



# Business Update

First quarter ended 30 June 2023

21 August 2023

# Delivering to our strategic reset – Q1 highlights



Reinvigorate  
the core

**OPTUS**



Partnership to cover  
100% of AU<sup>1</sup>



5G Aviation Testbed  
Launched



IndiHome integrated into  
Telkomsel



Capitalise on  
growth trends



58MW DC Tuas  
groundbreaking in SG



Deposit limit increased;  
savings account slots fully  
taken up



Champion people  
& sustainability

**SINGAPORE GOVERNANCE  
AND TRANSPARENCY INDEX**

Regained top spot for  
2023 SGTI<sup>2</sup>



Highest honour - Impact  
Enterprise of the Year

1. SMS in late 2024, with voice & data to follow in late 2025.  
2. Singapore Governance & Transparency Index.  
3. By UOB & The Business Times.

Going forward, we expect the integration of our core consumer and enterprise businesses which is underway in both Singapore and Australia, as the next step in our strategic reset, to optimise synergies, help deliver cost benefits and drive growth.

- Yuen Kuan Moon, Group CEO

Operating revenue

**S\$3,488M**

▼ 3% (▲ 3%<sup>1</sup>)

EBITDA

**S\$902M**

▼ 8% (▼ 3%<sup>1</sup>)

EBIT  
(ex associates' contribution)

**S\$300M**

▼ 9% (▼ 7%<sup>1</sup>)

Regional  
associates' PBT

**S\$583M**

▲ 1% (▲ 8%<sup>1</sup>)

Underlying net profit<sup>2</sup>

**S\$571M**

▲ 15% (▲ 20%<sup>1</sup>)

Net profit<sup>3</sup>

**S\$483M**

▼ 23% (▼ 20%<sup>1</sup>)

1. On constant currency basis.
2. Includes S\$62M lower net finance expense due to a rise in interest income & a revaluation loss in Q1FY23 from a derivative which has since expired.
3. Includes net exceptional losses of S\$88M mainly from Airtel, which recorded a steep devaluation of the Nigerian Naira against the USD & FV losses from its foreign currency convertible bonds, compared to a net exceptional gain of S\$129M in Q1FY23.

