



# 1H14 Results Presentation

21 July 2014



## Forward looking statements – Important note

*This presentation and the following discussion may contain forward looking statements by M1 Limited (“M1”) relating to financial trends for future periods*

*Some of the statements contained in this presentation or arising from this discussion which are not of historical facts are statements of future expectations with respect to financial conditions, results of operations and businesses, and related plans and objectives. Such forward looking statements are based on M1’s current views and assumptions including, but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of M1. In particular, such statements should not be regarded as a forecast or projection of future performance of M1. It should be noted that the actual performance or achievements of M1 may vary significantly from such statements.*



# Overview

## Financial highlights for 1H14

- Service revenue increased 1.5% YoY to S\$413m
- EBITDA margin at 39.9% of service revenue
- Net profit after tax increased 8.2% YoY to S\$87m
  - Margin improved to 21.0%

## Performance highlights for 2Q14

- Customer acquisition cost decreased 19.3% YoY to S\$268
- Postpaid ARPU stable at \$62.3
- Fibre customer base increased to 94,000

## Dividend

- Interim dividend of 7.0 cents per share

# Agenda



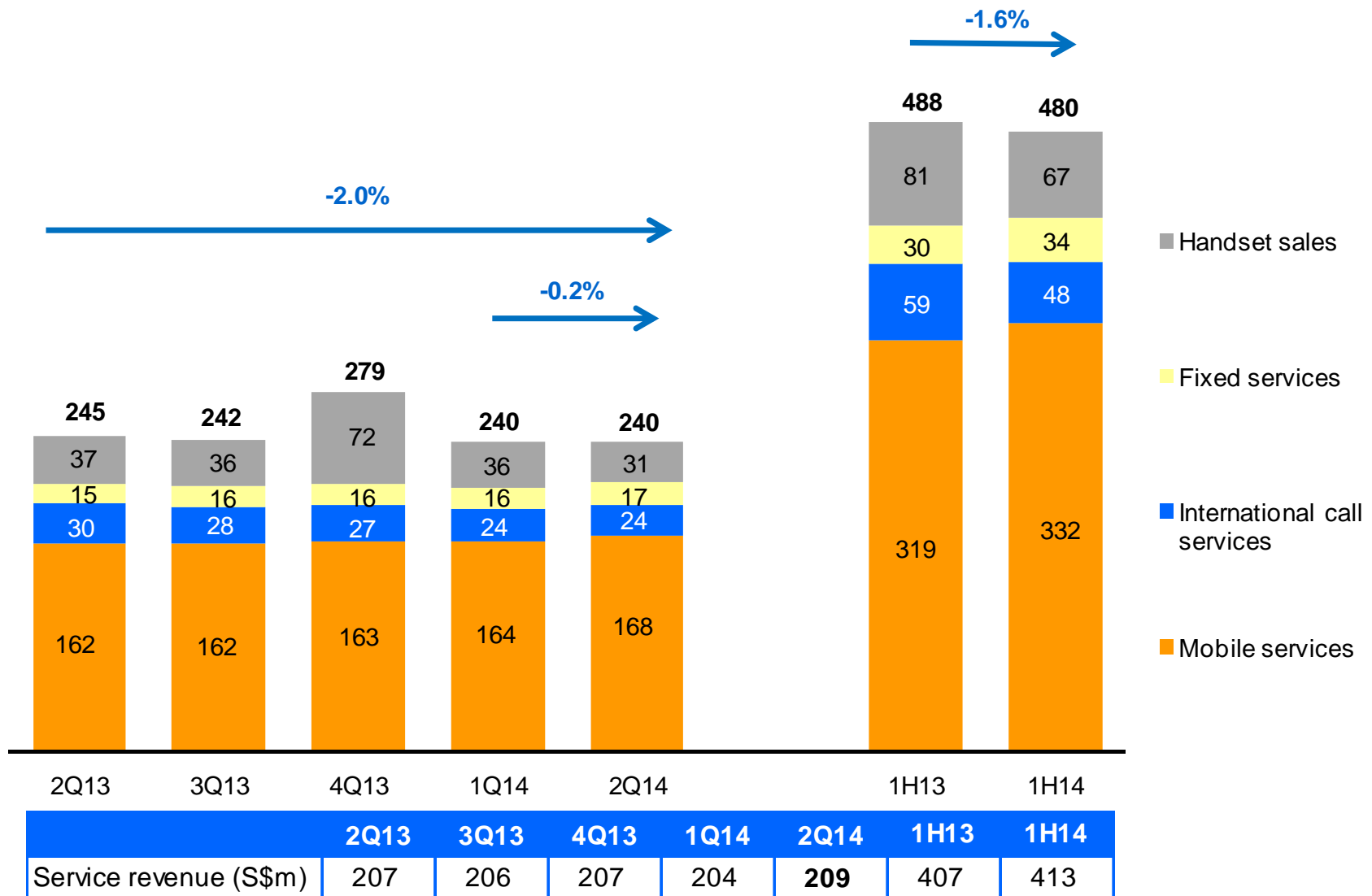
Financial highlights

Performance highlights

Developments and outlook

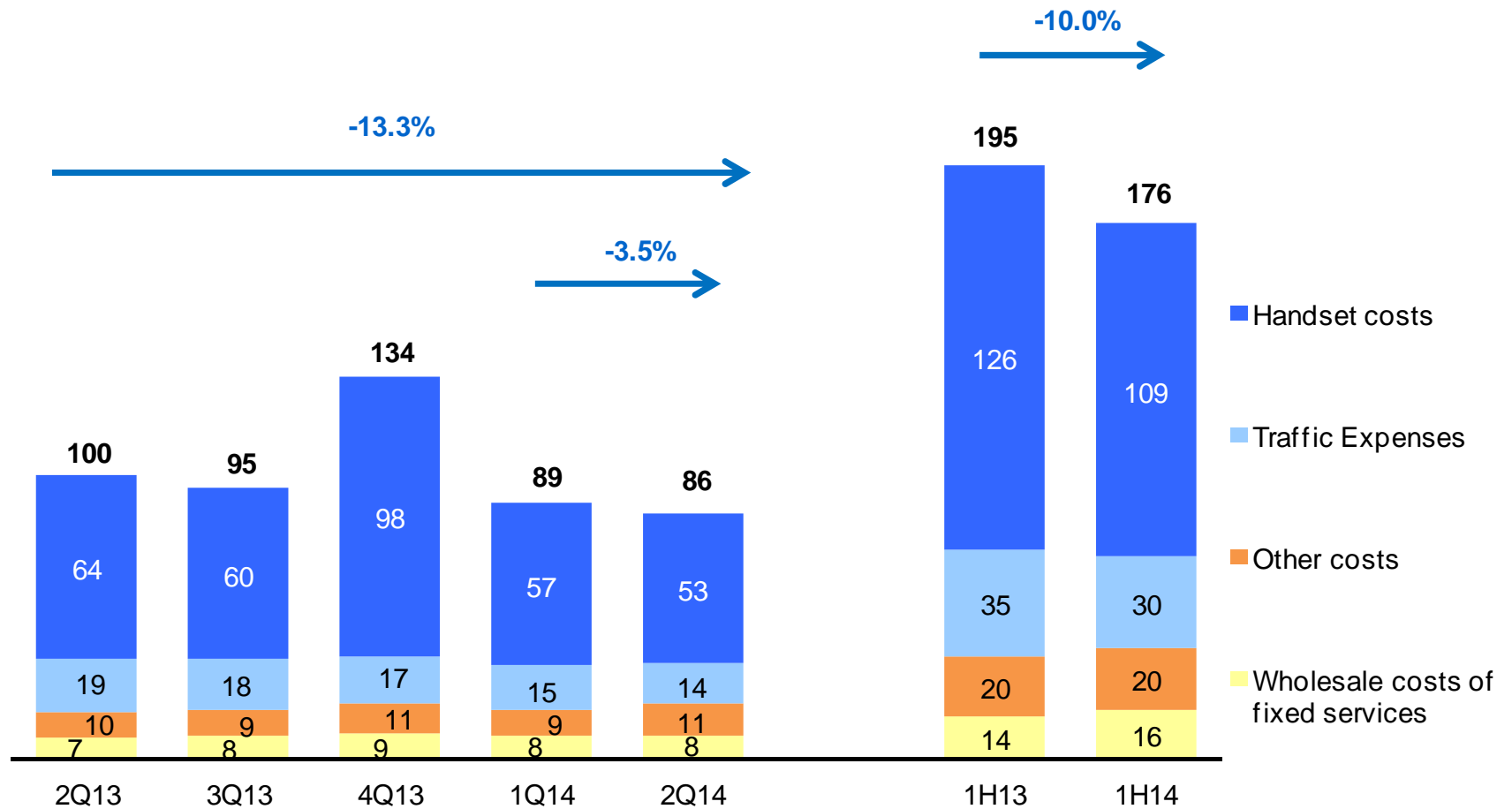


