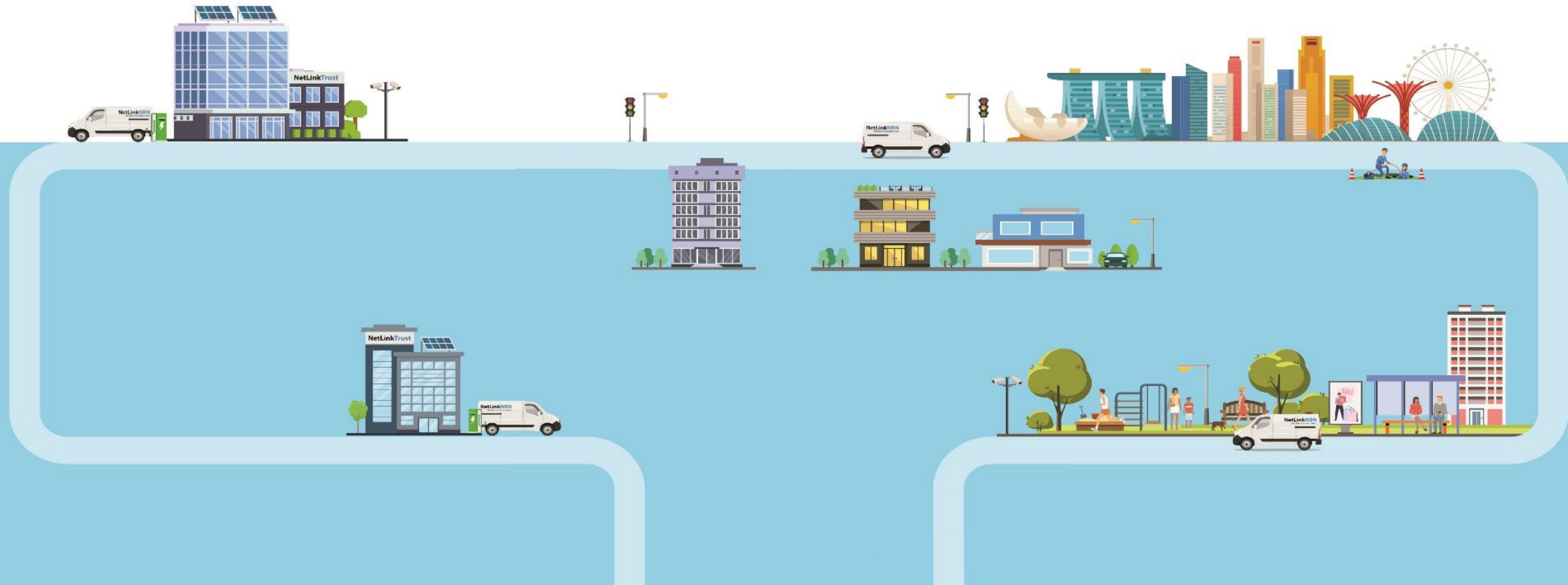


August 2024  
UBS NDR

**NetLinkNBN**  
*the fibre of a smart nation*



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EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of the NetLink Group’s performance and liquidity, and are not required by, or presented in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles. Furthermore, EBITDA and EBITDA margin are not measures of financial performance or liquidity and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles.

# Our business overview

**1,524,372**

**Residential  
End-Users**

- High Rise Residential Apartments
- Landed Residential Area



**10** Central Offices



**3,646** Segment Connections

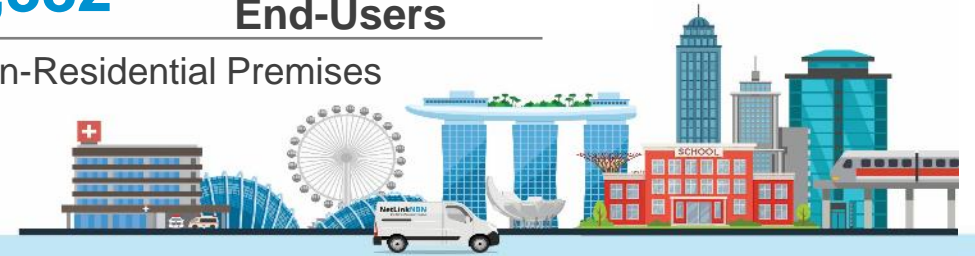
- Central Office to Central Office
- Point-to-Point
- Central Office to MDF room



