

1Q FY2023 Financial Results

Briefing on Friday 19th May 2023

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Financial Highlights



Strong growth in core mobile connectivity services, across both Consumer and Enterprise



Focus on executing convergence strategy



Conservative Capex investments and working capital management



Commitment towards shareholders' value creation through consistent dividends

Service Revenue

RM 2,112 m

-0.1% QoQ | +4.0% YoY

EBIT

RM 541 m

+4.0% QoQ | +3.4% YoY

Profit After Tax

RM 320 m

+33.9% QoQ | +7.4% YoY

Capex

RM 130 m

Operating Free Cash Flow

RM 181 m

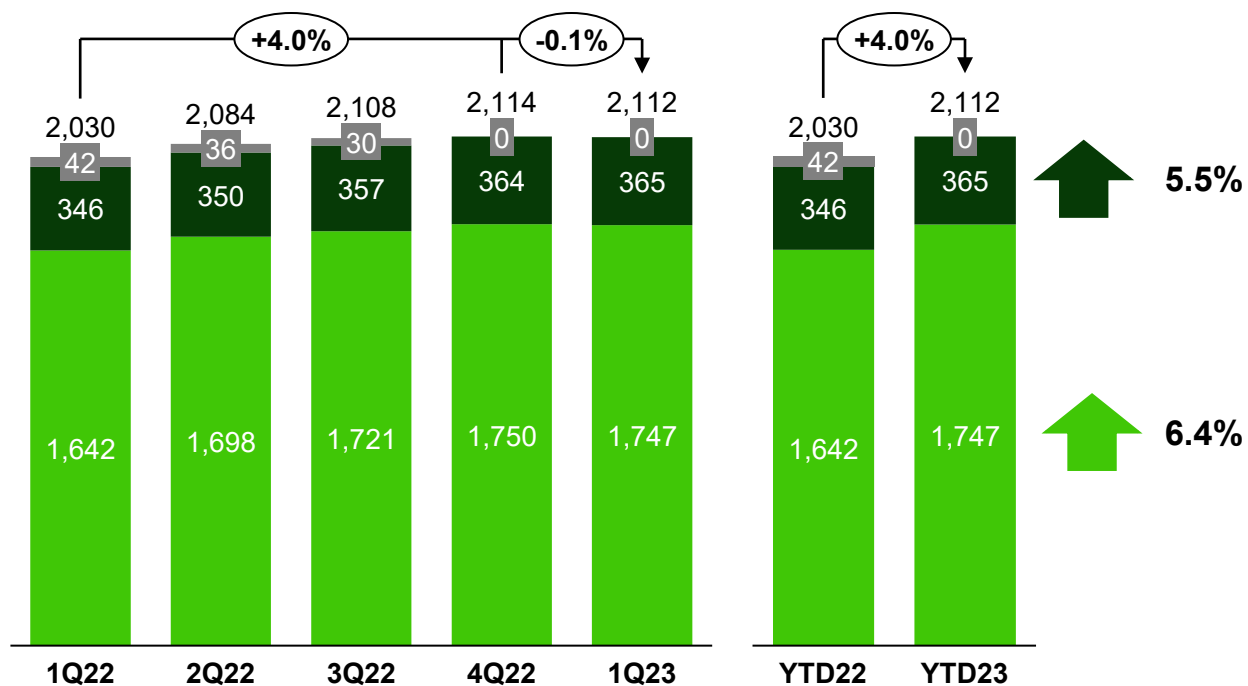
Dividends

4 sen



Service Revenue (RM'm)

■ Wholesale voice ■ Enterprise ■ Consumer



- Advancing Maxis' convergence strategy, particularly:
 - Consumer Postpaid paired with Consumer Fibre
 - Enterprise convergence between mobile, fixed and solutions

