

3Q 2017 Financial Results

25 October 2017



3Q17 Strong progress



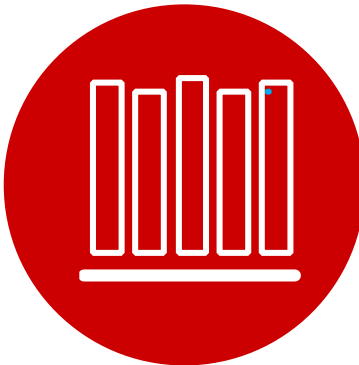
EBITDA

+5.0% YoY growth
RM1.20b



Postpaid

High YoY growth
9.3%



Prepaid

Leadership, stable and high ARPU
RM42



Leading network

LTE Pop. Coverage
89%*



Strong data growth

High 4G LTE Usage
7.4GB



NPS

All time high TP-NPS
+52

*on comparable peer basis



3Q17 – Overall robust quarterly performance

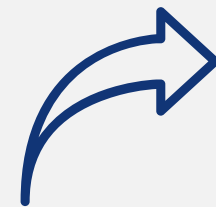
Highest EBITDA, EBITDA margin and PAT in 5-years

+5.0%
EBITDA

+8.3%
PAT



+2.0%
Service revenue



55.8%
EBITDA margin



1.51x
Net debt-to-
EBITDA

- Service revenue growth drivers: Postpaid +9.3% and Integrated Services +24.1%
- Early results from cost optimisation initiatives
- Declared third interim dividend of 5 sen net per share



Postpaid - Strong momentum, driving value from base

MOP continues to attract high value subs with “worry-free” MI experiences

+9.3%
**POSTPAID
REVENUE**



RM 102
ARPU



+454k
Net MOP Additions



1,946k
MOP Subscriptions

- Stable and high ARPU; MOP ARPU @ RM117
- Unlocking “worry-free” experience - high MI revenue
- Strong Raya campaign
- Encouraging response from recently launched convergence plan

zerOolution



Leading 4G Prepaid

Maintained high and stable ARPU, declining subs from SIM consolidation

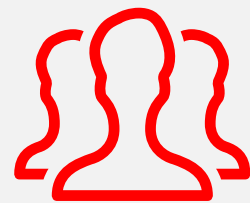
-6.0%
**PREPAID
REVENUE**



RM 43
FAST ARPU



72%
FAST MI Penetration



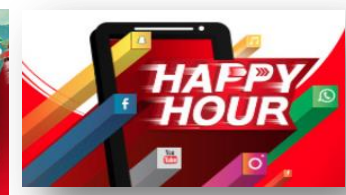
2,233k
Hotlink FAST Users

- Prepaid ARPU holding steady at RM42 per month
- Launched refreshed MI passes end of Q3
- Price-focused competition and declining RGS base from SIM consolidation impacted revenue

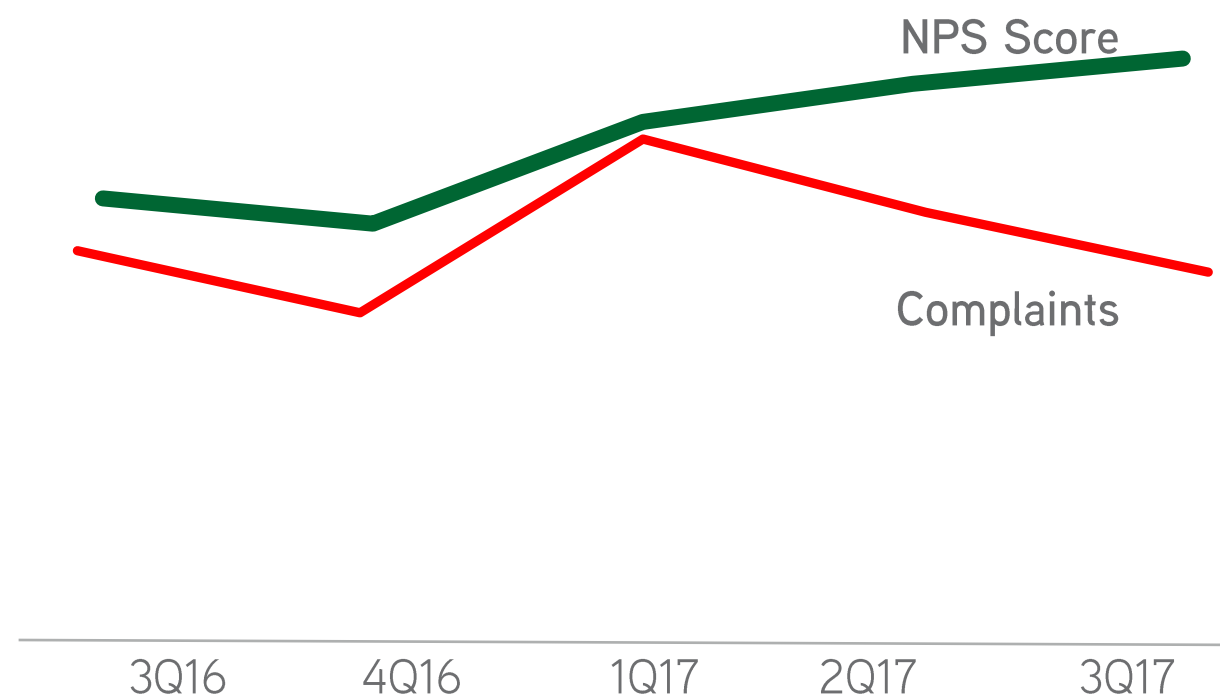
**SURF ALL YOU WANT
WITH HOTLINK HAPPY
HOUR!**

HOTLINK

No.1 4G



Service-oriented culture driving customer satisfaction



All-time high TP-NPS!

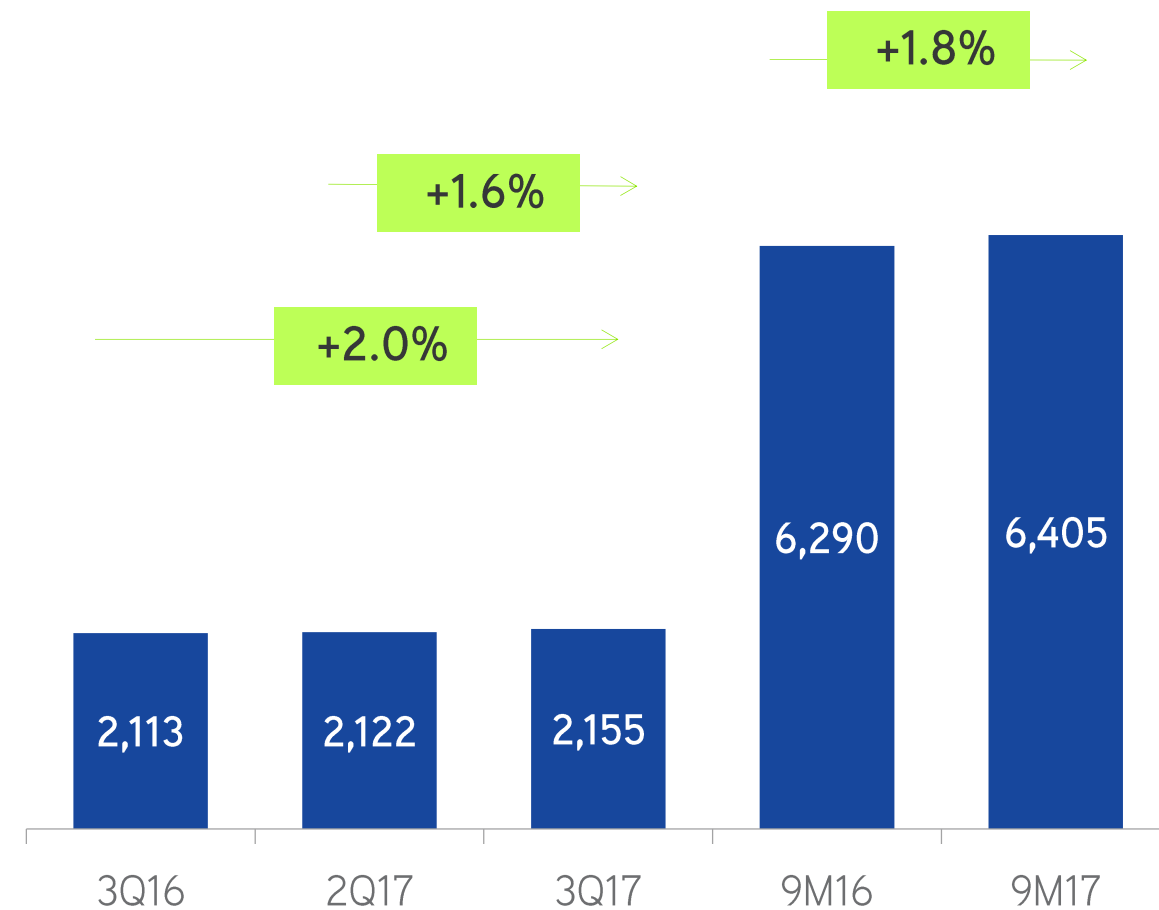
+52

- Service-oriented and customer-focused; driving positive results with another all-time high TP-NPS for the quarter
- First contact resolution rate consistently ~90%

