







CEO's Statement

“As a proud homegrown Malaysian brand, Maxis has always been committed to the country’s digital ambitions through our leading converged network.”



2021 Highlights:

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The overall business operating environment continued to be challenging in 2021. The ongoing effects of the pandemic on the entire world has accelerated an existential challenge for the telecommunications industry. Service providers are facing not only increased demand for data, speed and reliability, but also downward pricing pressure. To optimise operations and prepare for the advent of 5G, providers must continue to increase capital expenditure and seek out innovative new services.

At Maxis, we see this as a pivotal moment and tipping point in the digital journey of the nation. Malaysia has done well in terms of digital adoption, thanks to strong infrastructure, innovative companies and a digitally savvy population. But the need for digitalisation has become much more of a necessity, especially among SMEs and corporates with greater demands for online transactions and cost efficiencies in business. This has, in turn, increased the demand for faster internet speeds and better quality of service.

As a proud home-grown Malaysian brand, Maxis has always been committed to the country’s digital ambitions through our leading converged network. As we gear up to deliver on the exciting promise of 5G technology, we are also focused on strengthening our 4G network, both in terms of coverage and experience, in line with the nation’s JENDELA initiative. With our convergence strategy, we remain committed to bringing together the best of technologies to enable individuals, businesses and the nation to Always Be Ahead in a fast-changing world.

In 2021, we remained committed to this brand promise across all fronts — from consumers, enterprises and network to our people, sustainability and services.

Our continuous investments and collaboration over the last two decades have resulted in a strong network of communities and the most extensive converged network in the country. In February 2022, Maxis declared its commitment to empowering all Malaysians and businesses in the country to

“Together, we look forward to building and strengthening this *rangkaian*, and achieving immense possibilities together as a nation.”

be connected in every possible way, at all times, with the launch of our brand campaign, *Rangkaian Kita Rangkaian Malaysia (RKRM)*. RKRM represents the reinforcement and deepening of our Always Be Ahead brand purpose and is driven by our evolution from a mobile telecommunications provider to a connectivity and digital solutions expert that offers solutions for every segment. The spirit of RKRM is about celebrating diversity and we will continue to serve people from all walks of life based on each of their unique requirements. Together, we look forward to building and strengthening this *rangkaian*, and achieving immense possibilities together as a nation.





Year in Review (FY2021)

A BUSINESS RESILIENCY

Without a doubt, the operating environment was impacted as a result of the pandemic and the various movement restrictions over the course of the year.

Despite these circumstances, Maxis performed relatively well in 2021; our financial performance remained largely unaffected, especially due to our agility in responding with measures to mitigate COVID-19. We remained committed to protecting the health and safety of our employees, network and systems as well as fully supporting our customers, suppliers and communities.

B MAX STRATEGY

In 2021, we continued to execute our MAX Plan across the three strategic pillars as we strengthened our position as the leading converged solutions company in Malaysia.

Despite the challenging conditions, our consumer mobile business was resilient as a result of the rigorous optimisation of our core customer base. We introduced higher-value offerings, used analytics to improve customer retention and focused on further digitalising our platforms and channels. Our Enterprise business registered growth during the year under review on the back of solid partnerships and innovative digital solutions.

We continued to not only expand coverage, but also invest in enhancing the quality and efficiency of our networks for our customers to enjoy an Unmatched Personalised Experience at all times. We also expanded our range of digital tools to not only help improve the accessibility of our products and services, but also to provide the best experience across all touchpoints.

In 2021, we invested in upgrading mobile network sites and expanding our fibre footprint to strengthen our converged network experience. Our Fibre business also continued to grow, largely due to new product innovation and excellent service from 'Maxperts', our very own internet experts.

Throughout the year, we continued to place strong emphasis on our MaxisWay 2.0 culture. We established a five-year Talent Strategy Roadmap and took steps to ensure a continued diverse and inclusive workplace. We struck partnerships with 13 higher education institutions and six talent partners and utilised a data-driven talent

acquisition approach to enhance right-fit hiring and improve efficiency. The agility of our MAX Plan in enabling strong performance despite a challenging operating environment is a reinforcement that our convergence and growth strategy is the right one for Maxis.

M MAXIS FOR ALL

Individuals, Homes and Businesses

- Continue to Win in Consumer Mobile
- No. 1 Convergence Player
- Grow Enterprise Exponentially

A ACHIEVE UPE

Differentiated & Digital "Unmatched Personalised Experience" (UPE)

- Expand Customer Touchpoints
- Maintain Network and Technology Leadership
- Leverage Digitalisation to Enhance Capabilities

X MAXIS WAY

World Class Effective and Efficient Organisation

- Evolve the Organisation with the Right Culture, Talent & Capability
- XLR8 the Velocity of Change
- Elevate Maxis as a Highly Influential Corporate Citizen

C FINANCIAL PERFORMANCE

Maxis' solid performance during the year under review was the result of our convergence strategy bearing fruit as we doubled down on the MAX Plan, despite the disruptions in the external business environment.

