



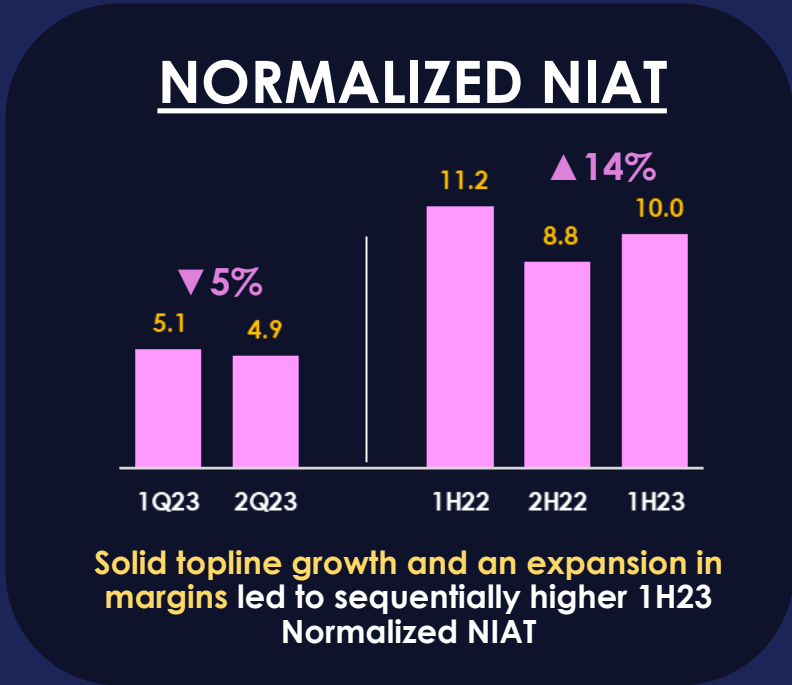
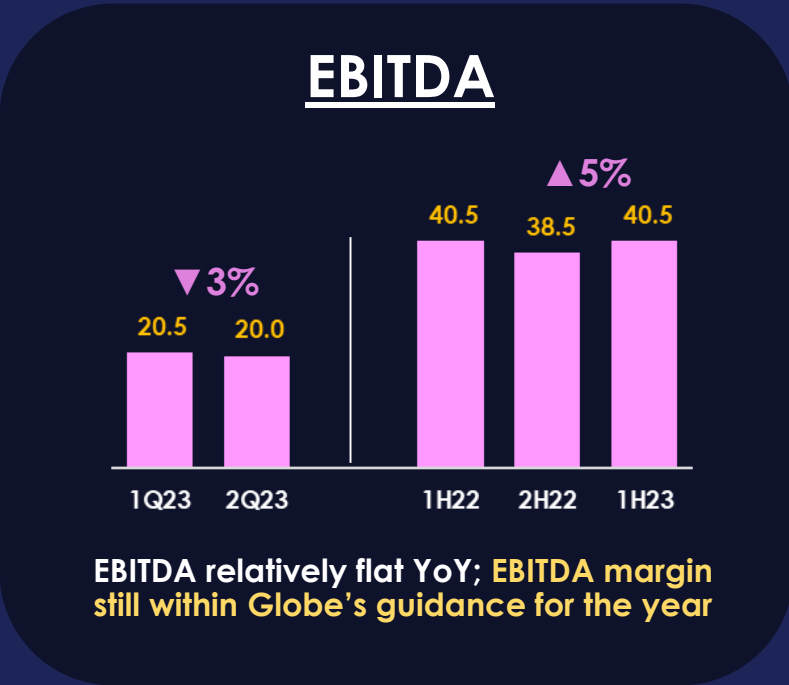
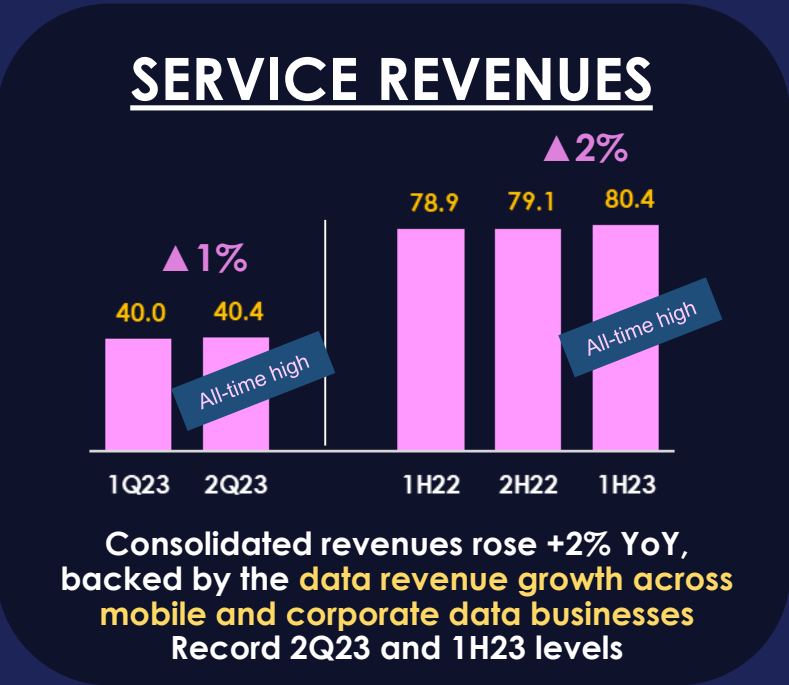
Globe

