

Axiata Analyst & Investor Day 2021

Celcom: Pivoting to an ambidextrous organisation

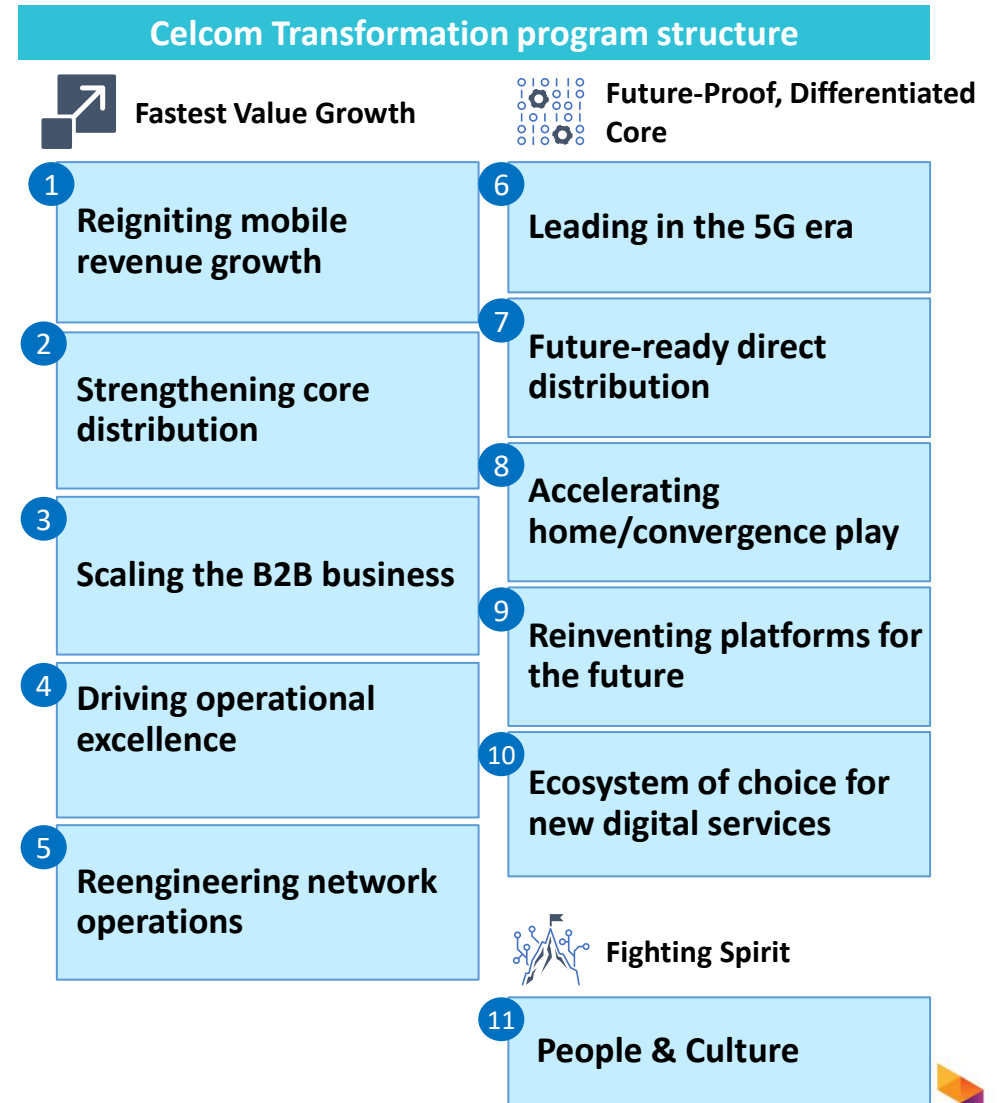
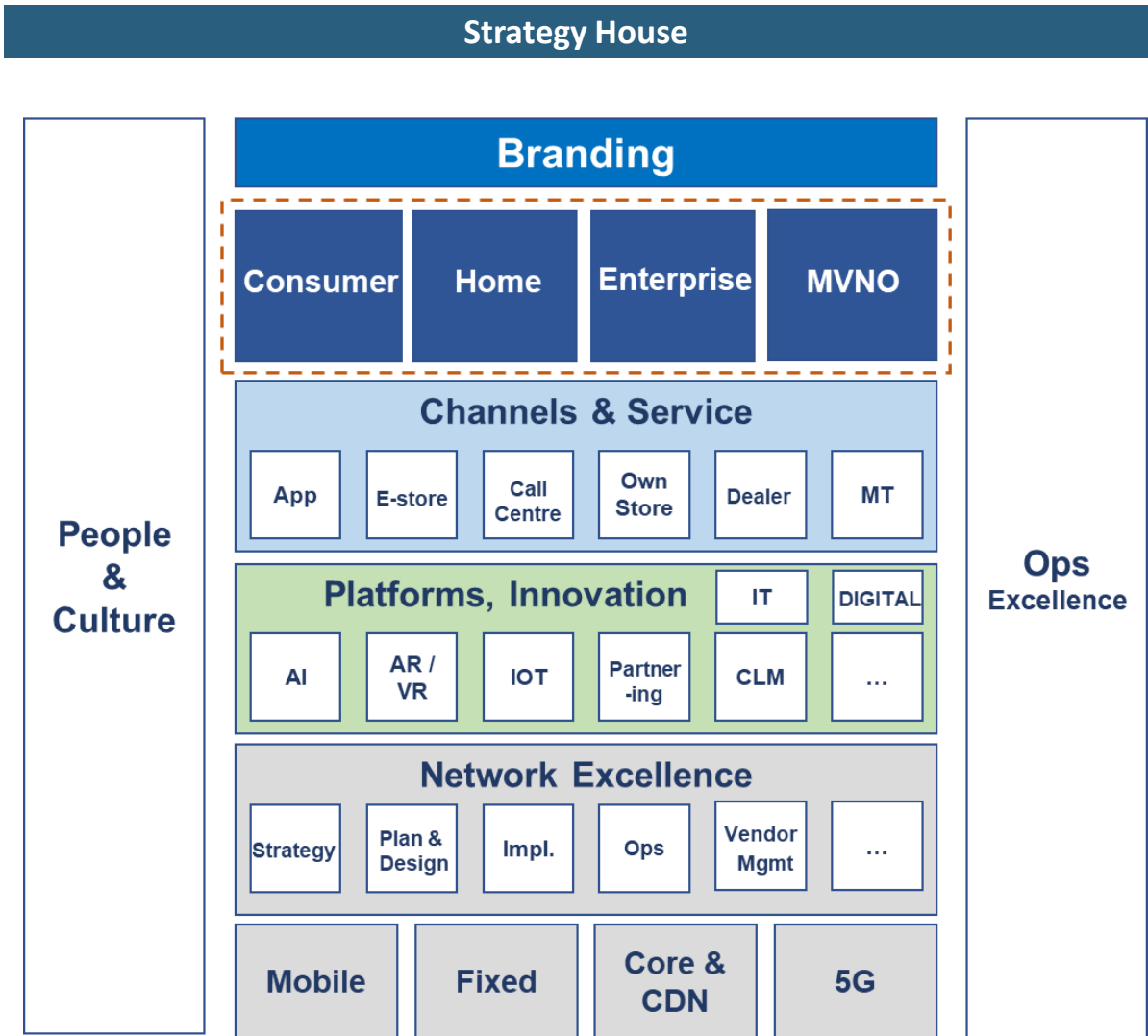
Datuk Idham Nawawi

