



FY16 Results Presentation

24 January 2017



Forward looking statements – Important note

This presentation and the following discussion may contain forward looking statements by M1 Limited (“M1”) relating to financial trends for future periods

Some of the statements contained in this presentation or arising from this discussion which are not of historical facts are statements of future expectations with respect to financial conditions, results of operations and businesses, and related plans and objectives. Such forward looking statements are based on M1’s current views and assumptions including, but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of M1. In particular, such statements should not be regarded as a forecast or projection of future performance of M1. It should be noted that the actual performance or achievements of M1 may vary significantly from such statements.



Overview of FY2016 results

Financial highlights For 2016

- Service revenue was S\$806m
- EBITDA margin at 38.7% of service revenue
- Net profit after tax declined 16.1% YoY to S\$150m

Performance highlights for 2016

- Mobile customer base increased 91,000 YoY to 2.02m
- Mobile data revenue was 54.0% of service revenue
- Fibre customer base grew 32,000 YoY to 160,000
- Fixed service revenue increased to 12.9% of service revenue

Dividend

- Proposed final dividend of 5.9 cents per share



Agenda

Financial highlights

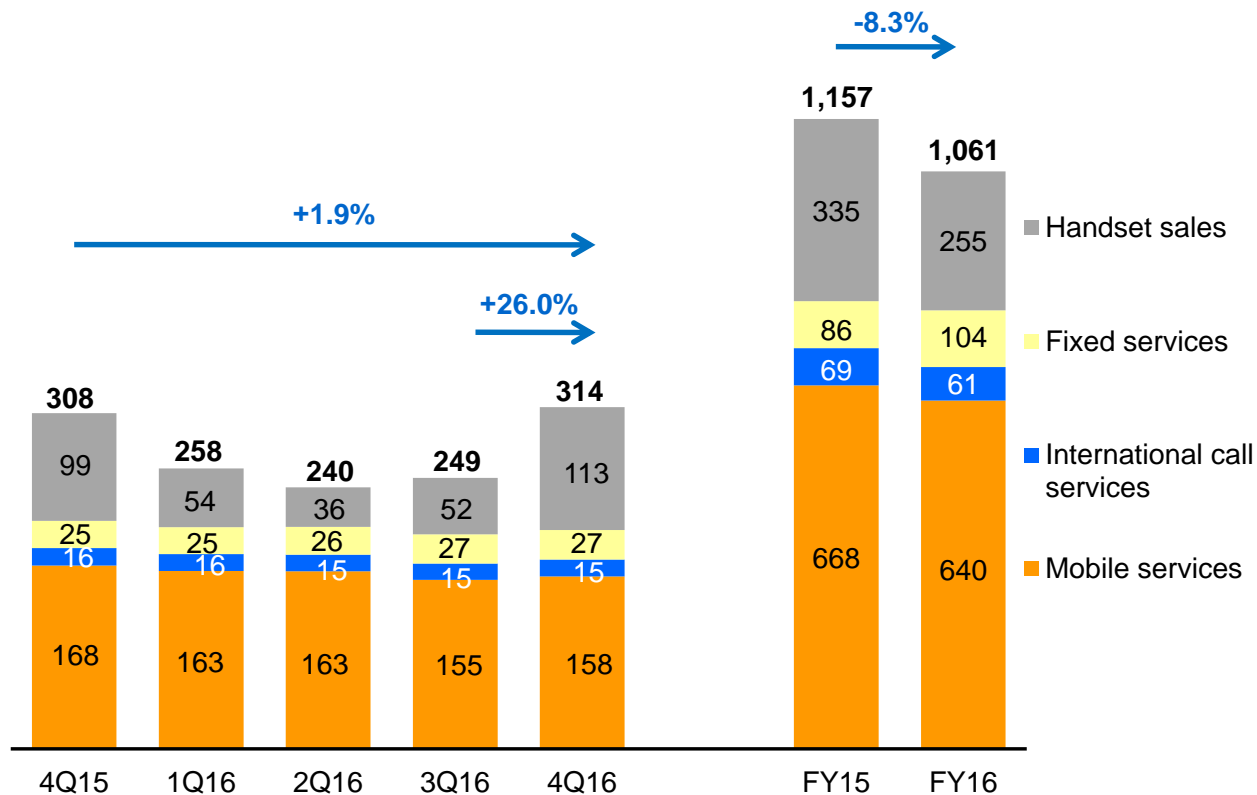
Performance highlights

Outlook



Revenues (S\$m)

	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
Service revenue (S\$m)	209	203	204	197	201	822	806

