

GENERAL ANNOUNCEMENT::BUSINESS UPDATE FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2021

Issuer & Securities

Issuer/ Manager

SINGAPORE TELECOMMUNICATIONS LIMITED

Securities

SINGTEL - SG1T75931496 - Z74

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

15-Feb-2022 06:57:18

Status

New

Announcement Sub Title

Business Update for the Third Quarter and Nine Months ended 31 December 2021

Announcement Reference

SG220215OTHRRP30

Submitted By (Co./ Ind. Name)

Lim Li Ching (Ms)

Designation

Assistant Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please see attachments.

Attachments

[3rdqtr-Business Update.pdf](#)[3rdqtr-Slides.pdf](#)

Total size = 1841K MB



Business Update For The Third Quarter And Nine Months Ended 31 December 2021

Singapore, 15 February 2022 – Singtel reported its business update for the third quarter and nine months ended 31 December 2021.

Key highlights for the third quarter

- Revenue down 7.7% to S\$3.91 billion on lower NBN migration revenue and equipment sales
- EBITDA fell 1.7% but up 6.4% excluding NBN migration revenue and Jobs Support Scheme credits
- Post-tax contributions from regional associates increased 13%, due mainly to Airtel's solid profit turnaround which mitigated weaker performance of the other regional associates
- Underlying net profit was stable
- Net profit up strongly by 24%, lifted by net exceptional gains

	Quarter		YOY		Nine Months		YOY	
	31 Dec	31 Dec	Chge	Chge	31 Dec	31 Dec	Chge	Chge
	2021	2020			2021	2020		
	S\$ m	S\$ m	%	%	S\$ m	S\$ m	%	%
Operating revenue	3,913	4,239	-7.7	-8.0	11,566	11,663	-0.8	-2.6
<i>Underlying operating revenue ⁽²⁾</i>	<i>3,906</i>	<i>4,169</i>	<i>-6.3</i>	<i>-6.6</i>	<i>11,507</i>	<i>11,393</i>	<i>1.0</i>	<i>-0.8</i>
EBITDA	990	1,006	-1.7	-1.9	2,918	2,910	0.3	-1.8
<i>Underlying EBITDA ⁽²⁾</i>	<i>982</i>	<i>923</i>	<i>6.4</i>	<i>6.1</i>	<i>2,855</i>	<i>2,533</i>	<i>12.7</i>	<i>10.4</i>
EBIT (before associates' contributions)	313	328	-4.3	-4.4	886	923	-4.1	-5.1
<i>Underlying EBIT ⁽²⁾</i>	<i>306</i>	<i>245</i>	<i>25.1</i>	<i>25.0</i>	<i>823</i>	<i>547</i>	<i>50.4</i>	<i>49.5</i>
Share of associates' pre-tax profits	479	414	15.8	17.6	1,526	1,299	17.4	19.9
Underlying net profit	473	477	-0.9	0.3	1,456	1,314	10.8	12.3
Net profit	734	593	23.8	24.9	1,688	1,059	59.4	61.3

Notes:

(1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/ or regional currencies from the corresponding periods ended 31 December 2020.

(2) Excluded Optus' NBN migration revenues and Jobs Support Scheme credits from the Singapore government.

Message from Group CEO, Mr Yuen Kuan Moon

"We continue to see good momentum in Optus' mobile business in Australia as well as strong growth from our data centre services as enterprises accelerate their digital transformation. Airtel remained the bright spot among the regional associates, demonstrating a sustained profit turnaround with strong performances in both India and Africa.

We have been steadfast in executing our new strategy to capture digital growth. Besides focusing on extending our 5G leadership, we are also building new businesses across Asia with our investment in digital banking in Indonesia and collaboration with Gulf Energy and AIS to jointly develop and operate data centres in Thailand as we take our data centre expertise regional. Underpinning these investments is an active programme to recycle capital and crystallise value from our existing assets, allowing us to build out growth drivers for the future and deliver a sustainable dividend to shareholders."

Table Of Contents

	Pg
Group Summary Income Statement	1
Business Segments	2
Review Of Group Operating Performance	3
Share Of Results Of Regional Associates.....	5
Exceptional Items.....	6
Appendix 1: Key Product Information.....	8
Appendix 2: FY2021 Quarterly Segments Results (Restated).....	11
Appendix 3: Currency Table.....	13

GROUP SUMMARY INCOME STATEMENT

For The Third Quarter And Nine Months Ended 31 December 2021

	Quarter		YOY		Nine Months		YOY	
	31 Dec	31 Dec	Chge %	Chge in cc ⁽¹⁾ %	31 Dec	31 Dec	Chge %	Chge in cc ⁽¹⁾ %
	2021 S\$ m	2020 S\$ m			2021 S\$ m	2020 S\$ m		
Operating revenue	3,913	4,239	-7.7	-8.0	11,566	11,663	-0.8	-2.6
EBITDA	990	1,006	-1.7	-1.9	2,918	2,910	0.3	-1.8
- EBITDA margin	25.3%	23.7%			25.2%	24.9%		
Share of associates' pre-tax profits	479	414	15.8	17.6	1,526	1,299	17.4	19.9
EBITDA and share of associates' pre-tax profits	1,469	1,420	3.4	3.8	4,444	4,209	5.6	4.9
Depreciation & amortisation	(676)	(679)	-0.4	-0.8	(2,032)	(1,986)	2.3	-0.3
EBIT	793	741	6.9	7.9	2,412	2,223	8.5	9.5
Net finance expense	(100)	(92)	8.1	8.0	(235)	(297)	-20.9	-22.7
Taxation	(217)	(170)	27.5	28.5	(713)	(608)	17.4	18.6
Minority interests	(3)	(1)	92.3	92.3	(8)	(4)	100.0	100.0
Underlying net profit	473	477	-0.9	0.3	1,456	1,314	10.8	12.3
Exceptional items (post-tax)	261	116	125.3	126.3	232	(255)	nm	nm
Net profit	734	593	23.8	24.9	1,688	1,059	59.4	61.3

"nm" denotes not meaningful.

Note:

(1) Assuming constant exchange rates for the Australian Dollar, United States Dollar and/ or regional currencies from the corresponding periods ended 31 December 2020.

