



Q2FY18 Financial Results Presentation

For the quarter ended 30 Sep 2017

Chua Sock Koong, Group CEO

9 November 2017

Forward looking statement – Important note

The following presentation contains forward looking statements by the management of Singapore Telecommunications Limited ("Singtel"), relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of Singtel. In particular, such targets should not be regarded as a forecast or projection of future performance of Singtel. It should be noted that the actual performance of Singtel may vary significantly from such targets.

"S\$" means Singapore dollars, "A\$" means Australian dollars and "US\$" means United States dollars unless otherwise indicated. Any discrepancies between individual amounts and totals are due to rounding.



Agenda

Overview

Business Units

Supplementary Information

Record Net Profit



Strong core performance & scale in digital

- › Higher revenue contribution, largely from completion of Turn acquisition in April 2017
- › Strong customer growth in Optus' postpaid mobile & NBN
- › Amobee turned EBITDA positive

Q2FY18	% change (reported)	% change (constant currency) ¹
Revenue S\$4,370m	↑ 7%	↑ 4%
EBITDA S\$1,292m	↑ 5%	↑ 2%
25% Proportion of Group's revenue from ICT & digital businesses		

Intense competition in India continues

Regional associates' pre-tax earnings ² S\$620m	↓ 7%	↓ 8%
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Robust earnings & cash flow

- › Divestment gains of S\$2.0b on NetLink Trust
- › Strong operating cash flow generation

Underlying net profit S\$929m	↓ 4%	↓ 5%
<i>Ex-Airtel</i>	+3%	+2%
Net profit S\$2,889m	↑ 197%	↑ 196%
Free cash flow S\$718m	↑ 12%	

Foreign Exchange Movements

Currency	Quarter ended 30 September 2017			Half year ended 30 September 2017	
	Exchange rate ¹	Increase/ (decrease) against S\$		Exchange rate ¹	Increase/ (decrease) against S\$
		YoY	QoQ		
1 AUD ² 	1.0744	4.8%	2.8%	1.0601	4.0%
1 USD ³ 	1.3615	0.6%	(2.2%)	1.3764	1.6%
IDR 	9,770	(0.6%)	(2.3%)	9,661	1.1%
INR 	47.3	4.3%	(1.9%)	46.8	5.1%
PHP 	37.3	(7.2%)	(4.2%)	36.4	(5.5%)
THB 	24.5	5.0%	0.4%	24.6	5.0%

1. Average exchange rates for the quarter and half year ended 30 September 2017.

2. Average A\$ rate for translation of Optus' operating revenue.

3. Average US\$ rate for translation of Trustwave, Amobee and HOOQ's operating revenue.

Group Q2FY18 Highlights

Group

- › Interim dividend of 6.8 cents per share
- › Special Dividend of 3.0 cents per share



DATA ∞ **INFINITY**

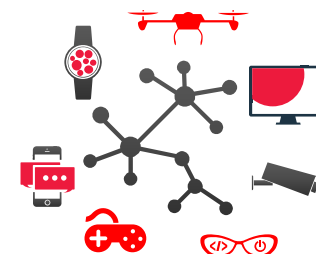


Group Consumer

- › SG: Launched 5G Centre of Excellence to pilot 5G solutions & support Smart Nation initiatives
- › SG: Strong take up of data add-on plans
- › AU: Optus turned on the world's first three channel massive MIMO¹ antenna in Sydney
- › AU: New Optus Stadium in Perth

Group Enterprise

- › Launched nationwide cellular IoT network in Singapore
- › Singapore Managed Security Service Provider & Cloud Service Provider of the Year²



Group Digital Life

SONY *ticketmaster*[®] › Key customer wins as Amobee realises Turn synergies

1. Multiple-input and multiple-output.

2. Frost & Sullivan Best Practices Awards 2017.

H1FY18: Record Net Profit



	3 months to			6 months to		
	Sep 17	Sep 16 ¹	YoY %	Sep 17	Sep 16 ¹	YoY %
Operating revenue	4,370	4,086	6.9%	8,602	7,994	7.6%
EBITDA	1,292	1,233	4.8%	2,561	2,469	3.7%
- margin	29.6%	30.2%		29.8%	30.9%	
Associates pre-tax earnings ²	648	725	(10.6%)	1,382	1,478	(6.5%)
EBITDA & share of associates' pre-tax earnings	1,951	1,958	(0.4%)	3,950	3,947	0.1%
Depreciation & amortisation	(599)	(549)	9.2%	(1,171)	(1,092)	7.2%
Net finance expense	(91)	(71)	27.9%	(179)	(136)	31.3%
Profit before EI and tax	1,261	1,338	(5.8%)	2,600	2,719	(4.4%)
Tax	(337)	(374)	(9.7%)	(773)	(815)	(5.2%)
Underlying net profit	929	969	(4.1%)	1,839	1,912	(3.8%)
Exceptional Items (post tax)	1,960	3	N.M.	1,942	5	N.M.
Net profit	2,889	972	197.1%	3,781	1,917	97.3%

1. Restated to reclassify AIS' 3G/4G handset subsidy costs from exceptional items of the Singtel Group to share of associates' results to be consistent with the current periods.

