Singapore Telecommunications (ST SP)

Gaining traction in 5G deployment

Regional 5G standalone (SA) roll-out on track

Despite setbacks, sales of Singtel's 5G-equipped phones are as strong as pre-pandemic levels. Regionally, Telkomsel and Airtel have launched commercial 5G services and this should further spark the development of new 5G applications for consumers and enterprises in emerging markets. We expect an increasingly competitive landscape as incumbents focus on monetising 5G services and increasing capex for 5G implementation. Amid tough and volatile times, we contend that Singtel remains a safe-haven with attractive upside potential and a 5% dividend yield. Reiterate BUY with a SOTP-based TP of SGD2.98.

Encouraging take-rate for 5G bundle services

With more than 1,000 5G SA sites across Singapore, Singtel is poised to meet the media authority's (IMDA) target of 50% population coverage by end-22. Increasing 5G adoption via bundled packages has led to ARPU uplift (+0.3% YoY) and helped address dilution from 4G SIM-only plans. In Singapore's recent budget SGD200m was earmarked to build digital capabilities for business in coming years. We believe Singtel is well-placed to capitalise on this through its lucrative enterprise business by offering assistance in the development of solutions for a wide range of uses. This initiative, however, will take time to bear fruit.

Strong competition in Australia

Telstra's recent partnership with TPG Telecom to increase 5G sites in Australia could potentially reduce the cost of network ownership by up to 30%. In fact, capex for Singtel's 5G network has been increasing (+10% YoY) since it gained the 3.5GHz spectrum in mid-2020. Moving forward, we expect a greater capex burden for Singtel thus reducing free cash flow visibility. We predict constant DPU at 40-50% of net profit (Yield at 4.2%-5.5%) from FY22E to FY25E. Optus has allowed Telstra to regain dominance in the Australia Telco space and would need a game-changer in this competitive market.

Roadmap ahead

Research by Cisco predicts Singtel's annual 5G revenue could rise to SGD710m (12% of current annual enterprise revenue) by 2025. We anticipate key strategic plans for Singtel will include accelerating IOT (Internet of Things) connection via strategic partnerships, leveraging its infrastructure assets (data centres, towers and JVs) to unlock value and drive secular growth by allowing enterprises and startups to incorporate distinctive use cases in their Multi-access Edge Computing (MEC) structures.

FYE Mar (SGD m)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	16,541	15,644	16,249	17,399	17,302
EBITDA	4,047	3,833	3,934	4,032	4,563
Core net profit	1,074	1,734	2,257	2,651	3,070
Core FDEPS (cts)	6.6	10.6	13.8	16.2	18.8
Core FDEPS growth(%)	(65.3)	61.4	30.2	17.5	15.8
Net DPS (cts)	17.5	3.2	11.7	13.8	16.0
Core FD P/E (x)	38.6	23.0	18.3	15.6	13.5
P/BV (x)	1.5	1.5	1.5	1.5	1.5
Net dividend yield (%)	6.9	1.3	4.6	5.5	6.3
ROAE (%)	3.8	6.5	8.2	9.1	10.2
ROAA (%)	2.2	3.6	4.6	5.3	6.0
EV/EBITDA (x)	13.5	13.6	13.4	12.7	10.9
Net gearing (%) (incl perps)	49.1	45.7	39.5	33.8	28.2
Consensus net profit	-	-	2,228	2,659	3,056
MKE vs. Consensus (%)	-	-	1.3	(0.3)	0.5

Kelvin Tan kelvin.tan1@maybank.com (65) 6231 5837



BUY

Share Price	SGD 2.53
12m Price Target	SGD 2.98 (+18%)
Previous Price Target	SGD 2.98

Company Description

Singtel is the largest integrated telecommunications service provider in Singapore and has significant share in Australia, India and ASEAN

Statistics

52w high/low (SGD)	2.60/2.23
3m avg turnover (USDm)	54.8
Free float (%)	41.8
Issued shares (m)	16,515
Market capitalisation	SGD41.8B
	USD30.6B
Major shareholders:	
Temasek Holdings	52.2%
Central Provident Fund	4.9%
Capital Research	1.2%

Price Performance



 —— Singtel / Straits Times Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	(2)	5	6
Relative to index (%)	4	1	2
Source: FactSet			

Other companies mentioned in this report: Telstra Corporation Ltd (TLS ASX, CP AUD3.92, NR) TPG Telecom Ltd (TPG ASX, CP AUD5.64, NR) BHARTI AIRTEL LIMITED (BHARTIARTL NSE, CP INR701, BUY, TP INR890)

ADVANCED INFO SERVICE (ADVANC BKK, CP THB232, BUY, TP THB235)

TELKOMSEL INDONESIA (PERSERO) TBK PT (TLKM IDX, CP IDR4620, NR)

GLOBE TELCOM, INC (GTMEF PHST, CP P2240, BUY, TP P3080)



Value Proposition

- Telco conglomerate whose companies have significant, if not leading, shares in their markets.
- High-growth phase for wireless segment has passed. Competition is generally on the rise in this segment in most markets.
- Enterprise and 5G to provide next legs of growth, while cash is harvested from wireless leadership to support investments and capex.
- Healthy balance sheet backs DPS payout ratio of 60-80%. Proceeds from sale of non-core assets are partly committed to exceptional payouts.

