FY2026 Results

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Corporate Participants

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Mr Arthur Lang – Group CFO
Mr Bill Chang – CEO, Digital InfraCo
Mr Ng Tian Chong – CEO, Singtel Singapore
Mr Sam Liew – CEO, NCS
Mr Stephen Rue – CEO, Optus
Ms Lian Pek – VP, Group Corporate Affairs and IR

Conference Call Participants

Mr Prem Jearajasingam – CGSI
Mr Arthur Pineda – Citi
Mr James Druce – CLSA
Mr Piyush Choudhary – HSBC
Mr Ranjan Sharma – J.P. Morgan
Mr Hussaini Saifee – Maybank
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Ms Rachael Tan – UBS

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Mr Yuen Kuan Moon, Group CEO

You ready? All right. Good morning, everyone. Thank you for joining us today.

I'll be taking you through the key takeaways from our full year 2026 results. Then subsequently I will hand over to Arthur to touch a bit more on the new growth strategy. And I think there's some new things that is coming through. I'm sure you're excited to know about our RE:AI business model, how it works. So Arthur will go a bit deeper into that. This is important because this will be laying some of the foundation for our future growth, right?

So first a quick snapshot of FY26, which marks another year of progress in our Singtel28 growth plan. We delivered a 21% increase in underlying profit driven by a 10% growth in OpCo EBIT with Optus, NCS and Digital InfraCo as the standout performer.

Our regional associates also turned in robust performance, of course, led by Airtel and AIS.

On the Capital Management front, we unlocked $3.9 billion mainly from the partial stake sales in Airtel.

With the improved performance and sizable recycling proceeds, we announced our highest ever ordinary dividend of 18.5 cents, an increase of 9% over the last year.

We are also pleased to announce that our ROIC hit 11.1%, which we met our medium term low double digit ROIC target when I first talked about it in 2023. I'm not sure how many of you is in the room when I said I want to hit a low double digit ROIC and at that point in time we were just a touch of about 7%. Always been a pretty long journey, but I'm glad that we have hit that target of low double digit ROIC.

I'm also pleased to report that we are seeing growth across all our financial metrics. As I touched on most of the key financials earlier, let me just focus on net profit, which rose about 40%, mainly on exceptional gains from the partial stake in sales in Airtel, which was partly offset by provisions made by Optus for regulatory and remediation expenses, and cost related to our retail store buyback in the second half of the year.

A quick look at the business highlights, Singtel Singapore led the market in adopting AI as it embedded Sierra’s AI, the audio chatbot into our customer care operations and encouraged staff to incorporate AI in their daily work by empowering them with the enterprise version of ChatGPT.

So if you have called our call centre, you may have been speaking to our Sierra AI bot, which I can probably tell you, you can't tell the difference because I tried it myself and I couldn't tell the difference whether it's a real human or an AI bot.

Optus saw sustained business momentum with a 4% growth in mobile service revenue, while enterprise maintained its positive trajectory even as it invested in to improve operational resilience.

As for the growth engines, NCS is benefiting from robust customer demand for digital resilience, AI adoption and apps modernisation. NCS hit record bookings of $3.8 billion. The recent five year master agreement with HTX highlights NCS' trusted role in co-innovating strategic AI solutions with our customer. It's also rapidly scaling its AI capabilities through multiple strategic partnerships across East and West tech stacks.

Nxera saw strong demand for its regional data centres, securing contracts and reservation fees for these assets in Thailand, Indonesia and Malaysia before they are operational.

So let me double click on our core telco business. Optus developed resilient results with revenue up 2% led by postpaid price rises and customer growth in amaysim. EBIT grew 23%, supported by mobile growth and MOCN network sharing revenues. This helps offset higher operating expenses from networks, compliance and remediation.

The Singapore consumer market remains challenged, but resilient enterprise growth helps mitigate downward pressure. Later on, I think Arthur will share a bit more about how the Singapore enterprise business is actually gaining some momentum and how we are differentiating ourself.

So the enterprise business have seen contribution now exceeds 50% of Singtel Singapore's overall revenue. That's quite significant because I don't remember seeing any other telcos where enterprise revenue actually is bigger than consumer revenue. EBIT moderated due to structural factors such as consumer, after looking at more value plans and, also based on our spectrum amortisation as we've taken on 700mhz spectrum, as well as investments in AI capabilities.

Next on to our growth engines, NCS saw positive momentum across all our business segments. Efforts to improve delivery margins are bearing fruit. The EBIT rising 34% or 30% excluding one off credit from a sub from a subcontractor. So if you look at revenue it grew 7%, but EBIT grew 30% which means to say there's margin expansion. So it's not just gaining customers and growing revenue, but there is operation improvement that improves our operating margin.

With an improved book-to-bill ratio of 1.2, NCS is well positioned to continue its growth trajectory next year.

Digital InfraCo's revenue grew a strong 12% with much of the increase back ended as Nxera DC Tuas turned on only in January 2026, which is the last quarter of our financial year. And then we are also seeing RE:AI commercialisation and very healthy customer signup. And this is the area where we'll share a bit more about the business model later on and how we are scaling this in FY27.

This strong demand and lower expenses lifted EBIT by 24% for DICo and 54% if you exclude the previous year non-recurring reservation fees.

Moving on to our regional associates, profit after tax rose 11%, mainly driven by Airtel's strong growth in customers and ARPU gains in both India and Africa, as well as robust mobile broadband growth by AIS in Thailand. Excluding the impact of forex movements, in-touch regional associates, profit after tax would have risen by 25%.

We continue to maintain a robust balance sheet. Our net debt improved to $8.7 billion, driven by strong free cash flow and recycling proceeds of $3.9 billion. 87% of that is hedged against fixed rates with average maturity around 4%. All foreign currency debt is hedged into functional currencies.

FY26 marks our fifth consecutive year of dividend growth with ordinary dividends hitting a record high of 18.5 cents per share, an increase of 9% year on year.

For FY26 dividend comprises both a core dividend of 13.4 cents and the VRD of 5.1 cents. Our core payout ratio stood at 80% of FY26 underlying net profit. As you know, our dividend payout policy is between 70 to 90% for underlying net profit. So we are right smack in the middle, paying out at 80% mark of our core dividend.

So we declared a 10.3 cents for final dividend and of course, on top of our dividends, we also executed about $200 million worth of Value Realisation Share Buyback program and have cancelled those shares.

A look back at FY26 guidance. We have successfully delivered the guidance across all metrics.

As we move into FY27, our focus remains lifting the business performance of our telcos while scaling our growth engines. Singtel Singapore is executing its tri-brand strategy with premium, mid and value, plans even as it drives enterprise growth and leverages AI to relieve pressure on the consumer margins.

It is closely monitoring the evolving competitive landscape, especially after the recent regulator announcement of suspending the review of the proposed industry consolidation. We will, I'm sure, have more conversations on that.

Optus will be aiming to sustain customer growth through an enhanced customer and network experience, obviously also focusing on delivering a reliable and resilient network.

For growth engines, the focus is on capturing structural growth opportunities in AI, digital resilience and cloud, while leveraging our unique position in the region.

