

Singapore

ADD (no change)

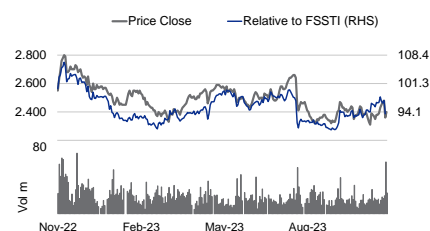
Consensus ratings*: Buy 14 Hold 4 Sell 0

Current price:	S\$2.40
Target price:	S\$2.85
Previous target:	S\$2.80
Up/downside:	18.8%
CGS-CIMB / Consensus:	-8.0%
Reuters:	STEL.SI
Bloomberg:	ST SP
Market cap:	US\$29,195m
	S\$39,626m
Average daily turnover:	US\$31.49m
	S\$43.15m
Current shares o/s:	16,569m
Free float:	48.0%

*Source: Bloomberg

Key changes in this note

- FY24F core EPS lowered by 2%.
- FY25-26F core EPS raised by 6-7%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	0.8	-2.4	-5.9
Relative (%)	2	3.2	-4.8

Major shareholders	% held
Temasek Holdings	52.0
Capital Group	3.4
Blackrock	1.8

Analyst(s)



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SingTel

Focused on cost management

- Dividend payout policy was raised to 70-90% of core net profit (60-80% currently). 1H core net profit of S\$1.1bn (+12% yoy) largely in line.
- We see continued SG EBITDA margin expansion ahead from ramp-up of core cost cutting programme and divestment of loss-making Trustwave.
- Optus likely to remain a drag, given 1) continued S\$ strength vs. A\$ affecting translation, and 2) potential customer churn and fines from network outage.
- Reiterate Add with a higher TP of S\$2.85 on hiked EPS estimates.

Dividend payout policy raised, core operations in line

Singtel's 1HFY3/24 core net profit of S\$1.1bn (+7% hoh, +12% yoy) was largely in line with expectations, forming 47%/46% of our/Bloomberg consensus' FY3/24F forecasts. 1HFY24 group EBITDA of S\$1.8bn (-5% yoy) was in line, as stronger Singapore (+3% yoy, cost optimisation) was weighed down by weaker Optus (-11% yoy, strong S\$). Pre-tax associates' contribution up 3% yoy on stronger Bharti (+12% yoy), AIS (+23% yoy).

Cost cuts and Trustwave divestment could help SG margins

As part of a cost out initiative, Singtel guided for S\$200m in core cost savings p.a. in FY24-26F, driven mostly by 1) efficiency gains from merged consumer and enterprise divisions, and 2) cost optimisation drives. We think cost synergies will likely materialise more meaningfully in 1HFY25F, as management works through transient integration issues. The divestment of loss-making Trustwave (S\$57m loss provision already booked in 1HFY24) is also a key positive (expected to complete by end-CY23F), allowing SG margins to benefit from FY25-26F onwards via the removal of S\$105m-110m in annual operating losses. Additionally, we see continued margin expansion for NCS as the subsidiary 1) improves on cost to serve, and 2) enjoys stronger operating leverage from customer base expansion.

Optus: headwinds from FX and potential outage penalties

While we think cost cutting has begun to bear fruit at Optus (1HFY24 EBITDA margin +0.7% pts hoh), continued strength in S\$ vs. A\$ will likely remain a key near-term drag on earnings contribution to Singtel, in our view. Regarding the nationwide network outage, management intends to offer subs a "gesture of goodwill" but ruled out offering heavy discounts. We have not yet baked in any one-off fines as we await the conclusion of the Australian government's review.

