

**NETLINK NBN TRUST'S FP18 DPU EXCEEDS IPO FORECAST**

- **Financial Period EBITDA and Profit After Tax outperformed forecast by 3.8% and 10.8%, respectively**
- **Distribution of S\$126.3 million for FP18**
- **Distribution Per Unit ("DPU") of 3.24 Singapore cents for the period from 19 July 2017 to 31 March 2018 is 5% higher than forecast**

**SINGAPORE, 14 May 2018** – NetLink NBN Management Pte. Ltd., the Trustee-Manager of NetLink NBN Trust (网联宽频信托) (NetLink NBN Trust, together with its subsidiaries, the "**Trust Group**") announced today that its EBITDA and Profit After Tax for the Financial Period from 19 June 2017 to 31 March 2018 ("**FP18**") outperformed forecast by 3.8% and 10.8%, respectively.

Mr. Tong Yew Heng (唐耀兴), Chief Executive Officer of the Trustee-Manager, said, "Our better-than-forecast earnings reflects the resilience of our business model. The growth in the number of connections for residential, non-residential and segment fibre for the relevant financial period was higher than the forecast. With the better performance, we are pleased to announce a higher distribution. The DPU is 3.24 Singapore cents, which is 5% higher than the forecast at IPO."

The joint issue managers of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte. Ltd. and UBS AG, Singapore Branch. The joint underwriters of the initial public offering and listing of NetLink NBN Trust were DBS Bank Ltd., Morgan Stanley Asia (Singapore) Pte. Ltd., UBS AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch, Oversea-Chinese Banking Corporation Limited, and United Overseas Bank Limited. The joint issue managers and joint underwriters of the initial public offering assume no responsibility for the contents of this announcement.

**RESILIENT BUSINESS**

**Summary of the Trust Group's Results**

	1 January 2018 to 31 March 2018 ("Q4 FY18")			19 June 2017 to 31 March 2018 ("FP18")		
	Actual <sup>1</sup>	Forecast <sup>2</sup>	Change (%)	Actual <sup>1</sup>	Forecast <sup>2</sup>	Change (%)
<b>S\$' million</b>						
<b>Revenue</b>	80.7	84.4	(4.4)	228.6	232.8	(1.8)
<b>EBITDA</b>	57.3	58.4	(1.9)	167.3	161.2	3.8
<b>EBITDA Margin (%)</b>	71.0	69.2	1.8 <i>pp</i>	73.2	69.3	3.9 <i>pp</i>
<b>Profit After Tax</b>	15.3	16.3	(6.4)	50.0	45.1	10.8
<b>Distribution</b>	-	-	-	126.3 <sup>3</sup>	120.4 <sup>4</sup>	5.0

During FP18, NetLink NBN Trust achieved revenue of S\$228.6 million, marginally below forecast by 1.8% due mainly to lower installation-related revenue, which was partially offset by higher-than-forecast recurring residential and non-residential connection revenue, Central Office revenue, ducts and manholes revenue and diversion revenue.

The Trust Group's EBITDA and Profit After Tax for FP18 were higher than forecast by 3.8% and 10.8% respectively. This was due mainly to lower operation and maintenance costs, staff costs and other operating expenses.

<sup>1</sup> The results for Q4FY18 is from 1 January 2018 to 31 March 2018. The Financial Period ("FP18") results is from 19 June 2017 to 31 March 2018. No comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared as NetLink NBN Trust was constituted on 19 June 2017. Although NetLink NBN Trust was constituted on 19 June 2017, there were no operating activities until the acquisition of NetLink Trust, which was completed on 19 July 2017, the date on which the Trust was listed ("Listing Date").

<sup>2</sup> Forecast results for Q4FY18 and FP18 included (i) the actual results for the period 19 July 2017 to 31 July 2017 and (ii) August 2017 to March 2018 figures that were part of the Forecast Period 2018 projections disclosed in the prospectus dated 10 July 2017 (the "Prospectus").

