3Q14 Results Presentation

16 October 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 9 months 2014

- Service revenue increased 1.1% YoY to S$620m
- EBITDA margin improved to 40.2% of service revenue
- Net profit after tax increased 9.7% YoY to S$131m
  - Margin improved to 21.2%

Performance highlights for 3Q14

- Mobile data contributed to 36.4% of service revenue
  - Smartphones made up 86% of postpaid base
  - Average smartphone data usage increased to 2.9GB/month
- 61% of postpaid customers on tiered data plans
  - 22% exceeded data bundle
- Fibre customer base increased 21,000 YoY to 98,000

Outlook

- Estimate moderate growth in FY2014 net profit after tax

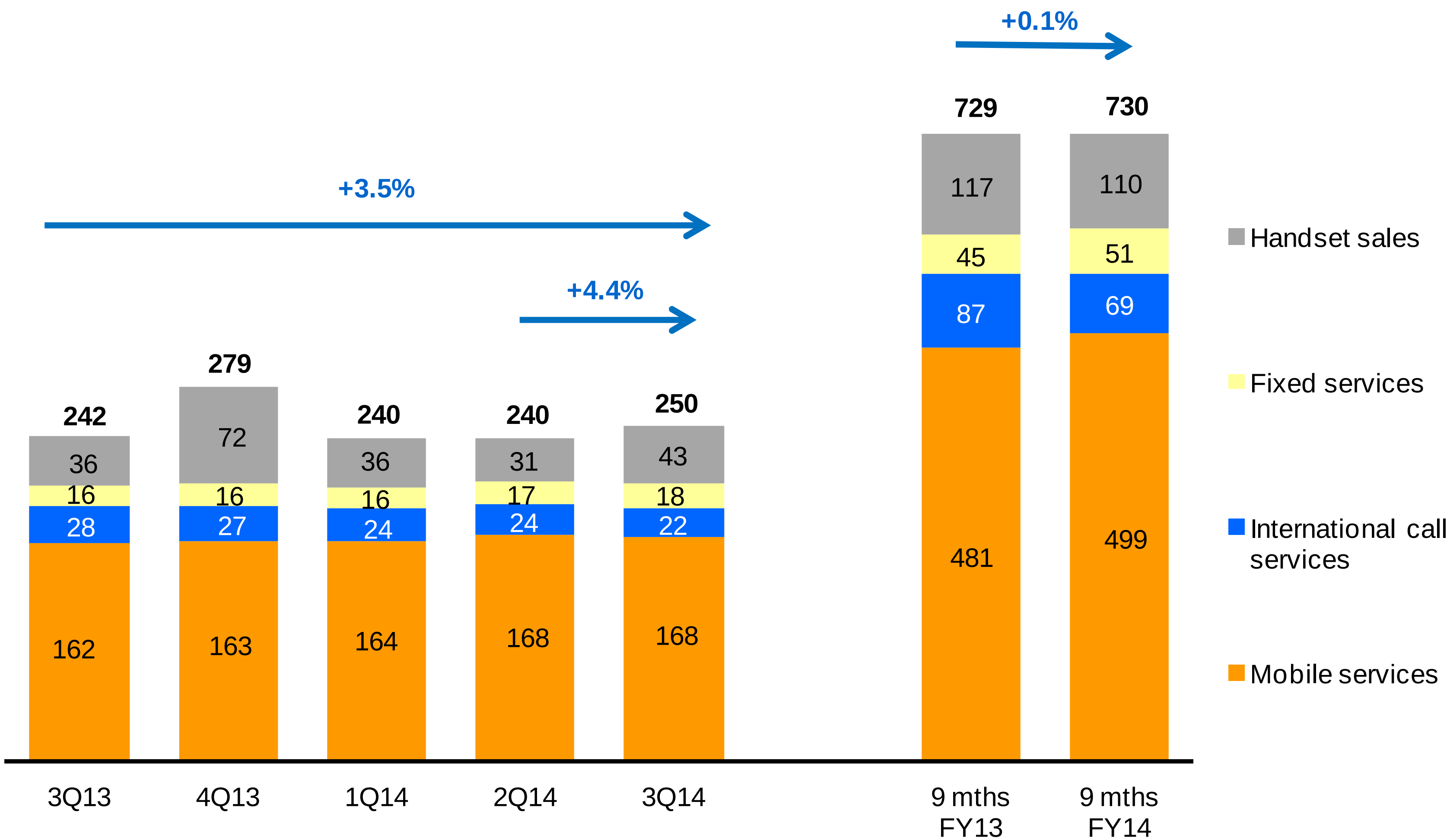
Agenda

Financial highlights

Performance highlights

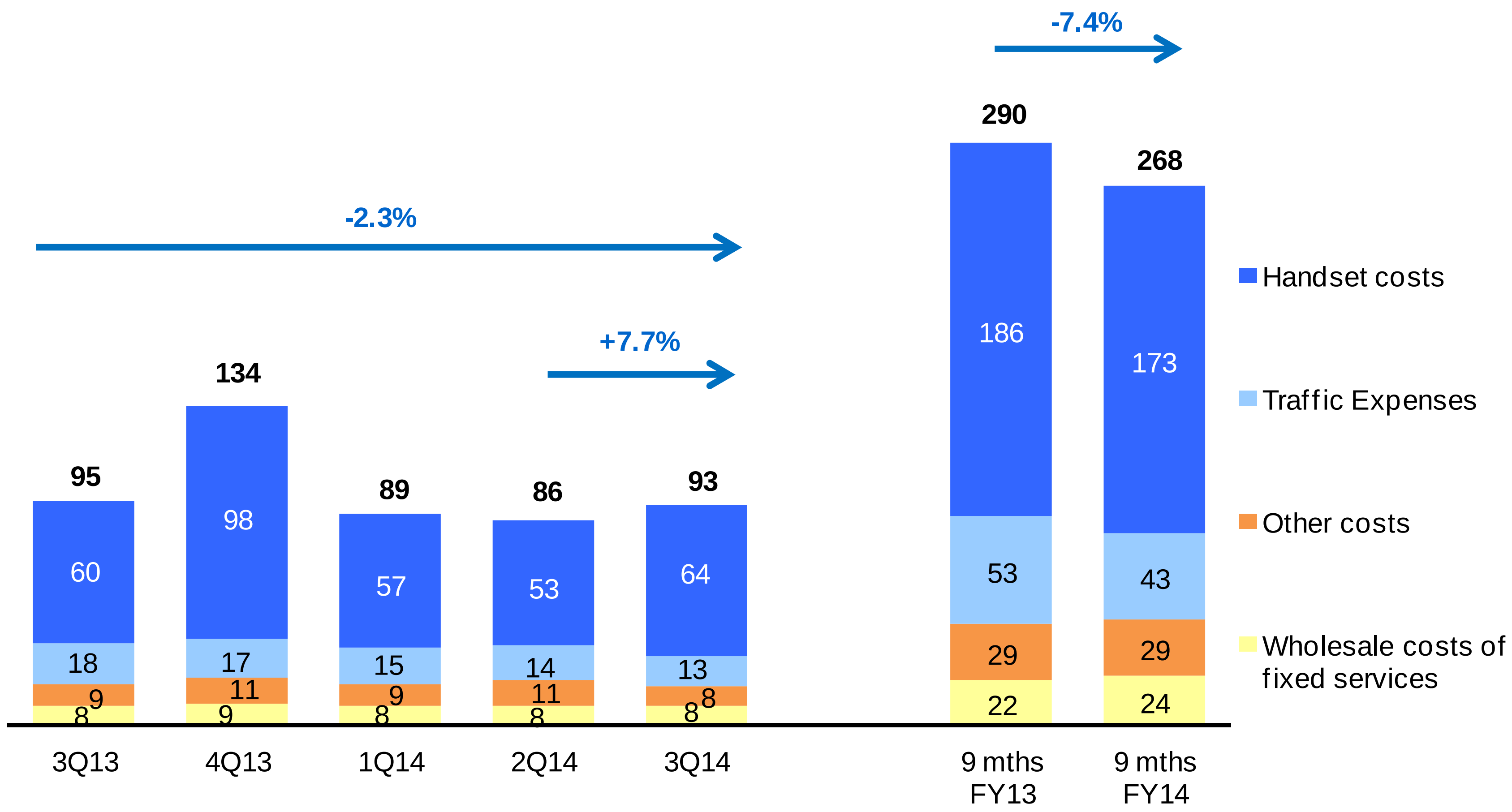
Developments and outlook

Operating revenue (S$m)

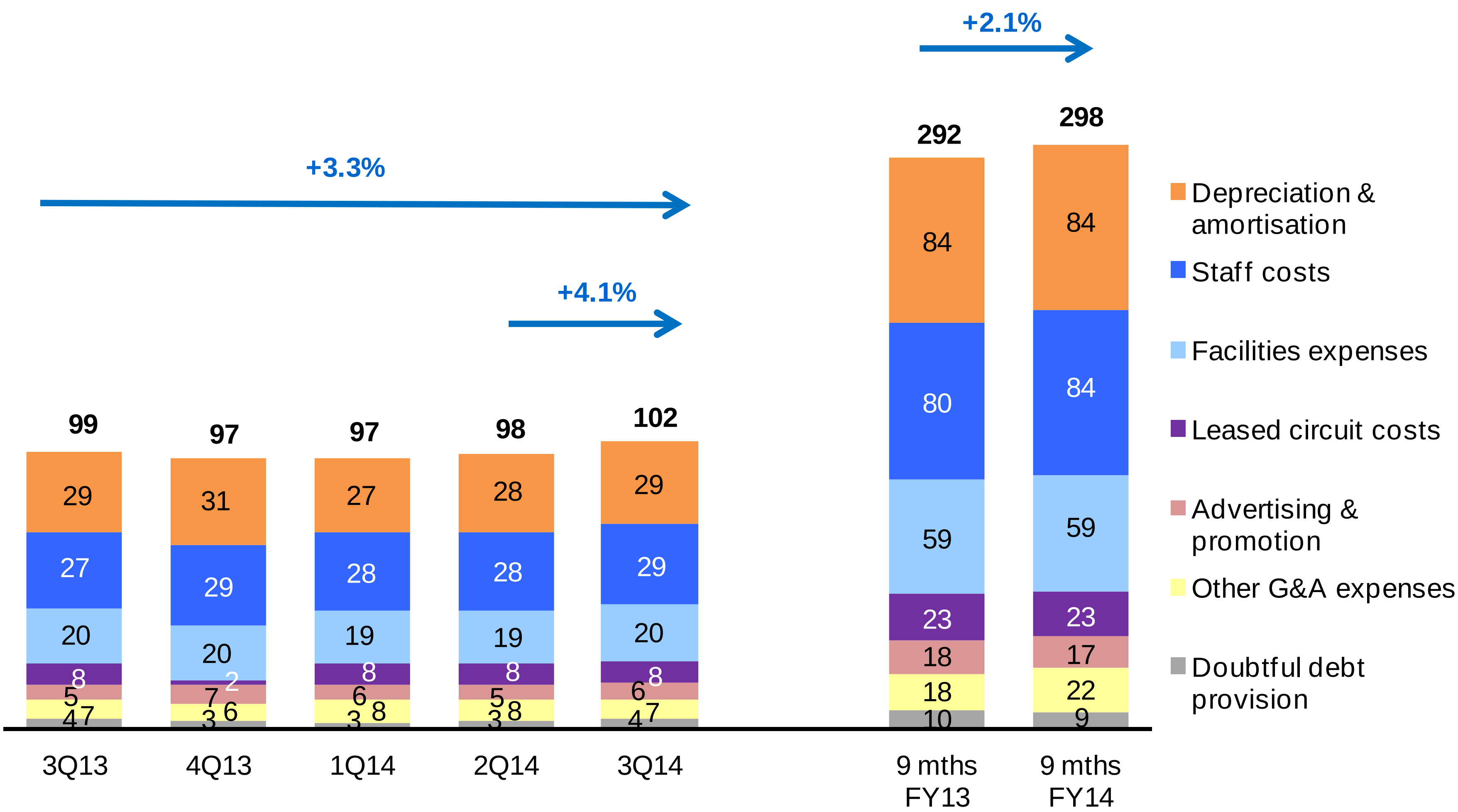


	3Q13	4Q13	1Q14	2Q14	3Q14	9 mths FY13	9 mths FY14
Service revenue (S$m)	206	207	204	209	**207**	613	620

Cost of sales (S$m)



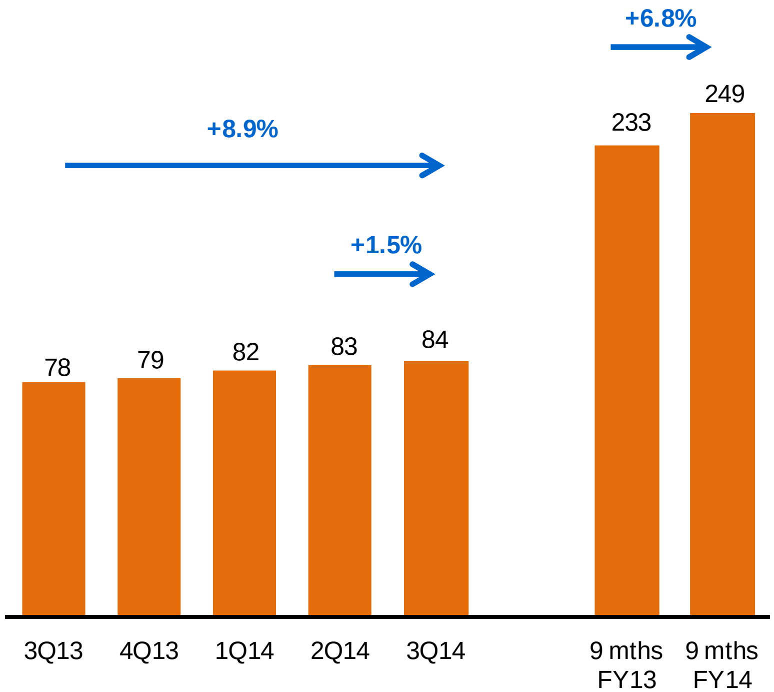
Other operating expenses (S$m)



