



NetLinkNBN

the fibre of a smart nation

Morgan Stanley 16th Annual Asia Pacific Summit

15 – 17 November 2017

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Presentation outline

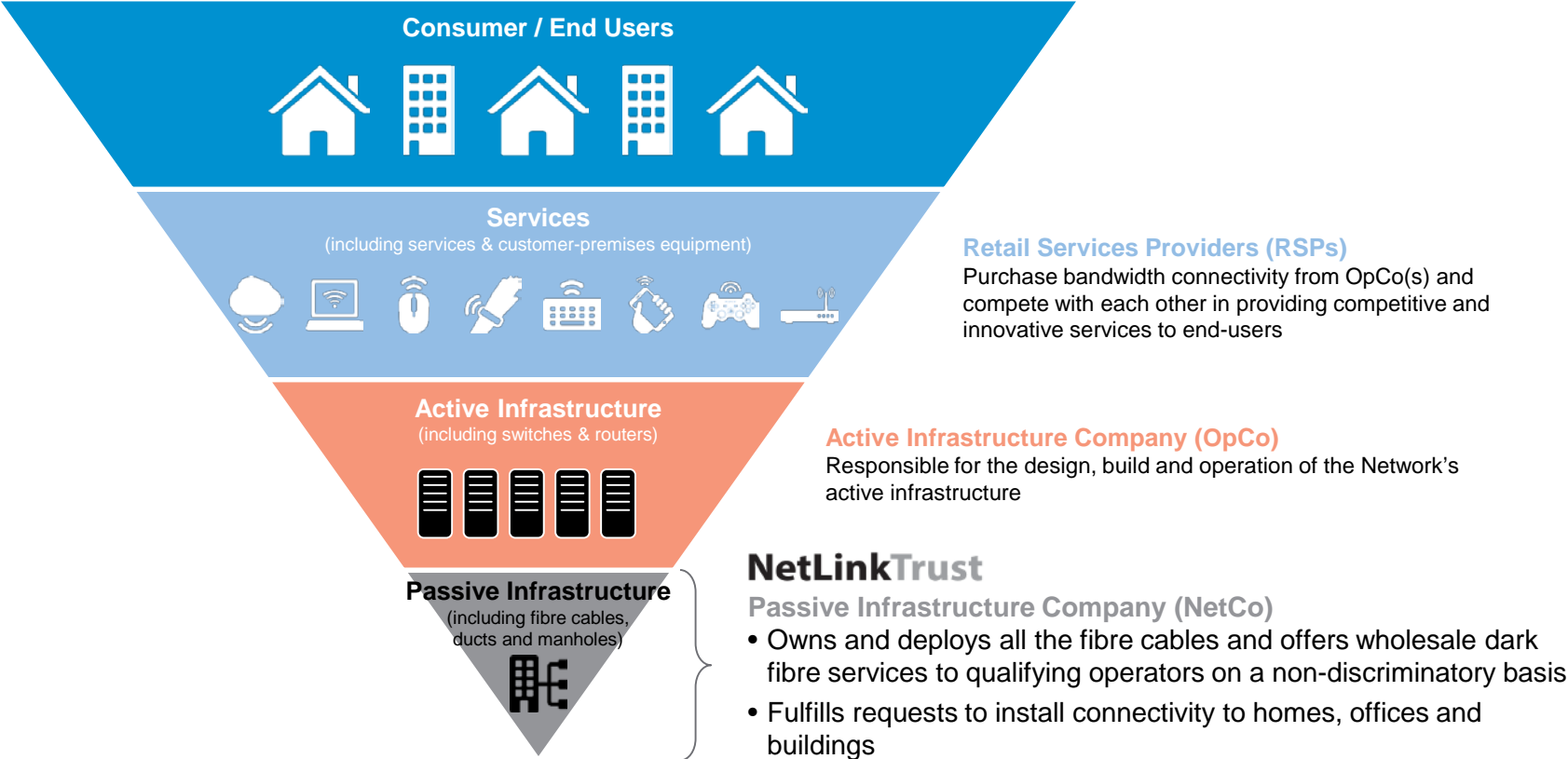
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Section 1
Overview of the Trust Group

Next Gen NBN industry structure

The Next Gen NBN industry comprises three distinct layers to ensure open access to the Next Gen NBN for all participants

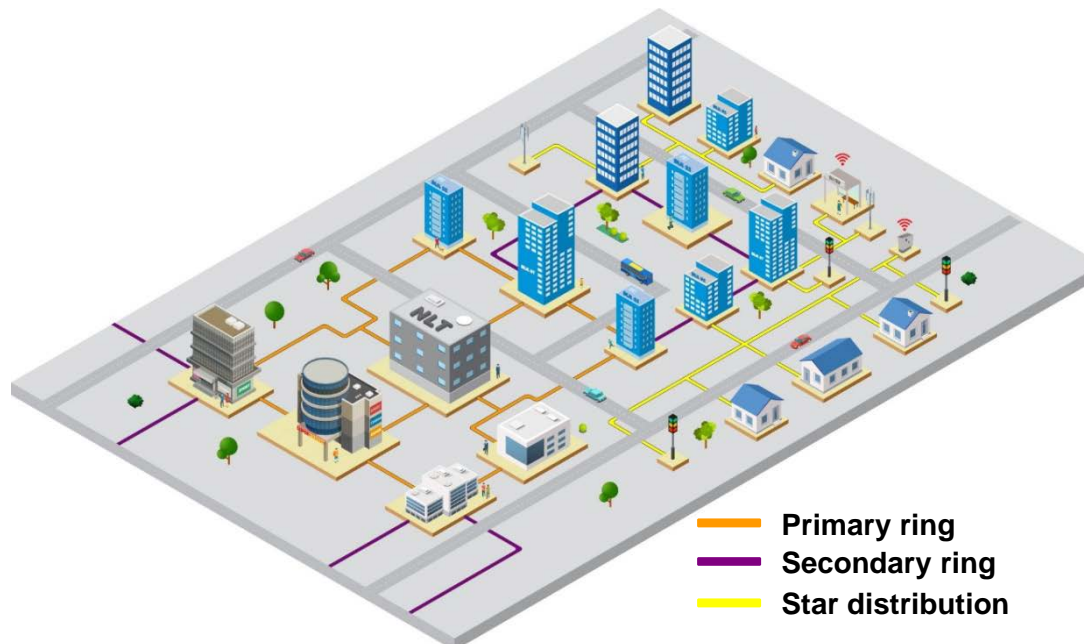
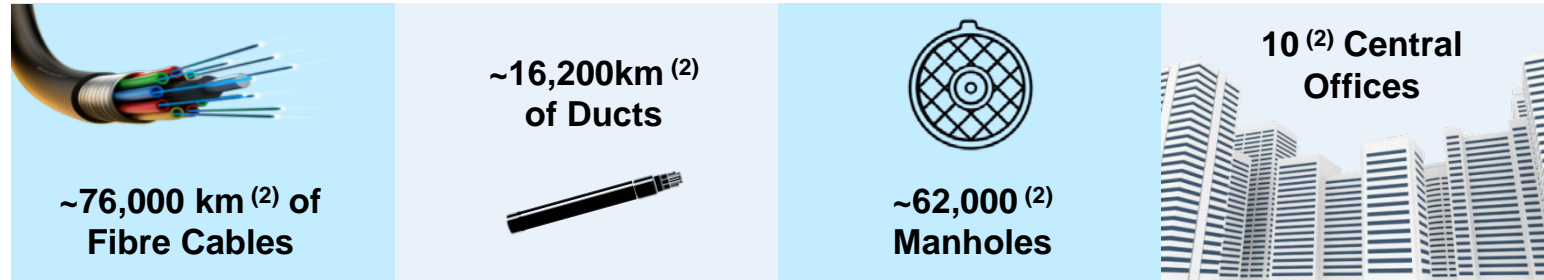


