

GENERAL ANNOUNCEMENT::BUSINESS UPDATE FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2022

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Lim Li Ching (Ms)

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Business Update For The Third Quarter And Nine Months Ended 31 December 2022

Singapore, 16 February 2023 – Singtel reported its business update for the third quarter and nine months ended 31 December 2022.

Key highlights for the third quarter

- Underlying net profit was up 18% to S\$559 million, driven mainly by Airtel's strong growth momentum
- Net profit was down 28% to S\$532 million due to a net exceptional gain in the corresponding quarter last year. The higher base of S\$734 million in the comparable quarter was due mainly to the partial divestment of Indara¹
- Operating revenue and EBITDA declined 5.1% and 8.0% respectively with the absence of contributions from Amobee² and steep 8% decline in the Australian Dollar
- On an underlying basis³, operating revenue would have been up 6.0% led by higher NCS' revenue and a rebound in roaming across Singapore and Australia while EBITDA would have been down 3.2% due to Optus and NCS

	Quarter		YOY		Nine Months		YOY	
	31 Dec	31 Dec	Chge	Chge	31 Dec	31 Dec	Chge	Chge
	2022	2021			2022	2021		
	S\$ m	S\$ m	%	%	S\$ m	S\$ m	%	%
Operating revenue	3,713	3,913	-5.1	-0.9	10,972	11,566	-5.1	-2.4
<i>Underlying operating revenue⁽²⁾</i>	3,713	3,655	1.6	6.0	10,972	10,766	1.9	4.9
EBITDA	911	990	-8.0	-3.9	2,788	2,918	-4.5	-1.5
<i>Underlying EBITDA⁽²⁾</i>	911	983	-7.3	-3.2	2,788	2,852	-2.3	0.8
EBIT (before associates' contributions)	288	313	-8.1	-6.3	867	886	-2.1	-0.5
<i>Underlying EBIT⁽²⁾</i>	288	324	-11.0	-9.2	867	869	-0.3	1.4
Share of regional associates' post-tax profits	407	332	22.6	31.2	1,216	1,052	15.6	20.5
Underlying net profit	559	473	18.2	24.5	1,564	1,456	7.5	11.3
Net profit	532	734	-27.6	-23.6	1,701	1,688	0.8	4.0

Notes:

(1) Assuming constant exchange rates for the Australian Dollar and United States Dollar and/ or regional currencies from the corresponding periods ended 31 December 2021.

(2) Excluded Optus' NBN migration revenue and Amobee' results.

¹ Refers to Indara Corporation Pty Ltd (known as Australia Tower Network Pty Limited (ATN) before December 2022).

² 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.

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

Message from Group CEO, Mr Yuen Kuan Moon

“It was a challenging quarter but we had distinct positives in the form of the strong roaming recovery across our core consumer and enterprise businesses; a return to customer net adds over the last two months as Optus regained customer trust and confidence after last year’s cyber attack; while our Airtel associate continued to show strong growth momentum. As companies accelerate their digital transformation, NCS’ order book remains strong although labour and acquisition costs continue to affect margins. However, we expect NCS’ margins to improve as the cost of scaling the business eases in the coming quarters. We are keeping a tight rein on the Group’s business costs in the current inflationary environment while balancing the need to invest in growth and innovation as we steadily execute on our strategic priorities against this uncertain economic backdrop.”

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GROUP SUMMARY INCOME STATEMENT

For The Third Quarter and Nine Months Ended 31 December 2022

	Quarter		YOY		Nine Months		YOY	
	31 Dec	31 Dec	Chg %	Chge in cc ⁽¹⁾ %	31 Dec	31 Dec	Chg %	Chge in cc ⁽¹⁾ %
	2022 S\$ m	2021 S\$ m			2022 S\$ m	2021 S\$ m		
Operating revenue	3,713	3,913	-5.1	-0.9	10,972	11,566	-5.1	-2.4
EBITDA	911	990	-8.0	-3.9	2,788	2,918	-4.5	-1.5
- EBITDA margin	24.5%	25.3%			25.4%	25.2%		
Share of associates' pre-tax profits	572	479	19.3	27.3	1,729	1,526	13.3	17.9
EBITDA and share of associates' pre-tax profits	1,482	1,469	0.9	6.3	4,517	4,444	1.6	5.2
Depreciation & amortisation	(622)	(676)	-7.9	-2.7	(1,921)	(2,032)	-5.5	-2.0
EBIT	860	793	8.5	14.1	2,596	2,412	7.6	11.2
Net finance expense	(91)	(100)	-8.8	-4.5	(287)	(235)	22.5	26.0
Profit before exceptional items and tax	769	693	11.0	16.7	2,308	2,177	6.0	9.6
Taxation	(208)	(217)	-4.3	0.5	(738)	(713)	3.4	6.5
Minority interests	(2)	(3)	-40.0	-40.0	(6)	(8)	-21.3	-21.3
Underlying net profit	559	473	18.2	24.5	1,564	1,456	7.5	11.3
Exceptional items (post-tax)	(28)	261	nm	nm	137	232	-41.1	-41.4
Net profit	532	734	-27.6	-23.6	1,701	1,688	0.8	4.0

"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 2021.

