

Singtel advances digital infrastructure growth strategy

1 October 2021



Agenda



Overview of digital infrastructure strategy



Divestment of 70% stake in Australia Tower Network



Building a new regional data centre platform



End game : Regional digital infrastructure platform

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Taking First Steps In Digital Infrastructure Strategy



Divestment of 70% stake in Australia Tower Network (ATN)



Building a regional data centre (DC) platform



Developing a regional digital infrastructure platform across multiple asset classes

Executing To Our Strategic Reset



**Reinvigorate
the core**

Accelerate 5G & digitalisation of the core with proceeds from ATN divestment



**Capitalise on
growth trends**

Strong value proposition from our large & unique infrastructure portfolio, operating experience & deep customer relationships

- Explosive demand for digital infrastructure fuelled by rapid digitalisation
- Data centre platform with scope for upgrade & regional expansion via partnerships
- End goal of an Asia-leading digital infrastructure platform across asset classes



**Reallocate
capital, unlock
value**

Smart capital recycling to allocate to growth areas & sustain dividend

Release capital at high multiples



**Champion
people &
sustainability**

Committed to building the region's greenest data centres

Invite interest from green ecosystem to co-create sustainable infrastructure

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Positions Us Well For The Future

**Significant
value
unlocked**

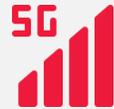
~A\$2.3b

Enterprise
value

Reflects high quality assets & tenants

Significantly above telco multiples driven by strong competitive process

**Growth
capital for 5G
& new
businesses**



Provide capital to support 5G rollout & growth of core business



Retention of 30% interest in ATN, Australia's largest independent towerco, provides opportunity for future value creation

**Shareholder
value creation**

~A\$1.9b

Net proceeds¹

Improve cash flow & balance sheet flexibility

Smart capital recycling to deliver growth & underpin sustainable dividends

¹ A\$1.9b comprises A\$0.9b for share sale consideration, A\$0.5b as return of capital by ATN & A\$0.5b in loan repayment by ATN to Optus.



Transaction Overview

Transaction Summary

- Singtel divests 70% interest in ATN to AustralianSuper, raising ~A\$1.9 billion¹ in expected net proceeds
- Enterprise value of ~A\$2.3 billion
- Formation of Australia's leading independent tower company with a portfolio of 2,312 existing Optus mobile telecommunication sites with current tenancy ratio of 1.6x
- AustralianSuper is Australia's largest superannuation fund

Key Terms & Commercial Agreements

- Optus entered into a 20 year agreement (option to extend) with ATN for access to existing & new towers
- Optus committed to a minimum of 565 new ATN sites
- Optus will provide transitional support for up to 9 months post-completion
- Shareholders' arrangements include customary minority protections & governance representation
- Transaction subject to minimal conditions & expected to be completed by end October

Financial Impact

- Estimated net divestment gain of S\$0.4 billion
- Singtel's 30% shareholding in ATN to be equity accounted

¹ A\$1.9b comprises A\$0.9b for share sale consideration, A\$0.5b as return of capital by ATN & A\$0.5b in loan repayment by ATN to Optus.

Overview Of ATN

Hard to replicate, critical mobile infrastructure network of significant scale & diversity



