

Axiata Analyst & Investor Day 2020:

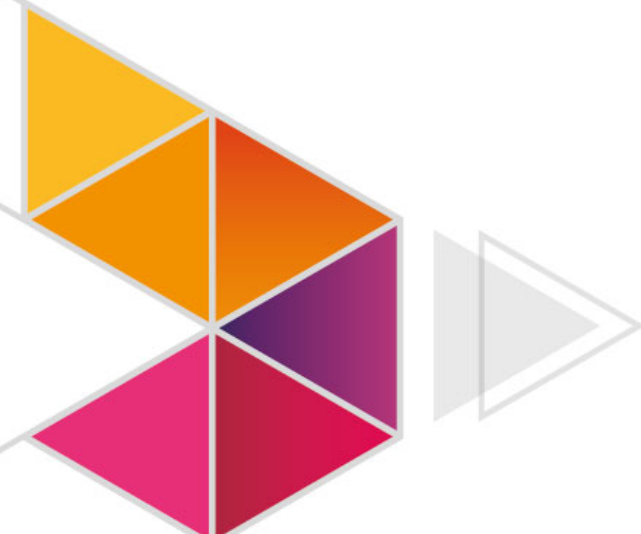
Axiata 5.0: Translating Our Vision into Reality

5 : 10 : 20 : 20 by 2024

Dato' Izzaddin Idris

Deputy Group CEO

3rd December 2020



Our Aspirational Targets

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

AND

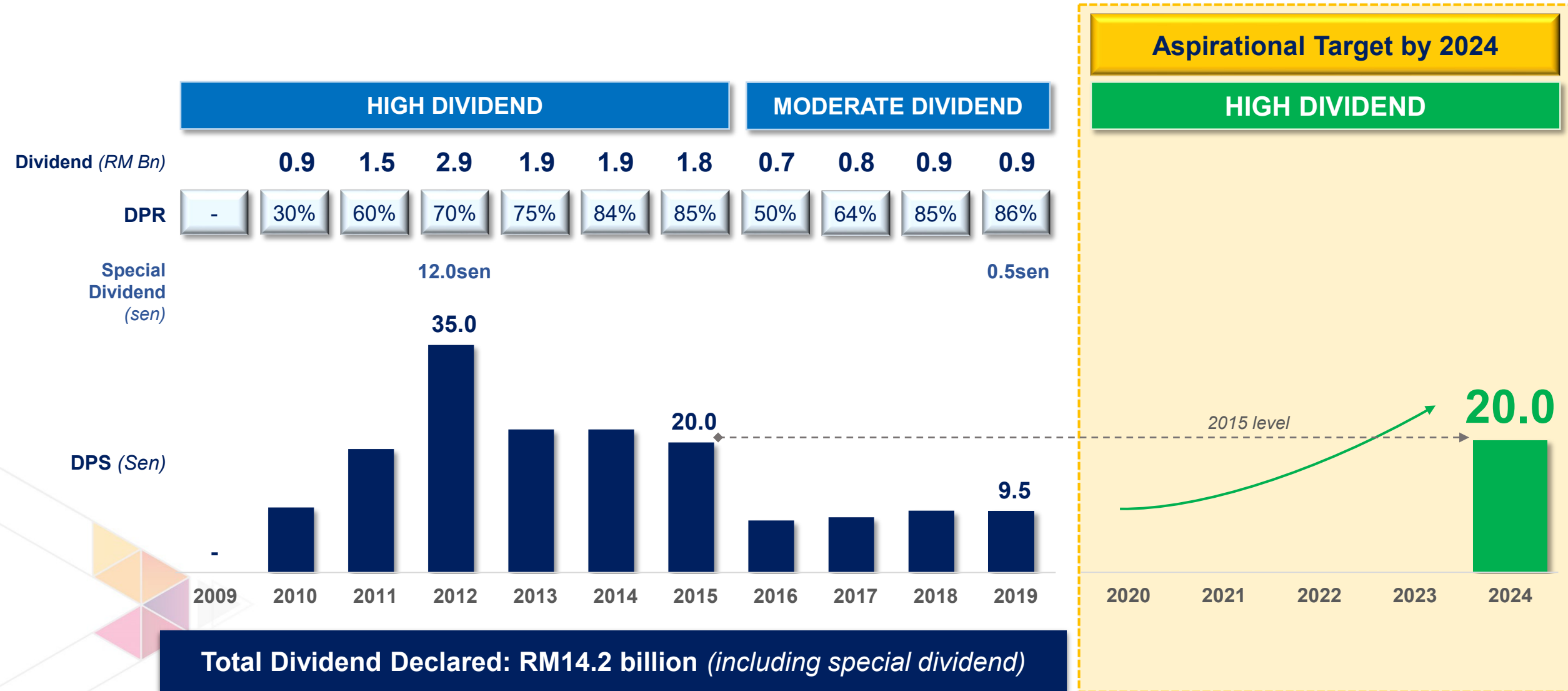
★ Investors' / Shareholders' Perspective: **5 : 10 : 20 : 20**

- Within **5 years** *(Best: By 2023; Worst: By 2025)*
- 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 last 4 years)*