BUSINESS SEGMENTS INCOME STATEMENT

For The Third Quarter and Nine Months Ended 31 December 2022

	Quarter		YOY		Nine Months		YOY	
	31 Dec 2022 S\$ m	31 Dec 2021 ⁽²⁾ S\$ m	Chge %	Chge in cc ⁽¹⁾ %	31 Dec 2022 S\$ m	31 Dec 2021 ⁽²⁾ S\$ m	Chge %	Chge in cc ⁽¹⁾ %
Operating revenue								
Optus	1,905	1,981	-3.8	4.4	5,748	5,943	-3.3	2.2
Singapore Consumer	497	482	3.0	3.0	1,371	1,349	1.6	1.6
Group Enterprise ⁽²⁾⁽³⁾	645	650	-0.8	-0.8	1,909	1,894	0.8	0.8
NCS-originated	676	559	21.0	21.0	1,959	1,625	20.6	20.6
Singtel-originated ⁽⁴⁾	-	-	-	-	-	41	nm	nm
NCS ⁽³⁾	676	559	21.0	21.0	1,959	1,666	17.6	17.6
Trustwave ⁽³⁾	40	87	-54.3	-55.1	125	286	-56.4	-57.5
Less: Intercompany eliminations ⁽⁵⁾	(49)	(96)	-48.9	-48.9	(139)	(313)	-55.7	-55.7
	3,713	3,662	1.4	5.8	10,972	10,825	1.4	4.3
Amobee ⁽⁶⁾	-	251	nm	nm	-	741	nm	nm
Group	3,713	3,913	-5.1	-0.9	10,972	11,566	-5.1	-2.4
<i>Optus underlying operating revenue ⁽⁷⁾</i>	<i>1,905</i>	<i>1,974</i>	<i>-3.5</i>	<i>4.8</i>	<i>5,748</i>	<i>5,884</i>	<i>-2.3</i>	<i>3.2</i>
<i>Group underlying operating revenue ⁽⁸⁾</i>	<i>3,713</i>	<i>3,655</i>	<i>1.6</i>	<i>6.0</i>	<i>10,972</i>	<i>10,766</i>	<i>1.9</i>	<i>4.9</i>
EBITDA								
Optus	474	558	-15.1	-7.9	1,507	1,607	-6.3	-1.1
Singapore Consumer	175	156	12.5	12.5	504	454	11.0	11.0
Group Enterprise ⁽²⁾⁽³⁾	280	284	-1.3	-1.3	824	826	-0.3	-0.3
NCS ⁽³⁾	51	71	-28.5	-28.5	161	219	-26.6	-26.6
Trustwave ⁽³⁾	(32)	(35)	-8.8	-11.1	(90)	(86)	4.8	1.8
Corporate	(28)	(40)	-30.3	-30.3	(96)	(103)	-6.3	-6.3
Less: Intercompany eliminations ⁽⁵⁾	(10)	(5)	113.0	113.0	(21)	(6)	237.7	237.7
	911	990	-8.0	-3.9	2,788	2,911	-4.2	-1.3
Amobee ⁽⁶⁾	-	*	nm	nm	-	7	nm	nm
Group	911	990	-8.0	-3.9	2,788	2,918	-4.5	-1.5
<i>Optus underlying EBITDA ⁽⁷⁾</i>	<i>474</i>	<i>551</i>	<i>-14.0</i>	<i>-6.7</i>	<i>1,507</i>	<i>1,548</i>	<i>-2.7</i>	<i>2.6</i>
<i>Group underlying EBITDA ⁽⁸⁾</i>	<i>911</i>	<i>983</i>	<i>-7.3</i>	<i>-3.2</i>	<i>2,788</i>	<i>2,852</i>	<i>-2.3</i>	<i>0.8</i>
EBIT (before associates' contributions)								
Optus	61	97	-37.1	-31.7	220	207	6.4	11.9
Singapore Consumer	99	85	15.8	15.8	272	238	14.2	14.2
Group Enterprise ⁽²⁾⁽³⁾	189	191	-1.2	-1.2	550	556	-1.1	-1.1
NCS ⁽³⁾	23	50	-53.9	-53.9	76	155	-50.7	-50.7
Trustwave ⁽³⁾	(36)	(42)	-14.0	-15.9	(103)	(109)	-5.5	-8.2
Corporate	(37)	(46)	-19.0	-19.0	(126)	(111)	13.2	13.2
Less: Intercompany eliminations ⁽⁵⁾	(10)	(4)	127.3	127.3	(22)	(7)	228.8	228.8
	288	331	-12.9	-11.2	867	928	-6.6	-5.1
Amobee ⁽⁶⁾	-	(17)	nm	nm	-	(42)	nm	nm
Group	288	313	-8.1	-6.3	867	886	-2.1	-0.5
<i>Optus underlying EBIT ⁽⁷⁾</i>	<i>61</i>	<i>90</i>	<i>-32.1</i>	<i>-26.4</i>	<i>220</i>	<i>148</i>	<i>48.9</i>	<i>55.4</i>
<i>Group underlying EBIT ⁽⁸⁾</i>	<i>288</i>	<i>324</i>	<i>-11.0</i>	<i>-9.2</i>	<i>867</i>	<i>869</i>	<i>-0.3</i>	<i>1.4</i>

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

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar and United States Dollar from the corresponding periods ended 31 December 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 (Q3 FY2023: A\$0.1 million, Q3 FY2022: A\$7 million, YTD Dec 2023: A\$0.4 million, YTD Dec 2022: A\$58 million).
- (8) Excluded Optus' NBN migration revenue and results of Amobee.

REVIEW OF GROUP OPERATING PERFORMANCE

For The Third Quarter Ended 31 December 2022

The Group's operating revenue and EBITDA in the third quarter ended 31 December 2022 were down 5.1% and 8.0% respectively with the absence of contributions from Amobee and 8% decline in the Australian Dollar. On an underlying basis⁴, operating revenue would have been up 6.0%, driven by higher NCS' revenue and a rebound in roaming across Singapore and Australia, while EBITDA would have been down 3.2% due to Optus and NCS.

Optus' operating revenue increased 4.4% on growth across both its mobile and fixed businesses despite the recent cyber attack. Mobile service revenue grew 4.5%, lifted by postpaid mobile revenue from the continued recovery in international travel, and the benefit of price increases implemented earlier in the year. Some of this positive growth was offset by the elevated customer churn in the period immediately following the cyber attack, although churn levels improved significantly later in the quarter. Mobile equipment sales were up on increased sales of high-end devices. EBITDA for the quarter declined 7.9% from a year ago, where the corresponding December quarter's earnings were the highest due to some one-off credits. Operating expenses rose due to higher staff levels in frontline and targeted investments in new businesses.

In Singapore Consumer, operating revenue rose 3.0% due to increased mobile service revenue which was partially offset by lower pay TV revenue and mobile equipment sales. Mobile service revenue grew a robust 15% despite intense price competition, mainly due to increased travel, and higher prepaid driven by 5G and the return of foreign workers. Mobile equipment sales, however, contracted due to supply constraints of certain premium handsets and reduced demand for mobile equipment plans. With higher service revenue, EBITDA increased 13%.

Group Enterprise's operating revenue remained stable as the increase in roaming and ICT revenues were offset by declines in mobile equipment sales and voice. Mobile service revenue grew a strong 13%, boosted by higher roaming revenue from the lifting of travel restrictions. ICT revenue was up, driven mainly by higher demand for data centre services as well as the pass-through of increased utility charges. EBITDA declined by 1.3% reflecting a higher mix of lower margin products.