BUSINESS SEGMENTS

	Quarter		YOY		Nine Months		YOY	
	31 Dec 2021	31 Dec 2020 ⁽¹⁾	Chge %	Chge in cc ⁽²⁾	31 Dec 2021	31 Dec 2020 ⁽¹⁾	Chge %	Chge in cc ⁽²⁾
	S\$ m	S\$ m		%	S\$ m	S\$ m		%
Operating revenue								
Singapore Consumer	482	509	-5.2	-5.2	1,349	1,387	-2.7	-2.7
Australia Consumer	1,684	1,899	-11.4	-11.7	5,027	5,174	-2.8	-6.4
Group Enterprise ⁽³⁾	947	977	-3.1	-3.3	2,809	2,834	-0.9	-2.1
NCS-originated	559	526	6.4	6.4	1,625	1,501	8.3	8.3
Singtel-originated ⁽⁴⁾	-	41	nm	nm	41	125	-67.1	-67.1
NCS ⁽³⁾	559	566	-1.3	-1.3	1,666	1,626	2.5	2.5
Trustwave ⁽³⁾	87	104	-16.1	-17.1	286	299	-4.3	-4.4
Amobee	251	313	-19.9	-20.0	741	724	2.3	4.6
Less: Intercompany eliminations ⁽⁵⁾	(96)	(130)	-25.9	-26.3	(313)	(381)	-17.7	-18.6
Group	3,913	4,239	-7.7	-8.0	11,566	11,663	-0.8	-2.6
<i>Underlying operating revenue ⁽⁶⁾</i>	<i>3,906</i>	<i>4,169</i>	<i>-6.3</i>	<i>-6.6</i>	<i>11,507</i>	<i>11,393</i>	<i>1.0</i>	<i>-0.8</i>
EBITDA								
Singapore Consumer	156	148	5.3	5.3	454	462	-1.7	-1.7
Australia Consumer	526	501	5.2	4.6	1,505	1,385	8.7	4.8
Group Enterprise ⁽³⁾	316	328	-3.5	-3.5	928	947	-2.0	-2.4
NCS ⁽³⁾	71	82	-13.4	-13.4	219	269	-18.8	-18.8
Trustwave ⁽³⁾	(35)	(26)	37.6	38.0	(86)	(82)	4.4	6.8
Amobee	*	17	nm	nm	7	12	-43.2	-41.2
Corporate ⁽⁷⁾	(40)	(36)	9.9	9.9	(103)	(73)	40.5	40.5
Less: Intercompany eliminations ⁽⁵⁾	(5)	(7)	-34.3	-34.3	(6)	(11)	-41.9	-40.0
Group	990	1,006	-1.7	-1.9	2,918	2,910	0.3	-1.8
<i>Underlying EBITDA ⁽⁶⁾</i>	<i>982</i>	<i>923</i>	<i>6.4</i>	<i>6.1</i>	<i>2,855</i>	<i>2,533</i>	<i>12.7</i>	<i>10.4</i>
EBIT (before associates' contributions)								
Singapore Consumer	85	74	15.1	15.1	238	253	-5.8	-5.8
Australia Consumer	116	107	8.6	8.1	262	229	14.2	11.4
Group Enterprise ⁽³⁾	173	178	-3.1	-3.0	502	511	-1.8	-1.3
NCS ⁽³⁾	50	60	-15.8	-15.8	155	199	-22.3	-22.3
Trustwave ⁽³⁾⁽⁸⁾	(42)	(40)	5.8	5.8	(109)	(124)	-12.3	-10.4
Amobee ⁽⁸⁾	(17)	(4)	293.2	243.2	(42)	(53)	-20.6	-19.3
Corporate ⁽⁷⁾	(46)	(39)	19.1	19.1	(111)	(79)	40.8	40.8
Less: Intercompany eliminations ⁽⁵⁾	(5)	(8)	-39.0	-39.0	(8)	(12)	-33.1	-29.7
Group	313	328	-4.3	-4.4	886	923	-4.1	-5.1
<i>Underlying EBIT ⁽⁶⁾</i>	<i>306</i>	<i>245</i>	<i>25.1</i>	<i>25.0</i>	<i>823</i>	<i>547</i>	<i>50.4</i>	<i>49.5</i>

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

Notes:

- Segment results have been restated to be consistent with Singtel's new organisation chart in FY2022.
- Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 31 December 2020.
- Based on statutory view, which include intercompany transactions within the Singtel Group.
- The transfer of Singtel-originated business back to Singtel started from 1 April 2021 and was completed by 30 September 2021.
- Comprised eliminations of intercompany transactions between Group Enterprise, NCS and Trustwave.
- Excluded Optus' NBN migration revenues (Q3 FY2022: A\$7 million, Q3 FY2021: A\$72 million and YTD Dec 2021: A\$58 million, YTD Dec 2020: A\$281 million) and Jobs Support Scheme credits from the Singapore government (Q3 FY2022: S\$0.3 million, Q3 FY2021: S\$13 million and YTD Dec 2021: S\$4 million, YTD Dec 2020: S\$106 million).
- Excluding Jobs Support Scheme credits, EBITDA loss would be S\$40 million (Q3 FY2021: S\$38 million) and S\$103 million (YTD Dec 2020: S\$86 million) for the quarter and nine months ended 31 December 2021 respectively while EBIT loss would be S\$46 million (Q3 FY2021: S\$40 million) and S\$111 million (YTD Dec 2020: S\$92 million) for the quarter and nine months ended 31 December 2021 respectively.
- With impairment provisions made for acquired intangibles as at 31 March 2021, Trustwave's amortisation of acquired intangibles was nil (Q3 FY2021: S\$5 million; YTD Dec 2020: S\$16 million) and Amobee's amortisation of acquired intangibles was nil (Q3 FY2021: S\$6 million; YTD Dec 2020: S\$19 million).

REVIEW OF GROUP OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2021

The Group's operating performance for the third quarter ended 31 December 2021 was impacted by the resurgence of COVID-19, structural challenges in legacy businesses and lower handset sales. Consolidated operating revenue, EBITDA and EBIT¹ declined by 7.7%, 1.7% and 4.3% respectively on the back of lower NBN migration revenue and equipment sales, as well as minimal Jobs Support Scheme ("JSS") credits. In constant currency terms and excluding NBN migration revenue and JSS credits, EBITDA and EBIT¹ grew 6.1% and 25% respectively driven by the consumer businesses across Singapore and Australia.

Singapore Consumer recorded a 5.2% decline in operating revenue mainly on account of lower mobile equipment sales revenue due to supply constraints caused by global chipset shortages, lower mobile connections and longer handset replacement cycles. However, mobile service revenue was stable as the increased adoption of higher ARPU 5G plans and higher roaming from increased international travel were offset by lower voice and decline in prepaid from a shrinking foreign customer base. Fixed broadband revenue grew as a result of higher equipment sales. Excluding JSS credits of S\$0.3 million (Q3 FY2021: S\$3 million), EBITDA increased 7.6% due to cost management and some deferred spending.

