



NetLinkNBN

the fibre of a smart nation

Citi ASEAN Investor Conference

25 and 26 June 2019

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Financial snapshot¹

Revenue

S\$354m

▲ 3.3%²

Cash Balance

S\$149m

DPU

4.88 cents

▲ 5.2%²

EBITDA

S\$248m

▲ 3.2%²

Gross Debt

S\$636m

DPU Yield

5.9%³

Profit After Tax

S\$77m

▲ 17.8%²

¹ FY19

² Variance versus IPO Projection

³ Based on the unit price of S\$0.83 at 31 Mar 2019

Fibre is 'future proof'



Fibre is the **medium of choice** for delivering broadband services



About **9 out of 10 homes** in Singapore has a fibre termination point installed



Fibre broadband **prices are lower** in Singapore than many other countries



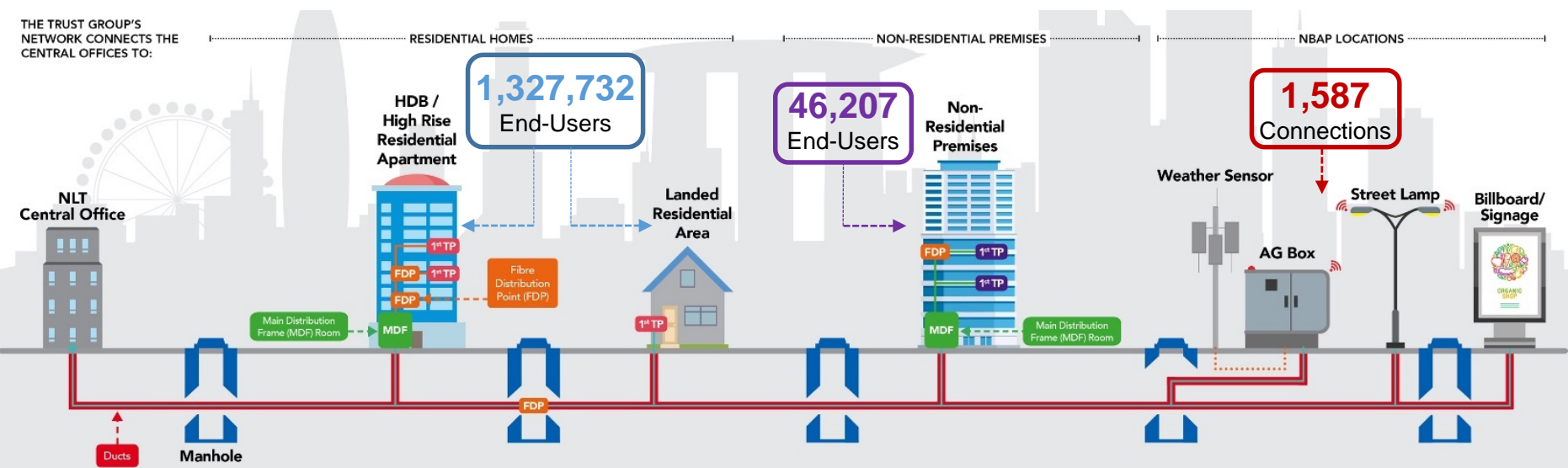
Fibre **supports wireless access solution** such as WiFi hotspots and **3G/4G/5G** infrastructure





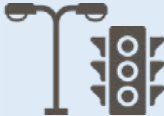





Fibre capacity is **scalable** and can support future transmission technology

Our network

THE TRUST GROUP'S NETWORK CONNECTS THE CENTRAL OFFICES TO:

