



# StarHub 2Q & 1H-2014 Results

## 5 August 2014

## Forward-looking Statements

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***The following presentation may contain forward-looking statements by StarHub Ltd (“StarHub”) relating to financial trends for future periods.***

***Some of the statements in this presentation which are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These forward-looking statements are based on StarHub’s current views, intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside StarHub’s control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and uncertainties. Because actual results could differ materially from StarHub’s current views, intentions, plans, expectations, assumptions and beliefs about the future, such forward-looking statements are not and should not be construed as a representation, forecast or projection of future performance of StarHub. It should be noted that the actual performance of StarHub may vary significantly from such statements.***

# Management Team



**TAN Tong Hai**  
**CEO**



**Nicholas TAN**  
**CFO**



**Kevin LIM**  
**CCO**

## 1H2014 Highlights

Financial Highlights

Business Highlights

2014 Outlook

## Overview (1H-2014 vs 1H-2013)

### Financial

- Total revenue decreased 2%
- Service revenue decreased 1%
- EBITDA decreased 2%
- EBITDA margin at 33.3%
- NPAT decreased 7%

### Operational

- Subscriber growth in all lines of business
- Low churn rates maintained across all businesses
- Revenue growth in post-paid Mobile, Pay TV & Fixed Network

# Key Financial Highlights

S\$M	2Q-2014	2Q-2013	Change	1H-2014	1H-2013	Change
Total Revenue	<b>576</b>	587	-2%	<b>1,148</b>	1,167	-2%
Service Revenue	<b>552</b>	562	-2%	<b>1,096</b>	1,109	-1%
EBITDA	<b>187</b>	192	-2%	<b>365</b>	374	-2%
EBITDA Margin	<b>34.0%</b>	34.1%	-0.1% pts	<b>33.3%</b>	33.7%	-0.4% pts
Taxation	<b>(21)</b>	(20)	0%	<b>(42)</b>	(39)	8%
Net Profit After Tax	<b>94</b>	101	-6%	<b>179</b>	192	-7%
Capex Cash Payments	<b>95</b>	90	6%	<b>162</b>	137	19%
% of Capex to Revenue	<b>17</b>	15	2% pts	<b>14</b>	12	2% pts
FCF / Fully Diluted Share	<b>3.6¢</b>	3.7¢	-4%	<b>9.6¢</b>	9.1¢	6%
Net Debt to 2013 EBITDA ratio	<b>0.57x</b>	0.52x	0.05x	<b>0.57x</b>	0.52x	0.05x

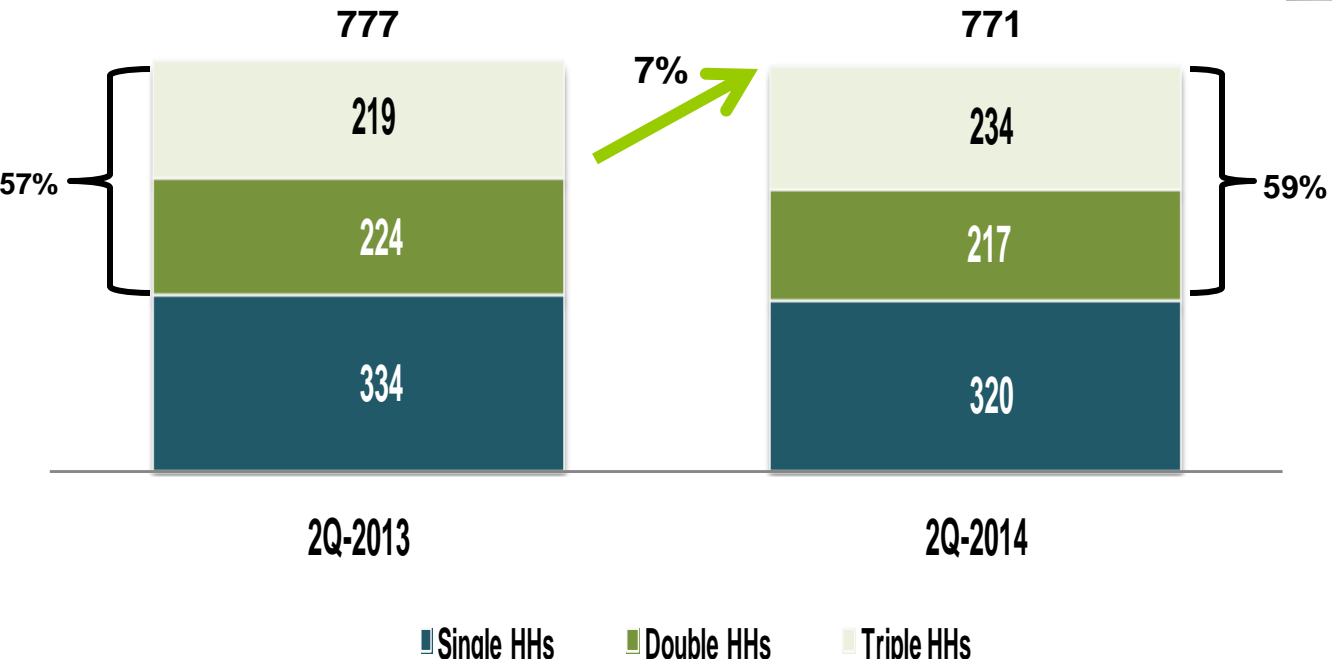
\* Numbers may not add up due to rounding.

# Revenue Contribution & Mix Details

	First Half Ended 30 June					
	2014		2013		Incr / (Decr)	
	S\$m	% mix	S\$m	% mix	S\$m	%
<b>Total Revenue</b>						
Mobile services	616.2	53.7	616.6	52.9	(0.4)	-0.1%
Pay TV services	192.2	16.7	190.3	16.3	1.9	1.0%
Broadband services	104.9	9.1	124.1	10.6	(19.2)	-15.4%
Fixed Network services	182.2	15.9	178.3	15.3	3.9	2.2%
Total service revenue	<b>1,095.6</b>	<b>95.4</b>	<b>1,109.3</b>	<b>95.1</b>	<b>(13.7)</b>	<b>-1.2%</b>
Sale of equipment	52.3	4.6	57.6	4.9	(5.4)	-9.3%
Total Revenue	<b>1,147.8</b>	<b>100.0</b>	<b>1,166.9</b>	<b>100.0</b>	<b>(19.1)</b>	<b>-1.6%</b>

# Hubbing Scorecard

Hubbing Households ('000)





