



# StarHub 3Q-2014 Results

## 5 November 2014

## Forward-looking Statements

---

***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**

## 3Q2014 Highlights

### Financial Highlights

### Business Highlights

### 2014 Outlook

## Overview (3Q-2014 vs 3Q-2013)

### Financial

- Total revenue increased 2%
- Service revenue decreased 1%
- EBITDA increased 2%
- EBITDA margin at 34.5%
- NPAT increased 3%

### Operational

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

# Key Financial Highlights

\$M	3Q-2014	3Q-2013	Change	YTD-2014	YTD-2013	Change
Total Revenue	<b>592</b>	579	2%	<b>1,740</b>	1,746	0%
Service Revenue	<b>553</b>	556	-1%	<b>1,648</b>	1,665	-1%
EBITDA	<b>191</b>	187	2%	<b>556</b>	560	-1%
EBITDA Margin	<b>34.5%</b>	33.6%	0.9% pts	<b>33.7%</b>	33.7%	0.0% pts
Taxation	<b>(21)</b>	(20)	7%	<b>(63)</b>	(59)	7%
Net Profit After Tax	<b>98</b>	95	3%	<b>276</b>	287	-4%
Capex Cash Payments	<b>73</b>	79	-7%	<b>236</b>	215	9%
% of Capex to Revenue	<b>12</b>	14	-2% pts	<b>14</b>	12	2% pts
FCF / Fully Diluted Share	<b>6.8¢</b>	6.9¢	-2%	<b>16.4¢</b>	16.0¢	3%
Net Debt to 2013 EBITDA ratio	<b>0.53x</b>	0.49x	0.04x	<b>0.53x</b>	0.49x	0.04x

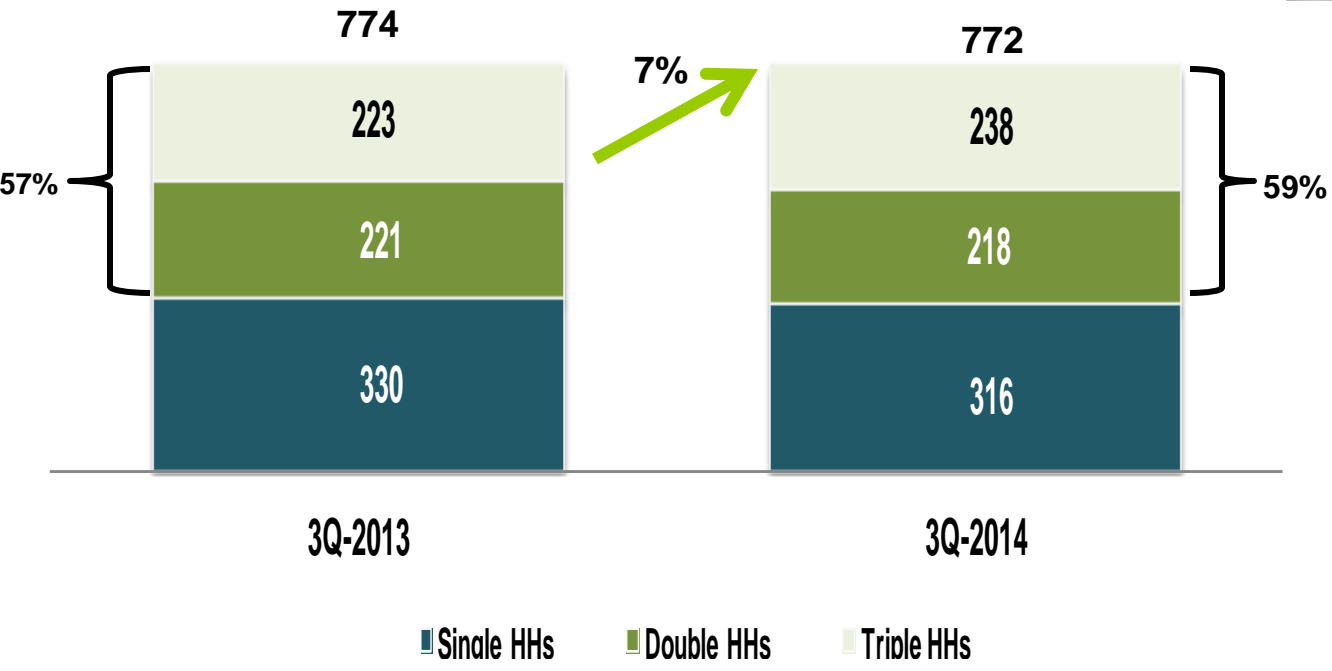
\* Numbers may not add up due to rounding.

# Revenue Contribution & Mix Details

	Third Quarter Ended 30 September					
	2014		2013		Incr / (Decr)	
	S\$m	% mix	S\$m	% mix	S\$m	%
<b>Total Revenue</b>						
Mobile services	310.9	52.5%	308.3	53.3%	2.6	0.9%
Pay TV services	97.4	16.5%	95.5	16.5%	1.9	2.0%
Broadband services	49.2	8.3%	59.6	10.3%	(10.4)	-17.4%
Fixed Network services	95.2	16.1%	92.7	16.0%	2.5	2.7%
Total service revenue	<b>552.7</b>	<b>93.4</b>	<b>556.1</b>	<b>96.1</b>	<b>(3.4)</b>	<b>-0.6</b>
Sale of equipment	39.3	6.6	22.7	3.9	16.6	73.5
Total Revenue	<b>592.0</b>	<b>100.0</b>	<b>578.8</b>	<b>100.0</b>	<b>13.3</b>	<b>2.3</b>

# Hubbing Scorecard

Hubbing Households ('000)





3Q2014 Highlights

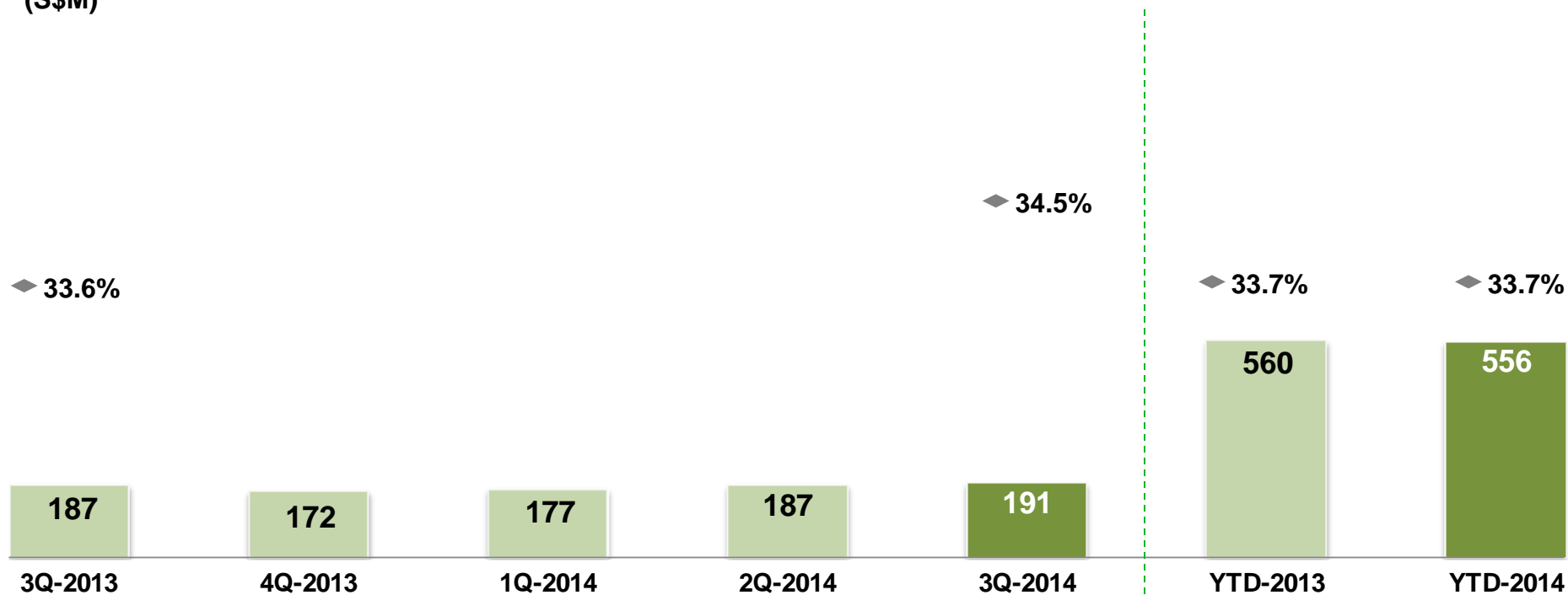
Financial Highlights

Business Highlights

2014 Outlook

# EBITDA & EBITDA Margin

(S\$M)

