



StarHub 2Q & 1H-2019 Results

6 August 2019

DARE
— T O E V O L V E —

STARHUB LTD
Annual Report 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.



Peter K.
CEO



Dennis CHIA
CFO



2Q & 1H2019 Highlights



Financial Highlights



FY2019 Outlook

Overview



- ❖ **Total revenue:** \$553 M, \$597 M (-7.4% QoQ)
\$1,150 M, \$1,160 M (-0.9% YoY)
- ❖ **EBITDA:** \$146 M, \$155 M (-5.7% QoQ)
\$308 M, \$309 M (-0.3% YoY)
- ❖ **Service EBITDA margins:**
31.8%, 30.2% (+1.6% pts QoQ)
32.8%, 30.9% (+1.9% pts YoY)
- ❖ **Investments:** \$71 M, \$49 M (+45.2% QoQ)
\$116 M, \$117 M (-0.5% YoY)
- ❖ **NPAT:** \$39 M, \$63 M (-37.2% QoQ)
\$89 M, \$127 M (-30.2% YoY)
- **Enterprise Business:**
 - ✓ Solid revenue growth of 14.3% YoY
 - ✓ *Cyber security*: 92.5% YoY revenue jump

• QoQ = 2Q2019 vs 2Q2018 / YoY = 1H2019 vs 1H2018

Key Financial Highlights

S\$M	2Q-2019	2Q-2018	Change	1H-2019	1H-2018	Change
Total Revenue	553	597	-7%	1,150	1,160	-1%
Service Revenue	442	467	-5%	887	915	-3%
EBITDA	146	155	-6%	308	309	0%
Service EBITDA [#]	141	141	0%	290	283	3%
Service EBITDA Margin	31.8%	30.2%	1.6%pts	32.8%	30.9%	1.9%pts
Taxation	(8)	(15)	-43%	(22)	(27)	-20%
Net Profit After Tax [^]	39	63	-37%	89	127	-30%
Capex Commit	36	24	49%	47	42	12%
% of Capex Commit to Revenue	6.5	4.1	2.5%pts	4.0	3.6	0.5%pts
FCF / Fully Diluted Shares	3.1¢	5.7¢	-45%	4.4¢	6.3¢	-30%
Net Debt to TTM EBITDA Ratio	1.64x	1.18x	0.47x	1.64x	1.18x	0.47x

[#] 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

Revenue Contribution

Total Revenue	Quarter Ending 30 June				1H Ending 30 June			
	2019	2018	Incr / (Decr)	Incr / (Decr)	2019	2018	Incr / (Decr)	Incr / (Decr)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile services	192.3	213.5	(21.2)	(9.9)	384.6	416.5	(31.9)	(7.7)
Pay TV services	64.7	84.7	(20.0)	(23.6)	135.5	165.4	(30.0)	(18.1)
Broadband services	45.1	46.1	(1.0)	(2.2)	92.2	93.3	(1.1)	(1.2)
Enterprise Business	140.3	122.5	17.8	14.6	274.4	240.0	34.4	14.3
Total Service Revenue	442.4	466.8	(24.4)	(5.2)	886.7	915.3	(28.6)	(3.1)
Sales of Equipment	110.4	130.5	(20.1)	(15.4)	262.9	244.9	17.9	7.3
Total Revenue	552.8	597.3	(44.5)	(7.4)	1,149.6	1,160.3	(10.7)	(0.9)

Mobile & Pay TV (2Q-2019 vs 2Q-2018)



- Post-paid customer base increased 101k
- Post-paid ARPU decreased S\$5 to S\$40
- Post-paid average data usage at 7.5Gb

- TV revenue decreased 24%
- ARPU decreased S\$9 to S\$44
- Customer base decreased 64k



Broadband & Enterprise (2Q-2019 vs 2Q-2018)



- Broadband revenue stable
- ARPU decreased S\$3 to S\$29
- Customer base increased by 38k

- Data & Internet revenue decreased 6%
- Managed services decreased 6%
- Voice revenue increased 13%
- Cyber security revenue increased 161%