In Australia, NBN migration revenue of A\$7 million this quarter was significantly lower than A\$72 million in the same quarter last year as migrations near completion. Excluding NBN migration revenue, operating revenue declined 8.7% but EBITDA rose strongly by 20%. Equipment sales revenue fell on lower volume due to stock constraints and weaker retail footfall amid a rising number of COVID-19 cases. The improvement in EBITDA was driven by continued momentum in the mobile business with service revenue up a healthy 5.1% mainly from higher penetration of Optus Choice plans.

Group Enterprise's operating revenue fell 3.1% due mainly to a decline in its legacy carriage business from lower usage and pricing pressures, partly mitigated by higher mobile service revenue. ICT revenue was stable as higher data centre and cybersecurity services were offset by fewer ICT deals compared to the same quarter last year. With lower operating revenue, EBITDA was down 3.5%.

NCS completed the transfer of certain customer contracts to Singtel by the end of September 2021. Excluding these contracts in the last corresponding quarter, NCS' revenue grew by 6.4%. Revenue from its growth engines (Digital, Cloud, Platforms and Cyber²) was up 11% year-on-year, contributing 49% of total operating revenue (Q3 FY2021: 45% contribution). NCS' bookings amounted to a strong S\$611 million for the quarter with a pipeline of projects in various sectors. Excluding JSS credits of S\$6 million in the December 2020 quarter, EBITDA would have been lower by 6.4%, impacted by the transfer of customer contracts to Singtel and increased investment in digital capabilities.

Trustwave reported lower operating revenue and higher losses this quarter following the divestment of its payment card industry compliance business in October 2021.

¹ Before associates' contributions.

² Refers to capabilities in Digital (data analytics, mobility, artificial intelligence), Cloud (development of cloud strategies and implementations), Platforms (internet of things (IoT) solutions, intelligent data fusion platform and smart video analytics platform) and Cyber (security architecture, threat monitoring, cyber access management, end point and network security).

Associates' pre-tax profit contribution rose 16%, boosted by a turnaround in Airtel's results from a net loss in the same quarter a year ago to a net profit this quarter. This was due to strong operating momentum in both India and Africa, but partly offset by weaker performance in Telkomsel and Globe amid COVID-19.

Depreciation and amortisation charges were stable. Net finance expense increased 8.1% on higher interest expense mainly from higher tower lease liabilities in Australia.

The Group's tax expense grew in line with increased earnings as well as higher withholding tax expense from receipt of associates' dividends.

Consequently, underlying net profit was stable at S\$473 million this quarter.

The net exceptional gain was mainly attributable to a net gain on disposal of the Group's 70% equity stake in Australia Tower Network Pty Ltd ("ATN"), partially offset by provisions for primary tax, interest and penalties arising from an unfavourable Federal Court's judgement on 17 December 2021 for a tax dispute in Australia. Singtel intends to lodge an appeal in respect of the unfavourable judgement. Even though the ultimate tax determination is uncertain, the Group has provided for primary tax, interest and penalties in accordance with relevant accounting standards in the quarter.

Including higher exceptional gains, net profit grew 24% to S\$734 million.

For The Nine Months Ended 31 December 2021

For the nine months ended 31 December 2021, both operating revenue and EBITDA were stable while EBIT³ declined 4.1% from the last corresponding period. In constant currency terms and excluding NBN migration revenue and JSS credits, operating revenue was stable, while EBITDA and EBIT³ rose 10% and 50% respectively driven mainly by Consumer Australia's mobile business. Equipment sales, which have low margins, fell by 11% primarily from supply chain delays.

Associates' pre-tax profit contribution was up 17%, lifted mainly by Airtel's robust performance.

Net finance expense was lower by 21% mainly due to an increase in investment income from a gain on revaluation of a derivative asset.

Consequently, underlying net profit rose 11% to S\$1.46 billion.

After including net exceptional gains compared to net exceptional losses in the last corresponding period, net profit was up a strong 59% to S\$1.69 billion.

³ Before associates' contributions.

SHARE OF RESULTS OF REGIONAL ASSOCIATES

	Quarter		YOY		Nine Months		YOY	
	31 Dec 2021 S\$ m	31 Dec 2020 S\$ m	Chge %	Chge in cc ⁽¹⁾ %	31 Dec 2021 S\$ m	31 Dec 2020 S\$ m	Chge %	Chge in cc ⁽¹⁾ %
Pre-tax contributions ⁽²⁾								
Telkomsel ⁽³⁾	216	224	-3.4	-4.7	688	691	-0.4	-0.1
AIS	80	85	-6.5	1.1	239	251	-4.6	1.4
Intouch ⁽⁴⁾	23	22	3.6	12.0	72	71	1.8	8.2
Globe ⁽³⁾	48	76	-36.3	-33.8	230	258	-10.8	-8.2
Bharti Telecom ("BTL")/ Airtel ⁽³⁾⁽⁵⁾								
- Airtel	104	(4)	nm	nm	251	(17)	nm	nm
- BTL	(2)	(1)	214.3	237.0	(3)	(18)	-85.7	-85.3
	102	(4)	nm	nm	249	(35)	nm	nm
Regional associates	469	402	16.4	18.3	1,477	1,235	19.6	22.2
Post-tax contributions ⁽²⁾								
Telkomsel ⁽³⁾	167	178	-6.4	-7.7	531	541	-1.7	-1.4
AIS	65	74	-11.4	-4.2	196	212	-7.7	-2.0
Intouch ⁽⁴⁾	18	19	-4.2	3.5	58	60	-2.8	3.2
Globe ⁽³⁾	37	51	-27.4	-24.5	173	173	-0.3	2.5
BTL/ Airtel ⁽³⁾⁽⁵⁾								
- Airtel	47	(27)	nm	nm	97	(89)	nm	nm
- BTL	(2)	(1)	130.0	131.0	(3)	(28)	-89.0	-88.5
	45	(28)	nm	nm	94	(117)	nm	nm
Regional associates	332	294	13.0	14.9	1,052	869	21.1	23.8

"nm" denotes not meaningful.

Notes:

- (1) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding periods ended 31 December 2020.
- (2) The accounts of the regional associates are prepared based on local accounting standards. Where applicable and material, the accounting policies of the regional associates have been adjusted for compliance with the Group's accounting policies.
- (3) Excludes material one-off items which have been classified as exceptional items of the Group.
- (4) Singtel holds an equity interest of 21.2% in Intouch which has an equity interest of 40.5% in AIS.
- (5) Singtel holds an equity interest of 49.4% in BTL (31 December 2020: 49.4%) and an effective equity interest of 31.8% in Airtel (31 December 2020: 31.9%).

