



# 2Q 2016 Results

25 August 2016

*Tan Sri Jamaludin Ibrahim, President & Group CEO*

*Chari TVT, Group CFO*

# Executive summary: Financials

Strong revenue and EBITDA growth contributed by Ncell; however PATAMI impacted by sub-optimal performance at Celcom, Robi and Idea, as well as higher D&A, finance cost and forex losses

- ❖ **In 1H16, strong revenue and EBITDA growth contributed by Ncell; however PATAMI impacted by sub-optimal performance at Celcom, Robi and Idea, as well as higher D&A (+28.8%), finance cost (+>100%) and forex losses (+>100%).**
  - QoQ growth : Revenue 6.0% ; EBITDA 10.1% ; PATAMI -48.7% ; Normalised PATAMI -20.1%
  - YoY growth : Revenue 12.8% ; EBITDA 20.4% ; PATAMI -69.1% ; Normalised PATAMI -36.6%
  - YTD growth : Revenue 9.1% ; EBITDA 14.0% ; PATAMI -53.4% ; Normalised PATAMI -26.8%
  
- ❖ **At constant currency, financials reflect impact from weaker ringgit for 1H16.**
  - QoQ growth : Revenue 8.4% ; EBITDA 12.5% ; PATAMI -46.2% ; Normalised PATAMI -18.3%
  - YoY growth : Revenue 8.6% ; EBITDA 15.9% ; PATAMI -70.3% ; Normalised PATAMI -37.6%
  - YTD growth : Revenue 3.7% ; EBITDA 8.3% ; PATAMI -56.3% ; Normalised PATAMI -29.1%
  
- ❖ **Consolidation of Ncell on 11 April 2016 ahead of mid-year target, contributed positively to the Group's 2Q16 results.**
  
- ❖ **Cash balance of RM8.1bn and gross debt/EBITDA at 2.46x (based on Ncell's EBITDA on an annualised basis).**
  
- ❖ **Post rights issue and tower sale in 2Q16, XL's gross debt/EBITDA down to comfortable levels of 2.0x.**
  
- ❖ **Declared 5 sen interim dividend.**



# Key Group highlights (1/5):

## Celcom: Continued sub-par performance due to lower revenue contribution from VAS and OFW



- Sub-par YTD performance primarily due to the decline in revenue contribution from VAS (-39.4%) and overseas foreign workers (-26.3%).
- Celcom's YTD revenue, normalised EBITDA and normalised PATAMI growth is -10.2%, -13.3%, and -23.3%, respectively.
- Continued positive postpaid traction post launching of new data-led plan First Gold 80 in February, adding 57k subscribers in 2Q16 (+37K in 1Q16).
- Prepaid subscriber base declined 9.7% QoQ due to competition and delay in the launch of new products.
- YTD16 mobile data revenue grew by 7.6% driven by an increase in mobile internet revenue of 18.8%.

# Key Group highlights (2/5):

**XL: Endured a financially challenging 1H16 due to accelerated shift from legacy services to data**

- Transformation remains the right strategy for the long run albeit with some short-term challenges from the decline in revenue from legacy services.
- XL's YTD revenue, EBITDA and PAT growth is -2.2%, 9.8% and >100%, respectively.
- YTD service revenue grew marginally by 0.2% due to strong growth in data (+22.4%), whilst total revenue is down 2.2% due to lower interconnection revenue.
- EBITDA margins added another 0.4pp in 2Q16 to 39.3%, making it the 5<sup>th</sup> consecutive quarter of EBITDA margin improvement since the launch of XL's transformation programme.
- XL remains focused on becoming one of the leading providers of 4G-LTE, as it has rolled out 5,250 4G sites across 58 cities, driving 1H16 total traffic growth of 116.5% YoY.
- Completed rights issue and second tower sale in 2Q16; this has strengthened its balance sheet as gross debt/EBITDA is now down to comfortable levels of 2.0x.

# Key Group highlights (3/5):

Smart and Dialog maintained strong YTD growth, while Robi was impacted by higher D&A, interest expense and revised tax rate



- Continues to deliver strong performance across all business units with YTD revenue growth for mobile, fixed and pay-TV operations at 20.3%, 23.6% and 12.1%, respectively.
- Dialog's YTD revenue, EBITDA and PAT growth is 20.4%, 18.3% and 27.5% respectively.
- Dialog's 2Q16 revenue was flat QoQ impacted by adverse weather conditions and introduction of VAT and NBT at 15% and 2% respectively in early May.
- Mobile data revenue grew by 56.5% YTD, as data accounted for 21.1% of Dialog's mobile revenue.



- Flat performance post the completion of SIM bio-metric registration but PAT impacted by higher depreciation (for network swap), interest expense and revised tax rate.
- Robi's YTD revenue, normalised EBITDA and normalised PAT growth is -3.4%, -10.6% and -43.1% respectively.
- Data subscribers grew 4.6% YoY to 13.3m, driving YTD data revenue growth of 24.8%. YTD data revenue accounted for 12.2% of Robi's total revenue.



- Rising smartphone penetration and strong data traffic growth delivers further improvement in Smart's profitability.
- Smart's YTD revenue, EBITDA and PAT growth is 8.6%, 8.6% and 29.2% respectively.
- Data subscribers grew 45.9% YoY to 3.3m, driving YTD data revenue growth of 44.6%. YTD data revenue accounted for 39.2% of Smart's total revenue.

Note: Growth number based on results in local currency in respective operating markets

## Key Group highlights (4/5):

**Ncell: Completion of acquisition on 11 April contributed 2.5 months to Group's 2Q16 results; 2Q16 performance better than investment plan**



- **Axiata completed the acquisition of Ncell ahead of schedule on 11 April 2016 and consolidated 2.5 months of Ncell's results. Thus far, performance is better than investment plan.**
- **Ncell's YTD revenue, EBITDA and PAT growth is 1.4%, 6.8% and 44.5%, respectively.**
- **YTD EBITDA margin increased 3.3pp to 65.2%, largely driven by lower direct expenses.**
- **Subscriber base increased 10.0% YoY from both prepaid (+9.4%) and postpaid (+32.6%).**
- **Data subscribers grew 22.8% YoY to 5.8m, driving YTD data revenue growth of 86.3%. YTD data revenue accounted for 14.4% of Ncell's total revenue.**
- **Post acquisition, purchase price allocation (PPA) accounting adjustment of RM30.1m to Group's PATAMI in 2Q16. This is a non-cash item.**

### Associates



India

- **Slower growth trends in India. 1QFY17 YoY revenue and EBITDA growth of 7.9% and 3.2% respectively; however PAT growth was -74.5% as a result from higher depreciation and finance cost. YTD16 Idea contributed RM79.9m to Axiata, versus RM199.2m in YTD15, accounting for 9.6% of normalised Group PATAMI.**
- **From this quarter, Idea has for the first time adopted Indian Accounting Standards (IAS) with transition date of 1<sup>st</sup> April 2015.**



Singapore

- **YTD revenue, EBITDA and PAT growth of -12.9%, -0.9% and -7.2% respectively. YTD16 M1 contributed RM71.0m to Axiata, versus RM81.1m in YTD15, accounting for 8.5% of normalised Group PATAMI.**

# Financials

Strong revenue and EBITDA growth contributed by Ncell; however PATAMI impacted by sub-optimal performance at Celcom, Robi and Idea, as well as higher D&A, finance cost and forex losses

## Financial highlights

<u>RM mn</u>	<u>2Q16</u>	<u>YTD</u>	<u>QoQ growth</u>	<u>YoY growth</u>	<u>YTD growth</u>	<u>YTD growth (constant currency)</u>
<b>Revenue</b>	<b>5,310</b>	<b>10,319</b>	6.0%	12.8%	9.1%	3.7%
<b>EBITDA</b>	<b>2,066</b>	<b>3,941</b>	10.1%	20.4%	14.0%	8.3%
<b>EBITDA margin %</b>	<b>38.9%</b>	<b>38.2%</b>	+1.5pp	+2.5pp	+1.7pp	+1.7pp
<b>Depreciation</b>	<b>-1,391</b>	<b>-2,556</b>	19.4%	39.0%	28.8%	20.7%
<b>Net finance cost</b>	<b>-282</b>	<b>-486</b>	37.9%	129.4%	101.2%	89.9%
<b>PAT</b>	<b>232</b>	<b>633</b>	-42.1%	-63.1%	-45.7%	-48.9%
<b>Normalised PAT</b>	<b>403</b>	<b>862</b>	-12.1%	-34.7%	-27.0%	-29.1%
<b>PATAMI</b>	<b>189</b>	<b>557</b>	-48.7%	-69.1%	-53.4%	-56.3%
<b>Normalised PATAMI</b>	<b>371</b>	<b>835</b>	-20.1%	-36.6%	-26.8%	-29.1%
<b>ROIC %<sup>^</sup></b>	-	<b>5.8%</b>	-	-	-2.2pp	5.7%
<b>ROCE %<sup>^</sup></b>	-	<b>5.0%</b>	-	-	-1.9pp	4.9%
<b>Capex</b>	<b>1,236</b>	<b>2,289</b>	17.4%	3.5%	0.2%	
<i>% of revenue</i>	23.3%	22.2%				
<b>Operating Free Cash Flow*</b>	<b>371</b>	<b>838</b>	-20.7%	51.9%	34.6%	
<i>% of revenue</i>	7.0%	8.1%				

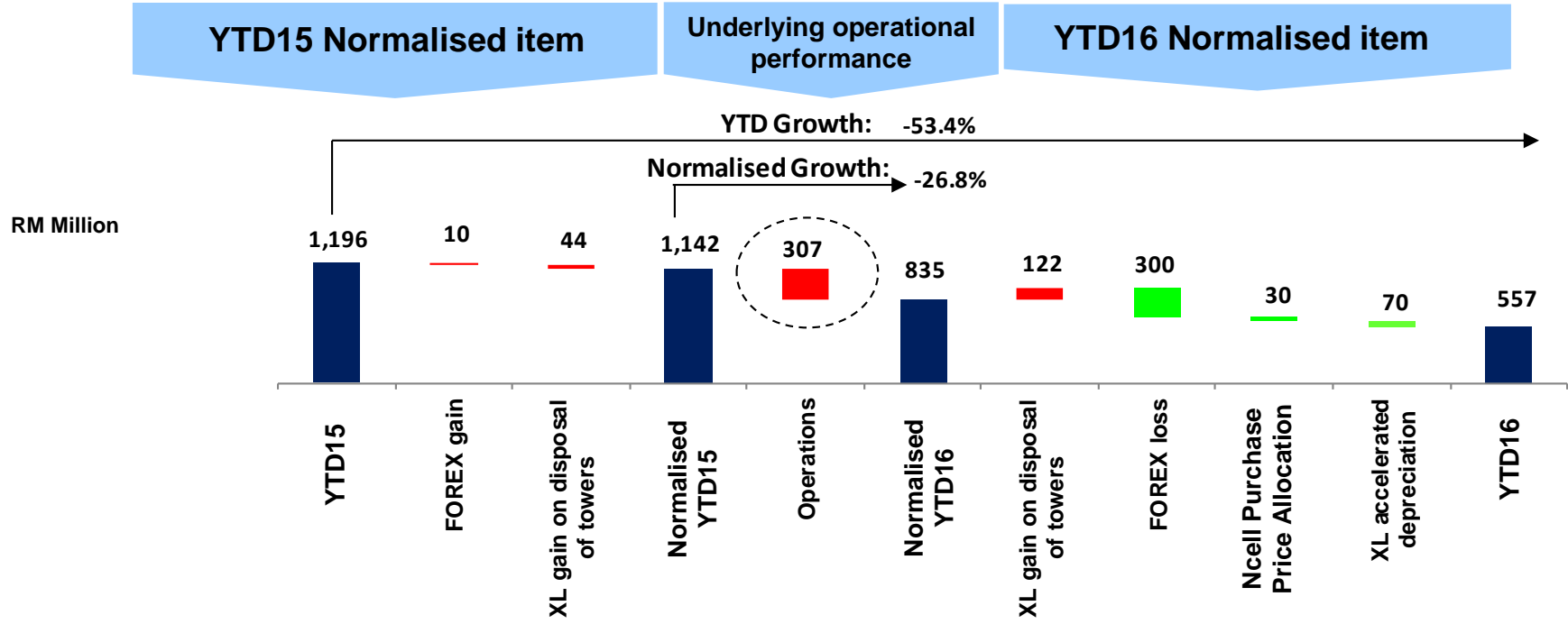
\*OFCF= EBITDA- Capex- Net Interest-Tax

<sup>^</sup> Annualised Ncell, ROIC – 6.5%, ROCE – 6.1%



# Normalised Group PATAMI: YTD15 → YTD16

Normalised performance decreased by 26.8% largely due to Celcom, XL, Robi and Idea, cushioned by Ncell, Smart and Dialog

