



19 July 2023

Management Presentation

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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

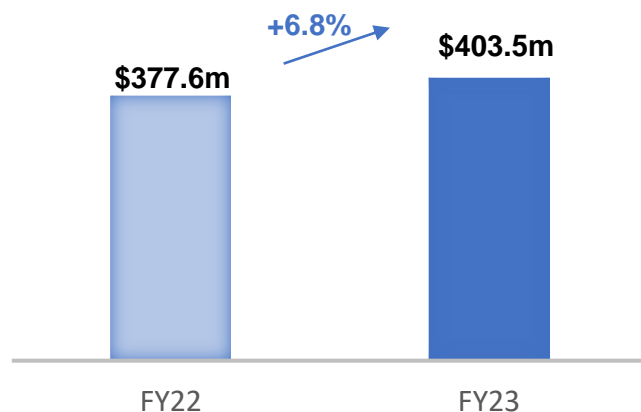
SCALABLE



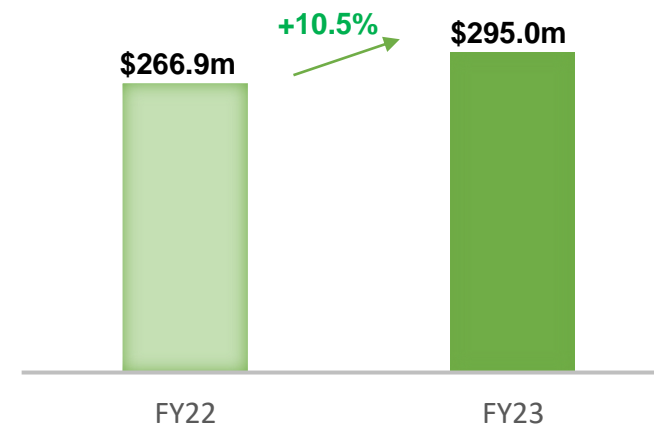
Fibre capacity is highly scalable and can support future transmission technologies

