



# 4Q 2016 Results

23 February 2017

*Tan Sri Jamaludin Ibrahim, President & Group CEO*

*Yap Wai Yip, Acting Group Chief Financial Officer*

# Executive summary: Financials

Positive QoQ revenue growth for all opcos; FY16 healthy revenue and double digit EBITDA growth. However 4Q16 and FY16 PATAMI impacted by forex loss, M&As and operational performance.

- ❖ Positive QoQ revenue growth for all opcos but 4Q16 PATAMI hit by forex loss and Robi-Airtel merger related costs.
- ❖ FY16 healthy revenue and double digit EBITDA growth; however PATAMI impacted by forex loss, Robi-Airtel merger and Ncell acquisition related costs, lower contribution from Celcom and Idea, ADS start-up losses, and higher D&A charges.
  - QoQ growth : Revenue 6.1% ; EBITDA -5.4% ; PATAMI ->100% ; Normalised PATAMI -84.7%
  - YoY growth : Revenue 8.0% ; EBITDA 0.8% ; PATAMI ->100% ; Normalised PATAMI -81.3%
  - FY growth : Revenue 8.5% ; EBITDA 10.0% ; PATAMI -80.3% ; Normalised PATAMI -31.5%
- ❖ At constant currency, FY16 financial performance reflect positive impact from a weaker ringgit vs all currencies, except SLR.
  - QoQ growth : Revenue 2.2% ; EBITDA -9.4% ; PATAMI ->100% ; Normalised PATAMI -87.6%
  - YoY growth : Revenue 7.1% ; EBITDA -0.5% ; PATAMI ->100% ; Normalised PATAMI -82.7%
  - FY growth : Revenue 5.4% ; EBITDA 6.8% ; PATAMI -80.9% ; Normalised PATAMI -32.0%
- ❖ Forex loss for FY16 of RM824m, including realised losses of RM312m, largely due to Ncell acquisition.
- ❖ Robi-Airtel merger related costs of RM60m in FY16, comprising merger fee of RM13m, Airtel VRS of RM7m and Airtel losses of RM40m.
- ❖ Ncell acquisition related costs of RM287m in FY16, comprising PPA of RM106m and finance cost of RM181m.
- ❖ D&A for FY16 increased 35.0% (or RM1,469m) to RM5,667m, primarily due to capex in FY15 and FY16, as well as accelerated depreciation at XL and Robi.
- ❖ On 27 January 2017, Axiata and edotco completed an equity private placement deal of USD600m, valuing edotco's final portfolio at equity value of close to USD1.5bn, or FY16 EV/EBITDA of 12.5x.
- ❖ Cash balance of RM5.3bn and gross debt/EBITDA at 2.64x (based on Ncell's annualised EBITDA).
- ❖ For prudent and strategic reasons, FY16 total dividend declared of 8 sen, including 5 sen interim dividend, translating into payout ratio of 50%.



# Key Group highlights (1/6):

Celcom: Early signs of business stabilisation as 4Q16 delivers second consecutive quarter of service revenue growth, but bottom line was affected by higher D&A charges from accelerated 4G rollout.



- A stronger quarter in 4Q16 with QoQ growth in service revenue, normalized EBITDA and normalized PATAMI of +1.4%, +10.9% and +1.8% respectively. The growth in normalised EBITDA was largely due to lower staff cost.
- Celcom's FY16 revenue, normalised EBITDA and normalised PATAMI growth was -9.8%, -17.6%, and -29.1%, respectively.
- Positive take up on enhanced postpaid offerings ie First Gold 80 and First Platinum, delivers higher ARPU (+4.1% QoQ) and subscribers (+3.2% QoQ). However, the prepaid segment continues to face near term challenges.
- FY16 mobile data revenue grew by 10.0%, driven by an increase in mobile internet revenue growth of 19.0%. Data revenue accounted for 34.1% of total revenue.

# Key Group highlights (2/6):

XL: Execution improvements and stabilizing voice and ex-Java revenue, have led to second consecutive quarter of service revenue growth in 4Q16.



- **Strong data revenue growth delivers 4Q16 service revenue and total revenue growth of +1.0% QoQ and +0.5% QoQ, respectively. 4Q16 PAT growth was attributed to one-off tower gain offset by accelerated depreciation due to network modernisation.**
- **XL's FY16 revenue, EBITDA and PAT growth was -6.7%, -4.0% and +>100%, respectively.**
- **FY16 EBITDA margin rose 1.1pp to 37.6% mainly due to XL's efforts on cost optimisation initiatives, including savings from tower lease renewals.**
- **XL's 4G-LTE footprint now spans close to 100 cities, with 8,204 4G BTS. This is further supported by XL's roll-out on U900 which significantly improved the quality of its data services in ex-Java areas.**
- **High smartphone penetration of 63% and data users at 65% of subscriber base have delivered FY16 total traffic and data revenue growth of 162% and 30.7% respectively. Data revenue accounted for 38.1% of total revenue.**

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

# Key Group highlights (3/6):

Dialog and Smart: Strong performance for FY16.

Robi: Impacted by Airtel merger and one-off adjustments in 4Q16.



- Delivered strong FY16 performance despite challenging operating environment; 4Q16 performance was adversely impacted by the re-introduction of VAT which took effect from 1<sup>st</sup> November 2016.
- Dialog's FY16 revenue, EBITDA and PAT growth was 17.3%, 22.6% and 74.2% respectively.
- Strong performance across all business units with FY16 revenue growth for mobile, fixed and pay-TV operations at 16.7%, 27.6% and 5.3%, respectively.
- Mobile data revenue grew by 52.4% in FY16 driven by increased smartphone penetration and 4G usage. Data revenue accounted for 23.0% of Dialog's mobile revenue in FY16.
- Declared cash dividend of SLR0.39 per share @ 35% DPR for FY16.



- 4Q16 revenue growth of 5.0% QoQ primarily due to the inclusion of 1.5 months of Airtel revenue; profitability was negatively impacted mainly by one-off merger fees, VRS and accelerated depreciation charges from network swap.
- Robi's FY16 revenue, normalised EBITDA and normalised PAT growth was 0.5%, -24.2% and ->100% respectively.
- FY16 data revenue grew by 38.7%, as data accounted for 13.4% of Robi's total revenue.



- Continued strong performance growth in 4Q16 fuelled by excellent data monetisation.
- Smart's FY16 revenue, EBITDA and PAT growth was 13.0%, 12.3% and 19.8% respectively.
- Data subscribers grew 25.4% to 3.8m; FY16 data revenue grew by 48.6%, as data accounted for 42.3% of Smart's total revenue.

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

# Key Group highlights (4/6):

Ncell: Strong FY16 performance attributable to strong mobile growth, offset by ILD decline.



- **Strong FY16 performance attributable to strong mobile revenue growth (+17.9%), partially offset by ILD revenue decline (-17.3%).**
- **Ncell's FY16 revenue, EBITDA and PAT growth was 2.4%, 2.3% and 7.8%, respectively.**
- **FY16 PAT margin rose 2.6pp to 35.5% due to efforts from cost controls initiatives.**
- **FY16 data revenue grew by 70.3%, as data accounted for 15.9% of Ncell's total revenue.**

# Key Group highlights (5/6):

edotco: Improved performance driven by aggressive co-location growth and SLA achievement.

ADS: Start-up losses as it builds the ecosystem.



- edotco's FY16 proforma revenue, EBITDA and PAT growth was 26.7%, 38.1% and -12.0%, respectively.
- At end-FY16, edotco owns 17.2k towers (+4.5%), and manages 8.5k sites (+23.8%).
- Aggressive increase in co-location with tenancy ratio rising to 1.54x (vs 1.48x in end-FY15).



- Today ADS has portfolio of 30 companies involved in advertising, marketplace, financial services, entertainment, IOT, OTT and enablers.
- In 2016, private placement closed for FreedomPop and Adknowledge Asia.
- ADS incurred start-up losses of RM114m in FY16, vs. losses of RM68m in FY15.
- Elevenia and 11st placed as strong no.2 players in Indonesia and Malaysia, respectively.

# Key Group highlights (6/6):

Associates and joint ventures: Contribution falls 93.1% to RM30m in FY16, largely due to Idea.

## Associates



India

- Unprecedented disruption by RJIO since September 2016 resulted in heightened competition in India. For YTD3Q17, Idea reported revenue and EBITDA growth of 3.7% and -6.4% respectively; however consolidated PAT growth was  $\rightarrow 100\%$  as a result of higher depreciation and finance cost. For Axiata's FY16, Idea contributed RM65m (vs RM369m in FY15) to Axiata, accounting for 4.6% of normalised Group PATAMI.



Singapore

- FY16 M1 reported revenue, EBITDA and PAT growth of -8.3%, -8.7% and -16.1% respectively. For Axiata's FY16, M1 contributed RM129m (vs RM158m in FY15), accounting for 9.1% of normalised Group PATAMI.

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



# Financials

Positive QoQ revenue growth for all opcos; FY16 healthy revenue and double digit EBITDA growth. However 4Q16 and FY16 PATAMI impacted by forex loss, M&As and operational performance.

## Financial highlights

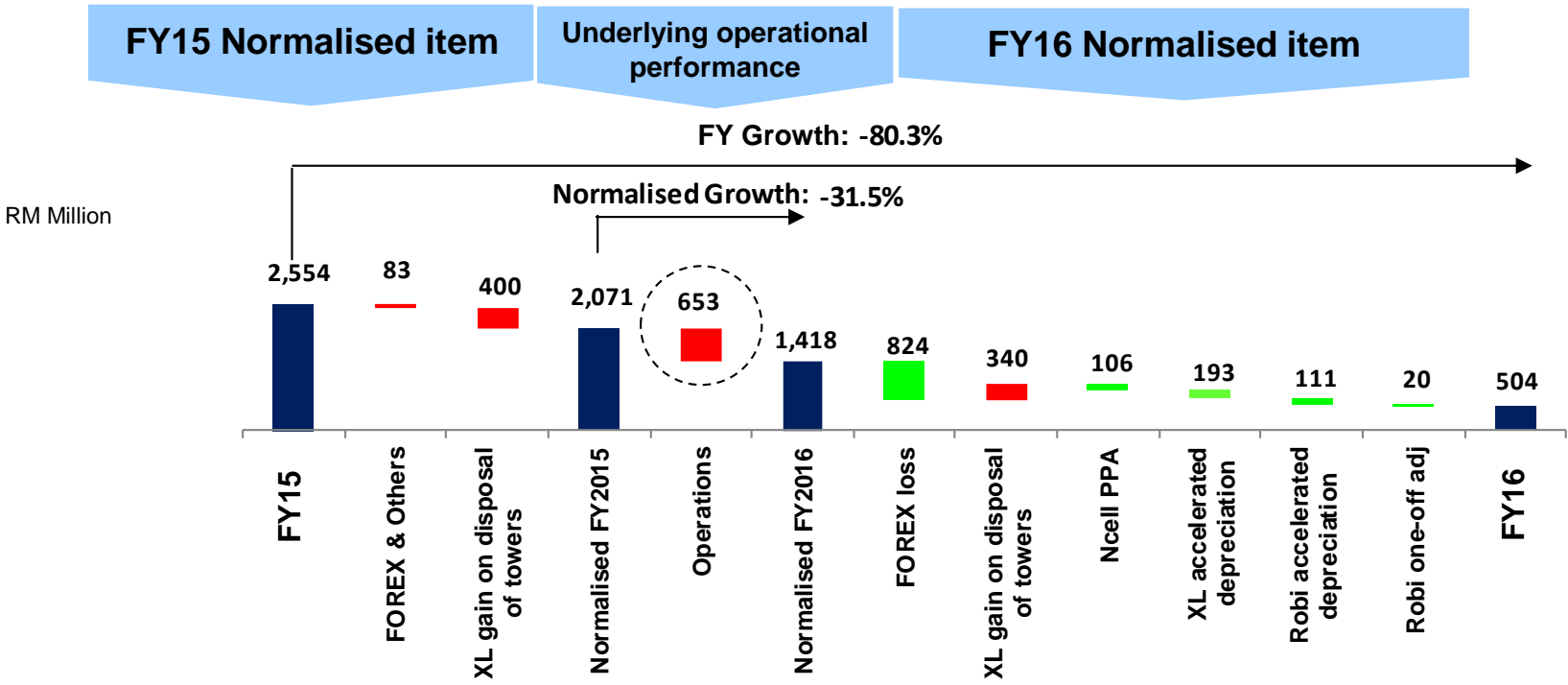
<u>RM mn</u>	<u>4Q16</u>	<u>FY16</u>	<u>QoQ growth</u>	<u>YoY Growth</u>	<u>FY16 growth</u>	<u>FY16 growth (constant currency)</u>
Revenue	5,789	21,565	6.1%	8.0%	8.5%	5.4%
EBITDA	1,980	8,013	-5.4%	0.8%	10.0%	6.8%
EBITDA margin %	34.2%	37.2%	-4.1pp	-2.4pp	+0.6pp	+0.5pp
Depreciation & amortisation	-1,808	-5,667	38.8%	52.9%	35.0%	29.6%
Net finance cost	-288	-1,018	18.1%	19.3%	54.7%	49.1%
PAT	-272	657	->100%	->100%	-75.1%	-75.7%
Normalised PAT	88	1,513	-84.4%	-77.5%	-29.1%	-29.3%
PATAMI	-309	504	->100%	->100%	-80.3%	-80.9%
Normalised PATAMI	77	1,418	-84.7%	-81.3%	-31.5%	-32.0%
ROIC % <sup>^</sup>	-	4.5%	-	-	-3.2pp	4.6%
ROCE % <sup>^</sup>	-	4.0%	-	-	-2.7pp	4.0%
Capex	2,300	6,141	48.3%	63.0%	25.8%	
% of revenue	39.7%	28.5%				
Operating Free Cash Flow*	-1,424	-446	->100%	->100%	->100%	
% of revenue	-24.6%	-2.1%				

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

<sup>^</sup> Annualised Ncell, ROIC – 5.0%, ROCE – 4.5%

# Normalised Group PATAMI: FY15 → FY16

Normalised performance decreased by 31.5% due to Celcom, Robi, XL and Idea, cushioned by Ncell, Smart and Dialog.

