



STARHUB

TRANSFORMATION  
FOR A NEW GENERATION

DARE +

STARHUB INVESTOR DAY 2021



## 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.

# DARE+

NEXT PHASE OF TRANSFORMATION | FY2022 - FY2026



## DIGITAL

In Everything We Do



The next giant step in our digital transformation:

Bring customers digital products that enrich their digital lives

Empower customers to engage with us on zero-touch digital platforms with true freedom to act on their choices

Digitalise systems, process & architecture for agility and efficiency to innovate rapidly with customers' evolving needs



## ACCELERATING

Value Creation



Value for customers, enriching their lives and improving their productivity

Growth across all our businesses

Focus our businesses on cohesively serving our Enterprise customers' own cloud, digital and 5G transformations

Constantly digitalise end-to-end for an increasingly efficient & scalable business model as we grow



## REALISING

Growth Without Frontiers



Continuously expand product & services for our customers

Continuously grow capabilities and skills to serve our customers growing needs

Continue to pursue acquisitions that add to our scale, footprint as well as product and capabilities for customers

Drive synergies across our platform to pursue new growth areas



## EXPERIENCES

That Enrich Customers' Lives



Our paramount objective for our customers:

Bring customers an infinite range of diverse experiences, product and services to match our customers' diversity, complexity, and growing wants and needs every day...

...Supported by the fastest, highest-quality connectivity to deliver these enriching experiences to our customers, from anywhere, on any device and on any network



# From Telco to Connecting Your Digital Life

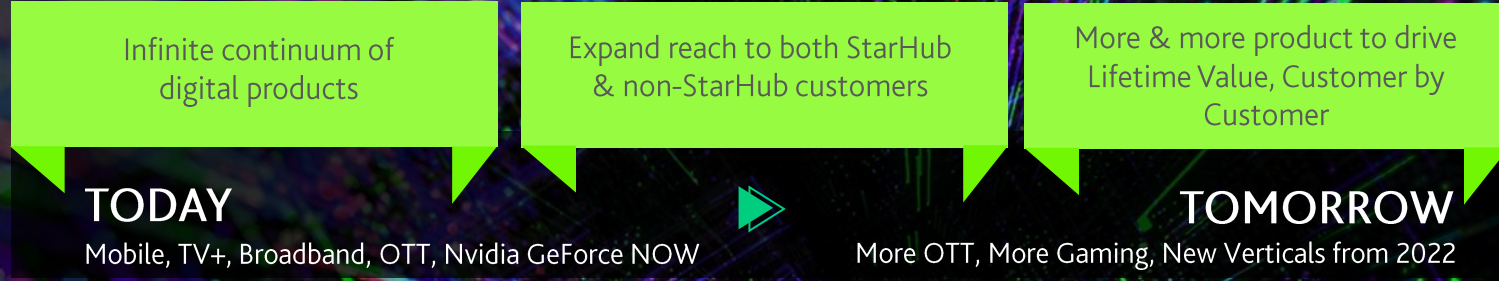
Transformation is Underway...

GLOBAL / REGIONAL APP-BASED CONSUMER PLATFORMS:

STARHUB DIGITAL LIFE PLATFORM

## INFINITY PLAY

Driving Lifetime Value, Customer by Customer



CONTINUOUSLY DRIVING INTO NEW ADJACENCIES



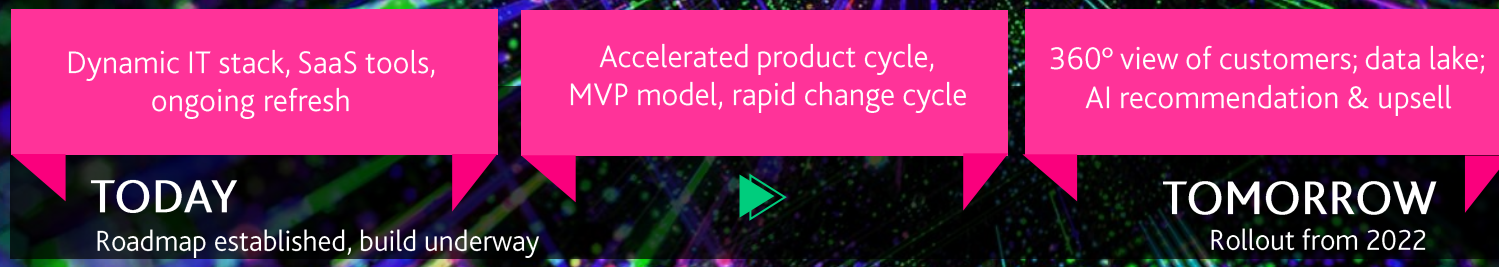
## DIGITAL PLATFORM ENGAGEMENT



DIGITAL DISTRIBUTION; HIGH ENGAGEMENT



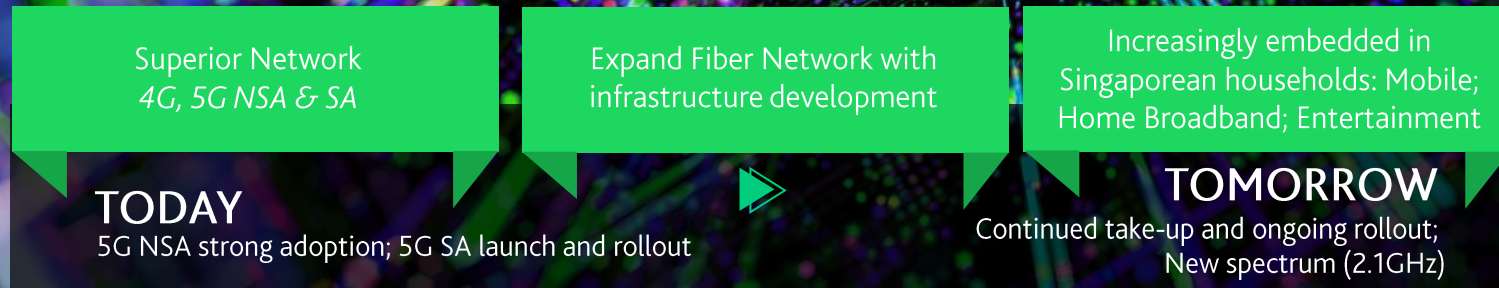
## AGILE, CLOUD-BASED IT CAPABILITIES



PLATFORM POWER WITH VENDORS & CUSTOMERS



## ACCESS: ANYTIME, ANYWHERE, ANY DEVICE



CORE PHYSICAL INFRASTRUCTURE AS MOAT



# DARE +

## TRANSFORMATION + GROWTH

- Expected Gross Profit<sup>1</sup> Growth
- Expected Cost savings
- Executed Cost savings

