

Singapore

HOLD (no change)

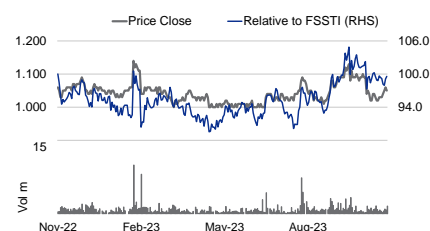
Consensus ratings*: Buy 6 Hold 8 Sell 0

Current price:	S\$1.05
Target price:	S\$1.15
Previous target:	S\$1.15
Up/downside:	9.7%
CGS-CIMB / Consensus:	4.7%
Reuters:	STAR.SI
Bloomberg:	STH SP
Market cap:	US\$1,330m
	S\$1,805m
Average daily turnover:	US\$0.88m
	S\$1.20m
Current shares o/s:	1,730m
Free float:	33.2%

*Source: Bloomberg

Key changes in this note

- FY23F EPS raised by 14%.
- FY24-25F EPS tweaked upwards by 1-2%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-3.7	-2.8	-1
Relative (%)	-2.3	2.8	-0.5

Major shareholders	% held
Temasek Holdings	55.8
NTT Group	9.9
Vanguard Group	1.1

Analyst(s)



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Starhub

Pushing back Dare+ spending

- 3Q23 net profit of S\$37m (+36% yoy) was a beat on lower Dare+ costs. YTD capex is at 7% of revenue (FY23F guidance: 11-13%).
- We believe Dare+ transformation costs could increase in 4Q23F or potentially into FY24F, which would continue to weigh on operating margins.
- Reiterate Hold as we remain cautious ahead of more clarity on the pace of Dare+ spending during the group's investor day on 28 Nov 23.

3Q23: strong cybersecurity growth, lower Dare+ costs

StarHub's 3Q23 net profit of S\$37m (-5% qoq, +36% yoy) was above expectations, bringing 9M23 net profit to 97% of our and 91% of Bloomberg consensus FY23F forecasts. The beat was due to slower-than-expected execution of Dare+, allowing 3Q23 service EBITDA margin to remain stable at 20.2% (3Q22: 20.6%). Revenue growth was decent (+13% qoq, +5% yoy), driven by 1) solid cybersecurity revenue growth (+52% qoq, +45% yoy), and 2) continued postpaid revenue recovery (flat qoq, +6% yoy); management reiterated its FY23F service revenue growth guidance of 3-5% yoy.

More Dare+ costs likely deferred to 4Q23F and FY24F

Recall that StarHub had previously guided (in its 1H23 results) for S\$120m in transformation costs for FY23F, with S\$30m having already been incurred in 1H23. YTD capex (inclusive of Dare+ costs) stands at 7% of revenue as compared to FY23F guidance of 11-13%. We think this implies either 1) 4Q23F spending could come in at c.S\$65m-70m (vs. c.S\$50m-55m in 9M23), and/or 2) further delays going into FY24F. We lift our FY23F EPS by 14% to reflect lower depreciation expenses from slower spending. We await more clarity on the pace of Dare+ spending during the group's investor day on 28 Nov 23.

Stable subs growth, back-weighted enterprise should help

Subs growth was stable in 3Q23, with postpaid subs up 2% yoy and prepaid subs flat. StarHub intends to increase its focus on offering higher-tier plans to mobile subs as opposed to competing in the lower-end segment, while acknowledging that competition in the sector is still significant. StarHub remains positive on the longer-term outlook for cybersecurity and said that its pipeline of projects remain strong. We understand the group's current enterprise projects are back weighted in 2H23F, giving us greater visibility of enterprise revenue remaining elevated in 4Q23F.

Reiterate Hold at unchanged TP of S\$1.15

We maintain Hold given that we are uncertain on the pace of Dare+ spending, which could intensify ahead, in our view. Our TP is kept at S\$1.15, still based on DCF (WACC: 7.8%). Upside risks include lower Dare+ costs, faster transformative efficiencies, and mobile market consolidation. Downside risks include stiffer competition in mobile and broadband, and cost overruns.

