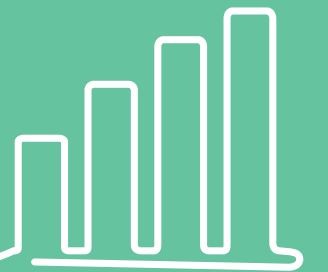




2Q18 FINANCIAL RESULTS

18th July 2018



maxis

HOTLINK

* On comparable peer basis

Average for 2Q18

- TP-NPS: Touch point net promoter score

LEADING NETWORK



Leading in coverage
and speed

92%

DATA GROWTH



High data usage

+18.7%, 9.08GB#

NPS



Continuously
improving with all
time high TP-NPS

+57

DIVIDENDS



Declared dividends at

5 sen per share

EBITDA



Remains stable

RM1.01b

POSTPAID



Maintain leadership
with strong Q2

+6.7% YoY

PREPAID



Stabilised revenues

+0.6% QoQ

2Q18
HIGHLIGHTS



Strong growth momentum
driven by **value accretive**
family-centric
propositions



POSTPAID

Postpaid Revenue

RM1.01b

(QoQ:+2.4%, YoY:+6.7%)

MOP Subscribers

2,088k

Net MOP Additions

+67k*

Postpaid ARPU

RM94

Flagship MaxisONE Plan continued to attract with innovative device offerings

- Stable ARPU
- Encouraging response from new device propositions, combined with strong Raya campaign
- Positive growth in household account value (@ average revenue per account/ARPA) anchored by innovative & value accretive Family offerings

* Quarter-on-Quarter basis

QoQ stable revenue, higher ARPU and a narrowed decline in subscribers base

- Well executed initiatives showing positive results
- Effective use of data analytics leads to increased mobile internet usage; incremental ARPU of RM 1
- SIM consolidation and migration to Postpaid continued to impact subscriber base, albeit at a lower rate

Prepaid Revenue

RM854m

(QoQ: +0.6%, YoY: -13.0%)

MI Penetration

75%

Prepaid ARPU

RM42

Hotlink Subscribers

6,747k

Revenue stabilising;
positive results from
**well executed
initiatives**

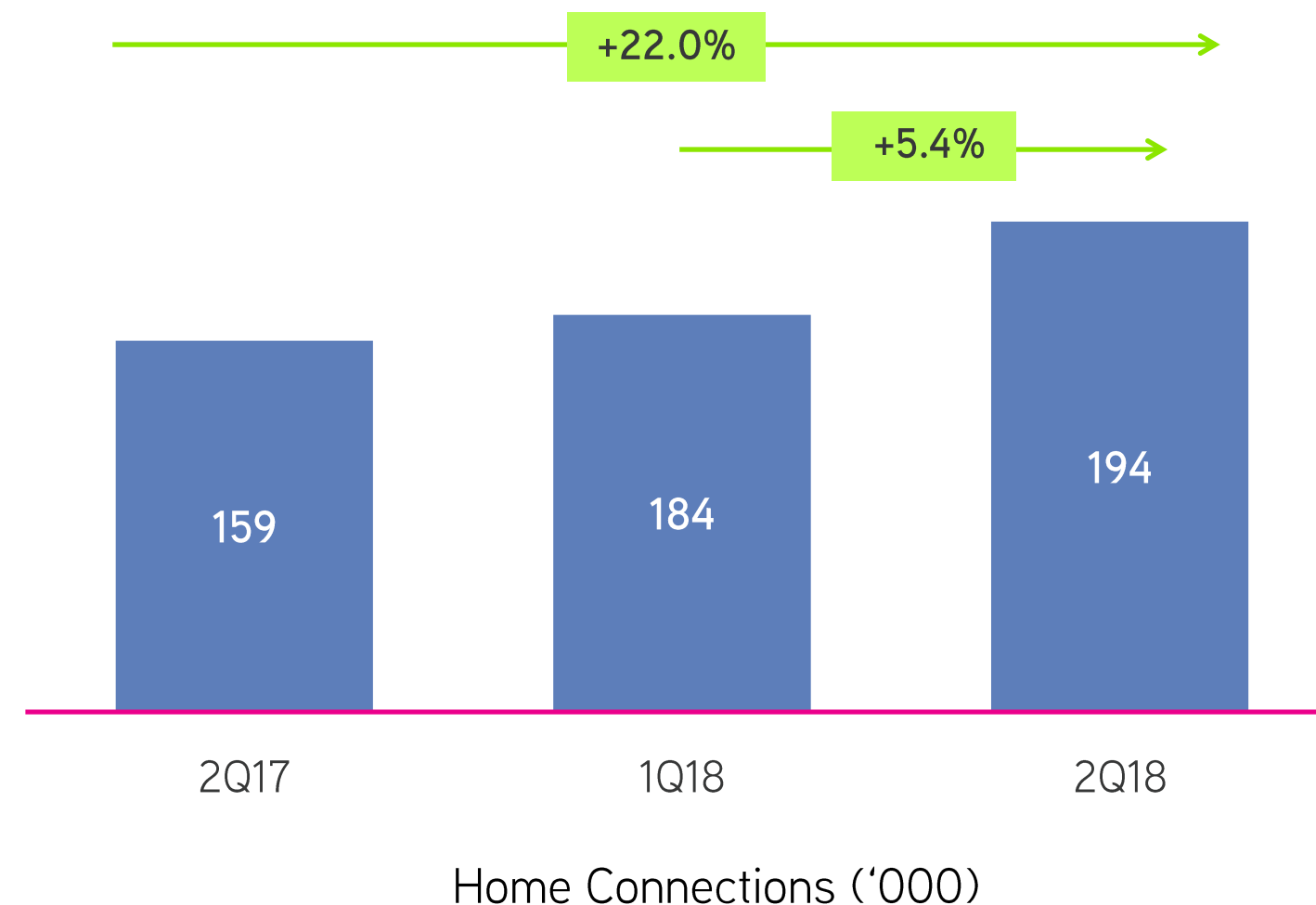
PREPAID

Solid growth momentum
driven by **improved value
chain and operation
metrics**



HOME FIBRE

Steady growth in home fibre subscriber base



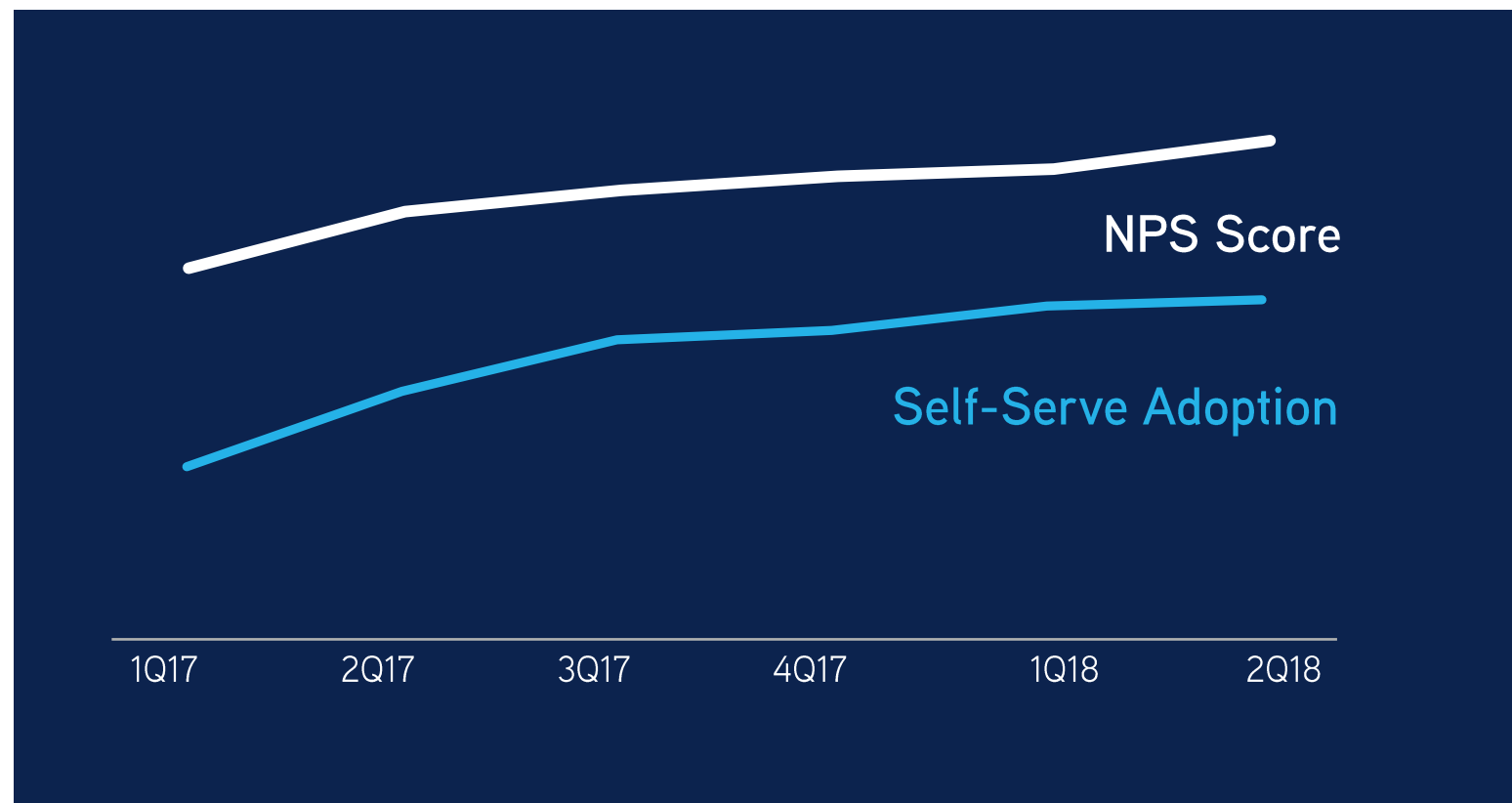
- Grew 22.0% subscriber base YoY
- Well placed to support the Government's broadband initiative
- Announcing new product propositions soon
- Well positioned for further growth