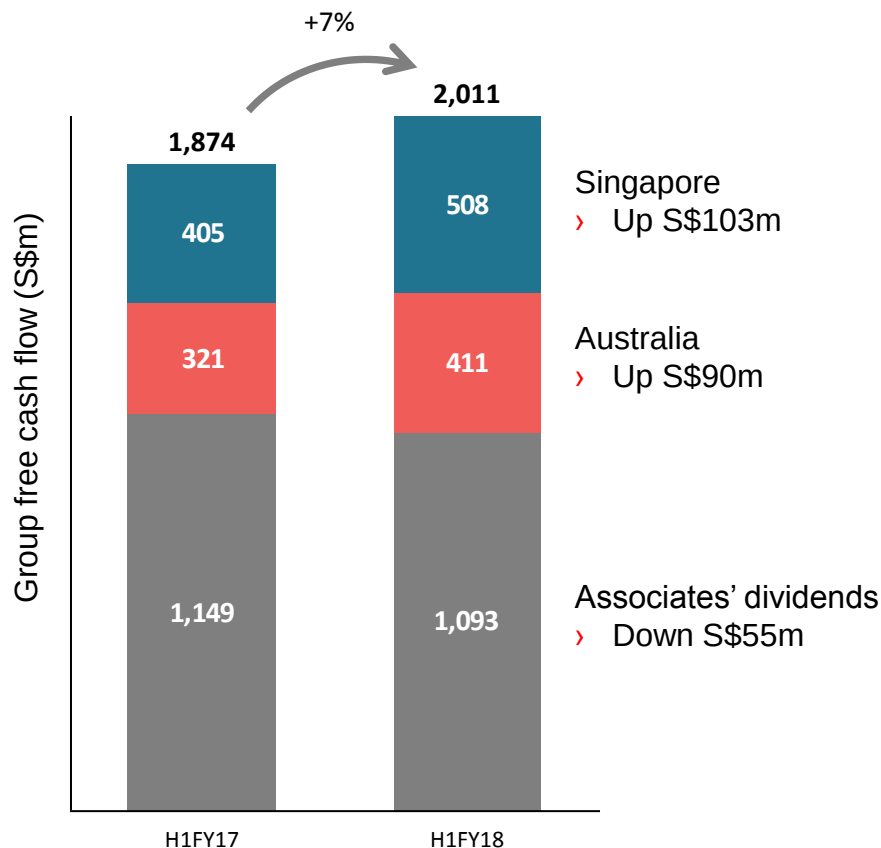
2. Excluding exceptional items.

N.M. – not meaningful.

Solid Financial Position

Free Cash Flow

S\$2,011m



Balance Sheet

Net debt¹ **S\$9.4b**

Net debt gearing² **23.8%**

Net debt: EBITDA & share of associates' pre-tax profits **1.2x**

EBITDA & share of associates' pre-tax profits: **21.1x**
Net interest expense

S&P's rating **A+** **Moody's rating** **A1**

1. Gross debt less cash and bank balances adjusted for related hedging balances.
2. The ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