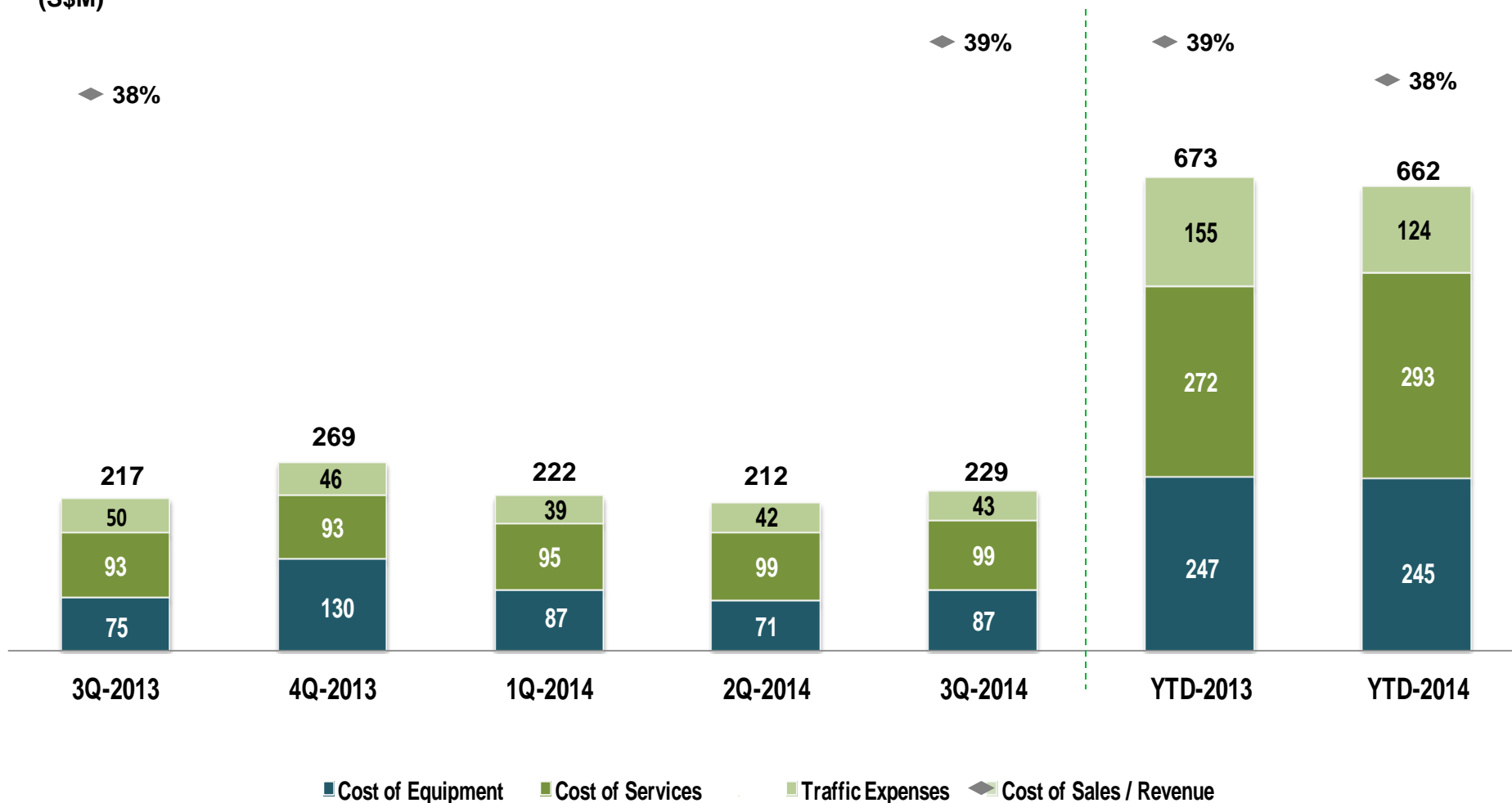


◆ EBITDA Margin as % of Service Revenue

\* Numbers may not add up due to rounding.

# Cost Of Sales

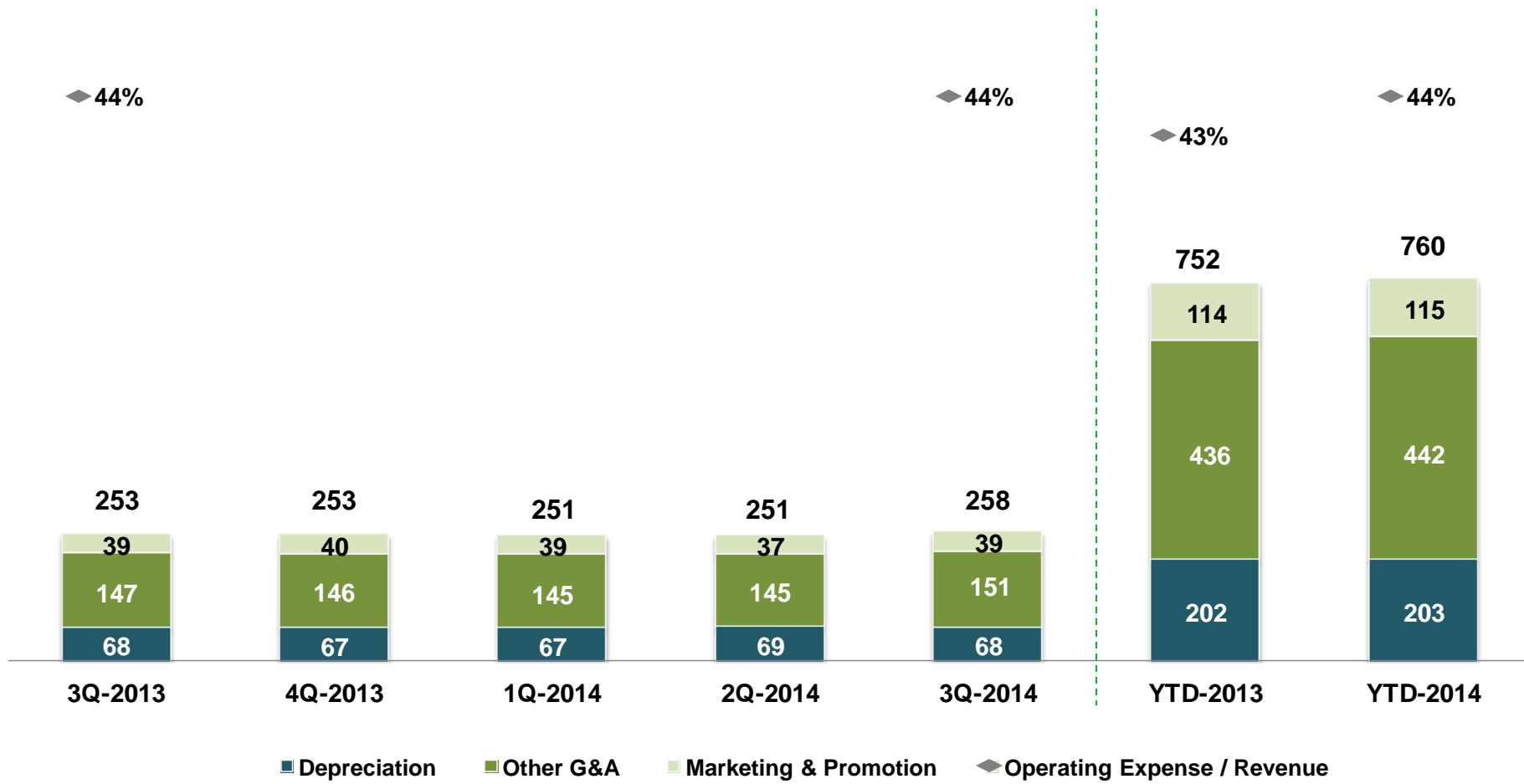
(S\$M)