Post-tax contributions from the regional associates increased by 13%, boosted by Airtel's profit turnaround. In India, Airtel reported sustained strong performance across all its business segments. Operating revenue grew at double digit, led by robust mobile growth due to tariff hikes and a higher 4G customer base. In Africa, Airtel saw ARPU growth across voice, data and mobile money. On 31 January 2022, Airtel Africa was inducted into Financial Times Stock Exchange (FTSE) 100 Index, underscoring investors' confidence in its business. In Indonesia, Telkomsel's performance was hampered by headwinds from COVID-19, increased price competition as well as weakness in its legacy business. AIS' lower net profit was due to the expiry of some tax incentives and an 8% depreciation of the Thai Baht. Globe's performance was impacted by the devastating damage caused by Typhoon Odette which hit the Philippines in December 2021 and weak consumer spending due to COVID-19.

EXCEPTIONAL ITEMS ⁽¹⁾

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec 2021 S\$ m	31 Dec 2020 S\$ m		31 Dec 2021 S\$ m	31 Dec 2020 S\$ m	
	Net gain on sale of 70% stake in ATN	538		-	nm	
Dilution gain on Airtel	-	-	-	-	550	nm
Provisions for primary tax, interest and penalties (net)	(316)	-	nm	(316)	-	nm
Staff restructuring costs	(2)	*	nm	(20)	(8)	164.9
Others ⁽²⁾	(1)	(1)	-14.3	(13)	(2)	@
Group exceptional items (post-tax)	220	(1)	nm	189	540	-65.0
Share of Globe's one-off items	36	(15)	nm	36	(15)	nm
Share of Airtel's one-off items	6	72	-92.2	(26)	(840)	-96.9
Share of Telkomsel's one-off items	-	60	nm	33	60	-44.8
Share of associates' exceptional items (post-tax)	41	117	-64.6	43	(795)	nm
Net exceptional gains/ (losses)	261	116	125.3	232	(255)	nm

“*” denotes less than +/-S\$0.5 million, “@” 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) Comprised mainly stamp duty and other fees related to the restructuring of tower infrastructure assets in Australia.

The net exceptional gains this quarter comprised mainly a net gain on disposal of the Group's 70% equity stake in ATN and provisions for primary tax, interest and penalties for a tax dispute in Australia.

On 17 November 2021, the Group completed the sale of 70% of the shares in ATN for a consideration of S\$1.9 billion. The net gain on this disposal was S\$538 million. Following completion, ATN ceased to be a subsidiary of the Group.

On 17 December 2021, the Group's wholly-owned subsidiary Singapore Telecom Australia Investments Pty Ltd (“STAI”) received an unfavourable judgement from the Federal Court of Australia in respect of its action against the Commissioner of Taxation. The court case relates to the acquisition financing of Singtel Optus Pty Limited in 2001. In 2016 and 2017, STAI received amended assessments from the Australian Taxation Office (“ATO”) amounting to A\$393 million, comprising primary tax of A\$268 million, interest of A\$58 million and penalties of A\$67 million. STAI's holding company, Singtel Australia Investment Ltd, would be entitled to a corresponding refund of withholding tax estimated at A\$89 million. STAI will be lodging an appeal and will continue to defer payment of the primary tax⁴, interest and penalties until the due legal process is completed. Even though the ultimate tax determination is uncertain, the Group has made provisions for primary tax, interest⁵ and penalties, net of refund of withholding tax and tax credit on interest, in respect of the above-mentioned exposures totalling S\$316 million (A\$324 million) in accordance with the relevant accounting standards this quarter.

⁴ In accordance with the ATO administrative practice, STAI had paid a minimum amount of 50% of the assessed primary tax of A\$134 million on 21 November 2016. This was accounted as a receivable in the financial statements in prior periods.

⁵ Including general interest charges on the primary tax from the date the amended assessments were issued up to 31 December 2021.

The Group also recorded its share of net exceptional gains from Globe and Airtel. Globe's one-off items included a fair value gain on its retained interest in its joint venture, Globe Fintech Innovations, Inc. ("**Mynt**"), following a capital investment into Mynt during the quarter, as well as certain asset impairment charges. Airtel's one-off items included a fair value gain on revaluation of its foreign currency convertible bonds⁶ and a gain on sale of its towers in Africa.

⁶ 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.

APPENDIX 1 – KEY PRODUCT INFORMATION

SINGAPORE PRODUCT DRIVERS

	Quarter			Nine Months		YOY Chge %
	31 Dec 2021	30 Sep 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	
Mobile						
Mobile revenue (S\$'M) ⁽¹⁾	507	448	539	1,359	1,418	-4.1
Mobile service revenue (S\$'M) ⁽²⁾	286	287	281	852	852	**
Number of mobile customers (000s)						
Prepaid	1,319	1,349	1,393	1,319	1,393	-5.3
Postpaid	2,827	2,811	2,769	2,827	2,769	2.1
Total	4,146	4,160	4,162	4,146	4,162	-0.4
Average revenue per customer per month ⁽³⁾⁽⁴⁾ (S\$ per month)						
Prepaid	11	13	14	13	13	-3.1
Postpaid	30	29	29	29	29	0.3
Blended	24	24	23	23	23	1.2
Data usage (GB per month) ⁽⁵⁾	8	8	7	8	6	35.6
Fixed Broadband						
Fixed broadband revenue (S\$'M) ⁽⁶⁾	122	122	119	363	354	2.5
Fixed broadband lines (000s)	659	656	647	659	647	1.8
Pay TV						
Singtel TV revenue (S\$'M)	49	50	51	151	154	-2.0
Residential TV customers (000s)	362	368	375	362	375	-3.5
Fixed Voice						
Fixed voice revenue (S\$'M)	58	60	66	179	203	-12.2

“**” denotes less than +/-0.05%.

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) Average Revenue Per User (ARPU) is based on average number of subscribers, calculated as the simple average of opening and closing number of subscribers.
- (4) Included revenue earned from international telephone calls. For prepaid, ARPU is computed net of bill rebates and discounts.
- (5) Data usage of postpaid smartphone customers from both Consumer and Enterprise segments.
- (6) Comprised broadband service revenue and sales of equipment.

