

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

This is the official Maxis transcript of the teleconference presentation that was given on the results presentation briefing call on Friday 4 November 2022. This script should be used in conjunction with the presentation document and the Bursa Malaysia results announcement both are available on the Maxis IR website.

Good afternoon, Ladies and Gentlemen, I'm Gokhan Ogut. A warm welcome and thank you for participating in our third quarter results briefing for the financial year 2022.

Joining me today are Jennifer Wong, our new Chief Financial Officer; Loh Keh Jiat, our Chief Marketing and Consumer Business Officer; and also Paul Zaman from our Investor Relations team.

As you are aware Jennifer has been the newcomer to the Maxis Management Team as of October 1st, and she has definitely had a fast onboarding and I am happy to have her here today with us sharing our financials with you. Please give a warm welcome to Jennifer.

Secondly, as you may have heard in the news, I will be completing my service with Maxis by the end of this month. Goh Seow Eng, who has joined us as CEO-Designate earlier this week, and I will be assisting him through this transition period until the end of the year. Eng is also here with us today I would like to personally introduce Eng to you as part of our CEO transition program that we are having together.

Good afternoon everyone, I am happy to be back home to Malaysia and joining Maxis after 12 years that I've spent abroad. I am looking forward to working with you all on Maxis' journey and I hope to be able to catch up with you in the near future. Back to you, Gokhan.

This analyst call will follow our usual format of a short presentation from our end, followed by Q&A session, ending by 3.30pm.

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

Each quarter, I like to reaffirm our MAX plan. Today, I am proud and excited to announce the evolution of our MAX plan, with the introduction of MAX+. MAX+ is an amplification and extension of our corporate strategy. We have intentionally designed MAX and MAX+ to be a dual mirror image of each other to deliver on the Vision and Purpose that we have chosen for ourselves. The MAX plan represents how we maintain our competitive advantage and commercial performance, a strategy that we are very familiar with as a company, whereas the MAX+ focuses on how Maxis and our employees can impact the Rakyat, the nation, and the planet.

Similar to the MAX Plan, MAX+ has three pillars, that is M+, A+ and X+. There are three key focus areas under each pillar, and I would like to shortly walk you through that.

The first pillar is M+ 'Digitally Inclusive Society'. M+ works in tandem with M, which in essence is a 'Maxis and Digital for All'. It is our intent to help our customers and communities thrive in a digital world. Under M+,

- Firstly, Maxis provides connectivity for underserved segments, keeping all our customers connected when they need it the most;
- Secondly, we capitalise on technology to drive greater access to quality education, leveraging our converged capabilities and resources to create social impact; and
- Finally, we support SME transformation and digital economy entrepreneurship, focusing on the SME segment growth as part of our nation building aspirations.

The second pillar is A+ 'Green Operations & Sustainable Living'. A+ works hand in hand with A, which is 'Differentiated and Digital Unmatched Personalized Experience', where we use innovative technological solutions to address environmental challenges and help others do the same. In A+,

- Firstly, Maxis promotes sustainable offerings that provide environmental, social, and economic benefits;

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

- Secondly, strengthen climate action and resiliency and minimize our environmental footprint, using resources efficiently and minimizing environmental impacts across our value chain; and
- Thirdly, we advocate for responsible digital citizenship, especially leveraging our cybersecurity practices and ensuring that our customers can engage with the digital world while still staying safe and protected.

Lastly, the third pillar is X+, 'People Empowerment and Organisational Integrity'. X+ works in tandem with X, which is a 'World Class Effective and Efficient Organisation'. We want to operate as a trusted company that people want to work for and work with. In X+,

- Firstly, Maxis will achieve an inclusive, diverse, and empowered workforce, prioritising our culture that empowers individuals to reach their fullest potential;
- Second, we implement sustainable supply chain management, ensuring business resiliency and managing key supply chain risks; and
- Thirdly, we uphold ethical and compliant business practices, embedding a strong sense of integrity and governance in everything we do.

The MAX+ will be a multi-year journey to fully embed sustainability within Maxis. We are passionately embracing this journey to incorporate and operationalize MAX+, including identifying key goals and targets, which we are carefully formulating and will share with you in 2023.

Before we move onto the 3Q22 performance highlights, I would like to draw your attention to an important part of our MAX plan, that is to accelerate fibre and maintain leadership in fixed-mobile convergence.

Since 2017, we have doubled the contribution of fibre to Maxis' service revenue and tripled the number of fibre connections to homes and businesses, ensuring our position as the second largest fibre retail player in the market. We are also pleased that our strategy to deploy skilled fibre resources, which we call our Maxperts, has proven to be a successful differentiation, as evident from our leading touch point net promoter score.

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

Fibre has been and will remain a key strategy to Maxis in solidifying our position as a leader in convergence.

Now, moving onto the 3Q22 performance highlights, I am very pleased to share with you our strong results.

