



Singapore Telecommunications Limited And Subsidiary Companies

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022

The financial statements for the half year ended, and as at, 30 September 2022 are unaudited.

Numbers in all tables may not exactly add due to rounding.

For all pages, "@" denotes more than +/- 500%, "" denotes less than +/- S\$0.5 million or A\$0.5 million and "***" denotes less than +/- 0.05%, unless otherwise indicated.*

For all tables, a negative sign for year-on-year change denotes a decrease in operating revenue, expense, gain or loss.

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SECTION 1 : GROUP

PERFORMANCE AT A GLANCE

	Financial Year			Half Year			
	Mar 22 S\$ m	Mar 21 S\$ m	Mar 20 S\$ m	Sep 22 S\$ m	Mar 22 S\$ m	Sep 21 S\$ m	Mar 21 S\$ m
Operating Highlights							
Group mobile customer base (million) ⁽¹⁾	779	744	705	773	779	764	744
Mobile customer market share (%)							
- Singapore	48.0	51.0	50.4	47.4	48.0	49.9	51.0
- Australia	31.3	31.1	31.8	31.4	31.3	31.2	31.1
- Airtel India	31.6	29.8	28.3	31.7	31.6	30.4	29.8
- Telkomsel ⁽²⁾	53.6	58.7	59.3	50.6	53.6	59.1	58.7
- AIS	46.0	46.0	45.2	45.4	46.0	46.0	46.0
- Globe	55.4	52.6	55.0	56.4	55.4	54.3	52.6
Group Financials (S\$ million)							
Operating revenue	15,339	15,644	16,542	7,259	7,687	7,653	8,219
<i>Underlying operating revenue</i> ⁽³⁾	14,347	14,429	14,870	7,259	7,236	7,111	7,615
EBITDA	3,767	3,832	4,541	1,878	1,839	1,929	1,928
Share of associates' pre-tax profits	2,136	1,798	1,743	1,157	1,090	1,047	913
EBIT	3,181	2,945	3,704	1,736	1,562	1,619	1,464
Underlying net profit	1,923	1,733	2,457	1,005	941	983	896
Net profit	1,949	554	1,075	1,170	995	954	88
Free cash flow	3,081	3,395	3,781	1,595	1,309	1,771	1,689
Cash capex	2,217	2,214	2,037	1,065	1,114	1,103	1,118
Key Financial Indicators							
Proportionate EBITDA from outside Singapore (%)	81	78	79	82	81	81	79
Return on invested capital (%)	5.4	5.0	6.4				
Return on equity (%)	7.3	2.1	3.8				

Notes:

- (1) Comprised mobile customers of Singtel, Optus, Airtel, Telkomsel, Globe and AIS.
- (2) The comparatives for periods on and before September 2021 had not included Hutchison 3 Indonesia's mobile customer base in the calculation of market shares.
- (3) Excluded Optus' NBN migration revenue and contributions from Amobee.

SECTION 1 : GROUP

FINANCIAL HIGHLIGHTS**FOR THE HALF YEAR ENDED 30 SEPTEMBER 2022**

- **In constant currency terms¹ and excluding NBN migration revenue and contributions from Amobee, operating revenue, EBITDA and EBIT (excluding associates' contributions) grew 4.3%, 2.8% and 7.7% respectively with a roaming rebound across Singapore and Australia.**
- **Associates' post-tax profit contributions grew 8.2% with continued strong performance by Airtel.**
- **Underlying net profit was up 2.3%.**
- **With a net exceptional gain compared to a net exceptional loss in the last corresponding period, net profit grew 23% to S\$1.17 billion.**
- **Free cash flow declined 9.9% on lower operating cash flow partly mitigated by lower capital expenditure.**

¹ Assuming constant exchange rates for the Australian Dollar, United States Dollar and/or regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding half year ended 30 September 2021.

SECTION 1 : GROUP**GROUP SUMMARY INCOME STATEMENT**
For The Half Year Ended 30 September 2022

	Half Year		YOY	
	30 Sep		Chge %	Chge in cc ⁽¹⁾ %
	2022 S\$ m	2021 S\$ m		
Operating revenue	7,259	7,653	-5.1	-3.1
Operating expenses	(5,456)	(5,810)	-6.1	-4.1
	1,803	1,842	-2.1	0.2
Other income	74	86	-13.7	-11.3
EBITDA	1,878	1,929	-2.6	-0.3
- EBITDA margin	25.9%	25.2%		
Share of associates' pre-tax profits	1,157	1,047	10.5	13.6
EBITDA and share of associates' pre-tax profits	3,034	2,975	2.0	4.6
Depreciation	(1,140)	(1,190)	-4.1	-1.5
Amortisation of intangibles	(158)	(167)	-5.0	-2.3
	(1,299)	(1,356)	-4.2	-1.6
EBIT	1,736	1,619	7.2	9.8
<i>EBIT (before associates' contributions)</i>	579	572	1.2	2.7
Net finance expense	(196)	(135)	45.7	48.6
Profit before exceptional items and tax	1,540	1,484	3.7	6.2
Taxation	(530)	(496)	6.8	9.1
Profit after tax	1,010	988	2.2	4.8
Minority interests	(5)	(6)	-12.7	-12.7
Underlying net profit	1,005	983	2.3	4.9
Exceptional items (post-tax)	165	(29)	nm	nm
Net profit	1,170	954	22.6	25.2
<u>Excluding Optus' NBN migration revenue and contributions from Amobee ⁽²⁾</u>				
Operating revenue	7,259	7,111	2.1	4.3
EBITDA	1,878	1,870	0.4	2.8
EBIT (before associates' contributions)	579	546	6.1	7.7

Unless otherwise stated, the presentation of income statements in this document is consistent with prior periods.

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/ or regional currencies from the corresponding half year ended 30 September 2021.
- (2) Excluded Optus' NBN migration revenue (H1 FY2023: A\$0.3 million, H1 FY2022: A\$51 million) and results of Amobee. Amobee was classified as a 'subsidiary held for sale' as at 31 March 2022 and ceased to be consolidated on a line-by-line basis from 1 April 2022. In September 2022, the Group completed the sale of Amobee.

SECTION 1 : GROUP

REVIEW OF GROUP OPERATING PERFORMANCE

For The Half Year Ended 30 September 2022

For the first half year ended 30 September 2022, the Group's operating revenue and EBITDA were down 5.1% and 2.6% respectively due to the absence of NBN migration revenue and contributions from Amobee which was classified as a 'subsidiary held for sale' in March 2022, as well as a 4% depreciation of the Australian Dollar. However, EBIT (excluding associates' contributions) rose 1.2% as Amobee's loss was no longer consolidated and depreciation charges fell after the sale of Australia Tower Network Pty Limited ("ATN")² in November 2021. On an underlying basis³, operating revenue would have grown 4.3% while EBITDA would be up 2.8% on the back of continued roaming recovery from the broader relaxation of COVID-19 restrictions.

Optus' operating revenue was up 1.0% as growth across its mobile and fixed businesses offset the absence of NBN migration revenue. NBN migration revenue was A\$51 million in the last corresponding period. Excluding NBN migration revenue, Optus' operating revenue would be up 2.3% in the first half year. Mobile service revenue grew 2.0%, driven by customer growth across all product segments, stronger roaming revenue from the continued recovery of international travel and some benefit from price rises implemented towards the end of the first half year. Equipment sales grew on increased sales of high-end devices. Home revenue increased due mainly to growth in NBN broadband and Fixed Wireless Access (FWA) revenues, offsetting declines in legacy platforms. EBITDA was up 2.5%. Excluding NBN migration revenue, EBITDA would have increased 7.8% on better margins and strong cost management.

In Singapore Consumer, operating revenue was stable as higher revenues from mobile service and broadband offset lower voice, equipment sales and pay TV revenues. Mobile service revenue was up a robust 9.8%, lifted by higher roaming revenue and increased 5G adoption. Fixed broadband revenue increased from the rise in demand for higher speed fibre plans and increase in WiFi mesh equipment sales. Equipment sales, however, contracted due to supply constraints for newly launched premium handsets, higher mix of SIM only plans and longer device replacement cycles. EBITDA improved 10% due to revenue growth as well as tight cost control.

Group Enterprise's operating revenue rose 1.6% year-on-year, with robust growth in ICT and mobile service revenues although this was partly offset by lower voice and Data and Internet revenues. ICT revenue was up, mainly lifted by the pass-through of utility charges to data centre customers and higher demand for cyber security services. Mobile service revenue grew a strong 14%, boosted by higher roaming revenue from the easing of travel restrictions. EBITDA was stable as operating expenses were well-managed.

² In October 2022, ATN has been rebranded to Indara Digital Infrastructure.

³ In constant currency basis and excluding contributions from NBN migration and Amobee.

SECTION 1 : GROUP

NCS has adjusted its operating models as it grows into a pan-APAC IT services provider. Operating revenue was up 20%⁴. This performance was propelled by broad-based growth across key lines of business as well as contributions from subsidiaries⁵ acquired in the last one year. Strong bookings of S\$1.3 billion were recorded in the first half year, boosted by a significant win in the enterprise sector, coupled with new wins and contract renewals in various sectors. EBITDA declined 26%, impacted by higher operating expenses largely attributable to post-acquisition charges for its new Australian subsidiaries, as well as higher staff costs from investments in digital capabilities to support business growth.

Trustwave's EBITDA losses were higher following the divestment of its payment card industry compliance business in October 2021 and the transfer of its Asia Pacific business to Singtel, NCS and Optus with effect from 1 April 2022.

Depreciation and amortisation charges decreased by 4.2%. In constant currency terms and excluding Amobee, depreciation and amortisation charges would have been stable.

Pre-tax and post-tax contributions from the associates grew by 11% and 8.2% respectively, impacted by the significant depreciations of the Thai Baht and Philippine Peso. If the regional currencies had remained stable from the last corresponding half year, the associates' pre-tax and post-tax profit contributions would have increased by 14% and 11% respectively, mainly due to higher contributions from Airtel and Globe although this was partly offset by weaker performance from Telkomsel and AIS.

Airtel Group continued its growth momentum, with double-digit increases in operating revenue and EBITDA, boosted by strong performances in both India and Africa partially offsetting fair value losses mainly from the devaluation of certain African currencies. Growth at Telkomsel and AIS were hampered by weak macroeconomic conditions along with intense competition. Globe's profit growth was fuelled by revenue growth with the reopening of the economy and higher equity accounted profits of its fintech joint venture, partially offset by higher depreciation and finance charges from accelerated network expansion and upgrades.

Net finance expense increased by 46% mainly due to a revaluation loss from a derivative asset as compared to a revaluation gain in the last corresponding period.

The Group's tax expense grew in line with higher earnings.

Consequently, underlying net profit was up 2.3% to S\$1.01 billion.

Net exceptional gains (post-tax) amounted to S\$165 million in the first half year. Exceptional gains arose mainly from the partial disposal of the Group's direct stake in Airtel, the dilution of the Group's effective equity shareholding in Airtel as well as the tower sales at Telkomsel and Globe. Exceptional losses included a non-cash impairment charge for the goodwill of Optus and a provision for costs related to the recent cyber attack in Australia.

With a net exceptional gain as compared to a net exceptional loss in the last corresponding half year, net profit grew 23% to S\$1.17 billion.

⁴ Excluding Singtel-originated revenue.

⁵ In December 2021 quarter, NCS acquired 100% stake in ClayOPS Pte. Ltd., Riley Solutions Pty Limited and Velocity Business Solutions Limited, and 60% stake in Eighty20 Solutions Pty Ltd ("**Eighty20**"). It also acquired 100% stake in Dialog Pty. Ltd. and Row TopCo Pty Ltd (the group holding company of ARQ Group) in June 2022 quarter. In the current quarter, NCS further acquired another 20% stake in Eighty20 and its shareholding in Eighty20 increased to 80%.

SECTION 1 : GROUP

Free cash flow for the first half year was S\$1.60 billion, down 9.9% from the last corresponding period mainly on lower operating cash flow which was partly mitigated by lower capital expenditure.

NET FINANCE EXPENSE

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Net interest expense			
- Interest expense	(207)	(202)	2.4
- Interest income	10	1	@
	(197)	(201)	-1.9
Other finance income			
- Investment (loss)/ income ⁽¹⁾	(8)	61	nm
- Foreign exchange gain/ (loss)	11	(1)	nm
- Net fair value (loss)/ gain ⁽²⁾	(2)	5	nm
	1	66	-99.1
Net finance expense	(196)	(135)	45.7

"@" denotes more than +/- 500% and "nm" denotes not meaningful.

Notes:

- (1) Included dividend income from 'Fair Value through Other Comprehensive Income' investments and other investment gains/ losses.
- (2) Comprised mainly adjustments for hedging instruments and other financial instruments including options measured at fair values under SFRS(I) 9, *Financial Instruments*.

Interest expense grew 2.4% in the current period on higher interest rates which partially offset lower average borrowings. The higher interest environment also resulted in an increase in the Group's interest income from the last corresponding half year.

Investment loss arose from a loss from revaluation of a derivative asset, compared to a gain in the last corresponding half year.

Foreign exchange gain arose mainly from a revaluation gain of fixed deposits on appreciation of the US Dollar during the half year.

SECTION 1 : GROUP**EXCEPTIONAL ITEMS (POST-TAX) ⁽¹⁾**

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Net gain on disposal of partial stake in Airtel	1,014	-	nm
Impairment of goodwill of Optus	(1,004)	-	nm
Provision for costs related to cyber attacks	(142)	-	nm
Dilution gain on Airtel	221	-	nm
Release of deferred gain on disposal of Australia Tower Network	84	-	nm
Release of cumulative translation loss from equity upon sale of Amobee	(31)	-	nm
Staff restructuring costs	(7)	(25)	-70.3
Others ⁽²⁾	(9)	(17)	-44.9
	126	(42)	nm
Tax (expense)/ credit on exceptional items	(63)	11	nm
Group exceptional items (post-tax)	63	(31)	nm
Share of Airtel's exceptional gains /(losses)	15	(31)	nm
Share of Telkomsel's exceptional gains	77	33	131.5
Share of Globe's exceptional gains	10	-	nm
Share of associates' exceptional gains (post-tax)	102	2	@
Net exceptional gains/ (losses) (post-tax)	165	(29)	nm

"@" denotes more than +/-500% and "nm" denotes not meaningful.

