



Business Update For The First Quarter Ended 30 June 2024

Singapore, 15 August 2024 – Singtel reported its business update for the first quarter ended 30 June 2024.

Key highlights for the first quarter

- Underlying net profit was up 5.4% to S\$603 million and would have increased 8.7% in constant currency terms from strong core operating performance, partly offset by lower profit contributions from Airtel and Telkomsel
- Net profit was 43% higher with a net exceptional gain compared to a net exceptional loss in the last corresponding quarter
- Operating revenue was down 2.1% while EBITDA and EBIT¹ rose 8.4% and 27% respectively with Trustwave's² deconsolidation from October 2023
- On an underlying basis³, operating revenue was stable while EBITDA and EBIT¹ increased 5.6% and 16% respectively, mainly driven by growth in Optus and NCS

	Quarter		YOY	
	30 Jun 2024 S\$ m	30 Jun 2023 S\$ m	Chge %	Chge in cc ⁽¹⁾ %
Operating revenue	3,413	3,488	-2.1	-2.0
<i>Underlying operating revenue ⁽²⁾</i>	<i>3,413</i>	<i>3,449</i>	<i>-1.0</i>	<i>-0.9</i>
EBITDA	977	902	8.4	8.5
<i>Underlying EBITDA ⁽²⁾</i>	<i>977</i>	<i>927</i>	<i>5.4</i>	<i>5.6</i>
EBIT (before associates' contributions)	382	300	27.4	27.5
<i>Underlying EBIT ⁽²⁾</i>	<i>382</i>	<i>329</i>	<i>16.1</i>	<i>16.2</i>
Net finance expense	(77)	(52)	47.3	47.9
Share of regional associates' post-tax profits	405	426	-5.0	-0.6
Underlying net profit	603	571	5.4	8.7
Exceptional items (post-tax)	88	(88)	nm	nm
Net profit	690	483	42.9	46.9

"nm" denotes not meaningful.

Notes:

(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies from the corresponding quarter ended 30 June 2023.

(2) Excluded Trustwave's results.

¹ Excluding associates' contributions.

² Trustwave was classified as a 'subsidiary held for sale' as at 30 September 2023 and ceased to be consolidated on a line-by-line basis from 1 October 2023. In January 2024, the Group completed the sale of Trustwave.

³ In constant currency basis and excluding Trustwave's contributions in the last corresponding quarter.

Message from Group CEO, Mr Yuen Kuan Moon

“We had a solid start to FY2025 with improvements in our core businesses in Singapore and Australia and momentum in our growth engines in the first quarter. This helped mitigate lower contributions from our regional associates due mainly to significant currency headwinds in Africa. NCS recorded strong bookings and Nxera continues to expand its platform through a new data centre project in Malaysia, reflecting strong demand from digitalisation and AI adoption. Singtel also announced together with KKR an investment into STT GDC. These are positive trends as we execute to our Singtel28 growth strategy. Although the macroeconomic environment appears more challenging, we remain optimistic about the growth opportunities across our markets and are well-positioned with the resources and capabilities to capture them.”

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GROUP SUMMARY INCOME STATEMENT

For The First Quarter Ended 30 June 2024

	Quarter		YOY	
	30 Jun 2024 S\$ m	30 Jun 2023 S\$ m	Chge %	Chge in cc ⁽¹⁾ %
Operating revenue	3,413	3,488	-2.1	-2.0
EBITDA	977	902	8.4	8.5
- EBITDA margin	28.6%	25.9%		
Share of associates' pre-tax profits	567	588	-3.6	0.5
EBITDA and share of associates' pre-tax profits	1,544	1,490	3.6	5.4
Depreciation & amortisation	(596)	(602)	-1.1	-0.9
EBIT	948	887	6.9	9.6
EBIT (before associates' contributions)	382	300	27.4	27.5
Net finance expense	(77)	(52)	47.3	47.9
Profit before exceptional items and tax	872	835	4.3	7.2
Taxation	(266)	(262)	1.8	3.8
Minority interests	(3)	(2)	21.7	21.7
Underlying net profit	603	571	5.4	8.7
Exceptional items (post-tax)	88	(88)	nm	nm
Net profit	690	483	42.9	46.9

"nm" denotes not meaningful.

