

NETLINK NBN TRUST FY20 EBITDA INCREASES 4.3% TO S\$258.4 MILLION ON 4.7% GROWTH IN REVENUE TO S\$370.2 MILLION

- *Total FY20 Distribution Per Unit of 5.05 Singapore cents, up 3.5% year-on-year*
- *Temporary delays in fulfilling service orders resulting from COVID-19 not expected to have a material impact on the Group's FY21 revenue*

Summary of NetLink Group's Results

S\$' million	Quarter ended 31 Mar			Financial year ended 31 Mar		
	2020 ("Q4 FY20")	2019 ("Q4 FY19")	Variance (%)	2020 ("FY20")	2019 ("FY19")	Variance (%)
Revenue	92.4	87.9	5.2	370.2	353.6	4.7
EBITDA	55.8	62.8	(11.2)	258.4	247.9	4.3
EBITDA Margin (%)	60.3	71.5	(11.2) pp	69.8	70.1	(0.3) pp
Profit After Tax	12.5	20.0	(37.7)	78.1	77.4	1.0
Distributions Attributable				196.8	190.2	3.5
Distribution Per Unit (Singapore cent)				5.05	4.88	3.5

SINGAPORE, 6 May 2020 – 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 “**NetLink Group**”) announced today that its EBITDA for the financial year ended 31 March 2020 (“**FY20**”) increased by 4.3% to S\$258.4 million while Profit After Tax increased marginally to S\$78.1 million. Excluding the impact of the one-time write-off of capitalised project cost of S\$15.4 million in relation to a discontinued IT system replacement contract¹ recognised in the three months ended 31 March 2020 (“**Q4 FY20**”), NetLink Group’s EBITDA and Profit After Tax for FY20 would have risen 10.5% to S\$273.8 million and 20.9% to S\$93.5 million respectively.

¹ Please refer to a separate announcement released on 27 February 2020

Mr. Tong Yew Heng (唐耀兴), Chief Executive Officer of the Trustee-Manager, said, “As we continue to achieve sustainable growth through a steady increase in residential, non-residential and NBAP connections, we remain mindful of the NetLink Group’s critical role in ensuring the availability of digital access in Singapore, especially during this COVID-19 pandemic. We will continue to work closely with our industry partners to support Singapore’s digital needs, including nationwide coverage, and fibre infrastructure to support smart nation initiatives and the deployment of 5G.

Despite temporary operational issues resulting from the COVID-19 pandemic, NetLink Group’s resilient business model is well-supported by predictable revenue streams. With a strong balance sheet and liquidity underpinned by stable cashflows and the access to financial resources, we are well-positioned to continue to invest and expand our network’s capabilities and resiliency.”

STABLE GROWTH IN CORE FIBRE BUSINESS

The NetLink Group recorded revenue of S\$370.2 million in FY20, 4.7% higher than the S\$353.6 million recorded in the previous corresponding period (“FY19”). This increase was mainly driven by higher revenue from residential connections and non-residential connections, partially offset by lower installation-related revenue, diversion revenue as well as ducts and manhole service revenue.

Residential connections continued to drive the NetLink Group’s revenue, with residential connections revenue increasing by 12.0% to S\$231.5 million in FY20, contributing 62.5% of the NetLink Group’s total revenue. As at 31 March 2020, the NetLink Group achieved 1,427,445 residential connections as compared to 1,327,732 residential connections as at 31 March 2019, representing an increase of 7.5%.

Non-residential connections revenue increased by 4.1% to S\$31.2 million in FY20 as non-residential connections grew from 46,207 as at 31 March 2019 to 47,681 as at 31 March 2020.

Meanwhile, installation-related revenue was lower by S\$0.9 million due mainly to lower installation-related revenue from fewer orders requiring installation. Diversion revenue decreased by S\$2.4 million due to the completion of fewer projects in FY20 as compared to FY19. Ducts and manholes service revenue decreased by S\$7.1 million mainly due to the completion of fewer joint-build projects in FY20, coupled with a decrease in service revenue from reduced cable length chargeable to a customer leasing space in NetLink Group's ducts.

