

Axiata Digital

**Leveraging on telco assets to build
3 unicorns**

**Mohd Khairil Abdullah
Chief Executive Officer, ADS**

26 November 2018



Executive Summary

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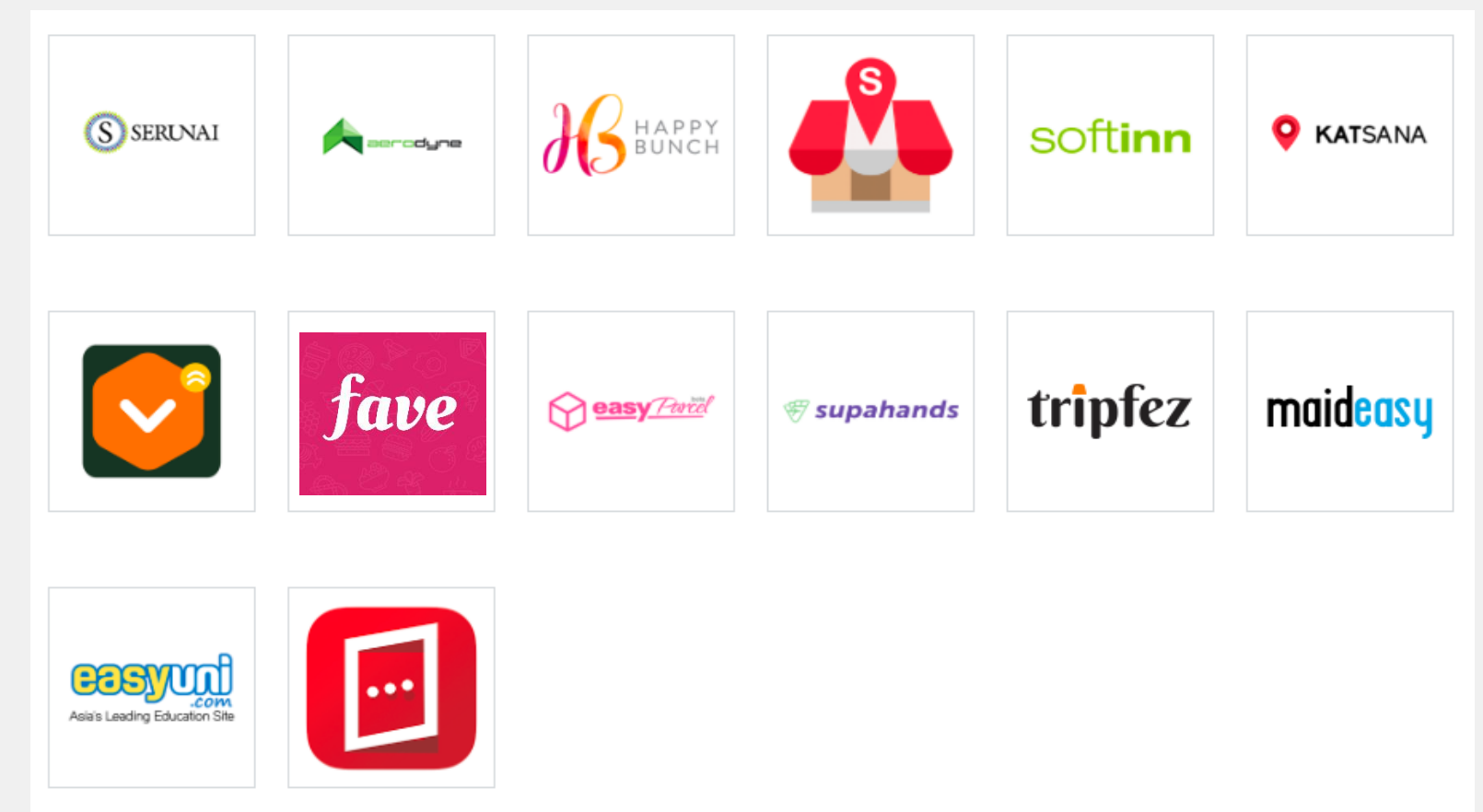
- In 2018, ADS completed its pivot to an **operator of digital companies**. We now have 3 fast growing digital operations:
 - 1) Digital Financial Services** - under the brand name **Boost** in Malaysia and Indonesia and **eZCash** in Sri Lanka
 - 2) AdTech** - through **ada** our full-service digital agency business
 - 3) Platforms** - with **Apigate** our global API Gateway businessOn track with ambition of turning each of these companies into businesses with >\$1B in EV within 5 years.
- **Boost:**
 - #1 wallet in Malaysia with 3.3M customers and 54K merchants; transactions growing 38% monthly for past 6M
 - Boost Indonesia has built the largest retail base in Indonesia with 400K merchants with Boost QR
- **ada:**
 - ada is now the largest independent digital agency in the region; winning pitches against major global agencies
 - Closed a funding round where Sumitomo Corp. injected \$20M into ada
 - On-track to be PAT positive for FY2019; several markets already generating positive EBITDA
- **Apigate:**
 - Emerging global API Gateway with access to 110 telcos across SE Asia/South Asia, Mid-East, Europe, Africa
 - Signed up with major northbound partners: Disney, ESPN, Amazon Prime, YouTube, etc.
- Remaining businesses have now been carved out into a separate Digital Ventures (DV) entity.

Act I (2013-2016): Experimentation and Discovery

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Venture Build and Direct Investments

Axiata Digital Innovation Fund (ADIF)



- 20 internal and 6 external/JV incubation
- 7 minority investments
- 14 early stage investments thru ADIF

Act II (2017 onwards): Focus on building and operating winning business models

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Regional Financial Services champion

- **Boost** (Micro-Payment)
- **Boost QRedit** (Micro-Lending)
- **BIMA** (Micro-Insurance)
- **Micro-Remittance** (TBA)
- **Micro-Savings** (2019/2020)



Largest independent Digital Agency in SE Asia

- **ada Futures** (Data and Planning)
- **ada Reach** (Inventory)
- **ada XChange** (Media/Programmatic)
- **ada Acquire** (Cust. Acquisition)
- **Studio A** (Creative)



Leading global API Marketplace

- **Apigate Hub** (API marketplace for Short-tail, Large Developers)
- **Apigate Pro** (Open Source Platform for API Publishers)
- **Ideamart** (API Marketplace for Long-tail Developers, Start-ups)



 **Boost[®]**

**"Boost your
Life!"**

Opportunity to serve the underserved

Market Segments for Financial Products (South/SE Asia)

Fully Banked
10% (~100M)

*Underserved**
52% (~533M)

Unbanked
38% (~386M)

CONSUMER

MIGRANTS

SME

Our Right to Play

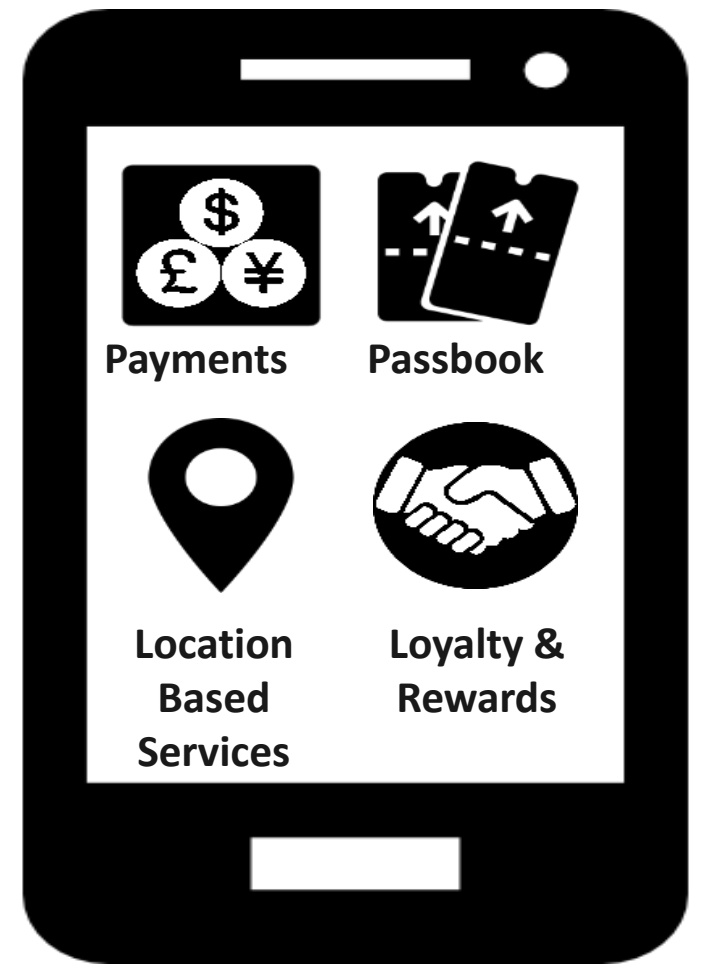
- Smartphone penetration ~75%
- Axiata base: 350M;
Axiata retailers: 1.8M
- Our cost to serve significantly lower than banks agent/bank network

Boost Wallet as a master account for fin. services

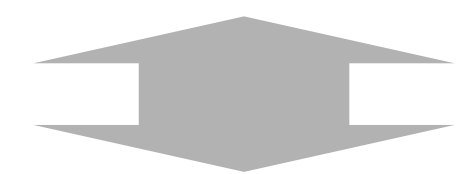
- Cash in/Funding**
 - Cash-in
 - Domestic P2P
 - International Remittance
 - Lending
 - Loyalty and Rewards
 - Other wallets (incl. DCB)



Master Account: Boost Wallet



- Micro-payments**
 - Top-ups
 - Bill Payments/ Utilities
 - Online
 - Offline Products and Services