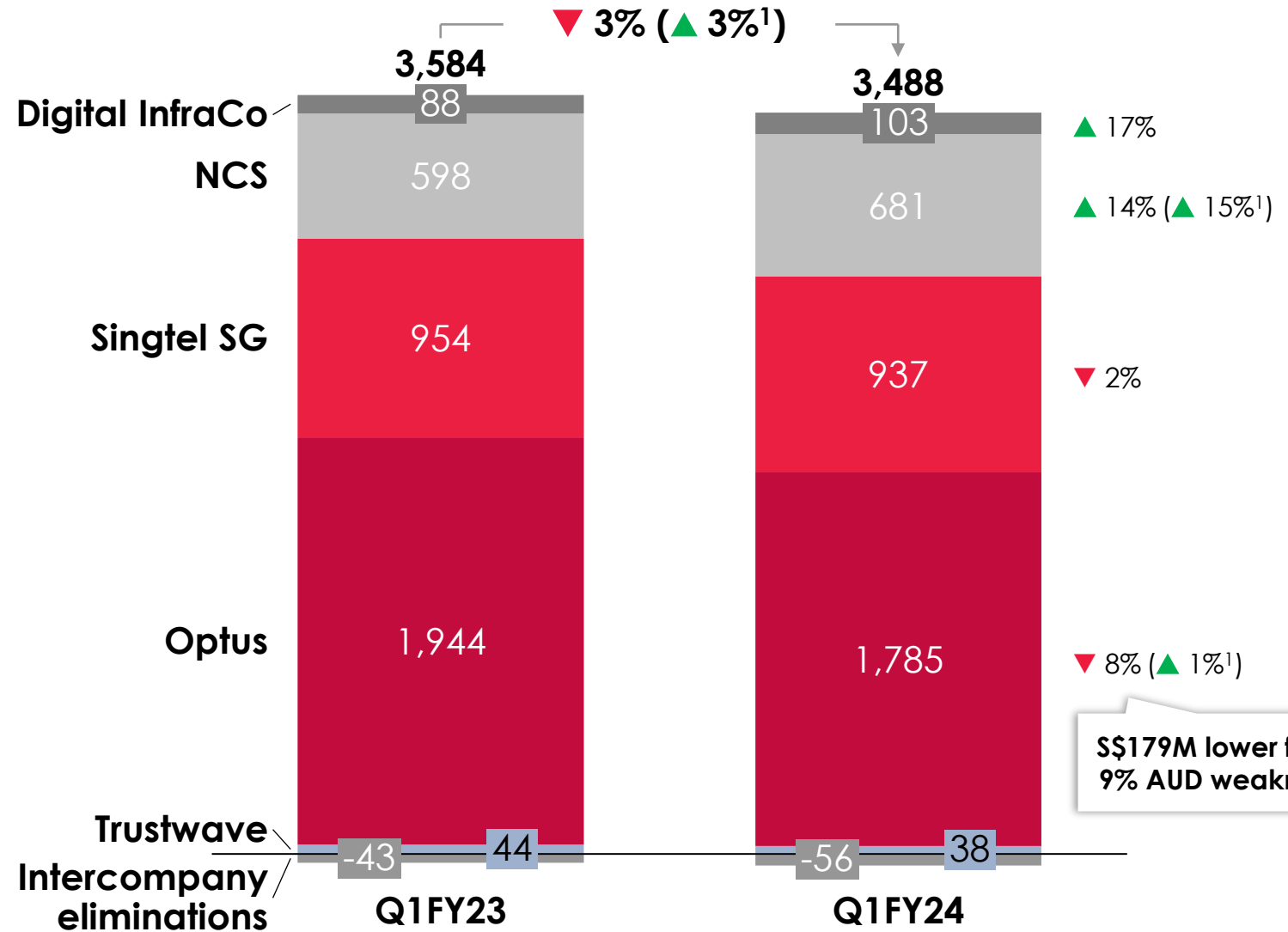
# Revenue

## \$3,488M

▼ 3% (▲ 3%<sup>1</sup>)

- **Optus:** Increased 1% (in AUD terms) on postpaid mobile growth
- **Singtel SG:** Erosion in legacy carriage business but ~33% improvement in roaming
- **NCS:** Continued success of strategy to expand into enterprises & outside SG
- **Digital InfraCo:** Uplift from data centre price renewals & utility pass through; project-based satellite deployment services