Financial Summary	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue (S\$m)	2,043	2,327	2,387	2,424	2,456
Operating EBITDA (S\$m)	510.9	417.0	478.6	482.0	519.8
Operating EBITDA Margin	25.0%	17.9%	20.0%	19.9%	21.2%
Net Profit (S\$m)	149.3	91.4	134.2	122.6	129.0
Core EPS (S\$)	0.086	0.036	0.077	0.071	0.074
Core EPS Growth	(6%)	(58%)	116%	(9%)	5%
FD Core P/E (x)	12.23	29.35	13.61	14.89	14.15
DPS (S\$)	0.064	0.050	0.050	0.056	0.059
Dividend Yield	6.10%	4.76%	4.76%	5.37%	5.65%
EV/EBITDA (x)	4.75	6.03	5.36	5.80	5.24
P/FCFE (x)	3.2	NA	301.9	NA	12.0
Net Gearing	76%	84%	88%	115%	102%
ROE	26.5%	11.1%	24.2%	20.8%	20.9%
% Change In Core EPS Estimates			14.3%	1.8%	1.1%
EPS/Consensus EPS (x)			1.07	0.84	0.79

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Pushing back Dare+ spending

3Q23 results review

3Q23 revenue of S\$622m (+13% qoq, +5% yoy) was largely in line with expectations. 9M23 revenue of S\$1.7bn (+5% yoy) formed 72% of our and 71% of Bloomberg consensus FY23F forecasts.

3Q23 mobile revenue rose to S\$153m (+2% qoq, +7% yoy) as stronger postpaid (flat qoq, +6% yoy) was partially offset by weaker prepaid (-2% qoq, -8% yoy). Postpaid subs grew 2% yoy on the back of continued expansion of Giga's subscriber base, while ARPU was up 3% yoy largely on higher roaming contribution. Prepaid subs were flat yoy, while ARPU fell 13% yoy due to increased competition (on lower-end price tiers) and more promotions. Management sees revenue upside ahead from further roaming recovery.

3Q23 entertainment revenue rose slightly to S\$57m (flat qoq, +2% yoy), as stronger ARPU growth (+10% yoy) from increased Premier League contribution was weighed by continued subs losses (-10% yoy) from 1) cord cutting, and 2) reduced promotions.

3Q23 broadband revenue declined slightly (flat qoq, -2% yoy), which management attributed to intensifying market competition. StarHub said it continues to see increasing adoption of higher speed plans.

3Q23 enterprise revenue grew by a robust 15% yoy, driven predominantly by strong cybersecurity growth (+45% yoy). Management reiterated its expectation of enterprise revenue being back weighted into 3Q/4Q. In addition, the group said its pipeline of cybersecurity projects remains strong.

Figure 1: Results comparison

FYE Dec (\$ m)	3Q23	3Q22	yoy % chg	2Q23	qoq % chg	FY23F	FY22	yoy % chg	Prev. FY23F	Comments
Revenue	622.1	590.8	5.3	548.7	13.4	2,387.2	2,327.3	2.6	2,386.0	Largely in line, 9M23 at 72% of our and 71% of Bloomberg consensus FY23F
Service revenue	526.0	482.9	8.9	476.5	10.4	1,974.9	1,888.6	4.6	1,973.6	
Operating expenses	(568.7)	(547.1)	3.9	(493.9)	15.1	(2,181.4)	(2,181.1)	0.0	(2,216.3)	Above, lower-than-expected Dare+ opex
EBITDA	113.9	109.5	4.0	117.0	(2.6)	478.6	417.0	14.8	459.4	Above, 9M23 formed 75% of our and 74% of Bloomberg consensus FY23F
EBITDA margin (%)	18.3%	18.5%	(1.2)	21.3%	(14.1)	20.0%	17.9%	11.9	19.3%	
Service EBITDA	106.4	99.7	6.7	109.1	(2.5)	424.3	379.4	11.8	422.5	Above
Service EBITDA margin (%)	20.2%	20.6%	(2.0)	22.9%	(11.7)	21.5%	20.1%	6.9	21.4%	
Net profit	37.3	27.4	36.1	39.2	(4.8)	134.2	62.2	115.7	117.4	Above, 9M23 formed 97% of our and 91% of Bloomberg consensus FY23F

