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Half Year 2018 M1 Limited Earnings Call

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the M1 Limited Half Year 2018 Financial Results Presentation and Question-and-answer Session. Today's conference is being recorded.

At this time, I would like to turn the conference over to Mr. Ivan Lim. Please go ahead, sir.

Ivan Lim *M1 Limited - Director of Corporate Communications & IR*

Hello, everyone. A warm welcome to all of you for our results conference. Today, as usual our presenters are CFO, Kok Chew; and CMO, Subra. The result materials have been e-mailed to you. You can also access them through M1 or SGX website.

We will start with Kok Chew on the overview and financial highlights followed by Subra on performance highlights, and then back to Kok Chew again on outlook for 2018. And after that, we will open the line for questions.

With that, I'd now hand you over to Kok Chew.

Kok Chew Lee *M1 Limited - CFO & Chief Commercial Officer*

Thank you, Ivan. I am on Slide 2 on overview. So for the first -- second quarter of 2018, service revenue grew 5.2% year-on-year to \$193 million. Fixed services revenue grew 27.4% year-on-year to \$37 million. EBITDA increased 1.4% year-on-year to \$78 million and net profit after tax increased to 1.5% year-on-year to \$36 million.

Mobile services revenue grew 3.8% year-on-year to \$146 million. Contribution from mobile data increased to 64.4% of service revenue, up from 55.3% a year ago. During the quarter, we net added 34,000 postpaid customers to bring the base to 1.34 million. Fixed services accounted for 19% of service revenue in the latest quarter compared to 15.7% a year ago. And our fiber base -- customer base grew 6,000 Q-on-Q to 200,000.

We are declaring an interim dividend of \$0.052 per share.

I move on to Slide 4 on revenues. So for the first half of 2018, operating revenue grew 1.1% year-on-year to \$507 million due to higher fixed services revenue and mobile services revenue. Services revenue grew 4.1% year-on-year to \$378 million on a segmented basis. Fixed services revenue grew 20.7% year-on-year to \$69 million, driven by higher customer base and contribution from corporate projects. Mobile revenue was 3.2% higher year-on-year at \$287 million, driven by higher postpaid revenue. International call services revenue was 21.1% lower year-on-year at \$22 million due to lower traffic. Handset sales decreased 6.8% year-on-year to \$130 million due to lower sales volume.

I move onto cost of sales. Cost of sales decreased 2.1% year-on-year from first half 2018 to \$200 million, mainly due to lower handset



cost and traffic expenses. Traffic expenses decreased 21.3% year-on-year to \$15 million due to lower traffic. Other costs increased 17.2% year-on-year to \$21 million, mainly due to cost incurred for corporate projects. Wholesale costs of fixed services increased 12.2% year-on-year to \$30 million driven higher customer base. Handset costs decreased 4.6% year-on-year to \$134 million due to lower sales volume.

Moving to Slide 6. For the first half of 2018, other operating expenses increased 4.1% year-on-year to \$216 million. Depreciation and amortization expenses decreased 2.2% year-on-year to \$62 million and certain 3G network assets were fully depreciated. Staff costs increased 6% year-on-year to \$63 million, mainly driven by salary increment and expansion of corporate team to support growth in ICT business. Facility expenses increased 8.8% year-on-year to \$46 million due to higher repair and maintenance costs, in respect of microwave and 4G networks. Other G&A expenses increased 23% -- 23.7% year-on-year to \$16 million and as last year benefited from gain on fixed asset disposal. Interest expense increased 39.2% to \$5.7 million due to higher borrowings and interest rates.

Move to Slide 7. Results for first half 2018 EBITDA growth at \$154 million and EBITDA margin was at 40.7%. Profit after tax for first half 2018 grew 0.8% year-on-year to \$71 million and margin on service revenue closed at 18.8%.

On CapEx and cash flows. CapEx for the first half of '18 was lower at \$51 million. For the previous year, CapEx was higher at \$77 million, mainly due to network coverage enhancements. Operating cash flow increased \$9 million to \$117 million due to working capital changes. Accordingly, free cash flow was higher at \$66 million.

Slide 9, financial leverage. At the end June 2018, net gearing and net-debt-to-EBITDA was 0.8x and 1.3x respectively.

