

16 May 2024

**Analyst update for the period  
1 Apr 2023 to 31 Mar 2024  
("FY24")**

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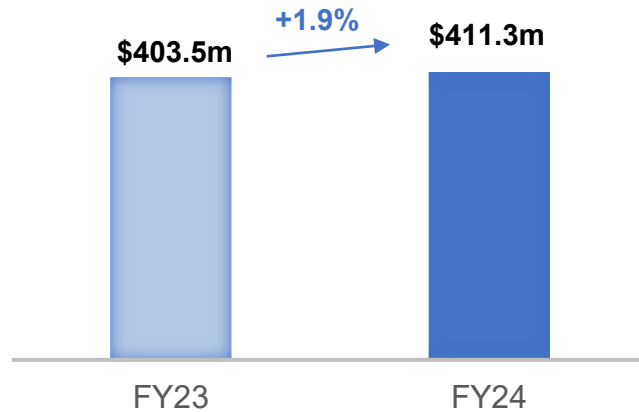
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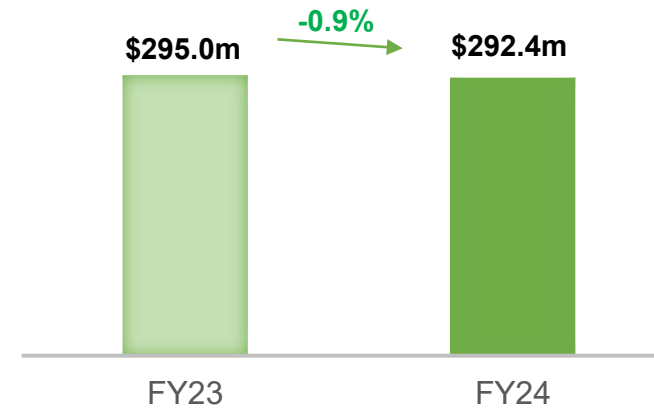
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# FY24 Financial highlights

