

Singapore

**ADD** (no change)

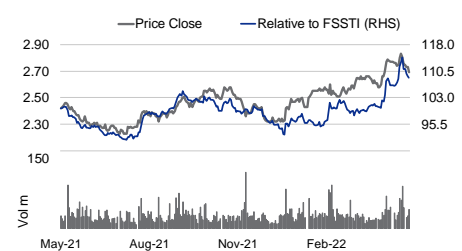
Consensus ratings\*: Buy 16 Hold 2 Sell 0

Current price:	S\$2.69
Target price:	S\$3.30
Previous target:	S\$3.30
Up/downside:	22.7%
CGS-CIMB / Consensus:	6.3%
Reuters:	STEL.SI
Bloomberg:	ST SP
Market cap:	US\$32,113m
	S\$44,407m
Average daily turnover:	US\$59.95m
	S\$82.01m
Current shares o/s:	15,934m
Free float:	49.7%

\*Source: Bloomberg

**Key changes in this note**

➤ No changes.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	4.3	5.5	11.6
Relative (%)	7.8	12.5	8.8

Major shareholders	% held
Temasek Hldgs	50.3

# SingTel

## 2H22F: Bharti's turnaround to lift earnings

- 2HFY3/22F core net profit may have risen 8-9% yoy to S\$970m-980m (steady hoh). Based on this, we expect Singtel to meet our FY22 estimates.
- We see a turnaround in share of Bharti's earnings based on reported results.
- Reiterate Add and TP of S\$3.30. Singtel is our top Singapore telco pick.

### 2HFY3/22F core net profit likely rose 8-9% yoy & met our forecast

Singtel will release its 2HFY3/22 results on 27 May. Based on its associates' reported results and our estimates for its Singapore and Optus operations, we believe Singtel's 2HFY22F core net profit came in at S\$970m-980m, up 8-9% yoy (steady hoh). This is mainly due to Bharti's earnings turnaround, and to a smaller extent, higher earnings from Singapore and Optus. Based on Singtel's earlier announcements, its reported 2HFY22 results may be boosted by gains on sale of its 70% stake in Australia Tower Network (S\$538m) and 1.6% stake in Airtel Africa (S\$34m). FY22F core net profit may have risen 12-13% yoy to S\$1.95bn-1.96bn, meeting our forecast. We expect Singtel to declare a 2HFY22 DPS of 4.4 Scts, bringing full-year DPS to 8.9 Scts (75% payout).

### Singapore's & Optus's earnings may be better yoy & hoh

We forecast Singapore's 2HFY22F core net profit rose 1-5% yoy (up 2-6% hoh) to S\$250m-260m, or up 7-11% yoy ex-Job Support Scheme credits. This would be led by i) higher consumer service revenue, plus ii) lower depreciation and net finance cost. Meanwhile, we see Optus's earnings contribution jumping 45-61% yoy (up 25-39% hoh) to S\$45m-50m. This would be due to higher mobile revenue, as well as lower marketing and cost of sales, owing to the take-up of its higher-margin Optus Choice postpaid plans and more rational competition. These should more than offset a) lower NBN migration fees, and b) higher depreciation, amortisation and net finance cost, in our view.

### Bharti's turnaround to lift associates' earnings contribution

We estimate 2HFY22F associate contribution (in S\$ terms) to be up 16-18% yoy (up 2-3% hoh), based on reported results. The main driver is a turnaround in its share of Bharti's profits to S\$145m-155m (2HFY21: -S\$9m), on continued growth in mobile subs, average revenue per user (ARPU) and EBITDA margin, following tariff hikes in Jul and Nov 21. Notably, a 130% qoq spike in Bharti's 4QFY22 earnings bodes well for Singtel's FY23F. Meanwhile, share of Telkomsel earnings may fall 4-7% yoy to S\$320m-330m due to lingering effects from an earlier price war, declining legacy revenue and higher tower lease cost (after transfer of 14k towers to Mitratel). However, we see earnings improving as competition has further eased, with various players optimising tariffs in Mar-Apr.