With its strategic reset to become a pan-APAC IT services provider, NCS achieved a strong revenue growth of 21%, propelled by broad-based growth across key lines of business as well as contributions from the subsidiaries⁵ acquired in the past year. NCS' bookings amounted to S\$442 million in the quarter with a pipeline of projects in various sectors. However, EBITDA declined 29%, impacted by higher operating expenses which were largely attributable to post-acquisition charges for its new subsidiaries, as well as higher staff costs from investments in digital capabilities to support business growth. NCS is taking steps to optimise its overall cost structure and deliver improved margins as it continues to execute on its growth initiatives.

Trustwave's operating revenue fell due to the transfer of its Asia Pacific business to Singtel, NCS and Optus with effect from 1 April 2022. EBITDA loss was lower on tight cost management.

⁴ In constant currency basis and excluding contributions from NBN migration and Amobee.

⁵ In Q3 FY2022, NCS acquired 100% stake in ClayOPS, Riley Solutions and Velocity Business Solutions, and 60% stake in Eighty20 Solutions. In Q1 FY2023, NCS acquired 100% stake in Dialog and Row TopCo (the group holding company of ARQ Group). In Q2 FY2023, NCS acquired another 20% stake in Eighty20 Solutions.

The associates' pre-tax profit contribution was up 19% despite being impacted by the significantly weaker regional currencies. On a constant currency basis, their pre-tax profit contribution would have grown by 27%, led by Airtel's strong growth momentum.

Consequently, the Group's underlying net profit rose 18% to S\$559 million in the current quarter.

With a net exceptional loss compared to a net exceptional gain in the same quarter last year, net profit was down 28% to S\$532 million. The net exceptional loss arose mainly from a significant receivable provision by Airtel's tower associate for a major customer, which was partially offset by the Group's share of Globe's tower sales gain. Net exceptional gain in the corresponding quarter last year was boosted by a net gain on disposal of the Group's 70% equity stake in Indara.

For The Nine Months Ended 31 December 2022

For the nine months ended 31 December 2022, the Group's operating revenue and EBITDA were down 5.1% and 4.5% respectively due to the absence of NBN migration revenue and contributions from Amobee, as well as a 5% depreciation of the Australian Dollar. On an underlying basis⁶, operating revenue would have grown 4.9%, EBITDA would have been stable and EBIT (excluding associates' contributions) would have been up 1.4% as depreciation charges fell after the sale of Indara in November 2021.

The associates' pre-tax profit contribution was up 13% due to Airtel's robust performance.

Net finance expense was 23% higher. This was attributable to a revaluation loss from a derivative asset as compared to a revaluation gain in the last corresponding period.

Consequently, underlying net profit rose 7.5% to S\$1.56 billion. After including lower net exceptional gains, net profit was stable at S\$1.70 billion.

⁶ In constant currency basis and excluding contributions from NBN migration and Amobee.

SHARE OF RESULTS OF REGIONAL ASSOCIATES

	Quarter		YOY		Nine Months		YOY	
	31 Dec 2022	31 Dec 2021	Chge %	Chge in cc ⁽¹⁾ %	31 Dec 2022	31 Dec 2021	Chge %	Chge in cc ⁽¹⁾ %
	S\$ m	S\$ m			S\$ m	S\$ m		
Pre-tax contributions ⁽²⁾								
Telkomsel ⁽³⁾	210	216	-2.9	3.2	665	688	-3.3	-1.8
AIS	81	80	2.3	8.6	220	239	-7.9	-1.8
Intouch ⁽⁴⁾	32	23	36.4	46.0	83	72	15.7	23.7
Globe ⁽³⁾	51	48	5.0	16.5	223	230	-3.0	4.8
Bharti Telecom ("BTL")/ Airtel ⁽³⁾⁽⁵⁾								
- India and South Asia	131	18	@	@	320	(2)	nm	nm
- Africa	80	86	-6.5	-0.3	239	253	-5.5	-1.7
Airtel	211	104	103.2	117.8	559	251	122.4	132.6
BTL	(27)	(2)	@	@	(38)	(3)	@	@
	184	102	81.0	93.9	520	249	109.3	118.6
Regional associates	557	469	18.9	27.2	1,712	1,477	15.9	20.7
Post-tax contributions ⁽²⁾								
Telkomsel ⁽³⁾	162	167	-2.8	3.4	512	531	-3.7	-2.2
AIS	66	65	0.9	7.3	179	196	-8.8	-2.9
Intouch ⁽⁴⁾	25	18	36.4	46.0	67	58	14.4	22.2
Globe ⁽³⁾	41	37	10.6	22.7	174	173	0.5	8.7
BTL/ Airtel ⁽³⁾⁽⁵⁾								
- India and South Asia	106	11	@	@	243	(7)	nm	nm
- Africa	34	36	-4.2	2.4	94	104	-9.3	-5.8
Airtel	140	47	198.3	221.6	337	97	246.9	264.6
BTL	(27)	(2)	@	@	(51)	(3)	@	@
	113	45	153.4	173.5	285	94	203.6	219.1
Regional associates	407	332	22.6	31.2	1,216	1,052	15.6	20.5

"@" denotes more than +/-500% and "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 2021.
- (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) Exclude material one-off items which have been classified as exceptional items of the Group.
- (4) Singtel holds an equity interest of 25.0% (31 December 2021: 21.2%) in Intouch which has an equity interest of 40.4% (31 December 2021: 40.4%) in AIS.
- (5) Singtel holds an equity interest of 49.4% in BTL (31 December 2021: 49.4%) and an effective equity interest of 29.5% in Airtel (31 December 2021: 31.8%). BTL's net loss widened due to higher finance expenses on increased borrowings.

The regional associates' profit contributions were negatively impacted by the depreciation of the regional currencies which ranged from 7% to 11%. In constant currency terms, post-tax contributions would have been up 31% as all regional associates delivered better performances. Intouch's profit contribution was higher due mainly to Singtel's increased equity stake in Intouch.

In this quarter, Airtel's profit contribution rose steeply driven by strong growth in operating revenue. In India, it continued to grow its mobile market share on the back of higher ARPU and increase in its 4G customer base. In Africa, its operating performance was bolstered by strong customer growth and higher usage across voice, data, and money. However, earnings were hit by higher foreign exchange losses from the revaluation of its foreign currency-denominated liabilities.