APPENDIX 1 – KEY PRODUCT INFORMATION

AUSTRALIA PRODUCT DRIVERS

	Quarter			YOY Chge %	Nine Months		YOY Chge %
	31 Dec 2021	30 Sep 2021	31 Dec 2020		31 Dec 2021	31 Dec 2020	
Mobile							
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,320	1,245	1,470	-10.2	3,831	3,906	-1.9
Optus' mobile service revenue (A\$'M)	922	931	875	5.4	2,767	2,556	8.2
Number of mobile customers (000s)							
Prepaid	3,014	2,983	2,997	0.6	3,014	2,997	0.6
Postpaid	5,884	5,848	5,729	2.7	5,884	5,729	2.7
Connected devices ⁽²⁾	1,002	992	1,037	-3.3	1,002	1,037	-3.3
Total	9,900	9,823	9,763	1.4	9,900	9,763	1.4
Average revenue per customer per month ⁽³⁾ (A\$ per month)							
Prepaid	20	20	19	6.2	20	18	9.4
Postpaid	40	40	38	3.1	40	37	8.6
Connected devices ⁽²⁾	15	14	13	11.2	14	13	8.8
Blended	31	32	30	4.8	31	28	10.2
Data usage (GB per month) ⁽⁴⁾	12	12	11	9.7	12	10	14.1
Home							
Blended Home ARPU (A\$) ⁽⁵⁾	72	70	69	4.8	71	70	1.1
Home customers (000s) ⁽⁶⁾							
NBN	1,093	1,082	1,035	5.6	1,093	1,035	5.6
Fixed Wireless Access	207	211	208	-0.4	207	208	-0.4
Others ⁽⁷⁾	16	24	83	-80.7	16	83	-80.7
Total	1,316	1,317	1,326	-0.7	1,316	1,326	-0.7
Optus Sport customers (000s)	1,007	1,005	871	15.6	1,007	871	15.6

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.
(5) Excluded NBN migration revenue.
(6) Referred to retail customers who take up broadband (including fixed/ 4G/ 5G internet) and/ or voice.
(7) Comprised customers on Hybrid Fiber Coaxial (HFC)/ Unbundled Local Loop (ULL).

APPENDIX 1 – KEY PRODUCT INFORMATION

ENTERPRISE BUSINESS DRIVERS

	Quarter			Nine months		YOY
	31 Dec 2021	30 Sep 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	Chge %
VPN and leased line connections (000s) ⁽¹⁾	95	97	101	95	101	-5.9
<i>Singapore</i>	70	71	73	70	73	-4.2
<i>Australia</i>	25	26	27	25	27	-10.3
NCS bookings (S\$'M)	611	608	809	1,692	1,565	8.1

Note:

(1) VPN and leased line connections are business grade network connections including IP VPN, domestic and international leased circuits, and ISDN services.

APPENDIX 2 – FY2021 QUARTERLY SEGMENTS RESULTS (RESTATED)

With effect from 1 April 2021, the Group's segment reporting has been changed to reflect the Group's new organisation structure. The results for the comparative periods have been restated on the same basis.

Both **Singapore Consumer** and **Australia Consumer** offer mobile, fixed broadband, voice, pay television, content and digital services, as well as equipment sales. In addition, Singapore Consumer offers mobile financial services such as Dash's payment and remittance business.

Group Enterprise, **NCS** and **Trustwave** provide comprehensive and integrated ICT solutions to enterprise customers in Singapore, Australia, United States of America, Europe and the region. In addition, Group Enterprise offers mobile, fixed voice and data services, as well as equipment sales.

Amobee, the digital marketing arm of the Group, offers digital media and advertising services.

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

APPENDIX 2 – FY2021 QUARTERLY SEGMENTS RESULTS (RESTATED)

	Quarter				Year
	30 Jun 2020	30 Sep 2020	31 Dec 2020	31 Mar 2021	31 Mar 2021
	S\$ m	S\$ m	S\$ m	S\$ m	S\$ m
Operating revenue					
Singapore Consumer	409	470	509	446	1,833
Australia Consumer	1,595	1,680	1,899	1,783	6,957
Group Enterprise ⁽¹⁾	900	957	977	936	3,770
NCS ⁽¹⁾	499	560	566	659	2,285
Trustwave ⁽¹⁾	96	100	104	110	410
Amobee	151	259	313	182	906
Less: Intercompany eliminations ⁽²⁾	(115)	(136)	(130)	(136)	(517)
Group	3,534	3,891	4,239	3,981	15,644
<i>Underlying operating revenue ⁽³⁾</i>	<i>3,433</i>	<i>3,791</i>	<i>4,169</i>	<i>3,943</i>	<i>15,336</i>
EBITDA					
Singapore Consumer	156	158	148	140	602
Australia Consumer	410	475	501	465	1,850
Group Enterprise ⁽¹⁾	306	314	328	311	1,259
NCS ⁽¹⁾	83	104	82	82	351
Trustwave ⁽¹⁾	(27)	(29)	(26)	(26)	(108)
Amobee	(12)	7	17	(7)	5
Corporate	(17)	(20)	(36)	(53)	(126)
Less: Intercompany eliminations ⁽²⁾	(1)	(3)	(7)	10	*
Group	897	1,006	1,006	922	3,832
<i>Underlying EBITDA ⁽³⁾</i>	<i>727</i>	<i>883</i>	<i>923</i>	<i>883</i>	<i>3,417</i>
EBIT (before associates' contributions)					
Singapore Consumer	90	89	74	67	320
Australia Consumer	41	82	107	63	292
Group Enterprise ⁽¹⁾	166	167	178	150	660
NCS ⁽¹⁾	59	80	60	58	258
Trustwave ⁽¹⁾	(41)	(43)	(40)	(42)	(166)
Amobee	(33)	(16)	(4)	(29)	(82)
Corporate	(19)	(21)	(39)	(55)	(134)
Less: Intercompany eliminations ⁽²⁾	(1)	(3)	(8)	9	(2)
Group	262	334	328	223	1,147
<i>Underlying EBIT (before associates' contributions) ⁽³⁾</i>	<i>92</i>	<i>211</i>	<i>245</i>	<i>185</i>	<i>732</i>

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

Notes:

- (1) Based on statutory view, which include intercompany transactions within the Singtel Group.
- (2) Comprised eliminations of intercompany transactions between Group Enterprise, NCS and Trustwave.
- (3) Excluded Optus' NBN migration revenues in Australia and Jobs Support Scheme credits from the Singapore government.

