

4Q 2016 Financial Results

8 February 2017

Solid 4Q; positive momentum going into 2017

Solid service revenue and EBITDA
+2.5% and +3.9% QoQ

Growing postpaid base and ARPU
2.7 million and ARPU @ RM104

Consistent great internet experience
7x 4G data traffic growth

Hitting 1.5 million Hotlink FAST subscribers
50% on 4G



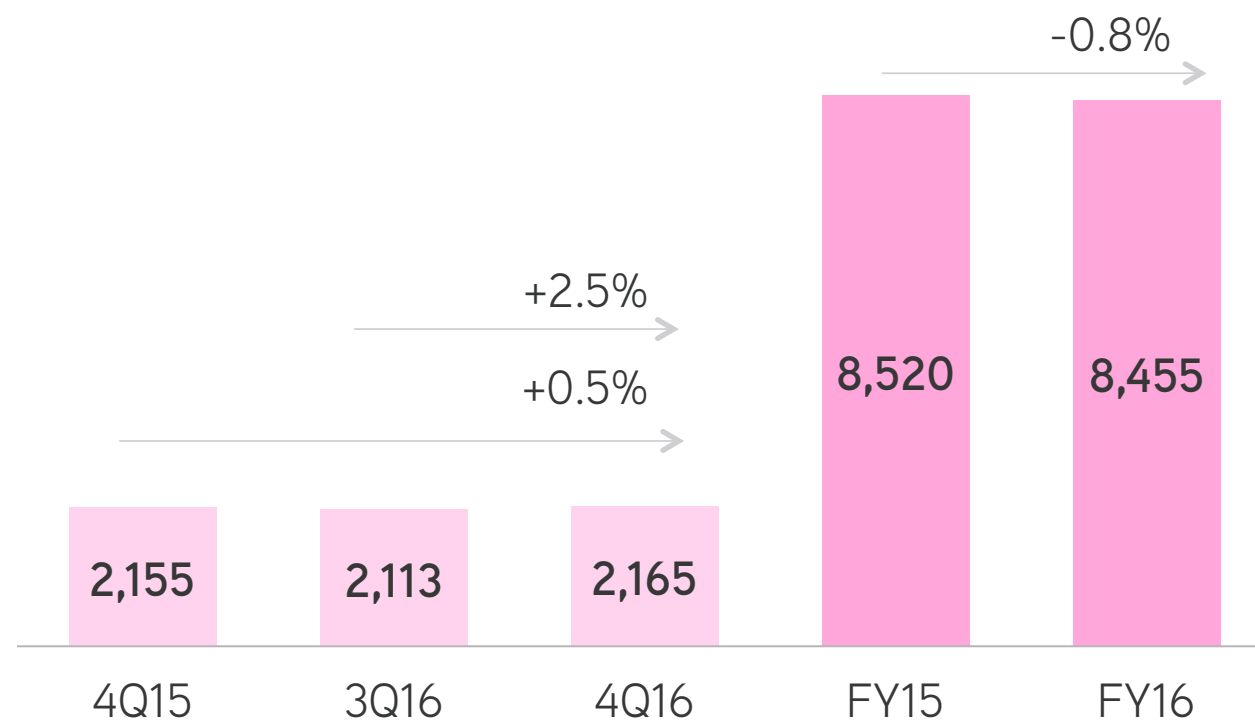
No.1 4G⁺

MaxisONE plan now with 2x more data.

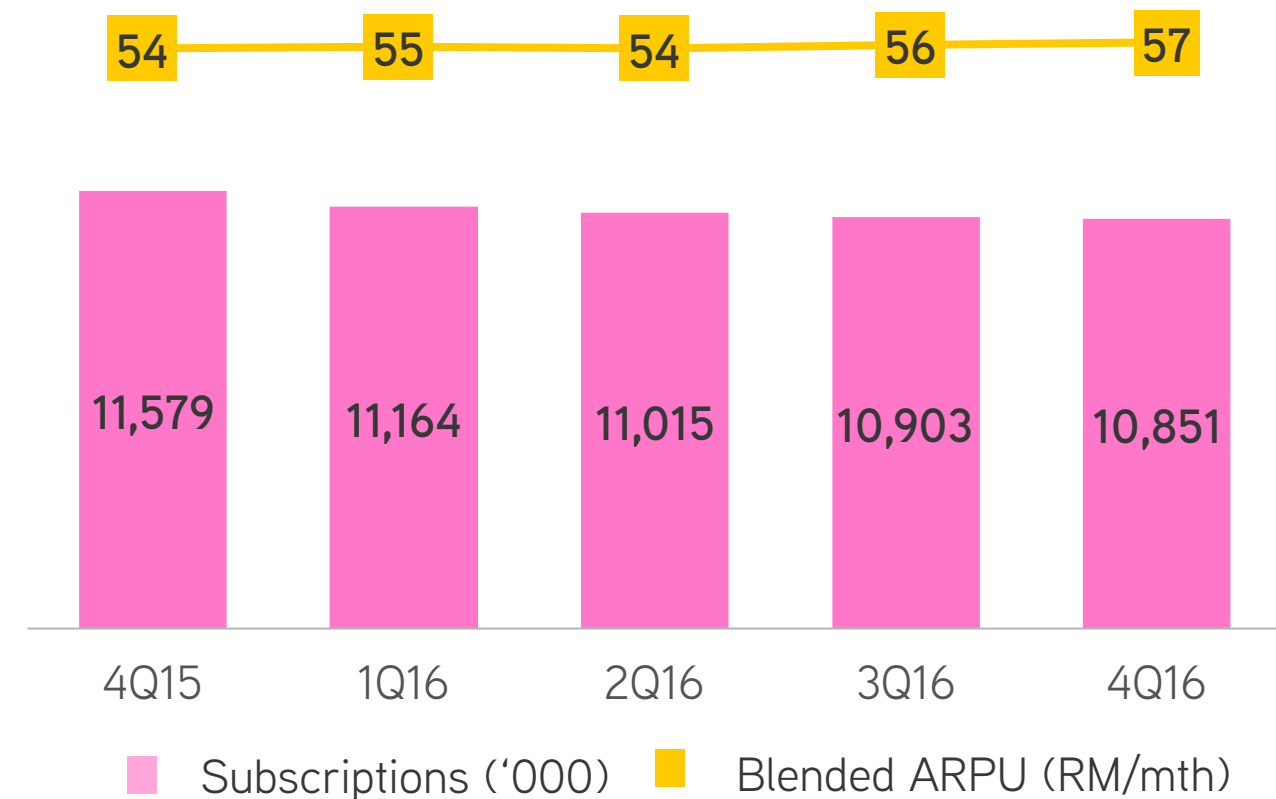
Everyone gets more data to share! Enjoy up to 50GB on the MaxisONE plan, and extra 10GB for every MaxisONE Share line.

Strong revenue momentum in 4Q

Service Revenue (RM mn)



Total RGS and Blended ARPU



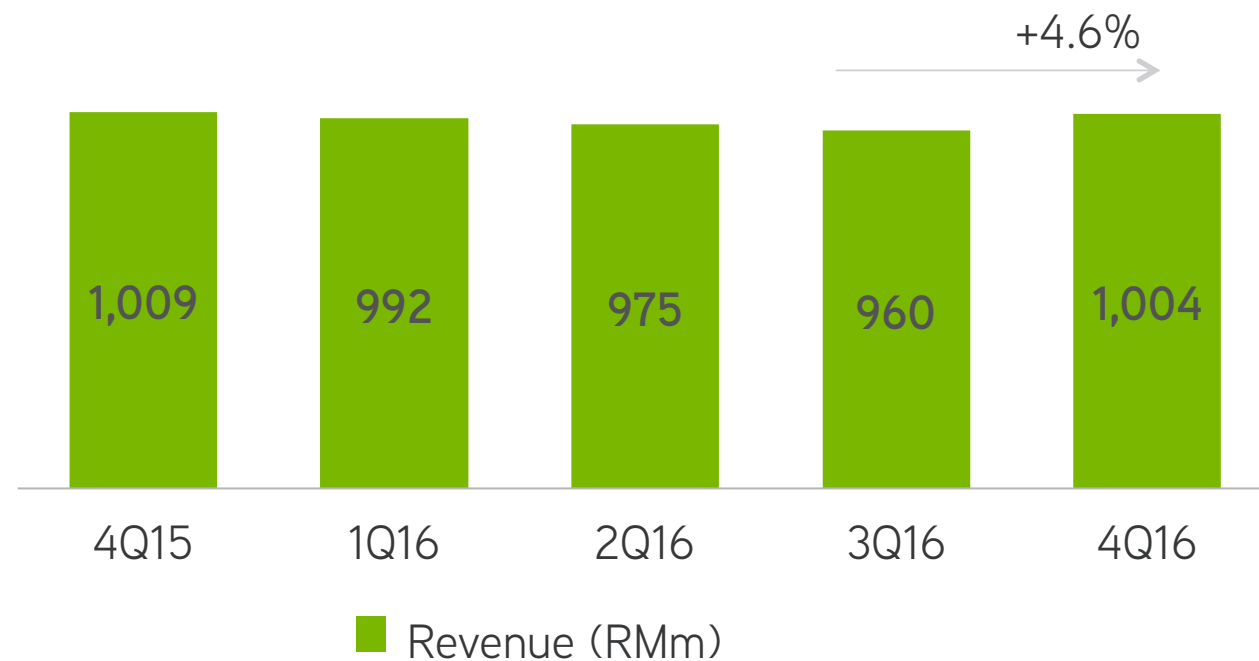
- Unusual growth into 4Q despite flat RGS
- ARPU uplift driven by Mobile Internet and higher roaming revenue