TP-NPS

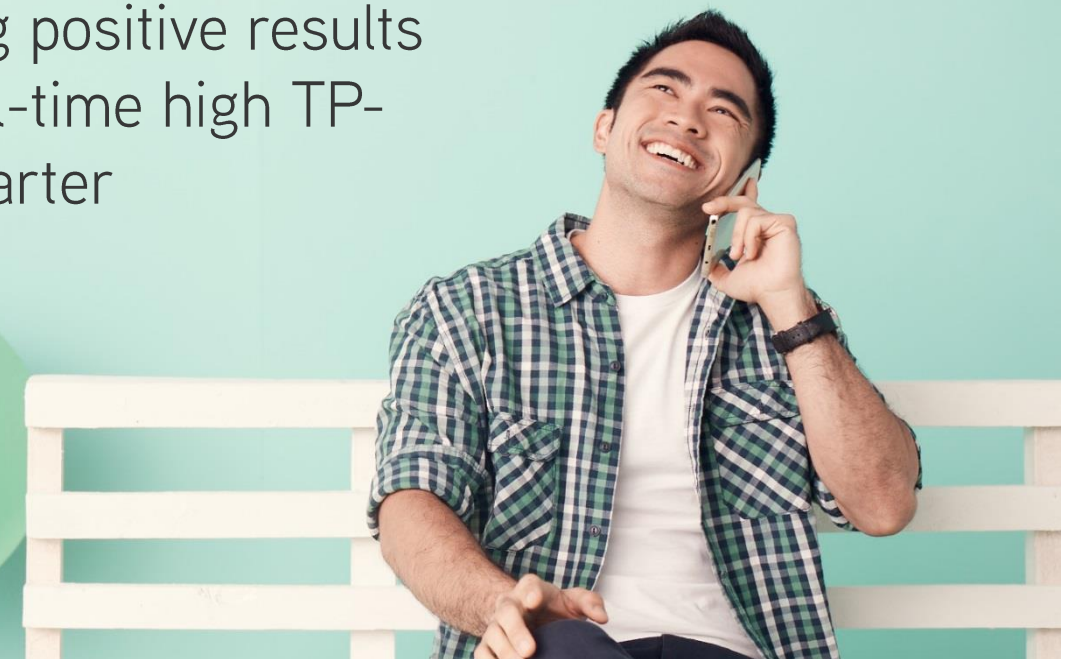
Customer
experience
excellence –
continuous
improvements in
TP-NPS score.



+57
Overall TP-NPS



Service-oriented and customer-focused; driving positive results with another all-time high TP-NPS for the quarter



HOTLINK

POSTPAID

FLEX



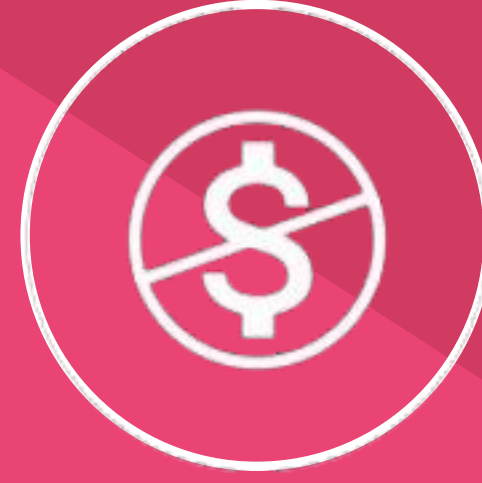
UNLIMITED CALLS
AND SMS

To all networks.



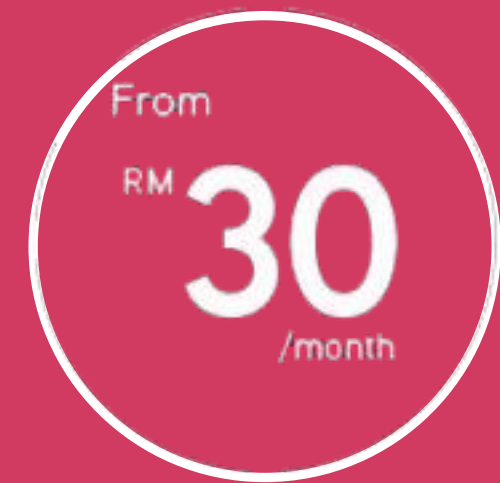
BUILD YOUR OWN
INTERNET PLAN

Choose from an array of
Internet passes & unlimited
apps bundle from as low as
RM5.



NO CONTRACT &
HIDDEN CHARGES

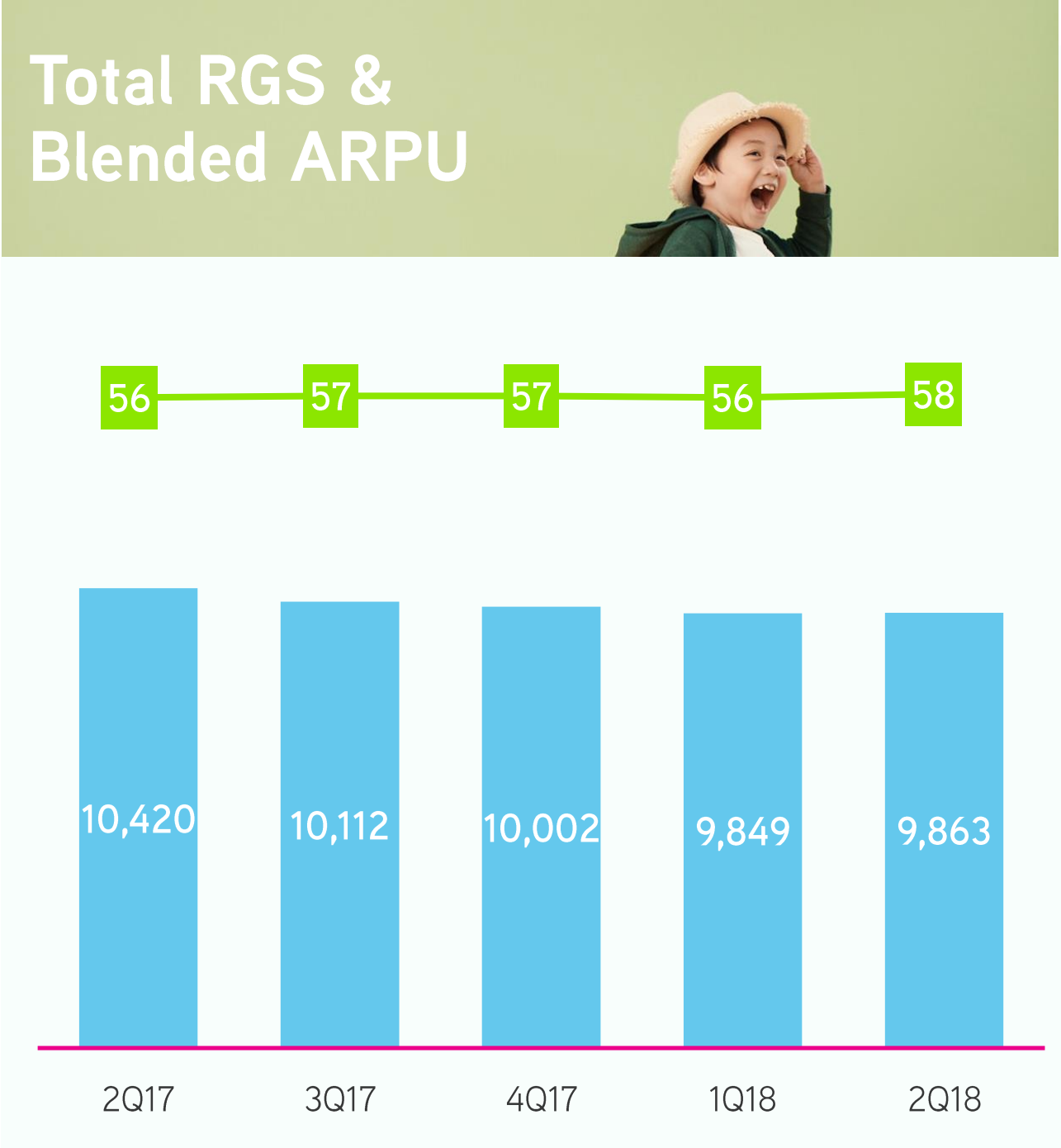
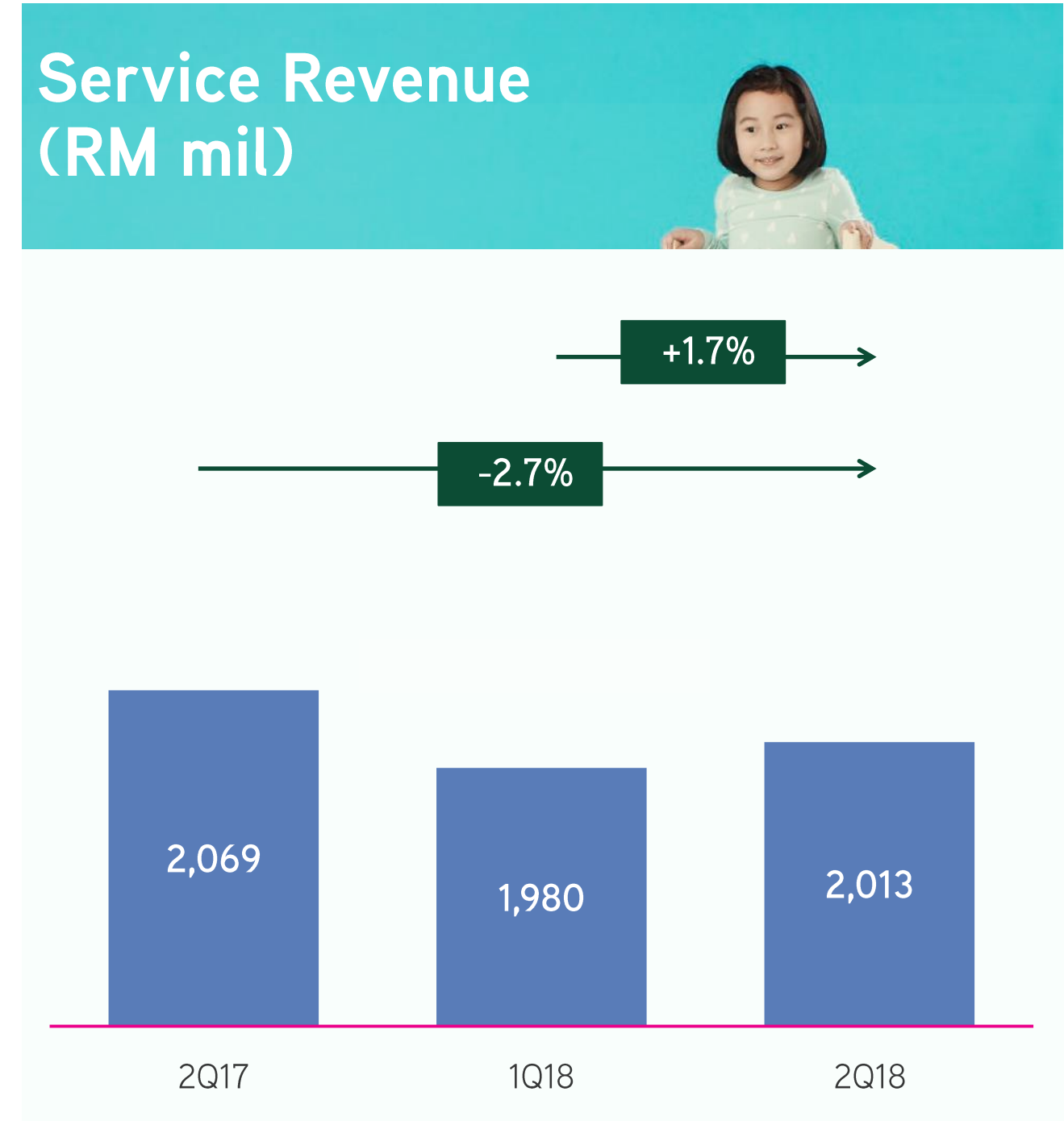
Pay for only what you want.
Change your Internet plan
anytime at no extra fees.



