

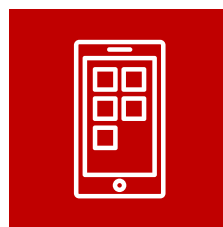




# Solid quarterly performance driven by **growth in Postpaid subscribers**

## 3Q18 HIGHLIGHTS

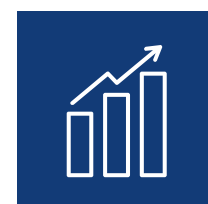
**PREPAID**  
Strong MI revenue growth  
**-0.3% QoQ**



**POSTPAID**  
Continuous growth  
**+1.5% QoQ**

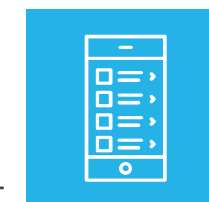


**EBITDA**  
Remained stable QoQ  
**RM 1.05b**



### DATA GROWTH

High Data Usage  
**10.67GB<sup>#</sup>, +18% QoQ**



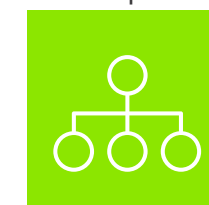
### TP-NPS

High customer satisfaction  
**+57**



### NETWORK

Continued investment in  
superior network  
**4G LTE @ 92%  
coverage<sup>\*</sup>**



### DIVIDENDS

Declared dividends at  
**5 sen per share**



- \* Population coverage on a comparable peer basis
- # Average blended data usage for 3Q18
- TP-NPS: Touch point net promoter score



# Sustained market leadership through **value accretive** **propositions**

# POSTPAID

Postpaid Revenue

**RM1.02b**

(QoQ:+1.5%, YoY:+2.8%)

RGS Subscribers

**3,055k**

Postpaid ARPU

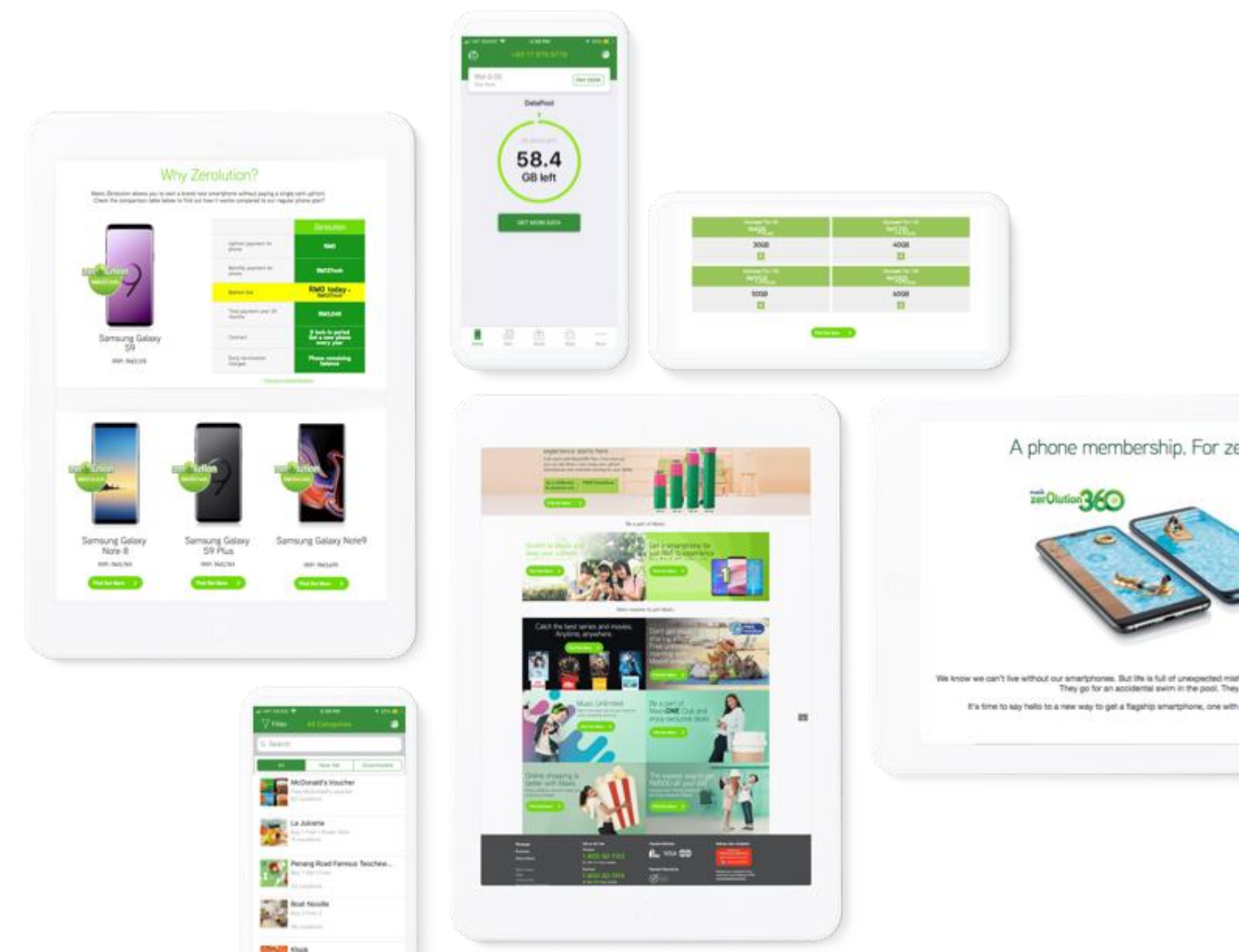
**RM93**

Net RGS Additions

**+85k\***

## Flagship MaxisONE Plan continued to attract with innovative device offerings

- Stable ARPU
- Encouraging response from new device propositions
- Zerolution 360 - A device ownership plan with a completely worry-free experience



\* Quarter-on-Quarter basis

Delivering consistent performance in an intensely competitive environment



**PREPAID**

Prepaid Revenue

**RM851m**

(QoQ: -0.3%, YoY: -10.1%)

MI Penetration

**75%**

Prepaid ARPU

**RM42**

Hotlink RGS  
Subscribers

**6,639k**

**Prepaid revenue decline moderated whilst ARPU remained stable**

- Well executed initiatives continued to show positive results
- Increased mobile internet usage and retention from enhanced use of data analytics
- SIM consolidation and migration to Postpaid continued to impact subscriber base



