

The background of the slide is a city skyline at dusk, with various skyscrapers illuminated. Overlaid on this are several bright blue, glowing fiber optic light trails that curve across the sky from the top left towards the right. The overall color palette is dominated by blues and purples from the twilight sky, contrasted with the warm yellow and white lights of the city buildings.

NetLinkNBN
the fibre of a smart nation

SGX-DBSV-REITAS Corporate Day

5 September 2019

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Financial snapshot¹

Revenue

S\$92m

▲ 6.9%²

Cash Balance

S\$92m

Market Cap³

\$3,468m

EBITDA

S\$67m

▲ 9.1%²

Gross Debt

S\$636m

Enterprise Value³

\$4,012m

Profit After Tax

S\$21m

▲ 10.0%²

¹ Q1 FY20

² Variance versus Q1 FY19

³ Based on the unit price of \$0.89 at 30 Jun 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



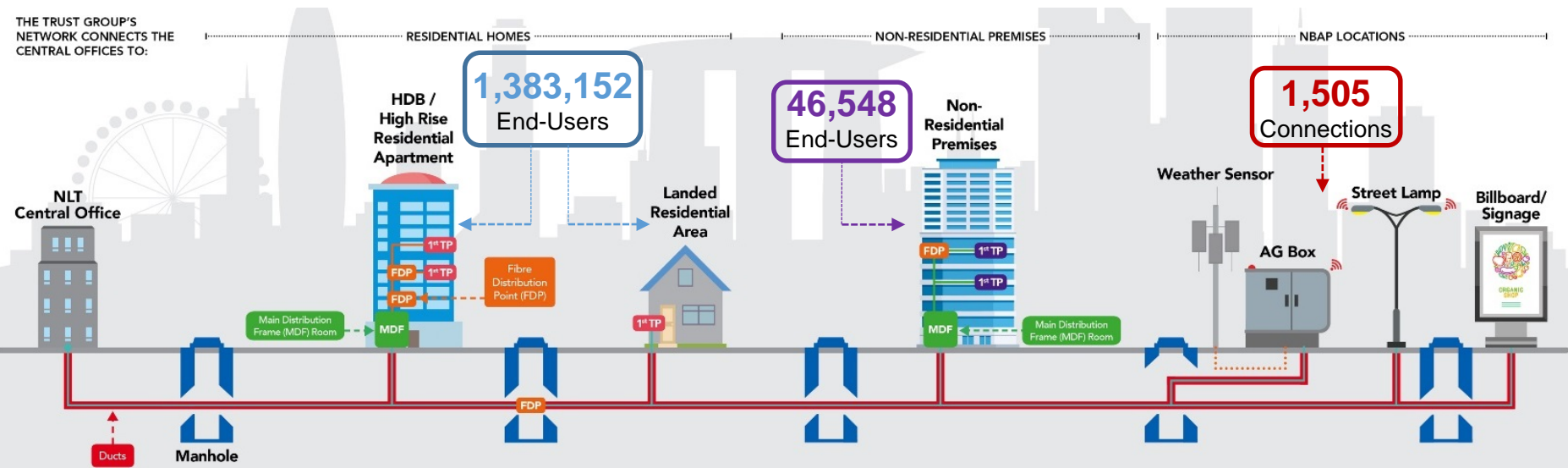
Fibre **supports wireless access solution** such as WiFi hotspots and **3G/4G/5G** infrastructure