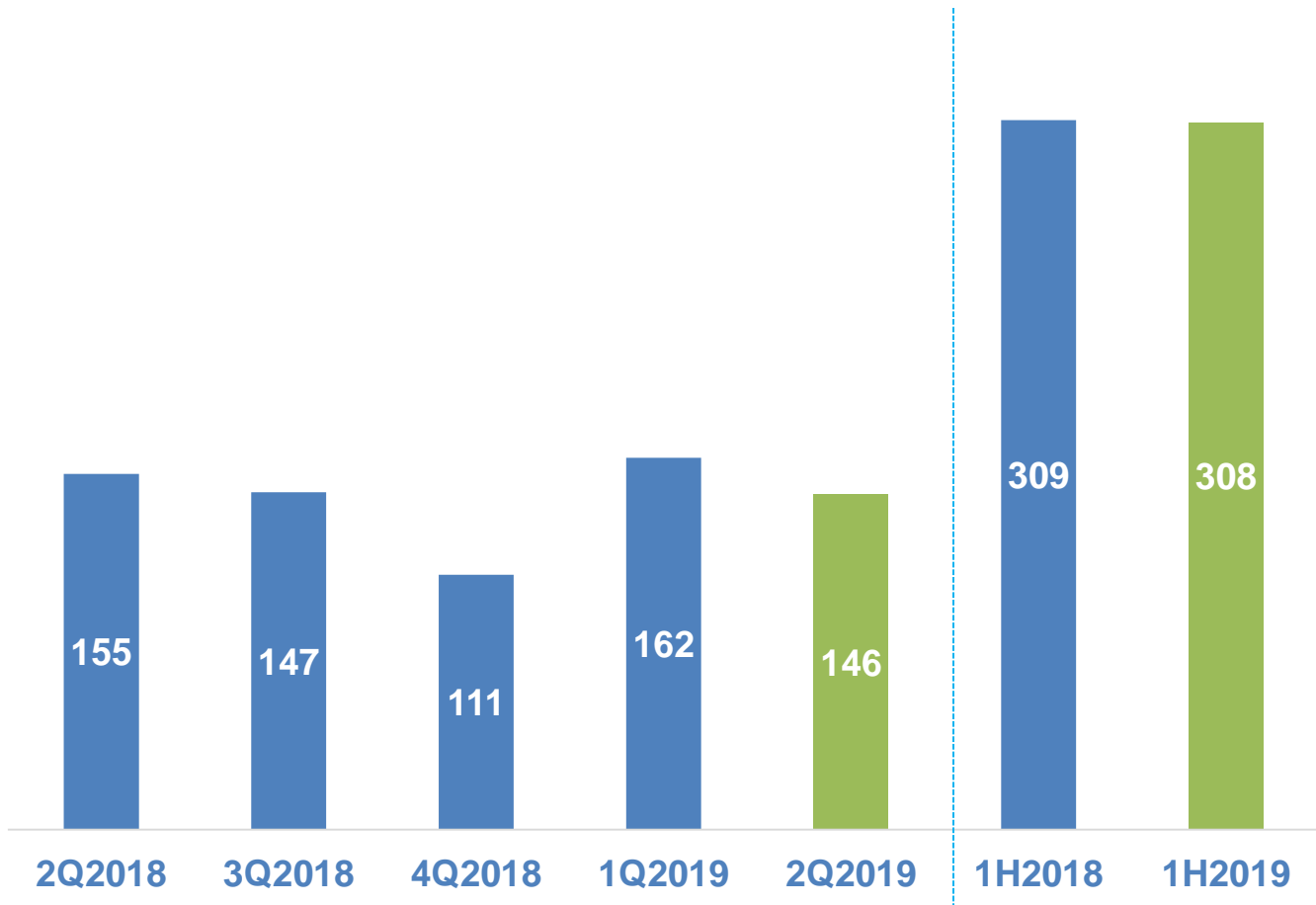
2Q & 1H2019 Highlights

Financial Highlights

FY2019 Outlook

