

*Axiata Analyst & Investor Day 2021*

# **Axiata 5.0: Growth in the new norm**

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**President & Group CEO**

**8<sup>th</sup> December 2021**

# Axiata 5.0: Our Aspirational Targets

Key strategic initiatives including Collective Brain, Operational Excellence and Value Illumination, are being executed to achieve Axiata 5.0 aspirational targets by 2024. Thus far at 2021, we are on track.



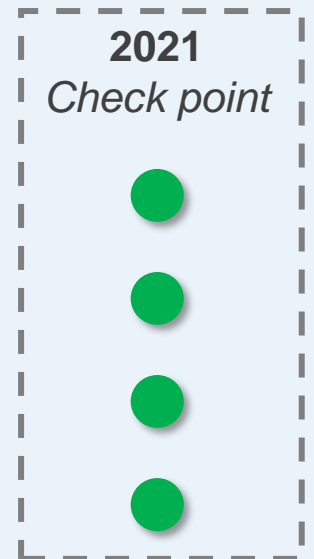
Company Perspective: **Vision by 2024 – “The Next Generation Digital Champion”**

**AND**



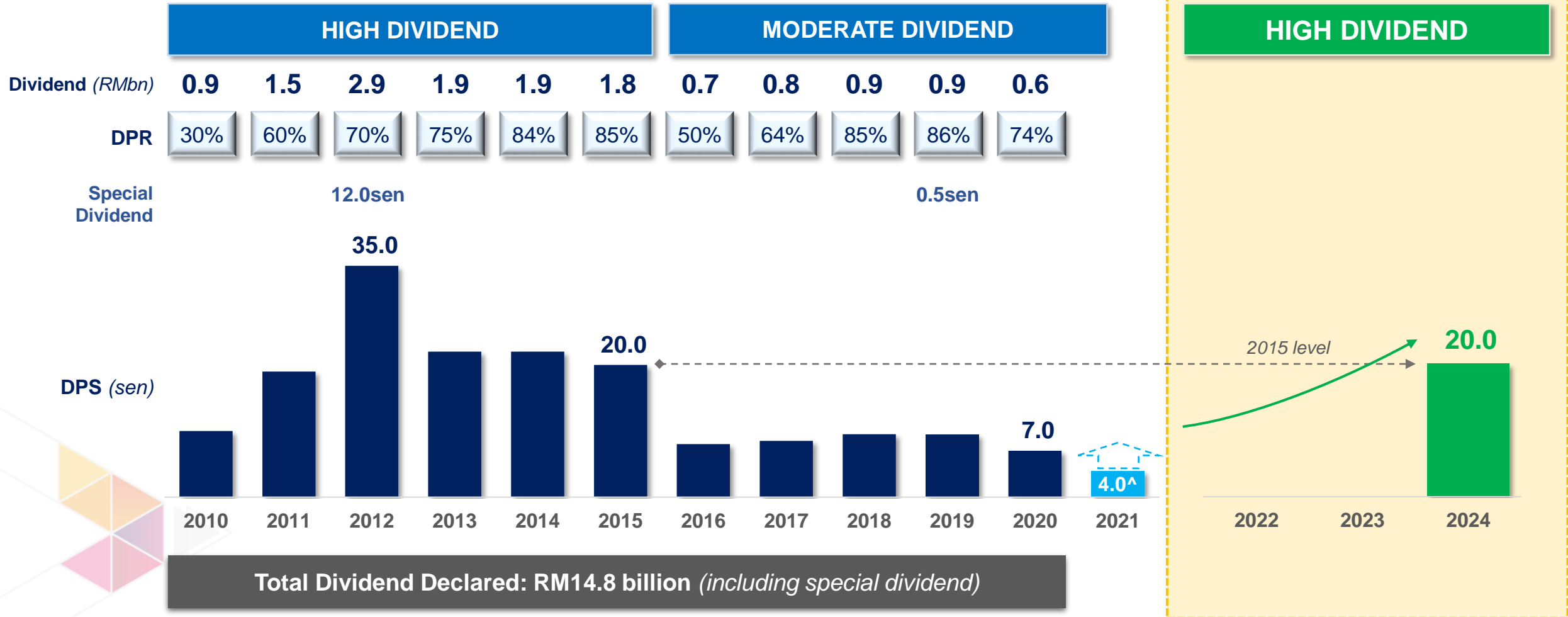
Investors' / Shareholders' Perspective: **5 : 10 : 20 : 20**