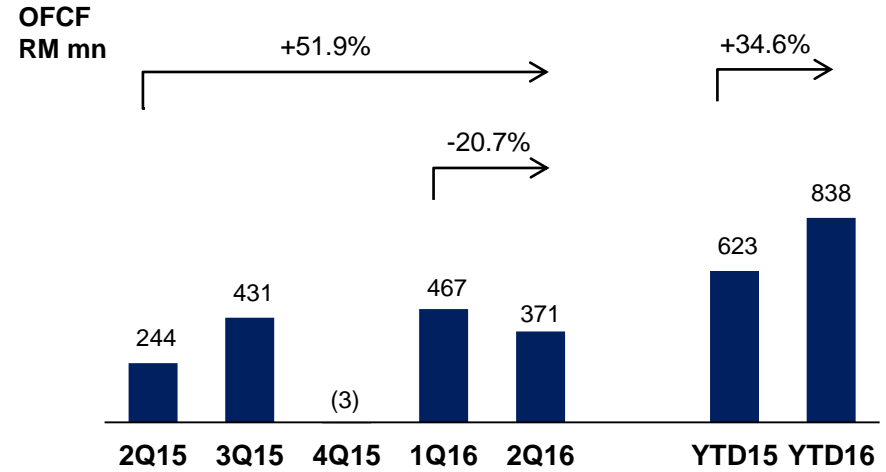
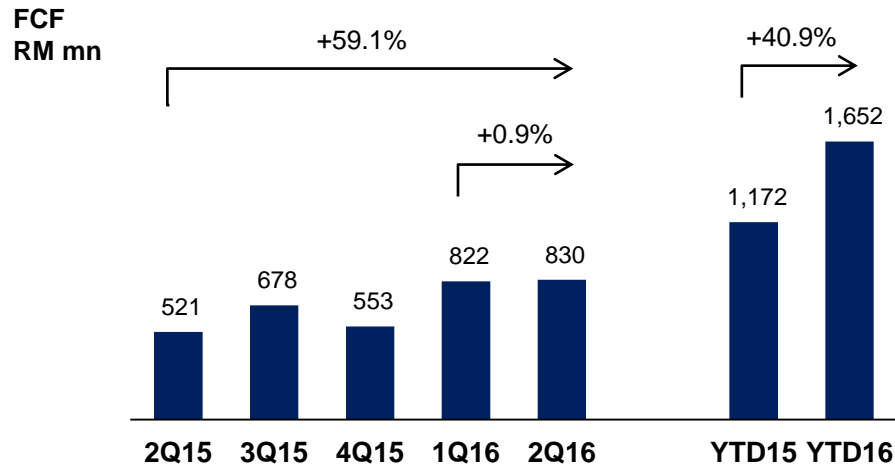


Norm. PATAMI	YTD15	YTD Growth Rates	Norm. PATAMI	YTD16
Celcom	731	(-186) -25.4%	Celcom	545
XL	(25)	(-45) -180.0%	XL	(70)
Dialog	96	(+33) +34.4%	Dialog	129
Robi	75	(-56) -74.7%	Robi	19
Smart	87	(+51) +58.6%	Smart	138
Ncell	-	(+119) na	Ncell	119
Associates & Others	178	(-223) -125.3%	Associates & Others	(45)
<b>GROUP</b>	<b>1,142</b>	<b>(-307) -26.8%</b>	<b>GROUP</b>	<b>835</b>



# Capital expenditure

## Capex intensity of 22.2% in YTD16



Capex (RM mn)	YTD15	YTD16
Celcom	342	446
XL	894	796
Dialog	159	239
Robi	690	582
Smart	133	145
Ncell	n/a	25
Others	66	56
<b>Total</b>	<b>2,284</b>	<b>2,289</b>

Note:  
 Numbers may not add up due to rounding  
 FCF=EBITDA-Capex  
 OFCF= EBITDA- Capex- Net Interest-Tax  
 n/a = not available

# Group statements of financial position

Annualising Ncell's contribution, gross debt/EBITDA is below debt covenants requirements; healthy XL balance sheet post completion of rights issue and tower sale

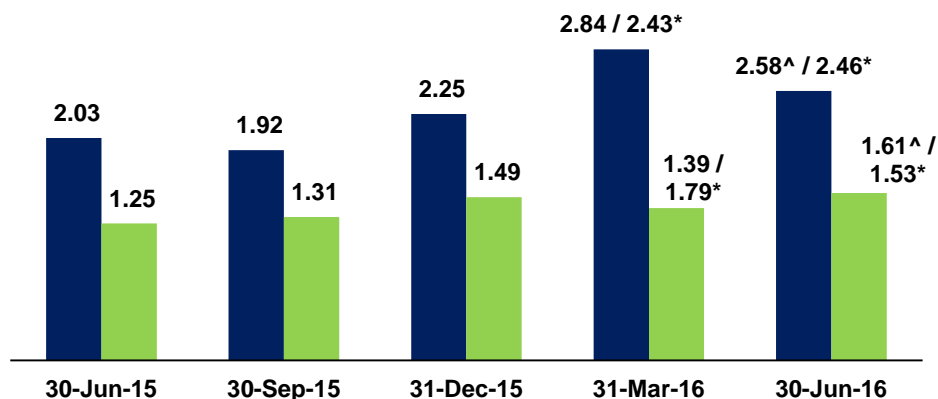
## Group borrowings

In million	Loan Currency	USD	Local	Total (RM)
Hold co & Non OpCo	USD	2,213	-	8,943
	<b>Sub-total</b>	<b>2,213</b>	<b>-</b>	<b>8,943</b>
OpCos	USD	753		3,043
	RM		4,593	4,593
	IDR		13,324,600	4,127
	BDT		8,700	444
	SLR		10,000	305
	PKR		911	43
	<b>Sub-Total</b>	<b>753</b>		<b>12,555</b>
<b>Total Group</b>	<b>2,966</b>		<b>21,498</b>	

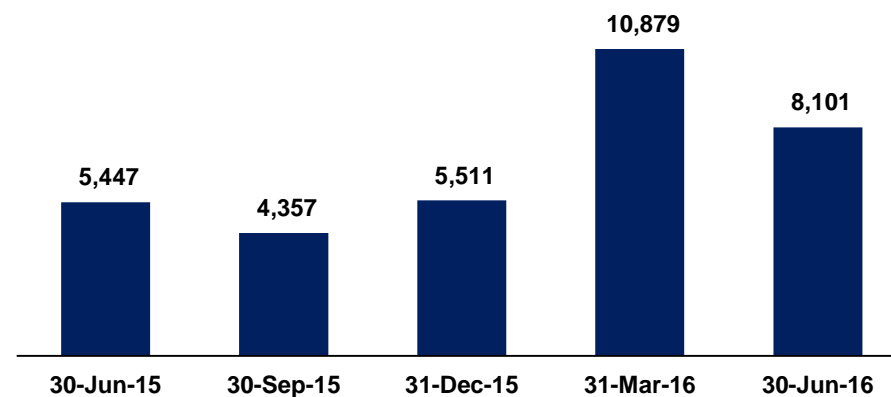
## Group cash balance

RM Million	Currency	Amount
Hold co & Non OpCo	USD & Other FCY	1,658
	Local (RM)	1,423
	<b>Sub-total</b>	<b>3,081</b>
OpCos	USD	2,104
	Local (RM)	841
	Local (ex-RM)	2,075
	<b>Sub-total</b>	<b>5,020</b>
	<b>Total Group</b>	<b>8,101</b>

■ Gross debt to EBITDA ■ Net debt to EBITDA



## Cash and Bank



\* Based on Ncell's EBITDA on an annualised basis.

^ Based on Ncell's EBITDA of 8.5 months in FY16 (extrapolated).

	Headline KPIs (based on Bloomberg* estimate in mid-Oct 2015 for 2016 forex)	Guidance	Headline KPIs (based on constant currency)	Guidance
Revenue growth	12.2%	Marginally lower	9.8%	Marginally lower
EBITDA growth	16.0%	Marginally lower	13.7%	Marginally lower
ROIC	6.8%	Below	6.6%	Below
ROCE	6.1%	Below	6.0%	Below
Capex **	RM5.7bn	Above	RM5.5bn	Above



\*1 USD = RM4.20

\*\* Capex is not a headline KPI

## Opportunities

- ❖ **Celcom 'Refresh'.**
- ❖ **Successful implementation to 'Rise up the Ladder' for XL.**
- ❖ **Organic growth in edotco.**
- ❖ **Synergistic benefits from Ncell acquisition.**

## Challenges

- ❖ **Spectrum reallocation in Malaysia i.e. pricing and fee structure uncertainty.**
- ❖ **2100MHz and 2300MHz spectrum auction in Indonesia.**
- ❖ **Heightened competition in Malaysia, Indonesia, Bangladesh, Singapore and India.**
- ❖ **Currency volatility and global macroeconomic headwinds.**
- ❖ **Tax and regulatory uncertainties in Nepal and Bangladesh.**



## **Accelerate momentum built by current management team:**

- ❖ **Product introduction (data-led, convergence)**
- ❖ **Sales and distribution revamp (increase active dealers, improve distributor performance, redesign sales role)**
- ❖ **Network (Klang Valley swap and LTE rollout)**
- ❖ **Fixed Mobile Convergence (Celcom and TM collaboration)**
- ❖ **Analytics (monetisation and customer retention)**

## **Introduce new initiatives / Refresh organisation:**

- ❖ **Digitisation (sales & marketing, customer care, and at a later stage, network)**
- ❖ **Organisation (structure, people, process and culture)**

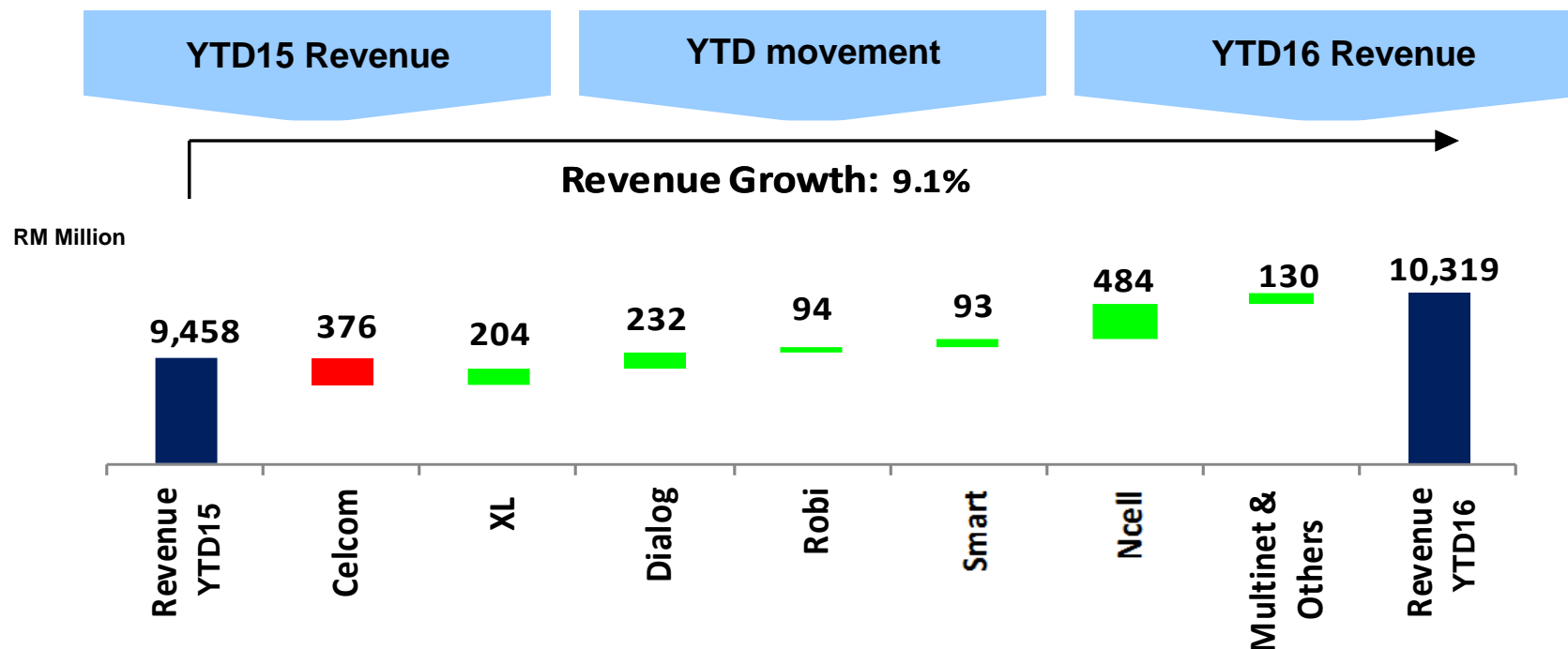


# Appendix



# Group revenue: YTD15 → YTD16

YTD revenue growth lifted by forex, consolidation of Ncell, and growth in Dialog (mobile, fixed and pay TV) and Smart (data revenue)

