



StarHub 2Q & 1H-2016 Results

3 August 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



Howie LAU
CMO



Kevin LIM
CCO



Agenda

1H2016 Highlights

Financial Highlights

Business Highlights

2016 Outlook

Overview (1H-2016 vs 1H-2015)

Financial

- Total revenue decreased 3%
- Service revenue stable
- EBITDA increased 5%
- EBITDA margin at 34.2%
- NPAT increased 17%

Operational

- Revenue growth in Residential Broadband & Enterprise Fixed
- Subscriber growth in both pre & post-paid Mobile
- Low churn rate of 0.9% for Mobile and TV businesses

Key Financial Highlights

\$M	2Q-2016	2Q-2015	Change	1H-2016	1H-2015	Change
Total Revenue	586	589	-1%	1,177	1,207	-3%
Service Revenue	554	554	-	1,096	1,095	-
EBITDA	192	195	-1%	375	357	5%
EBITDA Margin	34.7%	35.1%	-0.4%pts	34.2%	32.6%	1.6%pts
Taxation	(22)	(21)	1%	(42)	(38)	9%
Net Profit After Tax	109	99	10%	201	173	17%
Capex Cash Payments	48	62	-23%	90	159	-43%
% of Capex to Revenue	8.3	10.6	-2.3%pts	7.7	13.2	-5.5%pts
FCF / Fully Diluted Share	7.9¢	5.9¢	33%	13.1¢	3.3¢	299%
Net Debt to 2015 EBITDA ratio	0.65x	0.75x	-0.1x	0.65x	0.75x	-0.1x

Revenue Contribution

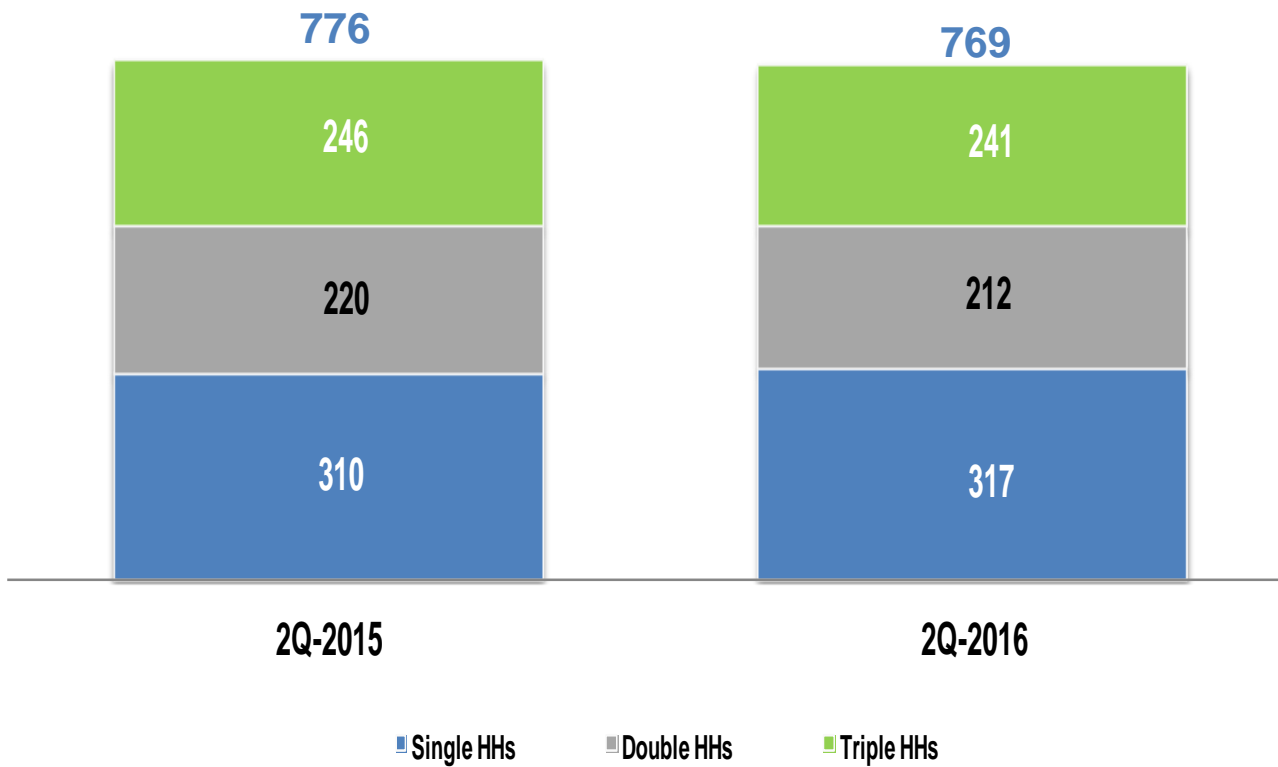
Revenue	Quarter ended 30 Jun				Half Year ended 30 Jun			
	2016 S\$m	2015 S\$m	Incr / (Decr) S\$m	%	2016 S\$m	2015 S\$m	Incr / (Decr) S\$m	%
Mobile	305.3	310.8	(5.5)	(1.8)	603.4	616.2	(12.8)	(2.1)
Pay TV	95.4	97.8	(2.4)	(2.4)	190.3	193.8	(3.5)	(1.8)
Broadband	54.4	49.0	5.4	11.0	107.9	97.1	10.8	11.1
Enterprise Fixed	98.6	96.7	1.9	1.9	194.4	187.6	6.8	3.6
Service revenue	553.7	554.3	(0.6)	(0.1)	1,096.0	1,094.7	1.3	0.1
Sale of equipment	32.0	35.2	(3.2)	(9.0)	80.6	112.7	(32.1)	(28.5)
Total revenue	585.7	589.5	(3.8)	(0.6)	1,176.6	1,207.4	(30.8)	(2.5)

Revenue Mix

Revenue mix	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2016 Mix %	2015 Mix %	2016 Mix %	2015 Mix %
Mobile	52.1	52.7	51.3	51.0
Pay TV	16.3	16.6	16.2	16.1
Broadband	9.3	8.3	9.2	8.0
Enterprise Fixed	16.8	16.4	16.5	15.6
Sale of equipment	5.5	6.0	6.8	9.3
Total	100.0	100.0	100.0	100.0

Hubbing Scorecard

Hubbing Households ('000)



* Numbers may not add up due to rounding.