➤ **ROIC > WACC**

Investor Proposition

In line with the changing industry cycle & market outlook, Axiata aspires to re-position itself as a “High Dividend” company – higher emphasis on Cash & Profit going forward to deliver High Dividend



Axiata 5.0: 10 Key Value Creation Drivers

Focused Execution to Deliver High & Sustainable Dividend

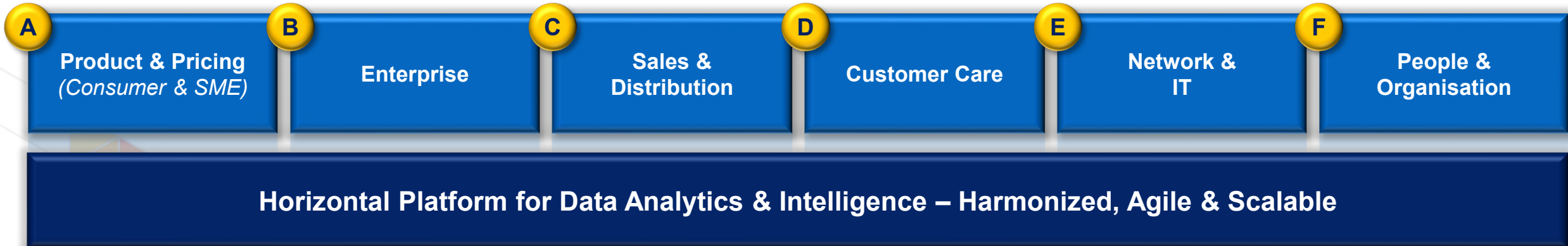
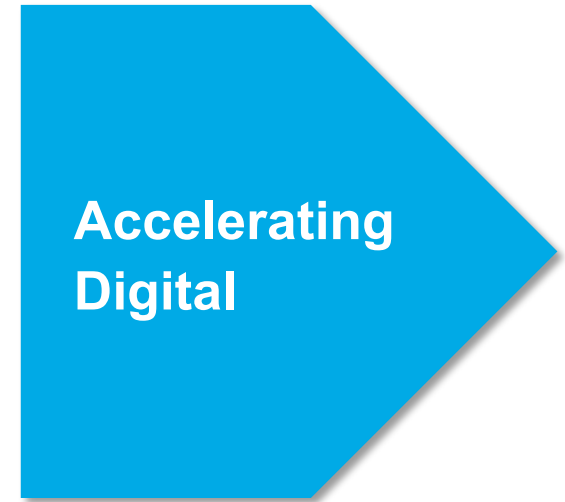
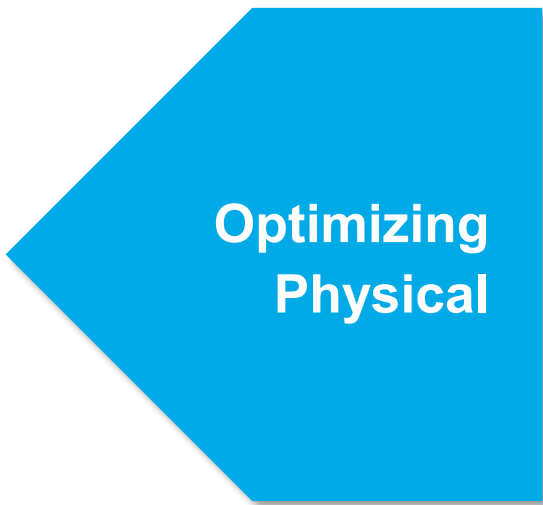
Institution Building	1	Positioning for the “New Norms”
	2	OpCos Transformation
	3	Operational Excellence
	4	New Engagement Model
	5	Digitization & Analytics
	6	New Growth Areas
	7	Stakeholder Management
	8	Organization 5.0
Structural Changes	9	Industry Consolidation
	10	Investment & Portfolio Optimization

1

Agenda 4: Digital Telco – Gainers in the New Normal

2

Axiata can emerge as the WINNER among the GAINERS in the New Normal by succeeding in Optimizing Physical, Accelerating Digital & Managing the Interface Between.



Agenda 4: Digital Telco – Celcom’s 3-Year Transformation

Through its 11 laser-focused, execution-oriented “Impact Centres”, Celcom’s Transformation plans will unlock an incremental EBIT of RM300-500mn by 2022



11 Impact Centers, 3 Core Objectives



Fastest Value Growth

Mobile revenue growth, best-in-class distribution, scaling B2B, cost excellence, reengineered network



Future-Proof, Differentiated Core

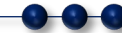
Market leading 5G, AI/data platform, new technology stack, digital services platform and ecosystem



Fighting Spirit – People & Culture

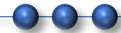
Agile ways of working, war against complacency, talent rejuvenation, regionalization

2019
EBIT



RM **1.3** bn

2022
EBIT



RM **1.6** bn

to

RM **1.8** bn



6

Agenda 5, 6 & 9: New Growth Areas – Double-Digit Growth Opportunities

Foundation has been laid – while mobile growth is stagnating, New Growth Areas i.e. Enterprise, Home, Digital & Infrastructure Businesses continue to offer double-digit growth opportunities

