

Axiata Analyst & Investor Day 2018

- “Shifting Gear”

Tan Sri Jamaludin Ibrahim

President & Group Chief Executive Officer

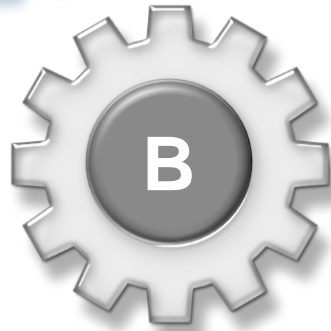
26th November 2018



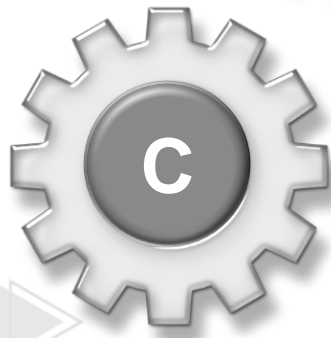
AGENDA



The Past : 10-Year Analysis & Present



The Vision : Long-Term Strategy & Plan

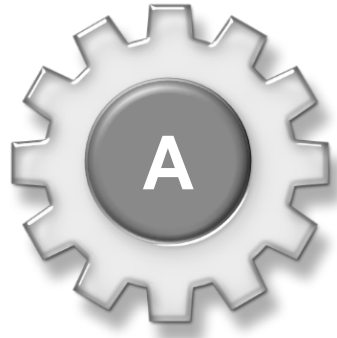


The Immediate Future : 2019 (and 2020) – “Shifting Gear” towards Profitable Growth & Cash Focus

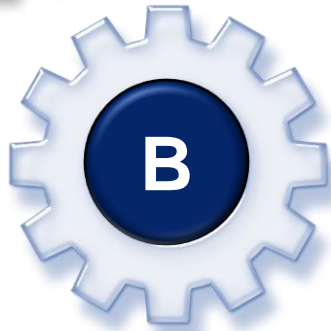
A The Past: 10-Year Analysis & Present

- ★ Top Performer in **Revenue / Market Share Growth** in all markets except Celcom (top performer till 2013 & in YTD2018);
Top Performer in **Profitability** except Celcom (top performer till 2013) and XL (2nd Best)
- ★ **Capex Investments & Intensity** increased in 2016 & 2017, with improvements for most OpCos for “core mobile” in YTD2018, despite forex impact (USD)
- ★ **FCF** continued to be strong throughout but lower **OFCF** due to interest hike & taxes
- ★ **ROIC** declined below WACC in 2015 & 2016 but improved slightly in 2017 & YTD2018
- ★ Despite recent forex impact, **Gross Debt / Equity** remains strong throughout except in 2008 & 2016
- ★ **Dividend Yield** moderate throughout but reduced in 2016 & 2017 by design to support increased capital investments during the same period

AGENDA



The Past : 10-Year Analysis & Present



The Vision : Long-Term Strategy & Plan



The Immediate Future : 2019 (and 2020) – “Shifting Gear” towards Profitable Growth & Cash Focus



B The Vision: Long-Term Strategy & Plan

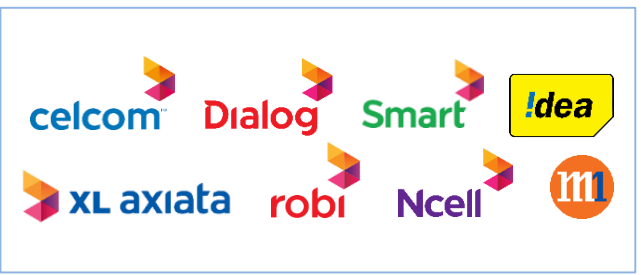
Vision

Next Generation Digital Champion by 2021 / 2022

Strategy

<<<Triple Core to generate sustainable moderate growth & moderate dividends>>>

1 Digital Telco



2 Digital Businesses



3 Infrastructure



New Growth Areas

- Home Broadband
- Enterprise Segment
- Inorganic (Consolidation)

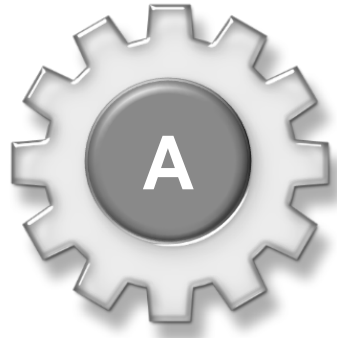
- Digital Financial Services (Boost)
- Digital Advertising (ADA)
- Platform (Apigate)
- Enterprise Solutions & IoT (Xpand)

- Organic
- Inorganic (Consolidation)
- Inorganic (New Footprint)

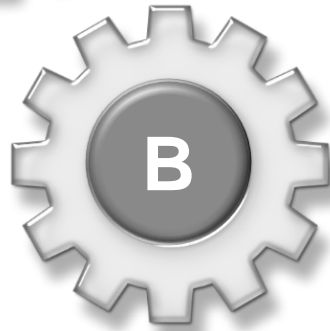
8 Strategic Initiatives

Operational Performance & Cost Optimisation	New Growth Areas	Functional Superiority & Digitization	Distinct Competitive Diff. & Clear New Business Model
Industry Restructuring & Rationalization	Optimum Portfolio & Investor Proposition	Sustainability & Stakeholder Management	Organizational & Cultural Changes

AGENDA



The Past : 10-Year Analysis & Present



The Vision : Long-Term Strategy & Plan



The Immediate Future : 2019 (and 2020) – “Shifting Gear” towards Profitable Growth & Cash Focus



The Immediate Future – 2019 (and 2020) : Introduction



Combination of global & national macro, local industry & regulatory factors have recently impacted Axiata

- Affecting Share Price & Financial Performance (due to Forex, Interest Hikes & Taxes)
- Biggest Issue : Short-Term Profit & Funding Costs



Need to review strategy, implementation & priorities

- Overall strategy remains the same
 - “Shifting Gear” more towards Profitable Growth & Cash Focus
 - Rebalance focus, priorities, partnerships, portfolio, balance sheet & KPIs



**C**

2019 (and 2020): “Shifting Gear” towards Profitable Growth & Cash Focus

1

Focus on **Profit Growth** relatively more than Revenue / Market Share Growth

2

Spotlight on **Opex & Capex Efficiency** – now more than ever

3

Reprioritise / re-scope some investments with long payback (unless Point #4)

4

Fund investments in **New Growth Areas** mostly through **Strategic Partnerships / Financial Investors** (*directly or indirectly*)

5

Monetize existing investments for cash and validation

6

Accelerate structural changes i.e. industry consolidation, network sharing & productivity

7

Impair non-productive / end-of-life assets due to aggressive modernization

8

Change KPIs for 2019 to reflect above

Thank You

