



26 March 2024

**DBS Vickers  
Pulse of Asia Conference**

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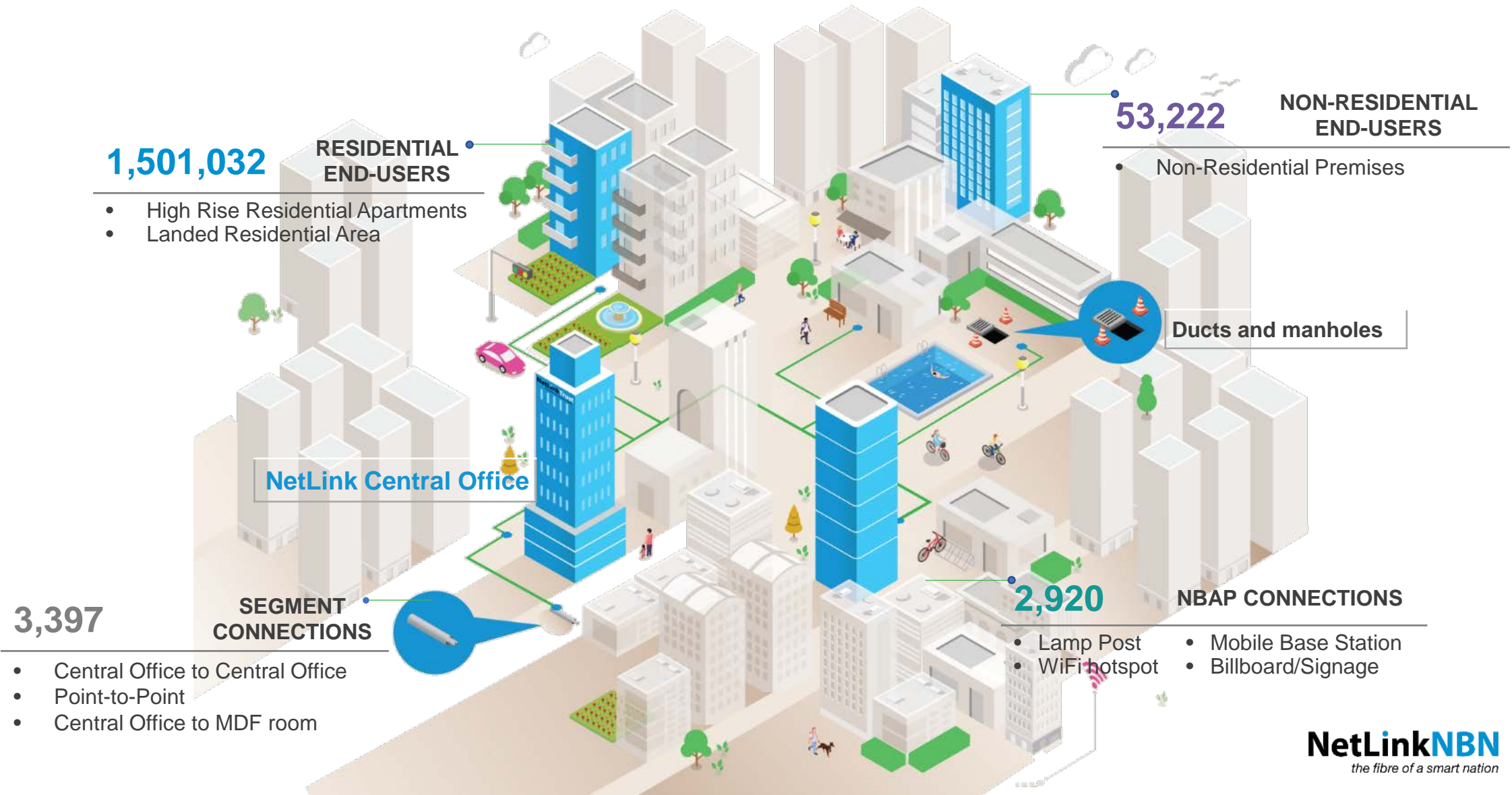
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# Our business