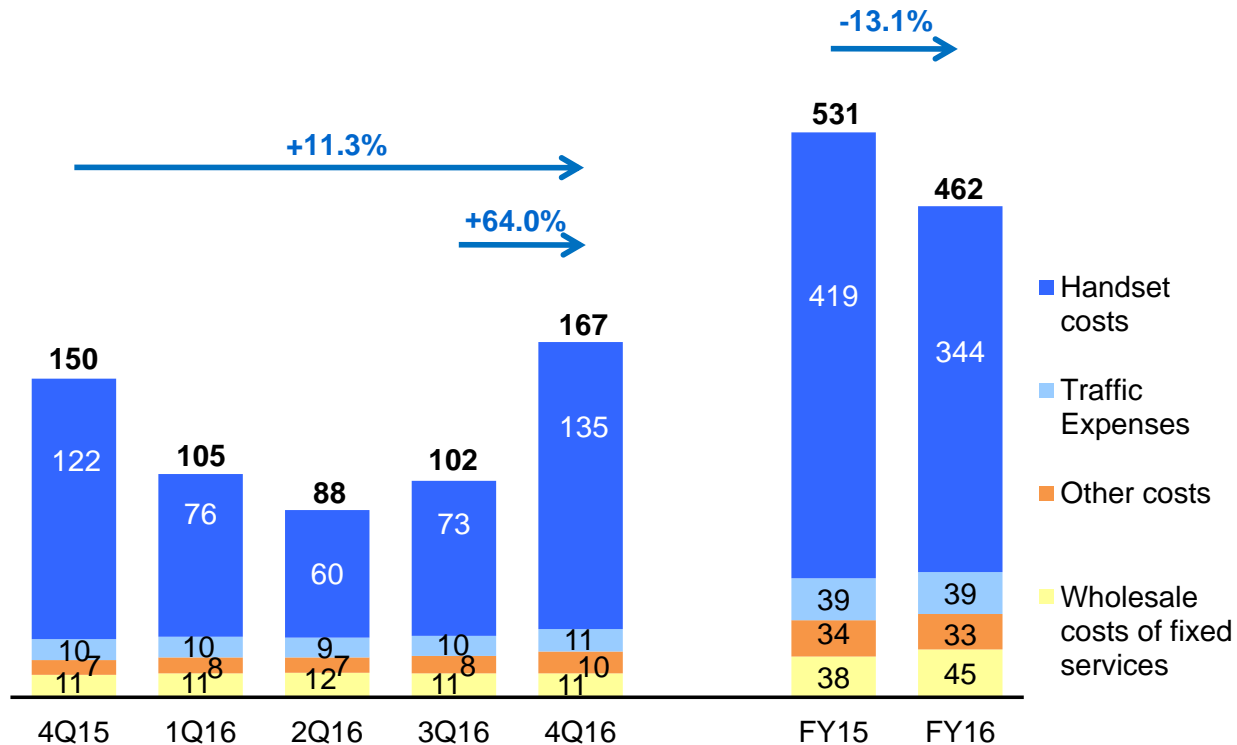


FY2016 vs FY2015

- Handset sales (-23.7%): Lower sales volume and selling price
- Fixed services revenue (+21.4%): Higher fibre customer base
- International call revenue (-10.8%): Lower retail traffic
- Mobile revenue (-4.2%): Lower voice and roaming revenues



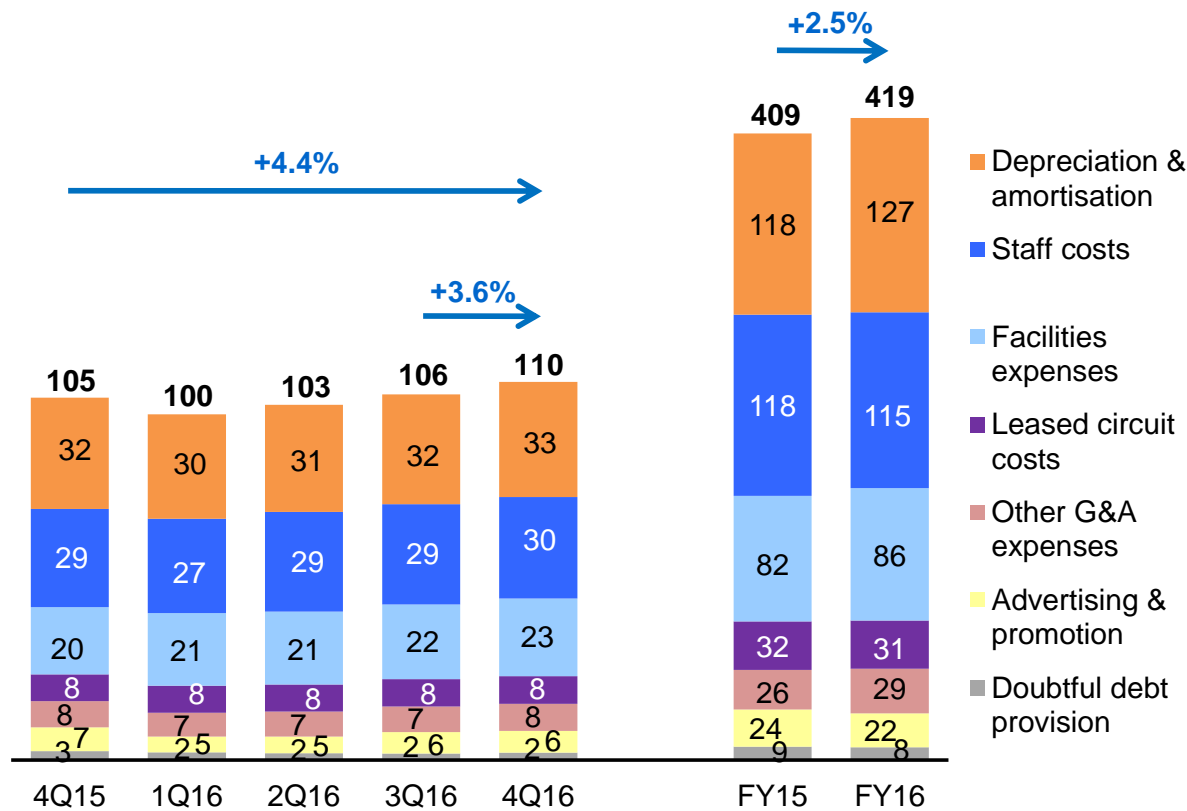
Cost of sales (S\$m)



FY2016 vs FY2015

- Handset costs (-17.9%): Lower sales volume and unit cost
- Wholesale costs of fixed services (+17.5%): Higher fibre customer base

Other operating expenses (S\$m)