1H2016 Highlights

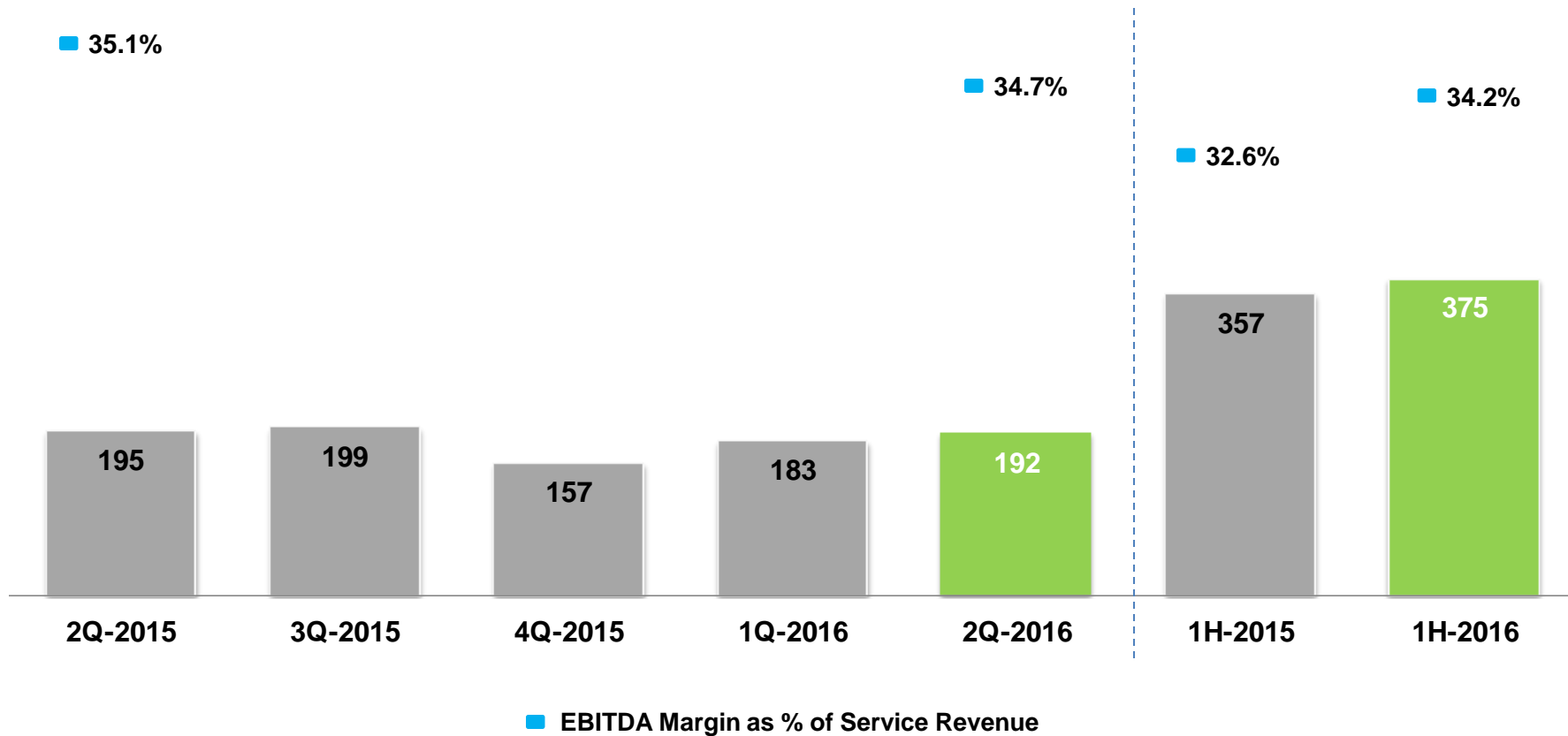
Financial Highlights

Business Highlights

2016 Outlook

EBITDA & EBITDA Margin

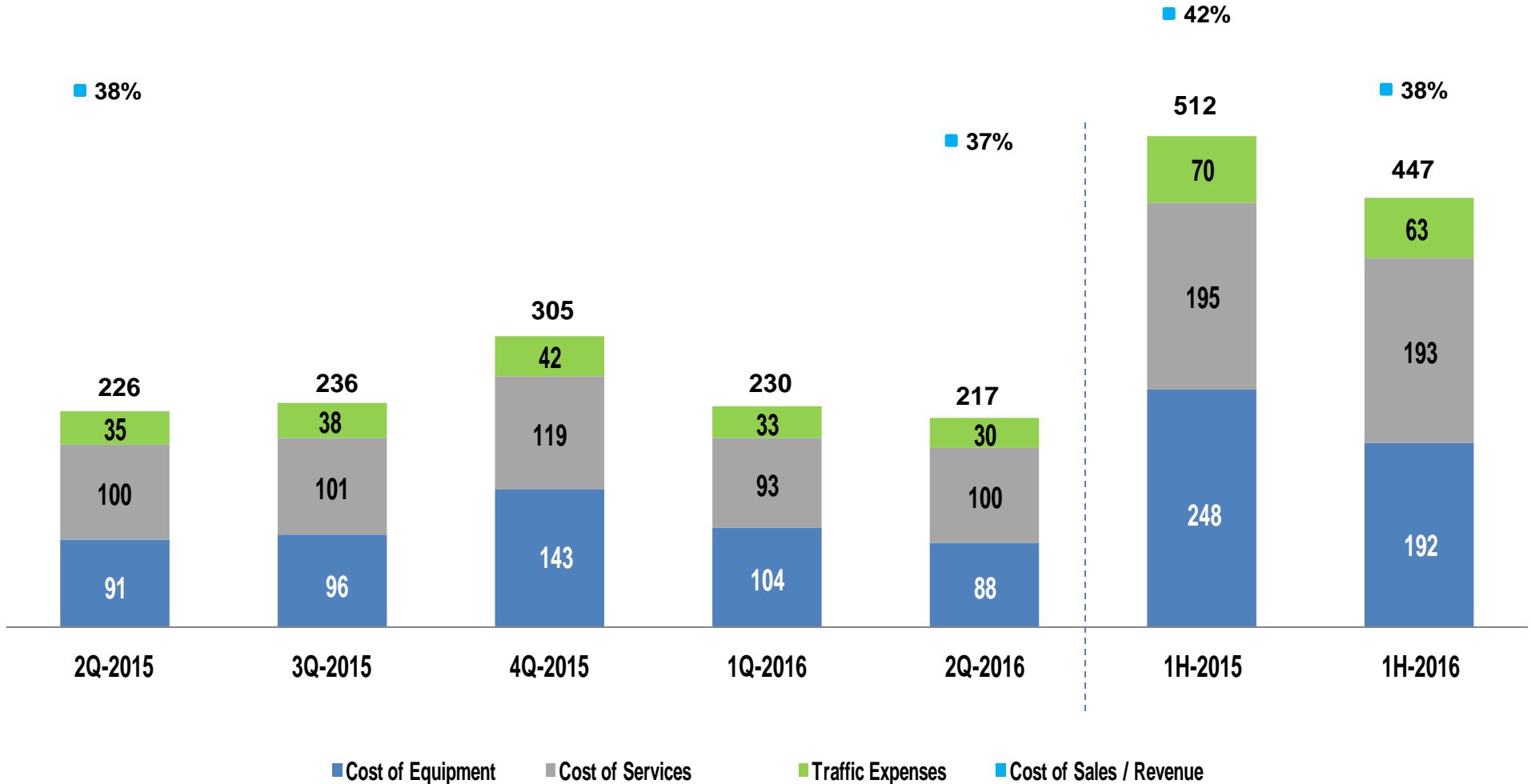
(S\$M)



