



4Q2019 Financial Results

Results Briefing – Thursday 20th February

2019-2023 VISION

Strong momentum to
deliver transformation targets

Vision

The Leading Converged
Solutions Company

Target

Service Revenue
(2023)

RM 10 bn+

Productivity
(3 years)

~ RM 1 bn

Incremental
Investment
(3 years)

~ RM 1 bn

Strategy

M

**Maxis For All Individuals,
Homes and Businesses**

- Win in consumer mobile
- Become the no. 1 convergence player
- Grow Enterprise exponentially

A

**Achieve Differentiated
and Digital “Unmatched
Personalised Experience”**

- Expand customer touch points
- Maintain network and technology leadership
- Leverage digitalization to enhance capabilities

X

**MaXis Way: World Class
Effective and Efficient
Organisation**

- Evolve the organisation with the right culture, talent & capabilities
- Fuel4Growth: productivity & working capital initiatives
- Strengthen Maxis’ position as a highly reputable corporate citizen

FY19 OVERVIEW

Exceeded expectation,
EBITDA above guidance

01

Exceeded expectation

- EBITDA above guidance with low-single digit decline
- Growth capex on track
- Strong OFCF higher than 2018
- Maintained 20 sen dividend

02

Mobile leadership maintained

- Strong 14.7% growth in postpaid subscribers, adds of 432k YoY
- Successful ongoing pre-to-post migration
- Stable post & prepaid ARPU

03

Strong convergence momentum

- Strong 48% growth in fibre subscribers, adds of 120k YoY
- Enterprise team 350+ and extensive solution offerings now in place
- 5G trials and strategic partnerships with Huawei & Celcom



FY19 FINANCIAL HIGHLIGHTS

Core operating performance solid,
better than expectation



FY19 PERFORMANCE HIGHLIGHTS

Competitive position
towards convergence strengthened

Postpaid Subscribers²

Strong subscriber growth

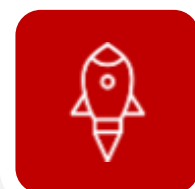
3.4mn, +14.7% YoY



Prepaid Subscribers

Market consolidation

6.2mn, -6.0% YoY



TP-NPS¹

Continued high
customer satisfaction

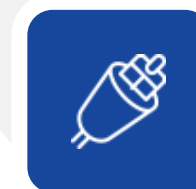
+56



Fibre Subscribers

Strong 120k net adds growth

369k, +48% YoY



Data Usage³

Stable 4G Data Usage

**13.9GB average,
+45% YoY**



Note 1: TP-NPS: Touch point net promoter score

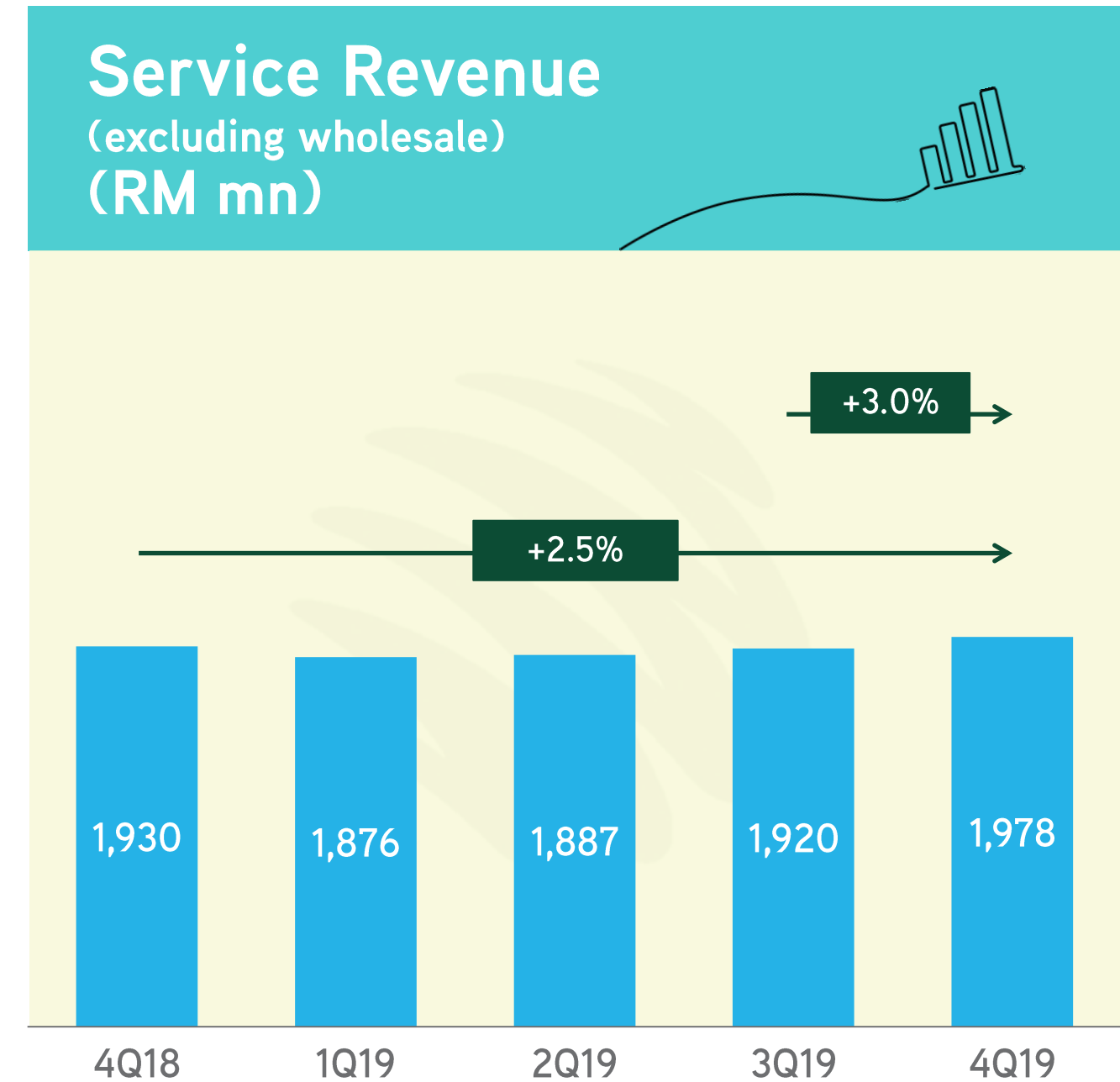
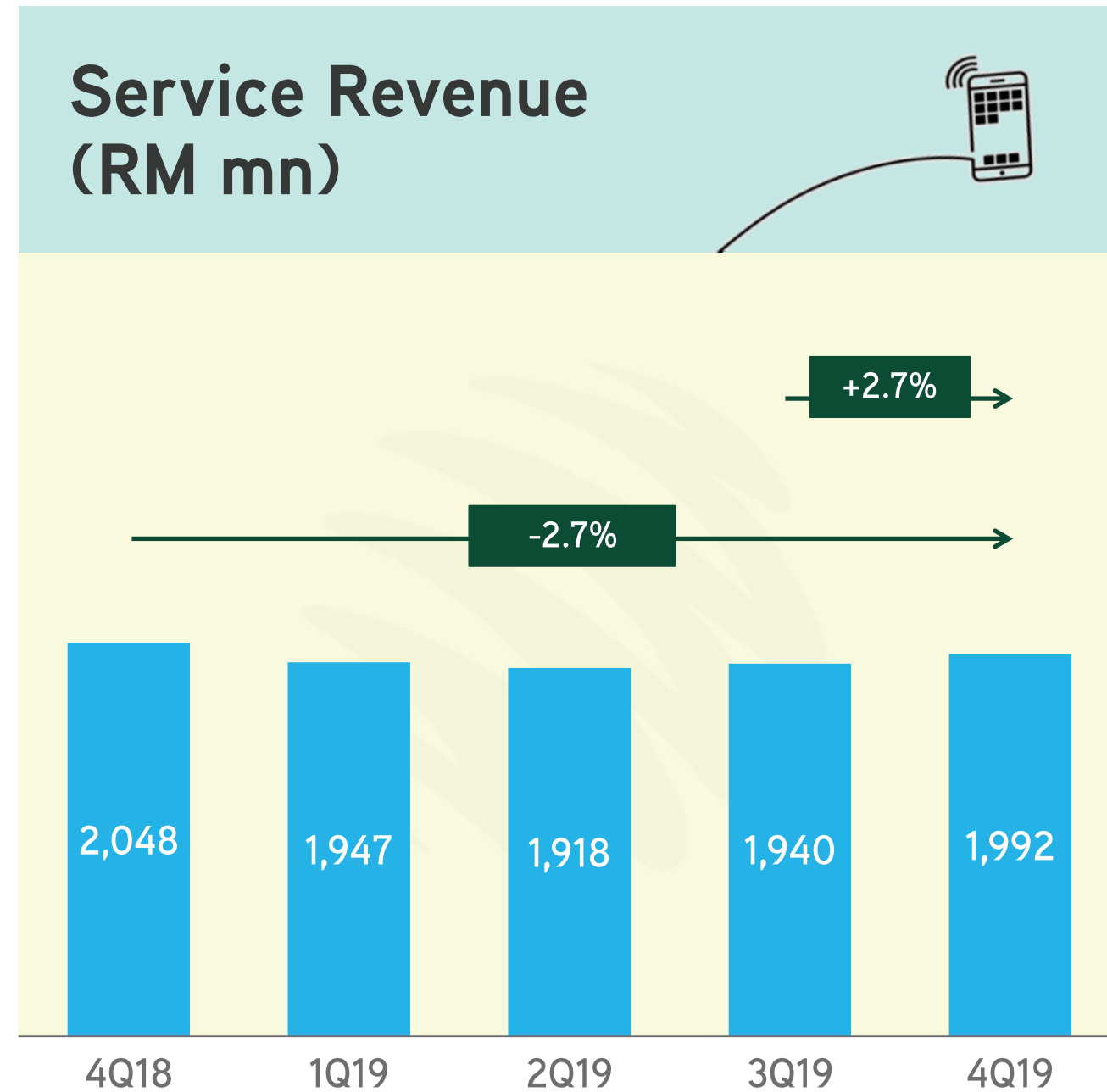
Note 2: excludes M2M

