

**Analyst update for the period
1 Apr to 30 Jun 2022
("Q1 FY23")**

15 August 2022

NetLinkNBN
the fibre of a smart nation

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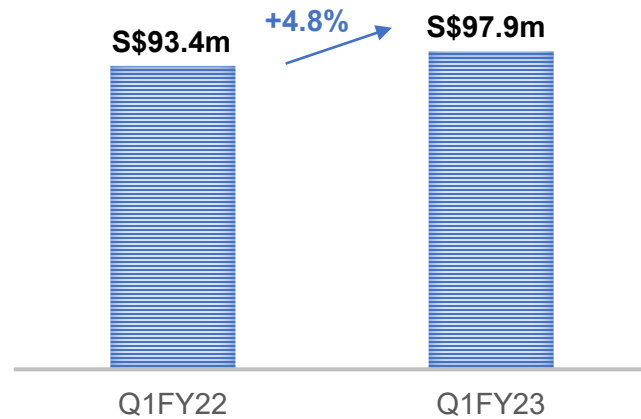
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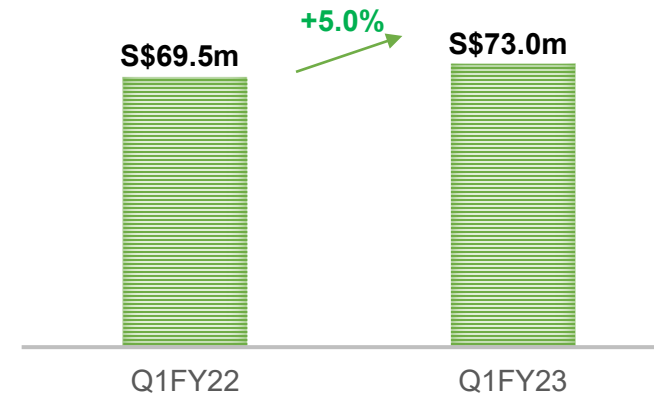
EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of the NetLink Group’s performance and liquidity, and are not required by, or presented 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.

