



3 July 2023

## Dialogue with Unitholders

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# Our business



# Our business is future proof

## PREFERRED

#1

Only means of fixed broadband delivery in Singapore

## HIGH PENETRATION



Over 95% residential penetration rate

## LOW PRICES



Fibre broadband prices are lower in Singapore than many other countries

## CRITICAL INFRASTRUCTURE



Fibre supports last-mile wireless access solutions such as WiFi hotspots and 4G/5G mobile base stations

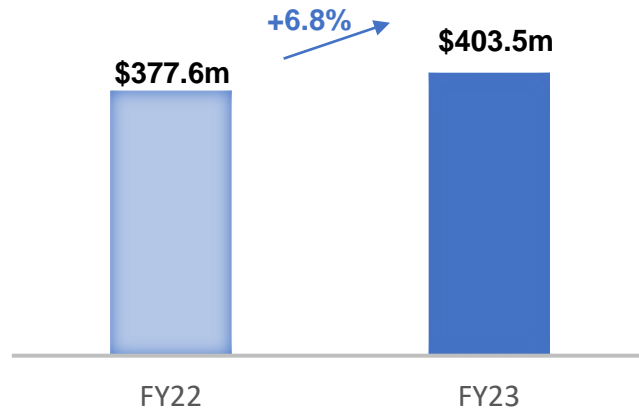
## SCALABLE



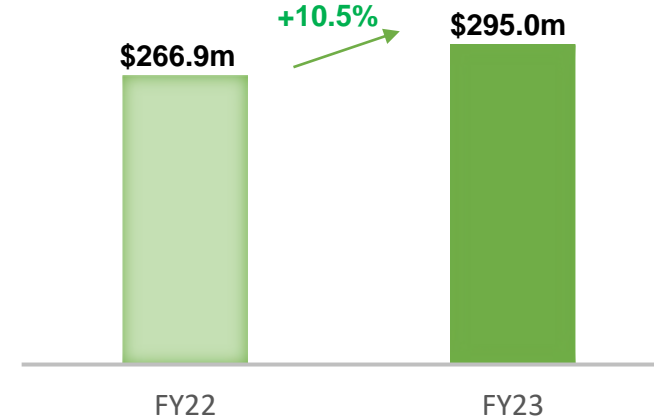
Fibre capacity is highly scalable and can support future transmission technologies