I'll hand over to Subra who will walk through the performance highlights.

Poopalasingam Subramaniam M1 Limited - CMO

I'm starting with Slide 11. For second quarter 2018, our fiber customer base increased 6,000 during the quarter to 200,000. We will continue to enhance our offerings with relevant bundling. Our postpaid base grew by 34,000 quarter-on-quarter to 1.3 million, driven by the take up of SIM-only plans. SIM-only plan customers now make up 17% of our postpaid customer base, including MVNO. Prepaid customer base declined by 63,000 quarter-on-quarter to 625,000 due to aggressive acquisitions by competitors. We will further incentivize retailers to drive up top ups and acquisitions.

Slide 12. For the latest quarter, postpaid ARPU increased 1.8% quarter-on-quarter to \$55 due to excess data usage and roaming revenue from Data Passport service. Prepaid ARPU increased 6% quarter-on-quarter to \$10.50 due to the expiry of low denomination prepaid cards. Fiber ARPU for the quarter decreased 2.5% quarter-on-quarter to \$42.60 due to lower residential ARPU from the take-up of basic plans.

Slide 13. For the latest quarter, acquisition cost decreased 13.6% quarter-on-quarter to [\$355] (corrected by company after the call) due to the take-up of low and mid-tier plans. Postpaid monthly churn remained stable quarter-on-quarter at 1%.

Slide 14. At the end June 2018, postpaid customers on tiered data plans was 81%. Overall, 34% of the base exceeded their primary plan bundles and 12% exceeded their total bundle. Average postpaid data usage continued to grow to 5.2 GB per-month compared to 3.9 GB per month a year ago. Mobile data revenue contributed 64.4% of service revenue in the latest quarter. I'll hand you back to Kok Chew.

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Thank you. I am on slide 16 on development outlook. We are committed to stay at the forefront of technology advancements. In fact, we have embarked on early 5G trials with various vendors, including Singapore's first end-to-end 5G live trial in June 2018. And this will provide insightful learning crucial to the successful development of relevant 5G services. With our strong foundation of dense cell grid and advanced NB-IoT network, we are well positioned to harness exciting new opportunities -- new capabilities and support highly reliable and responsive applications on our network. The Smart Nation initiatives are accelerating the digitalization and transformation of businesses. By leveraging on our scaled up ICT and digital capabilities, we will be able to capture new opportunities from Smart Nation initiatives and support businesses to leverage digital technologies. For full year 2018, we estimate CapEx to be around \$120

million and second half profit after tax to be lower year-on-year in view of market seasonality and impending new competition.

With that, I'll hand you back to Ivan.

Ivan Lim M1 Limited - Director of Corporate Communications & IR

Thank you, Kok Chew and Subra. We now open the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

We will now take our first question from Luis Hilado from Maybank.

Luis A. Hilado Maybank Kim Eng Holdings Limited, Research Division - Senior Research Analyst

I have three questions. The first was to get more color on the growth you've seen subscribers exceeding their primary data bundles. It's bounced back quite strongly from the previous quarters. What has this attributed to? Is it related to the MVNO contract you have? Second question is regarding -- related to the MVNOs with the proliferation of these in the market now. Are you seeing any visible impact so far to your core business as well as to your MVNO partner? And the last question is just, if you could get an update in terms of the StarHub network cooperation plans. Is there any status update on that?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

So Luis, on the -- I see your first question relates to the 34% of the base, excluding the -- our primary data bundle. So you could see what we are seeing is that people are using more data. As we mentioned, earlier, that it's 5.2 GB as compared to 3.9 GB a year ago. So that explains the increase -- this is based on the primary data bundle. So the second on MVN -- sorry, your second question on MVNO. We're actually seeing healthy take-up by our customers for our MVNO. And in fact for this higher quarter, we reported 34,000 increase in postpaid customer based on the Q-on-Q basis. Finally, on your question with regard to the StarHub collaboration. I think this is the ongoing process as we previously mentioned, we have actually expanded the collaboration from purely common antenna solution, to also joint upgrading of indoor antenna system at large buildings. And this is something that we'll continue to look at. And explore other ways that we can deepen our collaboration.

