StarHub Ltd – FY2025 Results Call Transcript
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StarHub Management Representatives:

Chief Executive	Nikhil Eapen
Chief Financial Officer	Jacky Lo
Chief, Enterprise	Tan Kit Yong
Chief, Consumer	Matt Williams
Investor Relations	Crystal Lim

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Crystal Lim: Good morning everyone, thank you for joining us today. I'm Crystal and I take care of Investor Relations. This morning, we have with us our Senior Management, led by our Chief Executive - Nikhil Eapen, CFO - Jacky Lo, Matt Williams - Chief of Consumer. Tan Kit Yong - Chief of Enterprise Business Group. As usual, Nikhil and our Senior Management will bring us through a quick presentation before we open the floor to Q&A's. Nikhil over to you please.

Presentation

Nikhil Eapen: Good morning, everyone. Thank you for taking the time to spend with us. As we all know, this is a very interesting time, one of real dynamic flux in the sector, bad and good. So, thank you for listening to how we have been navigating the past quarter and the past year, and how we intend to drive the coming year. All of what we do is with a view to position for superior outcomes at the end of this dynamic period, 2027 and beyond, and to drive long term total shareholder return. So, just to recap from prior calls, our view of dynamic flux across four areas is as follows.

First, in Consumer, as we all know, there is sector consolidation underway with the fourth operator acquiring the third operator. We have seen significant market downdraft driven by smaller operators. And this will change not just because of consolidation. We can talk about that some more in the Q&A. Now, on the Enterprise side, in Singapore, there is a very material spend environment on the Government and large Enterprise side of things driven by Smart City, tech refresh, and Cloud and AI transformation. There is a much narrower competitive set here than Consumer and we are well positioned to drive returns.

Number three, Cybersecurity, the issue of the day. We're all hearing about UNC3886, and it's something that's existential. All critical infrastructure providers will have to invest, but not all are equally positioned. And last, cost and capital spend, all operators have a pressing imperative to reduce cost and free up capital with Cloud digitalisation and AI. There is the opportunity to do so, but again, not all are equally positioned. So, I'd like to take each of these and stay on the same page and align against our current actions and plans, if you will permit me.

First on Consumer. We really believe StarHub, to some degree, sets the tone for the market, because we are in the Singapore market, the only operator that really has a real leadership position across each of, and, all of the premium segment, the digital segment and the value segment. So, a category leader across each and all of these segments.

Now, as we stated for the past many quarters, our intent is to be aggressive and take market share ahead of and going into the consolidation. But over the last quarter, and for the coming year, we intend to do this in a very nuanced way. For instance, in Mobile, we intend to reduce sub erosion at the premium end of the market, to hold at the digital end, and to grow at the value end. But to be very clear, we intend to do this not by price leading strategies, but by growing quality and value differentiation, so improving sub monetisation, and hence moving the market up. I welcome and encourage all of you to take a close look at these important trends, both for us and the rest of the market, now and going forward over the coming quarters.

Now, interestingly, while obviously, we were significantly down YoY in Mobile, when you actually look on a QoQ basis in 4Q2025, we were actually zero erosion of revenue, being flat on ARPU, and up on subs. We believe we grew revenue market share. We had a lead to the number three operator of about 600 basis points before they stopped reporting, and we now believe that lead is higher. We have also improved monetisation, at both the premium as well as the value end of the market. We believe the market is slowly stabilising, and we intend to set the basis for recovery, and we intend to do more of this over the coming year.

Now, for Broadband, similarly for 4Q2025 on a QoQ basis, we were also zero erosion, and we are holding quite well at two brands. First of all, StarHub at the premium end, and MyRepublic, which is our very successful digital savvy brand focused on geeks and gamers. And overall, of course, in Broadband, we are the number one player, and our lead holds in a market which is 85% controlled by us and the incumbent.

Moving on to Enterprise, which is really the second pillar of our strategy, and very important, we had growth over the past year. In fact, if you look at 4Q2025 our YoY growth accelerated. Now, Kit Yong will break this down, overall, we did this with our Modern Digital Infrastructure model, which is unique as a platform model among the service providers. We continue to see strong traction with government and large enterprise regionally., Frankly, in Singapore, the spend environment is strong, and with our model, we are winning an increasing number of large deals, which we define as over $5 million and over $10 million, in what is an increasing order book. Going forward, you will see us continuing to scale our Regional Enterprise business and investing to do so in three ways.

First, we will continue evolving our modern digital infrastructure platform with more tech, more tools, with partners embedded, not a reseller or SI model. Number two, we will continue to scale our book of business with existing and new customers. And number three, we are growing our organisation through hiring and rolling up smaller players left by the wayside. So, what you see in terms of investment is in a degree reflected in our outlook.

Now, the third pillar – Cybersecurity. All of you have read about the existential threats we are facing at a national level, as articulated publicly by Minister Shanmugam last year and Minister Josephine just earlier this week. And of course, telcos, like in any country, are at the apex of this. Now, StarHub, as a major telco running critical infrastructure and also serving government and large enterprises, for us, Cyber is also existential, and we have, and especially this year, we will continue to make significant investments this year in Cyber.

Now, also as a major telco, we believe we are early, and the smaller operators will also need to make significant investments. So this will, to some degree, break down any cost arbitrage that has been enjoyed in the past. Now, in the medium and long term, these Cyber investments, which add to the security of our platform, makes sense. They secure ourselves, and they secure the Modern Digital Infrastructure platform that we are serving our government and Enterprise customers with. And there is strong awareness in the customer universe of the need for this, which translates into further differentiation for us.

Last but not least, on Cyber, many of you have been waiting for the news on the divestiture to our co-shareholder of the 17% stake in Ensign associated with the assignment of rights. I would like to update. This is in quite advanced stages, and we should realize material proceeds and a significant gain, while at the same time retaining a significant stake for strong collaboration in Cyber. And we will update further on this in 1Q2026.

And the fourth pillar, of course, is cost optimisation. Therefore, while we make investment to stabilise and grow our business, it is imperative that we continue to make cost reduction. Now, clearly we have the opportunity to do so by virtue of building platforms as part of our DARE+ transformation. This is really the next phase. As updated in 2Q2025, we have four targeted areas: legacy decommissioning, which is the small leftover piece from DARE+, which is unfinished business to be finished soon; systems re-architecture on IT, where we are moving to a DevOps model, which generates significant savings but also improve business agility; business simplification in Consumer and network optimisation, which is really automation of the hybrid multi cloud architecture that we built.