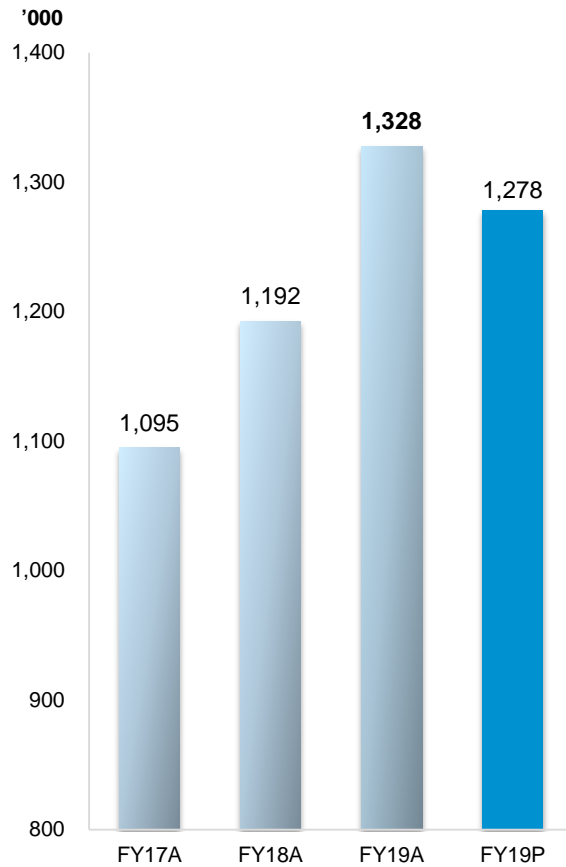


A resilient business model

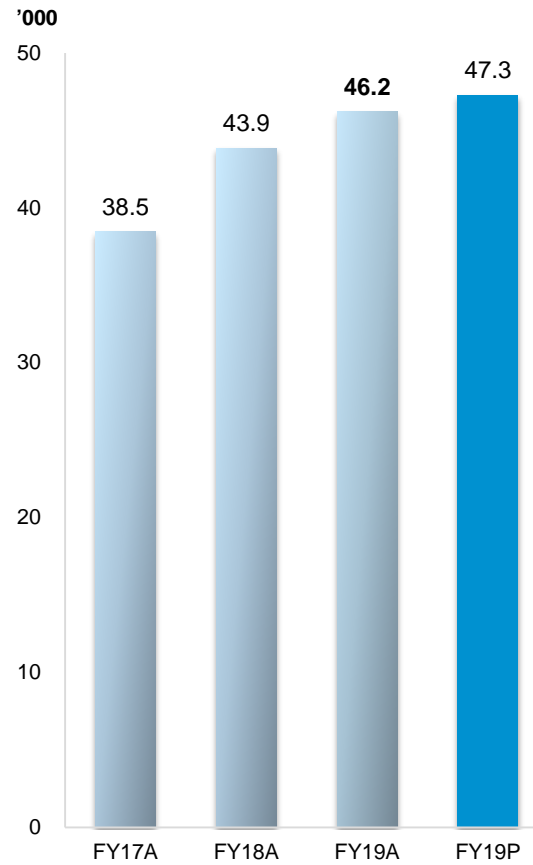
	RAB Revenue				Non-RAB Revenue			
								
	Residential Connections	Non-Residential Connections	NBAP and Segment Fibre Connections	Ducts and Manholes Service Revenue	Installation Related Revenue	Diversion Revenue	Co-Location and Other Revenue	Central Office Revenue
% of FY19 Revenue	58.5%	8.5%	2.0%	10.6%	6.0%	3.8%	5.7%	4.9%
Recurring, predictable cash flows	✓	✓	✓	✓	–	–	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	–	–	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	–	✓	–
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