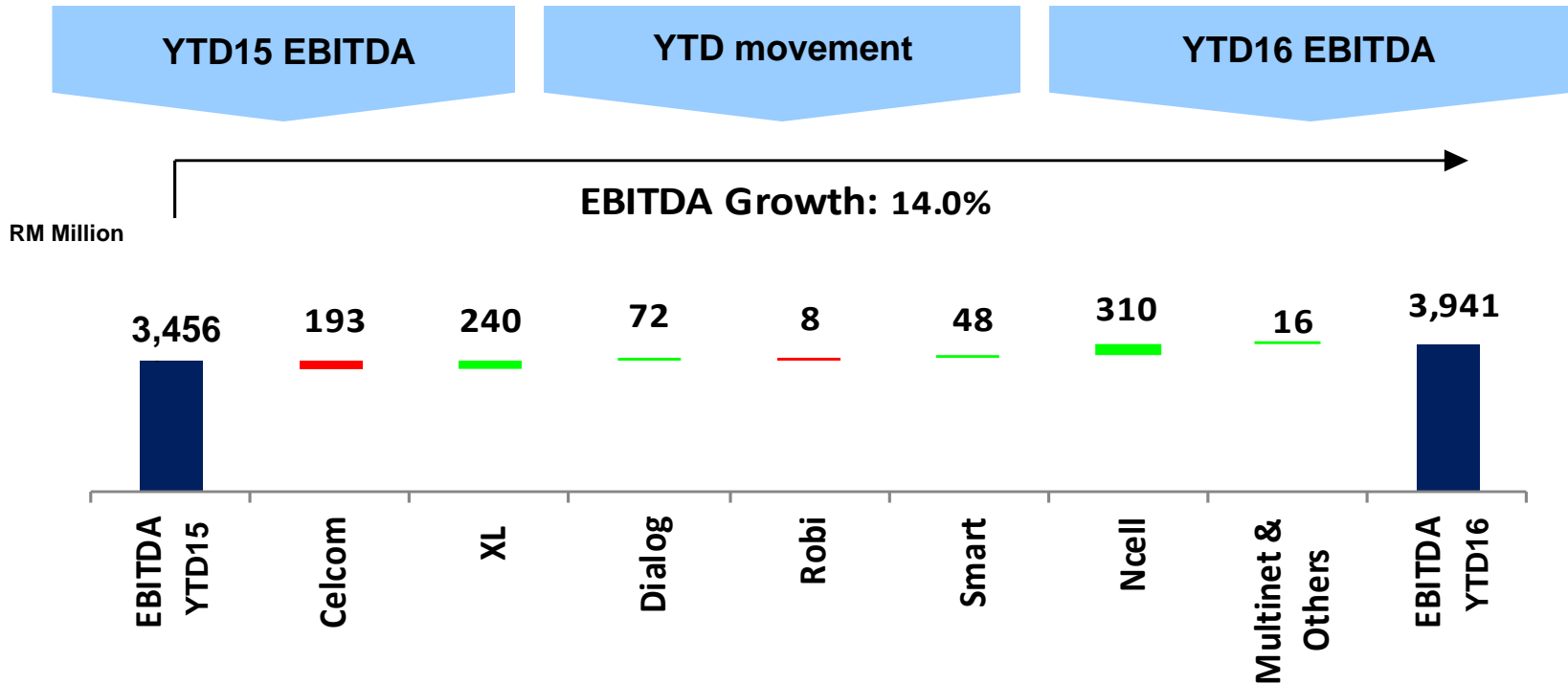


Revenue	YTD15	YTD Growth Rates	Revenue	YTD16
Celcom	3,717	(-376) -10.1%	Celcom	3,341
XL	3,117	(+204) +6.6%	XL	3,321
Dialog	959	(+232) +24.2%	Dialog	1,191
Robi	1,174	(+94) +8.0%	Robi	1,268
Smart	420	(+93) +22.2%	Smart	513
Ncell	-	(+484) na	Ncell	484
Multinet & Others	71	(+130) +183.1%	Multinet & Others	201
<b>GROUP</b>	<b>9,458</b>	<b>(+861) +9.1%</b>	<b>GROUP</b>	<b>10,319</b>



# Group EBITDA: YTD15 → YTD16

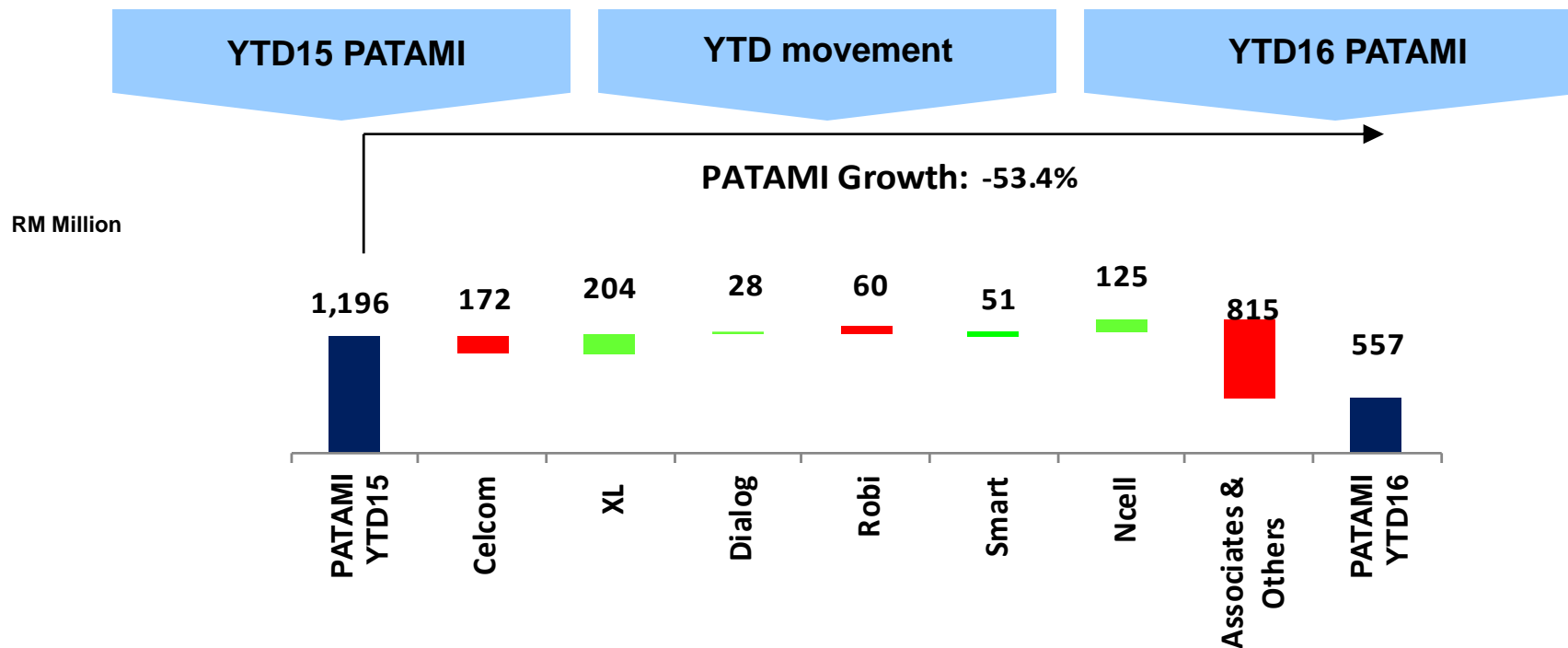
YTD EBITDA growth lifted by forex, consolidation of Ncell, XL (lower direct cost) Dialog and Smart



EBITDA	YTD15	YTD Growth Rates	EBITDA	YTD16
Celcom	1,395 (-193)	-13.8%	Celcom	1,202
XL	1,128 (+240)	+21.3%	XL	1,368
Dialog	325 (+72)	+22.1%	Dialog	397
Robi	425 (-8)	-1.9%	Robi	417
Smart	211 (+48)	+22.6%	Smart	259
Ncell	- (+310)	na	Ncell	310
Multinet & Others	(28) (+16)	+57.1%	Multinet & Others	(12)
<b>GROUP</b>	<b>3,456 (+485)</b>	<b>+14.0%</b>	<b>GROUP</b>	<b>3,941</b>

# Group PATAMI: YTD15 → YTD16

YTD PATAMI growth impacted by Celcom, Robi, Idea, and higher D&A, finance cost and forex losses

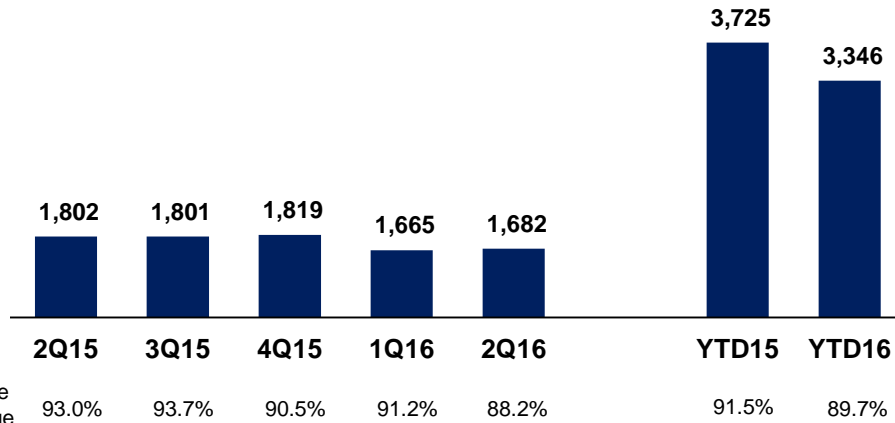


PATAMI	YTD15	YTD Growth Rates	PATAMI	YTD16
Celcom	722	(-172) -23.9%	Celcom	550
XL	(160)	(+204) +127.7%	XL	44
Dialog	89	(+28) +31.6%	Dialog	117
Robi	80	(-60) -75.2%	Robi	20
Smart	87	(+51) +58.5%	Smart	138
Ncell	-	(+125) na	Ncell	125
Associates & Others	378	(-815) -215.6%	Associates & Others	(437)
<b>GROUP</b>	<b>1,196</b>	<b>(-639) -53.4%</b>	<b>GROUP</b>	<b>557</b>

