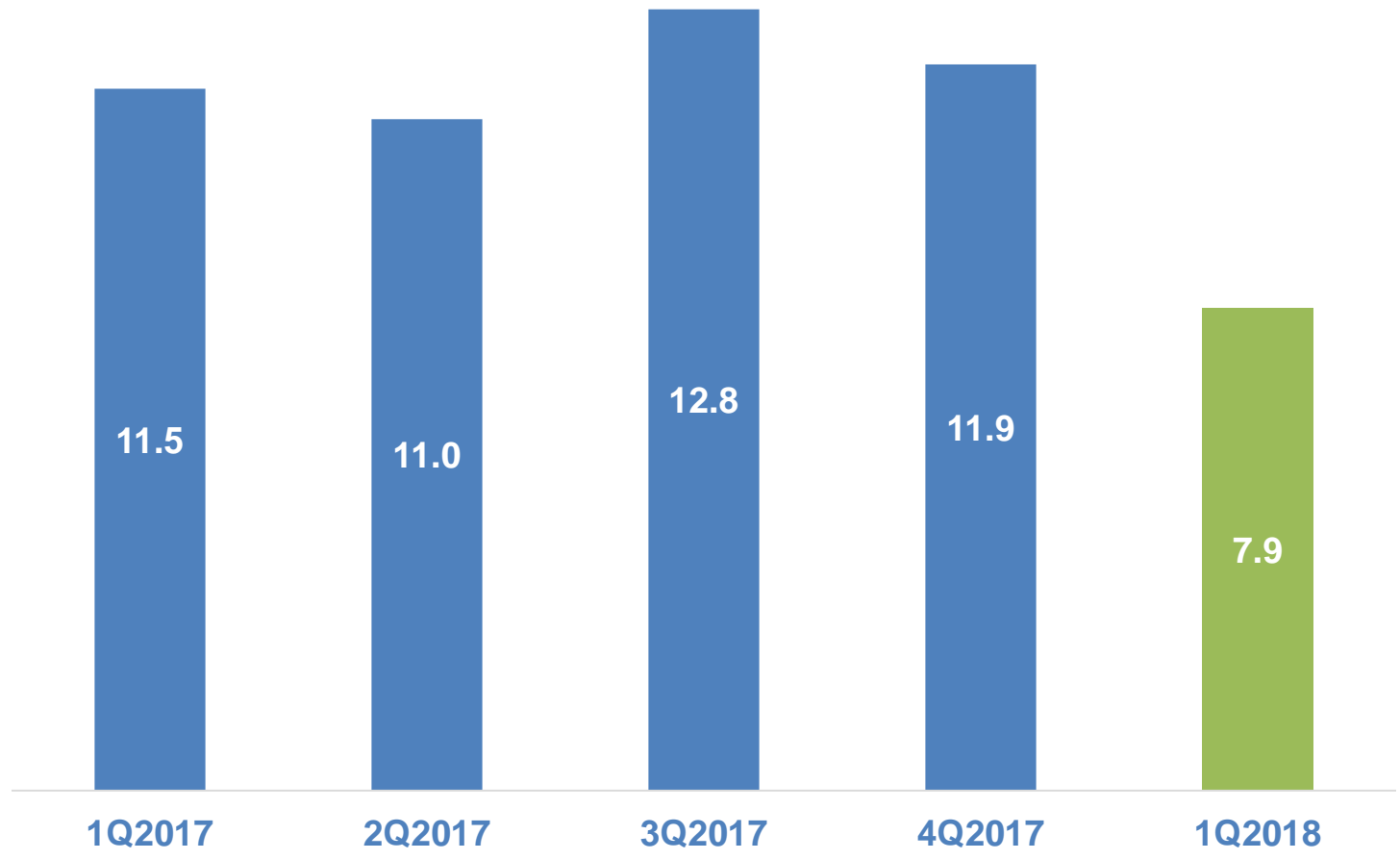
Managed Services



* The revenue for managed services has been excluded from Data & Internet and is shown as a separate item. Managed services include Analytics, Cloud, ICT solutions, Facility Management and Cyber Security services

Voice services

(S\$M)



* Comparatives for Voice services have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 affecting Digital Voice which is part of the HomeHub bundle



1Q2018 Highlights



Financial Highlights



Business Highlights



2018 Outlook

FY2018 Outlook

- **Revenue:** Maintain service revenue to be 1% to 3% lower YoY

- **Service EBITDA*:** Expect service EBITDA margin to be between 27 - 29% after adoption of SFRS(I) 15

- **CAPEX:** Maintain cash capex to be about 11% of total revenue (excludes spectrum and building payments)

- **Dividend:** Declare an interim quarterly dividend of 4.0 cents per ordinary share for 1Q2018

Intend to pay a quarterly cash dividend of 4.0 cents per ordinary share for FY2018

*Service EBITDA refers to EBITDA less equipment margin (Sales of Equipment less Cost of Equipment)

Investor Relations Contact

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