

Maxis Berhad: 1Q24 Financial Results

Briefing on Friday, 17 May 2024

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Focus on Core Businesses

For Sustainable and Predictable Growth



Focus on Core Businesses



Consumer

Enterprise



Mobile



Home



Enterprise

- Maxis is at the forefront of Malaysia's consumer mobile solutions sector; providing innovative customer products
- Focus to grow and gain market share in both premium and value-seeking segments
- Mobile services continue to deliver margins amidst current market conditions

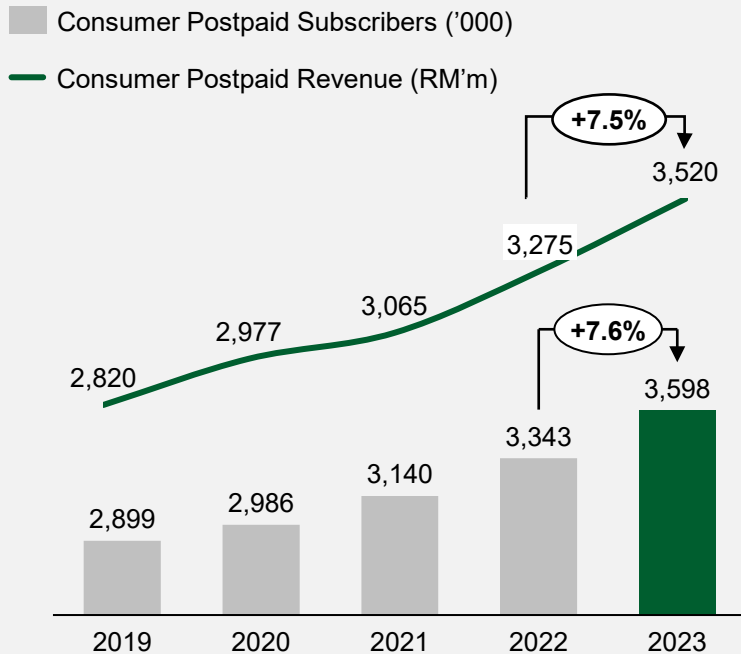
- Currently provide connectivity to > 750,000 homes
- Focus into sub-segments to provide reliable internet access for customers' needs
- Embed fixed-mobile convergence solutions and gain access to wider customer segments

- Support digital transformation journey for businesses across all levels and position Maxis as 'the' business partner
- State-of-the-art connectivity solutions, IoT, cloud services, reliable security – focus on sustainable growth areas
- Position 5G as an enabler for connectivity and innovative enterprise solutions

MOBILE: Strong Postpaid for Sustainable and Predictable Growth



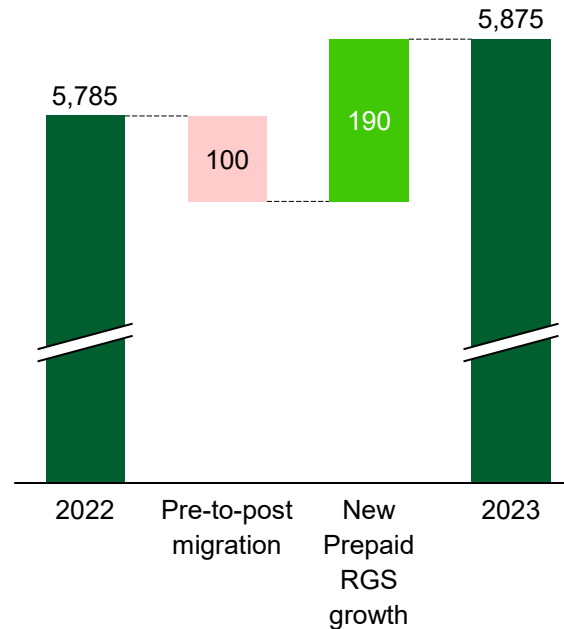
Strongest growth trajectory in Postpaid



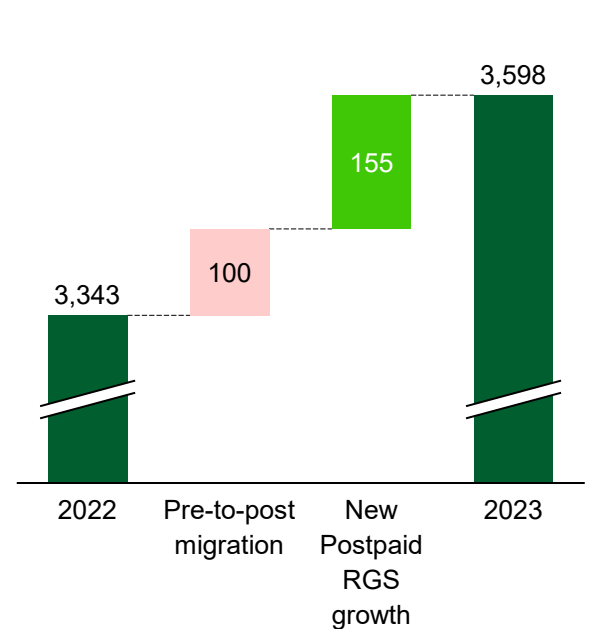
Wide-range choice of plans:
RM30 to RM199 per user per month

Focus on value creation for customers

Prepaid RGS ('000)



Postpaid RGS ('000)



