

A person is shown in profile, wearing a blue VR headset. The background is a composite image featuring a city skyline at night, overlaid with a digital grid of blue squares and glowing blue lines connecting nodes. The overall theme is technology and smart infrastructure.

SIAS Conference

6 July 2022

NetLinkNBN
the fibre of a smart nation

Disclaimer

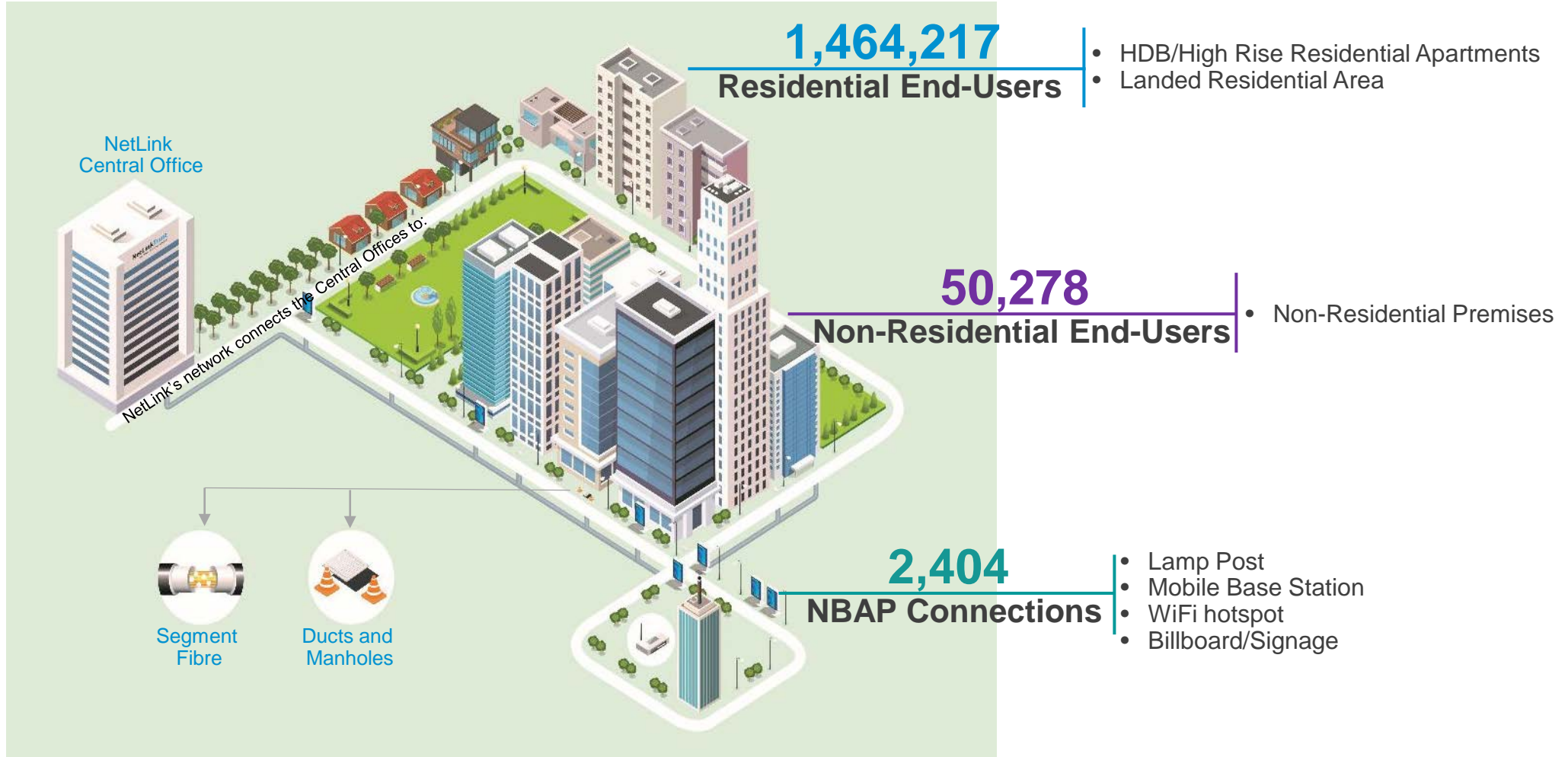
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EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of the NetLink Group’s performance 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.

