



23 May 2024

**CGSI EV & Tech
Virtual Conference 2024**

Disclaimer

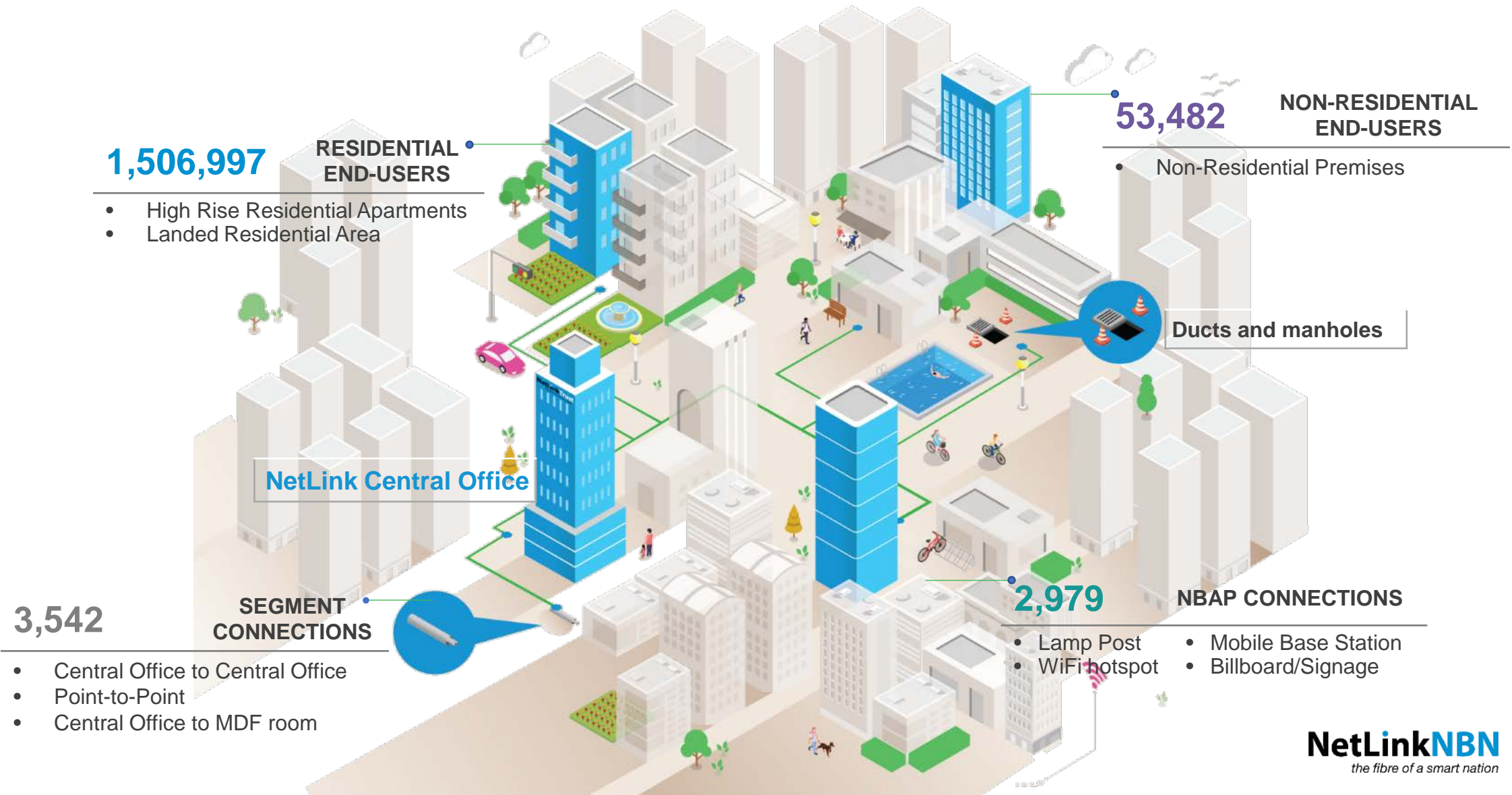
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Our business