- Within **5 years**
- Cost / GB to be (in US\$) **< 10 cents** (from 60 cents in 2019)
- Group EBIT Margin **> 20 %** (from 14.4% in 2019)
- Dividend / Share (in RM) **> 20 sen / share** (from 8 – 10 sen for 2016-2019)
- **ROIC > WACC**



# Investor Proposition (1/2)

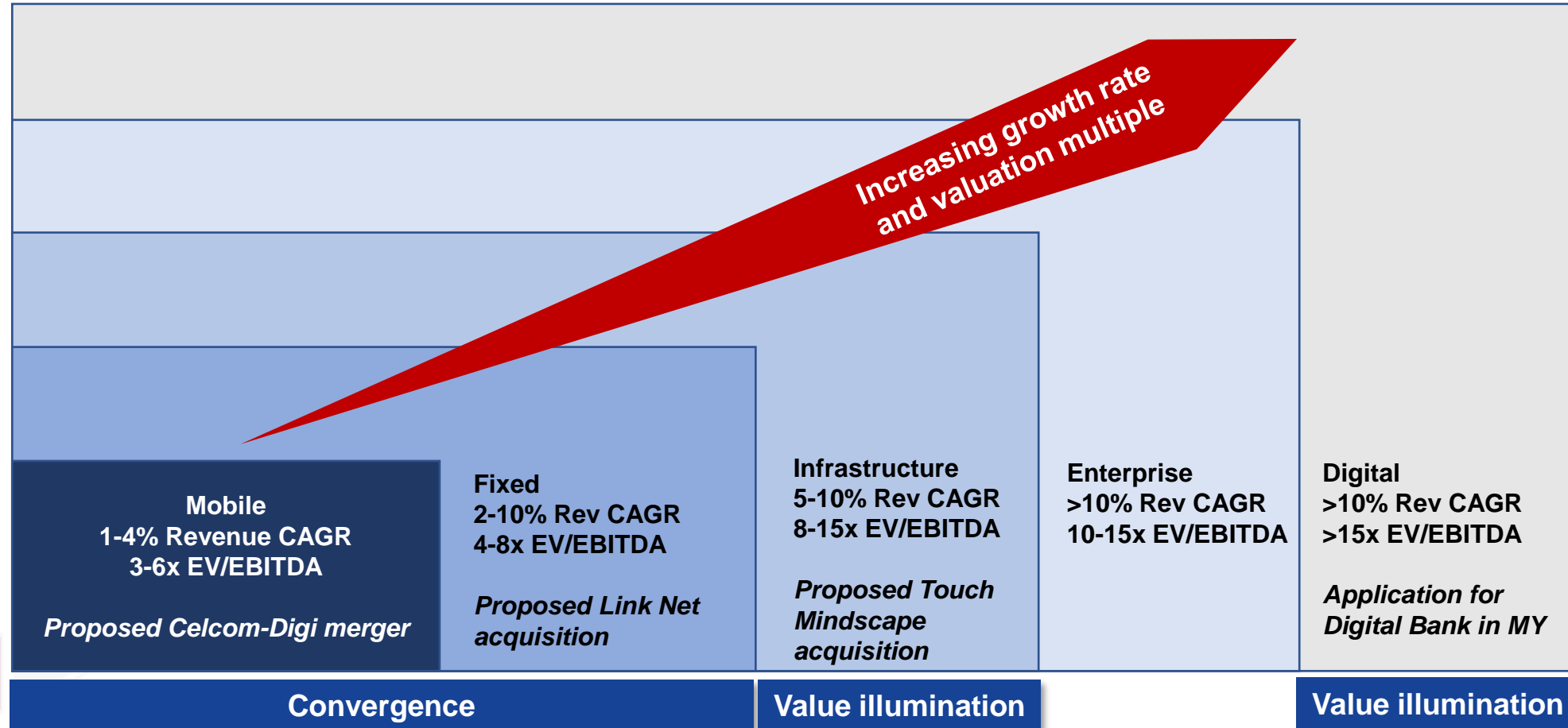
In line with Axiata's re-positioning to be a High Dividend Company, maintained 7.0sen DPS in 2020 amidst the pandemic. For 2021, paid interim 4.0sen, with clear line of sight towards 20.0sen by 2024.