Across our associates, we see sizeable opportunities in enterprise, broadband, digital infrastructure, even as they explore unlocking some value in their digital assets, i.e. Gcash, Airtel Money. So these are all possible monetisation and unlocking value from all associates.

Let me spend some time on the transfer of Singtel Special Discounted Shares, or SDS, from the CPF board and to CDP accounts of SDS holders.

Parliament recently passed the bill that will enable the transfer. So we are on track to complete the whole project by November this year, which means to say all the shares will be transferred from CPF to CDP.

We believe this exercise is a win-win for all parties involved. It allows our SDS holders to monetise their holdings in cash without being subject to CPF withdrawal conditions, and to date, close to 120,000 holders or about 20% of the SDS base have chosen to do so. While that has caused a bit of a share price volatility, the SDS sales have actually come down considerably, so averaging only about 2.8 million shares per day from last week.

So for Singtel, it greatly simplifies our shareholding structure, reduces operational complexity and improves liquidity. All shareholders will also benefit from our enhanced flexibility to execute potential future corporate actions and fund growth initiatives.

There would be more ways for us to reward shareholders in future, including issuing bonus shares or dividend in species once this exercise is completed.

So let me now address a more recent macro impact, specifically the ongoing Middle East crisis.

While we have no operations in the Middle East, our direct exposure to the region's crisis is limited, and more directly on energy consumption in our operations in Singapore and Australia.

So, in both Singapore and Australia we do have long term existing power contracts. In the short term exposure in this place will be mitigated because of our long term power purchase agreement, but there are second-order implications in the form of inflationary pressure resulting in higher operating costs, softer consumer and enterprise demand because of slower economic growth. And also additionally, you know, if you look at all the regional markets that we operate in, there are net energy importers. So they are more susceptible to global energy price volatility, and that may affect their own economic growth in all the countries and this will also affect our own exchange risks stemming from the volatility from regional currencies when they translate back to Singapore where we are reporting in Sing Dollar, so further impacting the translated earnings impact.

So, it's not the immediate first-order impact, it's more a second-order or third- order impact. And we got to see how this plays out in the coming months on the regional crisis, whether the Hormuz will be open and how the regional markets or the regional countries, respond to the changes in this area.

But we're well placed to navigate the challenging macro uncertainties. So we are taking a more cautious near term outlook and guiding for OpCo EBIT in FY27 growth of between low and mid single digits. And I'm sure we can talk more about that later on.

Our regional associates dividend is estimated at about $1.1 billion, similar to this year or exactly same guidance we've given this year. But in addition, this year we have actually collected another $700 million of special dividends from AIS and Gulf which was declared last financial year, but we collected the $700 million couple weeks ago, so it's in this financial year. So it adds to the pool of cash that we have got.

The CapEx of FY27 is expected to be about $3 billion, comprising of $1.8 billion in the core CapEx, which is same as last year, but $1.2 billion of growth CapEx mainly to build capacity for Nxera data centre and for our RE:AI, which we are scaling in Singapore. And this is half a billion dollars more than last year. Last year, the growth CapEx was $700 million, this year would have grown it to $1.2 billion.

We'll talk more about that, how that business model works out in Arthur's presentation. I think it's quite important to explain that because the business cycle of RE:AI is a lot shorter and faster as compared to a data centre, which is 5-10 years. You take three years to build a data centre, but to assemble RE:AI could be 6 months, and then you start to generate revenue.

Arthur will share more later on. So let me handover to Arthur to talk about the future growth of Singtel.

Mr Arthur Lang, Group CFO

Thank you. Thank you, Moon. I'd like to start off this section of the presentation by kind of reinforcing the fact that it has always been Singtel management's practice to under-promise and overdeliver, right? And you have seen from our track record that we always start the year on a more conservative basis, all the more important this year to start the year this way. And the reason is because of what we're seeing globally, and what's happening in Hormuz which is creating a very high degree of uncertainty in the business.

But what is certain is that operationally if you look at the various businesses, and we'll cover later, we are on track, in fact well on track execute on the ST28.

So now maybe I would like to spend some time while being very mindful of the macro situation out there. It should not stop us from making the necessary investments to drive growth in our business.

So there are four areas they want to talk about. First is Singtel Singapore's enterprise business, which is always the lesser known child under Singtel Singapore. We will talk about it. Tian Chong can answer questions that you all may have.

Number two is scaling RE:AI. While Enterprise is the lesser known child, RE:AI is the new child on the block. After two years of the pilot, I think we're ready. This is going to be the debut of RE:AI as a business.

And then third is something that we had discussed, but maybe to update you all and to reinforce the fact that the STT GDC transaction that we had done, hopefully completing in the second-half of this year will be a meaningful part of our strategy.

And then finally really wrapping it all together is building our position as an end-to -end digital infrastructure platform that we have talked about. So we have our colleagues here, Bill Chang and all that can share more about these plans.

So first is on Singtel Singapore enterprise. This enterprise today as Moon has suggested contributes more than 50% of Singtel Singapore's revenues. And if you look at the Singtel Group, Singtel Singapore contributes 20% of overall underlying profits.

So to put things into perspective, we talk so much about the consumer business, unlike some of our competitors where the consumer business in Singapore is probably 90%, over 90% or even close to 100% of their business.

From a Singtel Group's perspective, the consumer part in Singapore is 10+ percent of our overall profits. But we should talk about the enterprise business here and we are very well positioned.

So number one, we are seeing very strong demand from international connectivity services from our hyper scalers, and our large enterprises. Like STSG is winning complex multi-country types of deals with over $300 million in contract value at this point. So there's plenty of opportunities for upselling, cross-selling. And it's really supported by this network of subsea cables that we have, which helps in this international connectivity. As well as a lot of terrestrial fiber and dark fiber that we own today, and really servicing the hyper scalers and the data centres that we're seeing. So that's number one.

Number 2, it's STSG will be a big beneficiary of this Smart Nation initiative in Singapore. Where we are really with the 5G+ network and we are providing critical infrastructure, creating use cases across autonomous vehicles, AI, robotics, potency of networks. You've been reading a lot in the press about autonomous vehicles traveling around Punggol District. Tian Chong is behind all that, right? STSG is behind all that.

Thirdly, our network investments are also translating into revenue at scale, which is the third part. 5G+ slicing is opening up new revenue streams for all of us. We have the 700 megahertz, and I stress, it is owned by us, right? And we are using that, nationwide 5G SA coverage slicing, again we will talk about monetising that.

And then finally, you know at the end of the day, Singapore is a friend to both sides. We are a trusted neutral party providing best-of-breed Eastern and Western tech stacks. And again, STSG is very well positioned to help our clients manage this complexity that we're seeing in supply chains and data sovereignty. And on top of that, we've got AI native enterprise platforms that kind of link all these points together.

Now in the next slide, we want to talk about RE:AI. You might recall two years ago Moon shared that we were putting aside $120 million of CapEx to pilot test RE:AI, this concept of RE:AI, right?

