



StarHub 2Q & 1H-2018 Results

7 August 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 & 1H2018 Highlights



Financial Highlights



Business Highlights



2018 Outlook

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

Financial

- **Service revenue decreased 0.6%**
- **Service EBITDA decreased 9.8%**
- **Service EBITDA margin at 30.9%**
- **NPAT decreased 18.5%**

Operational

- **20% revenue growth in Enterprise Fixed**
- **Subscriber growth in residential Broadband**
- **Low churn rate maintained across all businesses**

Key Financial Highlights

S\$M	2Q-2018	2Q-2017	Change	1H-2018	1H-2017	Change
Total Revenue	597	567	5%	1,160	1,159	0%
Service Revenue	467	464	1%	915	921	-1%
EBITDA	155	173	-10%	309	337	-8%
Service EBITDA [#]	141	162	-13%	283	314	-10%
Service EBITDA Margin	30.2%	35.0%	-4.8%pts	30.9%	34.1%	-3.2%pts
Taxation	(15)	(17)	-14%	(27)	(32)	-14%
Net Profit After Tax [^]	63	80	-22%	127	156	-19%
Capex Cash Payments	51	115	-56%	119	148	-20%
% of Capex to Revenue	8.5	20.2	-11.7%pts	10.2	12.8	-2.6%pts
FCF / Fully Diluted Shares	5.6¢	0.9¢	nm	6.2¢	7.7¢	-19%
Net Debt to TTM EBITDA Ratio	1.19x	0.82x	0.37x	1.19x	0.82x	0.37x

[#] 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

Total Revenue	Quarter Ending 30 June				First Half Ending 30 June			
	2018	2017	Incr / (Decr)	Incr / (Decr)	2018	2017	Incr / (Decr)	Incr / (Decr)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile services	213.5	228.6	(15.1)	(6.6)	416.5	449.4	(32.8)	(7.3)
Pay TV services	84.7	89.0	(4.2)	(4.8)	165.4	178.6	(13.2)	(7.4)
Broadband services	46.1	46.0	0.1	0.1	93.3	93.2	0.1	0.1
Enterprise Fixed services	122.5	100.1	22.4	22.4	240.0	199.7	40.3	20.2
Total Service Revenue	466.8	463.7	3.1	0.7	915.3	920.8	(5.5)	(0.6)
Sales of Equipment	130.5	103.0	27.5	26.7	244.9	237.8	7.2	3.0
Total Revenue	597.3	566.7	30.6	5.4	1,160.3	1,158.6	1.6	0.1

• 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

Revenue Mix	Quarter Ending 30 June		First Half Ending 30 June	
	2018 % mix	2017 % mix	2018 % mix	2017 % mix
Mobile services	35.7	40.3	35.9	38.8
Pay TV services	14.2	15.7	14.3	15.4
Broadband services	7.7	8.1	8.0	8.0
Enterprise Fixed services	20.5	17.7	20.7	17.2
Total Service Revenue	78.2	81.8	78.9	79.5
Sales of Equipment	21.8	18.2	21.1	20.5
Total Revenue	100.0	100.0	100.0	100.0

• Numbers may not add up due to rounding

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



2Q & 1H2018 Highlights



Financial Highlights



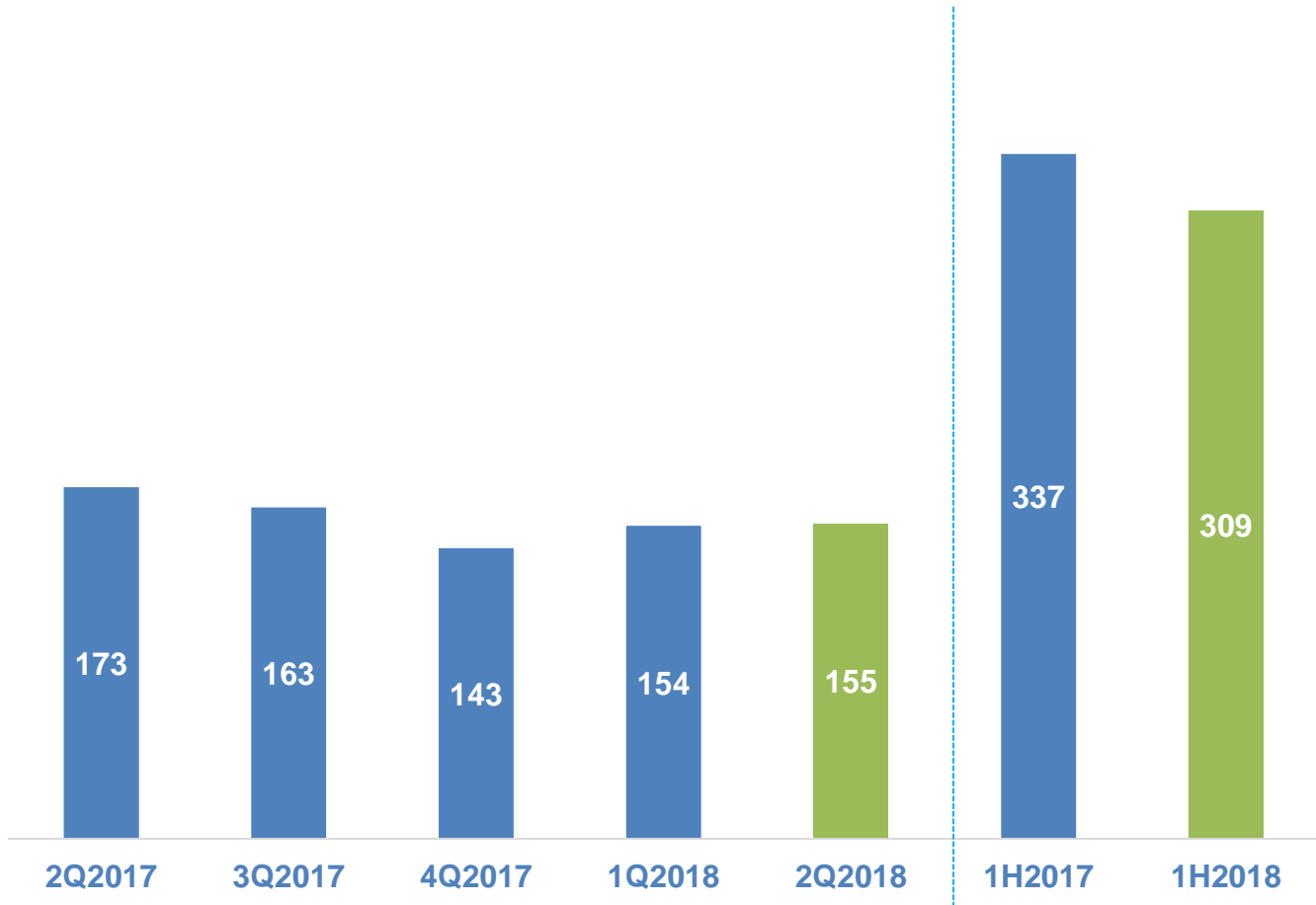
Business Highlights



2018 Outlook

EBITDA

(S\$M)

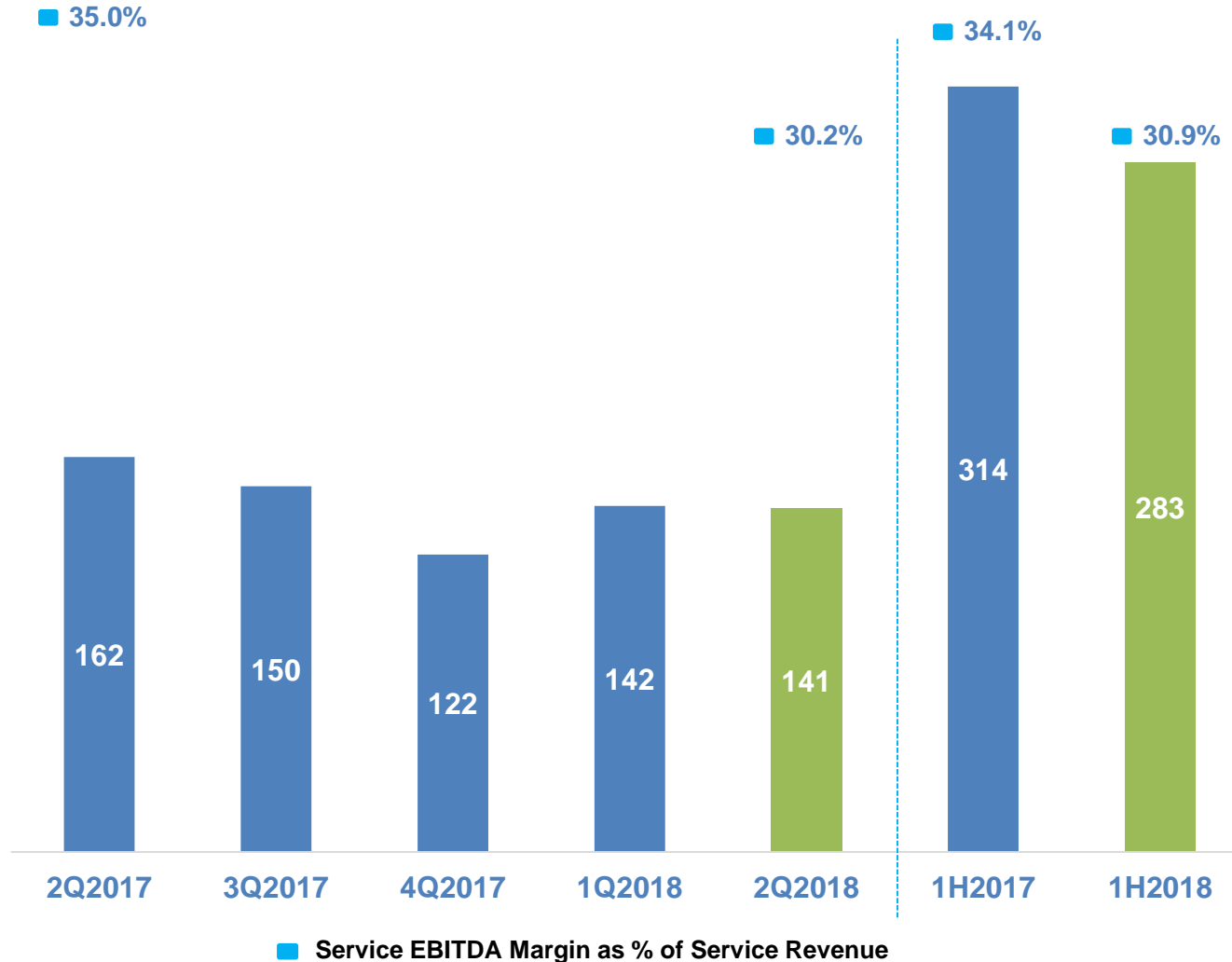


* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15



Service EBITDA & Service EBITDA Margin

(S\$M)

