

RANGKAIAN
KITA
RANGKAIAN MALAYSIA

2Q FY2023 Financial Results

Briefing on Wednesday 9th August 2023

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Financial Highlights

-  Revenue and earnings in line with 2023 guidance
 - 4.7% YTD growth in Consumer Business
 - 4.5% YTD growth in Enterprise Business
-  Emphasis on sustainable and predictable growth
-  Conservative cash management and Capex investment
-  Focused on operational and execution excellence to deliver results

Service Revenue

RM 2,113 m

0.0% QoQ | +1.4% YoY

EBIT

RM 568 m

+5.0% QoQ | -4.9% YoY

Profit After Tax

RM 329 m

+2.8% QoQ | +2.2% YoY

Capex

RM 166 m

Operating Free Cash Flow

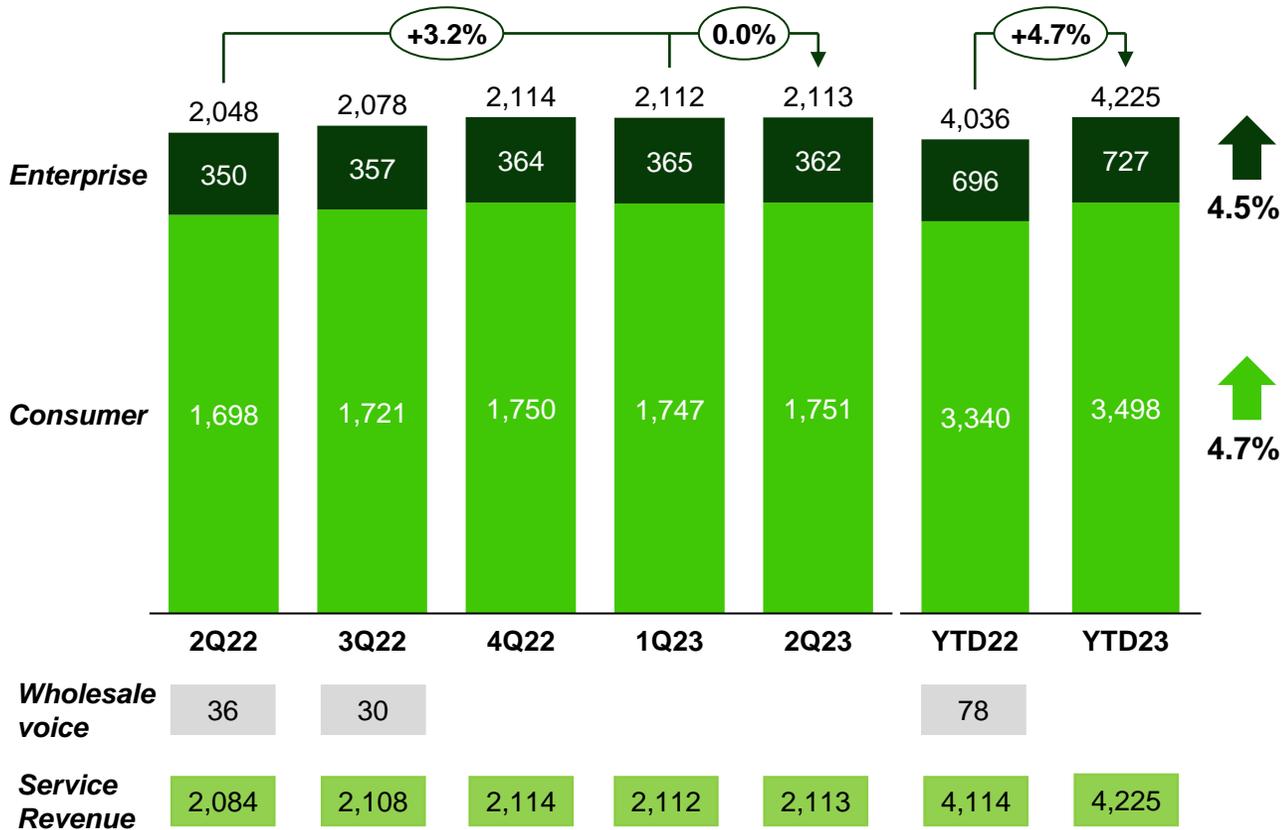
RM 950 m

Dividends

4 sen



Service Revenue (RM'm)



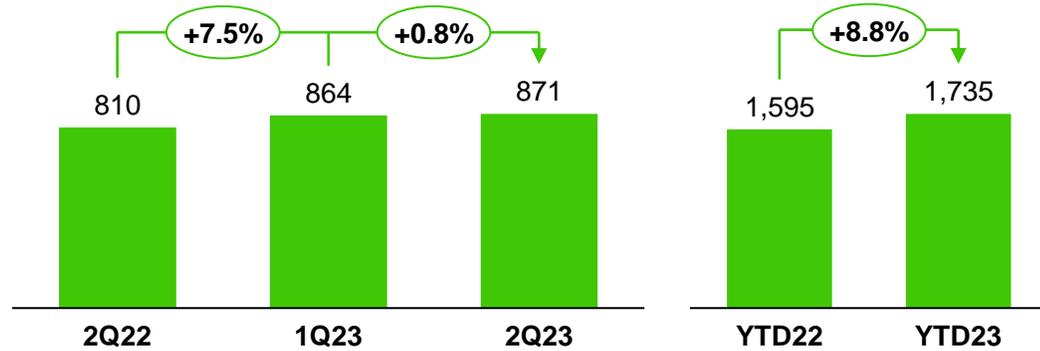
- Growth in both Consumer and Enterprise businesses
- Focus on core carriage business: fixed-mobile convergence key to sustainable, predictable growth



