



# StarHub 2Q & 1H-2017 Results

## 2 August 2017

## 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



***2Q & 1H2017 Highlights***



**Financial Highlights**



**Business Highlights**



**2017 Outlook**

# Overview (2Q-2017 vs 2Q-2016)

## Financial

- Total revenue decreased 1%
- Service revenue decreased 2%
- EBITDA margin at 33.2%
- NPAT decreased 21%

## Operational

- Revenue growth in Enterprise Fixed
- Subscriber growth in both pre & post-paid Mobile
- Low churn rate maintained across all businesses

# Key Financial Highlights

S\$M	2Q-2017	2Q-2016	Change	1H-2017	1H-2016	Change
Total Revenue	<b>579</b>	586	-1%	<b>1,171</b>	1,177	0%
Service Revenue	<b>543</b>	554	-2%	<b>1,080</b>	1,096	-2%
EBITDA	<b>180</b>	192	-6%	<b>341</b>	375	-9%
EBITDA Margin	<b>33.2%</b>	34.7%	-1.5%pts	<b>31.6%</b>	34.2%	-2.6%pts
Taxation	<b>(18)</b>	(22)	-16%	<b>(33)</b>	(42)	-22%
Net Profit After Tax	<b>86</b>	109	-21%	<b>159</b>	201	-21%
Capex Cash Payments	<b>115</b>	48	137%	<b>148</b>	90	64%
% of Capex to Revenue	<b>19.8</b>	8.3	11.5%pts	<b>12.7</b>	7.7	5.0%pts
FCF / Fully Diluted Shares	<b>0.9¢</b>	7.9¢	-88%	<b>7.7¢</b>	13.1¢	-41%
Net Debt to TTM EBITDA Ratio	<b>0.82x</b>	0.65x	0.17x	<b>0.82x</b>	0.65x	0.17x

# Revenue Contribution

Total Revenue	Quarter Ending 30 June				First Half Ending 30 June			
	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	302.7	305.3	(2.6)	(0.9)	598.9	603.4	(4.5)	(0.8)
Pay TV services	87.9	95.4	(7.5)	(7.9)	176.3	190.3	(14.0)	(7.4)
Broadband services	52.8	54.4	(1.6)	(3.0)	106.5	107.9	(1.4)	(1.3)
Enterprise Fixed services	99.2	98.6	0.6	0.7	197.9	194.4	3.5	1.8
<b>Total Service Revenue</b>	<b>542.6</b>	<b>553.7</b>	<b>(11.1)</b>	<b>(2.0)</b>	<b>1,079.6</b>	<b>1,096.0</b>	<b>(16.4)</b>	<b>(1.5)</b>
Sales of Equipment	36.5	32.0	4.5	14.1	91.8	80.6	11.2	13.9
<b>Total Revenue</b>	<b>579.1</b>	<b>585.7</b>	<b>(6.6)</b>	<b>(1.1)</b>	<b>1,171.4</b>	<b>1,176.6</b>	<b>(5.2)</b>	<b>(0.4)</b>

\* Numbers may not add up due to rounding.

# Revenue Mix

Revenue Mix	Quarter Ending 30 June		First Half Ending 30 June	
	2017 % mix	2016 % mix	2017 % mix	2016 % mix
Mobile services	52.3	52.1	51.1	51.3
Pay TV services	15.2	16.3	15.1	16.2
Broadband services	9.1	9.3	9.1	9.2
Enterprise Fixed services	17.1	16.8	16.9	16.5
Total Service Revenue	<b>93.7</b>	<b>94.5</b>	<b>92.2</b>	<b>93.2</b>
Sales of Equipment	6.3	5.5	7.8	6.8
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.





2Q & 1H2017 Highlights



*Financial Highlights*



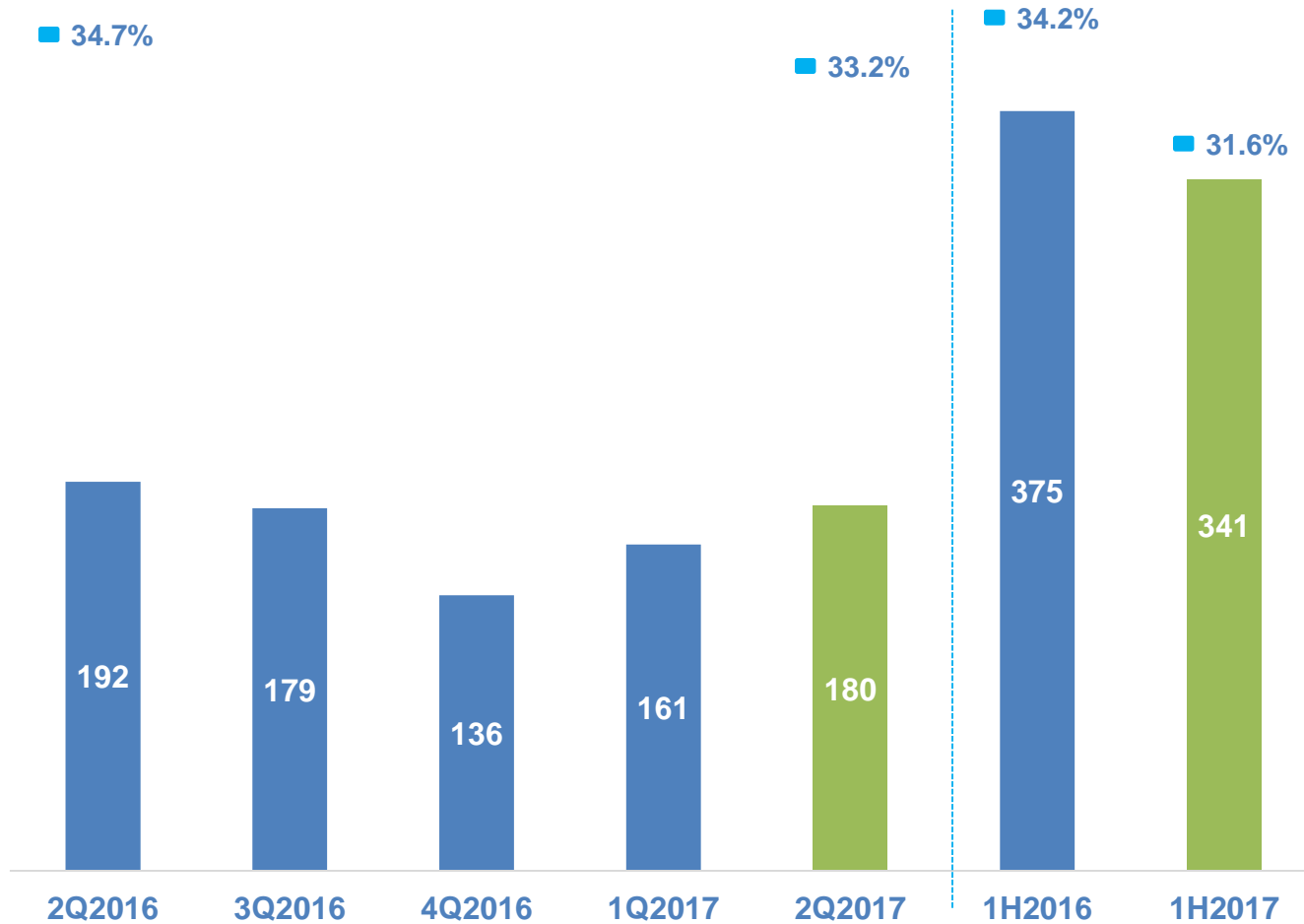
Business Highlights



2017 Outlook

# EBITDA & EBITDA Margin

(S\$M)