1H2014 Highlights

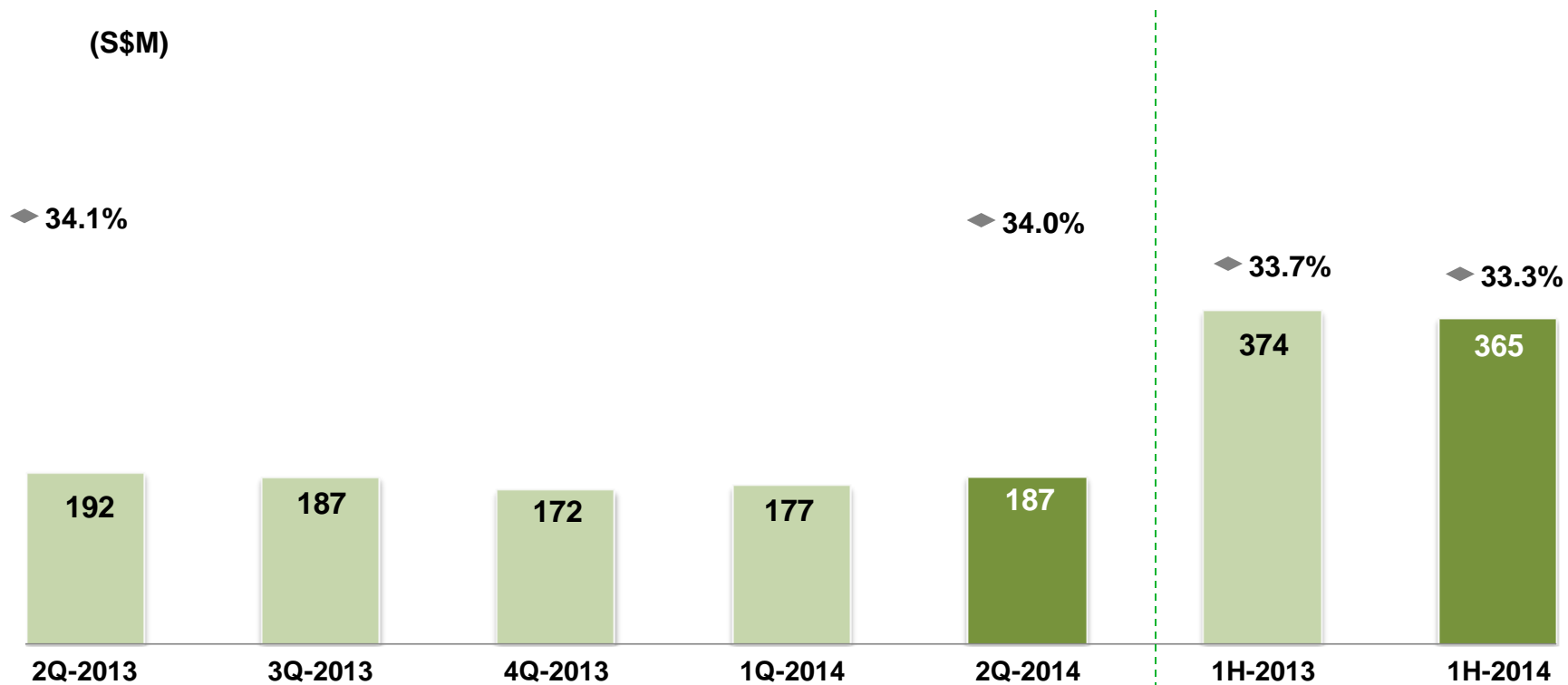
Financial Highlights

Business Highlights

2014 Outlook

# EBITDA & EBITDA Margin

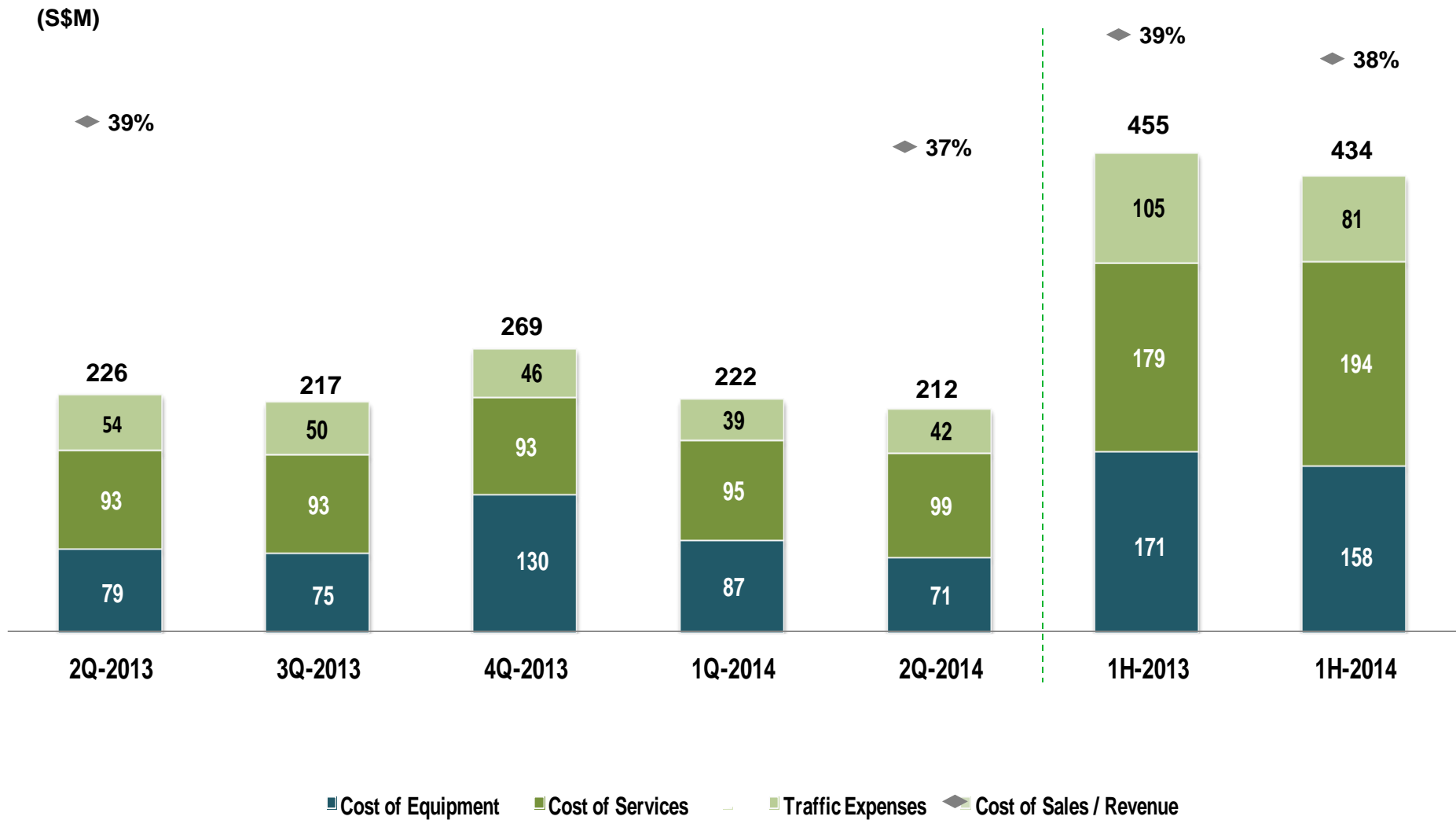
(S\$M)



◆ EBITDA Margin as % of Service Revenue

\* Numbers may not add up due to rounding.

