1H16 Results Presentation

15 July 2016

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 1H16

- Service revenue was stable at S$407m
- EBITDA margin at 40.6% of service revenue
- Net profit after tax declined 7.2% YoY to S$83.5m

Performance highlights for 2Q16

- Mobile customer base increased 38,000 QoQ to 1.98m
- Mobile data revenue was 53.6% of service revenue
- Fibre customer base grew 9,000 QoQ to 145,000
- Fibre revenue increased to 12.6% of service revenue

Dividend

- Interim dividend of 7.0 cents per share

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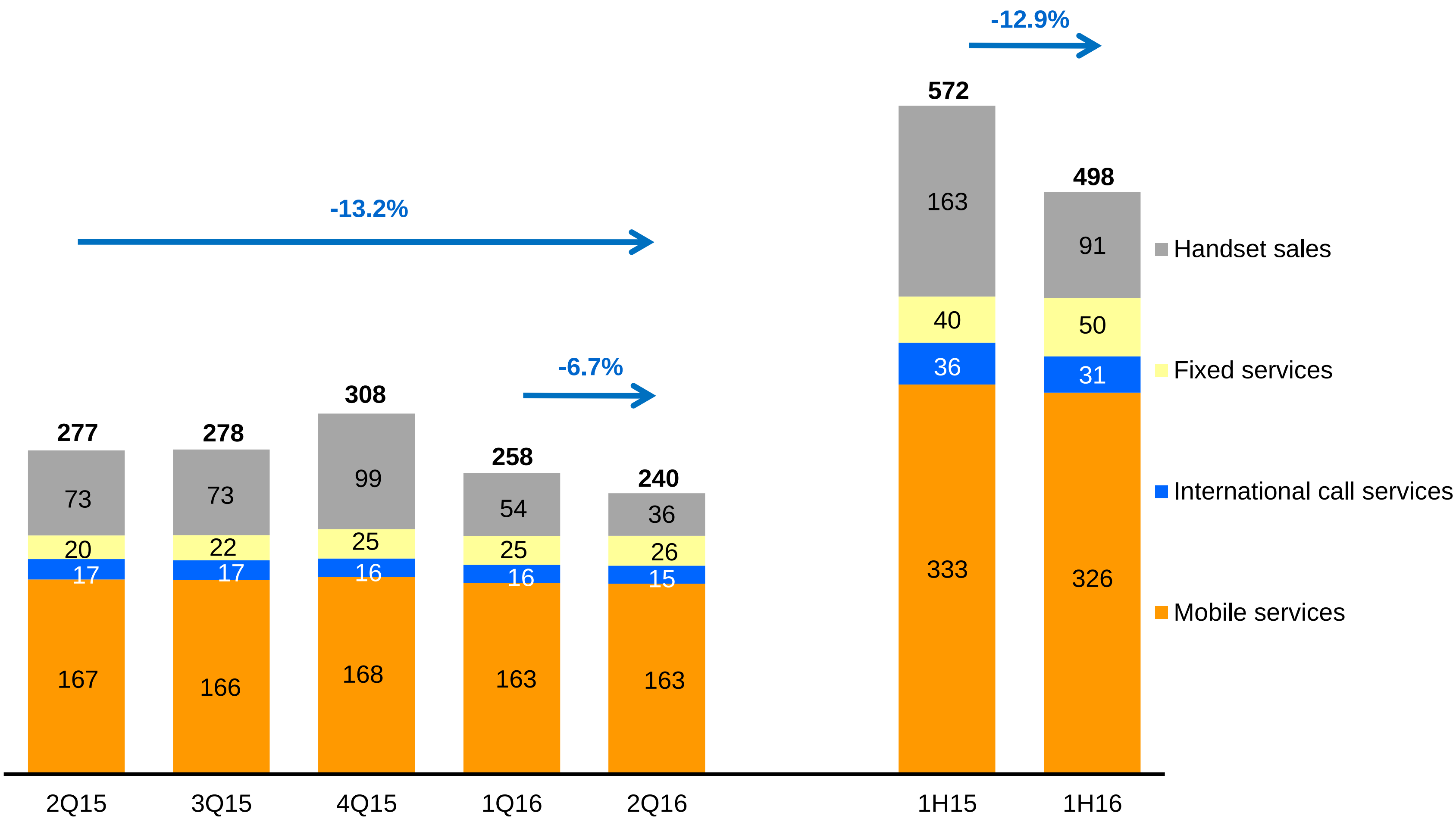
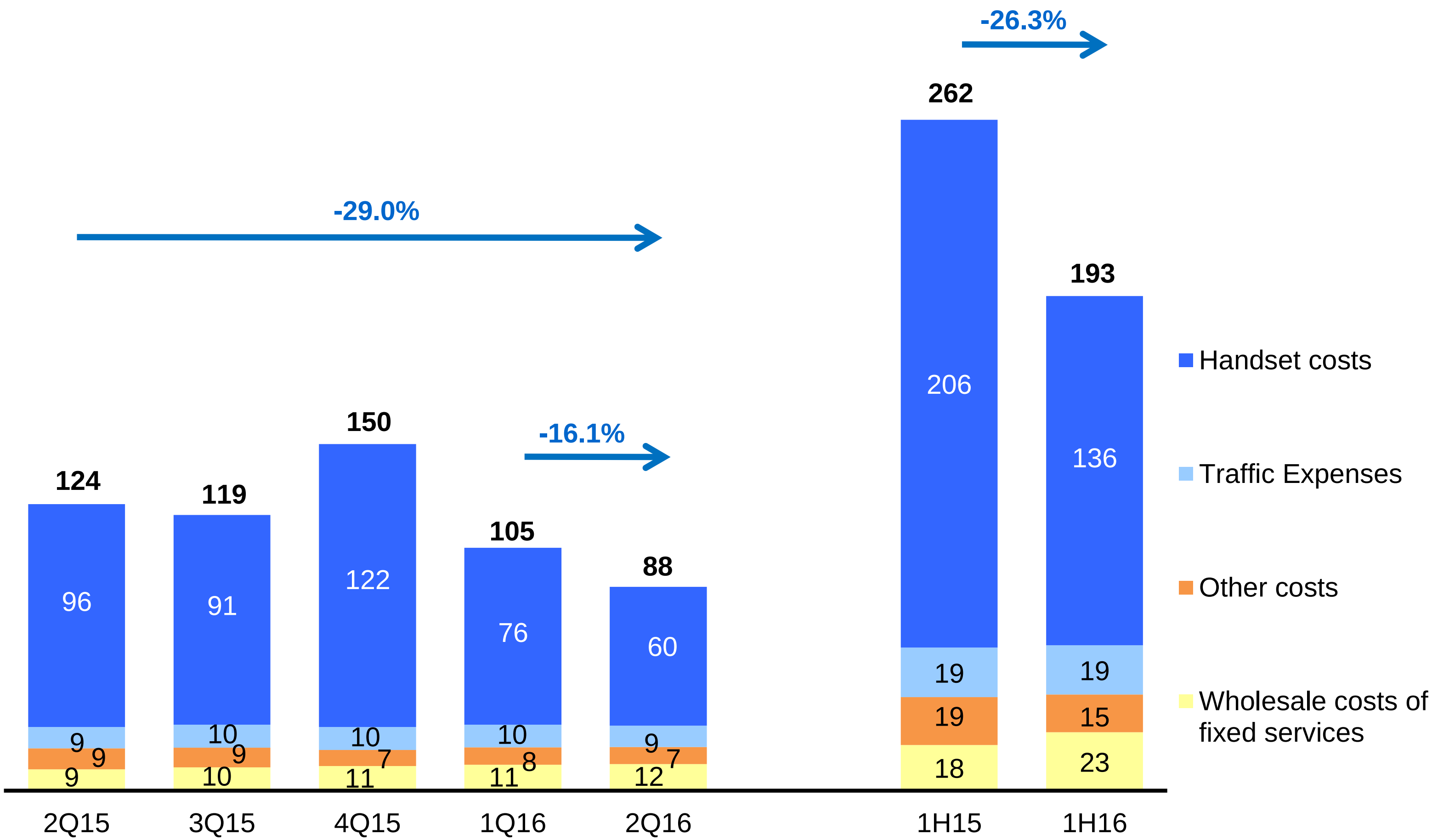
Operating revenue (S$m)