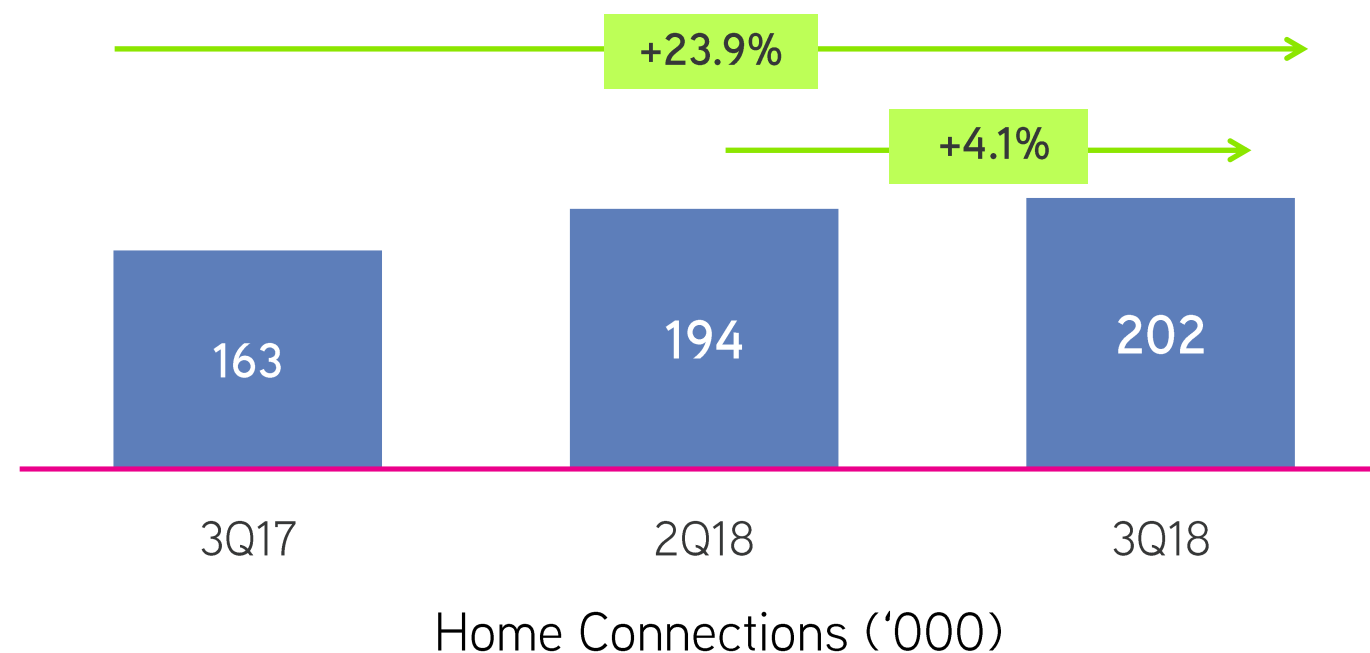


# Providing total connectivity solutions at **affordable prices**

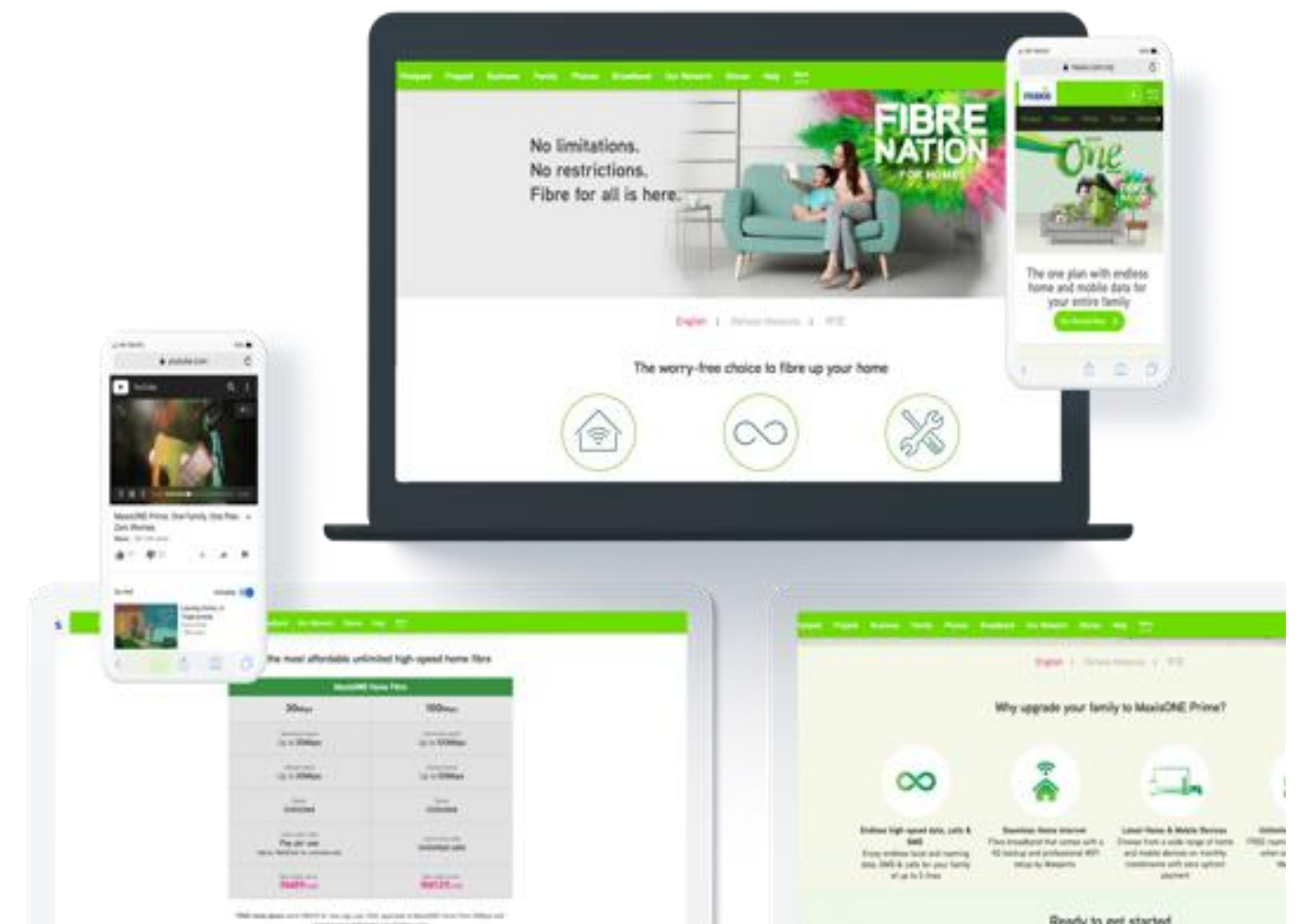


# HOME FIBRE

## Strong growth in home fibre subscriber base



- Grew 23.9% subscriber base YoY
- Encouraging traction to Maxis' new affordable flagship fixed broadband plan - Fibre Nation; with over 40k registrations since launch date
- Well positioned to capture convergence opportunity and the significant growth potential in the fixed broadband market



The only business  
fibre with **wireless  
backup**



# BUSINESS FIBRE

## Launched Fibre Nation for Businesses

- Unique proposition – “always on”, peace of mind, business grade service at the most affordable price