Fibre connections

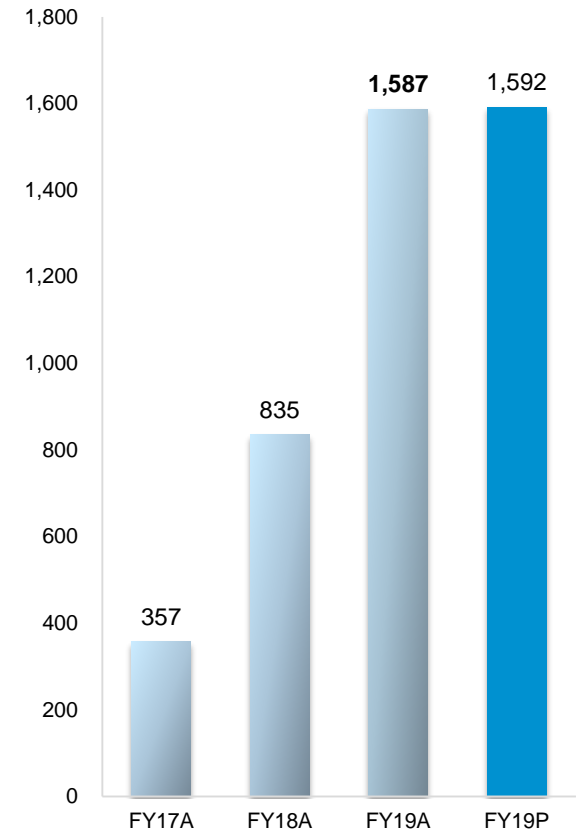
Residential



Non-Residential



Non-Building Address Points



FY19 Profit & loss statement

S\$'000	FY19	Projection ⁽¹⁾	Variance (%)
Revenue	353,580	342,214	3.3
EBITDA	247,876	240,178	3.2
EBITDA Margin (%)	70.1	70.2	(0.1pp)
Depreciation & amortisation	(160,792)	(163,460)	(1.6)
Net finance charges	(17,334)	(21,262)	(18.5)
Profit before tax	69,750	55,456	25.8

Revenue was higher due to higher residential connections revenue, diversion revenue, and ducts and manholes service revenue. This was partially offset by lower than projected installation-related revenue.

In addition to higher revenue, the higher **EBITDA** was contributed by lower staff costs and other operating expenses offset by higher operation and maintenance costs and diversion costs, which were in line with the higher revenue. **EBITDA margin** was in line with Projection.

(1) Refers to Projection Year 2019's projection disclosed in the prospectus dated 10 Jul 2017.

Robust balance sheet¹

S\$149m

Cash Balance

S\$636m

Gross Debt

S\$3,030m

Net Assets

2.6x

Gross Debt/EBITDA

13.5x

EBITDA Interest
Cover

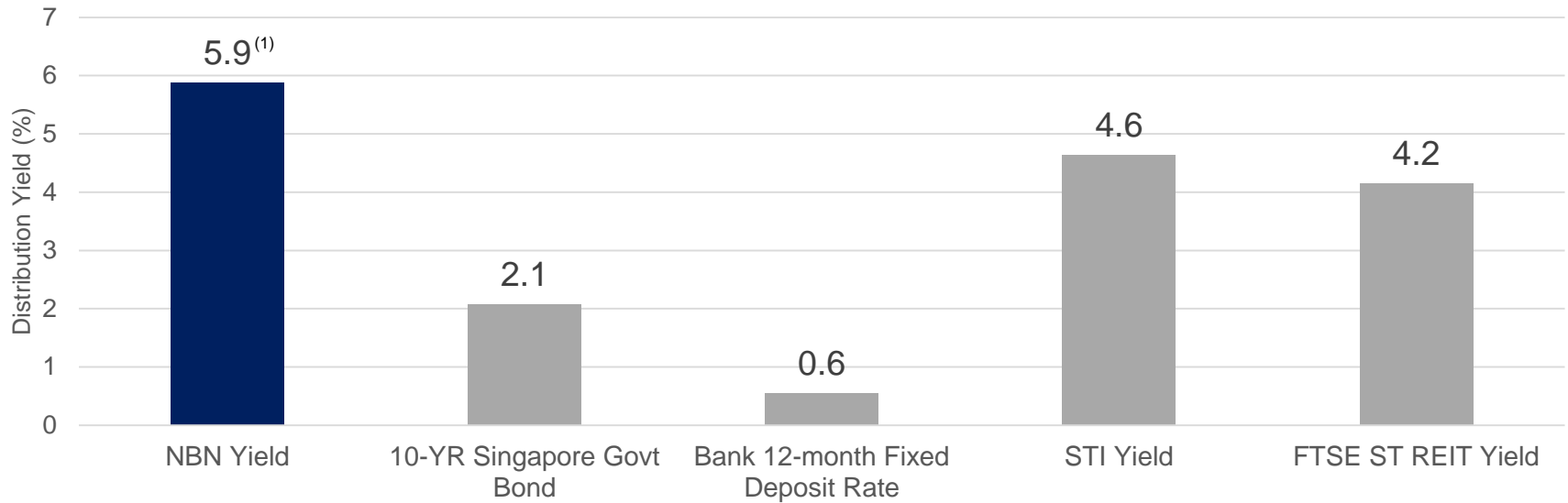
77.7 cents

Net Assets per Unit

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

¹ As at 31 Mar 2019

Attractive distribution yield with low risk



Source: Bloomberg as at 31 Mar 2019

- Total DPU of 4.88 Singapore cent for FY19 exceeded IPO DPU projection by 5.2%
- The Trust's distribution policy is to distribute 100% of its CAFD².
- Distributions made by the Trust are exempt from Singapore income tax in the hands of the Unitholders.