EBITDA & net profit after tax

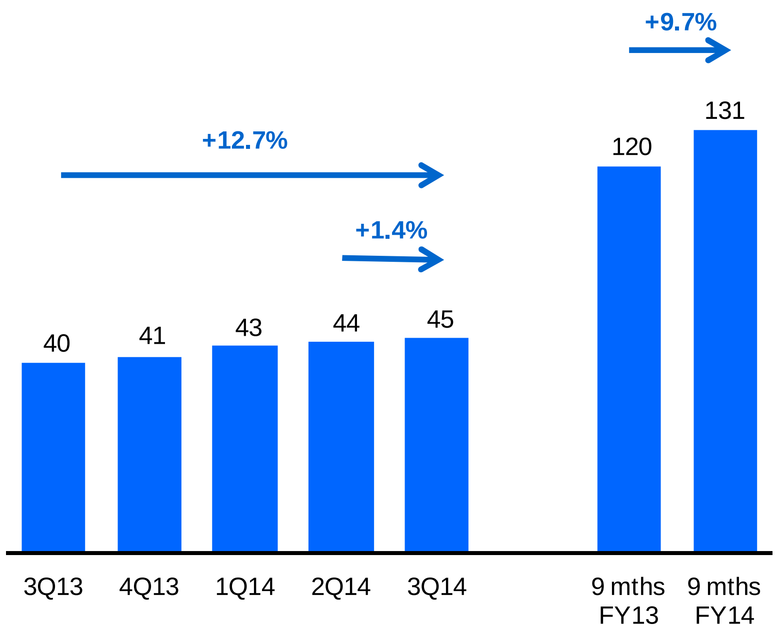
EBITDA (S$m) & margin on service revenue

	3Q13	4Q13	1Q14	2Q14	3Q14	9 mths FY13	9 mths FY14
EBITDA margin (on service revenue)	37.7%	38.2%	40.0%	39.8%	**40.8%**	38.1%	40.2%



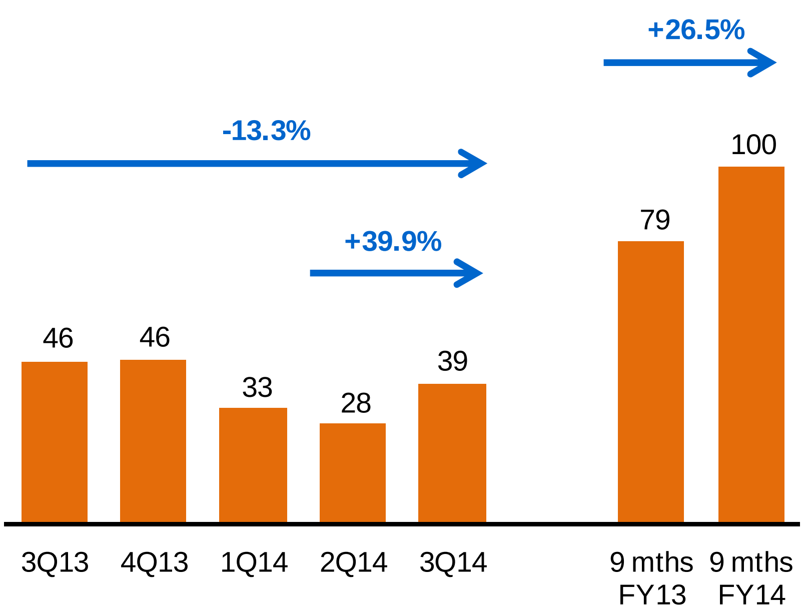
Profit after tax (S$m) & margin on service revenue

	3Q13	4Q13	1Q14	2Q14	3Q14	9 mths FY13	9 mths FY14
PAT margin (on service revenue)	19.2%	19.6%	21.0%	21.0%	**21.5%**	19.5%	21.2%

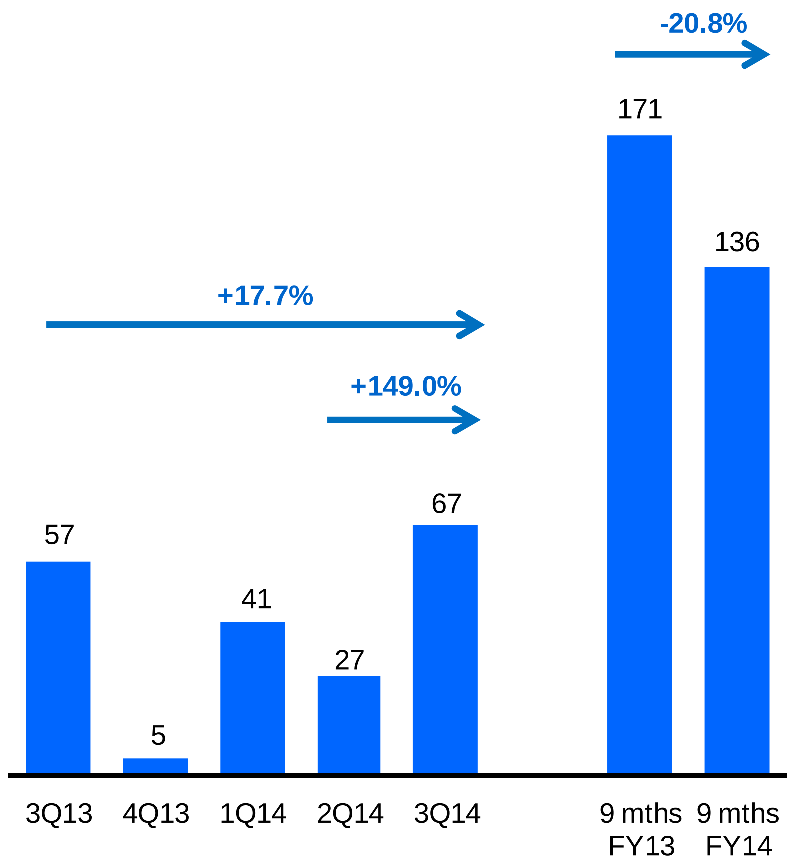


Capex & free cash flow

Capex (S$m)



Free cash flow (S$m)



Financial leverage

S$m	9 months ended FY2013	FY2014	Change
Cash & cash equivalents	48.7	**18.3**	-62.4%
Net debt	201.3	**238.0**	18.2%
Net assets	353.2	**348.5**	-1.3%
Net debt/equity (x)	0.6	**0.7**	19.8%
Net debt/EBITDA (x)	0.6	**0.7**	13.1%
EBITDA/Interest (x)	67.6	**82.0**	21.4%
Net assets per share (cents)	38.3	**37.4**	-2.3%
EPS - diluted (cents)	13.0	**14.1**	8.1%