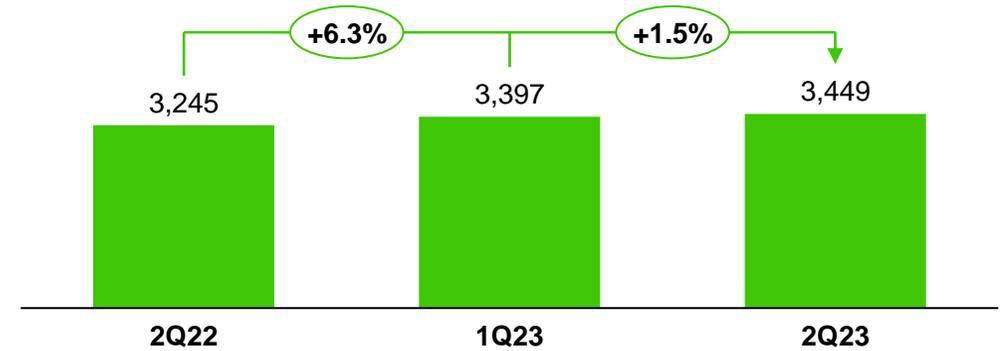
Note 1: Enterprise Revenue excludes wholesale voice



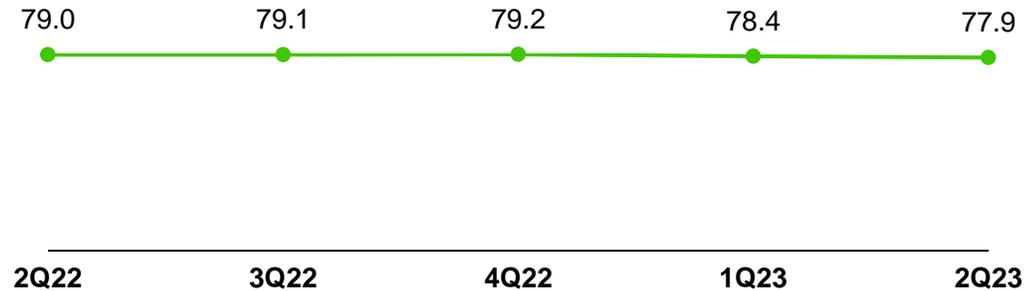
Consumer Postpaid Revenue (RM'm)



Consumer Postpaid RGS30 Subscription ('000)



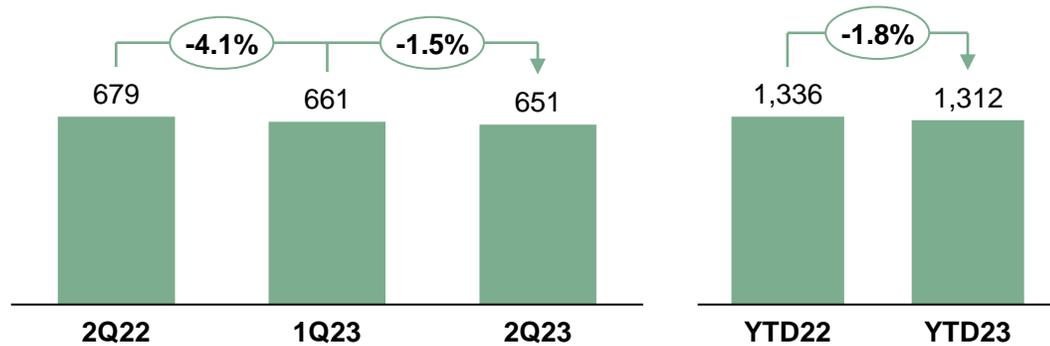
Consumer Postpaid ARPU (RM/month)



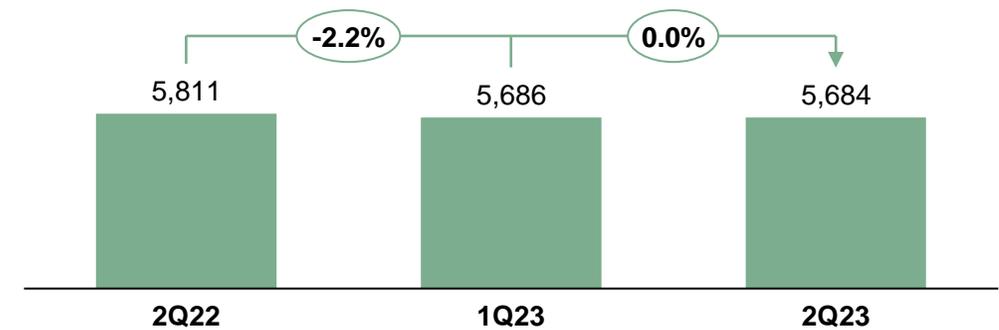
- Higher Postpaid revenue driven by:
 - Growth in contracted base for Maxis Postpaid,
 - Higher take-up of Hotlink Postpaid, as an affordable entry level Postpaid proposition
- Continuous promotion of pre-to-post migration:
 - Postpaid churn 3-6x lower than Prepaid
 - Postpaid ARPU 1.3-2x more than Prepaid