Reiterate Add at higher TP of S\$2.85 on Trustwave divestment

We raise our FY25-26F core EPS by 6-7% on removal of Trustwave losses. Our SOP-based TP rises slightly to S\$2.85 on higher EPS estimates. Re-rating catalysts: further asset monetisation, and issuance of special dividends. Downside risks: intensifying price competition affecting ARPU, large fines levied on Optus, and FX headwinds impacting Optus and associates.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (S\$m)	15,339	14,624	14,126	14,572	15,086
Operating EBITDA (S\$m)	3,767	3,686	3,664	3,889	4,074
Operating EBITDA Margin	24.6%	25.2%	25.9%	26.7%	27.0%
Net Profit (S\$m)	1,948	2,225	3,336	2,784	3,022
Core EPS (S\$)	0.12	0.12	0.14	0.17	0.19
Core EPS Growth	10.1%	6.8%	13.0%	22.1%	8.4%
FD Core P/E (x)	20.52	19.30	17.07	13.98	12.89
DPS (S\$)	0.09	0.15	0.11	0.14	0.15
Dividend Yield	3.88%	6.21%	4.67%	5.71%	6.21%
EV/EBITDA (x)	8.69	9.17	8.84	7.88	7.19
P/FCFE (x)	17.51	16.83	18.71	10.55	14.71
Net Gearing	21.9%	22.9%	18.2%	13.6%	11.2%
ROE	7.0%	7.6%	8.8%	10.4%	11.0%
% Change In Core EPS Estimates			(2.10%)	6.87%	6.25%
EPS/Consensus EPS (x)			1.38	0.99	0.94

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Focused on cost management

Figure 1: Results comparison

FYE Mar (S\$ m)	1HFY24	1HFY23	yoy % chg	2HFY23	hoh % chg	Prev. FY24F	Comments
Revenue	7,028	7,259	(3.2)	7,366	(4.6)	14,796	Largely in line, formed 47% of both our and Bloomberg consensus FY24F
Singapore	3,456	3,416	1.2	3,640	(5.0)	7,418	Healthy NCS (+9% yoy) and data centres (+11% yoy) revenue growth, partially offset by weaker ICT (-28% yoy)
Australia	3,572	3,843	(7.1)	3,726	(4.1)	7,379	Higher postpaid recovery (+c.6% yoy), but negatively impacted by 8% yoy depreciation in A\$ against S\$
EBITDA	1,787	1,878	(4.8)	1,808	(1.2)	3,800	Largely in line, formed 47% of both our and Bloomberg consensus FY24F
Singapore	870	845	3.0	877	(0.7)	1,831	Led by stronger NCS EBITDA (+42% yoy), driven by stronger topline and concerted cost optimisation
Australia	917	1,033	(11.2)	932	(1.6)	1,969	Due largely to weaker A\$ against S\$
Share of profits from assocos	1,195	1,157	3.3	1,130	5.8	2,487	Stronger Bharti (+12% yoy) and AIS (+23% yoy)
Net finance costs	(128)	(196)	(34.6)	(163)	(21.1)	(322)	
Profit before tax	2,661	1,705	56.1	1,507	76.5	3,275	
Tax expense	(521)	(530)	(1.7)	(448)	16.2	(996)	
Effective tax rate (%)	19.6%	31.1%	(37.0)	29.7%	(34.2)	30.4%	
Net profit	2,136	1,170	82.6	1,055	102.4	2,271	
Exceptional items	1,015	165	515.2	7	14,400.0	(100)	Includes dilution gain of S\$1.2bn from the integration of IndiHome by associate Telkomsel
Core net profit	1,121	1,005	11.6	1,048	6.9	2,371	Largely in line, formed 47% of our and 46% of Bloomberg consensus FY24F
Core EPS (Scts)	6.8	6.1	11.6	6.4	6.9	14.4	
DPS (Scts)	5.2	7.1	(26.8)	7.8	(33.3)	11.5	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Share of pre-tax profits from associates

FYE Mar (S\$ m)	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	qoq (%)	yoy (%)
Airtel	49	(4)	58	64	83	102	183	156	180	184	174	182	195	7.1%	8.3%
Telkomsel	225	224	224	241	231	216	226	228	228	210	196	219	212	-3.2%	-7.0%
Globe	84	76	88	99	82	48	82	95	77	51	78	70	71	1.4%	-7.8%
AIS	79	85	83	85	75	80	75	73	66	81	77	81	90	11.1%	36.4%
Intouch	22	22	23	26	23	23	23	25	27	32	29	32	36	12.5%	33.3%
Others	25	11	23	18	20	10	22	(5)	7	14	4	4	3	-25.0%	-57.1%
Share of pre-tax profit	484	414	499	533	514	479	611	572	585	572	558	588	607	3.2%	3.8%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Group level