# Singtel Investor Day 2023

24 August 2023 | The St. Regis, Singapore



# Sustained topline improvement on the back of data revenue growth as well as robust contribution from non-telco services



## GLOBE GROUP UPDATES:

Globe BOD approved 3Q23 dividend of **Php25/share**, reiterating commitment to a sustainable dividend policy

First closing of **115 towers with Unity** for **Php1.4Bn** last July. The company has raised **Php49.3Bn** from closings to date.

STT GDC Philippines broke ground on potentially the largest and most interconnected carrier-neutral data centre in the country.

# Non-telco businesses sustained YoY growth, equivalent to 3.5% of conso GSR; Mynt now contributes 5.1% of Globe NIBT



**1H23 NON-TELCO REVENUES**

Php **2.8Bn**  
+52% YoY

					<b>TOTAL</b>
YoY Change in Revenue	▲ 36%	▲ 123%	▲ 50%	▲ 66%	▲ 52%
Contribution to GSR	1.6%	0.6%	0.8%	0.5%	3.5%

		<b>Vega</b>	<b>TOTAL</b>
Equity Share in Affiliates (in Php Bn)	1.0	0.2	1.1
Contribution to NIBT	5.1%	1.0%	5.6%

**1H23 MYNT EQUITY SHARE**

Php **972Mn**  
+63% YoY | +40% QoQ

# Mobile business sustained 1% growth YoY driven by increased mobile data consumption



### MOBILE SUBSCRIBERS

mn **82.9** ▼5% YoY  
▼2% QoQ



### MOBILE DATA USERS

mn **37.5** ▼2% YoY  
▲1% QoQ



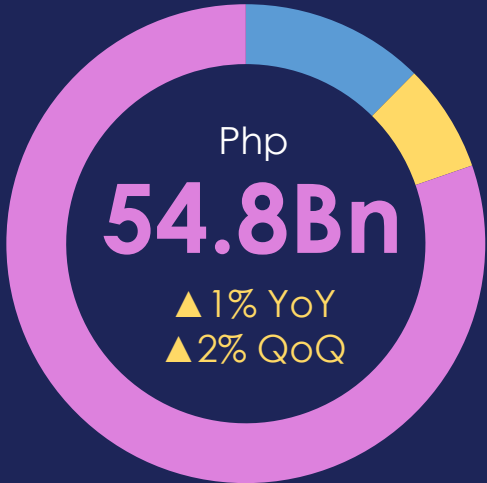
### MOBILE DATA TRAFFIC

pb **2,814** ▲29% YoY  
▲8% QoQ



### MOBILE DATA MONTHLY ATPU

gb **13.0** ▲34% YoY  
▲9% QoQ



- Voice
- SMS
- Data

Solid topline growth despite the extended macroeconomic pressures

	Data	Voice	SMS	Total
Revenue (in Php Bn)	44.0	6.8	4.0	54.8
QoQ Change	▲3%	▼2%	▼1%	▲2%
YoY Change	▲5%	▼13%	▼10%	▲1%

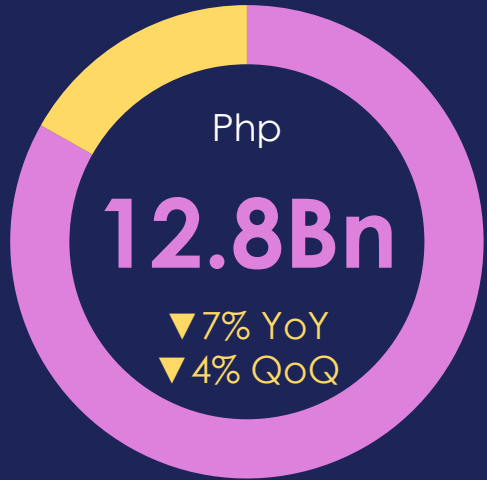
# Globe logged over 53.7Mn SIM registrants, which covers over 99% of its revenue generating base



