



H1FY21 Financial Results Presentation

For the half year ended 30 September 2020

Chua Sock Koong, Group CEO

12 Nov 2020

Singtel

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that could cause actual results, performance or events to differ materially from those in the statements as originally made.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.

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



Agenda

1. H1FY21 overview
2. Business units
3. Outlook & dividend
4. Supplementary information

Operating results weighed down mainly by Australia Consumer amid structural challenges & COVID-19

- Adverse margin impact from NBN resale & declining NBN migration revenue
 - COVID-19: Severe reduction in roaming, prepaid usage & equipment sales
-

Robust growth in ICT services

- Leveraged our digital investments to support enterprise & government digital transformation
 - Strong revenue growth across NCS' business lines, cloud & cyber security
-

Critical services to our customers

- Supporting their need for seamless connectivity & digital solutions for business recovery
-

Transforming our business for the digital economy

- Digitalise our core to enhance customer engagement & transform our processes
- Leverage 5G to unlock new revenue streams & deliver returns over the mid to long term

H1FY21: financial review



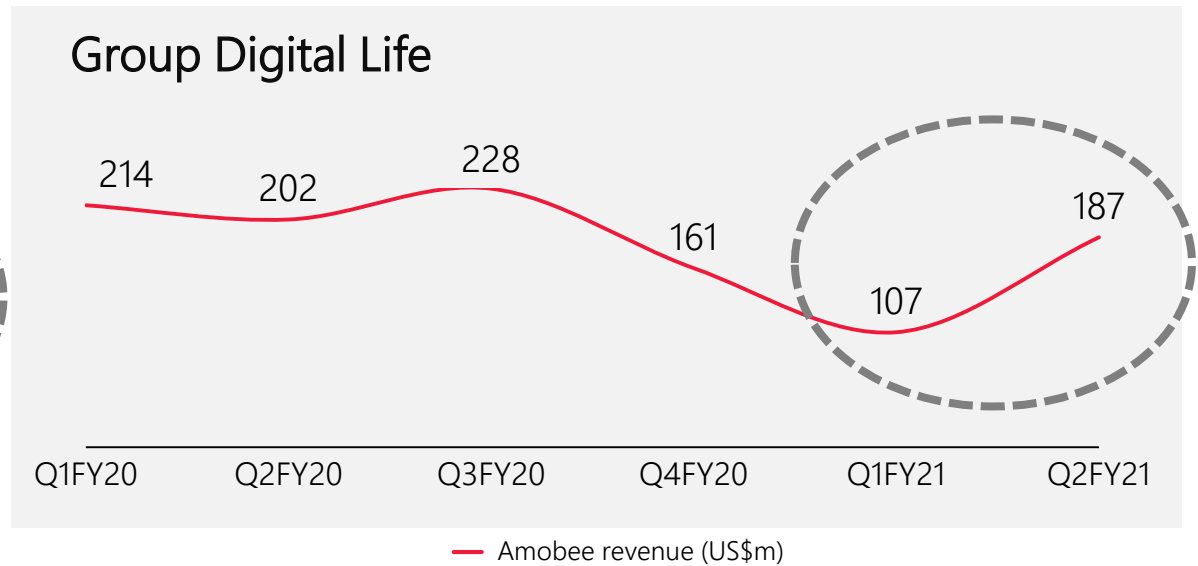
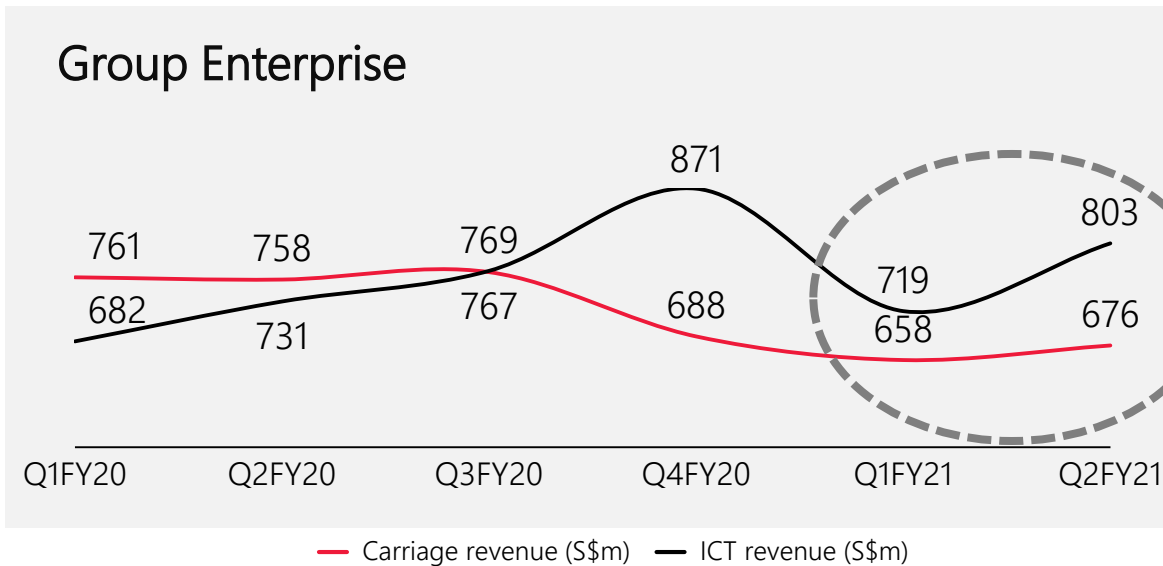
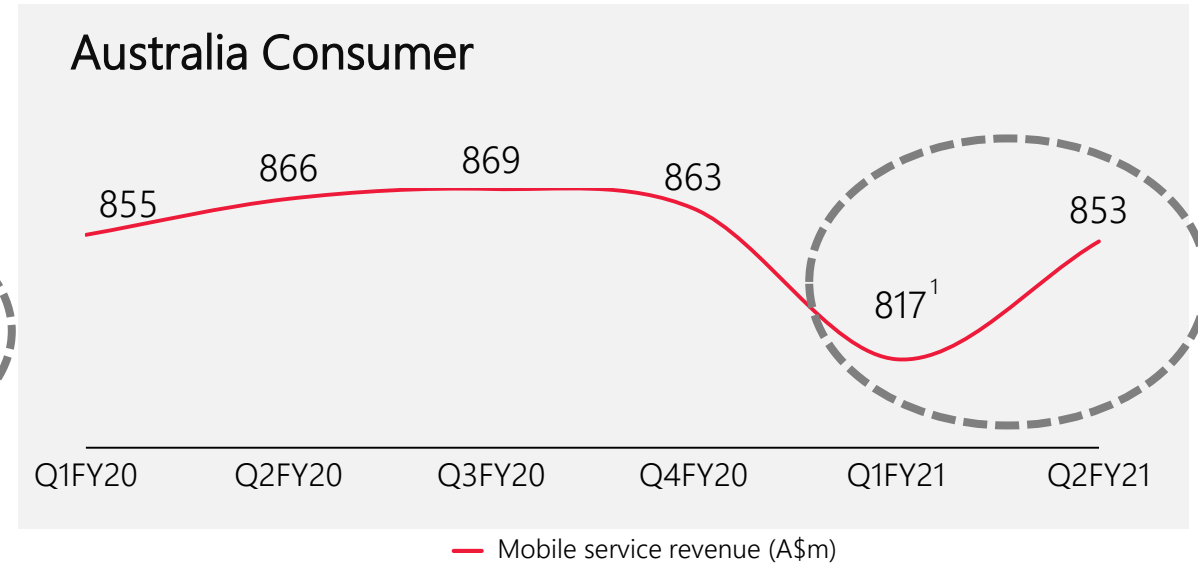
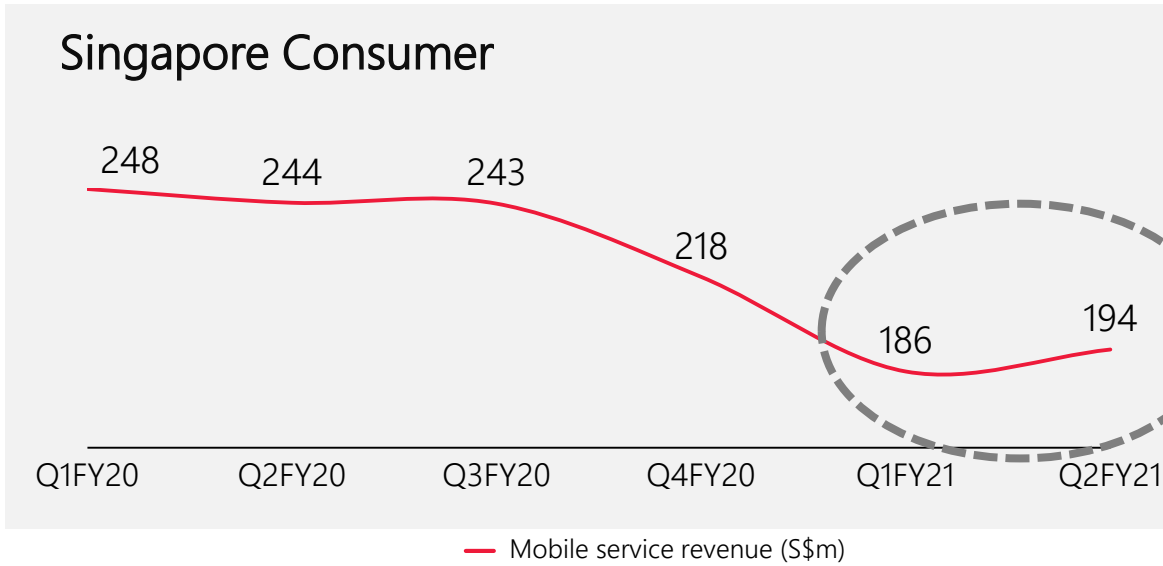
(S\$m)		H1FY21	H1FY20	(YoY%)	
Operating Revenue	-----	7,425	8,265	▼ 10%	<ul style="list-style-type: none"> Decline in equipment sales, roaming & prepaid mobile, mitigated by ICT growth NBN migration revenue tapering off with near-completion of rollout
EBITDA	-----	1,903	2,345	▼ 19%	<ul style="list-style-type: none"> Optus impacted by lower margins from equipment sales & NBN resale
EBIT (excluding associates)	-----	596	1,060	▼ 44%	<ul style="list-style-type: none"> Significant margin impact from roaming decline Mitigated by Job Support Scheme (JSS) credits²
Regional Associates' PBT ¹	-----	833	749	▲ 11%	<ul style="list-style-type: none"> Strong operating momentum in India & Africa Intense competition in Indonesia & prolonged COVID lockdown
Underlying NPAT	-----	837	1,312	▼ 36%	<ul style="list-style-type: none"> Reduced exceptional Airtel regulatory costs
Net profit after tax	-----	466	(127)	▲ N.M.	<ul style="list-style-type: none"> Prior period net losses due to significant regulatory losses from adjusted gross revenue in Airtel

