

Results 3Q 2014 / 13 Nov 2014

1 plan.
0 worries.

Go one up with MaxisONE plan.
The ONE internet plan with Zero
call charges and Zero bill shock.

- 0 sen
Calls & SMS
- 0 sen
Internet
other high-speed plans
- 0
Bill Shock

Find out more >

MaxisONE™
Plan

Find out more >

Plan
MaxisONE

The advertisement features two children in superhero costumes (one green, one blue) standing in a grassy area. A green line with a circle at the end points from the child in the green costume to the 'MaxisONE Plan' text. The background is a blurred outdoor scene with trees and a wall.

Good operational progress, stable financials

Prepaid recovering,
MaxisONE Plan gaining
momentum

Stable service revenue, solid
EBITDA and margin

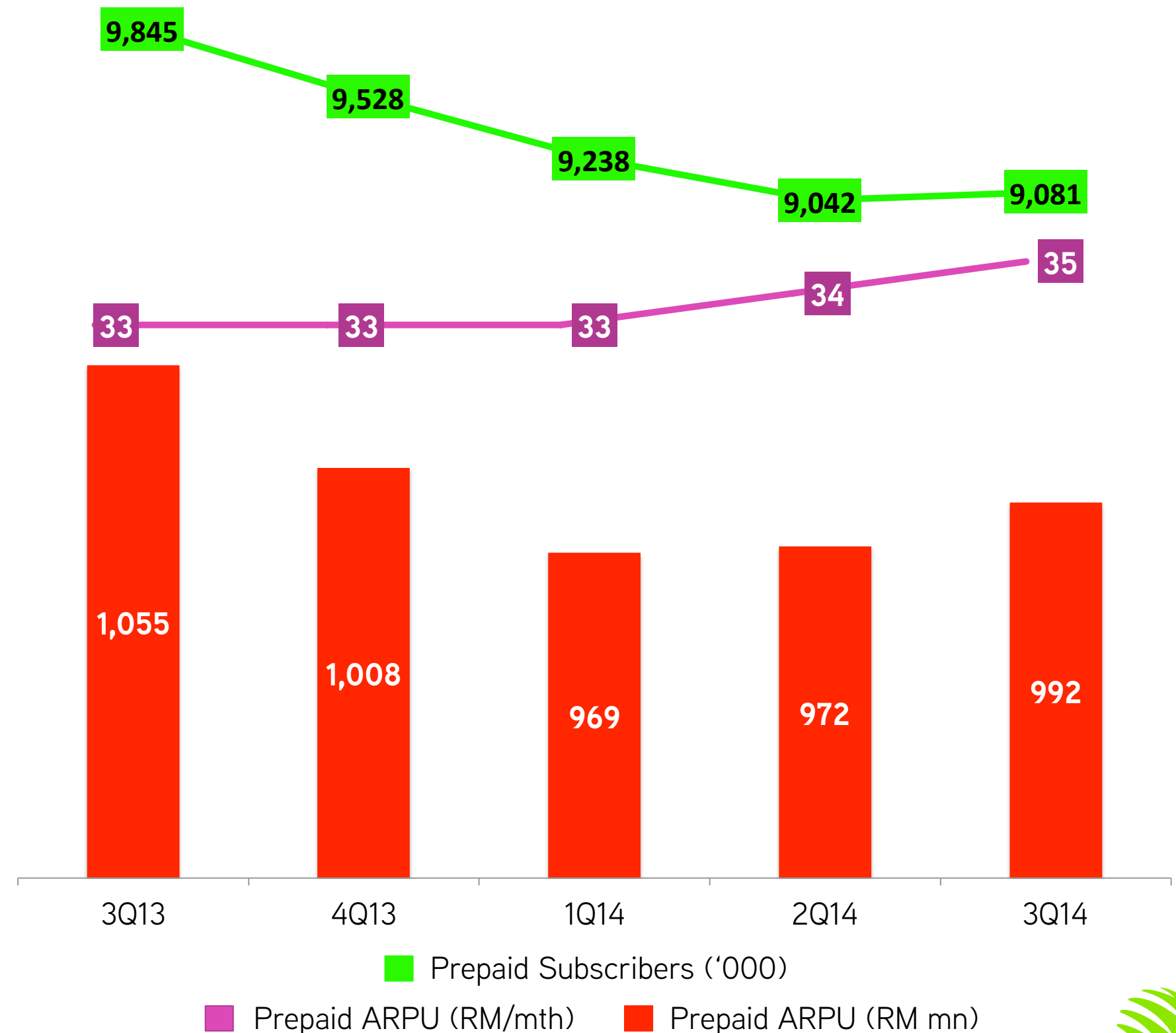
Good progress in network
modernisation and LTE
expansion