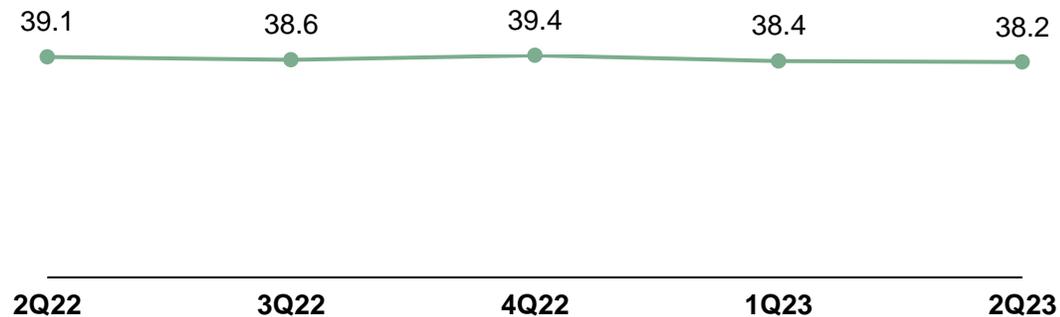
Consumer Prepaid Revenue
(RM'm)



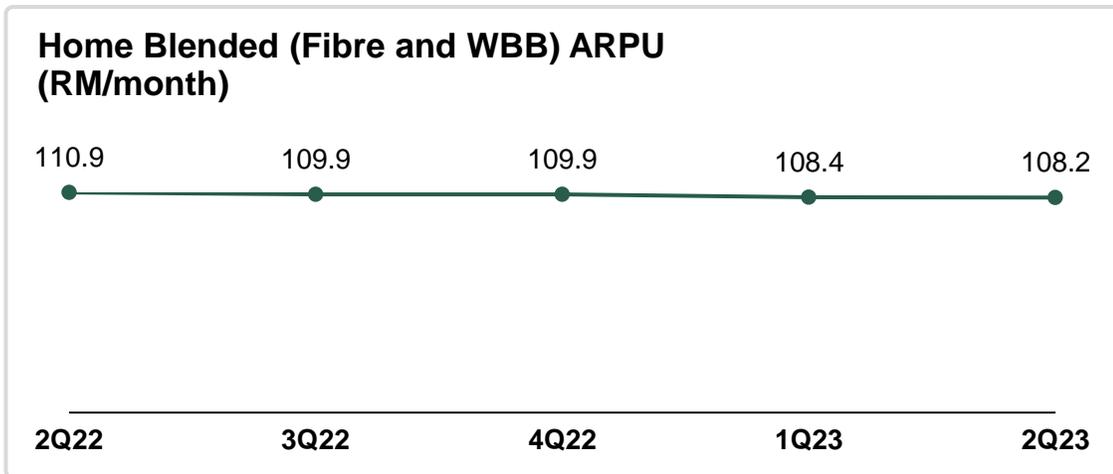
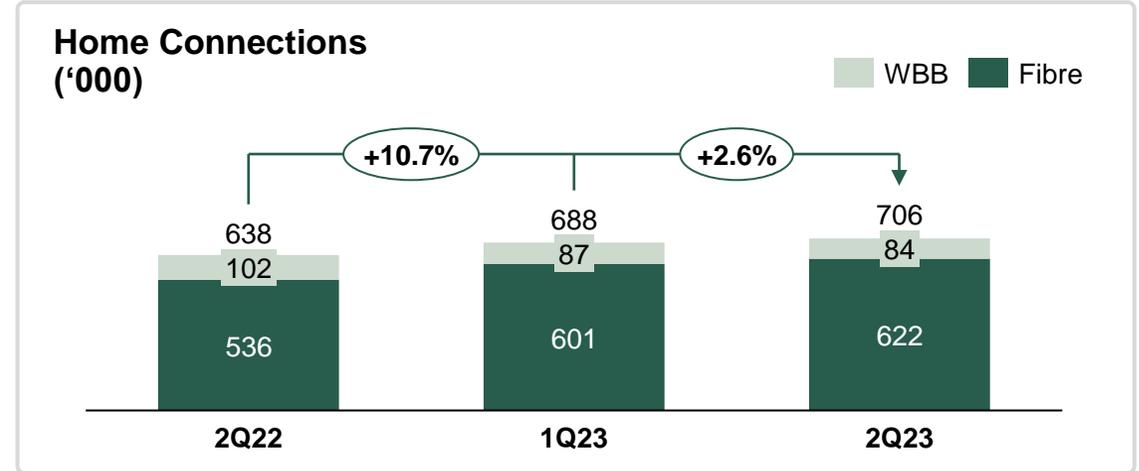
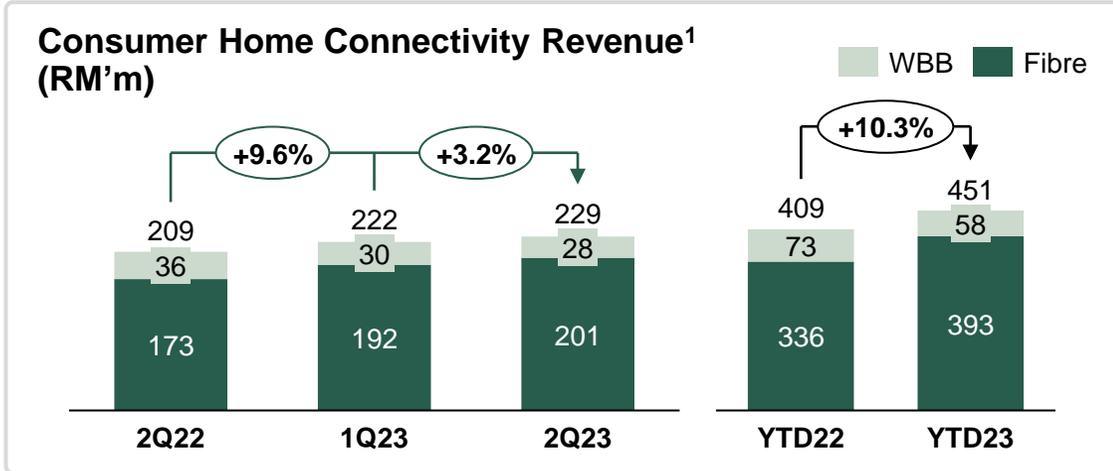
Consumer Prepaid RGS30 Subscription
('000)