### Reiterate Add and SOP-based TP of S\$3.30

We keep our earnings forecasts, pending the release of Singtel's results. Potential re-rating catalysts: FY22-23F core EPS recovery, further asset monetisation, and expansion into higher-growth business areas. Its current share price implies an FY22F EV/EBITDA of just 3.7x for Singtel Singapore and Optus. Downside risk: price wars.

**Analyst(s)**



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**Financial Summary**

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue (S\$m)	16,542	15,644	15,260	15,206	15,484
Operating EBITDA (S\$m)	4,541	3,832	3,864	3,860	4,020
Operating EBITDA Margin	27.5%	24.5%	25.3%	25.4%	26.0%
Net Profit (S\$m)	1,075	554	1,955	2,540	2,979
Core EPS (S\$)	0.15	0.11	0.12	0.16	0.18
Core EPS Growth	(13.1%)	(29.7%)	12.8%	30.0%	17.3%
FD Core P/E (x)	17.88	25.43	22.55	17.35	14.79
DPS (S\$)	0.12	0.08	0.09	0.12	0.14
Dividend Yield	4.55%	2.79%	3.33%	4.32%	5.07%
EV/EBITDA (x)	9.56	11.25	11.01	10.85	10.54
P/FCFE (x)	13.19	39.99	12.43	27.68	49.26
Net Gearing	40.9%	37.3%	26.6%	27.0%	32.5%
ROE	8.7%	6.5%	7.3%	9.2%	10.4%
CGS-CIMB/Consensus EPS (x)			0.89	0.95	0.96

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## 2H22F: Bharti's turnaround to lift earnings

Figure 1: 2HFY3/22F results preview for Singtel

FYE 31 Mar	Stake	Net profit (\$m)			yoy growth (%)	hoh growth (%)	FY22F	CGS-CIMB's FY22F	FY22F as % of CGS-CIMB's
		2HFY21	1HFY22	2HFY22F					
Telkomsel*	35%	345	365	320-330	-4% to -7%	-10% to -12%	685-695	714	96-97%
Bharti	32%	-9	49	145-155	nm	+196% to +216%	194-204	277	70-74%
AIS	23%	142	131	120-130	-8% to -15%	-1% to -8%	251-261	240	105-109%
Globe	47%	113	136	95-100	-12% to -16%	-26% to -30%	231-236	280	83-84%
InTouch	21%	38	40	35-40	-8% to +5%	-0% to -13%	75-80	61	123-131%
Other associates		29	32	35-40	+21% to +38%	+9% to +25%	67-72	73	92-99%
<b>Total associates' PAT</b>		<b>658</b>	<b>753</b>	<b>765-775</b>	<b>+16% to +18%</b>	<b>+2% to +3%</b>	<b>1,518-1,528</b>	<b>1,646</b>	<b>92-93%</b>
Singapore	100%	248	245	250-260	+1% to +5%	+2% to +6%	495-505	513	96-98%
Optus	100%	31	36	45-50	+45% to +61%	+25% to +39%	81-86	66	123-130%
Corporate cost		-41	-51	(95-105)	+132% to +156%	+86% to +106%	(145-156)	-270	54-58%
<b>Core net profit**</b>		<b>897</b>	<b>983</b>	<b>970-980</b>	<b>+8% to +9%</b>	<b>-0% to -1%</b>	<b>1,953-1,963</b>	<b>1,955</b>	<b>99-100%</b>

Note: \*local curr bn for Telkomsel; \*\*includes Job Support Scheme credits  
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 2: Optus and associates' currencies vs. Singapore dollar

Currency/S\$	2HFY21	1HFY22	2HFY22F	yoy change	hoh change
A\$*	1.01	1.01	0.98	-2.3%	-2.8%
IDR	10,642	10,728	10,557	0.8%	1.6%
INR	54.8	55.1	55.4	-1.2%	-0.5%
THB	22.7	23.8	24.5	-7.3%	-2.7%
PHP	36.1	36.5	37.6	-4.2%	-3.0%

\*Quoted in S\$/A\$  
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 3: Our SOP-based target price for Singtel is S\$3.30