Note 3: Prepaid and Postpaid



4Q19 SERVICE REVENUE

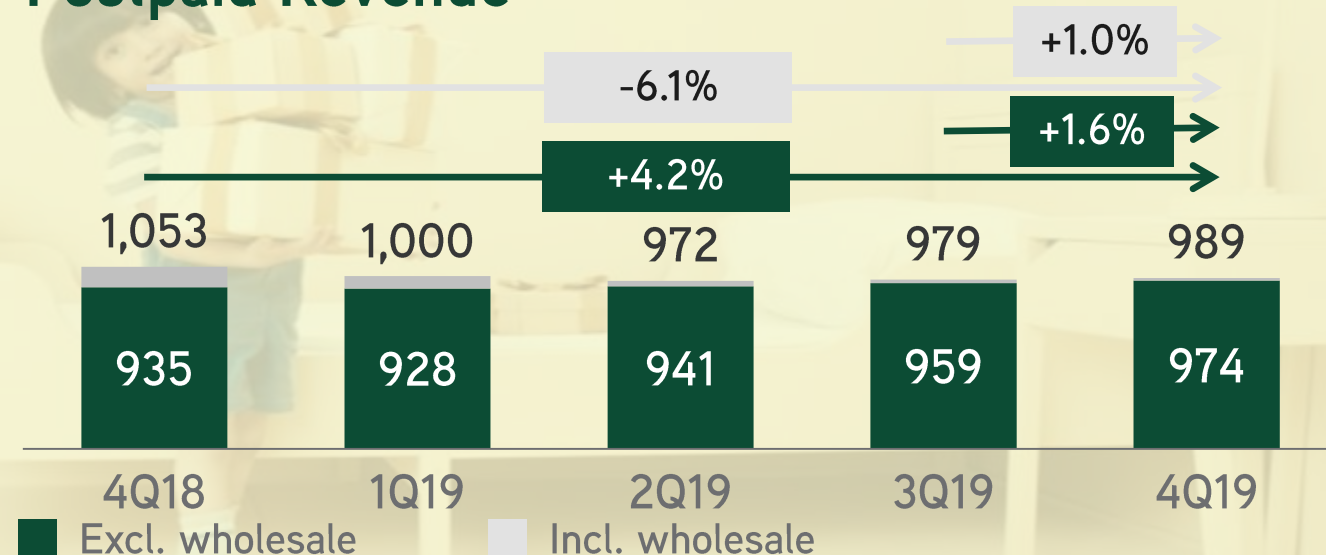
Underlying service revenue robust,
positive QoQ and YoY growth