\* Chart not drawn to scale

**\$500M**

Savings + Growth

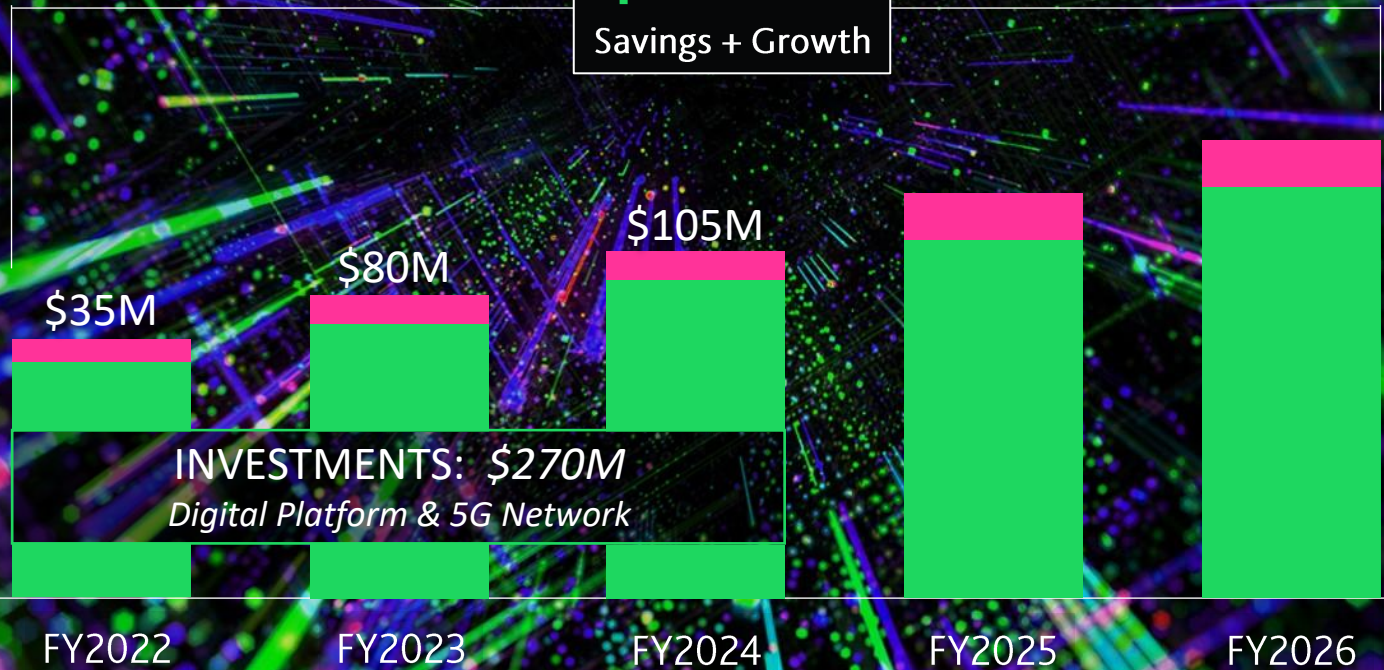
**\$220M**

Expected gross profit<sup>1</sup> growth over next five years to enhance the continued sustainability & viability of our business model



**\$280M**

Expected savings over next five years



INVESTMENTS: \$270M  
Digital Platform & 5G Network

FY2019-2021

FY2022

FY2023

FY2024

FY2025

FY2026

**DARE**

**DARE+**

<sup>1</sup> Gross profit is calculated by deducting cost of goods sold from revenue

# UNLOCK PERFORMANCE; RELEASE COSTS

GROSS  
PROFIT  
GROWTH

(\$220M Over  
5 Years)

COST  
SAVINGS

(\$280M Over  
5 Years)

INVEST-  
MENTS

(Opex & Capex  
Over 5 Years)



SMART,  
FOCUSED GROWTH



- Consumer Infinity Play & Adjacent Businesses
- Next-Gen 5G Enterprise Products & Solutions



70%

50%

45%



RADICAL SIMPLIFICATION,  
EVOLVED EXECUTION



- Ongoing IT Transformation for simplification & greater agility
- Customer Experience – optimisation and simplification
- Continued cost rationalization



30%

50%

32%



NETWORK  
LEADERSHIP



- Intelligent 5G rollout
- Network investments to support new business opportunities



23%



# SUSTAINABLE BENEFITS BEYOND FY2026

Opex investments to be funded by savings harnessed from simplification and optimisation initiatives

\$280M



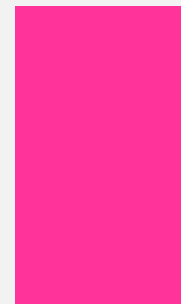
**Expected Savings**  
(Cumulative:  
FY2022 - FY2026)

