

Axiata Analyst & Investor Day 2020:

**The Last Episode and a New Season:
From “Regional Champion” to
“Next Generation Digital Champion”**

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President & Group CEO

3rd December 2020

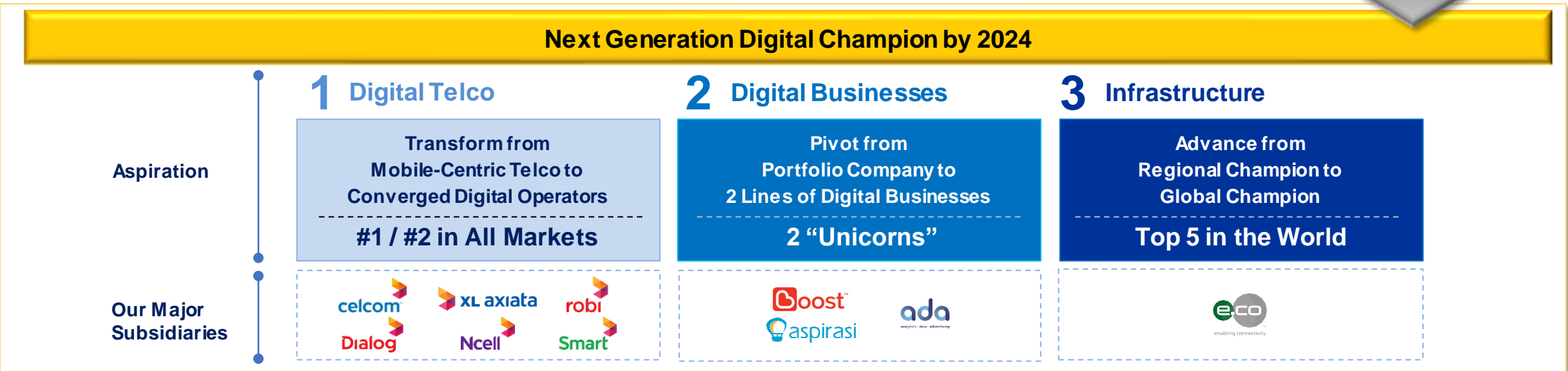
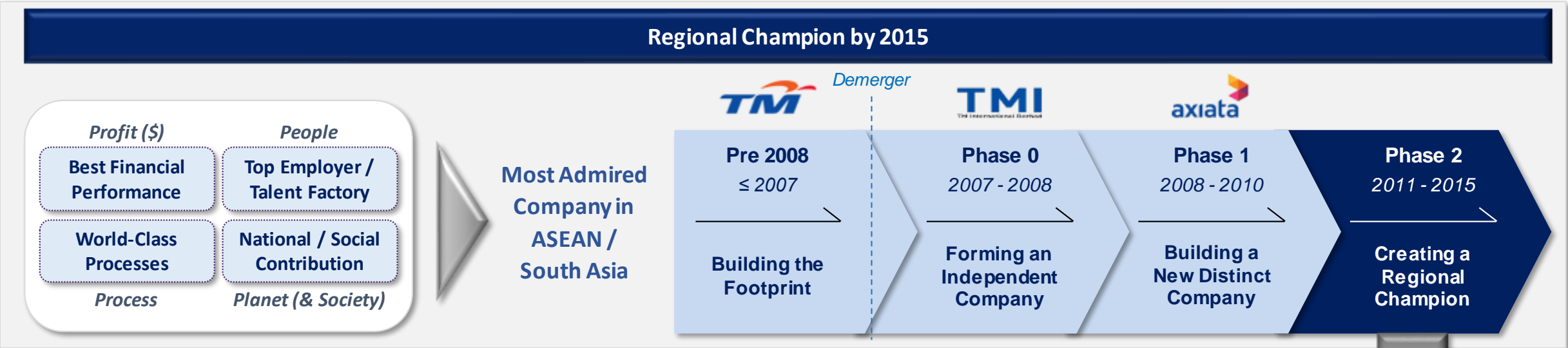
1 Previous Episode