Globe has logged over **53.7Mn SIM registrants** as of July 30, 2023

- Equivalent to 62% of our total number of subscribers as of December 2022
- Represents **over 99% of its revenue generating subscriber base**
- Surge in registrations due to last-minute subscriber efforts coupled with platform limitations

# Fiber Broadband expanded by 23% YoY, cushioning the decline from legacy and fixed wireless products



■ Fixed Wired ■ Wireless

	Fixed Wired	Fixed Wireless	Total Home Broadband
Subscribers (in Mn)	1.1	1.1	2.2
YoY Change in Subs	▲4%	▼49%	▼31%
YoY Change in Revs	▲10%	▼48%	▼7%



### FIBER REVENUES

▲23% YoY



### POSTPAID FIBER SUBS

▲10% YoY



→ Fixed Wireless sub count to **normalize by 3Q post SCR**;  
→ **Fixed Wireless revs** amounted to **Php986Mn** in 2Q; organic decline still expected over the next 4 quarters by ~10% per quarter before **bottoming out** at ~Php600Mn



Globe launched **GFiber Prepaid** last June, **the country's first affordable fully digital home Prepaid Fiber WiFi experience**. GFiber Prepaid is designed to reach the mass market segment which remains to be under-served. Globe offers **No Lock-Up, Unlimited Pay-Per-Use promos**, and a pioneering **Buy Now, Pay Later** option that opens doors to a wider demographic.

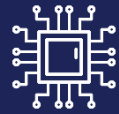
# Corporate Data revenues up 11% YoY driven by 36% YoY growth in ICT revenues



 **1H23 CORP DATA REVENUES**

**Php 9.1 Bn**

▲ 11% YoY | ▲ 1% QoQ



**CORE ACCOUNTS**



**CLOUD SOLUTIONS**



**BUSINESS APP SOLUTIONS**



**CYBERSECURITY SERVICES**



**DATA CENTER SERVICES**



**BIG DATA & IOT**

YoY  
Change in  
Revenues

=

▲ 20%

▲ 45%

▲ 49%

▲ 15%

▲ 37%

**ICT Revenues improved by 36% YoY**

# Globe invested Php38Bn in CAPEX for infra development, lower YoY consistent with efforts to deliver positive free cash flow