- Excluding one-off items (including S\$1.2bn of dilution gains from the integration of IndiHome into Telkomsel), Singtel's 1HFY24 core net profit of S\$1.1bn (+7% hoh, +12% yoy) was largely in line with expectations, forming 47% of our and 46% of Bloomberg consensus' FY24F forecasts.
- Singtel raised its dividend payout policy to 70-90% of core net profit (current: 60-80%). The group has proposed an interim DPS of 5.2 Scts (1HFY23 interim DPS: 4.6 Scts).
- Singtel announced a core cost cutting programme over FY24-26F that targets achieving c.S\$200m in annual cost savings (both Optus and SG combined).
- 1HFY24 revenue of S\$7.0bn (-5% hoh, -3% yoy) was largely in line with expectations. Stronger SG (-5% hoh, +1% yoy) was offset by a weaker Optus (-4% hoh, -7% yoy).
- 1HFY24 EBITDA of S\$1.8bn (-1% hoh, -5% yoy) was in line, as SG margin expansion (+0.5% pts yoy) was offset by declining Optus margin (-1.2% pts yoy).
- 1HFY24 share of associates' pre-tax profits increased to S\$1.2bn (+6% hoh, +3% yoy), driven by stronger Bharti (+12% yoy) and AIS (+23% yoy).

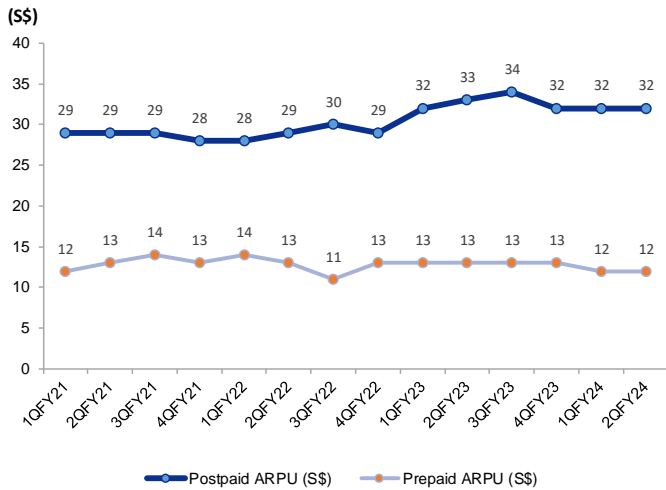
Singapore

- 1HFY24 Singtel Singapore revenue fell 3% yoy on the back of 1) weaker business sentiment affecting ICT sales (-28% yoy), 2) lower Pay TV revenue (-14% yoy) from cessation of Premier League.
- 1HFY24 mobile service revenue rose 2% yoy on continued subs growth and further roaming recovery.
- Postpaid subs were up 3% yoy, while ARPU held flat yoy.
- For prepaid, subs were up 4% yoy, while ARPU declined 8% yoy due to increase in demand for lower-end plans.
- NCS recorded healthy revenue growth of 9% yoy as demand for cybersecurity and digitalisation solutions remained strong, according to management. EBITDA margin expanded 2.6% pts yoy to 11.2%, which we believe shows that cost optimisation efforts are beginning to bear fruit. 1HFY24 bookings remained healthy at S\$1.4bn (+8% yoy), driven by new contract wins and increased contract renewals.
- Digital InfraCo revenue grew 13% yoy on 1) data centres (+9% yoy, led by price uplifts), and 2) satellite and paragon platform (+23% yoy, fees earned from project-based satellite deployment services). EBITDA margin declined 4.2% pts yoy due to increased investment costs in new data centres. Management shared that existing data centres are almost maxed out in occupancy (99.5% occupancy for both assets) and guided for data centre segment margins to trend lower in the near-term due to investment costs (construction of new data centres, increasing headcount).