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

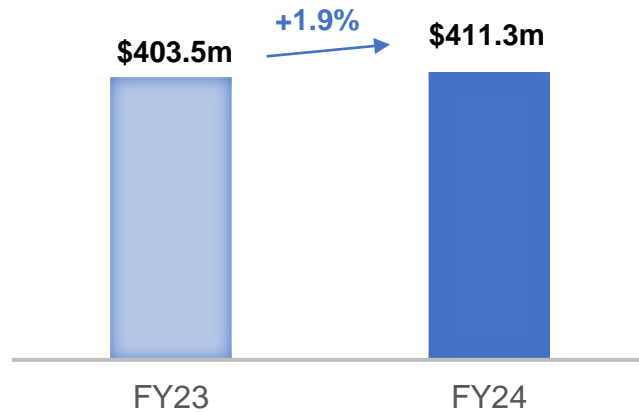
SCALABLE



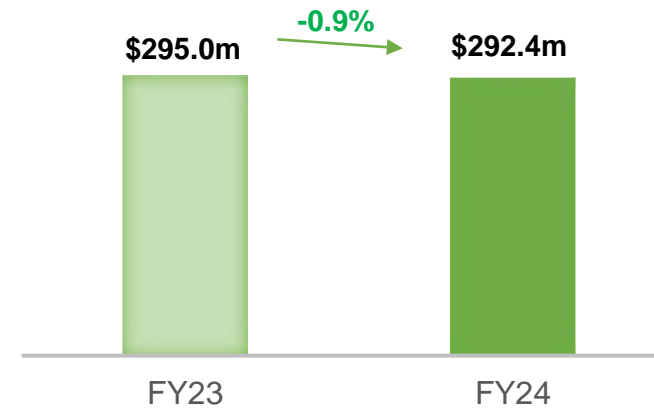
Fibre capacity is highly scalable and can support future transmission technologies

FY24 Financial highlights

REVENUE



EBITDA



NET GEARING

23.1%
Comfortable debt headroom

WEIGHTED AVERAGE DEBT MATURITY

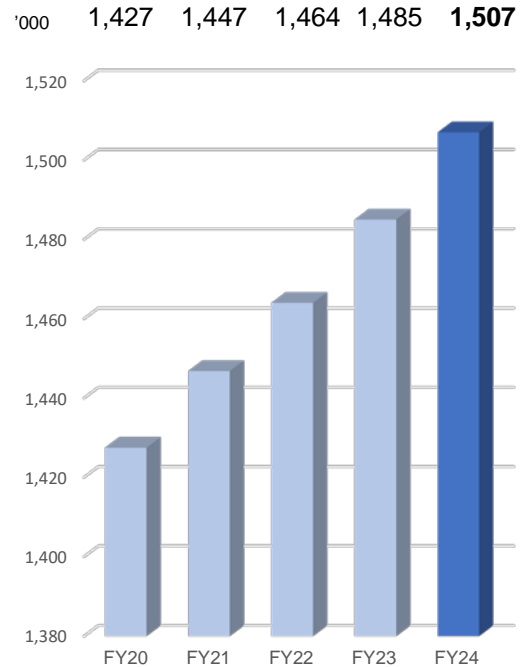
2.4 years

MARKET CAPITALISATION

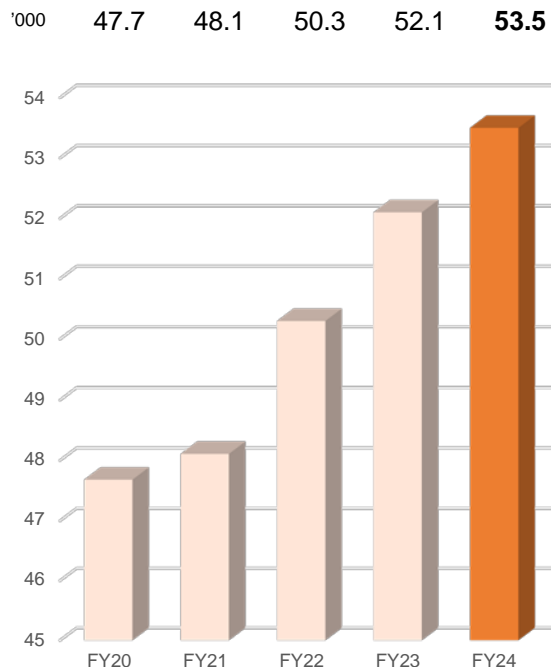
\$3.3 billion
Unit price of \$0.855 as at
28 Mar 24