Declared third interim
dividend of 8 sen per share



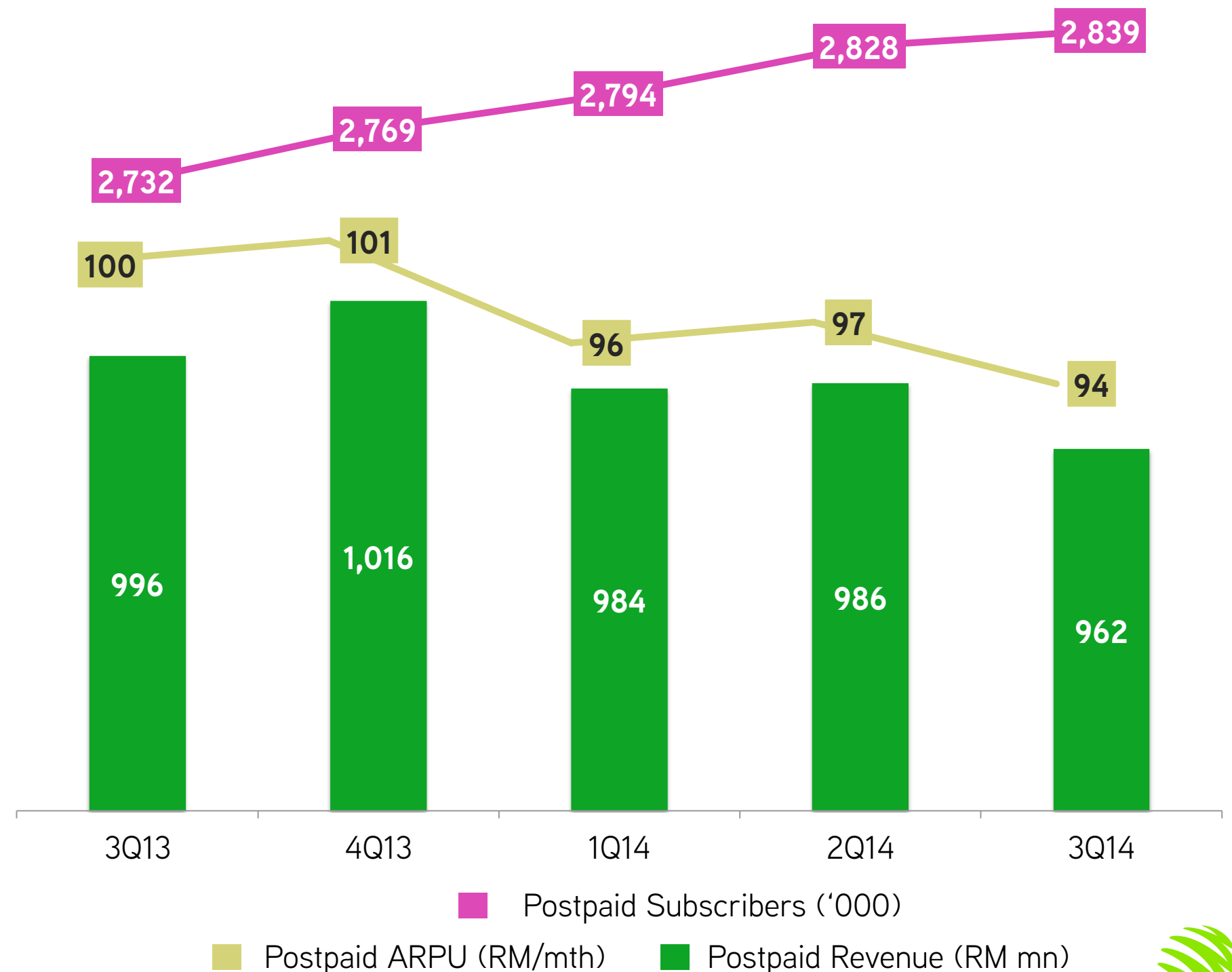
Prepaid turning around, led by #Hotlink

- Revenue and subscriber (RGS) uptrend; driven by strong product portfolio and distribution expansion
- #Hotlink drives growth:
 - Good subscriber growth
 - MI penetration rate increasing; 20pp more internet users since launch
 - Higher survival rate than legacy plans
- Gains also coming from under-served segments



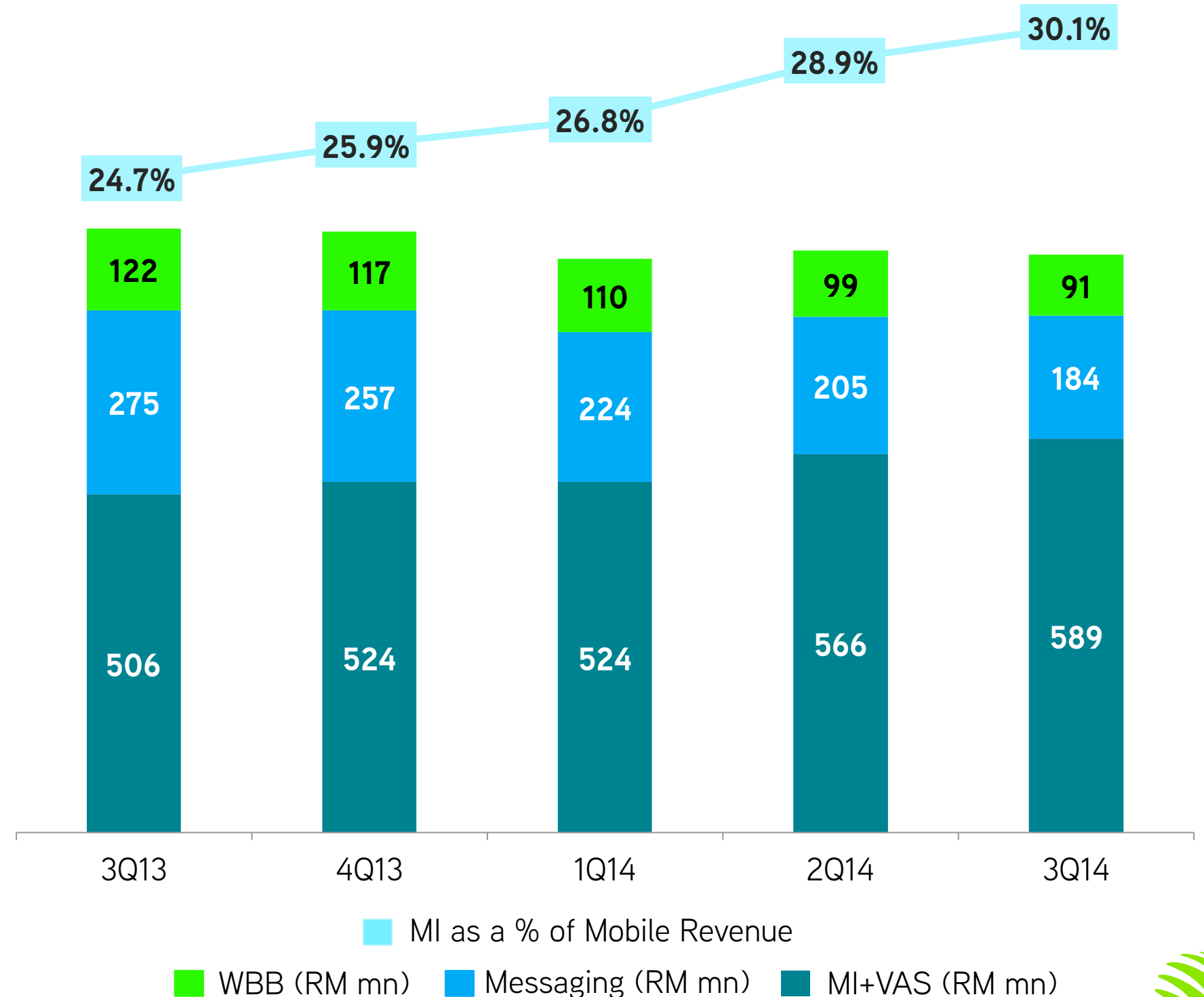
Postpaid stable impacted by pay per use re-pricing, MaxisONE Plan gaining momentum