MeetingPoint

Book your
at your own

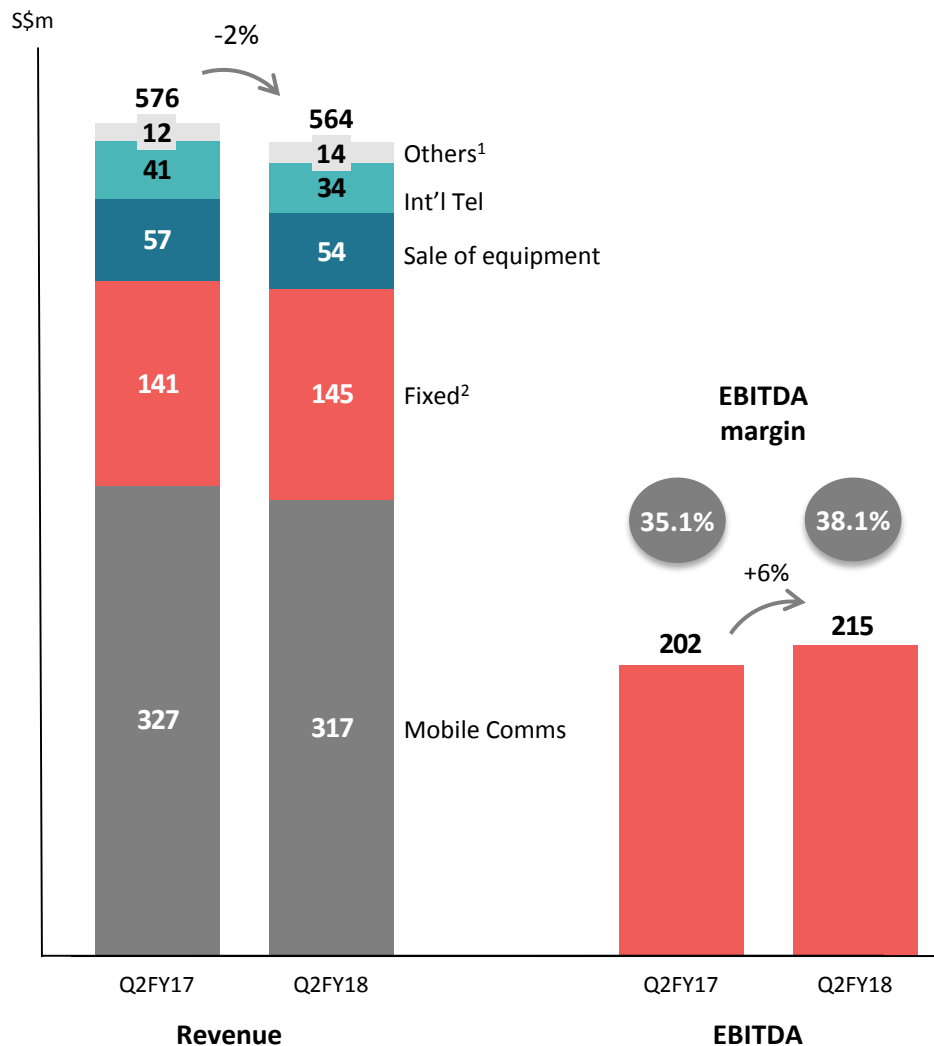
Use My Singtel
singtel.com/um
Singtel Shop

Agenda

Overview

Business Units

Supplementary Information



Mobile communications revenue down 3%³

- › Continued voice to data substitution
- › Data growth mitigated decline in voice & roaming
- › Dilution from increased mix of SIM-only plans

Home services⁴ up 3%

- › Improved mix of higher tier fibre plans & take up of value-added services
- › 2016-17 Premier League sub-licence revenues

IDD services down 16%

- › Lower call traffic from data substitution, particularly in prepaid

EBITDA up 6%

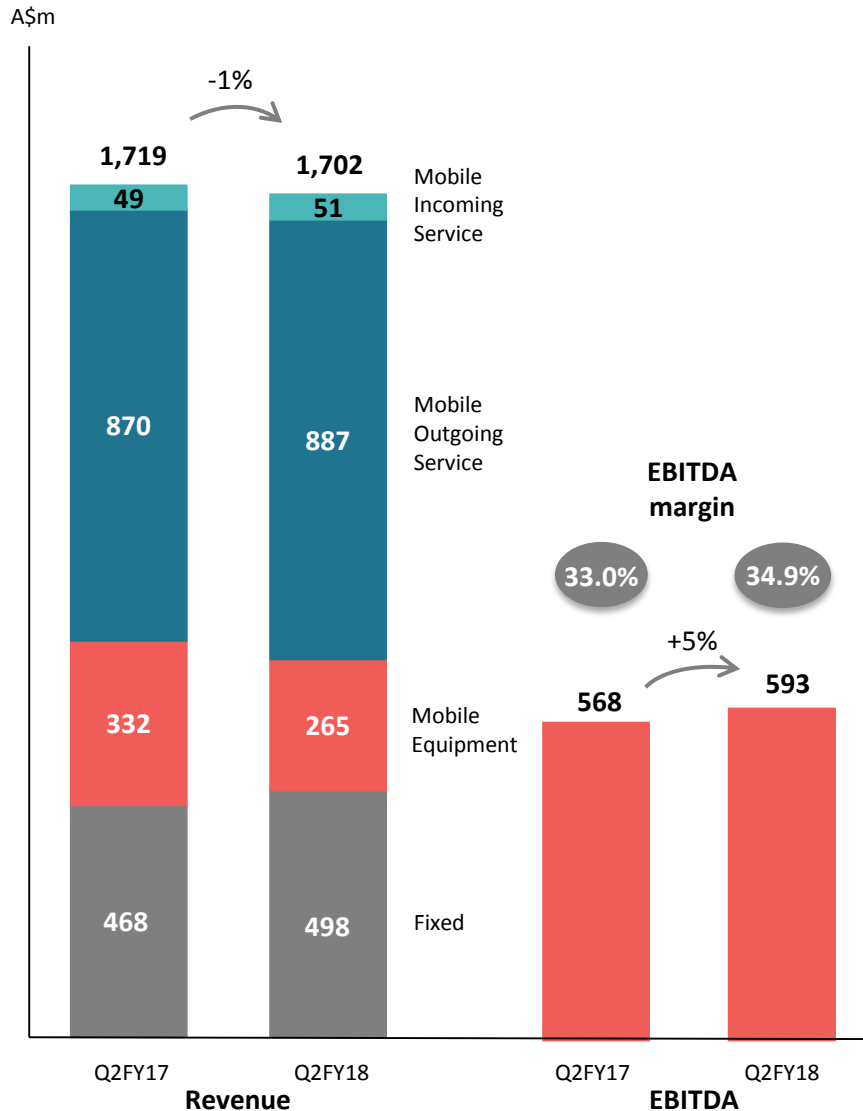
- › Lower mobile re-contracting volumes due to timing of smartphone launches
- › Strong cost management

