

Company: StarHub Ltd.

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Start of Transcript

Amelia Lee: Good evening, ladies and gentlemen, this is Amelia from StarHub's investor relations. Thank you for joining us for StarHub's 3Q and 9M 2020 business performance update call. With me this evening, we have our CFO, Dennis Chia; Chief Corporate Officer, Veronica Lai; Chief of Enterprise, Charlie Chan; and Chief of Consumer, Johan Buse.

Dennis will start off the presentation, with key financial highlights for the quarter, followed by business updates from Johan and Charlie, and Veronica will close off the presentation with some remarks, before we open the floor to questions. Dennis, over to you, please.

Dennis Chia: Thank you, Amelia, and good evening to everyone, and thank you for joining us on this earnings update call on a Friday evening. If you refer to our slide deck, on slide number 5, we report Q3 revenue of S\$489.7 million, and that's a recovery, quarter-on-quarter, by 8%. This is largely due to the recovery in our Pay TV and Broadband lines of business, as well as our cybersecurity revenues, which increased from last quarter.

Service revenue wise, we reported revenues of S\$388.7 million, and again, sequentially, this represents a 3.3% quarter-on-quarter growth. Service EBITDA of S\$131.1 million, or 33.7% in margins. Again, these are all positive trends from last quarter, and this quarter's improvement in EBITDA is largely due to the improvement in our operating expenses, despite having booked a lower income for our job support team in Q3 versus Q2, and also improvements in our cybersecurity unit.

Net profit attributable to shareholders was at S\$44.5 million, or translating into S\$0.024 on an EPS basis, representing a 19.3% QoQ growth.

Free cash flow for the quarter was S\$75.6 million, and that's a slight decline from last year, and this represents payments for some tax catch ups that we had deferred from earlier this year.

I will leave the walkthroughs of each of the lines of business to our chief of consumer and our chief of enterprise.

Just moving on to slide number 6...do a call out on our net debt to EBITDA ratio, which sits at 1.45 times at the end of Q3. We had S\$389.9 million of cash and cash equivalent at the end of Q3.

In terms of profit highlights, on slide number 7, as I indicated, the improvement in EBITDA on a sequential basis are a result of better operating costs and improvements in profitability of our cybersecurity unit. Our service EBITDA margin has also improved as a result of that.

With that, I will hand the floor over to Johan, who will take us through each of the lines of business for the consumer business. Johan, over to you.

Johan Buse: Thank you, Dennis, and good evening, everyone. I would like to navigate you to slide 9 out of this deck. First, let's start with Postpaid. Postpaid, as you know from last quarter, has been impacted by COVID-19, mainly roaming revenues, that's why you see a year-on-year decline. Quarter-on-quarter, however, you see that ARPU is stabilising, and that the customer base is slightly up. That's mainly due to the success of giga!. The churn rate is fairly stable. It was 1%, which is, I would say, good, considering the intensity in the market, when it comes to competition. Prepaid is also impacted by COVID-19. Actually, quarter-on-quarter, we did well on ARPU. It went up S\$2. The decline in the customer base comes totally to the expense of - totally due to roaming, and determination of those SIM cards. That has led to a further decline in mobile revenues, service revenues, fully attributable to roaming, again, but also due to lower exit data charges.

That is on the mobile part. If we then move to page 10, where we go a little bit more into detail on the home side, you will see that home is more resilient during COVID-19. Quarter-on-quarter we lost 3,000 pay TV subscribers. ARPU went up S\$1, and, as you will know, we have launched a new TV+ programs in the quarter.

Churn rate's stable, 0.7%, and the revenue Q2 to Q3 was marginally up. Just keep in mind that in 2019 we were completing the cable to fibre migration, and the decline in those revenues.

Broadband. Broadband did well last quarter, despite a decline of 2,000 customers, ARPU went up and the revenue went up. The main reason for that is that we're coming to the tail end of promotional benefits, which we gave during the cable to fibre migration. Also, year-on-year, you'll see positive trends in broadband.

So, in terms of outlook, on page 12, we're proud to be the first to launch 5G in Singapore. We have a coverage of over 70% population, end of September, and we are very pleased with that. StarHub TV+, the new hybrid platform, we launched in September, integrating over to TNIP TV, plug and play, and you have seen probably that we started onboarding quite a few of the OTT applications on our box.

Then, broadband, we have done very prudent cost management, and then we also have worked very hard on further enhancing the ARPU.