Service revenue grew by 1.9% to RM7,980 million, on the back of a resilient core business and growth in our Fibre broadband business.

Normalised EBITDA was RM3,898 million, registering a normalised EBITDA margin on service revenue of 48.8%. Net profit dipped 5.4% to RM1,308 million, mainly attributed to the continued heavy investments to strengthen the Maxis network, enterprise solutions and fibre coverage, as well as prudent adoption of reduced spectrum life, which resulted in high depreciation and amortisation costs. Importantly, operating free cash flow remained strong, increasing 7.3% to RM3,906 million. Maxis recognises the importance of dividends to its equity shareholders and that a prudent dividend preserves an optimal capital structure that protects our core business during this time of uncertainty.

Maxis Fibre saw healthy growth with increased home fibre connections. Our fibre network, coupled with High-Speed Broadband access agreements, spans over 21,000 km, giving us access to 5.5 million premises, an achievement that is key to our position as the leading converged solutions company and has enabled us to grow our Home subscribers to over half a million.



Maxis Business capitalised on its strong position as an essential SME technology partner, registering growth as more and more SMEs embraced digitalisation in the wake of the disruptions.

Our Finance and Collections team, meanwhile, continued to focus on prudent cash management and a rigorous credit collections programme powered by data analytics.

D OUR VALUE CREATION OUTCOMES

i. Operations

In 2021, the continued movement restrictions resulted in changing usage traffic patterns as more people worked, studied and accessed entertainment from their homes.

Having learned from 2020, Maxis had become even more agile and was able to react faster and more decisively to rapid changes. Our teams had been conducting surveys and 'virtual visits' to engage with users and get a sense of what was happening on the ground.

The pandemic also accelerated the shift to digital for our sales channels. The Maxis App gained traction in 2021 with 1.07 million users engaging with us for support, transactions and rewards. There was also growth in principal accounts using our Maxis App, up from 58.1% in 2020 to 62.1% in 2021. The Maxis online store traffic also increased this year, with our unique visitors per month increasing by 38% in 2021 as compared to 2020.

Our Enterprise business was marked by Maxis championing the digitalisation of Malaysian SMEs and enterprises to be future-ready. As a Technology Solutions Provider, we continued to assist SMEs in digital adoption under the RM5,000 SME Digitalisation Grant provided by the Malaysia Digital Economy Corporation (MDEC). During the year, we also launched the UsahaWIRA Programme, which showcased success stories of real-life 'UsahaWIRAs' (hero entrepreneurs) to inspire thousands of other entrepreneurs across Malaysia.

With enterprise grade services and cloud solutions powered by the Maxis Programmable Network, we assisted larger enterprises in responding and adapting quickly to the rapidly evolving digital landscape. We also expanded our range of solutions and technical capabilities in cloud and network security through some key acquisitions during the year, namely Peering One Sdn. Bhd. and Mykris Asia Sdn. Bhd.

In the 5G space, we announced partnerships with Malaysia Airports Holdings Berhad and Proton, respectively, for 5G services and solutions as well as the deployment of major 5G use cases. We were also the first Malaysian telco to extend 5G international roaming services to the top three ASEAN markets — Singapore, Thailand and Indonesia.



“As a result of our commitment and focus in JENDELA, we exceeded all 2021 targets in accelerating capacity for both mobile and fixed connectivity.”

Our network operations are leading the way in the industry-wide 3G sunset with our customer-first approach to migrate existing 3G users to 4G. To support our customers, we launched campaigns like our Zerolution device plan, and our 'Balas Budi dengan 4G' campaign to encourage 4G users to help their families and friends to upgrade. Our goal was to ensure that more Malaysians had greater access to affordable devices, especially for productivity and education. As a result of our commitment to and focus on JENDELA, we exceeded all 2021 targets in accelerating capacity for both mobile and fixed connectivity, such as new 4G towers, upgrading of 4G base stations and premises passed for fibre access. To date, we have completed more than 2,500 mobile sites by supporting this initiative and expanded our fibre coverage to 31,000 premises in 2021, exceeding MCMC's 2021 targets. We will continue to work with the regulator, MCMC, and the industry to make connectivity even more accessible for every Malaysian.

We have also transformed the way we run our internal operations towards becoming more digital. Our initiatives included scaling digital capabilities like Robotic Process Automation (RPA), Artificial Intelligence and Data Insights across the organisation, while establishing cadence at the leadership level to drive transparency and align our digital efforts Company-wide. These have allowed us to be more productive and efficient while enhancing value delivery to the customer.



ii. Sustainability Management

Within Maxis, our sustainability governance sits with the Strategy team, with direct oversight from the CEO's office. The Strategy team is responsible for driving our sustainability plan, with reporting guidelines based on the Global Reporting Initiative (GRI) and the FTSE4Good Bursa Malaysia Index.