2 Last Episode

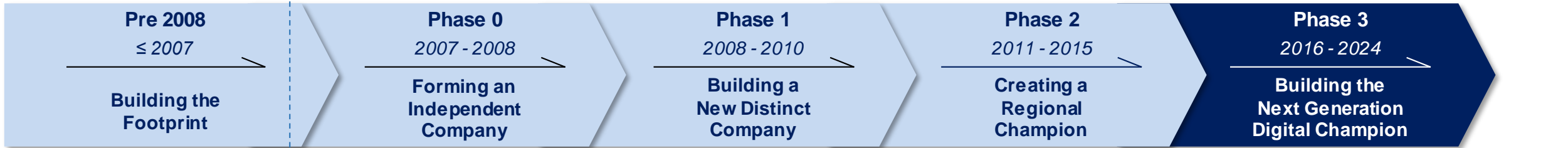
3 New Season – *Brief Introduction*

1.1

Vision & Strategic Phases: In '08, we identified the 3 Phases required to transform Axiata into a Regional Champion by 2015. In '15/'16, we embarked on a new journey with Axiata 3.0 Triple Core Strategy with a vision to become a "Next Generation Digital Champion" by 2024.



Major Milestones: Over the years, we delivered significant milestones as we continue to develop Axiata into an undisputed Next Generation Digital Champion...



