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## StarHub's 1H2023 Net Profit Grows 26% To \$77M, Outpacing 8% Service Revenue Growth To \$938M

- *1H2023 Service Revenue growth lifted by higher contributions from all segments, with YoY ARPU growth across most consumer lines of businesses*
- *Interim dividend of 2.5 cents per share declared for 1H2023*
- *Updated FY2023 guidance with improved Service EBITDA margin expected of approximately 22%*

Singapore, 3 August 2023 – StarHub reported today net profit attributable to shareholders (“NPAT”) of \$76.7 million for the six-month period ended 30 June 2023 (“1H2023”). This was a 25.8% year-on-year (“YoY”) increase from \$60.9 million in the equivalent period a year ago (“1H2022”), lifted mainly by higher contributions across all business segments, contributing to higher profit from operations achieved.

Commenting on the results, StarHub’s Chief Executive, Nikhil Eapen, said, *“We sustained our strong start to FY2023 from 1Q into 2Q, registering solid increase in profitability despite our DARE+ investments. We continue to drive consumption through Infinity Play for Singapore consumers; while delivering converged Connectivity, Cloud and Cybersecurity platforms to Singapore enterprises. Concurrently, we are executing our IT and Network transformation, as we build the world’s first autonomous metropolitan cloud network through Cloud Infinity to harness multi-cloud securely and effectively, from core to edge. We are investing significantly in transformation in 2H2023, towards harvesting benefits from 2024. Our objective is to enhance total shareholder returns and deliver first-of-its-kind value to our Singapore society.”*

Service Revenue grew 7.8% to \$938.1 million in 1H2023 compared to \$870.5 million a year ago, lifted by a 12.8% revenue growth in Mobile; 7.6% for Broadband; 18.2% for Entertainment; and 1.8% for Enterprise. Total Revenue grew 4.5% to \$1,106.1 million in 1H2023 from \$1,058.6 million in 1H2022. Excluding the consolidation of MyRepublic Broadband from 2Q2022, 1H2023 Total Revenue and Service Revenue still grew 2.7% and 5.6% YoY, respectively.

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ARPU grew YoY across most segments in 1H2023 despite sustained intense market competition. Postpaid ARPU rose to \$32 from \$29; Broadband ARPU increased to \$34 from \$33; and Entertainment ARPU improved to \$44 from \$38. Enterprise revenue was bolstered by a 4.6% increase in Network Solutions revenue, buoyed by a 20.6% growth in Managed Services, as well as a 7% growth in Cybersecurity Services revenue; offset by a 10% YoY decline in Regional ICT Services due to lower hardware sales.

Comparing against the full-year guidance for FY2023 released in February 2023, the 1H2023 Service Revenue growth of 8% was in line with the guided 8% to 10% YoY growth range. The Group has exceeded expectations for Service EBITDA margin at 22.7%, above the “approximately 20%” guidance. Capex Commitment including investments<sup>1</sup> for 1H2023 was 5.5%, lower than the guided range of between 13% and 15% of Total Revenue.

StarHub also updated its FY2023 guidance, raising its Service EBITDA margin to “approximately 22%” from the original “approximately 20%”, as a result of ongoing efforts to realise operational efficiencies from DARE+ initiatives to transform its business models. The raised margin guidance was also a result of reduced proportion of contributions from lower-margin businesses – namely, D’Crypt under the Cybersecurity Services segment and JOS Singapore within our Regional ICT Services segment – due to expected delays in project recognition. Consequently, with D’Crypt and JOS Singapore’s revised outlook, StarHub is reducing FY2023 Service Revenue guidance to between 3% and 5%, from original guidance of 8% to 10% YoY growth, with minimal impact on EBITDA. FY2023 Capex Commitment guidance improved to between 11% and 13% of total revenue, compared to the original range of 13% to 15% including investments<sup>1</sup>, due to savings in infrastructure and capacity optimisation. Overall, the Group remains committed to drive growth across all segments as it executes DARE+, while also transforming its business model to realise ongoing efficiencies.

Taking into consideration short- to mid-term business conditions, investment requirements, results expected from the ongoing business transformation requirements, and expectations for StarHub to

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<sup>1</sup> Including 5G Capex and spectrum right, as well as investments relating to DARE+ and IT Transformation.



continue generating positive free cash flow for FY2023, the Group has declared an interim dividend of 2.5 cents for 1H2023. StarHub has reiterated its dividend guidance of at least 5.0 cents per share for FY2023, and remains committed to its dividend policy<sup>2</sup>.

- End -

*For more details on the Group's performance, please visit <http://ir.starhub.com/>. Other materials available on StarHub's investor relations website include the investor presentation, results announcement, as well as the audio webcast archive to be made available after 3 August 2023.*

### About StarHub

StarHub is a leading homegrown Singapore company that delivers world-class communications, entertainment and digital services. With our extensive fibre and wireless infrastructure and global partnerships, we bring to people, homes and enterprises quality mobile and fixed services, a broad suite of premium content, and a diverse range of communication solutions. We develop and deliver to corporate and government clients solutions incorporating artificial intelligence, cybersecurity, data analytics, Internet of Things and robotics. We are committed to conducting our business in a sustainable and environmentally responsible manner. Listed on the Singapore Exchange mainboard, StarHub is a component stock of the SGX iEdge SG ESG Leaders and Transparency Indices and included in ESG-focused FTSE4Good Index Series. StarHub is ranked as the world's most sustainable Wireless Telecommunications Service Provider and Singapore's most sustainable Telco, in Corporate Knights Global 100. Visit [www.starhub.com](http://www.starhub.com) for more information.

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<sup>2</sup> To distribute at least 80% of net profit attributable to shareholders (adjusted for one off, non-recurring items), payable on a semi-annual basis.