

StarHub Reports 2018 Second-Quarter and Half-Year Results

- Growth in Enterprise Segment Delivers Steady Revenues -

Singapore, 7 August 2018 – StarHub Ltd today announced its unaudited consolidated results for the quarter and six months ended 30 June 2018.

During both periods, the Company delivered strong double-digit growth in Enterprise Fixed services revenue, aided by growth in managed services and consolidation of Accel Systems & Technologies Pte. Ltd. (ASTL) from July 2017 and D’Crypt Pte Ltd (D’Crypt) from January 2018, which offset lower revenues from the Mobile and Pay TV businesses.

Key Financial Highlights

2Q2018 compared to 2Q2017:

- Total revenue: S\$597 million or 5% growth.
- Service revenue: S\$467 or 1% growth.
- Group EBITDA: S\$155 million or 10% decline.
- Net profit after tax: S\$63 million or 22% decline.

1H2018 compared to 1H2017:

- Total Revenue: \$1,160 million or stable.
- Service revenue: S\$915 million or 1% decline.
- Group EBITDA: S\$309 million or 8% decline.
- Net profit after tax: S\$127 million or 19% decline.

1H2018:

- Capex/Revenue: 10.2%.
- Cash-in-hand (excluding restricted cash): S\$244 million.

“Some of the statements in this news release constitute ‘forward-looking statements’ that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd’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. Because actual results could differ materially from StarHub Ltd’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution.”

The Board of Directors has recommended the payment of four cents per ordinary share for 2Q2018.

Key Business Highlights

- Mobile revenue was 7% YoY lower at S\$214 million compared to 2Q2017. Quarter-on-quarter, the post-paid base grew 11,000 to 1.376 million. Average smartphone data usage increased for the quarter period to 5.5Gb.
- Pay TV revenue was 5% YoY lower at S\$85 million in 2Q2018 due to a quarter-on-quarter decline of 11,000 in customer base to 438,000.
- In the quarter, Broadband revenue and ARPU were stable at S\$46 million and S\$32 respectively. Compared to 1Q2018, the customer base expanded another 2,000 to 471,000.
- Enterprise Fixed revenue jumped 22% YoY to S\$123 million in 2Q2018. For the quarter, Data & Internet services revenue was slightly lower at S\$74 million; Managed services increased 175% to \$40 million while lower domestic and international traffic usage caused Voice services revenue to shed 26% to S\$8 million.

“Revenue growth from the Enterprise segment was driven by customer acquisitions, growth in data usage and fixed services, and higher demand for managed services and cyber security solutions,” said Mr Peter Kaliaropoulos (Peter K), CEO, StarHub. “The increasingly competitive environment for consumer services and combination of OTT services, continue to impact revenue from services such as Mobile and Pay TV.”

“Winning our fair share of the market for connectivity services, improving and delivering consistent customer experience across all customer segments, leveraging our data analytics capabilities, and delivering innovative solutions predominantly in managed services such as cyber security and robotics are important to our growth,” added Mr Peter K.

“StarHub has clocked Singapore’s fastest 3G and 4G speeds, according to OpenSignal. Notwithstanding this success, we know exploring innovation in 5G services is also crucial. Following our 5G trials over the past two years, work on our pilot 5G network is underway to explore new enterprise solutions. Simultaneously, we also need to deliver

“Some of the statements in this news release constitute ‘forward-looking statements’ that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd’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. Because actual results could differ materially from StarHub Ltd’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution.”

smart cost optimisation and digitalisation across the Company to improve our ability to serve customers better and faster and increase our margins and cash flow.”

FY2018's Outlook

Based on the current outlook, we maintained our guidance on our Group's 2018 service revenue to be 1% to 3% lower YoY. Group's service EBITDA margin is maintained at between 27% to 29% after the adoption of SFRS(I) 15. In 2018, CAPEX payment, excluding spectrum payment of S\$282.0 million and building payment of S\$31.6 million, remains at 11% of total revenue. We intend to pay a quarterly cash dividend of 4 cents per ordinary share for FY2018.

The Group has adopted the Singapore Financial Reporting Standards (International) (“SFRS(I)”) 15 (Revenue from Contracts with Customers), effective from 1 January 2018. Under the new standard, service revenue will see a decline mainly due to the allocation of service revenue to sales of equipment revenue. As a result, service revenue will be lower while sales of equipment revenue will be higher compared to the previous accounting treatment. Group service EBITDA margin for 2018 will increase due to reduction in service revenue. Comparatives have been restated to take into account the retrospective adjustments relating to SFRS(I) 15.

For more details on the Group's performance for 2Q & 1H2018 and outlook for FY2018, please visit www.starhub.com/jr. Materials available at this website include the audio conference link, investor presentation and unaudited results for the second quarter and half-year ended 30 June 2018.

-- END --

About StarHub

StarHub is a leading homegrown Singapore company that delivers world-class communications, entertainment and digital solutions. With our extensive fibre and wireless infrastructure and global partnerships, we bring to people, homes and enterprises quality mobile and fixed services, a broad suite of premium content and a diverse range of communications solutions. We develop and deliver to corporate and government clients solutions, such as artificial intelligence, cyber security, data analytics, Internet of Things and robotics. We are committed to conducting our business in a sustainable and environmentally responsible manner. Launched in 2000 and listed on the Singapore Exchange mainboard since 2004, StarHub is a component stock of the Straits Times Index, the SGX Sustainability Leaders Index and the SGX Sustainability Leaders Enhanced Index. Find us at www.starhub.com, or connect with us on [Facebook](#), [Instagram](#), [LinkedIn](#), [Twitter](#) and [YouTube](#).

“Some of the statements in this news release constitute ‘forward-looking statements’ that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd’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. Because actual results could differ materially from StarHub Ltd’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution.”

For investor enquiries, please contact:

Eric LOH
AVP, Investor Relations
StarHub
Office: (65) 6825 5171
Email: ericloh@starhub.com

For media enquiries, please contact:

Nicholas TEE
Manager, Corporate Communications
StarHub
Office: (65) 6825 5134
Email: nicholas.hs.tee@starhub.com

"Some of the statements in this news release constitute 'forward-looking statements' that do not directly or exclusively relate to historical facts. These forward-looking statements reflect StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub Ltd'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. Because actual results could differ materially from StarHub Ltd's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this news release with caution."