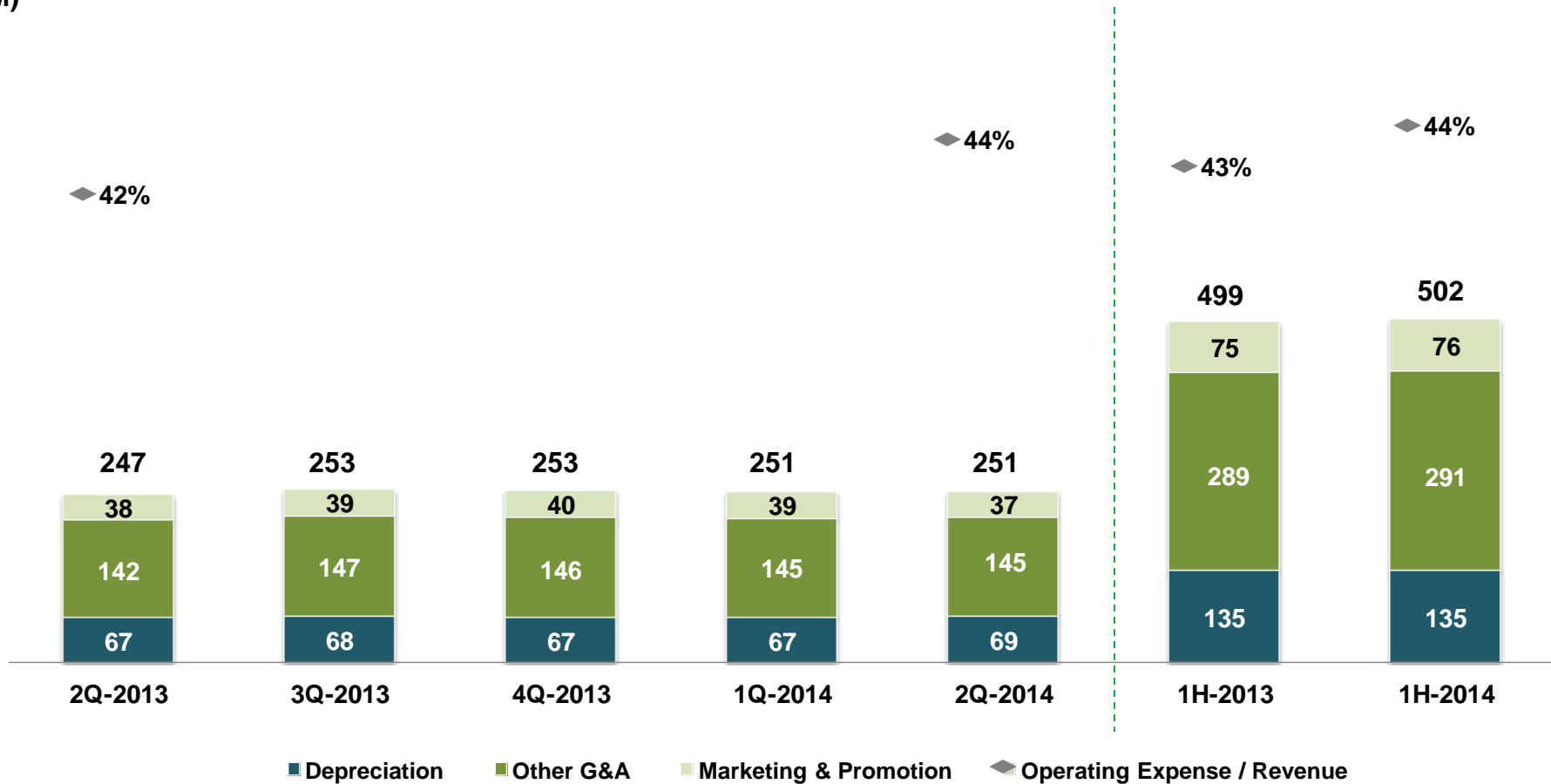
# Cost Of Sales



\* Numbers may not add up due to rounding.

# Other Operating Expenses

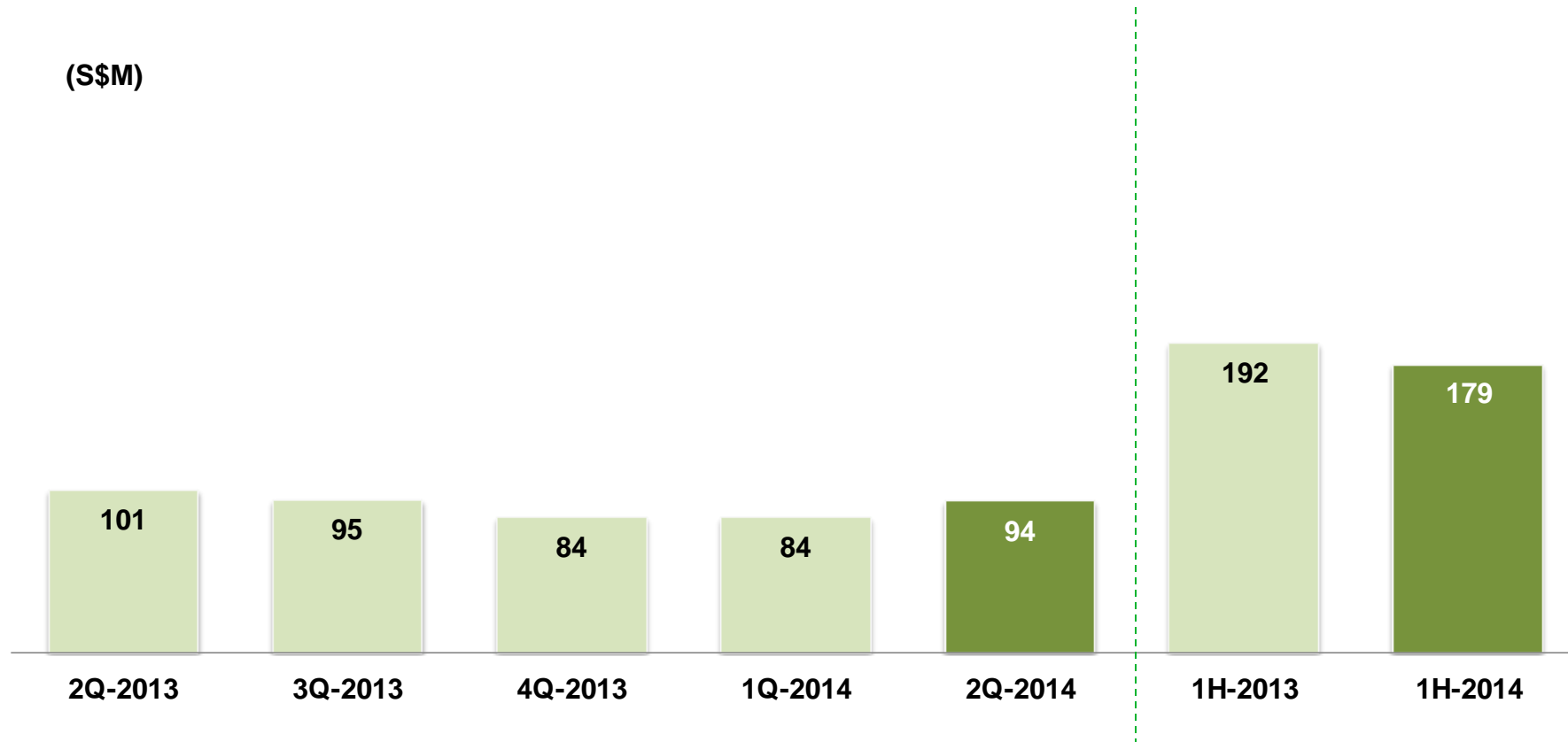
(S\$M)



\* Numbers may not add up due to rounding.

