Q2FY20 Financial Results Presentation

For the quarter ended 30 September 2019

Chua Sock Koong, Group CEO

14 November 2019

Forward looking statement – important note

The following presentation contains forward-looking statements by the management of Singapore Telecommunications Limited ("Singtel"), relating to financial trends for future periods, compared to the results for previous periods.

Some of the statements contained in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. Forward-looking information is based on management's current views and assumptions including, but not limited to, prevailing economic and market conditions. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those in the statements as originally made. Such statements are not, and should not be construed as a representation as to future performance of Singtel.

“S$” means Singapore dollars, "A$" means Australian dollars and “US$” means United States dollars. Any discrepancies between individual amounts and totals are due to rounding.

Agenda

Overview • Business units • Outlook • Supplementary information

Q2FY20: Achievements

Leadership in the core	**+59k** Postpaid mobile customers QoQ	**S$177m** Mobile network investment	**S$3.3b** NCS record order book
Growth engines	**41%** of ICT revenue from digital[1]	**57%** of Amobee revenue from programmatic business[2]	**3X** YoY increase in Dash users
Digitalisation & cost transformation	**S$263m** Cost savings for H1FY20	**1.6m (SG)** **2.6m (AU)** monthly active app users[3]	**68% (SG)** **66% (AU)** % of online service transactions[4]

1. Up from 38% YoY. 2. Up from 50% YoY. 3. MySingtel, Prepaid hi! & MyOptus apps. 4. Excludes sales transactions.

Q2FY20: Financial overview[1]

Singtel

Operating Revenue	S$4,152m	▼3% (Stable[2])	• Consumer business resilient despite carriage erosion & competition • Enterprise business impacted by downturn in global economy & lower contribution from Australia
EBITDA	S$1,162m	▲3% (▲7%[2])	• EBITDA lifted by NBN migration revenue & cost management
Regional Associates' PBT[3]	S$414m	▲36% (▲28%[2])	• Robust data growth across associates • Airtel: Lower losses, with operational improvement in India & strong growth momentum in Africa
Underlying NPAT	S$737m	▲3% (▲1%[2])	• Underlying net profit up on higher EBITDA & associates contributions (ex-Airtel)
Net profit/ (loss) after tax	(S$668m)	N.M.[4]	• Exceptional losses of S$1,395m from Airtel, mainly due to provision on regulatory demands for license fees & spectrum usage charges
Airtel	*(S$1,370m)*	*N.M*	
Ex Airtel	*S$702m*	*▲4% (▲3%[2])*	• Ex-Airtel, net profit up 4%
Free cash flow	S$770m	▲14%[5]	• Higher operating cash flow

1. Financial figures reflect the implementation of Singapore Financial Reporting Standards (International) 16 ("SFRS(I) 16") with effect from 1 April 2019, unless otherwise stated.
2. Constant currency - assuming constant exchange rates from FY2019.
3. Excludes exceptional items.
4. Net profit was S$667m in the prior comparative period.
5. Excluding impact of new accounting standards, free cash flow would have been stable.

Foreign exchange movements

(S$)	Quarter[1]			Half year[1]	
	Sep 19	YoY	QoQ	Sep 19	YoY
1 Australian Dollar[2]	0.9425	(5.7%)	(1.3%)	0.9486	(5.6%)
1 United States Dollar[3]	1.3755	0.8%	0.9%	1.3691	1.4%
Rupiah	10,309	3.1%	1.0%	10,417	1.0%
Indian Rupee	51.3	Stable	(0.6%)	51.0	(0.4%)
Baht	22.3	7.5%	3.9%	22.7	5.4%
Peso	37.6	4.1%	1.6%	37.9	3.3%

1. Average exchange rates for the quarter and half year ended 30 September 2019. Percentage denotes appreciation/ (depreciation) against the Singapore dollar.
2. Average A$ rate for translation of Optus' operating revenue.
3. Average US$ rate for translation of Trustwave, Amobee and HOOQ's operating revenue.

Group highlights

Increased investment in submarine cable infrastructure

Singapore's first 5G cloud gaming trial

Optus clocked fastest NBN peak evening download speeds[1]

Richer content line-up

Grow digital ecosystems:

Gaming: Introduced PVP Corporate & Campus Leagues

Financial: OCBC PayAnyone app joined VIA

Awards & recognition:

Asia-Pacific telecom group & Singapore IoT service provider of the year[2]

Singapore flagship store recognised for retail innovation[3]

Amobee - a leader in Cross-Channel Video Advertising[4]

Optus NBN

1. Between 7-11pm in August 2019: Source: ACCC Measuring Broadband Australia, Report 7, November 2019.
2. Frost & Sullivan Asia-Pacific Best Practices Awards 2019.
3. Federation of Asia-Pacific Retailers Associations Awards 2019: Most Innovative Retail Concept.
4. The Forrester New Wave™: Cross-Channel Video Advertising Platforms, Q3 2019.

Financial position

Balance sheet[1]

S$13.1b net debt[2]

31.2% Net debt gearing[3]