Notes:

- (1) Exceptional items are material non-recurring items for which separate disclosure is considered necessary to avoid distortion of reported results of performance.
- (2) 'Others' comprised mainly impairment of assets, accelerated depreciation of Comcentre's assets and dilution gain on Globe. In the last corresponding period, 'Others' comprised stamp duty and other fees related to restructuring of tower infrastructure assets in Australia, dilution gains on Globe and AIS, and other provisions.

In September 2022, the Group sold an aggregate of 198 million shares or 3.3% of its direct stake in Bharti Airtel Limited ("Airtel") to Bharti Telecom Limited ("BTL") (3.2%) and third parties (0.1%) for net sales proceeds of S\$2.5 billion and recorded a gain of S\$1.01 billion. Following the divestments, the Group's effective stake in Airtel is 29.6%⁶, down from 31.4%, while BTL's stake in Airtel is 38.6%, up from 35.4% previously.

Singtel has undertaken a review of Optus' carrying value and assessed that the recoverable value of the goodwill of Optus was below its carrying value as at 30 September 2022, on account of higher weighted average cost of capital (WACC) mainly due to a succession of steep interest rate hikes, as well as a weaker Australian Dollar against the Singapore Dollar. The estimates for future cashflows have also been revised to reflect a weaker consumer and business outlook due to slower economic growth. Consequently, a non-cash impairment charge of S\$1.0 billion for the goodwill of Optus has been recorded as at 30 September 2022.

⁶ This is made up of a direct stake of 10.5%, and 19.1% indirect stake through Bharti Telecom Limited.

SECTION 1 : GROUP

In Australia, Optus and the Dialog group have reported cyber attacks which resulted in the disclosure of certain personal information. An amount of S\$142 million has been provided in the current period for a programme of customer actions, including an external independent review, third-party credit monitoring services for impacted customers and the replacement of customer identification documents where needed. The Office of the Australian Information Commissioner, the Australian Communications and Media Authority and the Department of Home Affairs have commenced investigations into the Optus cyber attack. These regulatory investigations could give rise to regulatory actions, penalties, potential claims and/or litigation. At this stage, the Group is not able to estimate the financial effect, if any, of these investigations and matters, and is continuing to take legal advice on these matters.

In the first half year, the Group recognised a dilution gain of S\$221 million arising from a reduction in Singtel's effective equity interest in Airtel from 31.7% to 31.4% after shares were issued by Airtel to Google International LLC.

The Group also recorded a partial release of the deferred gain⁷ of S\$84 million from the disposal of its stake in Australia Tower Network Pty Limited ("**ATN**") following the dilution of the Group's effective shareholding in ATN from 30% to 18% due to their acquisition of Axicom⁸.

Airtel's one-off items included a fair value gain on revaluation of its foreign currency convertible bonds⁹ and recognition of a deferred tax credit in Africa. Airtel's net exceptional losses in the last corresponding period comprised mainly a fair value loss from a revaluation of its foreign currency convertible bonds⁹, which was partially offset by a gain on sale of its 800 MHz spectrum.

The exceptional gains at Telkomsel and Globe were from the sale of telecommunication towers.

⁷ The Group deferred 30% of the gain arising from the disposal of towers from the Group to ATN following the sale of its 70% stake in ATN in November 2021. The deferred gain is amortised over 20 years. The unamortised deferred gain is to be released to the Group's income statement when equity stake in ATN is reduced.

⁸ In May 2022, ATN completed the acquisition of the stapled structure comprising Axicom HoldCo Pty Ltd, Axicom Asset HoldCo Pty Ltd and Axicom Hold Trust ("**Axicom**").

⁹ This is recorded in equity by Airtel in accordance with Indian Accounting Standards. Singtel records the share of such gain or loss in income statement under International Financial Reporting Standards.

SECTION 1 : GROUP**TAX EXPENSE**

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Income tax expense			
Optus	17	12	41.3
Singtel and other subsidiaries	70	72	-3.3
Total (a)	87	84	3.1
Share of associates' tax expense (b)	345	296	16.5
Withholding taxes on associates' dividend income ⁽¹⁾	98	116	-15.4
Total	530	496	6.8
Profit before exceptional items and tax	1,540	1,484	3.7
Exclude:			
Share of associates' pre-tax profits	(1,157)	(1,047)	10.5
Adjusted pre-tax profit (c)	383	438	-12.5
Effective tax rate of Singtel and subsidiaries (a)/(c)	22.7%	19.3%	
Share of associates' pre-tax profits (d)	1,157	1,047	10.5
Effective tax rate of associates (b)/(d)	29.8%	28.2%	

Note:

(1) Withholding taxes are deducted at source when dividends are remitted by the overseas associates. For accounting purposes, the dividend income and related withholding taxes are accrued when declared by the associates. Dividend income has no impact on the income statement of the Group as they are eliminated at the Group. The cash inflows upon the receipt of dividend are shown on page 12.

The increase in tax expense was primarily due to higher earnings.

SECTION 1 : GROUP**SUMMARY STATEMENTS OF FINANCIAL POSITION**

	As at		
	30 Sep 2022	31 Mar 2022	30 Sep 2021
	S\$ m	S\$ m	S\$ m
Current assets (excluding cash)	5,340	6,000	5,516
Cash and bank balances	3,524	2,130	768
Non-current assets	38,530	41,001	41,218
Total assets	47,394	49,131	47,502
Current liabilities	7,993	9,055	7,948
Non-current liabilities	11,892	11,967	11,844
Total liabilities	19,885	21,022	19,792
Net assets	27,509	28,109	27,710
Share capital	4,573	4,573	4,573
Retained earnings	25,402	25,076	24,803
Currency translation reserve (loss)	(2,948)	(2,151)	(2,201)
Other reserves	(535)	(386)	(509)
Equity attributable to shareholders	26,492	27,112	26,666
Perpetual Securities	1,013	1,013	1,013
Minority interests and other reserve	4	(15)	31
Total Equity	27,509	28,109	27,710

The Group continued to be in a strong financial position as at 30 September 2022. Singtel's ratings of A1 by Moody's and A by S&P Global Ratings remain strong among its peers in the global telecommunications industry.

The currency translation loss was higher by S\$797 million from half a year ago due mainly to translation losses for Optus, AIS, Intouch and Globe.

SECTION 1 : GROUP

CAPITAL MANAGEMENT

	As at		
	30 Sep 2022 S\$ m	31 Mar 2022 S\$ m	30 Sep 2021 S\$ m
Gross debt			
Current debt	1,258	1,614	1,559
Non-current debt	9,931	10,254	10,381
Gross debt as reported in statement of financial position	11,189	11,869	11,940
Related net hedging liability ⁽¹⁾	277	341	154
Hedged gross debt	11,466	12,210	12,094
Less: Cash and bank balances	(3,524)	(2,130)	(768)
Net debt	7,941	10,080	11,327
Gross debt gearing ratio ⁽²⁾	29.4%	30.3%	30.4%
Net debt gearing ratio	22.4%	26.4%	29.0%
Net debt to EBITDA and share of associates' pre-tax profits ⁽³⁾	1.31X	1.71X	1.90X
Interest cover:			
EBITDA and share of associates' pre-tax profits/ net interest expense ⁽⁴⁾	15.4X	14.8X	14.8X

Notes:

- (1) The net hedging liability relates to the fair values of cross currency and interest rate swaps.
- (2) Gross debt gearing ratio refers to the ratio of gross debt to gross capitalisation. Gross capitalisation is the aggregate of gross debt and equity.
- (3) Net debt to EBITDA and share of associates' pre-tax profits is calculated on an annualised basis.
- (4) Net interest expense refers to interest expense less interest income.

Net debt fell significantly by S\$2.14 billion or 21% from half a year ago to S\$7.94 billion as at 30 September 2022 on net repayment of borrowings and higher cash and bank balances due to cash inflows from divestments (see page 13). With a lower net debt, gearing ratio fell to 22.4% from 26.4% as at 31 March 2022.

SECTION 1 : GROUP

CASH FLOW

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Operating cash flow (before dividends from associates)	1,617	1,707	-5.3
Dividends/ Distributions received from associates (net of withholding tax)	1,043	1,167	-10.6
Net cash inflow from operating activities	2,660	2,874	-7.5
Net cash inflow from/ (outflow for) investing activities	474	(1,259)	nm
Net cash outflow for financing activities	(1,759)	(1,603)	9.7
Net change in cash and cash equivalents	1,375	12	@
Exchange effects on cash and cash equivalents	(25)	*	nm
Cash and cash equivalents at beginning of period ⁽¹⁾	2,149	741	190.2
Cash and cash equivalents at end of period ⁽¹⁾	3,499	753	364.8
Group cash capex			
Optus	720	804	-10.5
Singtel and other subsidiaries	345	299	15.3
	1,065	1,103	-3.5
Group free cash flow (before associates' dividends/ distributions)	552	604	-8.6
Dividends/ Distributions received from associates (net of withholding tax)	1,043	1,167	-10.6
Group free cash flow	1,595	1,771	-9.9

"@" denotes more than +/-500%, "*" denotes less than +/-S\$0.5 million and "nm" denotes not meaningful.

Note:

(1) Cash and cash equivalents excluded restricted cash relating to the provision of mobile money remittance and payment services in Singapore.

Cash Dividends/ Distributions from Associates/ Joint Ventures	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Telkomsel ⁽¹⁾	681	882	-22.8
AIS ⁽²⁾	212	210	1.0
Globe ⁽³⁾	87	93	-5.9
Intouch ⁽⁴⁾	99	74	33.3
Airtel ⁽⁵⁾	41	-	nm
Regional associates	1,120	1,259	-11.0
Other associates			
NetLink NBN Trust/ NetLink Trust ⁽⁶⁾	25	25	0.8
Others	13	17	-23.0
	38	41	-8.8
Total (before tax)	1,158	1,300	-11.0
Withholding taxes	(115)	(133)	-13.7
Dividends/ Distributions received from associates/ joint ventures (net of withholding tax)	1,043	1,167	-10.6

"nm" denotes not meaningful.

SECTION 1 : GROUP

Notes: Dividend policy, and receipts after 30 September 2022

- (1) Telkomsel declared a full year ordinary dividend of 95% on its FY2021 net profit (FY2020: 95%) excluding exceptional gain on its tower sale.
- (2) AIS declared a full year dividend of 85% on its FY2021 net profit (FY2020: 75%).
- (3) Globe's dividend policy is to pay 60%-75% of prior year's core net profit.
- (4) Intouch's policy is to pass through dividends received from its associates and subsidiaries after the deduction of operating expenses, subject to its financial needs or unless the payment of dividends would materially affect its operations.
- (5) Airtel does not have a fixed dividend policy.
- (6) NetLink NBN Trust's policy is to distribute 100% of its cash available for distribution (CAFD), which includes distributions from its wholly-owned subsidiary NetLink Trust ("NLT"). NLT's distribution policy is to distribute at least 90% of its distributable income to NetLink NBN Trust after setting aside reserves and provisions for, amongst others, future capital expenditure, debt repayment and working capital as may be required. On 2 November 2022, NetLink NBN Trust declared a distribution of S\$0.0262 per unit for its distribution period for the half year ended 30 September 2022 which will be payable in November 2022. The Group's share of this distribution is approximately S\$25 million.

Net cash inflow from operating activities (before associates' dividend receipts) for the first half year declined 5.3% to S\$1.62 billion, primarily from working capital movements partly mitigated by lower tax payments. Dividends from the associates decreased as the Group received a special dividend from Telkomsel in the last corresponding period which was not repeated this period, partially mitigated by a dividend from Airtel (H1 FY22: nil). Consequently, total cash flow from operations declined 7.5% to S\$2.66 billion.

Net cash inflow from investing activities amounted to S\$474 million. Cash received from divestments comprised mainly S\$2.5 billion from the sale of the Group's 3.3% stake in Airtel and S\$262 million (net of cash disposed) from the sale of Amobee. Other investing cash outflows comprised mainly payments for the following:

- (i) Capital expenditure of S\$720 million (A\$742 million) for Optus and S\$345 million for the rest of the Group. Optus' capital investments comprised A\$390 million for mobile network and A\$352 million for fixed and other expenditure. Other major capital investments comprised S\$108 million for mobile network and S\$237 million for fixed and other expenditure.
- (ii) Acquisition of 100% stake in Dialog Pty Ltd and Row TopCo Pty Ltd, the group holding company of ARQ Group, for S\$295 million and S\$263 million respectively.
- (iii) Acquisition of 3.8% stake in Intouch Holdings Public Company Limited for S\$330 million.
- (iv) Subscription of 90 million new ordinary shares in ATN for S\$120 million. The Group's effective shareholding interest in ATN was reduced from 30% to 18% following the subscription.
- (v) Loan to ATN of S\$93 million.
- (vi) Further acquisition of 6.1% stake in Indonesian Bank, PT Bank Fama International, for S\$52 million.
- (vii) Acquisition of spectrum in Australia for S\$76 million (A\$79 million).

The Group's free cash flow fell 9.9% to S\$1.60 billion mainly on lower operating cash flow partly mitigated by lower capital expenditure.

SECTION 1 : GROUP

Net cash financing outflow of S\$1.76 billion for the first half year mainly comprised net repayment of borrowings of S\$714 million, final dividend payment of S\$793 million in August 2022 as well as interest payments for lease liabilities and other borrowings of S\$198 million.

INTERIM ORDINARY AND SPECIAL DIVIDENDS

On 9 November 2022, the Board approved the following dividends:

Interim ordinary dividend of 4.6 cents per share, totalling S\$760 million, and representing 76% of the Group's underlying net profit for the first half year.

Special dividend of 5.0 cents per share, totalling S\$826 million, to share the benefits of asset recycling initiatives. The special dividend will be paid in two tranches of 2.5 cents each, together with the ordinary dividends in December 2022 and August 2023, based on the respective closure dates of the Transfer Book and the Register of Members of the Company for the preparation of dividend warrants.