1. Excludes exceptional items.

2. Includes S\$94m in Job Support Scheme credits in H1FY21.

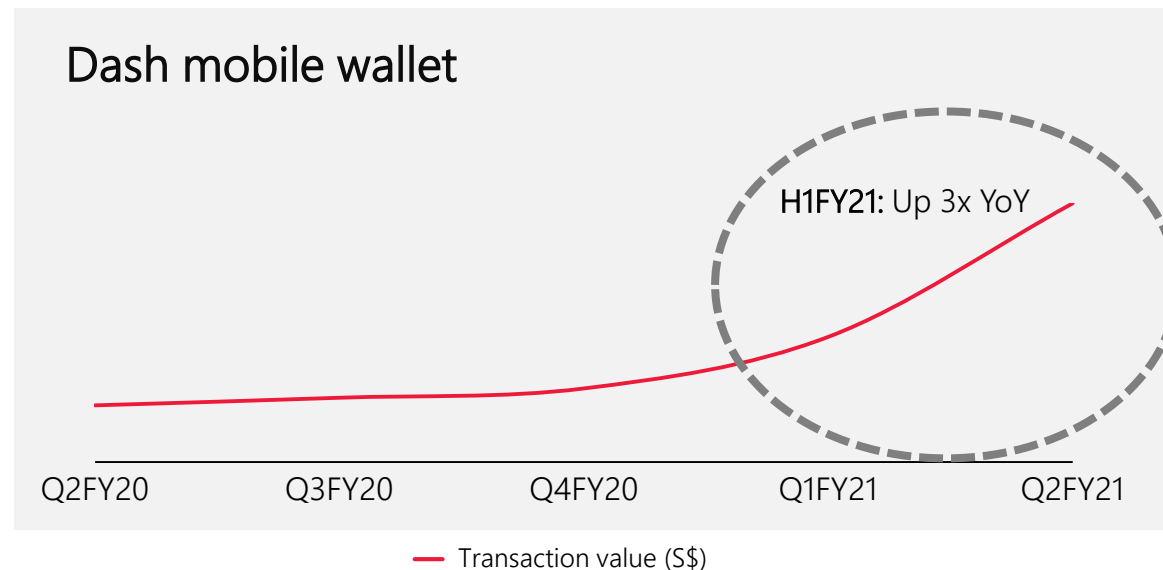
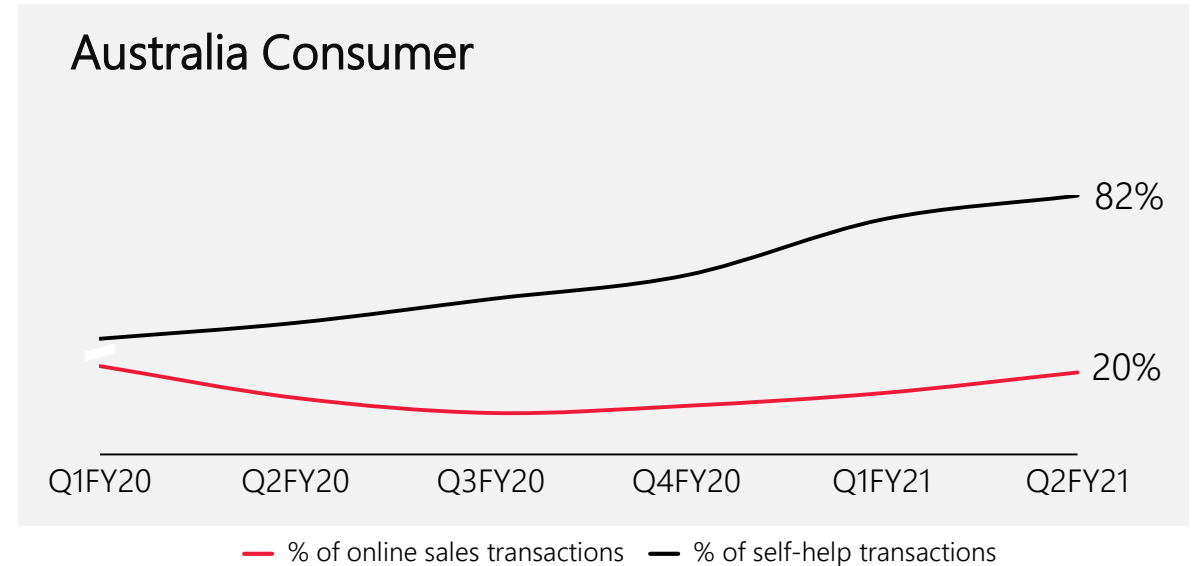
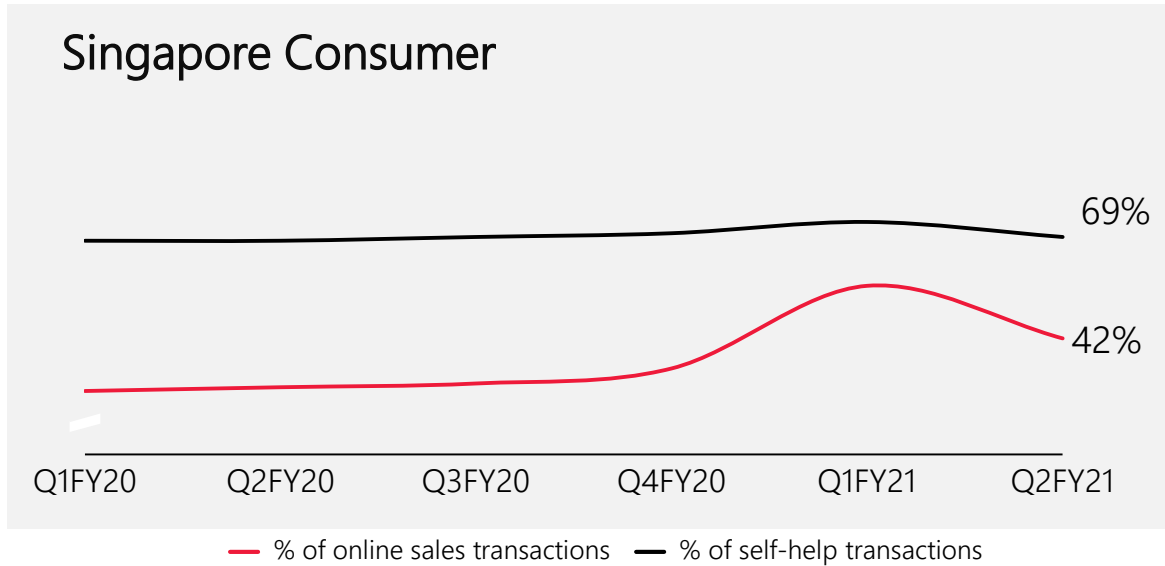
N.M. –not meaningful