# Our business is future proof

## PREFERRED

#1

Only means of fixed broadband delivery in Singapore

## HIGH PENETRATION



High 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

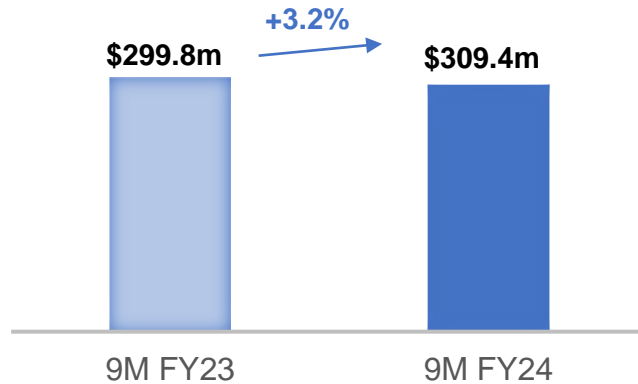
## SCALABLE



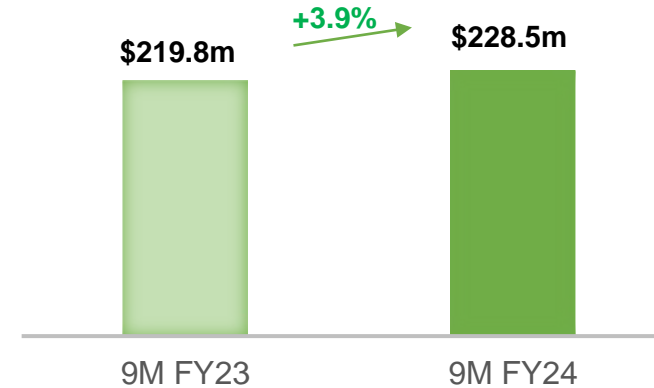
Fibre capacity is highly scalable and can support future transmission technologies