2.1x Net debt: EBITDA & share of associates' pre-tax profits

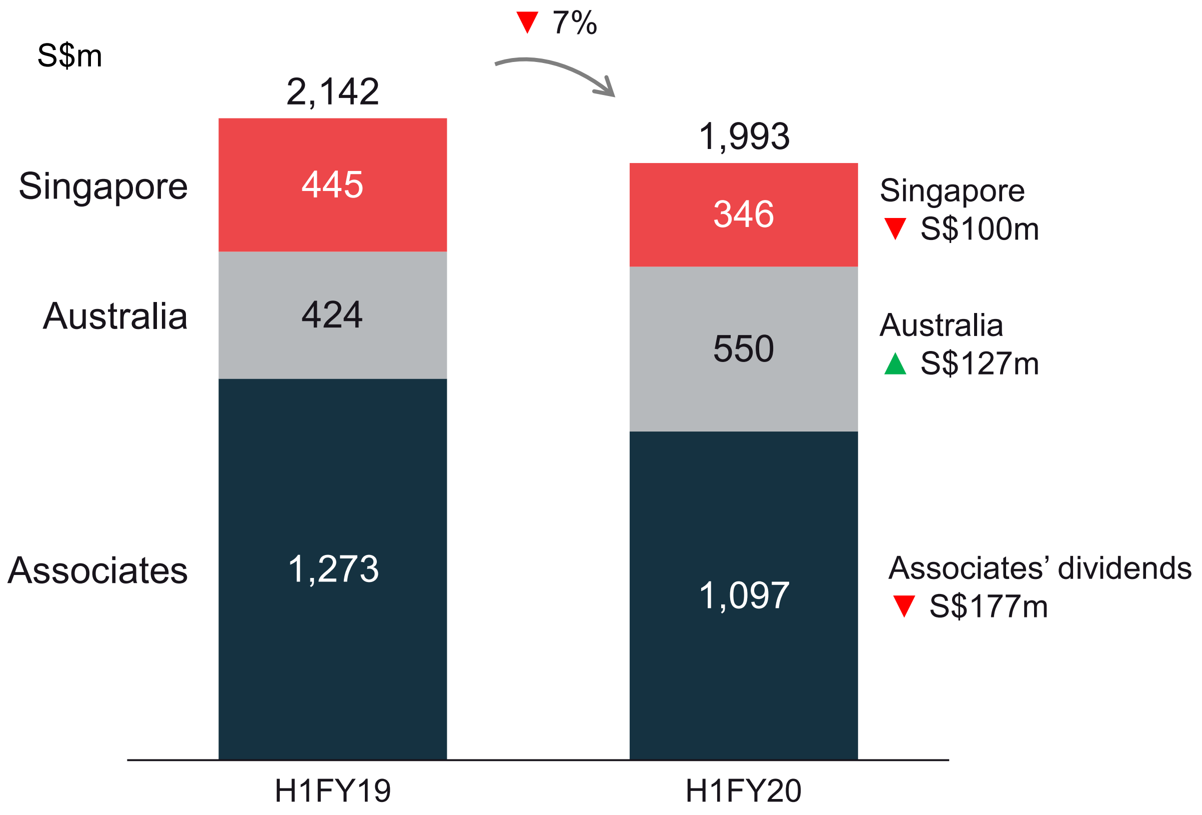
Strong credit ratings

A+ S&P

A1 Moody's

Free cash flow[1]

S$2.0b



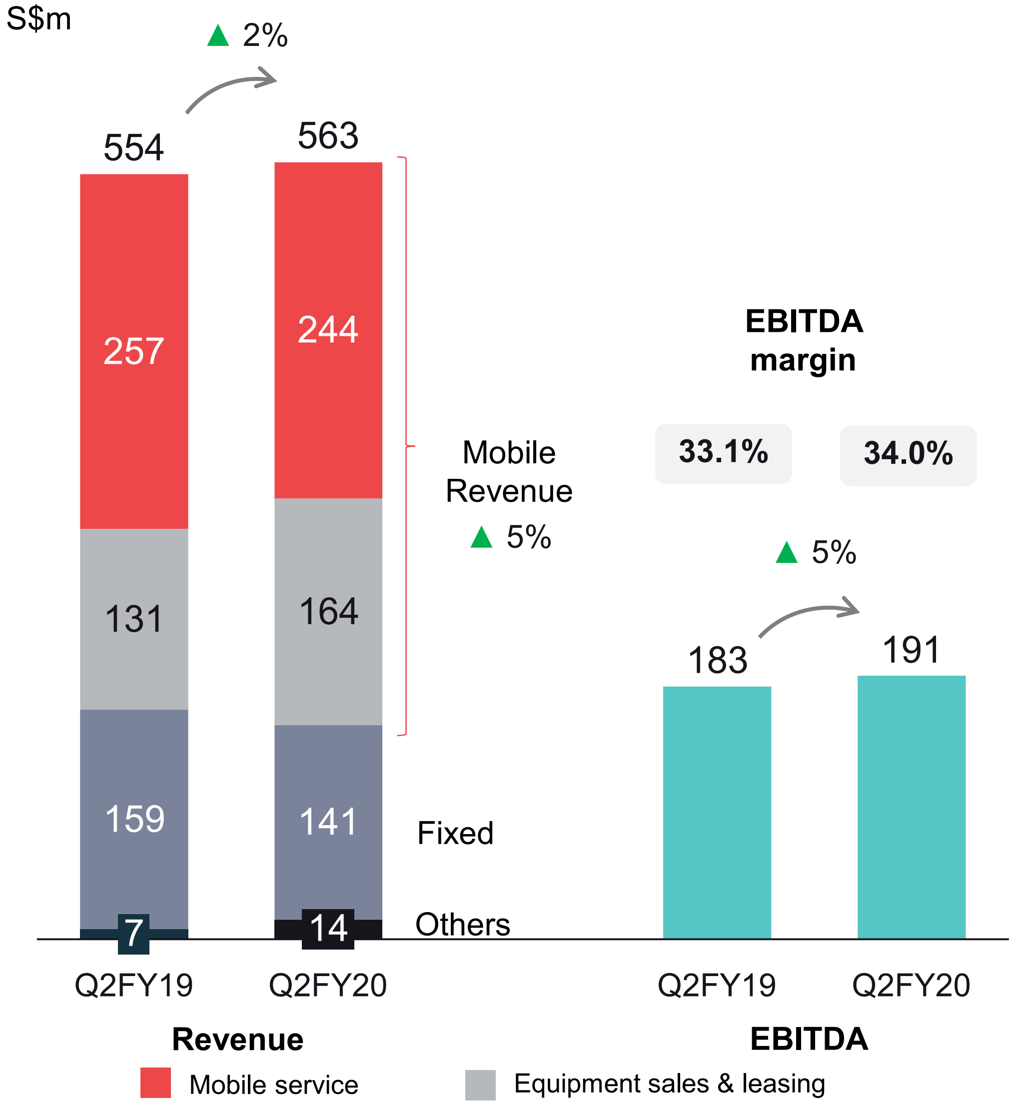
Maintained interim dividend of 6.8₵/share

1. With adoption of SFRS(I) 16 with effect from 1 April 2019, net debt includes lease liabilities representing the Group's obligations to make lease payments. Lease payments are classified as financing cash flows in the cash flow statement.
2. Gross debt less cash and bank balances adjusted for related hedging balances.
3. The ratio of net debt to net capitalisation. Net capitalisation is the aggregate of net debt, shareholders' funds and minority interests.