Celcom CEO

8th December 2021



We set out on Phase 3 of our transformation journey in 2020 to re-engineer and transform Celcom...



Major improvements in past 12-18 months despite operating in increasingly challenging market conditions and weathering the pandemic



Go To Market

- Subscriber base recovery, adding ~ 1 Mn customer in last 12 months
- +1.2% subs market share (Q321 vs 2018)
- Maintained rNPS leadership since 2017
- Revamped core products – Postpaid Mega, Prepaid Unlimited, Celcom Max (Convergence)
- Reformed distribution model and digitized trade
- #1 rated Telco App in iOS and Android



Cost Mgmt & Operational Excellence

- >400Mn savings since 2019 (OPEX: RM 319Mn, CAPEX: RM 129Mn)
- EBITDA Margin improved +2.5pp from 2019
- +1.3pp EBITDA Market Share (2019: 26.7% and 1H21: 28.0%)
- Made changes to improve execution capability – Organizational structure, Agile SCM and Regional Empowerment



Network

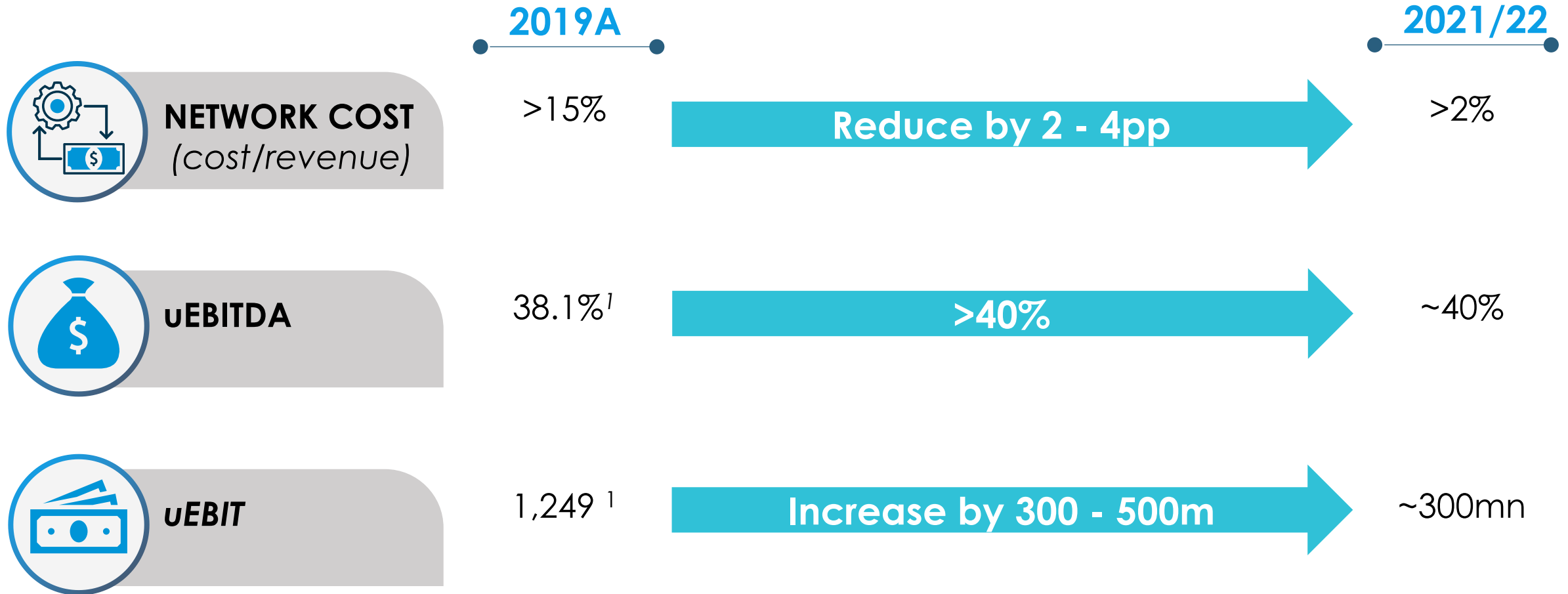
- Widest 4G coverage 93.2%
- Modernized RAN Network with 90% LTE-A pop coverage
- Supported 2.5x growth in monthly data volume since 2018
- 5G Ready Network, Nations first VoNR call in Celcom's Network
- >40 5G use cases – Petronas 5G test bed, 5G Langkawi (Safety & Security)
- Significant improvement in Reliability & Availability



People & Culture

- Workforce transformation >500 reduction in headcount since 2018
- Launched Celcom COMPASS values and purpose
- Sustainable transformation through Project X-Men
- Nurturing in-house talents through accelerated development programs
- Agile GTM in Consumer, Home and Enterprise