- Revenue and ARPU reflecting RM16 million re-pricing impact
- Data revenue flat QoQ; +5.0% on postpaid re-pricing normalisation
- Continued postpaid subscriber growth
- Positive subscriber traction with good ARPU impact for MaxisONE Plan



Steady pick-up in data, supported by worry free propositions and smart-phone momentum

- Data share of mobile revenue at 30%; 7.6 million mobile internet users
- Blended smart-phone penetration at 54%; up 5% points QoQ; boosted by attractively priced low-to-mid tier devices
 - Postpaid @ 67% (+3pp QoQ)
 - Prepaid @ 50% (+6pp points QoQ)
- Messaging & WBB declining in-line with industry trend



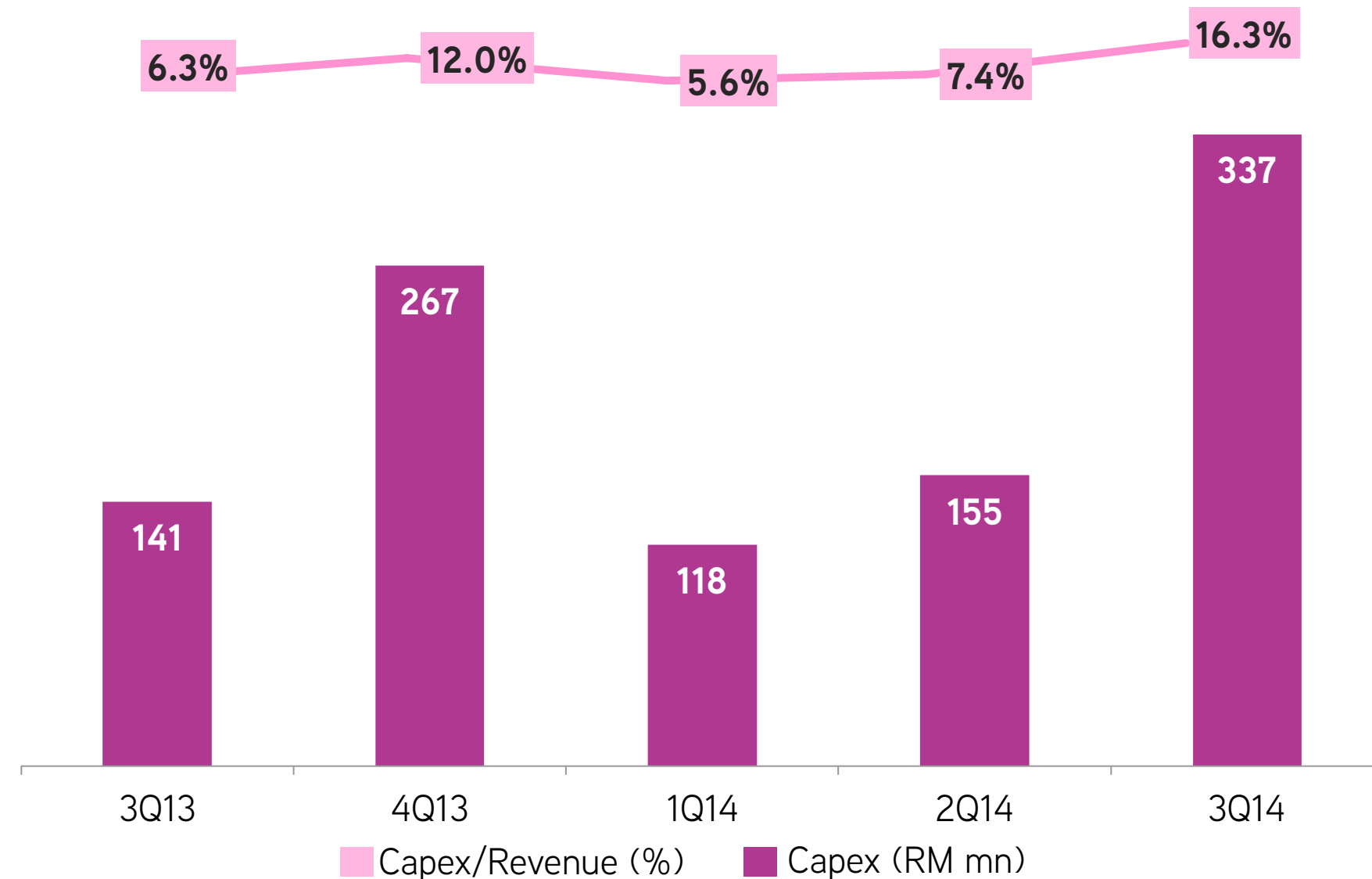
Strong focus on customer experience, revamping distribution/retail network