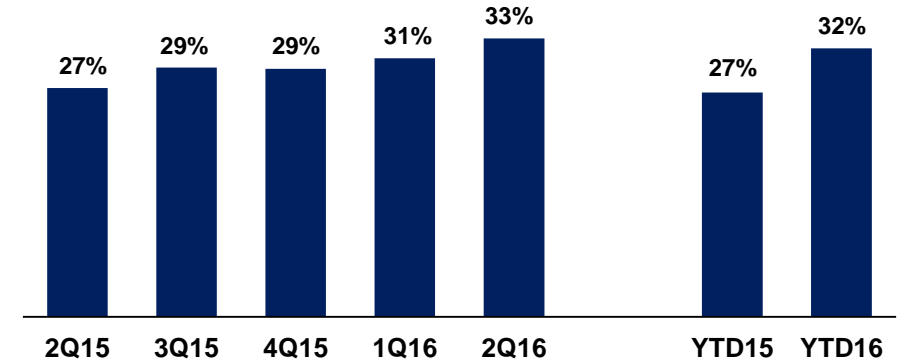
# Celcom: financial performance

Impacted by lower revenue contributions from VAS and OFW segments

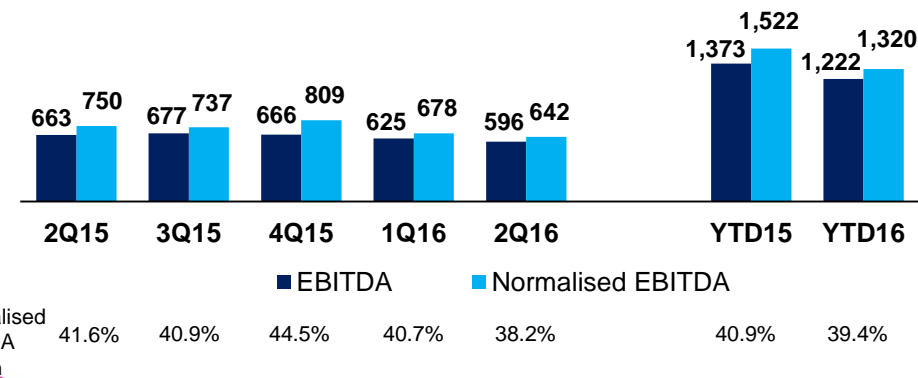
## Revenue (RM mn)



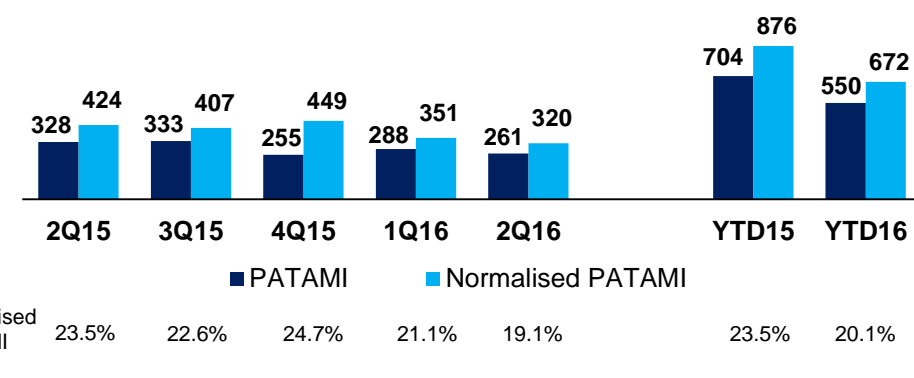
## Data revenue as a % of total revenue



## EBITDA\* (RM mn) & margins (%)



## PATAMI\* (RM mn) & margins (%)



Normalised EBITDA Margin

Normalised PATAMI Margin

\* Normalisation excludes holding company charge, impact of Edotco disposal, Escape, Celcom Planet, Employee Wish Plan, Sukuk interest

# Celcom: financial performance

EBITDA impacted by higher network cost, but offset by lower direct expenses



## Operating Expenses ^

% of Revenue	2Q15	3Q15	4Q15	1Q16	2Q16	YTD15	YTD16
Direct Expenses	27.6%	27.4%	27.4%	23.3%	23.6%	28.7%	23.5%
Sales and Marketing	7.5%	6.7%	7.3%	8.3%	7.9%	6.9%	8.1%
Network Cost	13.3%	14.1%	11.5%	13.6%	15.8%	11.4%	14.7%
Staff Cost	5.7%	5.4%	4.5%	8.2%	6.3%	6.5%	7.3%
Bad Debts	0.3%	0.2%	0.1%	0.5%	-0.2%	0.4%	0.2%
Others	4.0%	5.2%	4.8%	5.3%	8.4%	5.2%	6.9%
<b>Total Expenses</b>	<b>58.4%</b>	<b>59.1%</b>	<b>55.5%</b>	<b>59.3%</b>	<b>61.8%</b>	<b>59.1%</b>	<b>60.6%</b>
<b>Normalised EBITDA Margin</b>	<b>41.6%</b>	<b>40.9%</b>	<b>44.5%</b>	<b>40.7%</b>	<b>38.2%</b>	<b>40.9%</b>	<b>39.4%</b>
Depreciation & Amortisation	12.0%	11.7%	12.8%	12.9%	13.0%	11.1%	13.0%

## Financial Position (RM mn)

	30 June 15	30 Sept 15	31 Dec 15	31 Mar 16	30 June 16
Capex	344	558	885	174	446
Cash and Cash Equivalents	1,506	1,312	1,535	1,695	841
Gross Debt	5,037	4,482	4,526	4,488	4,535
Net Assets	-1,472	-1,133	-878	-591	-1,330
Gross Debt / Equity (x)	n/m	n/m	n/m	n/m	n/m
Gross Debt / EBITDA (x)	1.7	1.5	1.5	1.7	1.7

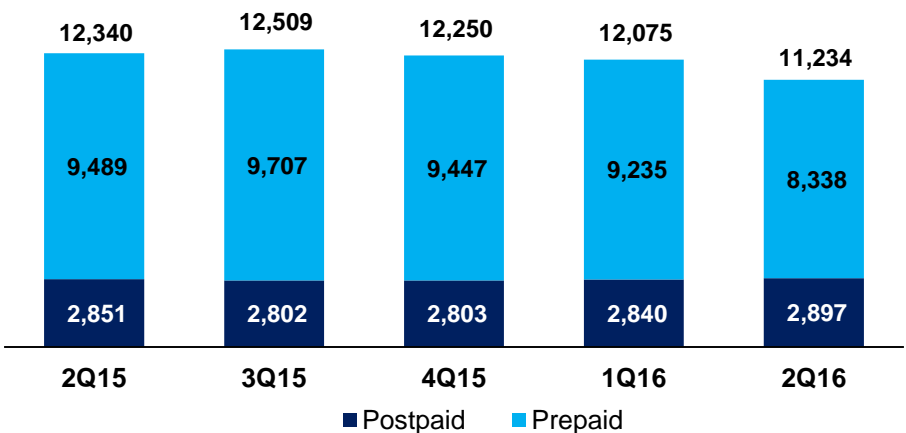
^ OPEX and EBITDA Margin excludes holding company charge, impact of Edotco disposal, Escape and Employee Wish Pllan

# Celcom: operational performance

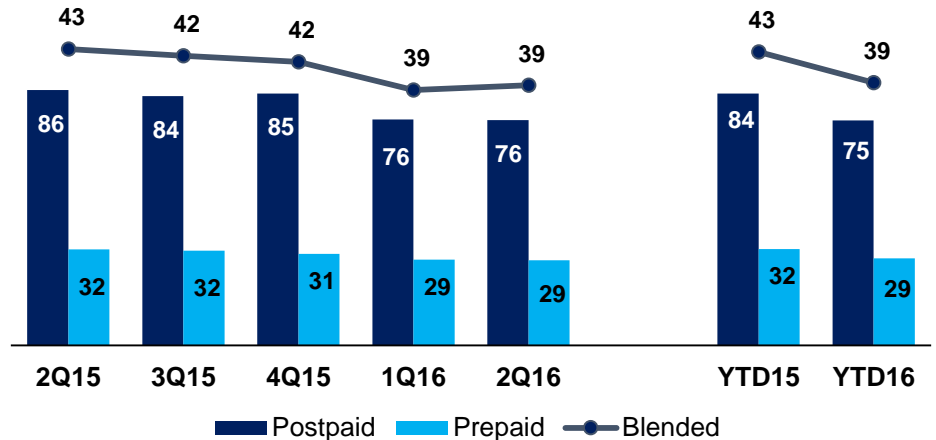
## Postpaid subscribers continue to trend up in 2Q16



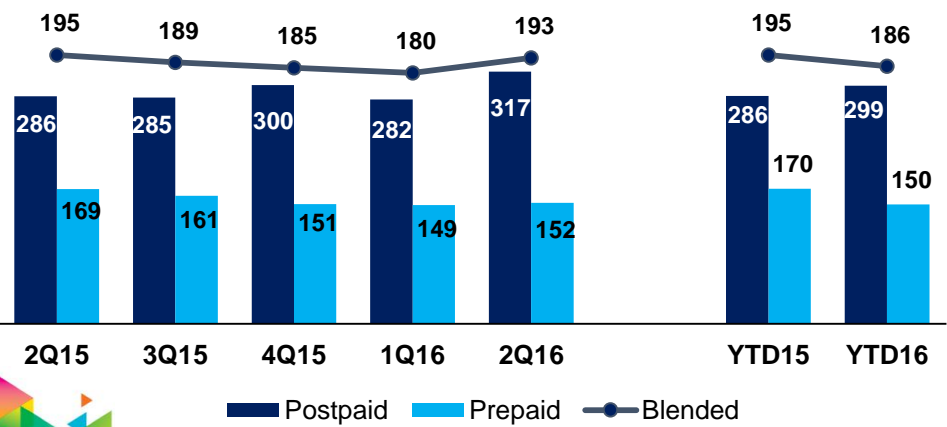
### Subscribers ('000)



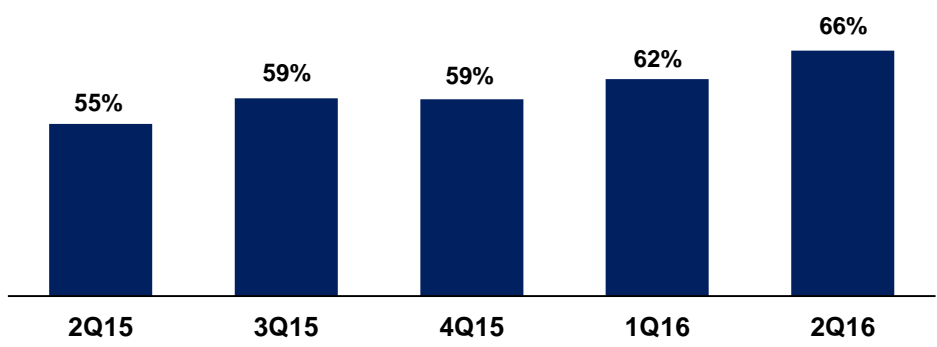
### ARPU\* (RM)



