



# StarHub 4Q & FY2014 Results

## 25 February 2015

## Forward-looking Statements

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***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.***



# Agenda

**FY2014 Highlights**

Financial Highlights

Business Highlights

2015 Outlook

## Overview (4Q-2014 vs 4Q-2013)

### Financial

- Total revenue increased 5%
- Service revenue increased 1%
- EBITDA increased 10%
- EBITDA margin at 33.8%
- NPAT increased 10%

### Operational

- Subscriber growth in post-paid Mobile, Pay TV & Residential Broadband
- Revenue growth in Mobile, Pay TV & Fixed Network

# Key Financial Highlights

\$M	4Q-2014	4Q-2013*	Change	FY-2014	FY-2013*	Change
Total Revenue	<b>647</b>	616	5%	<b>2,387</b>	2,370	1%
Service Revenue	<b>569</b>	566	1%	<b>2,218</b>	2,240	-1%
EBITDA	<b>192</b>	175	10%	<b>748</b>	743	1%
EBITDA Margin	<b>33.8%</b>	30.9%	2.9% pts	<b>33.7%</b>	33.2%	0.5% pts
Taxation	<b>(22)</b>	(18)	25%	<b>(86)</b>	(78)	10%
Net Profit After Tax	<b>94</b>	86	10%	<b>371</b>	380	-2%
Capex Cash Payments	<b>86</b>	88	-2%	<b>322</b>	303	6%
% of Capex to Revenue	<b>13</b>	14	-1% pts	<b>14</b>	13	1% pts
FCF / Fully Diluted Share	<b>2.8¢</b>	0.9¢	208%	<b>19.2¢</b>	16.9¢	14%
Net Debt to 2013 EBITDA ratio	<b>0.57x</b>	0.57x	-	<b>0.57x</b>	0.57x	-

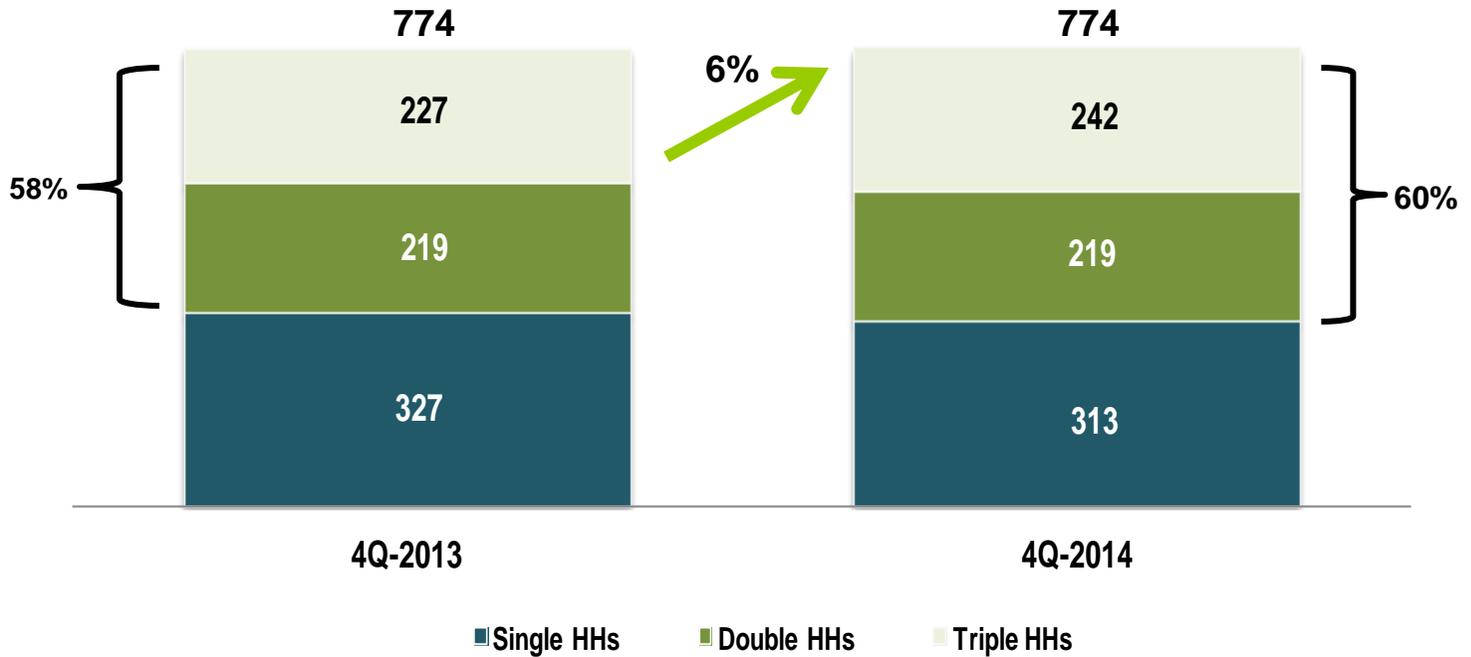
\* Numbers may not add up due to rounding / FY2013 restated

# Revenue Contribution & Mix Details

	Full Year Ended 31 December					
	2014		2013*		Incr / (Decr)	
	S\$m	% mix	S\$m	% mix	S\$m	%
<b>Total Revenue</b>						
Mobile services	1,247.6	52.3	1,243.4	52.5	4.2	0.3
Pay TV services	389.7	16.3	386.0	16.3	3.7	1.0
Broadband services	201.9	8.5	241.8	10.2	(39.9)	-16.5
Fixed Network services	378.3	15.8	368.3	15.5	10.0	2.7
Total service revenue	<b>2,217.5</b>	<b>92.9</b>	<b>2,239.5</b>	<b>94.5</b>	<b>(22.0)</b>	<b>-1.0</b>
Sale of equipment	169.7	7.1	130.1	5.5	39.6	30.5
Total Revenue	<b>2,387.2</b>	<b>100.0</b>	<b>2,369.6</b>	<b>100.0</b>	<b>17.6</b>	<b>0.7</b>

# Hubbing Scorecard

Hubbing Households ('000)



\* Numbers may not add up due to rounding.