Q1 FY23 Financial highlights

REVENUE



EBITDA



NET GEARING

20.8%

Comfortable debt headroom

WEIGHTED AVERAGE DEBT DURATION

3.1 years

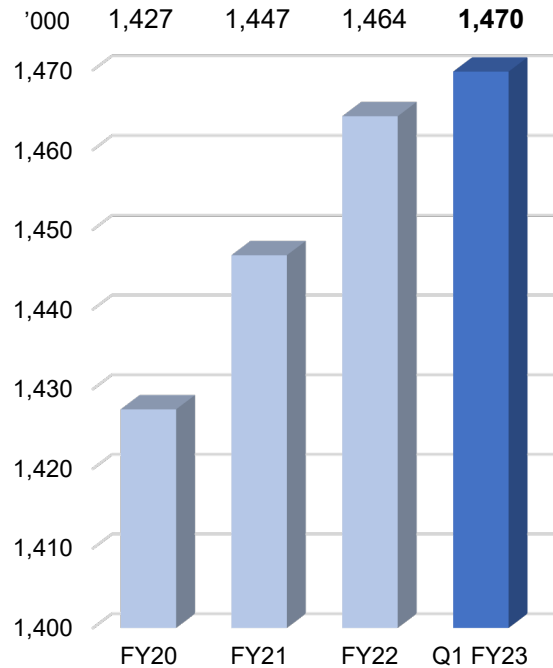
MARKET CAPITALISATION

S\$3.8 billion

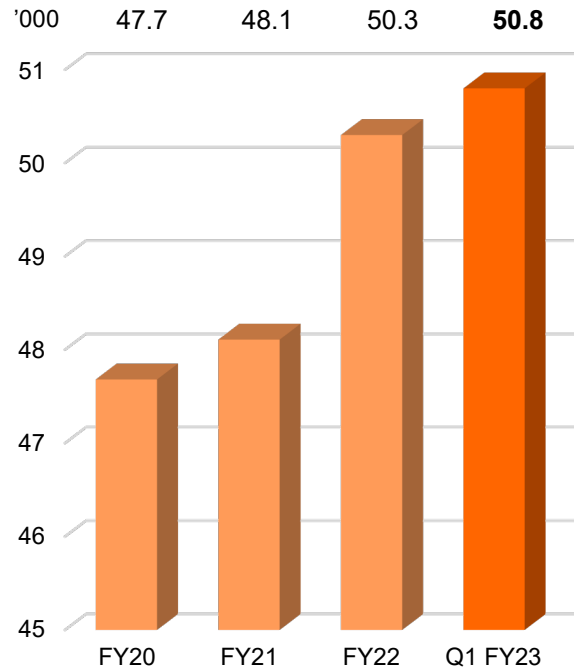
Unit price of S\$0.97 as at
30 Jun 2022

Fibre connections

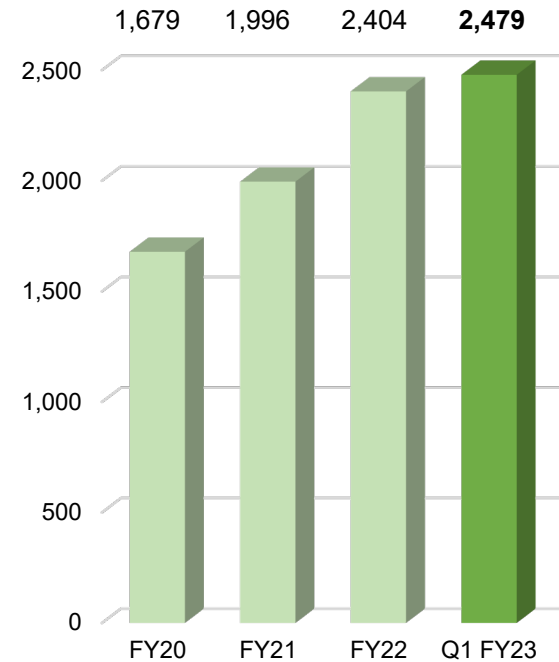
Residential



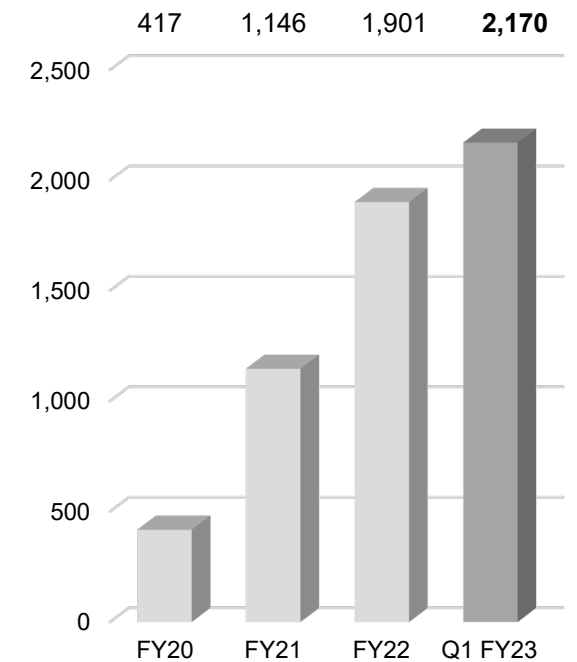
Non-Residential



Non-Building Address Points



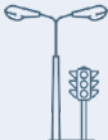







Segment⁽¹⁾



⁽¹⁾ 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	 Installation Related Revenue	 Ancillary Project Revenue	 Co-Location & Other Revenue	 Central Office Revenue
	RAB REVENUE				NON-RAB REVENUE			
% of Q1 FY23 Revenue	62.0%	8.0%	3.8%	7.1%	5.3%	4.5%	5.4%	3.9%
Recurring, predictable cash flows	✓	✓	✓	✓	-	-	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	-	-	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	-	✓	-
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

Strategic Focus

- 1. Improve network reach, densification and capability in support of NetLink's fibre-to-anywhere (FTTx) deployment.**
- 2. Improve competitiveness of NetLink's Fibre in enterprise and Government segment**
- 3. Pursue favourable outcome for Regulatory Price Review**
- 4. Explore opportunities to invest in telecoms infrastructure businesses overseas which are likely to generate a stable cashflow**
- 5. Create brand affinity with end-users**

Q1 FY23 Profit & loss statement

S\$'000	Q1 FY23	Q1 FY22	Variance (%)
Revenue	97,892	93,420	4.8
EBITDA	72,962	69,495	5.0
EBITDA Margin (%)	74.5	74.4	0.1 pp
Depreciation and amortisation	(42,336)	(42,389)	(0.1)
Net finance charges ⁽¹⁾	(3,320)	(3,179)	4.4
Profit before tax	27,306	23,927	14.1

Revenue for Q1 FY23 was 4.8% higher than Q1 FY22 due to:

