



NetLinkNBN

the fibre of a smart nation

**Financial Results for the period
1 Jan to 31 Mar 2019 (“Q4 FY19”)
and 1 Apr 2018 to 31 Mar 2019
 (“FY19”)**

13 May 2019

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Overview

Key Highlights

- **FY19 EBITDA & PAT have exceeded Projection⁽¹⁾ by 3.2% and 17.8% respectively**
- **Residential fibre connections surpassed the Projection⁽¹⁾ with 1.33 million residential end-users**
- **Resilient business model with transparent and predictable revenue streams**
- **Strong balance sheet to support growth**
- **Total Distribution Per Unit (“DPU”) of 4.88 Singapore cents for FY19 exceeded Projection⁽¹⁾ by 5.2%**

Financial Snapshot

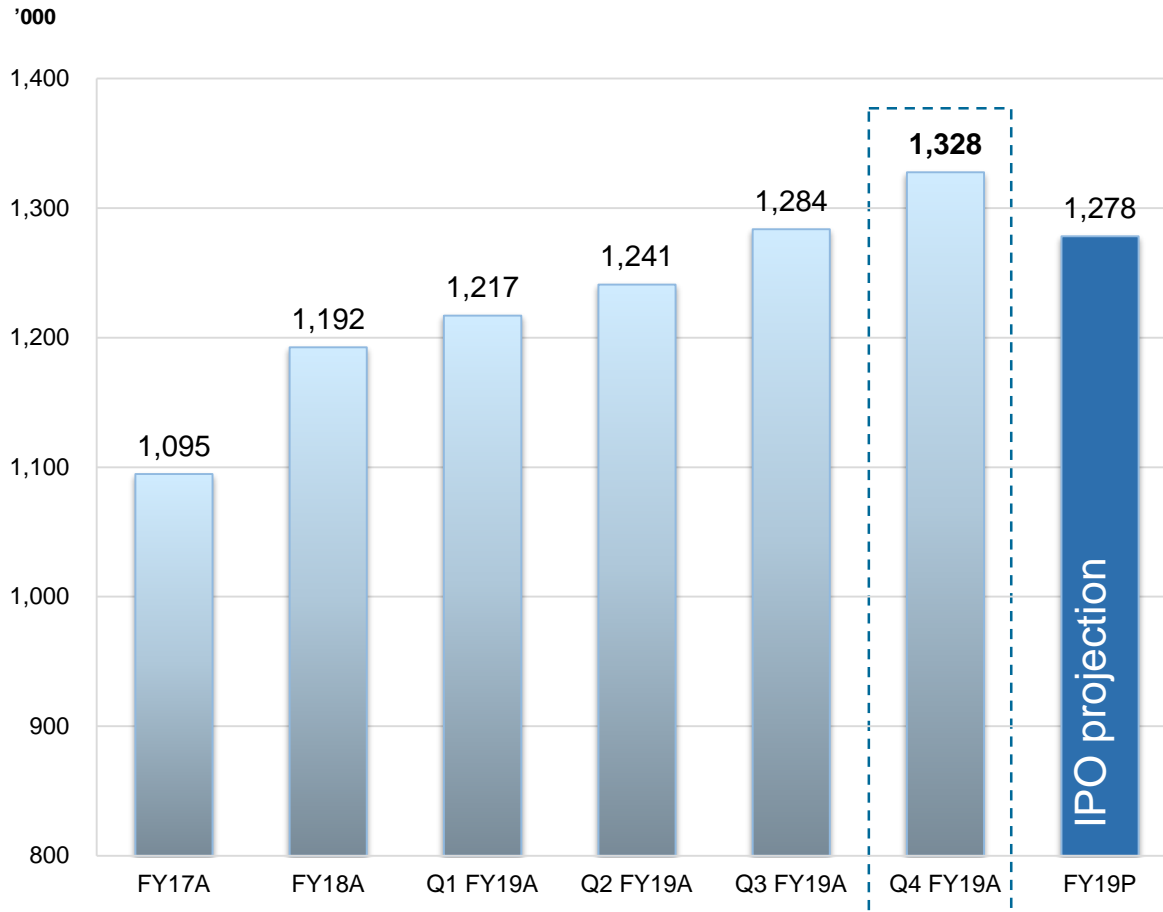
| \$m | FY19 | Variance vs Projection ⁽¹⁾ |
|------------------|-------|---------------------------------------|
| Revenue | 353.6 | ↑ 3.3% |
| EBITDA | 247.9 | ↑ 3.2% |
| EBITDA Margin | 70.1% | (0.1pp) |
| Profit After Tax | 77.4 | ↑ 17.8% |

| \$m | As at 31 Mar 2019 |
|--------------------------------------|-------------------|
| Market Capitalisation ⁽²⁾ | 3,234 |
| Enterprise Value ⁽²⁾ | 3,722 |
| Net Assets | 3,030 |
| NAV Per Unit (Cents) | 77.7 |

