

A person wearing a VR headset is shown in profile, looking towards the right. The background features a cityscape at night with illuminated buildings and a grid of blue squares. A network diagram with nodes and lines is overlaid on the scene.

Analyst update for the financial period 1 Apr to 30 Sep 2022 (“H1 FY23”)

2 November 2022

NetLinkNBN
the fibre of a smart nation

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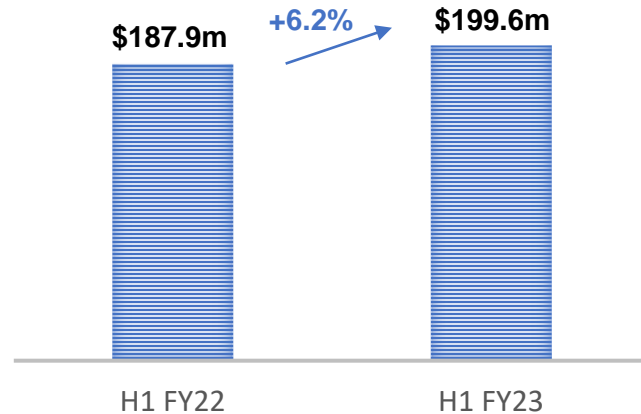
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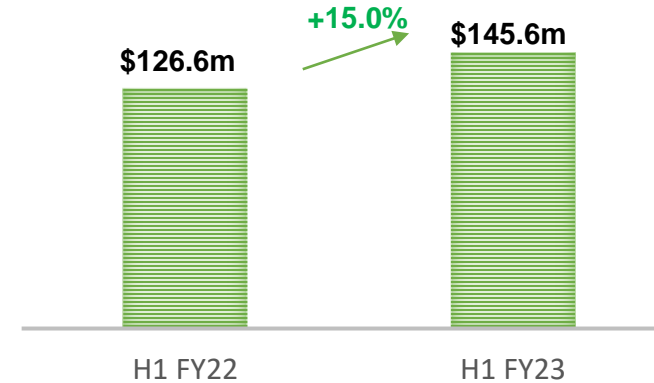
EBITDA is a non-SFRS financial measure and represents operating profit before depreciation and amortisation expense, net finance costs and income tax expense. EBITDA and EBITDA margin are supplemental financial measures of the NetLink Group’s performance and liquidity, and are not required by, or presented in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles. Furthermore, EBITDA and EBITDA margin are not measures of financial performance or liquidity and should not be considered as alternatives to net income, operating income or any other performance measures derived in accordance with SFRS, IFRS, Singapore Financial Reporting Standards (International), U.S. GAAP or any other generally accepted accounting principles.