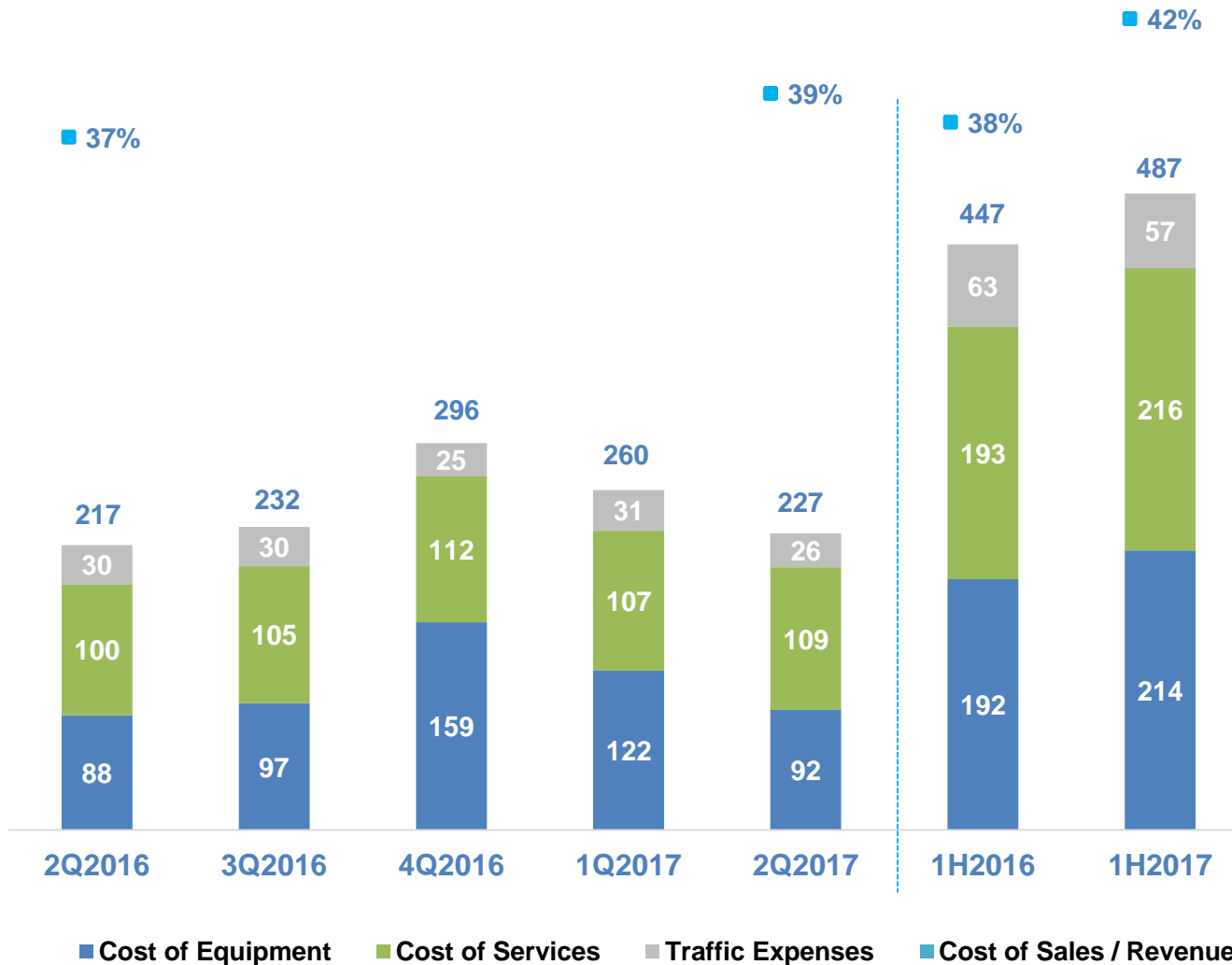


■ EBITDA Margin as % of Service Revenue

\* Numbers may not add up due to rounding.

# Cost Of Sales

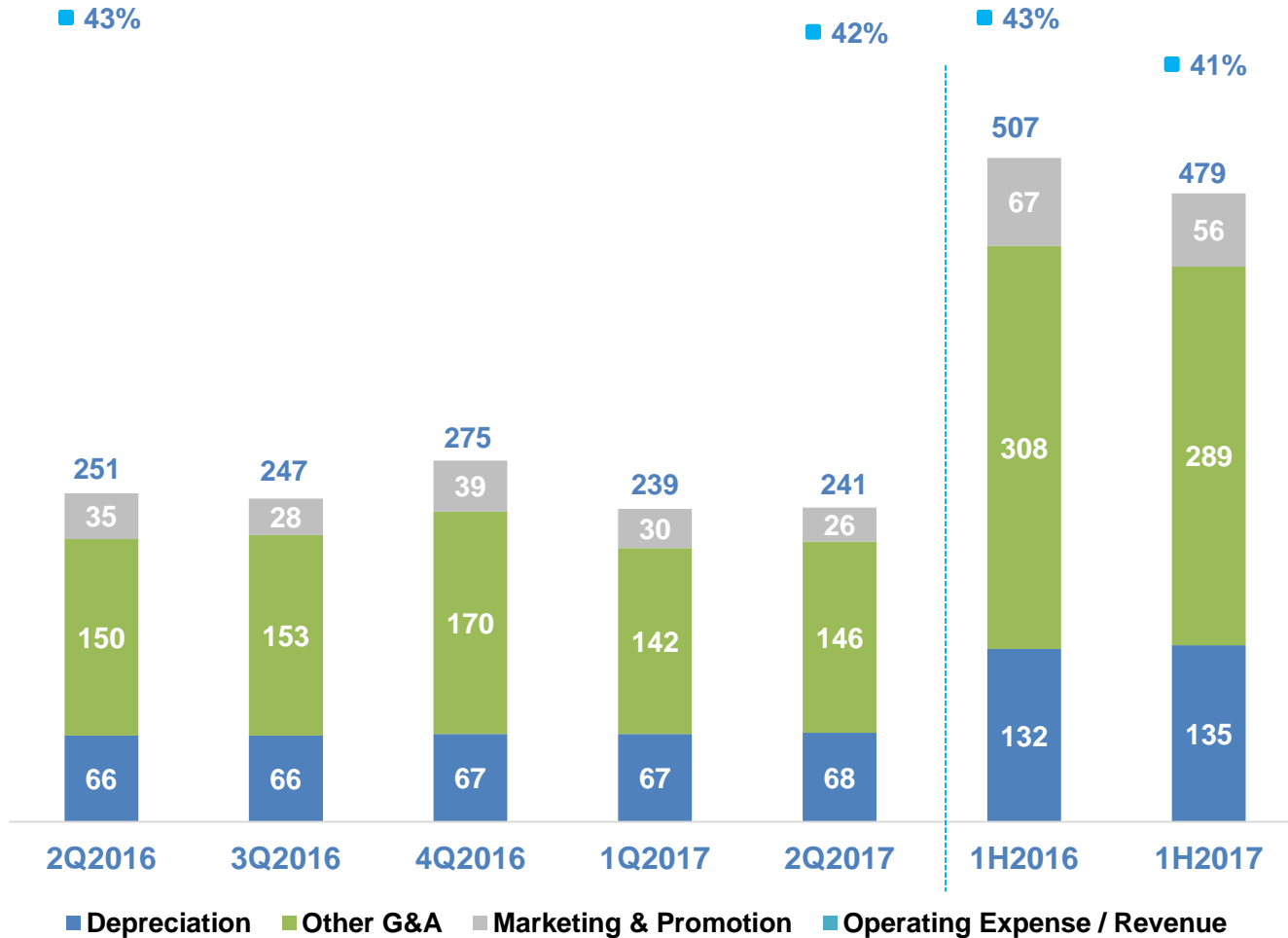
(S\$M)



\* Numbers may not add up due to rounding.