- Delivering price reductions of up to 65%
- Positive early response with over 600% growth in demand from both existing and new customers since launch

**Maxis**  
**ONEBusiness Fibre**  
The only business fibre with wireless backup

**FIBRE NATION FOR BUSINESSES**

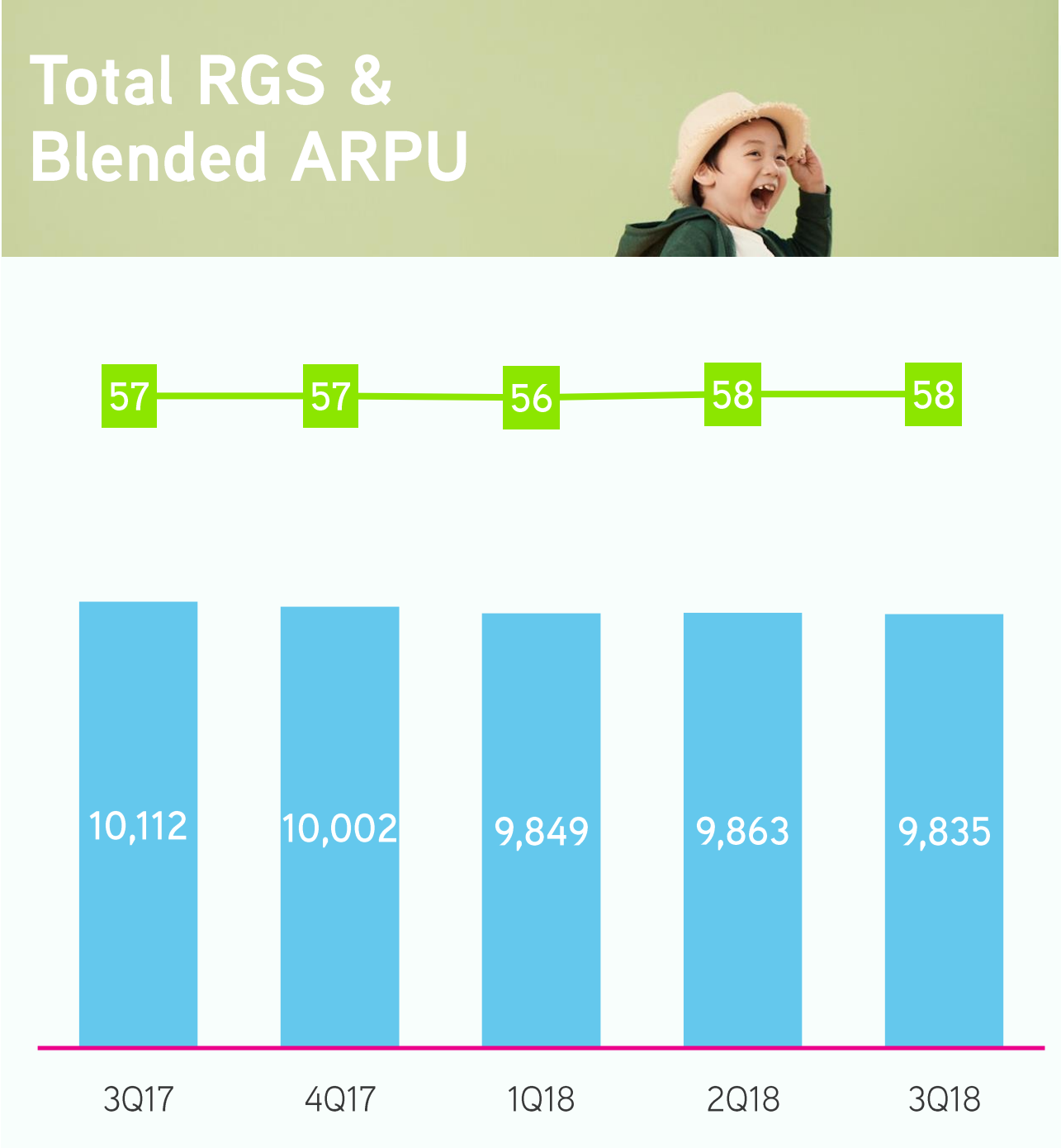
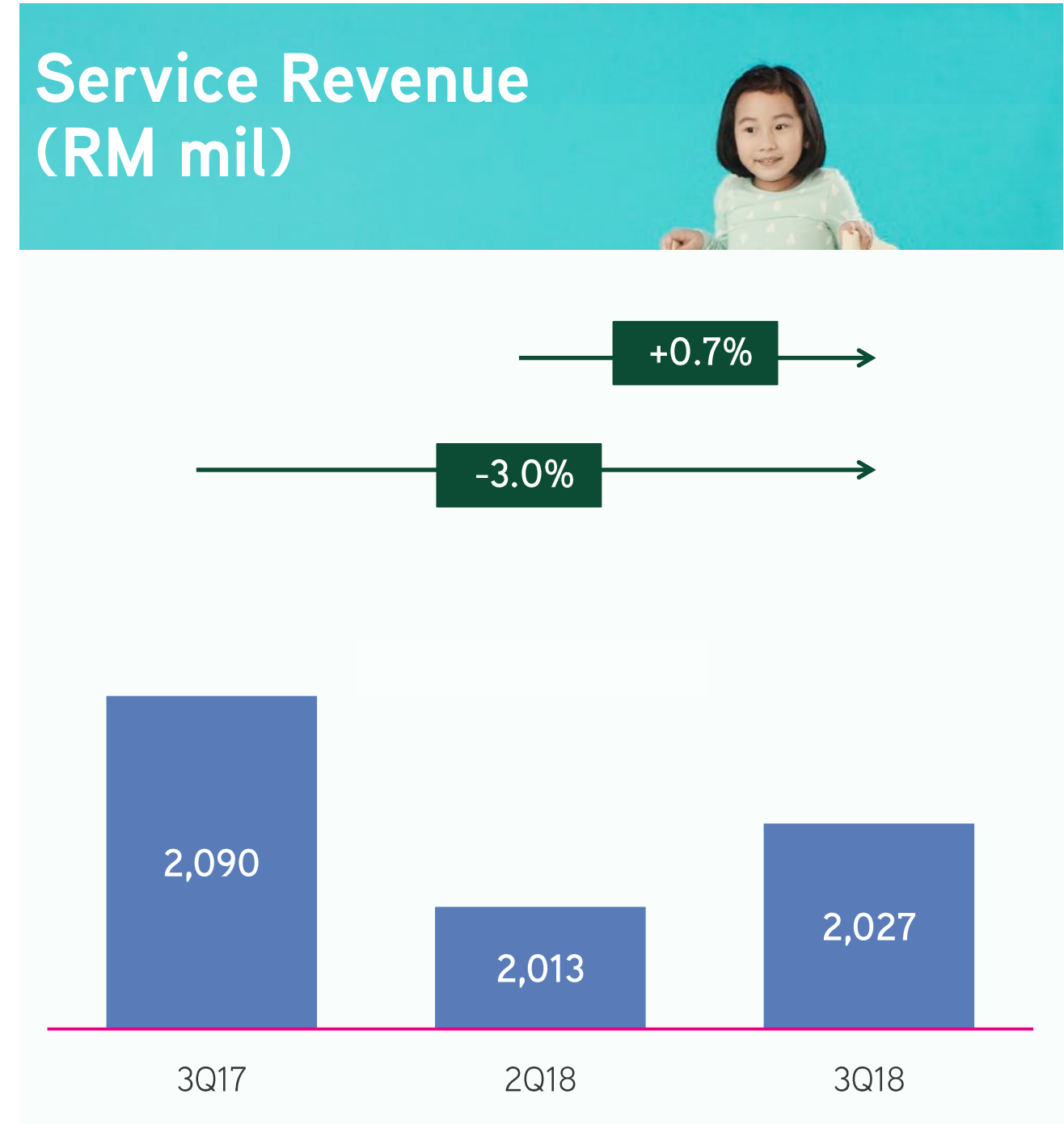
<b>Always On</b> Wireless internet backup	<b>Unlimited</b> Data usage & domestic calls	<b>Easy Switch</b> With no disruptions	<b>Add On</b> A variety of business solutions
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Call 1700-818-881 to register your interest. Terms and conditions apply.

