



StarHub Limited

Munch popcorn, just watch the fight



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SINGAPORE | TELECOMMUNICATIONS | 2Q25 RESULTS

- Results were within expectations. 1H25 revenue and EBITDA were 48% and 46%, respectively, of our FY25e forecast. Headline PATMI was down 63% YoY to S\$16.1mn in 2Q25, due to a S\$14.1mn spectrum right forfeiture fee. Excluding the fee, PATMI decline would be 29% YoY.
- Mobile revenue and ARPU continue to weaken, falling 7% and 13% YoY, respectively. Competition in the mobile market is intensifying, with mobile plans now bundling significantly more local and roaming data. Price aggression is also appearing from the market leader.
- We maintain our FY25e forecast and NEUTRAL recommendation. Our target price of \$1.08 is unchanged. StarHub will ramp up its aggressive pricing despite the planned acquisition of M1 by Simba. It is unclear what Simba's pricing strategy is post-acquisition. StarHub has revised its FY25e EBITDA guidance downward from stable to a 12% to 16% decline (PSR: -5%).

Results at a glance

SGD mn	2Q25	2Q24	YoY	1Q25	QoQ	Comments (YoY)
Revenue	588.3	575.4	2.2%	540.5	8.8%	
- Mobile	134.9	144.5	-6.6%	139.2	-3.1%	ARPU -13.0%, subs. -2.7%.
- Entertainment	49.0	54.7	-10.4%	50.4	-2.8%	No operational data
- Broadband	63.9	61.5	3.9%	64.4	-0.8%	ARPU +5.9%, Subs. -1%.
- Cyber security	114.7	75.3	52.3%	63.5	80.6%	1H25 operating loss S\$8.7mn (1H24: -11.8mn).
Operating expenses	-549.7	-525.0	4.7%	-500.0	9.9%	
EBITDA	103.2	118.2	-12.7%	100.2	3.0%	
Service EBITDA	99.8	113.3	-11.9%	95.5	4.5%	
EBITDA margin	17.5%	20.5%	-3.0%	18.5%	-1.0%	
Service EBITDA margin	19.5%	23.6%	-4.1%	20.6%	-1.1%	
PATMI	16.1	43.2	-62.7%	31.8	-49.4%	Includes S\$14.5mn forfeiture fee.
Adj. PATMI	30.6	43.2	-29.2%	31.8	-3.8%	
DPS - Interim (cents)	3.0	3.0	0.0%	0.0	n.m.	Within FY25 guidance of at least 6 cents.

Source: Company, PSR

The Positive

+ Growth in broadband. Broadband revenue expanded 3.9% YoY to S\$63.9mn. A 6% rise in ARPU drove growth. Customers are adopting faster plans (3GB, 5GB, 10GBps) that push up ARPU. With the 100% control of MyRepublic Broadband, StarHub aims to introduce more of its services, such as EPL, to MyRepublic customers.

The Negative

- Mobile drag continues. The pace of mobile service revenue decline is increasing. The quarterly run-rate of mobile revenue is currently S\$135mn (2024: S\$144mn/quarter) and is still declining QoQ by 3.1%. There is no sign of revenues stabilising as ASP continues to drop to new lows.

Outlook

We expect StarHub to look to take more market share in 2H25 – (i) The market leader has become very aggressive in their plans recently; (ii) Despite the possible consolidation from four to three mobile network operators, StarHub is unclear about the strategy of Simba. It prefers to be aggressive, especially with MVNOs more vulnerable in their profitability as prices drop; (iii) We believe once integration is complete, StarHub could face a much leaner competitor, especially with the increased scale. We worry there is much more downside to our forecast as competition shows no signs of abating. No change in not providing FY25e revenue guidance to retain flexibility to defend market share. Dividend guidance of at least 6 cents or 80% payout is maintained.

Maintain NEUTRAL with unchanged TP of S\$1.08

21 August 2025

NEUTRAL (Maintained)

CLOSING PRICE	SGD 1.16
FORECAST DIV	SGD 0.062
TARGET PRICE	SGD 1.08
TOTAL RETURN	-1.6%

COMPANY DATA

BLOOMBERG CODE:	STH SP
O/S SHARES (MN) :	1,722
MARKET CAP (USD mn / SGD mn) :	1552 / 2014
52 - WK HI/LO (SGD) :	1.29 / 1.1
3M Average Daily T/O (mn) :	1.12

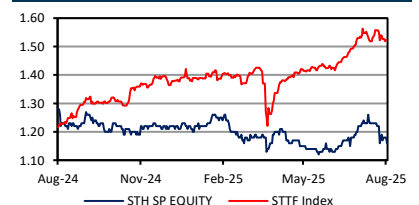
MAJOR SHAREHOLDERS

Temasek Holdings Pte Ltd	56.1%
Nippon Telegraph & Telephone Corp	10.0%

TOTAL PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	5.4	(4.6)	(0.7)
STI RETURN	1.3	9.1	15.2

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, SGDmn	FY23	FY24	FY25e	FY26e
Revenue	2,373	2,368	2,337	2,347
EBITDA	467	460	438	460
Adj. PATMI	159	161	140	145
DPS (SS cents)	6.7	6.2	6.2	6.5
Dividend Yield	5.8%	5.3%	5.3%	5.6%
ROE	25.6%	27.7%	19.9%	22.2%
ROA	4.8%	5.4%	4.0%	4.7%