Our business



Our business is future proof

#1

PREFERRED

Only means of fixed broadband delivery in Singapore



HIGH PENETRATION

Over 95% residential penetration rate



LOW PRICES

Fibre broadband prices are lower in Singapore than many other countries



CRITICAL INFRASTRUCTURE

Fibre supports last-mile wireless access solutions such as WiFi hotspots and 4G/5G mobile base stations

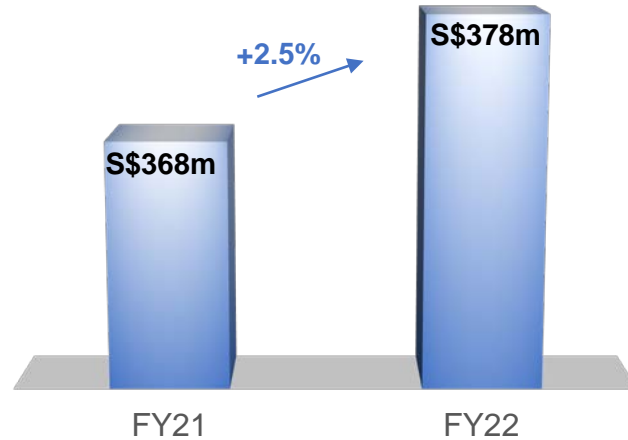


SCALABLE

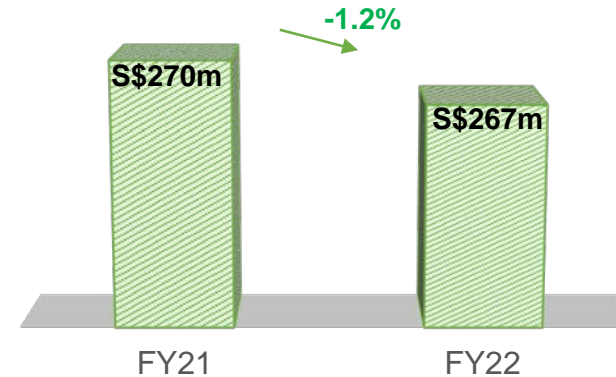
Fibre capacity is highly scalable and can support future transmission technologies