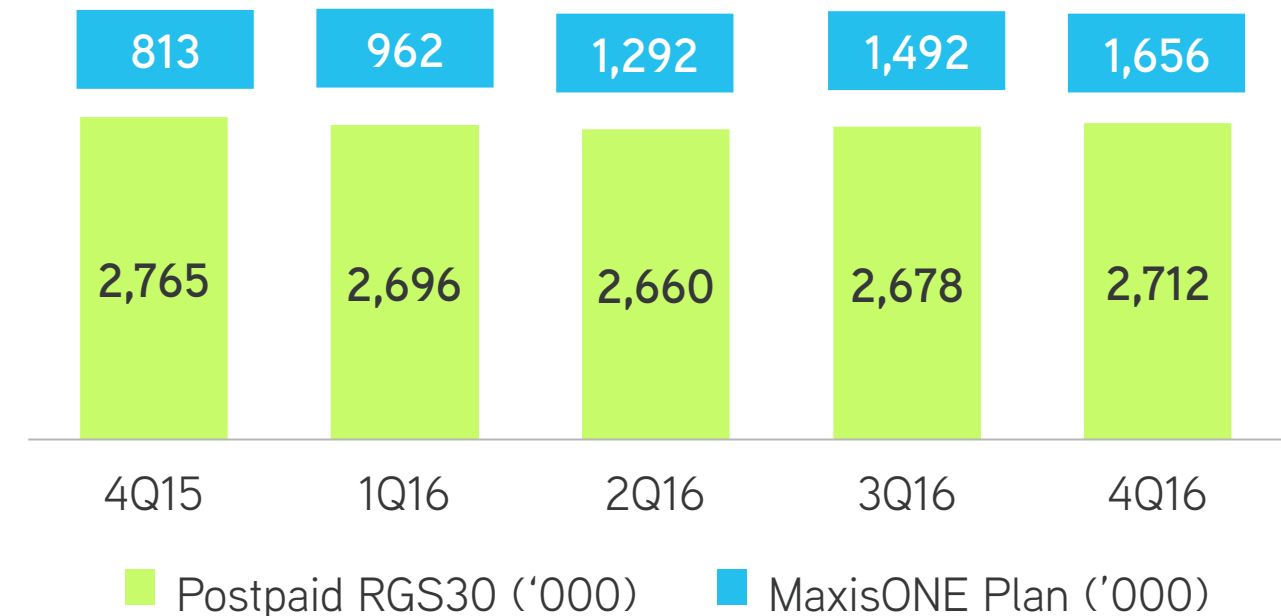
Higher postpaid base and ARPU

MaxisOne subscriptions approaching 1.7 million

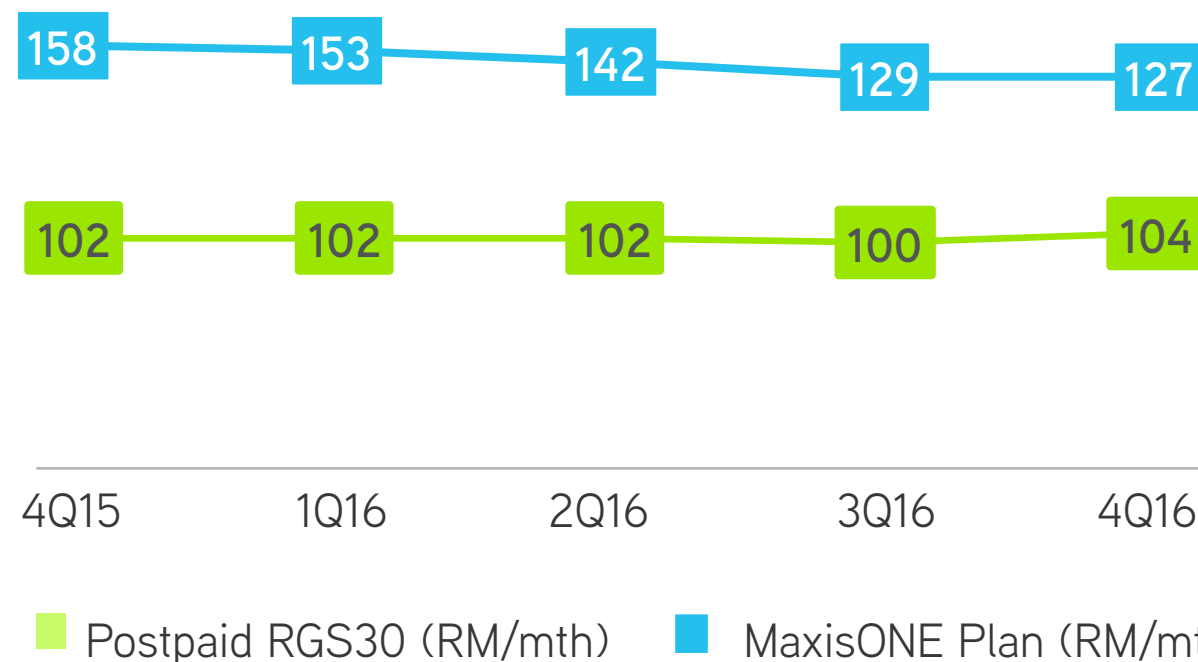
Postpaid Revenue



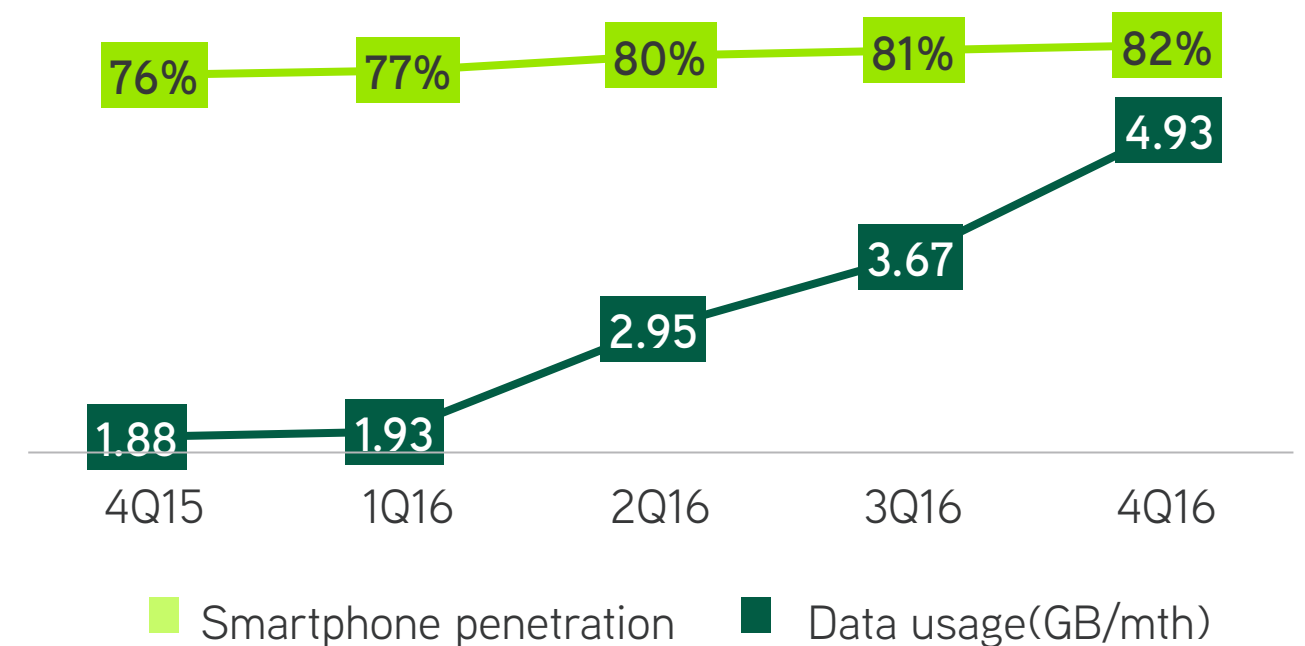
Subscriptions



ARPU



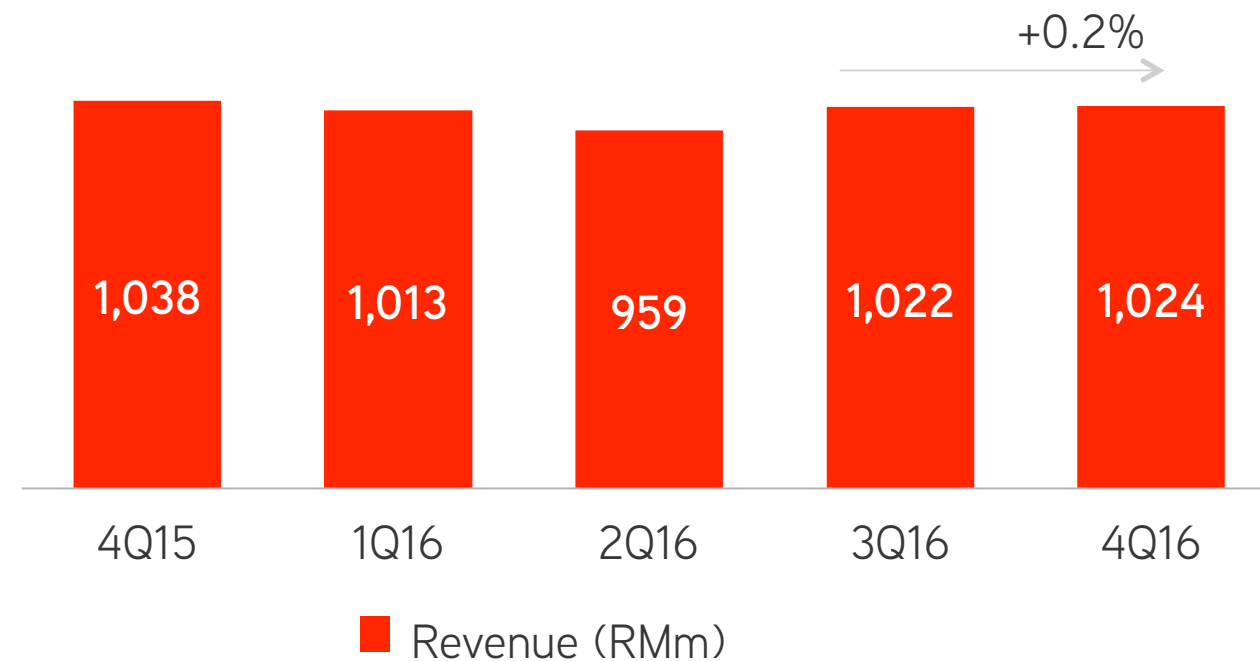
Data usage and Smartphone penetration