# 9M FY24 Financial highlights

## REVENUE



## EBITDA



## NET GEARING

**24.3%**  
Comfortable debt headroom

## WEIGHTED AVERAGE DEBT MATURITY

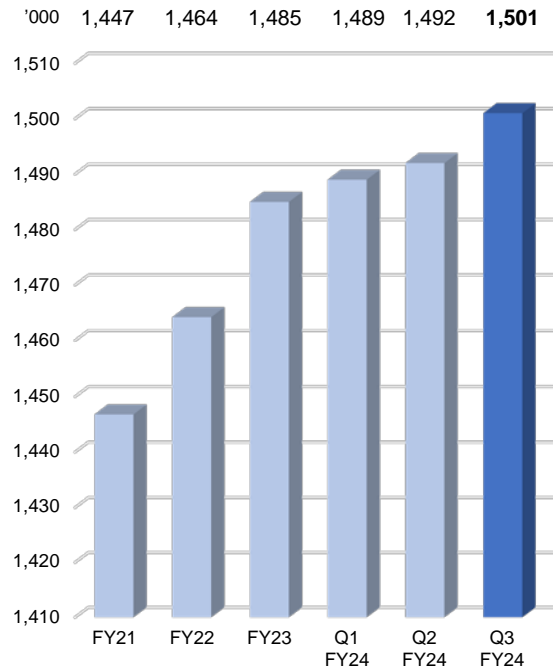
**2.7 years**

## MARKET CAPITALISATION

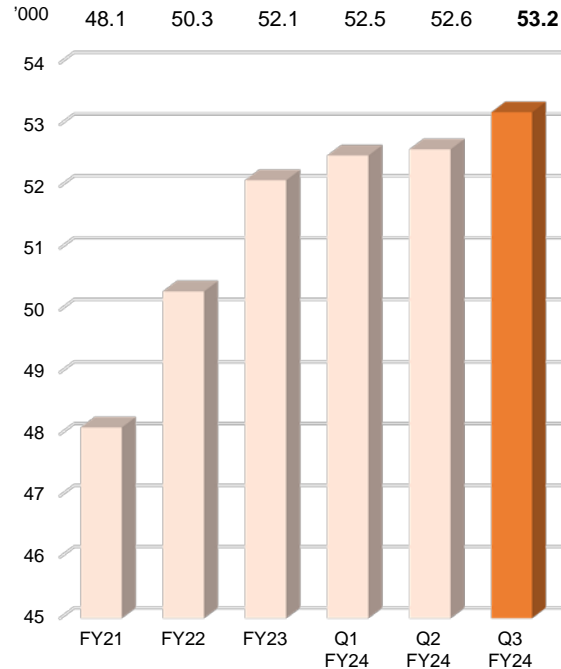
**\$3.3 billion**  
Unit price of \$0.840 as at  
31 Dec 2023