Optus

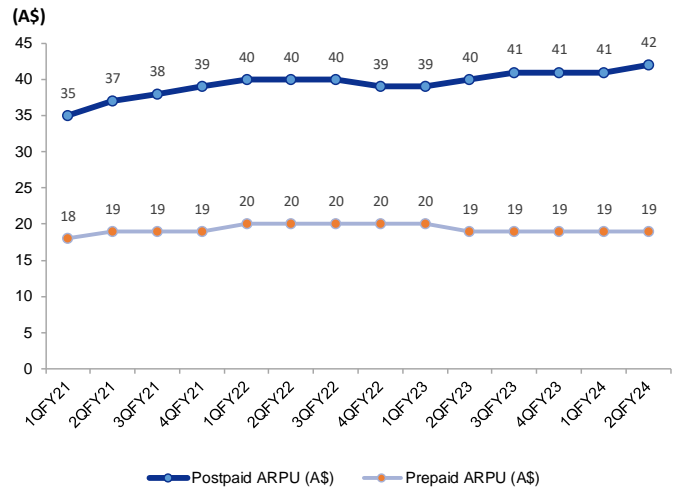
- In A\$ terms, Optus's 1HFY24 revenue was flattish (-2% hoh, +1% yoy). Reported contribution to Singtel declined 7% yoy due to the continued depreciation of A\$ against S\$ (-8% yoy).
- Mobile services rose slightly (+2% yoy) as both prepaid and postpaid contributions saw yoy improvements.
- Postpaid subs were flattish yoy (+1% yoy), which we think could have been due to consumers shifting to lower-priced prepaid plans. Postpaid ARPU rose 5% yoy, likely due to industry price hikes conducted, in our view.
- Prepaid subs rose 6% yoy while ARPU declined 5% yoy, both of which management attributed to an acceleration in customers taking up the lower-priced plans.
- 1HFY24 EBITDA margin came in at 25.7% (1HFY23: 26.9%), due to 1) higher energy costs (electricity costs were up 46% yoy) following the expiry of a fixed price contract, and 2) general inflationary pressures on opex.
- Regarding the nationwide outage, management did not provide any guidance on customer churn or potential penalties. The group is currently focused on 1) identifying the root cause of the issue, and 2) retaining customers. Management said that "a gesture of goodwill" will be offered to the affected customers, but this will likely not be in the form of heavy discounts or cash compensation.

Figure 3: Singapore mobile quarterly ARPU trend (\$)



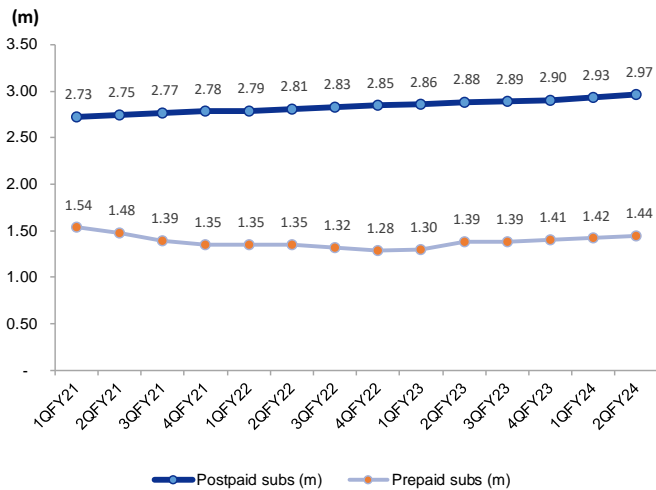
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Optus mobile quarterly ARPU trend (A\$)



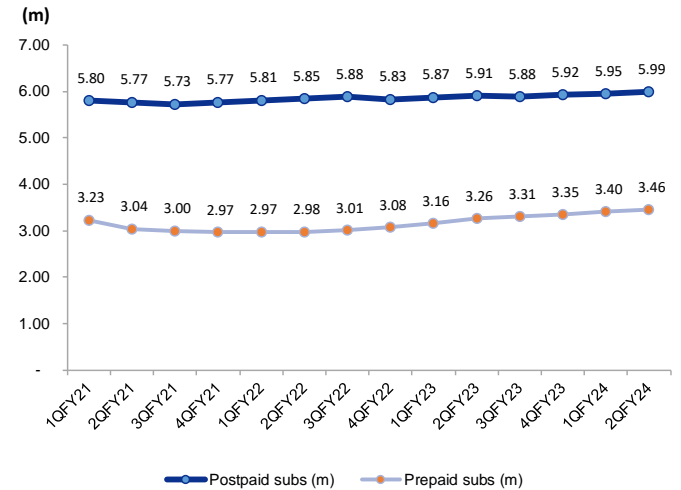
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 5: Singapore mobile quarterly subs trend (m)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: Optus mobile quarterly subs trend (m)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: Earnings revision