FY2016 vs FY2015

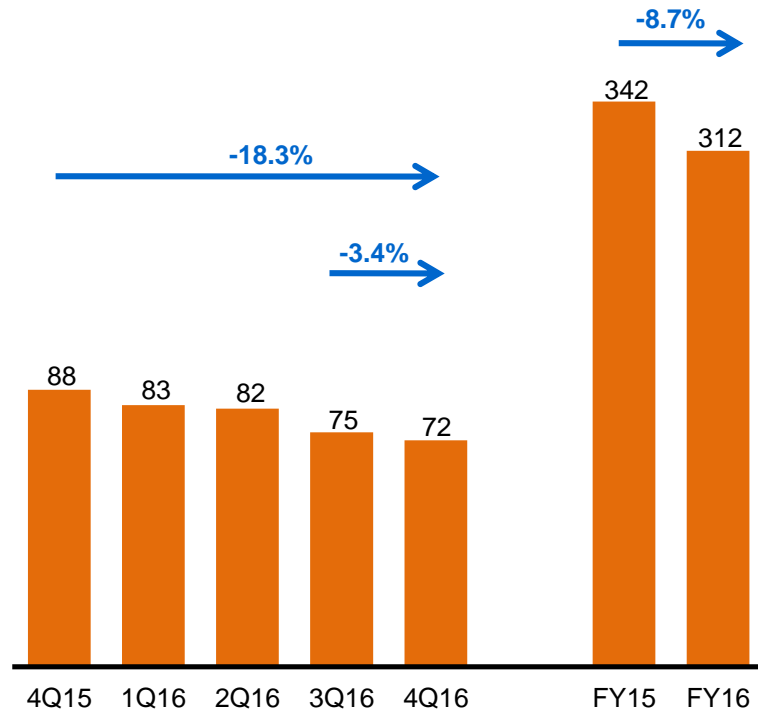
- Depreciation & amortisation expenses (+7.0%): Higher fixed asset base
- Facilities expenses (+5.3%): Higher network maintenance expenses



EBITDA & net profit after tax

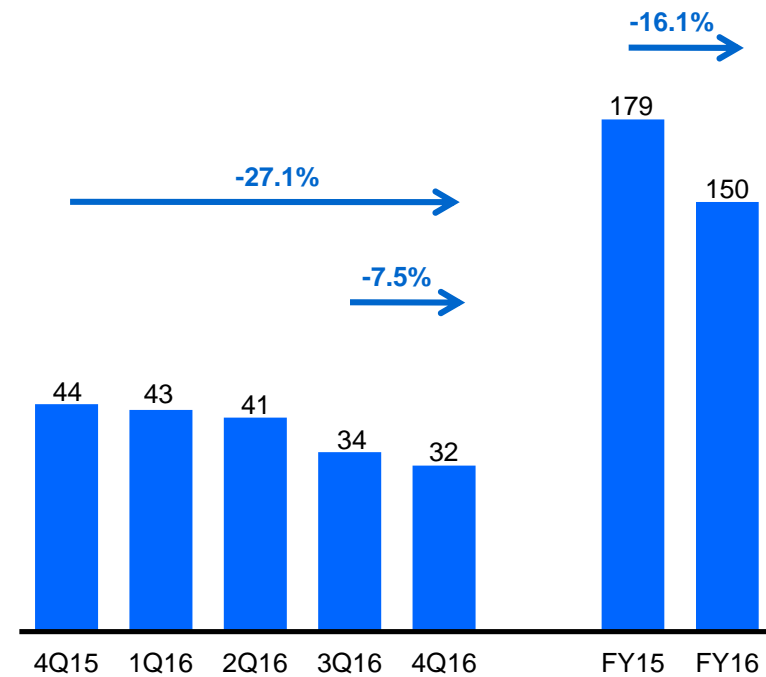
EBITDA (S\$m) & margin
on service revenue

	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
EBITDA margin (on service revenue)	42.2%	40.9%	40.3%	37.8%	35.8%	41.6%	38.7%



Profit after tax (S\$m) & margin
on service revenue

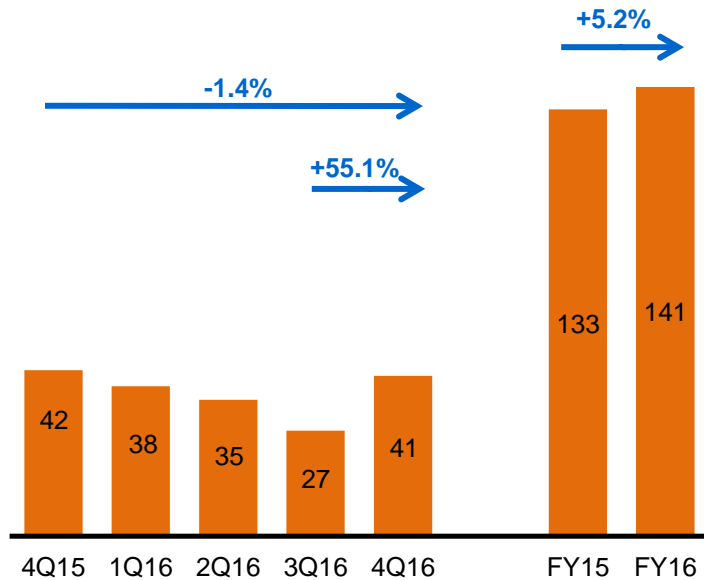
	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
PAT margin (on service revenue)	20.8%	20.9%	20.1%	17.4%	15.8%	21.7%	18.6%





