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STARHUB LTD

Announcement of Unaudited Results for the Half Year ended 30 June 2024

StarHub is pleased to announce the unaudited results for the half year ended 30 June 2024.

Results for the Half Year ended 30 June 2024

1. GROUP INCOME AND COMPREHENSIVE INCOME STATEMENTS**1.1 GROUP INCOME STATEMENT**

	Half Year ended 30 Jun			
	2024 S\$m	2023 S\$m	Incr / (Decr) S\$m	%
Total revenue	1,104.9	1,106.1	(1.2)	(0.1)
Operating expenses	(995.5)	(1,000.7)	(5.2)	(0.5)
Other income	1.0	1.6	(0.6)	(36.2)
Profit from operations	110.4	107.0	3.4	3.2
Non-operating income	0.2	-	0.2	nm
Finance income	10.1	7.4	2.7	36.4
Finance expense ⁽¹⁾	(21.3)	(20.0)	1.3	6.3
	99.4	94.4	5.0	5.3
Share of gain of associate, net of tax	0.1	0.5	(0.4)	(86.9)
Share of gain of joint venture, net of tax	0.7	1.2	(0.5)	(42.7)
Profit before taxation	100.2	96.1	4.1	4.2
Taxation	(20.2)	(20.9)	(0.7)	(3.4)
Profit for the period	79.9	75.2	4.8	6.3
Attributable to:				
Owners of the Company	82.1	76.7	5.5	7.1
Non-controlling interests	(2.2)	(1.5)	0.7	47.0
	79.9	75.2	4.8	6.3
Earnings per share (in cents)				
- Basic	4.6	4.2	0.4	8.5
- Diluted	4.5	4.2	0.4	8.4
EBITDA	223.8	229.8	(6.0)	(2.6)
Service EBITDA ⁽²⁾	211.7	212.5	(0.8)	(0.4)
Service EBITDA as % of service revenue	22.3%	22.7%	-0.4% pts	
Free Cash Flow ⁽³⁾	101.6	(0.0)	101.7	nm
<i>Profit from operations is arrived after charging the following:</i>				
<i>Loss allowances of trade receivables</i>	<i>7.7</i>	<i>9.6</i>	<i>(1.9)</i>	<i>(19.6)</i>
<i>Depreciation and amortisation</i>	<i>113.4</i>	<i>122.8</i>	<i>(9.3)</i>	<i>(7.6)</i>
<i>Foreign exchange (gain)/ loss</i>	<i>0.4</i>	<i>0.6</i>	<i>(0.2)</i>	<i>(33.9)</i>
<i>(Reversal)/ Allowance for stock obsolescence</i>	<i>(0.5)</i>	<i>3.5</i>	<i>(4.0)</i>	<i>nm</i>

nm – Not meaningful

Notes:

- (1) Finance expense includes interest on borrowings and lease liabilities and other financing charges
- (2) Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)
- (3) Free Cash Flow refers to net cash from operating activities less purchase of property, plant and equipment and intangible assets in the cash flow statement
- (4) The sale of D'Crypt was completed in February 2024
- (5) Numbers in all tables may not exactly add up due to rounding

1.2 GROUP COMPREHENSIVE INCOME STATEMENT

	Half Year ended 30 Jun			
	2024 S\$m	2023 S\$m	Incr / (Decr) S\$m	%
Profit for the period	79.9	75.2	4.8	6.3
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Net change in fair value of equity investment at fair value through other comprehensive income ("FVOCI"), net of taxation	(1.5)	(0.6)	0.9	160.0
Gain on disposal rights issues of equity investment at FVOCI, net of taxation	0.1	-	0.1	nm
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(0.3)	0.2	(0.5)	nm
Effective portion of changes in fair value of cash flow hedges, net of taxation	2.5	4.2	(1.7)	(40.5)
Share of other comprehensive income of associate and joint venture	(0.1)	(0.1)	(0.0)	(31.8)
Other comprehensive income for the period, net of taxation	0.8	3.8	(3.0)	(78.6)
Total comprehensive income for the period	80.8	78.9	1.8	2.3
Attributable to:				
Owners of the Company	83.0	80.4	2.5	3.2
Non-controlling interests	(2.2)	(1.5)	0.7	49.5
Total comprehensive income for the period	80.8	78.9	1.8	2.3

nm – Not meaningful

1.3 GROUP PERFORMANCE REVIEW FOR THE HALF YEAR ENDED 30 JUNE 2024

(A) Revenue

Revenue	Half Year ended 30 Jun			
	2024 S\$m	2023 S\$m	Incr / (Decr) S\$m	%
Mobile	289.7	302.7	(13.0)	(4.3)
Broadband ⁽¹⁾	122.9	124.6	(1.7)	(1.4)
Entertainment	109.4	113.9	(4.5)	(3.9)
Enterprise Business	425.7	396.9	28.8	7.2
- Network Solutions ^{(1) (2)}	196.9	183.0	13.9	7.6
- Cybersecurity Services ⁽³⁾	148.4	129.0	19.4	15.1
- Regional ICT Services ⁽⁴⁾	80.4	85.0	(4.6)	(5.4)
Service revenue	947.6	938.1	9.5	1.0
Sales of Equipment ⁽⁵⁾	157.2	168.0	(10.8)	(6.4)
Total revenue	1,104.9	1,106.1	(1.2)	(0.1)

- (1) Includes service revenue from MyRepublic Broadband
- (2) Includes Data & Internet, Managed Services and Voice Services
- (3) Includes service revenue from Ensign and D'Crypt¹
- (4) Includes service revenue from Strateq, JOS SG and JOS MY
- (5) Includes Sales of Equipment revenue from MyRepublic Broadband

The Group's 1H2024 total revenue of S\$1,104.9 million was S\$1.2 million or 0.1% lower year-on-year ("YoY"), mainly due to lower contributions from Mobile, Broadband, Entertainment and Sales of Equipment; partially mitigated by higher revenue contributions from Enterprise Business.

Excluding D'Crypt¹, the Group's service revenue and total revenue in 1H2024 would have been S\$939.2 million and S\$1,096.5 million, respectively, compared to S\$917.6 million and \$1,085.6 million in 1H2023. This represents a YoY increase of S\$21.6 million or 2.4% in the Group's service revenue, and a S\$10.8 million or 1.0% YoY increase in the Group's total revenue.

Against the corresponding period last year, 1H2024 Mobile service revenue declined 4.3% YoY due to lower Postpaid and Prepaid revenues. The decrease in 1H2024 Postpaid revenue was due to lower IDD revenue, excess data usage, SMS usage, voice usage, voice and data subscriptions, and value-added services ("VAS") revenues; partially mitigated by higher roaming. The YoY decrease in 1H2024 Prepaid revenues was due to lower voice and IDD revenues and decreased Prepaid expired credits; partially mitigated by higher data subscriptions.

Broadband service revenue decreased 1.4% YoY in 1H2024, mainly due to lower revenue from premiums (relating to tactical promotions); partially mitigated by higher subscription revenue from the growth in traction of higher bandwidth plans and bundles.

Entertainment service revenue decreased 3.9% YoY in 1H2024, mainly due to the decrease in subscription revenue resulting from lower subscribers following the cessation of tactical promotions; partially mitigated by higher commercial TV and advertising revenues primarily lifted by Premier League.

¹ Refer to note 4 on page 2 - the sale of D'Crypt was completed in February 2024

Enterprise Business revenue increased 7.2% YoY in 1H2024, due to higher revenues from Managed Services and Cybersecurity Services; partially offset by lower revenues from Data & Internet, Voice Services and Regional ICT Services. Excluding D'Crypt², 1H2024 Enterprise Business revenue would have been S\$417.3 million, compared to S\$376.5 million in 1H2023, representing a YoY increase of S\$40.8 million or 10.8%; 1H2024 Cybersecurity Services revenue would have been S\$140.0 million, compared to S\$108.5 million in 1H2023, representing a YoY increase of S\$31.5 million or 29.0%.