CAPITAL MANAGEMENT AND DIVIDEND POLICY

Singtel is committed to a sustainable dividend policy in line with earnings and cash flow generation. Barring unforeseen circumstances, it plans to pay ordinary dividends at between 60% and 80% of underlying net profit. After funding growth initiatives including 5G, excess cash from the Group's asset recycling may be used to repay debt and/or returned to shareholders. This policy will be reviewed regularly to reflect the progress of the Group's transformation.

Singtel is also committed to an optimal capital structure, which enables investments for growth, while maintaining financial flexibility and investment-grade credit ratings.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR ENDING 31 MARCH 2023

The macroeconomic outlook has become more challenging with persistently high inflation and rising interest rates likely to continue curbing economic growth.

However, the Group is well-positioned to weather the headwinds given its robust financial position and cash generation. Its disciplined and focused asset recycling programme has reduced its net debt by S\$3.4 billion or nearly a third from a year ago, with more than 90% of remaining debt locked into fixed interest rates.

The Group remains focused on executing to its strategic reset, including growing 5G market share, expanding the footprint of its new digital businesses and scaling up NCS, the Group's ICT arm, as it transforms itself into a leading technology services firm in Asia Pacific.

While the recent cyber attack on Optus is expected to impact near term performance, Singtel is confident it will rebound given its strong business fundamentals. Optus has taken concerted action to support its customers and rebuild trust.

SECTION 1 : GROUP

Dividends from the regional associates are expected to be approximately S\$1.4 billion and the Group's capital expenditure to be around S\$2.6 billion, comprising A\$1.7 billion for Optus and S\$0.9 billion for the rest of the Group¹⁰. This reflects the Group's multi-year growth investments in 5G networks, data centres and satellites, as well as digital transformation initiatives to enhance customer experience and efficiency.

¹⁰ Excluding acquisitions and disposals.

SECTION 2 : OPTUS**OPTUS**

Optus offers mobile, equipment sales, fixed voice and data, satellite, managed services, ICT, cloud computing and cybersecurity in Australia.

SUMMARY INCOME STATEMENT

For The Half Year Ended 30 September 2022

	Half Year		YoY Chge %
	30 Sep		
	2022 A\$m	2021 A\$m	
Operating revenue	3,963	3,923	1.0
Operating expense	(2,962)	(2,943)	0.6
	1,001	979	2.2
Other income	64	59	8.3
EBITDA	1,065	1,038	2.5
- margin	26.9%	26.5%	
Depreciation & amortisation	(901)	(930)	-3.1
EBIT	164	108	51.3
NBN migration revenue	*	51	nm
Ex-NBN migration revenue			
Operating revenue	3,963	3,872	2.3
EBITDA	1,064	988	7.8
EBIT	164	58	183.9

“*” denotes less than A\$0.5 million and “nm” denotes not meaningful.

Note:

The comparative figures for Optus segment in the table above are based on the statutory view of Singtel Group and have included the depreciation charges of ATN towers from April to October 2021 with the sale & leaseback of ATN towers effective from November 2021 (when ATN ceased to be a subsidiary of Singtel).

SECTION 2 : OPTUS

	Half Year		YoY Chge %
	30 Sep		
	2022 A\$m	2021 A\$m	
Incoming	102	102	0.6
Outgoing	1,780	1,743	2.1
Total Mobile Service	1,882	1,845	2.0
Equipment	681	653	4.2
Leasing ⁽¹⁾	*	14	nm
Total Mobile Revenue	2,563	2,511	2.1
NBN Broadband	482	443	8.7
Fixed Wireless Access ("FWA")	87	82	6.2
Others ⁽²⁾	42	61	-31.4
Total Home Revenue (ex. NBN migration)	611	587	4.2
NBN Migration	*	51	nm
Total Wholesale, Fleet and Enterprise Fixed	789	774	1.9
Operating revenue	3,963	3,923	1.0

"*" denotes less than A\$0.5 million and "nm" denotes not meaningful.

Notes:

- (1) Comprised revenue from the lease of handsets to mobile customers under 2-year contracts. Handset leasing plans were no longer offered from July 2019.
- (2) Comprised revenues from customers on legacy platforms Hybrid Fiber Coaxial (HFC), Unbundled Local Loop (ULL) and subscription-based TV services.

	Half Year		YoY Chge %
	30 Sep		
	2022 A\$m	2021 A\$m	
Cost of sales	1,097	1,030	6.5
Selling & administrative ⁽¹⁾	605	648	-6.6
Traffic expenses	587	633	-7.2
Staff costs	512	483	6.1
Repair & maintenance	126	113	11.6
Others	35	36	-4.9
Operating expenses	2,962	2,943	0.6
Direct costs ⁽²⁾	1,825	1,794	1.8
Indirect costs ⁽²⁾	1,137	1,150	-1.1
Operating expenses	2,962	2,943	0.6

Notes:

- (1) Selling and administrative expenses included utility charges of A\$51 million (H1 FY2022: A\$51 million) for the half year ended 30 September 2022.
- (2) Direct costs comprised mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned

SECTION 2 : OPTUS

FINANCIAL PERFORMANCE

For Half Year 30 Ended September 2022

Optus' operating revenue was up 1.0% as growth across its mobile and fixed businesses offset the absence of NBN migration revenue. NBN migration revenue was A\$51 million in the last corresponding half year. Excluding NBN migration revenue, Optus' operating revenue grew 2.3% in the first half year.

Mobile service revenue grew 2.0%, driven by customer growth across all product segments, stronger roaming revenues from the continued recovery of international travel and some benefit from price rises implemented towards the end of the first half year. Mobile ARPU, however, fell slightly due to a higher mix of prepaid customers, lower carriage revenue from domestic roaming and a decline in insurance revenue due to the sale of this business.

Equipment sales grew 4.2% on higher volume, especially the higher-end devices, with supply channels gradually easing and retail footfall improving post-COVID lockdowns.

Home revenue (excluding NBN migration revenue) was up 4.2%, due mainly to growth in NBN broadband revenue from higher ARPU on price increases and customer growth, offsetting declines from legacy platforms. FWA revenue increased from continued growth in 5G.

Wholesale, Fleet and Enterprise Fixed revenue rose 1.9%, driven by higher sales in Satellite and growth in ICT equipment revenue, offsetting lower revenues from the strategic exit in the NBN resale business and a decline in Enterprise fixed carriage revenue due to structural market shifts.

Operating expenses were stable on strong cost management.

Excluding NBN migration revenue, EBITDA was up 7.8% and EBIT almost tripled as operational performance was enhanced further through lower depreciation charges due to the sale of ATN in November 2021¹¹.

Following the cyber attack on Optus in September 2022, a provision of A\$140 million has been made and recorded as an exceptional expense for a programme of customer actions, including an external independent review, third-party credit monitoring services for impacted customers and the replacement of identification documents where needed (see page 8).

BUSINESS HIGHLIGHTS

The mobile customer base grew 304,000 in the first half year. The strong improvement was led by prepaid which grew 182,000, as domestic foot traffic improved and inbound international travellers returned. The postpaid mobile customer base grew 75,000 due to a focus on reducing churn and continued uptake in Choice plans. The number of connected devices was up 47,000, driven by the success of product campaigns. The NBN customer base grew 10,000 in the last six months.

Optus launched its latest Living Network feature, Network Pulse, that enables customers to have visibility of their own mobile or Wi-Fi network's performance.

¹¹ For statutory reporting at local level, Optus' EBIT grew 13% and excluding NBN migration revenue, EBIT was up 73%. These reflected sale & leaseback of ATN towers effective from April 2021.

SECTION 2 : OPTUS

Optus Sport reinforced its commitment to streaming the world's best football by securing the Australian media rights to the final tournament of the UEFA EURO 2024 and the exclusive Australian rights for one of the biggest football leagues in the world, Spain's LaLiga.

Optus continues to focus on 5G leadership and won the OpenSignal 5G Download Speed award and 5G Video Experience award.

In collaboration with Ericsson, Optus deployed Australia's most energy efficient RAN site at Optus' Moorebank site in Sydney. Optus' 5G capable devices supported on the network grew 26% in the first half and has almost doubled from a year ago.

Optus supported the communities in New South Wales and Victoria who were affected by the recent floods via cross functional response teams and also provided impacted customers with extra mobile data to keep them connected.

Optus Wholesale was named Host Operator of the Year at the 2022-MVNO Awards.

Optus Enterprise secured notable customer wins across both state and federal government sectors, and launched Optus Campus Network with 5G wireless to support advanced automated operations for customers in the government sector.

SECTION 3 : SINGAPORE CONSUMER**SINGAPORE CONSUMER**

Singapore Consumer provides mobile, fixed broadband, voice, pay television, content and digital services, as well as equipment sales in Singapore.

SUMMARY INCOME STATEMENT
For The Half Year Ended 30 September 2022

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Operating revenue	874	867	0.8
Operating expenses	(553)	(582)	-5.0
	321	285	12.5
Other income ⁽¹⁾	8	13	-40.8
EBITDA	328	298	10.2
- margin	37.6%	34.4%	
Depreciation & amortisation	(155)	(145)	6.8
EBIT	173	153	13.4

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Mobile service	422	384	9.8
Sale of equipment	170	179	-5.3
Leasing revenue ⁽²⁾	1	3	-79.3
Mobile	592	566	4.5
Fixed broadband ⁽³⁾	138	134	3.5
Residential Pay TV	74	94	-20.8
Fixed voice	48	51	-5.1
Others ⁽⁴⁾	21	23	-6.6
Operating revenue	874	867	0.8

Notes:

- (1) Included trade foreign currency exchange differences, rental income, gain/loss on disposal of scrap copper and property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange loss amounted to S\$2 million (H1 FY2022: S\$1 million of gain) for the half year ended 30 September 2022.
- (2) Comprised revenue from lease of handsets to mobile customers under two-year contracts.
- (3) Included sale of home equipment.
- (4) Included mobile digital business, energy reselling, and revenue from mobile network cabling works and projects.

SECTION 3 : SINGAPORE CONSUMER

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Cost of sales	231	266	-13.2
Selling & administrative ⁽¹⁾	128	122	4.8
Staff costs	107	109	-1.5
Traffic expenses	79	78	1.5
Repair & maintenance	28	25	13.5
Others	(19)	(16)	15.4
Operating expenses	553	582	-5.0
Direct costs ⁽²⁾	256	260	-1.5
Indirect costs ⁽²⁾	297	322	-7.8
Operating expenses	553	582	-5.0

Notes:

- (1) Selling and administrative expenses included utility charges of S\$15 million (H1 FY2022: S\$11 million) for the half year ended 30 September 2022.
- (2) Direct costs comprised mainly cost of sales, traffic expenses and other expenses directly attributable to revenue earned. Indirect costs refer to expenses not directly attributable to revenue earned.

FINANCIAL PERFORMANCE**For The Half Year Ended 30 September 2022**

Mobile service revenue for Singapore Consumer was up a strong 9.8%, lifted by higher roaming revenue from continued travel recovery as well as increased 5G adoption. Fixed broadband revenue rose 3.5% from the rise in demand for higher speed fibre plans and increase in WiFi mesh equipment sales.

The higher revenue contributions from mobile service and broadband were partially offset by lower equipment sales and pay TV revenues. Equipment sales contracted 5.3% due to supply constraints for newly launched premium handsets, higher mix of SIM only plans and longer device replacement cycles. Pay TV revenue was 21% lower affected by the cessation of Premier League, but margins improved on the back of content cost savings and muted churn.

Total operating expenses declined 5.0%, mainly due to a reduction in cost of sales from lower equipment sales and TV content costs. Selling and administrative expenses were higher, reflecting an increase in utility charges from rate hikes.

Consequently, EBITDA grew 10%. EBIT was up 13% after including higher depreciation charges from network and digital investments.

SECTION 3 : SINGAPORE CONSUMER

BUSINESS HIGHLIGHTS

In July 2022, Singtel surpassed 95% standalone 5G nationwide coverage. This was more than three years ahead of the regulatory target of end-2025. With the successful rollout, spectators at Singapore's National Day got their first taste of 5G when streaming video live.

At the Grand Prix Season Singapore 2022, Singtel took the 5G experience to the next level as the event's official network partner. With Sports Plus on Singtel CAST, race fans were able to catch the entire high-velocity night race from wherever they were, even around the high traffic areas of the circuit, due to the dedicated capacity allocated to the video streaming service. To support the higher number of tourists keen to experience the race at its best, Singtel launched the Singtel Prepaid 5G hi!Tourist SIM card.

Sustainability has been another area of focus for Singtel as part of its goal to deliver the Singapore's greenest 5G network while further reducing carbon footprint. Singtel deployed the country's greenest radio cell, the Ericsson AIR 3268, which is expected to save more energy as more of such radio cells are deployed to augment its nationwide 5G coverage.

SECTION 4 : GROUP ENTERPRISE**GROUP ENTERPRISE**

Group Enterprise provides ICT, mobile, equipment sales, fixed voice and data, satellite, managed services, cloud computing and cyber security. Australia Enterprise, which was previously under Group Enterprise, is reported under Optus from 1 April 2022.

SUMMARY INCOME STATEMENT
For The Half Year Ended 30 September 2022

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Operating revenue	1,264	1,245	1.6
Operating expenses	(727)	(715)	1.8
	537	530	1.2
Other income ⁽²⁾	7	12	-42.0
EBITDA	544	542	0.3
- margin	43.0%	43.5%	
Depreciation & amortisation	(183)	(178)	3.0
EBIT	361	365	-1.0

Notes:

- (1) The figures above are before elimination of intercompany transactions with NCS and Trustwave.
- (2) Included trade foreign exchange differences, rental income, gain/loss on disposal of scrap copper, property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange loss amounted to S\$2 million (H1 FY2022: S\$0.3 million gain).