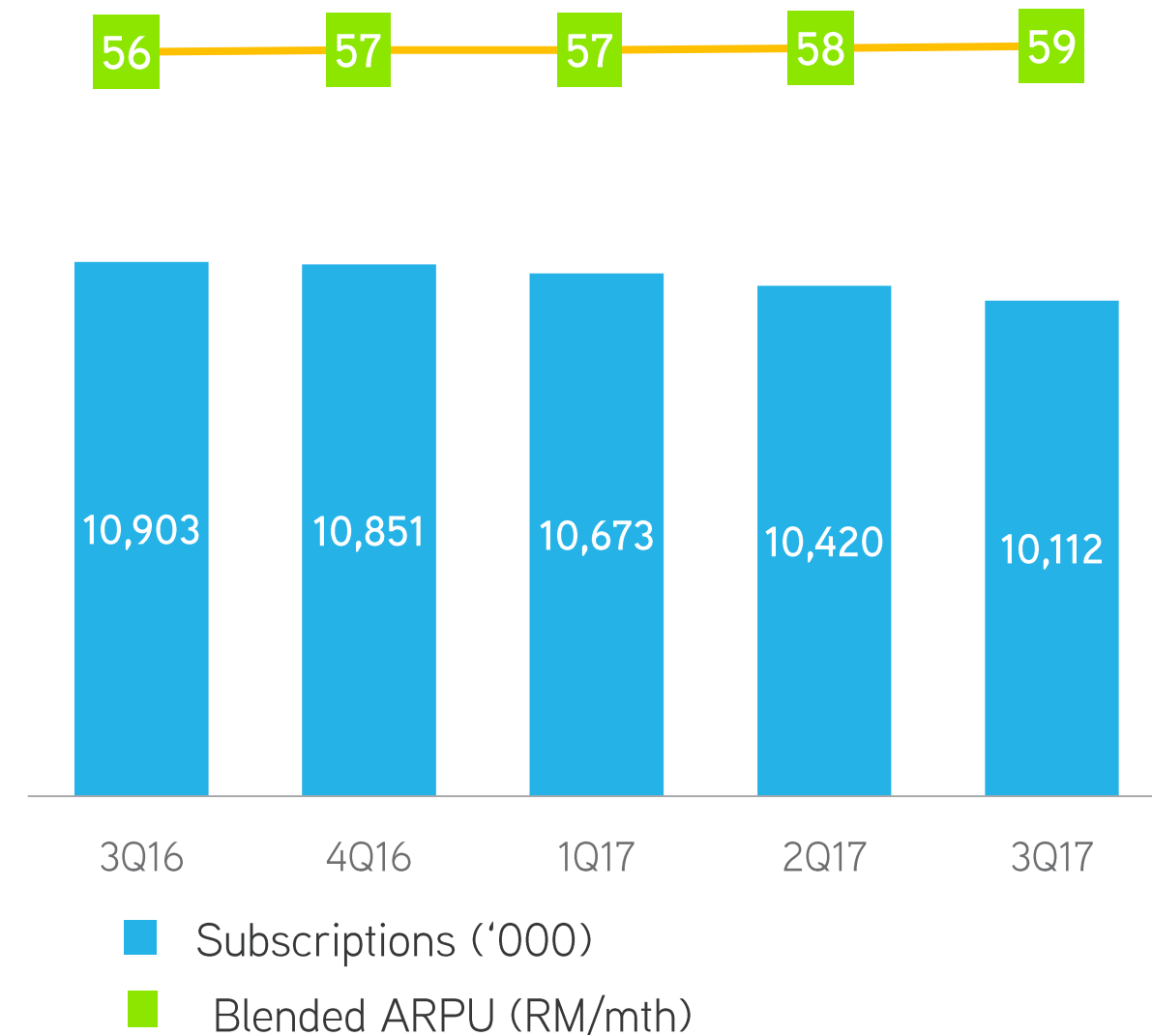


Sustained growth in service revenue and blended ARPU

Service Revenue (RM mn)