Agenda

Overview ● **Business units** ● Outlook ● Supplementary information

Singapore Consumer



Mobile revenue up 5%

- Growth in equipment revenue with increased connections & higher priced handsets
- Mobile service revenue impacted by lower voice usage & amortisation of handset subsidies

Fixed revenue down 1%[1]

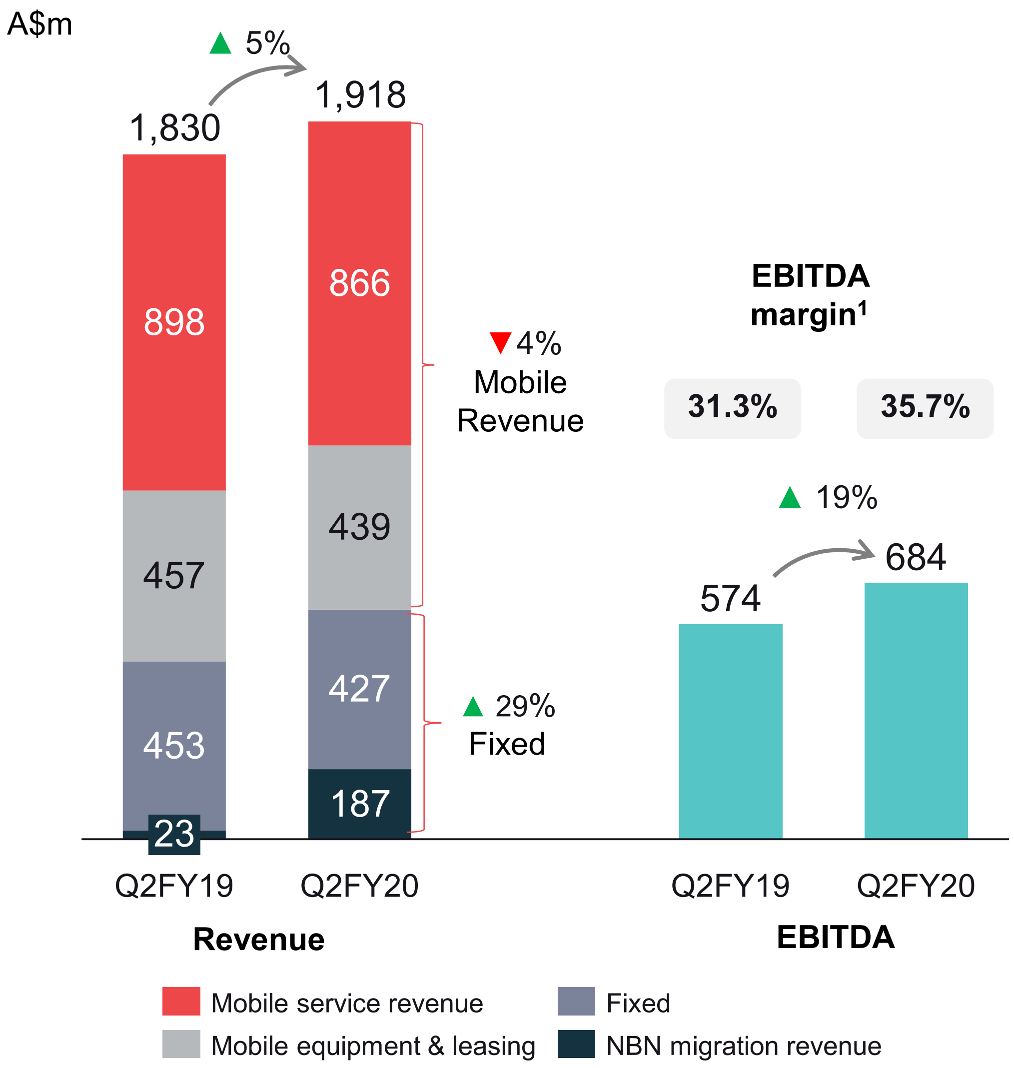
- TV revenue stable[1] & customer base grew by 1k QoQ
- Broadband revenue increased 5% & customer base rose by 3k QoQ

EBITDA up 5%

- Income from infrastructure cost sharing & strong cost management

1. Excludes 2018 FIFA World Cup revenue.

Australia Consumer



Mobile revenue down 4%

- Service revenue declined from lower ARPU
- Equipment revenue fell on lower handset demand

Mobile customers

- Postpaid handset up 29k QoQ[2]
- Prepaid handset down 25k QoQ
- Mobile Broadband up 3k QoQ