So, that is the conclusion on the consumer side, and on that note, I hand over to Charlie, for Enterprise.

Charlie Chan: Thank you, Johan. Good evening, everyone. I'll refer to page 14. 3Q 2020 has come in better than [unclear]. This comes primarily from continued growth in our cybersecurity business, as well as the consolidation for the first time of the Strateq business, which we were fully completed, transaction wise, at the end of July.

I'd like to point you to the network solutions business. As you can see, that business continues to, as expected, during this COVID-19 period, go through decline. We see challenges in terms of the renewals of domestic leased circuits at lower rates and managed services continuing to experience delay and fewer project completions during the same period. Voice services, as expected, were lower, as less people were in the office, using our fixed line circuits during this period.

Going back to our growth in cybersecurity, we continue to invest in the business and we continue to see the talent and the volume of projects that we're expecting.

If I maybe now just take you into the next page, in terms of our outlook, three key areas. Network solutions. We continue to expect a gradual increase in activity. Even then, the businesses have been cautious and continue to manage the implementation of these projects according to priority and according to their business objectives.

As said, in cybersecurity our investment continues as we strengthen our capabilities and pursue growth opportunities in Asia Pacific. At the same time, under cybersecurity, we see D'Crypt deploying solutions, as part of intelligent transport system, as well as for contact tracing in the IoT space.

Finally, with the regional ICT now being consolidated into our results, you will see us pursue growth in the various areas identified.

That's the view for the enterprise business. I'll now hand you back to Dennis.

Dennis Chia: Thanks, Charlie. I'll take you through to slide number 17, on recent developments. In the last announcement, in August, we had advised the market on our IT and digital business transformation initiatives. We're now pleased to say that we've commenced this initiative in the third quarter of 2020, which involves the outsourcing of our IT operation, as well as the transformation of our IT and digital platforms. We're looking as part of this journey, to define a better customer experience in the digital front, simplification and rationalisation of products, applying data and artificial intelligence and creating agile operating environment.

We're pleased to report that year-on-year we've registered a 43% growth in our digital sales transactions, and a 12% growth in the monthly active users in our My StarHub App.

Moving on to slide number 18, on the 5G progress, as Johan mentioned, we are very proud to be the first to launch the 5G NSA, the non-standalone network, in Singapore. We're now at the 70% coverage, and we've now launched our Mobile+ plans. We've now commenced the 3.5GHz standalone rollout, and this is planned to start in the fourth quarter of this year, which we've now commenced, now that we're in the last quarter of the year. And we will be implementing the standalone core network and planning for that transmission in the new year, as well.

I will pass this back to Johan, to talk quickly about 5G handsets, and then Charlie will just mention briefly for 5G for enterprise. Johan.

Johan Buse: Yes, thank you, Dennis. On 5G handsets, obviously, we're very happy to have been working together with all the major handset manufacturers to be able to launch a very good 5G experience. We see very good feedback from customers, good pickup rates. Later on, I'm sure you'll have some questions around it. We also anchored it on purpose around iPhone 12, which just recently went into the market, so we're very pleased with that collaboration, and with the coverage we have achieved in a very short period of time.

Charlie, you may want to elaborate a little bit on the enterprise side of 5G.

Charlie Chan: Sure. For 5G, it's about solutions, as well as the connectivity, so on the back of the 5G launch, we continue to see interest from our clients. You can see that the various areas that we're targeting, in terms of developing these cases. More to come, as plans look at how they can exploit 5G solutions, for differentiation.

That's the view for 5G enterprise and for our 5G progress. I'd now like to hand this time back to Veronica, our chief operating officer.

Veronica Lai: Thank you very much, Charlie, and good evening to everybody. I'd like to give an update, briefly, on our leadership transition. As you know, Peter K stepped down as our CEO on 31 October. The senior leadership team and I are now working together to helm the Company during this period of transition. Our Board ExCo is in place since July, with Stephen Miller as our lead director of the ExCo.

We're also pleased to let you know that Peter is co-opted on to the Board ExCo, and we continue to be able to benefit from his input and guidance. This lends continuity and stability for us in this period of stewardship.

Our strategy is clear. Our transformation initiatives are in place, and the senior leadership team (SLT) is actually a group of experienced professionals. We are confident that we would be able to steer the Company safely in this leadership transit.

