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Amelia Lee: Good evening, everyone. Thank you for joining us this evening at StarHub's 4Q and FY2020 results update webinar. My name is Amelia and I take care of investor relations for StarHub. We are very happy to be broadcasting to you live from our boardroom today. It's been some time since we last gathered here for our results call; but of course, we still have to comply with regulations, and we are safely distanced away from each other. I am very pleased to introduce to you, for the very first time, our Chief Executive, Nikhil Eapen. This evening we also have on our panel Dennis Chia, our CFO; Charlie Chan, Chief of Enterprise; and Johan Buse, Chief of Consumer.

Nikhil will start the ball rolling with opening remarks and broad comments on our performance, followed by Dennis on financials and Johan and Charlie on business highlights. We will then open the floor to questions thereafter. Between now and then, please feel free to post your questions in the Q&A box at the bottom of your screen.

Nikhil, over to you, please.

Nikhil Eapen: Thank you very much, Amelia. Good evening to all and *gong xi fa cai*. Welcome to all of you for our first results call of 2021. We are very happy to have you here with us to review Q4 and the year 2020. My name is Nikhil Eapen, as Amelia had said, and I would like to start by providing you with some highlights of 2020 and our transformation. I also have with me Dennis Chia, our CFO, as well as Johan and Charlie.

Nikhil Eapen: So, slide 5, starting with revenue and service revenue. As you can see, our total revenue was down by about \$300 million from fiscal 2019 or about 13% driven by equipment sales which were down by about \$125 million or 22%. The key number, however, as you know, is service revenue, which was down by about \$175 million, so 10%, due to lower contributions from Mobile and Pay TV, offset partially by flat Broadband and an increase in Enterprise revenue including Cybersecurity and Regional ICT Services. The key driver across all lines, as you would expect, was loss of roaming due to COVID-19, lower usage, and a range of other COVID-19 impacts.

Looking at Q4, we saw an uptick in total revenue of about \$90 million due largely to increased equipment sales from the iPhone 12 launch but also an increase of service revenue of about 8% with increased contributions from Cybersecurity and Enterprise mobile.

Next, service EBITDA and margin. A key driver of our 2020 EBITDA outcome was that we reduced our total Opex by about 12% with reductions in things like traffic volumes, roaming cost, lower dealer commissions, staff costs and operating leases, offset by higher Opex from Cybersecurity and consolidating Regional ICT Services. While we saw reductions in EBITDA and service EBITDA with the consequent revenue reduction flow-through, we were able to manage the relatively flat EBITDA margin even with some margin dilution from Cybersecurity and Regional ICT Services.

As far as Q4, our costs ticked up from Q3 and margins fell due some initial payments on some of our transformation costs, as well as some non-recurring costs, for example some provisions for subsea cable maintenance. This was offset by higher profitability from TV and postpaid mobile, JSS contributions and higher EBITDA from cyber and Strateq. Net profit followed EBITDA down with finance expenses slightly higher for the year, offset by JSS grants of \$34 million.

Last, and very important, free cash flow. We increased free cash flow by 77%, adding \$170 million of free cash flow to achieve \$388 million of free cash flow for the fiscal 2020. We were able to maintain our Capex paid at \$191 million for the year, and we were able to increase our operating cash flow by about \$130 million year-on-year to about \$578 million due to cost management, working capital management and tax deferrals. All in all, a challenging year clearly with tough market conditions, but our strong free cash flow and funding position should position us to fulfil our obligations as well as drive our transformation and growth for 2021.

Segmental revenue. Mobile revenue was down \$186 million due to COVID-19-related factors, lower roaming, lower IDD, lower voice, data usage on postpaid, and lower prepaid subscriptions with lack of visitation. Pay TV was down by \$60 million with 5000 lower subs and COVID-19 impacts, including lower commercial TV revenue and advertising. Broadband was largely flat due to increase in subs on flat ARPU, offset by onetime rebates on monthly fees. Hence, Broadband revenue increased in Q4 as those subscription discounts rolled off.

On Enterprise, as mentioned we saw an overall increase. Network solutions was down \$38 million, largely due again to COVID-19-related reasons, fewer project completions, delayed customer spend, and lower voice revenue, but this was more than offset by Cybersecurity and Regional ICT Services, which was consolidated from August onwards, and both in combination added \$108 million for fiscal 2020. Looking at Q4 versus Q3 we saw modest upticks generally across the board.