STARTS FROM RM30
PER MONTH

The most affordable Postpaid
plan in town.

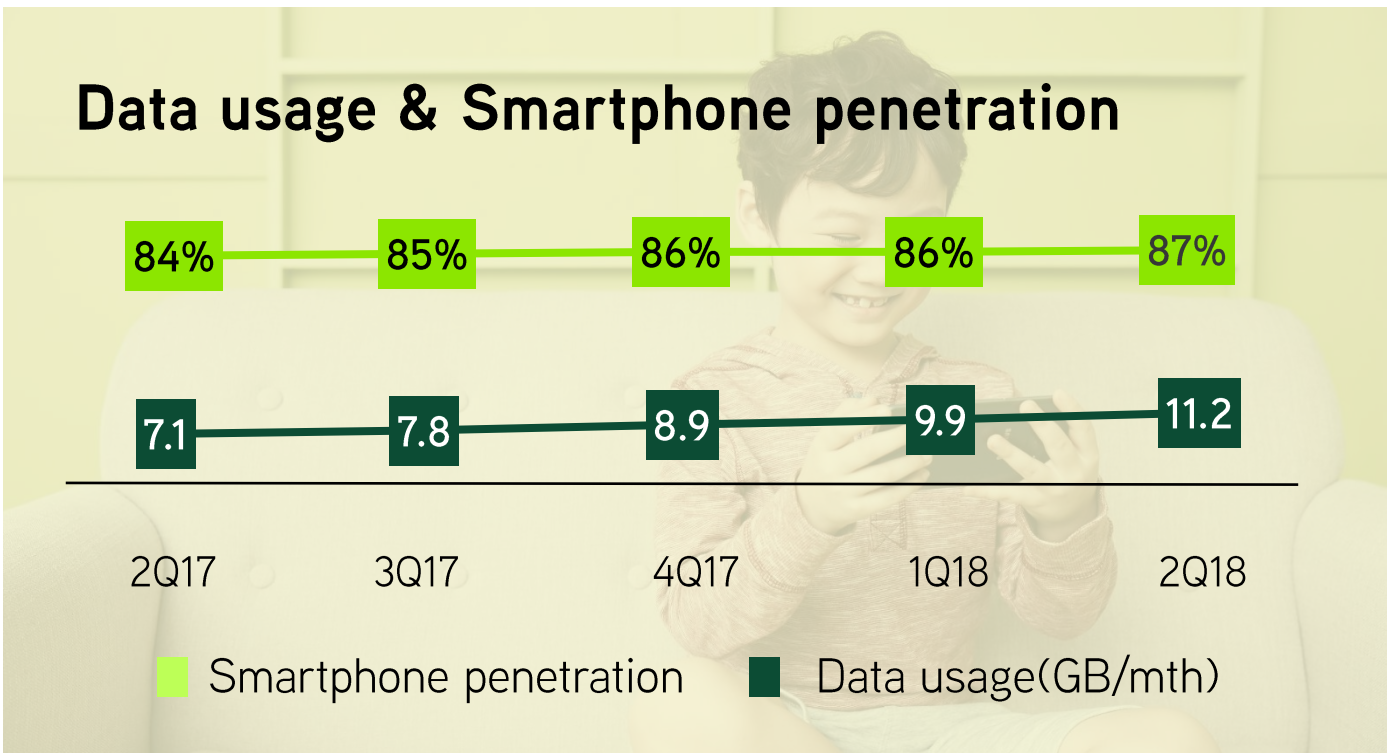
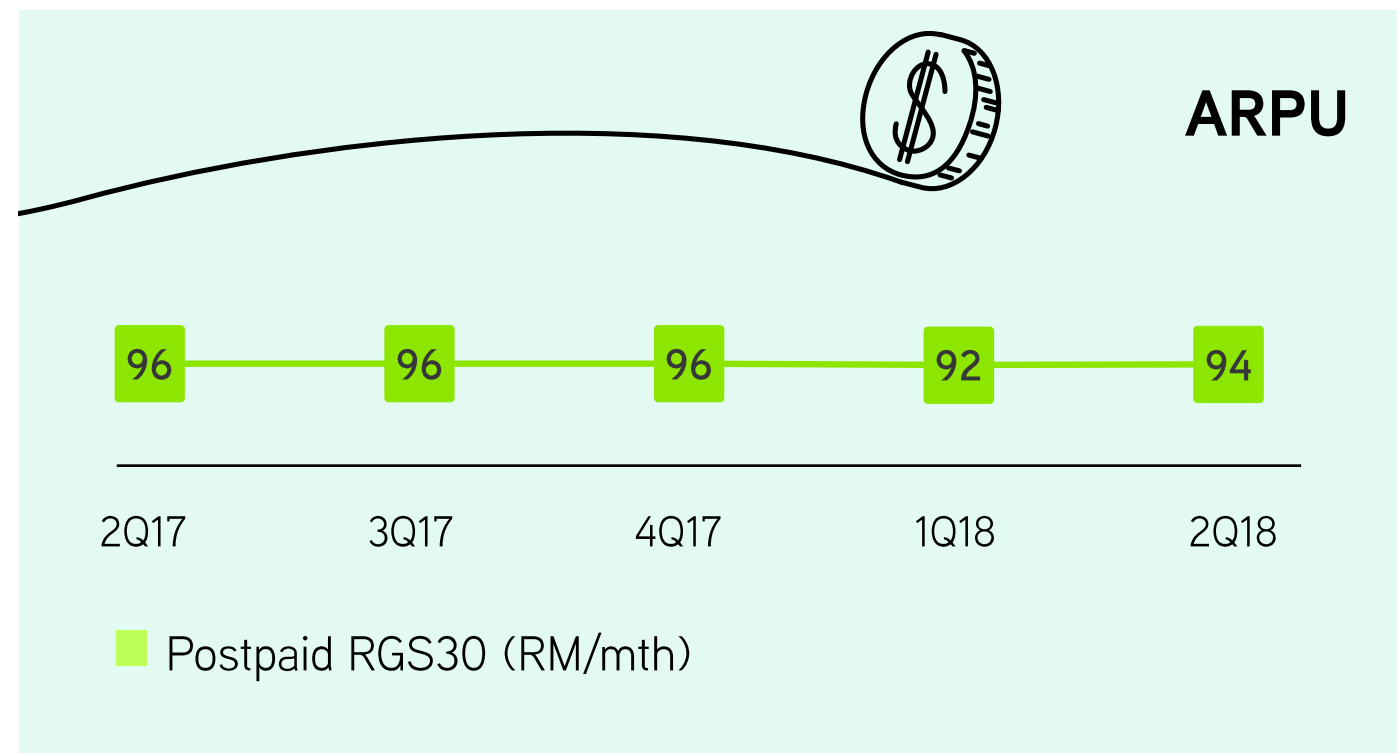
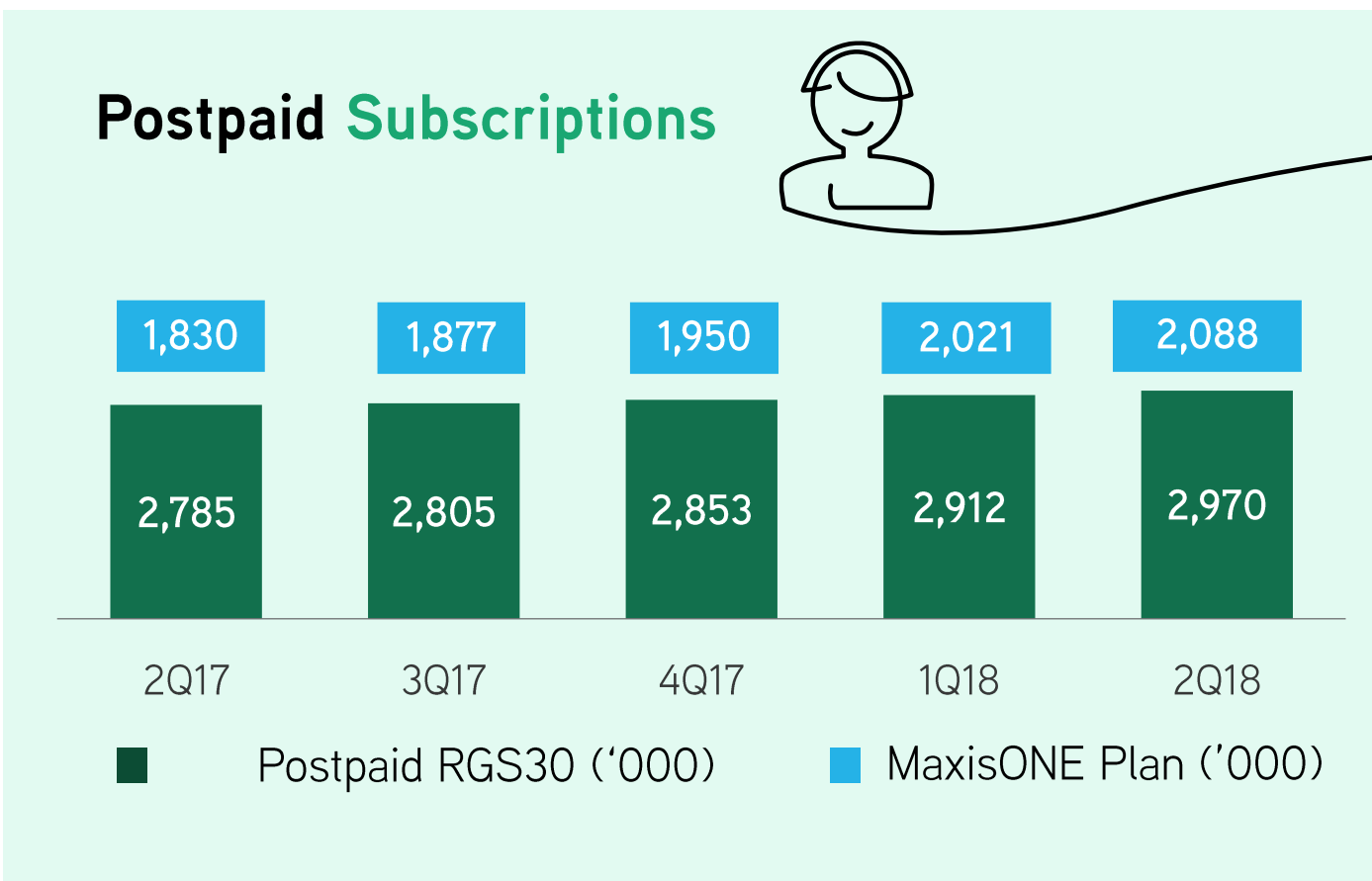