FY22 Financial highlights

REVENUE



EBITDA



NET GEARING

19%

Comfortable debt headroom

WEIGHTED AVERAGE DEBT DURATION

3.4 years

MARKET CAPITALISATION

S\$3.8 billion

Unit price of S\$0.95 as at 31 Mar 2022

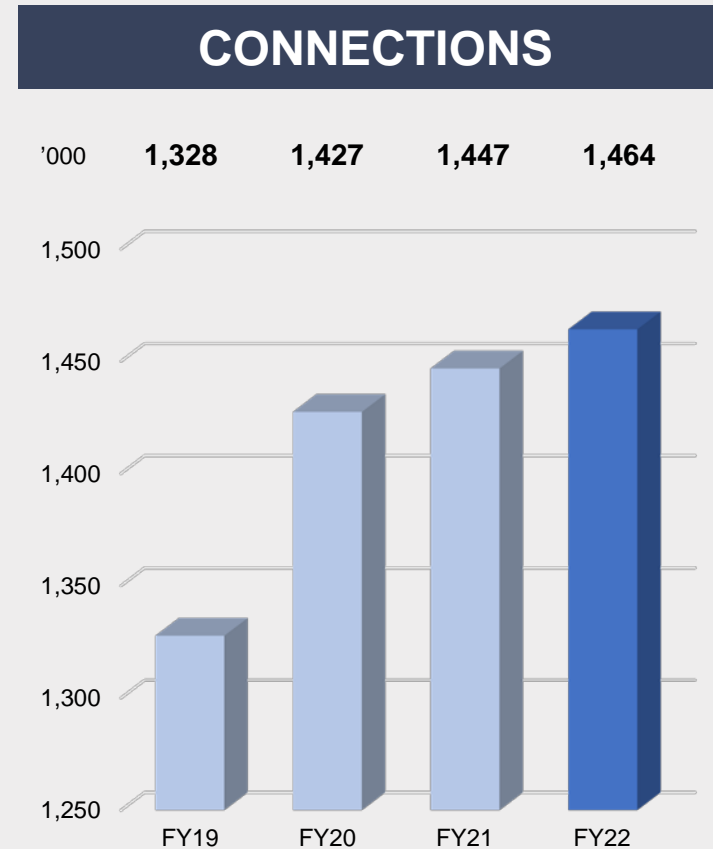
DISTRIBUTION PER UNIT

5.13 cents

1.0% higher than FY21

Residential

- Nationwide fibre network
- Fixed regulated pricing unaffected by end-user switching internet service provider
- Stable and recurring revenue stream

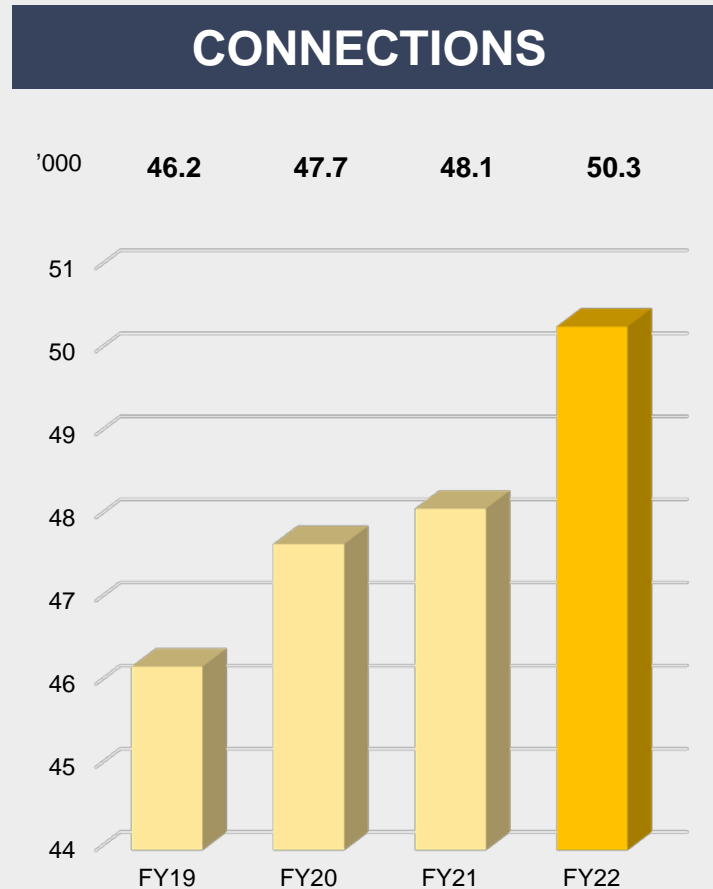


HIGHLIGHTS

- Connection growth of 1.2% vs FY21
- Slower growth in new household penetration due to delays in constructions and renovations
- Connect low-income households via IMDA's Home Access programme

Non-residential

- Non-residential segment is a competitive segment
- About 35% market share
- Provide equal and open access to all internet service providers
- Stable and recurring revenue stream