Note^: Interim dividend

# Investor Proposition (2/2)

In addition to our dividend commitments, for long term sustainability and value creation for our shareholders, Axiata continues to expand into adjacent areas. Whilst mobile business is the foundation, we are also well-positioned for organic and inorganic growth opportunities in fixed, infrastructure, enterprise and digital.



# Axiata 5.0: 3 Core Pillars & 10 Key Focus Areas

Enhanced to sharpen our focus on execution, to deliver high and sustainable dividend.

			Today's Agenda for AAID21	
Sustainable Growth	1	Positioning for the "New Norms"	Discussed in AAID19	
	2	OpCos Transformation	Discussed in AAID20	Agenda 6 & 7
	3	New Growth Areas	Discussed in AAID20	Agenda 2, 3 & 4
Operational Excellence [as our DNA]	4	Cost Management	Discussed in AAID19	
	5	New Engagement Model	Discussed in AAID20	
	6	Digitisation & Analytics	Discussed in AAID19	
	7	Stakeholder Management		Agenda 1
	8	Organisation 5.0		Agenda 1
Structural Changes	9	Industry Consolidation		Agenda 1
	10	Portfolio Optimisation & Value Illumination		Agenda 1

# Operational Excellence: Stakeholder Management

Holistic view of ensuring sustainable business practices to create long-term value for all our stakeholders. Our 4P Pillars guides our sustainability management, driven through Environment, Social and Governance aspects, underpinned by our vision of becoming The Next Generation Digital Champion by 2024.

 BEYOND SHORT-TERM PROFITS

 NURTURING PEOPLE

 PROCESS EXCELLENCE & GOVERNANCE

 PLANET & SOCIETY

## THE NEXT GENERATION DIGITAL CHAMPION



### Our Material Matters for Next Generation Digital Champion

- > Sustainable Business Growth
- > Network Quality and Coverage
- > Digital Inclusion
- > Digitisation and Modernisation

#### ENVIRONMENT

##### Our Material Matters for Environment

- > Climate Action
- > Resource and Waste Management

#### SOCIAL

##### Our Material Matters for Social

- > Fair Employment and Welfare
- > Talent Development
- > Employee Health, Safety and Wellbeing
- > Customer Service
- > Supply Chain Management
- > Community Development
- > Emergency and Disaster Response

#### GOVERNANCE

##### Our Material Matters for Governance

- > Business Ethics and Compliance
  - Risk Management
  - Anti-Bribery and Anti-Corruption
- > Data Privacy
  - Data Protection
  - Cyber Security
- > Regulatory and Political Risk

# Climate Action: Axiata Net-Zero Carbon Roadmap

In 2021, we completed a carbon inventory exercise, whereby results will enable the development of targets on energy intensity, energy efficiency and renewable energy. Recently, Axiata has committed to Science Based Target Initiatives (SBTi) and aims to launch Net-Zero Carbon Roadmap by H122, with intermediate targets set for 2030.



## Business Ethics & Compliance: Underpinned by Uncompromising Integrity

Our governance material matters reflect a holistic approach to enshrining best practices throughout our value chain and across borders. With the introduction of S17A MACC Act 2018, Axiata has established adequate procedures to ensure full compliance.