We are pleased to confirm our prior target of $60 million, and update that we are increasing this to $70 million. Now, these are run rate cost savings targets, and you should expect us to execute this over FY2026 with savings realised at the back end of FY2026, but really FY2027 and FY2028. And then I'd like to conclude on this page by stating that, last but not least, all of our goals are supported by our strong balance sheet and capital structure with our very significant cash war chest, our desire and ability to continue to do M&A to further our goals, and our ability to support our dividend commitments. Hence, as Jacky will confirm with you, we are reaffirming our six cents per share for FY2026 as we navigate this dynamic flux period in the telco sector here in Singapore.

Just covering briefly our financial highlights on the next page. Profiling some of the numbers, our Service Revenue was down 1.3% for the year, down 5% second half, our EBITDA was down to about $400 million for the year, so 12%, and our net profit was down about 29% to $100 million. Now, these results were reflective, essentially, of a consumer telco market, primarily in mobile that has been in a hyper competitive vortex that continues to shift downwards from premium to value, which has been ongoing for the last couple of years with smaller operators, and particularly the fourth operator has driven its low cost model.

We believe that will reverse with consolidation but more important critical infrastructure service provision requirements which necessitate significant investments in Cybersecurity and resilience. Now, this downward shift in Mobile, in particular, of 8% in Service Revenue when applied towards, you know, telco operating leverage, hence, the telco fixed cost structure then magnifies EBITDA reductions, and then when you apply them against fixed capital charges in the form of depreciation, really become quite large net profit reductions. So, moderate percentage reductions get multiplied to very significant percentage reductions in net profit.

Now, as mentioned, the pending consolidation is a change, and also a change in the critical infrastructure provider landscape, which is perhaps under appreciated, but just as important. And we believe this will introduce greater cost parity across the operators, major and minor. Now, all of these negative trends are offset to some degree by growth on all metrics in our Regional Enterprise business, but not enough as we continue to invest in scaling the business and making investments upfront for future growth. And then, last but not least, again, I'd like to re-stress, nevertheless, our balance sheet, cap structure and cash remain very strong, allowing us to continue our commitment to shareholder return through this flux period for the telcos in Singapore. So, Jacky, over to you.

Jacky Lo: All right. Thank you, Nikhil. Since Nikhil has already covered some of the financial highlights and strategic pillars, I'll focus on a few key points. As a reminder, our FY2024 numbers included two months of D'Crypt contribution prior to its divestment in February 2024, so there's a slight [inaudible] comparing YoY. So, turning to FY2025 performance, total operating expenditure was up 3.2% YoY, mainly due to higher cost of sales and operating expenses. Cost control remains a priority for us, and we continue to scrutinise discretionary spend as part of our broader cost optimisation program. And I'll provide more updates in the upcoming slides.

Other income was higher for the year, primarily due to income grants. EBITDA for FY2025 came in at $403.6 million, reflecting lower gross profit from segments facing revenue pressure alongside the higher operating expenditures as I just mentioned. Reported net profit attributable to shareholders was $86.4 million, down YoY due to lower EBITDA and higher depreciation and amortisation. This translates to earnings per share of 4.5 cents. Free cash flow was negative $24.7 million for the full year, largely driven by the earlier Spectrum payment in the first half of the year. Excluding this impact, underlying cash generation remains intact, and we are on track to return to positive free cash flow in FY2026.

On financing, we have proactively managed our maturity profile. We refinanced borrowing due in FY2025 and raised $300 million in bonds in November last year to refinance bonds maturing in June 2026. We also drew down the spectrum loan last June. Net debt to EBITDA ratio stands at two times, factoring in the Spectrum loan. Interest coverage remains healthy at 9.4 times. Overall, our liquidity position remains strong and well within covenant thresholds.

In terms of our actual performance versus outlook previously provided for FY2025, we have delivered across all key metrics. Service Revenue performance was supported by continued growth in Enterprise Managed services, which help offset pressure in other segments. EBITDA came in at 92.2% of FY2024 adjusted EBITDA, ahead of our guidance range of 88% to 92%. CapEx commitment was 6.7% of total revenue, better than our expectations, reflecting discipline capital allocation. We are proposing a final dividend of three cents per share, bringing FY2025 dividend to six cents per share. While this exceeds our policy range in percentage terms, it reflects our confidence in the underlying cash profile and balance sheet resilience. I'll now hand over to Matt for the Consumer update.

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Matt Williams: Thank you, Jacky. Good morning, everybody. Great to be able to share with you a view of the Consumer business, first of all, on the performance itself. So, the market has remained highly competitive in this quarter, but in that very competitive market, we have had improving stability of the business. So, stable from 3Q2025 to 4Q2025 as Nikhil mentioned.

When we look at the two main lines of business, in Mobile, we retain our strong number two market share position, and that is with stable ARPU, despite the levels of price competition in the market, and growth in subs, gaining 18,000 subscribers in the quarter. And some of the highlights there are the launch of our 5G Unlimited+ plans under the StarHub brand, where we're seeing a very strong customer response, and continued growth of our eight mobile business.

In Broadband, we have retained our number one market share position, again with stable ARPU, despite the intense price competition in the market, and also stable customers here. One thing to note in terms of revenue performance is we did see a shift in the treatment of our Netflix bundles, moving some revenue from Broadband to Entertainment. But aside from that, the business was largely stable. If we turn to some of the highlights from the quarter, again in the market, we saw a lot of price competition in Mobile. We continue to see value players orientating around the $10 or $12 including with a number of offers for seniors at $5 or $6 which, as Nikhil said, are very low prices by any measure.

On Broadband, we see increasing price competition with more and more players offering plans at the $30 mark or even below, including for the 10Gbps plan. In that context, we continue to lead the market with some of our initiatives, including around StarHub on Mobile, the launch of 5G Unlimited+ plans, where we are really setting out to fully meet the needs of consumers with unlimited data, roaming included, other benefits like Cybersecurity, and we're seeing a very strong consumer response to those plans. We're seeing an uplift in the customers joining us, and also strong positive movements of customers in the base. That's tracking very well, and we'll continue to see that through the course of FY2026.

In Entertainment, we have continued to build the partnership of Mediacorp that we announced previously, and this is really about two things. One is the monetisation of our content by getting that to

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the Mediacorp subscribers through meWATCH in particular, and also monetising our media through the combined ad sales across the Mediacorp and StarHub properties.

On Broadband, in this very tough market, we remain fully competitive, and so we have been expanding our distribution reach, and we'll be aggressive and matching on prices wherever we need to. We are the market leader, and we will continue to be that. Finally, on market reach, we have re-energized our StarHub brand with our Hublings Green Men campaign launched in 4Q2025, and also expanded our market reach with a new retail store in Suntec, which is doing very well.