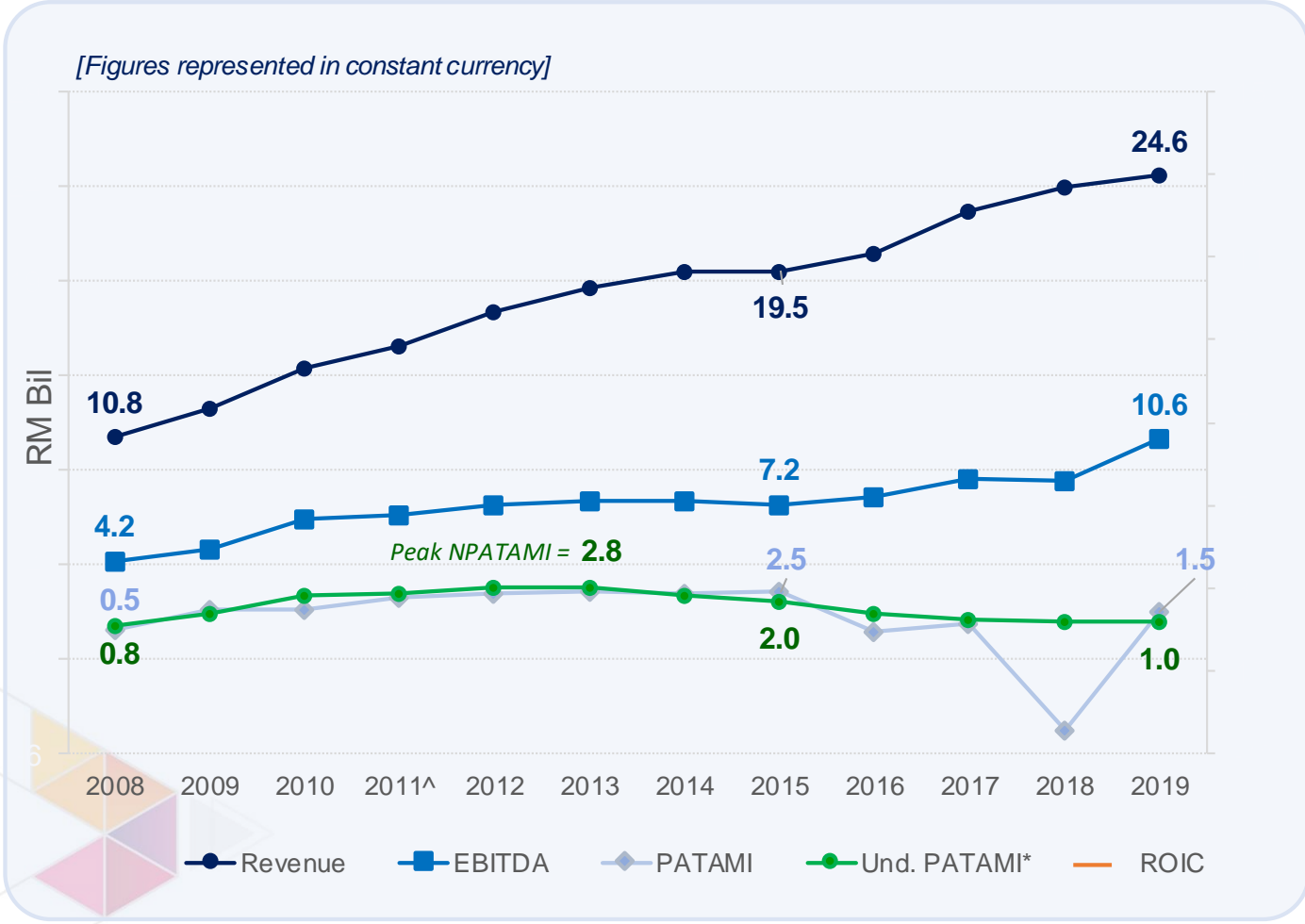
- **25 Apr '08:** Demerger of TM & TMI / *Celcom*
- **28 Apr '08:** Listing of TMI on the Main Board of Bursa Stock Exchange.
- Developed completely new **Vision, Strategies, Brand, Organization, Culture, OpCo Engagement Model, Initiatives**; Major changes to Axiata Group / OpCo BoD & Management
- **Mar '10:** Spice merges with **Idea** to become the 5th largest mobile player in India
- **Apr '09:** Unveiled **Axiata** as the new company name, brand and logo.
- **Apr '09:** Launched the vision to become a **Regional Champion** by 2015.
- **Mar '10:** Axiata Bangladesh launches new identity under the new name of '**Robi**'.
- **Jan '11:** 1st Cohort of students were selected under **AYTP**
- **Jan '12:** Launch of **AYTP** with a RM100mn commitment.
- **Mar '12:** **Dialog** acquires Suntel to become the largest telco in Sri Lanka.
- **Oct '12:** Launch of **e.co** as ASEAN & South Asia's 1st & largest independent TowerCo.
- **2012:** **AIU** was created
- **Feb '13:** **Smart** merges with Hello to become the largest telco in Cambodia.
- **2013:** Launch of **Digitization Program & Analytics** (adknowledge)
- **Apr '14:** **XL** acquires Axis to become the 2nd largest telco in Indonesia.
- **Jan '14:** **ADS** was incorporated.
- **Nov '14:** Launch of Axiata **ADIF**
- **'15/'16:** Unveiled the **Axiata 3.0 Triple Core Strategy**.
- **Dec '15:** **e.co** acquires Digicel, expanding Axiata's footprint into Myanmar
- **Apr '16:** Acquisition of **Ncell**, largest telco in Nepal.
- **Nov '16:** **Robi** becomes 2nd largest telco in Bangladesh after acquiring Airtel.
- **Jan/Apr '17:** INCJ, KWAP & KNB invest US\$700m in **e.co**.
- **Jul '18:** Sumitomo invests US\$20mn in **ADA**.
- **Feb '19:** Disposed of entire stake in **M1**
- **May '19:** Mitsui invests US\$20mn in **ADS** – combined valuation of Digital Portfolio exceeds US\$640 million.
- **May '19:** Launched **AFF**, an Axiata Learning Platform
- **Mar '20:** Fully disposed of stake in **Idea**
- **Jun '20:** Great Eastern invests US\$70mn in **Boost**.

