



# Business Update

Nine months & third quarter ended  
31 December 2023

23 February 2024

# 9MFY24 at a glance



## Underlying NPAT up 7% despite sustained macro & forex headwinds

- Strong EBIT performance from growth engines offset decline from core business
- Deconsolidation of Trustwave losses from Q3FY24
- Strong SGD impacted revenue (-S\$406M) & underlying NPAT (-S\$51M)



## Optus recovery post-outage

- Key brand & subscriber metrics recovering well in Q4FY24
- Took A\$60M (S\$54M) provision for costs related to the network outage



## Momentum in growth engines

- Nxera<sup>1</sup> rapidly scaling up; capex fully funded with KKR investment & green loan
- NCS continues expansion into enterprise & outside SG, margins boosted by cost optimisation



## Stable associates' PBT contribution & dividends in line with S\$1.3B guidance

- Airtel impacted by weak Nigerian Naira (circa -S\$130M<sup>2</sup>) & BTL finance expenses. Divested direct stake in Airtel Africa in Q3FY24
- Telkomsel impacted by 5% shareholding dilution, mitigated by higher growth trajectory of IndiHome which is tracking to plan

**On track to pay upper end of dividend policy<sup>3</sup> in FY24**

1. New brand name for Singtel's data centre business.  
 2. Comprises mark-to-market losses from FX liabilities & translation impact.  
 3. Barring unforeseen circumstances, Singtel plans to pay ordinary dividends at between 70% & 90% of underlying net profit.

# 9MFY24 financial highlights

Operating revenue

**\$\$10,621M**

▼ 3% (Stable<sup>1</sup>)

EBITDA

**\$\$2,722M**

▼ 2% (▲ 1%<sup>1</sup>)

EBIT  
(ex associates' contribution)

**\$\$903M**

▲ 4% (▲ 5%<sup>1</sup>)

Regional associates'  
PBT

**\$\$1,696M**

Stable (▲ 4%<sup>1</sup>)

Underlying net  
profit

**\$\$1,680M**

▲ 7% (▲ 11%<sup>1</sup>)

Net profit<sup>2</sup>

**\$\$2,602M**

▲ 53% (▲ 55%<sup>1</sup>)