2,312

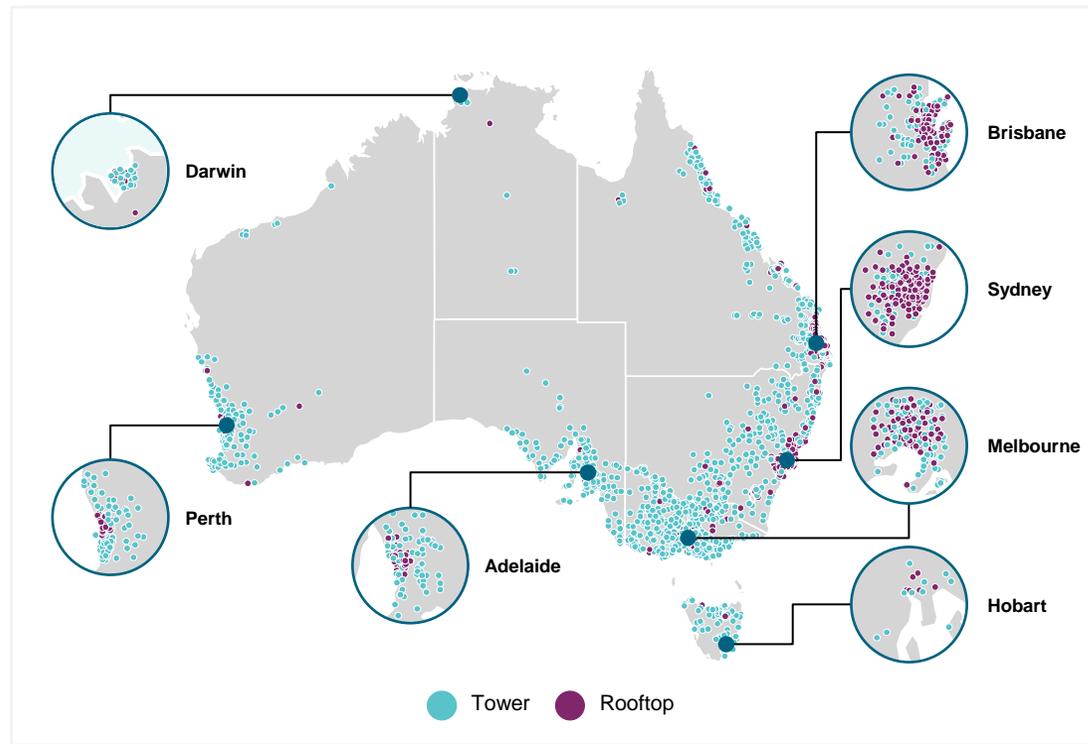
mobile tower & rooftop sites
across Australia

1.6x

current tenancy ratio with
room for growth

565

committed new builds



A\$117m

revenue¹

A\$62m

EBITDA¹

20 year

initial MSA term
(with options to extend)

¹ Pro-forma FY21.

Partnering With AustralianSuper



AustralianSuper is the largest pension fund in Australia

- AustralianSuper is Australia's largest superannuation fund with over 2.4 million members & 364,000¹ contributing businesses
- AustralianSuper invests the retirement savings of 1 in 10 working Australians
- Active manager focused on building long term value

+A\$233 billion
Member Assets¹

+A\$24 billion
Global Infrastructure Assets¹

A trusted owner of critical infrastructure in Australia



Ausgrid
Power Grid



WestConnex
Toll Road



Transurban Queensland
Toll Road



NSW Ports
Seaport



Transurban Chesapeake
Toll Road (US)



Peel Ports
Seaport (UK)



Perth Airport
Airport

¹ As at 30 June 2021.

OPTUS

Accelerating rollout of Australia's fastest 5G network

- Capital released will fund 5G rollout & support investments in core business
- 565+ future build sites will accelerate Optus' 5G expansion
- Efficient roll-out & further investment to support Optus' 5G objectives are core to AustralianSuper's strategy

Preserving Optus' ability to differentiate

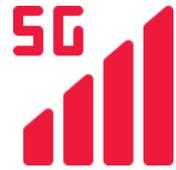
- Optus continues to deliver customer-led differentiation through its active network (vs. passive asset stewardship)
- 20 year lease agreements provide certainty for network planning
- Competitive rates negotiated with ATN

Strong partner to grow infrastructure business

- Proven track record with diverse portfolio of critical infrastructure assets
- Alignment of interests to grow Australia's digital infrastructure
- A source of dependable capital
- Deep Australian connection

~A\$1.9b
net proceeds¹

Recycling Capital To Fund Growth & Drive Returns



Strengthen network leadership with accelerated 5G rollout

Build-out of features & services that will differentiate Optus, grow customer engagement & drive new revenue streams



Growth initiatives

Pursue opportunities in B2B digital services through NCS in Singapore & Australia

Strengthen Singtel & Optus' IT platform



Smart capital recycling

Continue to efficiently unlock & recycle capital by leveraging attractive multiples for the Group's assets

Free up significant cash flow & strengthen balance sheet for growth

Underpin the Group's ability to pay sustainable dividends

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We Are Building A New Regional Data Centre (DC) Platform



With strong Singapore base...