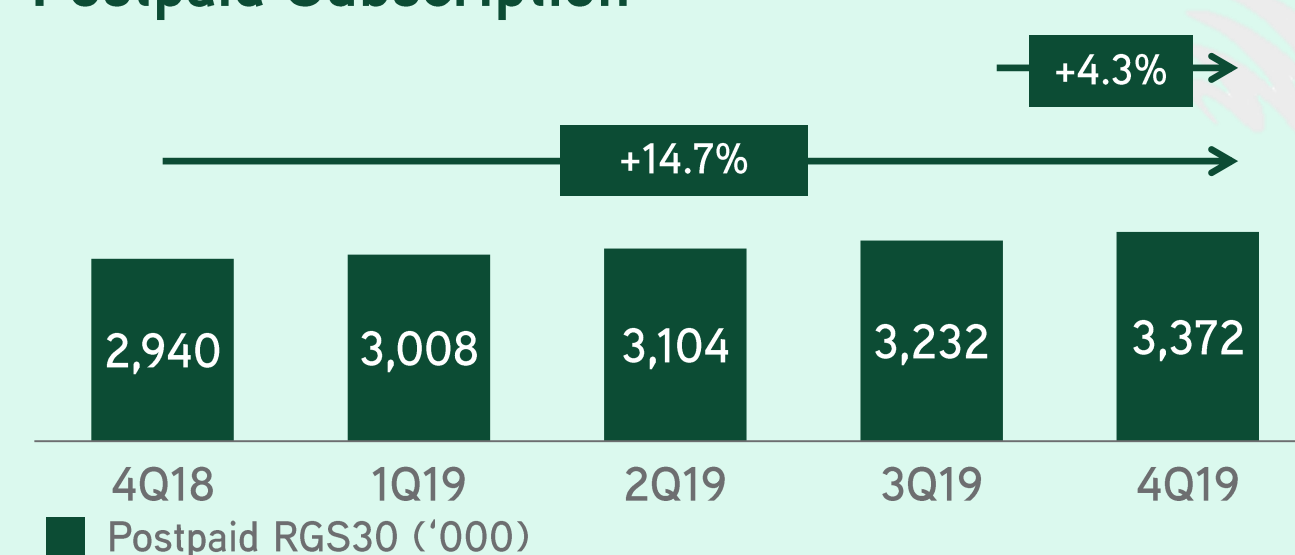
4Q19 POSTPAID

Continued strong positive growth in subscribers living the digital lifestyle

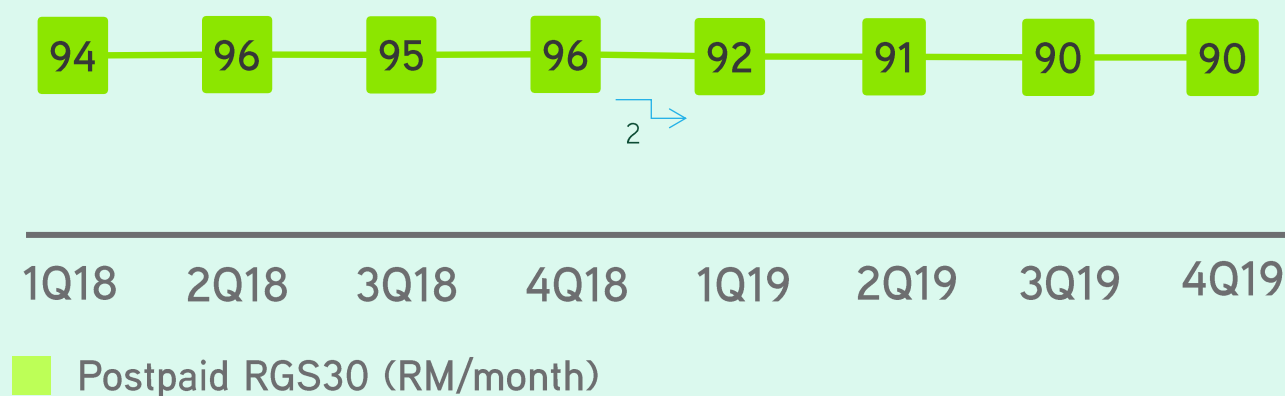
Postpaid Revenue



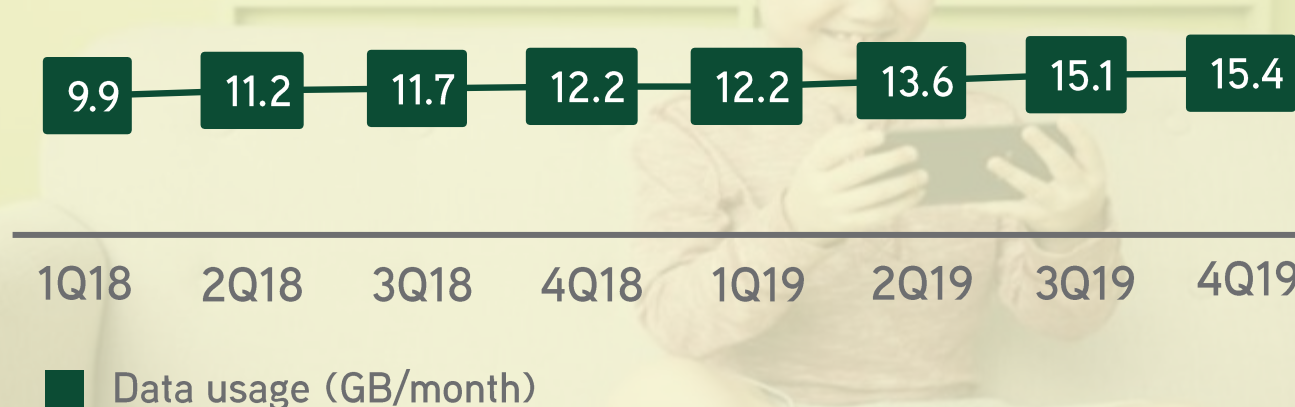
Postpaid Subscription¹



ARPU²



Data usage



Note 1: excludes M2M

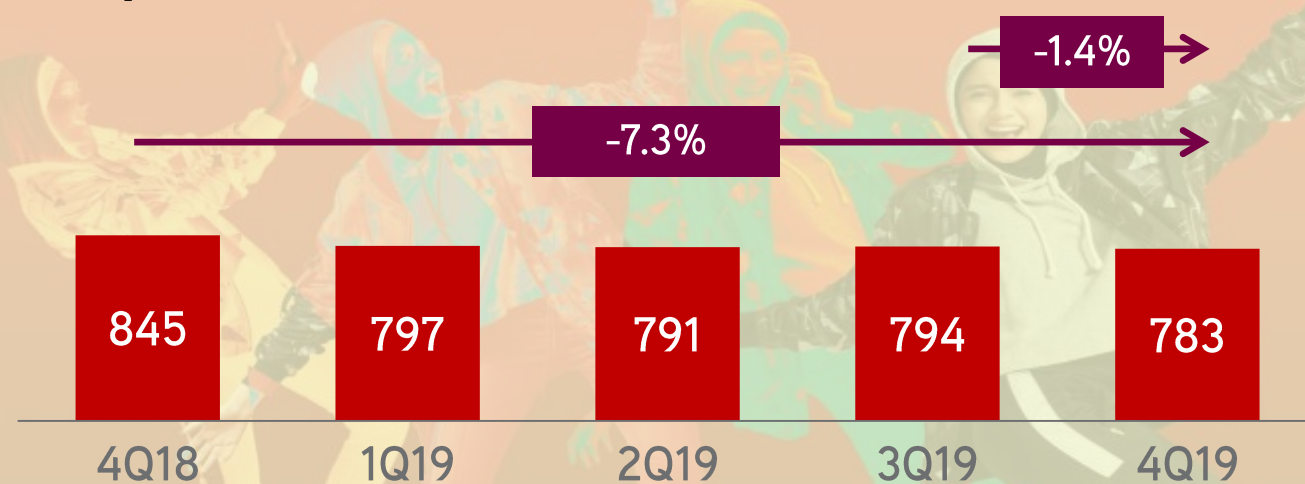
Note 2: ARPU changed due to Mobile Termination Rate drop



