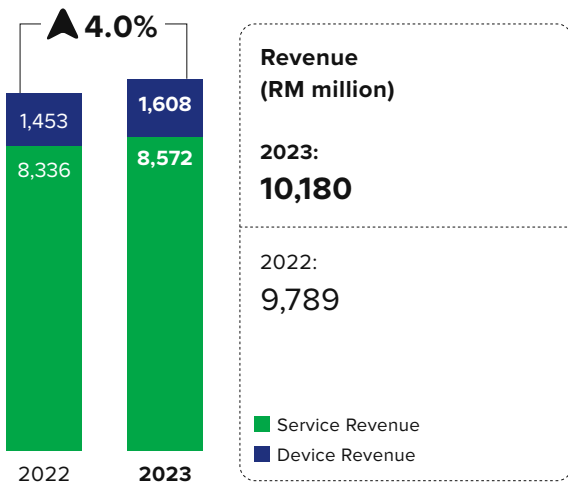




# FINANCIAL REVIEW

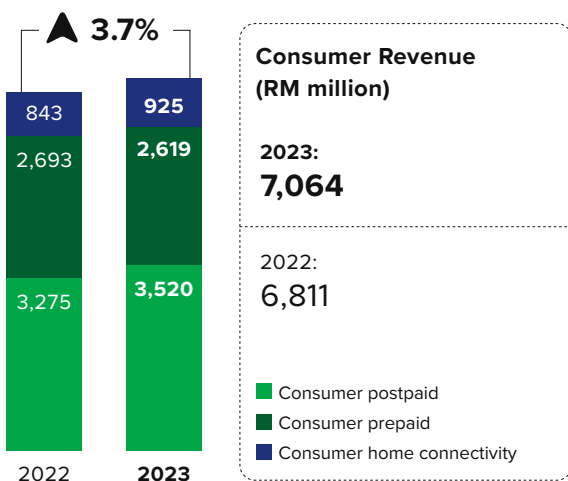
**Maxis delivered a solid performance for the financial year ended 31 December 2023 (FY2023). We recorded our highest service revenue and EBITDA in five years. The Company saw strong growth across our consumer and enterprise businesses, underpinned by our strategy to focus on core competencies in connectivity to remain as Malaysia’s leading integrated telco.**

## REVENUE



Maxis’ total revenue grew by 4.0% to RM10.18 billion for FY2023, the highest since the Company was listed in 2009. The revenue growth was driven by the growth of service revenue by 2.8% to RM8.57 billion, and device revenue growth of 10.7% to RM1.61 billion. Service revenue was the highest in five years and contributed across the board by the growth in our consumer mobile and home connectivity segments, as well as the enterprise business.

## CONSUMER REVENUE



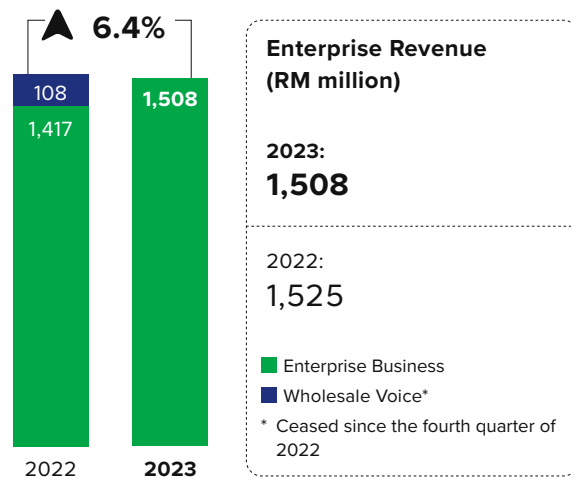
Our consumer business recorded a steady growth of 3.7% from the RM6.81 billion recorded in the financial year ended 31 December 2022 (FY2022), driven by the launch of our 5G plans and innovative postpaid and fibre convergence plans that provide seamless connectivity across both wireless and wired networks.

The postpaid segment revenue experienced a 7.5% growth compared to FY2022, while our prepaid segment revenue declined slightly by 2.7%. The prepaid market continues to be competitive and challenging. We have actively transitioned our prepaid customers to postpaid plans to enhance customer loyalty and secure more predictable and sustainable revenue growth.

Notwithstanding our prepaid to postpaid migration, we are encouraged by the growth in prepaid subscribers by 1.6% year-on-year to 5.87 million subscribers. We have actively expanded our Hotlink presence in key focus areas such as the youth segment, and under-indexed markets.