+20%

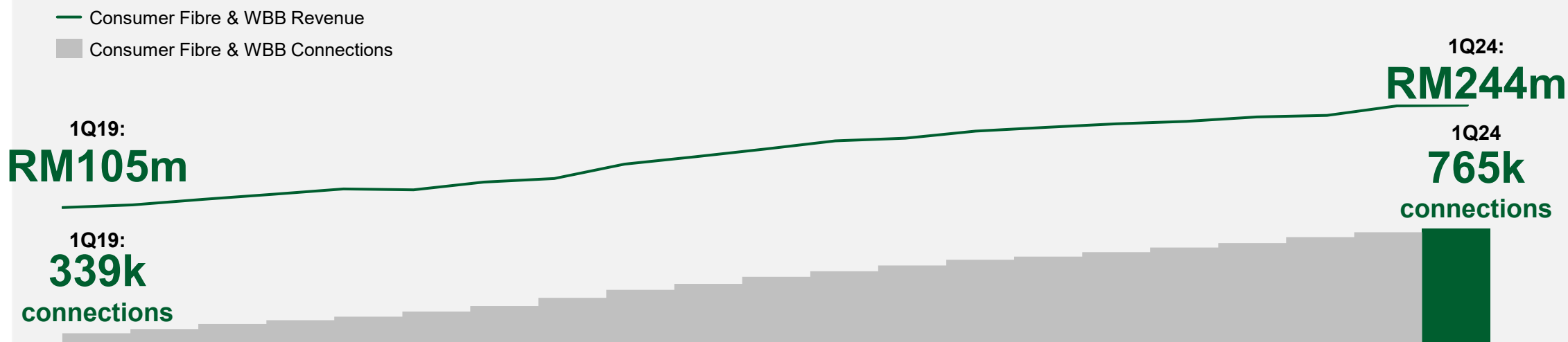
Uplift in Revenue and ARPU

Effective execution of pre-to-post migration strategy

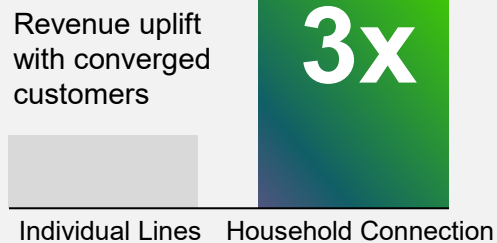
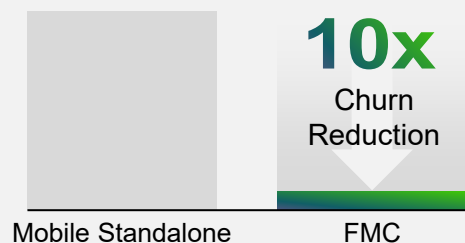
HOME: Rapid Growth in Fibre Revenue and Subscribers



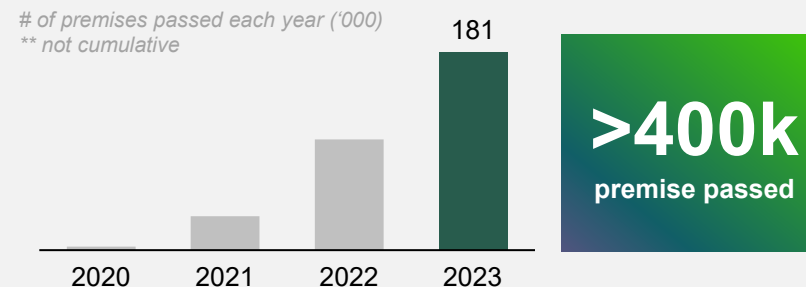
1. Maxis' consumer homes connection grew 2.3x since 2019



2. Fixed mobile convergence (FMC) is important for the defensive value it brings to telco



3. We have increased the rate of Maxis-own fibre build

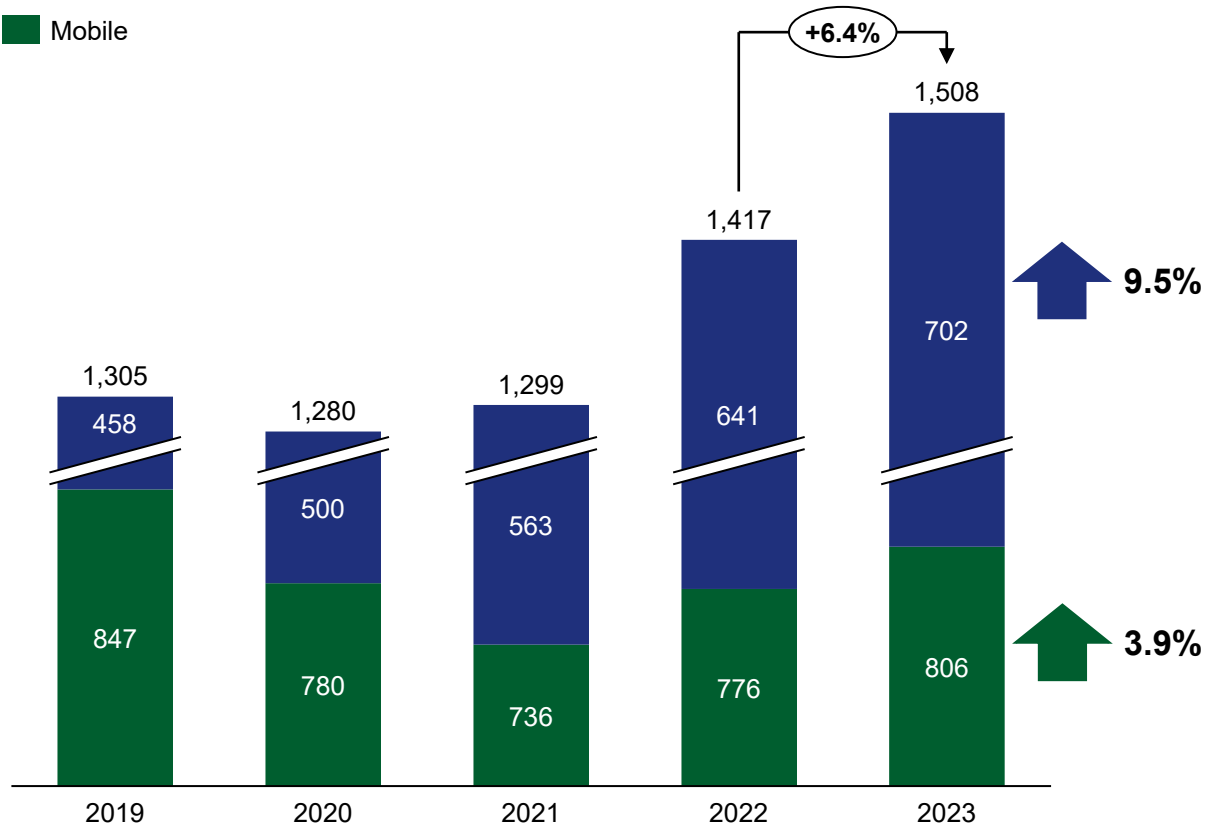


ENTERPRISE: Growth Across All Services



Maxis Enterprise Service Revenue¹ (RM'm)

■ Fixed & Solutions
■ Mobile



Note 1: Enterprise Revenue excludes wholesale voice, discontinued in 4Q22

Enterprise Customers



Corporate



Mid-Market



MSMEs



Public Sector



Wholesale

Enterprise Solutions



Connectivity
Solutions



IoT
Solutions



Cloud



Managed
Services

The leading integrated telco in Malaysia



Pillar 1



Sustainable and Predictable Growth

#1 Postpaid Customers
#1 Bundled Customers

Focus on core businesses while seeking new profitable growth and value drivers

Pillar 2



Consistently Good Customer Experience

Customer Satisfaction -
Highest NPS

Deliver simple and pleasant customer experience

Pillar 3



Operating Excellence

Improve profitability

Focused and efficient execution that prioritizes on "things that move the needle."