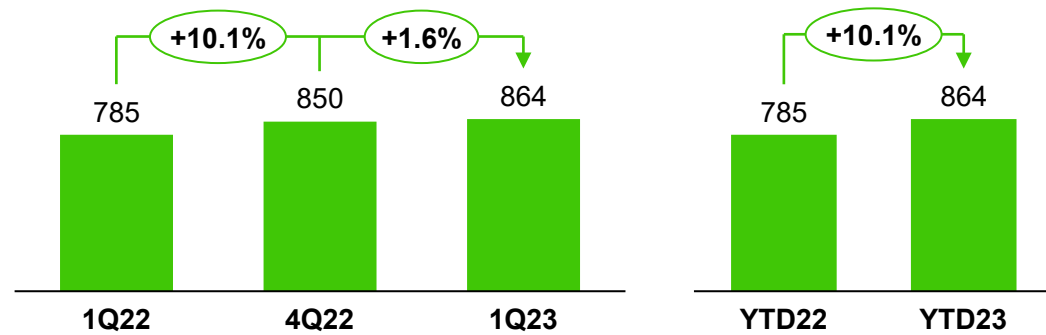


Note 1: Enterprise Revenue excludes wholesale voice

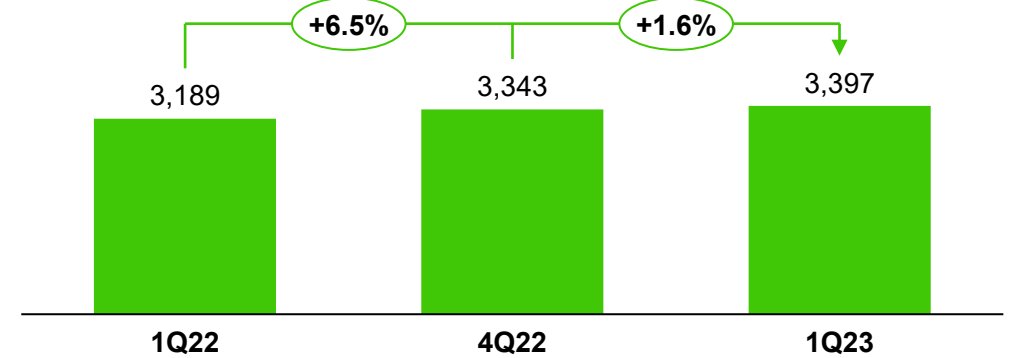
Postpaid revenue 10% higher YoY,
driven by enhanced service offerings



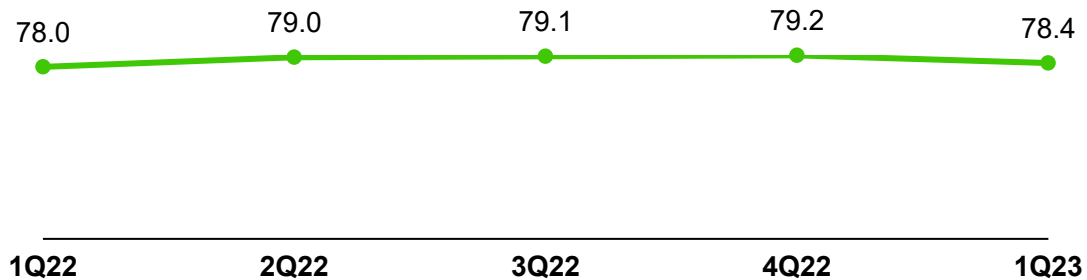
**Consumer Postpaid Revenue
(RM'm)**



**Consumer Postpaid RGS30 Subscription
(‘000)**

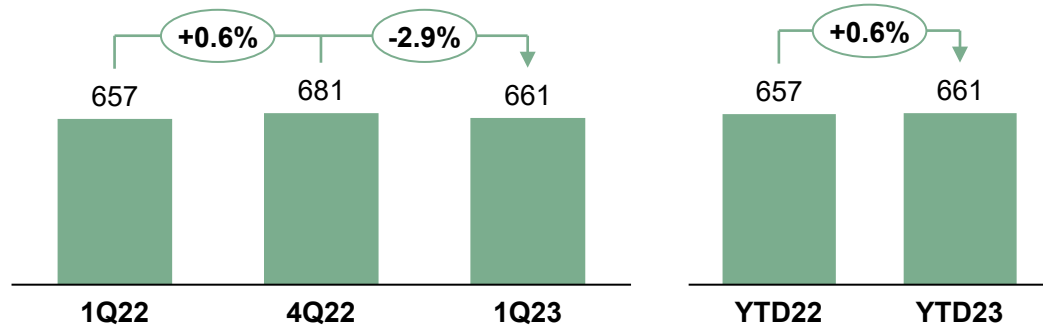
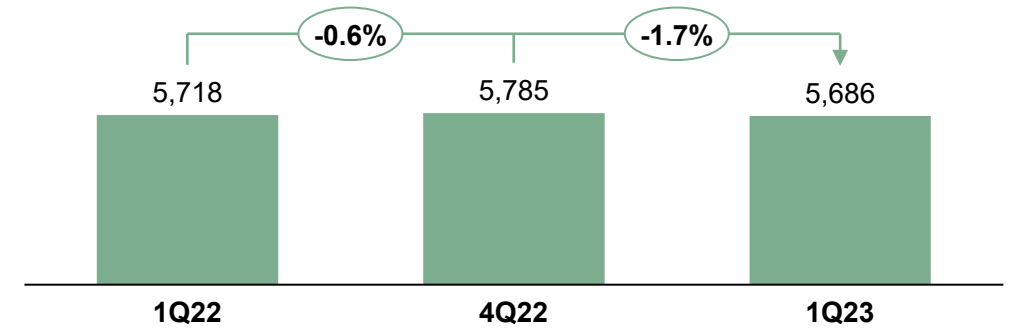
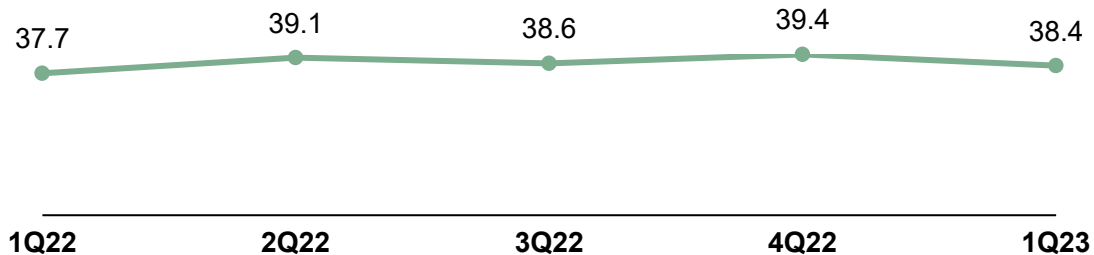