# Other Operating Expenses

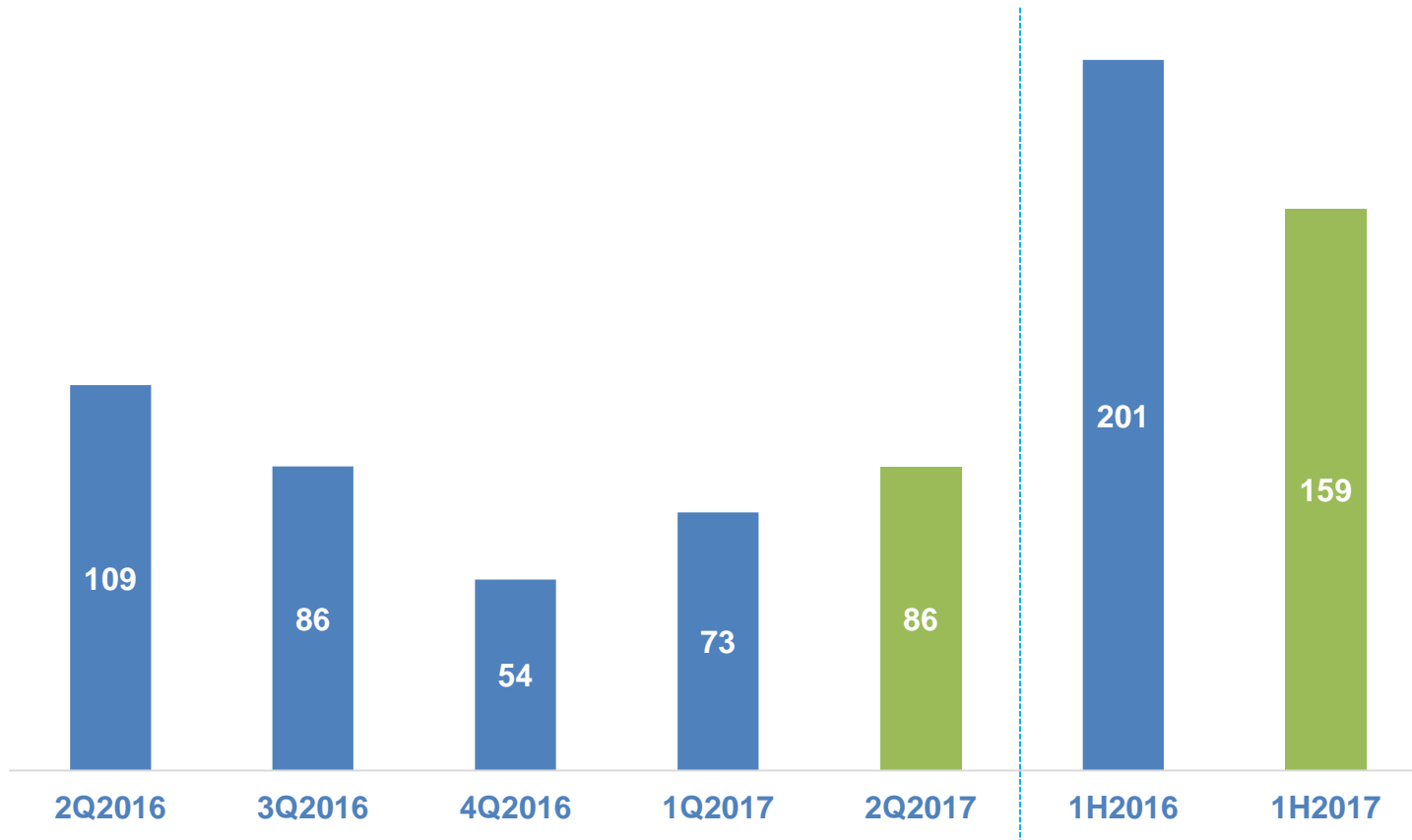
(S\$M)



\* Numbers may not add up due to rounding.

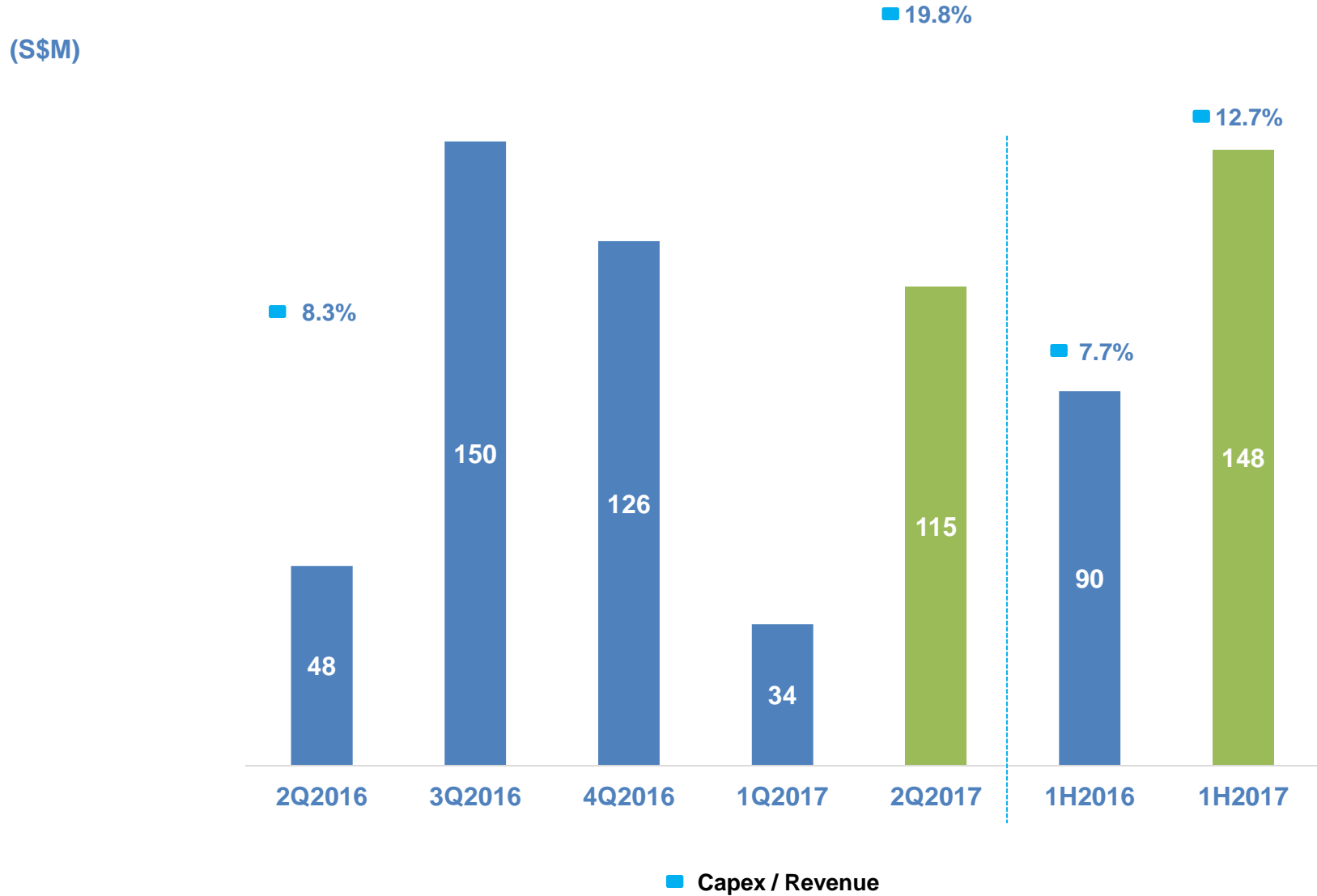
# Net Profit After Tax

(S\$M)



\* Numbers may not add up due to rounding.