FYE 31 March (\$m)	FY22F	FY23F	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F
EBIT (1-T)	820	821	933	978	1,021	1,084	1,152	1,224	1,300	1,379
Depreciation	2,257	2,214	2,209	2,196	2,185	2,177	2,170	2,165	2,161	2,157
Capex	-477	-2,816	-3,769	-2,144	-2,144	-2,144	-2,144	-2,144	-2,144	-2,144
<b>Annual FCFE</b>	<b>2,600</b>	<b>219</b>	<b>-627</b>	<b>1,030</b>	<b>1,062</b>	<b>1,117</b>	<b>1,178</b>	<b>1,245</b>	<b>1,317</b>	<b>1,392</b>
Terminal value										23,220
<b>Present value of cash flow</b>	<b>2,429</b>	<b>191</b>	<b>-511</b>	<b>784</b>	<b>756</b>	<b>742</b>	<b>731</b>	<b>722</b>	<b>713</b>	<b>12,446</b>
<b>Total NPV (Singapore &amp; Optus)</b>	<b>19,002</b>									
Net cash/(debt) at end-FY21	-12,365									
Regional investments	47,174									
<b>Value of Equity</b>	<b>53,811</b>									
No of shares (m)	16,382									
<b>Value of Equity per share (\$)</b>	<b>3.30</b>									

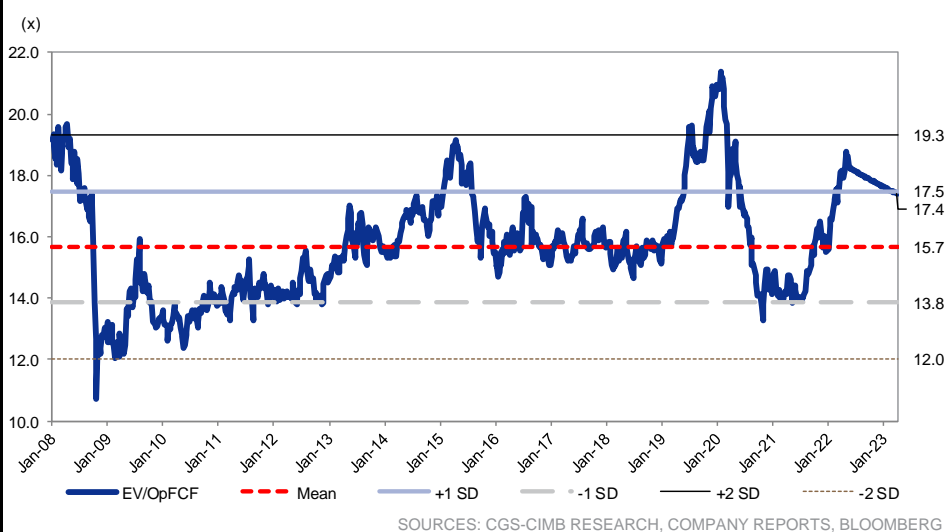
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 4: We value its associates at S\$2.88 per Singtel share

Associates	% of RNAV	Stake (%)	Value (\$m)	Value/share (\$)	Valuation Methodology
Advanced Info (ADVANC TB)	12.9%	23.3	6,986	0.43	Based on CGS-CIMB TP
Intouch (INTUCH TB)	3.7%	21.1	2,016	0.12	Based on consensus TP
Globe Telecom (GLO PM)	9.3%	47.0	5,020	0.31	Based on consensus TP
Bharti (BHARTI IN)	40.2%	31.7	21,715	1.33	20% discount to consensus TP
Telkomsel	18.4%	35.0	9,926	0.61	Based on DCF
Singapore Post (SPOST SP)	0.8%	21.7	439	0.03	Based on CGS-CIMB TP
Netlink Trust (NETLINK SP)	2.0%	25.0	1,072	0.07	Based on consensus TP
<b>Total NAV</b>			<b>47,174</b>	<b>2.88</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

**Figure 5: Singtel's EV/OpFCF trading band**



**Figure 6: Singtel's current share price implies an FY22F EV/EBITDA of just 3.7x for Singtel Singapore and Optus, based on our estimates**