Consumer Prepaid ARPU
(RM/month)



- Stable Prepaid subscriptions from continued adoption of Hotlink Prepaid plans, impacted by soft Prepaid market and streamlining products to focus on high-margin services
- Resilient ARPU management through HotlinkMU personalised promotions, with slight reduction due to interconnect rates



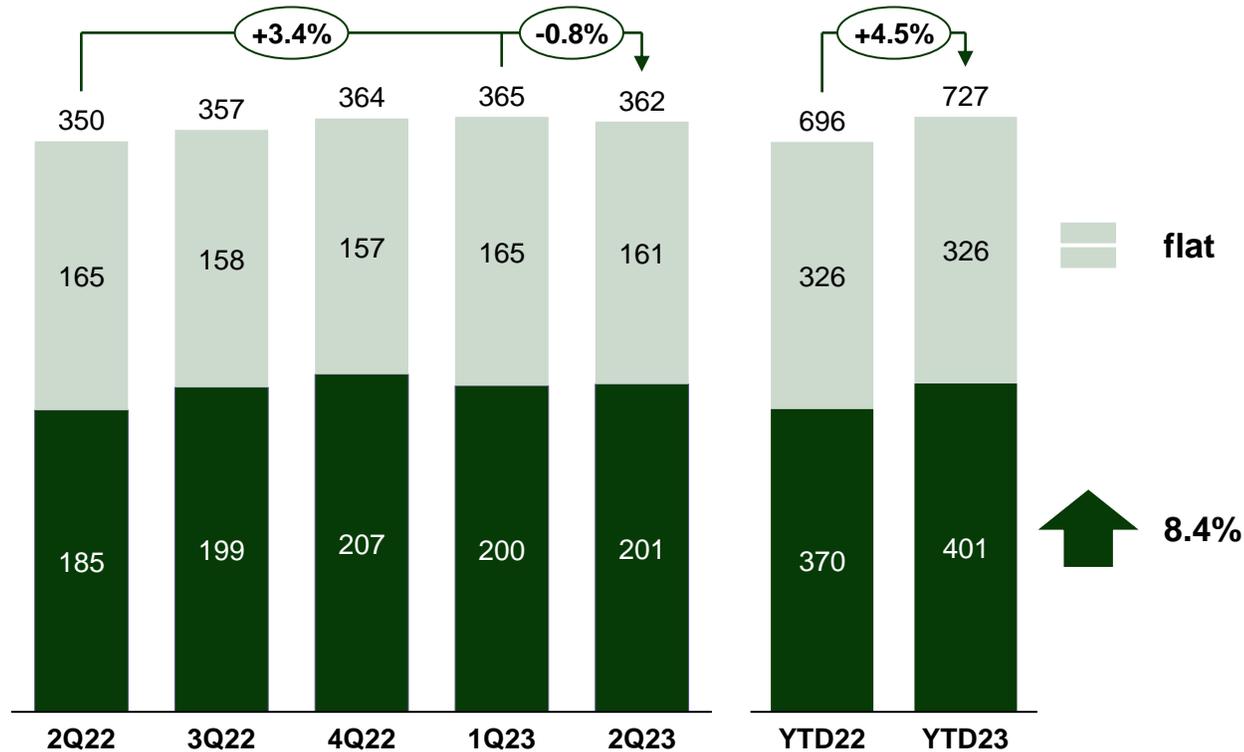
- Continued strong customer growth on the back of competitive converged service offerings
- Active conversion of WBB customers to fibre customers
- Focused on enhanced Max WiFi experience

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



Maxis Enterprise Service Revenue¹ (RM'm)

Fixed & Solutions Mobile



- Double down on Maxis' strength in core connectivity services
- Streamlining product catalogue to focus on high demand, recurring services



Maxis was chosen to be part of BH Petrol's wide-scale digitalisation exercise in transforming customer experience at retail stations