- 1 Scale-up of new activation points and enhanced trade programme
- 2 Enforced distributor/dealer performance management system
- 3 Modernisation of Maxis Centres on track
- 4 Significant enhancement in service experience



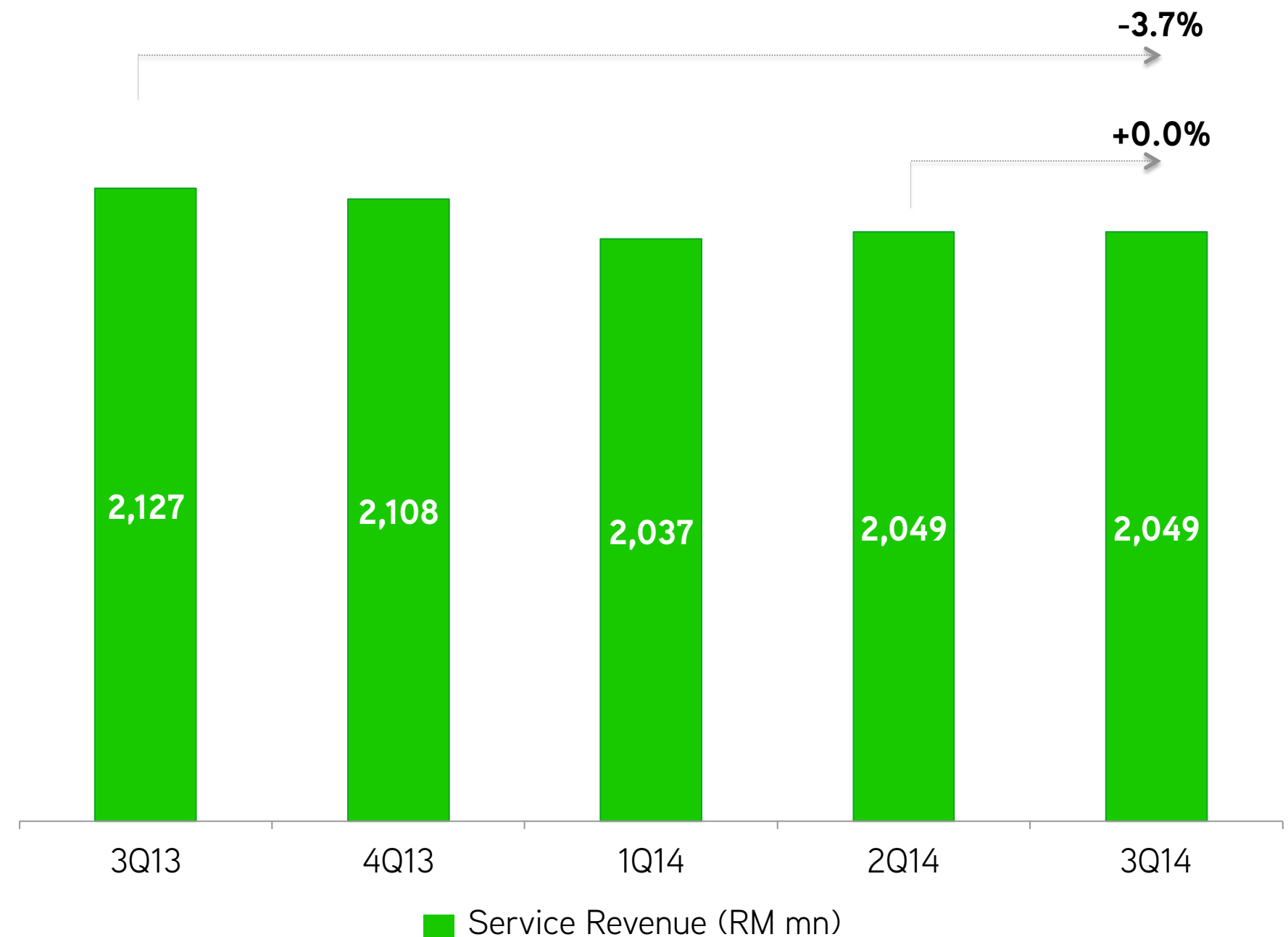
Investing to deliver best network experience

- 2G and 3G modernised population coverage at 73%
- Significant improvement in network quality; strong improvements in DCR, CSSR and data quality
- 4G LTE population coverage at 21%; covered key market centres and state capitals
 - 4X increase in download speeds; better customer experience in video, music streaming, etc