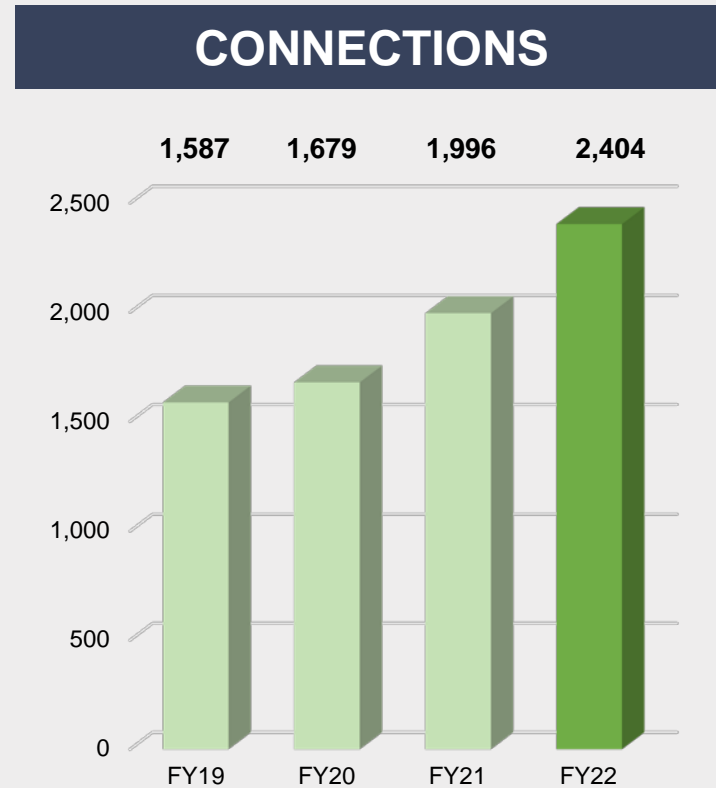


HIGHLIGHTS

- Connection growth of 4.5% vs FY21
- Close to 1,700 new SMEs signed up
- Capex targeted at improving network capacity, flexibility and resilience to support requirements of non-residential end-users

Non-building address points (NBAP)

- Fibre connection to any location without a postal code
- Connecting to locations/devices such as lamp post, mobile base stations, wifi hotspots and outdoor cameras, sensors and signages



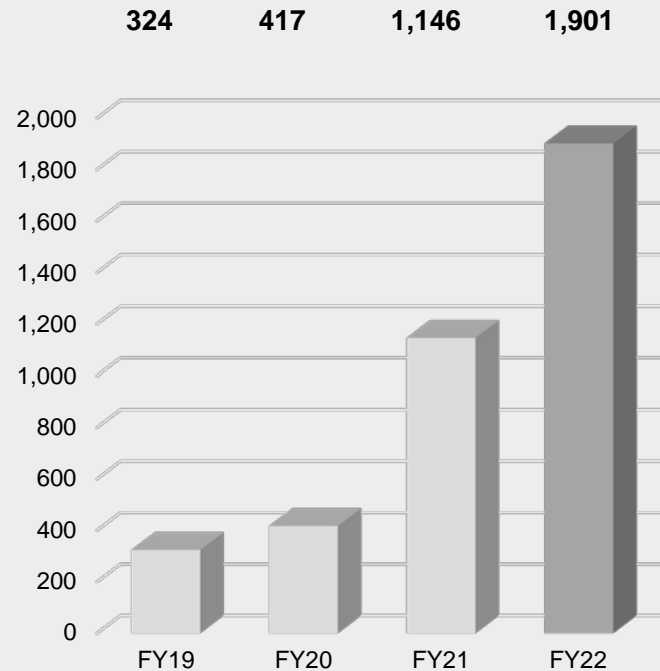
HIGHLIGHTS

- Connection growth of 20.4% vs FY21
- Growth mainly from mobile network roll out and Smart Nation deployments

Segment fibre

- Point-to-point fibre connections
- Connecting CO-to-CO, building-to-building, CO-to-building, and building-to-end user premises