Note:

(1) Assuming constant exchange rates for the Australian Dollar and/or regional currencies from the corresponding quarter ended 30 June 2023.

BUSINESS SEGMENTS INCOME STATEMENT

For The First Quarter Ended 30 June 2024

	Quarter		YOY	
	30 Jun 2024 S\$ m	30 Jun 2023 S\$ m	Chge %	Chge in cc ⁽¹⁾ %
Operating revenue ⁽²⁾				
Optus	1,722	1,785	-3.5	-3.2
Singtel Singapore	933	937	-0.5	-0.5
NCS	707	681	3.8	3.9
Digital InfraCo	109	103	5.8	5.8
Less: Intercompany eliminations	(57)	(56)	1.1	1.1
	3,413	3,449	-1.0	-0.9
Trustwave ⁽³⁾	-	38	nm	nm
Group	3,413	3,488	-2.1	-2.0
EBITDA ⁽²⁾				
Optus	475	456	4.2	4.6
Singtel Singapore	385	372	3.5	3.5
NCS	84	75	12.6	12.6
Digital InfraCo	54	62	-13.0	-13.0
Corporate	(25)	(32)	-21.5	-21.5
Less: Intercompany eliminations	4	(6)	nm	nm
	977	927	5.4	5.6
Trustwave ⁽³⁾	-	(25)	nm	nm
Group	977	902	8.4	8.5
EBIT (before associates' contributions) ⁽²⁾				
Optus	87	56	56.2	57.6
Singtel Singapore	230	230	**	**
NCS	65	51	27.6	27.6
Digital InfraCo	18	27	-32.2	-32.2
Corporate	(28)	(34)	-19.1	-19.1
Less: Intercompany eliminations	9	*	nm	nm
	382	329	16.1	16.2
Trustwave ⁽³⁾	-	(29)	nm	nm
Group	382	300	27.4	27.5

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

Notes:

- (1) Assuming constant exchange rates for the Australian Dollar from the corresponding quarter ended 30 June 2023.
- (2) The business segments are based on statutory view, which include transactions with the other entities in the Singtel Group.
- (3) Trustwave was classified as a 'subsidiary held for sale' as at 30 September 2023 and ceased to be consolidated on a line-by-line basis from 1 October 2023. In January 2024, the Group completed the sale of Trustwave.

REVIEW OF GROUP OPERATING PERFORMANCE

For The First Quarter Ended 30 June 2024

The Group's operating revenue in the first quarter ended 30 June 2024 was down 2.1% with the absence of contributions from Trustwave. However, EBITDA and EBIT⁴ increased 8.4% and 27% respectively as Trustwave's losses were no longer consolidated. On an underlying basis⁵, operating revenue was stable while EBITDA and EBIT⁴ increased 5.6% and 16% respectively, driven mainly by growth in Optus and NCS.

Optus' mobile service revenue rose 4.7%, lifted by price increases from postpaid plans and a higher prepaid customer base. However, overall operating revenue declined 3.2%, reflecting lower ICT and project-based satellite revenues. With the improved mobile performance coupled with effective cost management, EBITDA was up 4.6%. EBIT rose a robust 58% as depreciation and amortisation charges fell from a lower asset base. In June 2024, Optus paid S\$1.3 billion (A\$1.5 billion) to acquire 900 MHz spectrum⁶.

Singtel Singapore's operating revenue was stable in a highly competitive market. Mobile service revenue was up 6.8%, mainly from growth in roaming and Internet of Things connectivity given the strong traction in connected cars. The increase was negated by continued structural decreases in legacy carriage services especially fixed voice and data and Internet. Operating expenses declined due mainly to lower direct cost of sales and a reduction in total manpower cost from lower average headcount. As a result, EBITDA grew 3.5%. EBIT was stable as depreciation rose from investments in IT and network.