FY2014 Highlights

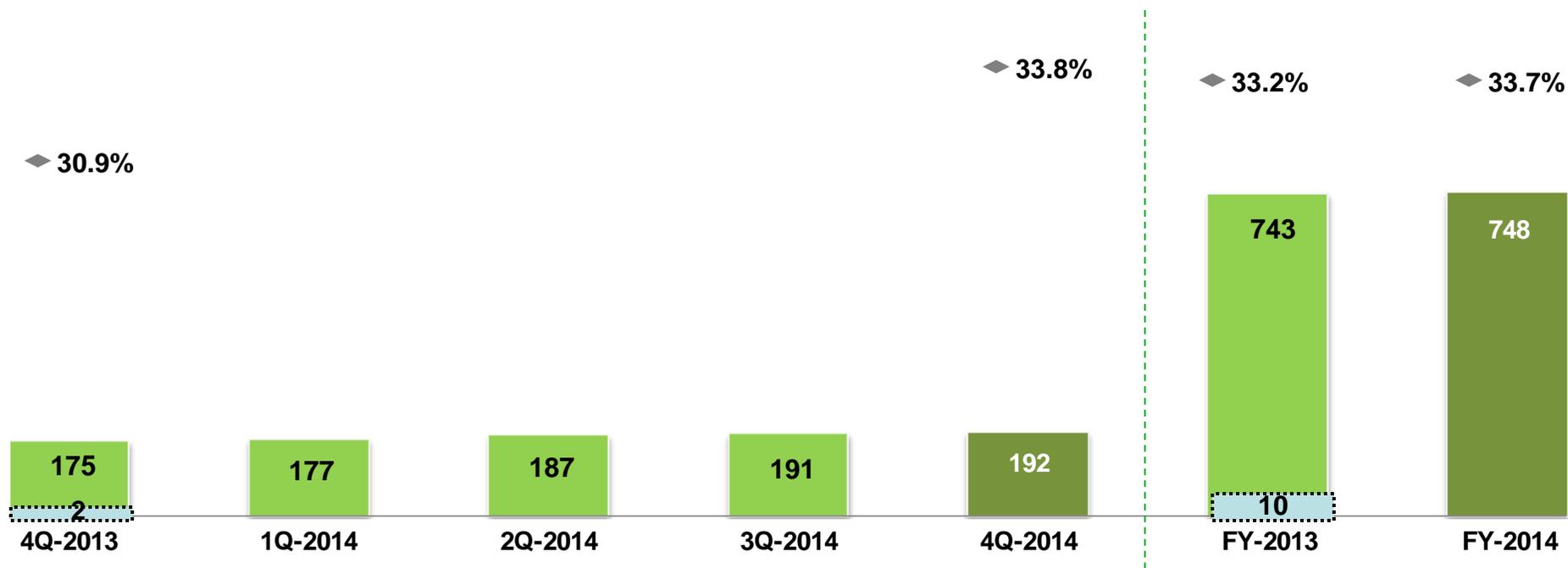
Financial Highlights

Business Highlights

2015 Outlook

# EBITDA & EBITDA Margin

(S\$M)

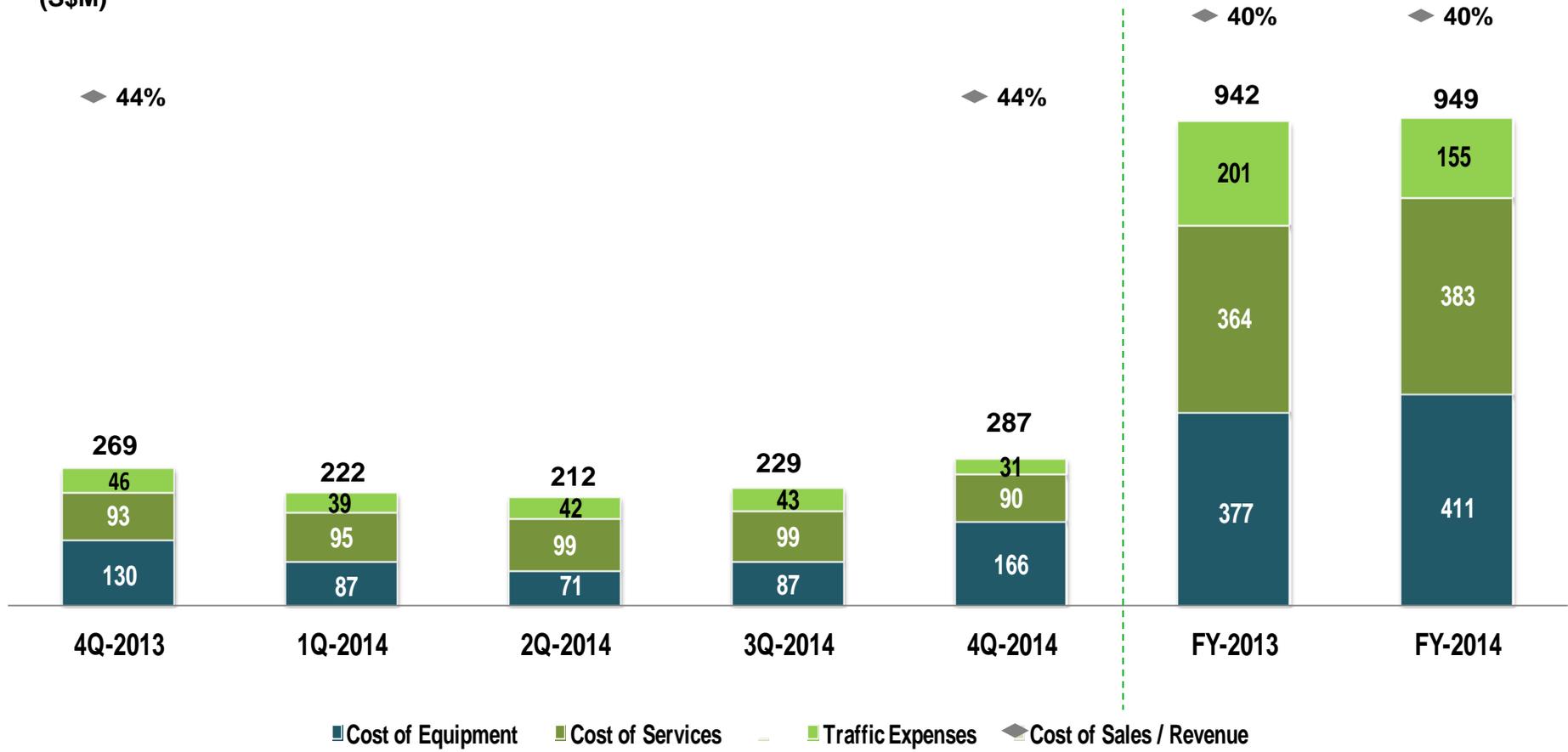


◆ EBITDA Margin as % of Service Revenue

\* Numbers may not add up due to rounding /  FY2013 restated

# Cost Of Sales

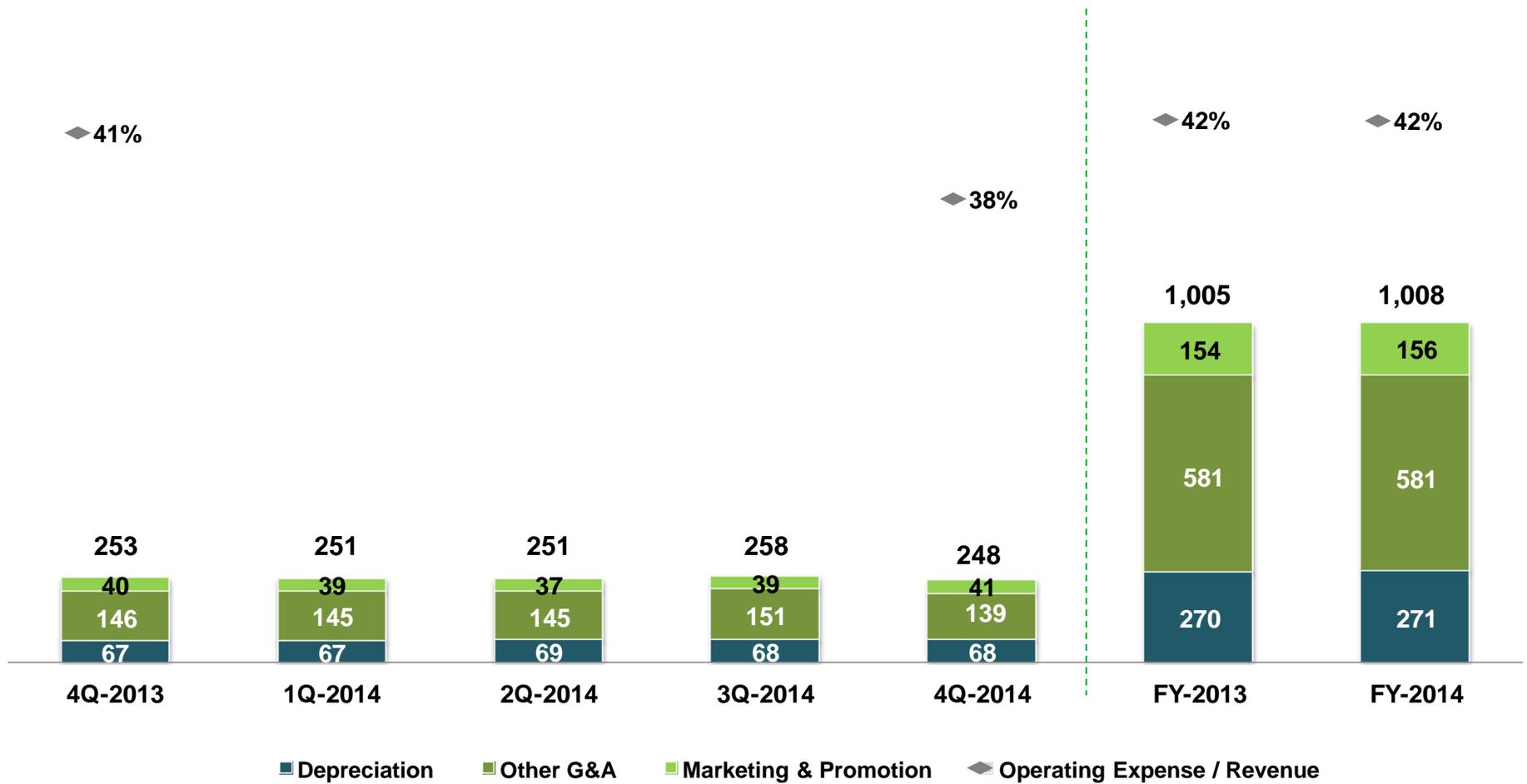
(S\$M)