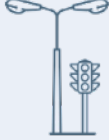





CONNECTIONS



HIGHLIGHTS

- Connection growth of 69.5% vs FY21
- Growth was fuelled by point-to-point connections that support mobile network rollout and other projects that require high resiliency

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 FY22 Revenue	63.8%	8.2%	3.4%	7.4%	5.1%	2.7%	5.1%	4.3%
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 fiber-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**

FY22 Profit & loss statement

\$'000	FY22	FY21	Variance (%)
Revenue	377,611	368,466	2.5
EBITDA	266,941	270,237	(1.2)
EBITDA Margin (%)	70.7	73.3	(2.6) pp
Depreciation and amortisation	(169,723)	(167,792)	1.2
Net finance charges	(10,140)	(10,803)	(6.1)
Profit before tax	87,078	91,642	(5.0)

Revenue for FY22 was 2.5% higher than FY21 due to:

- Higher residential, NBAP & segment connections revenue, installation-related revenue and ancillary project revenue
- Partially offset mainly by lower Central Office Revenue

EBITDA decreased marginally by 1.2% mainly due to:

- Remeasurement loss relating to finance lease receivables arising from the reduction in rental rates

EBITDA variance was also due to:

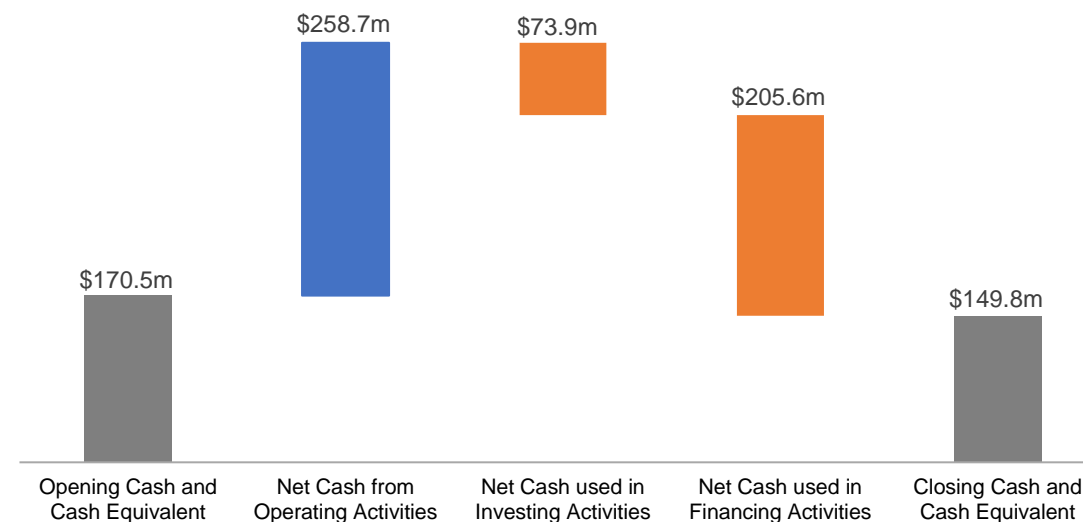
- Lower net government grants received in FY22
- A write-off of capitalised project costs in FY21 in relation to the discontinuation of an IT contract

Strong credit metrics and cashflow

	FY22	FY21
Gross Debt	S\$666m	S\$666m
Weighted average debt maturity	3.4yrs	1.2yrs
Net debt/EBITDA ⁽¹⁾	1.9x	1.8x
EBITDA Interest cover ⁽¹⁾	29.8x	14.8x
Borrowings at Fixed Rate	77%	-
Effective average interest rate	1.11%	2.48%