Associates	Singtel's stake	Value	Value/Singtel share
	(%)	(\$ m)	(\$)
Advanced Info (ADVANC TB)	23.3	6,029	0.37
Intouch (INTUCH TB)	21.1	1,967	0.12
Globe Telecom (GLO PM)	47.0	4,151	0.25
Bharti (BHARTI IN)	31.7	20,944	1.28
Telkomsel	35.0	9,962	0.61
Singapore Post (SPOST SP)	21.7	332	0.02
Netlink Trust (NETLINK SP)	25.0	974	0.06
<b>Value of associates (based on market prices)*</b>		<b>44,359</b>	<b>2.71</b>
Singtel's market cap*		44,067	2.69
<b>Residual equity value (Singtel Singapore + Optus)</b>		<b>-293</b>	<b>-0.02</b>
Net Cash/(Debt) at end-FY21		-14,570	-0.89
<b>Implied EV (Singtel Singapore + Optus)</b>		<b>14,277</b>	<b>0.87</b>
FY22F Operating EBITDA		3,864	
<b>Implied FY22F EV/EBITDA (Singtel Singapore + Optus) (x)</b>		<b>3.7</b>	


\*All associates' values are based on current market values, except for Telkomsel's value, which is based on our estimated DCF-based equity value; share prices as of 19 May 2022

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 7: ASEAN telco sector comparison

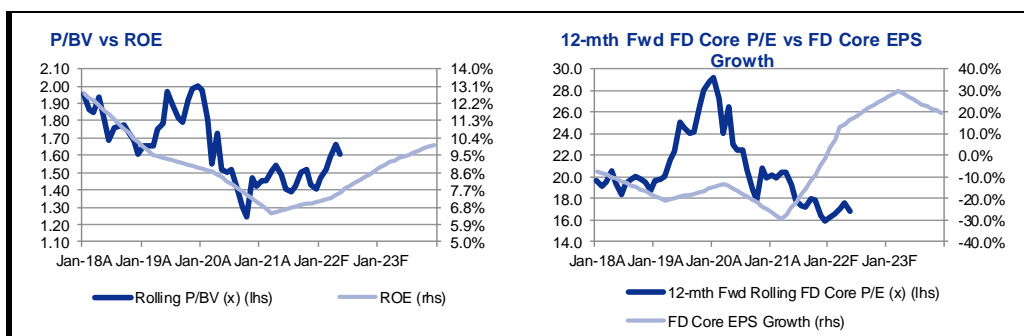
Company	Bloomberg Ticker	Recom.	Current share price (local curr.)	Target price (local curr.)	Market cap (US\$ m)	Core P/E (x)		EV/EBITDA (x)		EV/OpFCF (x)		3-year CAGR (%)		Dvd Yield (%)	
						2022F	2023F	2022F	2023F	2022F	2023F	EPS	EBITDA	2022F	2023F
Maxis	MAXIS MK	HOLD	3.58	3.90	6,361	22.3	18.7	9.1	8.7	13.3	12.2	7.9	4.0	5.6	5.6
TM	T MK	ADD	4.84	7.50	4,147	15.3	10.8	4.9	4.6	7.9	7.5	14.2	3.2	3.9	5.5
<b>MY telcos average (ex-outliers)</b>						<b>20.5</b>	<b>17.6</b>	<b>7.2</b>	<b>6.8</b>	<b>11.4</b>	<b>10.5</b>	<b>10.8</b>	<b>3.6</b>	<b>4.5</b>	<b>5.2</b>