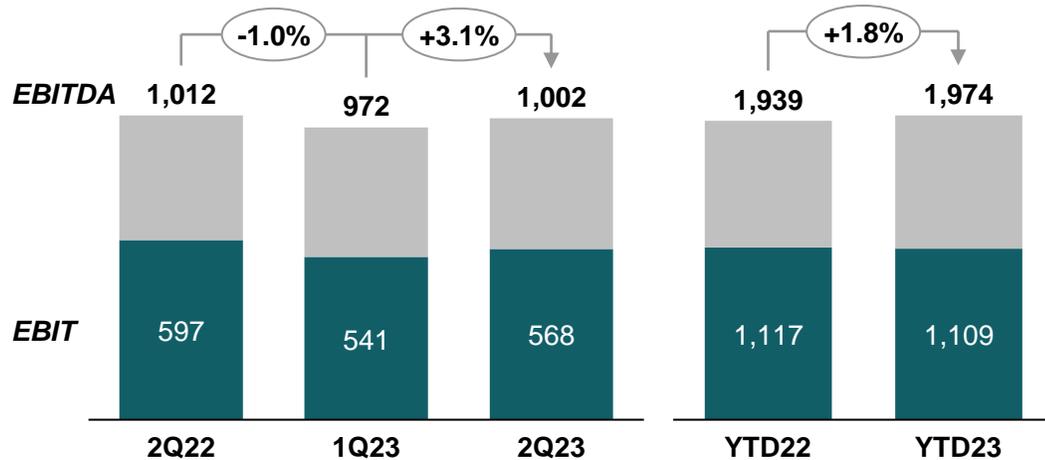


Maxis partnered with Johor Plantations Berhad in fully connecting its entire network of operations using Maxis' SD-WAN

Note 1: Enterprise Revenue excludes wholesale voice



EBIT / EBITDA (RM'm)

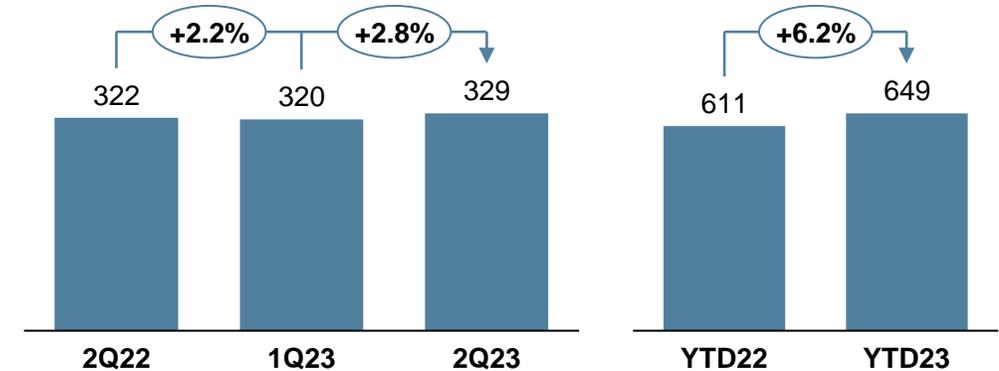
**2Q23 vs 1Q23**

- Higher EBIT/EBITDA, as lower device launches in Q2 2023 leads to lower device costs

2Q23 vs 2Q22, and YTD23 vs YTD22

- EBITDA resulted by lower USP income, following lower project fulfilment in 2023
- EBIT impacted by higher amortisation costs, due to spectrum awarded in 2022

Profit After Tax (RM'm)

**2Q23 vs 1Q23**

- Higher in line with higher EBIT

2Q23 vs 2Q22

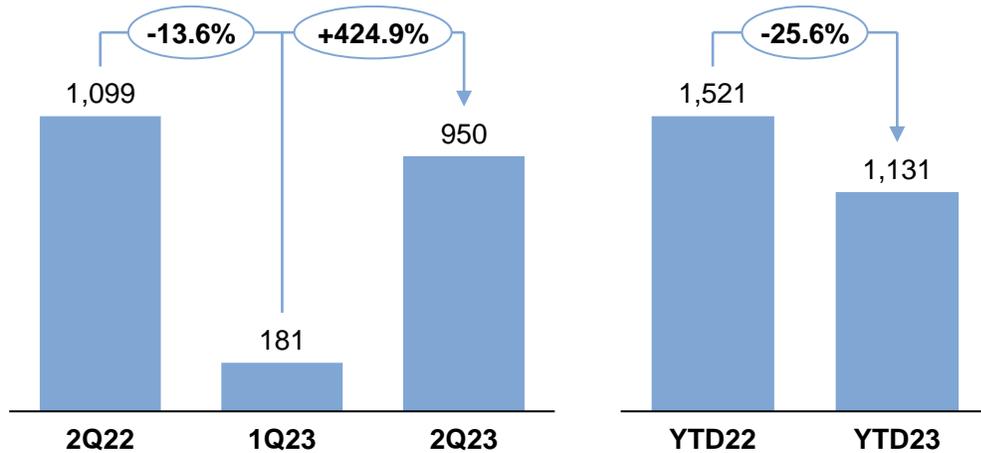
- Lower in line with lower EBIT, offset by the discontinuation of Prosperity Tax in 2023

