



Singtel Investor Day 2023

# Capital Management and Value Creation for Growth

Arthur Lang, Group CFO

24 August 2023



# Key business units



Core business



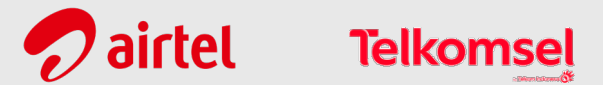
Growth engines



Digital InfraCo



Strategic portfolio  
of Associates



# On track to creating more shareholder value



**ROIC needs to  
keep improving**



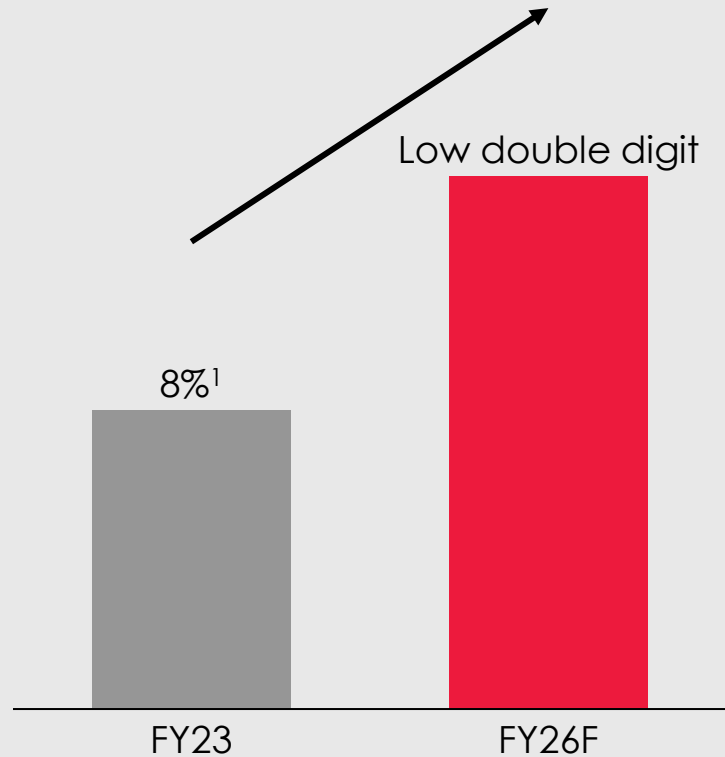
**Growth engines  
a key focus**



**Value creation  
opportunities  
still significant**

# Low double digit ROIC<sup>1</sup> by FY26

## Target Group ROIC



Increasing efficiencies for Optus & Singtel SG



Sale/closure of loss-making businesses



Reduced capital intensity



Airtel improvement

1. Excluding Optus goodwill.

# Key drivers of ROIC

## Key drivers

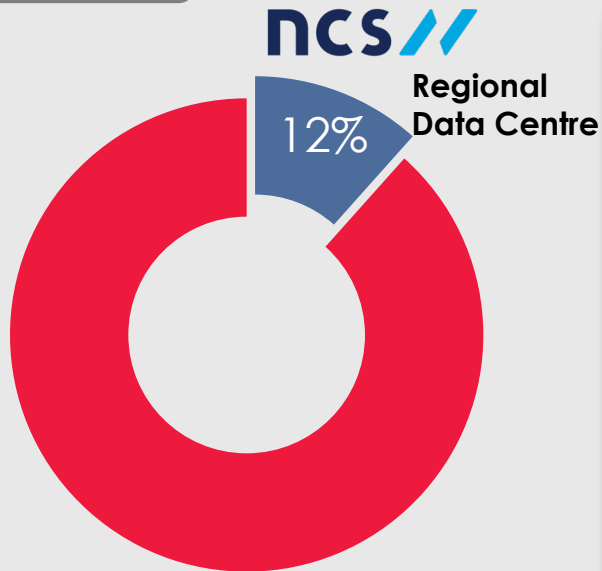
ROIC > WACC	Regional Associates	<ul style="list-style-type: none"> <li>▪ Capture fixed opportunity</li> <li>▪ Focus on market repair &amp; cost management</li> </ul>