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Cost Of Sales

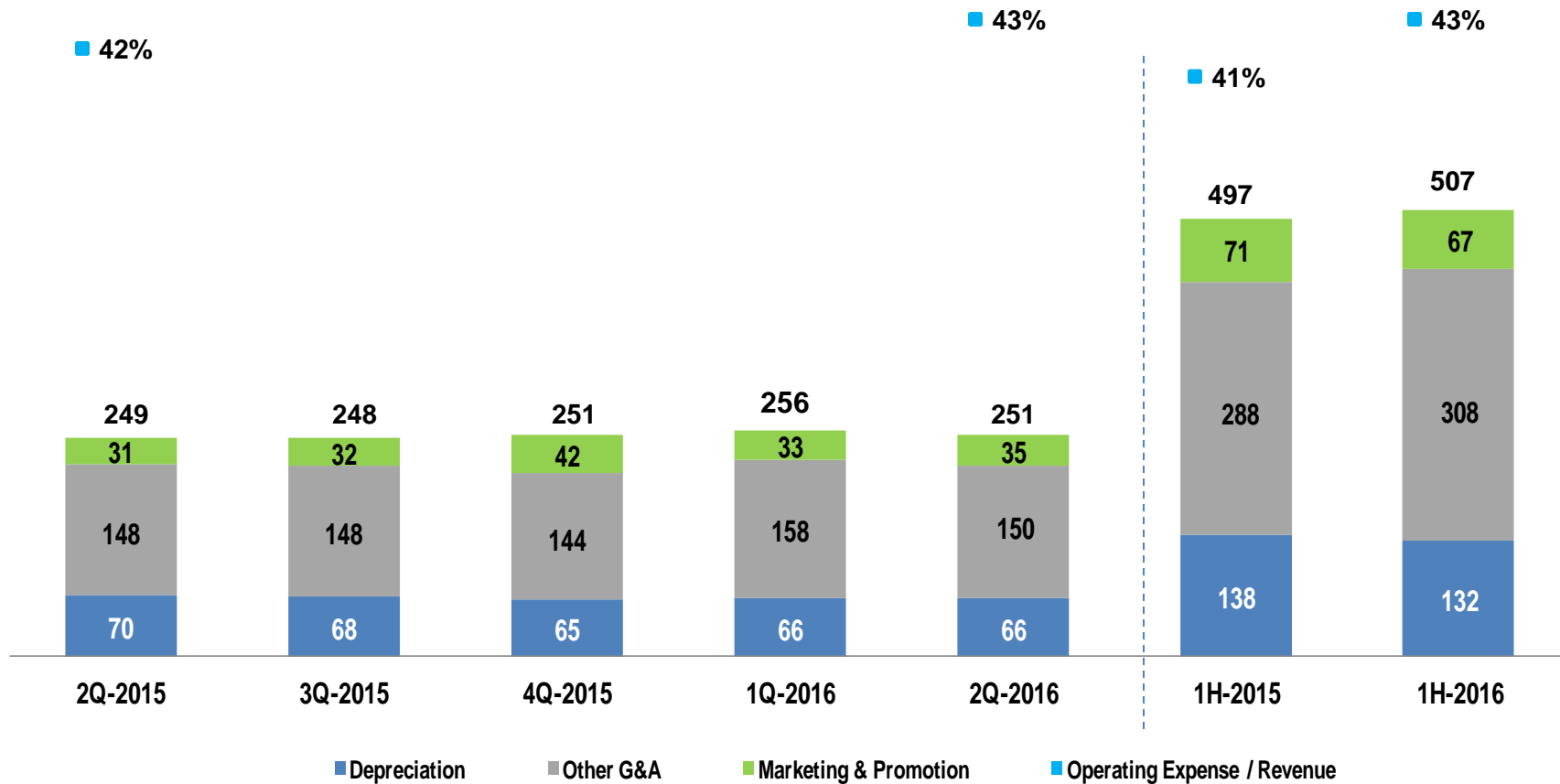
(S\$M)



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Other Operating Expenses

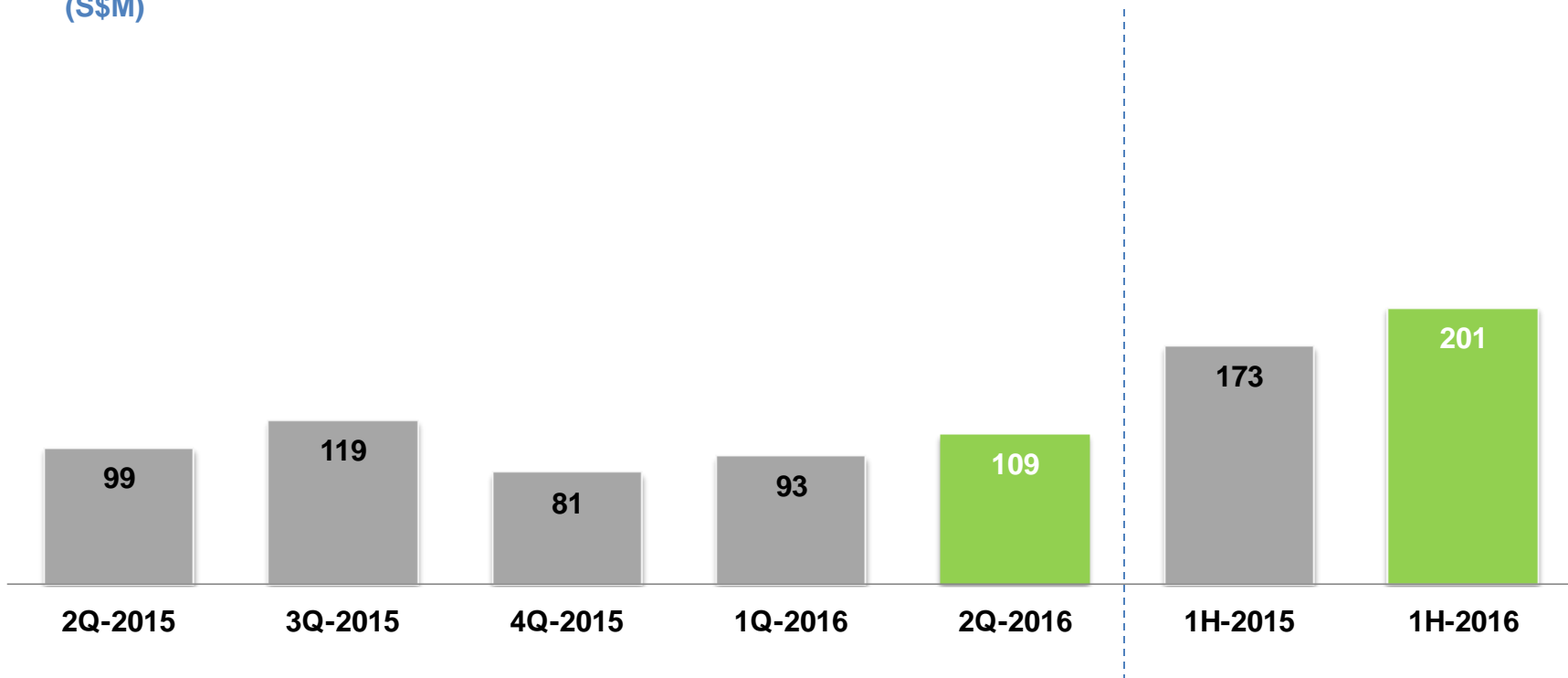
(S\$M)