# FY23 Financial highlights

## REVENUE



## EBITDA



## NET GEARING

**20.3%**

Comfortable debt headroom

## WEIGHTED AVERAGE DEBT MATURITY

**3.4 years**

## MARKET CAPITALISATION

**\$3.4 billion**

Unit price of \$0.86 as at  
31 Mar 2023

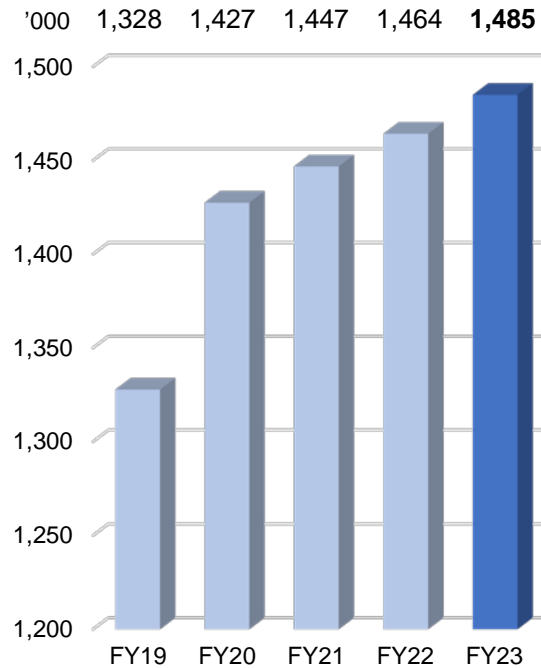
## DISTRIBUTION PER UNIT

**5.24 cents**

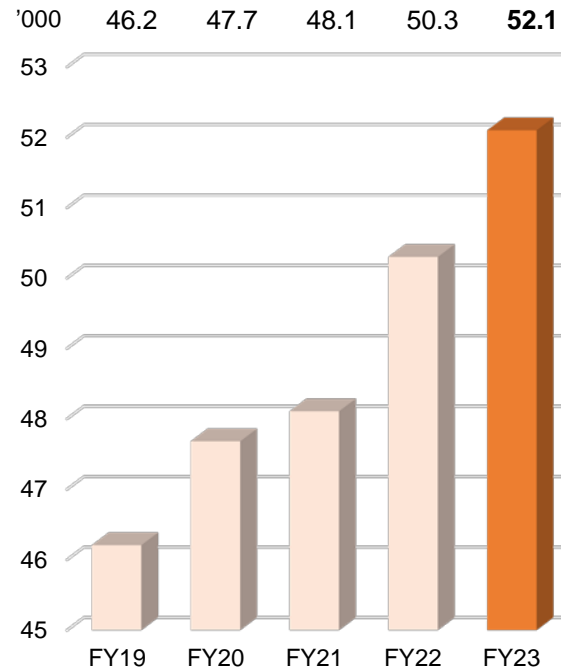
2.1% higher than FY22

# Fibre connections

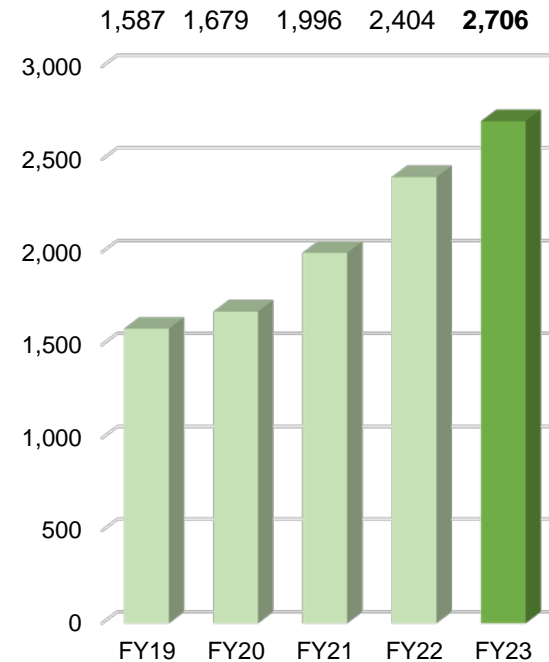
## Residential



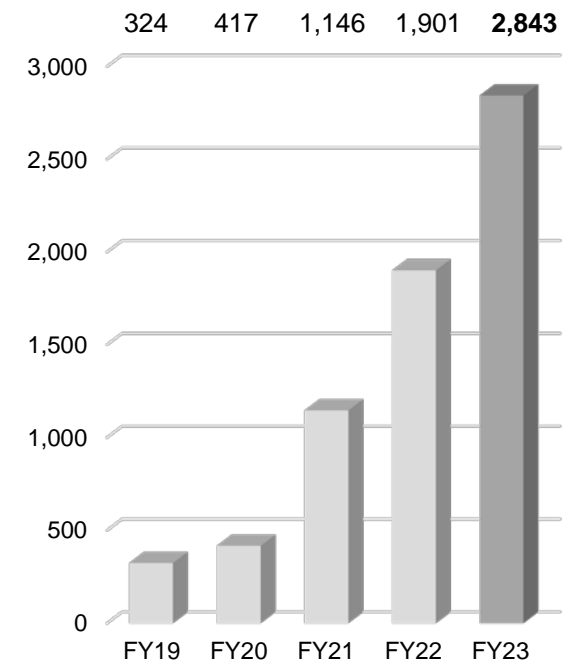
## Non-Residential



## Non-Building Address Points



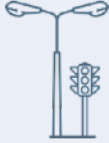







## Segment<sup>(1)</sup>



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

# Resilient business model

	 Residential Connections	 Non-Residential Connections	 NBAP & Segment Connections	 Ducts & Manholes Service Revenue	 Installation Related Revenue	 Ancillary Project Revenue	 Co-Location & Other Revenue	 Central Office Revenue
	RAB REVENUE				NON-RAB REVENUE			
<b>% of FY23 Revenue</b>	<b>60.5%</b>	<b>8.0%</b>	<b>4.2%</b>	<b>6.8%</b>	<b>5.0%</b>	<b>6.4%</b>	<b>5.3%</b>	<b>3.8%</b>
<b>Recurring, predictable cash flows</b>	✓	✓	✓	✓	-	-	✓	✓
<b>Long-term contracts / customer stability</b>	✓	✓	✓	✓	-	-	✓	✓
<b>Regulated revenues</b>	✓	✓	✓	✓	✓	-	✓	-
<b>Creditworthy customers</b>	✓	✓	✓	✓	✓	✓	✓	✓