The Trust Group's nationwide network is the foundation of the Next Gen NBN

Sole appointed "Network Company" for Singapore's Next Gen NBN

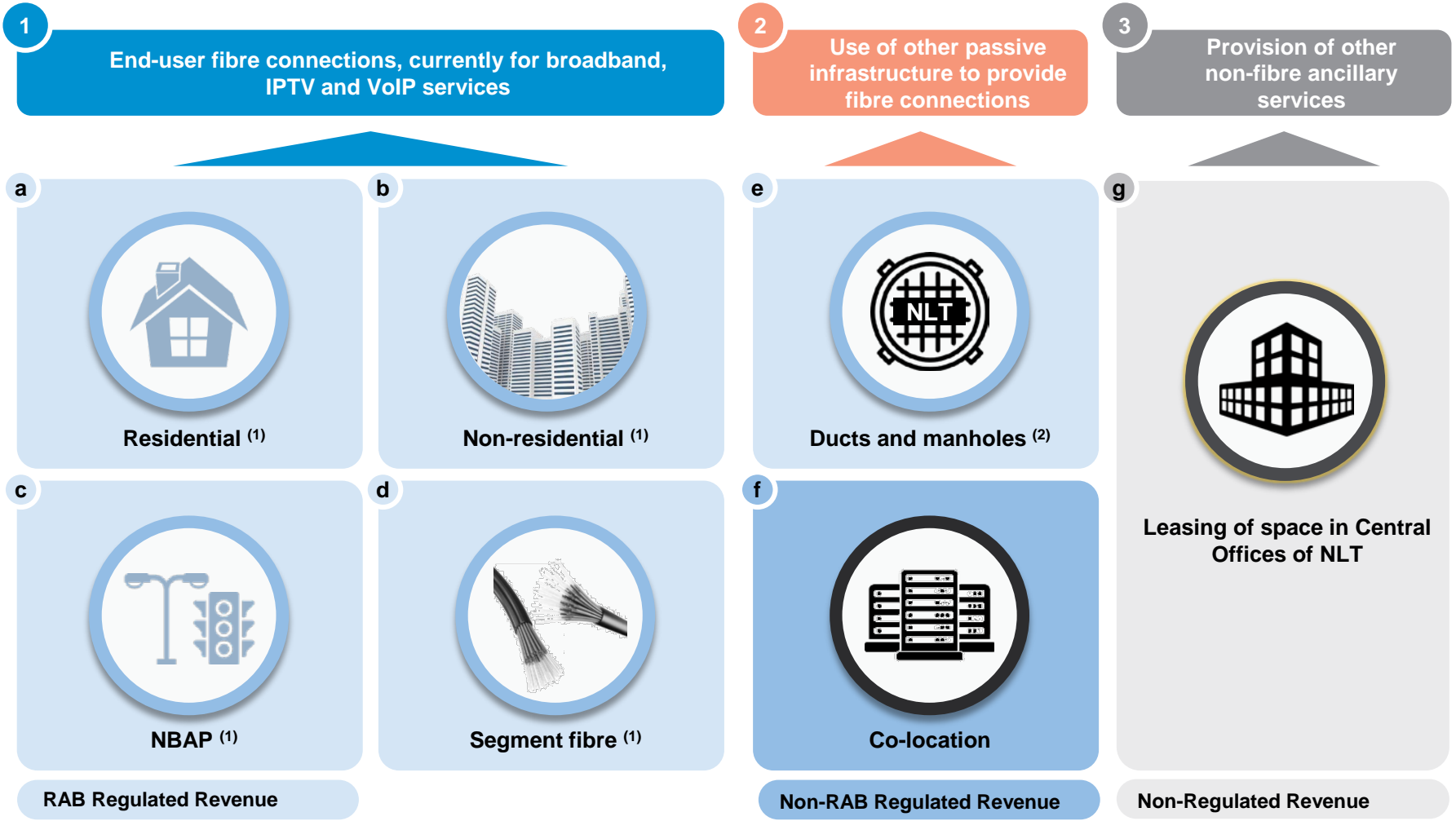
The Trust Group's nationwide network coverage

An ubiquitous and hard-to-replicate network ⁽¹⁾



1. According to Media Partners Asia (MPA)
2. As of 31 Mar 2017

Scope of services provided by the Trust Group



1. From ICO

2. From Ducts and Manhole Service Agreement / RAO



Section 2
Resilient Business Model

1 Critical infrastructure enabling Singapore's Next Gen NBN



Foundation of Next Gen NBN, over which ultra-high-speed internet access is delivered throughout Singapore



Nationwide coverage in Singapore in terms of residential homes and non-residential premises



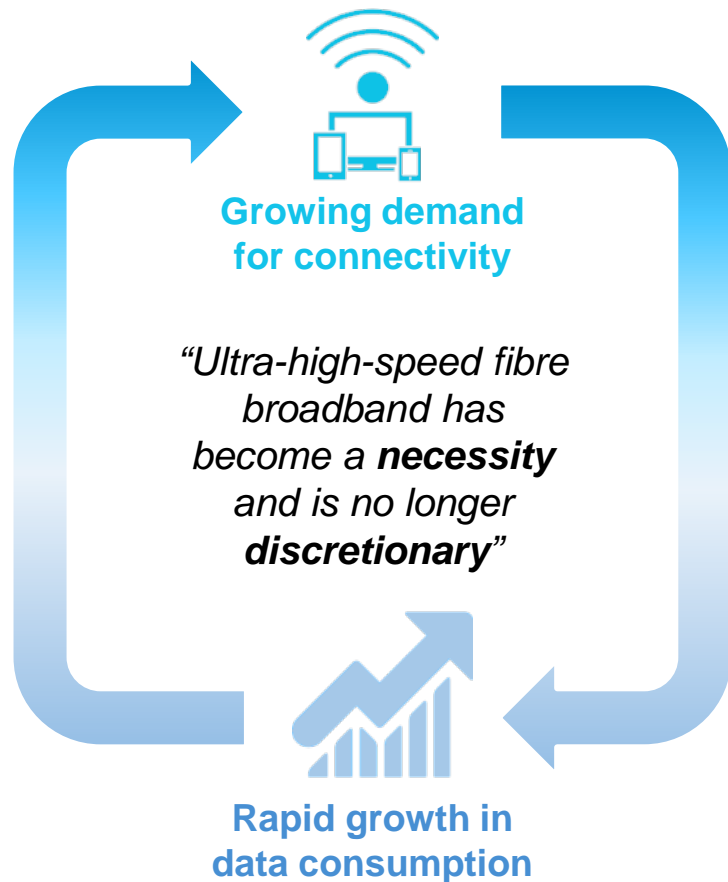
Passive fibre infrastructure supported by an aggregate of S\$732 million government grant



Able to cater to future technological developments with limited substitution risk for the foreseeable future

2 Growing demand for connectivity

Increasing use of fibre broadband services for day-to-day activities makes the Trust Group's business resilient