(1) Refers to Projection Year 2019's projection disclosed in the prospectus dated 10 Jul 2017.

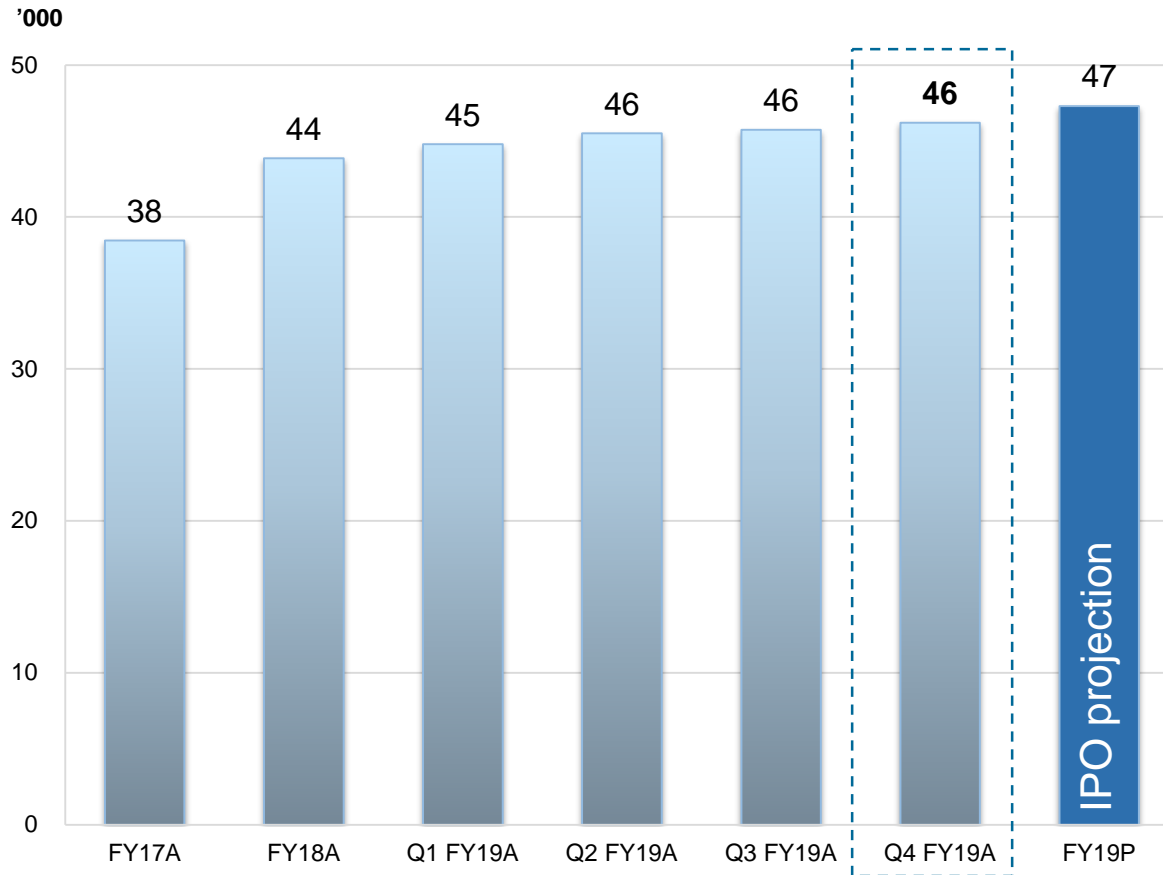
(2) Based on the unit price of \$0.83 as at 31 Mar 2019.