1.3

Financials: Axiata Group's Performance from 2008 to 2019



Exceptional Revenue & EBITDA growth for Axiata Group (most OpCos are #1 or #2 performers in both), but Underlying PATAMI remained challenged since 2015. Cumulatively, Axiata Group delivered substantial Profit & Dividend in the Past Decade



Multiple Growth
(2019 vs 2008)

Revenue:
2.3x

EBITDA:
2.5x

N.PATAMI:
1.2x

Cumulative Performance
(2008 to 2019)

* Figures represented in actual currency

REVENUE
RM225.6B

EBITDA
RM88.9B

N.PATAMI
RM21.7B

Total Dividend Declared
RM14.2B

Notes: * Und. PATAMI excludes forex gains/losses, M&A, accounting changes and other one-off gains / losses (eg. asset write-off, re-structuring etc)

Our People: At The Heart of our journey is our People & our Talent Development



Truly a Diverse “Talent Factory”

Training & Development



RM100 mn
(over 10 years)

Allocated for the Development of
2,262 Future CEOs
(SLDP, ULDP, YCDP)
(as at Oct 2020) * External



RM185 mn
Spent on
Talent Development
since 2009
(as at Dec 2019)



**7 Faculties;
2 Started**
Enterprise &
Digital Academy
(as at Nov 2020)



158
Top Talents
438
Middle Level Talents
(as at Nov 2020)



ADIF
RM58 mn
In Developing
**17 Digital
Entrepreneurs**
(as at Oct 2020)

Internal Promotion




Internal : External
hiring from
22:78 to
(2009/08)
71:29
(as at Nov 2020)



11
out of 13 CEOs
appointed
internally
(since 2015)

Diversity in Leadership, Gender & Nationalities



65%
Local
12%
Footprint
23%
External
(7 : 2 : 1 Target Mix)



84%
Male
16%
Female
(as at Nov 2020)

1st Female
(as at Nov 2020)



CTO in 2007
CFO in 2010
CMO in 2012
CEO in 2015
CCxO in 2019
CCDO in 2020
DCHRO in 2020



42
nationalities
employed across
the Group
(as at Dec 2019)



31
Malaysians
Seconded
outside Malaysia
(as at Dec 2019)

CCxO = Chief Customer Experience Officer
CCDO = Chief Corporate Development Officer
DCHRO = Deputy Chief HR Officer

Our NATIONAL Contribution: Axiata is a long-term investor and a major economic contributor in our markets



ACHIEVEMENTS ACROSS THE GROUP



Malaysia

Investments in 2019:

USD 1.2 bil

45,743 jobs supported

~0.5% of GDP

32 yrs



Indonesia

Investments in 2019:

USD 1.6 bil

234,163 jobs supported

~0.3% of GDP

15 yrs



Bangladesh

Investments in 2019:

USD 711 mil

104,495 jobs supported

~0.4% of GDP

25 yrs



Sri Lanka

Investments in 2019:

USD 554 mil

84,510 jobs supported

~1.3% of GDP

25 yrs



Cambodia

Investments in 2019:

USD 242 mil

49,398 jobs supported

~1.7% of GDP

22 yrs



Nepal

Investments in 2019:

USD 308 mil

47,074 jobs supported

~2.0% of GDP

4 yrs



Supporting over
600,000
Jobs across Asia



Cumulative Taxes Paid
RM 10.4 bil
Incl. Ncell CGT

Note : Investment in the forms of capital expenditure and operating expenditure;
Source : Analysis by External Consultants
* Incorporated in 1988 under TM, then sold to Axiata during TMI demerger in 2008
** Supported jobs only from digital telco operations

Highlights and Lowlights from 2008:

HIGHLIGHTS

- **Dialog, Smart & Edotco** – Consistent Excellent Performance
- **Robi** – Acquisition of Airtel & Dual Brand Strategy
- **XL** – Dual Brand (from 2017 onwards)
- **Validation of Digital Businesses (ADS) & TowerCo (edotco)**
- **Digitization & Analytics**
- **Cost Optimization Programme**

LOWLIGHTS

- **Investment in Idea** (post Jio launch in Sept 2016)
- **Celcom** – Both Internal & External Factors (from 2016)
- **Ncell CGT**
- **Capex Efficiency**
- **Market Value ascribed to Celcom, ADS & edotco**

2.0

A Regional Champion & Future Digital Champion, with a Rich Portfolio & Very Strong Balance Sheet, and an Excellent Management Teams & “MNC-quality Institution”, ready for Value & Dividend Upside