From **RM99/mth** | From **RM139/mth**  
30Mbps | 100Mbps

**maxis**

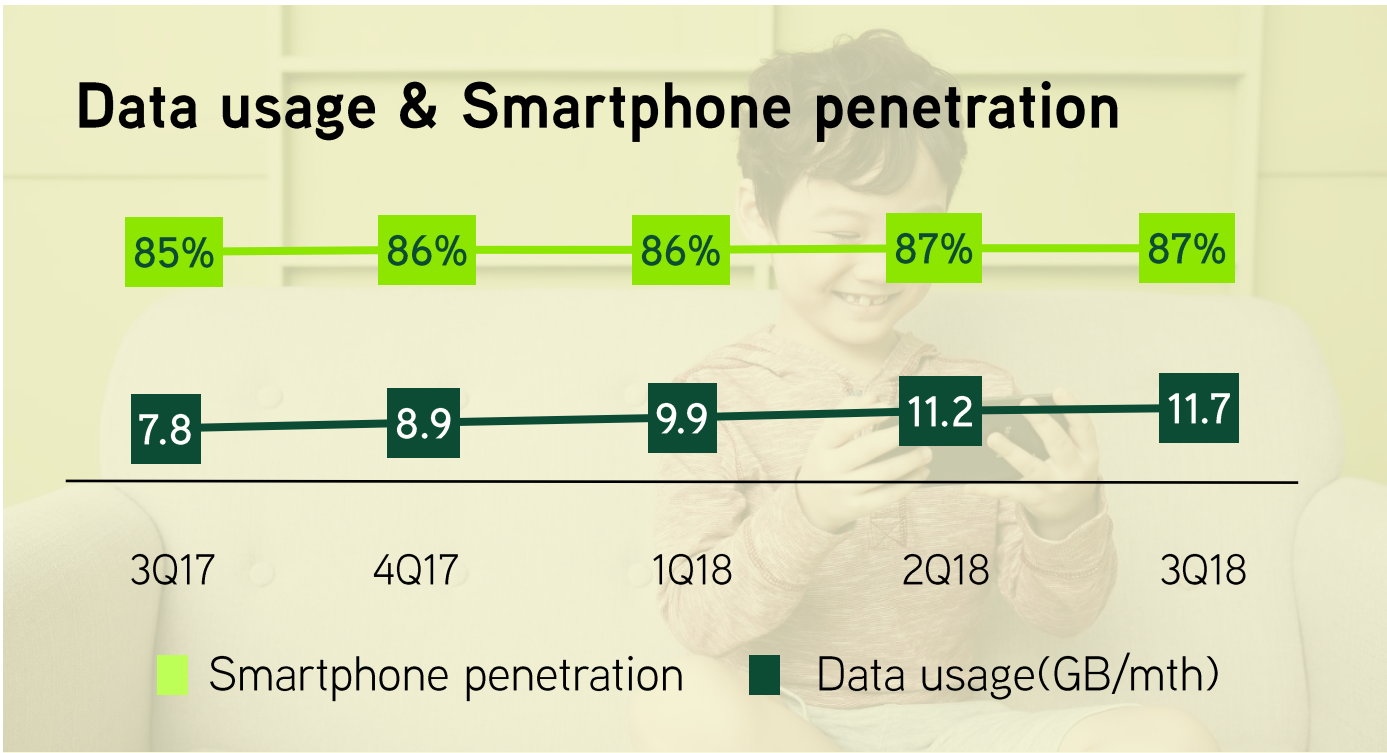
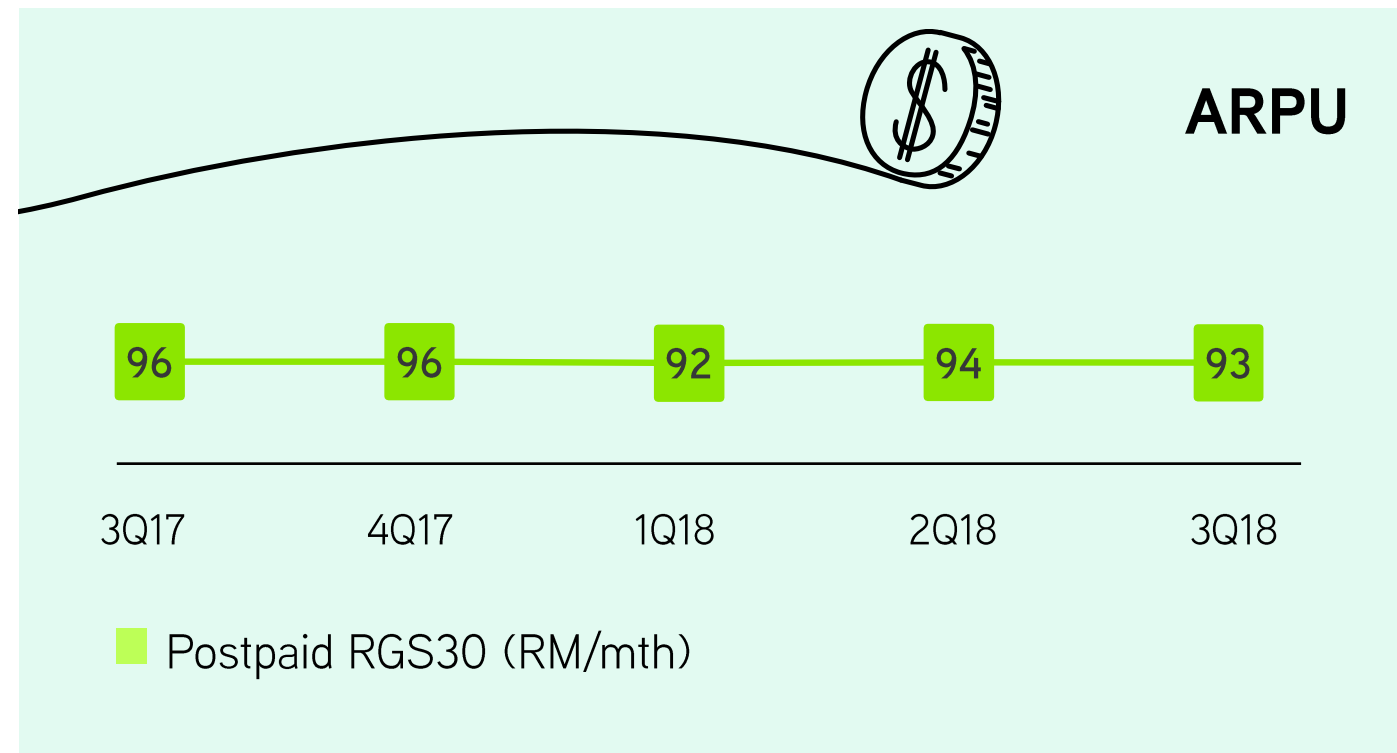
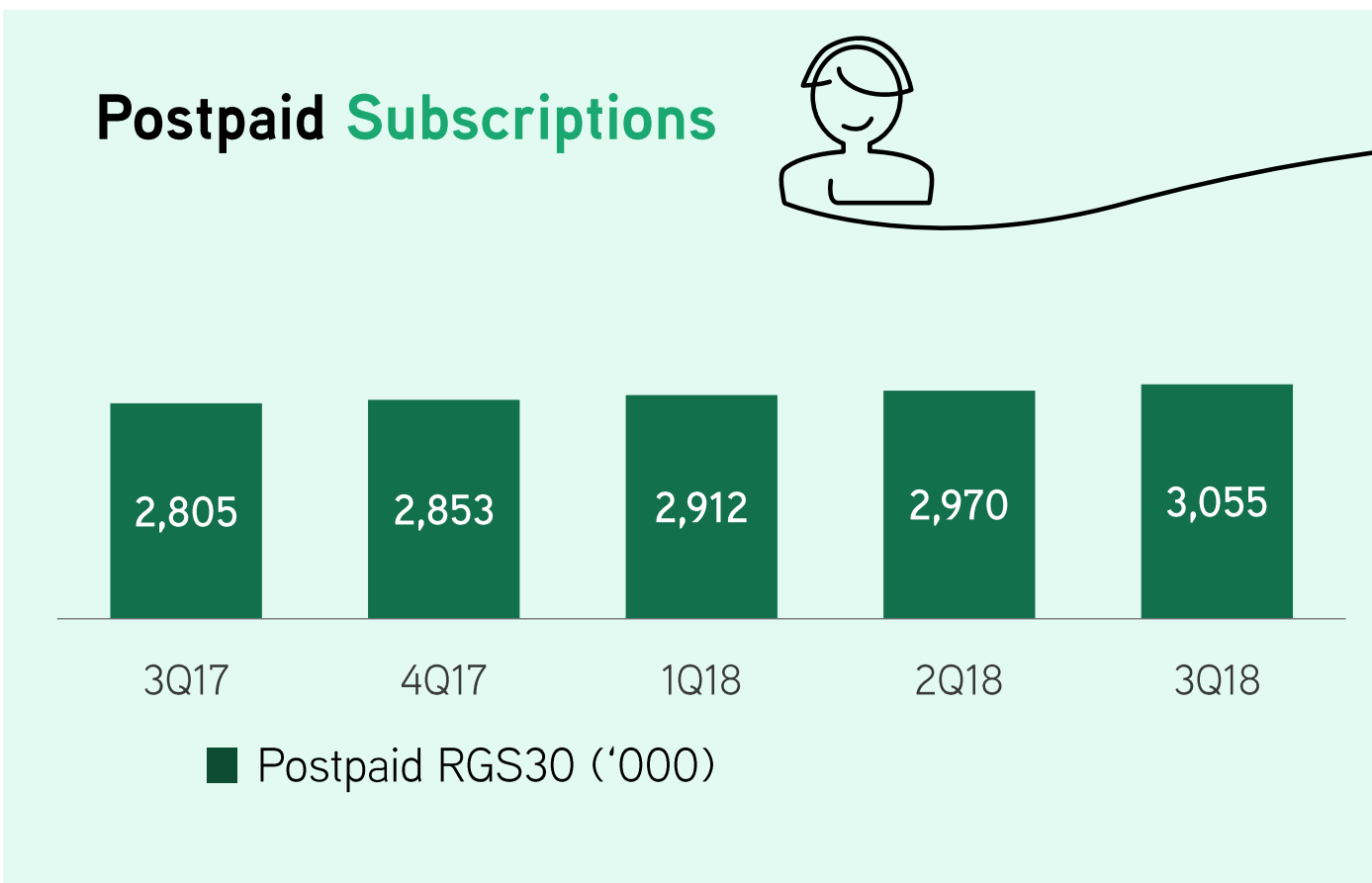
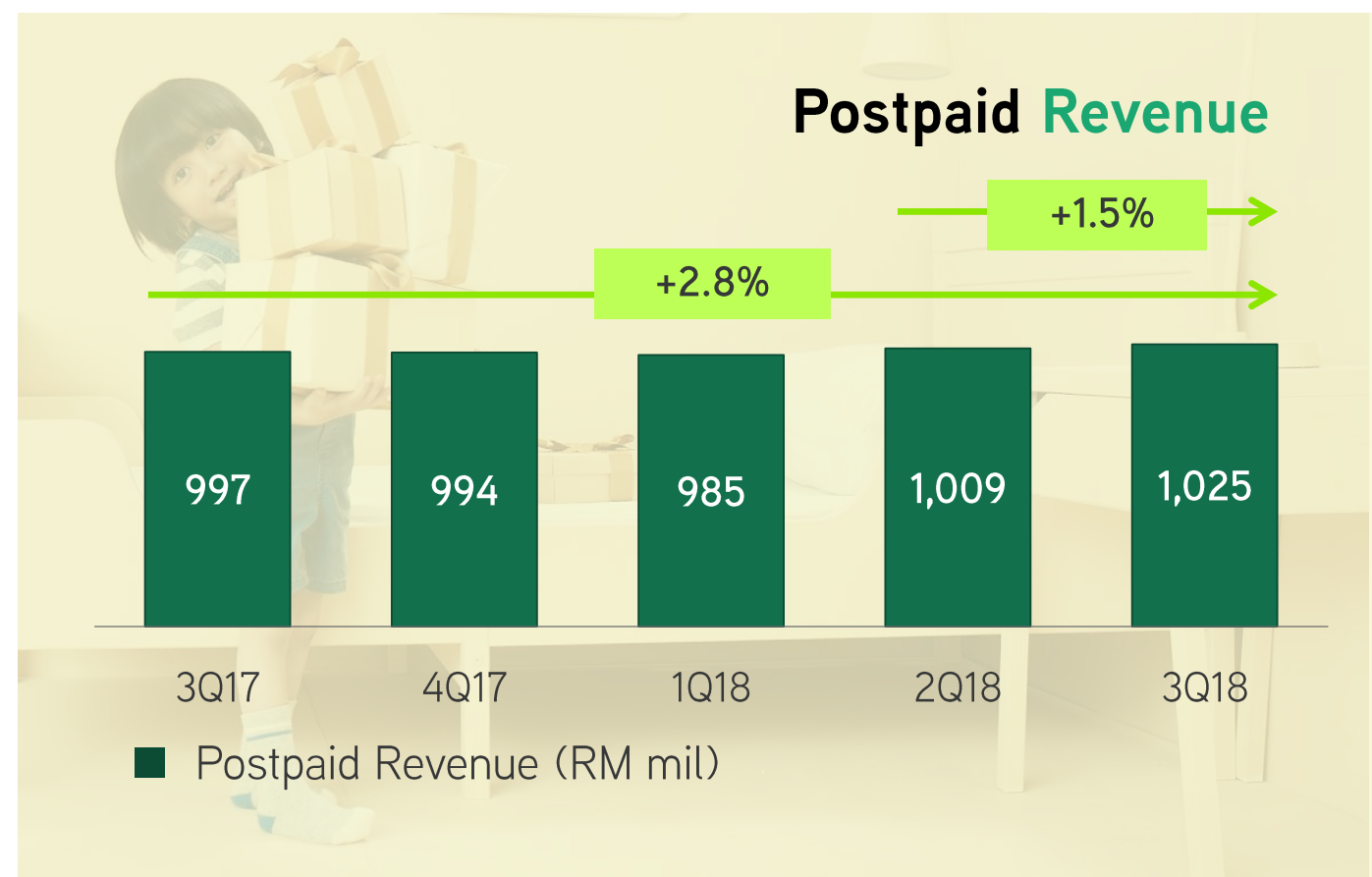
# Service Revenue impacted by competitive Prepaid segment; which offset Postpaid and Home Fibre growth