\* Numbers may not add up due to rounding.

# Other Operating Expenses

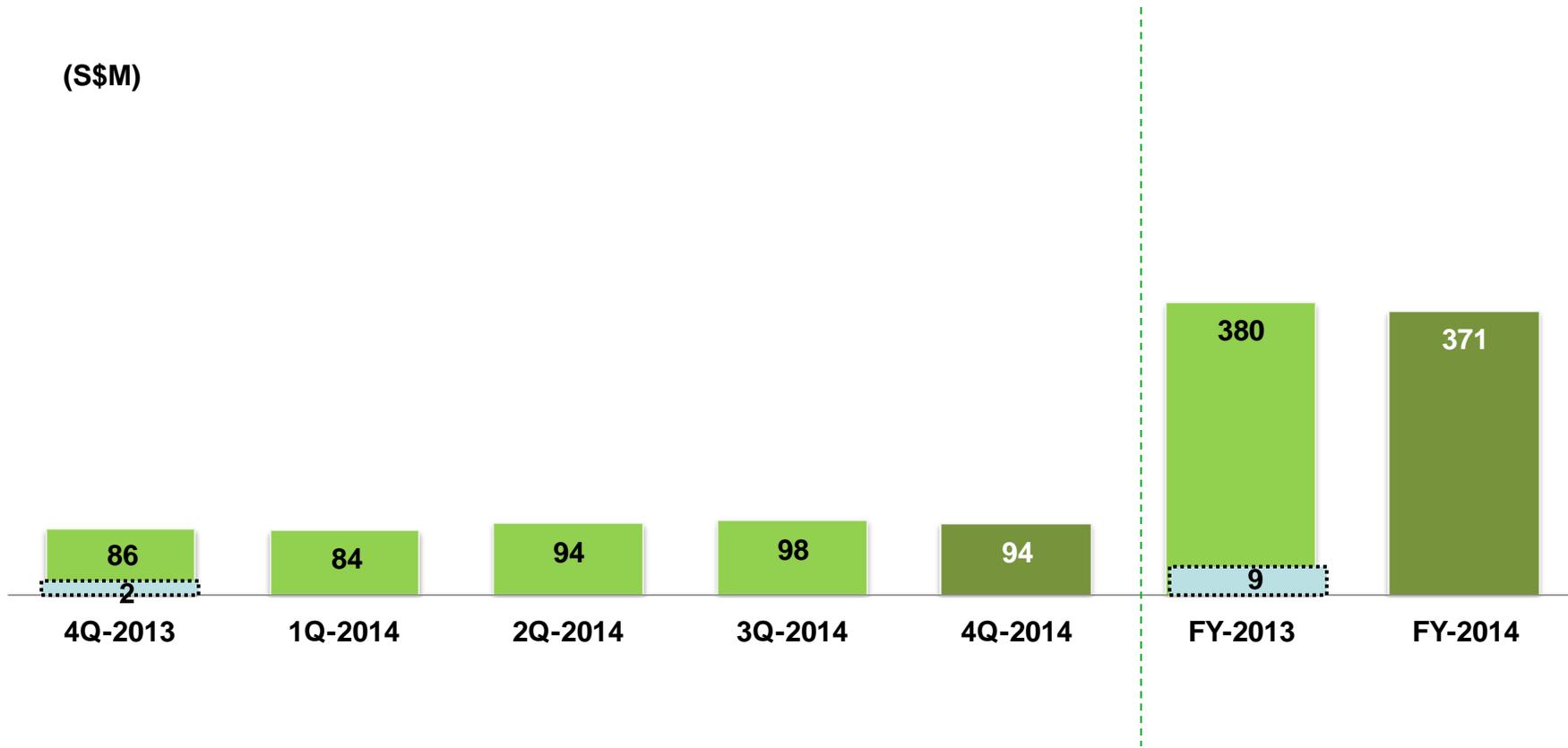
(S\$M)



\* Numbers may not add up due to rounding.

