



29 February 2024

Lim & Tan
Trading Representatives Briefing

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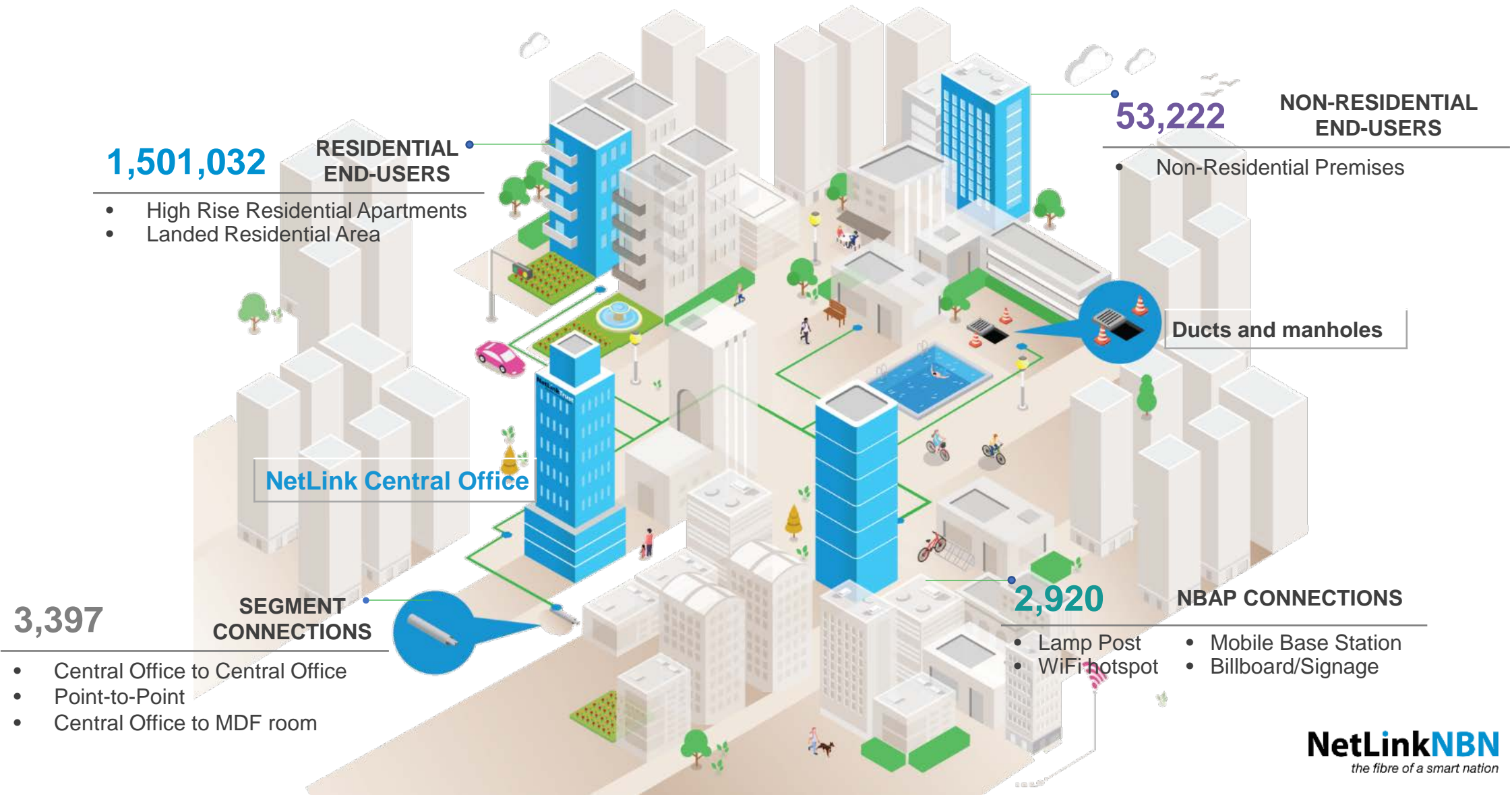
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Our business