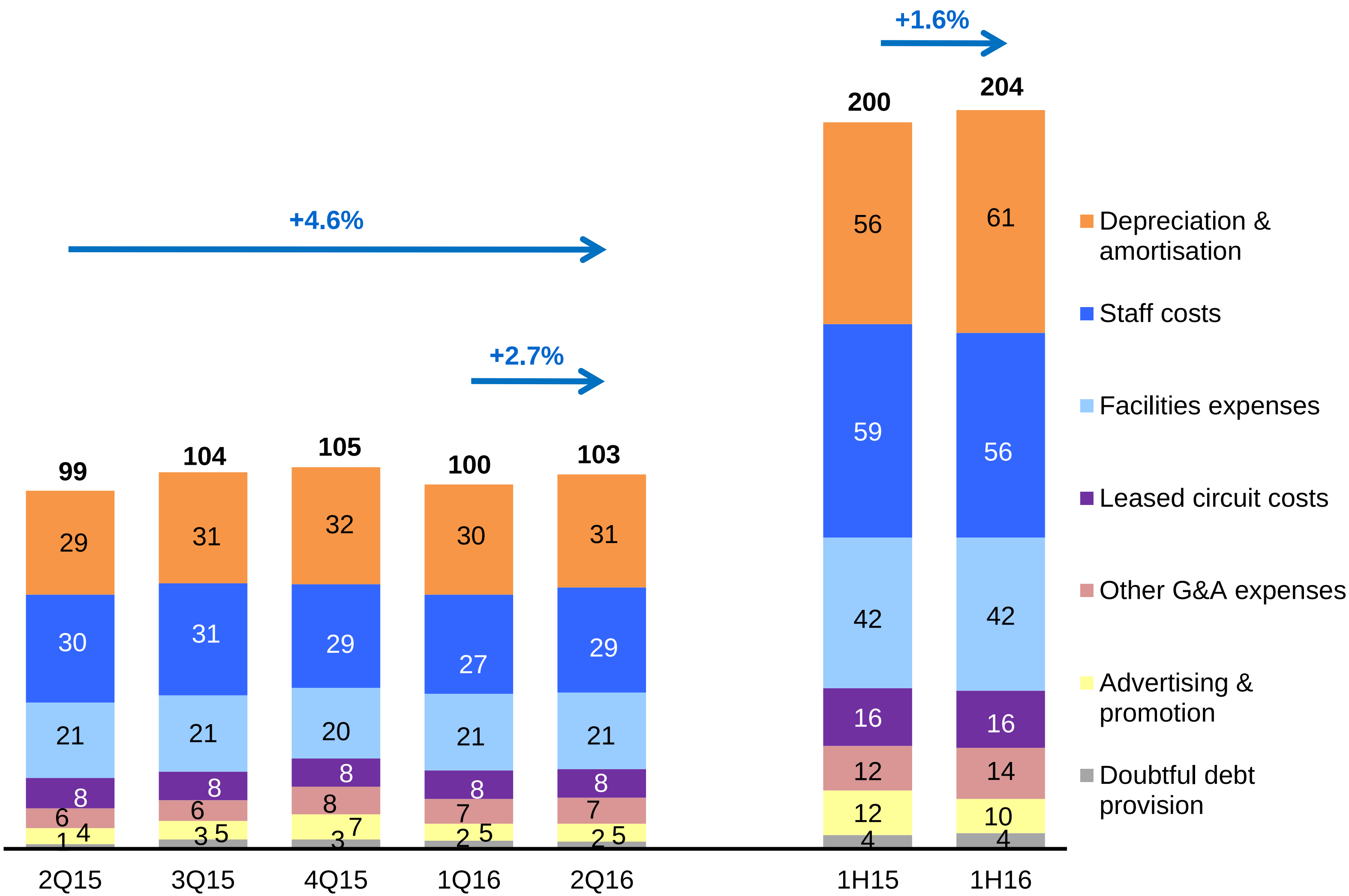
	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
Service revenue (S$m)	204	205	209	203	**204**	409	407