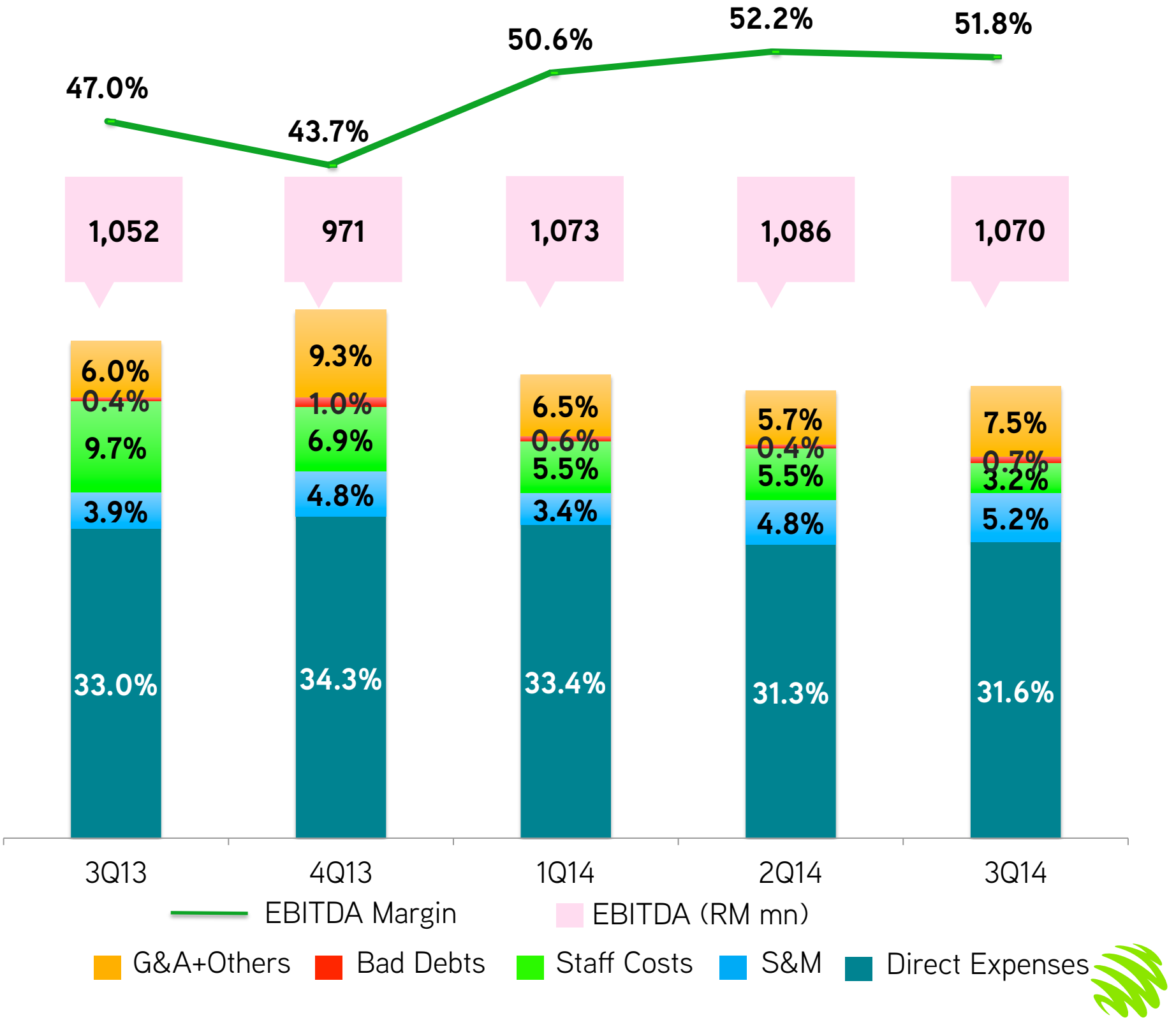
Service revenue reflecting continued voice/SMS decline and postpaid pay per use re-pricing impact

- Mobile internet revenue grew 6.7% QoQ normalised for re-pricing versus 3.9% reported growth
- Voice/SMS continued to decline; new bundled plans should ease pressure moving forward
- Fixed Enterprise and Integrated Services (formerly Home) delivering consistent growth
- Prepaid RGS growth and MaxisONEPlan yet to have significant impact on service revenue