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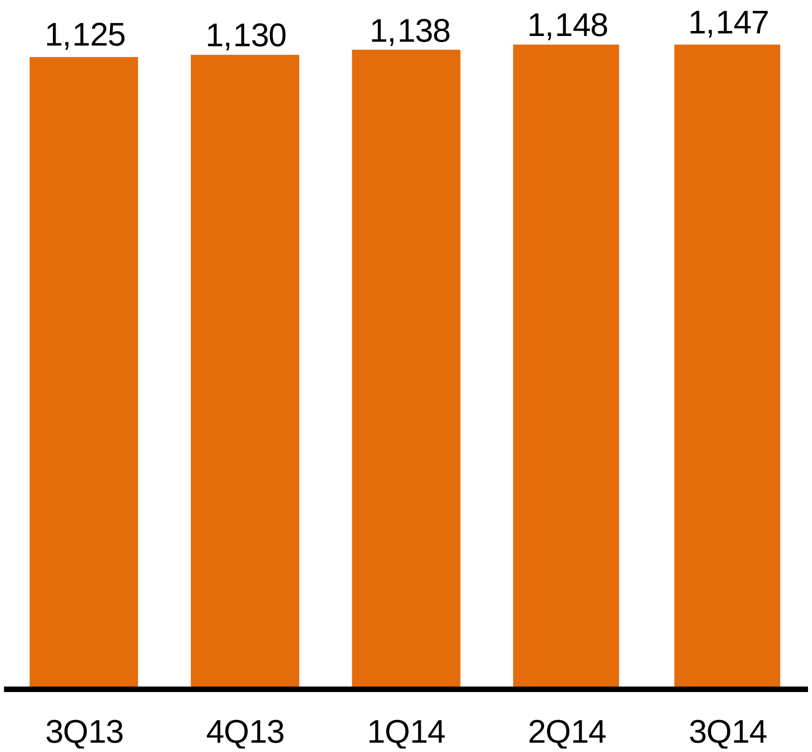
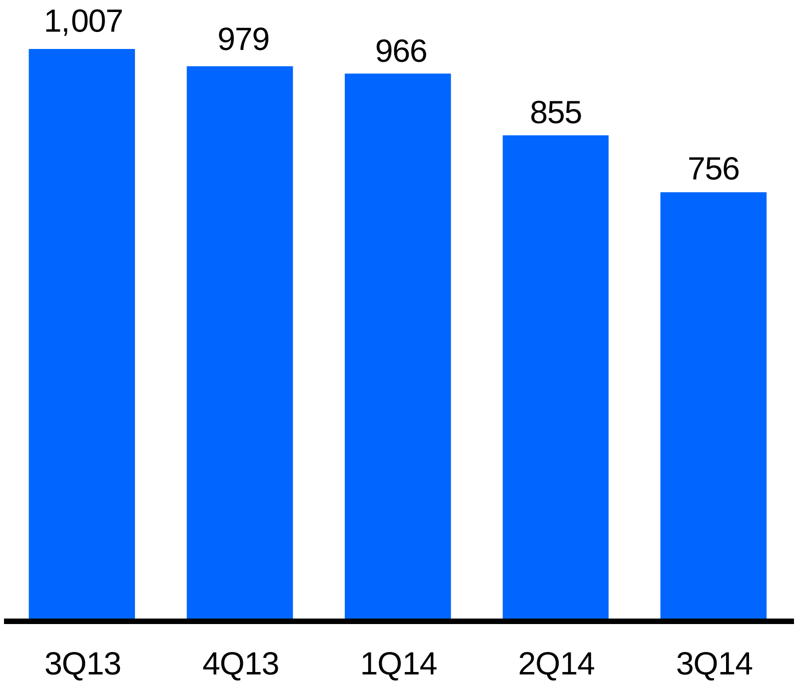
Mobile customers

Postpaid customer base (‘000)

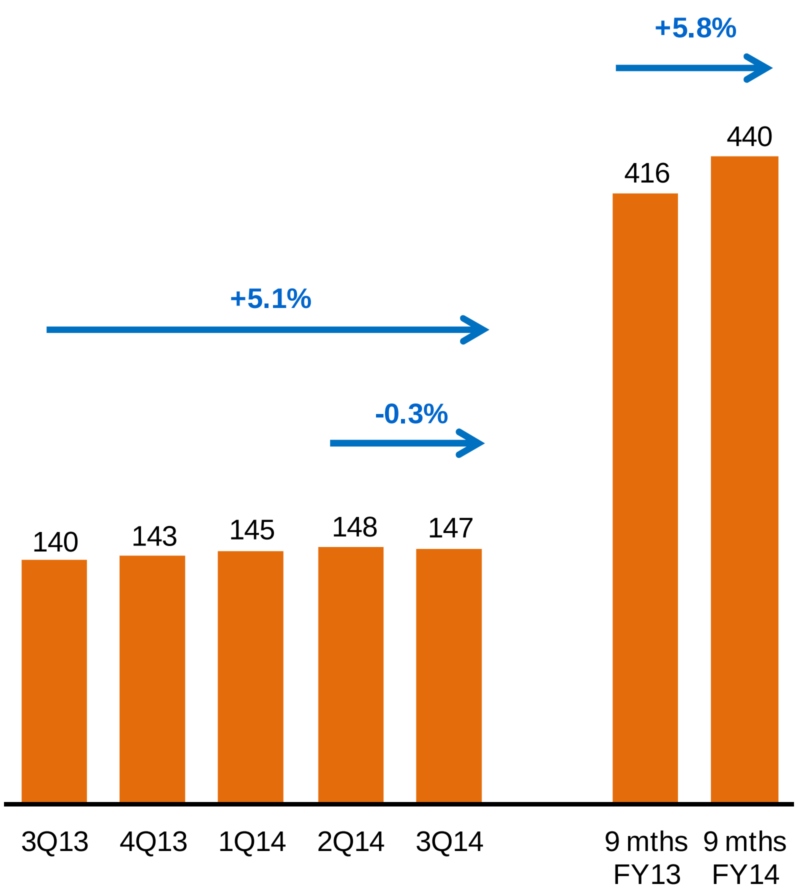


Prepaid customer base (‘000)