Fibre connections

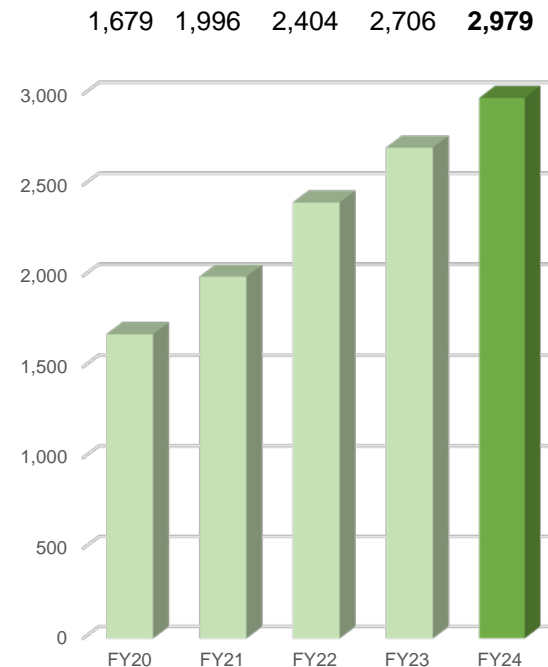
Residential



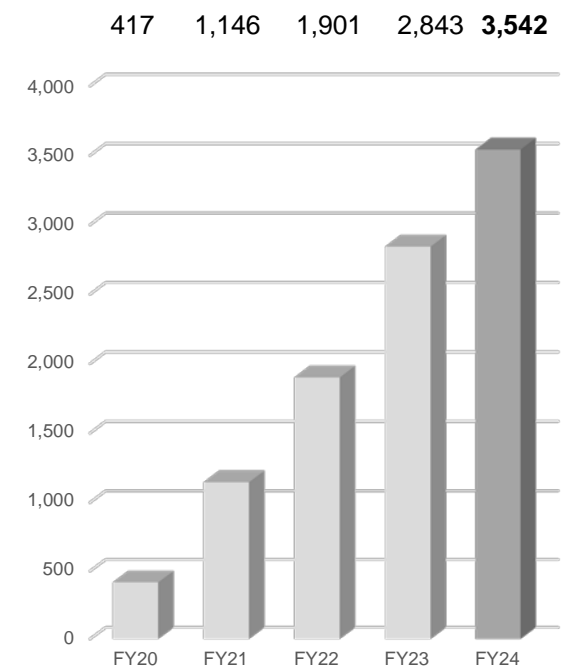
Non-Residential



Non-Building Address Points



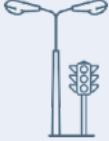







Segment⁽¹⁾



⁽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	 Co-Location Revenue	 Central Office Revenue	 Installation Related & Other Revenue	 Ancillary Project Revenue
	RAB REVENUE ⁽¹⁾					NON-RAB REVENUE		
% of FY24 Revenue	60.2%	8.1%	4.8%	6.6%	4.8%	3.8%	6.1%	5.6%
Recurring, predictable cash flows	✓	✓	✓	✓	✓	✓	-	-
Long-term contracts / customer stability	✓	✓	✓	✓	✓	✓	-	-
Regulated revenues	✓	✓	✓	✓	✓	-	✓	-
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

⁽¹⁾ These services are subject to IMDA's price review framework.

Key focus for FY25

- 1. Grow NBAP & Segment connections by supporting deployments related to Smart Nation and Cloud-based Services**
- 2. Continue to support digitalisation of SMEs by lowering the cost of connections**
- 3. Enhance our Colocation facilities to support the upgrade of the Nationwide Broadband Network to offer up to 10 Gbps per connection**
- 4. Complete the construction of our new Central Office to achieve operational readiness in 2025 to serve the northern part of Singapore**
- 5. Execute our sustainability initiatives and strive for continued and sustained emissions reduction**

FY24 Profit or loss statement

\$'000	FY24	FY23	Variance (%)
Revenue	411,276	403,460	1.9
EBITDA	292,399	294,979	(0.9)
EBITDA Margin (%)	71.1%	73.1%	(2.0) pp
Depreciation and amortisation	(172,928)	(170,617)	1.4
Net finance costs	(18,405)	(15,145)	21.5
Profit after tax	103,209	109,253	(5.5)

Revenue for FY24 was higher by \$7.8m mainly contributed by higher connections and installation-related revenue offset by lower ancillary revenue.

EBITDA was \$2.6m lower mainly due to:

- a one-off non-cash write-off of decommissioned network assets amounting to \$8.8m; partially offset by
- a one-off refund of \$5.2m following a resolution of disputed power charges and \$1.1m gain on disposal of assets.

Excluding the one-off items, EBITDA declined slightly as a result of higher operating expenses.

