

**NetLinkNBN**  
*the fibre of a smart nation*

**SIAS Conference**

21 September 2020



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# Financial snapshot<sup>1</sup>

**S\$370m**    ↑ 4.7%<sup>2</sup>

Revenue

**S\$169m**

Cash Balance

**S\$3,527m**

Market Capitalisation<sup>4</sup>

**S\$258m<sup>3</sup>**    ↑ 4.3%<sup>2</sup>

EBITDA

**S\$666m**

Gross Debt

**S\$4,204m**

Enterprise Value

<sup>1</sup> FY20

<sup>2</sup> Variance versus FY19

<sup>3</sup> Excluding the impact of the one-time write-off of capitalised project cost of S\$15.4m in relation to a discontinued IT system replacement contract, the EBITDA would have been S\$274 million, representing an increase of 10.5% over FY19

<sup>4</sup> Based on the unit price of S\$0.905 at 31 Mar 2020

# Fibre is 'future proof'

#1

## PREFERRED

Only means of fixed broadband delivery in Singapore



## HIGH PENETRATION

Over 90% residential penetration rate



## LOW PRICES

Fibre broadband prices are lower in Singapore than many other countries



## CRITICAL INFRASTRUCTURE

Fibre supports last-mile wireless access solutions such as WiFi hotspots and 3G/4G/5G mobile base stations



## SCALABLE

Fibre capacity is highly scalable and can support future transmission technologies

# Our network

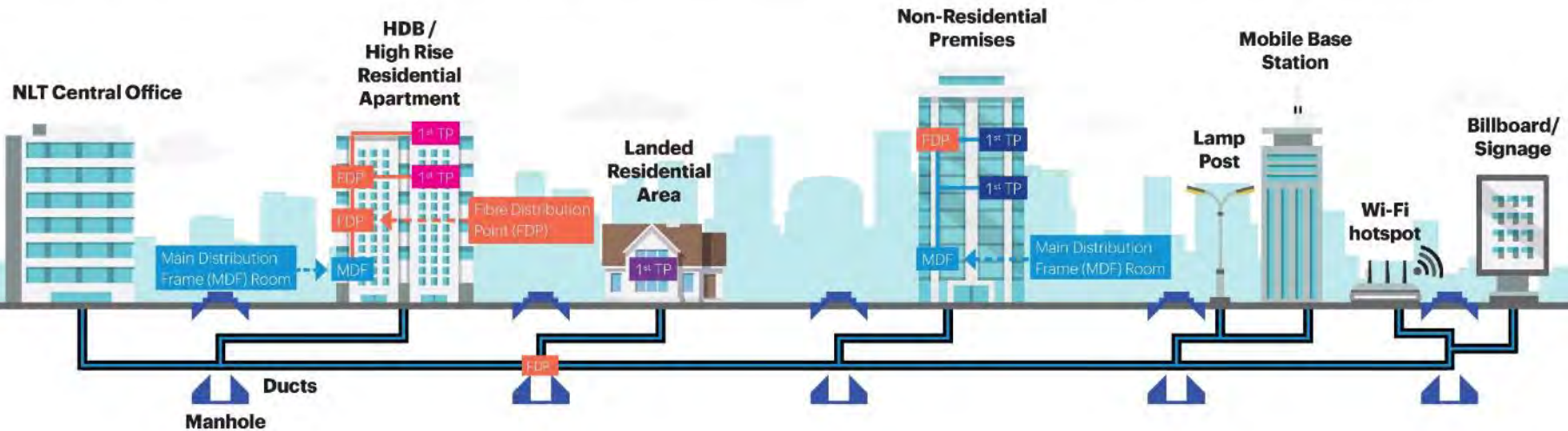
	Residential	Non-Residential	NBAP
FY20	1,427,445 End-Users +7.5%	47,681 End-Users +3.2%	1,679 Connections +5.8%
FY19	1,327,732 End-Users	46,207 End-Users	1,587 Connections

NETLINK'S NETWORK CONNECTS THE CENTRAL OFFICES TO:


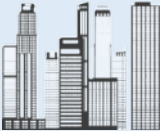
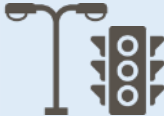





RESIDENTIAL HOMES

NON-RESIDENTIAL PREMISES

NBAP LOCATIONS



# A resilient business model

	RAB Revenue				Non-RAB Revenue			
								
	Residential Connections	Non-Residential Connections	NBAP and Segment Fibre Connections	Ducts and Manholes Service Revenue	Installation Related Revenue	Diversion Revenue	Co-Location and Other Revenue	Central Office Revenue
% of FY20 Revenue	62.5%	8.4%	2.0%	8.2%	5.6%	3.0%	5.5%	4.8%
Recurring, predictable cash flows	✓	✓	✓	✓	–	–	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	–	–	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	–	✓	–
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