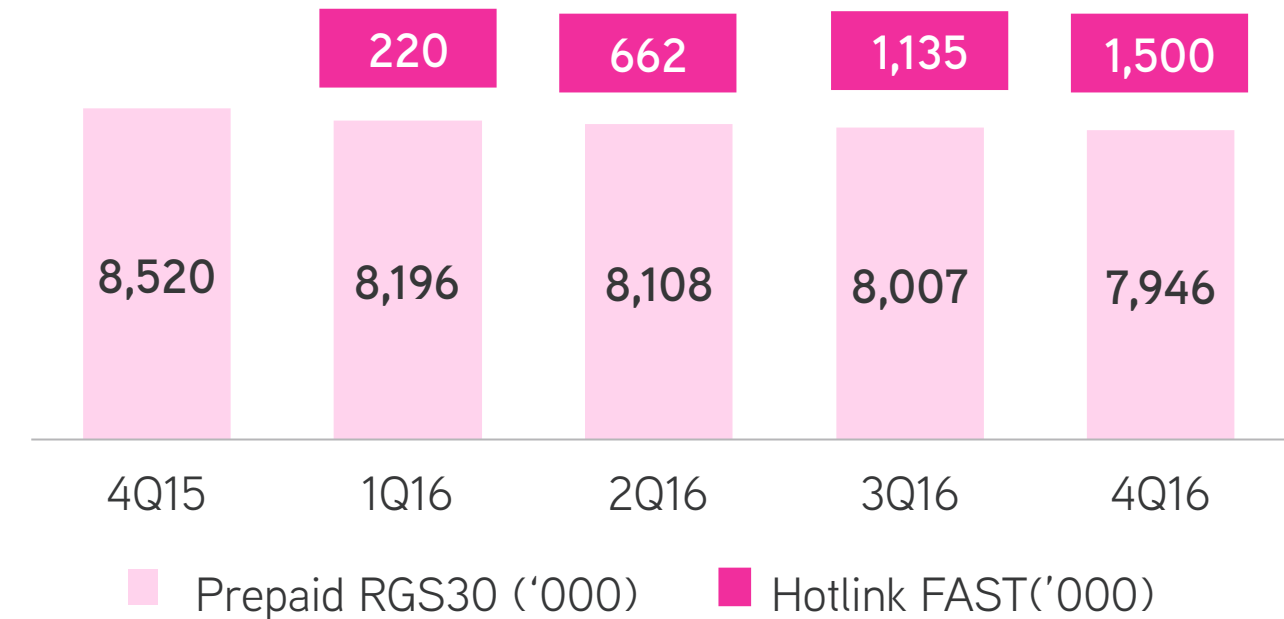
Hitting 1.5 million Hotlink FAST users

FAST MI ARPU 20% higher than legacy base

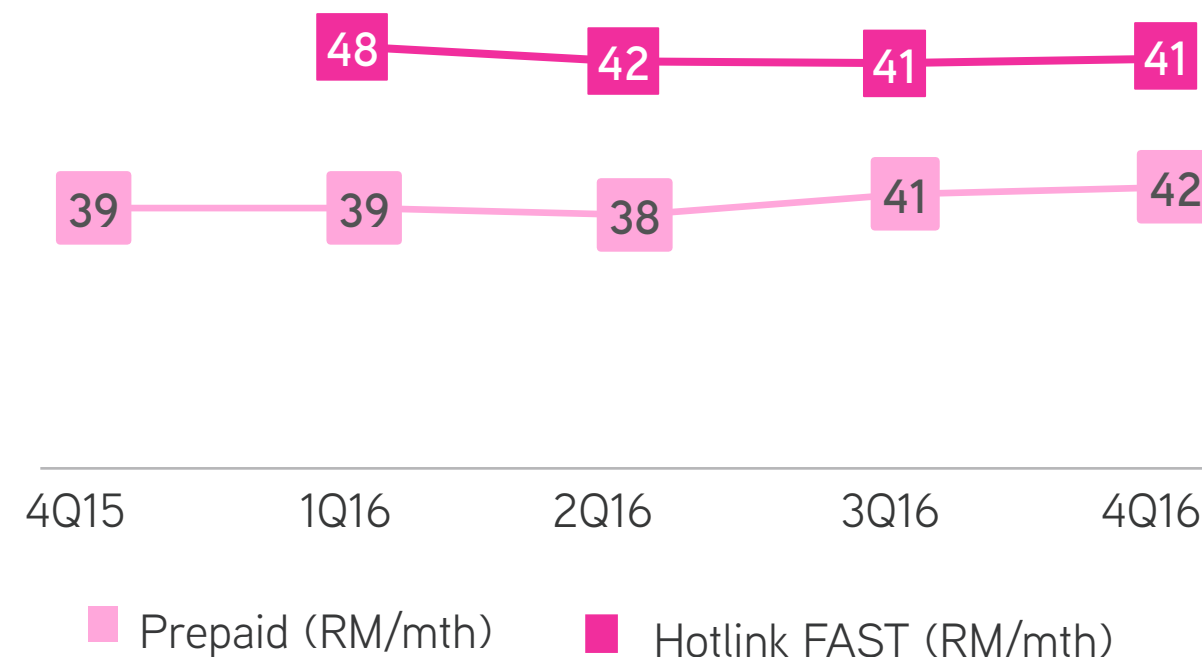
Prepaid Revenue



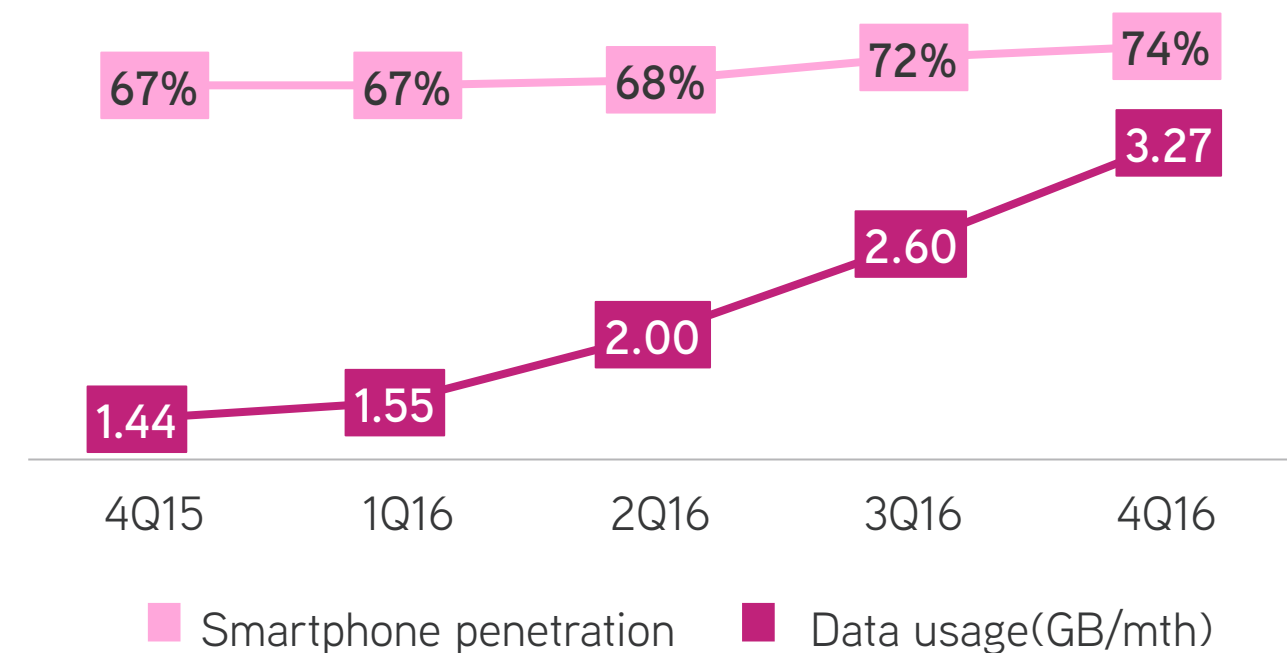
Subscriptions



ARPU

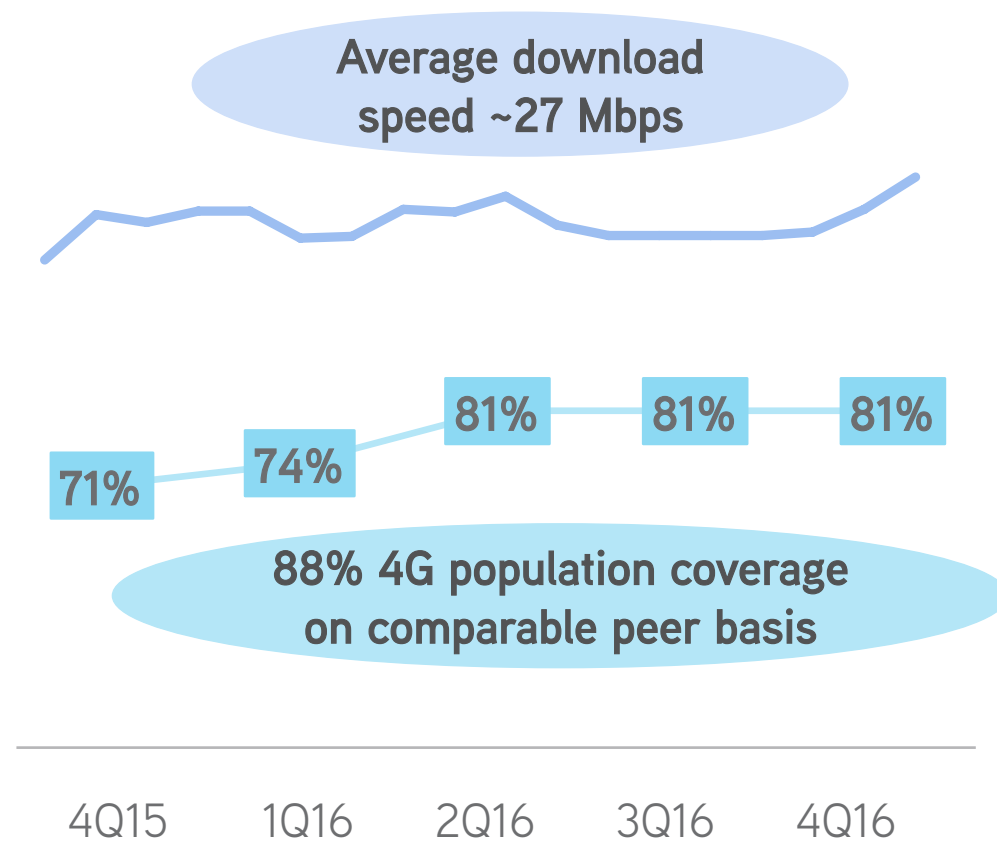


Data usage and Smartphone penetration