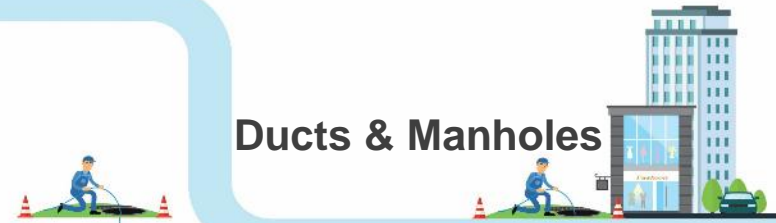
**53,382**

**Non-Residential  
End-Users**

- Non-Residential Premises



**Ducts & Manholes**



**2,944**

**NBAP Connections**

- Lamp Post
- Mobile Base Station
- WiFi hotspot
- Billboard/Signage



# Our business is future proof



**Preferred**  
means of fixed  
broadband  
delivery



**High**  
**penetration** rate  
in the residential  
segment



**Low prices** for  
fibre broadband



**Critical**  
**infrastructure**  
supporting  
last-mile  
wireless access  
solutions

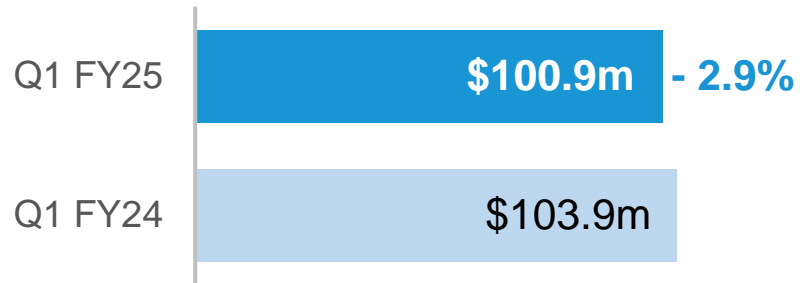


**Scalable** and  
supportive of  
future  
transmission  
technologies



# Q1 FY25 Financial highlights

## REVENUE



## EBITDA



## NET GEARING

**26.5%**  
Comfortable debt headroom

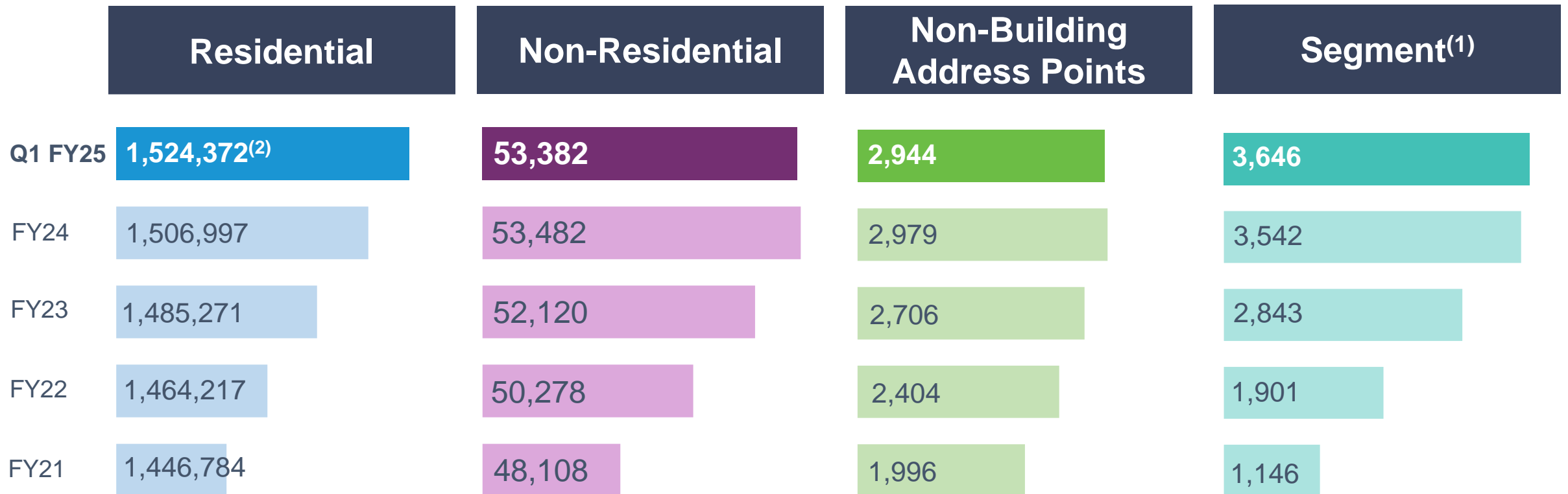
## WEIGHTED AVERAGE DEBT MATURITY

**2.1 years**

## MARKET CAPITALISATION

**\$3.2 billion**  
Unit price of \$0.830 as at  
28 Jun 24









# Steady growth of fibre connections



<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

<sup>(2)</sup> This growth was in part due to new connections from end-users switching to higher speed broadband plans but yet to terminate their existing connections for lower speed plans

