

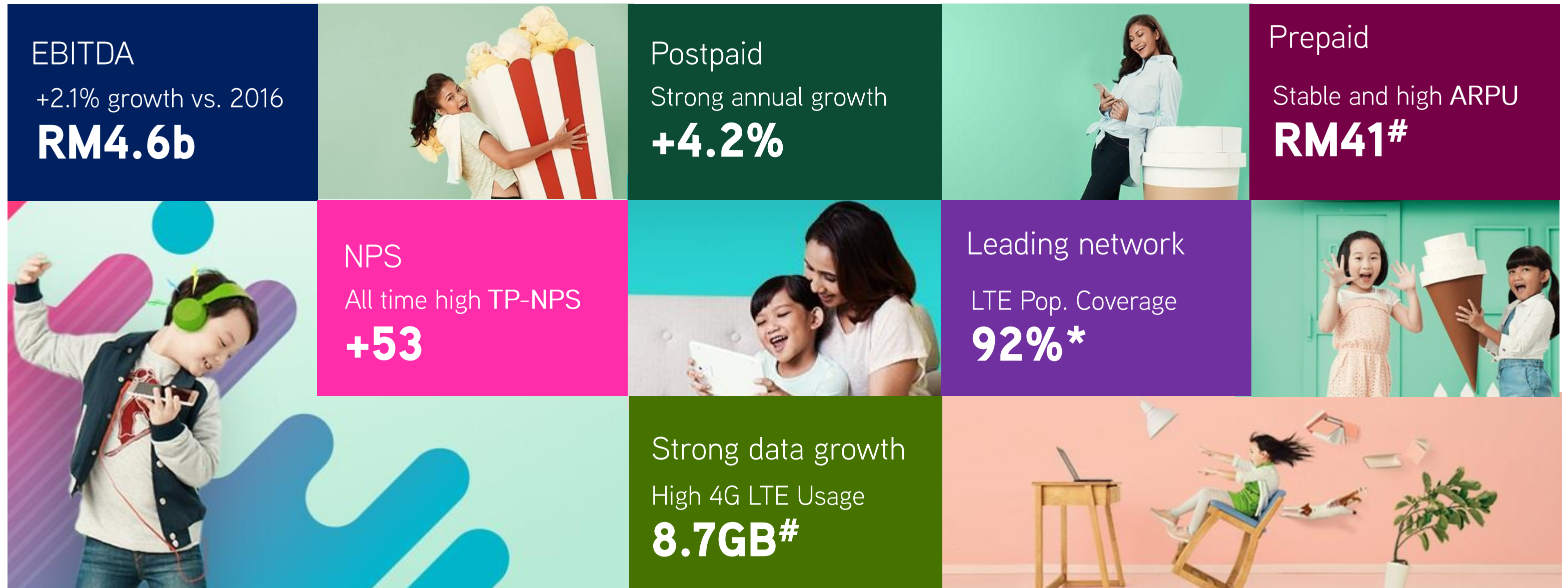
4Q 2017 Financial Results

8 February 2018



FY2017 Highlights

Solid performance, strong momentum going into 2018



* On comparable peer basis

Average for 4Q17

• TP-NPS: Touch point net promoter score



FY2017 - Highest EBITDA, EBITDA margin and PAT in 4-years



RM8.7b
REVENUE
(+1.0%)

RM4.6b
EBITDA
(+2.1%)

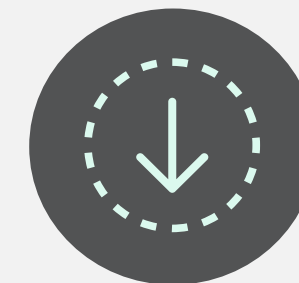
RM2.1b
PAT
(+5.5%)



+0.8%
Service Revenue



53.9%
EBITDA margin



1.5x
Net debt-to-EBITDA

Revenue growth drivers:

- Postpaid +4%
- Integrated Services +22%

Cost optimisation initiatives
contributing to growth in
EBITDA & EBITDA margin

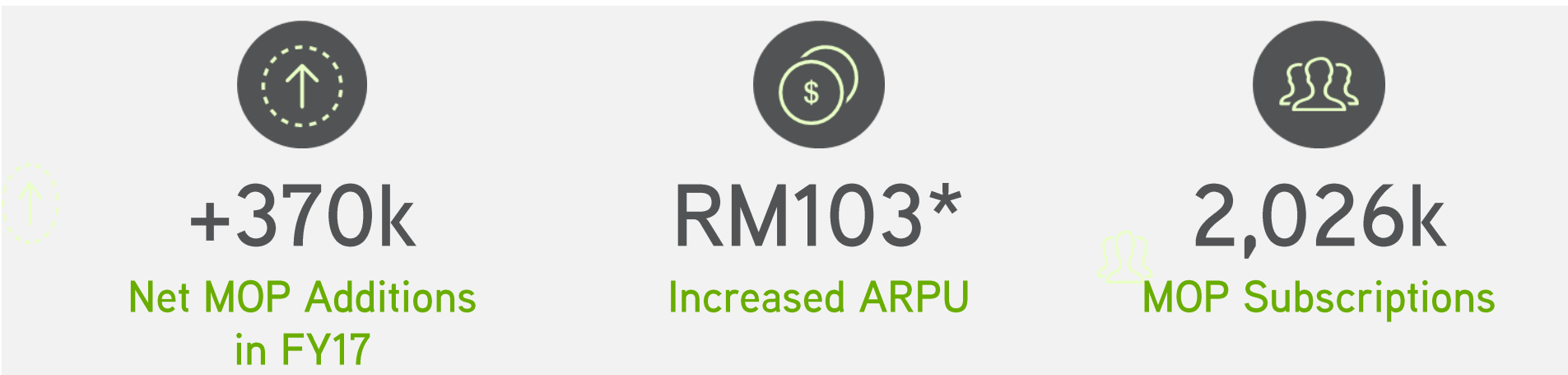
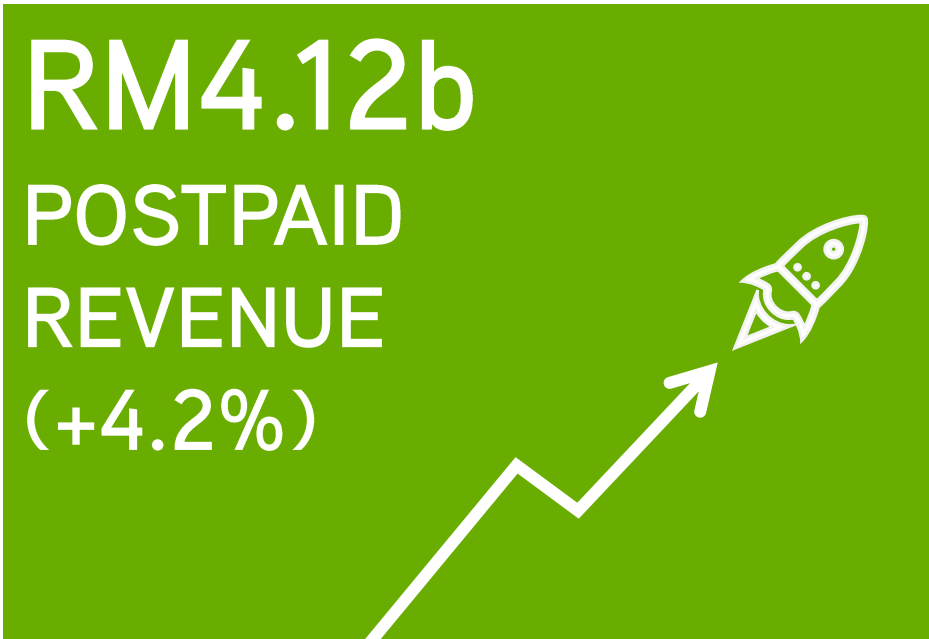
Declared dividend of
20 sen net per share



FY2017 Postpaid

Strengthened our position as market leader

Leveraged on superior network and unmatched customer experience



Winning digital lifestyle seekers through enhanced device propositions and refreshed & simplified plans

Encouraging response to MaxisONE Prime –inaugural converged offering

Positive Q4 performance – strong finish to a good year



FY2017 Prepaid

Maintained high and stable ARPU

Hotlink continued to attract high value subs seeking “worry-free” mobile Internet experiences

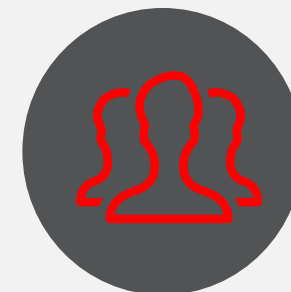
RM3.85b
PREPAID REVENUE
(-3.7%)



