1Q 2017 Financial Results

27 April 2017

maxis

1Q17 – Steady forward

- Service revenue growth and continued solid underlying momentum
- High EBITDA margin whilst investing for the future
- Growing Postpaid with high ARPU despite price-focused competition
- Solid Prepaid revenue supported by high mobile Internet ARPU
- Market leading 4G LTE network enabling high quality worry-free data usage

RM2,129 million
+0.3% YoY

52.5%
#EBITDA margin

1.8 million
MaxisONE

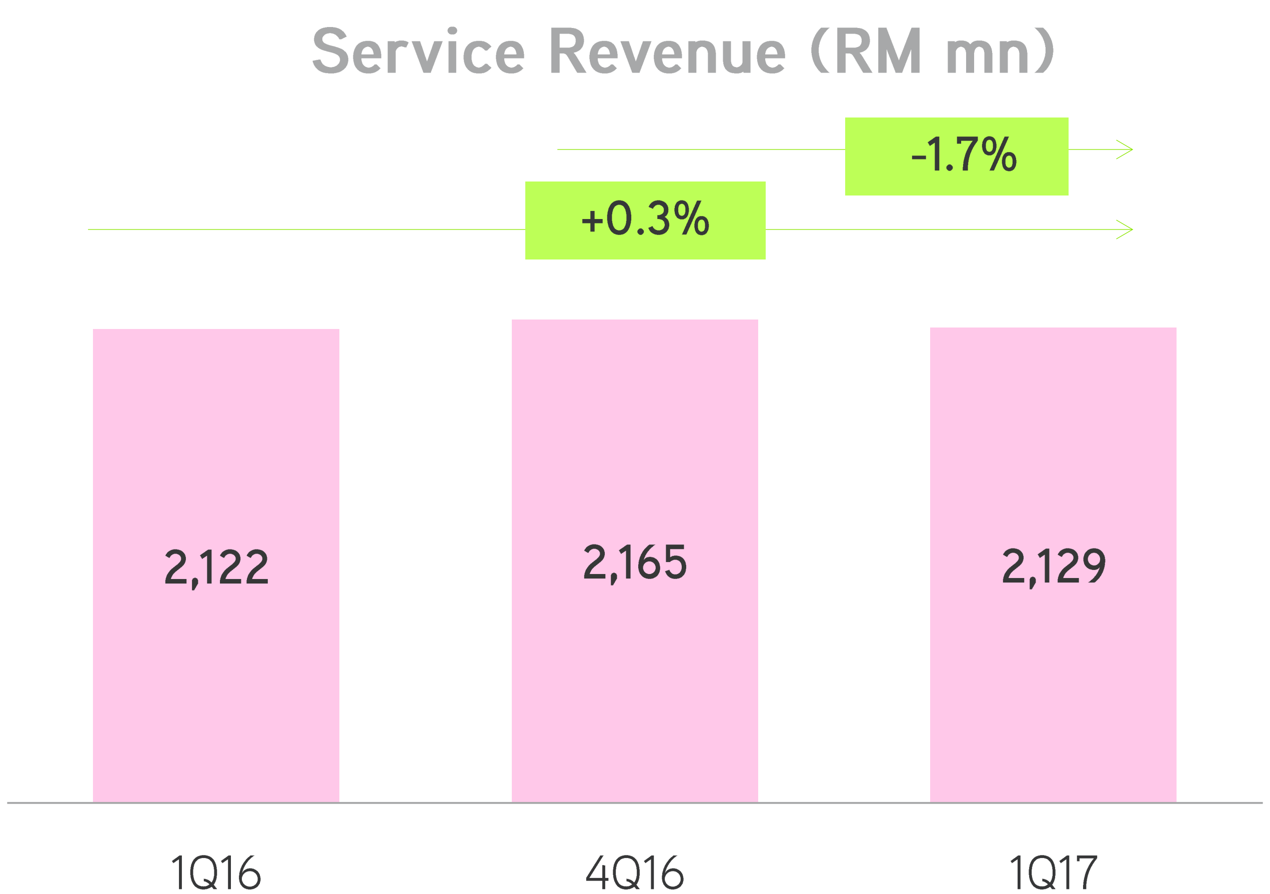
1.7 million
Hotlink FAST

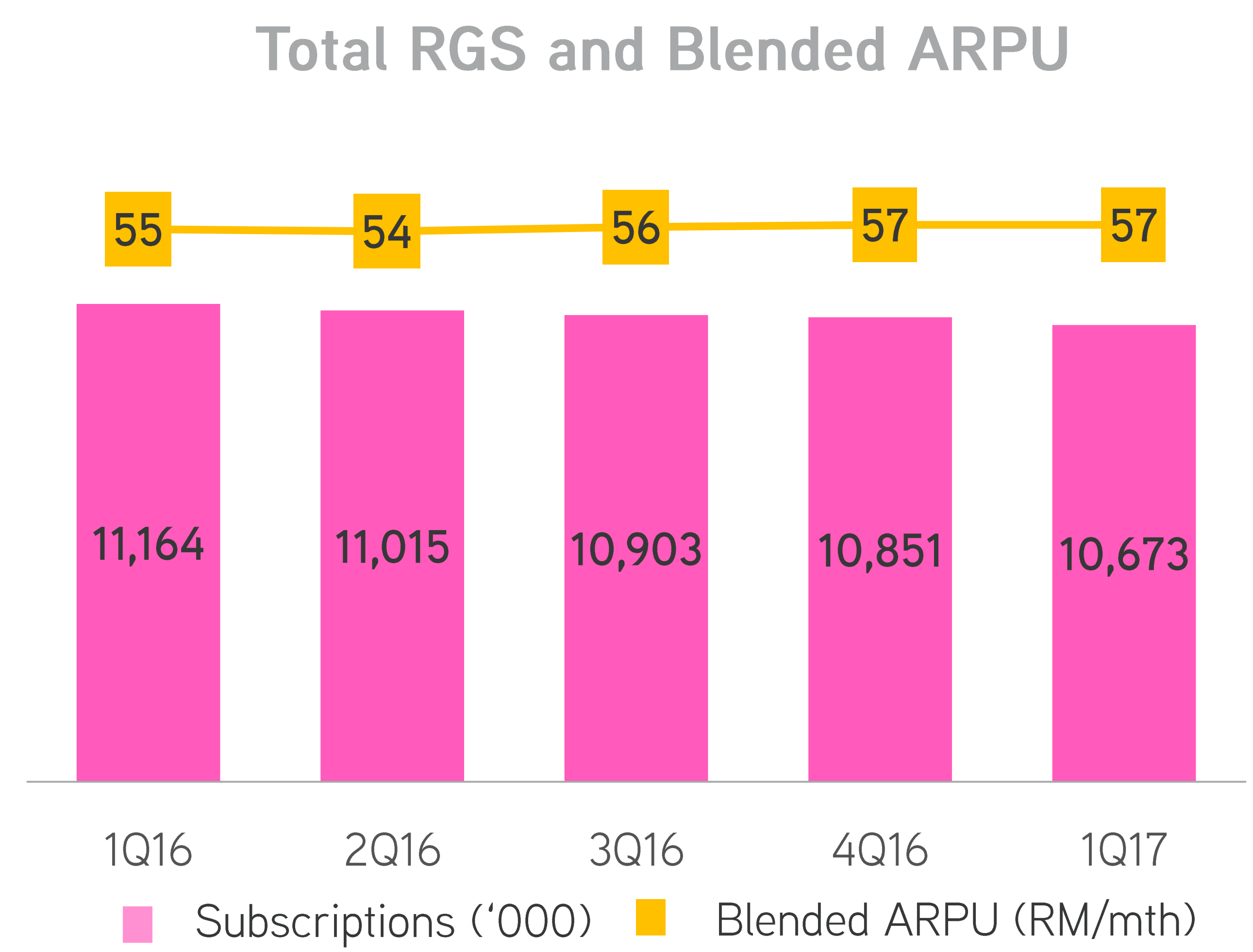
5.2 million 4G devices
*6.5GB data usage