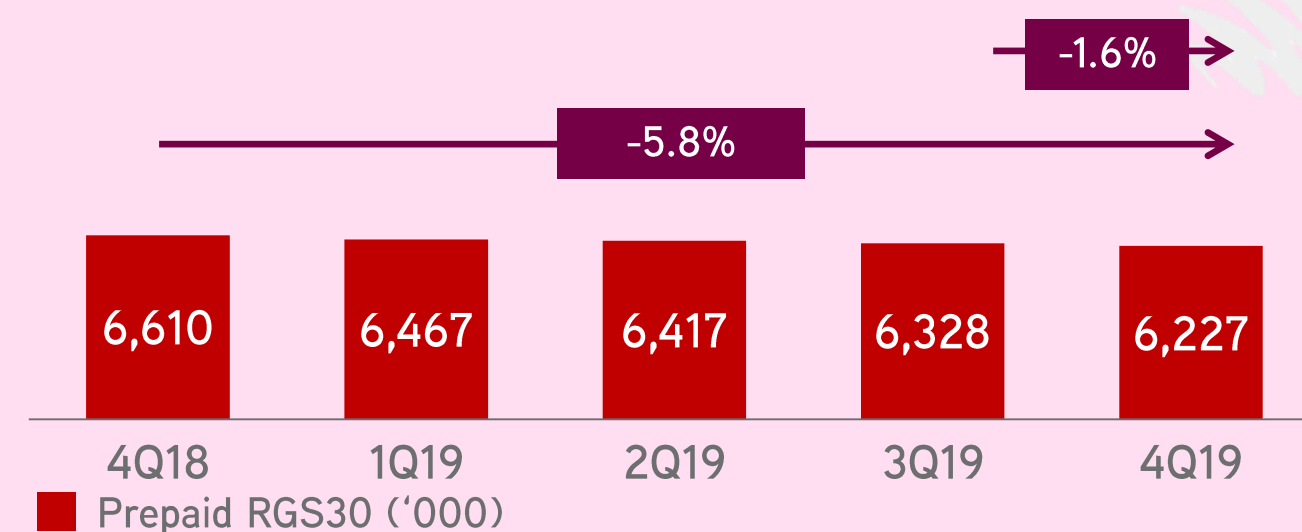
4Q19 PREPAID

Stable ARPU,
despite pre-to-post subscriber migration

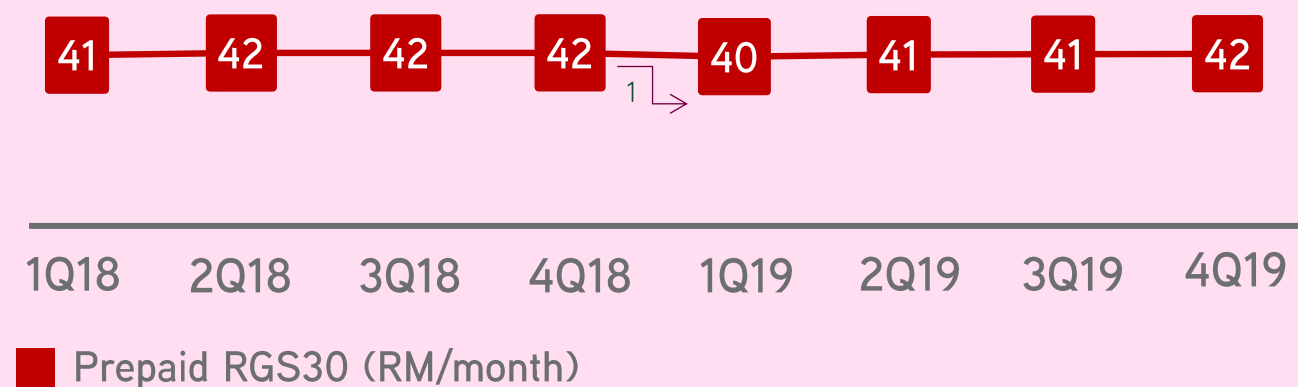
Prepaid Revenue



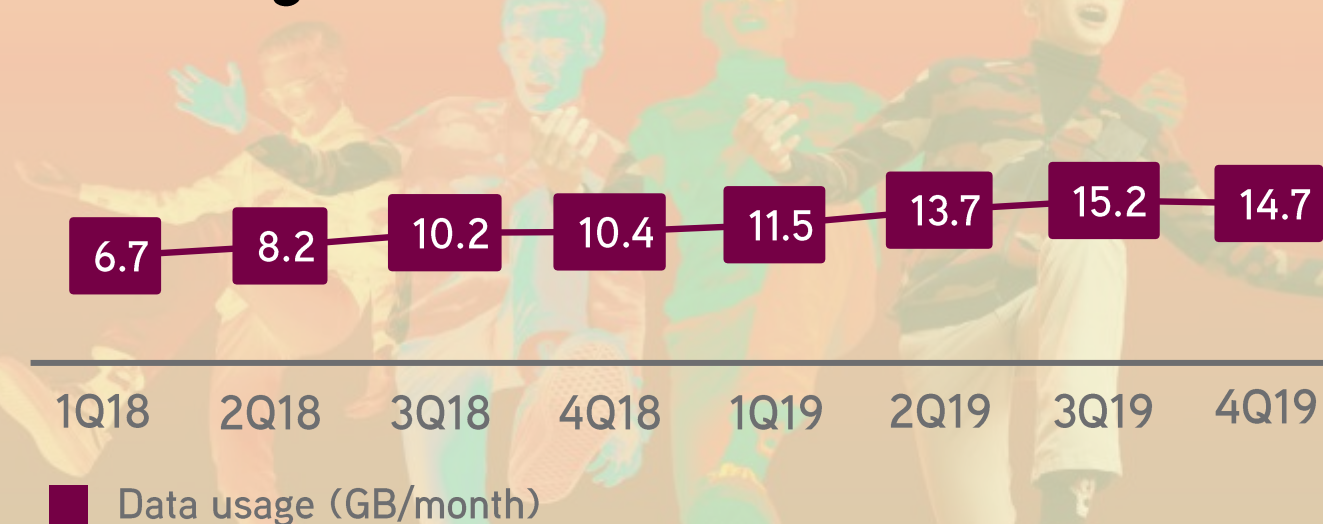
Prepaid Subscriptions



ARPU



Data usage



4Q19 FIBRE

Strong momentum in fibre and adoption of converged solutions



Maintaining strong momentum in fibre

- Strong adoption of MaxisONE Prime packages
- Continued take-up of Superfast fibre packages (300, 500 & 800Mbps)
- ARPU up QoQ supported by faster packages

Fibre Connections

369k

QoQ Net Adds

+25k

Home-fibre Revenue*

104 mn

QoQ Revenue*

+9.5%

Home-fibre ARPU*

109

QoQ ARPU*

+0.9%



4Q19 ENTERPRISE

Phase 2: Mobilising to executing amplification

Strategic Partnerships

Global Partnerships



- Continuous engagement in looking at the potential of offering more Cisco solutions
- ~25 employees trained and certified



- Over 60 employees with AWS Professional accreditations
- Top 3 partner with largest pool of accredited + certified employees

+ More to come

Solutions

Product Traction

- Significant wins/strides made around Fixed Services (i.e. SD-WAN)

Smart Solutions



- First SmartAgri solution in collaboration with MARDI to drive a tech enabled agriculture ecosystem

E-Commerce Solutions



- Won 4 awards at Asia eCommerce Awards 2019 in Singapore for e-commerce campaigns

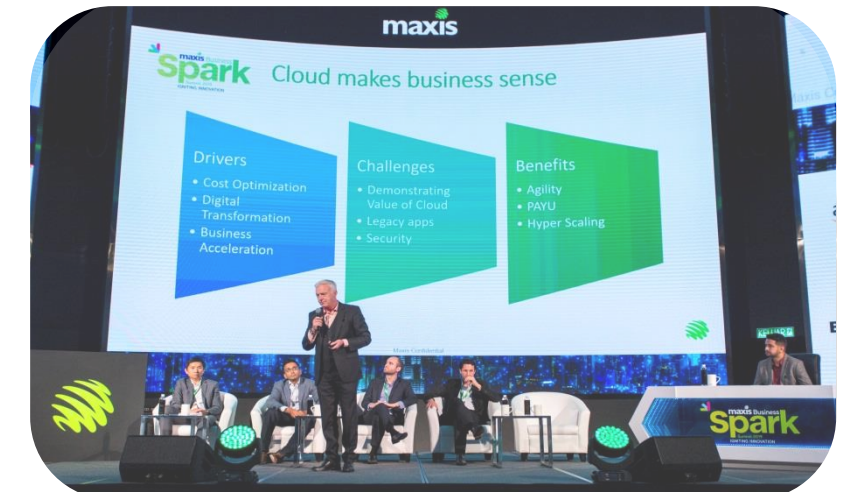
Capabilities & Capacity

Internal Capabilities

- Improved Sales Operating Model
- Enterprise Business Transformation
- Focused on sales machinery across Corporate, Government and SME

Championing digital transformation initiatives

- Maxis Business SPARK Summit
 - Brought together 650+ attendees across Corporate, Government, large SMEs and industry partners including AWS, Cisco, Huawei, IBM and Microsoft



**Solutions offering
gaining traction**

4Q19 CAPEX

Continued capex investments to support 4G LTE network, fibre and Enterprise solutions

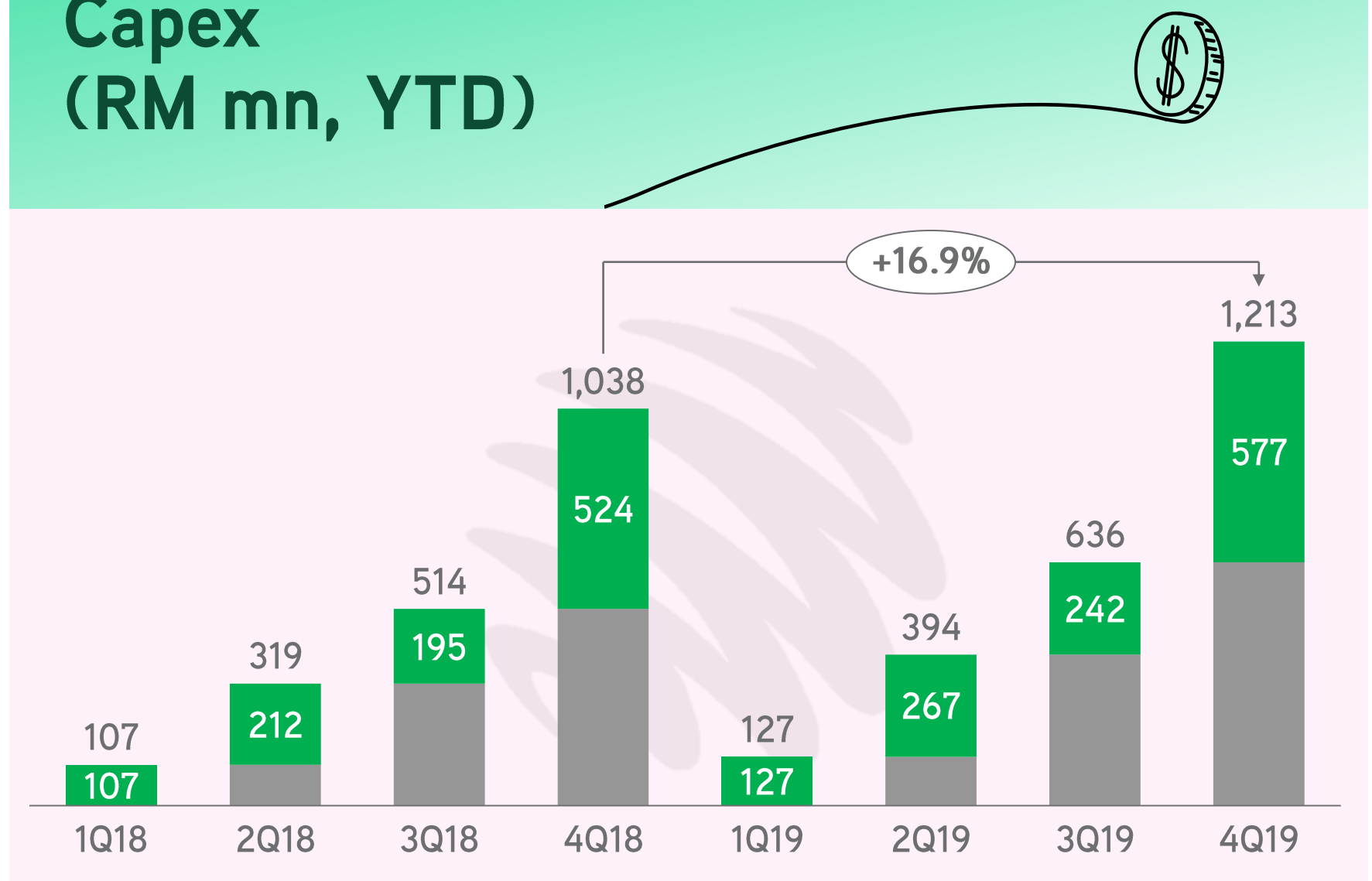
Future proofing for Enterprise solutions