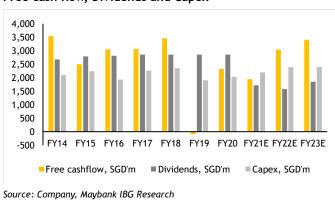
Singtel SOTP Valuation

Valuation	Stake	Valuation method	Valuation	Exch rate	Valuation	Pershare	% of
valuation	(%)	valuation method	(LC)	(SGD/LC)	(SGD m)	(SGD)	total
Sing Tel Core Business	####	SingtelDCF (6.9% WACC, 0% TG, 0.90 beta) Optus DCF (6.0% WACC, 0% TG, 0.71 beta)	21,034	1.00	21,034	1.29	
(Less) Consol Net Debt					-11,312	-0.69	
Sub Total					9,722	0.60	20%
	Stake	Valuation method	Valuation	Exch rate	Valuation	Pershare	% of
	(%)	valuation method	(LC)	(\$\$/LC)	(SGD m)	(SGD)	total
Associates							
Telkomsel (Indonesia)	35.0	70% of Market Caplisted Telkom	107,031,776	10,798	9,912	0.61	15%
Bharti Airtel (India)	31.7	DCF (9.4% WACC, 3% TG,1.0 beta), mcap of africa and tower businesses	1,538,551	54.00	28,492	1.75	44%
AIS (Thailand)	23.3	DCF (7.0% WACC, 2% LTG, 1.0 beta)	151,703	22.98	6,602	0.40	10%
Globe (Philippines)	46.9	DCF (5.7% WACC, 1% LTG, 0.7 beta)	132,239	35.80	3,694	0.23	6%
Intouch (Thailand)	21.1	SOTP (ALS TP and mkt cap of THCOM TB)	42,414	22.98	1,846	0.11	3%
NetLink NBN Trust (Singapore)	24.8	DDM (COE 6%, 0% LTG, 0.5 beta)	1,073	1.00	1,073	0.07	2%
SingPost (Singapore)	21.7	Market Cap	361	1.00	361	0.02	1%
Sub Total					51,618	3.18	
		25% discount				(0.80)	
Associates' value						2.39	80%
Total Equity Value						2.98	100%

Source: FactSet, Maybank IBG Research

Financial Metrics

- We forecast EBITDA to grow at 5.9% CAGR over FY21-23E due to earnings recovery following Covid-19.
- Pretax associate income could contribute to bottom line by growing 27% over the same period, led by Bharti's swing to net profit from net loss.
- We expect net debt to EBITDA, including associate dividends, to remain healthy at 1.6x-2.2x in FY21-23E; providing support to its fixed DPS commitment.



Free cash flow, Dividends and Capex

Price Drivers

Historical share price trend



Source: Company, Maybank IBG Research

- 1. Proposal for fourth mobile licence. Bharti's profits started to taper off.
- 2. Proposal to increase effective stake in Bharti to 39.5%. Share price continues to be pressured by competitive environment.
- 3. Australia wireless pricing went through industry-wide reflation.
- 4. Earnings marred by weakness in ARPU on the back of lower usage of roaming and data given travel restrictions and work-from-home arrangements.
- 5. Ongoing global economic disruption brought about by COVID-19 and structural challenges brought about by intense market competition.

Swing Factors

Upside

- Strong growth in enterprise and Digital Life to positive operating leverage.
- Stronger-than-expected ARPU due to easing in price competition in countries it operates in.
- Faster-than-expected monetisation of 5G development.

Downside

- Further wireless margin compression triggered by competition in Singapore and / or Australia.
- Worse-than-expected cannibalisation of wireless voice, SMS and roaming by data.
- Failure to monetise 5G development.

ESG@MAYBANK IBG

kelvin.tan1@maybank.com

Risk Rating & Score ¹	18.5
Score Momentum ²	-0.0
Last Updated	16 Dec 2021
Controversy Score ³ (Updated: 16 Dec 2021)	0 - No reports

Business Model & Industry Issues

- Singtel is most exposed to cybersecurity and personal data leakage risks given its nature of business. There have been minor lapses due to IT, process and human errors over the years, and Singtel was penalised for an immaterial sum.
- Going forward, Singtel will continue to educate its staff and improve practices and processes to minimise data breaches.
- As Singtel is in the business of connectivity, it is supporting digital inclusion through connecting communities and supporting the disadvantaged.
- Notably in FY20, the telco supported migrant workers with free remittance services and their WiFi and mobile data needs. It
 also provided refurbished laptops and data SIMs to disadvantaged students for their home-based learning. In Australia, Optus
 scaled up "Donate Your Data" to support disadvantaged students by offering them free mobile data access for online learning.
- Singtel displays no exceptional risks for a telco operator for ESG and is in line with peers in tackling ESG issues.