Cost of sales (S$m)



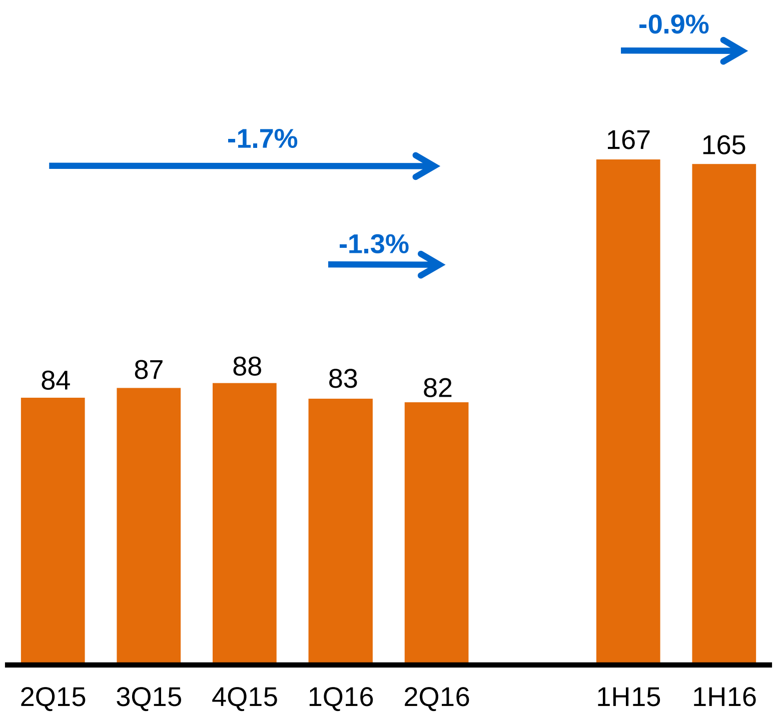
Other operating expenses (S$m)



EBITDA & net profit after tax

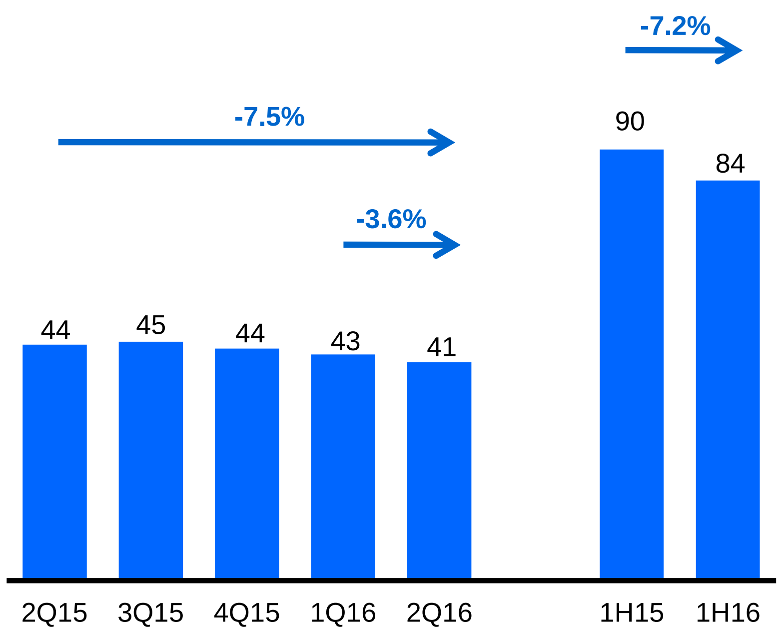
EBITDA (S$m) & margin on service revenue

	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
EBITDA margin (on service revenue)	41.0%	42.3%	42.2%	40.9%	**40.3%**	40.9%	40.6%



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

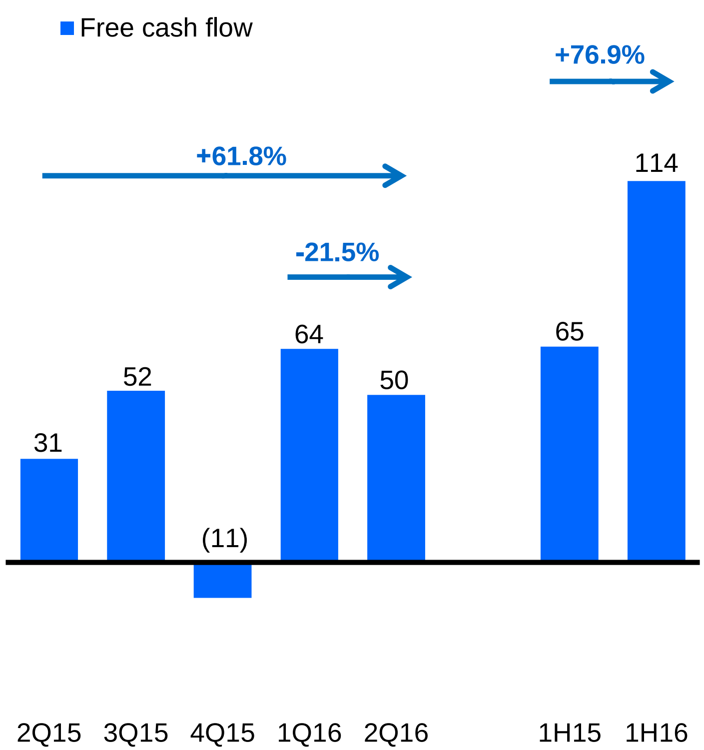
	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
PAT margin (on service revenue)	21.7%	21.9%	20.8%	20.9%	**20.1%**	22.0%	20.5%