- Incremental Enterprise capex, driven by corporate deals
- Improving redundancy of fibre network for better 4G LTE capacity, quality and solutions and 5G readiness
- Normal seasonal 4Q capex larger than prior quarters

5G pilots & trials

- Successful 5G trials including close to 3Gbps download speeds and Malaysia's first 5G AR experience with marine life
- Memorandum of Understanding signed with Celcom to explore Malaysia's first active 5G RAN sharing
- Ongoing 5G supplier partnership with Huawei

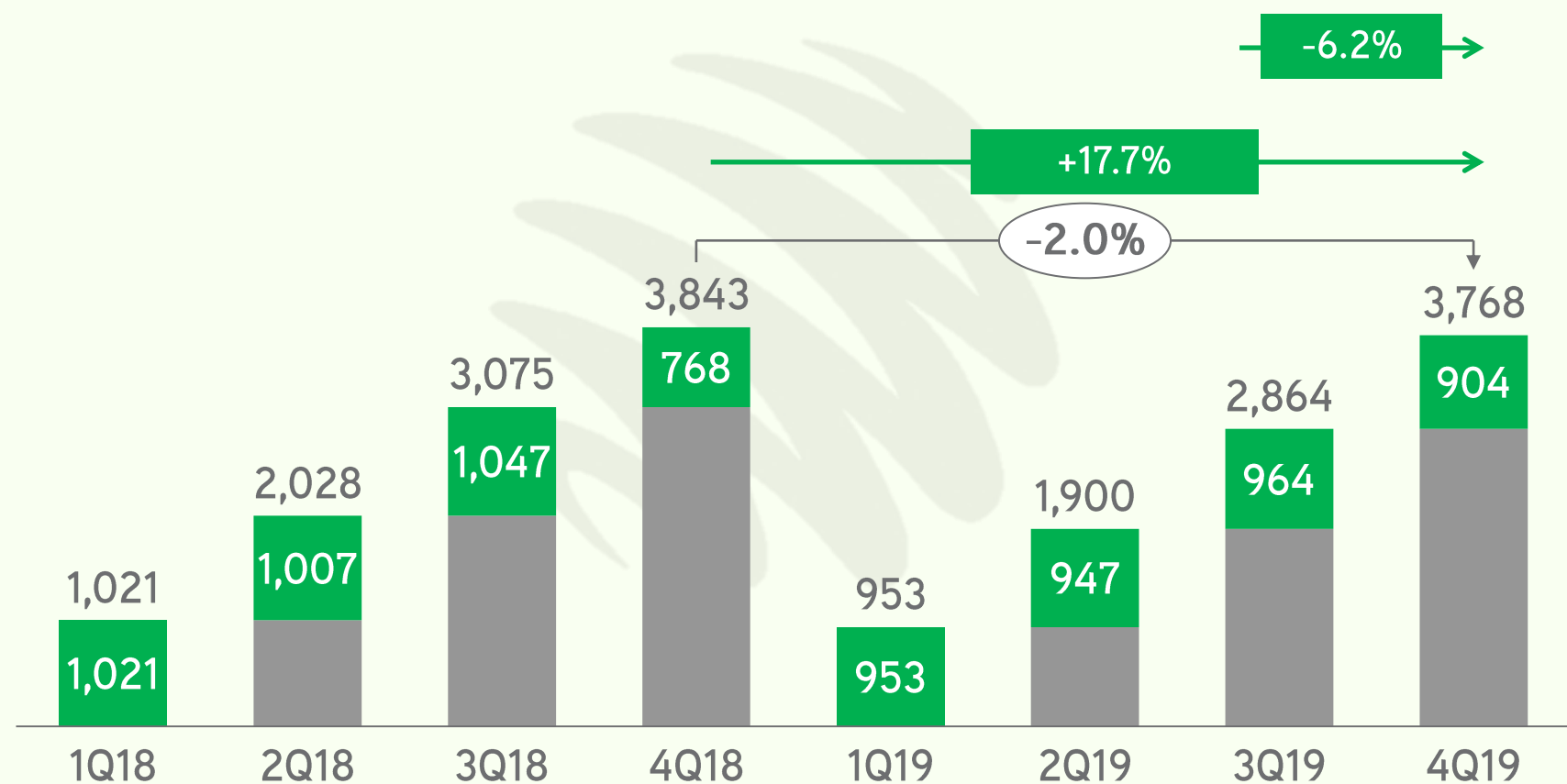
Capex (RM mn, YTD)



4Q19 Normalised EBITDA

EBITDA better than expectation

Normalised EBITDA (RM mn, YTD)



Stable EBITDA

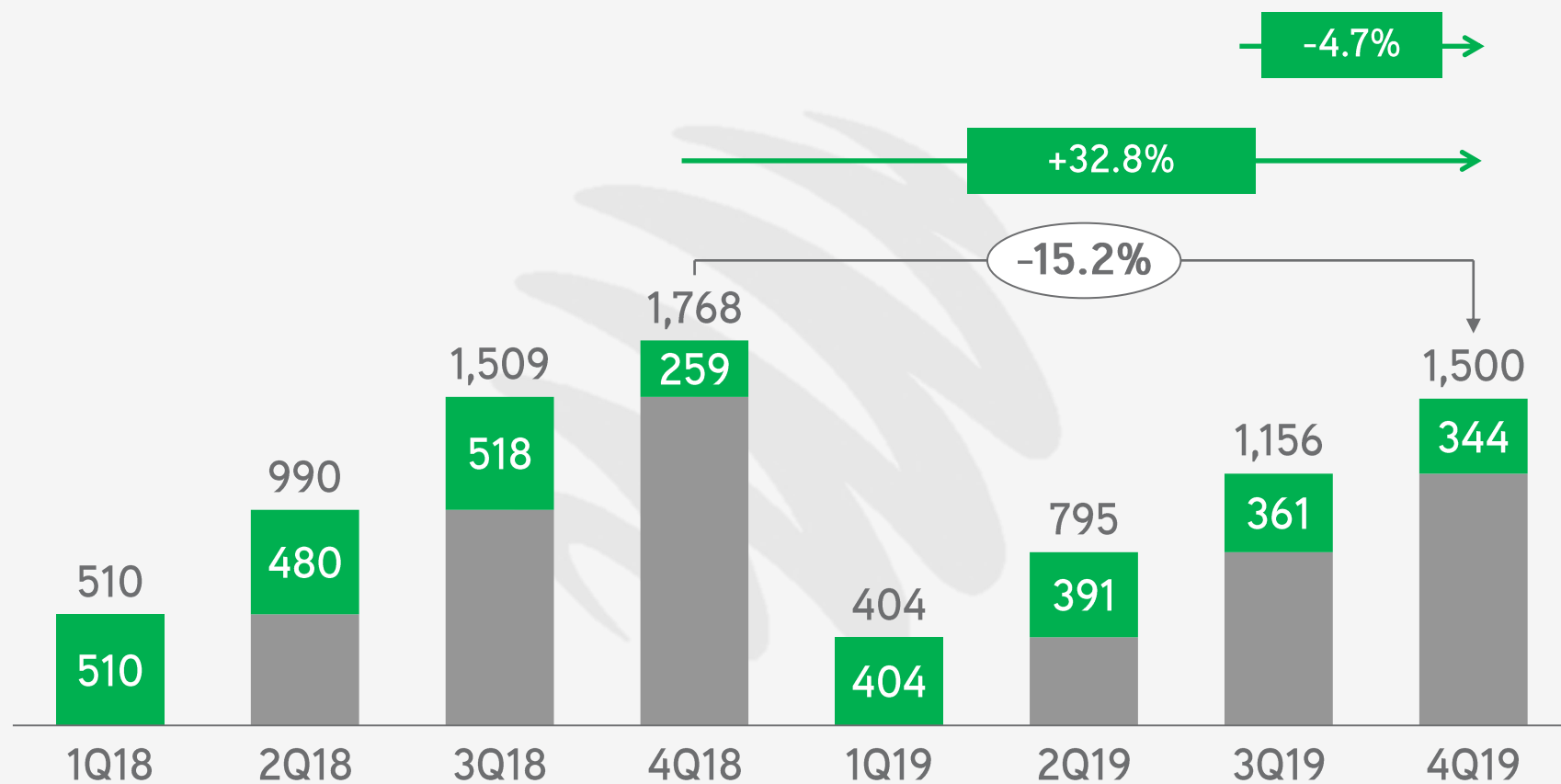
- Impact from termination of wholesale agreement, affecting YoY comparisons
- Strong growth in core mobile business and encouraging growth in fibre
- Mobilisation investment in Enterprise business delivering solutions
- Mobilisation investment in building fibre capability & capacity
- Delivery of Fuel4Growth productivity