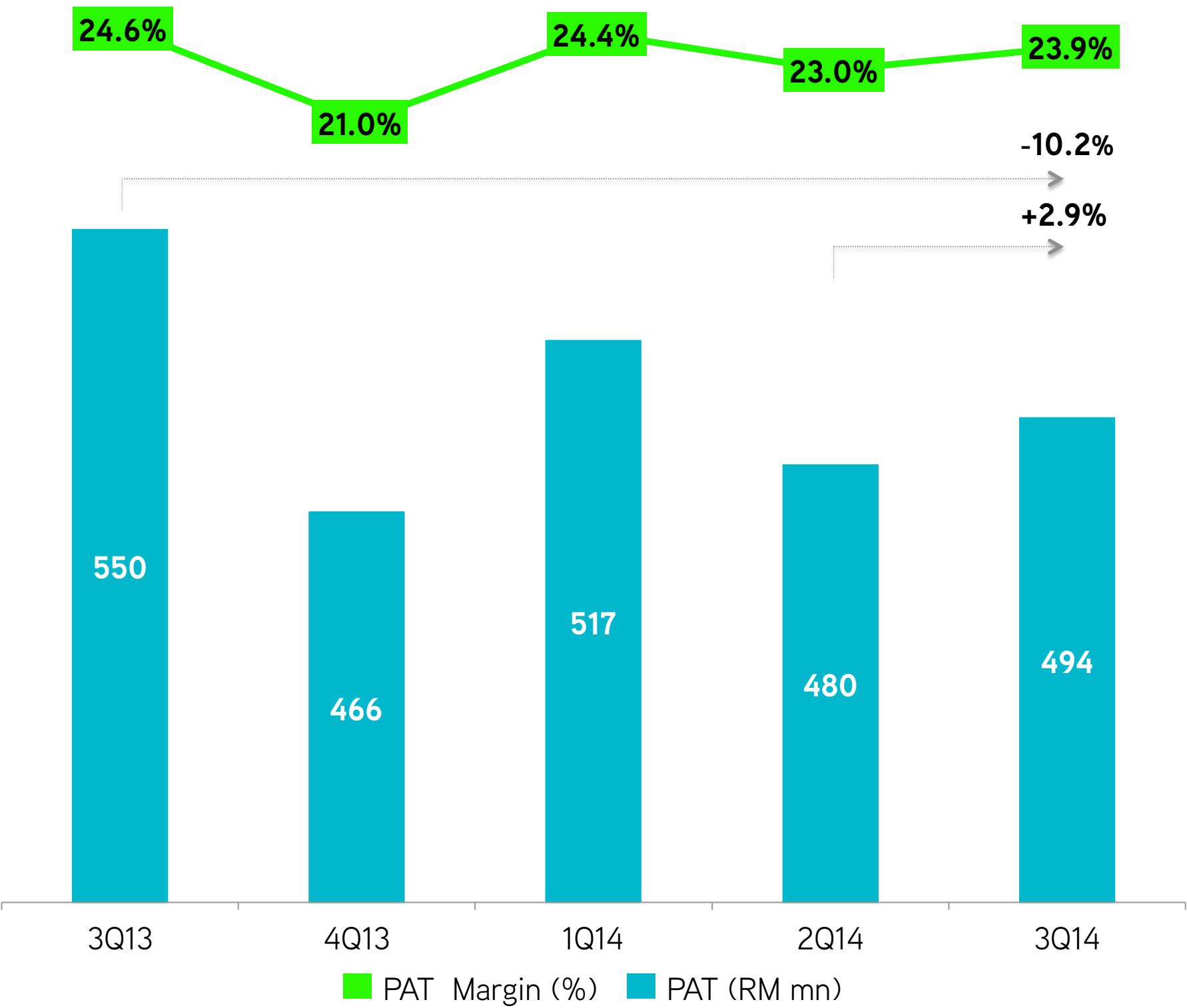
Solid EBITDA and margin

- 52.7% service revenue EBITDA margin
 - 50.5% service revenue EBITDA margin (excluding reversal of staff cost)
 - EBITDA margin at 51.8%
- Higher spend in sales and marketing as guided



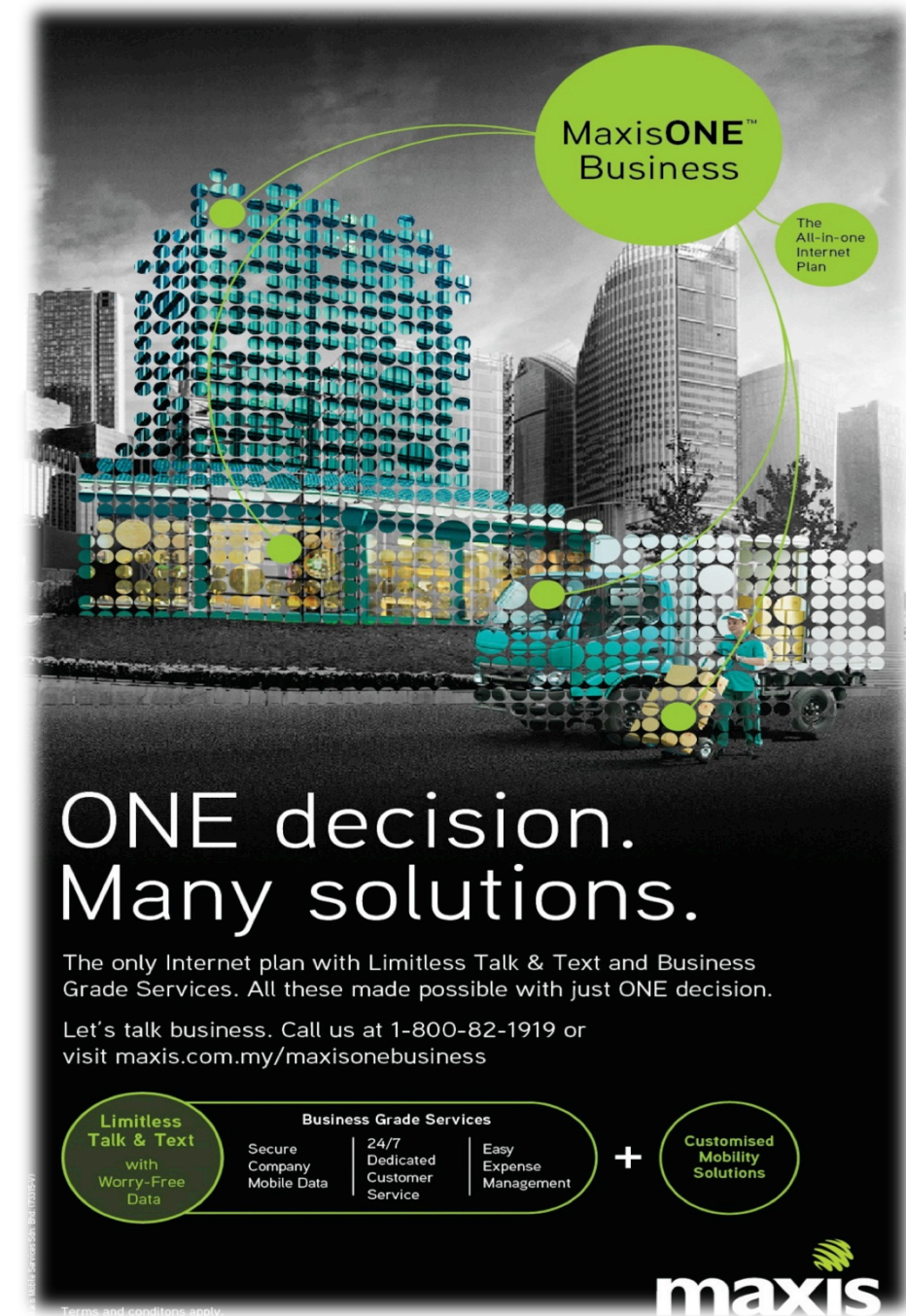
Profit After Tax

- 3Q PAT includes RM43 million in accelerated depreciation net of tax



FY2014 Outlook - maintained

- Service revenue lower; EBITDA margin at similar level to FY2013
- Capex spend maintained at approximately RM1.1 billion to deliver best network experience & key IT initiatives



MaxisONE[™] Business

The All-in-one Internet Plan

**ONE decision.
Many solutions.**

The only Internet plan with Limitless Talk & Text and Business Grade Services. All these made possible with just ONE decision.