# 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					NON-RAB REVENUE		
<b>% of Q1 FY25 Revenue</b>	<b>60.8</b>	<b>8.4</b>	<b>4.7</b>	<b>6.5</b>	<b>5.1</b>	<b>4.3</b>	<b>6.5</b>	<b>3.7</b>
<b>Recurring, predictable cash flows</b>	✓	✓	✓	✓	✓	✓	-	-
<b>Long-term contracts / customer stability</b>	✓	✓	✓	✓	✓	✓	-	-
<b>Regulated revenues</b>	✓	✓	✓	✓	✓	-	✓	-
<b>Creditworthy customers</b>	✓	✓	✓	✓	✓	✓	✓	✓

# 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





# Q1 FY25 Profit or loss statement

\$'000	Q1 FY25	Q1 FY24	Variance (%)
Revenue	100,915	103,935	(2.9)
EBITDA	73,380	75,221	(2.4)
EBITDA Margin (%)	72.7	72.4	0.3 pp
Depreciation & amortisation	(43,835)	(43,149)	1.6
Net finance costs	(4,495)	(4,575)	(1.7)
Profit after tax	25,663	28,241	(9.1)

## REVENUE

RAB revenue remained stable, with higher connection numbers<sup>1</sup> despite the revised prices for key services from 1 April 2024.

Overall revenue for Q1 FY25 was lower by \$3.0 million primarily due to lower revenue from ancillary projects (non-RAB revenue).

**EBITDA** was \$1.8 million lower mainly due to lower non-operating income and higher operating expenses. In Q1 FY24, there was a \$1.1 million one-off gain on disposal of assets included in the non-operating income.