...propel into the region



Key Platform Goals

Trusted regional one-stop shop

Single port of call for firms; standardised SLAs, interconnected DC capacity across the region

Carrier neutral with access to outstanding bundled services

Access to Singtel's wide ecosystem across connectivity, IT/managed services & cyber security

Greenest in the region

Leading operator of next gen green DC focused on sustainability

Strong partner network

Strategic, commercial & capital partners to scale optimally

¹ Consideration of specific DCs to seed platform currently ongoing.

² Illustrative.

Singtel: Leading Operator in Singapore with Top Quality Assets



High Quality Operating Assets

7 Data Centres
 >70MW IT Capacity
 >S\$250m Annual Revenue¹
 >60% EBITDA Margin



Track record

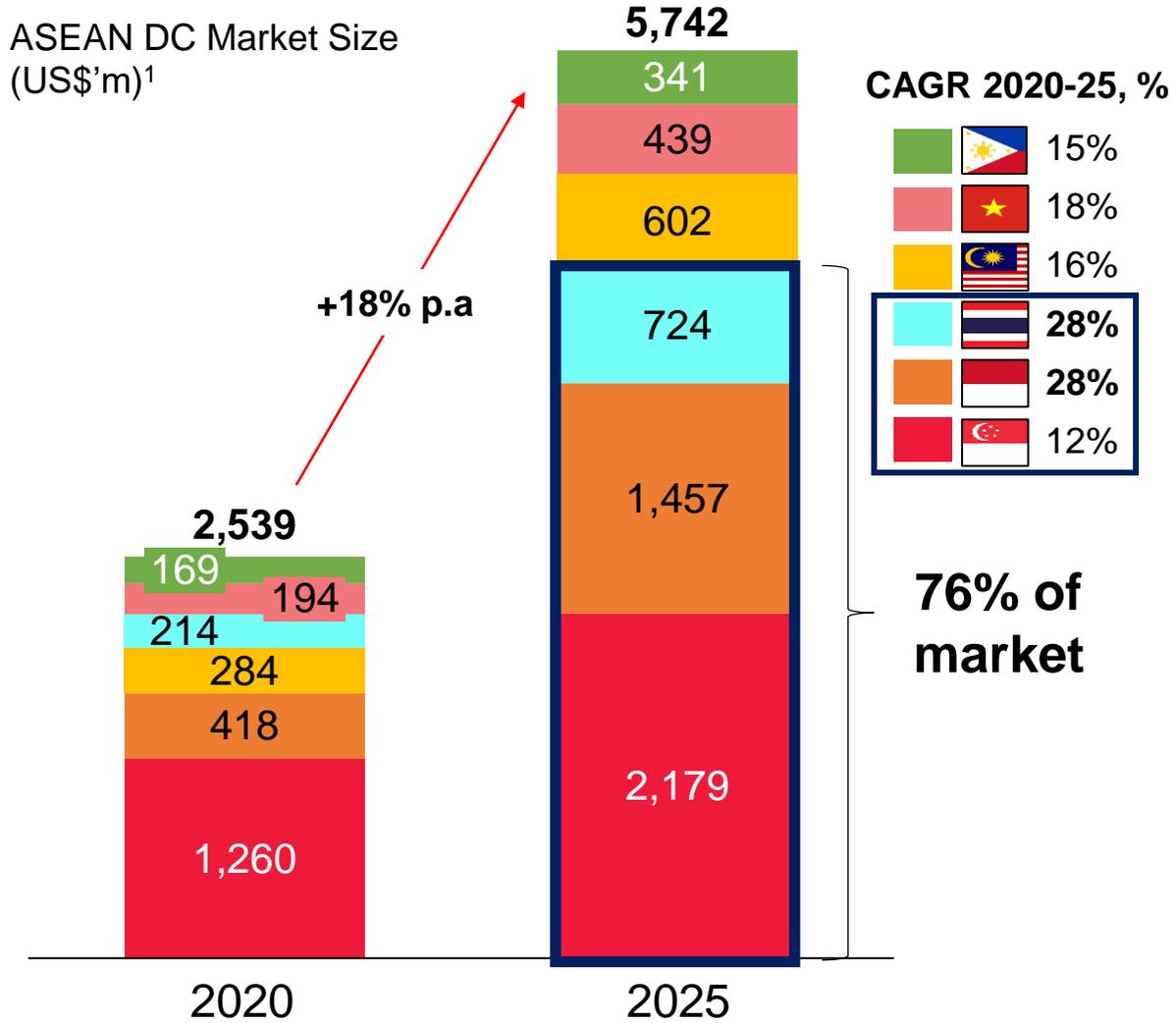
- Experienced product & operations teams with 20+ years of DC experience
- Diverse customer segments with average tenure of 10+ years, including hyperscalers, MNCs, SMEs etc
- Strong suite of value added services
- Commitment to Singapore customers & deep understanding of local context