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: Operational performance

FYE Dec (S\$ m)	3Q22	4Q22	1Q23	2Q23	3Q23	qoq % chg	yoy % chg	Comments
Revenue breakdown								
Mobile	143.0	153.1	152.1	150.6	153.3	1.8	7.2	Led by higher postpaid revenue from higher roaming, voice and data subscriptions, and value-added services
Entertainment	55.4	64.5	57.1	56.8	56.7	(0.2)	2.3	Driven by increased English Premier League contribution (commenced in 3Q22)
Broadband	63.6	62.9	62.0	62.6	62.6	0.0	(1.6)	Lower yoy due to intensifying competition
Enterprise	220.9	254.6	190.4	206.5	253.6	22.8	14.8	Strong yoy growth from cybersecurity (+45% yoy)
Sale of equipment	107.9	142.8	95.8	72.2	95.9	32.8	(11.1)	
Total revenue	590.8	677.9	557.4	548.7	622.1	13.4	5.3	
Key operating statistics:								
Mobile:								
Postpaid subscribers (000s)	1,546	1,565	1,580	1,580	1,582	0.1	2.3	
Prepaid subscribers (000s)	573	591	592	594	574	(3.4)	0.2	
Total subscribers (000s)	2,119	2,156	2,172	2,174	2,156	(0.8)	1.7	
Postpaid ARPU (S\$)	31	32	32	32	32	0.0	3.2	
Prepaid ARPU (S\$)	8	8	7	7	7	0.0	(12.5)	
Entertainment:								
Total subscribers (000s)	387	374	368	355	347	(2.3)	(10.3)	
ARPU (S\$)	41	45	43	45	45	0.0	9.8	
Broadband:								
Total subscribers (000s)	576	578	578	577	579	0.3	0.5	
ARPU (S\$)	34	34	34	34	34	0.0	0.0	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Ensign and Regional ICT operating profit trend

FYE Dec (S\$ m)	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Ensign operating profit/(loss)	(3.6)	4.6	5.8	(3.4)	(1.4)	1.9	5.5	7.6	(9.0)	0.1	3.8
Regional ICT operating profit/(loss)	(0.5)	0.6	0.7	0.9	0.8	0.0	(0.2)	2.5	(0.1)	1.0	(3.5)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Earnings revision

FYE Dec (S\$ m)	New			Old			% change		
	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F	FY23F	FY24F	FY25F
Revenue	2,387	2,424	2,456	2,386	2,431	2,458	0.1%	-0.3%	-0.1%
Service revenue	1,975	2,011	2,044	1,974	2,019	2,045	0.1%	-0.4%	-0.1%
Operating expenses	(2,181)	(2,222)	(2,242)	(2,216)	(2,258)	(2,274)	-1.6%	-1.6%	-1.4%
EBITDA	479	482	520	459	500	525	4.2%	-3.6%	-0.9%
EBITDA margin (%)	20.0%	19.9%	21.2%	19.3%	20.6%	21.3%	4.1%	-3.3%	-0.8%
Service EBITDA	424	436	463	422	461	486	0.4%	-5.5%	-4.6%
Service EBITDA margin (%)	21.5%	21.7%	22.7%	21.4%	22.8%	23.8%	0.4%	-5.2%	-4.5%
Pretax profit	176.5	165.7	177.3	148.7	156.6	166.6	18.7%	5.9%	6.4%
Tax expense	(45.8)	(42.1)	(44.3)	(34.8)	(35.1)	(34.9)	31.5%	20.1%	26.7%
Net profit	134.2	122.6	129.0	117.4	120.5	127.6	14.3%	1.8%	1.1%
Core net profit	134	123	129	117	120	128	14.3%	1.8%	1.1%
Core EPS (Scts)	7.7	7.1	7.4	6.8	6.9	7.3	14.3%	1.8%	1.1%

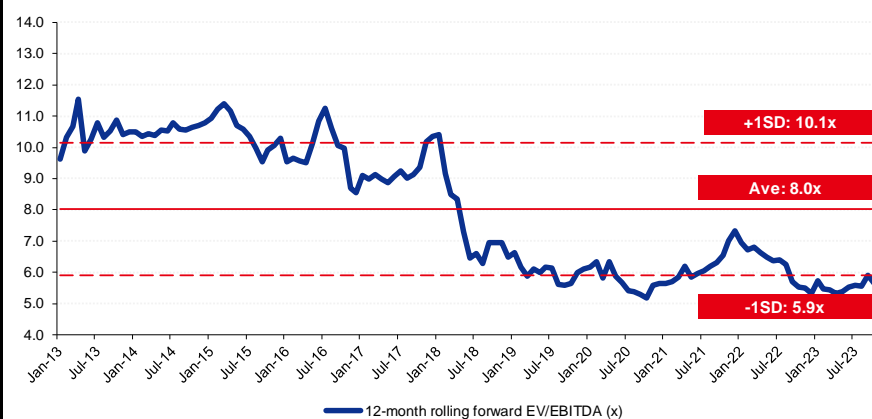
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 5: DCF target price derivation

