axiata

Q1 2022 Results

25 May 2022

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"RM" shall mean Ringgit Malaysia being the lawful currency of Malaysia. Any discrepancies between individual amounts and totals are due to rounding.

Executive Summary[1] (1/2)

- **Reported Q122 PATAMI impacted by unrealised forex losses.** On actual currency basis, YoY revenue +6.7% and EBITDA +7.7% mainly contributed by all OpCos except Ncell; PATAMI slipped into loss of RM43mn vs profit of RM76mn in Q121 largely due to forex losses from Dialog and Axiata.

- **Underlying Q122 results driven by improved operational performance from all OpCos, except Ncell.** On constant currency basis, YoY revenue ex-device +7.8% and EBITDA +7.4% with EBITDA margin stable at 44.8%; EBIT +44.5% and UPATAMI[2] +70.7% with higher EBITDA contribution across all OpCos except Ncell and absence of accelerated depreciation of 3G assets in 2022, offset by higher tax from Cukai Makmur.

- **AOFCF +27.4% to RM904mn largely due to higher EBITDA and capex phasing; gross debt/EBITDA ~2.5x.** YoY OFCF +19.8% to RM1.3bn and adjusted OFCF +27.4% to RM904mn, largely due to higher EBITDA from Celcom and edotco, and lower capex primarily at XL. Gross debt/EBITDA of 2.49x, while cash balance at RM5.8bn.

- **Celcom: Maintaining positive momentum.** YoY revenue ex-device +5.2% driven by prepaid and contribution from new Enterprise Solutions subsidiaries, Bridgenet Solutions and Infront; EBIT +>100% as a result of 3G accelerated depreciation in 2021, coupled with lower direct and sales & marketing costs. Consequently, PATAMI +>100% partly offset by higher tax from Cukai Makmur.

- **XL: Good revenue growth albeit at higher opex spend.** YoY revenue ex-device +7.9% supported by higher data revenue of +10%; EBITDA +1.8% moderated by higher sales & marketing cost due to expansion of distribution footprint while EBIT -12.3% consequent to increased network investments. PATAMI at -56.6%, impacted by higher net finance cost and one-off gain in Q121.

- **Robi: Performance moderated by intense competition.** Amidst aggressive competition, YoY revenue ex-device +2.0% driven by data revenue of +14.0%, in tandem with higher data subscribers and usage. EBITDA +4.9% attributed to lower direct and staff costs although EBIT -0.4% impacted by higher amortisation from new spectrum; PATAMI +16.1% benefiting from lower taxation.

- **Dialog: Forex flips strong revenue growth to PATAMI loss.** YoY revenue ex-device +16.6% attributed to strong growth across all segments of mobile, fixed broadband and TV. EBIT growth lagged at +2.1% mainly due to higher direct and network costs, coupled with rise in D&A. PATAMI flipped to a loss of LKR15.8bn, impacted by non-cash forex loss arising from USD-denominated debt; excluding forex loss underlying PATAMI at LKR4.3bn.

- **Ncell: Revenue impact from lower voice revenue.** YoY revenue ex-device -7.8% due to lower voice (-16.7%) from impact of reduced interconnect rate and lockdown coupled with decline in ILD (-16.2%), eroding data growth of +19.8%. EBIT -20.0% impacted by higher network cost while PATAMI -9.7% cushioned by lower tax.

1. Growth numbers for OpCos are based on results in local currency in respective operating markets
2. Underlying PATAMI excludes forex related (forex/derivative gains/losses, hedging cost) and others

Executive Summary[1] (2/2)

- **Smart: Steady performance on all metrics.** YoY revenue ex-device +6.3% driven by data contribution +11.4%, in line with higher subscribers and usage. EBIT growth muted at +2.5% on account of higher direct cost and D&A, while PATAMI +33.0% due to investment impairment of financial services business in Q121.