# Strategic Focus

- 1. Improve network reach, densification and capability in support of NetLink's fibre-to-anywhere (FTTx) deployment.**
- 2. Improve competitiveness of NetLink's Fibre in enterprise and Government segment**
- 3. Provide expertise and infrastructure to support the upgrade of the NBN**
- 4. Explore opportunities to invest in telecoms infrastructure businesses overseas which are likely to generate a stable cashflow**
- 5. Create brand affinity with end-users**



# FY23 Profit & loss statement

\$'000	FY23	FY22	Variance (%)
Revenue	403,460	377,611	6.8
EBITDA	294,979	266,941	10.5
EBITDA Margin (%)	73.1	70.7	2.4 pp
Depreciation and amortisation	(170,617)	(169,723)	0.5
Net finance charges	(15,145)	(10,140)	49.4
Net Profit after tax	109,253	91,262	19.7

**Revenue** for FY23 was **6.8%** higher than FY22 due to:

- Higher revenue from ancillary projects, NBAP and segment connections, residential connections, co-location and installation orders.
- Ancillary project revenue contributed most significantly with more projects completed in FY23.

**EBITDA** was **10.5%** higher mainly due to:

- Higher revenue (net of its related costs), higher other income and lower operating expenses.
- Operating expenses for FY23 were significantly lower in comparison to FY22 because of the \$12.4 million remeasurement loss recorded in FY22 due to the reduction in rental rates upon the renewal of the Central Office lease agreements.