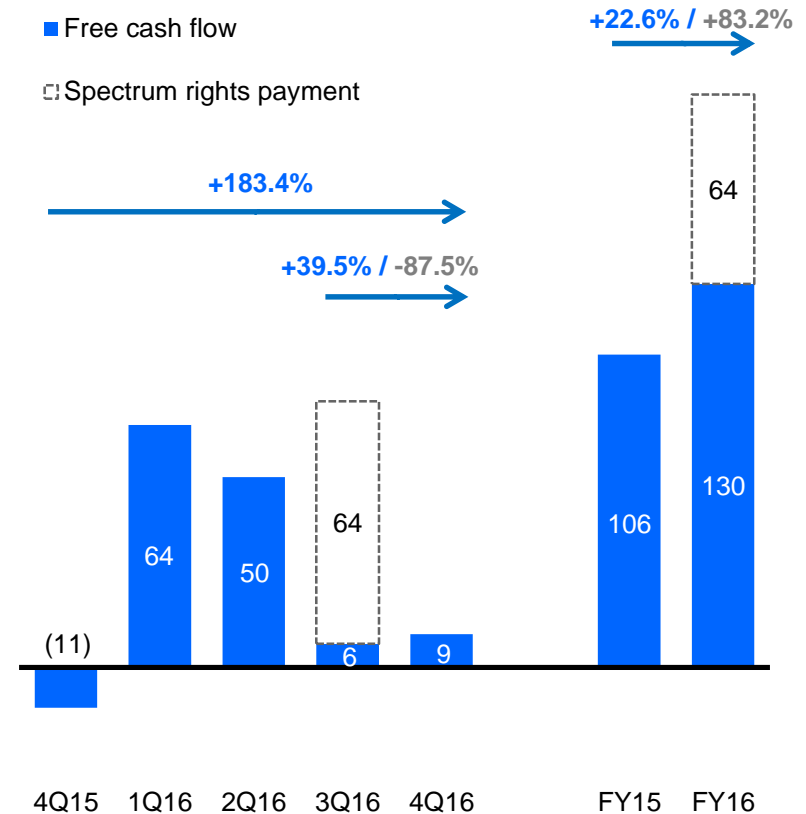
Capex & Cash flows

Capex (S\$m)



Operating and free cash flows (S\$m)

	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
Operating cash flow	31	102	85	98	50	239	335





Financial leverage

S\$m	FY2015	FY2016	Change
Cash & cash equivalents	10.0	11.0	10.5%
Net debt	343.8	390.0	13.4%
Net assets	413.2	403.4	-2.4%
Net debt/equity (x)	0.8	1.0	16.2%
Net debt/EBITDA (x)	1.0	1.2	30.7%
EBITDA/Interest (x)	69.5	46.2	-33.5%
Net assets per share (cents)	44.1	43.4	-1.6%
EPS - diluted (cents)	19.0	16.1	-15.6%



Agenda

Financial highlights

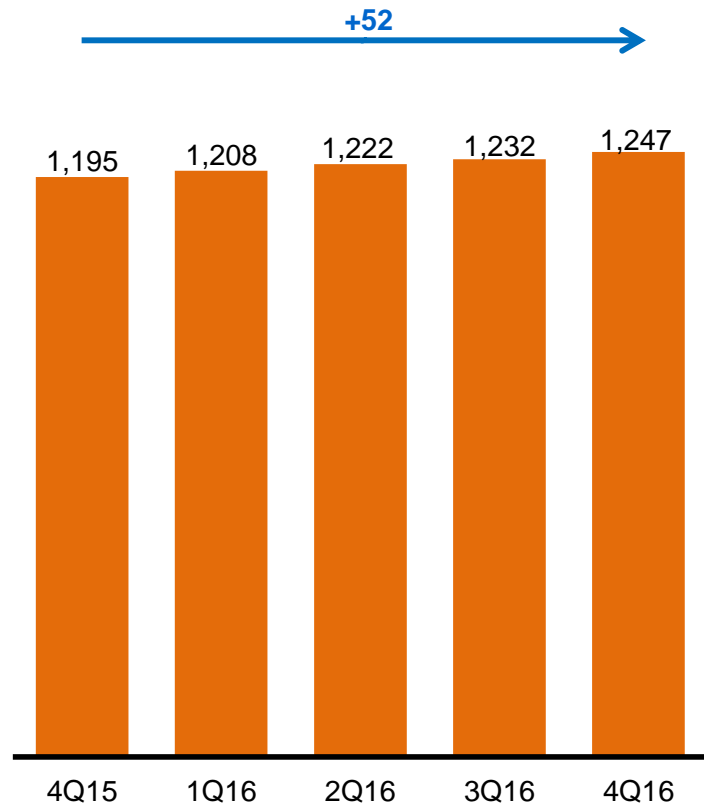
Performance highlights

Outlook

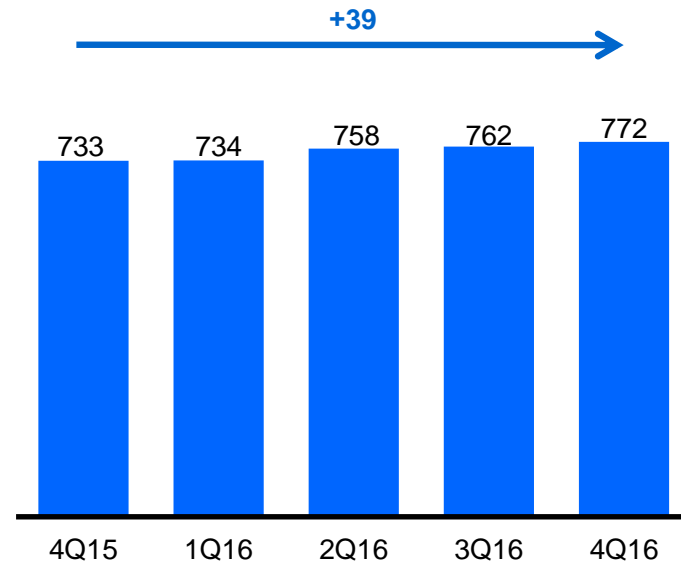


Mobile customers

Postpaid customer base ('000)