- Micro-Insurance
 - Micro-Lending
 - Micro-Remittance
 - Micro-Savings and Investments
- Exchange for Financial Services Offerings**

Range of payment products and services

Prepaid Top Up
(myself+others)

Digital Shop
(+gifting)

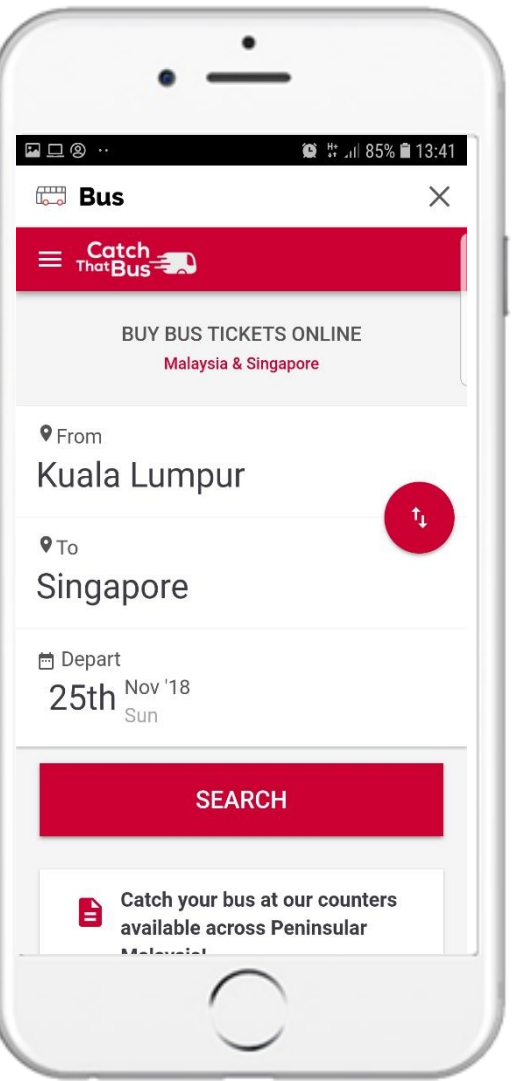
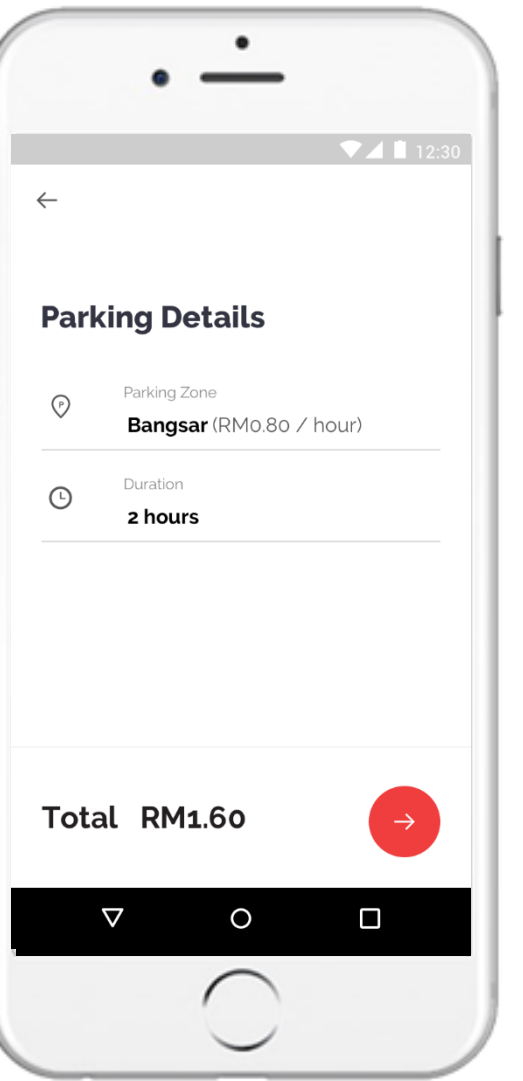
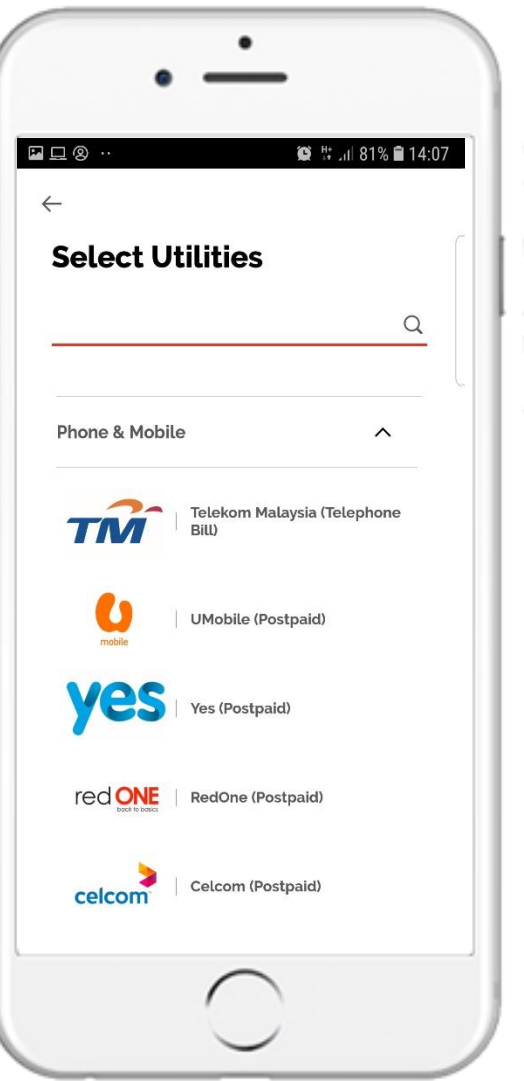
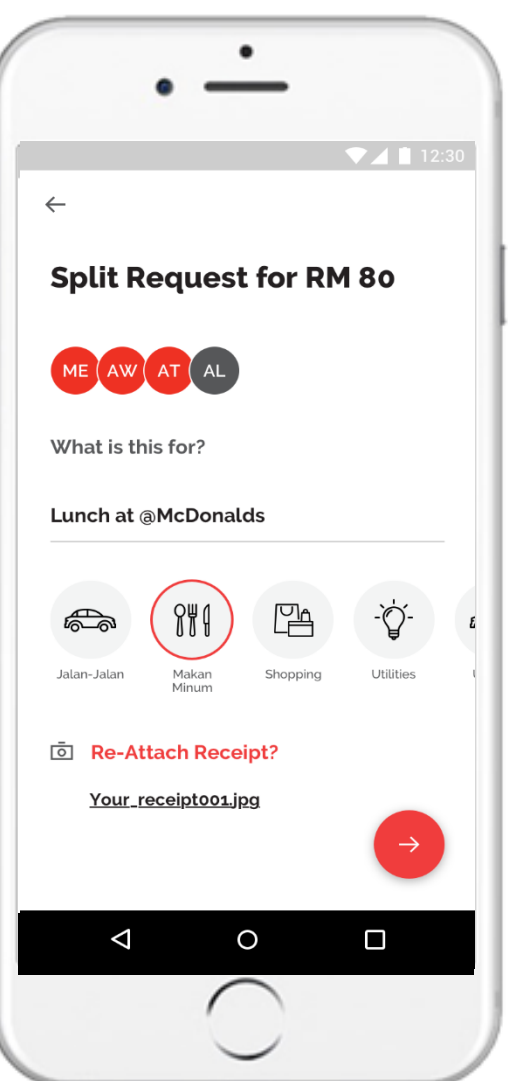
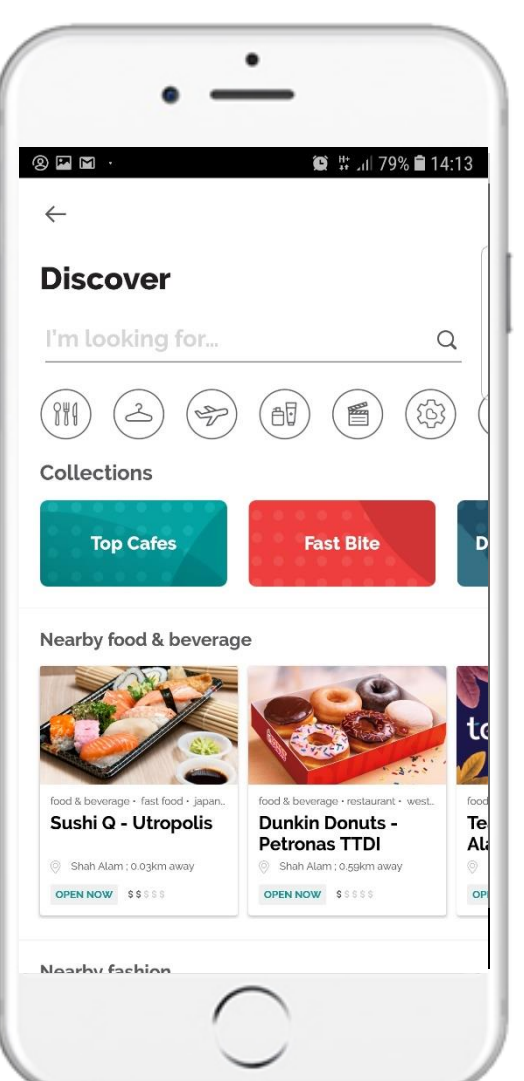
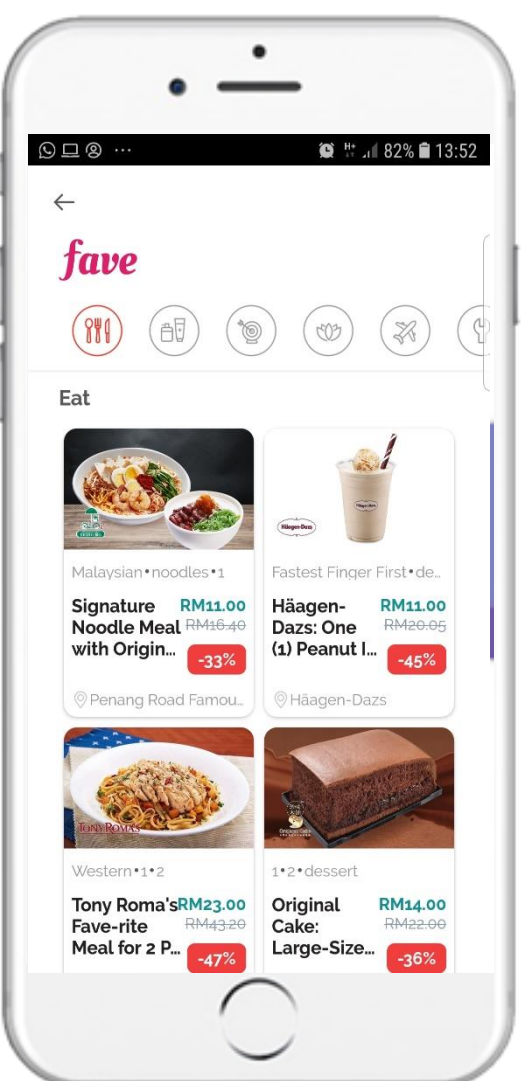
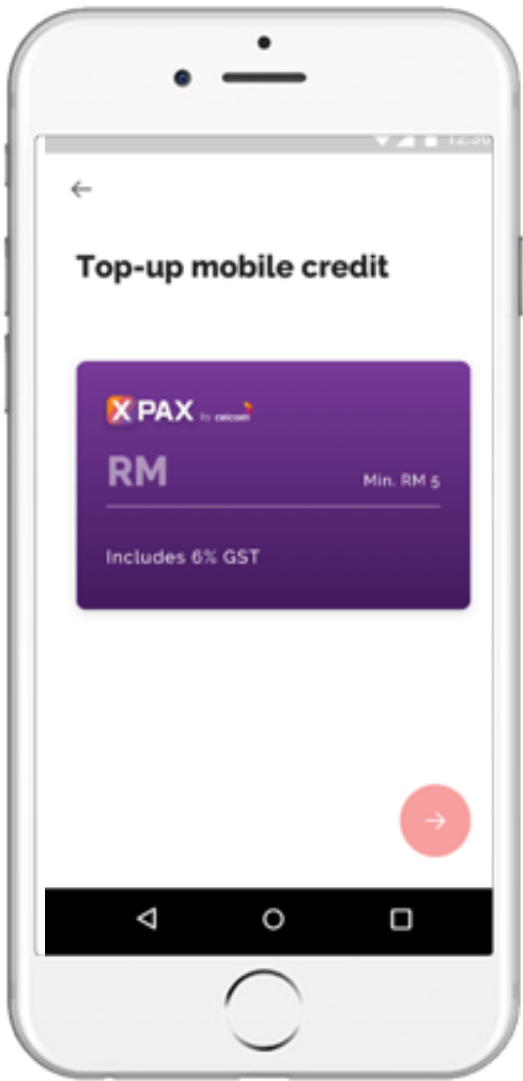
Payment via QR
(online+offline)