	Singtel Singapore	<ul style="list-style-type: none"> <li>▪ Accelerate 5G monetisation</li> <li>▪ Capitalise on enterprise digital transformation</li> <li>▪ Integration of consumer &amp; enterprise to drive growth &amp; cost synergies</li> </ul>
	NCS	<ul style="list-style-type: none"> <li>▪ Grow international &amp; enterprise business</li> <li>▪ Cost-to-serve optimisation</li> <li>▪ End-to-end digital proposition</li> </ul>
ROIC < WACC	Optus	<ul style="list-style-type: none"> <li>▪ Build on rational market competition &amp; customer gains</li> <li>▪ Scale integrated consumer &amp; enterprise business to drive growth</li> <li>▪ Focus on cost management to mitigate inflation pressures</li> </ul>
Negative ROIC	Trustwave	<ul style="list-style-type: none"> <li>▪ Complete strategic review</li> <li>▪ Continued focus on cost efficiencies</li> </ul>
Asset yield	RDC <sup>1</sup>	<ul style="list-style-type: none"> <li>▪ Ride wave of demand for cloudification &amp; AI adoption</li> <li>▪ Stabilised yield in mid-teens</li> <li>▪ Leverage strategic partnerships to scale</li> </ul>

1. Regional Data Centre.

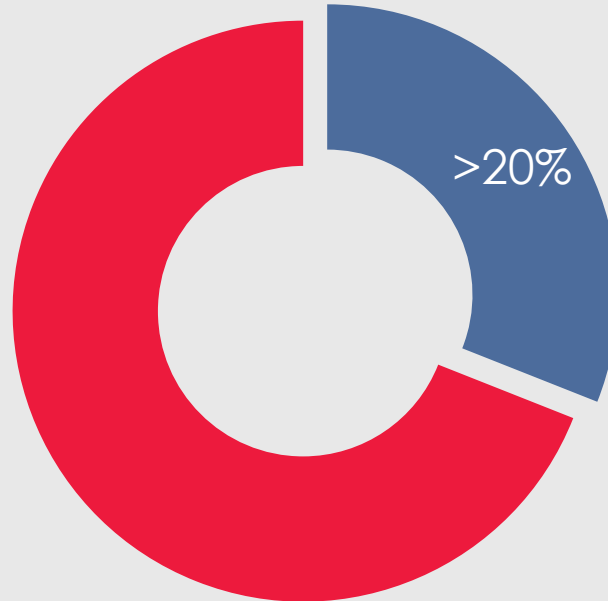
# >20% of EBITDA from growth engines by FY28