SingTel	ST SP	ADD	2.69	3.30	32,113	17.3	14.8	7.6	13.6	17.9	16.9	21.4	2.1	4.3	5.1
Starhub	STH SP	HOLD	1.23	1.40	1,540	26.8	21.7	7.8	6.6	20.5	11.9	(9.9)	1.6	4.1	4.1
<b>SG telcos average (ex-outliers)</b>						<b>22.1</b>	<b>18.2</b>	<b>7.7</b>	<b>10.1</b>	<b>19.2</b>	<b>14.4</b>	<b>5.8</b>	<b>1.8</b>	<b>4.2</b>	<b>4.6</b>
TLKM	TLKM IJ	ADD	4,210	5,000	28,334	15.1	14.0	6.9	6.5	11.5	10.7	10.6	4.6	4.7	5.3
XL Axiata	EXCL IJ	ADD	2,660	3,650	1,938	19.1	13.9	4.4	4.0	10.8	9.1	36.5	7.3	3.1	5.0
Indosat	ISAT IJ	HOLD	5,550	7,100	3,040	87.5	28.0	4.9	4.5	nm	72.6	44.1	19.9	0.6	1.8
Link Net	LINK IJ	ADD	4,420	5,200	860	13.3	12.1	5.0	4.4	13.7	13.1	5.8	8.6	2.3	4.1
<b>Indo telcos average (ex-outliers)</b>						<b>15.8</b>	<b>17.0</b>	<b>5.3</b>	<b>4.9</b>	<b>12.0</b>	<b>11.0</b>	<b>24.2</b>	<b>10.1</b>	<b>2.7</b>	<b>4.1</b>
AIS	ADVANC TB	ADD	217.00	254.00	18,712	23.8	23.3	7.5	7.1	11.0	10.1	3.8	3.5	3.8	3.9
DTAC	DTAC TB	ADD	43.50	53.60	2,987	36.5	52.5	5.4	5.6	11.0	12.0	(24.2)	2.0	3.4	3.1
True	TRUE TB	HOLD	4.44	5.24	4,296	nm	nm	6.6	6.7	12.8	11.5	28.1	3.1	1.6	1.6
Jasmine	JASIF TB	REDUCE	11.00	10.00	2,552	9.9	9.7	10.0	9.7	10.0	9.7	1.9	1.3	8.5	8.6
DIF	DIF TB	ADD	14.00	17.20	4,316	12.0	11.9	12.1	11.9	12.1	11.9	0.2	0.2	7.5	7.5
Intouch	INTUCH TB	HOLD	72.50	73.00	6,741	21.5	21.3	21.6	21.4	21.7	21.5	2.0	1.9	4.1	4.2
<b>Thai telcos average (ex-outliers)</b>						<b>20.7</b>	<b>23.7</b>	<b>10.6</b>	<b>10.4</b>	<b>13.1</b>	<b>12.8</b>	<b>1.9</b>	<b>2.0</b>	<b>4.8</b>	<b>4.8</b>
<b>ASEAN Telcos average (ex-outliers)</b>						<b>19.8</b>	<b>19.0</b>	<b>8.0</b>	<b>8.1</b>	<b>13.2</b>	<b>15.8</b>	<b>8.0</b>	<b>4.4</b>	<b>4.1</b>	<b>4.7</b>