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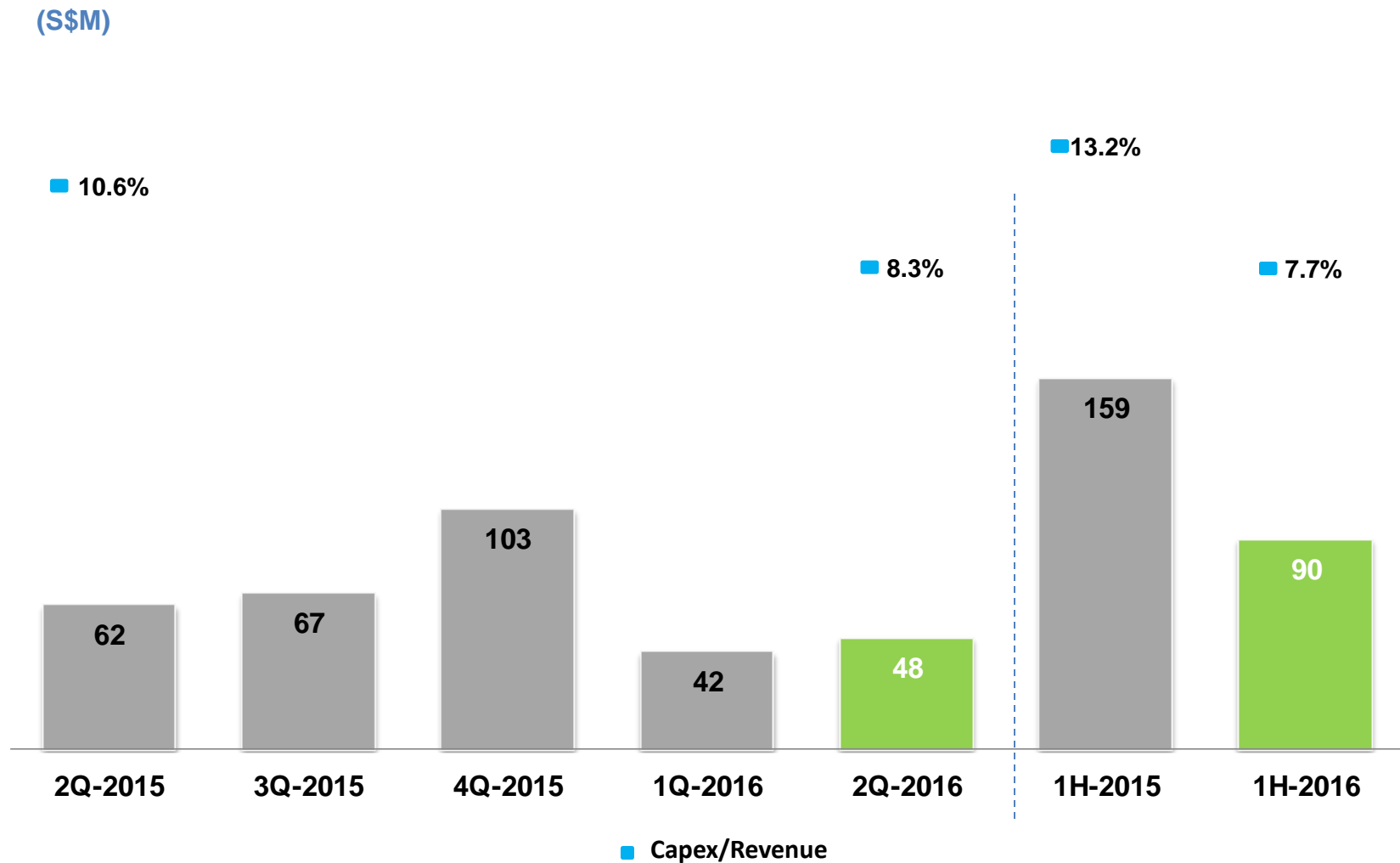
Net Profit After Tax

(S\$M)



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Capex (cash payments)

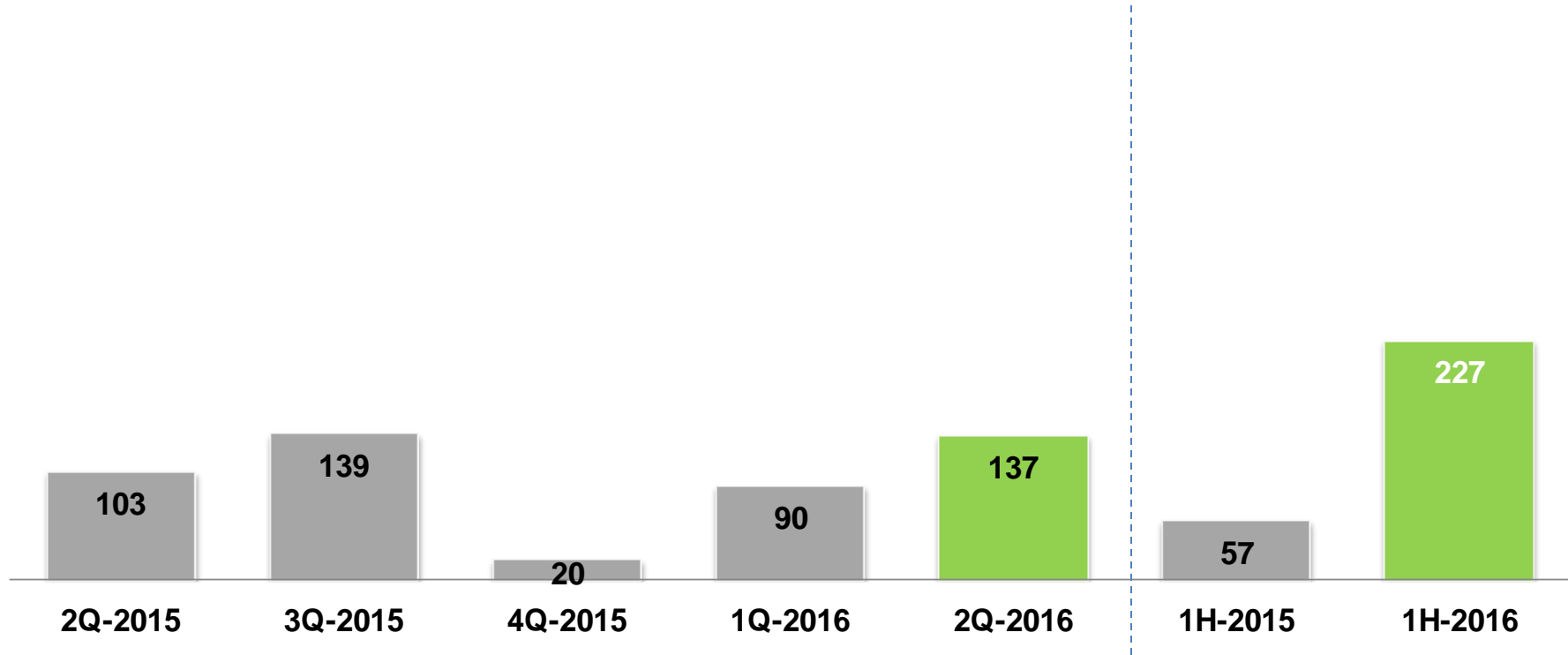


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Free Cash Flow

(S\$M)