Request Money
(+split bills)

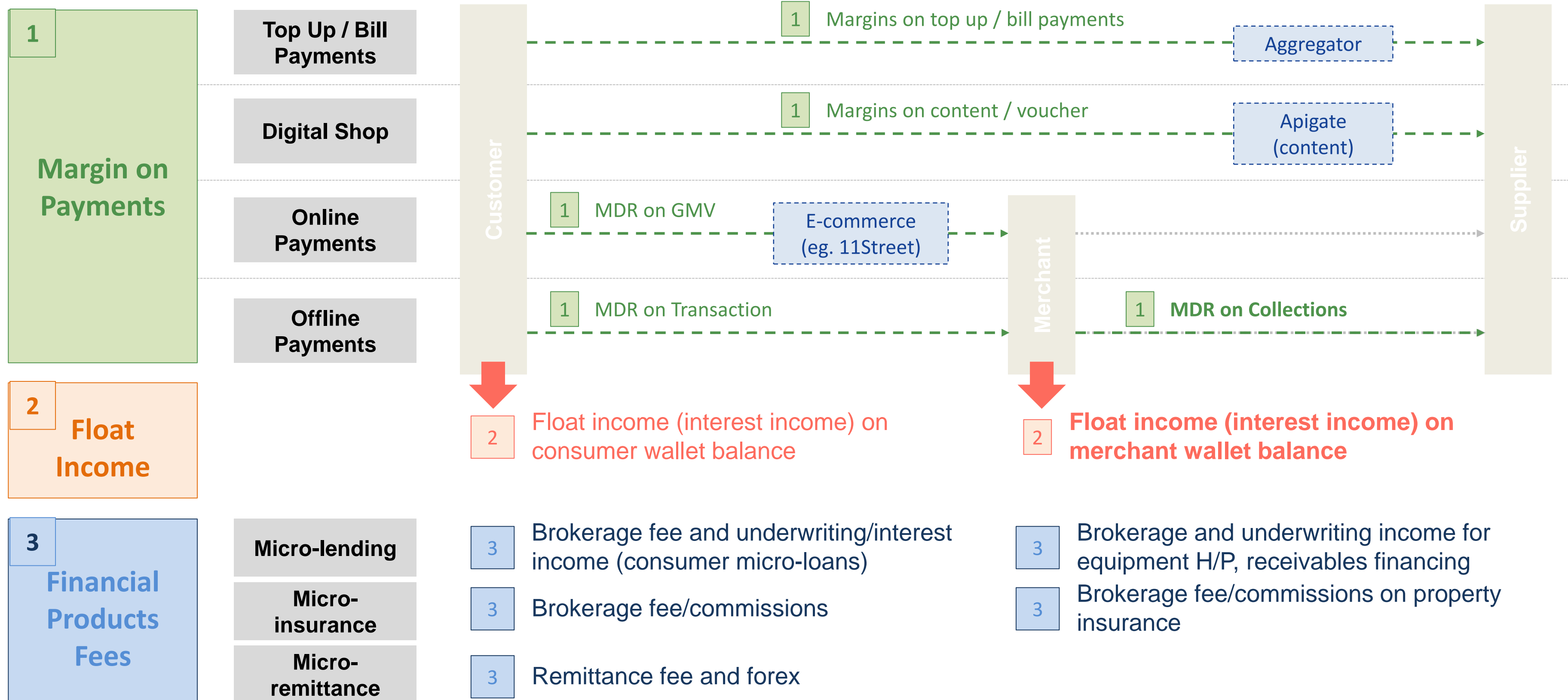
Bill Payments
(utilities+telco)

Street Parking
(with DBKL)

Transport
(ERL & Bus Tickets)



