
CORPORATE PARTICIPANTS

Mr Yuen Kuan Moon – *Group CEO*
Mr Arthur Lang – *Group CFO*
Mr Stephen Rue – *CEO, Optus*
Mr Bill Chang – *CEO, Digital InfraCo*
Mr Ng Tian Chong – *CEO, Singtel Singapore*
Mr Ng Kuo Pin – *CEO, NCS*
Ms Jeanette Pang – *AD, IR*

CONFERENCE CALL PARTICIPANTS

Mr Hussaini Saiffee – *Maybank*
Mr Piyush Choudhary – *HSBC*
Mr Ranjan Sharma – *J.P. Morgan*
Mr Arthur Pineda – *Citigroup*
Mr Zhiwei Foo – *Macquarie*
Mr Sachin Mittal – *DBS*
Ms Sukriti Bansal – *BofA*
Mr Eric Choi – *Barrenjoey*

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Ms Jeanette Pang – *AD, IR*

Good morning, everyone. Welcome to Singtel's results briefing for the year ended 31 March 2025. I'm Jeanette Pang Investor Relations and a warm welcome to analysts and investors joining us online and physically here at Singtel's office.

Let me begin by introducing management present here today. We have Mr Yuen Kuan Moon, Group CEO, Mr Arthur Lang, Group CFO, Mr Stephen Rue, Optus CEO, Mr Bill Chang, CEO Digital InfraCo, Mr Ng Tian Chong, CEO Singtel Singapore and Mr Ng Kuo Pin, CEO of NCS.

We'll start off today with a short presentation by Moon and Arthur, then we will have time for Q&A. I'll now invite Moon to share some highlights from the results and how we are delivering to Singtel28 growth plan.

Mr Yuen Kuan Moon – *Group CEO*

Thank you, Jeanette. Good morning, everyone. Thank you for joining us today for our FY25 results. Let me start the FY25 with some key achievements.

Since unveiling our Singtel28 growth plan a year ago, I'm pleased to share that we have made meaningful progress towards our goal for sustained value realisation.

We closed FY25 on a strong note, delivering a 9% increase in underlying net profit, underpinned by Optus, NCS and regional associates growth.

Our focus on cost optimization continues to bear fruit, leading to absolute reductions in OpEx for our connectivity businesses in Singapore and Australia.

We continue to drive Nxera's expansion with data centers in Singapore and Thailand set to launch within a year.

On active capital management, we have received S\$1.9 billion recycling proceeds in FY25, almost one-third of the \$6 billion mid-term asset recycling target we announced a year ago.

This mainly came from the divestment of Comcentre and the sale of partial stake in Intouch.

With the improved financial performance and strong capital position, we have announced a final dividend of 10 cents. This brings total dividends to 17 cents for the full year, 13% higher than last year.

The FY25 total dividend comprises a core dividend of 12.3 cents and a VRD of 4.7 cents. I'm also pleased to announce a share buyback programme of up to S\$2 billion over the next three years until financial year 2028. Arthur will share more details on this later.

Now, let's turn to our business highlights. Singtel Singapore continues to build new revenue streams. Empower platform, our AI-enabled self-serve Enterprise portal has secured a number of strategic customer wins, while we bolster our Quantum Safe offerings to fortify enterprises against cyber threats.

Optus maintains its positive operating momentum, supported by rising mobile ARPU and subscriber growth. The regional network sharing with TPG has also gone live in January, enabling Optus to optimize its 5G capex in the region.

On the growth engines, NSC joint venture with Globe in the Philippines will increase our capacity to meet the region's growing demand for IT services, particularly AI-led solutions.

We are seeing strong demand for our upcoming data centers in Singapore and Thailand, with around 50% and 80% of their respective capacities already pre-sold.

On sustainability, we have reduced emission by around 14% and launched our Responsible Procurement Policy.

On to financial highlights. Operating revenue remains steady, while both EBITDA and EBIT saw a strong growth of 5% and 20% respectively, driven by robust performance of Optus and NCS.

Excluding currency fluctuations, regional associates' profit after tax increased by 7% to S\$1.8 billion, led by Airtel and AIS.

As mentioned earlier, underlying net profit, which is the basis for core dividend payout grew 9% to S\$2.5 billion.

Net profit grew more than fivefold due to an exceptional gain of S\$1.6 billion, mainly from the divestment of Comcentre. This compares to an exceptional loss of S\$1.5 billion, mainly from non-cash impairment charges in FY24.

ROIC increased for the fourth straight year, hitting 9.6%. Excluding exceptional items, it would be 9.8%.

Double clicking on revenues, excluding project-based satellite deployment fees, Trustwave and forex, our revenue grew by 2%. This was driven by healthy growth in Optus' mobile services and our growth engines.

Now a deep dive into the performance of our various businesses.

Optus continued to deliver strong performance with EBIT growth of 55%, driven by improved mobile performance and cost management.

Singtel Singapore remained resilient in a challenging market as new growth and cost control led to a stable financial performance.

Moving on to our growth engines. NCS maintained its growth trajectory with Gov+ driving revenues on demand for Cloud, Data and Digital services. Importantly, a focus on profitability has seen EBIT increase 39% on improved delivery margins and cost to serve optimization.

Digital InfraCo revenue was up 5%, mainly on Nxera's non-recurring customer reservation fee and utility pass through. EBIT declined 9% due to the impact of lower project-based satellite fees, as well as investment in Enterprise Platforms and RE:AI.

