

MAXIS BERHAD

Maxis starts the year with strong Q1 performance

- **Service Revenue at RM2,112 million, up 4.0% YoY**
- **Improved EBIT at RM541 million, up 3.4% YoY**
- **Profit After Tax at RM320 million, up 7.4% YoY**
- **Declares interim dividend of 4 sen net per share for the quarter**

MEDIA RELEASE

For immediate release

Kuala Lumpur, 19 May 2023

Maxis Berhad (Maxis) started 2023 with an all-round strong Q1 performance, with service revenue increasing 4.0% year-on-year (YoY) to RM2.1 billion and EBIT increasing 3.4% YoY to RM541 million, despite a challenging operating environment. Driven by strong execution of its integrated telco strategy, the Company delivered growth in both core mobile and fixed line connectivity services across its Consumer and Enterprise businesses and improved profit margins from lower operational costs. Profit After Tax at RM320 million, is up 7.4% YoY. Maxis declared an interim dividend of 4 sen net per share for the quarter.

As Malaysians increasingly rely on seamless always-on connectivity and digital experiences at home, work and on the go, Maxis' mobile and fixed line offerings continue to attract customers, resulting in revenue growth for these segments. Initiatives to optimize customers' home connectivity experience contributed towards double digit growth in fiber broadband revenue.

Maxis' Enterprise business continued to deliver stable revenue growth, which was further enhanced by its ICT solutions offerings. With businesses maintaining an appetite to invest in varying levels of digital transformation, Maxis intends to expand and harvest the full potential of its enterprise offerings portfolio, leveraging its strength of core connectivity.

With more consumers and businesses connecting to its network, Maxis remains committed to providing the best connectivity experience. During the quarter, Maxis invested RM130 million in capex to maintain network quality to serve its customers better and to meet the growing bandwidth demands of an increasingly digital environment.

Maxis recognises the economic benefits that 5G will bring to Malaysia and will fully leverage its resources, skills and infrastructure to build a 5G network of the highest quality and reliability. Maxis looks forward to providing 5G-related products and services to its customers soon, with a focus on affordability and adoption.

Comment by Goh Seow Eng, Maxis CEO:

“We are pleased with our strong start to the year. As we strengthen our position as an integrated player, we will focus on sustainable and predictable growth and strong across-the-board execution to deliver the best service to our customers.”

Q1 2023 financial highlights – Q1 2023 vs Q1 2022:

- **Service Revenue** at RM2,112 million, up 4.0% fueled by strong growth from both Consumer and Enterprise businesses.
 - **Postpaid** revenue grew 10.1% to RM864 million driven by growth in Maxis Postpaid and Hotlink Postpaid. Effective pre-to-post migration strategy resulted in increasing overall Postpaid subscriptions by 6.5%, bringing the total number of postpaid subscriptions to 3.4 million with a stable ARPU at RM78.
 - **Prepaid** recorded resilient revenue growth of 0.6% to RM661 million amidst a highly competitive landscape. Continued adoption of Hotlink Prepaid plans helped to sustain a healthy subscriber base at 5.7 million and strong ARPU at RM38 despite an overall contracting prepaid market.
 - **Home Connectivity** revenue increased by 11.0% to RM222 million, delivering healthy customer growth attributed to competitive converged services offering. Total home connections reached 688k boosted by active conversion of WBB customers to fibre customers.
 - **Enterprise** revenue (excluding wholesale voice) was up by 5.5% to RM365 million.
- **EBIT** increased by 3.4% to RM541 million due to higher service revenue and stable recurring resource costs, excluding one-offs in 1Q22.
- **Profit after tax** increased by 7.4% to RM320 million as a result of higher EBIT and discontinuation of Prosperity Tax charges in 2023.
- **Operating free cash flow** is at RM181 million with a stable cash balance of RM340m as at 1Q23.

Key initiatives in Q1 2023:

- Teamed up with the Malaysian Agricultural Research and Development Institute (MARDI) to collaborate and co-develop smart agricultural and agrifood-based solutions.
- Partnered with Ideal Property Group, a market-leading property developer in Penang, to bring superior internet experience and attractive fibre propositions to 12,000 residential and key commercial developments in Penang.
- Hotlink Prepaid and Hotlink Postpaid plans enhanced with more internet quota at greater value. Hotlink also introduced more exciting rewards and exclusive benefits with new partner deals.
- Supported government initiatives to provide affordable internet and mobile connectivity to targeted segments by offering Hotlink Pakej Perpaduan and Maxis Home Fibre Pakej Perpaduan.
- eKelas, Maxis’ flagship community programme, launched the enhanced eKelas portal and mobile app for all round improved user experience. The programme also introduced two new subjects – Bahasa Malaysia and History – for Form 4 and Form 5 students.

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We Are Maxis

Maxis is Malaysia's leading converged solutions provider, providing high quality digital services and connectivity solutions. As a homegrown Malaysian brand, we have been serving Malaysians for over 25 years and are passionate about bringing together the best of technologies to enable people, businesses and the nation to Always Be Ahead in a changing world. With digitalisation changing the way we live, communicate and access services, we continue to be at the forefront of innovation through our products and services for consumers and enterprises, leveraging our No. 1 converged network that extends to over 94% of the country's population and one of the widest retail networks nationwide.

We take great pride in investing in the nation and creating a positive impact for all our stakeholders through our community outreach programmes. These are driven by digital learning for students, helping small businesses grow, digitally empowering women entrepreneurs as well as providing scholarships and capability building programmes for deserving young Malaysian talent. Maxis is a public listed company on Bursa Malaysia, with shares owned by over 5,800 institutional shareholders that include more than 23% Government Related Institutional Investors as of December 2022.

For our sustainability track record and other important information please visit www.maxis.com.my

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