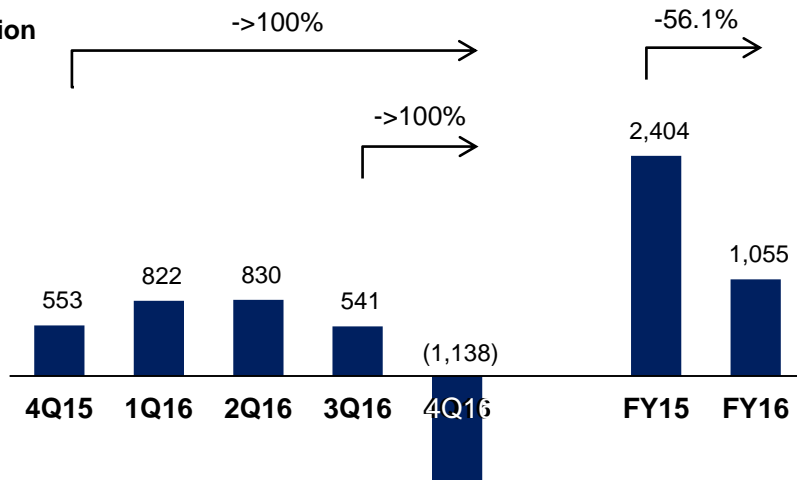


Norm. PATAMI	FY15	FY Growth Rates		Norm. PATAMI	FY16
Celcom	1,308	-344	-26.3%	Celcom	964
XL	(87)	-48	-55.2%	XL	(135)
Dialog	189	+52	+27.5%	Dialog	241
Robi	183	-201	->100%	Robi	(18)
Smart	188	+71	+37.8%	Smart	259
Ncell	-	+440	na	Ncell	440
Associates & Others	290	-623	->100%	Associates & Others	(333)
<b>GROUP</b>	<b>2,071</b>	<b>-653</b>	<b>-31.5%</b>	<b>GROUP</b>	<b>1,418</b>

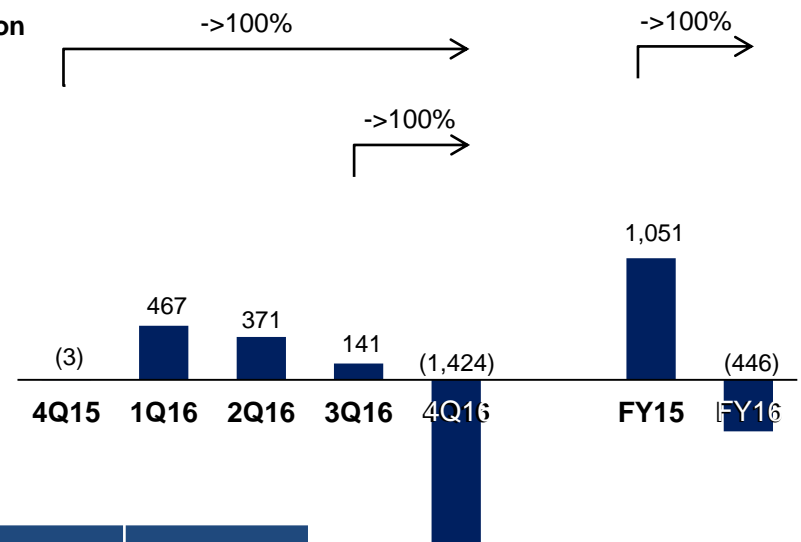
# Capital expenditure

Higher capex intensity of 28.5% and Celcom's spectrum payment result in negative OFCF in FY16.

FCF\*  
RM million



OCF\*  
RM million



Capex (RM mn)	FY15	FY16
Celcom	891	1,321
XL	1,784	2,194
Dialog	639	792
Robi	1,107	1,191
Smart	275	366
Ncell	n/a	171
Others	184	106
<b>Total</b>	<b>4,880</b>	<b>6,141</b>

Note:

Numbers may not add up due to rounding

FCF=EBITDA-Capex

OCF= EBITDA- Capex- Net Interest-Tax

n/a = not available

\* Includes Celcom spectrum payment in 4Q16 amounting to RM816.8m

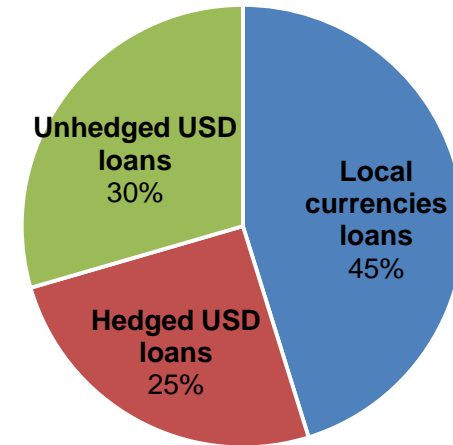
# Group statements of financial position

Gross debt/EBITDA increases to 2.64x as ringgit depreciates 8.8% QoQ against USD

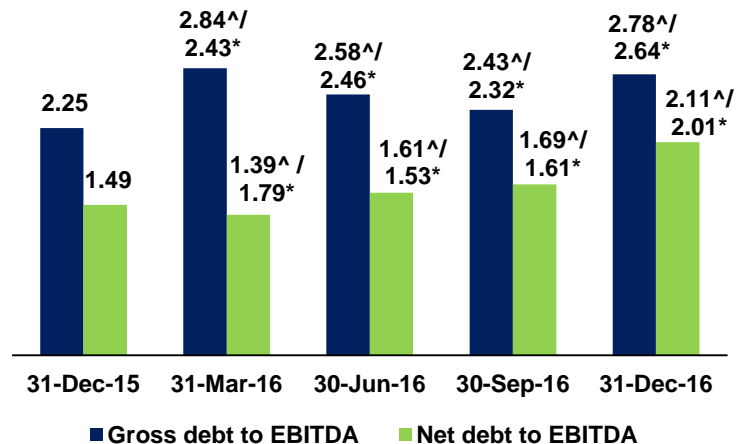
## Group borrowings – by currency

In million	Loan Currency	USD	Local	Total (RM)
Hold co & Non OpCo	USD	2,057	-	9,229
	<b>Sub-total</b>	<b>2,057</b>	<b>-</b>	<b>9,229</b>
OpCos	USD	664		2,979
	RM		5,035	5,035
	IDR		9,989,819	4,981
	BDT		20,818	1,866
	SLR		11,785	1,029
	PKR		1,227	53
	<b>Sub-Total</b>	<b>664</b>		<b>13,032</b>
<b>Total Group</b>	<b>2,721</b>		<b>22,260</b>	

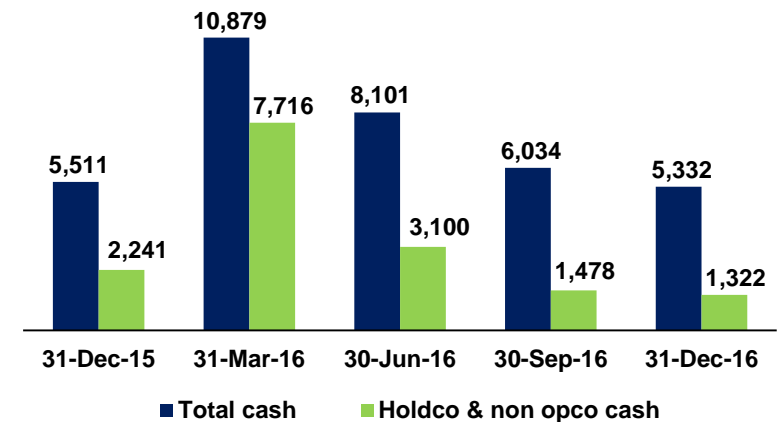
## Group borrowings - hedged / unhedged loans



## Gross and net debt/EBITDA (x)



## Cash (RM million)



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

<sup>^</sup> Based on Ncell's EBITDA of 8.5 months in FY16 (actual).

# FY16 headline KPIs

Based on Bloomberg estimate and constant currency, FY16 performance is below expectations.

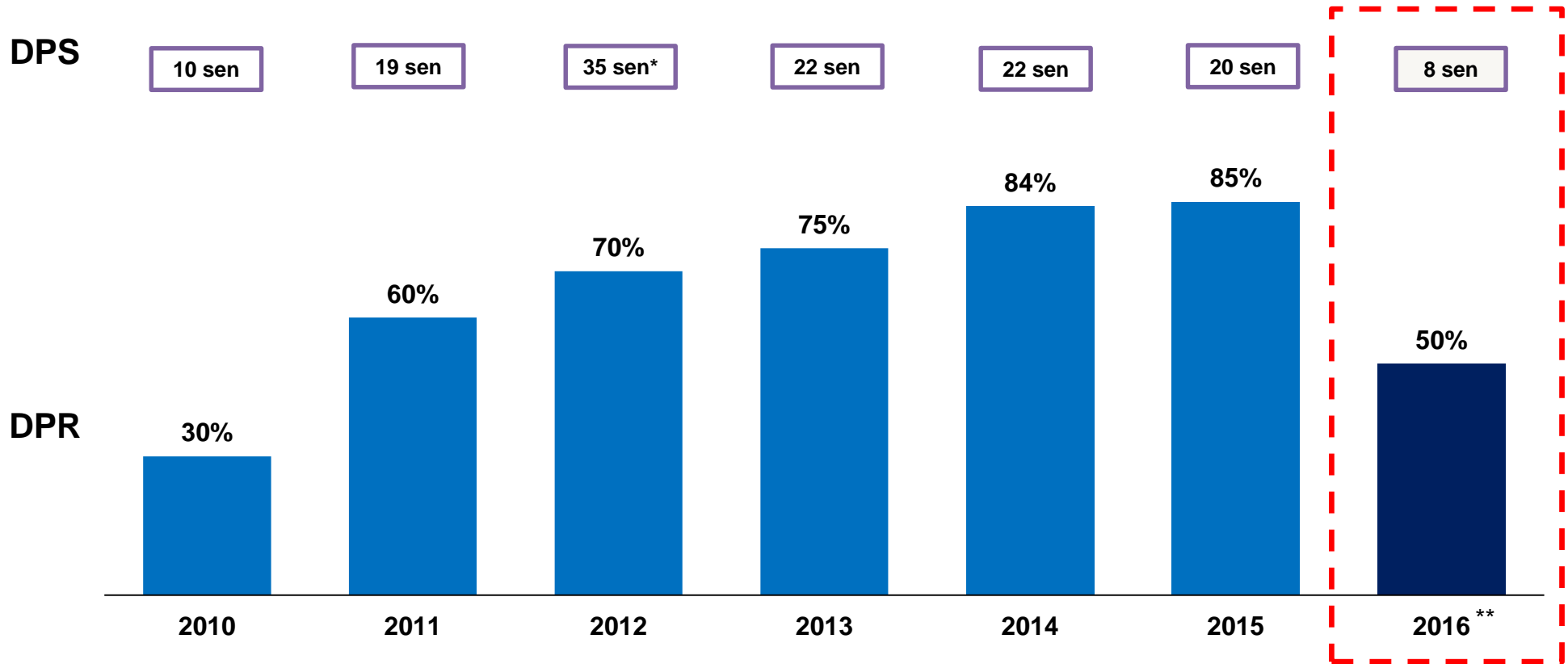
	<b>FY16 Achievement</b> @ Actual Currency	<b>FY16 Headline KPIs</b> (based on Bloomberg* estimate in mid-Oct 2015 for 2016 forex)	<b>FY16 Achievement</b>	<b>FY16 Headline KPIs</b> (based on constant currency)	<b>FY16 Achievement</b>
<b>Revenue growth</b>	<b>8.5%</b>	12.2%	<b>8.1%</b>	9.8%	<b>5.4%</b>
<b>EBITDA growth</b>	<b>10.0%</b>	16.0%	<b>9.7%</b>	13.7%	<b>6.8%</b>
<b>ROIC</b>	<b>4.5%</b>	6.8%	<b>4.8%</b>	6.6%	<b>4.6%</b>
<b>ROCE</b>	<b>4.0%</b>	6.1%	<b>4.2%</b>	6.0%	<b>4.0%</b>
<b>Capex **</b>	<b>RM6.1bn</b>	RM5.7bn	<b>RM5.8bn</b>	RM5.5bn	<b>RM5.9bn</b>

\*1 USD = RM4.20

\*\* Capex is not a headline KPI

# Proposed dividend

For prudent and strategic reasons, FY16 DPR is 50%.