# Operating revenue (S\$m)

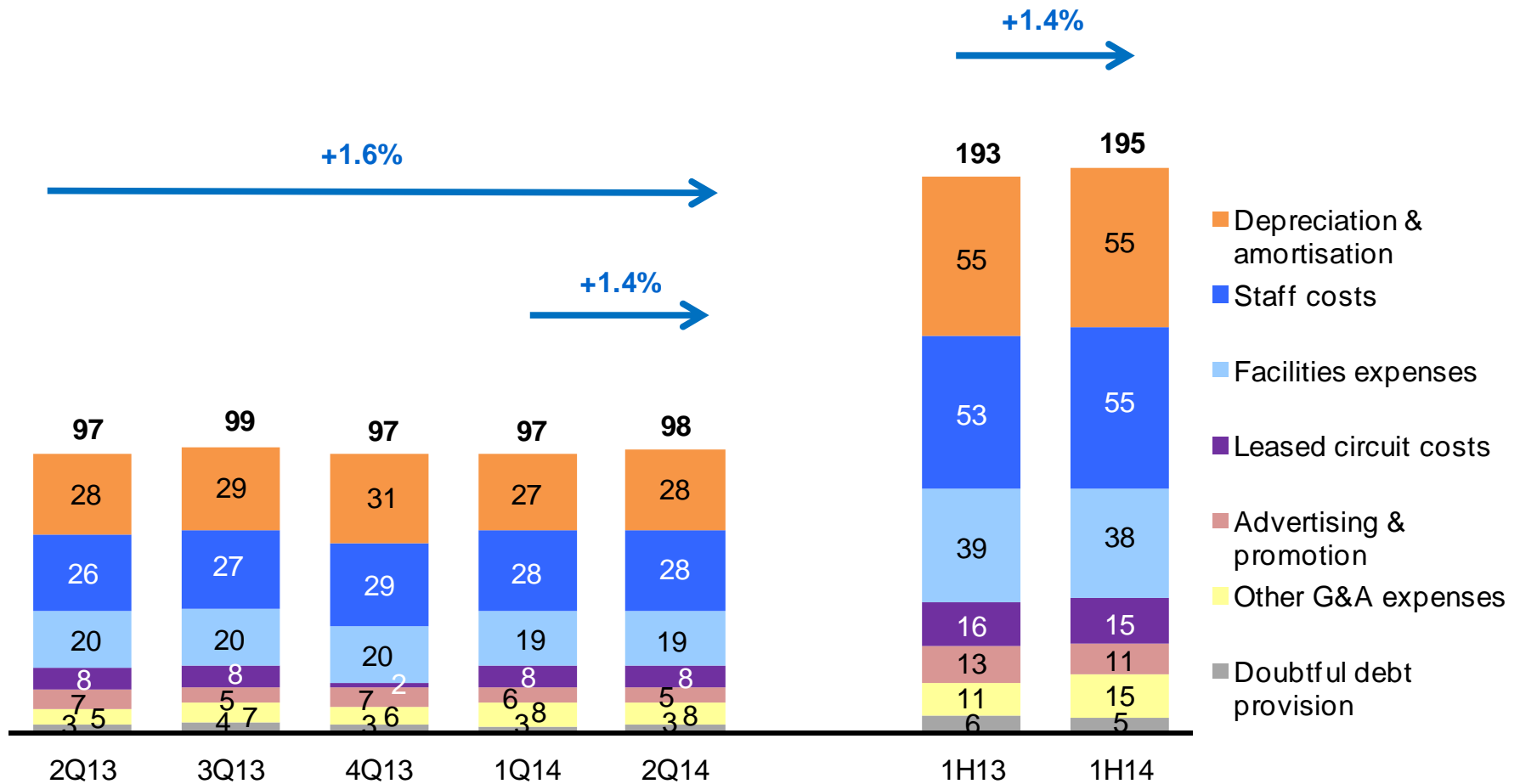




## Cost of sales (S\$m)



## Other operating expenses (\$m)

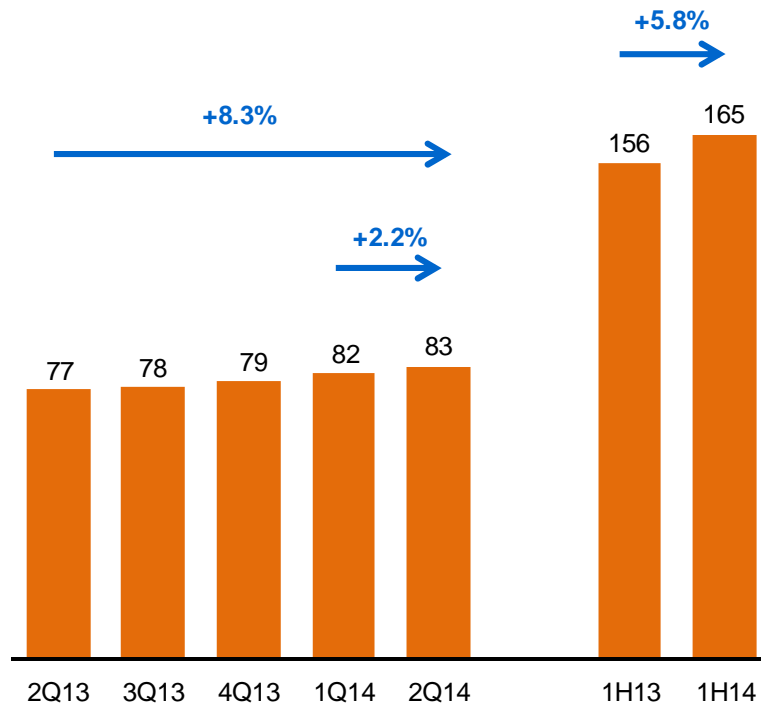




## EBITDA & net profit after tax

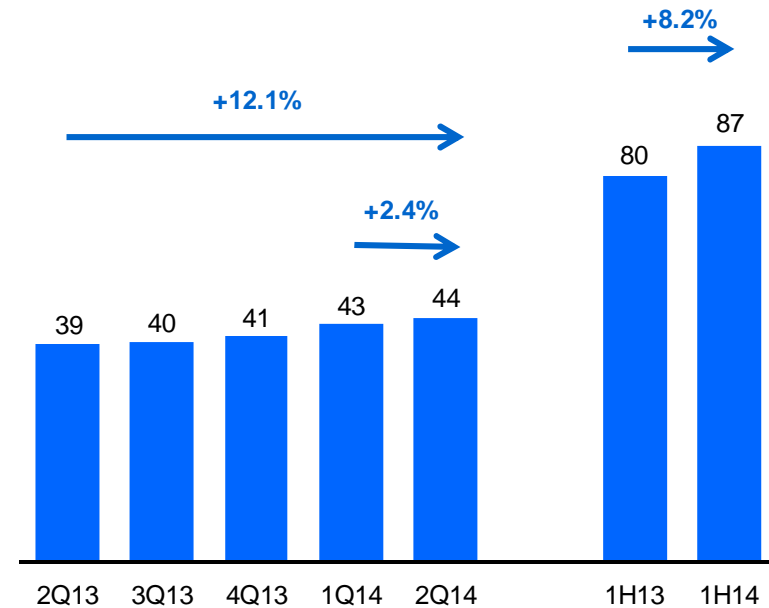
### EBITDA (S\$m) & margin on service revenue

	2Q13	3Q13	4Q13	1Q14	2Q14	1H13	1H14
EBITDA margin (on service revenue)	37.1%	37.7%	38.2%	40.0%	<b>39.8%</b>	38.3%	39.9%



### Profit after tax (S\$m) & margin on service revenue

	2Q13	3Q13	4Q13	1Q14	2Q14	1H13	1H14
PAT margin (on service revenue)	18.9%	19.2%	19.6%	21.0%	<b>21.0%</b>	19.7%	21.0%

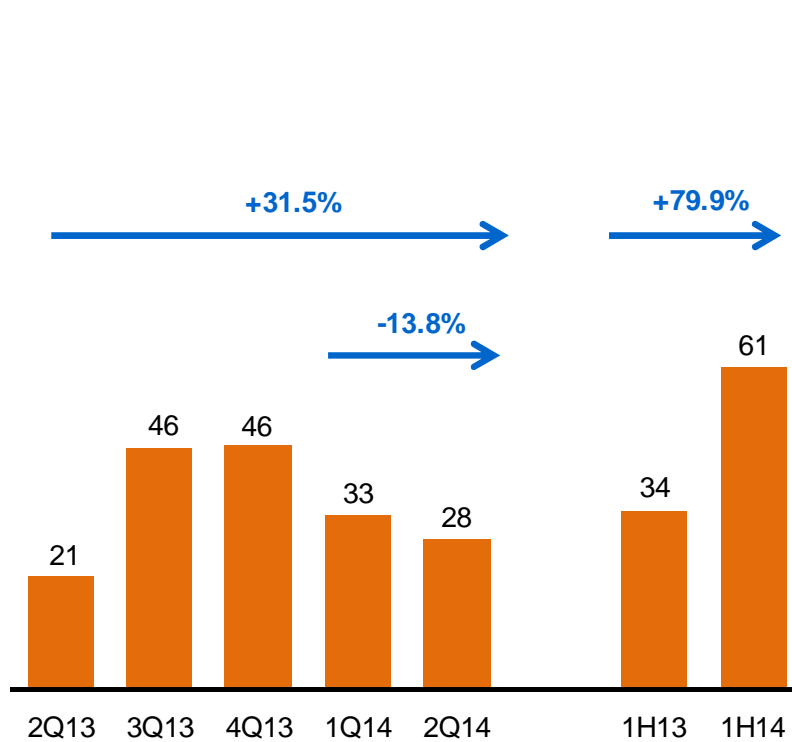




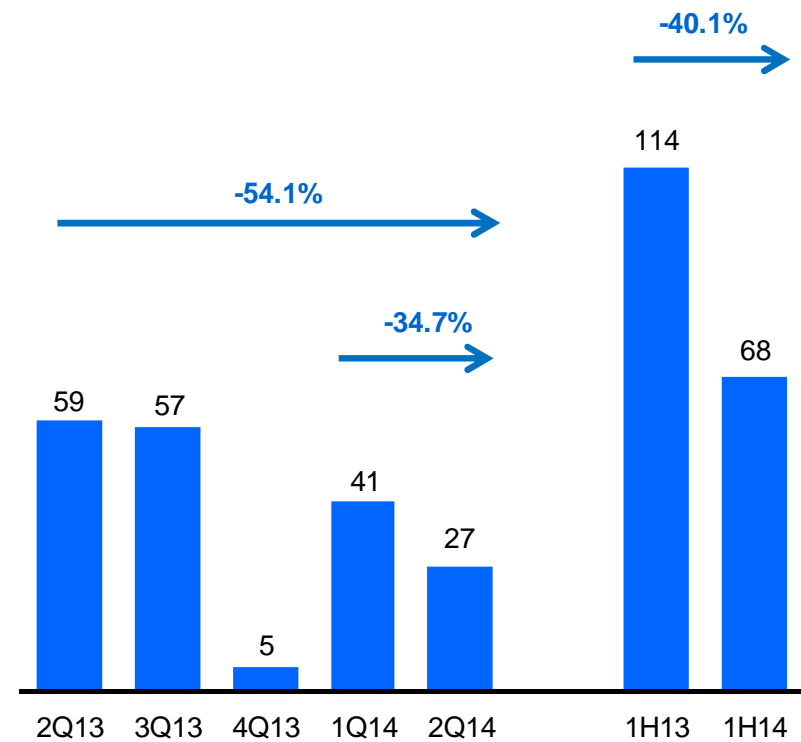


## Capex & free cash flow

Capex (S\$m)