# Fibre connections

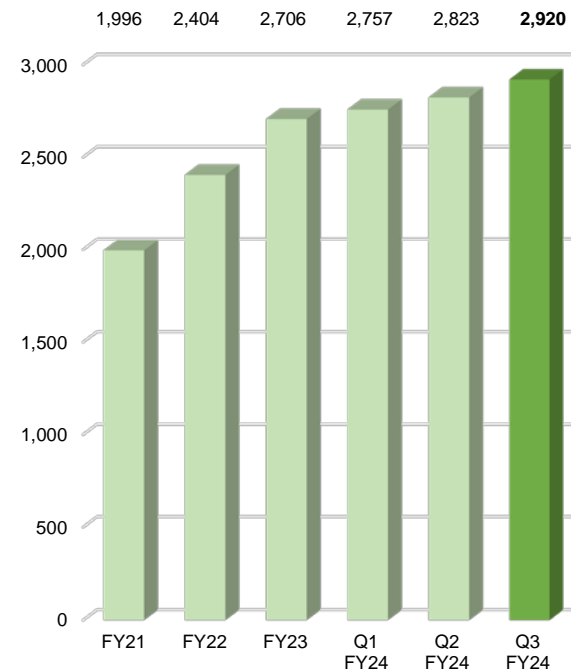
## Residential



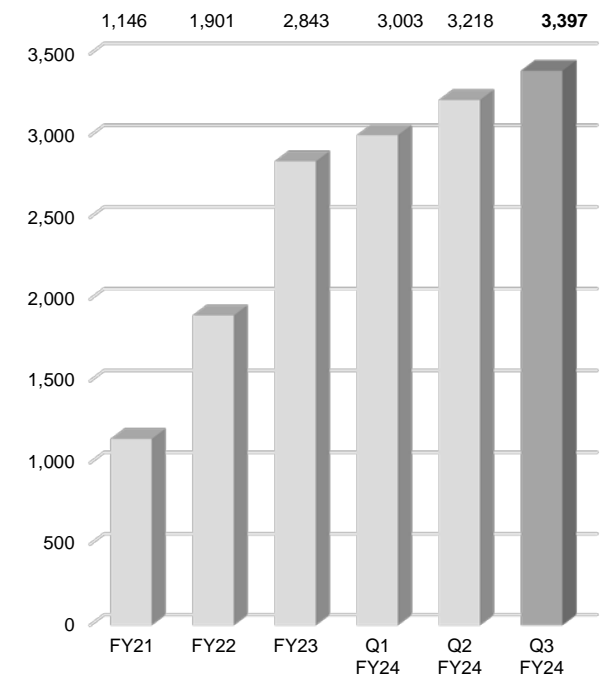
## Non-Residential



## Non-Building Address Points



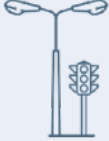







## Segment<sup>(1)</sup>



<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	 Co-Location Revenue	 Central Office Revenue	 Installation Related & Other Revenue	 Ancillary Project Revenue
	RAB REVENUE <sup>(1)</sup>					NON-RAB REVENUE		
<b>% of 9M FY24 Revenue</b>	<b>59.9%</b>	<b>8.1%</b>	<b>4.7%</b>	<b>6.6%</b>	<b>4.7%</b>	<b>4.0%</b>	<b>6.2%</b>	<b>5.8%</b>
<b>Recurring, predictable cash flows</b>	✓	✓	✓	✓	✓	✓	-	-
<b>Long-term contracts / customer stability</b>	✓	✓	✓	✓	✓	✓	-	-
<b>Regulated revenues</b>	✓	✓	✓	✓	✓	-	✓	-
<b>Creditworthy customers</b>	✓	✓	✓	✓	✓	✓	✓	✓

<sup>(1)</sup> These services are subject to IMDA's price review framework.

# 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**



# 9M FY24 Profit or loss statement

\$'000	9M FY24	9M FY23	Variance (%)
Revenue	309,447	299,843	3.2
EBITDA	228,474	219,839	3.9
EBITDA Margin (%)	73.8%	73.3%	0.5 pp
Depreciation and amortisation	(129,637)	(127,270)	1.9
Net finance costs	(13,810)	(11,246)	22.8
Profit after tax	85,106	81,798	4.0

**Revenue** for 9M FY24 was higher by \$9.6 million compared to 9M FY23.

- \$5.7 million from RAB revenue on the back of higher residential, non-residential, NBAP and Segment orders
- \$3.9 million from Non-RAB revenue, mainly contributed by higher installation-related revenue

**EBITDA** was \$8.6 million higher mainly due to higher revenue and a one-off reversal of operating costs following a resolution of disputed power charges.

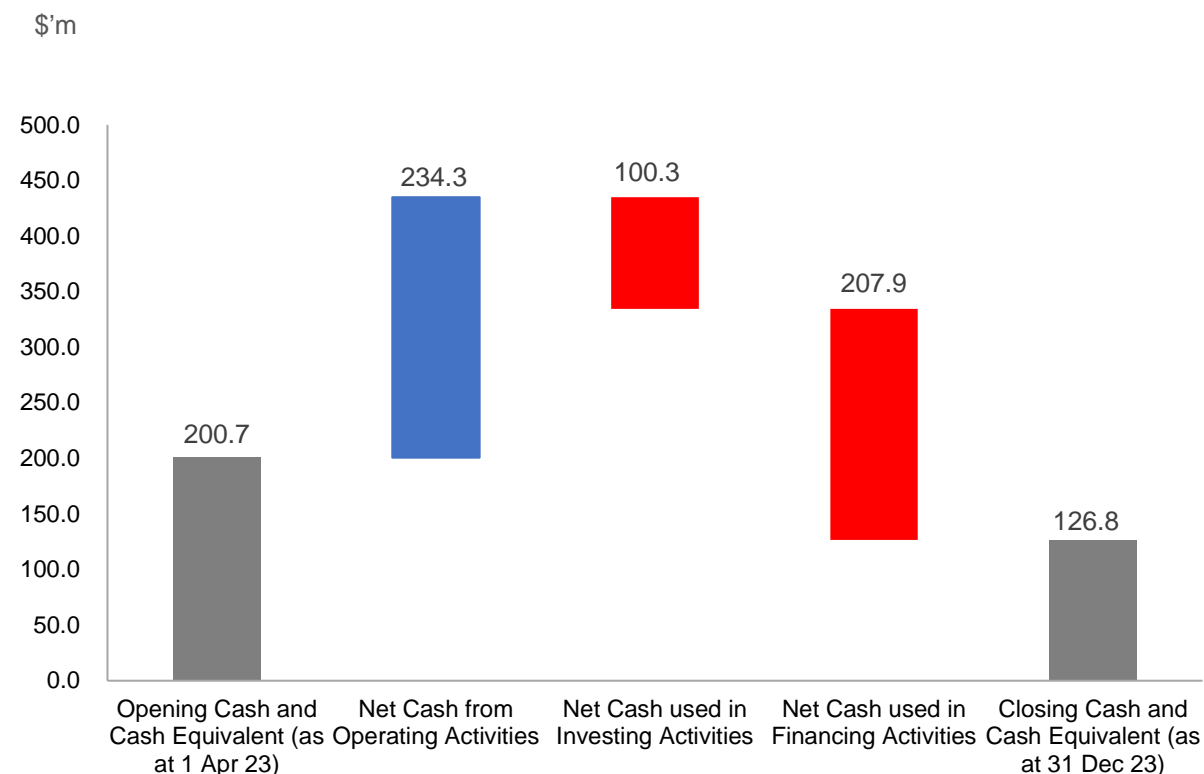
**PAT** increased by \$3.3 million as a result of higher EBITDA offset by higher net finance cost, depreciation, and income tax expenses.

