



# Singtel Investor Day

13 June 2018 | The St. Regis Singapore

CREATE. WONDERFUL.



Globe

# ***Key Investment Thesis***

As the Filipinos' preferred brand for digital lifestyles, Globe is reaping the benefits of the robust growth in data services

Fixed broadband provides new catalysts for growth, given low penetration and growing demand for home broadband

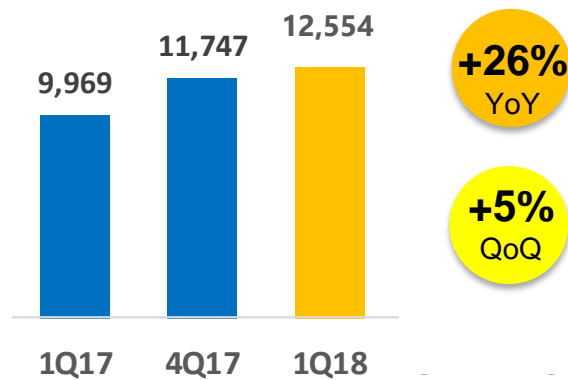
Expanding avenues of growth through prudent investments into adjacencies in the digital space

Remaining focused towards creating greater corporate value via efficient capital management

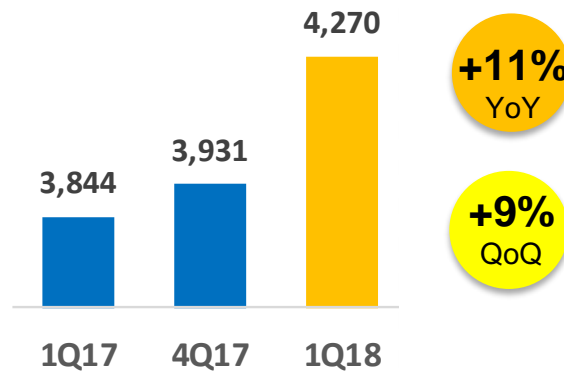
As the Filipinos' preferred brand for digital lifestyles, Globe is reaping the benefits of the robust growth in data services

**Globe is the preferred brand for the Filipino's digital lifestyle choices, recording solid growth in all data-related categories**

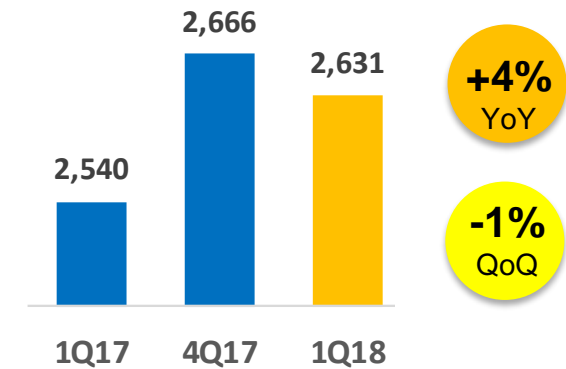
**Mobile Data Revenues**  
(in Php Mn)



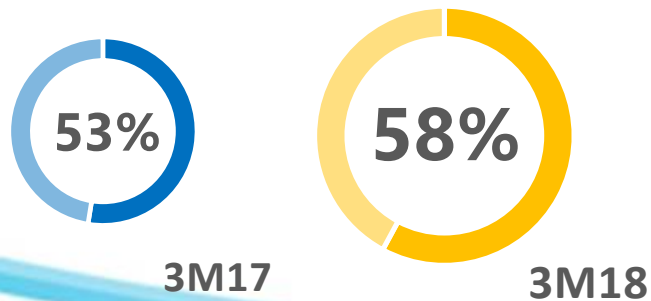
**Home Broadband Revenues**  
(in Php Mn)



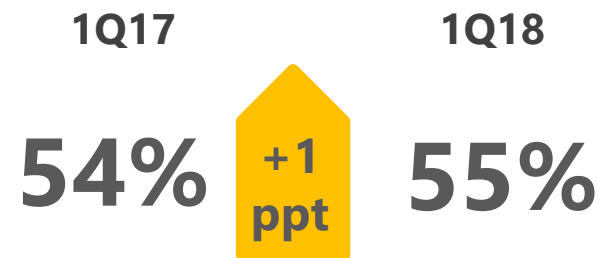
**Corporate Data Revenues**  
(in Php Mn)