4Q19 NPAT

Rebasing and investing for growth, meeting expectations

Normalised Profit after Tax (RM mn, YTD)



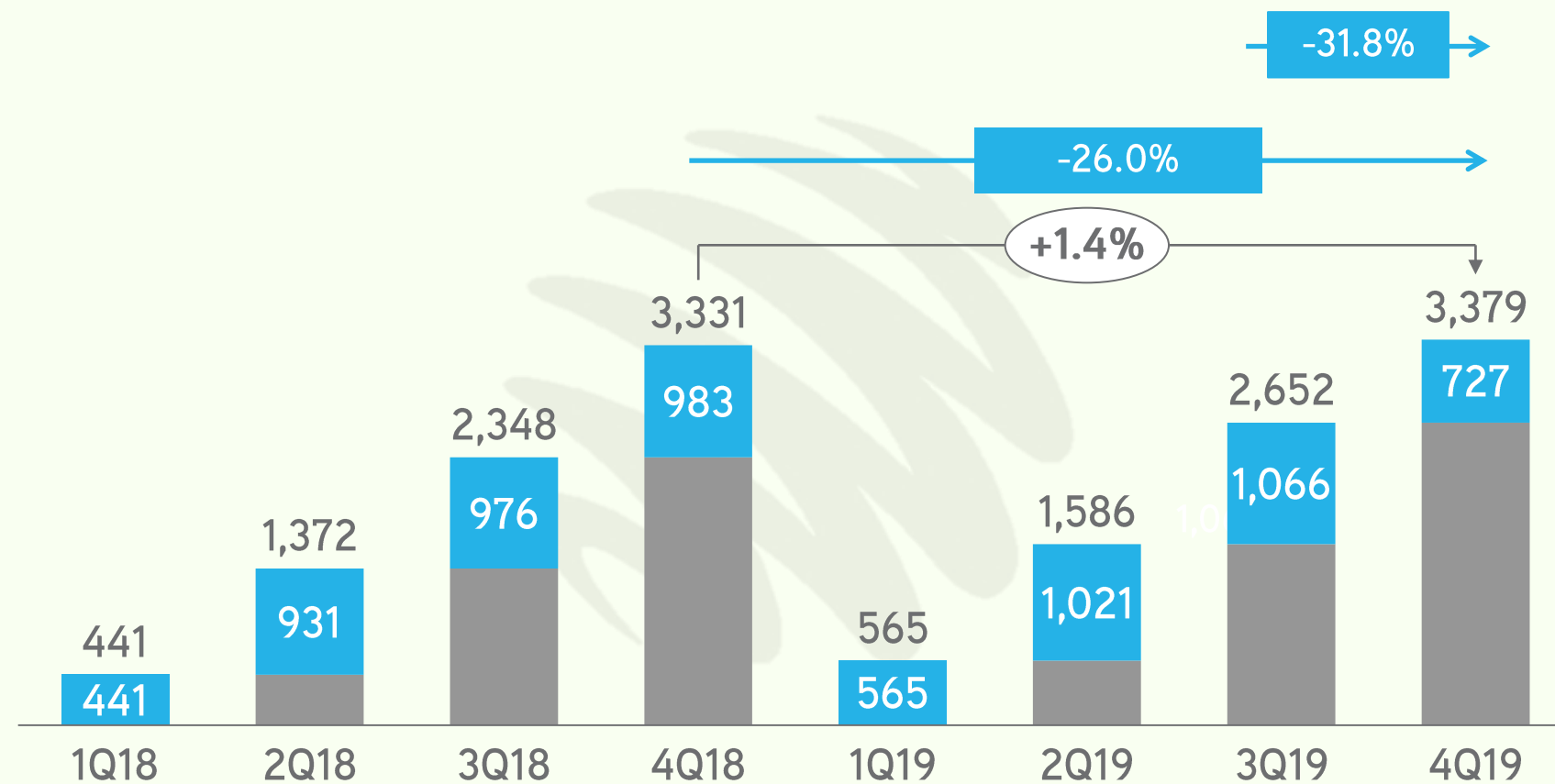
NPAT impact within expectations

- Continued investment in core mobile, and growth in Enterprise, fibre and customer experience
- Wholesale agreement loss driving impact on PAT, in this 2019 rebasing year, affecting QoQ and FY19 on FY18: underlying stable profit
- 5 sen dividend payout

4Q19 OFCF

OFCF better than expectation,
dividend maintained

Operating Free Cash Flow (RM mn)



OFCF sustained

- OFCF FY19 in line with FY18
- Productivity and working capital programme delivering, improving capital efficiency
- 4Q19 OFCF affected by USP and tax payments phasing
- 5 sen dividend payout maintained



FY19 OVERVIEW

Core operating performance resilient,
better than expectation

Achievements FY2019

- Resilient core performance, in rebase year
- Growth capex and investments on track
- Productivity and working capital initiatives delivering
- Low single digit decline for EBITDA, better than guidance
- Strong free cash flow
- Maintained 20 sen dividend

FY19 Results			
	Achieved	Result	FY19 Guidance
Service Revenue ¹	✓	-3.4%	Low single digit decline
Normalised EBITDA	✓	-2.0%	Mid single digit decline
Base CAPEX	✓	RM 1bn	~RM 1bn
Growth CAPEX	✓	RM 200mn	~RM 1bn over 3 years
OFCF	✓	+1.4%	In line with 2018



FY20 GUIDANCE

Priorities

Executing our convergence growth strategy while maintaining leadership in mobile

- Offering converged solutions to individuals, homes and businesses
- Developing new Enterprise solution offerings with an expanded team in place
- Achieving differentiated and unmatched personalised experience
- Developing world class organisation through digitalisation and innovation



Outlook

Securing our current and future cash flows

- Mobilisation of productivity & cash management programmes
- Solid operational and financial performance
- Sustainable Operating Free Cash Flow
- Maintaining investment grade financial parameters

▶ Service Revenue	Flat to low single digit increase
▶ Normalised EBITDA	Flat to low single digit increase
▶ Base CAPEX	~ RM 1bn
▶ Growth CAPEX (2019-2021)	~ RM 1bn over 3 years
▶ Operating Free Cash Flow	In line with 2019



Better together,
better for families.