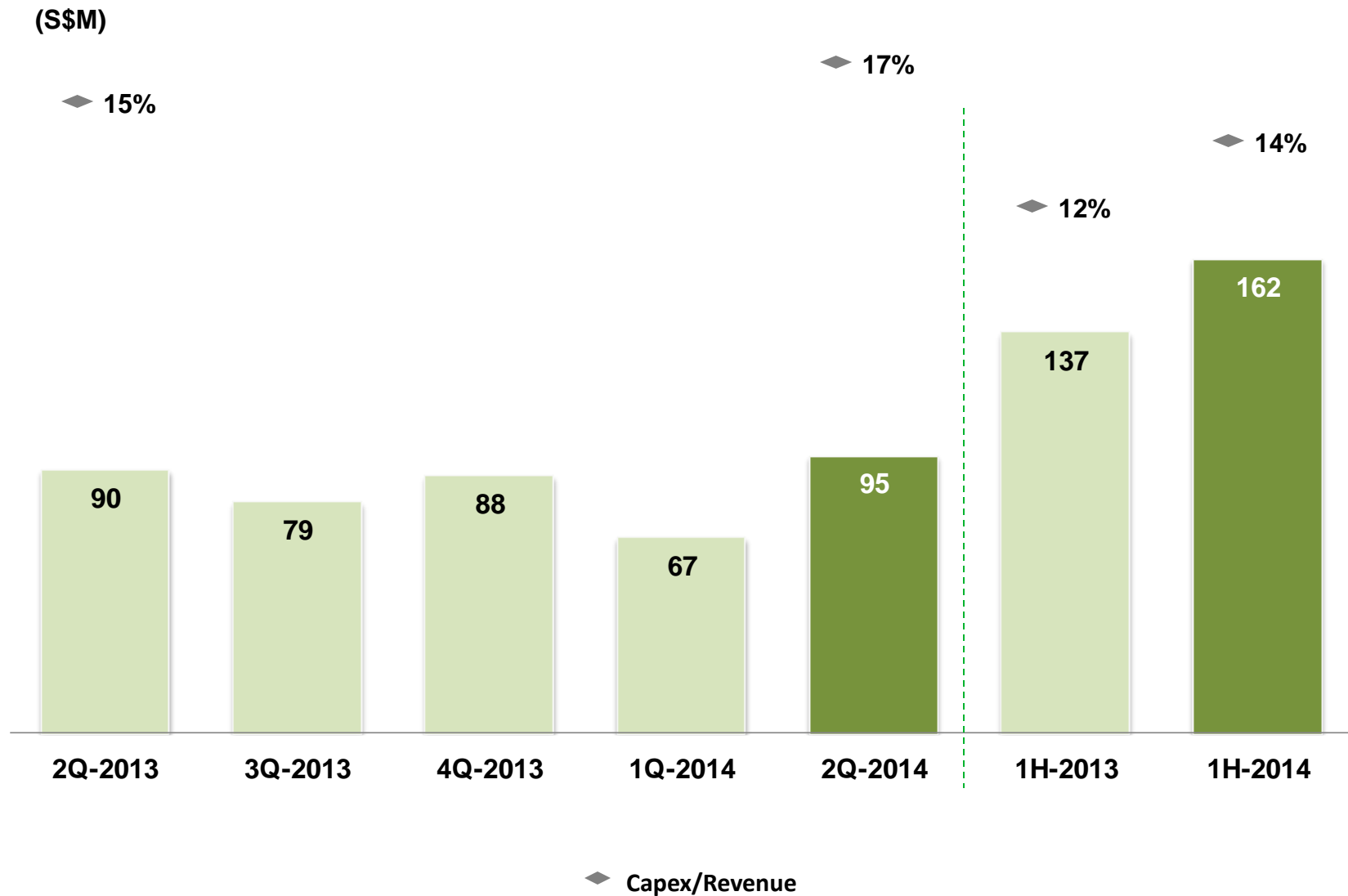
# Net Profit After Tax

(S\$M)



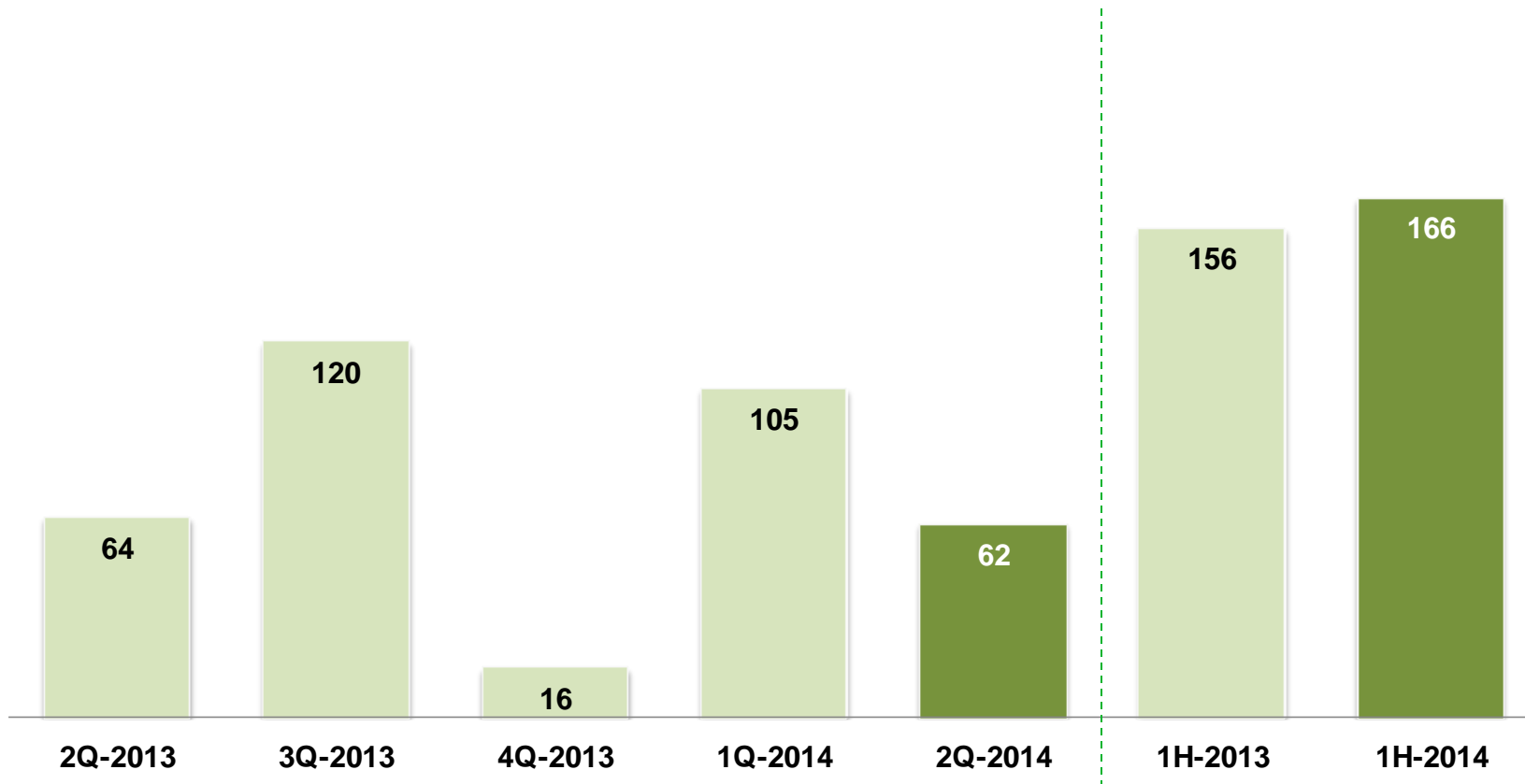
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# Capex (cash payments)



# Free Cash Flow

(S\$M)