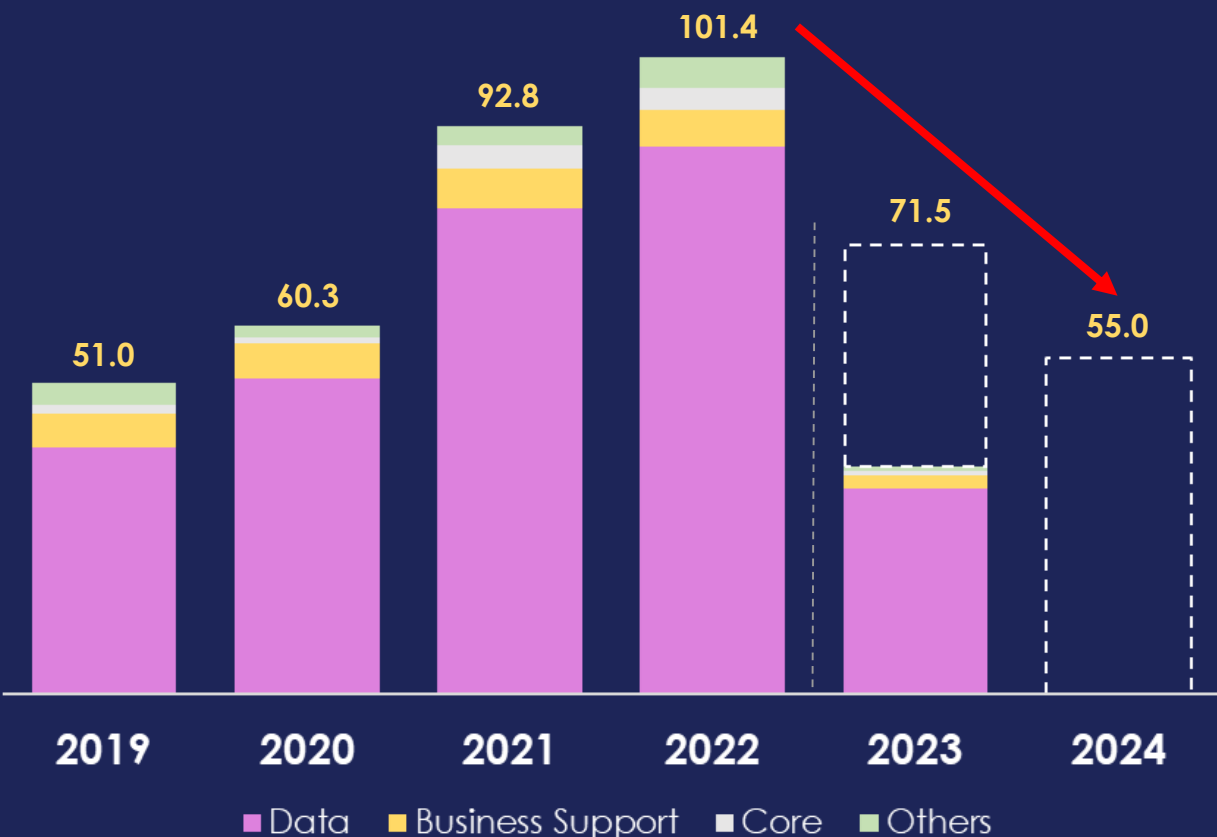


**542**  
NEW CELL SITES BUILT

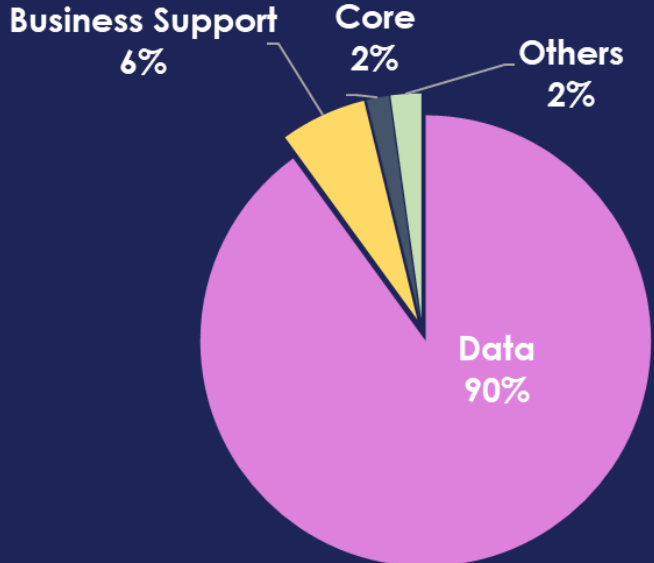
**5,087**  
UPGRADED MOBILE SITES

**356**  
5G SITES INSTALLED

## CAPEX BREAKDOWN (in Php Bn)



**6M23 CAPITAL EXPENDITURES** Php **37.7** Bn



**6M23 CAPEX Spend on track with full year US\$1.3Bn CAPEX guidance**



# To ensure CAPEX spend goes down, Globe PO Issuances have likewise significantly dropped in 2023



## Purchase Order (PO) Issuances (in Php Bn)

Over **Php373Bn** or **US\$7.0Bn** POs issued from 2019 - 2022 from aggressive and opportunistic network builds

- Take advantage of streamlined Permitting Process
- Expand Fiber footprint
- Be Most Reliable Network in the PH

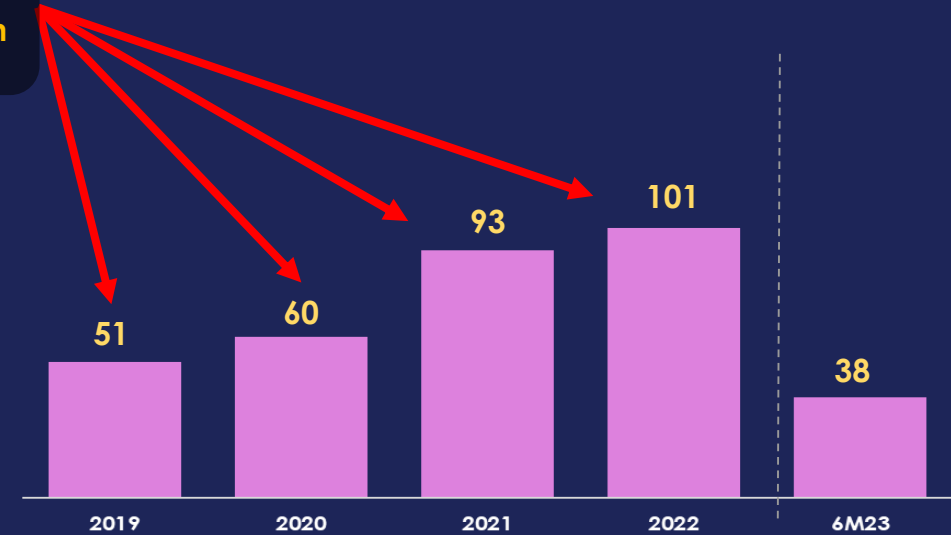
Moving forward, **PO issuances to drop**

- Maximization of existing network footprint
- Slowdown in Fiber buildout to focus on utilization versus expansion