NCS' operating revenue was up 3.8% due to growth in its Gov+ and Telco+ businesses. With higher operating revenue and continued cost optimisation efforts, EBITDA and EBIT rose 13% and 28% respectively. NCS started the financial year with strong bookings of S\$788 million from a pipeline of projects in various sectors this quarter.

Digital InfraCo's revenue grew 5.8%, driven mainly by Nxera from higher customer reservation fee, increased utility pass-through and price up-lifts, partly offset by lower fees from project-based satellite deployment services. EBITDA and EBIT were down 13% and 32% respectively mainly due to lower satellite fees while Nxera and Paragon are in their expansionary phase. In July 2024, Nxera broke ground for its latest sustainable, hyper-connected AI-ready data centre in Johor, Malaysia – a new strategic market.

The Group's equity share of post-tax profits from the regional associates fell 5.0% and would have been stable in constant currency terms as lower contributions from Airtel and Telkomsel were mitigated by strong performances from AIS and Globe.

Net finance expense increased due mainly to lower dividend income following the Group's disposal of its 3.9% direct stake in Airtel Africa in December 2023 quarter. In addition, there was a revaluation gain in the corresponding quarter last year from the settlement of a forward contract which was not repeated this quarter.

Consequently, the Group's underlying net profit was up 5.4% to S\$603 million in the current quarter. On a constant currency basis, underlying net profit would have increased 8.7%.

⁴ Excluding associates' contributions.

⁵ In constant currency basis and excluding Trustwave's contributions in the last corresponding quarter.

⁶ This payment is funded from a loan repaid by Optus' holding company.

With a net exceptional gain compared to a net exceptional loss in the last corresponding quarter, net profit grew 43% to S\$690 million. Exceptional gains arose mainly from the dilution of the Group's effective equity shareholding in Airtel, tower sales by Globe and share of Airtel's net exceptional gains (see page 9).

SHARE OF RESULTS OF REGIONAL ASSOCIATES

	Quarter		YOY	
	30 Jun 2024 S\$ m	30 Jun 2023 S\$ m	Chge %	Chge in cc ⁽¹⁾ %
Pre-tax contributions ⁽²⁾				
Bharti Telecom ("BTL")/ Airtel ⁽³⁾⁽⁴⁾				
- India and South Asia	148	142	3.9	4.3
- Africa	53	66	-20.5	-20.3
Airtel	201	209	-3.8	-3.5
BTL	(44)	(27)	63.3	64.0
	157	182	-13.8	-13.5
Telkomsel	199	219	-8.8	-2.6
AIS	91	81	12.5	18.7
Intouch ⁽⁵⁾	36	32	14.2	20.5
Globe ⁽³⁾	83	70	17.2	21.0
Regional associates	565	583	-3.0	1.1
Post-tax contributions ⁽²⁾				
BTL/ Airtel ⁽³⁾⁽⁴⁾				
- India and South Asia	105	106	-1.2	-0.9
- Africa	19	33	-42.0	-41.9
Airtel	124	139	-10.9	-10.6
BTL	(44)	(27)	63.3	64.0
	80	112	-28.8	-28.6
Telkomsel	155	169	-8.0	-1.7
AIS	74	65	13.2	19.5
Intouch ⁽⁵⁾	30	26	15.2	21.4
Globe ⁽³⁾	67	54	22.4	26.3
Regional associates	405	426	-5.0	-0.6

Notes:

- (1) Assuming constant exchange rates for the regional currencies (Indian Rupee, Indonesian Rupiah, Philippine Peso and Thai Baht) from the corresponding quarter ended 30 June 2023.
- (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 49.4% in BTL and an effective equity interest of 28.7% in Airtel (30 June 2023: 29.4%).
- (5) Singtel holds an equity interest of 24.99% in Intouch which has an equity interest of 40.4% in AIS.