**Opex Investments**  
(Cumulative:  
FY2022 - FY2026)

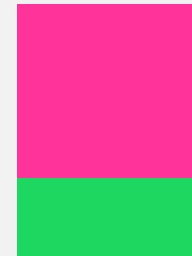
**Net Savings**  
(FY2026)

Growth initiatives to generate sustainable revenue growth beyond FY2026 and offset higher Opex requirements to support business growth initiatives

\$220M



**\$80M p.a.**  
*Stable State Gross  
Profit Run Rate*



**Expected Gross Profit Growth**  
(Cumulative:  
FY2022 - FY2026)

**Capex Investments**  
(FY2022- FY2024)

**Net Benefits**  
(Cumulative:  
FY2022-FY2026)



# EXPECTED OUTCOMES

*(Progressively; From FY2022 & Beyond FY2026)*

## REVENUE

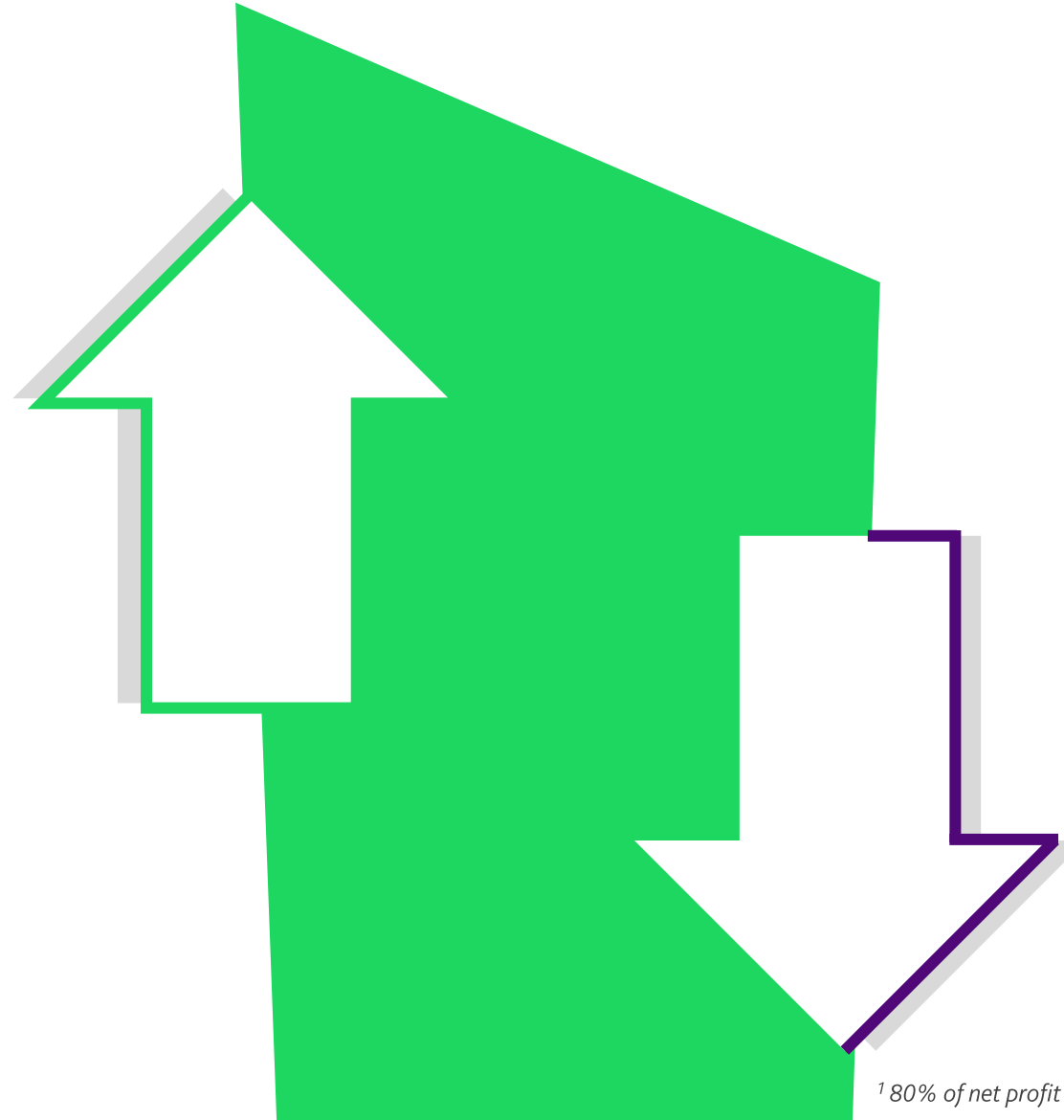
DARE+ growth initiatives are expected to generate sustainable revenue growth beyond FY2026.