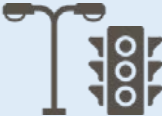





Fibre capacity is **scalable** and can support future transmission technology

Our network

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

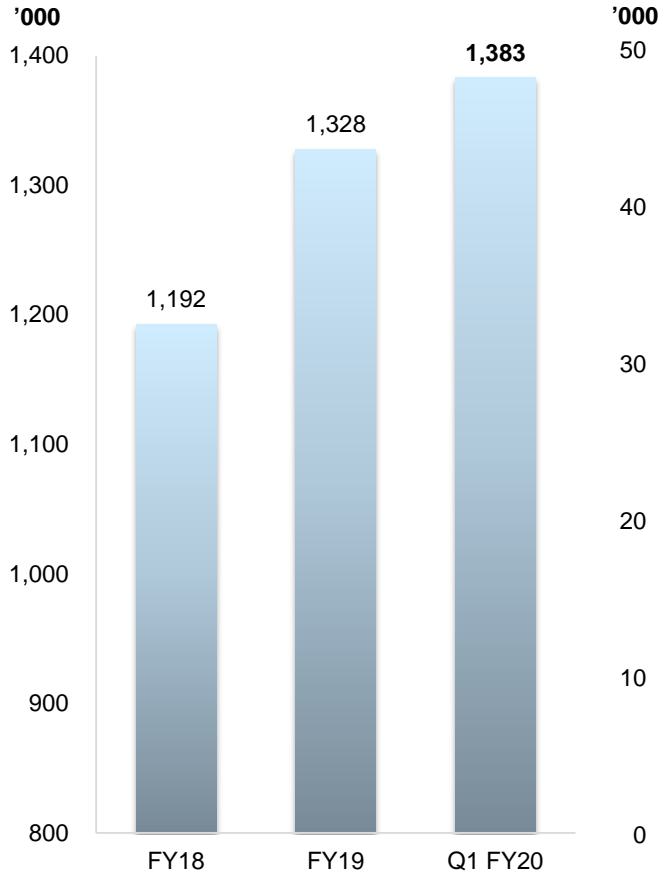


A resilient business model

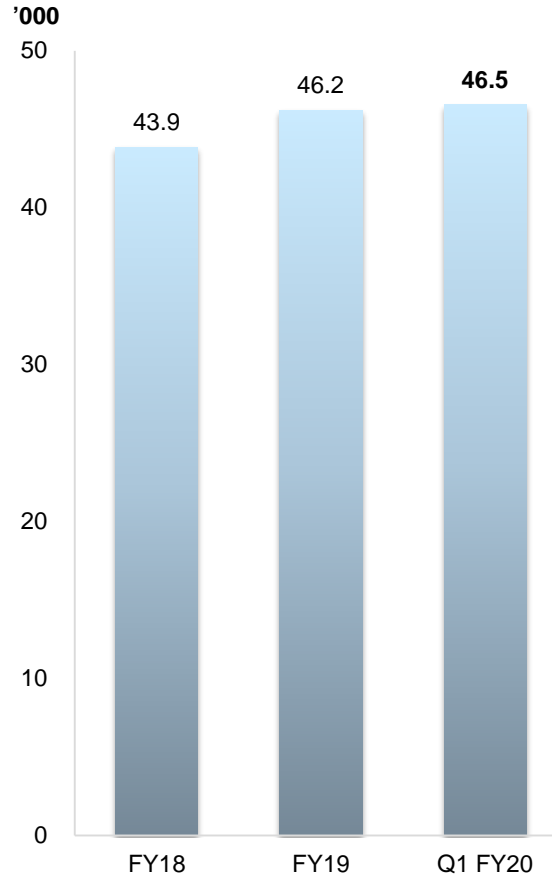
	RAB Revenue				Non-RAB Revenue			
								
	Residential Connections	Non-Residential Connections	NBAP and Segment Fibre Connections	Ducts and Manholes Service Revenue	Installation Related Revenue	Diversion Revenue	Co-Location and Other Revenue	Central Office Revenue
% of Q1 FY20 Revenue	60.9%	8.3%	1.9%	8.3%	7.5%	2.6%	5.7%	4.8%
Recurring, predictable cash flows	✓	✓	✓	✓	-	-	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	-	-	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	-	✓	-
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