In this quarter, Airtel Group's post-tax contribution was lower, depressed by the translation impact from significant currency depreciation in Africa. Airtel reported double-digit growth in operating revenue and EBITDA in both India and Africa (in constant currency terms). Mobile service revenue in India was higher, led by strong 4G/5G customer additions and an industry-leading quarterly mobile ARPU⁷ of Rs.211 compared to Rs.200 in the last corresponding quarter. Post-tax contribution was stable after including higher depreciation and amortisation charges from 5G investments. Airtel Africa⁸ posted robust operational performance as a result of customer growth and higher mobile usage despite a significant increase in fuel prices across the markets. However, its earnings declined in reported terms following the continued depreciation of the African currencies especially the Nigerian Naira, and higher interest expenses. Bharti Telecom's net loss widened on higher finance expenses from increased borrowings following its acquisition of additional stake in Airtel in December 2023.

Telkomsel reported higher net profit⁹ in local currency terms due to contributions from IndiHome's fixed broadband business which was consolidated from 1 July 2023 and a capital gain from the sale and leaseback of indoor infrastructure. The gains were partly offset by a decline in profits in its mobile business. Operating revenue from its mobile business fell as growth in digital services was outweighed by accelerated declines in legacy services, while operating expenses and interest charges rose. Its profit contribution to the Group was lower after including a 7% depreciation of the Indonesian Rupiah and the reduction in Singtel's equity interest from 35.0% to 30.1% from 1 July 2023.

AIS reported higher operating revenue including contributions from Triple T Broadband Public Company Limited (TTTBB) which was acquired in November 2023. With higher operating revenue coupled with controlled spend, its net profit increased.

Intouch's net profit was lifted by AIS' improved performance.

Globe reported improved earnings, driven by mobile price increases, lower operating expenses and higher share of equity-accounted gains from its associate Globe Fintech Innovations, Inc. ("GFII")¹⁰, which were partly offset by higher network depreciation and finance charges. In August 2024, GFII announced that its valuation rose steeply to US\$5 billion, more than double its US\$2 billion valuation from its last funding round in 2021.

⁷ Denotes average revenue per user.

⁸ As at 30 June 2024, Airtel owns 56% equity interest in Airtel Africa.

⁹ Excluded fair value gain or loss from revaluation of Telkomsel's investment in GoTo which was recorded by Singtel in equity in accordance with its accounting policy for investment classified under 'Fair value through other comprehensive income'. Telkomsel records the said fair value gain or loss in its income statement.

¹⁰ As at 30 June 2024, Globe owns 35.5% equity interest in GFII.

EXCEPTIONAL ITEMS ⁽¹⁾

	Quarter		YOY Chge %
	30 Jun 2024 S\$ m	30 Jun 2023 S\$ m	
Dilution gain on Airtel	51	10	428.9
Gain on sale of assets	-	13	nm
Staff restructuring costs	(13)	(14)	-6.4
Others ⁽²⁾	(10)	(3)	202.9
	28	5	416.7
Tax credit on exceptional items	4	2	63.6
Group exceptional items (post-tax)	32	8	314.5
Airtel	47	(114)	nm
Globe	9	18	-50.0
Share of associates' exceptional items (post-tax)	56	(96)	nm
Net exceptional gains/ (losses)	88	(88)	nm

"nm" denotes not meaningful.

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 certain provisions and accelerated depreciation of Comcentre's assets.

In the current quarter, exceptional gains were recorded from the dilution of Singtel's effective equity shareholding in Airtel from 28.9% to 28.7% following further redemption of Airtel's foreign currency convertible bonds, the sale of telecommunication towers by Globe and share of Airtel's exceptional net gain.

Airtel's gains included a reversal of an interest provision resulting from a judgement passed by the Supreme Court in India in relation to a variable licence fee matter, write-back of its share of an associate's significant receivable provision for one of its major customers and gain from the sale of its wholly-owned subsidiary in Sri Lanka. These gains were partially offset by Airtel Nigeria's translation loss on its US dollar denominated liabilities and derivatives and a fair value loss on revaluation of its foreign currency convertible bonds¹¹.