In quarter 3, our Consumer Postpaid Subscribers recorded growth for both quarter-on-quarter as well as year-on-year. Consumer Fibre and Wireless Broadband Connections, Home Broadband, continue to deliver double digit growth of year-on-year and promising growth quarter-on-quarter. Consumer Prepaid on the other hand demonstrated resiliency in an increasingly competitive and shrinking market, largely due to the strong Hotlink brand.

In Enterprise Business, Enterprise Business Registration Numbers increased to 90k in spite of the challenging economic environment, signaling a solid foundation and opportunities for revenue uplift in the future.

We will discuss more about Consumer Business and Enterprise Business later in this presentation.

In this increasingly digitalised era, we continue to focus on embracing our digital capabilities, while ensuring unmatched personalised experience for our customers. In quarter 3, digital care clocked in at 23%, while TP-NPS was strong at +67.

I will now hand over to Jennifer to present our financials.

Thank you, Gokhan. Good afternoon, Ladies and Gentlemen.

As Gokhan mentioned earlier, we continue to deliver strong results in this quarter, seeing positive all-around growth in our Service Revenue from both the Consumer Business and Enterprise Business. Albeit the slight decline in

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

EBITDA, profitability remains resilient at over RM1 billion. We will discuss these further, later in the presentation.

Maxis is committed to create a long-term value for our shareholders and also to provide consistent cash returns through the declaration of dividends, and the Board of Directors fully recognises the significance of healthy dividends. With great pleasure, I am pleased to announce a third quarter interim dividend of 5 sen. This is in line with our dividend policy and solid free cash flow levels that the company has.

Let us move to Service Revenue.

At RM2.108 billion, Service Revenue was up +3.7% year-on-year and +1.2% quarter-on-quarter. The steady growth in Service Revenue is attributed by growth in both Consumer Business and Enterprise Business, especially in our core business areas: Mobile services and Home Connectivity.

Moving on to Capex, YTD22 Commercial Capex was RM684 million, up by +15.9% YoY. The increase in Capex investments in 2022 were largely driven by our investments in: fibre roll-out; mobile network to improve 4G coverage and capacity. IT and built-to-order Enterprise solutions also contributed to the Commercial Capex.

In addition to the YTD22 commercial capex spend of RM684 million, we have spent RM354 million in USP Capex so far this year, which is an increase of 71% from what we have spent on USP Capex in 2021. This is in line with Maxis' support of the nation's ambition to provide high quality and affordable digital connectivity for all, i.e. widening coverage and improving quality of broadband experience for the Rakyat.

As you have seen from the JENDELA Q3 2022 report published by MCMC, Maxis is ahead of target in all areas, in terms of fiberisation of premises passed, number of base stations upgrade, and number of 4G new towers constructed.

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

USP Capex is grant claimable from MCMC. Maxis retains the Plant, Property and Equipment assets which are then subsequently depreciated over time.

Moving on to profitability, we recorded a solid EBITDA of RM1,006 million for 3Q22 and RM2,950 million for year-to-date 2022, on the back of revenue growth across all segments. The effective implementation of our XLR8 programme has ensured good cost management throughout the business despite growing direct costs, device costs, and allowance for doubtful debts which is reverting to pre-pandemic levels.

In line with the resilient EBITDA, year-to-date Profit Before Tax was also up at RM1.402 billion. However, Profit After Tax was lower due to the one-off increase in corporate tax, that is the Prosperity Tax charged in 2022.

For our Operating Free Cash Flow, the slight decline in OFCF was mainly due to the scheduled payments to suppliers as anticipated, which is expected to normalise by year end. At the end of this period, we maintain a strong cash balance of RM1.142 billion.

Now let us get into more details for XLR8.

We are continuing the momentum in advancing cost management and transformations through our XLR8 programme. As we continuously emphasise, XLR8 is not just a cost optimization programme, the objective of XLR8 is to also promote a continuous discipline in reducing wasted resources, capturing savings, and reinvesting savings to fund future growth areas of the business.

We are on track in our progress, with XLR8 themes around the 3 pillars shown on the screen:

- Firstly, maintaining rigorous cost discipline across the organisation to optimise costs in various parts of the business. Some examples include

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

implementing an analytics-based network to improve network operational efficiency, rationalizing software license subscriptions and strategic negotiations of key contracts.

- On the second pillar, it is about improving working capital through a collection transformation programme. We are embarking on a collection technology integration phase, which will allow us to be more efficient in terms of end-to-end collections from customers.
- Thirdly, embracing digitalisation and driving customer-focused digital transformations. This would apply for both our consumer segment and enterprise segment, to ensure systems and functions that meets the need of each individual customer.

Now, we will move on to the performance of Consumer Business. I will handover to Loh to share with us on the performance.

Thank you, Jennifer.

Consumer Business has continued to deliver encouraging growth this quarter in all areas – Postpaid, Prepaid and Home Connectivity.

Our dual brand strategy, Maxis and Hotlink, has proven to be a huge success as it allows us to continue to offer different products and services that are relevant to different customer segments.

Let us move on quickly into Consumer Postpaid.