Environmental Management

Our current priorities are to improve energy efficiency and reduce greenhouse gas (GHG) emissions across our network, as well as efficiently utilise resources in terms of effective office and mobile e-waste management. Our network team drives energy efficiency by using optimisation techniques in our electricity usage, cooling systems and power systems at our Technical Operations Centres (TOCs). At the individual Base Stations (BTS), we are looking into reducing the power consumption of cooling systems, optimising radio management and using hybrid solar power systems to reduce the use of diesel fuel in the generators.

Community

We believe that replenishing social capital is done by giving back to society at large, often by way of deploying resources that companies have access to, and with significant scale. Collectively, we are committed to building and connecting communities in preparation for the digital future.

As our Chairman has mentioned in his statement, our community outreach initiatives are driven by our passion for education. Through Maxis eKelas, our flagship community programme, students continue to have access to fun and vibrant learning content for free, as well as the convenience of our newly launched eKelas mobile app. Through eKelas Usahawan, we are empowering women entrepreneurs to build a stronger digital presence through workshops and webinars so they can grow their business and expand their income opportunities. For schools around the country, we are determined to provide greater access to technology through ongoing contributions of devices.

In the spirit of #KitaSapotKita, Maxis supported the national vaccination programme through in-kind contributions to frontliners at selected vaccination centres (PPVs) and by providing hotline number connectivity services for the Malaysian Red Crescent Society (MRCS), on top of sponsoring their transport and equipment. Throughout the year, Maxis continued to support communities impacted by both the pandemic and floods, with food aid in collaboration with Yayasan Kebajikan Negara and flood relief efforts.

In conjunction with Hari Kebangsaan 2021, we launched the Maxis Awards to empower Malaysian heroes who have been driving change in our communities while inspiring progress for the country. Maxis committed RM5 million over 12 months to encourage the development of impactful ideas for these communities. The first two winners were green-themed enterprises, with forward-thinking solutions for nature conservation and environmental sustainability.

Human Capital

We pride ourselves on 'the MaxisWay', our culture that makes Maxis the best place to work. One of the most important things that we did as part of that philosophy was to focus on diversity and inclusion as one of the key drivers of human capital. Diversity is a major part of talent acquisition while inclusion will help us retain talent. On talent development, the Maxis 'I Grow' enrichment programmes provide tools like LinkedIn Learning and in-house centres of excellence for mobile-based self-learning. We are also investing in the next generation of talents through financial support, internships and job opportunities. Under the Maxis Scholarship Programme 2021, Maxis awarded 21 outstanding and deserving individuals with scholarships for women, STEM, leadership and innovation.

To give our people the opportunity to give back to society, our volunteer programme, mSquad, supports all internal and external community initiatives. For fitness and well-being, we created the Move It! programme, with in-office and online fitness classes. Ultimately, we are confident that the most sustainable human capital strategy is one in which our employees can grow both professionally and personally while still on their career journey.

Another important component of employee health and well-being is safety. Our business continuity plan (BCP) ensured that while we were minimising any service interruptions to our customers, our employees would be safe regardless of where their work took them.

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FUTURE OUTLOOK

Our long-term convergence and growth strategy is already yielding results. In 2022, we will continue to be laser-focused on strengthening our industry leadership and diligently executing our strategic plan, while being guided by our Always Be Ahead brand purpose and commitment to Rangkaian Kita, Rangkaian Malaysia. Doubling down on our ambition to be the leading converged solutions provider is a blue ocean strategy in which we are no longer competing in traditional product markets with our competitors but are shifting the focus from average revenue per user (ARPU) to average revenue per account (ARPA), a paradigm shift that is driven by solutions as well as connectivity.

We will continue to focus on winning in the consumer space by accelerating our core business and offering our customers new value propositions for individuals and homes, device offerings and network differentiation. In the enterprise space, the Maxis Business brand embodies our convergence narrative and the growing stable of digital services and solutions, which will help us gain traction with Malaysian SMEs as we leverage our position as their technology and digitalisation partner.

As a desired partner in nation-building, Maxis has steadfastly supported the JENDELA initiative, and we will continue to do so in an effort that aligns with our long-term strategy to strengthen our own 4G network and fibre access.

We are also a stakeholder in the MyDIGITAL initiative and Malaysia's Shared Prosperity Vision 2030, both of which aspire to transform the nation into a full-fledged digital economy that will benefit everyone.

Last but not least, we recognise the increasing importance of sustainability across the environmental, social and governance aspects of the business. We will continue to strive to be an employer of choice, to give back to society, to support communities and the nation and to conduct our business with honesty and integrity.

We are proud to have built one of the strongest household brand names in Malaysia with a talented and diverse team. These two elements are our most valuable assets, driving our competitive advantage and laying the foundation for future growth. We remain committed to bringing together best-in-class technologies and a differentiated network to ensure that our communities, families and businesses are connected more than ever before.

We are Maxis.

GOKHAN OGUT