Looking at our 2020 results versus the guidance we released in August of last year, we achieved service revenue at the favourable end of expectations. We achieved service EBITDA margin of 31%, exceeding the high end of guidance of 29%. Our Capex commitment was at 4.4% of revenue, below the low end of guidance. Last, we maintained our dividend, as expected.

With that, I would like to hand off to Dennis to go through a few more of the financial details.

Dennis Chia: Thanks, Nikhil. Good evening to everyone, and *gong xi fa cai* as well. I am on slide number 8, call out a few financial highlights for the full year. We are now at EBITDA - we ended the year at net debt to EBITDA of 1.41 times, and cash and cash balances of \$415.4 million, and this is a significant uptick as a result of our positive free cash flow generation for the full year.

As Nikhil mentioned, we are maintaining the guidance that we have given to the market to pay the 5.0 cents dividend, so we cracked 2.5 cents dividend in respect of the full year results. Our net cash from operating activities has also gone up, which resulted in a free cash flow with \$388 million of free cash that we generated in the full year, representing 22.3 cents on a per share basis.

Moving on to slide number 9, which is on the key highlights, and again, a lot of these numbers have already been spoken through. I just want to highlight a few numbers, being the net profit attributable to shareholders of \$36 million for the quarter and for the full year of \$157.9 million. Embedded in these numbers for Q4 is \$11 million of job support schemes that we have received from the government, and for the full year it was \$34 million. On an EPS basis, the \$157.9 million of net profit after tax represents 8.6 cents on EPS basis.

I will move on to slide number 11. Slide number 11 shows the status of our three-year cost transformation journey, which we guided the market to back in October of 2018. At that time, we guided the market that we would achieve \$210 million of savings over three years. We are now in the third leg of this three-year journey. We are happy to report that we have executed about 82% as of the end of last year, so we expect to be able to execute all of the remaining initiatives by the end of this three-year journey and be able to identify the next phase of these cost transformation initiatives as we embark on more digital transformation initiatives. We are reinvesting a part of these savings to fund the digital transformation initiatives that we talked about.

The bar chart on the right represents the StarHub telco operating expenses. You can look at the operating expenses of the telco units coming down from \$858 million to \$733 million. That represents significant attempts to manage and optimise our cost structure as we weather the storm from the COVID-19 impacts. This represented 14.6% decline year-on-year in terms of Opex.

With that, I pass it back to Nikhil, who will take us through slide number 12.

Nikhil Eapen: Thank you, Dennis. In terms of our transformation and away from cost efficiencies, our business is clearly transforming.

Number 1, we are delivering market-leading customer experiences. We were the first to launch 5G NSA and achieved early traction with 5G subs and good ARPUs as well as new 4G plans. We transformed our pay TV content platform to TV+, a leap forward. We substantially improved NPS, automating customer support with chatbot and other tools.

Number 2, we went some way towards accelerating value creation. As Dennis talked about, we achieved significant cost savings through transformation while simplifying operational processes. We have recast our pay TV content cost structure to a variable cost model.

Number 3, we worked towards realising growth. Cybersecurity grew strongly and realised better margins. We consolidated Regional ICT Services, which continues to grow well. We plan to go through 5G with novel consumer experiences as well as transformative use cases for enterprises, and we hope to continue M&A to add capabilities, footprint, and growth.

Last, enhancing digital. We are continuing our digital journey across our entire business, front to back, a leading indicator of what we believe we can do is our success with giga! which is from 5 times year-on-year and has the highest NPS in the market. Next page, please.

A little bit more on our digital transformation and a few indicators on our digital experiences. Digital sales were up 32% year-on-year. Digital conversion rate for sales have improved more than 60%. Monthly active users for digital services were up 12% year-on-year, and with expected digital processes, we automated 70 core processes with robotic process automation.

Looking forward, what we want is a totally micro-segmented and unique experience for each and every unique customer, where they can build the packages they want with seamless digital engagement. With this digital platform, we want to get the data. We need to know our customers better and continuously adapt and evolve our product to their continuously changing needs. This platform, run off the cloud, will accelerate our product cycle and give us adaptability and flexibility at scale, and of course, in this process we will simplify and improve our cost position so we can keep investing.