YTD23 vs YTD22

- Higher PAT due to discontinuation of Prosperity Tax in 2023



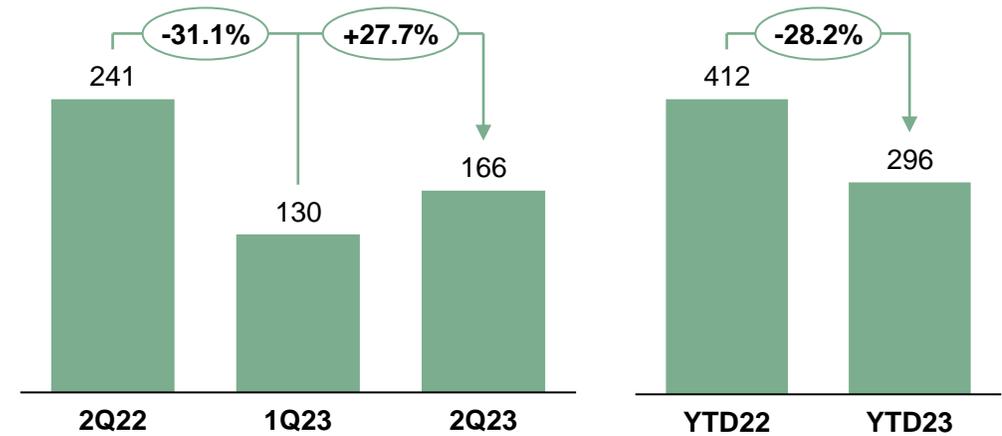
Operating Free Cash Flow (RM'm)



Stable cash balance of RM515m as at 2Q23

2Q23 Dividends: 4 Sen (total payout of RM313m)

Capex (RM'm)



- 2Q23 Capex spend in line with trend
- Prudent Capex investment as network capacity requirement stabilises
- Priority remains on maintaining network quality, and growth Capex



Guidance for FY23

Service
Revenue

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	2Q23	QoQ		YoY		YTD22	YTD23	YTD	
							RM mn	%	RM mn	%			RM mn	%
Revenue	2,406	2,424	2,405	2,554	2,526	2,470	(56)	-2.2%	46	1.9%	4,830	4,996	166	3.4%
Expenses	(1,479)	(1,412)	(1,401)	(1,568)	(1,554)	(1,468)	86	-5.5%	(56)	4.0%	(2,891)	(3,022)	(131)	4.5%
- Traffic, commissions & other direct costs	(480)	(507)	(512)	(497)	(482)	(482)	0	0.0%	25	-4.9%	(987)	(964)	23	-2.3%
- Device costs	(492)	(412)	(381)	(550)	(541)	(456)	85	-15.7%	(44)	10.7%	(904)	(997)	(93)	10.3%
- Spectrum licence fees	(66)	(67)	(63)	(63)	(61)	(62)	(1)	1.6%	5	-7.5%	(133)	(123)	10	-7.5%
- Network costs	(132)	(134)	(129)	(123)	(138)	(144)	(6)	4.3%	(10)	7.5%	(266)	(282)	(16)	6.0%
- Staff and resource costs	(210)	(194)	(193)	(216)	(200)	(202)	(2)	1.0%	(8)	4.1%	(404)	(402)	2	-0.5%
- Operation and maintenance costs	(87)	(96)	(102)	(109)	(106)	(94)	12	-11.3%	2	-2.1%	(183)	(200)	(17)	9.3%
- Marketing costs	(39)	(50)	(48)	(52)	(38)	(43)	(5)	13.2%	7	-14.0%	(89)	(81)	8	-9.0%
- Allowance for doubtful debts, net	(34)	(26)	(25)	(22)	(34)	(37)	(3)	8.8%	(11)	42.3%	(60)	(71)	(11)	18.3%
- Government grants & other income, net	61	74	52	64	46	52	6	13.0%	(22)	-29.7%	135	98	(37)	-27.4%
EBITDA	927	1,012	1,004	986	972	1,002	30	3.1%	(10)	-1.0%	1,939	1,974	35	1.8%
EBITDA Margin on Service Revenue	45.7%	48.6%	47.6%	46.6%	46.0%	47.4%		1.4ppt		-1.2ppt	47.1%	46.7%		-0.4ppt
Depreciation	(350)	(343)	(343)	(372)	(349)	(346)	3	-0.9%	(3)	0.9%	(693)	(695)	(2)	0.3%
Amortisation	(67)	(69)	(84)	(93)	(82)	(85)	(3)	3.7%	(16)	23.2%	(136)	(167)	(31)	22.8%
Others	10	(3)	(3)	(3)	0	(3)	(3)	->100%	0	0.0%	7	(3)	(10)	->100%
EBIT	520	597	574	518	541	568	27	5.0%	(29)	-4.9%	1,117	1,109	(8)	-0.7%
EBIT Margin on Service Revenue	25.6%	28.6%	27.2%	24.5%	25.6%	26.9%		1.3ppt		-1.7ppt	27.2%	26.2%		-1ppt
Finance Costs	(99)	(104)	(114)	(120)	(117)	(123)	(6)	5.1%	(19)	18.3%	(203)	(240)	(37)	18.2%
Finance Income	8	5	8	9	5	8	3	60.0%	3	60.0%	13	13	0	0.0%
PBT	429	498	468	407	429	453	24	5.6%	(45)	-9.0%	927	882	(45)	-4.9%
Tax	(140)	(176)	(160)	(175)	(109)	(124)	(15)	13.8%	52	-29.5%	(316)	(233)	83	-26.3%
PAT	289	322	308	232	320	329	9	2.8%	7	2.2%	611	649	38	6.2%
Capex	171	241	272	430	130	166	36	27.7%	(75)	-31.1%	412	296	(116)	-28.2%
Dividend per share (sen)	5	5	5	5	4	4					10	8		

¹ FY22 includes a one-off Prosperity Tax charged to Tax expense and Profit After Tax