SECTION 4 : GROUP ENTERPRISE

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Managed Services ⁽¹⁾	264	227	16.7
Cyber Security	52	42	26.0
ICT	317	268	18.1
Mobile Service	182	160	13.6
Sale of Equipment	95	104	-8.0
Mobile	277	264	5.1
Data and Internet ⁽²⁾	520	535	-2.8
Fixed Voice	71	82	-14.0
Others ⁽³⁾	79	96	-17.2
Carriage	947	977	-3.0
Operating revenue	1,264	1,245	1.6
ICT as % of total revenue	25%	22%	

Notes:

(1) Included data centres and colocation services, managed and network services, and value-added reselling and services.

(2) Included local leased circuits, international leased circuits, fixed broadband, Singtel Internet exchange and satellite.

(3) Included pay TV, facility rentals and other miscellaneous revenue.

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Cost of sales	250	239	4.5
Staff costs	145	142	2.4
Selling & administrative ⁽¹⁾	152	141	8.3
Traffic expenses	138	144	-4.0
Repair, maintenance and others	42	49	-14.6
Operating expenses	727	715	1.8
Direct costs ⁽²⁾	439	415	5.9
Indirect costs ⁽²⁾	288	300	-3.9
Operating expenses	727	715	1.8

Notes:

(1) Selling and administrative expenses included utility charges of S\$54 million (H1 FY2022: S\$29 million) for the half year ended 30 September 2022.

(2) Direct costs comprised mainly cost of sales, traffic expenses, and other expenses directly attributable to revenue earned. Indirect costs referred to expenses not directly attributable to revenue earned.

SECTION 4 : GROUP ENTERPRISE

FINANCIAL PERFORMANCE

For The Half Year Ended 30 September 2022

Group Enterprise's operating revenue rose 1.6% year-on-year, with robust growth in ICT and mobile service revenues although this was partly offset by lower voice and Data and Internet revenues.

ICT revenue grew 18%, mainly lifted by the pass-through of utility charges to data centre customers and higher demand for cyber security services. ICT contributed 25% of Group Enterprise's overall revenue, up from 22% in the last corresponding half year.

Mobile service revenue was up a strong 14%, boosted by higher roaming revenue from business travels with the easing of travel restrictions.

Data and Internet declined 2.8%, impacted by chip shortages and competitive pricing pressure.

Fixed voice fell 14% as usage declined with continued voice to data substitution and migration of customers to lower cost IP-based solutions.

Operating expenses increased 1.8%, mainly from higher cost of sales and increased utility charges due to tariff hikes.

Other income fell 42% due to a foreign exchange translation loss for trade balances compared to a gain in the last corresponding half year and lower gain on disposals of scrap copper.

Consequently, EBITDA was stable. EBIT was down 1% after including higher depreciation charges.

BUSINESS HIGHLIGHTS

In the first half of the year, Singtel announced partnerships with leading global brands across a variety of industries such as Hyundai, Micron, Continental and Intel to drive 5G adoption within the enterprise ecosystem. The applications include:

- deployment of Singtel's 5G solutions and multi-access edge computing solutions at Hyundai Motor Group Innovation Centre in Singapore – the first of its kind in the world.
- deployment of Singtel's 5G millimetre wave solution in Micron's flash memory fabrication plant, accelerating Singapore's Industry 4.0 manufacturing initiatives.

At the Singapore Good Design Awards 2022 held in August 2022, Singtel's innovation in 5G was recognised under the Digital Solutions category for its 5G GENIE solution – the world's first portable 5G platform.

SECTION 5 : NCS**NCS**

NCS, a leading technology services firm with presence in Asia Pacific, partners with governments and enterprises to advance communities through technology. Combining the experience and expertise of its 12,000-strong team across 66 specialisations, NCS provides differentiated and end-to-end technology services to clients with its NEXT capabilities in digital, cloud and platforms, as well as core offerings in applications, infrastructure, engineering and cyber.

SUMMARY INCOME STATEMENT
For The Half Year Ended 30 September 2022

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Operating revenue	1,283	1,066	20.4
Singtel-originated ⁽²⁾	-	41	nm
Operating revenue	1,283	1,107	15.9
Operating expenses	(1,171)	(962)	21.7
	112	145	-23.0
Other (expense)/ income ⁽³⁾	(2)	2	nm
EBITDA	110	147	-25.6
<i>- Margin</i>	8.5%	13.3%	
Depreciation & amortisation	(56)	(43)	32.0
EBIT	53	105	-49.2
Operating revenue by SBG ⁽⁴⁾			
Gov+	882	798	10.5
Enterprise	309	201	53.7
Telco+	92	67	37.3
	1,283	1,066	20.4
Operating revenue by services ⁽⁵⁾			
Applications	530	336	57.7
Infrastructure	585	558	4.8
Cyber	102	103	-1.0
Engineering	66	69	-4.3
	1,283	1,066	20.4
Digital, Cloud, Platforms & Cyber as % of total operating revenue ⁽⁶⁾	50%	48%	

"nm" denotes not meaningful.

SECTION 5 : NCS**Notes:**

- (1) The above results are based on the standalone results of NCS group, which include revenue earned as a vendor to other entities in the Singtel Group. Certain products and services purchased by these Singtel entities from NCS are subsequently sold to third parties.
- (2) Singtel's originated revenue ceased from 1 October 2021.
- (3) Included trade foreign exchange differences, rental income, gain/loss on disposal of property, plant and equipment, and other miscellaneous recoveries. The net trade foreign exchange loss amounted to S\$4 million (H1 FY2022: S\$0.4 million) for the half year ended 30 September 2022.
- (4) SBG refers to Strategic Business Group. Gov+, Enterprise and Telco+ focus on growing NCS' business in:
 - (a) Public sector across Asia Pacific;
 - (b) Healthcare, Transport, Financial, Industrial and Commercial sectors; and
 - (c) Communications, Media and Technology sectors respectively.
- (5) Applications comprised bespoke and packaged business application implementation and management services, SAP solutions, Microsoft solutions, enterprise application delivery, operational excellence and testing services. Infrastructure comprised enterprise infrastructure management services ranging from infrastructure architecture and service management, systems and database administration, network integration and management, data centre and business continuity planning, end user computing and service desk operation. Cyber comprised security architecture, threat monitoring, cyber access management, end point and network security. Engineering comprised implementation and management of telecommunications infrastructure, aviation communications, intelligent building systems, secured communications, video technology and analytics, sensors, internet of things (IoT) solutions as well as command and control systems.
- (6) Refers to capabilities in Digital (data analytics, mobility, artificial intelligence), Cloud (development of cloud strategies and implementations), Platforms (IoT solutions, intelligent data fusion platform and smart video analytics platform) and Cyber.

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Cost of sales	552	569	-3.0
Staff costs ⁽¹⁾	556	351	58.3
Selling & administrative ⁽²⁾	51	32	58.1
Repair, maintenance and others	12	9	33.1
Operating expenses	1,171	962	21.7
Direct costs ⁽³⁾	1,059	871	21.5
Indirect costs ⁽³⁾	112	91	23.9
Operating expenses	1,171	962	21.7

Notes:

- (1) Excluding the recent acquisitions in Australia, staff costs would be up 26%.
- (2) Selling and administrative expenses included utility charges of S\$3 million (H1 FY2022: S\$2 million) for the half year ended 30 September 2022.
- (3) Direct costs comprised mainly cost of sales, staff costs and other expenses directly attributable to revenue earned. Indirect costs referred to expenses not directly attributable to revenue earned.

SECTION 5 : NCS

FINANCIAL PERFORMANCE

For The First Half Year Ended 30 September 2022

During the reporting period, NCS adjusted its operating models to become a pan-APAC IT services provider.

Operating revenue grew 20%¹² to S\$1.28 billion. This performance was propelled by broad-based growth across key lines of business as well as contributions from subsidiaries¹³ acquired in the last one year. The acquisitions extended NCS' global footprint beyond Singapore to 16% (H1 FY2022: 5%) and increased contributions from the enterprise sector to 31% (H1 FY2022: 25%) of total operating revenue respectively.

Digital, Cloud, Platforms and Cyber revenue rose 22% and accounted for 50% of total operating revenue, up from 48% in the corresponding period last year. The growth was largely from digital and cloud which was accelerated by the offerings from the recently acquired companies.

Strong bookings of S\$1.3 billion were recorded in the first half of the year, boosted by a significant win in the enterprise sector, coupled with new wins and contract renewals in various sectors.

EBITDA was down 26% as a result of post-acquisition charges relating to its new Australian subsidiaries such as staff retention and earnouts, as well as higher staff costs from investments in digital capabilities to support business growth.

With depreciation and amortisation up 32% mainly from amortisation charges of the acquired intangibles, EBIT declined 49%.

BUSINESS HIGHLIGHTS

To meet the rising demand for high quality digital services in the region, NCS has partnered with FPT Software to launch a Strategic Delivery Centre in Vietnam, its third delivery centre after Pune (India) and Chengdu (China). It offers customised infrastructure services such as secure operating environments, client-customised training, and access to an expanded pool of tech talent.

A new Enterprise Strategic Business Group was created to accelerate NCS' growth in the enterprise space, following the successful establishment of Gov+ and Telco+ last year.

NCS Telco+ signed a memorandum of understanding with Thailand's leading telco AIS to jointly pursue projects in 5G and IoT transformation, cloud and cyber security.

NEXT, NCS' digital services arm, has a 2,000-strong team of digital specialists across 18 specialisations in Asia Pacific. It has integrated and leveraged the combined strengths of the current NEXT team and NCS' acquired digital services companies. This digital powerhouse will bring to scale industry-leading specialisations as well as talent to drive innovation. One such technology use case was a recent partnership between Grab and NCS to pilot food delivery service along Sentosa's Siloso Beach via an outdoor autonomous vehicle.

¹² Excluding Singtel-originated revenue.

¹³ In December 2021 quarter, NCS acquired 100% stake in ClayOPS Pte. Ltd., Riley Solutions Pty Limited and Velocity Business Solutions Limited, and 60% stake in Eighty20 Solutions Pty Ltd ("**Eighty20**"). It also acquired 100% stake in Dialog Pty. Ltd. and Row TopCo Pty Ltd (the group holding company of ARQ Group) in June 2022 quarter. In the current quarter, NCS further acquired another 20% stake in Eighty20 and its shareholding in Eighty20 increased to 80%.

SECTION 6: ASSOCIATES / JOINT VENTURES**ASSOCIATES/ JOINT VENTURES**

The Group has presence in Africa, India, Indonesia, Sri Lanka, the Philippines, and Thailand through its associates, Bharti Airtel, Telkomsel, Globe, AIS and Intouch.

Pre-tax profit contribution ⁽¹⁾	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Regional associates			
Telkomsel ⁽²⁾			
- operating results	455	473	-3.7
- fair value gain/ (loss)	1	*	nm
	456	472	-3.5
AIS			
- operating results	144	165	-12.8
- fair value loss	(5)	(6)	-8.8
	139	160	-12.9
Intouch ⁽³⁾			
- operating results	52	57	-8.4
- fair value gain	5	2	104.2
- amortisation of acquired intangibles	(6)	(11)	-48.1
	52	49	6.0
Globe ⁽²⁾⁽⁴⁾			
- operating results	169	185	-9.0
- fair value gain/ (loss)	3	(4)	nm
	172	181	-5.1
Bharti Telecom ("BTL")/ Bharti Airtel ("Airtel") Airtel ⁽²⁾⁽⁵⁾			
- operating results (India and South Asia)	542	376	44.3
- operating results (Africa) ⁽⁵⁾	310	239	29.7
- net finance costs	(435)	(450)	-3.4
- fair value loss	(70)	(17)	300.6
	348	147	136.0
BTL	(11)	*	nm
	336	147	128.9
	1,155	1,009	14.5
Other Singtel associates			
NetLink NBN Trust/ NetLink Trust ("NLT") ⁽⁶⁾	31	27	12.4
GXS Bank Pte. Ltd. ("GXS Bank") ⁽⁷⁾	(27)	(10)	162.7
Other associates ⁽⁸⁾	(2)	21	nm
Singtel share of pre-tax profit ⁽²⁾	1,157	1,047	10.5
Optus share of pre-tax profit	*	*	nm
Group share of pre-tax profit ⁽²⁾	1,157	1,047	10.5
Group share of tax expense ⁽²⁾	345	296	16.5
Effective tax rate	29.8%	28.2%	

SECTION 6 : ASSOCIATES/ JOINT VENTURES

Post-tax profit contribution ⁽¹⁾	Half Year				YOY Chge %
	30 Sep				
	2022		2021		
	S\$ m	% ⁽⁹⁾	S\$ m	% ⁽⁹⁾	
Regional associates					
Telkomsel ⁽²⁾	350	35	365	37	-4.1
AIS	113	11	131	13	-13.7
Intouch ⁽³⁾					
- ordinary results	46		49		-4.9
- amortisation of acquired intangibles	(5)		(9)		-47.7
	42	4	40	4	4.3
Globe ⁽²⁾⁽⁴⁾	133	13	136	14	-2.2
Airtel ⁽²⁾⁽⁵⁾					
- ordinary results (India and South Asia)	137		(18)		nm
- ordinary results (Africa) ⁽⁶⁾	60		68		-11.9
	197		50		292.2
BTL	(25)		(1)		@
	172	17	49	5	249.0
	809	81	720	73	12.3
Other Singtel associates					
NLT ⁽⁶⁾	28	3	25	3	13.2
GXS Bank ⁽⁷⁾	(27)	(3)	(10)	(1)	162.7
Other associates ⁽⁸⁾	2	**	17	2	-85.6
Singtel share of post-tax profit ⁽²⁾	813	81	752	77	8.1
Optus share of post-tax profit	(1)	**	(1)	**	-10.0
Group share of post-tax profit ⁽²⁾	812	81	751	76	8.2

Post-tax profit contribution (in constant currency) ⁽¹⁰⁾	Half Year		YOY Chge %
	30 Sep		
	2022	2021	
	S\$ m	S\$ m	
Regional associates			
- operating results	1,261	1,045	20.7
- fair value losses	(67)	(25)	169.6
- amortisation of acquired intangibles of Intouch	(6)	(11)	-44.4
	1,187	1,009	17.7
Other associates	2	38	-94.7
Group share of pre-tax profit	1,189	1,047	13.6
Group share of tax expense	(354)	(296)	19.8
Group share of post-tax profit	835	751	11.2

"nm" denotes not meaningful, "**" denotes less than +/- S\$0.5 million and "***" denotes less than +/- 0.05%.