Proposing 50% DPR for FY16:

- a) Prudent reasons: Volatile forex in particular USD:MYR, and regulatory risk (including spectrum auction/renewal in most markets in the next 1-2 years).
- b) Strategic reasons: 4G / data leadership investments, to be No.1 in selected areas / regions in every market, and possible market consolidation and edotco expansion.

This is for the short term and will revert to FY15 level within two years.

\* Includes special dividend of 12 sen,

\*\* Final dividend is subject to shareholders' approval.

	Headline KPIs (based on Bloomberg* estimate for 2017 forex)	Headline KPIs (based on constant currency)
Revenue growth	9% - 11%	8% - 10%
EBITDA growth	7% - 9%	6% - 8%
ROIC	4.5% - 5.0%	4.5% - 5.0%
ROCE	4.0% - 4.5%	4.0% - 4.5%
Capex**	RM6.6bn	RM6.4bn

\*1 USD = RM4.55  
\*\* Capex is not a headline KPI

## Opportunities

- ❖ Celcom 'Refresh' and XL 'Transformation Agenda'.
- ❖ Synergistic opportunities from Robi-Airtel merger and Ncell acquisition.
- ❖ e.Co's organic and inorganic growth.
- ❖ Group-wide cost optimisation – RM2.3bn savings for FY17 to FY19.

## Challenges

- ❖ Currency volatility and increasingly stringent foreign exchange control requirements in Malaysia.
- ❖ Tax and regulatory uncertainties in Malaysia (spectrum allocation), Nepal (capital gains tax, ILD interconnection), Sri Lanka (new taxes in 2017 Budget) and Indonesia (spectrum sharing).
- ❖ Heightened competition in all markets especially Malaysia, Singapore and India.





Management is pleased to announce the appointment of **Vivek Sood** as Group Chief Financial Officer (“GCFO”) and will join Axiata on **3 April 2017**. He replaces the previous GCFO Chari TVT who retired from this position at the end of December 2016.

Vivek has assumed a variety of senior leadership roles in the telecommunication and finance industries.

He gained diverse global knowledge when he had responsibilities across Asian and European markets, leading teams from multiple culture and backgrounds.

## Notable professional experience:

- ❖ **Telenor Group, Inc** – Executive Vice President and Group Chief Marketing Officer (2015 – 2016)
- ❖ **Telenor India** – Chief Executive Officer (2014 – 2015)
- ❖ **Grameenphone, Bangladesh** – Chief Executive Officer (2013 – 2014)
- ❖ **Telenor India** – Chief Financial Officer (2011 – 2012)
- ❖ **Tata AIA Life Insurance Limited** – Chief Operating Officer (2010 – 2011)
- ❖ **Tata AIA Life Insurance Limited** – Chief Financial Officer (2006 – 2010)

## Education

- ❖ Bachelor in Commerce and Qualified Chartered Accountant India

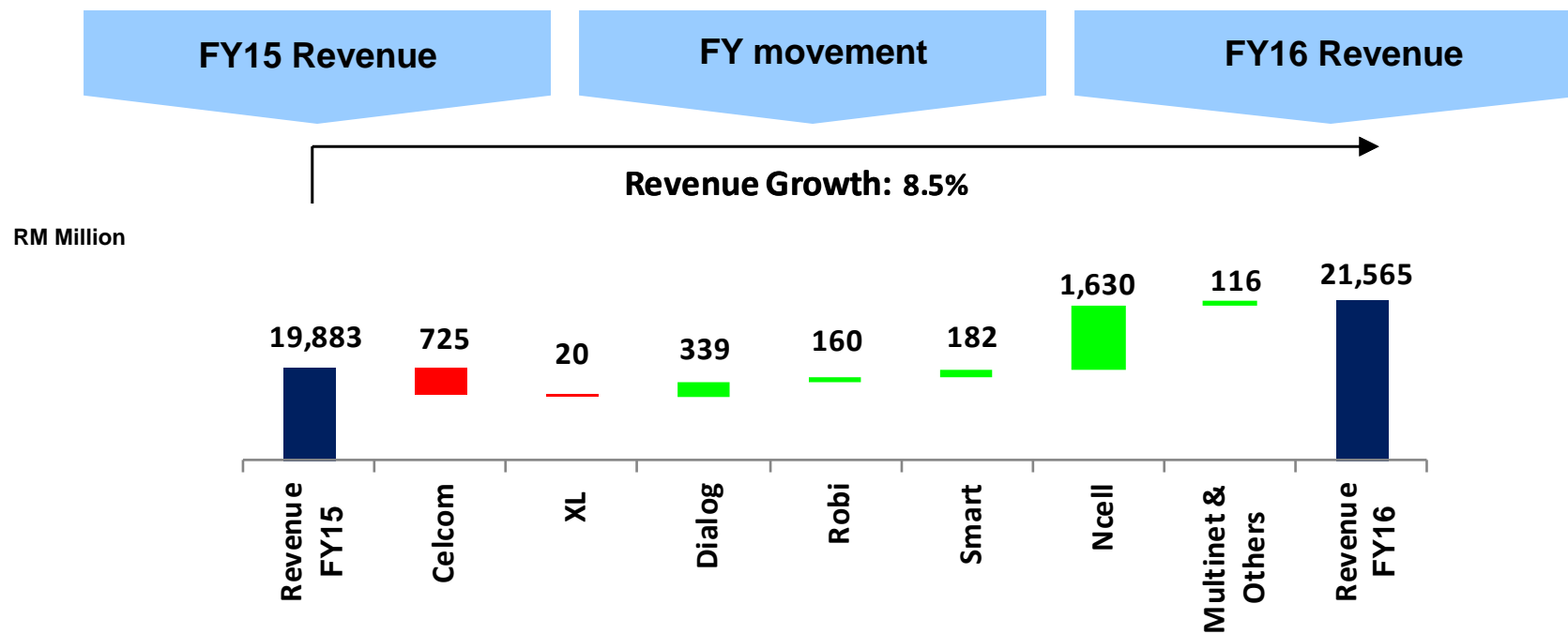


# Appendix



# Group revenue: FY15 → FY16

FY16 revenue growth lifted by consolidation of Ncell, forex translation and strong growth in data revenue (+34.7%).

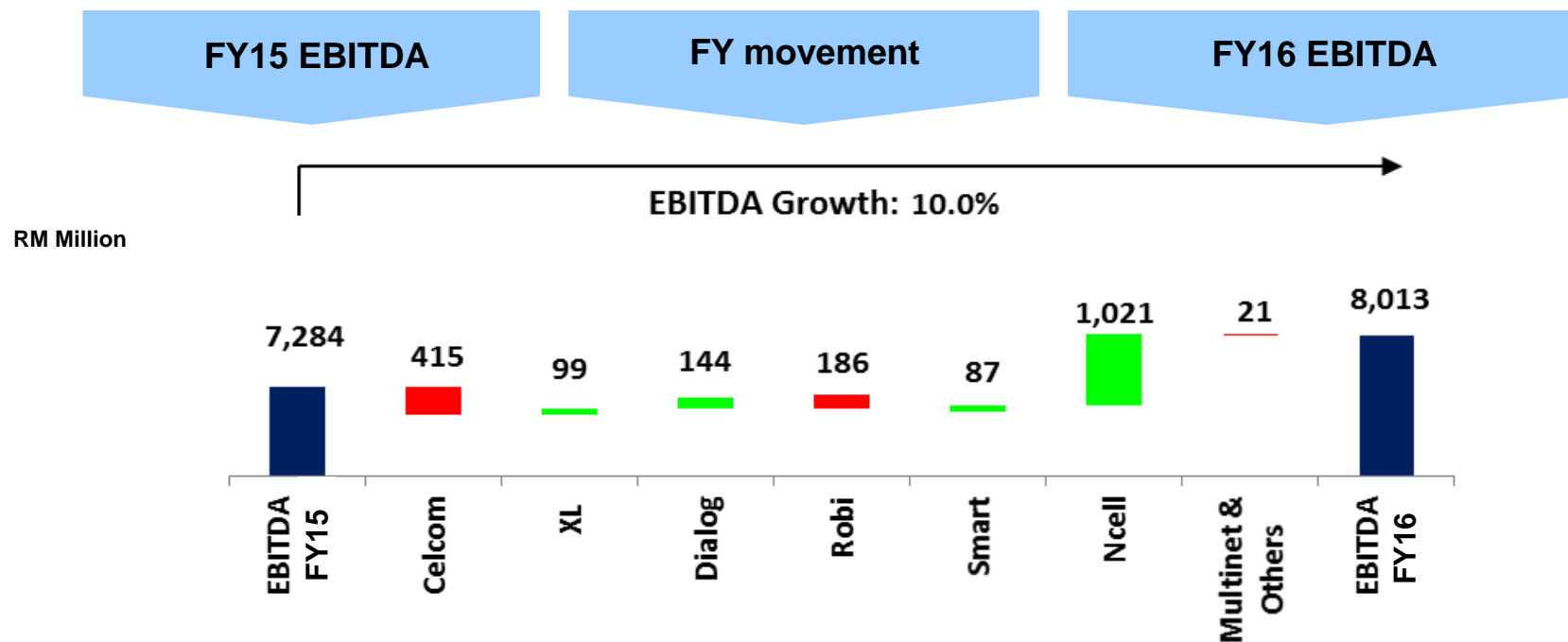


RM Million

Revenue	FY15	FY Growth Rates		Revenue	FY16
Celcom	7,338	-725	-9.9%	Celcom	6,613
XL	6,657	-20	-0.3%	XL	6,637
Dialog	2,121	+339	+16.0%	Dialog	2,460
Robi	2,623	+160	+6.1%	Robi	2,783
Smart	907	+182	+20.0%	Smart	1,089
Ncell	-	+1,630	na	Ncell	1,630
Multinet & Others	237	+116	+48.9%	Multinet & Others	353
<b>GROUP</b>	<b>19,883</b>	<b>+1,682</b>	<b>+8.5%</b>	<b>GROUP</b>	<b>21,565</b>

# Group EBITDA: FY15 → FY16

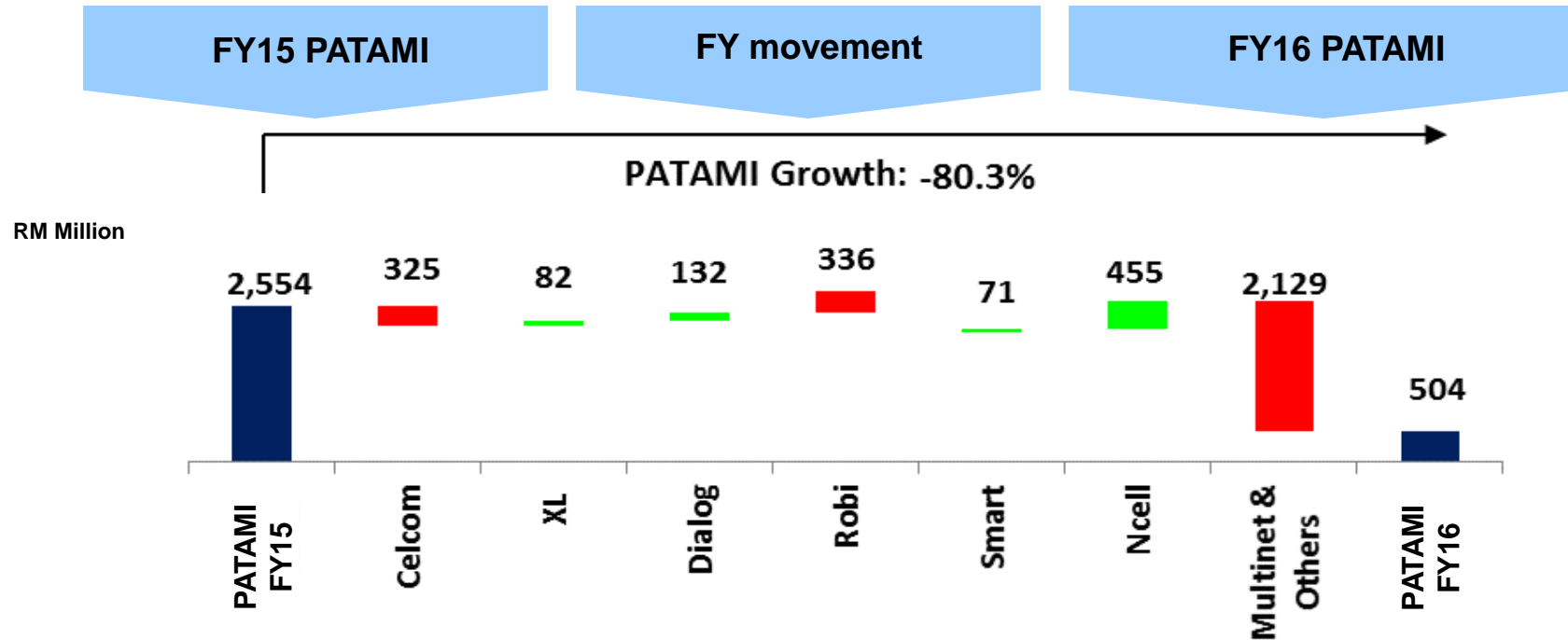
FY16 EBITDA growth lifted by consolidation of Ncell, and higher contribution from Dialog, XL and Smart.



