Media Statement on S&P Global Ratings' Announcement

Singtel Group refers to the announcement by S&P Global Ratings dated 18 August 2026 upgrading the ratings for Singtel from A to A+ (as attached). This marks the first rating upgrade by S&P Global Ratings since Singtel was first rated by the agency.

We remain focused on a strong balance sheet and financial discipline while pursuing sustainable long-term growth. We are committed to maintaining Singtel's strong investment-grade credit ratings.

Research Update:

Singapore Telecommunications Upgraded To 'A+/A-1' On Improved Balance Sheet And Financial Flexibility; Outlook Stable

August 18, 2026

Rating Action Overview

- Singapore Telecommunications Ltd. (Singtel) has strong financial flexibility, underpinned by its sizable liquid investments.
- Regular asset monetization and a recovery in earnings should help the company sustain its balance sheet strength and manage increased shareholder distributions and spending on growth.
- On Aug. 19, 2026, S&P Global Ratings raised its issuer credit ratings on Singtel to 'A+/A-1' from 'A/A-1'. At the same time, we raised our issue rating on the company's senior unsecured notes to 'A+' from 'A', and the rating on its guaranteed subordinated perpetual securities to 'BBB+' from 'BBB'.
- The stable rating outlook reflects our view that Singtel will monetize its investments and grow its earnings while managing high capital expenditure (capex), dividends, and share buybacks over the next 12-24 months. We expect its ratio of debt to EBITDA will remain below 2x over the next 24 months.

Primary Contact

Spencer Ng
Singapore
65-65976100
spencer.ng
@spglobal.com

Secondary Contacts

Isabel Goh
Singapore
65-65976110
isabel.goh
@spglobal.com

Yijing Ng
Singapore
65-6216-1170
yijing.ng
@spglobal.com

Rating Action Rationale

Singtel's asset monetization should sustain its balance sheet at levels in line with a higher rating. We expect the company to realize the remaining Singapore dollar (S$) 2.2 billion of its S$9 billion asset recycling program by fiscal 2028 (ending March 31, 2028). This follows the S$1 billion it received from the divestment of a 2.8% stake in Gulf Development Public Co. Ltd. in June 2026.

Singtel's debt reduction in recent years signals an intention to operate with a more conservative balance sheet. The company used proceeds from asset monetization since fiscal 2022 to reduce debt. Its adjusted debt fell to S$7.5 billion at the end of fiscal 2026, from a peak of S$12.3 billion at end-fiscal 2021. The adjusted debt-to-EBTIDA ratio correspondingly improved to 1.7x from 2.5x during the period.

Since fiscal 2022, Singtel has received more than S$12 billion through its asset recycling program, such as by divesting small stakes in Bharti Airtel Ltd. and Gulf Development, towers, loss-making businesses, and Comcenter office buildings. The figure also includes an equity contribution from KKR & Co. for Singtel's data center platform.

Singtel's asset portfolio could provide more financial flexibility than the S$9 billion capital recycling program suggests. We have assumed S$2 billion of assets monetization annually in fiscal 2029 and fiscal 2030.

The company still holds sizable direct stakes in Bharti Airtel, an India-based telecom company, and in Gulf Development, a Thailand-based energy company. Singtel and the Mittal family have publicly stated intentions to equalize their shareholdings in Bharti Airtel; Singtel has a higher stake now. The stake gap of more than 3 percentage points alone represents a value of over S$5 billion, based on Bharti Airtel's current market capitalization.

Singtel could also receive additional cash if its plan to have a minority partner in wholly owned Australian subsidiary Singtel Optus Pty Ltd. materializes. We expect Singtel to maintain a majority ownership in Optus, and for Optus to remain a strategic part of Singtel.

In our view, Singtel is unlikely to monetize assets that materially reduce its core competitiveness and regional network. The assets will more likely be of a similar nature to previously recycled assets, the majority of which were noncore.

Singtel could accommodate higher shareholder distributions and capex. The company's shareholder distribution could increase to S$4.1 billion-S$4.3 billion annually in fiscal 2027 and fiscal 2028, from S$3.3 billion in fiscal 2026. This is a part of Singtel's "value realization" initiative to return part of the monetization proceeds to shareholders through dividends and a S$2 billion share buyback program.