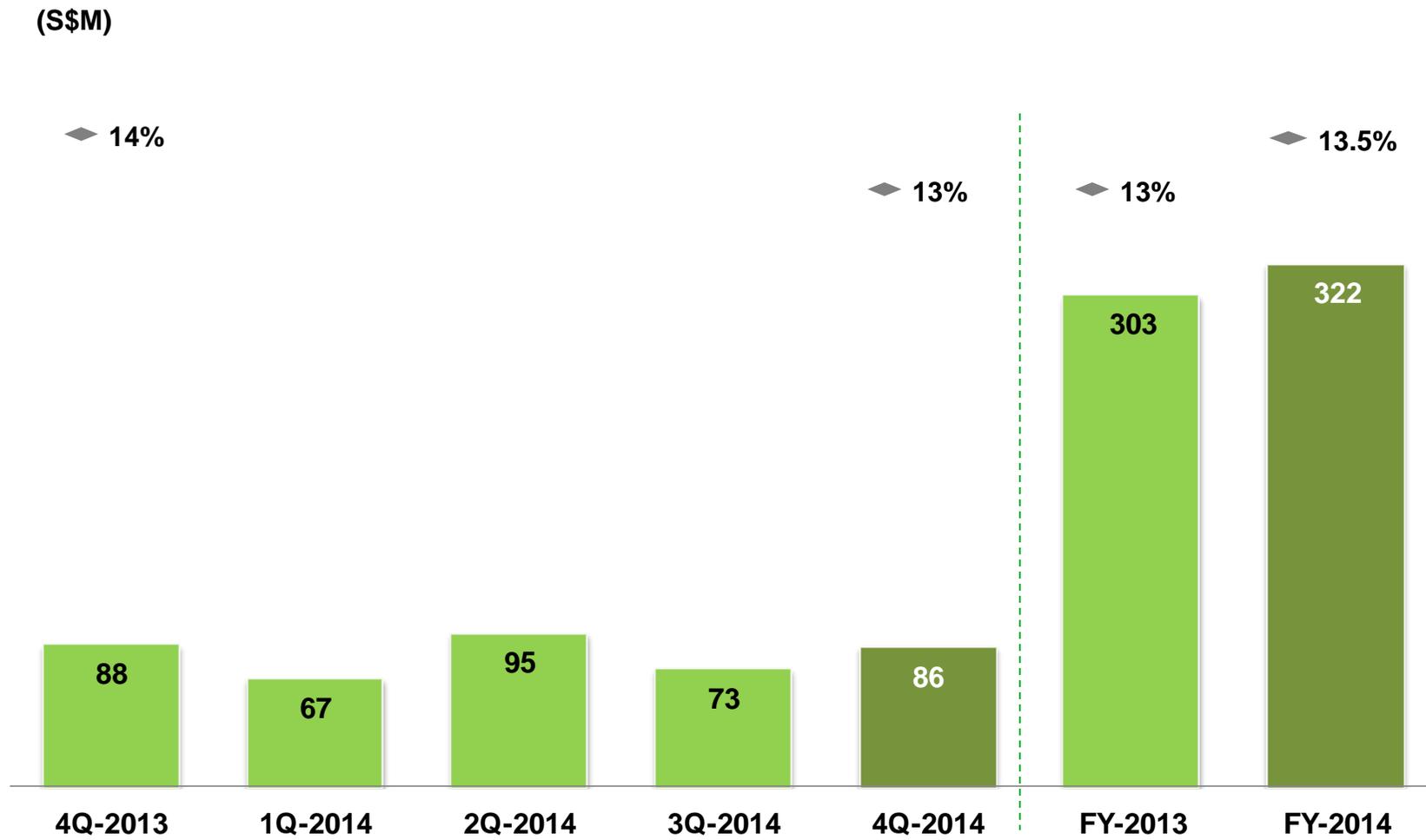
# Net Profit After Tax

(S\$M)



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# Capex (cash payments)

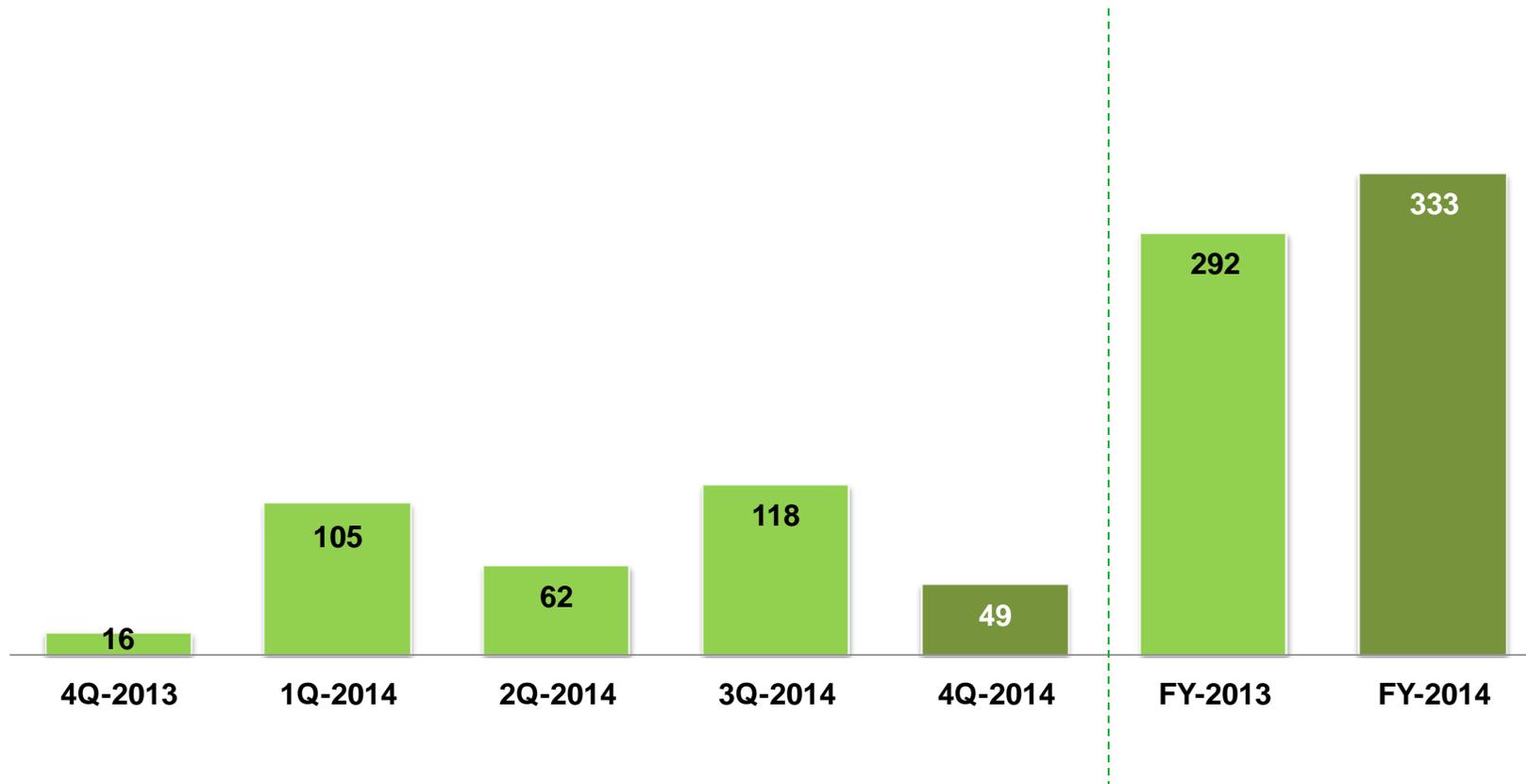


◆ Capex/Revenue

\* Numbers may not add up due to rounding.

# Free Cash Flow

(S\$M)