SECTION 6 : ASSOCIATES/ JOINT VENTURES

Notes:

- (1) The accounts of the associates are prepared based on local accounting standards. Where applicable and material, the accounting policies of the associates have been restated for compliance with the Group's accounting policies.
- (2) Share of results excluded the Group's share of the associates' one-off items which have been classified as exceptional items of the Group.
- (3) Singtel holds an equity interest of 25.0% (31 March 2022: 21.2%) in Intouch which has an equity interest of 40.4% (31 March 2022: 40.4%) in AIS.
- (4) The share of Globe's results for the current half year were based on Singtel's estimates.
- (5) As at 30 September 2022, Singtel holds an equity interest of 49.4% (31 March 2022: 49.4%) in BTL and an effective equity interest of 29.5% (31 March 2022: 31.7%) in Airtel. Airtel's equity interest in Airtel Africa remained unchanged at 56.0% from 31 March 2022.
- (6) Singtel holds an equity interest of 24.8% in NetLink NBN Trust, the holding company of NetLink Trust. The share of results included Singtel's amortisation of deferred gain of S\$10 million (H1 FY2022: S\$10 million) for the half year ended 30 September 2022 on assets previously transferred to NetLink Trust, but excluded the fair value adjustments recorded by NetLink NBN Trust in respect of its acquisition of units in NetLink Trust.
- (7) GXS Bank holds the digital bank licence in Singapore.
- (8) Included the share of results of Singapore Post Limited, APT Satellite International Company Limited and Australia Tower Network Pty Limited ("**ATN**").
- (9) Shows the post-tax underlying profit contribution of the associates to the Group's underlying net profit.
- (10) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding half year ended 30 September 2021.

FINANCIAL PERFORMANCE AND BUSINESS HIGHLIGHTS

Pre-tax and post-tax contributions from the associates grew by 11% and 8.2% respectively, impacted by significant depreciations of the Thai Baht and Philippine Peso. If the regional currencies had remained stable from the last corresponding half year, the associates' pre-tax and post-tax profit contributions would have increased by 14% and 11% respectively, mainly due to higher contributions from Airtel and Globe although this was partly offset by weaker performance from Telkomsel and AIS.

Airtel Group continued its growth momentum, with double-digit increases in operating revenue and EBITDA, boosted by strong performances in both India and Africa partially offsetting fair value losses mainly from the devaluation of certain African currencies. Growth at Telkomsel and AIS were hampered by weak macroeconomic conditions along with intense competition. Globe's profit growth was fuelled by revenue growth with the reopening of the economy and higher equity accounted profits of its fintech joint venture, partially offset by higher depreciation and finance charges from accelerated network expansion and upgrades.

The Group's combined mobile customer base was stable from 31 March 2022 with growth from Airtel and AIS offsetting the decline in Telkomsel as it focused on acquiring high value customers.

SECTION 6 : ASSOCIATES/ JOINT VENTURES

PT Telekomunikasi Selular (“Telkomsel”)

Telkomsel is the leading operator of cellular telecommunications services in Indonesia with 160 million mobile customers as at 30 September 2022.

In July 2022, Telkomsel entered into a sale and purchase agreement with PT Dayamitra Telekomunikasi Tbk (“**Mitratel**”) to sell 6,000 telecommunication towers for IDR 10.3 trillion (~ S\$950 million). As part of the transaction, Telkomsel also entered into a 10-year lease arrangement with Mitratel for the rental of tower space, which took effect following the transfer of the respective towers to Mitratel.

Operating revenue was up 2% amid aggressive data competition and unfavourable macroeconomic conditions. The increase in data and digital services was partly offset by continued declines in legacy voice and SMS services from data substitution. EBITDA was stable as higher revenue was offset by higher operating expenses.

After including higher depreciation and interest charges mainly arising from the sale and leaseback of telecommunication towers, Telkomsel’s net profit fell 5% in Indonesian Rupiah terms. In Singapore Dollar terms, Telkomsel’s post-tax contribution for the first half year declined 4.1% with a 1% appreciation of the Indonesian Rupiah.

Telkomsel’s mobile customer base was down by 7.9% from a year ago, as it focused on acquiring high value customers. It has undertaken an exercise to simplify its prepaid products and maximise value for its customers.

In April 2022, Singtel and PT Telekomunikasi Tbk. (“**Telkom**”)¹⁴ signed two memoranda of understanding, covering collaboration in data centres and exploration of a fixed mobile convergence strategy for Telkomsel which will enable it to enjoy significant synergies and enhance its leading position in the market with converged solutions.

In November 2022, Telkomsel has been officially appointed as the winner of 2x5 MHz of the 2100MHz Radio Frequency Band Auction by the Indonesian Ministry of Communication and Information. The additional spectrum will be utilised to increase the capacity and improve the quality of cellular mobile network services.

Advanced Info Service (“AIS”)

AIS, the largest mobile communications operator in Thailand, is listed on the Stock Exchange of Thailand.

AIS’ service revenue (excluding interconnect and equipment rental) rose 2% due to strong demand for fixed broadband and enterprise cloud and IT solutions. Mobile revenue remained stable amid weaker domestic consumption, aggressive competition and a soft economic recovery. ARPU continued to be suppressed with the popularity of low-end unlimited data plans.

EBITDA declined 3% after including higher network, marketing and operating costs.

Despite lower network depreciation charges from its fully amortised 3G network assets, AIS’ net profit fell 8% on account of lower other income.

¹⁴ Telkomsel is 65%-owned by Telkom.

SECTION 6 : ASSOCIATES/ JOINT VENTURES

The Group's share of AIS' post-tax contribution for the first half year declined 14% in Singapore Dollar terms as the Thai Baht depreciated by 7%.

AIS continued to expand its fibre coverage, extending connectivity to more suburb areas. Its fibre customer base increased by 25% from a year ago.

As at 30 September 2022, AIS' 5G network coverage reached 85% of the population and its 5G mobile customers reached 5.5 million, representing 12% of its mobile customer base. Its mobile customer base was up 4.6% from a year ago from successful promotions of attractive 5G bundling packages.

Intouch Holdings (“Intouch”)

Intouch is listed on the Stock Exchange of Thailand, and has investments in telecommunications via its 40.4% equity interest in AIS, as well as in satellite, internet, and media and advertising businesses.

The Group's share of Intouch's net profit contribution for the first half year grew 4.3% due to Singtel's higher equity interest, increased fair value gain from a stronger US Dollar and lower amortisation of acquired intangibles, although this was partially offset by a lower contribution from AIS.

Globe Telecom, Inc (“Globe”)

Globe is listed on the Philippine Stock Exchange.

Service revenue was higher mainly driven by sustained growth in data revenue with growing demand for mobile and enterprise services since the reopening of the economy. Globe's strategic shift to becoming a digital service platform has also driven robust growth in non-telco revenues, particularly Adspark, Yondu, ECPay and Asticom. The increases were partially offset by lower home broadband revenue due to higher churn of fixed wireless customers.

EBITDA was higher, lifted by revenue growth and improved margins.

With higher equity accounted profits from its 36%-owned fintech joint venture partially offsetting higher depreciation and finance charges from accelerated network expansion and upgrades, Globe's pre-tax profit improved 2% in Philippine Peso terms.

With lower tax expense, net profit grew 5%. In Singapore Dollar terms, its post-tax profit contribution for the first half year fell 2.2% as the Philippine Peso depreciated significantly by 8%.

As at 30 September 2022, Globe's mobile customer base was up a healthy 4.6% from a year ago as the economy gradually improved from the lifting of COVID-19 restrictions.

Globe continues to roll out 5G mobile services in Metro Manila and key cities. Its leadership in 5G was recognised by OpenSignal¹⁵ which recently ranked Globe as the winner in four of the five 5G experience categories including video experience and upload speed. Globe was also a winner in the Core Consistency Quality category.

¹⁵ Source: OpenSignal Mobile Network Experience Report, October 2022.

SECTION 6 : ASSOCIATES/ JOINT VENTURES

In October 2022, Globe received overwhelming support for its rights offer. It listed 10.1 million of newly issued common shares to its existing shareholders and raised proceeds amounting to Peso 17 billion (~S\$415 million). Globe will use the proceeds to fund its capital expenditure, pay its short-term debt obligations and expand its digital ecosystem.

Airtel Group¹⁶

Airtel is listed on the Indian Stock Exchanges - National Stock Exchange and the Bombay Stock Exchange. It is a leading integrated telecommunications company with presence in 17 countries across Asia and Africa.

India and Sri Lanka (“India and South Asia”)

Airtel continued to deliver strong growth in operating revenue and EBITDA in the first half year.

In August 2022, Airtel acquired some spectrum¹⁷ at INR 431 billion (~ S\$7.5 billion) and made upfront payment of INR 83 billion (~S\$1.5 billion) for the spectrum. The remaining dues will be repaid over 16 years after four years of moratorium.

Mobile service revenue in India grew 26% led by tariff revisions in December quarter, increased usage and strong 4G customer additions. Airtel continued to lead the industry in ARPU at Rs.190 for the current quarter, up from Rs.183 for the preceding June 2022 quarter. Non-mobile businesses grew at double-digits. Airtel Business revenue was up due to robust demand for data and connectivity related solutions, while Home business revenue was lifted by strong customer additions with its customer base crossing 5 million as at 30 September 2022.

EBITDA rose 28% on the back of higher operating revenue and lower spectrum usage charges.

Including higher depreciation and amortisation charges and lower equity share of Indus’ profit, the Group’s share of pre-tax operating profit (before finance costs and fair value adjustments) from India and South Asia amounted to S\$542 million, up 44% from the last corresponding half year.

In October 2022, Airtel became the first telecom operator to launch 5G services in 8 key cities in India.

Africa

Airtel Africa Plc, the holding company of its African operations, is listed on the London Stock Exchange and Nigeria Stock Exchange. Airtel Africa was added to the FTSE 250 index and MSCI Small Cap index in 2019, as well as FTSE 100 index in January 2022.

Telecommunications and mobile money services are available across the 14 African countries¹⁸ that Airtel has a presence.

¹⁶ Airtel’s results as equity accounted by Singtel are based on IFRS.

¹⁷ Airtel acquired 19,867.8 MHz spectrum in 900 MHz, 1800 MHz, 2100 MHz, 3.5 GHz and 26 GHz frequency bands with useful life of 20 years.

¹⁸ Namely Nigeria, Chad, Congo B, DRC, Gabon, Madagascar, Niger, Kenya, Malawi, Seychelles, Tanzania, Uganda, Zambia and Rwanda.

SECTION 6 : ASSOCIATES/ JOINT VENTURES

Airtel Africa reported double-digit growth in operating revenue and EBITDA of 13% and 14% respectively despite challenging macroeconomic conditions and currency devaluations. Voice revenue was up, primarily driven by an increase in its customer base, despite call barring impact for National Identity Number (NIN) non-compliant customers in Nigeria. Data revenue grew as a result of higher 4G penetration from its expanded network. Airtel Money revenue continued to grow strongly, mainly from growth in its customer base and higher ARPU as its distribution network expanded.

After including higher depreciation and amortisation charges from increased investments in mobile network and a 3% depreciation of the Indian Rupee, the Group's share of Airtel Africa's pre-tax operating profit (before finance costs and fair value adjustments) grew 30% to S\$310 million.

Airtel Africa launched Smartcash in Nigeria after obtaining a Payment Service Bank licence in April 2022.

Airtel Group including Bharti Telecom Ltd (“BTL”)

Airtel Group, comprising businesses in India, Africa and Sri Lanka, reported strong growth in operating revenue, EBITDA and EBIT of 22%, 26% and 48% respectively.

Net finance cost increased mainly due to higher interest expense and fair value losses due mainly to the devaluation of African currencies such as the Nigerian Naira, Central African Franc and Kenyan Shillings. After including higher tax expense, the Group's share of post-tax profit increased almost four-fold to S\$197 million.

BTL's net loss widened due to higher finance expenses from increased borrowings, as well as a withholding tax expense (H1 FY2022: Nil) from dividends received from Airtel.

Including BTL, Airtel Group's total post-tax profit contributions grew more than three times from the last corresponding half year.

Consistent with the prior periods, the Group's share of Airtel's exceptional items are classified at the Group. The exceptional items comprised mainly a fair value gain on revaluation of Airtel's foreign currency convertible bonds¹⁹ and recognition of a deferred tax credit in Africa. Airtel's net exceptional losses in the last corresponding period comprised mainly a fair value loss from a revaluation of Airtel's foreign currency convertible bonds¹⁹, which was partially offset by a gain on sale of its 800 MHz spectrum (see page 8).

¹⁹ This is recorded in equity by Airtel in accordance with Indian Accounting Standards. Singtel records the share of such gain or loss in income statement under IFRS.