Customer experience and enriching customer experience is our top priority, but as mentioned, we will realise cost efficiencies, along the way, lower commission costs as we shift out online, a more productive retail footprint as our shops really become force multipliers for us, and a whole slew of other costs from simplification, outsourcing, agile IT and other areas. With that, I would like to pass to the business unit heads – firstly Johan to cover consumer, and then to Charlie.

Johan Buse: Thank you, Nikhil, and good evening everyone, and *gong xi fa cai* to everyone as well. I'm going to take you through three product lines, first mobile, then pay TV, and home broadband. As mentioned earlier by Dennis and Nikhil, Mobile witnessed a decline last year in terms of revenue. This is mainly due to COVID-19 and it is expressed in the Postpaid ARPU as well as in the Prepaid revenues. If we look at the Postpaid ARPU, you can see that it actually

dropped from 2019 from an average of \$40 to \$31. We did see stabilisation over the last few quarters and that particular decline is the vast majority goes to the COVID-19 impact on roaming.

Churn rates are fairly stable, around 1.1% to 1.2% so no major changes there. Prepaid revenue is mainly impacted due to the lack of inbound tourism due to COVID-19. You see that the ARPU is fairly flat year-on-year, but you did see that the customer base because of the lack of tourists has been dropping but last quarter we did see an update compared to Q3. That's on the mobile side.

If we move to Pay TV, after the migration from cable to fibre if we move to page 16 on this one, the customer base has actually become rather stable. Churn rates are around 0.7%, which is respectable and the ARPU actually is stabilising around \$40. The revenue decline which we witnessed on the TV side last year was mainly due to lower TV, commercial TV revenues and advertising spending. We are in the midst of moving into TV+, which I'm sure you will be asking questions around which we can address later.

The last product line is home broadband. Home broadband has shown very good resilience - if you move to page 17 - during the year. The ARPU is \$30 at the moment; year-on-year it's flat. Churn rates are respectable at 0.6% and actually last quarter, Q4 compared to Q3, we did see an uptick in revenues, and we did have a one-off impact last year due to the outage in April.

That's it from my side, and on that note, I'll hand you over to Charlie who will give you a bit of colour about the business elements.

Charlie Chan: Thank you Johan and *gong xi fa cai* to everyone. For the enterprise business in 2020, we saw overall growth just a whisker above \$17 million. This is led largely by our cybersecurity business and also the consolidation of our Regional ICT Services acquisition results from August 2020.

In Network Solutions, while we saw deferred expenditure from some of our clients given COVID-19 uncertainty through much of the year, we were encouraged as our orders began to recover as clients shift their focus to investing in 2021 and beyond. We also saw an uplift, as I mentioned, in the Cybersecurity business quarter-on-quarter as business demand continues to grow and as we continue to invest in our expertise and capability to meet it.

Finally, in the Regional ICT business, which we are reporting for the second quarter, we saw a tempering given the tough 3Q – there was a large transaction during that period – but would have otherwise seen a double-digit growth when things are normalised. Overall, we are pleased with the growth seen in enterprise during 2020 given the unique circumstances that we are in.

I would like now to hand you over to Dennis, who will talk about the guidance - I'm sorry, to Nikhil.

Nikhil Eapen: Thank you, Charlie. Going through our FY2021 guidance, we expect stable service revenue. The key assumption here is that COVID-19 impacts continue. We are not forecasting the return of better economic conditions in tourism and hence roaming excess usage and prepaid until quite late in the year. This cuts across consumer, enterprise and not just mobile but also Pay TV, but we do expect continued growth from Cybersecurity, Regional ICT Services.

Our service EBITDA margin of 24% to 26% is what we're guiding to and a few drivers. Now, while we get growth – first, while we get growth from cyber and regional ICT, this does dilute our blended margins. Number 2, we do expect lower JSS payouts for the year, and number 3, and very important, we will be investing in 5G and transformation initiatives where cost is borne upfront but returns are visible over a multi-year horizon.

On Capex and dividends, we expect to commit no more than 9% to 11% of revenue towards Capex, and overall, we expect to maintain our dividend through the next year, albeit with an eye toward market conditions and investment requirements.

With that, in conclusion, our key priorities for FY2021 are as follows: more transformation, more digital, more agile, which allows us to simplify and get more lean; a best-in-class experience for our customers, more innovation and the richest product with best digital self-serve experience and best network; for 5G, we're laser-focused on the rollout of migration of our current consumers and a focused and ecosystem approach for our enterprise business.