Operator

Our next question is from Gopakumar from Nomura.

Gopakumar Pullaikodi Nomura Securities Co. Ltd., Research Division - Regional Head of Telecommunications Research

A few questions. Firstly, how you -- do you think that you reached a point where you can disclose the numbers from Circles, like either the revenue or subscriber numbers for us to understand this a little better? Second is a follow up on the previous question, on the subscribers exceeding the data bundles. Does it include the MVNO subscribers as well? And third is a question on the fixed-line revenues, which is up quite strongly. Can you talk a little bit on what is driving base? Is it seasonal? Are you going to see an impact of this on the cost line going forward, because some of the revenues could be lower margins?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Okay. So your first question on Circles Life. Unfortunately, I'm not in a position to disclose details about the revenue or subscriber because we do have a confidentiality agreement with them. Second question on the excess data. You see those are our customers, excluding the MVNO customers. The third question on the fixed services revenue. As we mentioned, those are also driven by some of the corporate projects that we took on. And so on these projects, billing can be lumpy. And this quarter, we benefited from this project that was -- some of these projects that were completed. And some of these, as I mentioned earlier, we also saw a corresponding increase in our cost relating to such projects, that's why our other cost expense has actually gone up as well.

Operator

Our next question is from Rama Maruvada from Daiwa Capital Markets.



Ramakrishna Maruvada Daiwa Securities Co. Ltd., Research Division - Head of Singapore Research

I have three questions. Firstly, with regards to the postpaid subscribers again. Would you be able to provide some qualitative input or quantitative input on what has driven this 34,000 net additions? To what extent this is from the MVNO partnership versus your own? The second one is with regards to your guidance for the second half, you have said that the second half profit would be down year-on-year, just

(technical difficulty)

numbers as you have originally reported, that is \$46 million in 2H '17 or are you talking about on a restated basis? And if that is so, could you provide what the baseline number is on a restated basis? The third one is with regards to your fixed-line business. Any comments on what the stoppage in the Smart Nation contracts means for your business or your fixed line?

Poopalasingam Subramaniam M1 Limited - CMO

So let me just take the first one. As I said earlier, and Kok Chew mentioned, we added 34,000. Large part of them are coming from the SIM-only plans. Both ours as well as MVNO's. But we are not able to give you a breakdown between our own share and the MVNO's.

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Yes. Rama, your second question on the net profit, right. There is -- when I said year-on-year, I am comparing to the restated net profit of 2017. So that information you can find on Slide # 7, the numbers. The 3Q and 4Q net profit numbers are there, last year's numbers. Your last question relates to the Smart Nation. We believe that a lot of these initiatives at a corporate level, company level, digital transformation would still carry on, perhaps with a higher emphasis on cybersecurity going forward.

Ramakrishna Maruvada Daiwa Securities Co. Ltd., Research Division - Head of Singapore Research

So sorry, can I just follow up in that case. Maybe on the postpaid subs part. So would you be in that case be able to provide the comparative number? You said 17% of the postpaid customer base, which also includes MVNOs is -- are using SIM-only plans as of this year, that's 2Q '18. What is the comparative number, maybe about a year ago or last quarter? That would be great. And on the cyber -- on the Smart Nation project, do you actually see a little bit of deferrals now coming in, in terms of how you would be -- with regards to the momentum that you would be booking the fixed-line revenues going forward?

Poopalasingam Subramaniam M1 Limited - CMO

Yes. You are right. So it's 17% now. I think we will have to get back to you on the previous quarter's numbers. You can check with Ivan out there. Okay? Or the IR team.

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

So Rama, we are not seeing -- I think the difference is quite -- is really quite unique (inaudible) not in any major stoppages on any of this project, but as I said, the key is perhaps a big emphasis on cybersecurity in the projects going forward.

Operator

We will now move to a follow on question from Luis Hilado from Maybank.

Luis A. Hilado Maybank Kim Eng Holdings Limited, Research Division - Senior Research Analyst

I had 2 follow-up questions. The first one is, if you'll give us some color on the MVNO contract. Like for instance, if it's more largely a fixed-fee versus a variable-fee basis. And second to that is whether if it's like variable component, whether it's volume-based or revenue-share based? And then second question is just housekeeping. The payout is going to be maintained at 80%?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Again, you know, with regard to MVNO, unfortunately, I can't disclose too much information. But I think, perhaps, like I already said that it is variable-fee based, based on the volume. So it's in terms of dividend payout ratio, we still aim to maintain 80% payout ratio for the year.