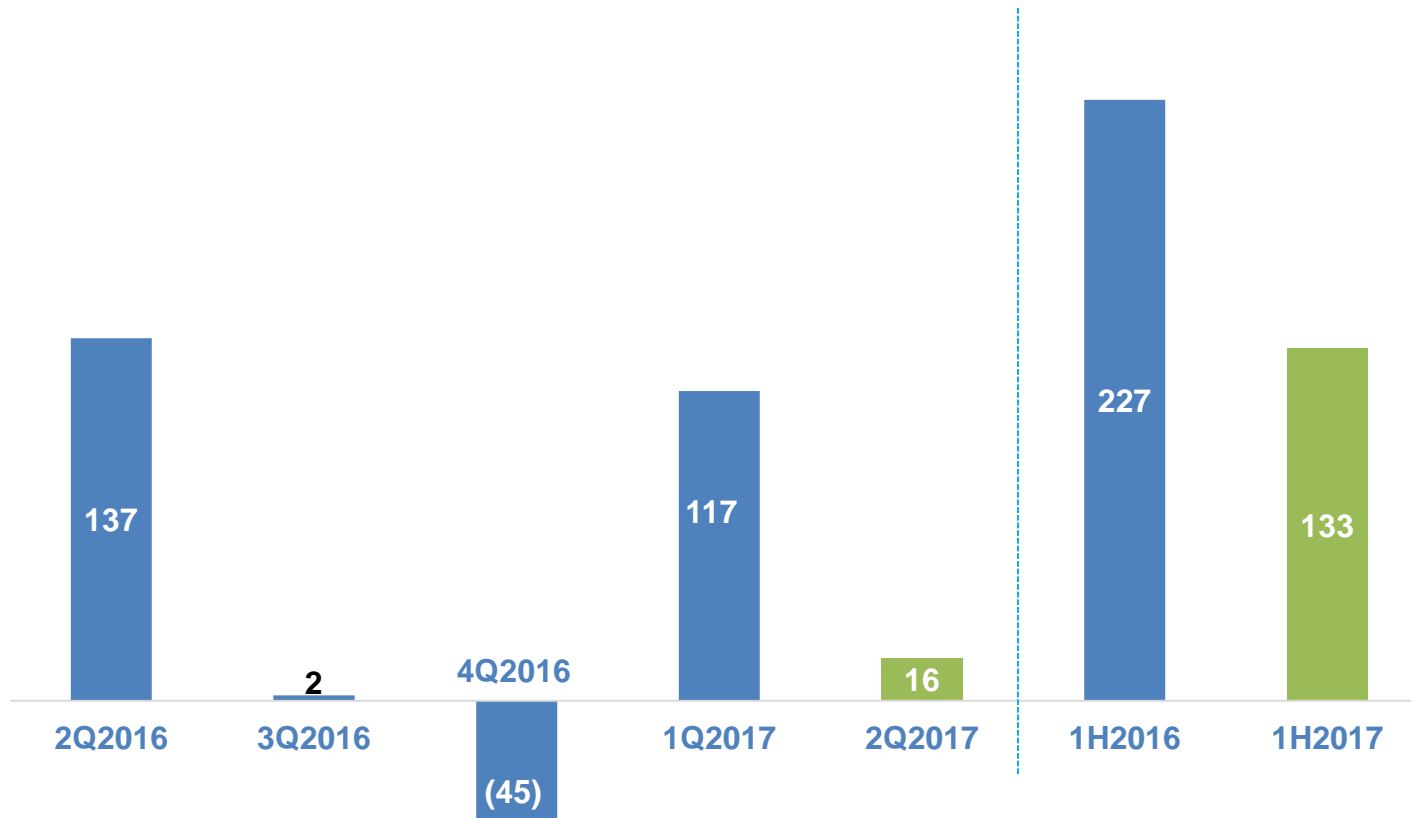
# Capex (cash payments)



\* Numbers may not add up due to rounding.

# Free Cash Flow

(S\$M)



\* Numbers may not add up due to rounding.



2Q & 1H2017 Highlights



Financial Highlights



*Business Highlights - Mobile*



2017 Outlook



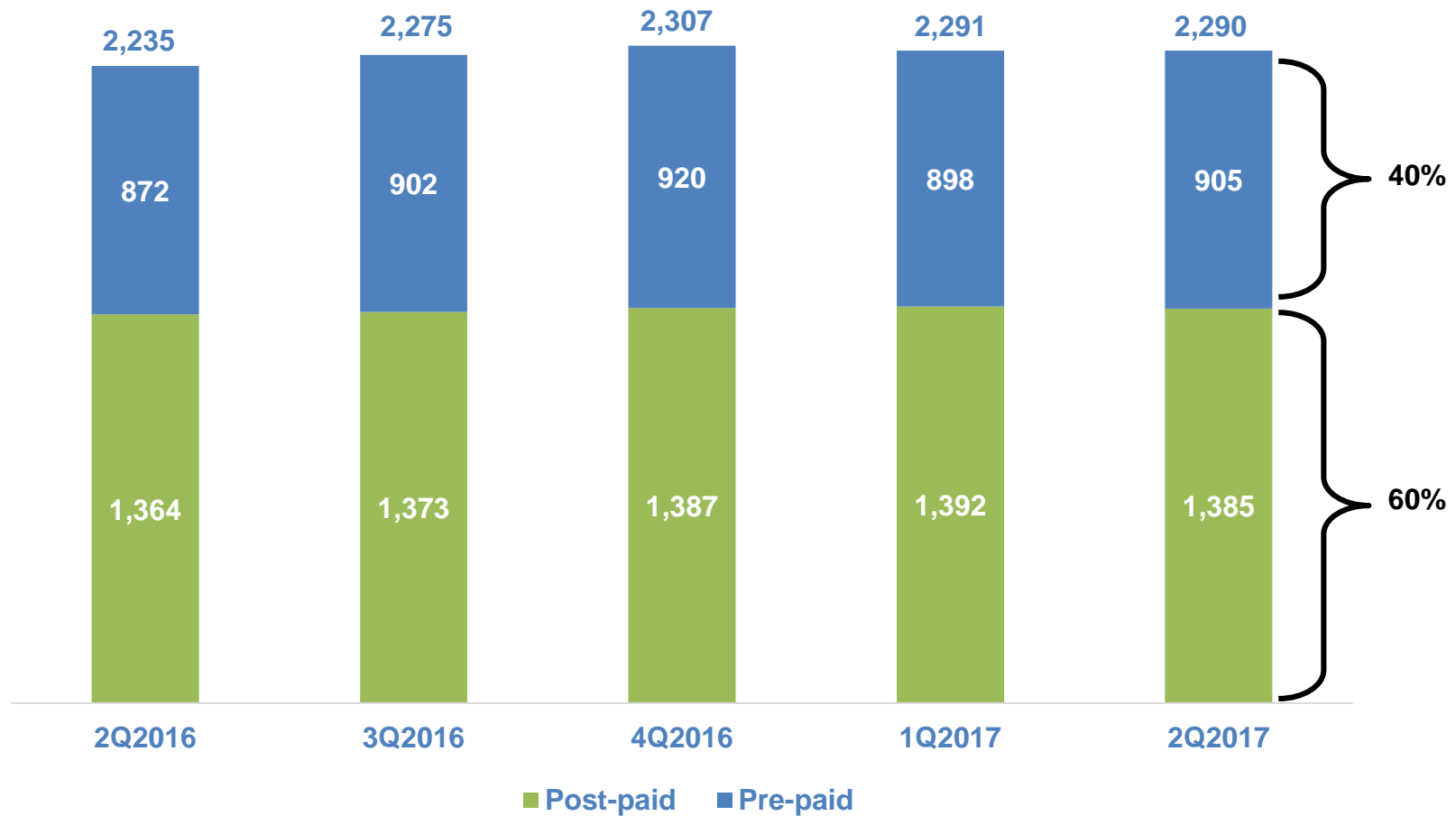
## ➤ Mobile (2Q-2017 vs 2Q-2016)