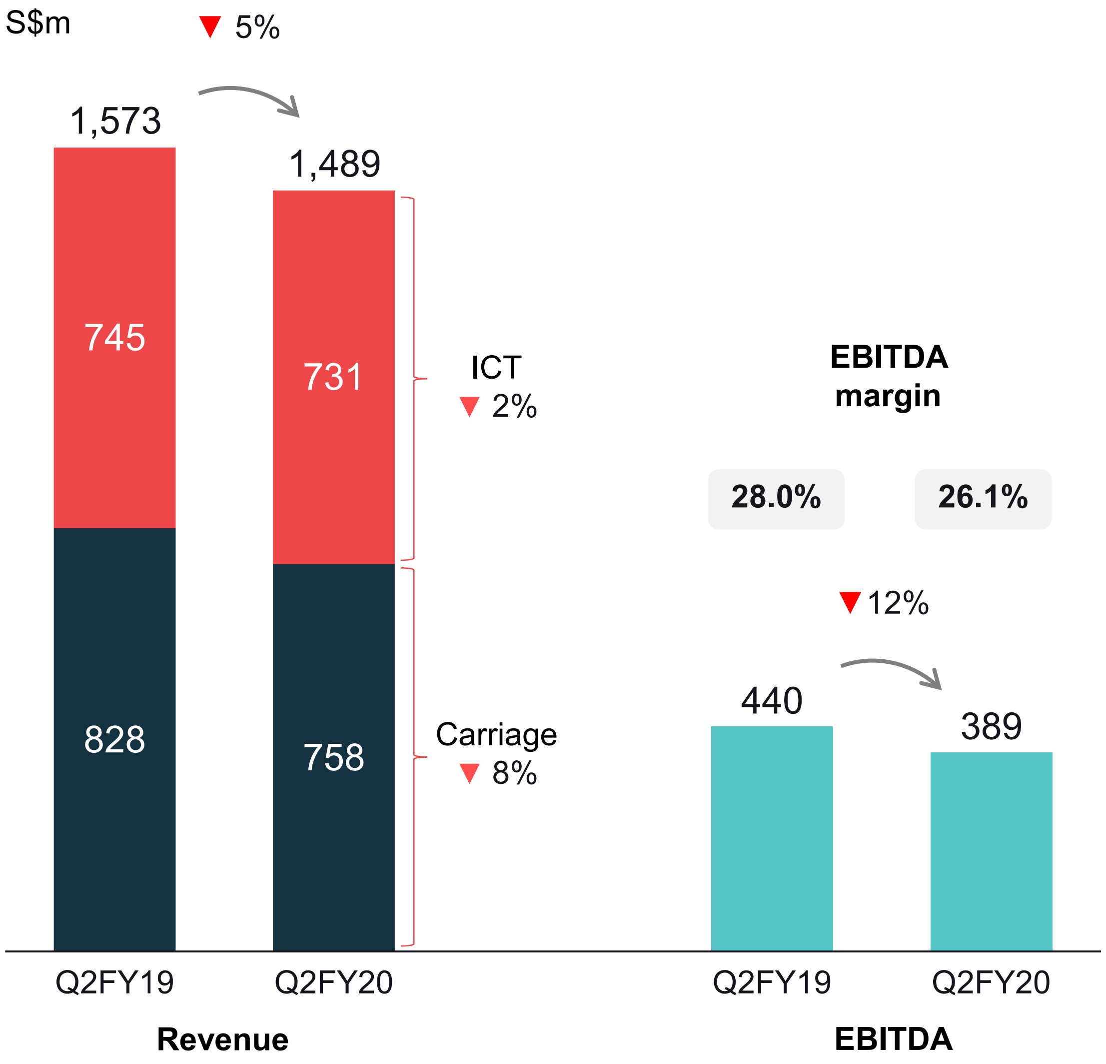
Retail fixed

- NBN broadband customers up 80k QoQ[3]
- Higher NBN migration revenue

EBITDA up 19%

1. Excluding NBN migration, EBITDA margin was 30.5% in Q2FY19 and 28.7% in Q2FY20.
2. Branded postpaid handset net adds up 30k QoQ.
3. Includes 70k migration QoQ.

Group Enterprise



Revenue down 5%

- Cautious business environment & weaker demand from finance sector in Australia
- Decline in carriage from price competition & substitution

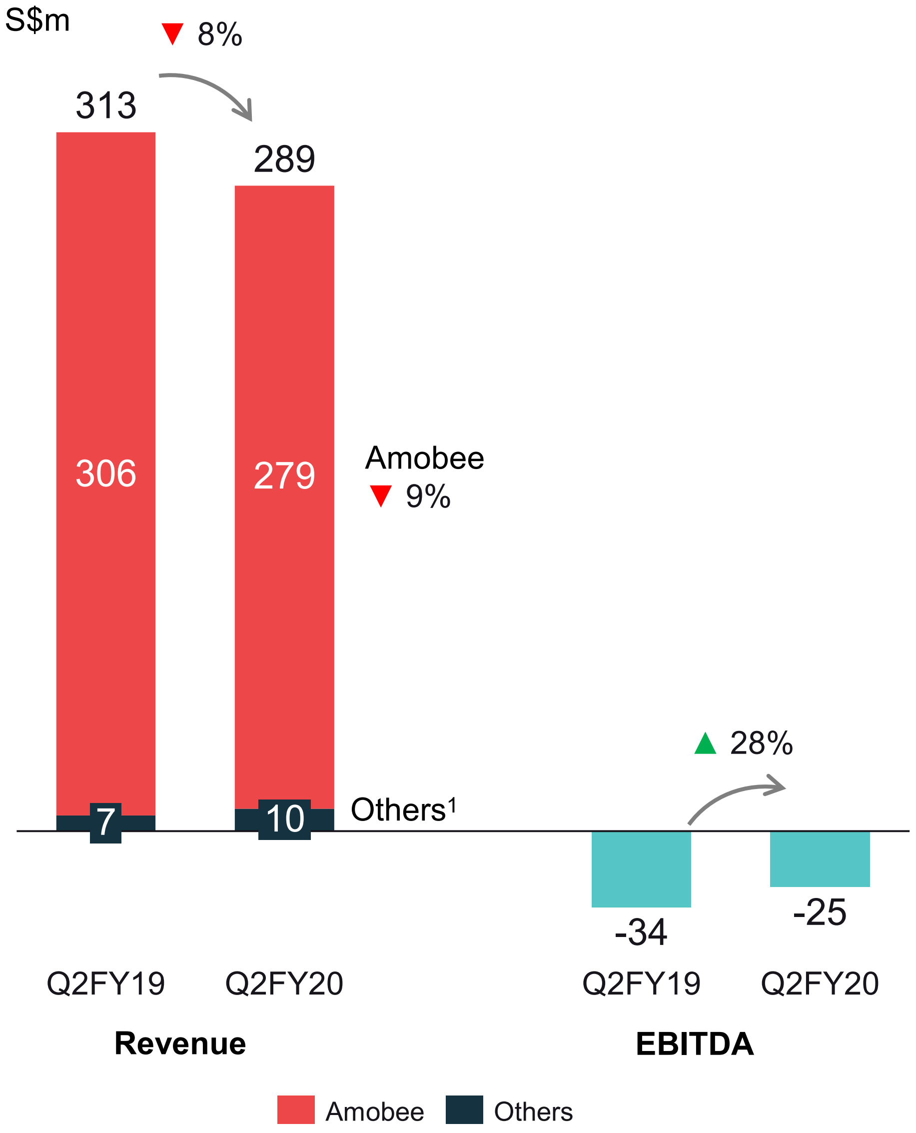
ICT down 2%

- NCS revenue rose 6%
- Cyber security revenue impacted by decline in payment compliance business & weakness in Australia

EBITDA down 12%

- Erosion in carriage volumes & margins

Group Digital Life



Amobee

- Growth in programmatic advertising offset by cautious advertisement spend & lower managed media & social businesses
- EBITDA improved on cost management