# FY20 Profit & loss statement

S\$'000	FY20	FY19	Variance (%)
Revenue	370,192	353,580	4.7
EBITDA	258,425	247,876	4.3
EBITDA Margin (%)	69.8	70.1	(0.3) pp
Depreciation & amortisation	(167,782)	(160,792)	4.3
Net finance charges	(18,774)	(17,334)	8.3
<b>Profit before tax</b>	<b>71,869</b>	<b>69,750</b>	<b>3.0</b>

Illustrating the impact of excluding the one-time write-off of capitalised project cost of S\$15.4 million:

<b>EBITDA</b>	<b>273,842</b>	<b>247,876</b>	<b>10.5</b>
EBITDA Margin (%)	74.0	70.1	3.9 pp

**Revenue** grew by 4.7% mainly due to higher residential and non-residential connections, partially offset by lower installation-related revenue and ducts and manholes service revenue.

**EBITDA** increased by 4.3% mainly due to higher revenue, higher other income and lower installation costs, partially offset by higher operating expenses due to a one-time write-off of capitalised project cost.<sup>1</sup>

<sup>1</sup> Please refer to separate announcement released on 27 Feb 2020.

## Robust balance sheet<sup>1</sup>

**S\$169m**

Cash Balance

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**S\$666m**

Gross Debt

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**S\$2,907m**

Net Assets

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**2.6x**

Gross Debt/  
EBITDA<sup>2</sup>

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**13.4x**

EBITDA Interest  
Cover<sup>2</sup>

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**74.6 cents**

Net Assets per Unit

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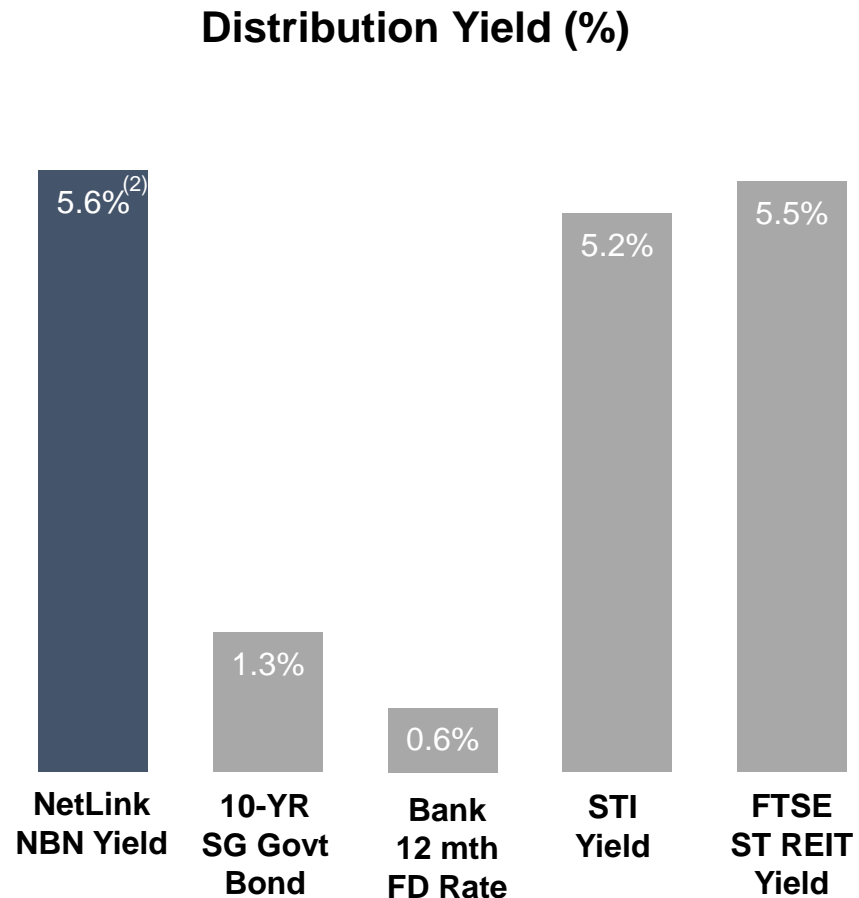
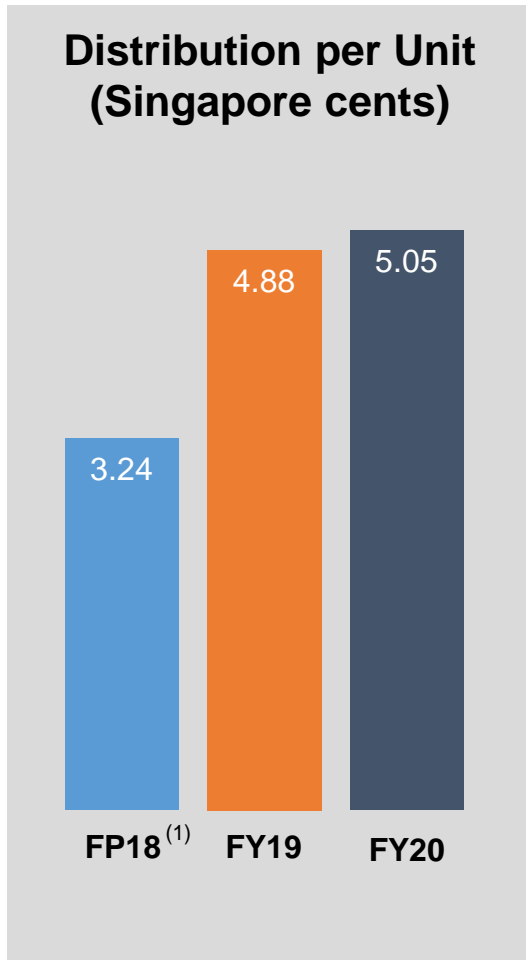
- Interest rate exposure substantially hedged
- Stable capital structure with debt headroom to fund future capex