We are focused on growth to drive our consumer business harder with best product and digital engagement, to drive our Enterprise business harder with deeper engagement for broader wallet share within our customers; to continue and expand our platform in Cybersecurity, Regional ICT, and to do more in M&A.

Thank you very much.

Amelia Lee: Thank you, Nikhil. We will now open the floor to questions. I see that we already have some questions in the question box. We will go through them in chronological order.

The first question would be directed to Johan. This question is from Annabeth. She understands that MyRepublic is now splitting its MVNO revenue contributions between StarHub and M1 with only contributions from subscribers signed on before the M1 deal accruing to StarHub. What is your outlook on the MVNO market as well as postpaid mobile more generally?

Johan Buse: Thank you, Annabeth, for the question. To confirm your point number 1, yes, that is correct. That is true. Our view on the total market is that there are obviously quite a few MVNO players, and we also have our own sub-brand giga!. This will continue to be a very vibrant marketplace without any doubt, and we'll do our best to make sure that we can offer a differentiated proposition and on a high NPS level, which we believe is important.

In terms of stabilisation of ARPUs, we did see actually stabilisation of ARPUs over the last few quarters. There are two trends in that. Number 1 is obviously 5G, where I saw there are also a few questions around that, on the other side there's obviously SIM-onlys, which obviously come on a lower ARPU level, so that balances this out. Hopefully, that's answering your question.

Amelia Lee: Okay. The next part of her questions, what is the projected pace of stabilisation in Postpaid ARPUs including uplift from the expected 5G premium and can we expect mobile service revenue to return to pre-pandemic levels or better?

Johan Buse: Building on what I said earlier on that one is that we see ARPUs have been stabilising over the last few quarters, but the vast majority of the ARPU impact in postpaid is due to roaming, so that has led to stabilisation. On 5G, what we can share with you is that we see a healthy uplift and a very encouraging uptake. On the other side, you do have more customers taking a SIM-only so that basically balances it out.

We do expect ARPU levels to probably go back to higher levels once COVID-19 restrictions are behind us and when roaming is back a topic on the agenda for customers. Until then I would expect ARPUs to remain roughly at this level where we are today coming to the last two quarters that we're seeing, which you've seen in our reporting as well.

The last part of your question related to our strategy in terms of driving market share, that's a forward-looking question. We do have obviously, as Nikhil said, ambition to grow, so I would say we'll keep that open for next time when we meet.

Amelia Lee: Okay. Thank you, Johan. The next question, I would like to direct this to Dennis. This question is from Arthur. Can we please get some colour on the guidance? What are you expecting on your mobile revenues for FY21?

You seem to be guiding for lower numbers. What are you expecting for 5G adoption? Is migration to 5G ARPU accretive? Which I think Johan has partly addressed this question. Dennis, please.

Dennis Chia: Hi, Arthur. In terms of your question, if you remember in 2020, the borders actually started closing only somewhere towards the end of March into April, so we had about one quarter of roaming revenues come through in 2020. In this set of guidance the assumptions, the borders will remain closed for largely the most part of this year. As a result there is the fall-off in terms of the roaming in terms of year-on-year impact for about one quarter. That is the assumption in this guidance.

In terms of the rest of the subscription revenues and ARPUs, as Johan has articulated, we are assuming that it will remain stable and obviously Management has initiatives in place in terms of how we are going to grow market share as well as to stabilise or perhaps even potentially grow the ARPUs.

Amelia Lee: Thank you, Dennis. The next question is also for you from Paul. This question is on cybersecurity. The first question would be was there a lumpy project in 4Q20 revenue or will this be the new run rate. Second question would be on the 4Q Cybersecurity cost of sales. It was in line with revenue. Can you explain the nature of the rise? Is this software or hardware cost purchase?

Dennis Chia: Thank you. Our cybersecurity services are largely professional service-driven, so it has a relatively lower proportion of hardware and software embedded in the revenue. The services centre around cyber threat intelligence and cyber threat detections, so they're all largely professional services which have relatively higher margins. These are actually, therefore, the projects that were actually delivered in the second half of the year, which also goes into improving the relatively growth margins that were recorded in the second half versus the first half of 2020. The cost of sales obviously is in respect of the labour that would be required for delivery of these projects.

Amelia Lee: Okay. The next question, also from Paul, has to do with our cost transformation. What fixed cost has been lowered where operating leverage can be gained in 2021?