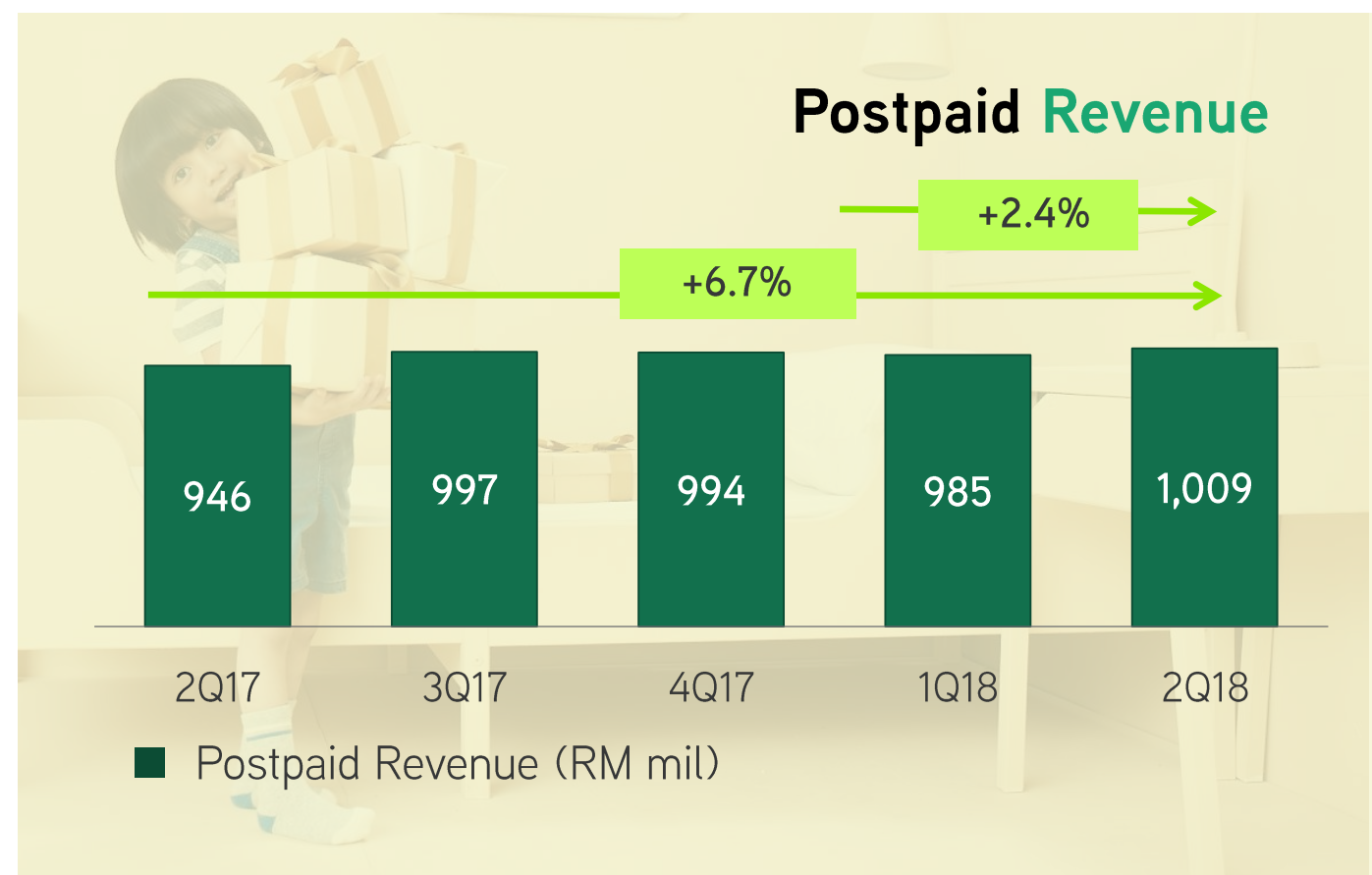
Service Revenue impacted by competitive Prepaid segment; which offset Postpaid and Home Fibre growth



■ Subscriptions ('000)
■ Blended ARPU (RM/month)