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1H2014 Highlights

Financial Highlights

**Business Highlights - Mobile**

2014 Outlook

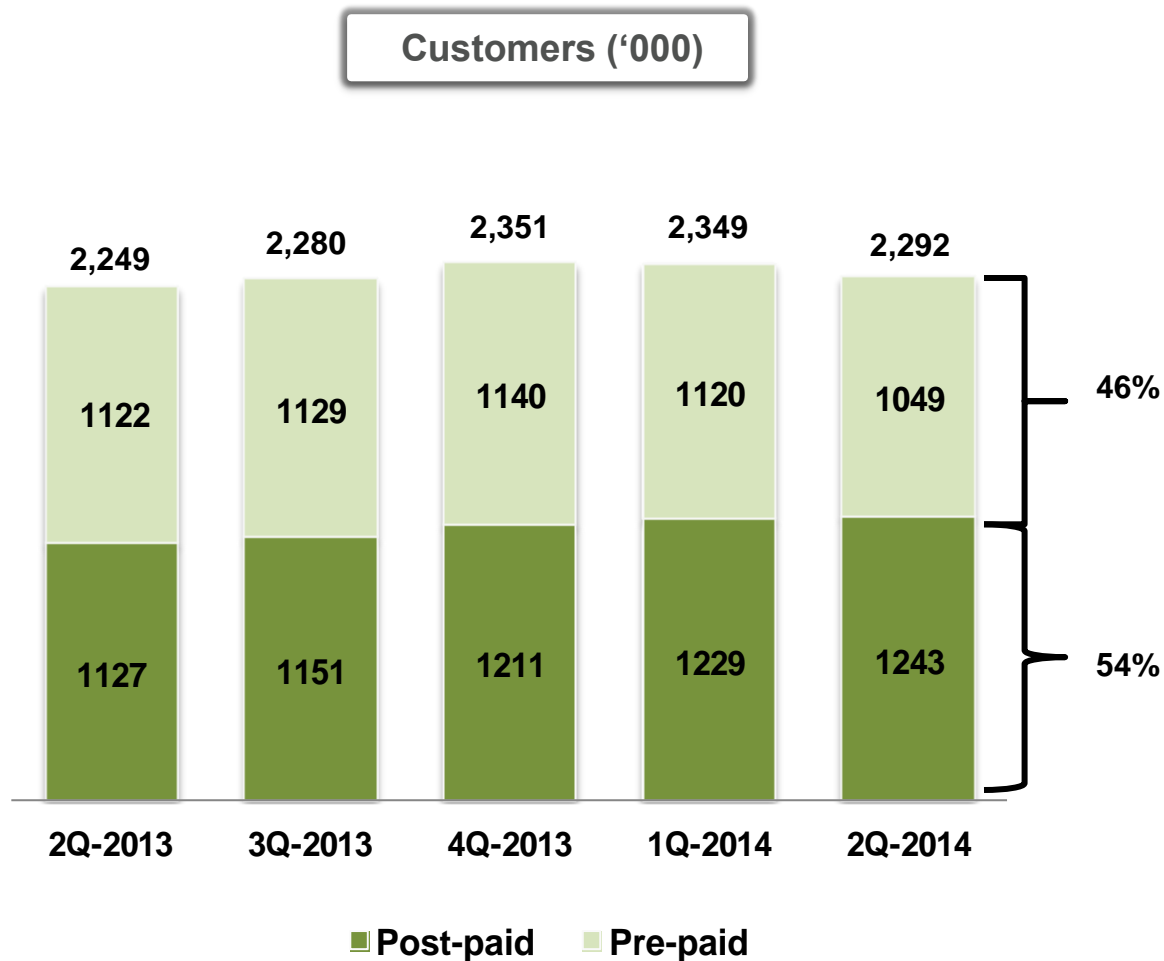


## Mobile (1H-2014 vs 1H-2013)

- ❖ Revenue stable
- ❖ Post-paid ARPU at S\$67
- ❖ Post-paid customer base grew 116k

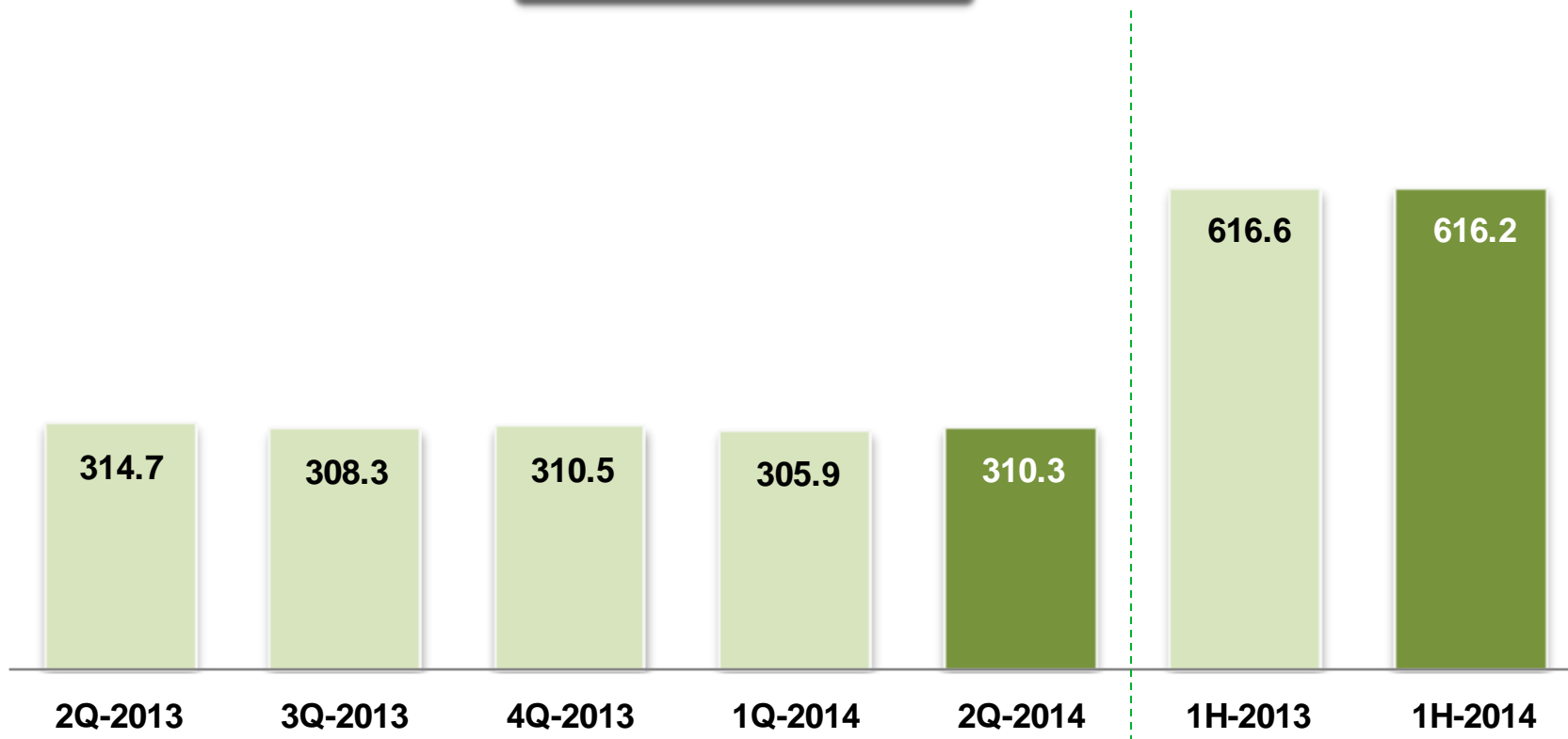


# Mobile Customer Base



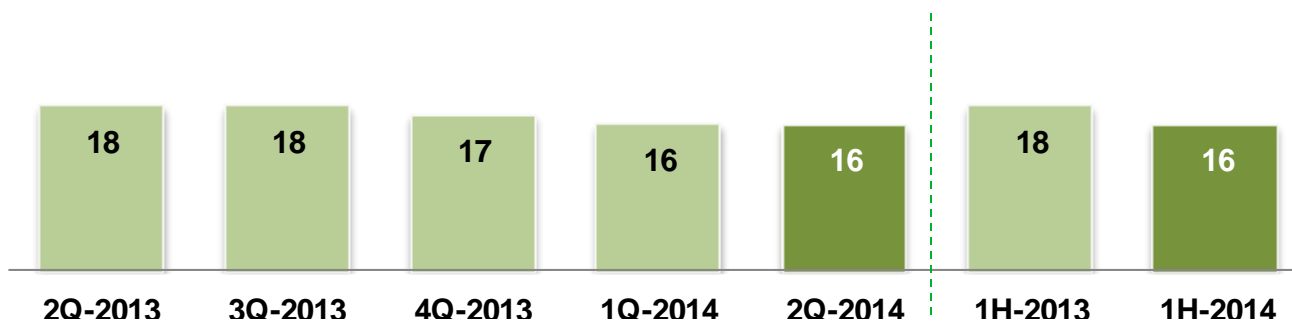
# Mobile Revenue

Mobile Revenue (S\$M)