## REVENUE



## EBITDA



## NET GEARING

**23.1%**  
Comfortable debt headroom

## WEIGHTED AVERAGE DEBT MATURITY

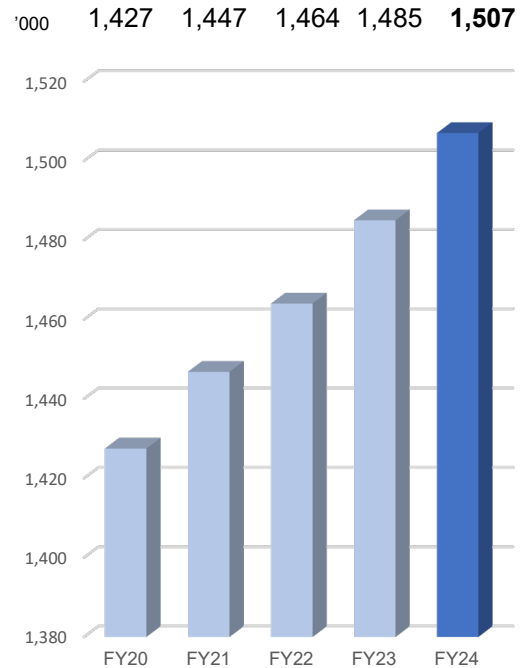
**2.4 years**

## MARKET CAPITALISATION

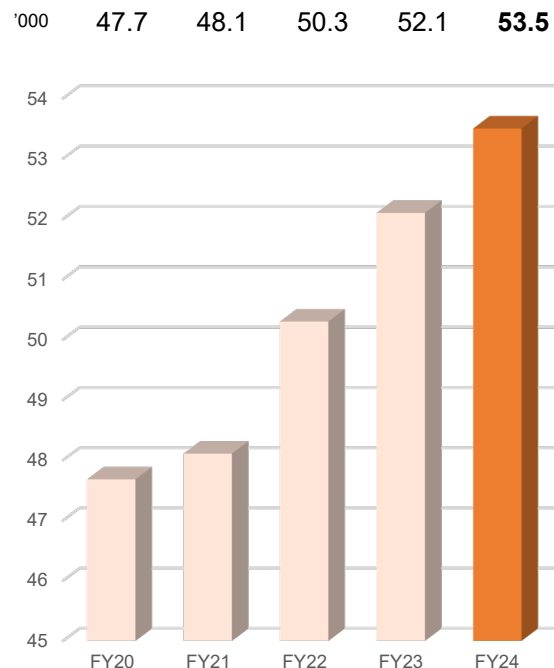
**\$3.3 billion**  
Unit price of \$0.855 as at  
28 Mar 24

# Fibre connections

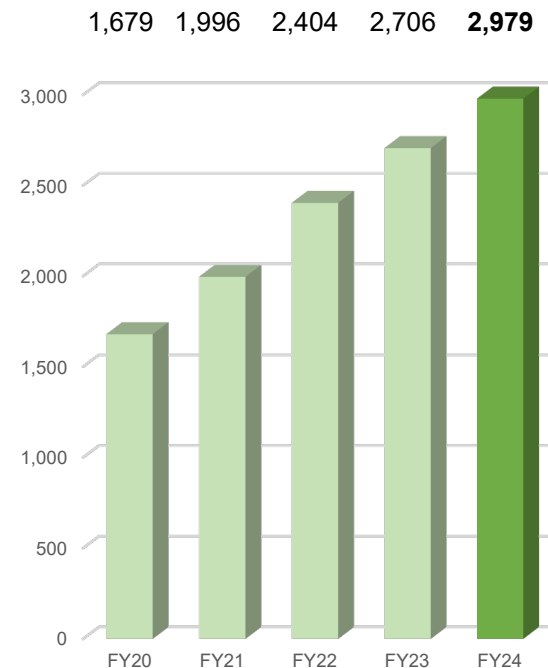
## Residential



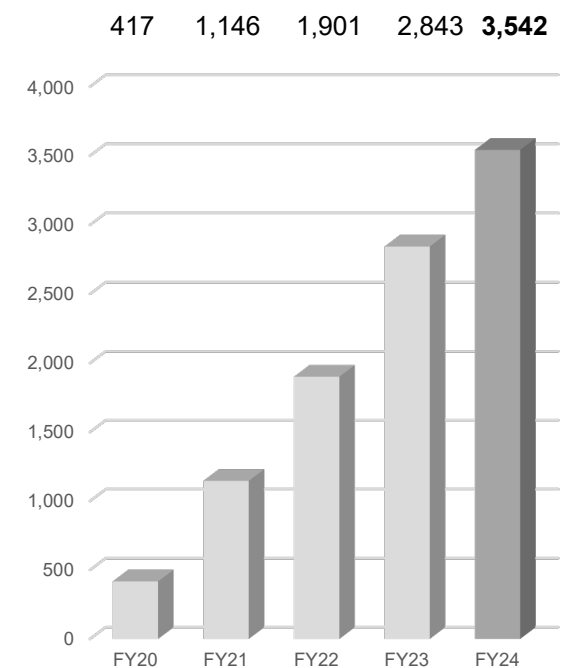
## Non-Residential



## Non-Building Address Points



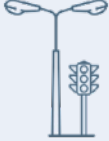







## Segment<sup>(1)</sup>



<sup>(1)</sup> Segment connections comprise, *inter alia*, Point-to-Point, Central Office to Central Office and Central Office to MDF room fibre connections provided to Requesting Licensees