Revenue from Sales of Equipment decreased 6.4% YoY in 1H2024, mainly due to lower volume of handsets sold.

(B) Operating expenses

Operating expenses	Half Year ended 30 Jun			
	2024 S\$m	2023 S\$m	Incr / (Decr) S\$m %	
Cost of sales ⁽¹⁾	401.7	406.8	(5.1)	(1.3)
Other operating expenses ⁽¹⁾	354.3	370.9	(16.7)	(4.5)
Cybersecurity Services ⁽²⁾	160.8	138.9	21.9	15.7
Regional ICT Services ⁽³⁾	78.8	84.1	(5.3)	(6.3)
Total	995.5	1,000.7	(5.2)	(0.5)

⁽¹⁾ Includes cost of sales and other operating expenses from MyRepublic Broadband

⁽²⁾ Includes cost of sales and other operating expenses from Ensign and D'Crypt²

⁽³⁾ Includes cost of sales and other operating expenses from Strateq, JOS SG and JOS MY

The Group's total operating expenses in 1H2024 was S\$5.2 million lower YoY, mainly due to lower cost of sales and other operating expenses as well as lower Regional ICT Services operating expenses; partially offset by higher Cybersecurity Services operating expenses.

As a percentage of the Group's total revenue, total operating expenses in 1H2024 was at 90.1% compared to 90.5% in the corresponding period last year.

Excluding D'Crypt², the Group's 1H2024 total operating expenses would have been S\$984.3 million, compared to S\$980.1 million in 1H2023, which was S\$4.2 million or 0.4% higher YoY.

Cybersecurity Services ⁽¹⁾	Half Year ended 30 Jun			
	2024 S\$m	2023 S\$m	Incr / (Decr) S\$m %	
Cost of sales	85.1	66.3	18.8	28.4
Other operating expenses	75.7	72.7	3.0	4.2
Total	160.8	138.9	21.9	15.7

⁽¹⁾ includes cost of sales and other operating expenses from Ensign and D'Crypt²

As a percentage of Cybersecurity Services revenue, operating expenses for the segment in 1H2024 increased to 108.3% compared to 107.7% in the corresponding period last year.

Excluding D'Crypt², 1H2024 operating expenses for Cybersecurity would have been S\$149.5 million, compared to S\$118.3 million in 1H2023, which was S\$31.2 million or 26.4% higher YoY.

² Refer to note 4 on page 2 - the sale of D'Crypt was completed in February 2024

	Half Year ended 30 Jun			
	2024	2023	Incr / (Decr)	
Regional ICT Services ⁽¹⁾	S\$m	S\$m	S\$m	%
Cost of sales	46.4	49.8	(3.4)	(6.7)
Other operating expenses	32.4	34.3	(1.9)	(5.6)
Total	78.8	84.1	(5.3)	(6.3)

(1) Includes cost of sales and other operating expenses from Strateq, JOS SG and JOS MY

As a percentage of Regional ICT Services revenue, the segment's operating expenses in 1H2024 was 98.0% compared to 98.9% in the corresponding period last year.

A breakdown of total operating expenses is as follows:

(i) Cost of sales

	Half Year ended 30 Jun			
	2024	2023	Incr / (Decr)	
Cost of sales	S\$m	S\$m	S\$m	%
Cost of equipment sold	145.2	150.7	(5.6)	(3.7)
Cost of services	221.2	217.9	3.2	1.5
Traffic expenses	20.7	22.2	(1.5)	(7.0)
Customer acquisition costs	14.7	15.9	(1.2)	(7.7)
Cost of sales (excluding Cybersecurity Services and Regional ICT Services)	401.7	406.8	(5.1)	(1.3)
Cost of sales (Cybersecurity Services) ¹	85.1	66.3	18.8	28.4
Cost of sales (Regional ICT Services)	46.4	49.8	(3.4)	(6.7)
Total	533.2	522.8	10.4	2.0

(1) includes cost of sales from Ensign and D'Crypt³

Cost of sales (excluding Cybersecurity Services and Regional ICT Services)

Cost of sales in 1H2024 decreased S\$5.1 million YoY mainly due to lower cost of equipment sold, lower traffic expenses and lower customer acquisition costs; partially offset by higher cost of services.

Cost of equipment sold decreased 3.7% YoY in 1H2024, mainly due to lower volume of handsets sold.

The 1.5% YoY increase in cost of services in 1H2024 was mainly due to higher Mobile costs and higher Network Solutions costs; partially offset by lower Entertainment content costs and lower Broadband costs.

Traffic expenses in 1H2024 decreased 7.0% YoY, mainly due to lower domestic and international traffic volumes.

The 7.7% YoY decrease in customer acquisition costs in 1H2024 was mainly due to lower Postpaid and Broadband acquisition costs, partially offset by higher Entertainment acquisition costs.

³ Refer to note 4 on page 2 - the sale of D'Crypt was completed in February 2024

Cost of sales (Cybersecurity Services)

The YoY increase in cost of sales in 1H2024 was in line with higher revenue generated.

Excluding D'Crypt⁴, 1H2024 cost of sales would have been S\$74.7 million, compared to S\$53.7 million in 1H2023, representing a YoY increase of S\$21.0 million or 39.2%.

Cost of sales (Regional ICT Services)

The YoY decrease in cost of sales in 1H2024 was in line with lower revenue generated.

(ii) Other operating expenses

	Half Year ended 30 Jun			
	2024	2023	Incr / (Decr)	
Other operating expenses	S\$m	S\$m	S\$m	%
Staff costs	101.5	102.2	(0.7)	(0.7)
Operating leases	18.2	22.3	(4.1)	(18.5)
Marketing and promotions	11.3	11.3	0.0	0.1
Loss allowance for trade receivables	6.9	9.7	(2.7)	(28.3)
Repairs and maintenance	55.4	50.0	5.3	10.6
Other expenses	59.1	69.1	(10.0)	(14.5)
Depreciation and amortisation	101.9	106.3	(4.4)	(4.1)
Other operating expenses (excluding Cybersecurity Services and Regional ICT Services)	354.3	370.9	(16.7)	(4.5)
Other operating expenses (Cybersecurity Services) ¹	75.7	72.7	3.0	4.2
Other operating expenses (Regional ICT Services)	32.4	34.3	(1.9)	(5.6)
Total	462.3	477.8	(15.5)	(3.3)

(1) includes other operating expenses from Ensign and D'Crypt⁴

The Group's total other operating expenses in 1H2024 was S\$15.5 million lower YoY. As a percentage of total revenue, other operating expenses was 41.8% in 1H2024, compared to 43.2% in the corresponding period last year.

Excluding D'Crypt⁴, the Group's 1H2024 total other operating expenses would have been S\$461.4 million, compared to S\$469.9 million in 1H2023, representing a YoY decline of S\$8.4 million or 1.8%.

Other operating expenses (excluding Cybersecurity Services and Regional ICT Services)

An analysis of major variances in other operating expenses (excluding Cybersecurity Services and Regional ICT Services) is provided below:

Staff costs

Staff costs was 0.7% lower YoY in 1H2024, mainly due to the reversal of prior year provision for certain staff benefits no longer required in 1H2024. Excluding this reversal, staff costs would have been S\$106.1 million, representing S\$3.9 million or 3.8% higher YoY due to higher headcount.

⁴ Refer to note 4 on page 2 - the sale of D'Crypt was completed in February 2024

Operating leases

Operating leases was 18.5% lower YoY in 1H2024, primarily due to a reversal of S\$5.1 million in accruals for overseas lease circuits, which were no longer required following the successful re-negotiation of contracts with overseas carriers. Excluding this reversal, operating leases in 1H2024 would have been S\$23.3 million, S\$1.0 million or 4.4% higher YoY, primarily due to an increase in contract capacity for the StarHub Hyperscale Data Centre @ Loyang.

Marketing and promotion

Marketing and promotion expenses was relatively stable at S\$11.3 million in 1H2024, which was 0.1% higher YoY.