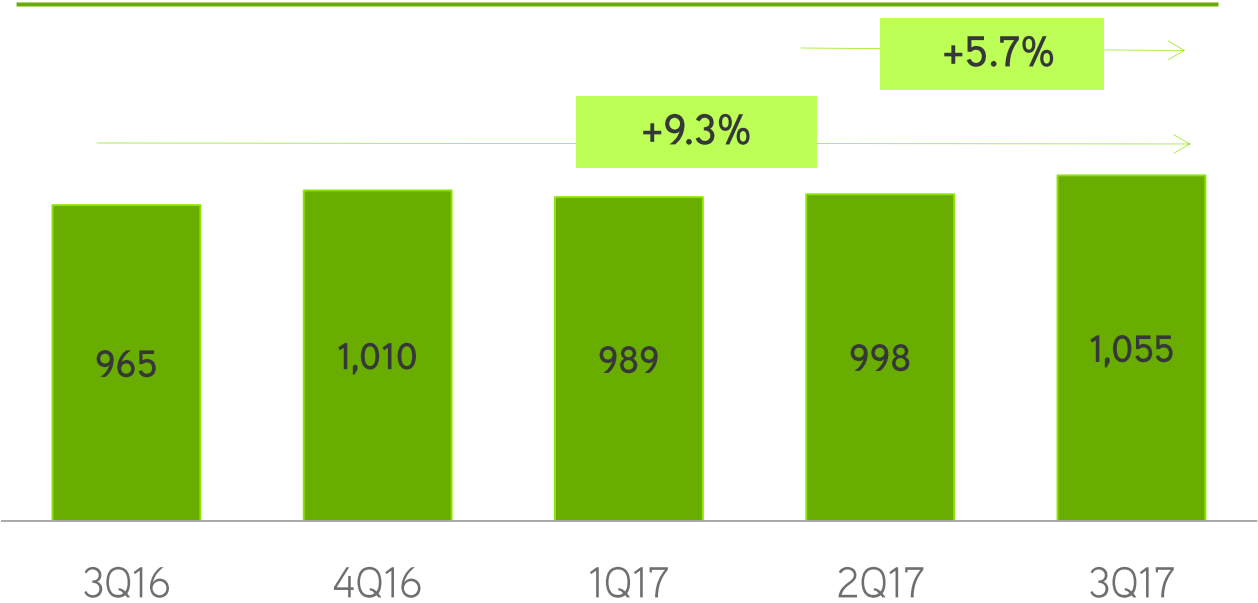
Total RGS and Blended ARPU



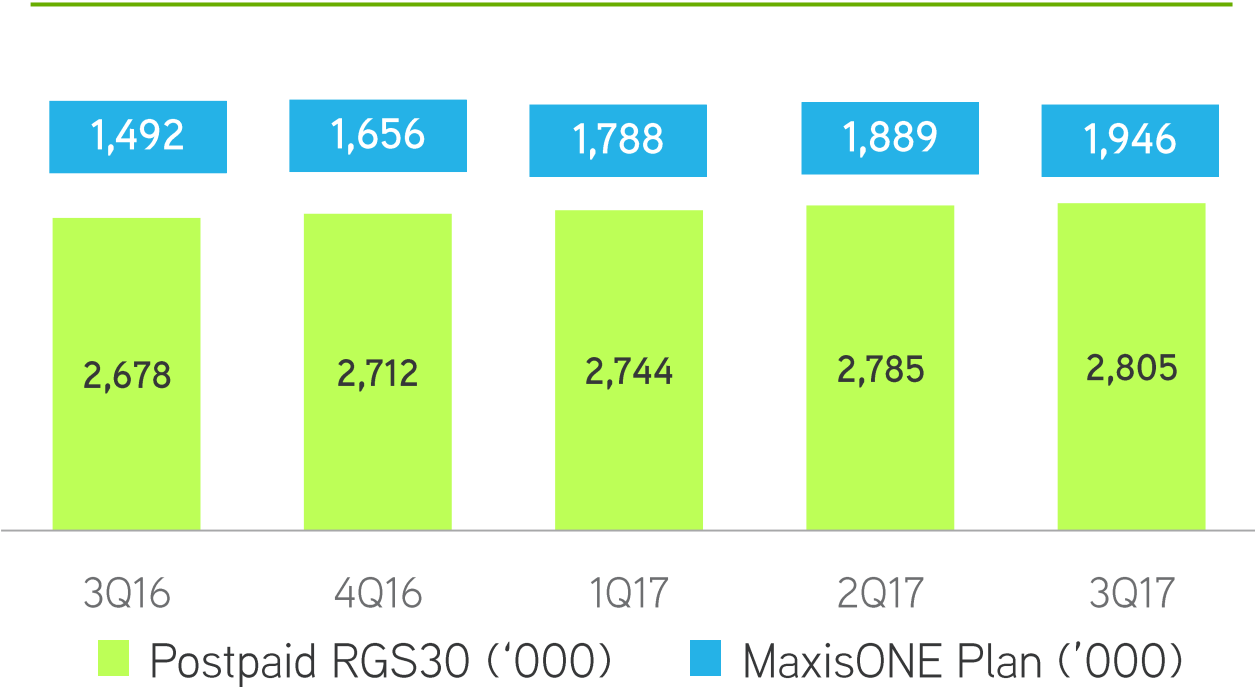
High Postpaid revenue, driving value from base