Q2FY21 : sequential quarter revenue recovery



1. Includes waiver of late payment fee for all customers and free credits for healthcare workers.

Focus on digitalisation



A 5G Future

Game changer for smart cities & living



Ultra-fast speeds



Massive connectivity



Low latency

Enable innovative platforms, applications & services



Manufacturing



Transport



Energy & utilities



Healthcare



Media & entertainment

Ascending the 5G value chain

Co-create enterprise applications



Singtel Mobile Edge Computing (MEC) platform

Successful commercial trial

>20k

5G Postpaid customers in Singapore

Broke Australia record for commercial 5G speeds

>2.5Gbps

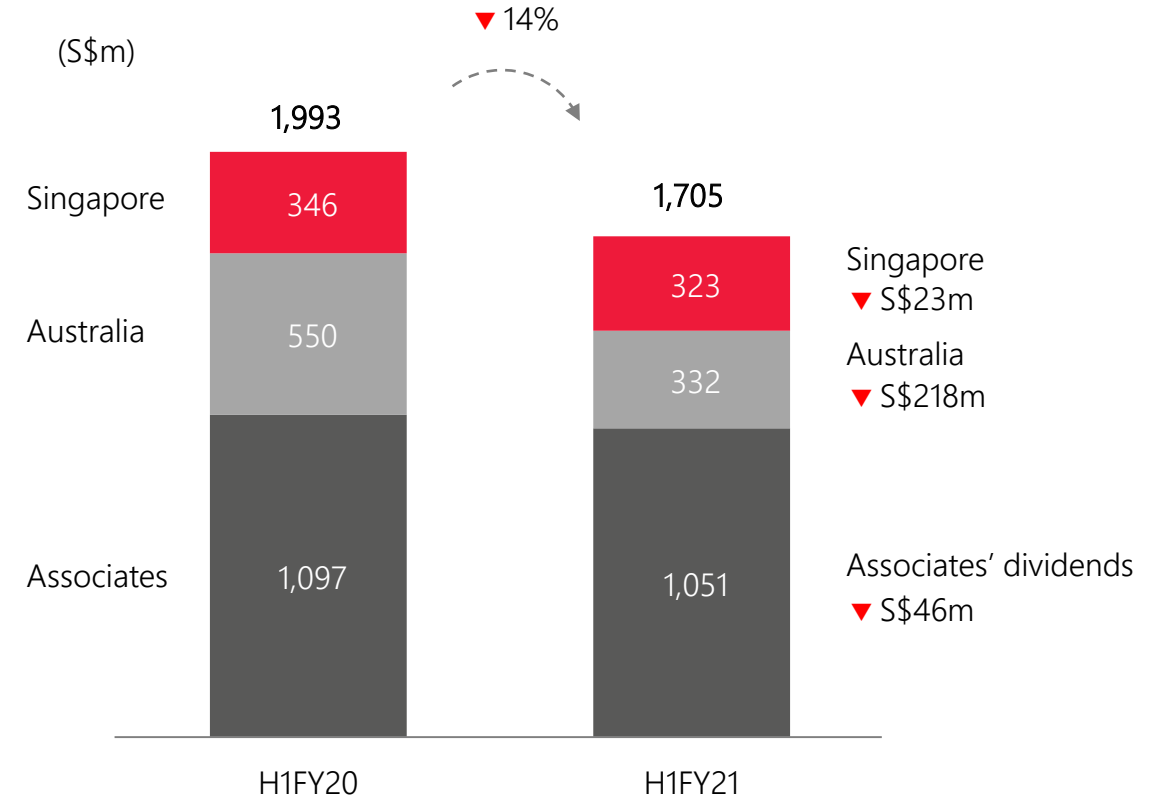
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Financial position

Balance Sheet ¹	
S\$12.7b	Net debt ¹
32.1%	Net debt gearing ²
2.3x	Net debt: EBITDA & share of associates' pre-tax profits

