



NetLinkNBN
the fibre of a smart nation



**Financial Results for the period
1 Jul to 30 Sep 2019 ("Q2 FY20")
and 1 Apr to 30 Sep 2019
("H1 FY20")**



1 November 2019

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Financial snapshot¹

Revenue

S\$186m

▲ 5.3%²

Cash Balance

S\$142m

Market Cap³

S\$3,468m

EBITDA

S\$135m

▲ 10.6%²

Gross Debt

S\$636m

Enterprise Value³

S\$3,962m

Profit After Tax

S\$44m

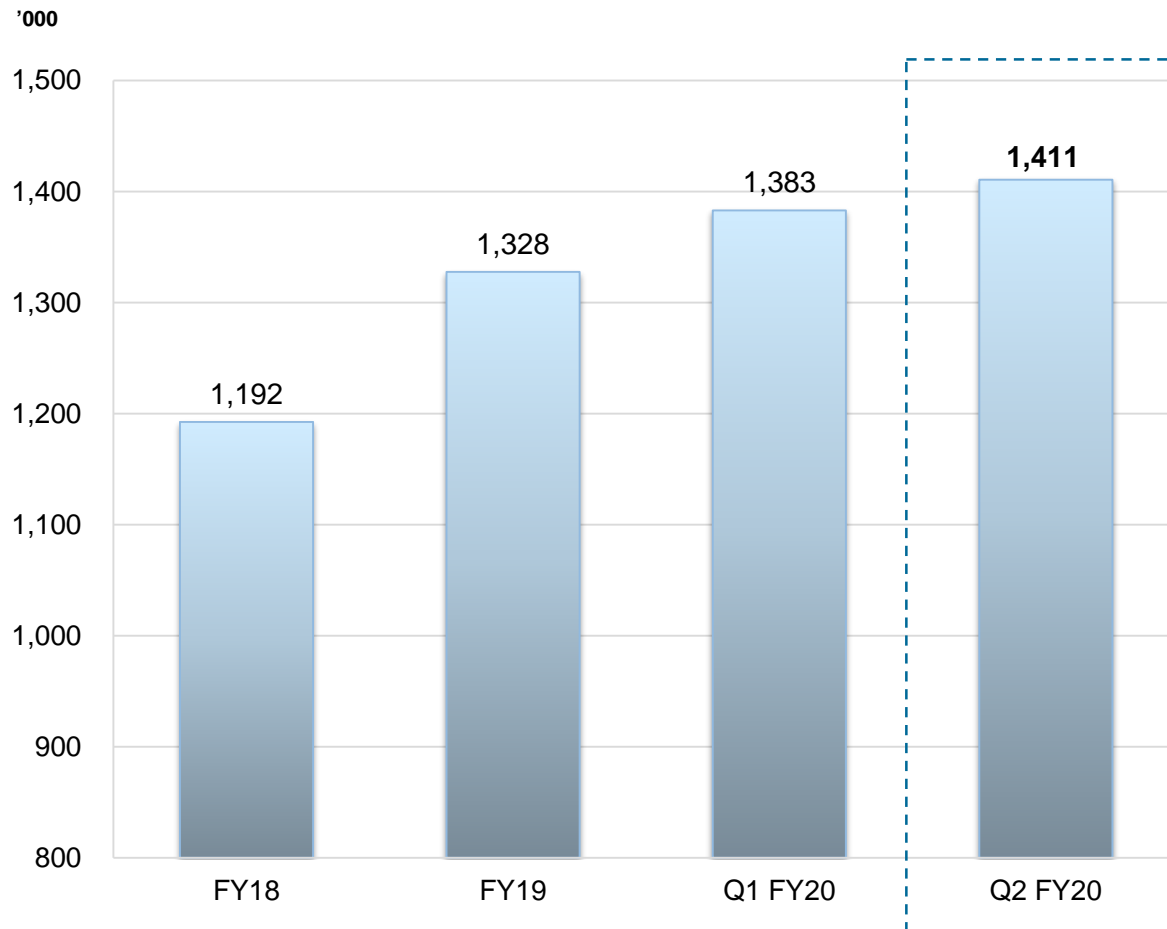
▲ 17.0%²

¹ H1 FY20

² Variance versus H1 FY19

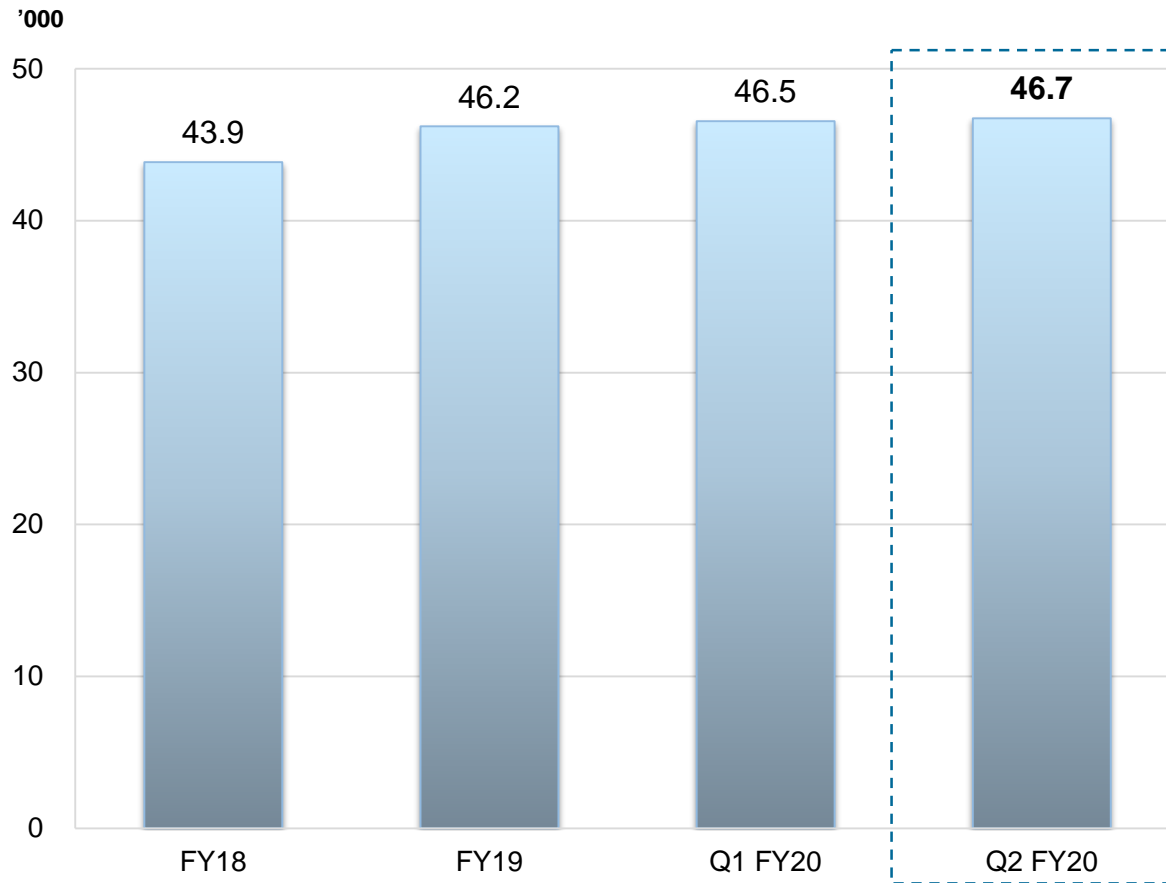
³ Based on the unit price of S\$0.89 at 30 Sep 2019