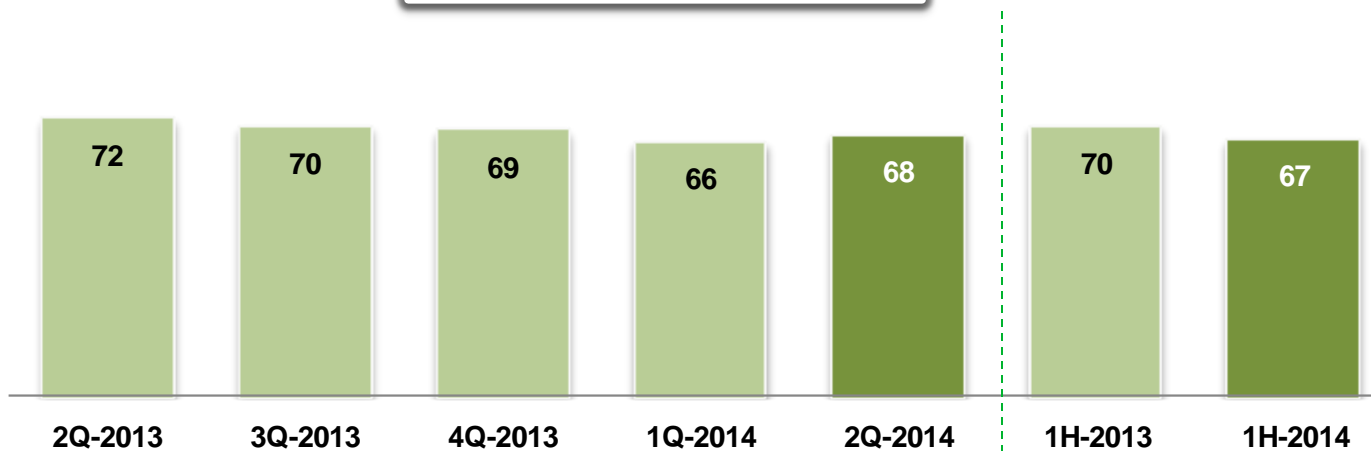


# Mobile ARPU

Pre-paid ARPU (S\$ per month)

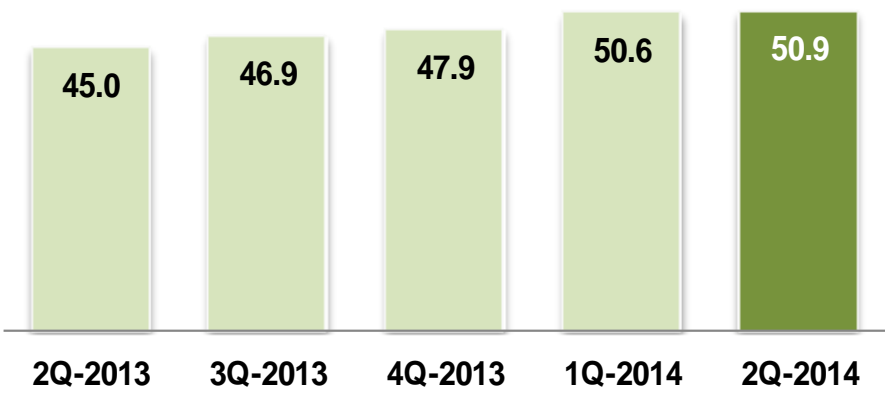


Post-paid ARPU (S\$ per month)

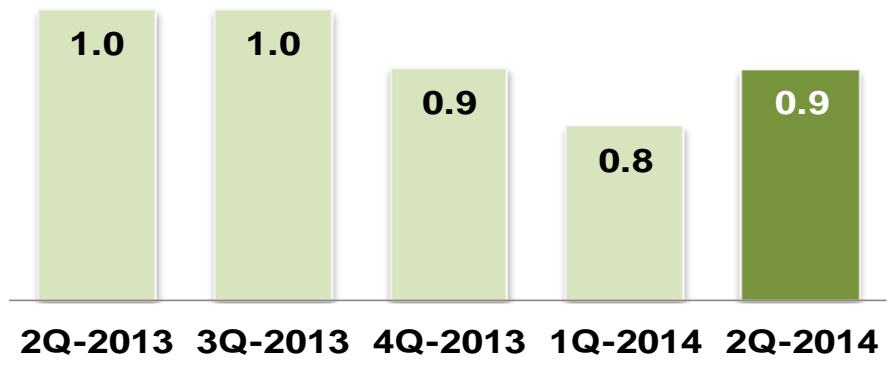


# Mobile Non-Voice & Churn Trend

Post-paid Non-Voice Services (% of ARPU)



Post-paid Monthly Churn Rate (%)



1H2014 Highlights

Financial Highlights

**Business Highlights – Pay TV**

2014 Outlook

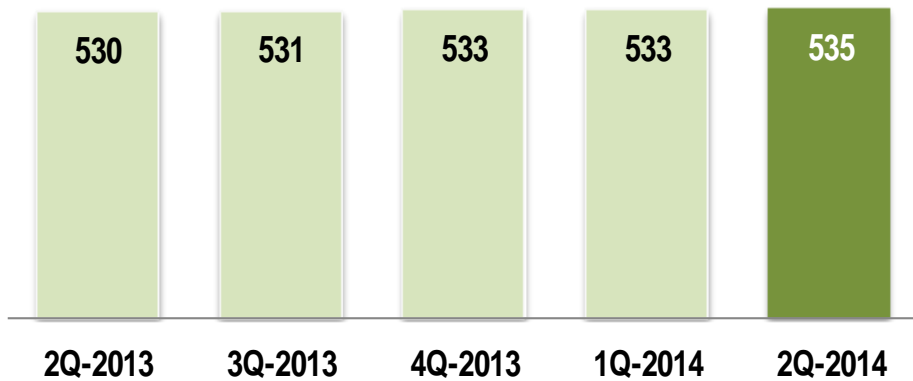
## Pay TV (1H-2014 vs 1H-2013)

- ❖ Revenue increased 1%
- ❖ ARPU stable at S\$52
- ❖ Customer base increased 5k

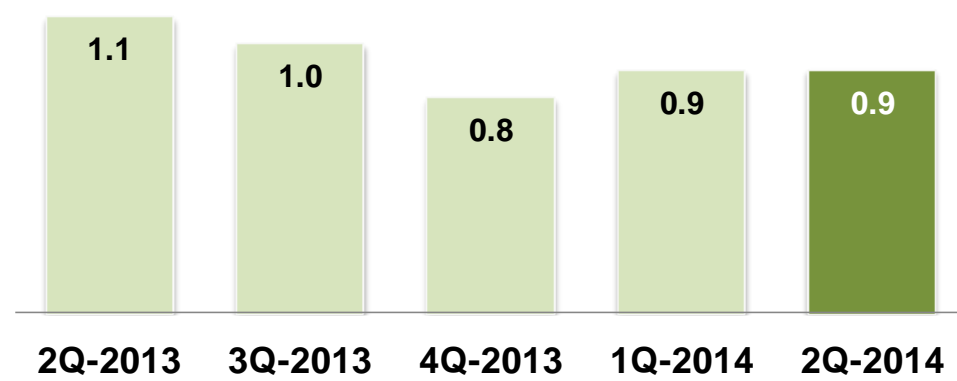


# Pay TV Base & Churn

Customers ('000)



Average Monthly Churn Rate (%)