\$M



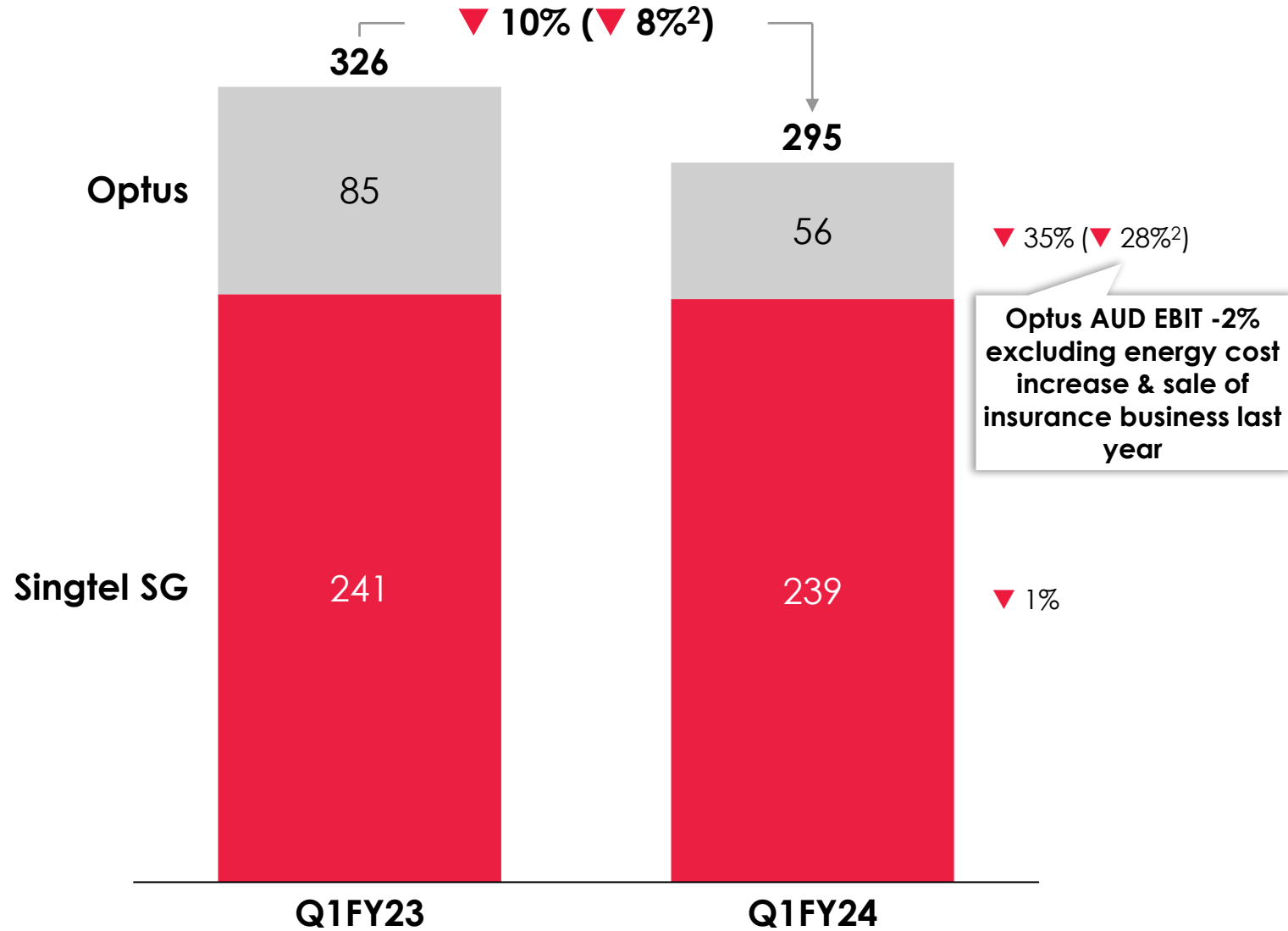
1. On constant currency basis.

# Core<sup>1</sup> EBIT

S\$295M  
▼ 10% (▼ 8%<sup>2</sup>)

- **Optus:** Postpaid momentum dampened by margin pressures
  - Weakening economy shifting mix to lower tier prepaid plans
  - End of fixed energy contracts & staff hires to support new businesses
- **Singtel SG:** Held steady on cost discipline
  - Roaming recovery & lower content costs
  - Offset by erosion of voice revenue