74%
FAST MI Penetration



RM43*
FAST ARPU



2,301k
Hotlink FAST Users

Aggressive price competition, SIM consolidation and migration to Postpaid; all affecting Prepaid segment

HOTLINK
No.1 4G

High Prepaid
ARPU at RM41*
per month

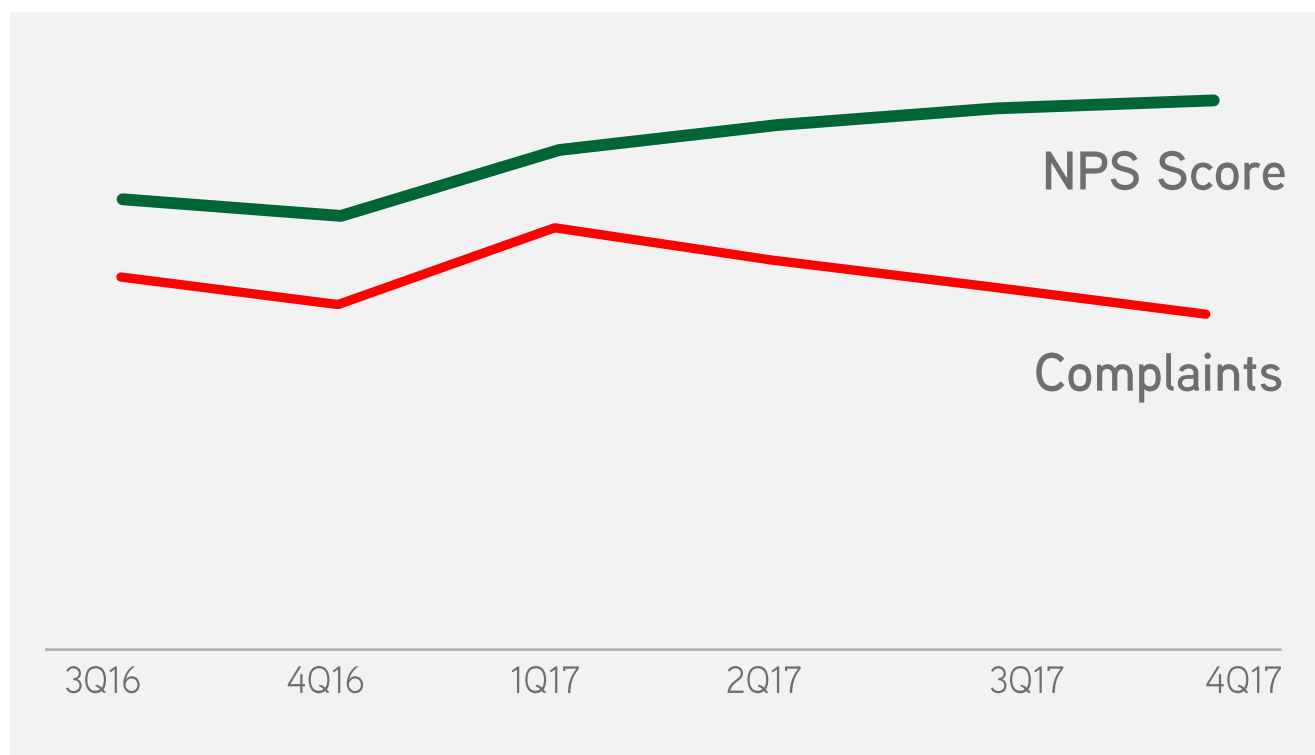


Maxis digitalization creates differentiated digital customer experiences

Overall TP-NPS

+53

Another all-time high
TP-NPS score!

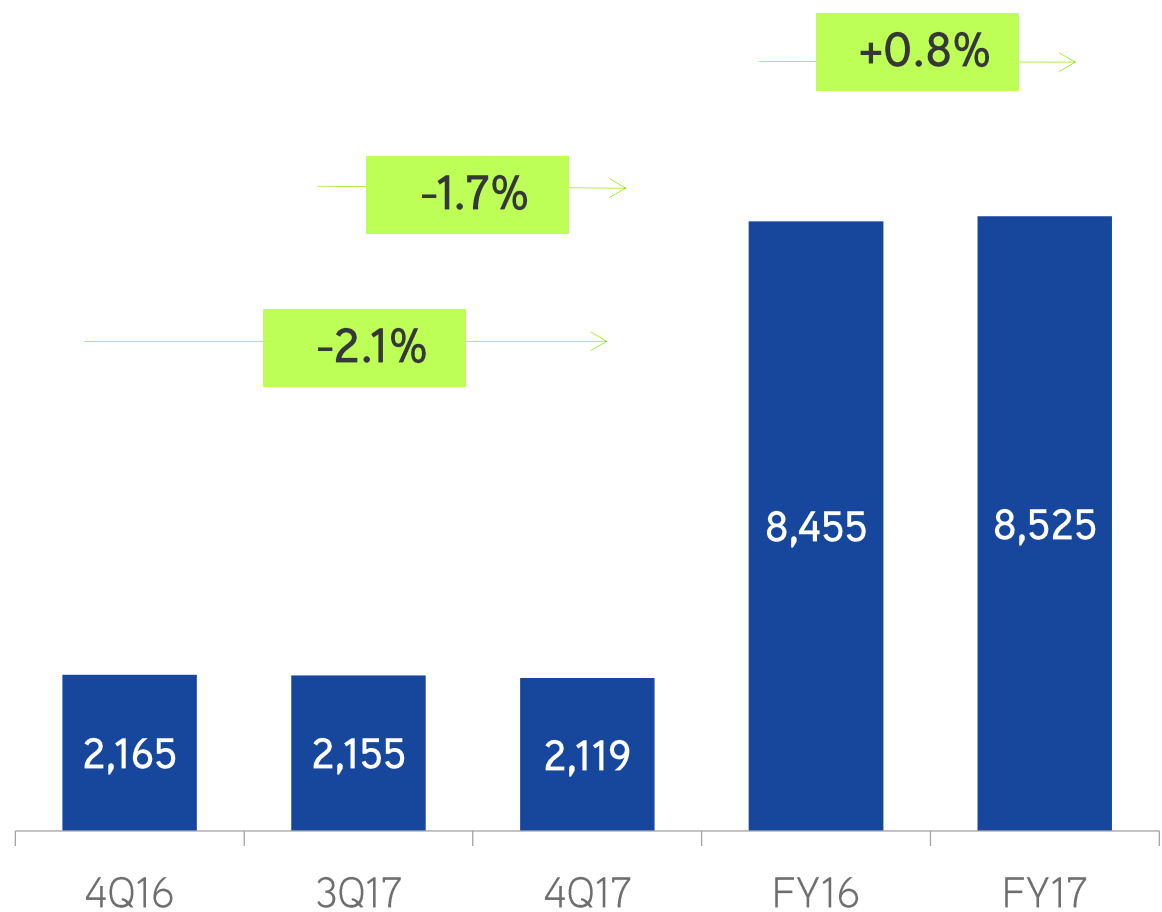


- Retail stores with smart self-service kiosks and self-service mobile apps gaining traction; enables instant access to services