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

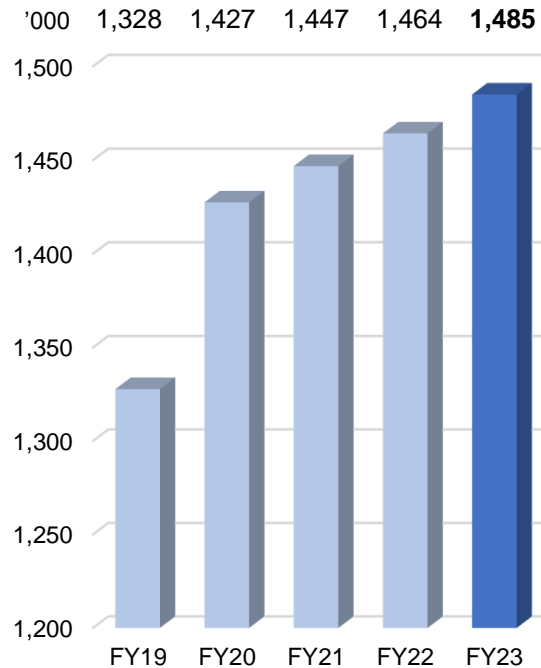
DISTRIBUTION PER UNIT

5.24 cents

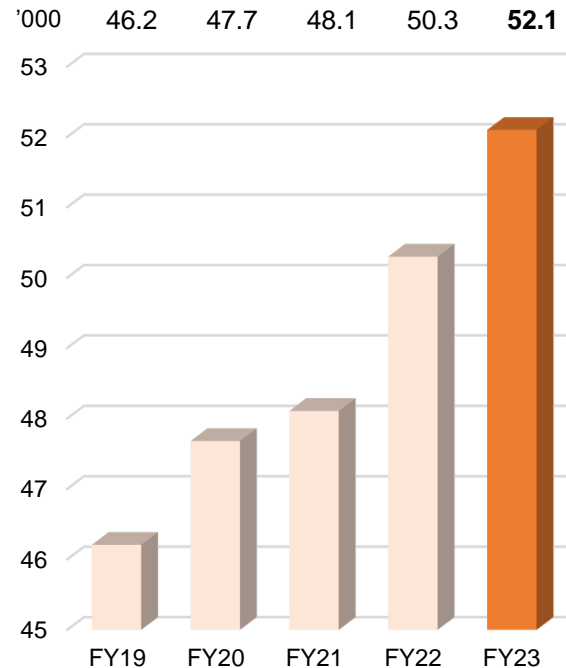
2.1% higher than FY22

Fibre connections

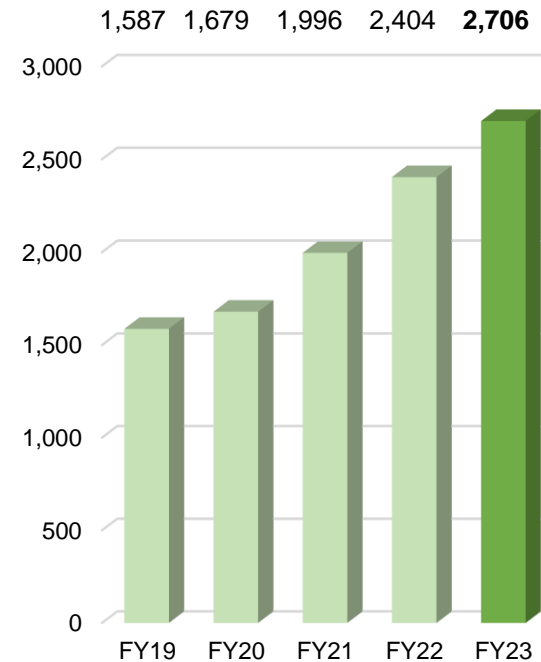
Residential



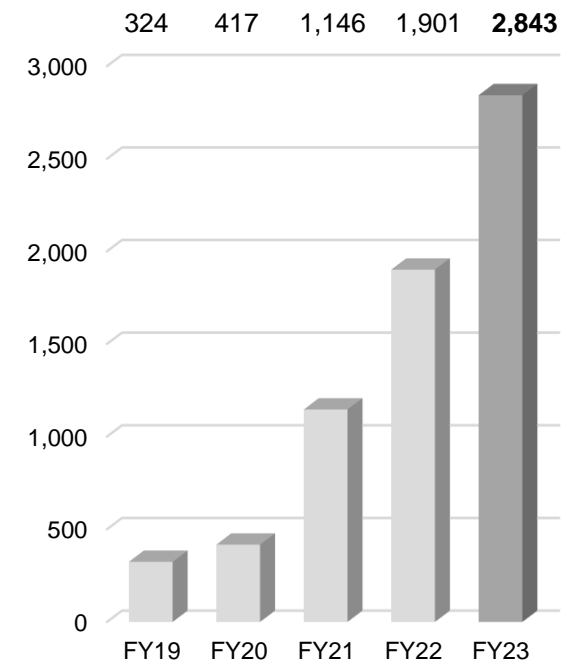
Non-Residential



Non-Building Address Points



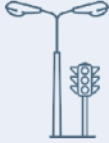







Segment⁽¹⁾



⁽¹⁾ 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			
% of FY23 Revenue	60.5%	8.0%	4.2%	6.8%	5.0%	6.4%	5.3%	3.8%
Recurring, predictable cash flows	✓	✓	✓	✓	-	-	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	-	-	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	-	✓	-
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

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.