¹ Third-party revenue.

Attractive Emerging DC Opportunity in ASEAN

Regional DC Demand¹: Ready for Lift-Off



Regional Demand Factors

- Young, growing population of heavy data users**
Online media & content, financial services, new applications (e.g. AR/VR)
- Digital transformation by enterprises**
Accelerated by 3-4 years in emerging Asia²
- Big data/analytics leveraged at scale**
Increasing maturity of algorithms driving big-data use cases
- 5G-driven demand for hybrid infra & increasing enterprise cloud adoption**
Hyperscale cloud-based providers looking to be closer to users while meeting data residency standards

Accelerated by COVID-19

¹ Frost & Sullivan 2020 Forecast.
² 2020 McKinsey Global Survey of Executives.

We Are Excited To Undertake DC Regional Expansion Together With Partners

MOU to build leading DC business in Thailand



*Leading power & infrastructure company in Thailand
Partner in Intouch Holdings*

- Gulf brings strong local know-how & networks, excellent access to land & power
- Singtel brings DC expertise & customer relationships
- Develop data centres in Thailand & green energy solutions together

Advanced discussions on strategic partnership for regional platform



*Largest telecommunication player in Indonesia
Longstanding partner in Telkomsel*

- Singtel & Telkom are leading DC players in respective countries
- Explore partnership to acquire / build data centres in Indonesia & the region together; with broader collaboration at the regional level

Ongoing discussions on collaboration with various local partners

Open Invitation To Co-create The Region's Greenest DC

Potential partners

Green/Clean
Energy
Players

Research
institutes

DC Design &
Build Firms

Startups

Solutions

High
Energy
Efficiency
Tech

AI
Optimized
solutions

Carbon
Neutrality

Sustainable
Design &
Build

Markets



Starting with SG DCs as
pilot; replicate across
regional platform

Open platform to
bring best green
tech together

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Setting The Stage For Infrastructure Growth Strategy

Towers

Unlocked value in Optus' towers at attractive valuations



Build scale

- Investments in next-gen infrastructure
- Inorganic acquisitions
- Strategic partnerships
- Regional expansion

Data centres

Developing a regional data centre platform with high quality operating assets & growth pipeline at inception

Digital infrastructure platform

Developing a regional digital infrastructure platform across multiple asset classes



Towers



Data centre



Subsea cable



Satellite

End Game: Regional Digital Infrastructure Platform

Vision

Beyond unlocking value to building platform value

- Drive organic growth through strong management, commercial focus
- Partner long term patient capital providers to expand regionally
 - Regional expansion to build on our local networks & operating expertise
- Focus on smart capital management, possibly exploring funds & JVs

Approach



Capital Efficiency

- ✓ *Strong capital management strategy*
- ✓ *Reallocating unlocked value to fuel further growth*



Partnerships

- ✓ *Capital*
- ✓ *Complementary capabilities*
- ✓ *Local networks*



Build On Core

- ✓ *Support Singtel's needs*
- ✓ *Build on (not sell off) operational capabilities*