Pillar 4



High Performing Organization

Employer of Choice

Outcome-driven workforce principled on full ownership

1Q24 Review



Positive Start to 2024



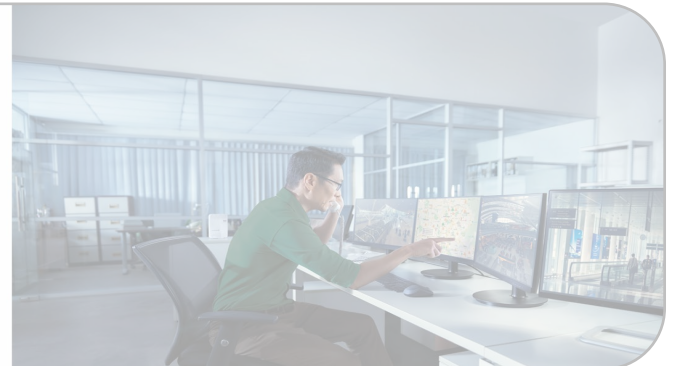
1 **First 5.5G / 5G-Advanced trial showcase in Southeast Asia**
10x faster, connects 10x more devices, 5x more responsive than 5G



2 **Introduced new 5G Home WiFi plans (Fixed Wireless Access)**
Worry-free, plug and play 5G experience from RM69 a month



3 **5 collaborations formalised to drive next-gen connectivity**
Google Cloud, AWS, Nokia, Dell Technologies, Huawei Malaysia





Service Revenue

RM 2,191 m

▼ 0.5% QoQ | ▲ 3.7% YoY

EBITDA

RM 1,044 m

▼ 1.2% QoQ | ▲ 7.4% YoY

Adjusted Profit After Tax¹**RM 353 m**▼ 1.9% QoQ¹ | ▲ 10.3% YoY

Capex

RM 106 m

Operating Free Cash Flow

RM 857 m

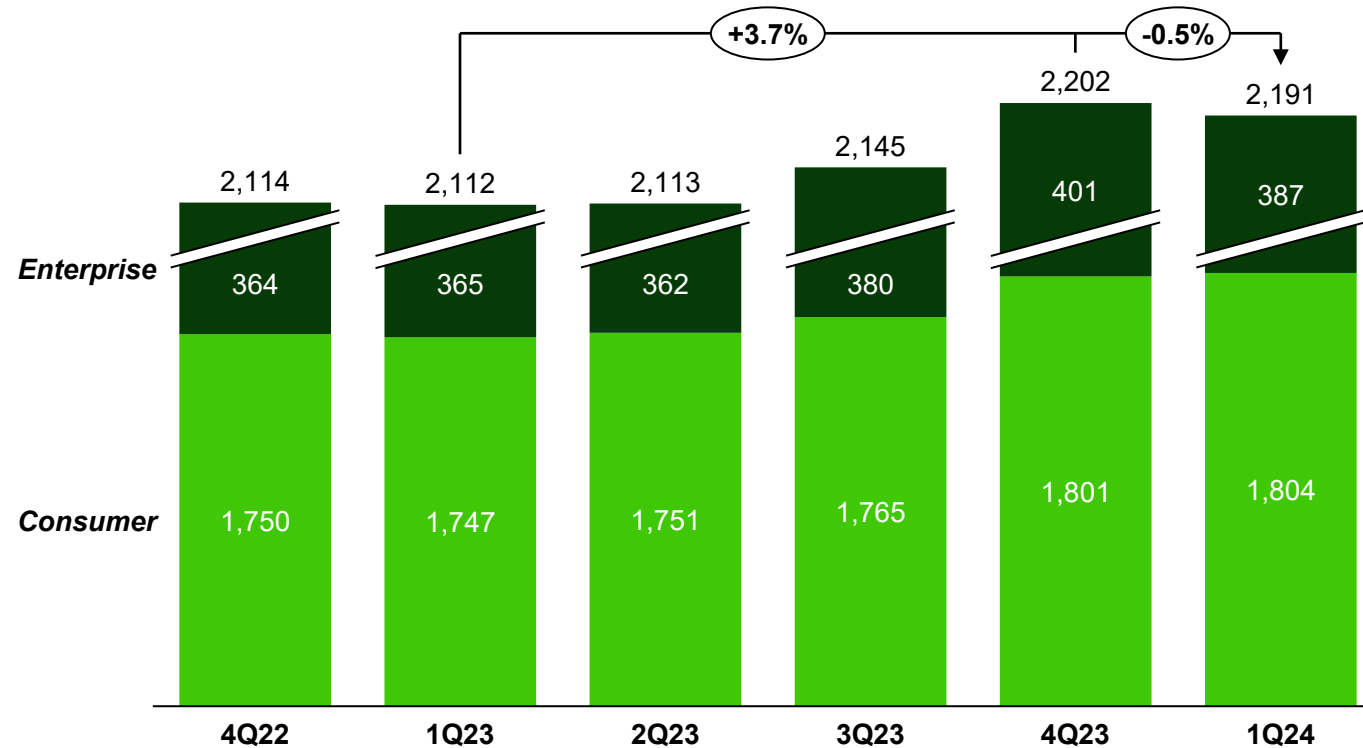
Dividends

4 sen

¹ Details of the adjustments in 4Q23 can be found in the appendix. QoQ are calculated based on adjusted profit after tax.



Service Revenue (RM'm)



3.7% YoY growth driven by both Consumer and Enterprise businesses:

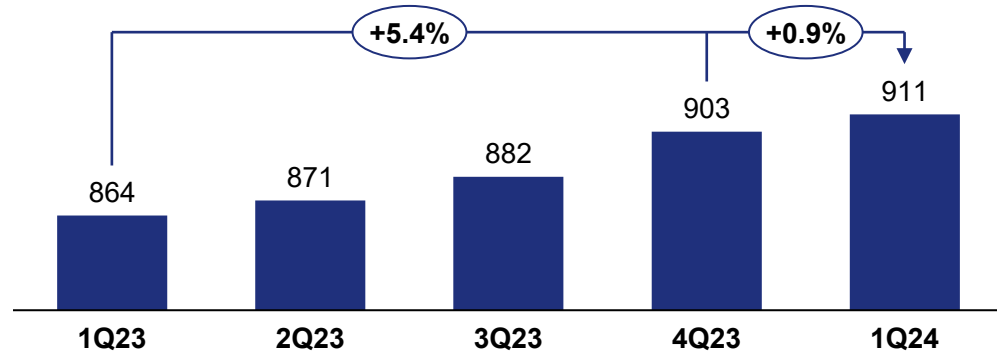
- Pre-to-post migration strategy well executed
- Continuous efforts to promote fixed-mobile convergence
- 2G and 4G wholesale arrangement

QoQ movement driven by seasonality:

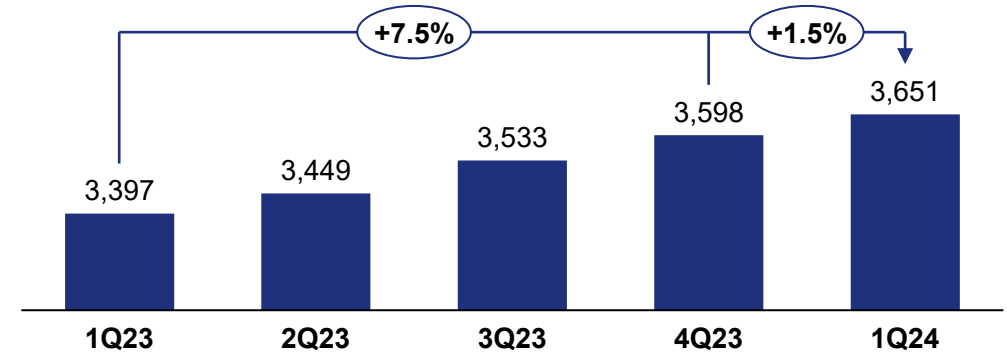
- Lower roaming revenue in 1Q24 in line with usual trends for both Consumer and Enterprise businesses
- Underlying growth in Postpaid and Prepaid



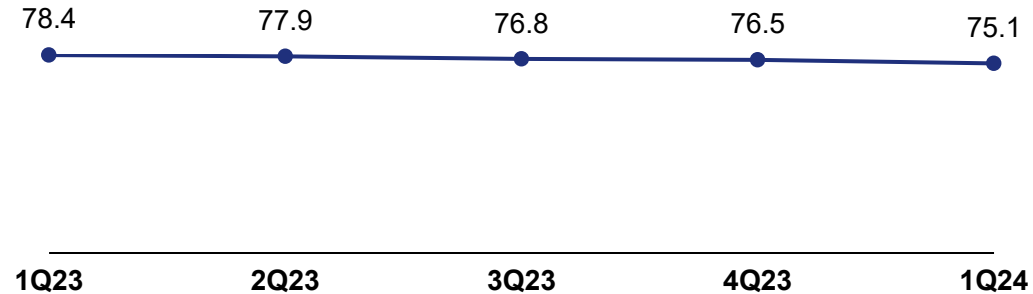
Consumer Postpaid Revenue
(RM'm)



Consumer Postpaid RGS30 Subscription
('000)



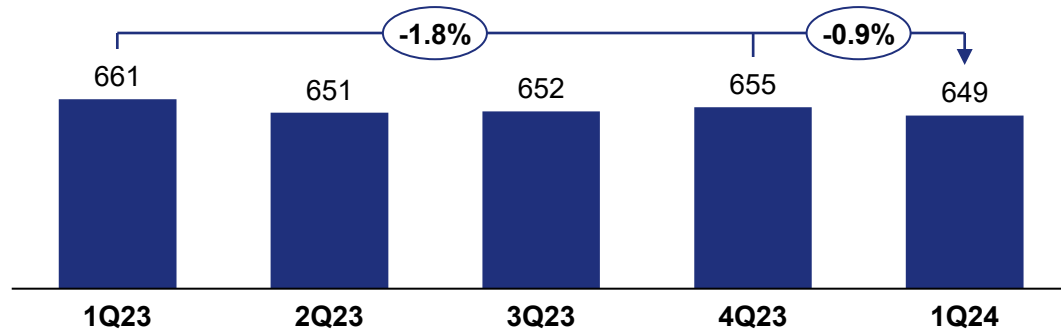
Consumer Postpaid ARPU
(RM/month)



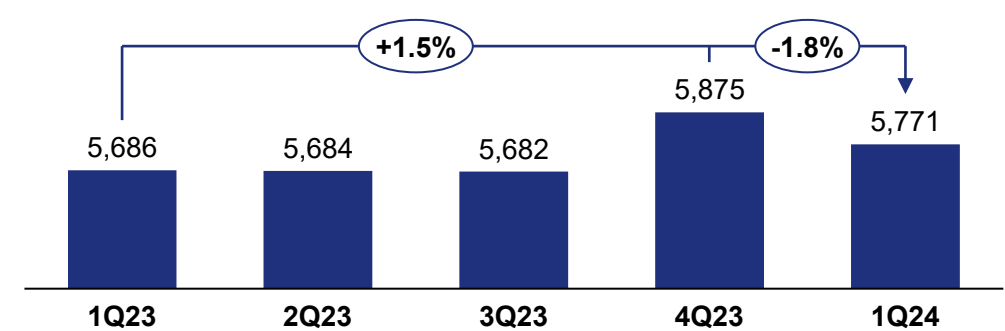
- Strong Postpaid growth from :
 - Catering to all market segments through our wide range of Postpaid plan (pricing and devices)
 - Effective pre-to-post migration strategy
- Focus on value creation for customers to increase brand loyalty



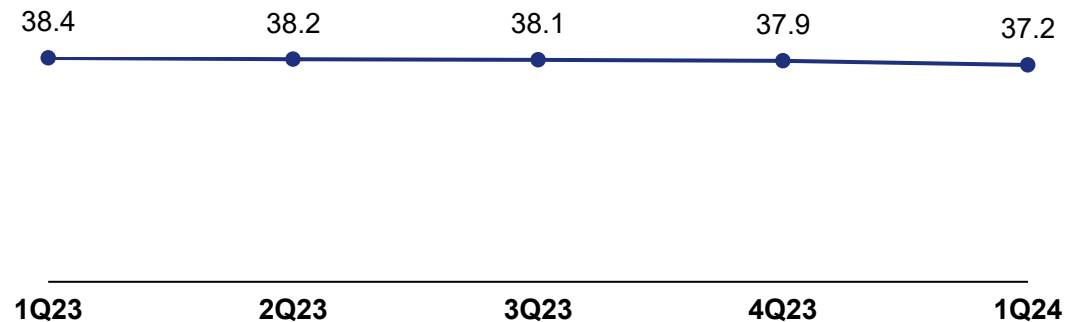
Consumer Prepaid Revenue
(RM'm)