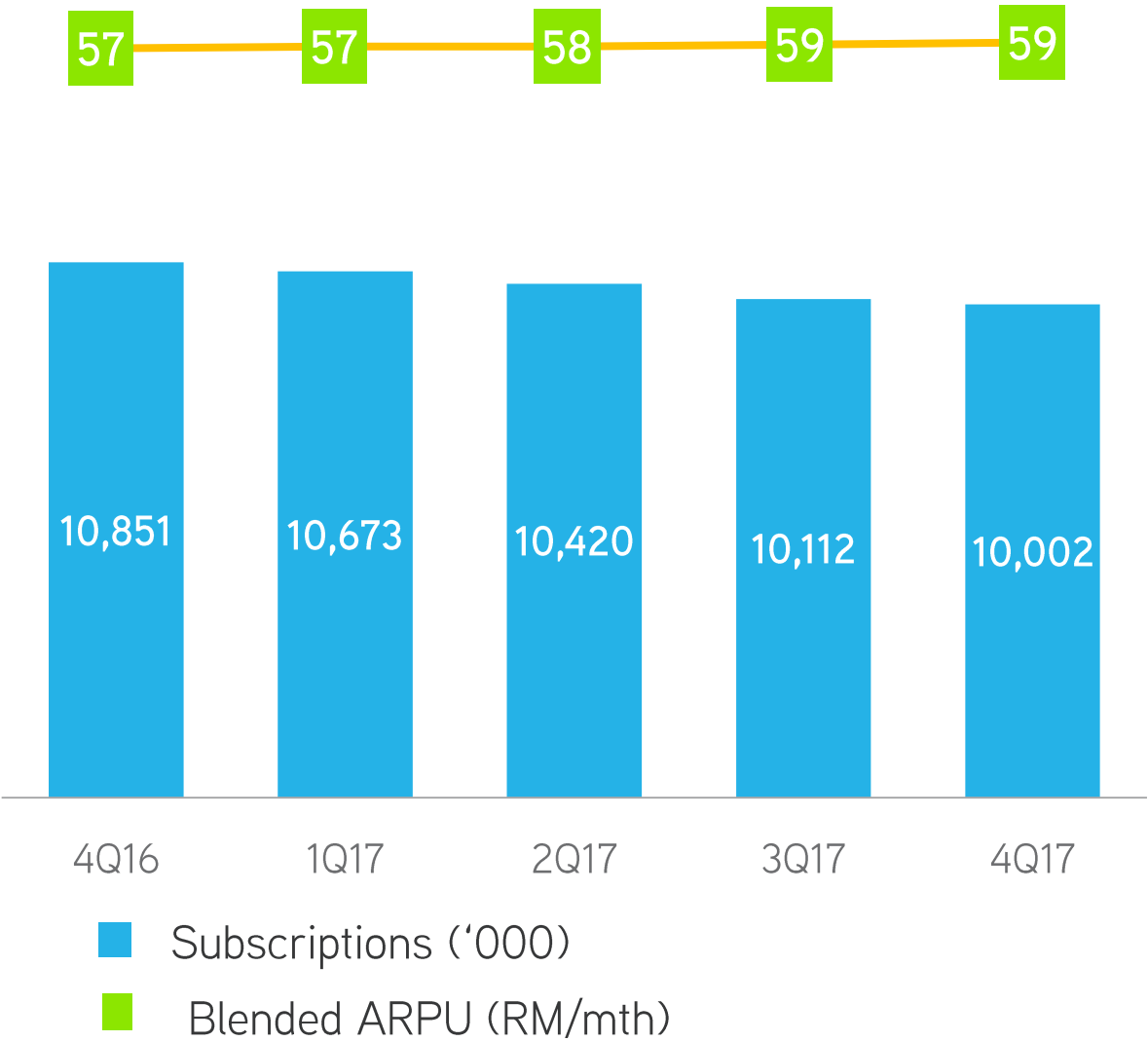


Sustained growth in Service Revenue

Service Revenue (RM mn)



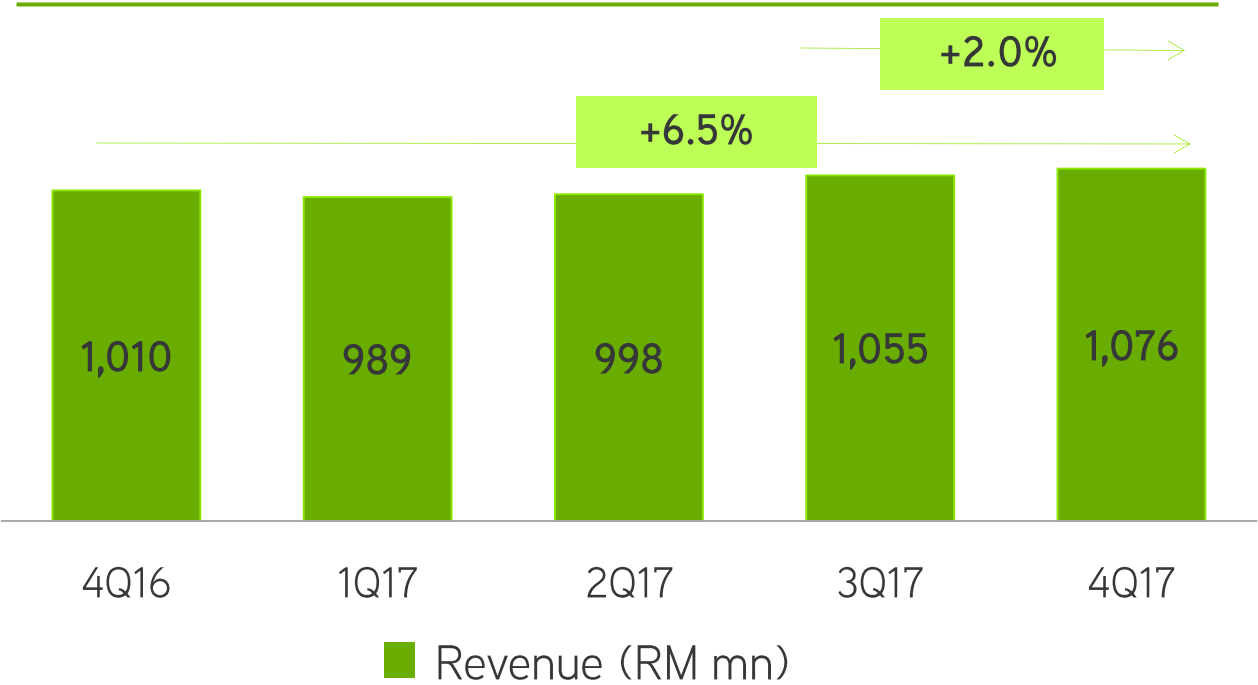
Total RGS and Blended ARPU



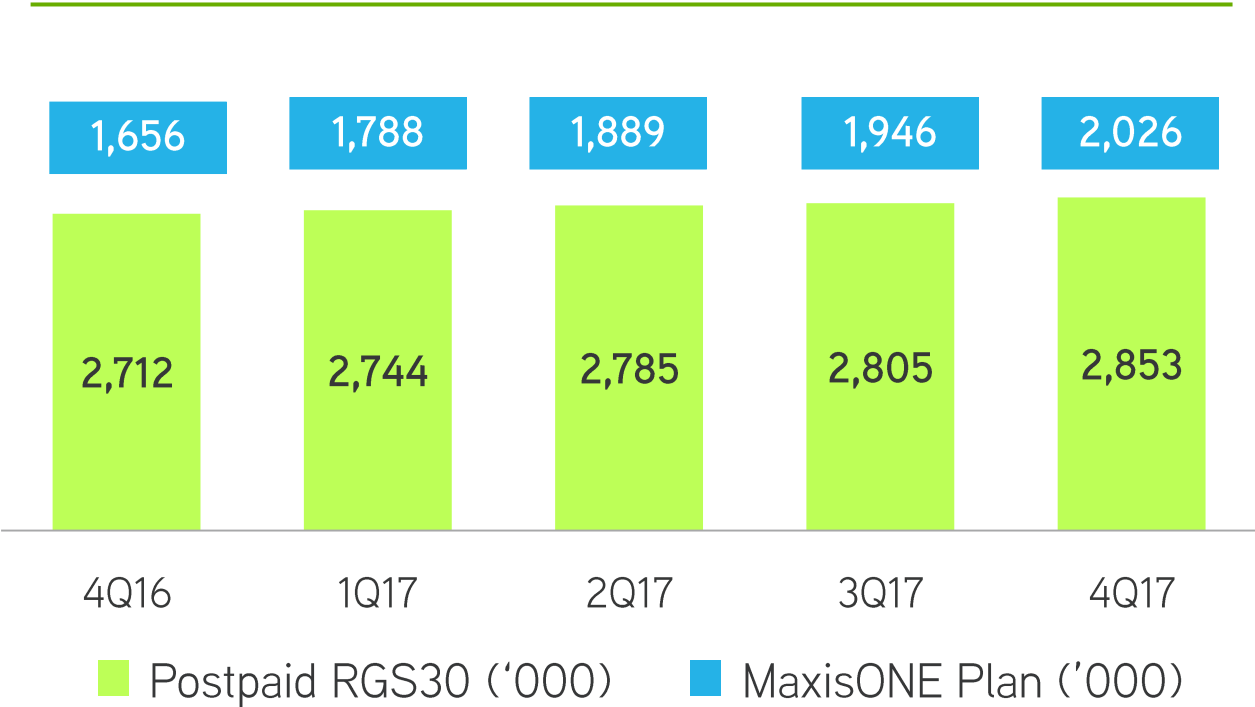
Strong Postpaid base and steady ARPU

Attractive product offerings and superior network continued to be key drivers of growth