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1H2016 Highlights

Financial Highlights

Business Highlights – Mobile

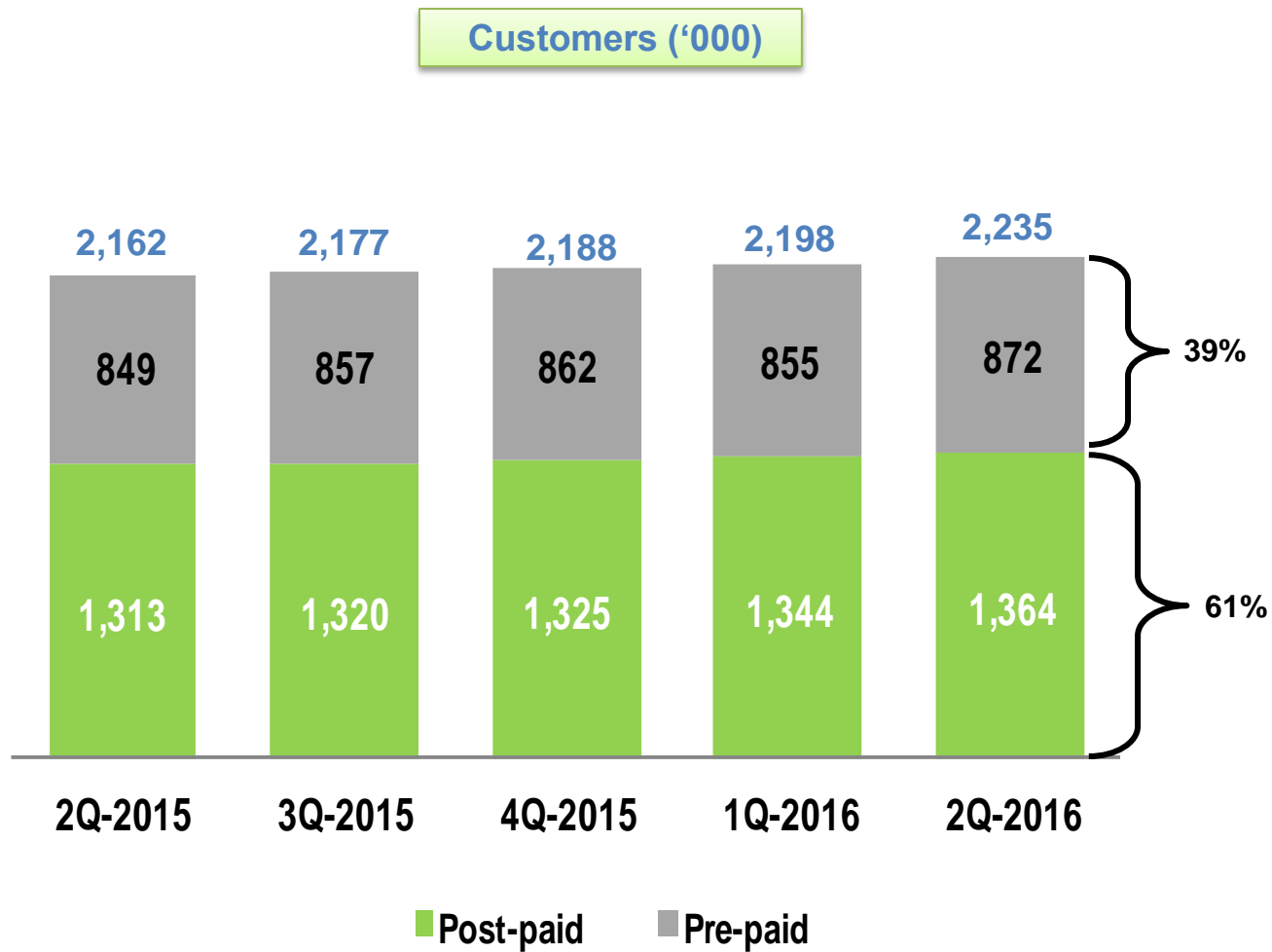
2016 Outlook

Mobile (1H-2016 vs 1H-2015)

- ❖ Total customer base expanded 73k
- ❖ Post-paid ARPU increased S\$1 to S\$70



Mobile Customer Base

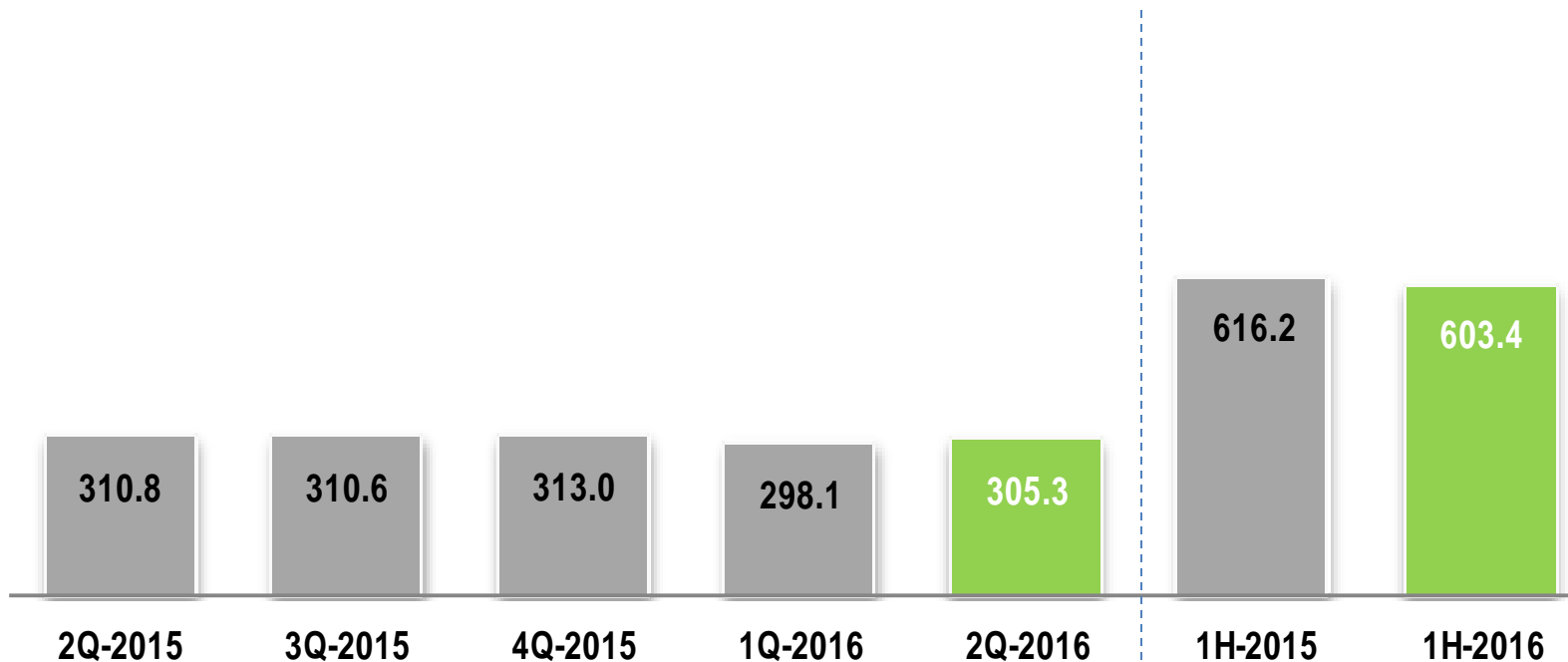


* Numbers may not add up due to rounding.



Mobile Revenue

Mobile Revenue (S\$M)