**Consumer Postpaid ARPU
(RM/month)**



Higher Postpaid revenue driven by growth in Maxis Postpaid and Hotlink Postpaid

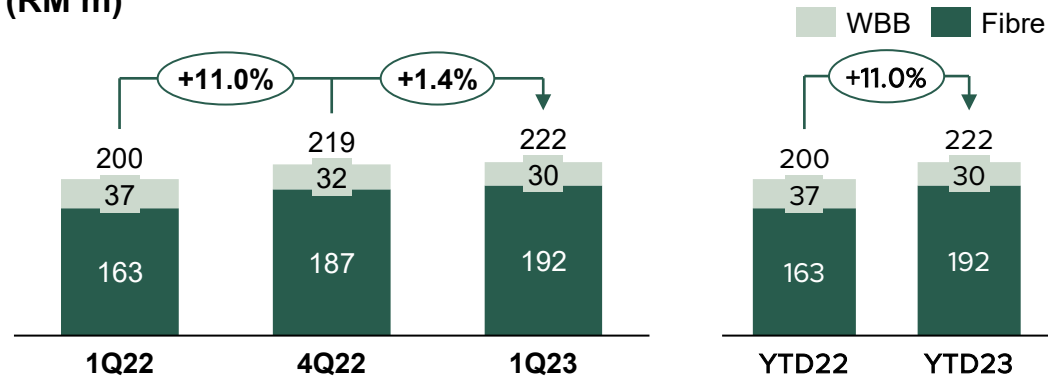
- Effective pre-to-post migration strategy increasing overall Postpaid subscriptions, and slight dilution in ARPU
- Enhanced services offerings that meets customer needs and increases value for money

**Consumer Prepaid Revenue (RM'm)****Consumer Prepaid RGS30 Subscription ('000)****Consumer Prepaid ARPU (RM/month)****Resilient Prepaid subscriptions from continued adoption of Hotlink Prepaid plans**

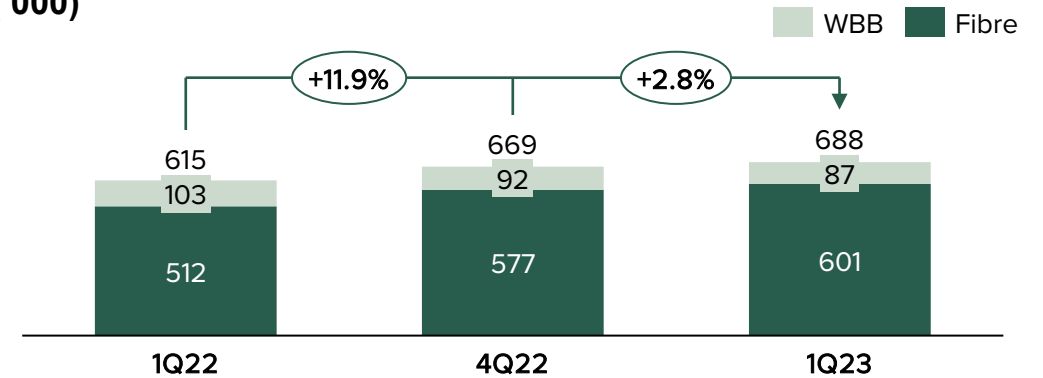
- YoY subscribers stable. QoQ subscribers lower due to periodic clean-out of non-revenue SIM cards in first quarters.
- ARPU remains strong in a contracting Prepaid market



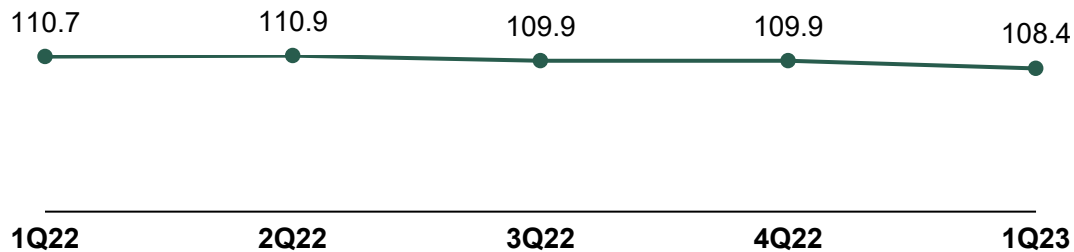
Consumer Home Connectivity Revenue¹
(RM'm)



Home Connections
(‘000)



Home Blended (Fibre and WBB) ARPU
(RM/month)



Competitive converged services offering delivering healthy customer growth for Home Connectivity