Free cash flow

S\$1.7b



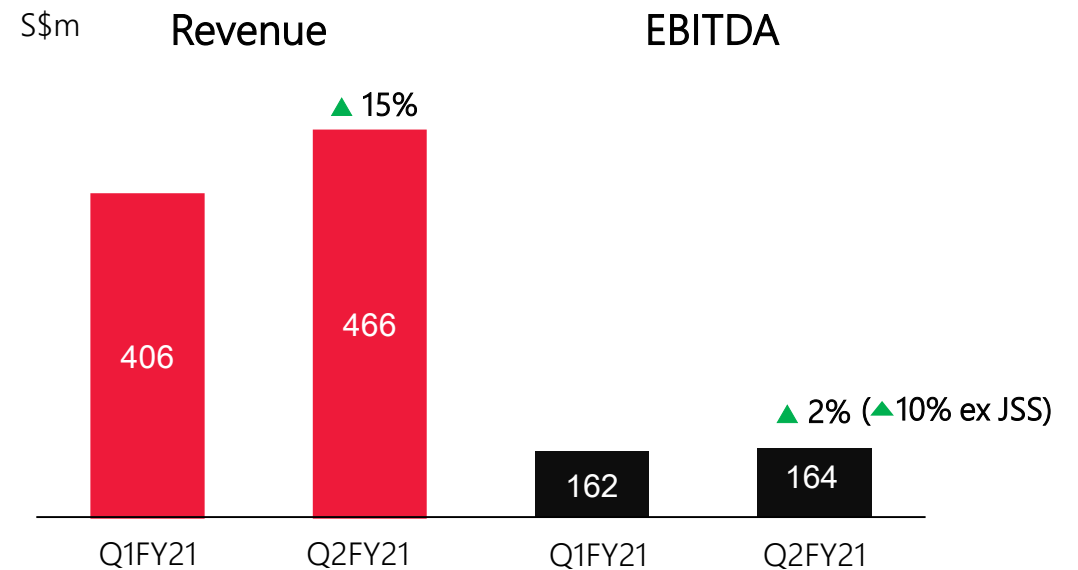
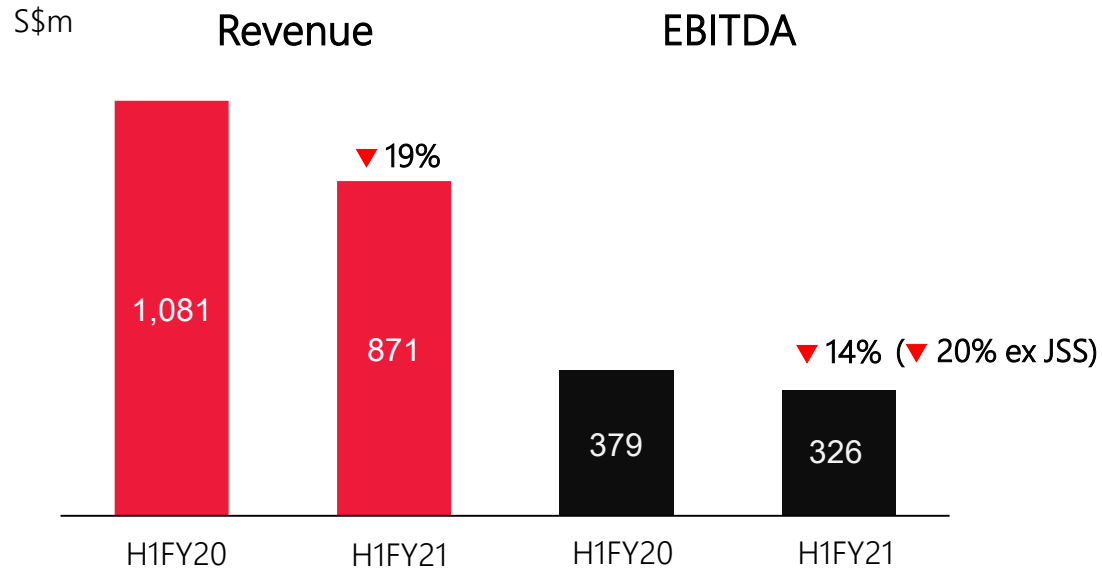
1. Gross debt less cash and bank balances adjusted for related hedging balances.
2. The ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.



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Singapore Consumer



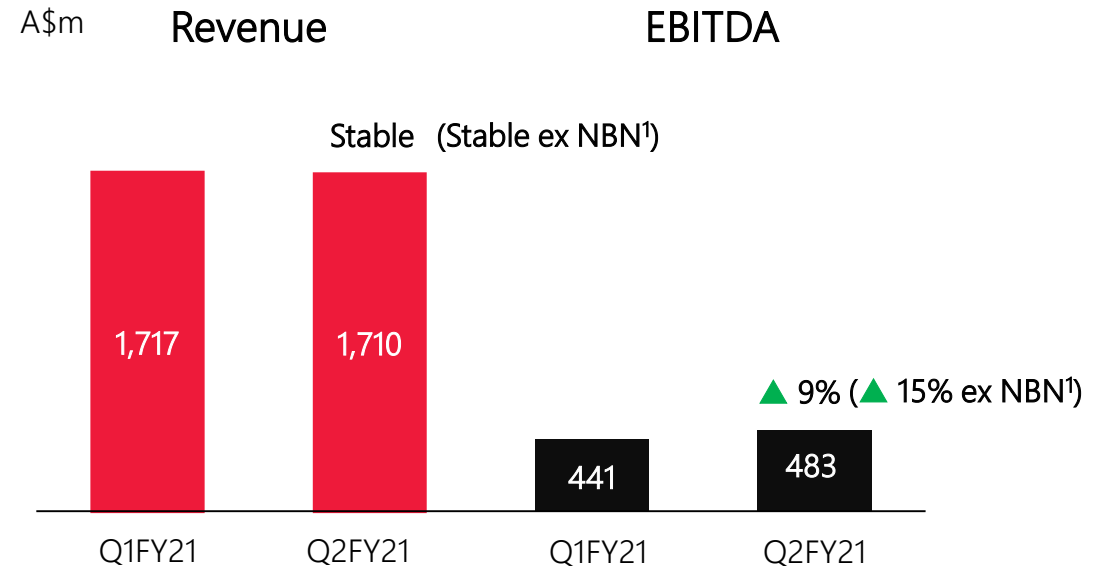
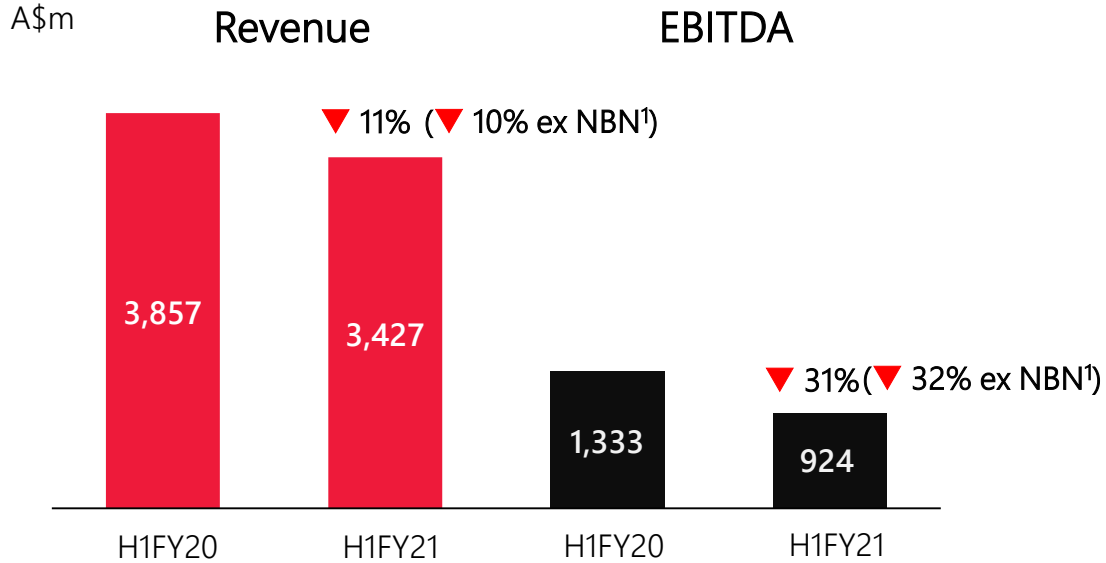
H1 Sep 2020 (YoY)

- Declines in roaming, prepaid customers (foreign workers & tourists) & equipment sales due to COVID-19
- Continued voice erosion
- EBITDA impacted by declines in revenue, particularly higher-margin roaming revenue

Q2 Sep 2020 (QoQ)

- Mobile service revenue recovery since July with pickup in prepaid top-ups
- Handset sales rose on higher demand with easing of lockdown
- Ex-JSS, EBITDA up on revenue pickup

Australia Consumer



H1 Sep 2020 (YoY)

- Weaker customer spending, reduced prepaid & roaming revenue & fee income from customer support measures²
- Decline in handset sales volume & increased mix of lower-priced devices
- NBN migration revenue tapering off with near completion of network rollout
- EBITDA down on lower equipment margin & fixed margin erosion with NBN resale