Operator

Our next question is from Sachin Mittal from DBS Bank.

Sachin Mittal DBS Bank Ltd., Research Division - VP

Saw your list's initial part. What are the key factors that second half profits have been lower year-on-year, because this quarter is up? So what are key variables you have? You assume in a model for the next profit to be lower year-on-year in second half. That's number one. Secondly, on this -- there is some network-sharing plan you had with StarHub, sometimes you talked about that. Anything on that you can share with us, which is going on in terms of cost savings? That's number two. And the third question is with regard to cybersecurity. My understanding, cybersecurity is not a high-margin business or not even actually sometimes margin are not even positive. I'm trying to get some understanding here. Because I'm not seeing any company which is profitable with cybersecurity business. Is it the case or is there a question of right scale, which takes a long time to reach? And lastly, on your IoT kind of business, how are you unique or different from other telco? Because the sense I'm getting from those telcos, is not great business opportunity, but you seem to be more optimistic. So just trying to understand where is the difference in perspective coming from?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

We can't really hear properly some of your questions. But, I think we'll try to answer to our best of our ability because our understanding here. Your first question with regard to the estimate for the second half, I think we mentioned that typically for second half you'll see a lot more marketing activities, seasonal promotion in the second half. And also, we also mentioned that in view of the impending new competition as well. So those are the main reasons for that. And network sharing that I have mentioned earlier, we have achieved a vendor to include some of the memo sharing as well. In last (inaudible) they will continue to look at areas that we can deepen our collaboration. On your cybersecurity question. Perhaps, I can answer it in a more general way. I mean, I still oppose to the Capex intensive businesses like mobile and the fixed businesses. Such businesses like ICT businesses typically, you are correct to say that they have a lower margin compared to the mobile businesses.

Ivan Lim M1 Limited - Director of Corporate Communications & IR

Sachin, can you repeat your fourth question?

Sachin Mittal DBS Bank Ltd., Research Division - VP

Yes, on the IoT. When I talk to the other telcos, they seem to be less optimistic in terms of longer-term contribution compared to you. So just trying to understand, are you going in a different -- your business model for IoT is slightly different or unique? Just trying to understand that this is in perspective what makes you little bit more optimistic in IoT versus other telcos?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

I believe that the question is adoption. And we believe that for such solutions like it may take time for adoption to gain scale.

Sachin Mittal DBS Bank Ltd., Research Division - VP

Yes, but is there a difference in the way you do IoT versus other telcos. Are you like more solution-oriented, less connectivity or how are you kind of -- is there a difference in approach you have taken for IoT business?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

So I can't comment on how other people have to start doing it, but essentially, we are partnering with the different solution providers. We try and look for the best-in-class solution. We do trials to the customers. And we try and simplify solutions that meet their requirements.

Sachin Mittal DBS Bank Ltd., Research Division - VP

Okay. So you do think it's going to take a lot time. It's not something which will happen in next 1 to 2 years, right?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

I think it will take time for us to gain scale in terms of adoption.

Operator

We will now take our next question from Jonathan Koh from UOB.

Jonathan Koh UOB Kay Hian Research Pte Ltd - Director

It's about 5G. Can I, kind of, get your feedback on when you expect standard for 5G to be finalized? And when will -- which year will M1 start to rollout 5G? In the context of Singapore, which are the frequency band that will be used for 5G? And when do you anticipate the government to conduct the 5G auction? And also lastly, what do you anticipate the impact of our CapEx to be, will CapEx kind of be a lot higher than \$120 million, once you rollout 5G? And in terms of vendor. I see that you are doing trials with 2 different companies, Nokia and Huawei. Does that mean that going forward, you may have 2-vendor approach in your 5G strategy compared to your previous -- previously using mainly just 1 vendor? Those are my questions on 5G.