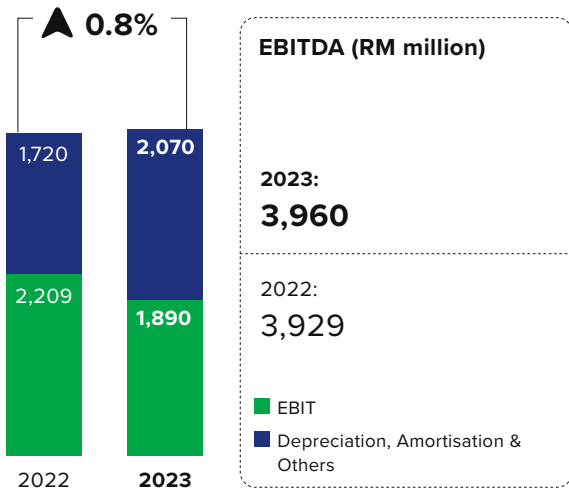
For home connectivity, we grew our fibre customers to 750,000 customers, which translated to a 9.7% growth year-on-year in home connectivity revenue. In addition, we finalised and signed the extension of the high-speed broadband agreement with Telekom Malaysia in December 2023, allowing us to access their network at reduced pricing and better committed service levels, ensuring we can offer competitive and affordable home connectivity to our customers.

## ENTERPRISE REVENUE



Maxis' Enterprise division also continued to make strong headway, recording a revenue growth of 6.4% (excluding wholesale voice) in FY2023 in comparison to FY2022. We secured multi-year connectivity and solution contracts across key markets including wholesale, SME, corporate and public sector accounts during the year under review. A key highlight was our appointment by Telekom Malaysia to provide 4G Multi Operator Core Network (MOCN) and domestic roaming services for 2G and 4G. We will provide approximately 6,800 sites for the 4G MOCN and domestic roaming services and 10,000 sites for the 2G domestic roaming services.

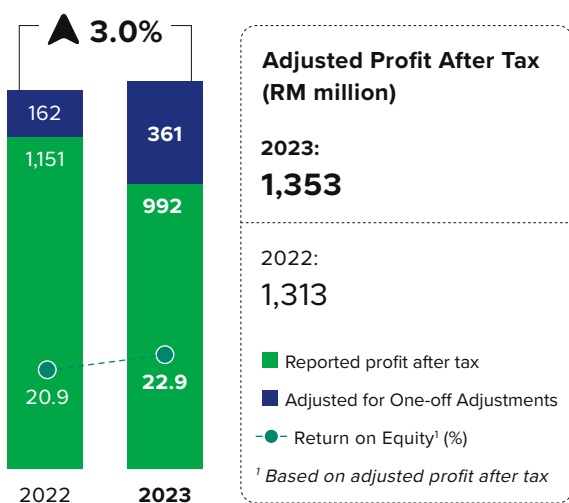
**EBITDA**



In 2023, we looked at simplifying processes and re-negotiating contracts to maximise operational efficiencies with the objective to cultivate a culture of strict cost discipline throughout the organisation. In line with this, we commenced a cost optimisation exercise to rightsize the organisation. As a result, Maxis recorded EBITDA of RM3.96 billion, up by 0.8% compared to FY2022, and our highest in five years.

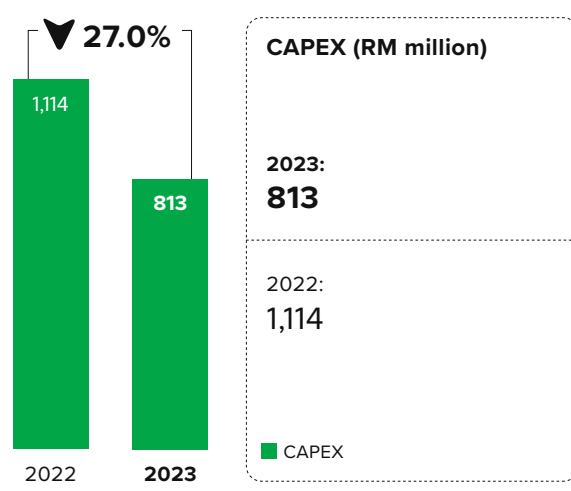
Our earnings before interest and tax (EBIT) dropped to RM1.89 billion in FY2023 as we took the prudent step to accelerate the depreciation of some of our network assets and write-off a few of other assets. Excluding the depreciation and write-offs, our adjusted EBIT was RM2.28 billion, which was a 3.3% growth compared to FY2022.

**PROFIT AFTER TAX (PAT)**



Maxis' PAT in FY2023 was RM992 million, which was lower than our FY2022 PAT of RM1.15 billion. The results were impacted by one-off items such as the depreciation acceleration, write-offs of assets and one-off tax settlement in FY2023, as well as the prosperity tax in FY2022. Excluding these one-off items, the adjusted PAT in FY2023 was RM1.35 billion and 3.0% higher than in FY2022.

