



News Release

Singtel's Q1 business performance update

Quarter ended 30 June 2020

- Operating revenue declined 14% to S\$3.54 billion
- EBITDA before associates' contributions down 24% to S\$897 million
- Post-tax contributions from regional associates rose 5.6%

Singapore, 17 August 2020 – Singtel today announced its first voluntary business performance update following the adoption of half-yearly reporting of its results from the financial year ending 31 March 2021. These unaudited updates of its key businesses will be provided in the first and third quarters to keep investors informed of the Singtel Group's performance.

For the first quarter ended 30 June 2020, Singtel's performance reflected softening economic and market conditions, exacerbated by COVID-19 and ongoing price competition. Operating revenue declined 14% to S\$3.54 billion while EBITDA¹ was down 24% to S\$897 million after including Jobs Support Scheme credits, and EBIT before associates' contributions was 52% lower at S\$262 million. These declines were due mainly to lower equipment sales, roaming and prepaid mobile revenues, delays or deferments of some ICT projects and reduced customer spending. Post-tax contributions from the regional associates rose 5.6% to S\$267 million this quarter. Earnings declines at Telkomsel, AIS and Globe due to the impact of COVID-19 were mitigated by a lower net operating loss in Airtel India following tariff increases last December.

Singtel took a net exceptional charge of S\$364 million. This mainly comprised Singtel's share of Airtel's additional provisions for the adjusted gross revenue matter following the Supreme Court of India's decision in July and exceptional tax charges², partly offset by a dilution gain of S\$550 million on Singtel's reduced equity interest in Airtel following a successful share placement with institutional investors by Bharti Telecom.

Singtel's Group CEO Ms Chua Sock Koong said, "We are seeing the effects of COVID-19 across our business as travel and movement restrictions impact roaming and prepaid revenues, reduce footfall in retail stores and delay enterprise projects. Despite the challenging conditions, we are witnessing an unprecedented adoption of digital services among consumers and companies and the digital investments we have made in recent years put us in a strong position to capture these new revenue opportunities."

Ms Chua added, "To navigate the uncertain operating environment, we begin the year with a strong balance sheet and cash position, with a view of allocating funds to the best opportunities. Following our 5G licence win in Singapore, we've embarked on our 5G rollout to strengthen our network and market leadership to capture new growth opportunities and will continue to transform our operating model for greater efficiencies, better customer experiences and leaner cost structures. We have not let up in our ongoing business contingency plans to keep our operations running optimally and our staff safe and supported, and we remain committed to supporting the broader community and vulnerable groups through this crisis."

¹ EBITDA excludes associates' contributions.

² Comprises tax charges from the reduction in deferred tax balances (including minimum alternate tax) upon the likely adoption of a new India tax regime at a lower corporate tax rate and adjustments from the resolution of certain tax disputes under tax amnesty scheme.



GROUP CONSUMER

In Singapore, revenue fell 22% as measures to counter COVID-19 dampened business and consumer sentiment. Mobile service revenue declined as a result of a sharp fall in roaming and lower prepaid usage as customers relied on WiFi as they stayed indoors and the number of tourists and foreign workers fell significantly with travel and movement restrictions. These restrictions also led to declines in equipment sales during the period. EBITDA fell 14%.

In Australia, revenue was down 11% mainly from lower mobile revenue. Mobile service revenue declined due to lower roaming, late payment fee waivers as well as a higher SIM-only customer mix and ongoing data price competition. Equipment sales also fell given lower retail footfall, impact of lengthening handset replacement cycles and cessation of subsidies. EBITDA fell 32% while EBIT declined 82% on lower operating revenue, fixed margin erosion and operating expenses related to COVID-19 such as onshore care agents and debt provisions. Retail fixed margins were impacted by the migration of customers from Optus' proprietary networks to NBN which resulted in a much higher mix of NBN broadband customers at low resale margins.

GROUP ENTERPRISE

Group Enterprise saw similar impact from the pandemic with revenue down 4.5% mainly due to continued declines in carriage services and weak business sentiment. Mobile service revenue was lower with steep declines in roaming and voice. Equipment sales also declined from lower mobile connections. ICT revenue growth was affected by project delays and deferments as customers scaled back their operations as a result of a drop in business activities. However, data centre revenue increased with new wins. With the lower overall revenue and higher ICT mix, EBITDA fell 13%.

GROUP DIGITAL LIFE

Group Digital Life's operating revenue declined 49% with lower revenue from Amobee and the cessation of HOOQ's business in March this year. Amobee saw significant cut backs in advertising spend by customers due to COVID-19 and a reduction in TV revenue as the technology licensing fee income recognised in the last corresponding quarter did not recur this quarter. Negative EBITDA rose to S\$18 million.

For more details on Singtel Group's performance, refer to the business update for Q1 ended 30 June 2020.

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About Singtel

Singtel is Asia's leading communications technology group, providing a portfolio of services from next-generation communication, technology services to infotainment to both consumers and businesses. For consumers, Singtel delivers a complete and integrated suite of services, including mobile, broadband and TV. For businesses, Singtel offers a complementary array of workforce mobility solutions, data hosting, cloud, network infrastructure, analytics and cyber-security capabilities. The Group has presence in Asia, Australia and Africa and reaches over 700 million mobile customers in 21 countries. Its infrastructure and technology services for businesses span 21 countries, with more than 428 direct points of presence in 362 cities. For more information, visit www.singtel.com.

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