# Resilient business model

|  |  Residential Connections |  Non-Residential Connections |  NBAP & Segment Connections |  Ducts & Manholes Service Revenue |  Co-Location Revenue |  Central Office Revenue |  Installation Related & Other Revenue |  Ancillary Project Revenue |
|--|---|---|--|--|---|--|--|---|
|  | RAB REVENUE <sup>(1)</sup>  |   |  |  |   | NON-RAB REVENUE  |  |   |
| % of FY24 Revenue                        | 60.2%   | 8.1%  | 4.8%   | 6.6%   | 4.8%  | 3.8%   | 6.1%   | 5.6%  |
| Recurring, predictable cash flows        | ✓   | ✓   | ✓  | ✓  | ✓   | ✓  | -  | -   |
| Long-term contracts / customer stability | ✓   | ✓   | ✓  | ✓  | ✓   | ✓  | -  | -   |
| Regulated revenues                       | ✓   | ✓   | ✓  | ✓  | ✓   | -  | ✓  | -   |
| Creditworthy customers                   | ✓   | ✓   | ✓  | ✓  | ✓   | ✓  | ✓  | ✓   |

(1) These services are subject to IMDA's price review framework.



# Key focus for FY25

- 1. Grow NBAP & Segment connections by supporting deployments related to Smart Nation and Cloud-based Services**
- 2. Continue to support digitalisation of SMEs by lowering the cost of connections**
- 3. Enhance our Colocation facilities to support the upgrade of the Nationwide Broadband Network to offer up to 10 Gbps per connection**
- 4. Complete the construction of our new Central Office to achieve operational readiness in 2025 to serve the northern part of Singapore**
- 5. Execute our sustainability initiatives and strive for continued and sustained emissions reduction**

# FY24 Profit or loss statement

| \$'000                        | FY24      | FY23      | Variance (%) |
|-------------------------------|-----------|-----------|--------------|
| Revenue                       | 411,276   | 403,460   | 1.9          |
| EBITDA                        | 292,399   | 294,979   | (0.9)        |
| EBITDA Margin (%)             | 71.1%     | 73.1%     | (2.0) pp     |
| Depreciation and amortisation | (172,928) | (170,617) | 1.4          |
| Net finance costs             | (18,405)  | (15,145)  | 21.5         |
| Profit after tax              | 103,209   | 109,253   | (5.5)        |

**Revenue** for FY24 was higher by \$7.8m mainly contributed by higher connections and installation-related revenue offset by lower ancillary revenue.

**EBITDA** was \$2.6m lower mainly due to:

- a one-off non-cash write-off of decommissioned network assets amounting to \$8.8m; partially offset by
- a one-off refund of \$5.2m following the resolution of disputed power charges and \$1.1m gain on disposal of assets.

Excluding the one-off items, EBITDA declined slightly as a result of higher operating expenses.