# Credit metrics and cash flow

	Dec 2023	Mar 2023
Gross Debt	<b>\$735m</b>	\$735m
Weighted average debt duration	<b>2.7yrs</b>	3.4yrs
Net debt/EBITDA <sup>(1)</sup>	<b>2.0x</b>	1.8x
EBITDA Interest cover <sup>(1)</sup>	<b>15.2x</b>	18.6x
Borrowings at Fixed Rate	<b>69.4%</b>	69.4%
	9M FY24	9M FY23
Effective average interest rate	<b>2.64%</b>	2.03%

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

- Interest rate exposure is substantially hedged
- Strong capital structure with debt headroom to fund future capex

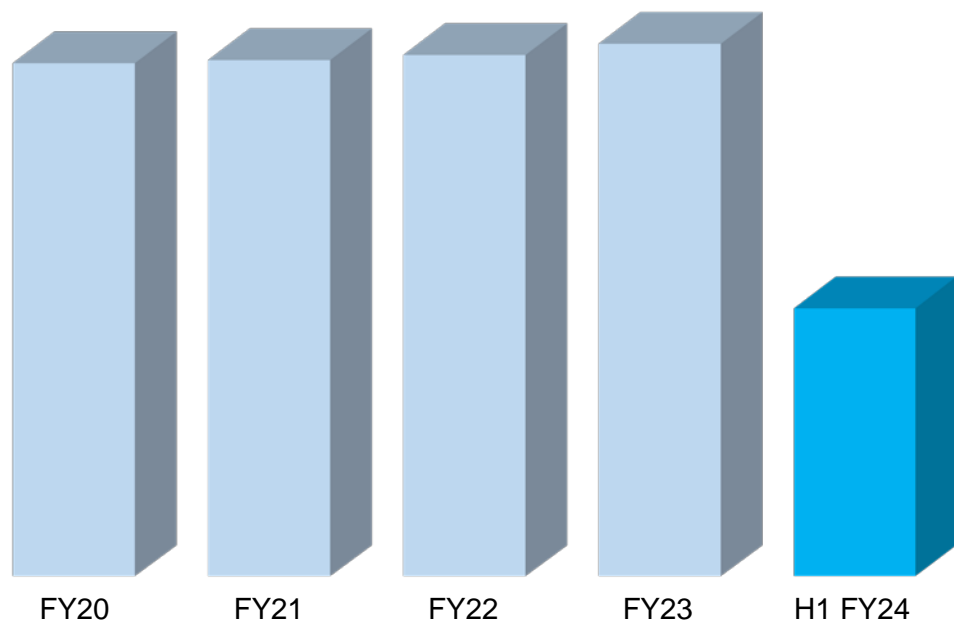


- Strong cash flow generated from operations
- Net Cash used in Financing Activities pertained to distribution paid on 13 June 2023 and 30 Nov 2023