⁽¹⁾ Distribution yield is based on the total FY19 DPU of 4.88 Singapore cents and the unit price of 83 cents as at 31 Mar 2019

⁽²⁾ Cash Available for Distribution as defined in the prospectus dated 10 July 2017

Our focus for FY20



Residential

- Migration of cable end-users to fibre
- Residential homes not on fibre
- New households



Non-Residential

- Partnership with Requesting Licensees
- Focus on SMEs



NBAP & Segment

- Denser network – adding capacity, flexibility and resilience
- New product offerings
- Prepare to support 5G infrastructure

Well-positioned to deliver long-term value and growth

1

Critical infrastructure enabling Singapore's Next Gen NBN

2

Resilient business model with transparent, predictable and regulated revenue stream

3

Sole nationwide provider of residential fibre network in Singapore

4

Well-positioned to benefit from growth in the non-residential segment as the independent nationwide network provider

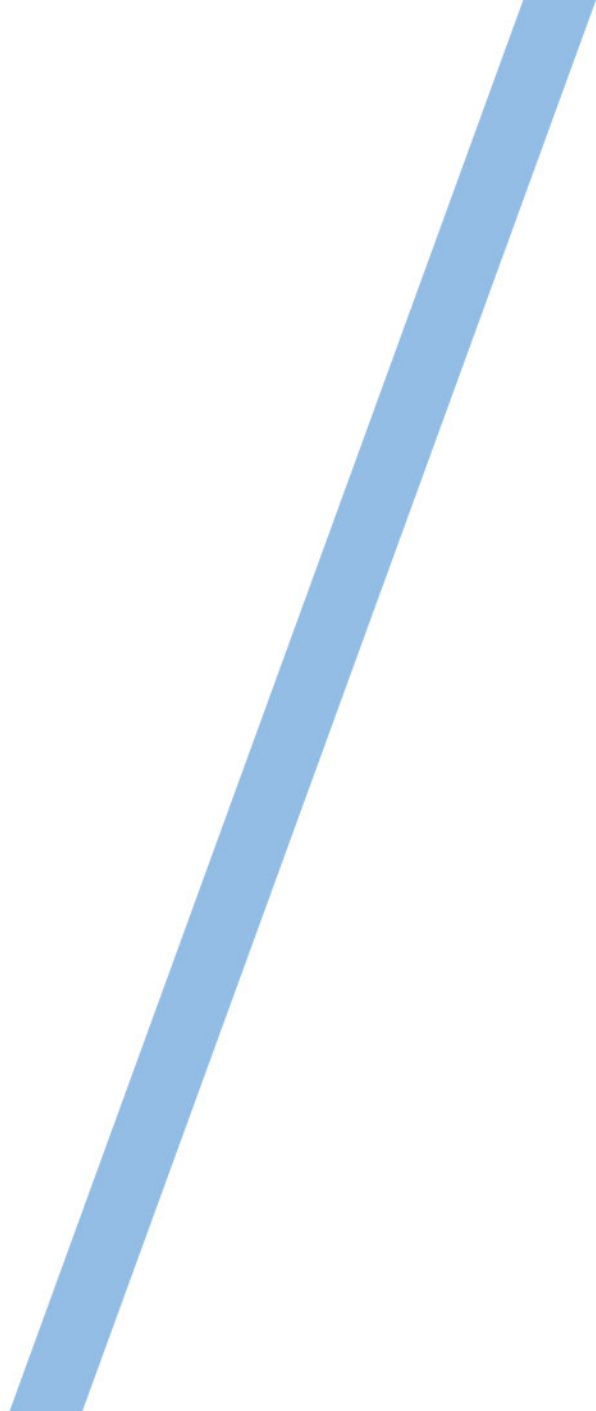
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Well-positioned to capitalise on growth in connected services including Singapore's Smart Nation initiatives