- **Boost: Steady growth in GTV.** YoY revenue +29.2% in line with improved GTV (+25.2% to RM1.4bn) from higher offline transactions for the payments business coupled with increased loan disbursements at Boost Credit; net loss of RM48mn in Q122 (-10.6% YoY) mainly due to recognition of forex gain in Q121. Boost Life users +11% YoY to 9.9mn, while Malaysian merchants +42% to 469k.

- **ADA: Maintaining revenue momentum.** YoY revenue doubled to RM189mn driven by improved contribution from Customer Engagement business, coupled with new contribution from eCommerce enablement business from acquisition of Awake Asia in Jun’21. PATAMI -55.6% to RM6mn due to higher opex, taxation and forex loss.

- **edotco: Strong operational performance.** YoY revenue +19.1% driven by acquisition of Touch Mindscape in Malaysia and organic growth in both colo and new B2S sites, namely from Bangladesh. EBIT +34.5% from revenue flow through and lower staff cost while PATAMI -3.1% impacted by higher net finance cost and unrealised forex translation loss. No. of towers and managed sites +47.0% YoY to 50.3k whilst tenancy ratio improved to 1.63x in Q122 from 1.57x in Q121.

- **Meeting FY22 Headline KPIs, but cognisant of risk factors:** Cautiously optimistic for revenue ex-device growth and EBIT growth to be in line with Headline KPIs. However, risks for 2022 include macroeconomic challenges particularly in Sri Lanka, sustained global chip supply issues and regulatory uncertainties. The macroeconomic situation in Sri Lanka will have consequential impact on declared dividends from Dialog for 2022, translation loss and dividend trap.

- **Axiata 5.0: Executing the Strategy.** Portfolio of acquisitions to supplement yield performance with sustainable growth: i) proposed acquisition of 2,973 PLDT towers by edotco to become the leading independent TowerCo in the Philippines; ii) Boost & RHB consortium secured a digital bank licence in Malaysia; iii) acquisition of Hipernet Indodata by XL to strengthen its enterprise proposition; iv) Link Net acquisition and corresponding MTO expected to be completed in Q322 subject to shareholder approval; v) Celcom Digi merger expected to be completed within the second half of 2022.

- **Axiata Net Zero Carbon Roadmap.** Committed to achieve net-zero emissions no later than 2050, with a near term 2030 target to reduce operational carbon emissions by 45% from the 2020 baseline; our three-objective strategy for climate action include carbon emissions reduction, avoidance, and removal.

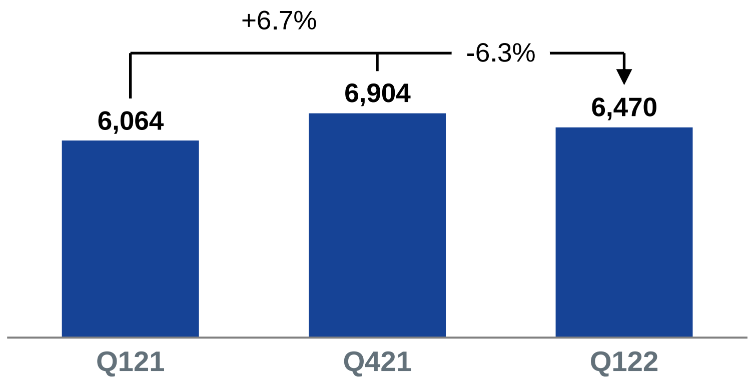
1. Growth numbers for OpCos are based on results in local currency in respective operating markets