SECTION 6 : ASSOCIATES/ JOINT VENTURES

KEY OPERATIONAL DATA

	Airtel ⁽¹⁾	Telkomsel	AIS	Intouch	Globe
Singtel's investment:					
Year of initial investment	2000	2001	1999	2016	1993
Effective economic interest (%)	29.5%	35.0%	23.3% ⁽²⁾	25.0%	46.8% ⁽³⁾
Investment to date	S\$4.80 bil ⁽⁴⁾	S\$1.93 bil	S\$1.20 bil	S\$1.86 bil	S\$1.02 bil
Closing market share price ⁽⁵⁾	INR 800	NA	THB 195 ⁽⁶⁾	THB 73 ⁽⁶⁾	PHP 2,030
Market capitalisation					
- Total	S\$81.19 bil	NA	S\$21.97 bil	S\$8.84 bil	S\$6.64 bil
- Singtel holding	S\$23.99 bil	NA	S\$5.12 bil	S\$2.21 bil	S\$3.10 bil
Operational Performance :					
Mobile customer market share, 30 Sep 2022 ⁽⁷⁾	31.7%	50.6%	45.4%	NM	56.4%
Market position ⁽⁸⁾	#2	#1	#1	NM	#1
Mobile customers ('000)					
- Aggregate	465,419	159,836	45,662	NM	87,874
- Proportionate	125,095	55,942	10,645	4,614	41,100
Growth in mobile customers (%) ⁽⁹⁾	3.7%	-7.9%	4.6%	NM	4.6%
Credit ratings					
- Sovereign (Moody's/ S&P Global)	Baa3/BBB-	Baa2/BBB	Baa1/BBB+	Baa1/BBB+	Baa2/BBB+
- Company (Moody's/ S&P Global)	Baa3/BBB-	Baa1/NA	NA/BBB+	NA	NA

Notes:

- (1) The mobile customer market share and market position pertain to India market only.
(2) Based on direct equity interest only.
(3) Singtel has 21.4% interest in Globe's voting shares.
(4) Excludes Singtel's direct equity investment of 3.9% in Airtel Africa which is accounted as a 'Fair Value through Other Comprehensive Income' investment in the Group's statement of financial position.
(5) Based on closing market price in local currency as of 30 September 2022.
(6) Based on local market price quoted on the Stock Exchange of Thailand.
(7) Based on actual or latest data available as of 30 September 2022.
(8) Based on number of mobile customers and based on actual or latest data available as of 30 September 2022.
(9) Compared against 30 September 2021 and based on aggregate number of mobile customers.

"NA" denotes not applicable.

"NM" denotes not meaningful.

Please refer to **Appendix 7** for the currency rate movements of the regional associates.

SECTION 7 : PRODUCT INFORMATION

SINGAPORE PRODUCT DRIVERS

	Quarter			Half Year		YOY Chge %
	30 Sep 2022	30 Jun 2022	30 Sep 2021	30 Sep 2022 2021		
Mobile						
Mobile revenue (S\$'M) ⁽¹⁾	461	430	448	891	852	4.6
Mobile service revenue (S\$'M) ⁽²⁾	317	309	287	625	566	10.5
Number of mobile customers (000s)						
Prepaid	1,385	1,301	1,349	1,385	1,349	2.7
Postpaid	2,880	2,856	2,811	2,880	2,811	2.5
Total	4,265	4,157	4,160	4,265	4,160	2.5
Average revenue per customer per month ⁽³⁾⁽⁴⁾ (S\$ per month)						
Prepaid	13	13	13	13	13	-1.5
Postpaid	33	32	29	32	29	12.6
Blended	26	26	24	26	23	10.3
Data usage (GB per month) ⁽⁵⁾	10	9	8	9	8	19.2
Postpaid external churn per month ⁽⁶⁾	1.0%	0.8%	0.9%	0.9%	0.9%	
Mobile customer market share ⁽⁷⁾	47.4%	47.6%	49.9%	47.4%	49.9%	

Notes:

- (1) Comprised mobile service revenue, sales of mobile equipment and handset leasing.
- (2) This is determined net of bill rebates and prepaid sales discount, and includes mobile revenue earned from international telephone calls and broadband bundles.
- (3) Based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (4) Average Revenue Per User (ARPU) includes revenue earned from international telephone calls. For prepaid, ARPU is computed net of sales discounts.
- (5) Data usage of postpaid smartphone customers from both Consumer and Enterprise segments.
- (6) Calculated by expressing the number of postpaid subscribers who deactivate or disconnect their service (both voluntary and the Company's initiated churn) as a percentage of average number of subscribers.
- (7) The mobile customer market share data as at 30 September 2022 was based on IMDA's latest published market statistics.

SECTION 7 : PRODUCT INFORMATION

	Quarter			Half Year		YOY Chge %
	30 Sep 2022	30 Jun 2022	30 Sep 2021	30 Sep 2022 2021		
Fixed Broadband						
Fixed broadband revenue (S\$'M) ⁽¹⁾	121	121	122	242	241	0.4
Fixed broadband lines (000s)	663	660	654	663	654	1.4
Fixed broadband market share ⁽²⁾	43.0%	43.1%	43.2%	43.0%	43.2%	
Pay TV						
Singtel TV revenue (S\$'M)	35	44	50	80	102	-21.7
Average revenue per residential TV customer per month (S\$ per month)	33	38	41	35	41	-13.2
Residential TV customers (000s)	333	343	368	333	368	-9.4
Singapore Consumer Fixed						
Singapore Consumer Fixed revenue (S\$'M) ⁽³⁾	126	134	139	260	278	-6.3
Households on triple/ quad play services (000s) ⁽⁴⁾	527	529	530	527	530	-0.7

Notes:

- (1) Comprised broadband service revenue and sales of equipment.
- (2) The market share data as at 30 September 2022 was based on IMDA's latest available published statistics as of 31 July 2022.
- (3) Comprised fixed broadband, fixed voice, Singtel TV and broadband, and home equipment in the residential segment only and does not include mobile.
- (4) Total number of residential households who subscribed to 3 or 4 unique services comprising fixed broadband, fixed voice, Singtel TV and mobile.

SECTION 7 : PRODUCT INFORMATION

AUSTRALIA PRODUCT DRIVERS

	Quarter			Half Year		YOY Chge %
	30 Sep 2022	30 Jun 2022	30 Sep 2021	30 Sep		
	2022	2022	2021	2022	2021	
Mobile						
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,315	1,248	1,245	2,563	2,511	2.1
Optus' mobile service revenue (A\$'M)	947	935	931	1,882	1,845	2.0
Number of mobile customers (000s)						
Prepaid	3,258	3,160	2,983	3,258	2,983	9.2
Postpaid	6,006	5,969	5,848	6,006	5,848	2.7
Connected devices ⁽²⁾	1,070	1,038	992	1,070	992	7.9
Total	10,334	10,166	9,823	10,334	9,823	5.2
Average revenue per customer per month ⁽³⁾ (A\$ per month)						
Prepaid	19	20	20	20	20	-2.0
Postpaid	40	39	40	40	40	-1.2
Connected devices ⁽²⁾	13	15	14	14	14	-2.1
Blended	31	31	32	31	31	-1.9
Data usage (GB per month) ⁽⁴⁾	14	14	13	14	13	11.7
Mobile customer market share ⁽⁵⁾	31.4%	31.4%	31.2%	31.4%	31.2%	
Retail postpaid churn rate per month ⁽⁶⁾	1.2%	1.2%	1.2%	1.2%	1.2%	

Notes:

- (1) Comprised mobile service revenue (both outgoing and incoming), sales of equipment and handset leasing.
- (2) Defined as data-only SIMs and included customers on both prepaid and postpaid plans.
- (3) Based on average number of customers, calculated as the simple average of opening and closing number of customers.
- (4) Based on postpaid handset monthly usage and includes Wholesale and amaysim.
- (5) Based on latest available market share either as at the end of June or December.
- (6) Churn calculation excluded customers transferred from postpaid to prepaid.

SECTION 7 : PRODUCT INFORMATION

Australia	Quarter			Half Year		YOY Chge %
	30 Sep 2022	30 Jun 2022	30 Sep 2021	30 Sep		
	2022	2022	2021	2022	2021	
Home						
Blended Home ARPU (A\$) ⁽¹⁾	73	71	70	72	70	2.6
Home customers (000s) ⁽²⁾						
NBN	1,111	1,106	1,082	1,111	1,082	2.7
Fixed Wireless Access (FWA)	209	207	211	209	211	-1.1
Others ⁽³⁾	*	1	24	*	24	nm
Total	1,320	1,314	1,317	1,320	1,317	0.2
Optus Sport customers (000s)	922	1,002	1,008	922	1,008	-8.5

*** denotes less than A\$0.5 million and "nm" denotes not meaningful.

Notes:

- (1) Excluded NBN migration revenue.
- (2) Referred to retail customers who took up broadband (including fixed/ 4G/ 5G Internet) and/ or voice.
- (3) These are customers on Hybrid Fiber Coaxial (HFC)/ Unbundled Local Loop (ULL).

SECTION 8: GLOSSARY

“ACCC”	Australian Competition And Consumer Commission.
“ACMA”	Australian Communications and Media Authority.
“ARPU”	Average revenue per user.
“Associate”	Refers to an associate and/or a joint venture company under Singapore Financial Reporting Standards (International).
“ATO”	Australian Taxation Office.
“ATN”	Rebranded to Indara Digital Infrastructure from October 2022.
“EI”	Exceptional items, which refer to items of income or expense within profit or loss from ordinary activities that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the financial period.
“EBIT”	Earnings before interest and tax.
“EBITDA”	Earnings before interest, tax, depreciation and amortisation, and does not include the share of pre-tax results of associates.
“EBITDA margin”	Ratio of EBITDA over operating revenue.
“EPS”	Earnings per share.
“Free Cash Flow”	Free cash flow refers to cash flow from operating activities less cash capital expenditure.
“ICT”	Infocomm technology.
“IFRS”	International Financial Reporting Standards
“IoT”	Internet of things.
“IMDA”	Infocomm Media Development Authority.
“MOU”	Minutes of use per subscriber.
“MVNO”	Mobile Virtual Network Operator.
“NA”	Not applicable.
“NBN”	National Broadband Network.
“ND”	Not disclosed.
“NM”	Not meaningful.
“NPS”	Net Promoter Score. This is a widely used metric to measure customer experience by scoring the willingness of customers to recommend a brand following an interaction with the company.
“Optus”	Singtel Optus Pty Limited, Singtel's wholly-owned subsidiary.
“OTT”	Over-the-top.
“Regional associates”	Comprises Airtel, AIS, Intouch, Telkomsel and Globe.
“SFRS(I)”	Singapore Financial Reporting Standards (International).
“SMS”	Short message service.
“SME”	Small and medium-sized enterprises.
“TIO”	Refers to Telecommunications Industry Ombudsman in Australia.
“Underlying net profit”	Defined as net profit before exceptional items.
“VPN”	Virtual Private Network.

GROUP OPERATING REVENUE

By Products and Services	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Mobile service (includes international call revenue)	2,521	2,507	0.6
Sale of equipment	938	950	-1.3
Leasing revenue ⁽¹⁾	1	17	-96.4
Mobile	3,460	3,473	-0.4
Infocomm Technology (ICT)	1,866	1,645	13.4
Data and Internet (includes NBN migration revenues)	1,587	1,628	-2.5
Digital businesses ⁽²⁾	11	502	-97.8
Fixed voice	196	231	-15.3
Pay television	115	142	-19.1
Others	25	33	-22.3
Total	7,259	7,653	-5.1

Operating Revenue Mix	Half Year	
	30 Sep	
	2022 %	2021 %
Mobile service	34.7	32.8
Sale of equipment	12.9	12.4
Leasing revenue ⁽¹⁾	**	0.2
Mobile	47.6	45.4
Infocomm Technology (ICT)	25.7	21.5
Data and Internet (includes NBN migration revenues)	21.9	21.3
Digital businesses ⁽²⁾	0.2	6.6
Fixed voice	2.7	3.0
Pay television	1.6	1.8
Others	0.3	0.4
Total	100.0	100.0

*** denotes less than +/- 0.05%

Notes:

- (1) Comprised revenue from lease of handsets to mobile customers under 2-year contracts. Handset leasing plans in Australia are no longer offered from July 2019.
- (2) Amobee ceased to be consolidated from 1 April 2022.

GROUP OPERATING EXPENSES

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Cost of sales ⁽¹⁾	2,018	2,339	-13.7
Staff costs	1,463	1,368	7.0
Selling & administrative ⁽²⁾	948	987	-4.0
Traffic expenses	785	859	-8.7
Repair & maintenance	232	231	0.7
Others	10	26	-61.5
Total	5,456	5,810	-6.1

As a percentage of operating revenue	Half Year	
	30 Sep	
	2022 %	2021 %
Cost of sales ⁽¹⁾	27.8	30.6
Staff costs	20.2	17.9
Selling & administrative ⁽²⁾	13.1	12.9
Traffic expenses	10.8	11.2
Repair & maintenance	3.2	3.0
Others	0.1	0.3
Total	75.2	75.9

Notes:

(1) Cost of sales included cost of goods sold and direct service costs such as costs of content and programming.

(2) Selling and administrative expenses included utility charges of S\$122 million (H1 FY2022: S\$93 million) for the half year ended 30 September 2022.

GROUP STAFF COSTS

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$m	
Staff costs			
Optus	497	488	1.8
Singtel and other subsidiaries	966	879	9.9
Group	1,463	1,368	7.0

	Half Year		YOY Chge %
	30 Sep		
	2022	2021	
Average number of staff			
Optus	6,851	6,897	-0.7
Singtel and other subsidiaries	17,056	15,908	7.2
Group ⁽¹⁾	23,907	22,805	4.8
Headcount as at end of period			
Optus	6,921	6,753	2.5
Singtel and other subsidiaries	17,030	15,830	7.6
Group ⁽¹⁾	23,951	22,583	6.1

Note:

(1) Headcount for staff deployed in capital projects are included in the table above, though the related staff costs are capitalised as part of the cost of property, plant and equipment.

FY2022 BUSINESS SEGMENT RESULTS (RESTATED)

With effect from 1 April 2022, the Group's segment reporting has been changed to reflect the new organisation structure. The results for the comparative periods have been restated on the same basis.

The segments are as follows -

Optus offers mobile, equipment sales, fixed voice and data, satellite, managed services, ICT, cloud computing and cybersecurity in Australia.

Singapore Consumer offers mobile, fixed broadband, voice, pay television, content and digital services, as well as equipment sales in Singapore.

Group Enterprise provides ICT, mobile, equipment sales, fixed voice and data, satellite, managed services, cloud computing and cyber security. Australia Enterprise, which was previously under Group Enterprise, is reported under Optus from 1 April 2022.

NCS offers ICT (including cybersecurity) and IT services, as well as professional consulting in Singapore, Australia and in the region.

Trustwave provides cybersecurity services in the U.S.

Amobee offers digital media and advertising services.

Corporate comprises the costs of Group functions not allocated to the business segments.