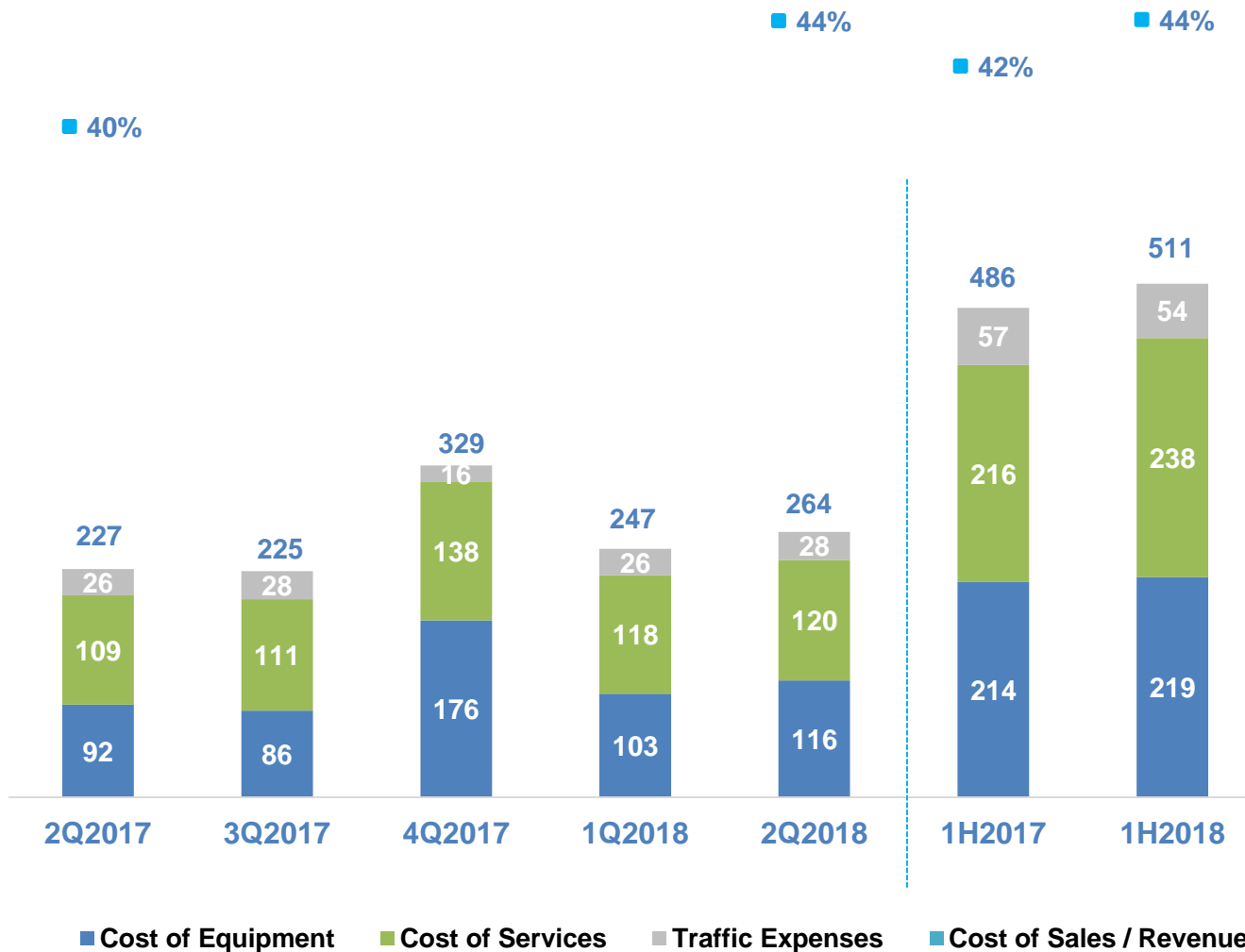


*Service EBITDA = EBITDA less (Sales of Equipment – Cost of Equipment)

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

Cost Of Sales

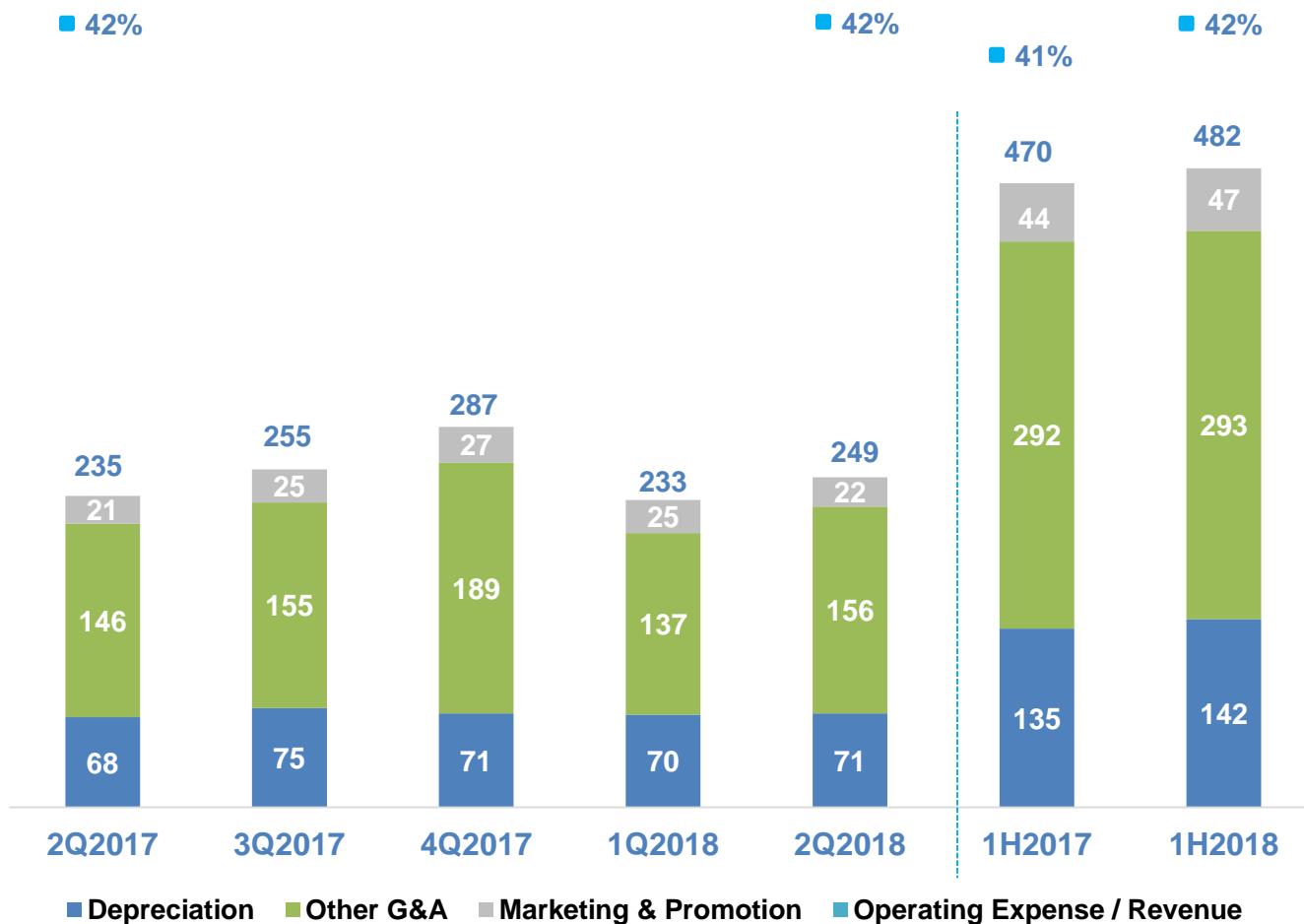
(S\$M)



* Numbers may not add up due to rounding.