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

# Growing Postpaid in a competitive market

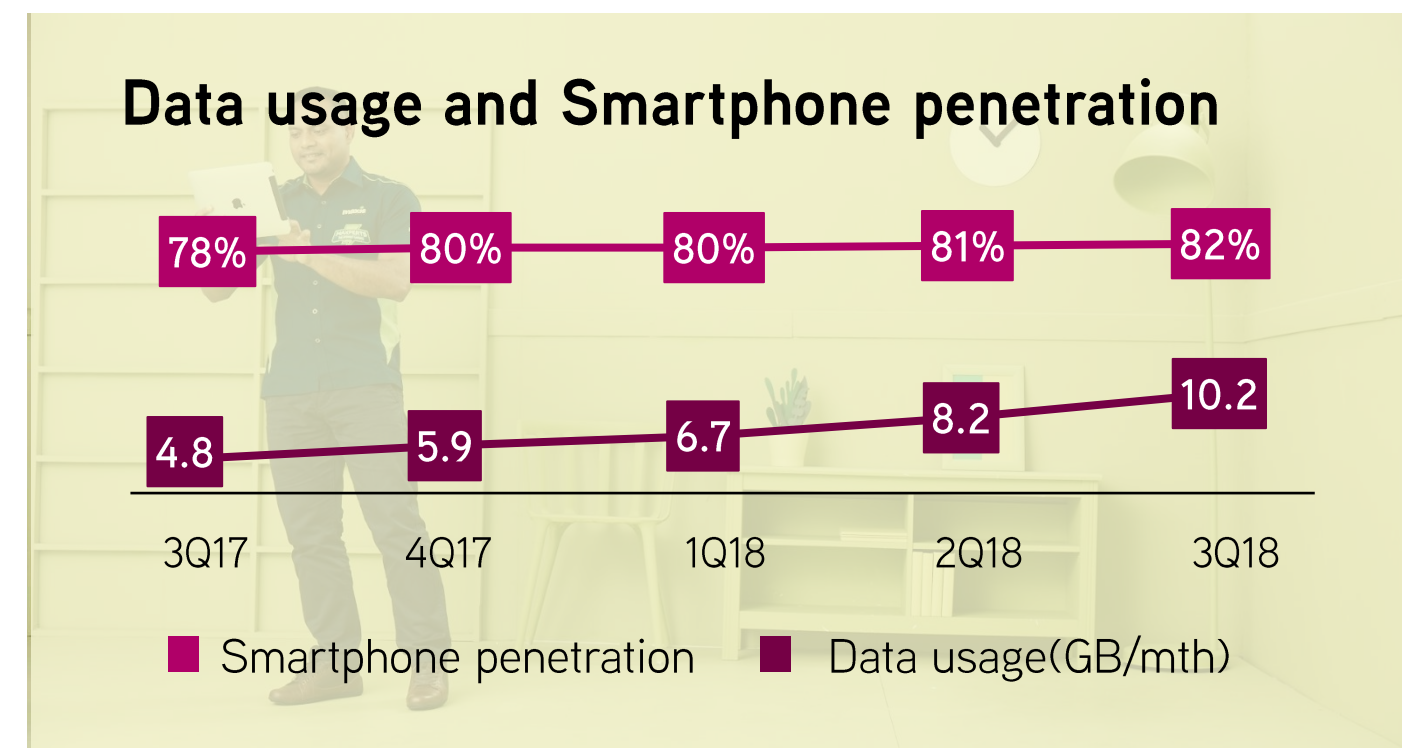
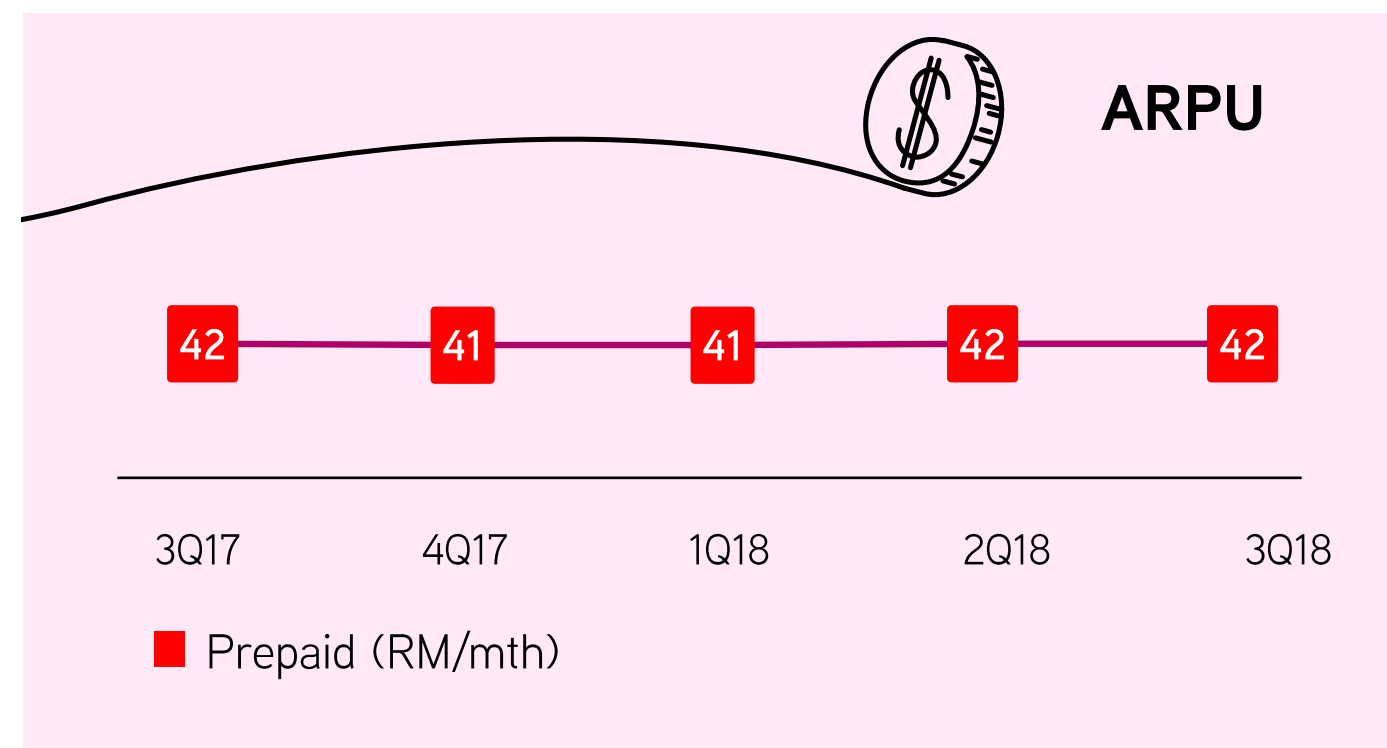
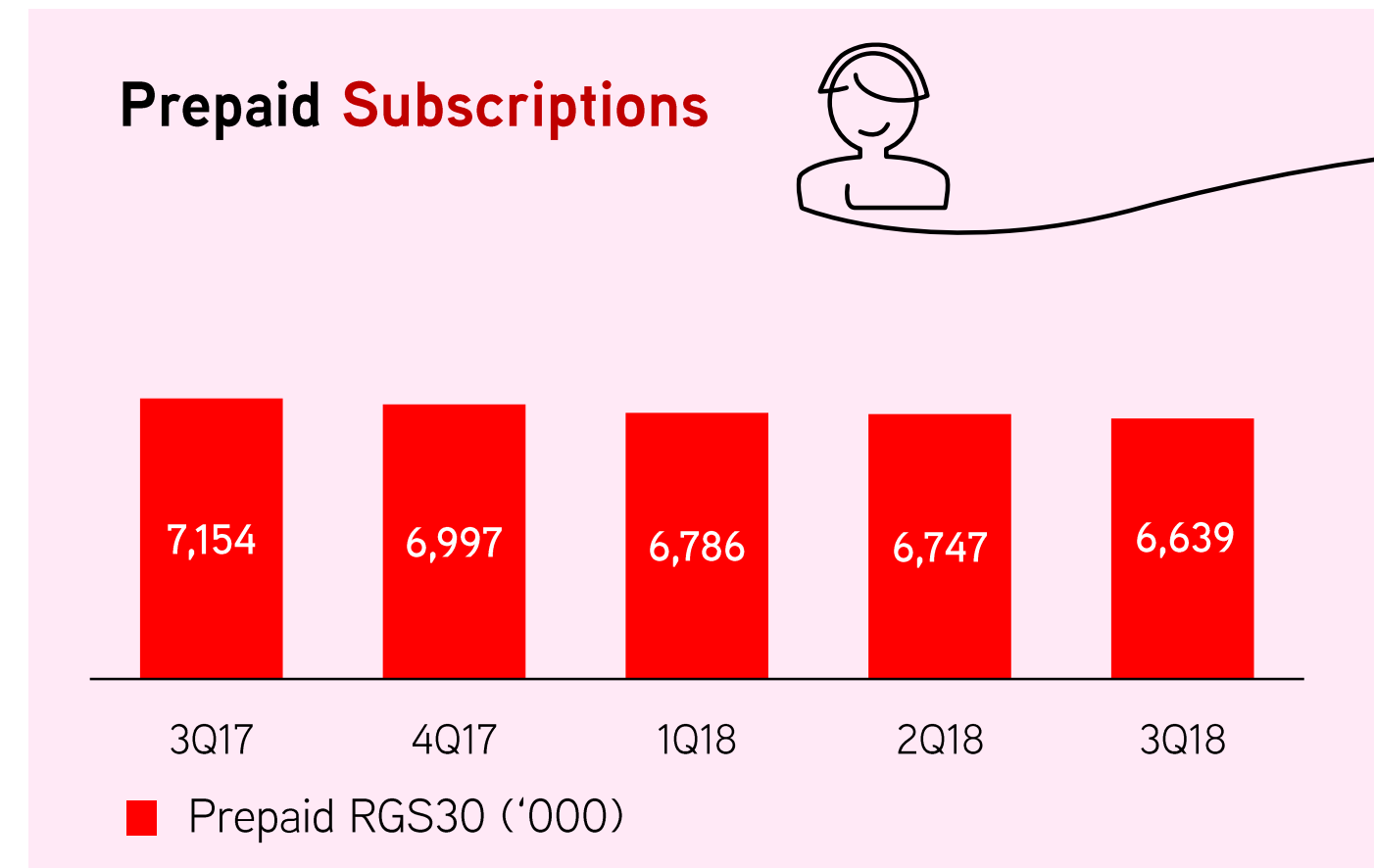
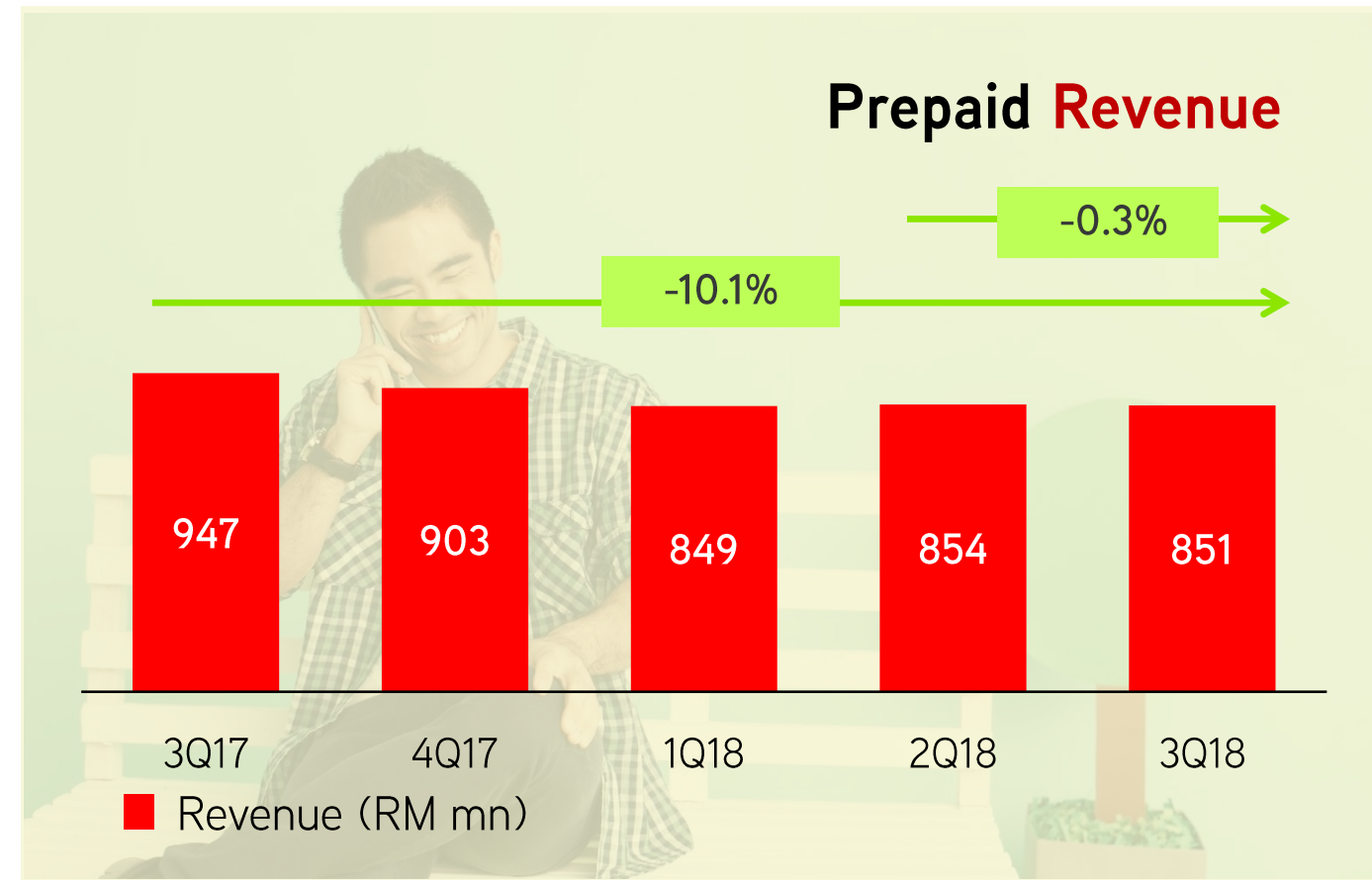
Continued to attract subs; ARPU remained stable