### MOU/sub (min)



### Smartphone penetration (%)



\* ARPU re-stated to exclude inbound roaming revenue

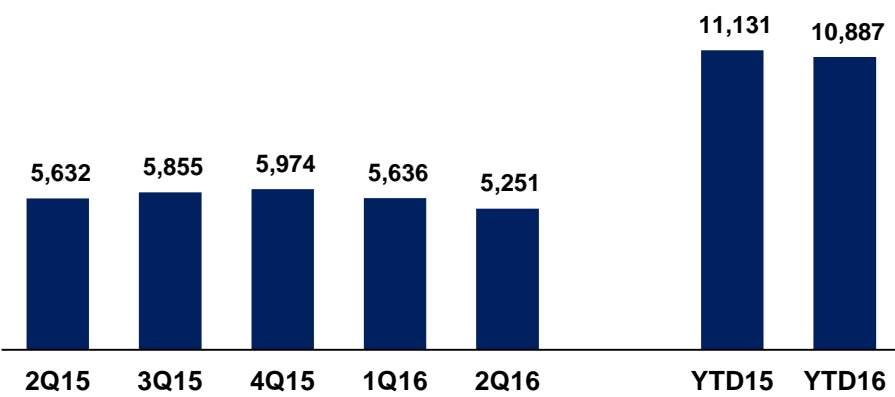


# XL: financial performance

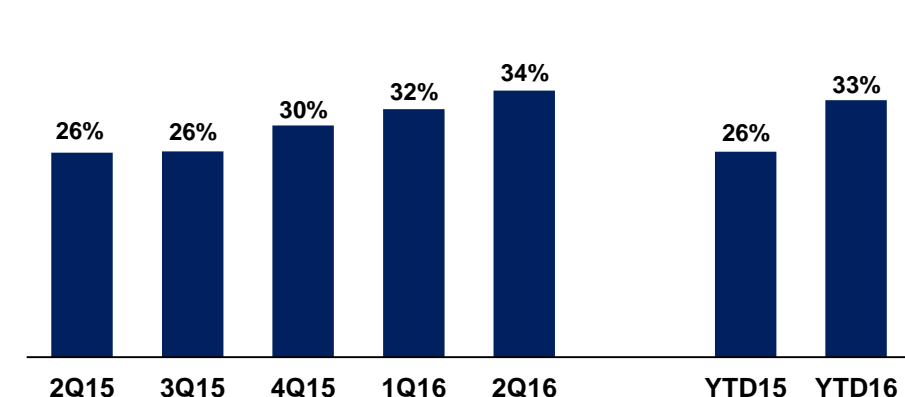
Challenging 1H16 due to the accelerated shift from legacy services to data



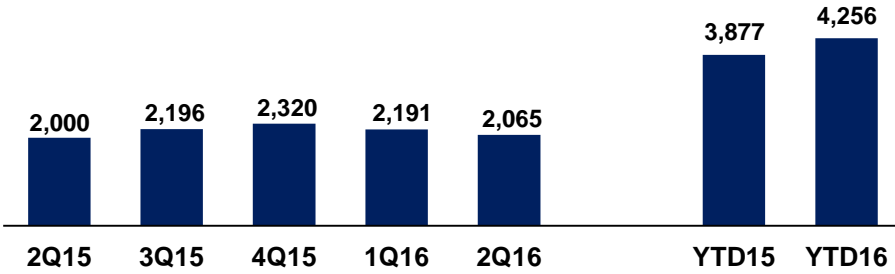
## Revenue (IDR bn)



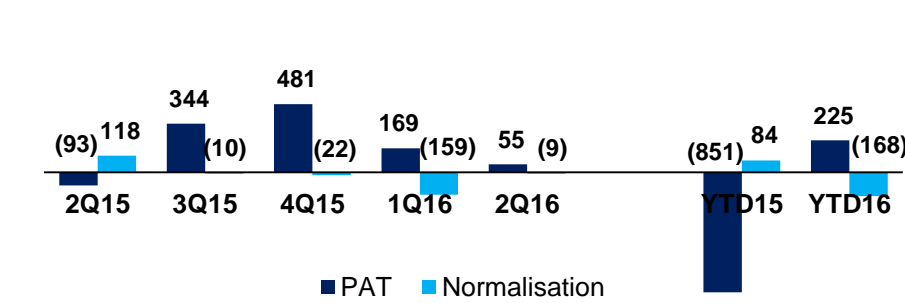
## Data revenue as a % of total revenue



## EBITDA (IDR bn) & margins (%)



## PAT (IDR bn) & margins (%)



Quarter	EBITDA Margin (%)
2Q15	35.5%
3Q15	37.5%
4Q15	38.8%
1Q16	38.9%
2Q16	39.3%
YTD15	34.8%
YTD16	39.1%

Quarter	Normalised PAT Margin (%)
2Q15	2.1%
3Q15	-0.2%
4Q15	-0.4%
1Q16	-2.8%
2Q16	-0.2%
YTD15	0.8%
YTD16	-1.5%



# XL: financial performance

5<sup>th</sup> quarter of sequential EBITDA margin uplift; stronger balance sheet with gross debt/EBITDA down to 2.0x

## Operating Expenses

% of Revenue	2Q15	3Q15	4Q15	1Q16	2Q16	YTD15	YTD16
Direct Expenses	9.2%	9.1%	9.3%	7.2%	8.0%	11.0%	7.6%
Sales and Marketing	4.5%	5.2%	5.7%	5.8%	5.2%	4.4%	5.5%
Network Cost	42.0%	40.3%	38.7%	39.3%	40.0%	41.4%	39.6%
Staff Cost	4.8%	4.7%	4.8%	5.8%	5.3%	4.7%	5.6%
Others incl. discount	4.0%	3.1%	2.7%	3.0%	2.2%	3.6%	2.5%
<b>Total Expenses</b>	<b>64.5%</b>	<b>62.5%</b>	<b>61.2%</b>	<b>61.1%</b>	<b>60.7%</b>	<b>65.2%</b>	<b>60.9%</b>
<b>EBITDA Margin</b>	<b>35.5%</b>	<b>37.5%</b>	<b>38.8%</b>	<b>38.9%</b>	<b>39.3%</b>	<b>34.8%</b>	<b>39.1%</b>
Depreciation & Amortisation	31.6%	28.7%	31.5%	33.2%	39.8%	32.1%	36.4%

## Financial Position (IDR bn)

	30 Jun 15	30 Sept 15	31 Dec 15	31 Mar 16	30 Jun 16
Capitalised Capex	2,890	4,330	4,848	1,048	2,263
Cash and Cash Equivalents	5,500	3,644	3,312	2,222	6,217
Gross Debt	29,198	27,049	26,953	25,229	17,888
Net Assets	13,242	13,620	14,092	14,270	21,018
Gross Debt / Equity (x)	2.2	2.0	1.9	1.8	0.9
Gross Debt / EBITDA (x)	3.5	3.2	3.2	2.9	2.0

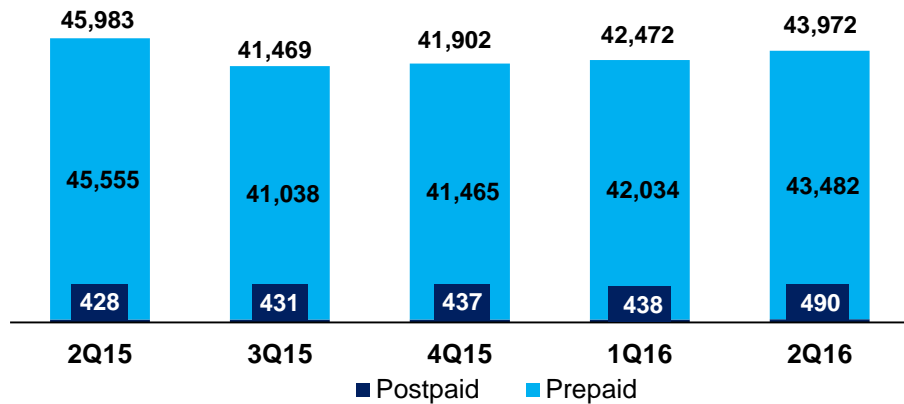


# XL: operational performance

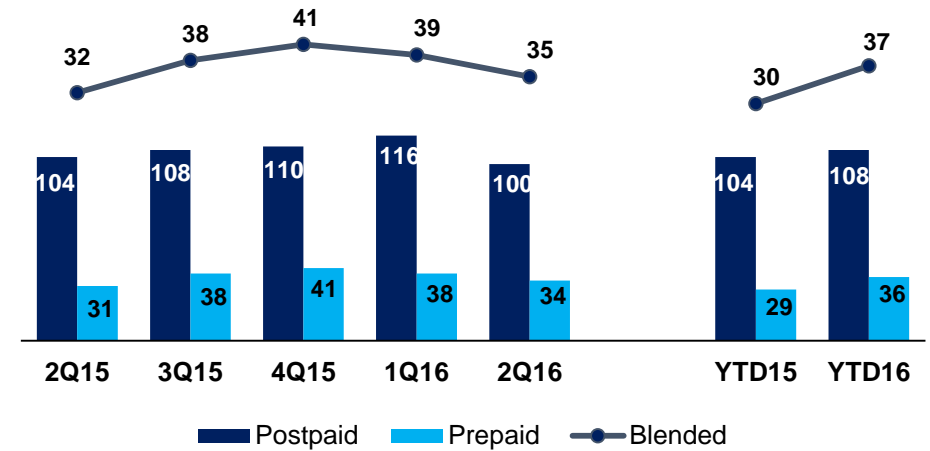
Positive QoQ subscriber trend continues into 2Q16, and smartphone penetration climbs to 53%



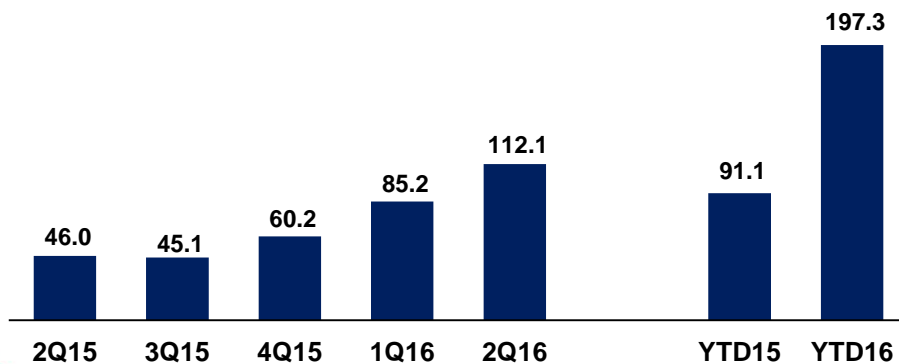
### Subscribers ('000)



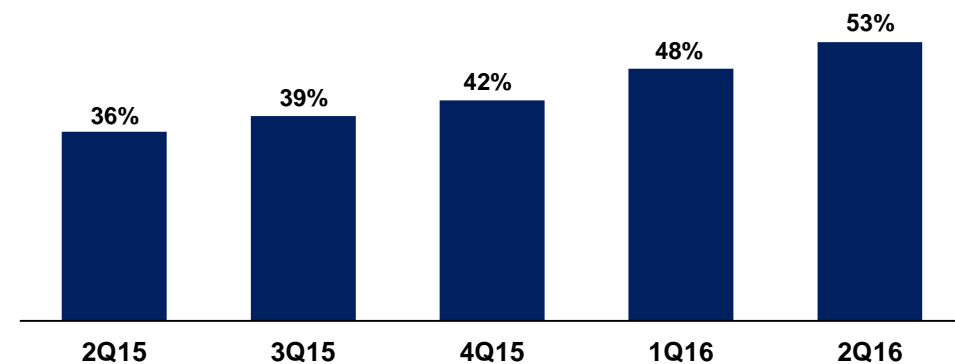
### ARPU (IDR '000)



