

*Axiata Analyst & Investor Day 2021*

# Axiata 5.0: On track

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# Axiata 5.0: Our Aspirational Targets

For our journey towards 2024, we are currently on track across all KPIs.



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

AND



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

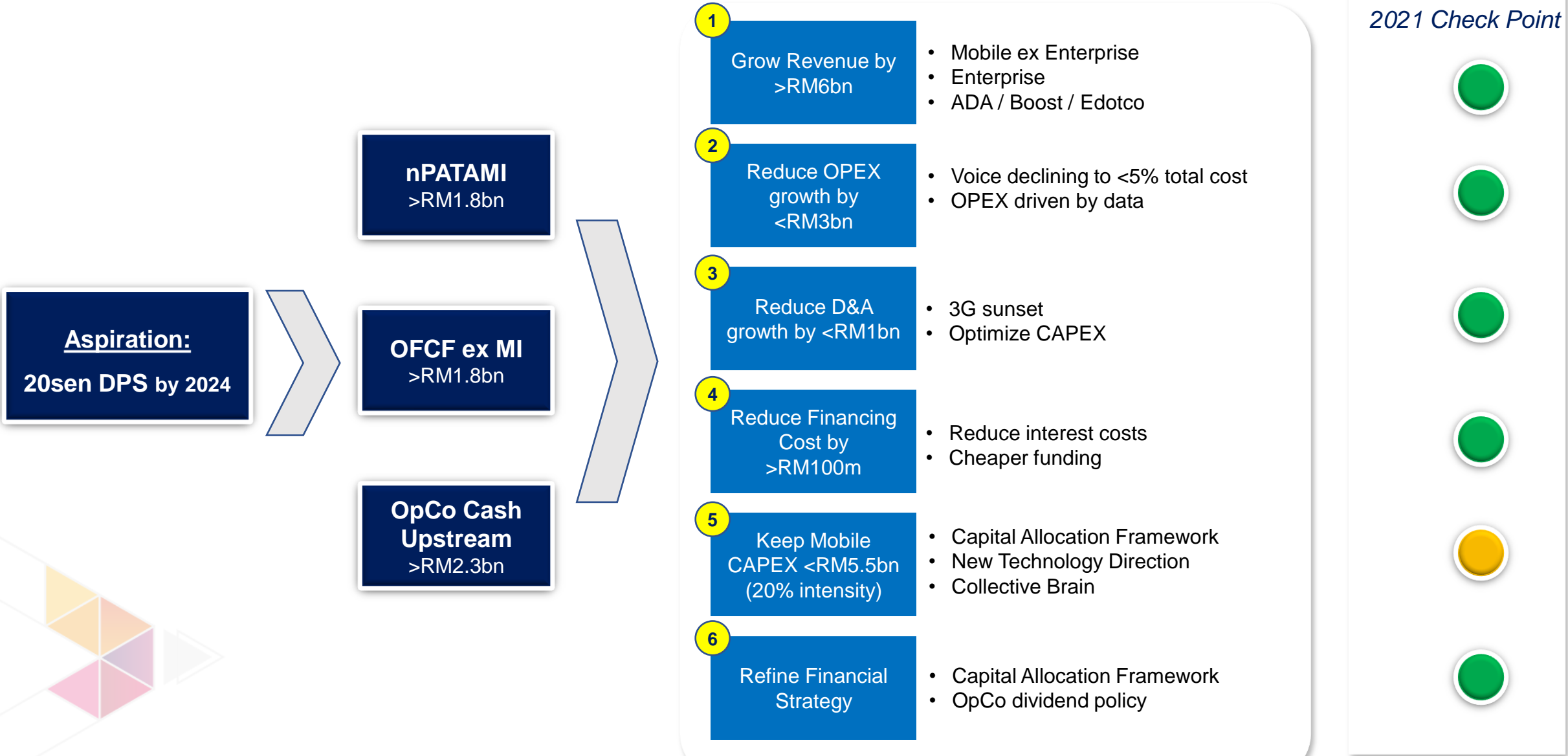
- Within 5 years
- Cost / GB to be (in US\$) < 10 cents / GB (from 60 cents in 2019)
- Group EBIT Margin > 20 % (from 14.4% in 2019)
- Dividend / Share (in RM) > 20 sen / share (from 8 – 10 sen for 2016-2019)
- ROIC > WACC