² FY22 'Traffic, commissions & other direct costs' were adjusted, please refer to the Bursa financial statement (pg 8) for more details



CASH FLOW STATEMENT

(RM mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ		YoY		YTD22	YTD23	YTD	
							RM mn	%	RM mn	%			RM mn	%
Cash flow from operating activities	422	1,099	812	970	181	950	769	+>100%	(149)	-13.6%	1,521	1,131	(390)	-25.6%
Cash flow used in investing activities	(344)	(218)	(350)	(384)	(186)	(202)	(16)	8.6%	16	-7.3%	(562)	(388)	174	-31.0%
- Purchase of PPE and intangible assets	(299)	(355)	(529)	(537)	(210)	(262)	(52)	24.8%	93	-26.2%	(654)	(472)	182	-27.8%
- Government grant related to the purchase of assets	62	137	180	156	32	64	32	100.0%	(73)	-53.3%	199	96	(103)	-51.8%
- Consideration paid for business combinations	(107)	(1)	0	(3)	(8)	(5)	3	-37.5%	(4)	+>100%	(108)	(13)	95	-88.0%
- Proceeds from disposal of PPE	0	1	(1)	0	0	1	1	+>100%	0	0.0%	1	1	0	0.0%
Cash flow before financing activities	78	881	462	586	(5)	748	753	+>100%	(133)	-15.1%	959	743	(216)	-22.5%
Cash flow used in financing activities	(738)	(559)	(173)	(1,100)	(283)	(573)	(290)	+>100%	(14)	2.5%	(1,297)	(856)	441	-34.0%
- Dividends paid	(391)	(391)	(392)	(392)	(392)	(313)	79	-20.2%	78	-19.9%	(782)	(705)	77	-9.8%
- Debt drawdown	1,100	0	400	0	500	900	400	80.0%	900	+>100%	1,100	1,400	300	27.3%
- Debt repayment	(1,250)	0	0	(500)	(200)	(975)	(775)	+>100%	(975)	->100%	(1,250)	(1,175)	75	-6.0%
- Payment of finance costs	(99)	(101)	(104)	(124)	(114)	(109)	5	-4.4%	(8)	7.9%	(200)	(223)	(23)	11.5%
- Shares acquired pursuant to incentive arrangement	0	0	(7)	0	0	0	0	0.0%	0	0.0%	0	0	0	0.0%
- Others	(98)	(67)	(70)	(84)	(78)	(75)	3	-3.8%	(8)	11.9%	(165)	(153)	12	-7.3%
Net change in cash & cash equivalents	(660)	322	289	(514)	(288)	175	463	->100%	(147)	-45.7%	(338)	(113)	225	-66.6%
Opening cash & cash equivalents	1,164	504	826	1,115	601	313	(288)	-47.9%	(191)	-37.9%	1,164	601	(563)	-48.4%
Closing cash & cash equivalents*	504	826	1,115	601	313	488	175	55.9%	(338)	-40.9%	826	488	(338)	-40.9%

* 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)	4Q22	1Q23	2Q23	QoQ	
				RM mn	%
Debt¹	9,865	10,157	10,056	(101)	-1.0%
Deposits, cash & bank balances²	628	340	515	175	51.5%
Net debt	9,237	9,817	9,541	(276)	-2.8%
Total equity attributable to equity owner of the Company	6,089	6,017	6,034	17	0.3%

	4Q22	1Q23	2Q23
Net debt to EBITDA³ (x)	2.35	2.47	2.41
Net debt to Equity (x)	1.52	1.63	1.58

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

Note 4: Total equity attributable to equity owner were adjusted in FY22, please refer to the Bursa financial statement (pg 8) for more details



REVENUE COMPOSITION

(RM mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ		YoY		YTD22	YTD23	YTD	
							RM mn	%	RM mn	%			RM mn	%
Total Revenue	2,406	2,424	2,405	2,554	2,526	2,470	(56)	-2.2%	46	1.9%	4,830	4,996	166	3.4%
Service Revenue	2,030	2,084	2,108	2,114	2,112	2,113	1	0.0%	29	1.4%	4,114	4,225	111	2.7%
Consumer converged revenue	1,642	1,698	1,721	1,750	1,747	1,751	4	0.2%	53	3.1%	3,340	3,498	158	4.7%
- Postpaid	785	810	830	850	864	871	7	0.8%	61	7.5%	1,595	1,735	140	8.8%
- Prepaid	657	679	676	681	661	651	(10)	-1.5%	(28)	-4.1%	1,336	1,312	(24)	-1.8%
- Fibre	163	173	180	187	192	201	9	4.7%	28	16.2%	336	393	57	17.0%
- WBB	37	36	35	32	30	28	(2)	-6.7%	(8)	-22.2%	73	58	(15)	-20.5%
Enterprise converged revenue	346	350	357	364	365	362	(3)	-0.8%	12	3.4%	696	727	31	4.5%
- Mobile	185	185	199	207	200	201	1	0.5%	16	8.6%	370	401	31	8.4%
- Fixed & Solutions	161	165	158	157	165	161	(4)	-2.4%	(4)	-2.4%	326	326	0	0.0%
Wholesale voice	42	36	30	0	0	0	0	0.0%	(36)	-100.0%	78	0	(78)	-100.0%
Non Service Revenue	376	340	297	440	414	357	(57)	-13.8%	17	5.0%	716	771	55	7.7%
- Device	376	340	297	440	414	357	(57)	-13.8%	17	5.0%	716	771	55	7.7%