Other Operating Expenses

(S\$M)

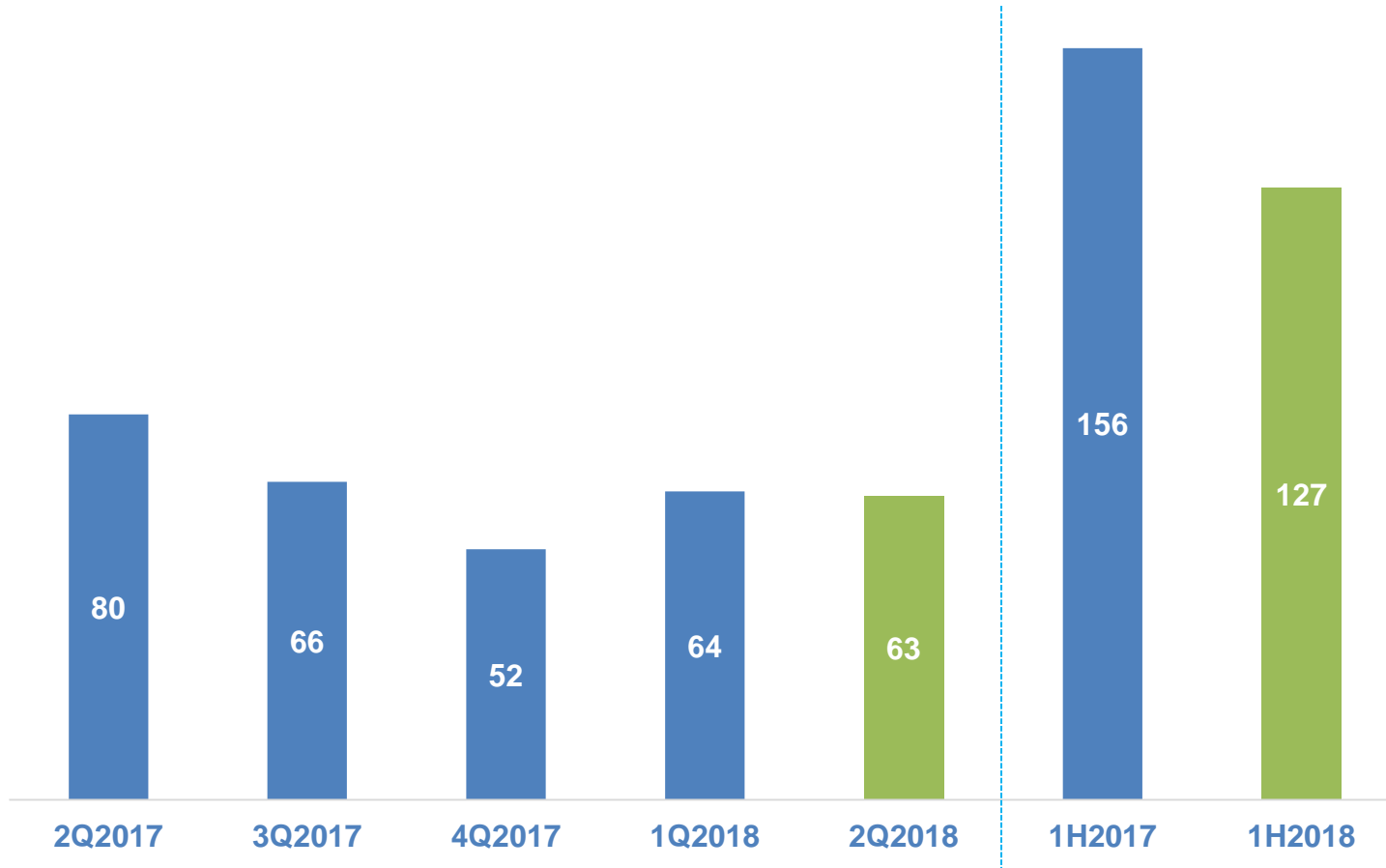


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Net Profit After Tax

(S\$M)

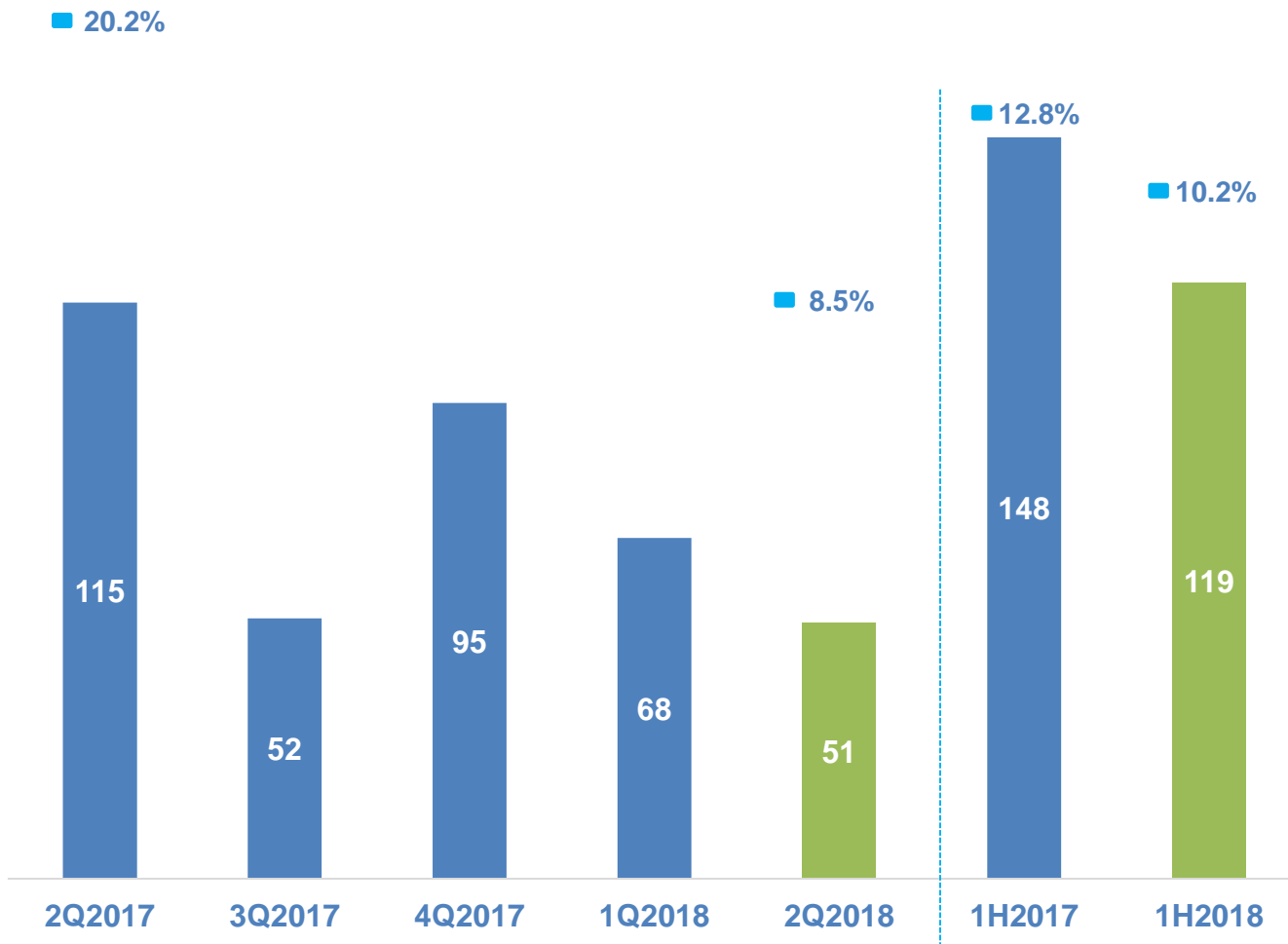


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Capex (cash payments)

(S\$M)