2021 Check Point



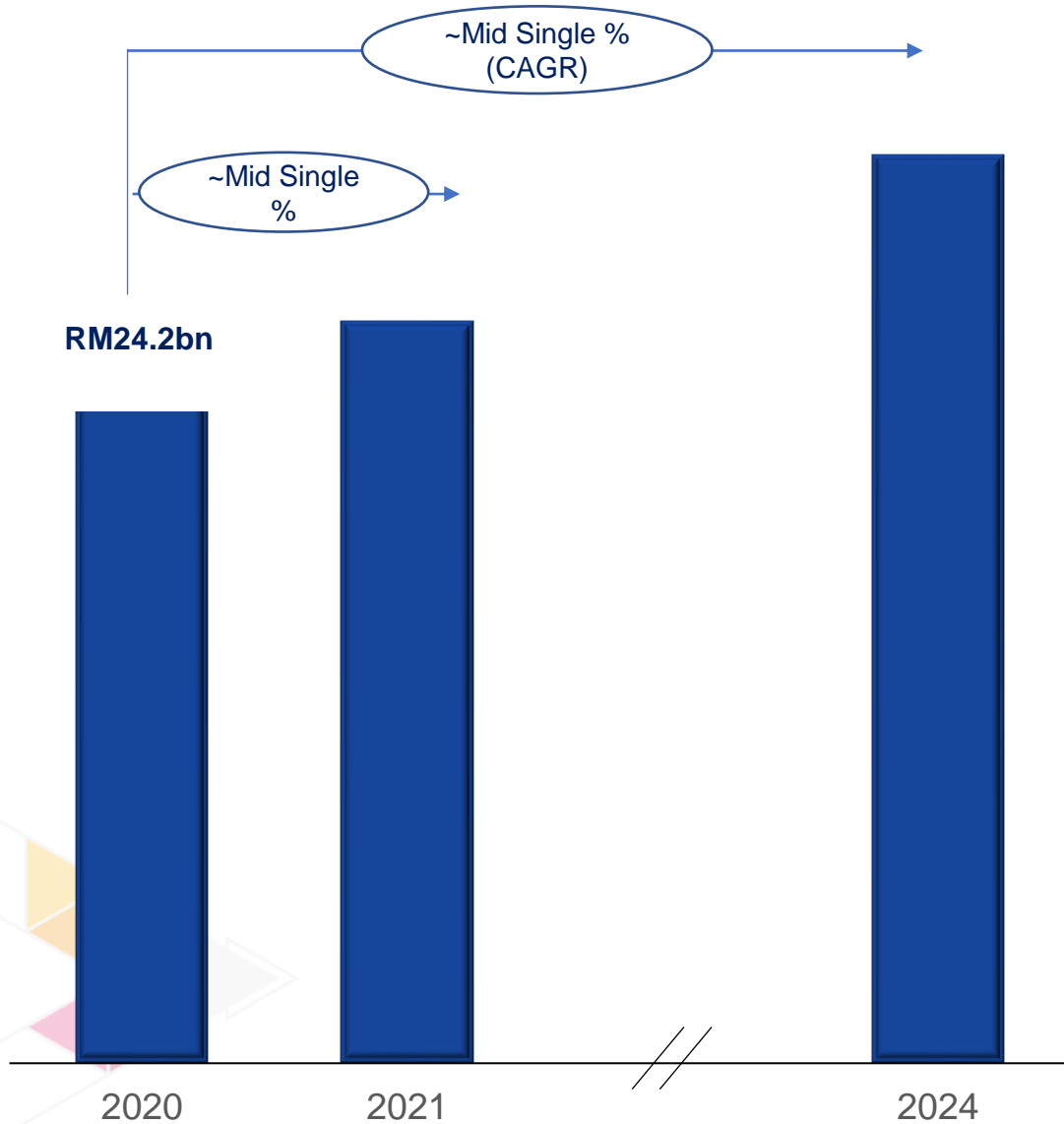
# Re-positioning to be a 'High Dividend Company'

Aspiration to achieve DPS of 20sen by 2024 is on track and is facilitated by disciplined execution of ongoing initiatives.



# Re-positioning to be 'High Dividend Company': Grow revenue

1 Strong YoY performance across, and in particular for Digital and Mobile; well poised to leverage on diversified portfolio to deliver mid single digit 4-yrs CAGR.