Let's talk business. Call us at 1-800-82-1919 or visit maxis.com.my/maxisonebusiness

Limitless Talk & Text with Worry-Free Data	Business Grade Services			+	Customised Mobility Solutions
	Secure Company Mobile Data	24/7 Dedicated Customer Service	Easy Expense Management		

maxis

Terms and conditions apply.



Good operational progress, stable financials

Prepaid recovering,
MaxisONE Plan gaining
momentum

Stable service revenue, solid
EBITDA and margin

Good progress in network
modernisation, LTE
expansion

Declared third interim
dividend of 8 sen per share



thank you



FAAAST INTERNET

FREE INTERNET

every day on all social chat apps

FAAAST INTERNET

get high-speed internet from RM1/day

DAILY PASS

RM2/100MB

WEEKLY PASS

RM10/300MB

MONTHLY PASS

RM30/1GB

[CLICK HERE](#)
for all Mobile Internet Passes



Disclaimer

This presentation by Maxis Berhad (“Maxis”) contains forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions and include all statements that are not historical facts.

Forward-looking statements made in this presentation involve known and unknown risks, uncertainties and other factors which may cause actual future performance, outcomes and results to differ materially from those expressed or implied in such forward-looking statements. Such forward-looking statements are based on numerous assumptions and reflect Maxis’ current views with respect to future events and are not a guarantee of future performance. Maxis cannot give any assurance that such forward-looking statements will be realized.

Factors which could affect actual future performance, outcomes and results include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and avenues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Forward-looking statements made in this presentation are made only as at the date of this presentation and Maxis and its subsidiaries, affiliates, representatives and advisers expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any such forward-looking statements to reflect any change in Maxis’ expectations, new information, future events, change in conditions or circumstances or otherwise.

This presentation has been prepared by Maxis. The information in this presentation, including forward-looking statements, has not been independently verified. Without limiting any of the foregoing in this disclaimer, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of such information. Maxis and its subsidiaries, affiliates, representatives and advisers shall have no liability whatsoever (whether in negligence or otherwise) for any loss, damage, costs or expenses howsoever arising out of or in connection with this presentation.



APPENDICES



Important definitions/notations

- **Service Revenue:** Group revenue excluding device & hubbing revenues
- **EBITDA margin on Service Revenue:** EBITDA that has been adjusted for costs solely related to the provision of service revenue defined above
- **Normalised EBITDA margin:** Normalised for one-off items in 3Q13, 4Q13 and 2Q14 amounting to RM102 mil, RM110 mil and RM22 mil respectively
- **Normalised PAT:** Normalised for one-off items after accounting for tax effects of RM76 mil in 3Q13, RM174 mil in 4Q13, RM29 mil in 1Q14, RM29 mil in 2Q14 and RM43 mil in 3Q14
- **Revenue generating subscribers (RGS30):** Defined as active line subscriptions and exclude those that does not have any revenue generating activities for more than 30 days
- **WBB subscription:** Subscriptions on data plans using USB modems and tablets (subscriptions included in postpaid subscriptions)
- **FBI:** Free basic internet
- **Smart-phone:** Any devices with growing apps stores and active developers
- **DCR:** Drop call rate
- **CSSR:** Call set up success rate



Consolidated Income Statement

RM mn	Reported 2Q14	Reported 3Q14	QoQ chg	Normalised 2Q14	Normalised 3Q14	QoQ chg
REVENUE	2,082	2,065	-0.8%	2,082	2,065	-0.8%
Direct Expenses	(652)	(652)		(652)	(652)	
Indirect Expenses	(344)	(343)		(366)	(343)	
Total Opex	(996)	(995)	+0.1%	(1,018)	(995)	+2.3%
EBITDA	1,086	1,070	-1.5%	1,064	1,070	+0.6%
Margin	52.2%	51.8%		51.1%	51.8%	
Depreciation	(284)	(268)		(224)	(211)	
Amortisation	(65)	(60)		(65)	(60)	
Others	(12)	2		(12)	2	
EBIT	725	744	+2.6%	763	801	+5.0%
Interest Expenses	(101)	(114)		(101)	(114)	
Interest Income	10	13		10	13	
PBT	634	643	+1.4%	672	700	+4.2%
Tax	(183)	(192)		(192)	(206)	
PAT	451	451	0.0%	480	494	+2.9%

Cash Flow Statement

RM mn	3Q13	4Q13	1Q14	2Q14	3Q14
Cash flow from operating activities	908	653	447	1,178	1,146
Cash flow used in investing activities	(161)	(269)	(155)	(91)	(389)
Purchase of property, plant & equipment	(90)	(208)	(100)	(21)	(338)
Proceeds from disposal of PPE	-	-	-	-	2
Purchase of intangible assets	(71)	(61)	(55)	(70)	(53)
Cash flow before financing activities	747	384	292	1,087	756
Cash flow used in financing activities	(104)	(753)	(109)	(725)	(633)
Dividends paid	-	(1,200)	-	(1,801)	(600)
Debt drawdown	-	500	-	1,150	1,000
Debt repayment	-	-	-	-	(921)
Payment of finance costs	(115)	(57)	(117)	(74)	(113)
Others	11	4	8	(1)	1
Net change in cash	643	(369)	183	362	124
Opening Cash Balance	534	1,177	808	991	1,353
Closing Cash Balance	1,177	808	991	1,353	1,477