\* Numbers may not add up due to rounding.

# Other Operating Expenses

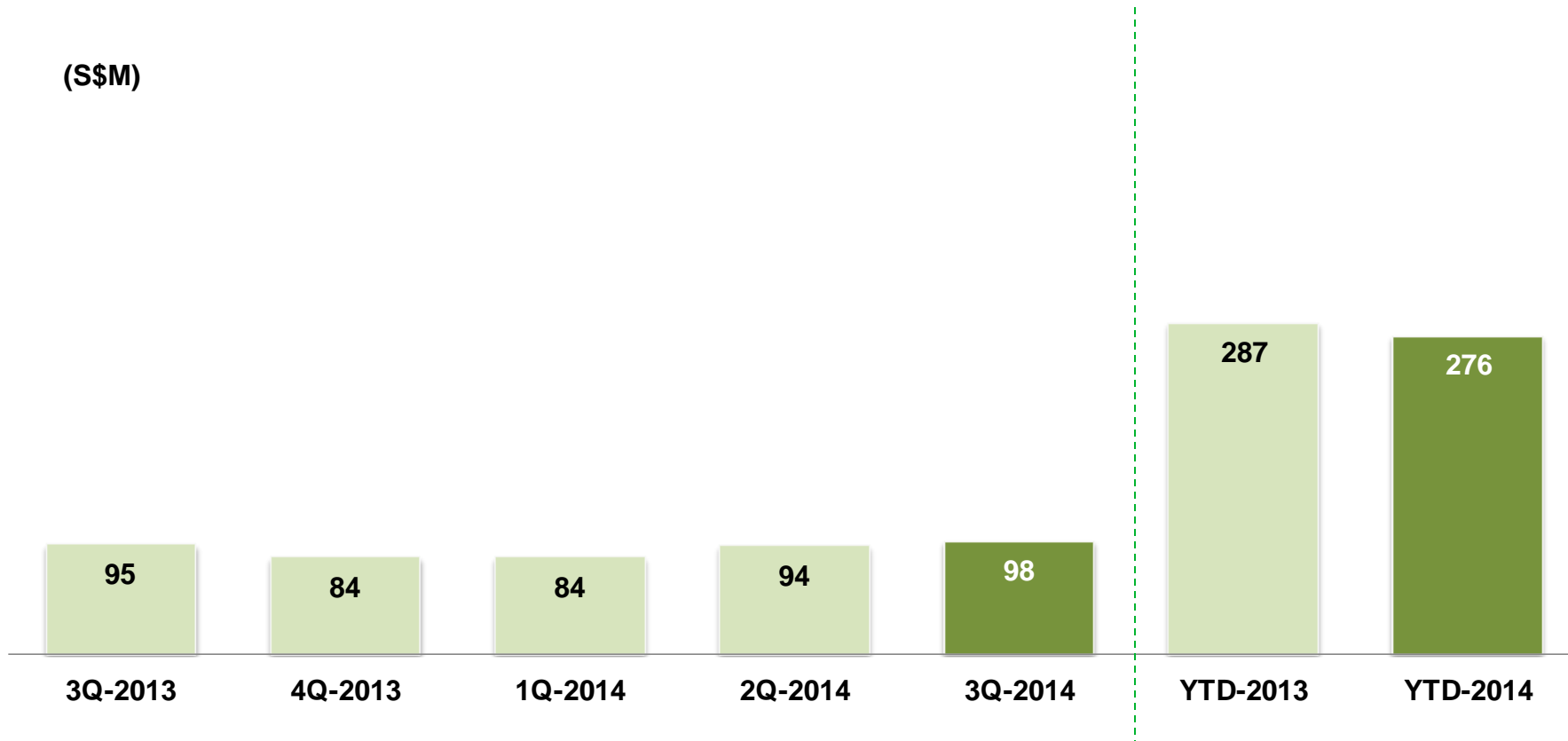
(S\$M)



\* Numbers may not add up due to rounding.

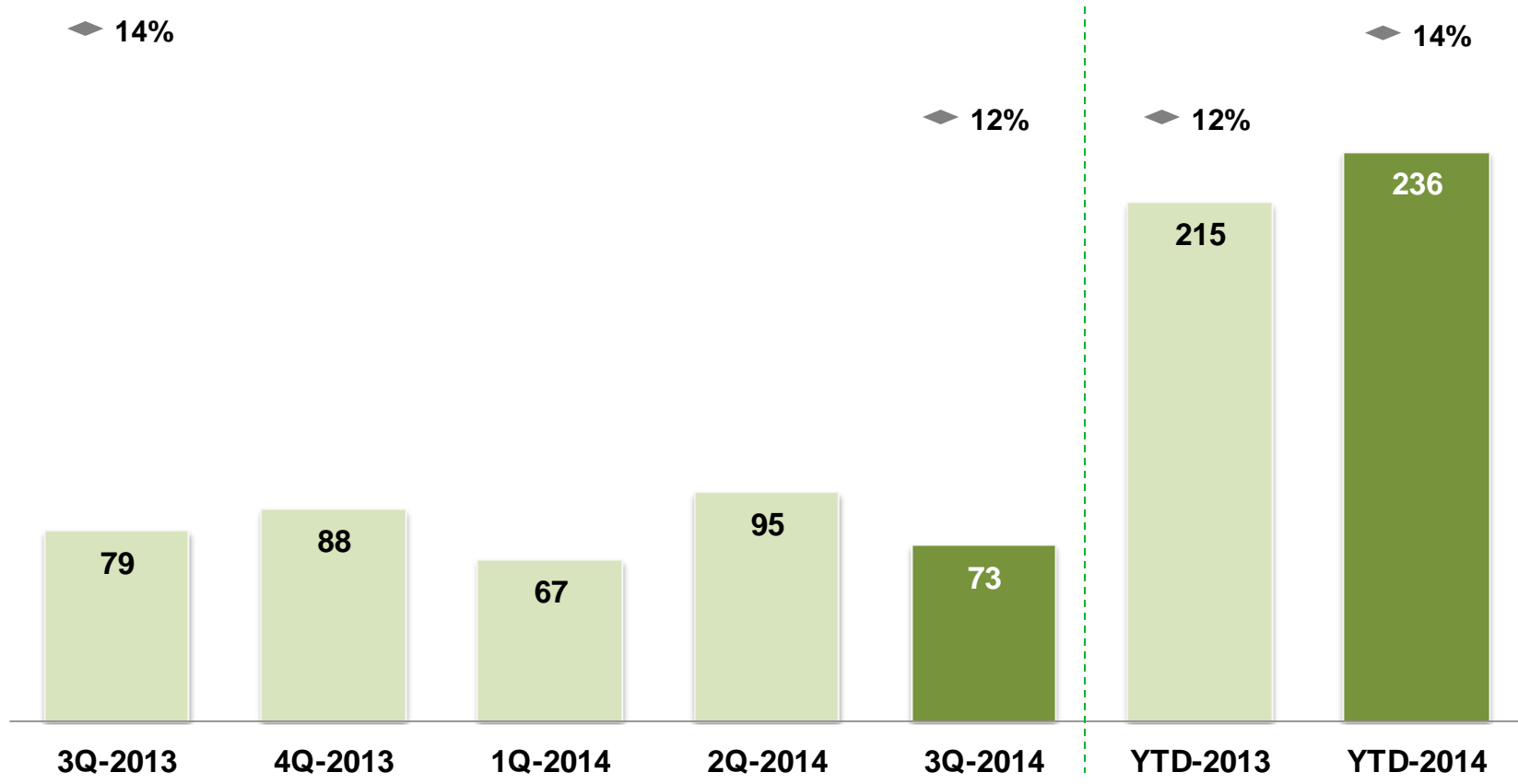
# Net Profit After Tax

(S\$M)