In terms of our CEO search, that has been kickstarted some time from July onwards. This is actually done by the Board and led by our nominating and governance committee. It is well under way, with a global search across Europe, US, Asia and of course in Singapore. We have actually moved from a long list to a medium list, and now a shortlist of candidates, and within the shortlist itself, are both Singaporeans as well as foreigners. We continue to refine this process, and hope to appoint a new CEO to be in place sometime early next year.

COVID-19 has of course dealt a little bit of disruption here, in terms of the travel restrictions and so on, but, well, we're in the business of connectivity, so we are going to surmount that, and hopefully, we will have a new leadership in place early next year.

So, I'll hand this back over to Dennis please.

Dennis Chia: Thanks, Veronica. Yes, and we will now take questions and answers, and Amelia will facilitate this. Amelia.

Amelia Lee: Thanks, Dennis. Please press star one if you have a question, and you'll be added to the queue. If you'd like to withdraw your question, please press star two. Let's take the first question from Arthur.

Arthur: Hi, thank you. Two questions, please. Can we just clarify the bookings on the JV entity? Are all of the 5G investments including the core, to be included in the JV now? And also, for the non-standalone 5G network, are these undertaken by StarHub directly, or the JV?

Second question I have is on the ICT side. Are you able to provide any colour on the Strateq performance? How has COVID-19 actually impacted the profitability of this entity? Thank you.

Dennis Chia: Hi, Arthur, this is Dennis. I'll take your questions. When we announced our half year results last August, we actually advised the components of a network that will be booked in the joint venture versus the components of the network that will be booked in at the StarHub level. The joint venture, which is rolling out of the base station, this is going to be shared with the other operator, which we have a joint venture with. This joint venture is going to be accounted for on an equity basis, so we will not be consolidating the results of the joint venture, and therefore any expenditures in respect of the base station rollout at the joint venture level will not appear on StarHub Group.

We will, however, be accounting for the profits or losses of the joint venture as a line item in our P&L, as our share of profits or losses from association our StarHub Group's numbers. The core and the transmissions, which are sitting at the StarHub level will then be recorded as capital expenditures at the StarHub level. I hope that answers your question on the joint venture accounting and what elements will be recorded.

You had a question on the NSA. The non-standalone rollout launched by StarHub on our own initiative, and so therefore that expenditure sits on StarHub's books.

To your second question on ICT, we completed the Strateq acquisition, as we announced in the market on 30 July 2020. We have therefore started consolidating the results of Strateq for two months in the quarter, the third quarter of this year, starting from August. Their business has largely been resilient, despite the COVID-19. That said, there is some level of impact similar to the impact that we've experienced on our enterprise business in Singapore, where we did experience some customers delaying the implementation and rollout of some of the projects, which led to some level of delays of recognition of revenue.

However, these impacts are not significant, and we do expect that that will start recovering as the COVID-19 situation stabilises, hopefully in the near future.

Arthur: Understood. Okay, thank you very much.

Amelia Lee: Thanks, Arthur. Next up we have Annabeth.

Annabeth Leow: (Business Times, Journalist) Hi. Good evening. Can you hear me?

Dennis Chia: Yes, we can.

Annabeth Leow: (Business Times, Journalist) Great. Yes, Annabeth here, from Business Times. I just have a few follow-up questions. Thanks, Veronica, for the update on the CEO search. I just wanted to clarify, you mentioned the shortlist, which was a mix of Singaporeans and international candidates. I wanted to check how many people are on the shortlist and when, when you say early next year, do you expect to have the decision by?

Then I'd also like to ask, Johan, you mentioned the 5G handsets outlook. If you could give some more colour on that, as well as the kind of pricing premium you expect with the plans, the mobile service revenue outlook, with 5G coming on board?

Lastly, I just wanted to clarify what you are referring to by the IT transformation that was in the financial statement. How does this relate to the 2018 strategic transformation, and actually, what's the progress of the 2018 transformation towards the deliverables that management had in mind at the time?

Those are my three questions, thanks.

Veronica Lai: Okay, thank you, Annabeth, for your questions. I'll take the first one, which relates to the CEO search. The shortlist, currently, is less than 10, and obviously, it's difficult to share with you the actual number.

As to when we think that we would be able to appoint, we are hoping that it'll be Q1, but it might be Q2, depending on various factors, including the chosen candidate, when the chosen candidate can actually leave his or her employment, and also regulatory approval and various variables.

Annabeth Leow: (Business Times, Journalist) Mm-hm. Okay. Thank you.