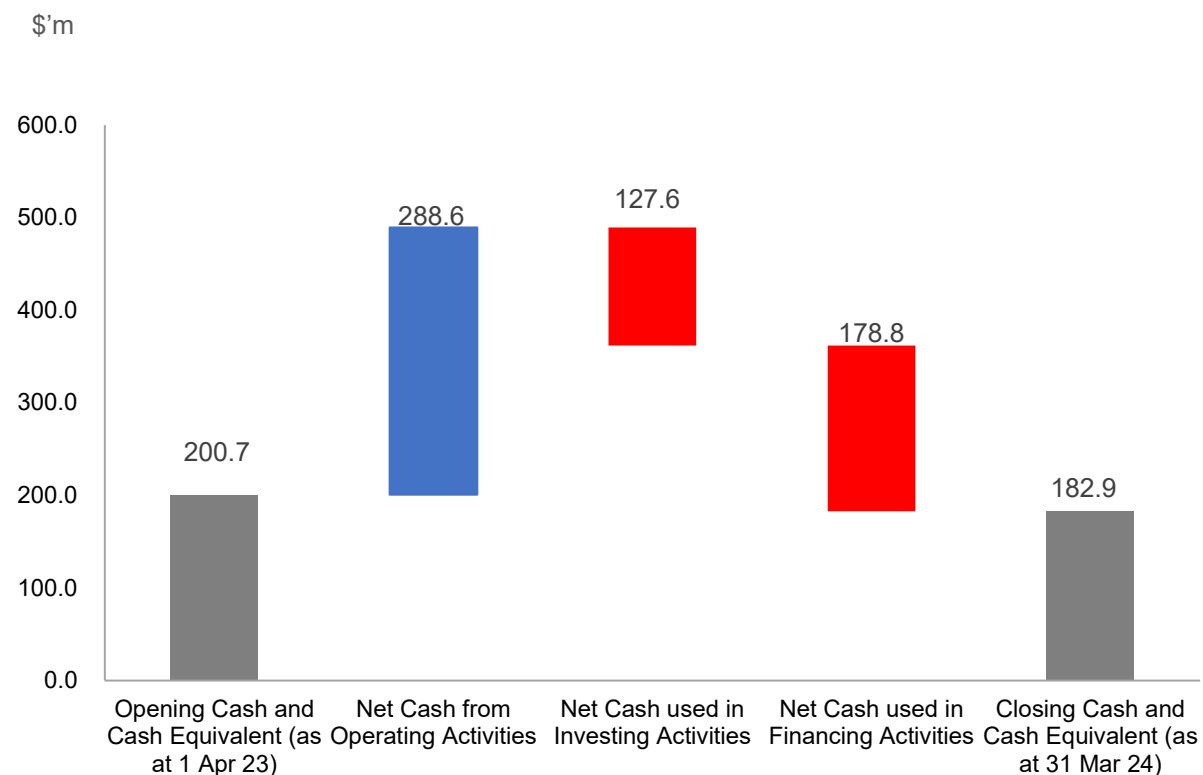
**PAT** was lower by \$6.0m mainly due to lower EBITDA, higher finance costs, higher depreciation and amortisation, offset by higher income tax credit.

# Credit metrics and cash flow

|  | Mar 2024      | Mar 2023 |
|--|---------------|----------|
| Gross Debt                                     | <b>\$765m</b> | \$735m   |
| Weighted average debt duration                 | <b>2.4yrs</b> | 3.4yrs   |
| Net debt/EBITDA <sup>(1)</sup>                 | <b>2.0x</b>   | 1.8x     |
| EBITDA Interest cover <sup>(1)</sup>           | <b>14.0x</b>  | 18.6x    |
| Borrowings at Fixed Rate                       | <b>78.4%</b>  | 69.4%    |
|  | FY24          | FY23     |
| Effective average interest rate <sup>(2)</sup> | <b>2.75%</b>  | 2.32%    |

<sup>(1)</sup> Ratios calculated based on NetLink Group's trailing 12 months financial

<sup>(2)</sup> The interest expenses used in the computation of effective average interest rate include the impact of net settlement of interest rate swap and the front-end fee which is equivalent to interest. The comparative number has been restated on the same basis.



- Interest rate exposure is substantially hedged
- Strong capital structure with debt headroom to fund future capex
- Strong cash flow generated from operations
- Net Cash used in Financing Activities mainly pertained to distribution paid on 13 June 2023 and 30 Nov 2023