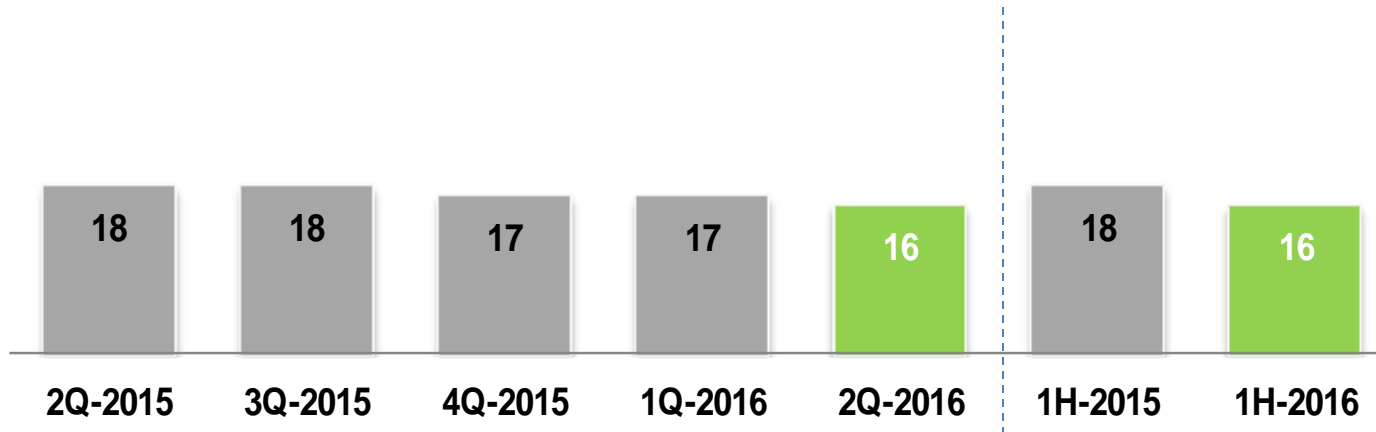


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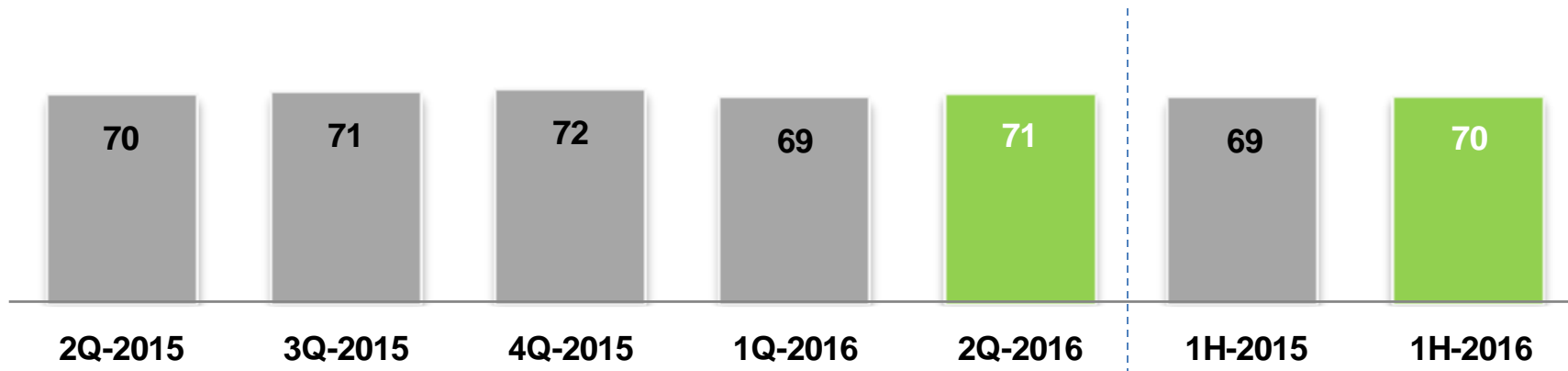


Mobile ARPU

Pre-paid ARPU (S\$ per month)



Post-paid ARPU (S\$ per month)

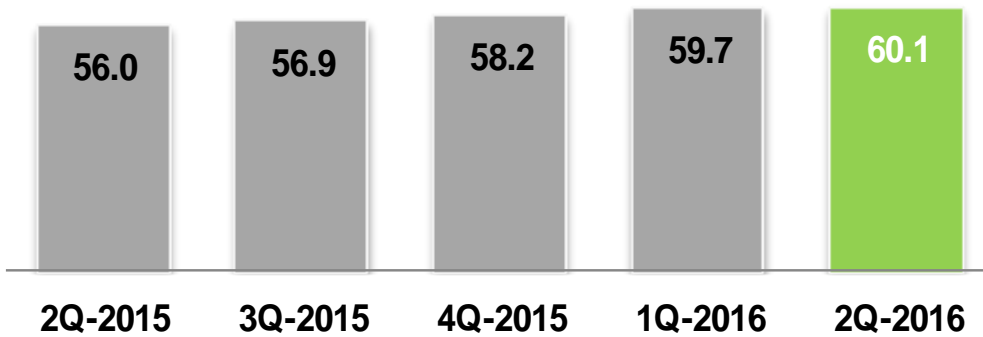


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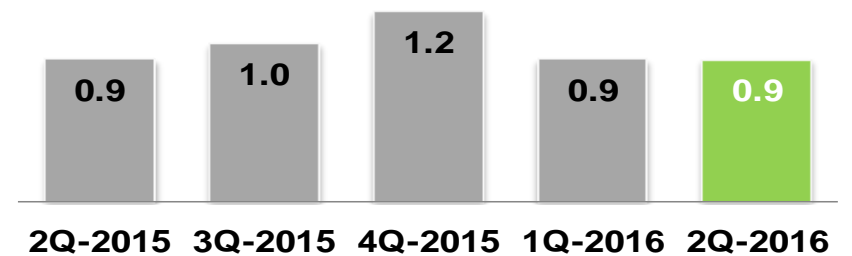


Mobile Non-Voice & Churn Trend

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



Post-paid Monthly Churn Rate (%)



1H2016 Highlights

Financial Highlights

Business Highlights – Pay TV

2016 Outlook

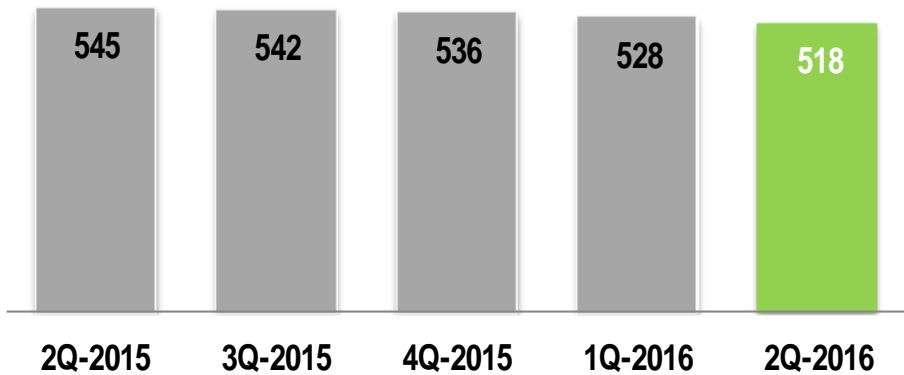
Pay TV (1H-2016 vs 1H-2015)

- ❖ Revenue decreased 2%
- ❖ ARPU at S\$51
- ❖ Customer base decreased 27k



Pay TV Base & Churn

Customers ('000)

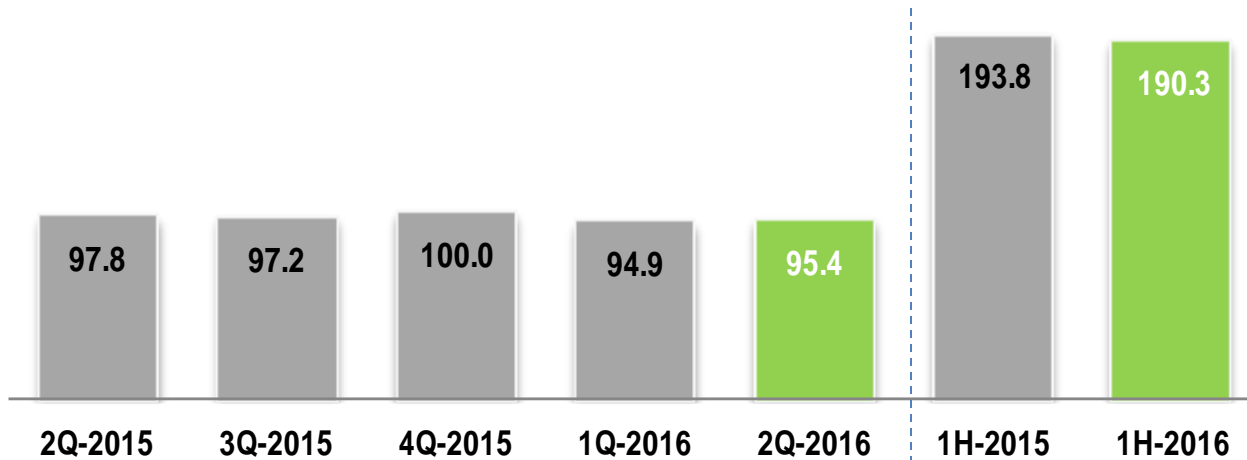


Average Monthly Churn Rate (%)

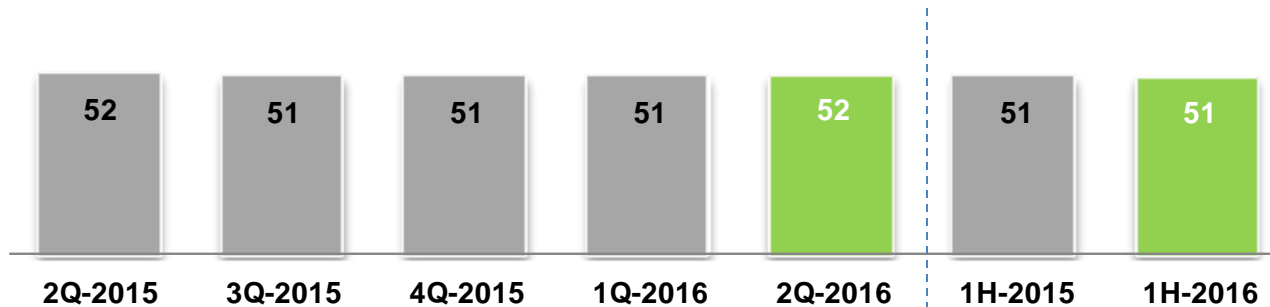


Pay TV Revenue & ARPU

Pay TV Revenue (S\$M)



Residential Pay TV ARPU (S\$ per month)



* Numbers may not add up due to rounding.