### Total traffic ('000 TB)



### Smartphone penetration (%)

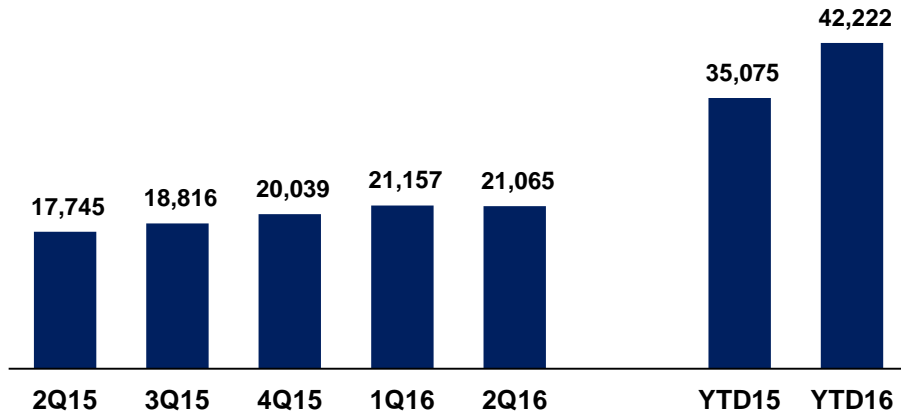




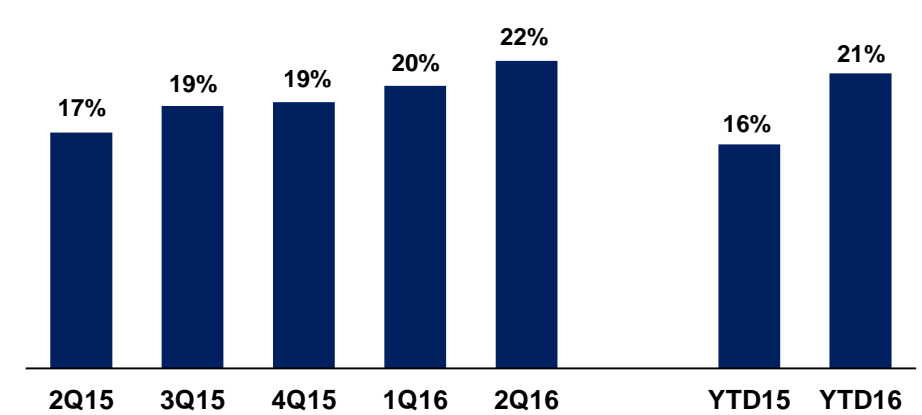
# Dialog: financial performance

Strong YTD performance, in spite of tax impact in 2Q16

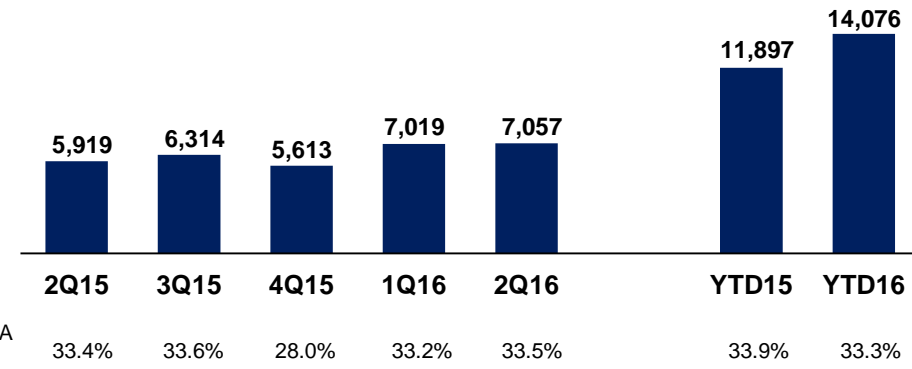
## Revenue (SLR mn)



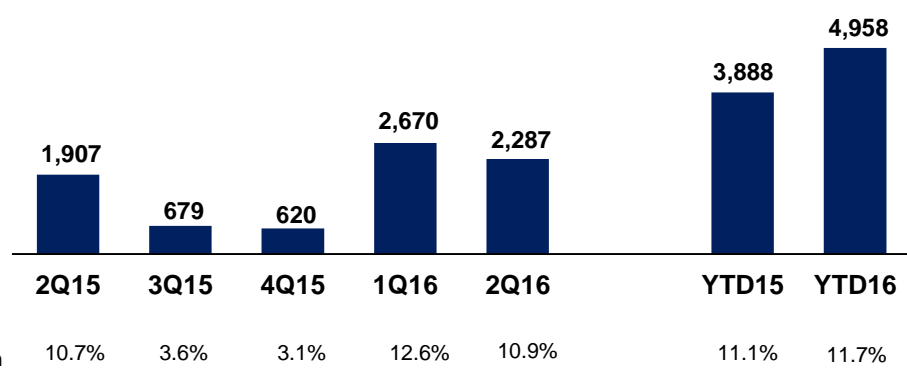
## Data revenue as a % of total mobile revenue\*



## EBITDA (SLR mn) & margins (%)



## PAT (SLR mn) & margins (%)



EBITDA Margin

PAT Margin

\* Total Mobile Revenue includes Mobile, Data & Digital Services and excludes Dialog Tele-Infrastructure & International

# Dialog: financial performance

YTD EBITDA growth of 18.3% driven by strong revenue growth of 20.4%

## Operating Expenses

% of Revenue	2Q15	3Q15	4Q15	1Q16	2Q16	YTD15	YTD16
Direct Expenses	29.6%	29.0%	28.5%	29.9%	27.7%	28.9%	28.8%
Sales and Marketing	13.1%	13.3%	15.6%	13.7%	13.8%	12.7%	13.7%
Network Cost	9.9%	10.1%	10.5%	9.6%	9.8%	10.4%	9.7%
Staff Cost	8.0%	7.8%	9.9%	7.8%	7.5%	8.1%	7.7%
Bad debts	1.1%	1.0%	1.1%	1.0%	2.5%	1.0%	1.7%
Others	4.9%	5.2%	6.4%	4.7%	5.2%	5.1%	5.0%
<b>Total Expenses</b>	<b>66.6%</b>	<b>66.4%</b>	<b>72.0%</b>	<b>66.8%</b>	<b>66.5%</b>	<b>66.1%</b>	<b>66.7%</b>
<b>EBITDA Margin</b>	<b>33.4%</b>	<b>33.6%</b>	<b>28.0%</b>	<b>33.2%</b>	<b>33.5%</b>	<b>33.9%</b>	<b>33.3%</b>
Depreciation & Amortisation	19.8%	18.8%	20.1%	17.4%	18.1%	19.4%	17.8%

## Financial Position (SLR mn)

	30 Jun 15	30 Sept 15	31 Dec 15	31 Mar 16	30 Jun 16
Capex <sup>1</sup>	5,276	8,959	19,577	2,942	7,091
Cash and Cash Equivalents <sup>2</sup>	7,542	8,208	4,429	9,741	3,653
Gross Debt	24,542	26,187	22,910	31,540	31,850
Net Assets	47,643	48,285	47,317	49,935	49,609
Gross Debt / Equity (x)	0.5	0.5	0.5	0.6	0.6
Gross Debt / EBITDA (x)	1.0	1.1	1.0	1.1	1.1

<sup>1</sup> Capex excludes Customer Premises Equipment investments and spectrum acquisition & license renewal

<sup>2</sup> Excludes cash from overdraft facilities

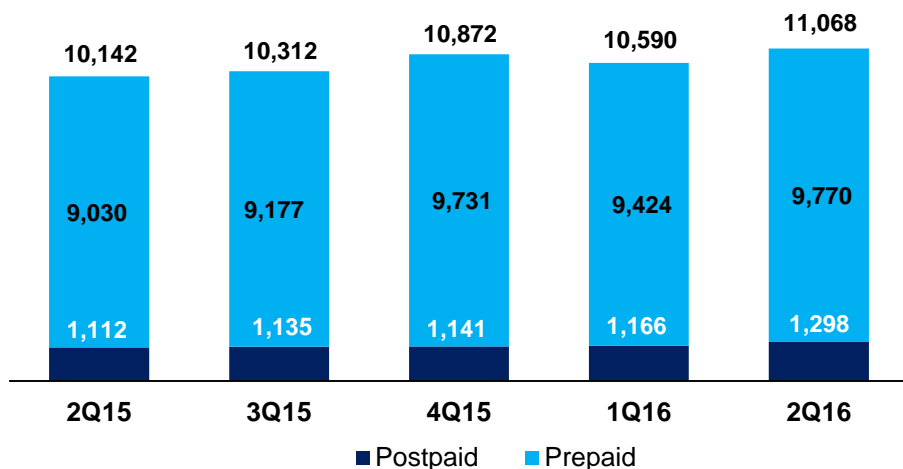


# Dialog: operational performance

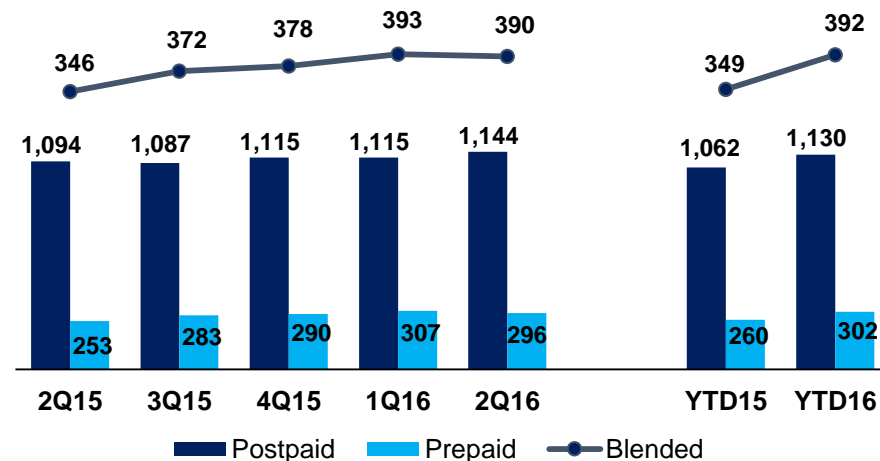
Continued positive trends as mobile subscribers grew 9.1% YoY and ARPU increased 12.3% YoY



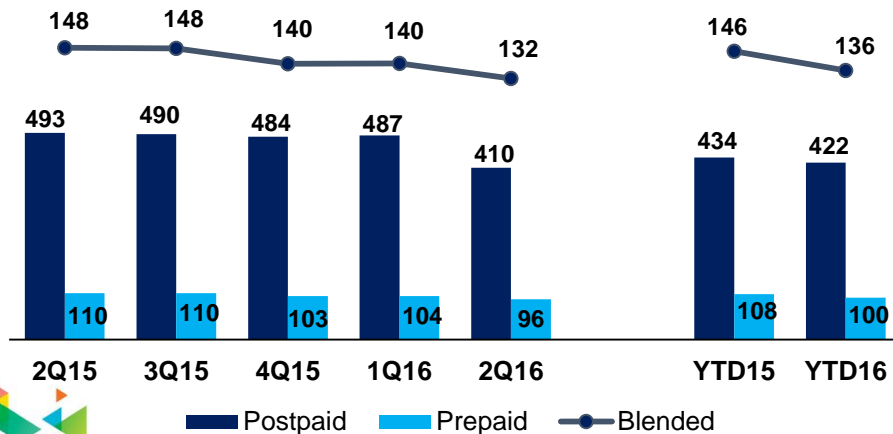
## Subscribers ('000)



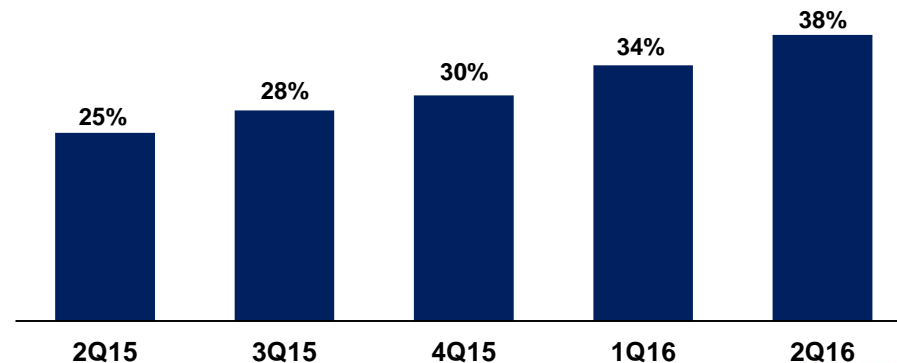
## ARPU (SLR)



## MOU/sub (min)



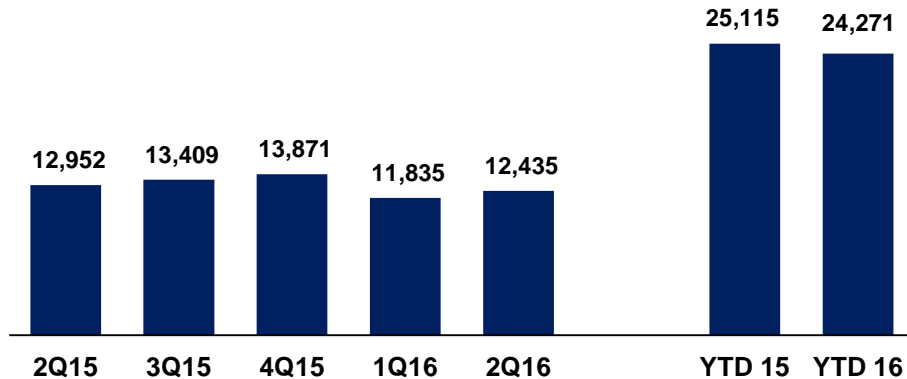
## Smartphone penetration (%)