OTT Content Consumption



Bandwidth Intensive Electronic Games



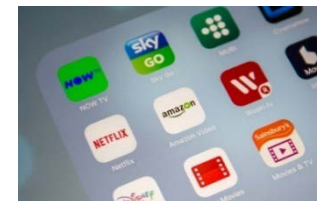
E-Learning



E-Payments



E-Commerce



HD Online Video and Audio Services

3 Sole nationwide provider of residential fibre network in Singapore



**Sole
Nationwide
Provider of
Residential Fibre
Network in
Singapore**



**~1.5 million
Residential
Home
Passed ⁽¹⁾**



**~1.3 million
Residential
Home
Reached ⁽²⁾**



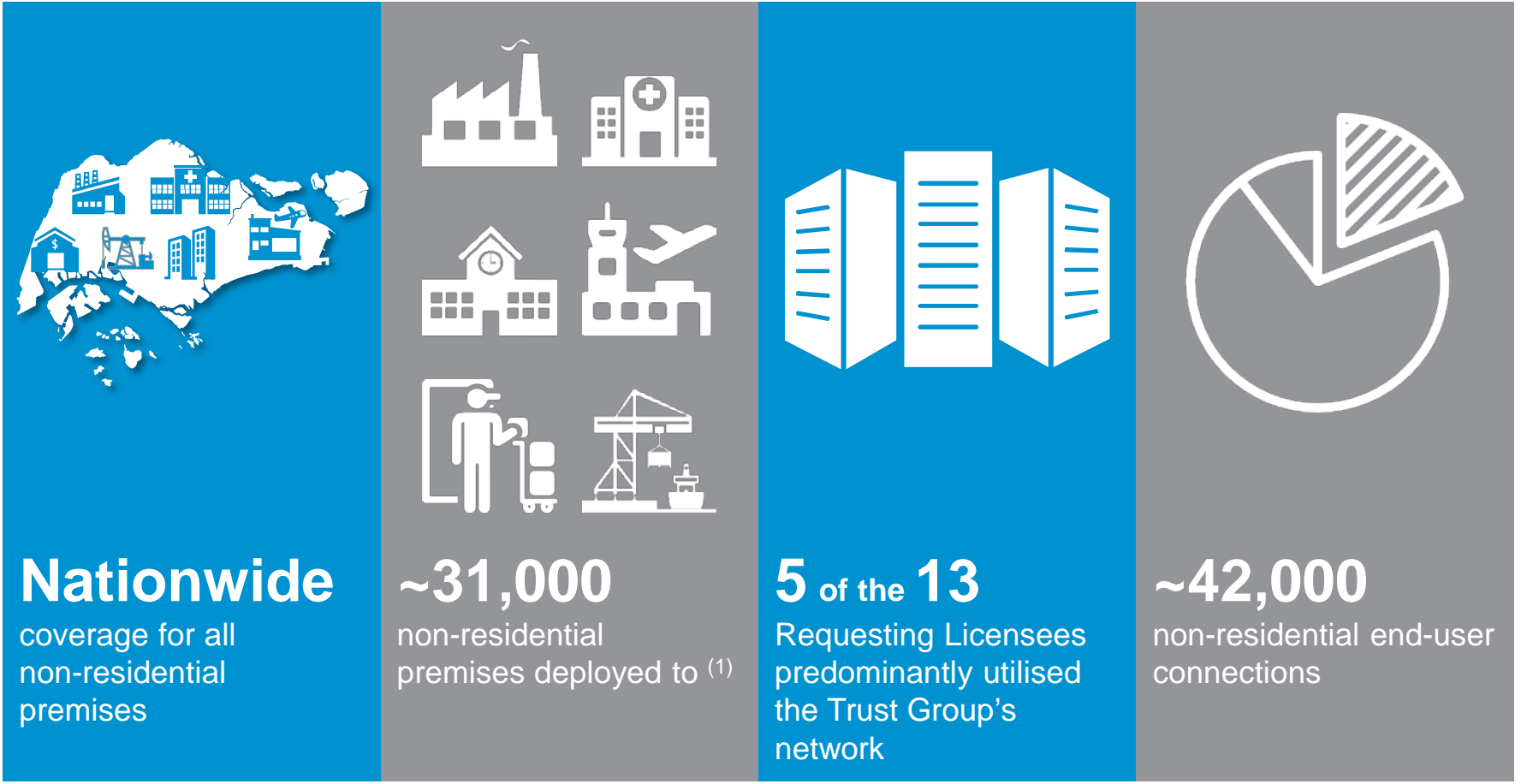
**~1.1 million
Residential
End-User
Connections
Supported**

1. Residential home passed refers to residential premises for which the Trust Group's network has been deployed up to the distribution point of each floor for a high-rise building containing two or more residential premises or to the gatepost or, where applicable, to the nearest manhole for a landed building containing one residential premises

2. Residential home reached refers to the residential premises for which the Trust Group's network has been deployed up to the first termination point in the residential premises

Figures are as of 30 Sep 2017

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

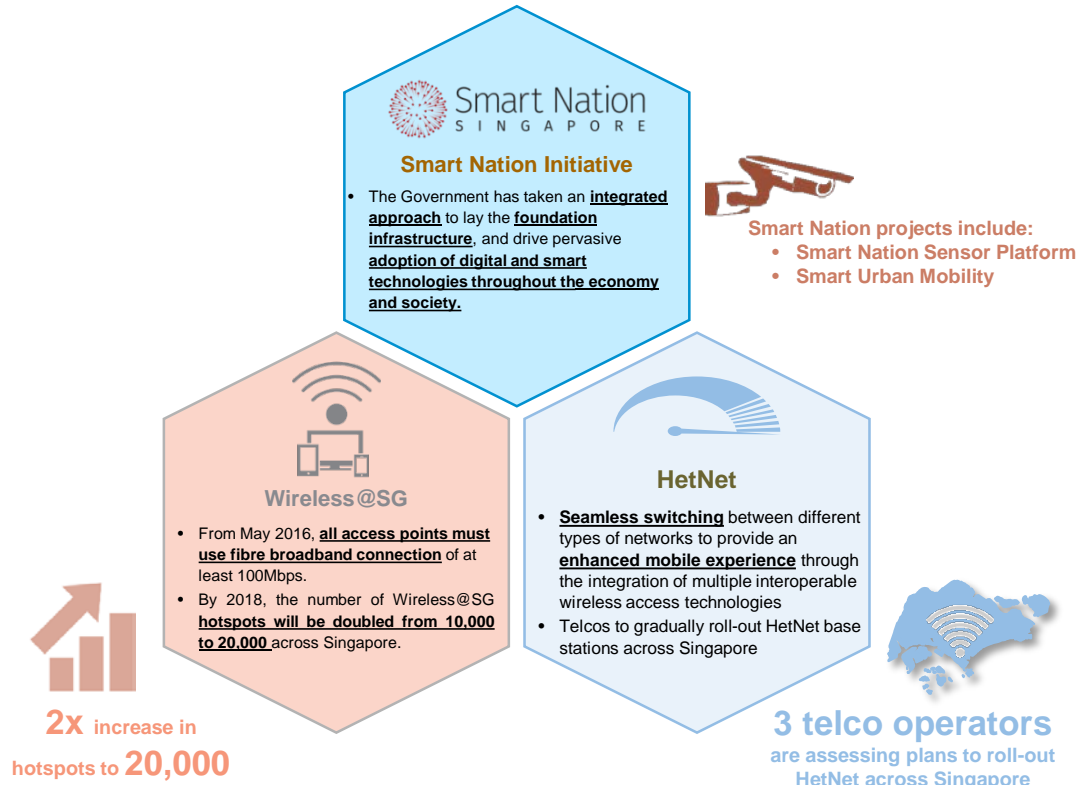


1. Meaning that the Trust Group's network has been deployed up to the telecommunication equipment room of the non-residential premises