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

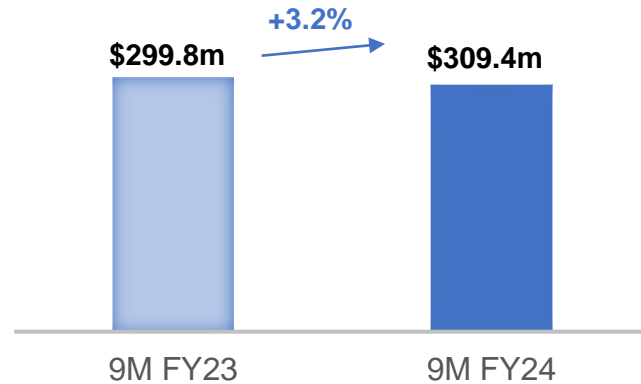
SCALABLE



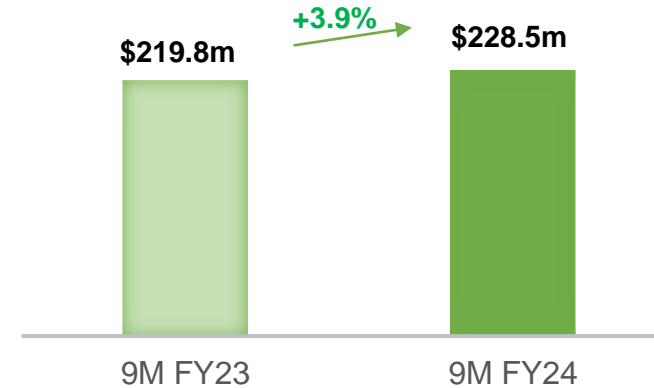
Fibre capacity is highly scalable and can support future transmission technologies

9M FY24 Financial highlights

REVENUE



EBITDA



NET GEARING

24.3%
Comfortable debt headroom

WEIGHTED AVERAGE DEBT MATURITY

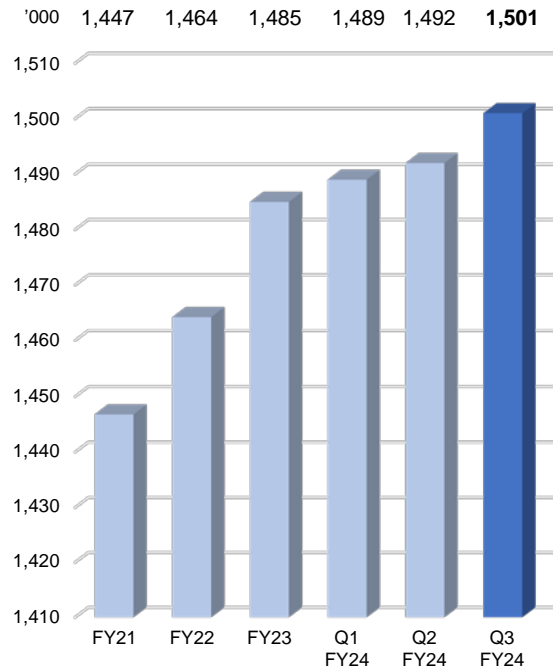
2.7 years

MARKET CAPITALISATION

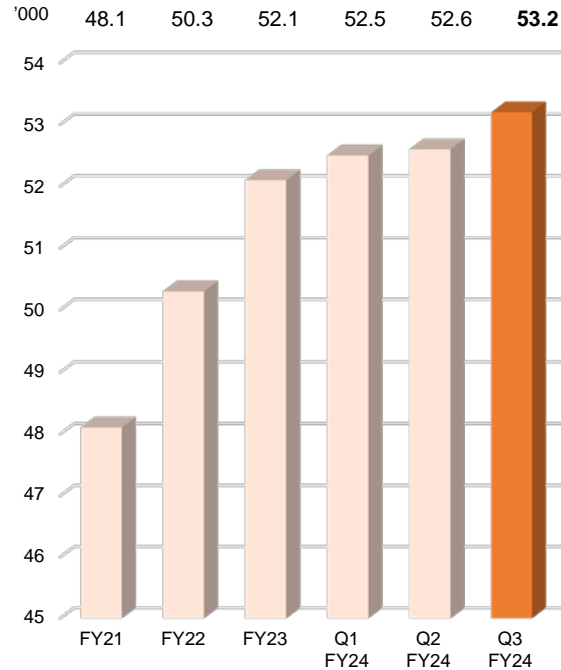
\$3.3 billion
Unit price of \$0.840 as at
31 Dec 2023