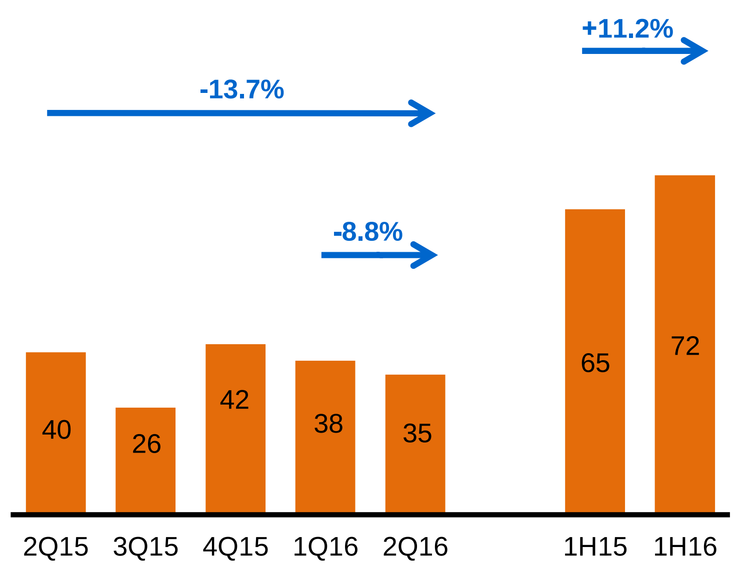
Cash flows & Capex

Operating and free cash flows (S$m)

	2Q15	3Q15	4Q15	1Q16	2Q16	1H15	1H16
Operating cash flow	71	78	31	102	**85**	130	187



Capex (S$m)



Financial leverage

S$m	1H2015	1H2016	Change
Cash & cash equivalents	33.0	**8.2**	-75.1%
Net debt	311.2	**326.8**	5.0%
Net assets	388.9	**400.9**	3.1%
Net debt/equity (x)	0.8	**0.8**	1.9%
Net debt/EBITDA (x)	0.9	**1.0**	4.2%
EBITDA/Interest (x)	74.0	**62.0**	-16.2%
Net assets per share (cents)	41.5	**43.1**	3.9%
EPS - diluted (cents)	9.6	**8.9**	-6.6%

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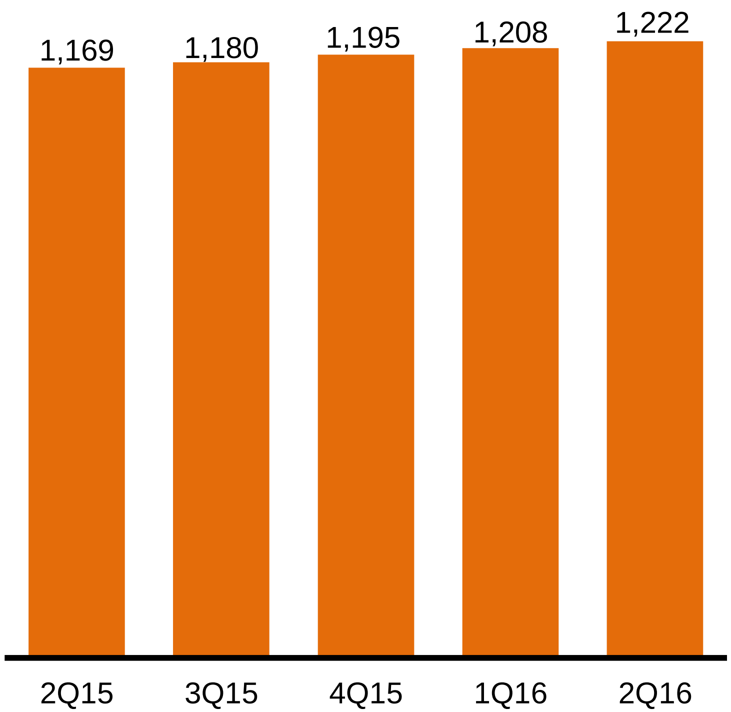
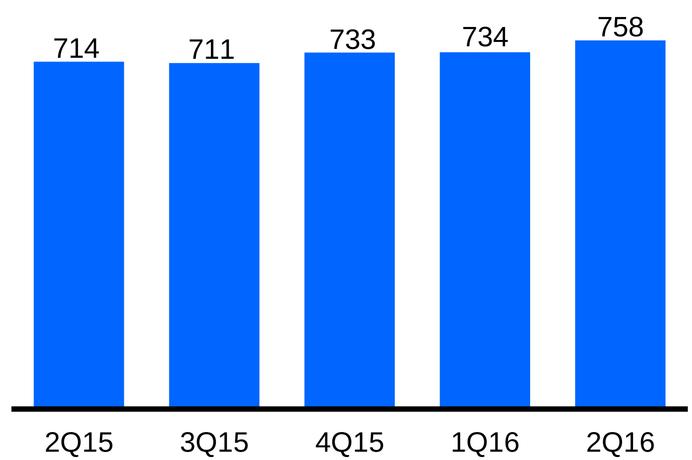
Mobile customers

Postpaid customer base ('000)