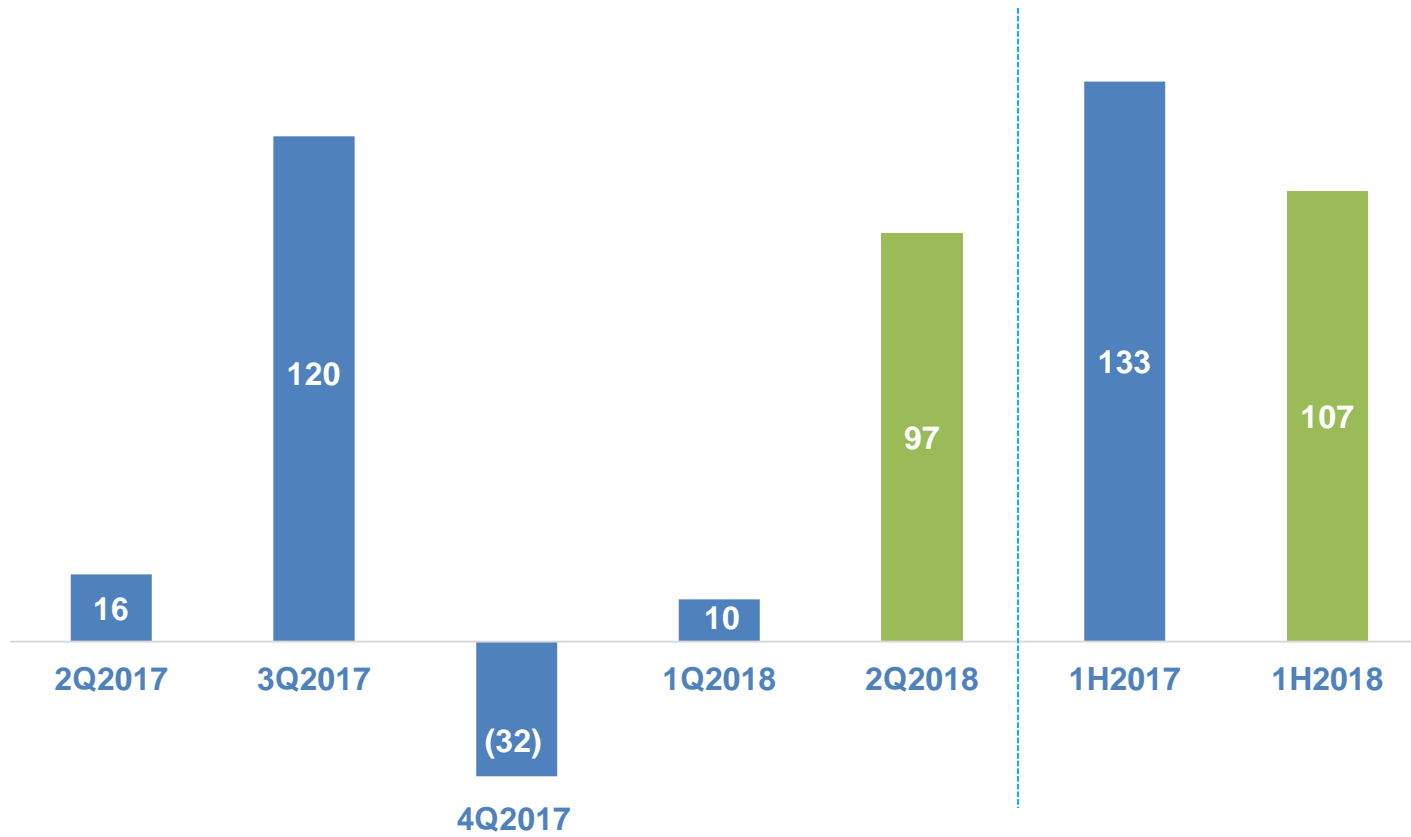
■ Capex / Revenue

* Numbers may not add up due to rounding.

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Free Cash Flow

(S\$M)



* Numbers may not add up due to rounding.



2Q & 1H2018 Highlights



Financial Highlights



Business Highlights - Mobile



2018 Outlook

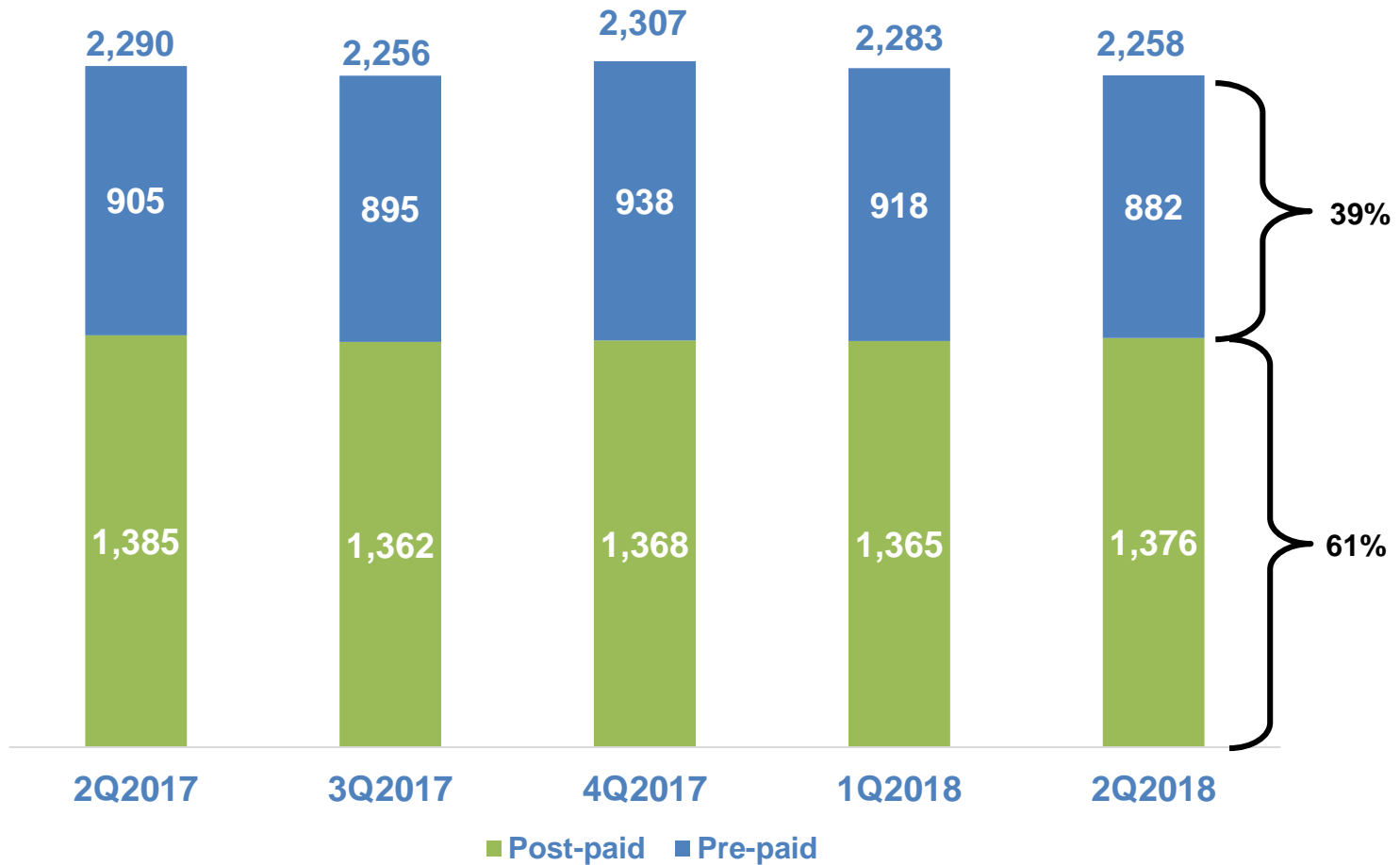
➤ Mobile (2Q-2018 vs 2Q-2017)

- Post-paid customer base decreased 9k
- Post-paid ARPU decreased S\$4



Mobile Customer Base

(‘000)

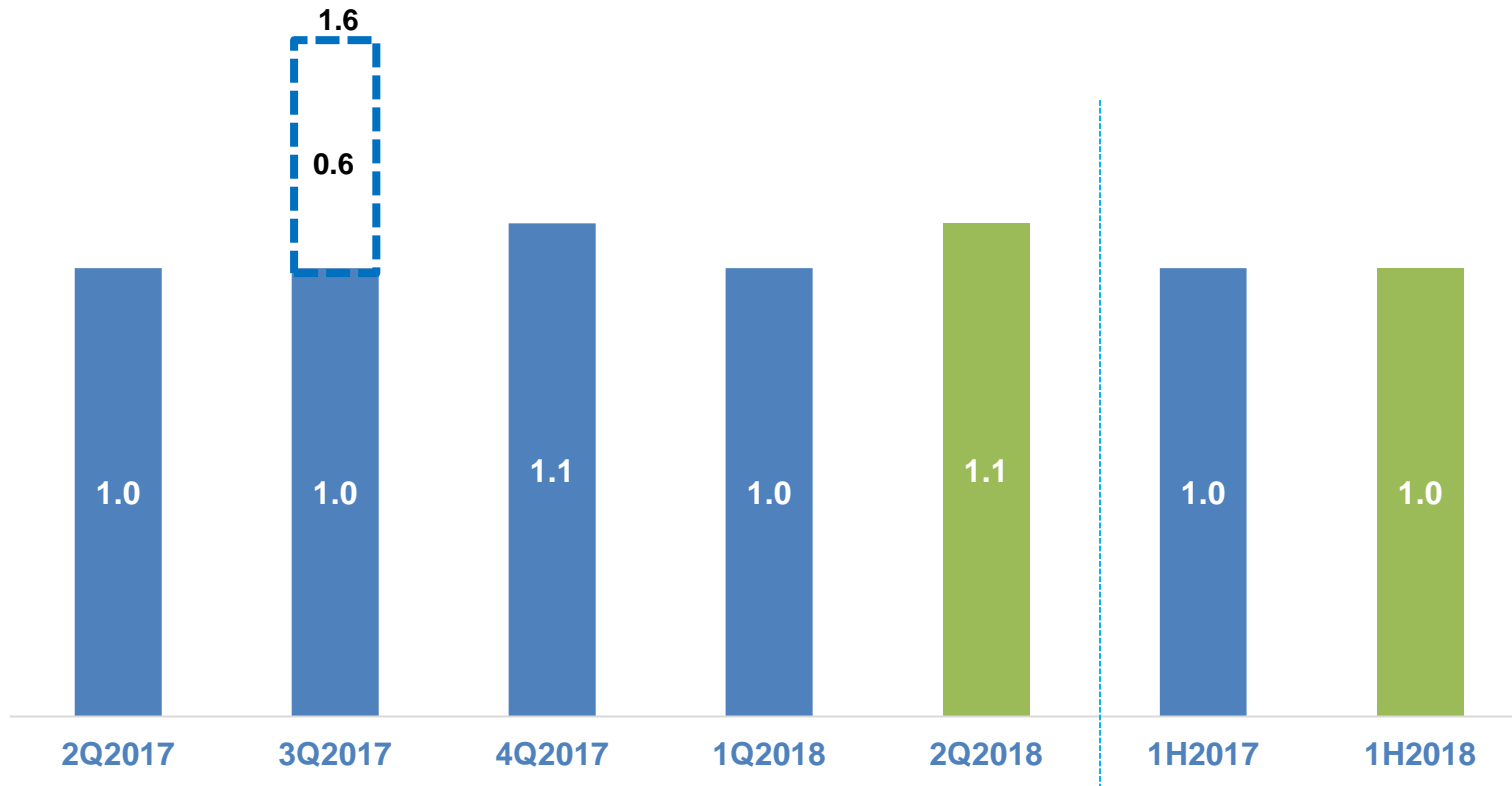


* Numbers may not add up due to rounding.