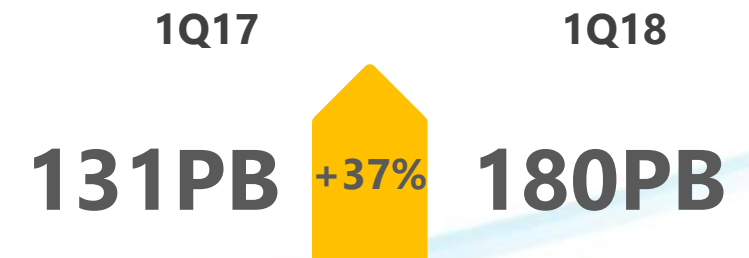
**Total Data Revenues as a Percentage of Total Service Revenues**



**MDS Users as a % of Mobile Subscribers**



**Wireless Data Traffic**  
(1PB = 1,024TB)





As the Filipinos' preferred brand for digital lifestyles, Globe is reaping the benefits of the robust growth in data services

*We bring new innovations and partnerships to remain relevant to data users, being the preferred mobile brand for data services*

## ENTERTAINMENT

### Content Partnerships

**NETFLIX**



**HBOQ**

**FOX+**



**astro**



## MUSIC



### Spotify

Get 30 days of Spotify Premium for only P129! Spotify is also available with the new Tattoo home broadband plans.

## SPORTS



Watch the regular season, NBA All-Star, Playoffs, Finals, and on-demand NBA Hardwood Classics on your tablet, mobile, or desktop.



## SOCIAL NETWORKING



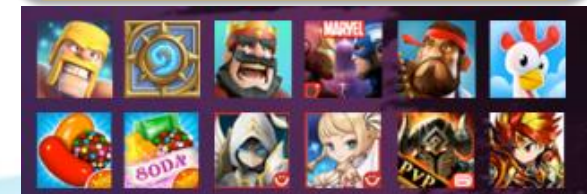
### UNLICHAT

With Unlichat, you can enjoy all-day use of Viber, FB Messenger, Kakao, GMessage and other major chat apps like LINE & WeChat! No need for a WIFI connection to use all these!

## GAMES

### Games Bundle

Step into the exciting worlds of Clash of Clans, Clash Royale, Candy Crush and more!



As the Filipinos' preferred brand for digital lifestyles, Globe is reaping the benefits of the robust growth in data services

***We provide superior data experience to our customers through continuous investments in our data network***

Globe launches WiFi service in MRT and LRT Stations



Fast-tracking the roll-out of LTE service using frequencies from SMC deal



Globe in talks with third parties for creation of independent tower company



Roll-out of LTE frequencies in full swing

- As of April, Globe deployed 934 more LTE sites for increased capacity and coverage.
- Deployment ramping up progressively, targeting sites with high demand.
- Per Opensignal's latest report on Philippine operators, Globe consistently rates highest in 3G and LTE service availability both on a regional and nationwide basis.

Home Broadband roll-out

- In 1Q18, rolled out an additional 59,000 lines with remainder to be deployed progressively

Globe deploys massive MIMO technology

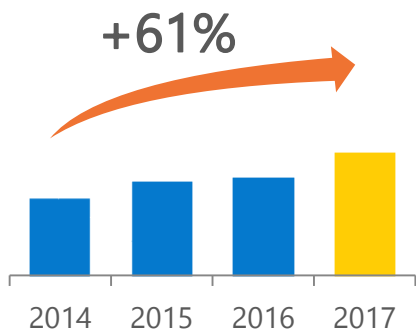
- Globe deploying massive MIMO technology which utilizes LTE spectrum to accommodate more users at higher data rates with better reliability.

# Fixed broadband provides new catalysts for growth, given low penetration and growing demand for home broadband

*To meet sustained demand for connectivity, broadband presents a unique opportunity for near-term growth, to be enabled by further CAPEX investments*

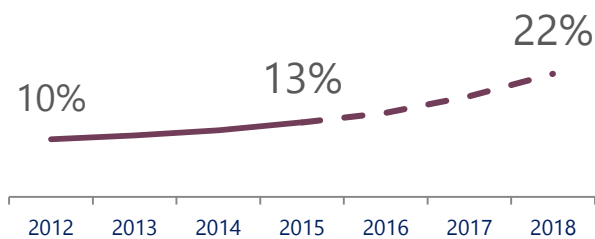
Low penetration rates present opportunities for significant growth in home broadband