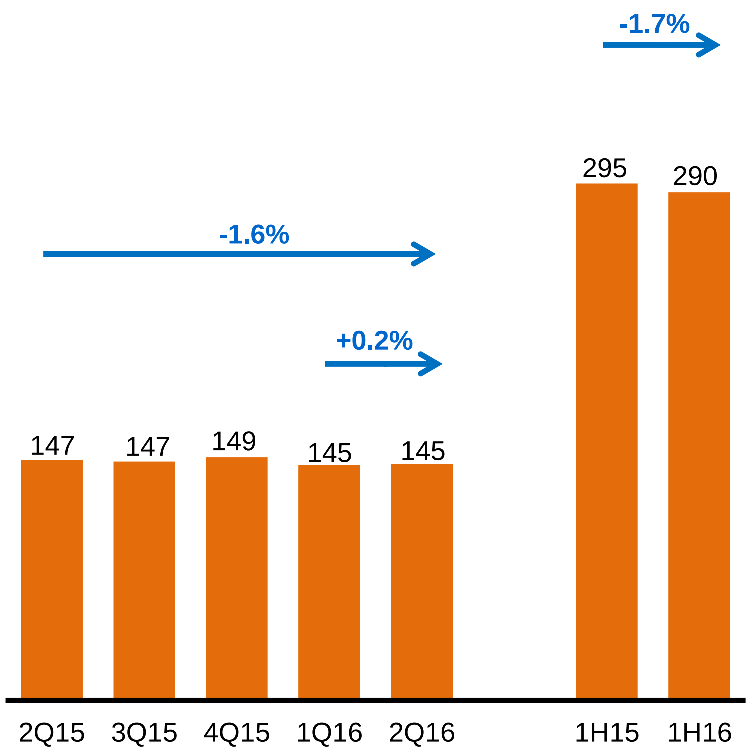


Prepaid customer base ('000)

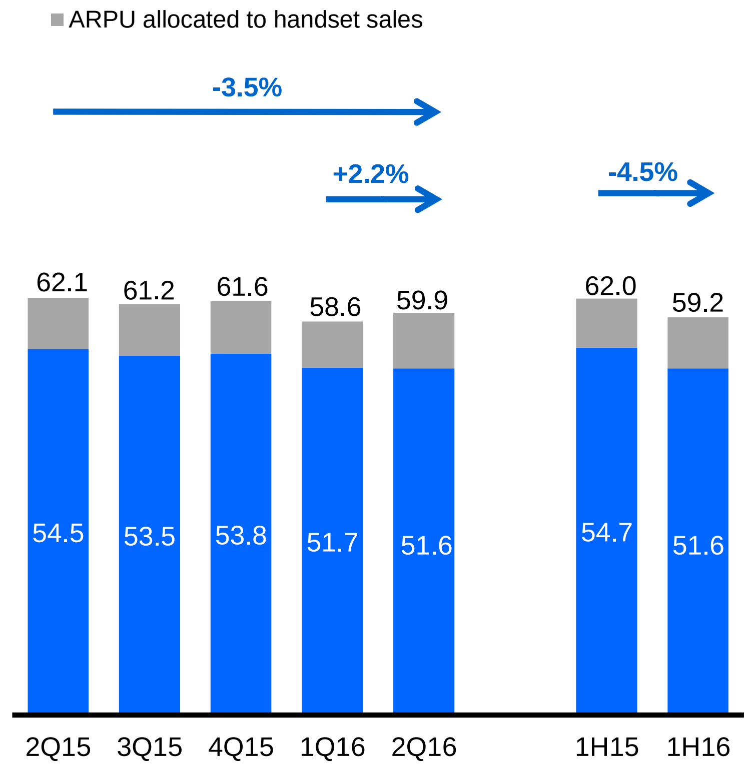


Postpaid mobile

Postpaid mobile revenue (S$m)

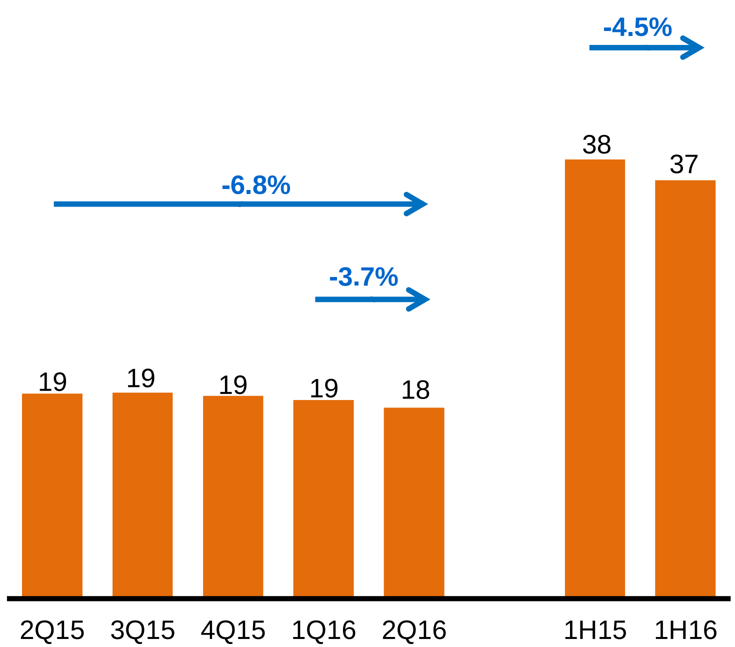


Postpaid monthly ARPU (S$)

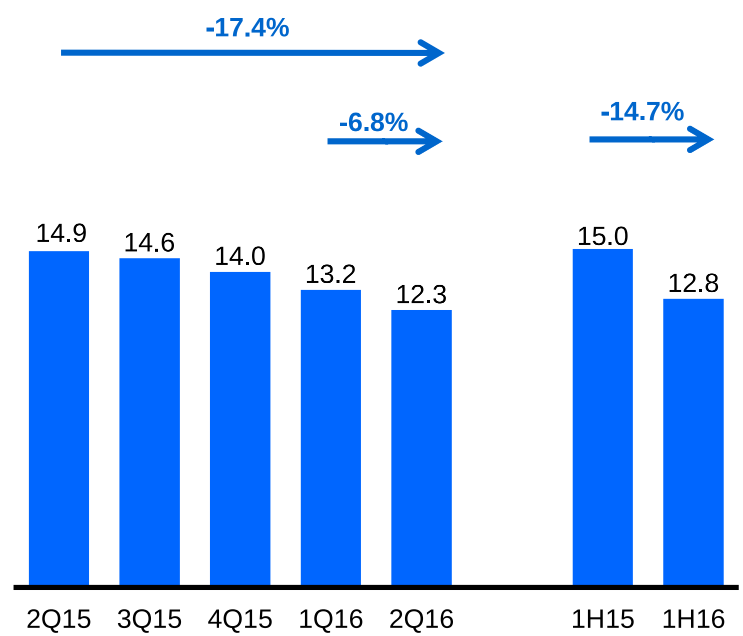


Prepaid mobile

Prepaid mobile revenue (S$m)