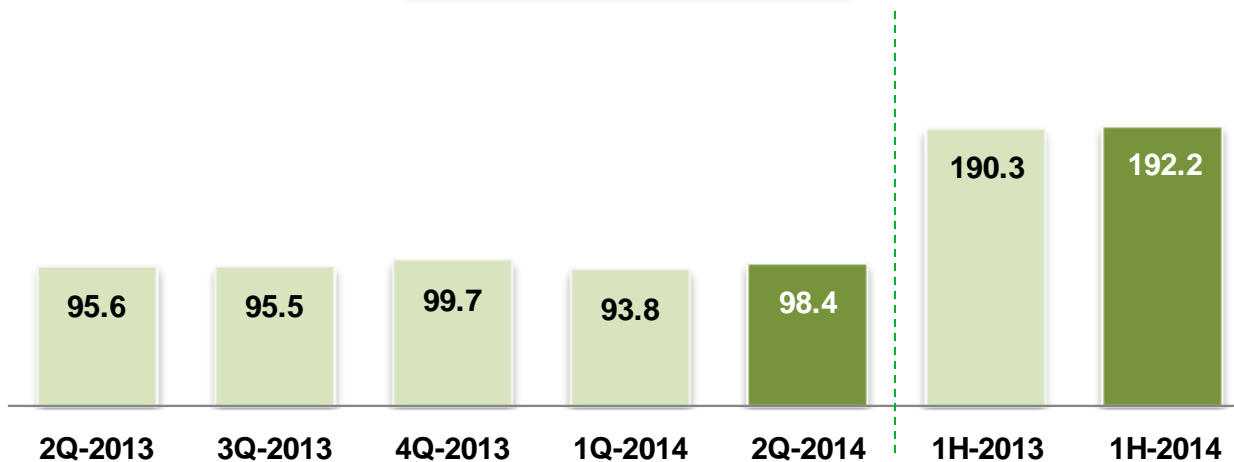


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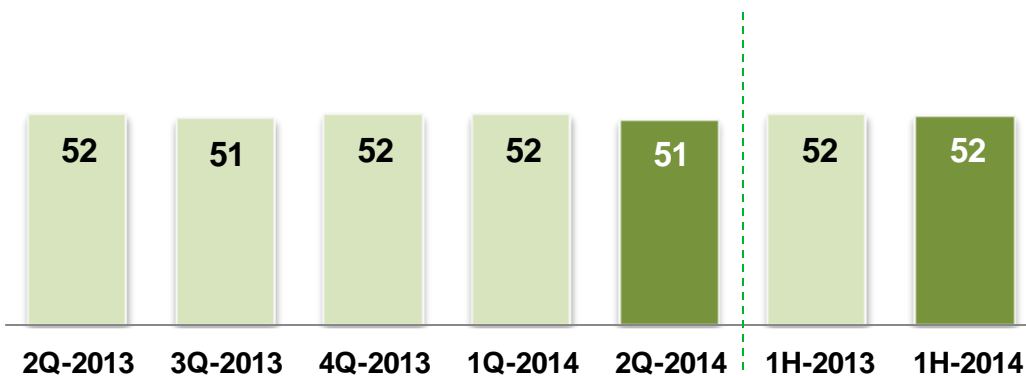


# Pay TV Revenue & ARPU

Pay TV Revenue (S\$M)



Residential Pay TV ARPU (S\$ per month)



1H2014 Highlights

Financial Highlights

**Business Highlights - Broadband**

2014 Outlook

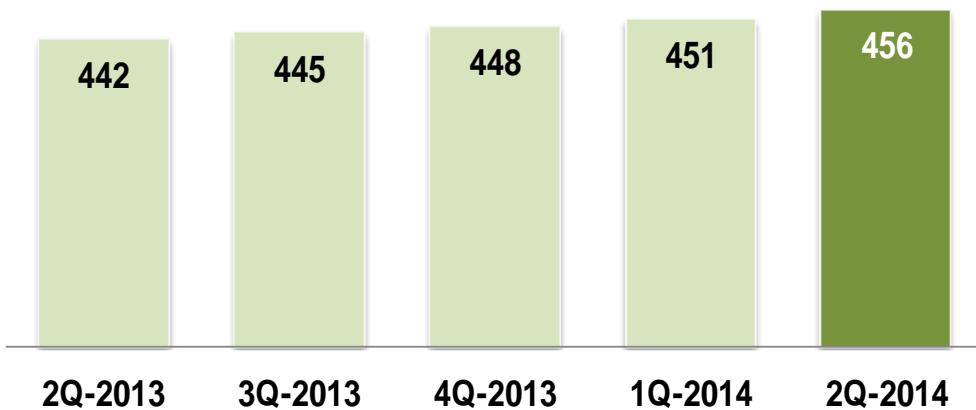
## Broadband (1H-2014 vs 1H-2013)

- ❖ Revenue decreased 15%
- ❖ ARPU at S\$38
- ❖ Customer base grew 14k

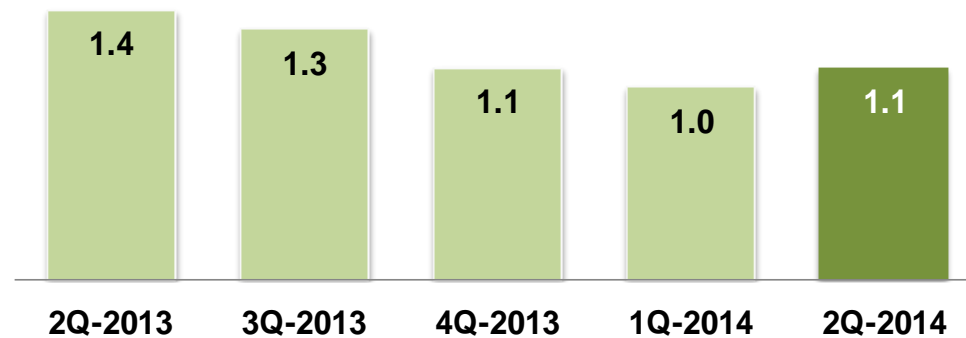


# Broadband Base & Churn

Customers ('000)

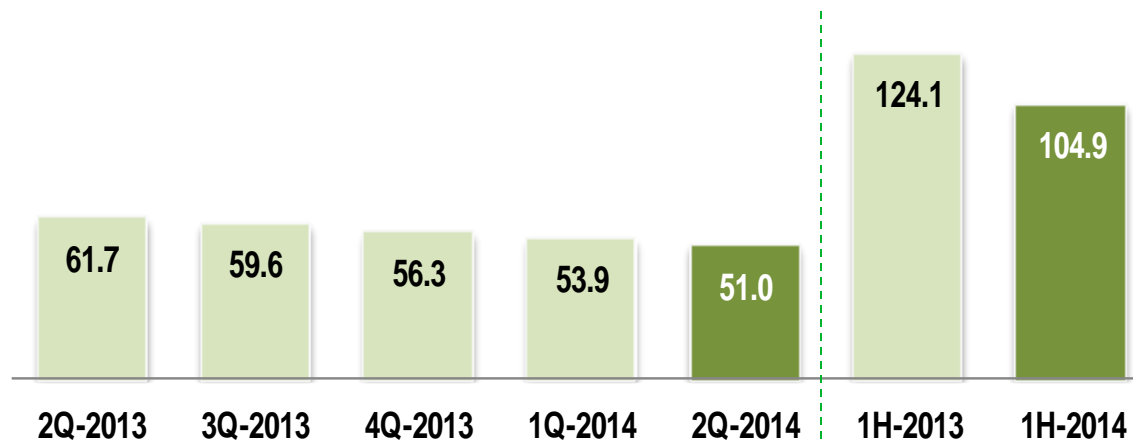


Average Monthly Churn Rate (%)

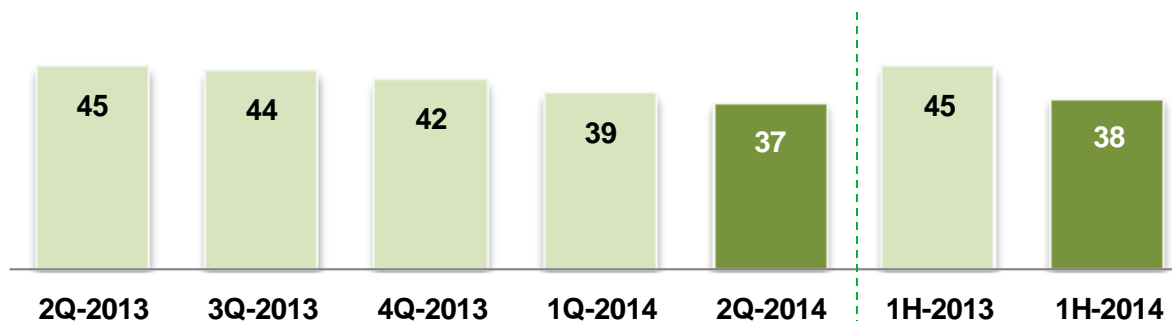


# Broadband Revenue & ARPU

Broadband Revenue (S\$M)