Postpaid revenue continues to grow this quarter, from both an increase in consumer subscriptions, and a slight increase in ARPU. Our attractive device offerings and product plans allows us to not only retain existing customers but continue to increase new customers. Though ARPU has diluted year-on-year due to the introduction of more affordable product offering such as Hotlink Postpaid and shared lines, overall Postpaid revenue has increased as these plans proven attract a larger base.

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

Moving onto Prepaid. Prepaid has remained resilient this quarter, on the back of the continued adoption of Hotlink Unlimited, our Prepaid plan that offers unlimited data at various speed caps, and the new Hotlink Prepaid Pantas, that offers high-speed internet at various data caps. These 2 products are designed to meet the needs of different customer segments within Prepaid. In addition, we also continue to offer daily personalised promotions to our Prepaid customer through the HotlinkMU app, which has proven successful in maintaining our solid Prepaid ARPU.

Lastly, on Home Connectivity, we continue to see healthy customer growth in Fibre. This is a testament to our differentiated service offerings, through our investment in skilled Maxperts and digital self-serve capabilities that allows our customers to maximise their Wi-Fi experience at home.

However, we are starting to observe a slight decline in Wireless Broadband connections, as we migrate our customers to Home Fibre connections, and Malaysian employees are now returning to office, which is in line with our expectations.

Now let me hand it back to Gokhan, to discuss the performance of Enterprise Business.

Thank you, Loh.

Maxis Business has continued to play a key role in inspiring digitalisation across Malaysian businesses through enabling our customers to easily adopt new digital solutions and technologies. Last quarter, as you remember we spoke about how Maxis has formed one of the largest 5G Alliances in Malaysia and now, it has gained momentum in this quarter, adding 7 new partners – Gamuda Land, Garuda Robotics, ITXOTIC, Link Up Smart Solutions, NOKIA, NVIDIA, and ZTE – bringing the total members to 23.

While we continue to grow our 5G ecosystem, Maxis is also working with our 5G Alliance members to unlock impactful value through various partnership

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

engagement models. Through the 5G Alliance, we firmed up a partnership with OMRON to bring Maxis' robust connectivity offering to their Autonomous Mobile Robots (AMR) solution, augmenting it to work better in factories and other industrial environments. We are currently exploring other exciting collaborations with Huawei, NEC, and Motorola Solutions, with many more in the pipeline.

I am also personally excited to announce that we have come a long way in investing and establishing an industry-leading network, which adheres to global service standards. Maxis is now the only Malaysian service provider to acquire the MEF 3.0 SDWAN certification for IPv4, IPv6 and Dual Stack. Coupled with the MEF 3.0 Carrier Ethernet certification within our arsenal, our customers will now benefit from a world-class SDWAN solution and uncompromising network performance as our 5G-ready core network infrastructure is designed to provide our customers with greater agility, control, scalability, and visibility in how they connect their organisations.

In addition, through our recent acqui-hire, Maxis now has the capability to offer our Managed Network Services proposition, providing an end-to-end service structure to our customers with fit for purpose solutioning, professional services and advisory. As a result, we have seen positive traction in Managed Network Services wins across multiple industries including Plantations, Logistics, Hospitality, and Tourism. Freight Mark Group is one of our customers where we provide end-to-end professional and managed services including design, implementation, and management of their network infrastructure.

Looking at Enterprise's results, though Enterprise revenue remains relatively flat quarter-on-quarter, I am pleased that year-to-date revenue has increased 3.8% to RM1.161 billion, especially driven by the growing fixed & solutions stack as part of the Enterprise convergence strategy.

With regard to guidance, we are maintaining our guidance for the financial year 2022, which is a low to mid-single digit increase in Service Revenue, and a flat to a low single digit increase in EBITDA.

MAXIS TRANSCRIPT: 3Q2022 RESULTS BRIEFING

Before I move onto the Q&A session, I would like to address the “elephant in the room”, your possible questions on the 5G Access Agreement. On November 2nd, we made a Bursa announcement that Maxis will be seeking shareholders’ approval for entry into the 5G Access Agreement with DNB, as our Board, having received professional advice, believes it is mandatory pursuant to section 223 of the Companies Act 2016 and para 10.07 of the Bursa Main Market Listing Requirements. We intend to complete the approvals process by January 2023, and if approved, we are looking forward to commercially launch 5G products and services soon. In the meantime, our customers can now sign up for exciting 5G device offers as we have started a big campaign today.

With that, thank you for your attention and we are ready to take your questions.

If you wish to ask a question, please raise your virtual hand.

<Q&A session>

We will provide a transcript of our presentation speech excluding the Q&A session, posted on the Maxis IR website by early next week.

Finally, I would like to extend my gratitude and appreciation to all of you for your support throughout my past 3 and a half years as CEO. I am also confident that you will continue your support to Eng and the Maxis Management team in the future, have a great weekend.

Thank you Gokhan, and thank you ladies and gentlemen. I look forward to meeting you soon.