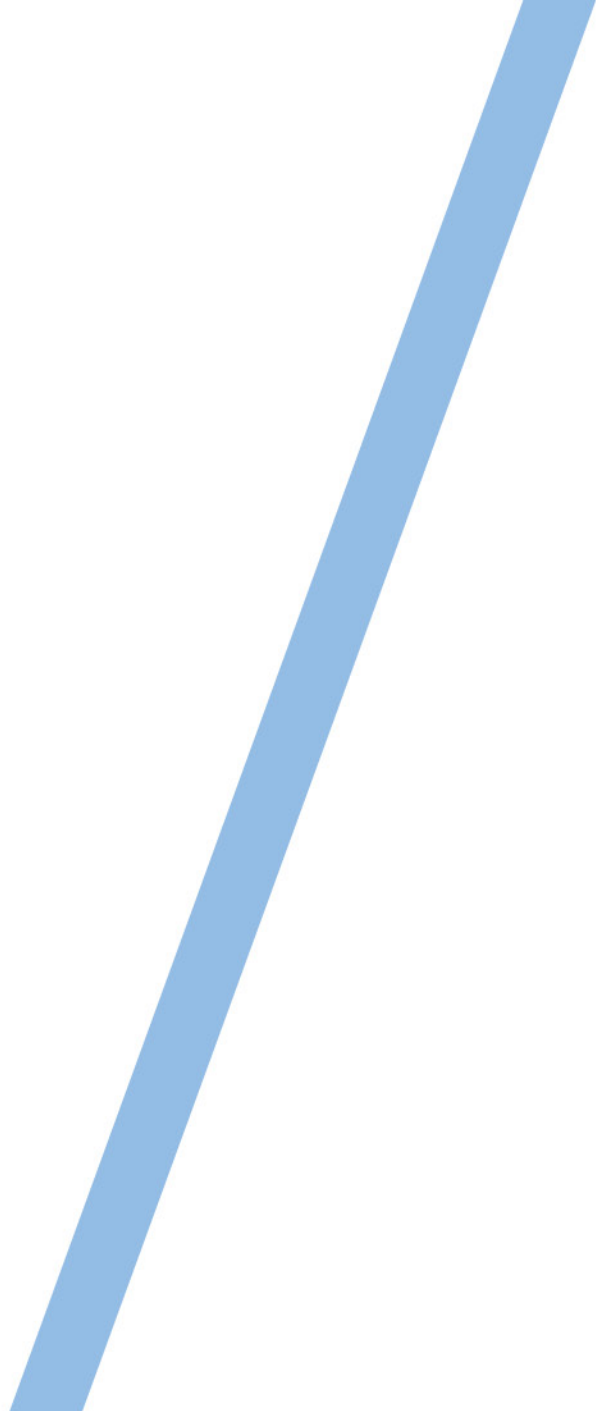
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Extensive nationwide network affording natural barrier to entry

