



# 1Q2021 BUSINESS PERFORMANCE UPDATE

4 May 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.



# Key Themes

01

**1Q2021 HIGHLIGHTS**

02

**BUSINESS UPDATES**

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**KEY PRIORITIES**



1Q2021 HIGHLIGHTS

STARHUB



# FINANCIAL HIGHLIGHTS

## TOTAL REVENUE (\$'M)

Service Revenue



- YoY: Lower revenues from Mobile and Pay TV revenue, partially offset by higher revenues from Broadband, Enterprise Business and Sales of Equipment
- QoQ: Lower revenues from Mobile, Pay TV, Enterprise Business, partially offset by higher Broadband revenue

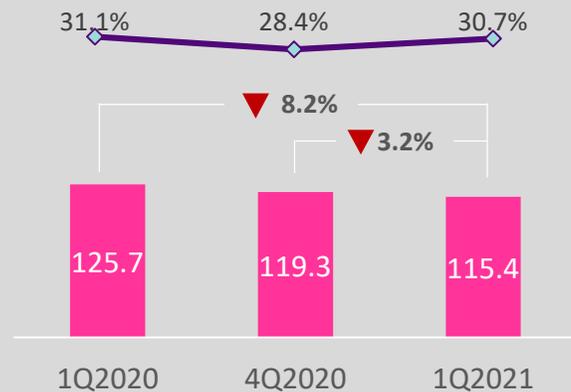
## NET PROFIT (\$'M)

(ATTRIBUTABLE TO SHAREHOLDERS)



- Net profit YoY & QoQ decline was mainly to lower profit from operations in tandem with the lower revenue
- Excluding JSS payouts recognised in 4Q2020 and 1Q2021, Net Profit declined 25.6% YoY and rose 17.3% QoQ

## SERVICE EBITDA (\$'M) / MARGIN (%)



- YoY: Lower Service EBITDA<sup>1</sup> in tandem with lower service revenues<sup>2</sup>, partially offset by lower Opex<sup>3</sup> and higher other income
- QoQ: Lower Service EBITDA<sup>1</sup> in tandem with lower service revenues<sup>2</sup> and other income, partially offset by lower Opex<sup>3</sup>

## FREE CASH FLOW (\$'M)



- YoY: Lower cash from operating activities offset by lower Capex payments
- QoQ: Higher cash from operating activities coupled with lower Capex payments
- Net Debt to EBITDA reduced to 1.29x (1Q2020: 1.41x)

<sup>1</sup> Service EBITDA refers to EBITDA less equipment margin (sales of equipment less cost of equipment)

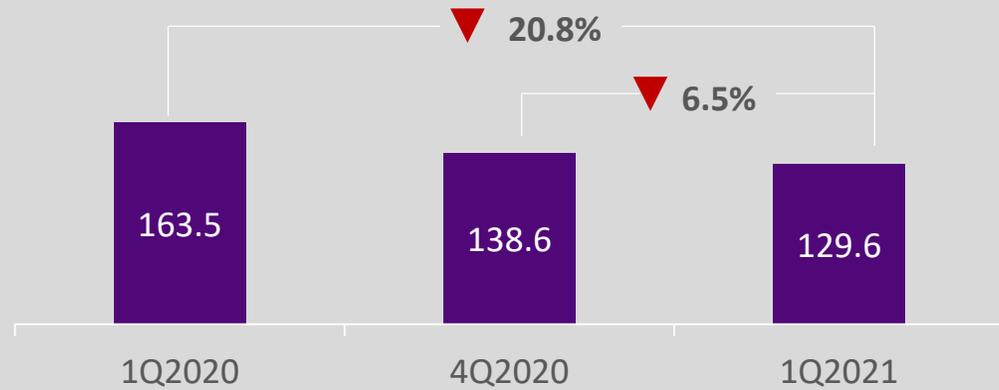
<sup>2</sup> Excluding sales of equipment

