

## SGX-ST Release

### **APTT POSTS EBITDA OF \$45.5 MILLION FOR THE QUARTER ENDED 31 MARCH 2018; DECLARES DISTRIBUTION OF 1.625 SINGAPORE CENTS PER UNIT**

Singapore - 14 May 2018

#### KEY HIGHLIGHTS

- Revenue and EBITDA for the quarter at \$77.0 million<sup>1</sup> and \$45.5 million
- Distribution of 1.625 cents per unit for the quarter ended 31 December 2017 paid on 23 March 2018; totalling 6.5 cents per unit paid for the full year 2017
- Distribution of 1.625 cents per unit declared for the quarter ended 31 March 2018
- Reaffirmed distribution guidance of 6.5 cents per unit for the year ending 31 December 2018, unchanged from 2017

#### FINANCIAL HIGHLIGHTS

Asian Pay Television Trust (“APTT”<sup>2</sup>) reported total revenue of \$77.0 million and EBITDA of \$45.5 million for the quarter ended 31 March 2018, amidst challenging operating and economic conditions in Taiwan. Total revenue for the quarter was 6.8% lower than the prior corresponding period (“pcp”); in constant Taiwan dollars (“NT\$”) terms total revenue for the quarter was 5.6% lower than the pcp. Foreign exchange contributed to a negative variance of 1.2% for the quarter compared to the pcp.

Group	Quarter ended 31 March		
	2018	2017	Variance <sup>3</sup> (%)
<b>Amounts in \$'000</b>			
<b>Revenue</b>			
Basic cable TV	60,691	65,750	(7.7)
Premium digital cable TV	3,613	3,975	(9.1)
Broadband	12,704	12,861	(1.2)
<b>Total revenue</b>	<b>77,008</b>	<b>82,586</b>	<b>(6.8)</b>
<b>Total operating</b>	<b>(31,543)</b>	<b>(33,700)</b>	<b>6.4</b>
<b>EBITDA</b>	<b>45,465</b>	<b>48,886</b>	<b>(7.0)</b>
EBITDA margin	59.0%	59.2%	

<sup>1</sup> All figures, unless otherwise stated, are presented in Singapore dollars (“\$”).

<sup>2</sup> APTT refers to APTT and its subsidiaries taken as a whole.

<sup>3</sup> A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

Commenting on APTT’s latest results, Mr Brian McKinley, Chief Executive Officer said, “Although the Trust had a slow start in 2018, our EBITDA for the full year is expected to be at the same level as 2017. This would be driven mainly by Broadband, which has showed reasonable progress in the quarter given the increase in RGUs and a stable ARPU. Basic cable TV RGUs are also expected to remain stable while ARPU is stabilising as 2018 regulated rates remain unchanged over 2017. Overall, we remain cautiously optimistic regarding our progress throughout 2018 and will continue to monitor market dynamics, along with enhancing our service offerings to drive growth.”

## DISTRIBUTIONS

The Board of Directors of the Trustee-Manager has declared an ordinary interim distribution of 1.625 cents per unit for the quarter ended 31 March 2018. The books closure date will be on 21 June 2018 and the distribution will be paid on 28 June 2018.

Total distributions for 2018 are expected to be consistent with 2017 at 6.5 cents per unit, subject to no material changes in planning assumptions. It is anticipated that the distribution will continue to be paid in quarterly instalments of 1.625 cents per unit.

## OPERATIONAL PERFORMANCE

Operational highlights for TBC<sup>4</sup> for the quarter ended 31 March 2018 are as follows:

- **Basic cable TV:** Basic cable TV revenue of \$60.7 million for the quarter ended 31 March 2018 was down 7.7% on the pcp; in constant NT\$ terms Basic cable TV revenue for the quarter was down 6.5% on the pcp. This comprised subscription revenue of \$52.1 million and non-subscription revenue of \$8.6 million. TBC's c.761,000 Basic cable TV revenue generating units ("RGUs") each contributed an ARPU of NT\$506 per month in the quarter to access over 100 cable TV channels. Basic cable TV RGUs decreased by c.1,000 and ARPU was lower compared to the previous quarter ended 31 December 2017 (RGUs: c.762,000; ARPU: NT\$511 per month). In constant NT\$ terms subscription revenue for the quarter was lower than the pcp because of a marginally lower number of subscribers and ARPU in the quarter. Non-subscription revenue was generated from the leasing of television channels to third parties, the sale of airtime advertising and fees for the installation of set-top boxes. In constant NT\$ terms non-subscription revenue for the quarter was lower than the pcp mainly due to lower revenue generated from channel leasing partially offset by higher airtime advertising sales.
- **Premium digital cable TV:** Premium digital cable TV revenue of \$3.6 million for the quarter ended 31 March 2018 was down 9.1% on the pcp; in constant NT\$ terms Premium digital cable TV revenue for the quarter was 7.9% lower than the pcp. This was generated predominantly from TBC's c.187,000 Premium digital cable TV RGUs each contributing an ARPU of NT\$135 per month in the quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV RGUs decreased by c.6,000 and ARPU was lower compared to the previous quarter ended 31 December 2017 (RGUs: c.193,000; ARPU: NT\$138 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new RGUs and to retain existing RGUs. The lower number of RGUs was mainly due to the unbundling of promotions with Broadband given the competitive pressures in Broadband from the unlimited wireless data offerings from mobile operators. APTT remains focused on providing the best available discounts for Broadband only offerings.
- **Broadband:** Broadband revenue of \$12.7 million for the quarter ended 31 March 2018 was down 1.2% on the pcp; in constant NT\$ terms Broadband revenue for the quarter remained unchanged compared to the pcp. This was generated predominantly from TBC's c.204,000 Broadband RGUs each contributing an ARPU of NT\$443 per month in the quarter for high-speed Broadband services. Broadband RGUs increased by c.1,000 and ARPU was almost unchanged compared to the previous quarter ended 31 December 2017 (RGUs: c.203,000 and ARPU: NT\$444 per month). The focus on Broadband RGU growth, in the face of competitive market conditions from unlimited wireless data offerings from mobile operators, showed reasonable progress in the quarter given the increase in RGUs and a stable ARPU.
- **Capital expenditure:** Capital expenditure of \$17.7 million for the quarter ended 31 March 2018 was 21.3% lower than the pcp. Capital expenditure for the quarter was lower because of lower capital expenditure being incurred on maintenance and premium digital cable TV growth compared to the pcp partially offset by higher other capital expenditure compared to the pcp.
- **Other developments:** TBC had to suspend the broadcast of one of its Basic cable TV channels, Formosa TV News ("FTV"), due to a licensing dispute that the regulator is trying to facilitate through a mediation process. To TBC, FTV has requested for higher content fees together with the bundling of two additional channels that TBC currently do not carry. Based on the negotiations up to the date of this announcement, the Group does not anticipate that the suspension of this one channel from its Basic cable TV line-up will have a material impact to the operations or operating results of TBC.

<sup>4</sup> TBC refers to Taiwan Broadband Communications group.

**OUTLOOK**

In 2018, the Trust will continue to build on initiatives to up-sell and cross-sell services across TBC’s subscriber base to drive growth in future cash flows. To navigate the competitive market environment, especially with mobile operators offering unlimited wireless data, the Trust will continue to focus on Broadband RGU growth by offering discounted packages in order to acquire new RGUs from competitors and to retain existing RGUs.

While growth in RGUs is anticipated across all three of TBC’s service offerings in the remainder of 2018, total revenue for the year is anticipated to be influenced by a number of factors. These factors include the continued challenges in the economic and operating environment. Overall EBITDA for the full year 2018, ignoring the impact of foreign exchange, is expected to be at the same level as 2017.

**ABOUT APTT**

APTT is the first listed business trust in Asia focused on pay-TV businesses. APTT has an investment mandate to acquire controlling interests in and to own, operate and maintain mature, cash generative pay-TV and broadband businesses in Taiwan, Hong Kong, Japan and Singapore. APTT is managed by its Trustee-Manager, APTT Management Pte. Limited. The Trustee-Manager has the dual responsibility of safeguarding the interests of Unitholders and managing the business conducted by APTT. The Trustee-Manager manages APTT’s business with an objective of providing Unitholders with stable and sustainable distributions.

For further information, please contact:

**Brian McKinley**

Chief Executive Officer

Tel: +65 6653 3485

Email: [brian.mckinley@aptt.sg](mailto:brian.mckinley@aptt.sg)

**Shirley Wong**

Kreab

Tel: +65 3163 7473

Email: [aptt@kreab.com](mailto:aptt@kreab.com)