Thank You



Supplemental Business Information



NetLink Trust's pricing for its services

Pricing of NLT's principal services are regulated by IMDA

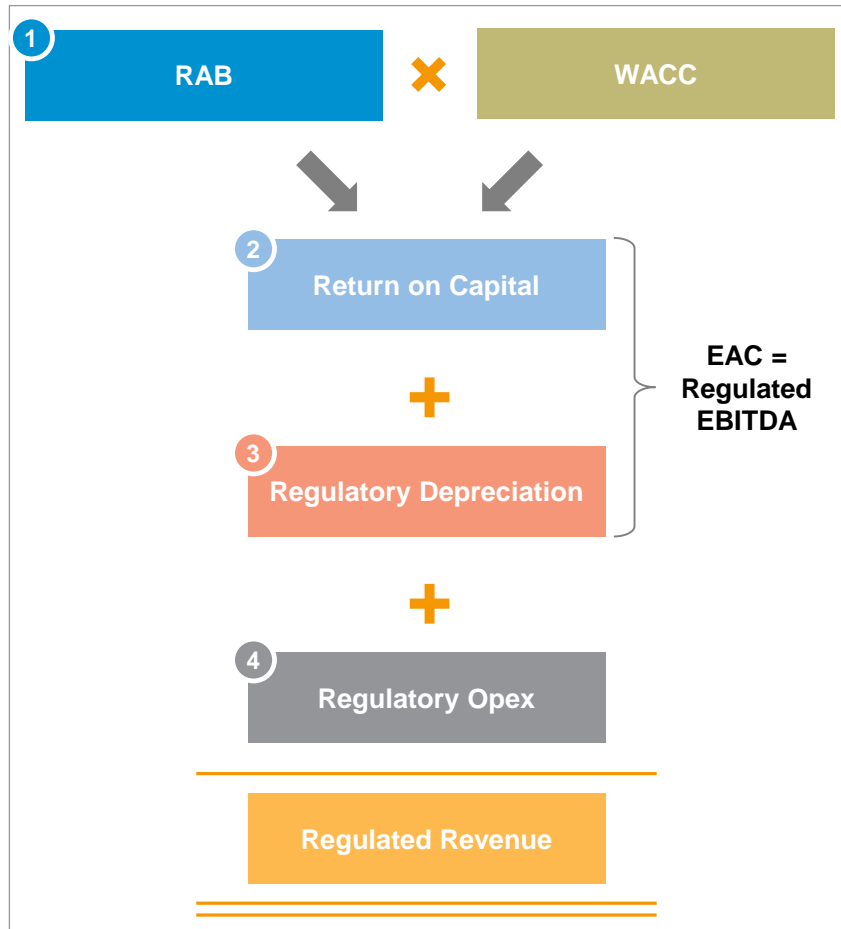
- IMDA shall hold a review of pricing terms every five years following the last price review, or at any such time as IMDA may consider appropriate (which may include a mid-term review in the third year from the last price review)
 - The most recent review by IMDA of prices under the Interconnection Offer and Reference Access Offer was completed in May 2017 and substantially most of the revised prices will be effective from or around Jan 2018 to Dec 2022
 - Pricing terms are regulated using the regulatory asset base (RAB) framework, which allows NLT to recover the following components: (a) return of capital deployed (i.e. depreciation); (b) return on capital employed; and (c) operating expenditure
- NLT may propose to conduct a mid-term adjustment in the third year, in the event of any significant change in cost inputs or if any significant changes to cost or demand forecasts are required due to unforeseen circumstances

Monthly recurring charge (MRC) for fibre connections

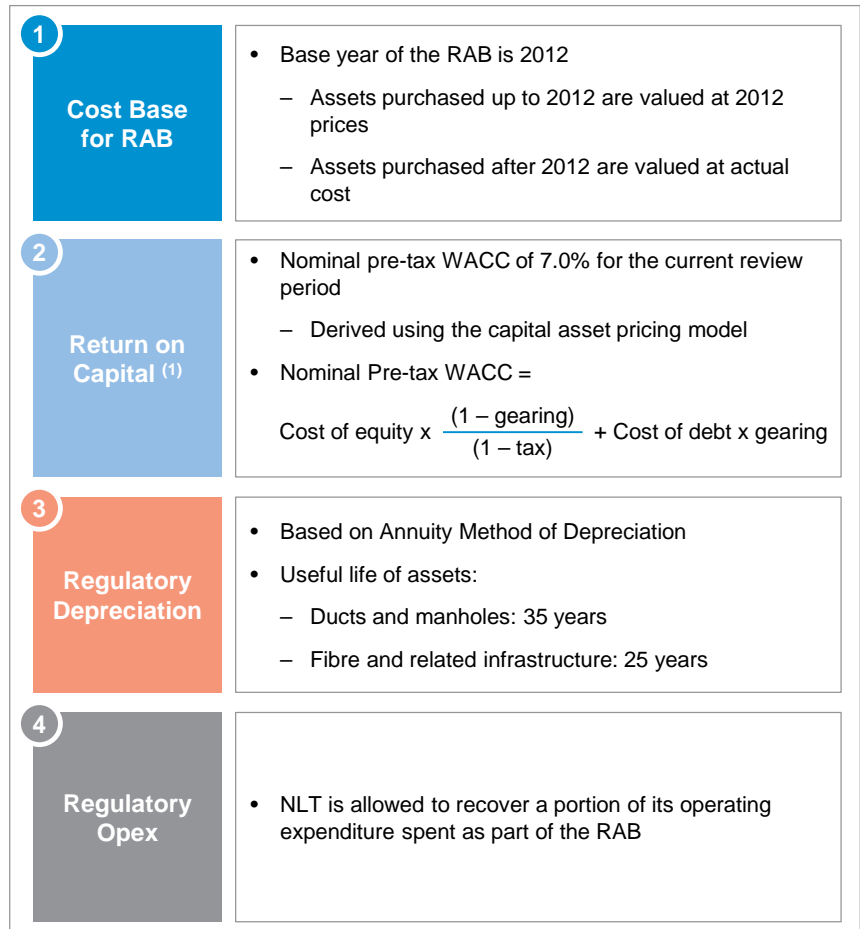
Residential	S\$13.80 per connection per month
Non-residential	S\$55 per connection per month
NBAP	S\$73.80 per connection per month

