

NetLinkNBN
the fibre of a smart nation

CEO Presentation

28 September 2020



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Financial snapshot¹

S\$370m ↑ 4.7%²

Revenue

S\$169m

Cash Balance

S\$3,527m

Market Capitalisation⁴

S\$258m³ ↑ 4.3%²

EBITDA

S\$666m

Gross Debt

S\$4,204m

Enterprise Value

¹ FY20

² Variance versus FY19

³ Excluding the impact of the one-time write-off of capitalised project cost of S\$15.4m in relation to a discontinued IT system replacement contract, the EBITDA would have been S\$274 million, representing an increase of 10.5% over FY19

⁴ Based on the unit price of S\$0.905 at 31 Mar 2020

Fibre is 'future proof'

#1

PREFERRED

Only means of fixed broadband delivery in Singapore



HIGH PENETRATION

Over 90% residential penetration rate



LOW PRICES

Fibre broadband prices are lower in Singapore than many other countries



CRITICAL INFRASTRUCTURE

Fibre supports last-mile wireless access solutions such as WiFi hotspots and 3G/4G/5G mobile base stations



SCALABLE

Fibre capacity is highly scalable and can support future transmission technologies

Our network

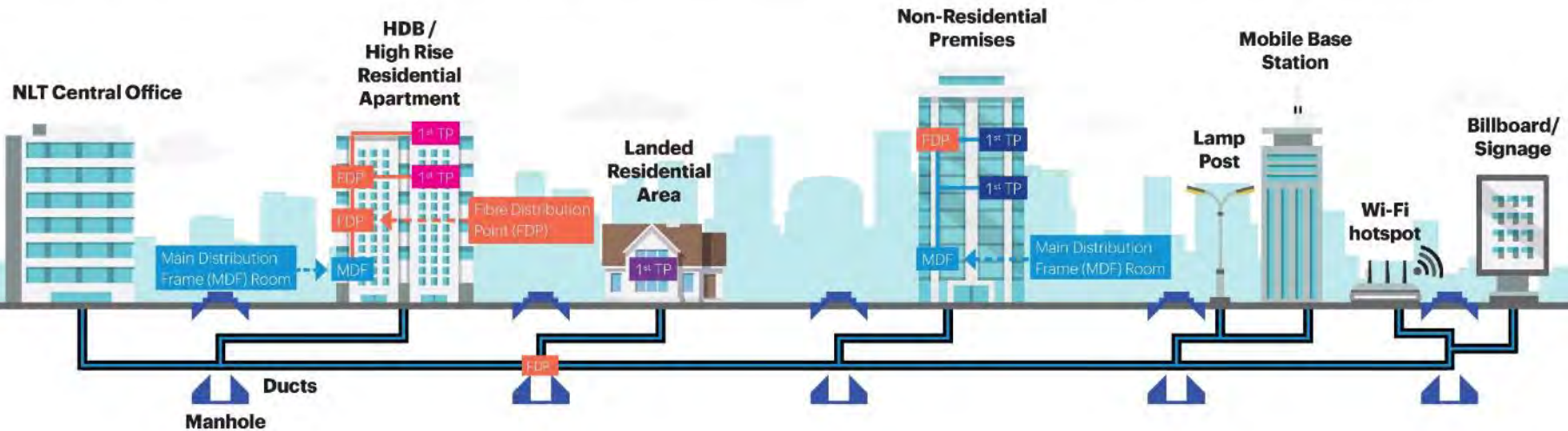
	Residential	Non-Residential	NBAP
FY20	1,427,445 End-Users +7.5%	47,681 End-Users +3.2%	1,679 Connections +5.8%
FY19	1,327,732 End-Users	46,207 End-Users	1,587 Connections

NETLINK'S NETWORK CONNECTS THE CENTRAL OFFICES TO:


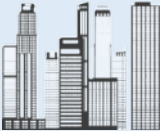
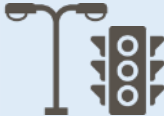





RESIDENTIAL HOMES

NON-RESIDENTIAL PREMISES

NBAP LOCATIONS



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 FY20 Revenue	62.5%	8.4%	2.0%	8.2%	5.6%	3.0%	5.5%	4.8%
Recurring, predictable cash flows	✓	✓	✓	✓	–	–	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	–	–	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	–	✓	–
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