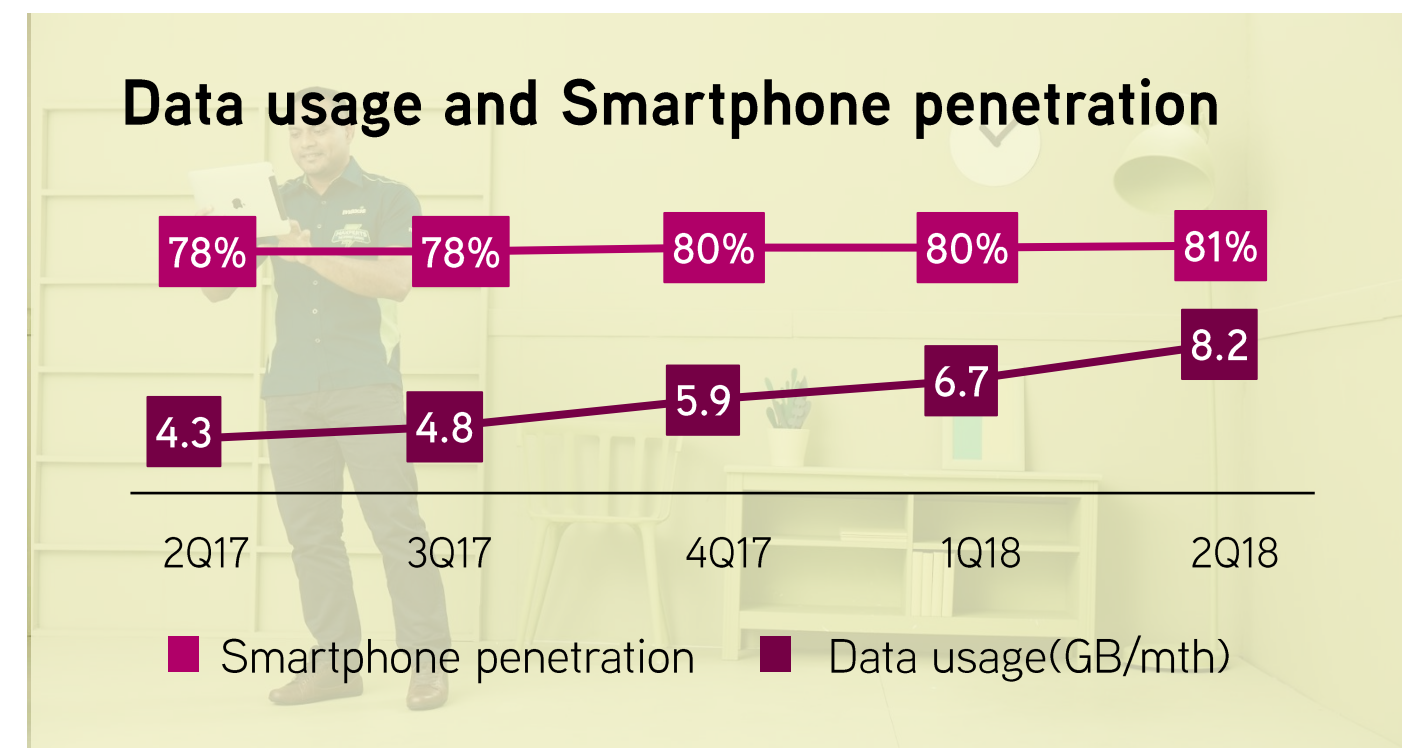
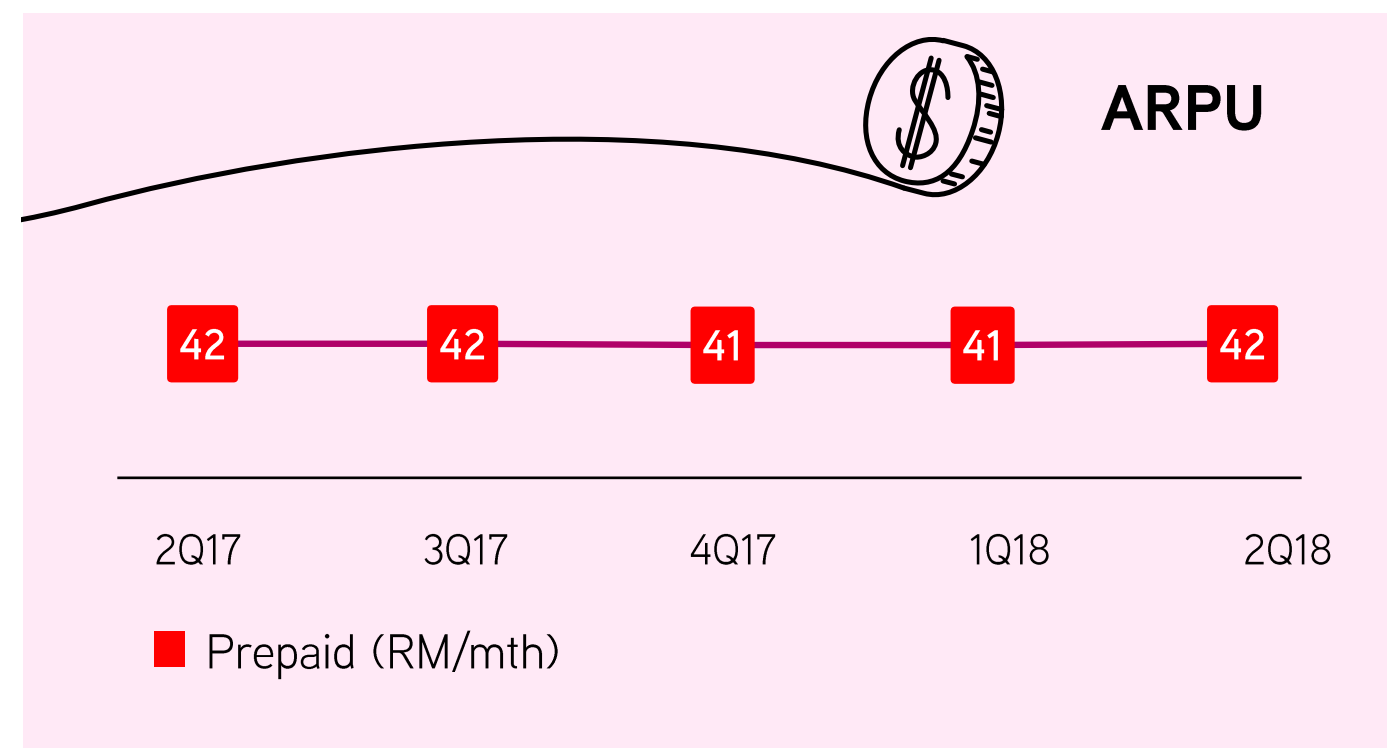
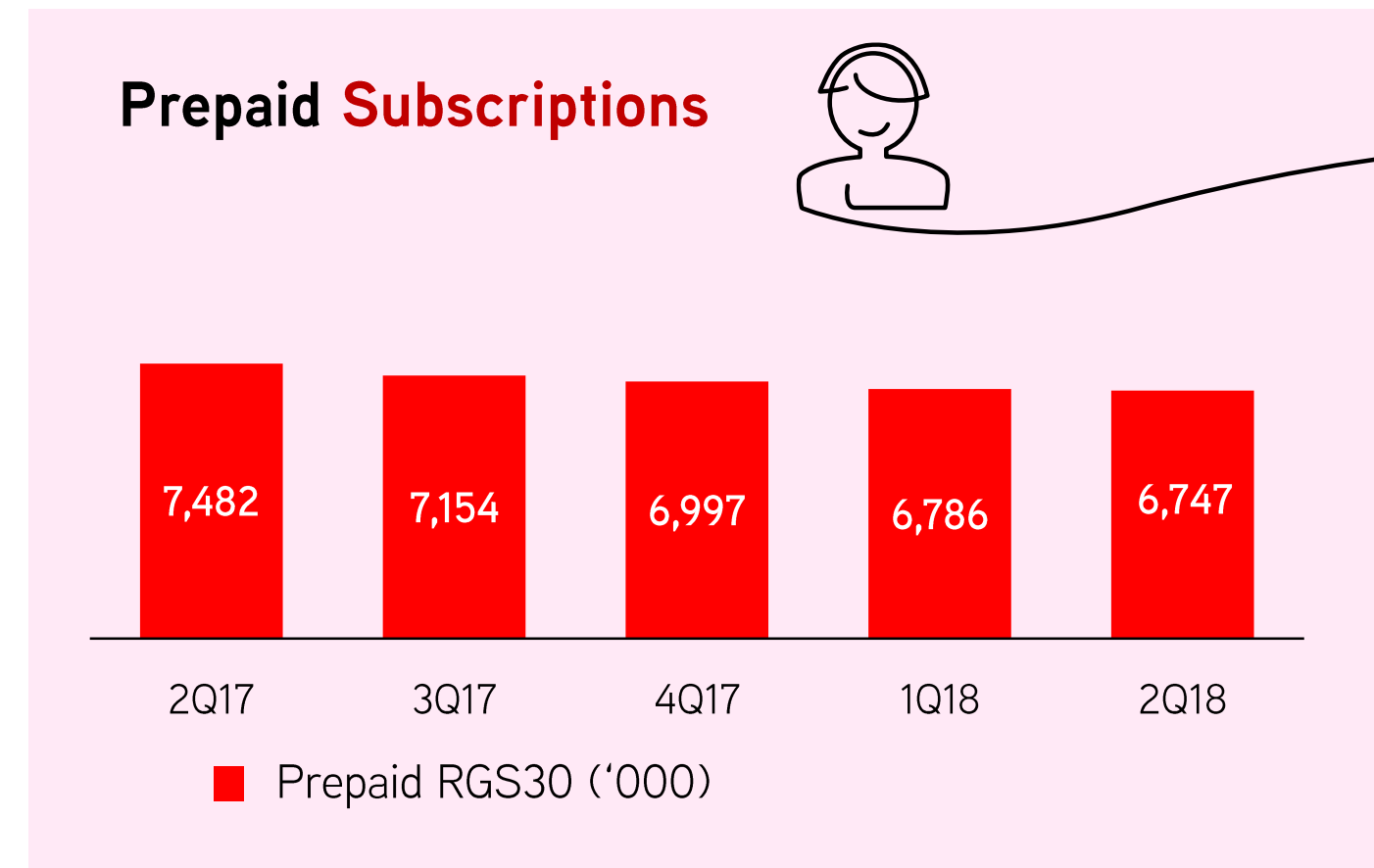
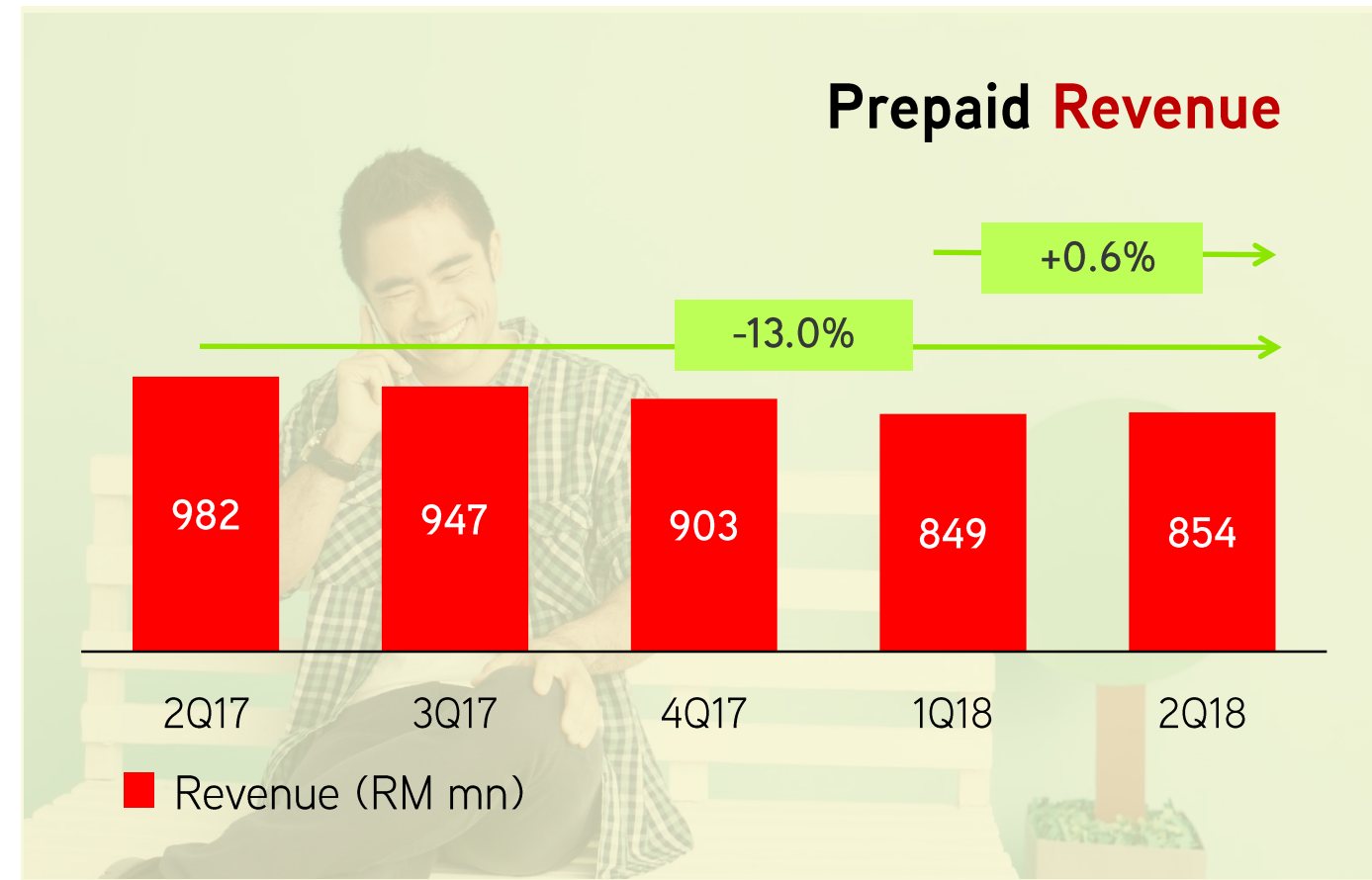
High Postpaid revenue, driving value from base