- Mission
- Vision (+ Reputation)
- Strategy
- Business
- Footprint
- Market Ranking
- Financials
 - Revenue
 - EBITDA
 - Profit
- Balance Sheet
 - Debt / EBITDA
 - Cash
- People
- Governance + Process
- Value Upside

2008	
Mission	-
Vision (+ Reputation)	-
Strategy	-
Business	Mobile
Footprint	10 Countries
Market Ranking	#1, #2, #3, #4s (mostly sub-performance)
Financials	
Revenue	RM 11.3 Bn
EBITDA	RM 4.4 Bn
Profit	RM 0.8 Bn
Balance Sheet	
Debt / EBITDA	3.7 (excl. RM 4.0 Bn to TM)
Cash	RM 3.3 Bn
People	<ul style="list-style-type: none"> Mixed No Talent Process / No Diversity
Governance + Process	Loose, Unstructured
Value Upside	Footprint

2020	
Advancing Asia	
Regional Champion + Digital Champion (WIP)	
8NMI / 10 Value Drivers (with 5 Key Value Drivers)	
3 Core Business (85: 15)	
11 Countries	
#1 & #2 (all except one, top performers)	
<div style="text-align: center;"> 2019 <hr/> </div>	
Revenue	RM 24.6 Bn (vs 2008: 2.2x)
EBITDA	RM 10.6 Bn (vs 2008: 2.4x)
Profit	RM 1.0 Bn (vs 2008: 1.2x)
<div style="text-align: center;"> 2019 <hr/> </div>	
Debt / EBITDA	2.4
Cash	RM 4.2 Bn
<ul style="list-style-type: none"> Some of the Best CxOs in the Region Disciplined / Structured Talent Management Process, Diversity, Digital & Analytics + AYTP 	
<p style="text-align: center;">MNC-class Institution – (Philosophy, Strategies, Operating Models, Governance, Processes & Disciplines)</p>	
<p style="text-align: center;">Celcom, edotco, ADS – All at “Prime” for monetization / IPO / Value Illumination</p>	

The Future is Challenging but Bright: Challenges and Opportunities of the Future



CHALLENGES

- **Pandemic**
- **Increased Competition**
- **Regulatory – Taxes, Spectrum, etc.**
- **5G Business Case**