Note: Share prices as of 19 May 2022. Operating FCF is calculated as EBITDA minus average 3-year forward capex  
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Refinitiv ESG Scores	
 <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #4CAF50; color: white; padding: 5px; text-align: center;">A- ESG Score</div> <div style="background-color: #FFC107; color: white; padding: 5px; text-align: center;">C ESG Controversies Score</div> <div style="background-color: #4CAF50; color: white; padding: 5px; text-align: center;">B ESG Combined Score</div> <div style="background-color: #4CAF50; color: white; padding: 5px; text-align: center;">B ESG Environment Pillar Score</div> <div style="background-color: #4CAF50; color: white; padding: 5px; text-align: center;">A ESG Social Pillar Score</div> <div style="background-color: #4CAF50; color: white; padding: 5px; text-align: center;">A ESG Government Pillar Score</div> </div>	
<h2>ESG in a nutshell</h2> <p>Singtel is our top-ranked ASEAN telco for sustainability, thanks to its: i) robust cybersecurity system and prime position to capture the strong demand for cybersecurity services in Singapore &amp; Asia-Pacific, ii) superior network quality of service &amp; reliability, iii) industry-leading efforts in staff training/development and a positive workplace environment, iv) more ambitious and concrete targets/roadmap towards net zero carbon emissions by 2050, as well as v) leadership in driving financial inclusion and positioning itself for future opportunities in digital financial services.</p>	
<h3>Keep your eye on</h3> <p>In the past four years, Singtel has had several data breaches, including: i) Accellion's (a third-party vendor) file sharing system, FTA, where Personally Identifiable Information of c.129k customers, credit card details of 45 staff of a corporate customer, and information from 23 enterprises were exfiltrated in Jan 2021, and ii) unauthorised disclosure of up to 330k mobile subs' billing information on the My Singtel app in 2017-18. While data protection is a major risk factor, it is also a major business opportunity. Singtel's cybersecurity revenue has grown from S\$86m in FY3/15 to S\$564m in FY3/21 (8% of its Singapore service revenue). Separately, we believe GXS Bank (Grab-Singtel's 60:40 digital bank joint venture) will likely start its Singapore operations in CY22F. At end-Apr, a consortium led by GXS Bank and Kuok Brothers have also secured a digital banking licence in Malaysia, with operations to begin after a 12-24-month period of operational readiness.</p>	<h3>Implications</h3> <p>We have not factored in the risk of further data breaches into our forecasts for Singtel at this juncture, as it is difficult to predict, with any degree of certainty, the timeline or potential magnitude of the impact. It has also implemented more stringent measures to manage data protection risks and has been reasonably successful in responding to breaches. In terms of business opportunities, we project Singtel's cybersecurity revenue to post a robust CAGR of 4% over FY3/21-24F, thus being one of the key growth drivers for its Enterprise and total revenue. Meanwhile, we have not included the value accretion from the digital bank business into our SOP valuation as investors may only start to recognise its value in CY24-25F, when operating indicators are possibly disclosed, in our view.</p>
<h3>ESG highlights</h3> <p>Despite its good ESG performance, we think there is room for Singtel to improve on the gender diversity of its board of directors, of which females made up only 25% as at end-FY21.</p>	<h3>Implications</h3> <p>Nonetheless, we believe Singtel's overall ESG achievements/initiatives are superior to its regional peers. On an absolute basis, we do not expect its good ESG performance to have a material positive impact on revenue or earnings, as the latter is more likely to be affected by issues such as competition, mergers &amp; acquisitions and regulatory developments, in our view. However, its already-good rankings and potential further improvements in ESG disclosures/performance in the medium-to-longer term could be upside risks and help it garner more interest from ESG-focused investors.</p>
<h3>Trends</h3> <p>Singtel's carbon emissions rose 3.0% yoy in FY21 and was 4.9% higher vs. FY15. Singtel is not a major carbon emitter and energy cost constitutes less than 5% of its total opex. Nonetheless, we believe the environmental pillar may gain importance in the future amid i) Singtel's growing data centre business and ii) the Singapore government's staggered hike in the carbon tax from the current S\$5/tCO<sub>2</sub>e for 2019-23 to S\$25 in 2024-25, S\$45 in 2026-27, with a view to reaching S\$50-80 by 2030 (as per its FY3/22 Budget announcement in Feb 2022).</p>	<h3>Implications</h3> <p>A bigger and faster increase in the carbon tax (indirectly raising energy cost) or harsher penalties (fines)/regulations (e.g. ban on new data centres) could impact Singtel's earnings. However, we have not incorporated this risk into our forecasts/valuation as its carbon emissions are relatively low vs. other high-emitting companies/sectors and measures are being undertaken to reduce them. For instance, Singtel has embarked on initiatives (e.g. solar power systems for data centres) to limit increases in its emissions and taken green loans to align its operations with its sustainable growth goals.</p>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(\$m)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>Total Net Revenues</b>	<b>16,542</b>	<b>15,644</b>	<b>15,260</b>	<b>15,206</b>	<b>15,484</b>
<b>Gross Profit</b>	<b>4,541</b>	<b>3,832</b>	<b>3,864</b>	<b>3,860</b>	<b>4,020</b>
<b>Operating EBITDA</b>	<b>4,541</b>	<b>3,832</b>	<b>3,864</b>	<b>3,860</b>	<b>4,020</b>
Depreciation And Amortisation	-2,580	-2,685	-2,702	-2,675	-2,688
<b>Operating EBIT</b>	<b>1,961</b>	<b>1,147</b>	<b>1,163</b>	<b>1,185</b>	<b>1,332</b>
Financial Income/(Expense)	-282	-395	-346	-425	-482
Pretax Income/(Loss) from Assoc.	1,743	1,798	2,327	3,132	3,725
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>3,422</b>	<b>2,550</b>	<b>3,144</b>	<b>3,892</b>	<b>4,575</b>
Exceptional Items	-1,382	-1,179	0	0	0
<b>Pre-tax Profit</b>	<b>2,040</b>	<b>1,371</b>	<b>3,144</b>	<b>3,892</b>	<b>4,575</b>
Taxation	-988	-811	-1,178	-1,340	-1,583
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>1,052</b>	<b>560</b>	<b>1,967</b>	<b>2,552</b>	<b>2,991</b>
Minority Interests	22	-6	-12	-12	-12
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>1,075</b>	<b>554</b>	<b>1,955</b>	<b>2,540</b>	<b>2,979</b>
Recurring Net Profit	2,457	1,733	1,955	2,540	2,979
<b>Fully Diluted Recurring Net Profit</b>	<b>2,457</b>	<b>1,733</b>	<b>1,955</b>	<b>2,540</b>	<b>2,979</b>