Revenue composition based on previous classification:

(RM mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ		YoY		YTD22	YTD23	YTD	
							RM mn	%	RM mn	%			RM mn	%
Service Revenue	2,030	2,084	2,108	2,114	2,112	2,113	1	0.0%	29	1.4%	4,114	4,225	111	2.7%
Mobile	1,698	1,748	1,768	1,793	1,784	1,779	(5)	-0.3%	31	1.8%	3,446	3,563	117	3.4%
- Postpaid	1,041	1,069	1,092	1,112	1,123	1,128	5	0.4%	59	5.5%	2,110	2,251	141	6.7%
- Prepaid	657	679	676	681	661	651	(10)	-1.5%	(28)	-4.1%	1,336	1,312	(24)	-1.8%
Enterprise Services	141	135	131	103	106	106	0	0.0%	(29)	-21.5%	276	212	(64)	-23.2%
Home Fibre	166	177	184	191	196	205	9	4.6%	28	15.8%	343	401	58	16.9%
Network Income	25	24	25	27	26	23	(3)	-11.5%	(1)	-4.2%	49	49	0	0.0%



RGS30 AND ARPU

Maxis Consumer	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ		YoY	
							Δ	%	Δ	%
Total Consumer Subscriptions ('000)	9,522	9,694	9,751	9,797	9,771	9,839	68	0.7%	145	1.5%
- Consumer Postpaid	3,189	3,245	3,271	3,343	3,397	3,449	52	1.5%	204	6.3%
- Consumer Prepaid	5,718	5,811	5,828	5,785	5,686	5,684	(2)	0.0%	(127)	-2.2%
- Consumer Fibre	512	536	555	577	601	622	21	3.5%	86	16.0%
- Consumer WBB	103	102	97	92	87	84	(3)	-3.4%	(18)	-17.6%
Consumer ARPU (RM/month)										
- Consumer Postpaid	78.0	79.0	79.1	79.2	78.4	77.9	(0.5)	-0.6%	(1.1)	-1.4%
- Consumer Prepaid	37.7	39.1	38.6	39.4	38.4	38.2	(0.2)	-0.5%	(0.9)	-2.3%
- Consumer Home Connectivity	110.7	110.9	109.9	109.9	108.4	108.2	(0.2)	-0.2%	(2.7)	-2.4%

RGS30 and ARPU based on previous classification:

Maxis Consumer and Enterprise	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ		YoY	
							Δ	%	Δ	%
Total Mobile Subscriptions (incl. M2M) ('000)	10,138	10,296	10,376	10,356	10,323	10,377	54	0.5%	81	0.8%
- Postpaid (incl. M2M)	4,213	4,279	4,348	4,436	4,513	4,573	60	1.3%	294	6.9%
- Prepaid	5,718	5,811	5,828	5,785	5,686	5,684	(2)	0.0%	(127)	-2.2%
- WBB*	207	206	200	135	124	120	(4)	-3.2%	(86)	-41.7%
ARPU (RM/month)										
Blended ARPU (excl. M2M)	54.3	55.6	55.5	56.4	55.6	55.6	0.0	0.0%	0.0	0.0%
- Postpaid (excl. M2M)	78.1	79.1	79.7	80.0	78.7	78.5	(0.2)	-0.3%	(0.6)	-0.8%
- Prepaid	37.7	39.1	38.6	39.4	38.4	38.3	(0.1)	-0.3%	(0.8)	-2.0%



MARKET DEFINITION SUBSCRIPTION AND ARPU

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ		YoY	
							Δ	%	Δ	%
Mobile Subscriptions ('000)										
Total Mobile Subscriptions (incl. M2M)	11,640	11,767	11,877	11,879	11,920	11,879	(41)	-0.3%	112	1.0%
- Postpaid (incl. M2M)	4,324	4,398	4,478	4,591	4,663	4,721	58	1.2%	323	7.3%
- Prepaid	7,092	7,149	7,188	7,147	7,126	7,032	(94)	-1.3%	(117)	-1.6%
- WBB*	224	220	211	141	131	126	(5)	-3.8%	(94)	-42.7%
Home Connections ('000)	520	545	564	587	612	634	22	3.6%	89	16.3%
Biz Fibre Connections ('000)	40	41	41	40	39	39	0	0.0%	(2)	-4.9%
ARPU (RM/month)										
Blended ARPU (excl. M2M)	46.2	47.7	47.3	47.8	46.9	47.0	0.1	0.2%	(0.7)	-1.5%
- Postpaid (excl. M2M)	72.5	72.7	72.8	72.7	71.3	71.0	(0.3)	-0.4%	(1.7)	-2.3%
- Prepaid	30.2	31.8	31.3	31.8	30.7	30.8	0.1	0.3%	(1.0)	-3.1%
Home Fibre	107.8	108.3	108.0	108.5	107.1	107.4	0.3	0.3%	(0.9)	-0.8%



	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	QoQ		YoY	
							Δ	%	Δ	%
Data Usage (GB/month)										
Blended	24.9	24.9	26.3	26.6	25.2	26.1	0.9	3.6%	1.2	4.8%
- Postpaid	28.2	27.9	29.1	29.3	27.5	28.4	0.9	3.3%	0.5	1.8%
- Prepaid	22.9	23.2	24.6	24.9	23.7	24.7	1.0	4.2%	1.5	6.5%

Thank You



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