FYE Mar (\$ m)	New			Old			% change		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Revenue	14,126	14,572	15,086	14,796	15,354	15,669	-4.5%	-5.1%	-3.7%
Singapore	6,978	7,142	7,475	7,418	7,741	7,987	-5.9%	-7.7%	-6.4%
Australia	7,149	7,429	7,612	7,379	7,612	7,682	-3.1%	-2.4%	-0.9%
EBIT	1,207	1,387	1,484	1,209	1,285	1,356	-0.2%	7.9%	9.4%
Associates' pre-tax contribution	2,513	2,872	3,058	2,487	2,852	3,113	1.0%	0.7%	-1.8%
Profit before tax	4,455	3,925	4,211	3,275	3,743	4,105	36.0%	4.9%	2.6%
Tax expense	(1,110)	(1,131)	(1,177)	(996)	(1,133)	(1,229)	11.5%	-0.2%	-4.2%
Net profit	3,336	2,784	3,022	2,271	2,602	2,867	46.9%	7.0%	5.4%
Core net profit	2,321	2,834	3,072	2,371	2,652	2,892	-2.1%	6.9%	6.3%

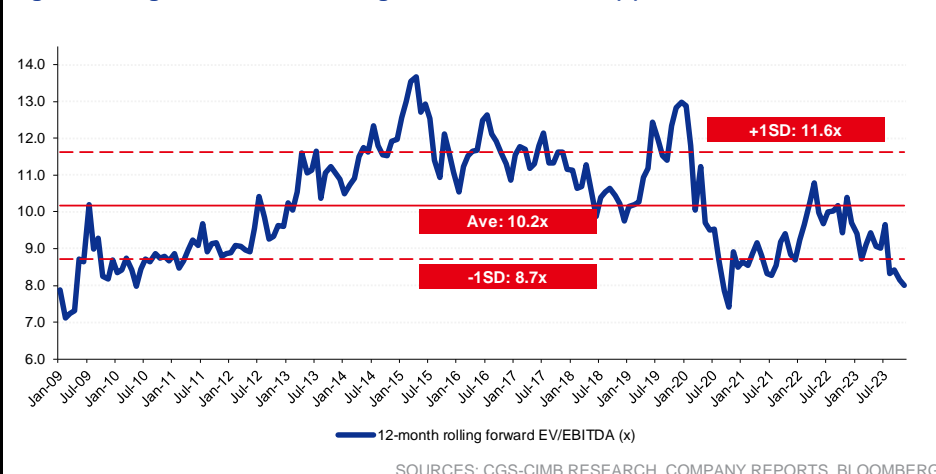
SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 8: SOP-based target price derivation

FYE Mar (S\$m)	FY24F	FY25F	FY26F	FY27F	FY28F	FY29F	FY30F	FY31F	FY32F	FY33F
EBIT after tax adjustment	774	911	986	996	1,006	1,016	1,021	1,026	1,031	1,037
Depreciation and amortisation	2,227	2,222	2,283	2,294	2,306	2,317	2,329	2,340	2,352	2,364
Working capital	22	41	(21)	(22)	(23)	(24)	(25)	(26)	(28)	(29)
Capex	(2,125)	(2,153)	(2,167)	(2,200)	(2,200)	(2,200)	(2,100)	(2,100)	(2,100)	(2,100)
FCFF	898	1,020	1,081	1,069	1,089	1,109	1,225	1,240	1,256	1,271
FCFF PV	833	878	863	792	748	707	724	681	639	600
Total FCFF PV	7,466									
Terminal value	8,272									
Enterprise value	15,738									
Net cash/(debt) at end-FY23	(10,238)									
Regional investments	41,615									
Equity value	47,116									
No. of shares (m)	16,556									
Value per share (S\$)	2.85									

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 9: Singtel's 12-month rolling forward EV/EBITDA (x)


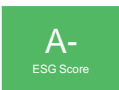

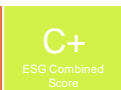

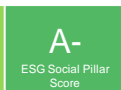
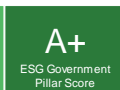


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 10: ASEAN telco sector comparison