# Capex (cash payments)

(S\$M)

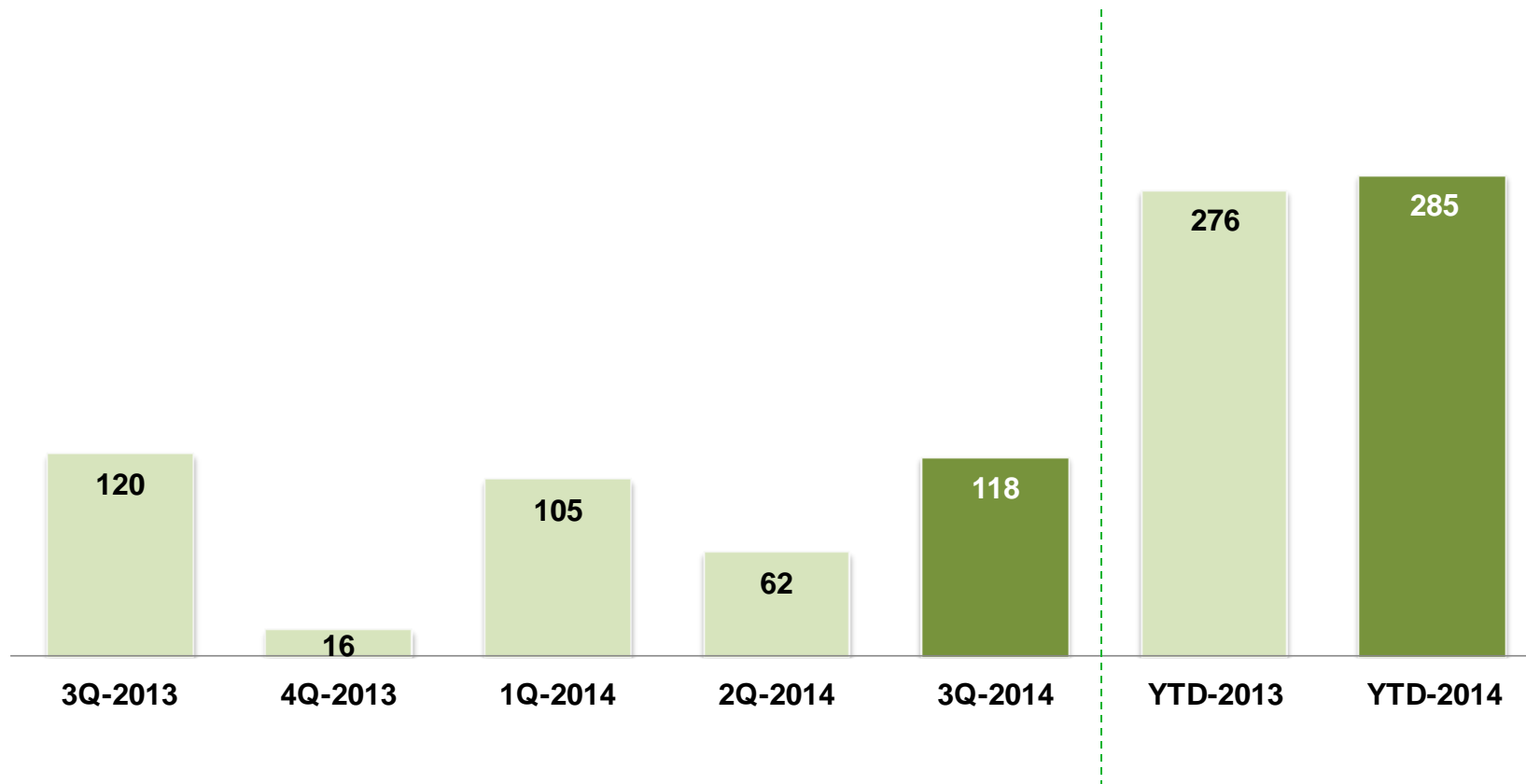


◆ Capex/Revenue

\* Numbers may not add up due to rounding.

# Free Cash Flow

(S\$M)



3Q2014 Highlights

Financial Highlights

**Business Highlights - Mobile**

2014 Outlook

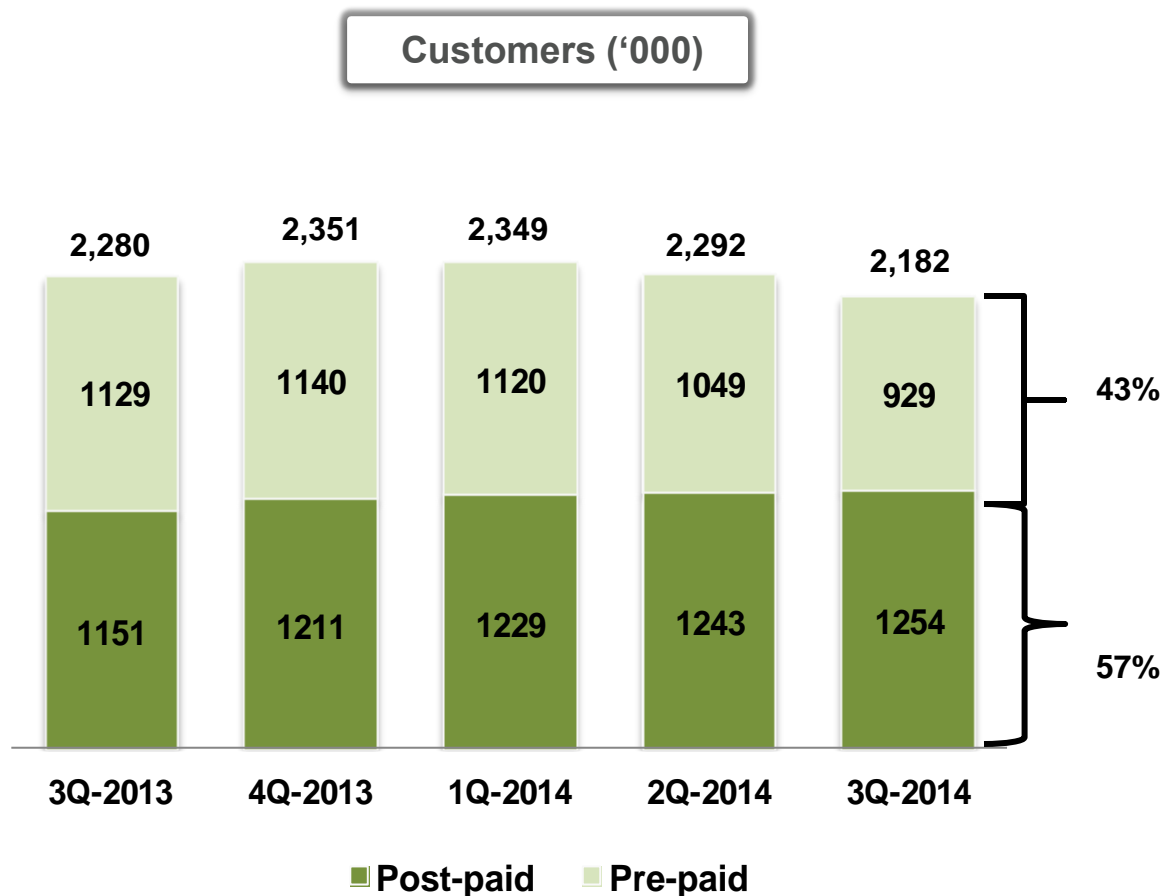


# Mobile (3Q-2014 vs 3Q-2013)

- ❖ Post-paid Revenue grew 4%
- ❖ Post-paid ARPU at S\$69
- ❖ Post-paid customer base grew 102k