Free cash flow (S\$m)





## Financial leverage

S\$m	1H2013	1H2014	Change
Cash & cash equivalents	52.5	<b>16.4</b>	-68.8%
Net debt	197.5	<b>244.4</b>	23.7%
Net assets	374.4	<b>365.2</b>	-2.4%
Net debt/equity (x)	0.5	<b>0.7</b>	26.8%
Net debt/EBITDA (x)	0.6	<b>0.8</b>	18.1%
EBITDA/Interest (x)	63.5	<b>82.4</b>	29.6%
Net assets per share (cents)	40.6	<b>39.3</b>	-3.2%
EPS - diluted (cents)	8.7	<b>9.3</b>	6.6%

# Agenda

Financial highlights

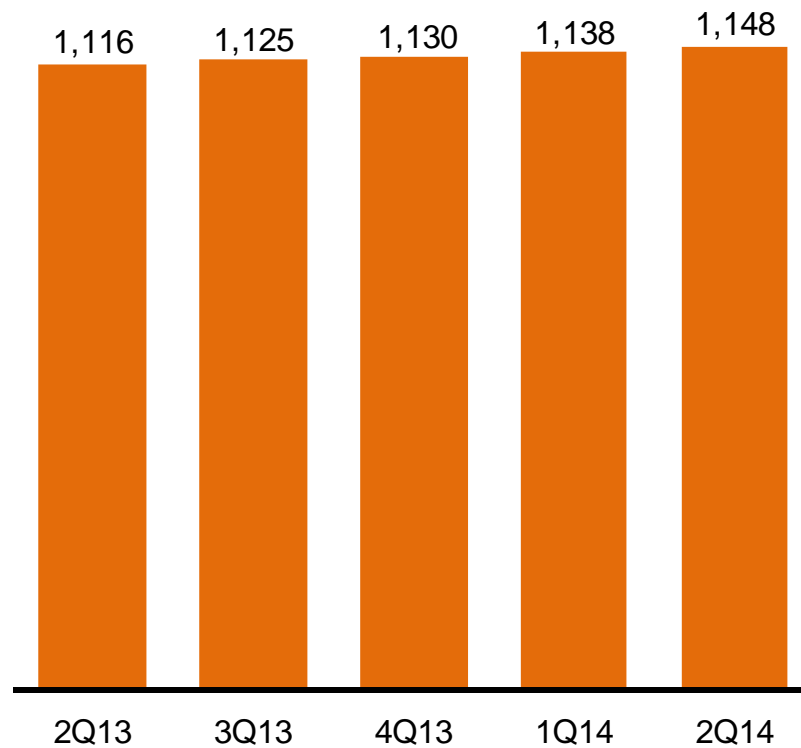
Performance highlights

Developments and outlook

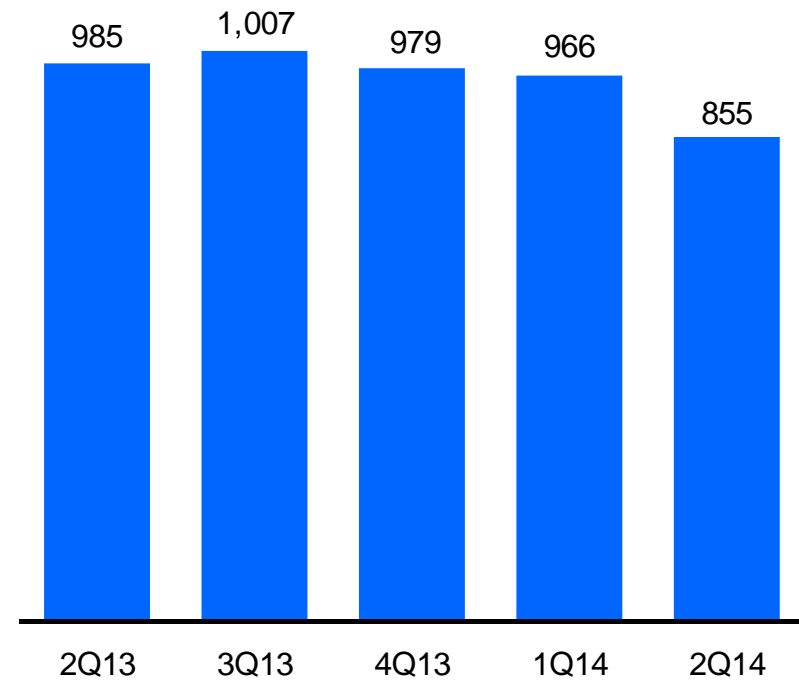


## Mobile customers

Postpaid customer base ('000)



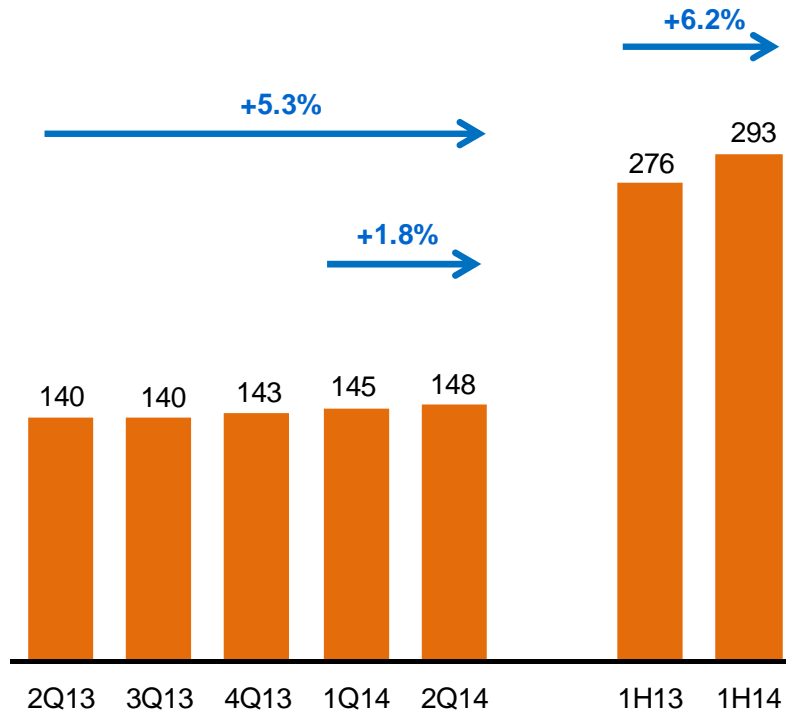
Prepaid customer base ('000)