H1 FY23 Financial highlights

REVENUE



EBITDA



NET GEARING

18.6%

Comfortable debt headroom

WEIGHTED AVERAGE DEBT DURATION

4.0 years

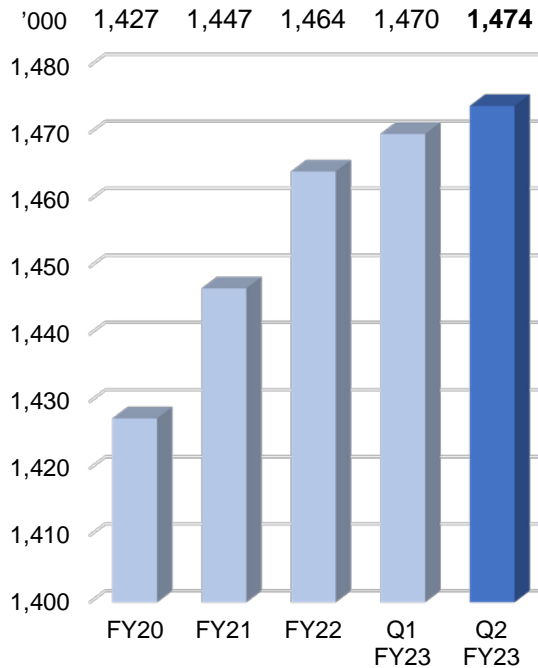
MARKET CAPITALISATION

\$3.5 billion

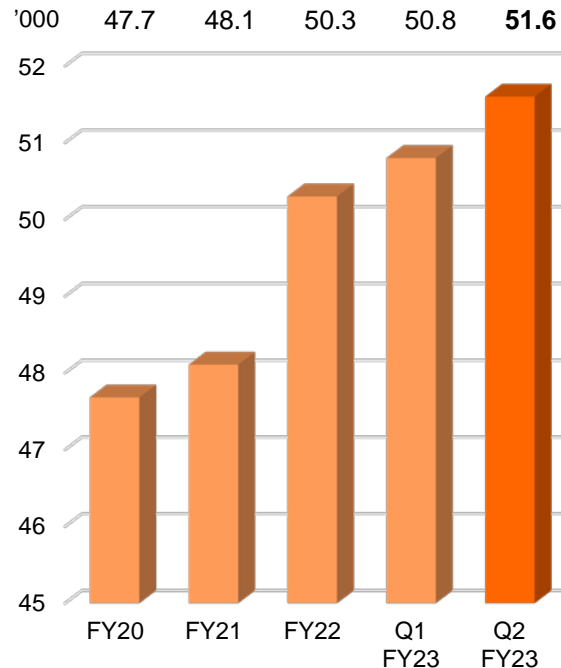
Unit price of \$0.905 as at
30 Sep 2022

Fibre connections

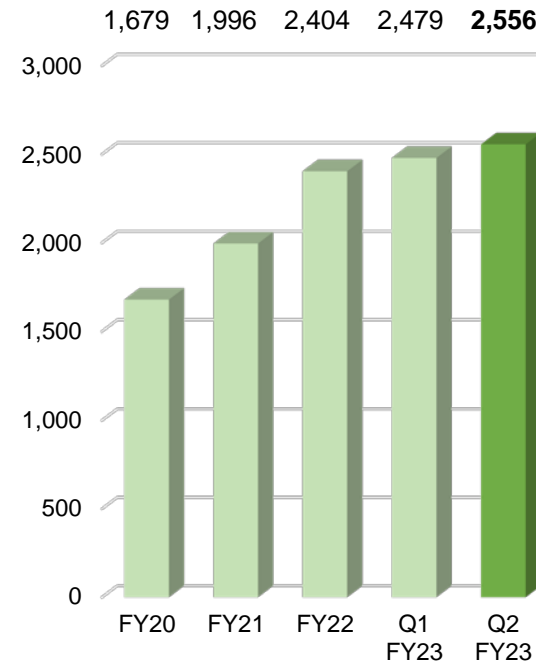
Residential



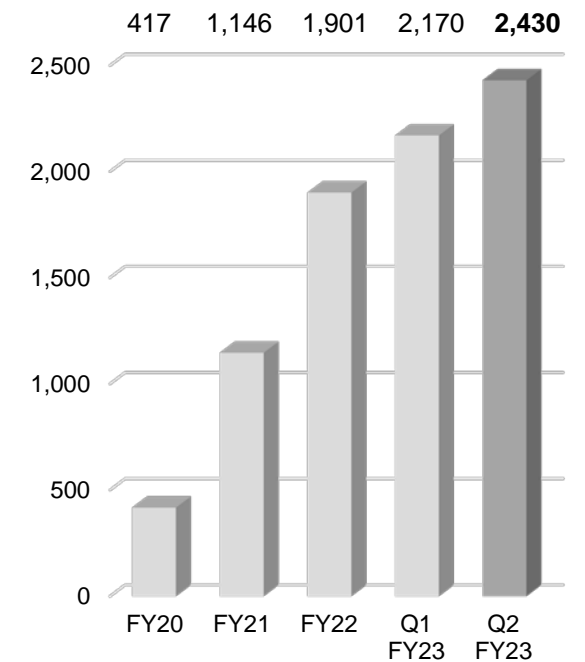
Non-Residential



Non-Building Address Points



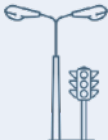







Segment⁽¹⁾



⁽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	 Installation Related Revenue	 Ancillary Project Revenue	 Co-Location & Other Revenue	 Central Office Revenue
	RAB REVENUE				NON-RAB REVENUE			
% of H1 FY23 Revenue	61.0%	8.0%	3.9%	7.0%	5.1%	5.9%	5.3%	3.8%
Recurring, predictable cash flows	✓	✓	✓	✓	-	-	✓	✓
Long-term contracts / customer stability	✓	✓	✓	✓	-	-	✓	✓
Regulated revenues	✓	✓	✓	✓	✓	-	✓	-
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

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. Pursue favourable outcome for Regulatory Price Review**