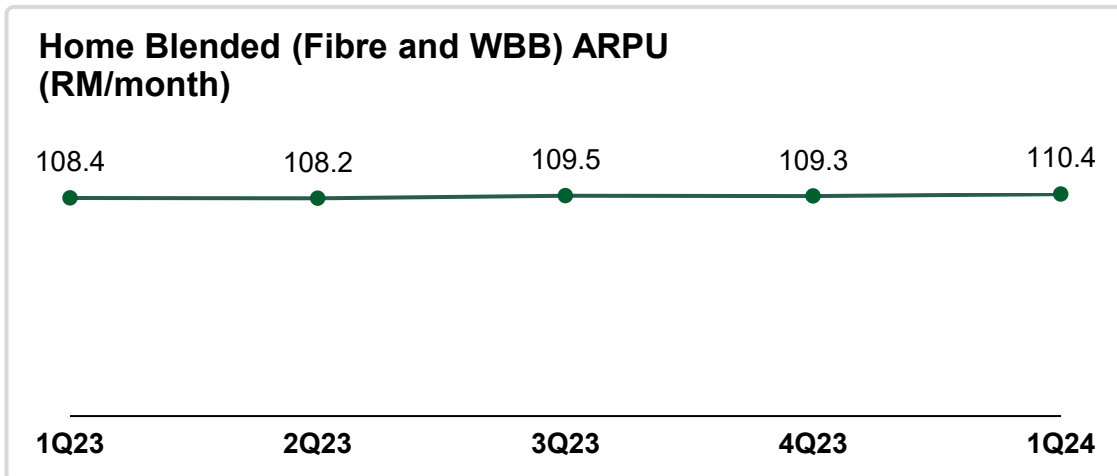
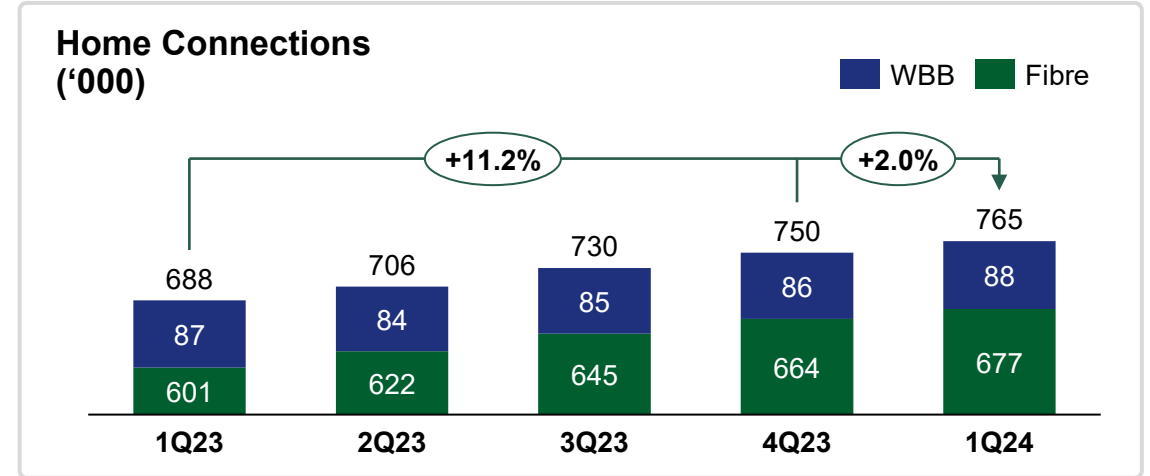
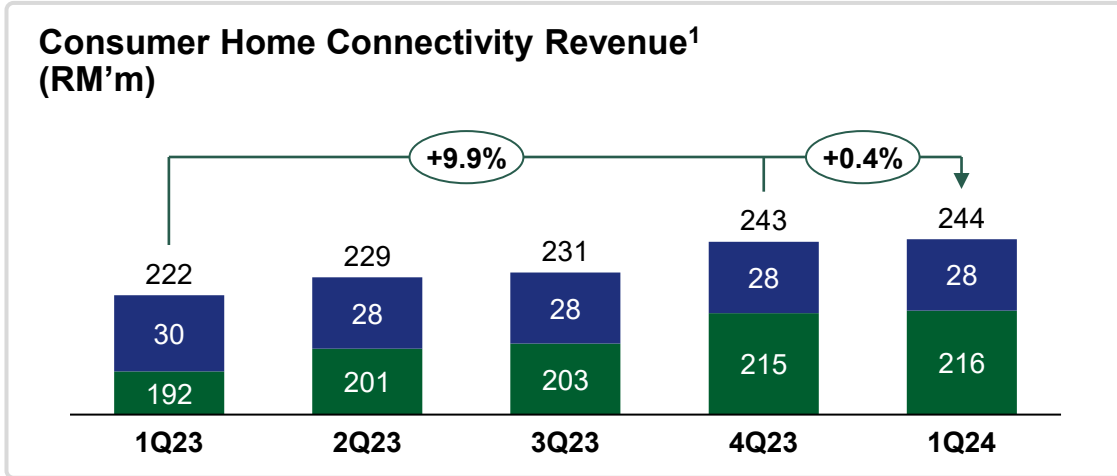
Consumer Prepaid RGS30 Subscription
('000)



Consumer Prepaid ARPU
(RM/month)



- Underlying expansion in Prepaid customer base, resulting from:
 - Tailored sales approach in different market segments
 - Driving value creation through personalised offerings
- Introduced latest Hotlink' Super Steamer Pass for RM9.90 per month to enjoy premium content on popular streaming platforms to capture interest of customers on a lookout for attractive plans



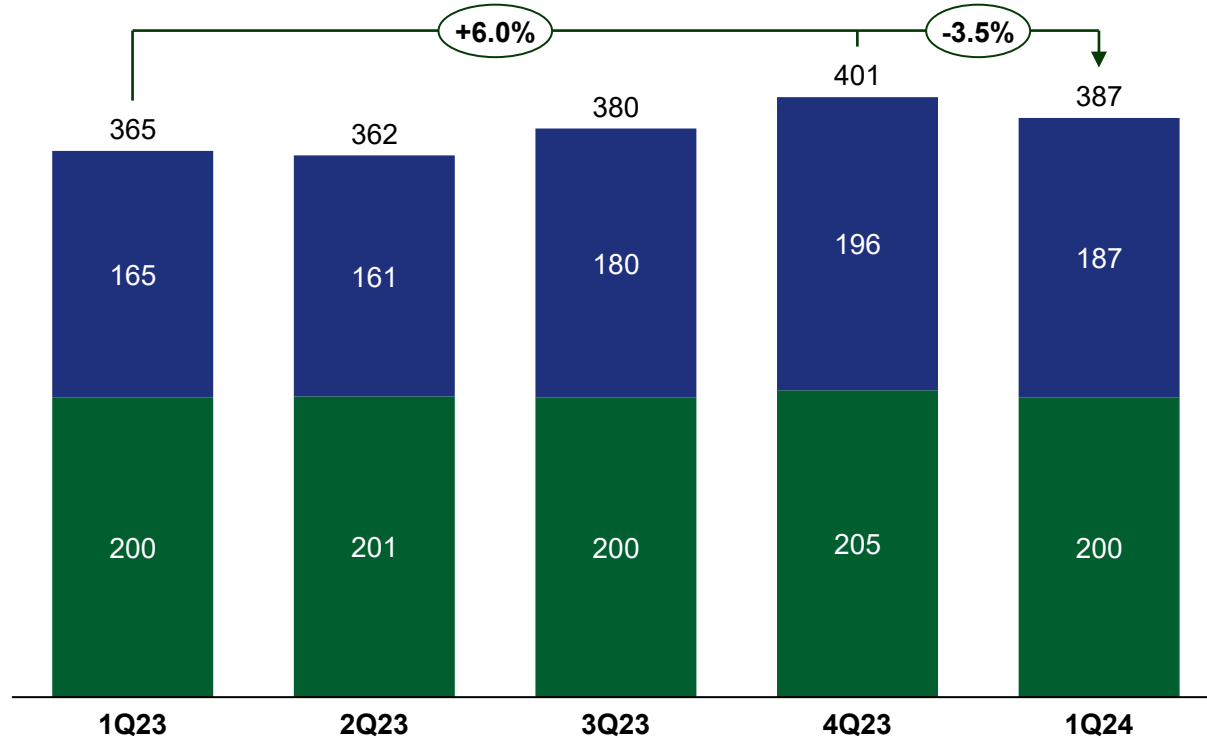
- 15k net adds growth in an increasingly competitive market
- Go-to-market strategy focused on segments with better value creation