EBITDA	FY15	FY Growth Rates		EBITDA	FY16
Celcom	2,719	-415	-15.3%	Celcom	2,304
XL	2,513	+99	+4.0%	XL	2,612
Dialog	684	+144	+21.1%	Dialog	828
Robi	944	-186	-19.7%	Robi	758
Smart	451	+87	+19.4%	Smart	538
Ncell	-	+1,021	na	Ncell	1,021
Multinet & Others	(27)	-21	-77.8%	Multinet & Others	(48)
<b>GROUP</b>	<b>7,284</b>	<b>+729</b>	<b>+10.0%</b>	<b>GROUP</b>	<b>8,013</b>

# Group PATAMI: FY15 → FY16

FY16 PATAMI growth impacted by forex loss, M&As (Robi-Airtel merger and Ncell acquisition related costs) and operational performance (Celcom, Idea, ADS and D&A).

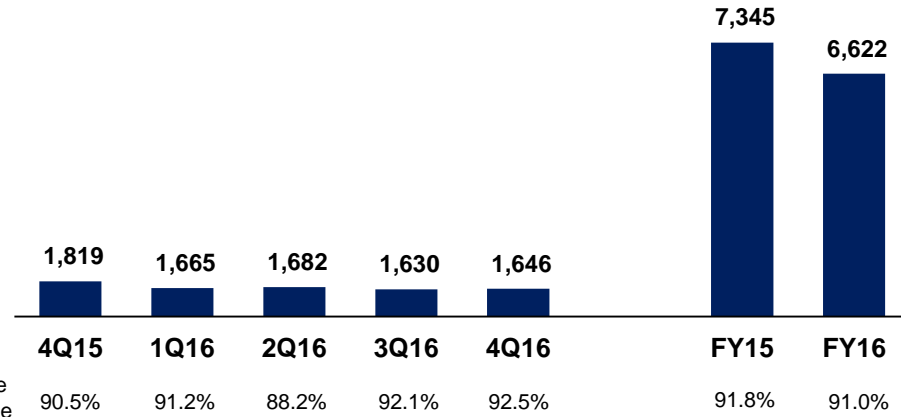


PATAMI	FY15	FY Growth Rates		PATAMI	FY16
Celcom	1,291	-325	-25.2%	Celcom	966
XL	(7)	+82	+>100%	XL	75
Dialog	82	+132	+>100%	Dialog	214
Robi	187	-336	->100%	Robi	(149)
Smart	188	+71	+37.6%	Smart	259
Ncell	-	+455	na	Ncell	455
Multinet & Others	813	-2,129	->100%	Multinet & Others	(1,316)
<b>GROUP</b>	<b>2,554</b>	<b>-2,050</b>	<b>-80.3%</b>	<b>GROUP</b>	<b>504</b>

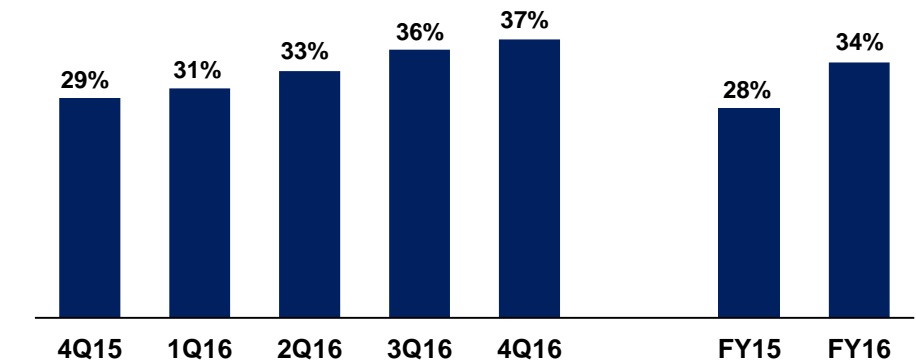
# Celcom: financial performance

In 4Q16, sequential service revenue growth; normalised EBITDA and PATAMI growth turns positive.

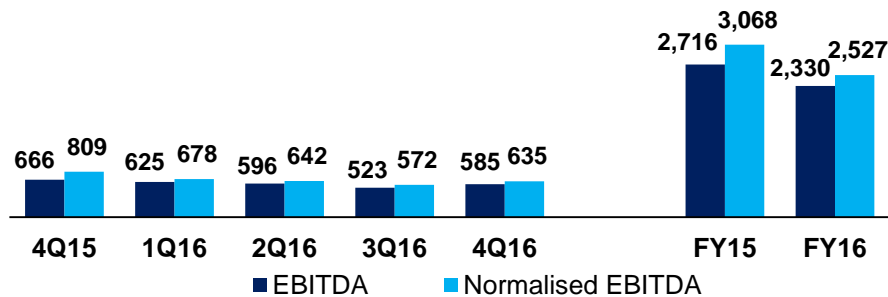
## Revenue (RM mn)



## Data revenue as a % of total revenue

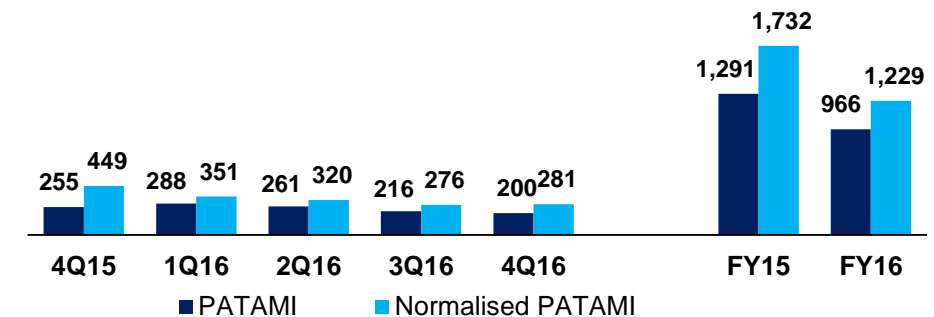


## EBITDA\* (RM mn) & margins (%)



Period	Normalised EBITDA Margin (%)
4Q15	44.5%
1Q16	40.7%
2Q16	38.2%
3Q16	35.1%
4Q16	38.6%
FY15	41.8%
FY16	38.2%

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



Period	Normalised PATAMI Margin (%)
4Q15	24.7%
1Q16	21.1%
2Q16	19.1%
3Q16	16.9%
4Q16	17.1%
FY15	23.6%
FY16	18.6%

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



# Celcom: financial performance

4Q16 normalised EBITDA margin improved QoQ as a result of provision reversal in staff cost.



## Operating Expenses\*

% of Revenue	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
Direct Expenses	27.4%	23.3%	23.6%	22.8%	21.9%	28.1%	22.9%
Sales and Marketing	7.3%	8.3%	7.9%	7.4%	7.5%	7.0%	7.8%
Network Cost	11.5%	13.6%	15.8%	18.2%	18.7%	12.1%	16.6%
Staff Cost	4.5%	8.2%	6.3%	8.9%	5.1%	5.8%	7.1%
Bad Debts	0.1%	0.5%	-0.2%	0.1%	0.4%	0.3%	0.2%
Others	4.8%	5.3%	8.4%	7.4%	7.9%	5.1%	7.3%
<b>Total Expenses</b>	<b>55.5%</b>	<b>59.3%</b>	<b>61.8%</b>	<b>64.9%</b>	<b>61.4%</b>	<b>58.2%</b>	<b>61.8%</b>
<b>Normalised EBITDA Margin</b>	<b>44.5%</b>	<b>40.7%</b>	<b>38.2%</b>	<b>35.1%</b>	<b>38.6%</b>	<b>41.8%</b>	<b>38.2%</b>
Depreciation & Amortisation	12.8%	12.9%	13.0%	12.5%	16.6%	11.7%	13.8%

## Financial Position (RM mn)

	31 Dec 15	31 Mar 16	30 June 16	30 Sept 16	31 Dec 16
Capex	885	174	446	892	1,330
Cash and Cash Equivalents	1,535	1,695	841	1,279	1,022
Gross Debt	4,526	4,488	4,535	4,495	5,035
Net Assets	-878	-591	-1,330	-1,111	-908
Gross Debt / Equity (x)	n/m	n/m	n/m	n/m	n/m
Gross Debt / EBITDA (x)	1.5	1.7	1.7	1.8	2.0

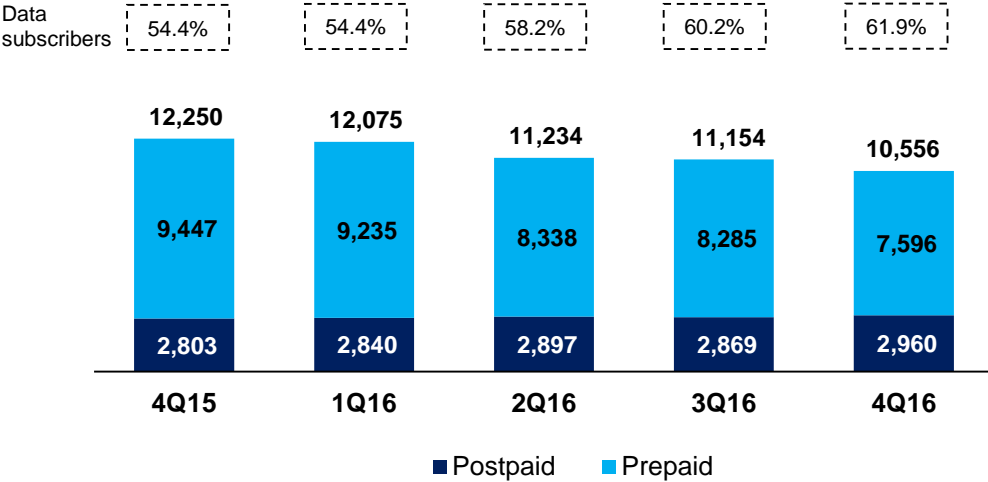
\* OPEX and EBITDA Margin excludes holding company charge, impact of Edotco disposal, Escape and Employee Wish Plan

# Celcom: operational performance

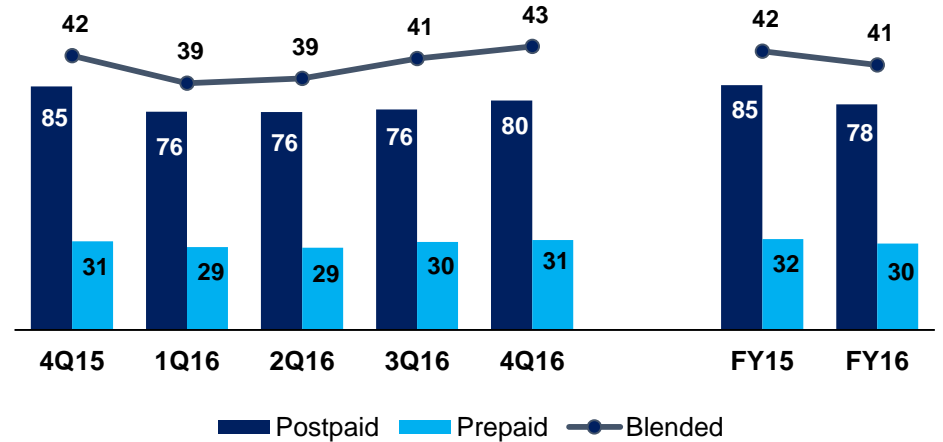
New data led products drive sequential ARPU improvement.