- Total customer base expanded 55k
- Post-paid ARPU decreased S\$1 to S\$70



# Mobile Customer Base

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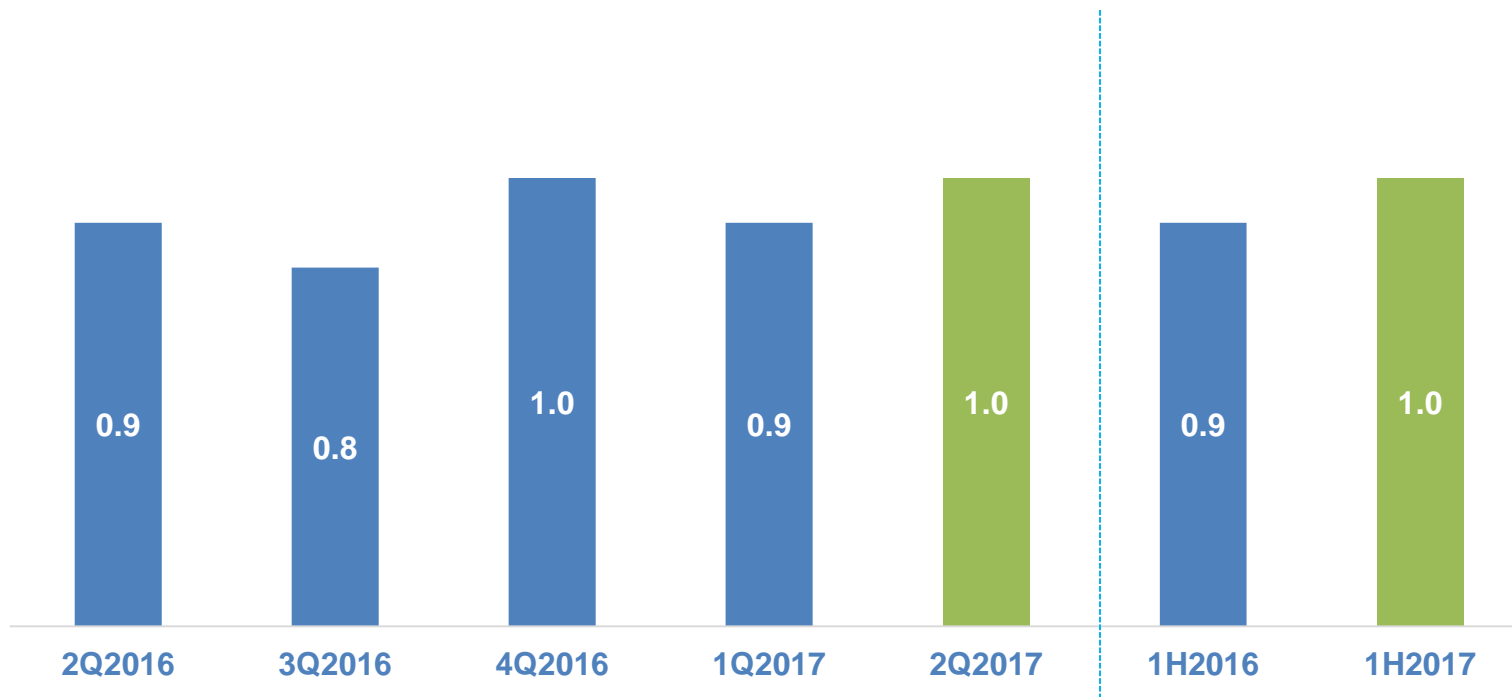


\* Numbers may not add up due to rounding.



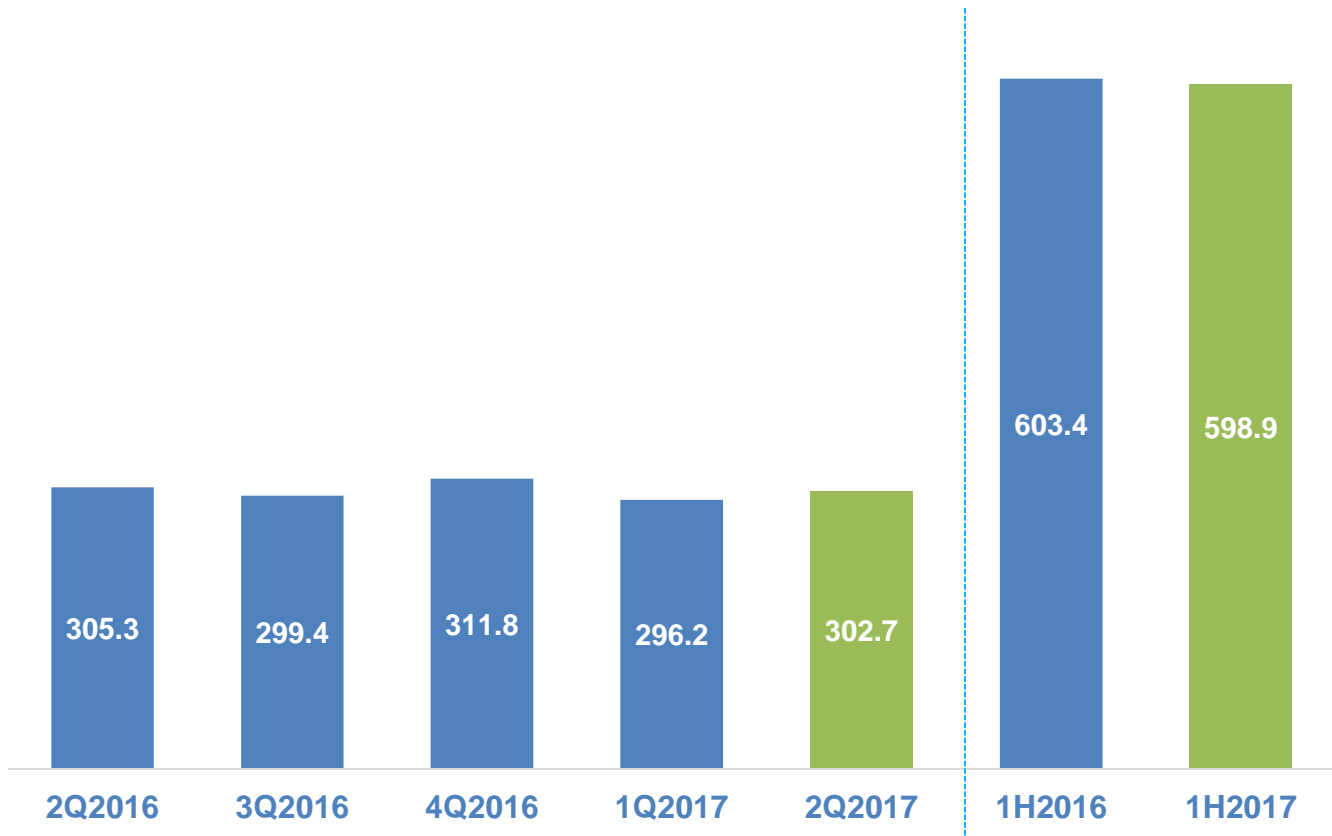
# Post-paid Average Monthly Churn Rate

(%)



# Mobile Revenue

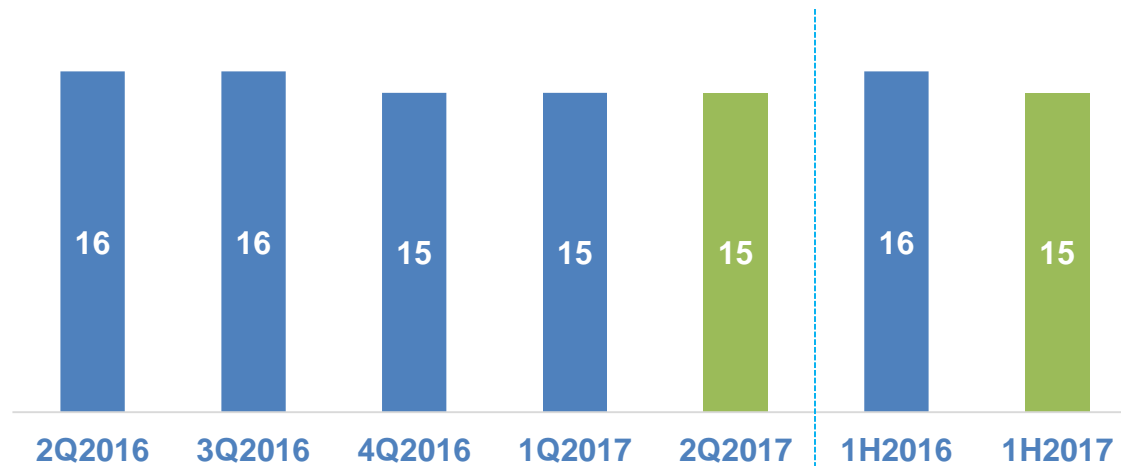
(S\$M)