Fibre connections

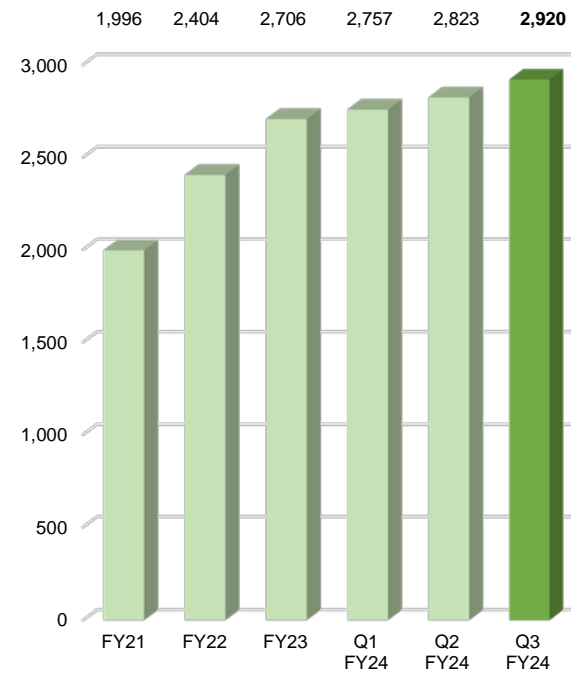
Residential



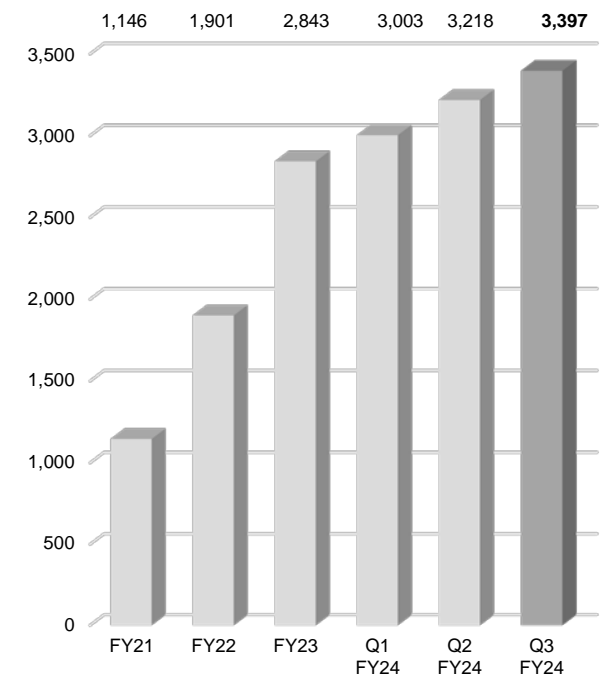
Non-Residential



Non-Building Address Points



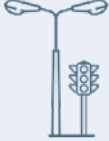







Segment⁽¹⁾



⁽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 9M FY24 Revenue	59.9%	8.1%	4.7%	6.6%	4.7%	4.0%	6.2%	5.8%
Recurring, predictable cash flows	✓	✓	✓	✓	✓	✓	-	-
Long-term contracts / customer stability	✓	✓	✓	✓	✓	✓	-	-
Regulated revenues	✓	✓	✓	✓	✓	-	✓	-
Creditworthy customers	✓	✓	✓	✓	✓	✓	✓	✓

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

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. Provide expertise and infrastructure to support the upgrade of the NBN**
- 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**

9M FY24 Profit or loss statement

\$'000	9M FY24	9M FY23	Variance (%)
Revenue	309,447	299,843	3.2
EBITDA	228,474	219,839	3.9
EBITDA Margin (%)	73.8%	73.3%	0.5 pp
Depreciation and amortisation	(129,637)	(127,270)	1.9
Net finance costs	(13,810)	(11,246)	22.8
Profit after tax	85,106	81,798	4.0

Revenue for 9M FY24 was higher by \$9.6 million compared to 9M FY23.

- \$5.7 million from RAB revenue on the back of higher residential, non-residential, NBAP and Segment orders
- \$3.9 million from Non-RAB revenue, mainly contributed by higher installation-related revenue

EBITDA was \$8.6 million higher mainly due to higher revenue and a one-off reversal of operating costs following a resolution of disputed power charges.