In our eight business, we continue to grow subscribers very successfully, and are now shifting to monetise those subscribers, particularly in Mobile, in seeing a strong shift of customers moving from the 4G eight $11.80 plans to the 5G $14.80 plan. So, clear signs that even the very price sensitive eight customers value quality and are prepared to step up their spend to get it. We also launched Broadband, and we're seeing a very strong traction around that, very good initial customer uptake at the end of the quarter, with eight customers wanting all of their connectivity needs met, which is, of course, what we're doing now, by offering Broadband to those customers as well.

And then finally, on MyRepublic, we concluded the acquisition, have made strong progress on the integration, but also have built even better momentum in that business, and that's despite those very tough market conditions. And that really comes about because of the differentiation that is built into the business, with that we are now expanding further with things like our very unique Card Arena store also at Suntec, where we're seeing an amazing level of uptake of selling things like Pokemon cards. It's really going deep into the segment, but so far, proving to be a very strong competitive position for us.

I wanted to share with you a view of our strategy, particularly as we look to FY2026. And probably the key thing here is that we have a very clear strategy that we are now very tightly executing around throughout the StarHub business, and that's really in two parts. So the first is, with StarHub, we are taking a lead as the quality provider in the market, obviously offering a complete suite of Mobile, Broadband, Entertainment products, but really offering complete packages, high quality complete value propositions, high quality network and high quality service, and then all the other features, including

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those entertainment benefits. And so we see growing momentum in this business, and we are really positioning very strongly for market recovery.

In addition to that, we're also very clear in terms of our focus on serving all other segments with our challenge brands. And so there are three that we have here. There is eight which, of course, serves the value seekers in the market where we've seen very strong growth, and we now have quite a sizeable customer base in this business, which is really about continuing to take a lead on value, sustain that rapid growth, but more and more monetise that growth by offering those customers better and additional products too.

In giga!, we serve the digital savvy segment, we're seeing this very stable. These customers love the giga! brand, and so, here we are really looking to see how we can get it to more customers across Singapore. And then finally, as mentioned, MyRepublic, this is really serving the geeks and gamers, but here we're building out a business with strong differentiation, and as a result of that, we're seeing sustained and even accelerating growth of that business. So very clear strategy overall, but also providing comprehensive coverage of the market, leading us to position very well for the improving market structure and expected market recovery. So with that, I'll pass to Kit Yong to talk about Enterprise.

Tan Kit Yong: Thank you, Matt. Now, we come to Enterprise segment itself, Nikhil mentioned that the Managed Services FY2025 we grew 5.3%, and overall Regional Business is at 2.9%. And we know that there is a second half. We have a marginal YoY down, and it's due to project services recognition. But more importantly, if you look at the Regional Enterprise business itself, our integration with Malaysia entities is progressing very well for us. We're seeing joint wins. Most significant will be the RTS line, the Johor-Singapore line, because of capabilities both in Malaysia and Singapore, we won the business, and that is a good proof that our integration is working and the market is actually recognising it, that we have robust, interesting conversation to have when it comes to cross border capabilities.

And also not to forget terrestrial connective business we have in Singapore and Malaysia. We're also seeing early signs of traction, and we're continuing to look at the Singapore and Malay business as an integrated business entity. And this year, we're definitely looking at building our regional delivery center there to build our capability to support Singapore business, to lower our cost for Enterprise customer, at the same time building capabilities for Malaysia business. And this new capabilities will help them to expand their business into Enterprise market where they operate, and they will have better synergy and better capabilities to serve the local market. So, it brings a double synergy for both Singapore and Malaysia market, and everyone is very looking forward to grow this piece of business together as one team. And also look at the Enterprise growth on the Cybersecurity services. It's growing YoY as well, and there's a strong, robust demand for Cybersecurity, and we will see that it will continue to grow as well. So overall, the Enterprise segments are hitting the growth phase for us.

Now, if you look at the state of play that we have, and there's a very strong demand from the government enterprise as their spend is around the Cybersecurity, and because of regulation, competitors are coming in, the more attention is given to Cybersecurity, and can see the spend will grow significantly. And on top of that, all enterprise governments are moving into digital transformation as they continue Cloud, AI, data, all these are very critical infrastructure that need to build for themselves, and we see that we are well positioned this because in between the digital and the hard infrastructure they have is a platform. The platform gap is the real gap that StarHub today we are plugging in through our modern digital infrastructure to enable them to integrate between the hard infrastructure, traditional silos that they have and the digital things that they are doing, and we are able to integrate and make it work all together. And that is the advantage that we are shifting into. And because we have this platform itself, we can leverage expertise that we invested in it. And because connecting is the common view for all clients, and where we know them, they know us, and that's how we can grow together with them in their journey into intelligent enterprise or a smart nation.

Now, just now I mentioned about strong Singapore-Malaysia integration gaining momentum, and we're underway, and we're building the region to recenter, to power our growth and boost our profitability as well and operation efficiency. Now, at the back of the strong demand of government enterprise demand, you can see that the things we do is actually not pure SI and not pure telco. It's actually somewhere in between where this is a space where it's very little competition, and that is where Managed Services will grow, because you cannot have a subscription based services that is highly robust, and it has to be managed. So, Managed Services for us is a key team where it drives the whole platform business, and we're single traction from the clients in adopting Managed Services as a way of engaging StarHub in a new way. And you see, there's a new growth in our business from that in that sense.

So, if you look at the evolution of our Enterprise strategy, it's not born overnight. What started since FY2013 when we talked about modern digital structure, where we have Cloud Infinity, hybrid multi-cloud architecture that sets the foundation for us to build a modern digital infrastructure. And we layer with our platform on top of that. And last year, we scale our business, we integrate Singapore-Malaysia business. And we have more than what Nikhil had mentioned, actually more multi-million dollar recurring contracts, recurring revenue contract with our Enterprise clients, and we look forward very much this year. And you can see that last year we also have a growing order book, every year as we progress since FY2023.

And coming to today, FY2026, and next year, FY2027, is a year of capital deployment, where, with the sponsorship of Nikhil and Jacky, we're looking into selective M&A to scale capabilities, to accelerate our ability to develop a platform that suits the customer needs, and they just engage our platform without doing development, and it's tested, proven resilient infrastructure platform that we build for them, and accelerate their needs into increasing needs of Cybersecurity resiliency, accelerate the use of digital, accelerate the use of data, accelerate the use of IoT for new use cases. So, that is where we want to accelerate together with our clients. And finally, the future [inaudible] goal for us is that we have to expand beyond, beyond the mature capital revenues, because telco revenues is a passive network. As we build modern digital infrastructure, it becomes an active, intelligent platform, [inaudible] world class, engaging new use cases, using 5G, data, AI, analytics, and powered with automation, accessibility, that's super critical for us, and with that, that will definitely improve our revenue quality and our margin quality as well. With that, I hand over to Jacky.