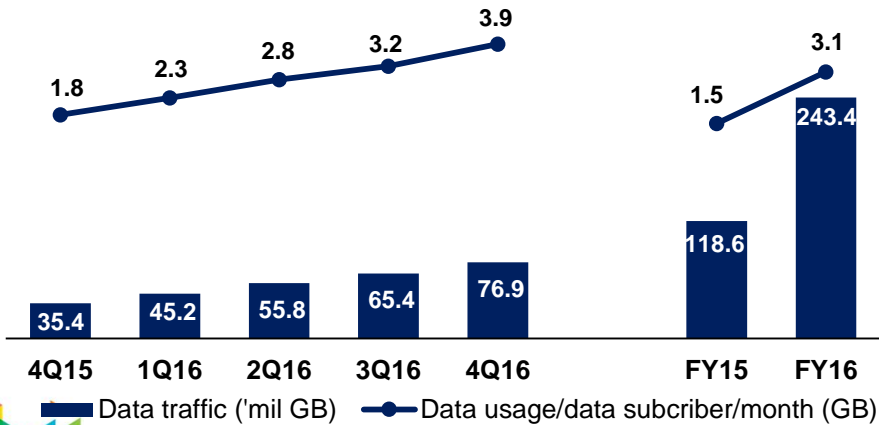
## Subscribers ('000)



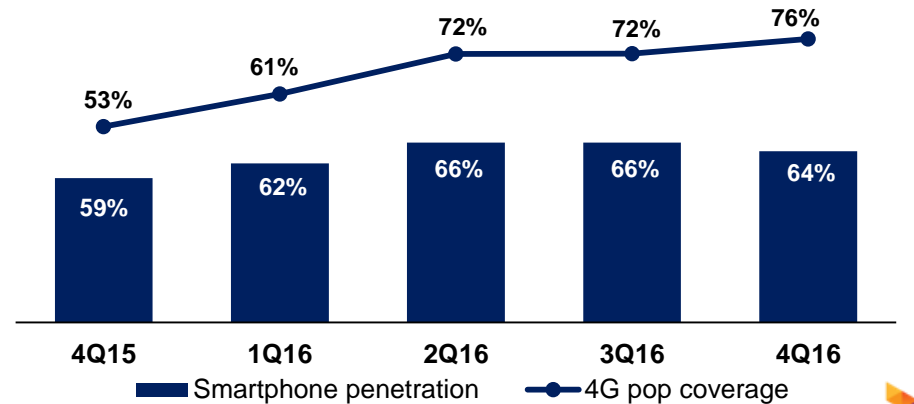
## ARPU\* (RM)



## Data traffic ('mil GB) and data usage (GB)



## Smartphone penetration and 4G pop coverage (%)



\* ARPU re-stated to exclude inbound roaming revenue



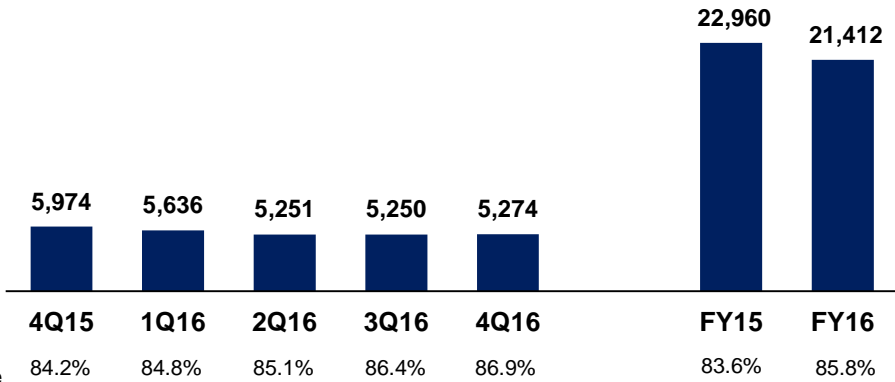


# XL: financial performance

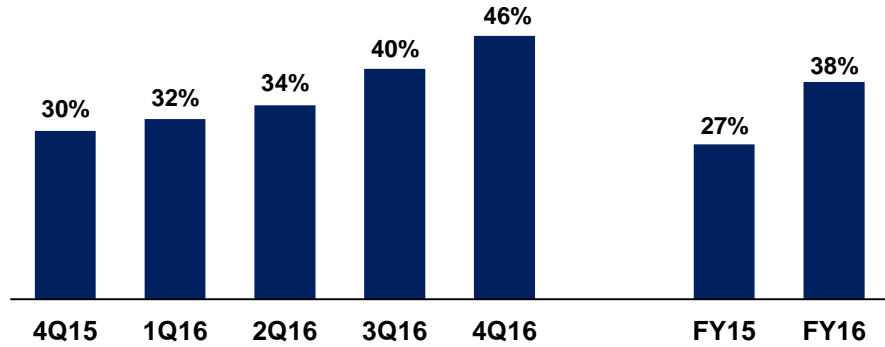
Service revenue grew for the second consecutive quarter driven by growth in data.



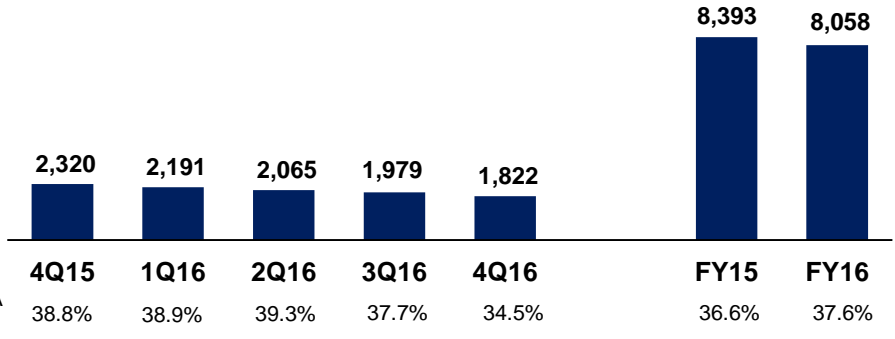
## Revenue (IDR bn)



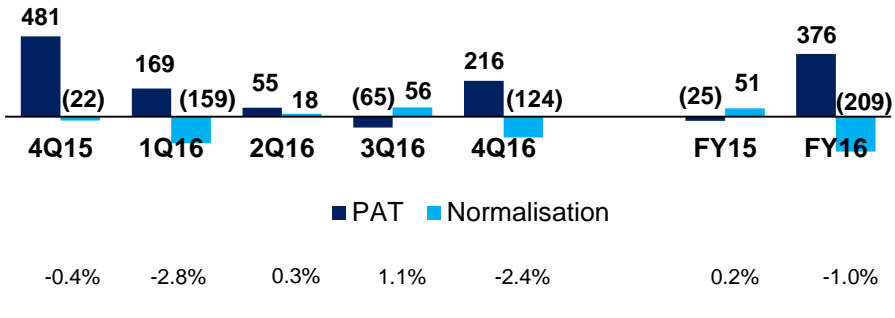
## Data revenue as a % of total revenue



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



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



# XL: financial performance

4Q16 EBITDA margin impacted by higher sales & marketing expenses as XL focuses on trade (traditional channels), network visibility (4G, U900) and postpaid campaigns.

## Operating Expenses

% of Revenue	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
Direct Expenses	9.3%	7.2%	8.0%	10.0%	11.0%	10.1%	9.0%
Sales and Marketing	5.7%	5.8%	5.2%	7.3%	8.5%	4.9%	6.7%
Network Cost	38.7%	39.3%	40.0%	37.4%	37.7%	40.4%	38.6%
Staff Cost	4.8%	5.8%	5.3%	5.0%	5.5%	4.7%	5.4%
Others incl. discount	2.7%	3.0%	2.2%	2.6%	2.8%	3.2%	2.7%
<b>Total Expenses</b>	<b>61.2%</b>	<b>61.1%</b>	<b>60.7%</b>	<b>62.3%</b>	<b>65.5%</b>	<b>63.4%</b>	<b>62.4%</b>
<b>EBITDA Margin</b>	<b>38.8%</b>	<b>38.9%</b>	<b>39.3%</b>	<b>37.7%</b>	<b>34.5%</b>	<b>36.6%</b>	<b>37.6%</b>
Depreciation & Amortisation	31.5%	33.2%	39.8%	34.3%	43.3%	31.1%	37.6%

## Financial Position (IDR bn)

	31 Dec 15	31 Mar 16	30 Jun 16	30 Sept 16	31 Dec 16
Capitalised Capex	4,848	1,048	2,263	3,450	6,474
Cash and Cash Equivalents	3,312	2,222	6,217	3,343	1,400
Gross Debt	26,953	25,229	17,888	15,157	14,671
Net Assets	14,092	14,270	21,018	20,945	21,209
Gross Debt / Equity (x)	1.9	1.8	0.9	0.7	0.7
Gross Debt / EBITDA (x)	3.2	2.9	2.0	1.8	1.8

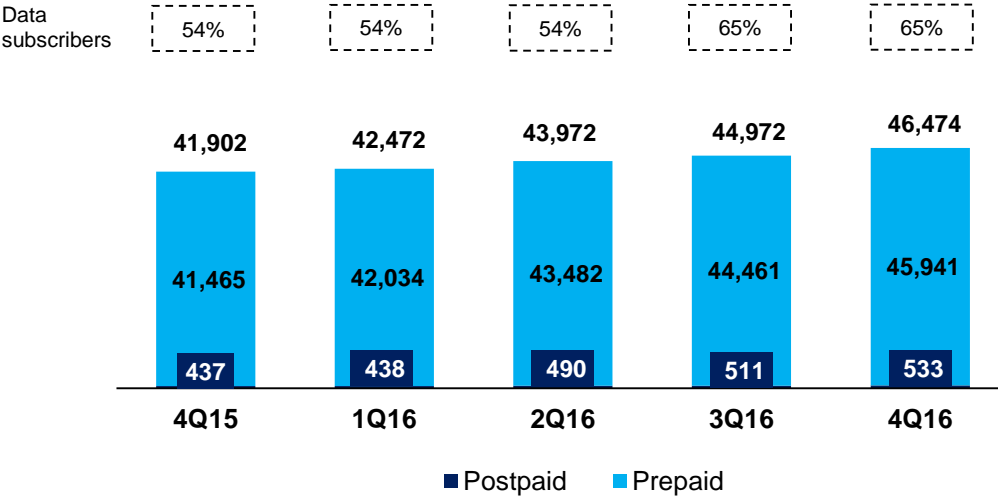


# XL: operational performance

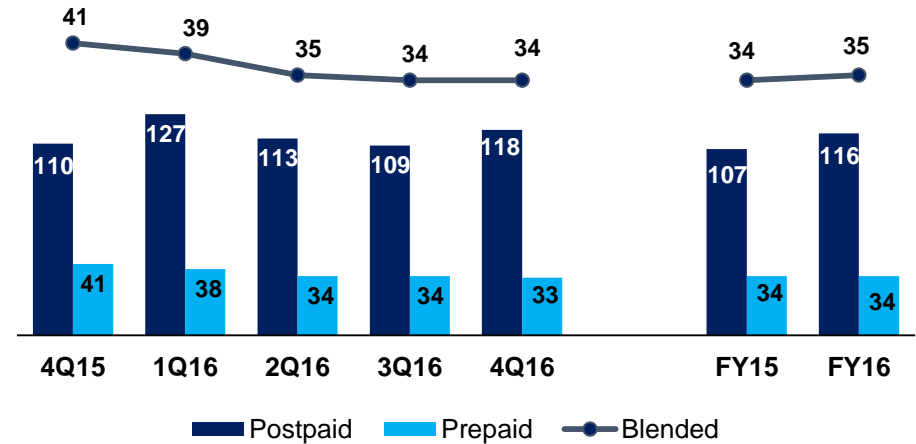
High smartphone penetration of 63% and data users at 65% of subscriber base have delivered FY16 total traffic growth of 162%.



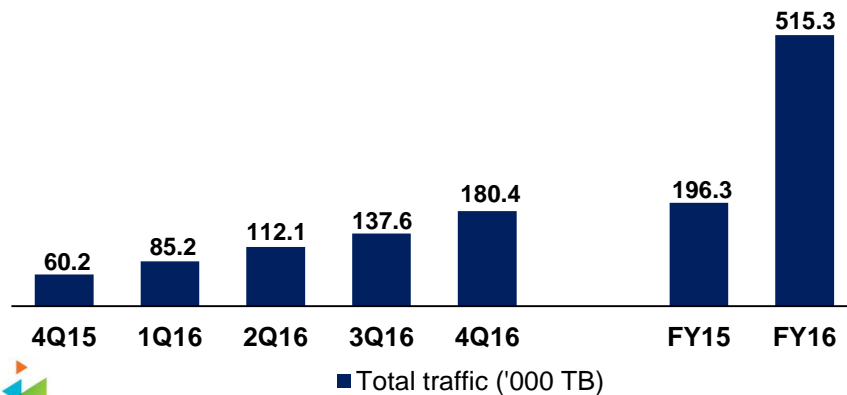
## Subscribers ('000)



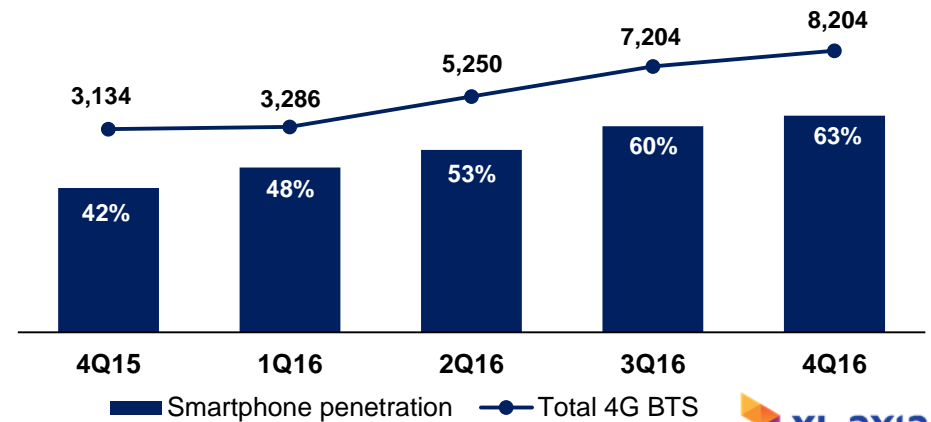
## ARPU (IDR '000)