Internet Penetration Rate



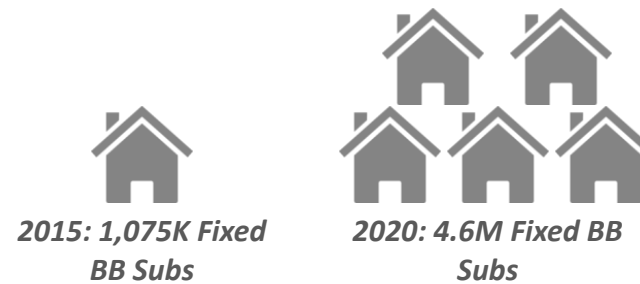
Source: We are Social

Household Penetration Rate



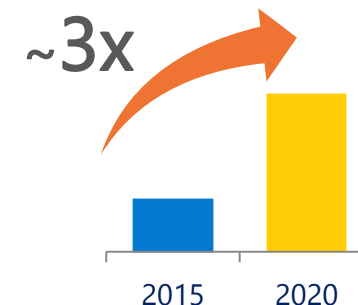
Source: Company estimates

Continued broadband market expansion, particularly in @home segment, is expected in the next 5 years



Source: Company estimates

Broadband Revenue Growth



Increasing online video consumption is indicative of increasing demand for faster and better home internet connection

Philippine averages exceed SEA when it comes to internet users who access videos on demand on multiple screens

	Laptops	Smartphones	Tablets
PH	80%	76%	51%
SEA	74%	74%	47%



*Evolving from traditional telco services, we are establishing the building blocks in adjacent spaces to ensure continued growth in the world of data*

## Financial Services



**FUSE**  **GPay**  
**GCash**

- Mynt is Globe's Fintech service that addresses financial inclusion through mobile money, micro-loans and technology
- In Sept. 2017, Ant Financial (Ant) and Ayala Corporation (Ayala) entered into a strategic partnership with Globe and invested into Mynt
- At closing, Globe and Ant each held 45% with Ayala 10%

- Mynt customer base of 5.1 million with monthly transaction value of Php 6 Billion
- Fuse offers personal and business loans using an alternative credit scoring model with 66,000 total number of loans disbursed



70%

No bank accounts or formal means to save money

90%

No credit score, making it difficult to secure a loan

20%

Daily interest rate charged by informal lenders

40%

Cities and municipalities with no physical banks

## Telehealth



- 24/7 health hotline service available nation-wide for all mobile customers.
- Call anytime, anywhere in the Philippines
- Connect with licensed doctors
- Flexible, affordable plans
- Partnered with Mexican telephone medical assistance firm Salud Interactiva, a leader in the health hotline space
- Over 230,000 subscribers acquired

3.5:10,000

National average of doctors to patients

54%

Percentage of licensed physicians who are active

*Evolving from traditional telco services, we are establishing the building blocks in adjacent spaces to ensure continued growth in the world of data*

## Digital and Mobile Advertising



- AdSpark's mission: To accelerate digital and mobile advertising in the Philippines.
- AdSpark works closely with both top brands and advertising agencies, providing expert and customized digital and mobile advertising solutions for the SME market.
- AdSpark intends to capitalize on the emerging digital lifestyle of a predominantly young Filipino population where mobile advertising only accounts for a meager share of total industry ad spend

## Business Incubation / Venture Capital



- Kickstart's mandate is to (1) source innovation; (2) nurture early-stage startups to scale; and (3) invest for portfolio return.
- Fund 1 = Php150M; Fund 2 = up to USD50M
- Investment portfolio focused on delivering solutions for e-lifestyle, e-commerce, B2B, software-as-a-service (SaaS), and social impact

**#startupPH #area55 #raidthefridge**





## Consolidated Financial Highlights

	3M18 (Pre-PFRS)	3M17	YoY%	4Q17	QoQ%	3M18 (Post-PFRS)
<b>Gross Service Revenues</b>	<b>33,638</b>	<b>31,122</b>	<b>8%</b>	<b>32,767</b>	<b>3%</b>	<b>33,178</b>
OPEX and Subsidy	(17,878)	(17,806)	0%	(20,065)	-11%	(17,097)
<b>EBITDA</b>	<b>15,760</b>	<b>13,316</b>	<b>18%</b>	<b>12,702</b>	<b>24%</b>	<b>16,081</b>
EBITDA Margin	47%	43%		39%		48%
Depreciation	(7,285)	(6,437)	13%	(7,396)	-2%	(7,285)
<b>EBIT</b>	<b>8,475</b>	<b>6,879</b>	<b>23%</b>	<b>5,306</b>	<b>60%</b>	<b>8,796</b>
Non-Op Charges	(1,753)	(1,320)	33%	(2,027)	-14%	(1,753)
Provision for Tax	(2,266)	(1,798)	26%	(1,175)	93%	(2,362)
<b>Net Income</b>	<b>4,456</b>	<b>3,761</b>	<b>18%</b>	<b>2,104</b>	<b>112%</b>	<b>4,681</b>
<b>Core Net Income</b>	<b>4,572</b>	<b>3,681</b>	<b>24%</b>	<b>2,339</b>	<b>95%</b>	<b>4,797</b>

