



# StarHub 4Q & FY-2017 Results

## 14 February 2018

## Forward-looking Statements

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*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



**Dr CHONG Yoke Sin**  
Chief, EBG



***4Q & FY2017 Highlights***



**Financial Highlights**



**Business Highlights**



**2018 Outlook**

## Overview (4Q-2017 vs 4Q-2016)

### Financial

- Total revenue increased 2%
- Service revenue increased 1%
- EBITDA margin at 16.9%
- NPAT decreased \$40m

### Operational

- Revenue growth in Enterprise Fixed
- Low churn rate of 0.9% maintained for Pay TV and Broadband

# Key Financial Highlights

\$M	4Q-2017	4Q-2016	Change	FY-2017	FY-2016	Change
Total Revenue	<b>649</b>	635	2%	<b>2,401</b>	2,397	0%
Service Revenue	<b>572</b>	567	1%	<b>2,197</b>	2,209	-1%
EBITDA	<b>97</b>	136	-29%	<b>614</b>	690	-11%
EBITDA Margin	<b>16.9%</b>	23.9%	-7.0%pts	<b>27.9%</b>	31.2%	-3.3%pts
Taxation	<b>(5)</b>	(8)	-38%	<b>(55)</b>	(69)	-20%
Net Profit After Tax <sup>^</sup>	<b>14</b>	54	-74%	<b>250</b>	341	-27%
Capex Cash Payments	<b>95</b>	126	-25%	<b>296</b>	367	-19%
% of Capex to Revenue	<b>14.7</b>	19.9	-5.2%pts	<b>12.3</b>	15.3	-3.0%pts
FCF / Fully Diluted Shares	<b>-1.8¢</b>	-2.6¢	-30%	<b>12.7¢</b>	10.6¢	21%
Net Debt to TTM EBITDA Ratio	<b>1.03x</b>	1.02x	0.01x	<b>1.03x</b>	1.02x	0.01x

<sup>^</sup> Net Profit After Tax, includes Non-controlling interests (NCI)

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

# Revenue Contribution

Total Revenue	Quarter Ending 31 Dec				FY Ending 31 Dec			
	2017	2016	Incr / (Decr)	Incr / (Decr)	2017	2016	Incr / (Decr)	Incr / (Decr)
	S\$m	S\$m	S\$m	%	S\$m	S\$m	S\$m	%
Mobile services	301.0	311.8	(10.9)	(3.5)	1,196.9	1,214.6	(17.8)	(1.5)
Pay TV services	86.9	93.9	(7.0)	(7.4)	348.9	377.8	(28.9)	(7.6)
Broadband services	54.2	54.2	0.0	0.0	214.0	216.8	(2.9)	(1.3)
Enterprise Fixed services	129.6	107.2	22.4	20.9	436.9	400.0	36.9	9.2
<b>Total Service Revenue</b>	<b>571.7</b>	<b>567.1</b>	<b>4.6</b>	<b>0.8</b>	<b>2,196.6</b>	<b>2,209.2</b>	<b>(12.6)</b>	<b>(0.6)</b>
Sales of Equipment	77.3	67.7	9.6	14.1	204.0	187.5	16.5	8.8
<b>Total Revenue</b>	<b>649.0</b>	<b>634.8</b>	<b>14.2</b>	<b>2.2</b>	<b>2,400.7</b>	<b>2,396.7</b>	<b>4.0</b>	<b>0.2</b>

\* Numbers may not add up due to rounding.

# Revenue Mix

Revenue Mix	Quarter Ending 31 Dec		FY Ending 31 Dec	
	2017 % mix	2016 % mix	2017 % mix	2016 % mix
Mobile services	46.4	49.1	49.9	50.7
Pay TV services	13.4	14.8	14.5	15.8
Broadband services	8.3	8.5	8.9	9.0
Enterprise Fixed services	20.0	16.9	18.2	16.7
Sales of Equipment	11.9	10.7	8.5	7.8
Total Revenue	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* Numbers may not add up due to rounding.





4Q & FY2017 Highlights



*Financial Highlights*



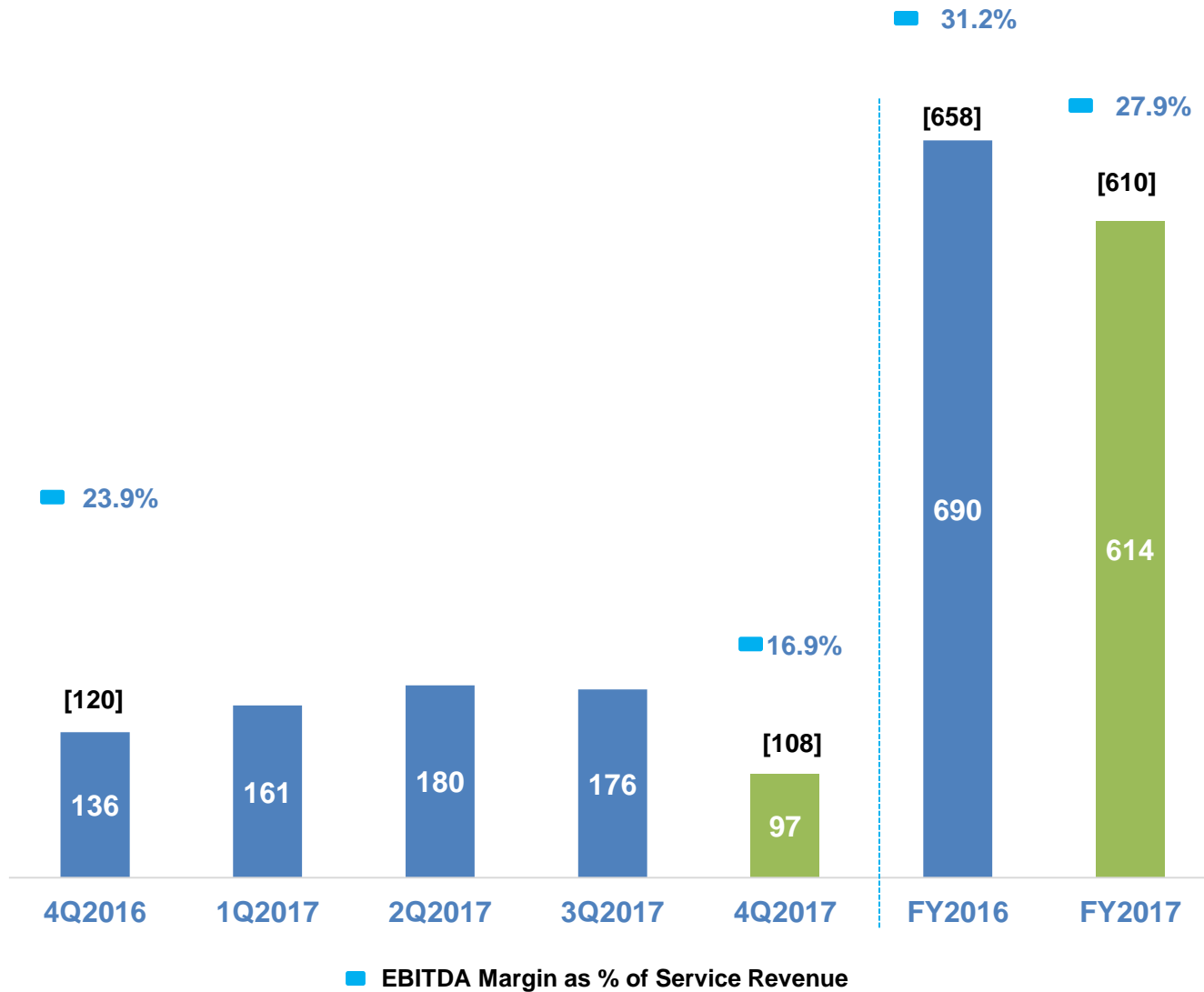
Business Highlights



2018 Outlook

# EBITDA & EBITDA Margin

(S\$M)