Material E issues

- Achieved carbon emissions intensity reduction of 70% in 2020, well exceeding our 2030 target of 50%.
- Over 84% of waste generated disposed via reuse, recycling or incineration with energy recovered.
- Only Southeast Asian company among a pioneer group of 28 global companies in July 2019 that committed to keeping the global temperature increase within 1.5°C and net zero emissions by 2050.

Material S issues

- 28% of female employees in middle and top management.
- Singtel was included in the 2020 Bloomberg Gender-Equality Index and the Refinitiv Global Diversity & Inclusion Index 2019 and named as one of the top 10 employers for Gender Diversity at The Leonie Awards 2019.
- Total training investment of SGD21.9m and pledged SGD45m to boost the digital skills of its workforce through companywide initiatives over three years.
- Zero fatality rate across Singtel and Optus in FY20.
- To promote digital inclusion, Optus has launched "Donate Your Data" in Australia to help disadvantaged young people bridge the digital divide.
- Singtel also supported 1,000 vulnerable seniors under CareLine 24-hour telephone befriending service with free mobile phone services to promote digital inclusion and wellbeing.

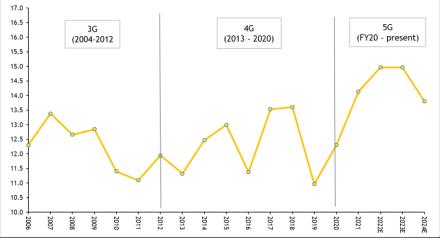
Key G metrics and issues

- Board consists of 10 directors, of which one is executive officer (MD/CEO), the remaining are non-executive & independent directors (including Chairman). 30% are female directors.
- The nomination, audit, investment and remuneration committees are chaired by independent directors.
- Key management/directors' compensation accounted for 9.4%/1.3% of total employee compensation in 2019.
- There have been no corruption cases reported for the past three years.
- Cyber security and data leakage risks. Conducts its businesses in strict adherence to data protection laws - the Personal Data Protection Act in Singapore and the Privacy Act and Telecommunications Act in Australia.
- There have been minor lapses due to IT, process and human errors. Singtel will continue to educate its staff and improve practices and processes to minimise data breaches.

<u>Risk Rating & Score</u> - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. <u>Ascore Momentum</u> - indicates changes to the company's score since the last update - a negative integer indicates a company's improving risk score; a positive integer indicates a deterioration. <u>Controversy Score</u> - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

1. Focus charts

Fig 1: Capex as a % of revenue trend



Source: Company Data, Maybank IBG Research

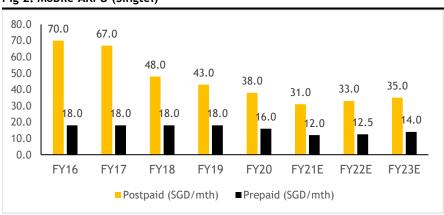


Fig 2: Mobile ARPU (Singtel)

Source: Company Data, Maybank IBG Research

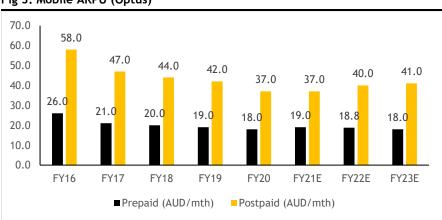


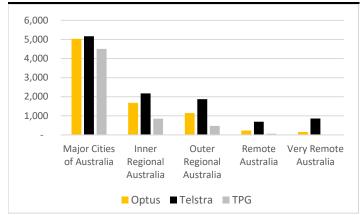
Fig 3: Mobile ARPU (Optus)

Source: Company Data, Maybank IBG Research

Outer Regional

Australia

Fig 4: Total number of sites by Australia telcos in 2021



2,000 ______ 1,500 ______ 1,000 _____

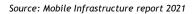
Inner Regional

Australia

Optus ■ Telstra ■ TPG

Fig 5: Number of 5G sites by Australia telcos in 2021

Source: Mobile Infrastructure report 2021



Major Cities of

Australia

2,500

500

2. Notable developments in the region

Singtel to redevelop its Comcentre HQ at a cost of SGD2bn

This move is part of Singtel's strategic reset plan to divest latent businesses and drive growth. As part of its capital recycling strategy, Singtel plans to divest Comcentre in a joint venture (JV) with the appointed developer. We project the planned divestment to add about 2% to Singtel's future earnings while making the company's assets leaner. Assuming Singtel holds 51% of the JV and a monthly rental rate of SGD12-15 per sqft for 3 years and a cap rate of 4%, the telco would generate additional EBITDA of SGD48-60m. We anticipate more divestments based on a recent note by Singtel on SGX that the company has appointed an investment bank for its diversification of Amobee and the possibility of it selling its North American business Trustwave.

