News Release

Singtel posts H1 FY25 net profit of S$1.23 billion

Half-year ended 30 September 2024

- EBIT[1] rose 27% to S$738 million, led by Optus and NCS
- Underlying net profit (basis of core dividend payout) up 6% to S$1.19 billion; up 9% in constant currency terms
- Net profit down 42% due to an exceptional gain from the issuance of Telkomsel shares to integrate IndiHome in the corresponding period last year
- Interim dividend (core and value realisation) per share of 7.0 cents, up 35%

Singapore, 13 November 2024 – Singtel delivered strong EBIT[1] growth of 27% to S$738 million in the first half-year. This positive momentum was driven by a better mobile performance and disciplined cost management at Optus as well as continued margin improvements and solid bookings at NCS. Optus saw a 58% surge in EBIT while NCS' EBIT jumped 40%. Underlying net profit increased 6% to S$1.19 billion and would have risen 9% in constant currency terms. Net profit decreased 42% to S$1.23 billion due to an exceptional gain of S$1.2 billion in the corresponding period last year from an issuance of shares by Telkomsel to integrate IndiHome, Indonesia's largest fixed broadband provider. Operating revenue remained stable at S$6.99 billion after the divestment of Trustwave.

Mr Yuen Kuan Moon, Singtel's Group CEO, said, "Our half-year results show continued growth in our underlying earnings, indicating a solid start to our Singtel28 plan to lift business performance. Optus and NCS drove the positive momentum, underscoring our focus on execution and operating rigour. The progress we have made in our core businesses, growth engines and active capital management has been reflected in the steady increases in our dividend payouts since our strategic reset in 2021. The changes have been well-received by the investment community."

As part of its Singtel28 growth plan to raise business performance, the Group has been simplifying product offerings, innovating with new technologies such as network slicing and developing new revenue streams in the areas of AI and data centres. Both NCS and Nxera have a critical role to play in advancing AI adoption in the region and are continuing to invest in AI infrastructure and capabilities to better serve enterprise and governments. Nxera is developing next-generation AI-ready data centres in Singapore, Indonesia, Thailand and Malaysia and aims to expand into new markets. The Group has also continued to pursue more active capital management initiatives including backing the amalgamation of Intouch and GULF, to simplify Singtel's shareholding in regional associate AIS. This move has contributed to an increase of S$2.5 billion[2] in the value of the Group's stakes in AIS and Intouch.

Mr Yuen added, "In the second half-year, our priority is the continued execution of our Singtel28 plan which is designed to drive further EBIT improvements and increase shareholder returns through enterprise growth in Singapore and Australia, greater mobile momentum in Australia and a leaner overall cost structure. We will continue scaling NCS and building out Nxera's data centres which will commence operations from mid-2025 to meet increasing demand. We will also keep supporting our regional associates to capture growth opportunities in the areas of enterprise and fixed broadband."

[1] Excluding associates' contributions.
[2] From 16 Jul 2024 announcement to 11 Nov 2024.

The Group has a solid financial position with a healthy cash balance of S$2.68 billion and debt largely hedged with fixed interest rates. Net debt increased to S$9.73 billion as a result of payment for 900Mhz spectrum in Australia. Free cash flow rose 9% to S$1.30 billion primarily from better operating performance and efficient capital expenditure partly mitigated by lower dividends from associates.

REGIONAL ASSOCIATES

The regional associates' post-tax profit contributions decreased 4% to S$817 million, and would have been stable on a constant currency basis. Telkomsel was impacted by intense mobile data competition in Indonesia. Notwithstanding Telkomsel's results, the other regional associates in Thailand, the Philippines and India benefited from improving dynamics in their respective markets. Airtel performed strongly in India but the depreciation of the Nigerian Naira continued to affect its Airtel Africa operations. AIS delivered higher fixed broadband revenue and benefited from mobile repricing while Globe saw a similar boost from mobile repricing and Mynt.

OPTUS

Mobile service revenue rose 4% on the back of price rises in the postpaid segment and improvement in blended ARPUs. Home revenues were also up 4% driven by higher NBN and fixed wireless access revenues. However, overall operating revenue was stable, impacted by reductions in project-based satellite revenues and enterprise ICT equipment sales. EBITDA and EBIT rose 7% and 58% respectively, mainly driven by improved mobile performance and disciplined cost management.

SINGTEL SINGAPORE

Singtel Singapore's operating revenue was stable as mobile service revenue growth of 4% from roaming and the Internet of Things offset continued declines in legacy carriage services. EBITDA increased 3% from growth in the small and medium enterprises segment and continued cost optimisation from the integration of the consumer and enterprise units. EBIT was stable after including higher depreciation charges from network and digital investments.