Why did it take two years for this pilot? It is not because we were not ready with the business model. In fact we had sourced for chips already from NVIDIA, it was also power availability. But after two years we have deployed 1MW of capacity. And that has generated $25 million of revenues. Bill can talk about it later.

All the NVIDIA arrangements in terms of chips we have already locked in. In fact, for the pilot phase, we're using the H100 chips. In this new commercial business that we're going to start, we're using even higher end chips with NVIDIA and GB200 chips. And we have already locked in $600 million worth of long term 3 to 5 year contracts that have been secured. We plan to spend up to $600 million in CapEx this fiscal year to deploy up to 11MW.

So just to give, and as you all know, we will never build on faith, right. We require more than 80% targeted contracted capacity before we have actually start building anything.

Just to give you a sense right, it's a comparable EBIT margin. So if let's say you talk about EBIT margin for DC business, is close to 20%.

We're using GB200 chips. So the revenue we got from H100 is $25 million for 1MW. So let's say we can target to get $30 plus million revenues because it's higher-end chips, and customers will pay us more. That will give you 11MW, probably closer to $300 plus million of revenues at say, comparable EBIT margin during steady state.

Mr Yuen Kuan Moon, Group CEO

And also to add that this is unlike data centre where we talk about, it took us 3 years to build DC Tuas? Yes, it was three years? But this is assembling GPUs is actually much faster, as long as you have the energy capacity. So the turn is a lot faster.

Mr Arthur Lang, Group CFO

The time-to-cash. So data centres, to Moon's point, the day we decide to go and build something, it takes like 3 years negative cash flow so all the way, until we get the first dollar of revenue, right?

For this, we get the chips, we got the chips from NVIDIA. Within 6 to 12 months we can deploy, customers start paying us. And, and we will say that you know the way we structure it is such that we will get advance payments from our customers. So from a cash perspective, the IRR is actually pretty attractive. So this is an update on our GPU-as-a-Service business.

Now, why are we uniquely positioned? I think in the next slide you will see, number one, we've got a state-of-the-art facility, right? We are the first provided in Singapore to deploy direct-to-chip liquid cooling and the only player offering GB200 chips locally. That's why this makes us this year the largest GPU cluster in Singapore by far. Number 2 it's not even close. So this is something that we are building up. It's really leveraging on the fact that we have this very strong relationships with our partners, our tech partners, so NVIDIA is one of them. Mistral, I think you have heard some of the announcements that we have made. And I think for this, because it is we're working on sensitive AI workloads, the government sovereign AI enterprise credibility that we have and the extent and relationships we have is also very important.

And then the third point is that don't underestimate the reliance of GPU-as-a-Service on the broader Singtel Groups assets. We have a very strong fixed network. We have mobile 5G+ slice. We have a subsea cable network across the region. All this is very important for AI workloads. The, contract that we have today is for local workloads. But there's nothing stopping us eventually in the future, looking at the region, if there are right opportunities there, we can use the 5G+.

Why is that important for 5G+, right? If we go into physical AI, we go into robotics, that matters a lot. Because of the low latency. And on top of that the team has put together a platform which allows for multi cloud aggregation capabilities, which is again not a trivial advantage to have.

So this is really the RE:AI business. We're open to questions of course afterwards later.

Then we move on to STT GDC, right. We talked a lot about GDC when we announced this. I think a few points to update you all, number 1 is just to remind everyone, this will be, upon completion, this will be a 25% stake that Singtel is having. Today, and this is public information, they filed financials, it is a negative profit company.

The reason because GDC is in growth mode, many of their data centres will start converting and stabilising their revenues in the next one to three years. So at this point in time it does not make sense to a public capital to fund this, and that's why we decided to go in with 25%, so that we don't consolidate the costs, but when this thing actually operationalises, there are a lot of opportunities given that the same shareholders in Nxera and the same shareholders in GDC can actually work together to really maximise value for the shareholders. I'll leave it at that.

The second point is there's also a lot of opportunities to create more value in this portfolio. GDC has already announced their plans to IPO in India.

Notwithstanding the Hormuz crisis, IPO valuations in India continue to be very strong and robust. So there's an ability for us to recycle capital relatively quickly and then there could be other opportunities after that. So I just want to call this out. There are a lot of benefits that we have talked about. I won't spend time with them.

Now finally it is really building, at the end of the day, we are building this end to end infrastructure, the digital infrastructure stack. I think we have shown this slide before, you know at the base layer with a very strong regional connectivity layer on our associate network. Very strong whether it’s terrestrial dark fibre, whether it’s subsea cables, whether it's our 5G+ networks, we have all that, right. We're all again across Southeast Asia, we're dealing with all the number one players in the respective markets.

Then you lay on GPU-as-a-Service which we just talked about Our data centre business, which is Nxera, eventually, if it completes, we've got GDC that could potentially be added into this DC ecosystem that we have.

We've got RE:AI and on top of that, Bill has talked about Paragon which started out as an orchestration software for 4G and 5G, but then we are moving towards more AI centric models and becoming more product agnostic. So this is really the end-to-end plan that we have on our digital infrastructure, which we believe is very unique and very differentiated.

Now what is all this if we don't have money, right. So if you look at our CapEx guidance right, the guidance that we did and last year we came out with $2.5 billion guidance. We delivered on the $2.5 billion, no more, no less, right? But the mix has changed a bit, right? Australia was a bit more. And it's really because a lot of that CapEx that we were planning maybe 2-3 years from now, we front loaded it because of the Triple Zero incident. So you'll see a slight increase in Optus’ CapEx.

If you look forward, we, the core CapEx for our telco businesses remain flat. The growth of additional $500 million is coming from what we call our growth CapEx. This is really RE:AI that we're going to spend on.

And as Moon said, again, this is CapEx that we will be able to recognize the EBITDA and the EBIT, ok, not too, not too long after the spending of the CapEx. Also from a cash perspective, we will be working with our customers to get advanced payments. So if we need to spend $600 million, it doesn't mean $600 million outflow.

In the CapEx, we say $600 million outflow, but customer advances will be X million. So the net number is a smaller number This growth CapEx of $1.2 billion is a gross number. It is not a net number. It has not also assumed some of the debt. You know, we do project financing. It’s not everything is in equity, so it does not include that. And on top of that, we've got $700 million that's fully funded with the KKR equity that they're still committed to us. So all in all, I think this is the CapEx plan for the coming year.

Which then brings us to this Capital Management program model, right? Again, you all know you have heard us say many times. Why I think this is very important. There should be no doubt in the market that we will be able to fund this growth and we'll be able to fund this sustainably, while making sure that our shareholders benefit together with us through better dividends, better return on their shares. So I won't spend the first four you have heard us say ad nauseam.

Fundamentally, we need to continue to improve our operations. Our free cash flow from all our operating businesses and regional associates need to continue improving balance sheet. There should never be any doubt that our balance sheet continues to be strong, so that we can continuously tap the debt markets. We are getting low rates that we're getting from our banks because our banks have been very supportive on us. You can see that from the GDC acquisition as well.

And then in the third area is the asset recycling program. We continue to deliver on that $9 billion target that we have by 2030. We continue to rely on Capital Partners.