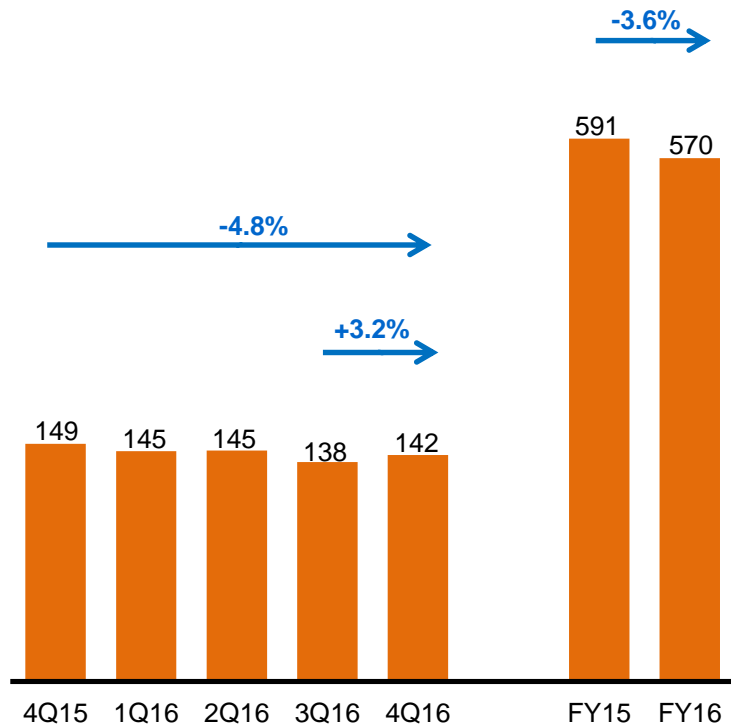
Prepaid customer base ('000)



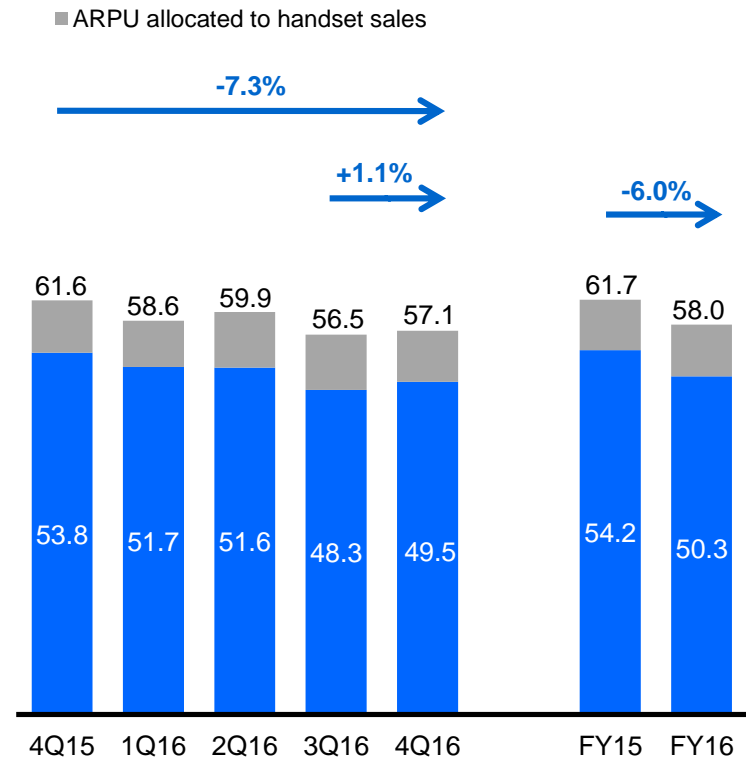


Postpaid mobile

Postpaid mobile revenue (S\$m)



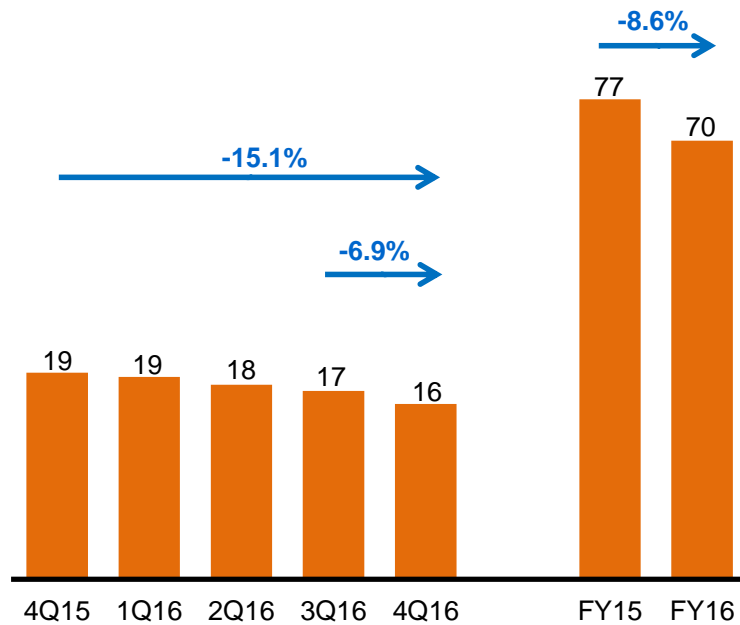
Postpaid monthly ARPU (S\$)