NetLink Trust's pricing for its services

Framework for RAB Based Pricing Model



Methodology for RAB based pricing model



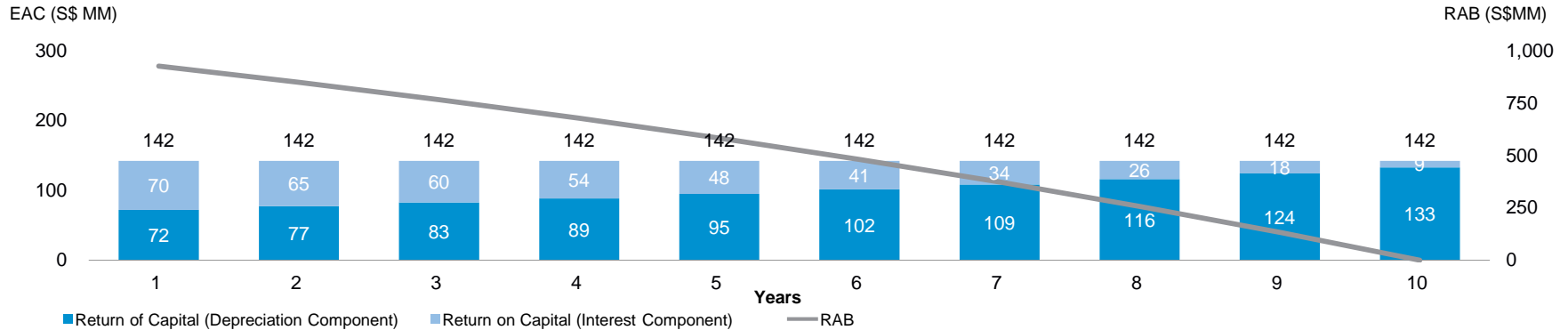
1. IMDA may change the rate of applicable pre-tax WACC in future review period

Understanding the ICO pricing framework

Illustrative Worked Example

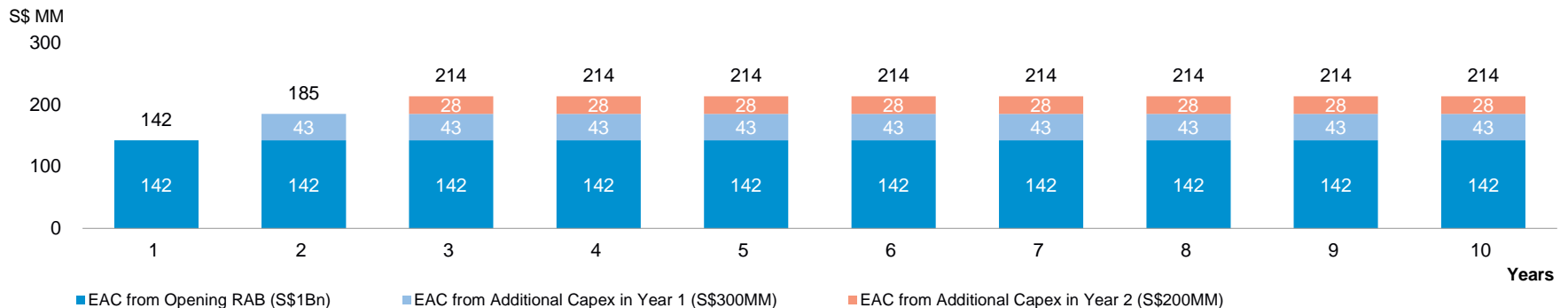
How Does EAC Work for 1 Year's Outflow on Capex?

Assuming Opening RAB of S\$1Bn, WACC of 7.0% and Asset Useful Life of 10 Years



Incremental Capex Leads to Incremental EAC

Assuming Opening RAB of S\$1Bn, capex of S\$300MM in Year 1 and capex of S\$200MM in Year 2



The annuity method of depreciation provides an Equivalent Annual Cost which equates to regulatory depreciation (depreciation component) + return on capital (interest component)