Sustained positive net additions, at stable and high ARPU

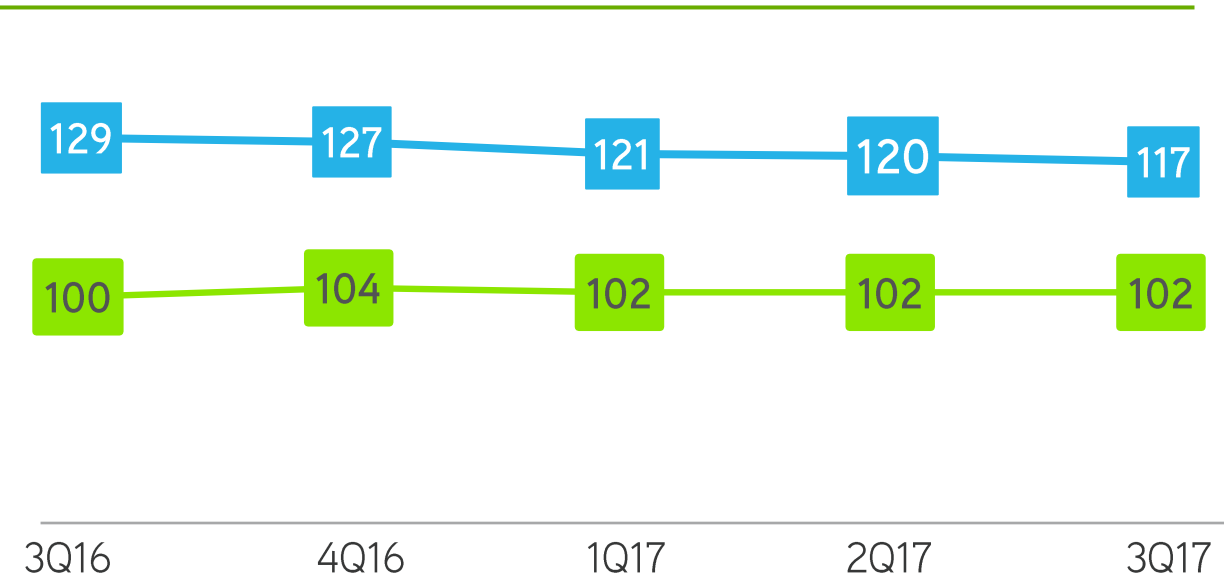
Postpaid Revenue



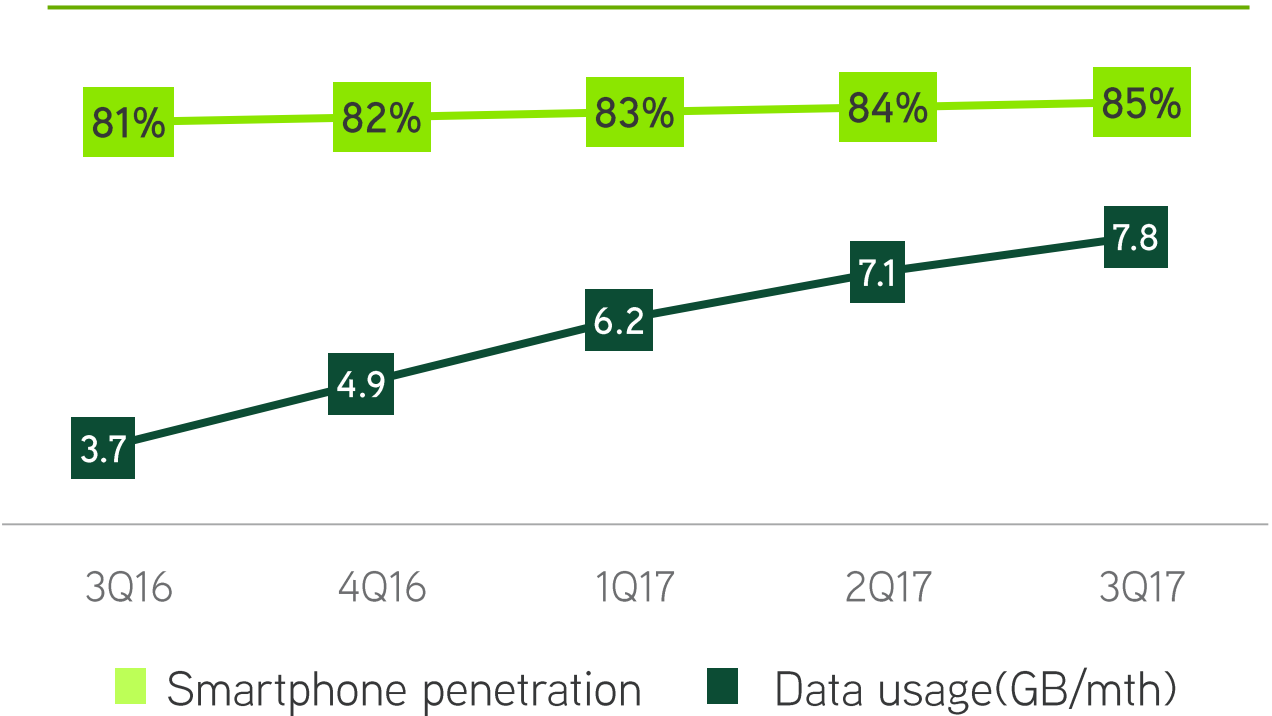
Subscriptions



ARPU



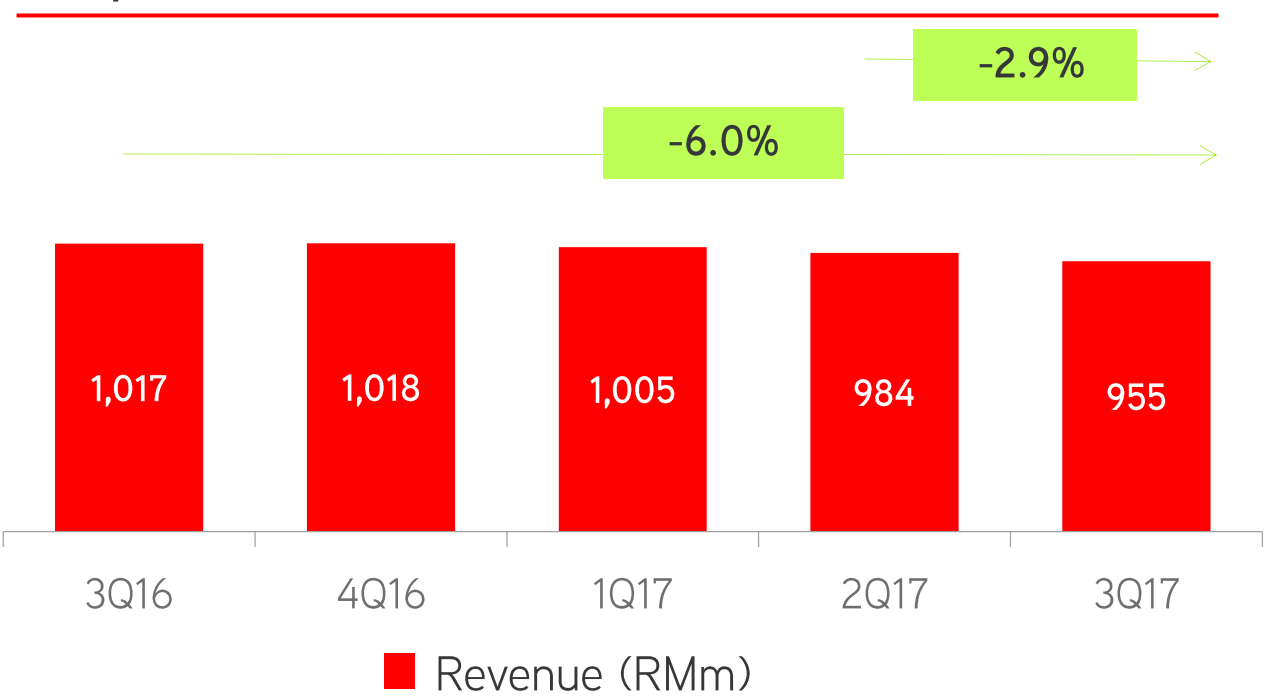
Data usage and Smartphone penetration



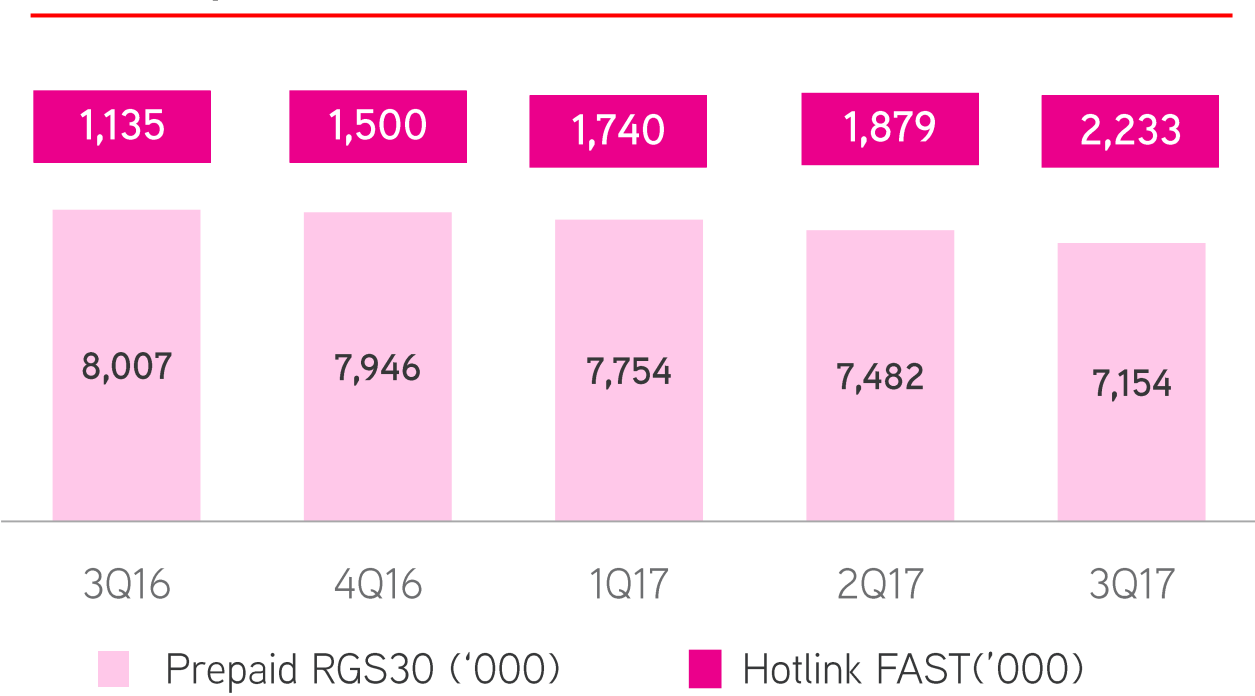
Retained leading position in 4G Prepaid

Sustained high and stable ARPU

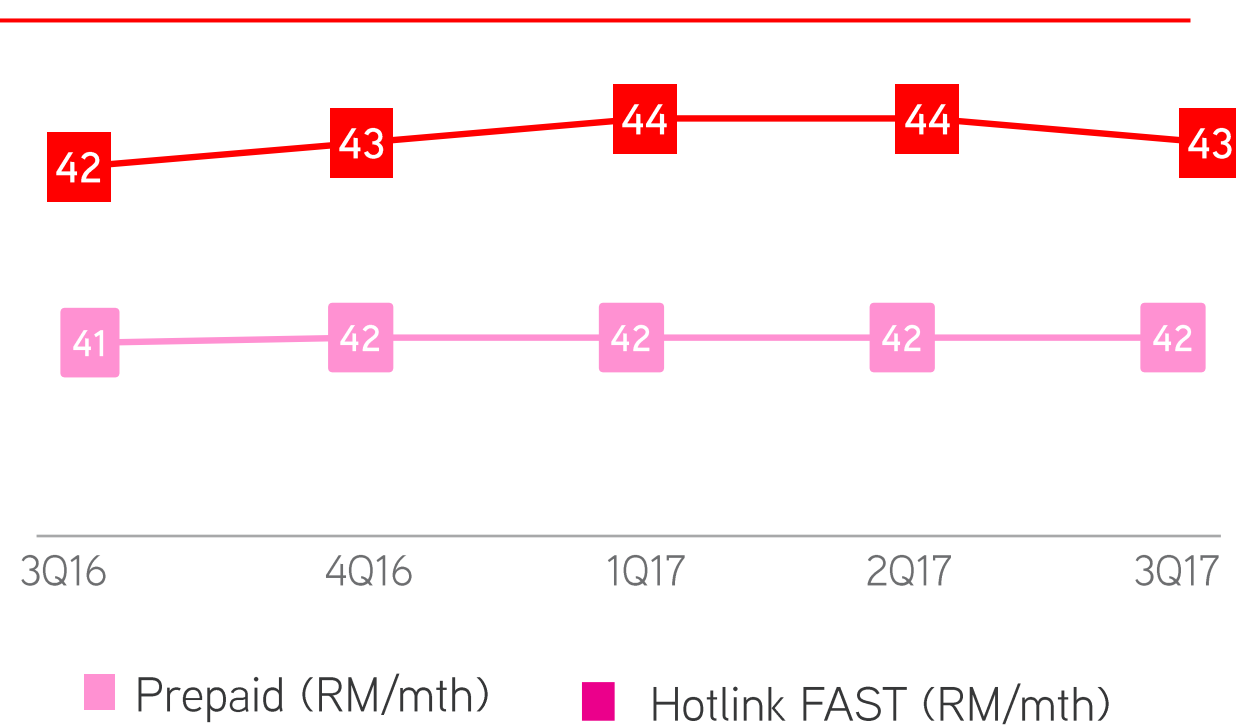
Prepaid Revenue



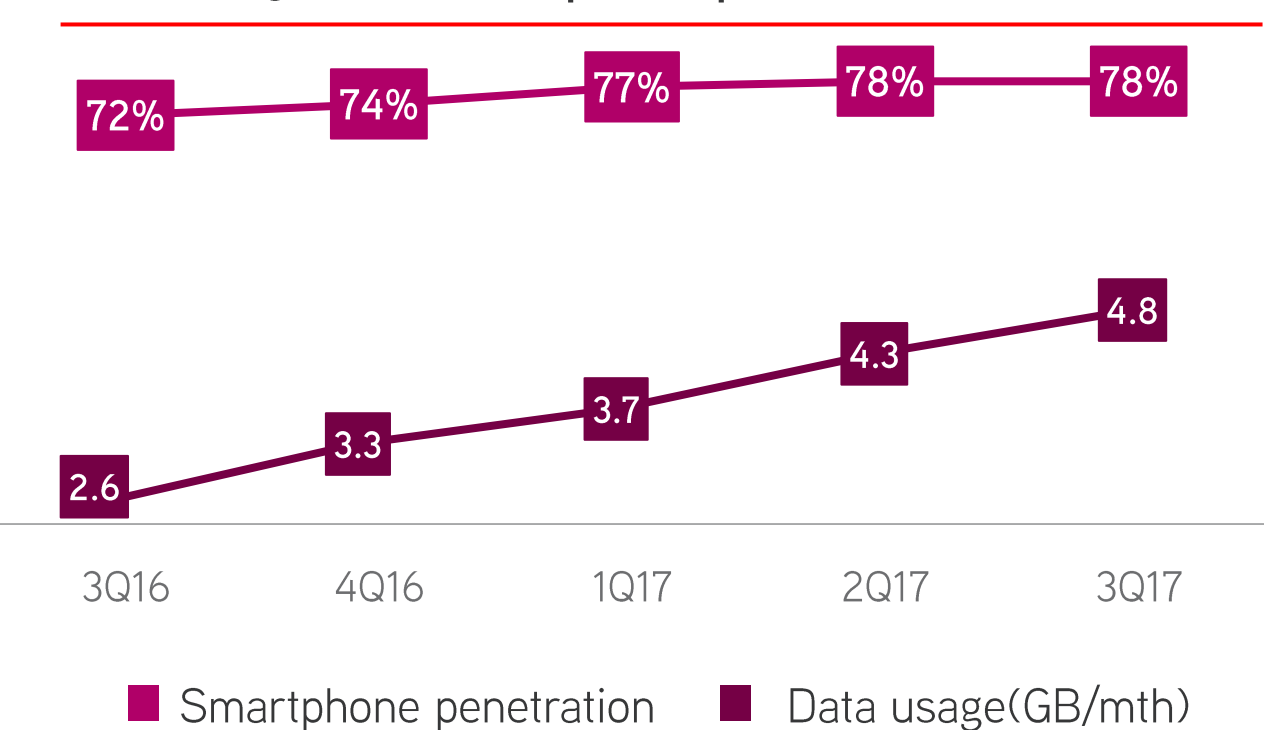