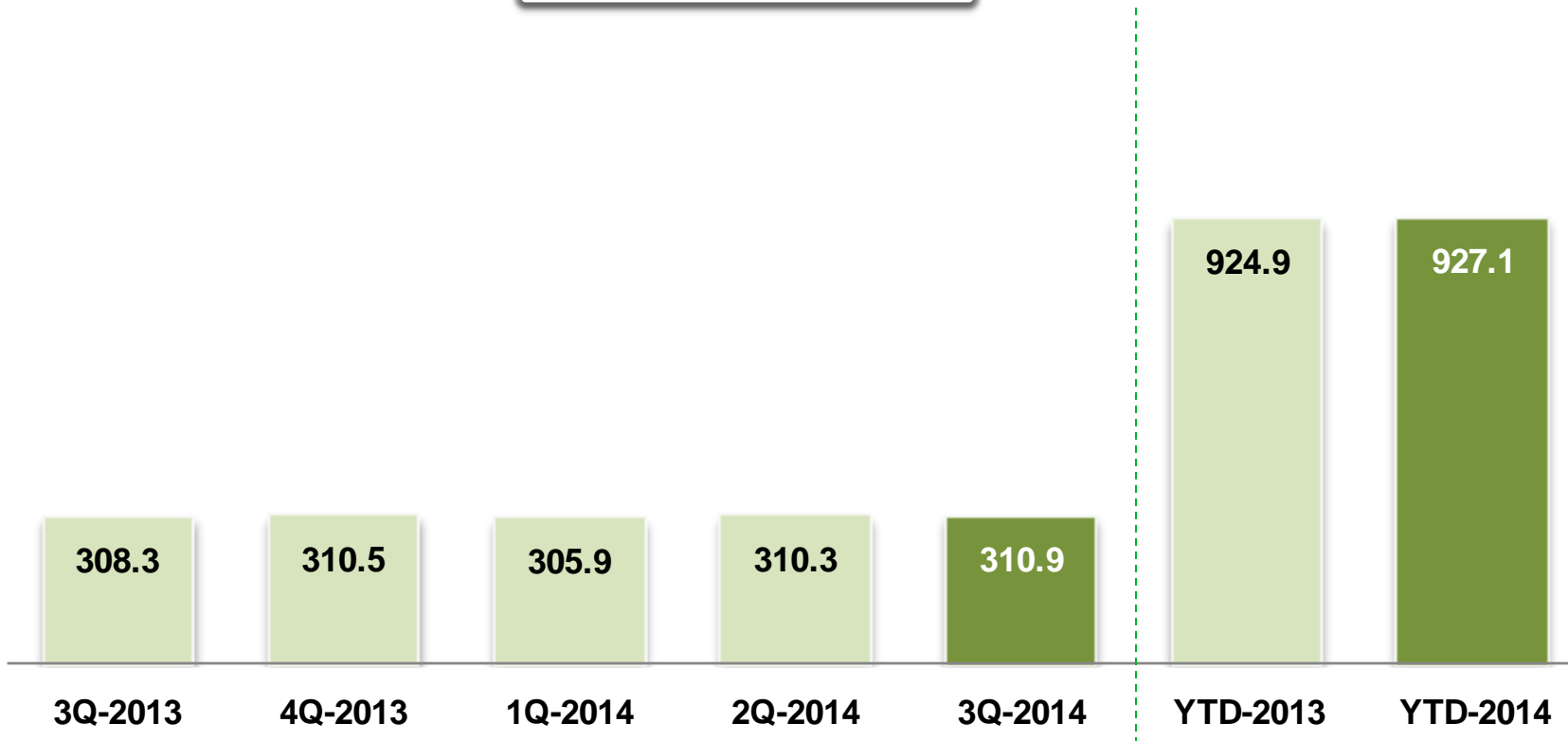
# Mobile Customer Base



\* Numbers may not add up due to rounding.

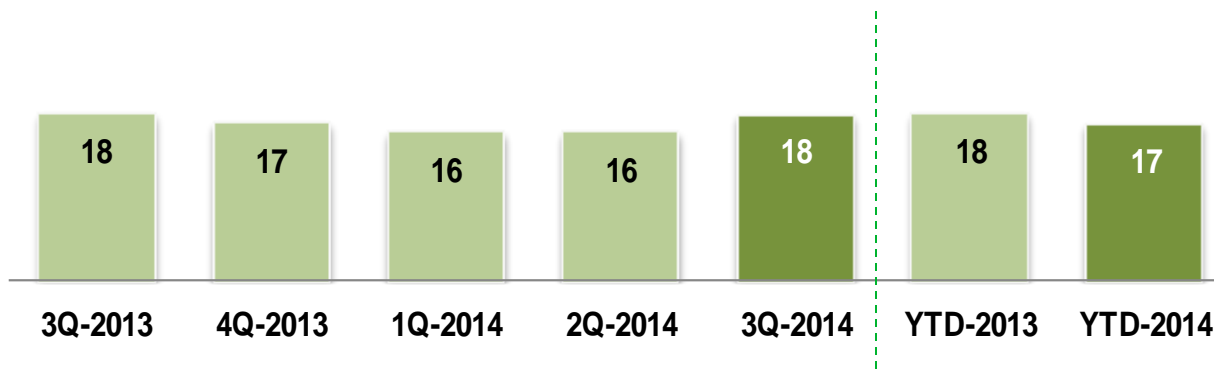
# Mobile Revenue

Mobile Revenue (\$M)

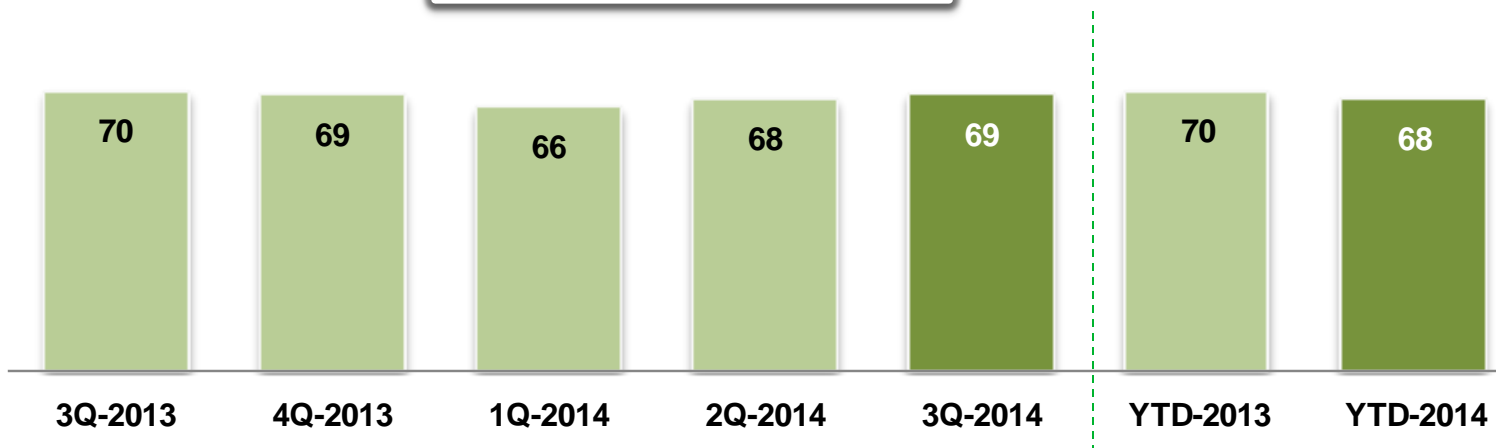


# Mobile ARPU

Pre-paid ARPU (S\$ per month)