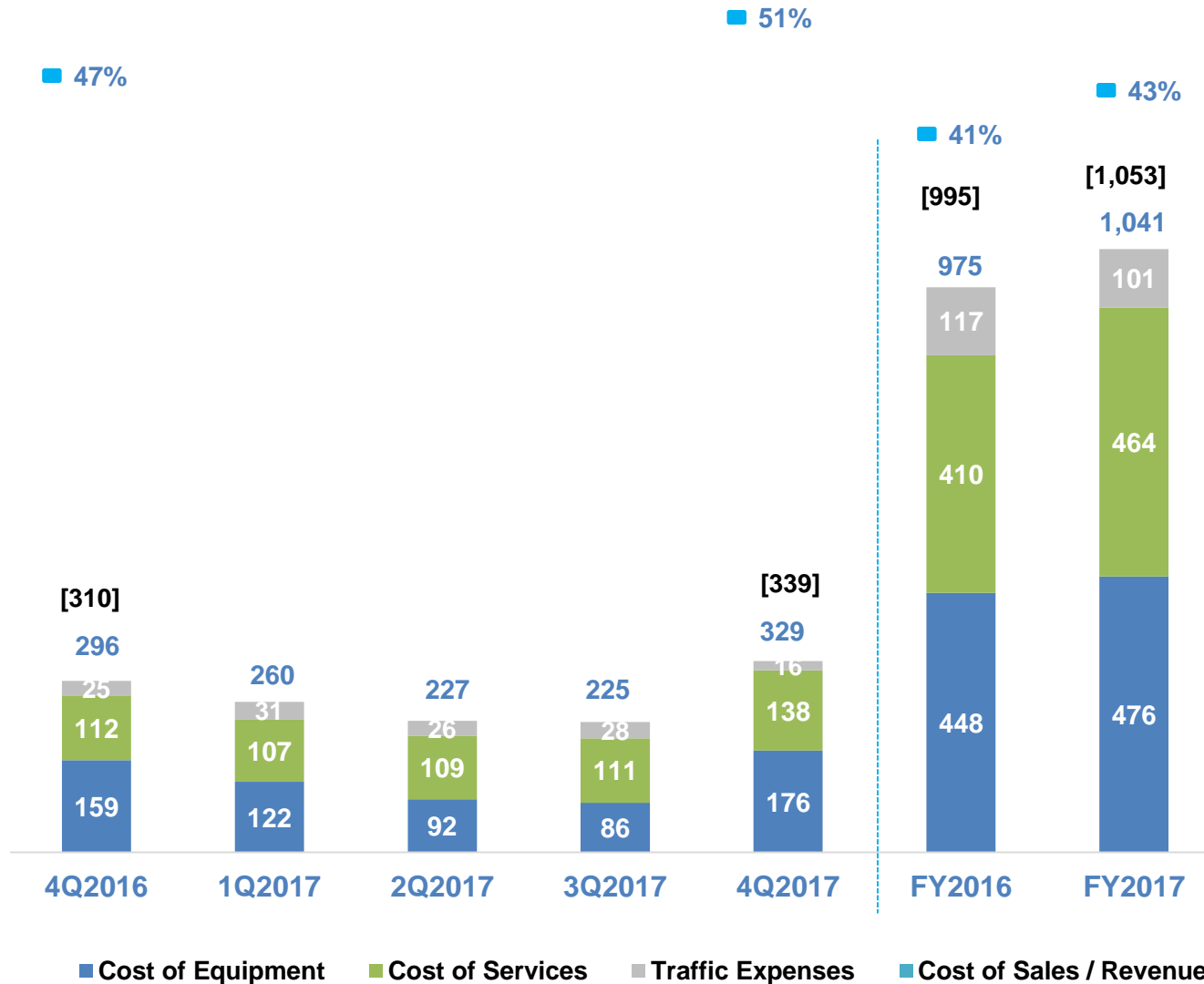


Note: Numbers may not add up due to rounding.

Underlying EBITDA are in parenthesis.

# Cost Of Sales

(S\$M)

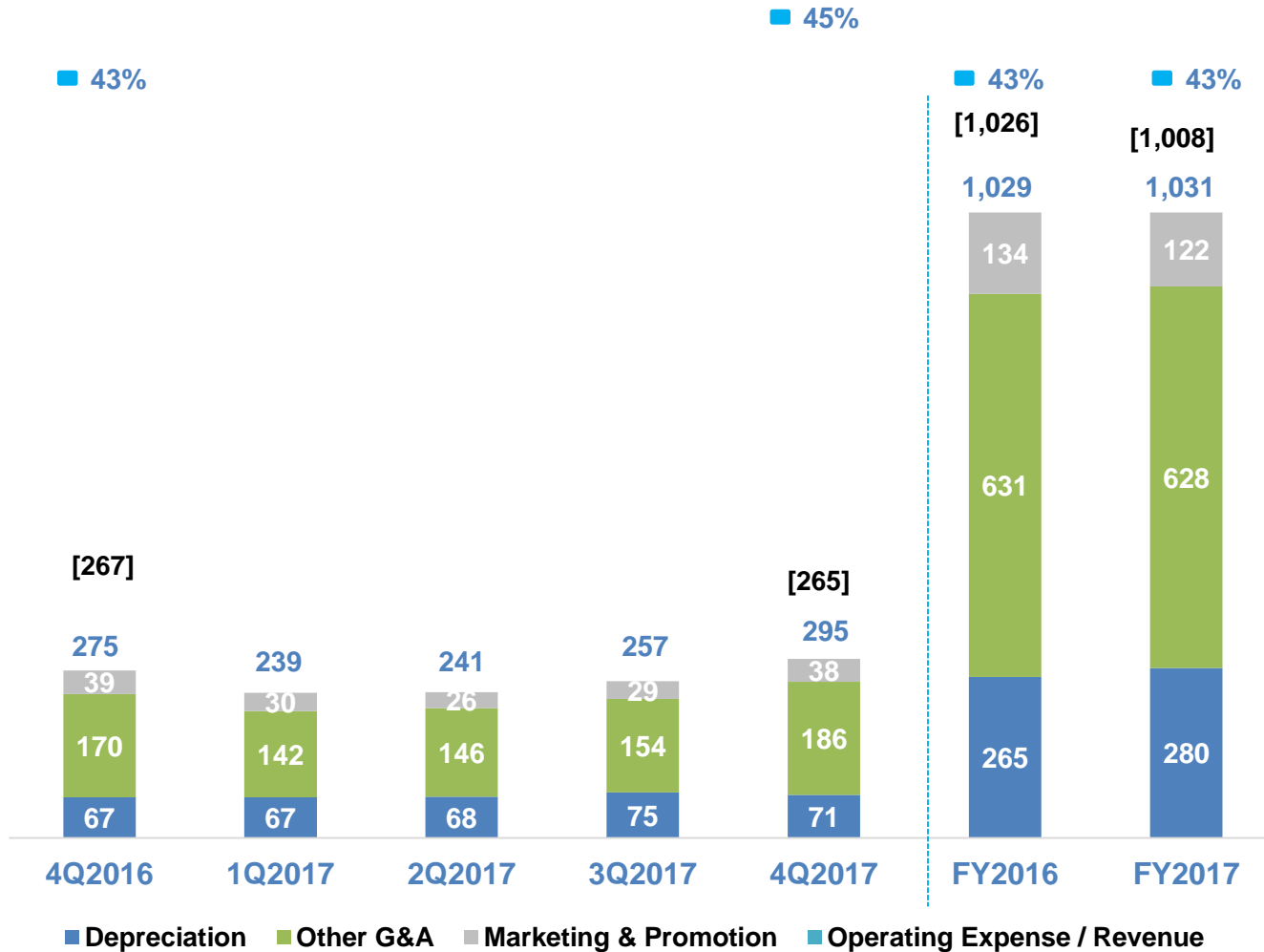


Note: Numbers may not add up due to rounding.

Underlying COS are in parenthesis.