\* Numbers may not add up due to rounding

**FY2014 Highlights**

**Financial Highlights**

**Business Highlights - Mobile**

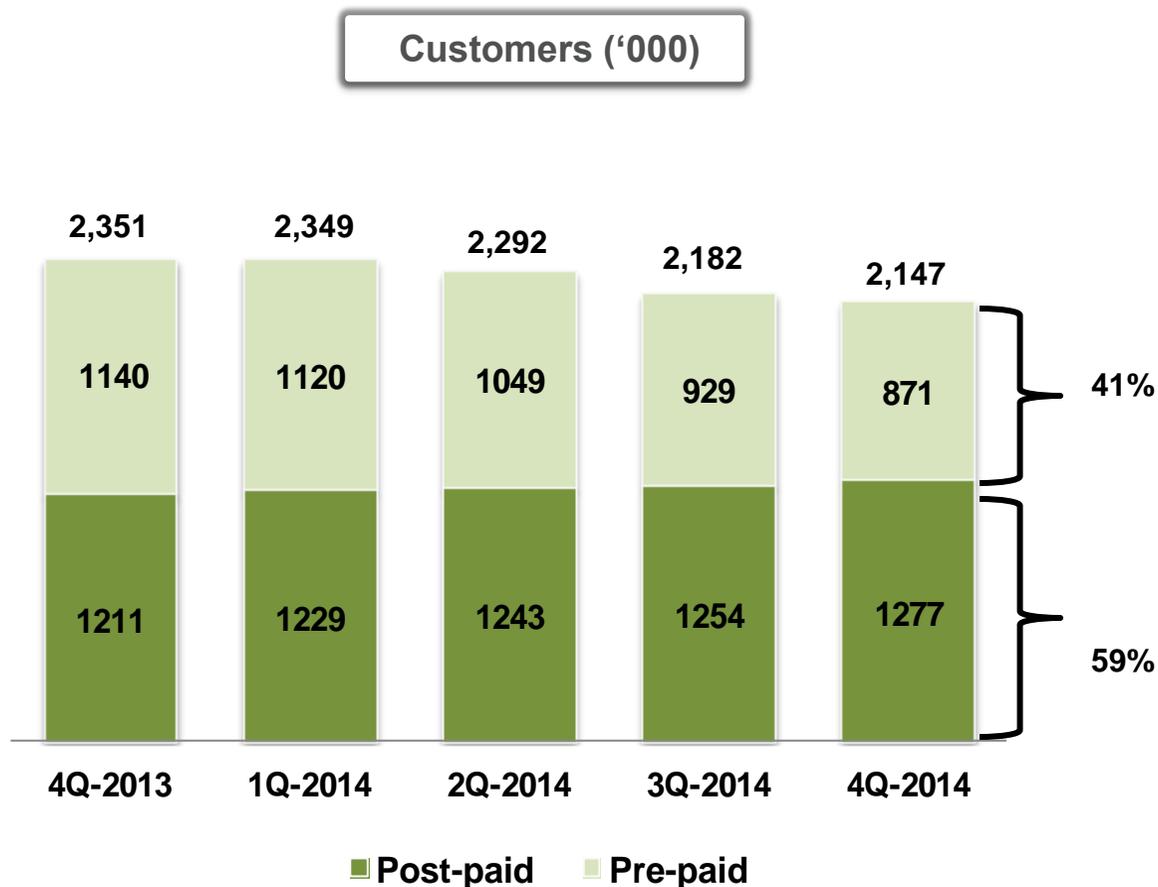
**2015 Outlook**

## Mobile (4Q-2014 vs 4Q-2013)

- ❖ Post-paid revenue grew 4%
- ❖ Post-paid ARPU at S\$71
- ❖ Post-paid customer base grew 65k



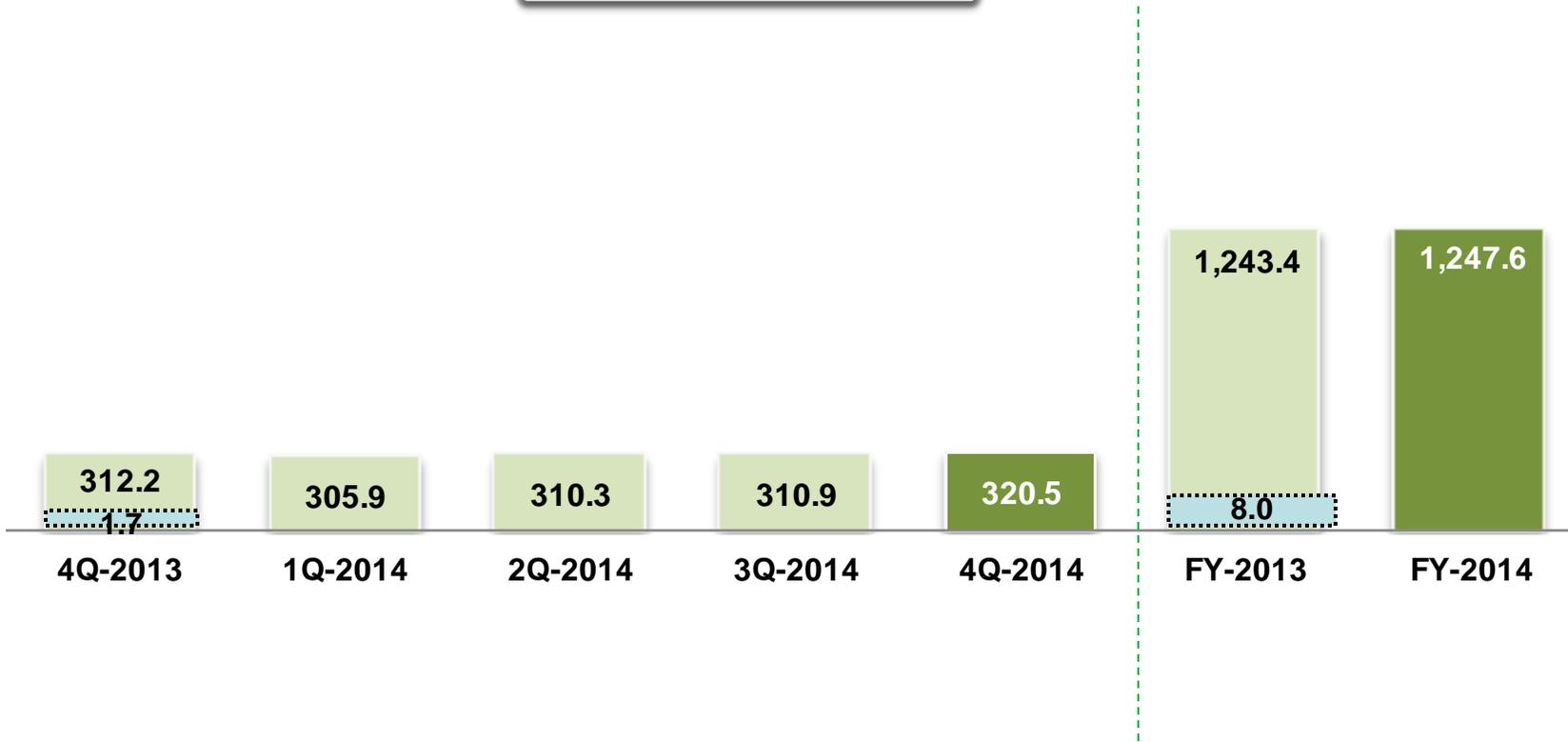
# Mobile Customer Base



\* Numbers may not add up due to rounding.

# Mobile Revenue

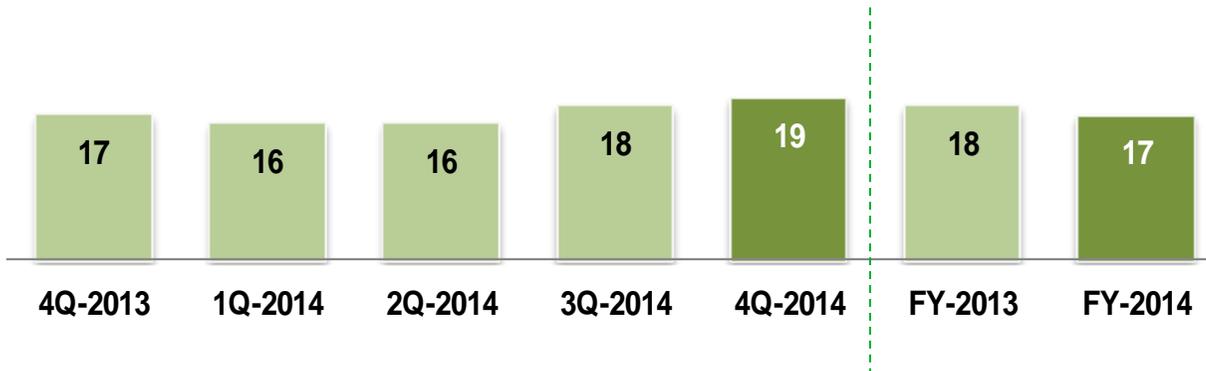
Mobile Revenue (S\$M)



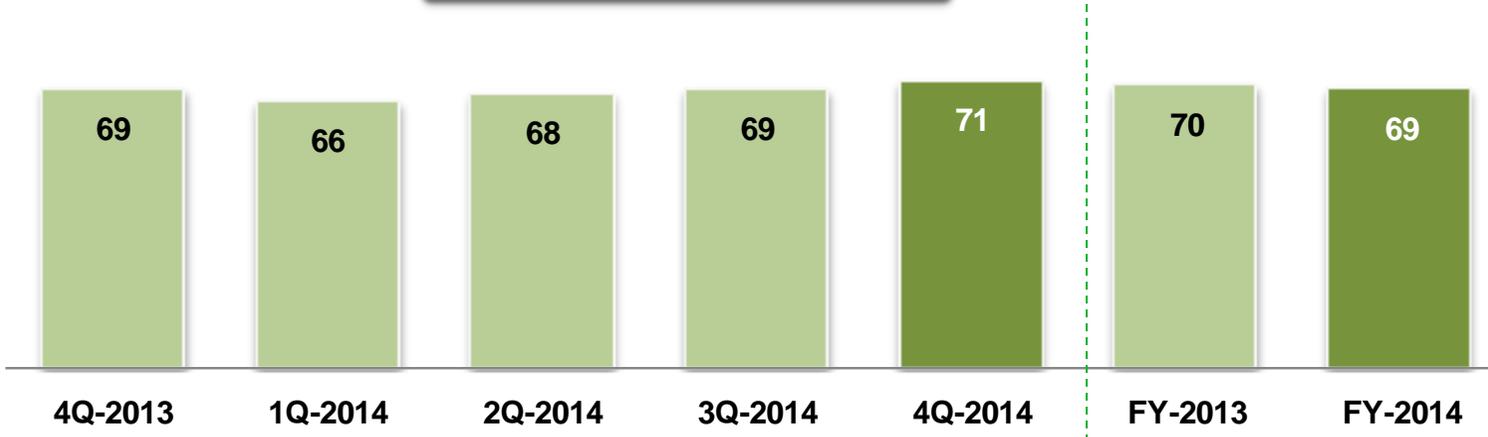
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# Mobile ARPU