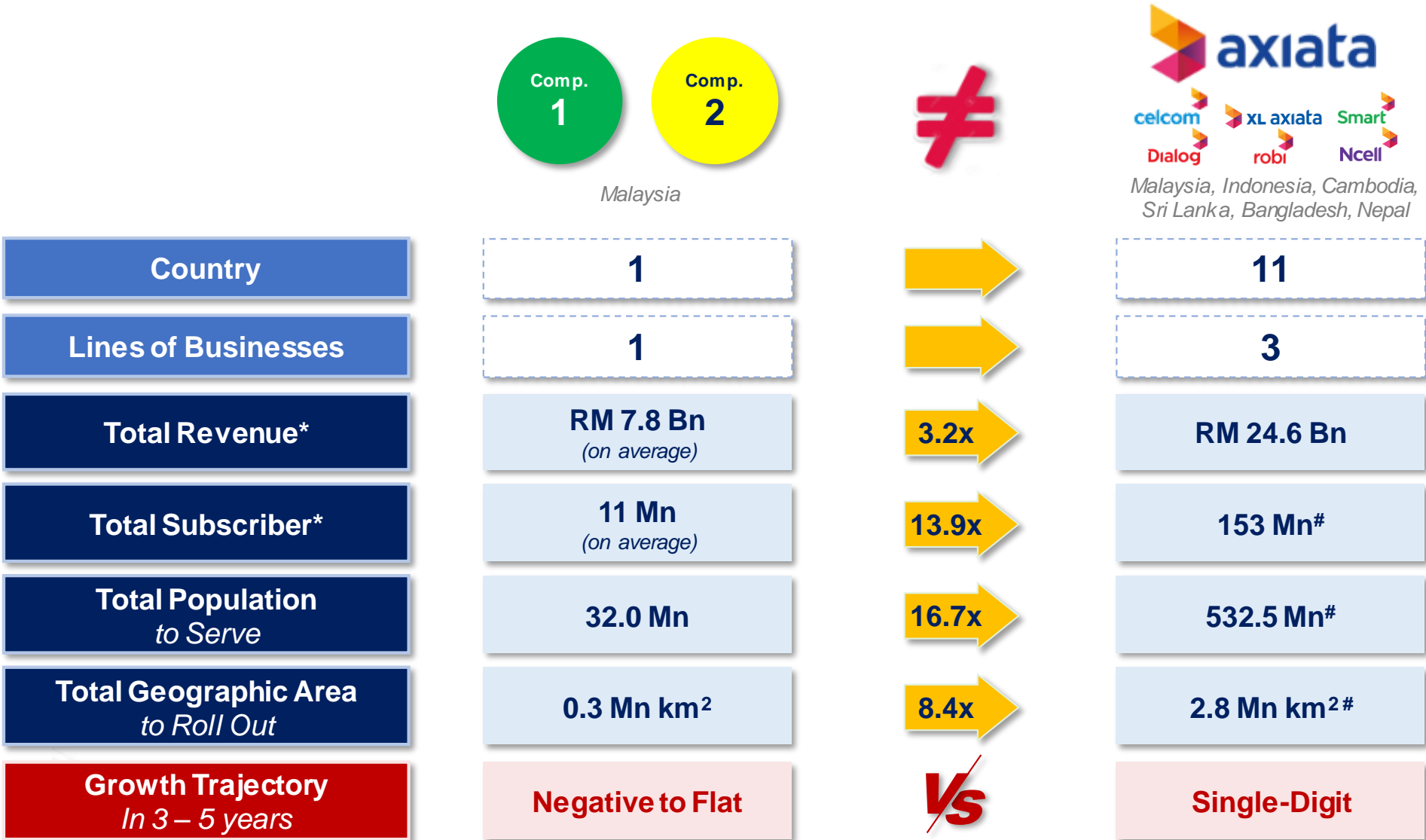
OPPORTUNITIES

- **Post-Pandemic**
- **Consolidation – Malaysia, Indonesia, Bangladesh, e-wallet**
- **Monetization / IPO / Value Illumination of edotco & ADS**
- **Value Illumination of Celcom**
- **Cost Management, esp. “Collective Brain”**
- **New Growth Areas, esp. Enterprise**
- **5G – Spectrum, New Applications**
- **Strong Management Teams across the Group, plus, 600 Future CxOs (GADP / OADP)**

3.1B

Axiata is "Not Equal" to Local Players

(Comparisons made: Why spent RM6Bn+ vs. ≈RM1Bn to derive ≈RM1-2Bn vs RM1-2Bn PAT)