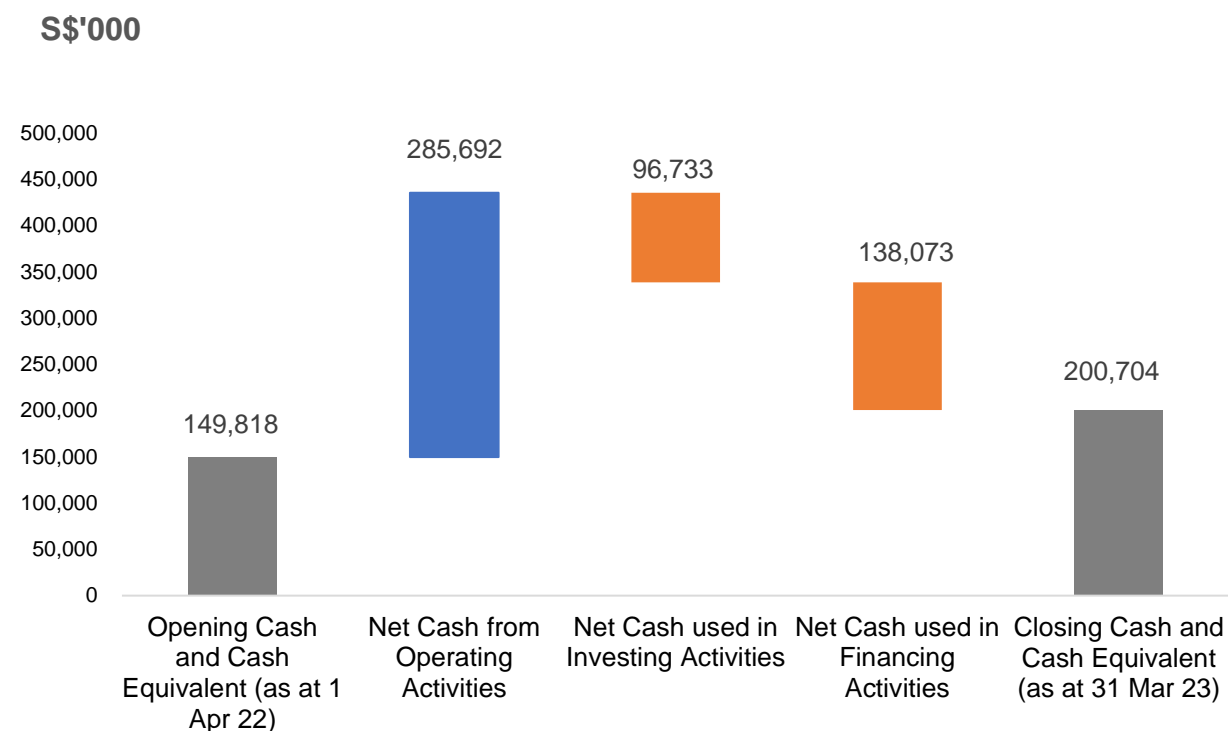
# Credit metrics and cashflow

	FY23	FY22
Gross Debt	<b>\$735m</b>	\$666m
Weighted average debt maturity	<b>3.4 yrs</b>	3.4 yrs
Net debt/EBITDA <sup>(1)</sup>	<b>1.8x</b>	1.9x
EBITDA Interest cover <sup>(1)</sup>	<b>18.6x</b>	29.8x
Borrowings at Fixed Rate	<b>69.4%</b>	76.6%
Effective average interest rate	<b>2.1%</b>	1.1%

<sup>(1)</sup> Ratios calculated based on NetLink Group's trailing 12 months financial

- Debt interest rate substantially hedged
- Strong capital structure with debt headroom to fund future capex