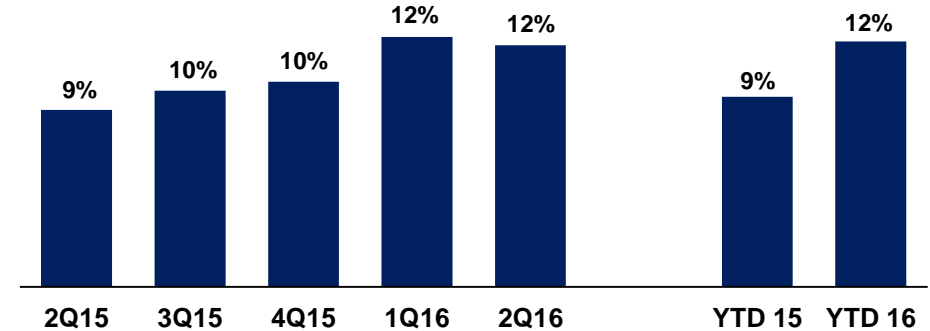
# Robi: financial performance

## QoQ revenue growth driven by higher device sales

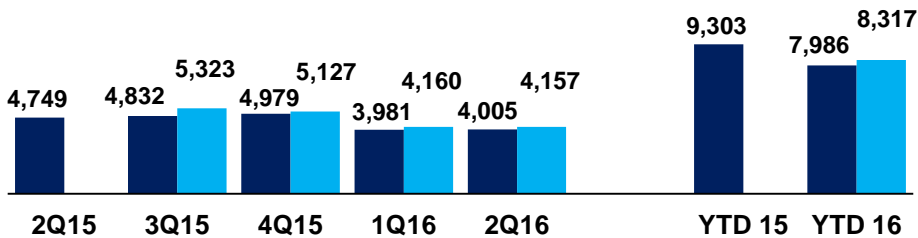
### Revenue (BDT mn)



### Data revenue as a % of total revenue



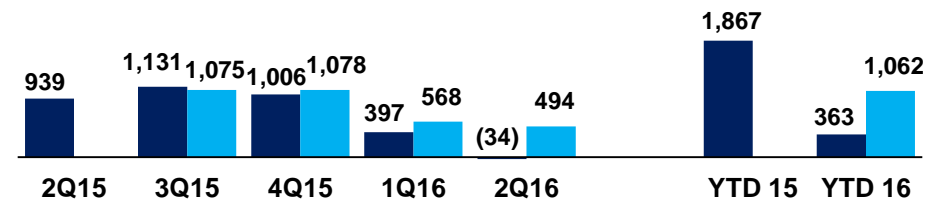
### EBITDA<sup>1</sup> (BDT mn) & margins (%)



■ EBITDA ■ Normalisation

Period	EBITDA Margin (%)	Normalised EBITDA Margin (%)
2Q15	36.7%	-
3Q15	36.0%	39.7%
4Q15	35.9%	37.0%
1Q16	33.6%	35.1%
2Q16	32.2%	33.4%
YTD 15	37.0%	-
YTD 16	32.9%	34.3%

### PAT<sup>1</sup> (BDT mn) & margins (%)



■ PAT ■ Normalisation

Period	PAT Margin (%)	Normalised PAT Margin (%)
2Q15	7.3%	-
3Q15	8.4%	8.0%
4Q15	7.3%	7.8%
1Q16	3.4%	4.8%
2Q16	-0.3%	4.0%
YTD 15	7.4%	-
YTD 16	1.5%	4.4%

1. Normalisation excludes impact of edotco carve out in 3Q15

# Robi: financial performance

Higher network cost and D&A charges in 1H16 due to network swap and rollout

## Operating Expenses

% of Revenue	2Q15	3Q15	4Q15	1Q16	2Q16	YTD15	YTD16
Direct Expenses	33.3%	37.3%	39.4%	30.7%	36.6%	33.3%	33.7%
Sales and Marketing	4.5%	5.5%	5.1%	6.9%	5.1%	5.1%	6.0%
Network Cost	11.7%	11.3%	9.0%	14.1%	13.4%	11.5%	13.8%
Staff Cost	5.2%	5.4%	5.3%	5.8%	5.6%	5.1%	5.7%
Bad debts	2.0%	0.6%	-1.5%	0.4%	-0.9%	1.7%	-0.2%
Others	6.5%	0.2%	5.8%	6.9%	6.7%	6.3%	6.8%
Total Expenses	63.3%	60.3%	63.0%	64.9%	66.6%	63.0%	65.7%
Normalised EBITDA Margin	36.7%	39.7%	37.0%	35.1%	33.4%	37.0%	34.3%
Depreciation & Amortisation	21.5%	20.9%	20.4%	27.8%	29.7%	21.3%	28.8%

## Financial Position (BDT mn)

	30 Jun 15	30 Sep 15	31 Dec 15	31 Mar 16	30 Jun 16
Capex	13,542	17,844	19,996	4,435	9,991
Cash and Cash Equivalents	820	2,604	1,943	3,395	4,968
Gross Debt	13,326	13,141	15,004	22,029	21,720
Net Assets	46,614	53,884	54,890	55,287	55,253
Gross Debt / Equity (x)	0.3	0.2	0.3	0.4	0.4
Gross Debt / EBITDA (x)	0.7	0.7	0.8	1.4	1.4

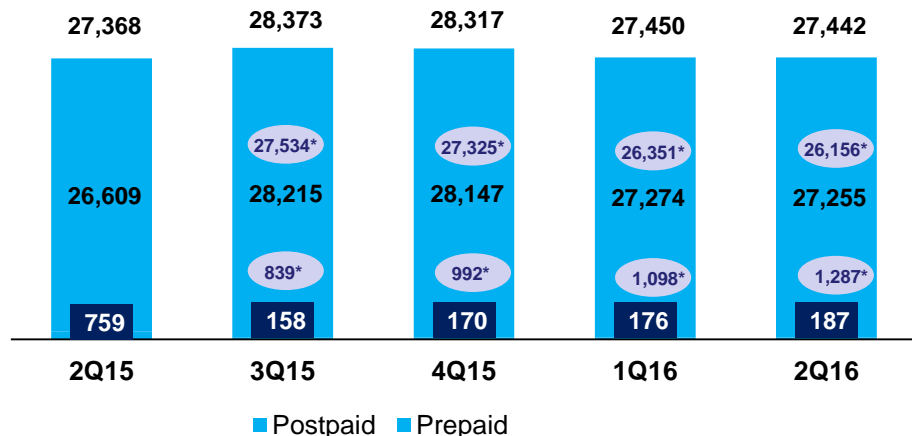


# Robi: operational performance

Subscriber base stable despite SIM bio-metric registration and heightened competition

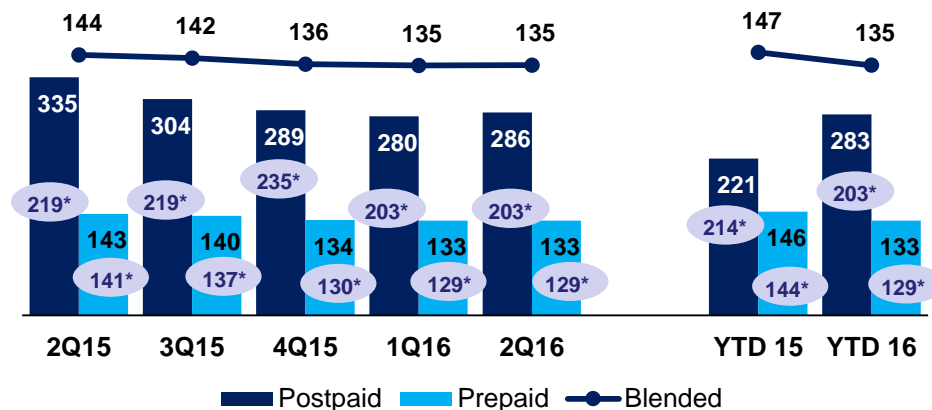


## Subscribers ('000)

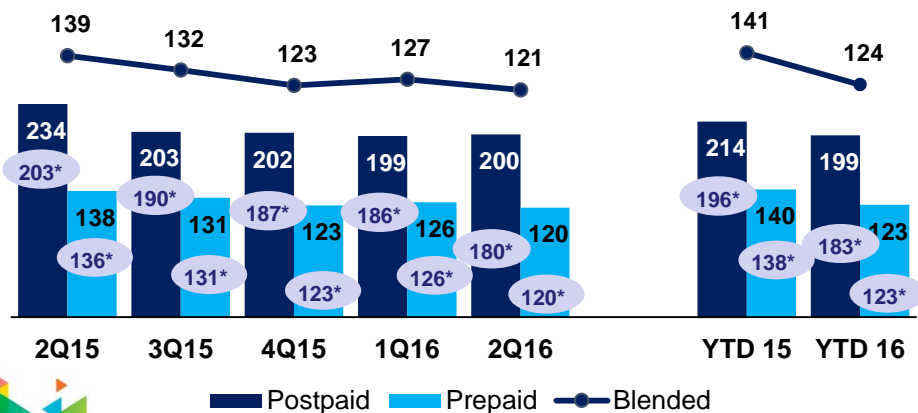


- SME subbase reclassification reported to BTRC from July 15 onwards

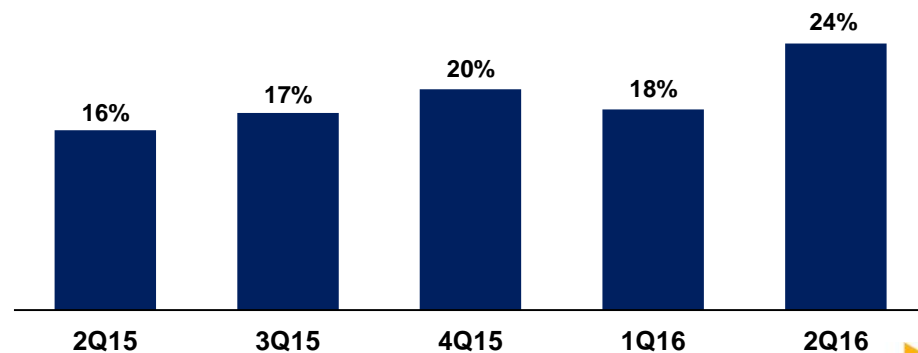
## ARPU (BDT)



## MOU/sub (min)



## Smartphone penetration (%)



\* SME billing base reclassified from postpaid to prepaid from 1Q15 onwards.