1. On constant currency basis.

2. Includes net exceptional gain of \$921M in 9MFY24 mainly from the dilution of Singtel's equity interest in Telkomsel.

# Revenue

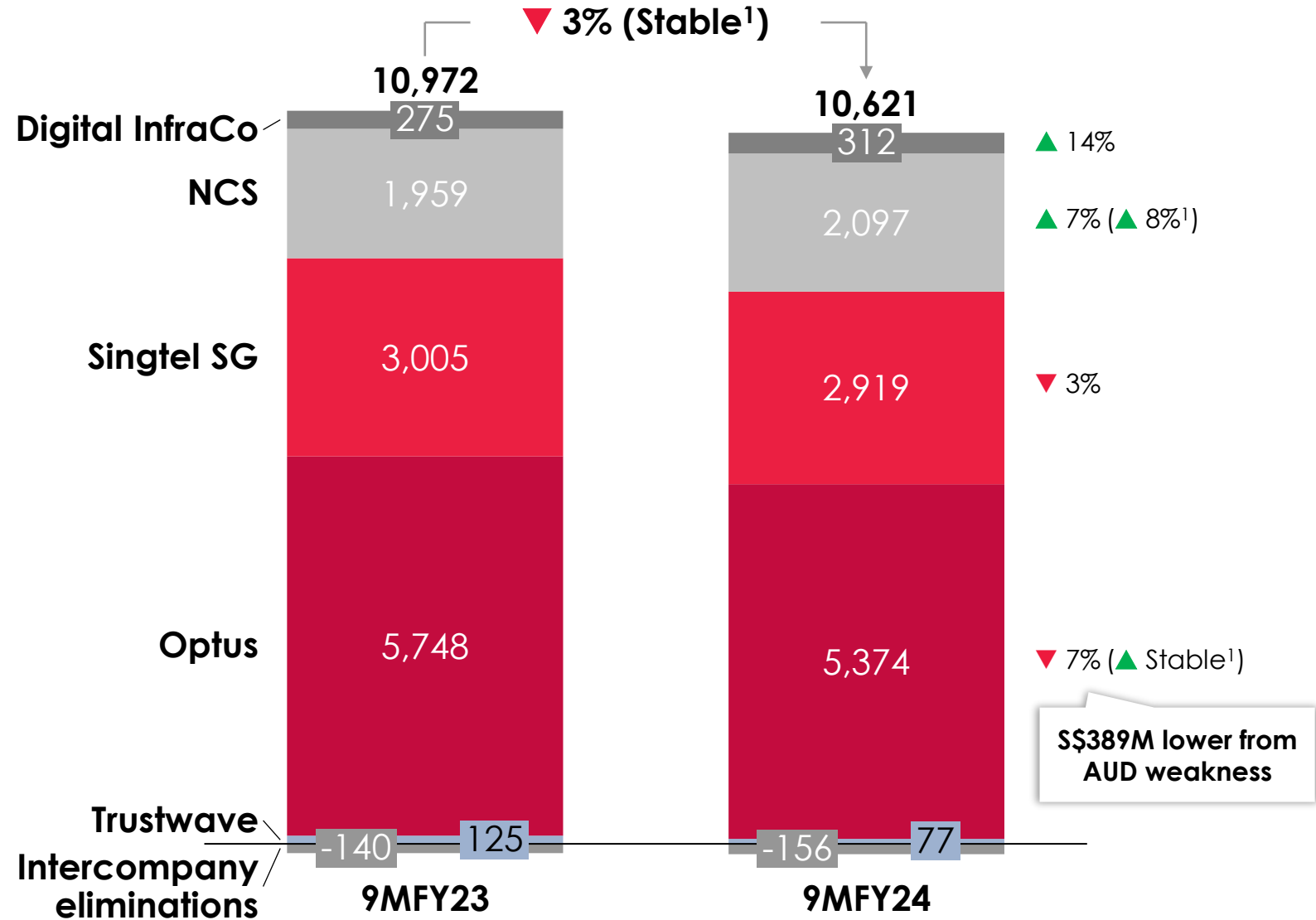
9MFY24

## \$S\$10,621M

▼ 3% (Stable<sup>1</sup>)

- **Optus:** Mobile service revenue up 3%<sup>1</sup> despite network outage, mitigating decline in fixed enterprise
- **Singtel SG:** Lower ICT sales from weak sentiment; strong roaming & broadband growth
- **NCS:** Robust contributions across all business segments
- **Digital InfraCo:** Nxera price renewals & utility pass through; project-based satellite deployment services