# Other Operating Expenses

(S\$M)

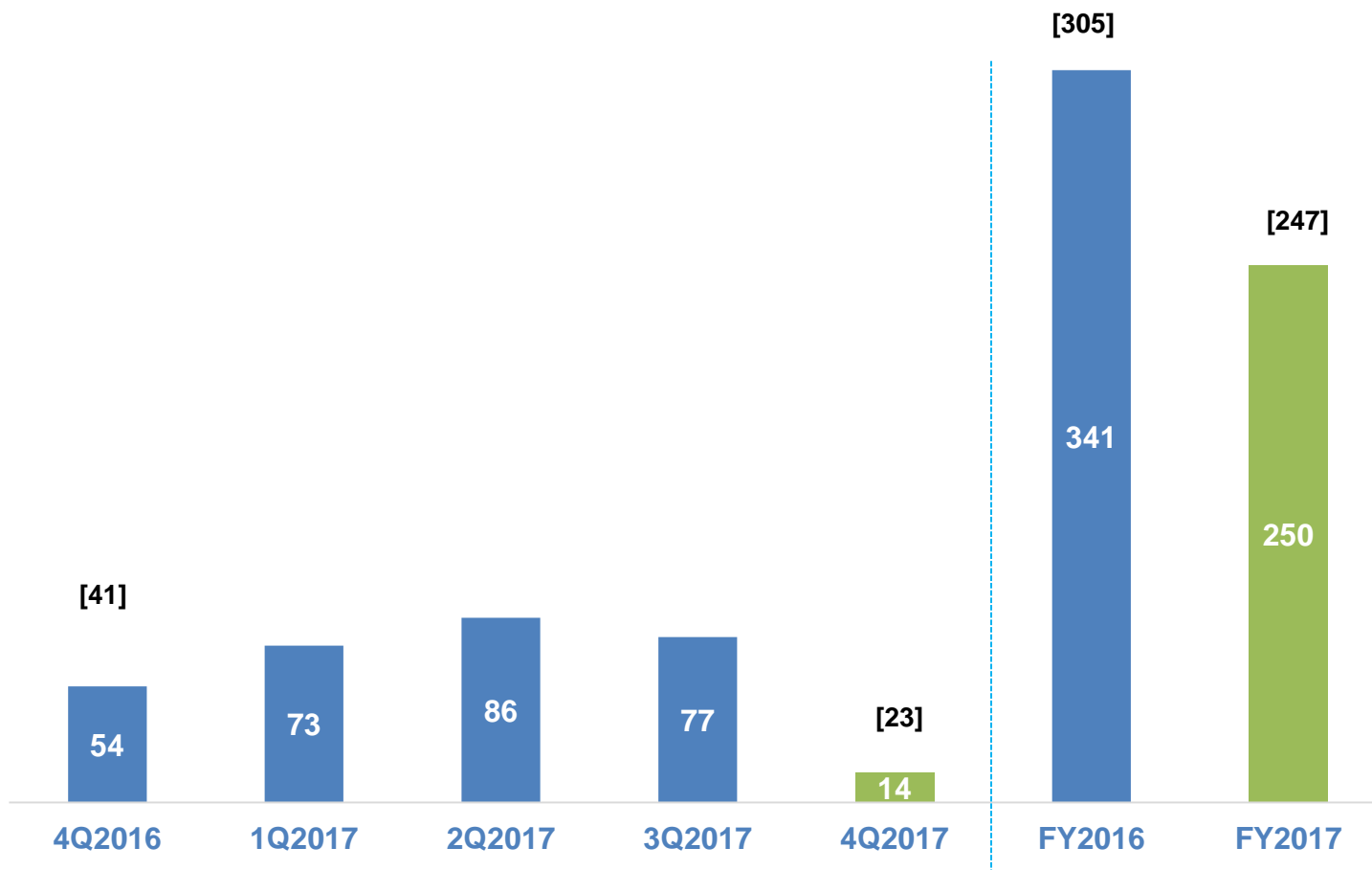


Note: Numbers may not add up due to rounding.

Underlying Opex are in parenthesis.

# Net Profit After Tax

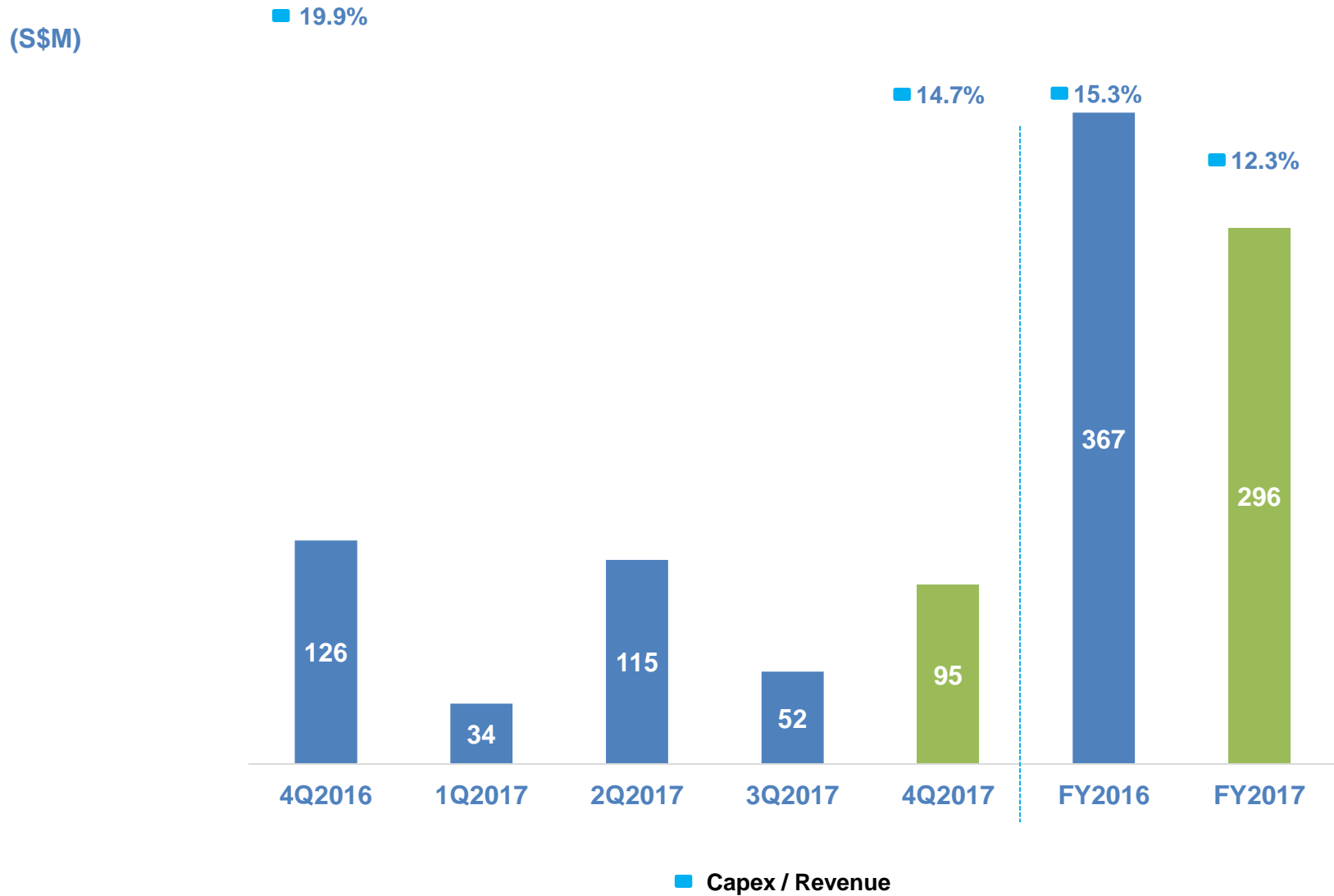
(S\$M)



Note: Numbers may not add up due to rounding.

Underlying NPAT are in parenthesis.