EXCEPTIONAL ITEMS ⁽¹⁾

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec 2022 S\$ m	31 Dec 2021 S\$ m		31 Dec 2022 S\$ m	31 Dec 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 Indara	-	-	-	84	-	nm
Release of cumulative translation loss from equity upon sale of Amobee	-	-	-	(31)	-	nm
Gain on sale of 70% stake in Indara	-	756	nm	-	756	nm
Provisions for interest and penalties in respect of tax ruling	-	(176)	nm	-	(176)	nm
Staff restructuring costs	(2)	(3)	-25.9	(9)	(28)	-65.9
Others ⁽²⁾	(3)	*	nm	(12)	(17)	-29.2
	(5)	578	nm	121	536	-77.4
Tax credit/ (expense)	1	(358)	nm	(62)	(347)	-82.0
Group exceptional items (post-tax)	(4)	220	nm	59	189	-69.0
Airtel	(53)	6	nm	(38)	(26)	47.3
Globe	34	36	-4.7	44	36	23.7
Telkomsel	-	-	-	77	33	131.5
Singpost	(5)	-	nm	(5)	-	nm
Share of associates' exceptional items (post-tax)	(24)	41	nm	78	43	80.6
Net exceptional (losses)/ gains	(28)	261	nm	137	232	-41.1

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

Notes:

- (1) Exceptional items are material 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 of Globe for the period ended 31 December 2022. In the last corresponding period, it comprised stamp duty and other fees related to the restructuring of tower infrastructure assets in Australia, dilution gains on Globe and AIS, and other provisions.

Net exceptional loss in the quarter arose mainly from Airtel as a result of its share of Indus Towers⁷ significant receivable provision for one of its major customers and provision for licence fees related to prior periods which were partially offset by a deferred tax credit in Africa and a fair value gain on revaluation of its foreign currency convertible bonds⁸.

Globe's exceptional gain this quarter was from the sale of its telecommunication towers.

⁷ Airtel equity accounted for the results of Indus Towers based on its equity stake of 47.95%. Indus Towers is one of the largest tower infrastructure providers in India.

⁸ 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 2022	30 Sep 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	
Mobile						
Mobile revenue (S\$'M) ⁽¹⁾	523	461	507	1,414	1,359	4.1
Mobile service revenue (S\$'M) ⁽²⁾	327	317	286	953	852	11.8
Number of mobile customers (000s)						
Prepaid	1,385	1,385	1,319	1,385	1,319	5.0
Postpaid	2,888	2,880	2,827	2,888	2,827	2.2
Total	4,273	4,265	4,146	4,273	4,146	3.1
Average revenue per customer per month ⁽³⁾⁽⁴⁾ (S\$ per month)						
Prepaid	13	13	11	13	13	3.2
Postpaid	34	33	30	33	29	13.1
Blended	27	26	24	26	24	11.1
Data usage (GB per month) ⁽⁵⁾	10	10	8	9	8	17.5
Fixed Broadband						
Fixed broadband revenue (S\$'M) ⁽⁶⁾	124	121	122	366	363	0.7
Fixed broadband lines (000s)	666	663	659	666	659	1.1
Pay TV						
Singtel TV revenue (S\$'M)	40	35	49	119	151	-20.9
Residential TV customers (000s)	328	333	362	328	362	-9.4
Fixed Voice						
Fixed voice revenue (S\$'M)	53	54	58	162	179	-9.1

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) Comprised broadband service revenue and sales of equipment.

APPENDIX 1 – KEY PRODUCT INFORMATION

AUSTRALIA PRODUCT DRIVERS

	Quarter			Nine Months		YOY Chg %
	31 Dec 2022	30 Sep 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	
Mobile						
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,396	1,315	1,320	3,959	3,831	3.3
Optus' mobile service revenue (A\$'M)	963	947	922	2,845	2,767	2.8
Number of mobile customers (000s)						
Prepaid	3,312	3,258	3,014	3,312	3,014	9.9
Postpaid	5,980	6,006	5,884	5,980	5,884	1.6
Connected devices ⁽²⁾	1,085	1,070	1,002	1,085	1,002	8.3
Total	10,378	10,334	9,900	10,378	9,900	4.8
Average revenue per customer per month ⁽³⁾ (A\$ per month)						
Prepaid	19	19	20	20	20	-1.9
Postpaid	41	40	40	40	40	0.6
Connected devices ⁽²⁾	12	13	15	13	14	-8.2
Blended	31	31	31	31	31	-0.9
Data usage (GB per month) ⁽⁴⁾	15	14	13	15	13	13.9
Home						
Blended Home ARPU (A\$) ⁽⁵⁾	72	73	72	72	71	2.4
Home customers (000s) ⁽⁶⁾						
NBN	1,104	1,111	1,093	1,104	1,093	1.0
Fixed Wireless Access	206	209	207	206	207	-0.3
Others ⁽⁷⁾	*	*	16	*	16	nm
Total	1,310	1,320	1,316	1,310	1,316	-0.4
Optus Sport customers (000s)	890	922	1,007	890	1,007	-11.6

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

Notes:

- (1) Comprised mobile service revenue (both outgoing and incoming), sales of equipment and handset leasing.
(2) Defined as data-only SIMs and include 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) Excluded NBN migration revenue.
(6) Refer to retail customers who took up broadband (including fixed/ 4G/ 5G internet) and/ or voice.
(7) These are customers on Hybrid Fiber Coaxial (HFC)/ Unbundled Local Loop (ULL).

APPENDIX 2 – CURRENCY TABLE**MAJOR CURRENCY AVERAGE EXCHANGE RATES**

	Quarter		YOY Chge %	Nine Months		YOY Chge %
	31 Dec 2022	31 Dec 2021		31 Dec 2022	31 Dec 2021	
Derived weighted average exchange rate for operating revenue :						
1 Australian Dollar ⁽¹⁾	0.9110	0.989	-7.9	0.949	1.003	-5.3
1 United States Dollar ⁽²⁾	1.387	1.358	2.1	1.387	1.347	3.0
1 Singapore Dollar buys:						
Indonesian Rupiah	11,236	10,526	6.7	10,870	10,638	2.2
Indian Rupee	59.2	55.2	7.2	57.5	55.2	4.2
Thai Baht	26.2	24.6	6.5	25.7	24.2	6.2
Philippine Peso	41.3	37.2	11.0	40.0	36.8	8.7

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 statement of Trustwave is translated from United States Dollar to Singapore Dollar based on these derived weighted average exchanges rates for the period to date.