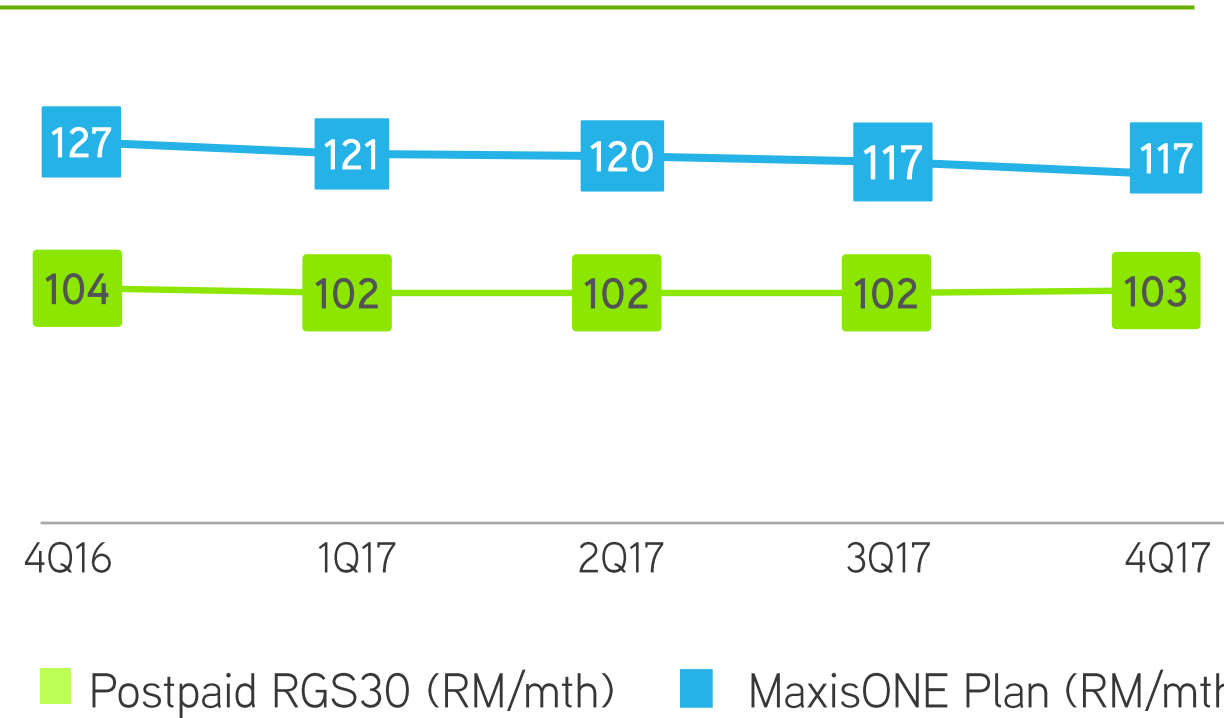
Postpaid Revenue



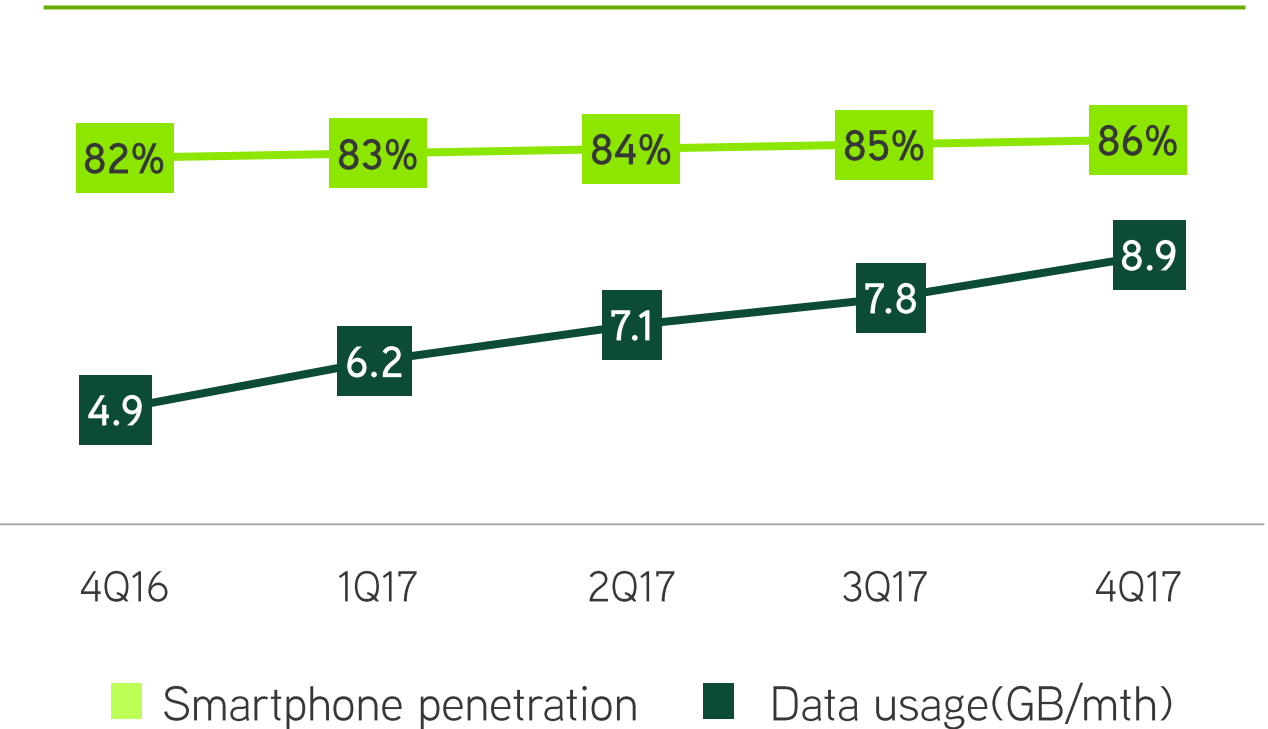
Subscriptions



ARPU

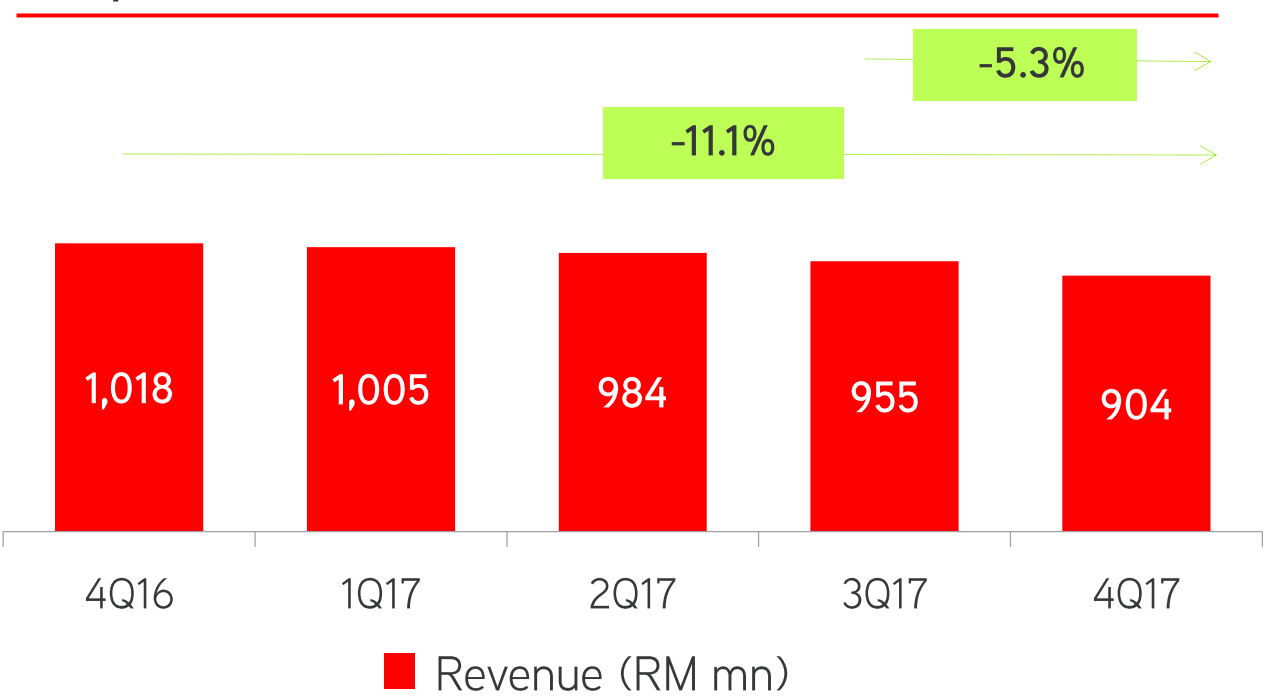


Data usage and Smartphone penetration

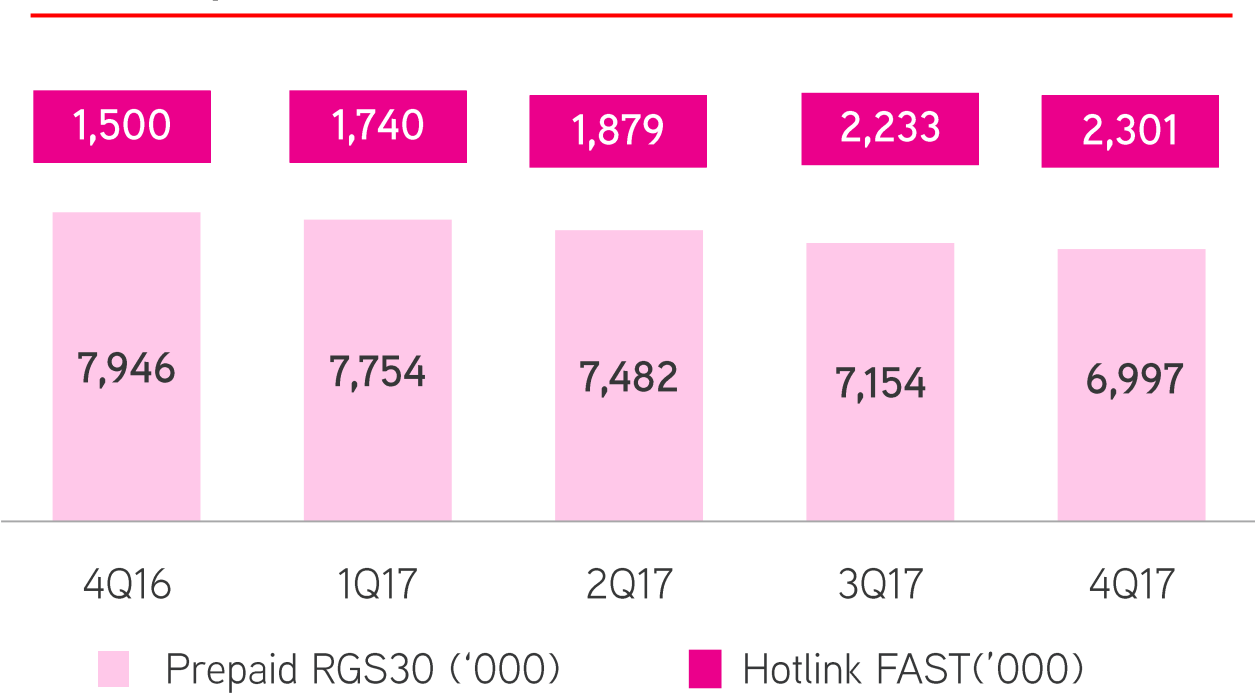


Sustained high and stable ARPU, despite intense price competition