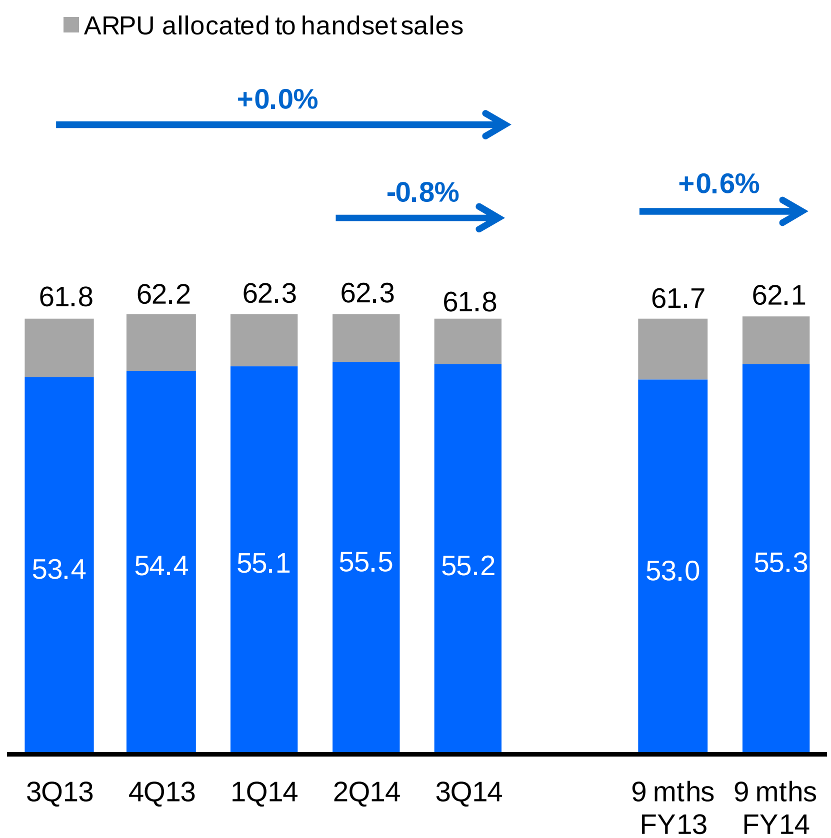


Postpaid mobile

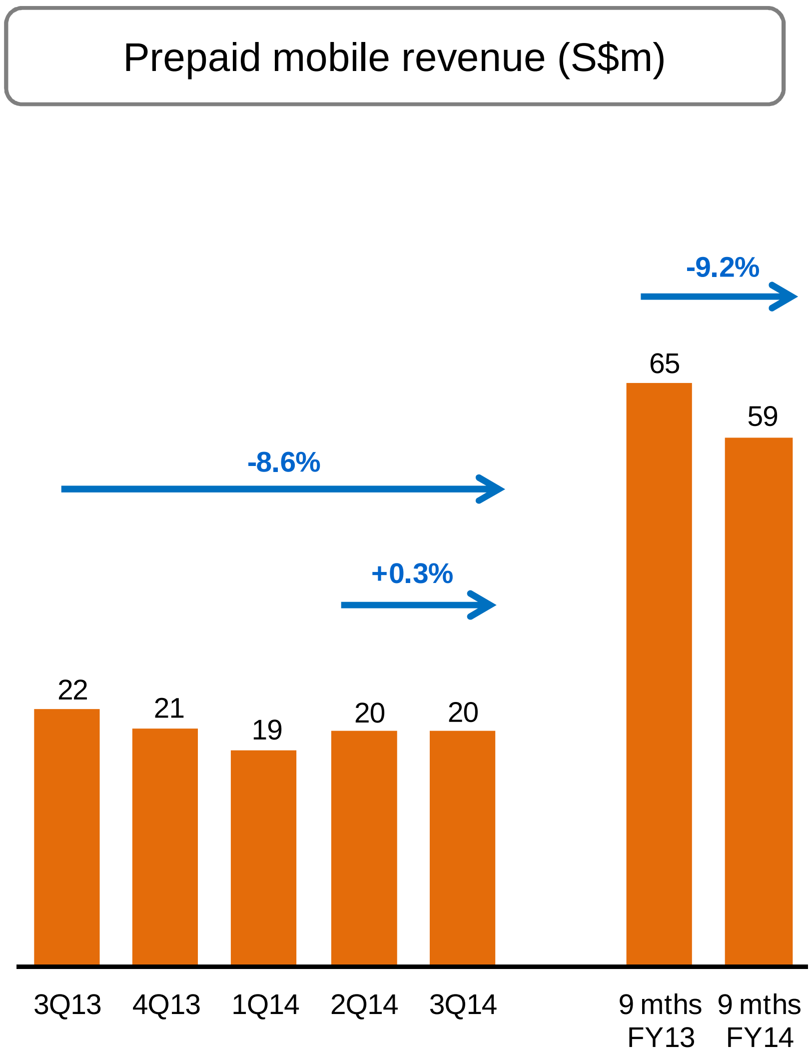
Postpaid mobile revenue (S$m)

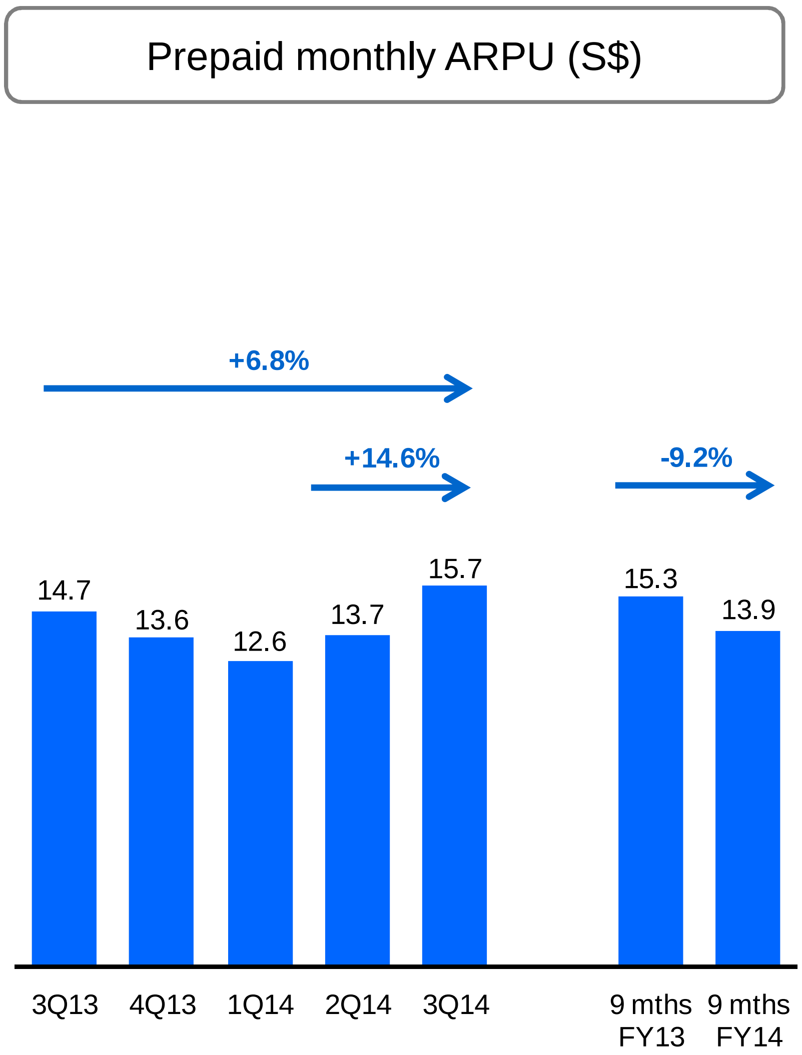


Postpaid monthly ARPU (S$)