Now another lever that we are considering is potentially the public markets that we could tap. So one example was the GDC India IPO that we talked about. There could be other opportunities that we could tap, whether it's a form of IPOs, company IPOs or REIT IPOs or something like that.

So going on to the next slide. I think I've got two more slides. This one I think you all have seen is $5 billion VRD, $2 billion in VRSB and $2 billion in growth initiatives, which gives us a total of $9 billion. We have already raised $5.8 billion, right?

The grey portion is what we have used. So there's still quite a bit more in the dark red portion that we can deploy. And this has not included the $700 million of special dividends that we have received from AIS income. So this is our situation today.

I know I'm going to pre-empt questions: how come this $9 billion is not going to go up? How come you're not improving your VRD? We'll probably answer those questions later. Ok?

And then the final slide is really a quick wrap up before we open our questions. Don't spend too much time. I think business performance you've seen the track record, we’ll continue to deliver that.

We will continue to actively manage our capital at $9 billion. Which has given us a very strong underlying NPAT growth. And then this allows us to declare a dividend of 18.5 cents, which is the highest ever in Singtel's history.

So with that, I'll hand it back to Lian.

Ms Lian Pek, VP of Investor Relations and Group Corporate Affairs (Host)

Thanks, Arthur.

We'll be taking questions now. I'm Lian from Corporate Affairs and IR.

For those present physically, do raise your hand to indicate your interest to ask a question. Online participants can also use the raise hand function to indicate your interest.

Both cases appreciate, if you can wait for your name to be called out before making questions. And may we also ask that participants keep to a limit of two questions each, and we can double back if they're more later.

Piyush.

Mr Piyush Choudhary, HSBC

Thank you. Thanks for the presentation.

Firstly on the guidance, so just to clarify on the RE:AI. The revenue potential is $300 million annually, right? That itself will give $60 million of EBIT which is then 4% growth. So in that context like the guidance and you have DC Tuas getting active, Optus is improving, NCS is growing at the low single digit to mid single digit guidance, like what are the considerations if you can share that? That is first.

Second is on the asset monetisation. This morning we have said about Optus minority stake potentially. Airtel we know. There are other assets in the portfolio. You've already done $6.5 billion, so why not increase that $9 billion?

Mr Yuen Kuan Moon, Group CEO

Ok, maybe first on the guidance, I will explain a bit more. If you look at the DiCo first, because since you talked about RE:AI, you talk about the potential. We are first year commercialising RE:AI at scale in Singapore. So yes, the business cycle for RE:AI is shorter than data centres, but it's not immediate. You still have to build and assemble, and you will take 6-9 months to do that. So the first part of it is really about investment, and you may get some tail end, just like the Tuas data centre where you turn on the last quarter, you get some upside, or the EBITDA, the EBIT will flow through. But the first part is really investing and building. So that will take time. The good, but the good news is of course 80% of that is actually contracted. So there's also the potential upside of 20% once we turn it on.

So the second thing is also on DICo, if you think about the Tuas data centre. While we turn it on in January, we only turn it on floor by floor. Depreciation hit immediately for the whole building, the whole building. But our contracts is coming in floor by floor, because we are not turning on everything.

So you, so you get an immediate hit on depreciation for the entire building. But the floor by floor turn on is for the rest of the year. So, you will not see the full impact of the margin of the data centre immediately until the whole data centre is fully turned on. That means every floor is turned on, and we have also announced that we are almost full, contracted over 90% of the data centre. But we have not turned on over 90 % of the contract yet.

So again, you're not seeing the full impact of the margin flowing through in FY27. So, the next year you will see the full impact of the Tuas DC, right. So similarly, you can say the same for our regional data centre. They are all turning on stage right, depreciation hitting and, and the, the full margin is not being felt, and we continue to grow.

So you see that we are tracking that sort of progress, but it's not immediate. And we always say in Nxera, if you look at our EBITDA about $150-160 million previously. So you're looking at doubling it in the short term, on a stabilised basis, but it's not stabilised yet. Yes, OK. So that's really on the margin.

But obviously the second thing is we are also looking at some of the second order impact on the Middle East crisis. Because first order, like I say or fuel prices or energy prices in Singapore, Australia, we have got a bit of a long term power purchase agreement. So that's protected, mitigated. But eventually those contracts, you know it's not very long and you will have to renew and that's energy costs going up.

Secondly, more importantly is business and consumer demand, will it slow down? Because of that crisis, because of economic conditions is tougher, people may be tightening their belts. So it's still unclear. We'll see the next few months how it plays out.

And then finally, of course we were expecting market consolidation in Singapore, right. This year because it was almost done and you know, just last week we have got the new news. So we will evaluate what's the situation. The market is still probably going to consolidate, but it may be another six more months, nine months before it consolidates. So it's still a lot unknown in quite a few of our businesses.

And the last one on the EBIT guidance is really about Optus. Optus is still, of course you see some positive momentum in the last quarter as well, but Stephen will be focusing on also building more resiliency, compliance of the Optus business while it continue to grow its revenue.

The good news is, we still see a 4% mobile revenue growth last year. So as price rises, they continue to price up and expect to see that. But it will be sustaining that momentum we've seen last year.

Because of all the unknowns, you'll see that our guidance is a bit more cautious. But if you look at our track record, we always will look at our guidance at the mid-year mark once we see a clearer picture of the Middle East crisis and the competitive landscape in Singapore.

On the second question on asset monetisation, I'll hand over to Arthur.

But first of all, I think you know, we have not even completed our $9 billion. So we still have $5.6 billion. We still got a few billion to go.

So don't worry when we’re hitting closer to that, we will review. You know we have got more assets than the $9 billion. And when it comes, we will talk about it. There's no hurry because we still have headroom. We still have not fully crystallised the entire $9 billion yet, right?

So, as and when we are ready, we will update, you know, what's the monetisation or recycling of our capital. But what is important is the slide where you look at the $9 billion.

Can you go to the slide?

If you look at it, the $9 billion, about $5 billion of course we said is reserved for the VRD for the next 5 years up to FY30. And you see we have only used a portion of it because we didn't go to the maximum of 6 cents. This year, we declared 5.1 cents. So we still have got headroom to continue to support the VRD. And the VRSB, the share buyback, we only have committed, we only have used $200 million. We still have another $1.8 billion of which we say FY27. We will look at another $1 billion and FY28, another $800 million to $1 billion. So divide by two, right. So there's still capacity to do that.

And of course, the STT GDC we put in $740 million for that 25% stake. So the headroom is that, right? I mean unless we are running out of headroom, then you see after coming in, OK, it's now not $9 billion, but it's another X, whatever X.

So, you know, wait for it, it's going to come. But when we are closer, we will tell you more. And Arthur, maybe you talk about asset monetisation.

Mr Arthur Lang, Group CFO

Sure. So I want to add on to the EBIT guidance, I think it's also worthwhile noting that at this point in time, it's very early into the year, we only passed one month. I think we're seeing quite evidently that, in terms of second- order impact, telco services continue to be seen as an essential service.