FYE Dec (S\$m)	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F
EBIT after tax adjustment	155	153	163	168	173	178	183	189	194	200
Depreciation and amortisation	233	240	266	272	277	283	288	294	300	306
Working capital	(25)	26	(52)	(53)	(53)	(54)	(54)	(55)	(55)	(56)
Capex	(310)	(517)	(172)	(172)	(172)	(172)	(172)	(172)	(172)	(172)
FCFF	53	(99)	205	215	225	235	245	256	267	278
FCFF PV	49	(85)	164	159	154	149	145	140	136	131
Total FCFF PV	1,142									
Terminal value	1,943									
Enterprise value	3,085									
Net cash/(debt) at end-FY22	(577)									
Equity value	2,508									
No. of shares (m)	1,739									
Value per share (S\$)	1.44									
Company discount	20.0%									
Value per share (S\$)	1.15									

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 6: Starhub 12-month rolling forward EV/EBITDA (x)




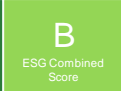





SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 7: ASEAN telco sector comparison

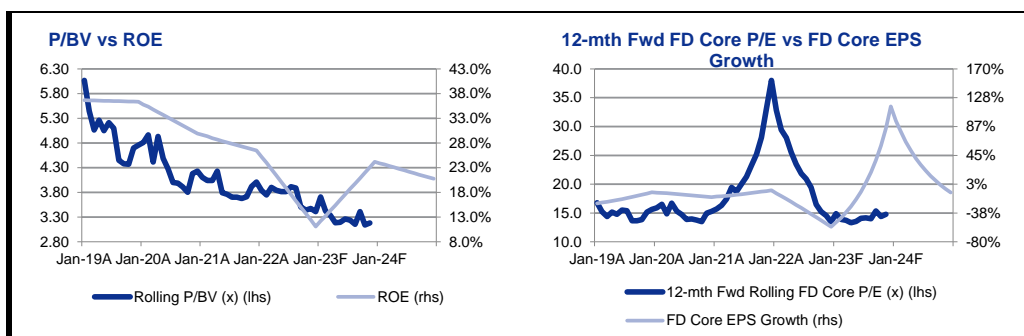
Company	Bloomberg Ticker	Recom.	Price	Target Price	Market Cap (US\$ m)	P/E (x)		EV/EBITDA (x)		Dividend yield (%)		3-year EPS CAGR (%)
			(lcl curr)	(lcl curr)		CY23F	CY24F	CY23F	CY24F	CY23F	CY24F	
Indonesia telcos:												
Indosat	ISAT IJ	Hold	9,200	10,500	4,740	26.0	14.5	5.4	4.6	2.8%	2.3%	72.5%
Telekomunikasi Indonesia	TLKM IJ	Add	3,520	4,700	22,281	13.3	12.1	4.9	4.5	5.9%	6.6%	5.4%
XL Axiata	EXCL IJ	Add	2,160	3,500	1,812	23.2	14.9	4.3	4.0	2.2%	4.0%	23.7%
Indonesia telcos average						20.8	13.8	4.9	4.3	3.6%	4.3%	33.9%
Malaysia telcos:												
Axiata Group	AXIATA MK	Add	2.45	3.07	4,802	57.0	42.1	4.9	4.7	4.1%	4.1%	10.6%
CelcomDigi Bhd	CDB MK	Add	4.29	5.18	10,747	40.3	27.4	10.4	9.9	2.2%	3.2%	37.8%
Maxis Berhad	MAXIS MK	Hold	4.10	4.26	6,857	24.0	23.7	10.1	10.4	4.4%	4.4%	6.8%
Telekom Malaysia	T MK	Add	5.23	6.80	4,285	14.2	12.9	5.0	4.6	3.5%	3.9%	7.0%
Malaysia telcos average						33.9	26.5	7.6	7.4	3.5%	3.9%	15.5%
Singapore telcos:												
Netlink NBN Trust	NETLINK SP	Add	0.83	0.95	2,369	29.8	29.7	12.5	12.4	6.4%	6.6%	1.4%
SingTel	ST SP	Add	2.36	2.80	28,708	17.0	15.1	9.3	9.0	5.2%	5.1%	12.2%
Starhub	STH SP	Hold	1.05	1.15	1,330	13.6	14.9	5.3	5.8	4.8%	5.4%	28.2%
Singapore telcos average						20.2	19.9	9.0	9.1	5.5%	5.7%	13.9%
Thailand telcos:												
Advanced Info Service	ADVANC TB	NR	221.00	NA	18,749	22.6	20.7	8.5	8.0	3.7%	4.0%	10.1%
Digital Telecommunications Infracore	DIF TB	NR	8.40	NA	2,558	7.5	7.7	9.1	9.2	11.3%	11.1%	16.4%
Intouch Holdings	INTUCH TB	NR	69.75	NA	6,430	19.2	17.9	19.5	17.1	4.8%	5.0%	8.7%
True Corporation	TRUE TB	NR	6.05	NA	5,640	nm	nm	7.7	7.2	0.1%	0.5%	na
Thailand telcos average						16.4	15.4	11.2	10.4	5.0%	5.1%	11.7%
ASEAN telcos average						22.8	18.9	8.2	7.8	4.4%	4.8%	18.8%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
Note: All forecasts for Not rated companies are based on Bloomberg consensus estimates
Data as of 08 Nov 23