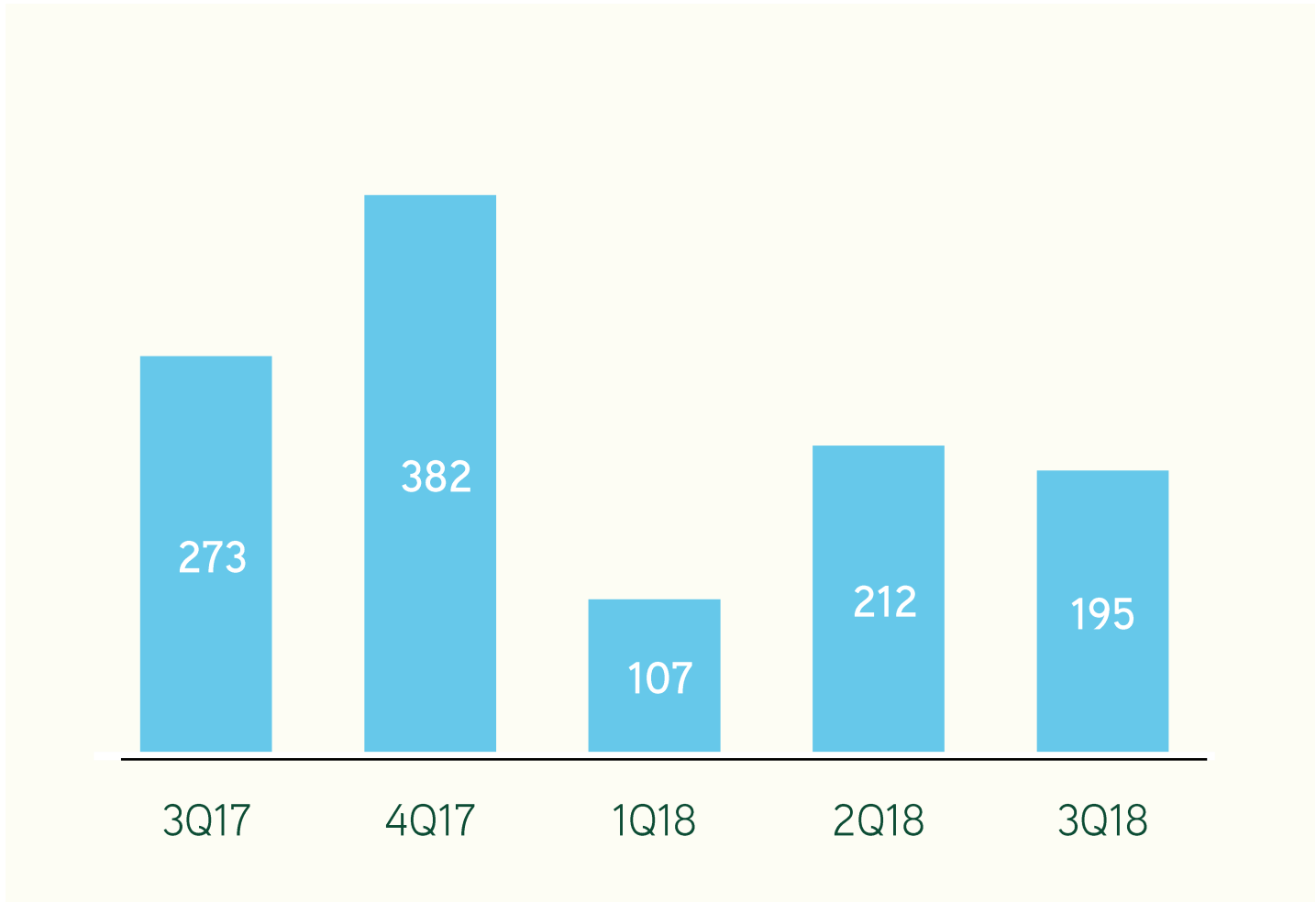


# Stable Prepaid revenue, despite seasonality effects

Solid MI growth, supports high ARPU



# Continued investment in superior network; Best 4G User Experience



\* Source: OpenSignal: State of Mobile Networks Malaysia (October 2018) – 4G Download Speed

*Maxis is a clear leader!!!*

OpenSignal

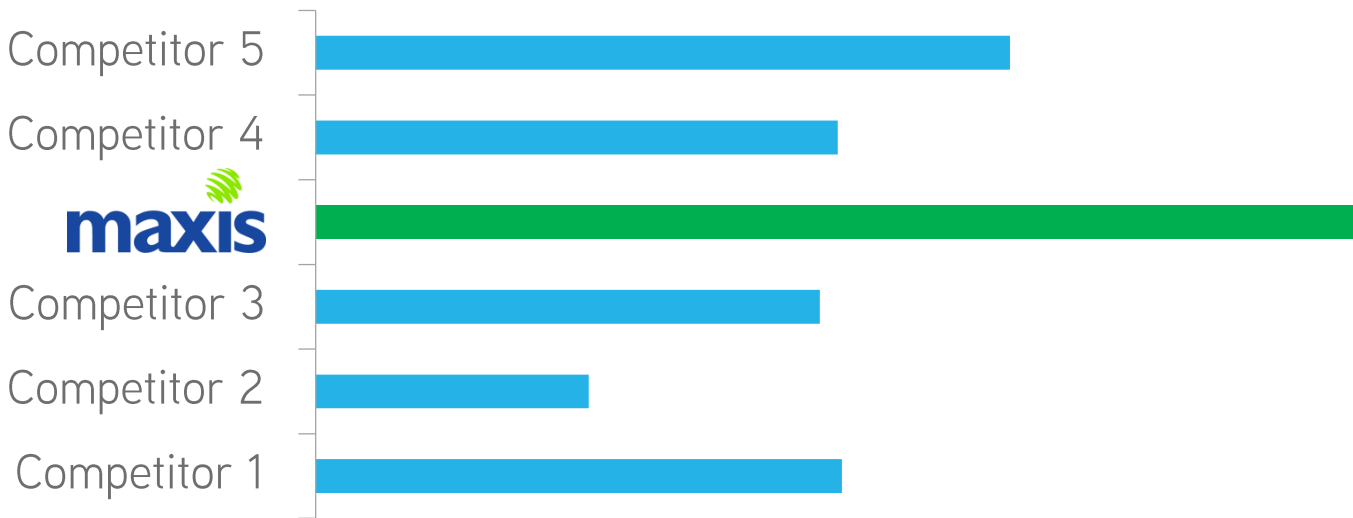
State of Mobile Networks:  
Malaysia, October 2018

WINNER 4G Download Speed

WINNER 4G Upload Speed

WINNER Overall Speed

WINNER 4G Latency

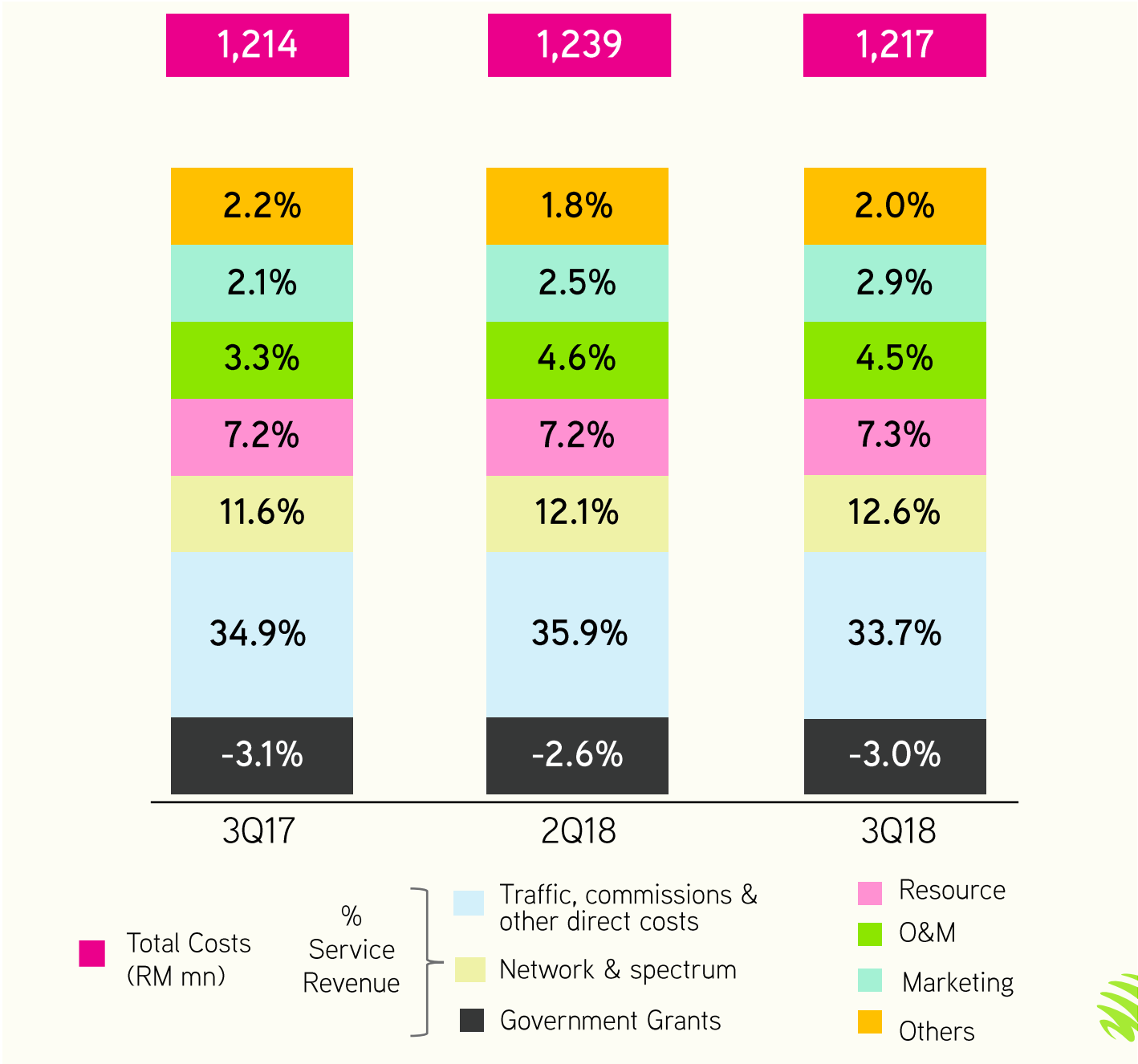
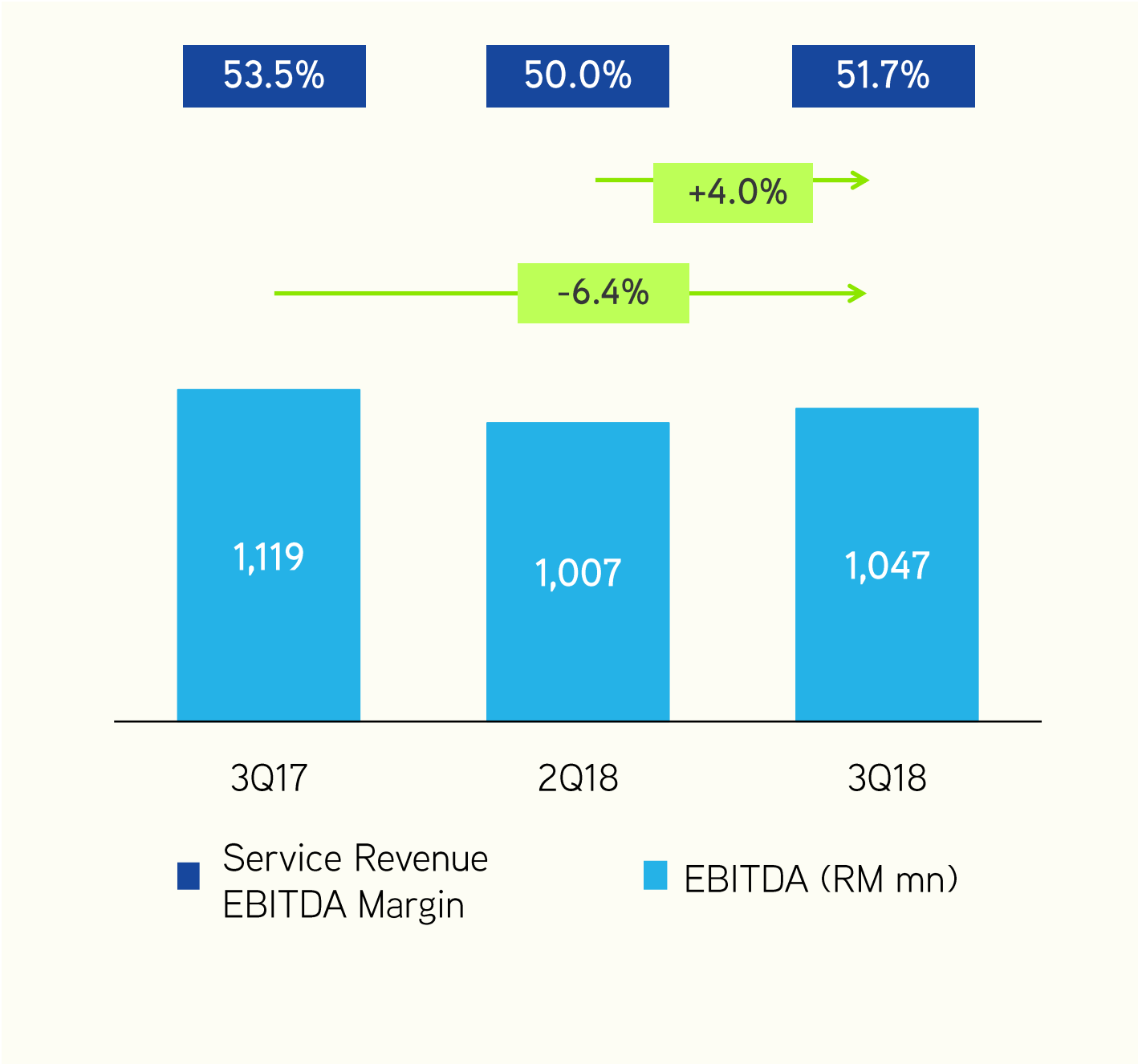