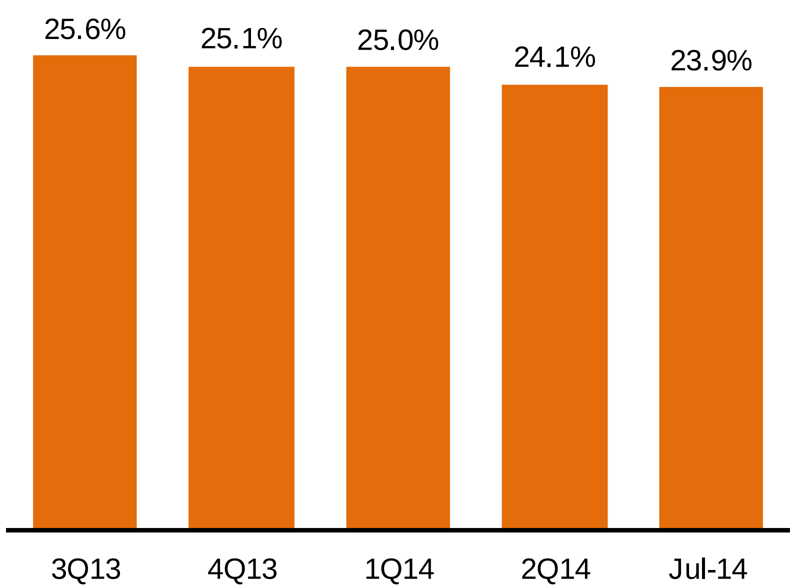
Prepaid mobile



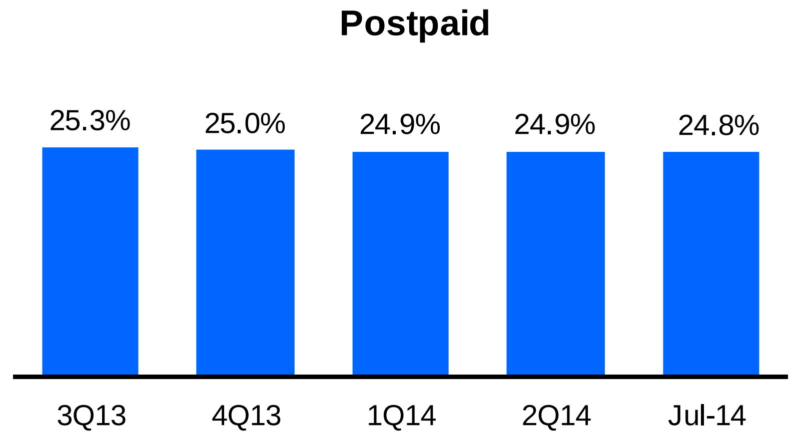


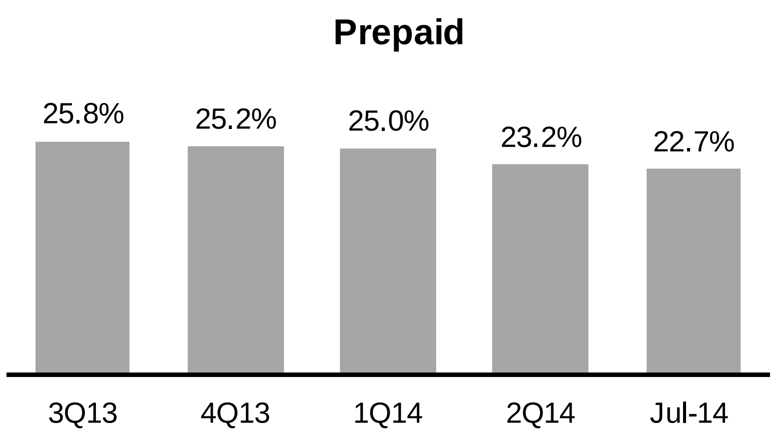
Mobile market share

Overall market share*



Postpaid & prepaid market share*

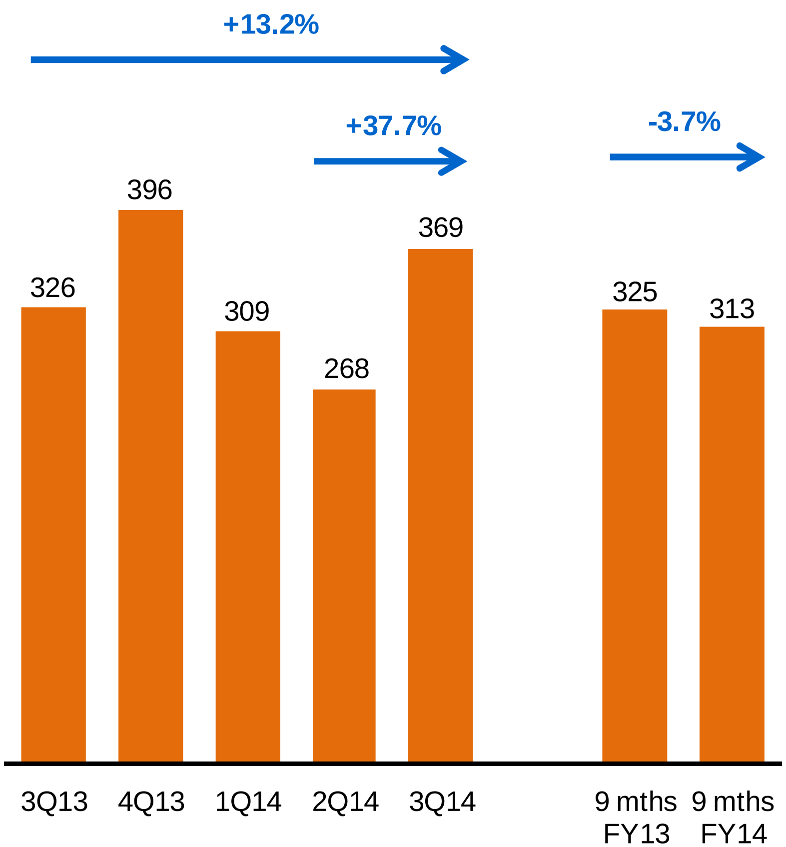




** - Based on published statistics available at the time of submission*

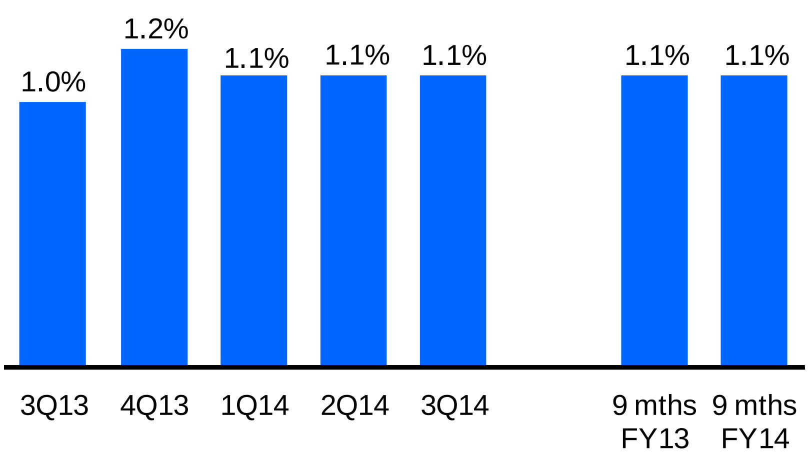
Postpaid mobile

Acquisition cost
per postpaid customer (S$)