Note 1: Home connectivity includes home fibre & wireless broadband (WBB)



Maxis Enterprise Service Revenue (RM'm)

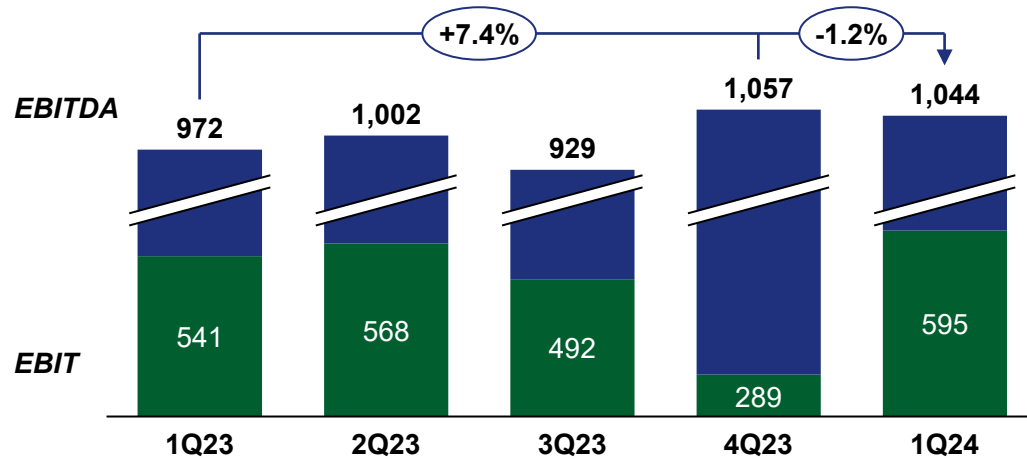
Fixed & Solutions Mobile



- Higher project deliveries and roaming in 4Q23 compared to 1Q24
- Key areas like Managed Network Services continue to show YoY growth
- Continued traction and penetration in market segments that are moving away from traditional technologies to Software Defined Wide Area Network (SDWAN)
- Data center and cloud adoption continues to drive connectivity demand
- Continued digitalisation of Small Medium Businesses (SMBs) through Geran Digital PMKS



Reported EBIT / EBITDA (RM'm)

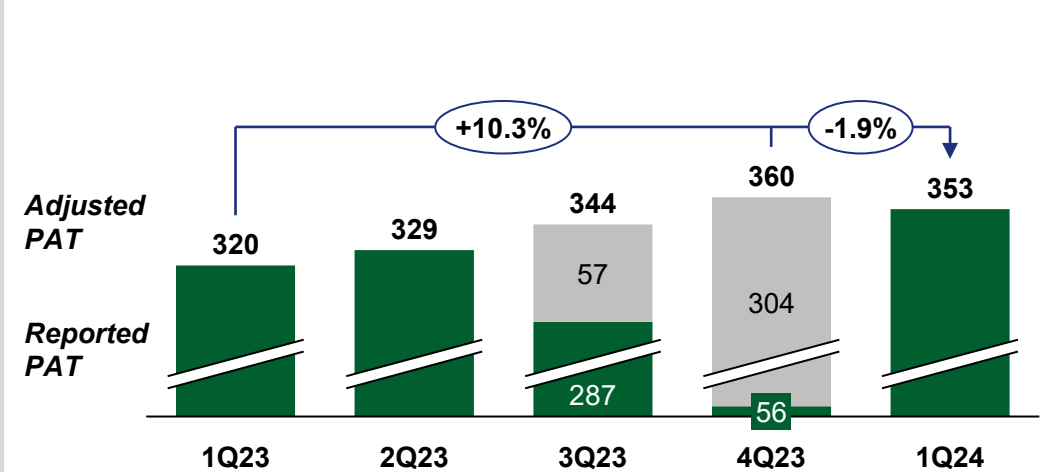
**QoQ**

- Lower due to seasonality in revenue

YoY

- Higher revenue from consumer and enterprise, contributing to higher EBIT and EBITDA margins

Reported and Adjusted Profit After Tax (RM'm)

**QoQ**

- In line with lower EBITDA

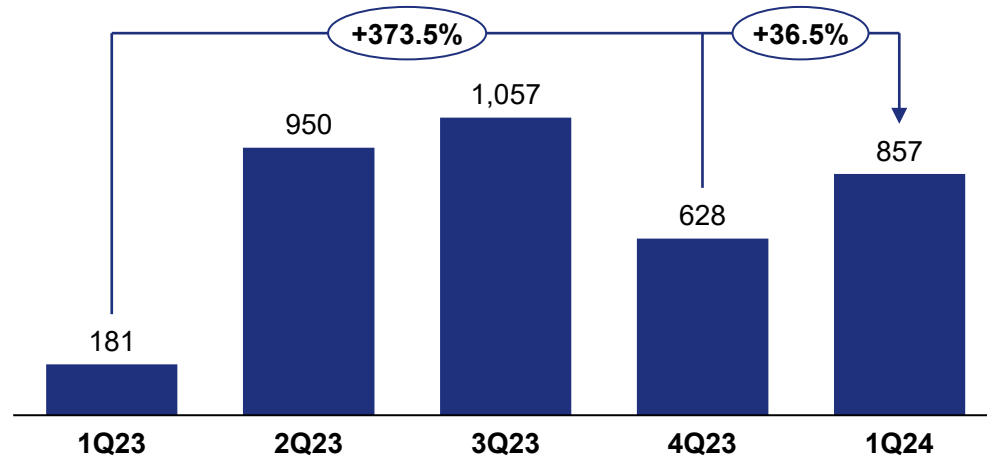
YoY

- In line with higher EBIT, offset by higher tax expenses

denotes adjustment for one-off items, details can be found in the appendix of this deck