EBITDA

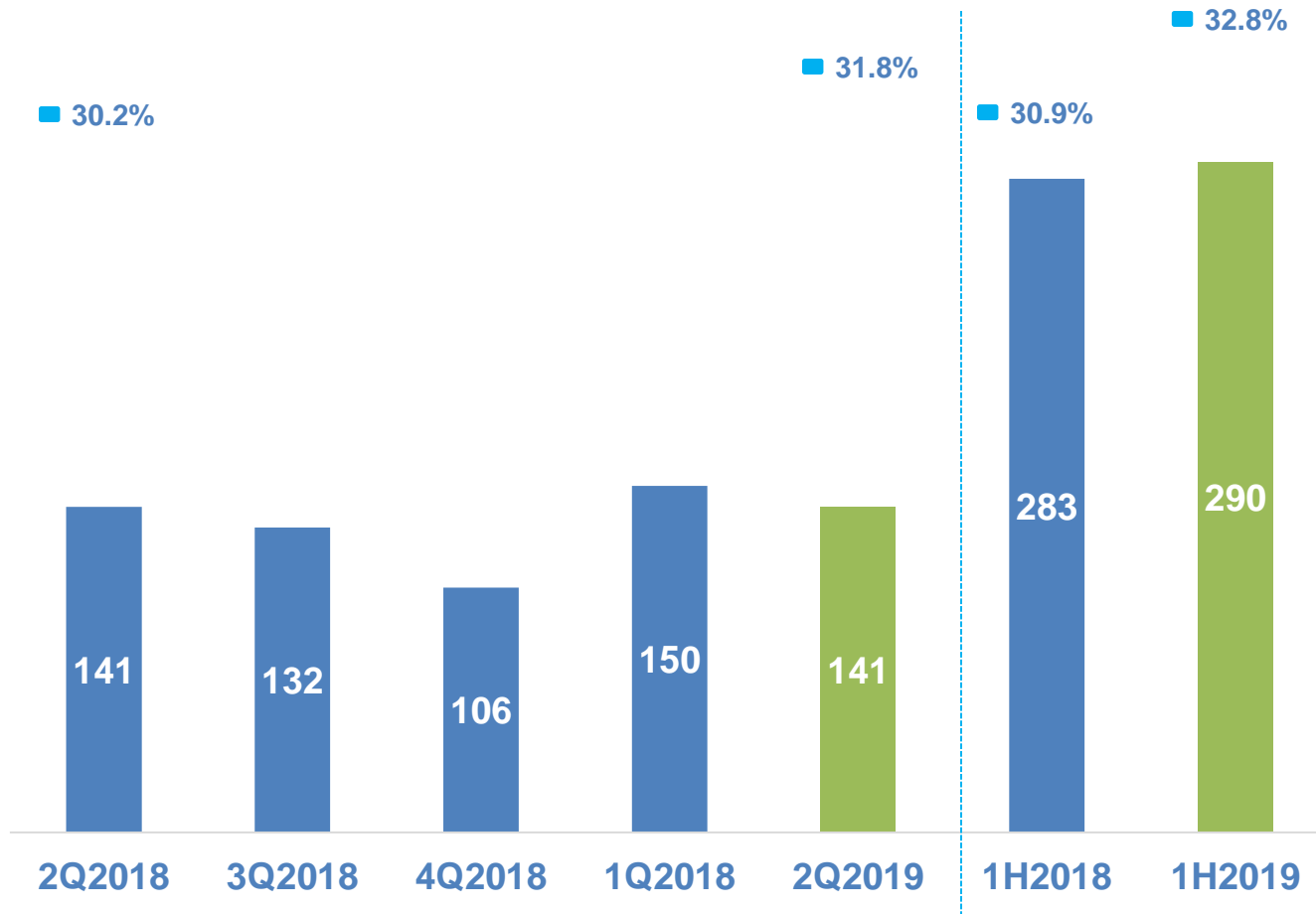
(S\$M)





Service EBITDA & Service EBITDA Margin

(S\$M)