Dennis Chia: Okay. If you look at our cost transformation initiatives, we bucketed this into three. One is around workforce optimisation, which we have completed. A bunch of these fixed costs around the workforce rationalisation has now been done. The second bucket is around operational efficiencies, looking at various operating leases, repair, and maintenance of our networks, as well as our IT systems. All of these have also been rationalised as well as we look through vendor negotiations in terms of the contracts that we have in place for these P&L items. The third bucket is around content cost, and as Nikhil mentioned in his summary, we have largely converted the fixed costs that we used to pay to content providers for Pay TV to a variable cost structure and this also represents a rationalisation and optimisation that was done in terms of that.

These three buckets, as we have shared, 82% of it has been executed. There's about another 50% that we have left to be executed by the end of October 2021 which is the end of a three-year DARE transformation journey which we guided the market to, and thereafter, as we embark on our digital transformation activities, in 2021, the next phase of our cost transformation journey will begin from that point.

Amelia Lee: Okay. One more question for you, Dennis, from Lee Len. She would like more guidance on the 2021 Capex. We have guided for higher Capex in 2021 versus 2020 but we have not included the 5G Capex. Could you share more colour on this please?

Dennis Chia: Sure. The incremental investments in Capex for 2021 relate primarily to the IT transformation journey that we are undertaking and the digital transformation investments that we are making, so that's seeing the uplifts in the capital investments that we are making. We are also assuming certain Capex in relation to contract deliveries in the

enterprise space as we look at the pipelines that we have for enterprise business, so that's also embedded in this 9% to 11% guidance that we've gone out to the market now.

Amelia Lee: Okay. The next question will be directed to Johan. This question is from Noble. The question is what is a sustainable way to drive Pay TV revenue and sub base since it's down during a pandemic when people are spending more time at home and spending more time on entertainment?

Johan Buse: Thanks very much for the question. Maybe to clarify, if you look at the number of subscribers and the residential Pay TV revenues, that has been fairly stable over the last three or four quarters after the migration of cable to fibre was completed. The decline came this year mainly, as you will understand, due to commercial enterprises and advertising which was on a lower level compared to pre-COVID-19.

Interestingly enough, we did see a spike in terms of users on Pay TV during COVID-19, which is encouraging, and we have seen a very encouraging uptick on the OTT apps which we're offering in the market. So, all that together is an encouraging sign that we going forward can work on this basis. Hopefully, that's answering your question. Thank you.

Amelia Lee: Okay. Johan, another question from Pang Vit. What is driving the decrease in postpaid subs and increase of prepaid subs during the quarter.

Johan Buse: Pang, very good question. Happy to elaborate a little bit on that. We had a very good run on the StarHub side in terms of customer base. Nikhil already referred to the growth in giga!. It has been offset in the postpaid arena with some other parts of the business which led to a decline in customer base but as you saw on the revenue, we keep that up so it's not value impacting as such.

The Prepaid subs went up this quarter because after COVID-19, tourist SIMs have a specific validity; that's why you saw in the first three quarters of the year a significant decline in prepaid SIMs and that trend has reversed as we went through that dip of tourist SIM cards not being used anymore. That's an encouraging sign as well, I would say. In terms of the ARPU trends, I refer to what Dennis earlier referred to. We expect fairly stable ARPUs from here on post and prepaids.

Amelia Lee: Okay. The next question is from Paul. What is leading to the Q-on-Q decline in Pay TV subscribers please Johan?

Johan Buse: The QoQ decline in pay TV subscribers is [a fact] which has been going on in the market. If you look across pay TV, cord cutting has been going on for a while. We're not immune to that. That's also why we are moving our strategy to what we call TV+, integrating the classic linear TV plus the OTT solutions, and we are happily looking forward to see how it will turn out for us in the coming quarters.

Amelia Lee: Okay. The next question is from Ranjan, also for you, Johan. What is the adoption of 5G anticipated in 2021 and are most sale agreements on 5G being made with other mobile operators. Outside of the big 3 will operators be able to introduce 5G?

Johan Buse: Allow me to answer part 1 of the question and perhaps part 3 I can refer to Dennis when it comes to the wholesale arrangements on 5G. The adoption of 5G, the only thing I can say to you now is we have seen a higher uptake of our 5G plans than we anticipated, which is encouraging. The next big stop I would say for 5G is obviously the rollout of our SA network later this year to offer an even better experience than what it is at the moment. On the wholesale arrangement, maybe Dennis, would you like to elaborate on that?