# Re-positioning to be 'High Dividend Company': Reduce opex and D&A growth

2 "Collective Brain" initiatives to deliver RM1.3bn savings in 2021, and on track for RM3-4bn savings by 2024.

3 Correspondingly, data profitability from 2021 onwards, as cost/GB will fall faster than revenue/GB.

## Collective Brain initiatives



### Procurement Efficiency

- Scale discount
- Lower cost substitution
- FRR negotiations



### Network Design Optimization

- Capacity upgrade optimization
- Antenna optimization



DIGITIZATION

### Digitalization

- Higher selfcare app penetration
- Increase in digital recharge

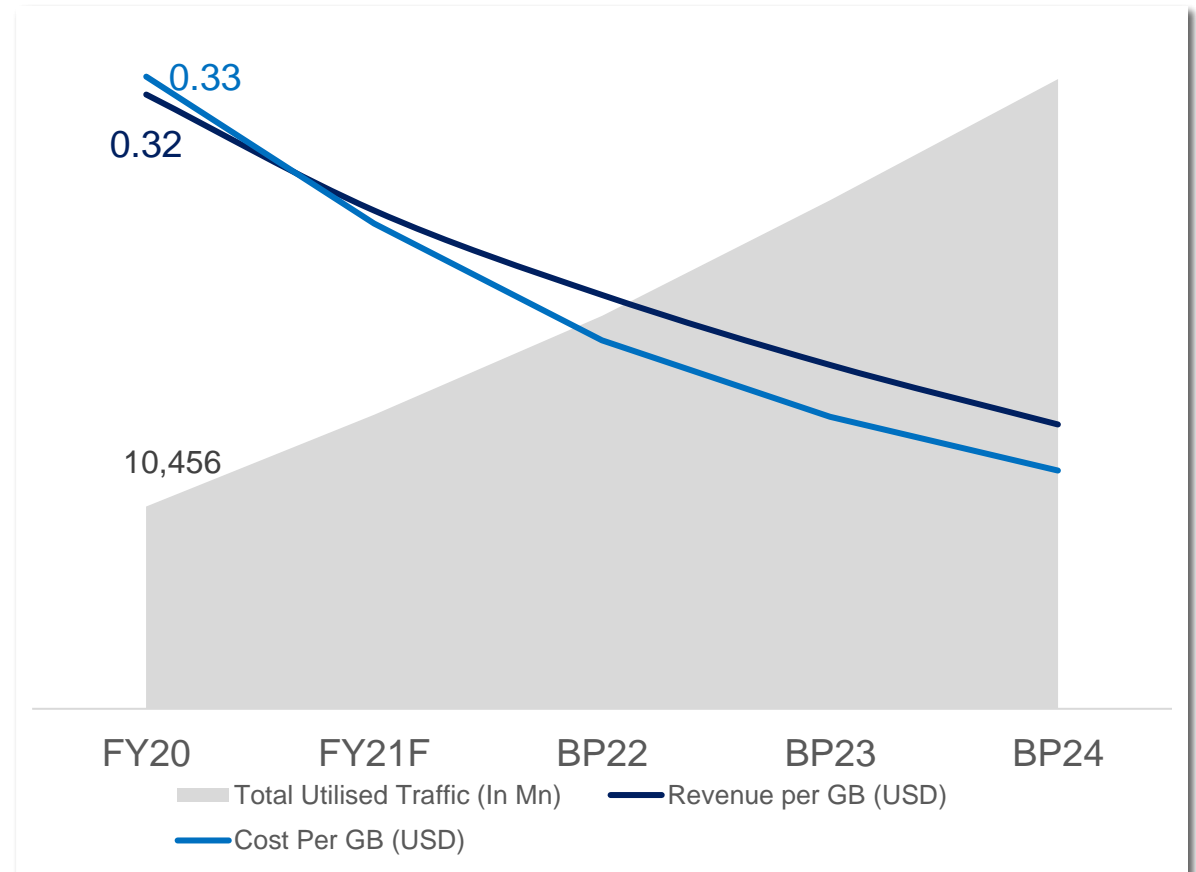


OPTIMIZATION

### Other Operational Efficiency

- Sales commission restructuring
- A&P optimization

## Data profitability



## Re-positioning to be 'High Dividend Company': Reduce financing cost

4 Axiata capitalised on the low interest rate environment in 2020 with the issuance of USD1.5bn Sukuk, and reduced financing cost by 1.6% pts to 4.4% or >RM100m p.a savings. As 67% of debt is on fixed rates, this will mute interest rate volatility in the coming years too.