Residential fibre connections



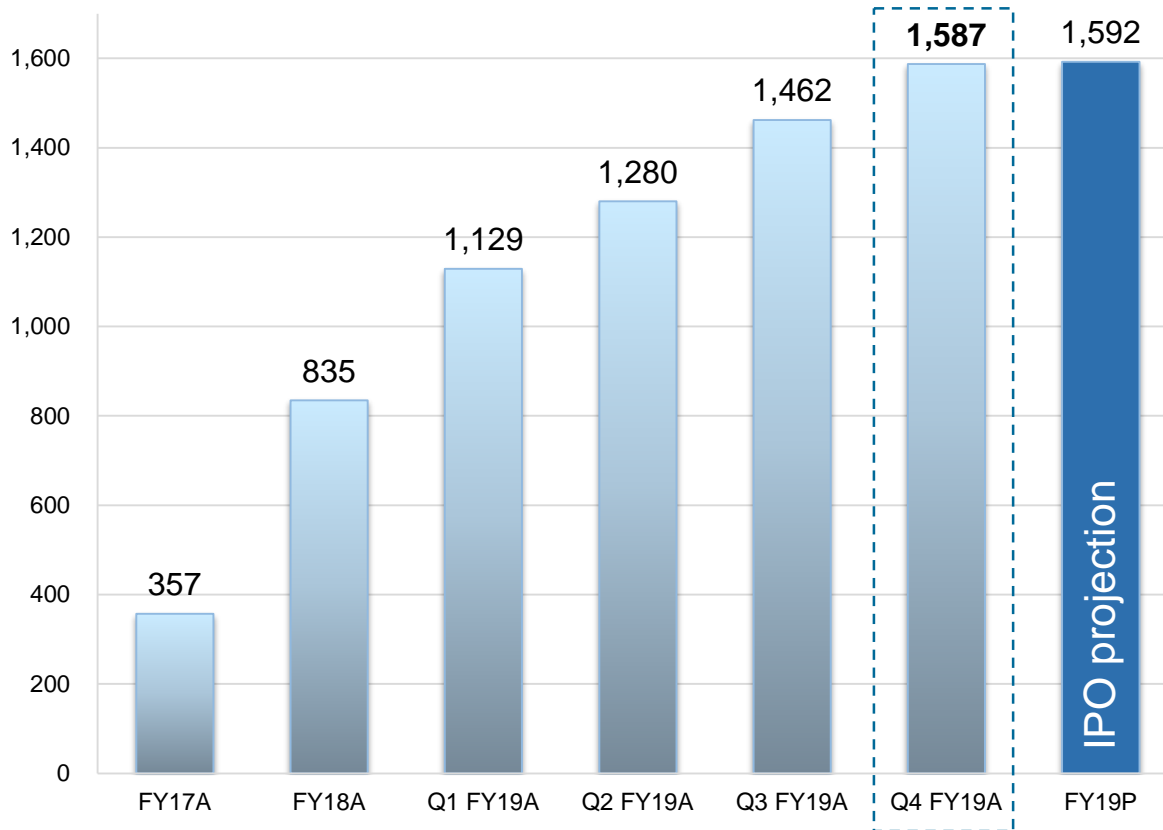
- 1.33m residential connections as at 31 Mar 2019
- Increased 3.4% since 31 Dec 2018
- Surpassed IPO projection by 3.9%

Non-residential fibre connections



- 46,207 non-residential connections as at 31 Mar 2019
- Increased 1.0% since 31 Dec 2018

Non-Building Address Point (“NBAP”) connections



- NBAP connections have increased 8.5% since 31 Dec 2018
- Continue to support RLs and government agencies on Smart Nation initiatives

Q4 FY19 Profit & loss statement

| S\$'000 | Q4 FY19 | Projection ⁽¹⁾ | Variance (%) |
|-----------------------------|---------------|---------------------------|--------------|
| Revenue | 87,862 | 87,434 | 0.5 |
| EBITDA | 62,810 | 61,823 | 1.6 |
| EBITDA margin (%) | 71.5 | 70.7 | 0.8pp |
| Depreciation & amortisation | (40,743) | (40,865) | (0.3) |
| Net finance charges | (4,364) | (5,588) | (21.9) |
| Profit Before Tax | 17,703 | 15,370 | 15.2 |

(1) Projection for the quarter was part of the Projection Year 2019's projection disclosed in the prospectus dated 10 Jul 2017.

Revenue was in line with projection. While the residential connections revenue and ducts and manholes service revenue were higher, the installation-related revenue was lower.