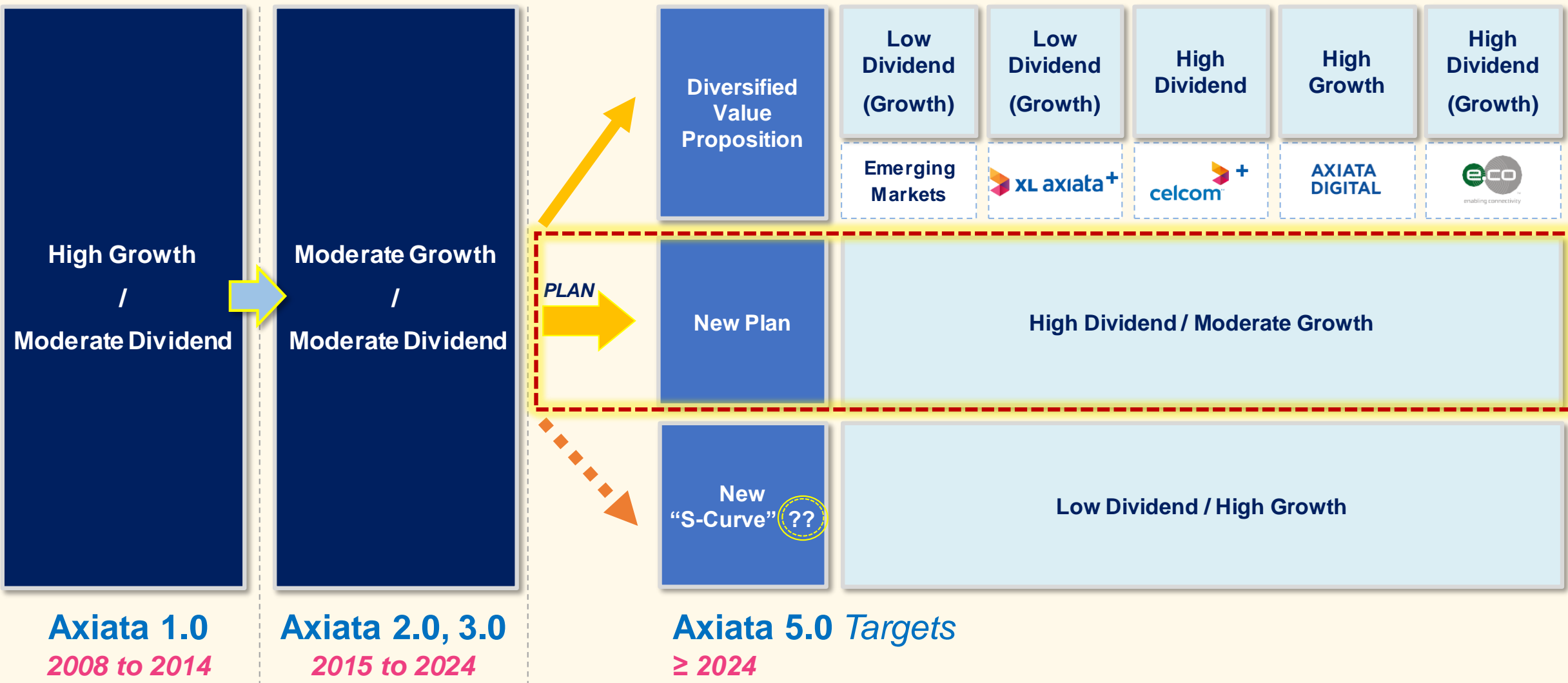


Note: *Data as at FY2019

[#]Dataset for Mobile Business only

Source: Bloomberg, Investor Presentation Materials, World Bank, Worldmeter

3.2 Investors' Proposition: Proposal - To be a "High Dividend" Company by 2024



... Key to Value Creation



Institution Building	1	Positioning for the “New Norms”
	2	OpCos Transformation
	3	Operational Excellence
	4	New Engagement Model
	5	Digitization & Analytics
	6	New Growth Areas
	7	Stakeholder Management
	8	Organization 5.0
Structural Changes	9	Industry Consolidation
	10	Investment & Portfolio Optimization

Summary: 6 (of the 10) Value Drivers to Achieve High & Sustainable Dividend by 2024



9 **Industry Consolidation**
for Sustainable Dividends, Future-Proofing, Cost Efficiency (& Value Upside)

Cost & Sustainability

10 **Investment & Portfolio Optimization**
to Enable Higher Growth for sustainable Dividends (& Value Upside)

Growth & Sustainability

3 **Operational Excellence**
as our DNA for Sustainable Cost Efficiency
 ➤ *Cost Structure, Financial Discipline & Technology Efficiency*