## Total traffic ('000 TB)



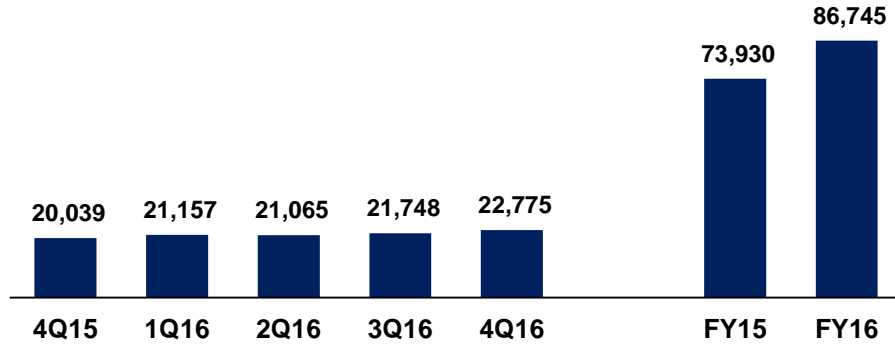
## Smartphone penetration (%) and 4G BTS



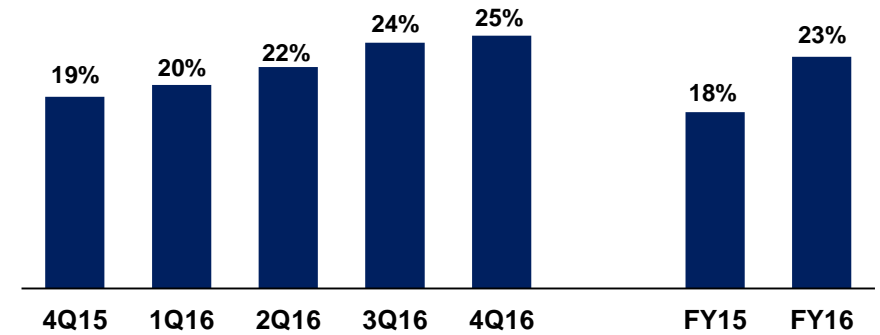
# Dialog: financial performance

4Q16 performance impacted by the re-introduction of VAT in November 2016 and unrealized forex loss.

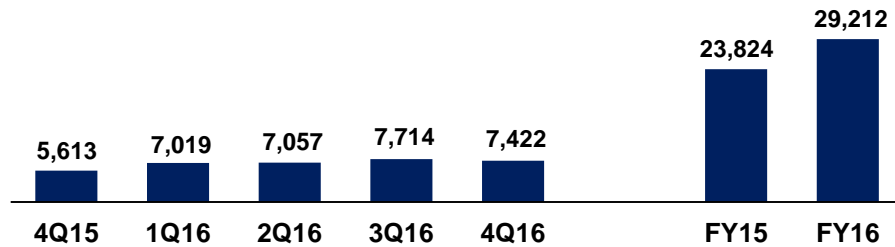
## Revenue (SLR mn)



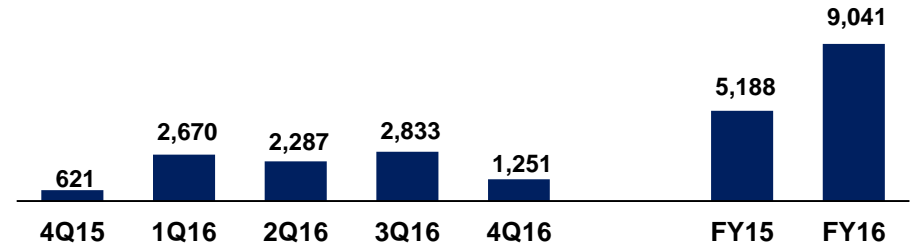
## Data revenue as a % of total mobile revenue\*



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



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



EBITDA Margin 28.0% 33.2% 33.5% 35.5% 32.6% 32.2% 33.7%

PAT Margin 3.1% 12.6% 10.9% 13.0% 5.5% 7.0% 10.4%

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

# Dialog: financial performance

4Q16 EBITDA margin impacted by re-introduction of VAT; FY16 EBITDA margin improvement due to cost rescaling initiatives.



## Operating Expenses<sup>1</sup>

% of Revenue	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
Direct Expenses	28.5%	29.9%	27.7%	26.1%	27.8%	28.8%	27.9%
Sales and Marketing	15.6%	13.7%	13.8%	14.8%	15.0%	13.6%	14.3%
Network Cost	11.3%	12.2%	11.9%	12.8%	12.9%	13.1%	12.5%
Staff Cost	9.9%	7.8%	7.5%	8.1%	8.1%	8.5%	7.9%
Bad debts	1.1%	1.0%	2.5%	0.2%	1.4%	1.0%	1.3%
Others	5.6%	2.0%	3.1%	2.5%	2.2%	2.8%	2.4%
<b>Total Expenses</b>	<b>72.0%</b>	<b>66.8%</b>	<b>66.5%</b>	<b>64.5%</b>	<b>67.4%</b>	<b>67.8%</b>	<b>66.3%</b>
<b>EBITDA Margin</b>	<b>28.0%</b>	<b>33.2%</b>	<b>33.5%</b>	<b>35.5%</b>	<b>32.6%</b>	<b>32.2%</b>	<b>33.7%</b>
Depreciation & Amortisation	20.1%	17.4%	18.1%	18.9%	20.9%	19.4%	18.9%

## Financial Position (SLR mn)

	31 Dec 15	31 Mar 16	30 Jun 16	30 Sept 16	31 Dec 16
Capex <sup>2</sup>	19,577	2,942	7,091	12,742	23,173
Cash and Cash Equivalents <sup>3</sup>	4,429	9,741	3,653	5,072	6,410
Gross Debt	22,910	31,540	31,850	31,916	32,562
Net Assets	47,317	49,935	49,609	52,510	54,021
Gross Debt / Equity (x)	0.5	0.6	0.6	0.6	0.6
Gross Debt / EBITDA (x)	1.0	1.1	1.1	1.1	1.1

<sup>1</sup> Restated. Spectrum fees now included under 'network cost' instead of 'others'.

<sup>2</sup> Capex excludes Customer Premises Equipment investments and spectrum acquisition & license renewal

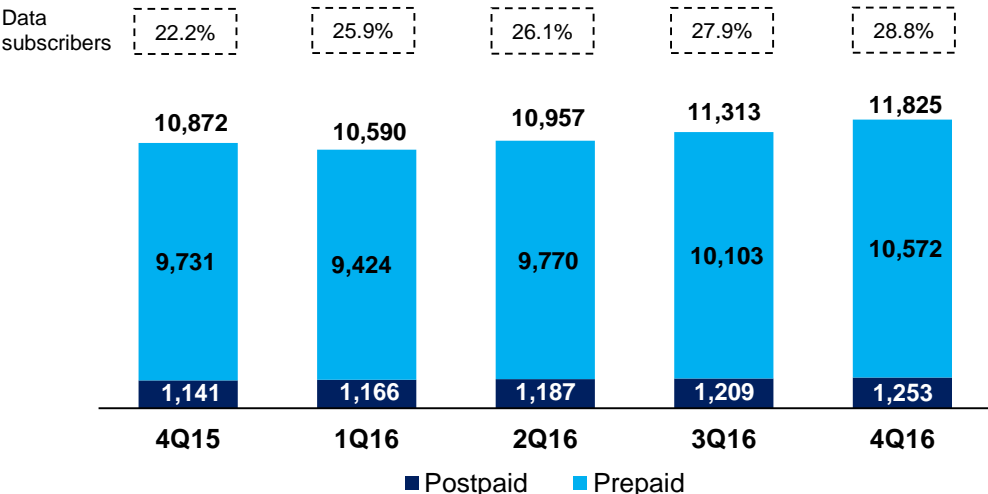
<sup>3</sup> Excludes cash from overdraft facilities



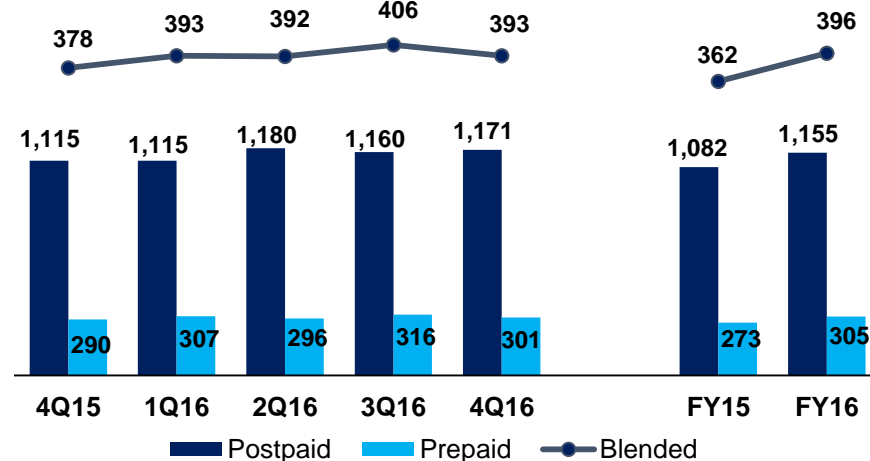
# Dialog: operational performance

Mobile subscribers grew 8.8% YoY and YTD ARPU increased 9.4% YoY.

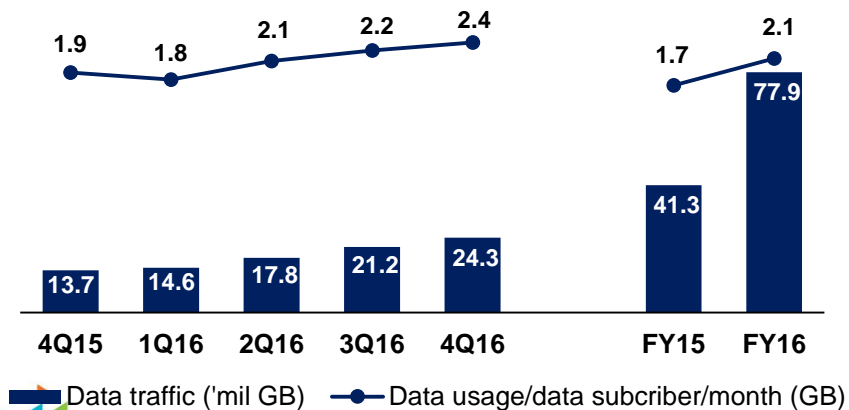
## Subscribers\* ('000)



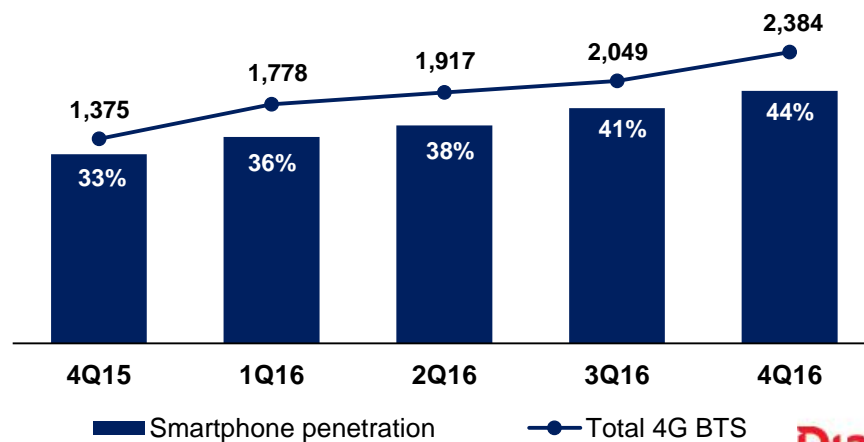
## ARPU\* (SLR)



## Data traffic ('mil GB) and data usage (GB)



## Smartphone penetration (%) and 4G BTS

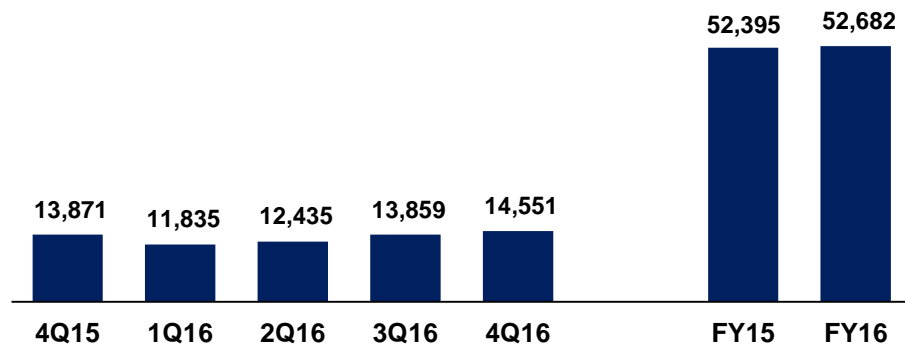


\* Restated for 2Q16 subscribers and ARPU.