Subscriptions



ARPU

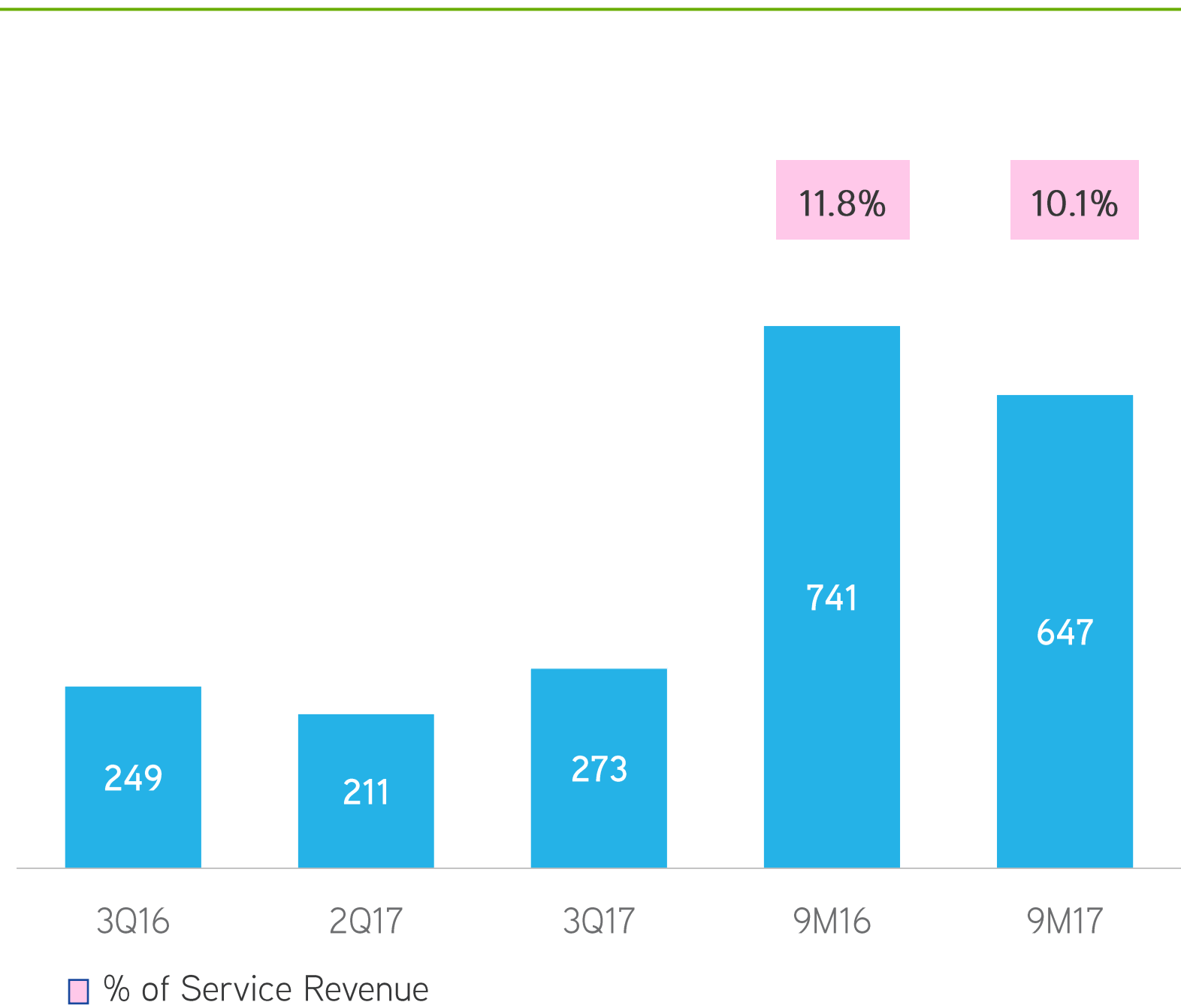


Data usage and Smartphone penetration



Focusing on quality with emphasis on indoor

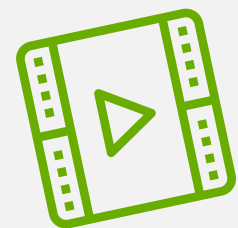
CAPEX (RM mn)



Highlights



Largest 4G LTE population coverage nationwide; @ **89%** on comparable peer basis



Fastest network with **Best YouTube HD** streaming



LTE usage **nearly doubled to an average 7.4GB** per month from 4.4GB per month YoY