Post-paid Average Monthly Churn Rate

(%)

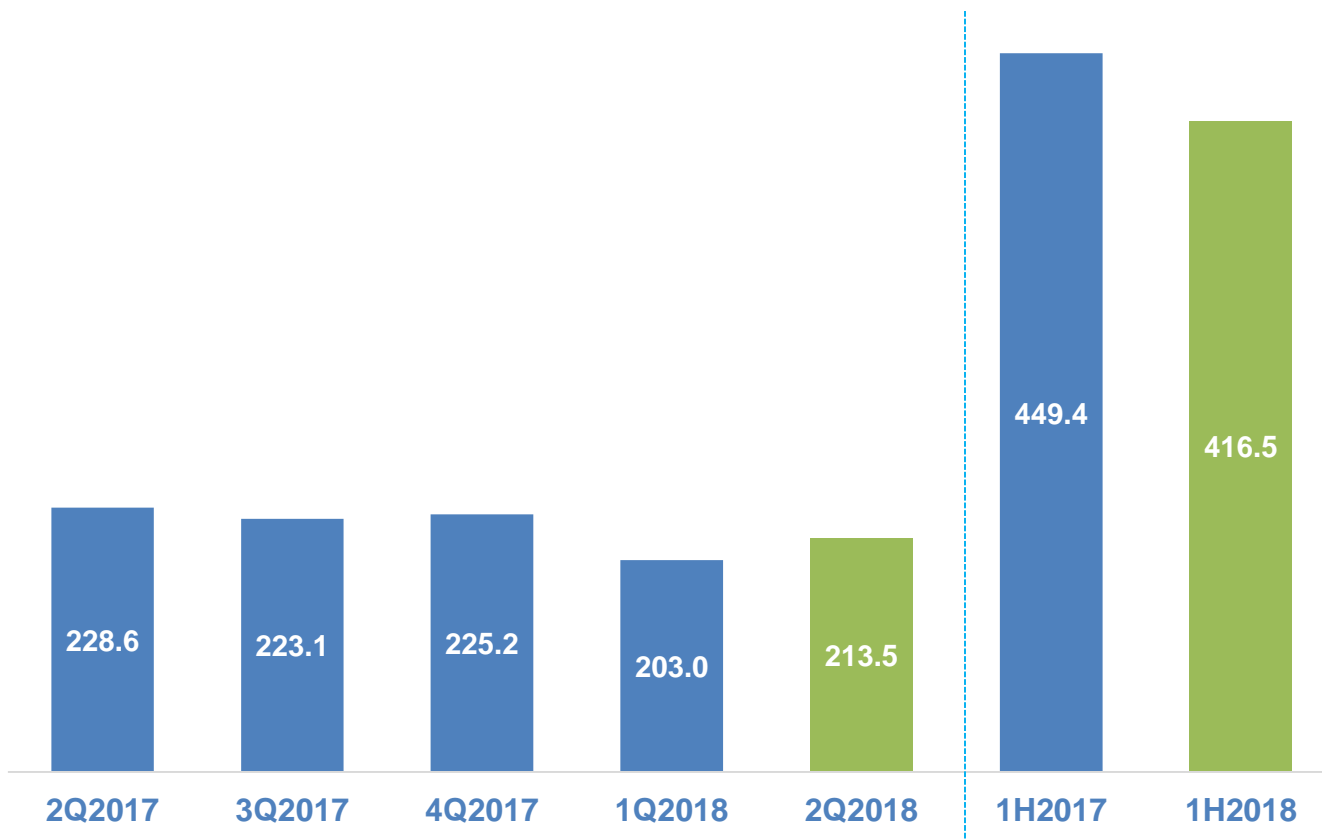


Including one-time termination of 23k inactive legacy data-only lines

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

Mobile Revenue

(S\$M)

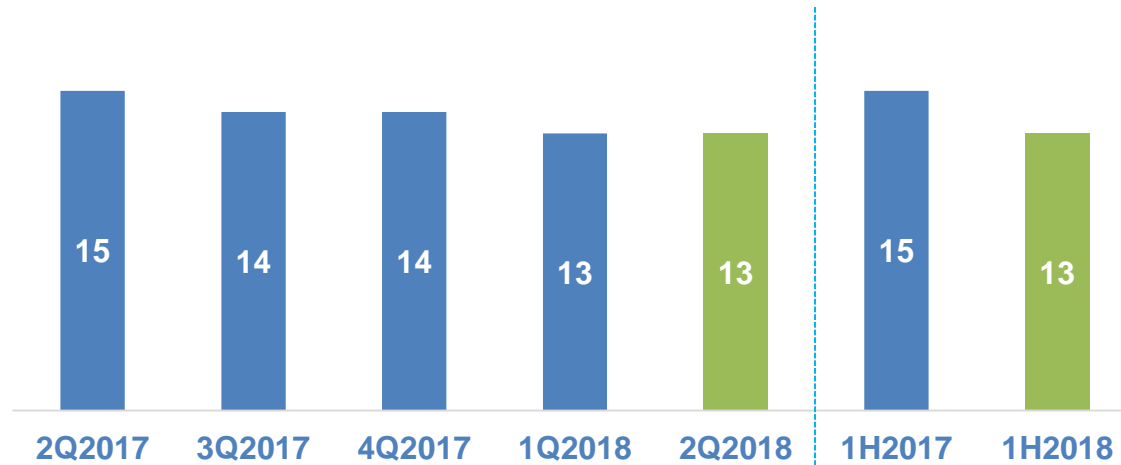


* Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15

Mobile ARPU

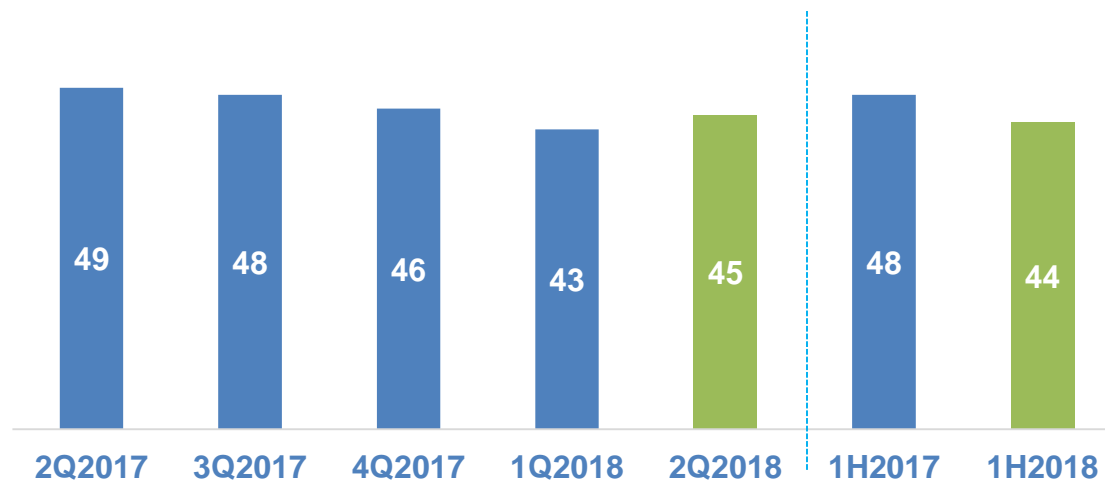
(S\$ per month)

Pre-paid



(S\$ per month)