<sup>3</sup> Excluding cost of equipment, depreciation and amortisation

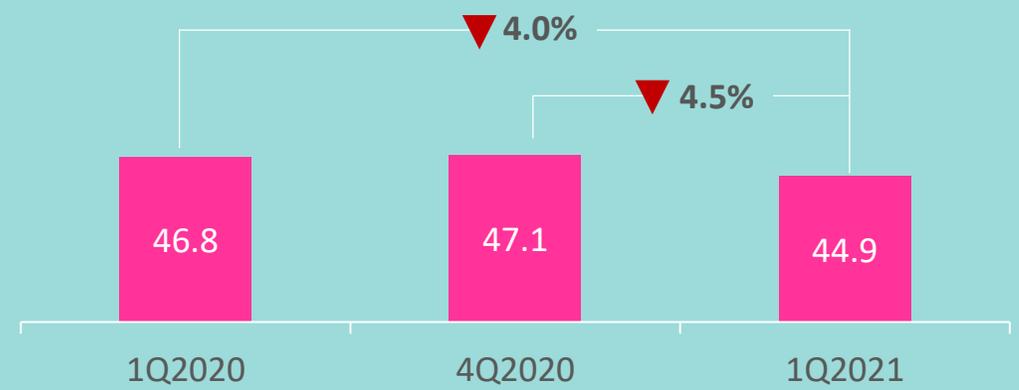


# SEGMENTAL REVENUE

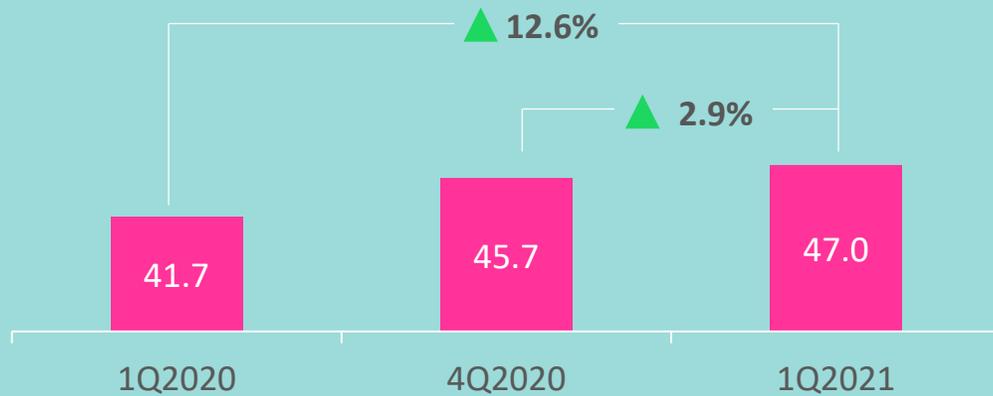
## MOBILE (\$'M)



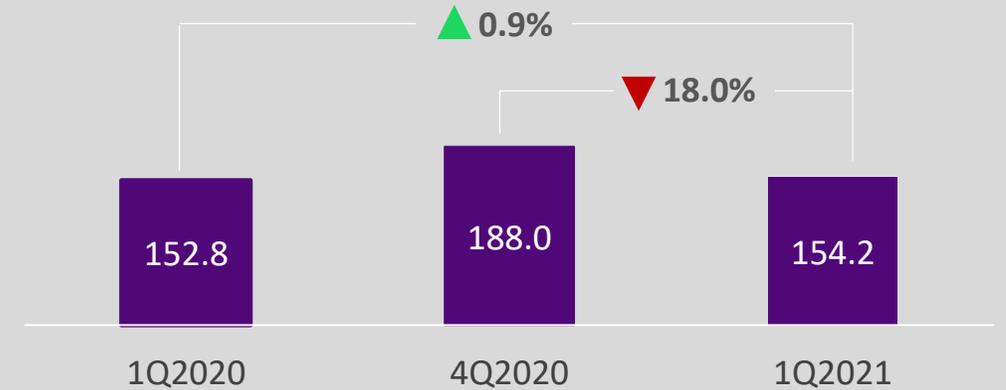
## PAY TV (\$'M)