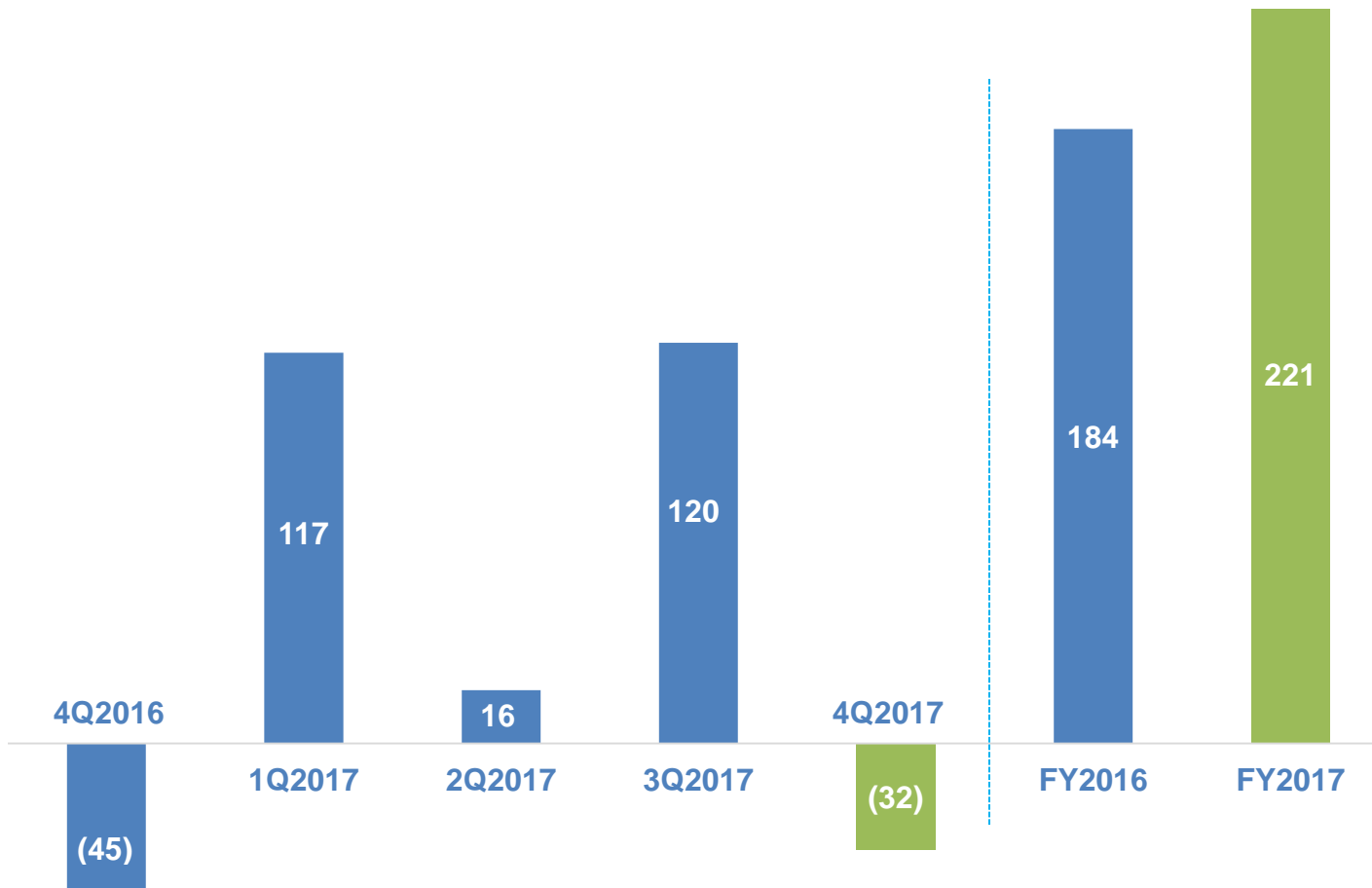
# Capex (cash payments)



\* Numbers may not add up due to rounding.

# Free Cash Flow

(S\$M)



\* Numbers may not add up due to rounding.



4Q & FY2017 Highlights



Financial Highlights



*Business Highlights - Mobile*



2018 Outlook



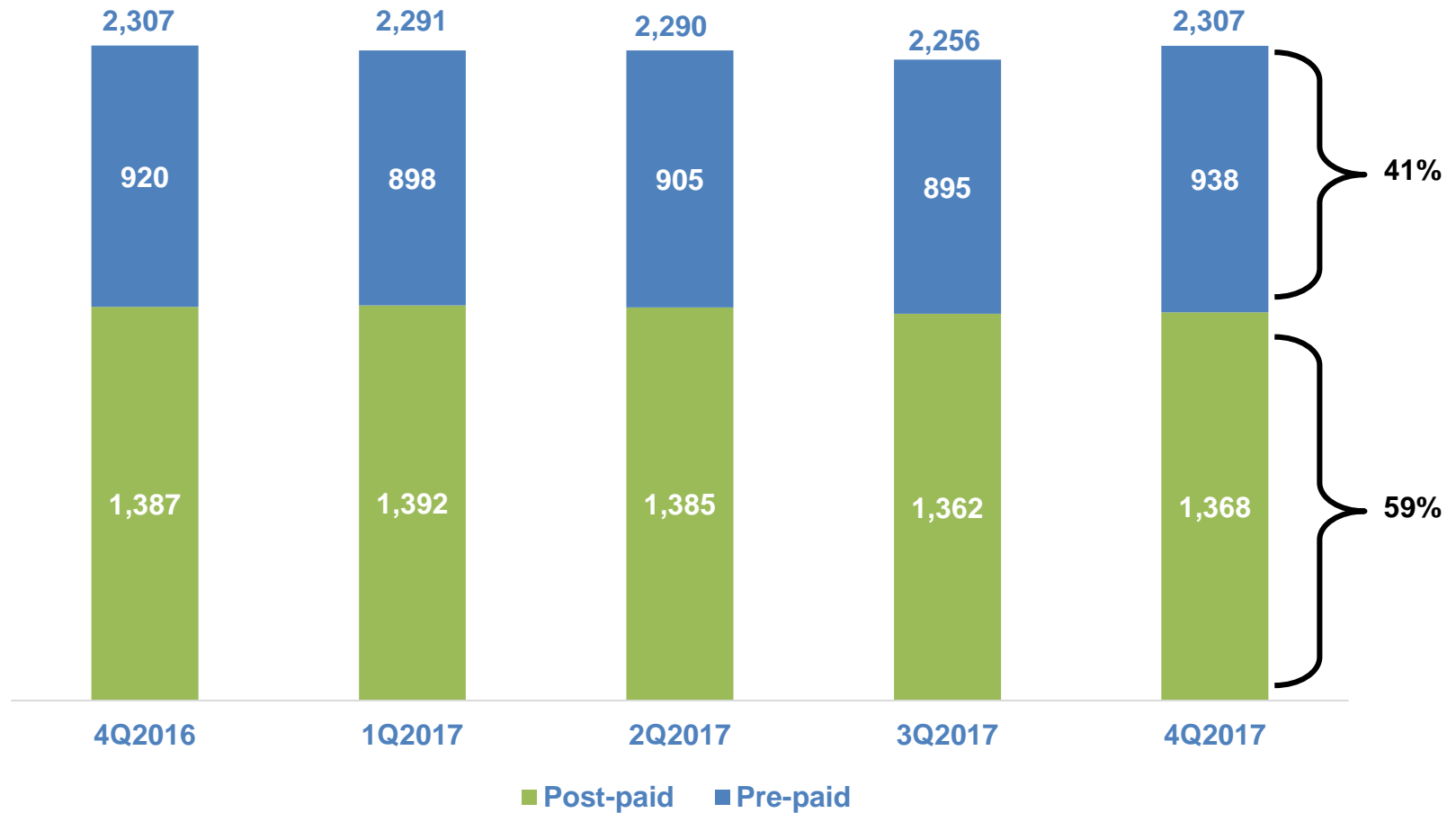
## Mobile (4Q-2017 vs 4Q-2016)

- ❖ Total customer base stable
- ❖ Pre-paid customer base increased 18k
- ❖ Post-paid ARPU decreased S\$2 to S\$68