You have heard our associates talk about it. I mean so far what they have shared is aligned to what we are seeing, what we have decided given that we are early in the year. It is better to be conservative because there is also an element in the markets, not just with Singtel, a bit of euphoria, right, in terms of the markets and what could happen in the Middle East. So, we have decided this is the stance we are taking. But then again, as Moon said, middle of the year, there's always an ability to revise, if we need to.

Coming back to this, asset recycling. One more point, yes, VRD, we've paid 5.1 cents. There's 0.9 cents headroom. Our core dividend, you've noticed we've paid 80% of between the 70 to 90% range. It's a big if, and this is not guidance. If all hell breaks loose, our underlying profit actually drops, right. We can still maintain the dividend because we've got a 10% headroom. So the headroom not only in the VRD but the headroom also in the core combined with potentially have a headroom of about 3 cents.

If you think that just fundamentally our dividend 18.5 cents dropped to 15 cents, we can still maintain an 18.5 cents next year. This is the worst nightmare scenario that we're talking about, OK? There's bigger problems to have if we really have to do that. But I just want to put things into perspective on this, right? OK, then now coming to this $9 billion.

Now we mentioned we announced the Optus transaction. To be very clear, we announced it because we are a Singapore listed company. We need to do it for SGX requirements.

It is not because next week we are ready to sign the deal, right. If we are ready to sign a deal then maybe we can consider upping the headroom, of $9 billion.

But we are just simply saying we are open, looking for Australian, we're looking for minority, and three months later we might have egg on our face and basically said no deal because maybe the terms are not right, valuation not right. But at the same time we're not kind of announcing this because we're not starting from zero discussion. But at this point there is no certainty there will be a transaction.

So, it is only prudent not to raise this $9 billion. In any case, there is the headroom.

Then you have all the assets. It's, again I want to reemphasise it is not just Bharti Airtel that we are recycling, it can be other things as well. Many, many different kind of listed companies that we own, as well as some non-core assets which includes real estate and various things. So, still sticking to $9 billion for now.

Ranjan Sharma – JPM

Thank you for the presentation. I have two questions. Just want to dig deeper into what has been discussed already.

Firstly, on your dividends versus cash flows, right. So if you look at your operating cash flows of about $4.9 billion, I guess that number is somewhat the same. This financial year as well. Then you have CapEx of $3 billion and lease payments and interest costs of around $900 million. So we're left with like a billion dollars of free cash flow. versus the dividend of at least $3 billion, plus a backup on top, right. So that's a $2 billion plus shortfall, yes. So how will that be covered between asset monetisation or debt, if you can just try to get into more details.

Mr Yuen Kuan Moon, Group CEO

Okay. I think first of all the CapEx $3 billion, like I said the growth CapEx, if you look at the earlier slide, right, it's not entirely all from cash flow. Of that $1.2 billion, $700 million is already fully funded by equity for example, from KKR, customer prepayments, and it doesn't include some of the debt or project financing debt, right. So it is not the entire $1.2 billion that will come from our operating cash flow.

So similarly, if you look across the other parts of our business, we do have got debt capacity that we look at individual operating units. But Optus has its own debt to look at. Our finances is, is some of the CapEx. So it's not everything entirely coming from operating cash flow.

Mr Arthur Lang, Group CFO

So the CapEx is not this $2.5 or $3 billion is not all equity, 100% equity. I mean, for example, if we build a data centre. You probably lever it up 60% LTV.

So to your question directly, you have the operating cash flows which includes our regional associates, that one is effective. A good proxy is underlying profits. So we're paying 70 to 90% of that. Then there's the VRD, and VRSB as well. That is coming from our asset recycling, right. And again, we believe and we still are of the view, we can maintain 3to 6 cents up to 2030. Just looking at what we have said in the markets, right, that is a ready pool of capital that we can tap on, but we don't need to do everything today. So that's how we look at it.

That's how we make this dividend sustainable. The core dividend has to always be 70 to 90% of our underlying profits. And then the VRD or VRSB, think of it as a special dividend, but it's a programmatic special up to 2030. After 2030, we have also said that it is our intention to grow our underlying profits to a sustainable level such that we can wean investors off the VRD after 2030.

And that's why we are investing in things like RE:AI, we are leveraging our digital infrastructure platform. We're thinking about possibly a REIT IPO that could generate management fees, right, if we manage the REIT, the asset and things like that.

Mr Yuen Kuan Moon, Group CEO

And of course the underlying business like NCS, Optus will continue, so growing the underlying profit of the OpCos is very important.

Ranjan Sharma – JPM

Thank you for that.

My second question is on, if you can get more into the details of RE:AI, we talked about unlevered IRR of I believe low teens. You're showing up to $600 million of CapEx. Also, $600 million of revenues has been contracted for three to five years, right. So how do we get to that low teens unlevered IRR?

Mr Arthur Lang, Group CFO

How do we…as in too low or too high? Or?

Ranjan Sharma – JPM

You have a CapEx of up to $600 million. You're also looking at about $600 million in contracted revenues over three to five years. I'm assuming that's the total for the time, not annual.

Mr Arthur Lang, Group CFO

Yes, total for that time.

Ranjan Sharma – JPM

It says 80% already contracted. So your IRR revenue is going to be much lower at 80% contract rate. So how do we get to the low teens?

Mr Arthur Lang, Group CFO

OK, the IRR is on a few things. First, is cash, right? So we assume up to $600 million of CapEx upfront, but it also means, as you said, the customer cash flow, that means the advanced payments. So, the net CapEx may not be $600 million, if you know what I mean, right. So, we cannot share this, but hypothetically, if the customer says, you know, you spend $600 million, we'll pay you in advance 300 million. So, our net CapEx going forward is only $300 million. So that's how it says…

Mr Yuen Kuan Moon, Group CEO

Again is not cash CapEx, right? I mean, the CapEx is not all, not all equity.

Mr Arthur Lang, Group CFO

OK, we assume it is here. That's why we look at it unlevered. But then of course, on top of that, we may get some bank financing on top of that.

Mr Bill Chang, CEO Digital InfraCo

So, the $600 million includes fitting out the DCs, which would go beyond supplying more than the $600 million, right. Because you got to fit the DC for liquid cooling for more GPUs to come in that is basically going to be more than the $600 million later. So, you know that part plus upfront payments, you don't see that. That's why IRR in that sense.

Da Wei Lee – Morgan Stanley

I just have one question on RE:AI. Can you talk about the unit economics? Help us understand the volume and pricing, how many GPUs you bought, how should we think about the pricing dynamic? You know, with pricing coming down and how that's affecting your future growth rates if that happen, and margins looks to be like you said 20%. In fact, I think, in your disclosure its 29%. What kind of useful life in terms of depreciation are we using?

Mr Yuen Kuan Moon, Group CEO

So maybe the best way, Bill, you can about using the pilot as an example. That’s already nailed in, and then we can extrapolate and you can do your own analysis.

I think first of all, the big difference is the 1MW that we deployed $60 million is the different chip, right? You talk about the H100.