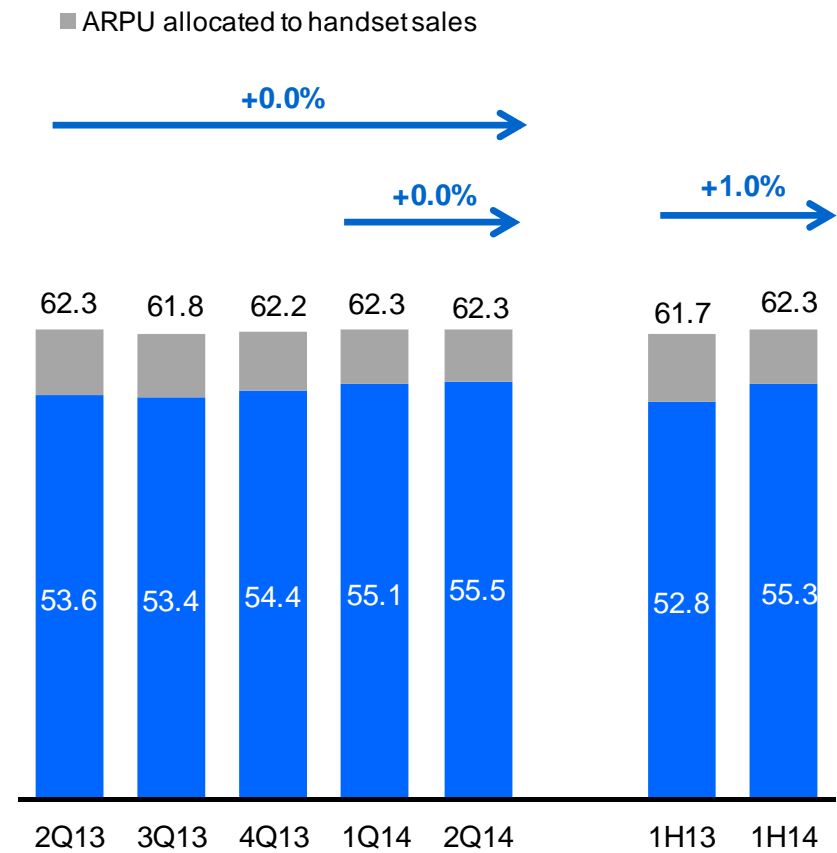


# Postpaid mobile

Postpaid mobile revenue (S\$m)



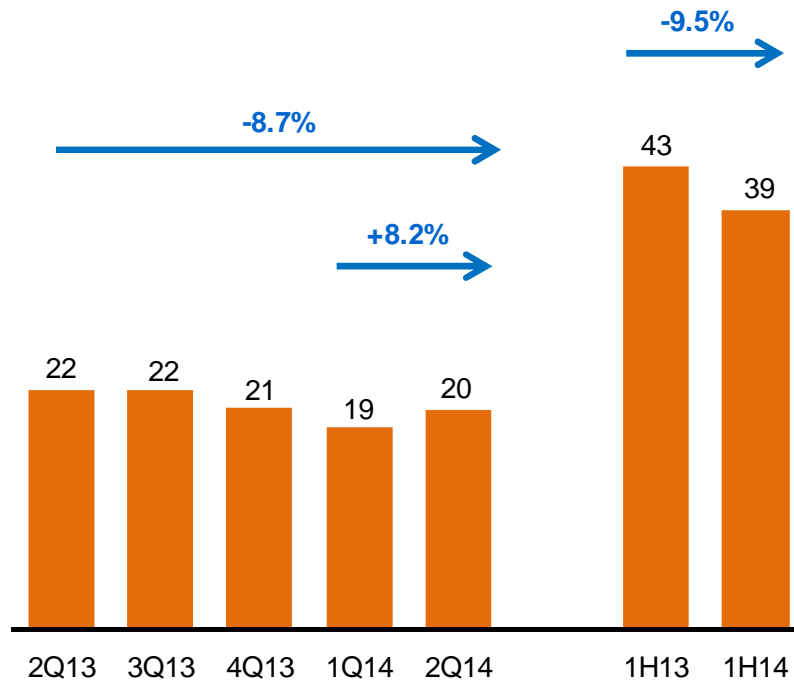
Postpaid monthly ARPU (S\$)



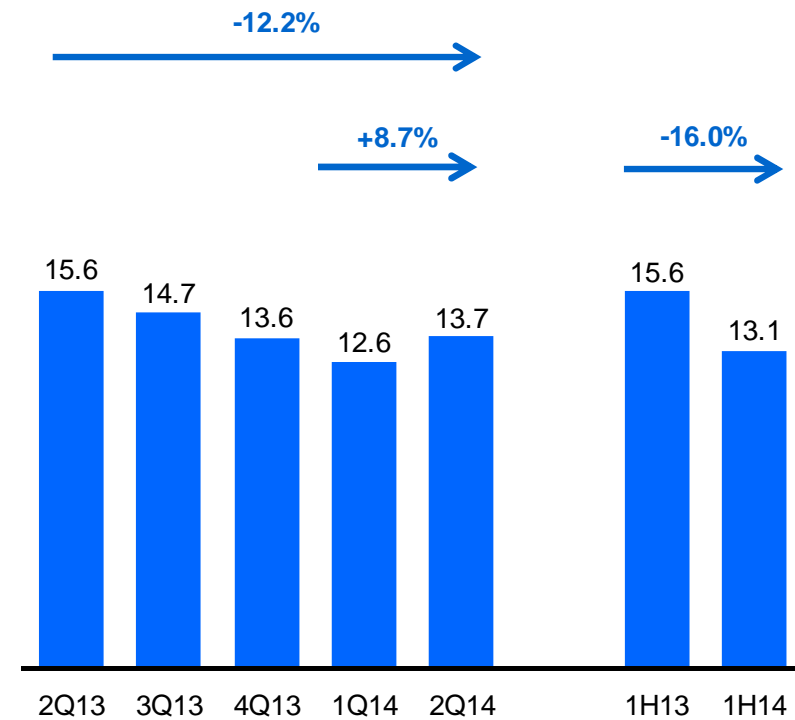


# Prepaid mobile

Prepaid mobile revenue (S\$m)