Residential Broadband ARPU (S\$ per month)



1H2014 Highlights

Financial Highlights

**Business Highlights – Fixed Network Services**

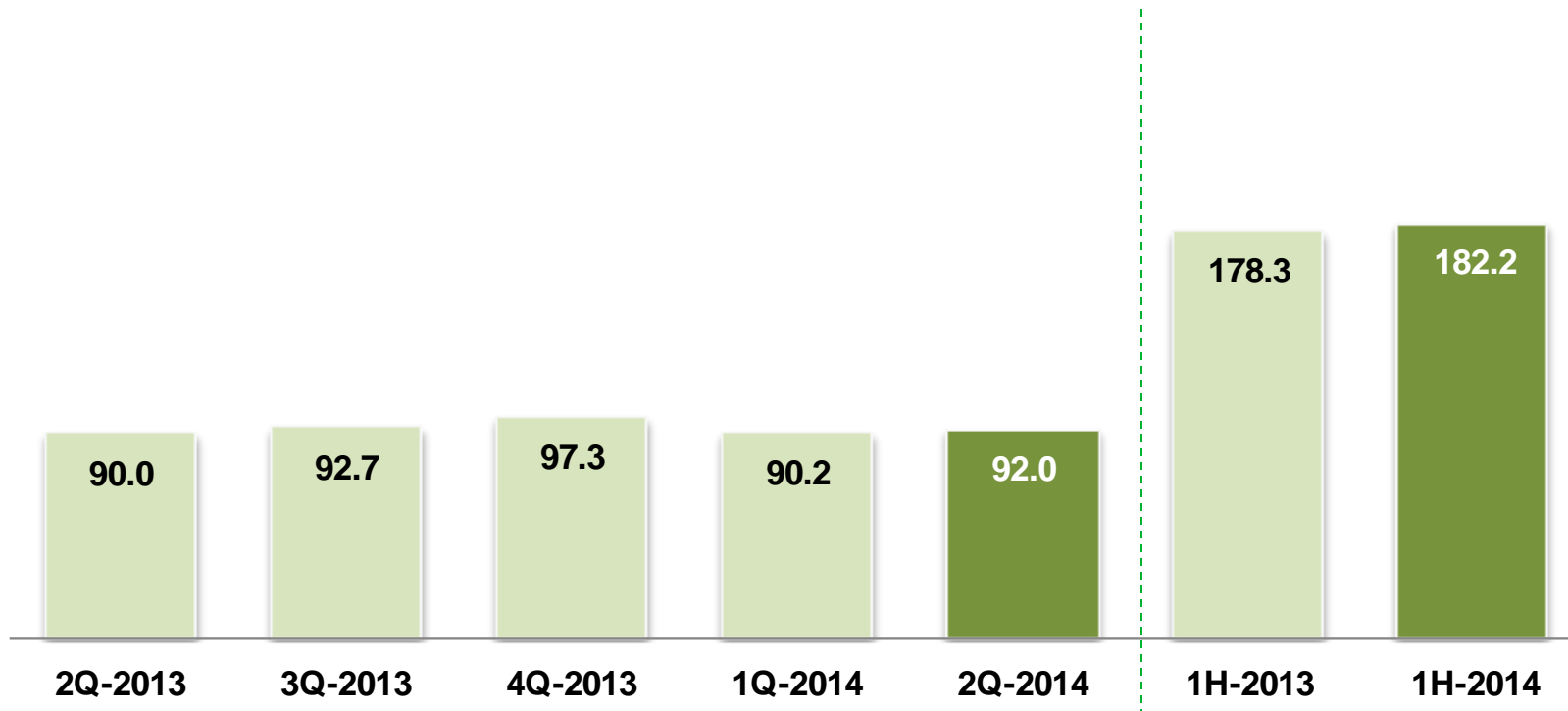
2014 Outlook

## Fixed Network Services (1H-2014 vs 1H-2013)

- ❖ Data & Internet revenue increased 6%
- ❖ Voice revenue decreased 15%

# Fixed Network Services

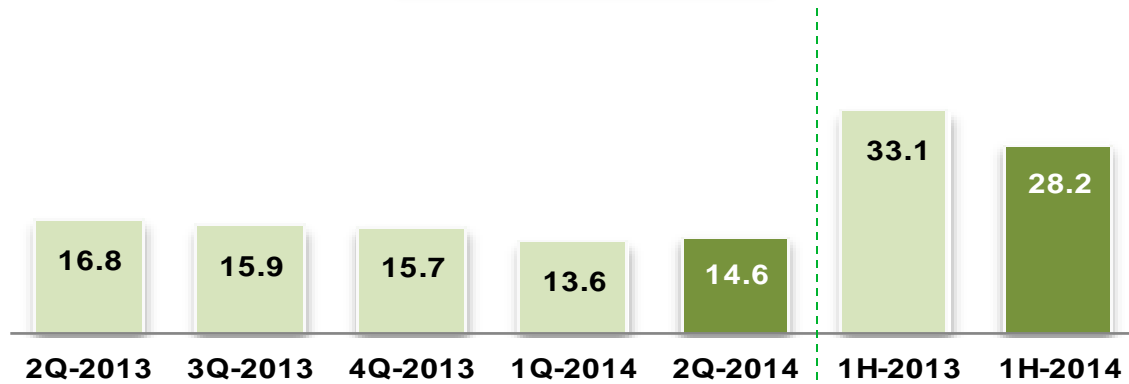
Fixed Network Revenue (S\$M)



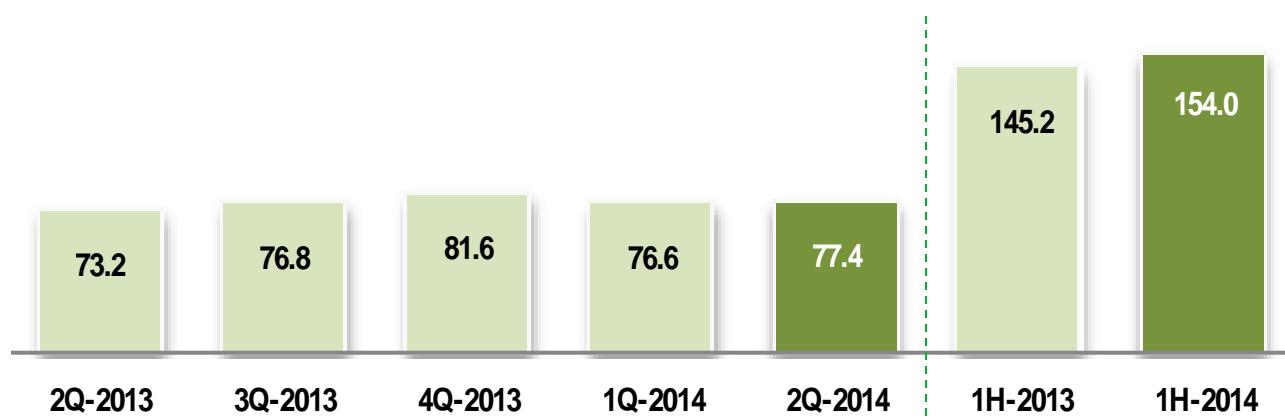


# Voice/Data & Internet

Voice Revenue (S\$M)



Data & Internet Revenue (S\$M)



\* Numbers may not add up due to rounding.

1H2014 Highlights

Financial Highlights

Business Highlights

2014 Outlook

## FY2014 Outlook

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- ❖ **Revenue:** Expect service revenue to be maintained at about 2013's level
- ❖ **EBITDA:** Maintain EBITDA margin on service revenue to be about 32%
- ❖ **CAPEX:** Maintain cash capex to be about 13% of total revenue
- ❖ **Dividend:** Declare interim cash dividend of 5.0 cents per share for 2Q2014  
Intend to maintain annual cash dividend payout of 20.0 cents per share for FY2014

# Investor Relations Contact

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