

NETLINK NBN TRUST MAINTAINS RESILIENT PERFORMANCE

- **EBITDA up 3.4% to S\$139.7 million**
- **Profit after tax up 1.5% to S\$44.8 million**
- **Residential connections increase 1.9% to 1,437,360 connections**
- **H1 FY21 Distribution Per Unit (“DPU”) of 2.53 Singapore cents**

Summary of the NetLink Group’s Results

	Half Year Ended 30 Sep		
S\$’million	2020 (“H1 FY21”)	2019 (“H1 FY20”)	Variance (%)
Revenue	181.5	186.1	(2.5)
EBITDA	139.7	135.2	3.4
EBITDA Margin (%)	77.0	72.6	4.4 pp
Profit After Tax	44.8	44.1	1.5
Distribution Per Unit (Singapore cent)	2.53	2.52	0.4

SINGAPORE, 6 November 2020 – 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**”) reported today that its EBITDA and Profit After Tax for the half year ended 30 September 2020 (“**H1 FY21**”) increased by 3.4% and 1.5% respectively, compared to the corresponding period a year ago (“**H1 FY20**”).

Mr. Tong Yew Heng (唐耀兴), Chief Executive Officer of the Trustee-Manager, said, “The COVID-19 situation has highlighted the importance of fibre broadband as an essential service to end-users’ daily lives. Fibre broadband is considered a necessity given the increasing number of end-users who are reliant on fibre broadband services for a wide range of activities. The NetLink Group will continue to work closely with industry partners to support Singapore’s digitalisation efforts even as we grow our residential connections by connecting new homes and supporting initiatives such as the Home Access Programme.”

RESILIENT BUSINESS SUPPORTED BY GROWING RESIDENTIAL CONNECTIONS

The NetLink Group achieved a revenue of S\$181.5 million in H1 FY21, a decrease of 2.5% from S\$186.1 million recorded in H1 FY20. The decrease was mainly due to lower installation-related revenue, diversion revenue, and ducts and manholes service revenue, partially offset by higher revenue from residential connections revenue.

The growing number of residential connections continue to support the NetLink Group's fibre business revenue, with recurring revenue from residential connections increasing by 4.1% to S\$118.5 million in H1 FY21, contributing to 65.3% of the NetLink Group's total revenue. As at 30 September 2020, there were 1,437,360 residential connections as compared to 1,410,627 connections as at 30 September 2019.

Meanwhile, installation-related revenue decreased by 44.3% to S\$6.9 million in H1 FY21 mainly due to lower installation charges from fewer installation orders and service activations as compared to H1 FY20 when StarHub was migrating its coaxial subscribers onto fibre. In addition, COVID-19 related issues from April to August 2020 contributed to lower availability of contractor resources and restricted access to home and buildings which affected the completion of installation works in H1 FY21. Diversion revenue decreased by 47.4% to S\$3.3 million in H1 FY21 partly due to fewer completed projects as stoppages of construction work nationwide affected cable diversion work. Ducts and manholes service revenue decreased by 6.0% to S\$14.6 million in H1 FY21 mainly due to the completion of fewer joint-build projects in H1 FY21 and a reduction in service revenue from the leasing of NetLink's ducts.

In line with the lower revenue in H1 FY21, total expenses decreased by 3.5% to S\$140.7 million. As a result, the NetLink Group achieved Profit After Tax of S\$44.8 million for H1 FY21, which was 1.5% higher than H1 FY20. EBITDA was higher than H1 FY20 by 3.4% due mainly to higher revenue from residential connections and other income arising from government grants.

The Group's net cash from operating activities of S\$140.9 million in H1 FY21 was S\$6.6 million higher than H1 FY20.

OUTLOOK

The COVID-19 pandemic is still ongoing and its eventual impact is uncertain. While NetLink Group's capacity to fulfil new service requests has normalised, it remains mindful of this uncertainty and the potential impact on the Group.

Nevertheless, NetLink Group's business model is resilient and is well-supported by predictable revenue streams from: (a) monthly recurring charges for fibre connections to residential and non-residential premises, and non-building address points ("**NBAP**") locations; and (b) contracted revenues. The Group's balance sheet and liquidity remains strong, underpinned by stable cashflows and access to financial resources to support future capital expenditure.

NetLink Group is continuing to expand its network in new housing estates. 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 NBAP connections, and to support the RLs' efforts to acquire new non-residential and NBAP customers. NetLink Group will continue to support mobile operators by deploying fibres to support their mobile network infrastructure. NetLink Group has also made available customised offerings tailored for SMEs, as well as improve its presence at major data centres.

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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

For media queries, please contact:

Citigate Dewe Rogerson Singapore Pte Ltd

CHIA Hui Kheng / Joey HO / Justin TEH

Tel: +65 6589 2361 / +65 6589 2372 (Office Hours)

E-Mail: huikheng.chia@citigatedewerogerson.com / joey.ho@citigatedewerogerson.com / justin.teh@citigatedewerogerson.com