# Mobile ARPU

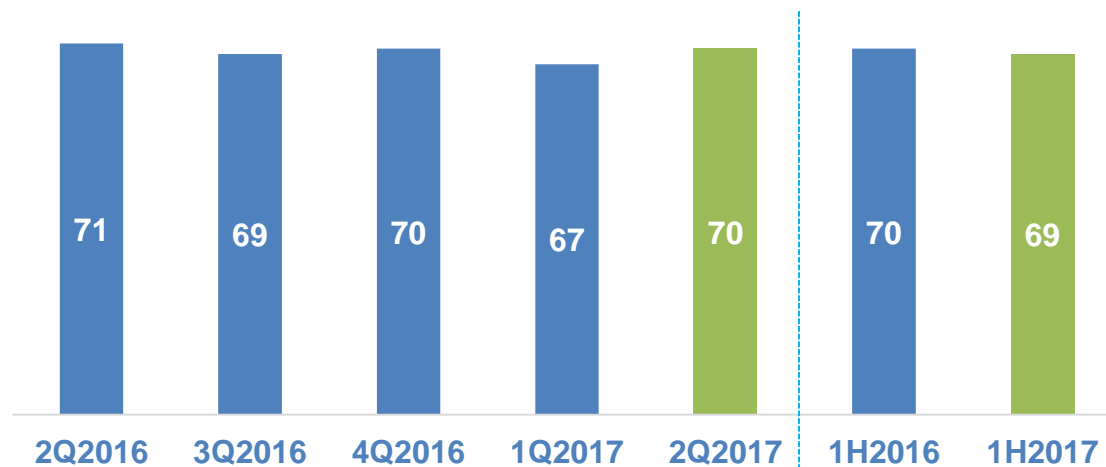
(S\$ per month)

## Pre-paid



(S\$ per month)

## Post-paid





2Q & 1H2017 Highlights



Financial Highlights



*Business Highlights – Pay TV*



2017 Outlook

# Pay TV (2Q-2017 vs 2Q-2016)

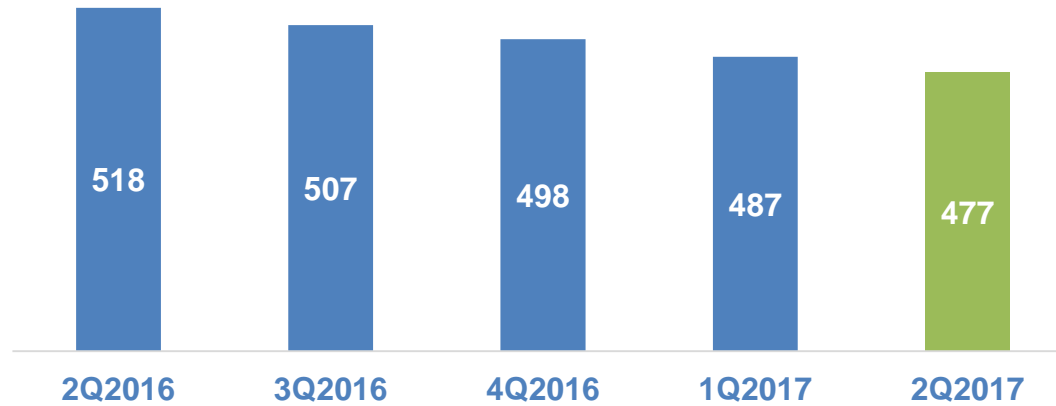
- ❖ Revenue decreased 8%
- ❖ ARPU at S\$51
- ❖ Customer base decreased 41k



# Pay TV Base & Churn

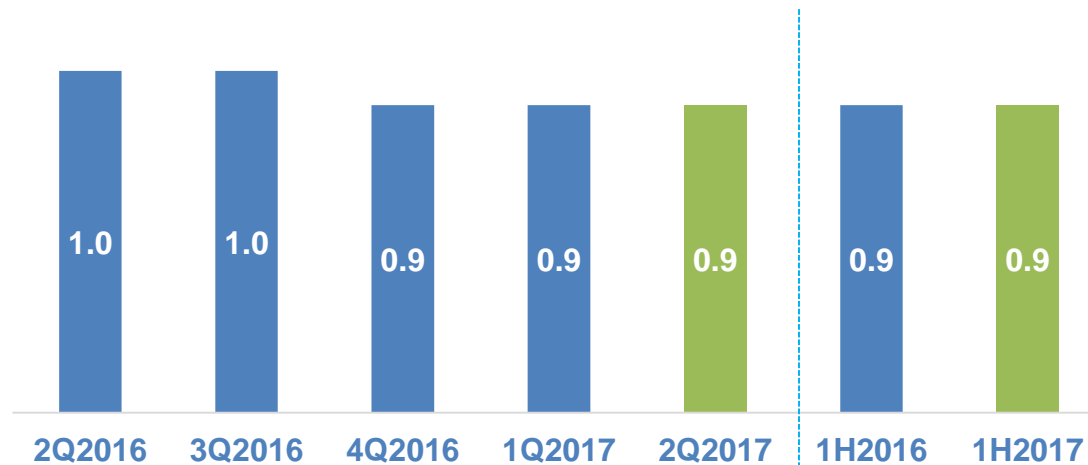
(‘000)

## Customers



## Average Monthly Churn Rate

(%)

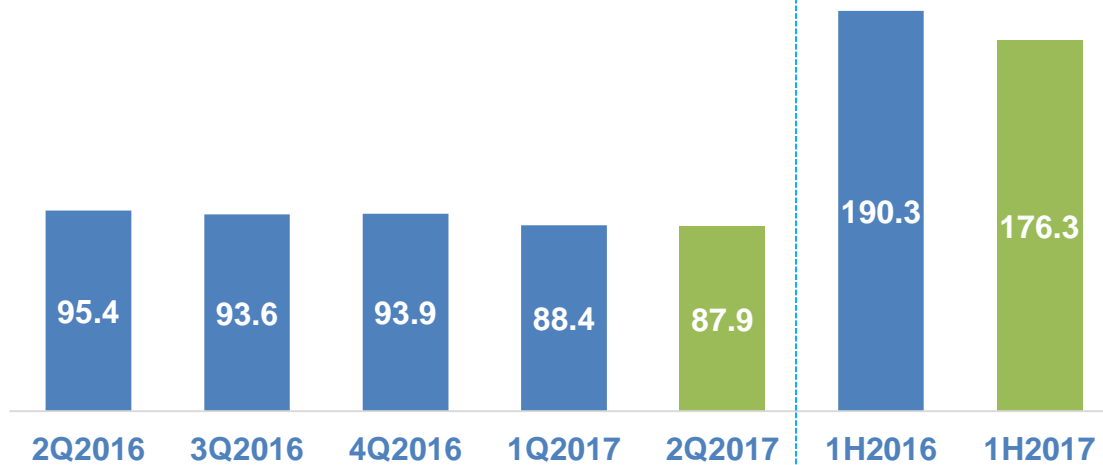




# Pay TV Revenue & ARPU

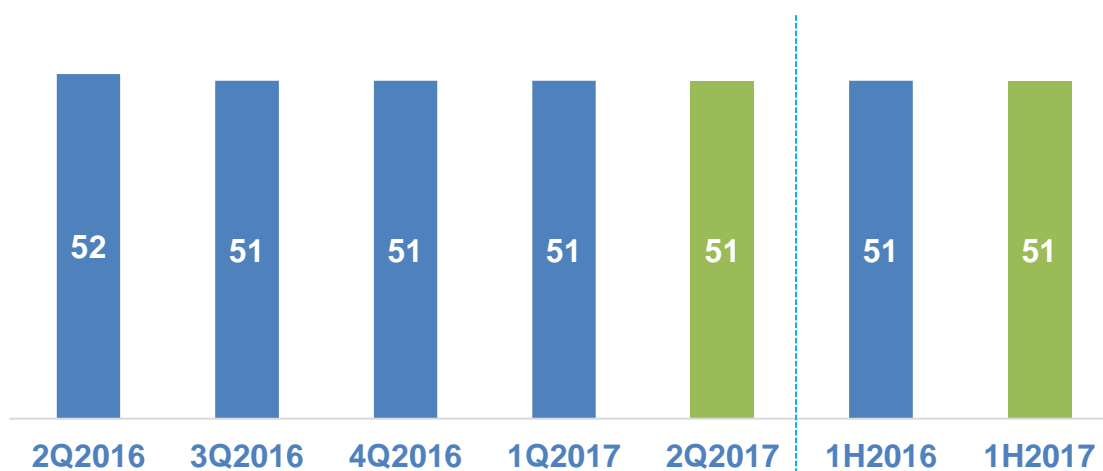
(S\$M)