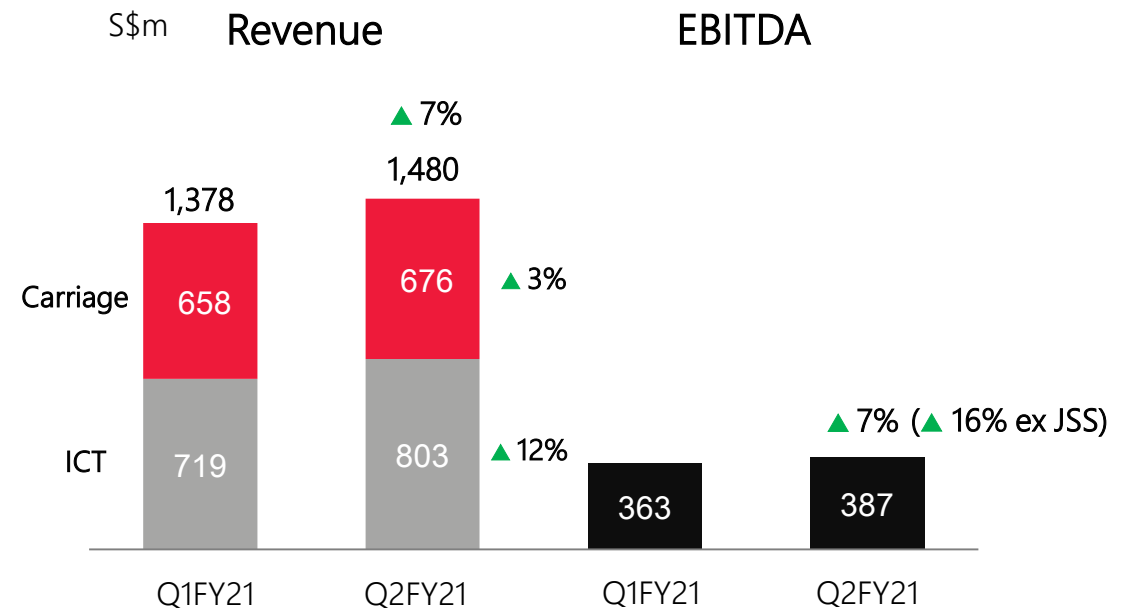
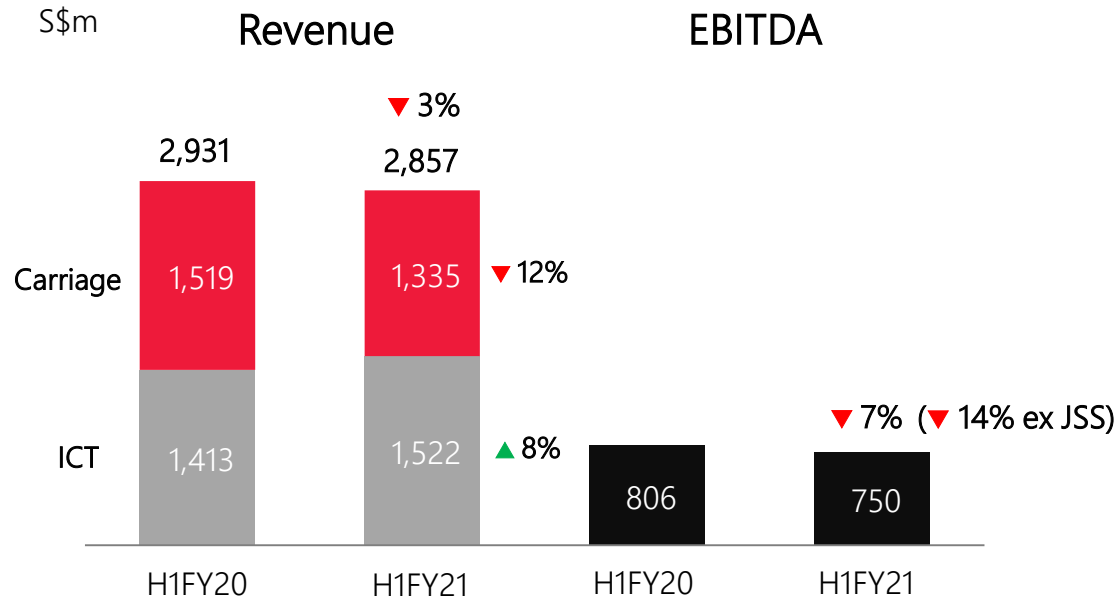
Q2 Sep 2020 (QoQ)

- Mobile Service revenue increased, with Optus Choice Plans driving higher ARPU
- Continued competition in fixed space & shift towards lower-priced devices
- EBITDA in Q1 was heavily impacted by COVID support measures²

1. NBN migrations revenue HY1FY20 A\$284m, H1FY21 A\$209m, Q1FY21 A\$108m & Q2FY21 A\$101m.

2. Includes waiver of late payment fee for all customers and free credits for health care workers.

Group Enterprise



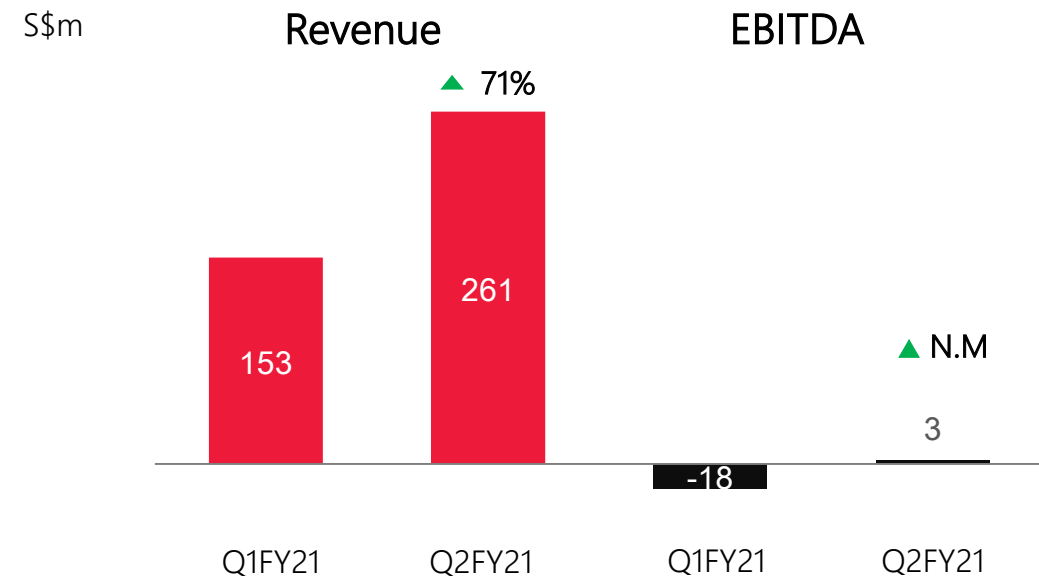
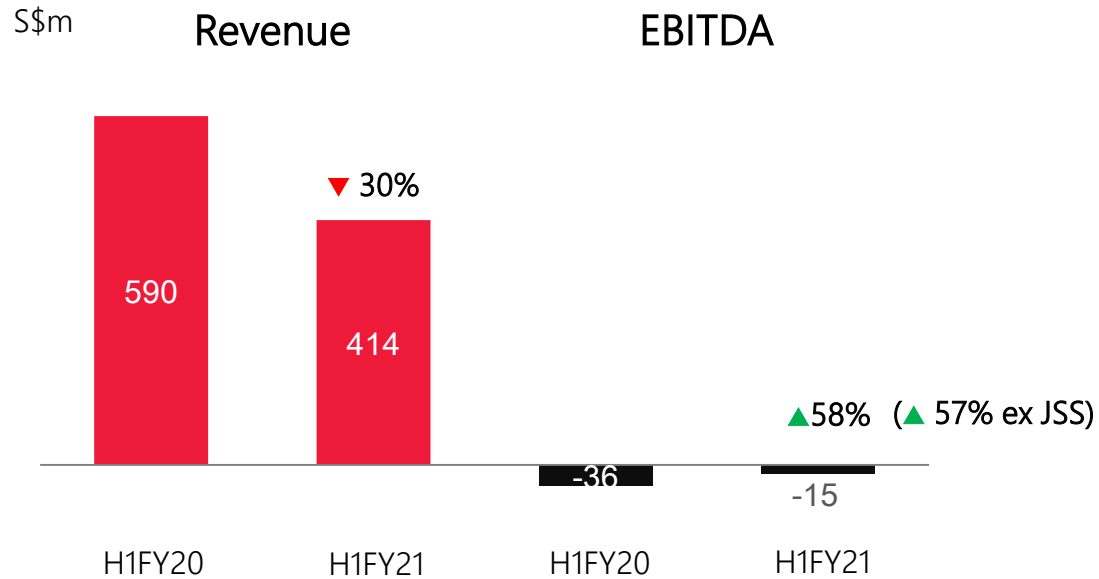
H1 Sep 2020 (YoY)