On service revenue
* Average 4G data usage per month

Service revenue reflects solid underlying momentum

QoQ impacted by seasonality



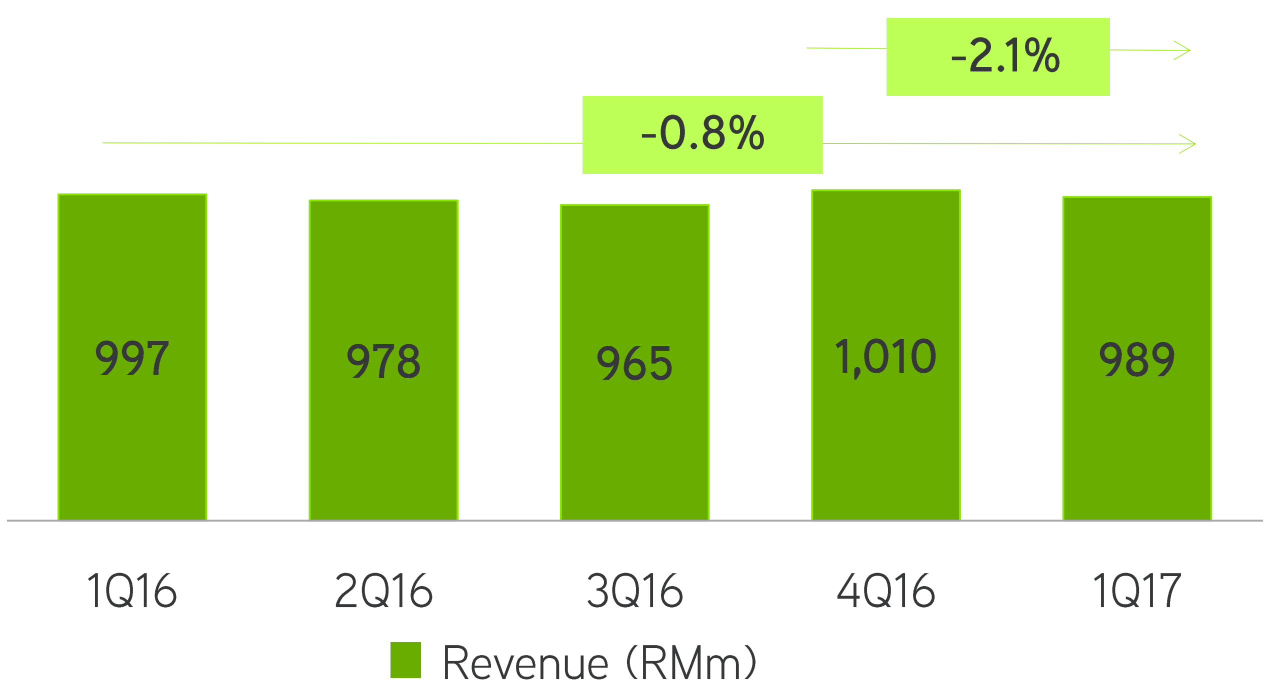


- Revenue growth driven by mobile internet ARPU
- Lower RGS impacted by low value customer churn in prepaid
- Lower roaming revenue in 1Q; seasonally higher in 4Q

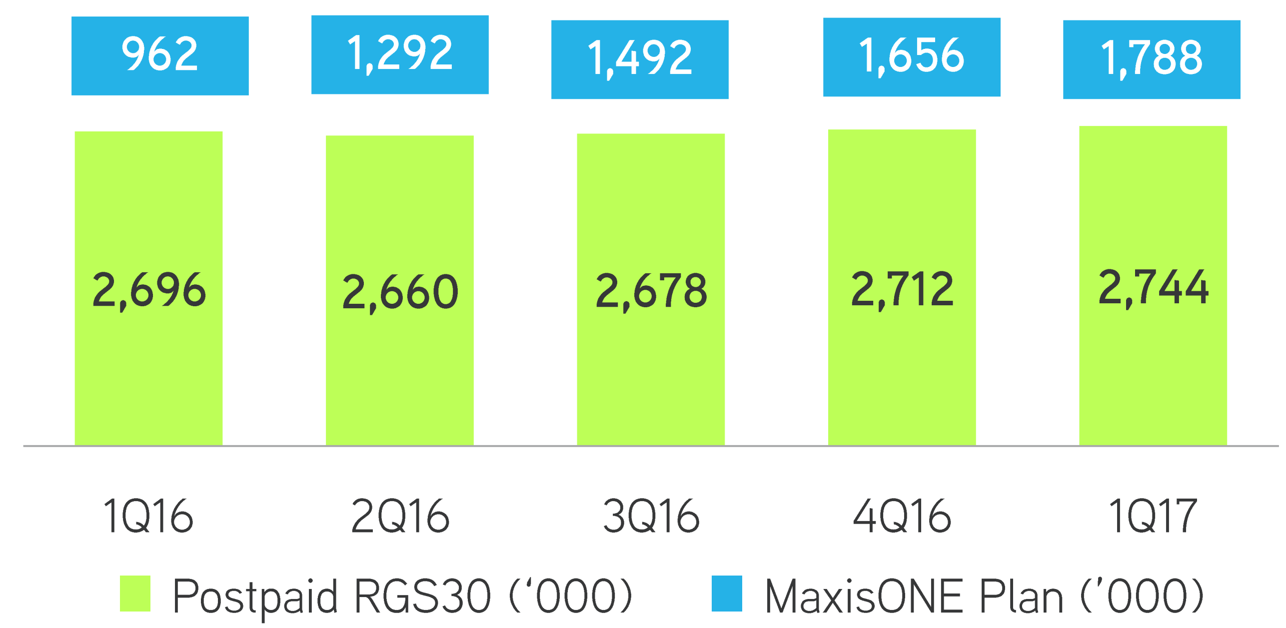
Growing postpaid base despite intense price competition