Source: Company, PSR

VALUATION METHOD

6.0x EV/EBITDA FY25e

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Financials

Income Statement

Y/E Dec, SGDmn	FY22	FY23	FY24	FY25e	FY26e
Revenue	2,327	2,373	2,368	2,337	2,347
Operating Profit	155	226	225	194	200
EBITDA	417	467	460	438	460
Depreciation & Amortisation	(267)	(241)	(236)	(243)	(261)
EBIT	151	226	225	194	200
Net Finance Inc/(Exp)	(45)	(41)	(43)	(42)	(42)
Profit before tax	93	197	205	152	173
Taxation	(23)	(51)	(37)	(30)	(31)
PAT	70	146	168	122	142
Non-controlling interest	8	(4)	8	(3)	(3)
PATMI	62	150	161	125	145
PATMI, adjusted	91	159	161	140	145

Per share data (SGD Cents)

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
EPS, reported	3.1	8.3	8.9	6.8	8.0
DPS	5.0	6.7	6.2	6.2	6.5
BVPS	30.7	33.2	35.4	35.8	37.2

Cash Flow

Y/E Dec, SGDmn	FY22	FY23	FY24	FY25e	FY26e
CFO					
Profit before tax	93	197	205	152	173
Adjustments	332	275	257	275	292
WC changes	19	(72)	(50)	(43)	2
Cash generated from ops	444	400	412	384	466
Tax paid	(60)	(41)	(51)	(30)	(31)
Cashflow from ops	384	359	361	354	435
CFI					
CAPEX	(161)	(173)	(199)	(374)	(235)
Others	(74)	(23)	97	11	11
Cashflow from investments	(235)	(195)	(102)	(363)	(224)
CFE					
Share issuance, net	0	0	0	0	0
Loans, net of repayments	(211)	(3)	(9)	(50)	(50)
Dividends	(111)	(86)	(124)	(107)	(110)
Others	(293)	(123)	(98)	(100)	(100)
Cashflow from financing	(404)	(210)	(222)	(206)	(210)
Net change in cash	(255)	(46)	38	(215)	2
CCE, end	567	498	535	320	322

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, SGDmn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Accounts receivables	243	278	289	280	282
Cash	574	502	540	324	326
Inventories	66	47	47	47	47
Amt due from related parties	18	19	23	23	23
Others	158	140	236	236	236
Total current assets	1,419	1,381	1,527	1,302	1,305
PPE & IA	1,441	1,363	1,385	1,515	1,489
Others	137	124	149	149	149
Total non-current assets	1,715	1,654	1,594	1,724	1,698
Total Assets	3,134	3,035	3,121	3,027	3,004
LIABILITIES					
Accounts payables	824	709	753	701	704
Short term loans	137	11	448	448	448
Amt Due to related parties	42	34	37	37	37
Tax payable	35	56	7	7	7
Total current liabilities	1,160	961	1,374	1,322	1,325
Long term loans	1,014	1,128	688	638	588
Deferred tax liabilities	87	72	105	105	105
Others	57	47	50	50	50
Total non-current liabilities	1,290	1,369	979	929	879
Total Liabilities	2,450	2,330	2,354	2,251	2,205
EQUITY					
Non-controlling interests	153	137	159	159	159
Shareholder Equity	531	569	608	616	640

Valuation Ratios

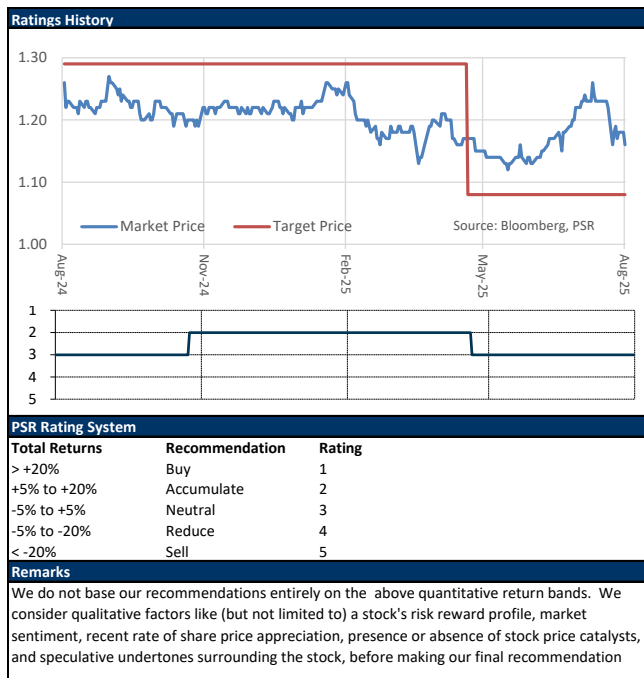
Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E (X)	37.0	14.0	13.1	17.0	14.6
P/B (X)	3.8	3.5	3.3	3.2	3.1
EV/EBITDA (X)	6.5	5.9	6.0	6.7	6.2

Growth & Margins

Growth					
Revenue	13.9%	2.0%	-0.2%	-1.3%	0.5%
EBITDA	-17.5%	12.1%	-1.5%	-4.9%	5.2%
EBIT	-33.6%	50.3%	-0.8%	-13.5%	2.7%
Net profit, adj.	-53.5%	108.9%	15.4%	-27.3%	15.9%

Margins					
Gross margin	6.6%	9.5%	9.5%	8.3%	8.5%
EBITDA margin	17.9%	19.7%	19.4%	18.7%	19.6%
EBIT margin	6.5%	9.5%	9.5%	8.3%	8.5%
Net profit margin	3.0%	6.1%	7.1%	5.2%	6.0%

Key Ratios					
ROE (%)	13.2	25.6	27.7	19.9	22.2
ROA (%)	2.2	4.8	5.4	4.0	4.7
Dividend Yield (%)	4.3	5.8	5.3	5.3	5.6
Dividend Payout (%)	159	81	70	91	82



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