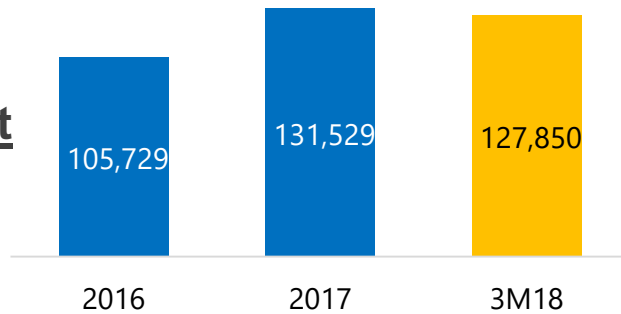
\* OPEX & Subsidy includes interconnect expenses

\*\* Core NIAT excludes forex, mark-to-market gains and losses, and non-recurring items

\*\*\* Beginning 2018, Globe adopted PFRS 9 and PFRS 15 for financial reporting purposes

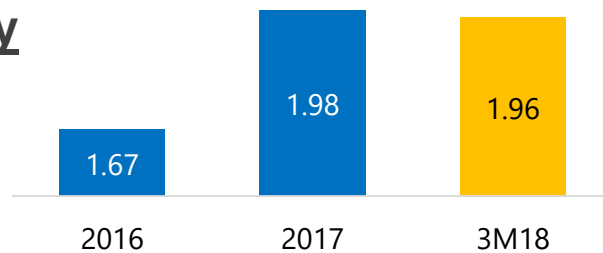
**Gross debt at Php127.9 Billion, remains within covenant ratios**