HOOQ

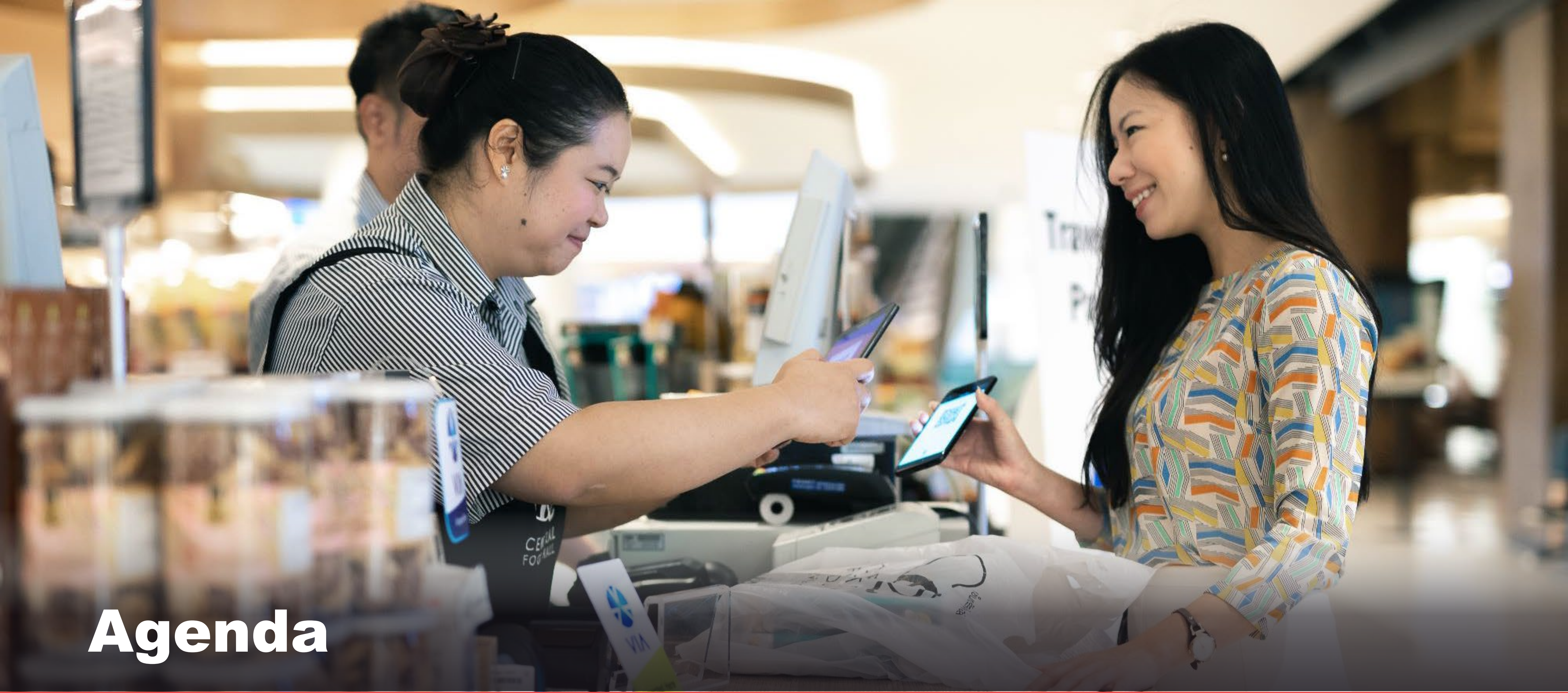
- Strong revenue growth with higher paying subscriber base
- Launched HOOQ Media Exchange

1. Includes revenues from HOOQ and DataSpark.

Regional Associates

Quarter September 2019	PBT[1] (S$m)	% Change (S$)	% Change (constant ccy)	Highlights
Regional Associates	414	36%	28%	• Strong data growth across associates
Ex-Airtel	526	10%	5%	• Lower pre-tax losses from Airtel
Telkomsel	290	Stable	(4%)	• Ongoing transition to data services
Airtel[2]	(112)	(37%)	(36%)	• India: Third consecutive quarter of mobile service revenue growth • Africa: Strong broad based growth across voice, data & mobile money
AIS	103	31%	21%	• Strong service revenue growth • Network cost savings from TOT settlement
Intouch	29	32%	22%	
Globe	104	18%	13%	• Robust data revenue growth in mobile & broadband

1. Excludes exceptional items.
2. Includes BTL. Share of Airtel's pre-tax losses was S$176m in the prior comparative period.



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Outlook[1,2]

Group	• Revenue[3] to be stable (updated) • EBITDA[3] to be stable (updated) • Capital expenditure to be ~S$2.1b (updated) • Free cash flow, excluding spectrum payments and dividends from associates, to be ~S$2.4b • Dividends from regional associates to be ~S$1.2b

ICT & Digital Businesses	• ICT services revenue to grow by low single digit • Cyber security revenue to increase by mid single digit (updated). Excluding payment compliance, to increase by low teens • Amobee revenue[4] to decline by mid single digit (updated) and EBITDA to improve

1. Based on average exchange rates during FY2019.
2. Excludes acquisitions.
3. Excludes NBN migration revenue in Australia for FY2019 and FY2020.
4. Includes intragroup revenue.

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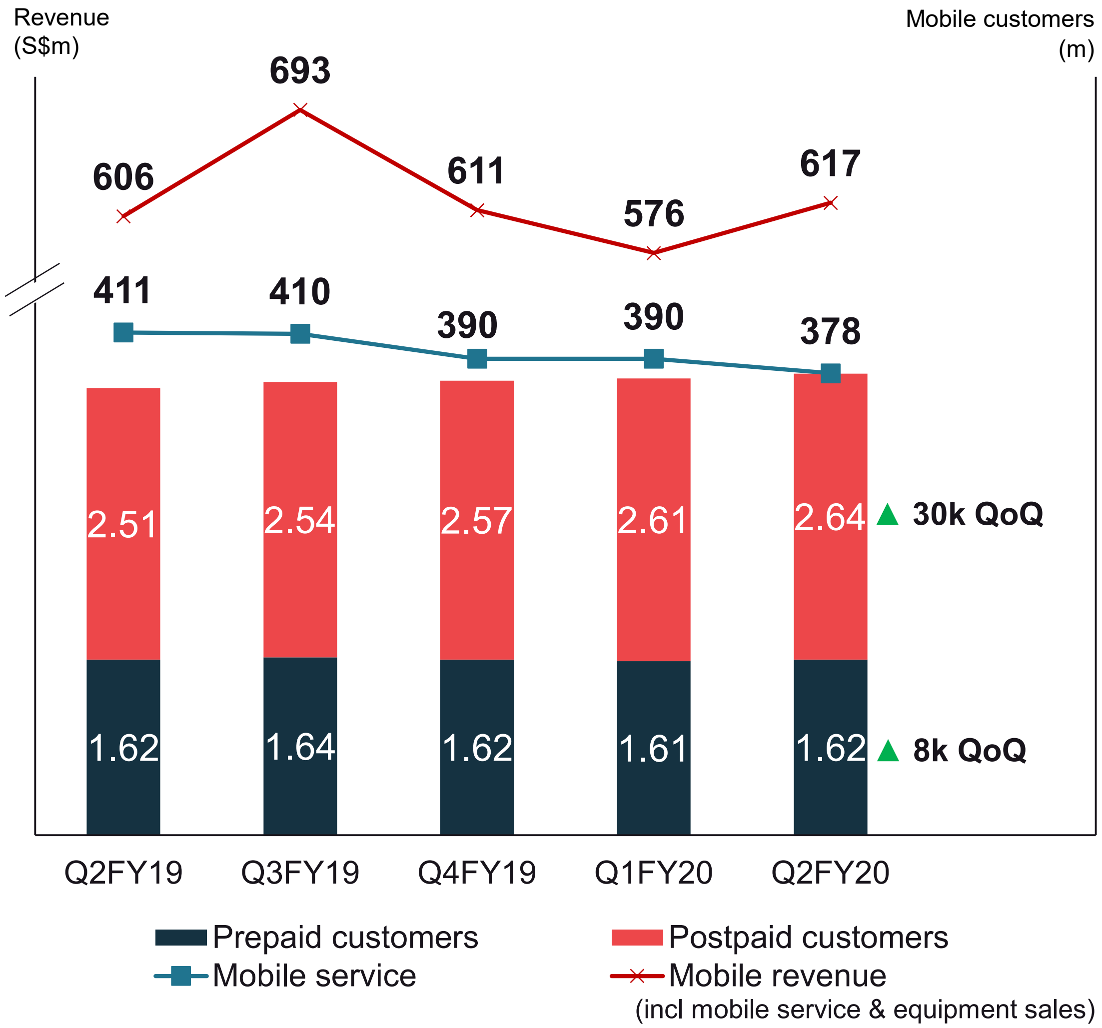
Singapore Mobile