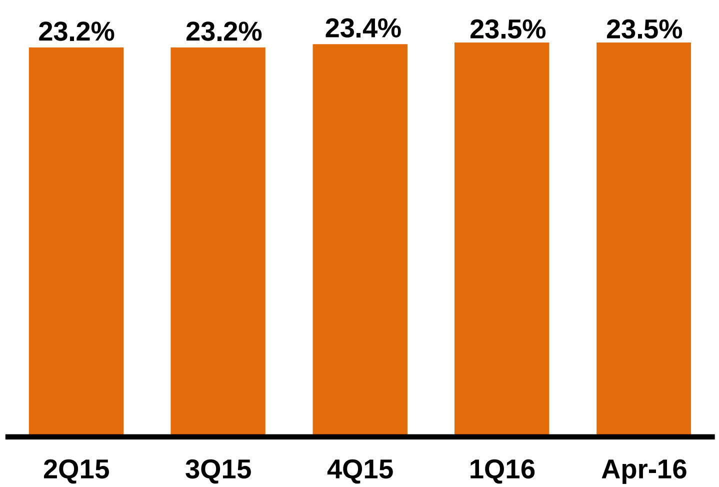


Prepaid monthly ARPU (S$)

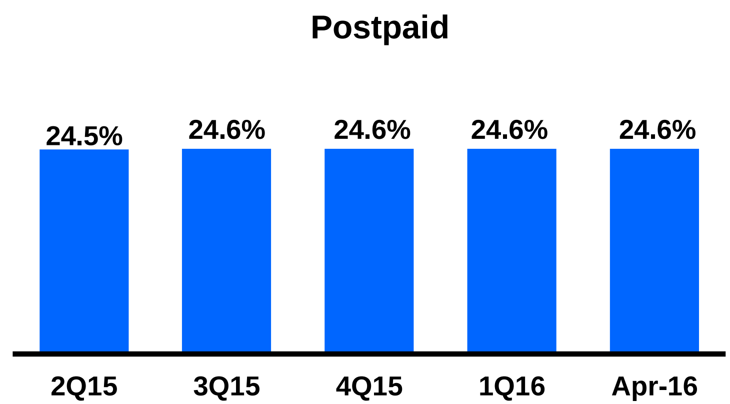


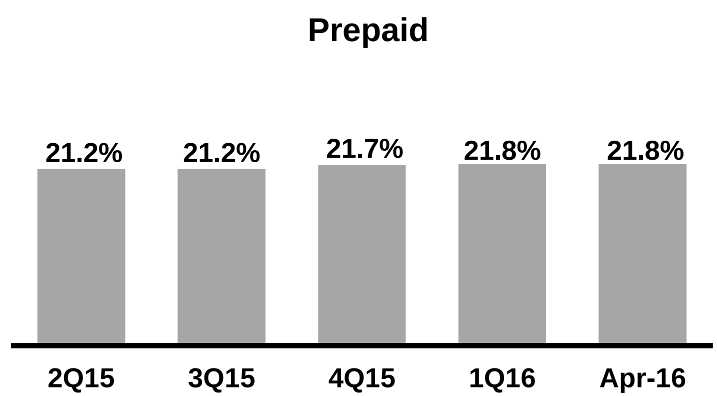
Mobile market share

Overall market share*



Postpaid & Prepaid market share*

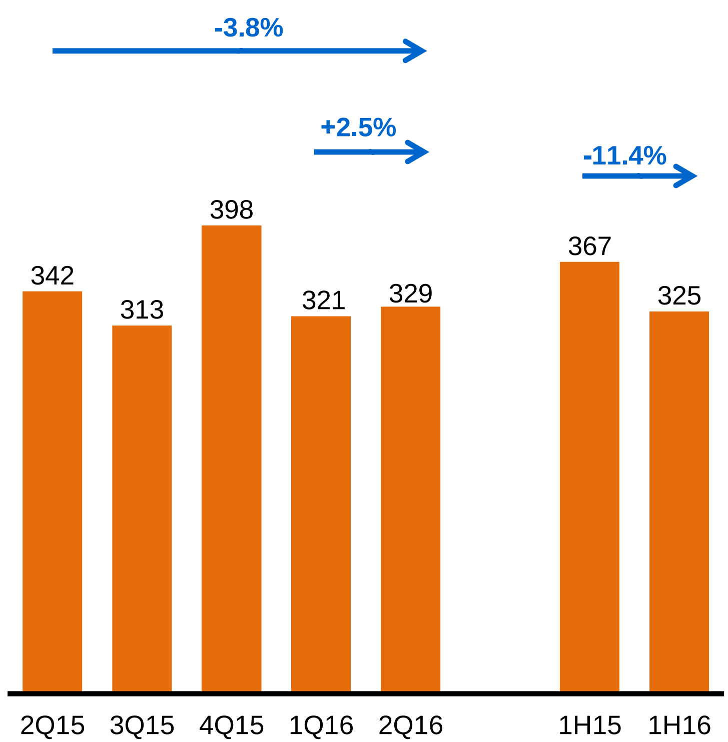




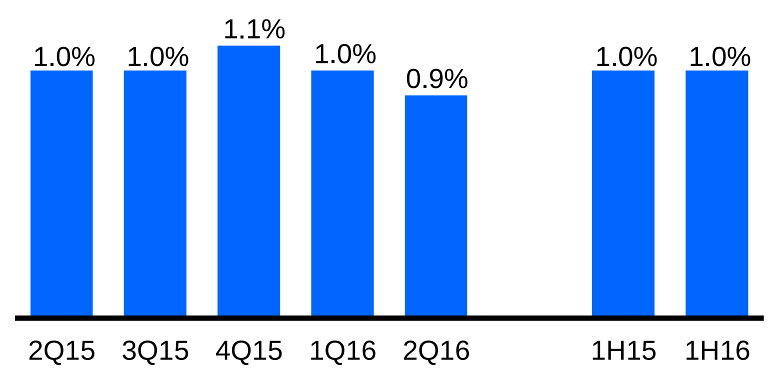
** - Based on published statistics available at the time of submission*