Singtel's subsidiary NCS SGD325m buyout of Dialog - Australia largest privately owned-IT services company. Accelerating the plan to be a pan-Asian B2B digital service provider, the acquisition will bolster the presence of Singtel's IT service arm in Australia by: (1) increasing the number of highly-skilled IT specialists, (2) providing greater market access to a widerange of tier-1 clients from a multitude of sectors. (3) leveraging complementary capabilities and expertise to create a stronger end-to-end suite of technology and digital services for NCS' clients in Australia and across the region. Amid the pandemic, Dialog generated earnings of AUD12m (-2% of Singtel's FY21 net income). This is positive as we would expect a bump in profits as NCS will supplement Dialog by providing stronger suite for Enterprise clients in Australia given NCS' capabilities in AI, cloud

Fig 6: Developments in regional associates

Country	Company	Market position (market share)	Stake (%)	Outlook/ Thesis	MKE rating	YoY%
India	Bharti Airtel	#2 in India (29%)	31.9	 Airtel and TCS joined forces to test 5G based use cases from a wide variety of manufacturing suite solutions. They are leveraging on ultra-reliable low latency, enhaced bandwidth and high device density characteristics of 5G networks to enable autonomous actions. Airtel hiked prepaid tariffs recently by 20-25% and has been opportunistic in raising funds when required to drive growth. This is expected to contribute stronger revenue and higher ARPU. The enterprise and bome broadband businesses are gaining market share and Bharti is investing in data centers to offer end-to-end services to enterprises. Airtel accepts a 4-year moratorium on payments of AGR and spectrum dues. This will help to conserve cashflow and help future capex use. 	BUY	15.24
Thailand	Advanced Info Service	#1 in Thailand (43.65%)	23.3	 ADVANC highlighted growth in mobile revenue and subscribers in Q4 2021 as it focused on expanding its 5G network, ending the year with 76% population coverage across 77 cities and 2.2m subscribers. Projected healthy growth in IT services of 6% YoY in 2022. This is positive for ADVANC as it is targeted for growth by the EB division. The operator noted ARPU uplift for 5G users of 10- 15% despite Covid-19 (coronavirus) restrictions weakening consumer purchasing power. 	BUY	4.88
Indonesia	Telkomsel	#1 in Indonesia (58.9%)	35	 Since launching its 1st 5G service in Indonesia, Telkomsel has continued to roll out different trials and use cases according to client and industry needs. Mobile competition remains intense but is not worsening. Competition shifted towards delivering quality products and services rather than offering low priced packages. Telkomsel is expected to benefit from its dominant position, especially in the ex-Java region, and a favorable regulatory environment 	NR	-4.4
Philippines	Globe	#1 in Philippines (47.0%)	46.9	 Globe's expansion of its 5G roaming services to three countries (Netherlands, Bahrain, New Zealand) forms part of its continuing efforts to explore more partnerships. We would expect capex to increase for this recent expansion and GLO to compete more aggressively in the fixed-line space Globe formed a new data center JV with ST Telemedia Global Data Centers (the region's fastest growing DC solutuion provider) to accelerate DC growth and its market postion in the Philippines 	BUY	-3.7