FY20 Profit & loss statement

S\$'000	FY20	FY19	Variance (%)
Revenue	370,192	353,580	4.7
EBITDA	258,425	247,876	4.3
EBITDA Margin (%)	69.8	70.1	(0.3) pp
Depreciation & amortisation	(167,782)	(160,792)	4.3
Net finance charges	(18,774)	(17,334)	8.3
Profit before tax	71,869	69,750	3.0

Illustrating the impact of excluding the one-time write-off of capitalised project cost of S\$15.4 million:

EBITDA	273,842	247,876	10.5
EBITDA Margin (%)	74.0	70.1	3.9 pp

Revenue grew by 4.7% mainly due to higher residential and non-residential connections, partially offset by lower installation-related revenue and ducts and manholes service revenue.

EBITDA increased by 4.3% mainly due to higher revenue, higher other income and lower installation costs, partially offset by higher operating expenses due to a one-time write-off of capitalised project cost.¹

¹ Please refer to separate announcement released on 27 Feb 2020.

Robust balance sheet¹

S\$169m

Cash Balance

S\$666m

Gross Debt

S\$2,907m

Net Assets

2.6x

Gross Debt/
EBITDA²

13.4x

EBITDA Interest
Cover²

74.6 cents

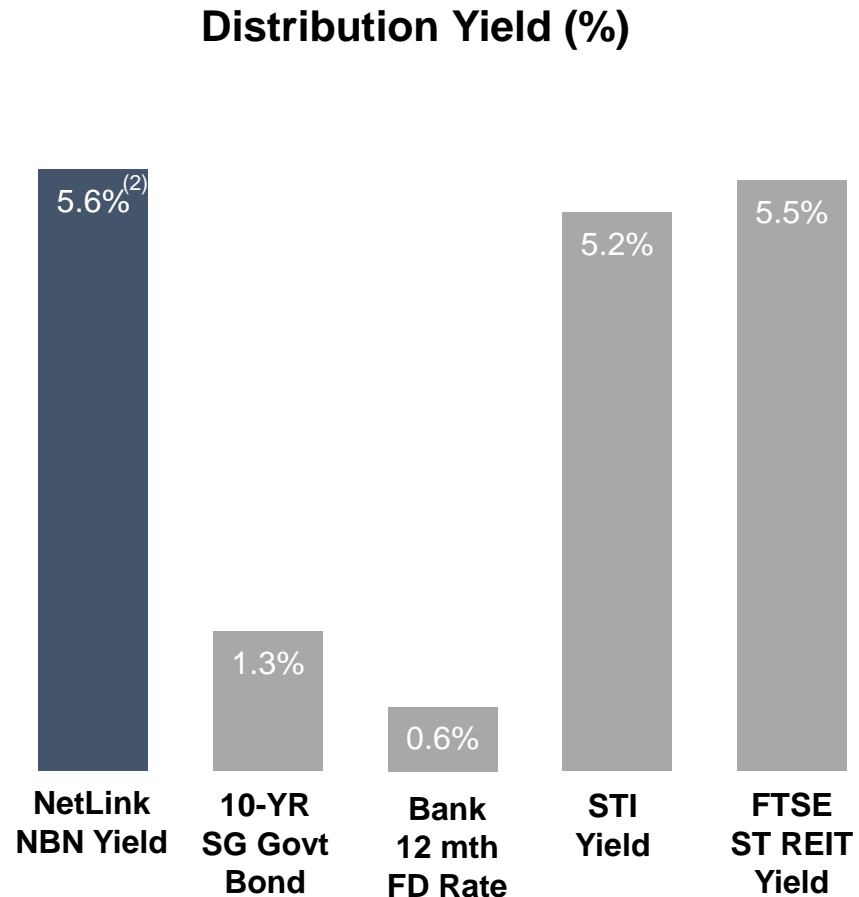
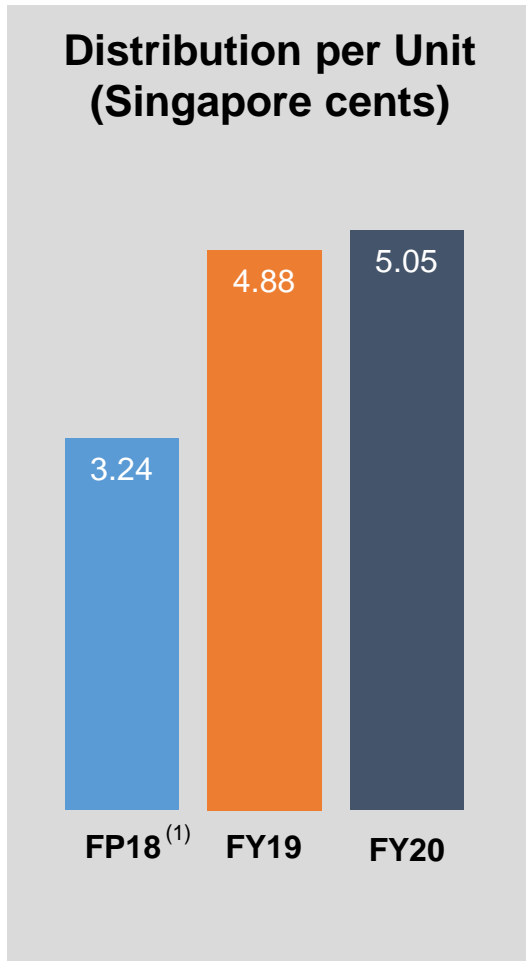
Net Assets per Unit