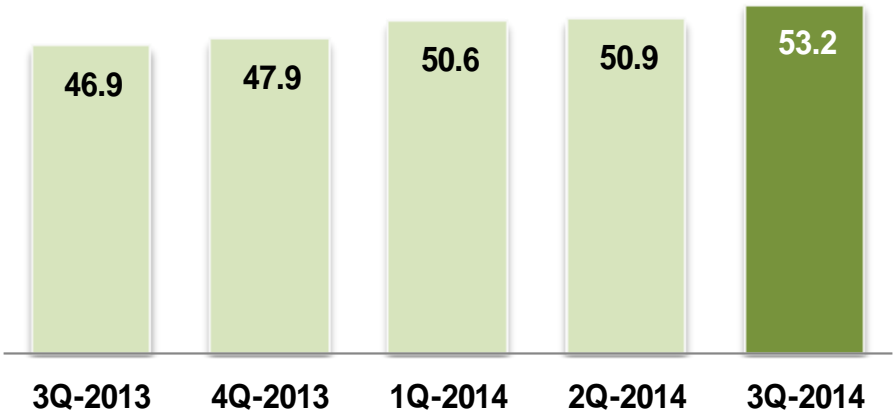


Post-paid ARPU (S\$ per month)

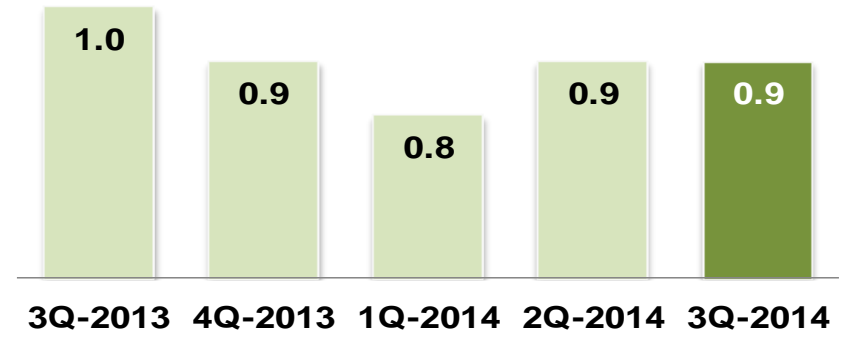


# Mobile Non-Voice & Churn Trend

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



Post-paid Monthly Churn Rate (%)



3Q2014 Highlights

Financial Highlights

**Business Highlights – Pay TV**

2014 Outlook

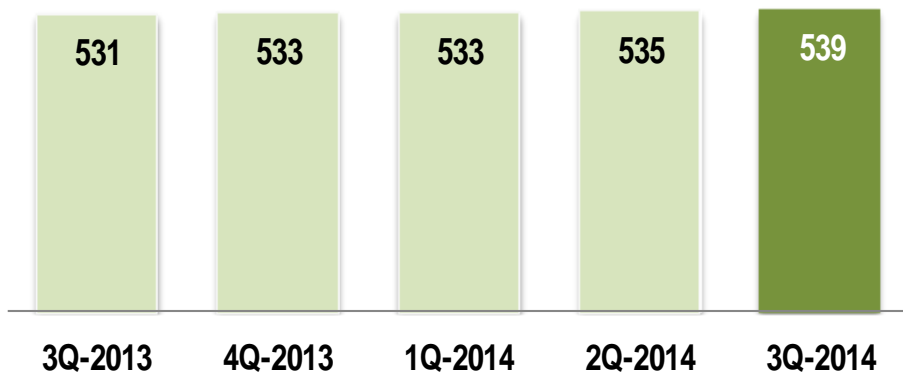
## Pay TV (3Q-2014 vs 3Q-2013)

- ❖ Revenue increased 2%
- ❖ ARPU stable at S\$51
- ❖ Customer base increased 8k

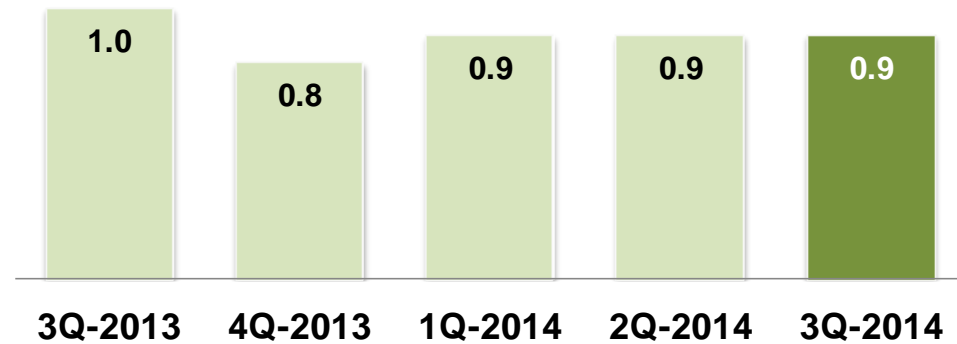


# Pay TV Base & Churn

Customers ('000)



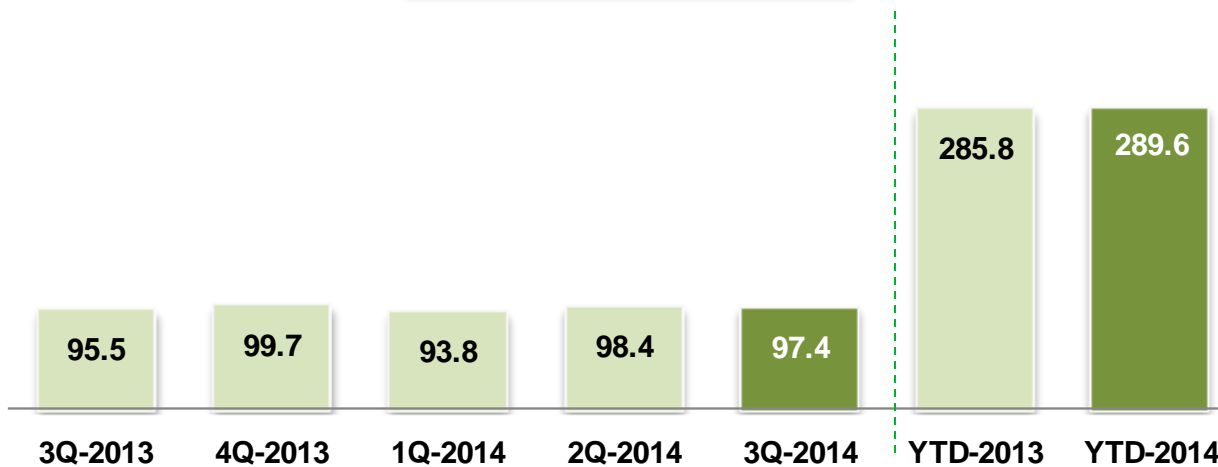
Average Monthly Churn Rate (%)