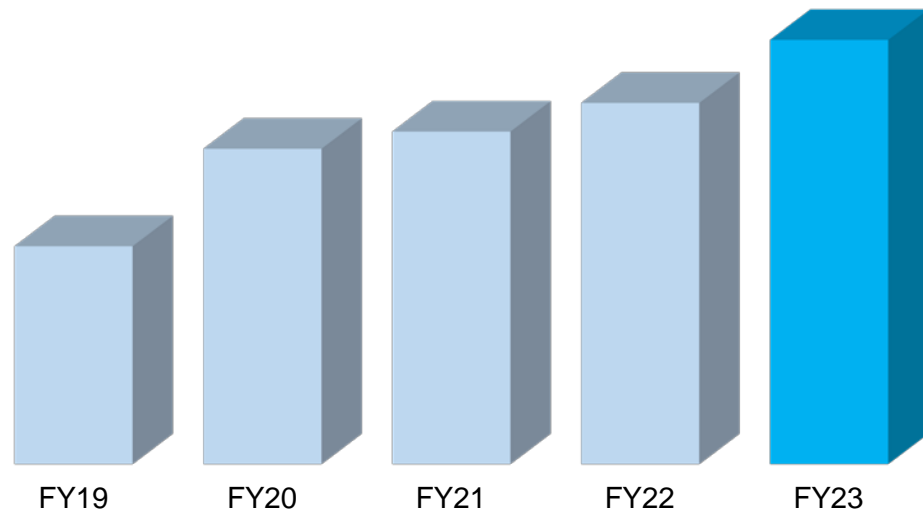
## Strong cashflow from operations



# Attractive distribution

## Distribution per Unit (Singapore cents)

4.88	5.05	5.08	5.13	5.24
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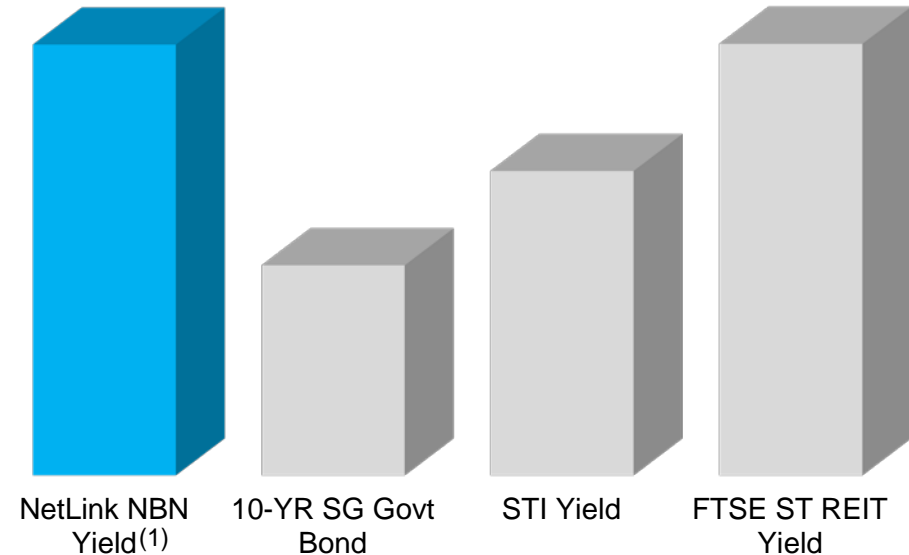


NetLink has returned **\$1.1 billion** to unitholders since its IPO in Jul 2017 to date (including the H2FY23 distribution)

## Distribution yield (%)

6.09	2.94	4.26	6.04
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Bloomberg as at 31 Mar 2023



<sup>(1)</sup> Based on the unit price of \$0.86 as at 31 Mar 2023

# Corporate Governance Awards

**Governance Index for Trust (GIFT) 2022**

**RANKED 1<sup>st</sup>**

**Singapore Corporate Governance and Transparency Index (SGTI)**

**RANKED 5<sup>th</sup>**  
REIT and Business Trust Category

**Singapore Corporate Awards 2022**

**BRONZE**  
**Best Investor Relations Award**  
REITs and Business Trusts Category

**SIAS Investors' Choice Award**

**WINNER**  
**Shareholder Communication Excellence Award**  
REITs and Business Trusts Category

**ASEAN Corporate Governance Scorecard Awards**

- **ASEAN ASSET CLASS**
- **ASEAN TOP 20**
- **S'PORE TOP 3 PUBLICLY LISTED COMPANIES**



# Sustainability

## TARGET

- Reduce scope 1 and 2 emissions **50% by FY30 (using FY22 as a baseline)**
- Achieve net zero by 2050



## OUR ENVIRONMENT

- Achieved within target a **scrap rate of 2.2%** on fibre cable issued
- Maintained **zero incidents** of non-compliance on waste disposal practices
- Recorded **31% Scope 1 and 2 emissions** reduction from FY22 base year\*
- Embarked on our **inaugural TCFD report** with completed qualitative scenario analysis

\* This is mainly due to the reduction in refrigerant and diesel top up in our COs. The amount of top up required varies from year to year.



## OUR BUSINESS PRACTICES

- Maintained **zero cases** of corruption and significant non-compliance with laws and regulations
- Received **five awards and recognitions** for corporate governance and communications
- Sustained **zero incidents** of data breaches affecting personal data or company-related confidential data



## OUR PEOPLE & COMMUNITIES

- Recorded a total of **5,864 learning hours**
- **No incidents** of discrimination reported
- Maintained **zero work-related incidents** that resulted in permanent disability or fatality
- Maintained **100% islandwide** fibre coverage
- Maintained **99.99%** network availability



**Thank you**