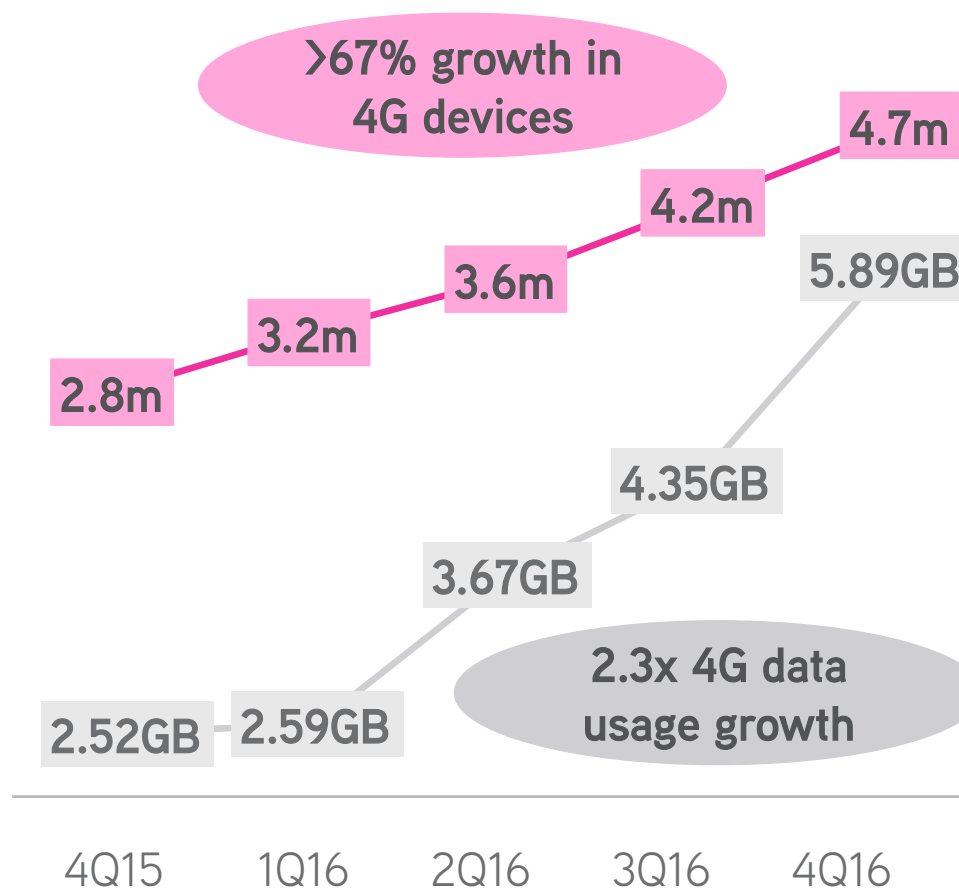


Consistent great internet experience despite 7x 4G data traffic growth

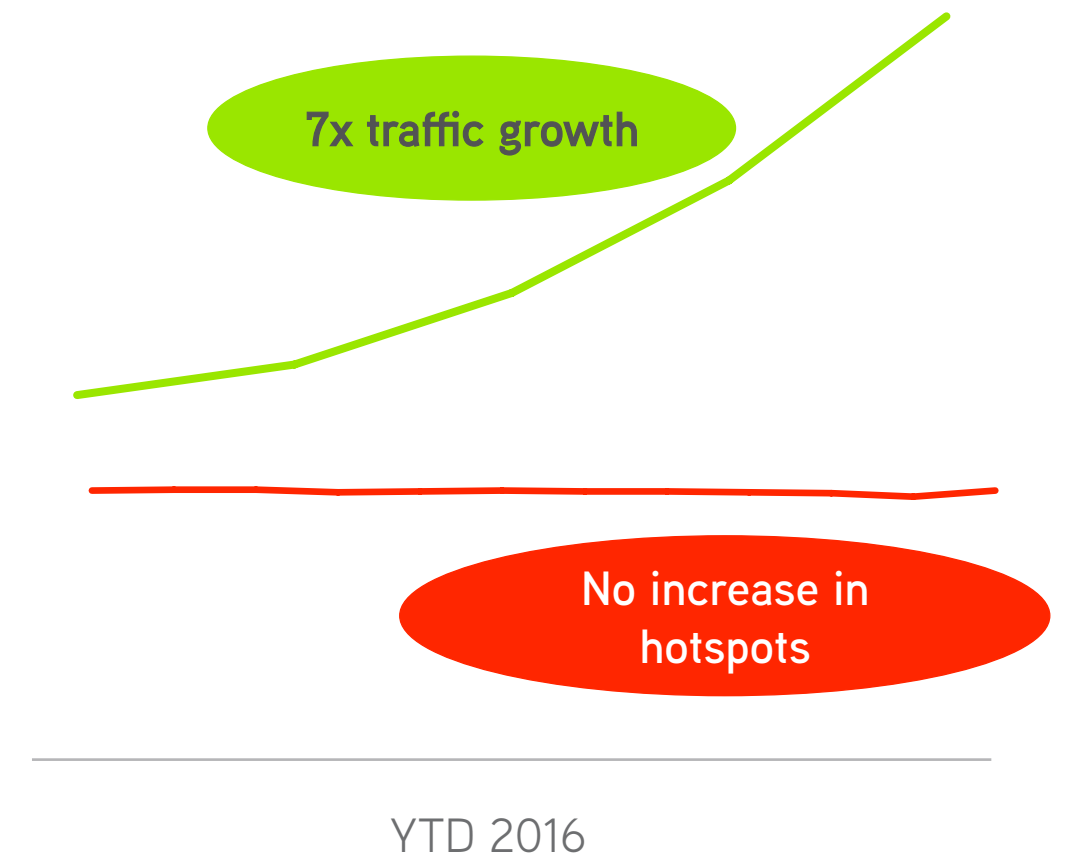
Market leading 4G pop coverage with consistent data download speed



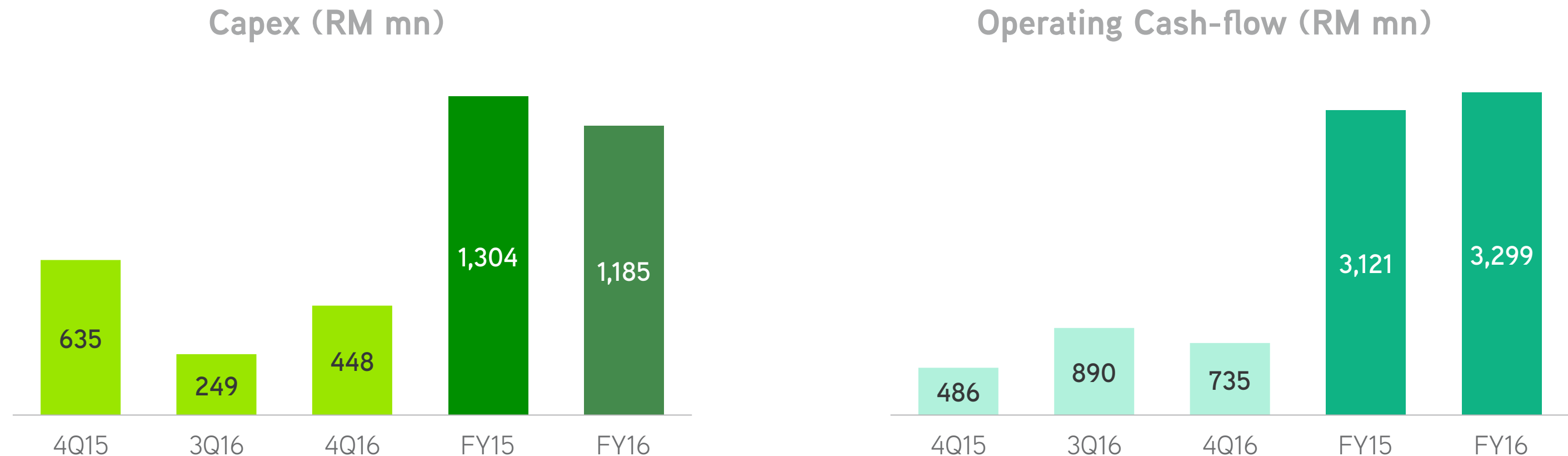
4G devices drive MI penetration and usage