Figures are as of 30 Sep 2017 unless otherwise stated

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

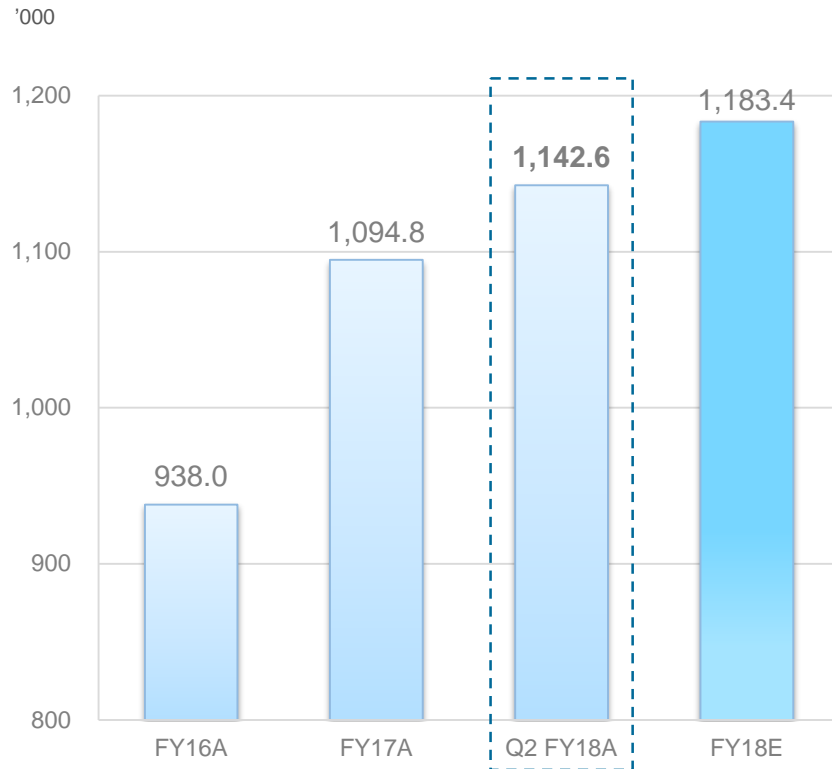
Initiatives that require fibre connections...





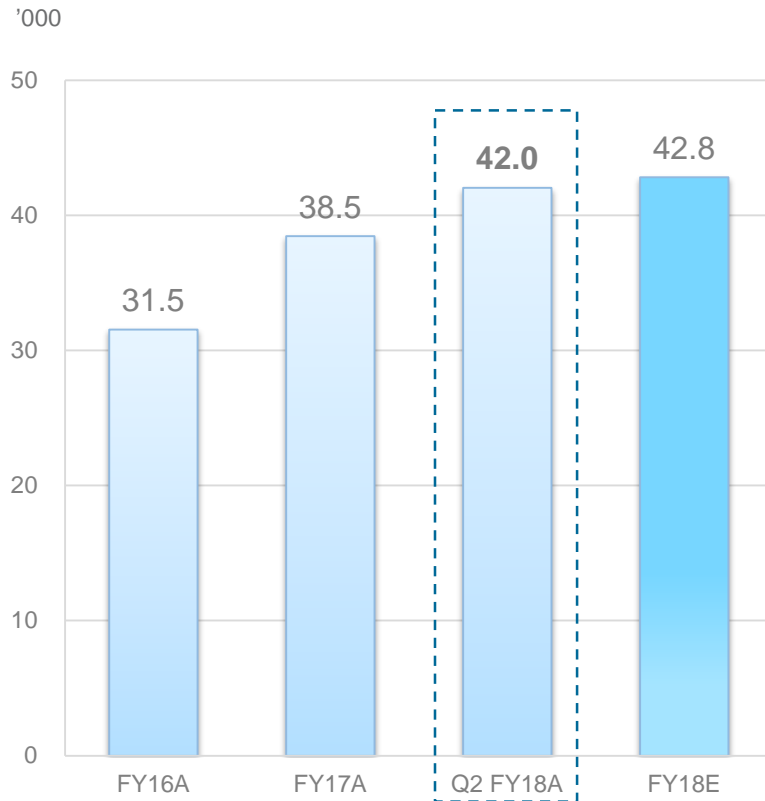
Section 3
**Operational & Financial
Highlights**

Residential fibre connections on track



- 1.14m residential connections as at 30 Sep 2017
- Residential connections expected to grow steadily with RSPs actively promoting the bundling of their suite of services (which include fibre connections) to their customers.

Non-residential fibre connections on track



- 42,028 non-residential connections as at 30 Sep 2017
- Continue to support RLs to acquire new corporate customers

Results highlights

(Financial Period 19 Jun 2017 to 30 Sep 2017) ⁽¹⁾

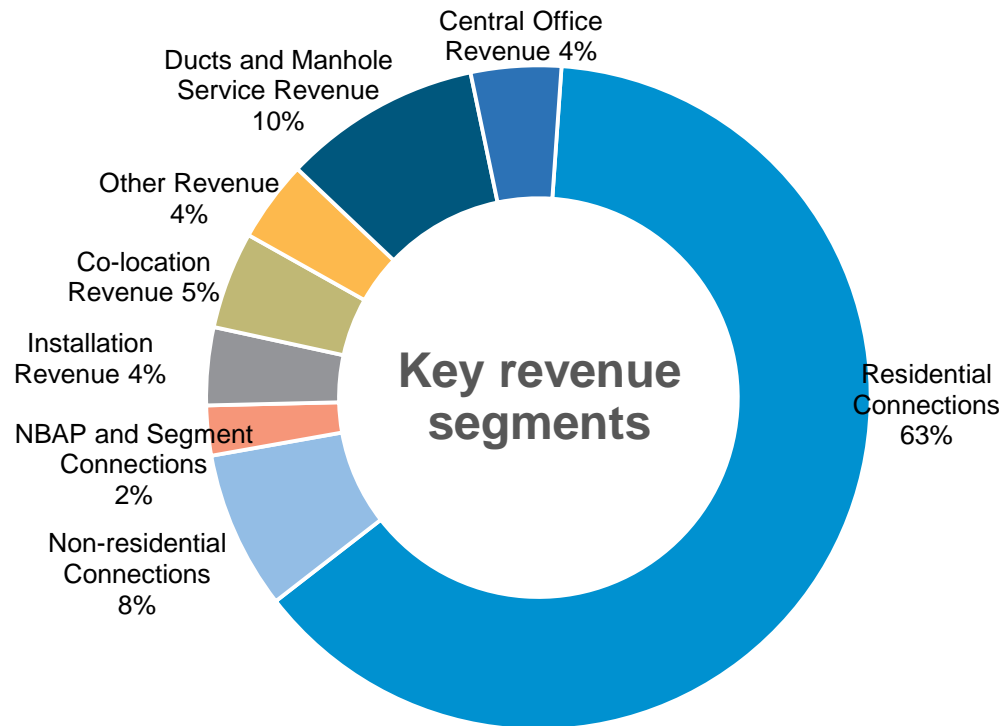
Revenue **\$64.8 million**

EBITDA ⁽²⁾ **\$46.8 million**

EBITDA Margin **72.2%**

Cash **\$70.6 million**

Debt/EBITDA ⁽³⁾ **2.1x**



⁽¹⁾ The first financial period is from 19 Jun 2017 to 30 Sep 2017. No comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared as the Trust was constituted on 19 Jun 2017. Although NetLink NBN Trust was constituted on 19 Jun 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on 19 Jul 2017, the date on which the Trust was listed ("Listing Date").

⁽²⁾ EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortization expense, net finance cost and income tax expense. EBITDA is not a measure of financial performance or liquidity, and should not be considered as alternatives to net income, operating profit or any other performance measures.

⁽³⁾ Debt/EBITDA ratio is calculated based on NetLink Trust Group's trailing 12-month financials

Profit & loss statement

Financial Performance for the period 19 Jun 2017 to 30 Sep 2017⁽¹⁾ (\$'000)

	Actual	Forecast ⁽²⁾	Variance
Revenue	64,755	65,511	(1.2%)
EBITDA	46,780	45,798	2.1%
EBITDA margin (%)	72.2%	69.9%	
Depreciation & amortisation	(32,466)	(32,179)	0.9%
Net finance charges	(3,398)	(3,360)	1.1%
Profit before tax	10,916	10,259	6.4%
Income tax credit	2,070	2,124	(2.5%)
Profit after tax	12,986	12,383	4.9%

⁽¹⁾ The first financial period is from 19 Jun 2017 to 30 Sep 2017. No comparative Consolidated Statement of Profit or Loss and other Comprehensive Income has been prepared as NetLink NBN Trust was constituted on 19 Jun 2017. Although NetLink NBN Trust was constituted on 19 Jun 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on the Listing Date.