APPENDIX 3 – CURRENCY TABLE

MAJOR CURRENCY AVERAGE EXCHANGE RATES

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec 2021	31 Dec 2020		31 Dec 2021	31 Dec 2020	
Derived weighted average exchange rate for operating revenue :						
1 Australian Dollar ⁽¹⁾	0.989	0.985	0.4	1.003	0.966	3.8
1 United States Dollar ⁽²⁾	1.358	1.357	0.1	1.347	1.377	-2.2
1 Singapore Dollar buys:						
Indonesian Rupiah	10,526	10,638	-1.1	10,638	10,638	**
Indian Rupee	55.2	54.9	0.5	55.2	54.3	1.7
Thai Baht	24.6	22.7	8.4	24.2	22.7	6.6
Philippine Peso	37.2	35.8	3.9	36.8	35.7	3.1

“***” denotes less than +/-0.05%

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 Amobee and Trustwave are translated from United States Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

Business Update

For the 3rd quarter & 9 months ended
31 Dec 2021

15 February 2022



Financial highlights – 9 months ended Dec 2021



Operating revenue

S\$11,566m

Stable (▼ 3%¹)
▲ 1%²

EBITDA

S\$2,918m

Stable (▼ 2%¹)
▲ 13%²

EBIT
(before associates' contributions)

S\$886m

▼ 4% (▼ 5%¹)
▲ 50%²

Regional associates' PBT

S\$1,477m

▲ 20% (▲ 22%¹)

Underlying net profit

S\$1,456m

▲ 11% (▲ 12%¹)
▲ 39%²

Net profit³

S\$1,688m

▲ 59% (▲ 61%¹)
▲ 115%²

1. Constant currency - assuming constant exchange rates from corresponding 9 months in FY2021.

2. Excludes Optus' NBN migration revenues (9MFY22: A\$58m, 9MFY21: A\$281m) & Jobs Support Scheme credits (JSS) from the Singapore government (9MFY22: S\$4m, 9MFY21: S\$106m).

3. Includes net exceptional gains of S\$232m, mainly due to net gain on disposal of 70% stake in Australia Tower Network (ATN) & provisions for tax arising from unfavourable Australia Federal Court judgement for a tax dispute.

Revenue

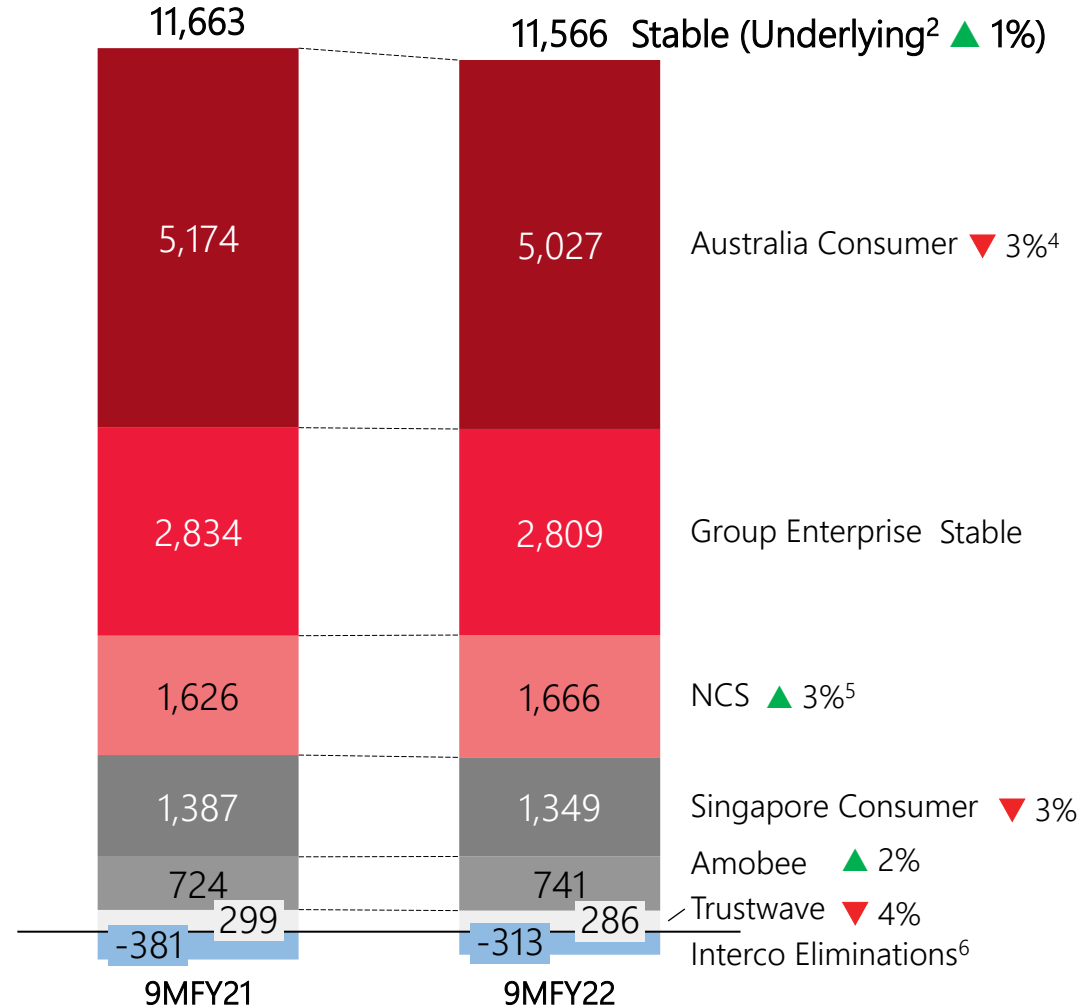
S\$11,566m

Stable¹ (Underlying² ▲ 1%)

- Mobile services³ gaining momentum
 - › AU: Positive price trajectory
 - › SG: Stability as uplift from 5G take-up & higher roaming revenue offset declines in voice & prepaid services
- NCS growth from increased digital services demand & diversification into enterprise space
- Strong data centre demand
- Challenges:
 - › Continued carriage erosion
 - › Equipment sales affected by handset supply disruption
 - › COVID-19 restrictions impacted roaming
 - › Contraction in foreign worker population in Singapore



S\$M



1. Down 3% in constant currency.
2. Excludes Optus' NBN migration revenues. Refer to slide 2 for details.
3. Excludes equipment sales.
4. Down 6% in A\$ terms.
5. Up 8% excluding Singtel-originated business that has been progressively transferred to Singtel, as part of the Singtel Group's restructuring, from 1 April 2021 and was completed by 30 September 2021.
6. Elimination of intercompany transactions between Group Enterprise, NCS & Trustwave.