Fibre connections

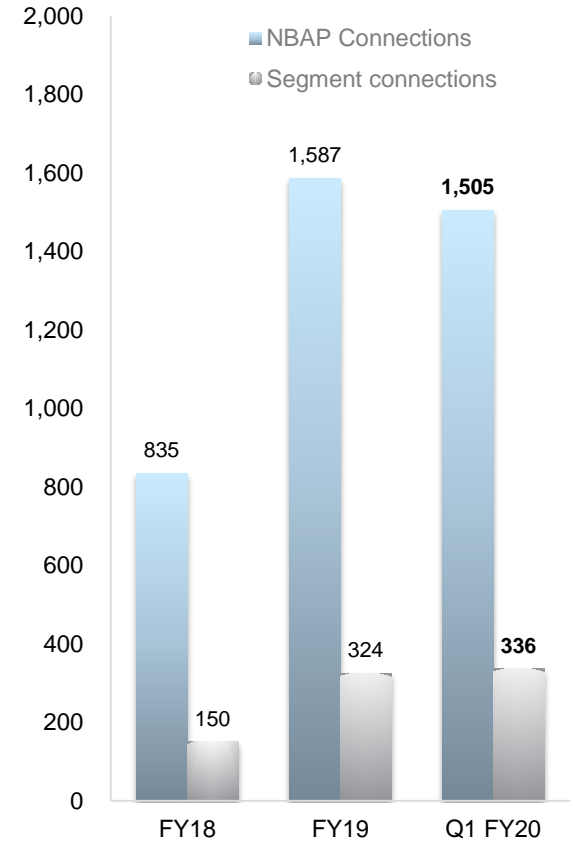
Residential



Non-Residential



Non-Building Address Points And Segment connections¹



¹ Segment connections comprise, *inter alia*, Central Office to Central Office fibre connections and Central Office to MDF room fibre connections provided to Requesting Licensees

Q1 FY20 Profit & loss statement

S\$'000	Q1 FY20	Q1 FY19	Variance (%)
Revenue	92,041	86,112	6.9
EBITDA	66,525	60,992	9.1
EBITDA Margin (%)	72.3	70.8	1.5 pp
Depreciation & amortisation	(42,040)	(39,776)	5.7
Net finance charges	(4,517)	(4,144)	9.0
Profit before tax	19,968	17,072	17.0

Revenue for Q1 FY20 grew by 6.9% mainly due to higher residential connections and installation-related revenue partially offset by lower ducts and manholes service and diversion revenue.

EBITDA margin of 72.3% was 1.5 pp higher mainly due to the adoption of the SFRS(I) 16¹. Excluding the impact of SFRS(I) 16, EBITDA margin for Q1 FY20 would have been 71.5%, or 0.7 pp higher compared to 70.8% for Q1 FY19.

¹ The NetLink Group has adopted a new accounting standard, Singapore Financial Reporting Standard (International) 16 – Leases (“SFRS(I) 16”), for the first time on 1 Apr 2019 using the modified retrospective approach. For more information, please refer to pages 8 to 10 of the Financial Statements Announcement for the first quarter ended 30 Jun 2019.