Singtel's capital spending will also remain high during the period. We expect capex of S$2.9 billion-S$3.1 billion for fiscal 2027, up from S$2.5 billion in fiscal 2026. The bulk of the capital spending will be on network investments to support the group's telecom operations in Australia and Singapore. The group has also increased spending on growth initiatives such as data center, GPUaaS (Graphics Processing Unit as a Service), satellite, and AI.

The high spending will push Singtel's leverage back up to about 1.8x to 2.0x in fiscal 2027 and fiscal 2028 before stabilizing.

We expect Singtel's earnings to recover over the next two years. We forecast the company's adjusted EBITDA will rebound to S$5.5 billion-S$5.7 billion in fiscal 2027 and S$5.1 billion-S$5.3 billion in fiscal 2028, from S$4.5 billion in fiscal 2026. Our EBITDA spike for fiscal 2027 factors in reducing regulatory, remediation, and store buyback costs at Optus and special dividends of about S$700 million from Thai telco Advanced Info Service Public Co. Ltd. and Gulf Development. Optus-related cost weighed on Singtel's performance in fiscal 2026.

We believe Singtel group's business fundamentals will improve slightly over the next few years, excluding the telco operations in Singapore. Growth will likely be driven by ramp-up of data center utilization, expansion of AI cloud services, and contract wins for its operating units Digital InfraCo (data center, subsea cable, AI cloud services, and satellite carrier businesses) and NCS (which provides IT services businesses).

Optus faces competitive headwinds from peer TPG Telecom Ltd. and ongoing regulatory/remediation costs from a network outage in 2025. These factors will be partially offset by Australia-wide industry price hikes, a stronger Australian dollar, and the company’s cost reduction efforts, which should bolster Optus' contribution to the group.

Singtel's Singapore operations face pricing pressures for the consumer business as industry consolidation has stalled. This follows the termination of the merger between Simba Telecom Pte Ltd. and M1 Ltd. due to a regulatory investigation on Simba. High competition has caused Singapore average revenue per user (ARPU) to decline to S$23 in fiscal 2026 from S$30 in fiscal 2020.

Dividends from Singtel's regional associates should rise as the competitive environment improves. By excluding special dividends, we project dividends from associates will rise to S$1.3 billion by fiscal 2028 from S$1.2 billion in fiscal 2026. Easing competition in Thailand and Indonesia, and strong earnings momentum in India will support higher payouts. Meanwhile, we expect dividends from Globe Telecom Inc., Singtel's Philippines telecom associate, to remain stable amid competitive and regulatory pressures.

Outlook

The stable rating outlook on Singtel reflects our expectation that the company will monetize its investments and increase its earnings over the next two years. This will help Singtel manage high capex, dividends, and share buybacks. We expect the company's ratio of debt to EBITDA to remain below 2x over the period.

Downside scenario

We may lower the ratings if Singtel's debt-to-EBITDA ratio exceeds 2x on a sustained basis.

This may happen due to:

- Continued high shareholder distribution and growth spending without corresponding increases in operating cash generation and assets monetization; or
- Higher competition in Singapore and Australia that limits improvement in overall performance than we anticipate.

In addition, we may downgrade Singtel if we believe the company's ties with the Singapore government have weakened. This may affect potential extraordinary government support for the company.

Upside scenario

We could raise the rating if Singtel adopts a more conservative and documented financial policy, with a commitment to operating at a debt-to-EBITDA ratio of less than 1.5x. An upgrade would also depend on the company maintaining its market position and competitive advantages in Singapore and Australia.

Company Description

Singtel is a diversified telecommunications company. It has core operations in Singapore and Australia and strategic stakes in other large telecommunications players in South and Southeast Asia, as well as Africa. It is headquartered and listed in Singapore and is majority owned by Temasek Holdings (Pte.) Ltd.