Loss allowance for trade receivables

Loss allowance for trade receivables was S\$2.7 million lower YoY in 1H2024, mainly due to a decrease in general allowance as a result of improved collections.

Repairs and maintenance

Repairs and maintenance expenses was \$5.3 million higher YoY in 1H2024, mainly due to higher maintenance costs for network infrastructure and IS systems.

Other expenses

Other expenses was S\$10.0 million lower YoY in 1H2024 mainly due to lower IT outsourcing costs, lower foreign exchange loss, lower miscellaneous expense and higher miscellaneous income; partially offset by higher professional fees.

Depreciation and amortisation

Depreciation and amortisation expense was S\$4.4 million lower YoY in 1H2024, mainly due to lower depreciation of property, plant and equipment (PPE) and lower depreciation of right-of-use (ROU) assets, partially offset by higher amortisation of intangible assets.

Other operating expenses (Cybersecurity Services)

The YoY increase in other operating expenses in 1H2024 was primarily due to higher staff costs and higher other expenses, offset by a decrease in depreciation and amortisation.

Excluding D'Crypt⁵, 1H2024 other operating expenses would have been S\$74.8 million, compared to S\$64.7 million in 1H2023, representing a YoY increase of S\$10.2 million or 15.7%.

Other operating expenses (Regional ICT Services)

The YoY decrease in other operating expenses in 1H2024 was mainly due to lower staff cost and lower depreciation and amortisation, offset by higher other expenses.

(C) Other income

Other income decreased YoY in 1H2024 mainly due to lower income grants.

⁵ Refer to note 4 on page 2 - the sale of D'Crypt was completed in February 2024

(D) Profitability

The Group's profit from operations for 1H2024 increased S\$3.4 million or 3.2% YoY to S\$110.4 million. Operating loss from Cybersecurity Services increased S\$2.9 million YoY to S\$11.8 million in 1H2024, mainly due to lower other income and continued investments in talent to support growth. Operating profit from Regional ICT Services increased S\$0.7 million to S\$1.6 million in 1H2024. Excluding Cybersecurity Services and Regional ICT Services, profit from operations in 1H2024 would have been S\$120.6 million, S\$5.6 million or 4.9% higher YoY. This is due to higher revenue from Network Solutions and lower total operating expenses; partially offset by lower revenues from Mobile, Broadband, Entertainment and Sales of Equipment.

Excluding D'Crypt⁶, the Group's 1H2024 profit from operations would have been S\$113.2 million, compared to S\$107.1 million in 1H2023, representing a YoY increase of S\$6.1 million or 5.7%; Cybersecurity Services' 1H2024 operating loss would have been S\$9.1 million, compared to S\$8.8 million in 1H2023, representing a YoY increase of S\$0.2 million or 2.8%.

Service EBITDA margin for 1H2024 at 22.3% was 0.4 percentage points lower compared to the corresponding period last year. Excluding D'Crypt⁶, 1H2024 Service EBITDA would have been S\$214.5 million, compared to S\$208.5 million in 1H2023, representing a YoY increase of S\$6.1 million or 2.9%; 1H2024 Service EBITDA margin would have been 22.8%, compared to 22.7% in 1H2023, an increase of 0.1 percentage point YoY.

Finance income was higher in 1H2024, compared to the corresponding period last year. Finance expense was higher YoY in 1H2024 mainly due to higher interest cost on lease liabilities and borrowings.

Non-operating income was at S\$0.2 million in 1H2024 due to the recognition of fair value gain on remeasurement of disposal group – relating to the D'Crypt divestment announced in 4Q2023 and completed in February 2024.

Share of results of associate was S\$0.4 million lower in 1H2024, compared to the corresponding period last year.

Share of results of joint venture was S\$0.5 million lower in 1H2024, compared to the corresponding period last year.

Profit before taxation of S\$100.2 million in 1H2024 was S\$4.1 million higher YoY, mainly due to higher profit from operations and lower net finance costs. Taxation expense was lower at S\$20.2 million, as a result of under-provision of deferred tax assets.

Excluding D'Crypt⁶, 1H2024 profit before taxation would have been S\$102.9 million, compared to S\$96.1 million in 1H2023, representing a YoY increase of S\$6.8 million or 7.1%.

Profit after taxation for the period in 1H2024 was S\$79.9 million. Excluding D'Crypt⁶, 1H2024 profit after taxation would have been S\$82.1 million, compared to S\$75.2 million in 1H2023, representing a YoY increase of S\$6.9 million or 9.2%.

⁶ Refer to note 4 on page 2 - the sale of D'Crypt was completed in February 2024

2. BUSINESS REVIEW

Mobile Services

	Half Year ended 30 Jun			
	2024	2023	Incr / (Decr)	
	S\$m	S\$m	S\$m	%
Mobile revenue	289.7	302.7	(13.0)	(4.3)

Mobile operating statistics	Quarter ended			Half Year ended		YoY
	30 Jun 2024	31 Mar 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	Incr / (Decr) %
Number of registered subscribers (in thousands)						
Postpaid	1,602	1,568	1,580	1,602	1,580	1.4
Prepaid	594	586	594	594	594	(0.1)
Total	2,196	2,154	2,174	2,196	2,174	1.0
ARPU with IDD included (S\$ per month)						
Postpaid	30	31	32	30	32	(4.6)
Prepaid	7	7	7	7	7	(10.3)
Average smartphone data usage (GB)	19.3	18.4	16.8	18.9	16.2	16.6
Average monthly churn rate (post-paid)	1.1%	0.9%	0.8%	1.0%	0.8%	-
Singapore mobile penetration ⁽¹⁾	167.3%	169.4%	166.1%	167.3%	166.1%	-
Market Share ⁽¹⁾	22.2%	21.5%	22.1%	22.2%	22.1%	-

(1) Based on latest published statistics.

Mobile service revenue declined 4.3% YoY in 1H2024 due to lower Postpaid and Prepaid revenues. The decrease in 1H2024 Postpaid revenue was due to lower IDD revenue, excess data usage, SMS usage, voice usage, voice and data subscriptions, and value-added services (“VAS”) revenues partially mitigated by higher roaming. The YoY decrease in 1H2024 Prepaid revenues was due to lower voice and IDD revenues and decreased Prepaid expired credits, partially mitigated by higher data subscriptions.

Postpaid Mobile Services

As of 30 June 2024, Postpaid Mobile subscriber base stood at 1,602,000 after the quarter’s net add of 34,000 subscribers, lifted mainly by the growth of SIM Only subscribers. Compared to a year ago, the Postpaid Mobile subscriber base increased by 22,000 subscribers or 1.4% in 1H2024 due to the same reason above.

ARPU of S\$30 in 2Q2024 and 1H2024 were S\$2 lower YoY, mainly due to lower IDD revenue, excess data usage, voice usage, voice and data subscriptions, and value-added services (“VAS”) revenues partially mitigated by higher roaming. The overall average smartphone data usage increased YoY for both 2Q2024 and 1H2024 to 19.3 GB and 18.9 GB, respectively.

Average monthly churn rate stood at 1.1% and 1.0% in 2Q2024 and 1H2024, respectively.

Prepaid Mobile Services

As of 30 June 2024, the Prepaid Mobile subscriber base stood at 594,000, after the quarter's net add of 8,000 subscribers, driven by acquisition activities. Compared to a year ago, Prepaid Mobile subscriber base remained stable at 594,000 subscribers.

ARPU remained stable at S\$7 in 2Q2024 and 1H2024, respectively.