**Gross Debt**



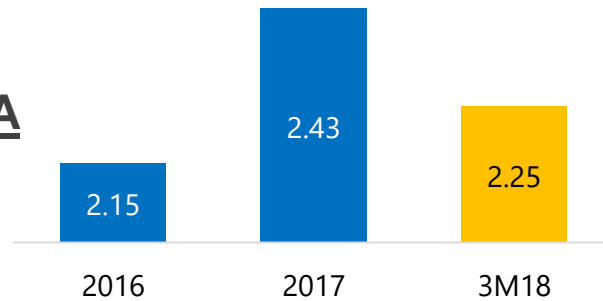
**Gross Debt/Equity**

Covenant = 2.5:1

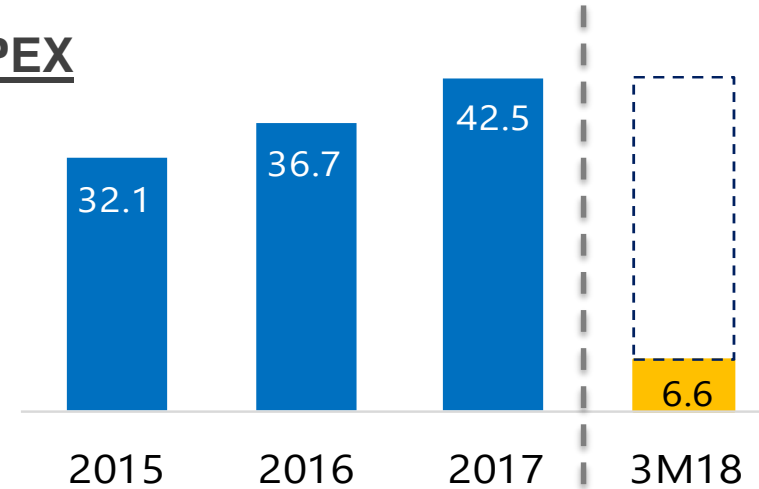


**Gross Debt/EBITDA**

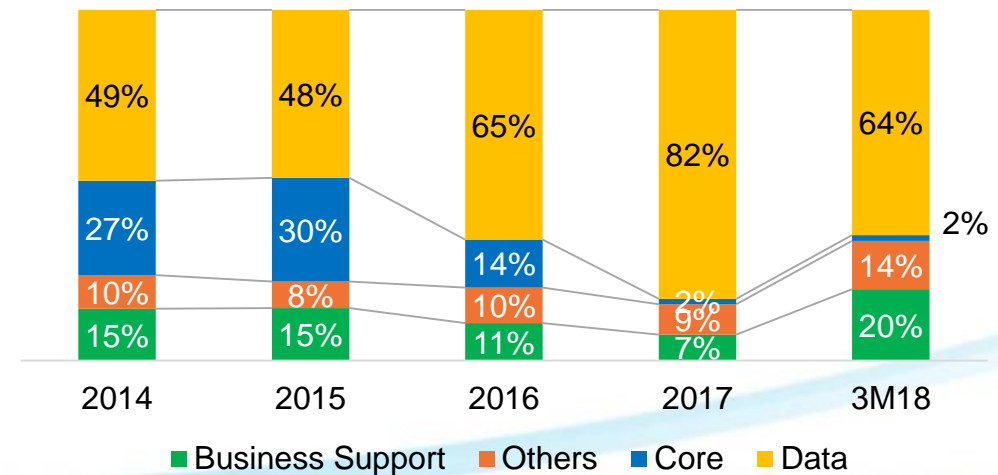
Covenant = 3:1



**CAPEX**

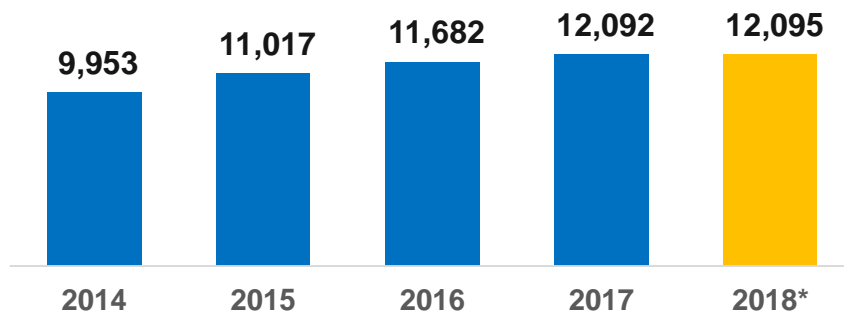


**Historical CAPEX Breakdown**



***Cash Dividends: Sustained commitment to delivering value to our shareholders***

**Dividends Paid**  
*(in Php Mn)*

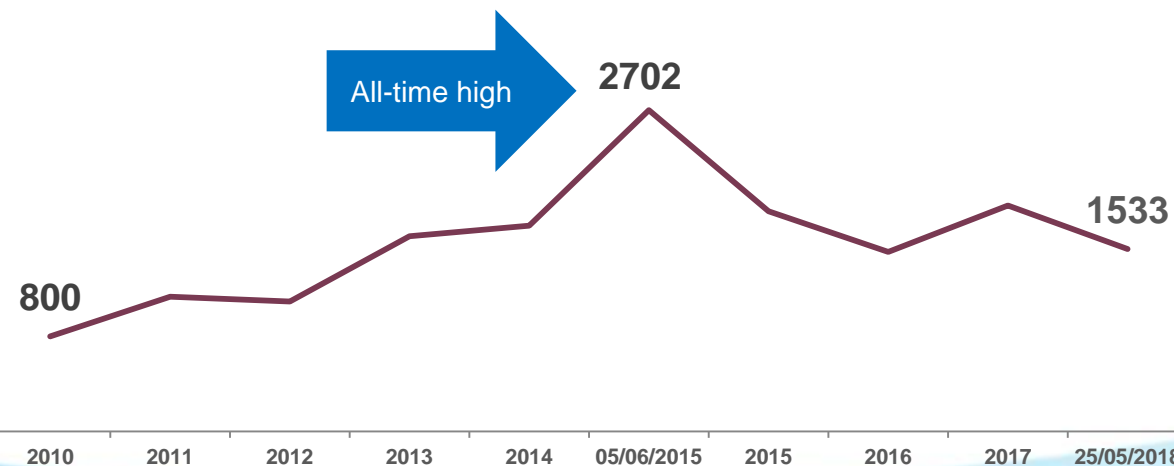


\* Annualized

**2Q18 Dividend: Key Information**

Cash Dividend per Common Share:	<b><i>Php 22.75</i></b>
Record Date:	<b><i>May 21, 2018</i></b>
Payment Date:	<b><i>June 1, 2018</i></b>

**Historical Share Price**





# Disclaimer

This presentation contains certain forward-looking statements. These forward-looking statements generally can be identified by the use of statements that include words or phrases such as Globe or its management “believes,” “expects,” “anticipates,” “intends,” “plans,” “foresees,” or other words or phrases of similar import. Similarly, statements that describe Globe’s objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.