1. Other revenue includes digital services and revenue from mobile network cabling works and projects.

2. Comprises fixed broadband, residential Pay TV, national telephone and payphone.

3. From Q1FY18, mobile communications revenue is net of inter-operator mobile tariff discounts previously classified under 'Other revenue'. Excluding this reclassification of S\$4m in Q2FY18, Mobile communications would have been 1.5% lower compared to the same quarter last year.

4. Comprises fixed broadband, fixed voice and Pay TV in the residential segment.



Mobile service revenue up 6% ex-DRP¹

- › Strong postpaid customer growth
- › Up 2% on reported basis

Mobile handset customers

- › Postpaid up 69k
- › Prepaid down 24k

Equipment sales down 20%

- › Timing of smartphone launches
- › Growth of leasing plans

Investment in networks

- › 96.5% national population 4G coverage²

Mass market fixed revenue grew 15%

- › Record NBN customer growth & higher migration payments

EBITDA up 5%

- › Customer growth and lower expenses

1. Device Repayment Plans. DRP credits increased A\$49m YoY.

2. As at 30 September 2017.

Regional Associates



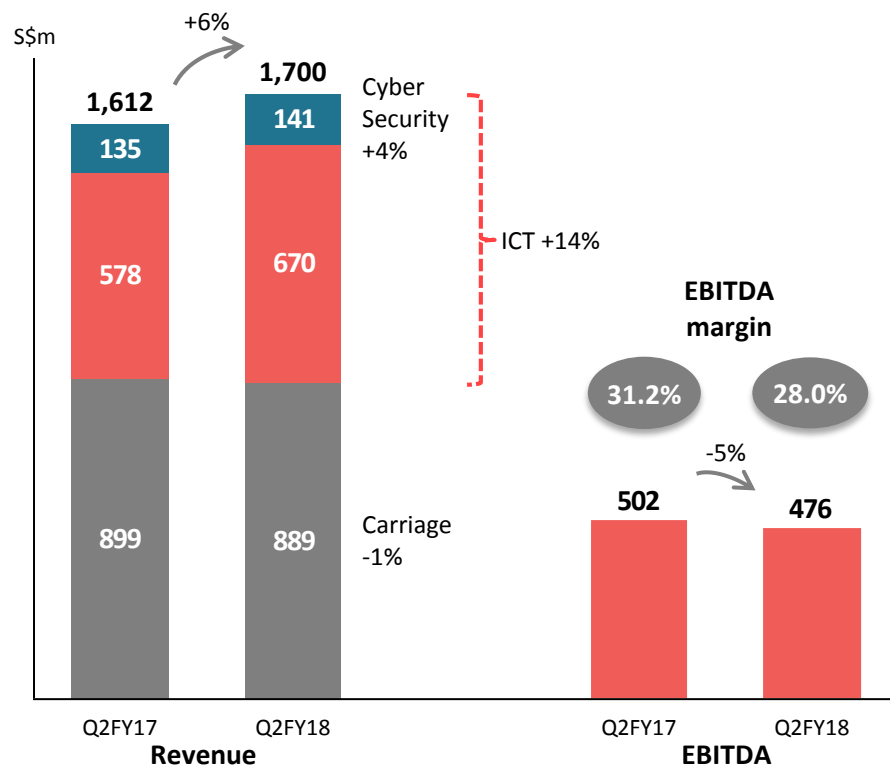
Q2FY18	PBT ¹ (S\$m)	% Change (S\$)	% Change (local ccy)	Business Highlights
Regional Associates <i>Ex-Airtel</i>	620 537	-7% +8%	N.A.	› Group's customer base up 2% QoQ to 670m › Profits affected by competition in India
Telkomsel	371	+2%	+2%	› Extending 4G leadership with additional 30MHz of 2.3GHz spectrum from auction › Timing differences in Ramadan celebration (in July last year versus June this year)
Airtel	83	-52%	-54%	› India: Announced merger with Tata Teleservices' consumer business › Africa: Recorded highest quarterly EBITDA margin
- India & South Asia	196	-33%	-36%	
- Africa	65	+340%	+322%	
- Net finance costs & fair value losses	(178)	+32%	+27%	
AIS	83	+16%	+10%	› Robust growth led by postpaid mobile and fibre broadband services
Intouch	24	N.M.	N.M.	› Acquisition completed in November 2016
Globe	59	+1%	+8%	› Sustained growth in mobile data