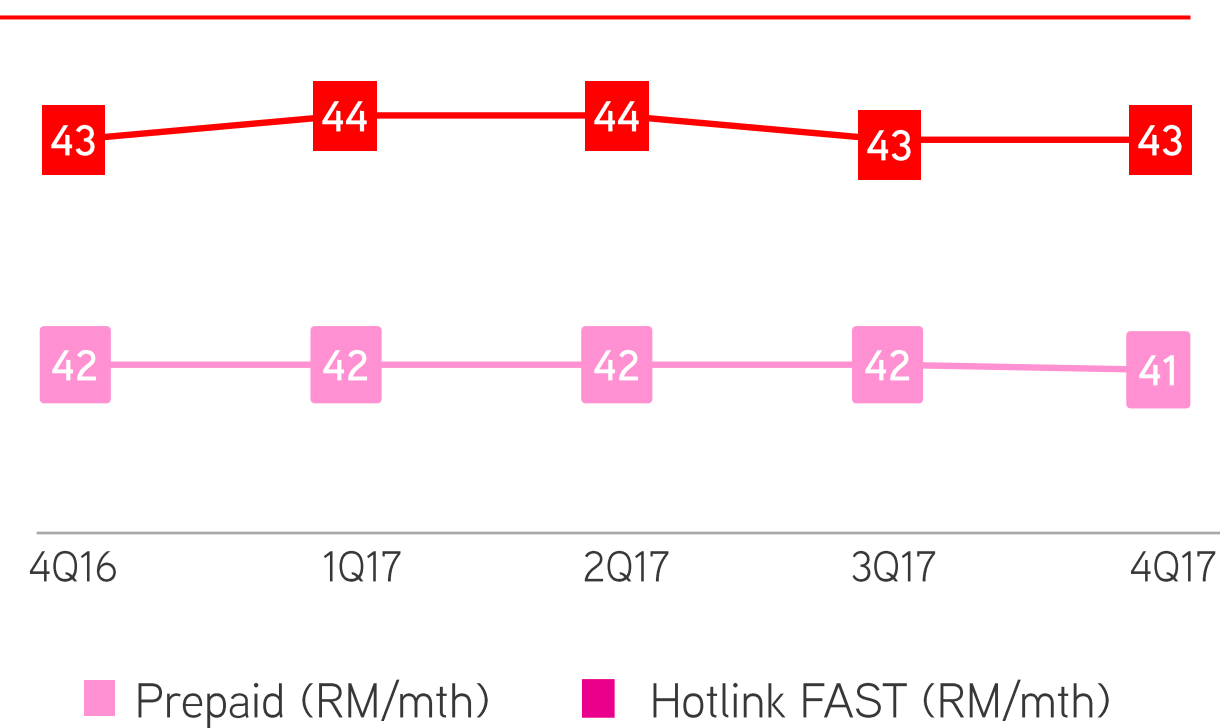
Prepaid Revenue



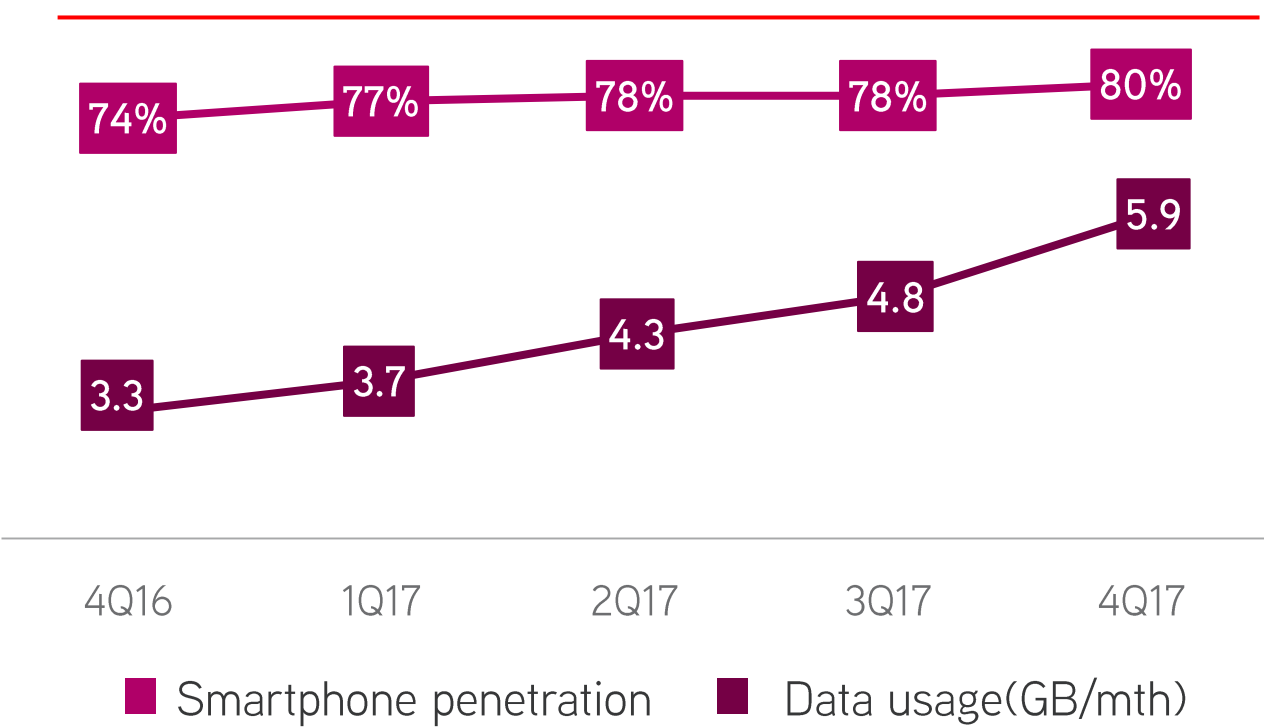
Subscriptions



ARPU

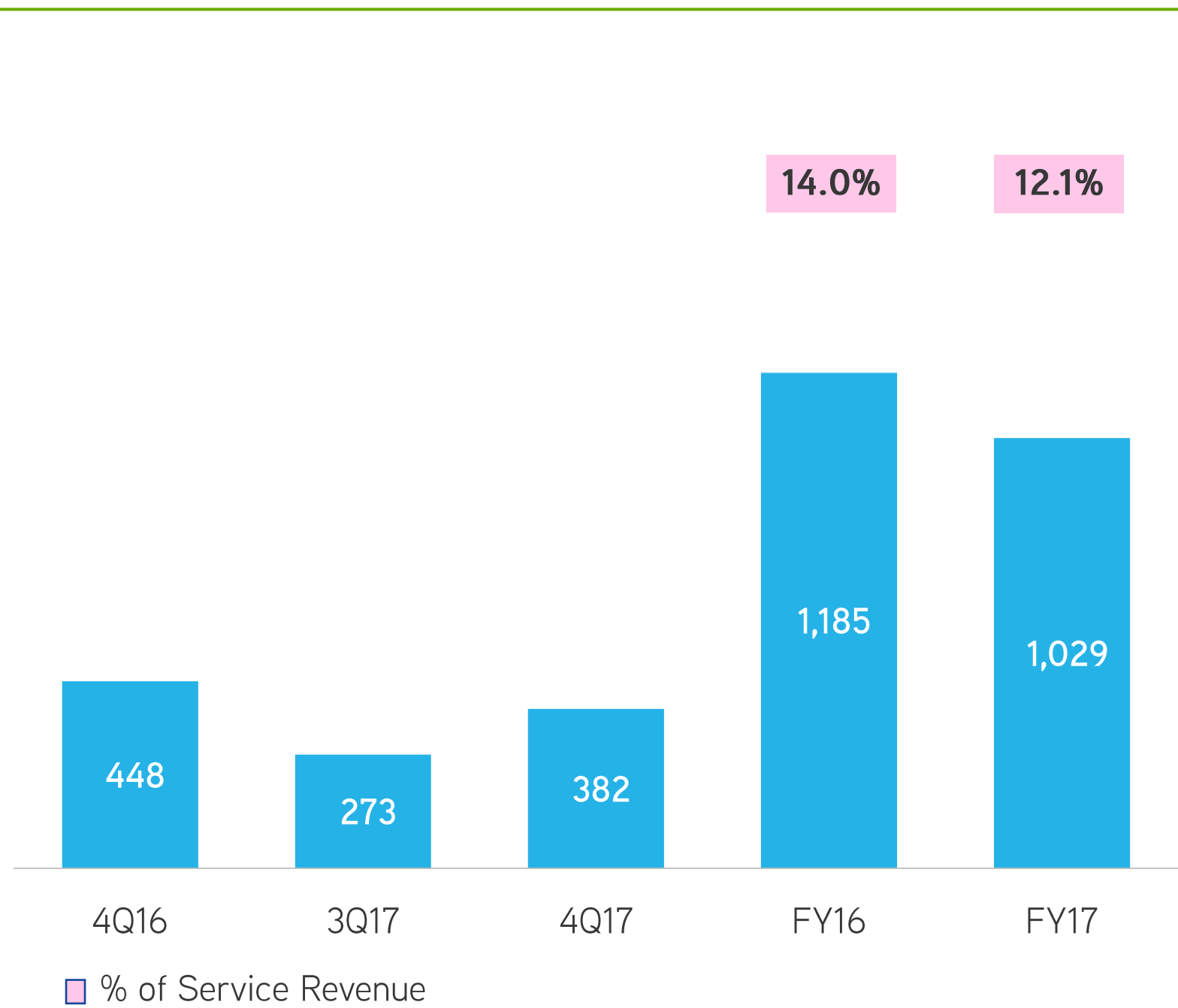


Data usage and Smartphone penetration




Continued investments to support best performing network, with widest 4G LTE coverage


CAPEX (RM mn)




Highlights