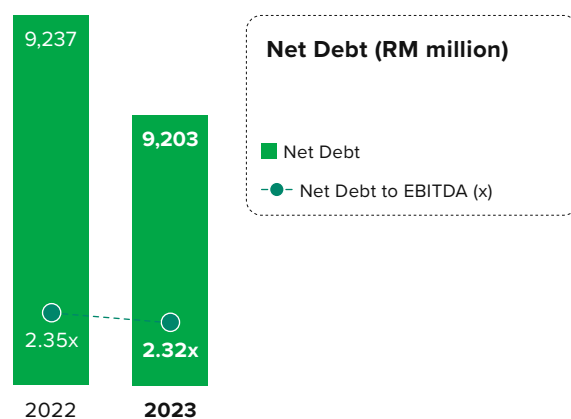
**CAPEX AND CASH FLOW**



Maxis invested RM813 million in CAPEX in 2023, 27% lower against FY2022 and accounting for 8% of our total revenue. We have been prudent in our investments in view of industry developments including changes to the 5G network model. Whilst we continued to spend on network-related investments, our investments were focused on supporting network capacity growth and fibre builds.

We recorded net operating cash flow of RM2.82 billion in FY2023, slightly lower than the previous year due to the one-off tax settlement and payments pursuant to the conditional share subscription agreement for the proposed investment in Digital Nasional Berhad (DNB). Nevertheless, Maxis' cash balance remained resilient at RM569 million, while Net Debt stood at RM9.20 billion, translating to a Net Debt to EBITDA ratio of 2.32x.

**NET DEBT**



## FINANCIAL REVIEW

### INVESTOR RELATIONS

#### Dividend Policy

Our full dividend policy, as stated in our IPO Prospectus dated 28 October 2009, is reproduced here for reference:

“The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders’ approval. It is the Company’s intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including Maxis’ earnings, capital requirements, general financial condition, the Company’s distributable reserves and other factors considered relevant by the Board.

Maxis intends to adopt a dividend policy of active capital management. The Company proposes to pay dividends out of cash generated by its operations after setting aside necessary funding for network expansion and improvement and working capital needs. As part of this policy, the Company targets a payout ratio of not less than 75% of its consolidated PAT under the Malaysian Generally Accepted Accounting Standards (GAAP) in each calendar year, beginning the financial year ended 31 December 2010, subject to confirmation of the Board and to any applicable law, license and contractual obligations and provided that such distribution would not be detrimental to its cash needs or to any plans approved by its Board. Investors should note that this dividend policy merely describes the Company’s present intention and shall not constitute legally binding statements in respect of the Company’s future dividends which are subject to modification (including reduction or non-declaration thereof) at the Board’s discretion.”

The reported PAT payout ratios in the financial years 2020, 2021, 2022 and 2023 were 96.0%, 101.8%, 132.6% and 126.2% respectively.

#### COMMUNICATING WITH OUR SHAREHOLDERS

Maxis stands firm in our values and remains fully committed to disseminate transparent and consistent information with clarity, equal access, accuracy, timeliness and comprehensiveness on continuous updates with regard to our business operations, financial performance, key development progress, strategic direction and future plans. We actively engaged with the investment communities and other stakeholders regularly and in a timely manner throughout FY2023, in line with the recommendation of the Malaysian Code on Corporate Governance and other relevant regulatory bodies. This enabled us to better understand our shareholders’ changing needs and allow them to make informed investment decisions.

The Investor Relations (IR) team is an integral part of Maxis’ corporate governance initiatives. The team supports the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) in

their engagement efforts to cultivate strong relationships with shareholders, potential investors and other stakeholders. We pride ourselves in consistently maintaining a direct and open communication with our stakeholders and keep the market informed of all information which may have a material impact on our share price.

Our disclosure policy is based on three key principles:

1. Maintain open and regular communications with all shareholders;
2. Disseminate financial and strategic updates in a timely and transparent manner; and
3. Ensure equal treatment and protection of shareholders’ interests.

We have been actively communicating with our shareholders during the year across various channels:

#### 1. 14<sup>th</sup> Annual General Meeting and Extraordinary General Meeting

- **Engagement Dates:** 18 May 2023, 14 August 2023
- **Audience:** Shareholders and proxies
- **Meeting type:** Virtual

#### 2. Analyst Briefings

- **Engagement Dates:** Q4 2022 – 23 February 2023, Q1 2023 – 19 May 2023, Q2 2023 – 9 August 2023 and Q3 2023 – 10 November 2023
- **Audience:** Analysts and fund managers
- **Meeting type:** Virtual

#### 3. Investment Community Engagement

- **Engagement Date:** Throughout the year
- **Audience:** Analysts and fund managers
- **Meeting type:** Physical and virtual

#### 4. Other communication channels

- **Website:** <https://maxis.listedcompany.com/home.html>
- **Email:** [ir@maxis.com.my](mailto:ir@maxis.com.my)

In accordance with the Integrated Reporting Framework, we have embarked on a value creation journey to include a holistic view of our strategy, growth plans, and key risks and opportunities in order to instill confidence in our future performance.

#### Feedback and Enquiries

We welcome feedback on our IR initiatives and other information we have provided herewith. Further queries and requests for publicly available information, comments and suggestions to the Company can be directed to [ir@maxis.com.my](mailto:ir@maxis.com.my).