1. Excludes exceptional items.

N.M. – Not Meaningful

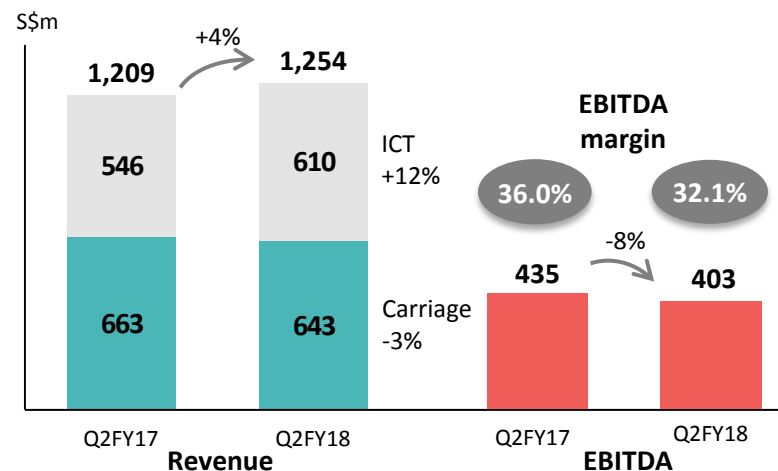
Group Enterprise

Group Enterprise

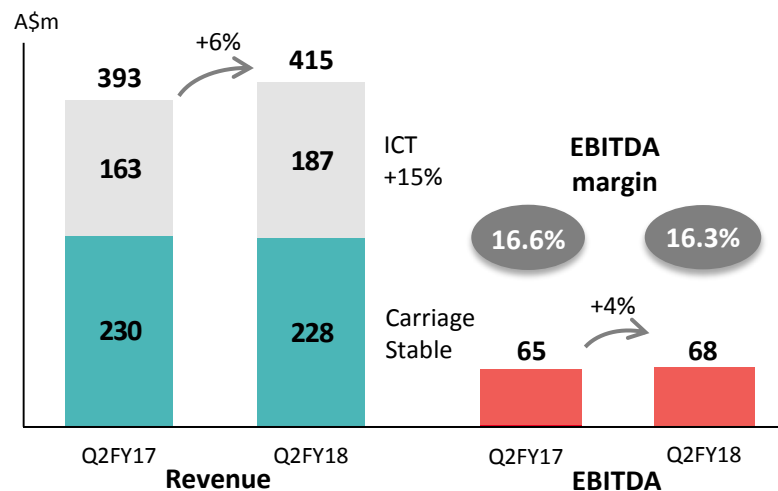


- › Robust ICT growth offset decline in traditional carriage services
- › EBITDA down on:
 - › change in revenue mix
 - › cyber security & Smart Nation investments
 - › accrual write-backs last year