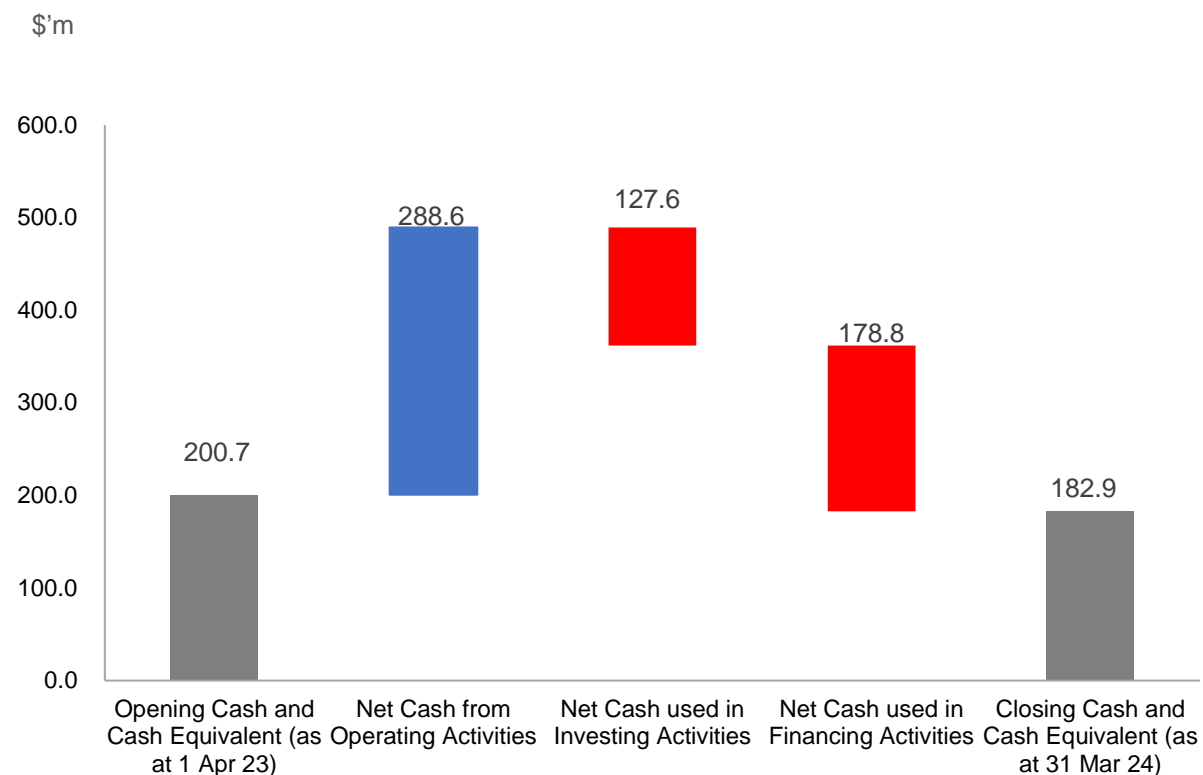
PAT was lower by \$6.0m mainly due to lower EBITDA, higher finance costs, higher depreciation and amortisation, offset by higher income tax credit.

Credit metrics and cash flow

	Mar 2024	Mar 2023
Gross Debt	\$765m	\$735m
Weighted average debt duration	2.4yrs	3.4yrs
Net debt/EBITDA ⁽¹⁾	2.0x	1.8x
EBITDA Interest cover ⁽¹⁾	14.0x	18.6x
Borrowings at Fixed Rate	78.4%	69.4%
	FY24	FY23
Effective average interest rate ⁽²⁾	2.75%	2.32%