Jacky Lo: Thank you, Kit Yong. As Nikhil mentioned, we have expanded our cost optimization efforts into a structure, multi year strategic program aimed at achieving minimum efficient scale. So, the objective is very clear. We are resetting our foundational cost base, in order to build a leaner and more

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agile StarHub that is structurally positioned for profitable growth. The program focus on four pillars - legacy decommissioning, network optimisation, system re-architecture, and business simplification.

We previously shared that we expect to achieve total savings of $60 million between FY2026 and FY2028. In the last quarter, we have continued to make progress and identify an additional $10 million of savings under network optimisation, on top of what was communicated before. This increases the total expected savings to $70 million across FY2026 to FY2028. This is not a one-off exercise. It's a discipline and iterative process. These are early savings opportunities identified, and give us confidence that further opportunities will continue to emerge as we move deeper into execution and implementation. We'll continue to provide transparent updates on savings identified and realized in future quarters.

Turning to FY2026, we see FY2026 as a year of discipline execution. In Consumer, we'll continue to defend market share while focusing on service differentiation. In Enterprise, we'll continue to invest to drive growth in Managed Services and modern digital infrastructure platform solutions. We expect EBITDA to be in the range of 75% to 80% of FY2025 EBITDA. This reflects sustained competitive intensity in Consumer and our decision to retain commercial flexibility when needed. This will be partially offset by stronger performance in Enterprise and early benefits from our cost optimisation program.

CapEx commitment is expected to be 13% to 15% of total revenue, including investment in IT, Network and, most importantly, Cybersecurity. These are discipline investment aligned to long term competitiveness and operational resilience. On dividends for FY2026, we are targeting to distribute six cents per share, or in line with our dividend policy, whichever is higher. It takes into account business conditions, cash flow generation and ongoing investment requirements.

Our balance sheet remains healthy. Cash balance stood at $857 million as at the end of FY2025 and we expect positive free cash flow in FY2026. Net Debt to EBITDA ratio stands at two times, providing adequate headroom. Overall, FY2026 is about absorbing near-term pressure while tightening structural cost and continuing to invest selectively. These actions are intended to position StarHub for improved operating leverage and earnings resilience beyond FY2026. With that, I'll hand the time back to Nikhil to close.

Nikhil Eapen: Thank you, Jacky. To summarise and conclude, our priorities for 2026 – first, in Consumer, if consolidation happens, this will be, roughly speaking, in revenue market share terms, a 50-25-25 market today in Mobile. And in Broadband, we are number one with over 40% revenue market share. We intend to continue, organically, accreting our market share upwards over the year, but with quality and differentiated value, not price. Hence, we intend to do this by increasing customer lifetime value and raising monetisation across all our brands, from StarHub at premium, to giga! and MyRepublic at Digital, to eight at value.

Now, in Enterprise, as you heard, we will continue to aggressively grow our modern digital infrastructure platform in our government and Enterprise customer environments. The opportunity remains strong. We have a unique infrastructure-based platform model that our customers prefer and continue to come back to, and we intend to invest a scale up platform to serve our existing customers more while growing our base of new customers, whom we have seen ramp up with us quite quickly.

Number three, as we talked about Cybersecurity is an existential threat. We intend to invest in Cyber defense materially, in line with the national agenda and over the mid to long term, this will add to our differentiation and our strategic positioning for ourselves, as well as with our customers. And in essence, modern digital infrastructure is secure modern digital infrastructure. And last, cost optimisation, we have a very significant funnel of run rate savings that is granular and bottoms up, leveraging the DARE+ platforms that we have built. And we will execute methodically against this funnel, and hopefully also add to this funnel as we continue.

Through this year, as we execute, we reaffirm our commitment to shareholder dividends and otherwise. And look forward to keeping you posted in our progress QoQ. Thank you very much.

Q&A

Crystal Lim: Thanks, Nikhil. We'll now open the floor to Q&A. So, as usual, to join the question queue, please click on the raise hand button. We'll call upon your name and when it's your turn to speak, you can unmute yourself. I think we already have a lineup, so first, let’s have Hong Wei.

Wong Hong Wei: Hello, thanks for having me. I'm Hong Wei from OCBC. I just have three questions. I noticed that EBITDA fell more than what revenue actually fell for mobile, I think it fell by about $40-plus million and service EBITDA fell by more than $50 million. My first question is are there some mobile customers that are not really EBITDA contributing or does it mean that other segments are seeing margin compression that means non-mobile side are also seeing margin compression? So, that's my first question.

Then my second question is that you mentioned there's $60 million to $70 million cost savings per annum, but EBITDA is still guided to come down and is coming down quite fast next year. I mean, granted, you mentioned about consumer business competition, but how does that actually square against the cost savings you're saying. And the other part is about lifetime value. How do we think about lifetime value when EBITDA is coming down very strongly next year? I mean this, in FY2026, does it mean the EBITDA after FY2026 should be going up very strongly thereafter?

My final question is on the sustainability of the cash flow. The dividends that's been declared is actually higher than the dividend policy. Do you think that this is sustainable, Net Debt to the EBITDA, I mean the EBITDA is really much higher than where it was before. So, are there any plans to push it down? And related to this is also CapEx. CapEx of 13% to 15% is higher than before. So, why has this climbed up? And what's your view on this?

Nikhil Eapen: Okay, let me cover all five questions very briefly, and then I'll hand off to my colleagues to take them piece by piece, Jacky as well as Matt. So, on your first question, EBITDA falling by more in dollar terms than the reduction in Consumer revenue. It's not that we have non-EBITDA contributing customers. We have incurred costs on things like Cyber and other things, but Jacky can elaborate.

Second thing, in terms of our cost savings and our run rate and how they impact FY2026 and FY2027, we will be executing on this $70 million targeted run rate cost savings methodically through FY2026. A small portion of it will come through by the end of FY2026, but really, the vast bulk of it will come through in FY2027 and FY2028. And I'm very sensitive and applaud the question, because with the prior

DARE+ cost savings, we realised that DARE+ cost savings, and then, frankly, we gave those cost savings away to the Consumer market. We do believe that will change. So, our intent is for these cost savings to hopefully flow through into our run rate OpEx, and frankly, our run rate EBITDA with a turnaround in that EBITDA trajectory.