Mobile revenue

S$617m



Average quarterly smartphone data usage **6.0Gb**

- 4.4Gb in Sep 2018 quarter
- 5.2Gb in Jun 2019 quarter

Postpaid ARPU down 11% **S$39**

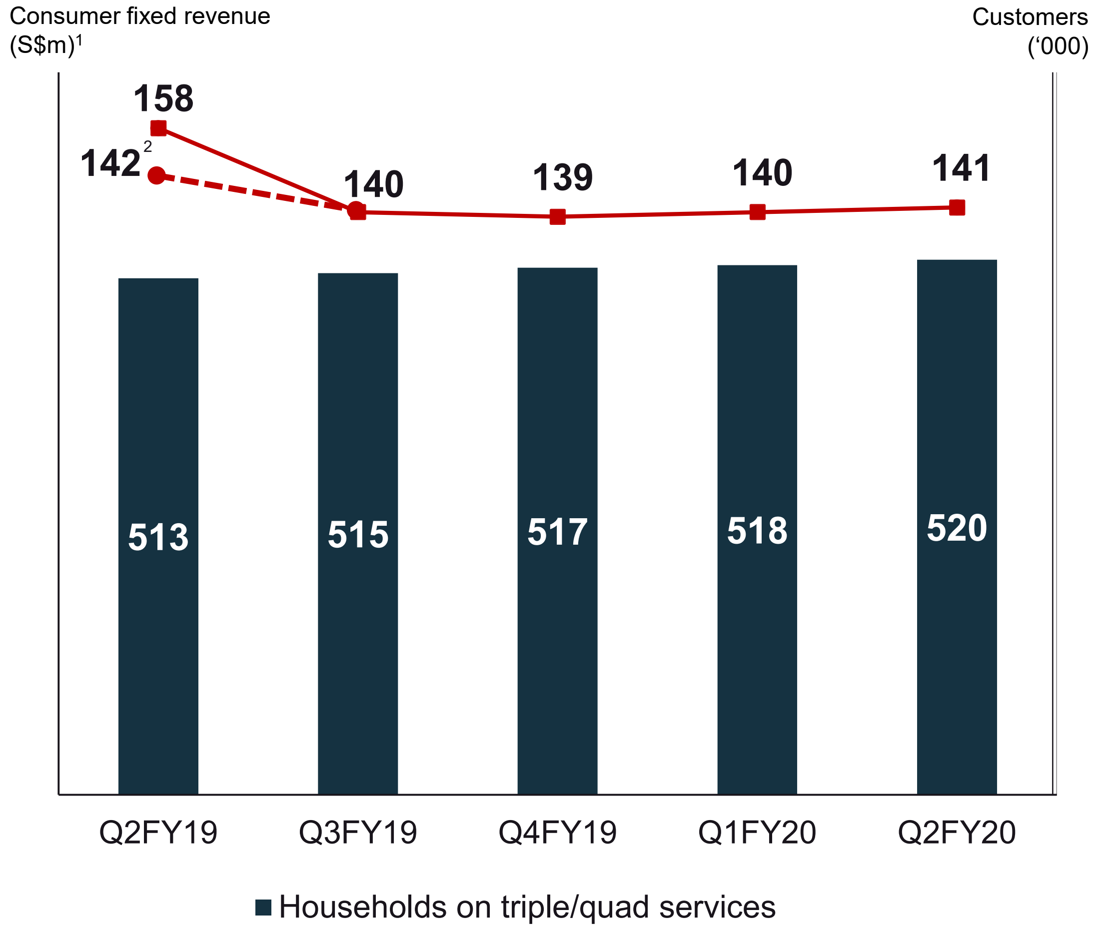
- Decline in voice usage
- Amortisation of handset subsidy

Prepaid ARPU down 6% **S$17**

- Lower local & IDD voice usage

Singapore Fixed

Consumer fixed revenue[1] S$141m



Singtel TV

- Revenue **S$54m**
  - Down 2% excluding World Cup 2018 revenue in prior period
- ARPU stable excluding World Cup 2018 revenue in prior period **S$42**
- Customer base up 1k QoQ **383k**