Fastest download speed in Penang and  
KL/Putrajaya recognized by MCMC

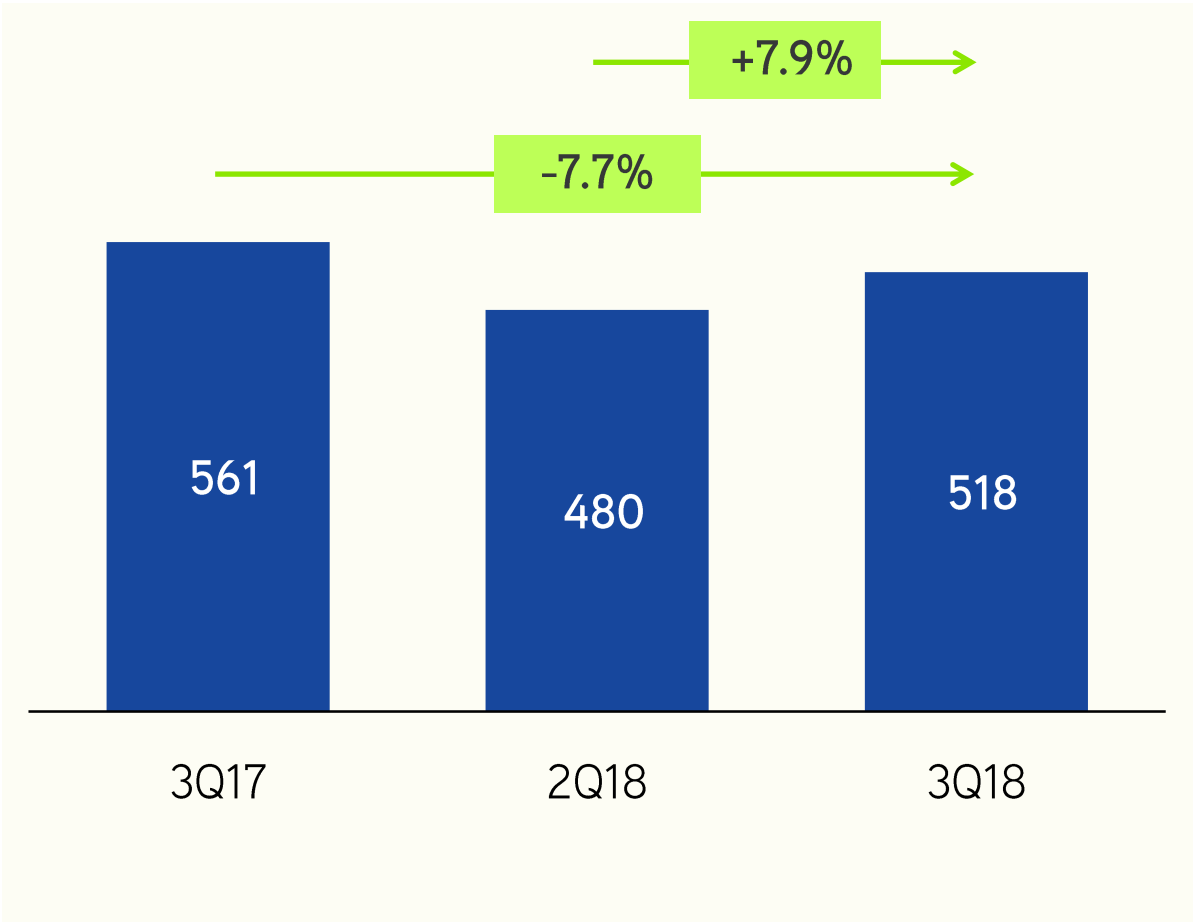




# Solid EBITDA; driven by focus on profitable segments and cost optimisation



# Profit after Tax remained stable, on the back of solid EBITDA



QoQ PAT higher on account of higher EBITDA



Excludes RM5 million unrealised forex gains (9M17: RM37 million unrealised forex gains), nil reduction of service fees (9M17: RM47 million reduction of service fee)



# Key Priorities, Outlook & Guidance



## Key Priorities

- Significantly grow market share in home fibre, while helping to grow the market
- Continue to drive Enterprise Business solutions behind the momentum of business fibre
- Enhancing digital capabilities through our digital transformation programme



## Outlook

- Overall solid operational and financial performance for 3Q2018
- Nonetheless, in view of the network sharing arrangement termination, SST reintroduction, fibre broadband repricing and intense competition, our guidance for the full financial year 2018 remains as follows:

	Post MFRS 15 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



*Under the new Bursa Trading Counter sector classification, Maxis has been reclassified under the "Telecommunications and Media" sector under the subset "Telecommunications Service Providers" effective 24th September 2018*





**No.1 4G**

**FIBRE  
NATION**

**Internet**

# ONEBusiness Smart

Enjoy more value with a  
complete business Internet,  
mobile and solutions plan

最完整的商业互联网、手机和解决方案  
让您享受更多价值

**Mobile  
Plan**

**RM**

**1**

**Business  
Solutions**



Pick a plan that  
is just right for  
your business

Choose between  
wireless broadband or  
fibre at affordable prices

Get even better value  
when you add on  
business solutions

Maxis, your one-stop  
shop to grow your  
business

Terms and conditions apply.

**MAXIS  
NE  
Business**





# Key Financials

(RM mn)	3Q17	2Q18	3Q18	QoQ	YoY
Service Revenue	2,090	2,013	2,027	0.7%	-3.0%
EBITDA*	1,119	1,007	1,047	+4.0%	-6.4%
EBITDA margin on service revenue*	53.5%	50.0%	51.7%	+1.7pp	-1.8pp
Profit after tax*	561	480	518	+7.9%	-7.7%
Free cash flow	428	541	600	+10.9%#	+40.2%#
Prepaid Revenue	947	854	851	-0.4%	-10.1%
Postpaid Revenue	997	1,009	1,025	+1.6%	+2.8%
Capex	273	212	195		
Dividend per share (sen)	5	5	5		

\* EBITDA, EBITDA margin and Profit After Tax on normalised basis

# Higher due to working capital changes



# 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 of unrealised forex (gains)/losses of (RM3 million) in 3Q17 and RM2 million in 2Q18
- **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



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.

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# Appendices



# Normalised Consolidated Income Statement

(RM mn)	3Q17	4Q17	1Q18	2Q18	3Q18	QoQ	YoY
<b>Revenue</b>	<b>2,333</b>	<b>2,376</b>	<b>2,237</b>	<b>2,246</b>	<b>2,264</b>	<b>+0.8%</b>	<b>-3.0%</b>
Expenses	(1,214)	(1,330)	(1,217)	(1,239)	(1,217)	-1.8%	+0.2%
<b>EBITDA</b>	<b>1,119</b>	<b>1,046</b>	<b>1,020</b>	<b>1,007</b>	<b>1,047</b>	<b>+4.0%</b>	<b>-6.4%</b>
<b>EBITDA Margin</b>	<b>53.5%</b>	<b>51.4%</b>	<b>51.5%</b>	<b>50.0%</b>	<b>51.7%</b>	<b>+1.7pp</b>	<b>-1.8pp</b>
Depreciation	(264)	(279)	(235)	(268)	(260)		
Amortisation	(3)	(3)	(0)	(0)	(0)		
Others	(2)	(9)	(7)	(1)	4		
Upfront Spectrum Assignment	(14)	(14)	(14)	(15)	(15)		
<b>EBIT</b>	<b>836</b>	<b>741</b>	<b>764</b>	<b>723</b>	<b>776</b>	<b>+7.3%</b>	<b>-7.2%</b>
Interest Expenses	(120)	(94)	(97)	(94)	(103)		
Interest Revenue	20	12	9	9	11		
<b>PBT</b>	<b>736</b>	<b>659</b>	<b>676</b>	<b>638</b>	<b>684</b>	<b>+7.2%</b>	<b>-7.1%</b>
Tax	(175)	(139)	(166)	(158)	(166)		
<b>PAT</b>	<b>561</b>	<b>520</b>	<b>510</b>	<b>480</b>	<b>518</b>	<b>+7.9%</b>	<b>-7.7%</b>