## Growth engines<sup>1</sup> % of Group EBITDA

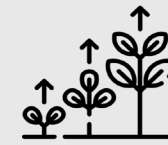
FY23A



FY28F



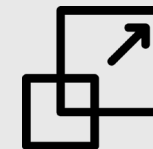
## Drivers



Growth through organic potential & inorganic transactions



Funded through asset recycling & third-party capital



Ability to scale

1. Includes NCS & Regional Data Centre.

# Leveraging third-party capital across our businesses



**Illuminate value  
of assets**

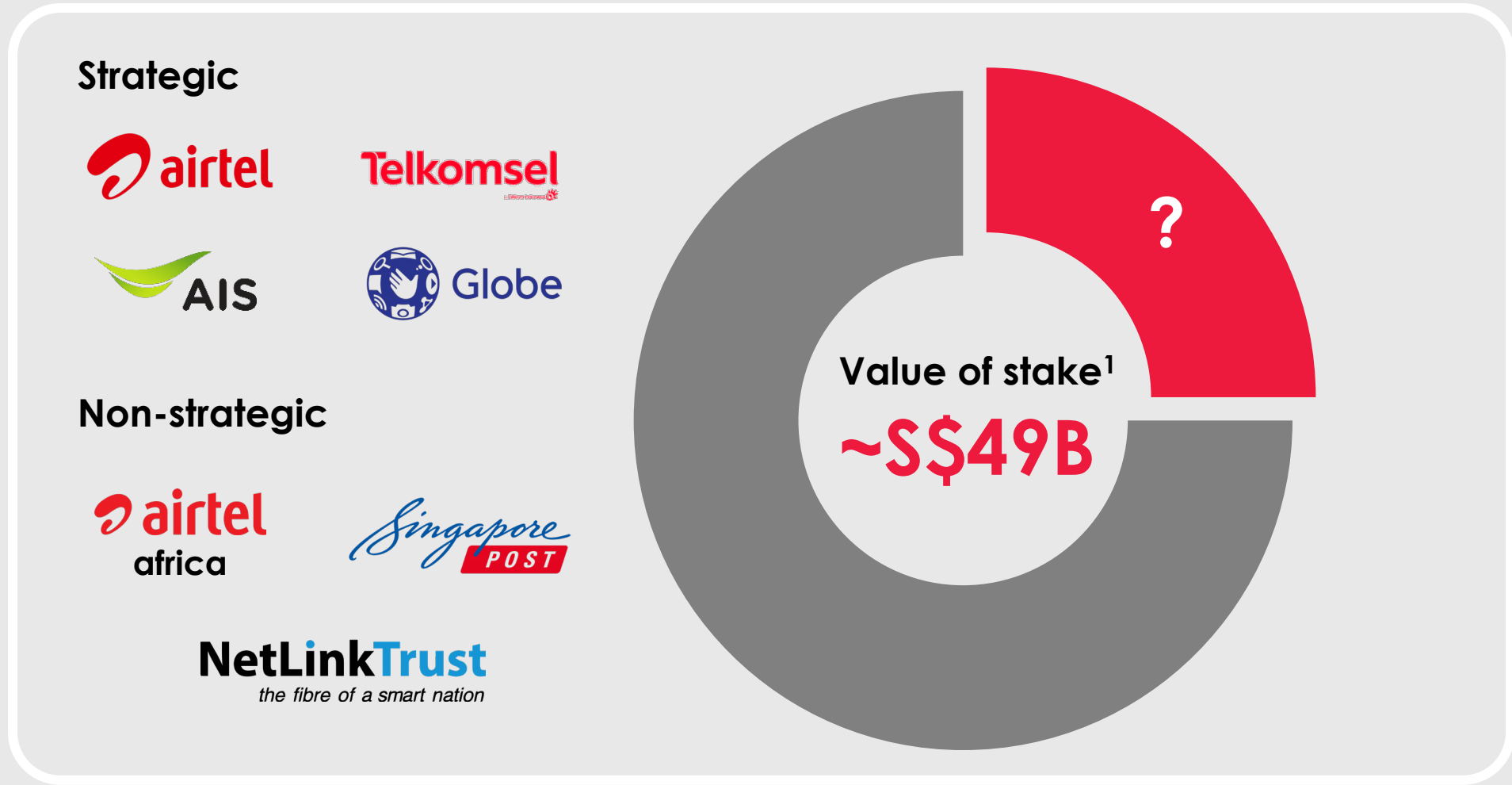