Singtel OTT services (CAST & Singtel TV GO) **162k**

- Up 32k QoQ

Residential fixed broadband

- Revenue up 1% YoY **S$59m**
- Customer base up 4k QoQ

Singtel Fibre broadband customers **639k**

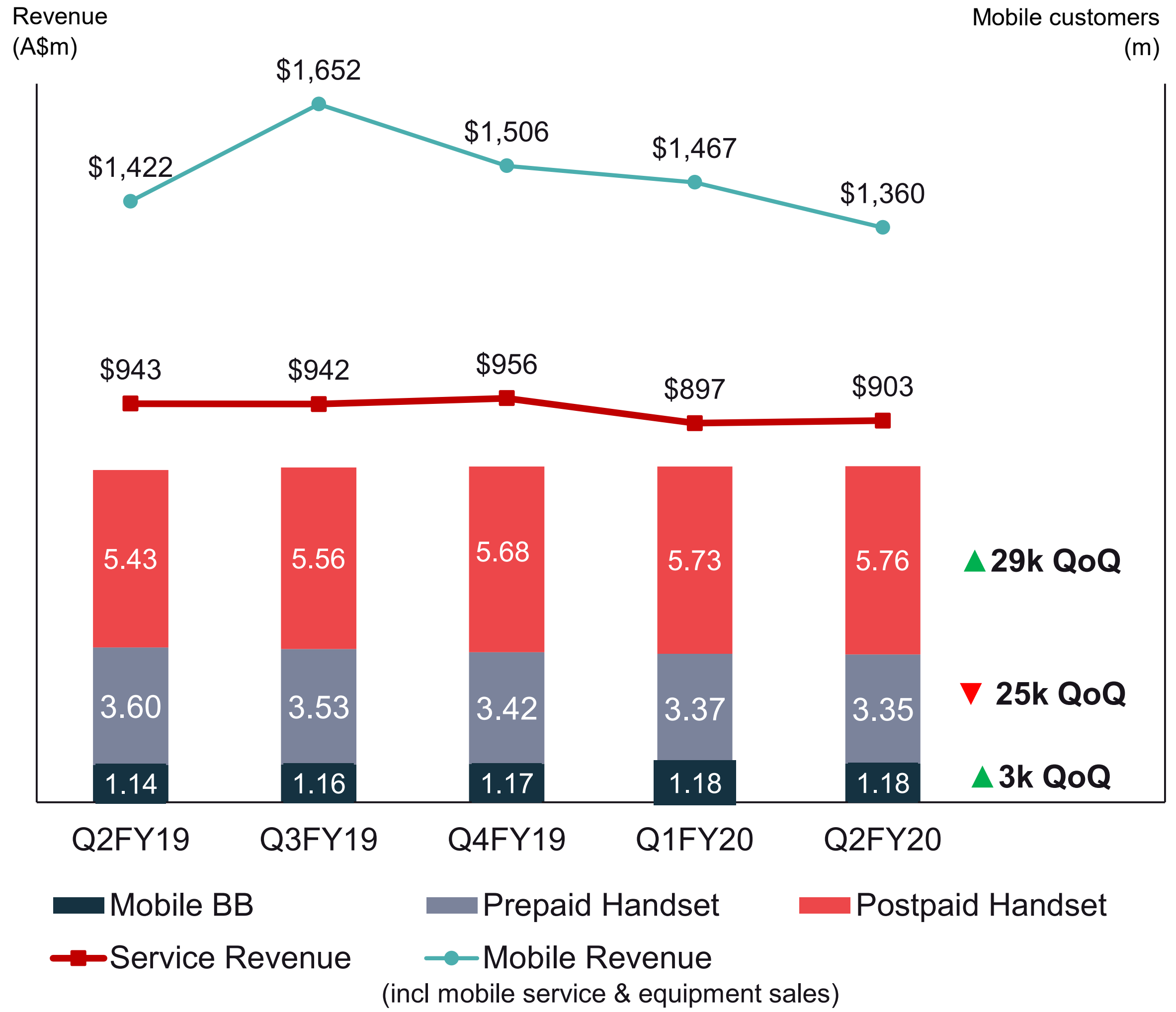
- Up 5k QoQ

1. Comprises of fixed broadband, fixed voice, Singtel TV and broadband and Smart Home equipment in the residential segment only and does not include mobile.
2. Excludes 2018 World Cup broadcast and advertising revenues.

Australia Mobile

Mobile revenue

A$1,360m



Postpaid

- Handset ARPU **A$38**
  - Down 9%
- Churn
  - Up 0.1ppt YoY & Stable QoQ **1.4%**

Prepaid

- Handset ARPU **A$19**
  - Down 1%

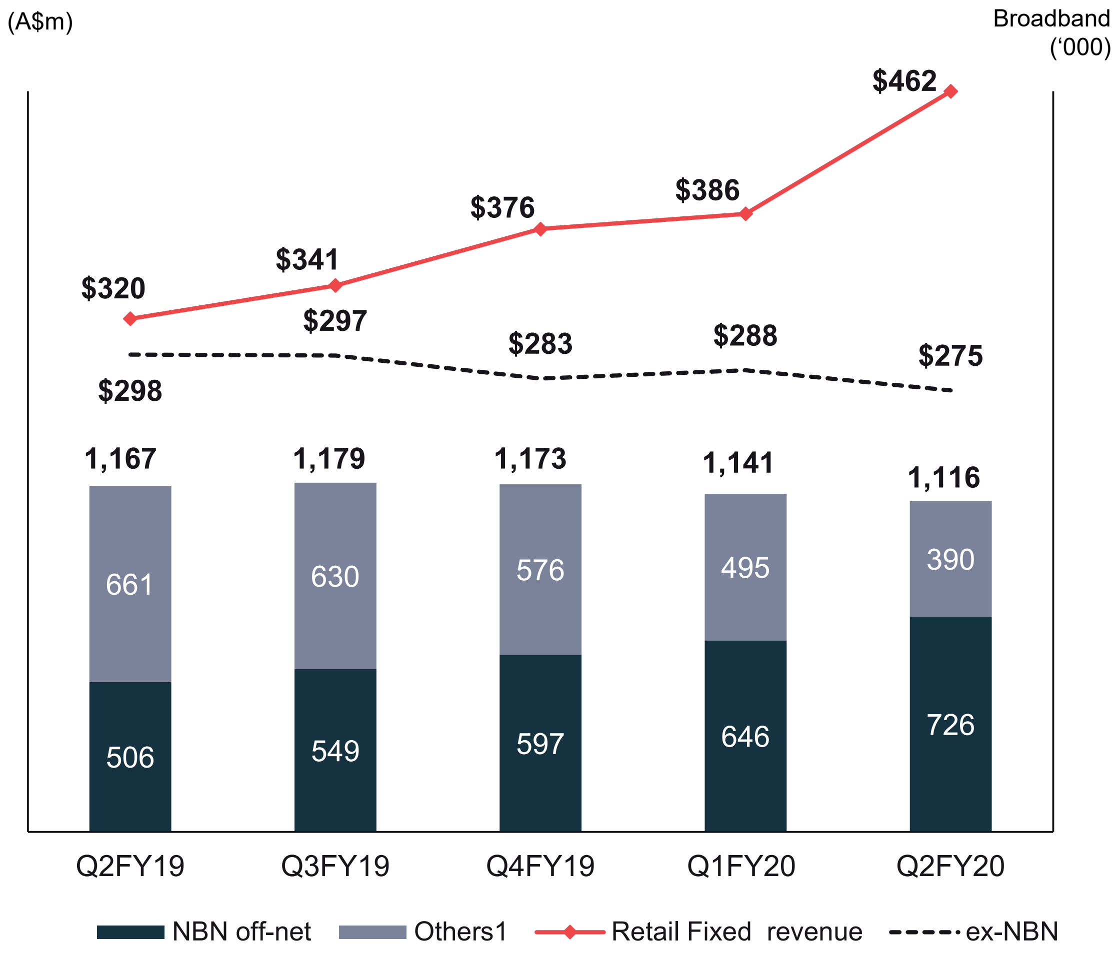
Mobile Broadband **A$19**

- ARPU
  - Down 8%

Australia Fixed

Retail Fixed revenue

A$462m



Retail Fixed ARPU	**A$77**
• Down 2%	
NBN Customers	**726k**
• Up 80k QoQ[2]	
TV Customers	**406k**
• Down 10k QoQ	