Residential fibre connections



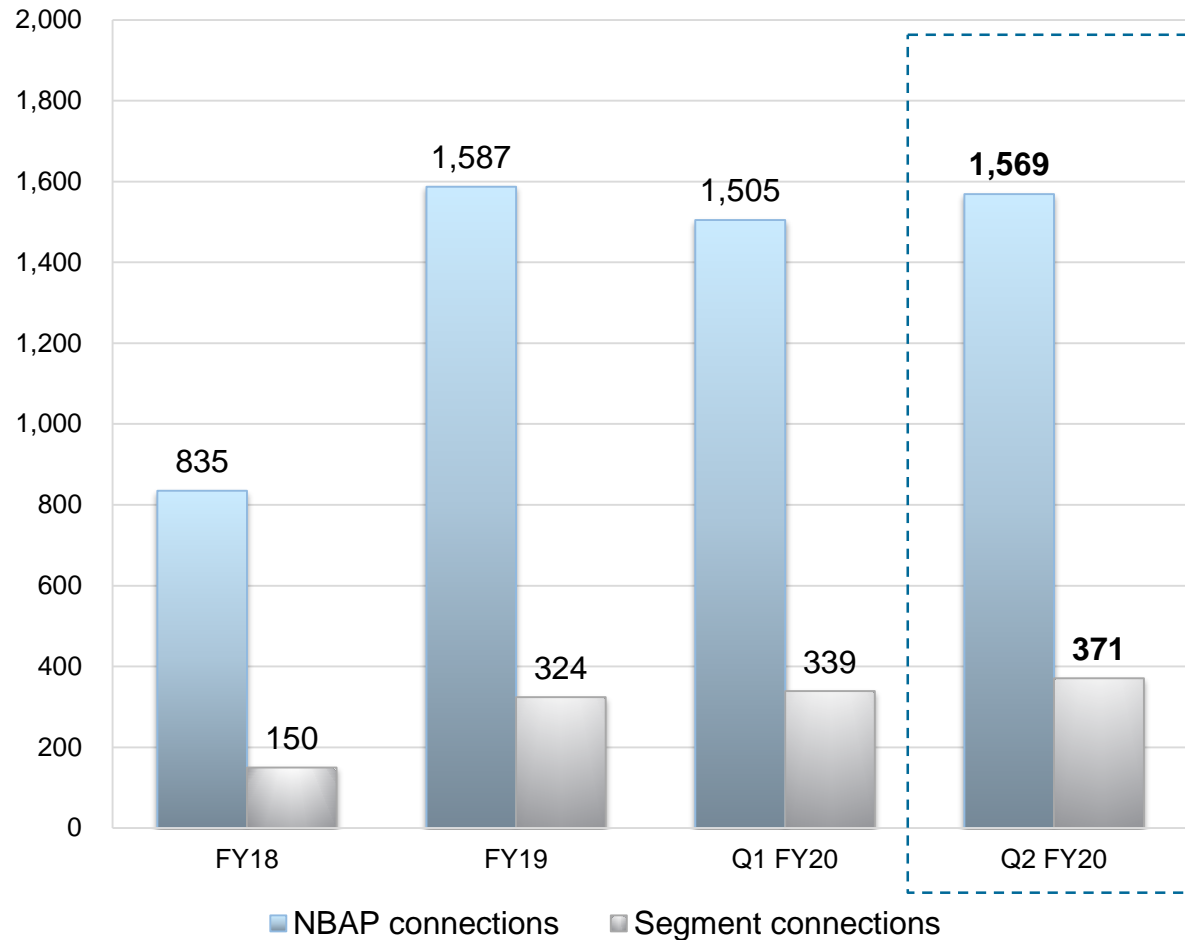
- 1.41m residential connections as at 30 Sep 2019
- Increased 2.0% since 30 Jun 2019

Non-residential fibre connections



- 46,742 non-residential connections as at 30 Sep 2019
- Increased 0.4% since 30 Jun 2019

Non-Building Address Point (“NBAP”) and Segment connections¹



- NBAP and Segment connections increased 4.3% and 9.4% respectively, since 30 Jun 2019.

¹ Segment connections comprise, *inter alia*, Central Office to Central Office fibre connections and Central Office to MDF room fibre connections provided to Requesting Licensees.