Our regional associates' profit after tax rose by 4%, mainly driven by AIS in Thailand and Airtel in India. On constant currency terms, the contribution increased by 7%.

Our associates are generally seeing benign market conditions, although Indonesia continues to face strong mobile competition mitigated by growth in the fixed broadband service.

We continue to maintain a robust balance sheet. We hold S\$2.8 billion in cash, while almost 90% of debt is hedged into fixed rates, we will average debt maturity of around four years. Net debt rose largely due to spectrum payments by both Optus and Singtel Singapore. At the time we currently have limited US dollars exposure.

We generated over S\$4 billion of cash placing us in good stead as we execute to Singtel28.

With that, let me touch on our priorities for the new financial year.

We have successfully delivered on our FY25 guidance. With that we are pleased to declare a total ordinary dividend of 17 cents which is above our around 16.5 cents guidance, further demonstrating our commitment to increasing shareholder returns.

As we enter FY26, we will focus on several areas to drive revenue in FY26. Our connectivity business will build on opportunities in the enterprise space, mobile momentum in Australia and new revenue streams. Growth engines will benefit as we turn on new data center builds and NCS continues to execute its 3-axis strategy.

At the same time, we will remain committed to cost optimization to ensure we stay competitive and drive EBIT improvement.

Our regional associates will continue to leverage market opportunities in fixed broadband and in enterprise. Simultaneously we are prioritizing cost optimization and operational simplification.

Since the launch of our cost out plan, we have taken out around S\$400 million of costs. To meet our S\$600 million target next year, we intend to further simplify products, drive efficiency in systems and processes and optimize procurement.

We have witnessed rising global trade tensions recently, leading to macroeconomic uncertainties. Despite that, we remain committed to executing our Singtel28 strategy as we move into FY26.

We are guiding FY26 EBIT growth in the high single digits range. This will be underpinned by Singtel's diverse business profile, continued operational improvements and cost efficiency, even as the industry landscape remains dynamic.

On cost savings, we expect another S\$200 million in FY26. Regional associates' dividends are estimated at about S\$1 billion as contribution from Intouch ceased in April this year from its amalgamation into Gulf Development.

FY26 CapEx is expected to be S\$2.5 billion. At the same time, we are reiterating our mid-term target of low double digit for ROIC, reflecting our ongoing focus to deliver long-term sustainable returns.

On CapEx for FY26, core CapEx is expected to be stable this year. We continue to work towards Optus' CapEx sales ratio of mid-teens in the midterm.

Growth CapEx will grow by S\$100 million, with most funded by external capital partners.

With that, I'll hand over to Arthur to walk us through the second component of Singtel28 - active capital management.

Mr Arthur Lang – *Group CFO*

Thank you, Moon. As mentioned earlier by Moon, for fiscal year FY25 our total dividend was 17 cents. It's an increase of 13% year on year, versus last year's 15 cents. The final ordinary dividend, and you'll see there it's the total of 10 cents, that comprises, also includes the \$3.3 cents of the value realisation dividend.

Since fiscal year FY21, we have progressively increased our dividends and we intend to maintain this momentum. We have said quite a few times, we intend to grow dividends on a sustainable basis. This has helped boost total shareholder returns to 13% on a three-year annualized basis, outperforming the STI and the MSCI Asia ex Japan telco Index. Building on our proven track record in asset recycling, we are also raising our mid-term target from \$6 billion to around \$9 billion in monetizable assets. That means the pipeline of how much we are recycling.

Last Friday, as you all probably know, we recycled or unlocked another \$2 billion with the sale of 1.2% direct stake into Airtel. We sold it to a whole bunch of international and Indian institutional investors, including existing shareholders of Airtel. The resulting gain from the sale is estimated to be about \$1.4 billion.

You will see that really, as Moon mentioned, as we are about two thirds there on our previous target and we are confident given the pipeline that we are seeing, hence we are raising this target from \$6 billion to \$9 billion in the medium term. This will help fund investments in our growth engines and possibly pay down debt but after investing in growth any excess capital from such recycling initiatives, whether it will be put towards VRD as well as other capital management initiatives.

As Moon has mentioned, on top of the VRD now we are adding another prong to our capital management policy with an inaugural what we call the Value Realisation Share Buyback programme. We're trying to be a bit creative here but it's effectively a buyback programme, to boost total shareholder returns. This Value Realisation Share Buyback programme is up to \$2 billion and is expected to run over three years.

The shares will be bought back in the open market and depending of course on market conditions, and once acquired these shares will be cancelled, which means that our EPS and DPS will go up on a sustained basis and hence the focus on driving long-term returns on capital. The programme will complement our existing dividend policy, so it is over and above the dividend policy, it doesn't replace the VRD, and also above our periodic buybacks which we do for employee share plans, those we don't cancel. We give it - it is awarded to our employees but it's not big.

Now, funding for the programme will come mainly from the excess capital as we raise the pace and the magnitude of our asset recycling. This underscores our commitment to the Singtel28 strategy and reflects Management's confidence in our Group's long-term value and our growth prospects.

To recap, I think you have all seen this quite a few times. The two-pronged strategy has become three-pronged. The first one is our core dividend. We remain at 70% to 90% of underlying net profits. This doesn't include any exceptionals. We add on 3 to 6 cents per year of the VRD - value realisation dividend - and we have indicated this to all of you in the market that we intend to keep this 3 to 6 cents over the medium term and that was defined as about five years. Last year we said five years, so four years now. What we have added on is the VRSB, the share buyback programme, three-year programme as mentioned, of up to \$2 billion. Together this is targeted to enhance shareholder returns for optimising the allocation of our financial resources.