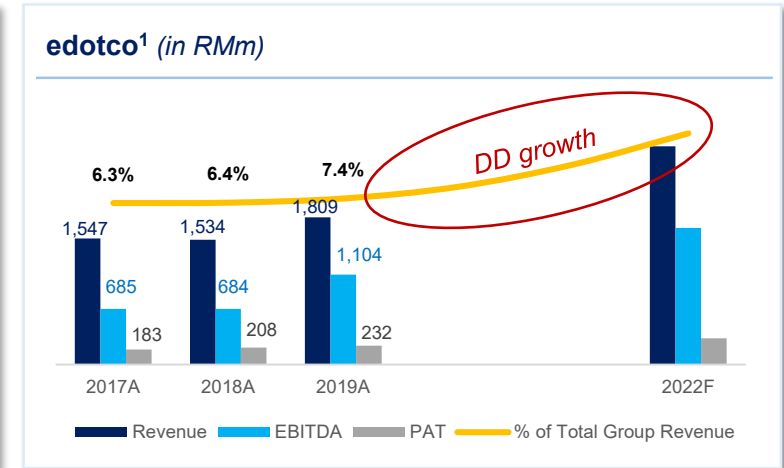
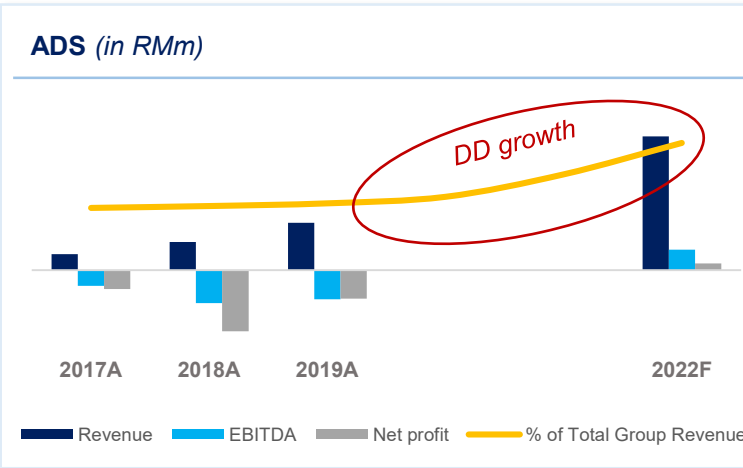
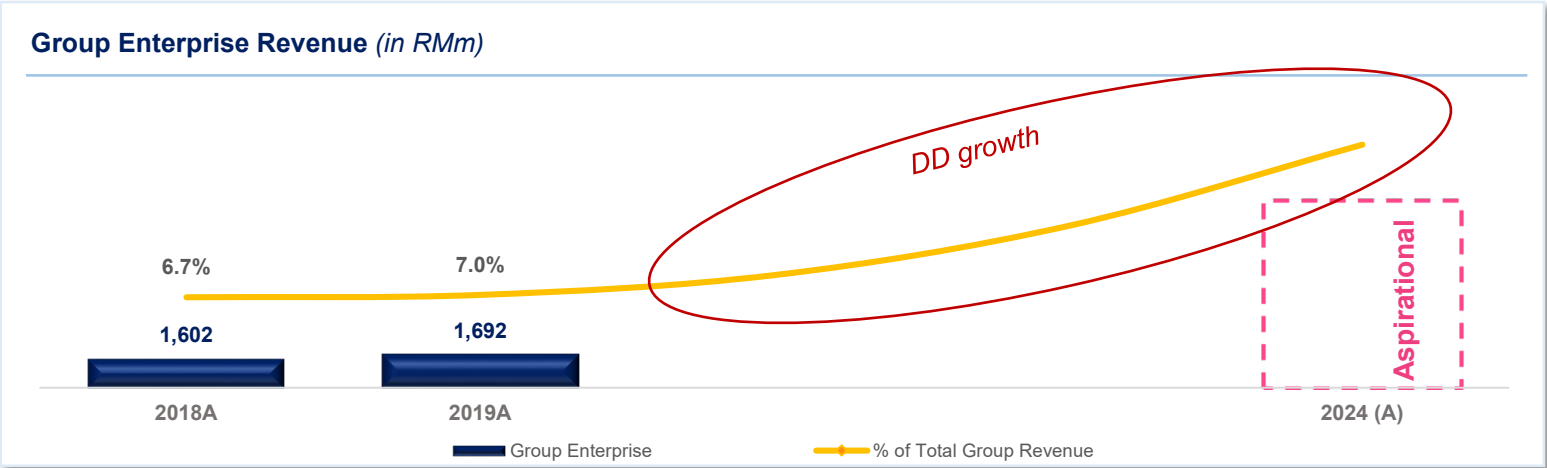
New Growth Areas

Agenda 5
Digital Businesses  **Double-digit**

Agenda 6
Infrastructure  **Double-digit**

Agenda 9
Enterprise  **Double-digit**

Not Covered in AAID 2020
Home  **Double-digit**



Note:

- 2017 is Proforma illustrating edotco portfolio comprising Malaysia, Bangladesh, Cambodia, Myanmar and Pakistan
- All charts are not drawn to scale

2013	2014	2015	2016	2017	2018	2019	2020	...
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Phase I: Inception and Experimentation

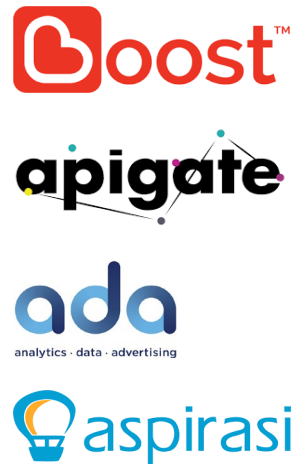
Experimentation on business/models
Investments for learning



Business Development KPIs

Phase II: Growth and Expansion

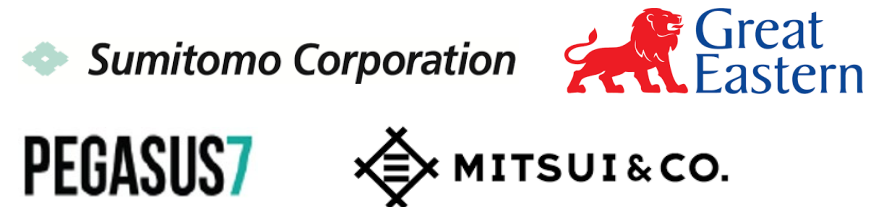
Incubate learnings to launch new biz
Footprint expansion



KPIs: # of Users, GTVs

Phase III: Value Capture

Synergize and create value
Attract new strategic/financial investors
Monetization and potential IPO