You asked a question around lifetime value, and I'll hand it off to Matt on that. Yes, the market is coming down, but we expect the market to stabilise and recover, to some degree that process has already started. We expect to gather pace towards the end of the year and beyond. But frankly, what's more important is what we do. And over the last quarter, with our new plans, the 5G Unlimited+, as well as other measures that we are taking, actually, we have grown our customer lifetime value in a way that is contrarian to the market. So, we hope to continue that. It's still early days. We hope to accelerate the momentum of that and that flowing through to the rest of FY2026 but more important, FY2027. So we don't offset those cost savings that we generate, and frankly, we actually generate more customer driven value and revenue. But do be patient with us.

On the sustainability of cash flow and dividends, yes, very much sustainable. Our balance sheet is very strong, our cash balances are very strong. Free cash flow goes up and down in terms of working capital, and one-off means, like the 700MHz spectrum. But cash flow fundamentals are strong to add to an already strong balance sheet. Jacky, you can elaborate on that. And then number five to your pick up on the CapEx as a percentage of revenue, moving up, as I mentioned, we are making significant investments in Cyber. We have already made significant investments in Cyber. We intend to do more. We are front loading that because it's the right thing to do and want to build long term differentiation. And as I said, others in particular, the smaller operators, will also have to make investments. So, with our thesis, we think it's existential. We're doing this, it's the right thing to do. Long term, it will create benefit, and that's what's taking up CapEx as a percentage of revenue. But you know, maybe we'll just double click on each of those quickly.

Jacky Lo: On your first question, I think you look at the Consumer side, there's also an increase in 5G cost, so that continues to increase, and without the benefit of the revenue from pricing. So, that's number one. And number two, if you recall, in FY2024 in our cost, that's actually a reversal of $26-$27 million for DARE+ provision we make in prior years. So, we actually utilize that and reduce our cost in FY2024. So, it's a one-off. So, if you normalise that YoY, then that year, you can see why this kind of increase in cost lowered our EBITDA more than revenue decline. I hope that answer your questions.

Nikhil Eapen: But to be clear, on the 5G, as you know, the typical structure, and it was the same with us in 4G, that was CapEx, and it was depreciated, but effectively with the Antina model, where we pay wholesale cost, that moves to OpEx.

Jacky Lo: In terms of FY2026, the way we look at it, so cost savings, obviously it will gradually help reduce the run rate, but it's a three-year program, and for FY2026 most of the savings from that $70 million will be coming from the legacy decommissioning and also from business simplification, but a majority of the $70 million is on systems and on network. So, these are structural changes which will take time to scale up, and they will be like occurring in FY2027 and FY2028, so that's kind of like the cost savings. But we intend to continue to reduce and find more opportunities.

But in terms of EBITDA, if you look at FY2026 so Consumer remains very competitive. There's pressures on margin. And also, I think we want to retain some flexibilities, in terms of just maintaining and gaining market share. So, I think that's very clear. And also on the Enterprise side, I think Kit Yong mentioned earlier, we actually want to build up the capabilities and scale up the business. So, that will be a significant investment to actually drive that growth and build for the medium to long term. So, that's the investment we're going to make in FY2026. That hopefully answers your cost savings questions. And in terms of sustainability of cash flow, if you look at our cash balance at the end of the year, we have over $850 million and our leverage ratio is still low, so we actually have room to increase the ratio. And also, even if we pay off the bond maturing in June this year, we still have sufficient cash flow. And as I mentioned, like in FY2026 we expect free cash flow will return to positive. So, all these, we are in a very good cash position, and so, we'll be deploying the cash to drive organic growth, inorganic growth and also return capital to shareholders. Just to drive total shareholders return, but definitely, we have the capacity to do that. And CapEx, I think Nikhil already explained the majority of that increase is coming from the Cybersecurity side, and lesser portion will be coming in on the network as well.

Matt Williams: Just to add on customer lifetime value. If we break down customer lifetime value and link it back to the very clear, strong and fully refreshed strategy that we have for our Consumer business and you think of those three pieces of – customer, lifetime, and value. On customer, we are very active and very competitive in market to continue to grow our customer base, which we have done successfully in the last quarter. And that's important, because as the market recovers, there will be significant value in having a larger rather than a smaller number of customers.

In terms of the value, we're also very deliberate in building out value by offering those better quality products, as I gave the example of monetising 5G to our eight customers. So, those mechanisms are well in place and are starting to show the green shoots of growth around the spend from customers. And then finally, on lifetime, we are also uplifting the experience and quality across all parts of the business to make sure there is never a reason to leave StarHub. And so, those things together as a core part of our strategy will lead to that strong growth in customer lifetime value, particularly as we position for the market recovery.

Wong Hong Wei: Okay, thank you for the comprehensive answers.

Nikhil Eapen: Hopefully, that overlaps with some others' questions. Sorry to take so long with the answers.

Crystal Lim: We have Arthur next.

Arthur Pineda: Hi, good morning, thanks for the opportunity. Several questions, please. Firstly, if you can help us reconcile on the numbers, when DARE+ was launched in FY2021, the target then was to grow profits by $220 million. That was set as the target then. And when you look at the revenue erosion for Consumer business over the same period, you've seen this decline by around $50 million since that's happened, yet the earnings impact has been far more pronounced. What has happened to the planned benefits for DARE+? Was it eroded away with other segments, like Enterprise, for instance. That's the first question.

The second question is, with regard to the EBITDA outlook for FY2026. Does this include the removal of your Cyber business, which could be sold, I understand, maybe in 1Q2026? I'm just trying to figure out how we're going to 20% to 25% EBITDA decline when we're actually looking at cost savings as ramping up from $60 million to $70 million over the next two to three years. That's the second question.

Third question is just with regard to revenue guidance for FY2026. Where do you see the industry revenues as headed into FY2026? Thank you.

Nikhil Eapen: If you don't mind, maybe I'll do the short answer on all three things, and then I'll leave it to Jacky and Matt because I think you're really talking about consumer telco on the industry side. So, just to go back to DARE+, and maybe I'll start since, since Jacky wasn't here, although I'm sure he's familiar with all the numbers.

When we launched DARE+, we posted an aggregate increased target of $500 million, but that was cumulative in dollar terms, which was about $280 million in cost savings and $220 million in revenue. And what we said at the time, if you recall, was that would translate actually not to $200 million, but actually $80 million incremental net profit but applying the same percentages, so therefore that would be something like about 60% from cost reduction and about 40% from gross margin increase through increase in revenue.