- 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**

H1 FY23 Profit & loss statement

\$'000	H1 FY23	H1 FY22	Variance (%)
Revenue	199,595	187,930	6.2
EBITDA	145,568	126,591	15.0
EBITDA Margin (%)	72.9	67.4	5.5 pp
Depreciation and amortisation	(84,749)	(84,768)	(0.0)
Net finance charges	(7,100)	(5,151)	37.8
Profit before tax	53,719	36,672	46.5

Revenue for H1 FY23 was **6.2%** higher than H1 FY22 due to:

- Higher ancillary project revenue, connections revenue (residential, non-residential, NBAP and segment), co-location and installation-related revenue
- Partially offset by lower Central Office Revenue
- Ancillary project revenue contributed most significantly to the increase due to more diversion projects being completed.

EBITDA was higher by **15.0%** mainly due to:

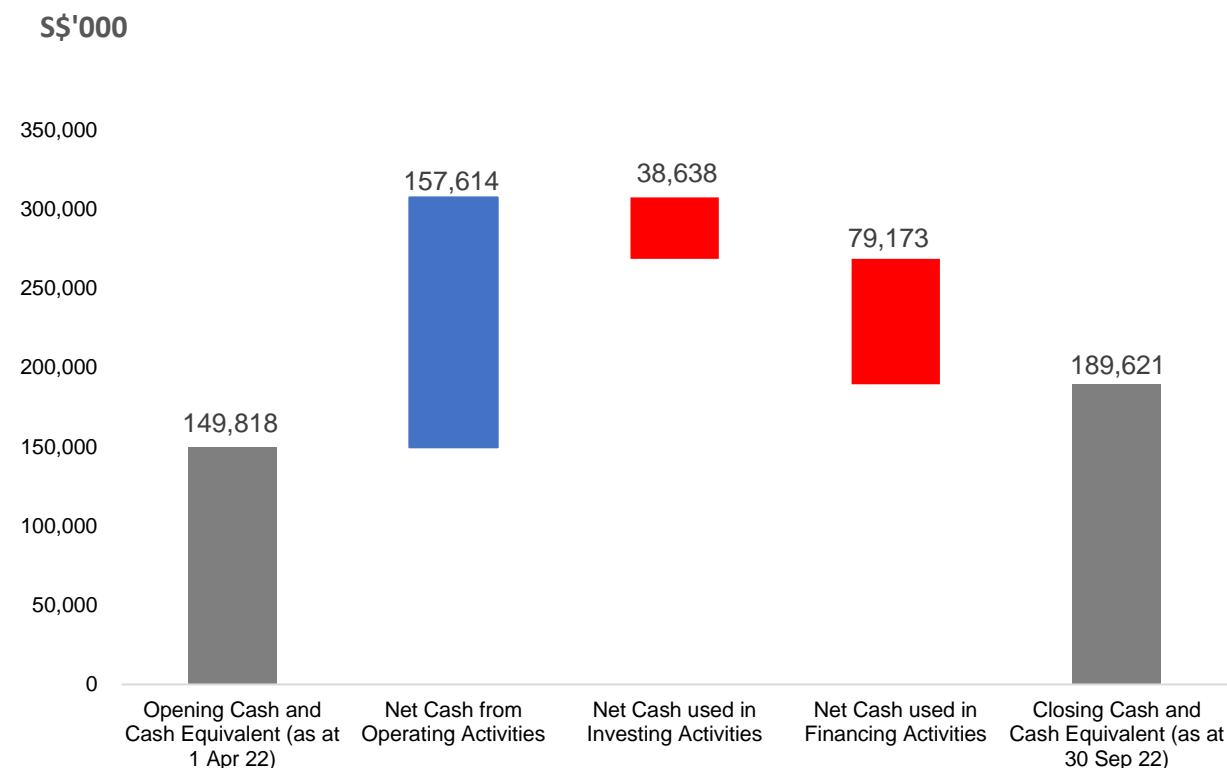
- Lower operating expenses, and higher revenue net of its related costs.
- Operating expenses was significantly lower because of the \$12.4 million remeasurement loss recorded in H1 FY22 due to the change in rental rates upon the renewal of the CO lease agreements