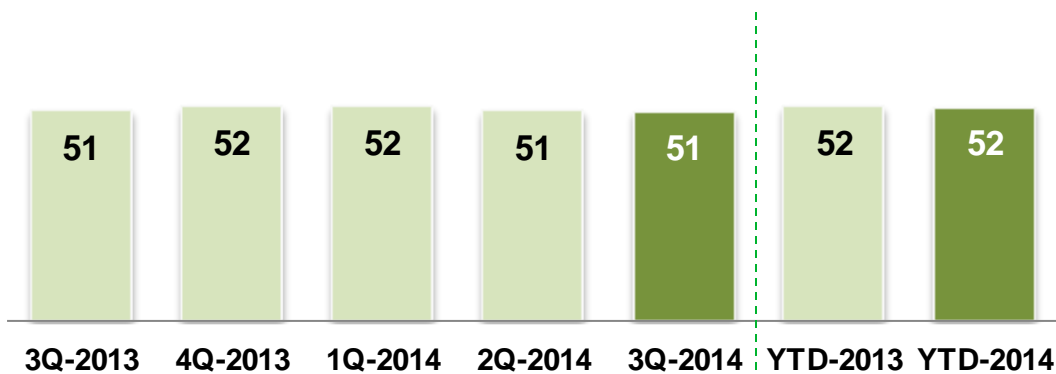


# Pay TV Revenue & ARPU

Pay TV Revenue (S\$M)



Residential Pay TV ARPU (S\$ per month)



3Q2014 Highlights

Financial Highlights

**Business Highlights - Broadband**

2014 Outlook

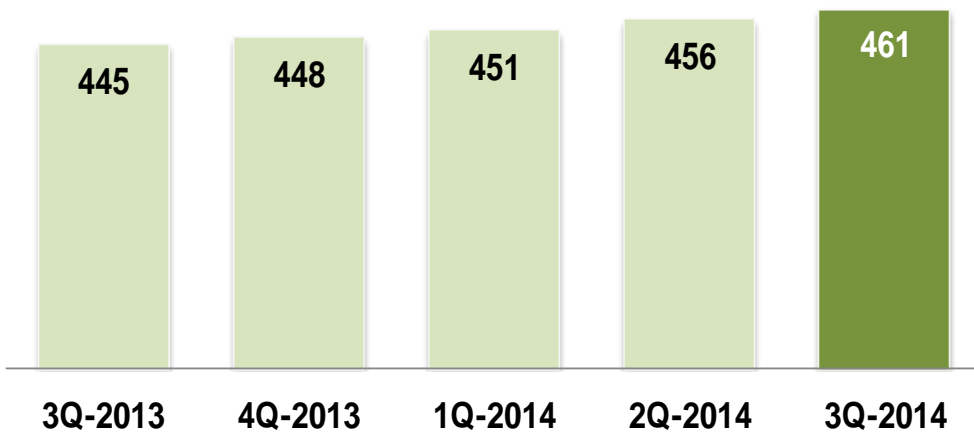
## Broadband (3Q-2014 vs 3Q-2013)

- ❖ Revenue decreased 17%
- ❖ ARPU at S\$35
- ❖ Customer base grew 16k

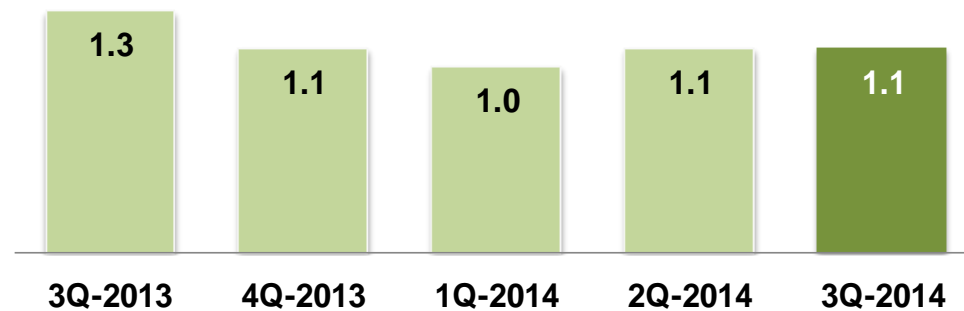


# Broadband Base & Churn

Customers ('000)

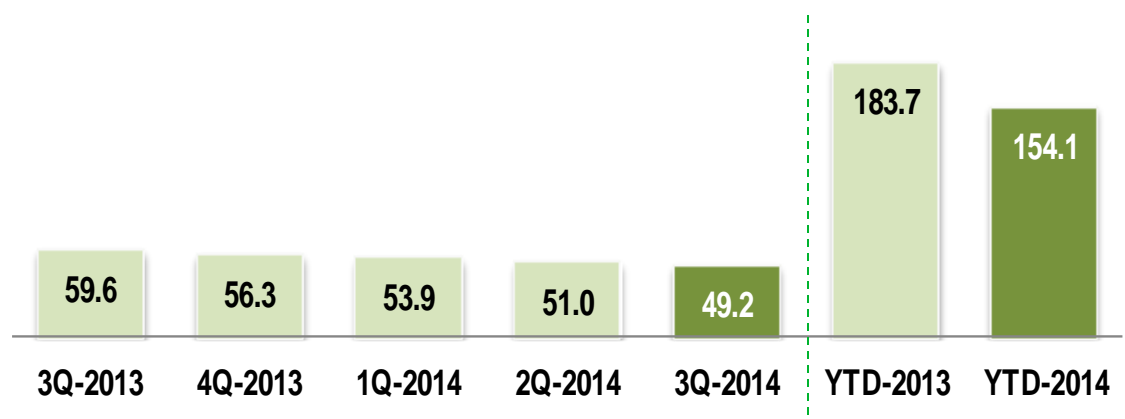


Average Monthly Churn Rate (%)

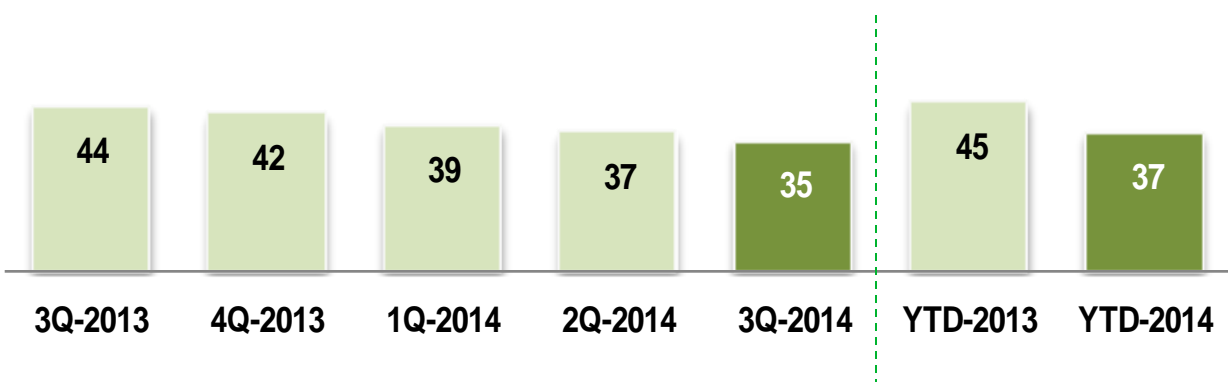


# Broadband Revenue & ARPU

Broadband Revenue (S\$M)



Residential Broadband ARPU (S\$ per month)