\$S\$M



1. On constant currency basis.

# EBIT from core<sup>1</sup>

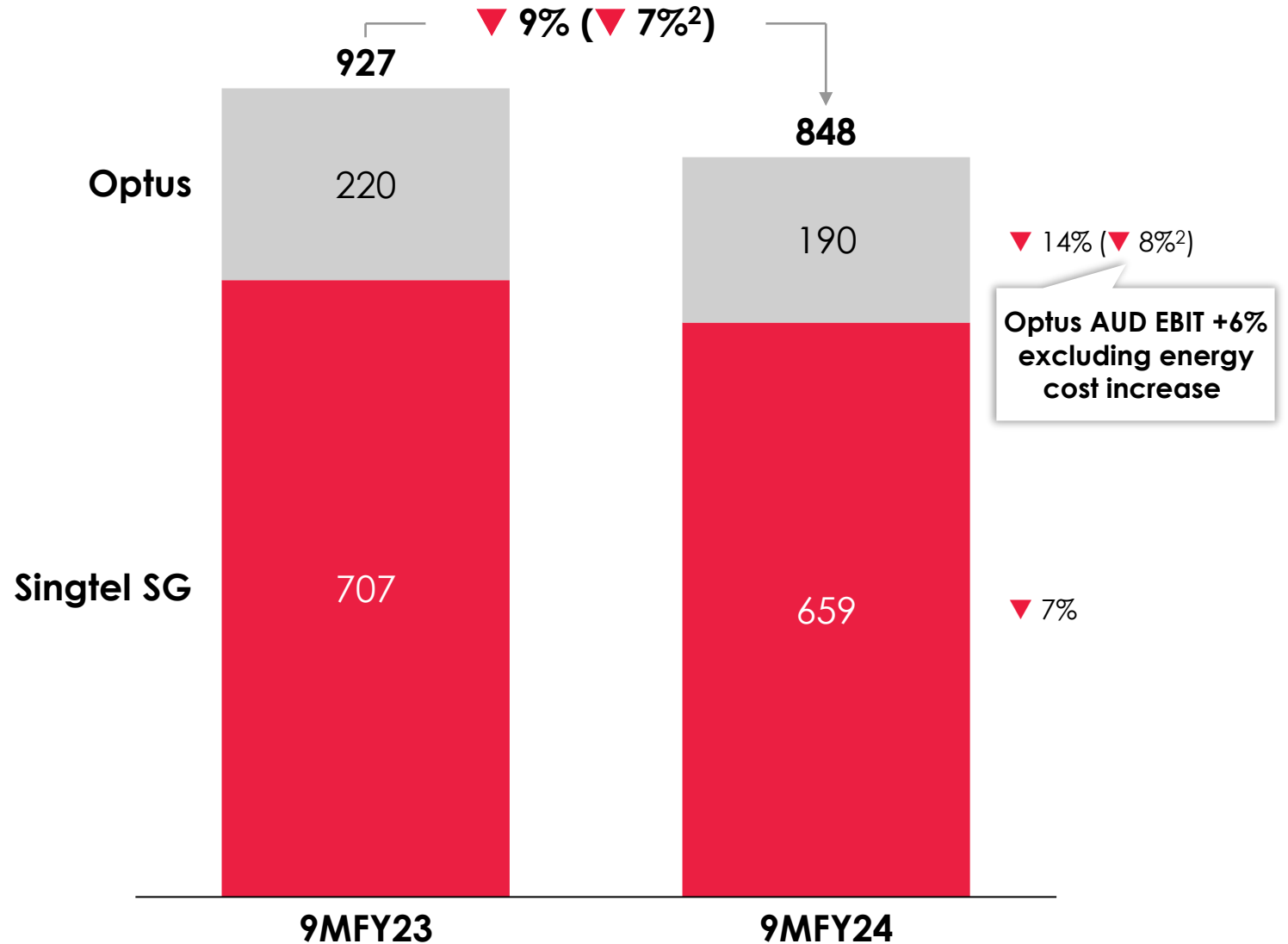
9MFY24

## \$848M

▼ 9% (▼ 7%<sup>2</sup>)

- **Optus:** Sustained mobile growth
  - Market driven fixed enterprise price erosion
  - Higher energy & content costs
- **Singtel SG:** Challenging trading environment
  - Inflationary cost increases
  - Higher depreciation from IT & network investments
- On track to deliver cost out of S\$0.2B by end FY24