RM mn	2Q14	3Q14
Debt#	8,695	8,785
Cash	1,353	1,477
Net Debt	7,342	7,308
Total Equity	5,148	4,985

Ratios	2Q14	3Q14
Net debt to EBITDA*	1.70x	1.70x
Net debt to Equity	1.43x	1.47x

Includes derivative financial instruments for hedging; excludes vendor financing

* Annualised



Key Financial Data

REPORTED

(RM'000)	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Total Revenue	2,216	2,216	2,306	2,327	2,294	2,239	2,224	2,119	2,082	2,065
Total Expenses	1,110	1,161	1,241	1,205	1,129	1,187	1,253	1,046	996	995
- Direct	716	743	813	801	787	738	763	707	652	652
- Indirect	394	418	428	404	342	449	490	339	344	343
EBITDA	1,106	1,055	1,065	1,122	1,165	1,052	971	1,073	1,086	1,070
PBT	630	632	547	666	735	667	428	657	634	643
PAT	466	443	378	476	530	474	292	488	451	451
EBITDA Margin	49.9%	47.6%	46.2%	48.2%	50.8%	47.0%	43.7%	50.6%	52.2%	51.8%
PAT Margin	21.0%	20.0%	16.4%	20.5%	23.1%	21.2%	13.1%	23.0%	21.7%	21.8%

NORMALISED

(RM'000)	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Total Revenue	2,216	2,216	2,306	2,327	2,294	2,239	2,224	2,119	2,082	2,065
Total Expenses	1,110	1,161	1,241	1,205	1,129	1,085	1,143	1,046	1,018	995
- Direct	716	743	813	801	787	738	759	707	652	652
- Indirect	394	418	428	404	342	347	384	339	366	343
EBITDA	1,106	1,055	1,065	1,122	1,165	1,154	1,081	1,073	1,064	1,070
PBT	755	667	676	726	775	769	660	696	672	700
PAT	550	463	475	521	560	550	466	517	480	494
EBITDA Margin	49.9%	47.6%	46.2%	48.2%	50.8%	51.5%	48.6%	50.6%	51.1%	51.8%
PAT Margin	24.8%	20.9%	20.6%	22.4%	24.4%	24.6%	21.0%	24.4%	23.1%	23.9%

Key Financial Data

FINANCIALS

(RM'000)	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Total Revenue	2,216	2,216	2,306	2,327	2,294	2,239	2,224	2,119	2,082	2,065
- Service	2,137	2,128	2,177	2,143	2,136	2,127	2,108	2,037	2,049	2,049
- <i>Mobile</i>	2,081	2,066	2,111	2,066	2,062	2,051	2,024	1,953	1,958	1,954
- <i>EntFixed</i>	50	53	55	63	58	58	61	59	62	64
- <i>IntSer(Home)</i>	6	9	11	14	16	18	23	25	29	31
- Non-Service	79	88	129	184	158	112	116	82	33	16
- <i>Device</i>	30	62	80	125	95	43	56	40	5	2
- <i>Hubbing</i>	49	26	49	59	63	69	60	42	28	14
EBITDA Margin on Service Revenue	52.3%	50.1%	49.3%	53.0%	54.4%	49.6%	46.4%	53.0%	53.5%	52.7%
Mobile Revenue	2,081	2,066	2,111	2,066	2,062	2,051	2,024	1,953	1,958	1,954
- <i>Voice</i>	1,162	1,167	1,182	1,147	1,134	1,148	1,126	1,096	1,088	1,090
- <i>Data</i>	919	899	929	919	928	903	898	857	870	864
Mobile Revenue	2,081	2,066	2,111	2,066	2,062	2,051	2,024	1,953	1,958	1,954
- <i>Prepaid</i>	1,075	1,110	1,106	1,069	1,047	1,055	1,008	969	972	992
- <i>Postpaid</i>	1,006	956	1,005	997	1,015	996	1,016	984	986	962
Data	919	899	929	919	928	903	898	857	870	864
- <i>MI+VAS</i>	421	419	460	466	495	506	524	524	566	589
- <i>Messaging</i>	355	355	342	320	298	275	257	223	205	184
- <i>WBB</i>	143	125	127	133	135	122	117	110	99	91

Key Operational Data

CUSTOMERS (Market Definition)

('000)	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Mobile Subs	13,827	13,930	14,091	14,136	13,873	13,213	12,893	12,602	12,401	12,415
- Prepaid	10,515	10,612	10,770	10,780	10,497	9,845	9,528	9,238	9,042	9,081
- Postpaid	3,312	3,318	3,321	3,356	3,376	3,368	3,365	3,364	3,359	3,334
WBB	687	710	679	673	663	636	596	570	531	495
Mobile Internet Users	7,500	7,600	7,800	7,900	8,000	6,900	7,300	7,100	7,500	7,600
Home Connections	9	19	26	31	36	43	52	59	66	72

ARPUs and MOUs (Market Definition)

('000)	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Postpaid										
- ARPU	109	106	107	102	103	100	101	96	97	94
- MOU	341	325	322	307	307	298	293	278	283	278
Prepaid										
- ARPU	33	34	33	32	31	33	33	33	34	35
- MOU	115	121	127	125	119	116	117	118	124	131
Blended										
- ARPU	49	48	48	46	46	48	49	48	50	50
- MOU	158	160	165	160	156	153	155	154	161	165



Key Operational Data

SMART PHONE PENETRATION

(%)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14
Blended	25	29	33	38	43	48	54
- <i>Prepaid</i>	20	23	27	32	38	43	50
- <i>Postpaid</i>	49	53	56	59	61	64	67

