

MAXIS BERHAD

Maxis continues to invest in the nation and deliver strong results behind All-Ways Connected Network

- *Increased service revenue to RM2,008 million for the quarter, up 1.9% YoY*
- *Maintained a solid normalised EBITDA at RM939 million for the quarter*
- *Invested RM597 million in capex for the quarter, the highest in a single quarter for the year*
- *Significantly improved Operating Free Cash Flow for the quarter at RM1,278 million, up 12.2% YoY*
- *Declared an interim dividend of 4 sen, plus a special interim dividend of 1 sen net per share*

MEDIA RELEASE

For immediate release

Kuala Lumpur, 24 February 2022

Maxis Berhad (Maxis) announced today that it closed 2021 with a resilient Q4 performance on the back of healthy growth in service revenue and strong Operating Free Cash Flow (OFCF). Progressing well with its convergence strategy, performance was driven by its core mobile business as well as solid growth in fibre and wireless broadband. Backed by a stable normalised EBITDA, Maxis registered healthy Profit After Tax even as it continued to invest in the nation through its 4G mobile network, fibre coverage and enterprise solutions. The quarter was also marked by strong focus on Maxis' working capital programme and prudent cash flow management, delivering double-digit growth in OFCF.

With a priority in providing the best customer experience, Maxis invested RM1.2 billion in capex for the year, with RM597 million in Q4 alone, the highest in a single quarter. The investment was primarily to ensure high performance of its All-Ways Connected Network, future proofing for Enterprise solutions as well as its commitments for Jalanan Digital Negara (JENDELA) which included the delivery of 50k Fibre-to-Home in 2021.

Maxis continued to focus on delivering an unmatched personalized experience, especially in an increasingly digital environment where customer data usage continued an upward trend averaging 24GB a month on a blended basis. The Company recorded a higher customer satisfaction level of +63 points for the quarter.

Maxis recognises the importance of dividends to its equity shareholders and that a prudent dividend preserves an optimal capital structure that protects our core business during this time of uncertainty. The Company declared a fourth interim dividend of 4 sen per share, plus a special interim 1 sen per share, bringing the increased annual dividend to 17 sen per share.

Comment by Gökhan Ogut, CEO, Maxis:

“Our convergence strategy and great agility in this fast-changing environment enabled us to be resilient, while our people have shown great commitment in supporting the needs of our customers and the community. Through our continued investments in *Rangkaian Kita* and support

for *Rangkaian Malaysia*, we are committed to bringing together best-in-class technologies and our **All-Ways Connected** network to ensure all individuals, families and businesses in Malaysia are connected more than ever before.”

Q4 financial highlights Year-on-Year – Q4 2021 vs Q4 2020

- **Service revenue** increased to RM2,008 million, up 1.9% YoY, driven by core mobile business which delivered steady growth in Postpaid, while registering accelerated growth in Fibre and Wireless Broadband.
- **Normalised EBITDA** remained stable at RM939 million YoY despite the challenging operating environment.
- **Profit after tax (PAT)** dipped slightly by 9.4% YoY to RM289 million, mainly attributed to the continued heavy investments to strengthen the Maxis network, enterprise solutions and fibre coverage, as well as prudent adoption of reduced spectrum life, which resulted in high depreciation and amortisation costs.
- **Robust Operating free cash flow (OFCF)** at RM1,278 million, up 12.2%YoY due to prudent cash flow management and improved efficiency from the working capital programme as well as lower USP and tax payments.
- **Postpaid revenue** increased to RM1,019 million, up 4.5% YoY due to growth in both Maxis and Hotlink Postpaid subscriber base. ARPU was slightly lower at RM79 per month mainly due to the dilution effect from increased subscribers adopting the value accretive Hotlink Postpaid plan.
- **Prepaid revenue** decreased slightly by 5.9% to RM655 million, however Prepaid subscriber base increased to 5.96 million despite the highly competitive market and declining market size. Maxis leads the prepaid market share in terms of both subscribers and revenue, attributed to the attractive Hotlink Prepaid Unlimited plan. ARPU eased to RM37 per month due to the migration of high value prepaid subscribers to postpaid along with the 3G network sunset
- **Fibre and Wireless Broadband subscribers** continued its uptrend, recording 178k total additional connections for the quarter, up 31.2% YoY
 - Total **Fibre** subscribers was at 536k by the end of the quarter, thanks to strong adoption of its converged packages. Fibre Revenue for the quarter was at RM177 million, up 22.9% YoY. Fibre ARPU increased to RM110 per month, with adoption of higher value and higher speed packages.
 - **Wireless Broadband** total subscribers was recorded at 212k, up by a massive 68.3% YoY. Revenue for the quarter was at RM56 million, up 60% YoY. The strong momentum in this segment was contributed by subscribers in non-fibre coverage areas who opted to leverage Maxis’ 4G/LTE network. ARPU was at RM130 per month.