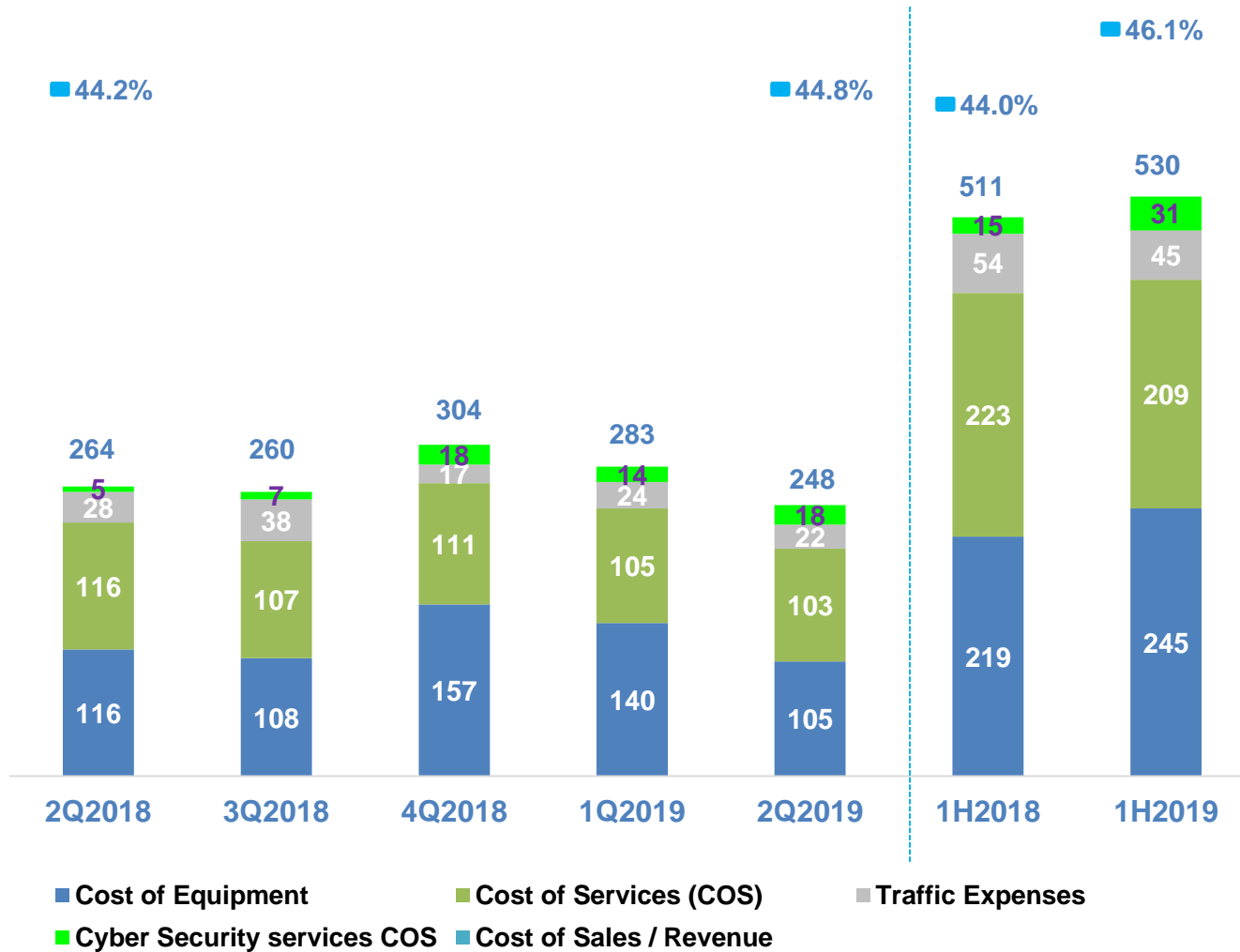
■ Service EBITDA Margin as % of Service Revenue