In line with the higher revenue and fixed asset base, total expenses for FY20 increased by 6.5% or S\$18.6 million to S\$305.9 million mainly due to higher other operating expenses, depreciation and amortisation costs, staff costs and finance costs, partially offset by lower operation and maintenance costs, installation costs and diversion costs. Other operating expenses were S\$14.6 million higher mainly due to a one-time write-off of capitalised project cost in relation to a discontinued IT system replacement project.

STRONG GROWTH IN CASH FLOW FROM OPERATING ACTIVITIES

Driven by the stronger operating performance, NetLink Group's net cash from operating activities was higher at S\$262.5 million in FY20 as compared to S\$229.6 million in FY19.

The NetLink Group has a stated policy to make distributions on a semi-annual basis. Accordingly, Unitholders will receive a distribution of 2.53 Singapore cents per unit for the six months ended 31 March 2020 on 3 June 2020. This brings the total Distribution Per Unit for FY20 to 5.05 Singapore cents, representing a 3.5% increase from FY19.

The Unit Transfer Books and Register of Unitholders of NetLink NBN Trust will be closed at 5.00 p.m. on 22 May 2020 for the purposes of determining each Unitholder's entitlement to the Distribution.

OUTLOOK

The COVID-19 pandemic and the uncertainty of its magnitude and duration has presented some temporary operational issues for the NetLink Group. The restriction on NetLink Group's contractors' foreign workforce for example, which included a mandatory Stay Home Order ("**SHO**") applied to construction sector workers, has affected NetLink Group's capacity to fulfil service requests in late April and May 2020.

The temporary delays in fulfilling service requests is not expected to have a material impact on NetLink Group's revenue. These new service requests would be fulfilled with the eventual increase in available manpower, once the SHO is lifted, to undertake such work.

NetLink Group is supporting Infocomm Media Development Authority's ("**IMDA**") initiatives to ensure that everyone, especially vulnerable segments including seniors and school-going children from low-income households, can go online for daily tasks and social activities. In this regard, NetLink Group has prioritised the provisioning of services to these households. NetLink Group has also earlier committed S\$600,000 in cash sponsorship towards the Home Access Programme administered by IMDA for a three-year period starting from FY21. As a show of solidarity and togetherness with our stakeholders, NetLink Group's Board members will take a 5% reduction in their annual Board fee, subject to Unitholders' approval. The CEO, CFO and COO will, with effect from 1 May 2020, take an 8% reduction in base salary, which will be reviewed after six months or when the COVID-19 situation has stabilised.

In spite of the temporary operational issues, NetLink Group's business model shows that it is resilient as it is supported by predictable revenue streams from: (a) monthly recurring charges for fibre connections to residential and non-residential premises, and non-building

address points (“**NBAP**”) locations; and (b) contracted revenues from Singtel and Requesting Licensees (“**RLs**”). NetLink Group’s balance sheet and liquidity remain strong underpinned by stable cashflows and the access to financial resources to support future capital expenditure.

NetLink Group is continuing to expand its network in new housing estates. NetLink Group has also been working proactively with the RLs (who provide fibre services to Retail Service Providers that in turn provide retail fibre services to end-users) to meet future demand for Non-Residential and NBAP connections, and to support the RLs’ efforts to acquire new Non-Residential and NBAP customers. NetLink Group will continue to support mobile operators by deploying fibres to support their mobile network infrastructure. NetLink Group will also make available customised offerings tailored for SMEs, as well as improve its presence at major data centres.

With its extensive nationwide fibre network, NetLink Group is well-positioned to support, among others, the Smart Nation initiatives, the Punggol Digital District and Jurong Innovation District. In addition, NetLink Group supports IMDA’s objectives to achieve pervasive deployment of 5G infrastructure and grow the 5G innovation ecosystem. NetLink Group looks forward to working with mobile network operators in offering the use of its nationwide fibre network to accelerate the realisation of IMDA’s objectives.

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ABOUT NETLINK NBN TRUST

The NetLink Group'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 NetLink 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 NetLink Group's extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

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, FTSE ST Singapore Shariah Index and the MSCI Global Small Cap – Singapore Index.

For more information about NetLink NBN Trust, please visit: www.netlinknbn.com

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