## BROADBAND (\$'M)



## ENTERPRISE (\$'M)





# FINANCIAL OVERVIEW

S\$'M	1Q2021	4Q2020	1Q2020	YoY <sup>3</sup> Change (%)	QoQ <sup>4</sup> Change (%)
Total Revenue	487.1	579.5	506.2	(3.8)	(15.9)
Service Revenue	375.7	419.4	404.9	(7.2)	(10.4)
Operating Expenses	(439.0)	(537.1)	(448.4)	(2.1)	(18.3)
Other Income	2.2	13.4	1.5	50.2	(83.3)
EBITDA	122.7	129.3	136.2	(9.9)	(5.1)
Service EBITDA <sup>1</sup>	115.4	119.3	125.7	(8.2)	(3.2)
Service EBITDA <sup>1</sup> Margin (%)	30.7	28.4	31.1	(0.4)% pts	2.3% pts
Net Profit After Tax <i>Attributable to shareholders</i>	30.5	36.1	40.2	(24.0)	(15.3)
Free Cash Flow <sup>2</sup>	97.4	37.5	118.9	(18.2)	160.1
	As at 31 March 2021			As at 31 December 2020	
Net Debt to TTM EBITDA (x)	1.29			1.41	

<sup>1</sup>Service EBITDA = EBITDA less (Sales of Equipment – Cost of Equipment)

<sup>2</sup>Free Cash Flow refers to net cash from operating activities less purchase of property, plant and equipment and intangible assets in the cash flow statement

<sup>3</sup>Year-on-year (“YoY”) comparison between 1Q2021 and 1Q2020

<sup>4</sup>Quarter-on-quarter (“QoQ”) comparison between 1Q2021 and 4Q2020



BUSINESS UPDATES

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# MOBILE

## YOY PERFORMANCE & COMMENTARY

POSTPAID  
ARPU



POSTPAID  
SUBS (K)



- YoY decline in Postpaid ARPU mainly due to lower roaming, VAS and excess data usage revenues due to ongoing COVID-19 global travel restrictions that started in late-March 2020
- Average monthly churn rate in 1Q2021 was 1.0% (4Q2020: 1.2%; 1Q2020: 1.0%)

PREPAID  
ARPU

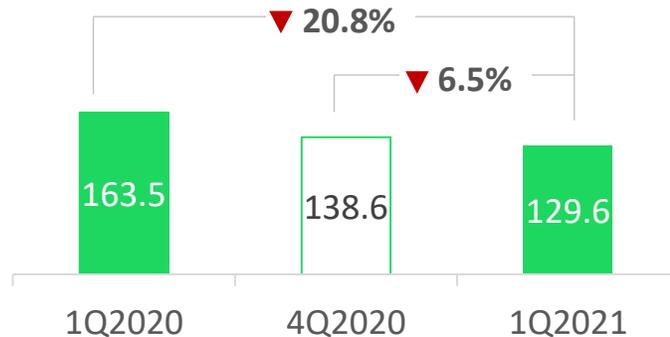


PREPAID SUBS  
(K)



- Prepaid subscriber base declined YoY and QoQ due to overall decrease in tourist numbers and foreigners on work passes resulting from COVID-19 travel restrictions that started in late-March 2020

SEGMENT  
REVENUE  
(\$\$'M)



- Mobile service revenue declined 20.8% YoY and 6.5% QoQ mainly due to lower Postpaid and Prepaid revenues
- Overall average data usage continued to grow to reach 12.7Gb in 1Q2021 (4Q2020: 12.3Gb; 1Q2020: 10.6Gb)