Our Base-Case Scenario

Assumptions

- Singapore's GDP to grow by 3.9% in 2026, 2.4% in 2027, and 2.5% in 2028.
- Australia's GDP to grow by 1.9% in 2026, 1.6% in 2027, and 2.1% in 2028.
- The link between performance of the telecommunications sector and GDP growth to remain limited. Local competition and regulations play a bigger role in Singtel's consumer business. Economic conditions play a stronger role in the enterprise business because investments depend on business sentiment.
- Singtel's adjusted EBITDA to increase to S$5.5 billion-S$5.7 billion in fiscal 2027 and S$5.1 billion to S$5.3 billion in fiscal 2028, from S$4.5 billion in fiscal 2026. Growth will be driven by Optus price increases, NCS contract wins, and expansion of data center and AI cloud services. These factors will offset continued ARPU pressure in Singapore.
- Fiscal 2027 adjusted EBITDA will be bolstered by S$700 million in special dividends from Advanced Info Service and Gulf Development. Excluding these, associate dividends will be S$1.2 billion-S$1.4billion between fiscal 2027 and fiscal 2028, underpinned by improving performance from Telekomunikasi Selular PT, Advanced Info Service, and Bharti Airtel.
- Capex to rise to S$2.9 billion-S$3.1 billion in fiscal 2027 and decrease to S$2.6 billion in fiscal 2028 excluding spectrum payments, from S$2.5 billion in fiscal 2026. The increase in fiscal 2027 will be mainly due to growth spending spike on data center, AI cloud services, and satellite. The company will have minimal spectrum payments during the period.
- Singtel to make acquisitions of about S$600 million-S$900 million annually in fiscal 2027 and fiscal 2028, driven by equity injections related to STT GDC, GXS Bank Pte. Ltd., and a Malaysia data center project with Telekom Malaysia Bhd.
- The company to receive about S$2 billion from asset monetization and partners' equity injection in fiscal 2027 and S$1.6 billion in fiscal 2028. This will likely come from potential stake sales in Bharti Airtel and Gulf Development, as well as capital injections from equity partners to fund data center investments.
- Shareholder distributions to be S$4.1 billion-S$4.3 billion annually in fiscal 2027 and fiscal 2028, up from S$3.3 billion in fiscal 2026. This includes dividends and share repurchases and reflects the new share buyback scheme of about S$1.9 billion remaining over two years.

Key metrics

Singapore Telecommunications Ltd.--Forecast summary

Period ending	Mar-31-2025	Mar-31-2026	Mar-31-2027	Mar-31-2028	Mar-31-2029
(Mil. SGD)	2024a	2025a	2026e	2027f	2028f
Revenue	12,923	13,132	13,879	14,508	14,984
EBITDA	4,916	4,511	5,642	5,276	5,605
Interest expense	469	486	484	545	596
Cash flow from operations (CFO)	3,963	4,846	5,048	4,688	4,791
Capital expenditure (capex)	2,447	2,603	2,973	2,579	2,487
Dividends	2,797	3,028	3,186	3,371	3,536
Share repurchases (reported)	48	261	1,100	800	--

Singapore Telecommunications Ltd.--Forecast summary

Debt	8,464	7,525	8,878	10,577	10,798
Adjusted ratios					
Debt/EBITDA (x)	1.7	1.7	1.6	2.0	1.9
FFO/debt (%)	45.7	49.7	53.8	41.0	42.6
FFO cash interest coverage (x)	7.5	9.1	11.1	9.2	8.9
EBITDA interest coverage (x)	10.5	9.3	11.6	9.7	9.4
Annual revenue growth (%)	(0.7)	1.6	5.7	4.5	3.3
EBITDA margin (%)	38.0	34.3	40.7	36.4	37.4

We have included certain costs related to regulatory and remediation, retail store buyback, restructuring, onerous lease and asset decommissioning in our EBITDA calculation. Such costs were material in fiscal 2026 and contributed to the lower adjusted EBITDA.

Liquidity

We assess Singtel's liquidity as adequate, with sources of liquidity being 1.4x uses over the 12 months to March 31, 2027. Singtel has solid relationships with domestic and international banks. In addition, we believe the company has flexibility to lower capital spending, sell non-core assets, or cut dividends if it faces a liquidity crunch.