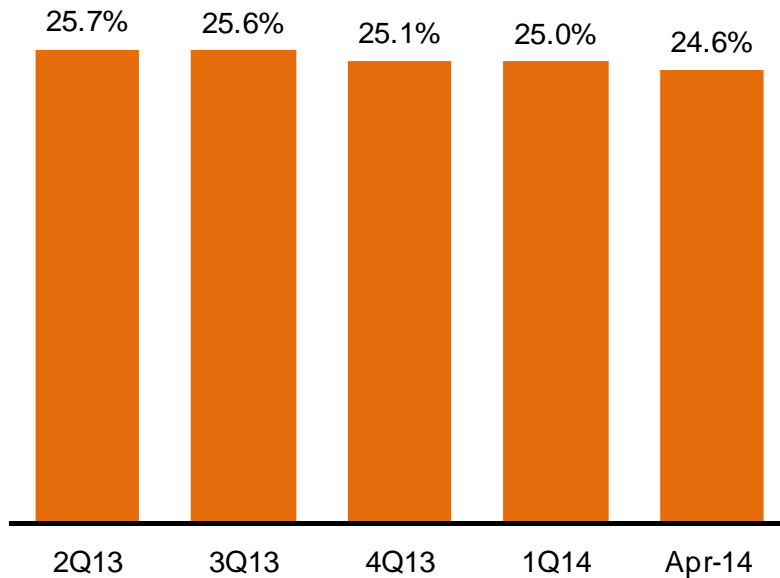
Prepaid monthly ARPU (S\$)





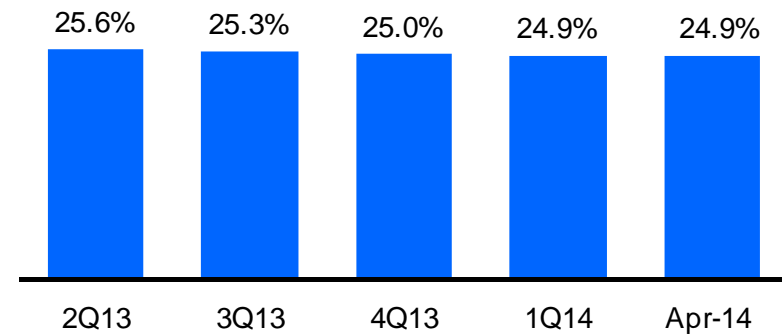
# Mobile market share

Overall market share\*

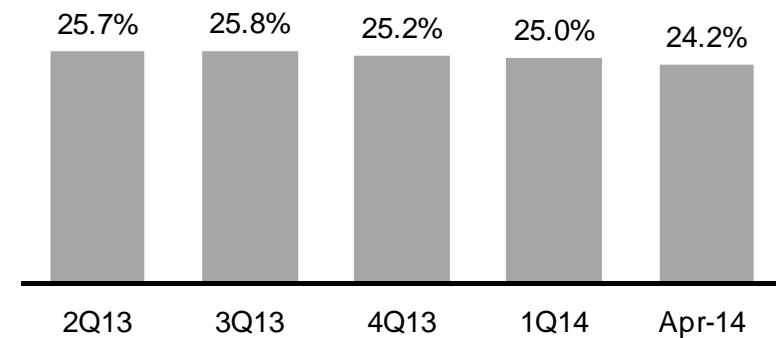


Postpaid & prepaid market share\*

## Postpaid



## Prepaid

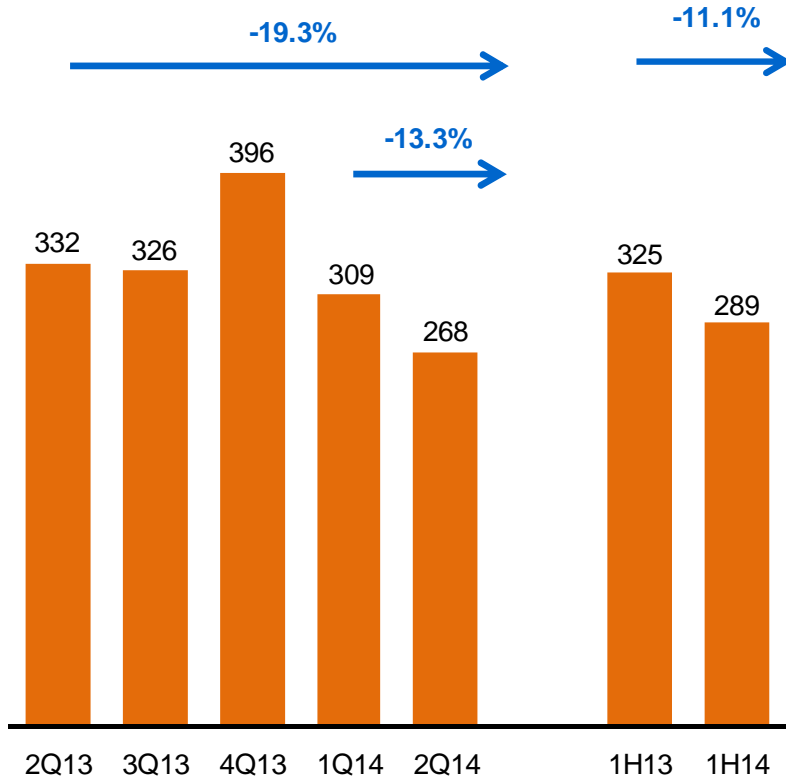


\* - Based on published statistics available at the time of submission



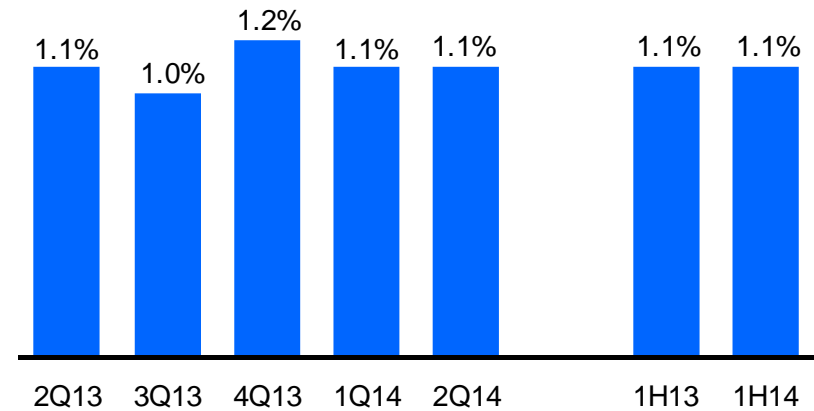
## Postpaid mobile

Acquisition cost  
per postpaid customer (S\$)