And secondly, I think if you look at it, we have taken a very conservative approach in terms of the depreciation of the business, which is really the contractual period of three to five years. We have not taken into consideration the residual value of the chips beyond that.

So, of course we do not know. I mean we want to make sure that this starts to run three to five years before we look at what's the residual value of the micro chip. That's, I'm quite certain that there is residual value, but it has not taken that into the modelling here.

Mr Bill Chang, CEO Digital InfraCo

We started with the H100. You know, 512 since 2024, those are fully subscribed today and will be fully subscribed to sort of what I see as the end of life in a three-year contract with these customers.

We then deployed GB200s, last May we announced that. And that's taking up now to the 1MW. We have secured contracts that would take a large part of the 11MW now to be deployed, and that includes latest GPUs including GB300s and we're preparing for Vera Rubin in the pipeline. So we're innovating and transforming the DCs to go and carry that.

So, useful life, we basically price in three to five years contract tenure. And whether it's a three-year, the fully depreciate or five year depending on those customer contracts. And what we believe, although we've not built in our model now, it's after fully depreciated let's say a three-year, because we ran our first GPU on a 5G edge computing, A100s back in

2021-22 and that's already five years, and they're still running the A100s. So if I use the A100 as a proxy that we have actually in our edge facilities, y the H100s can go beyond three years, we believe. Because we are deploying all liquid cooling, especially the lifespan will probably be better, because if you think air cooled they operate much high temperature and therefore the lifespan they say and higher failure rates. We are operating all liquid cooled. So the liquid cool, we believe we could actually take it and so we have, in this model when we have all those fully depreciated, those GPUs are now up for recycling. And the recycling has got value beyond that. So obviously we're keeping that aside first until we get to that.

So it's a three to five year basis. And from a pricing standpoint, depending on the GPUs, different prices for different GPUs, right? And whatever you see up there is a net result of pricing, largely the H100s and it's coming with the GB200s blended in already.

Da Wei Lee – Morgan Stanley

So if I can follow up, so the pricing, is it fixed for the full three years? Are there any escalations, or?

Mr Bill Chang, CEO Digital InfraCo

Basically, it's priced fixed with that tenure of three to five years depending on the customers' energy pass-through. We've discussed this and energy pass-through is because we want full transparency with those customers. And also because it's a Scope 3 issue that we don't have.

Mr Yuen Kuan Moon, Group CEO

I think energy pass-through is very important, especially in the current landscape. So we don't want to take the risk of energy price up or down, the client actually takes care of that.

Mr Arthur Lang, Group CFO

And to be very clear, this point is a very important point. The contract is priced as if after year three, the value of the chips is zero. But in reality, we can always recycle the chips for something else.

Mr Yuen Kuan Moon, Group CEO

As I said, the business model today that you've seen here is more conservative. We are assuming zero residual value. But as what Bill have said, even in the early deployment there, there are some residual value, but we haven't got to that stage yet. So we do not know how much is that worth. And the chips are actually evolving very quickly.

So we've decided to take a more conservative approach in the modelling and said we will depreciate it fully across the lifespan of the contract.

James Druce – CLSA

Just following up on a couple more RE:AI questions. Firstly, just on the 11 megawatts that you have contracted, are you able to share the nature of the customers that you've engaged? Are they governments? Are they hyperscalers? Are they enterprise? Size of the deals? Are they half a megawatt? Are they 5 megawatts?

Mr Bill Chang, CEO Digital InfraCo

I would say it's a combination of public sector agencies and enterprises. Not hyperscalers because of the limited energy, hyperscalers might buy a much bigger megawatts. So we don't want to be reselling this. We are really catering to end customers directly, and they include public sector agencies and enterprises. Enterprises in a few sectors and research.

You know, we just announced with what we're doing with the IHL including advanced research, sensitive research and all that. I think it's those 3 segments, how many megawatts and all that, they range from anywhere from more than 5 megawatts to those that are like 250, 150 kilowatt, the full range of that. And then GPUs range from H100s to GB200s, soon GB300s and Vera Rubins are all in discussion, and we're preparing our rollout.

Mr Arthur Lang, Group CFO

And Bill, it’s fair to say 11 MW is constrained by power, not by demand.

Mr Bill Chang, CEO Digital InfraCo

Yes. The 11 MW is constrained by power. And obviously whatever we're thinking of in Nxera, in our data centres, whatever power we will allocate to RE:AI first.

Mr Yuen Kuan Moon, Group CEO

Of course, the 11 MW, we have already secured the power.

Mr Bill Chang, CEO Digital InfraCo

The other piece is obviously we're thinking of, like what Arthur said earlier, regional expansion now, because the demand is high and customers love our product. If you see what is Frost and Sullivan's recognition as the best GPU-as-a-Service provider in Southeast Asia, it's RE:AI. That's an independent report from Frost & Sullivan. And Morgan Stanley also said, you know of its capabilities.

Mr Yuen Kuan Moon, Group CEO

So we will… of course this $600 million of CapEx are all purely in Singapore. We are not giving any guidance on beyond Singapore. We got to get this right. You know, just like what we have done in the past in piloting, even if we go overseas, we will also do the pilot first because the operating model will be very different for different countries. So we are not jumping straight into it. So I just want to make it clear that this projection here is really for Singapore, sovereign AI.

Mr Arthur Lang, Group CFO

Sorry, on that point about reselling direct to our customers, not through hyperscalers. Hyperscalers always will cream off some margin as you all know. I think the second point is, by selling to enterprises, we can give, or RE:AI can provide a full suite of services. So it's not just the RE:AI service. You got the DC house, the RE:AI. If they want connectivity, then we've got the dark fibre and all that. So it's a whole solution that we're delivering to our enterprises.

Mr Yuen Kuan Moon, Group CEO

And this is standalone business from data centre. So basically RE:AI will have to rent data centre if they want to build more beyond this. So then data centre will have its own business case of renting the, the data centre capacity.

James Druce – CLSA

And then one follow up, if you, if you are entering into a three to five year contract say, how much of a discount do customers get off the spot rate that you can see in retail.

Mr Bill Chang, CEO Digital InfraCo

At the moment when we say 80% contracted, more than 80%, actually it's 100% deployed today, all based on contracts. The reason why we are just using that more than 80% contracted is to give us what's called float capacity, flex capacity, to acquire new customers. That flex capacity when we have available data centre, when we put this up or we go to a region we have debt, we now have the ability to now go, spot pricing for short term?

Mr Yuen Kuan Moon, Group CEO

So, so actually when you talk about spot rate, right, based on retail prices. First of all, you have to understand that a lot of this capacity is deployed for sovereign AI. Even you've got a spot rate somewhere else, y, you are not serving my purpose. That's why it's very country-specific. You need to look at the capacity and the demand from a country perspective. And in Singapore, this is constrained by energy. Like I said, you know, we got more demand than the 11 MW that we've got. But whatever we can harness in terms of energy, it is where it is.