Business Update

Third quarter ended
31 December 2022

16 February 2023



9M highlights



Strong rebound in core telco profits with roaming & price uplift



Optus recovering well from cyber incident



NCS near-term margin pressure from investments in capabilities & acquisition costs



Focus on scaling data centre as growth engine

Operating revenue

S\$10,972M

▼ 5% (▲ 5%¹)

EBITDA

S\$2,788M

▼ 5% (Stable¹)

EBIT
(ex associates' contribution)

S\$867M

▼ 2% (▲ 1%¹)

Regional associates' PBT

S\$1,712M

▲ 16% (▲ 21%¹)

Underlying net profit

S\$1,564M

▲ 8%

Net profit

S\$1,701M

Stable

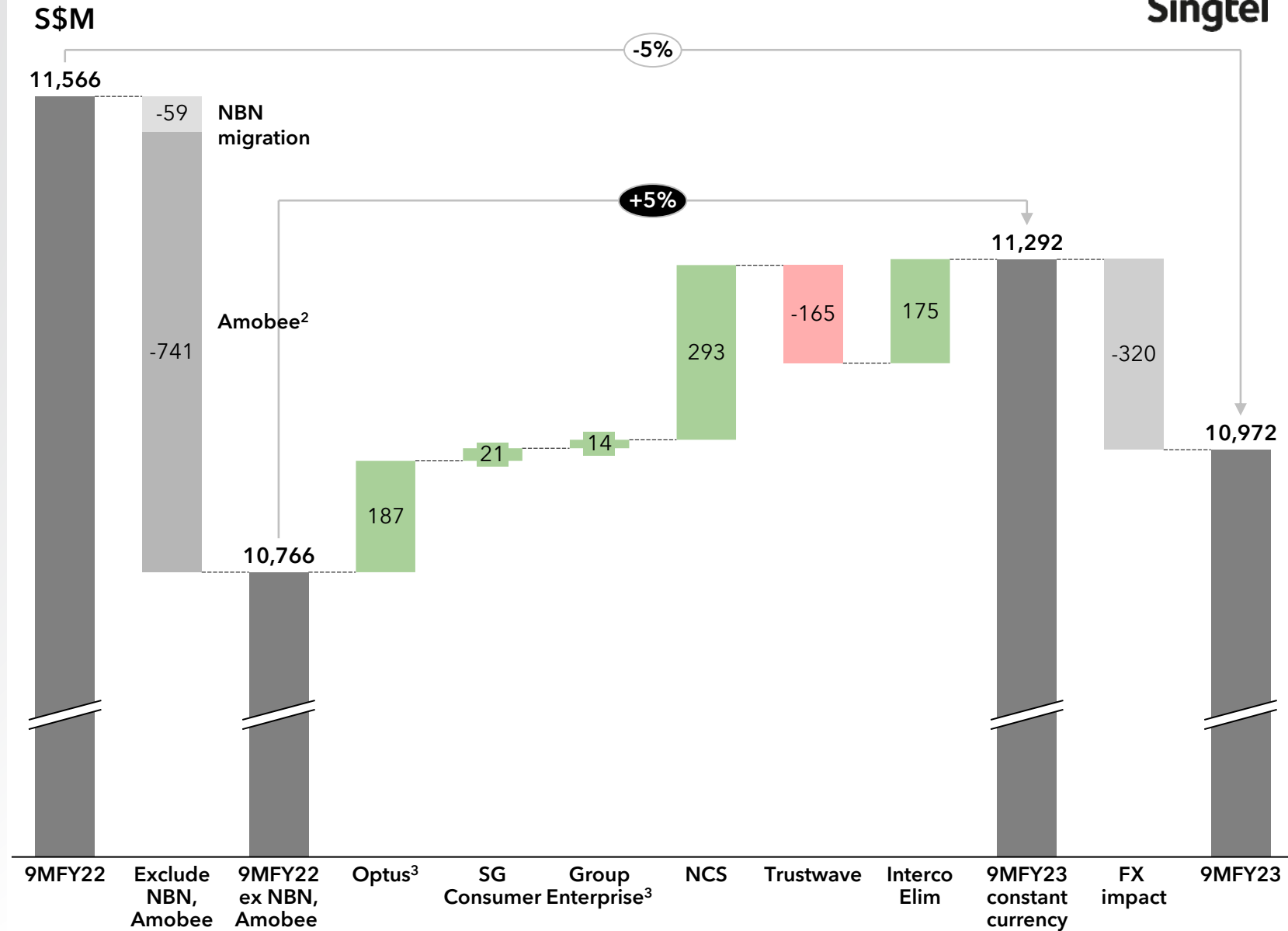
1. In constant currency basis & excluding NBN migration & Amobee in prior comparative period (PCP) 9MFY22.

Revenue

S\$10,972M

▼ 5% (▲ 5%¹)

- Rebound in connectivity services
 - Supported by mobile & fixed price uplift at Optus
 - Strong roaming recovery & 5G take-up in SG
- Robust ICT growth led by demand for data centre & network solutions
- NCS continued growth momentum across all business segments
 - S\$236M in contributions from new acquisitions



1. In constant currency basis & excluding NBN migration & Amobee in PCP.

2. Amobee ceased to be consolidated on a line-by-line basis from 1 April 2022.

3. From 1 April 2022, Australia Enterprise, which was previously under Group Enterprise, is reported under Optus. PCP results have been restated on the same basis.