Robust balance sheet¹

S\$92m

Cash Balance

S\$636m

Gross Debt

S\$2,952m

Net Assets

2.5x

Gross
Debt/EBITDA²

13.5x

EBITDA Interest
Cover²

75.7 cents

Net Assets per Unit

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

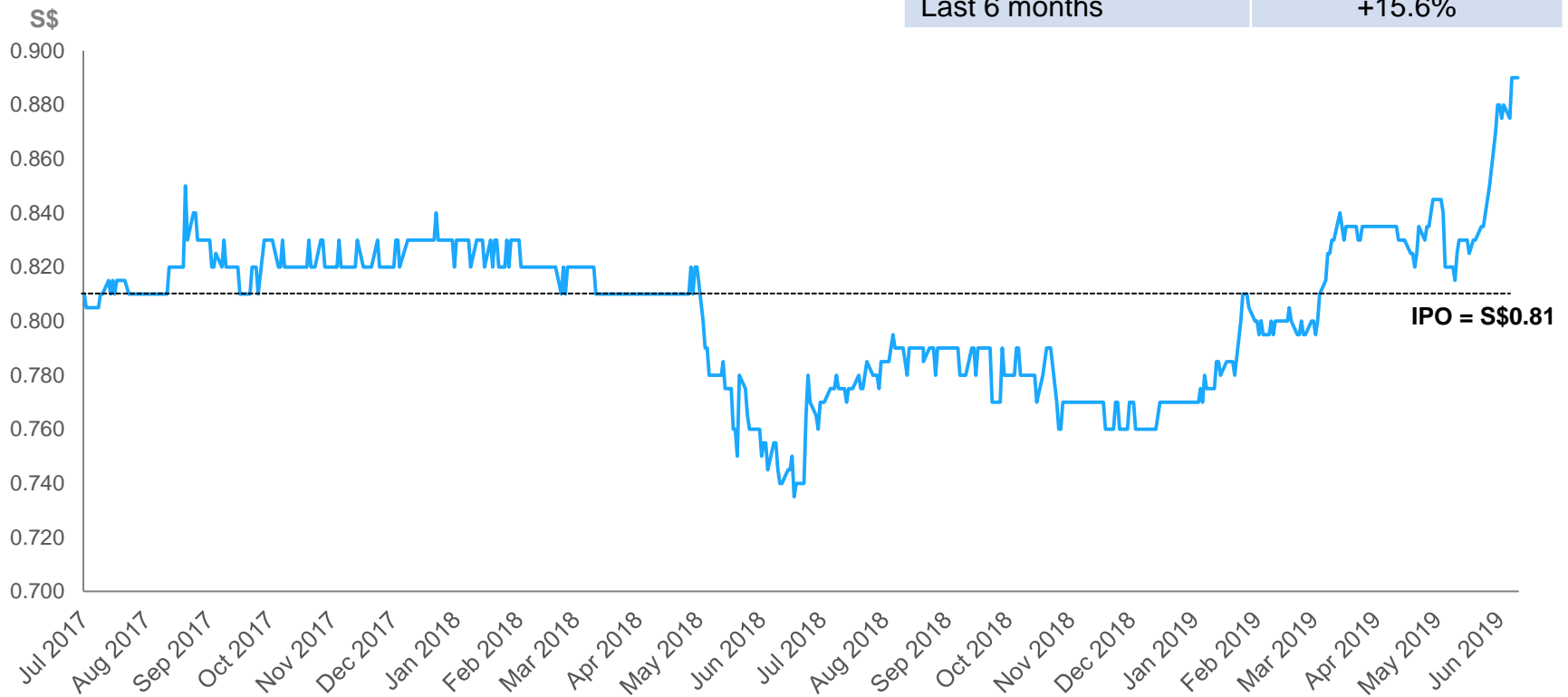
¹ As at 30 Jun 2019

² Ratios calculated based on NetLink Group's trailing 12 month financials

Unit price performance since IPO

Total Unitholder return = +19.9%
(Inclusive of the total DPU of 8.12 Singapore cents since IPO)

Unit price performance as at 28 Jun 2019	
Since IPO (approximately 24 months)	+9.9%
Last 12 months	+19.5%
Last 6 months	+15.6%



Source: Bloomberg as at 28 Jun 2019

Our focus for FY20



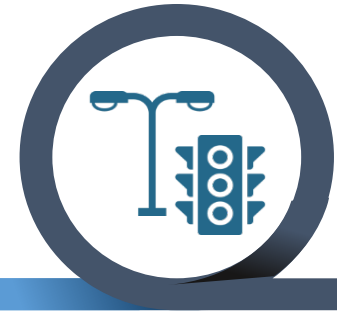
Residential

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



Non-Residential

- Partnership with Requesting Licensees
- Serving Enterprises and Government Agencies with a 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

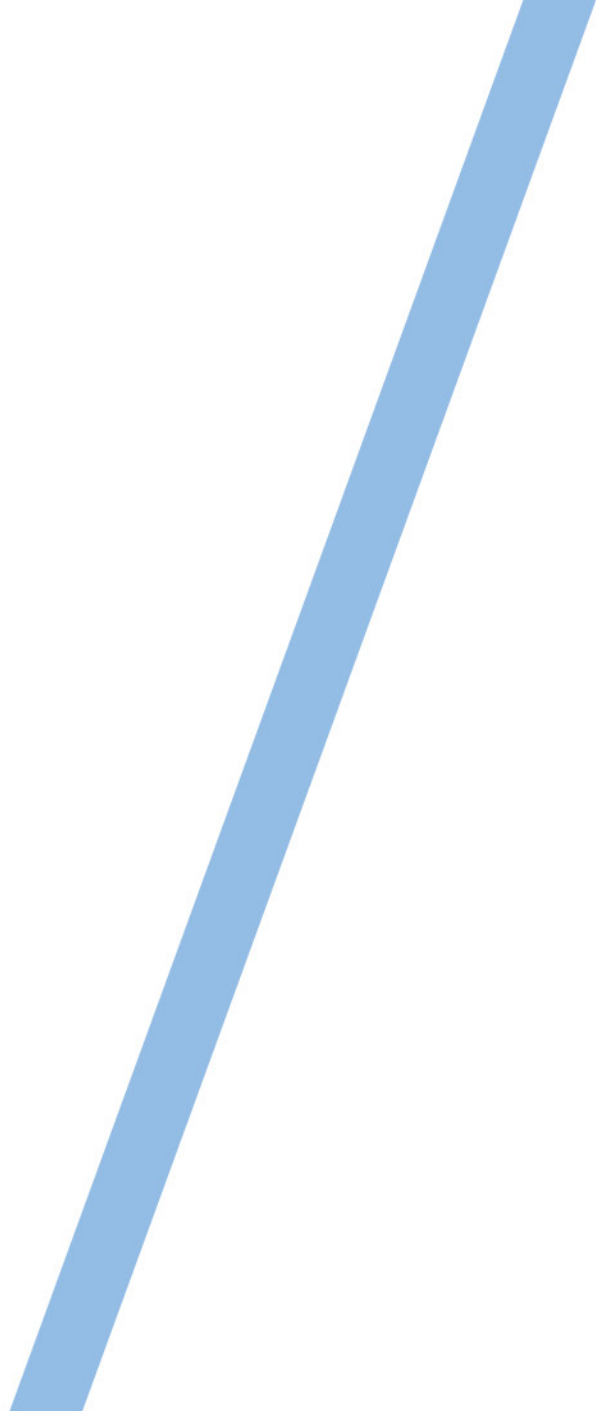
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Well-positioned to capitalise on growth in connected services including Singapore's Smart Nation initiatives