⁽²⁾ Forecast results for the period includes (i) the actual results for the period from 19 Jul to 31 Jul 2017 and (ii) Aug 2017 and Sep 2017 figures that were part of the Forecast Period 2018 projections disclosed in the Prospectus

Balance sheet

Cash balance

S\$70.6 million

Net debt

S\$439.4 million

Net assets

S\$3,129.0 million

Debt / EBITDA⁽¹⁾

2.1x

EBITDA interest cover ⁽¹⁾

6.9x

Net assets per unit ⁽²⁾

S\$0.80

⁽¹⁾ Ratios calculated based on NetLink Trust Group's trailing 12-month financials

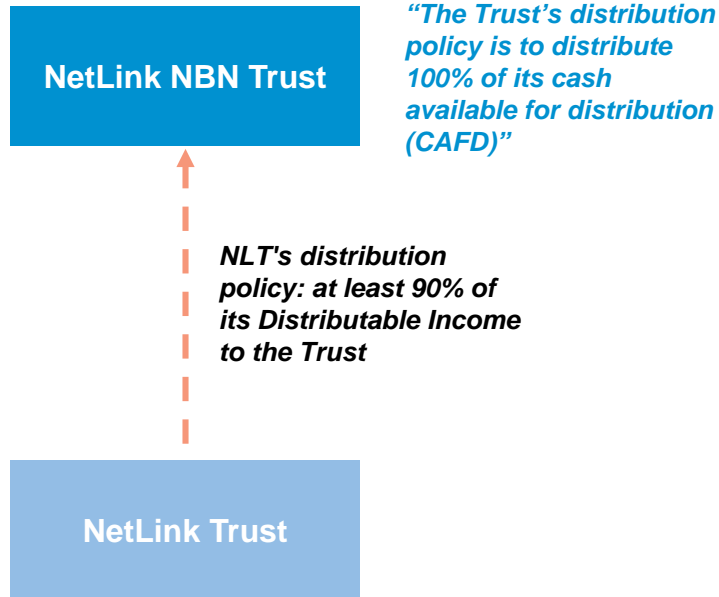
⁽²⁾ Net assets per unit represents equity divided by total number of units (3,896,971,100)

Our focus for FY18

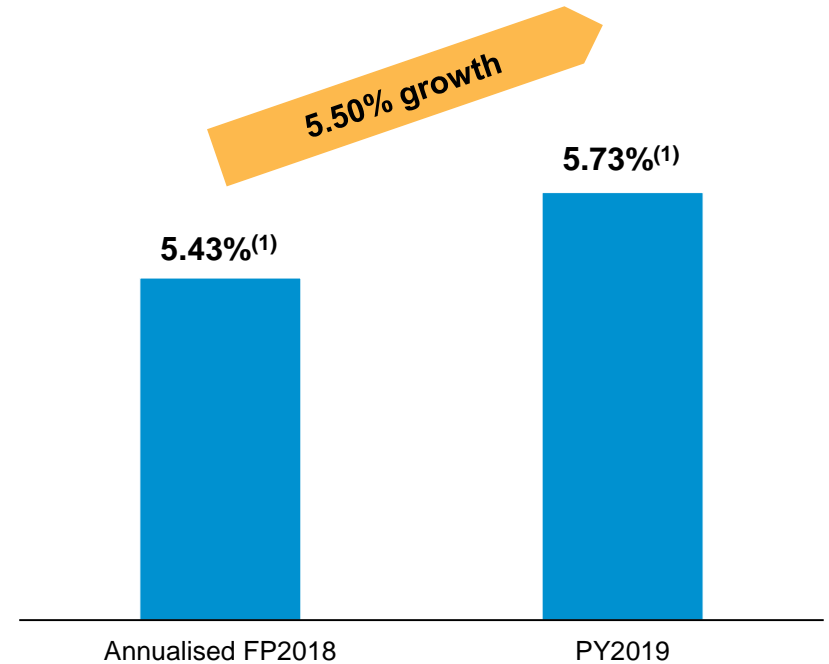
- On track to achieve our forecast number of end-user connections in the residential and non-residential segments.
- Utilising the Hougang Central Office to serve new housing estates in Sengkang and Punggol.
- Planning the expansion of our network to serve upcoming new townships, e.g. Tengah estate.
- Supporting the RLs' efforts to acquire new corporate and NBAP customers.
- Supporting Smart Nation initiatives and the fourth mobile telecommunication operator in its mobile network backhaul deployment.

Long-term, regular and predictable distributions

Distribution Policy



Distribution Yield and Growth



Distributions made by the Trust are exempt from Singapore income tax in the hands of all Unitholders

1. Based on the IPO offering price of S\$0.81 per Unit.

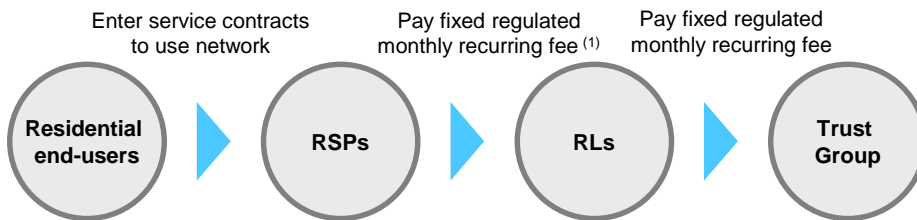
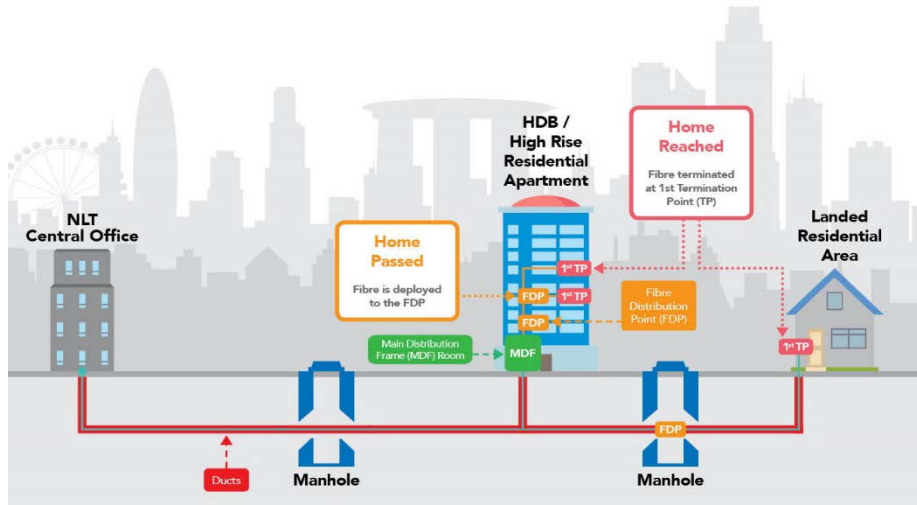
Thank You