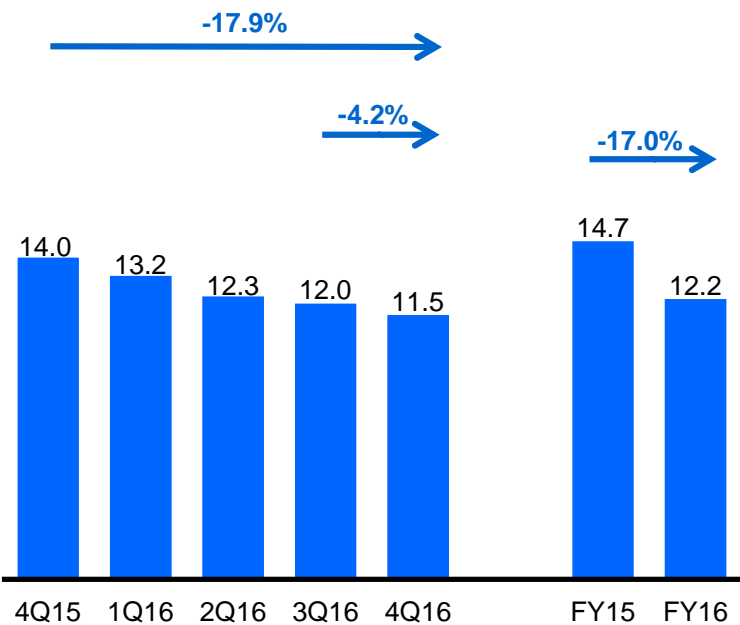


Prepaid mobile

Prepaid mobile revenue (S\$m)



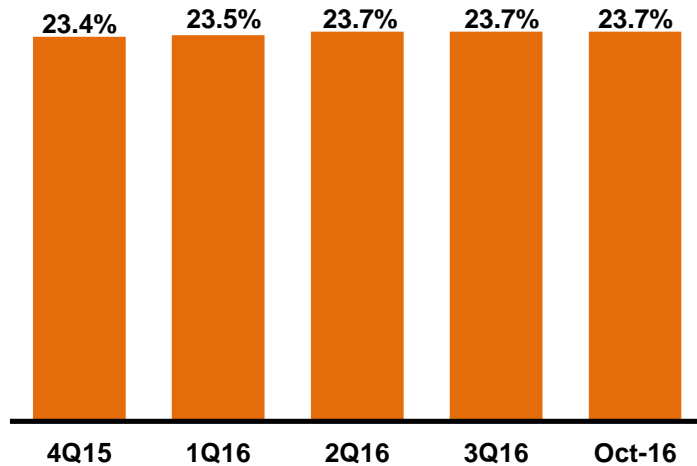
Prepaid monthly ARPU (S\$)





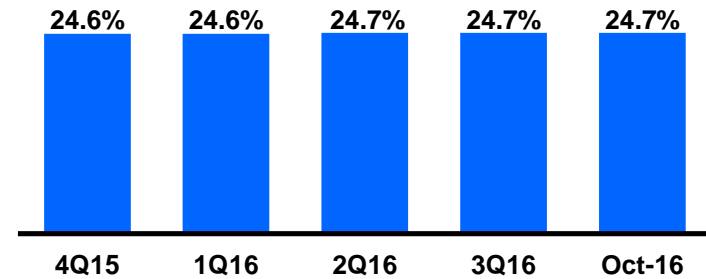
Mobile market share

Overall market share*

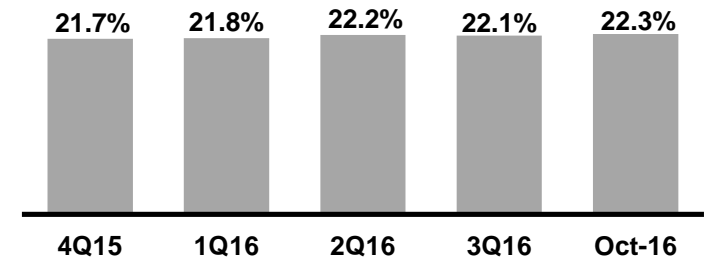


Postpaid & Prepaid market share*

Postpaid



Prepaid

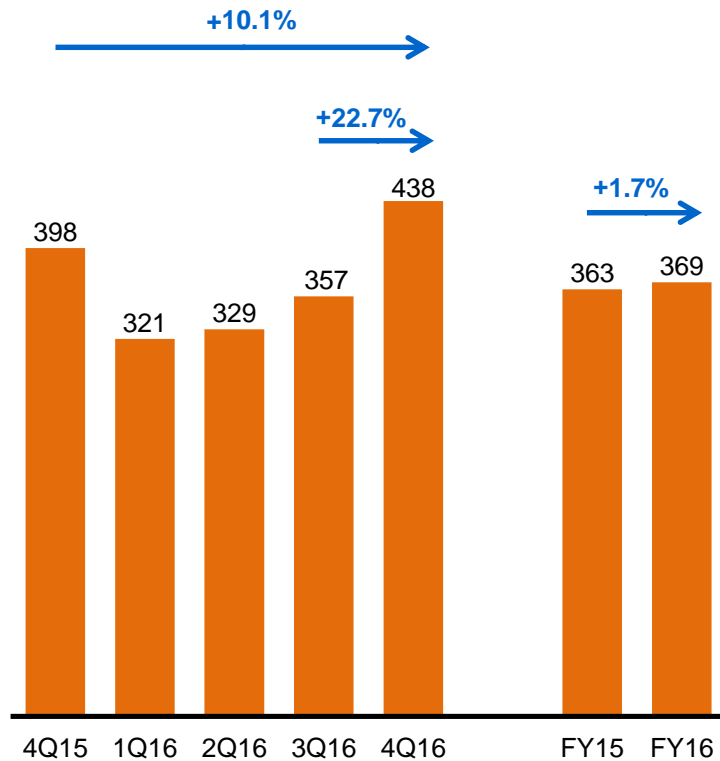


* - Based on published statistics available at the time of submission

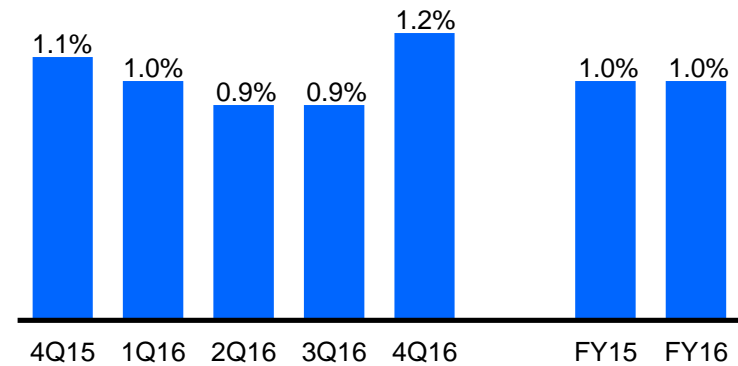


Postpaid mobile

Acquisition cost per postpaid customer (S\$)