## Revenue



(S\$ per month)

## ARPU





2Q & 1H2017 Highlights



Financial Highlights



*Business Highlights - Broadband*



2017 Outlook

## Broadband (2Q-2017 vs 2Q-2016)

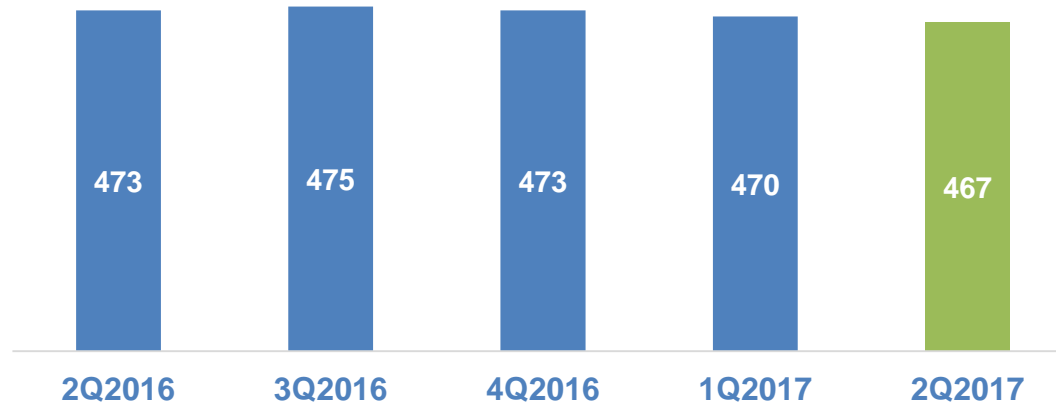
- ❖ Revenue decreased 3%
- ❖ ARPU decreased by S\$1 to S\$36
- ❖ Customer base decreased by 6k



# Broadband Base & Churn

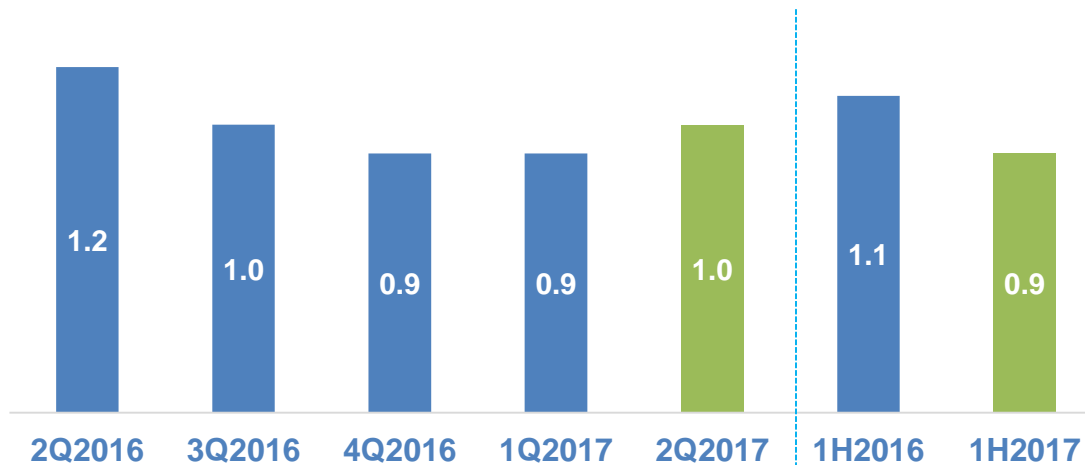
(‘000)

## Customers



## Average Monthly Churn Rate

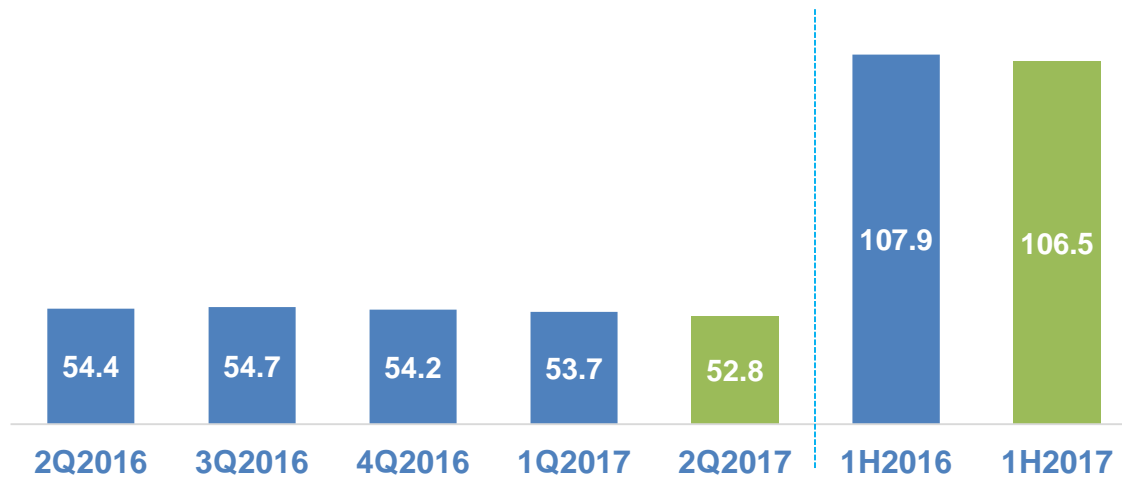
(%)



# Broadband Revenue & ARPU

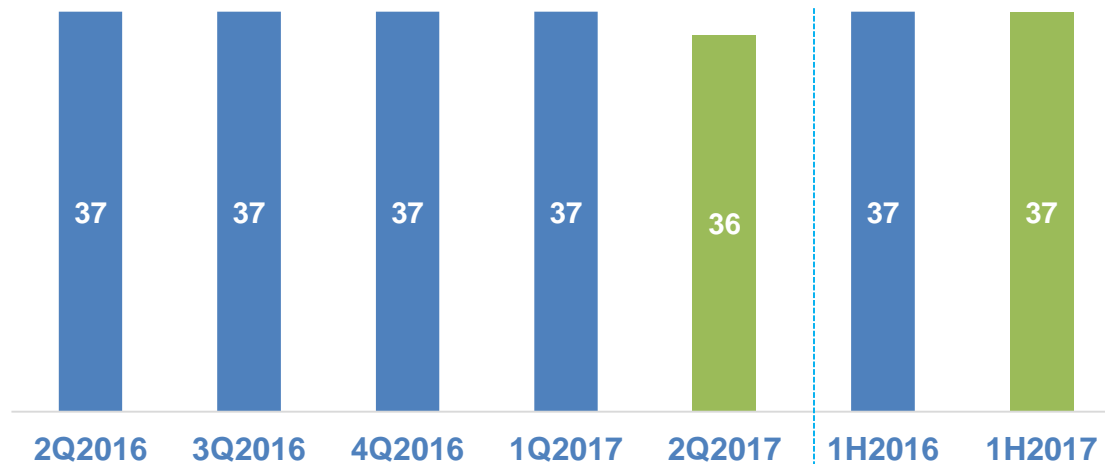
(S\$M)

## Revenue



(S\$ per month)