Just taking each of those pieces, on the revenue side of things, whilst we were able to grow the Enterprise business, sadly, in terms of the consumer telco market, that went the other way for reasons we're all acutely familiar with. Going back to the cost side and the 60%, or 56% rather, of that $80 million, we were able to generate most of that. The piece of that that continues to be delayed, which we hope to realise this year, the decommissioning of the legacy savings, which weren't particularly significant, and certainly not significant relative to our current funnel, but the rest of those cost savings, frankly, were given away to the consumer through the hyper competitive vortex that we saw. So, that's some quick clarity.

Yes, the EBITDA reductions, I believe, include the deconsolidation of Cyber with the [17], as we go down to a 40% stake. But I don't want to overstress that, because the contribution to EBITDA, the Cyber of Ensign, is not particularly significant at all. And then number three, in terms of industry revenue, it's really hard to speculate, but as we said, we see early signs of stabilisation in the market. We believe that will continue and perhaps, hopefully, then accelerate in the back half of this year. As we said, that's partially dependent on consolidation, but partially also, frankly, from the fact that, I think the, let's call it the cost-free ride, goes away, because everyone is now going to be, if you haven't already been, they're going to be the critical infrastructure provider. So, much more cost to come. And yes, I think FY2027 and beyond, industry revenues should rise if everyone does the right thing, which is a logical thing to do, because pricing increases, as we've seen from other markets, drop straight down to the bottom line. Unfortunately, so far, we've been the other way, right? The operating leverage has not been positive, it's been negative. But with that, perhaps I'll hand off to Jacky to take the first two.

Jacky Lo: So, I don't have much more to add to the DARE+, I think Nikhil touched on that, but in terms of the FY2026 EBITDA decline, so let me try to reconcile for you. So, first of all, Ensign impact is very insignificant. So, that's not the reason. As I mentioned earlier, the major impact is coming from, first of all, Consumer side. So, we see the industry continue to be very competitive, there's pressure on portability, on the margin. And also we talked about, we want to defend and gain market share, so we will be focusing on that and preserve, to actually fight in that area. So, that's number one.

And number two, we talked about like the significant investment in the Enterprise side to help Kit Yong build the scale and the capabilities. So, there will be significant investment in the Enterprise side. On top of that, there's an OpEx impact for our investment in Cybersecurity. And last but not least, there'll be higher YoY, in terms of depreciation interest, because of the spectrum rights we obtained in FY2025. So, that will be a full year impact in FY2026. So, all these caused EBITDA to decline YoY. That will be offset, obviously, by the cost optimisation exercise, but also like for the Enterprise growth, but that would not be enough to offset some of these investments and also the pressure on short term optics. We are doing the right things to actually build profitability, resilience for the medium to long term.

Arthur Pineda: Can I just clarify with regard to the spending for the Enterprise and all, is that coming in as CapEx or OpEx? If it is OpEx, is it just front loaded? And we should expect things to decline from the next year onwards? Is that how we should look at this?

Nikhil Eapen: Yeah, let me take that and Kit Yong if you want to add details. There's a bit of CapEx and there's some OpEx. The OpEx that is being spent is to scale the organisation. Is it front loaded? Let me just be very specific. It increases the run rate, but there is a lead time that we have observed in the past where we will have a return through increased contracts, increased revenue, improve margins on the business that we do because we're controlling our own resources. And we've seen that coming through quite well in the past. So, we're essentially continuing that kind of cycle of growing the business, invest in more resources and capabilities, generate the return on those resources and capabilities, and then continue growing our returns in the business.

Tan Kit Yong: Definitely a mixture of both CapEx and OpEx. Where we invest CapEx, it's where we need to build our infrastructure, which is network based, because today, our networks build currently for Consumer use, and as it moves to Enterprise business, we build modern digital structure. We need to retool our infrastructure to be more dedicated, to be more secure for Enterprise use case, especially for government use case. So, that is where we deploy CapEx into our own network infrastructure and into the Cybersecurity, which is critical for our clients, that is a requirement, is not an IF, it is a must-have.

And then, when it comes to OpEx itself, like what Nikhil has said we do, we also looking at definitely have the capabilities in terms of people. OpEx on technology services, we're increasing a lot of technology in OpEx space. So, with a mixture of both coming together to deliver Managed Services, because it's recurring revenue, you need to have a consistent cost as well from our partners, and the right appropriate investment is our CapEx, so that we can operate this for multi years, over the years, so we can amortize away. So, that is a mixture of how we are looking at Enterprise business.

Nikhil Eapen: I just wanted to just share a little bit of a flavor. Because it may not be so easily apparent. On the Enterprise side, we're not in the business of selling lease lines and all of that, like short cycle. So, the business is with large deals with government and Enterprise, and it's long sale cycle. So, with the long sale cycle, either these deals are already in the order book that we've built, so that means signed contracts, or they are in advanced stages of pipeline and about to make it to the order book. So, these are contracts that are $1 million, $5 million, over $10 million. So, when we invest against that, whether it's CapEx or OpEx, we actually have a very, very high degree of visibility on the return that we're going to make, either for deals that are already in the order book or through long sale cycle in very advanced stages.

And the return comes from, number one, fulfilling that revenue and moving into billings and bookings. Number two, through co-creating use, new use cases with existing contracted customers of ours to add more modules and more revenue. And then number three, in terms of delivering these against these contracts at higher margin, because we're doing it more with our own resources. The ratio that we're doing it more with our own resources keeps increasing and increasing. So, just to give you a little bit of a flavor, this is high visibility against the investments we make.

Matt Williams: Arthur, if that answers that question, I might just add a comment on the market recovery, market structure, and maybe bring it back to customers from their point of view. We all live our lives now through the connections that we have through our phones. And what we see very clearly is consumers do value the quality of that experience, the completion, the inclusions, the quality of the network, the quality of the service. And so we see very clear evidence that as we put together better and better packages and offerings for our customers, they do step up their spend as per the example I gave of eight and the shift to 5G, what we are seeing with the Starhub 5G Unlimited+ plans, and what we're seeing with the MyRepublic broadband offerings. And so, we can see that is how consumers are responding to the offerings. But the other thing about these businesses, of course, is that these have high operating leverage, and so we have a laser focus on this because as we rebuild that spend by offering those better services and packages to consumers, they increase their spend with us, which then has a very powerful effect in uplifting the profitability of the business. So, that's clearly where we are focused.

Nikhil Eapen: Arthur, we do believe that will translate to the industry as a whole. I think with the incumbent, clearly they, I mean, I think they see life in similar ways to the ways we do. There were clearly smaller operators that kind of led the charge towards no frills, low price. But I think to some degree those days may be over, as the cost structures equalize with the critical infrastructure provided landscape. And plus, just sheer economic logic, there's a consolidation happening. You have to defend, not just attack. And then number two, operating leverage has the opportunity to work the right way. That's not lost on anyone.