High stable ARPU from smart plan optimisation and successful upsell

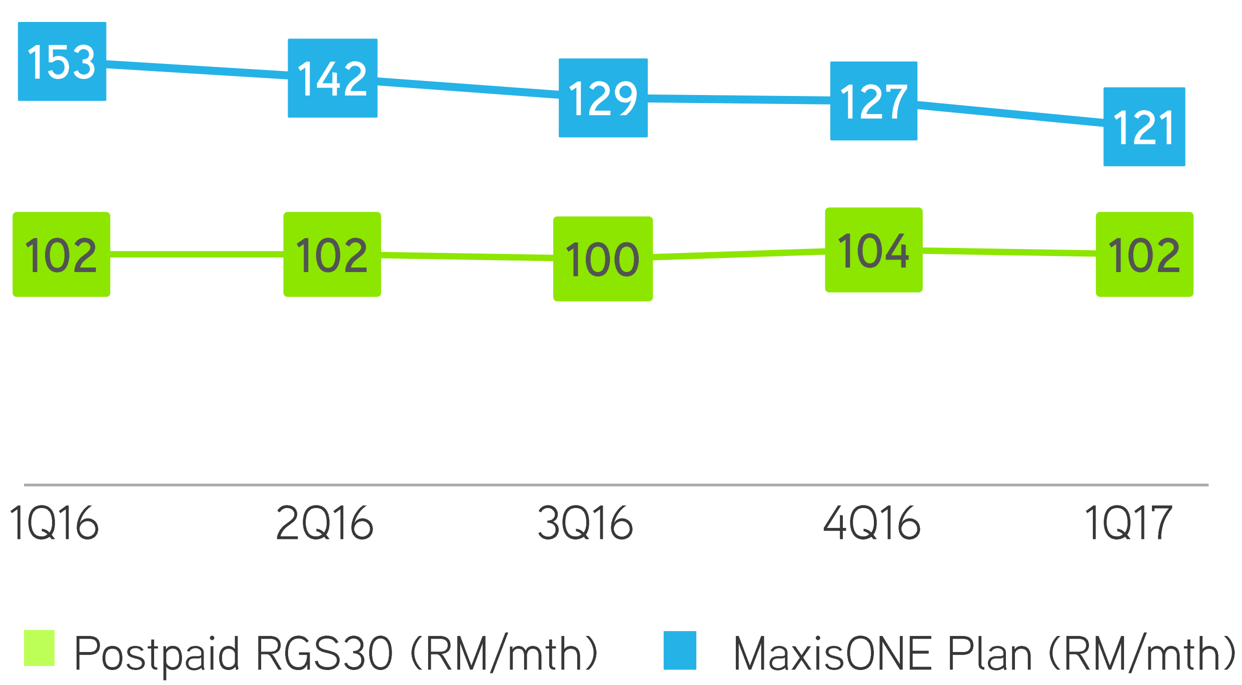
Postpaid Revenue



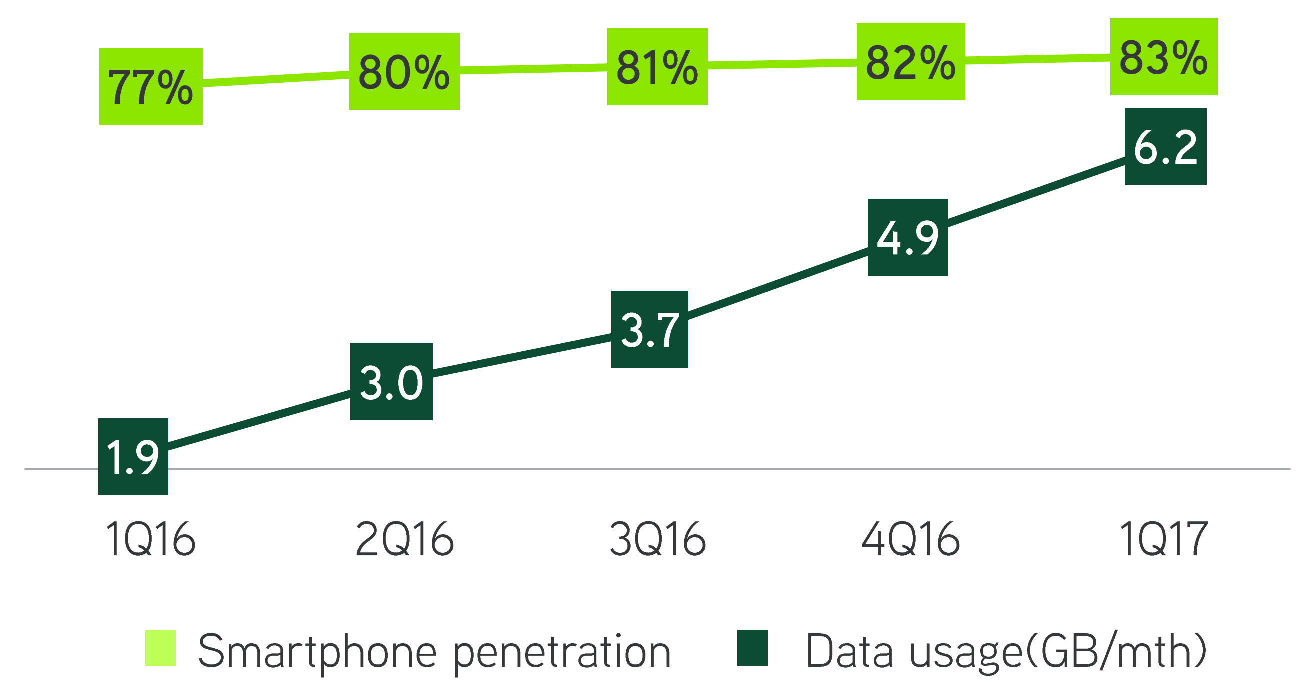
Subscriptions



ARPU

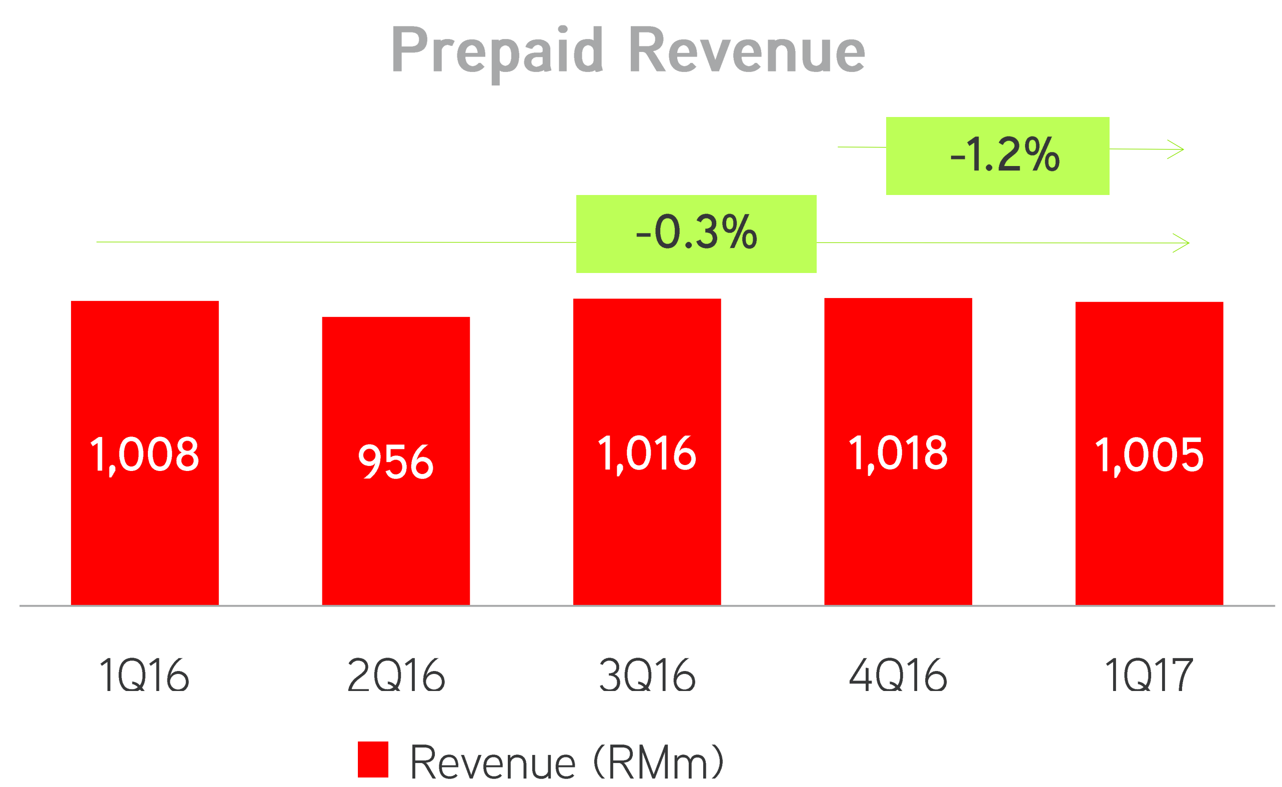


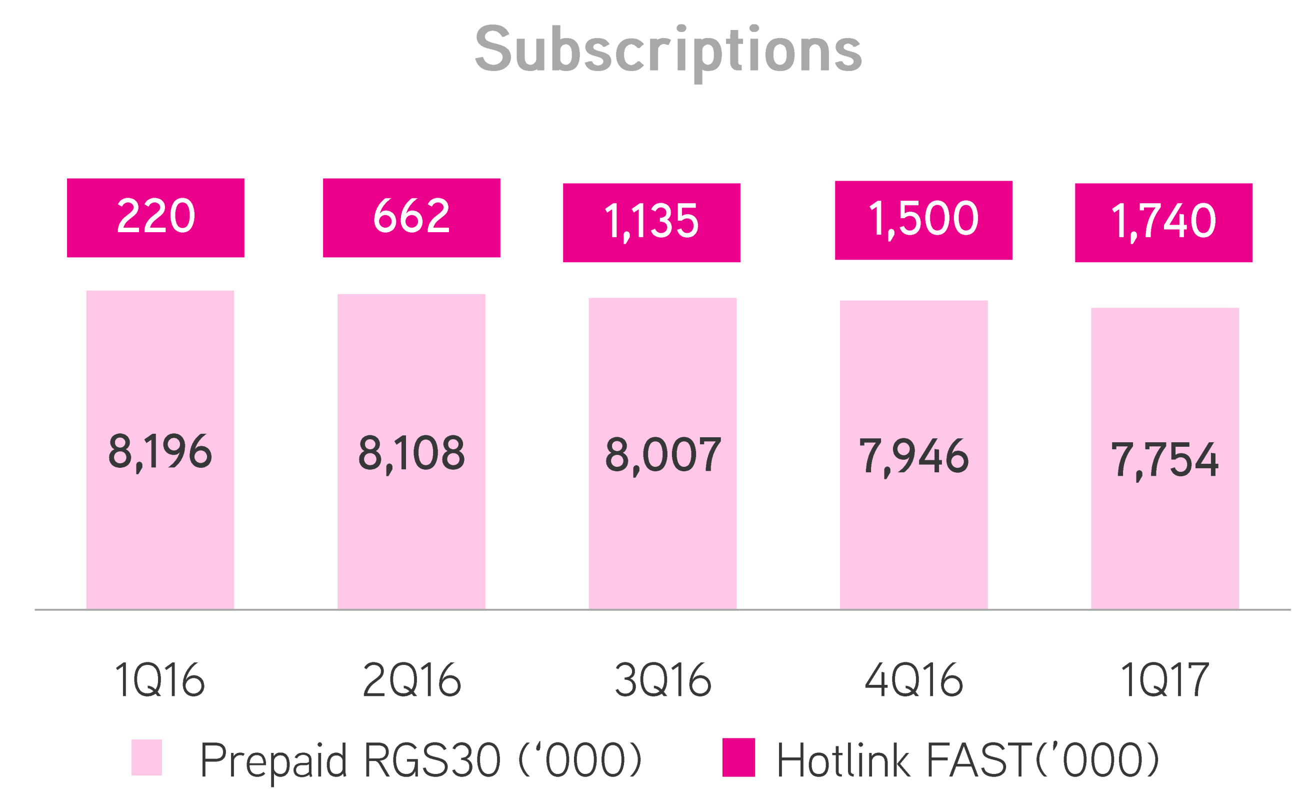
Data usage and Smartphone penetration