⁽¹⁾ Ratios calculated based on NetLink Group's trailing 12 months financial

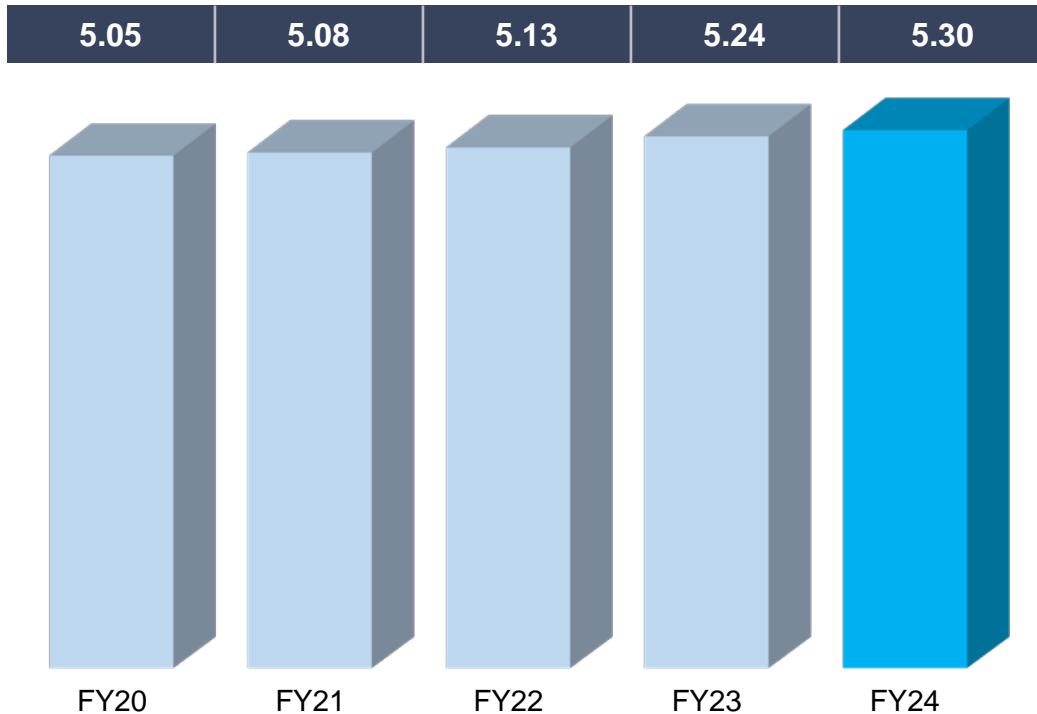
⁽²⁾ The interest expenses used in the computation of effective average interest rate include the impact of net settlement of interest rate swap and the front-end fee which is equivalent to interest. The comparative number has been restated on the same basis.



- 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 mainly pertained to distribution paid on 13 June 2023 and 30 Nov 2023

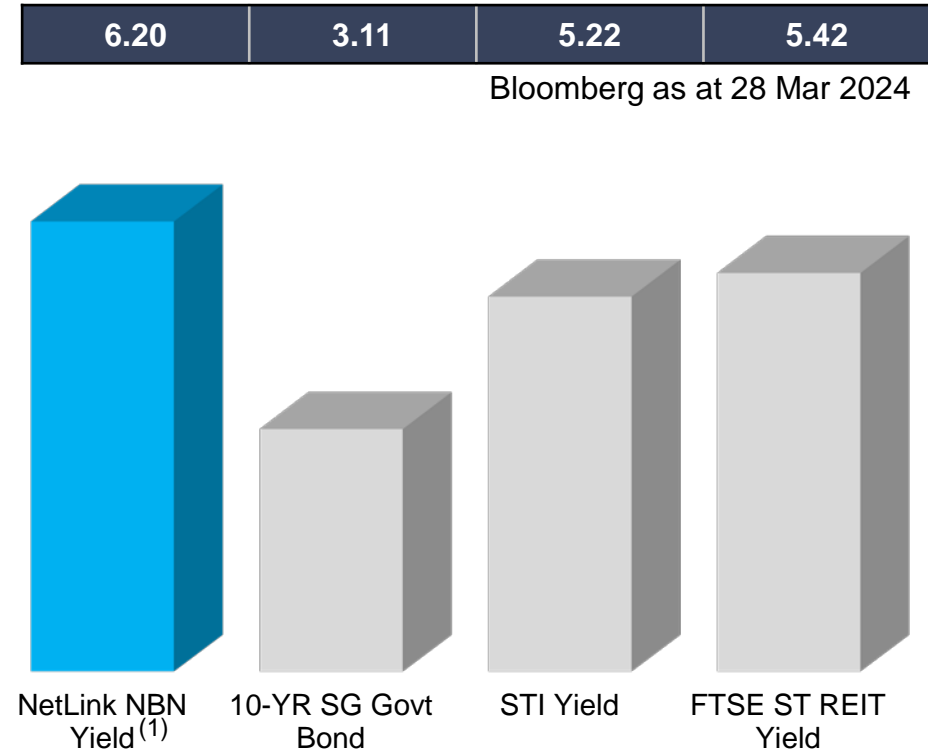
Attractive distribution yield

Distribution per Unit (Singapore cents)



- NetLink's DPU has been growing steadily YoY since its listing in Jul 2017
- NetLink has returned \$1.3 billion to unitholders since its IPO in Jul 2017 to date (including the H2FY24 distribution)

Distribution yield (%)



⁽¹⁾ Based on the unit price of \$0.855 as at 28 Mar 2024



Thank you