High historical PO issuances are the driver of current high CAPEX levels

## CAPEX BREAKDOWN (in Php Bn)



- Issued POs are paid over 1-3 years, depending on contractual agreements (milestone-based payments)
- **Target 2023 Purchase Order Issuances at ~Php33.0Bn (US\$600Mn) only**, which is only 1/3 of average annual PO Issuances
- Low 2023 PO Issuance will lead to **CAPEX reduction moving forward, consistent with the CAPEX Guidance of Php71.5Bn or US\$1.3Bn in 2023 and US\$1.0Bn in 2024**

# Ookla, Brand Finance recognize Globe's commitment to delivering only the best and most reliable connectivity to all its customers



Based on analysis by **Ookla®** of **Speedtest Intelligence®**, Globe was deemed the **Most Reliable Mobile Network** in the Philippines

Globe was also named the:

- **“Most Available All Technology”** mobile network
- **“Most Consistent Fixed Broadband”** in some areas in Metro Manila and several provinces in the country

Globe has been named the **Philippines' strongest brand** by **Brand Finance**, the world's leading independent brand valuation and strategy consultancy.

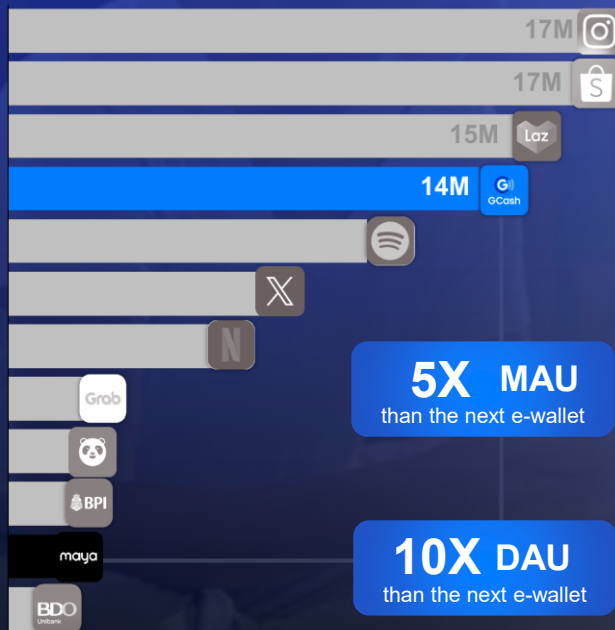
In its 2023 annual report on the most valuable and strongest Filipino brands, Brand Finance highlighted Globe's impressive AAA brand strength rating and brand value of US\$2.028Bn.

# Ubiquitous and Relevant

Driving digitalization of the financial ecosystem in the country

## An essential part of the Filipinos' daily lives

June Average Daily Active Users, data.ai



**5X MAU**  
than the next e-wallet

**10X DAU**  
than the next e-wallet

## Largest digital financial ecosystem in the Philippines

**6M**

Merchants & Social Sellers

▲ 10% YoY

**732K**

Cash-In, Cash-Out Agent Network

▲ 80% YoY

**935K**

Small Scale Community Trade

▲ 87% YoY



**Only Financial Institution in Coin Deposit Machines launch**



## Most trusted & loved brand

*Clear leader among PH Firms<sup>1</sup>*

**80%**

Endearment Rating

vs. next e-wallet at 22%

**57%**

Trust Rating

vs. next e-wallet at 26%

<sup>1</sup> PAHAYAG 2023 Second Quarter Survey, PUBLICUS,

# Unlocking Financial Services for Filipinos

## Empowering Filipinos to build a Better & Brighter Future

### Building Lives through Lending

**GCredit, GLoans and GGives**

**3M**  
Unique Borrowers  
▲ 147% YoY

**P90B**  
Total Loans Disbursed  
▲ 138% YoY

*Pre approved*  
*Wide coverage*  
*Real-time*

Credit empowered by our trust score: GScore  
Across online and offline use cases  
Strengthened by auto-deduction capabilities



### Providing Peace of Mind

**GInsure**

**11M**  
LTD Policies Sold  
▲ 335% YoY



Coverage for health, travel, accidents, and income loss  
Coverage in minutes!

