



MEDIA RELEASE

Axiata Registers Overall Double Digit Improvements to Post 15.0% Revenue and 14.1% PAT Growth for YTD 2017

Group YTD Highlights

- *Total revenue improved 15.0% to RM18.1 billion; EBITDA up 14.5% to RM6.9 billion with a margin of 38.1%*
- *PAT improved by 14.1% to RM1.1 billion despite increased losses from Idea*
- *Most Operating Companies performed better than market*
- *Cost Optimisation Programme exceeded target to contribute RM960 million*
- *Healthier cash balance at RM6.9 billion with better gross debt/EBITDA at 2.1x*

Kuala Lumpur, 23 November 2017 – Axiata Group Berhad (“Axiata” or “the Group”) demonstrated a strong performance for year-to-date (YTD) for the nine months of financial year 2017. The Group registered double digit growth in all key indices as most operating companies (OpCos) performed better than market with Group-wide cost optimisation programme contributing close to RM1 billion.

Total YTD revenue was up 15.0% to RM18.1 billion from RM15.8 billion in the corresponding period last year from strong contribution from all the Group’s main OpCos. Revenue growth was mainly driven by data segment with data revenue contributing 44.0% of service revenue as compared to 33.0% in YTD 2016, solidifying the Group’s data leadership position across the region.

The Group’s ongoing cost optimisation programme and improved performance by OpCos contributed to a 14.5% increase in EBITDA to RM6.9 billion from RM6.0 billion for the same period in 2016. The Group-wide programme achieved a RM960 million in savings and avoidance YTD, exceeding the target of the RM800 million for full year 2017.

YTD PAT improved by 14.1% to RM1.1 billion on the back of significant EBITDA improvements and forex translation gains.

Quarter-on-quarter (QoQ) revenue for the Group improved 2.4% to reach RM6.2 billion, EBITDA grew 8.9% to RM2.5 billion while PAT was down 33.4% to RM319.1 million, impacted by the losses at Idea and forex.

The Group's cash balance for the nine months stood at RM6.9 billion from RM6.0 billion as compared to the corresponding year. Gross debt/EBITDA also improved from 2.6x in full year 2016 to 2.1x YTD from further debt repayments coupled with significant EBITDA improvement and forex.

ASEAN MARKETS

Celcom¹ and XL² continue to show improvements in revenue and EBITDA whilst Smart³ maintains its overall stellar performance despite sharp increase in price competition.

Celcom's turnaround is on track though a lot more effort is required. QoQ total revenue and service revenue grew 2.1% and 1.9% respectively, ahead of industry performance. Prepaid revenue improved by 3.7% driven by positive traction from data leading to a higher prepaid average revenue per user (ARPU) for the quarter. At the same time, Celcom's postpaid ARPU improved by RM2. Normalised EBITDA grew 9.3% QoQ with continued cost focus and lower network cost.

XL showed positive momentum and remains very much on track of its Transformation Agenda. On a QoQ basis, XL's revenue growth has been ahead of the industry for three consecutive quarters. XL's service revenue grew 5.0% QoQ on the back of a 10.9% higher data revenue. Data revenue at XL now outpace the decline in legacy voice revenue. EBITDA at XL improved 10.0% QoQ driven by revenue improvement and focus on cost efficiencies. Positive growth momentum for XL also continues outside-Java, riding on improved network presence and various data-based value propositions.

While the Cambodia market undergoes a sharp increase in price competition, on YTD basis, Smart maintained its overall strong performance. Revenue, EBITDA and PAT for Smart grew 9.3%, 9.4% and 8.9%, respectively, while data revenue rose by 35.2%, accounting for 51% of total revenue.

SOUTH ASIA MARKETS

In South Asia, the Group's operations continued to deliver steady performance with data making higher contributions towards revenue.

YTD revenue at Dialog⁴'s mobile, fixed and pay-TV operations grew 10.7%, 34.6% and 1.2%, respectively. Overall revenue improved 8.5% on the account of strong data revenue growth as a

¹ Celcom Axiata Berhad

² PT XL Axiata Tbk

³ Smart Axiata Co., Ltd

⁴ Dialog Axiata PLC

result of higher data subscribers and data usage. Revenue growth in its fixed business was attributed to network coverage enhancement and aggressive customer reconnection drive. EBITDA for the quarter grew 15.6% QoQ backed by disciplined cost initiatives.

Robi⁵ recorded a solid quarterly performance, with QoQ EBITDA margin improving 6.3 percentage points to 22.2% driven by timely and excellent integration with Airtel. Robi's service revenue improved 4.1% QoQ to outperform the industry. At the same time, subscriber and revenue market share rose to 29.3%, up 0.2 percentage points and 28.0%, up 0.5 percentage point respectively.