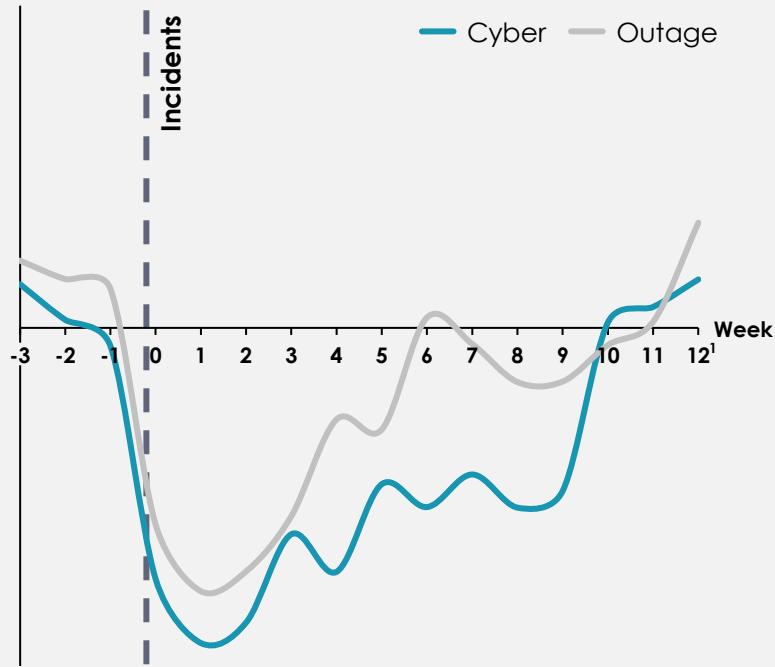
S\$M



1. Comprises Optus & Singtel Singapore businesses.  
 2. On constant currency basis.

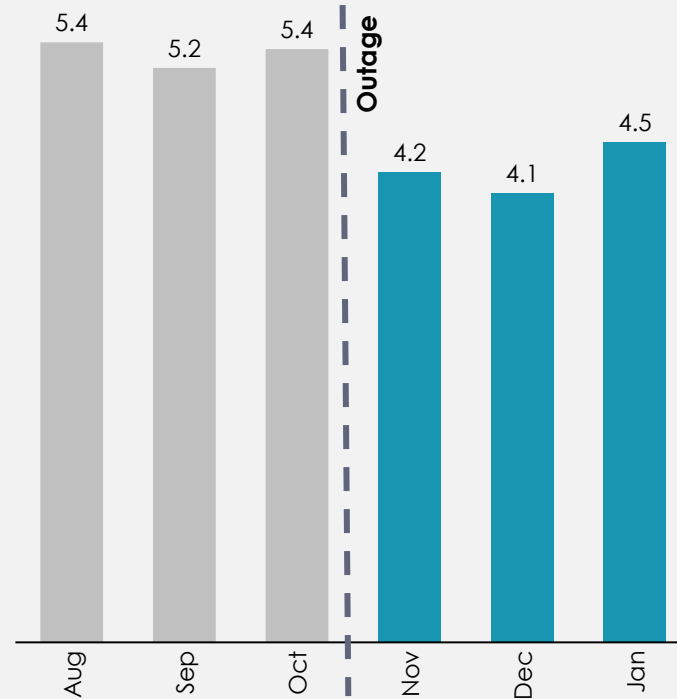
# Optus momentum recovering in Q4FY24

### Optus Branded Postpaid Net Connections by week



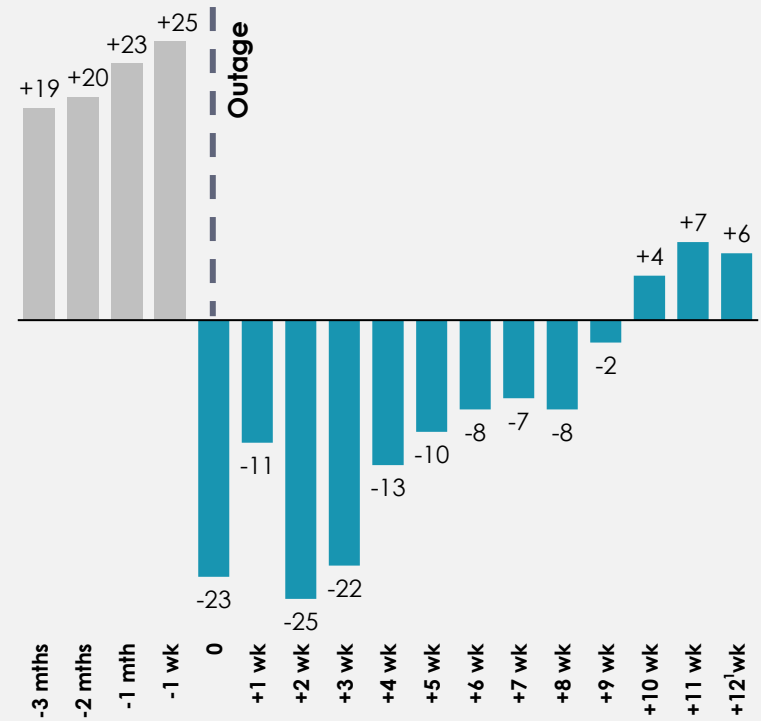
- Customer churn stabilised within Q3FY24 & seeing recovery in postpaid net adds