Arthur Pineda: Understood. Thank you very much.

Crystal Lim: Next, we have Hussaini.

Hussaini Saifee: Thanks for the opportunity. Questions from me, first is on CapEx, means the range, which is 12% to 15%, if I look at your revenue structure, a fair bit of the revenues comes from Enterprise, which I understand is a relatively low CapEx model. It is more of an OpEx model, that's my understanding. Then at the same time, Broadband, the infrastructure is provided by Netlink Trust. So, just trying to understand that if we take out those segments, then isn't it, the CapEx to sales for the normalised business, which needs infrastructure, is appears to be very high. So, that's my question, if you can help us to understand.

The second question is on the balance sheet, which is already two times Net Debt to EBITDA. So, trying to understand where is your comfort level in terms of leverage, and as Jacky said, that you are still open to amend the opportunities in organic opportunities. And finally, on the guidance, again, going back to Arthur's question, if we look at 75% to 80% of FY2025 EBITDA as a guidance, then it appears like a decline of almost $80 to $100 million dollars. So, just trying to understand, is there a change in business model on the Enterprise side, where you are incurring more OpEx, why such a big increase in OpEx linked to development on new services. Thank you.

Nikhil Eapen: Jacky, you want to clarify again the CapEx point and take it from there?

Jacky Lo: So, I think Husseini, if you look at our BAU CapEx, I think I mentioned before, like after we finished DARE+ all that transformation, it will come down, like for our BAU CapEx. So, I think it's reflected

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in our FY2025 CapEx as a percentage of revenue. But I think for FY2026, we talk about there will be significant investment in terms of Cyber and also there will be investment in Network as well. So, we are actually enhancing our network quality. And so, it's kind of investment to actually achieve some of the savings for network optimisation in the program. But overall, BAU CapEx will be coming down. But for Enterprise, it’s actually in CapEx in our guidance desk investment on the Enterprise side, and I think Kit Yong mentioned earlier, so that's what drove up the guidance as a potential revenue for 2026.

Nikhil Eapen: But Husseini, I just want to repeat the point that I made, that the increased in investment, which is reflected in the uptick in the CapEx as a percentage of revenue, is Cyber. It is Cyber, the vast majority of it.

Jacky Lo: I mentioned earlier, we are very confident in terms of our balance sheet. So, in terms of cash balance, the leverage ratio at two times is still like below our covenant ratio. We have sufficient headroom. So that actually helped us to support any M&A's that we talk about for Enterprise. I think we are in a very comfortable position in terms of our balance sheet.

Nikhil Eapen: Hussaini, does that answer your questions adequately?

Hussaini Saifee: Maybe a bit on guidance, like, why such a such a big increase in OpEx? Is there a change in some business structure in terms of operations? And maybe Nikhil on the Cyber-related investments as well. And maybe you must definitely be discussing with the regulator. So, is it more of an industry-wide initiative, or is it that a StarHub is taking on its own and that, in time, will help you to differentiate in terms of your services or things like that? Thank you.

Nikhil Eapen: Maybe I'll take that and then hand off to Jacky for the prior question. So, it's clear that what is needed to be done as a Critical Infrastructure provider, in terms of Cyber and the capabilities and the platforms, etc, for Cyber defence - that is being up levelled, because the threat landscape has been up level as we've all heard, ad nauseum. In line with that, we are making those investments. We feel they are extremely necessary to be who we are and to do what we do, and in line with the national agenda, but also for us.

Now, is it an us issue or an industry issue? It is absolutely an industry issue. I think we are early. I think a lot of the spend and things that we're doing in terms of the outcomes that we achieve are not absent. Some of the platforms that we built in DARE+, which give us the ability to do a lot of interesting things around data, observability and otherwise, but we are making incremental investments that are quite significant, and those are an up levelling of cyber posture. It's not just a StarHub issue, it's an industry issue. But we believe we are early, and we believe others, including the smaller operators, will have to make those investments, and that will be, I think, an interesting dynamic as we look at the propensity for market stabilisation and recovery. Because I think unit cost, going forward, is not going to be the same as it was in the past, for those who might have enjoyed some unit cost arbitrage. So, I hope that answers your question, and then I'll hand off to Jacky for the first question.

Jacky Lo: In short, there's no structural changes to the business. It's more about the investment. I think we talked about the investment, we are front loading the investment in the Enterprise side to scale the business, to build up the capabilities in house. So, all this is actually for FY2027. If you look at the timeline that Kit Yong walked through, this is the year that we will make that investment. That requires significant OpEx investment. And also on the Cyber front, that's also investment. So, I think that's like kind of what impact the EBITDA YoY.

Hussaini Saifee: Thanks a lot. Thank you.

Michael Fock: I just have three questions. So, I think the first of which, it's been asked a lot, but I'm still trying to better understand the dividend policy, because given your guidance, we're going to see a drop in EBITDA, and we're going through a higher CapEx cycle, especially going towards Cyber and all that. And last of which, we're still going to expect to see the cost savings from the legacy decommissioning coming in, not even in the upcoming year, but after that, the next two years, hopefully. So, I'm trying to understand the maintenance and sustainability of the dividends being about dividend policy. So, maybe a bit more on that. So, that's the first.

And the second of which is more in the strategy, perhaps more on Matt. For Mobile, now we're seeing in this three segments of budget, value and premium, but with the focus in terms of this offering and quality, how are we avoiding more or less the cannibalisation between, especially the budget and value, where we see erosion in the value that is seen in the value segment.

And finally, maybe for Kit Yong is for the Enterprise. I think a key crux in the recurring Managed Services is the hybrid multi cloud in the last time, in one of your investor days, you did say that you had a competitive gain and advantage, but with a lot of investment going to AI and data centers and more players coming into towards that segment, can I just check where do you still see that advantage, and how long more do you think your competitors have to be able to catch up to you in terms of that advantage? And perhaps one last other question is, could you also remind us for your Managed Services, what's your average contract life?

Jacky Lo: So, I think on the dividend policy, Michael, so I think first of all our priority is total shareholders return. So that's including organic growth, inorganic growth, and also dividend. So that's number one. And the cost savings, I just want to clarify, it's a three-year program, but we do expect there will be savings in FY2026 as well. But in terms of sustainability of making the dividend payment, I mentioned earlier, we have sufficient cash balance. So, we have over $850 million cash. Our leverage ratio is low. We expect to return to positive free cash flow in FY2026, and also, I think Nikhil mentioned in his prepared remarks, we expect there will be cash proceeds from the Ensign divestment as well. So, all this actually gives us a very healthy cash balance, and also, like a financial position to continue with the success dividends in FY2026.