## EBITDA MARGIN

DARE+ to deliver higher EBITDA margins from tactical initiatives, new growth initiatives and the rollout of 5G IoT products and solutions.

## DIVIDEND

Potential growth in dividends backed by growth; committed to dividend policy<sup>1</sup>.



## OPEX

Continued transformation and simplification to deliver cost savings through a more efficient digital platform and optimised spend on legacy systems and platforms.

## FIXED COST

With sustained commitment to evolve operating and cost models, fixed cost as a percentage of revenue and total cost will see progressive declines.

<sup>1</sup> 80% of net profit attributable to shareholders, excluding one-off items





# M&A STRATEGY

## KEY OBJECTIVES

- Accelerate growth, especially for Enterprise
- Create new revenue streams
- Diversify customer base
- Expand geographical presence
- Move up the value chain for sustainable growth

## FOCUS AREAS

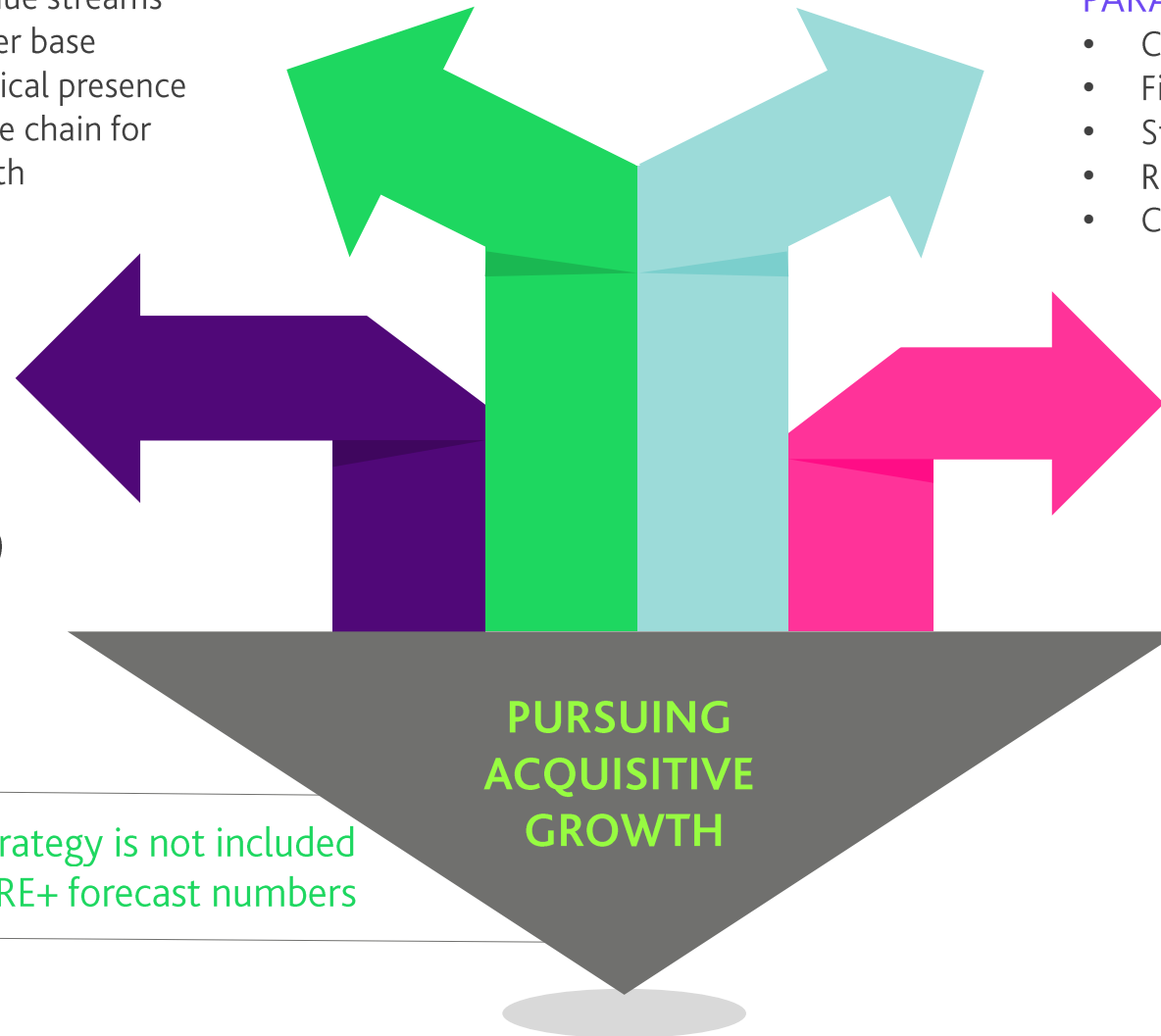
- Augmenting market position
- Bolster Enterprise solutions capabilities  
(Including 5G solutions)