1H2016 Highlights

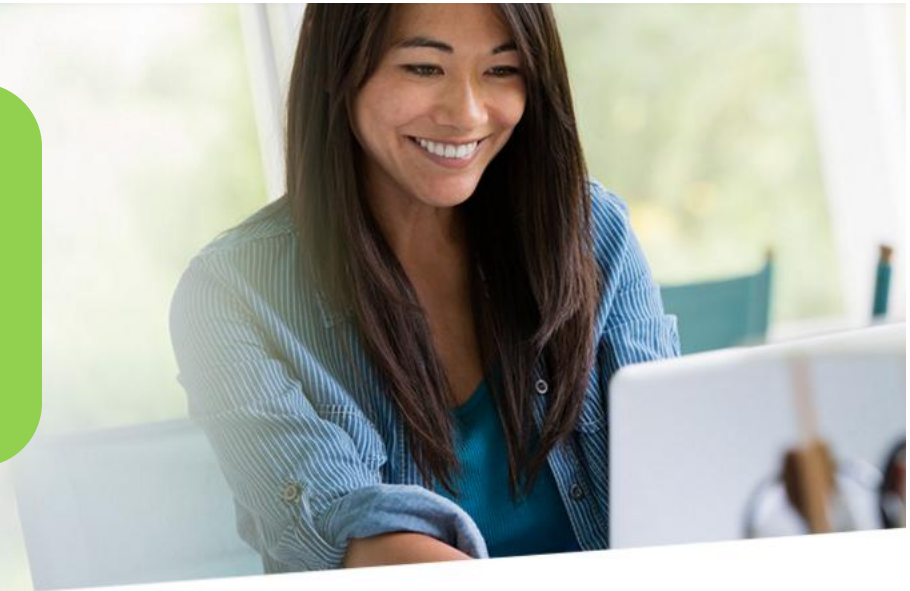
Financial Highlights

Business Highlights – Broadband

2016 Outlook

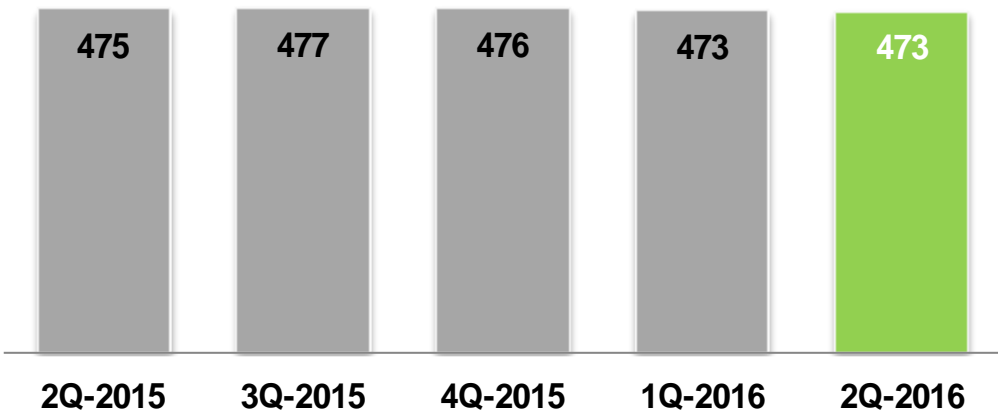
Broadband (1H-2016 vs 1H-2015)

- ❖ Revenue increased 11%
- ❖ ARPU increased by S\$4 to S\$37
- ❖ Customer base decreased 2k

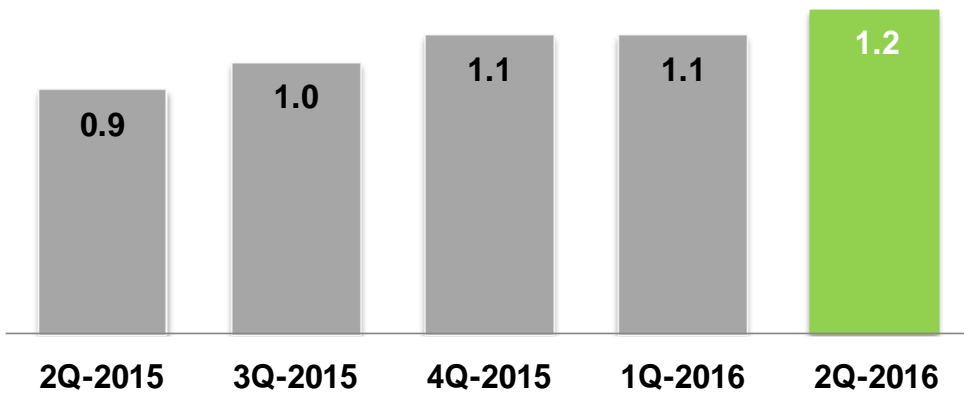


Broadband Base & Churn

Customers ('000)

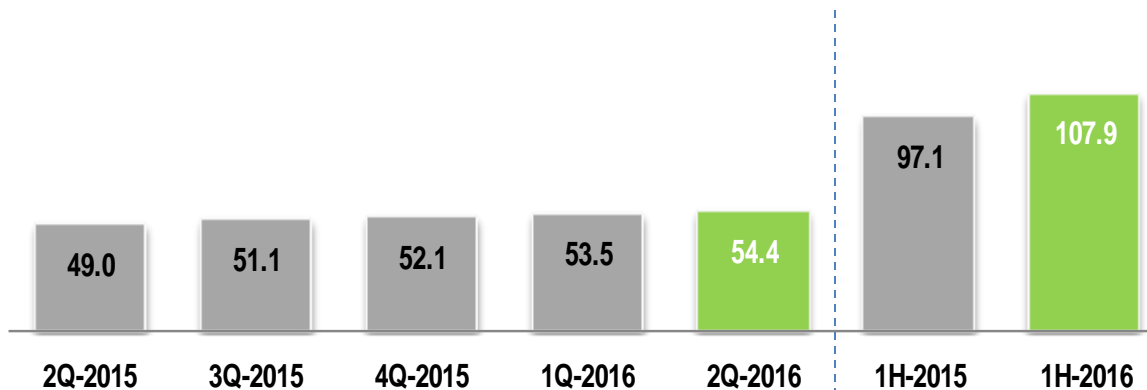


Average Monthly Churn Rate (%)

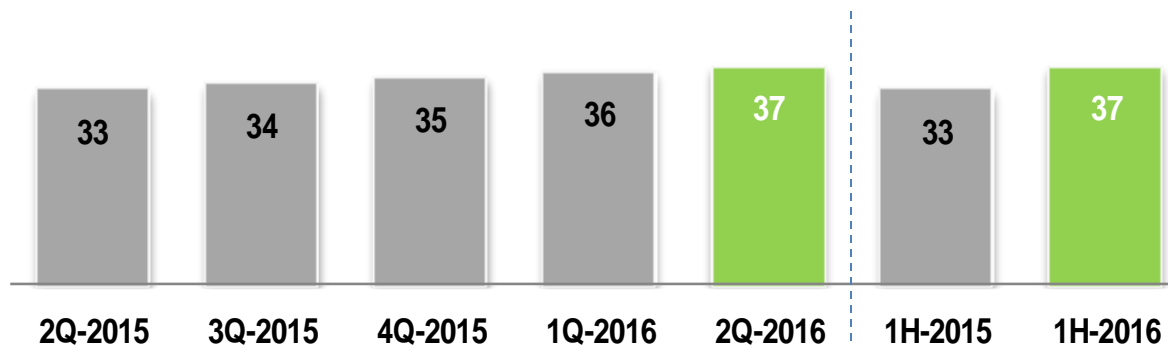


Broadband Revenue & ARPU

Broadband Revenue (S\$M)