NCS

NCS' operating revenue rose 3%, led by demand for digitalisation services, driven by its Gov+ strategic business. Higher operating revenue and cost efficiencies drove higher delivery margins which saw EBITDA increase 24%. With the higher EBITDA and lower depreciation charges from a lower asset base, EBIT grew a strong 40%. NCS recorded solid bookings of S$1.5 billion, boosted by new wins and contract renewals in various sectors.

DIGITAL INFRACO

Digital InfraCo delivered an 8% increase in operating revenue mainly from its Nxera regional data centre business as a result of strong demand for capacity with a non-recurring customer reservation fee and utility pass-through. However, lower project-based satellite fees as well as growth investments impacted EBIT and caused it to decline 1%.

DIVIDEND

On 12 November 2024, the Board approved an interim ordinary dividend of 7.0 cents per share for the half year ended 30 September 2024, up 35% from the last corresponding period. This comprises a core dividend of 5.6 cents per share and a value realisation dividend of 1.4 cents per share, totalling S$1.16 billion.

A total dividend of 8.9 cents per share, comprising the interim ordinary dividend and second tranche of the FY24 value realisation dividend, will be made on 9 December 2024.

OUTLOOK FOR THE FINANCIAL YEAR ENDING 31 MARCH 2025

For the half year ended 30 September 2024, the Group's EBIT[3] grew 27%, or 16% when excluding Trustwave's losses in the last corresponding half year. Taking into account the first half performance, the Group expects EBIT[3] to grow by low double digits[4] for the financial year ending 31 March 2025. The growth rate was previously expected to be within the range of high single digits to low double digits.

Other than the above, the Group affirms its guidance previously issued in May 2024.

Please refer to **Appendix 1** for further details on the outlook for the current financial year.

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[3] Excluding associates' contributions.
[4] Based on average exchange rate during FY2024 of AUD1: S$0.8845.

About Singtel

Singtel is Asia's leading communications technology group, providing a portfolio of services from next-generation communication, 5G and technology services to infotainment to both consumers and businesses. The Group has presence in Asia, Australia and Africa and reaches over 780 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 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.

Singtel is dedicated to continuous innovation, harnessing technology to create new and exciting customer experiences and shape a more sustainable, digital future.

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Appendix 1

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2025

- EBIT (excluding associates' contributions) to grow by low double digit[1].
- Cost savings[1] of approximately S$200 million[2] in Singtel Singapore and Optus.
- Dividends from the regional associates to be approximately S$1.1 billion.
- Total capital expenditure to be around S$2.8 billion. Core capital expenditure is to be around S$1.8 billion, comprising A$1.4 billion (S$1.2 billion) for Optus and S$0.6 billion for the rest of the Group. This reflects the Group's multi-year investments in 5G networks in Australia, as well as cyber security and digital transformation initiatives. Another S$1.0 billion[3] is to be invested in data centres, equipment and fit-out for GPU-as-a-Service facilities, and satellites including a satellite to replace ST-2 by 2028.
- Spectrum payments of A$1.5 billion for 900 MHz in Australia and S$0.4 billion for 700 MHz in Singapore.
- Estimated net proceeds of S$1.0 billion[4] upon dilution of equity interest in Singtel Somerset Pte. Ltd. from 100% to 51%.

[1] Based on average exchange rate during FY2024 of AUD1: S$0.8845.
[2] Cost savings for FY2025 are before impact of inflation.
[3] S$0.7 billion will be funded by external capital partners and advance satellite receipts from customers.
[4] After estimated payments for land betterment and upgrading premium charges for Singtel's Comcentre headquarters site and planned capital injection in Singtel Somerset Pte. Ltd. (which holds the site).

Appendix 2

Financial Highlights for the Half Year Ended 30 September 2024

	FY2025 (S$m)	FY2024 (S$m)	YOY Change	YOY Change Constant Currency[1]
Group revenue	6,992	7,028	(0.5%)	(0.5%)
EBITDA	1,947	1,787	9.0%	9.0%
EBIT excluding associates	738	580	27.3	27.3
Regional associates post-tax earnings[2]	817	850	(3.9)	**
Underlying net profit[3]	1,190	1,121	6.1	9.1
Exceptional items (post-tax)	42	1,015	(95.9)	(96.0)
Net profit	1,232	2,136	(42.4)	(40.8)
Free cash flow	1,299	1,189	9.3	NM

"**" denotes less than 0.05%.
NM denotes not meaningful.

[1] Assuming constant exchange rates from FY2024.
[2] Excludes exceptional items.
[3] Defined as net profit before exceptional items.