Since launching 4G in June, Ncell⁶ now offers 4G services in 19 cities in Nepal, driving data revenue growth of 15.4% QoQ. YTD data revenue grew by 17.2% to account for 18.3% of total revenue. YTD core revenue and EBITDA grew 7.2% and 18.8% respectively while core EBITDA margin increased by 5.1 percentage points to 52.1% from cost initiatives.

AXIATA'S NEW BUSINESSES AND ASSOCIATES

edotco⁷ recorded sustained growth from expansion of its portfolio and higher tenancy ratio. YTD basis, edotco accounted for about 6% and 7% of Group revenue and EBITDA respectively. Driven by higher tenancy across all its operating countries and the maiden contribution from its Pakistan operations, edotco recorded revenue growth of almost 10% YoY. Its YoY tenancy ratio rose to 1.5x from 1.4x. In August, edotco announce its biggest expansion plan with the proposed acquisition of Deodar Private Limited to obtain approximately 13,000 more towers in Pakistan. Upon completion, edotco will be the 8th largest independent tower company globally with close to 40,000 sites in its total portfolio.

Axiata Digital⁸ with its portfolio digital companies and business units is now focused on a few strategic verticals and monetising its assets. Its Digital Financial Services (DFS) portfolio continues to build its presence and ecosystem and has been improving on its contribution to the Group's core business.

Continued disruption in the Indian mobile industry led to Idea⁹ registering a negative contribution of RM156.4 million for the quarter while M1¹⁰ contributed a profit of RM30.0 million to the Group.

⁵ Robi Axiata Limited

⁶ Ncell Private Limited

⁷ edotco Group Sdn Bhd

⁸ Axiata Digital Services Sdn. Bhd.

⁹ Idea Cellular Limited

¹⁰ M1 Limited

COMMENTARY

Axiata's Chairman, Tan Sri Azman Hj. Mokhtar said, "Our markets continue to face strong competition and regulatory uncertainties. In spite of this, Axiata has performed well to record a healthy double digit growth year to date. The Board acknowledges the progress made in the Group's ongoing cost optimisation programme and operational turnaround of Celcom and XL."

Tan Sri Jamaludin Ibrahim, President & Group Chief Executive Officer of Axiata said, "The Group has achieved a few significant milestones to record strong double digit growth on all key financial indicators.

"I am encouraged with the quarter-on-quarter improvements at Celcom, although there is still more work to be done. Likewise, XL has been successfully executing on its transformation strategies and our other mobile OpCos remained on a strong growth course. edotco's sustained performance and drive for operational efficiencies are starting to significantly contribute to the Group's financial performance. Furthermore, our Group-wide cost optimisation programme had surpassed our full year goal within the first nine months to achieve RM160 million above target and deliver of RM960 million in cost savings and avoidance."

MOVING FORWARD

Jamaludin concludes, "As we continue to be impacted by the challenges in India, we remain focused on driving improvements at Celcom and XL, and continue with our successes in strong execution in all our other markets. We are also very focused on our Group-wide cost optimisation initiatives. In terms of growth opportunities, we are growing in all our frontier markets as well as in edotco and our digital businesses. Nevertheless, we are cautiously optimistic on our fourth quarter performance given the recent surge in competitive activities in Indonesia and Cambodia, and remain very concerned with the Indian market."

YTD Performance Snapshot

	Current YTD 30/9/2017	Preceding Year Corresponding Period 30/9/2016	
	RM	RM	%
Revenue	18.1 billion	15.8 billion	15.0%
EBITDA	6.9 billion	6.0 billion	14.5%
PAT	1.1 billion	0.9 billion	14.1%

End

About Axiata

As one of the largest Asian telecommunication companies, Axiata today operates in ten countries, servicing approximately 320 million subscribers. With a diverse portfolio in mobile network operations, communications infrastructure services and digital services, the Group pieces together the best in connectivity, technology and people in its vision of Advancing Asia.

Axiata has controlling stakes in market leading mobile operators in South East Asia and South Asia. Axiata Group of companies operate under the brand name of 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. Further to this, the Group also holds strategic interests in 'Idea' in India and 'M1' in Singapore.

'edotco', the Group's infrastructure company, operates in six countries to deliver telecommunications infrastructure services, amassing a portfolio of over 16,000 towers. It aims to be one of the top regional tower companies and is committed to responsible and sustainable business operations.

Axiata Digital (AD), its digital services arm, captures the rapid growth in internet-based businesses through its portfolio of 30 digital brands, servicing growing demands in mobile money, mobile advertising, e-commerce, entertainment and education.

As a committed and long-term investor, Axiata provides employment to 25,000 people within its operations. In line with its sustainability goals, the Group actively supports and drives young talent development; disaster response and recovery; as well as green initiatives.

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