Expectations – Promise made in 2020



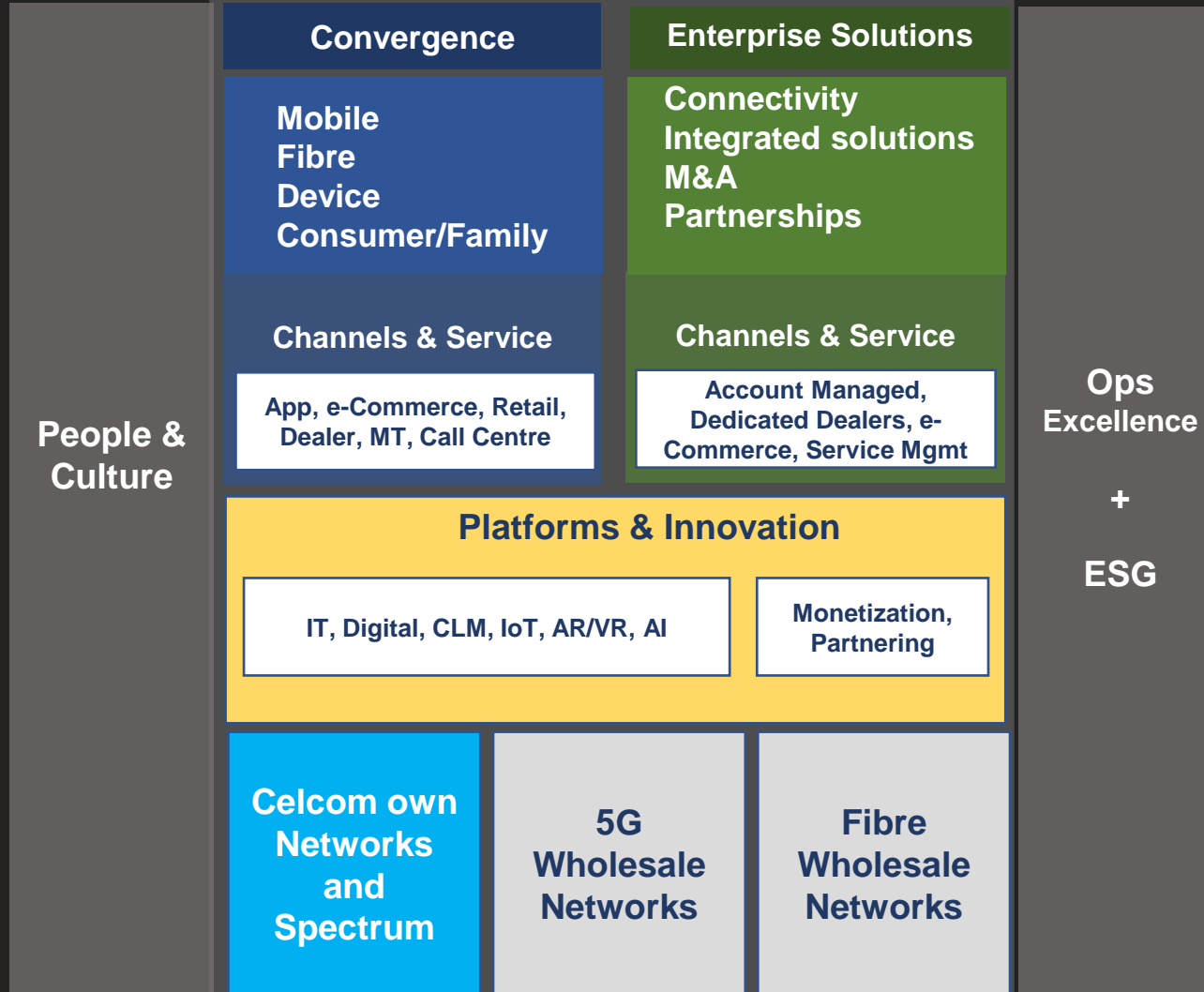
1 : 2019 underlying: Normalized for GST Rebate (RM61m)