- Robust ICT performance led by:
 - Broad based growth across NCS' business lines
 - Asia Pacific cyber security & cloud services
 - Growing data centre demand
- Offset by carriage competition & COVID-driven declines in roaming & equipment sales
- Lower EBITDA due to carriage, partly offset by wage credits

Q2 Sep 2020 (QoQ)

- Robust ICT growth in Singapore & Australia
- Australia ICT revenue boosted by demand for collaboration tools & equipment to support work from home arrangements
- Increase in carriage due to stronger handset sales
- Ex JSS, EBITDA up 16% on stronger revenue

Group Digital Life



H1 Sep 2020 (YoY)

- Revenue declined with reduction in customer advertising budgets & lower milestone-based revenue from iTV
- EBITDA losses narrowed due to de-consolidation of HOOQ

Q2 Sep 2020 (QoQ)

- Revenue increased as economic activity slowly resumed
- EBITDA turned positive with revenue growth & cost measures to manage the impact of business slowdown

Business highlights

- DataSpark supported public health & transport initiatives to fight COVID-19, leveraging its population-wide mobility insights
- Amobee named a "Leader" in Gartner's Magic Quadrant for Ad Tech for 2020

Regional Associates



Half year September 2020	PBT ¹ (S\$m)	%Change (S\$)	%Change (constant ccy)	Highlights
Regional Associates	833	11%	11%	<ul style="list-style-type: none"> Improved Airtel financial performance offset COVID driven weakness & competition in other markets
Telkomsel	467	(18%)	(16%)	<ul style="list-style-type: none"> Competition & accelerated decline in legacy services, mitigated by cost control
Airtel²	(30)	89%	88%	<ul style="list-style-type: none"> India: Robust revenue growth, underpinned by strong 4G customer momentum & up-trading ; 160m digitally-engaged users Africa: Sustained operating momentum offset by higher fair value losses
<i>India</i>	(92)	72%	70%	
<i>Africa</i>	93	(6%)	(1%)	
<i>Others³</i>	(14)	14%	9%	
<i>BTL</i>	(18)	40%	37%	
AIS	166	(16%)	(16%)	<ul style="list-style-type: none"> Service revenue weakness Higher depreciation & amortisation from network & spectrum investments
Intouch	48	(13%)	(13%)	<ul style="list-style-type: none"> Lower contribution from AIS
Globe	182	(10%)	(15%)	<ul style="list-style-type: none"> Reduction in prepaid top-ups from weak economic conditions

1. Excludes exceptional items.

2. Airtel's pre-tax losses were S\$274m in the prior comparative period.

3. Includes South Asia & Others.



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Outlook & dividend

FY21 outlook

Dividends from regional associates	-----	S\$1.3b
Capital expenditure (Including 5G capex)	-----	S\$2.2b

Dividend

Interim dividend (Payable in Jan 2021)	-----	5.1 cents/ share
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- Total dividends for FY21 are expected not to exceed the Group's underlying net profit
- Dividend policy to be reviewed at the end of the financial year when there is more clarity on the impact of COVID-19 pandemic on the Group's businesses



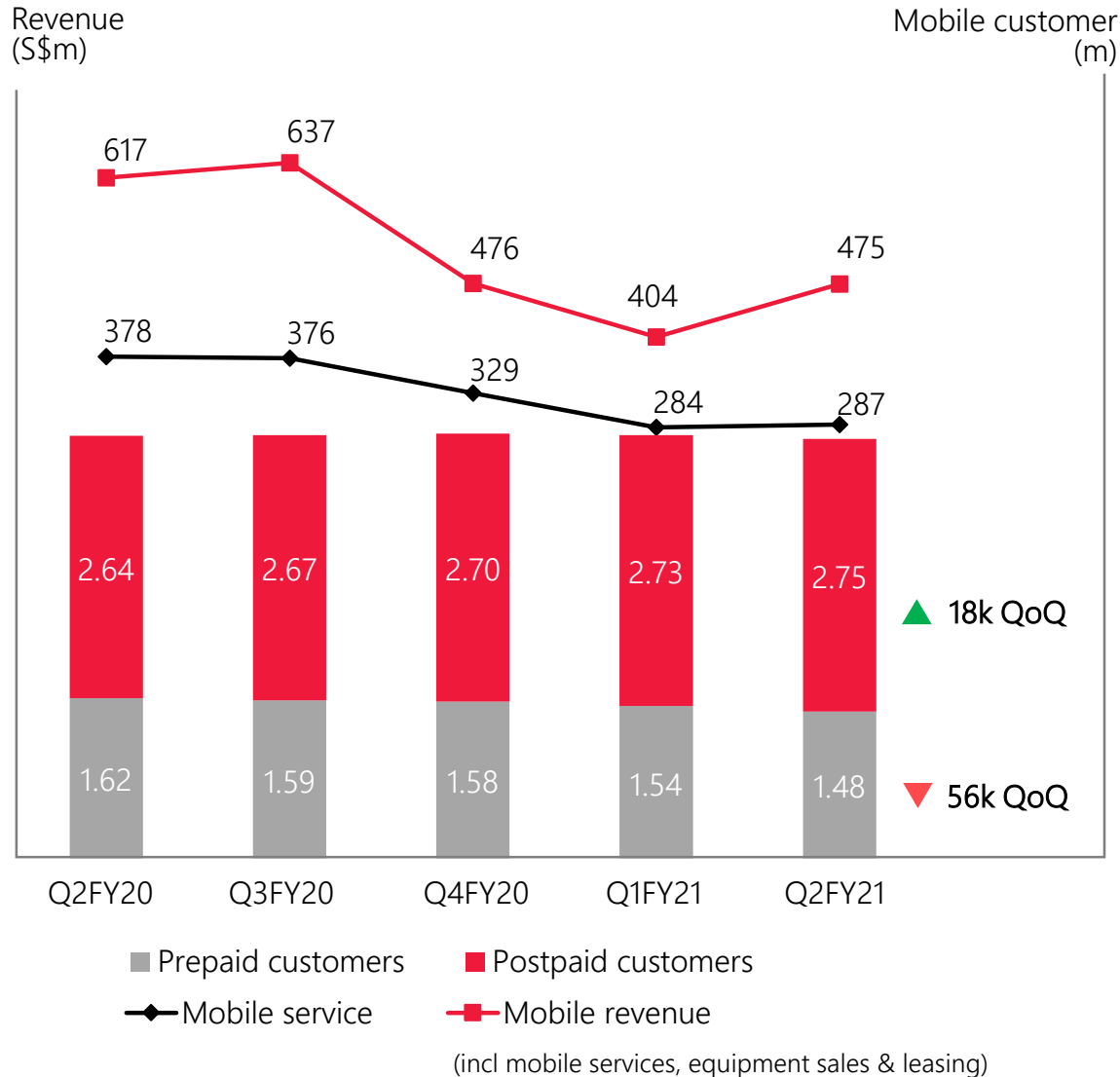
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Singapore Mobile

