



News Release

Singtel books exceptional charges for second half year

Commences strategic review of digital businesses

Singapore, 14 May 2021 – Singtel has booked non-cash impairment charges of US\$438 million (S\$589 million) and US\$250 million (S\$336 million) against its investments in Amobee and Trustwave respectively for the second half of the financial year ended 31 March 2021. The move comes amid rapid shifts in the fast-moving digital marketing and cyber security industries and economic shocks resulting from COVID-19 that have impacted both businesses' ability to scale. As a result of this, both companies will require a longer cycle to achieve their business plans. Singtel has embarked on a strategic review of the businesses in order to sharpen the Group's focus and ensure that these assets are positioned for growth.

Mr Yuen Kuan Moon, Singtel's Group CEO explained, "We need to focus our strategic agenda. Both businesses have come under increasing pressure in the last two years due to industry and operational challenges. The COVID-19 pandemic has also impacted performance, with enterprises and advertisers tightening their belts as economies went into lockdown. Amobee saw an almost year-long contraction in advertising spend by some of the largest agencies and advertisers in North America. Against this backdrop, there is a clear need to review these major investments to identify ways to increase the probability of successful execution."

Mr Yuen added, "This review could involve the restructuring of product or business segments, a full or partial divestment or business combinations with other industry players. We are open to all types of strategic partnerships and deals including inviting investors who have complementary capabilities and can enhance the value of the businesses. Cyber security remains core to our Group strategy and ICT offerings, and the review will be geared to ensure we capture the growth in Asia Pacific."

With customer migration to the National Broadband Network (NBN) in Australia now largely complete, Singtel's wholly-owned subsidiary, Optus, has undertaken a comprehensive review of its network assets and will make non-cash impairments and write-downs of A\$197 million (S\$204 million) in the second half year, mainly for its legacy fixed access networks.

Consistent with other major corporations in Australia, Optus is undertaking a programme to review its staff compensation and will record an exceptional charge of A\$98 million (S\$101 million) in the second half year. This programme includes staff payroll adjustments, professional fees as well as remediation of Optus' systems and processes.

Barring further audit changes, the above charges as well as other exceptional charges disclosed in Singtel's Announcement of Unaudited Net Exceptional Losses, will result in net exceptional losses of S\$839 million and S\$1.21 billion for the Group for the second half and financial year ended 31 March 2021 respectively.

Singtel's full-year results announcement is scheduled for 27 May when Group CEO Mr Yuen Kuan Moon will provide further details on the Group's strategic direction and priorities.

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**About Singtel**

Singtel is Asia's leading communications technology group, providing a portfolio of services from next-generation communication, technology services to infotainment to both consumers and businesses. 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. The Group has presence in Asia, Australia and Africa and reaches over 700 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 more information, visit www.singtel.com.

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