Pre-paid ARPU (S\$ per month)

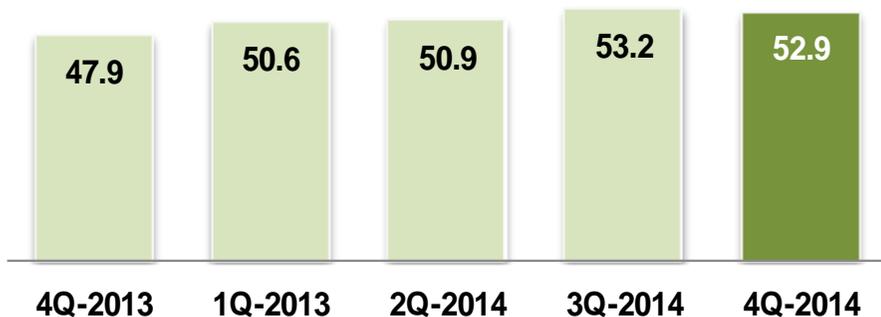


Post-paid ARPU (S\$ per month)

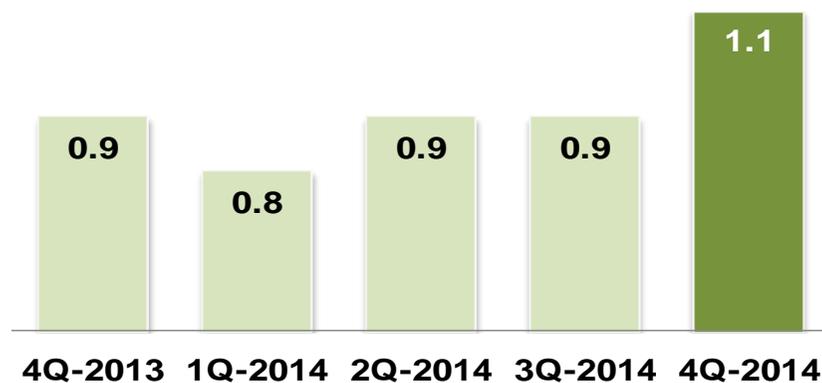


# Mobile Non-Voice & Churn Trend

Post-paid Non-Voice Services (% of ARPU)



Post-paid Monthly Churn Rate (%)



FY2014 Highlights

Financial Highlights

**Business Highlights – Pay TV**

2015 Outlook

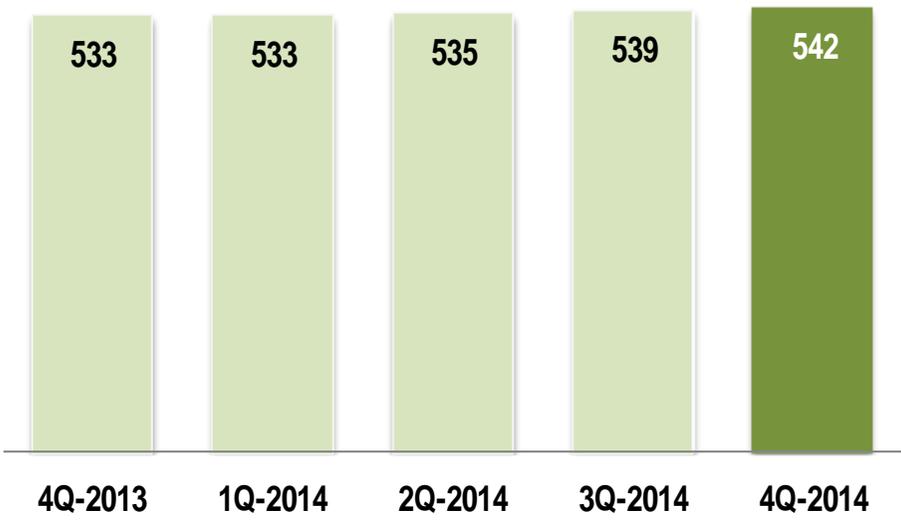
## Pay TV (4Q-2014 vs 4Q-2013)

- ❖ Revenue stable
- ❖ ARPU at S\$52
- ❖ Customer base increased 9k

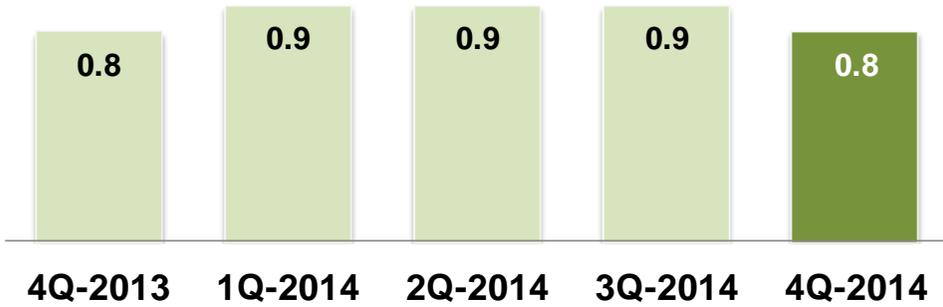


# Pay TV Base & Churn

Customers ('000)

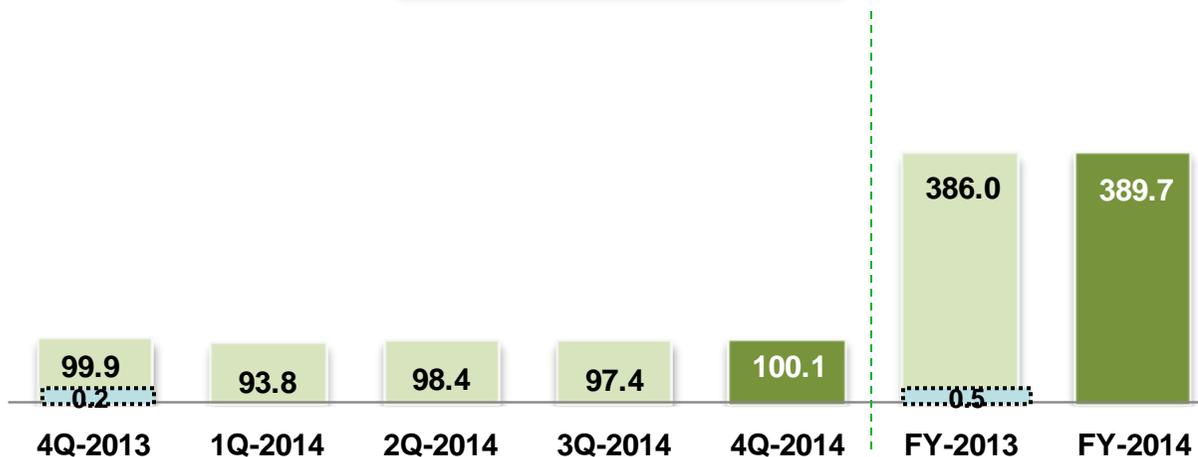


Average Monthly Churn Rate (%)