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

* Numbers may not add up due to rounding

Cost Of Sales

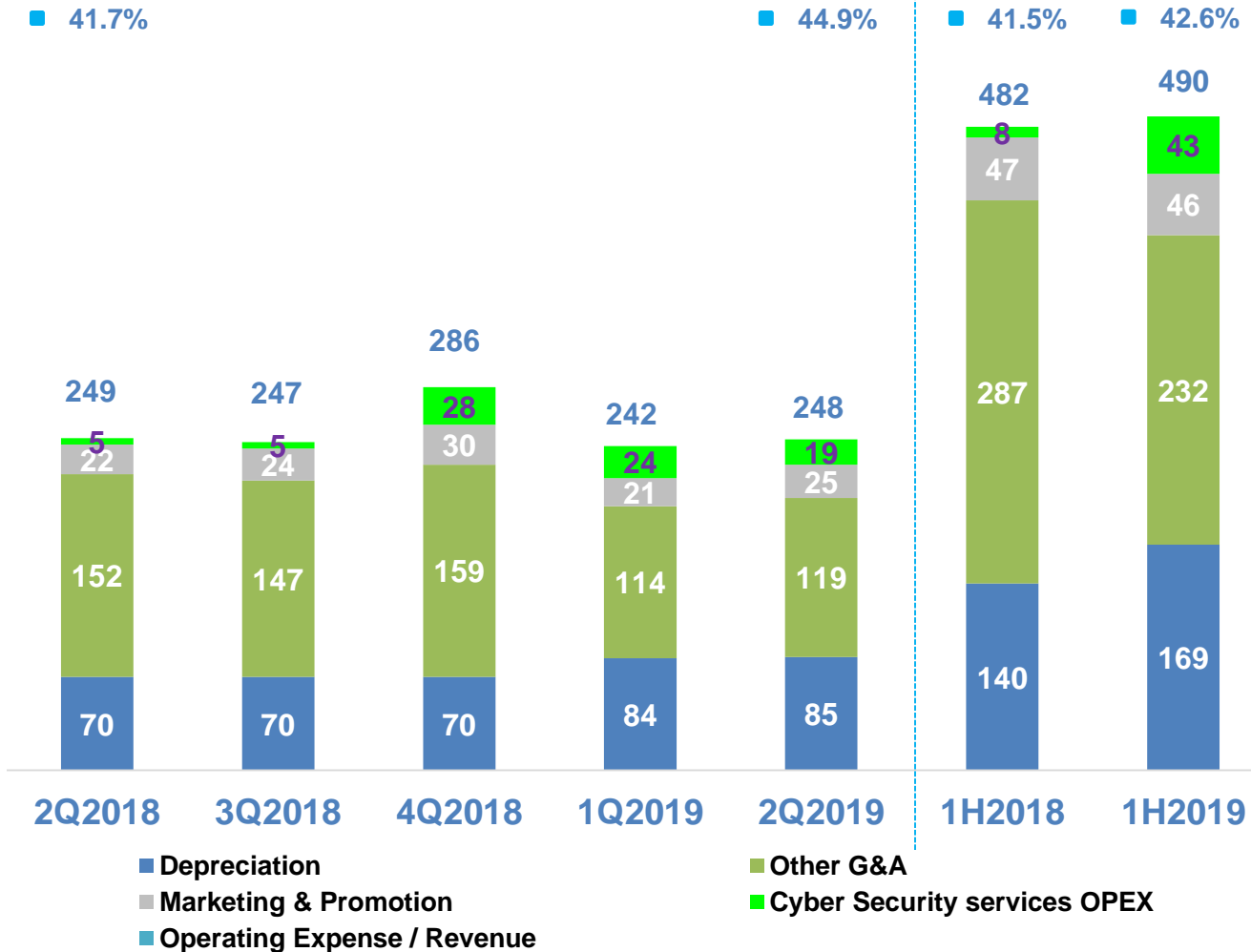
(S\$M)