### Axiata Risk Governance Structure

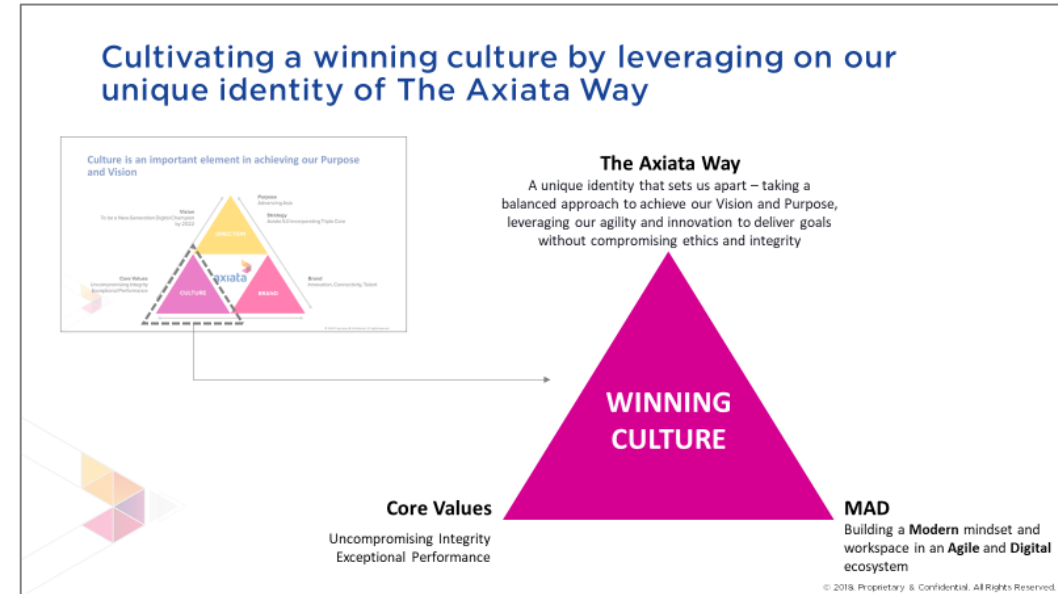
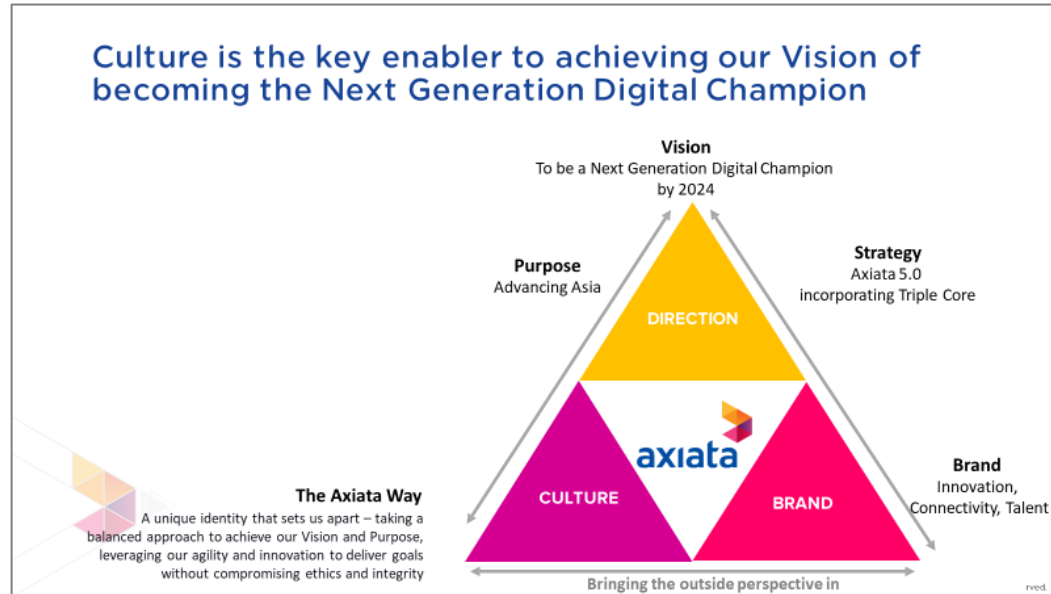


- ✓ Standardised **Enterprise Risk Management (ERM) Framework** governs our risk management and governance process
- ✓ **Strengthening risk governance and risk management** with the evolution of the Board Risk Management Committee (BRMC) into the BRCC in 2020; alongside establishment of Group Risk and Compliance Dept. and appointment of GCRCO
- ✓ **Anti-bribery and anti-corruption** – Reflected in ABAC Policy
- ✓ **Whistleblowing Policy** – includes the ‘Speak Up Channel’, managed by an independent 3<sup>rd</sup> party service provider, under the administration of the Group Chief Internal Auditor
- ✓ **Tax transparency** – OpCos’ tax teams report annual tax contributions in our Sustainability & National Contribution Report and Group Financial Statements



# Operational Excellence: Organisation 5.0 (1/2)

Building a winning culture for Axiata 5.0. This year we recalibrated our culture, focusing on building a winning culture for Axiata 5.0.