Patrick Scodeller M1 Limited - COO

A lot of questions, Jonathan. Okay. If I stick to one first. The standards what's called phase 1, which is what's called release 15 was frozen in June of this year. So last month. The next release is called release 16, that's towards the later part of the next year. Generally, commercial equipment becomes available about 9 months -- 6 to 9 months after standards are frozen. Your other question regarding frequency band. Worldwide frequency bands have been looking at roundabout the 3.5GHz and some higher bands. Now that's one is -- that's the spectrum band in Asia needs to be harmonized with neighboring countries. And there are some consultations currently ongoing with the regulators around those different frequency bands. On whether it's going to be an auction, don't know. And in terms of the CapEx side of 5G, we'd say basically, I believe it'll be a very much a demand driven 5G network rollout. But there are a number of issues around that basically. So the standards finalization, frequency band availability and certainly discussions ongoing with the regulator. Final question, John? Sorry, John. You said about the vendor. We currently have -- it'll be a multivendor approach. So we certainly don't rule out other vendors over and above our 2 publicly named vendor so far that we have conducted trials with.

Jonathan Koh UOB Kay Hian Research Pte Ltd - Director

And do you anticipate CapEx to be the same or lower or higher?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Jonathan, as we mentioned, right, it will be a demand-driven rollout as opposed to a nationwide rollout at this point in time. That's how I look at it.

Operator

(Operator Instructions) We'll take our next question from Varun Ahuja from Crédit Suisse.

Varun Ahuja Crédit Suisse AG, Research Division - Associate

Few questions for me. First, just wanted to check the percentage of customer on tiered plan. It's been at 81%. So what's preventing it going to 100%? I remember historically, it used to be for 3G customer old, who have still not taken up 4G plan. So given 4G penetration is increasing, should we expect to inch it up higher or how should we think about that? That's number one. Number two, any progress that you can share with us on TPG network rollout that you're seeing on the ground. My understanding has been that they are -- need to have 95% -- they are about to have 95% coverage outdoor. Anything that you can share that you're seeing on the ground? Thirdly, I think if you look at in the region, roaming revenue has seen some recovery because of the -- some innovative plans, it's across the operator who have come across. So how sustainable is this roaming revenue recovery? Do you think over the next couple of years, you should be able to maintain this roaming revenue? Are you seeing customer behavior coming back from Wi-Fi or various devices to the -- to your -- to cellular networks given the innovative plans that operators have been coming around? And then on -- the fourth question is prepaid. You have been saying for the last 2, 3 quarters that you are not participating aggressively on that segment of the market, but you indicated going forward you may look at it. So what's your plan on this market? Do you want to really go aggressive or just want to maintain the current market share that you have on that market? Fifth, on the tax payment. If you remember, IFRS adoption would lead to some tax payment to the government because of retrospective. Any update on that? When should we expect payment for that tax liability, if at all? And lastly, again, I want to go back to this 5G. The comment that you mentioned that codes were finalized in June this year and -- but



next year release 16 will be there. But you also mentioned that 5G still -- the standards have not been finalized. So what do you -- what is left to be finalized in terms of standards if the codes have been finalized? What else should we look for it to be formal go ahead that operators across the globe, will we start deploying 5G?

Poopalasingam Subramaniam M1 Limited - CMO

Okay. So your first question on the tiered data plans. As you know, we serve a very wide segment of customers, different types of customers. The remaining balance of these customers are on some of our older plans. And obviously, we continue to try and migrate them over to tiered data plans, but they are likely to be more voice users and users of less data. So they are, kind of, on these plans. We'll continue to incentivize them. We continue to encourage them to migrate. And as the adoption of data apps and smartphone grows, we hope to see that migrate. Although it's kind of at about 81% for the recent few quarters.

Varun Ahuja Crédit Suisse AG, Research Division - Associate

So just to -- so to this -- these customers are much cheaper plan that so they don't want to migrate just because pure voice is very -- because prices have come off a little bit over the last 12, 18 -- last 2 years or so. So still the voice plans that they have are very much cheaper than currently you offer on the data thing?