	Quarter				Half Year		Year
	30 Jun 2021 S\$ m	30 Sep 2021 S\$ m	31 Dec 2021 S\$ m	31 Mar 2022 S\$ m	H1 FY2022 S\$ m	H2 FY2022 S\$ m	31 Mar 2022 S\$ m
	Operating revenue						
Optus	2,024	1,938	1,981	1,872	3,962	3,852	7,814
Singapore Consumer	414	453	482	414	867	897	1,764
Group Enterprise ⁽¹⁾	612	633	650	628	1,245	1,277	2,522
NCS ⁽¹⁾	528	579	559	695	1,107	1,254	2,361
Trustwave ⁽¹⁾	98	101	87	82	199	169	368
Amobee	236	254	251	181	490	432	922
Less: Intercompany eliminations ⁽²⁾	(114)	(103)	(96)	(99)	(217)	(195)	(412)
Group	3,798	3,855	3,913	3,774	7,653	7,687	15,339
<i>Optus underlying operating revenue ⁽³⁾</i>	<i>1,981</i>	<i>1,929</i>	<i>1,974</i>	<i>1,861</i>	<i>3,910</i>	<i>3,834</i>	<i>7,745</i>
<i>Group underlying operating revenue ⁽⁴⁾</i>	<i>3,519</i>	<i>3,592</i>	<i>3,655</i>	<i>3,581</i>	<i>7,111</i>	<i>7,236</i>	<i>14,347</i>
EBITDA							
Optus	542	507	558	454	1,049	1,012	2,061
Singapore Consumer	149	149	156	128	298	284	582
Group Enterprise ⁽¹⁾	271	271	284	265	542	549	1,091
NCS ⁽¹⁾	84	63	71	83	147	155	302
Trustwave ⁽¹⁾	(24)	(26)	(35)	(30)	(50)	(66)	(116)
Amobee	5	2	*	(11)	7	(11)	(4)
Corporate	(28)	(34)	(40)	(38)	(63)	(78)	(141)
Less: Intercompany eliminations ⁽²⁾	(1)	(1)	(5)	(2)	(2)	(7)	(8)
Group	997	932	990	849	1,929	1,839	3,767
<i>Optus underlying EBITDA ⁽³⁾</i>	<i>499</i>	<i>498</i>	<i>551</i>	<i>443</i>	<i>997</i>	<i>994</i>	<i>1,991</i>
<i>Group underlying EBITDA ⁽⁴⁾</i>	<i>949</i>	<i>920</i>	<i>983</i>	<i>849</i>	<i>1,870</i>	<i>1,832</i>	<i>3,701</i>
EBIT (before associates' contributions)							
Optus	67	43	97	5	110	102	211
Singapore Consumer	74	79	85	43	153	128	281
Group Enterprise ⁽¹⁾	183	182	191	170	365	361	725
NCS ⁽¹⁾	63	42	50	59	105	109	214
Trustwave ⁽¹⁾	(33)	(34)	(42)	(36)	(67)	(78)	(145)
Amobee	(11)	(14)	(17)	(28)	(25)	(45)	(70)
Corporate	(30)	(35)	(46)	(49)	(65)	(96)	(161)
Less: Intercompany eliminations ⁽²⁾	(1)	(1)	(4)	(3)	(2)	(8)	(10)
Group	312	261	313	159	572	472	1,045
<i>Optus underlying EBIT ⁽³⁾</i>	<i>24</i>	<i>34</i>	<i>90</i>	<i>(6)</i>	<i>58</i>	<i>84</i>	<i>141</i>
<i>Group underlying EBIT ⁽⁴⁾</i>	<i>280</i>	<i>266</i>	<i>324</i>	<i>176</i>	<i>546</i>	<i>500</i>	<i>1,045</i>

"*" denotes less than +/- S\$0.5 million

Notes:

- (1) Based on statutory view, which include revenue earned as a vendor to the other entities in the Singtel Group.
- (2) Comprised eliminations of intercompany transactions between Group Enterprise, NCS and Trustwave.
- (3) Excluded Optus' NBN migration revenue.
- (4) Excluded Optus' NBN migration revenue and results of Amobee.

BUSINESS SEGMENT RESULTS

	Quarter			YOY		QOQ
	30 Sep 2022 S\$ m	30 Jun 2022 S\$ m	30 Sep 2021 ⁽²⁾ S\$ m	Chge %	Chge in cc ⁽¹⁾ %	Chge %
Operating revenue						
Optus	1,899	1,944	1,938	-2.0	2.1	-2.3
Singapore Consumer	446	428	453	-1.6	-1.6	4.1
Group Enterprise ⁽²⁾⁽³⁾	651	613	633	2.9	2.9	6.2
NCS-originated	685	598	566	21.0	21.0	14.7
Singtel-originated ⁽⁴⁾	-	-	13	nm	nm	-
NCS ⁽³⁾	685	598	579	18.3	18.3	14.7
Trustwave ⁽³⁾	41	44	101	-59.7	-60.7	-8.3
Less: Intercompany eliminations ⁽⁵⁾	(47)	(43)	(103)	-54.7	-54.7	8.4
	3,675	3,584	3,601	2.1	4.2	2.6
Amobee ⁽⁶⁾	-	-	254	nm	nm	-
Group	3,675	3,584	3,855	-4.7	-2.7	2.6
Optus underlying operating revenue ⁽⁷⁾	1,899	1,944	1,929	-1.5	2.5	-2.3
Group underlying operating revenue ⁽⁸⁾	3,675	3,584	3,592	2.3	4.5	2.6
EBITDA						
Optus	502	531	507	-1.0	3.1	-5.4
Singapore Consumer	162	166	149	8.6	8.6	-2.5
Group Enterprise ⁽²⁾⁽³⁾	270	274	271	-0.4	-0.4	-1.4
NCS ⁽³⁾	40	70	63	-37.0	-37.0	-43.2
Trustwave ⁽³⁾	(29)	(29)	(26)	11.5	6.9	1.4
Corporate	(39)	(29)	(34)	13.1	13.1	32.0
Less: Intercompany eliminations ⁽⁵⁾	(6)	(5)	(1)	@	@	7.7
	900	977	929	-3.1	-0.8	-7.9
Amobee ⁽⁶⁾	-	-	2	nm	nm	-
Group	900	977	932	-3.4	-1.0	-7.9
Optus underlying EBITDA ⁽⁷⁾	502	531	498	0.7	4.9	-5.4
Group underlying EBITDA ⁽⁸⁾	900	977	920	-2.2	0.2	-7.9
EBIT (before associates' contributions)						
Optus	74	85	43	71.6	79.8	-13.3
Singapore Consumer	83	91	79	4.4	4.4	-8.6
Group Enterprise ⁽²⁾⁽³⁾	178	183	182	-2.2	-2.2	-3.0
NCS ⁽³⁾	6	48	42	-86.3	-86.3	-88.0
Trustwave ⁽³⁾	(34)	(33)	(34)	-1.8	-6.1	1.2
Corporate	(49)	(40)	(35)	38.6	38.6	22.9
Less: Intercompany eliminations ⁽⁵⁾	(6)	(6)	(1)	369.2	369.2	8.9
	251	328	275	-8.6	-6.8	-23.3
Amobee ⁽⁶⁾	-	-	(14)	nm	nm	-
Group	251	328	261	-3.6	-1.8	-23.3
Optus underlying EBIT ⁽⁷⁾	74	85	34	117.1	127.3	-13.3
Group underlying EBIT ⁽⁸⁾	251	328	266	-5.5	-3.7	-23.3

"nm" denotes not meaningful and "@" denotes more than +/- 500%.

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding quarter ended 30 September 2021.
- (2) Segment results have been restated to be consistent with the organisation chart in FY2023.
- (3) Based on statutory view, which include revenue earned as a vendor to the other entities in the Singtel Group.
- (4) Singtel-originated business ceased from 1 October 2021.
- (5) Comprised eliminations of intercompany transactions between Group Enterprise, NCS and Trustwave.
- (6) Amobee was classified as a 'subsidiary held for sale' as at 31 March 2022 and ceased to be consolidated on a line-by-line basis from 1 April 2022. In September 2022, the Group completed the sale of Amobee..
- (7) Excluded Optus' NBN migration revenue (Q2 FY2023: A\$0.2 million, Q2 FY2022: A\$9 million).
- (8) Excluded Optus' NBN migration revenue (Q2 FY2023: A\$0.2 million, Q2 FY 2022: A\$9 million) and results of Amobee.

BUSINESS SEGMENT RESULTS (HALF YEAR)

	Half Year		YOY	
	30 Sep		Chge %	Chge in cc ⁽¹⁾ %
	2022 S\$ m	2021 ⁽²⁾ S\$ m		
Operating revenue				
Optus	3,843	3,962	-3.0	1.0
Singapore Consumer	874	867	0.8	0.8
Group Enterprise ⁽²⁾⁽³⁾	1,264	1,245	1.6	1.6
NCS-originated	1,283	1,066	20.4	20.4
Singtel-originated ⁽⁴⁾	-	41	nm	nm
NCS ⁽³⁾	1,283	1,107	15.9	15.9
Trustwave ⁽³⁾	85	199	-57.3	-58.5
Less: Intercompany eliminations ⁽⁵⁾	(90)	(217)	-58.7	-58.7
	7,259	7,163	1.3	3.5
Amobee ⁽⁶⁾	-	490	nm	nm
Group	7,259	7,653	-5.1	-3.1
Optus underlying operating revenue ⁽⁷⁾	3,843	3,910	-1.7	2.3
Group underlying operating revenue ⁽⁸⁾	7,259	7,111	2.1	4.3
EBITDA				
Optus	1,033	1,049	-1.5	2.5
Singapore Consumer	328	298	10.2	10.2
Group Enterprise ⁽²⁾⁽³⁾	544	542	0.3	0.3
NCS ⁽³⁾	110	147	-25.6	-25.6
Trustwave ⁽³⁾	(58)	(50)	14.3	10.7
Corporate	(68)	(63)	8.9	8.9
Less: Intercompany eliminations ⁽⁵⁾	(11)	(2)	@	@
	1,878	1,922	-2.3	**
Amobee ⁽⁶⁾	-	7	nm	nm
Group	1,878	1,929	-2.6	-0.3
Optus underlying EBITDA ⁽⁷⁾	1,033	997	3.6	7.8
Group underlying EBITDA ⁽⁸⁾	1,878	1,870	0.4	2.8
EBIT (before associates' contributions)				
Optus	159	110	45.0	51.3
Singapore Consumer	173	153	13.4	13.4
Group Enterprise ⁽²⁾⁽³⁾	361	365	-1.0	-1.0
NCS ⁽³⁾	53	105	-49.2	-49.2
Trustwave ⁽³⁾	(67)	(67)	-0.1	-3.4
Corporate	(89)	(65)	36.2	36.2
Less: Intercompany eliminations ⁽⁵⁾	(12)	(2)	431.8	431.8
	579	598	-3.1	-1.7
Amobee ⁽⁶⁾	-	(25)	nm	nm
Group	579	572	1.2	2.7
Optus underlying EBIT ⁽⁷⁾	159	58	174.9	183.9
Group underlying EBIT ⁽⁸⁾	579	546	6.1	7.7

"nm" denotes not meaningful, "@" denotes more than +/- 500% and "***" denotes less than +/- 0.05%.

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding half year ended 30 September 2021.
- (2) Segment results have been restated to be consistent with the organisation chart in FY2023.
- (3) Based on statutory view, which include revenue earned as a vendor to the other entities in the Singtel Group.
- (4) Singtel-originated business ceased from 1 October 2021.
- (5) Comprised eliminations of intercompany transactions between Group Enterprise, NCS and Trustwave.
- (6) Amobee was classified as a 'subsidiary held for sale' as at 31 March 2022 and ceased to be consolidated on a line-by-line basis from 1 April 2022. In September 2022, the Group completed the sale of Amobee.
- (7) Excluded Optus' NBN migration revenue (H1 FY2023: A\$0.3 million, H1 FY2022: A\$51 million).
- (8) Excluded Optus' NBN migration revenue (H1 FY2023: A\$0.3 million, H1 FY 2022: A\$51 million) and results of Amobee.

**OPTUS FINANCIALS IN AUSTRALIAN DOLLARS
(BASED ON STATUTORY VIEW)****OPTUS SUMMARY INCOME STATEMENT
For The Half Year Ended 30 September 2022**

	Half Year		YOY Chge %
	30 Sep		
	2022 A\$ m	2021 A\$ m	
Operating revenue	3,963	3,923	1.0
Operating expenses	(2,962)	(2,936)	0.9
Other income	64	55	15.6
EBITDA - margin	1,065 26.9%	1,042 26.6%	2.2
Share of results of joint ventures	*	*	nm
EBITDA and share of results of joint ventures	1,065	1,042	2.2
Depreciation & amortisation	(901)	(897)	0.5
EBIT	164	145	13.0
Net finance expense	(102)	(97)	4.5
Profit before exceptional items and tax	62	48	30.2
Taxation	(20)	(13)	54.4
Underlying net profit	42	35	21.3
Exceptional items (post tax)	(100)	119	nm
Net (loss)/ profit	(57)	154	nm
NBN migration revenue	*	51	nm
Ex-NBN migration revenue			
Operating revenue	3,963	3,872	2.3
EBITDA	1,064	991	7.4
EBIT	164	94	73.4

“*” denotes less than +/- A\$0.5 million and “nm” denotes not meaningful.