Sources of revenue





Performance to date

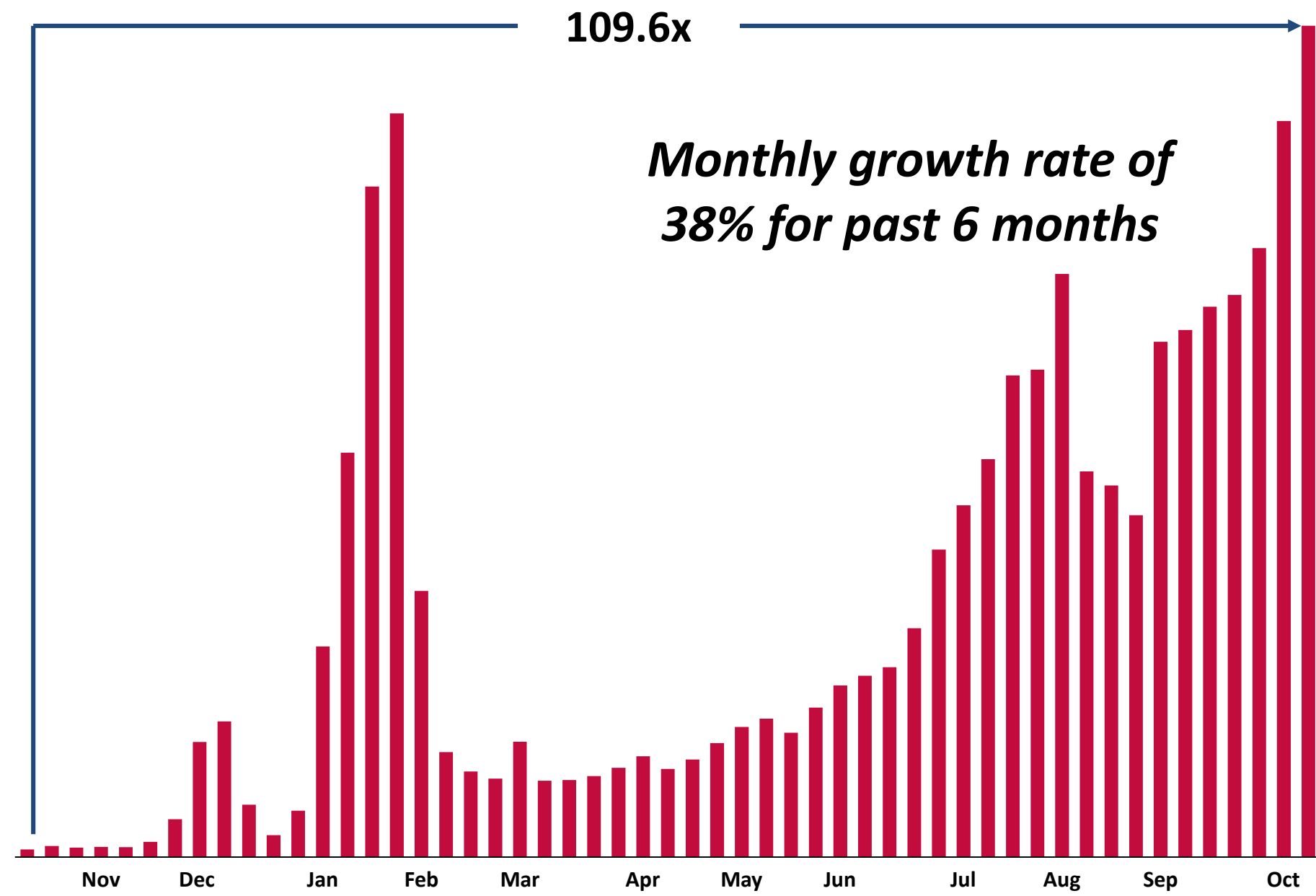


Over 3.3M Registered Users

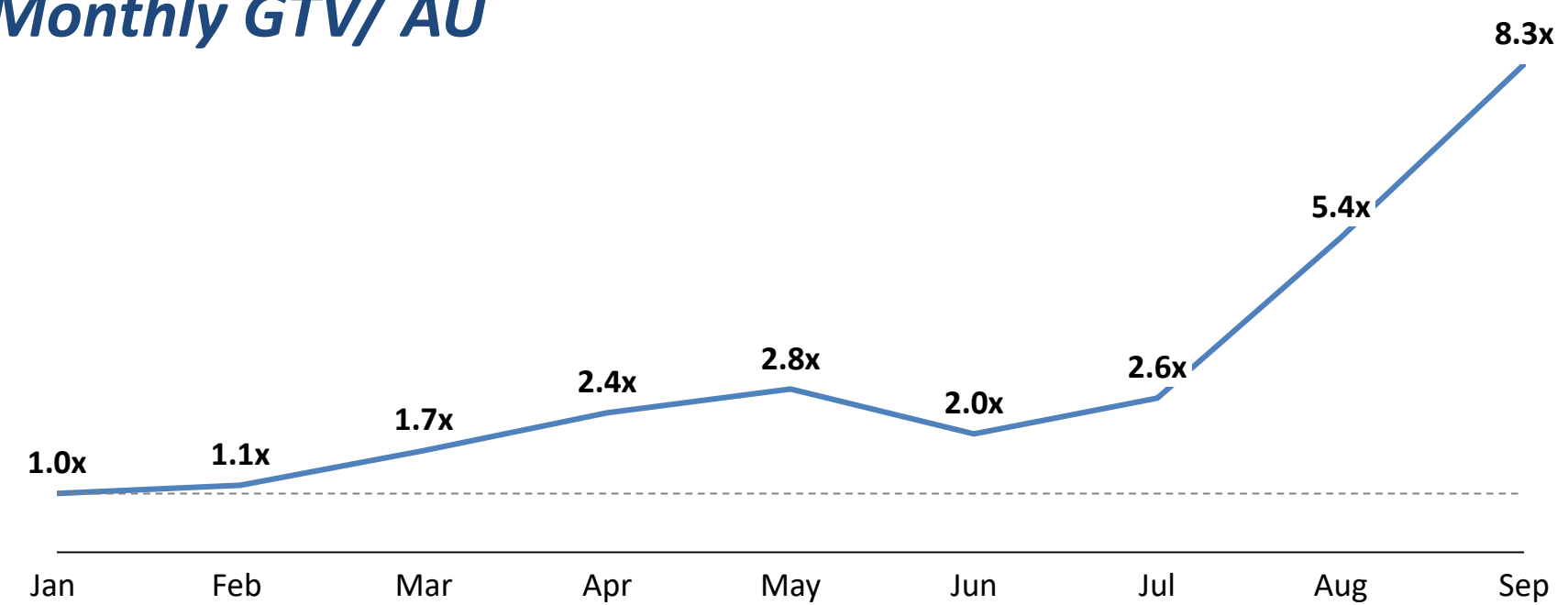


54K+ Merchants

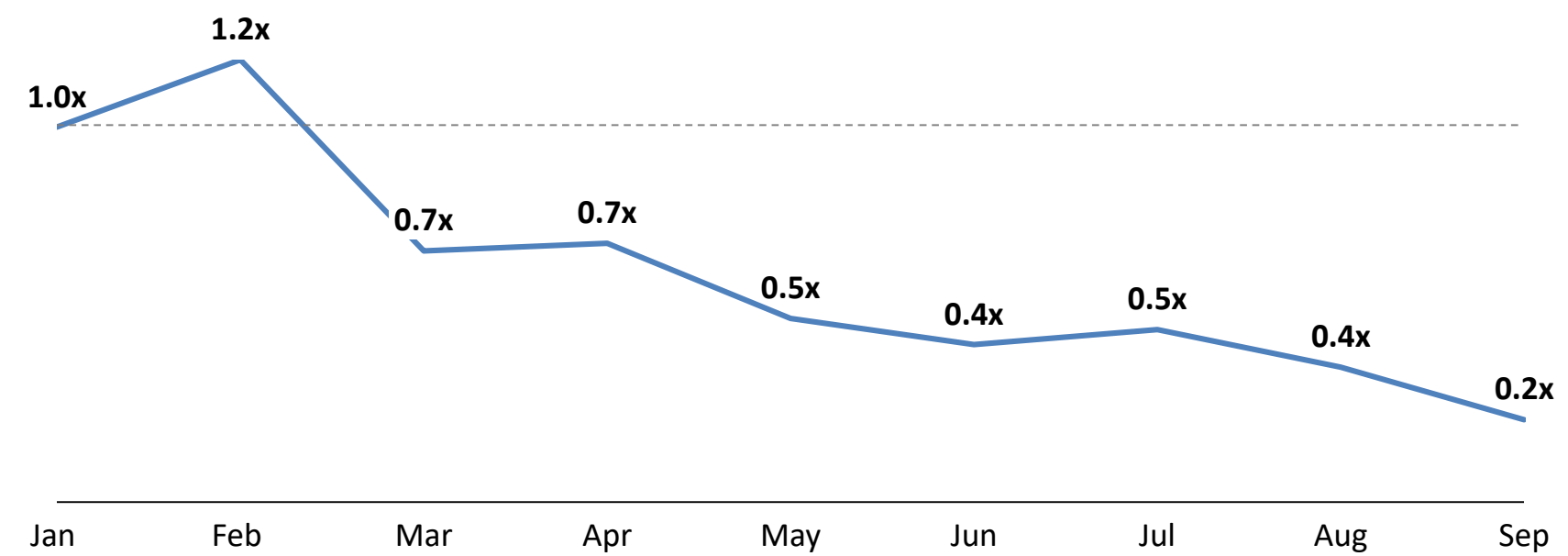
Weekly GTV trend



Monthly GTV/ AU

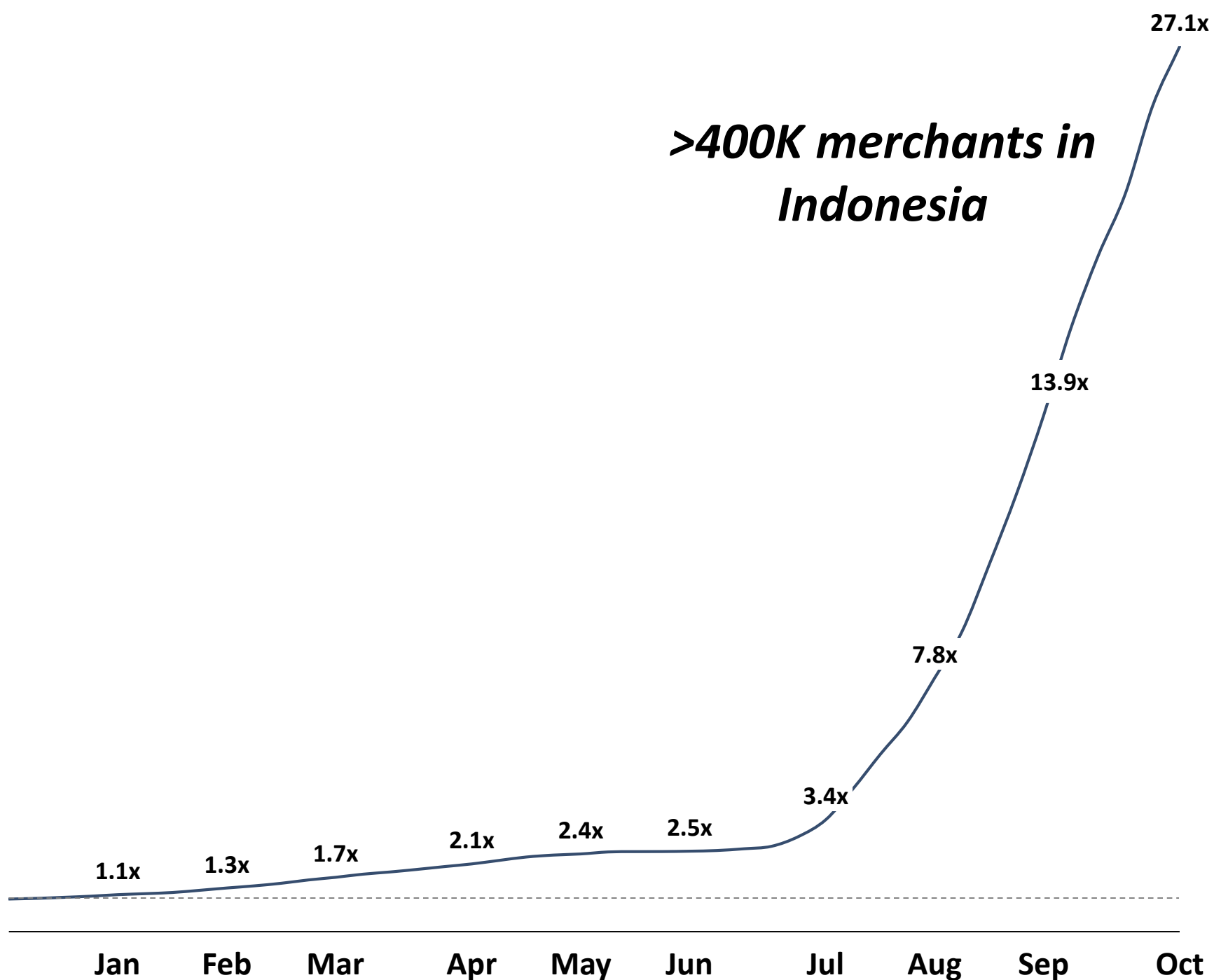


Customer Acquisition Cost



Other areas of growth

Boost ID – largest merchant base in Indonesia



Boost QRedit – fully digitalized micro-lending platform

Three Micro lending products across Malaysia and Indonesia currently being launched in the MVP phase