Key Highlights for Q42021

Delighting customers with rewarding experiences and innovative solutions

- **First telco in Malaysia** to provide its customers with **5G international roaming services** in Singapore, Thailand and Indonesia. The 5G roaming service will be activated automatically on any 5G-enabled device.
- Offered the latest iPhone 13 under new **Zerolution 36** programme which provides greater accessibility to devices and innovation for customers to complement their digital lifestyles.
- Launched the **Maxis Biggest Sale** with even better attractive offers with discounts of up to 70% and contracted devices, enabling more Malaysians to gain access to affordable mobile devices and digital gadgets to adapt to the digital reality

- Launched **Internet security bundle** to help families and individuals stay protected online with the best security solutions for total peace-of-mind through a single point and at affordable prices

Strengthening position as preferred technology partners to Enterprise

- Expanded suite of network solutions and technical capabilities with **largest acquisition** to date of MyKRIS Asia Sdn Bhd (MyKRIS Asia), enhancing Maxis' capabilities Managed network and security services anchored by Maxis Programmable Network and represents the foundation for future 5G readiness from Private Network to 5G Fixed Wireless Access.
- Selected by **PROTON** as its partner to deploy a **5G use case** comprising multiple converged solutions to power up its Tanjung Malim plant and develop Proton City as a model smart city through state-of-the-art tools and systems.

Making a difference to the lives of Malaysians from different communities

- Exceeded all JENDELA commercial targets for 2021 in accelerating capacity for both mobile and fixed, with 54 new sites built, 2,471 upgraded and 21k premises passed.
- Continued supporting communities impacted by the **pandemic and recent floods** with food aid to individuals, families and frontliners, including supporting KKMM's *OPS Bantu Hingga Selesai* initiative by mobilising aid and manpower resources for cleanup efforts at impacted homes.
- Supported the Government's aspirations in making connectivity a basic utility through **Pakej Remaja & Peranti Keluarga Malaysia** to ensure that more Malaysians have greater access to affordable devices especially for productivity and education.
- As **Technology Solutions Provider** under **MDEC's SME Digitalisation Grant**, helped digitalise 20,000 SMEs as at Q4 2021.
- Launched **the first mobile app** for eKelas, Maxis' flagship community programme, with over 3,000 curated bite-sized learning content, enabling students, teachers and parents greater flexibility and convenience of accessing content on-the-go and beyond the eKelas portal.
- Awarded 21 outstanding and deserving individuals with scholarships for women, STEM, leadership and innovation under **Maxis Scholarship Programme 2021**.
- For schools around the country, provided greater access to technology through ongoing **contribution of devices** with a total of 392 devices distributed in 2021 to schools and during festivities.
- Through **eKelas Usahawan**, continued to empower women entrepreneurs to build a stronger digital presence so they can grow their business and expand income opportunities. Closed the year with more than 1,000 women entrepreneurs trained.

- End -

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 93% 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 4,400 institutional shareholders that include more than 23% Government Related Institutional Investors as of June 2021.

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

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