OPTUS SUMMARY STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2022	31 Mar 2022	30 Sep 2021
	A\$ m	A\$ m	A\$ m
Current assets (excluding cash)	2,890	2,816	2,911
Cash and bank balances	69	764	97
Non-current assets	16,200	16,012	16,346
Total assets	19,159	19,592	19,354
Current liabilities	4,520	4,699	4,638
Non-current liabilities	4,914	5,172	4,974
Total liabilities	9,434	9,871	9,612
Net assets	9,726	9,721	9,742
Share capital	5,317	5,317	5,317
Retained earnings and other reserves	4,409	4,404	4,425
Equity attributable to shareholders	9,726	9,721	9,742

CAPITAL MANAGEMENT

	As at		
	30 Sep 2022	31 Mar 2022	30 Sep 2021
	A\$ m	A\$ m	A\$ m
Gross debt			
Current debt	950	1,240	1,304
Non-current debt	4,368	4,791	4,677
Gross debt as reported in statement of financial position	5,318	6,031	5,981
Related net hedging liability	129	89	25
Hedged gross debt	5,447	6,119	6,005
Less: Interest bearing intercompany receivable	-	-	(516)
Less: Cash and bank balances	(69)	(764)	(97)
Net debt	5,378	5,355	5,392

OPTUS CASH FLOW STATEMENT

For The Half Year Ended 30 September 2022

	Half Year		YOY Chg %
	30 Sep		
	2022 A\$ m	2021 A\$ m	
Net cash inflow from operating activities			
Profit before exceptional items and tax	62	48	30.2
Non-cash items	997	978	2.0
Operating cash flow before working capital changes	1,060	1,026	3.3
Changes in operating assets and liabilities	199	183	8.4
Operating cash flow	1,258	1,209	4.1
Net cash (outflow)/ inflow for investing activities			
Accrued capital expenditure	(626)	(512)	22.3
Changes in creditors' balances	(116)	(282)	-58.8
Cash capital expenditure	(742)	(793)	-6.5
Loan to holding company ⁽¹⁾	(56)	(55)	2.0
Payment for purchase of spectrum	(79)	(77)	2.8
Proceeds from sale and leaseback of assets ⁽¹⁾	-	961	nm
Payment for purchase of other intangibles	(2)	-	nm
Others	(2)	(12)	-84.6
	(881)	24	nm
Net cash outflow for financing activities			
Net decrease in loans and bonds	(792)	(978)	-19.1
Lease payments	(161)	(162)	-0.5
Net decrease in borrowings	(953)	(1,140)	-16.4
Net interest paid on borrowings and swaps	(112)	(99)	13.3
Purchase of Singtel shares	(7)	(3)	133.8
	(1,072)	(1,242)	-13.7
Net change in cash and cash equivalents	(695)	(9)	@
Optus cash and cash equivalents at beginning	764	106	@
Optus cash and cash equivalents at end	69	97	-28.7
Optus free cash flow	517	416	24.2
Cash capex to operating revenue	19%	20%	

"nm" denotes not meaningful and "@" denotes more than +/- 500%

Note:

(1) The intercompany amounts are eliminated at Singtel Group level. The proceeds from the sale and leaseback were from ATN, a former subsidiary of Singtel.

GROUP STATEMENTS OF FINANCIAL POSITION

	As at		
	30 Sep 2022	31 Mar 2022	30 Sep 2021
	S\$ m	S\$ m	S\$ m
Current assets			
Cash and cash equivalents	3,524	2,130	768
Trade and other receivables	4,914	5,245	5,160
Inventories	364	270	289
Subsidiary held for sale ⁽¹⁾	-	450	-
Derivative financial instruments	62	36	68
	8,864	8,130	6,284
Non-current assets			
Property, plant and equipment	10,238	10,892	10,833
Right-Of-Use ("ROU") assets	3,200	3,358	3,016
Intangible assets	11,276	11,977	13,173
Associates	2,493	2,132	1,965
Joint ventures	9,296	10,908	10,531
Fair value through other comprehensive income ("FVOCI") investments	803	808	739
Deferred tax assets	316	309	260
Derivative financial instruments	291	82	39
Other non-current receivables	619	535	662
	38,530	41,001	41,218
Total assets	47,394	49,131	47,502
Current liabilities			
Trade and other payables	5,086	5,596	5,331
Advance billings	783	806	839
Current tax liabilities	814	769	190
Borrowings (unsecured)	741	1,072	1,138
Borrowings (secured)	517	542	422
Derivative financial instruments	31	17	8
Subsidiary held for sale ⁽¹⁾	-	233	-
Net deferred gain ⁽²⁾	21	21	21
	7,993	9,055	7,948
Non-current liabilities			
Borrowings (unsecured)	6,993	7,204	7,687
Borrowings (secured)	2,938	3,050	2,694
Derivative financial instruments	518	434	186
Advance billings	265	114	127
Net deferred gain ⁽²⁾	366	357	363
Deferred tax liabilities	534	499	505
Other non-current liabilities	278	308	282
	11,892	11,967	11,844
Total liabilities	19,885	21,022	19,792
Net assets	27,509	28,109	27,710
Share capital and reserves			
Share capital	4,573	4,573	4,573
Reserves	21,919	22,539	22,093
Equity attributable to shareholders of the Company	26,492	27,112	26,666
Perpetual securities	1,013	1,013	1,013
	27,505	28,124	27,679
Minority interests and other reserve	4	(15)	31
Total equity	27,509	28,109	27,710

Notes:

- (1) Amobee was classified as a 'subsidiary held for sale' as at 31 March 2022 and ceased to be consolidated on a line-by-line basis from 1 April 2022. In September 2022, the Group completed the sale of Amobee.
- (2) Relates to deferred gain on transfer of certain assets to NetLink Trust.

GROUP CASH FLOW STATEMENT

For The Half Year Ended 30 September 2022

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Net cash inflow from operating activities			
Profit before exceptional items and tax	1,540	1,484	3.7
Non-cash items	346	421	-17.8
Operating cash flow before working capital changes	1,885	1,905	-1.0
Changes in operating assets and liabilities	(174)	(72)	141.6
Cash paid to employees under performance share plans	1,711	1,833	-6.6
Tax paid on operating activities	*	*	nm
Operating cash flow before dividends from associates	(94)	(125)	-24.8
Dividends/ Distributions received from associates	1,617	1,707	-5.3
Withholding tax paid on dividends received	1,158	1,300	-11.0
	(115)	(133)	-13.7
	2,660	2,874	-7.5
Net cash inflow/ (outflow) from investing activities			
Accrued capital expenditure	(832)	(679)	22.4
Changes in creditors' balances	(233)	(424)	-45.0
Cash capital expenditure	(1,065)	(1,103)	-3.5
Investment in associates	(474)	(58)	@
Proceeds from disposal of joint ventures	2,533	-	nm
Proceeds from disposal of subsidiaries	262	-	nm
Loan to associates	(96)	-	nm
Payment for purchase of spectrum	(76)	(79)	-3.4
Payment for purchase of other intangibles	(11)	(34)	-68.5
Payment for purchase of subsidiaries, net of cash acquired	(558)	-	nm
Investment in FVOCI investments	(60)	(6)	@
Proceeds from disposal of FVOCI investments	16	23	-27.8
Proceeds from disposal of property, plant and equipment	2	4	-55.8
Withholding tax paid on interest received on intercompany loans	(5)	(5)	-1.9
Payment for acquisition of minority interests	(6)	-	nm
Investment income from FVOCI investments	6	7	-13.9
Others	5	(8)	nm
	474	(1,259)	nm
Net cash outflow from financing activities			
Net decrease in loans and bonds	(503)	(1,825)	-72.5
Lease payments	(212)	(212)	-0.1
Net decrease in borrowings	(714)	(2,037)	-64.9
Settlement of swap for bonds repaid	-	44	nm
Net interest paid on borrowings and swaps	(198)	(197)	0.7
Final dividend paid to shareholders	(793)	(396)	100.0
Proceeds from issuance of perpetual securities (net of issuance costs)	-	997	nm
Distribution paid on perpetual securities	(16)	-	nm
Purchase of performance shares	(27)	(13)	106.2
Others	(11)	*	nm
	(1,759)	(1,603)	9.7
Net increase in cash and cash equivalents	1,375	12	@
Exchange effects on cash and cash equivalents	(25)	*	nm
Group cash and cash equivalents at beginning of period ⁽¹⁾	2,149	741	190.2
Group cash and cash equivalents at end of period ⁽¹⁾	3,500	753	364.8
Group free cash flow (before associates' dividends/ distributions)	552	604	-8.6
Dividends/ Distributions received from associates (net of withholding tax)	1,043	1,167	-10.6
Group free cash flow	1,595	1,771	-9.9
Cash capex to operating revenue	15%	14%	

"*" denotes less than +/- S\$0.5 million, "@" denotes more than +/- 500% and "nm" denotes not meaningful.

Note:

(1) Cash and cash equivalents excluded restricted cash relating to the provision of mobile money remittance and payment services in Singapore.

CURRENCY RISK MANAGEMENT AND OTHER MATTERS

The Group maintains a policy to substantially hedge all known foreign currency exposures related to commercial commitments or transactions. These commitments or transactions include payment of operating expenses, traffic settlement, capital expenditure, interest and debt. Translation risks of foreign currency EBITDA and net investments are not hedged unless approved by the Finance and Investment Committee.

The Group has borrowings denominated in foreign currencies that have primarily been hedged into the functional currency of the respective borrowing entities using cross currency swaps in order to reduce the foreign currency exposure on these borrowings. As the hedges are perfect, any change in the fair value of the cross currency swaps has minimal impact on profit and equity.

Financial instruments such as foreign currency forward contracts and cross currency swaps are used only to hedge underlying commercial exposures and are not held or sold for speculative purposes. All hedging transactions are reviewed regularly.

CREDIT RATINGS

	Singtel	Optus
S&P Global Ratings	A (stable)	A- (stable)
Moody's Investors Service	A1 (stable)	A3 (stable)

MAJOR CURRENCY AVERAGE EXCHANGE RATES

1 Australian Dollar buys:	H1	H2	Year
Derived weighted average exchange rate ⁽¹⁾ for:			
Operating revenue			
<u>SGD</u>			
FY2023	0.9696	<input type="checkbox"/>	<input type="checkbox"/>
FY2022	1.0100	0.9843	0.9972
<i>Change (last corresponding period)</i>	-4.0%	<input type="checkbox"/>	<input type="checkbox"/>

1 United States Dollar buys:	H1	H2	Full Year
Derived weighted average exchange rate ⁽²⁾ for:			
Operating revenue			
<u>SGD</u>			
FY2023	1.3867	<input type="checkbox"/>	<input type="checkbox"/>
FY2022	1.3425	1.3561	1.3487
<i>Change (last corresponding period)</i>	3.3%	<input type="checkbox"/>	<input type="checkbox"/>

Notes:

- (1) The monthly income statement of Optus is translated from Australian Dollar to Singapore Dollar based on the average exchange rate for the month. These rates represent the derived weighted average exchange rates for the Australian Dollar for the period to date.
- (2) The income statements of Trustwave and Amobee are translated from United States Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

1 Singapore Dollar buys:	H1	H2	Full Year
<u>Rupiah</u>			
FY2023	10,638	<input type="checkbox"/>	<input type="checkbox"/>
FY2022	10,753	10,526	10,638
<i>Change (last corresponding period)</i>	-1.1%	<input type="checkbox"/>	<input type="checkbox"/>
<u>Indian Rupee</u>			
FY2023	56.5	<input type="checkbox"/>	<input type="checkbox"/>
FY2022	55.0	55.6	55.2
<i>Change (last corresponding period)</i>	2.7%	<input type="checkbox"/>	<input type="checkbox"/>
<u>Baht</u>			
FY2023	25.5	<input type="checkbox"/>	<input type="checkbox"/>
FY2022	23.9	24.5	24.2
<i>Change (last corresponding period)</i>	6.7%	<input type="checkbox"/>	<input type="checkbox"/>
<u>Peso</u>			
FY2023	39.4	<input type="checkbox"/>	<input type="checkbox"/>
FY2022	36.6	37.6	37.2
<i>Change (last corresponding period)</i>	7.7%	<input type="checkbox"/>	<input type="checkbox"/>

PROFORMA INFORMATION

The following tables show unaudited proforma proportionate financial information which has been derived from the Income Statements of the Group prepared on a statutory basis.

Proportionate presentation is not required by SFRS(I) and is not intended to replace the financial statements prepared in accordance with SFRS(I). However, since the associates are not consolidated on a line-by-line basis, proportionate information is provided as supplemental data to facilitate a better appreciation of the relative contribution from the Group's operations in Australia, Singapore and other regional markets.

	Half Year		YOY Chge %
	30 Sep		
	2022 S\$ m	2021 S\$ m	
Group operating revenue			
Optus	3,843	3,962	-3.0
Singapore	3,051	2,967	2.9
Other overseas subsidiaries ⁽¹⁾	365	724	-49.6
	7,259	7,653	-5.1
Proportionate share of associates' revenue			
Regional associates	6,976	6,433	8.5
Singapore associates	279	236	18.0
Other overseas associates	33	17	94.6
	7,288	6,686	9.0
Total proportionate revenue	14,547	14,338	1.5
% of overseas revenue to total proportionate revenue	77%	78%	
Group EBITDA			
Optus	1,033	1,049	-1.5
Singapore	961	1,010	-4.9
Other overseas subsidiaries ⁽¹⁾	(116)	(131)	-10.9
	1,878	1,929	-2.6
Proportionate share of associates' EBITDA			
Regional associates	3,683	3,460	6.4
Singapore associates	37	56	-33.9
Other overseas associates	17	12	33.9
	3,736	3,529	5.9
Total proportionate EBITDA	5,614	5,457	2.9
% of overseas EBITDA to total proportionate EBITDA	82%	81%	
Contributions to total proportionate EBITDA			
Regional associates	66%	63%	
Australia	18%	19%	
Singapore	18%	20%	
Others	-2%	-2%	
	100%	100%	

Note:

(1) In September 2022, the Group completed the sale of Amobee.

MOBILE CUSTOMER BASE

Number of mobile customers (000s)	Total Number		
	30 Sep 2022	31 Mar 2022	30 Sep 2021
Singtel	4,265	4,129	4,160
Optus	10,334	10,030	9,823
	14,599	14,159	13,983
Regional Associates			
Airtel			
- India	327,798	326,043	323,476
- Africa	134,660	128,428	122,697
- South Asia	2,961	2,928	2,796
	465,419	457,399	448,969
Telkomsel	159,836	174,956	173,540
AIS	45,662	44,623	43,658
Globe	87,874	87,428	83,991
	758,791	764,406	750,158
Group	773,390	778,565	764,141