In the next slide, we would like to conclude we remain laser-focused on our ST28 strategy. It is really two-pronged. We need to continue to lift business performance and deliver sustained value realisation for our shareholders. This Value Realisation Share Buyback will further strengthen our overall capital management even as we look towards deploying capital more sustainably.

Let me wrap up by ending up with four key points. Despite the recent macro and geopolitical uncertainties, we remain confident, as Moon has said in the press release, in our business diversity, strong fundamentals and our growth opportunities, particularly in digitalization and AI. We stand ready to adapt and respond to the changing business environment.

Last but not least, we remain committed to delivering higher returns on a sustainable basis. We do acknowledge that the macro environment is a lot more uncertain now but nevertheless, we are committing to continued delivery of our returns. Thank you. I hand the meeting back to Jeanette for the Q&A.

Ms Jeanette Pang – AD, IR

Thank you, Arthur. We'll now be taking questions from those who are present here first before turning to those online. Before you ask your question, may we request that you identify yourselves and also keep to a limit of two questions and if there's time we will circle back to you. We can have the first question, please.

Mr Hussaini Saiffee – Maybank

Yes. Thanks. Hussaini here from Maybank. Also, thanks for the dividends and share buyback. Firstly, on that \$6 billion going to \$9 billion, what is the timeline and what additional area of capital recycling we should expect?

The second question is on the Singapore side, that the competition remains quite intense. I understand that consolidation could be one of the trigger points which could help to subside competition, but given that the uncertainty remains around consolidation, what can be done to subside the competition? The related question is on the ICT revenues, which was quite strong. What drove that and what is outlook? Thank you.

Mr Yuen Kuan Moon – *Group CEO*

Thank you for the question. Maybe I'll cover a little bit and then get Tian Chong to comment on Singapore competitive landscape and consolidation. Just a clarification, by ICT revenue you were referring to the NCS ICT revenue?

Mr Hussaini Saifee – *Maybank*

No, Singapore enterprise.

Mr Yuen Kuan Moon – *Group CEO*

Singapore enterprise, they don't engage so much in ICT but overall we have a small portion of IT followed by the way of business. But I'll let Tian Chong comment on that.

I think in terms of the capital recycling of \$6 billion to \$9 billion in the medium term, I would like to take you back a bit earlier because when we first announced capital recycle quite a few years ago, we were explaining that these are all assets that lay dormant that we are not utilizing. We started with some of the towers divestment in Australia as well as I think some in Indonesia and as well as the Philippines as well, we have also divested some towers. So, this is one of the assets that we are recycling.

Then of course, we also announced Comcentre redevelopment, which took us a few years, but the money came in eventually, this year. This was another one. Thirdly, there was also some Airtel share divestment because three years ago I think we announced that we would like to equalize our stakes with our local partners, Sunil. We have never gone ahead of the market to say we which are the assets we are divesting because when they materialize we will share, but Singtel do have quite a few other assets and businesses that we deem non-core.

In the past, we have mentioned some of the assets that were non-core and over time we have divested but we are not in a hurry. In the pipeline, if you look at it, we do have assets and because more have been done earlier so we are topping up and saying that in the medium term there's about \$9 billion more to go. So, usually when we say medium term we are looking at three/four-year horizon and that would be the timeframe there, yes. I hope that answers your questions.

Maybe, Tian Chong, do you want to take the Singapore consolidation and Bill, the enterprise revenue growth where you are differentiating.

Mr Ng Tian Chong – *CEO, Singtel Singapore*

For Singapore, yes, there is a lot of market talk about consolidation and clearly there are a lot of activities going on, but we can't control that nor influence that. For Singtel we have to play our own

game. What we are doing is, like you said, are we able to drive a confident path forward with all this uncertainty and we are.

In fact, on 15 May, a week ago, we launched our 5G+ and 5G+ Priority and the main reason for that is because we have a superior 5G standalone network in Singapore, and we know that while the uncertainty is there, we are confidently - we did a couple of things. First, we took on the 700 spectrum and we're the only operator in Singapore that took on the 700 spectrum, and eventually we deployed that in February on our 5G network.

With that, last week we essentially formalized the launch of our 5G network, and we rebranded it as 5G+, and it is largely because with the 700 in line with the other capabilities which I'll highlight shortly, we have made our coverage 40% better overnight in Singapore. With that, and then the 5G+ Priority launched last week, the idea is to focus on the high value ARPU customers for us at Singtel, which actually contributes disproportionately to our revenue, and we are offering a lot more features and values for them.

With the 5G+ Priority, without going into the details, we are using the market, we are basically making available some of the capabilities which in the past were only available to enterprise customers with a slice. We are making it available now to the paying customers and particularly the Priority Plus customers at the top end. They get Priority access, which is four times faster speed. We are also providing Mobile Protect, which is a cyber protection inside the slice for our customers, and they get that locally as well as when they roam overseas.

Also, beyond the network, beyond security, we are also reimagining what customer service is like. We feel we can differentiate because of our superior network and the fact that we're investing in the touchpoints and customer experience. Early, we are seeing very good reaction, positive feedback so far from the media, yourselves, the analysts, the influencers; they came and they gave us really good feedback, and also from some of our customers we see strong early engagement.