# Mobile Customer Base

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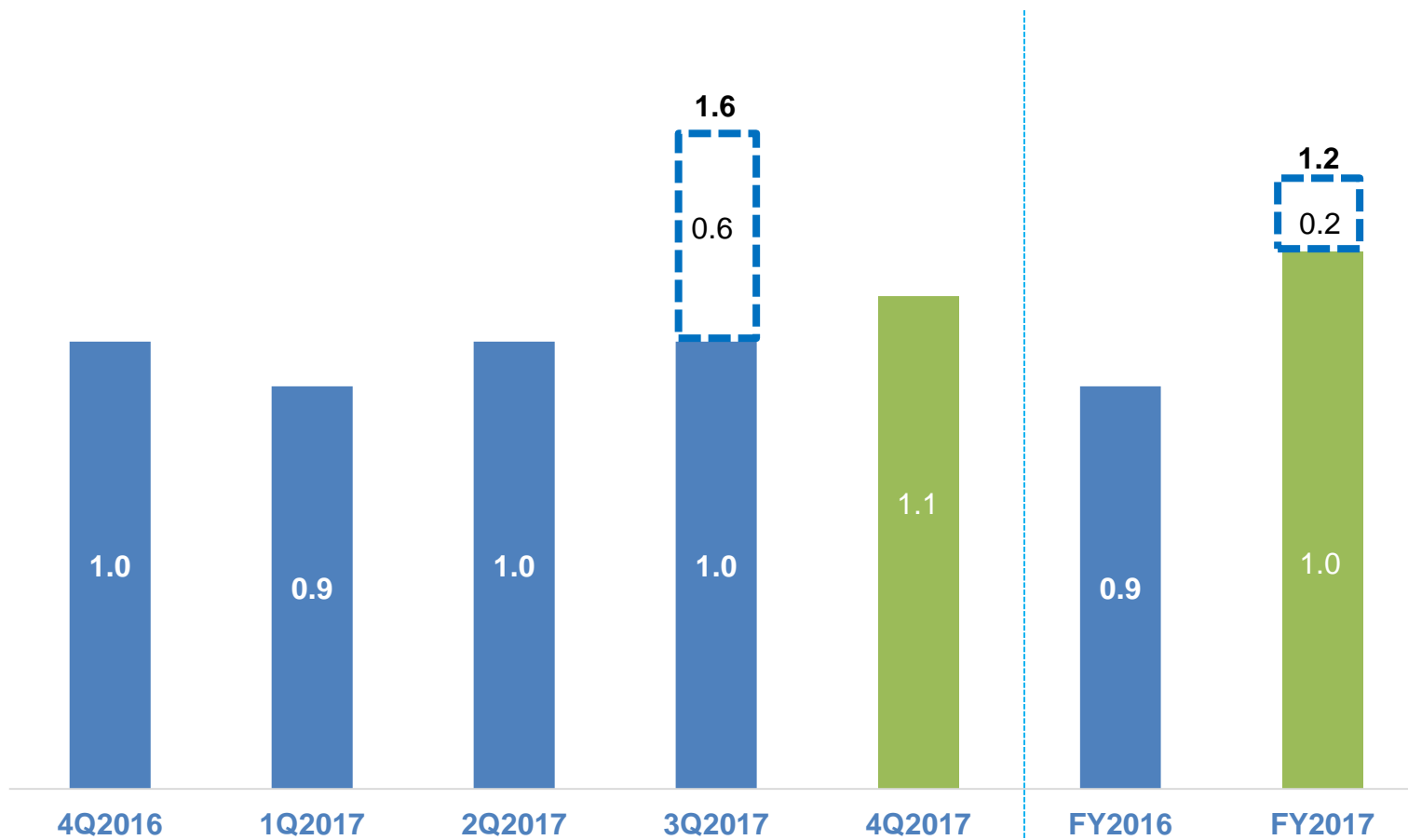


\* Numbers may not add up due to rounding.



# Post-paid Average Monthly Churn Rate

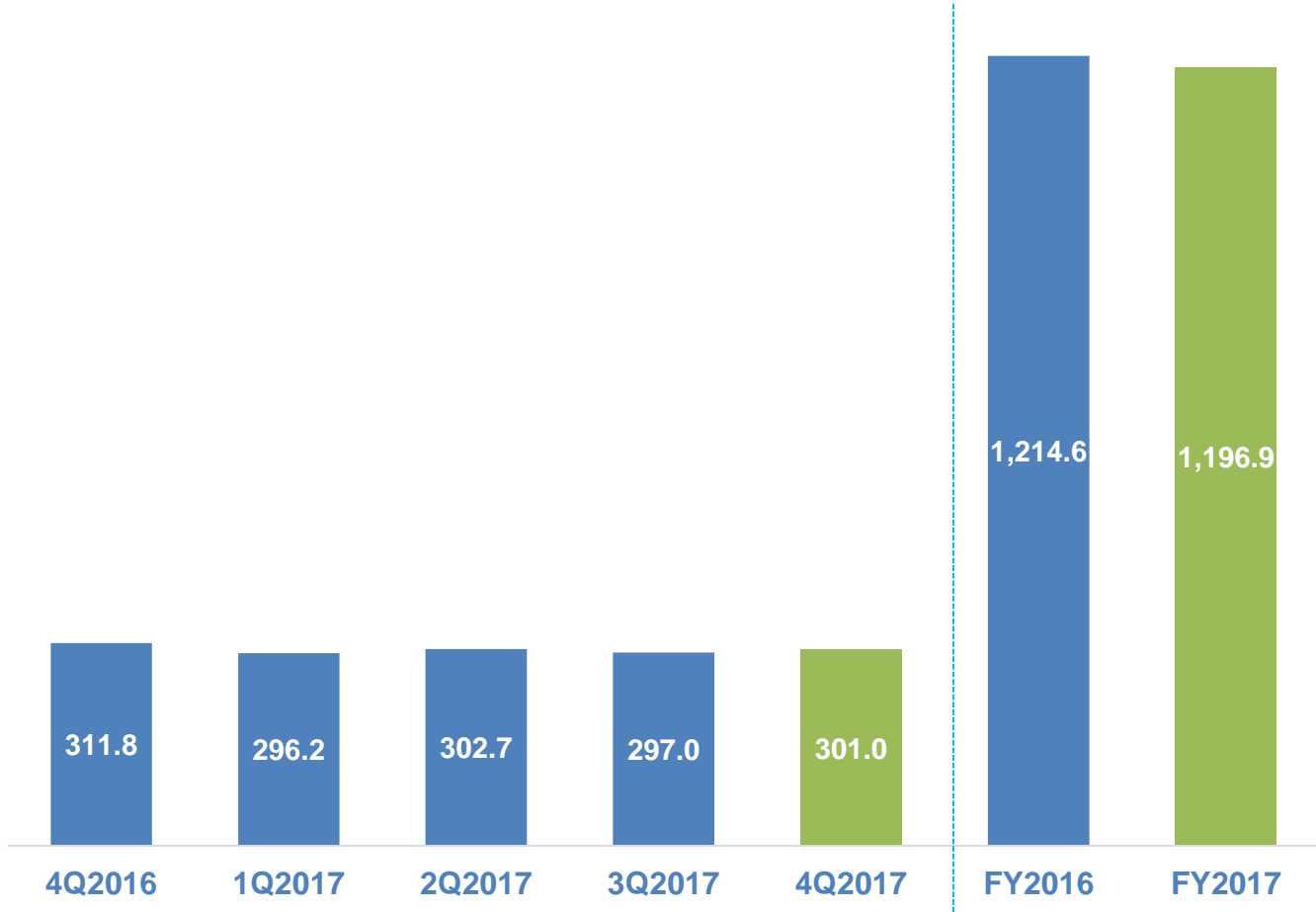
(%)



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

# Mobile Revenue

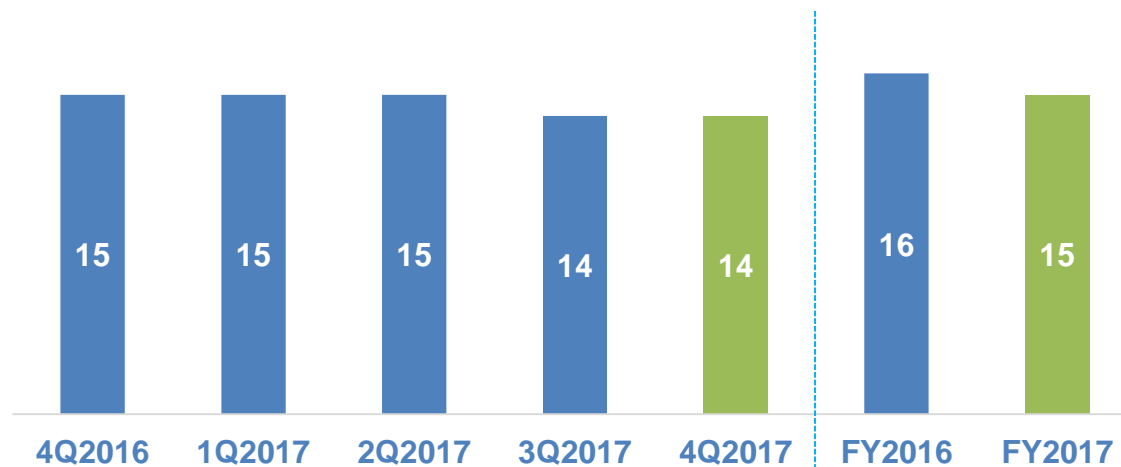
(S\$M)