Operating Free Cash Flow (RM'm)

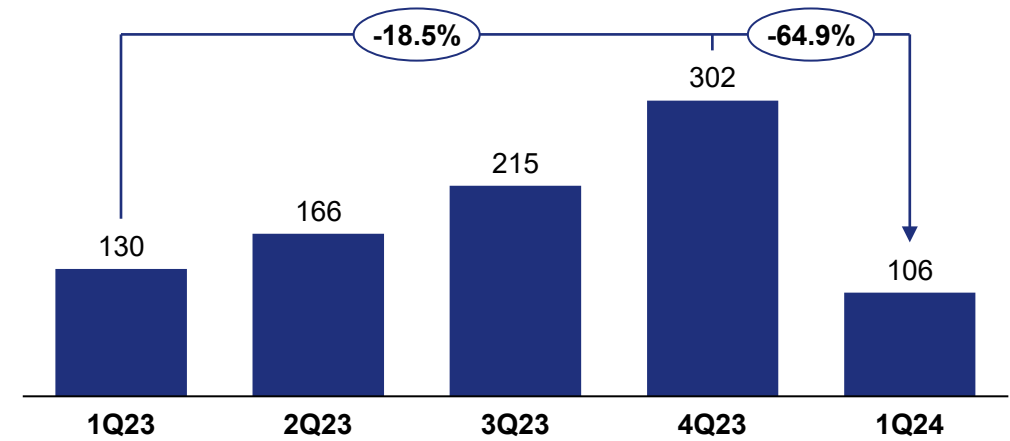
**QoQ**

- Higher due to one-off tax settlement paid in 4Q23

YoY

- Lower tax and vendor payments in 1Q24
- Strong working capital management

Capex (RM'm)



- Prudent spend on Capex in 1Q24



Guidance for FY24

**Service
Revenue**

Low single digit increase

EBITDA*

Remain relatively unchanged to FY23

Capex*

Remain less than RM1 billion

* 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)	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						RM mn	%	RM mn	%
Revenue	2,526	2,470	2,442	2,742	2,603	(139)	-5.1%	77	3.0%
Expenses	(1,554)	(1,468)	(1,513)	(1,685)	(1,559)	126	-7.5%	(5)	0.3%
- Traffic, commissions & other direct costs	(1,023)	(938)	(895)	(1,175)	(1,037)	138	-11.7%	(14)	1.4%
- Spectrum licence fees	(61)	(62)	(62)	(62)	(62)	-	0.0%	(1)	1.6%
- Network costs	(138)	(144)	(139)	(136)	(138)	(2)	1.5%	0	0.0%
- Staff and resource costs	(200)	(202)	(277)	(201)	(202)	(1)	0.5%	(2)	1.0%
- Operation and maintenance costs	(106)	(94)	(102)	(126)	(102)	24	-19.0%	4	-3.8%
- Marketing costs	(38)	(43)	(44)	(38)	(39)	(1)	2.6%	(1)	2.6%
- Allowance for doubtful debts, net	(34)	(37)	(32)	(26)	(40)	(14)	53.8%	(6)	17.6%
- Government grants & other income, net	46	52	38	79	61	(18)	-22.8%	15	32.6%
EBITDA	972	1,002	929	1,057	1,044	(13)	-1.2%	72	7.4%
EBITDA Margin on Service Revenue	46.0%	47.4%	43.3%	48.0%	47.6%		0.4ppt		1.6ppt
Depreciation	(349)	(346)	(350)	(480)	(367)	113	-23.5%	(18)	5.2%
Amortisation	(82)	(85)	(82)	(129)	(81)	48	-37.2%	1	-1.2%
Others	-	(3)	(5)	(159)	(1)	158	-99.4%	(1)	-100.0%
EBIT	541	568	492	289	595	306	+>100%	54	10.0%
EBIT Margin on Service Revenue	25.6%	26.9%	22.9%	13.1%	27.2%		-14.1ppt		1.6ppt
Finance Costs	(117)	(123)	(113)	(120)	(125)	(5)	4.2%	(8)	6.8%
Finance Income	5	8	5	9	9	-	0.0%	4	80.0%
PBT	429	453	384	178	479	301	+>100%	50	11.7%
Tax	(109)	(124)	(97)	(122)	(126)	(4)	3.3%	(17)	15.6%
PAT	320	329	287	56	353	297	+>100%	33	10.3%
Capex	130	166	215	302	106	(196)	-64.9%	(24)	-18.5%
Dividend per share (sen)	4	4	4	4	4				

(RM mn)	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						RM mn	%	RM mn	%
PAT	320	329	287	56	353	297	+>100%	33	10.3%
One-off adjustments:									
Cost optimisation initiative	-	-	57	-	-				
Non-cash accelerated depreciation and assets write-off	-	-	-	231	-				
Tax settlement	-	-	-	73	-				
Adjusted PAT	320	329	344	360	353	(7)	-1.9%	33	10.3%

CASH FLOW STATEMENT



(RM mn)	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						RM mn	%	RM mn	%
Cash flow from operating activities	181	950	1,057	628	857	229	36.5%	676	+>100%
Cash flow used in investing activities	(186)	(202)	(109)	(267)	(59)	208	-77.9%	127	-68.3%
- Purchase of PPE and intangible assets	(210)	(262)	(273)	(396)	(137)	259	-65.4%	73	-34.8%
- Government grant related to the purchase of assets	32	64	164	131	83	(48)	-36.6%	51	+>100%
- Consideration paid for business combinations	(8)	(5)	-	-	(5)	(5)	-100.0%	3	-37.5%
- Proceeds from disposal of PPE	-	1	-	-	-	-	0.0%	-	0.0%
- Placement of deposits with maturity of more than three months	-	-	-	(2)	-	2	-100.0%	-	0.0%
Cash flow before financing activities	(5)	748	948	361	798	437	+>100%	803	+>100%
Cash flow used in financing activities	(284)	(572)	(768)	(489)	(199)	290	-59.3%	85	-29.9%
- Dividends paid	(392)	(313)	(313)	(313)	(313)	-	0.0%	79	-20.2%
- Debt drawdown	500	900	-	-	300	300	100.0%	(200)	-40.0%
- Debt repayment	(200)	(975)	(265)	-	-	-	0.0%	200	-100.0%
- Payment of finance costs	(114)	(109)	(106)	(90)	(114)	(24)	26.7%	-	0.0%
- Shares acquired pursuant to incentive arrangement, net	-	-	(1)	-	-	-	0.0%	-	0.0%
- Others	(78)	(75)	(83)	(86)	(72)	14	-16.3%	6	-7.7%
Net change in cash & cash equivalents	(289)	176	180	(128)	599	727	->100%	888	->100%
Opening cash & cash equivalents	601	312	488	668	540	(128)	-19.2%	(61)	-10.1%
Closing cash & cash equivalents*	312	488	668	540	1,139	599	+>100%	827	+>100%