## YOY PERFORMANCE & COMMENTARY

ARPU

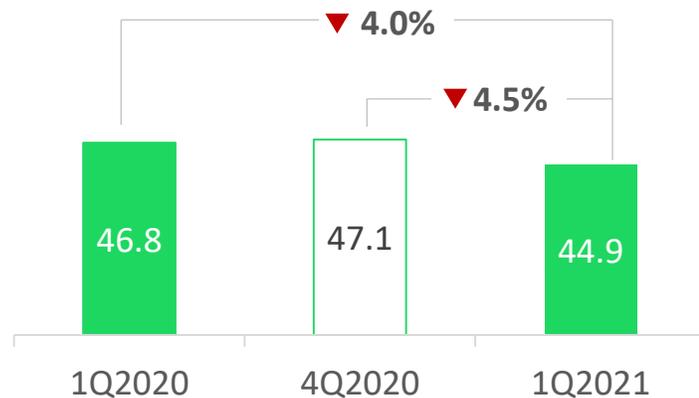


SUBS (K)<sup>1</sup>



- ARPU improved YoY and stabilised QoQ due to reduced discounts extended to customers
- Average monthly churn rate in 1Q2021 was 1.1% (4Q2020: 0.9%; 1Q2020: 0.6%)

SEGMENT REVENUE (\$\$'M)



- Decline in segment revenue was mainly due to:
  - Lower subscriber base
  - Lower advertising spend and commercial TV revenue by Enterprise customers on the back of a more cautious business outlook resulting from COVID-19

<sup>1</sup> Excludes OTT subscribers

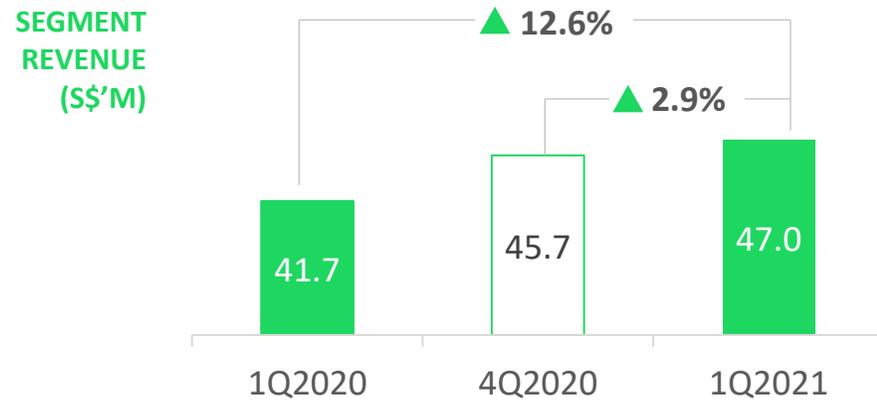


# BROADBAND

## YOY PERFORMANCE & COMMENTARY



- ARPU improvements due to reduction in subscription discounts extended to customers
- Stable average monthly churn rate in 1Q2021 at 0.7% (4Q2020: 0.7%; 1Q2020: 0.4%)