Our click-through rate on the EDMs are more than five times now the usual run rate, particularly in the target audience, so we feel very pleased with that. We know that we have the right product, the right fit. Customers are willing to pay and those who pay, we want to move away from the commoditization of data where like you said, in a crowded market everybody is throwing hundreds of gigs, but we are trying to differentiate. We can do the gig game, but we want to clearly be able to differentiate our network. That's on delivery.

On the enterprise side, we also are progressing really well. The main reason for growth is actually the combination of Singtel Singapore being able to build digital business models where we help our customers have a single pane of glass to observe their network. Then we build a platform, a digital platform that allows them to orchestrate the workload between the 5G but also different networks that they have and be able to observe and be able to essentially what we call discover the network, buy services on-demand and care for the network.

We take that capability and we have built SD-WANs on it. I think some of you have in the last year understood that we have expanded overseas, have had success at global accounts, so that solution is actually doing well locally and overseas and has got us into deals.

Then of course, on the network slicing, just my last comment. It's not just on the consumer play but really the strength that we started was enterprise where we are now powering the biggest automated port in the world, PSA, as well as Changi Airport Group on the 5G network. All that is really fueling our enterprise group.

Ms Jeanette Pang – *AD, IR*

Thank you, Tian Chong. Piyush.

Mr Piyush Choudhary – *HSBC*

Thanks a lot. Piyush from HSBC. Congratulations on your result. Firstly, just on asset monetisation. Last one year, what has changed to upsize your asset monetisation plan from \$6 billion to \$9 billion, last year you announced \$6 billion right?. As you are monetizing more assets, your associated dividends will probably come down in future. So, in the medium term, how do you want to bridge that gap and sustain dividends from your core free cash flow? That's the first question.

The second part of the question is on Optus. With the recent tariff hikes which we have taken, will it impact the entire base and what's the outlook on mobile and enterprise and fixed business is declining, so if you can share your outlook for this year.

Mr Yuen Kuan Moon – *Group CEO*

Maybe, Arthur, you take the \$6 billion to \$9 billion, and the gap in the profits.

Mr Arthur Lang – *Group CFO*

Yes, okay. I think first, the framework and the model and in terms of how we look at asset recycling, nothing has changed. It continues to remain the same, the mindset, what objectives we want to achieve remain the same. I think when we announced it – the \$6 billion last year, I think a few things. One, we did also say that actually if you look at the potential universal opportunities, it is much larger than \$6 billion, but at that point we're just starting. We wanted to make sure that things are actually going. Because of some of the assets, the market values also change. That's the first point.

Second point, there were a few things that have to happen before we start monetizing, so to speak. There could be certain regulatory approvals we need to make, there could be certain restructurings that we need to do, and during the past year we have done so.

The third point is a very relevant one. So I want to be very clear, our source of capital recycling is not only Airtel. As Moon has said before, it is towers, it is infrastructure, it is buildings, it is of course, our listed companies, we have sold a bit of Intouch last year, so it's not just Airtel. Yes, non-core, and Airtel continues to remain very core to our business, but we have said we are looking to equalize the stake.

If you think about what we do, the building for example, Comcentre, we monetize a billion over dollars, but it's not at the expense of any profits because that building was not generating profits. So, whereas okay, you're right, if Airtel, for example, when we sold 1.2%, yes, we dropped our profits about 1.2% but we also look at it from yield. The earnings yield of Airtel today is probably - given where the stock price is, is probably like sub-2%, 1.8% to 2%.

Let's say - I'm not saying we do but let's say we take that \$2 billion that we sold and buyback Singtel shares which today the earnings yield is 4-plus%. We see it as an accretive transaction as well. I'm not saying we're taking that \$2 billion to buy, right, I'm just giving it as an example. I think as we think about recycling, we do think about all these things, the alternative use of capital, is it earnings accretive? We also need to look at overall our portfolio of businesses.

Certain times, like Airtel, I still remember the days it was at 200 over rupees but today is 1,800 rupees. We also have to look at the prices of the assets and it also could be assets today that are not income-generating, for example, in Comm Center. What we did was we sold 49%. If it gets completed a few years from now - or when it gets completed, not if - we start renting it, we could get rental income. That's additional, it's not to replace any income that we have lost. This is how we think about asset recycling.

Mr Yuen Kuan Moon – *Group CEO*

Just again to highlight that we believe in the four associates market of future growth. If you look at how Singtel has grown or how we operate in Singapore, we are a fully integrated, mobile, fixed, consumer, enterprise business. But if you look at all our four associates, how they have started twenty over years ago, they are primarily mobile. While mobile growth rate may taper down, slow down when it hits a certain saturation point, the fixed business is really just beginning. Of the four markets, it ranges from less than 20% penetration to about 45% home fiber penetration. So, the potential growth is there.

If you look at enterprise, the four companies have all started with mobile. They have never invested their infrastructure to market the growth of their enterprise. But if you look at the economy of these markets, whether it is India, Indonesia, Thailand, at least these three, the enterprise business is large. The potential to grow is high. All the four markets while mobile growth may be tapered because of saturation, enterprise growth and fixed home growth is only at the start. That's why we believe in these markets and will continue to invest and not exit from it.

Mr Stephen Rue – *CEO, Optus*

In terms of Optus, the tariffs that flow through to postpaid, you typically see about two-thirds of that flowing through and that's because of the various contracts and arrangements people are on. Prepaid is different, that almost completely flows through. The advantage we have in Australia, of course, is population growth so there's still more people coming into Australia and that enables us to grow our subscriber base.