Post-paid



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



2Q & 1H2018 Highlights



Financial Highlights



Business Highlights – Pay TV



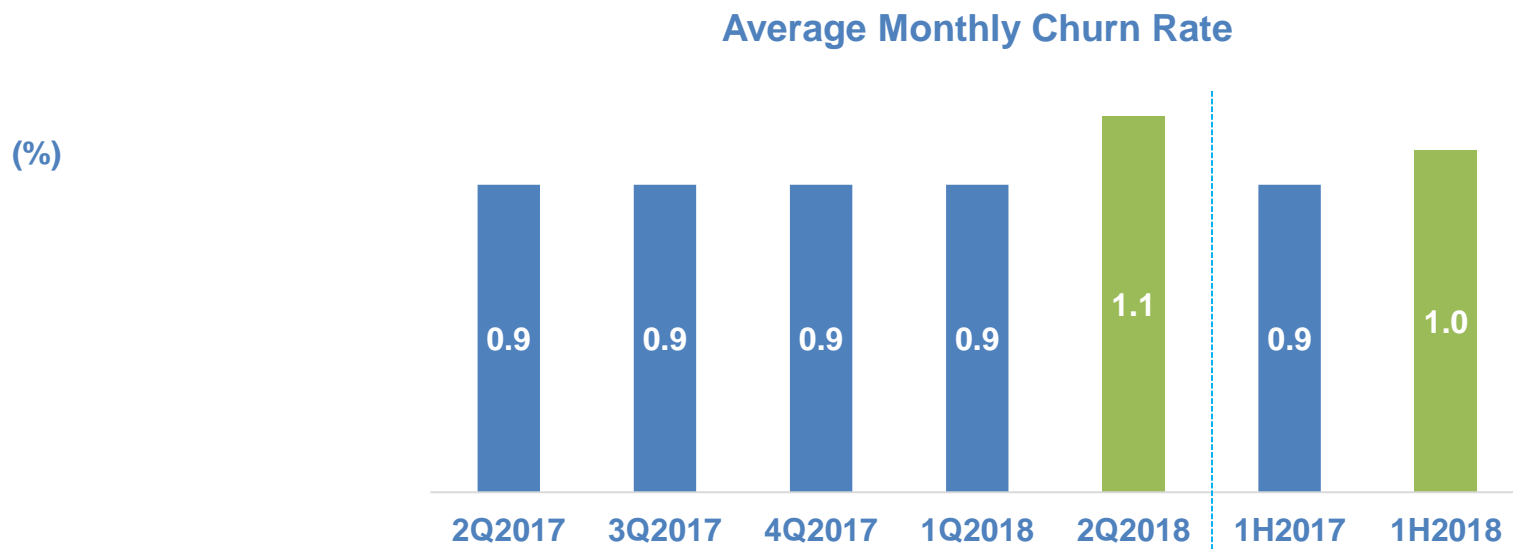
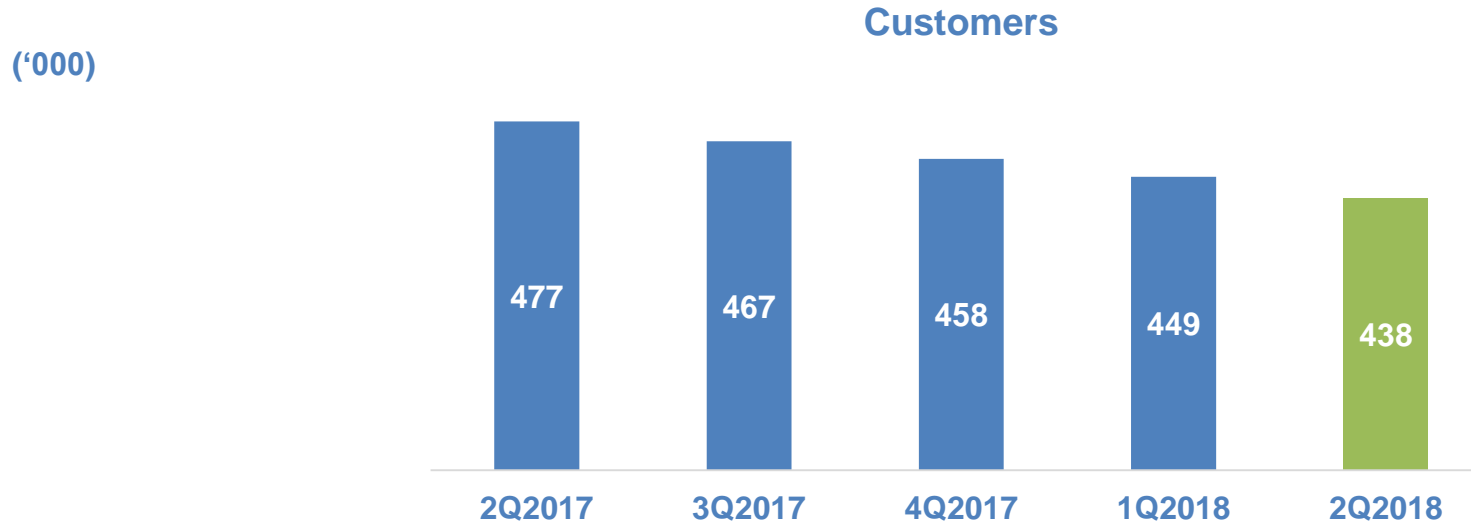
2018 Outlook

Pay TV (2Q-2018 vs 2Q-2017)

- ❖ Revenue decreased 5%
- ❖ ARPU increased S\$2 to S\$53
- ❖ Customer base decreased 39k

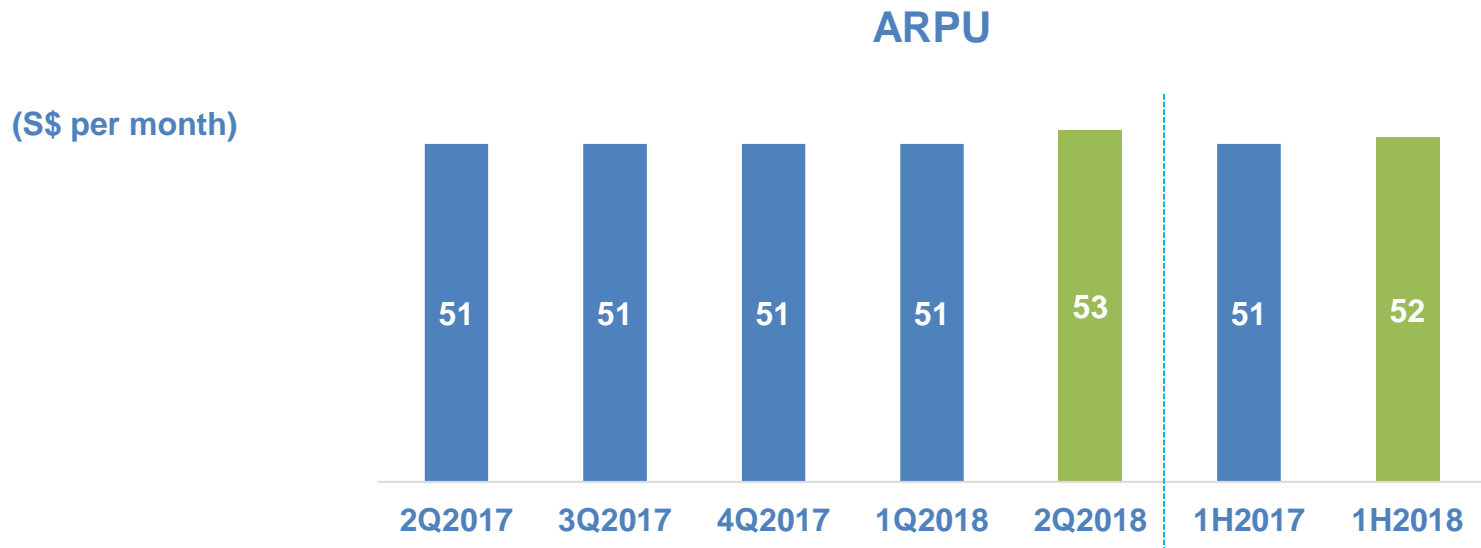
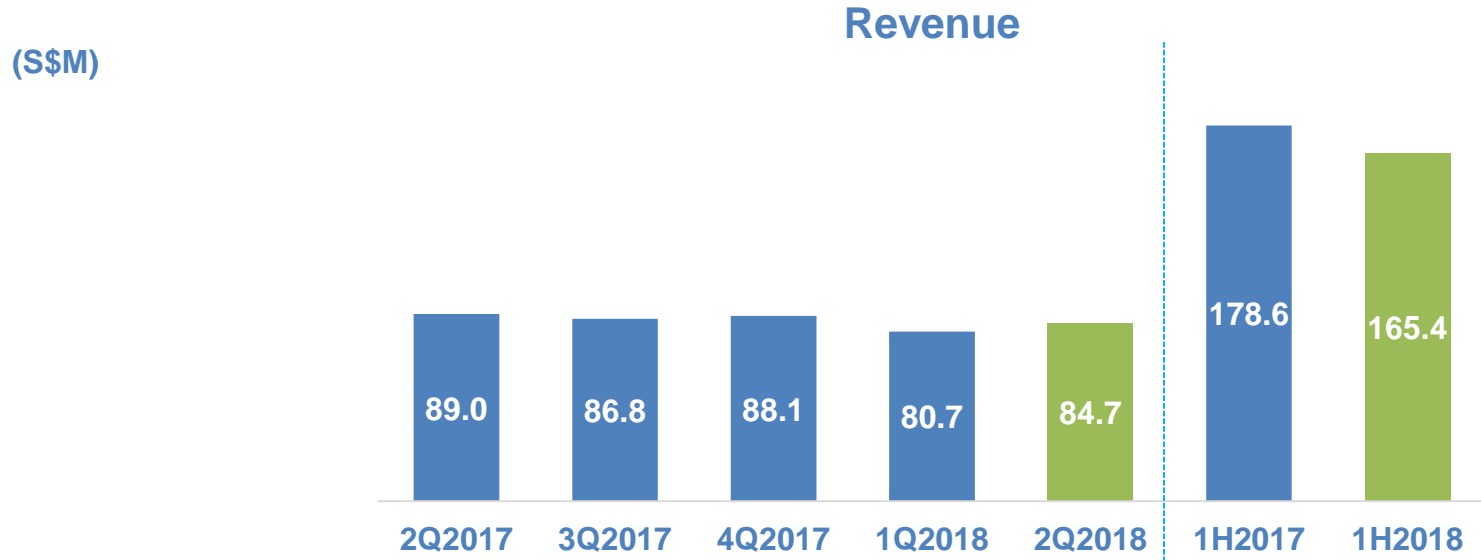


Pay TV Base & Churn



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

Pay TV Revenue & ARPU



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



2Q & 1H2018 Highlights



Financial Highlights



Business Highlights - Broadband



2018 Outlook

Broadband (2Q-2018 vs 2Q-2017)