Source: Comapny data, Maybank IBG Research

FYE 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24
Key Metrics					
P/E (reported) (x)	48.8	22.7	18.3	15.6	13.
Core P/E (x)	38.6	23.0	18.3	15.6	13.
Core FD P/E (x)	38.6	23.0	18.3	15.6	13.
P/BV (x)	1.5	1.5	1.5	1.5	1.
P/NTA (x)	3.2	3.0	3.0	2.9	2.
Net dividend yield (%)	6.9	1.3	4.6	5.5	6.
FCF yield (%)	0.8	11.1	5.8	7.8	9.
EV/EBITDA (x)	13.5	13.6	13.4	12.7	10.
EV/EBIT (x)	27.9	45.3	42.1	39.4	27.2
INCOME STATEMENT (SGD m)					
Revenue	16,541.0	15,643.7	16,249.0	17,399.0	17,302.3
EBITDA	4,047.3	3,832.7	3,934.2	4,032.3	4,563.
Depreciation	(2,580.0)	(2,685.0)	(2,685.0)	(2,731.0)	(2,730.0
Amortisation	0.0	0.0	0.0	0.0	(2,750.0
BIT	1,960.3	1,147.7	1,249.2	1,301.3	1,833.
			(375.8)	(375.7)	-
Net interest income /(exp) Associates & JV	(282.0) 1 742 7	(395.0) 1 798 0	, ,	(375.7) 2,969.9	(375.6
	1,742.7	1,798.0	2,444.2 0.0	,	3,052.
Exceptionals	(1,381.4)	0.0		0.0	
Other pretax income	0.0	0.0 2 550 7	0.0	0.0	0. 4 509
Pretax profit	2,039.6	2,550.7	3,317.6	3,895.5	4,509.
ncome tax	(988.0)	(811.0)	(1,054.8)	(1,238.6)	(1,433.9
Minorities	22.4	(6.2)	(6.2)	(6.2)	(6.2
Discontinued operations	0.0	0.0	0.0	0.0	0.
Reported net profit	1,074.0	1,733.5	2,256.6	2,650.7	3,069.
Core net profit	1,074.0	1,733.5	2,256.6	2,650.7	3,069.
BALANCE SHEET (SGD m)					
Cash & Short Term Investments	999.6	754.7	1,547.3	2,873.4	4,237.
Accounts receivable	5,559.4	5,443.7	5,654.3	6,054.5	6,020.
nventory	279.6	271.6	325.0	348.0	346.
Reinsurance assets	0.0	0.0	0.0	0.0	0.
Property, Plant & Equip (net)	10,363.8	11,534.1	11,249.1	10,918.1	10,588.
ntangible assets	13,735.9	13,129.1	13,129.1	13,129.1	13,129.
nvestment in Associates & JVs	16,287.3	15,790.3	15,790.3	15,790.3	15,790.
Other assets	1,729.3	1,074.9	1,603.9	1,603.9	1,603.
Total assets	48,954.9	47,998.4	49,299.0	50,717.3	51,716.
ST interest bearing debt	3,970.5	2,033.9	2,033.9	2,033.9	2,033.
Accounts payable	6,373.8	6,784.8	7,347.1	7,867.0	7,823.
nsurance contract liabilities	0.0	0.0	0.0	0.0	0.
T interest bearing debt	10,202.1	10,825.6	10,825.6	10,817.0	10,817.
Other liabilities	2,382.0	1,843.0	445.0	445.0	445.
Total Liabilities	22,928.7	21,487.0	20,651.2	21,162.6	21,119.
Shareholders Equity	26,789.2	26,485.8	28,622.2	29,529.1	30,571.
Minority Interest	24.8	25.6	25.6	25.6	25.
Total shareholder equity	26,814.0	26,511.4	28,647.8	29,554.7	30,597.0
Total liabilities and equity	48,954.9	47,998.4	49,299.0	50,717.3	51,716.
	,	,	,	,	,
CASH FLOW (SGD m)	2 020 4		1 14 7 /		4 500
Pretax profit	2,039.6	2,550.7	3,317.6	3,895.5	4,509.
Depreciation & amortisation	2,580.0	2,685.0	2,685.0	2,731.0	2,730.
Adj net interest (income)/exp	(2,031.9)	(1,695.0)	(1,424.8)	(1,275.7)	(1,426.8
Change in working capital	78.8	878.1	(230.7)	96.8	(8.1
Cash taxes paid	0.0	0.0	0.0	0.0	0.
Other operating cash flow	0.4	0.0	0.4	0.4	0.
Cash flow from operations	2,666.5	4,031.2	4,347.0	5,447.6	5,804.
Capex	(2,036.6)	(2,200.0)	(2,400.0)	(2,400.0)	(2,400.0
Free cash flow	10,957.6	2,328.2	1,947.0	3,047.6	3,404.
Dividends paid	(2,856.7)	(1,722.2)	(1,579.6)	(1,855.5)	(2,148.8
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.
Change in Debt	0.0	0.0	0.0	0.0	0.
Other invest/financing cash flow	13,763.4	(353.9)	(1,340.7)	467.3	493.
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.
-					