Invoice Financing MALAYSIA

Launched with 11street in June 2018

- Instant financing solution for small merchants and sellers on 11street to fulfill working capital requirements
- Loan size RM 500 – RM 5,000
- 100% collection record

Supply chain credit for Boost Merchants INDONESIA

Launched in July 2018

- Instant financing solution to fulfill supply chain/ working capital requirement of merchants
- Loan size IDR 500k – IDR 5.0M
- 100% collection record

Working Capital Loans to Boost Merchants MALAYSIA

Pilot phase launched in November, 2018

- RM 2k – RM 20k with up to 12 month duration
- Syariah Complaint loan (Tawarruq structure)

ada
analytics · data · advertising

adaFutures

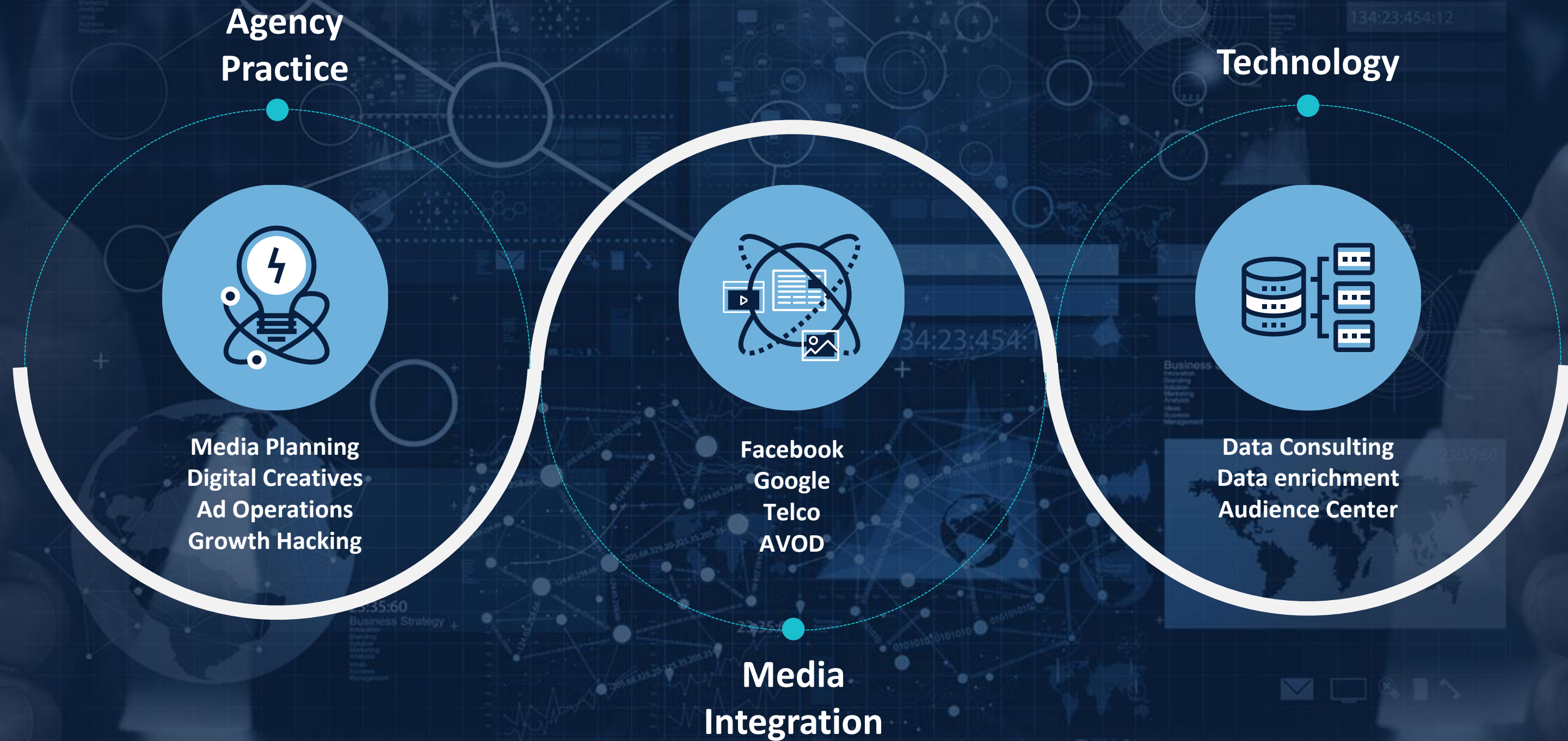
adaXchange

adaReach

adaAcquire

studioA

ada the “agency of future”



Powered by our DMP Xact

Presence across the region

Digital specialists:

Total
8 countries:

>250

Advertising
Services:

120

Data,
Eng. Support:

75

Ad
Operations:

50

Malaysia 61	Thailand 54	Sri Lanka 25	Indonesia 60
Philippines 20	Singapore 18	Bangladesh 8	Korea 6