Singapore & International¹



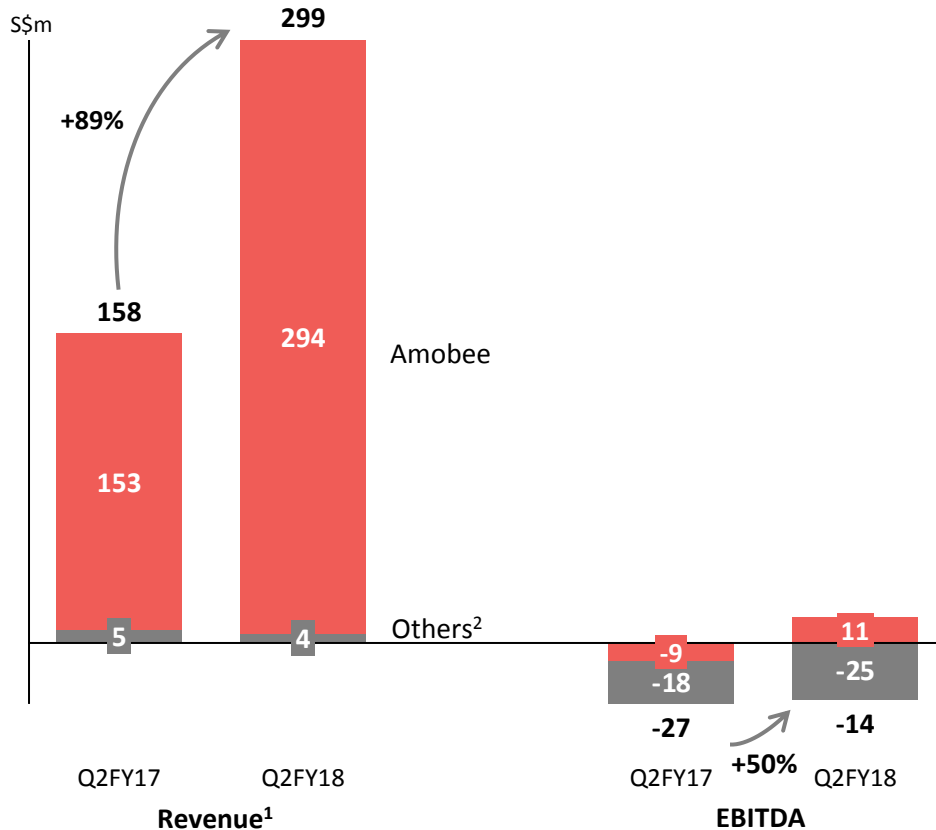
Australia



1. Excluding Australia.

Group Digital Life

Group Digital Life



- › Revenue contribution from enlarged scale
- › Amobee turned EBITDA positive

Digital Marketing

AMOBEE

- › Strong growth momentum in Asia



- › Industry recognition for innovation & effective engagement in digital marketing



Premium OTT Video

HOOQ

- › Creating original Asian content



1. Includes intra-group revenue.
2. Include revenues from HOOQ and DataSpark.

A man and a woman are standing outdoors, smiling and looking at a smartphone held by the man. The man is wearing a light blue button-down shirt over a grey t-shirt. The woman is wearing a bright pink sleeveless dress and a silver watch. They are both holding smartphones. The background is a blurred city skyline with blue and white buildings.

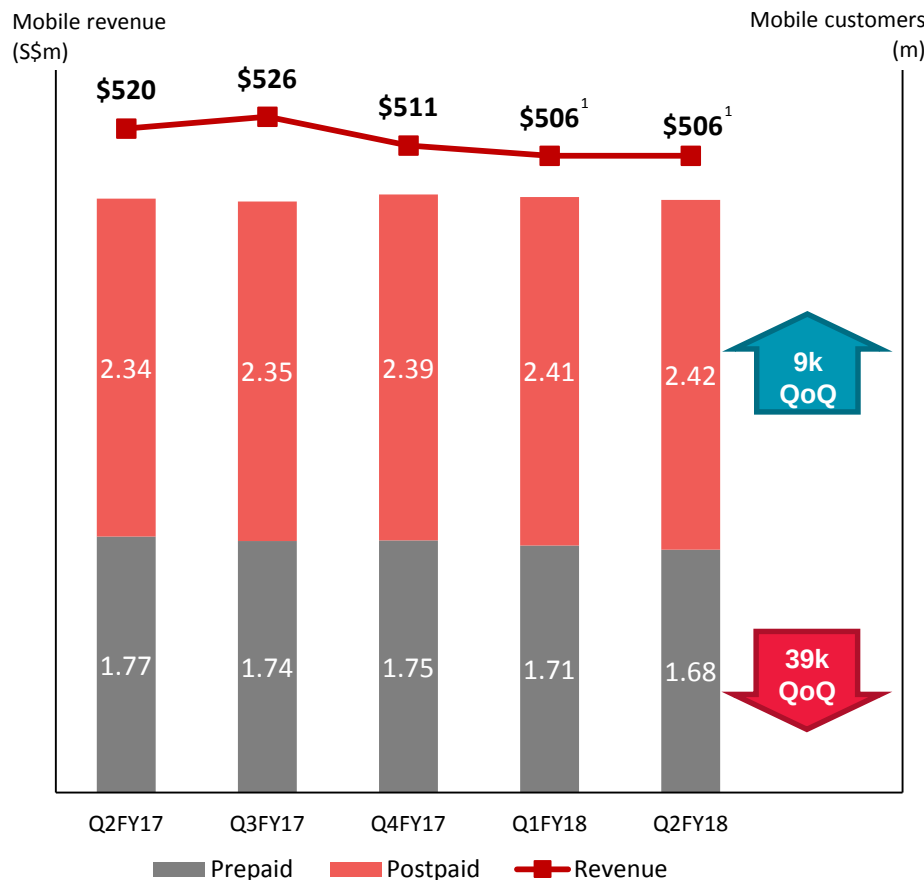
Agenda

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Mobile communications Revenue **S\$506m**



4G customers down 11k QoQ **2,656k**

> 65% penetration

Average smartphone data usage **3.6Gb**

> Up from 2.8Gb in Sep 2016 quarter

> Up from 3.5Gb in June 2017 quarter

Postpaid ARPU down 7% **S\$64**

> Growth in data usage offset by decline in roaming & voice traffic

> Dilution from increased mix of SIM-only plans

Prepaid ARPU down 2% **S\$18**

> Increase in data mitigated decline in voice

Postpaid SAC² down 7% **S\$400**

> Increasing mix of SIM-only plans & timing of smartphone launches

1. From Q1FY18, mobile communications revenue is net of inter-operator mobile tariff discounts previously classified under 'Other revenue'. The discounts were S\$11.6m and S\$11.0m for Q1FY18 and Q2FY18 respectively.