# Mobile ARPU

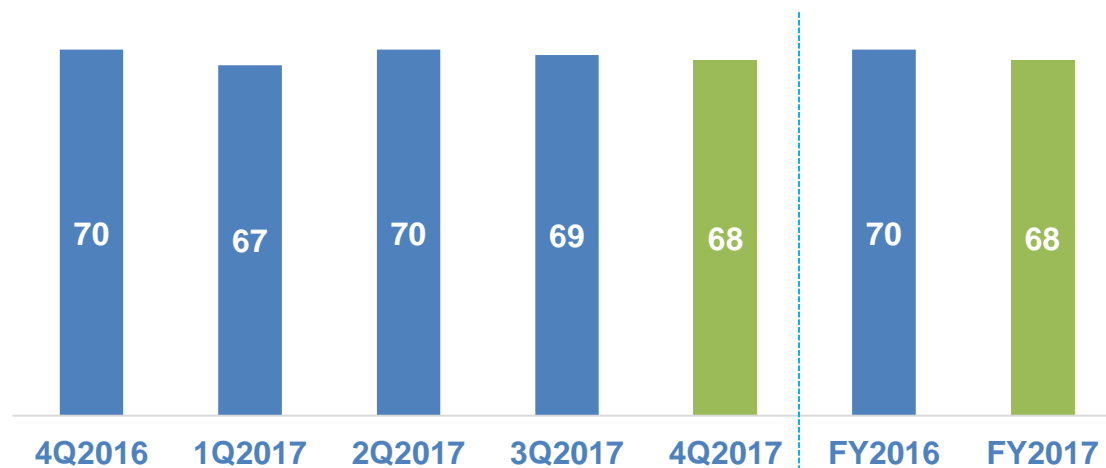
(S\$ per month)

## Pre-paid



(S\$ per month)

## Post-paid





4Q & FY2017 Highlights



Financial Highlights



*Business Highlights – Pay TV*



2018 Outlook

# Pay TV (4Q-2017 vs 4Q-2016)

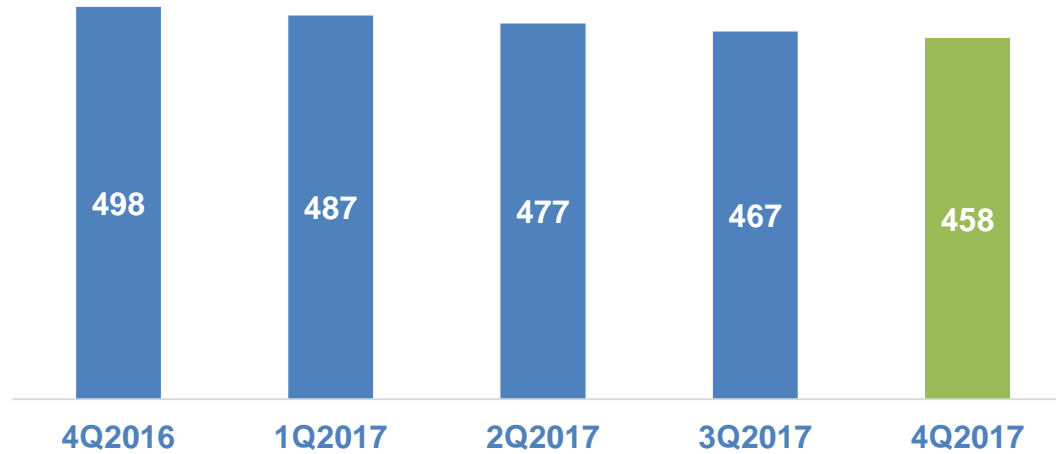
- ❖ Revenue decreased 7%
- ❖ ARPU decreased S\$1 to S\$50
- ❖ Customer base decreased 40k



# Pay TV Base & Churn

(‘000)

Customers



Average Monthly Churn Rate

(%)

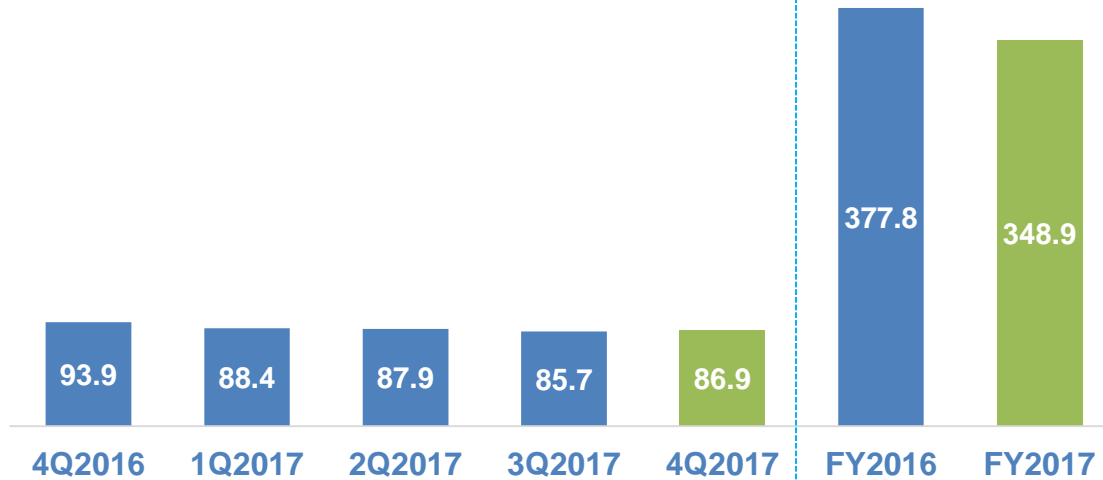




# Pay TV Revenue & ARPU

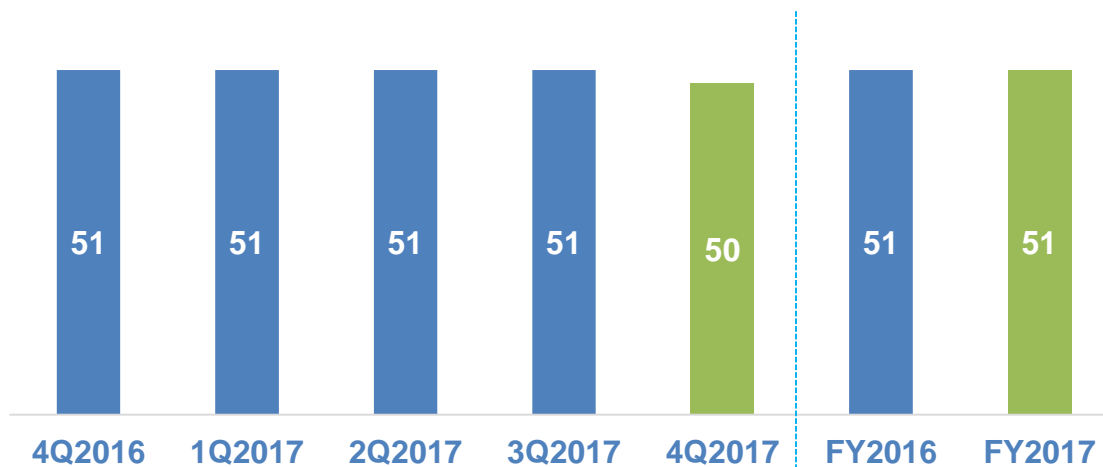
(S\$M)

## Revenue



(S\$ per month)