# Attractive distribution yield

## Distribution per Unit (Singapore cents)

5.05    5.08    5.13    5.24    2.65

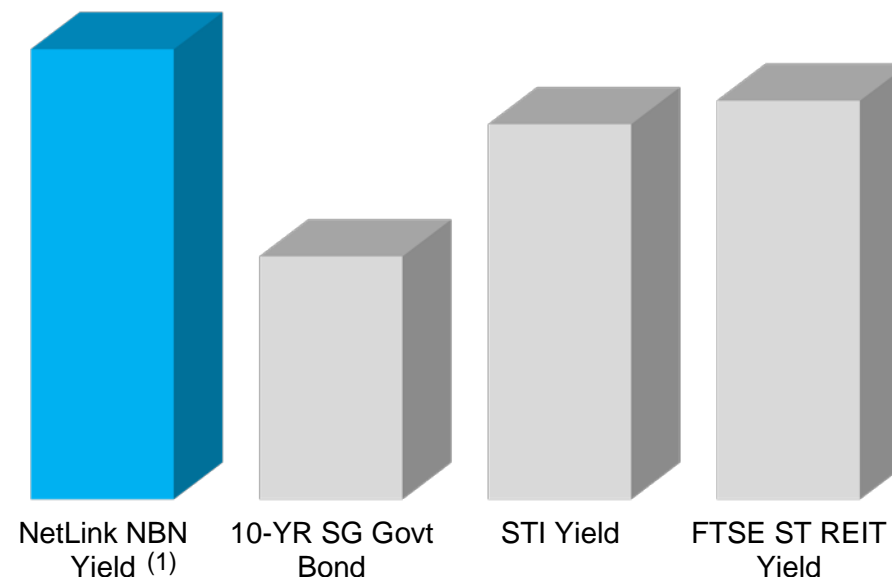


NetLink has returned \$1.2 billion to unitholders since its IPO in Jul 2017 to date (including the H1FY24 distribution)