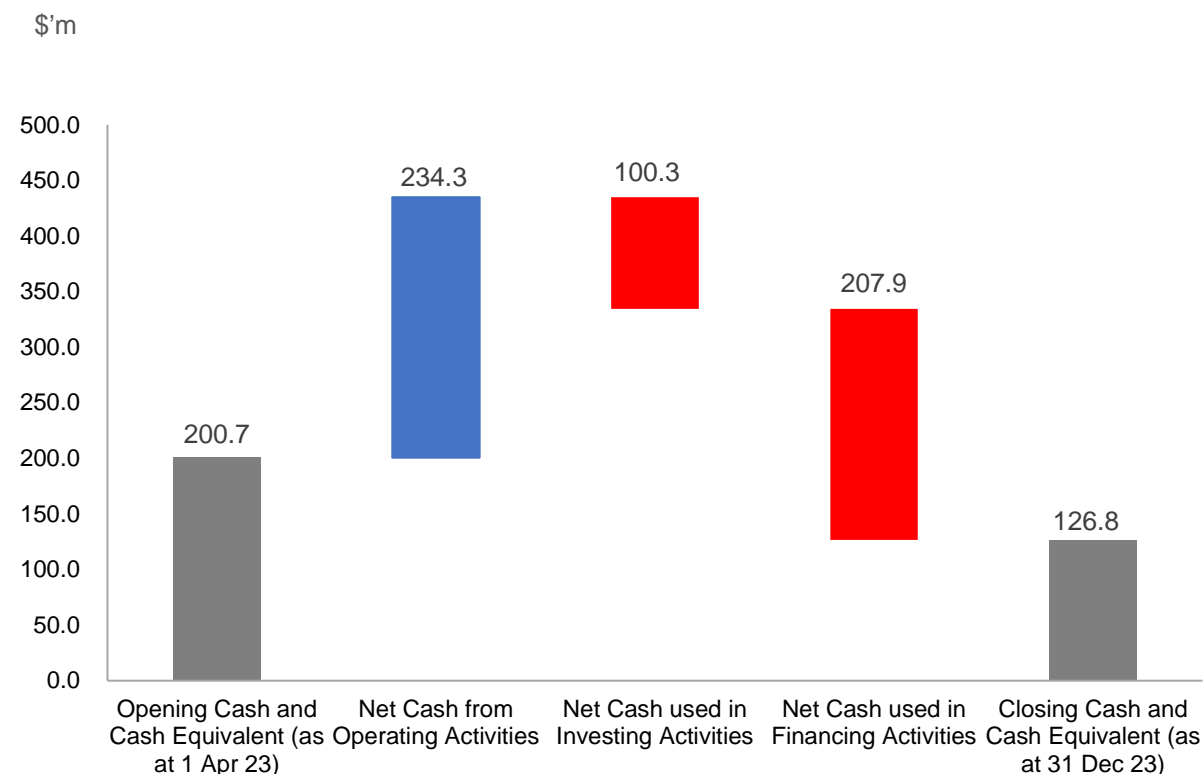
PAT increased by \$3.3 million as a result of higher EBITDA offset by higher net finance cost, depreciation, and income tax expenses.

Credit metrics and cash flow

	Dec 2023	Mar 2023
Gross Debt	\$735m	\$735m
Weighted average debt duration	2.7yrs	3.4yrs
Net debt/EBITDA ⁽¹⁾	2.0x	1.8x
EBITDA Interest cover ⁽¹⁾	15.2x	18.6x
Borrowings at Fixed Rate	69.4%	69.4%
	9M FY24	9M FY23
Effective average interest rate	2.64%	2.03%

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

- Interest rate exposure is substantially hedged
- Strong capital structure with debt headroom to fund future capex