You saw our numbers this year with our prepaid up 5% and postpaid up almost 1%. We will continue with a real focus on ensuring we have choice, we have - the pricing itself had been subdued in years gone by, as I'm sure you all know, but I always say that the telco business has put somewhat the capability into people's hands but in Australia that wasn't monetized as well as it could have been for many years. That has normalized more in recent years as you've seen us and our competitors with price rises. So, I think it may have been announced, actually, so you'll see that closer to it.

In terms of outlook more broadly, I'll come to enterprise in a minute, but outlook more broadly for Optus, a real focus of ours has been in cost management. You've seen it this year in the results, the revenue flew all the way through to bottomline. You can expect us to continue with a real focus on cost management through process redesigns, through data AI obviously, but also in how we renovate our network and our IT systems over time, with a focus on customer experience, on product choice, but also clearly on making sure that we manage our costs.

The enterprise business per se, the fixed business in Australia has obviously had its challenges. For the mobile operators, likely due to NBN, which you can blame me for. But our focus, as Moon was saying, has always been a mobile-first approach, and that's very much been our approach in the last few years.

Particularly, we have taken a lot of costs out of the Enterprise business to reset that and to really focus on mobile-first and technology services around that, where it is profitable and where we are

able to provide great services as well. So, we've had some good wins actually in the Mobile Enterprise business this year. I think we're in three ways though, you've got the Large Enterprise business, you've got the mid-tier business, which is underserved and actually is an opportunity for us to go with a standard suite of products, mobile-first into the mid-tier market.

Particularly, I think 50 to 100. Small Business, we actually had some market share gains this year. Again, through being very clear in the services that we're providing and very clear in our product set and our pricing as well. So, when I think of Enterprise, I think of in three buckets, if you like.

Ms Jeanette Pang – *AD, IR*

Thank you, Stephen. Ranjan has a question.

Mr Ranjan Sharma – *J.P. Morgan*

I have two actually.

Ms Jeanette Pang – *AD, IR*

It's alright.

Mr Ranjan Sharma – *J.P. Morgan*

It's Ranjan from JP Morgan. Thank you, first of all, for having us here and the opportunity. Maybe we can start with the first question on buyback. Are there any thresholds in terms of price or valuation that you think with the buyback should be executed?

And the second question is, from the numbers I see, I think Singapore, Australia have seen between 100 to 150 basis points of improvements in EBITDA margin. How should we think about the trajectory in the coming periods? Thank you.

Mr Yuen Kuan Moon – *Group CEO*

I think Arthur can talk about the buyback that we're going to do. If you look at the EBITDA margins on both Singtel Singapore and Optus, it is really on the back of our cost out programme, right? If you look at our cost out programme, we said we're going to do \$600 million in three years. The first year - second year - first year I think we did about \$150 million, second year \$250 million. So, we are two thirds the way, \$400 million and on track to hit \$600 million.

So, some of those cost is real cost out, it's not cost avoidance. And when you have a real cost out, it falls down into the EBITDA line. But it's not just about plainly being more efficient or higher productivity, it's also about simplification. It's one of the things that we are doing and one of the things that we should not be doing at all. So, there are things that we have shut down, especially in the Optus case, as well as in the Singtel Singapore case.

So, when you keep on doing and optimizing your product portfolio, the number of plans you have, the complexity that you have on IT systems and network systems, your margins will improve. So, when we say the Singtel28 strategy is actually lifting business performance, it's really operating the telco business as a tier one type of operator, as a top quartile operator. That we should all aspire to do in all the markets that we operate in, right?

So, comparing to the market, what's your margins in your own market? Are you operating at a higher margin, lower margin than your competitors? If you're lower, then how do you get there incrementally? That must be an ongoing effort by all the operating CEOs and say, how do I do better? What am I not doing well? There's a lot of cross learning or sharing across the group in terms of operating at a tier one telco to deliver better margins and higher profits. So, I'll leave it at that. Then maybe, Arthur, you talk about the share buyback.

Mr Arthur Lang – *Group CFO*

So, in terms of the thresholds and valuation, how we look at it. Maybe first we will not disclose this. I think for a share buyback to be effective, I think it's important to keep the markets guessing, but I can tell you how we think about it. Definitely, we have certain prices that we would recommend, or we would undertake a buyback.

It was a combination of, I mentioned earlier, what the source of that capital is, whether it is, you know, we sell one asset, we reallocate, because we have to look at the returns, the impact on earnings, impact on returns, that's number one. Number two is also sum of the parts, which we have not forgotten, right?

We still have some of the parts discount, hopefully it's narrow now, but everyday Airtel and AIS and various stocks keep going up. We are also - that will be a factor as we look at it. Then I would say these are the key ones that we'll look at. The third one is, if you look at the volatile markets that we are operating in, sometimes stock price downward pressure has nothing to do with these markets. If you - how we like to position it, our shareholders is, the market, first of all, if you're confident that we can pay the core dividend plus the VRD, there's a certain assumption that an investor would have on the dividend.

The buyback, think of it as of course EPS, DPS accretive. At the same time, it's a signal to the market that there will be some floor in terms of price. So over time, it becomes a dividend yield plus growth as in stock price. Now, we're not the tech companies, but we're thinking of a TSR of - I think for a telco, a low-teen TSR is something that is quite respectable. So that's how we think of it.