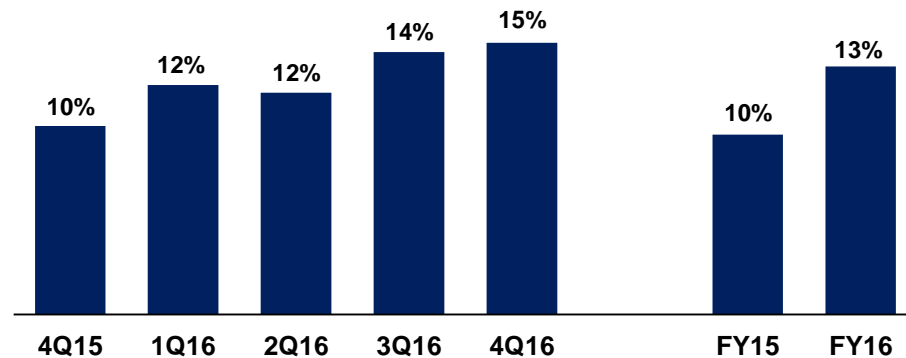
# Robi: financial performance

4Q16 revenue growth of 5.0% QoQ primarily due to the inclusion of 1.5 months of Airtel revenue.

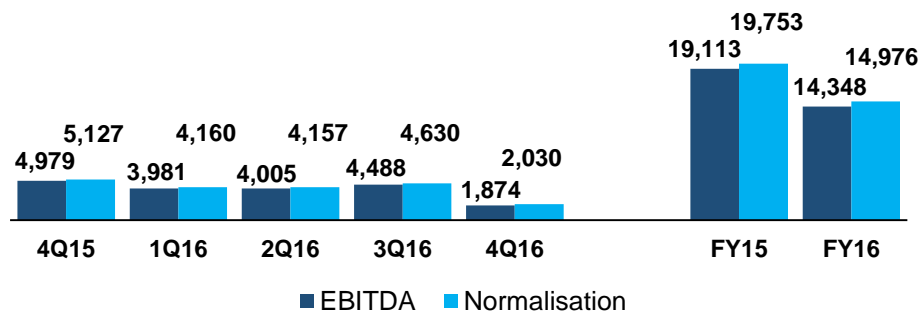
## Revenue (BDT mn)



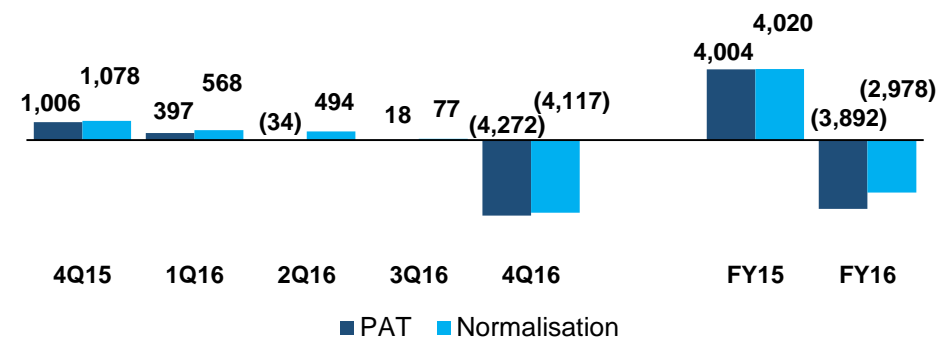
## Data revenue as a % of total revenue



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



## PAT\* (BDT mn) & margins (%)



Normalised EBITDA Margin

37.0% 35.1% 33.4% 33.4% 13.9% 37.7% 28.4%

Normalised PAT Margin

7.8% 4.8% 4.0% 0.6% -28.3% 7.7% -5.7%

\* Normalisation excludes impact of edotco carve out in 3Q15

# Robi: financial performance

4Q16 profitability was negatively impacted mainly by one-off merger fees and accelerated depreciation charges from the merger and network swap.

## Operating Expenses\*

% of Revenue	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
Direct Expenses	29.5%	21.8%	25.5%	29.7%	30.9%	26.3%	27.3%
Sales and Marketing	13.1%	13.1%	13.7%	12.6%	15.0%	12.8%	13.6%
Network Cost	10.9%	16.9%	16.1%	13.1%	18.9%	12.8%	16.2%
Staff Cost	5.3%	5.8%	5.6%	5.2%	8.6%	5.2%	6.4%
Bad debts	-1.5%	0.4%	-0.9%	0.4%	1.4%	0.6%	0.4%
Others	5.8%	6.8%	6.5%	5.7%	11.3%	4.6%	7.7%
<b>Total Expenses</b>	<b>63.0%</b>	<b>64.9%</b>	<b>66.6%</b>	<b>66.6%</b>	<b>86.1%</b>	<b>62.3%</b>	<b>71.6%</b>
<b>Normalised EBITDA Margin</b>	<b>37.0%</b>	<b>35.1%</b>	<b>33.4%</b>	<b>33.4%</b>	<b>13.9%</b>	<b>37.7%</b>	<b>28.4%</b>
Depreciation & Amortisation	20.4%	27.8%	29.7%	28.6%	50.0%	21.0%	34.6%

## Financial Position (BDT mn)

	31 Dec 15	31 Mar 16	30 Jun 16	30 Sept 16	31 Dec 16
Capex	19,996	4,435	9,991	12,917	20,335
Cash and Cash Equivalents	1,943	3,395	4,968	4,229	4,228
Gross Debt	15,004	22,029	21,720	19,480	32,562
Net Assets	54,890	55,287	55,253	55,270	69,446
Gross Debt / Equity (x)	0.3	0.4	0.4	0.4	0.5
Gross Debt / EBITDA (x)	0.8	1.4	1.4	1.2	2.3

\* Restated. Commission expenses included under 'sales and marketing expenses' and leased line expenses included under 'Network costs'. Prior to this, both of these items were included under direct expenses.

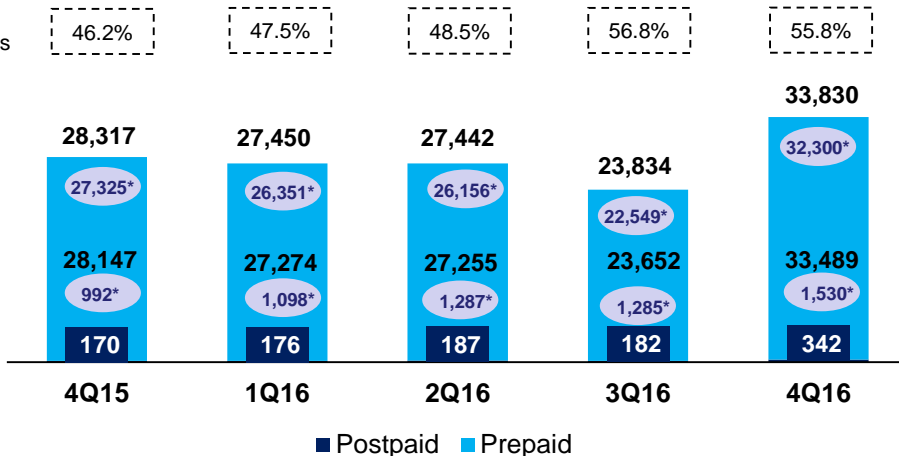


# Robi: operational performance

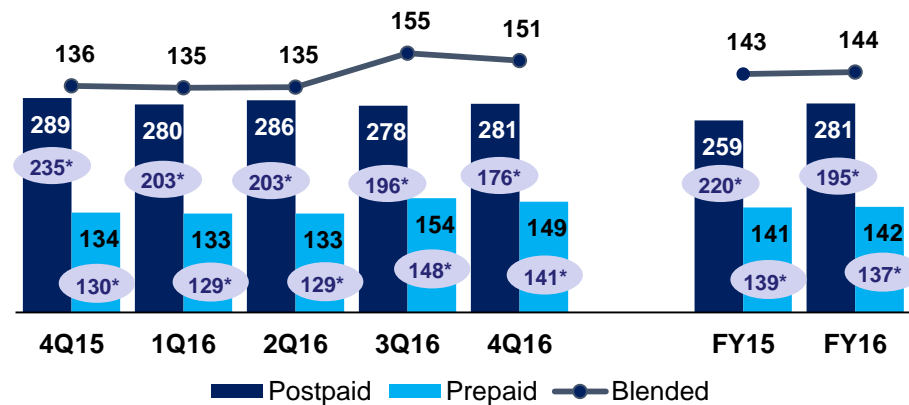
Robi-Airtel merger lifts subscriber base by 10.0m to 33.8m in 4Q16.

## Subscribers ('000)

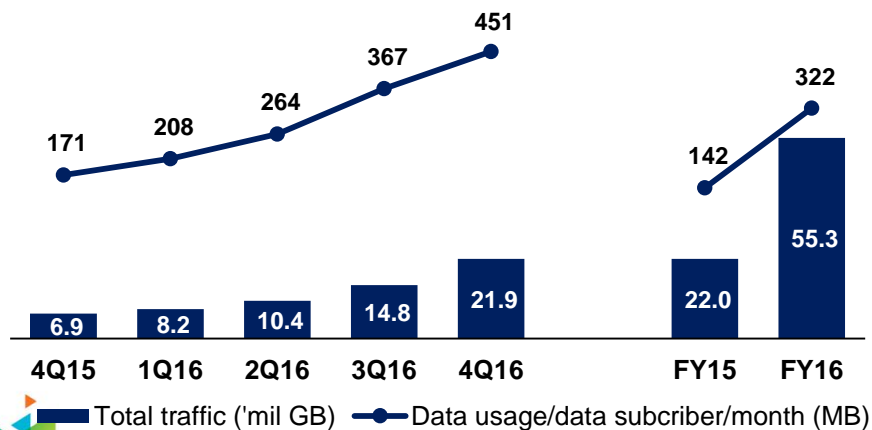
Data subscribers



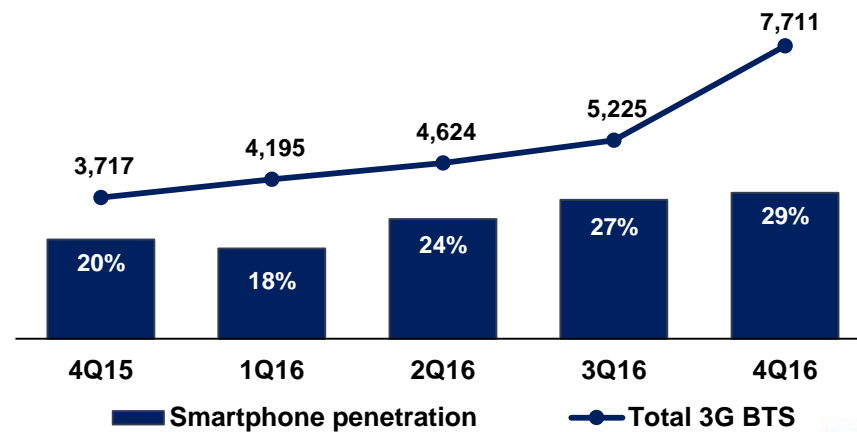
## ARPU (BDT)



## Data traffic ('mil GB) and data usage (MB)



## Smartphone penetration (%) and 3G BTS

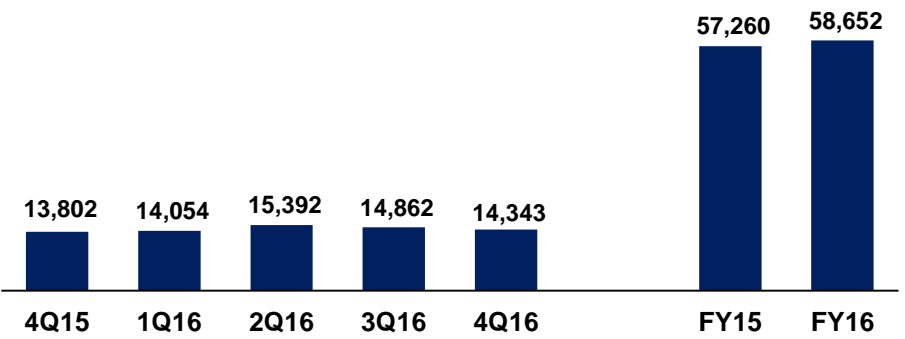


# Ncell: financial performance

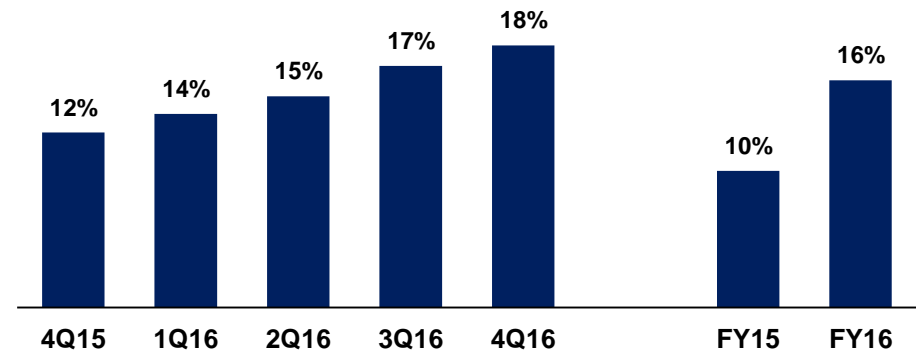
Strong FY16 performance driven by strong growth in core mobile revenues, partially offset by ILD.