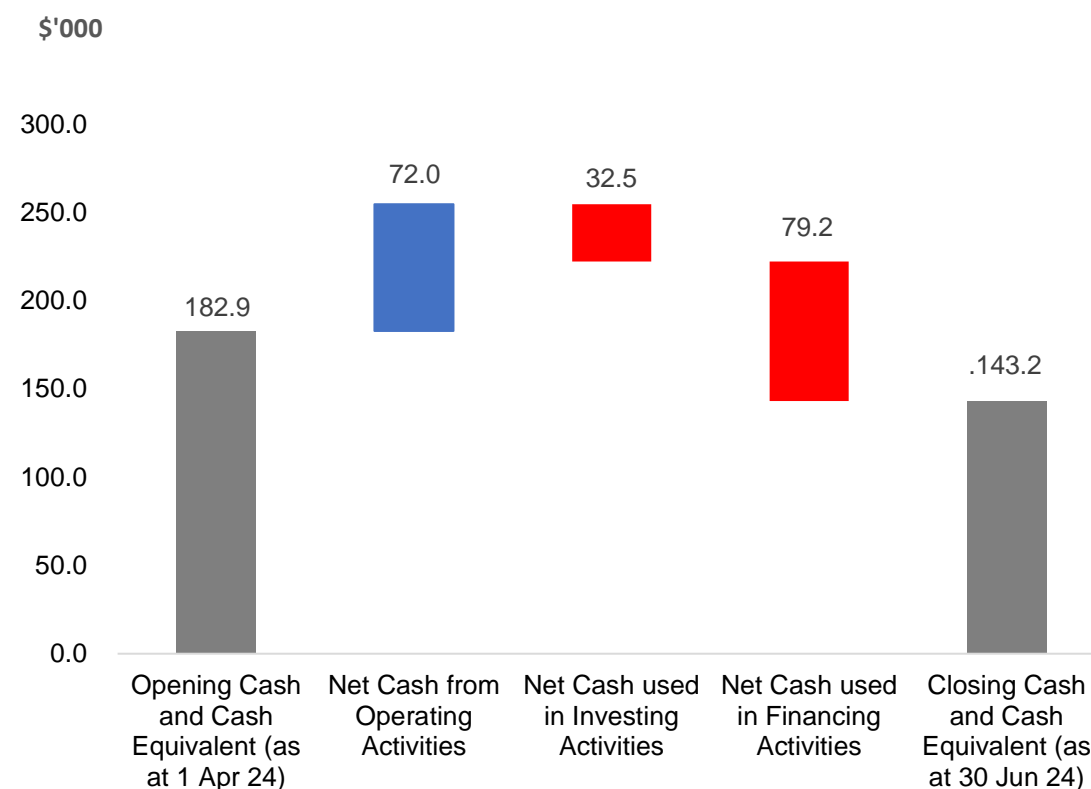
**PAT** was lower by \$2.6 million mainly due to lower EBITDA, and higher depreciation from a higher asset base.

<sup>1</sup> This growth was in part due to new connections from residential end-users switching to higher speed broadband plans but yet to terminate their existing connections for lower speed plans

# Strong credit metrics and operating cash flow

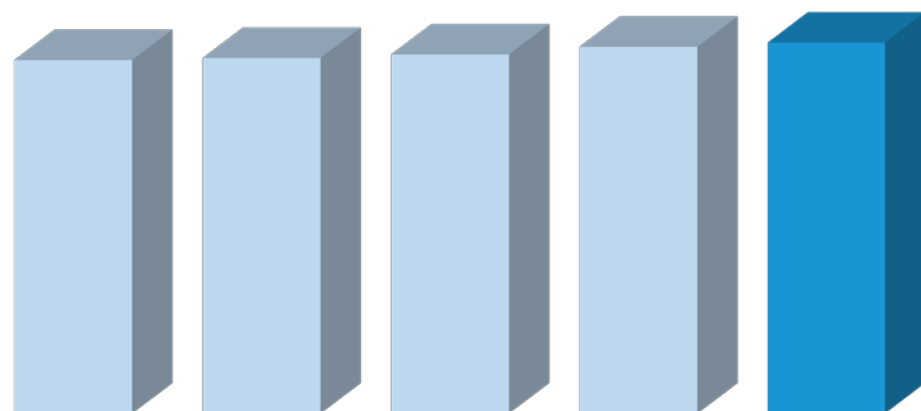
	Jun 2024	Mar 2024
Gross Debt	\$790m	\$765m
Weighted Average Debt Maturity	2.1yrs	2.4yrs
Net Debt/EBITDA <sup>(1)</sup>	2.2x	2.0x
Borrowings at Fixed Rate	75.9%	78.4%
	Q1 FY25	Q1 FY24
EBITDA Interest Cover <sup>(1)</sup>	13.8x	14.0x
Effective average interest rate	2.69%	2.75%