2. Blended acquisition and retention cost per postpaid customer.

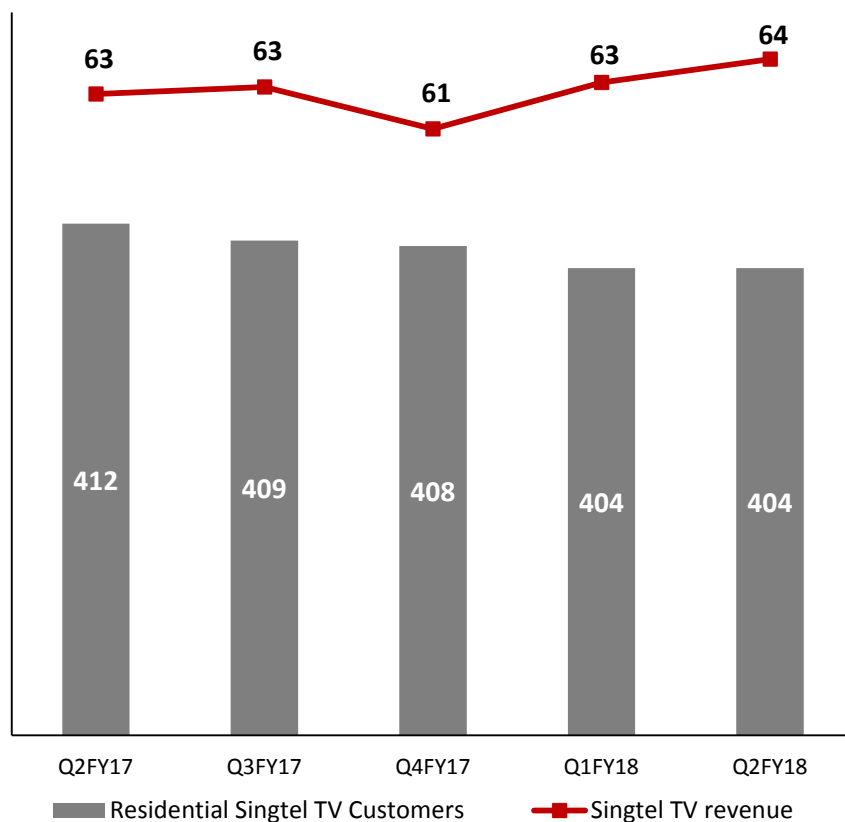
Singapore Fixed

Singtel TV revenue

S\$64m

Singtel TV Revenue¹
(S\$m)

Customers
(‘000)



Singtel TV ARPU

S\$41

› Down 2%

Singtel TV churn

1.2%

› Down 0.3ppt

Singtel Households on Triple/quad services²

505k

› Stable QoQ

Singtel Fibre broadband customers³

580k

› Up 10k QoQ

› 95% of broadband customers³ on fibre

Singtel OTT services (CAST & Singtel TV GO)

86k

› Up 19k QoQ

1. Singtel TV revenue includes wholesale of 2016-17 Premier League content rights from Q2FY17 to Q2FY18.
2. Households which subscribed to 3 or 4 unique services comprising Fixed Broadband, Singtel TV, Fixed Voice and Mobile.
3. Residential and corporate subscriptions to broadband internet services using optical fibre networks.

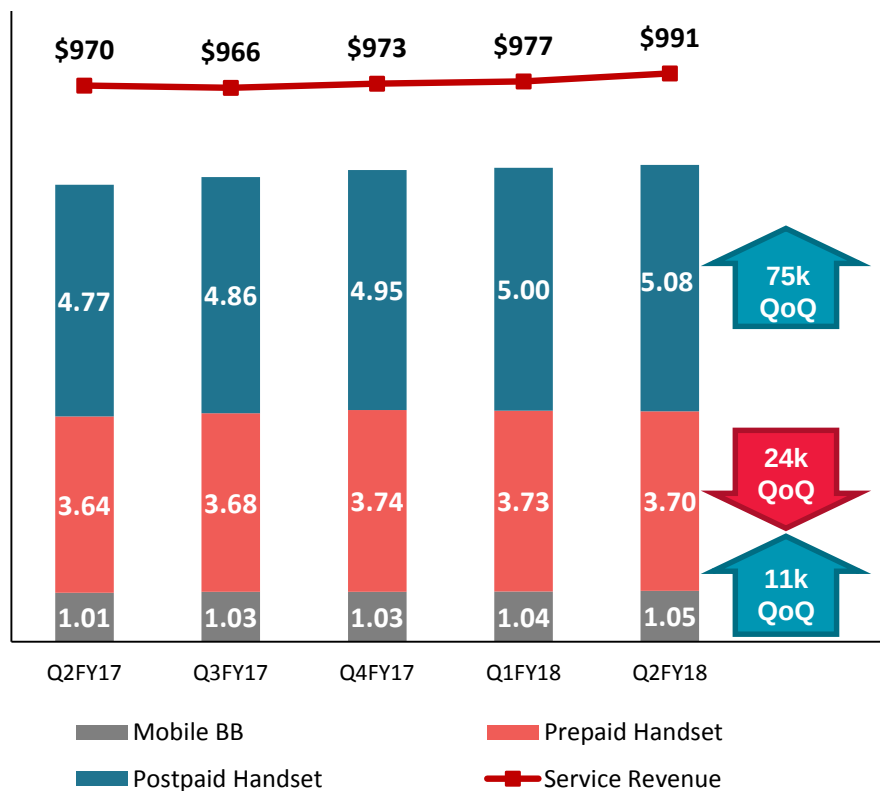
Australia Mobile

Service revenue

A\$991m

Service revenue
(A\$m)