7x 4G traffic growth; consistent quality despite traffic growth



Lower capex despite unprecedented capacity increase and unmatched network quality



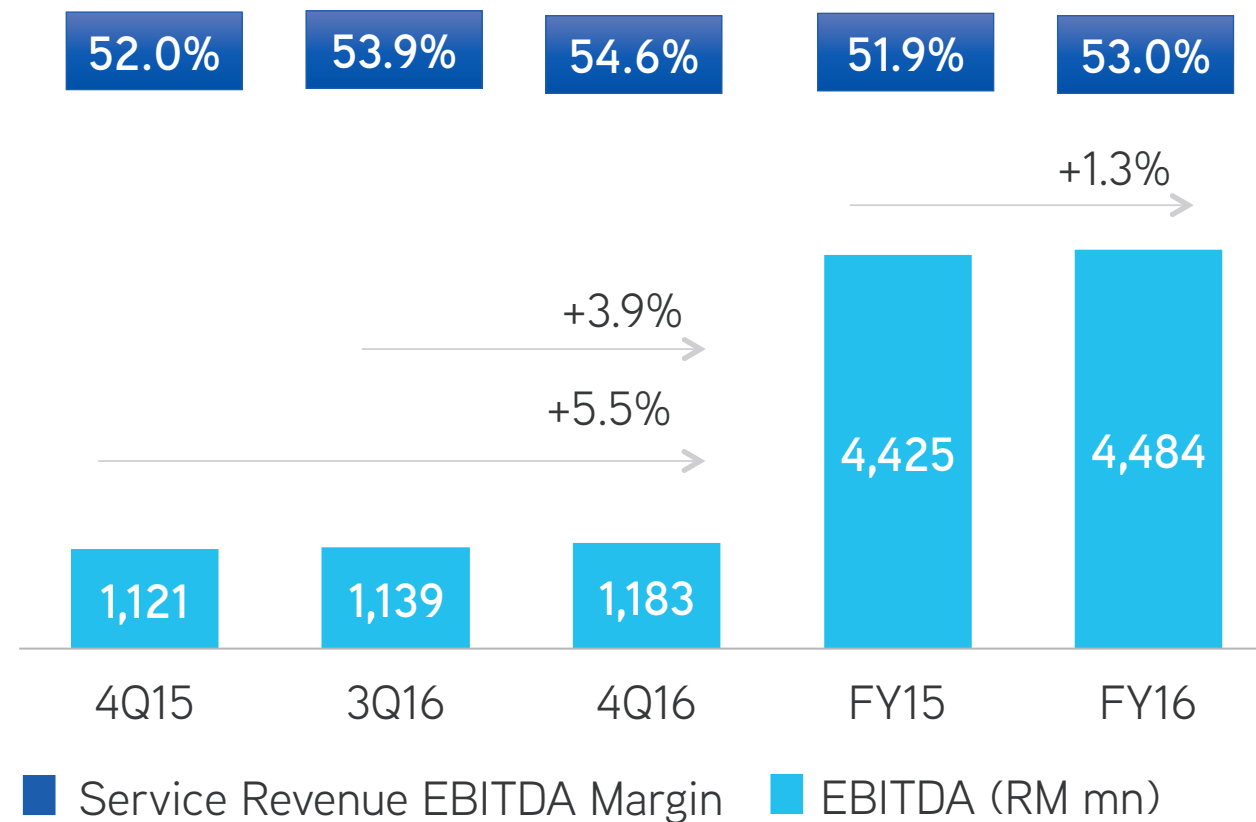
- Leading nationwide pop coverage at 88% on comparable peer basis
- Continuous investment in capacity and quality enhancement to deliver unmatched network quality



