

Singtel: Strategic review of its digital businesses continues

DIGITAL ENGAGEMENT TEAM

05 NOVEMBER 2021

TRADING MATTERS SERIES: STOCK HIGHLIGHT

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	2.52
Latest Dividend	0.02
Dividend Ex-Date	4/8/2021
Indicated Dividend Yield	2.96%
RSI	53.84
Analysts 12M Target Price	2.97

REFINITIV STOCKREPORTS+ AVERAGE SCORE
5/10 As of 05 Nov 2021

Refer to page 3 for indicator components

Singtel (ST SP) Price Chart



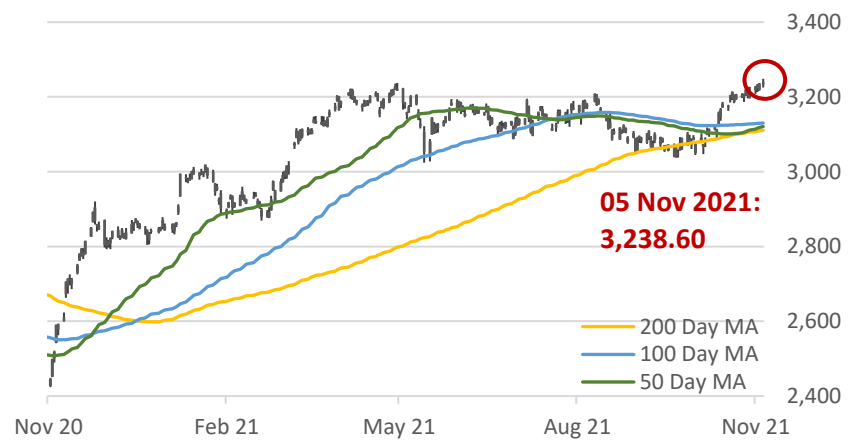
Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 05 Nov 2021 midday closing

KEY MARKET EVENTS

- 05 Nov** US Nonfarm Payrolls (Oct)
- 10 Nov** US/China CPI Releases (Oct)
- 16 Nov** China Industrial Production (Oct)
- 23 Nov** SG CPI Release (Oct)
- 25-26 Nov** US Thanksgiving Holidays