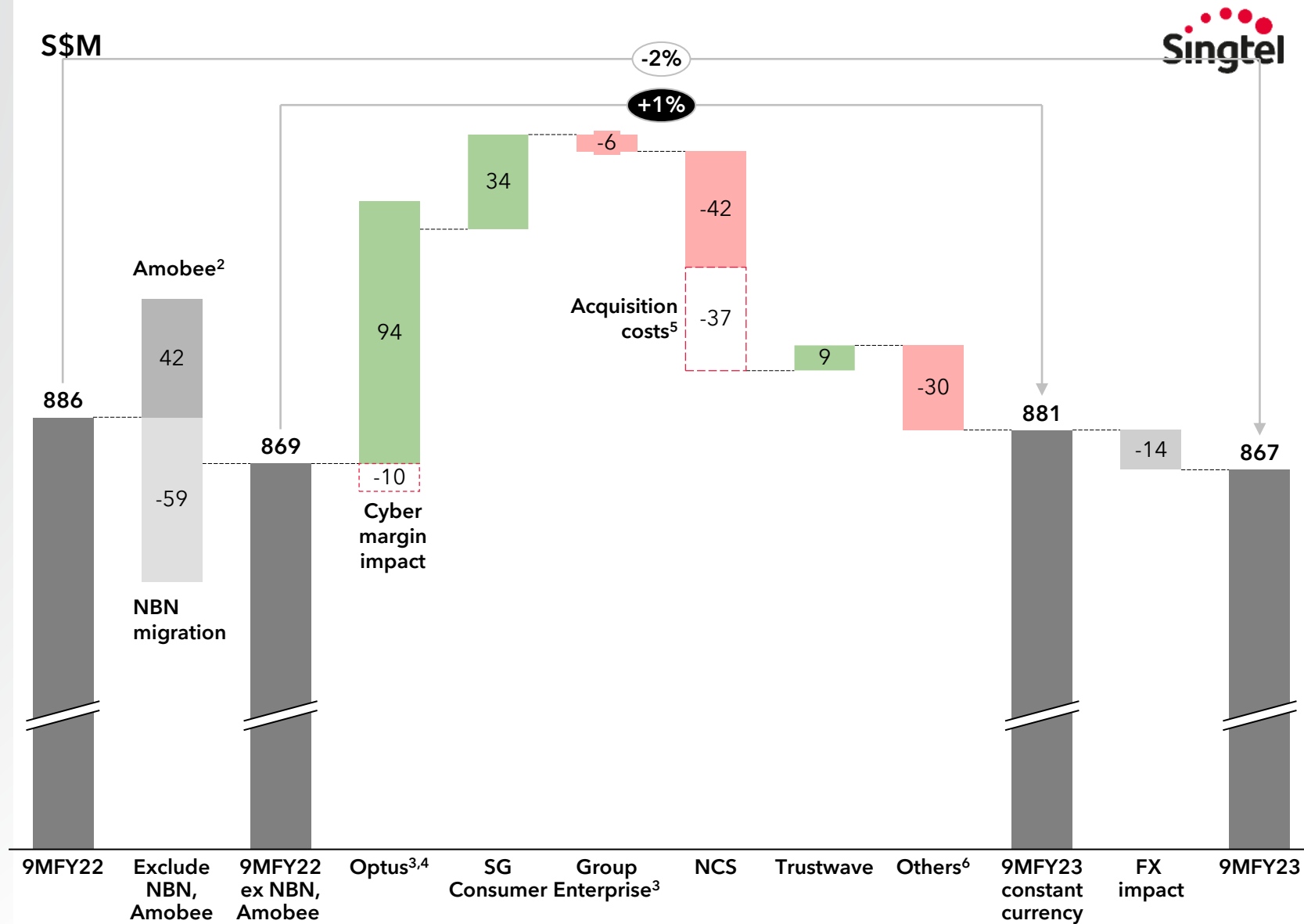
EBIT

(ex associates' contribution)

\$867M

▼ 2% (▲ 1%¹)

- Optus recorded healthy growth with better revenues & margins
- Continued roaming recovery & lower content costs in SG
- Enterprise impacted by increasing ICT mix & migration to data
- NCS impacted by post-acquisition costs⁵, investments in digital capabilities & higher wages
- Trustwave narrowed losses with leaner operating structure



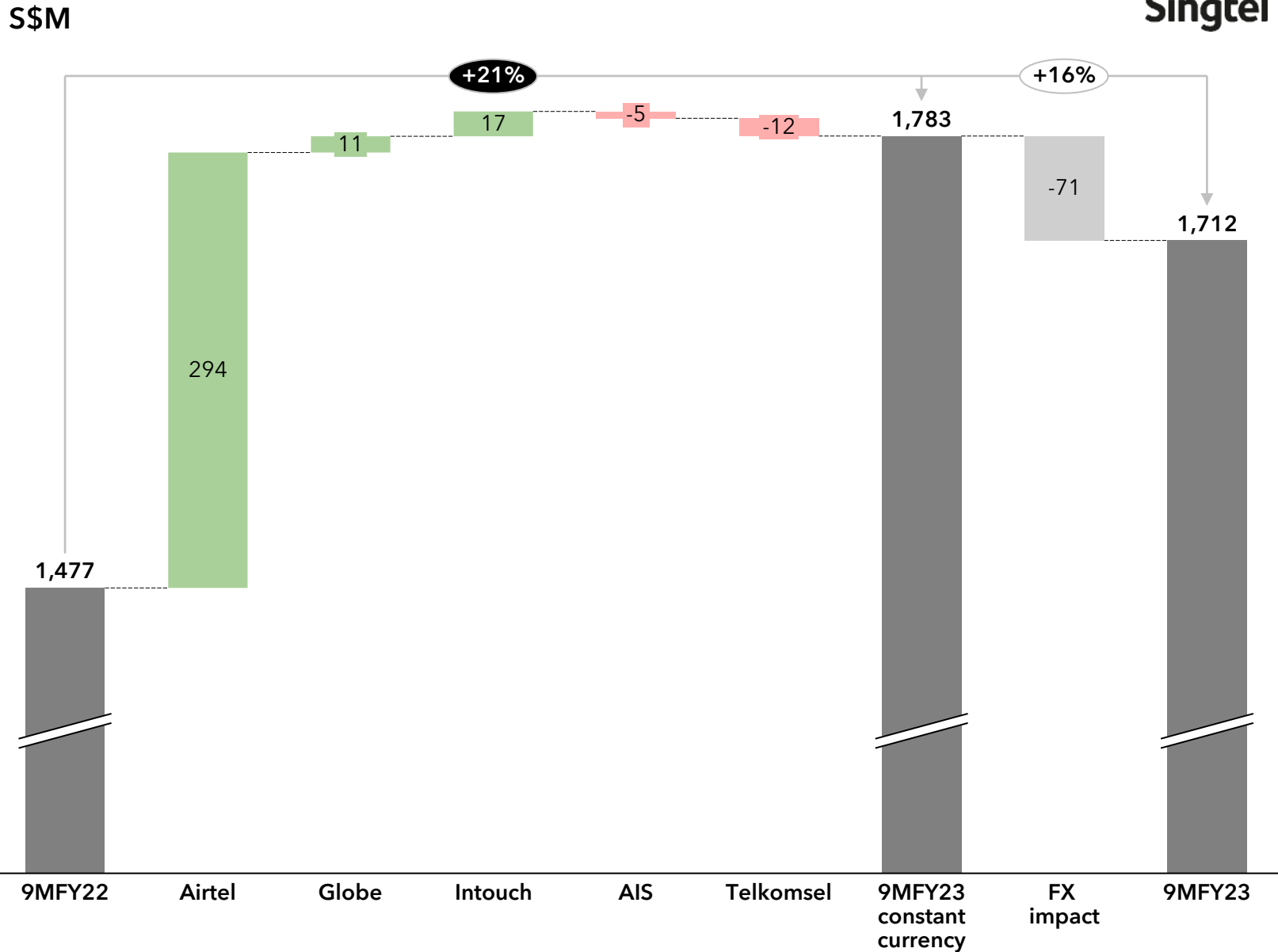
- In constant currency basis & excluding NBN migration & Amobee in PCP.
- Amobee ceased to be consolidated on a line-by-line basis from 1 April 2022.
- From 1 April 2022, Australia Enterprise, which was previously under Group Enterprise, is reported under Optus. PCP results have been restated on the same basis.
- Adjusting for the sale of Optus towers from April 2021, Optus EBIT would have increased S\$42M (excluding NBN) in constant currency terms.
- Includes retention bonus & purchase price allocation amortisation.
- Includes intercompany eliminations & corporate costs.