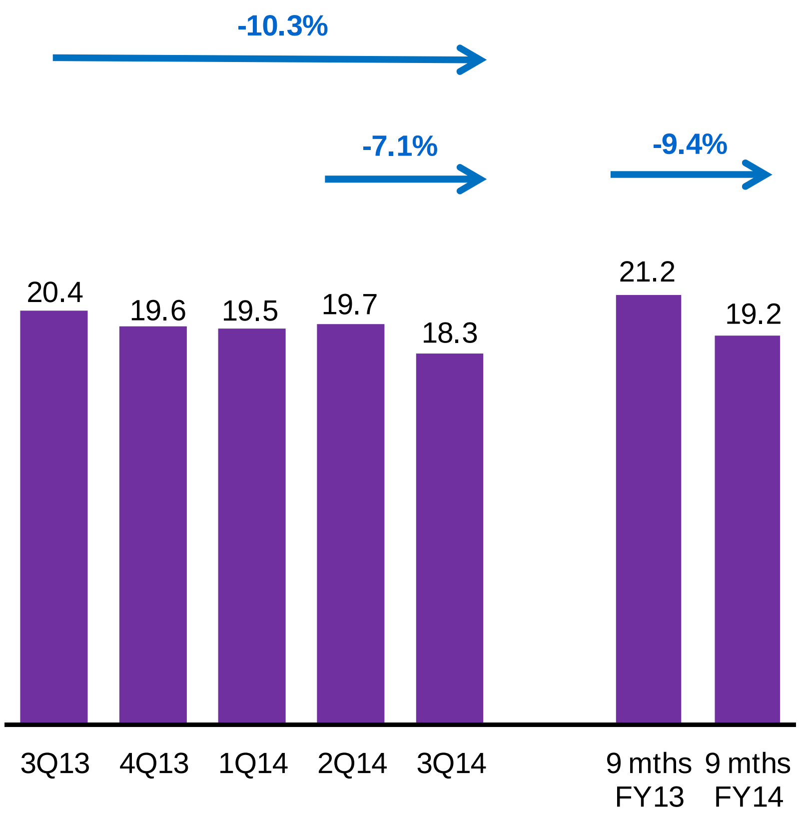
Note: Cash basis

Monthly churn rate (postpaid)

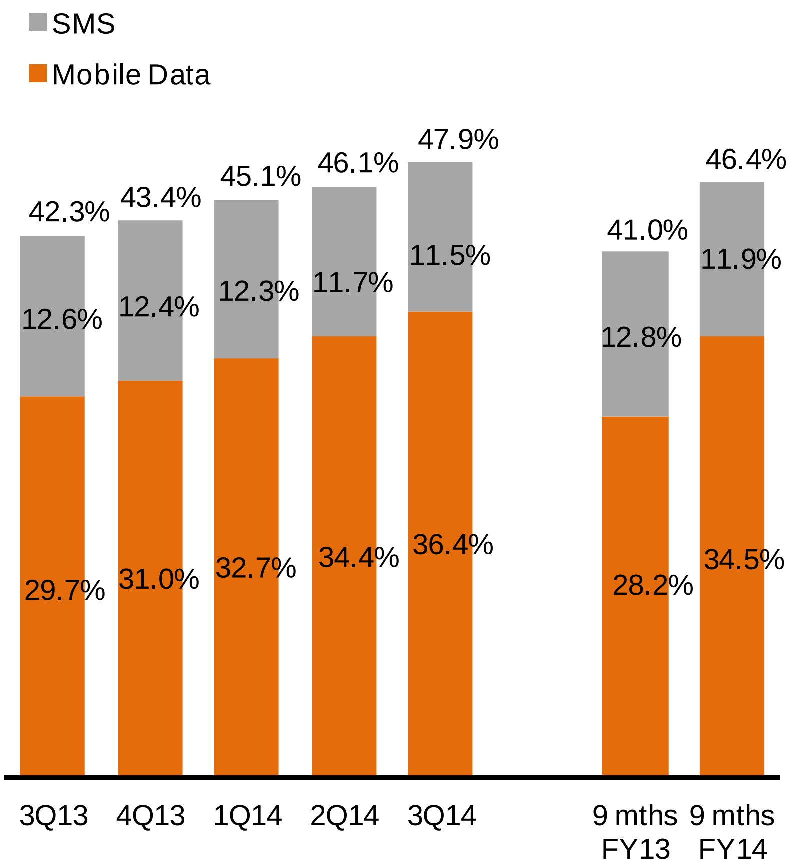


Data plan ARPU & non-voice contribution

Data plan ARPU (S$)