Q2 FY20 Profit & loss statement

S\$'000	Q2 FY20	Q2 FY19	Variance (%)
Revenue	94,072	90,594	3.8
EBITDA	68,660	61,239	12.1
EBITDA margin (%)	73.0	67.6	5.4 pp
Depreciation & amortisation	(41,781)	(40,030)	4.4
Net finance charges	(4,660)	(4,340)	7.4
Profit before tax	22,219	16,869	31.7

Revenue grew by 3.8% mainly due to higher residential connections and installation-related revenue, partially offset by lower ducts and manholes service and diversion revenue.

EBITDA margin of 73.0% was 5.4 pp higher partly due to the adoption of the SFRS(I) 16¹. Excluding the impact of SFRS(I) 16, EBITDA margin for Q2 FY20 would have been 72.2% or 4.6 pp higher compared to 67.6% for Q2 FY19.

¹ The NetLink Group has adopted a new accounting standard, Singapore Financial Reporting Standard (International) 16 – Leases (“SFRS(I) 16”), for the first time on 1 Apr 2019 using the modified retrospective approach. For more information, please refer to pages 11 to 13 of the Financial Statements Announcement for the second quarter ended 30 Sep 2019.

H1 FY20 Profit & loss statement



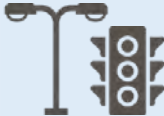





S\$'000	H1 FY20	H1 FY19	Variance (%)
Revenue	186,113	176,706	5.3
EBITDA	135,186	122,231	10.6
EBITDA margin (%)	72.6	69.2	3.4 pp
Depreciation & amortisation	(83,821)	(79,806)	5.0
Net finance charges	(9,177)	(8,484)	8.2
Profit before tax	42,188	33,941	24.3

Revenue for H1 FY20 grew by 5.3% mainly due to higher residential connections and installation-related revenue, partially offset by lower ducts and manholes service and diversion revenue.

EBITDA margin of 72.6% was 3.4 pp higher partly due to the adoption of the SFRS(I) 16¹. Excluding the impact of SFRS(I) 16, EBITDA margin for H1 FY20 would have been 71.8%, or 2.6 pp higher compared to 69.2% for H1 FY19.

¹ The NetLink Group has adopted a new accounting standard, Singapore Financial Reporting Standard (International) 16 – Leases (“SFRS(I) 16”), for the first time on 1 Apr 2019 using the modified retrospective approach. For more information, please refer to pages 11 to 13 of the Financial Statements Announcement for the half year ended 30 Sep 2019.

A resilient business model

	RAB Revenue				Non-RAB Revenue			
								
	Residential Connections	Non-Residential Connections	NBAP and Segment Fibre Connections	Ducts and Manholes Service Revenue	Installation Related Revenue	Diversion Revenue	Co-Location and Other Revenue	Central Office Revenue
% of H1 FY20 Revenue	61.2%	8.3%	1.9%	8.3%	6.6%	3.3%	5.6%	4.8%
Recurring, predictable cash flows	✓	✓	✓	✓	–	–	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	–	–	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	–	✓	–
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

Robust balance sheet¹

S\$142m

Cash Balance

S\$636m

Gross Debt

S\$2,975m

Net Assets

2.4x

Gross Debt/
EBITDA²

13.6x

EBITDA Interest
Cover²

76.3 cents

Net Assets per Unit

- Interest rate exposure fully hedged
- Stable capital structure with debt headroom to fund future capex

¹ As at 30 Sep 2019

² Ratios calculated based on NetLink Group's trailing 12 months financials

Distribution Details

Distribution period	1 April 2019 – 30 September 2019
Distribution amount	2.52 Singapore cents per Unit
Ex-distribution date and time	13 November 2019, 9am
Books closure date and time	14 November 2019, 5pm
Distribution payment date	26 November 2019

Our focus for FY20



Residential

- Migration of cable end-users to fibre
- Residential homes not on fibre
- New households



Non-Residential

- Partnership with Requesting Licensees
- Serving Enterprises and Government Agencies with a focus on SMEs



NBAP & Segment

- Denser network – adding capacity, flexibility and resilience
- New product offerings
- Prepare to support 5G infrastructure

Thank You

Investors and Media

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