Mr Yuen Kuan Moon – *Group CEO*

So, if you look at when we announced our VRD almost two and a half years ago, this is the second year that we have delivered on the VRD. We say it's not going to be there forever. In the midterm, five years or six years, doesn't matter. It eventually will disappear because you will not be keeping on having capital to recycle.

When that happens, when that VRD ends, what happens? Your underlying profits must be high enough to support your dividend payment, which is still 70 to 90% the payout ratio of that. So, we are working towards that, right? Not immediately, in a few years' time, if we start to tail off our VRD, then the underlying profit has to grow.

To help that, the share buyback will have an impact of improving the EPS and the DPS. So, you see a twining effect of winning ourselves off of VRD in the longer term and providing the ordinary dividend through the underlying profits coming through. So growing this underlying profit and reducing our share base to increase that EPS and DPS. You see a bit of that as well.

Ms Jeanette Pang – *AD, IR*

Thanks, Moon and Arthur Pineda, you have a question?

Mr Arthur Pineda - *Citigroup*

Thanks. I'm Arthur from Citigroup. I just wanted to ask two questions. First is on Singapore, mobile ARPU's have really been challenging. I'm just wondering, what initiatives are there in place to help drive this up? In other markets like Australia, you've already seen MVNOs being priced up. Is there any such opportunity here in Singapore?

Second question I had is with regard to the capital recycling. Given that you're raising \$9 billion as your target, I'm just wondering, what other areas are you looking to reinvest this into given that you have more than enough cash for dividends and VRD?

Mr Yuen Kuan Moon – *Group CEO*

That's a good question. Maybe I'll take this rather than farming it off.

The ARPU definitely in Singapore is a very challenging one. You have to really look at, what's the value you're giving to your customer? That's why Tian Chong talked about the 5G+ launch, differentiating of premium customers and what they get. It's not just the gigs and the bytes that you get, it is that party lane that you get. It's a special lane that no one else has. On top of it, you layer on a protection on cyber, you layer on a special customer service. This is what we believe our customers would value. It's not just about getting connected.

He also talked about investing in a network of 700 megahertz, which we have paid for it, and the only ones who have paid for it yet; the rest have not and deployed it and it's giving us 40% and better coverage in it. Go back to focus on what is important for a customer, and that's the differentiation.

Whether the market can be similar to Australia, it might not be similar to India or Thailand, it depends on market consolidation. If the market doesn't consolidate with four players in the market with four networks, you are going to have this competition. I've mentioned this many times. The question is then, who can outlast each other? I think the time has come very close that some of them are struggling. You'll see who have to wave the white flag and say, let's be more realistic and consolidate the market.

You are asking a question that we cannot answer because we can't participate in the consolidation. That's made known to us, because if we do, our market share will be much higher than what it is today. We have to see what happens to the market. That's where the upside is. If the market consolidates, it can become a more sustainable market like Thailand, like India, or like even Australia now, because telcos have to generate enough returns to continue to invest in the market.

To your second question, we definitely look at investing in the business, reinvesting our capital into the business. If it is purely just recycling capital, then it will not be just a \$2 billion of buyback. It'll be much larger. Why is that?

Because we have got growth engines; growth engines in data center, in Nxera, in RE:AI, growth in NCS. We will want to grow the business in a sustainable manner. We are looking at obviously both organic and inorganic growth, and if there are opportunities that come up for both NCS and for our data center business, we will place a bet in these growth engines. That's why having a higher cash pool is important so that we can deploy our capital when the opportunity arises.

Ms Jeanette Pang – *AD, IR*

Thank you, Moon. Zhiwei, you're next.

Mr Zhiwei Foo – *Macquarie*

Sorry for my query, I have two questions. The first one is on your guidance for FY26, on the EBIT. Can you just walk me through some of the assumptions that went through your minds when you decided how it was 9%, and how that changed from what you had in FY25 when you guided higher?

The second question is on your share buyback, a reverse question to suss out your minimum buyback amount. For example, if the share price keeps on going up and the HoldCo discount keeps on narrowing, does that mean that you'll never hit your thresholds to buy and therefore not to do share buyback?

Mr Yuen Kuan Moon – *Group CEO*

I'll take the share buyback question. Historically, I think Singtel has always got a slight HoldCo discount from the market if you look historically. But is it at the current level? No, it's much lower. That will give you an indication of what's the fair value of our share price.

If you just purely look at the 28% of equity that we have in Airtel, that's \$48 billion. That's just one asset. There will always be a HoldCo discount, but what is the right level? I'll leave it at that but Arthur is not going to tell you the price.

For EBIT, it's actually a simpler question. If you go back to the slide where we talk about the EBIT, our EBIT that we delivered this year is 20%, but if you exclude Trustwave, it's only 15%. Trustwave is because of the losses that we had previous year, so you exclude that, it's only 15%. This is on the back of very strong EBIT growth of Optus of 55%, NCS of 39%. EBIT only comes from these four companies; Optus, Singtel Singapore, Digita InfraCo, NCS.

I'm not expecting, if I want Stephen to, deliver another 55% EBIT growth. I think that's not realistic. By adjusting a more realistic growth for Optus, by adjusting a more realistic growth for NCS, which delivered the 9%, that will naturally come down. Nxera is still in investment mode. The data centers, the new data centers are only turning on later this year, so you're not going to get that full revenue pull through immediately. It takes time to load a data center. Even though 80% are loaded for Thailand and 50% for Singapore, but it takes time to turn on. Even when we TOP the data center, it's not every floor at once.