So from that standpoint, you're not competing with the spot rate somewhere else in another foreign country. And I don't think there's a lot of spot rate for Singapore. So this is the rate that we've contracted. The customer is willing to pay for this rate. We're willing to sell at this rate. So if you go into any region, we should have to look at that solution and say I'm providing this RE:AI not just to the hyperscaler, but really for a sovereign AI solution.

Hussaini Saifee, Maybank

Yes, thanks for the opportunity to ask a question. If you look at the you know globally, especially in US, this neocloud, scale is the name of the game. So just trying to understand it, you know, the Singtel is starting now, are we looking at a multi-year investment cycle in this space because we are just now at 11 MW, whereas in US we are talking about the gigawatt kind of capacity.

Mr Yuen Kuan Moon, Group CEO

I think you're talking about a very different model. I think you talk about how you probably have to go back and look at the neoclouds, who are their customers? Are they end user enterprise customer? Are they government agencies or are they selling to hyper scalers of the East and West doing training workload. I think it's all very different. I'm not going to give a guidance beyond what we have said, because this is a very new business, we have to really appreciate and understand the business model. The unique economics, does it scale, is it sustainable, right, the returns, is it justify the investment. So we have done the pilot in Singapore of 1 MW which I, we, we tried, tried about 6-18 months ago. Now we are confident and say, hey, I'm going to put in another $600 million into CapEx to really scale this in Singapore.

Upon successful scaling it in Singapore, obviously concurrently we are looking at the region. Is there a similar play of Sovereign AI? That's our approach in our own neocloud. Other neocloud players will have their own model, right? I don't know what is their target customer. I also don't know which region are they playing. Are they serving only a specific Chinese hyper scaler, which many of them are, but that's not our model But whether forward beyond that, if we can find a niche that we are unique, that we can differentiate ourselves, we will do so. But it's too early to tell. So our focus is to make sure we deliver this first 11 megawatt first so that we can monetise it faster.

Rachel Tan, UBS

Hi, this is Rachel from UBS. I have three questions. Earlier I think you mentioned monetising your 5G SA network. Could you elaborate on that?

My second question would be for the sourcing of customers for RE:AI, how active is NVIDIA in introducing customers to you, and will you rely on them when it comes to your Southeast Asia expansion in terms of partnering with them for the customer network?

And my third question is how much do you expect AI to be a part of your operating cost? For your partnership with Open AI, what is the nature of the contract? Are we looking at monthly subscription per head or is it like token based billing? Thanks.

Mr Yuen Kuan Moon, Group CEO

So the third question I'll answer it, the second question is easy. I'll leave the first question to Tian Chong to talk about monetisation of 5G SA network. I think just a quick answer to that is, you know, we are really monetising it both from enterprise and consumer. I'll leave it to Tian Chong to explain later.

For the RE:AI, if you talk about sovereign AI, the customers, we have to look for it ourselves in Singapore. Of course, NVIDIA is still a very important partner because they do have the visibility of where are the demand, where the needs, and I'm sure Bill can add on a bit more about our partnership with NVIDIA later on.

Finally on the AI operations of OpenAI partnership, we are one of the early partners in terms of adopting ChatGPT on the enterprise grade. This is something that we go in with our eyes open to enable our staff to know how to use what we call the frontier model of AI to help on the daily operations. But this is not just about personal productivity, which everyone of us uses. It's also about transforming our core business, our core operations. Tian Chong, of course, is working full stack across all its operations from call centre to network operations to product development and also to sales and marketing.

So we are using or deploying AI across both cost productivity and revenue drivers to improve our margins and performance. So, it is not just a paying subscription or tokens. It's probably a combination of both subscriptions and token to deploy AI well and to capture value, you definitely have to look at token management, and that's why we are not relying on only one AI partner. That's why we also talk about Sierra AI. We also build in our own models especially on the network side so that we can optimise our token. I think later on I can also ask Sam to talk about how he's helping customers to deploy AI coding using different versions of it. So it's the full works of the entire AI stack that we are working on. So maybe now I hand over to Tian Chong to talk about the 5G monetisation of both consumer and enterprise.

Mr Ng Tian Chong, CEO Singtel Singapore

Sure. I'll quickly talk about that. On the 5G standalone network. I know I've spoken to many of you on this topic before, but we completed our SA network set up in 2022. Since then, our SA network is very unique in Singapore because we have progressed very far in working with public sector first on how to do slicing, and we've done many types of slicing to support use cases for homeland protection, homeland defence. And then later on, we have progressed to now supporting the automation of the most complex and biggest automated port in the world, PSA in the west, and then of course the automation around the airport ecosystem of the east.

So for us we look at Singapore is like a dome, you know, with the 5G SA network wraps around and what Arthur presented earlier on the enterprise case, if I can just simply explain, is because of the unique capabilities, We've gone into multi-year, co-innovation partnerships with organisations like SATS in the east, PSA in the west. And then the government agencies like LTA to build a smart city, smart junction, where Singapore uses a lot of data. And of course, today we are at 5G advanced stage going towards 6G by 2030. So the uplink capabilities are really solid and support many of those with video capabilities and then now the way we describe it is the network is supporting network for AI, network for robotics going forward and autonomous driving and all of that. So we monetise a lot in the enterprise case.

In the consumer space, the reason why we have developed the tri-brand approach in Singapore, is because you know we are, we really want clarity. We want to offer the right value at the right price for every segment. But more importantly it allows us to really protect and invest in our premium brand. And it is because of our uniqueness of our 5G standalone network.

We're the only operator in fact globally that have taken this slicing capability and opened it in the consumer space where today on our premium plans 5G Enhanced that means a $30 price plan upwards. We're able to now bring our mass market into the slice and offer them faster speed and more secure protection. And we have done that. And in fact with this tri-brand approach, it allows us to confidently get to do this without a price war at the low end, because we've got other price. So Scoot do what they want, Singapore Airlines can focus what they need to do, using that metaphor. And Singapore Airlines doesn't have to deal with AirAsia, so to speak.

So we have done that and our focus is on revenue share. Our focus is on premium, and in fact on the 5G+ with monetisation effort, most recently we've seen a 37% year-on-year uptick, you know in our premium plans. So we continue this strategy and this is independent of any market outcome of merger or no merger. You know we have executed that plan and will continue to focus on that.

Mr Bill Chang, CEO Digital InfraCo

In the market of Singapore, we access those customers directly because public sector agencies, enterprises. However, when we expand across the region, the customer segments that we approach here is because of the sovereign AI local champion, will be very different in those markets. It is not going to be ‘oh, we want to choose the same customer so we can go over there’ because you are not a local champion there. So, it's a different dynamics. You know, dealing with that could be enterprises, hyperscalers who will buy from us, right? So this is where ecosystem partners want NVIDIA is very key. And why are they key?

One, as the leading sort of GPU-as-a-Service provider in this region, we get access to the latest chips. And that's key in a world where you think that heavy demand like supply getting access to those chips.

Secondly, they've got a network of customers, referrals and all that. We do need them in the region. And they do value-add to that process. Beyond NVIDIA, we also have Mistral, second partner. We have Cohesity, the third partner. All these partners do bring contracts with us and that's why we set up this whole ecosystem to pursue across the region and in Singapore.