1. Others – mainly on-net BB customers.
2. Includes 70k migration QoQ.

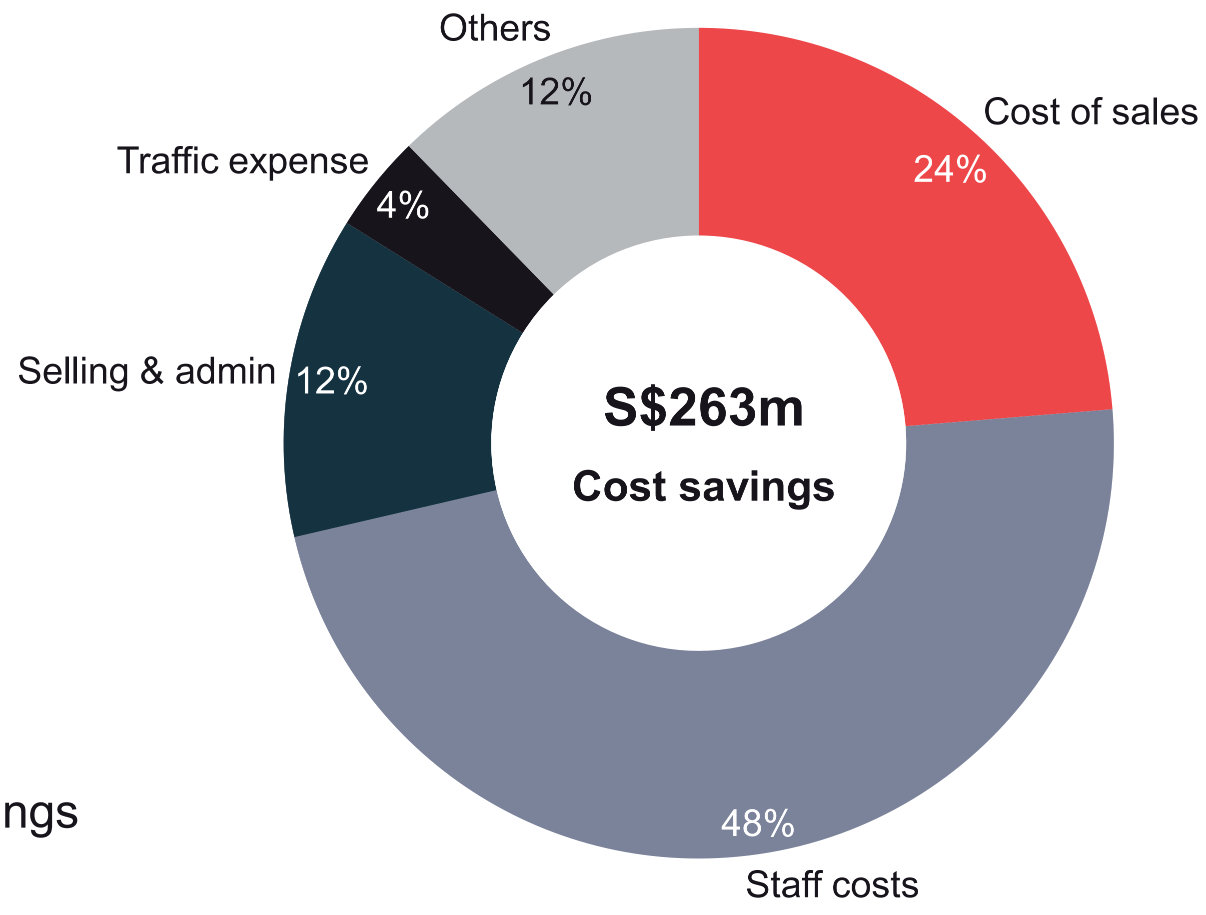
H1FY20: Cost savings

Customer experience

- Increased adoption of self-service channels
- Integrate online & offline sales channels
- Optimise customer acquisition costs
- Rationalise content portfolio

Network & operations

- Process re-engineering & automation
- Headcount optimisation
- Leverage Group scale to deliver procurement savings
- Shut-down of legacy networks and systems



Summary Income Statement

(S$m)	Quarter Sep 19	Quarter Sep 18	Quarter YoY %	Half year Sep 19	Half year Sep 18	Half year YoY %
Operating revenue	4,152	4,270	(3%)	8,265	8,404	(2%)
EBITDA	1,162	1,129	3%	2,345	2,336	Stable
- margin	*28.0%*	*26.4%*	-	*28.4%*	*27.8%*	-
Associates pre-tax earnings[1]	442	330	34%	801	746	7%
EBITDA & share of associates' pre-tax earnings	1,604	1,459	10%	3,147	3,081	2%
Depreciation & amortisation	(641)	(554)	16%	(1,286)	(1,108)	16%
EBIT	963	905	6%	1,861	1,974	(6%)
Net finance expense	18	(94)	N.M.	(33)	(164)	(80%)
Tax	(250)	(102)	144%	(529)	(373)	42%
Underlying net profit	737	715	3%	1,312	1,448	(9%)
Exceptional Items (post tax)[2]	(1,405)	(48)	@	(1,439)	51	N.M.
Net profit/ (loss) after tax	(668)	667	N.M.	(127)	1,499	N.M.
Net profit after tax ex-Airtel	*702*	*673*	*4%*	*1,471*	*1,469*	*Stable*

1. Excludes exceptional items. 2. Includes S$1,395m in exceptional losses from Airtel for Q2FY20.
N.M. – not meaningful @ - Denotes more than +/- 500%

Trends in constant currency terms[1]

Quarter September 2019	Q2FY20 (reported S$m)	YoY % Change (reported S$)	YoY % Change (at constant currency S$)
Group revenue	4,152	(2.8%)	0.1%
Group reported net profit/ (loss) after tax	(668)	N.M.	N.M.
Group underlying NPAT	737	3.1%	1.2%
Optus revenue	2,080	(5.4%)	0.4%
Regional associates pre-tax earnings[2]	414	36.4%	27.9%

Half year September 2019	H1FY20 (reported S$m)	YoY % Change (reported S$)	YoY % Change (at constant currency S$)
Group revenue	8,265	(1.7%)	1.2%
Group reported net profit/ (loss) after tax	(127)	N.M.	N.M.
Group underlying NPAT	1,312	(9.4%)	(10.3%)
Optus revenue	4,228	(3.9%)	1.8%
Regional associates pre-tax earnings[2]	749	8.0%	2.8%

1. Assuming constant exchange rates from corresponding periods in FY2019.
2. The Group's share of associates' earnings before exceptionals.

Singtel