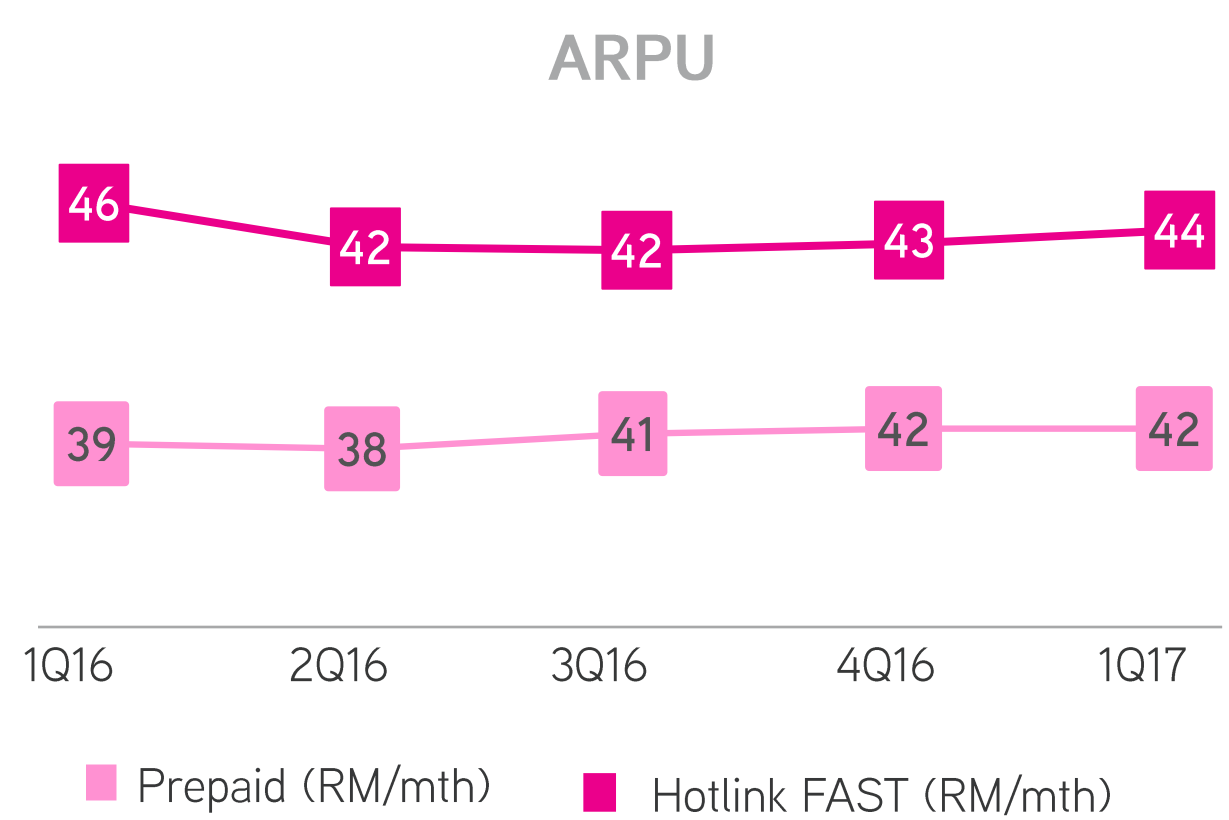


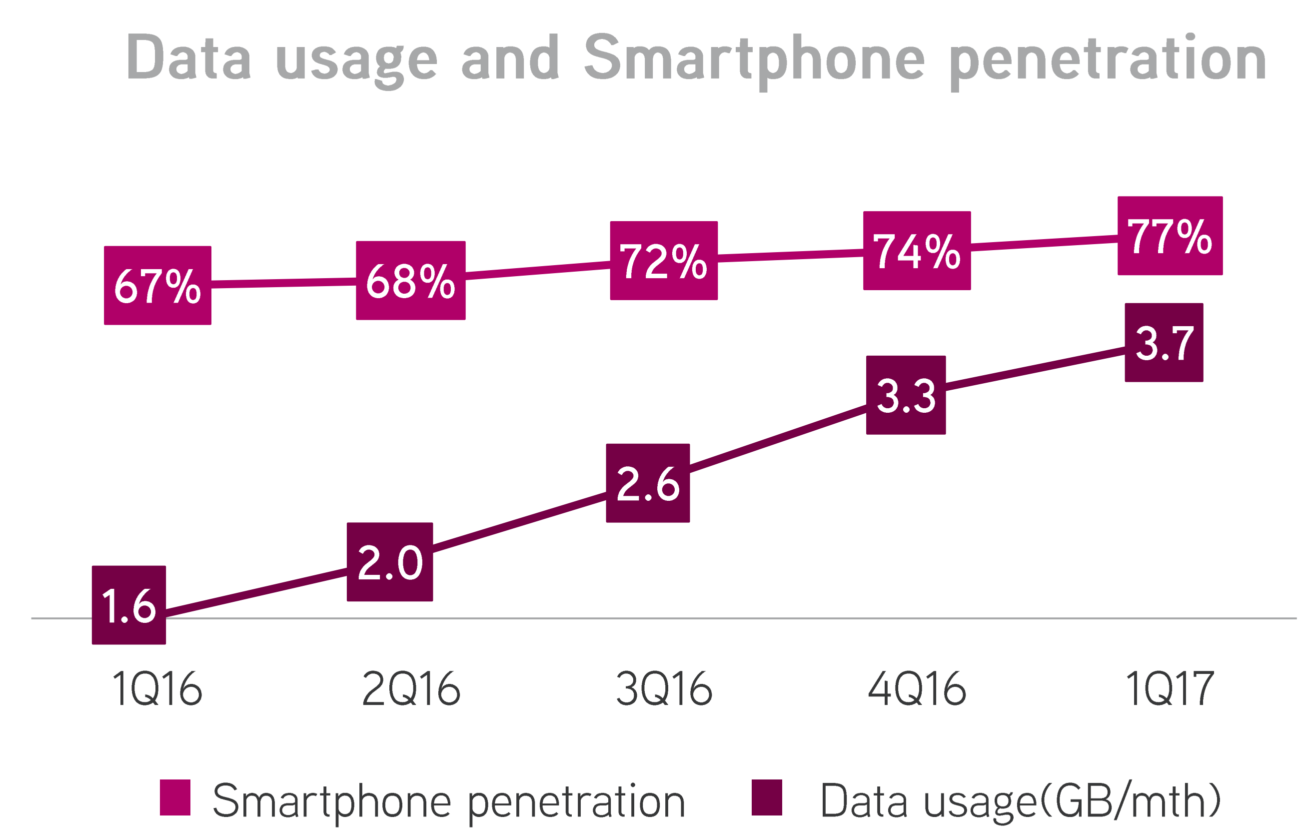
Solid prepaid revenue

Supported by high MI ARPU from Hotlink FAST base



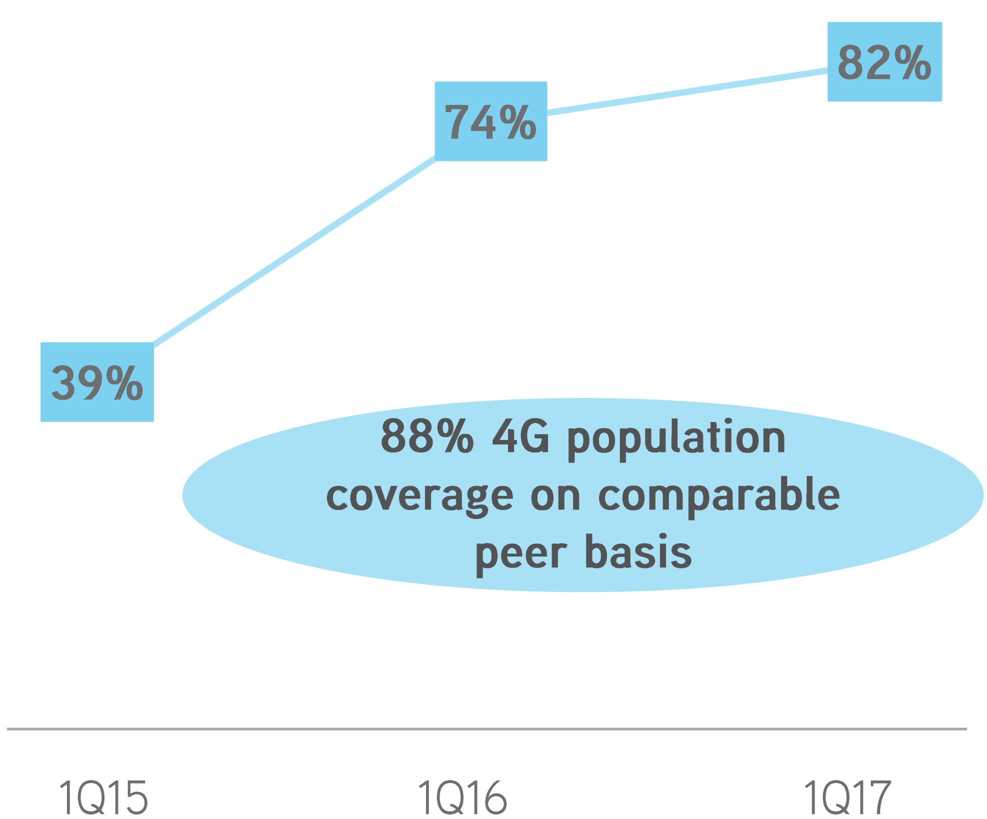






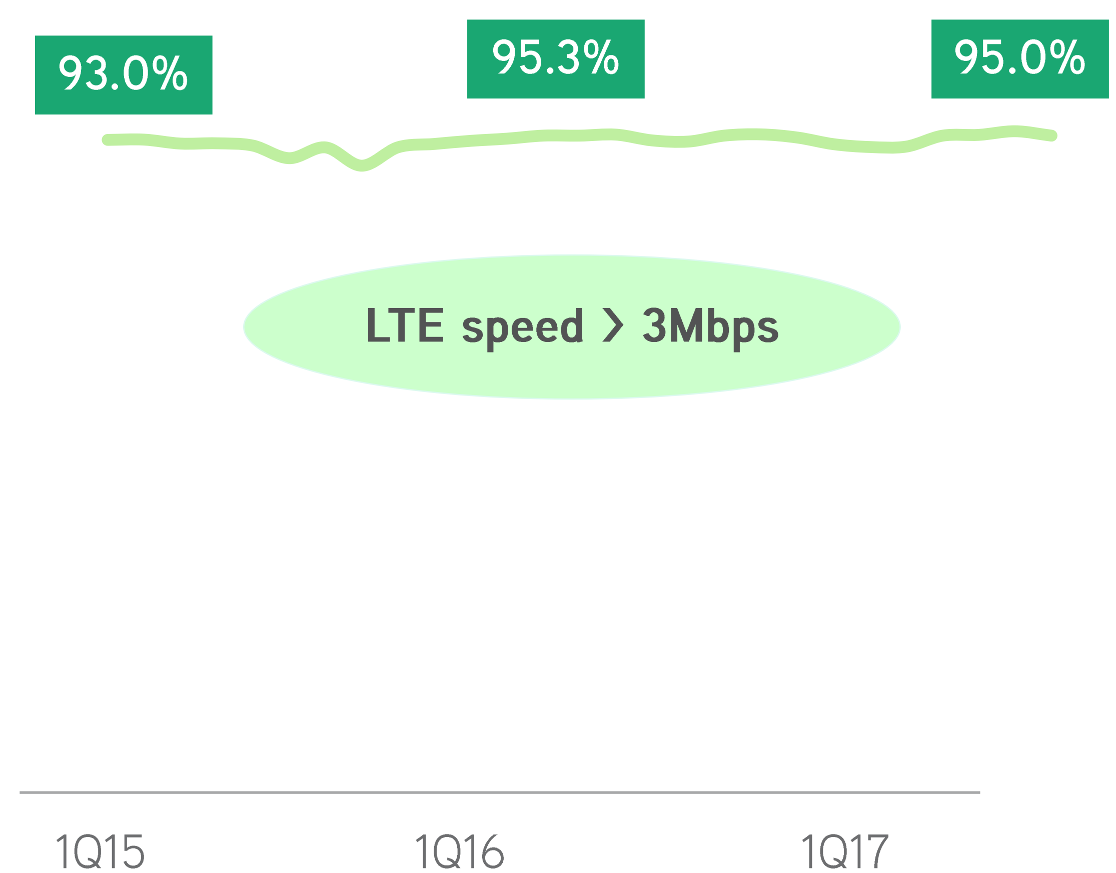
Differentiated network experience with leading quality and performance