**Co-investor to  
alleviate funding  
needs**



**Provide industry  
expertise & networks**

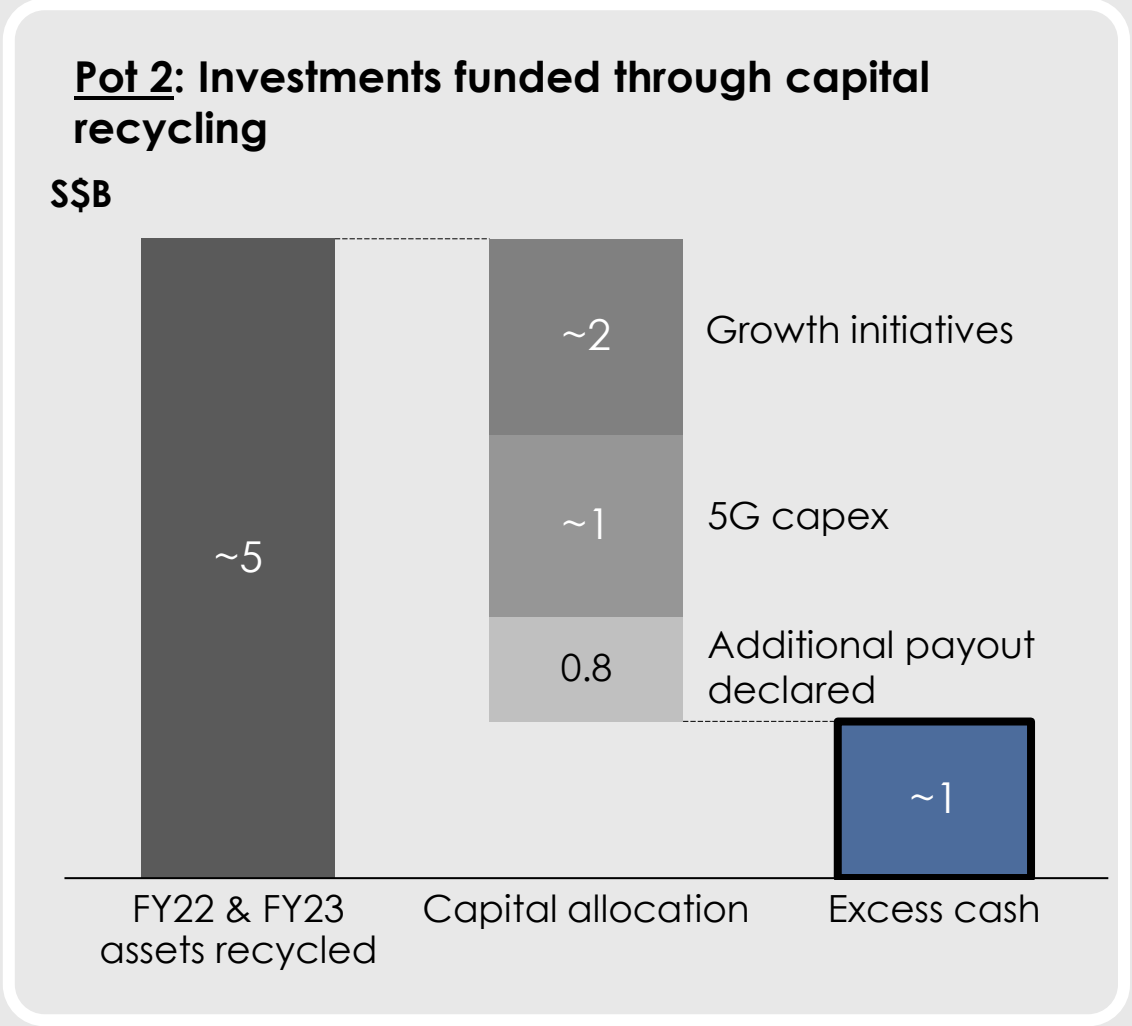
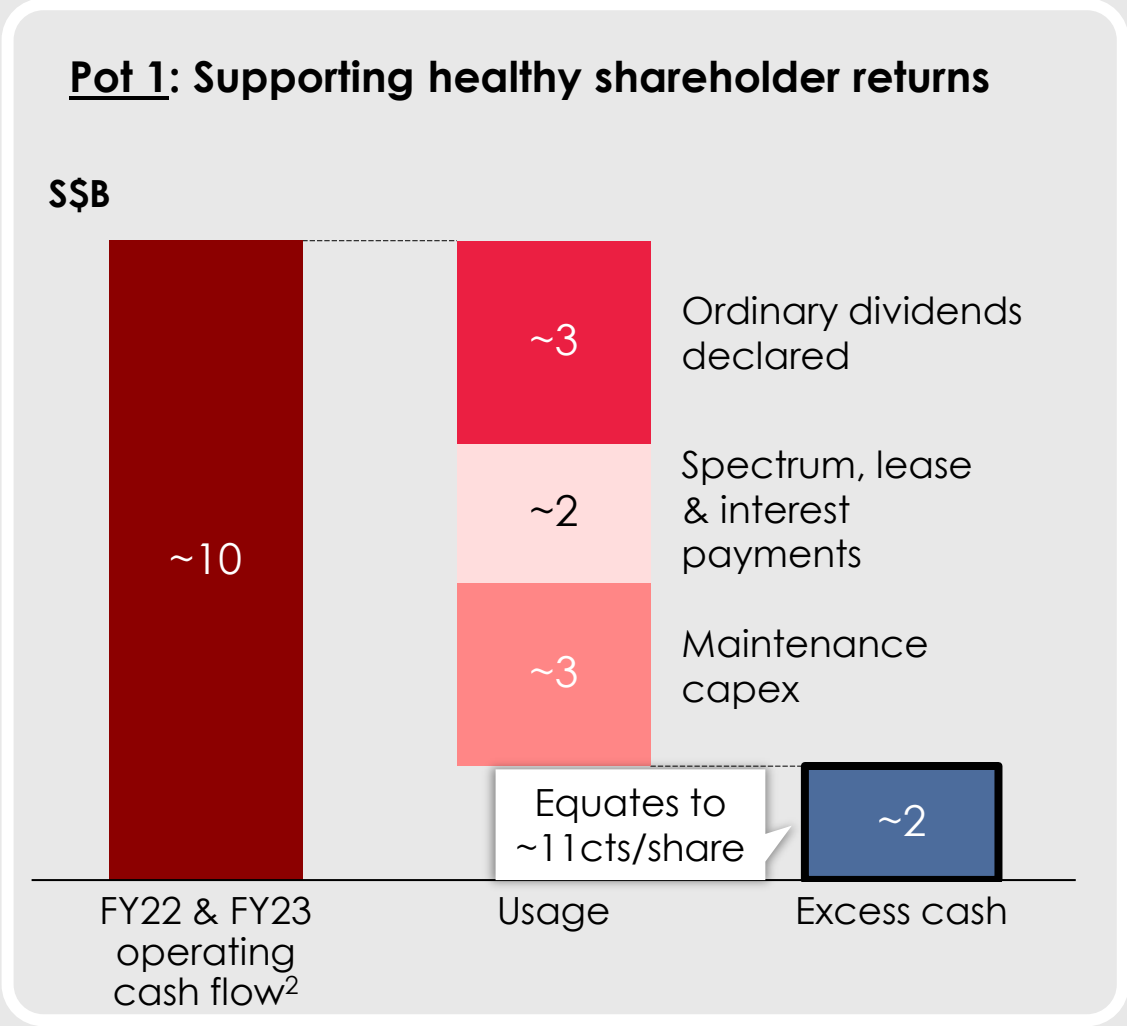
# Highly valuable stakes in our associates