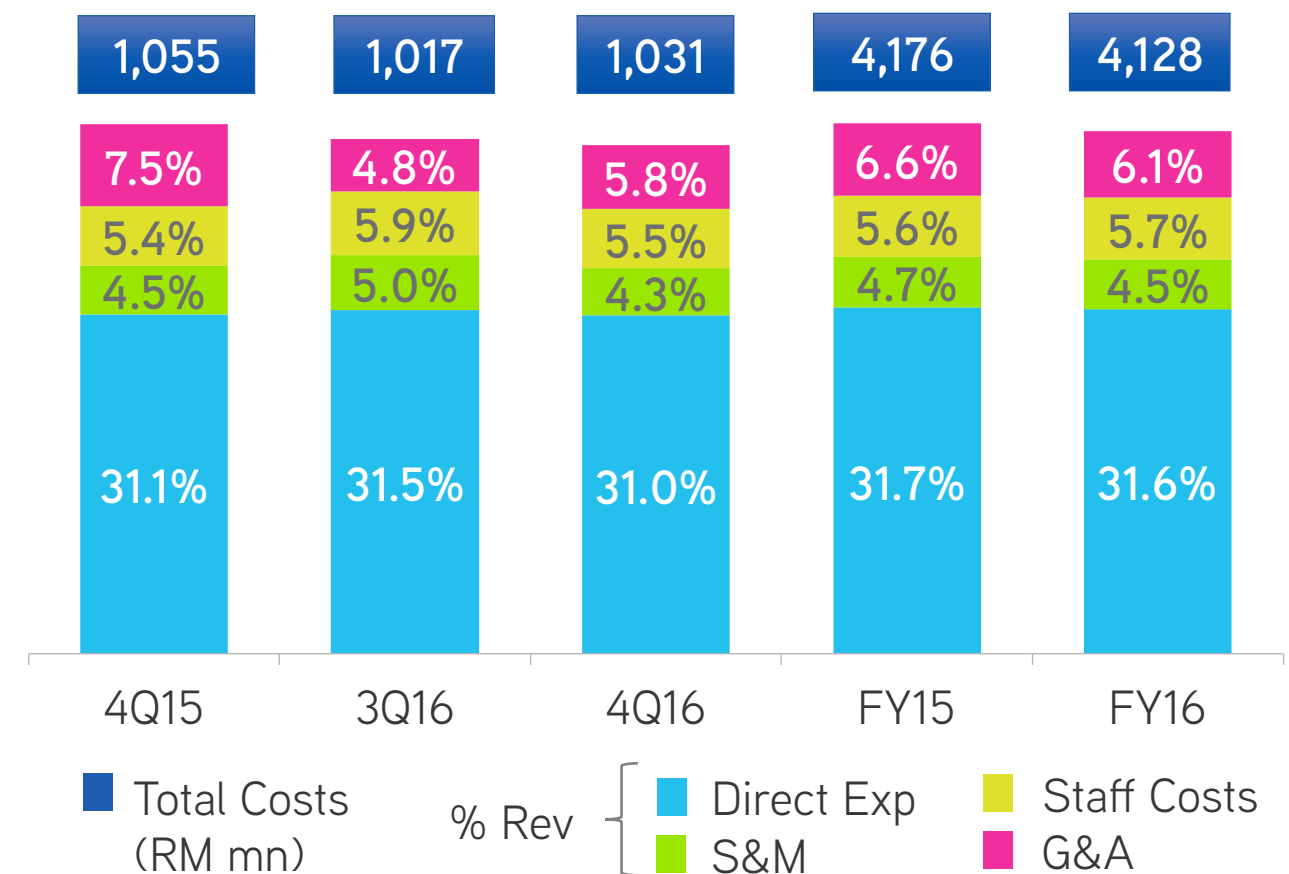
4Q EBITDA improvement from higher revenue

Also positive annual EBITDA improvement

Normalised EBITDA



Normalised Cost Development

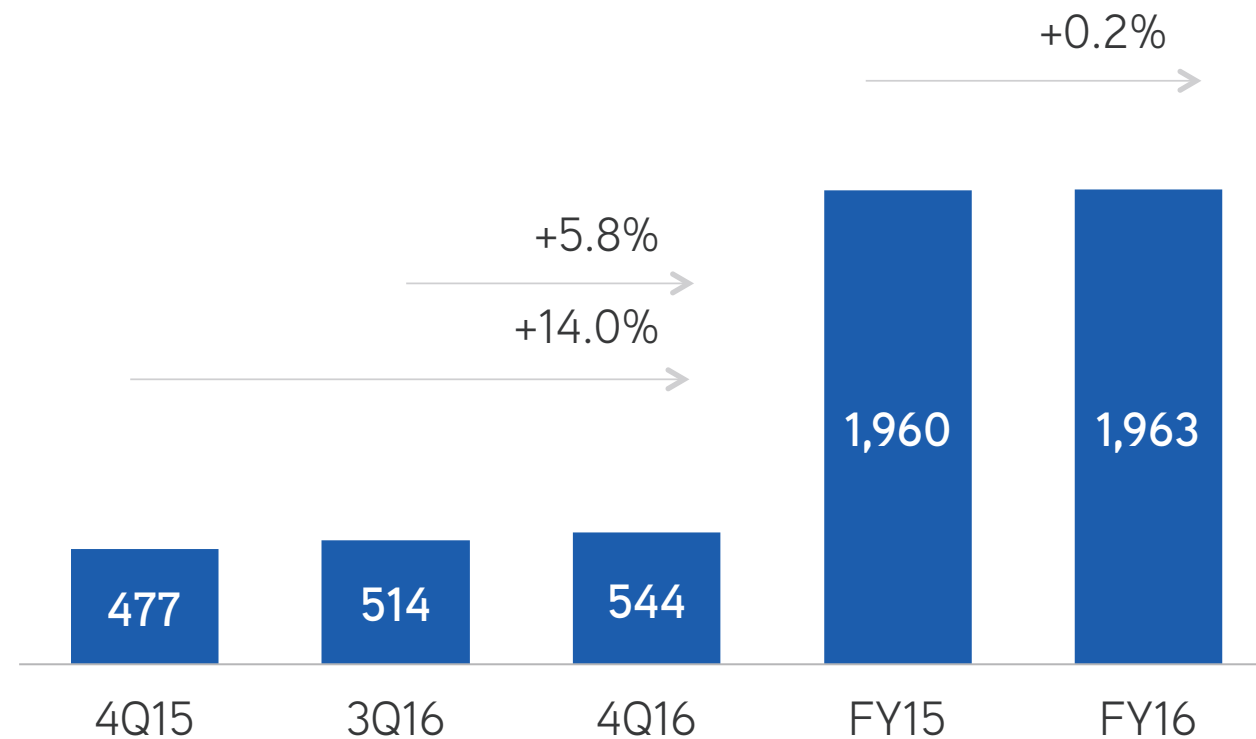


- QoQ EBITDA growth mainly driven by higher revenue and a more efficient marketing spend offsetting higher realised foreign exchange losses
- YTD EBITDA grew mainly on the back of a more efficient marketing spend and savings from cost optimisation program

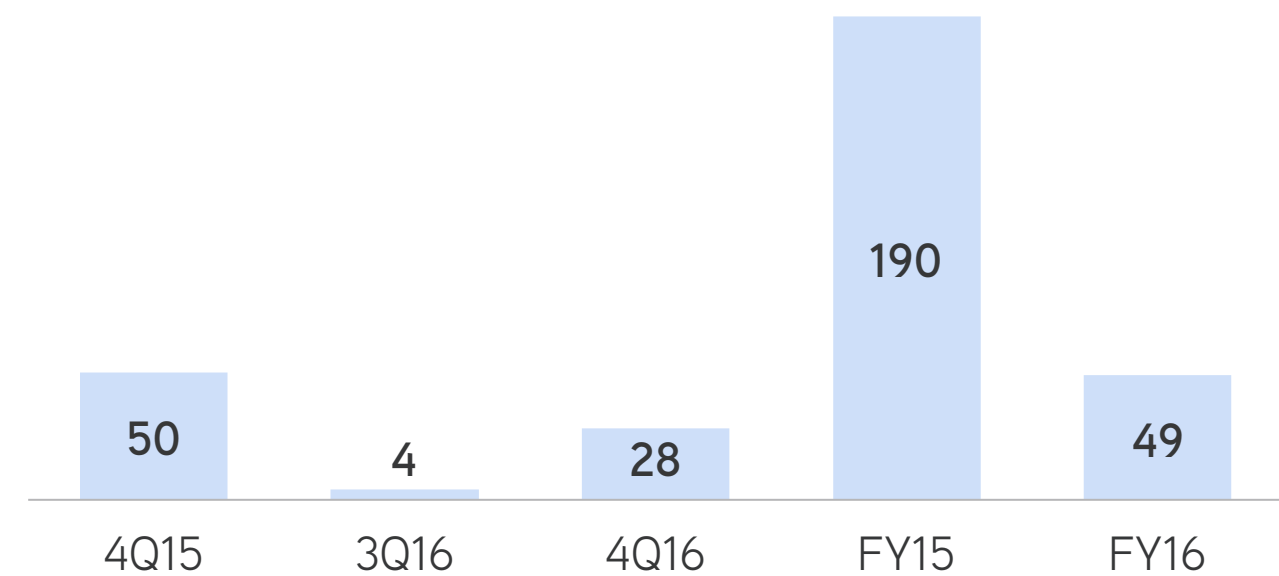


Higher Profit after Tax in-line with EBITDA development

Normalised Profit after Tax (RM mn)