- Higher ancillary project revenue, connections revenue (residential, non-residential, NBAP and Segment connections) and Co-location revenue
- Partially offset by lower Central Office Revenue

EBITDA was higher by 5.0% mainly due to:

- Higher revenue, partially offset by higher ancillary project direct costs (in line with the higher ancillary project revenue) and other operating expenses

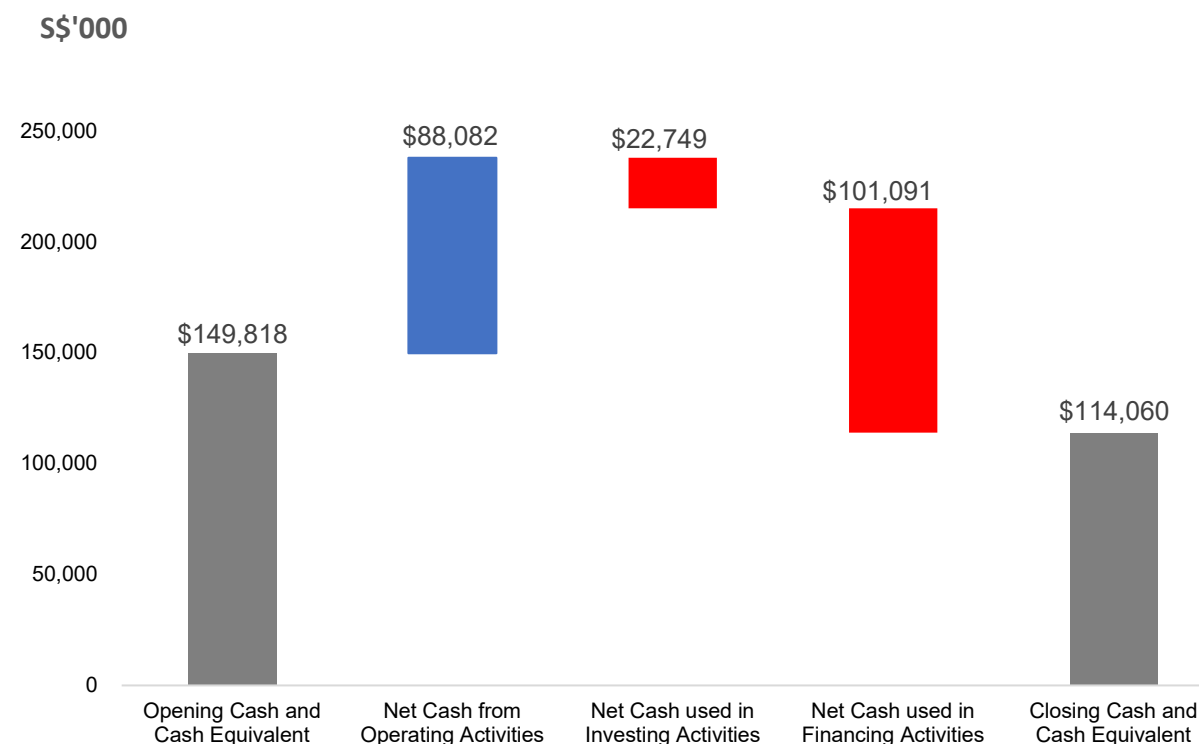
⁽¹⁾ Net finance charges for Q1 FY22 included S\$0.8M transaction fee relating to the one-year extension of the term loan. This fee was fully expensed off with the repayment of the term loan. By excluding this transaction fee of S\$0.8M in Q1 FY22, the net finance charges for Q1 FY23 would have been S\$1.0M higher due to the increase in average interest rate (Q1 FY23: 1.77% vs Q1 FY22: 1.11%).

Strong credit metrics and cashflow

	Q1 FY23	Q1 FY22
Gross Debt	S\$666m	S\$666m
Weighted average debt maturity	3.1yrs	4.1yrs
Net debt/EBITDA ⁽²⁾	2.0x	2.0x
EBITDA Interest cover ⁽²⁾	27.1x	17.5x
Borrowings at Fixed Rate	76.6%	-
Effective average interest rate	1.8%	1.1%

⁽²⁾ Ratios calculated based on NetLink Group's trailing 12 months financial

- Debt interest rate substantially hedged
- Stable capital structure with debt headroom to fund future capex



- Strong cashflow generated from operations and cash reserves
- Distribution declared for H2 FY22 paid in this quarter
- S\$156m RCF maturing in Mar'23 will be refinanced in this FY



Thank you

Investors and Media

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