Refinitiv ESG Scores	
	
     	
ESG in a nutshell	
<p>We rank StarHub second in our ASEAN telco ESG rankings, thanks to its: i) robust cybersecurity system, proactive surveillance and transparent/prompt response, ii) prime position to capture the strong demand for cybersecurity services in Singapore & Asia-Pacific, iii) superior network quality of service & reliability, iv) decent corporate governance with no major issues/controversies in the past three years, as well as v) progressive reduction in carbon emissions since 2018.</p>	
<p>Keep your eye on</p> <p>StarHub reported a data breach in Aug 2021, whereby personal data of 57k customers who subscribed to its services prior to 2007 were leaked on a third-party dump website. While data protection is a major risk factor, it is also a major business opportunity. StarHub's cybersecurity revenue grew 12% yoy to S\$301m in FY22.</p>	<p>Implications</p> <p>We have not factored in the risk of further data breaches into our forecasts at this juncture as it is difficult to predict, with any degree of certainty, the timeline or potential magnitude of the impact. StarHub has also implemented more stringent measures to manage data protection risks and has been reasonably successful in responding to breaches. In terms of business opportunities, we project StarHub's cybersecurity revenues to post a strong CAGR of 8% over 2022-25F, thus being the key growth driver for its Enterprise and total revenue.</p>
<p>ESG highlights</p> <p>Despite its good ESG performance, we think there is room for StarHub to improve on the gender diversity of its board of directors, of which females made up only 25% as at end-2022.</p>	<p>Implications</p> <p>Nonetheless, we believe StarHub's overall ESG achievements/initiatives are superior to regional peers. On an absolute basis, we do not expect its good ESG performance to have a material positive impact on revenue/earnings, as the latter is more likely to be affected by issues such as competition, mergers & acquisitions and regulatory developments, in our view. However, its already-good rankings and potential further improvements in ESG disclosures/performance in the medium-to-longer term could be upside risks and help it garner more interest from ESG-focused investors.</p>
<p>Trends</p> <p>StarHub's carbon emissions fell 8.4% yoy in 2022 due to its commendable efforts to improve energy efficiency. While it is not a major carbon emitter and energy costs constitute less than 5% of total opex, we believe the Environmental pillar may gain importance in the future amid StarHub's growing data centre business and the government possibly raising the carbon tax (S\$5/tCO_{2e} for 2019-23) higher than earlier indicated. Starhub also aims to reach net zero by 2050F, as well as achieve Green Mark certifications for its existing data centres.</p>	<p>Implications</p> <p>A bigger and faster increase in the carbon tax (indirectly raising energy cost) or harsher penalties (fines/regulations, e.g. ban on new data centres) could impact StarHub's earnings. However, we have not incorporated this risk into our forecasts/valuation as its carbon emissions are relatively low (vs. other high-emitting companies/sectors) and measures are being undertaken to reduce them. For instance, StarHub has embarked on initiatives (e.g. using indirect evaporative cooling in its data centres) to decrease emissions and taken green loans to align its operations with its sustainable growth goals.</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total Net Revenues	2,043	2,327	2,387	2,424	2,456
Gross Profit	1,071	1,132	1,224	1,229	1,254
Operating EBITDA	511	417	479	482	520
Depreciation And Amortisation	(279)	(262)	(268)	(275)	(301)
Operating EBIT	232	155	211	207	219
Financial Income/(Expense)	(45)	(37)	(38)	(45)	(45)
Pretax Income/(Loss) from Assoc.	5	4	4	4	4
Non-Operating Income/(Expense)	(2)	(29)	0	0	0
Profit Before Tax (pre-EI)	190	93	176	166	177
Exceptional Items					
Pre-tax Profit	190	93	176	166	177
Taxation	(40)	(23)	(46)	(42)	(44)
Exceptional Income - post-tax	0	29	0	0	0
Profit After Tax	150	99	131	124	133
Minority Interests	(1)	(8)	4	(1)	(4)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	149	91	134	123	129
Recurring Net Profit	149	62	134	123	129
Fully Diluted Recurring Net Profit	149	62	134	123	129