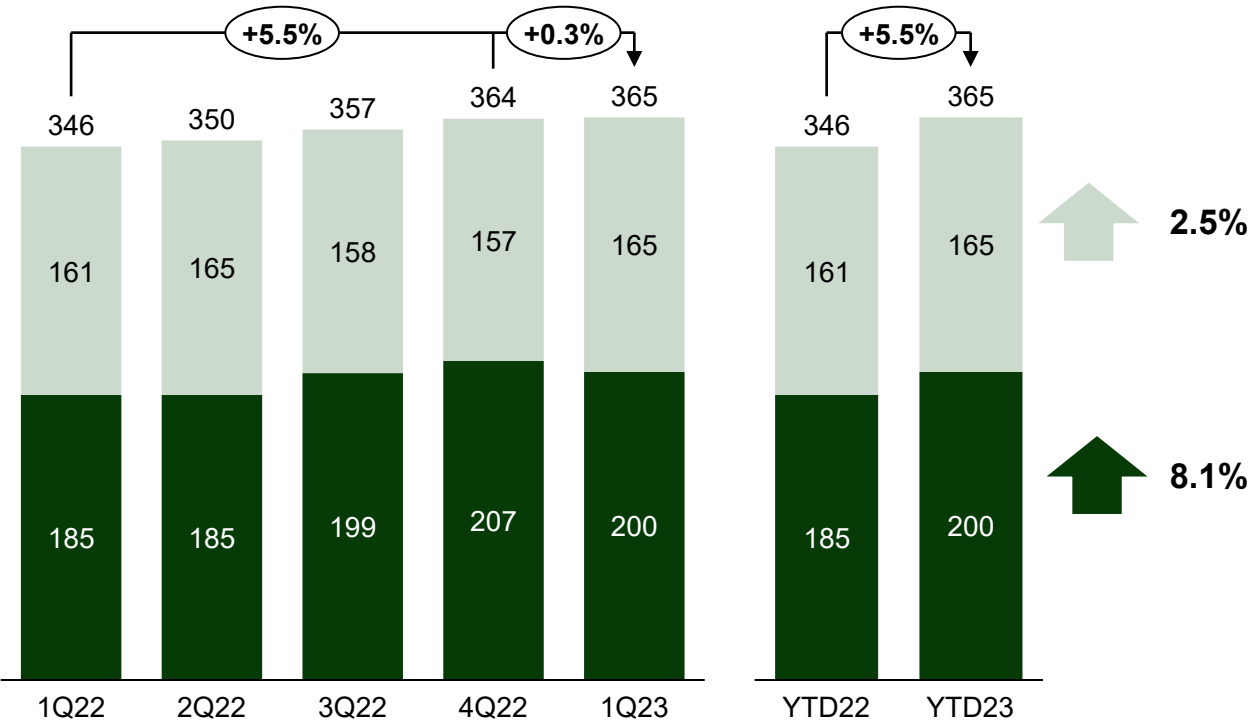
- Active conversion of WBB customers to fibre customers



Maxis Enterprise Service Revenue¹ (RM'm)

maxisbusiness

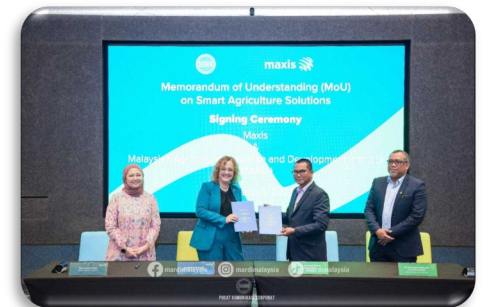
Fixed & Solutions Mobile



- Streamlining products and services to focus on higher margin, high demand, recurring services
- Upsell for Enterprise solutions, leveraging on Maxis' strength of core connectivity
- Optimising internal processes for maximum efficiencies



Maxis selected by Ideal Property Group to bring fibre to 12,000 residential and key commercial developments in Penang

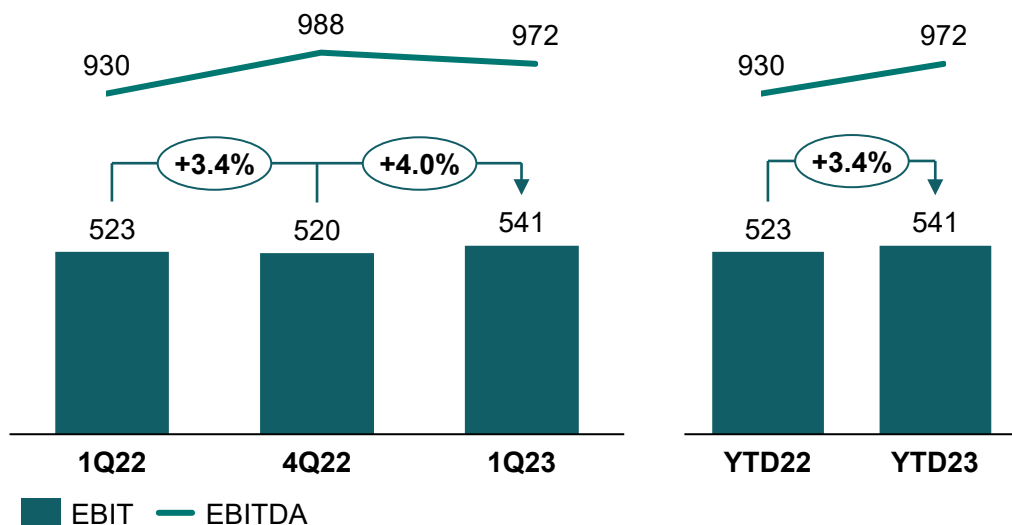


Maxis and MARDI in partnership to co-develop agricultural and agrifood-based solutions

Note 1: Enterprise Revenue excludes wholesale voice



EBIT / EBITDA (RM'm)