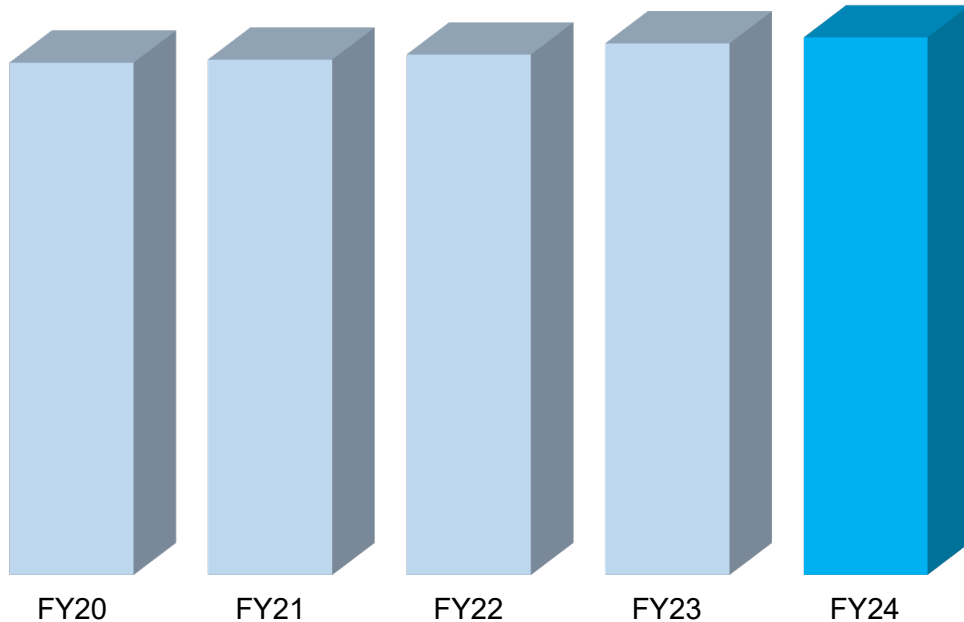
# Distribution details

|                               |                                |
|-------------------------------|--------------------------------|
| Distribution period           | 1 October 2023 – 31 March 2024 |
| Distribution amount           | 2.65 Singapore cents per Unit  |
| Ex-distribution date and time | 29 May 2024, 9am               |
| Books closure date and time   | 30 May 2024, 5pm               |
| Distribution payment date     | 12 June 2024                   |

# Attractive distribution yield

## Distribution per Unit (Singapore cents)

|      |      |      |      |      |
|------|------|------|------|------|
| 5.05 | 5.08 | 5.13 | 5.24 | 5.30 |
|------|------|------|------|------|

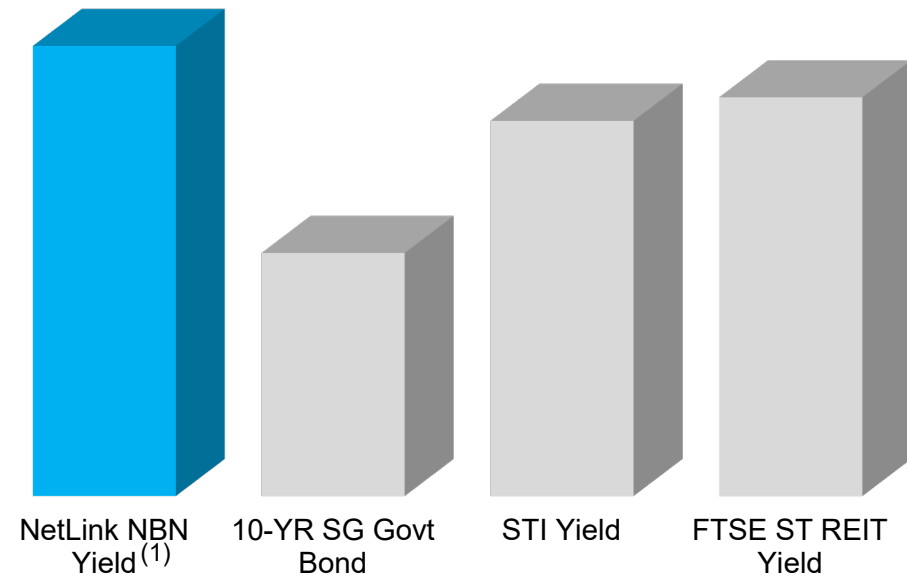


- NetLink's DPU has been growing steadily YoY since its listing in Jul 2017
- NetLink has returned \$1.3 billion to unitholders since its IPO in Jul 2017 to date (including the H2FY24 distribution)

## Distribution yield (%)

|      |      |      |      |
|------|------|------|------|
| 6.20 | 3.11 | 5.22 | 5.42 |
|------|------|------|------|

Bloomberg as at 28 Mar 2024



<sup>(1)</sup> Based on the unit price of \$0.855 as at 28 Mar 2024



**Thank you**

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**Investors and Media**

**Mr Victor Chan**

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