Dennis Chia: Wholesale-wise, as the market is aware, we have established a joint venture for the rollout of the radio networks. The core sits within StarHub on our own, so in terms of the radio network, which is shared, there's a

wholesale cost element attributable to that, depending on the pace of the rollout, naturally with our joint venture partners, we have already decided on the pace of the rollout in order to serve the market better. There will be a wholesale cost element attributable and co-related to the pace of the rollout.

Amelia Lee: Okay. Dennis, while we still have you, there is a question from Arthur. Are you able to share the network investment plans linked to 5G Capex on the JV level?

Dennis Chia: I am not able to break it down because naturally, there is a bunch of confidentiality around it, because there are vendor contracts as well that we've entered into. Suffice to say that the radio is share and the core and security elements sit within StarHub so there is still a relatively higher proportion of 5G infrastructure that will sit within the StarHub books.

Amelia Lee: Okay. Thank you, Dennis. The next question is to Johan. Some clarification is required. A question from Samantha. Just now you mentioned that Pay TV is moving towards our TV+. Could you share more about this and how this will help to boost the Pay TV performance.

Johan Buse: Yes. Thank you very much, Samantha, for the question. TV+ is a platform which we launched in August and we're rolling out as we go forward. You may probably have seen that we have signed an agreement with Disney+, as we also have done with Hotstar. TV+ is basically an aggregation of the classical Pay TV, IPTV et cetera, with OTT applications into one customer experience. That will help actually to (a) better customer experience from what we see, better NPS, and (b) obviously, we can combine the revenues from both platforms into one, if I may put it that way. So that's our strategy going forward.

Amelia Lee: Okay, and another clarification, this time from Annabeth. You said earlier in terms of ARPU stabilisation, do you mean that the postpaid mobile ARPUs will stay around \$30 and you do not expect them to fall any further? Have we seen the bottom for mobile postpaid ARPUs?

Johan Buse: What we have seen over the last two quarters is that postpaid ARPUs are fairly stable. We don't see major movements at this point of time. Obviously, this will be depending on how the market will develop going forward in terms of competitive intensity - and do keep in mind that obviously this is an ARPU without the roaming ARPU, if I can express it that way. Based on the last two quarters, this is the ARPU we're looking at. We hope that the market will continue to move on as it is at the moment, and we do see an encouraging uptake of 5G, as mentioned earlier, which we are confident that will help us on the positive side. Thank you.

Amelia Lee: One more question for you, Johan, from Janine. Are you anticipating any kind of recovery in Pay TV subs and what kind of Pay TV sub base would you consider the new normal?

Johan Buse: Wonderful question. Thanks, Janine, for that. It's probably too early to be able to ask you a question, I would say, correctly or in detail. What I can share with you is that we obviously see a trend that the younger generation is more inclined towards OTT rather than a classic Pay TV solution. That hopefully will open a new segment in the market and address that particular need better than what we have been doing so far, so let's touch base in the next quarterly results call on that once we are a little bit further in our trajectory on the new Pay TV solution.

Amelia Lee: Thank you. Thank you, Johan. The next question is for Nikhil. This question is from Marcus. He says that he knows that it's early days, but do you have any comments on the overall strategic plan for StarHub and would you make any different moves versus your predecessors?

Nikhil Eapen: Thank you, Marcus. Great question. I think we have a great and ongoing transformation plan that was put together by Peter and the team. I strongly believe it's the right plan and it's a plan that we're well underway in executing.

I do not believe there will be a shift in the general direction of this plan and the transformation. Rather, my intent is really acceleration and a greater degree of aspiration.

What does that mean in terms of cornerstones? First, digital is a key cornerstone of our plan and our aspiration, and it's really about digital empowerment. On Consumer, for instance, we want to empower our unique customers with a really rich portfolio of product and a digital gateway through which they can build their own bundles from connectivity, content, and lifestyle products that we bring them.

On the Enterprise side it's very much a similar notion. We want to digitally empower enterprises and SMEs to digitally manage their own virtualised network to enable their own cloud data driven and digitalisation and digital transformations. Overall, we want to expand our customer and engagement footprint over the years with more product delivered by better and more seamless platforms through a growing presence in both areas in Singapore and regionally and continue to do M&A that brings data-driven growth regionally.