## Distribution yield (%)

6.31    3.40    5.25    5.58

Bloomberg as at 30 Sep 2023

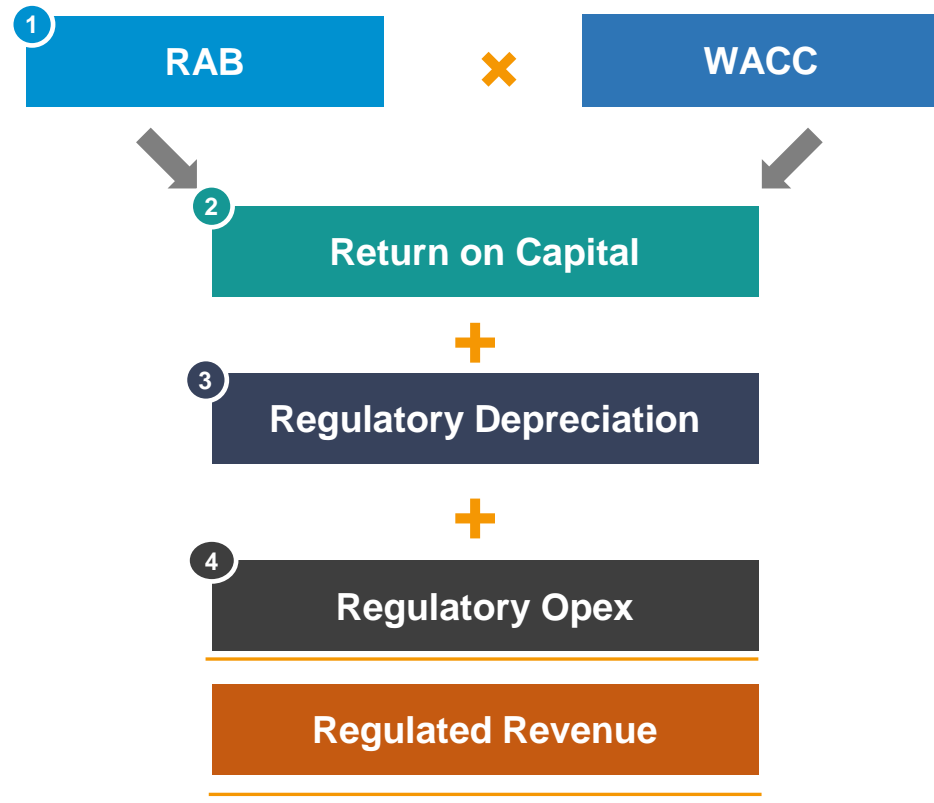


(1) Based on the unit price of \$0.84 as at 30 Sep 2023

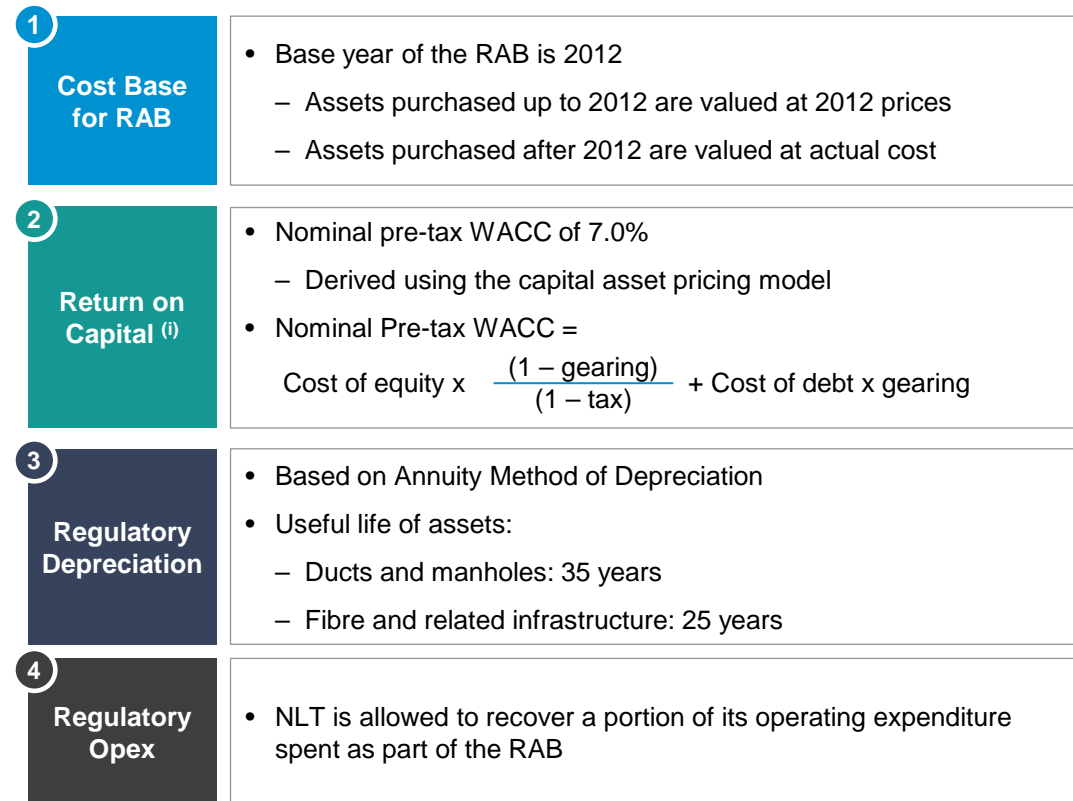
# Resilient business underpinned by RAB pricing model

- Monthly recurring charge for residential, non-residential and NBAP end-users at \$13.50, \$55 and \$70.50 respectively with effect from 1 April 2024

## FRAMEWORK FOR RAB BASED PRICING MODEL



## METHODOLOGY FOR RAB BASED PRICING MODEL



<sup>(i)</sup> IMDA may change the rate of applicable pre-tax WACC in future review period



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**Thank you**