Market leading 4G pop coverage

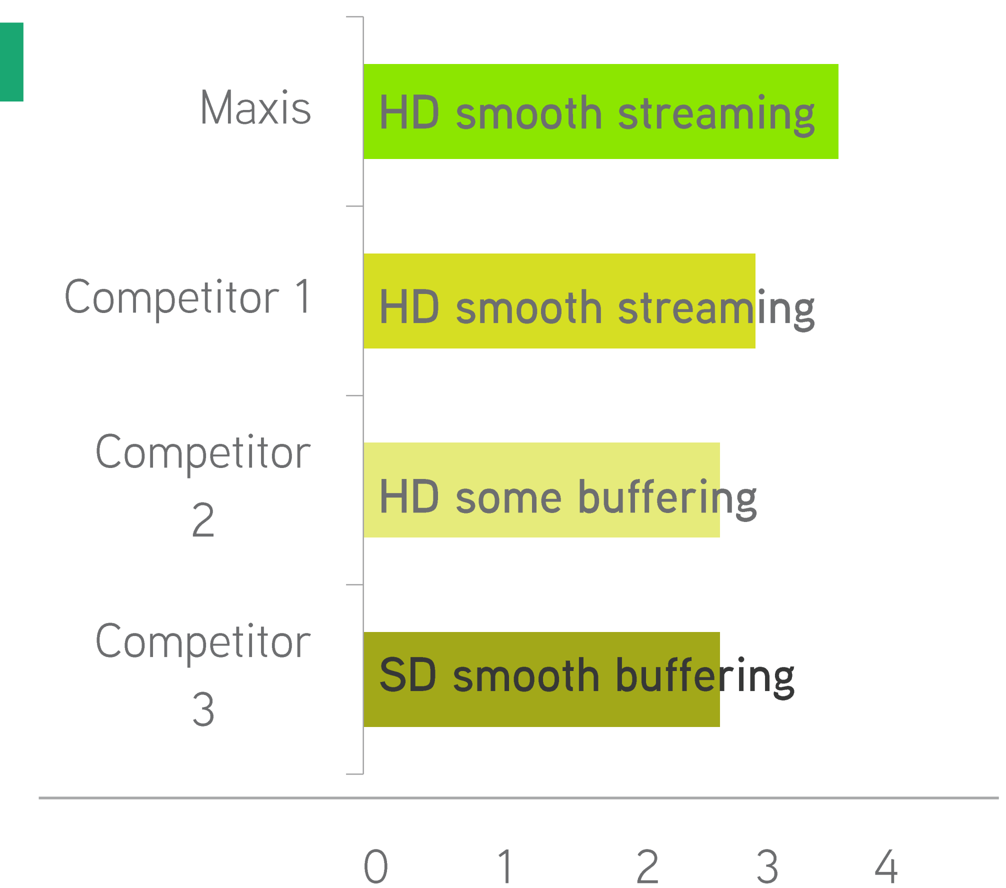


Based on-98dBm quality criteria

Consistent LTE download speed



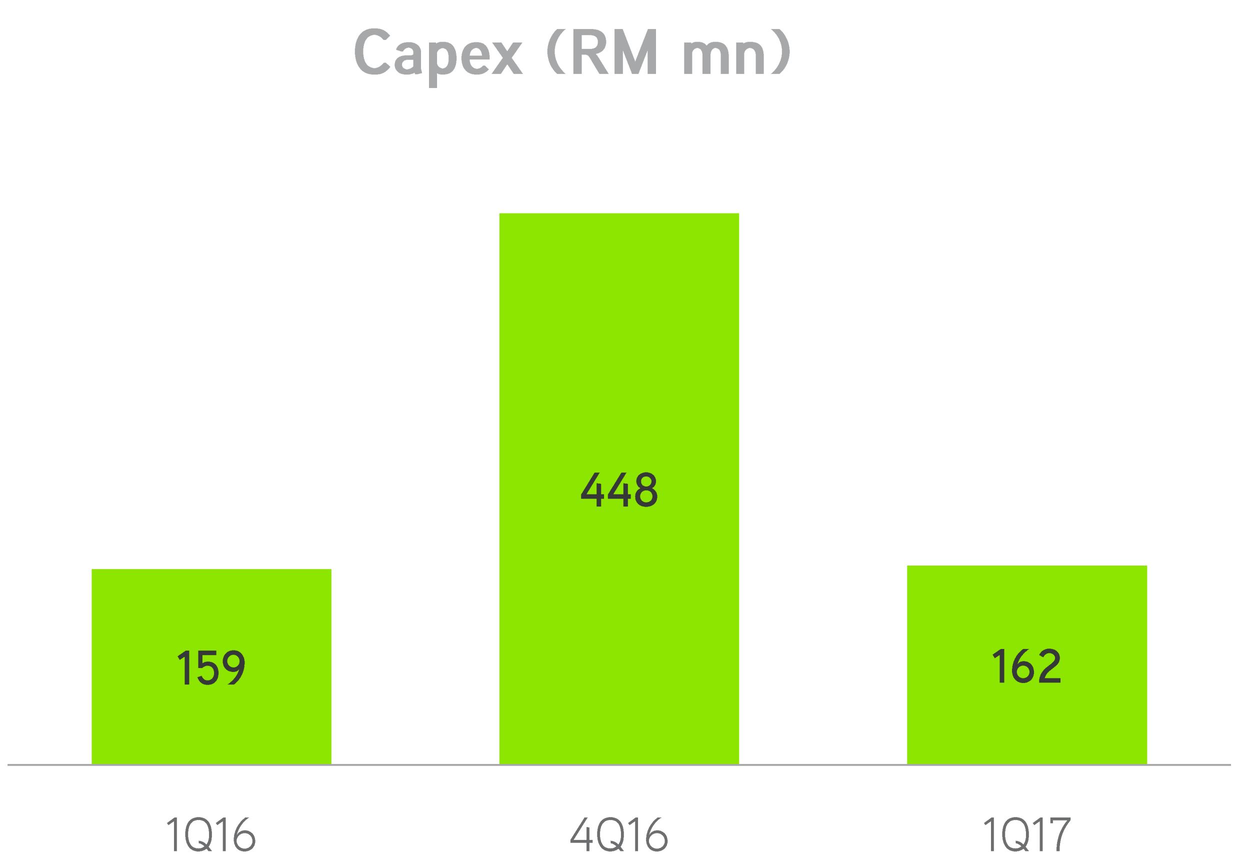
YouTube HD experience (new from Google)