Residential Broadband ARPU (S\$ per month)



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1H2016 Highlights

Financial Highlights

Business Highlights – Enterprise Fixed

2016 Outlook

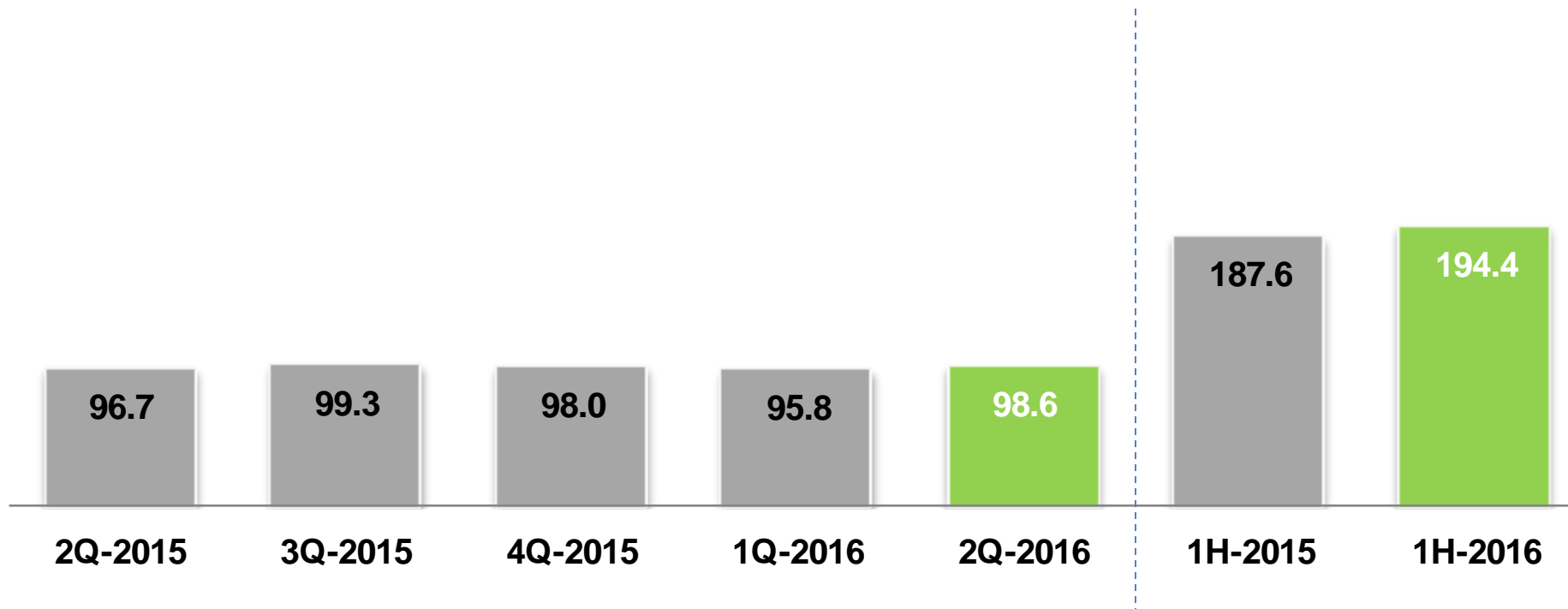
Enterprise Fixed (1H-2016 vs 1H-2015)

- ❖ Data & Internet revenue increased 4%
- ❖ Voice revenue increased 1%



Enterprise Fixed

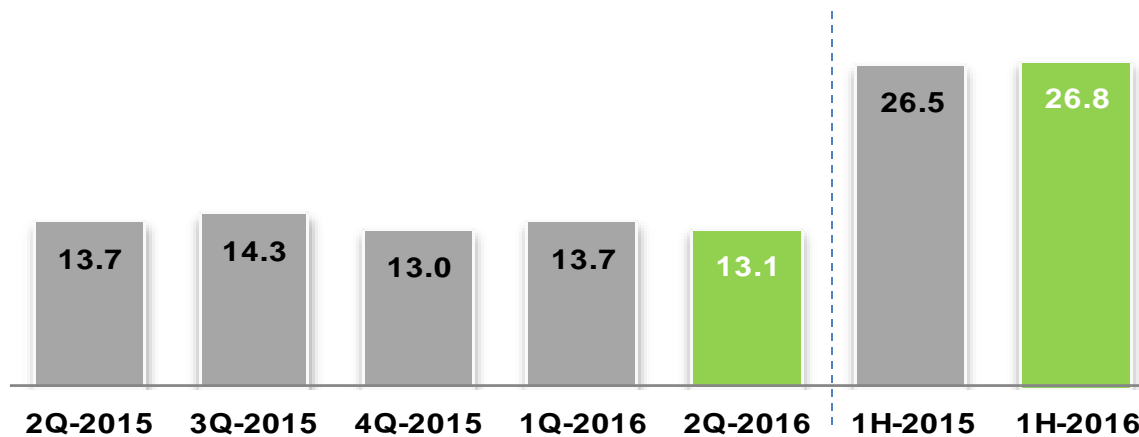
Enterprise Fixed Revenue (S\$M)



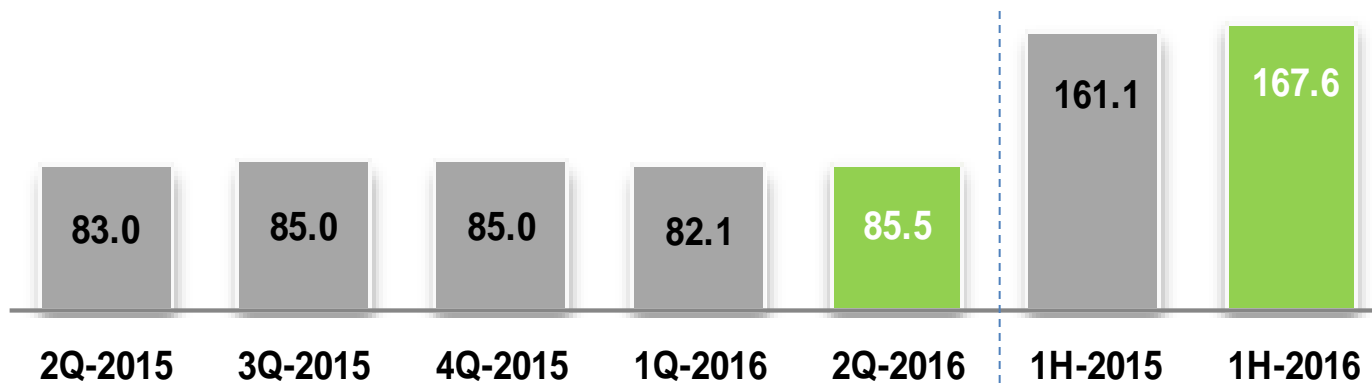
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Voice/Data & Internet

Voice Revenue (S\$M)



Data & Internet Revenue (S\$M)



* Numbers may not add up due to rounding.

1H2016 Highlights

Financial Highlights

Business Highlights

2016 Outlook

FY2016 Outlook

- ❖ **Revenue:** Revised service revenue to be at about 2015's level
- ❖ **EBITDA:** Revised EBITDA margin on service revenue at about 32%
- ❖ **CAPEX:** Maintain cash capex to be about 13% of total revenue (excludes spectrum payment)
- ❖ **Dividend:** Declare 2Q-2016 dividend of 5.0 cents per share
Maintain annual cash dividend of 20.0 cents per share for FY2016



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