### Cash Flow

(\$m)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>EBITDA</b>	<b>4,541</b>	<b>3,832</b>	<b>3,864</b>	<b>3,860</b>	<b>4,020</b>
Cash Flow from Inv. & Assoc.	1,439	1,434	1,892	1,282	1,365
Change In Working Capital	364	584	0	0	0
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	-0	0	0	0	0
Net Interest (Paid)/Received	-319	-222	-443	-467	-524
Tax Paid	-492	-164	-492	-366	-398
<b>Cashflow From Operations</b>	<b>5,533</b>	<b>5,463</b>	<b>4,821</b>	<b>4,308</b>	<b>4,463</b>
Capex	-2,037	-2,214	-2,285	-2,240	-2,144
Disposals Of FAs/subsidiaries	146	31	0	0	0
Acq. Of Subsidiaries/investments	-759	-262	1,873	-200	-204
Other Investing Cashflow	-278	-224	-65	-376	-1,421
<b>Cash Flow From Investing</b>	<b>-2,928</b>	<b>-2,668</b>	<b>-477</b>	<b>-2,816</b>	<b>-3,769</b>
Debt Raised/(repaid)	726	-1,693	-800	100	200
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased					
Dividends Paid	-2,857	-1,273	-1,229	-1,450	-2,069
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>-2,131</b>	<b>-2,966</b>	<b>-2,029</b>	<b>-1,350</b>	<b>-1,869</b>
Total Cash Generated	474	-171	2,316	143	-1,174
<b>Free Cashflow To Equity</b>	<b>3,331</b>	<b>1,102</b>	<b>3,544</b>	<b>1,592</b>	<b>895</b>
<b>Free Cashflow To Firm</b>	<b>2,931</b>	<b>3,019</b>	<b>4,791</b>	<b>1,963</b>	<b>1,224</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Total Cash And Equivalents	1,000	755	2,628	2,312	661
Total Debtors	5,559	5,444	5,289	5,406	5,485
Inventories	280	272	261	269	266
Total Other Current Assets	337	62	62	62	62
<b>Total Current Assets</b>	<b>7,176</b>	<b>6,532</b>	<b>8,240</b>	<b>8,049</b>	<b>6,474</b>
Fixed Assets	10,364	11,534	11,117	10,683	10,138
Total Investments	14,227	13,735	11,612	12,688	14,066
Intangible Assets	13,736	13,129	13,914	14,609	15,340
Total Other Non-Current Assets	3,453	3,068	3,513	3,513	3,513
<b>Total Non-current Assets</b>	<b>41,779</b>	<b>41,466</b>	<b>40,155</b>	<b>41,493</b>	<b>43,057</b>
Short-term Debt	3,588	1,612	1,612	1,612	1,612
Current Portion of Long-Term Debt					
Total Creditors	6,374	6,785	5,927	6,727	6,056
Other Current Liabilities	617	740	740	740	740
<b>Total Current Liabilities</b>	<b>10,579</b>	<b>9,137</b>	<b>8,279</b>	<b>9,079</b>	<b>8,408</b>
Total Long-term Debt	8,384	9,042	8,242	8,342	8,542
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,653	2,809	4,163	3,319	2,869
<b>Total Non-current Liabilities</b>	<b>11,037</b>	<b>11,851</b>	<b>12,406</b>	<b>11,662</b>	<b>11,411</b>
Total Provisions	526	499	499	499	499
<b>Total Liabilities</b>	<b>22,141</b>	<b>21,487</b>	<b>21,184</b>	<b>21,240</b>	<b>20,318</b>
Shareholders' Equity	26,789	26,486	27,212	28,302	29,212
Minority Interests	25	26	0	0	0
<b>Total Equity</b>	<b>26,814</b>	<b>26,511</b>	<b>27,212</b>	<b>28,302</b>	<b>29,212</b>