### Debt portfolio



Total Debt RM 17.5Bn



Average Tenure: 9.7Yrs

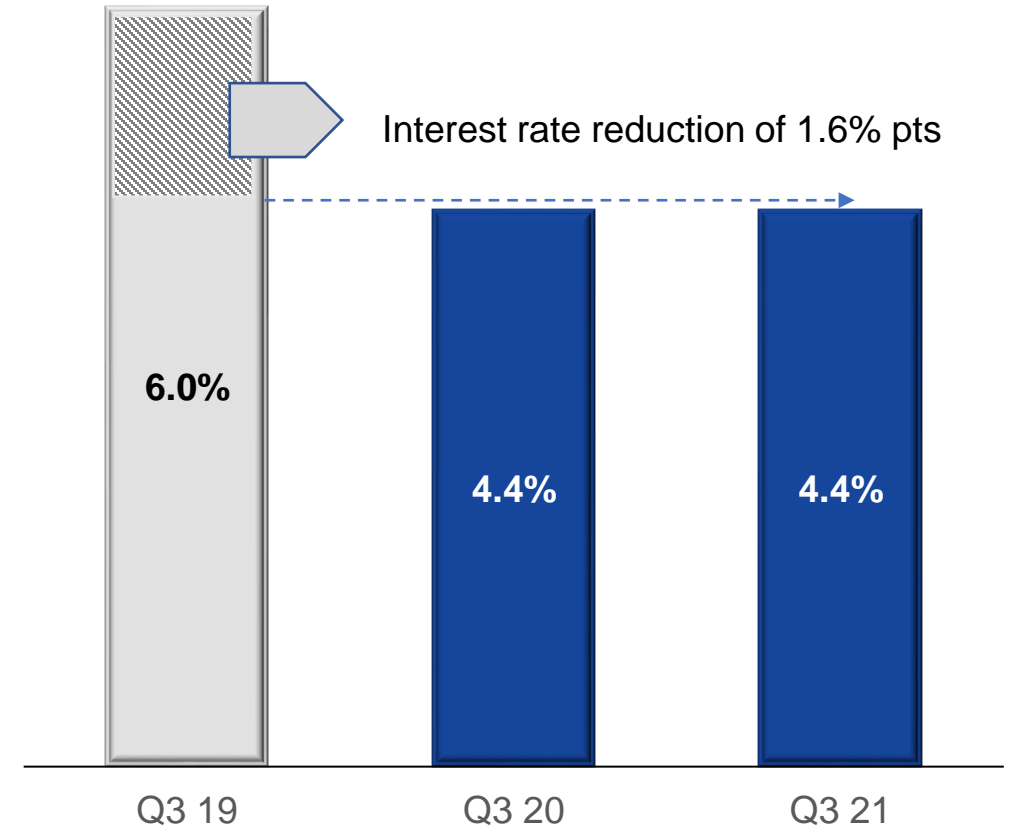


Debt Portfolio Mix

Fixed  
67%

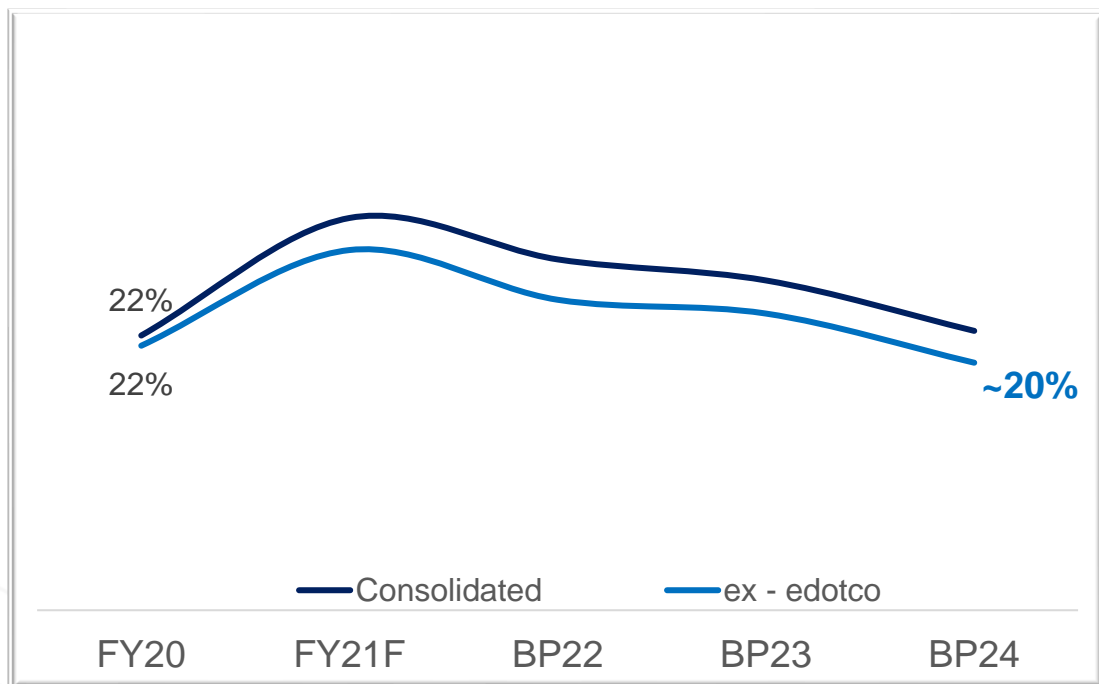
Floating  
33%

### Blended interest rate



- 5 **Re-positioning to be 'High Dividend Company': Lower mobile capex intensity to <20%**  
Notwithstanding new strategic investments ie XL transformation, regulatory