Monthly churn rate (postpaid)

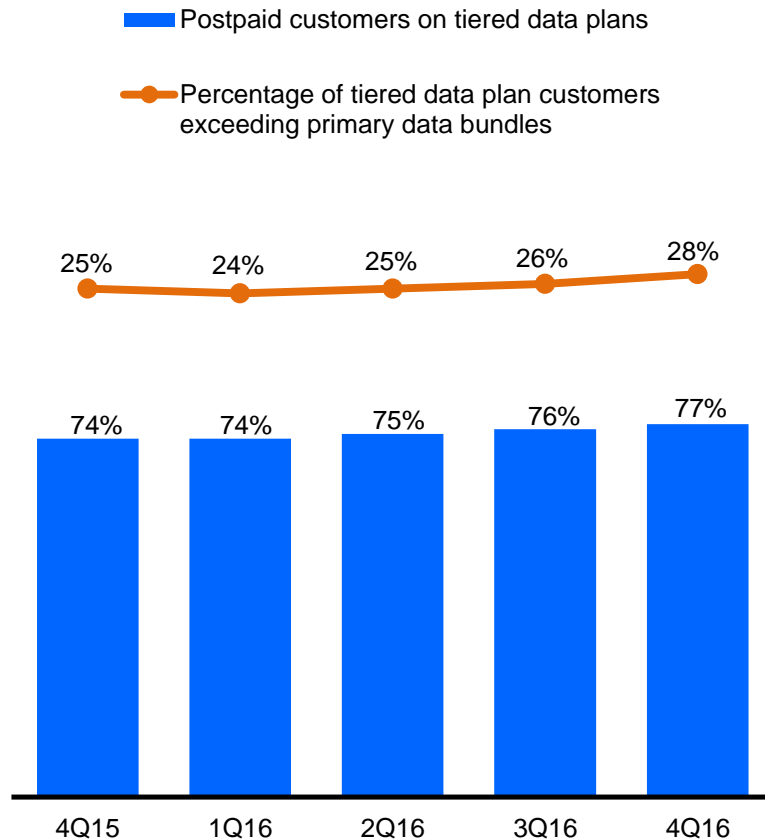


Note: Cash basis

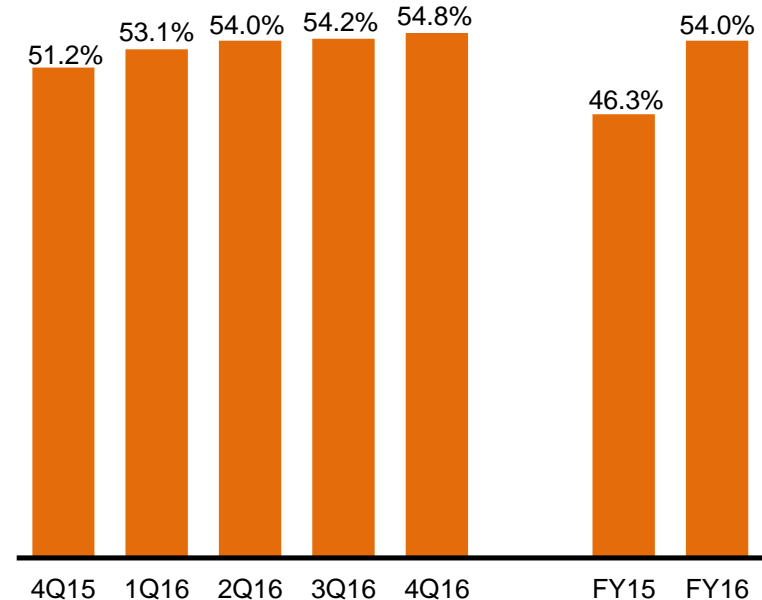


Tiered data plans & mobile data contribution

Tiered data plans



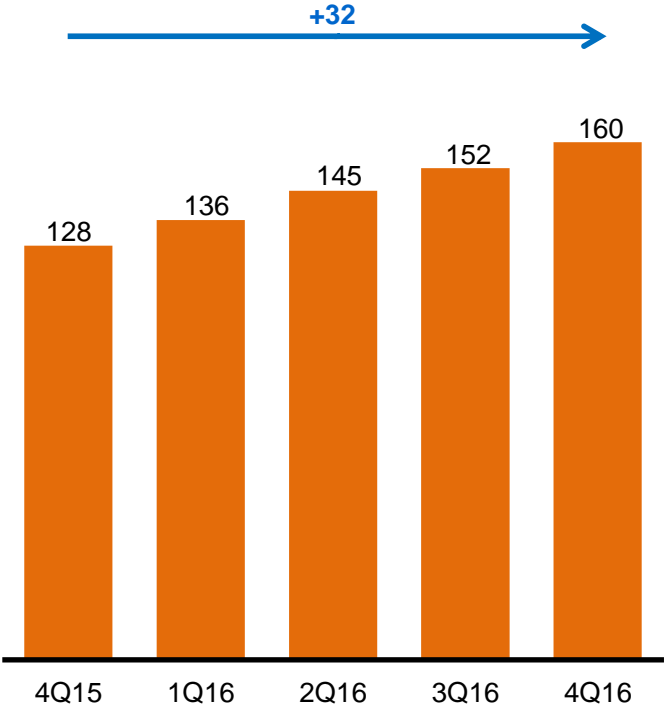
Data contribution to mobile service revenue