Postpaid mobile

Acquisition cost
per postpaid customer (S$)



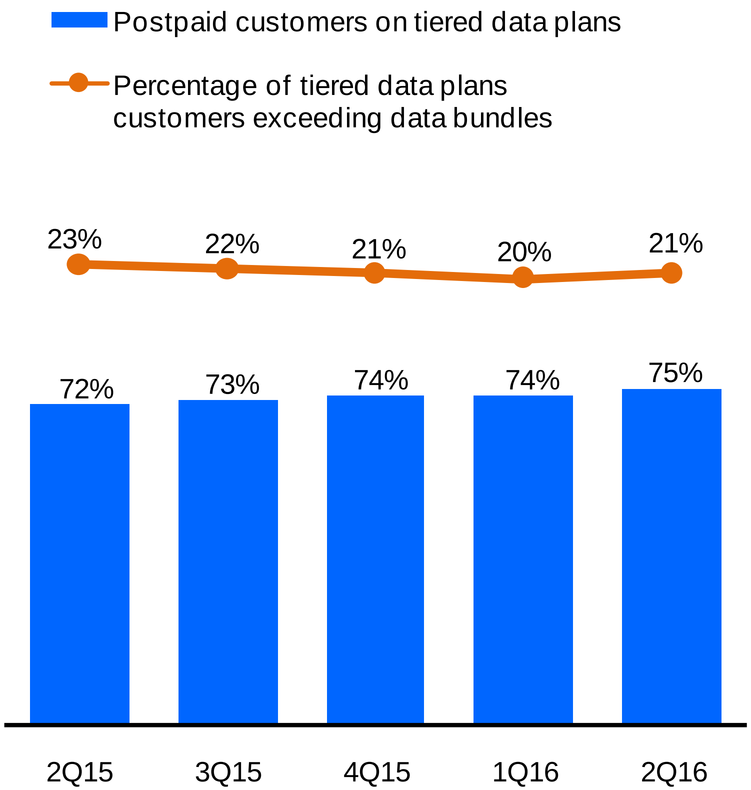
Monthly churn rate (postpaid)