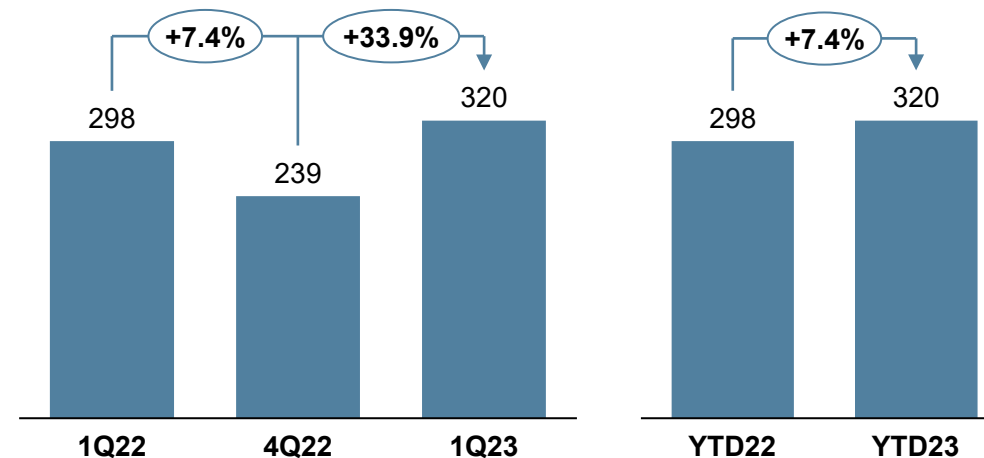
QoQ

- Lower marketing costs coming out of tactical device year end promotions in Q4 2022

YoY

- Higher in line with service revenue growth

Profit After Tax (RM'm)

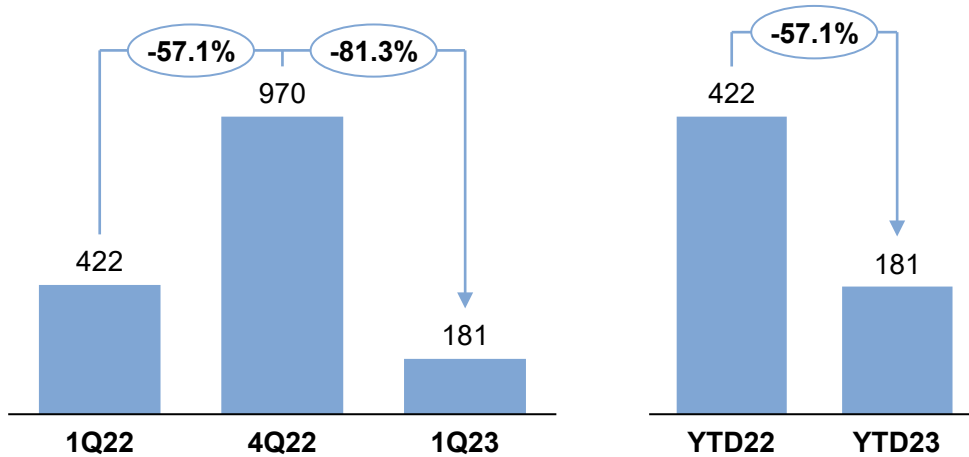


QoQ and YoY

- Flow through effect from higher EBIT in 1Q23, and incremental from discontinuation of Prosperity Tax



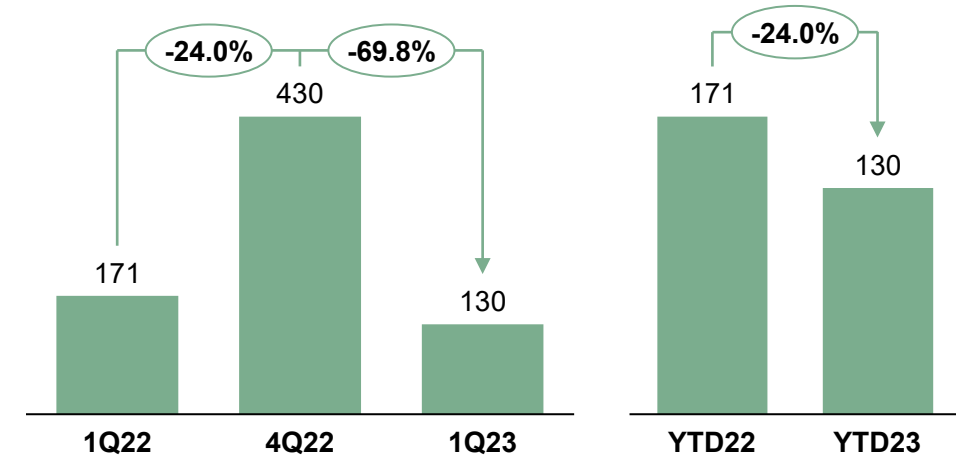
Operating Free Cash Flow (RM'm)



Stable cash balance of RM340m as at 1Q23

1Q23 Dividends: 4 Sen (total payout of RM313m)

Capex (RM'm)



- Capex spend in 1Q23 in line with trend
- Prudent Capex investment as network capacity requirement stabilises
- Priority remains on maintaining network quality, and focus on growth Capex

Contributing to the nation and the *rakyat*



Accessible education for all (eKelas)



Highly Immersive Programs for students

Giving back to the community



Festive Charity to support communities in need

Cultivating 5G innovation



Maxis participates with MRANTI to contribute to 5G innovations



Supporting entrepreneurs and micro-SMEs through eKelas usahawan



Food Relief in collaboration with KKD



Develop multi-industry 5G use cases through our growing 5G Alliance



Guidance for FY23

**Service
Revenue**

Flat to low single digit increase

EBITDA*

**Similar level to FY2022
(~RM3.9b)**

Capex

**Similar level to FY2022
(~RM1.1b)**

* Before any potential impact for 5G

Q&A

Instructions:

Please raise your virtual hand.