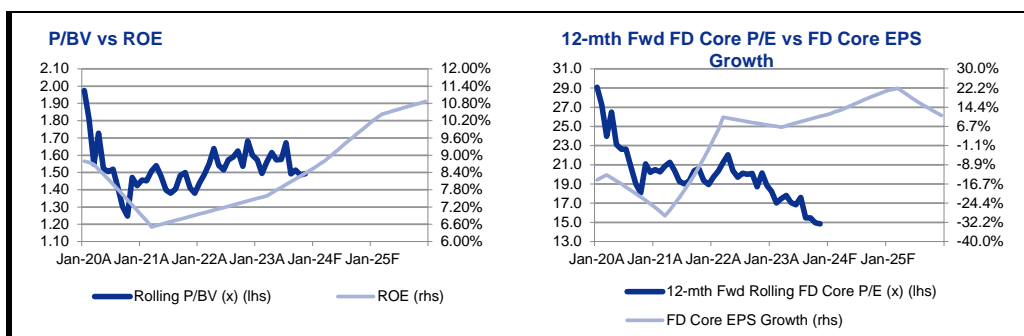
Company	Bloomberg Ticker	Recom.	Price	Target Price	Market Cap (US\$ m)	P/E (x)		EV/EBITDA (x)		Dividend yield (%)		3-year EPS CAGR (%)
			(lcl curr)	(lcl curr)		CY23F	CY24F	CY23F	CY24F	CY23F	CY24F	
Indonesia telcos:												
Indosat	ISAT IJ	Hold	9,375	10,500	4,830	26.5	14.8	5.5	4.6	2.7%	2.3%	72.5%
Telekomunikasi Indonesia	TLKM IJ	Add	3,530	4,700	22,344	13.4	12.2	4.9	4.5	5.8%	6.6%	5.4%
XL Axiata	EXCL IJ	Add	2,170	3,500	1,820	23.3	14.9	4.3	4.0	2.1%	4.0%	23.7%
Indonesia telcos average						21.1	14.0	4.9	4.4	3.6%	4.3%	33.9%
Malaysia telcos:												
Axiata Group	AXIATA MK	Add	2.45	3.07	4,802	57.0	42.1	4.9	4.7	4.1%	4.1%	10.6%
CelcomDigi Bhd	CDB MK	Add	4.26	5.18	10,672	40.1	27.2	10.4	9.9	2.2%	3.2%	37.8%
Maxis Berhad	MAXIS MK	Hold	4.03	4.26	6,740	23.6	23.3	10.0	10.3	4.5%	4.5%	6.8%
Telekom Malaysia	T MK	Add	5.21	6.80	4,268	14.2	12.8	5.0	4.5	3.5%	3.9%	7.0%
Malaysia telcos average						33.7	26.3	7.6	7.4	3.6%	3.9%	15.5%
Singapore telcos:												
Netlink NBN Trust	NETLINK SP	Add	0.84	0.95	2,412	30.4	30.3	12.7	12.6	6.3%	6.5%	1.4%
SingTel	ST SP	Add	2.40	2.85	29,195	17.6	14.6	8.9	8.1	5.0%	5.5%	14.5%
Starhub	STH SP	Hold	1.08	1.15	1,368	14.0	15.3	5.4	5.9	4.6%	5.2%	28.2%
Singapore telcos average						20.7	20.1	9.0	8.9	5.3%	5.7%	14.7%
Thailand telcos:												
Advanced Info Service	ADVANC TB	NR	224.00	NA	18,563	22.9	20.9	8.4	8.0	3.7%	4.1%	10.1%
Digital Telecommunications Infracore	DIF TB	NR	8.55	NA	2,556	7.7	7.8	9.1	9.2	11.3%	11.1%	16.4%
Intouch Holdings	INTUCH TB	NR	71.25	NA	6,446	19.6	18.0	19.6	16.6	4.8%	5.1%	8.7%
True Corporation	TRUE TB	NR	5.80	NA	5,634	nm	nm	7.7	7.2	0.1%	0.5%	na
Thailand telcos average						16.7	15.6	11.2	10.3	5.0%	5.2%	11.7%
ASEAN telcos average						23.0	19.0	8.2	7.7	4.4%	4.8%	19.0%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
Note: All forecasts for Not rated companies are based on Bloomberg consensus estimates
Data as of 09 Nov 23

Refinitiv ESG Scores	
	
     	
<p>ESG in a nutshell</p> <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 and Asia-Pacific, ii) superior network quality of service and 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>	
<p>Keep your eye on</p> <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.</p> <p>Separately, GXS Bank (Grab-Singtel's 60:40 digital bank joint venture) has commenced its Singapore operations in Aug 2022. At end-Apr, a consortium led by GXS Bank and Kuok Brothers also secured a digital banking licence in Malaysia, with operations to begin after a 12-24-month period of operational readiness.</p>	<p>Implications</p> <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</p> <p>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>
<p>ESG highlights</p> <p>SingTel has set a target of females comprising 32% of management by end-FY25F. The proportion of female management stood at 31% as of end-FY23 (FY22: 28%).</p>	<p>Implications</p> <p>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 and 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>
<p>Trends</p> <p>Singtel's carbon emissions fell 11% yoy in FY23 and was 20% lower 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/tCO2e for 2019-23 to S\$25 in 2024-25, and S\$45 in 2026- 27, with a view to reach S\$50-80 by 2030 (as per its 2022 budget announcement in Feb 2022).</p>	<p>Implications</p> <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, REFINITIV