Broadband Services

	Half Year ended 30 Jun			
	2024	2023	Incr / (Decr)	
	S\$m	S\$m	S\$m	%
Broadband revenue ⁽¹⁾	122.9	124.6	(1.7)	(1.4)

Broadband operating statistics	Quarter ended			Half Year ended		YoY
	30 Jun 2024	31 Mar 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	Incr / (Decr) %
Number of residential broadband subscribers - subscription-based (in thousands) ⁽²⁾	579	580	577	579	577	0.3
ARPU (S\$ per month)	34	34	34	34	34	0.0
Average monthly churn rate	0.7%	0.6%	0.6%	0.7%	0.6%	-

(1) Includes service revenue from MyRepublic Broadband

(2) Includes residential subscribers from MyRepublic Broadband

Broadband service revenue decreased 1.4% YoY in 1H2024, mainly due to lower revenue from premiums (relating to tactical promotions); partially mitigated by higher subscription revenue lifted from the growth in traction of higher bandwidth plans and bundles.

As of 30 June 2024, the Broadband subscriber base stood at 579,000 after the quarter's net churn of 1,000 subscribers. Compared to a year ago, the Broadband subscriber base increased by 4,000 subscribers or 0.3% in 1H2024, mainly due to new customer acquisition initiatives and growth in the take-up of 10Gbps plans.

ARPU remained stable at S\$34 in 2Q2024 and 1H2024.

Average monthly churn rate was stable at 0.7% in 2Q2024 and 1H2024, respectively.

Entertainment Services

	Half Year ended 30 Jun			
	2024	2023	Incr / (Decr)	
	S\$m	S\$m	S\$m	%
Entertainment revenue	109.4	113.9	(4.5)	(3.9)

Entertainment operating statistics	Quarter ended			Half Year ended		YoY
	30 Jun 2024	31 Mar 2024	30 Jun 2023	30 Jun 2024	30 Jun 2023	Incr / (Decr) %
Total Entertainment subscribers ⁽¹⁾ (in thousands)	322	329	355	322	355	(9.3)
ARPU (S\$ per month)	46	45	45	46	44	4.5
Average monthly churn rate ⁽²⁾	1.2%	0.9%	1.0%	1.1%	0.9%	-

(1) Includes residential Pay TV subscribers (with and without over-the-top ("OTT") subscriptions) as well as Mobile and Broadband subscribers with OTT subscriptions

(2) Refers to churn rate from Pay TV only

Entertainment service revenue decreased 3.9% YoY in 1H2024, mainly due to the decrease in subscription revenue resulting from lower subscribers following the cessation of tactical promotions; partially mitigated by higher commercial TV and advertising revenues primarily lifted by Premier League.

As of 30 June 2024, Total Entertainment subscriber base stood at 322,000 after the quarter's net churn of 7,000 subscribers, mainly due to the cessation of tactical promotions. Compared to a year ago, Total Entertainment subscriber base decreased by 33,000 subscribers or 9.3% in 1H2024, due to the same reason above.

Entertainment ARPU of S\$46 was S\$1 higher YoY in 2Q2024 and S\$2 higher YoY in 1H2024, mainly due to the cessation of aforementioned tactical promotions, as well as the successful cross- and up-selling of higher ARPU bundled plans.

Average monthly churn rate was at 1.2% and 1.1% in 2Q2024 and 1H2024, respectively.

Enterprise Business

Enterprise Business revenue	Half Year ended 30 Jun			
	2024 S\$m	2023 S\$m	Incr / (Decr) S\$m %	
Data & Internet ^{(1), (3)}	123.6	124.2	(0.6)	(0.5)
Managed Services ^{(2), (3)}	60.3	45.0	15.3	33.9
Voice Services	13.1	13.8	(0.7)	(5.3)
Network Solutions	196.9	183.0	13.9	7.6
Cybersecurity Services ⁽⁴⁾	148.4	129.0	19.4	15.1
Regional ICT Services ⁽⁵⁾	80.4	85.0	(4.6)	(5.4)
Total	425.7	396.9	28.8	7.2

(1) Includes service revenue from MyRepublic Broadband

(2) Managed Services include Analytics, Cloud, ICT solutions and Facilities Management

(3) SD-WAN and AI Security revenues have been reclassified from Data & Internet to Managed Services

(4) Includes service revenue from Ensign and D'Crypt⁷

(5) Includes service revenue from Strateq, JOS SG and JOS MY

Enterprise Business revenue increased 7.2% YoY in 1H2024, due to higher revenues from Managed Services and Cybersecurity Services; partially offset by lower revenues from Data & Internet, Voice Services and Regional ICT Services. Excluding D'Crypt⁷, 1H2024 Enterprise Business revenue would have been S\$417.3 million, compared to S\$376.5 million in 1H2023, representing a YoY increase of S\$40.8 million or 10.8%.

Data & Internet service revenue in 1H2024 was 0.5% lower YoY, mainly due lower revenue from domestic and international leased circuits revenue.

Managed Services reported higher YoY revenue of 33.9% in 1H2024, mainly due to more project completions in Digital Infrastructure solutions and higher revenue from data centre-related services.

Voice Services revenue in 1H2024 was 5.3% lower YoY, mainly due to lower domestic and international voice traffic.

Cybersecurity Services revenue increased by 15.1% YoY in 1H2024, driven by higher project recognition, despite lower D'Crypt revenue, with only two months of revenue recorded in the first half of 2024 following the divestment⁷. Excluding D'Crypt⁷, 1H2024 Cybersecurity Services revenue would have been S\$140.0 million, compared to S\$108.5 million in 1H2023, representing a YoY increase of S\$31.5 million or 29.0%.

Regional ICT Services revenue decreased 5.4% YoY in 1H2024 due to lower hardware sales.

⁷ Refer to note 4 on page 2 - the sale of D'Crypt was completed in February 2024

3. GROUP CASH FLOW STATEMENT

	Half Year ended 30 Jun	
	2024 S\$m	2023 S\$m
Operating Activities		
Profit before taxation	100.2	96.1
Adjustments for :		
Depreciation and amortisation	113.4	122.8
Share-based payments	1.9	1.8
Gain on disposal of plant and equipment and intangible assets	(0.0)	(0.1)
Net finance costs	11.1	12.6
Share of gain of associate, net of tax	(0.1)	(0.5)
Share of gain of joint venture, net of tax	(0.7)	(1.2)
Non-operating income	(0.2)	-
Operating cash flow before working capital changes	225.7	231.5
Changes in operating assets and liabilities	(13.3)	(112.4)
Income taxes paid	(28.3)	(20.7)
Net cash from operating activities	184.2	98.4
Investing Activities		
Interest received	10.1	7.5
Purchase of property, plant and equipment and intangible assets	(82.5)	(98.5)
Proceeds from disposal of subsidiary	76.6	-
Proceeds from disposal of share rights issued by equity investment	0.1	-
Net cash from/ (used in) investing activities	4.3	(91.0)
Financing Activities		
Payment of lease liabilities	(17.2)	(17.7)
Dividend paid to owners of the Company	(72.1)	(43.3)
Dividend paid to a non-controlling interest shareholder	(2.1)	(2.8)
Perpetual capital securities distribution paid	(4.0)	(3.9)
Interest paid	(19.6)	(18.3)
Purchase of treasury shares	(0.3)	(4.3)
Proceeds from bank loans	12.3	10.1
Repayment of bank loans	(14.8)	(9.6)
Acquisition of additional interest in subsidiaries	(3.7)	-
Net cash used in financing activities	(121.6)	(89.8)
Net change in cash and cash equivalents	66.8	(82.4)
Exchange difference on cash and cash equivalents	(0.1)	0.2
Cash and cash equivalents at beginning of the period	497.8	567.2
Cash and cash equivalents at end of the period	564.6	485.1
Cash and cash equivalents comprise:		
Cash and bank balances (Note 1)	569.0	489.4
Restricted cash	(4.3)	(4.3)
	564.6	485.1

Note 1: As at 30 June 2024, cash and bank balances in the cash flow statement comprise cash and cash equivalents in the statement of financial position of S\$569.7 million (30 June 2023: S\$490.2 million) less bank overdraft of S\$0.7 million (30 June 2023: S\$0.8 million).

The Group's net cash from operating activities for 1H2024 rose S\$85.8 million to S\$184.2 million, mainly due to lower working capital needs, partially offset by lower cash from operations and higher income tax paid.