Accelerated Depreciation (RM mn)



- QoQ PAT excludes RM18 million unrealised forex losses (Q3: RM7 million) and RM21 million accelerated depreciation net of tax (Q3: RM3 million)
- YTD PAT excludes RM71 million asset impairment and contract obligation provision reversals, RM16 million unrealised forex gains (YTD15: RM70 million unrealised forex losses) and RM37 million accelerated depreciation net of tax (YTD15: RM143 million)



Solid end to 2016; positive momentum going into 2017

2017 Priorities

- Strengthen core customer propositions through moving from product to solutions and going all-out digital
- Create unmatched customer experience across technologies, services and channels
- Keep network advantage through leveraging a scalable capacity design and to focus on indoor experiences

2017 Guidance

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



Key financials

RM mn	4Q15	3Q16	4Q16	FY15	FY16	QoQ	YoY	FY16vFY15
Service revenue	2,155	2,113	2,165	8,520	8,455	+2.5%	+0.5%	-0.8%
EBITDA	1,121	1,139	1,183	4,425	4,484	+3.9%	+5.5%	+1.3%
EBITDA margin on service revenue	52.0%	53.9%	54.6%	51.9%	53.0%	+0.7pp	+2.6pp	+1.1pp
Profit after Tax	477	514	544	1,960	1,963	+5.8%	+14.0%	+0.2%
Free cash flow	369	520	(611)	1,726	758	>-100%	>-100%	-56.1%
Prepaid revenue	1,038	1,022	1,024	4,173	4,018	+0.2%	-1.3%	-3.7%
Postpaid revenue	1,009	960	1,004	3,923	3,931	+4.6%	-0.4%	+0.2%
Capex	635	249	448	1,304	1,185			
Dividend per share (sen)	5	5	5	20	20			

*EBITDA, EBITDA margin and Profit After Tax on normalised basis
Effective 2Q16, network income has been re-classified as non-service revenue*



Q & A



No.1 4G⁺

THE BIGGEST INTERNET PASS
NOW COMES WITH FREE CALLS

17 GB
***100 MINS**

Available on

HotLink No. 1 4G⁺

FAST

TIADA YANG SEPANTAS

TAWARAN INTERNET TERBAIK **BONUS INTERNET TERBAIK** **INTERNET AGAS PERUMA**

RM10

TOP UP NOW

The advertisement features a vibrant red and white design with a dotted background. A large, stylized '17 GB' is prominently displayed in the center, with a teal starburst effect. Below it, '*100 MINS' is written in red. To the right, a red smartphone mockup shows the 'FAST' internet pass interface. The pass includes the text 'HotLink No. 1 4G+', 'FAST', and 'TIADA YANG SEPANTAS' followed by three categories of benefits: 'TAWARAN INTERNET TERBAIK', 'BONUS INTERNET TERBAIK', and 'INTERNET AGAS PERUMA'. The price 'RM10' is also visible. In the top right corner, a black button with a white plus sign and the text 'TOP UP NOW' is present. The bottom left corner features a red flame-like graphic.



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Q&A

Switch to Maxis and keep your
current mobile number!



Appendices

Still not convinced?

Here's the reasons why you need FAST today.



8GB Free for Life
Stay active and enjoy 2GB every weekend, every month.



Free calls to 5 FRIENDZ



FREE Basic Internet
Stay connected on all your social chat apps anytime, anywhere.



No.1 4G LTE Network
Don't just take our word for it - [OpenSignal.com](https://www.opensignal.com) also tested our network and agrees with us.



Awesome Rewards
Get rewarded with up to 2GB of internet and win awesome prizes when you buy passes on the Hotlink RED App!



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 RM39 million in 4Q15; RM3 million in 3Q16 and RM21 million in 4Q16; (ii) unrealised forex losses of RM6 million in 3Q16 and RM18 million in 4Q16; and (iii) unrealised forex gains of RM32 million in 4Q15
- **Free Cash Flow:** Cash Flow from Operations – 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
- **WBB subscription:** Subscriptions on data plans using USB modems and tablets
- **FBI:** Free basic Internet
- **Smart-phone:** Any devices with growing apps stores and active developers



Normalised Consolidated Income Statement

Normalised (RM mn)	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16	3Q16	4Q16	FY16	QoQ chg	YoY chg	YTD chg
REVENUE	2,149	2,110	2,166	2,176	8,601	2,140	2,102	2,156	2,214	8,612	+2.7%	+1.7%	+0.1%
Direct Exp	(713)	(650)	(687)	(678)	(2,728)	(660)	(700)	(679)	(687)	(2,726)	+1.2%	+1.3%	-0.1%
Indirect Exp	(353)	(350)	(368)	(377)	(1,448)	(324)	(396)	(338)	(344)	(1,402)	+1.8%	-8.8%	-3.2%
Total Exp	(1,066)	(1,000)	(1,055)	(1,055)	(4,176)	(984)	(1,096)	(1,017)	(1,031)	(4,128)	+1.4%	-2.3%	-1.1%
EBITDA	1,083	1,110	1,111	1,121	4,425	1,156	1,006	1,139	1,183	4,484	+3.9%	+5.5%	+1.3%
Margin	50.4%	52.6%	51.3%	51.5%	51.4%	54.0%	47.9%	52.8%	53.4%	52.1%	+0.6pp	+1.9pp	+0.7pp
Depreciation	(237)	(240)	(238)	(249)	(964)	(260)	(254)	(261)	(266)	(1,041)			
Amortisation	(61)	(67)	(71)	(79)	(278)	(86)	(82)	(83)	(90)	(341)			
Others	(6)	(2)	(9)	(10)	(27)	(18)	(3)	(4)	10	(15)			
EBIT	779	801	793	783	3,156	792	667	791	837	3,087	+5.8%	+6.9%	-2.2%
Interest Exp	(110)	(117)	(125)	(116)	(468)	(120)	(116)	(111)	(123)	(470)			
Interest Income	14	12	15	15	56	14	14	13	14	55			
PBT	683	696	683	682	2,744	686	565	693	728	2,672	+5.1%	+6.7%	-2.6%
Tax	(201)	(205)	(173)	(205)	(784)	(202)	(144)	(179)	(184)	(709)			
PAT	482	491	510	477	1,960	484	421	514	544	1,963	+5.8%	+14.0%	+0.2%



Reported Consolidated Income Statement

Reported (RM mn)	1Q15	2Q15	3Q15	4Q15	FY15	1Q16	2Q16	3Q16	4Q16	FY16	QoQ chg	YoY chg	YTD chg
REVENUE	2,149	2,110	2,166	2,176	8,601	2,140	2,102	2,156	2,214	8,612	+2.7%	+1.7%	+0.1%
Direct Exp	(713)	(650)	(689)	(676)	(2,728)	(656)	(700)	(682)	(684)	(2,722)	+0.3%	+1.2%	-0.2%
Indirect Exp	(389)	(359)	(456)	(338)	(1,542)	(271)	(352)	(344)	(372)	(1,339)	+8.1%	+10.1%	-13.2%
Total Expenses	(1,102)	(1,009)	(1,145)	(1,014)	(4,270)	(927)	(1,052)	(1,026)	(1,056)	(4,061)	+2.9%	+4.1%	-4.9%
EBITDA	1,047	1,101	1,021	1,162	4,331	1,213	1,050	1,130	1,158	4,551	+2.5%	-0.3%	+5.1%
Margin	48.7%	52.2%	47.1%	53.4%	50.3%	56.7%	50.0%	52.4%	52.3%	52.8%	-0.1pp	-1.1pp	+2.5pp
Depreciation	(294)	(296)	(265)	(299)	(1,154)	(269)	(262)	(265)	(294)	(1,090)			
Amortisation	(61)	(67)	(71)	(79)	(278)	(86)	(82)	(83)	(90)	(341)			
Others	(6)	(2)	(9)	(10)	(27)	(18)	44	(4)	10	32			
EBIT	686	736	676	774	2,872	840	750	778	784	3,152	+0.8%	+1.3%	+9.7%
Interest Exp	(110)	(117)	(125)	(116)	(468)	(120)	(116)	(111)	(123)	(470)			
Interest Income	14	12	15	15	56	14	14	13	14	55			
PBT	590	631	566	673	2,460	734	648	680	675	2,737	-0.7%	+0.3%	+11.3%
Tax	(178)	(188)	(144)	(203)	(713)	(214)	(165)	(175)	(170)	(724)			
PAT	412	443	422	470	1,747	520	483	505	505	2,013	0.0%	+7.4%	+15.2%