BY THE NUMBERS



Profit & Loss

(\$m)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	15,339	14,624	14,126	14,572	15,086
Gross Profit	3,767	3,686	3,664	3,889	4,074
Operating EBITDA	3,767	3,686	3,664	3,889	4,074
Depreciation And Amortisation	(2,723)	(2,574)	(2,457)	(2,502)	(2,590)
Operating EBIT	1,045	1,112	1,207	1,387	1,484
Financial Income/(Expense)	(313)	(359)	(281)	(283)	(281)
Pretax Income/(Loss) from Assoc.	2,136	2,287	2,513	2,872	3,058
Non-Operating Income/(Expense)	25	172	1,015	(50)	(50)
Profit Before Tax (pre-EI)	2,893	3,212	4,455	3,925	4,211
Exceptional Items					
Pre-tax Profit	2,893	3,212	4,455	3,925	4,211
Taxation	(934)	(978)	(1,110)	(1,131)	(1,177)
Exceptional Income - post-tax					
Profit After Tax	1,959	2,234	3,345	2,794	3,034
Minority Interests	(11)	(8)	(9)	(10)	(12)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	1,948	2,225	3,336	2,784	3,022
Recurring Net Profit	1,923	2,053	2,321	2,834	3,072
Fully Diluted Recurring Net Profit	1,923	2,053	2,321	2,834	3,072

Cash Flow

(\$m)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	3,767	3,686	3,664	3,889	4,074
Cash Flow from Invt. & Assoc.	(607)	(1,653)	(1,827)	(1,693)	(2,077)
Change In Working Capital	584	270	(70)	22	41
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	2,432	3,762	3,736	4,116	3,573
Net Interest (Paid)/Received	(404)	(416)	(381)	(377)	(369)
Tax Paid	(164)	(352)	(347)	(290)	(337)
Cashflow From Operations	5,609	5,298	4,776	5,667	4,904
Capex	(2,217)	(2,162)	(2,125)	(2,153)	(2,167)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	1,666	1,553	367	647	367
Other Investing Cashflow	(93)	(1,693)	100	94	89
Cash Flow From Investing	(644)	(2,302)	(1,658)	(1,412)	(1,712)
Debt Raised/(repaid)	(2,710)	(641)	(1,000)	(500)	(500)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(1,139)	(1,964)	(2,558)	(1,981)	(2,344)
Preferred Dividends					
Other Financing Cashflow	583	(336)	(386)	(382)	(374)
Cash Flow From Financing	(3,266)	(2,941)	(3,944)	(2,863)	(3,218)
Total Cash Generated	1,698	55	(826)	1,392	(26)
Free Cashflow To Equity	2,254	2,355	2,118	3,755	2,693
Free Cashflow To Firm	5,368	3,412	3,499	4,632	3,562

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	2,130	1,668	1,733	2,362	2,434
Total Debtors	5,245	5,013	5,050	5,131	5,161
Inventories	270	346	350	343	335
Total Other Current Assets	485	1,556	1,556	1,556	1,556
Total Current Assets	8,130	8,583	8,688	9,391	9,486
Fixed Assets	10,892	10,385	9,686	8,690	7,900
Total Investments	13,040	11,788	12,136	12,759	13,546
Intangible Assets	11,977	10,990	10,990	10,990	10,990
Total Other Non-Current Assets	5,092	4,785	4,875	4,968	5,063
Total Non-current Assets	41,001	37,947	37,686	37,406	37,499
Short-term Debt	1,072	471	471	471	471
Current Portion of Long-Term Debt					
Total Creditors	5,596	5,310	5,372	5,487	5,490
Other Current Liabilities	2,388	2,518	2,518	2,518	2,518
Total Current Liabilities	9,055	8,299	8,362	8,477	8,479
Total Long-term Debt	7,204	7,142	6,142	5,642	5,142
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	4,762	5,074	5,074	5,074	5,074
Total Non-current Liabilities	11,967	12,217	11,217	10,717	10,217
Total Provisions	0	0	0	0	0
Total Liabilities	21,022	20,516	19,578	19,193	18,695
Shareholders' Equity	28,093	25,998	26,776	27,579	28,258
Minority Interests	17	16	20	25	32
Total Equity	28,109	26,014	26,796	27,604	28,290