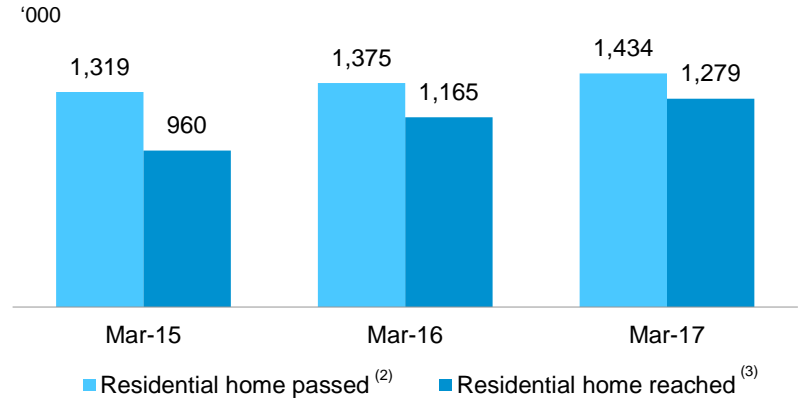
Appendix A
**Supplemental Business
Information**

a Residential segment

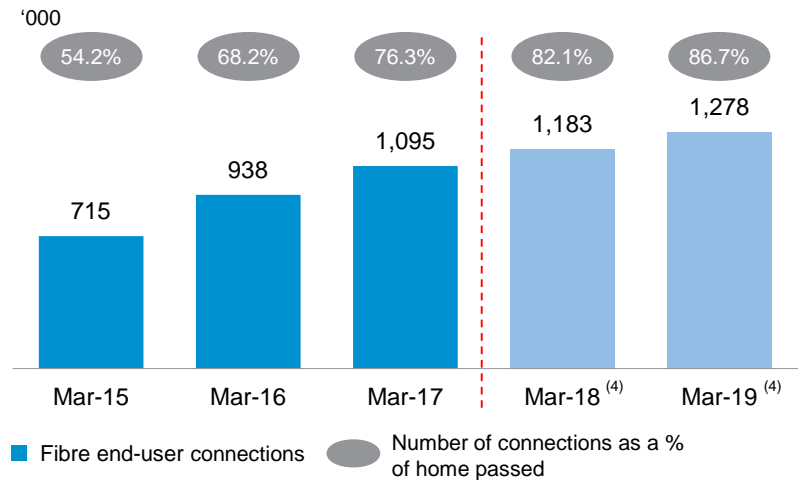
Providing fibre connection to all residential homes in Singapore



The Trust Group's key operating statistics



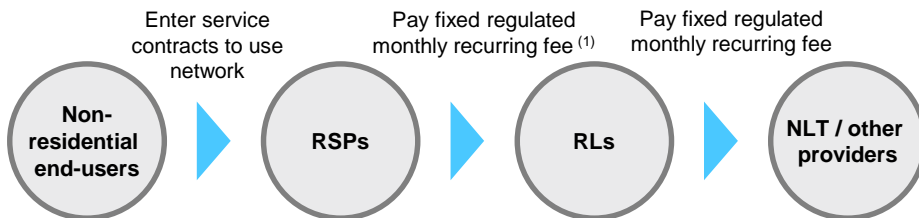
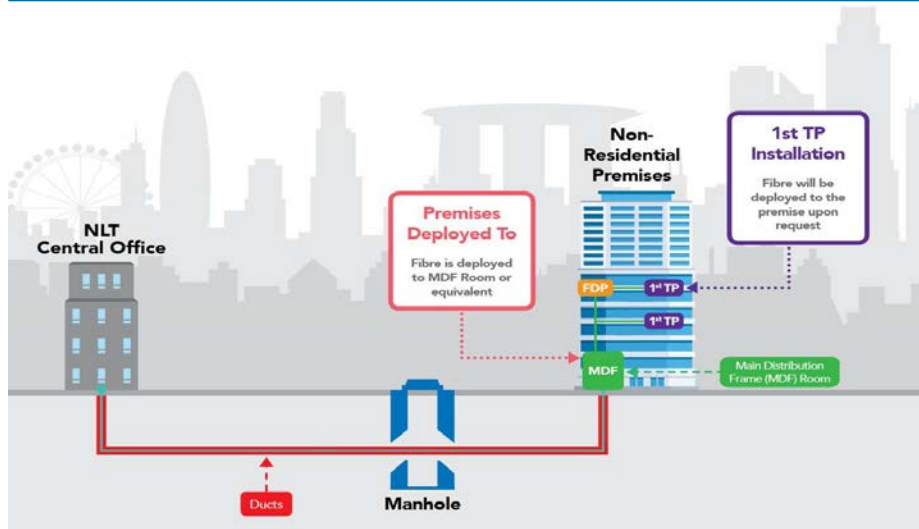
Growth in the Trust Group's fibre end-user connections



1. In the case of Nucleus Connect. Pricing between other RSPs and RLs are commercially agreed and not publically available
2. Residential home passed refers to residential premises for which the Trust Group's network has been deployed up to the distribution point of each floor for a high-rise building containing two or more residential premises or to the gatepost or, where applicable, to the nearest manhole for a landed building containing one residential premises
3. Residential home reached refers to the residential premises for which the Trust Group's network has been deployed up to the first termination point in the residential premises
4. Forecast Period 2018 is the 8-month period from 1 Aug 2017 to 31 Mar 2018; Projection Year 2019 is the 12-month period from 1 Apr 2018 to 31 Mar 2019

b Non-residential segment

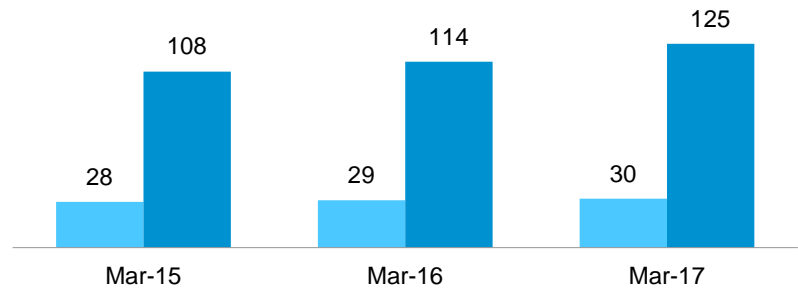
Providing competitive non-residential access across Singapore



- Subject to competition, NLT's extensive nationwide network accesses non-residential end-users across Singapore (in particular SMEs outside the CBD) in a **cost efficient** way, and offers an **attractive neutral option** for RSPs as an independent network provider