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

¹ As at 31 Mar 2020

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

Attractive distribution yield with low risk



Bloomberg as at 31 Mar 2020

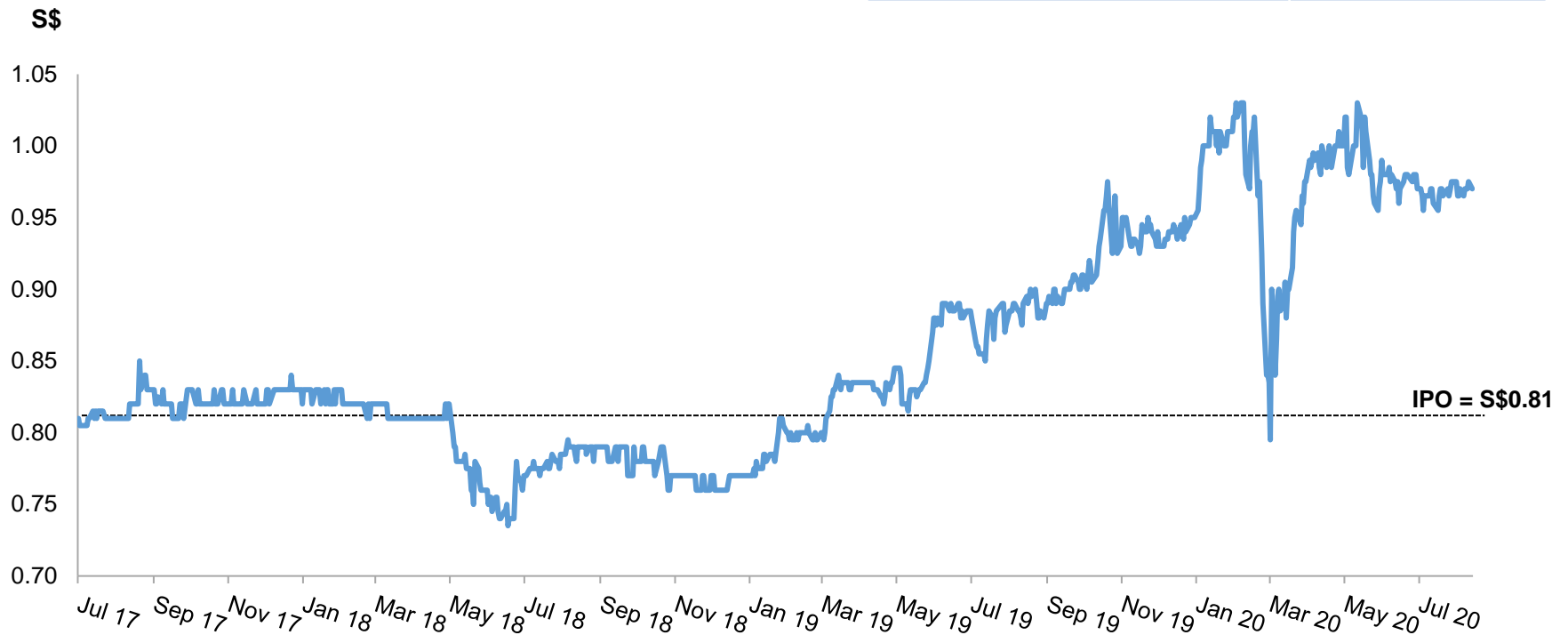
⁽¹⁾ For the financial period from 19 Jul 2017 (date of IPO) to 31 Mar 2018

