




**NetLinkNBN**  
*the fibre of a smart nation*



**Analyst update for the  
financial period  
1 Apr to 30 Jun 2020  
("Q1 FY21")**



**5 August 2020**

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# Financial snapshot<sup>1</sup>

Revenue

**S\$89.0m**

▼ 3.3%<sup>2</sup>

Cash Balance

**S\$120m**

Market Cap<sup>3</sup>

**S\$3,780m**

EBITDA

**S\$68.8m**

▲ 3.4%<sup>2</sup>

Gross Debt

**S\$666m**

Enterprise Value

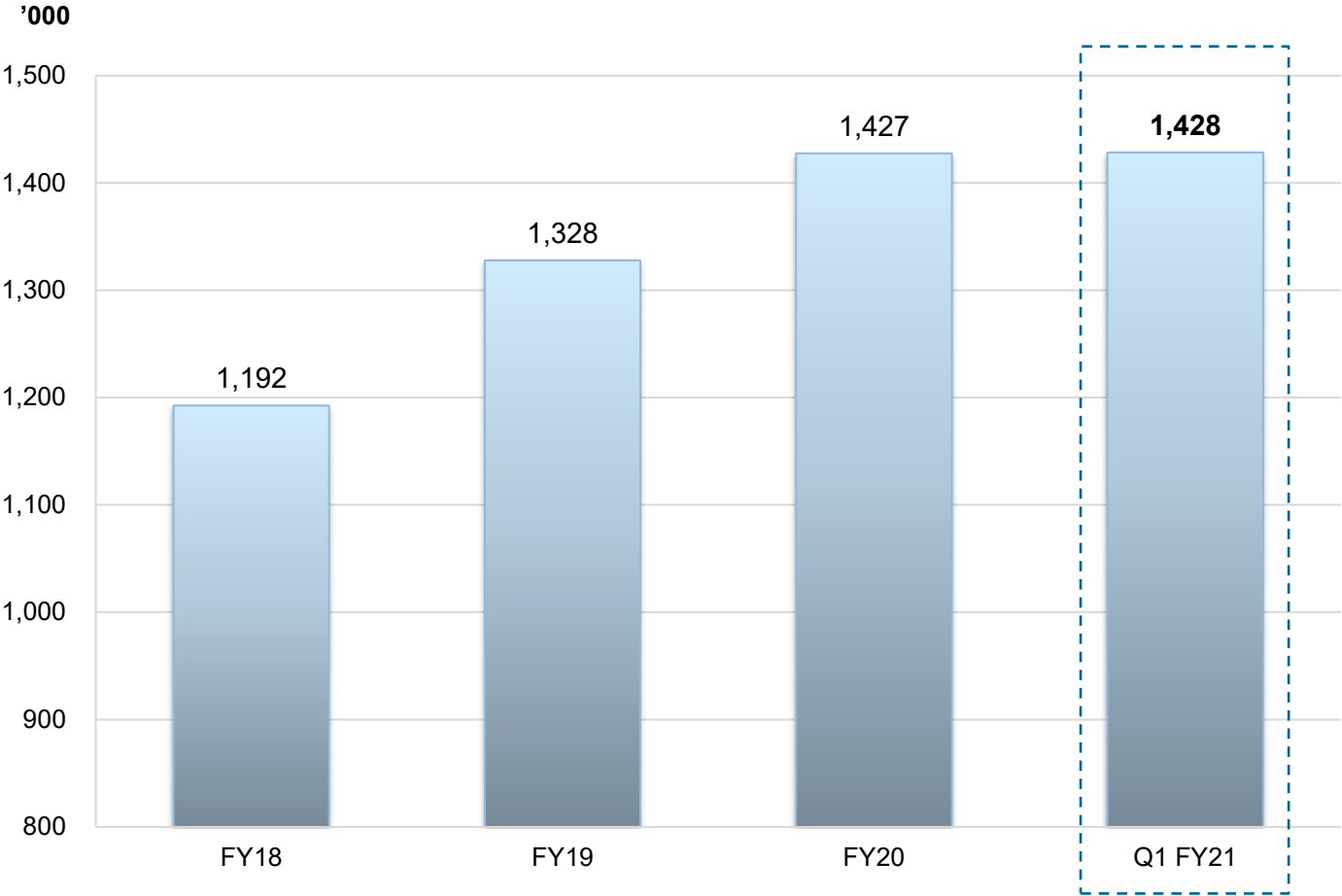
**S\$4,326m**

<sup>1</sup> Q1 FY21

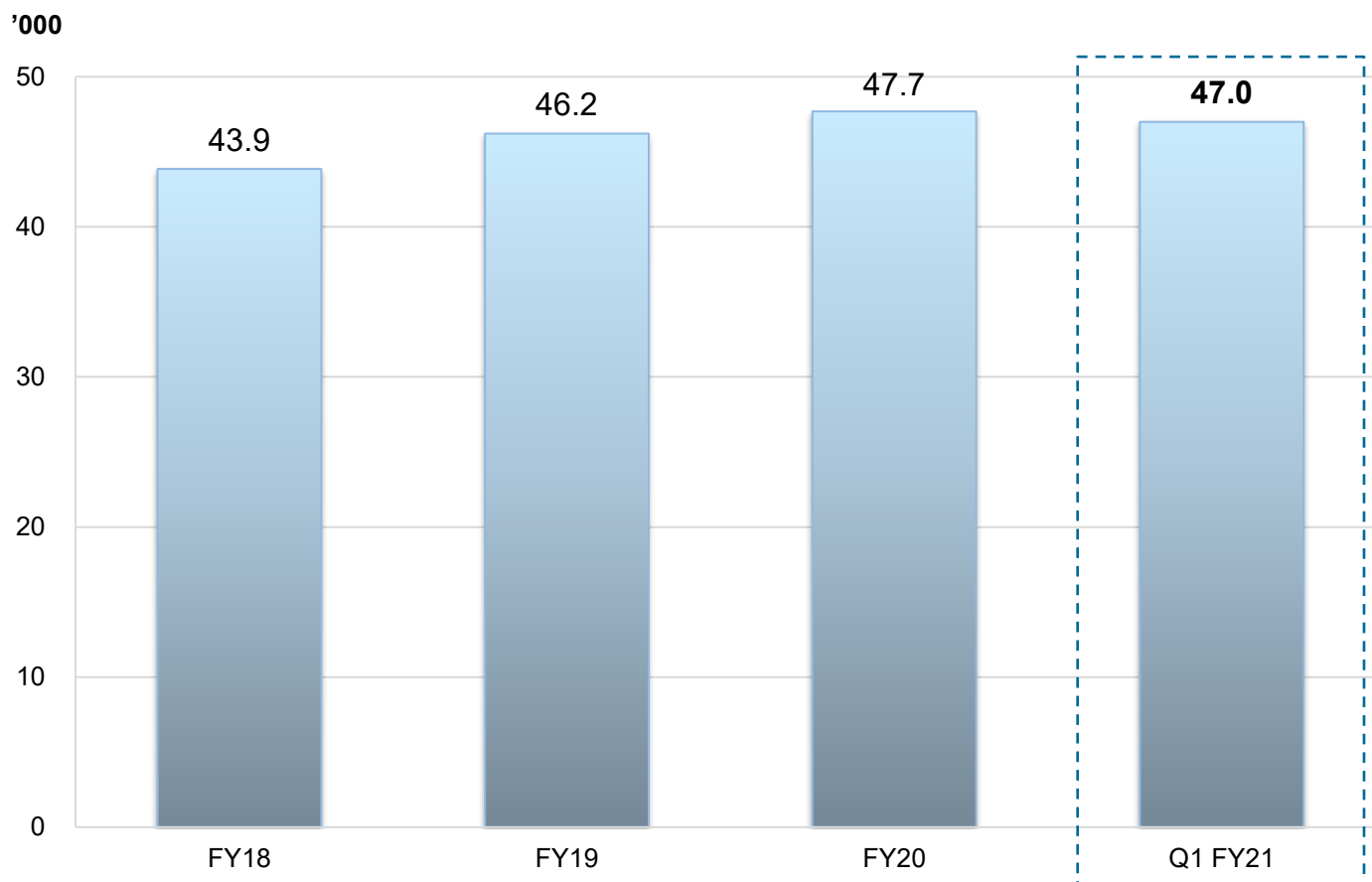
<sup>2</sup> Variance versus Q1 FY20

<sup>3</sup> Based on the unit price of S\$0.970 at 30 Jun 2020

# Residential fibre connections

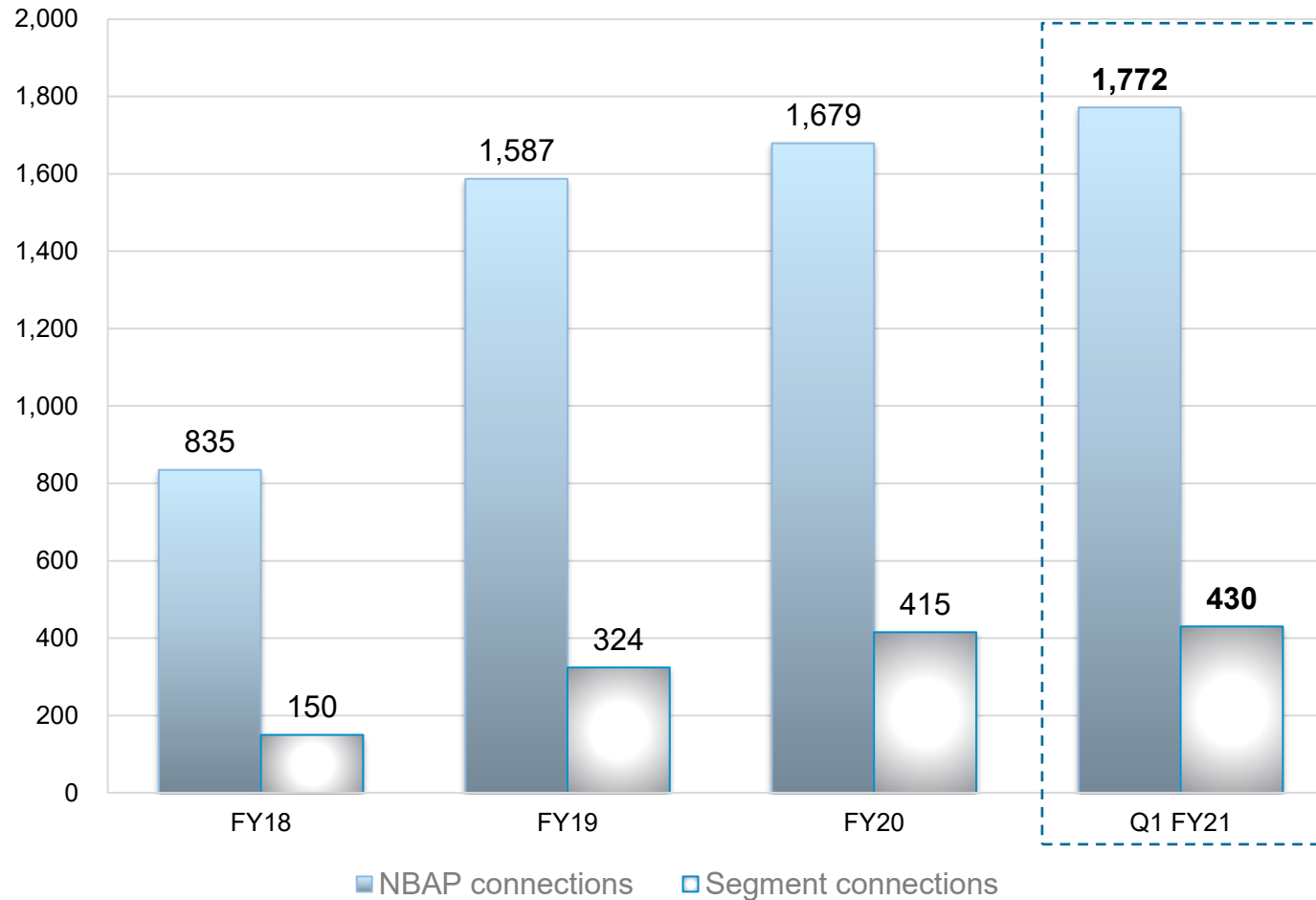


# Non-residential fibre connections



The non-residential orders' nett addition (i.e. the number of new orders less terminations due to end-users switching subscription from one operator to another, relocation and other reasons) for each quarter has been positive in FY20. The nett addition for Q1 FY21 is negative due to the impact from COVID-19. During this period non-residential service provisioning orders requiring site visits could not be carried out due to access and manpower issues. Whereas, termination orders are not similarly affected by these constraints.