3Q2014 Highlights

Financial Highlights

**Business Highlights – Fixed Network Services**

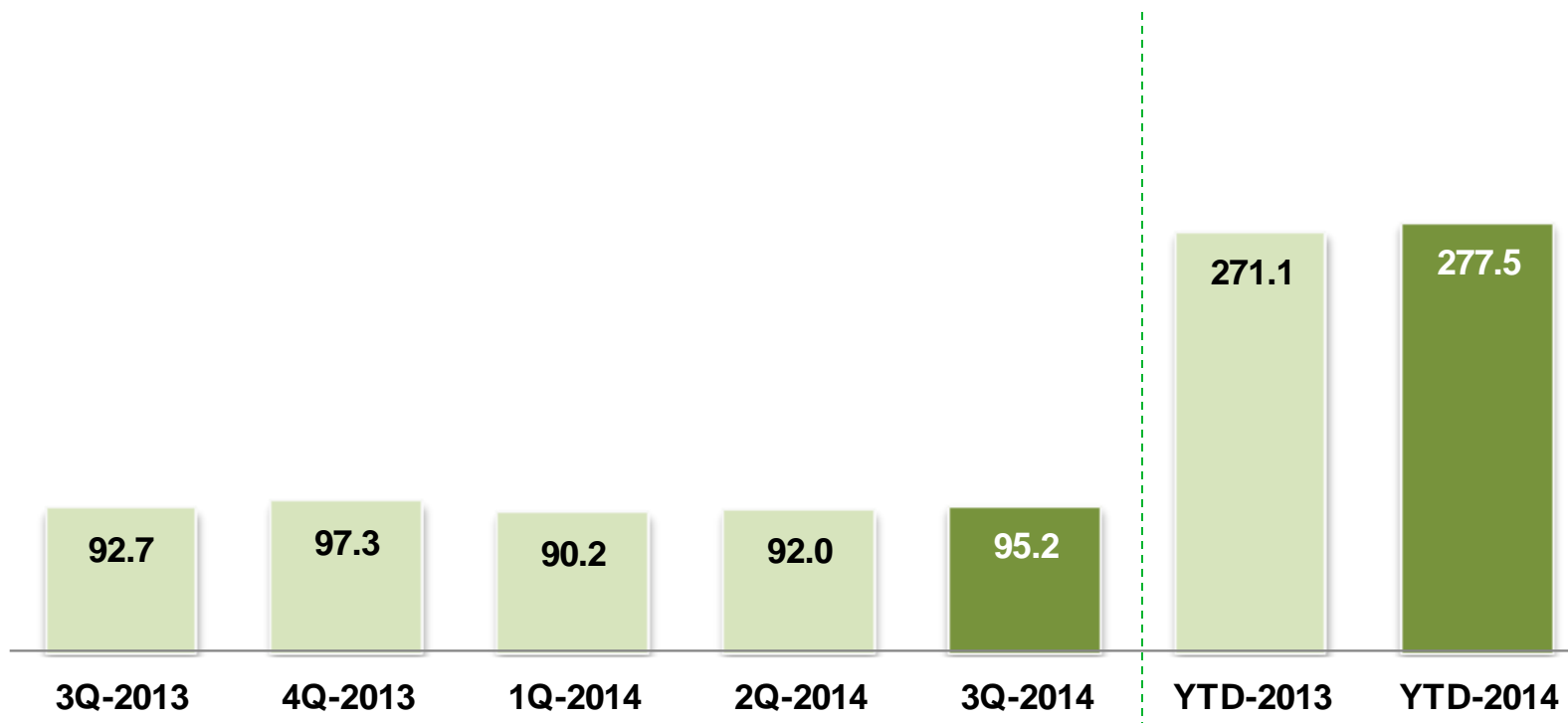
2014 Outlook

## Fixed Network Services (3Q-2014 vs 3Q-2013)

- ❖ Data & Internet revenue increased 4%
- ❖ Voice revenue decreased 6%

# Fixed Network Services

Fixed Network Revenue (S\$M)

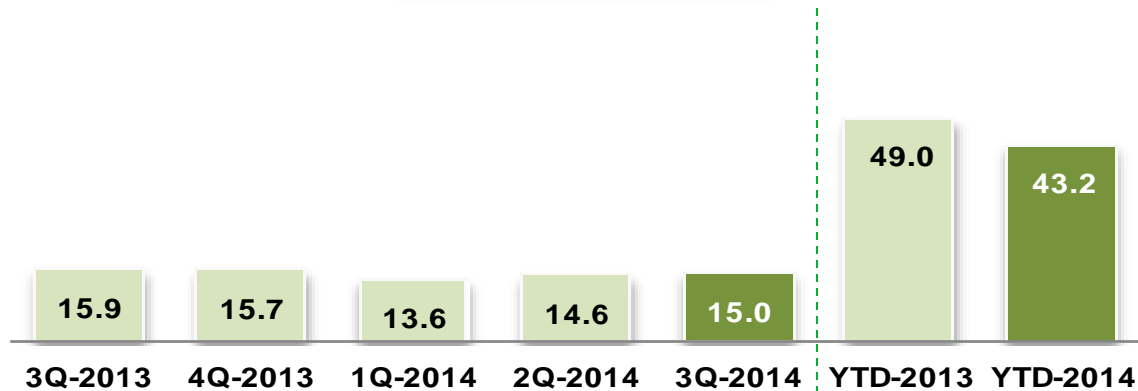


\* Numbers may not add up due to rounding.

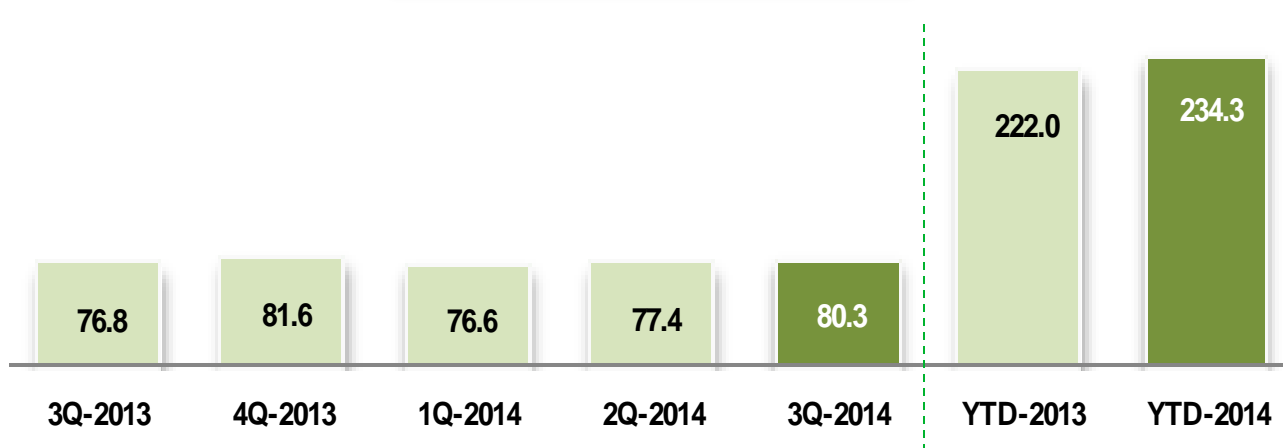


# Voice/Data & Internet

Voice Revenue (S\$M)



Data & Internet Revenue (S\$M)



**3Q2014 Highlights**

**Financial Highlights**

**Business Highlights**

**2014 Outlook**

# FY2014 Outlook

---

- ❖ **Revenue:** Maintain service revenue 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 3Q2014  
Intend to maintain annual cash dividend payout of 20.0 cents per share for FY2014

## Investor Relations Contact

For IR-related queries, please email or call:

Jeannie ONG

CMO

DID: +65 6825 5168

[jeannieo@starhub.com](mailto:jeannieo@starhub.com) / [ir@starhub.com](mailto:ir@starhub.com)

Eric LOH

AVP, IR

DID: +65 6825 5171

[ericloh@starhub.com](mailto:ericloh@starhub.com) / [ir@starhub.com](mailto:ir@starhub.com)