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

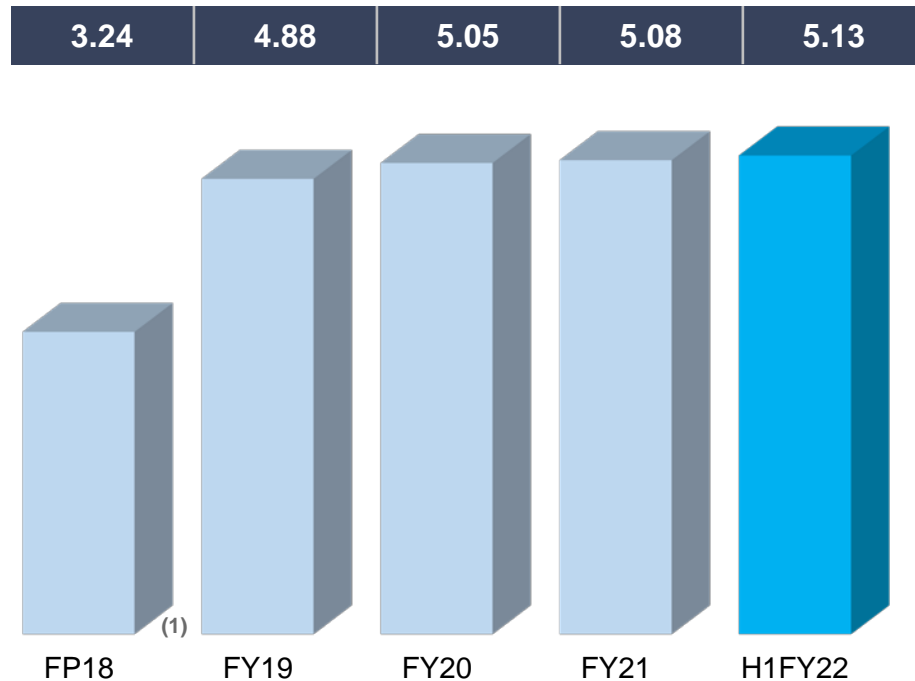
⁽¹⁾ Ratios calculated based on NetLink Group's trailing 12 months financials



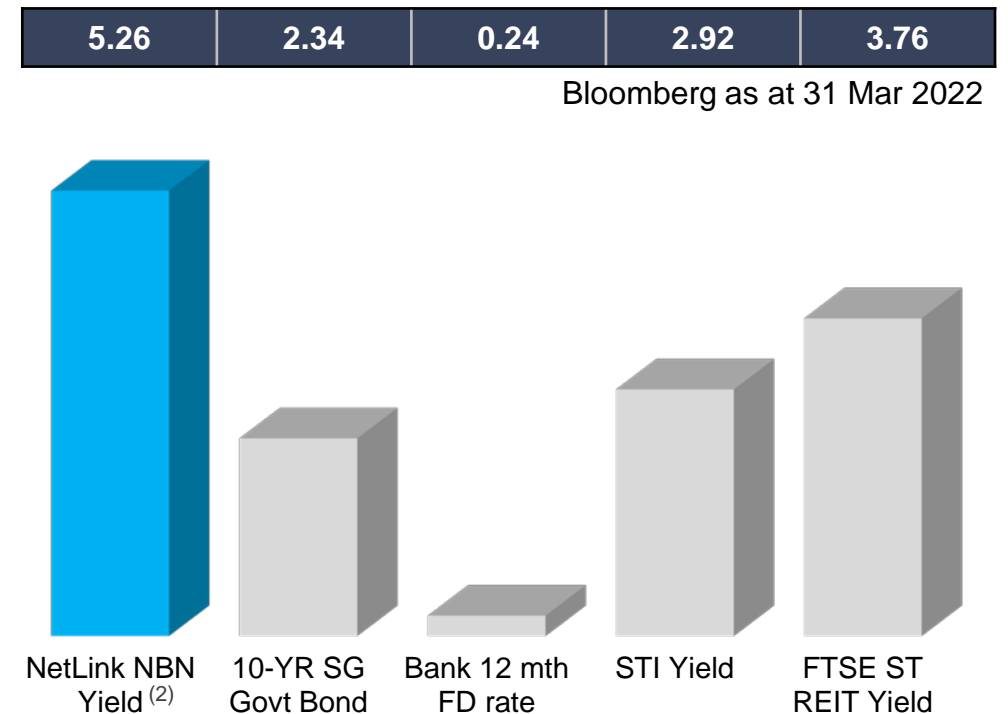
- Strong cashflow generated from operations and cash reserves supported FY22's capex and distributions
- No debt drawn down since FY20.