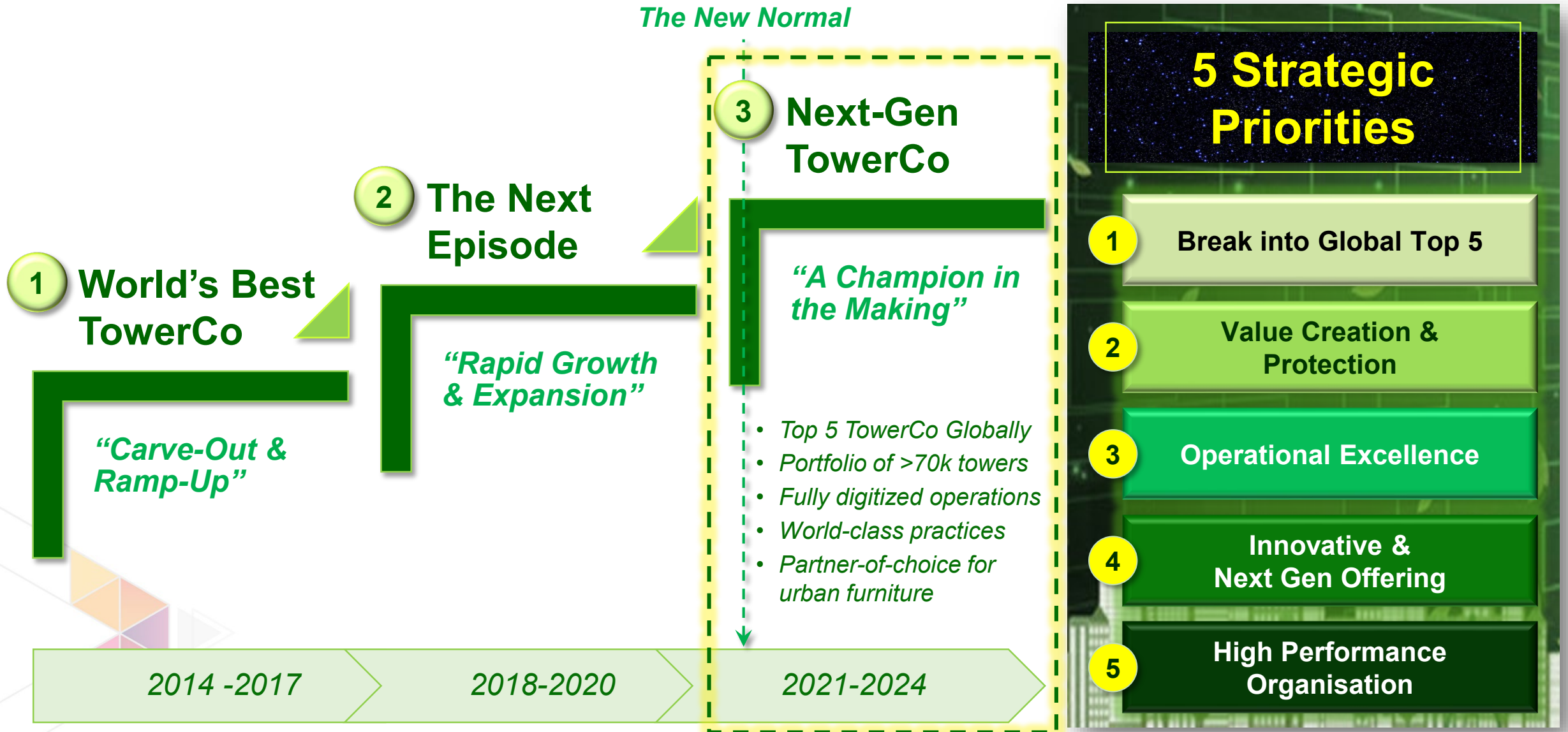


KPIs: Valuation, PAT

* Excluding new ventures e.g., Digital Bank

Agenda 6: Infrastructure – Building the Next-Gen TowerCo

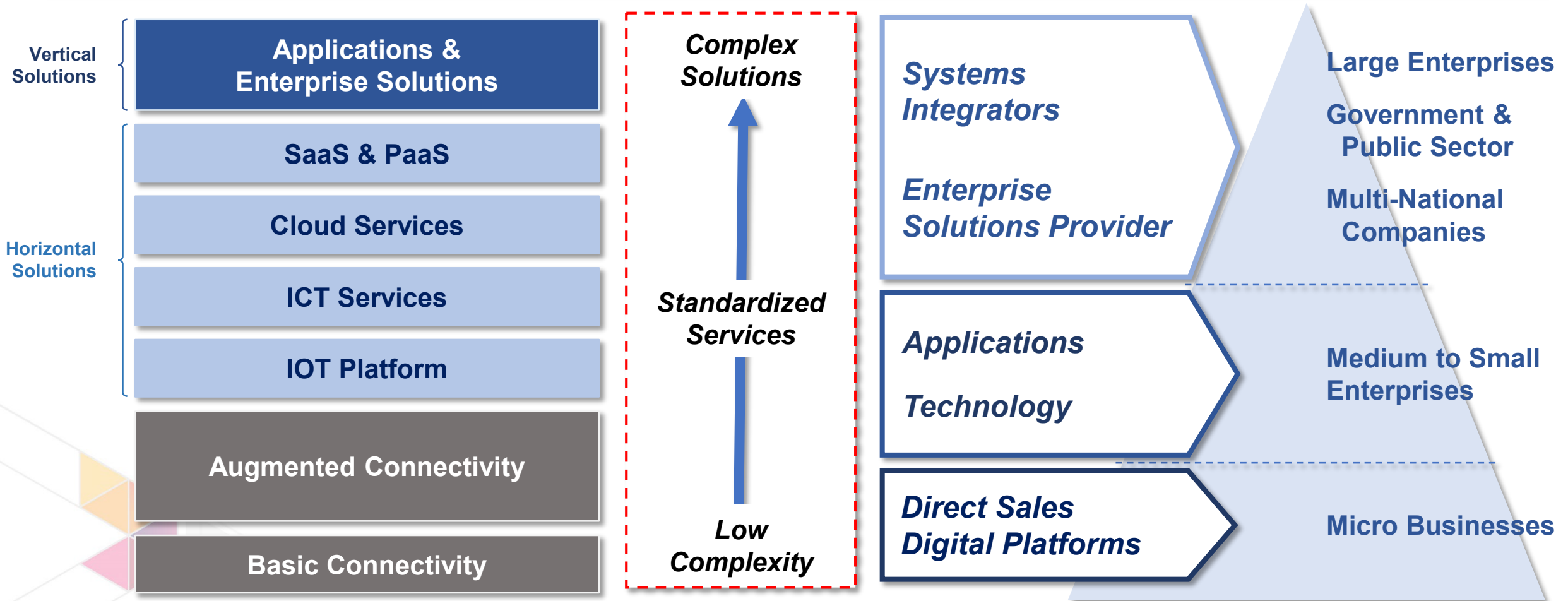
Aspiration of becoming Top 5 Global TowerCo remains, with IPO in 3 to 5 years



Agenda 9: Axiata Enterprise – Beyond Connectivity

Aspirational target of contributing ~20% of Group Revenue by 2024 / 25

Axiata's GTM Stack Builds Upwards From Core Capability through to ICT, IoT, Cloud & SaaS, PaaS