8 Offices with 250+ Digital Specialists



Some of our clients

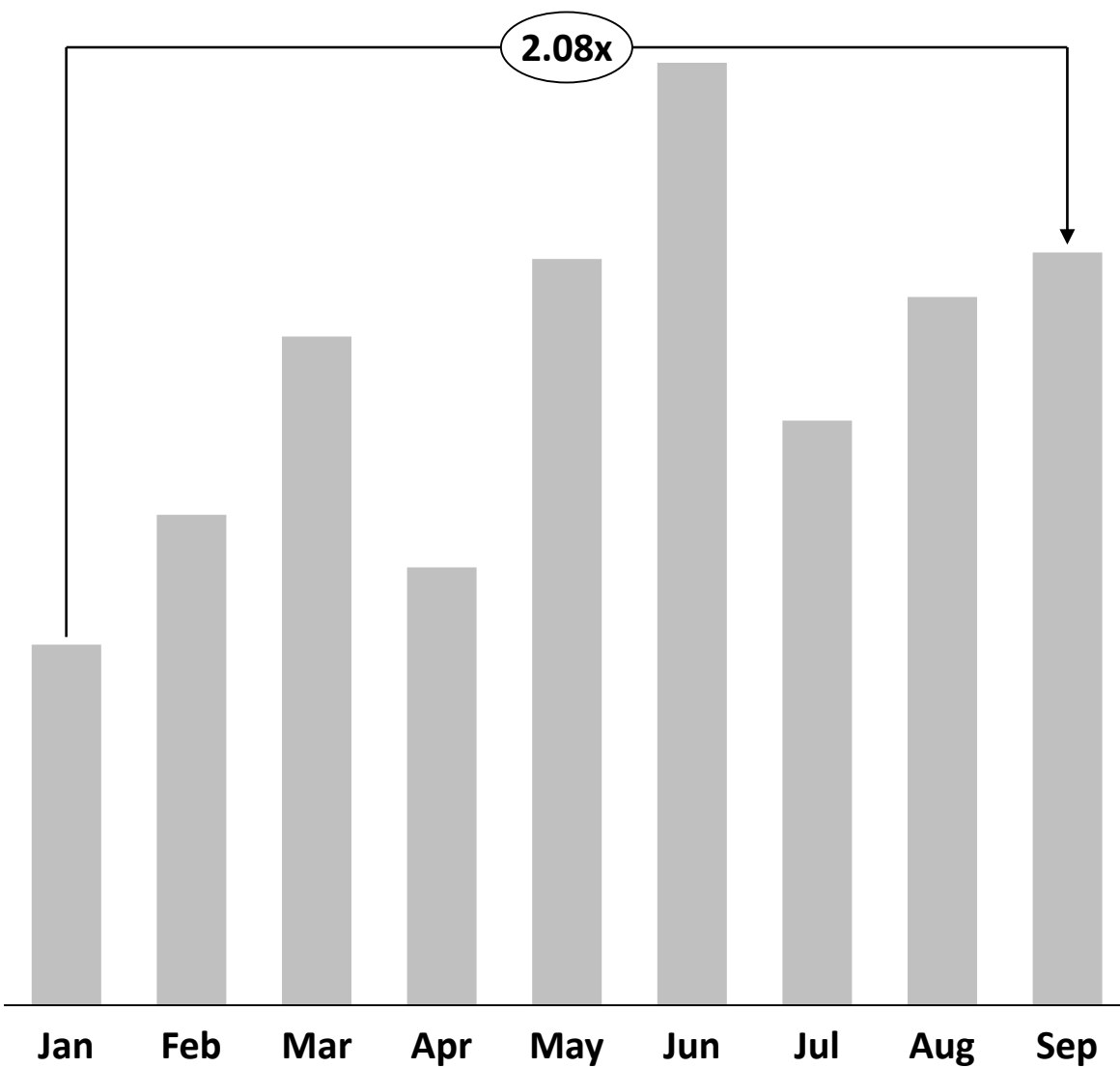
1,000+

Clients across all major categories

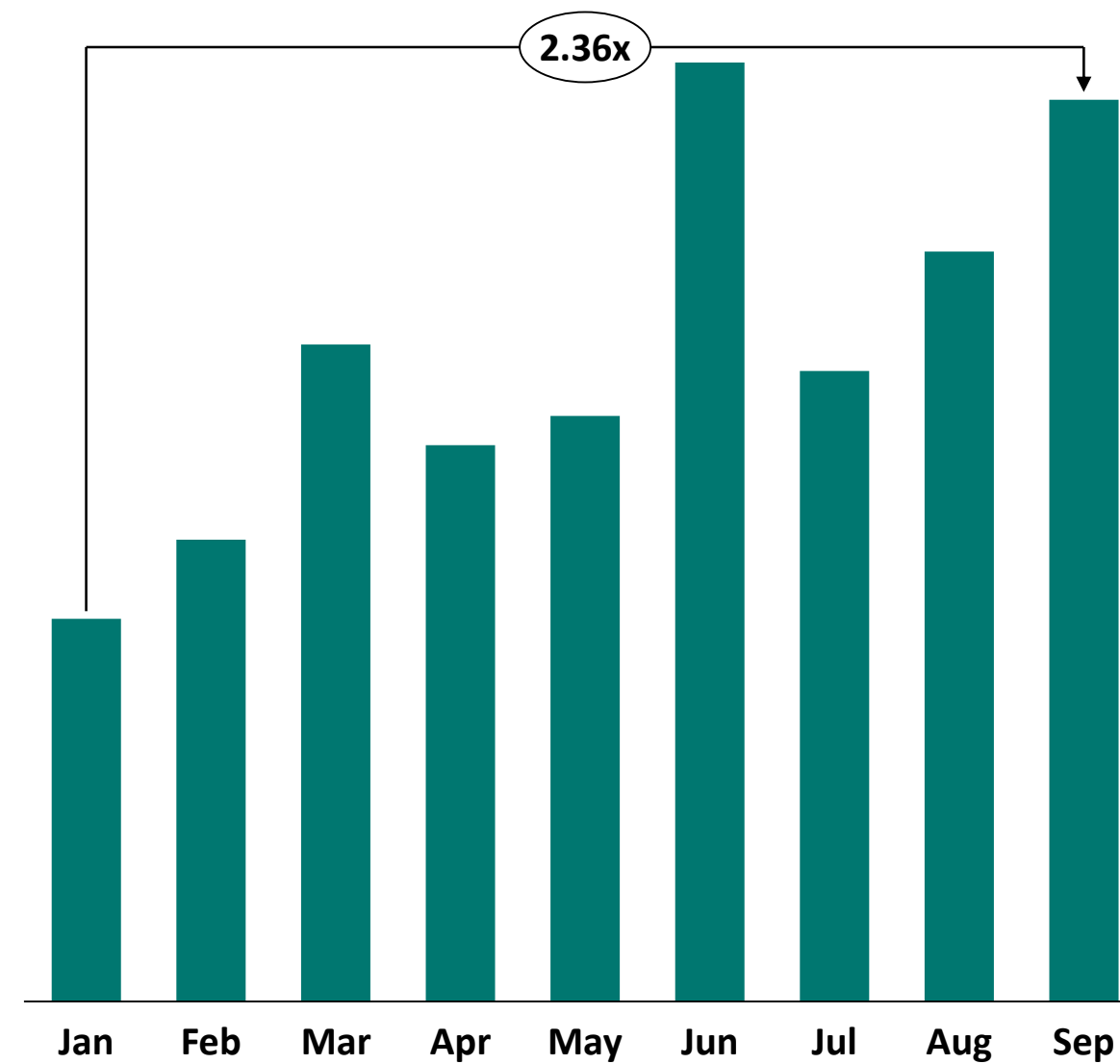


Performance to date

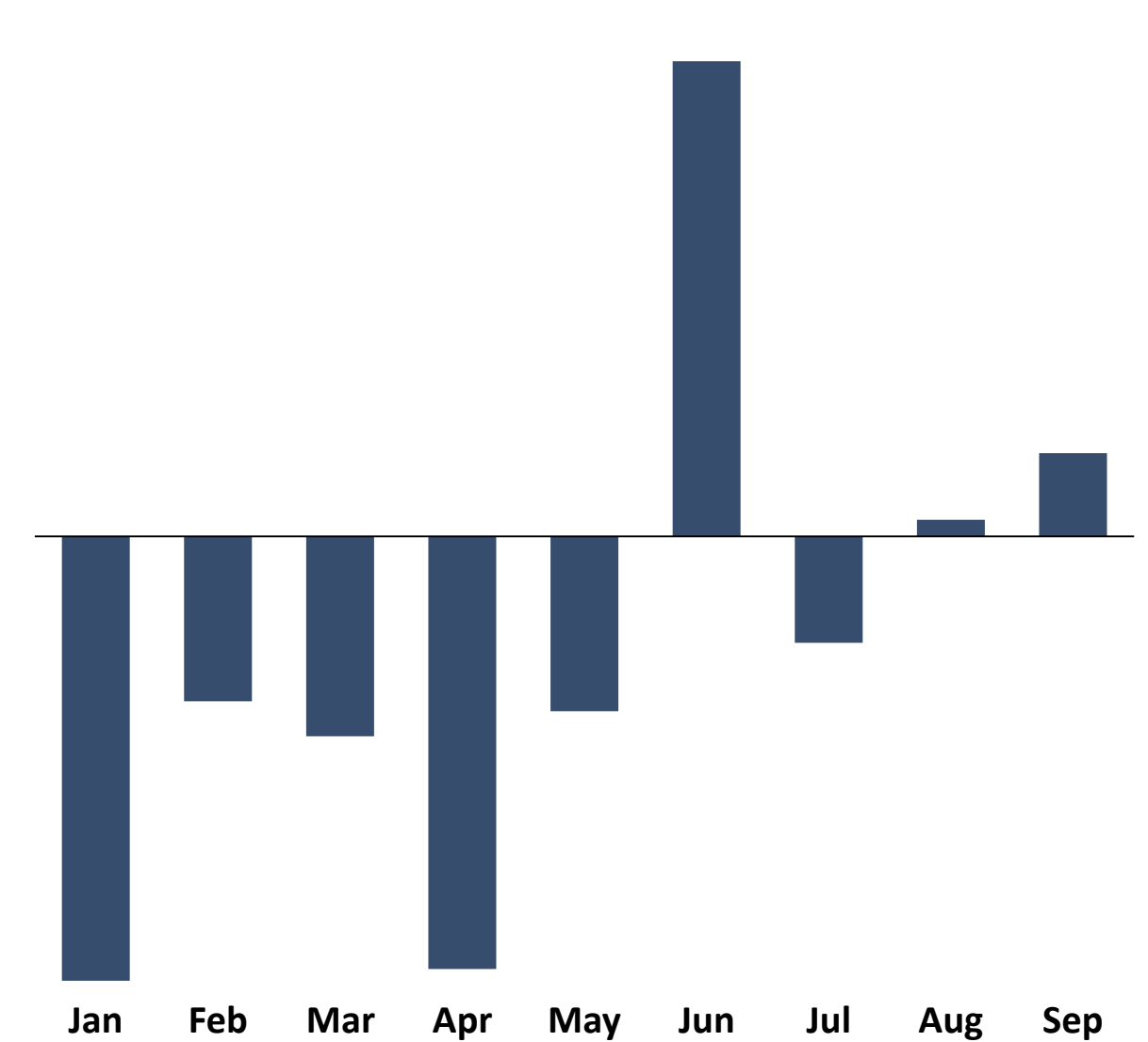
Media Spend



Net Revenue



EBITDA

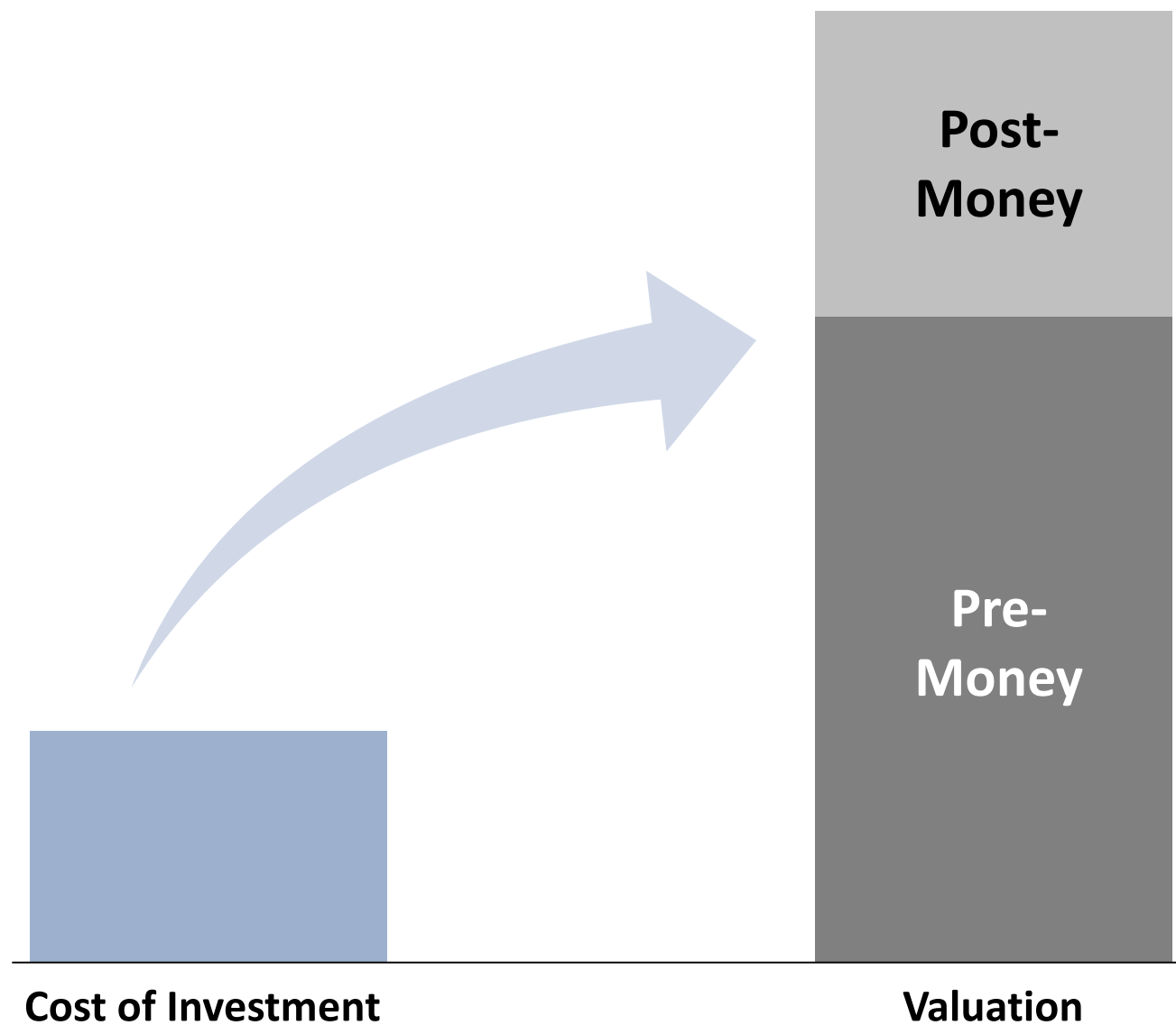


ADA monthly Media Spends and Net Revenues have more than doubled over the last 9 months

Target to be PAT positive next year

3 of the last 4 months EBITDA positive

Valuation and returns for ADA investment



Key highlights and rationale

- Secured **strategic investment of USD 20M** from Sumitomo Corporation, Japan
- Sumitomo as strategic partner is expected **to accelerate ADA's growth** via-
 - Providing access and collaborating on go-to-market initiatives to serve the Japanese advertisers
 - Offer access to Japanese ad-inventory
 - Knowledge/ experience sharing in affiliate marketing space to grow ADA's business