Largest 4G LTE population coverage nationwide; @ **92%** on comparable peer basis



Fastest network with **Best YouTube HD** streaming



Maxis won the most **OpenSignal awards** – 4G Speed, 4G Latency, 3G Speed and 3G Latency



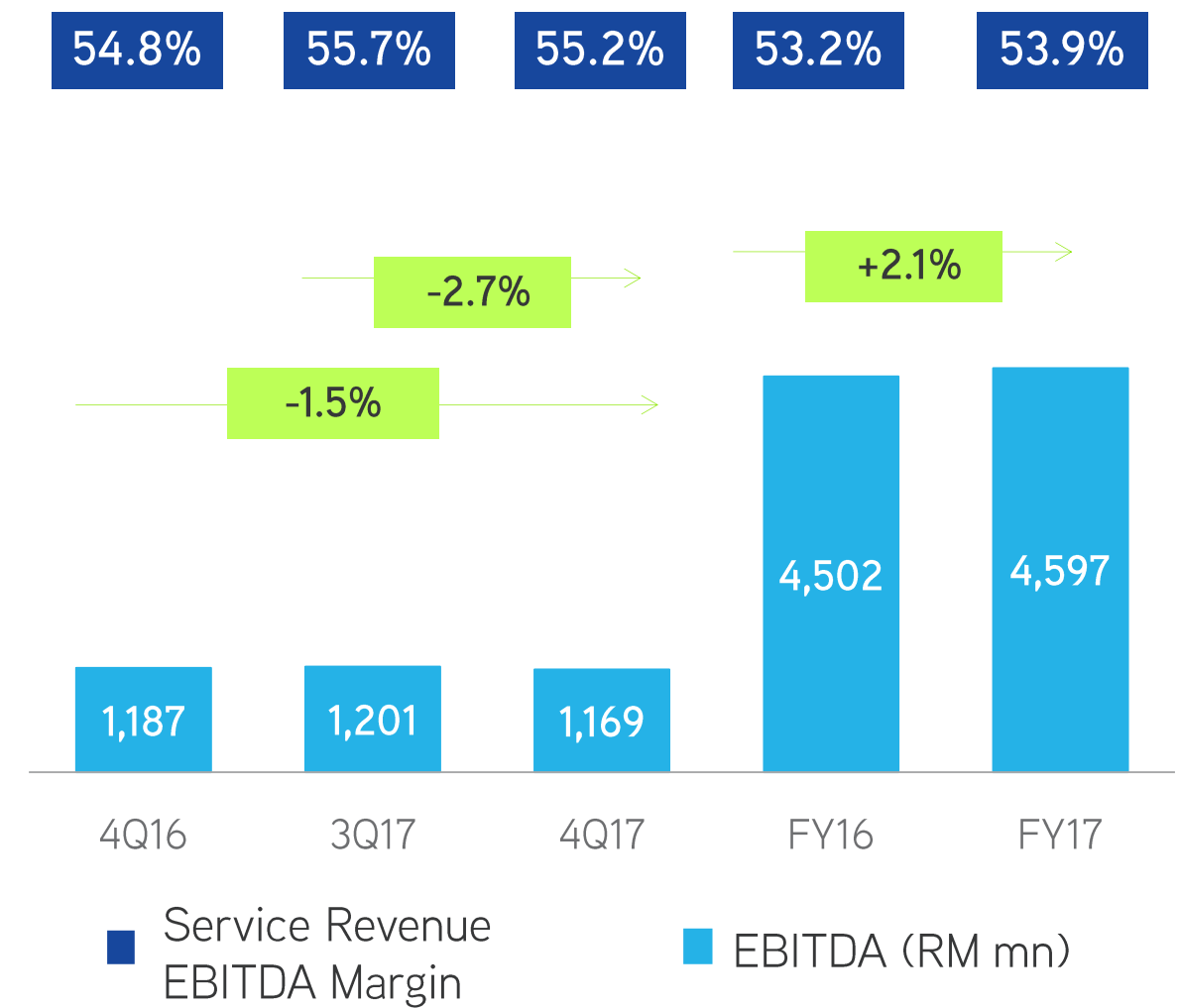
Voted **Best Telco Provider & Best LTE Network** Lowyat.net Community Choice Awards