requirements for minimum QoS and increasing solar investments, 'Collective Brain' initiatives especially from procurement efficiency, to lower mobile capex intensity towards 20% by 2024.

### Capex intensity



### Strategic investments



XL transformation to be 'Converged Digital Telco'



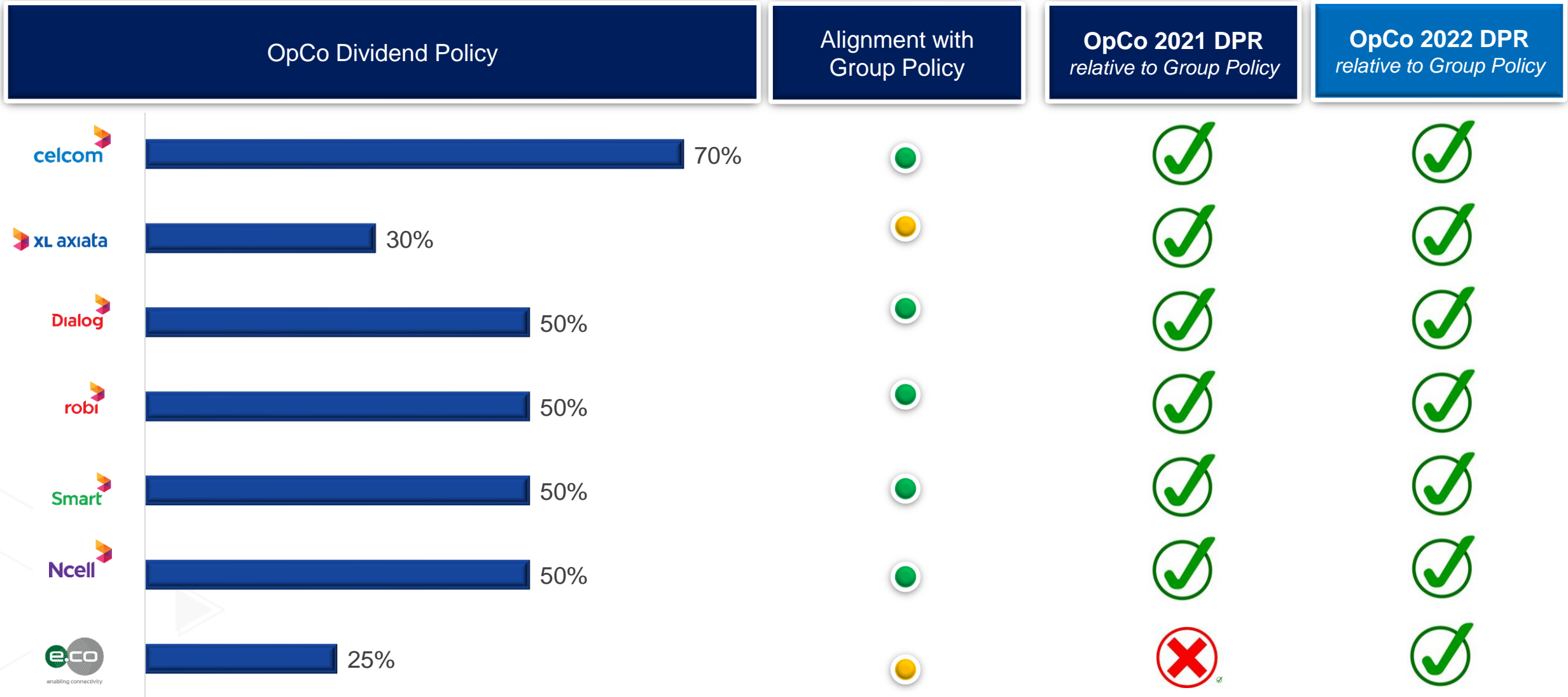
Ensure network QoS amidst surge in data usage