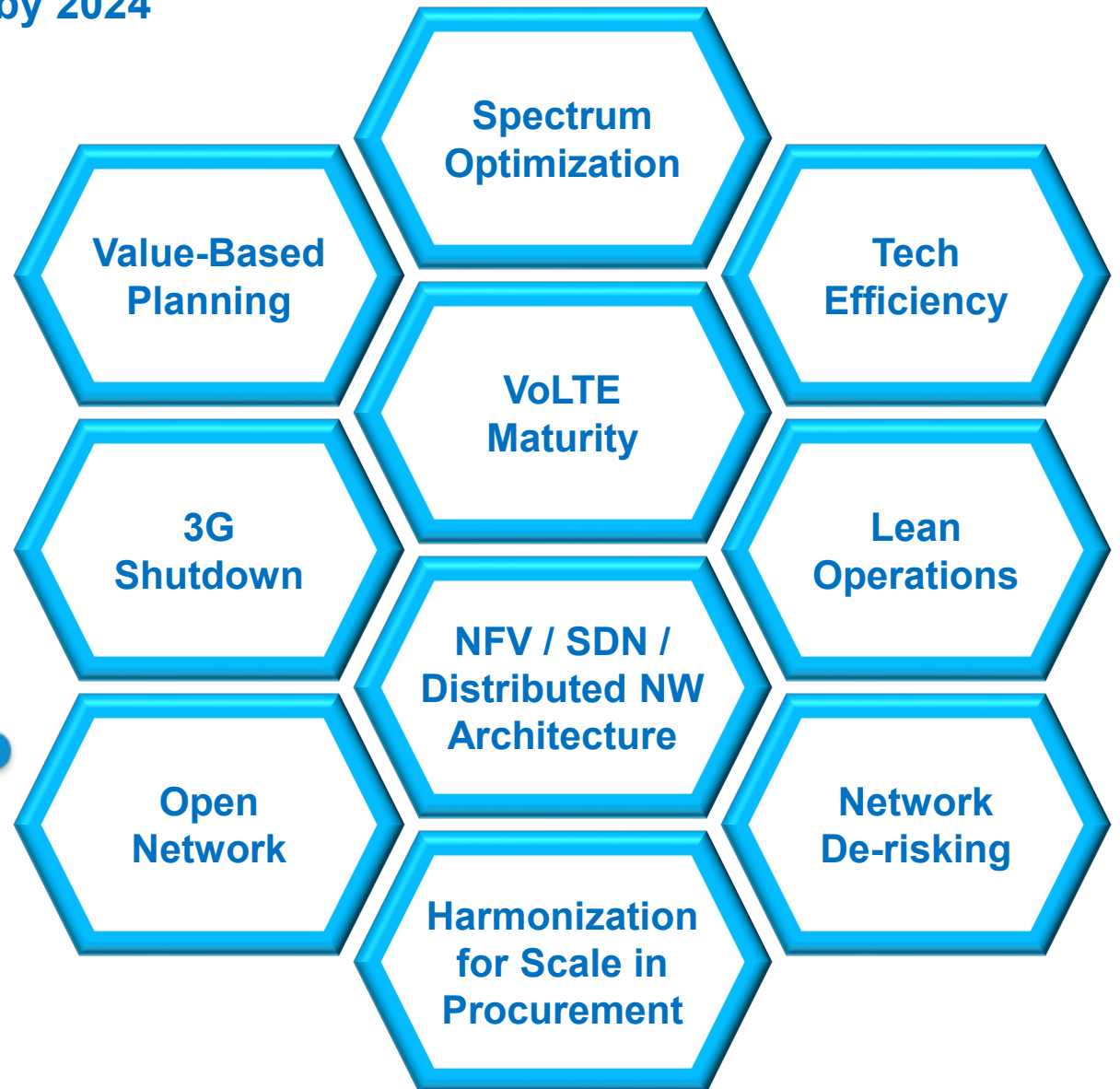
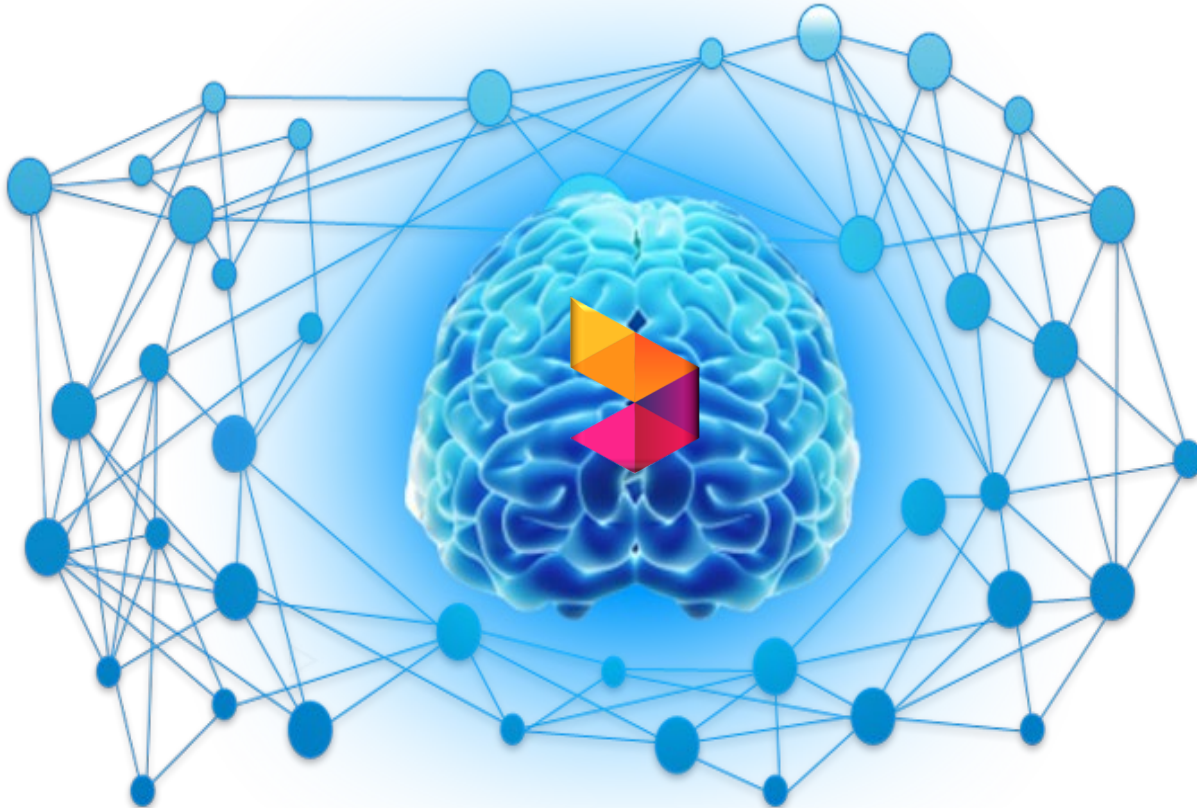