We will manage the Q&A queue and unmute you when it is your turn.

Please announce your name and then ask the question(s).

Thank you.

After this session, for any clarifications please contact IR:

ir@maxis.com.my

Appendix





IMPORTANT DEFINITIONS / NOTATIONS

- **EBITDA:** Earnings before interest, taxes, depreciation and amortisation, defined as profit after including government grant income but before finance income, finance costs, tax, depreciation (including ROU depreciation), amortisation and allowance for write down of identified network costs
- **EBITDA margin on Service Revenue:** EBITDA as percentage of service revenue
- **EBIT:** Earnings before interest and taxes
- **Operating Free Cash Flow:** Cash Flow from Operating Activities
- **Revenue:** Service Revenue plus device, network income and others
- **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
- **Service Revenue:** Group total revenue excluding sale of devices



PRODUCT LIST DEFINITIONS / NOTATIONS

- **Maxis Postpaid:** The Internet Plan which offer limitless voice, SMS and bundle with Mobile Internet for Maxis postpaid customers
- **Maxis Unlimited Postpaid:** A Maxis Home Fibre Plan layered with Maxis Postpaid that offers endless internet for both home and mobile
- **Maxperts:** A group of highly skilled tech support team that offers solution expertise such as the end-to-end resolution of issues, basic setup and configurations, password resets, product navigational assistance and remote troubleshooting for our range of selected Maxis solutions
- **Zerolution:** A programme that allows customers to purchase a device with RM0 upfront payment and pay over 12 to 36 monthly payments at 0% interest
- **Machine to Machine (M2M):** A direct communication between devices using a wireless network
- **FWA:** Fixed Wireless Access
- **WBB:** Wireless Broadband
- **USP:** Universal Service Provision programme



REPORTED CONSOLIDATED INCOME STATEMENT

(RM mn)	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY		YTD22	YTD23	YTD	
						RM mn	%	RM mn	%			RM mn	%
Revenue	2,406	2,424	2,405	2,554	2,526	(28)	-1.1%	120	5.0%	2,406	2,526	120	5.0%
Expenses	(1,476)	(1,410)	(1,399)	(1,566)	(1,554)	12	-0.8%	(78)	5.3%	(1,476)	(1,554)	(78)	5.3%
- Traffic, commissions & other direct costs	(477)	(505)	(510)	(495)	(482)	13	-2.6%	(5)	1.0%	(477)	(482)	(5)	1.0%
- Device costs	(492)	(412)	(381)	(550)	(541)	9	-1.6%	(49)	10.0%	(492)	(541)	(49)	10.0%
- Spectrum licence fees	(66)	(67)	(63)	(63)	(61)	2	-3.2%	5	-7.6%	(66)	(61)	5	-7.6%
- Network costs	(132)	(134)	(129)	(123)	(138)	(15)	12.2%	(6)	4.5%	(132)	(138)	(6)	4.5%
- Staff and resource costs	(210)	(194)	(193)	(216)	(200)	16	-7.4%	10	-4.8%	(210)	(200)	10	-4.8%
- Operation and maintenance costs	(87)	(96)	(102)	(109)	(106)	3	-2.8%	(19)	21.8%	(87)	(106)	(19)	21.8%
- Marketing costs	(39)	(50)	(48)	(52)	(38)	14	-26.9%	1	-2.6%	(39)	(38)	1	-2.6%
- Allowance for doubtful debts, net	(34)	(26)	(25)	(22)	(34)	(12)	54.5%	0	0.0%	(34)	(34)	0	0.0%
- Government grants & other income, net	61	74	52	64	46	(18)	-28.1%	(15)	-24.6%	61	46	(15)	-24.6%
EBITDA	930	1,014	1,006	988	972	(16)	-1.6%	42	4.5%	930	972	42	4.5%
EBITDA Margin on Service Revenue	45.8%	48.7%	47.7%	46.7%	46.0%		-0.7ppt		0.2ppt	45.8%	46.0%		0.2ppt
Depreciation	(350)	(343)	(343)	(372)	(349)	23	-6.2%	1	-0.3%	(350)	(349)	1	-0.3%
Amortisation	(67)	(69)	(84)	(93)	(82)	11	-11.8%	(15)	22.4%	(67)	(82)	(15)	22.4%
Others	10	(3)	(3)	(3)	0	3	-100.0%	(10)	-100.0%	10	0	(10)	-100.0%
EBIT	523	599	576	520	541	21	4.0%	18	3.4%	523	541	18	3.4%
EBIT Margin on Service Revenue	25.8%	28.7%	27.3%	24.6%	25.6%		1ppt		-0.2ppt	25.8%	25.6%		-0.1ppt
Finance Costs	(99)	(104)	(114)	(120)	(117)	3	-2.5%	(18)	18.2%	(99)	(117)	(18)	18.2%
Finance Income	8	5	8	9	5	(4)	-44.4%	(3)	-37.5%	8	5	(3)	-37.5%
PBT	432	500	470	409	429	20	4.9%	(3)	-0.7%	432	429	(3)	-0.7%
Tax	(134)	(171)	(155)	(170)	(109)	61	-35.9%	25	-18.7%	(134)	(109)	25	-18.7%
PAT	298	329	315	239	320	81	33.9%	22	7.4%	298	320	22	7.4%
Capex	171	241	272	430	130	(300)	-69.8%	(41)	-24.0%	171	130	(41)	-24.0%
Dividend per share (sen)	5	5	5	5	4					5	4		