Regional associates' pre-tax profits

\$S\$1,712M

▲ 16% (▲ 21%¹)

- Airtel delivered robust growth across its mobile, enterprise & homes businesses
- Globe boosted by higher service revenues from growth in data & non-telco services
- Higher contribution from Intouch on increase in shareholdings & lower PPA amortisation
- Telkomsel service revenue growth offset by higher network costs
- Depreciation in all regional associates' currencies



1. In constant currency basis.

Q3 highlights

Operating revenue

S\$3,713M

▼ 5% (▲ 6%¹)

- Strong mobile growth on roaming & prepaid services
- NCS growth from organic & acquisitions

EBITDA

S\$911M

▼ 8% (▼ 3%¹)

- Mobile service margins improved with roaming & price uplift
- Acquisition costs & investment in digital capabilities at NCS
- Optus' investments to scale digital services

EBIT (ex associates' contribution)

S\$288M

▼ 8% (▼ 9%¹)

- Flow through from lower EBITDA

Regional associates' PBT

S\$557M

▲ 19% (▲ 27%¹)

- Sustained outperformance by Airtel
- Earnings growth¹ across associates

Underlying net profit

S\$559M

▲ 18%

- Underlying earnings lifted by regional associates

Net profit

S\$532M

▼ 28%

- Included exceptional loss from Indus Towers² significant receivable provision this quarter, compared to exceptional gain from disposal of Indara³ last year

1. In constant currency basis & excluding NBN migration & Amobee in prior comparative period (PCP) Q3FY22.

2. Airtel equity accounted for the results of Indus Towers based on its equity stake of 47.95%. Indus Towers is one of the largest tower infrastructure providers in India.