In addition to higher revenue, the higher **EBITDA** was contributed by lower other operating expenses, partially offset by higher operation and maintenance costs. **EBITDA margin** was in line with Projection.

FY19 Profit & loss statement



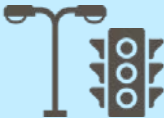





| S\$'000 | FY19 | Projection ⁽¹⁾ | Variance (%) |
|-----------------------------|----------------|---------------------------|--------------|
| Revenue | 353,580 | 342,214 | 3.3 |
| EBITDA | 247,876 | 240,178 | 3.2 |
| EBITDA margin (%) | 70.1 | 70.2 | (0.1pp) |
| Depreciation & amortisation | (160,792) | (163,460) | (1.6) |
| Net finance charges | (17,334) | (21,262) | (18.5) |
| Profit Before Tax | 69,750 | 55,456 | 25.8 |

(1) Refers to Projection Year 2019's projection disclosed in the prospectus dated 10 Jul 2017.

Revenue was higher due to higher residential connections revenue, diversion revenue, and ducts and manholes service revenue. This was partially offset by lower than projected installation-related revenue.

In addition to higher revenue, the higher **EBITDA** was contributed by lower staff costs and other operating expenses offset by higher operation and maintenance costs and diversion costs, which were in line with the higher revenue. **EBITDA margin** was in line with Projection.

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 FY19 Revenue | 58.5% | 8.5% | 2.0% | 10.6% | 6.0% | 3.8% | 5.7% | 4.9% |
| Recurring, predictable cash flows | ✓ | ✓ | ✓ | ✓ | – | – | ✓ | ✓ |
| Long-term contracts / customer stability | ✓ | ✓ | ✓ | ✓ | – | – | ✓ | ✓ |
| Regulated revenues | ✓ | ✓ | ✓ | ✓ | ✓ | – | ✓ | – |
| Creditworthy customers | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Balance sheet as at 31 Mar 2019

| | |
|------------------------------------|------------|
| Cash Balance | S\$149m |
| Gross Debt | S\$636m |
| Net Assets | S\$3,030m |
| Gross Debt/EBITDA | 2.6x |
| EBITDA Interest Cover | 13.5x |
| Net Assets Per Unit ⁽¹⁾ | 77.7 cents |

⁽¹⁾ Net assets per unit represents equity divided by total number of units (3,896,971,100).

Distribution details

| | |
|-------------------------------|--------------------------------|
| Distribution period | 1 October 2018 – 31 March 2019 |
| Distribution amount | 2.44 Singapore cents per Unit |
| Ex-distribution date and time | 23 May 2019, 9am |
| Books closure date and time | 24 May 2019, 5pm |
| Distribution payment date | 3 June 2019 |

- In the Prospectus, the NetLink Group had projected a DPU of 4.64 cents for the financial year ended 31 March 2019. The NetLink Group's DPU for first half year ended 30 September 2018 was 2.44 cents. Together with a DPU of 2.44 cents for the second half of the financial year, the total DPU of 4.88 cents for the whole of FY19 represents an increase of 5.2% against the projected DPU. The distribution for FY19 therefore amounts to approximately \$190.2m.
- The net cash generated from operating activities in FY19 was approximately \$229.6m, which supported the FY19 distribution.

Focus for FY20

- Expects revenue from key connection services to be higher than that of FY19 mainly due to higher residential connections and installation-related revenues
- Continue to invest to expand the network and also to utilise Capex Reserve on projects that will improve the network's capability and resiliency. Capex in FY20 is expected to be higher than that of FY19
- Work proactively with the Requesting Licensees ("RLs") to anticipate future demand in the Non-Residential and NBAP segments, and to support the RLs' efforts to acquire new corporate Non-Residential and NBAP customers
- Monitor the development of the 5G network in Singapore and explore opportunities associated with the new market development

Well-positioned to deliver long-term value and growth

NetLinkNBN

1 Critical infrastructure enabling Singapore's Next Gen NBN

2 Resilient business model with transparent, predictable and regulated revenue stream

3 Sole nationwide provider of residential fibre network in Singapore

4 Well-positioned to benefit from growth in the non-residential segment as the independent nationwide network provider

5 Well-positioned to capitalise on growth in connected services including Singapore's Smart Nation initiatives

6 Extensive nationwide network affording natural barrier to entry

Thank You

Investors and Media

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