

MAXIS BERHAD

Maxis closes a strong year

MEDIA RELEASE

For immediate release

Kuala Lumpur, 8 February 2018

Highlights:

- Highest Profit After Tax in four years
- Highest EBITDA in five years
- Increased Revenues in a declining market
- Clear leadership in 4G LTE network coverage
- Declared a fourth interim dividend of 5 sen net per share

Full year 2017 vs full year 2016 - Year-on-year (YoY)

- Normalised EBITDA grew by 2.1% yoy to RM4,597 million from RM4,502 million, reflecting higher revenue and positive results from cost optimisation initiatives. EBITDA margin (on service revenue) was strong at 53.9% against 53.2% last year.
- Normalised PAT rose 5.5% to RM2,086 million compared to RM1,977 million on the back of higher EBITDA.
- Service revenue continued to grow positively in a declining market, up 0.8% to RM8,525 million from RM8,455 million a year ago, supported by strong growth in postpaid and integrated services
- Postpaid delivered yoy growth of 4.2% with revenue of RM4,117 million compared to RM3,951 million last year. This was mainly driven by growth in subscription base, with high and stable average revenue per user (ARPU). Our flagship MaxisONE Plan has now surpassed 2 million subscribers, contributing a high monthly ARPU of RM117.
- Prepaid revenue declined by 3.7% to RM3,849 million against RM3,997 million a year ago due to lower subscription base. This was a result of aggressive price competition, prepaid-to-postpaid migration and SIM consolidation in the market. We continued to focus on retaining and growing our quality subscribers, in particular high mobile Internet users. Hotlink FAST subscriptions grew to more than 2 million with sustained high and stable ARPU of RM43 per month.

- Declared a fourth interim dividend of 5 sen net per share, bringing the full year dividend of 20 sen net per share for the year

Q4 2017 against Q4 2016

- Service revenue declined 2.1% to RM2,119 million from RM2,165 million, mainly attributed to a lower prepaid revenue
- Normalised EBITDA was lower at RM1,169 million against RM1,187 million. This was due to lower total revenue, a one-off operation and maintenance cost and higher realised foreign exchange losses in Q4 2017
- Normalised PAT declined 2.0% to RM537 million as compared to RM548 million due to lower EBITDA.

Robust earnings momentum despite intense competition

	FY 2017 RM'm	FY 2016 RM'm	yoy %
Service revenue	8,525	8,455	0.8
Normalised EBITDA	4,597	4,502	2.1
Normalised PAT	2,086	1,977	5.5
Capex	1,029	1,185	

Intensified efforts in giving unmatched customer experience:

- Blended data consumption almost doubled to 7.4GB from 4.1GB per month yoy. This was supported by the increase in smart-phone penetration which stood at 81% from 76% a year ago
- Our No. 1 4G LTE network is the widest in the country with 92% population coverage. To ensure our customers continue to enjoy the best mobile streaming experience, we invested RM1.0 billion in 2017
- MaxisONE Prime, a first convergence offering in Malaysia, an all-in-one family plan comes with endless data with high speed connection for the entire family, mobile and home, supported by “ultra-fast” and “never down” home fibre and our no 1 4G LTE network. Customers can also choose from a wide range of devices for the home or mobile on Zerolution, with zero upfront payment and interest.
- Supporting Malaysian businesses, we have been developing smart solutions to amplify the power of the Internet in enabling new ways of working for our corporate and SME customers e.g. Maxis ONEBusiness

- On the prepaid front, we empowered customers to choose what is important to them, being it the best streaming options, social passes or free calls, with a very attractive Hotline RED offering.

Comment by Morten Lundal, Chief Executive Officer, Maxis Berhad:

“2017 was a strong year with many proud highlights. We gained further market share both in revenue and profits. We developed our superior 4G LTE network to be unparalleled in quality as the best and fastest data network in the country. Overall, our customers enjoy a combination of lots of quality data, attractive products and great connectivity. We are most of all proud to record the highest customer satisfaction we have ever seen. We are on track towards our ambition for full digitalization of Maxis. All in all, a strong finish to a great year.”

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We Are Maxis

We are the leading communications and internet service provider in Malaysia, enabling more than 11 million individuals, families and businesses to do more in an Always On world. As our customers increasingly immerse themselves in an ever expanding universe of connected applications, we are obsessed with providing an unmatched end-to-end internet experience – bringing together advanced always on connectivity and always great tech care. Beyond connecting people with our services, we are passionate about leveraging new technologies to make a positive impact in the community in which we operate.

For more information, please visit: maxis.com.my

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