The negative working capital changes of S\$13.3 million in 1H2024 were mainly due to higher inventories, higher other receivables, deposits and prepayments and lower trade and other payables, partially offset by lower trade receivables and lower contract assets.

Net cash from investing activities showed a surplus of S\$4.3 million, compared to a deficit of S\$91.0 million in the corresponding period last year. This improvement was mainly due to proceeds from the disposal of D'Crypt, completed in February 2024, along with lower CAPEX payments.

The Group's CAPEX payments amounted to S\$82.5 million in 1H2024, representing 7.5% of total revenue. CAPEX payments were S\$16.0 million lower YoY in 1H2024, mainly due to the decrease in purchases of PPE.

Free cash flow of S\$101.6 million in 1H2024 was S\$101.7 million higher YoY, primarily due to higher cash from operating activities coupled with lower CAPEX payments.

Net cash used in financing activities increased by S\$31.8 million to S\$121.6 million in 1H2024, mainly due to higher dividends paid.

The resulting net cash generated was a surplus of S\$66.8 million in 1H2024, leading to a higher cash and cash equivalents balance (excluding restricted cash) of S\$564.6 million as of 30 June 2024.

Capital expenditure commitments

As of 30 June 2024, the Group's total outstanding capital expenditure commitments amounted to S\$495.5 million, including the outstanding commitments for 4G spectrum rights of S\$282.0 million.

4. STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 Jun 24	31 Dec 23	30 Jun 24	31 Dec 23
	S\$m	S\$m	S\$m	S\$m
Non-current assets				
Property, plant and equipment	606.8	607.8	323.5	325.6
Intangible assets	735.3	754.9	82.3	88.4
Right-of-use assets	126.8	95.4	90.4	68.5
Subsidiaries	-	-	3,352.8	3,351.5
Joint venture	18.9	18.2	-	-
Associate	28.8	28.8	27.8	27.8
Investment in fair value through other comprehensive	2.1	3.5	2.1	3.5
Amount due from related parties	-	-	5.8	5.8
Contract assets	56.6	66.4	4.2	0.1
Contract costs	2.8	4.6	0.4	0.4
Other receivables	0.0	74.2	-	-
	1,578.1	1,653.9	3,889.2	3,871.6
Current assets				
Inventories	61.4	46.9	4.9	4.8
Contract assets	280.8	290.0	22.6	18.0
Contract costs	17.9	12.3	1.3	1.2
Trade receivables	263.1	278.3	183.7	186.3
Other receivables, deposits and prepayments	228.6	139.7	49.6	35.8
Amount due from related parties	18.3	19.2	316.6	190.9
Cash and cash equivalents	569.7	502.2	393.4	375.8
Assets held for sale	-	92.6	-	-
	1,439.9	1,381.2	972.1	812.7
Less:				
Current Liabilities				
Contract liabilities	87.3	85.4	36.4	32.1
Trade and other payables	682.8	709.1	269.0	300.2
Amount due to related parties	30.1	34.4	557.3	640.2
Borrowings	209.5	11.3	200.0	-
Lease liabilities	33.6	32.8	12.0	16.5
Provision for taxation	46.4	56.1	30.2	0.7
Liabilities directly associated with assets held for sale	-	31.6	-	-
	1,089.6	960.7	1,105.0	989.7
Net current assets/ (liabilities)	350.3	420.5	(132.9)	(176.9)
Non-current liabilities				
Contract liabilities	47.4	46.9	47.4	46.9
Trade and other payables	47.4	48.7	25.9	24.4
Borrowings	929.0	1,128.2	854.5	1,054.1
Lease liabilities	100.7	71.7	80.7	56.8
Deferred income	1.1	1.4	-	-
Deferred tax liabilities	73.6	72.2	48.1	46.7
	1,199.2	1,369.0	1,056.6	1,228.8
Net assets	729.2	705.4	2,699.8	2,465.8
Shareholders' equity				
Share capital	299.7	299.7	299.7	299.7
Reserves	78.4	69.2	2,200.3	1,966.3
Perpetual Capital Securities	199.9	199.9	199.9	199.9
Equity attributable to owners and perpetual capital securities holders	577.9	568.7	2,699.8	2,465.8
Non-controlling interests	151.3	136.7	-	-
Total equity	729.2	705.4	2,699.8	2,465.8

GROUP BALANCE SHEET REVIEW

As at 30 June 2024, the Group's total non-current assets of S\$1,578.1 million was S\$75.8 million lower compared to S\$1,653.9 million as at 31 December 2023. The decrease was primarily due to lower intangible assets, lower PPE, lower contract assets and contract costs coupled with lower other receivables due to the reclassification of the S\$74.2 million loan extended to MyRepublic Holdings Ltd from non-current assets to current assets; partially offset by higher ROU.

Total current assets as at 30 June 2024 increased by S\$58.7 million to S\$1,439.9 million. This increase was primarily driven by higher inventories, increased cash and cash equivalents, higher contract costs, and higher other receivables, deposits, and prepayments due to the reclassification of the S\$74.2 million loan to current assets from non-current assets (as explained above); partially offset by reductions in contract assets and trade receivables, along with the absence of assets held for sale due to D'Crypt's divestment announced in December 2023 and completed in February 2024.

Total current liabilities increased S\$128.9 million to S\$1,089.6 million as at 30 June 2024, mainly due to the reclassification of S\$200.0 million to current borrowings from non-current borrowings; partially offset by lower trade and other payables, lower provision for taxation along with the absence of recognition of liabilities directly associated with assets held for sale relating to D'Crypt's divestment (as explained above).

The decrease in total non-current liabilities by S\$169.8 million to S\$1,199.2 million as at 30 June 2024 was primarily due to reclassification of S\$200.0 million from non-current borrowings to current borrowings (as explained above); partially offset by higher lease liabilities and higher deferred tax liabilities.

The Group's shareholders' equity increased by S\$9.2 million to S\$577.9 million as at 30 June 2024 (excluding non-controlling interests of S\$151.3 million). The increase was mainly due to higher retained profits.

Following the completion of D'Crypt's divestment in February 2024, the Group continues to hold 55.73% economic interest in Ensign.

The Group holds 88.28% economic interest in Strateq following the completion of its acquisition in July 2020.

The Group holds 100% economic interest in JOS SG and JOS MY following the acquisition of the remaining 40% interest, completed in August 2023.

The Group holds 50.1% economic interest in MyRepublic Broadband following the completion of the acquisition in March 2022.

The non-controlling interests represent the balances of 44.27% effective economic interest in Ensign, 11.72% effective economic interest in Strateq and 49.9% effective economic interest in MyRepublic Broadband.

5. GROUP SECURED AND UNSECURED BORROWINGS

	30 Jun 24 S\$m	31 Dec 23 S\$m
Secured and Unsecured borrowings		
Amount repayable in one year or less		
Bank overdraft (secured)	0.7	-
Bank loans (secured)	8.7	11.3
Bank loans (unsecured)	200.0	-
	209.5	11.3
Amount repayable after one year		
Bank loans (unsecured)	429.1	628.3
Medium term notes (unsecured)	499.9	499.9
	929.0	1,128.2
Total	1,138.4	1,139.4

The Group's secured and unsecured borrowings was S\$1.0 million lower as of 30 June 2024.

As a result of higher cash and cash equivalents, net debt declined S\$68.5 million to S\$568.7 million as of 30 June 2024 compared to S\$637.2 million as of 31 December 2023. As a ratio of the past 12 months' EBITDA, the Group's net debt was lower at 1.23 times as of 30 June 2024 compared to 1.36 times as of 31 December 2023.