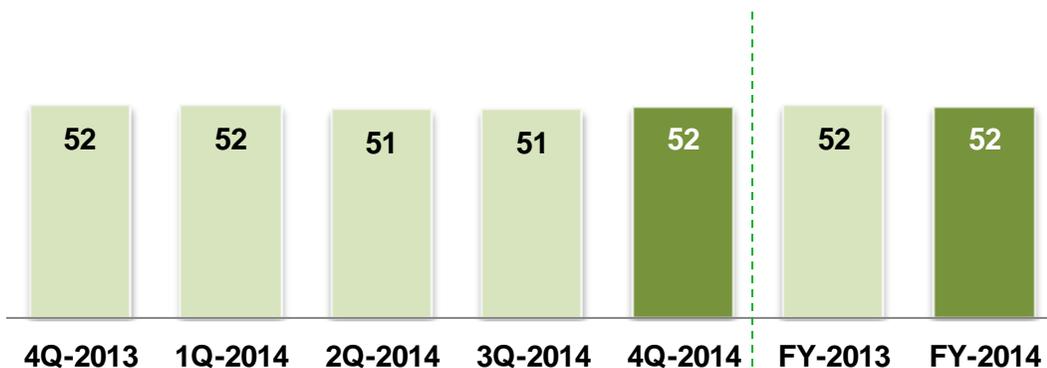
# Pay TV Revenue & ARPU

Pay TV Revenue (S\$M)



\* Numbers may not add up due to rounding /  FY2013 restated

Residential Pay TV ARPU (S\$ per month)



FY2014 Highlights

Financial Highlights

**Business Highlights - Broadband**

2015 Outlook

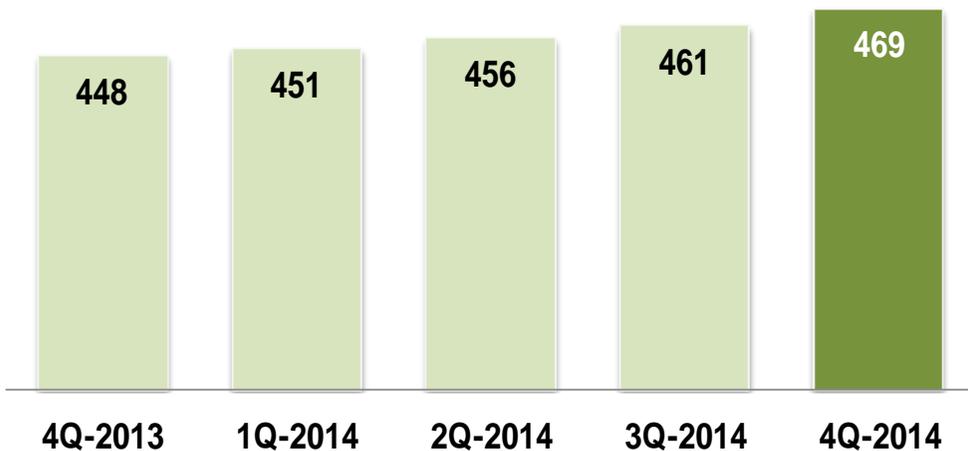
## Broadband (4Q-2014 vs 4Q-2013)

- ❖ Revenue decreased 16%
- ❖ ARPU at S\$34
- ❖ Customer base grew 21k

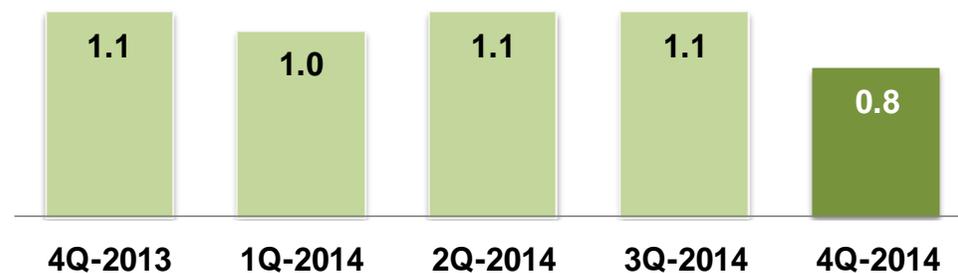


# Broadband Base & Churn

Customers ('000)

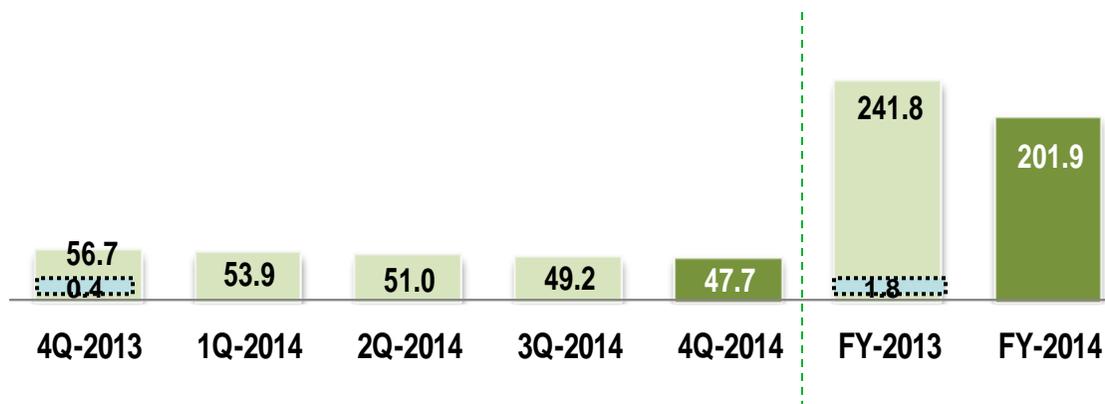


Average Monthly Churn Rate (%)



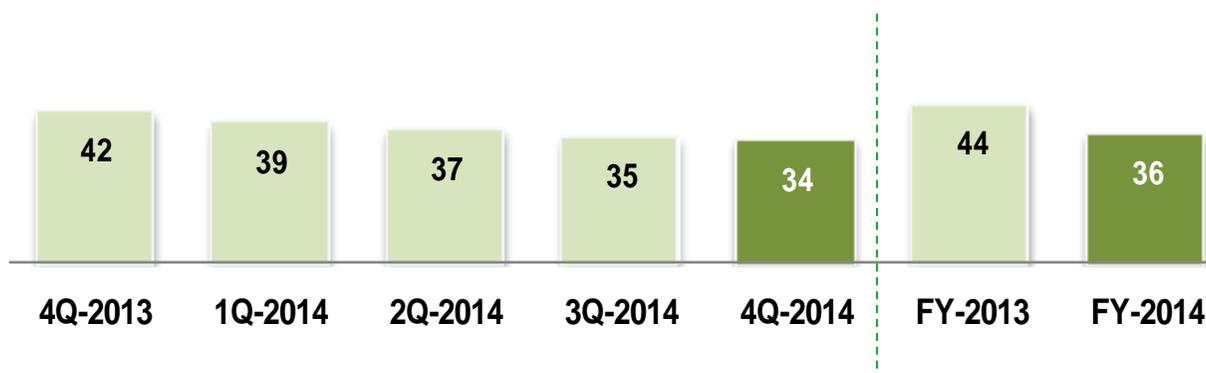
# Broadband Revenue & ARPU

Broadband Revenue (S\$M)



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Residential Broadband ARPU (S\$ per month)