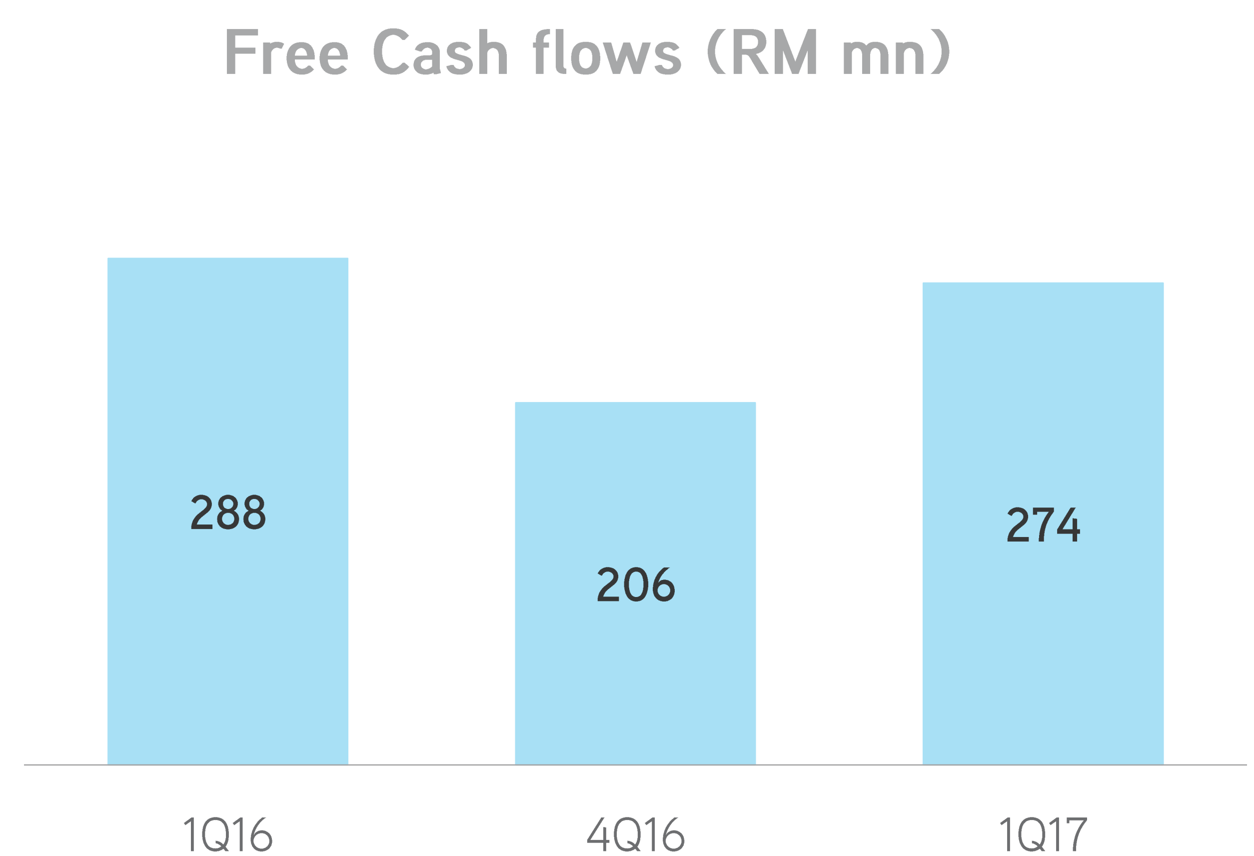


Score: Max Score is 4
HD: High definition video
SD: Standard definition video

Capex focus on maintaining a high quality network

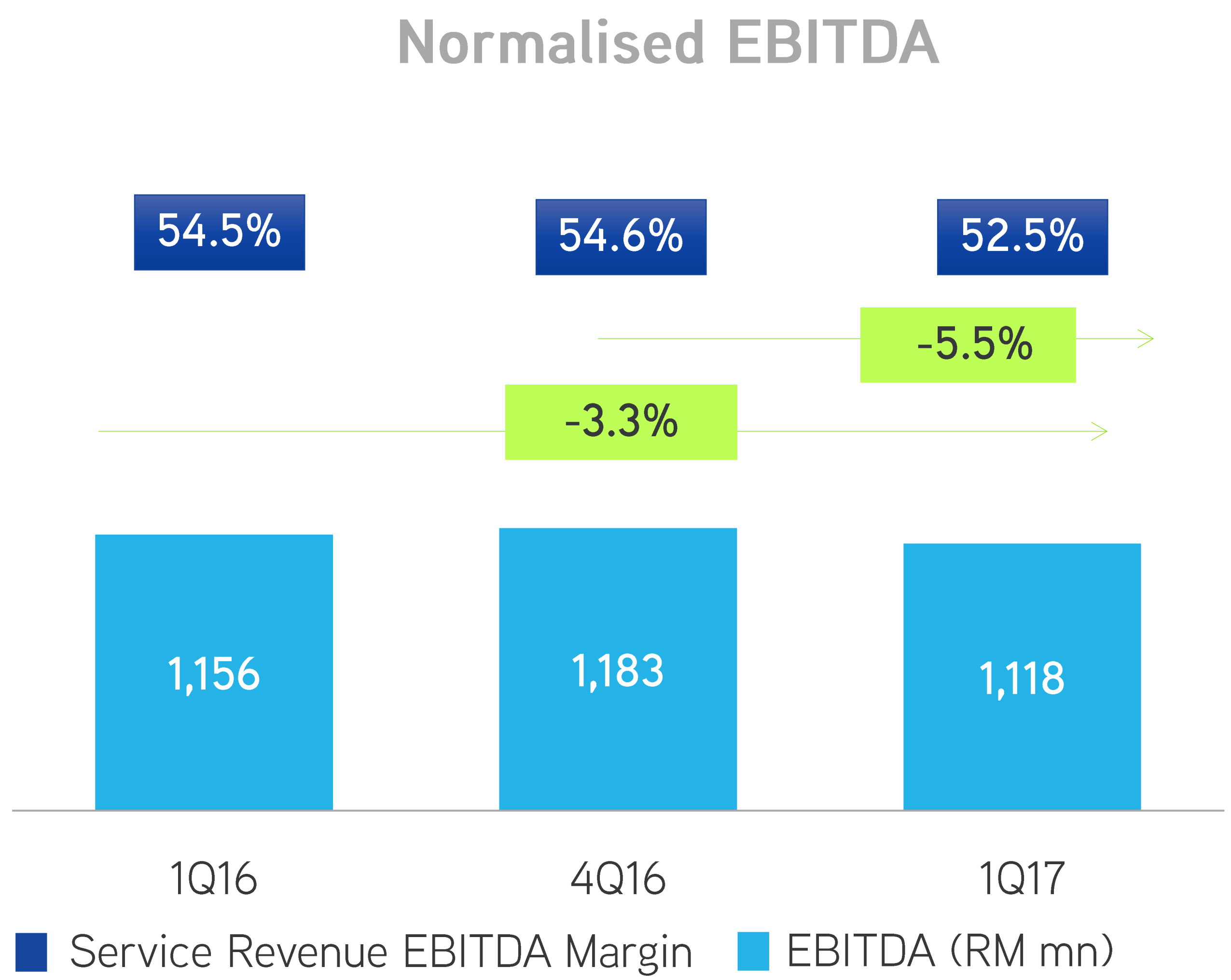
Data experience maintained with timely capacity upgrade