<sup>1</sup> As at 31 Mar 2020

<sup>2</sup> Ratios calculated based on NetLink Group's trailing 12 months financials



# Attractive distribution yield with low risk



Bloomberg as at 31 Mar 2020

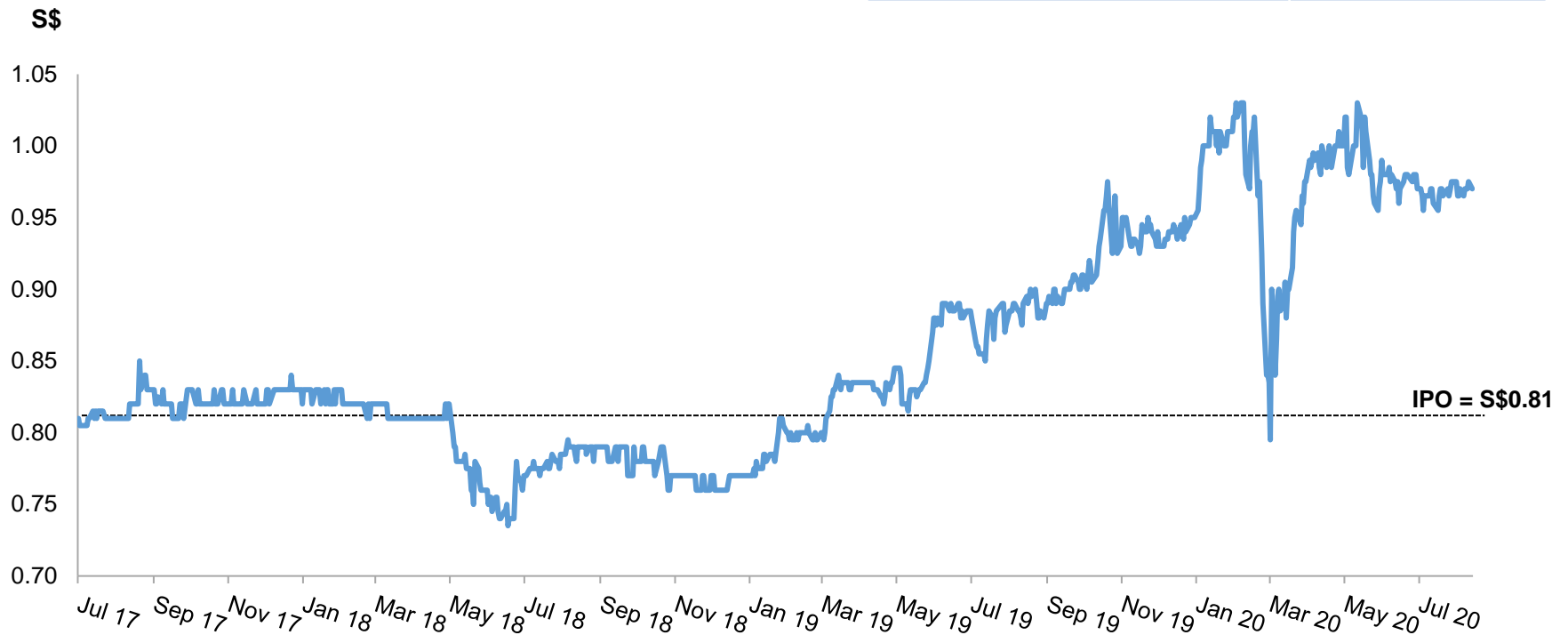
<sup>(1)</sup> For the financial period from 19 Jul 2017 (date of IPO) to 31 Mar 2018