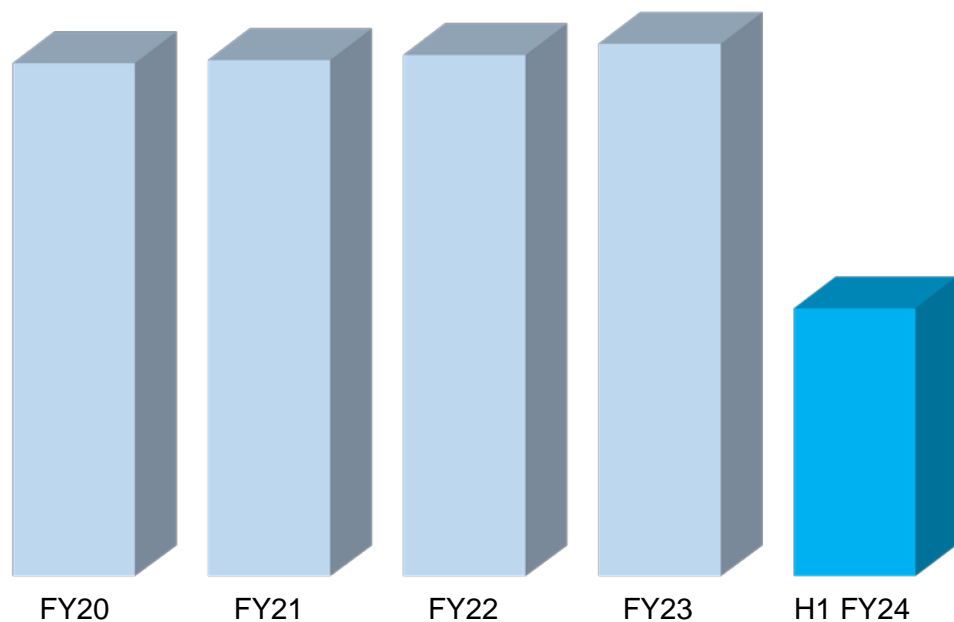


- Strong cash flow generated from operations
- Net Cash used in Financing Activities pertained to distribution paid on 13 June 2023 and 30 Nov 2023

Attractive distribution yield

Distribution per Unit (Singapore cents)

5.05	5.08	5.13	5.24	2.65
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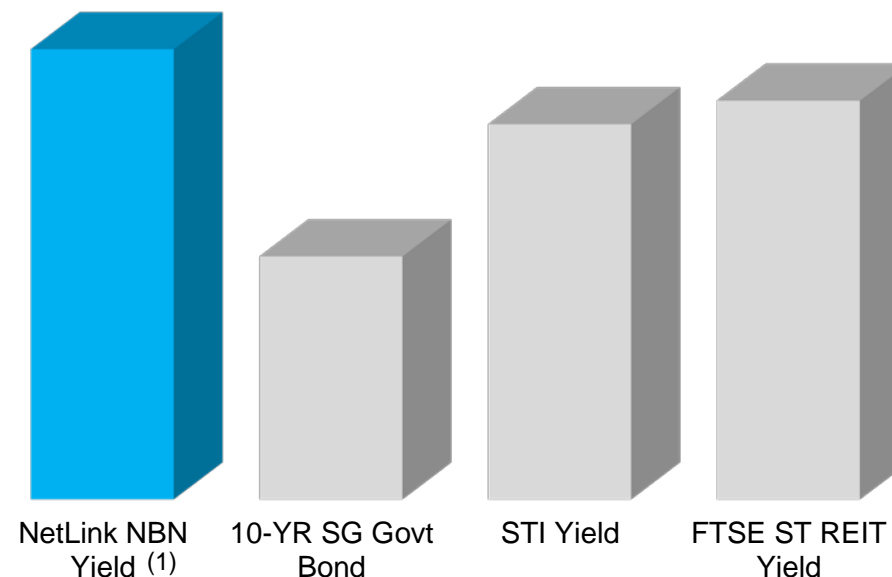


NetLink has returned \$1.2 billion to unitholders since its IPO in Jul 2017 to date (including the H1FY24 distribution)

Distribution yield (%)

6.31	3.40	5.25	5.58
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Bloomberg as at 30 Sep 2023