 - Leveraging its cutting-edge technology to enhance ADA's Xact Platform



Global API Marketplace



Direct Carrier Billing

Carrier bill payment solution.



Voice API

Customisable massive scale voice APIs.



Messaging API

Massive scale, cost effective SMS & USSD APIs.



Identity API

Mobile phone-based digital authentication solution.



Location API

Mobile-based location API.



Mobile Money API

Mobile wallet payment API.

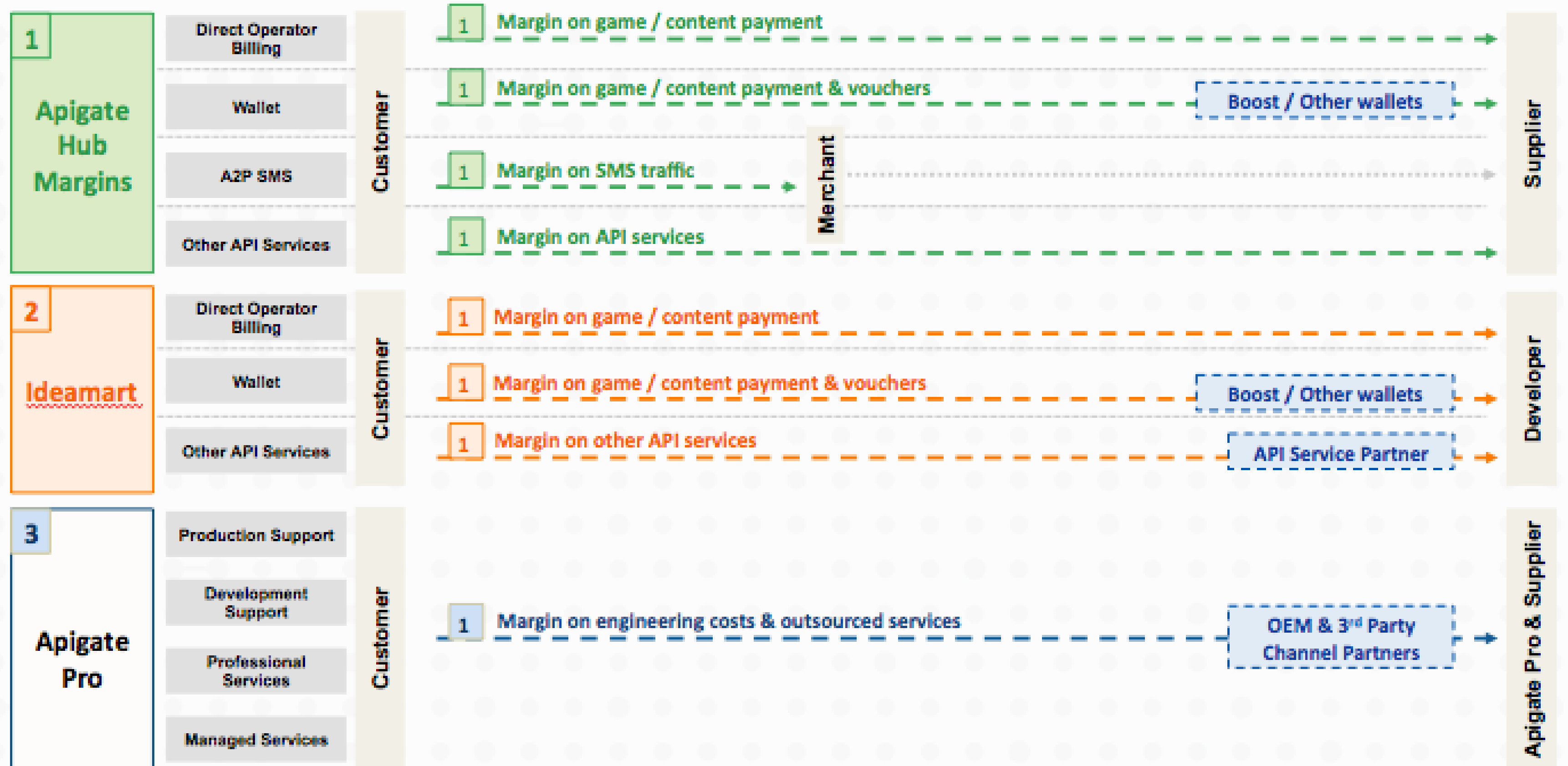
ApigateHub Products

With hubs in Asia, Africa, Europe, and Latin America, and integration with major application marketplaces, Apigate provides access to consumers across every service for direct carrier billing, voice, messaging, mobile money, location and identity.



APIGATE SOURCES OF VALUE

Each business line has its own revenue model



NEW CUSTOMERS IN 2018

Customer Success is our obsession !



Tencent 腾讯



CMGE
中手游



infobip

YAHOO!