Poopalasingam Subramaniam M1 Limited - CMO

Even when we offered voice plans, there was a variety of, there are some slightly lower, some higher and so on. Basically, these are more voice users. So I won't they are cheaper but there is a cross-section of them. But they are primarily voice plans. Okay? Roaming revenue. I think, we continue to see more users coming on to the data passport proposition. And June was a holiday season. So we see a pickup in that. I think the customers who've used it very like the service and they stay on. And then we communicate that. But there's also a very strong word-of-mouth that is passed on. And once they try, they stay on to that. And as they pass the word around, we look forward to more and more customers using that proposition. On prepays...

Varun Ahuja Crédit Suisse AG, Research Division - Associate

What is the roaming pricing we have now? What is the roaming contribution right now, if I can ask?

Poopalasingam Subramaniam M1 Limited - CMO

Just slightly under 10%.

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

That's slightly below 10% now.

Poopalasingam Subramaniam M1 Limited - CMO

Slightly below 10%.

Varun Ahuja Crédit Suisse AG, Research Division - Associate

And same as previous quarter last year?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Quite comparable, yes.

Poopalasingam Subramaniam M1 Limited - CMO

Yes. And your last question on prepaid. In this quarter, I think we've clearly said that we will try to incentivize the trade to pick up our plans. But we always set our minds focused on the profitability of the customers, okay. So that remains the case. But at the same time, we will try to incentivize retailers to pick up and push our plans.

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Okay. On TPG network rollout. While we do see some activities on the ground in terms of their rollout. But I don't think we are in the position or have sufficient position to combat on the lower status. On tax with regards to -- I think I'm referring to the IFRS 15, restatement issue. So that timing of the payment I think has not been finalized yet.

Patrick Scodeller M1 Limited - COO

And on 5G. Just to reiterate. So on the standards that will be primarily based around 2 standards. Phase 1 is called release 15, which was frozen in June last month by this year. Phase 2 will be on release 16, which is due to be frozen or finalized towards the end of 2019. To roll that 5G basically, that's what I was referring to you to require the standard both frequency bands plus I hope to see the regulator in terms of how that spectrum auction would be allocated or provided to the different operators for rollout. And then on the final one around the CapEx, that's very much as we said will be a demand-driven network.

Varun Ahuja Crédit Suisse AG, Research Division - Associate

That's helpful. Just on two follow ups. So on the tax payment, what is the liability? If you -- mention last time, any up?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

Tax liability as a result of IFRS 15 is about \$13 million.

Operator

We will now move to our next question. This question is from Piyush Choudhary from HSBC.

Piyush Choudhary HSBC, Research Division - Telecoms Analyst, South East Asia

Couple of questions. Firstly, your current MVNO partnership has worked well. So is the company looking to probably add more MVNOs. Is kind of that open or do you have any exclusive arrangement with Circles? Secondly, can you help us understand what's driving the prepaid market kind of decline in the subscriber base? I missed the early part of the presentation, so sorry if I'm repeating it, but what's driving over here in terms of subscriber decline? And how should we think about the prepaid kind of revenue going forward?

Kok Chew Lee M1 Limited - CFO & Chief Commercial Officer

On the MVNO partnership, we are open to work with MVNO that can offer unique proposition and where they can serve particular segment better than the MNO can do so. So we are open to adding more suitable MVNOs.

Poopalasingam Subramaniam M1 Limited - CMO

So just on the prepaid segment. It's a highly competitive segment, both in terms of what is offered to the customer as well as incentives to the trade. What I was alluding to just now is that the competition incentives in the trade. They are high, very high. And we have seen that over the last 6, 7 months. And that's what the key drivers -- we also said that we've terminated some expired low-denomination cards, which attributes to the lower numbers. So we are looking at stepping up our activities in the market to try and gain our share and to gain the more genuine customers that will contribute positively through revenue as well as profitability.

Operator

(Operator Instructions) And just to confirm that there are no further questions at this time. So that concludes today's question-and-answer session. I would therefore like to turn the conference back to Mr. Lim for any additional or closing remarks.

Ivan Lim M1 Limited - Director of Corporate Communications & IR

Okay, everyone. Thank you for joining the call today. If you have further questions, do contact IR team and we're here to take questions after the session. Thank you, we'll speak again in the next quarter. Have a good evening.

Operator

Ladies and gentlemen, that now concludes today's conference call. Thank you for your participation. You may now disconnect.

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