Continued to attract subs; ARPU remained stable

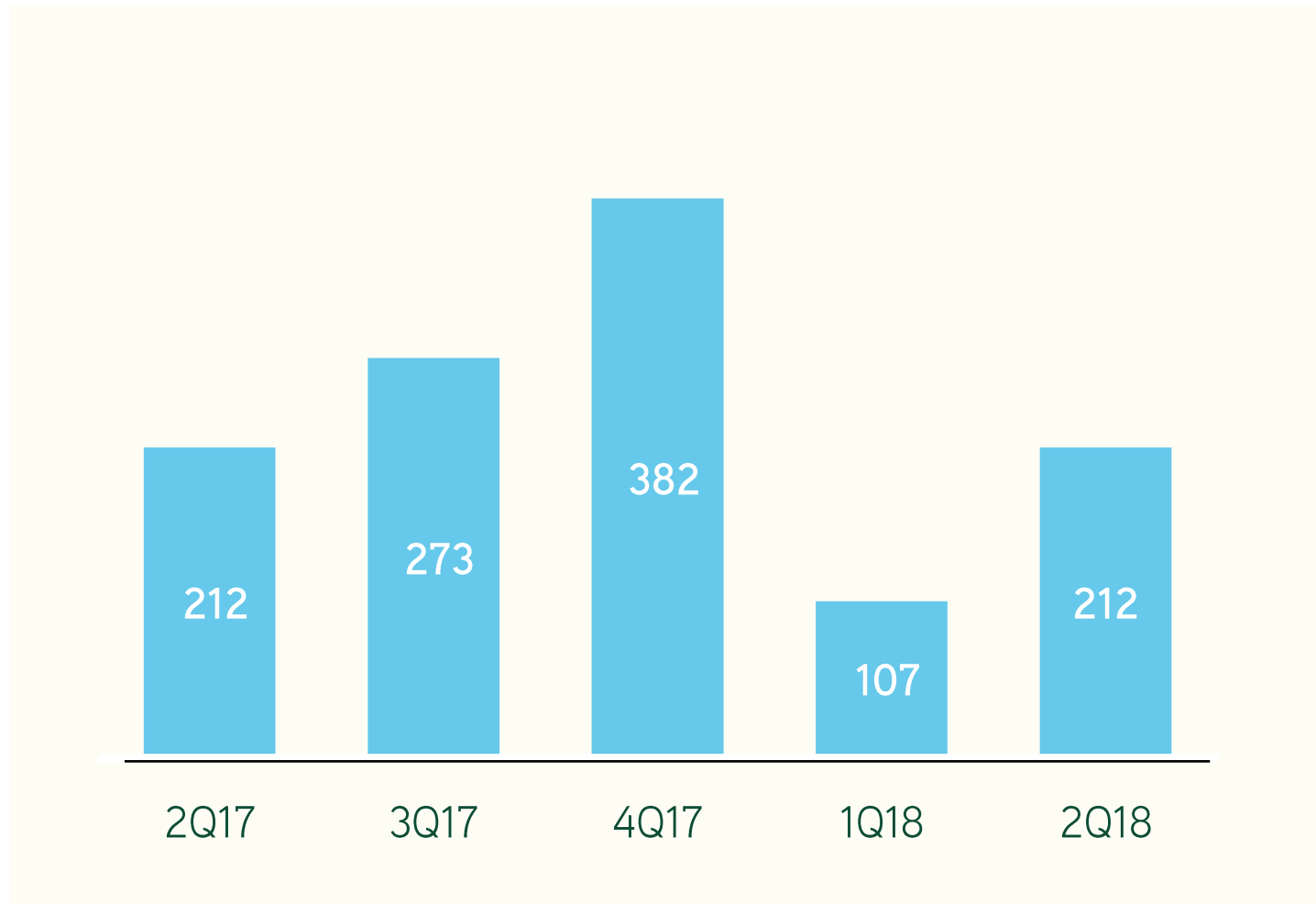



Stabilised QoQ Prepaid revenue; Solid MI revenue growth

Sustained stable ARPU



High performing network recognised by global industry experts






Highlights

OpenSignal

State of Mobile Networks: Malaysia

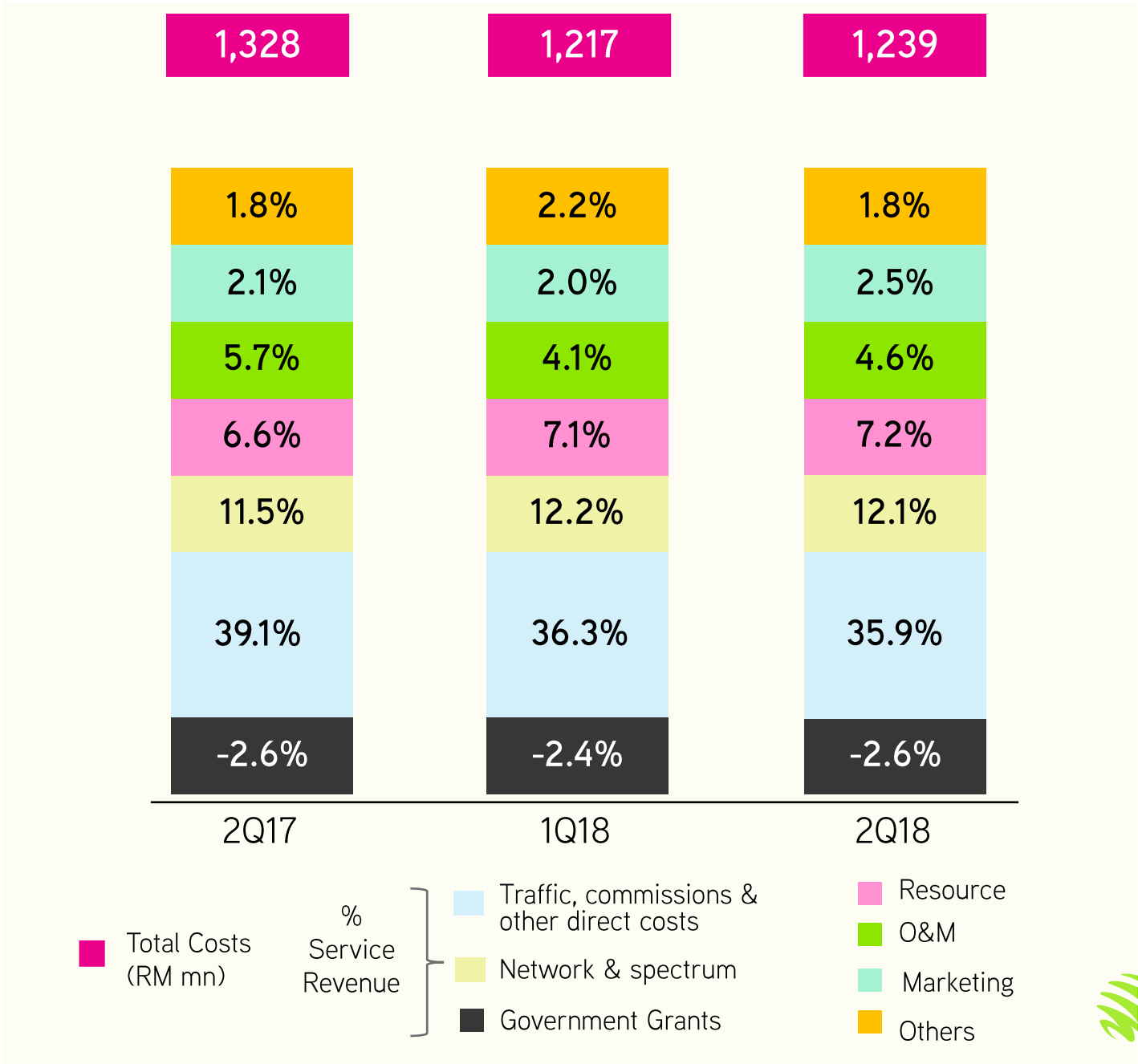
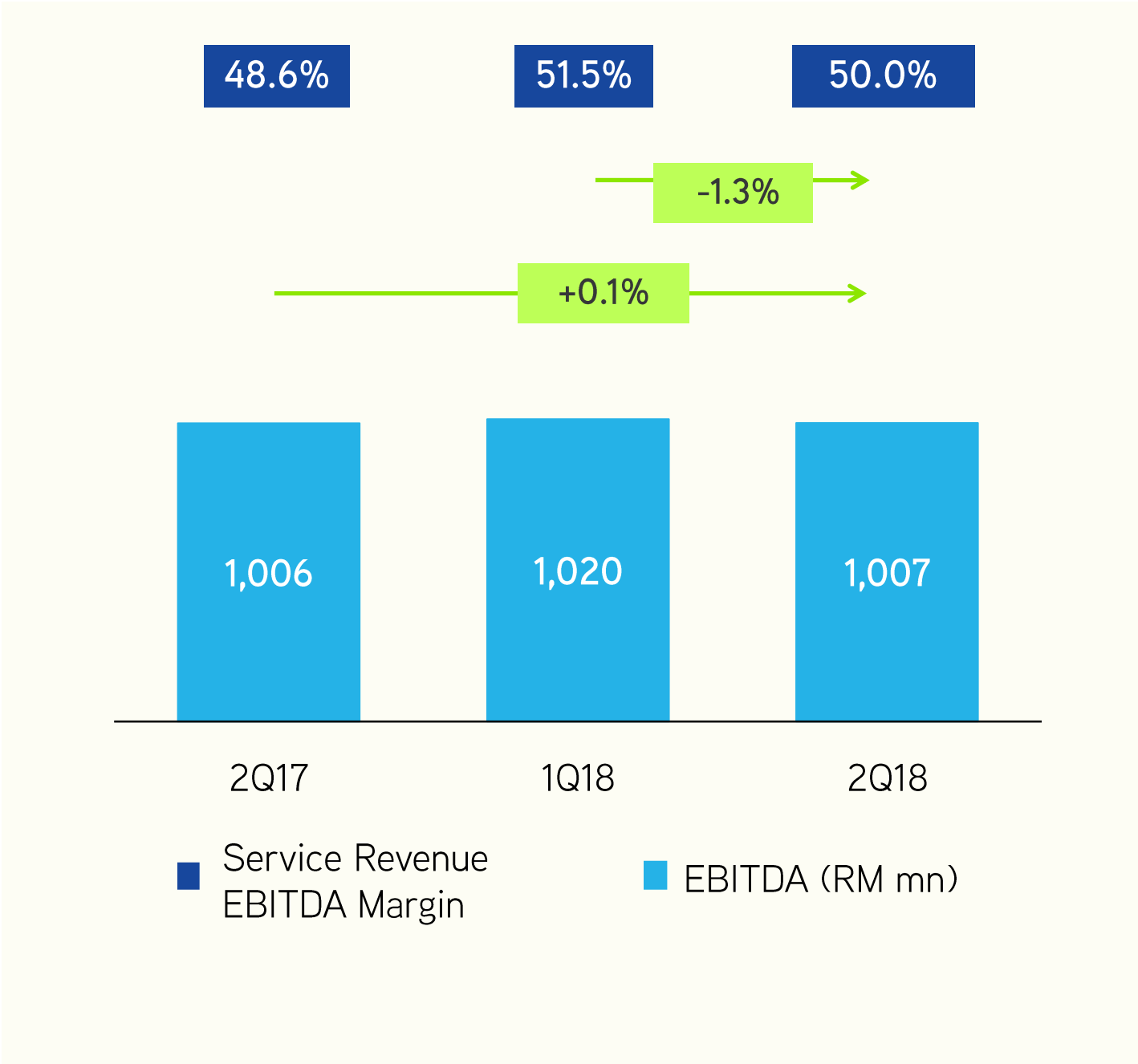
Winner of the 4G Download Speed
