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Asian Pay Television Trust

SGX-ST Release

APTT ANNOUNCES RESULTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2024

Singapore – 28 February 2025

Asian Pay Television Trust ("APTT" or the "Trust") today announced its financial results for the quarter and year ended 31 December 2024.

KEY HIGHLIGHTS

- Strong Broadband growth momentum: focused Broadband subscriber acquisition led to continued revenue improvement in both S$ and NT$; Broadband subscribers increased by c.9,000 and c.35,000 for the quarter and full year, respectively
- Total subscriber base increased to c.1,347,000 as at 31 December 2024, driven by Premium digital TV and Broadband
- Revenue and EBITDA at $62.5 million[1] and $36.8 million for the quarter, and $252.0 million and $148.5 million for the year; EBITDA margin at 58.9% for the quarter and year
- Secured lenders' commitments in January 2025 to refinance both Onshore and Offshore facilities; both facilities are fully underwritten, underscoring lenders' confidence in APTT's business and management
- Net debt repayments of $42 million during the year; for 2025, the principal repayment schedule will be reset following the completion of refinancing; any excess cash will be allocated to discretionary repayments
- Approximately 89% of total debt is hedged; net exposure to rising interest rates is contained to only 11% of total debt
- Capital expenditure decreased by 23.1% for the quarter and increased by 5.6% for the year; as a percentage of total revenue, capital expenditure is 14.7% for the quarter and 14.5% for the year – within industry norms
- Declared distribution of 0.525 cents per unit for the half-year ended 31 December 2024, bringing total distribution for the year to 1.05 cents per unit
- 2025 distribution guidance to remain unchanged at 1.05 cents per unit, to be paid in half-yearly instalments
- The Trustee-Manager has approved a credit of $693.1 thousand, keeping fees unchanged for 2025; fees have remained the same from 2023 to 2025, underscoring the Trustee-Manager's commitment to cost management and its direct contribution to it

FINANCIAL HIGHLIGHTS

APTT[2] reported revenue of $62.5 million for the quarter and $252.0 million for the full year ended 31 December 2024. Earnings before interest, tax, depreciation and amortisation ("EBITDA") and EBITDA margin stood at $36.8 million and 58.9% for the quarter, and $148.5 million and 58.9% for the year. Foreign exchange contributed to a negative variance of 3.0% for the quarter and 3.5% for the year compared to the prior corresponding period ("pcp") due to a relatively weaker Taiwan dollar ("NT$"). In constant NT$, revenue decreased by 1.4% for the quarter and 1.9% for the year compared to the pcp. EBITDA was marginally lower by approximately 0.4% for the quarter and 0.2% for the year compared to the pcp in constant dollar terms. EBITDA margin improved to 58.9% for the quarter and full year due to tighter cost controls.

Focused Broadband subscriber acquisition resulted in the addition of c.9,000 new subscribers during the quarter. This positive subscriber growth momentum led to continued Broadband revenue growth in both S$ and NT$. In NT$, Broadband revenue increased by 7.6% for the quarter and 8.5% for the year.

[1] All figures, unless otherwise stated, are presented in Singapore dollars ("$").
[2] APTT refers to APTT and its subsidiaries taken as a whole.

Group	Quarter ended 31 December			Year ended 31 December		
Amounts in $'000	2024	2023	Variance[3] (%)	2024	2023	Variance[3] (%)
Revenue						
Basic cable TV	42,070	45,586	(7.7)	171,057	188,033	(9.0)
Premium digital TV	2,452	2,591	(5.4)	10,085	10,852	(7.1)
Broadband	18,003	17,217	4.6	70,876	67,510	5.0
Total revenue	**62,525**	**65,394**	**(4.4)**	**252,018**	**266,395**	**(5.4)**
Total operating expenses[4]	**(25,681)**	**(27,248)**	**5.8**	**(103,532)**	**(112,194)**	**7.7**
EBITDA	**36,844**	**38,146**	**(3.4)**	**148,486**	**154,201**	**(3.7)**
EBITDA margin	58.9%	58.3%		58.9%	57.9%	

[3] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

[4] Operating expenses presented here exclude depreciation and amortisation expense, impairment loss, net foreign exchange gain/loss and mark to market movements on foreign exchange contracts, in order to arrive at EBITDA and EBITDA margin presented here.