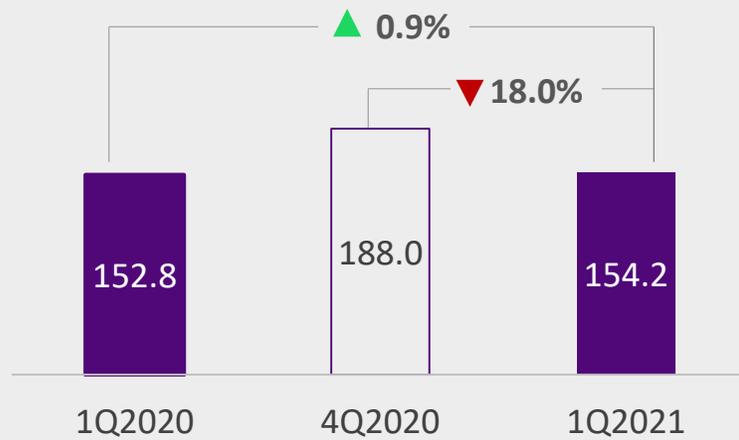


- The improved Broadband revenue was mainly due to higher ARPUs achieved

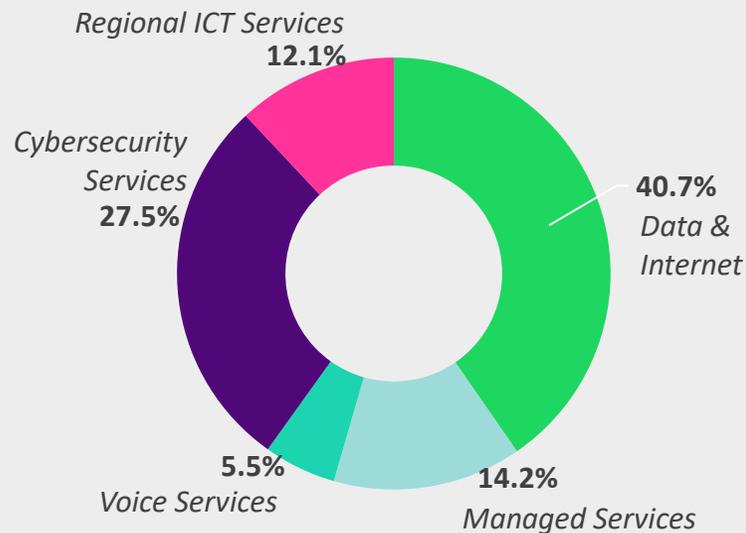


# ENTERPRISE

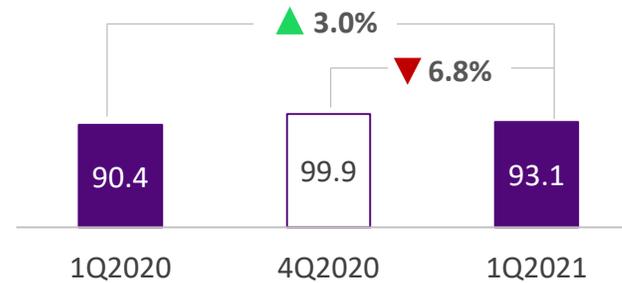
## ENTERPRISE BUSINESS (\$'M)



## 1Q2021 ENTERPRISE REVENUE MIX (%)

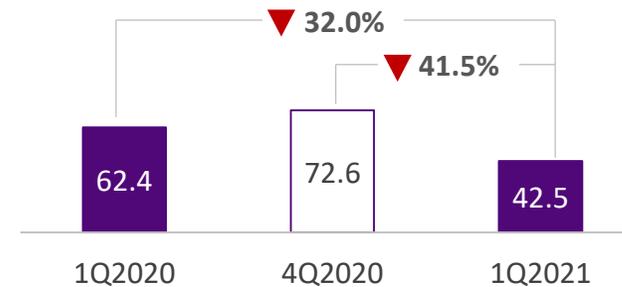


## NETWORK SOLUTIONS (\$'M)



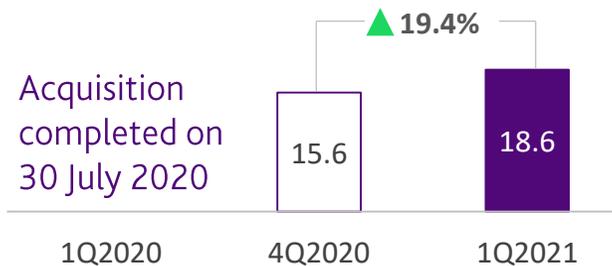
- Revenue improved YoY mainly due to higher contributions from Managed Services, Data & Internet, offset by lower Voice services
- Early signs of recovery observed as deferred projects in 2020 are re-committed in 2021 and beyond

## CYBERSECURITY SERVICES (\$'M)



- Cybersecurity revenue declined mainly due to project delays
- Recorded operating loss of \$3.6M in 1Q2021 mainly due to decline in revenue, offset by lower Opex and higher other income

## REGIONAL ICT SERVICES (\$'M)



- FY2021 marks the first full year consolidation of Strateq
- Recorded operating loss of \$0.5M in 1Q2021



KEY PRIORITIES

STARHUB



# KEY PRIORITIES

Enriching Customer Experience

Empower Enterprises – Converged Connectivity & ICT

Effective 5G Rollout

Evolve Operating Model

Pursue Synergistic M&As

# STARHUB

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