Q1 2022 Results

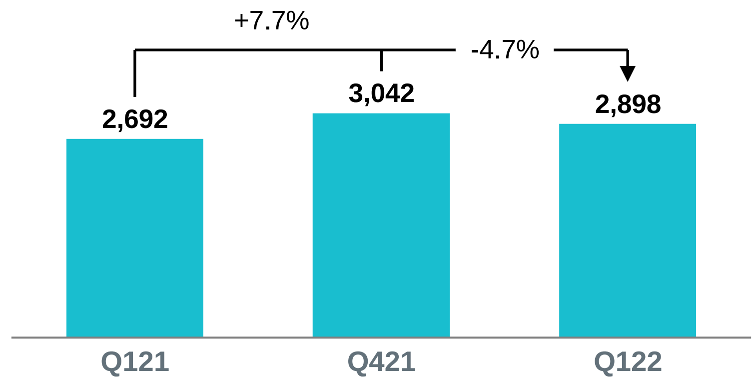
Reported Results

YoY revenue +6.7% and EBITDA +7.7% mainly contributed by all OpCos except Ncell; PATAMI slipped into loss of RM43mn due to forex losses primarily at Dialog and Axiata, higher tax, cushioned by absence of accelerated depreciation in Q122.

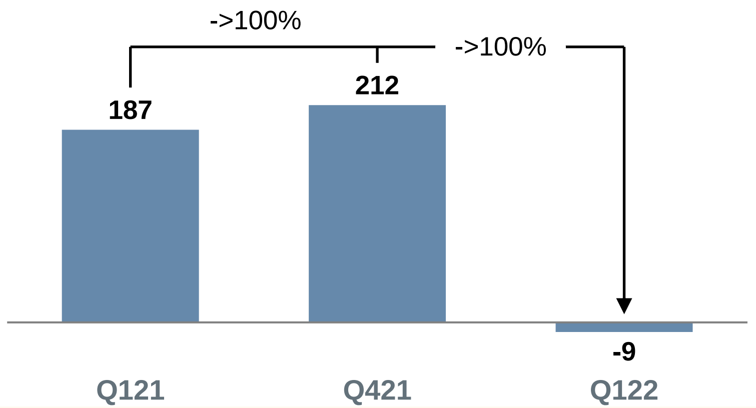
Revenue (RMmn)



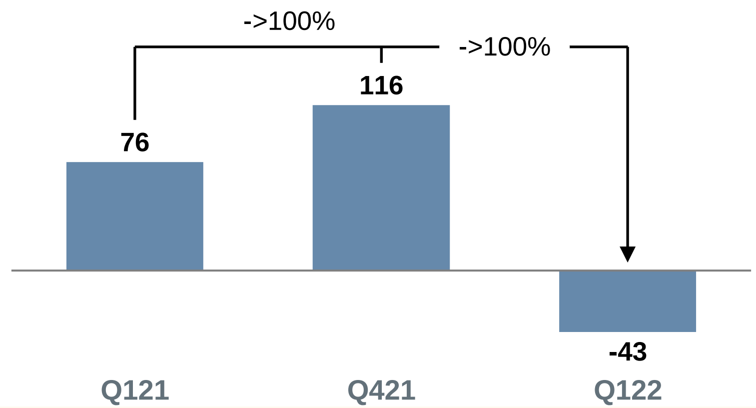
EBITDA (RMmn)



PAT (RMmn)



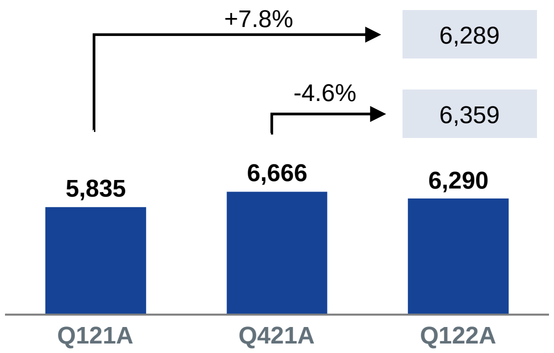
PATAMI (RMmn)



Underlying Performance[1]