* 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)	1Q23	4Q23	1Q24	QoQ	
				RM mn	%
Debt	10,157	9,772	10,065	293	3.0%
Deposits, cash & bank balances¹	340	569	1,168	599	+>100%
Net debt	9,817	9,203	8,897	(306)	-3.3%
Total equity attributable to equity owners of the Company	6,024	5,743	5,791	48	0.8%

	1Q23	4Q23	1Q24
Net debt to EBITDA² (x)	2.47	2.32	2.21
Net debt to Equity (x)	1.63	1.60	1.54

Note 1: 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 2: EBITDA calculated using rolling 12 months reported EBITDA

REVENUE COMPOSITION



(RM mn)	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						RM mn	%	RM mn	%
Total Revenue	2,526	2,470	2,442	2,742	2,603	(139)	-5.1%	77	3.0%
Service Revenue	2,112	2,113	2,145	2,202	2,191	(11)	-0.5%	79	3.7%
Consumer converged revenue	1,747	1,751	1,765	1,801	1,804	3	0.2%	57	3.3%
- Postpaid	864	871	882	903	911	8	0.9%	47	5.4%
- Prepaid	661	651	652	655	649	(6)	-0.9%	(12)	-1.8%
- Fibre	192	201	203	215	216	1	0.5%	24	12.5%
- WBB	30	28	28	28	28	-	0.0%	(2)	-6.7%
Enterprise converged revenue	365	362	380	401	387	(14)	-3.5%	22	6.0%
- Mobile	200	201	200	205	200	(5)	-2.4%	-	0.0%
- Fixed & Solutions	165	161	180	196	187	(9)	-4.6%	22	13.3%
Non Service Revenue	414	357	297	540	412	(128)	-23.7%	(2)	-0.5%
- Device	414	357	297	540	412	(128)	-23.7%	(2)	-0.5%

Revenue composition based on previous classification:

(RM mn)	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						RM mn	%	RM mn	%
Service Revenue	2,112	2,113	2,145	2,202	2,191	(11)	-0.5%	79	3.7%
Mobile	1,784	1,779	1,806	1,841	1,839	(2)	-0.1%	55	3.1%
- Postpaid	1,123	1,128	1,154	1,186	1,190	4	0.3%	67	6.0%
- Prepaid	661	651	652	655	649	(6)	-0.9%	(12)	-1.8%
Enterprise Services	106	106	106	117	107	(10)	-8.5%	1	0.9%
Home Fibre	196	205	208	219	221	2	0.9%	25	12.8%
Network Income	26	23	25	25	24	(1)	-4.0%	(2)	-7.7%

RGS30 AND ARPU



Maxis Consumer	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						Δ	%	Δ	%
Total Consumer Subscriptions ('000)	9,771	9,839	9,945	10,223	10,187	(36)	-0.4%	416	4.3%
- Consumer Postpaid	3,397	3,449	3,533	3,598	3,651	53	1.5%	254	7.5%
- Consumer Prepaid	5,686	5,684	5,682	5,875	5,771	(104)	-1.8%	85	1.5%
- Consumer Fibre	601	622	645	664	677	13	2.0%	76	12.6%
- Consumer WBB	87	84	85	86	88	2	2.3%	1	1.1%
Consumer ARPU (RM/month)									
- Consumer Postpaid	78.4	77.9	76.8	76.5	75.1	(1.4)	-1.8%	(3.3)	-4.2%
- Consumer Prepaid	38.4	38.2	38.1	37.9	37.2	(0.7)	-1.8%	(1.2)	-3.1%
- Consumer Home Connectivity	108.4	108.2	109.5	109.3	110.4	1.1	1.0%	2.0	1.8%

RGS30 and ARPU based on previous classification:

Maxis Consumer and Enterprise	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						Δ	%	Δ	%
Total Mobile Subscriptions (incl. M2M) ('000)	10,323	10,377	10,486	10,773	10,755	(18)	-0.2%	432	4.2%
- Postpaid (incl. M2M)	4,513	4,573	4,684	4,778	4,861	83	1.7%	348	7.7%
- Prepaid	5,686	5,684	5,682	5,875	5,771	(104)	-1.8%	85	1.5%
- WBB*	124	120	120	120	123	3	2.5%	(1)	-0.8%
ARPU (RM/month)									
Blended ARPU (excl. M2M)	55.6	55.6	55.2	55.0	54.1	(0.9)	-1.6%	(1.5)	-2.7%
- Postpaid (excl. M2M)	78.7	78.5	77.5	77.1	75.6	(1.5)	-1.9%	(3.1)	-3.9%
- Prepaid	38.4	38.2	38.1	37.9	37.2	(0.7)	-1.8%	(1.2)	-3.1%



MARKET DEFINITION SUBSCRIPTION AND ARPU

	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						Δ	%	Δ	%
Mobile Subscriptions ('000)									
Total Mobile Subscriptions (incl. M2M)	11,920	11,879	12,135	12,636	12,558	(78)	-0.6%	638	5.4%
- Postpaid (incl. M2M)	4,663	4,721	4,825	4,922	5,033	111	2.3%	370	7.9%
- Prepaid	7,126	7,032	7,185	7,589	7,397	(192)	-2.5%	271	3.8%
- WBB*	131	126	125	125	128	3	2.4%	(3)	-2.3%
Home Connections ('000)	612	634	658	678	692	14	2.1%	80	13.1%
Biz Fibre Connections ('000)	39	39	40	41	41	-	0.0%	2	5.1%
ARPU (RM/month)									
Blended ARPU (excl. M2M)	46.9	47.0	46.7	45.8	44.7	(1.1)	-2.4%	(2.2)	-4.7%
- Postpaid (excl. M2M)	71.3	71.0	70.2	69.8	68.3	(1.5)	-2.1%	(3.0)	-4.2%
- Prepaid	30.7	30.8	30.7	29.6	28.7	(0.9)	-3.0%	(2.0)	-6.5%
Home Fibre	107.1	107.4	108.9	108.3	109.6	1.3	1.2%	2.5	2.3%



	1Q23	2Q23	3Q23	4Q23	1Q24	QoQ		YoY	
						Δ	%	Δ	%
Data Usage (GB/month)									
Blended	25.2	26.1	26.9	27.8	29.5	1.7	6.1%	4.3	17.1%
- Postpaid	27.5	28.4	29.5	30.4	32.0	1.6	5.3%	4.5	16.4%
- Prepaid	23.7	24.7	25.2	26.2	27.9	1.7	6.5%	4.2	17.7%

Thank You



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