Pivoted our Culture framework for the **New Ways of Working (WoW)** and clearly embedding our core values, Uncompromising Integrity and Exceptional Performance (UIEP) into our policies and practices. Building innovation culture, digital culture, compliance culture, risk culture and other desired behaviours to achieve our Vision

The DNA of our **Modern, Agile and Digital (MAD)** recalibrated as part of WoW

Introducing the **Axiata Way**, a unique identity that sets the Axiata people apart. Taking a balanced approach to achieve our Vision and Purpose, leveraging our agility and innovation to deliver goals without compromising ethics and integrity

## Operational Excellence: Organisation 5.0 (2/2)

Building a winning culture for Axiata 5.0. This year we recalibrated our culture, focusing on building a winning culture for Axiata 5.0.

### Initiatives implemented in 2021

**Flex@Axiata** incorporates flexible working arrangements policy, based on trust and critical as part of our new hybrid working. Alongside with our **Workplace Transformation** to promote hyper collaboration and co-creation

**Ignite**, our performance management system enhanced to focus on dynamic conversations and Individual Development Plans as career progression and personal developments are important in our changing workforce demographics.

**People Quality Framework** refined to elevate Culture Fit and Leadership evolving to Leading which covers strategic accountability, agility, customer centricity, collision building, People First and results driven

**Axiata FastForward**, our virtual university of 7 academies brings curated learnings based on competencies and tracking career growth. e.g. Data Citizen programmes to cultivate digital and data savviness in the wider workforce, regardless of roles, as part of collective skills towards being Digital Champions

**AxiataCares**, reflecting our Employer Value Proposition (EVP) of total well-being, health and safety, career and personal growth and connectivity to the communities via volunteerism and sustainability initiatives.

## Structural Changes: Industry Consolidation

Proposed merger of Celcom & Digi in Malaysia and Heads of Agreement to acquire a 66% stake in Link Net by Axiata and XL are on track; edotco Malaysia recently announced an acquisition to cement its home market leadership position; and ADA acquired Awake Asia to integrate its eCommerce enablement operations.

8 April 2021

Announced intention to create The Malaysian Digital Telco Champion through a merger of Celcom & Digi



Celcom

Digi

Celcom Digi Berhad

2 June 2021

Acquisition of Awake Asia by ADA to boost digital eCommerce capabilities



30 July 2021

Heads of Agreement to acquire a 66% stake in Link Net by Axiata and XL



linknet

30 November 2021

Proposed acquisition of 100% stake in Touch Mindscape by edotco Malaysia



# Structural Changes: Portfolio Optimisation & Value Illumination

In 2021, ADA closed its 2<sup>nd</sup> round of funding, with RM250mn investment from SoftBank Corp. which established a valuation of >RM1bn; and Axiata disposed a 5% stake in XL Axiata to local investors, bringing global and digital business partnerships to further develop its digital and value added services.

## DIGITAL TELCOS

Disposal of 5% stake in XL; IPO of Robi

In 2021...



Disposal consideration

↔ IDR1.44trn

→ To Indonesian investor Ferrymount Investments (Provident Capital & Tiga Investments)

In 2020...



IPO Value ↔ BDT5.2bn

→ 10X oversubscribed by Els

## DIGITAL BUSINESSES

Several rounds of investments from...

In 2021...



↔ USD60mn



In 2020...



↔ USD70mn



In 2019...



↔ USD20mn



In 2018...



↔ USD20mn



## INFRASTRUCTURE

Equity private placement deal of USD700mn

In 2017...



↔ USD200mn



↔ USD100mn



↔ USD400mn

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Thank You