Cost

6 **New Growth Areas**
for Sustainable Dividends

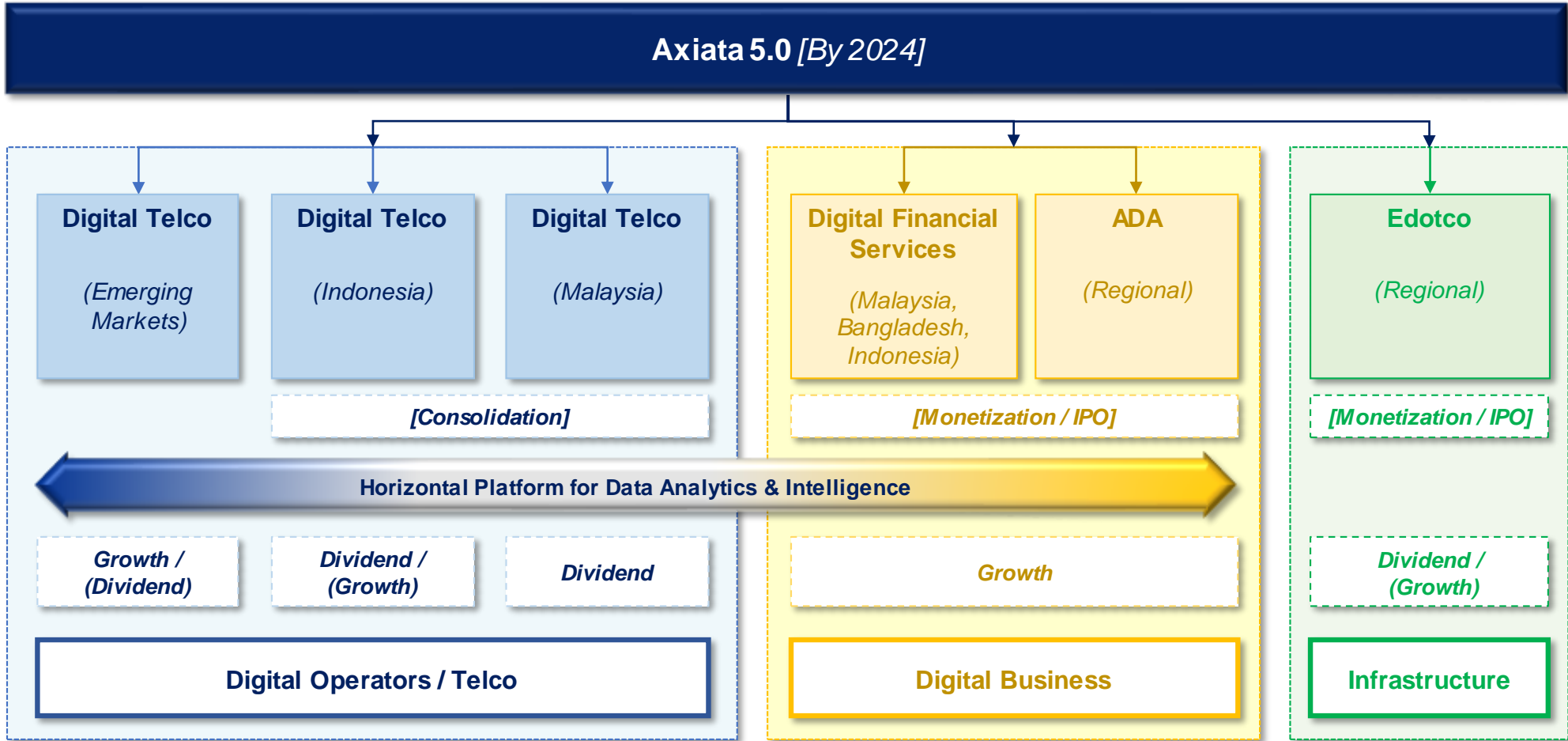
Growth & Sustainability

2 **Operational Performance / Transformation**
for continued Growth & Cost Efficiency

Cost & Growth

8 **Organizational / Management Policies & Practices**
to Support and Sustain Dividend Objectives (incl. Dividend Policies based on FCF, OpCo Dividend Policies, Investment Criteria, Incentives / KPIs, Measurement Systems)

Cost & Growth



- Top Performer in all key metrics
- Leader in Enterprise

- 1 - 2 Unicorns in Malaysia

- Top 5 TowerCo in the World

Major Changes by 2024, by The New Leadership

Structural, Financial, Technological & Organizational Changes

1

New Corporate Structure: *Optimum Portfolio*

2

New Cost Structure: *> 75% Cost Reduction (cost per Gb)*

3

New Business Model: *Internal & External; Focus on Cross-Synergies – Data & Analytics*

4

New Technology Direction: *Modernization, Open Architecture, 5G, 3G Shutdown*

5

New Financial Direction and Investor Proposition: *High Dividend*

6

New Organization: *Fresh Leadership*

... Most Transformative Ever

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