S\$M



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

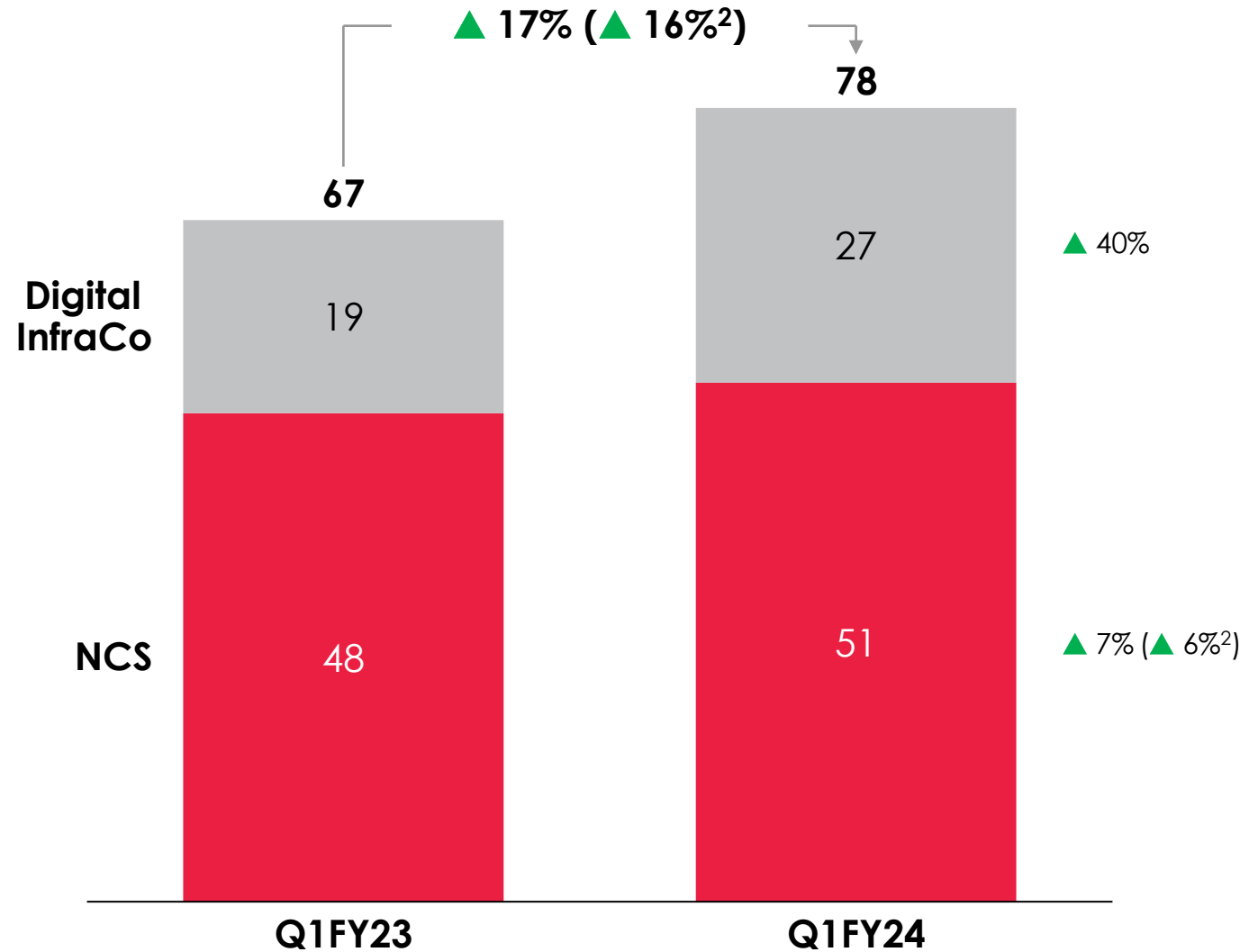
# Growth Engines<sup>1</sup> EBIT

**\$78M**

▲ 17% (▲ 16%<sup>2</sup>)

- **Digital InfraCo:** Mainly from satellite deployment services
  - Investments to support regional data centre growth
- **NCS:** Continued execution of 3-axis strategy<sup>3</sup>
  - Better revenues & cost discipline
  - New bookings of S\$691M

S\$M



1. Comprises Digital InfraCo & NCS businesses.  
 2. On constant currency basis.  
 3. Expanding beyond Singapore, accelerating its enterprise & digital businesses.