Strong credit metrics and cashflow

	H1 FY23	H1 FY22
Gross Debt	\$690m	\$666m
Weighted average debt maturity	4.0 yrs	3.9 yrs
Net debt/EBITDA ⁽¹⁾	1.8x	1.9x
EBITDA Interest cover ⁽¹⁾	24.0x	20.0x
Borrowings at Fixed Rate	73.9%	50.0%
Effective average interest rate	1.9%	1.1%

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

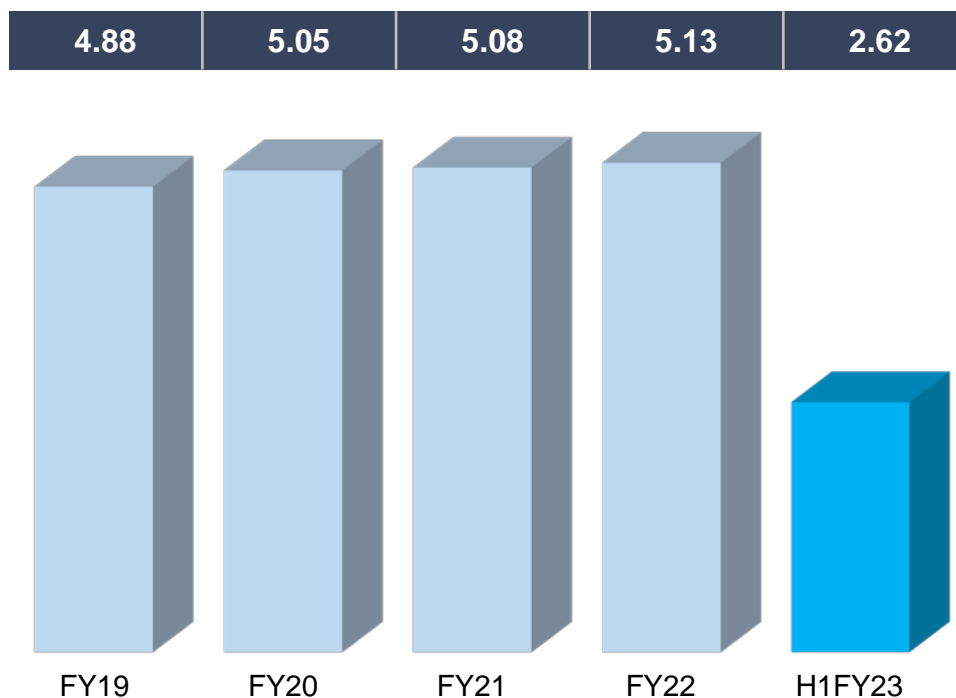
- Debt interest rate substantially hedged
- Stable capital structure with debt headroom to fund future capex
- Strong cashflow generated from operations and cash reserves



Distribution details

Distribution period	1 April 2022 – 30 September 2022
Distribution amount	2.62 Singapore cents per Unit
Ex-distribution date and time	15 November 2022, 9am
Books closure date and time	16 November 2022, 5pm
Distribution payment date	30 November 2022

Distribution per Unit (Singapore cents)





Thank you

Investors and Media

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