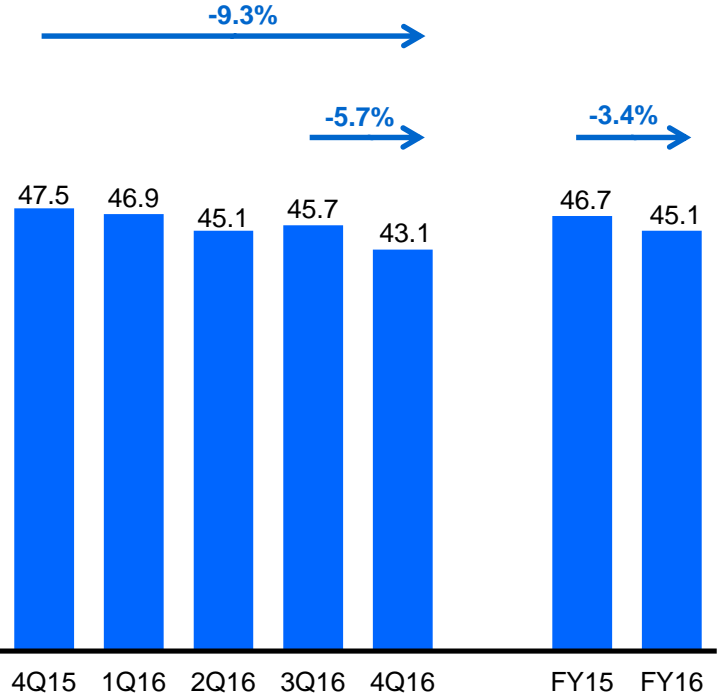


Fixed services

Fibre customer base ('000)



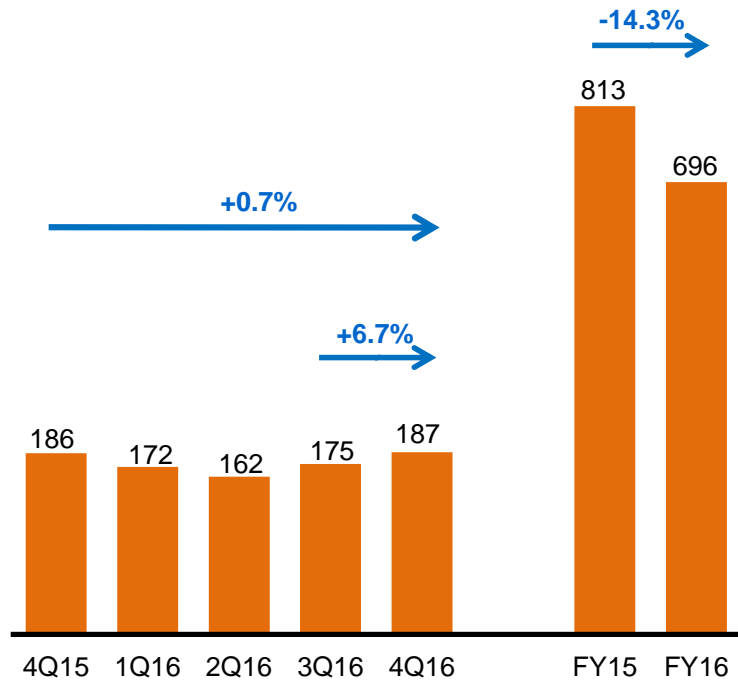
Fibre monthly ARPU (\$)



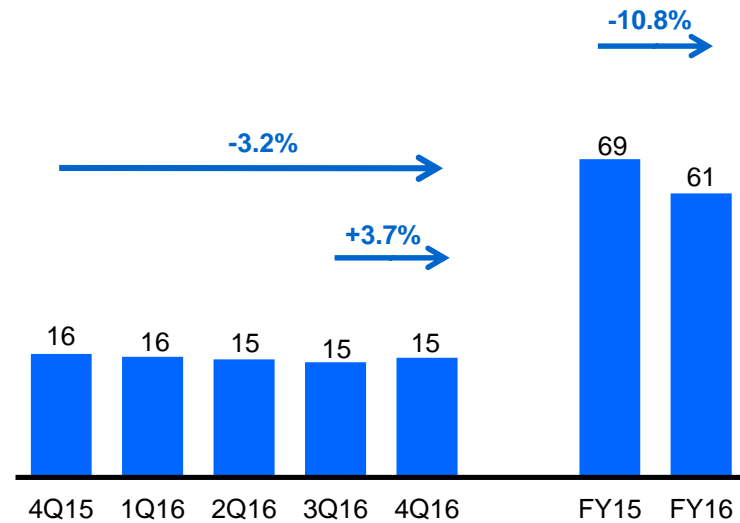


International call services

International retail minutes
(million mins)



International call services
revenue (S\$m)





Agenda

Financial highlights

Performance highlights

Outlook

Opportunities and strategy

Opportunities

- Internet-based ecosystems
- Growing IoT services
- Smart nation

Strategy

- Strengthen telco core
 - Continual investments: 4.5G/5G, HetNet and NB-IoT
 - Expand reach of fibre infrastructure to corporates
 - Digitisation of operations
 - ❖ Improve efficiency and time-to-market
- Build ICT and digital solutions
 - Focus on verticals such as transportation, retail, finance and smart nation initiatives
 - Enhance with data analytics
 - Managed cloud services and cyber security offerings

Outlook and estimates

Outlook & estimates for FY2017

- Opportunities exist amidst challenging environment
 - Build on strong foundation and invest ahead
 - New services will take time to scale
- Capex to be around S\$170m
- Dividend policy
 - Maintain at least 80% payout ratio



Thank you