Winner of the 3G Download Speed
Winner of the Overall Speed
Winner of the 4G Latency



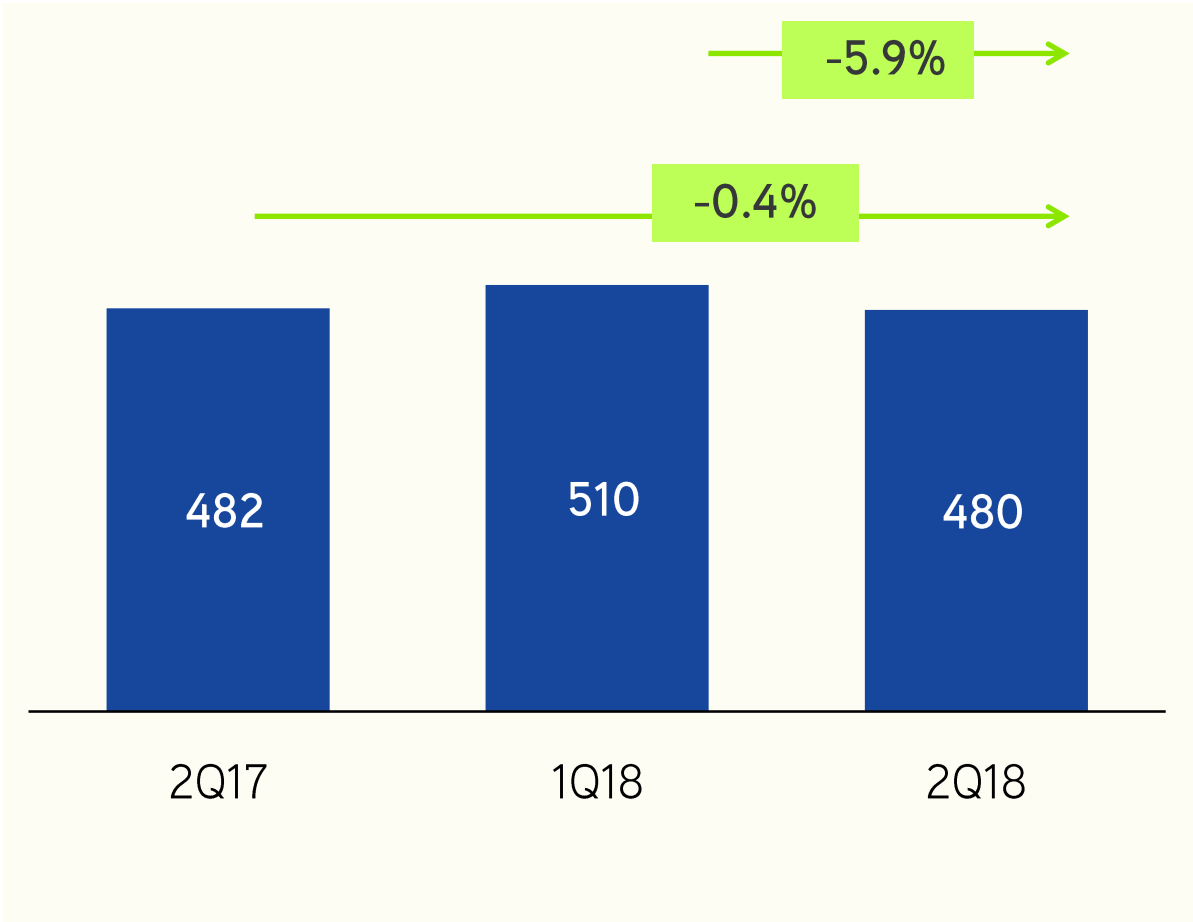
Fastest download speed in Penang and KL/Putrajaya recognized by MCMC



Strong EBITDA margins with continued focus on profitable segments and cost optimisation



Profit after Tax remains stable



QoQ PAT lower on account of lower EBITDA and higher depreciation expense.