6. STATEMENT OF CHANGES IN EQUITY

Group	Share capital S\$m	Treasury shares S\$m	Capital reserve S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Non-controlling interest S\$m	Total equity S\$m
At 1 Jan 2024	299.7	(18.6)	(9.2)	(276.3)	9.4	(37.1)	(0.7)	0.4	401.2	69.2	199.9	136.7	705.4
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	82.1	82.1	-	(2.2)	79.9
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	(0.2)	-	(0.2)	-	(0.0)	(0.3)
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	2.5	-	-	2.5	-	-	2.5
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(1.5)	-	-	-	(1.5)	-	-	(1.5)
Gain on disposal of rights issue of equity investment at FVOCI	-	-	-	-	-	0.1	-	-	-	0.1	-	-	0.1
Share of other comprehensive income of associate	-	-	-	-	-	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Total comprehensive income for the period	-	-	-	-	-	(1.3)	2.4	(0.2)	82.1	83.0	-	(2.2)	80.8
Transactions with equity holders of the Company, recognised directly in equity													
<i>Contributions by and distributions to equity holders of the Company</i>													
Share-based payments expenses	-	-	-	-	1.9	-	-	-	-	1.9	-	-	1.9
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(3.9)	(3.9)	3.9	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(3.9)	-	(3.3)
Purchase of treasury shares	-	(0.3)	-	-	-	-	-	-	-	(0.3)	-	-	(0.3)
Issue of shares pursuant to share plans	-	3.9	-	-	(3.9)	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	0.0	-	-	-	-	0.0	-	-	0.0
Dividends paid	-	-	-	-	-	-	-	-	(72.1)	(72.1)	-	(2.1)	(74.2)
Disposal of subsidiary with NCI	-	-	-	-	-	-	-	-	-	-	-	18.9	18.9
Total transactions with equity holders of the Company	-	3.6	-	-	(2.0)	-	-	-	(75.4)	(73.8)	-	16.8	(57.0)
At 30 Jun 2024	299.7	(15.0)	(9.2)	(276.3)	7.4	(38.4)	1.7	0.2	408.0	78.4	199.9	151.3	729.2

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Group	Share capital S\$m	Treasury shares S\$m	Capital reserve S\$m	Goodwill written off S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Translation reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Non-controlling interest S\$m	Total equity S\$m
At 1 Jan 2023	299.7	(4.8)	(4.3)	(276.3)	9.2	(35.5)	(1.9)	(0.0)	344.6	30.9	199.9	153.4	683.8
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	76.7	76.7	-	(1.5)	75.2
Other comprehensive income													
Foreign currency translation differences	-	-	-	-	-	-	-	0.3	-	0.3	-	(0.1)	0.2
Effective portion of changes in fair value of cash flow hedges, net of taxation	-	-	-	-	-	-	4.1	-	-	4.1	-	0.1	4.2
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	-	-	(0.6)	-	-	-	(0.6)	-	-	(0.6)
Share of other comprehensive income of associate	-	-	-	-	-	-	(0.1)	-	-	(0.1)	-	-	(0.1)
Total comprehensive income for the period	-	-	-	-	-	(0.6)	4.0	0.3	76.7	80.4	-	(1.5)	78.9
Transactions with equity holders of the Company, recognised directly in equity													
Contributions by and distributions to equity holders of the Company													
Share-based payments expenses	-	-	-	-	1.8	-	-	-	-	1.8	-	-	1.8
Accrued perpetual capital securities distribution	-	-	-	-	-	-	-	-	(3.9)	(3.9)	3.9	-	-
Perpetual capital securities distribution paid	-	-	-	-	-	-	-	-	0.7	0.7	(3.9)	-	(3.3)
Purchase of treasury shares	-	(4.3)	-	-	-	-	-	-	-	(4.3)	-	-	(4.3)
Issue of shares pursuant to share plans	-	3.7	-	-	(3.7)	-	-	-	-	-	-	-	-
Changes in ownership interests without a change of control	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	-	-	(0.3)	-	-	-	-	(0.3)	-	-	(0.3)
Dividends paid	-	-	-	-	-	-	-	-	(43.3)	(43.3)	-	(2.8)	(46.1)
Total transactions with equity holders of the Company	-	(0.6)	-	-	(2.2)	-	-	-	(46.5)	(49.3)	(0.0)	(2.8)	(52.2)
At 30 Jun 2023	299.7	(5.5)	(4.3)	(276.3)	7.0	(36.1)	2.1	0.3	374.8	62.0	199.9	149.1	710.6

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Treasury shares S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Hedging reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Total equity S\$m
At 1 Jan 2024	299.7	(18.6)	9.4	(37.1)	(0.2)	2,012.8	1,966.3	199.9	2,465.8
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	309.1	309.1	-	309.1
Other comprehensive income									
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(1.5)	-	-	(1.5)	-	(1.5)
Gain on disposal of rights issue of equity investment at FVOCI	-	-	-	0.1	-	-	0.1	-	0.1
Total comprehensive income for the period	-	-	-	(1.3)	-	309.1	307.8	-	307.8
<u>Transactions with equity holders of the Company, recognised directly in equity</u>									
<i>Contributions by and distributions to equity holders of the Company</i>									
Share-based payments expenses	-	-	1.9	-	-	-	1.9	-	1.9
Accrued perpetual capital securities distribution	-	-	-	-	-	(3.9)	(3.9)	3.9	0.0
Perpetual capital securities distribution paid	-	-	-	-	-	0.7	0.7	(3.9)	(3.3)
Purchase of treasury shares	-	(0.3)	-	-	-	-	(0.3)	-	(0.3)
Issue of shares pursuant to share plans	-	3.9	(3.9)	-	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	0.0	-	-	-	0.0	-	0.0
Dividends paid	-	-	-	-	-	(72.1)	(72.1)	-	(72.1)
Total transactions with equity holders of the Company	-	3.6	(2.0)	-	-	(75.4)	(73.8)	-	(73.8)
At 30 Jun 2024	299.7	(15.0)	7.4	(38.4)	(0.2)	2,246.5	2,200.3	199.9	2,699.8

6. STATEMENT OF CHANGES IN EQUITY (CONT'D)

Company	Share capital S\$m	Treasury shares S\$m	Share-based payments reserve S\$m	Fair value reserve S\$m	Retained profits S\$m	Total reserves S\$m	Perpetual capital securities S\$m	Total equity S\$m
At 1 Jan 2023	299.7	(4.8)	9.2	(35.5)	2,125.5	2,094.3	199.9	2,593.9
Total comprehensive income for the period								
Profit for the period	-	-	-	-	97.2	97.2	-	97.2
Other comprehensive income								
Net change in fair value of equity investments at FVOCI, net of taxation	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Total comprehensive income for the period	-	-	-	(0.6)	97.2	96.6	-	96.6
Transactions with equity holders of the Company, recognised directly in equity								
<i>Contributions by and distributions to equity holders of the Company</i>								
Share-based payments expenses	-	-	1.8	-	-	1.8	-	1.8
Accrued perpetual capital securities distribution	-	-	-	-	(3.9)	(3.9)	3.9	-
Perpetual capital securities distribution paid	-	-	-	-	0.7	0.7	(3.9)	(3.3)
Purchase of treasury shares	-	(4.3)	-	-	-	(4.3)	-	(4.3)
Issue of shares pursuant to share plans	-	3.7	(3.7)	-	-	-	-	-
Tax impact on transfer of treasury shares	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Dividends paid	-	-	-	-	(43.3)	(43.3)	-	(43.3)
Total transactions with equity holders of the Company	-	(0.6)	(2.2)	-	(46.5)	(49.3)	(0.0)	(49.4)
At 30 Jun 2023	299.7	(5.5)	7.0	(36.1)	2,176.1	2,141.6	199.9	2,641.1

7. CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

As of 30 June 2024, the share capital of the Company was S\$299.7 million (31 December 2023: S\$299.7 million) comprising 1,717,428,748 (31 December 2023: 1,714,018,142) issued ordinary shares (excluding treasury shares).

Treasury Shares

The Company transferred 3,710,606 treasury shares to participants of the Company's share plans in 1H2024.

During 1H2024, the Company bought 300,000 ordinary shares from the market at a consideration of S\$0.3 million.

The treasury shares balance as at 30 June 2024 was S\$15.0 million (30 June 2023: S\$5.5 million) comprising 14,222,695 (30 June 2023: 5,279,835) ordinary shares.