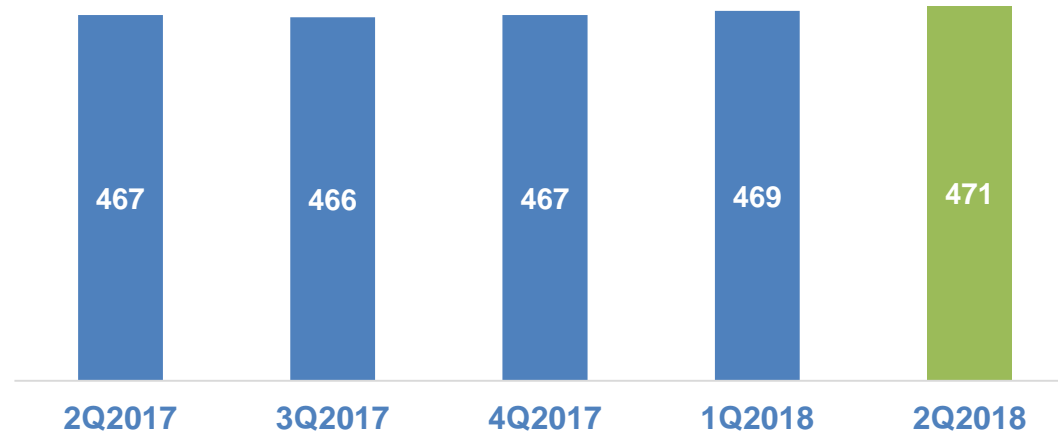
- ❖ Revenue stable
- ❖ ARPU stable at S\$32
- ❖ Customer base increased by 4k



Broadband Base & Churn

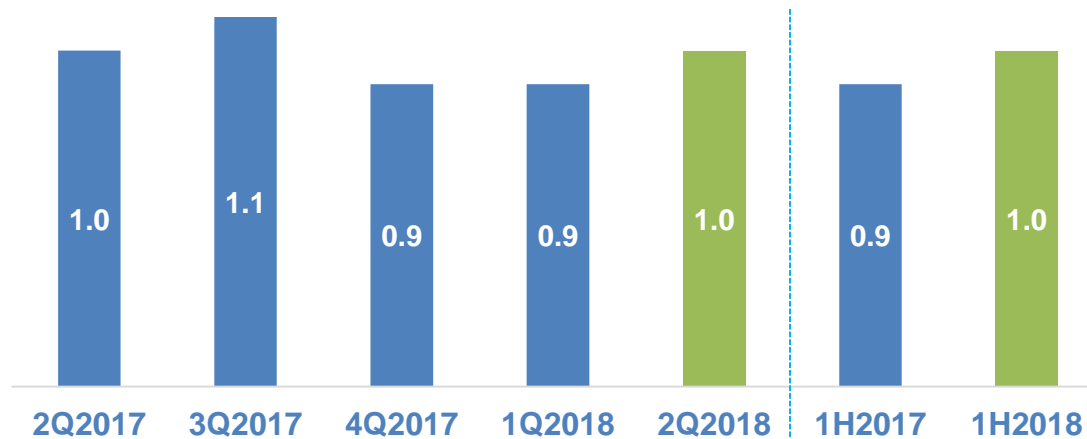
(‘000)

Customers



Average Monthly Churn Rate

(%)

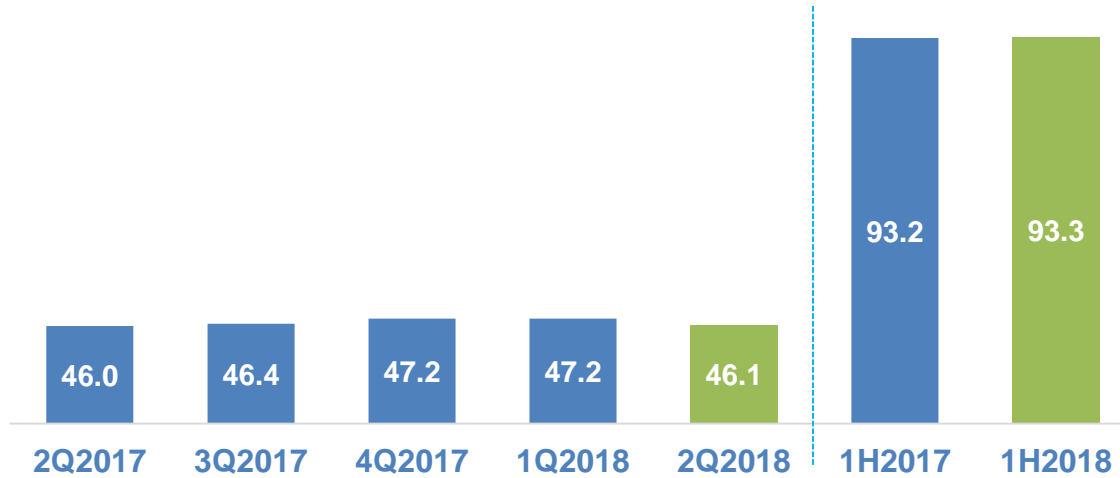


* Change in computation basis from end-subscriber base to average end-subscriber base

Broadband Revenue & ARPU

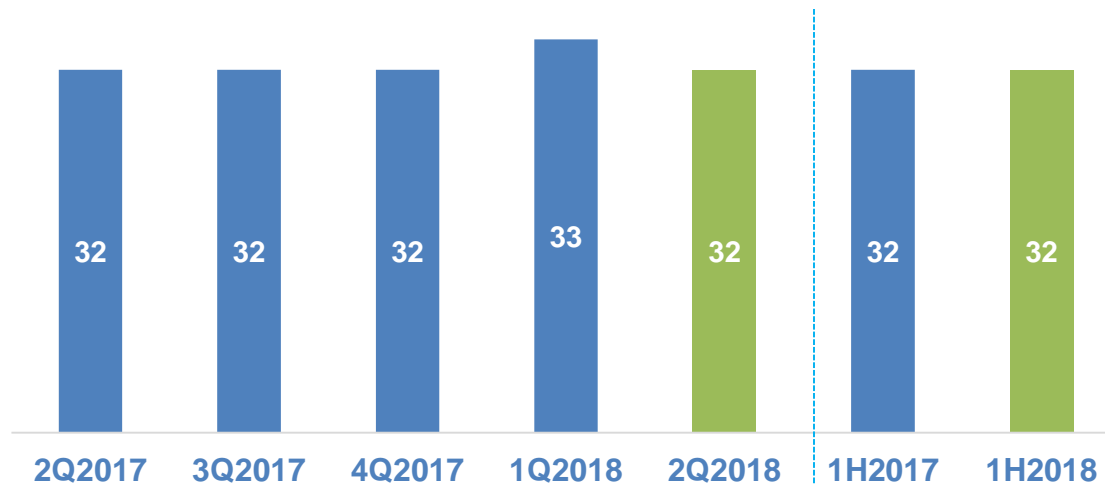
Revenue

(S\$M)



ARPU

(S\$ per month)



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



2Q & 1H2018 Highlights



Financial Highlights



Business Highlights – Enterprise Fixed



2018 Outlook

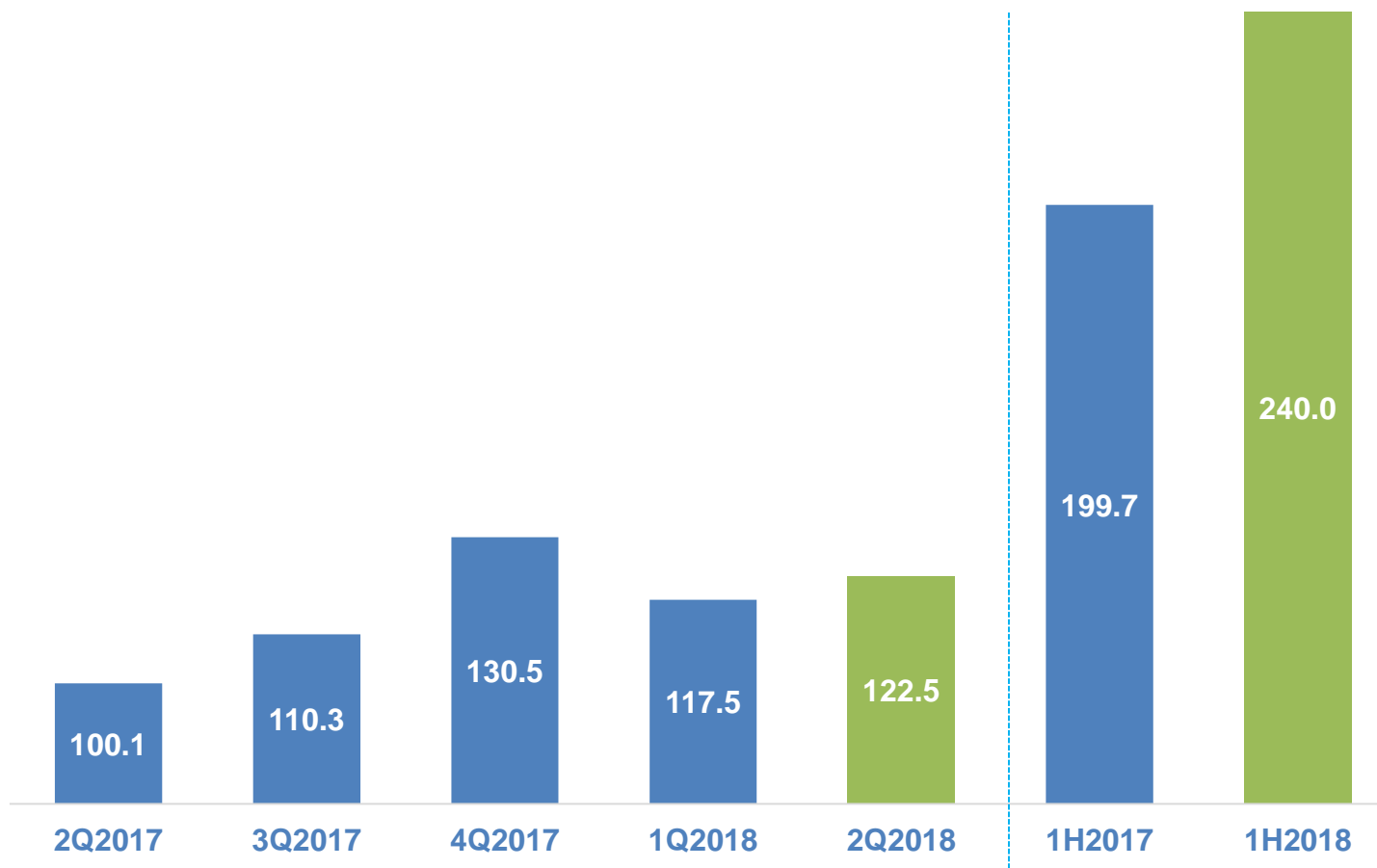
Enterprise Fixed (2Q-2018 vs 2Q-2017)