## PARAMETERS

- Companies in the region
- Financially accretive
- Strong growth track record
- Reasonable valuations
- Controlling stake or entire buyout

## EXECUTED M&As

- Harness synergies to strengthen value proposition to customers and achieve scale to reap economies of scale (see next slide)
- **Ensign Update:** StarHub to remain majority shareholder and continue working with Temasek to enhance growth and synergies

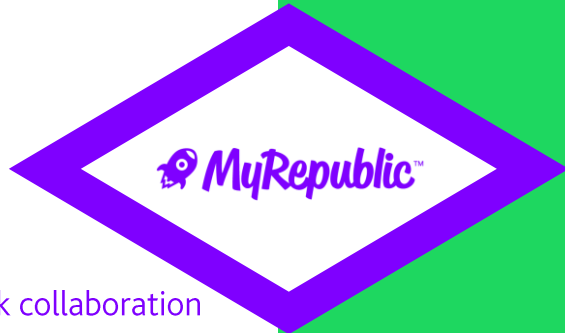


M&A strategy is not included  
in DARE+ forecast numbers



# OUR EXPANDING ENTERPRISE ECOSYSTEM

## STRENGTHEN SYNERGISE SCALE



- Network collaboration
- Wholesale opportunities
- Upsell/cross-sell opportunities through Enterprise fibre connectivity and other services
- Utilise scale to achieve economies of scale and reap cost synergies

- Ability to upsell and cross-sell to warm leads through expanded customer network
- Leverage cybersecurity & ICT as beachheads to pull through connectivity, anchoring on 5G solutions

- Bundling security services
- Integration of Ensign security capabilities for Managed SASE
- Cybersecurity enablement

- Broader collaboration between StarHub and HKBN
- Combine connectivity and ICT capabilities
- Harness cost synergies

- SG-MY data centre opportunities
- Near shore delivery capabilities for data analytics and software engineering services
- Leverage StarHub's CX knowledge and experience to strengthen competencies and drive better service engagement

# STARHUB

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