Attractive distribution yield

Distribution per Unit (Singapore cents)



Distribution yield (%)



⁽¹⁾ For the financial period 19 Jun 2017 (date of constitution) to 31 Mar 2018

⁽²⁾ Based on the unit price of S\$0.975 at 31 Mar 2022

Awards for Corporate Governance

Ranked 1st

Governance Index for Trusts 2021

Achieved a score of 95, an improvement by five points over its previous high score

Ranked 4th

Singapore Governance and Transparency Index 2021

REIT and Business Trust Category

Ranked 4th (up from 5th in FY21)

Winner

Singapore Corporate Awards 2021

Corporate Excellence and Resilience Award



Winner

SIAS Investors' Choice Awards 2021

REITs and Business Trusts category



Sustainability: Achievements



OUR BUSINESS PRACTICES

- Maintained **islandwide fibre coverage**
- Maintained **99.99%** network availability
- Maintained **zero cases** of corruption and **zero cases** of significant breaches of laws and regulations
- Achieved **zero incidents** relating to data breaches of personal data and company-related confidential data



OUR ENVIRONMENT

- Maintained **zero cases** of non-compliance on waste disposal practices
- Minimised fibre waste generated from operations and achieved a **scrap rate of 1%** on fibre cables issued during the year



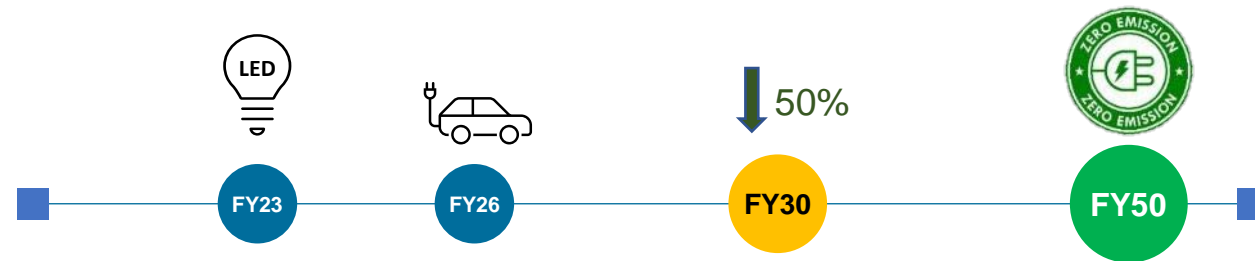
OUR PEOPLE

- Achieved employee **turnover rate of 15.4%**, lower than the High-Tech industry turnover rate of 16.5%
- Launched 'Listening Ear' a programme to give a voice to our staff to share their views.
- Maintained **zero incidents** of discrimination during the year
- Maintained **zero work-related incidents** resulting in fatalities or permanent disabilities.

Sustainability: Decarbonisation Strategies

TARGET

Reduce scope 1 and 2 emissions 50% by FY30 (using FY22 as a baseline)
Achieve net zero by 2050.



DECARBONISATION STRATEGIES

- Replacing existing lights with LED lights or motion-sensing lighting in our Central Offices
- Installing detection systems to detect leakage of refrigerants in the existing chillers
- Replacing existing chillers at the appropriate time and using more environmentally-friendly refrigerants and with higher energy efficiency
- Replacing diesel vehicles with electric vehicles

The background of the slide is a decorative pattern of small, semi-transparent squares arranged in a grid. The colors of the squares transition from yellow on the left, through green, cyan, blue, and purple, to pink on the right, creating a rainbow effect. The squares are more densely packed in the center and become sparser towards the edges.

Thank you