### Key Ratios

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue Growth	(4.77%)	(5.43%)	(2.45%)	(0.35%)	1.82%
Operating EBITDA Growth	(3.2%)	(15.6%)	0.8%	(0.1%)	4.2%
Operating EBITDA Margin	27.5%	24.5%	25.3%	25.4%	26.0%
Net Cash Per Share (S\$)	-0.67	-0.60	-0.44	-0.47	-0.58
BVPS (S\$)	1.64	1.62	1.66	1.73	1.78
Gross Interest Cover	4.25	2.88	2.79	2.69	2.67
Effective Tax Rate	48.4%	59.2%	37.5%	34.4%	34.6%
Net Dividend Payout Ratio	35.6%	22.7%	75.0%	75.0%	75.0%
Accounts Receivables Days	127.8	128.4	128.4	128.4	128.7
Inventory Days	10.63	8.52	8.53	8.53	8.55
Accounts Payables Days	198.3	203.3	203.6	203.5	204.1
ROIC (%)	(5.72%)	7.20%	1.78%	2.23%	2.62%
ROCE (%)	4.90%	2.99%	3.10%	3.12%	3.40%
Return On Average Assets	4.54%	4.96%	4.37%	5.66%	6.56%

### Key Drivers

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Singapore total mobile subs ('000)	4,282.0	4,128.0	4,140.0	4,222.0	4,308.0
Optus total mobile subs ('000)	10,448.0	9,973.8	8,852.8	9,042.8	9,232.8
Singapore blended mobile ARPU (S\$/mth/sub)	30.0	23.0	23.7	25.3	27.8
Optus blended mobile ARPU (A\$/mth/sub)	29.0	28.7	32.8	35.5	35.5

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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#### Corporate Governance Report:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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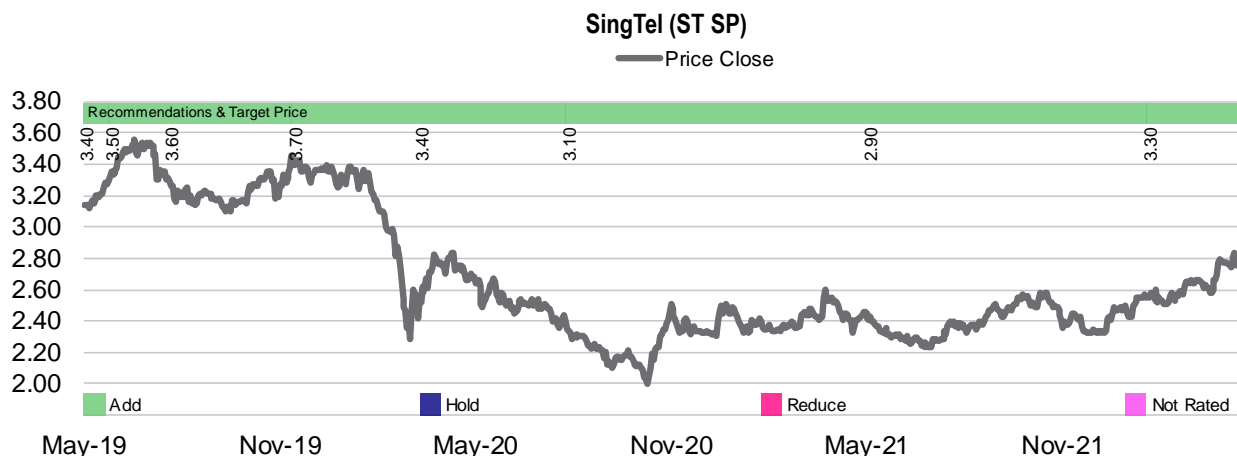
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
<b>Stock Ratings</b>	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
<b>Sector Ratings</b>	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
<b>Country Ratings</b>	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