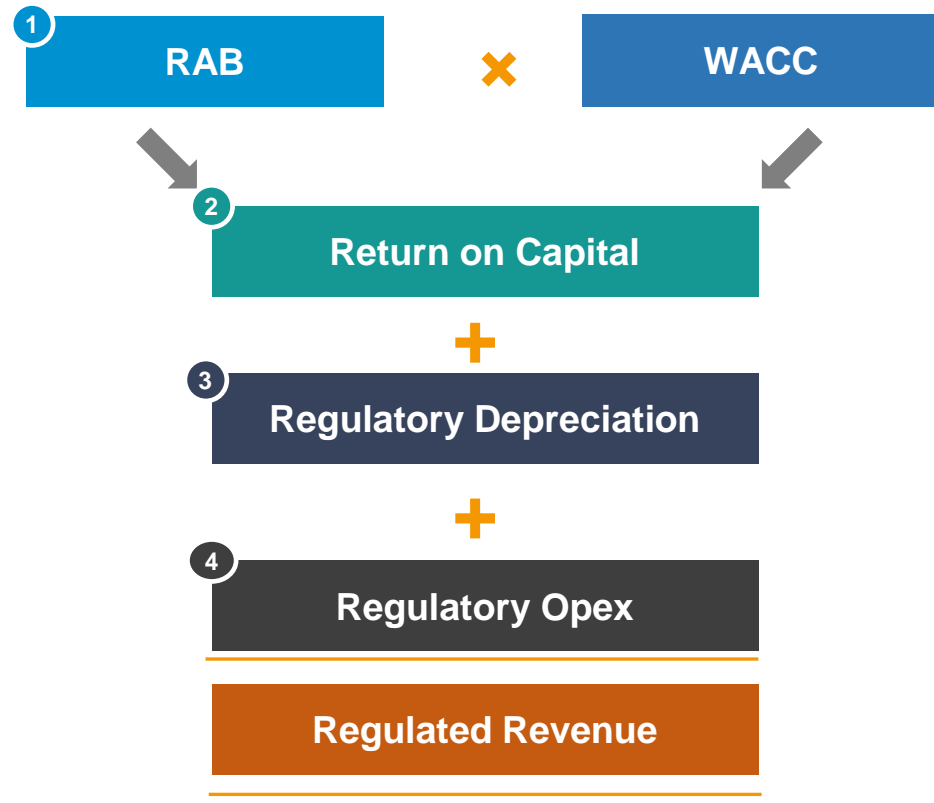


(1) Based on the unit price of \$0.84 as at 30 Sep 2023

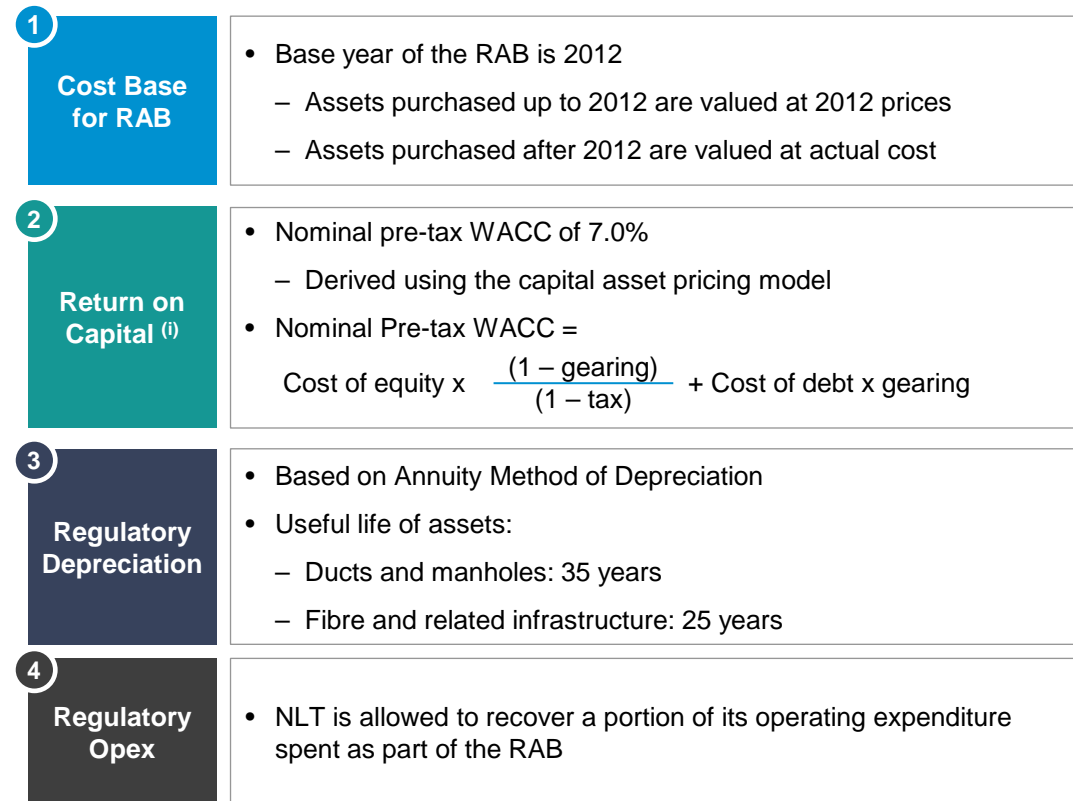
Resilient business underpinned by RAB pricing model

- Monthly recurring charge for residential, non-residential and NBAP end-users at \$13.50, \$55 and \$70.50 respectively with effect from 1 April 2024

FRAMEWORK FOR RAB BASED PRICING MODEL



METHODOLOGY FOR RAB BASED PRICING MODEL



⁽ⁱ⁾ IMDA may change the rate of applicable pre-tax WACC in future review period



Thank you