

NETLINK NBN TRUST'S H1 FY20 EBITDA UP 10.6% TO S\$135.2 MILLION ON 5.3% GROWTH IN REVENUE TO S\$186.1 MILLION

- *EBITDA margin improves 3.4 percentage points to 72.6%*
- *Profit after tax rises 17.0% to S\$44.1 million*
- *Residential connections revenue increases 13.0%*
- *H1 FY20 Distribution Per Unit ("DPU") up 3.3% to 2.52 Singapore cents*

Summary of NetLink Group's Results

S\$'million	Quarter ended 30 Sep			Half year ended 30 Sep		
	2019 ("Q2 FY20")	2018 ("Q2 FY19")	Variance (%)	2019 ("H1 FY20")	2018 ("H1 FY19")	Variance (%)
Revenue	94.1	90.6	3.8	186.1	176.7	5.3
EBITDA	68.7	61.2	12.1	135.2	122.2	10.6
EBITDA Margin (%)	73.0	67.6	5.4 pp	72.6	69.2	3.4 pp
Profit After Tax	23.2	18.7	24.1	44.1	37.7	17.0
Distributions Attributable				98.2	95.1	3.3
Distribution Per Unit (Singapore cent)				2.52	2.44	3.3

SINGAPORE, 1 November 2019 – NetLink NBN Management Pte. Ltd., the Trustee-Manager of NetLink NBN Trust (网联宽频信托) (NetLink NBN Trust, together with its subsidiaries, the "**NetLink Group**") announced today that its EBITDA and Profit After Tax for the half year ended 30 September 2019 ("**H1 FY20**") increased by 10.6% and 17.0% respectively, compared to the equivalent period a year ago ("**H1 FY19**").

Mr. Tong Yew Heng (唐耀兴), Chief Executive Officer of the Trustee-Manager, said, "Supported by our resilient business model, we have experienced sustained growth in terms of revenue and number of residential, non-residential and NBAP connections, which continue to provide us with stable recurring and predictable cashflows to support distributions to Unitholders. We are pleased to announce a 3.3% increase in DPU to 2.52 Singapore cents for this reporting period."

SUSTAINED GROWTH

The NetLink Group achieved a revenue of S\$186.1 million in H1 FY20, 5.3% higher than S\$176.7 million recorded in H1 FY19. This increase was mainly due to higher residential connections and installation-related revenue partially offset by lower ducts and manhole service and diversion revenue.

Residential connections remain the largest revenue driver for NetLink Group, with residential connections revenue increasing by 13.0% to S\$113.8 million in H1 FY20, contributing 61.2% of NetLink Group's total revenue. For H1 FY20, there were 1,410,627 residential connections as compared to 1,241,018 connections in H1 FY19. Installation-related revenue experienced an increase of S\$2.1 million, or 20.6%, due largely to higher number of residential installation-related orders and service activation charges as StarHub migrated its coaxial cable subscribers to fibre.

With higher revenue and growth in asset base, total expenses for H1 FY20 were S\$1.5 million higher mainly due to higher installation costs, depreciation and amortisation costs, staff costs and finance costs, partially offset by lower diversion costs and other operating expenses.

The NetLink Group's EBITDA margin improved 3.4 percentage points to 72.6%¹ in H1 FY20 from 69.2% in H1 FY19. EBITDA rose 10.6% to S\$135.2 million compared to S\$122.2 million a year ago. Profit After Tax rose 17.0% to S\$44.1 million from S\$37.7 million across the same comparative period.

¹ EBITDA margin for H1 FY20 at 72.6% was higher than H1 FY19 by 3.4 percentage point respectively partly due to the impact from the adoption of Singapore Financial Reporting Standard (International) 16 – Leases (“SFRS(I) 16”). Excluding the impact of SFRS(I) 16, EBITDA margin for H1 FY20 would have been 71.8%, 2.6 percentage point higher compared to 69.2% for H1 FY19.

Due to higher cash flow from operations, NetLink Group's net cash from operating activities of S\$134.3 million in H1 FY20 was S\$27.1 million higher than H1 FY19.

STABLE CASH FLOW GENERATED TO SUPPORT UNITHOLDER RETURNS

The NetLink Group has stated a policy to make distributions on a semi-annual basis. For the half year ended 30 September 2019, NetLink Group declared a 3.3% year-on-year increase in distributions amounting to S\$98.2 million or 2.52 Singapore cents per Unit, which will be payable on 26 November 2019 as a distribution in cash to NetLink Group's Unitholders.

OUTLOOK

For FY20, the NetLink Group expects revenues from key connection services to be higher than FY19 mainly due to higher residential connections and installation-related revenues. The NetLink Group will continue to invest and expand its network to improve the network's capability and resiliency. The NetLink Group also expects capital expenditure in FY20 to be higher than that of FY19.

The NetLink Group is continuing to expand its network in new housing estates. The NetLink Group has also been working proactively with the Requesting Licensees ("RLs") (who provide fibre services to Retail Service Providers that in turn provide retail fibre services to end-users) to meet future demand for non-residential and non-building address points (NBAP) connections, and to support the RLs' efforts to acquire new non-residential and NBAP customers.

As Singapore races towards the commercialisation of 5G, the NetLink Group is well-positioned to support the nation's 5G aspirations and explore opportunities associated with the new market development. The NetLink Group supports IMDA's objectives to achieve pervasive deployment of 5G infrastructure and grow the 5G innovation ecosystem. As a start, the NetLink Group will be supporting M1 for its 5G trial at an upcoming new

restaurant in Marina Square and TPG Telecom for its 5G trial network across Singapore Science Park I and II. The NetLink Group looks forward to working with industry partners in offering the use of its nationwide fibre network to accelerate the realisation of IMDA's objectives. Additionally, the NetLink Group will continue to provide the infrastructural backbone for the Smart Nation initiatives, the developments in Punggol Digital District and Jurong Innovation District, and also support TPG Telecom in its mobile network deployment.

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ABOUT NETLINK NBN TRUST

The NetLink Group's nationwide network is the foundation of Singapore's Next Generation Nationwide Broadband Network ("**Next Gen NBN**"), over which ultra-high-speed internet access is delivered throughout mainland Singapore and its connected islands.

The NetLink Group designs, builds, owns and operates the passive fibre network infrastructure (comprising ducts, manholes, fibre cables and Central Offices) of Singapore's Next Gen NBN. The NetLink Group's extensive network provides nationwide coverage to residential homes and non-residential premises in mainland Singapore and its connected islands.

NetLink NBN Trust was listed on the Main Board of the Singapore Exchange Securities Trading Limited (**SGX-ST**) on 19 July 2017, and is a constituent of the FTSE ST Large & Mid Cap Index, FTSE ST Singapore Shariah Index and the MSCI Global Small Cap – Singapore Index.

For more information about NetLink NBN Trust, please visit: www.netlinknbn.com



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