⁽²⁾ Distribution yield is based on annualised DPU of 5.05 Singapore cents and the unit price of 90.5 cents as at 31 Mar 2020

Unit price performance since IPO

Unit price performance as at 31 Aug 2020

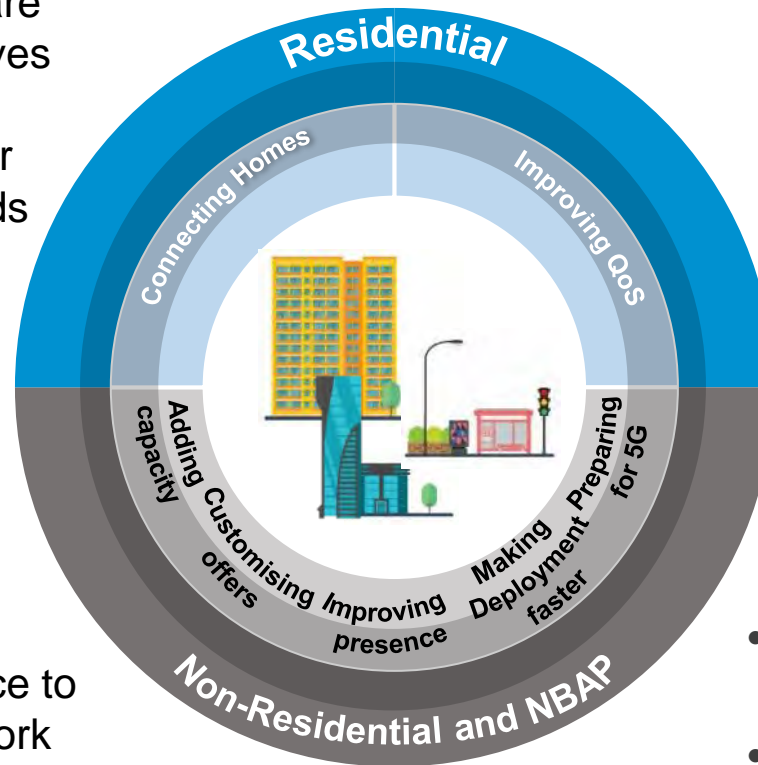
Since IPO on 19 July 2017	+19.8%
Last 12 months	+8.4%
Year to date	+3.2%



Source: Bloomberg as at 31 Aug 2020

Our focus for FY21

- **Connecting** new homes and households that are not on fibre via initiatives such as IMDA's Home Access programme for low-income households



- **Improving** service provisioning QoS

- **Adding** capacity, flexibility and resilience to create a denser network
- **Customising** offerings to SMEs
- **Improving** presence in major Data Centres

- **Making** NBAP easier and faster to deploy
- **Preparing** to support 5G infrastructure

Sustainability Report: Our Achievements



Business Practices

Achieved islandwide fibre coverage

Collaborated with industry players to pilot 5G projects across Singapore

Achieved 99.99% network availability

Zero incidents of corruption

No material breaches of law and regulations



Our People

Achieved an average of 15.4 learning hours per employee

Zero incidents of discrimination

Zero work related incidents resulting in fatalities or permanent disabilities



Environmental Impacts

0.44% of fibre scrap against fibre cable issued

Replaced or upgraded equipment for higher energy efficiency

Fibre network enabled the adoption of more carbon efficient processes (e.g. telecommuting)

Corporate Social Responsibility: Giving Back

6
Events

S\$69,400
donated

206
Volunteers

782
man hours

Responding to COVID-19:

- Priority accorded to low income households fibre broadband connections to support their work or study from home
- S\$600,000 sponsorship towards IMDA's Home Access programme for the next three years
- Donated to various social causes including the Migrant Workers' Centre (MWC)
- Offered fee waivers to telcos who may need to reconfigure their networks to cope with the changing traffic patterns and maintain the desired customer experience



Eco-learning workshop with
TOUCH Community

Thank You