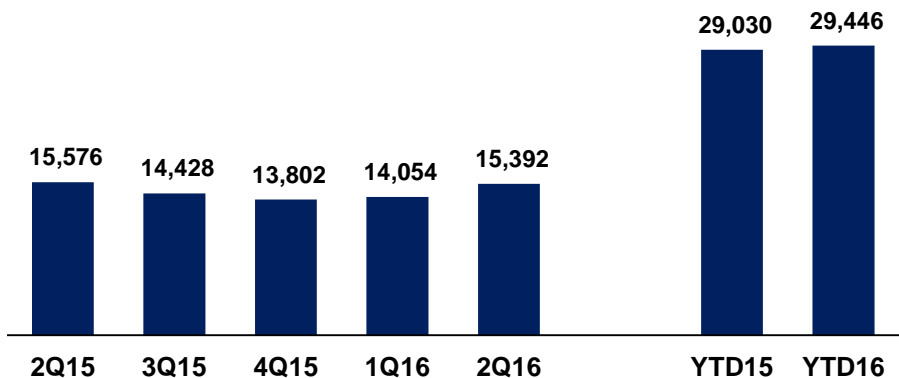


# Ncell: financial performance

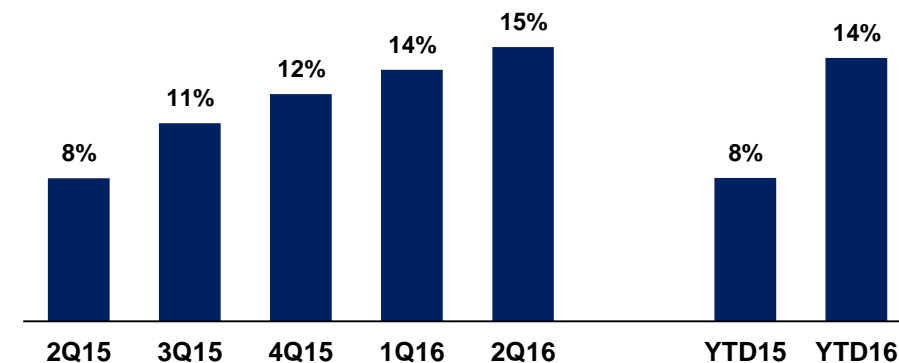
Excellent performance and EBITDA margins improved 3.3bps to 65.2% in 1H16



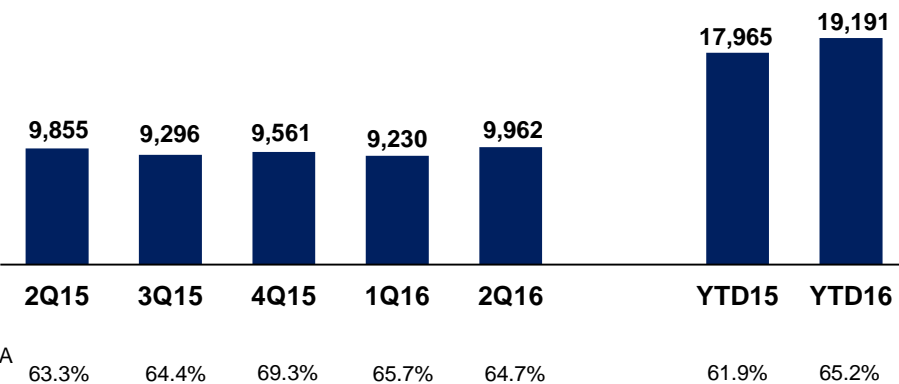
## Revenue (NPR mn)



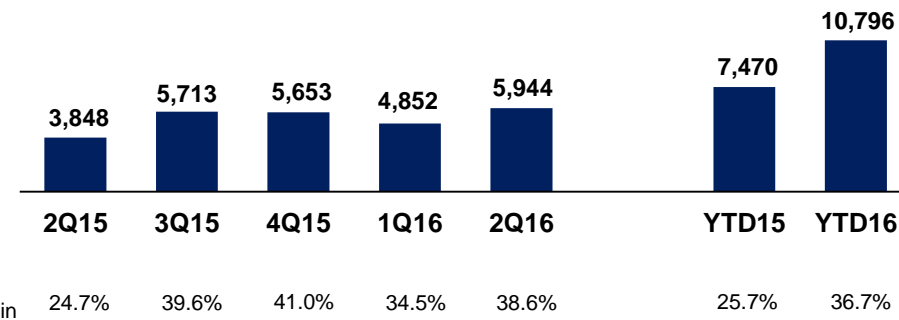
## Data revenue as a % of total revenue



## EBITDA (NPR mn) & margins (%)

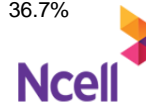


## PAT (NPR mn) & margins (%)



EBITDA Margin

PAT Margin



# Ncell: financial performance

## EBITDA margins improvement driven by lower direct expense

### Operating Expenses

% of Revenue	2Q15	3Q15	4Q15	1Q16	2Q16	YTD15	YTD16
Direct Expenses	9.6%	9.3%	8.3%	8.2%	8.7%	11.2%	8.5%
Sales and Marketing	4.5%	5.0%	3.8%	4.9%	5.2%	4.9%	5.1%
Network Cost	7.7%	6.8%	4.0%	7.0%	7.2%	7.8%	7.1%
Staff Cost	5.7%	6.0%	5.5%	5.8%	5.6%	5.5%	5.7%
Bad debts	-	-	1.5%	-	0.3%	-	0.2%
Others	9.2%	8.4%	7.6%	8.4%	8.3%	8.7%	8.3%
<b>Total Expenses</b>	<b>36.7%</b>	<b>35.6%</b>	<b>30.7%</b>	<b>34.3%</b>	<b>35.3%</b>	<b>38.1%</b>	<b>34.8%</b>
<b>EBITDA Margin</b>	<b>63.3%</b>	<b>64.4%</b>	<b>69.3%</b>	<b>65.7%</b>	<b>64.7%</b>	<b>61.9%</b>	<b>65.2%</b>
Depreciation & Amortisation	15.8%	16.4%	17.9%	18.1%	16.6%	16.5%	17.4%

### Financial Position (NPR mn)

	30 Jun 15	30 Sept 15	31 Dec 15	31 Mar 16	30 June 16
Capitalised Capex	4,746	8,035	11,409	1,323	2,570
Cash and Cash Equivalents	31,256	35,305	41,523	42,711	41,985
Gross Debt	-	-	-	-	-
Net Assets	56,673	62,386	68,039	72,892	78,835
Gross Debt / Equity (x)	-	-	-	-	-
Gross Debt / EBITDA (x)	-	-	-	-	-



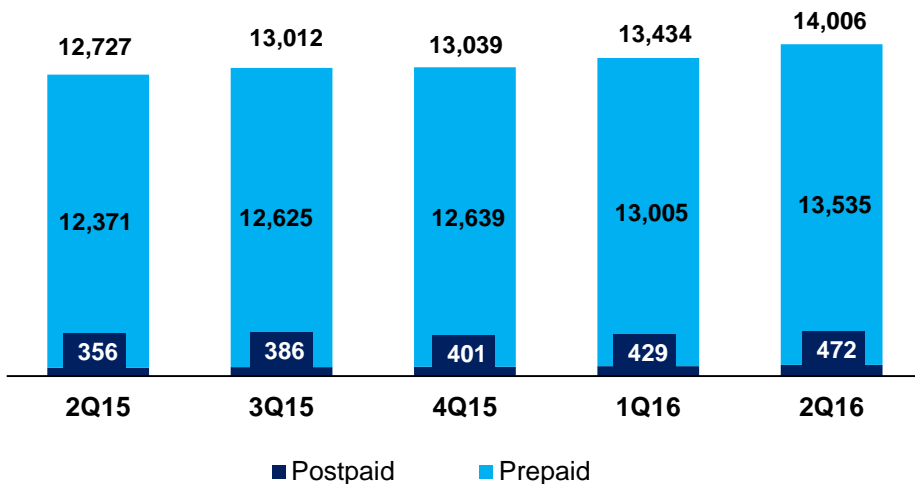


# Ncell: operational performance

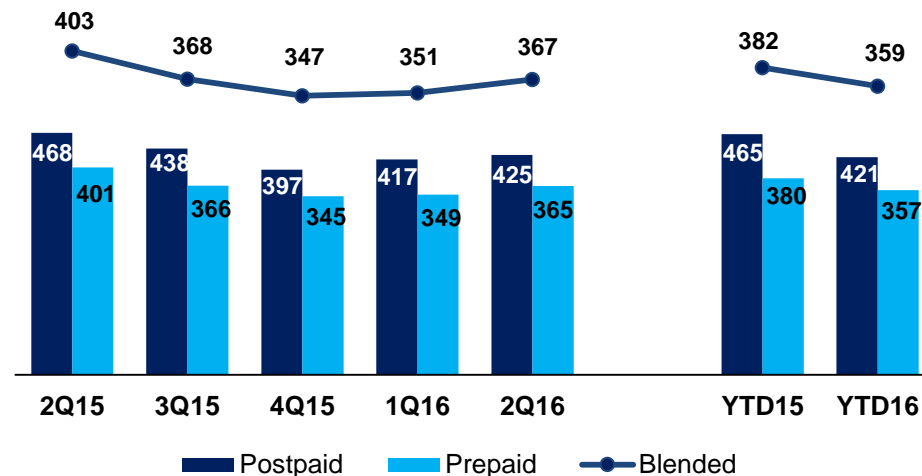
Positive subscriber net adds trend; improved ARPU over last two quarters



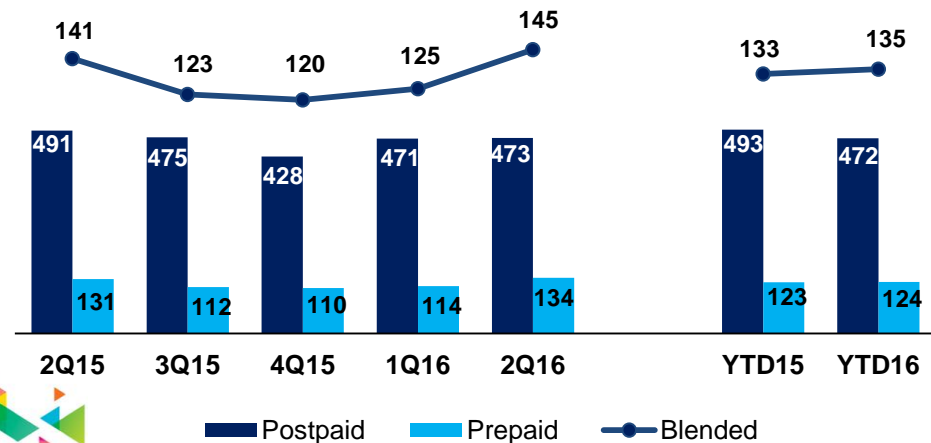
## Subscribers ('000)



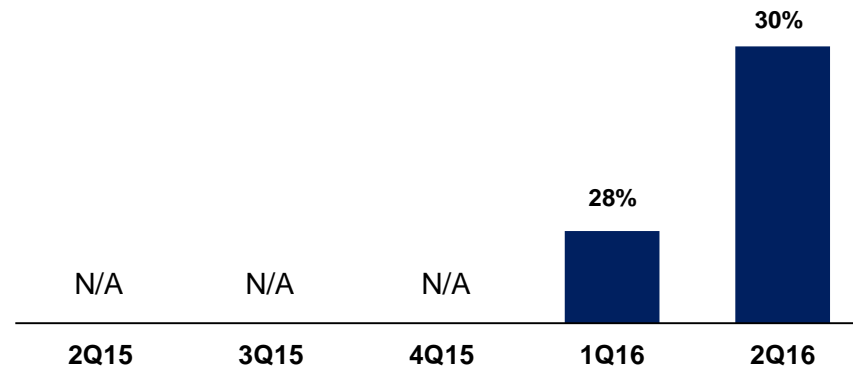
## ARPU (NPR)



## MOU/sub (min)



## Smartphone penetration\* (%)



Local Currency	Average Rate YTD Jun'15	Average Rate Q1'16	Average Rate Q2'16	Average Rate YTD Jun'16	QoQ Appreciation/ (Depreciation) against MYR (%)	YTD Appreciation/ (Depreciation) against MYR (%)	QoQ Appreciation/ (Depreciation) against USD (%)	YTD Appreciation/ (Depreciation) against USD (%)
INDONESIAN RUPIAH, IDR	0.000281	0.000310	0.000301	0.000306	(2.90)	8.90	1.71	(3.48)
SRI LANKA RUPEE, LKR	0.027333	0.029006	0.027417	0.028211	(5.48)	3.21	(0.99)	(8.51)
BANGLADESHI TAKA, BDT	0.046742	0.053408	0.051112	0.052260	(4.30)	11.81	0.25	(0.90)
US DOLLAR, USD	3.636542	4.197858	4.007443	4.102651	(4.54)	12.82	0.00	0.00
SINGAPORE DOLLAR, SGD	2.695373	2.990634	2.950140	2.970386	(1.35)	10.20	3.33	(2.32)
PAKISTAN RUPEE, PKR	0.035808	0.040070	0.038281	0.039175	(4.46)	9.40	0.07	(3.03)
INDIAN RUPEE, INR	0.057888	0.062189	0.059917	0.061053	(3.65)	5.47	0.92	(6.51)
NEPALESE RUPEE, NPR	NA	NA	0.037534	0.037534	NA	NA	4.75	NA

Source: Bloomberg



# Thank You

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