### Brand Health – First Choice



- Brand perception score recovering well

### Consumer Net Promoter Score (NPS)



- NPS positive within 2 months of outage with proactive outage response

1. Refers to week ending 31 Jan 24 for outage.

# Growth Engines<sup>1</sup> EBIT

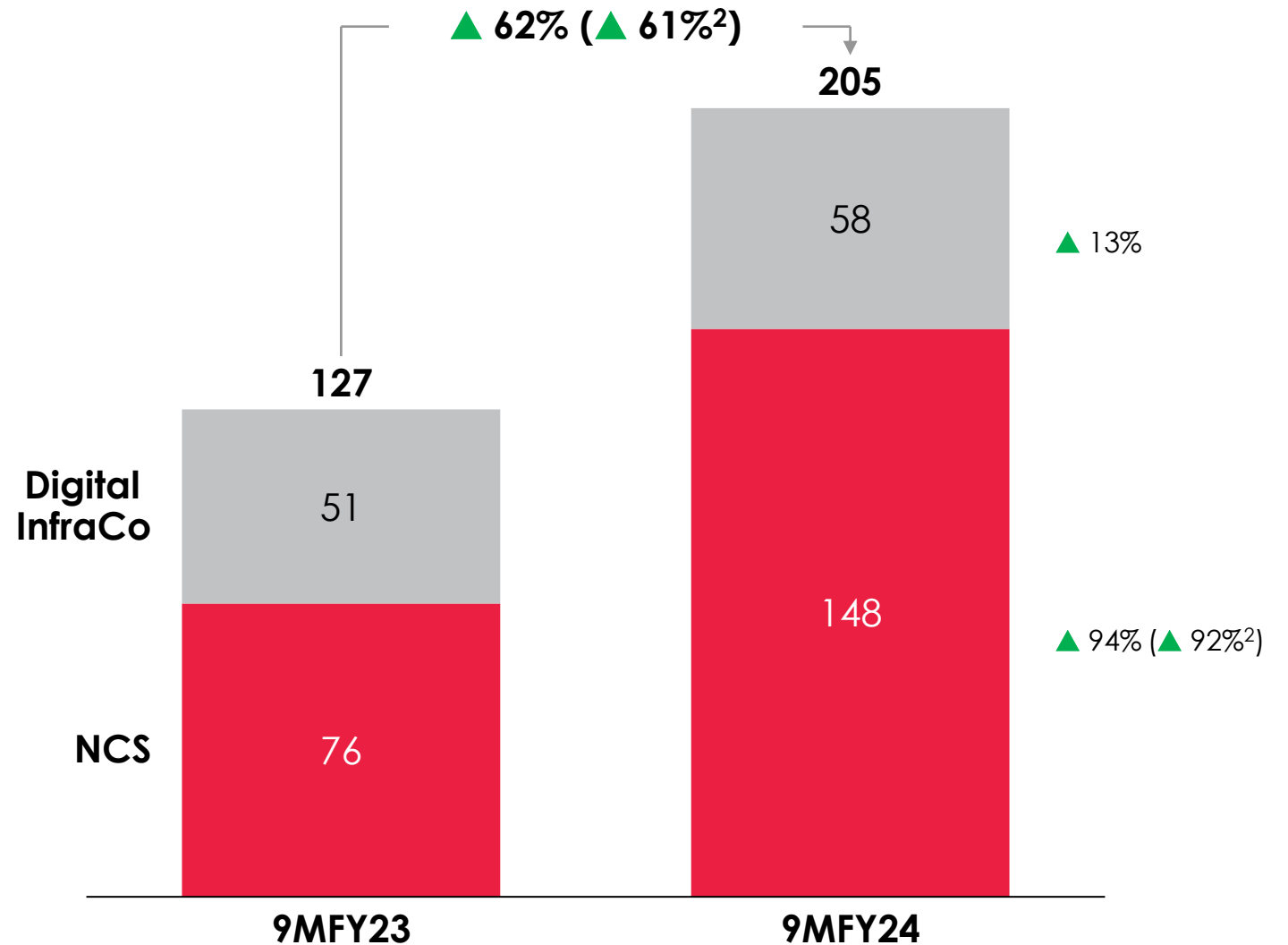
9MFY24

## \$205M

▲ 62% (▲ 61%<sup>2</sup>)

- **Digital InfraCo:** Expansion mode
  - Supported by project-based satellite deployment services
  - Nxera margins impacted by ramp up in capabilities
- **NCS:** Improving profitability
  - Driven by revenue growth, cost & resource optimisation efforts
  - New bookings of S\$2.1B