Powered by
FIBREnATION

Q&A

New
MAXIS
One
PRIME





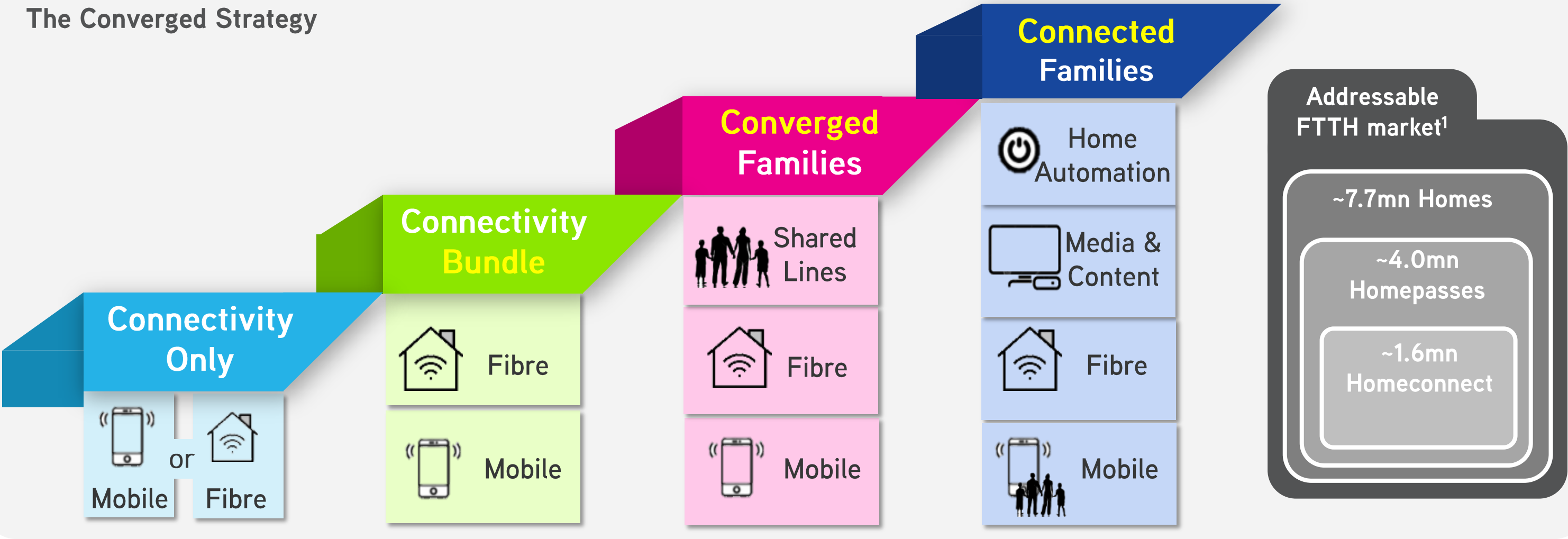
Appendix 1

MAXIS FOR ALL

Individuals, Homes and Businesses

Maxis to connect your
homes and families

The Converged Strategy



Maxis**ONE** Plan

Maxis**ONE** Share



MAXIS FOR ALL

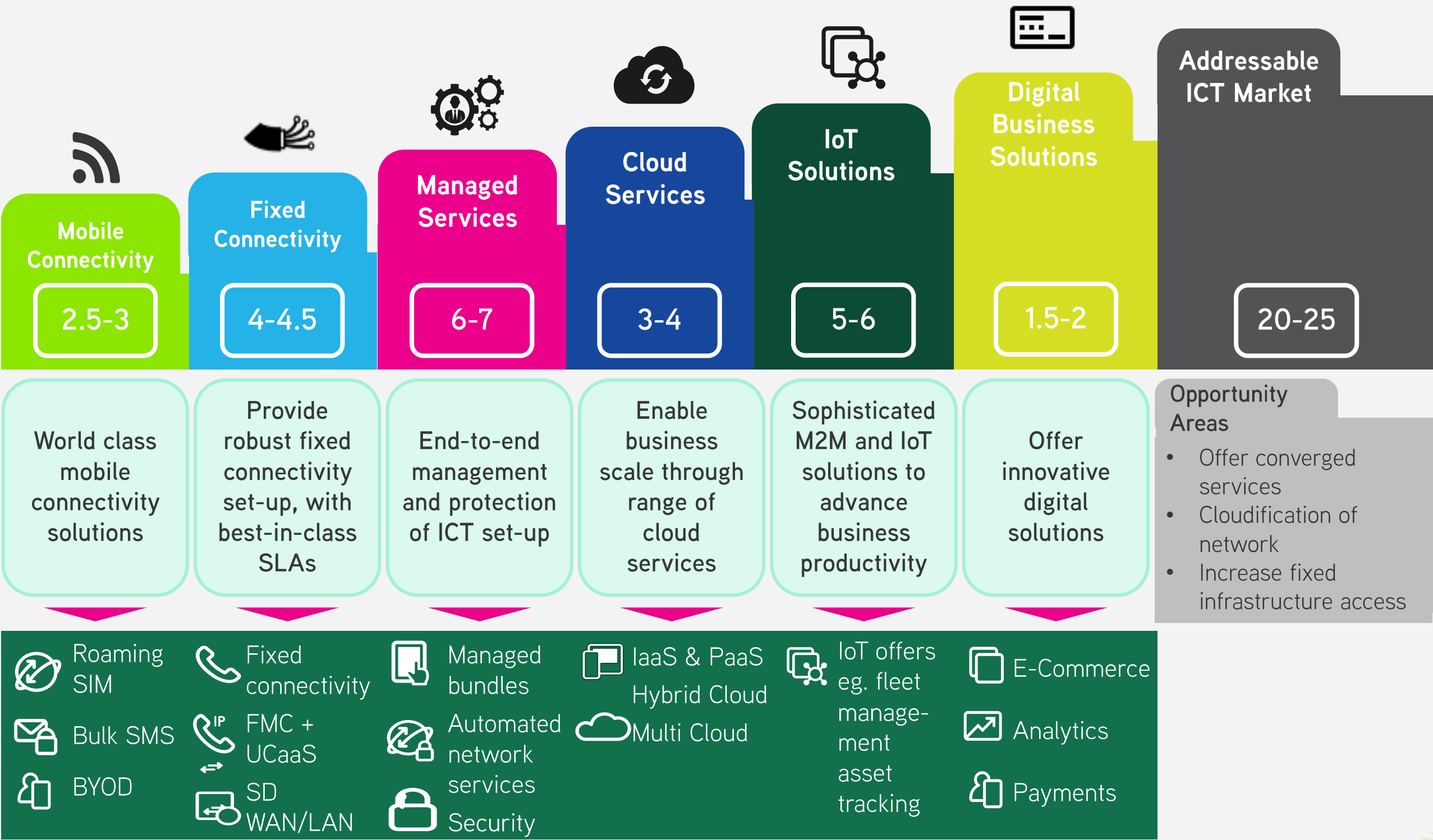
Individuals, Homes and Businesses

Value escalator strategy guides enterprise expansion

The Value Escalator

Malaysia's
Market Size¹
at 2023 in RM bn

Maxis Proposition



20 Note 1: Estimation based on Gartner Report and IDC





Appendix 2

Important definitions/notations

- **Revenue:** Service Revenue plus device, network income and others
- **Service Revenue:** Telecommunications and Digital services
- **EBITDA margin on Service Revenue:** EBITDA as percentage of service revenue
- **Normalised EBITDA:** Adjusting for unrealised forex losses or gains and upfront spectrum assignment fees
- **Operating Free Cash Flow:** Cash Flow from Operating Activities
- **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



Product list definitions/notations (1/2)

- **MaxisONE Plan:** The Internet Plan which offer limitless voice, SMS and bundle with Mobile Internet for Maxis postpaid customers
- **MaxisONE Share:** A plan for supplementary line (a.k.a share line)
- **MaxisONE Prime:** A Maxis Home Fibre Plan layered with MaxisONE Plan 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 smartphone program that allows customers to purchase a device with RM0 upfront payment and pay for the phone over 24 monthly payments at 0% interest
- **Machine to Machine (M2M):** A direct communication between devices using a wireless network



Product list definitions/notations (2/2)

- **ONEBusiness Voice:** A business grade voice service which uses Voice Over IP (VOIP) technology to enable your business to receive phone calls or make outgoing calls through a single converged network
- **Cloud POS:** An easy-to-use point-of-sale software for business owners who want to capture, track and view real-time analytics and reports of their business easily anytime, anywhere
- **mDrive:** A solution encompassing the hardware, software, services and connectivity to enable you to manage your fleet



Key Financials

(RM mn)	4Q18	1Q19	2Q19	3Q19	4Q19	QoQ	YoY
Service Revenue	2,048	1,947	1,918	1,940	1,992	+2.7%	-2.7%
EBITDA*	768	953	947	964	904	-6.2%	+17.7%
EBITDA margin on service revenue*	37.5%	48.9%	49.4%	49.7%	45.4%	-4.3pp	+7.9pp
Profit after tax*	259	404	391	361	344	-4.7%	+32.8%
Operating free cash flow	983	565	1,021	1,066	727	-31.8%	-26.0%
Prepaid Revenue	845	797	791	794	783	-1.4%	-7.3%
Postpaid Revenue	1,053	1,000	972	979	989	+1.0%	-6.1%
Capex	524	127	267	242	577	>100%	+10.1%
Dividend per share (sen)	5	5	5	5	5	-	-