The Trust Group's key operating statistics and total addressable market

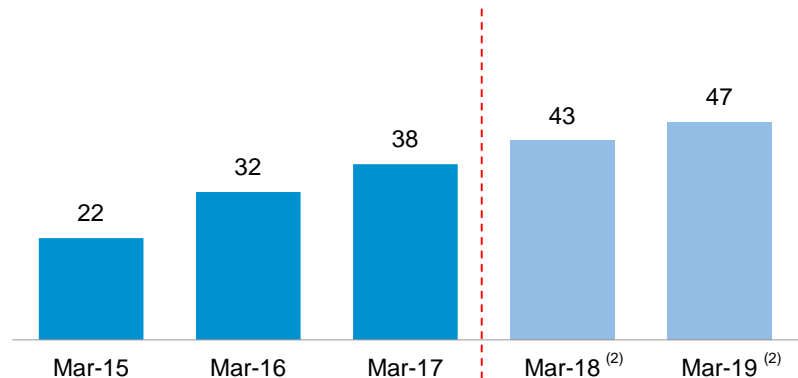
'000



■ Premises deployed ■ Total corporate wired broadband connections

Increase in the Trust Group's non-residential fibre end-user connections

'000



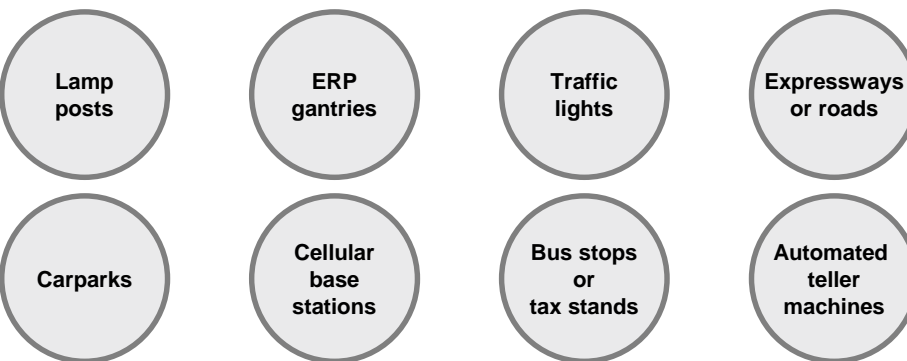
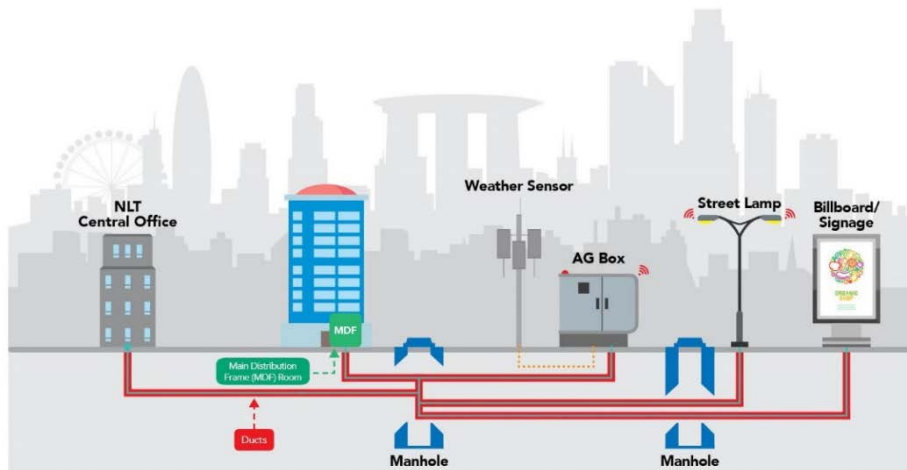
■ Fibre end-user connections

1. In the case of Nucleus Connect. Pricing between other RSPs and RLs are commercially agreed and not publically available

2. Forecast Period 2018 is the 8-month period from 1 Aug 2017 to 31 Mar 2018; Projection Year 2019 is the 12-month period from 1 Apr 2018 to 31 Mar 2019

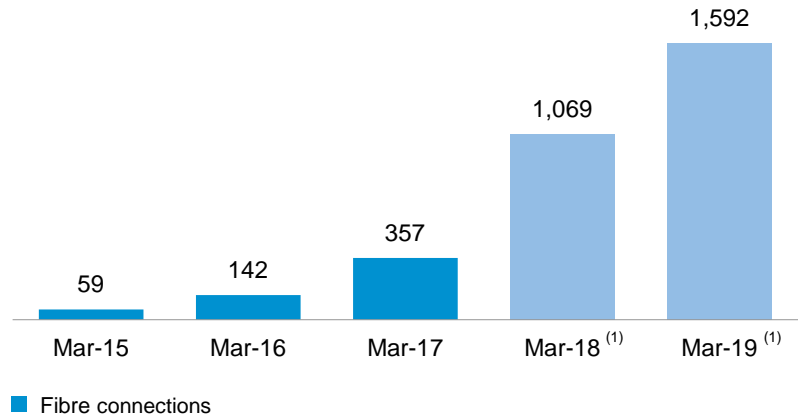
c NBAP segment

Providing NBAP connection services throughout Singapore



The Trust Group's key operating statistics

NBAP connections



The Trust Group's NBAP segment to benefit from Smart Nation initiatives

- The Trust Group is the only provider of NBAP connections in "Phase 1" of the Smart Nation Programme
- The demand for NBAP services is expected to continue to grow with the roll-out of Singapore's Smart Nation programme

1. Forecast Period 2018 is the 8-month period from 1 Aug 2017 to 31 Mar 2018; Projection Year 2019 is the 12-month period from 1 Apr 2018 to 31 Mar 2019

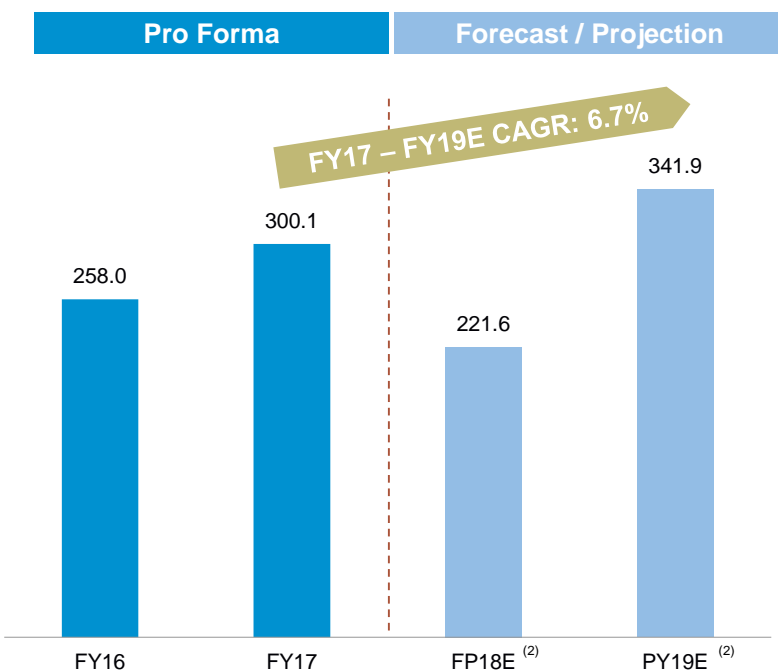


Appendix B
**Supplemental Financial
Information**

High degree of scalability for the Trust Group's business supporting stable cash flow generation

Revenue

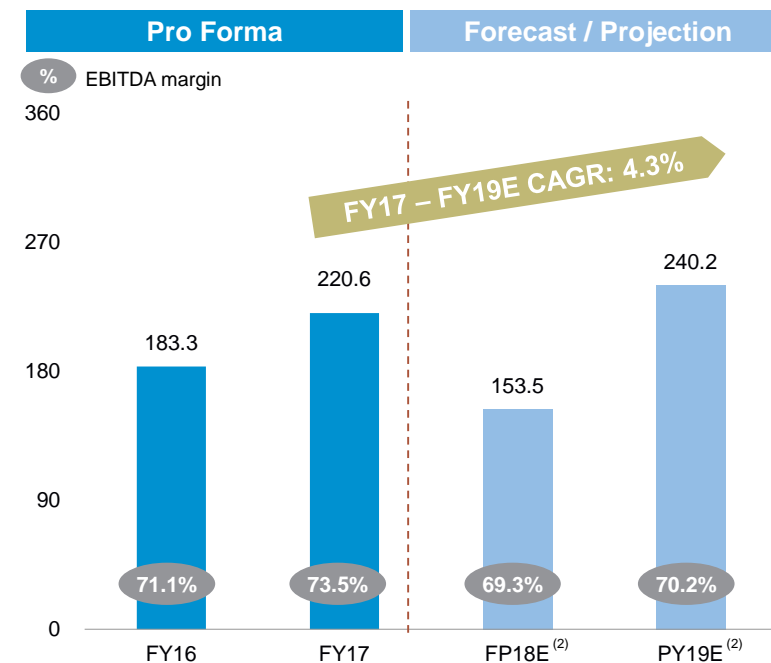
(\$\$ in millions, financial year end 31 March)



- Trust Group's revenue growth from FP18 to PY19 is largely driven by growth in fibre business revenue
- Majority contribution from connections revenue (regulated) with further contributions to stability from central office, DMH and co-location revenues

EBITDA⁽¹⁾

(\$\$ in millions, financial year end 31 March)



- EBITDA margin of ~70%
- Low operating costs translates into highly scalable operations supporting stable cash flow generation

1. EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance cost and income tax expense
 2. Forecast Period 2018 is the 8-month period from 1 Aug 2017 to 31 Mar 2018; Projection Year 2019 is the 12-month period from 1 Apr 2018 to 31 Mar 2019