Key Ratios

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	(1.95%)	(4.66%)	(3.41%)	3.15%	3.53%
Operating EBITDA Growth	(1.68%)	(2.16%)	(0.58%)	6.13%	4.75%
Operating EBITDA Margin	24.6%	25.2%	25.9%	26.7%	27.0%
Net Cash Per Share (S\$)	(0.37)	(0.36)	(0.30)	(0.23)	(0.19)
BVPS (S\$)	1.70	1.58	1.62	1.67	1.71
Gross Interest Cover	2.59	2.67	3.17	3.68	4.02
Effective Tax Rate	32.3%	30.5%	24.9%	28.8%	27.9%
Net Dividend Payout Ratio	58.5%	88.3%	76.7%	71.1%	77.5%
Accounts Receivables Days	127.2	128.0	130.4	127.5	124.5
Inventory Days	8.54	10.28	12.17	11.83	11.24
Accounts Payables Days	182.5	182.0	186.9	185.5	181.9
ROIC (%)	2.66%	2.98%	3.59%	4.01%	4.52%
ROCE (%)	3.09%	3.34%	3.90%	4.41%	4.65%
Return On Average Assets	4.47%	5.19%	7.65%	6.43%	6.90%

Key Drivers

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Singapore total mobile subs (000s)	4,129.0	4,309.0	4,439.0	4,524.0	4,599.0
Optus total mobile subs (000s)	9,927.0	10,352.0	10,627.0	10,857.0	11,042.0
Singapore blended mobile ARPU (S\$/mth/sub)	24.0	26.6	26.5	26.8	27.1
Optus blended mobile ARPU (A\$/mth/sub)	31.0	31.1	31.3	31.5	31.7

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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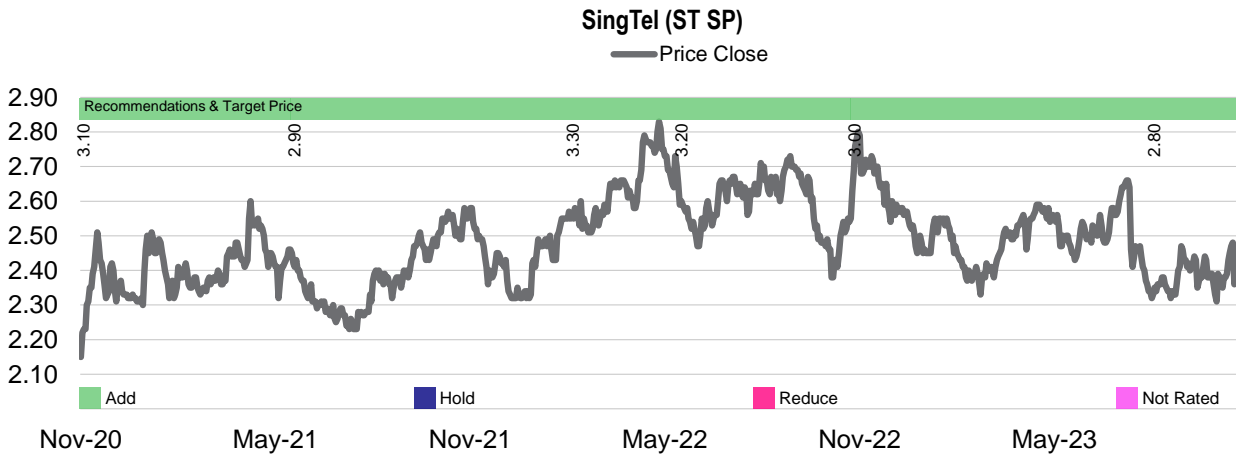
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2023		
634 companies under coverage for quarter ended on 30 September 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	66.7%	0.9%
Hold	23.7%	0.0%
Reduce	9.6%	0.2%

Spitzer Chart for stock being researched (2 year data)



Recommendation Framework

Stock Ratings

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.

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.

Sector Ratings

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.

Country Ratings

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.