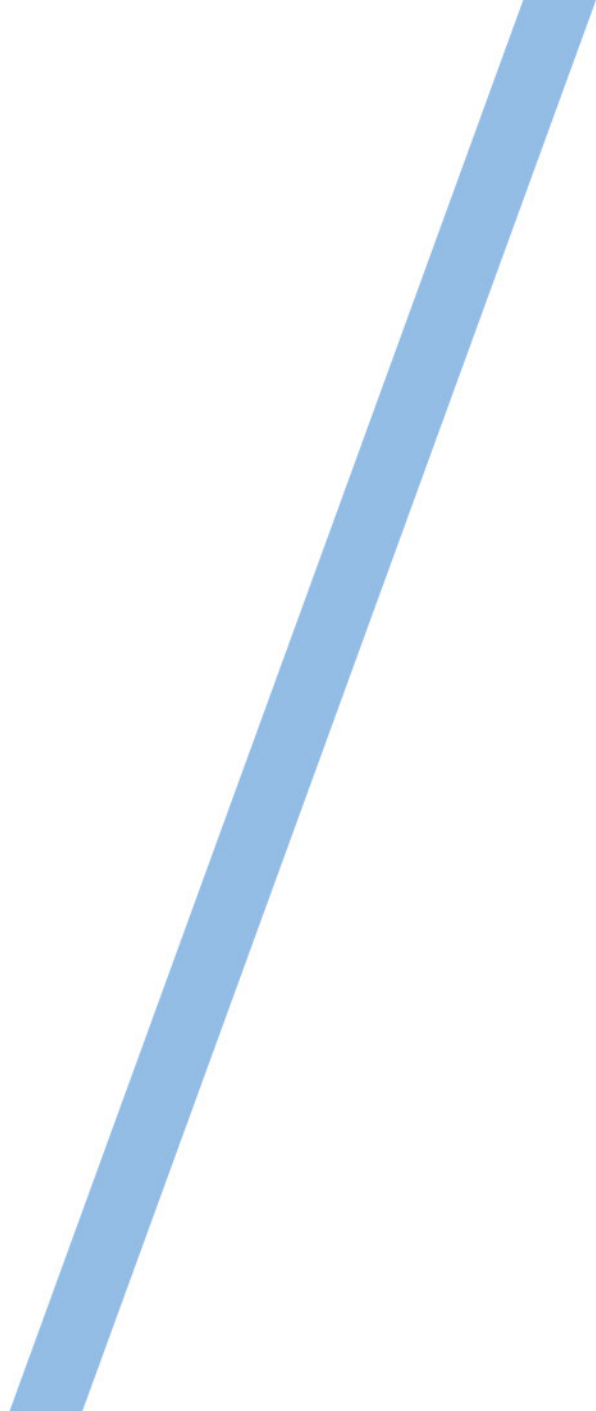
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Extensive nationwide network affording natural barrier to entry