Mr Somnath Adak, Chief Executive Officer of the Trustee-Manager said, *"Our results were impacted by unfavourable exchange rate movements. In NT$ terms, despite a 5.5% decline in Basic cable TV revenue, total revenue fell only 1.9% and EBITDA dipped just 0.2%. This reflects the strong Broadband growth momentum, with more subscribers and higher revenue. It is an encouraging sign that Broadband growth is cushioning the impact of Basic cable TV's decline. Overall, we are moving in the right direction where we aim to grow cash flows from Broadband to a level that consistently more than offsets the decline in our Basic cable TV business. We will continue to leverage our industry network to unlock more opportunities for the Broadband business – the largest driver of our long-term growth."*

OPERATIONAL PERFORMANCE

TBC's[5] operational highlights for the quarter and year ended 31 December 2024 were as follows:

- **Basic cable TV:** Basic cable TV revenue of $42.1 million for the quarter, comprising subscription revenue of $33.3 million and non-subscription revenue of $8.8 million, was down 7.7% compared to the pcp. On a full year basis, Basic cable TV revenue of $171.1 million, comprising subscription revenue of $138.4 million and non-subscription revenue of $32.6 million, was down 9.0%. In constant NT$, Basic cable TV revenue for the quarter and year decreased by 4.7% and 5.5%. The overall decline in Basic cable TV revenue was mainly due to lower subscription revenue resulting from the decline in the number of subscribers and lower ARPU[6]. TBC's c.627,000 Basic cable TV RGUs[7] contributed an ARPU of NT$428 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.5,000 and ARPU was lower by NT$4 per month compared to the previous quarter ended 30 September 2024 (RGUs: c.632,000; ARPU: NT$432 per month). The decline in Basic cable TV RGUs was due to a number of factors, including competition from aggressively priced IPTV, the growing popularity of online video, as well as expectations from consumers for discounts as they compare with the lower cable TV pricing outside of TBC's franchise areas, particularly in the Taipei region. Non-subscription revenue comprised revenue from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes. In constant NT$, non-subscription revenue was higher than the pcp mainly due to higher channel leasing revenue for the quarter, and one-off channel leasing revenue for the year. Notwithstanding this, the leasing of television channels, which is mainly to third-party home shopping networks, will continue to face pressure from lower demand for home shopping and heightened competition from internet retailing.

- **Premium digital TV:** Premium digital TV revenue of $2.5 million for the quarter was down 5.4% compared to the pcp. On a full year basis, Premium digital TV revenue of $10.1 million was 7.1% lower. In constant NT$, Premium digital TV revenue for the quarter and year decreased by 2.4% and 3.6%. Revenue was generated predominantly from TBC's c.345,000 Premium digital TV RGUs each contributing an ARPU of NT$56 per month in the quarter for Premium digital TV packages and bundled DVR or DVR-only services. Premium digital TV RGUs increased by c.4,000, while ARPU was marginally lower by NT$1 per month compared to the previous quarter ended 30 September 2024 (RGUs: c.341,000; ARPU: NT$57 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. Video piracy issues and aggressively priced IPTV have also impacted ARPU.

[5] TBC refers to Taiwan Broadband Communications Group.
[6] ARPU refers to Average Revenue Per User.
[7] RGUs refer to Revenue Generating Units, another term for subscribers or subscriptions; the terms are used interchangeably.

- **Broadband:** Despite strong competition from the local telco and from mobile operators offering inexpensive unlimited data plans, Broadband RGUs increased by c.9,000 during the quarter. Broadband revenue, including revenue from data backhaul, was $18.0 million for the quarter, an increase of 4.6% compared to the pcp. On a full year basis, Broadband revenue of $70.9 million was 5.0% higher. In constant NT$, Broadband revenue for the quarter and year increased by 7.6% and 8.5%. Broadband revenue was generated predominantly from TBC's c.375,000 Broadband RGUs each contributing an ARPU of NT$385 per month in the quarter, which was NT$2 per month lower than the previous quarter ended 30 September 2024 (RGUs: c.366,000; ARPU: NT$387 per month). The lower ARPU was due to more aggressive price promotions to churn customers away from TBC's main competitor. The continued increase in Broadband subscribers and revenue improvement in both S$ and NT$ reflects the success of TBC's Broadband strategy where we continue to target the broadband-only segment, partner with mobile operators, as well as offer higher speed plans at competitive prices to acquire new RGUs and re-contract existing ones.

Capital expenditure decreased $2.8 million, or 23.1%, for the quarter. On a full year basis, capital expenditure increased $1.9 million, or 5.6% due to i) higher network investments aimed at increasing fibre density and speed; and ii) the purchase of vehicles to replace leased vehicles that were up for renewal, to save on overall costs. As a percentage of revenue, capital expenditure was within industry norms at 14.7% for the quarter and 14.5% for the year. Going forward, the level of capital expenditure will remain within industry norms of around 10% to 15% of total revenue. It will be closely monitored and focused on supporting TBC's Broadband growth strategy, as we continue investing in our fibre network to meet rising demand for data and faster Broadband speed.