EBITDA

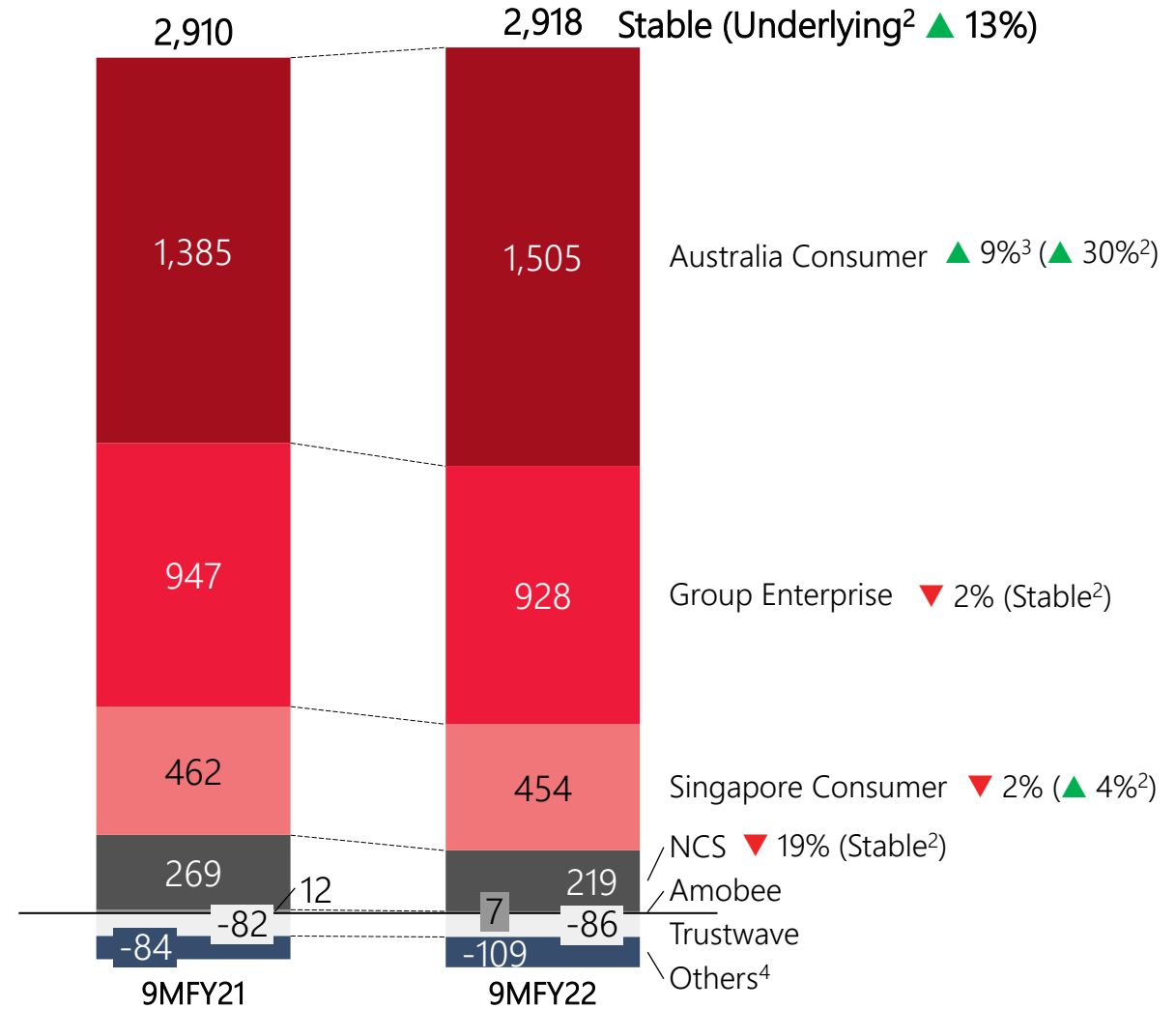
\$2,918m

Stable¹ (Underlying² ▲ 13%)

- Strong 13% increase in underlying² EBITDA, underpinned by improved mobile performance & strong cost control in consumer businesses
- EBITDA stable as consumer growth offset by:
 - Optus' lower NBN migration revenue
 - Reduction in JSS
 - Increased hiring at NCS to support pivot towards digital services



S\$M



- Down 2% in constant currency.
- Excludes Optus' NBN migration & JSS. Refer to slide 2 for details.
- Up 5% in A\$ terms.
- Includes intercompany eliminations & corporate.

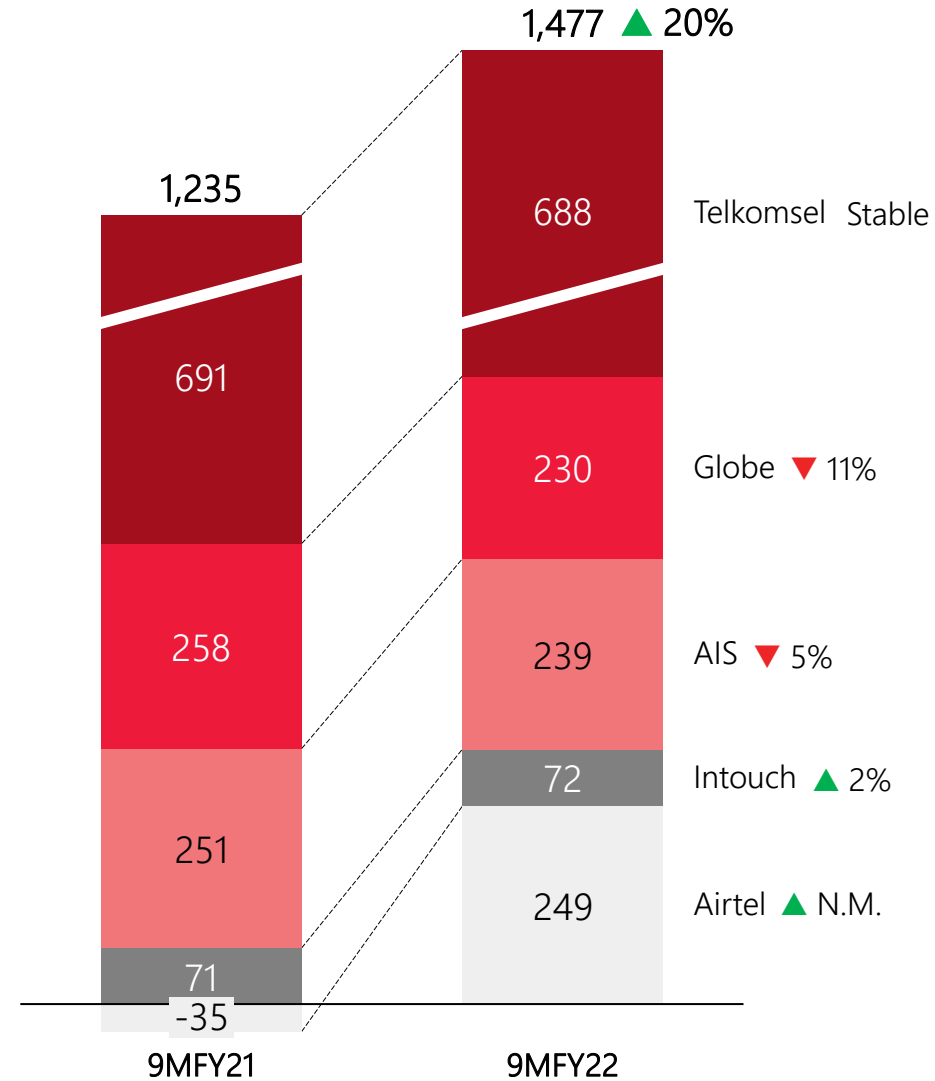
Regional associates' pre-tax profits

\$1,477m

▲ 20%¹

- Strong turnaround in Airtel offset COVID overhang & intense competition in other markets
- Airtel: Benefited from price hikes & focus on quality 4G customers in India, as well as sustained African growth
- Telkomsel: Growth in mobile services offset by increased digital investments
- AIS: Higher services revenue, offset by increased spectrum charges
- Globe: Higher D&A from network investment, partly mitigated by stronger EBITDA