Mobile revenue

\$475m



Q2FY21

Average monthly smartphone data usage **6.0GB**

- 5.0GB in Jun 2020 quarter
- 5.2GB in Sep 2019 quarter

Postpaid ARPU down 25% **\$29**

- Roaming revenue down almost 80%
- Decline in voice usage & data excess charges

Prepaid ARPU down 22% **\$13**

- Decline in tourist SIMs & foreigners
- Lower international voice & data usage

Singapore Fixed

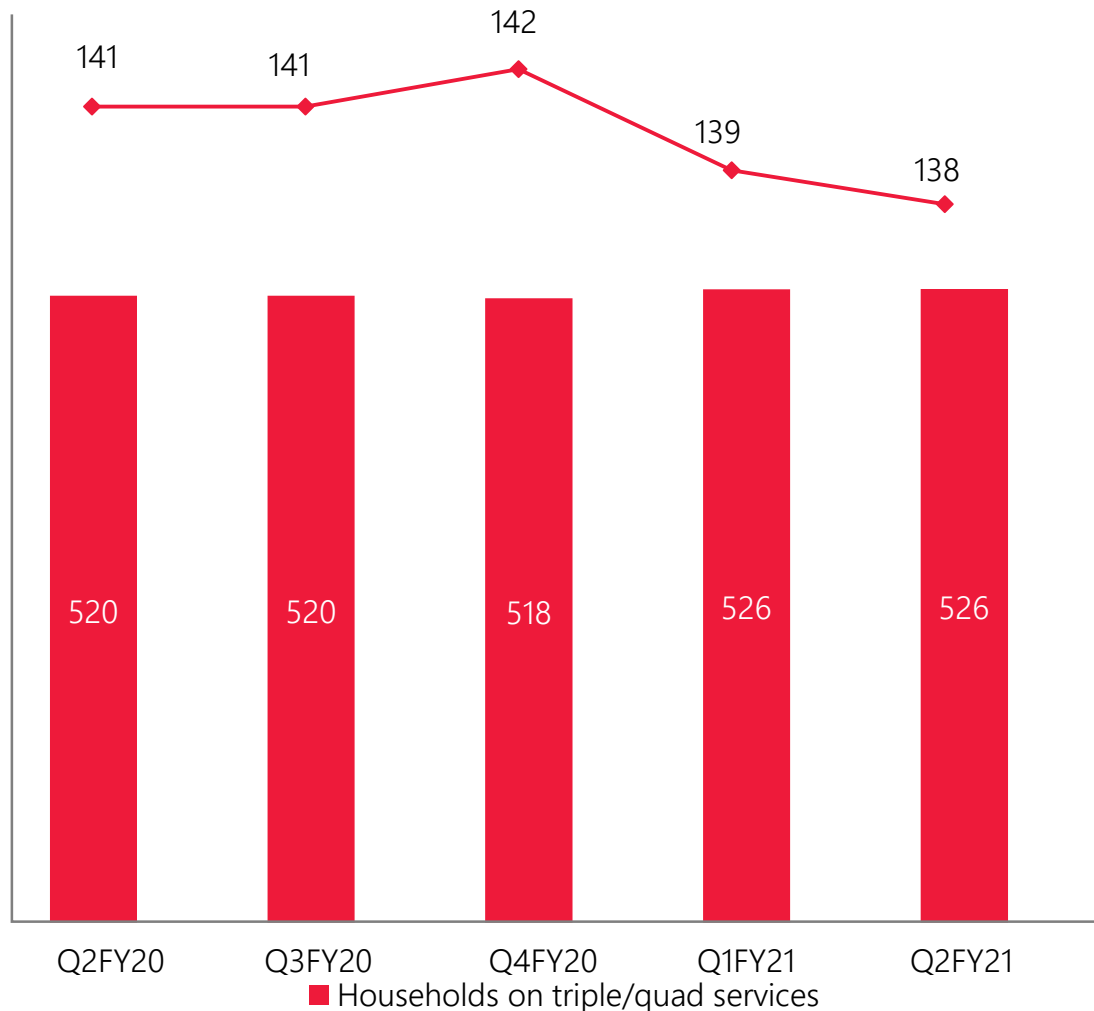


Consumer fixed revenue¹

S\$138m

Consumer fixed revenue (S\$m)¹

Customers ('000)



Q2FY21

Singtel TV down 6% ----- **S\$51m**

• Customer base down 3k QoQ **377k**

Singtel OTT services (CAST & Singtel TV GO) ----- **206k**

• Customer base down 11k QoQ

Residential broadband up 2% ----- **S\$65m**

• Customer base up 1k QoQ **564k**

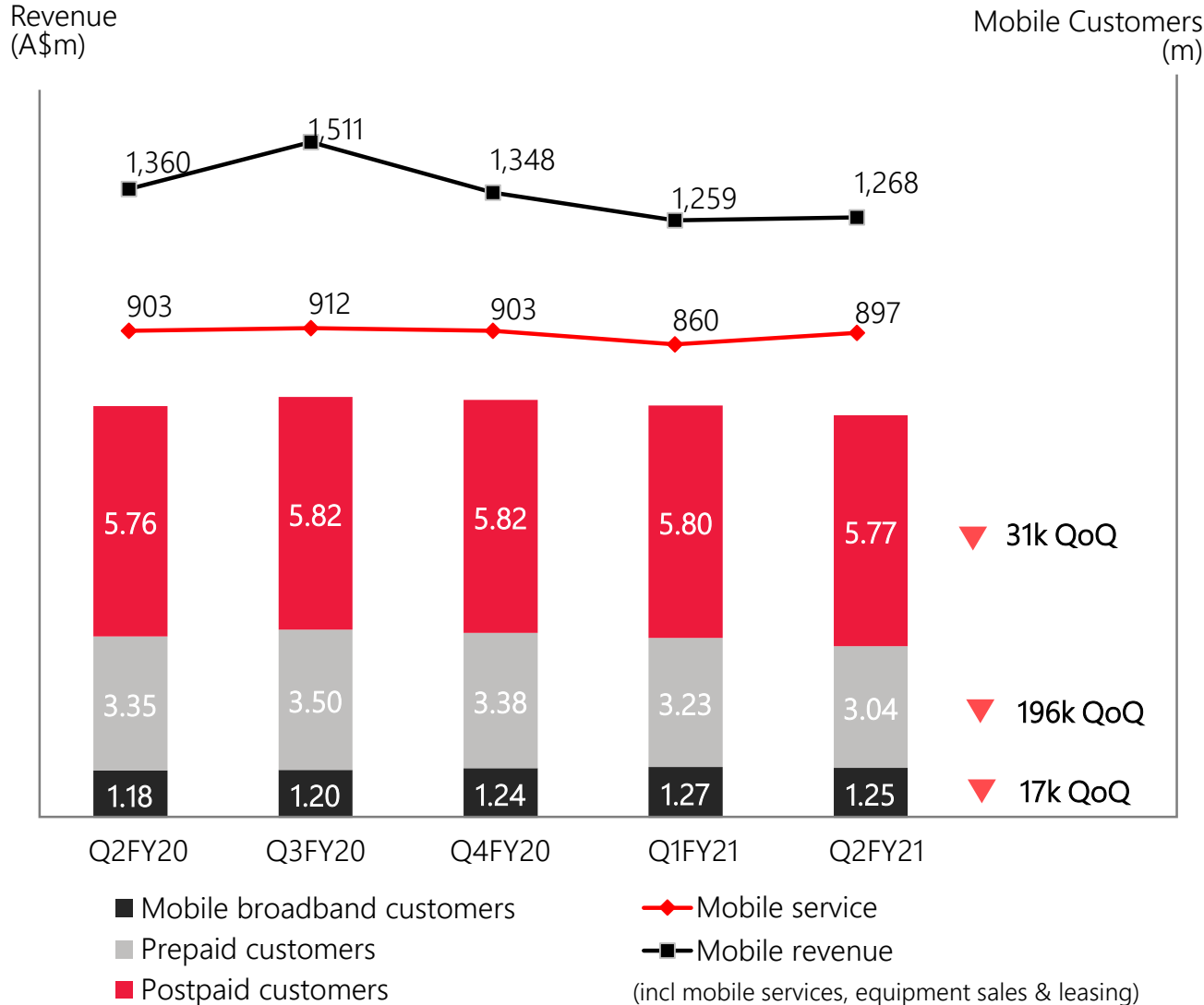
1. Comprises fixed broadband, fixed voice, Singtel TV and broadband and Smart Home equipment in the residential segments only and does not include mobile.