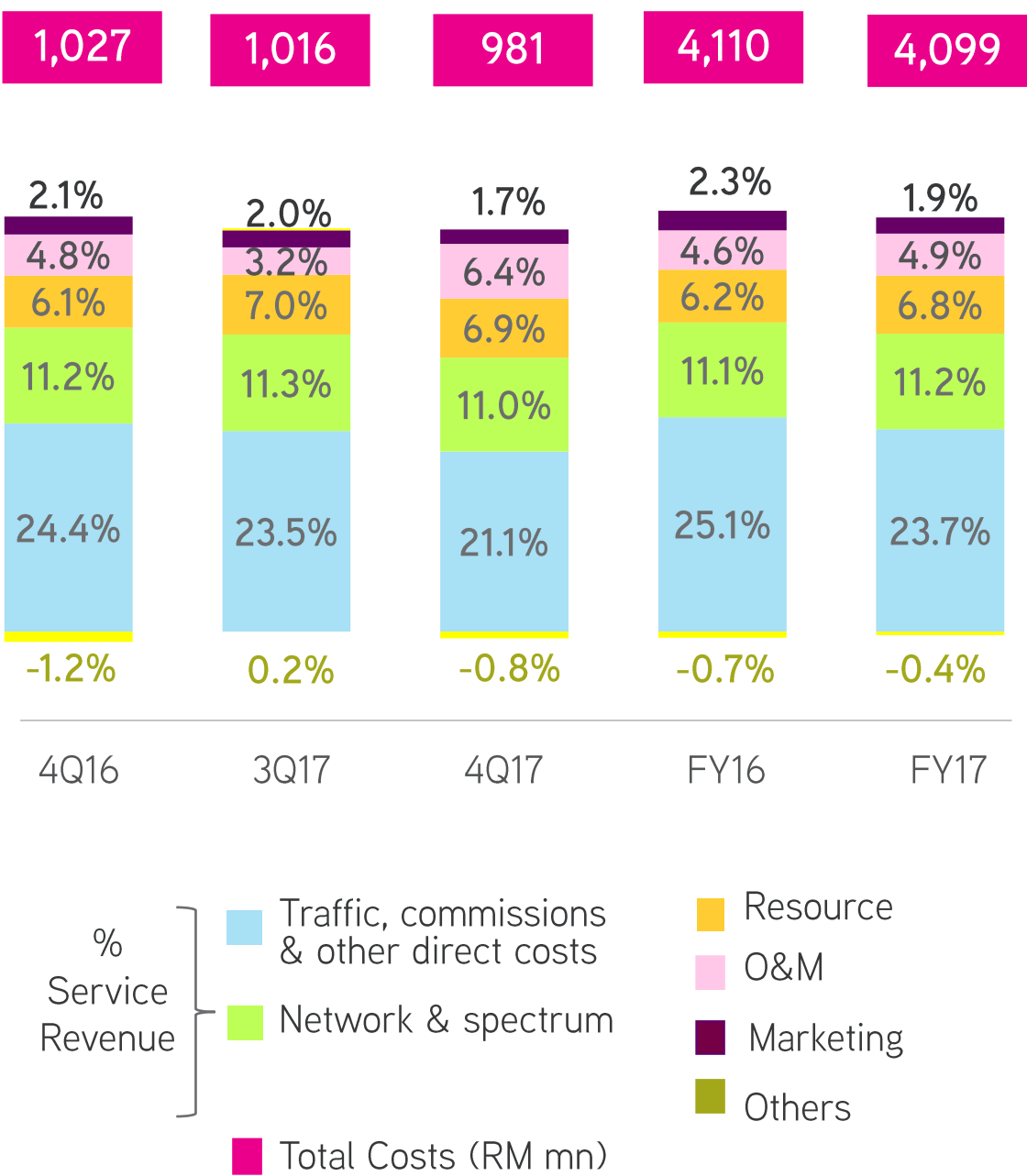
Growth in FY17 EBITDA, with high EBITDA margin

In line with growth in Revenue and positive results from cost optimisation

Normalised EBITDA

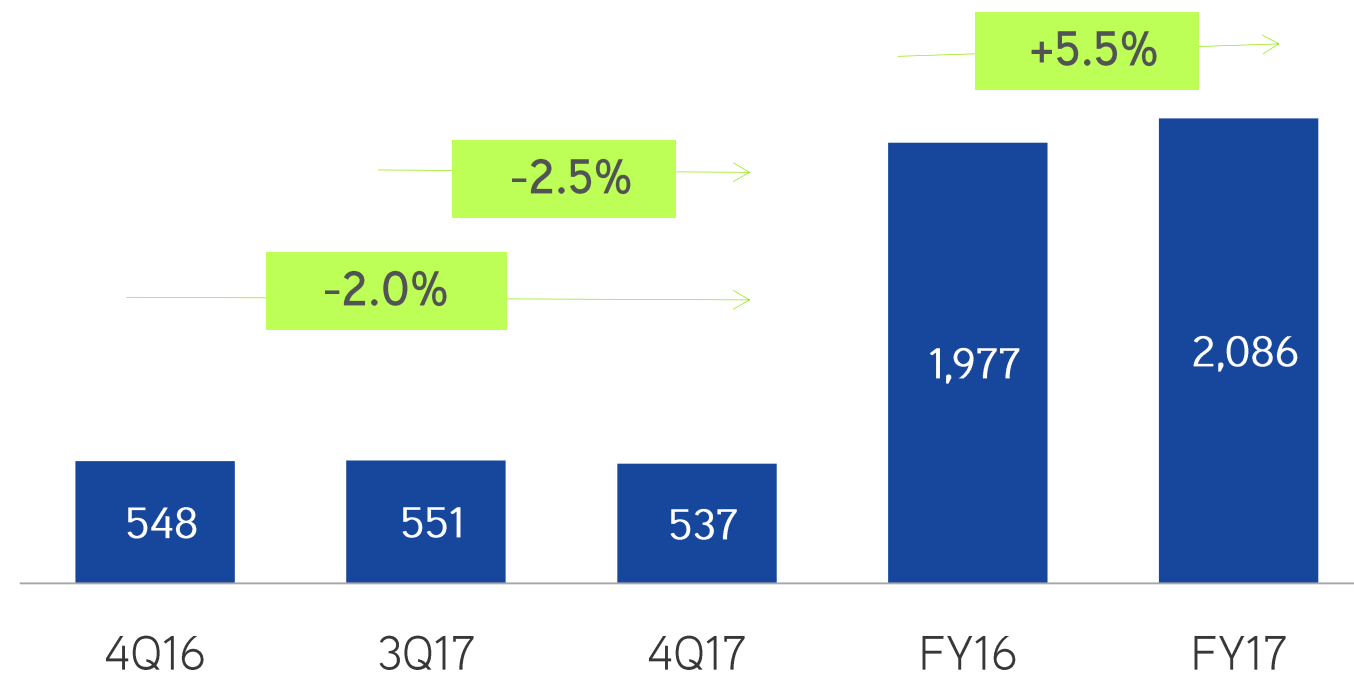


Normalised Cost Development



Highest full year PAT in 4 years

Normalised Profit after Tax (RM mn)



QoQ PAT lower on account of lower EBITDA



Excludes RM59 million unrealised forex gains (2016: RM15 million unrealised forex gains), nil accelerated depreciation charges (2016: RM37 million), nil reversal of contract obligation provision (2016: RM36 million), nil reversal of asset impairment (2016: RM36 million) and RM47 million reduction of service fees (2016: RM14 million charge in service fee)



FY2018 – Priorities & Outlook

Priorities



- Commitment to superior network to create unmatched digital experiences; supports key differentiation
- Digital capabilities to be a new key differentiator
- Continue focus on operational efficiency and excellence

Outlook

- Service revenue to decline in low single digit
- EBITDA to decline in mid single digit
- Base capital expenditure to be around RM1.0 billion; and
- Free cash flow (excluding upfront spectrum assignment fees) to be at a similar level to FY2017.



Key Financials

(RM mn)	4Q16	3Q17	4Q17	QoQ	YoY	YTD
Service Revenue	2,165	2,155	2,119	-1.7%	-2.1%	+0.8%
EBITDA	1,187	1,201	1,169	-2.7%	-1.5%	+2.1%
EBITDA margin on service revenue	54.8%	55.7%	55.2%	-0.5pp	+0.4pp	+0.7pp
Profit after tax	548	551	537	-2.5%	-2.0%	+5.5%
Free cash flow	(611)	428	476	+11.2%	>100%	+93.7%
Prepaid Revenue	1,018	955	904	-5.3%	-11.1%	-3.7%
Postpaid Revenue	1,010	1,055	1,076	+2.0%	+6.5%	+4.2%
Capex	448	273	382			
Dividend per share (sen)	5	5	5			

EBITDA, EBITDA margin and Profit After Tax on normalised basis



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 RM 21 million in 4Q16 and nil in 3Q17; (ii) unrealised forex (gains)/losses of RM19 million in 4Q16 and (RM3 million) in 3Q17; and (iii) service fee charged of RM3 million in 4Q16 and nil in 3Q17
- **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:** Any device with growing apps stores and active developers





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Appendices

Normalised Consolidated Income Statement

(RM mn)	4Q16	1Q17	2Q17	3Q17	4Q17	QoQ	YoY
Revenue	2,214	2,157	2,172	2,217	2,150	-3.0%	-2.9%
Expenses	(1,027)	(1,034)	(1,068)	(1,016)	(981)	-3.4%	-4.5%
EBITDA	1,187	1,123	1,104	1,201	1,169	-2.7%	-1.5%
EBITDA Margin	53.6%	52.1%	50.8%	54.2%	54.4%	+0.2pp	+0.8pp
Depreciation	(266)	(240)	(238)	(264)	(279)		
Amortisation	(90)	(97)	(98)	(98)	(104)		
Others	10	(3)	-	(2)	(9)		
EBIT	841	783	768	837	777	-7.2%	-7.6%
Interest Expenses	(123)	(109)	(122)	(120)	(94)		
Interest Revenue	14	14	15	20	12		
PBT	732	689	661	723	688	-4.8%	-6.0%
Tax	(184)	(175)	(177)	(172)	(51)		
PAT	548	514	484	551	537	-2.5%	-2.0%