Issue of new shares

There was no issue of new ordinary shares in 1H2024.

Subsidiary holdings

As at 30 June 2024, none of the Company's subsidiaries held any shares in the Company (30 June 2023: Nil).

Perpetual Capital Securities

In 2Q2017, the Company issued subordinated perpetual capital securities with an aggregate principal amount of S\$200.0 million. The perpetual capital securities may be redeemed at the option of the Company, in whole, but not in part, on 16 June 2022 or on any Distribution Payment Date thereafter and otherwise upon the occurrence of certain redemption events as defined in the offering circular.

Such perpetual capital securities bear distributions at a rate of 3.95% per annum, with the first distribution rate reset falling on 16 June 2027 and subsequent resets occurring every 10 years thereafter. The distribution rate will be subject to a step-up of 1% per annum from 16 June 2027.

The distribution is payable semi-annually in arrears on a discretionary basis and will be cumulative and compounding in accordance with the terms and conditions of the offering circular.

For 1H2024, the Group paid S\$3.9 million in perpetual capital securities distribution and had an accrual of S\$0.3 million for perpetual capital securities distribution due in December 2024.

On 13 May 2022, the Company announced that it would not exercise the Issuer's Redemption Option on the First Call Date of 16 June 2022 to redeem the perpetual capital securities. For the avoidance of doubt, there will not be a reset of the distribution rate of the perpetual capital securities, which will remain at 3.95% per annum.

Outstanding Shares – Share-Based Plans

Performance Share Plans

As of 30 June 2024, the outstanding balance of conditional awards under the Performance Share Plans was 3,191,000 (30 June 2023: 3,575,894) ordinary shares.

Restricted Stock Plans

As of 30 June 2024, the outstanding balance of conditional awards under the Restricted Stock Plans was 4,003,305 (30 June 2023: 2,853,111) ordinary shares.

8. AUDIT

The financial statements have not been audited or reviewed.

9. AUDITORS' REPORT

Not applicable.

10. ACCOUNTING POLICIES

The Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period consistent with those of the audited financial statements for the year ended 31 December 2023.

In the current financial period, the Group and the Company have adopted all applicable new and revised Singapore Financial Reporting Standards (International), ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on 1 January 2024.

The application of the new and revised standard and interpretation did not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the financial statements.

The Condensed Interim Financial Information is prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting.

11. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Please refer to Note 10.

12. GROUP EARNINGS PER ORDINARY SHARE

	Half Year ended 30 Jun	
	2024	2023
Basic		
Earnings per share	4.6 cents	4.2 cents
Weighted average number of shares ('000)	1,716,524	1,728,925
Diluted		
Earnings per share	4.5 cents	4.2 cents
Weighted average number of shares ('000)	1,724,388	1,736,112

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Net asset value per share	33.6 cents	33.2 cents	157.2 cents	143.9 cents

14. ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS

The Group's service revenue was 2.4% higher YoY in 1H2024 (refer to page 4 note 1.3 (A) Revenue), in line with the FY2024 guidance for a 1% to 3% YoY growth⁸.

The Group's service EBITDA margin for 1H2024 was 22.8% of service revenue (refer to page 8 note 1.3 (D) Profitability), in line with our FY2024 guidance of approximately 22%⁸.

Total CAPEX commitment entered in the 1H2024 amounted to S\$84.8 million or 7.7% of total revenue, which is below our FY2024 guidance for CAPEX commitment of between 11% and 13% of total revenue including investments⁹.

15. GROUP OUTLOOK

The Group remains focused on the execution on its DARE+ programme, which is at the tail-end of the build and investment phase. StarHub strives to accelerate key transformation initiatives and the building of new growth platforms, to substantially complete its DARE+ investments by FY2024. These initiatives and new growth platforms – including architecting best-in-class IT platforms and one of the world's first autonomous metropolitan cloud network through Cloud Infinity – is expected to enhance customer experience, drive cost efficiencies and potentially create new monetisation opportunities for the Group from FY2025.

The Consumer business continues to leverage Infinity Play, cross-product bundling and enhanced customer experience as key market differentiators to enhance margin resilience amidst sustained price dilutions in its operating environment. Infinity Play's myriad of products and solutions allows the Group to increase its share of wallet amongst customers, while cross-product bundling has also seen significant advantages in customer stickiness

⁸ Excluding the impact from D'Crypt divestment; sale of D'Crypt completed in February 2024.

⁹ Including 5G Capex and spectrum right, as well as investments relating to DARE+ and IT Transformation.

and satisfaction across the consumer segments. StarHub also continues to drive innovation in the market, being the first in Singapore to commercially launch 5Gbps broadband services. It has also successfully accelerated the migration of its broadband customer base towards higher bandwidth plans, and has seen a 12-fold increase in 10Gbps subscribers since December 2023. StarHub's Entertainment segment, which offers the widest range of sports content, continues to see substantial pull-through revenues through bundling and advertising revenues lifted by Premier League. Moving into 2H2024, the Group continues to advance in the execution of its new digital engagement model through the consumer All-In-One app, powered by StarHub's data lake that will provide full visibility for each customer for an intuitive, personalised experience. StarHub continues to focus on enhancing customer lifetime value, convenience, and customer-centricity.

The Enterprise business continues to deliver growth to the Group, being focused on delivering Digital Infrastructure solutions via its Managed Services segment, with the convergence of Connectivity, Cloud and Cybersecurity being its niche. Pivoting from a traditional telco product management-centric approach to a client-centric agile service organisation, and increasingly leveraging Cloud Infinity as a key differentiator, StarHub's Enterprise business is well-positioned to offer innovative services and solutions to meet customers' evolving needs as part of their sustainability and digitalisation transformation journeys. This includes Smart City propositions that could be scaled regionally. StarHub's cybersecurity arm, Ensign, continues to deliver double-digit YoY revenue growth, as it continues to invest in R&D and talent to support its growth ambitions regionally.

Guidance

The Group's 1H2024 performance is in line with prior guidance offered to the market in February 2024. Reflecting the progress of DARE+ as well as prevailing macroeconomic and market conditions, the Group reiterates its guidance for FY2024:

- **Service Revenue: 1% to 3% YoY Growth, excluding impact from the D'Crypt divestment¹⁰**
Expect stable contributions from Consumer and Enterprise coupled with higher contributions from Regional ICT Services and Cybersecurity Services
- **Service EBITDA margin: Approximately 22%**
Expect realisation of some DARE+ benefits and continued cost optimisation efforts in FY2024
- **Capex Commitment as a percentage of Total Revenue: 4% to 6% (BAU¹¹) / 11% to 13% (including investments¹²)**
Mainly due to continuous investments in IT and Network Transformation and other DARE+ business initiatives including Cloud Infinity
- **Dividend of 6.0 cents per ordinary share for the full year**
Taking into consideration short- to mid-term business conditions, cash flow and investment requirements, and results expected from the ongoing business transformation initiatives.

¹⁰ Excluding D'Crypt, FY2023 Service Revenue would have been \$1,945.4 million.

¹¹ Excluding 5G Capex and spectrum right, as well as investments relating to DARE+, IT and Network Transformation.

¹² Excluding spectrum right, but including 5G Capex and investments relating to DARE+, IT and Network Transformation.

Dividend

The Group is declaring an interim dividend of 3.0 cents per ordinary share for the half year ended 30 June 2024, consistent with the Group’s commitment to distribute at least 6.0 cents per ordinary share for FY2024. This takes into consideration short- to mid-term business conditions, cash flow and investment requirements, as well as results expected from the ongoing business transformation initiatives. The Group also reiterates its dividend policy to distribute at least 80% of net profit attributable to shareholders (adjusted for one-off, non-recurring items), payable on a semi-annual basis.

