



## News Release

# Singtel to unlock S\$2.25 billion from divestment of 3.3% direct stake in Airtel

- Proceeds raised will fully fund 5G capex needs and growth initiatives in the next few years
- Will retain 29.7% in Airtel and remain fully committed to Airtel's next phase of growth
- Share transfer will be between Airtel's promoter group from Singtel to Bharti Telecom

**Singapore, 25 August 2022** – Singtel's wholly-owned subsidiaries have entered into a share purchase agreement to sell a 3.3% direct stake in regional associate Airtel to Bharti Telecom, a joint venture between Bharti Enterprises and Singtel, at any time before 23 November 2022. The sale will unlock approximately S\$2.25 billion as part of the Singtel Group's capital recycling strategy.

The transaction is expected to crystallise an estimated S\$0.6 billion net gain on divestment for Singtel. This will follow a number of recent capital management initiatives to rebalance and optimise Singtel's associates portfolio, including an increase in stake in Intouch Holdings, the parent company of Singtel's regional associate AIS, and a partial divestment of Airtel Africa.

Mr Arthur Lang, Singtel's Group Chief Financial Officer, said, "As long-term strategic investors and partners, the value of our stakes in our regional associates has risen substantially over the years but has not been properly reflected in our share price. This sale in Airtel will be our first ever and seeks to address this gap by illuminating the sizeable value of our holdings in Airtel. It is also part of our capital management approach to take monetisation opportunities that allow us to increase our return on invested capital and enhance total shareholder returns. With this transaction, we will raise over S\$2 billion which will help to fully meet the Group's needs for 5G and growth initiatives in the next few years, and put us in a strong position to grow our dividends in a sustainable way in line with our dividend policy."

After this transaction, the Singtel Group is expected to own an effective stake of 29.7%, which is estimated to be worth S\$22 billion. This comprises a 19.2% indirect stake through Bharti Telecom and a 10.5% direct stake.

Mr Sunil Mittal, Chairman of Bharti Enterprises said, "Bharti Enterprises and Singtel have had two decades of an exceptional partnership based on mutual respect and trust. Over these years, Airtel has acquired a strong pan-India leadership position and also expanded to 16 countries in Africa and South Asia. After this inter-se transaction, Bharti Telecom will remain the principal vehicle to hold controlling shares in Airtel. Bharti Enterprises and Singtel have agreed to work towards equalising their effective stake in Airtel over time. Bharti Enterprises looks forward to working with Singtel over the long term in taking Airtel to an even greater position of success."

Mr Lang added, "Bharti Enterprises has been a close partner for more than 20 years. From mobile operations serving some 300,000 customers when we made our first investment in Airtel in 2000, Airtel has seen phenomenal growth and now ranks amongst the world's top three mobile operators, connecting millions across South Asia and Africa. With a more sustainable market structure after industry reforms and exciting new growth opportunities emerging from the government's Digital India vision, we expect Airtel to become a significant contributor to Singtel. We remain committed long-term investors having invested approximately S\$1.3 billion in Airtel over the last three years. We look



forward to unlocking Airtel's significant long-term growth potential as Airtel further transforms India's digital economy through 5G."

Airtel is a global communications solutions provider with over 491 million customers in 17 countries across South Asia and Africa. India's digital economy has the potential to create up to US\$1 trillion of economic value by 2025<sup>1</sup>. With the availability of affordable smartphone devices and the pandemic further accelerating digital lifestyles, the number of active internet users in the country is projected to grow nearly 45% from 2020 to 900 million by 2025<sup>2</sup>. 5G is anticipated to further boost demand for digital services and applications. Airtel plans to launch 5G services nationwide starting with key cities and further strengthen its leadership in the B2B market.

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### **About Singtel**

Singtel is Asia's leading communications technology group, providing a portfolio of services from next-generation communication, 5G and technology services to infotainment to both consumers and businesses. The Group has presence in Asia, Australia and Africa and reaches over 770 million mobile customers in 21 countries. Its infrastructure and technology services for businesses span 21 countries, with more than 428 direct points of presence in 362 cities.

For consumers, Singtel delivers a complete and integrated suite of services, including mobile, broadband and TV. For businesses, Singtel offers a complementary array of workforce mobility solutions, data hosting, cloud, network infrastructure, analytics and cyber security capabilities.

Singtel is dedicated to continuous innovation, harnessing technology to create new and exciting customer experiences and shape a more sustainable, digital future.

For more information, visit [www.singtel.com](http://www.singtel.com).

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<sup>1</sup> India's Trillion-Dollar Digital Economy 2019 report by India's Ministry of Electronics and Information Technology

<sup>2</sup> Kantar ICUBE Report 2020