* FY22 includes a one-off Prosperity Tax charged to Tax expense and Profit After Tax

CASH FLOW STATEMENT



(RM mn)	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY		YTD22	YTD23	YTD	
						RM mn	%	RM mn	%			RM mn	%
Cash flow from operating activities	422	1,099	812	970	181	(789)	-81.3%	(241)	-57.1%	422	181	(241)	-57.1%
Cash flow used in investing activities	(344)	(218)	(350)	(384)	(186)	198	-51.6%	158	-45.9%	(344)	(186)	158	-45.9%
- Purchase of PPE and intangible assets	(299)	(355)	(529)	(537)	(210)	327	-60.9%	89	-29.8%	(299)	(210)	89	-29.8%
- Government grant related to the purchase of assets	62	137	180	156	32	(124)	-79.5%	(30)	-48.4%	62	32	(30)	-48.4%
- Consideration paid for business combinations	(107)	(1)	0	(3)	(8)	(5)	166.7%	99	-92.5%	(107)	(8)	99	-92.5%
- Proceeds from disposal of PPE	0	1	(1)	0	0	0	0.0%	0	0.0%	0	0	0	0.0%
Cash flow before financing activities	78	881	462	586	(5)	(591)	-100.9%	(83)	-106.4%	78	(5)	(83)	-106.4%
Cash flow used in financing activities	(738)	(559)	(173)	(1,100)	(283)	817	-74.3%	455	-61.7%	(738)	(283)	455	-61.7%
- Dividends paid	(391)	(391)	(392)	(392)	(392)	0	0.0%	(1)	0.3%	(391)	(392)	(1)	0.3%
- Debt drawdown	1,100	0	400	0	500	500	100.0%	(600)	-54.5%	1,100	500	(600)	-54.5%
- Debt repayment	(1,250)	0	0	(500)	(200)	300	-60.0%	1,050	-84.0%	(1,250)	(200)	1,050	-84.0%
- Payment of finance costs	(99)	(101)	(104)	(124)	(114)	10	-8.1%	(15)	15.2%	(99)	(114)	(15)	15.2%
- Shares acquired pursuant to incentive arrangement	0	0	(7)	0	0	0	0.0%	0	0.0%	0	0	0	0.0%
- Others	(98)	(67)	(70)	(84)	(78)	6	-7.1%	20	-20.4%	(98)	(78)	20	-20.4%
Net change in cash & cash equivalents	(660)	322	289	(514)	(288)	226	-44.0%	372	-56.4%	(660)	(288)	372	-56.4%
Opening cash & cash equivalents	1,164	504	826	1,115	601	(514)	-46.1%	(563)	-48.4%	1,164	601	(563)	-48.4%
Closing cash & cash equivalents*	504	826	1,115	601	313	(288)	-47.9%	(191)	-37.9%	504	313	(191)	-37.9%

* 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)	3Q22	4Q22	1Q23	QoQ	
				RM mn	%
Debt¹	10,285	9,865	10,157	292	3.0%
Deposits, cash & bank balances²	1,142	628	340	(288)	-45.9%
Net debt	9,143	9,237	9,817	580	6.3%
Total equity attributable to equity owner of the Company	6,520	6,369	6,302	(67)	-1.0%

	3Q22	4Q22	1Q23
Net debt to EBITDA³ (x)	2.36	2.35	2.47
Net debt to Equity (x)	1.40	1.45	1.56

Note 1: Includes derivative financial instruments designated for hedging relationship on borrowings

Note 2: 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

Note 3: EBITDA calculated using rolling 12 months reported EBITDA



REVENUE COMPOSITION

(RM mn)	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY		YTD22	YTD23	YTD	
						RM mn	%	RM mn	%			RM mn	%
Total Revenue	2,406	2,424	2,405	2,554	2,526	(28)	-1.1%	120	5.0%	2,406	2,526	120	5.0%
Service Revenue	2,030	2,084	2,108	2,114	2,112	(2)	-0.1%	82	4.0%	2,030	2,112	82	4.0%
Consumer converged revenue	1,642	1,698	1,721	1,750	1,747	(3)	-0.2%	105	6.4%	1,642	1,747	105	6.4%
- Postpaid	785	810	830	850	864	14	1.6%	79	10.1%	785	864	79	10.1%
- Prepaid	657	679	676	681	661	(20)	-2.9%	4	0.6%	657	661	4	0.6%
- Fibre	163	173	180	187	192	5	2.7%	29	17.8%	163	192	29	17.8%
- WBB	37	36	35	32	30	(2)	-6.3%	(7)	-18.9%	37	30	(7)	-18.9%
Enterprise converged revenue	346	350	357	364	365	1	0.3%	19	5.5%	346	365	19	5.5%
- Mobile	185	185	199	207	200	(7)	-3.4%	15	8.1%	185	200	15	8.1%
- Fixed & Solutions	161	165	158	157	165	8	5.1%	4	2.5%	161	165	4	2.5%
Wholesale voice	42	36	30	0	0	0	0.0%	(42)	-100.0%	42	0	(42)	-100.0%
Non Service Revenue	376	340	297	440	414	(26)	-5.9%	38	10.1%	376	414	38	10.1%
- Device	376	340	297	440	414	(26)	-5.9%	38	10.1%	376	414	38	10.1%