Agenda 10: Transformation via Axiata's "Collective Brain"

"Virtual Centralization" to unlock optimum Group-wide synergy – with a cumulative savings target of between RM 3 billion to RM 4 billion by 2024

The "Collective Brain"

- OpCo Leaders collectively making Group-wide decisions
- OpCo Resources taking on Group targets (*Financial & Strategic*)
- OpCo Resources involved in end-to-end execution



Structural Changes: Industry Consolidation

M&A Objectives, Investment Theses & Strategy

Investment Objectives

Balance Portfolio represented by:

- Profitability, Revenue Growth & ROIC Focus
- Good Growth & Good Dividend

Investment Theses

- 1) Altering market structure to prepare for convergence, enhance market power & for long term sustainability
[In-Country Consolidation & Control Opportunities]
- 2) Opportunistic acquisition for future growth, future dividend and/or turnaround opportunities
[New Opportunities]
- 3) Increase scale / scope to extract synergies & secure capabilities for Enterprise
[In-Country Consolidation & Control Opportunities]
- 4) Enhance breadth & depth of talent pool

M&A Strategy



Primary: Be #1 or Strong #2 Converged Player in Respective Markets

- In-country consolidation, growth, market share protection, spectrum/fibre
- New business / model to support convergence (fixed and mobile play)



Selective: Control Opportunities to Rebalance / De-Risk Portfolio (*growth vs yield*) + Economies of Scale + Secure Enterprise Capabilities

- Portfolio rebalancing and control over strategic assets



Secondary: Selective Divestment for Portfolio Management / Rebalancing & Gearing Management

- Divestment of non-core assets (non mobile), strategic divestments for portfolio rebalancing, risk management and for other M&A funding

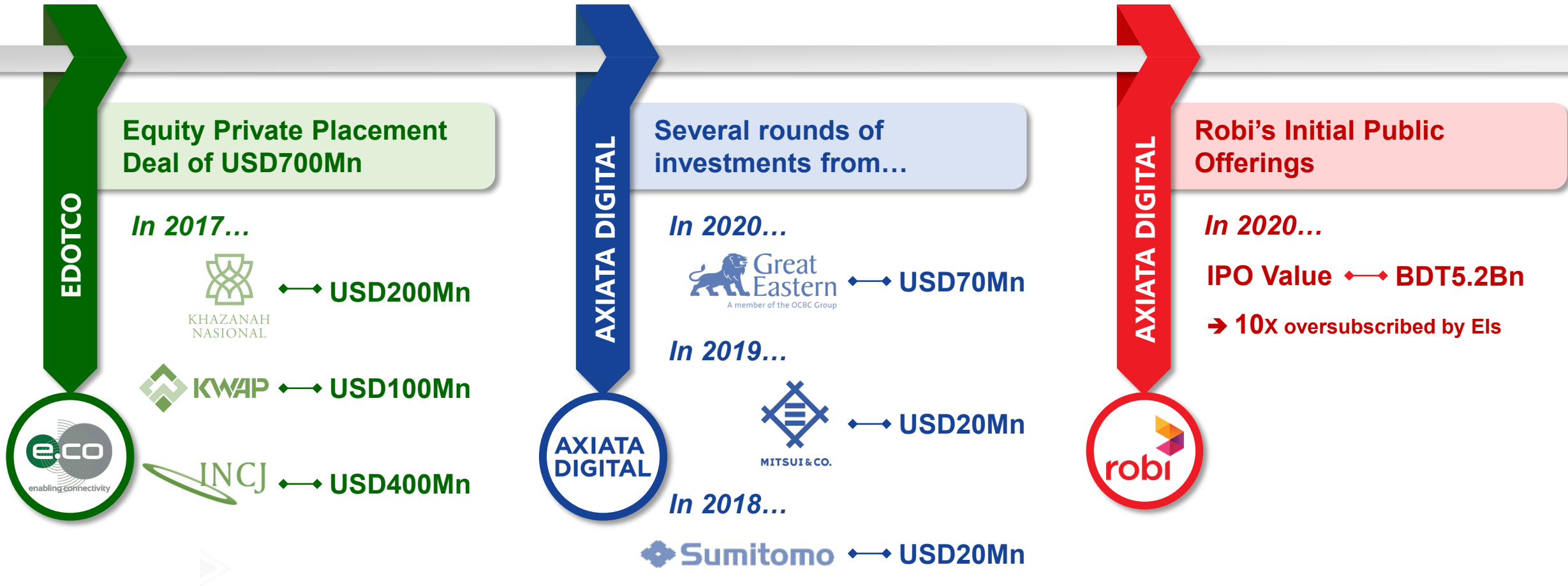


Tertiary/Minimal Focus: New Footprint within Target Market

- Strategic M&A, portfolio rebalancing and stable cash flow OR cautiously, greenfield opportunity with significant growth potential