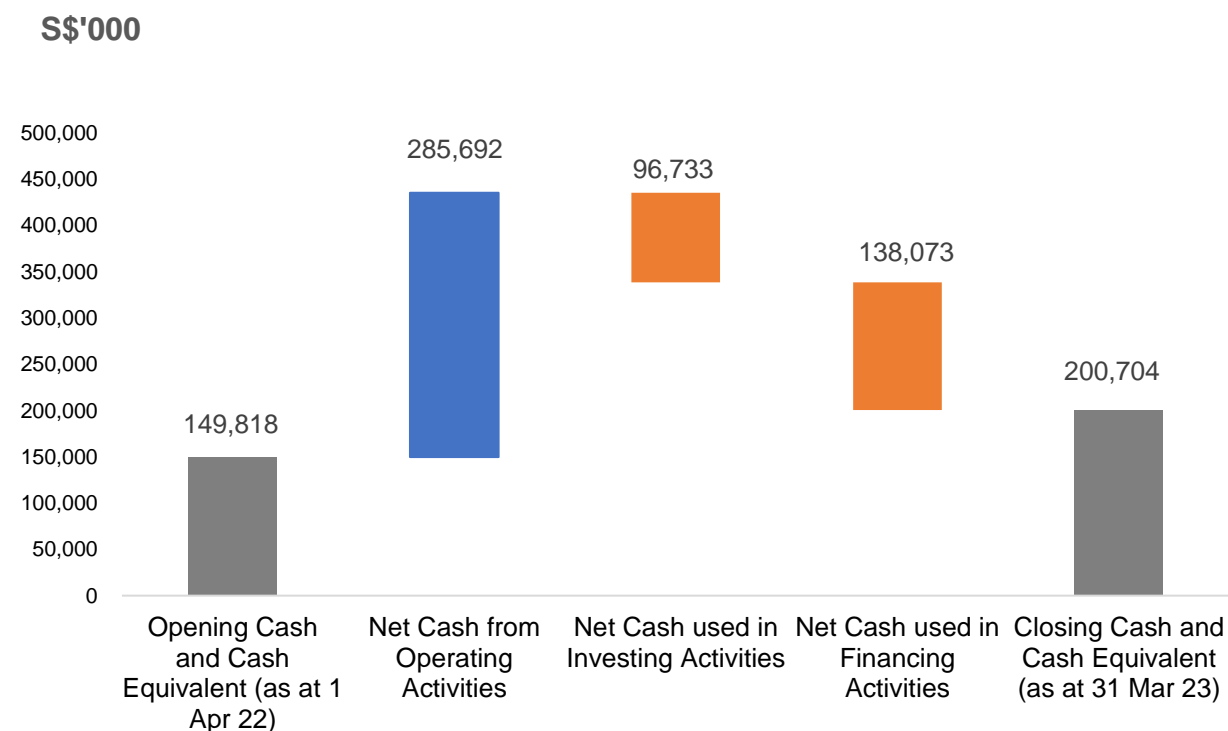
Credit metrics and cashflow

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

⁽¹⁾ 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

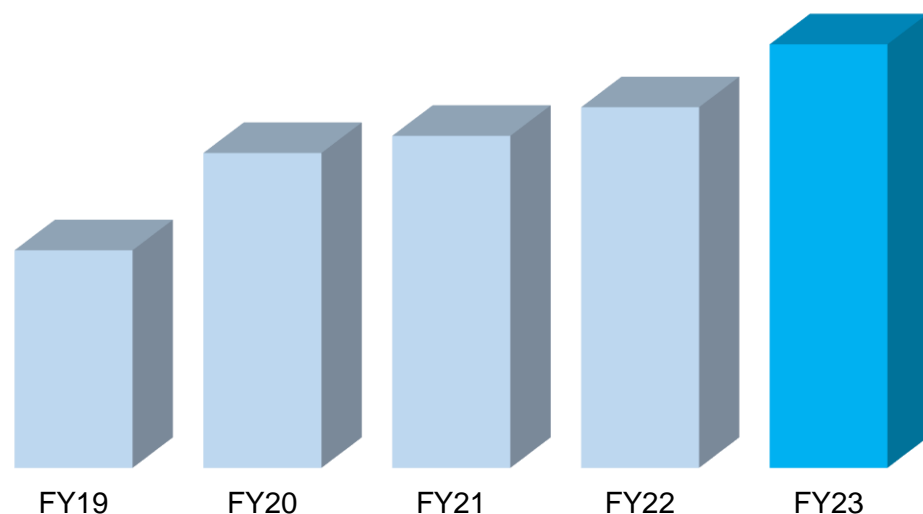
Strong cashflow from operations



Attractive distribution

Distribution per Unit (Singapore cents)

4.88	5.05	5.08	5.13	5.24
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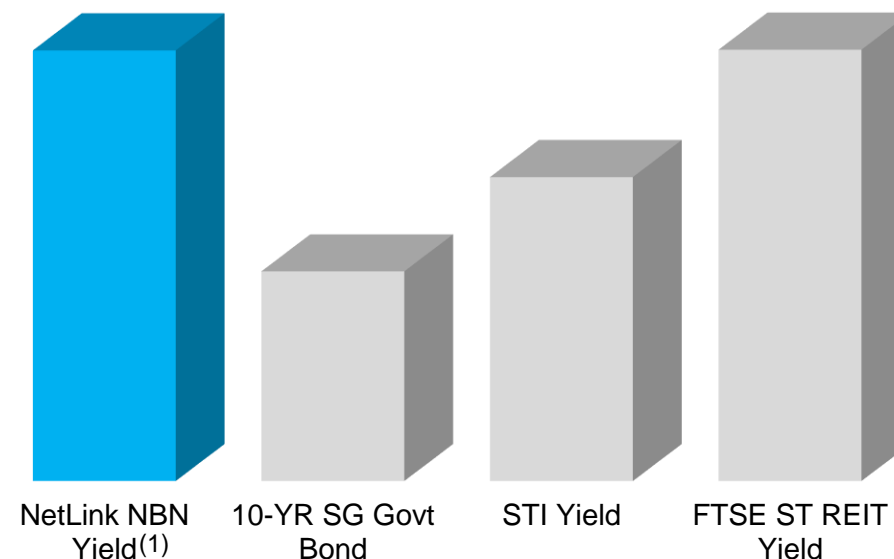


NetLink has returned **\$1.1 billion** to unitholders since its IPO in Jul 2017 to date (including the H2FY23 distribution)

Distribution yield (%)

6.09	2.94	4.26	6.04
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Bloomberg as at 31 Mar 2023



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

Corporate Governance Awards

Governance Index for Trust (GIFT) 2022

RANKED 1st

Singapore Corporate Governance and Transparency Index (SGTI)

RANKED 5th
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