Straits Times Index Price Chart



As of 05 Nov 2021 midday closing

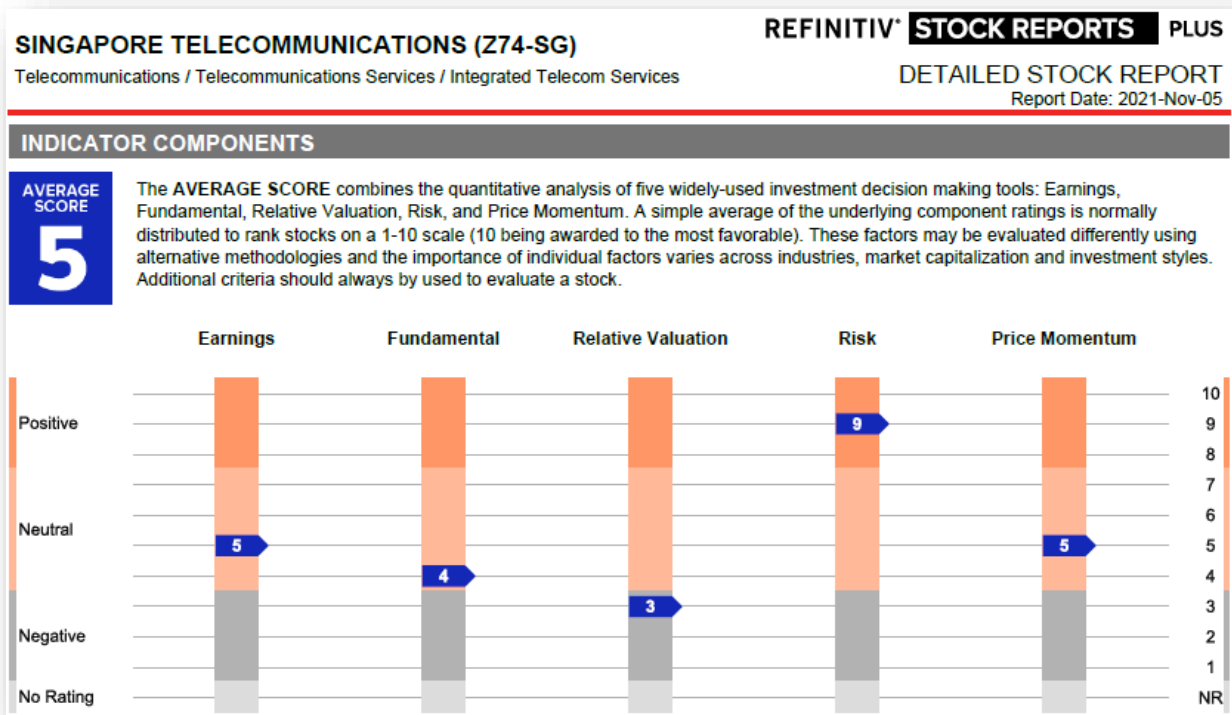
Headline News & Information

- Singapore Telecommunications Limited offers a diverse range of services including fixed, mobile, data, internet, TV, and digital solutions. Singapore Telecommunications serves customers worldwide (Bloomberg)
- Singtel divests payment card compliance business for S\$107.8 million (17 Oct 2021, Nikkei Asia)
 - Singtel on 25 Oct 2021 announced that its cyber security arm Trustwave has divested SecureTrust, its payment card industry compliance business, to Sysnet Global Solutions, for a cash consideration of US\$80 million (S\$107.8 million)
 - The sale comes as part of Singtel's strategic review of its digital businesses announced in May to optimise the group's resource allocation and reposition these assets for growth
 - Certain Trustwave assets that are complementary to the group's core telecommunications and system integration business in Asia-Pacific will move into Singtel and its subsidiaries NCS and Optus. With this realignment, Singtel's cyber security business will be "one of the largest" in the Asia-Pacific, with revenue of more than S\$350 million, the filing noted
- Airtel Q2 results: Consolidated PAT jumps 300% QoQ, in-line with estimate (02 Nov 2021, The Economic Times)
 - Bharti Airtel on 02 Nov 2021 reported a 300% quarter-on-quarter rise in consolidated net profit of Rs. 1,134 crore for the quarter ended September, which was in-line with Street's estimate
 - Singtel has an effective ownership in Bharti Airtel of more than 30% (23 Sep 2021, Bloomberg Intelligence)
- Singtel's Q2 2022 Earnings Release scheduled for 11 Nov 2021 (Bloomberg)

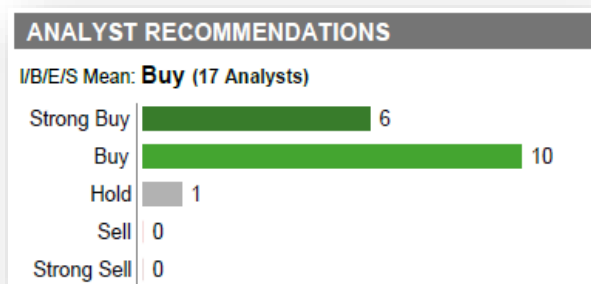
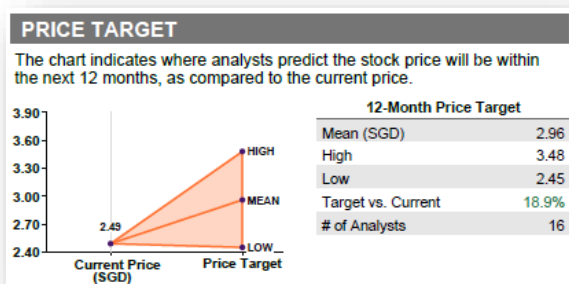
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
• Shares fell 0.4% in the past 5 days but rose 3.7% in the past 30 days	<ul style="list-style-type: none"> • 2.59 (19 Oct 2021) • 2.63 (19 Apr 2021) • 2.85 (30 Apr 2020) 	<ul style="list-style-type: none"> • 2.45 (50 Day MA) • 2.39 (200 Day MA) • 2.21 (28 Jul 2021)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 05 Nov 2021

SG Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS												Currency in SGD
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS	
		Price (2021-11-03)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean
5	Z74	2.49	2.5%	9.7%	21.5%	41.3B	73.2	16.1	3.0%	3.5%	17.6% Buy	16
4	Z77	2.49	2.5%	10.2%	22.1%	41.0B	73.7	--	3.0%	3.5%	-- --	--
7	CJLU	1.03	4.6%	6.2%	7.9%	4.0B	42.9	39.6	4.9%	24.0%	-- Buy	7
6	CC3	1.25	1.6%	1.6%	6.8%	2.1B	14.5	12.8	4.0%	6.9%	-4.4% Buy	14
1	42F	0.18	-23.0%	-30.4%	92.6%	169M	--	--	--	-137.0%	-- --	--
NR	BAI	1.40	16.7%	-6.7%	0.7%	20M	--	--	--	-1.6%	-- --	--
NR	AWV	0.39	-10.5%	-3.8%	13.2%	13M	135.1	--	6.5%	11.3%	-- --	--
4.6	Average	1.32	-0.8%	-1.9%	23.5%	12.7B	67.9	22.8	4.3%	-12.8%	6.6% Buy	12.3

PEER COMPANIES			
42F	Totm Technologies	CC3	StarHub
AWV	Captii	CJLU	NetLink NBN Trust
BAI	Digilife Technologies	Z77	Singapore Telecommunications

Source: REFINITIV STOCKREPORTS+, extracted 05 Nov 2021

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
Average		15,373	32354.71	23.03	21.22	2.79	2.50	3.28
ST SP	SINGTEL	30,785	2.52	74.34	36.34	1.57	1.57	2.96
STH SP	STARHUB LTD	1,613	1.26	N/A		6.14		3.97
600050 CH	CHINA UNITED NETWORK-A TELECOM	19,657	4.06	19.31	23.15	0.84	0.91	1.20
TECO2 AR	ARGENTINA S.A.-B	4,637	215.10	N/A		0.97	0.99	N/A
017670 KS	SK TELECOM	18,834	309,500	10.67	13.22	0.86	0.76	3.23
OBEL BB	ORANGE BELGIUM	1,334	19.24	28.28	27.43	1.95	1.90	2.60
IAM MC	ITISSALAT AL-MAGHRIB	13,893	143.50	20.07	37.05	10.68	10.87	2.79
030200 KS	KT CORP	6,703	30,400	7.92	9.02	0.50	0.45	4.44
032640 KS	LG UPLUS CORP	5,199	14,100	15.47	15.14	0.81	0.74	1.42
BATELCO BI	BAHRAIN TELECOM	2,616	0.59	16.43	16.10	2.06	1.97	4.55
9434 JP	SOFTBANK CORP	63,836	1,515.50	14.74	13.55	4.33	4.88	5.67

Source: Bloomberg, extracted 05 Nov 2021 midday closing

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