Thank You



Supplemental Business Information



NetLink Trust's pricing for its services

Pricing of NLT's principal services are regulated by IMDA

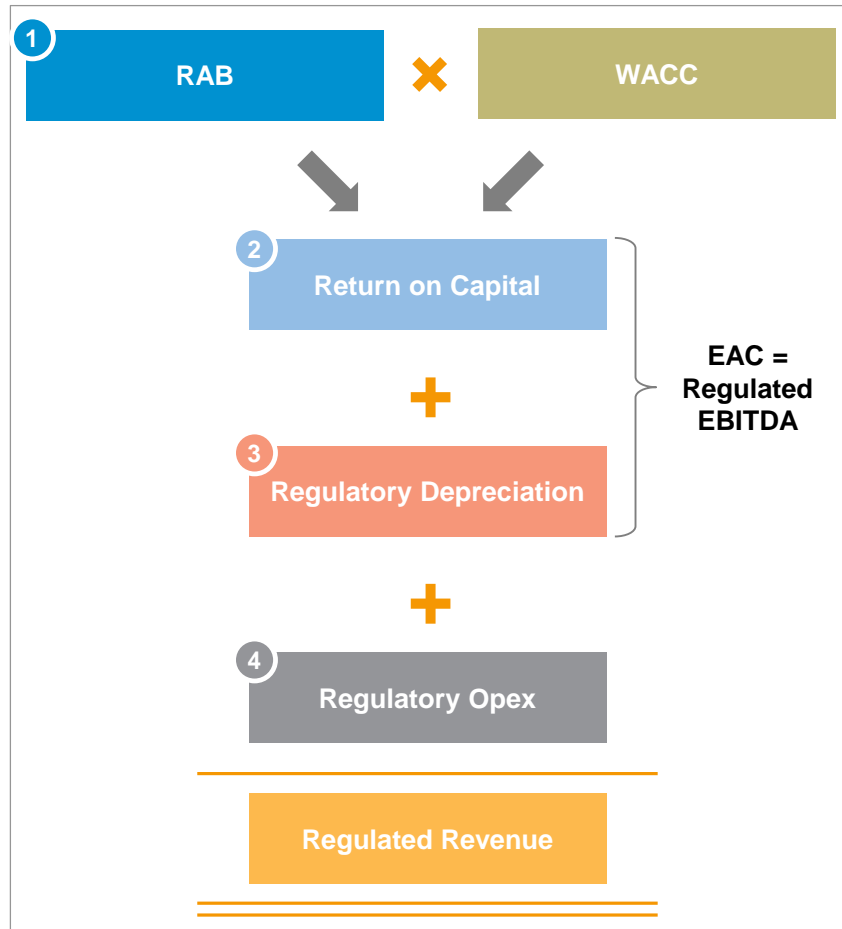
- IMDA shall hold a review of pricing terms every five years following the last price review, or at any such time as IMDA may consider appropriate (which may include a mid-term review in the third year from the last price review)
 - The most recent review by IMDA of prices under the Interconnection Offer 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

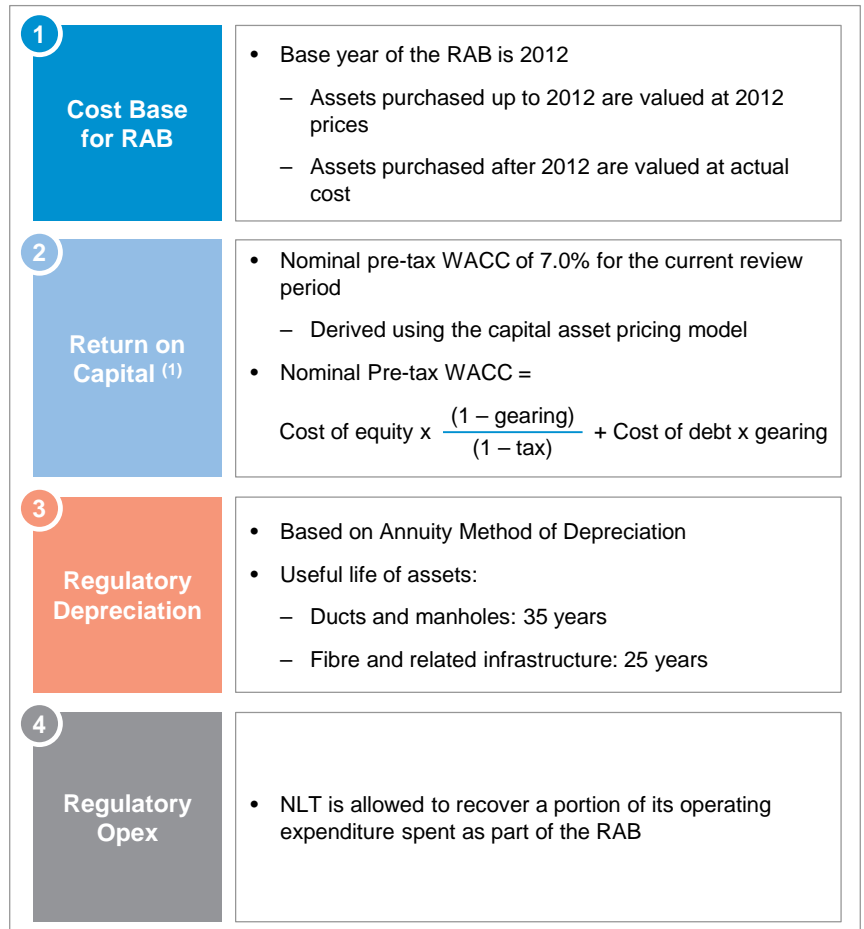
Residential	S\$13.80 per connection per month
Non-residential	S\$55 per connection per month
NBAP	S\$73.80 per connection per month