S\$M



1. Up 22% in constant currency.

Financial highlights – Quarter ended Dec 2021



Operating revenue

S\$3,913m ▼ 8% (▼ 8%¹) ▼ 6%²

- Lower equipment sales & NBN migration revenues
- Higher take-up of Optus Choice plans & 5G uplift in S'pore

EBITDA

S\$990m ▼ 2% (▼ 2%¹) ▲ 6%²

- Cost measures mitigated impact of revenue decline
- Underlying EBITDA² boosted by traction in Optus Choice plans

EBIT (before associates' contributions)

S\$313m ▼ 4% (▼ 4%¹) ▲ 25%²

- Strong underlying EBIT² growth on improved performance of consumer businesses

Regional associates' PBT

S\$469m ▲ 16% (▲ 18%¹)

- Turnaround in Airtel

Underlying net profit

S\$473m Stable (Stable¹) ▲ 13%²

- Higher associates' contribution offsets declines in NBN migration revenues & JSS

Net profit

S\$734m ▲ 24% (▲ 25%¹) ▲ 37%^{2,3}

- Gain on ATN divestment partially offset by ATO tax provision

1. Constant currency - assuming constant exchange rates from corresponding quarter in FY2021.

2. Excludes Optus' NBN migration revenues (Q3FY22: A\$7m, Q3FY21: A\$72m) & JSS from the Singapore government (Q3FY22: S\$0.3m, Q3FY21: S\$13m).

3. Includes net exceptional gains of S\$261m, mainly due to net gain on disposal of 70% stake in Australia Tower Network (ATN) & provisions for tax arising from unfavourable Australia Federal Court judgement for a tax dispute.



Executing to our
strategic reset



Reinvigorate the core

EDGE COMPUTING

Differentiate & win in 5G

Strong foundation for 5G uplift

> 300k

5G customers in S'pore



Partnered Microsoft to launch Asia's first public MEC¹ platform



Optus launched 5G mmWave network

~2.0m

5G-capable device customers in Australia

Secured maximum 5G spectrum

S\$65m

for 2.1Ghz spectrum

5G standalone deployment in S'pore

A\$1.5b

for 900Mhz spectrum

regional 5G expansion in Australia

Unique products & differentiated services

The Optus Living Network

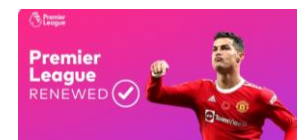
New unique on-demand features



Call Notes



Donate your device



Optus cements its sports leadership with exclusive rights for EPL



Singtel DASH offers mobile robo-adviser



Singtel DASH partners Zip to introduce Buy Now, Pay Later service

1. Multi-access edge compute.



Capitalise on growth trends



Transform NCS into Asian B2B digital services champion

Sustained digital services momentum

YTD revenue¹

+8%

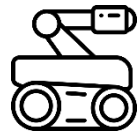
YTD digital revenue²

+27%

Digital as % of total revenue

49%

Key digital wins



Autonomous police robots



IoT platform for smart facilities management



machine learning application in the land transport industry

Enabling our people for the digital world

>1.8k talents recruited in the region³



Next Hack competition

1. NCS-originated revenue.
2. Revenue from Digital, Cloud, Platforms & Cyber services.
3. Covering Singapore, Australia, Greater China, Philippines & India. From Apr 2021 to Dec 2021.



Capitalise on
growth trends

Build a digital infrastructure platform

Sizeable data centre (DC) business

Annual revenue¹

> S\$250m

YTD growth rate¹

+17%

EBITDA margin

> 60%

Establishing Thailand's leading DC business

Singtel

- Strong track record in DC operations
- High quality DC assets
- Long standing relationship with hyperscalers

Gulf

- Thailand's largest private power producer
- Focus on green energy
- Extensive business network



AIS

- Critical connectivity infrastructure
- Large sales force
- Extensive business network

1. Third-party revenue.



Capitalise on growth trends



Execute digital pivot

Pursuing digital banking opportunities in Indonesia with Bank Fama investment

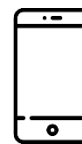


Partnership with Google to grow India's digital ecosystem



Google
US\$1b

investment¹



Affordable smartphones



5G use cases



Cloud ecosystem

Established PT Telkomsel Ekosystem Digital



Education



Health



Gaming

1. Investment of US\$700m to acquire 1.28% of Airtel & up to US\$300m toward potential multi-year commercial agreements.



Reallocate capital,
unlock value

Device Protect insurance



Picture: Optus Device Protect

Unlock value of assets

OPTUS

Sale of insurance business to Likewise¹

Proceeds¹

A\$35m

Long term supply partnership

A\$165m

15-year exclusive right
for supply of devices
to Optus' customers



Sale of 51% stake² to iCandy³



1. A global leader in device protection, repair & upgrade products.
2. Storms' existing shareholders (Singtel, AIS & SK Telecom) to receive shares of iCandy as consideration.
3. ASX listed company that has its core business in the development & publishing of mobile games & digital entertainment.

Well-positioned for sustainable dividends & growth despite an inflationary environment



Improving ROIC & strong cashflow generation

OPTUS

Continued improvement in FCF (ex NBN) in YTD Dec 21

S\$1.3b

in dividends from regional associates in YTD Dec 21



Active capital recycling

> S\$2b

net proceeds raised from divestments

Singtel 70% stake in ATN

OPTUS insurance business

Telkomsel towers



Solid financial position¹

1.7x

net debt/EBITDA & share of associates' PBT

> 90%

of debt at fixed rates; hedged against inflation

Strong investment grade ratings²



Profitable growth & sustainable dividends

Investment for growth & delivery against strategic priorities

FY22 dividend at **upper half of 60-80% dividend policy range³**



1. As at 31 Dec 2021.

2. Credit ratings of A (negative) by S&P and A1 (stable) by Moody's.

3. Barring unforeseen circumstances, the Group expects to pay dividends at the upper half of its dividend policy range of between 60% and 80% of underlying profit for FY22.