Cash Flow Statement

(RM mn)	4Q15	1Q16	2Q16	3Q16	4Q16
Cash flow from operating activities	1,267	705	1,129	994	272
Cash flow used in investing activities	(796)	(259)	(486)	(345)	(760)
Purchase of property, plant & equipment	(692)	(183)	(417)	(271)	(616)
Proceeds from disposal of PPE	1	2	-	1	25
Purchase of intangible assets	(105)	(78)	(69)	(75)	(149)
Maturities of deposits^	-	-	-	-	(20)
Cash flow before financing activities	471	446	643	649	(488)
Cash flow used in financing activities	(478)	(956)	(456)	(926)	454
Dividends paid	(376)	(376)	(375)	(376)	(375)
Debt drawdown	-	-	3,500	840	3,450
Debt repayment	-	(421)	(3,500)	(1,261)	(2,478)
Payment of finance costs	(101)	(156)	(80)	(128)	(121)
Acquisition of additional interest in subsidiary	-	-	-	-	(16)
Others	(1)	(3)	(1)	(1)	(6)
Net change in cash & cash equivalents	(7)	(510)	187	(277)	(34)
Opening cash & cash equivalents	1,303	1,296	786	973	696
Closing cash & cash equivalents	1,296	786	973	696	662

RM mn	3Q16	4Q16
Debt#	8,300	9,253
Deposits, cash & bank balances^	696	682
Net Debt	7,604	8,571
Total Equity	4,584	4,721

Ratios	3Q16	4Q16
Net debt to EBITDA*	1.68x	1.88x
Net debt to Equity	1.66x	1.82x

Includes derivative financial instruments designated for hedging relationship on borrowings; excludes vendor financing

^ The difference between cash & cash equivalents and deposits, cash & bank balances represent deposits with banks that have maturity periods of more than 3 months

* EBITDA calculated as annualised YTD EBITDA



Revenue Composition

(RM mn)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Revenue	2,123	2,149	2,110	2,166	2,176	2,140	2,102	2,156	2,214
- Service	2,090	2,122	2,089	2,154	2,155	2,122	2,055	2,113	2,165
- <i>Mobile</i>	<i>1,988</i>	<i>2,019</i>	<i>1,984</i>	<i>2,046</i>	<i>2,047</i>	<i>2,005</i>	<i>1,934</i>	<i>1,982</i>	<i>2,028</i>
- <i>EntFixed</i>	<i>68</i>	<i>65</i>	<i>64</i>	<i>63</i>	<i>61</i>	<i>67</i>	<i>67</i>	<i>74</i>	<i>78</i>
- <i>Int. Services</i>	<i>34</i>	<i>38</i>	<i>41</i>	<i>45</i>	<i>47</i>	<i>50</i>	<i>54</i>	<i>57</i>	<i>59</i>
- Non-Service	33	27	21	12	21	18	47	43	49
- <i>Device</i>	<i>7</i>	<i>9</i>	<i>6</i>	<i>4</i>	<i>12</i>	<i>12</i>	<i>12</i>	<i>23</i>	<i>26</i>
- <i>Hubbing</i>	<i>22</i>	<i>13</i>	<i>10</i>	<i>4</i>	<i>4</i>	<i>2</i>	-	-	<i>2</i>
- <i>Network income</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>4</i>	<i>5</i>	<i>4</i>	<i>35</i>	<i>20</i>	<i>21</i>
Normalised EBITDA Margin on Service Revenue	49.5%	51.0%	53.1%	51.6%	52.0%	54.5%	49.0%	53.9%	54.6%

('000)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Mobile Revenue	1,988	2,019	1,984	2,046	2,047	2,005	1,934	1,982	2,028
- <i>Prepaid</i>	<i>1,005</i>	<i>1,049</i>	<i>1,012</i>	<i>1,074</i>	<i>1,038</i>	<i>1,013</i>	<i>959</i>	<i>1,022</i>	<i>1,024</i>
- <i>Postpaid</i>	<i>983</i>	<i>970</i>	<i>972</i>	<i>972</i>	<i>1,009</i>	<i>992</i>	<i>975</i>	<i>960</i>	<i>1,004</i>

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. Adjusted service, mobile, prepaid and postpaid revenues are tabled above



Normalised Financials and Costs

(RM mn)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Revenue	2,123	2,149	2,110	2,166	2,176	2,140	2,102	2,156	2,214
Total Expenses	1,089	1,066	1,000	1,055	1,055	984	1,096	1,017	1,031
- <i>Direct</i>	696	713	650	687	678	660	700	679	687
- <i>Indirect</i>	393	353	350	368	377	324	396	338	344
EBITDA	1,034	1,083	1,110	1,111	1,121	1,156	1,006	1,139	1,183
PBT	649	683	696	683	682	686	565	693	728
PAT	445	482	491	510	477	484	421	514	544
EBITDA Margin	48.7%	50.4%	52.6%	51.3%	51.5%	54.0%	47.9%	52.8%	53.4%
PAT Margin	21.0%	22.4%	23.3%	23.5%	21.9%	22.6%	20.0%	23.8%	24.6%

(RM mn)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Expenses	1,089	1,066	1,000	1,055	1,055	984	1,096	1,017	1,031
Direct Expenses	696	713	650	687	678	660	700	679	687
Indirect Expenses	393	353	350	368	377	324	396	338	344
- <i>S&M</i>	122	103	110	94	98	76	109	108	95
- <i>Staff Costs</i>	116	124	115	124	117	116	126	126	122
- <i>Bad Debts</i>	18	4	10	9	6	19	25	22	17
- <i>G&A</i>	137	122	115	141	156	113	136	82	110



Reported Financials and Costs

(RM mn)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Revenue	2,123	2,149	2,110	2,166	2,176	2,140	2,102	2,156	2,214
Total Expenses	1,123	1,102	1,009	1,145	1,014	927	1,052	1,026	1,056
- <i>Direct</i>	696	713	650	689	676	656	700	682	684
- <i>Indirect</i>	427	389	359	456	338	271	352	344	372
EBITDA	1,000	1,047	1,101	1,021	1,162	1,213	1,050	1,130	1,158
PBT	502	590	631	566	673	734	648	680	675
PAT	335	412	443	422	470	520	483	505	505
EBITDA Margin	47.1%	48.7%	52.2%	47.1%	53.4%	56.7%	50.0%	52.4%	52.3%
PAT Margin	15.8%	19.2%	21.0%	19.5%	21.6%	24.3%	23.0%	23.4%	22.8%

(RM mn)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Total Expenses	1,123	1,102	1,009	1,145	1,014	927	1,052	1,026	1,056
Direct Expenses	696	713	650	689	676	656	700	682	684
Indirect Expenses	427	389	359	456	338	271	352	344	372
- <i>S&M</i>	122	103	110	94	98	76	109	108	95
- <i>Staff Costs</i>	116	124	115	124	117	116	126	126	122
- <i>Bad Debts</i>	18	4	10	9	6	19	25	22	17
- <i>G&A</i>	171	158	124	229	117	60	92	88	138



RGS30, ARPU and Smart-phone penetration

('000)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Mobile Subs	11,864	12,192	12,214	11,956	11,579	11,164	11,015	10,903	10,851
- Prepaid	8,656	8,992	9,068	8,850	8,520	8,196	8,108	8,007	7,946
- Postpaid	2,809	2,823	2,796	2,784	2,765	2,696	2,660	2,678	2,712
- WBB	398	377	350	322	294	272	247	218	193

ARPU (RM/mth)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Blended	54	53	51	53	54	55	54	56	57
- Prepaid	39	38	36	39	39	39	38	41	42
- Postpaid	98	96	97	98	102	102	102	100	104

Smartphone Penetration (%)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Blended	57	62	65	67	69	70	70	74	76
- Prepaid	54	60	63	65	67	67	68	72	74
- Postpaid	67	72	73	75	76	77	80	81	82

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

Smart-phone defined as any devices with growing apps store and active developers



Market Definition Subscriptions, ARPU and MOU

('000)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Mobile Subs	12,913	13,260	13,269	13,110	12,694	12,310	12,249	12,046	11,926
- Prepaid	9,624	9,979	10,051	9,927	9,567	9,279	9,273	9,085	8,960
- Postpaid	3,289	3,280	3,218	3,174	3,127	3,031	2,976	2,961	2,966
WBB	440	412	385	357	325	302	276	243	208
Mobile Internet Users	8,800	9,000	9,100	9,000	8,800	8,500	8,400	8,500	8,700
Home Connections	80	89	99	107	118	126	133	139	146

('000)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Prepaid									
- ARPU	35	35	33	35	35	35	34	36	37
- MOU (min/mth)	133	126	131	134	129	141	162	155	138
Postpaid	97	95	96	97	102	101	101	100	104
Blended	50	48	47	49	50	50	49	50	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