3. Refers to Indara Corporation Pty Ltd (known as Australia Tower Network Pty Limited (ATN) before December 2022).

Delivering to our strategic reset - Q3 highlights



Reinvigorate the core

Partnership to grow metaverse business in APAC



Launched next-gen sharing bundles



Awarded AU's Fastest 5G Network for download speeds¹



Leading the AU MVNO market



Capitalise on growth trends

Develop 51MW data centre in Batam, ID



Began construction of 20MW data centre in Bangkok, TH



GXS ecosystem² launch in SG



Reallocate capital, unlock value

Divested stake in Thaicom



Supported rights issue

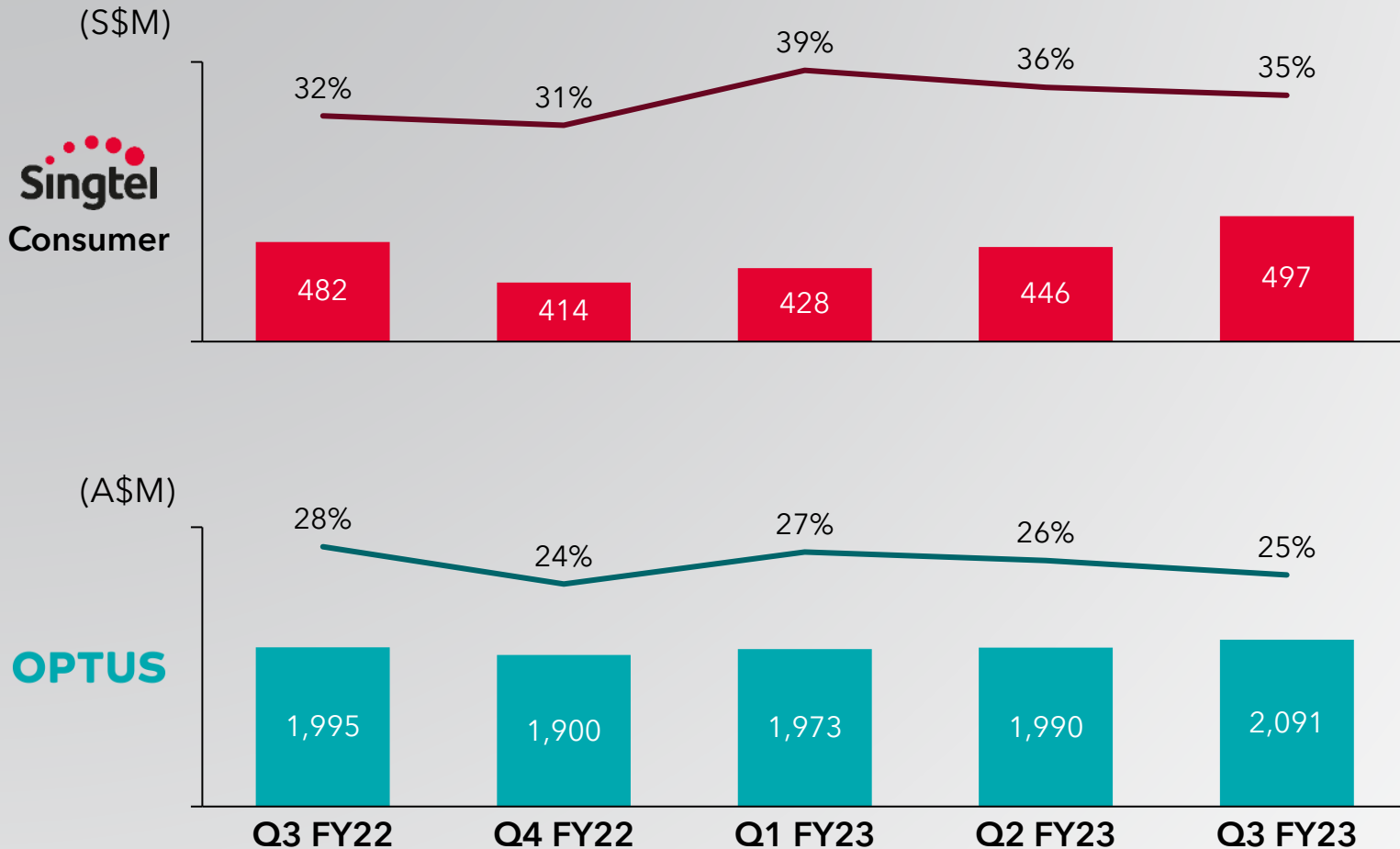


1. Based on Opensignal's Oct 2022 Mobile Network Experience Report with 5G key metric wins in video and download.

2. Ecosystem includes Singtel, Grab, GXS staff & eligible customers who meet MAS' criteria.

Momentum building in core business

Revenue & EBITDA margin trend



— EBITDA margin ■ Revenue

- Strong roaming recovery & 5G migration
- Content cost savings from cessation of Premier League

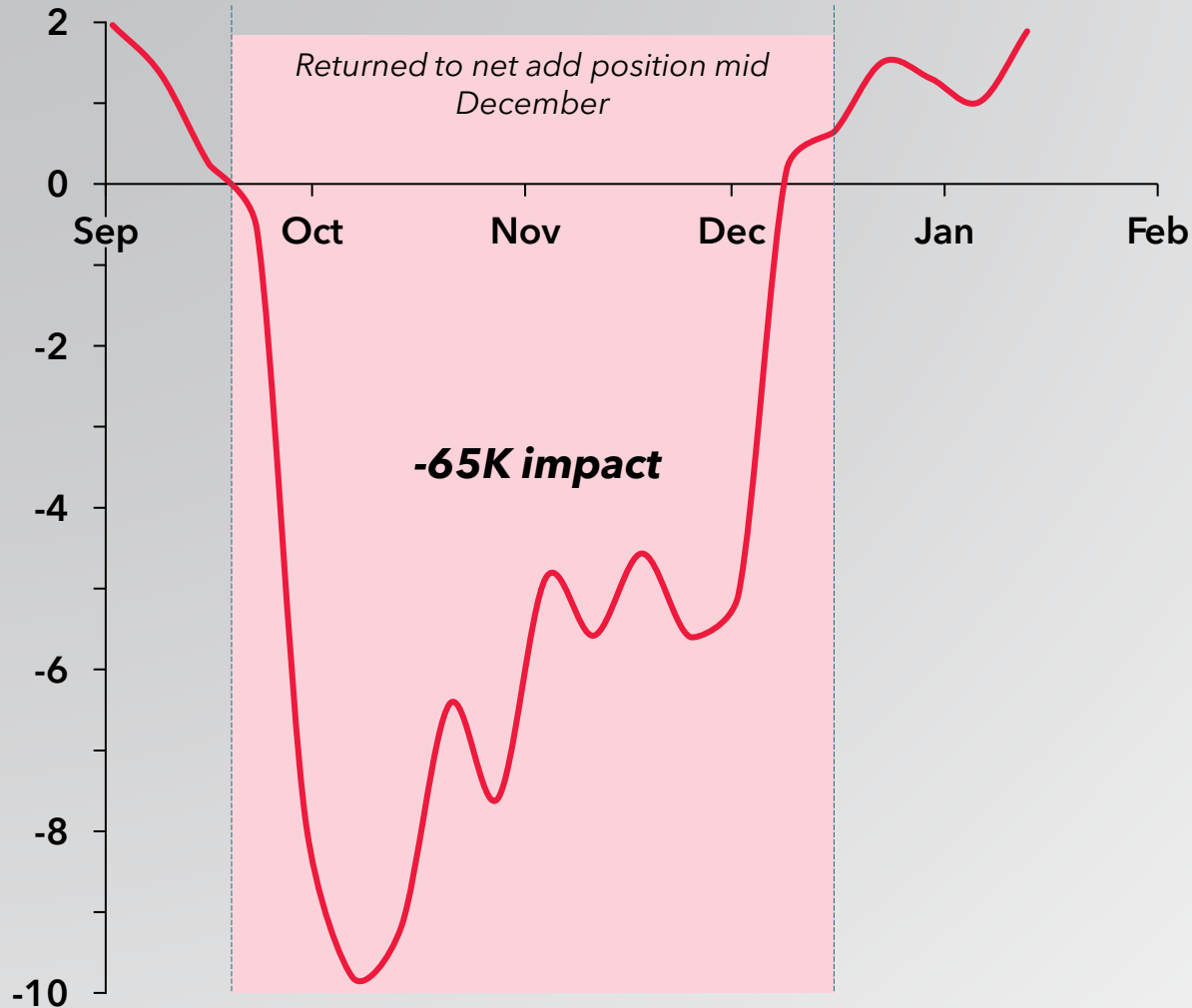
— EBITDA margin¹ ■ Revenue¹

- Growth in mobile & fixed
- Branded postpaid price-up in Q2FY23
- Impact of cyber incident contained within Q3FY23

1. Excluding NBN migration.

Contained impact of cyber incident

Branded Postpaid Net Connections (K)



Provisions made sufficient to cover cost



No known financial loss suffered by customers¹



Returning to typical seasonal marketing campaigns



Obtained ISO 27001 certification² for information security management

1. As of end-Jan 2023.

2. As of 13 Feb 2023.

Key focus areas in Q4



Restart Optus' operating momentum

- Impact of cyber attack contained within Q3FY23, positive net connections from Dec 2022
- Drive cost synergies from Optus Enterprise integration



Rebuild NCS' profitability

- Continued focus on cost management & post-acquisition costs tapering down; EBIT improved to S\$23M in Q3FY23 (S\$6M in Q2FY23)
- Margins to improve as the cost of scaling the business eases in the coming quarters



Ride industry tailwinds

- Continued post-COVID recovery as China reopens & students return to AU
- Positive price actions across most markets
- Capture enterprise demand for 5G applications & digitalisation