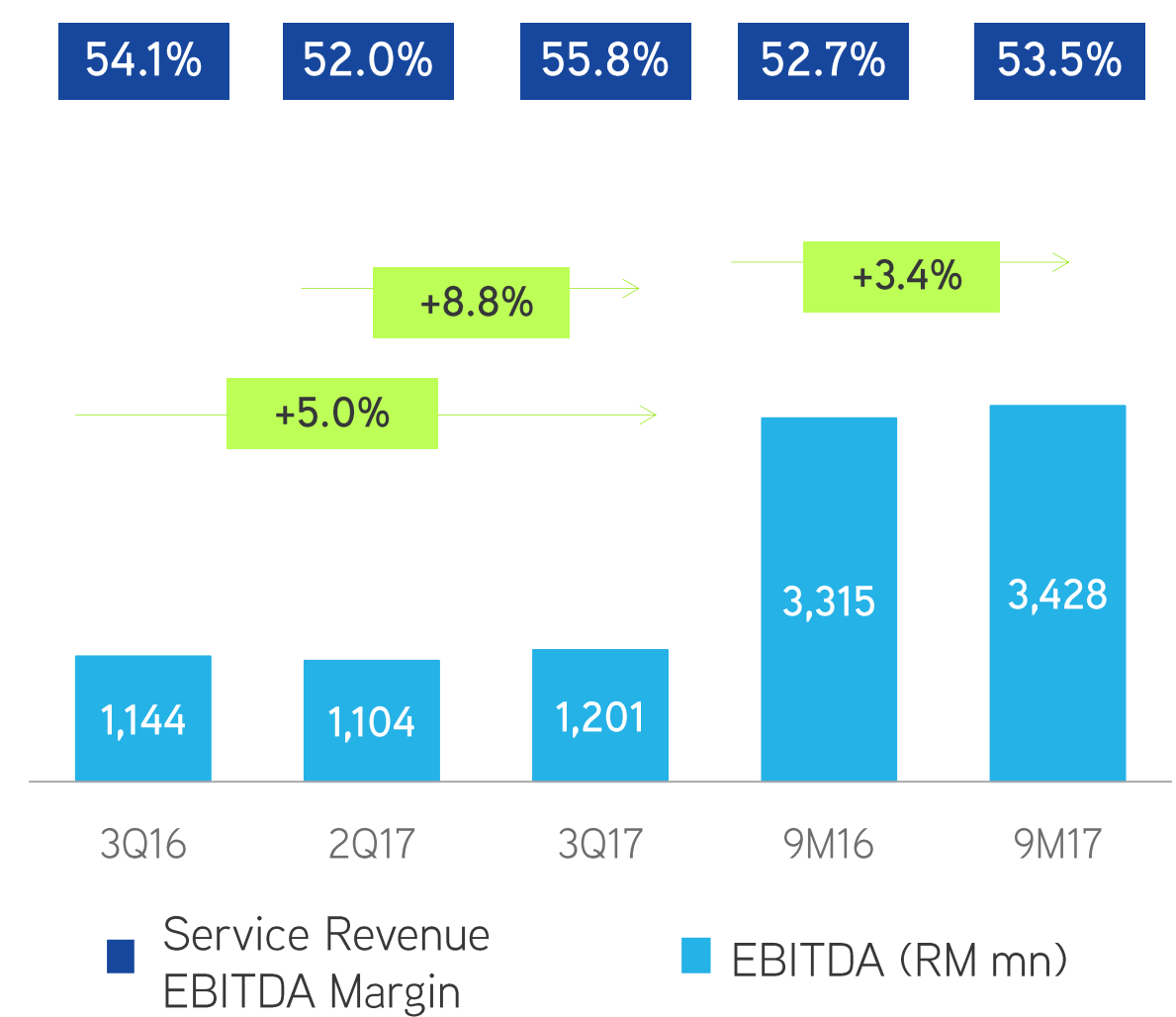


More than **2/3** of our users now have 4G smart-phones

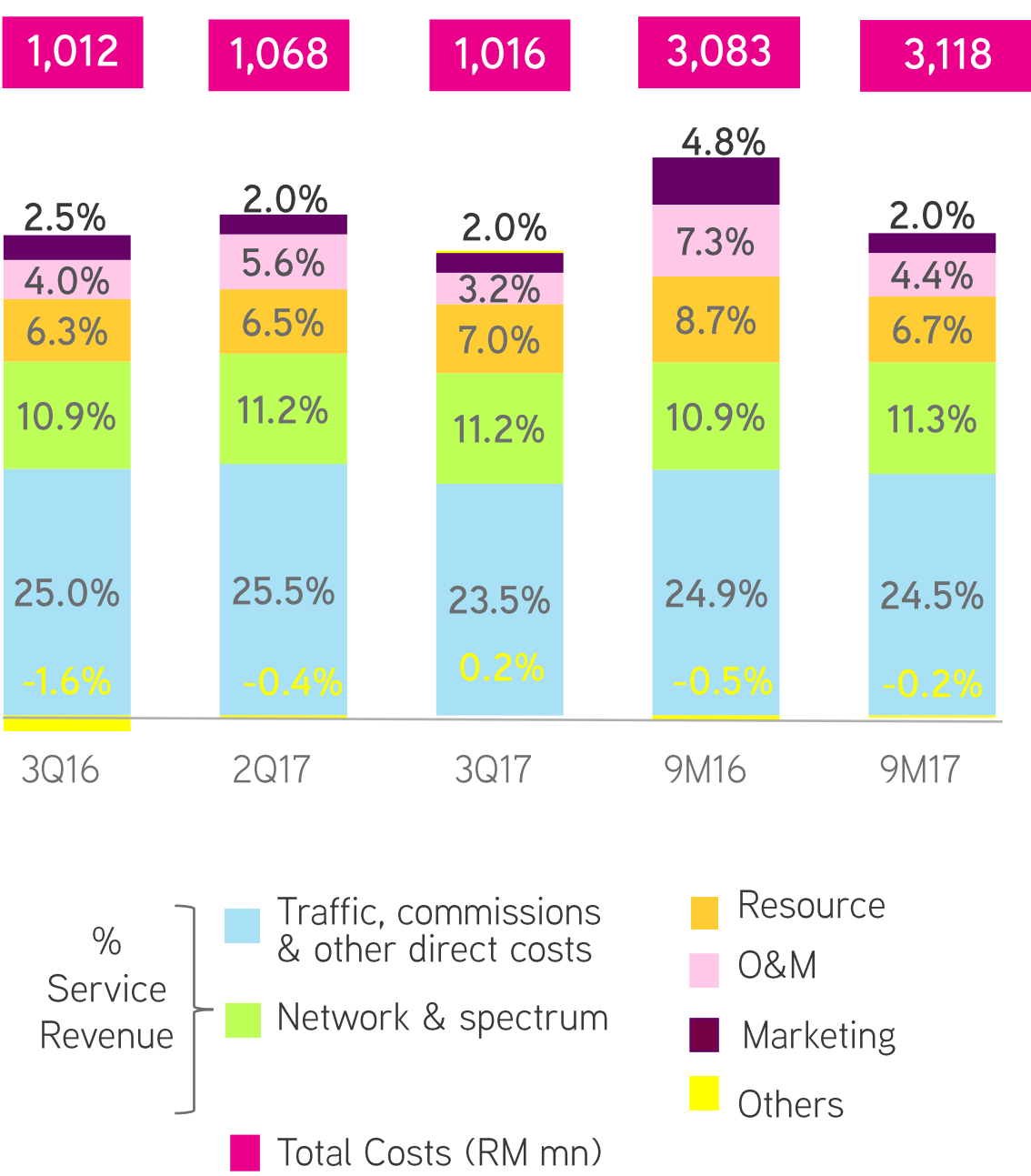


Underlying strong EBITDA supported by cost optimisation initiatives

Normalised EBITDA

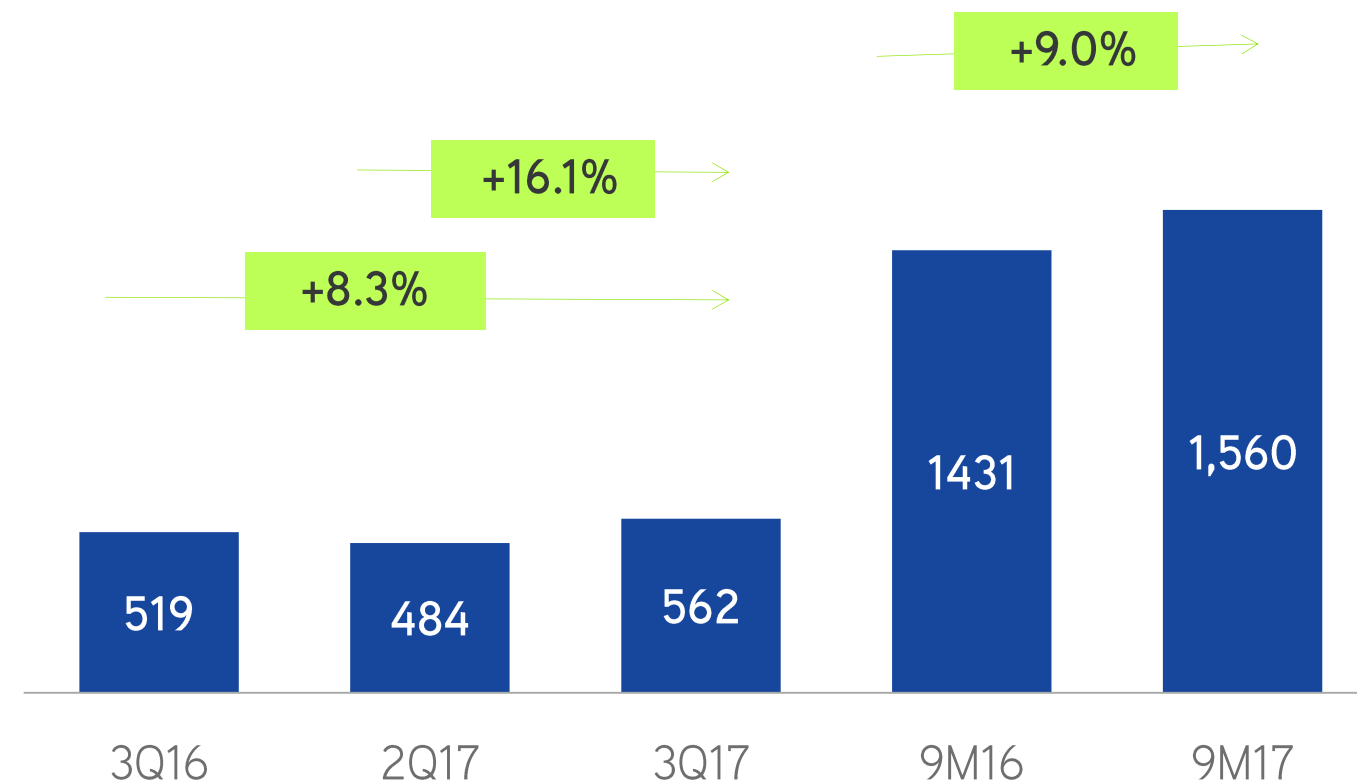


Normalised Cost Development



Profit after Tax up on higher EBITDA

Normalised Profit after Tax (RM mn)



QoQ PAT higher on account of higher EBITDA



Excludes RM37 million unrealised forex gains (9M16: RM33 million unrealised forex gains), nil accelerated depreciation charges (9M16: RM16 million), nil reversal of contract obligation provision (9M16: RM36 million), RM11 million upfront spectrum assignment fees charged out (9M16: nil) and RM47 million reduction of service fees (9M16: RM11 million charge in service fee)



Summary

3Q17

- Solid momentum driven by strong focus on unmatched customer experience leveraging on leading network
- High EBITDA from continued cost optimisation initiatives

Outlook

- Comfortable with guidance:
 - Service revenue, absolute EBITDA and base capex at similar levels to FY2016

Priorities

- Moving from products to solutions and going all-out digital
- Continue to create unmatched customer experience
- Maintain network advantage through scalable capacity design and indoor experience



Key Financials

(RM mn)	3Q16	2Q17	3Q17	QoQ	YoY	YTD
Service revenue	2,113	2,122	2,155	+1.6%	+2.0%	+1.8%
EBITDA	1,144	1,104	1,201	+8.8%	+5.0%	+3.4%
EBITDA margin on service revenue	54.1%	52.0%	55.8%	+3.8pp	+1.7pp	+0.8pp
Profit after tax	519	484	562	+16.1%	+8.3%	+9.0%
Free cash flow	520	290	428	+47.6%	-17.7%	-27.5%
Prepaid revenue	1017	984	955	-2.9%	-6.0%	-1.1%
Postpaid revenue	965	998	1,055	+5.7%	+9.3%	+3.4%
Capex	249	211	273			
Dividend per share (sen)	5	5	5			

EBITDA, EBITDA margin and Profit After Tax on normalised basis



Q & A



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Appendices



The advertisement features a central graphic with the text "MAXIS ONE Business" in large, bold, green and yellow letters. Below this, a green box contains the tagline "ONE DESTINATION, MANY SOLUTIONS". Surrounding this central hub are various business solutions, each represented by a colored line and an icon: "Fixed & Mobile Communications" (blue line, smartphone icon), "Payment Solutions" (yellow line, calculator icon), "E-Commerce Solutions" (pink line, globe icon), "Workforce Management" (green line, people icon), "Fleet & Asset Tracking" (yellow-green line, truck icon), "Unified Communications Solutions" (blue line, multiple smartphone icons), "Satellite Communication Solutions" (yellow line, satellite dish icon), "Productivity Tools" (dark blue line, checklist icon), "Office Internet" (yellow line, Wi-Fi router icon), and "Security Solutions" (green line, shield icon). At the bottom, a yellow box contains the text "ONE Partner for your business communications and solutions needs. Want to digitalise your business but don't know where to start? As a one-stop solutions provider, we offer various solutions for different business needs, backed by 24/7 expert technical support. We'll take care of everything, so you can focus on growing