Cash Flow

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
EBITDA	510.9	417.0	478.6	482.0	519.8
Cash Flow from Invt. & Assoc.	(5.1)	(4.1)	(3.6)	(3.6)	(3.7)
Change In Working Capital	224.6	18.7	(24.8)	25.7	(52.2)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	53.6	53.5	50.0	50.0	50.0
Net Interest (Paid)/Received	(49.1)	(45.2)	(50.0)	(50.0)	(50.0)
Tax Paid	(82.9)	(60.3)	(45.8)	(42.1)	(44.3)
Cashflow From Operations	652.0	379.6	404.4	461.9	419.6
Capex	(172.5)	(161.5)	(310.3)	(517.3)	(171.9)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(6.5)	(52.8)	0.0	0.0	0.0
Other Investing Cashflow	(107.9)	(20.7)	12.0	5.0	5.0
Cash Flow From Investing	(286.9)	(235.0)	(298.3)	(512.3)	(166.9)
Debt Raised/(repaid)	198.4	(210.6)	(100.0)	(100.0)	(100.0)
Proceeds From Issue Of Shares					
Shares Repurchased	(2.9)	(7.4)	0.0	0.0	0.0
Dividends Paid	(86.5)	(110.8)	(86.5)	(97.6)	(102.7)
Preferred Dividends					
Other Financing Cashflow	(61.2)	(74.8)	(85.0)	(85.0)	(85.0)
Cash Flow From Financing	47.8	(403.6)	(271.5)	(282.6)	(287.7)
Total Cash Generated	412.9	(259.0)	(165.5)	(333.0)	(35.0)
Free Cashflow To Equity	563.5	(66.0)	6.0	(150.4)	152.7
Free Cashflow To Firm	414.2	189.8	156.0	(0.4)	302.7

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total Cash And Equivalents	833	574	412	82	51
Total Debtors	192	243	235	237	241
Inventories	50	67	59	62	59
Total Other Current Assets	528	536	536	536	536
Total Current Assets	1,603	1,419	1,242	918	887
Fixed Assets	695	631	782	850	847
Total Investments	36	43	47	51	54
Intangible Assets	712	809	737	946	855
Total Other Non-Current Assets	197	231	231	231	231
Total Non-current Assets	1,640	1,715	1,796	2,077	1,986
Short-term Debt	226	137	137	137	137
Current Portion of Long-Term Debt					
Total Creditors	694	833	793	823	772
Other Current Liabilities	173	191	191	191	191
Total Current Liabilities	1,094	1,160	1,120	1,151	1,100
Total Long-term Debt	1,139	1,014	914	814	714
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	314	276	276	276	276
Total Non-current Liabilities	1,453	1,290	1,190	1,090	990
Total Provisions	0	0	0	0	0
Total Liabilities	2,547	2,450	2,310	2,241	2,089
Shareholders' Equity	590	530	578	603	629
Minority Interests	107	153	150	151	155
Total Equity	696	684	728	754	784

