

MAXIS TRANSCRIPT: 4Q 2024 RESULTS BRIEFING

This is the official Maxis transcript of the teleconference presentation that was given on the results presentation briefing call on Tuesday 18 February 2025. This script should be used in conjunction with the presentation document and the Bursa Malaysia results announcement, which are both available on the Maxis IR website.

Good afternoon, Ladies and Gentlemen. This is Eng speaking. Welcome and thank you for participating in our Q4 results briefing.

Joining me today are Jennifer, our Chief Financial Officer; Loh, Chief Consumer Business Officer; Prateek, Chief Enterprise Business Officer; Patrick, Chief People & Transformation Officer, and our Investor Relations team.

This results briefing will follow our usual format with a short presentation, followed by Q&A at the end of this session.

Let us turn to slide 3.

It has been over 2 and a quarter year since I joined Maxis at the end of 2022. Earlier this year, I introduced the 4 strategic pillars that Maxis will focus on executing, as Malaysia's leading integrated telco.

As we wrap up the year 2024, I am pleased that we have delivered on all fronts:

- We attained sustainable and predictable growth in revenues, recording a 3.5% increase year-on-year for service revenue growth.
- We prioritised giving our customers consistently good experience. Our Net Promoter Score reached a +70, a very good achievement reflecting our customers' satisfaction with Maxis.
- We demonstrated our ability to drive growth while managing expenses effectively. Our EBITDA for 2024 grew 4.1% year-on-year.
- All these results are driven by our people. As a high-performing organisation, we are proud to be the top voted employer in the telco category.

To top it off, Bursa Malaysia recently upgraded its FTSE4Good ESG rating for Maxis from 2-stars to 3-stars.

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Moving to slide 4, on our quarterly financial performance.

We reported solid results in the fourth quarter. Service revenue grew 2.1% year-on-year.

While EBITDA was seasonally lower due to device launches, we recorded improvement in our net profit margins.

Recognising Maxis' solid performance in 2024, the Maxis Board approved an additional one-time dividend of 1 sen per share for the fourth quarter 2024.

This brings the total dividend for the year 2024 to 17 sen per share.

Let's go onto slide 6, on Consumer Mobile.

We continue to grow our mobile market, increasing total subscribers by 2.4% year-on-year to 9.7 billion subscribers.

We focus on delivering value to our customers through tailored plans, unlimited data options, and attractive device deals.

We maintained a stable ARPU in the quarter and grew revenue by 2.1% year-on-year to RM6.3 billion.

Now onto Slide 7, on Home.

The broadband market has been extremely competitive. We have been careful to maintain ARPU, focusing on delivering quality services to our customers.

We recorded a 39,000 increase in new home fibre connections for the year.

This translated to an increase in revenue of 7.4% year-on-year.

ongoing onto Enterprise on slide 8.

Enterprise revenue performed well in the fourth quarter.

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The higher fixed & solutions revenue was driven by non-recurring charges from various project completions.

Mobile revenue also increased from higher mobile subscriptions. We expect this to taper off in coming quarters as demand for application-to-messaging services declines.

Let me now pass on to Jennifer, who will go through the financials.

Thank you, Eng. Let us turn to slide 9, on earnings.

In 2024, we reported an EBITDA of RM4.1 billion. This reflects our focus on cost discipline and operational efficiency. Our EBITDA margin on service revenue remains strong at 46.5%, indicating effective management of our resources.

EBIT grew 23% year-on-year to RM2.3 billion, while PAT reached RM1.4 billion, up 40.7% from last year.

Let's move on to slide 10, on cash flow and Capex.

Our Operating Free Cash Flow increased 8.6% year-on-year, mainly driven by improved working capital management and operational efficiencies. The slight dip in quarter 4 was mainly due to higher regulatory payments made in the quarter.

For Capex, our focus remains on prioritising essential investments. These investments are crucial for enhancing Maxis' integrated network quality and capabilities, to support our growth strategy.

By balancing OFCF with strategic Capex, we are positioning ourselves for sustainable growth, while ensuring we meet the evolving needs of our customers.

I will now pass the time back to Eng, to talk about our 2025 priorities.

Let us go to slide 11, on the 5 key priority areas in 2025.

As we look ahead to 2025, there are five key priority areas that will drive our business forward.

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Firstly, we will focus on bundling and cross-selling to our Postpaid customer, to construct what we call a strong consumer fortress. By integrating our mobile and fiber services, we aim to provide seamless connectivity, enhance customer satisfaction, and of course improve customer loyalty and reduce churn.

Secondly, we will continue to grow our enterprise business while staying true to our core. We want to win our fair share in connectivity, while also expanding our telco adjacent services. This includes managed services, cloud solutions, IoT, and cybersecurity. These offerings will help us provide more value to our customers and strengthen our market position.

Thirdly, we will invest in building infrastructure and wholesale capabilities. This includes laying more fiber-to-the-premises and enhancing our fiber trunks, especially connectivity to data centers.

Fourthly, we will prioritise digitalization and the smart adoption of AI. By continuing our digital initiatives, we will improve our operations and enhance the customer experience with Maxis.

Last but not least, we will continue to prioritise operating excellence. This means focusing on what moves the needle and executing with cost discipline.

These five priorities will be crucial as we strive for excellence in every market we serve.

Let us go on to slide 12, on guidance.

We are aiming for growth in 2025. We expect service revenue to grow at a low single digit. This is slightly dampened by some commercial changes to our device insurance program, which will change revenue recognition principles.

EBITDA will see a flat to low single digit growth, while we expect to invest less than RM1 billion in Capex.

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

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<Q&A session>

That marks the end of our results briefing. We will provide a transcript of our presentation speech excluding the Q&A session on the Maxis IR website by the next business day. Thank you and see you next quarter.