*Note: Cash basis*

Monthly churn rate (postpaid)

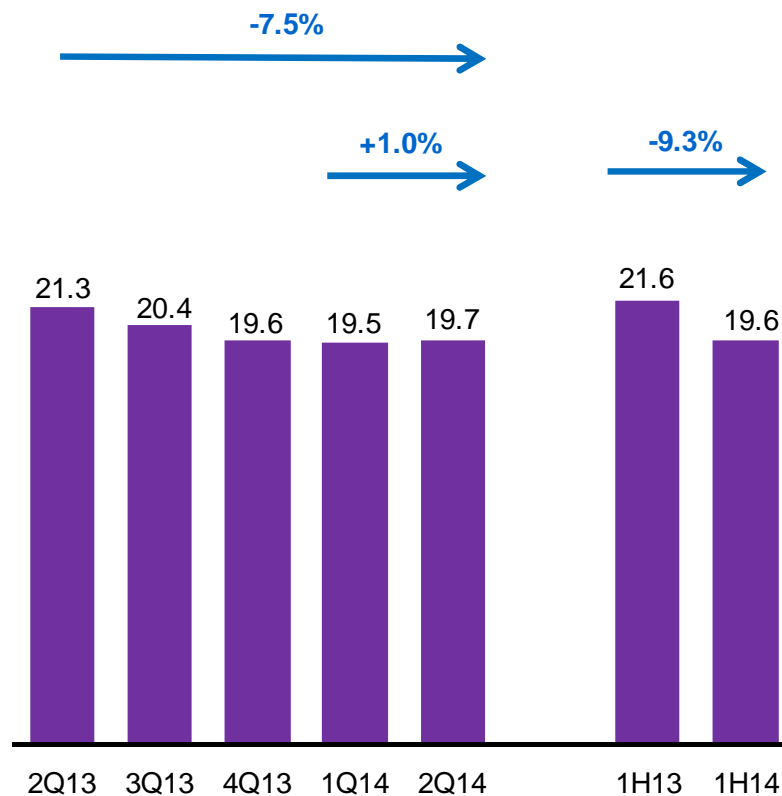




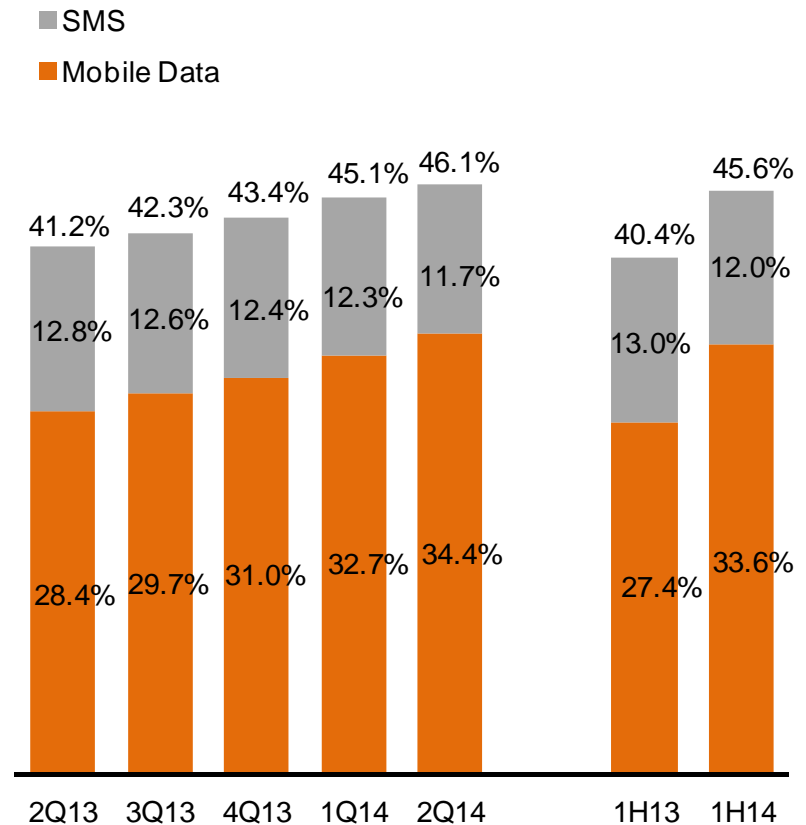


# Mobile data ARPU & non-voice contribution

Data plan ARPU (S\$)



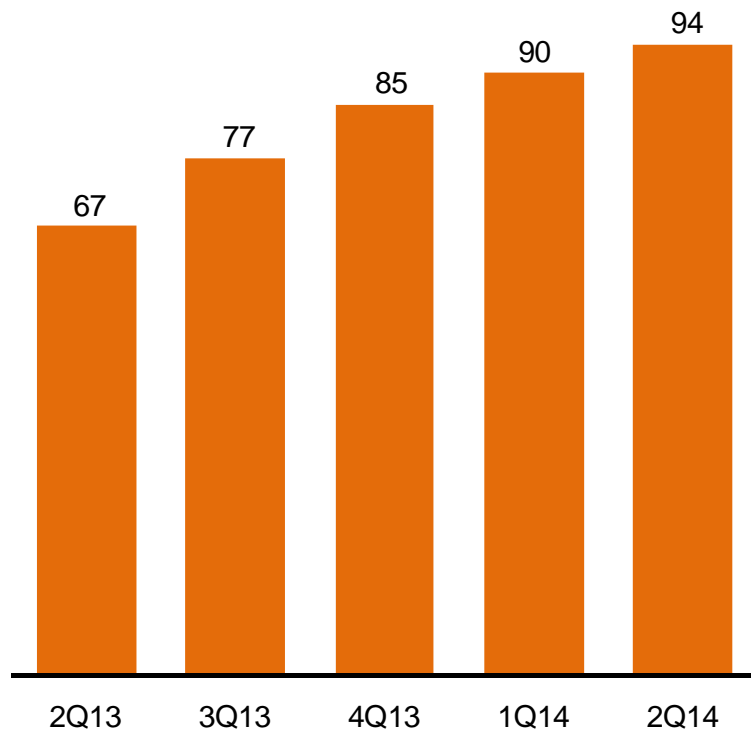
Mobile data and SMS contribution to service revenue