your business." Below this, four green boxes highlight key benefits: "No.1 network for digital solutions" (Powered by the best 4G network), "Always on fixed connectivity" (Reliable, high-speed wired Internet services), "Widest range of business solutions" (Tailored to your business needs), and "Maxperts support" (24/7 on-call tech troubleshooting and support). The Maxis logo is in the bottom right corner. At the very bottom, a line of text reads: "Talk to our experts now, walk into the nearest Maxis Centre or call 1-700-818-881. Find out more at maxis.com.my/onebusiness".

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No.1 network for digital solutions Powered by the best 4G network	Always on fixed connectivity Reliable, high-speed wired Internet services	Widest range of business solutions Tailored to your business needs	Maxperts support 24/7 on-call tech troubleshooting and support
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Maxis Broadband Sdn.Bhd. (234053-D)

Important definitions/notations

- **Service Revenue:** Group revenue excluding device, hubbing revenues and network income
- **EBITDA margin on Service Revenue:** EBITDA as percentage of service revenue
- **Normalised PAT:** Adjusting for net of tax effects: (i) accelerated depreciation of RM 3 million in 3Q16 and nil in 2Q17; (ii) unrealised forex (gains)/losses of RM7 million in 3Q16 and (RM39 million) in 2Q17; and (iii) service fee (reduction)/charged of RM4 million in 3Q16 and (RM51 million) in 2Q17
- **Free Cash Flow:** Cash Flow from Operating Activities – Cash Flow from Investing Activities – Interest paid – Finance lease repayment
- **Revenue generating subscriber/subscription (RGS30):** Defined as active line subscriptions and exclude those that do not have any revenue generating activities for more than 30 days
- **Smart-phone:** Any device with growing apps stores and active developers



Normalised Consolidated Income Statement

(RM mn)	3Q16	4Q16	1Q17	2Q17	3Q17	QoQ	YoY
Revenue	2,156	2,214	2,157	2,172	2,217	+2.1%	+2.8%
Expenses	(1,012)	(1,027)	(1,034)	(1,068)	(1,016)	-4.9%	+0.4%
EBITDA	1,144	1,187	1,123	1,104	1,201	+8.8%	+5.0%
EBITDA Margin	53.1%	53.6%	52.1%	50.8%	54.2%	+3.4pp	+1.1pp
Depreciation	(261)	(266)	(240)	(238)	(264)		
Amortisation	(83)	(90)	(97)	(98)	(98)		
Others	(4)	10	(2)	-	(2)		
EBIT	796	841	784	768	837	+9.0%	+5.2%
Interest Expenses	(111)	(123)	(109)	(122)	(120)		
Interest Income	13	14	14	15	20		
PBT	698	732	689	661	737	+11.5%	+5.6%
Tax	(179)	(185)	(175)	(177)	(175)		
PAT	519	547	514	484	562		



Reported Consolidated Income Statement

(RM mn)	3Q16	4Q16	1Q17	2Q17	3Q17	QoQ	YoY
Revenue	2,156	2,214	2,157	2,172	2,217	+2.1%	+2.8%
Expenses	(1,026)	(1,056)	(1,046)	(949)	(1,026)	+8.1%	+0.0%
EBITDA	1,130	1,158	1,111	1,223	1,191	-2.6%	+5.4%
EBITDA Margin	52.4%	52.3%	51.5%	56.3%	53.7%	-2.6pp	+1.3pp
Depreciation	(265)	(294)	(240)	(238)	(264)		
Amortisation	(83)	(90)	(97)	(98)	(98)		
Others	(4)	10	(2)	-	(2)		
EBIT	778	784	772	887	827	-6.8%	+6.3%
Interest Expenses	(111)	(123)	(109)	(122)	(120)		
Interest Income	13	14	14	15	20		
PBT	680	675	677	780	727	-6.8%	+6.9%
Tax	(175)	(170)	(172)	(206)	(173)		
PAT	505	505	505	574	554	-3.5%	+9.7%