Reported Consolidated Income Statement

(RM mn)	4Q16	1Q17	2Q17	3Q17	4Q17	QoQ	YoY
Revenue	2,214	2,157	2,172	2,217	2,150	-3.0%	-2.9%
Expenses	(1,056)	(1,046)	(949)	(1,026)	(966)	-5.8%	-8.5%
EBITDA	1,158	1,111	1,223	1,191	1,184	-0.6%	+2.2%
EBITDA Margin	52.3%	51.5%	56.3%	53.7%	55.1%	+1.4pp	+2.8pp
Depreciation	(294)	(240)	(238)	(264)	(279)		
Amortisation	(90)	(97)	(98)	(98)	(104)		
Others	10	(2)	-	(2)	(9)		
EBIT	784	772	887	827	792	-4.2%	+1.0%
Interest Expenses	(123)	(109)	(122)	(120)	(94)		
Interest Revenue	14	14	15	20	12		
PBT	675	677	780	727	710	-2.3%	+5.2%
Tax	(170)	(172)	(206)	(173)	(151)		
PAT	505	505	574	554	559	+0.9%	+10.7%



Cash Flow Statement

(RM mn)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Cash flow from operating activities	994	272	722	841	979	1,258
Cash flow used in investing activities	(345)	(760)	(365)	(450)	(426)	(704)
▪ Purchase of property, plant & equipment	(271)	(616)	(242)	(351)	(341)	(558)
▪ Proceeds from disposal of PPE	1	25	1	1	1	2
▪ Purchase of intangible assets	(75)	(149)	(124)	(99)	(84)	(148)
▪ Maturities of deposits	-	(20)	-	(1)	(2)	-
Cash flow before financing activities	649	(488)	357	391	553	554
Cash flow used in financing activities	(926)	454	(480)	(476)	(299)	(683)
• Dividends paid	(376)	(375)	(376)	(376)	(390)	(391)
• Debt drawdown	840	3,450	744	-	-	-
• Debt repayment	(1,261)	(2,449)	(766)	-	(1,439)	(209)
• Payment of finance costs	(128)	(121)	(82)	(99)	(122)	(78)
• Acquisition of additional interest in subsidiary	-	(16)	-	-	-	-
• Proceeds from issuance of shares	-	-	-	-	1,655	-
• Others	(1)	(35)	-	(1)	(3)	(5)
Net change in cash & cash equivalents	(277)	(34)	(123)	(85)	254	(129)
Opening cash & cash equivalents	973	696	662	539	454	708
Closing cash & cash equivalents	696	662	539	454	708	579

^ 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



Financial Ratios

(RM mn)	3Q17	4Q17
Debt#	7,839	7,643
Deposits, cash & bank balances^	731	602
Net Debt	7,108	7,041
Total Equity	6,865	7,042

(RM mn)	3Q17	4Q17
Net debt-to-EBITDA*	1.51x	1.50x
Net debt-to-Equity	1.04x	1.00x

Notes:

- # 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)	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Revenue	2,176	2,140	2,102	2,156	2,214	2,157	2,172	2,217	2,150
Service Revenue	2,155	2,122	2,055	2,113	2,165	2,129	2,122	2,155	2,119
▪ Mobile	2,047	2,005	1,934	1,982	2,028	1,994	1,982	2,010	1,980
▪ Enterprise Fixed	61	67	67	74	78	72	76	75	69
▪ Integrated Services	47	50	54	57	59	63	64	70	70
Non-Service Revenue	21	18	47	43	49	28	50	63	31
▪ Device	12	12	12	23	26	7	24	35	11
▪ Hubbing	4	2	0	0	2	1	5	7	0
▪ Network Income	5	4	35	20	21	20	21	20	20

(RM mn)	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Mobile Revenue	2,047	2,005	1,934	1,982	2,028	1,994	1,982	2,010	1,980
▪ Prepaid	1,035	1,008	956	1,017	1,018	1,005	984	955	904
▪ Postpaid	1,012	997	978	965	1,010	989	998	1,055	1,076

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)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Total revenue	2,156	2,214	2,157	2,172	2,217	2,150
Cash expenses	1,012	1,027	1,034	1,068	1,016	981
▪ Traffic, commissions & other direct costs	538	528	521	541	507	448
▪ Spectrum license fees	39	37	41	42	44	43
▪ Network	195	206	203	195	199	190
▪ Staff & resource	136	132	143	137	150	146
▪ Marketing	53	45	39	43	43	35
▪ Operation & maintenance	86	104	97	119	68	136
▪ Others	(35)	(25)	(10)	(9)	5	(17)
▪ Allowance for doubtful debts, net	21	17	16	18	31	29
▪ Government grants & other income, net	(56)	(42)	(26)	(27)	(26)	(46)
EBITDA	1,144	1,187	1,123	1,104	1,201	1,169
PBT	698	732	689	661	723	681
PAT	519	548	513	484	551	538
EBITDA Margin	53.1%	53.6%	52.1%	50.8%	54.2%	54.4%
PAT Margin	24.1%	24.8%	23.8%	22.3%	24.9%	25.0%



Reported Financials and Costs

(RM mn)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Total revenue	2,156	2,214	2,157	2,172	2,217	2,150
Cash expenses	1,026	1,056	1,046	949	1,026	966
▪ Traffic, commissions & other direct costs	543	532	526	474	507	448
▪ Spectrum license fees	39	37	41	42	58	57
▪ Network	195	206	203	195	199	190
▪ Staff & resource	136	132	143	137	150	146
▪ Marketing	53	45	39	43	43	35
▪ Operation & maintenance	95	129	104	67	64	107
▪ Others	(35)	(25)	(10)	(9)	5	(17)
▪ Allowance for doubtful debts, net	21	17	16	18	31	29
▪ Government grants & other income, net	(56)	(42)	(26)	(27)	(26)	(46)
EBITDA	1,130	1,158	1,111	1,223	1,191	1,184
PBT	680	675	677	780	727	710
PAT	505	505	505	574	554	559
EBITDA Margin	52.4%	52.3%	51.5%	56.3%	53.7%	55.1%
PAT Margin	23.4%	22.8%	23.4%	26.4%	25.0%	26.0%



RGS30 and ARPU

	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Mobile Subscription ('000)									
Total	11,579	11,164	11,015	10,903	10,851	10,673	10,420	10,112	10,002
▪ Prepaid	8,520	8,196	8,108	8,007	7,946	7,754	7,482	7,154	6,997
▪ Postpaid	2,765	2,696	2,660	2,678	2,712	2,744	2,785	2,805	2,853
▪ WBB	294	272	247	218	193	175	153	153	152
ARPU (RM/Month)									
Blended	55	55	54	56	57	57	58	59	59
▪ Prepaid	39	39	38	41	42	42	42	42	41
▪ Postpaid	102	102	102	100	104	102	102	102	103

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



Data usage and smart-phone penetration

	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Data usage (GB/Month)									
Blended	1.54	1.63	2.21	2.84	3.66	4.29	5.02	5.59	6.72
▪ Prepaid	1.44	1.55	2.00	2.60	3.27	3.67	4.29	4.78	5.87
▪ Postpaid	1.88	1.93	2.95	3.67	4.93	6.17	7.13	7.75	8.88
(%)									
Smart-phone penetration									
Blended	69	70	70	74	76	78	79	80	81
▪ Prepaid	67	67	68	72	74	77	78	78	80
▪ Postpaid	76	77	80	81	82	83	84	85	86

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



Market Definition Subscription, ARPU and MOU

	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Mobile Subscription (‘000)									
Total	12,694	12,310	12,249	12,046	11,926	11,808	11,661	11,269	11,091
▪ Prepaid	9,567	9,279	9,273	9,085	8,960	8,820	8,653	8,255	8,034
▪ Postpaid	2,802	2,729	2,700	2,718	2,758	2,800	2,842	2,849	2,894
▪ WBB	325	302	276	243	208	188	166	165	163
(‘000)									
Mobile Internet Users	8,800	8,500	8,400	8,500	8,700	8,600	8,500	8,300	8,200
(‘000)									
Home Connections	118	126	133	139	146	153	159	163	172
ARPU (RM/Month)									
Blended	50	50	49	50	52	52	52	53	53
▪ Prepaid	35	35	34	36	37	37	37	37	36
▪ Postpaid	102	101	101	100	104	101	101	101	103
MOU (Minutes/Month)									
▪ Prepaid	129	141	162	155	138	136	131	133	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