<sup>(2)</sup> Distribution yield is based on annualised DPU of 5.05 Singapore cents and the unit price of 90.5 cents as at 31 Mar 2020

# Unit price performance since IPO

## Unit price performance as at 31 Aug 2020

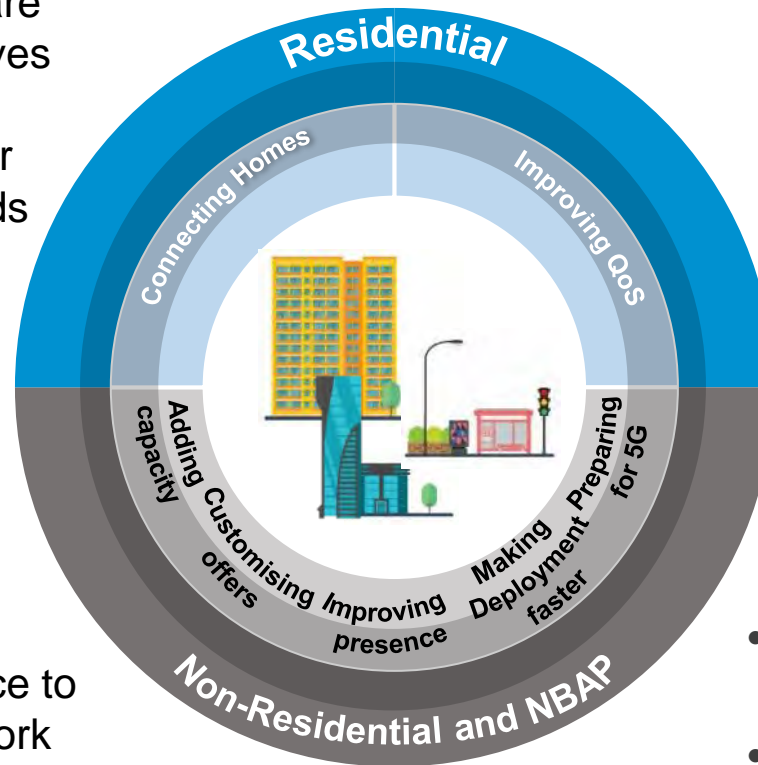
Since IPO on 19 July 2017	+19.8%
Last 12 months	+8.4%
Year to date	+3.2%



Source: Bloomberg as at 31 Aug 2020

# Our focus for FY21

- **Connecting** new homes and households that are not on fibre via initiatives such as IMDA's Home Access programme for low-income households



- **Improving** service provisioning QoS

- **Adding** capacity, flexibility and resilience to create a denser network
- **Customising** offerings to SMEs
- **Improving** presence in major Data Centres

- **Making** NBAP easier and faster to deploy
- **Preparing** to support 5G infrastructure

# Sustainability Report: Our Achievements



## Business Practices

**Achieved islandwide fibre coverage**

**Collaborated with industry players to pilot 5G projects across Singapore**

**Achieved 99.99% network availability**

**Zero incidents of corruption**

**No material breaches of law and regulations**



## Our People

**Achieved an average of 15.4 learning hours per employee**

**Zero incidents of discrimination**

**Zero work related incidents resulting in fatalities or permanent disabilities**



## Environmental Impacts

**0.44% of fibre scrap against fibre cable issued**

**Replaced or upgraded equipment for higher energy efficiency**

**Fibre network enabled the adoption of more carbon efficient processes (e.g. telecommuting)**

# Corporate Social Responsibility: Giving Back

6  
Events

S\$69,400  
donated

206  
Volunteers

782  
man hours

## Responding to COVID-19:

- Priority accorded to low income households fibre broadband connections to support their work or study from home
- S\$600,000 sponsorship towards IMDA's Home Access programme for the next three years
- Donated to various social causes including the Migrant Workers' Centre (MWC)
- Offered fee waivers to telcos who may need to reconfigure their networks to cope with the changing traffic patterns and maintain the desired customer experience



Eco-learning workshop with  
TOUCH Community

**Thank You**