### Fostering Trust through Wealth Management

**GSave**

**9M**  
Registered  
▲ 35% YoY

Fast & Easy Digital Account Opening

No Initial Deposit Required

Up to 12% interest Rate & Daily Interest Crediting



**GStocks**

**LAUNCHED last July 24**

Invest in 280+ companies in PSE

Free Top-up and withdrawals

No bank account needed



**GFunds**

**5M**  
Registered  
▲ 53% YoY

Invest for as low as P50

Invest in 3 Easy Steps

Dividend-paying funds available



**GCrypto**

**LAUNCHED last April 19**

Sell in 3 Easy Steps

No more P2P transfers

Access to curated NFTs



# Sustaining Trust of Filipinos

through innovation, education and collaboration

## Bringing Trust and Security to the Forefront

### Double Safe

Providing another layer of protection on top of MPIN & OTP



### Strengthened Collaboration with Government Agencies

Heightened alert against cybercrimes, and going after fraudsters and scammers



### Enhanced Education Through Media

Spreading awareness through influencers and media personalities



### Created an Industry-Wide Voice Against Scamming

Nationwide cyber security awareness and education campaign with key players



### GSafe Tayo

Educational campaigns to never share their MPIN and OTP



4M

Fraud accounts barred

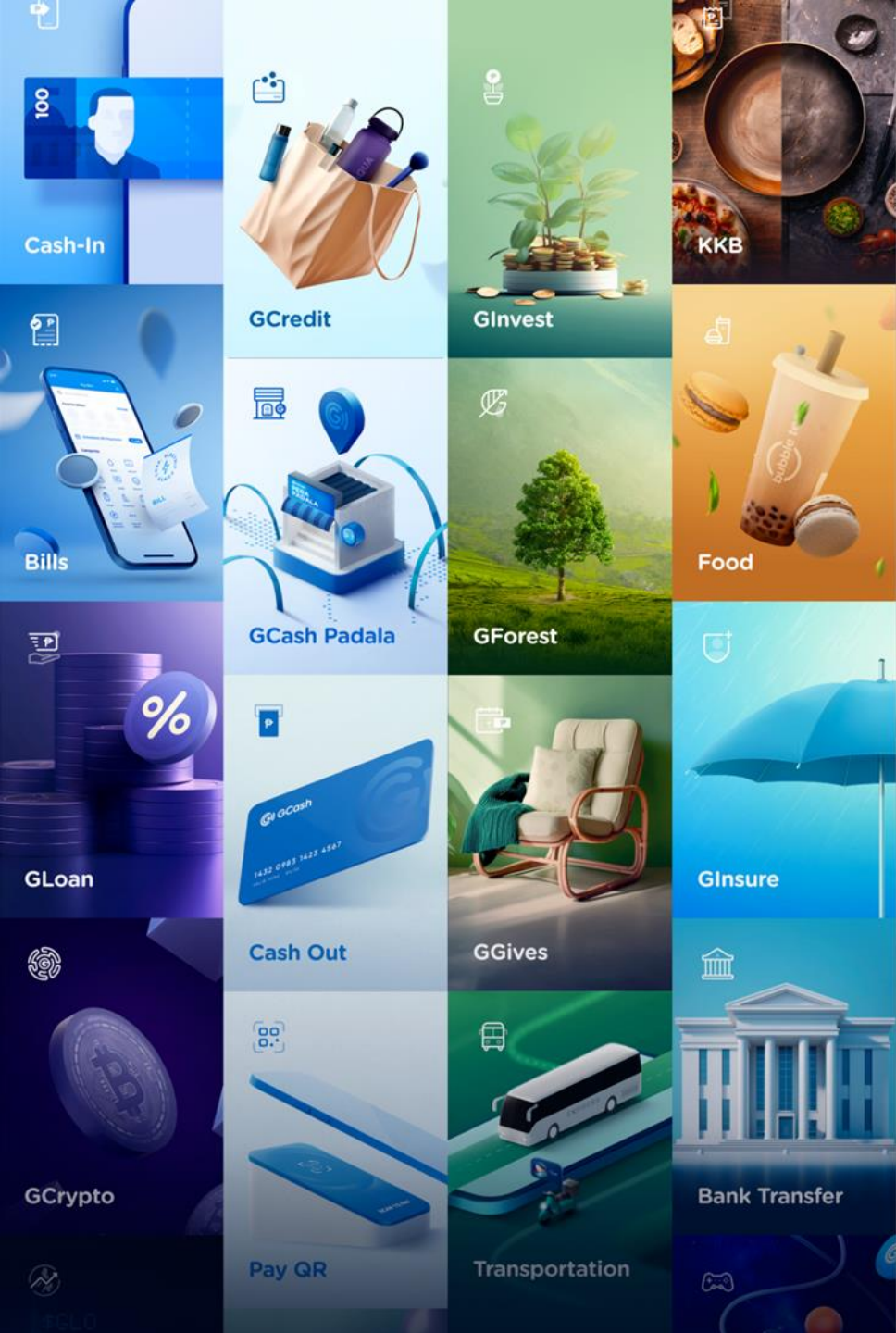
800

Phishing sites taken down

45K

Malicious social media posts taken down

# Innovating to Provide Greater Access



## For Democratizing Financial Services



Local Stocks Trading



GCrypto + NFTs

## For Bringing Families Together



GCash Overseas



Global Pay



Regional Pera Outlets



Regional Billers

## For Levelling Up Customer Experience



Double Safe

# STT GDC Philippines broke ground on STT Data Centre campus with designed IT capacity of 124 MW once fully built out



## STT FAIRVIEW Ground Breaking last May 2023

- To span over 83,000sqm & will be rolled out in four phases
- Strategically located in one of the largest cities in Metro Manila
- Has a designed IT capacity of 124 MW, the largest in the entire STT GDC portfolio
- Poised to become the largest, most interconnected carrier neutral, and sustainable data centre in the country