NetLink Trust's pricing for its services

Framework for RAB Based Pricing Model



Methodology for RAB based pricing model



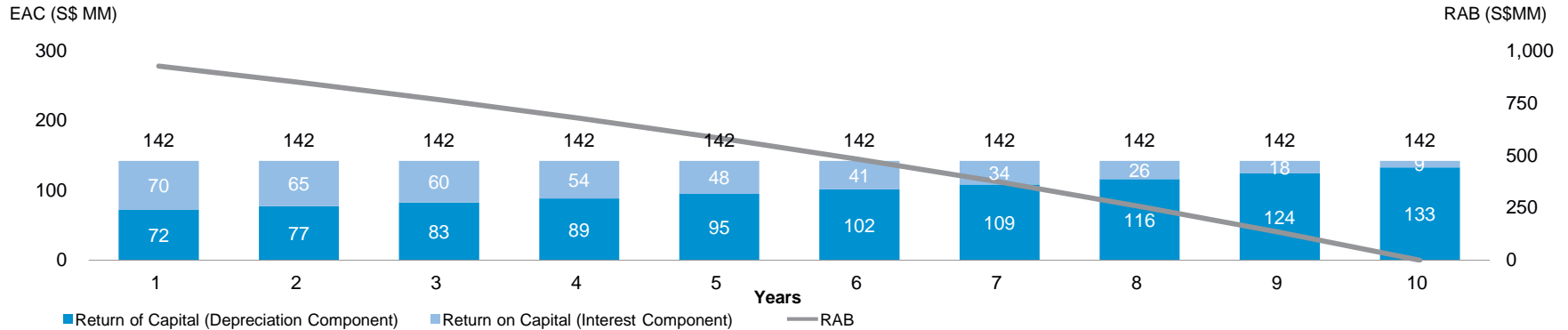
1. IMDA may change the rate of applicable pre-tax WACC in future review period

Understanding the ICO pricing framework

Illustrative Worked Example

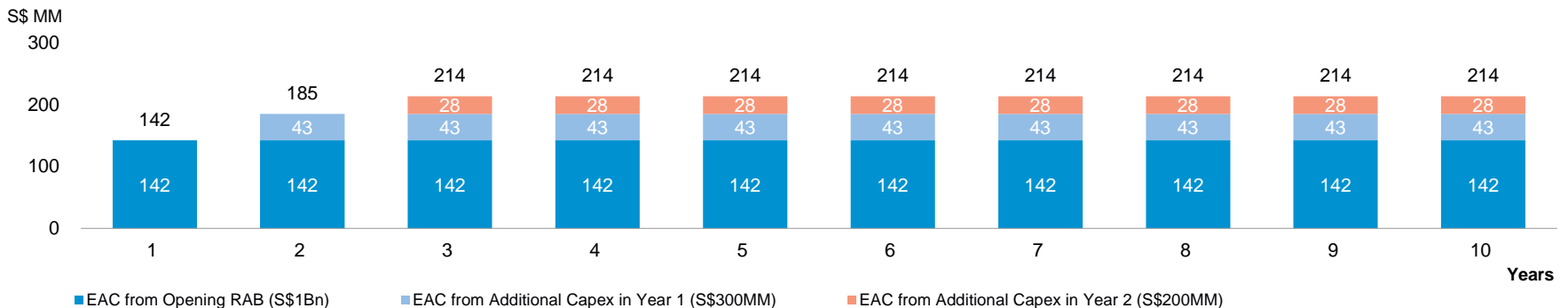
How Does EAC Work for 1 Year's Outflow on Capex?

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)