And finally, our partnership with NVIDIA brings a third element other than just referrals and chips. It's this whole thing about designing and co-designing our data centres to fit their GPUs in 28/29 so that Nxera is getting those capabilities way ahead of other data centre companies. And by doing that, that's why Nxera is at the leading edge of being sold out when it comes to AI DCs. Because we deploy RE:AI and we're deploying those GPUs and Nxera exists to support RE:AI to achieve that. And so that symbiotic relationship drives back the value into Nxera, and Nxera it's getting sold out on that.

So those are the three reasons why we built NVIDIA as a very key partner, and as well as other key ecosystem AI partners that we are now assembling.

Arthur Pineda, Citi

Thanks for the opportunity. Two questions please. Firstly, with regard to Bharti, I'm just wondering, given that there's been a recent change in the gap between yourselves and the promoters, how does that actually change your outlook in terms of capital recycling? Because presumably Bharti was a big part of your funding source for the $9 billion? That's the first question.

Second question I had is with regard to Australia, just wondering where we are with regard to all of the government investigations. Is that all behind us now or is that still ongoing?

Mr Yuen Kuan Moon, Group CEO

I'll ask Stephen later to talk about where we are at all the regulatory conditions that are set on Optus. Maybe Arthur, you talk about Bharti. First of all, I think there's still a gap even with the recent transaction.

Mr Arthur Lang, Group CFO

Your assumption is that it's a smaller gap now is itt? To be clear, the $9 billion that we set out. First of all, Bharti is not the only one, but it is a main component of the $9 billion. If we say we want to monetise our direct stake, the whole 7.5%, you know that number is way bigger than that. So I think that's the first part.

Second point there's, there's still intention to equalise. I mean, that's assuming that SBM continues to hold whatever stake that he will hold after the share swap. So, in the past it's been changing. But there's also a possibility we decide to both sides sell everything to BTL. There's a lot of possibilities. I think the takeaway, you should not second guess that $9 billion number. It is still very much intact. So you should think about it as something that we have thought of. I mean give us some credibility. We have thought about all types of scenarios and it's a number that we still stand behind.

Ms Lian Pek, VP of Investor Relations and Group Corporate Affair (Host)

Optus, on the government investigation.

Mr Stephen Rue, Optus CEO

The network outage in 2023 is done. The unconscionable conduct and mis-selling of the ACCC that's also long term undertaking which were part of, but in terms of the regulatory investigation.

There are still some outstanding matters relating to cybersecurity, so that is the OAIC or our data breach in Australia. So that's still, involved, but that's 2022.

And in terms of Triple Zero, the Senate is due to hand down its findings at the end of June. And the ACMA still has not completed its investigation into the Triple Zero outage so that we're still awaiting. And there will be some coronial investigation.

Prem Jearajasingam , CGSI

Thank you for the opportunity. Just given all that's been happening and you know what you're saying about RE:AI and also the Middle East situation, the power situation globally. How is that changed or modified your views with regards to the DC rollouts over the next three to four years? Is there a chance that we double what we thought we would do by 2028, 2029? Where are you going on all of this?

Mr Yuen Kuan Moon, Group CEO

Well, I think first of all, if you look at our plan, we have communicated very clearly what's our medium term aspiration of rolling out data centres both in Singapore and in the region under Nxera.

The first priority obviously is we want to win the CFA2. That is probably the crown jewel, the prize for Nxera and I'm sure Bill have put in a very compelling proposition to the people who are evaluating and accessing that CFA2 process, and that is a priority. And of course, a lot is dependent on how much capacity if we win, we've been awarded, right. Because there's a lot up for grabs, but equally a lot of high interest as you can imagine in terms of the number of interested parties to also put in a bid for it.

Beyond that, I think we have also articulated in Thailand where our growth potential, in Malaysia, where our growth potential and also in Indonesia and Batam. And I think we've given a very clear update of some of the data centres is coming up very soon ready for service. And you can see the various stages of pre-selling, from 60%, 80% before we roll out.

So again, it is constrained by energy. If you look at it, sometimes it's not just about customer demand. In fact, there's a lot of demand. I think Bill can talk about the demand that is coming in from hyper scalers in the region, but it's also availability of energy. So that's where finding the right partners is very important, can help us secure energy in the region. So Bill maybe just touch on the region as well as the CFA2.

Mr Bill Chang, CEO Digital InfraCo

CFA2, I think what we're doing to ensure that we put one of the, without going too much into details, looking at renewable energy that basically is a factor additionality pathway. So that's not taxing on the current ground nor the green energy that they've got countries secured, but this is additional pathways, right? Additionality they call it. So which means you got to pay a higher cost, but it's something good so they don't overtax the grid. And you know, obviously we're looking at the most sustainable platform from a PUE and WUE, right? So I'll just leave it as that. And the other one is obvious, designing it to carry GPUs of the future. Because we see this need of sovereign AI, so I'll just leave it as that.

Across the region we are doing the same thing looking at renewable energy to access that early. Malaysia, and think about, Thailand and Indonesia, and our partners there are some of them are energy companies. The question it's not just energy, it's also water. In Malaysia for example, parts of Malaysia have water, so we have to think about that. So other than driving efficiency of water can be used, water from not in the grid of the water grid. You know wastewater and all the collection and all this stuff. How do you do DCs with closed loop systems and working with clients who operate at much higher temperatures, even though with liquid cooling, and how do you then create digital technologies to sense and be able to react quickly. So these are all the innovations that Nxera is doing to really differentiate and to be able to make sure that we are the first we're the first to roll out 200 kilowatt per rack, and we're pushing the envelope to be the first to go 600 kilowatts per rack for the Vera Rubin Rubin Ultra. And then the 1 MW, we're pushing that very hard to achieve payment. So we're designing all that so that RE:AI can move, at the same time Nxera becomes sold out every time where we go. So now accessing land and energy and water becomes a key part.

We are obviously looking beyond Southeast Asia now. You've seen press releases and LinkedIn messages looking at partnerships in Japan, tier one markets, and beyond Southeast Asia. We're looking at all those markets. At the moment, we don't want to talk about anything that's 2-3 times whatever. We just want to contend with the current and getting solved. You know this thing around sustainability and getting the energy, otherwise more DCs out there and you are just rolling out DCs, you're going to create an energy crisis. So we're doing this responsibly and sustainably. And engaging a community closely.

Mr Arthur Lang, Group CFO

Just to clarify, you talked about the reference of whether we are still confident of doubling the EBITDA. To be clear, that EBITDA doubling is based on just simply DC Tuas fully stabilizing. So that specific question, yes, we are confident. Then on top of that is what Bill has been saying all the expansion, the longer term.

Ms Lian Pek, VP of Investor Relations and Group Corporate Affairs(Host)

OK. So I think on that note, we probably have to wrap up. Are there any further questions? We're 80 minutes in actually. So it's flown by, lots to talk about, and we will keep you posted as to you know what transpires next.

On behalf of the management and the IR team, thank you all for joining us today, both online and here in person. Thank you.

End of Transcript