Johan Buse: Good evening, Annabeth. I'll take question number two on the 5G handsets. As you probably have seen in Q3, the handset revenue was quite a fair bit up, compared to the previous quarter, which was obviously very much impacted by the circuit breaker. But then again, keep in mind that iPhone didn't launch in September, as it normally does, and that actually had an impact on that quarter, in a detrimental way, so that shifts to this quarter.

What I can share with you is that the uptake on the 5G handsets is very encouraging. We've seen actually, good uptake on that. What I see happening is that the market is probably moving, either in a 5G or a SIM-Only variant so it's actually diverging a little bit. There is, obviously, an associated ARPU uplift there with that, but it's too early to really give you any flavour of how big or how instrumental that will be, because we're actually six, seven weeks down the road, so that's a bit early, but the first signs are encouraging, and also the customer experience is encouraging. So I hope that suffices for now.

Annabeth Leow: (Business Times, Journalist) Do you have any. Yes, sorry, I just wanted to check, do you have any insight on when 5G standalone launches, what the pricing will look like? And how that could - even if you have SIM-only, what it's going to look like?

Johan Buse: Okay. Pricing is too early to share with you on the standalone and standalone network rollout is planned probably Q2, Q3 next year. Mid next year, I would say, to be on the safe side. Later.

Dennis, maybe over to you for IT transformation?

Dennis Chia: Yes, okay. So, Annabeth, I'll address your first question. The IT and digital transformation, when we announced our three-year cost transformation journey of S\$210 million - or at least S\$210 million, that was started in October of 2018, so we're now in the third leg of, and the final year of our three-year S\$210 million initiative, and we're happy to advise that, and when we did announce our last results, we did say that we're well under way to deliver, and perhaps even, and possible even exceed that number that we had initially set as the target.

The IT and digital transformation that we advised, and it was outlined in slide number 17, it's intended to take the next chapter of our cost transformation initiative, because the benefits of the transformation initiatives will start materialising, starting largely from 2022. So that will be our next chapter and the next phase of our cost transformation initiatives.

Annabeth Leow: (Business Times, Journalist) Mm. It will start from 2022. How long is it expected to last? Because you know the 2018 is a three-year plan, for example.

Dennis Chia: Yes, it will largely will last for about three to four years, and we expect most of the savings to start kicking in, in the outer years, because it will involve implementation and some level of re-architecture of our IT platform, and as we know, these initiatives are fairly complex, and they will take some time to gain fruition.

Annabeth Leow: (Business Times, Journalist) I see. So what's the expected cost of this transformation and what is the target for savings?

Dennis Chia: Okay. The cost that we are anticipating for this transformation, as I indicated, there are a couple of components with this IT initiative that we are undertaking. There's a whole outsourcing piece, that we've undertaken, and that will translate into immediate savings, in staff costs as well, decommissioning of certain IT platforms. The savings from these decommissioning and staff costs, through a more efficient workforce, will then be reinvested in the transformation initiatives. So, technically speaking, there will not be incremental investments, if you compare that to a business as usual model, operating model, if we had continued with the current model, before we embarked on this initiative.

So, it will be cost neutral, if you take the total value of the contract, or the initiative, over a five-year period. However, there will be benefits that will realise from this, and these benefits will be realised and will show up in our P&L. As to the amount of the exact benefits, we are not in a position to advise at this moment, because we typically only provide guidance and specific guidance to the current financial year. So, for the outer years, we'll advise accordingly, when we announce the subsequent years' results.

Annabeth Leow: (Business Times, Journalist) Got it. Thank you, Dennis.

Dennis Chia: No problem.

Amelia Lee: Thanks Annabeth. Let's take the next question from [Yeh Yeng]. Yeh Yeng, are you there? Hello? Okay, maybe let's move on to the next question, from Ranjan and we'll come back with Yeng after.

Ranjan: Hello. Good afternoon. Can you hear me?

Amelia Lee: Yes, we can.

Dennis Chia: Yes, we can.

Ranjan: Hi. Good evening, and thank you for the presentation. Two questions from my side. Firstly, on 5G, do you think it's feasible to price 5G at a premium to 4G in Singapore? Do you think there's inclination from the operators to price at a premium, and if the competitive environment allows you to do that? That's the first question.

The second is more on the third quarter. Has there been a decline in the subsidy simply because of the delay in the iPhone launch? Does that explain some of your OpEx savings in the third quarter? Thank you.