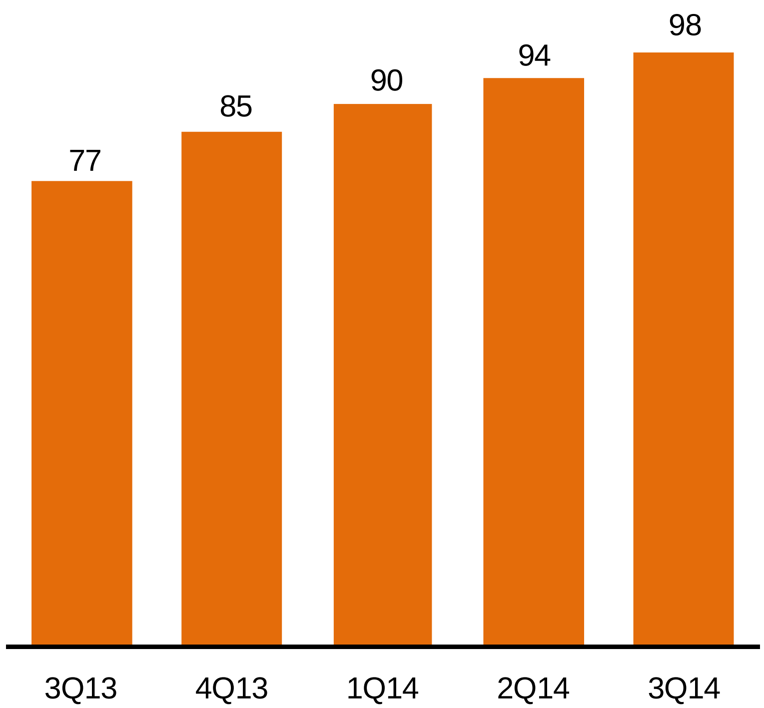


Mobile data and SMS contribution to service revenue

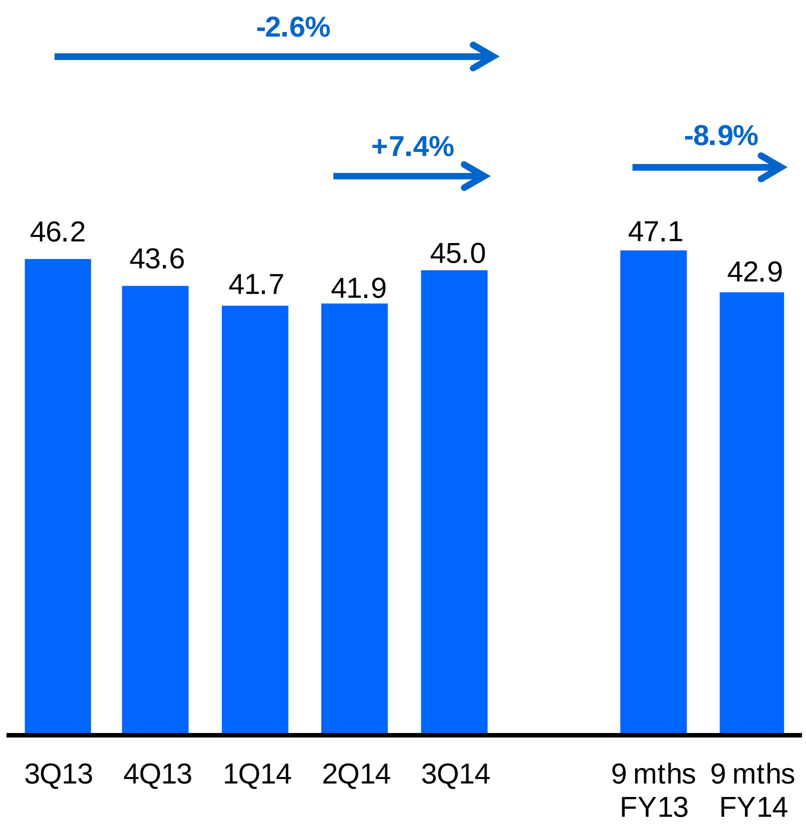


Fixed services

Fibre Customer base ('000)

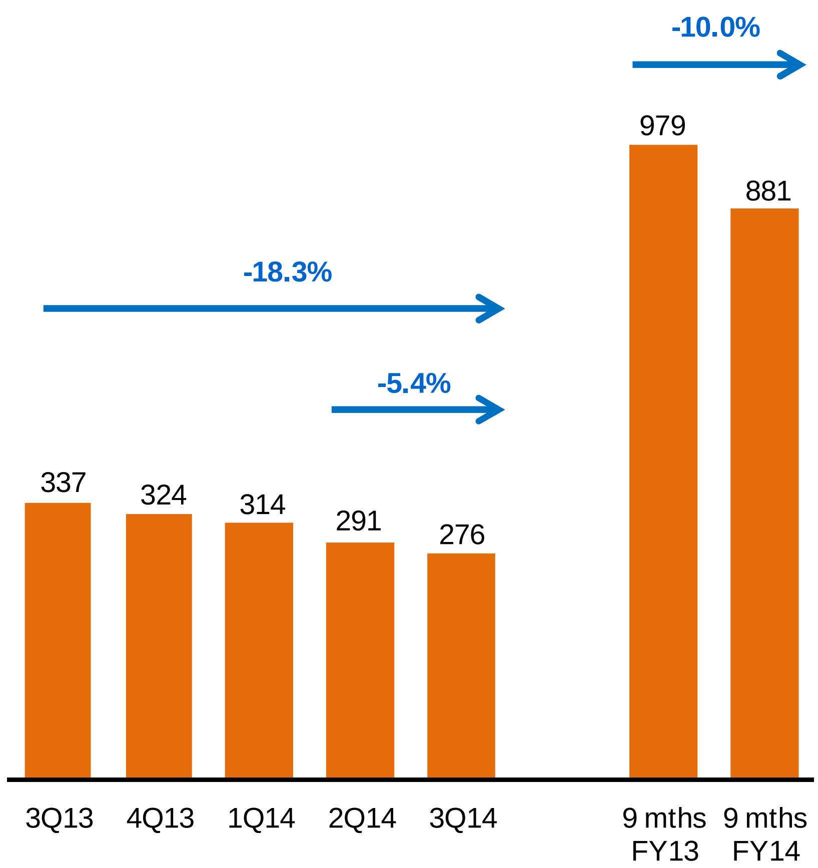


Fibre monthly ARPU (S$)

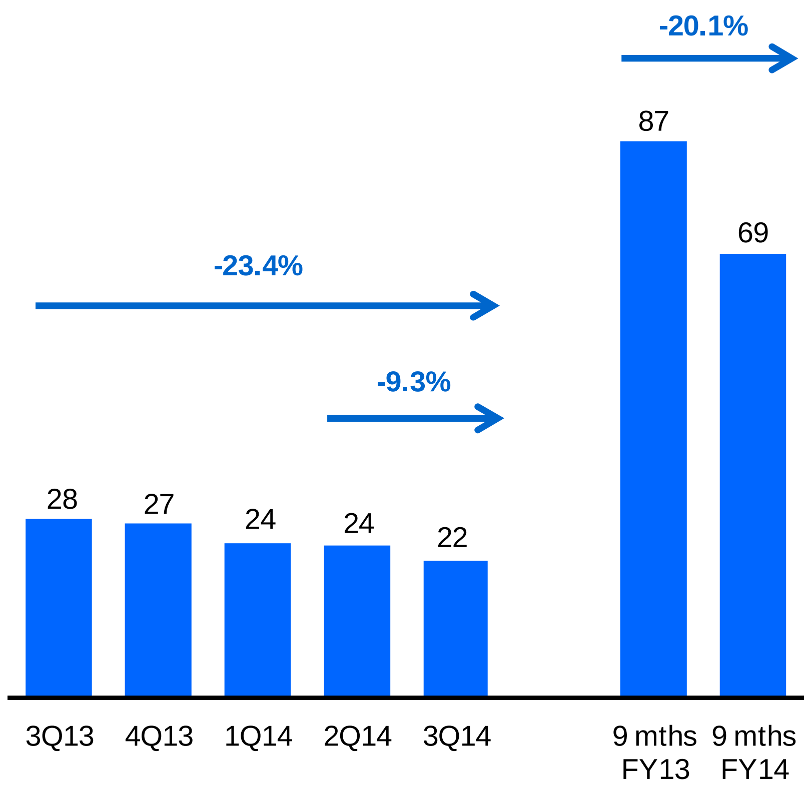


International call services

International retail minutes
(million mins)



International call services
revenue (S$m)



Agenda

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Developments and outlook for 2014

Mobile services

- Introduced new 4G smartphone plans
  - Wider range of plans with larger data bundles
  - Better meet customers' data usage requirements
- Seasonally higher acquisition cost in 4Q14

Fixed services

- Focus on delivering better user experience and value
- Competition likely to remain keen

Financial outlook

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

Thank you