Even if we turn on the data center in Thailand, we may not have electricity to power up the entire building, so it takes time to build revenue. You think about it from a 15% growth EBIT without Trustwave to a high single digit EBIT growth, it's not unrealistic. Don't forget, we actually revised our guidance mid-year last year in three quarter. I think it is a realistic target; it is a target that we believe in at the outlook. This is the first announcement. If you look at telcos globally, to have a high single-digit EBIT growth, I think it's quite incredible.

Ms Jeanette Pang – *AD, IR*

Maybe Arthur's question on the share buyback?

Mr Yuen Kuan Moon – Group CEO

Oh no, we answered that. Anything else?

Mr Sachin Mittal – DBS

Sachin from DBS. Two questions, one on the data center. Given the higher investment now, we're in a big quarter for the data center. Any sense on the timing of the data center contribution ramping up in a major manner? Question number one.

Given that we know that there's power constraints on the data center sector, we know that data center and ICT are the two growth levers of the Company. Now, \$10 billion of divestments, how should we double down on reinvestments? Of course there are \$2 billion, \$3 billion we can easily invest, should we identify new growth areas or we have to really grow geographic expansion in these two new growth areas in terms of reinvestment? How to think of reinvestments in the core business?

Mr Yuen Kuan Moon – Group CEO

Sachin, I think you've got a very good question. That's a question that we ask ourselves on an ongoing basis. Now, what's next? What's the next growth engine? I just want to remind our investors that we still look at the previous investment that we have made, some of them not as successful investments, the learnings of that. It's not just about investing in growth areas that we think there's a high growth, we have to always check back, what's our right to play in these areas if you invest in them? If you have the right to play and a differentiation, then by all means, double down on that.

Three years ago, we talked about investing in the growth engine of IT services and NCS and data centers and- Digi Infracore business, we are executing to it. Have we even turned on some of these new investments on data centers yet? Not yet. We have not turned on a single new data center yet. We are still in building mode. Last year, we talked about, we are going to likely double our EBITDA of data centers in 18 months' time. That is with a view that we've got new data centers turning on. The Singapore Tuas Data Center and the Thai Data Center in the next 12 months we'll turn it on. The question is, even when you turn it on, it's not 100% capacity from Day 1, you've got to ramp up, so that will take time.

So, eighteen months to double our EBITDA from data center is a realistic view because it takes ramping up, and that will contribute. Beyond that, of course we are always exploring new geographies, new growth areas of data center, but you have to bear in mind the world is having a lot of uncertainty now. With the *CHIPS Division Act* being replaced, you do not know where's the demand, you have to watch the market very carefully. Once you make a commitment to invest, money is in, and you're in for the next few years, you may not get the returns.

We want to be very cautious to look at, what are the real demand? Obviously, Singapore, we have got very high demand and we've got mismatch of demand and supply, but that is where we have to go through a CFA process, to look at it. I think we will look at new growth opportunities. If it is ready, I'm sure we will announce to the market, these will be our new growth drivers or growth engines.

Within the core business, the connectivity business across Singapore and Australia, and even our associates, there are growth, enterprise is one area that is growing. We will be investing and we will not grow inorganic growth in this area; on enterprise space, on the fixed broadband space. If you look at our associates, AIS acquired 3BB last year because we believe in the growth of fiber broadband in Thailand. We did the IndiHome deal in Indonesia. That's effectively an investment, even though it was done in shares and not in cash. But it's an investment because we believe in the growth of enterprise.

Within the core business, the telco business, there are growth but you have to find where they are, and if we have the right to play, and then you deploy your capital to invest in that growth. I will assure all our investors that we will look at growth because that's part of our Singtel28 strategy, a growth plan. It's not just holding onto what we have today and defending the business.

Mr Sachin Mittal – DBS

When is that 18 months of data center turning on? When is the timing of that data center turn on maybe?

Mr Bill Chang – CEO, Digital InfraCo

Actually, what we committed last year was to double our EBITDA by 2028. Our first DC turn on is in Thailand, we own 35% stakes of that. In June 2025, we own 35% stakes. The big one that's turning on, it's January '26 for DC Tuas. Both these DCs are already presold at 80% and 50%. If you think about when pre-sold, we turn on, and then obviously we're looking at more contracts, you will then steadily grow from January '26 onwards.

For now, our current DCs, whatever we have, we are 97-98% filled. Anything that you have seen, the growth is driven by price increases, energy pass through, and basically managing our yield.

Mr Sachin Mittal – DBS

The 50% presold is for Singapore?

Mr Bill Chang – CEO, Digital InfraCo

Singapore. Singapore is more than 50%, and more than 80% in Thailand.

Ms Jeanette Pang – AD, IR

From the slide as well. On the slide, yes.

Mr Bill Chang – CEO, Digital InfraCo

Yes.

Ms Jeanette Pang – AD, IR

Okay. Thanks, Sukrit, next.

Ms Sukriti Bansal – BofA

Thank you management and congratulations on the share buyback. First question on the Bharti dividend so while it's encouraging to see that Bharti dividend increase but it's still small at 0.8% but how do we see that A) increasing over time when we speak with with Bharti management. And also,

on this Bharti dividend how does, after covering for the BTL debt service, how does it exactly flow into our numbers. I see it's a S\$115 million contribution for this year so how do you see that number growing?