🚳 Maybank	
-----------	--

FYE 31 Mar	FY20A	FY21A	FY22E	FY23E	FY24E
Key Ratios					
Growth ratios (%)					
Revenue growth	(4.8)	(5.4)	3.9	7.1	(0.6)
EBITDA growth	(17.8)	(5.3)	2.6	2.5	13.2
EBIT growth	(20.6)	(41.5)	8.8	4.2	40.9
Pretax growth	(48.0)	25.1	30.1	17.4	15.8
Reported net profit growth	(65.3)	61.4	30.2	17.5	15.8
Core net profit growth	(65.3)	61.4	30.2	17.5	15.8
Profitability ratios (%)					
EBITDA margin	24.5	24.5	24.2	23.2	26.4
EBIT margin	11.9	7.3	7.7	7.5	10.6
Pretax profit margin	12.3	16.3	20.4	22.4	26.1
Payout ratio	nm	30.3	84.6	85.2	84.9
DuPont analysis					
Net profit margin (%)	6.5	11.1	13.9	15.2	17.7
Revenue/Assets (x)	0.3	0.3	0.3	0.3	0.3
Assets/Equity (x)	1.8	1.8	1.7	1.7	1.7
ROAE (%)	3.8	6.5	8.2	9.1	10.2
ROAA (%)	2.2	3.6	4.6	5.3	6.0
Liquidity & Efficiency					
Cash conversion cycle	na	na	na	na	na
Days receivable outstanding	125.7	126.6	122.9	121.1	125.6
Days inventory outstanding	na	na	na	na	na
Days payables outstanding	na	na	na	na	na
Dividend cover (x)	0.4	3.3	1.2	1.2	1.2
Current ratio (x)	0.7	0.7	0.8	1.0	1.1
Leverage & Expense Analysis					
Asset/Liability (x)	2.1	2.2	2.4	2.4	2.4
Net gearing (%) (incl perps)	49.1	45.7	39.5	33.8	28.2
Net gearing (%) (excl. perps)	49.1	45.7	39.5	33.8	28.2
Net interest cover (x)	7.0	2.9	3.3	3.5	4.9
Debt/EBITDA (x)	3.5	3.4	3.3	3.2	2.8
Capex/revenue (%)	12.3	14.1	14.8	13.8	13.9
Net debt/ (net cash)	13,173.0	12,104.8	11,312.2	9,977.5	8,613.3

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS Chief Economist Malaysia | Philippines | Global (603) 2297 8682 suhaimi_ilias@maybank-ib.com

CHUA Hak Bin Regional Thematic Macroeconomist (65) 6231 5830 chuahb@maybank.com

LEE Ju Ye Singapore | Thailand | Indonesia (65) 6231 5844 leejuye@maybank.com

Dr Zamros DZULKAFLI (603) 2082 6818 zamros.d@maybank-ib.com

Fatin Nabila MOHD ZAINI (603) 2297 8685 fatinnabila.mohdzaini@mavbank-ib.com

Brian LEE Shun Rong (65) 6231 5846 brian.lee1@maybank.com

Luong Thu Huong (65) 62315 8467 hana.thuhuong @maybank.com

FΧ

Saktiandi SUPAAT Head of FX Research (65) 6320 1379 saktiandi@maybank.com.sg

Christopher WONG (65) 6320 1347 wongkl@maybank.com.sg

TAN Yanxi (65) 6320 1378 tanyx@maybank.com.sg

Fiona LIM (65) 6320 1374 fionalim@maybank.com.sg

STRATEGY

Anand PATHMAKANTHAN ASEAN (603) 2297 8783 anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA (65) 6340 1079 winsonphoon@maybank.com

SE THO Mun Yi, CFA (603) 2074 7606 munyi.st@maybank-ib.com REGIONAL EQUITIES

Anand PATHMAKANTHAN Head of Regional Equity Research (603) 2297 8783 anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA Head of ASEAN Equity Research (603) 2297 8686 wchewh@maybank-ib.com

ONG Seng Yeow Research, Technology & Innovation (65) 6231 5839 ongsengyeow@maybank.com

MALAYSIA

Anand PATHMAKANTHAN Head of Research (603) 2297 8783 anand.pathmakanthan@maybank-ib.com • Strategy

WONG Chew Hann, CA (603) 2297 8686 wchewh@maybank-ib.com • Non-Bank Financials (stock exchange) • Construction & Infrastructure

Desmond CH'NG, BFP, FCA (603) 2297 8680 desmond.chng@maybank-ib.com • Banking & Finance

LIAW Thong Jung (603) 2297 8688 tjliaw@maybank-ib.com • Oil & Gas Services- Regional • Automotive

ONG Chee Ting, CA (603) 2297 8678 ct.ong@maybank-ib.com • Plantations - Regional

YIN Shao Yang, CPA (603) 2297 8916 samuel.y@maybank-ib.com • Gaming - Regional • Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA (603) 2297 8690 chiwei.t@maybank-ib.com • Power • Telcos

WONG Wei Sum, CFA (603) 2297 8679 weisum@maybank-ib.com • Property • Glove

Jade TAM (603) 2297 8687 jade.tam@maybank-ib.com • Consumer Staples & Discretionary

Nur Farah SYIFAA (603) 2297 8675 nurfarahsyifaa.mohamadfuad@maybank-ib.com • Construction • Renewable Energy • REITs

Arvind JAYARATNAM (603) 2297 8692 arvind.jayaratnam@maybank.com • Petrochemicals • Technology

Shafiq KADIR (603) 2297 8691 msshafiqk.abkadir@maybank-ib.com • Healthcare • Software