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Other Operating Expenses

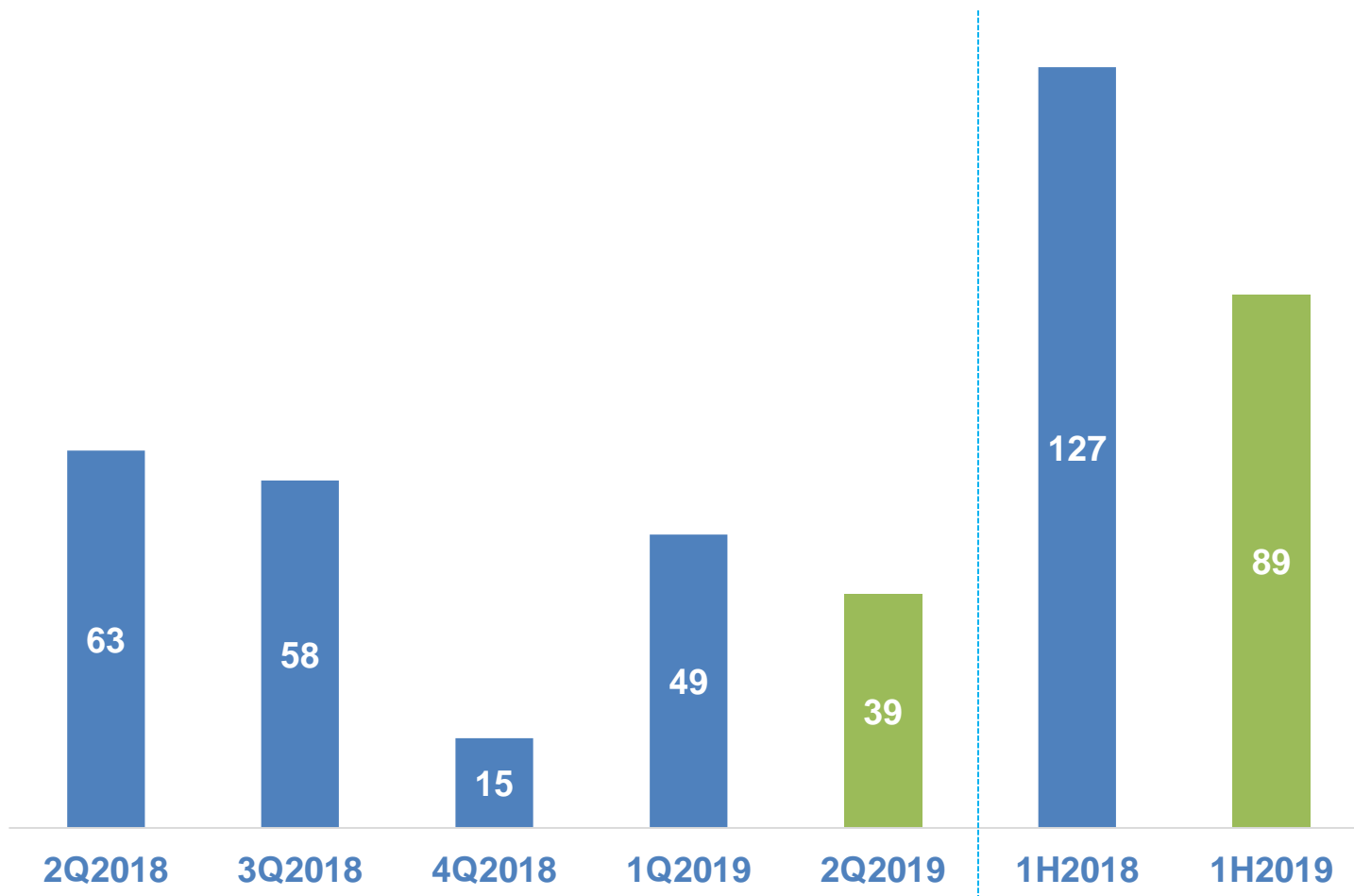
(S\$M)