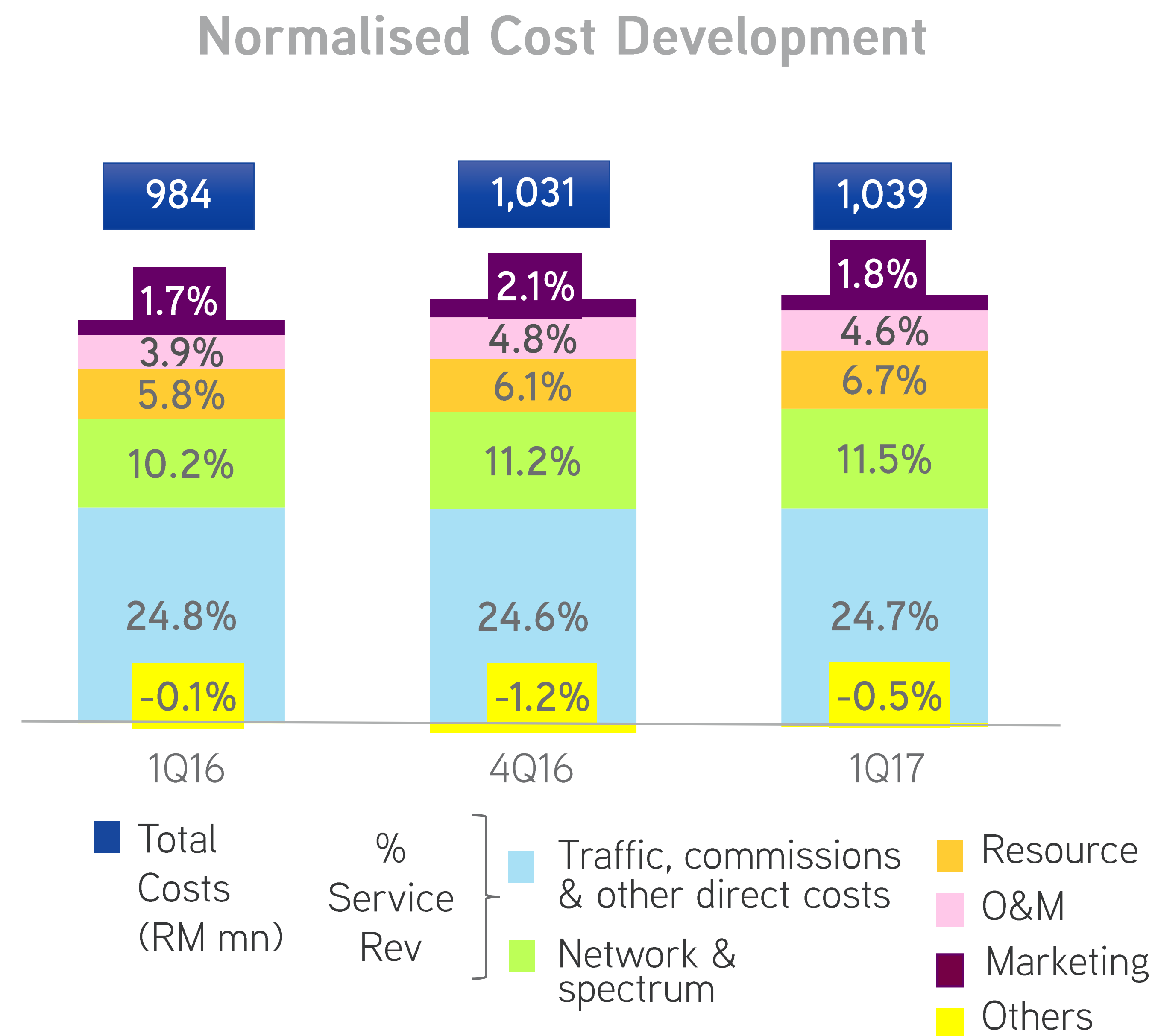




- *4Q16 free cash flow excludes spectrum payment of RM817 million*

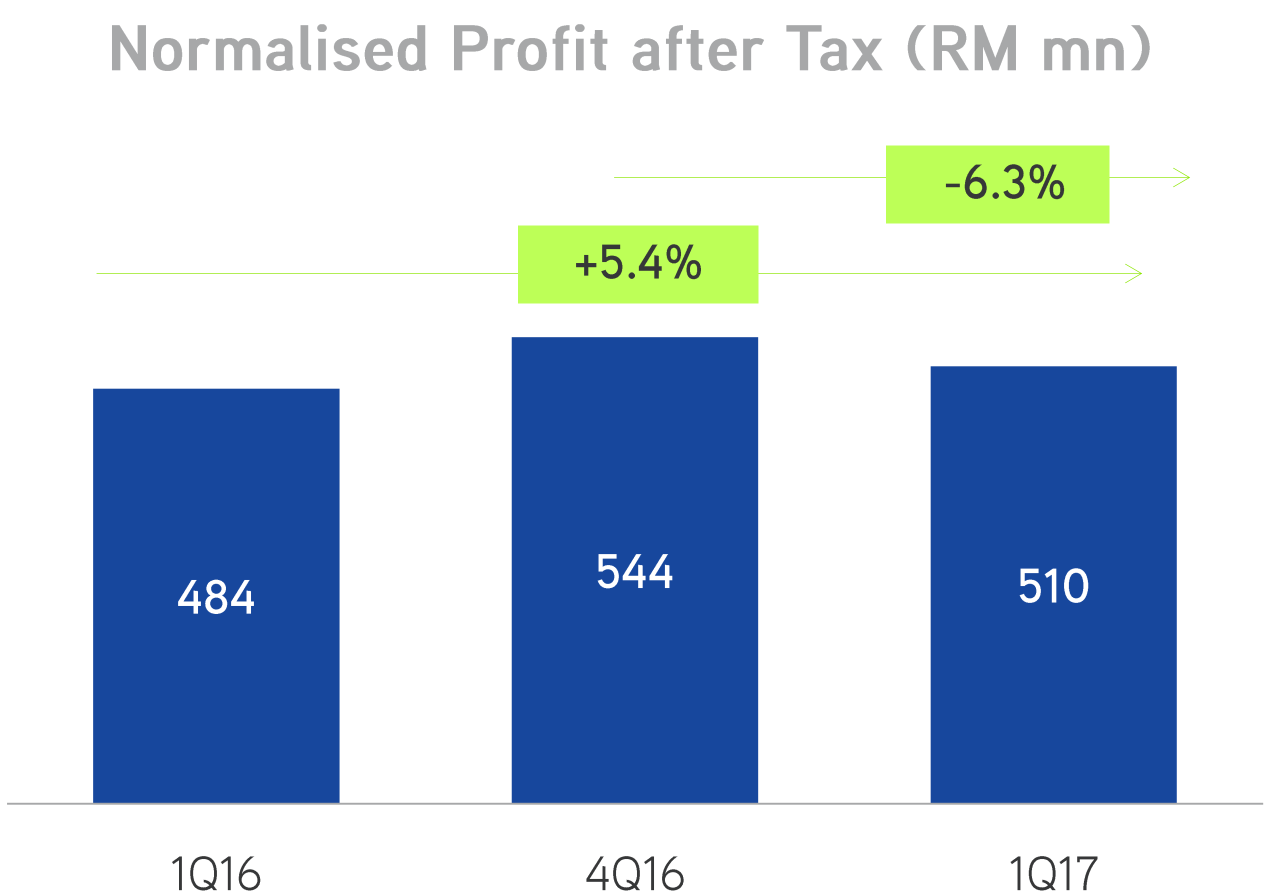
High EBITDA margin whilst investing in future efficiencies





- Investment for long term structural costs benefits
- One-time resource costs adjustments attributed to performance incentives
- Network costs include non-EBITDA impacting CSU-related site rentals

Growing Profit after Tax



- YoY PAT higher on account of lower property, plant & equipment related charges and tax expense
  - Excludes RM5 million unrealised forex losses (1Q16: RM43 million unrealised forex gains) and nil accelerated depreciation charges (1Q16: RM7 million) net of tax

Priorities & Guidance

Priorities

- Moving from products to solutions and going all-out digital
- Creating unmatched customer experience across all channels
- Keep network advantage through scalable capacity design and indoor experience
- Invest for the future
  - Build new enterprise capabilities
  - Implement full digitalisation
  - Scale up own fibre
  - Investing for cost efficiencies

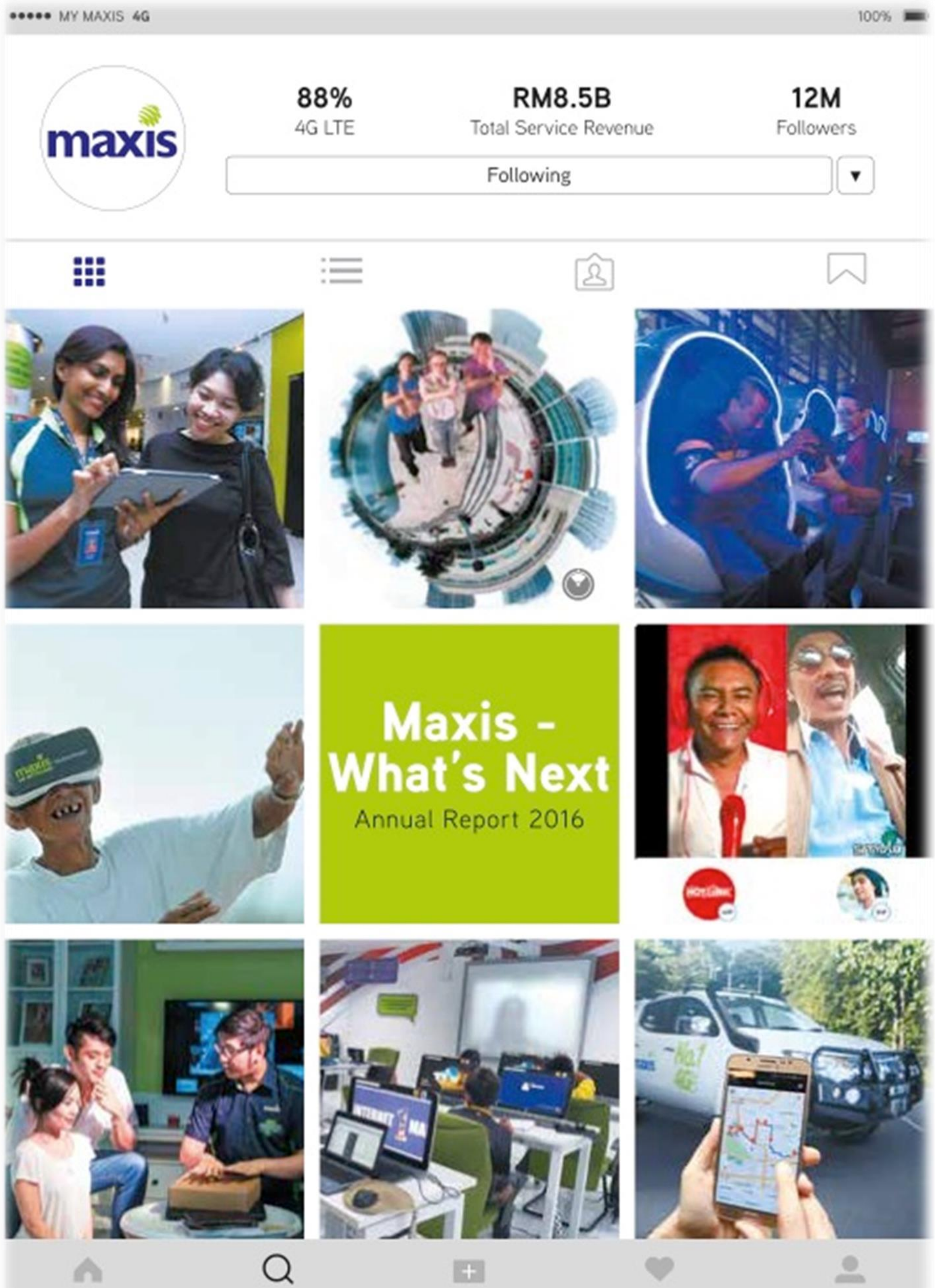
Guidance (maintained)

- Service revenue, absolute EBITDA and base capex at similar levels to FY2016

Key financials

(RM mn)	1Q16	4Q16	1Q17	QoQ	YoY
Service revenue	2,122	2,165	2,129	-1.7%	+0.3%
EBITDA	1,156	1,183	1,118	-5.5%	-3.3%
EBITDA margin on service revenue	54.5%	54.6%	52.5%	-2.1pp	-2.0pp
Profit after tax	484	544	510	-6.3%	+5.4%
Free cash flow	288	(611)	274	+>100%	-4.9%
Prepaid revenue	1,008	1,018	1,005	-1.2%	-0.3%
Postpaid revenue	997	1,010	989	-2.1%	-0.8%
Capex	159	448	162		
Dividend per share (sen)	5	5	5		

EBITDA, EBITDA margin and Profit After Tax on normalised basis


MY MAXIS 4G
100%
maxis
88%
4G LTE
RM8.5B
Total Service Revenue
12M
Followers
Following
Maxis - What's Next
Annual Report 2016

Q & A

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maxis
Our network is our prized advantage. That's why we continue to invest in and expand our modernised network with particular focus on our widest and fastest 4G LTE.

Thank you

Customer Service remains at the core of our business as we embed an Unmatched Customer Experience mindset into all our key processes.