Secondly, I think on the data centers already largely answered, but we had mentioned that the growth engines NCS plus Digital InfraCo would be 20% up our EBITDA by FY26, do we – it's about 17% right now, do we see that coming in higher.

Mr Yuen Kuan Moon – *Group CEO*

It's always a moving number on the percentage of contribution because if the core is growing much faster than the number doesn't go up as far. So, I think it is – directionally, we want to grow this contribution. I think over the longer period of time, not on an annual basis, FY28 we do have some internal targets, it has to be of this size, of this scale. This is really just looking at it purely again from an organic perspective. I mean you will layer on in organic opportunity that could grow a lot faster. So, I think the idea is we have defined these two areas, of growth opportunity, you will be assured that we'll be focusing on looking at this very closely and said where there are opportunities to deploy our capital to ensure that we've got future returns coming back. Arthur, can you talk about the dividend

Mr Arthur Lang – *Group CFO*

Sure. Okay. I think talking about the \$115 million – and what was the first question? The BTL...

Ms Sukriti Bansal – *BofA*

So, how does it – what does BTL get and how does it flow through to our number.

Mr Arthur Lang – *Group CFO*

Okay, and then Airtel's ability it to pay dividends. So, yes, you're right, Airtel has doubled its dividend.

I think the management has also said last week that there is room to increase, right. I think you have seen the free cash profiles, even if there's no price up for the rest of this year, the free cash flow profile is strong because CapEx is very much under control, and number 2, the debt at Airtel is very, it's relatively healthy. The balance sheet is very healthy. So, there's room to grow. On top of that, if you see Indos Towers did not pay a dividend so it's well positioned to pay a dividend and in past practice Airtel goes through that dividend upwards. So, that's potentially room to grow. So, I think that's the first point.

The second point is the \$115 million. That \$115 million comes from a direct stake in Airtel. So, all the dividends that go to Bharti Telecom, BTL, I think it's about 36%, right, which they own in Airtel, is used to pay down the debt that we had, that BTL had layered on to acquire that 36% share.

So, I think it's about – I think it's about, its public it's I think about US\$4 billion. So, that – the dividends will all pay – it matches the interest payments. So, that was why, I think, we've also shared for that part of our strategy was also both Sunil and us and to sell into BTL and then the only asset it has is Airtel. We've leveraged that servicing where we pay for dividends so we need more debt, you need more interest servicing, means you have to pay more dividend.

Ms Jeanette Pang – *AD, IR*

We're running out of time, so we'll move onto the Zoom participants. So, we have Eric Choi from Barrenjoey. Would you like to turn on your camera and ask your questions, please?

Eric Choi – *Barrenjoey*

Hi, yes, just checking, can you hear and see me?

Mr Yuen Kuan Moon – *Group CEO*

Yes.

Mr Eric Choi – *Barrenjoey*

Okay. Great. Thank you so much for the questions. I just had two for Stephen, if that's all right. The first question is this is the first quarter you've reported since the MOCN launch and TPG noted a 40% increase in their port ins since the MOCN launch but it doesn't really seem to be impacting Optus' net adds, so just wondering if that's correct and if Stephen's got a view on why TPG is taking subs from someone else rather than Optus.

Maybe a second question. Can I just get you to comment on the Tier 2 market in Australia just because Optus recently signed a new MVNO agreement with Aussie Broadband so I'm just wondering is it Optus' broader strategy to continue to promote growth in that MVNO market which – just my own view is it can be industry value destructive or was ABB just a special case given its scale. Thank you.

Mr Stephen Rue – *CEO, Optus*

Yes. So, the MOCN deal went live at the end of January but it doesn't really flow through to this year's numbers so you will see obviously revenue flowing through our accounts next year. In terms of – Vodafone's been in the market very heavily but it's actually – although they've been marketing network price it's largely a price that they've marked. They've talked about big increases or small number, to be frank. So, where we are tracking since the end of March is where we expected our business to be as a whole. So, what I think we've seen them do is attract some customers at the low end, particularly from Telstra, but they're small numbers.

The MOCN deal is more generally is something that – I don't need to tell you, is going to be cash accretive over time. It's going to help us build up the network more quickly in regional Australia, it's going to save us on capital expenditure and both having access to spectrum but also having cash flow in will enable us to build out more quickly and it's a good deal over a long period of time, as you know.

The tier 2 market, in terms of the arrangements with Aussie Broadband, Aussie Broadband is a large entity as you well know in Australia. It's actually very well aligned to Optus. It's been a challenger in the market. Its management team are closely aligned to Optus management team particularly since I've been here and I think we – together there's opportunity not just in the MVNO market but also potentially to do more things together, actually, again, particularly with their focus in regional Australia. But do we want to have wholesale arrangements with MVNO, of course, we do. But it's a way in which we can use the network that we built, not just monetize the network but also have a series of products that flows through and working – managing them together to ensure we grow subscribers but also grow value to customers over time.

Mr Eric Choi – *Barrenjoey*

Great. Thanks, Stephen.

Mr Stephen Rue – *CEO, Optus*

It's good to see you again.

Mr Eric Choi – *Barrenjoey*

Yes, likewise.

Ms Jeanette Pang – *AD, IR*

With that, we're happy to bring this briefing to a close. For those who were unable to provide questions, please reach out to the IR team. A transcript of today's session will be uploaded to the website by tomorrow. So, with that, on behalf of management and Singtel IR, thank you very much for joining us today.

End of Transcript