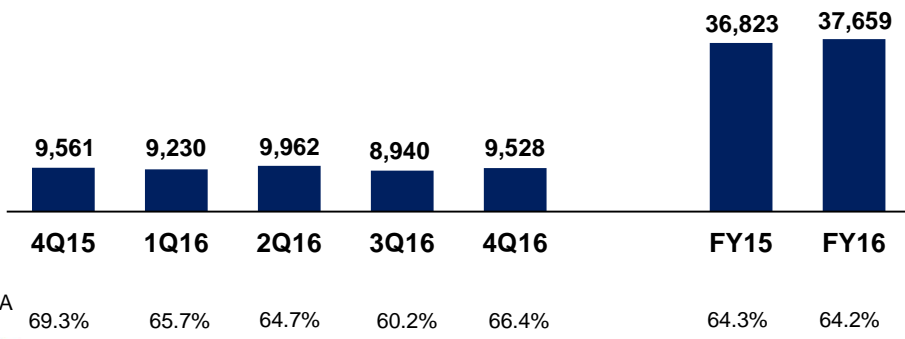
## Revenue (NPR mn)



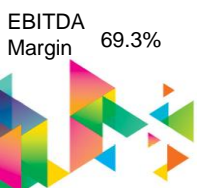
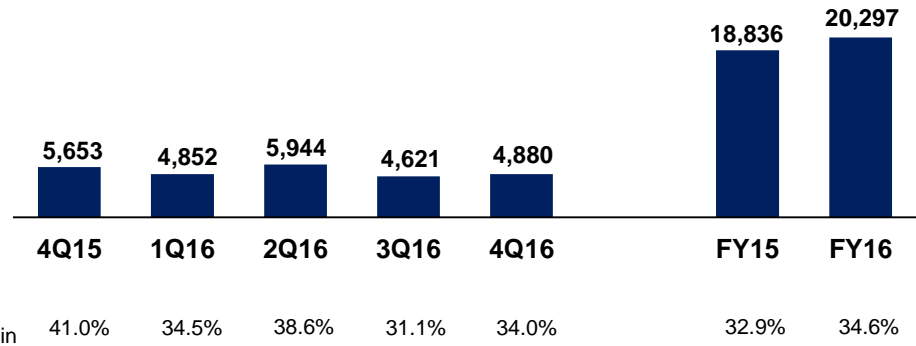
## Data revenue as a % of total revenue



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



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



# Ncell: financial performance

In spite of falling ILD revenue, cost saving initiatives sustains FY16 EBITDA margin at 64.2%.

## Operating Expenses

% of Revenue	4Q15	1Q16	2Q16	3Q16	4Q16	FY15	FY16
Direct Expenses	8.3%	8.2%	8.7%	8.6%	8.9%	10.0%	8.6%
Sales and Marketing	3.8%	4.9%	5.2%	8.1%	5.3%	4.7%	5.9%
Network Cost	4.0%	7.0%	7.2%	9.9%	6.3%	6.6%	7.6%
Staff Cost	5.5%	5.8%	5.6%	5.3%	3.5%	5.6%	5.0%
Bad debts	1.5%	-	0.3%	-0.3%	-1.8%	0.4%	-0.4%
Others	7.6%	8.4%	8.3%	8.2%	11.4%	8.4%	9.0%
<b>Total Expenses</b>	<b>30.7%</b>	<b>34.3%</b>	<b>35.3%</b>	<b>39.8%</b>	<b>33.6%</b>	<b>35.7%</b>	<b>35.8%</b>
<b>EBITDA Margin</b>	<b>69.3%</b>	<b>65.7%</b>	<b>64.7%</b>	<b>60.2%</b>	<b>66.4%</b>	<b>64.3%</b>	<b>64.2%</b>
Depreciation & Amortisation	17.9%	18.1%	16.6%	16.0%	15.8%	16.8%	16.6%

## Financial Position (NPR mn)

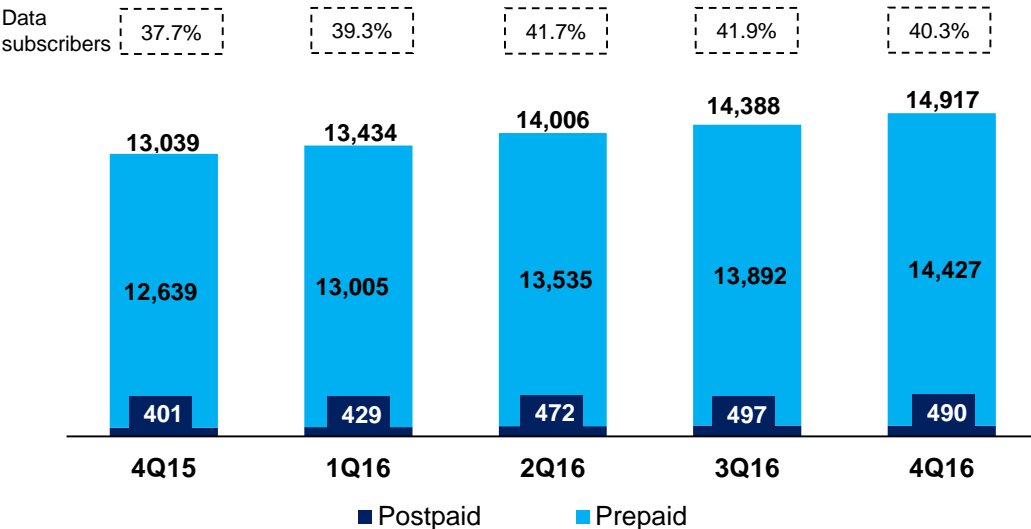
	31 Dec 15	31 Mar 16	30 June 16	30 Sept 16	31 Dec 16
Capitalised Capex	11,409	1,323	2,570	4,140	6,555
Cash and Cash Equivalents	41,523	42,711	41,985	47,975	38,857
Gross Debt	-	-	-	-	-
Net Assets	68,039	72,892	78,835	83,456	78,006
Gross Debt / Equity (x)	-	-	-	-	-
Gross Debt / EBITDA (x)	-	-	-	-	-



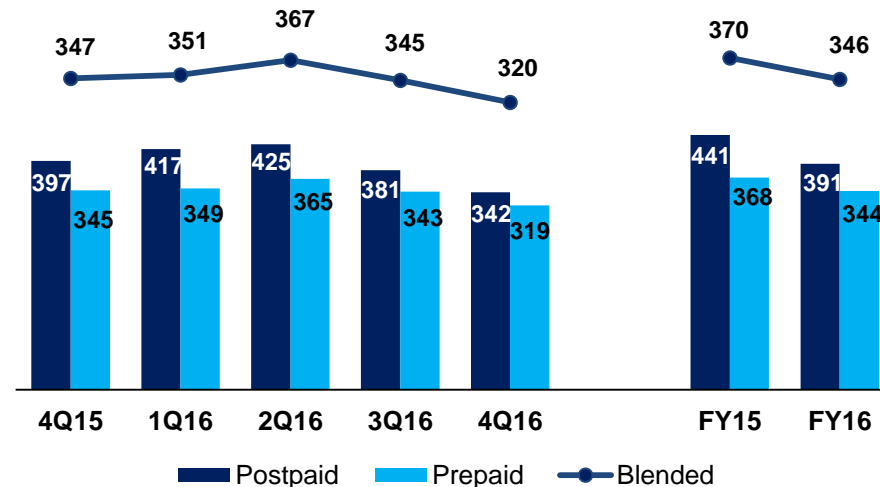
# Ncell: operational performance

Subscribers grew 14.4% in FY16; ARPU was impacted by decline in ILD revenues.

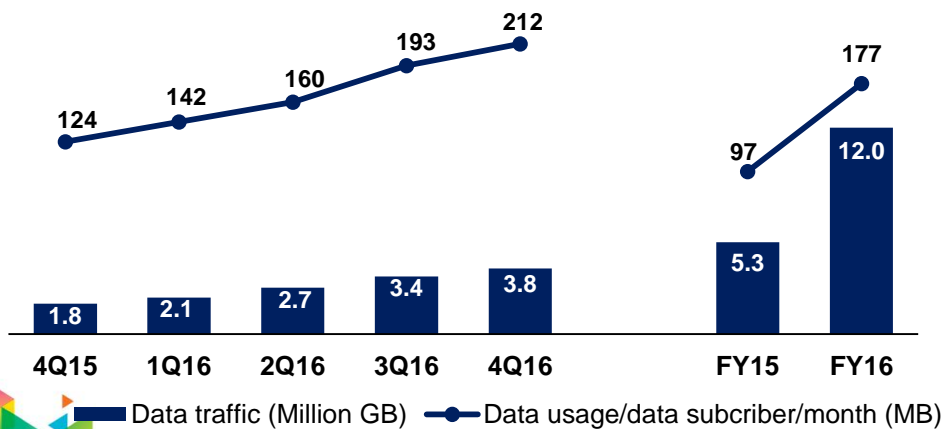
## Subscribers ('000)



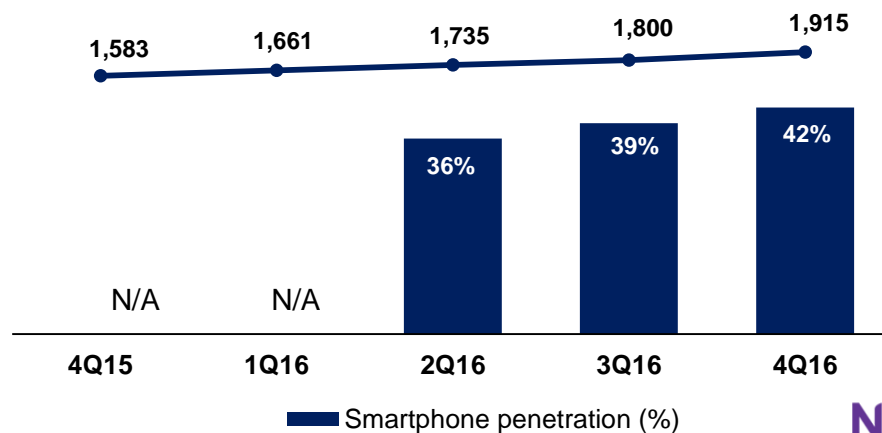
## ARPU (NPR)



## Data traffic ('mil GB) and data usage (MB)



## Smartphone penetration\* (%) and 3G BTS



\* Restated

Local Currency	Average Rate FY Dec'15	Average Rate Q3'16	Average Rate Q4'16	Average Rate FY Dec'16	QoQ Appreciation/ (Depreciation) against MYR (%)	FY Appreciation/ (Depreciation) against MYR (%)	QoQ Appreciation/ (Depreciation) against USD (%)	FY Appreciation/ (Depreciation) against USD (%)
INDONESIAN RUPIAH, IDR	0.000291	0.000308	0.000326	0.000311	5.84	6.87	(0.80)	0.61
SRI LANKA RUPEE, LKR	0.028667	0.027804	0.029209	0.028359	5.05	(1.07)	(1.54)	(6.87)
BANGLADESHI TAKA, BDT	0.050062	0.051712	0.055107	0.052835	6.57	5.54	(0.12)	(0.65)
US DOLLAR, USD	3.900961	4.049619	4.320765	4.143921	6.70	6.23	0.00	0.00
SINGAPORE DOLLAR, SGD	2.836184	2.994435	3.065640	3.000212	2.38	5.78	(4.05)	(0.42)
PAKISTAN RUPEE, PKR	0.037952	0.038693	0.041251	0.039573	6.61	4.27	(0.08)	(1.84)
INDIAN RUPEE, INR	0.060762	0.060465	0.064101	0.061668	6.01	1.49	(0.64)	(4.46)
NEPALESE RUPEE, NPR	NA	0.037789	0.040066	0.038506	6.03	NA	(0.63)	NA

Local Currency	Closing Rate Dec'15	Closing Rate Sep'16	Closing Rate Dec'16	QoQ %	Dec'15 vs Dec'16 %
IDR	0.000311	0.000318	0.000333	4.7%	7.1%
LKR	0.029800	0.028100	0.030000	6.8%	0.7%
BDT	0.054723	0.052653	0.057021	8.3%	4.2%
USD	4.292000	4.121500	4.486000	8.8%	4.5%
SGD	3.037000	3.023400	3.100600	2.6%	2.1%
PKR	0.040937	0.039382	0.042885	8.9%	4.8%
INR	0.064600	0.061621	0.066063	7.2%	2.3%
NPR	NA	0.038512	0.041289	7.2%	NA

Source: Bloomberg

# Thank You

[www.axiata.com](http://www.axiata.com)

**Axiata Group Berhad**