## STT GDC Philippines expands its capacity by a total of 5.2MW

- STT GDC Philippines currently has a total sellable designed IT capacity of 22 MW across its 5 operating data centres
- Designed to meet stringent hyperscaler requirements



# 917Ventures continue to build the group's future through an expanding ecosystem with 14 companies now in its portfolio



## Spun-off 3 new portfolio companies



Fast and accessible pet care and pet lifestyle solutions and products



Broker Productivity Suite that provides quality leads and concierge-level support.



Tech-enabled consulting services to hand-hold Filipino entrepreneurs

## Notable highlights of some of our current portfolio



Broken 1,400 merchants acquired/served this year



Over 1,440 graduates



~17000 tutoring sessions



917Ventures, Ayala Corp, and Gogoro launched **Gogoro SmartScooters®** and battery-swapping in the Philippines last April, with **public availability by Q4 2023.**





Globe

# FINANCIAL HIGHLIGHTS

xx

# Topline expansion driven by data; Core NIAT of Php10Bn down YoY due to higher OPEX and lower non-operating income



	1H 2022	2H 2022	1H 2023	Sequential %Change	1Q 2023	2Q 2023	QoQ %
Gross Service Revenues	78,880	79,099	80,401	+2%	39,982	40,419	+1%
OPEX and Subsidy <sup>1</sup>	(38,334)	(40,553)	(39,908)	-2%	(19,454)	(20,454)	+5%
EBITDA	40,546	38,546	40,493	+5%	20,528	19,965	-3%
EBITDA Margin	51%	49%	50%		51%	49%	
Depreciation	22,303	23,351	22,890	-2%	(11,155)	(11,735)	+5%
EBIT	18,243	15,196	17,603	+16%	9,373	8,230	-12%
Non-Op Income (Charges)	6,480	4,181	1,432	-66%	395	1,036	+162%
Provision for Tax	(5,042)	(4,454)	(4,659)	+5%	(2,496)	(2,163)	-13%
Net Income	19,681	14,923	14,375	-4%	7,272	7,103	-2%
Core Net Income <sup>2</sup>	11,021	8,148	9,945	+22%	5,135	4,809	-6%
Normalized Net Income	11,211	8,762	10,001	+14%	5,133	4,868	-5%
Normalized Core Net Income	11,021	8,148	9,945	+22%	5,135	4,809	-6%

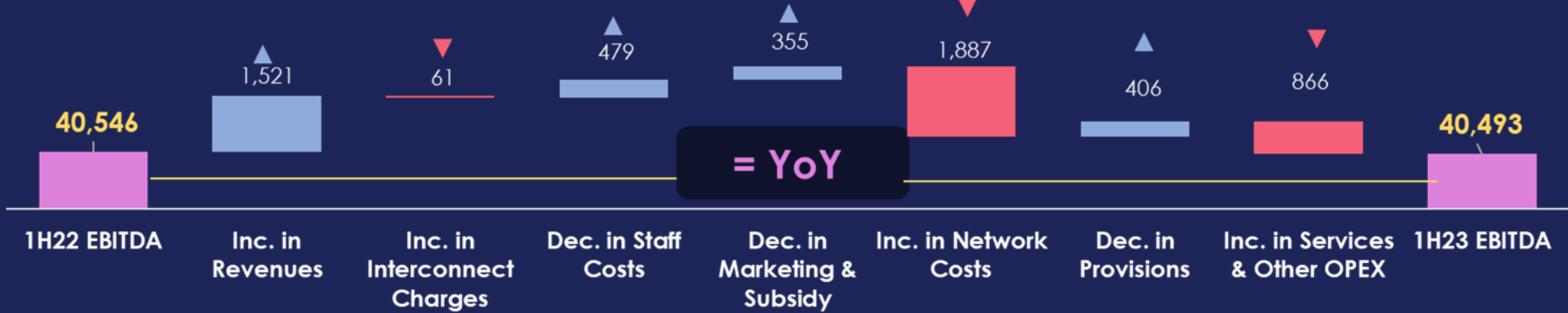
<sup>1</sup> OPEX & Subsidy includes interconnect charges

<sup>2</sup> Core Net Income excludes forex, mark-to-market gains and losses, and non-recurring items