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



# Attractive distribution yield

## Distribution per Unit (Singapore cents)



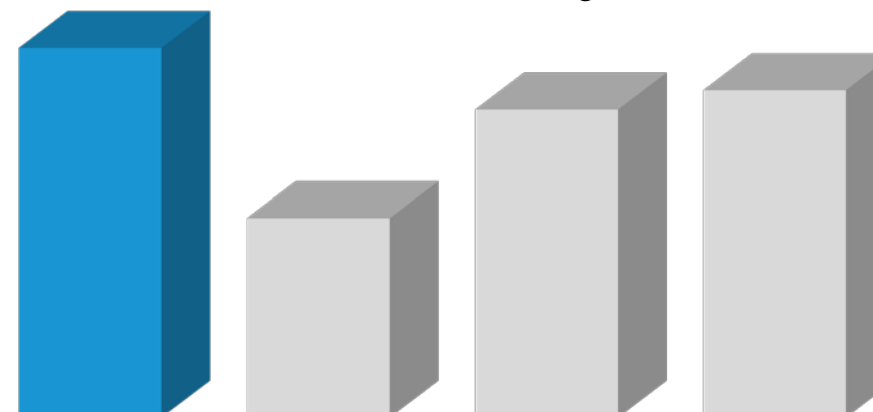
FY20    FY21    FY22    FY23    FY24

- 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 to date (including the H2FY24 distribution)

## Distribution yield (%)



Bloomberg as at 28 Mar 2024



NetLink<sup>(1)</sup> Yield    10-YR SG Govt Bond    STI Yield    FTSE ST REIT Yield

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

# Our sustainability commitments

## TARGET

- Achieve 50% reduction in Scope 1 and 2 emissions by 2030 (with FY22 as baseline)
- Achieve net zero by 2050

## INITIATIVES

- Rolled-out LED lighting in central offices
- Upgrading central offices' cooling system with more efficient and low carbon models
- Planning vehicle fleet optimisation and electrification
- Trialed fibre cable waste recycling

# Our sustainability achievements



## OUR BUSINESS PRACTICES

- **Zero incidents of corruption** and significant non-compliance with laws and regulations
- **Four awards and recognitions** for governance and communications



## OUR ENVIRONMENT

- **Scrap rate of 1.2%** on fibre cable issued, within target of 2.5%
- **Zero incidents of non-compliance** on waste disposal practices
- **61.8% Scope 1 and 2 emissions reduction** from FY22 base year
- **Completed TCFD quantitative climate scenario analysis**



## OUR PEOPLE & COMMUNITIES

- **16,780 learning hours** in total
- **No incidents of discrimination reported**
- **Zero work-related incidents** that resulted in permanent disability or fatality
- **100% islandwide fibre coverage** and 99.99% network availability

**Thank you**

**Investors and Media**

**Mr Victor Chan**

**investor@netlinknbn.com**



# Supplementary Information



# 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 & 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:

- one-off non-cash write-off of decommissioned network assets amounting to \$8.8m; partially offset by
- one-off refund of \$5.2m following a 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.



# Pricing model

## PRICING OF NLT'S PRINCIPAL SERVICES ARE REGULATED BY IMDA

- IMDA holds a review of pricing terms every five years, or at any such time as IMDA may consider appropriate (which may include a mid-term review in the third year from the last price review).
  - ❑ IMDA's most recent review of the prices in NetLink Trust's Interconnection Offer was completed in November 2023. The revised prices are effective from 1 April 2024.
  - ❑ Pricing terms are regulated using the Regulated Asset Base (RAB) framework, which allows NetLink Trust to recover the following components: (a) return of capital deployed (i.e. depreciation); (b) return on capital employed; and (c) operating expenditure.
  - ❑ The WACC determined by IMDA is 7%.
  - ❑ NetLink Trust will set aside a Capex Reserve of \$40 million for the new pricing period.
- NetLink Trust may propose to conduct a mid-term price adjustment in the third year, in the event of any significant changes to cost or demand forecasts due to unforeseen circumstances.