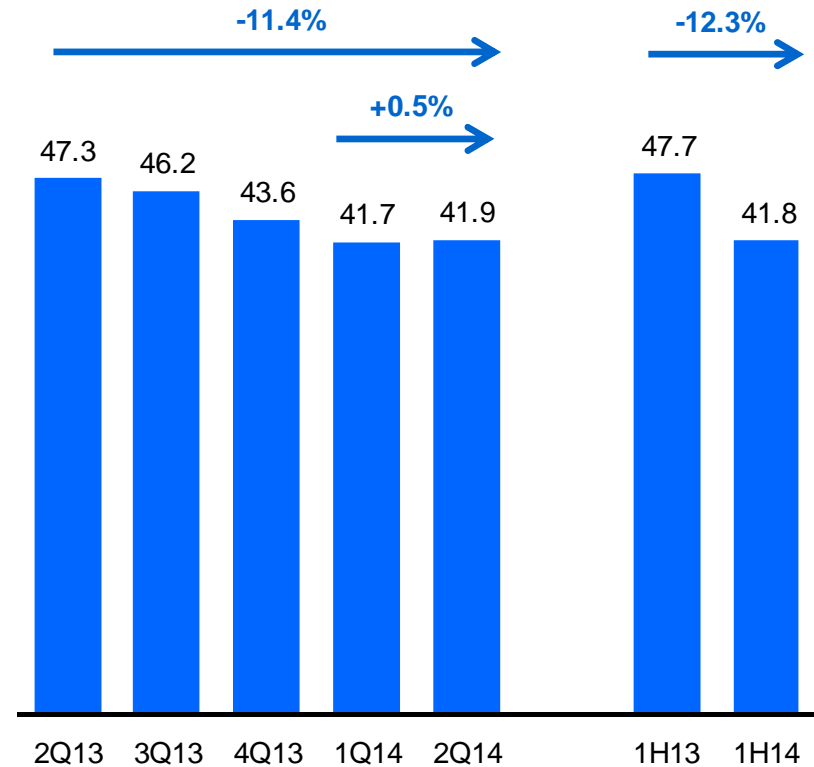


## Fixed services

Fibre Customer base ('000)



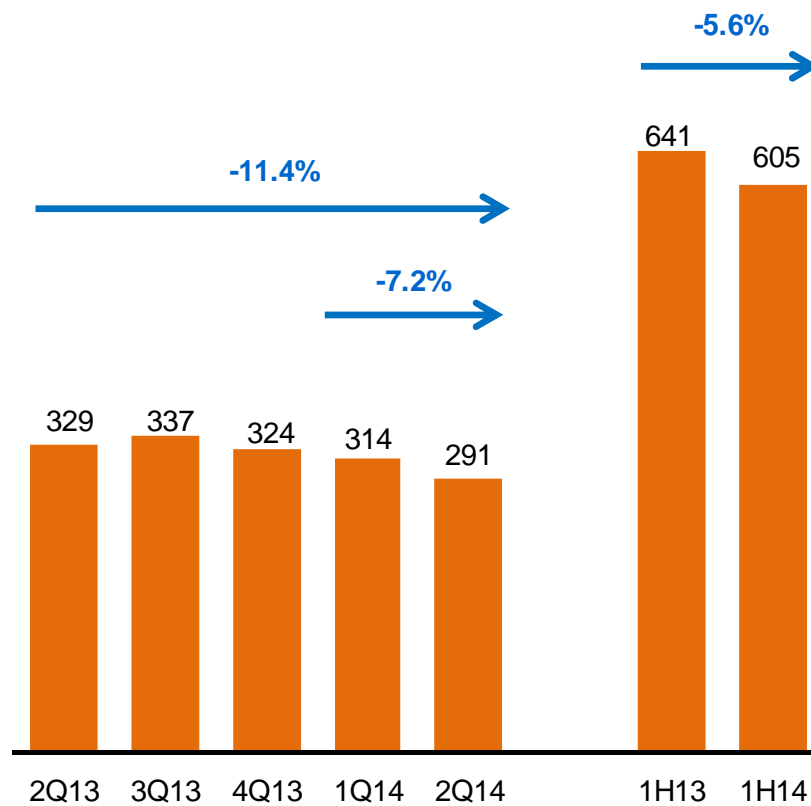
Fibre monthly ARPU (S\$)



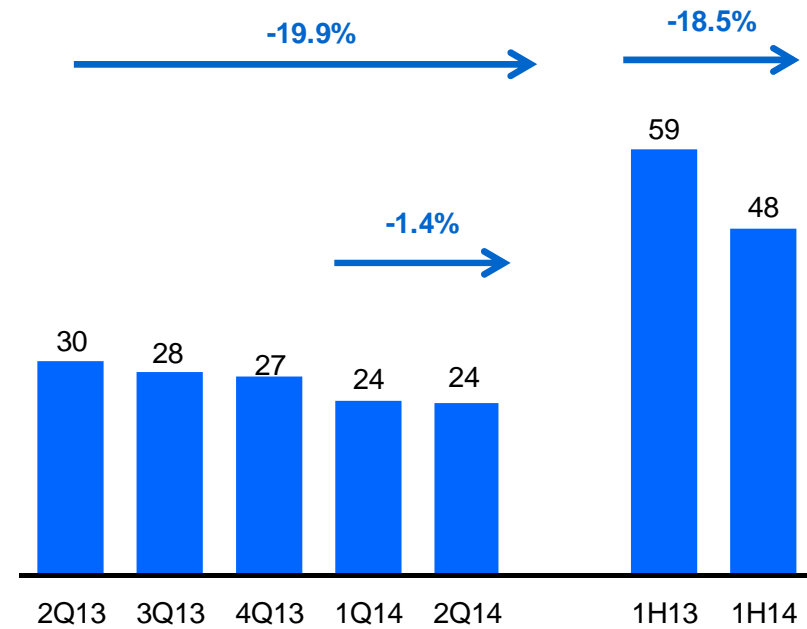


# International call services

International retail minutes  
(million mins)



International call services  
revenue (S\$m)





# Agenda

Financial highlights

Performance highlights

**Developments and outlook**

## Developments and outlook for 2014

### Mobile services

- Continual growth in data usage
  - Driven by faster networks and smart devices

### Fixed services

- Further grow enterprise segment
  - High-speed fibre broadband services
  - Managed services on fibre network
  - Cloud-based data centre to be completed in 2H14

### Financial guidance

- Capex to be around S\$130m
- Estimate moderate growth in FY2014 net profit after tax



Thank you