Wavecell



Rakuten Viber

verizon

ERICSSON



NETFLIX



Singtel

Disney

ESPN

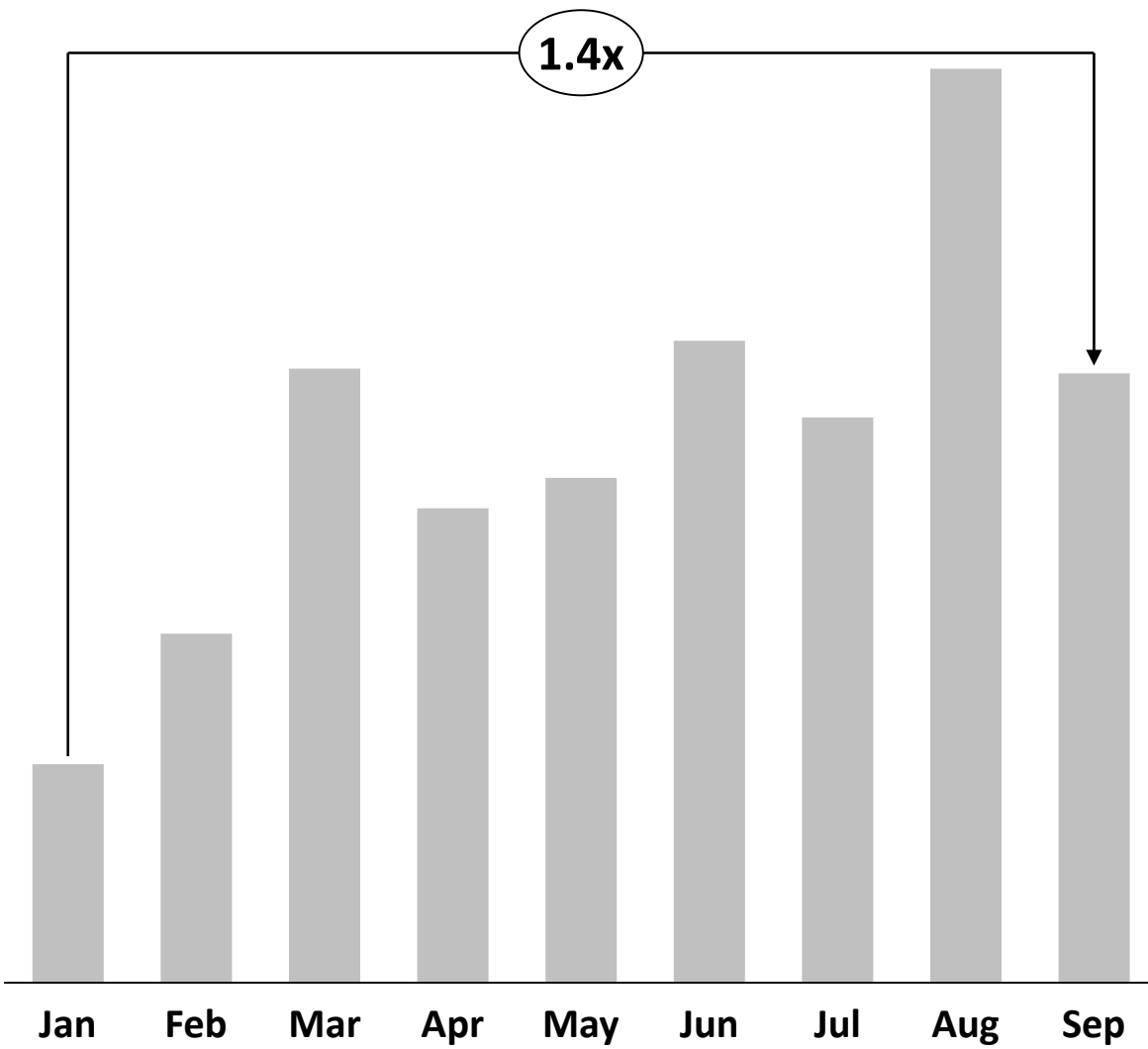
prime now



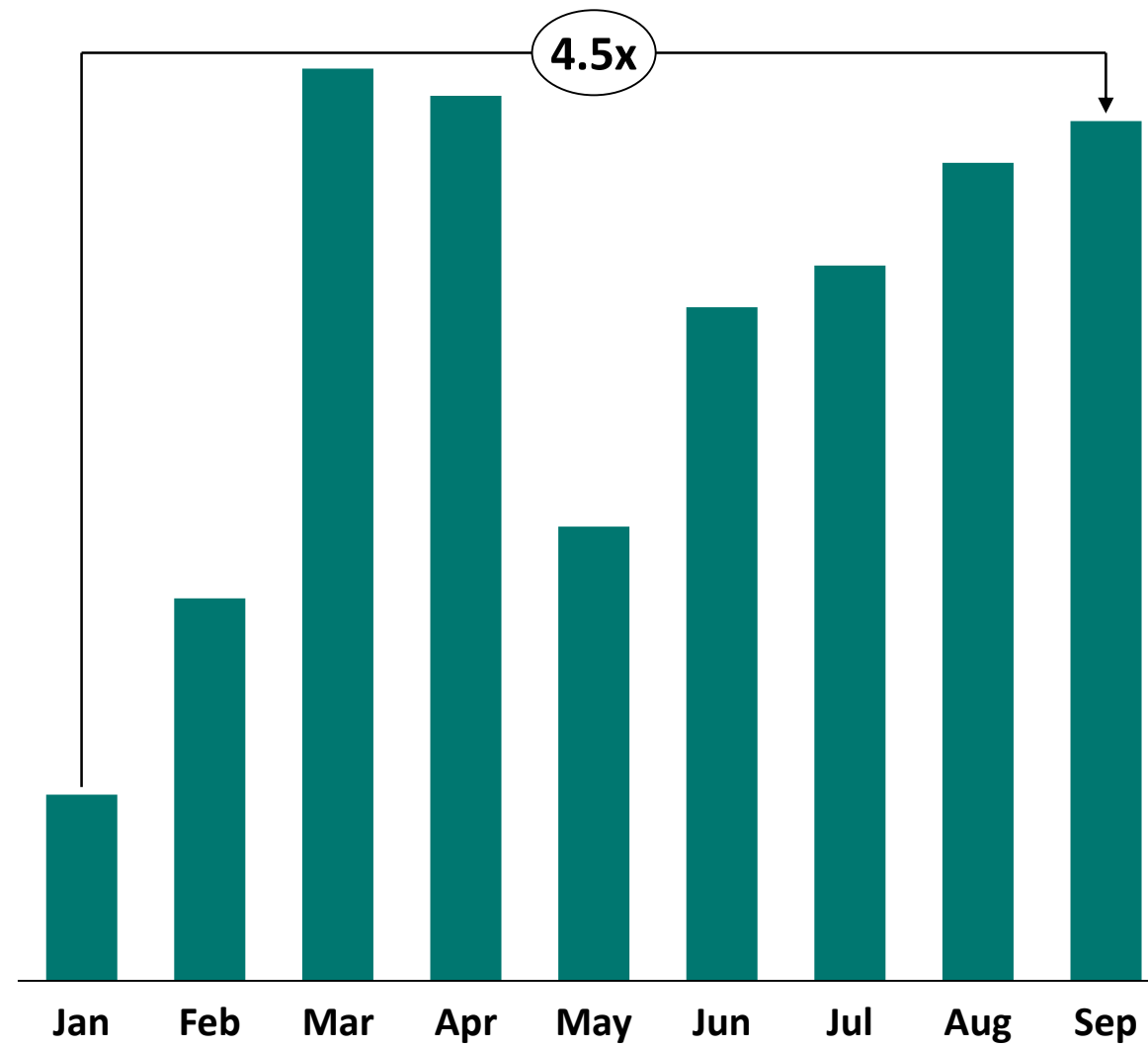
Performance to date



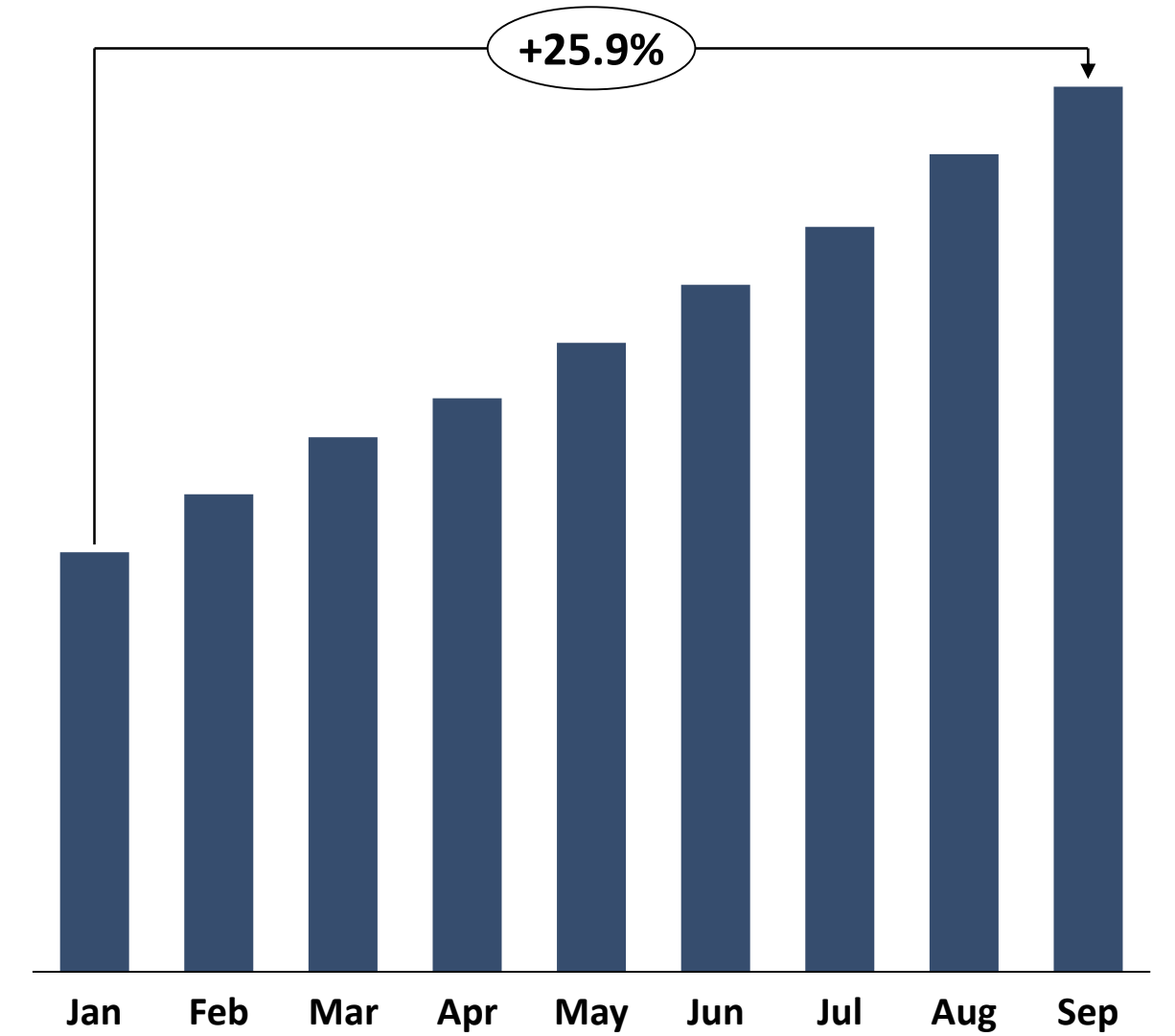
Gross Transaction Value



Volume of Transactions¹⁾



Content Partners



Note: 1) For APIGATE HUB

Digital Ventures: Summary

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Digital Venture Fund Raise



- Strategic investment from Allianz X



- Strategic investment from PUC Group

Digital Venture Portfolio Transfer

- In the process of carving out the non-core ventures portfolio into a separate Digital Venture entity to be completed by Q1, 2019

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Thank you