Johan Buse: Allow me, maybe, to take question number one, Ranjan, on the 5G premium pricing. As you probably have seen, we've launched the Mobile+ plans, which are slightly higher priced than the equivalent 4G plans. We do include more value in those plans, so the answer to your question is obviously, we are keen to be able to justify a small premium for a significantly better network experience and more value in the plan. So, hopefully, that's answering your question.

On the subsidies, Dennis, would you like to elaborate on that?

Dennis Chia: Sure. Ranjan, on our OpEx savings, we're not looking at - we didn't actually realise reductions in subsidies as a result of the launch delay and the launch of the iPhone, so OpEx savings, rather, are coming through from some other line items, like content costs, as well as our other discretionary operating expenses. And as we indicated, there was also improvement in the operating expense levels of our cybersecurity units.

Ranjan: Okay. Thank you.

Amelia Lee: Thank you, Ranjan. Once again, please press star one if you have a question, and you'll be added to the queue.

Let's take the next question, from Paul.

Paul: Hi. Thanks for the presentation. Just a couple of questions. The first will be just on the direction of post-paid ARPU, at least on a quarter-on-quarter basis, just wondering, what are some of the moving parts? Because it seems to be stabilising, then, as we move forward, how would the impact from ASPs on 5G or competition? That'll be my first question. Thanks.

Johan Buse: Okay, Paul, Johan here. Let me try to answer your first question on the ARPU. Your observation is correct. It's fairly stable. Obviously the previous quarters, the ARPU was mainly impacted by roaming. There are obviously, moving components within the ARPU. As we just discussed 5G has a pricing strategy, there are obviously also still marginal declines when it comes to excess data IDD. So, all in all, your conclusion for the quarter is correct, it seems to be stabilising, and we're working hard, to make sure that we can continue to work in that direction, going forward.

Paul: Just related to 5G, could it be possible to share some of the new customers that are signing up to your non-standalone? What are some of the feedback or the attractiveness of 5G for them [unclear]?

Johan Buse: Well, there's two main benefits at the moment in the plans and the network experience. Obviously the speed is significantly higher than the 4G, even on a non-standalone, and the latency is also significantly better. Second, is that these tariff plans, the Plus tariff plans, as we call them, they come with two main benefits. Number one is more data included and the second is they come with a content, if I may call it that way, content subscription included. So we offer currently, TV Plus as part of those plans, so that people really can experience 5G high image quality on the network. Those are the key benefits.

Paul: Thanks. Just the last two questions from me, just on Broadband ARPU, again, another positive is the improvement - I'm just wondering, is there further room to grow for Broadband, or just that, because of competition, we should see some stabilisation or some ceiling to the ability to raise Broadband ARPU?

Johan Buse: Okay, what I'm helping us in the Broadband ARPU, as I think I mentioned before, is that we're coming to the tail end of the cable to fibre migration benefits. So, when we migrated customers two years ago, during cable to fibre, we offered specific benefits to retain customers. We're coming to the tail end, and obviously, that's helping us on the ARPU side.

The market is competitive, but at the same time, the market is also open for quality home broadband. Obviously, COVID-19 has changed quite a few things for consumers and home broadband has become more important than it used to be, so we also see some trends in terms of what kind of packages people take, in terms of home broadband, as well as the combination of CPE customers staying with their home broadband.

So, hopefully, that's giving you a bit more colour.

Paul: Yes. Okay, thanks for that. Last question for me. Just on the enterprise business, as we, hopefully, in Singapore, we move to Phase 3, I just wonder, will there be some kind of demand, or some alternative projects that could see a rollover into the following quarters? Thank you. That will be my last question, thank you.

Charlie Chan: Paul, this is Charlie. Thank you for your question. As we gradually see the recovery and more accessibility by businesses, as we go to Phase 2, and surely Phase 3, we do expect a gradual recovery in demand, although I wouldn't say that it looks like. I think it will be subject to how customers look at their businesses in coming years, just as we would. So, I would think it would be a measured push from all quarters.

Paul: Okay, thanks. That's it for me. Thank you.

Charlie Chan: Thank you, Paul, for your question.

Amelia Lee: Thanks, Paul. Let's have the next question from Lilian.

Lilian: Hi, Amelia, this is Lilian.

Amelia Lee: Hi, I can hear you now.

Lilian: Oh, great. I'm actually using Chloe's line, so, Lilian from UOB here. Hi, Dennis, hi, Veronica. Three questions from me. Firstly, can you give us an update in terms of what's happening on the giga! side? That seems to be having a bit of - in terms of your post-paid subscriber growth. Have you hit or exceeded your own targets? What is the customer profile looking like?