LOH Yan Jin (603) 2297 8687 lohyanjin.loh@maybank-ib.com • Ports • Shipping

TEE Sze Chiah Head of Retail Research (603) 2082 6858 szechiah.t@maybank-ib.com • Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe (603) 2297 8694 nikmohdihsan.ra@maybank-ib.com • Chartist

Amirah AZMI

(603) 2082 8769 amirah.azmi@maybank-ib.com • Retail Research

SINGAPORE

Thilan WICKRAMASINGHE Head of Research (65) 6231 5840 thilanw@maybank.com • Banking & Finance - Regional • Consumer

CHUA Su Tye (65) 6231 5842 chuasutye@maybank.com • REITs - Regional

LAI Gene Lih, CFA (65) 6231 5832 laigenelih@maybank.com • Technology

Eric ONG (65) 6231 5924 ericong@maybank.com • Healthcare • Transport • SMIDs

Kelvin TAN (65) 6231 5837 kelvintan1@maybank.com • Telcos

PHILIPPINES Jacqui de JESUS Head of Research (63) 2 8849 8840 jacqui.dejesus@maybank.com • Strategy • Conglomerates

Rachelleen RODRIGUEZ, CFA (63) 2 8849 8843 rachelleen.rodriguez@maybank.com • Banking & Finance • Transport • Telcos

Daphne SZE (63) 2 8849 8847 daphne.sze@maybank.com • Consumer

Miguel SEVIDAL (63) 2 8849 8844 miguel.sevidal@maybank.com • REITs • Property

Fiorenzo de JESUS (63) 2 8849 8846 fiorenzo.dejesus@maybank.com • Utilities

VIETNAM

Quan Trong Thanh Head of Research (84 28) 44 555 888 ext 8184 thanh.quan@maybank.com • Banks

Hoang Huy, CFA (84 28) 44 555 888 ext 8181 hoanghuy@maybank.com • Strategy • Technology • Industrials

Le Nguyen Nhat Chuyen (84 28) 44 555 888 ext 8082 chuyen.le@maybank.com • Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi (84 28) 44 555 888 ext 8084 trami.nguyen@maybank.com • Consumer

Tyler Manh Dung Nguyen (84 28) 44 555 888 ext 8085 manhdung.nguyen@maybank.com • Utilities • Property

Nguyen Thi Ngan Tuyen Head of Retail Research (84 28) 44 555 888 ext 8081 tuyen.nguyen@maybank.com • Retail Research

Nguyen Thanh Lam (84 28) 44 555 888 ext 8086 thanhlam.nguyen@maybank.com • Chartist

INDIA

Jigar SHAH Head of Research (91) 22 4223 2632 jigars@maybank.com • Strategy • Oil & Gas • Automobile • Cement

Neerav DALAL (91) 22 4223 2606 neerav@maybank.com • Software Technology • Telcos

Vikram RAMALINGAM (91) 22 4223 2607 vikram@maybank.com • Automobile • Media

INDONESIA

Rahmi MARINA (62) 21 8066 8689 rahmi.marina@maybank.com • Banking & Finance

Willy GOUTAMA (62) 21 8066 8500 willy.goutama@maybank.com • Consumer

Satriawan, CTA (62) 21 8066 8682 satriawan@maybank.com • Chartist

THAILAND

Maria LAPIZ Head of Institutional Research Dir (66) 2257 0250 | (66) 2658 6300 ext 1399 Maria.L@maybank.com • Strategy • Consumer • Materials • Services

Jesada TECHAHUSDIN, CFA (66) 2658 6300 ext 1395 jesada.t@maybank.com • Banking & Finance

Vanida GEISLER, CPA (66) 2658 6300 ext 1394 Vanida.G@maybank.com • Property • REITs

Yuwanee PROMMAPORN (66) 2658 6300 ext 1393 Yuwanee.P@maybank.com • Services • Healthcare

Ekachai TARAPORNTIP Head of Retail Research (66) 2658 5000 ext 1530 Ekachai.t@maybank.com

Surachai PRAMUALCHAROENKIT (66) 2658 5000 ext 1470 Surachai.p@maybank.com • Auto • Conmat • Contractor • Steel

Suttatip PEERASUB (66) 2658 5000 ext 1430 suttatip.p@maybank.com • Food & Beverage • Commerce

Jaroonpan WATTANAWONG (66) 2658 5000 ext 1404 jaroonpan.w@maybank.com • Transportation • Small cap

Thanatphat SUKSRICHAVALIT (66) 2658 5000 ext 1401 thanaphat.s@maybank.com • Media • Electronics

Wijit ARAYAPISIT (66) 2658 5000 ext 1450 wijit.a@maybank.com • Strategist

Theerasate PROMPONG (66) 2658 5000 ext 1400 theerasate.p@maybank.com • Equity Portfolio Strategist