In a nutshell, that's the plan and we'll be talking more about it in upcoming sessions.

Amelia Lee: Okay. Thank you, Nikhil. Back to you, Johan. Another question from Annabeth. You mentioned that 5G could move ARPU upwards. What's the percentage pricing premiums StarHub expects to set once 5G SA goes live?

Johan Buse: Thanks, Annabeth, for the question. Currently, if you look at the Mobile+ which differentiates our 5G plans which we have in the market, we've priced them at a premium of between \$5 and \$10. They come obviously with significant additional value for the customers, more data, more minutes, but that's currently the price premium we have on the 5G mobile plus plans in the market.

Amelia Lee: Okay. One more question for you, Johan, from Janine. Have you made capacity provisions for a rush on Disney+ on 23 February?

Johan Buse: We have.

Amelia Lee: Okay. That's a very straightforward answer. The next question is on cybersecurity revenue growth. This question goes to Dennis. What is the outlook for cybersecurity revenue growth and profitability in FY2021 and will there be still JSS credits to be recognised in 2021 and if so, how much?

Dennis Chia: Okay. I'll take the first question on the cybersecurity growth. Embedded in our guidance is an assumption of growth in the revenues. In terms of quantum, naturally we're not breaking it down, but we do anticipate additional revenues coming through as a result of the strong pipelines that the cybersecurity units actually ended 2020 with. They have also set up international and regional footprints and there are consulting professional services contracts that have also been won in respect of those regional operations. We expect there to be growth in the topline and we certainly would be managing the profitability of the cybersecurity operations along with the growth in the top line.

With the job support scheme, in terms of job support scheme, we actually recorded \$34 million for the full year. That's \$27 million at the StarHub level and \$7 million in respect of the cybersecurity units that we have. That makes up the \$34 million. We are expecting another quarter of those grants coming through in Q1 of 2021 and that's going to be fully recorded by the end of Q1 of 2021, so it will fall off from April. It will be proportionately less and about \$7 million relative to last year.

Amelia Lee: Okay. Thank you, Dennis. It seems like we've answered all the questions in the Q&A box now. We'll give it a few more minutes. Please feel free to submit your questions in the Q&A box.

We are just checking through to see we didn't miss out any questions. Okay, a question from Louise Ong. This is a question for Dennis. Any guidance for 5G Capex?

Dennis Chia: Well, 5G Capex, we will incur an additional - I would guide you to about another 1% to 1.5% in respect of 5G Capex that we're recording at the StarHub level. The guidance of 9% to 11% excludes spectrum and the 5G Capex, so the additional 5G Capex is just a tad above that level. Spectrum has been paid for in FY2020.

Amelia Lee: The next question is for Nikhil. Nikhil, you spoke about sticking with the old plan. Any colour on new directions you would like to explore?

Nikhil Eapen: Yes. As I mentioned, we are sticking with an old plan, but we think it's a good plan and an aggressive plan, and it's around some key cornerstones, digital, 5G, IoT, cloud, more product on the content side, more product on the connectivity side. We think it's an ambitious and achievable agenda. Now, having said that, it's first about execution, but second, as we achieved execution on what is an ambitious and aggressive plan, we do hope to share with you at the right time, closer to the middle of the year or after, around some of our next engines of growth, but we would like to see strong focus on what is, as I mentioned, the right plan and an ambitious plan.

Amelia Lee: Okay. Thank you, Nikhil. Next question is to Johan. This question is from Sachin. With lower mobile revenue guidance despite stable ARPUs, are we baking in loss of subscribers to competitors?

Johan Buse: I'll answer the question in the following way. The lower revenue guidance for this year is actually only due to one reason, which is the fact that in 2020 first quarter we still had roaming. There was no COVID-19. That's the key difference between '21 and '20. In [inaudible] - a bit of an echo here, sorry - to keep it on the same level, as you probably saw in Q4 to Q3, actually our revenue market share increased a little bit. We intend to fight for market share. Hopefully, that's answering the question in that respect.

Amelia Lee: Okay. One more question for you, Johan. Considering that Disney+ is exclusive to StarHub now, do you anticipate higher churn as the offers expire, lapse, and will this have a significant effect on Pay TV performance?