¹¹ Airtel records the fair value adjustment in equity under Indian Accounting Standards. However, Singtel records the share of such fair value gain or loss in income statement under Singapore Financial Reporting Standards. Fair value loss typically occurs when Airtel's share price increases in the measurement period (and vice versa).

APPENDIX 1 – KEY PRODUCT INFORMATION

SINGAPORE PRODUCT DRIVERS

	Quarter			YOY Chge %
	30 Jun 2024	31 Mar 2024	30 Jun 2023	
Mobile				
Mobile revenue (S\$'M) ⁽¹⁾	453	453	430	5.5
Mobile service revenue (S\$'M) ⁽²⁾	339	327	317	6.8
Number of mobile customers (000s)				
Prepaid	1,596	1,650	1,421	12.3
Postpaid	3,027	2,997	2,931	3.3
Total	4,623	4,647	4,352	6.2
Average revenue per customer per month ⁽³⁾⁽⁴⁾ (S\$ per month)				
Prepaid	10	10	12	-18.6
Postpaid	33	33	32	4.1
Blended	24	24	25	-3.2
Data usage (GB per month) ⁽⁵⁾	9	10	10	-3.1
Fixed Broadband				
Fixed broadband revenue (S\$'M) ⁽⁶⁾	125	124	127	-1.3
Fixed broadband lines (000s)	686	682	671	2.3
Pay TV				
Singtel TV revenue (S\$'M)	35	35	35	-0.6
Fixed Voice				
Fixed voice revenue (S\$'M)	47	48	51	-8.5

Notes:

- (1) Comprised mobile service revenue and sales of mobile equipment.
- (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 and excludes wholesale. For prepaid, ARPU is computed net of sales discounts.
- (5) Data usage of postpaid smartphone customers and excludes wholesale.
- (6) Comprised broadband service revenue and sales of equipment.

APPENDIX 1 – KEY PRODUCT INFORMATION

AUSTRALIA PRODUCT DRIVERS

	Quarter			YOY Chge %
	30 Jun 2024	31 Mar 2024	30 Jun 2023	
Mobile				
Optus' mobile revenue (A\$'M) ⁽¹⁾	1,332	1,376	1,282	3.9
Optus' mobile service revenue (A\$'M)	1,005	1,000	961	4.7
Number of mobile customers (000s)				
Prepaid	3,479	3,456	3,404	2.2
Postpaid	5,970	5,960	5,954	0.3
Connected devices ⁽²⁾	1,057	1,052	1,076	-1.8
Total	10,505	10,468	10,435	0.7
Average revenue per customer per month ⁽³⁾ (A\$ per month)				
Prepaid	19	20	19	3.3
Postpaid	43	42	41	4.0
Connected devices ⁽²⁾	13	13	13	3.3
Blended	32	32	31	3.7
Data usage (GB per month) ⁽⁴⁾	19	18	17	12.7
Home				
Blended Home ARPU (A\$)	74	75	72	3.8
Home customers (000s) ⁽⁵⁾				
NBN	1,087	1,093	1,111	-2.2
Fixed Wireless Access	219	217	210	4.2
Total	1,305	1,310	1,321	-1.2

Notes:

- (1) Comprised mobile service revenue (both outgoing and incoming) and sales of equipment.
(2) Defined as data-only SIMs and included customers on both prepaid and postpaid plans.
(3) Based on average number of customers, calculated as the simple average of opening and closing number of customers.
(4) Based on postpaid handset monthly usage and includes wholesale and amaysim.
(5) Referred to retail customers who took up broadband (including fixed/4G/5G internet) and/or voice.

APPENDIX 2 – CURRENCY TABLE

MAJOR CURRENCY AVERAGE EXCHANGE RATES

	Quarter		YOY Chge %
	30 Jun 2024	30 Jun 2023	
Derived weighted average exchange rate for operating revenue :			
1 Australian Dollar	0.892	0.895	-0.3
1 Singapore Dollar buys:			
Indonesian Rupiah	11,905	11,111	7.1
Indian Rupee	61.7	61.3	0.7
Thai Baht	27.1	25.7	5.4
Philippine Peso	42.7	41.5	2.9