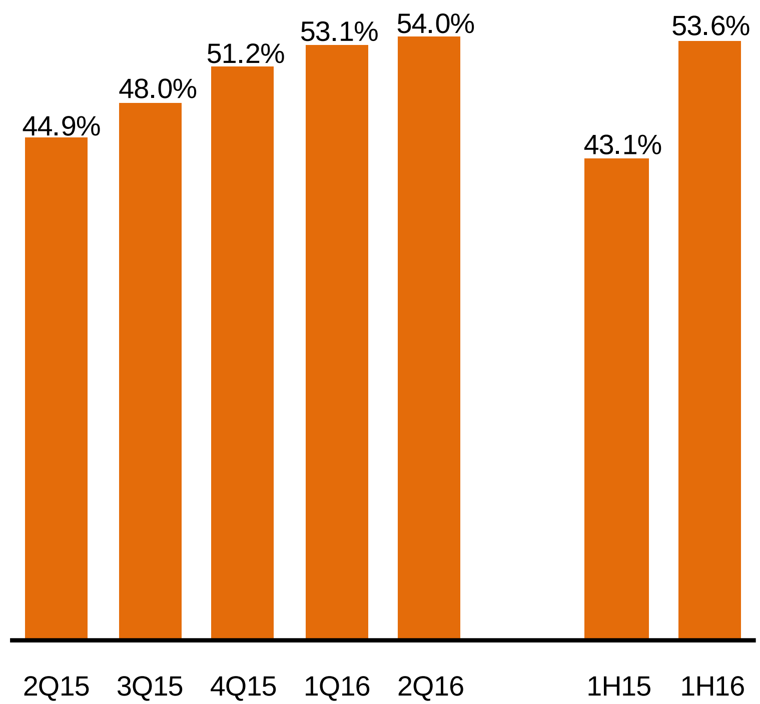
Note: Cash basis

Tiered data plans & mobile data contribution

Tiered data plans

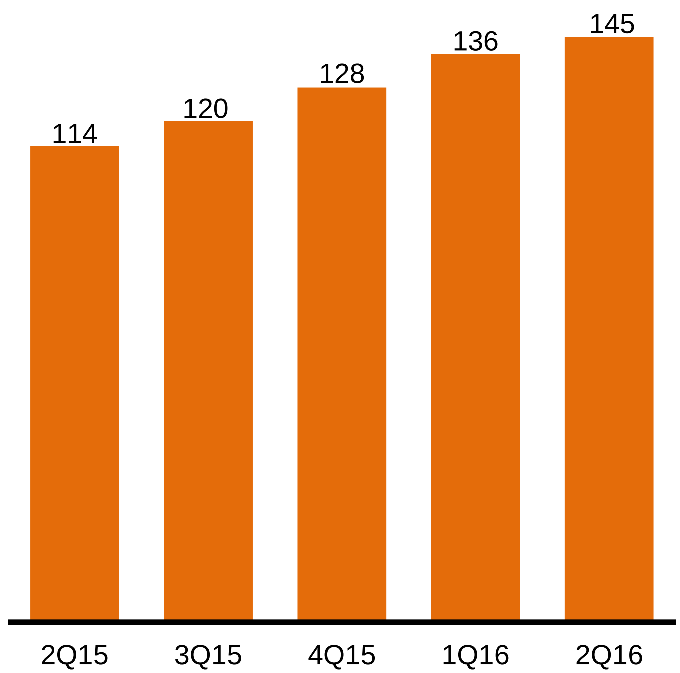


Data contribution
to mobile service revenue

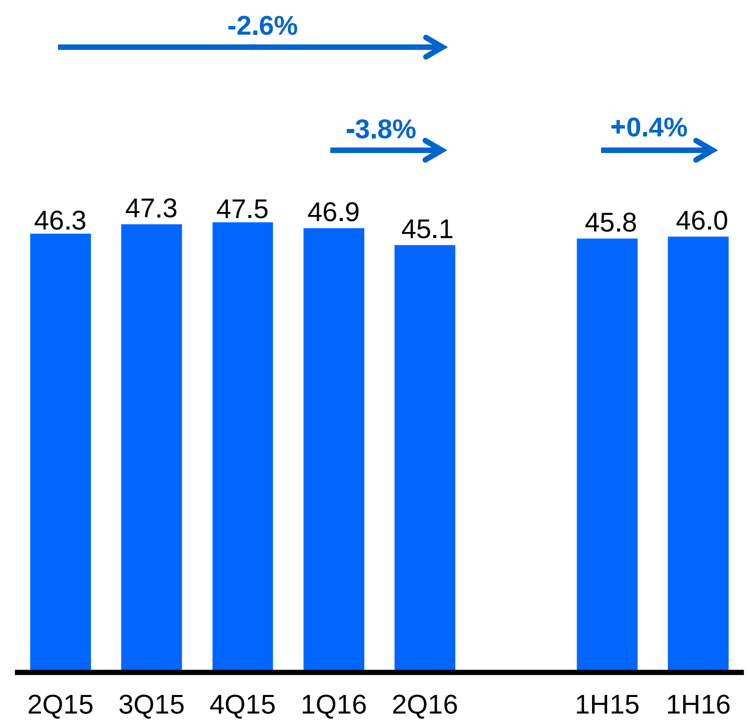


Fixed services

Fibre customer base ('000)

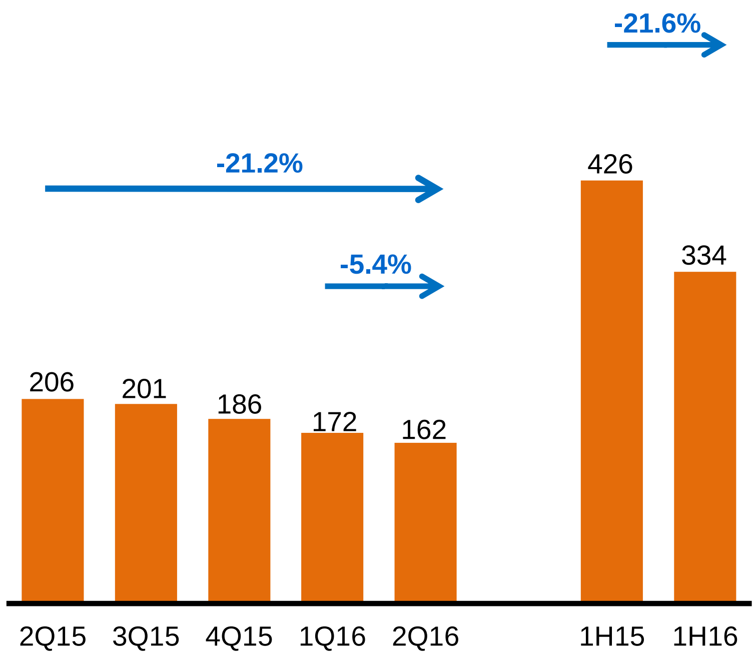


Fibre monthly ARPU (S$)

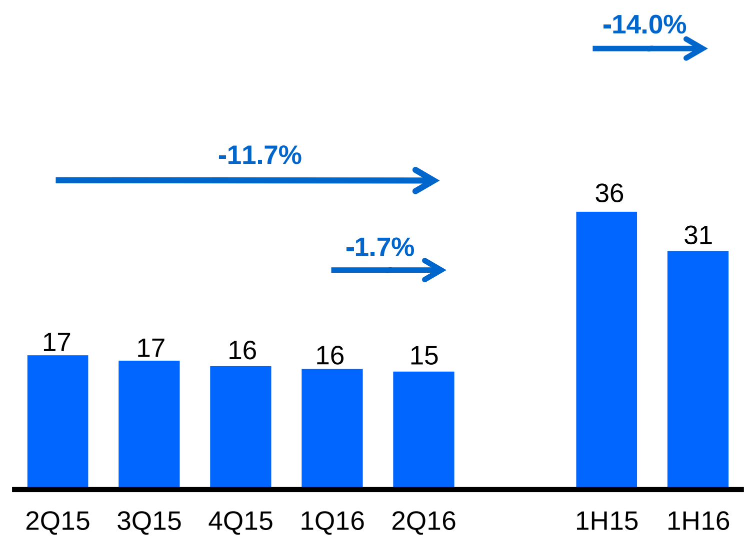


International call services

International retail minutes
(million mins)



International call services
revenue (S$m)



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Developments and outlook

Developments and outlook for 2016

Developments

- Increasing adoption of OTT services
  - Impact traditional telecommunications revenue
  - Higher demand for data
- Continue to enhance service propositions
  - Cater to changing customers' needs
- Invest in new technologies and capabilities
  - Improve customer experience
  - Build up portfolio of digital solutions
    - Capture emerging growth opportunities

Outlook

- Capex to be around S$140m
- Estimate single-digit decline in FY2016 net profit after tax

Thank you