Appendices

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 RM7 million in 1Q16 and RM21 million in 4Q16; (ii) unrealised forex gains of RM43 million in 1Q16; and (iii) unrealised forex losses of RM18 milllion in 4Q16 and RM5 million in 1Q17
- **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 does not have any revenue generating activities for more than 30 days
- **Smart-phone**: Any devices with growing apps stores and active developers

Normalised Consolidated Income Statement

Normalised (RM mn)	1Q16	2Q16	3Q16	4Q16	1Q17	QoQ chg	YoY chg
REVENUE	2,140	2,102	2,156	2,214	2,157	-2.6%	+0.8%
Expenses	(984)	(1,096)	(1,017)	(1,031)	(1,039)	+0.8%	+5.6%
EBITDA	1,156	1,006	1,139	1,183	1,118	-5.5%	-3.3%
EBITDA Margin	54.0%	47.9%	52.8%	53.4%	51.8%	-1.6pp	-2.2pp
Depreciation	(260)	(254)	(261)	(266)	(240)		
Amortisation	(86)	(82)	(83)	(90)	(97)		
Others	(18)	(3)	(4)	10	(2)		
EBIT	792	667	791	837	779	-6.9%	-1.6%
Interest Exp	(120)	(116)	(111)	(123)	(109)		
Interest Income	14	14	13	14	14		
PBT	686	565	693	728	684	-6.0%	-0.3%
Tax	(202)	(144)	(179)	(184)	(174)		
PAT	484	421	514	544	510	-6.3%	+5.4%

Reported Consolidated Income Statement

Reported (RM mn)	1Q16	2Q16	3Q16	4Q16	1Q17	QoQ chg	YoY chg
REVENUE	2,140	2,102	2,156	2,214	2,157	-2.6%	+0.8%
Expenses	(927)	(1,052)	(1,026)	(1,056)	(1,046)	-0.9%	+12.8%
EBITDA	1,213	1,050	1,130	1,158	1,111	-4.1%	-8.4%
EBITDA Margin	56.7%	50.0%	52.4%	52.3%	51.5%	-0.8pp	-5.2pp
Depreciation	(269)	(262)	(265)	(294)	(240)		
Amortisation	(86)	(82)	(83)	(90)	(97)		
Others	(18)	44	(4)	10	(2)		
EBIT	840	750	778	784	772	-1.5%	-8.1%
Interest Exp	(120)	(116)	(111)	(123)	(109)		
Interest Income	14	14	13	14	14		
PBT	734	648	680	675	677	+0.3%	-7.8%
Tax	(214)	(165)	(175)	(170)	(172)		
PAT	520	483	505	505	505	0.0%	-2.9%

Cash Flow Statement

(RM mn)	1Q16	2Q16	3Q16	4Q16	1Q17
Cash flow from operating activities	705	1,129	994	272	723
Cash flow used in investing activities	(259)	(486)	(345)	(760)	(366)
Purchase of property, plant & equipment	(183)	(417)	(271)	(616)	(243)
Proceeds from disposal of PPE	2	-	1	25	1
Purchase of intangible assets	(78)	(69)	(75)	(149)	(124)
Maturities of deposits^	-	-	-	(20)	-
Cash flow before financing activities	446	643	649	(488)	357
Cash flow used in financing activities	(956)	(456)	(926)	454	(480)
Dividends paid	(376)	(375)	(376)	(375)	(376)
Debt drawdown	-	3,500	840	3,450	744
Debt repayment	(421)	(3,500)	(1,261)	(2,478)	(766)
Payment of finance costs	(156)	(80)	(128)	(121)	(82)
Acquisition of additional interest in subsidiary	-	-	-	(16)	-
Others	(3)	(1)	(1)	(6)	-
Net change in cash & cash equivalents	(510)	187	(277)	(34)	(123)
Opening cash & cash equivalents	1,296	786	973	696	662
Closing cash & cash equivalents^	786	973	696	662	539

RM mn	4Q16	1Q17
Debt#	9,253	9,263
Deposits, cash & bank balances^	682	559
Net Debt	8,571	8,704
Total Equity	4,721	4,842

Ratios	4Q16	1Q17
Net debt to EBITDA*	1.88x	1.96x
Net debt to Equity	1.82x	1.80x

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)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Total Revenue	2,149	2,110	2,166	2,176	2,140	2,102	2,156	2,214	2,157
- Service	2,122	2,089	2,154	2,155	2,122	2,055	2,113	2,165	2,129
- *Mobile*	*2,019*	*1,984*	*2,046*	*2,047*	*2,005*	*1,934*	*1,982*	*2,028*	*1,994*
- *Enterprise Fixed*	*65*	*64*	*63*	*61*	*67*	*67*	*74*	*78*	*72*
- *Integrated Services*	*38*	*41*	*45*	*47*	*50*	*54*	*57*	*59*	*63*
- Non-Service	27	21	12	21	18	47	43	49	28
- *Device*	*9*	*6*	*4*	*12*	*12*	*12*	*23*	*26*	*7*
- *Hubbing*	*13*	*10*	*4*	*4*	*2*	*-*	*-*	*2*	*1*
- *Network income*	*5*	*5*	*4*	*5*	*4*	*35*	*20*	*21*	*20*

('000)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Mobile Revenue	2,019	1,984	2,046	2,047	2,005	1,934	1,982	2,028	1,994
- *Prepaid*	*1,045*	*1,008*	*1,070*	*1,035*	*1,008*	*956*	*1,017*	*1,018*	*1,005*
- *Postpaid*	*974*	*976*	*976*	*1,012*	*997*	*978*	*965*	*1,010*	*989*

Note:
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)	1Q16	2Q16	3Q16	4Q16	1Q17
Total Revenue	2,140	2,102	2,156	2,214	2,157
Total Expenses	984	1,096	1,017	1,031	1,039
- *Traffic, commissions & other direct costs*	*527*	*538*	*542*	*532*	*526*
- *Spectrum license fees*	*34*	*36*	*40*	*37*	*41*
- *Network*	*182*	*209*	*195*	*206*	*203*
- *Staff & Resource*	*124*	*135*	*136*	*132*	*143*
- *Marketing*	*36*	*63*	*53*	*45*	*39*
- *Operation & Maintenance*	*83*	*113*	*86*	*104*	*97*
- *Others*	*(2)*	*2*	*(35)*	*(25)*	*(10)*
- *Allowance for doubtful debts, net*	*20*	*24*	*22*	*17*	*16*
- *Government grants & other income, net*	*(22)*	*(22)*	*(57)*	*(42)*	*(26)*
EBITDA	1,156	1,006	1,139	1,183	1,118
PBT	686	565	693	728	684
PAT	484	421	514	544	510
EBITDA Margin	54.0%	47.9%	52.8%	53.4%	51.8%
PAT Margin	22.6%	20.0%	23.8%	24.6%	23.6%

Reported Financials and Costs

(RM mn)	1Q16	2Q16	3Q16	4Q16	1Q17
Total Revenue	2,140	2,102	2,156	2,214	2,157
Total Expenses	927	1,052	1,026	1,056	1,046
- *Traffic, commissions & other direct costs*	*527*	*538*	*542*	*532*	*526*
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- *Marketing*	*36*	*63*	*53*	*45*	*39*
- *Operation & Maintenance*	*26*	*69*	*95*	*129*	*104*
- *Others*	*(2)*	*2*	*(35)*	*(25)*	*(10)*
- *Allowance for doubtful debts, net*	*20*	*24*	*22*	*17*	*16*
- *Government grants & other income, net*	*(22)*	*(22)*	*(57)*	*(42)*	*(26)*
EBITDA	1,213	1,050	1,130	1,158	1,111
PBT	734	648	680	675	677
PAT	520	483	505	505	505
EBITDA Margin	56.7%	50.0%	52.4%	52.3%	51.5%
PAT Margin	24.3%	23.0%	23.4%	22.8%	23.4%

RGS30, ARPU and Smart-phone penetration

('000)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Mobile Subs	12,192	12,214	11,956	11,579	11,164	11,015	10,903	10,851	10,673
- *Prepaid*	*8,992*	*9,068*	*8,850*	*8,520*	*8,196*	*8,108*	*8,007*	*7,946*	*7,754*
- *Postpaid*	*2,823*	*2,796*	*2,784*	*2,765*	*2,696*	*2,660*	*2,678*	*2,712*	*2,744*
- *WBB*	*377*	*350*	*322*	*294*	*272*	*247*	*218*	*193*	*175*

ARPU (RM/mth)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Blended	53	51	53	54	55	54	56	57	57
- *Prepaid*	*38*	*36*	*39*	*39*	*39*	*38*	*41*	*42*	*42*
- *Postpaid*	*96*	*97*	*98*	*102*	*102*	*102*	*100*	*104*	*102*

Smartphone Penetration (%)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Blended	62	65	67	69	70	70	74	76	78
- *Prepaid*	*60*	*63*	*65*	*67*	*67*	*68*	*72*	*74*	*77*
- *Postpaid*	*72*	*73*	*75*	*76*	*77*	*80*	*81*	*82*	*83*

Notes:
WBB subscriptions defined as subscriptions on data plans using USB modems and tablets
Smart-phone defined as any devices with growing apps store and active developers

Market Definition Subscriptions, ARPU and MOU

('000)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Mobile Subs	13,260	13,269	13,110	12,694	12,310	12,249	12,046	11,926	11,808
- *Prepaid*	*9,979*	*10,051*	*9,927*	*9,567*	*9,279*	*9,273*	*9,085*	*8,960*	*8,820*
- *Postpaid*	*3,280*	*3,218*	*3,174*	*3,127*	*3,031*	*2,976*	*2,961*	*2,966*	*2,988*
WBB	412	385	357	325	302	276	243	208	188
Mobile Internet Users	9,000	9,100	9,000	8,800	8,500	8,400	8,500	8,700	8,600
Home Connections	89	99	107	118	126	133	139	146	153

('000)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	**1Q17**
Prepaid									
- ARPU	35	33	35	35	35	34	36	37	37
- MOU (min/mth)	126	131	134	129	141	162	155	138	136
Postpaid	95	96	97	102	101	101	100	104	101
Blended	48	47	49	50	50	49	50	52	52

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