Structural Changes: Portfolio Optimization & Value Illumination

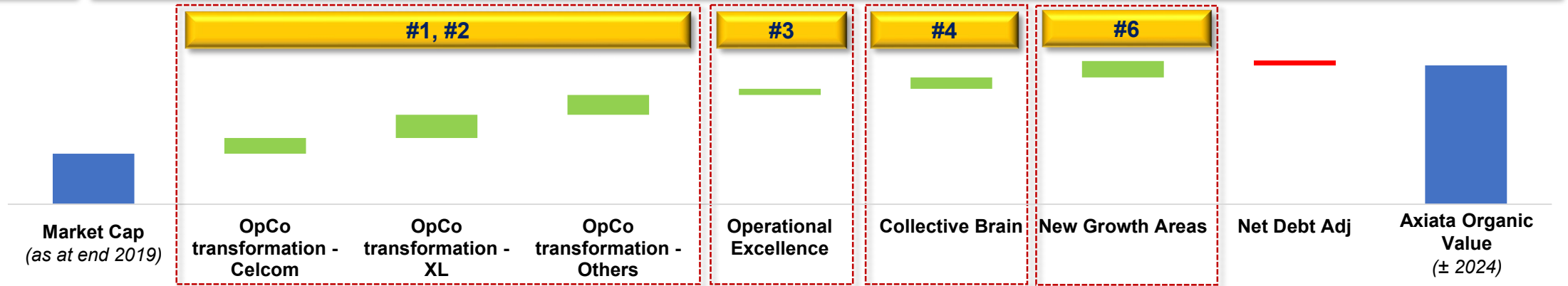
Robi IPO on 24th December 2020; edotco placements in 2016 & 2017; ADS funding rounds with Sumitomo, Mitsui and Great Eastern.



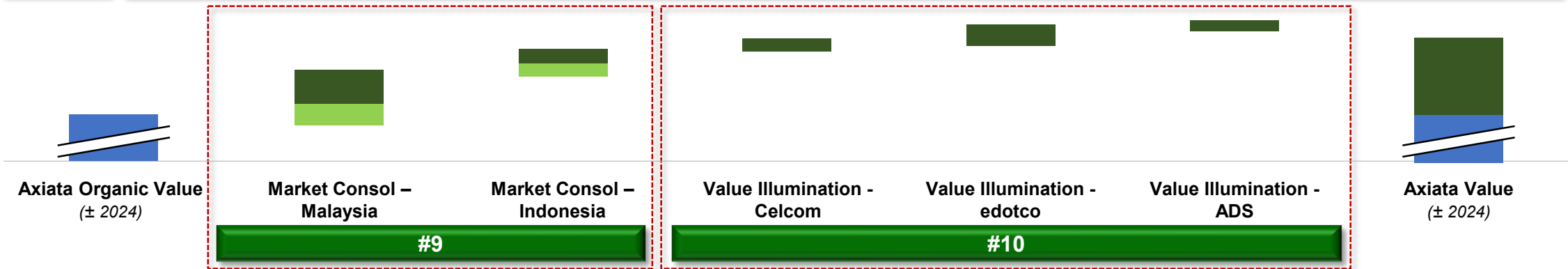
Financial Summary: Our 2024 “End Game”

Significant Value Creation Potential via Axiata 5.0’s 10 Key Drivers

1 – 8 Organic : Institution Building Critical to Deliver Sustainable Growth [Equity Value in RM B]



9 & 10 Inorganic : Industry Consolidation & Portfolio Optimization [Equity Value in RM B]



Key dependencies being Organic Growth in Celcom, XL & Ent + Inorganic Transactions in edotco, MY & ID

Note: Celcom value illumination initiatives are mutually exclusive with Malaysian market consolidation options

* Graphs are not drawn to scale

Achieving Axiata 5.0: 10 Key Value Creation Drivers

			Today's Agenda for AAID20...
Institution Building	1	Positioning for the "New Norms"	<i>Discussed "Shifting Gear" in AAID19</i>
	2	OpCos Transformation	Agenda 4 "Digital Telco Gainers"
	3	Operational Excellence	<i>Discussed in AAID19</i>
	4	New Engagement Model	Agenda 10 "Collective Brain"
	5	Digitization & Analytics	<i>Discussed in AAID19</i>
	6	New Growth Areas	Agenda 5, 6, 9 Axiata Digital, edotco, & Axiata Enterprise
	7	Stakeholder Management	
	8	Organization 5.0	
Structural Changes	9	Industry Consolidation	
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Thank You