Second question is on, can you just remind me what was the staff - full year staff costs in other income, in relation to COVID-19, from the budget?

My third and final question is, largely on provision for doubtful debts. Can you talk a bit about what's the outlook like? Has it spiked? Is there any change? Whether it's from a consumer or enterprise business? Thank you.

Johan Buse: Thank you, Lilian. Johan here. I'll take your first question and probably then hand over to Dennis for two and three.

On the giga! side, as I hope you'll understand, we can't share with you the details in terms of customer numbers, but let me try to give you a bit more colour and context around giga!. So, giga! is one and a half years in the market now. It's our, as you probably know, end-to-end digital proposition in the market. There's a few things which we've seen, which obviously, are beneficial for us. Number one is that giga! is really attracting the segment between 25 to 35. That's the prime segment in which it does very well. It's 100% online sales. The NPS is significantly higher than other operators or other brands in the market, and it's a very convenient experience.

What we have noticed over the last few quarters is that there is increasingly a very positive word of mouth, and that has accelerated the growth of giga! as a customer base. The last thing is that we run it operationally very efficient, so all customer service enquiries are handled, the vast, vast majority via Chatbot, with a little bit of intervention of human, where we can't solve it.

Hopefully that gives you a bit more background, and for question two and three, Dennis, I hand over to you.

Dennis Chia: Okay, thanks, Johan. So, I'll answer questions two and three. For the job support scheme, that's booked under other income. We booked the number of S\$15.7 million in quarter two, a number of S\$7 million in quarter three, and we expect the full year number to be around S\$30 million, in our P&L. Okay

Your last question on provision for doubtful debts. We did have and we did extend longer payment terms to some of our customers, in quarter, when we went into the circuit breaker period, in recognition of assisting our customers to tide through the difficult times.

Happy to note that when we actually exited the circuit breaker period in June, and now that we're well into Phase 2, and hopefully into Phase 3, we have seen actually improvement in our DSOs and collection, the result of which has resulted in a slight decrease in our provision for doubtful debts.

We obviously continue to monitor this very carefully, and if you look at our free cash flow for the nine months, we generated over S\$350 million of free cash flow for the nine months, and that is also the result of much better collections than we anticipated.

Lilian: Okay, great. Thank you so much, guys.

Johan Buse: You're welcome.

Dennis Chia: You're welcome.

Amelia Lee: Okay, let's take the next question from Kareen.

Kareen: Hi, can you hear me?

Amelia Lee: Yes, we can.

Dennis Chia: Yes, we can.

Kareen: Okay, I just have one question on my end. What happens - I just want to have some colours in terms of the 5G uptake. In this case is the 5G uptake trend similar to that during the switch, during 2G to 3G, or is the trend more similar to the period during 3G to 4G?

Johan Buse: Wow, Kareen, good evening. That's a good question. We're going back in time here. Let me try to answer your question in the following way. Typically, technology migration, from a consumer point of view, is driven by handsets, by devices. The fact that all major manufacturers have come out, over the last 12 months, with 5G devices, and recently, obviously, Apple, that typically drives the uptake of new technology, and the vast majority of those customers are, on a regular basis, recontracting their line.

So, with the right handsets in place, with a network which has the biggest coverage today, in Singapore, we're in a good position to upsell and offer 5G to our existing customers and to new customers.

I would like to tie it back to a question which was earlier asked around the ability to charge premium. Look, from a telco perspective, it's important that the market manages to sell this for the right price. Obviously, there are investments behind 5G, and it delivers a significantly different experience to customers, so that's why we have priced our Plus plans in the way we've priced it, and so far, we have received very good customer feedback. So, my assumption is that the migration to 5G, we are quite optimistic about that, in light of the fact that all the new devices are enabled 5G and it's a matter of time when customers recontract, or come new to align to move to 5G automatically.

Hopefully, that gives you a bit of a context around the speed of migration.

Kareen: Okay, thank you.

Johan Buse: You're welcome.

Amelia Lee: Thank you, Kareen. Please press star one if there's a question. We could really take the last question or two.

If there is no further question, thank you, everyone, for joining us this evening. As always, please feel free to reach out to us if you have further questions. Until our next update call, please stay safe and have a great weekend ahead. Thank you everybody. Bye.

Dennis Chia: Thank you.

Charlie Chan: Thanks, everyone. Bye.

Veronica Lai: Thank you.

Johan Buse: Bye-bye.

End of Transcript