Johan Buse: We have factored this in the following way in our offerings. First and foremost, we are very happy and proud that we have the opportunity to partner with Disney and Disney+ in this, and it's a great win-win for both because it is actually very close to our customer base.

The way we have crafted the offers is that we actually embed this in most of our new product offerings for TV, home broad and mobile for 5G, to enable all our customers to enjoy this great content and to have firsthand experience of what this can do across different device, across different platforms, and as such it's a differentiating factor. We are very optimistic about a positive side effect, and foremost, we actually want to make sure that we reward our loyal customers who have been with us for a longer period of time. That's our strategy going forwards for Disney+.

Amelia Lee: Okay. Thank you, Johan. Our next question is for you, Nikhil. How much of your growth plans are focused on Singapore versus a regional agenda?

Nikhil Eapen: Yes. We actually think there's a lot to do as we have it in Singapore with respect to consumers and households. We're very focused on deploying a very rich portfolio of product and you'll see hopefully a phased roadmap over the coming year, and what we think that allows us to do is tap pockets of addressable market which haven't really been achieved yet. On the Enterprise side, it's a little bit of a similar story. We're going to see a lot of changes over the next 12 to 24 months: 5G, IoT, et cetera.

We think there's a decent growth roadmap to focus on with respect to our Enterprise customers and SMEs that really focuses not just on new customers but really being more relevant to existing customers and maximising our share of wallet. In summary, we think there's a lot to do in Singapore and the space is evolving. Much of our growth plans are focused on Singapore, but having said that, we're focused on taking what we have and doing it in regional markets as well, similar to what we've done in regional ICT, so you will see us active there as well.

Amelia Lee: Thank you. Thank you, Nikhil. Dennis, some clarifications are required. There is a question whether or not we have baked in any JSS revenue for FY20-21 focus or rather our guidance that was given to the market.

Dennis Chia: Yes, we have. As I mentioned, we will book the residual portions of the JSS that we are entitled to in Q1 of this year, so that's been baked into the guidance of 24% to 26%.

Amelia Lee: Thanks, Dennis: Another one for the benefit of those who joined us late. The question is on cybersecurity. The jump in cybersecurity revenues, is it all recurring or are there elements of non-recurring revenues, for example driven by projects?

Dennis Chia: A good part of the enterprise business, whether it is the cybersecurity business or the network solutions business, is project-based. There are elements of recurring revenues within that for maintenance. However, a good part of it is actually project-based. Pipelines, as I mentioned, remains strong and as to the credibility of the services that we deliver and the quality of the delivery as well in terms of the customer confidence improves, these pipelines are testimonies to that.

Amelia Lee: Okay, thank you. Next question is to Nikhil. This question is from Annabeth, on regionalisation. How do you define regional given that Signal has scaled up NCS with a mission in Australia and China, what market has StarHub looked at for both enterprise and consumer internationalisation?

Nikhil Eapen: I think we are really focused on neighbouring regional markets, but again having said that, if there are capabilities, specific capabilities that are important to our consumer or enterprise roadmap that are outside of the region, we would look at it but as far as footprints and market, we're focused on our neighbouring markets.

Amelia Lee: Okay. Next question is for Johan. This question is from Sherman. In terms of mobile competition, are there signs of the MVNOs or TPG being less aggressive, or that they are not gaining much traction, hence your view of stable postpaid ARPUs?

Johan Buse: Thanks, Sherman, for the question. We believe that the market is very vibrant at the moment and we expect that the market remains relatively vibrant and competitive for the next period to come. If we refer to stable ARPUs, that's obviously on the back of the last few quarters where we see a stabilisation. Again, we're optimistic about 5G and the potential ARPU placed on 5G, as we are monitoring also the situation on the SIM-only side. That basically led to the conclusion that based on the last few quarters we seem to have touched on a point where ARPUs are relatively stable. It will all depend on how the market will evolve going forward.

Amelia Lee: Okay. Thank you, Johan. Thank you, everyone, for your questions so far. We have time for maybe one or two more questions. We'll give it a few more minutes. Please feel free to submit your questions in the Q&A box. Okay. It seems like we have answered all your questions adequately. Please feel free to drop us an email at ir@starhub.com if you do have follow-up questions. Since there are no more questions, we will end the call for this quarter. Thank you, everyone, for joining us this evening. As always, please feel free to reach out to us if you have further questions. Until next quarter, please stay safe and have a great weekend ahead.

End of Transcript