<sup>3</sup> Based on a distribution of S\$126.3 million and the total number of units in issue of 3,896,971,100, the DPU is 3.24 Singapore cents.

<sup>4</sup> Forecast Distribution as disclosed in the Prospectus adjusted for actual number of days from listing date to 31 Mar 2018 and adjusted for the issuance of new units in connection with the exercise of the over-allotment option as part of the IPO.

## **STABLE CASH FLOW GENERATION TO SUPPORT UNITHOLDER RETURNS**

For FP18, residential connections and non-residential connections have continued to perform well, and were 0.8% and 2.4% higher than their forecast at IPO respectively. In aggregate, the revenue from these two segments accounted for 70% of the total revenue. The performance of the revenue segments that are recurring in nature were better than the forecast at IPO, which mitigates the impact of the lower-than-forecast installation revenue. Together with lower operation and maintenance costs, staff costs and other operating expenses, the Trust Group generated strong cash flows which resulted in net cash generated from operating activities of S\$158.5 million for FP18.

## **DISTRIBUTION TO UNITHOLDERS**

Unitholders can expect to receive 3.24 Singapore cents per unit for the inaugural distribution for the period 19 July 2017 to 31 March 2018 on 8 June 2018. This translates to an annualised yield of approximately 5.70%<sup>5</sup>. The Unit Transfer Books and Register of Unitholders of NetLink NBN Trust will be closed at 5.00 p.m. on 23 May 2018 for the purposes of determining each Unitholder's entitlement to the Distribution.

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<sup>5</sup> Based on the IPO unit price of \$0.81 and annualised based on number of days between the listing date and 31 March 2018.

## OUTLOOK

The Trust Group expects to deliver the distribution forecast as stated in the Prospectus for FY19. The Trust Group expects revenues from key connection services to meet the forecast for FY19, however, overall revenues may be affected by lower installation-related revenues.

The Trust Group has seen an upward trend in the percentage of orders that were able to meet the Quality of Service (“**QoS**”) timeframe this year, although the results still fell short of standards set by the Info-communications Media Development Authority. The Trust Group will continue to work closely with its key stakeholders to improve its QoS performance to meet regulatory service standards. The Trust Group has started to pre-lay fibre infrastructure to selected non-residential buildings to speed up service provisioning.

The Trust Group is continuing to expand its network in new housing estates, with the most recent being Tengah. The first batch of HDB homes in Tengah is expected to be launched in 2018. In total, an estimated 42,000<sup>6</sup> new residential homes in Tengah are expected to be developed over the next two decades. The Trust Group is monitoring the development of 5G network in Singapore and will explore opportunities associated with the new technology.

The Trust Group has been working proactively with the Requesting Licensees (“**RLs**”) to anticipate future demand in the non-residential and NBAP segments, and to support the RLs’ efforts to acquire new corporate and NBAP customers. With its extensive nationwide fibre network, the Trust Group is well-positioned to support Smart Nation initiatives, the developments in the Punggol Digital District and the Jurong Innovation District, and the fourth mobile telecommunication operator in its mobile network deployment

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<sup>6</sup> Source: Housing & Development Board

## **ABOUT NETLINK NBN TRUST**

NetLink NBN Trust's nationwide network is the foundation of Singapore's Next Generation Nationwide Broadband Network ("**Next Gen NBN**"), over which ultra-high-speed internet access is delivered throughout mainland Singapore and its connected islands.

The Trust Group designs, builds, owns and operates the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and Central Offices) of Singapore's Next Gen NBN. The Trust Group's extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

As the sole appointed "Network Company" for Singapore's Next Gen NBN, the Trust Group's network consists of 10 Central Offices and approximately 76,000 km of fibre cables, 16,200 km of ducts, and 62,000 manholes, as of 31 March 2017.

NetLink NBN Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited (**SGX-ST**) on 19 July 2017, and is a constituent of the FTSE ST Large & Mid Cap Index and the MSCI Global Small Cap – Singapore Index.

For more information about NetLink NBN Trust, please visit: [www.netlinknbn.com](http://www.netlinknbn.com)

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