**FY2014 Highlights**

**Financial Highlights**

**Business Highlights – Fixed Network Services**

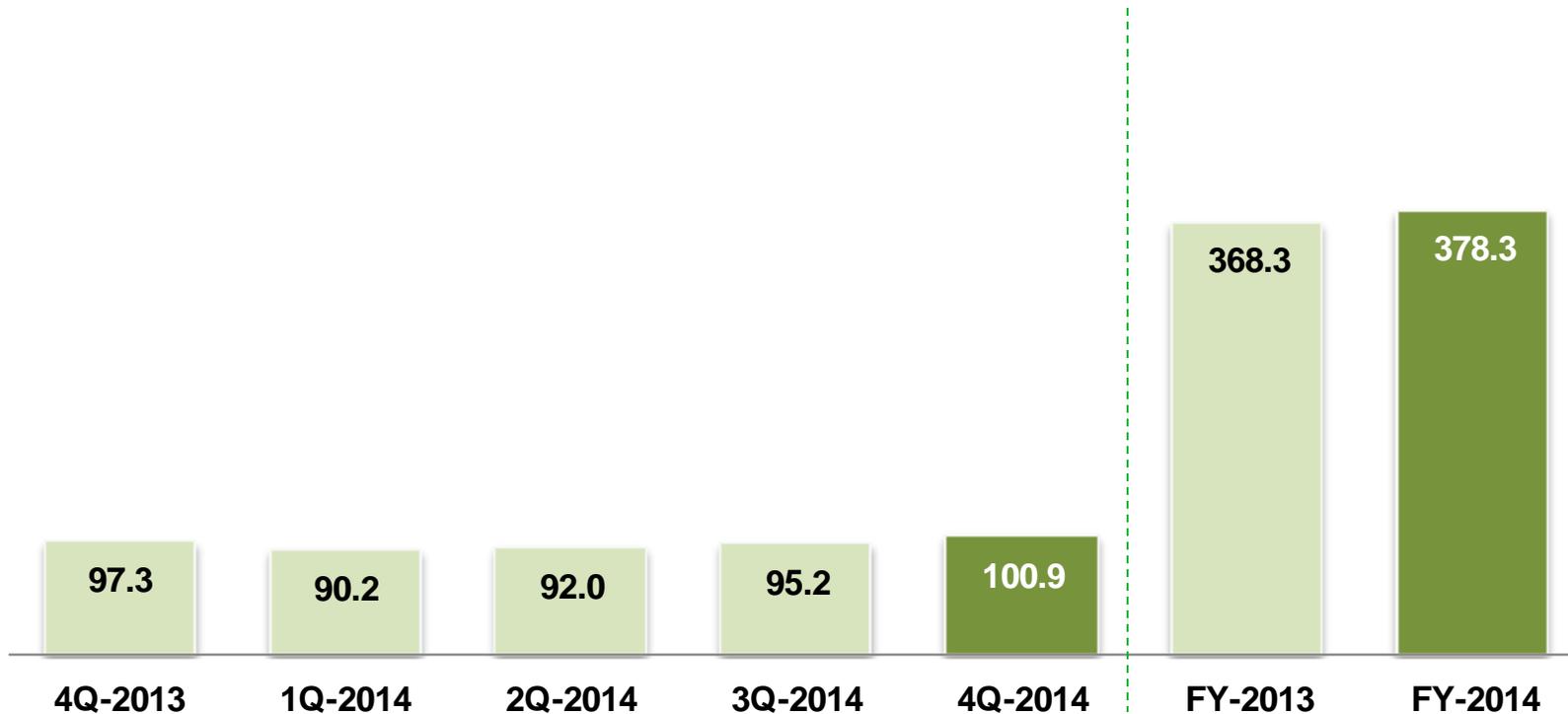
**2015 Outlook**

## Fixed Network Services (4Q-2014 vs 4Q-2013)

- ❖ Data & Internet revenue increased 6%
- ❖ Voice revenue decreased 9%

# Fixed Network Services

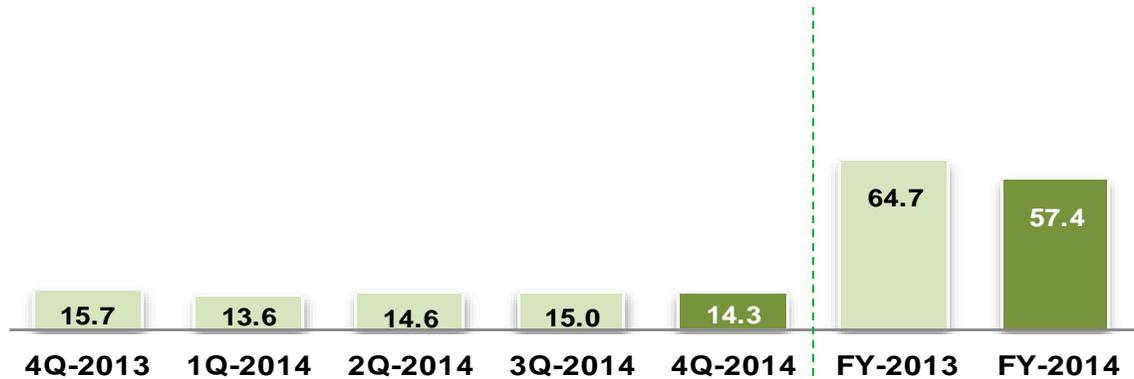
Fixed Network Revenue (S\$M)



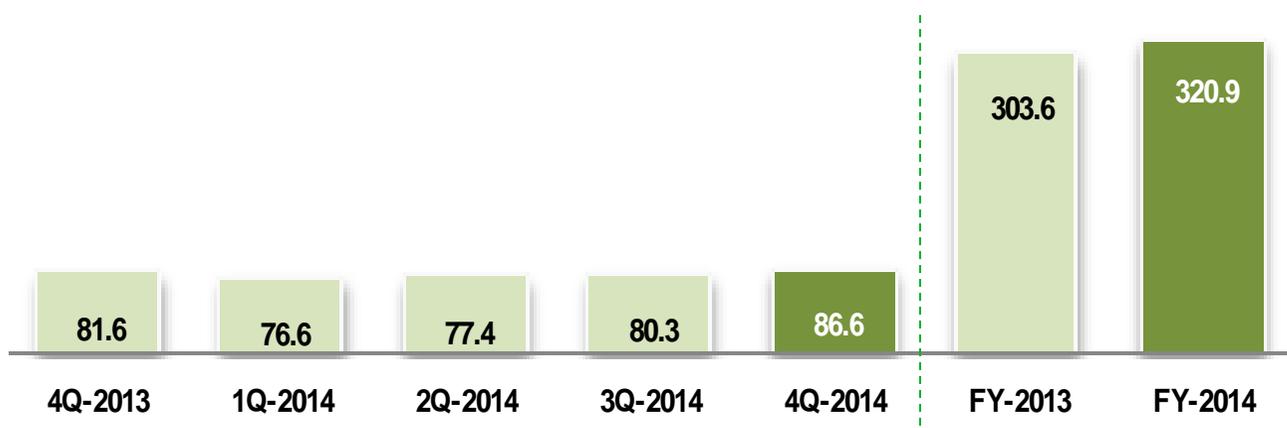
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# Voice/Data & Internet

Voice Revenue (S\$M)



Data & Internet Revenue (S\$M)



\* Numbers may not add up due to rounding.

**FY2014 Highlights**

**Financial Highlights**

**Business Highlights**

**2015 Outlook**



# FY2015 Outlook



- ❖ **Revenue:** Expect service revenue growth in the low single-digit range
- ❖ **EBITDA:** Expect EBITDA margin on service revenue to be about 32%
- ❖ **CAPEX:** Expect cash capex to be about 13% of total revenue  
(excludes the MediaHub project)
- ❖ **Dividend:** Intend to maintain annual cash dividend of 20.0 cents per share for FY2015  
Propose final dividend of 5.0 cents per share for FY2014

# Investor Relations Contact

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