Cash Flow Statement

(RM mn)	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Cash flow from operating activities	1,129	994	272	723	841	977
Cash flow used in investing activities	(486)	(345)	(760)	(366)	(450)	(425)
- Purchase of property, plant & equipment	(417)	(271)	(616)	(243)	(351)	(341)
- Proceeds from disposal of PPE	-	1	25	1	-	3
- Purchase of intangible assets	(69)	(75)	(149)	(124)	(99)	(84)
- Maturities of deposits^	-	-	(20)	-	-	(3)
Cash flow before financing activities	643	649	(488)	357	391	553
Cash flow used in financing activities	(456)	(926)	454	(480)	(476)	(298)
- Dividends paid	(375)	(376)	(375)	(376)	(375)	(390)
- Debt drawdown	3,500	840	3,450	744	-	-
- Debt repayment	(3,500)	(1,261)	(2,478)	(766)	-	(1,439)
- Payment of finance costs	(80)	(128)	(121)	(82)	(99)	(122)
- Acquisition of additional interest in subsidiary	-	-	(16)	-	-	-
- Proceeds from issuance of shares	-	-	-	-	-	1,655
- Others	(1)	(1)	(6)	-	(2)	(2)
Net change in cash & cash equivalents	187	(277)	(34)	(123)	(85)	254
Opening cash & cash equivalents	786	973	696	662	539	454
Closing cash & cash equivalents^	973	696	662	539	454	708

^ The difference between cash & cash equivalents and deposits, cash and bank balances represent deposits with banks that have maturity periods of more than 3 months



Financial Ratios

(RM mn)	2Q17	3Q17
Debt#	9,294	7,839
Deposits, cash & bank balances^	475	731
Net Debt	8,819	7,108
Total Equity	6,688	6,865

(Ratios)	2Q17	3Q17
Net debt-to-EBITDA*	1.89x	1.51x
Net debt-to-Equity	1.32x	1.04x

Notes:

- # Includes derivative financial instruments designated for hedging relationship on borrowings; excludes vendor financing
- * EBITDA calculated as annualised YTD EBITDA
- ^ The difference between cash & cash equivalents and deposits, cash and bank balances represent deposits with banks that have maturity periods of more than 3 months



Revenue Composition

(RM mn)	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total revenue	2,166	2,176	2,140	2,102	2,156	2,214	2,157	2,172	2,217
Service revenue	2,154	2,155	2,122	2,055	2,113	2,165	2,129	2,122	2,155
- Mobile	2,046	2,047	2,005	1,934	1,982	2,028	1,994	1,982	2,010
- Enterprise Fixed	63	61	67	67	74	78	72	76	75
- Integrated Services	45	47	50	54	57	59	63	64	70
Non-service revenue	12	21	18	47	43	49	28	50	63
- Device	4	12	12	12	23	26	7	24	35
- Hubbing	4	4	2	0	0	2	1	5	7
- Network income	4	5	4	35	20	21	20	21	20

(RM mn)	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Mobile revenue	2,046	2,047	2,005	1,934	1,982	2,028	1,994	1,982	2,010
- Prepaid	1,070	1,035	1,008	956	1,017	1,018	1,005	984	955
- Postpaid	976	1,012	997	978	965	1,010	989	998	1,055

Notes:

Commencing 1Q15, further breakdowns of mobile revenue are not disclosed as we are not applying fair value to new bundled plans including the MaxisONE Plan

Commencing 2Q16, retrospectively, network income has been re-classified as non-service revenue

Commencing 1Q17, retrospectively, all inbound roaming revenue are parked under Postpaid revenue



Normalised Financials and Costs

(RM mn)	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total revenue	2,102	2,156	2,214	2,157	2,172	2,217
Total expenses	1,092	1,012	1,027	1,034	1,068	1,016
- Traffic, commissions & other direct costs	534	537	528	521	541	507
- Spectrum license fees	36	40	37	41	42	44
- Network	209	195	206	203	195	199
- Staff & resource	135	136	132	143	137	150
- Marketing	63	53	45	39	43	43
- Operation & maintenance	113	86	104	97	119	68
- Others	2	(35)	(25)	(10)	(9)	5
- Allowance for doubtful debts, net	24	22	17	16	18	31
- Government grants & other income, net	(22)	(57)	(42)	(26)	(27)	(26)
EBITDA	1,010	1,144	1,187	1,123	1,104	1,201
PBT	568	698	732	689	661	737
PAT	424	519	547	514	484	562
EBITDA Margin	48.0%	53.1%	53.6%	52.1%	50.8%	54.2%
PAT Margin	20.2%	24.1%	24.7%	23.8%	22.3%	25.3%



Reported Financials and Costs

(RM mn)	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Total revenue	2,102	2,156	2,214	2,157	2,172	2,217
Total expenses	1,052	1,026	1,056	1,046	949	1,026
- Traffic, commissions & other direct costs	538	542	532	526	474	507
- Spectrum license fees	36	40	37	41	42	58
- Network	209	195	206	203	195	199
- Staff & resource	135	136	132	143	137	150
- Marketing	63	53	45	39	43	43
- Operation & maintenance	69	95	129	104	67	64
- Others	2	(35)	(25)	(10)	(9)	5
- Allowance for doubtful debts, net	24	22	17	16	18	31
- Government grants & other income, net	(22)	(57)	(42)	(26)	(27)	(26)
EBITDA	1,050	1,130	1,158	1,111	1,223	1,191
PBT	648	680	675	677	780	727
PAT	483	505	505	505	574	554
EBITDA Margin	50.0%	52.4%	52.3%	51.5%	56.3%	53.7%
PAT Margin	23.0%	23.4%	22.8%	23.4%	26.4%	25.0%



RGS30 and ARPU

	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Mobile subscription ('000)									
Total	11,956	11,579	11,164	11,015	10,903	10,851	10,673	10,420	10,112
- Prepaid	8,850	8,520	8,196	8,108	8,007	7,946	7,754	7,482	7,154
- Postpaid	2,784	2,765	2,696	2,660	2,678	2,712	2,744	2,785	2,805
- WBB	322	294	272	247	218	193	175	153	153
ARPU (RM/month)									
Blended	53	54	55	54	56	57	57	58	59
- Prepaid	39	39	39	38	41	42	42	42	42
- Postpaid	98	102	102	102	100	104	102	102	102

Note:
WBB subscriptions defined as subscriptions on data plans using USB modems and tablets



Data usage and smart-phone penetration

	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Data usage (GB/month)									
Blended	1.35	1.54	1.63	2.21	2.84	3.66	4.29	5.02	5.59
- Prepaid	1.26	1.44	1.55	2.00	2.60	3.27	3.67	4.29	4.78
- Postpaid	1.72	1.88	1.93	2.95	3.67	4.93	6.17	7.13	7.75
(%)									
Smart-phone penetration									
Blended	67	69	70	70	74	76	78	79	80
- Prepaid	65	67	67	68	72	74	77	78	78
- Postpaid	75	76	77	80	81	82	83	84	85

Note:
 Smart-phone defined as any device with growing apps store and active developers



Market Definition Subscription, ARPU and MOU

	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17
Mobile subscription ('000)									
Total	13,110	12,694	12,310	12,249	12,046	11,926	11,808	11,661	11,269
- Prepaid	9,927	9,567	9,279	9,273	9,085	8,960	8,820	8,653	8,255
- Postpaid	2,817	2,802	2,729	2,700	2,718	2,758	2,800	2,842	2,849
- WBB	357	325	302	276	243	208	188	166	165
('000) Mobile internet users	9,000	8,800	8,500	8,400	8,500	8,700	8,600	8,500	8,300
(000) Home connections	107	118	126	133	139	146	153	159	163
ARPU (RM/month)									
Blended	49	50	50	49	50	52	52	52	53
- Prepaid	35	35	35	34	36	37	37	37	37
- Postpaid	97	1,02	101	101	100	1,04	101	101	101
MOU (minutes/month)									
- Prepaid	134	129	141	162	155	138	136	131	133

Notes:

- WBB subscriptions defined as subscriptions on data plans using USB modems and tablets
- Commencing 1Q15, postpaid MOU is no longer disclosed as we are not applying fair value to new bundled plans including the MaxisONE Plan