Mobile customers
(m)



4G customers¹ up 176k QoQ

6,056k

> 62% penetration

Postpaid

> Handset ARPU

A\$46

- down 3%
- up 2% ex-DRP

> Churn

1.4%

- up YoY & stable QoQ

Prepaid

> Handset ARPU

A\$21

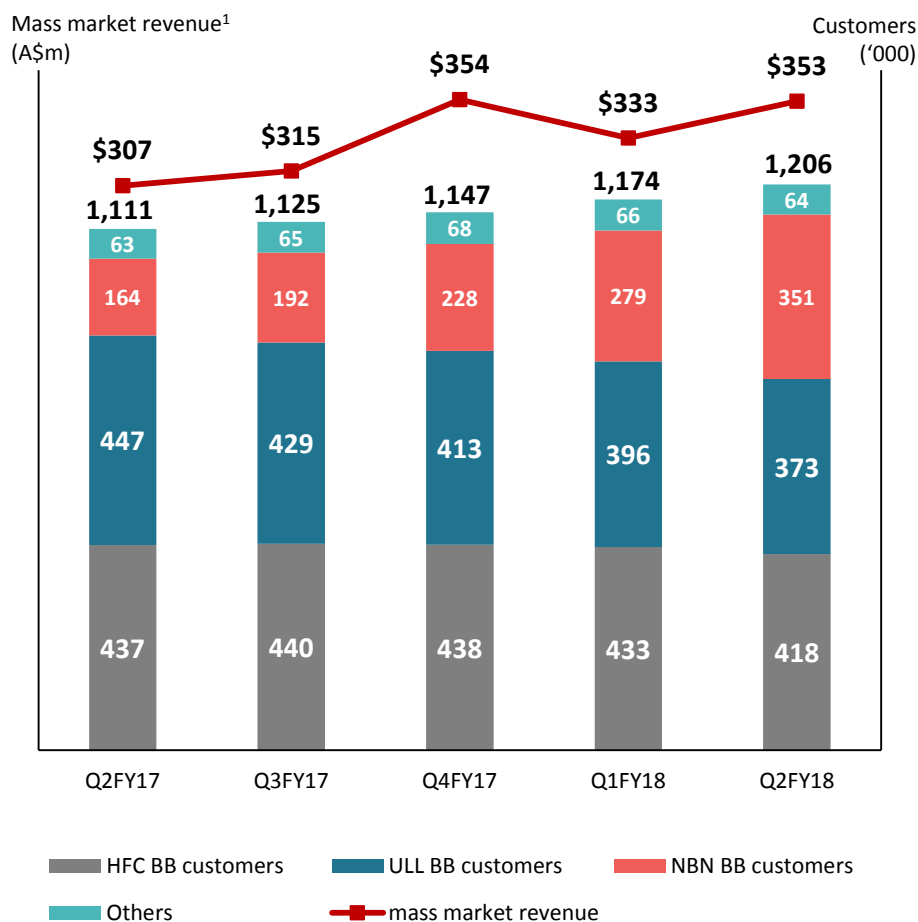
- down 5%

1. 4G handsets on the Optus network.

Australia Fixed

Mass market revenue

A\$353m



On-net BB ARPU

A\$54

› Up 3%

NBN BB Customers

351k

› Up 72k QoQ

Resale DSL BB Customers

39k

› Down 2k QoQ

TV Customers

469k

› Up 12k QoQ

Trends In Constant Currency Terms¹

3 months ended September 2017	Q2FY18 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	4,370	6.9%	4.3%
Group reported NPAT	2,889	197.1%	196.4%
Group underlying NPAT	929	(4.1%)	(4.9%)
Optus revenue	2,275	5.0%	0.2%
Regional Associates pre-tax earnings ²	620	(7.2%)	(7.5%)
6 months ended September 2017	H1FY18 (reported S\$m)	YoY % change (reported S\$)	YoY % change (at constant FX) ¹
Group revenue	8,602	7.6%	5.3%
Group reported NPAT	3,781	97.3%	96.0%
Group underlying NPAT	1,839	(3.8%)	(5.2%)
Optus revenue	4,466	6.6%	2.5%
Regional Associates pre-tax earnings ²	1,292	(5.5%)	(7.0%)

1. Assuming constant exchange rates from corresponding periods in FY2017.

2. The Group's share of associates' earnings before exceptionals.



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