## MONTHLY RECURRING CHARGE ("MRC")

### RESIDENTIAL

**\$13.50**

per connection per month

### NON-RESIDENTIAL

**\$55.00**

per connection per month

### NBAP

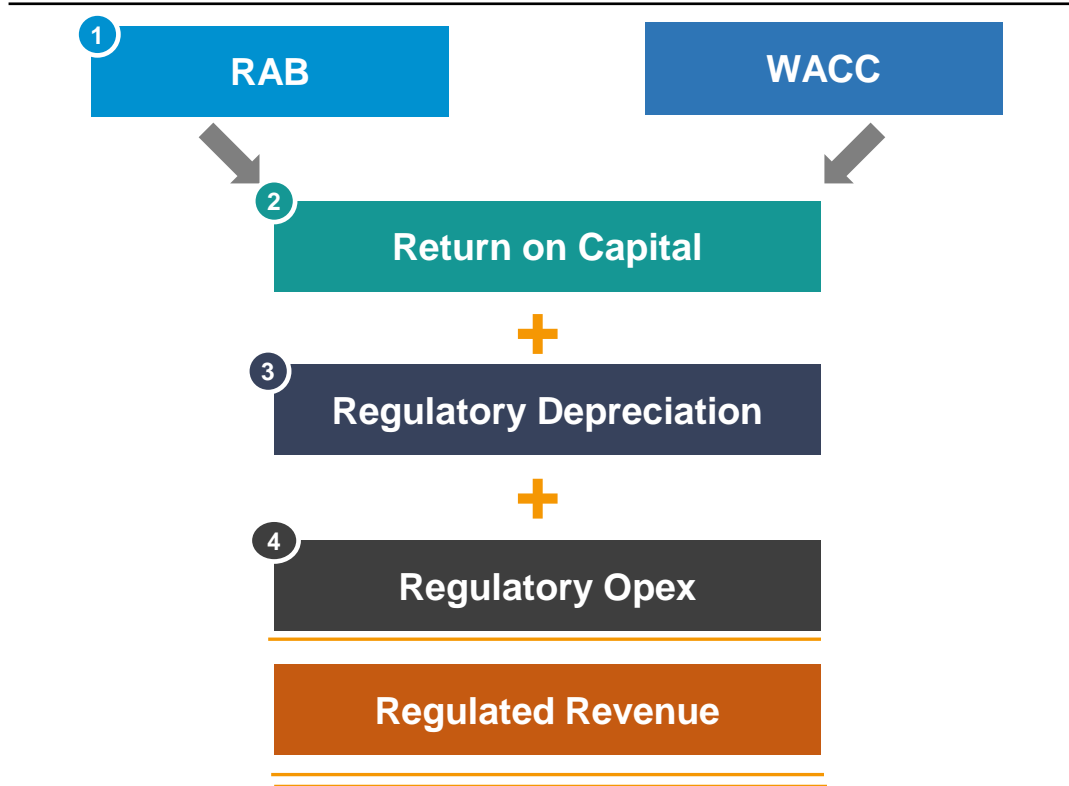
**\$70.50**

per connection per month

# Pricing model

- Stable and consistent regulatory framework provides low risk and long-term returns to investors.

## FRAMEWORK FOR RAB BASED PRICING MODEL



## METHODOLOGY FOR RAB BASED PRICING MODEL

1 Cost Base for RAB	<ul style="list-style-type: none"> <li>Base year of the RAB is 2012               <ul style="list-style-type: none"> <li>Assets purchased up to 2012 are valued at 2012 prices</li> <li>Assets purchased after 2012 are valued at actual cost</li> </ul> </li> </ul>
2 Return on Capital <sup>(i)</sup>	<ul style="list-style-type: none"> <li>Nominal pre-tax WACC of 7.0%               <ul style="list-style-type: none"> <li>Derived using the capital asset pricing model</li> </ul> </li> <li>Nominal Pre-tax WACC =               <math display="block">\text{Cost of equity} \times \frac{(1 - \text{gearing})}{(1 - \text{tax})} + \text{Cost of debt} \times \text{gearing}</math> </li> </ul>
3 Regulatory Depreciation	<ul style="list-style-type: none"> <li>Based on Annuity Method of Depreciation</li> <li>Useful life of assets:               <ul style="list-style-type: none"> <li>Ducts and manholes: 35 years</li> <li>Fibre and related infrastructure: 25 years</li> </ul> </li> </ul>
4 Regulatory Opex	<ul style="list-style-type: none"> <li>NLT is allowed to recover a portion of its operating expenditure spent as part of the RAB</li> </ul>

<sup>(i)</sup> IMDA may change the rate of applicable pre-tax WACC in future review period