2 : 40% if excluding strategic Investment

Company confidential

Celcom will pivot to become an ambidextrous organization in the next 3 years

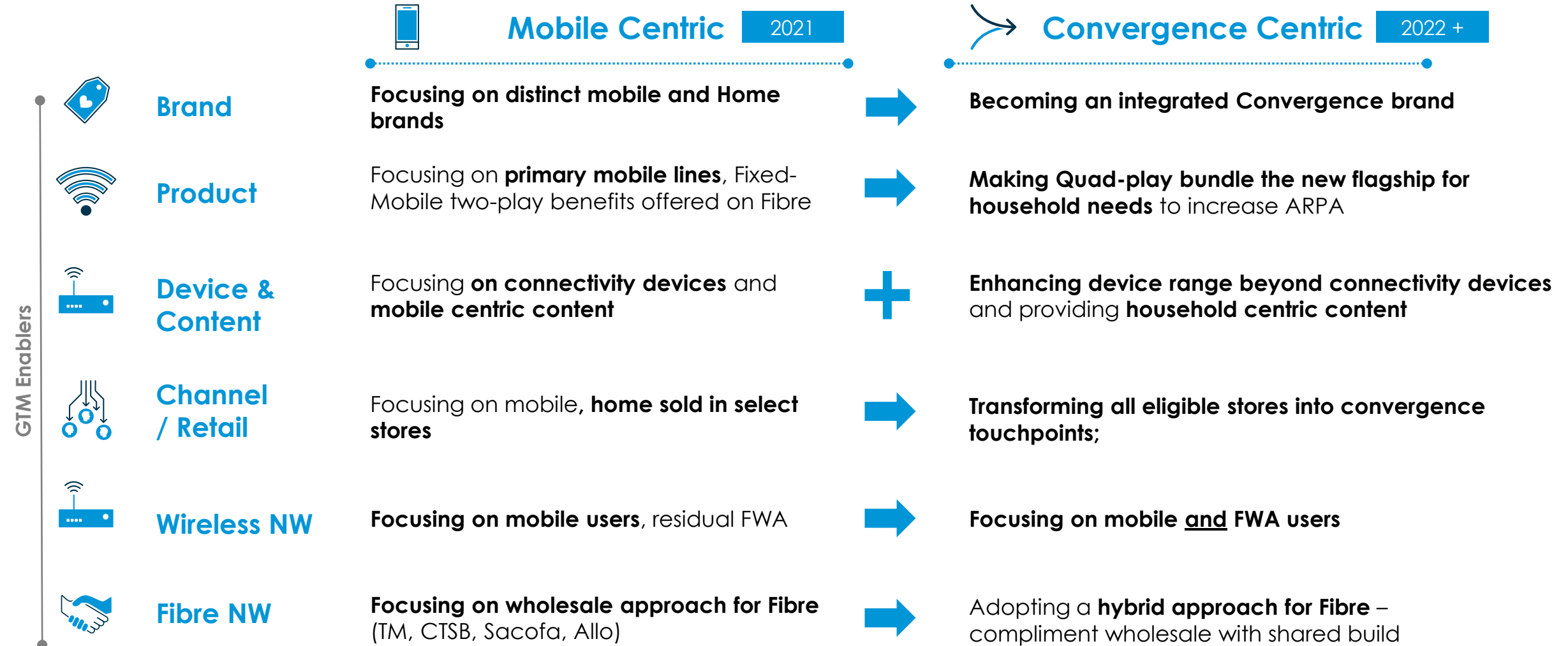
**Convergence:
Transforming
Consumer Mobile to be
closely linked with
Fibre**



**Enterprise:
Solutions beyond
connectivity, especially
in preparation for 5G,
organic and in-organic
growth**

Capability to deliver Service Excellence using own and partner networks

CONVERGENCE Ambition | Celcom will accelerate shift from a mobile-centric to a convergence-centric organization



ENTERPRISE Ambition | Celcom will accelerate shift from connectivity centric to a comprehensive Enterprise services organization

GTM Approach and enablers

Connectivity Centric 2021

Enterprise Services 2022+



ICT play

- ICT services mainly **via reselling propositions** to support core connectivity business



- **Expand 'core' to Integrated solutions;** Develop deep expertise in select ICT domains (e.g. analytics, managed cloud etc.) **and construct E2E vertical solutions**



Connectivity + Fibre

- **Focus on connectivity play** (mobile, M2M, VAS.), with some fixed network capabilities



- Move towards **Managed Network Services (incl. 5G)**



Brand

- Heavily **reliant on retail brand** communication



- **Build an Enterprise services focused brand,** promoting digital expertise, partnership ecosystem and E2E delivery capabilities



IT/Platforms

- **Shared IT resources** with Consumer



- **Dedicated IT squads; Modernized IT architecture** to prioritize ICT services integration and delivery



M&A

- **Small ICT companies targeted**



- **Partner larger SI players integrated within Celcom** to augment tech. capabilities

In conclusion

- 1. The Transformation program is delivering results:**
 - Continued growth momentum in the market
 - Improving cost efficiency
 - Changing our culture and the way we work
- 2. Pivoting to be more focused on Convergence and Enterprise business in the 5G-era**

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