S\$M



1. Comprises Digital InfraCo & NCS businesses.  
 2. On constant currency basis.



# Regional associates' pre-tax profits

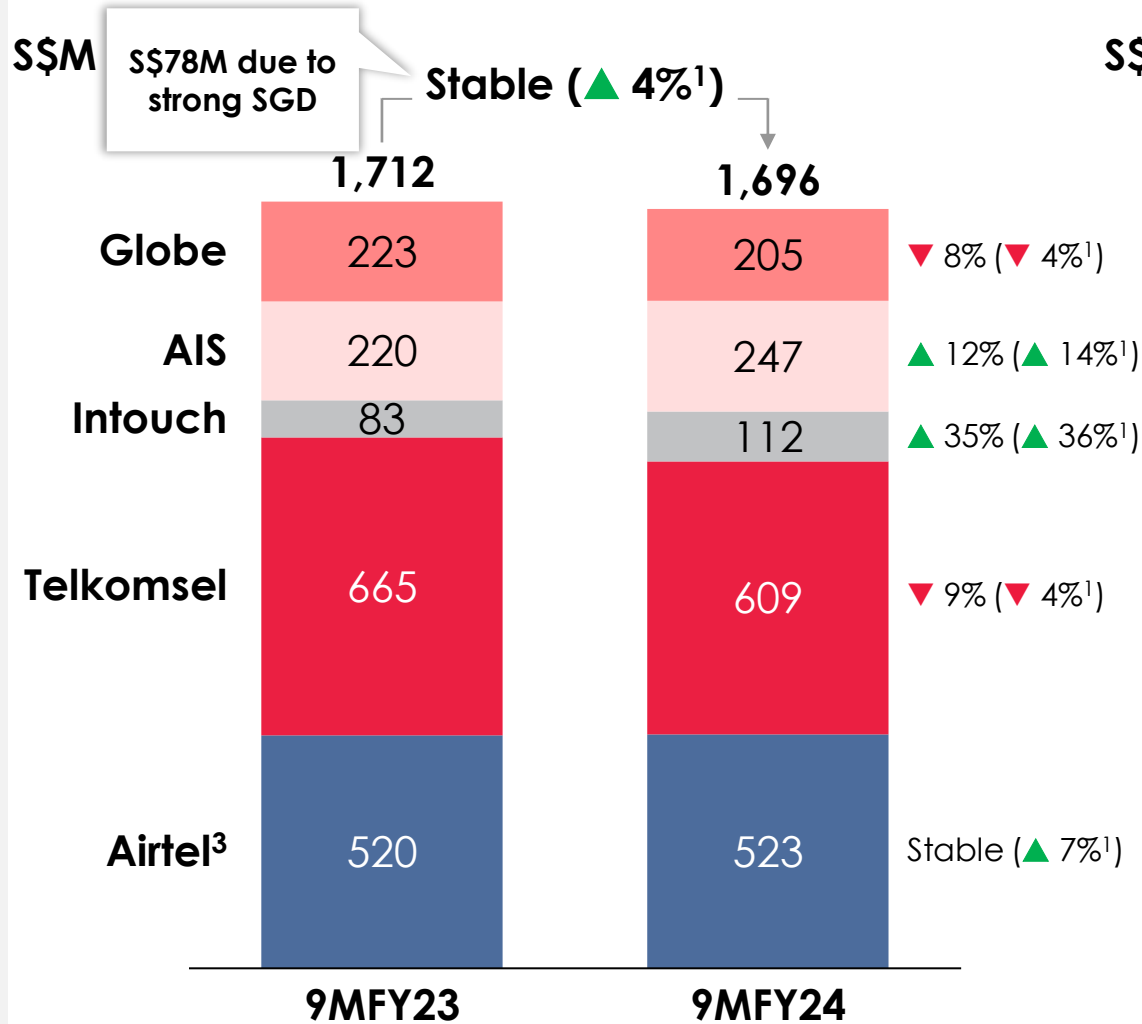
9MFY24

## \$S\$1,696M

Stable (▲ 4%<sup>1</sup>)