Normalised Consolidated Income Statement

(RM mn)	4Q18	1Q19	2Q19	3Q19	4Q19	QoQ	YoY
Revenue	2,445	2,232	2,206	2,285	2,590	+13.3%	+5.9%
Expenses	(1,677)	(1,279)	(1,259)	(1,321)	(1,686)	+27.6%	+0.5%
EBITDA	768	953	947	964	904	-6.2%	+17.7%
EBITDA Margin	37.5%	48.9%	49.4%	49.7%	45.4%	-4.3pp	+7.9pp
Depreciation	(305)	(296)	(295)	(346)	(328)	-5.2%	+7.5%
Others	(14)	(5)	(6)	(23)	1	>100%	>100%
Upfront Spectrum Assignment	(15)	(15)	(15)	(15)	(15)	0.0%	0.0%
EBIT	434	637	631	580	562	-3.1%	+29.5%
Interest Expenses	(95)	(114)	(115)	(115)	(125)	+8.7%	+31.6%
Interest Revenue	16	15	15	20	20	0.0%	+25.0%
PBT	355	538	531	485	457	-5.8%	+28.7%
Tax	(96)	(134)	(140)	(124)	(113)	-8.9%	+17.7%
PAT	259	404	391	361	344	-4.7%	+32.8%



Reported Consolidated Income Statement

(RM mn)	4Q18	1Q19	2Q19	3Q19	4Q19	QoQ	YoY
Revenue	2,445	2,232	2,206	2,285	2,590	+13.3%	+5.9%
Expenses	(1,683)	(1,288)	(1,266)	(1,340)	(1,686)	+25.8%	+0.2%
EBITDA	762	944	940	945	904	-4.3%	+18.6%
EBITDA Margin	37.2%	48.5%	49.0%	48.7%	45.4%	-3.3pp	+8.2pp
Depreciation	(305)	(296)	(295)	(346)	(328)	-5.2%	+7.5%
Others	(14)	(5)	(6)	(23)	1	>100%	>100%
EBIT	443	643	639	576	577	+0.2%	+30.2%
Interest Expenses	(95)	(114)	(115)	(115)	(125)	+8.7%	+31.6%
Interest Revenue	16	15	15	20	20	0.0%	+25.0%
PBT	364	544	539	481	472	-1.9%	+29.7%
Tax	(98)	(135)	(142)	(123)	(117)	-4.9%	+19.4%
PAT	266	409	397	358	355	-0.8%	+33.5%



Cash Flow Statement

(RM mn)	4Q18	1Q19	2Q19	3Q19	4Q19
Cash flow from operating activities	983	565	1,021	1,066	727
Cash flow used in investing activities	(680)	(140)	(331)	(257)	(648)
- Purchase of PPE	(678)	(140)	(328)	(255)	(648)
- Proceeds from disposal of PPE	2	0	0	1	0
- Purchase of financial assets as fair value over comprehensive income	(4)	0	0	0	0
- Maturities of deposits	0	0	(3)	(3)	0
Cash flow before financing activities	303	425	690	809	79
Cash flow used in financing activities	(477)	(552)	(526)	(568)	(341)
- Dividends paid	(391)	(391)	(391)	(391)	(391)
- Debt drawdown	0	0	0	0	200
- Payment of finance costs	(85)	(130)	(101)	(131)	(107)
- Others	(1)	(31)	(34)	(46)	(43)
Net change in cash & cash equivalents	(174)	(127)	164	241	(262)
Opening cash & cash equivalents	710	536	409	573	814
Closing cash & cash equivalents*	536	409	573	814	552



Financial Ratios

(RM mn)	3Q19	4Q19
Debt ¹	8,704	8,953
Deposits, cash & bank balances ²	844	582
Net debt	7,860	8,371
Total equity	7,104	7,070

(RM mn)	3Q19	4Q19
Net debt to EBITDA ³	2.16x	2.24x
Net debt to Equity	1.11x	1.18x

Note 1: Includes derivative financial instruments designated for hedging relationship on borrowings; excludes vendor financing

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 EBITDA



Revenue Composition

(RM mn)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Revenue	2,237	2,246	2,264	2,445	2,232	2,206	2,285	2,590
Service Revenue	1,980	2,013	2,027	2,048	1,947	1,918	1,940	1,992
- Mobile	1,834	1,863	1,876	1,898	1,797	1,763	1,773	1,772
- Enterprise Fixed*	71	71	71	70	70	69	72	116
- Home Fibre	75	79	80	80	80	86	95	104
Non Service Revenue	257	233	237	397	285	288	345	598
- Device	236	212	216	371	264	268	322	576
- Network Income	21	21	21	26	21	20	23	22

(RM mn)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Mobile Revenue	1,834	1,863	1,876	1,898	1,797	1,763	1,773	1,772
- Prepaid	849	854	851	845	797	791	794	783
- Postpaid	985	1,009	1,025	1,053	1,000	972	979	989



Normalised Financials and Costs

(RM mn)	4Q18	1Q19	2Q19	3Q19	4Q19
Total Revenue	2,445	2,232	2,206	2,285	2,590
Expenses	1,677	1,279	1,259	1,321	1,686
- Traffic, device, commissions & other direct costs	883	736	766	835	1,146
- Spectrum license fees	49	46	48	48	53
- Network	280	189	183	170	146
- Staff & resource	174	152	166	153	180
- Marketing	62	42	43	42	46
- Operation & maintenance	222	110	57	86	129
- Others	7	4	(4)	(13)	(14)
- Allowance for doubtful debts, net	42	33	28	30	29
- Government grants & other income, net	(35)	(29)	(32)	(43)	(43)
EBITDA	768	953	947	964	904
PBT	355	538	531	485	457
PAT	259	404	391	361	344
EBITDA margin	37.5%	48.9%	49.4%	49.7%	45.4%
PAT margin	10.6%	18.1%	17.7%	15.8%	13.3%



Reported Financials and Costs

(RM mn)	4Q18	1Q19	2Q19	3Q19	4Q19
Total Revenue	2,445	2,232	2,206	2,285	2,590
Expenses	1,683	1,288	1,266	1,340	1,686
- Traffic, device, commissions & other direct costs	883	736	766	835	1,146
- Spectrum license fees	64	61	63	63	68
- Network	280	189	183	170	146
- Staff & resource	174	152	166	153	180
- Marketing	62	42	43	42	46
- Operation & maintenance	213	104	49	90	114
- Others	7	4	(4)	(13)	(14)
- Allowance for doubtful debts, net	42	33	28	30	29
- Government grants & other income, net	(35)	(29)	(32)	(43)	(43)
EBITDA	762	944	940	945	904
PBT	364	544	539	481	472
PAT	266	409	397	358	355
EBITDA margin	37.2%	48.5%	49.0%	48.7%	45.4%
PAT margin	10.9%	18.3%	18.0%	15.7%	13.7%



RGS30 and ARPU

	4Q18	1Q19	2Q19	3Q19	4Q19
Mobile Subscription ('000)					
Total Mobile Subscriptions (incl. M2M)	9,868	9,828	9,883	9,925	9,967
- Prepaid	6,610	6,467	6,417	6,328	6,227
- Postpaid (incl. M2M)	3,135	3,247	3,356	3,491	3,641
- WBB*	123	114	110	106	99
ARPU (RM/month)					
Blended ARPU (excl. M2M)	59	57	58	58	59
- Prepaid	42	40	41	41	42
- Postpaid (excl. M2M)	96	92	91	90	90



Market Definition Subscription and ARPU

	4Q18	1Q19	2Q19	3Q19	4Q19
Mobile Subscription ('000)					
Total Mobile Subscriptions (incl. M2M)	10,890	10,885	11,016	11,153	11,234
- Prepaid	7,571	7,444	7,463	7,461	7,375
- Postpaid (incl. M2M)	3,190	3,321	3,438	3,581	3,755
- WBB*	129	120	115	111	104
Mobile Internet Users (mil)	8.4	8.4	8.4	8.5	8.7
Home Connections ('000)	226	251	276	305	327
Biz Fibre Connections ('000)	23	29	34	39	42
ARPU (RM/month)					
Blended ARPU (incl. M2M)	53	51	51	51	51
- Prepaid	37	35	35	35	35
- Postpaid (incl. M2M)	94	88	86	85	84
Home Fibre	119	105	106	108	109



Data usage

	4Q18	1Q19	2Q19	3Q19	4Q19
Data usage (GB/month)					
Blended	10.92	11.70	13.67	15.16	14.99
- Prepaid	10.36	11.47	13.72	15.21	14.75
- Postpaid	12.16	12.17	13.59	15.06	15.42



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