Key Ratios

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue Growth	0.7%	13.9%	2.6%	1.5%	1.3%
Operating EBITDA Growth	(5.0%)	(18.4%)	14.8%	0.7%	7.8%
Operating EBITDA Margin	25.0%	17.9%	20.0%	19.9%	21.2%
Net Cash Per Share (S\$)	(0.31)	(0.33)	(0.37)	(0.50)	(0.46)
BVPS (S\$)	0.34	0.31	0.33	0.35	0.36
Gross Interest Cover	4.72	3.42	4.22	4.14	4.37
Effective Tax Rate	21.1%	25.0%	26.0%	25.4%	25.0%
Net Dividend Payout Ratio	74%	139%	64%	80%	80%
Accounts Receivables Days	34.40	34.11	36.50	35.60	35.50
Inventory Days	24.40	17.79	19.75	18.63	18.41
Accounts Payables Days	234.7	233.2	255.1	247.5	242.2
ROIC (%)	10.5%	7.6%	10.4%	9.6%	8.8%
ROCE (%)	12.2%	8.4%	12.3%	12.2%	13.4%
Return On Average Assets	6.00%	3.05%	5.14%	5.20%	5.68%

Key Drivers

	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Total mobile subscribers (000s)	1,952.0	2,156.0	2,160.0	2,175.0	2,195.0
Mobile postpaid subscribers (000s)	1,484.0	1,565.0	1,590.0	1,625.0	1,665.0
Mobile prepaid subscribers (000s)	468.0	591.0	570.0	550.0	530.0
Mobile postpaid ARPU (S\$)	28.0	30.0	32.4	32.9	32.5
Mobile prepaid ARPU (S\$)	10.0	8.0	7.3	7.3	7.3
Entertainment subscribers (000s)	444.0	374.0	334.0	314.0	304.0
Entertainment ARPU (S\$)	34.0	45.0	45.0	45.2	45.5
Broadband subscribers (000s)	484.0	578.0	580.0	585.0	590.0
Broadband ARPU (S\$)	32.0	34.0	34.0	34.0	34.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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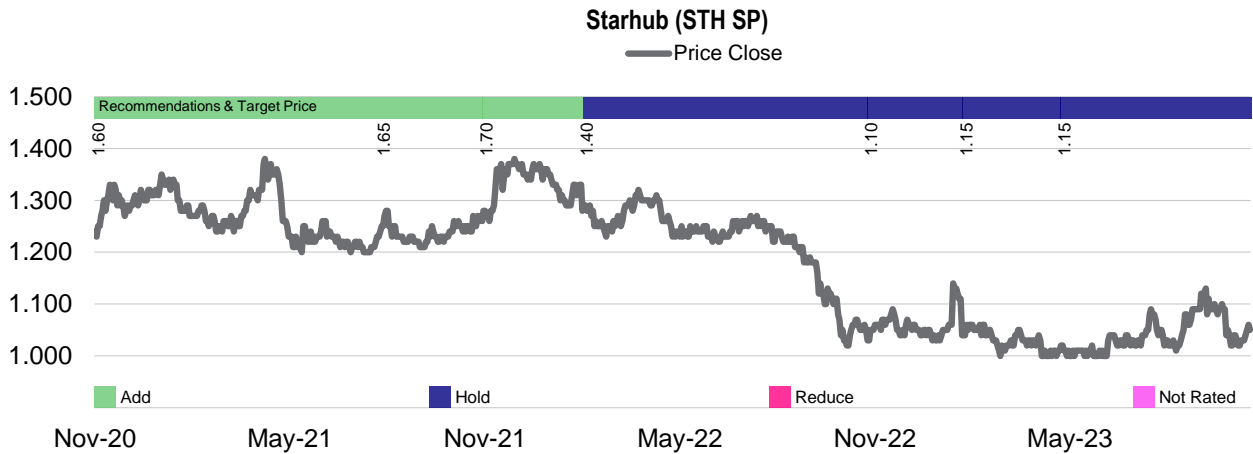
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Add	66.7%	0.9%
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Reduce	9.6%	0.2%

Spitzer Chart for stock being researched (2 year data)



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Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.