DEBT MANAGEMENT

As at 31 December 2024, approximately 88% of outstanding Onshore Facilities were hedged with interest rate swaps through to 30 June 2025, at an average fixed rate of 0.94%. During the year ended 31 December 2024, the Group also entered into new interest rate swaps on Singapore Overnight Rate Average ("SORA") to hedge 100% of the outstanding Offshore Facilities through to 14 April 2025 at a fixed rate of 2.965%. As a result, approximately 89% of the Group's total outstanding debt is protected against the risk of rising interest rates. The net exposure to rising interest rates today is therefore contained to only 11% of total outstanding debt. The Trustee-Manager is confident that this level of exposure will not materially impact cash flows or affect business operations. The Trustee-Manager is actively monitoring for opportunities to enter into new interest rate swaps that will protect against interest cost risks beyond June 2025.

On debt repayments, net debt of $42 million was repaid in 2024. For 2025, the principal repayment schedule will be reset following the completion of refinancing; beyond scheduled repayments, any excess cash will be allocated to discretionary repayments.

REFINANCING

The Trustee-Manager is pleased to secure lenders' commitments in January 2025 for the refinancing of the Onshore and Offshore facilities on terms that are considered favourable in today's elevated interest rate environment. The facilities, each comprising a term loan facility and a revolving loan facility, are fully underwritten by Taipei Fubon Commercial Bank Co., Ltd., Cathay United Bank Co., Ltd. and Entie Commercial Bank, who are the exclusive mandated lead arrangers. Taipei Fubon Commercial Bank Co., Ltd. is the facility agent for the refinancing.

The refinancing agreements are expected to be signed in March 2025 with financial close expected to be in April 2025. The refinanced Onshore facilities will be for a period of seven years, while the Offshore facilities will be for a period of three years, extendable by another two years. As part of the financial close, approximately $40 million (equivalent to NT$1 billion) of the more costly Offshore loan will be moved back to Onshore to save on interest costs.

Upon full completion of the refinancing exercise, subject to no material changes in planning assumptions, the Trustee-Manager should not have to revisit borrowing facilities, both onshore and offshore, for at least three years, providing greater visibility to debt servicing commitments and cash flows.

Mr Adak added, *"We view this refinancing as lenders' vote of confidence in APTT's business and management. It underscores our ability to generate strong cash flows from subscription-based product offerings, sustain the continued growth momentum of our Broadband business, as well as our proven debt repayment capability. Upon financial close, we will reduce the total loan size by approximately $152.6 million or 12%. In particular, the more costly refinanced Offshore facilities will be reduced by a significant $71.6 million or 59%. This refinancing allows us to optimise our debt profile, which in turn enhances our financial stability and provides greater certainty in managing debt obligations."*

OUTLOOK

Operationally, while the Trustee-Manager does not expect growth in Basic cable TV RGUs due to Taiwan's saturated cable TV market, we expect the number of Premium digital TV and Broadband RGUs to continue increasing in 2025. Total revenue will, however, be influenced by the ability to maintain ARPUs which will remain under pressure due to market dynamics. The decline in demand for home shopping and competition from internet retailing will continue to impact channel leasing revenue. The Trustee-Manager is managing every expense line item very closely. Total operating expenses in 2025 are expected to be slightly higher than in 2024, which benefitted from the reversal of over provision of certain expenses accrued in the previous years.

DISTRIBUTIONS

The Board of Directors of the Trustee-Manager (the "Board") has declared an ordinary distribution of 0.525 cents per unit for the half-year ended 31 December 2024. The record date will be 21 March 2025 and the distribution will be paid on 28 March 2025.

The Board is re-affirming the distribution guidance for the full year ending 31 December 2025. The distribution for 2025 is expected to remain unchanged at 1.05 cents per unit, subject to no material changes in planning assumptions. The distribution will continue to be paid in half-yearly instalments of 0.525 cents per unit, calculated as at 30 June 2025 and 31 December 2025 for the six-month period ending on each of the said dates and paid in September 2025 and March 2026 respectively.

The distribution guidance takes into account a number of factors including i) elevated interest rates; ii) a weaker NT$ against S$; iii) ARPU pressure; and (iv) a declining Basic cable TV business. At this guided distribution level, the Board is confident that operating cash flows can still support disciplined debt repayments and fund capital expenditure to future-proof TBC's Broadband business.

ABOUT APTT

APTT is the first listed business trust in Asia focused on pay-TV and broadband businesses. APTT has an investment mandate to acquire controlling interests in and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore. APTT is managed by its Trustee-Manager, APTT Management Pte. Limited. The Trustee-Manager has the dual responsibility of safeguarding the interests of unitholders and managing the business conducted by APTT. The Trustee-Manager manages APTT's business with an objective of providing unitholders with stable and sustainable distributions.

For further information, please contact:

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