Revenue composition based on previous classification:

(RM mn)	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY		YTD22	YTD23	YTD	
						RM mn	%	RM mn	%			RM mn	%
Service Revenue	2,030	2,084	2,108	2,114	2,112	(2)	-0.1%	82	4.0%	2,030	2,112	82	4.0%
Mobile	1,698	1,748	1,768	1,793	1,784	(9)	-0.5%	86	5.1%	1,698	1,784	86	5.1%
- Postpaid	1,041	1,069	1,092	1,112	1,123	11	1.0%	82	7.9%	1,041	1,123	82	7.9%
- Prepaid	657	679	676	681	661	(20)	-2.9%	4	0.6%	657	661	4	0.6%
Enterprise Services	141	135	131	103	106	3	2.9%	(35)	-24.8%	141	106	(35)	-24.8%
Home Fibre	166	177	184	191	196	5	2.6%	30	18.1%	166	196	30	18.1%
Network Income	25	24	25	27	26	(1)	-3.7%	1	4.0%	25	26	1	4.0%

RGS30 AND ARPU



Maxis Consumer	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY	
						Δ	%	Δ	%
Total Consumer Subscriptions ('000)	9,522	9,694	9,751	9,797	9,771	(26)	-0.3%	249	2.6%
- Consumer Postpaid	3,189	3,245	3,271	3,343	3,397	54	1.6%	208	6.5%
- Consumer Prepaid	5,718	5,811	5,828	5,785	5,686	(99)	-1.7%	(32)	-0.6%
- Consumer Fibre	512	536	555	577	601	24	4.2%	89	17.4%
- Consumer WBB	103	102	97	92	87	(5)	-5.4%	(16)	-15.5%
Consumer ARPU (RM/month)									
- Consumer Postpaid	78.0	79.0	79.1	79.2	78.4	(0.8)	-1.0%	0.4	0.5%
- Consumer Prepaid	37.7	39.1	38.6	39.4	38.4	(1.0)	-2.5%	0.7	1.9%
- Consumer Home Connectivity	110.7	110.9	109.9	109.9	108.4	(1.5)	-1.4%	(2.3)	-2.1%

RGS30 and ARPU based on previous classification:

Maxis Consumer and Enterprise	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY	
						Δ	%	Δ	%
Total Mobile Subscriptions (incl. M2M) ('000)	10,138	10,296	10,376	10,356	10,323	(33)	-0.3%	185	1.8%
- Postpaid (incl. M2M)	4,213	4,279	4,348	4,436	4,513	77	1.7%	300	7.1%
- Prepaid	5,718	5,811	5,828	5,785	5,686	(99)	-1.7%	(32)	-0.6%
- WBB*	207	206	200	135	124	(11)	-8.1%	(83)	-40.1%
ARPU (RM/month)									
Blended ARPU (excl. M2M)	54.3	55.6	55.5	56.4	55.6	(0.8)	-1.4%	1.3	2.4%
- Postpaid (excl. M2M)	78.1	79.1	79.7	80.0	78.7	(1.3)	-1.6%	0.6	0.8%
- Prepaid	37.7	39.1	38.6	39.4	38.4	(1.0)	-2.5%	0.7	1.9%



MARKET DEFINITION SUBSCRIPTION AND ARPU

	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY	
						Δ	%	Δ	%
Mobile Subscriptions ('000)									
Total Mobile Subscriptions (incl. M2M)	11,640	11,767	11,877	11,879	11,920	41	0.3%	280	2.4%
- Postpaid (incl. M2M)	4,324	4,398	4,478	4,591	4,663	72	1.6%	339	7.8%
- Prepaid	7,092	7,149	7,188	7,147	7,126	(21)	-0.3%	34	0.5%
- WBB*	224	220	211	141	131	(10)	-7.1%	(93)	-41.5%
Home Connections ('000)	520	545	564	587	612	25	4.3%	92	17.7%
Biz Fibre Connections ('000)	40	41	41	40	39	(1)	-2.5%	(1)	-2.5%
ARPU (RM/month)									
Blended ARPU (excl. M2M)	46.2	47.7	47.3	47.8	46.9	(0.9)	-1.9%	0.7	1.5%
- Postpaid (excl. M2M)	72.5	72.7	72.8	72.7	71.3	(1.4)	-1.9%	(1.2)	-1.7%
- Prepaid	30.2	31.8	31.3	31.8	30.7	(1.1)	-3.5%	0.5	1.7%
Home Fibre	107.8	108.3	108.0	108.5	107.1	(1.4)	-1.3%	(0.7)	-0.6%



	1Q22	2Q22	3Q22	4Q22	1Q23	QoQ		YoY	
						Δ	%	Δ	%
Data Usage (GB/month)									
Blended	24.9	24.9	26.3	26.6	25.2	(1.4)	-5.3%	0.3	1.2%
- Postpaid	28.2	27.9	29.1	29.3	27.5	(1.8)	-6.1%	(0.7)	-2.5%
- Prepaid	22.9	23.2	24.6	24.9	23.7	(1.2)	-4.8%	0.8	3.5%

Thank You



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