Apiwat TAVESIRIVATE (66) 2658 5000 ext 1310 apiwat.t@maybank.com • Chartist and TFEX

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. (MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Securities USA Inc ("MSUS"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by MSUS in the US shall be borne by MSUS. This report is not directed at you if Maybank IBG is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that MSUS is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Securities USA Inc. 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. Singapore: This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. Indonesia: PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). Thailand: MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. Philippines: Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. Vietnam: Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. Hong Kong: MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. India: MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INX000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH00000057) US: Maybank Securities USA Inc is a member of/and is authorized and regulated by the FINRA - Broker ID 27861. UK: Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 16 March 2022, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 16 March 2022, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 16 March 2022, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report. In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

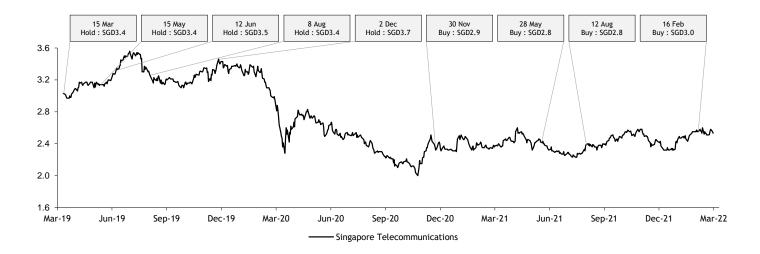
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: Singapore Telecommunications (ST SP)



Definition of Ratings

Maybank IBG Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (including dividends)
	Poturn is expected to be between 0° to 10° in the post 12 menths (including divide

- HOLD Return is expected to be between 0% to 10% in the next 12 months (including dividends)
- SELL Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

👩 Malaysia

Maybank Investment Bank Berhad (A Participating Organisation of Bursa Malaysia Securities Berhad) 33rd Floor, Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur Tel: (603) 2059 1888; Fax: (603) 2078 4194 Stockbroking Business: Level 8, Tower C, Dataran Maybank, No.1, Jalan Maarof 59000 Kuala Lumpur Tel: (603) 2297 8888 Fax: (603) 2282 5136

Philippines

Maybank Securities Inc 17/F, Tower One & Exchange Plaza Ayala Triangle, Ayala Avenue Makati City, Philippines 1200

Tel: (63) 2 8849 8888 Fax: (63) 2 8848 5738

Sales Trading

Kevin Foy Regional Head Sales Trading kevinfoy@maybank.com Tel: (65) 6636-3620 US Toll Free: 1-866-406-7447

Indonesia Helen Widjaja helen.widjaja@maybank.com (62) 21 2557 1188

New York James Lynch jlynch@maybank-keusa.com Tel: (212) 688 8886

Philippines Keith Roy

keith_roy@maybank.com Tel: (63) 2 848-5288

📀 Singapore

Maybank Securities Pte Ltd Maybank Research Pte Ltd 50 North Canal Road Singapore 059304

Tel: (65) 6336 9090

👩 Hong Kong

MIB Securities (Hong Kong) Limited 28/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong

Tel: (852) 2268 0800 Fax: (852) 2877 0104

🌒 Thailand

Maybank Securities (Thailand) PCL 999/9 The Offices at Central World, 20th - 21st Floor, Rama 1 Road Pathumwan, Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales) Tel: (66) 2 658 6801 (research)

London Greg Smith gsmith@maybank.co.uk Tel: (44) 207-332-0221

India Sanjay Makhija sanjaymakhija@maybank.com Tel: (91)-22-6623-2629

🐔 London

Maybank Securities (London) Ltd PNB House 77 Queen Victoria Street London EC4V 4AY, UK

Tel: (44) 20 7332 0221 Fax: (44) 20 7332 0302

👩 Indonesia

PT Maybank Sekuritas Indonesia Sentral Senayan III, 22nd Floor Jl. Asia Afrika No. 8 Gelora Bung Karno, Senayan Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188 Fax: (62) 21 2557 1189

👩 Vietnam

Maybank Securities Limited 4A-15+16 Floor Vincom Center Dong Khoi, 72 Le Thanh Ton St. District 1 Ho Chi Minh City, Vietnam

Tel: (84) 844 555 888 Fax: (84) 8 38 271 030

👩 New York

Maybank Securities USA Inc 400 Park Avenue, 11th Floor New York, New York 10022, U.S.A.

Tel: (212) 688 8886 Fax: (212) 688 3500

👩 India

MIB Securities India Pte Ltd 1101, 11th floor, A Wing, Kanakia Wall Street, Chakala, Andheri -Kurla Road, Andheri East, Mumbai City - 400 093, India

Tel: (91) 22 6623 2600 Fax: (91) 22 6623 2604

www.maybank-ke.com | www.maybank-keresearch.com