Matt Williams: On cannibalisation, the thing we've done is, as we have refreshed and strengthened our strategy, we've also got very clear in terms of those areas of focus in the market, but also how we operationalise those, how we go to market, and as a result of that, now very deliberate and making sure that we are targeting the right customers.

But I guess one way to think about it is, if you think of, for example, car manufacturers, you have Toyota offering both Lexus as well as the Toyota brand. And it's a very deliberate strategy to meet the needs of different consumers, and that's what we're doing. So, there is, of course, the free choice for consumers to take any of the offerings that we have, but we are very deliberate now in targeting those. We make sure that we're meeting the needs of each consumer group directly. And as a result of that, we don't see significant levels of cannibalisation now, and we feel like we're getting to a very healthy balance in the business.

As we go forward, I feel very comfortable that we can make sure we balance all of those together, meeting the different parts of the market, but also consistently across all of those, there is this very clear theme now of offering better quality experiences to truly meet the needs of each of those segments, and in return, we see clear signs of consumers willing to pay a bit more relative to what they have been paying to get those experiences. So, the whole sort of mechanism is starting to work quite well, and I can see, will really help us as the market recovers.

Tan Kit Yong: So, the first question is the recurring Managed Services, with people spending on AI, then Cloud, and where is our competitive advantage? When can competition catch up with us? Now, I would say that we operate a very unique space where we are heading to a modern digital infrastructure. It's a space. It's more as a no man's land, where it's either occupied by SI or carrier to sell capacity. SI will build. As we build a platform and become a unique value proposition based on hybrid market architecture. And actually, I see increased advantage given the Cybersecurity threats that we are seeing, and our Enterprise client – government - always has a dual carrier strategy, and the incumbent is definitely the longest standing who has been there, and they've been dying to wait for us to come up with a point of view on how can we be different and differentiated? And today, we are able to see some signs that they see on how they differentiate with our platform. And because we are nimble and we have less legacy technologies, we are able to build a digital core upfront now from FY2023 until today, and now we are developing the platform proposition to co-creation with them.

So, I see that if you ask about competition wise, I don't have traditional SI. In fact, I'll replace the traditional SI. Let's try to work on telco and integrated projects. I will see that the telco continue to sell capacity. Well, the rest is more consumer telco, so they are really not in the space that we are operating. So, I see a very positive outlook for ourselves, given that you need dual strategy. You need to have the

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latest digital core to enable APT-resistant architecture. So, I think we are well-positioned before modern digital infrastructure for our Managed Services.

And so, the question of the average contract duration, if today, we sell a typical commoditised call telco services for a one-year contract, maximum stretched to two, when I move to Manage Services contract with a bit of ICT inside, my contract goes to three years, five years. And once I look at the modern digital infrastructure, I'll expect a contract minimally with five years to 10 years. Why? Because there is a heavy CapEx involvement, and the deployment is not at the Enterprise environment. It's going to be Island-wide deployment. So, that is where we see that the contract needs to be long term for our modern digital infrastructure, especially for those large engagements that we're dealing with. It will be of that scale. And that's why capabilities, investments, are up front and we need to able to deploy capital to make it a long-term contract and beyond for our clients, our Enterprise and government, that's how I see. I hope I have answered your question.

Michael Fock: Just one bit is more on how far ahead do you think you are before any of your competitors could even attempt to catch up?

Tan Kit Yong: Well, if you asked me last year, I would say probably five. You ask me now, probably it will go up to seven years before companies can catch up with us, because the ever increasing complexity of the technologies that we are going to put in, and the know-how integrating all these things together as a platform is going to be more difficult, and you need a lot of subject matter capabilities to produce a place and to co-creation with the clients, with the use case. So, it'd be quite difficult for them to replicate so easily. So, that's how I see that advantage for the platform for the time being.

Nikhil Eapen: Maybe I can add to that. As Kit Yong said, the two competitor universes are number one, SI and number two, big carrier. The smaller [operators] at all in this segment. So, with the SI, it's an aggregator model. They don't have their own infrastructure. They don't drive the contracts off a platform. They bring together little bits and pieces of technology from different providers, put them together, maybe put an orchestration engine on top, which is really not app development. That's a very different model. It's really not suited for the sort of modern digital infrastructure type use cases that we do. It can't compete in terms of speed. It can't compete in terms of value creation for the client, and it can't compete in terms of even things like price. Because you're just aggregating margin.

In terms of the big legacy carriers, it's hard to do because you need to re-architect your core quite a lot. And the bigger and the older and prouder you are makes it makes it more difficult. Now, clearly, there's a degree of capability there. We're very respectful of our competition, not to say it can't be done, but there's some real hurdles, and those hurdles, as Kit Yong talked about, have actually been made more complex over the last year or two, by all that we've been talking about, Cybersecurity and otherwise. So that's what we'd like to say.

Tan Kit Yong: And not to worry with that. There is always a dual carrier strategy. Each one will have to show their own unique differentiation. So, to me, it is something that we need to work together with the client. And as we creating not just a modern digital impression, I think the plus point is that it is a CII Managed Services that makes it even more complex. And every CII is different. The earlier we co-create the client, now we have industry knowledge, process know-how, joint response in Cybersecurity incident for different industry solutions. This will be super powerful for us, and there was an increasing differentiation for us and help us to grow our future revenue in digital services, where we will be able to have digital services industry solution with the very strategic plans that we have. So, that will be our strategic advantage moving forward that we hope to capture throughout our journey with our clients.

Nikhil Eapen: I'd just like to highlight this is not Consumer. It's not a vast competitive set, which, by the way, itself, has changed with kind of a dogfight on the street every day. There's a much narrower, competitive set, and the buyer set as a complex set of needs, and the spend environment is very strong, because transformation everywhere is underway. There was Cloud transformation. First, it was tech refresh, then it's Cloud transformation, and now there's all the stuff you need to do with AI, and you need a digital core in the middle. So, I think there's a lot of spend. There's a lot of room. Customers on the Enterprise and government side make that choice. There's plenty of room. And they make that choice according to what suits them best. You know, the good thing for us is we do it off a platform. It's incredibly value added and accretive, not just for the customer, but also for us. And we will have our natural customer base that loves what we do, but the good news is that customer base is growing. I think it's heading in our direction, but there's room for everyone.

Crystal Lim: Given that we've already gone over time, if there are any follow-up questions, do feel free to reach out. Otherwise, we'll end the call here today, wishing everyone who's here Happy Lunar New Year, and speak again sometime soon.

Nikhil Eapen: Thank you, thanks all. Thanks for taking the time.

- End -

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