Singtel shows a readiness to act even without liquidity stress, as seen from its asset monetization and dividend cuts during the COVID pandemic. The company can therefore absorb high-impact, low-probability events, in our view. Its size, operating record, and majority ownership by Temasek also support its liquidity.

Singtel has a good standing in credit markets, based on its strong record of access to international capital markets. The company has issued domestic and foreign currency bonds. In 2021, it issued its first S$1 billion subordinated perpetual securities, broadening its liquidity sources. The issuance was 2.1x oversubscribed.

Historically, Singtel has a record of securing refinancing of its revolving credit facilities.

Principal liquidity sources	Principal liquidity uses
• Cash and short-term investments of about S$3.7 billion as of March 31, 2026. • Committed, unutilized credit lines maturing beyond 12 months that we estimate to be S$3 billion as of end March 31, 2026. • Cash funds from operations that we project at about S$4.4 billion for the 12 months ending March 31, 2027.	• Short term debt maturities of S$695 million as at March. 31, 2026. • Capex that we estimate to be S$3 billion in the 12 months ending March 31, 2027. • Shareholder distribution (including cash dividends and share repurchase) that we estimate to be S$4.1 billion-S$4.3 billion during the period.

Covenants

Singtel Group Treasury's medium-term note program does not carry financial maintenance covenants.

Environmental, Social, And Governance

Environmental, social, and governance factors are an overall neutral consideration in our credit rating analysis of Singtel.

The longer-term reputational impact of Optus' network outage in September 2025, which follows a data breach in September 2022 and a subsequent major network outage event in 2023, will remain a focal point of our analysis. This includes the impact on Optus' market share, customer churn, and ability to increase pricing and sustain ARPU.

Optus has made provisions of A$249 million for remediation costs in fiscal 2026. A larger fine than what Singtel expects for the other incidents remains a risk.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of March 31, 2026, Singtel group's capital structure consisted of approximately S$8.5 billion of debt, including S$7.6 billion of unsecured debt and S$913 million of secured debt. Approximately 40% of the group's total debt is at the Optus subsidiary level.

Analytical conclusions

We equalize the ratings on Singtel's senior unsecured notes with the issuer credit ratings on the company. This is because Singtel’s low leverage limits the possibility of any lenders being significantly disadvantaged relative to other lenders.

We rate Singtel's guaranteed subordinated perpetual securities 'BBB+'. This is two notches below our assessment of the stand-alone credit profile of Singtel. The notching down reflects the subordination of the securities, and the company's ability to voluntarily defer coupon payments.

Our long-term issuer credit rating on Singtel benefits from one notch of uplift due to our view of a moderate likelihood of extraordinary government support from the Singapore government through Temasek in the event of need. However, we do not believe extraordinary government support would cascade to deeply subordinated instruments such as the perpetual securities.

Rating Component Scores	
Component	
Foreign currency issuer credit rating	**A+/Stable/A-1**
Local currency issuer credit rating	**A+/Stable/A-1**
Business risk	**Strong**
Country risk	Low risk
Industry risk	Intermediate risk
Competitive position	Strong
Financial risk	**Modest**
Cash flow/leverage	Modest
Anchor	**a**
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Adequate
Management and governance	Neutral
Comparable rating analysis	Neutral
Stand-alone credit profile	**a**
Related government rating	AAA
Likelihood of government support	Moderate (+1 notch)

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Corporates | General: Sector-Specific Corporate Methodology, July 7, 2025
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: The Impact Of Captive Finance Operations On Nonfinancial Corporate Issuers, Oct. 23, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015

- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010

Related Research

- Bulletin: Singtel Can Absorb Proposed STT GDC Investment, Feb. 5, 2026

Ratings List

Ratings List

Upgraded		
	To	**From**
Singapore Telecommunications Ltd.		
Issuer Credit Rating	A+/Stable/A-1	A/Stable/A-1
Foreign Currency	A+/Stable/A-1	A/Stable/A-1
Singapore Telecommunications Ltd.		
Singtel Group Treasury Pte. Ltd.		
Senior Unsecured	A+	A
Singtel Group Treasury Pte. Ltd.		
Junior Subordinated	BBB+	BBB

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