Australia Mobile



Mobile revenue

A\$1,268m



Q2FY21

Postpaid ARPU down 1% A\$37

- Roaming revenue down from continued covid travel restrictions

Prepaid ARPU stable A\$19

- Decline in traveller connections
- Lower ARPU for in market plans

Mobile Broadband ARPU up 10% A\$21

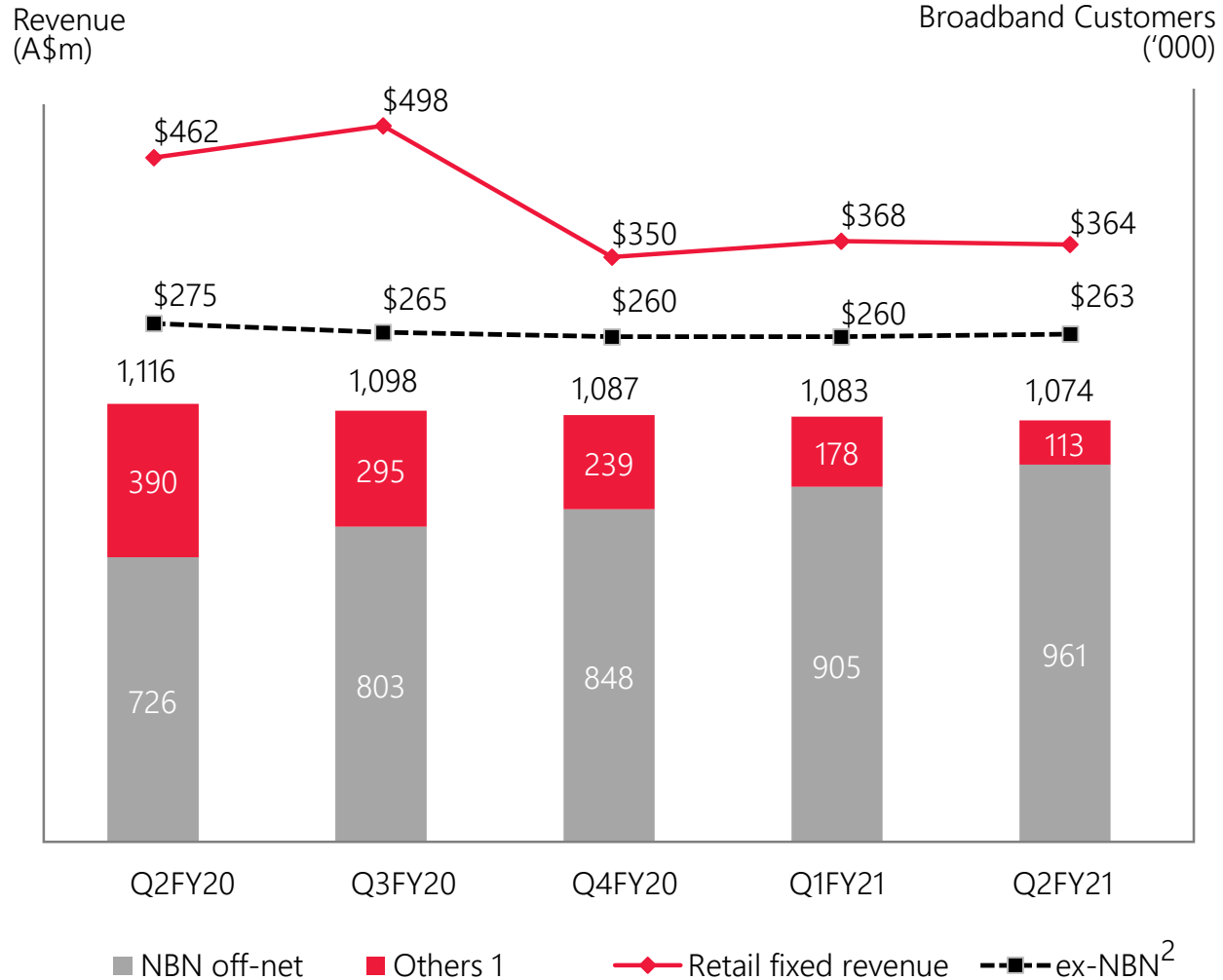
- Driven by new tactical plans

Australia Fixed



Retail Fixed revenue

A\$364m



Q2FY21

Retail Fixed ARPU up 1% ----- **A\$78**







- Customer base down 14k QoQ

NBN Customers up 57k QoQ ----- **961k**

Optus Sports Customers up 40k QoQ ----- **858k**

1. Others – mainly on-net BB customers
 2. ex-NBN migration payments

Foreign exchange movements

S\$		Quarter ¹			Half year ¹	
		Sep 20	YoY	QoQ	Sep 20	YoY
	1 Australian Dollar ²	0.9826	4.3%	5.9%	0.9553	0.7%
	1 United States Dollar ³	1.3807	0.4%	(2.2%)	1.3927	1.7%
	Indonesian Rupiah	10,638	(3.2%)	(1.1%)	10,638	(2.1%)
	Indian Rupee	54.1	(5.5%)	(0.6%)	54.1	(6.1%)
	Thai Baht	22.8	(2.2%)	(0.9%)	22.7	**
	Philippine Peso	35.6	5.3%	0.3%	35.7	5.8%

1. Average exchange rates for the quarter and half year ended 30 September 2020. Percentage denotes appreciation/ (depreciation) against the Singapore dollar.

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

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

** – Denotes less than +/- 0.05%

Summary Income Statement



(S\$m)	Half year		
	Sep 20	Sep 19	YoY%
Operating revenue	7,425	8,265	(10%)
EBITDA	1,903	2,345	(19%)
- <i>margin</i>	25.6%	28.4%	-
EBIT (ex-associates)	596	1,060	(44%)
Associates pre-tax earnings ¹	885	801	11%
Depreciation & amortisation	(1,308)	(1,286)	(2%)
Net finance expense	(204)	(33)	@
Tax	(438)	(529)	17%
Underlying net profit	837	1,312	(36%)
Exceptional Items (post tax)	(371)	(1,439)	74%
Net profit after tax	466	(127)	N.M.

1. Excludes exceptional items.
 @ - more than +/- 500%
 N.M. -not meaningful

Trends in constant currency terms¹



Half year September 2020	H1FY21 (reported S\$m)	YoY % Change (reported S\$)	YoY % Change (at constant currency S\$)
Group revenue	7,425	(10.2%)	(10.6%)
Group reported NPAT	466	N.M.	N.M.
Group underlying NPAT	837	(36.2%)	(36.6%)
Optus revenue	3,883	(8.2%)	(8.8%)
Regional associates pre-tax earnings ²	833	11.2%	10.6%

1. Assuming constant exchange rates from corresponding period in FY2020.

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

N.M. –not meaningful