# Non-Building Address Point (“NBAP”) and Segment connections<sup>1</sup>



<sup>1</sup> Segment connections comprise, *inter alia*, Central Office to Central Office fibre connections and Central Office to MDF room fibre connections provided to Requesting Licensees.



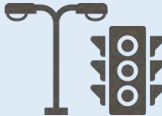





# Q1 FY21 Profit & loss statement

S\$'000	Q1 FY21	Q1 FY20	Variance (%)
Revenue	88,962	92,041	(3.3)
<b>EBITDA</b>	<b>68,764</b>	<b>66,525</b>	<b>3.4</b>
EBITDA margin (%)	77.3%	72.3%	5.0 pp
Depreciation & amortisation	(41,504)	(42,040)	1.3
Net finance charges	(4,712)	(4,517)	(4.3)
<b>Profit before tax</b>	<b>22,548</b>	<b>19,968</b>	<b>12.9</b>

**Revenue was lower by 3.3%** mainly due to the impact COVID-19 had on lower installation- related revenue and diversion revenue partially offset by revenues from higher residential connections

**EBITDA margin of 77.3% was 5.0 pp higher** primarily contributed by the higher proportion of revenue from residential connections and from the Government relief grants received

# A resilient business model

	RAB Revenue				Non-RAB Revenue			
								
	Residential Connections	Non-Residential Connections	NBAP and Segment Fibre Connections	Ducts and Manholes Service Revenue	Installation Related Revenue	Diversion Revenue	Co-Location and Other Revenue	Central Office Revenue
<b>% of Q1 FY21 Revenue</b>	<b>66.5%</b>	<b>8.3%</b>	<b>2.1%</b>	<b>8.3%</b>	<b>2.4%</b>	<b>1.6%</b>	<b>5.4%</b>	<b>5.4%</b>
<b>Recurring, predictable cash flows</b>	✓	✓	✓	✓	–	–	✓	✓
<b>Long-term contracts / customer stability</b>	✓	✓	✓	✓	–	–	✓	✓
<b>Regulated revenues</b>	✓	✓	✓	✓	✓	–	✓	–
<b>Creditworthy customers</b>	✓	✓	✓	✓	✓	✓	✓	✓



# Robust balance sheet<sup>1</sup>

**S\$120m**

Cash Balance

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**S\$666m**

Gross Debt

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**S\$2,832m**

Net Assets

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**2.6x**

Gross Debt/  
EBITDA<sup>2</sup>

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**14.3x**

EBITDA Interest  
Cover<sup>2</sup>

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**72.7 cents**

Net Assets per Unit

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- Interest rate exposure substantially hedged
- The Group entered into a one-year extension for the outstanding term loan of S\$510.0 million to mature on 24 March 2022
- Stable capital structure with debt headroom to fund future capex

<sup>1</sup> As at 30 Jun 2020

<sup>2</sup> Ratios calculated based on NetLink Group's trailing 12 months financials

# Our focus for FY21

01

## RESIDENTIAL

- Connect households not on fibre via initiatives such as IMDA's Home Access programme for low-income households
- Connect new homes
- Improve service provisioning QoS

02

## NON-RESIDENTIAL, NBAP & SEGMENT

- Denser network – adding capacity, flexibility and resilience
- Prepare to support 5G infrastructure
- Customised offerings to SMEs
- Improve presence in major Data Centres
- Make NBAP easier and faster to deploy

# Thank You

Investors and Media

Mr. Victor Chan  
[investor@netlinknbn.com](mailto:investor@netlinknbn.com)