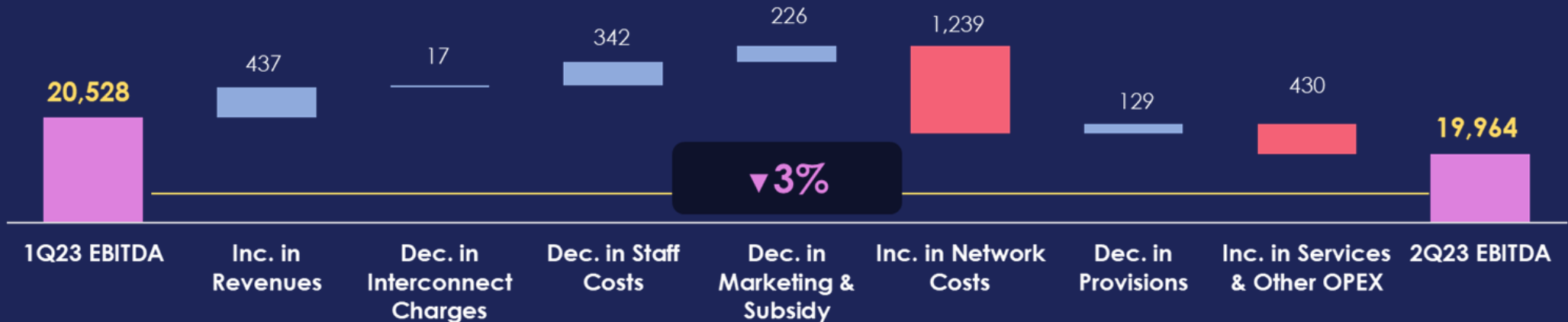
# EBITDA margin still well within guidance for the year as network cost increases were partly offset by strong topline performance



## YoY (in Php Mn)



## QoQ (in Php Mn)



# Globe achieved the first closing of 115 towers with Unity for Php1.4Bn last July



	MIDC	Frontier	PhilTower		Unity	Total
			February	April		
Portfolio	2,180 towers in Luzon	1,306 towers in Luzon; 2,223 guyed towers nationwide	1,350 Towers in Visayas and Mindanao		447 towers in Luzon	7,509
Closings to Date	1,020 towers	1,981 towers	578 towers	132 towers	115 towers	3,826
Percent of Total Portfolio	~47%	~56%	~43%	~53%	~26%	~51%
Gross Proceeds	~Php12.2Bn	~Php25.2Bn	~Php8.6Bn	~Php2.0Bn	~Php1.4Bn	~Php49.3Bn

Globe announced last May 17, 2023 **the first closing of 115 towers sold to Unity Digital Infrastructure** (Unity), for a cash consideration of ~₱1.4 billion. This transaction marks the first tranche of the 447 sale-and-leaseback deal with Unity. The tower assets are composed of 94% ground-based towers and 6% rooftop towers in Luzon.

# Globe BOD approved 3Q23 dividend of Php25.00/sh, proof of commitment to a sustainable dividend policy



## 3Q23 DIVIDENDS

PhP/  
sh

**25.00**

RECORD DATE: **08/29/23**

PAYMENT DATE: **09/08/23**

Globe Telecom distributes cash dividends to its shareholders at the rate of 60% to 75% of prior year's core net income, and is committed to a sustainable dividend policy in line with earnings and cash flow generation.

# Key ratios still healthy and in-line with peers despite the challenging environment; comfortably within bank covenants



	2Q 2023	FY 2022
Cash (in Php Bn)	25.4	18.0
Gross Debt (in Php Bn)	250.0	233.2
Gross Debt to Equity (Max of 3:1)	1.57x	1.53x
Net Debt* to Equity	1.41x	1.43x
Gross Debt to EBITDA (Max of 3.5:1)	2.64x	2.35x
Net Debt* to EBITDA	2.38x	2.20x
Debt Service Coverage Ratio (Min of 1.3x)	3.96x	3.82x

\*Net debt is calculated using unrestricted cash, which excludes ECPay's pre-funding deposit. Total cash balance is Php24.90bn and Php15.75bn as of 2Q 2023 and FY22, respectively.

# Revised 2023 Consolidated Outlook; tempered topline but significant steps taken to achieve sustainable positive cash flows sooner



## SERVICE REVENUES

Mid to Low single digit growth

## EBITDA MARGINS

~50%

## CAPEX

USD 1.3B

## OTHER CONSIDERATIONS

- Tower turnover and sale proceeds spread out over the year
- SIM Card registration resulted in over 99% of revenue generating subscribers covered
- Focus on Free Cash Flow sustainability, targets USD1.0 Billion Cash CAPEX by 2024 with Purchase Order Issuances of only USD 600 Million



**Thank you!**

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