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

16. DIVIDENDS

- (a) Current financial period reported on

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt (1-tier) dividend
Dividend Amount	S\$0.030 per ordinary share
Tax Rate	Exempt (1-tier)

- (b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt (1-tier) dividend
Dividend Amount	S\$0.025 per ordinary share
Tax Rate	Exempt (1-tier)

- (c) Date payable

The interim dividend will be paid on 6 September 2024.

- (d) Record date

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 23 August 2024.

Duly completed registrable transfers received by the Company’s share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 up to the close of the business at 5.00 p.m. on

22 August 2024 will be registered to determine members' entitlement to the interim dividend. Subject as aforesaid, persons whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares of the Company as at 5.00 p.m. on 22 August 2024 will be entitled to the interim dividend.

(e) Dividends Paid

During the half year ended 30 June 2024, a final tax-exempt (one-tier) dividend of 4.2 cents per ordinary share totalling S\$72.1 million was paid in respect of the previous financial year ended 31 December 2023.

17. IF NO DIVIDEND HAVE BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT

Not applicable

18. FAIR VALUE MEASUREMENT

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group and Company:

Derivatives

Marked-to-market valuations of the forward exchange contracts are provided by the banks. Those quotes are tested using pricing models or discounted cash flow techniques. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the reporting date. Where other pricing models are used, inputs are based on market related data at the reporting date.

Borrowings

The fair values of fixed interest-bearing borrowings which reprice within one year of reporting date were assumed to equate the carrying value. All other fixed interest-bearing borrowings are calculated using discounted cash flow models based on the present value of future principal and interest cash flows, discounted at the market rate at the reporting date.

As at 30 June 2024, the fair value of bank loans are S\$628.3 million (31 December 2023: S\$628.8 million) and the fair value of medium term notes are S\$467.6 million (31 December 2023: S\$465.6 million).

Contingent consideration and forward liability to acquire non-controlling interests

The fair values of contingent consideration and forward liability to acquire non-controlling interests are based on estimates from the associated probabilities of achieving performance targets by the investee and the expected payment amount.

Changing the significant unobservable inputs used to reasonably estimate possible alternative assumptions would have no significant impact on the fair value of the contingent consideration.

The fair value of the forward liability will increase/(decrease) if the expected average financial performance of Strateq is higher/(lower).

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values.

The fair value of non-current other financial assets and financial liabilities was calculated using the discounted cash flow model based on the present value of expected cashflows at the market rates at the reporting date. The carrying amounts approximate their fair values.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table represents the assets and liabilities measured at fair value, using the above valuation methods, at reporting date:

Group	Fair value Level	30 Jun 24 S\$m	30 Jun 23 S\$m
Financial assets			
Other investments	1	2.1	4.6
Marked-to-market financial instrument			
– Forward exchange contracts	2	1.2	2.2
Financial liabilities			
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.2	1.8
Forward liability to acquire non-controlling interests	3	13.6	12.8
Contingent consideration	3	-	46.6
Company			
Financial assets			
Other investments	1	2.1	4.6
Marked-to-market financial instrument			
– Forward exchange contracts	2	1.2	2.2
Financial liabilities			
Marked-to-market financial instrument			
– Forward exchange contracts	2	0.2	1.8

The following table presents the reconciliation from the opening balances to the ending balances for fair values based on unobservable inputs (Level 3):

	Forward liability to acquire non-controlling interests		Contingent consideration	
	30 Jun 24 S\$m	30 Jun 23 S\$m	30 Jun 24 S\$m	30 Jun 23 S\$m
Balance as at 1 January	13.3	12.8	-	46.2
Total unrealised (gains)/losses recognised in income statement	-	0.7	-	0.4
Translation differences	0.3	(0.6)	-	-
Balance as at 30 June	13.6	12.8	-	46.6

19. SEGMENT REPORTING

	Telecommunications ⁽¹⁾	Cybersecurity ⁽²⁾	Total	Telecommunications ⁽¹⁾	Cybersecurity ⁽²⁾	Total
	Half Year ended 30 Jun			Half Year ended 30 Jun		
	2024 S\$m	2024 S\$m	2024 S\$m	2023 S\$m	2023 S\$m	2023 S\$m
Mobile	289.7	-	289.7	302.7	-	302.7
Broadband	122.9	-	122.9	124.6	-	124.6
Entertainment	109.4	-	109.4	113.9	-	113.9
Enterprise Business	277.3	148.4	425.7	267.9	129.0	396.9
Sales of equipment	157.2	-	157.2	168.0	-	168.0
Total revenue	956.5	148.4	1,104.9	977.1	129.0	1,106.1
EBITDA	231.9	(8.1)	223.8	230.1	(0.4)	229.8
Depreciation & amortisation	(109.7)	(3.8)	(113.4)	(114.2)	(8.5)	(122.8)
Non-operating income	-	0.2	0.2	-	-	-
Finance income	8.4	1.7	10.1	7.2	0.2	7.4
Finance expense	(21.1)	(0.1)	(21.3)	(19.5)	(0.5)	(20.0)
Share of gain of associate (net of tax)	0.1	-	0.1	0.5	-	0.5
Share of gain of joint venture (net of tax)	0.7	-	0.7	1.2	-	1.2
Profit before taxation	110.3	(10.1)	100.2	105.3	(9.2)	96.1
Taxation	(20.7)	0.5	(20.2)	(20.9)	(0.0)	(20.9)
Profit for the year	89.6	(9.6)	79.9	84.4	(9.2)	75.2
Assets and liabilities						
Non-current assets	1,458.0	120.1	1,578.1	1,545.4	160.1	1,705.5
Current assets	1,064.5	375.4	1,439.9	957.7	303.0	1,260.7
Total assets	2,522.6	495.4	3,018.0	2,503.1	463.1	2,966.2
Borrowings	1,138.4	-	1,138.4	1,146.0	-	1,146.0
Other non-current liabilities	261.5	8.8	270.3	240.1	10.0	250.2
Other current liabilities	711.0	169.2	880.2	715.6	143.9	859.5
Total liabilities	2,110.9	178.0	2,288.9	2,101.7	153.9	2,255.6
Other information						
Capital expenditure ⁽³⁾	76.8	0.5	77.4	79.1	2.8	81.9
Free cash flow ⁽⁴⁾	121.8	(20.1)	101.6	23.4	(23.4)	(0.0)

Notes:

- (1) Telecommunications segment comprises the Group's Mobile, Entertainment, Broadband, Enterprise Business and Sales of Equipment. In addition, it includes MyRepublic Broadband as well as Strateq, JOS SG and JOS MY under Regional ICT
- (2) Cybersecurity segment comprises Ensign and D'Crypt, where the sale of D'Crypt was completed in February 2024
- (3) Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment and intangible assets
- (4) Free Cash Flow refers to net cash from operating activities less purchase of fixed assets in the cash flow statement

20. INTERESTED PERSON TRANSACTIONS

	Nature of Relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than S\$100,000)* 1 January 2024 to 30 June 2024 S\$m
Transactions for the Sale of Goods & Services		
SembCorp Industries Ltd & its associates	Associates of StarHub Ltd 's controlling shareholder	0.2
Singapore Power Limited & its associates		3.7
Singapore Airlines Limited		0.1
Singapore Technologies Telemedia Pte Ltd & its associates		2.0
Singapore Telecommunications Limited & its associates		1.7
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)	Controlling shareholder of StarHub Ltd and its associates	6.2
		14.0
Transactions for the Purchase of Goods & Services		
Mapletree Industrial Trust & its associates	Associates of StarHub Ltd 's controlling shareholder	6.1
Singapore Technologies Telemedia Pte Ltd & its associates		6.1
Singapore Telecommunications Limited & its associates		4.8
Temasek Holdings (Private) Limited and its associates (other than those disclosed above)	Controlling shareholder of StarHub Ltd and its associates	7.2
		24.1

21. NEGATIVE ASSURANCE CONFIRMATION

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the half year ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Olivier Lim Tse Ghow
Director

Nikhil Oommen Jacob Eapen
Director

Singapore
14 August 2024

22. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual of Singapore Exchange Securities Trading Limited.