## ARPU





2Q & 1H2017 Highlights



Financial Highlights



*Business Highlights – Enterprise Fixed*



2017 Outlook

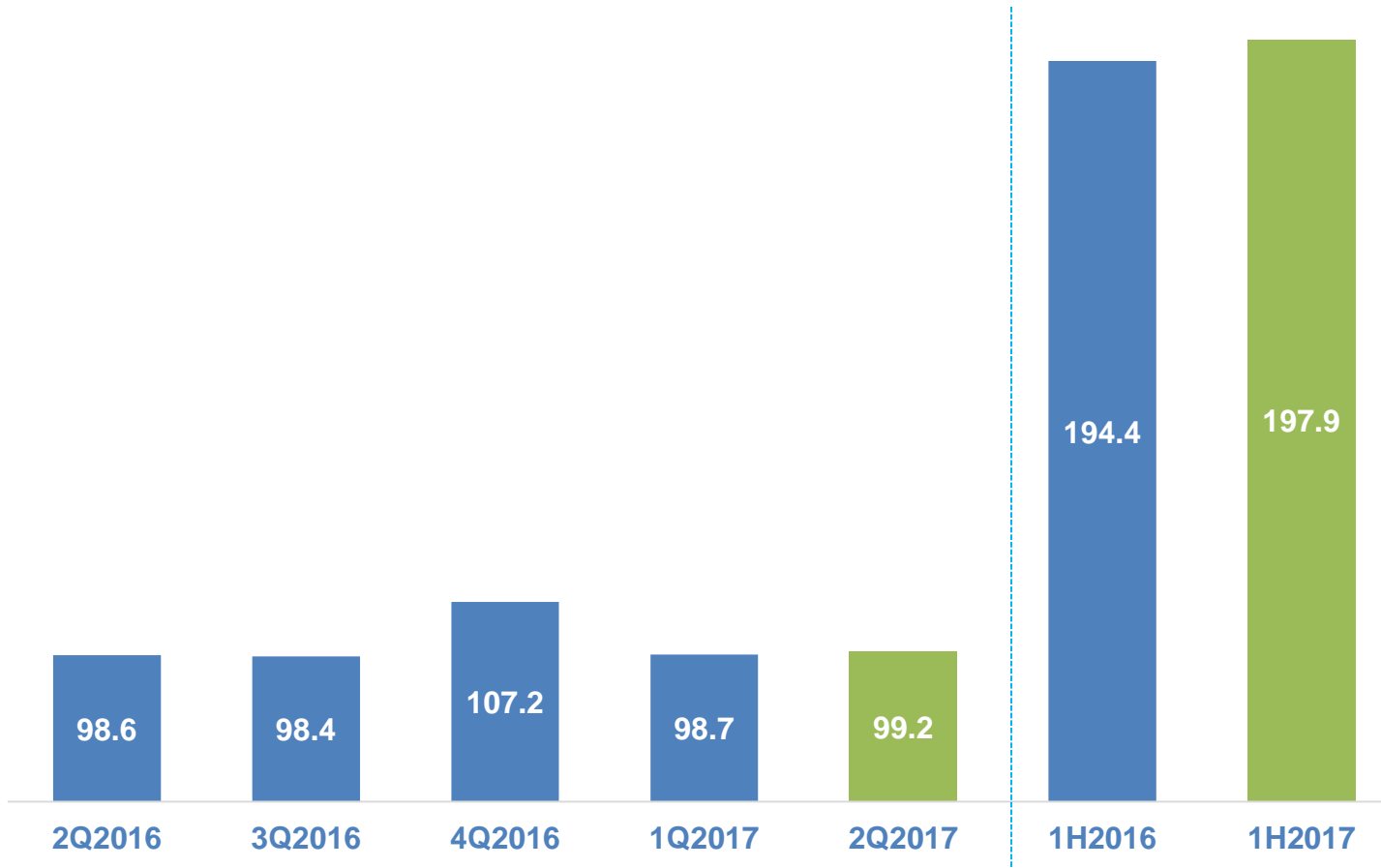
## Enterprise Fixed (2Q-2017 vs 2Q-2016)

- Data & Internet revenue increased 4%
- Voice revenue decreased 18%



# Enterprise Fixed Revenue

(S\$M)

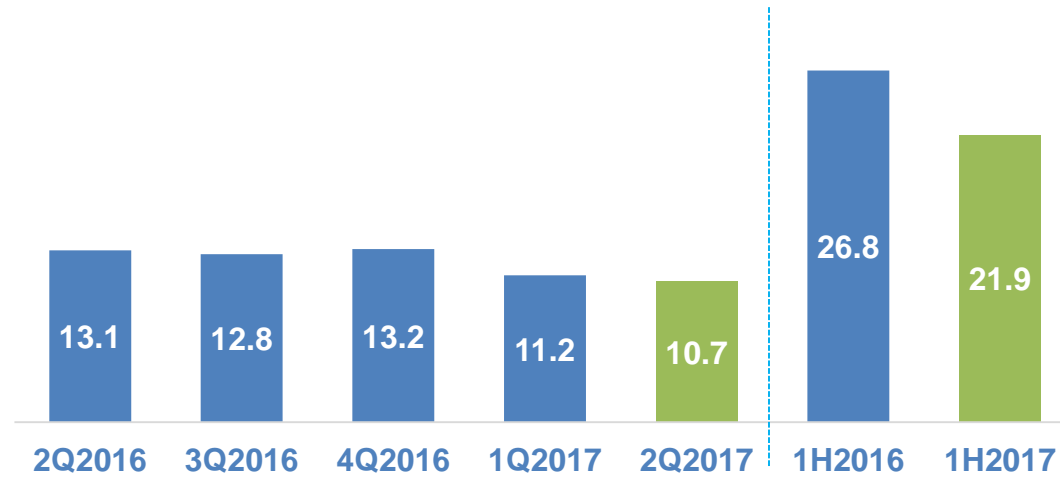




# Voice/Data & Internet Revenue

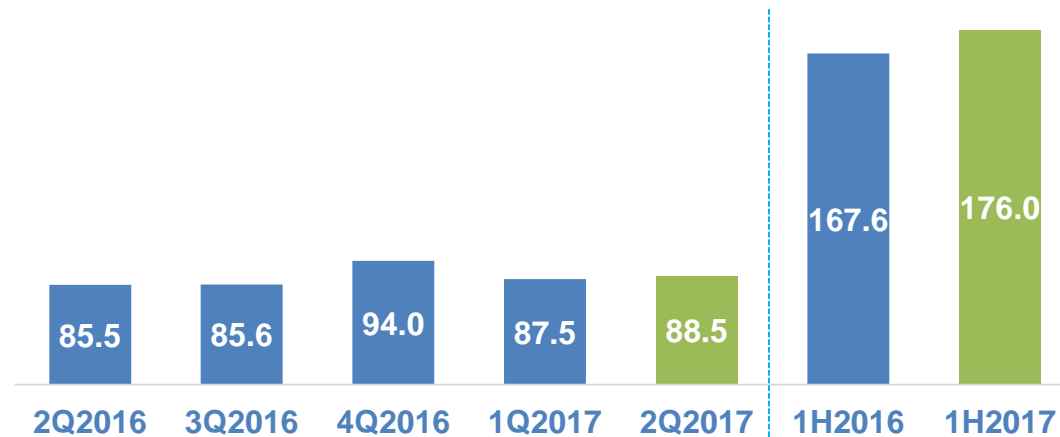
(S\$M)

## Voice



(S\$M)

## Data & Internet





**2Q & 1H2017 Highlights**



**Financial Highlights**



**Business Highlights**



***2017 Outlook***

## FY2017 Outlook

- **Revenue:** Maintain service revenue to be at about 2016's level
- **EBITDA:** Maintain EBITDA margin on service revenue to be between 26 - 28%
- **CAPEX:** Maintain cash capex to be about 13% of total revenue (excludes spectrum payments)
- **Dividend:** Declare an interim quarterly dividend of 4.0 cents per ordinary share for 2Q2017  
  
Intend to pay a quarterly cash dividend of 4.0 cents per ordinary share for FY2017

# Investor Relations Contact

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