- Data & Internet revenue stable
- Managed services increased 175%
- Voice revenue decreased 26%



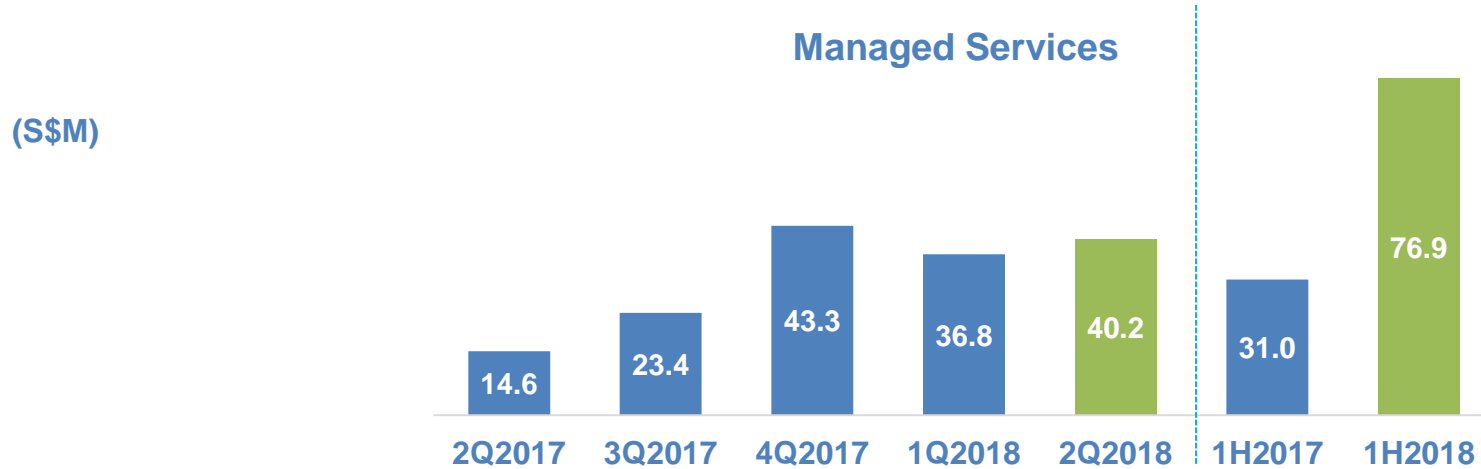
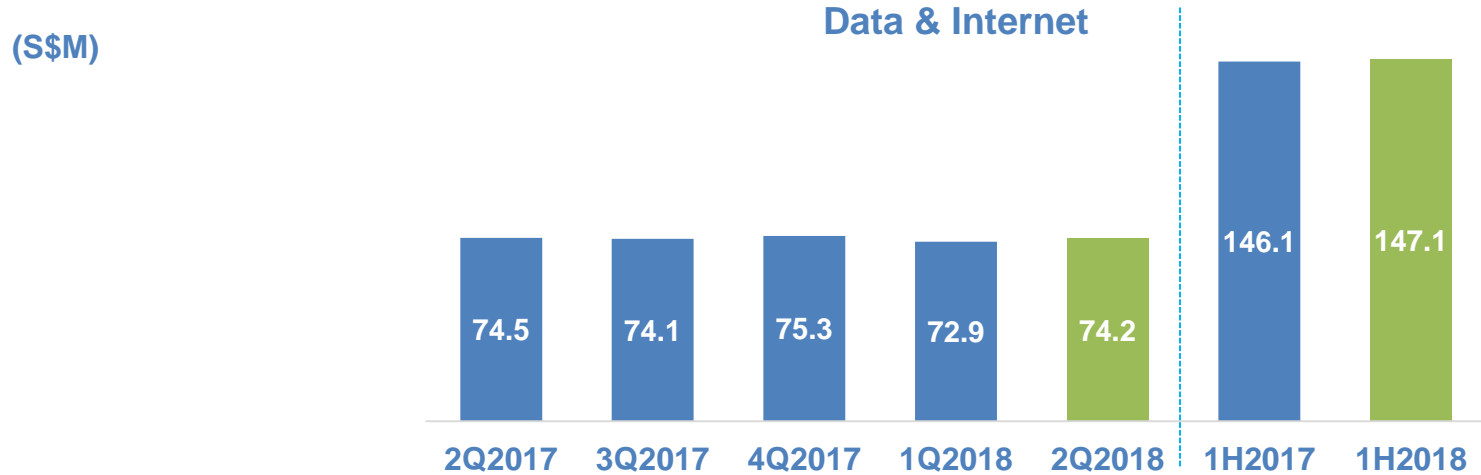
Enterprise Fixed Revenue

(S\$M)



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

Data & Internet / Managed Services

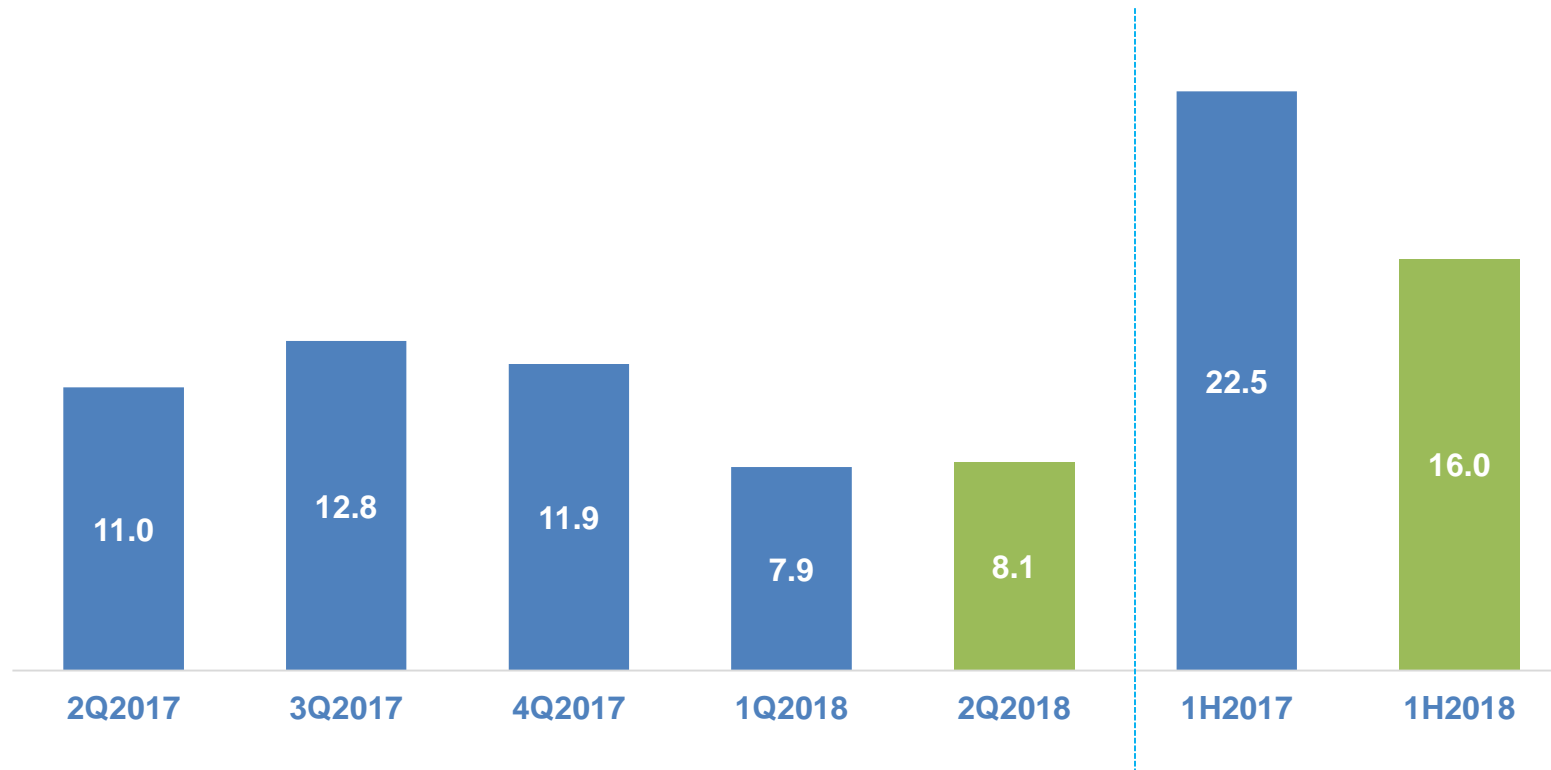


- Numbers may not add up due to rounding.
- The revenue for managed services has been excluded from Data & Internet and is shown as a separate item. Managed services include Analytics, Cloud, ICT solutions, Facility Management and Cyber Security services

Voice Services

(S\$M)

Voice



* 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



2Q & 1H2018 Highlights



Financial Highlights



Business Highlights



2018 Outlook

FY2018 Outlook

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

- **Service EBITDA*:** Maintain 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 2Q2018

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)



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