1. Thomson Reuters, Bloomberg as of 31 July 2023 (Internal estimation for Telkomsel).



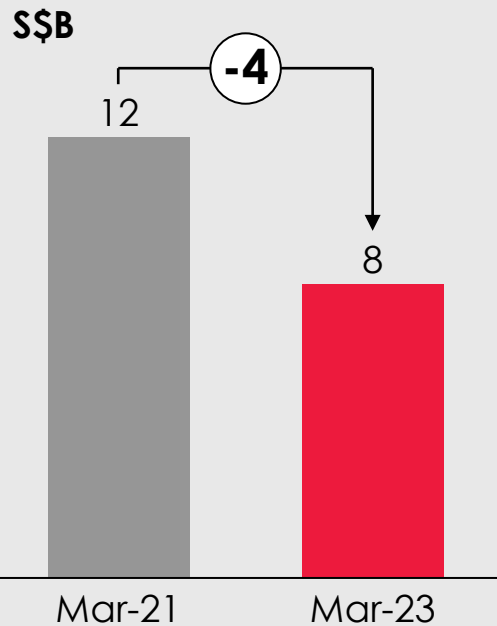
# Successful capital management framework with \$3B cash reserves<sup>1</sup> (after paying \$4B of dividends)



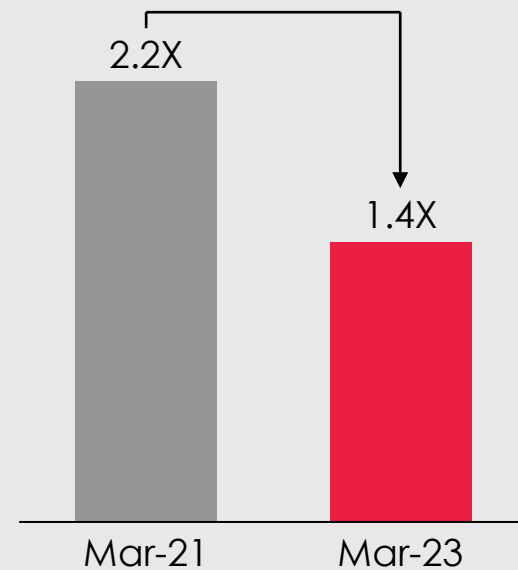
1. As of 31 March 2023.  
 2. Includes dividends from associates.

# Robust balance sheet with ~S\$4B debt headroom<sup>1</sup> after successful capital recycling initiatives

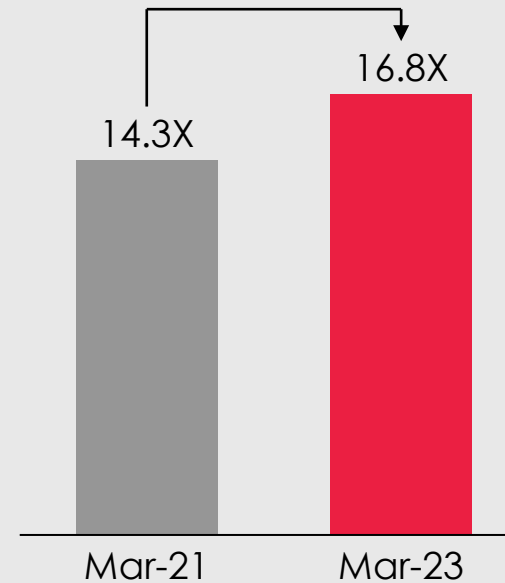
## Net debt



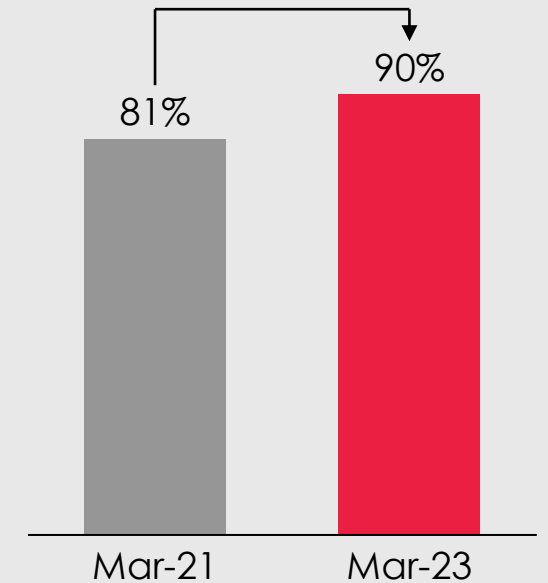
## Net debt to EBITDA & assoc PBT



## Interest cover



## Fixed rate debt



1. Based on S&P Net Debt/EBITDA ratio trigger, position as of 31 March 2023.

# Key focus areas



**Drive opex synergies  
from consumer &  
enterprise business  
integration in Singtel  
SG & Optus**



**Measured 5G rollout  
in Australia to keep  
pace with demand  
& use cases**



**Expand funding  
sources to grow  
dividends  
sustainably & support  
profitable growth**



**Develop pipeline of  
assets for  
monetisation  
opportunities**