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Net Profit After Tax

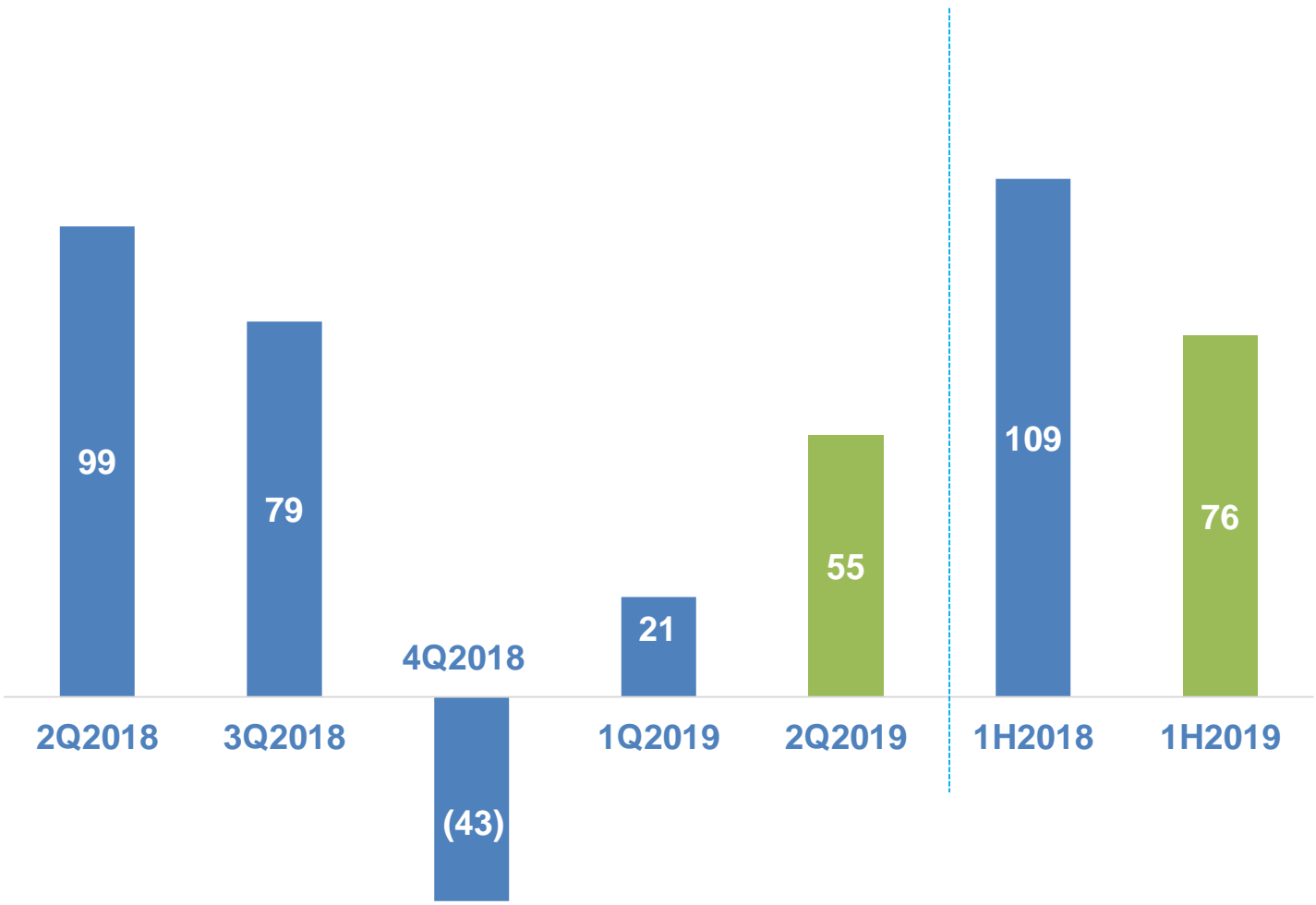
(S\$M)



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Free Cash Flow

(S\$M)



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FY2019 Outlook



- ❖ Revenue: Expect service revenue to be stable to a decline of 2% YoY

- ❖ Service EBITDA*: Expect service EBITDA margin to be between 30% - 32%
(after SFRS(I) 16 adoption)

- ❖ CAPEX: Expect CAPEX commitment to be 11% - 12% of total revenue
(excludes spectrum payment of S\$282 million)

- ❖ Dividend: Declare a quarterly cash dividend of 2.25 cents per ordinary share for 2Q2019

Intend to pay a quarterly cash dividend of 2.25 cents per ordinary share for FY2019 or at least 80% of net profit attributable to shareholders as dividend (whichever is greater)

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



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