# Reported Consolidated Income Statement

(RM mn)	3Q17	4Q17	1Q18	2Q18	3Q18	QoQ	YoY
<b>Revenue</b>	<b>2,333</b>	<b>2,376</b>	<b>2,237</b>	<b>2,246</b>	<b>2,264</b>	<b>+0.8%</b>	<b>-3.0%</b>
Expenses	(1,224)	(1,315)	(1,214)	(1,257)	(1,239)	-1.4%	+1.2%
<b>EBITDA</b>	<b>1,109</b>	<b>1,061</b>	<b>1,023</b>	<b>989</b>	<b>1,025</b>	<b>+3.6%</b>	<b>-7.6%</b>
<b>EBITDA Margin</b>	<b>53.1%</b>	<b>52.1%</b>	<b>51.7%</b>	<b>49.1%</b>	<b>50.6%</b>	<b>+1.5pp</b>	<b>-2.5pp</b>
Depreciation	(264)	(279)	(235)	(268)	(260)		
Amortisation	(3)	(3)	(0)	(0)	(0)		
Others	(2)	(9)	(7)	(1)	4		
<b>EBIT</b>	<b>840</b>	<b>770</b>	<b>781</b>	<b>720</b>	<b>769</b>	<b>+6.8%</b>	<b>-8.5%</b>
Interest Expenses	(120)	(94)	(97)	(94)	(103)		
Interest Revenue	20	12	9	9	11		
<b>PBT</b>	<b>740</b>	<b>688</b>	<b>693</b>	<b>635</b>	<b>677</b>	<b>+6.6%</b>	<b>-8.5%</b>
Tax	(176)	(146)	(170)	(157)	(164)		
<b>PAT</b>	<b>564</b>	<b>542</b>	<b>523</b>	<b>478</b>	<b>513</b>	<b>+7.3%</b>	<b>-9.0%</b>



# Cash Flow Statement

(RM mn)	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Cash flow from operating activities</b>	<b>893</b>	<b>1,133</b>	<b>441</b>	<b>931</b>	<b>976</b>
<b>Cash flow used in investing activities</b>	<b>(341)</b>	<b>(556)</b>	<b>(166)</b>	<b>(307)</b>	<b>(263)</b>
▪ Purchase of property, plant & equipment	(341)	(557)	(166)	(307)	(262)
▪ Proceeds from disposal of PPE	3	1	-	-	-
▪ Maturities of deposits	(3)	-	-	-	(1)
<b>Cash flow before financing activities</b>	<b>552</b>	<b>577</b>	<b>275</b>	<b>624</b>	<b>713</b>
<b>Cash flow used in financing activities</b>	<b>(298)</b>	<b>(705)</b>	<b>(501)</b>	<b>(476)</b>	<b>(504)</b>
• Dividends paid	(390)	(391)	(391)	(390)	(391)
• Debt drawdown	-	-	-	-	-
• Debt repayment	(1,439)	(210)	-	-	-
• Payment of finance costs	(122)	(99)	(109)	(81)	(111)
• Acquisition of additional interest in subsidiary	-	-	-	-	-
• Proceeds from issuance of shares	1,655	-	-	-	-
• Others	(2)	(5)	(1)	(5)	(2)
<b>Net change in cash &amp; cash equivalents</b>	<b>254</b>	<b>(128)</b>	<b>(226)</b>	<b>148</b>	<b>209</b>
<b>Opening cash &amp; cash equivalents</b>	<b>454</b>	<b>708</b>	<b>579</b>	<b>353</b>	<b>501</b>
<b>Closing cash &amp; cash equivalents</b>	<b>708</b>	<b>579</b>	<b>353</b>	<b>501</b>	<b>710</b>





# Financial Ratios

(RM mn)	2Q18	3Q18
Debt#	7,637	7,622
Deposits, cash & bank balances^	524	734
Net Debt	7,113	6,888
Total Equity	7,147	7,272

(RM mn)	2Q18	3Q18
Net debt-to-EBITDA*	1.70x	1.68x
Net debt-to-Equity	1.00x	0.95x

## 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)	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Revenue</b>	<b>2,333</b>	<b>2,376</b>	<b>2,237</b>	<b>2,246</b>	<b>2,264</b>
<b>Service Revenue</b>	<b>2,090</b>	<b>2,036</b>	<b>1,980</b>	<b>2,013</b>	<b>2,027</b>
▪ Mobile	1,944	1,897	1,834	1,863	1,876
▪ Enterprise Fixed	75	69	71	71	71
▪ Home Fibre	71	70	75	79	80
<b>Non-Service Revenue</b>	<b>243</b>	<b>340</b>	<b>257</b>	<b>233</b>	<b>237</b>
▪ Device	216	319	236	212	216
▪ Hubbing	7	0	0	0	0
▪ Network Income	20	21	21	21	21
(RM mn)	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Mobile Revenue</b>	<b>1,944</b>	<b>1,897</b>	<b>1,834</b>	<b>1,863</b>	<b>1,876</b>
▪ Prepaid	947	903	849	854	851
▪ Postpaid	997	994	985	1,009	1,025

**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)	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Total revenue</b>	<b>2,333</b>	<b>2,376</b>	<b>2,237</b>	<b>2,246</b>	<b>2,264</b>
<b>Expenses</b>	<b>1,214</b>	<b>1,330</b>	<b>1,217</b>	<b>1,239</b>	<b>1,217</b>
▪ Traffic, commissions & other direct costs	729	802	720	723	684
▪ Spectrum license fees	44	43	42	47	47
▪ Network	199	190	200	196	208
▪ Staff & resource	150	146	140	144	148
▪ Marketing	43	35	39	51	59
▪ Operation & maintenance	68	136	81	93	90
▪ Others	(19)	(22)	(5)	(15)	(19)
▪ Allowance for doubtful debts, net	31	29	27	29	22
▪ Government grants & other income, net	(50)	(51)	(32)	(44)	(41)
<b>EBITDA</b>	<b>1,119</b>	<b>1,046</b>	<b>1,020</b>	<b>1,007</b>	<b>1,047</b>
<b>PBT</b>	<b>736</b>	<b>659</b>	<b>676</b>	<b>638</b>	<b>684</b>
<b>PAT</b>	<b>561</b>	<b>520</b>	<b>510</b>	<b>480</b>	<b>518</b>
<b>EBITDA Margin</b>	<b>53.5%</b>	<b>51.4%</b>	<b>51.5%</b>	<b>50.0%</b>	<b>51.7%</b>
<b>PAT Margin</b>	<b>24.0%</b>	<b>21.9%</b>	<b>22.8%</b>	<b>21.4%</b>	<b>22.9%</b>





# Reported Financials and Costs

(RM mn)	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Total revenue</b>	<b>2,333</b>	<b>2,376</b>	<b>2,237</b>	<b>2,246</b>	<b>2,264</b>
<b>Expenses</b>	<b>1,224</b>	<b>1,315</b>	<b>1,214</b>	<b>1,257</b>	<b>1,239</b>
▪ Traffic, commissions & other direct costs	729	802	720	723	684
▪ Spectrum license fees	58	57	56	62	62
▪ Network	199	190	200	196	208
▪ Staff & resource	150	146	140	144	148
▪ Marketing	43	35	39	51	59
▪ Operation & maintenance	64	107	64	96	97
▪ Others	(19)	(22)	(5)	(15)	(19)
▪ Allowance for doubtful debts, net	31	29	27	29	22
▪ Government grants & other income, net	(50)	(51)	(32)	(44)	(41)
<b>EBITDA</b>	<b>1,109</b>	<b>1,061</b>	<b>1,023</b>	<b>989</b>	<b>1,025</b>
<b>PBT</b>	<b>740</b>	<b>688</b>	<b>693</b>	<b>635</b>	<b>677</b>
<b>PAT</b>	<b>564</b>	<b>542</b>	<b>523</b>	<b>478</b>	<b>513</b>
<b>EBITDA Margin</b>	<b>53.1%</b>	<b>52.1%</b>	<b>51.7%</b>	<b>49.1%</b>	<b>50.6%</b>
<b>PAT Margin</b>	<b>24.2%</b>	<b>22.8%</b>	<b>23.4%</b>	<b>21.3%</b>	<b>22.7%</b>



# RGS30 and ARPU

	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Mobile Subscription (‘000)</b>					
<b>Total</b>	<b>10,112</b>	<b>10,002</b>	<b>9,849</b>	<b>9,863</b>	<b>9,835</b>
▪ Prepaid	7,154	6,997	6,786	6,747	6,639
▪ Postpaid	2,805	2,853	2,912	2,970	3,055
▪ WBB	153	152	151	146	141
<b>ARPU (RM/Month)</b>					
<b>Blended</b>	<b>57</b>	<b>57</b>	<b>56</b>	<b>58</b>	<b>58</b>
▪ Prepaid	42	41	41	42	42
▪ Postpaid	96	96	92	94	93

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



# Data usage and smart phone penetration

	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Data usage (GB/Month)</b>					
<b>Blended</b>	<b>5.59</b>	<b>6.72</b>	<b>7.61</b>	<b>9.08</b>	<b>10.67</b>
▪ Prepaid	4.78	5.87	6.68	8.20	10.24
▪ Postpaid	7.75	8.88	9.88	11.17	11.66
<b>(%) Smart-phone penetration</b>					
<b>Blended</b>	<b>80</b>	<b>81</b>	<b>82</b>	<b>83</b>	<b>84</b>
▪ Prepaid	78	80	80	81	82
▪ Postpaid	85	86	86	87	87

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





# Market Definition Subscription, ARPU and MOU

	3Q17	4Q17	1Q18	2Q18	3Q18
<b>Mobile Subscription ('000)</b>					
<b>Total</b>	<b>11,269</b>	<b>11,091</b>	<b>10,875</b>	<b>10,891</b>	<b>10,956</b>
▪ Prepaid	8,255	8,034	7,756	7,716	7,703
▪ Postpaid	2,849	2,894	2,958	3,019	3,105
▪ WBB	165	163	161	156	148
<b>( '000)</b>					
<b>Mobile Internet Users</b>	<b>8,300</b>	<b>8,200</b>	<b>8,100</b>	<b>8,200</b>	<b>8,300</b>
<b>( '000)</b>					
<b>Home Connections</b>	<b>163</b>	<b>172</b>	<b>184</b>	<b>194</b>	<b>202</b>
<b>ARPU (RM/Month)</b>					
<b>Blended</b>	<b>51</b>	<b>51</b>	<b>51</b>	<b>53</b>	<b>53</b>
▪ Prepaid	36	36	35	37	36
▪ Postpaid	96	96	92	94	93
<b>MOU (Minutes/Month)</b>					
▪ Prepaid	133	129	129	128	129

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