Revenue and operating expense

Revenue

Financials denoted in S\$ million	FY16	FY17	FP18E ⁽¹⁾	PY19E ⁽¹⁾
Residential connections	148.5	184.1	133.2	203.6
Non-residential connections	15.0	20.9	16.8	29.4
NBAP connections	0.3	0.5	0.7	1.3
Segment fibre connections	5.1	6.1	4.5	5.0
Co-location revenue	14.5	14.5	11.1	17.5
Installation revenue	23.3	19.1	17.8	29.8
Diversion income	2.2	4.5	3.0	3.2
Other revenue	5.8	5.3	2.6	3.9
Ducts and manhole service revenue	28.4	29.9	20.6	31.1
Central office revenue	15.1	15.2	11.3	17.1
Total Revenue	258.0	300.1	221.6	341.9

Operating Expenses (excluding D&A)

Financials denoted in S\$ million	FY16	FY17	FP18E ⁽¹⁾	PY19E ⁽¹⁾
Maintenance expense	6.3	6.8	7.6	11.6
Co-location expense	3.9	4.8	3.9	6.0
Installation costs	12.7	15.2	12.0	17.7
Staff costs	16.1	19.8	15.5	25.6
Property tax	14.6	15.2	10.7	16.6
IT cost	6.2	8.0	8.8	10.1
Other expense	11.9	6.1	9.3	13.5
Management fee	4.1	4.1	0.6	1.0
Total Operating Expense (excluding D&A)	75.8	80.0	68.3	102.1

1. Forecast Period 2018 is the 8-month period from 1 Aug 2017 to 31 Mar 2018; Projection Year 2019 is the 12-month period from 1 Apr 2018 to 31 Mar 2019

NetLink Trust's pricing for its services

Pricing of NLT's principal services are regulated by IMDA

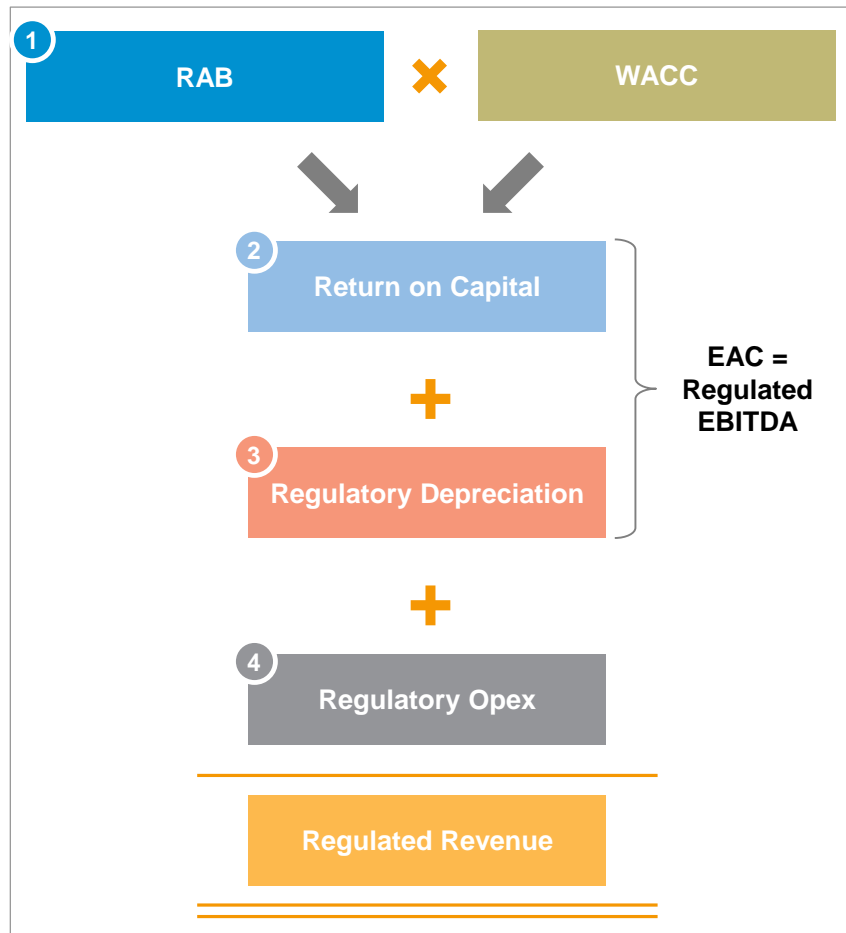
- IMDA shall hold a review of pricing terms every five years following the last price review, or at any such time as IMDA may consider appropriate (which may include a mid-term review in the third year from the last price review)
 - The most recent review by IMDA of prices under the Interconnection Offer and Reference Access Offer was completed in May 2017 and substantially most of the revised prices will be effective from or around Jan 2018 to Dec 2022
 - Pricing terms are regulated using the regulatory asset base (RAB) framework, which allows NLT to recover the following components: (a) return of capital deployed (i.e. depreciation); (b) return on capital employed; and (c) operating expenditure
- NLT may propose to conduct a mid-term adjustment in the third year, in the event of any significant change in cost inputs or if any significant changes to cost or demand forecasts are required due to unforeseen circumstances

Monthly recurring charge (MRC) for fibre connections

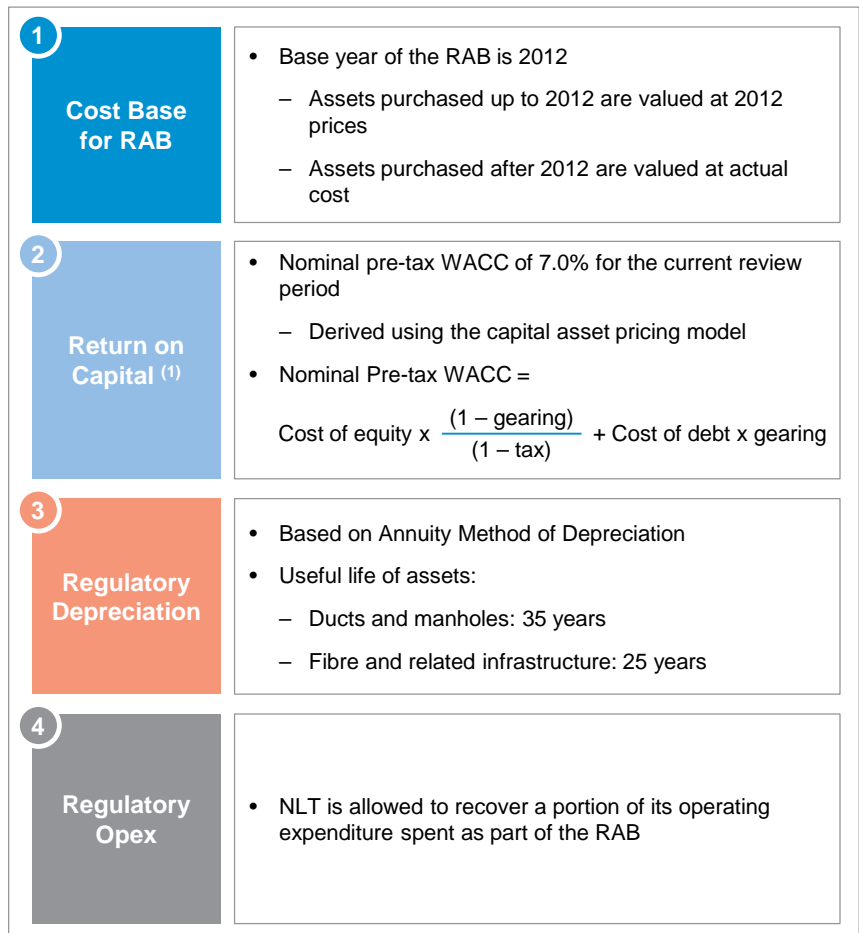
Residential	S\$13.80 per connection per month
Non-residential	S\$55 per connection per month
NBAP	S\$73.80 per connection per month

NetLink Trust's pricing for its services

Framework for RAB Based Pricing Model



Methodology for RAB based pricing model



1. IMDA may change the rate of applicable pre-tax WACC in future review period