Support ESG initiatives

# Re-positioning to be 'High Dividend Company': Refine financial strategy

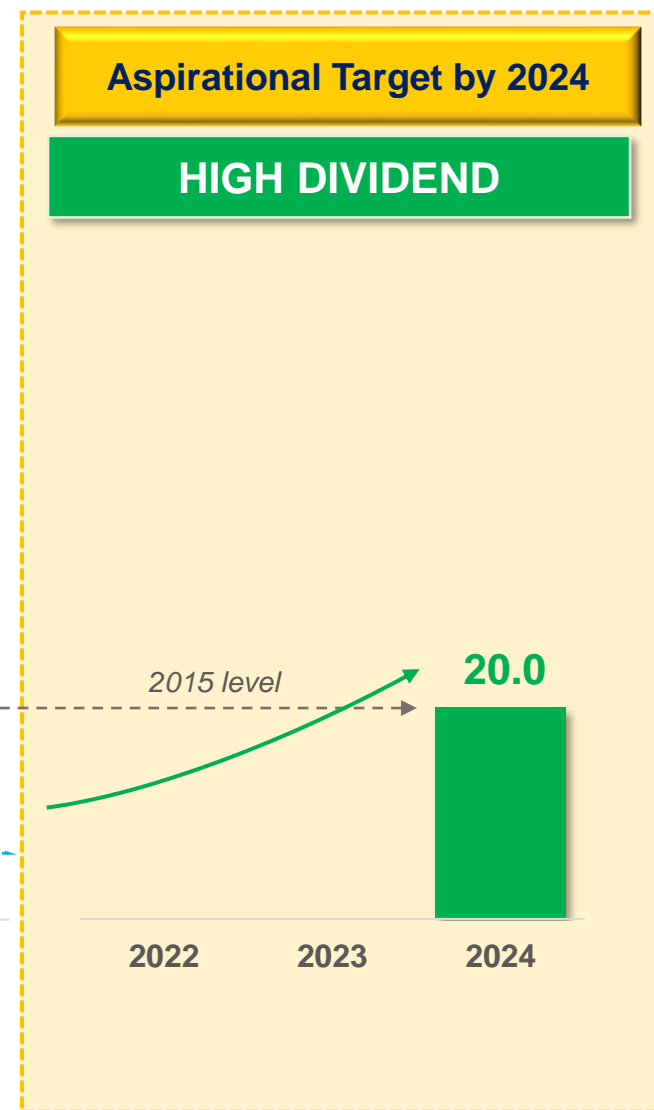
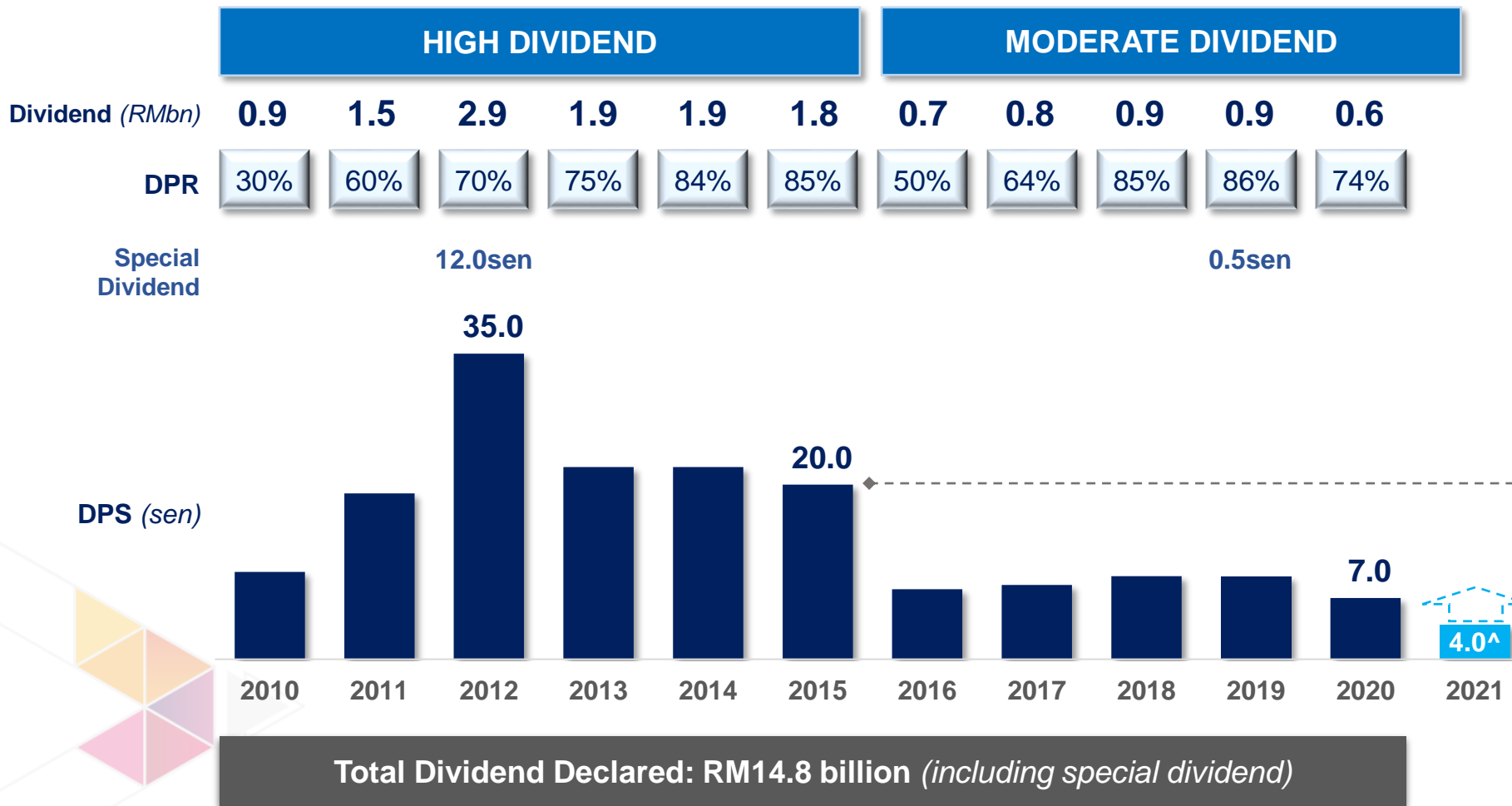
6 All OpCos' dividend policy and payout ratio have been aligned to support Axiata's target of 20sen DPS by 2024.





# Re-positioning to be a 'High Dividend Company'

All 6 levers will contribute to deliver the 20sen DPS aspiration by 2024.



Note^: Interim dividend

# Risks & Opportunities

## Risks

- **Continuing regulatory challenges**, especially in Cambodia, Malaysia and Bangladesh.
- **Chip supply shortage** may result in supply bottlenecks and increase in equipment and SIM prices.
- **Increased taxes** due to macro challenges from post Covid-19 recovery.
- **Sri Lanka macroeconomic challenges.** Low reserves, weak currency, with expectations of higher inflation and interest rates.
- **New wave of Covid-19**, resulting in fresh lockdowns.

## Opportunities

- **XL's transformation programme**, to sustain a strong market position in Indonesia.
- **Potential ARPU uplift in markets**, with continued demand for data and digital content.
- **Interest rate remains low** in some markets, due to pressures on governments to support the fragile economic recovery.
- **Execution of M&A pipeline**, namely proposed Celcom-Digi merger, and acquisition of Link Net and Touch Mindscape.

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**Thank You**