## ARPU





4Q & FY2017 Highlights



Financial Highlights



*Business Highlights - Broadband*



2018 Outlook

## Broadband (4Q-2017 vs 4Q-2016)

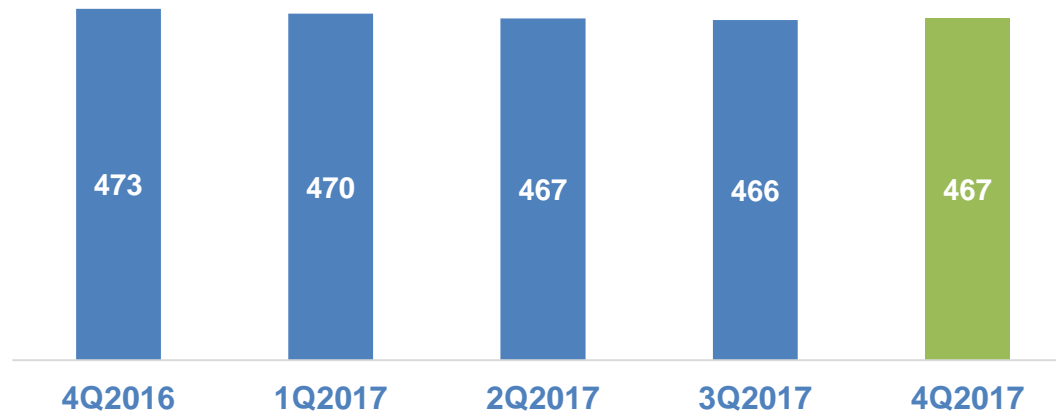
- ❖ Revenue stable
- ❖ ARPU at S\$37
- ❖ Customer base decreased by 6k



# Broadband Base & Churn

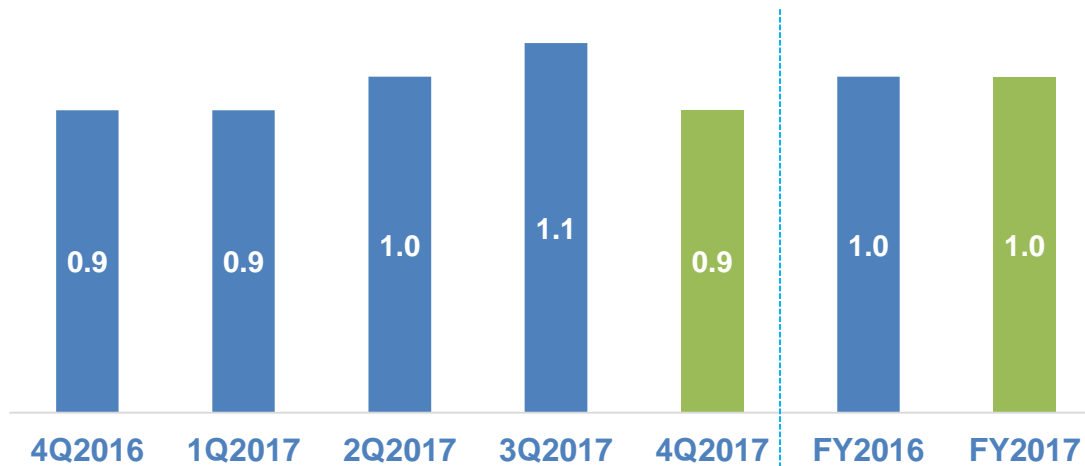
(‘000)

## Customers

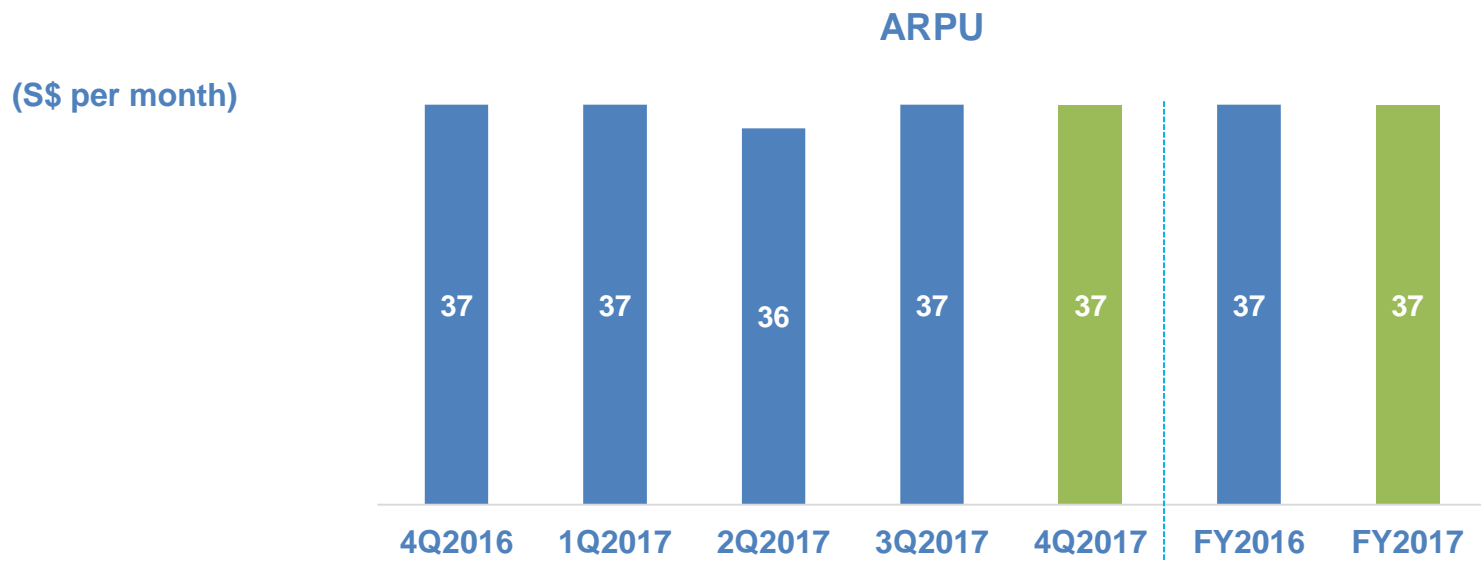
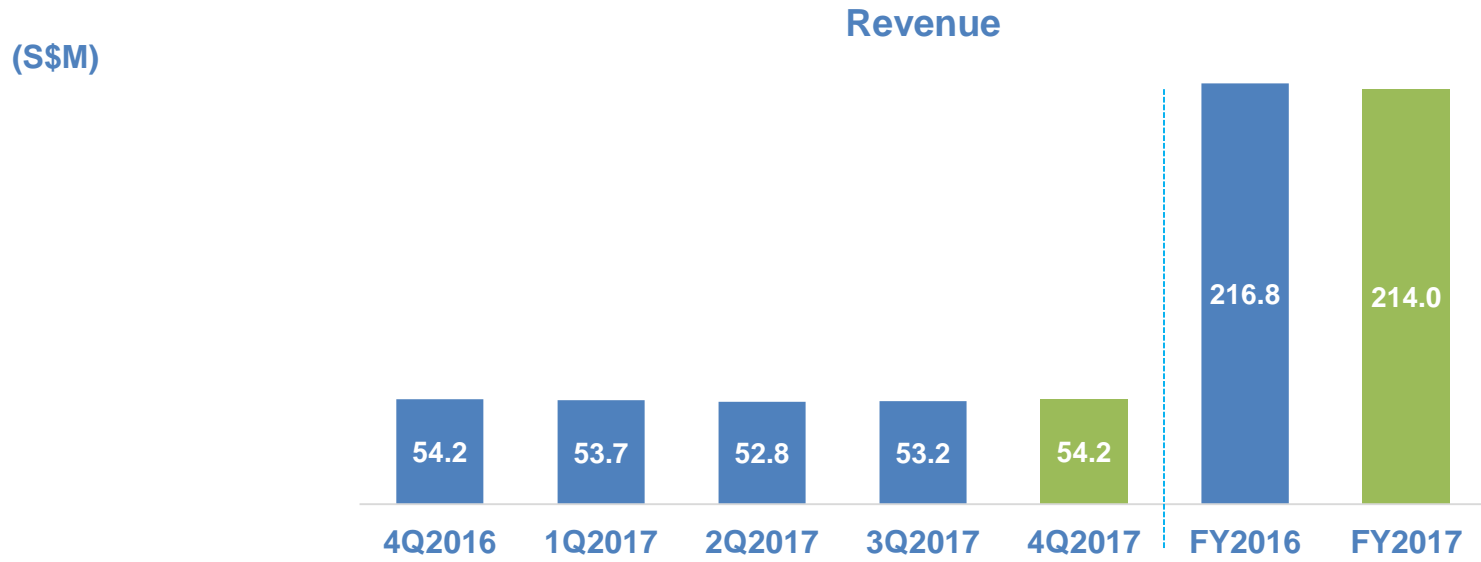


## Average Monthly Churn Rate

(%)