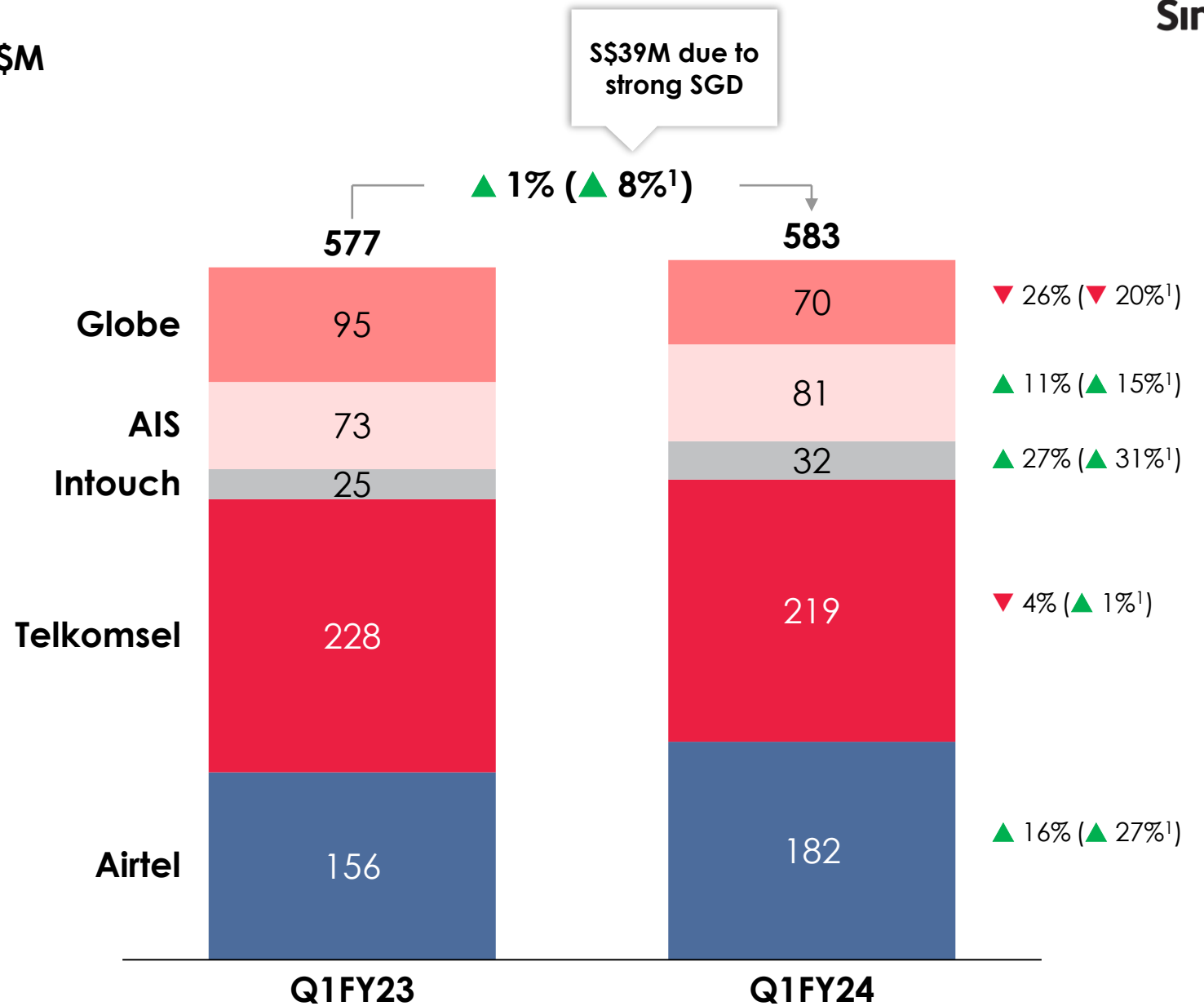
# Regional associates' pre-tax profits

**\$\$583M**

▲ 1% (▲ 8%<sup>1</sup>)

- Improving market dynamics across associates but results dampened by currency weakness
- **Airtel:** Consistently strong delivery across entire business
- **Globe:** Strong mobile growth offset by higher depreciation, opex & interest expense from larger network
- **AIS:** Stable competition & focus on quality customers
- **Telkomsel:** Data & digital services growth offset by declining legacy services

\$\$M



1. On constant currency basis.

# Key focus areas

## Optus addressing challenges head on



- Prepaid price-ups & legacy plan migration to benefit from H2FY24
- Integration benefits & cost initiatives accelerate into H2FY24
- Positive competitive landscape with competitors' decision not to appeal network sharing deal

## Singtel SG finding growth in competitive market



- Ride tailwinds of travel recovery & home connectivity demand
- Accelerate enterprise 5G adoption & transition to digital world
- Integrate consumer & enterprise businesses to drive revenue & cost synergies

## Maintain momentum of growth engines



- **Digital InfraCo:** Secure contracts for new data centre builds & explore opportunities in MY; Expand Paragon into EMEA & North Asia
- **NCS:** Continued focus on profitable growth