Excludes RM11 million unrealised forex gains (2H17: RM34 million unrealised forex gains), nil reduction of service fees (2H17: RM47 million reduction of service fee)

Key Priorities, Outlook & Guidance

- Enhancing digital capabilities through our digital transformation programme
- Expansion of convergence offerings
- Expansion of Enterprise solutions

Priorities



Outlook

Maintain guidance for the full year:

	Post MFRS adoption
Service Revenue	Mid single digit decline
EBITDA	High single digit decline
Base CAPEX	Around RM1.0 billion
Free Cash Flow	Similar level to FY2017



Key Financials

(RM mn)	2Q17	1Q18	2Q18	QoQ	YoY
Service Revenue	2,069	1,980	2,013	+1.7%	-2.7%
EBITDA*	1,006	1,020	1,007	-1.3%	+0.1%
EBITDA margin on service revenue*	48.6%	51.5%	50.0%	-1.5pp	+1.4pp
Profit after tax*	482	510	480	-5.9%	-0.4%
Free cash flow**	290	283	541	+91.2%#	+86.6%#
Prepaid Revenue	982	849	854	+0.6%	-13.0%
Postpaid Revenue	946	985	1,009	+2.4%	+6.7%
Capex	212	107	212		
Dividend per share (sen)	5	5	5		

*

EBITDA, EBITDA margin and Profit After Tax on normalised basis

**

Normalised for upfront spectrum assignment fee paid in 1Q18

#

Higher due to timing differences in payments



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) unrealised forex gains of RM39 million in 2Q17 and (RM13 million) in 1Q18; and (ii) service fee reduction of RM51 million in 2Q17 and nil in 1Q18
- **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 do not have any revenue generating activities for more than 30 days
- **Smart-phone:** Mobile phone offering advanced capabilities including access to email and the internet



Q&A



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Appendices

Normalised Consolidated Income Statement

(RM mn)	2Q17	3Q17	4Q17	1Q18	2Q18	QoQ	YoY
Revenue	2,335	2,333	2,376	2,237	2,246	+0.4%	-3.8%
Expenses	(1,328)	(1,214)	(1,330)	(1,217)	(1,239)	+1.8%	-6.7%
EBITDA	1,006	1,119	1,046	1,020	1,007	-1.3%	+0.1%
EBITDA Margin	48.6%	53.5%	51.4%	51.5%	50.0%	-1.5pp	+1.3pp
Depreciation	(238)	(264)	(279)	(235)	(268)		
Amortisation	(3)	(3)	(3)	(0)	(0)		
Others	-	(2)	(9)	(7)	(1)		
Upfront Spectrum Assignment	-	(14)	(14)	(14)	(15)		
EBIT	765	836	741	764	723	-5.4%	-5.5%
Interest Expenses	(122)	(120)	(94)	(97)	(94)		
Interest Revenue	15	20	12	9	9		
PBT	658	736	659	676	638	-5.6%	-3.0%
Tax	(176)	(175)	(139)	(166)	(158)		
PAT	482	561	520	510	480	-5.9%	-0.4%



Reported Consolidated Income Statement

(RM mn)	2Q17	3Q17	4Q17	1Q18	2Q18	QoQ	YoY
Revenue	2,335	2,333	2,376	2,237	2,246	+0.4%	-3.8%
Expenses	(1,210)	(1,224)	(1,315)	(1,214)	(1,257)	+3.5%	+3.9%
EBITDA	1,125	1,109	1,061	1,023	989	-3.3%	-12.1%
EBITDA Margin	54.4%	53.1%	52.1%	51.7%	49.1%	-2.6pp	-5.3p
Depreciation	(238)	(264)	(279)	(235)	(268)		
Amortisation	(3)	(3)	(3)	(0)	(0)		
Others	-	(2)	(9)	(7)	(1)		
EBIT	884	840	770	781	720	-7.8%	-18.6%
Interest Expenses	(122)	(120)	(94)	(97)	(94)		
Interest Revenue	15	20	12	9	9		
PBT	777	740	688	693	635	-8.4%	-18.3%
Tax	(205)	(176)	(146)	(170)	(157)		
PAT	572	564	542	523	478	-8.6%	-16.4%



Cash Flow Statement

(RM mn)	2Q17	3Q17	4Q17	1Q18	2Q18
Cash flow from operating activities	742	893	1,133	441	931
Cash flow used in investing activities	(351)	(341)	(556)	(166)	(307)
▪ Purchase of property, plant & equipment	(351)	(341)	(557)	(166)	(307)
▪ Proceeds from disposal of PPE	-	3	1	-	-
▪ Maturities of deposits	-	(3)	-	-	-
Cash flow before financing activities	391	552	577	275	624
Cash flow used in financing activities	(477)	(298)	(705)	(501)	(476)
• Dividends paid	(376)	(390)	(391)	(391)	(390)
• Debt drawdown	-	-	-	-	-
• Debt repayment	-	(1,439)	(210)	-	-
• Payment of finance costs	(99)	(122)	(99)	(109)	(81)
• Acquisition of additional interest in subsidiary	-	-	-	-	-
• Proceeds from issuance of shares	-	1,655	-	-	-
• Others	(2)	(2)	(5)	(1)	(5)
Net change in cash & cash equivalents	(86)	254	(128)	(226)	148
Opening cash & cash equivalents	539	453	707	579	353
Closing cash & cash equivalents	453	707	579	353	501



Financial Ratios

(RM mn)	1Q18	2Q18
Debt#	7,622	7,637
Deposits, cash & bank balances^	376	524
Net Debt	7,246	7,113
Total Equity	7,059	7,147

(RM mn)	1Q18	2Q18
Net debt-to-EBITDA*	1.68x	1.70x
Net debt-to-Equity	1.03x	1.00x

Notes:

- # Includes derivative financial instruments designated for hedging relationship on borrowings; excludes vendor financing
- * EBITDA calculated using rolling 12 months 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)	2Q17	3Q17	4Q17	1Q18	2Q18
Revenue	2,335	2,333	2,376	2,237	2,246
Service Revenue	2,069	2,090	2,036	1,980	2,013
▪ Mobile	1,928	1,944	1,897	1,834	1,863
▪ Enterprise Fixed	76	75	69	71	71
▪ Home Fibre	65	71	70	75	79
Non-Service Revenue	266	243	340	257	233
▪ Device	241	216	319	236	212
▪ Hubbing	5	7	0	0	0
▪ Network Income	20	20	21	21	21
(RM mn)	2Q17	3Q17	4Q17	1Q18	2Q18
Mobile Revenue	1,928	1,944	1,897	1,834	1,863
▪ Prepaid	982	947	903	849	854
▪ Postpaid	946	997	994	985	1,009

Notes:

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)	2Q17	3Q17	4Q17	1Q18	1Q18
Total revenue	2,335	2,333	2,376	2,237	2,246
Cash expenses	1,328	1,214	1,330	1,217	1,239
▪ Traffic, commissions & other direct costs	809	729	802	720	723
▪ Spectrum license fees	42	44	43	42	47
▪ Network	195	199	190	200	196
▪ Staff & resource	137	150	146	140	144
▪ Marketing	43	43	35	39	51
▪ Operation & maintenance	119	68	136	81	93
▪ Others	(17)	(19)	(22)	(5)	(15)
▪ Allowance for doubtful debts, net	18	31	29	27	29
▪ Government grants & other income, net	(35)	(50)	(51)	(32)	(44)
EBITDA	1,007	1,119	1,046	1,020	1,007
PBT	659	736	659	676	638
PAT	483	561	520	510	480
EBITDA Margin	48.7%	53.5%	51.4%	51.5%	50.0%
PAT Margin	20.7%	24.0%	21.9%	22.8%	21.4%



Reported Financials and Costs

(RM mn)	2Q17	3Q17	4Q17	1Q18	2Q18
Total revenue	2,335	2,333	2,376	2,237	2,246
Cash expenses	1,210	1,224	1,315	1,214	1,257
▪ Traffic, commissions & other direct costs	743	729	802	720	723
▪ Spectrum license fees	42	58	57	56	62
▪ Network	195	199	190	200	196
▪ Staff & resource	137	150	146	140	144
▪ Marketing	43	43	35	39	51
▪ Operation & maintenance	67	64	107	64	96
▪ Others	(17)	(19)	(22)	(5)	(15)
▪ Allowance for doubtful debts, net	18	31	29	27	29
▪ Government grants & other income, net	(35)	(50)	(51)	(32)	(44)
EBITDA	1,125	1,109	1,061	1,023	989
PBT	777	740	688	693	635
PAT	572	564	542	523	478
EBITDA Margin	54.4%	53.1%	52.1%	51.7%	49.1%
PAT Margin	24.5%	24.2%	22.8%	23.4%	21.3%



RGS30 and ARPU

	2Q17	3Q17	4Q17	1Q18	2Q18
Mobile Subscription (‘000)					
Total	10,420	10,112	10,002	9,849	9,863
<ul style="list-style-type: none"> Prepaid 	7,482	7,154	6,997	6,786	6,747
<ul style="list-style-type: none"> Postpaid 	2,785	2,805	2,853	2,912	2,970
<ul style="list-style-type: none"> WBB 	153	153	152	151	146
ARPU (RM/Month)					
Blended	56	57	57	56	58
<ul style="list-style-type: none"> Prepaid 	42	42	41	41	42
<ul style="list-style-type: none"> Postpaid 	96	96	96	92	94

Note:
WBB subscriptions defined as subscriptions on data plans using USB modems and tablets



Data usage and smart phone penetration

	2Q17	3Q17	4Q17	1Q18	2Q18
Data usage (GB/Month)					
Blended	5.02	5.59	6.72	7.65	9.08
▪ Prepaid	4.29	4.78	5.87	6.72	8.20
▪ Postpaid	7.13	7.75	8.88	9.88	11.17
(%) Smart-phone penetration					
Blended	79	80	81	82	83
▪ Prepaid	78	78	80	80	81
▪ Postpaid	84	85	86	86	87

Note:
 Smart-phone defined as any device with growing apps store and active developers



Market Definition Subscription, ARPU and MOU

	2Q17	3Q17	4Q17	1Q18	2Q18
Mobile Subscription (‘000)					
Total	11,661	11,269	11,091	10,875	10,891
▪ Prepaid	8,653	8,255	8,034	7,756	7,716
▪ Postpaid	2,842	2,849	2,894	2,958	3,019
▪ WBB	166	165	163	161	156
(‘000)					
Mobile Internet Users	8,500	8,300	8,200	8,100	8,200
(‘000)					
Home Connections	159	163	172	184	194
ARPU (RM/Month)					
Blended	51	51	51	51	53
▪ Prepaid	36	36	36	35	37
▪ Postpaid	96	96	96	92	94
MOU (Minutes/Month)					
▪ Prepaid	131	133	129	129	128

Notes:

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