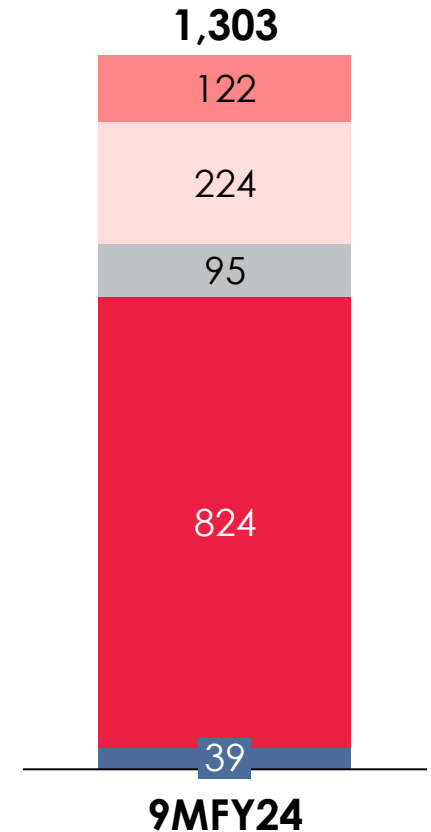
- Better market conditions across region; capturing fibre broadband opportunity
- **Airtel:** Strong performance impacted by weak Nigerian Naira (circa -\$S\$130M<sup>2</sup>) & higher BTL losses. Ex BTL, up 9% & 16% on cc
- **Globe:** Healthy mobile growth offset by increase in network costs
- **AIS:** Revenue growth across all businesses
- **Telkomsel:** Dilution in shareholding mitigated by IndiHome contribution

### Pre-tax profits stable



### Dividend guidance met

\$S\$M



1. On constant currency basis.  
 2. Comprises mark-to-market losses from FX liabilities & translation impact.  
 3. Includes BTL.



# Q3FY24 highlights



Revenue impacted by Trustwave deconsolidation & strong SGD



Sustained mobile service growth on roaming recovery in SG & repricing in AU



Ex Trustwave, EBIT stable on better NCS & Optus performance



Associates' PBT decline largely from weak Nigerian Naira impacting Airtel (circa -\$80m<sup>1</sup>) & Telkomsel shareholding dilution

Operating revenue

**\$\$3,593M**

▼ 3% (▼ 1%<sup>2</sup>)

EBITDA

**\$\$935M**

▲ 3% (▲ 4%<sup>2</sup>)

EBIT  
(ex associates' contribution)

**\$\$324M**

▲ 12% (▲ 13%<sup>2</sup>)

Regional associates' PBT

**\$\$509M**

▼ 9% (▼ 6%<sup>2</sup>)

Underlying net profit

**\$\$559M**

Stable (▲ 2%<sup>2</sup>)

Net profit<sup>3</sup>

**\$\$465M**

▼ 13% (▼ 11%<sup>2</sup>)

1. Comprises mark-to-market losses from FX liabilities & translation impact.
2. On constant currency basis.
3. Includes net exceptional loss of \$94M in Q3FY24 largely from provision for network outage in Australia & fair value loss on revaluation of Airtel's foreign currency convertible bonds.

# Delivering to our strategic reset – Q3FY24 highlights



## Reinvigorate the core



Opened new flagship store at 313@Somerset



Completed acquisition of 3BB



## Capitalise on growth trends



New brand for DC business



Nvidia cloud partnership to offer AI infra services



Deployment of Paragon



## Reallocate capital, unlock value



Sold down remaining stake<sup>1</sup> for ~\$250M



Completion of divestment



## Champion people & sustainability



First in SG to renew SBTi-validated targets



Asia's most sustainable telecom provider



Southeast Asia's first telco on CDP 'A List'

1. ~3.9% direct stake sold in Q3FY24.

# Key focus areas

## Sustain momentum of growth engines



- **Digital InfraCo:** Leverage green & AI-ready differentiation to scale DC business; Paragon on track for deployments in EMEA & North Asia
- **NCS:** Continued focus on profitable growth & cost optimisation

## Rebuilding Optus brand



- Continued efforts to restore customer trust
- Simplify product offerings; realign enterprise business to support small business & mid-market segment growth

## Singtel SG securing its market lead



- Push for growth with new device plans & sustain IoT services momentum
- Drive consolidation of consumer & enterprise businesses, with synergies expected from FY25