# Broadband Revenue & ARPU





4Q & FY2017 Highlights



Financial Highlights



*Business Highlights – Enterprise Fixed*



2018 Outlook

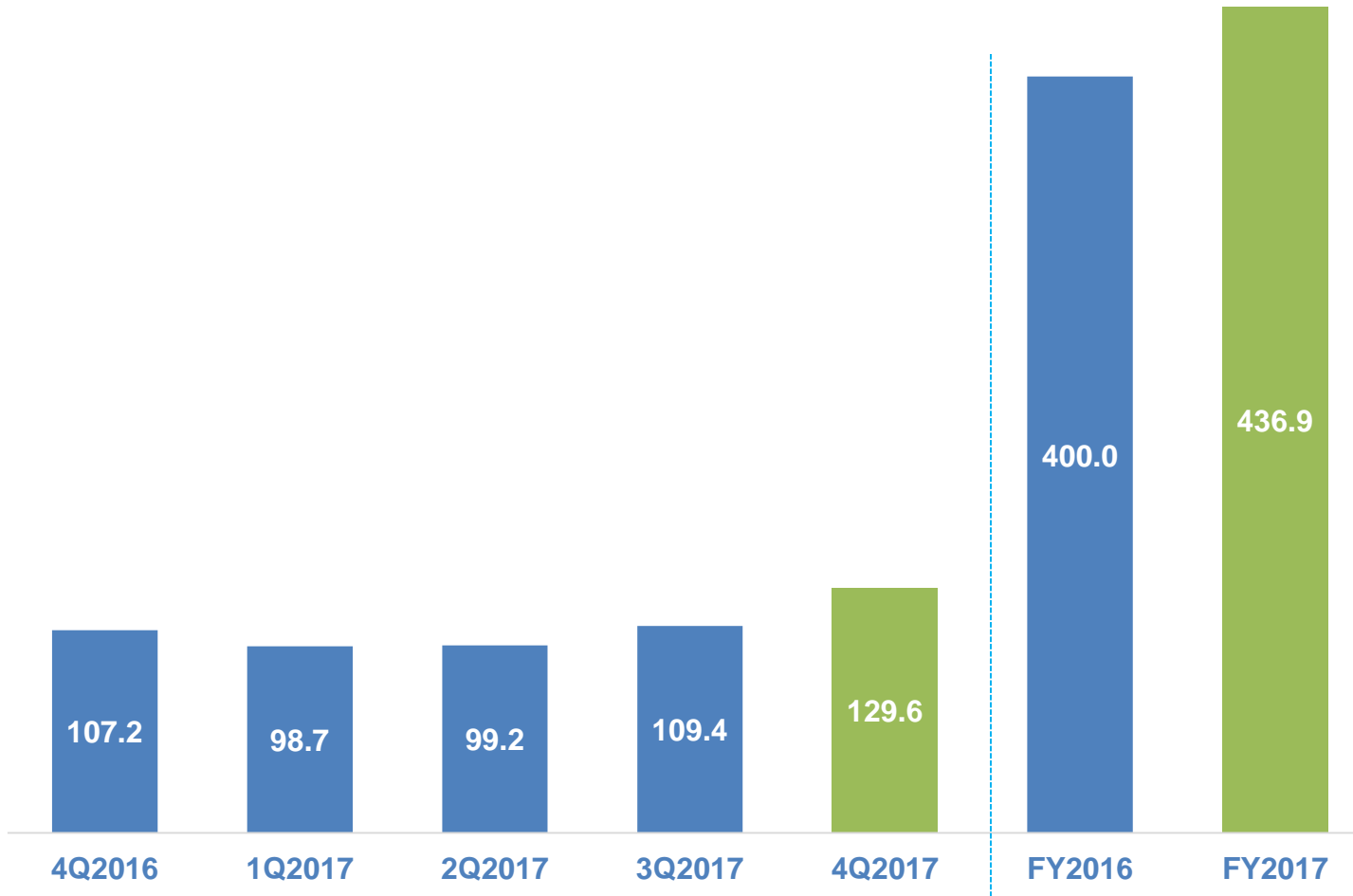
## Enterprise Fixed (4Q-2017 vs 4Q-2016)

- Data & Internet revenue increased 25%
- Voice revenue decreased 11%



# Enterprise Fixed Revenue

(S\$M)

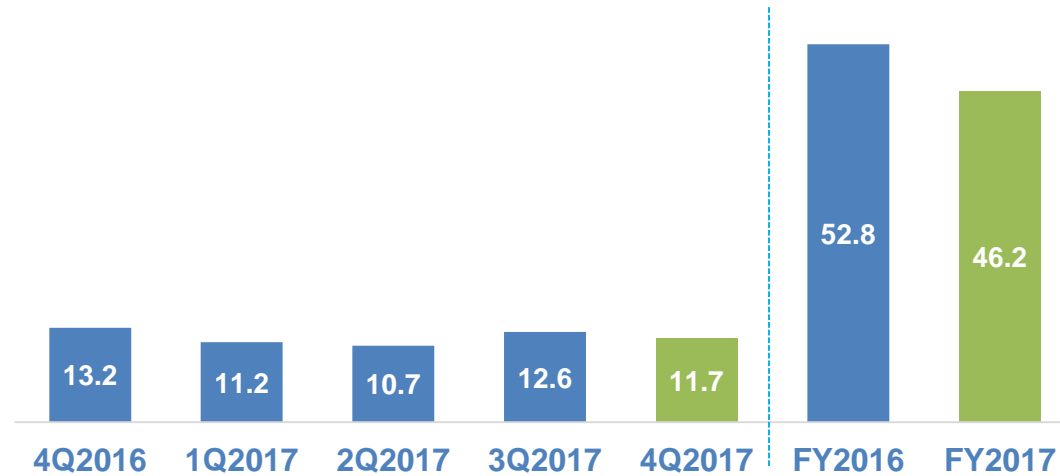




# Voice/Data & Internet Revenue

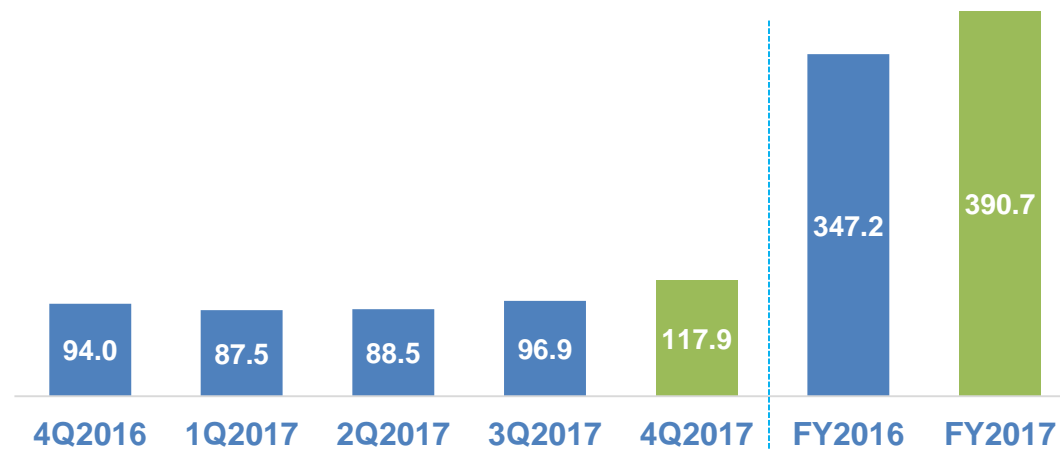
(S\$M)

## Voice



(S\$M)

## Data & Internet





**4Q & FY2017 Highlights**



**Financial Highlights**



**Business Highlights**



***2018 Outlook***



# FY2018 Outlook



- **Revenue:** Expect service revenue to be 1% to 3% lower YoY.
- **EBITDA:** EBITDA margin on service revenue to be between 24%-26% (before SFRS(I) 15 adoption), while EBITDA margin is expected to increase by another 4% to 6% (after SFRS(I) 15 adoption).
- **CAPEX:** Expect cash capex to be about 11% of total revenue (excludes spectrum).
- **Dividend:** Propose final dividend of 4.0 cents per ordinary share for FY2017.  
  
Intend to pay a quarterly cash dividend of 4.0 cents per ordinary share for FY2018.



# Investor Relations Contact

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