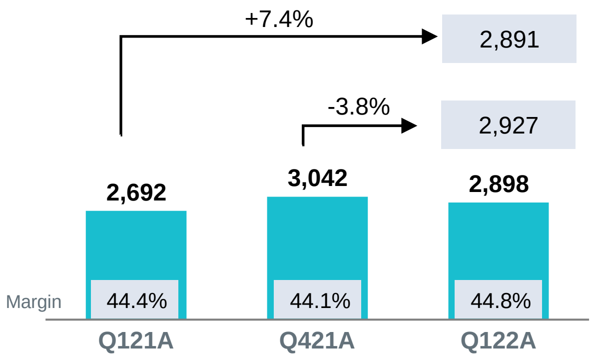
YoY revenue ex-device +7.8% and EBITDA +7.4% with EBITDA margin stable at 44.8%; UPATAMI +70.7% with higher EBITDA contribution across all OpCos except Ncell, absence of accelerated depreciation of 3G assets in 2022, offset by higher tax.

Revenue ex-device (RMmn)



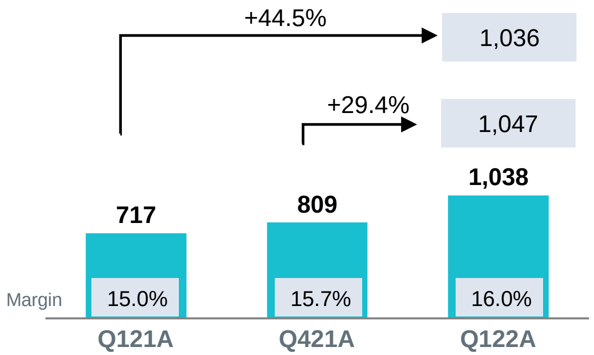
- **YoY revenue ex-device +7.8%**:
  - Contribution from **all OpCos except Ncell** (drop in voice & ILD revenue)
  - **XL +7.2%** (driven by data revenue)
  - **Dialog +16.6%** (contributed by all business lines)
  - **ADA +>100%**
  - **edotco +18.3%** (largely contributed by acquisition of Touch Mindscape and growth in BD).
- **QoQ revenue ex-device -4.6%**:
  - Drop in **all OpCos except Dialog and edotco.**

EBITDA (RMmn)



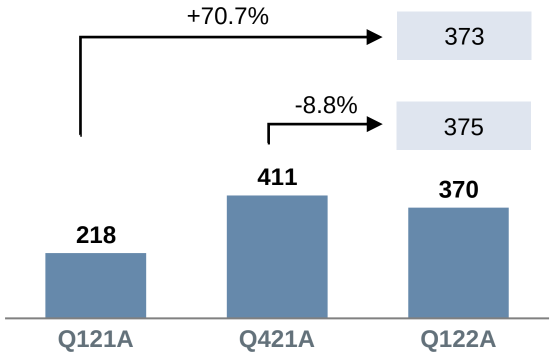
- **YoY EBITDA +7.4%:**
  - Contribution from **all OpCos except Ncell**
  - **Celcom +15.4%** (flowing through from revenue ex-device and further lifted by lower opex)
  - **edotco +28.4%** with EBITDA margin improved to 69.6%
- Achieved cost excellence with Q122 total savings of RM241mn which include RM163mn capex and RM78mn opex savings.
- **QoQ EBITDA -3.8%**:
  - Drop in **all OpCos except edotco and Robi.**

EBIT (RMmn)



- **YoY EBIT +44.5%** (excluding accelerated depreciation in Q121, EBIT +13.8%)**:**
  - Contributed mainly from **Celcom** (+>100%) with EBITDA growth and absence of accelerated depreciation
  - edotco +34.5% flowing through from EBITDA growth, moderated by increase in D&A.
- **QoQ EBIT +29.4%**:
  - mainly due to absence of Ncell goodwill impairment.

UPATAMI[2] (RMmn)



- **YoY UPATAMI +70.7%** mainly due to:
  - **higher EBITDA from all OpCos except Ncell**
  - absence of accelerated depreciation of 3G assets in 2022
  - offset by higher tax.
- **QoQ UPATAMI -8.8%** mainly due to:
  - lower EBITDA
  - cushioned by lower tax.

Note:

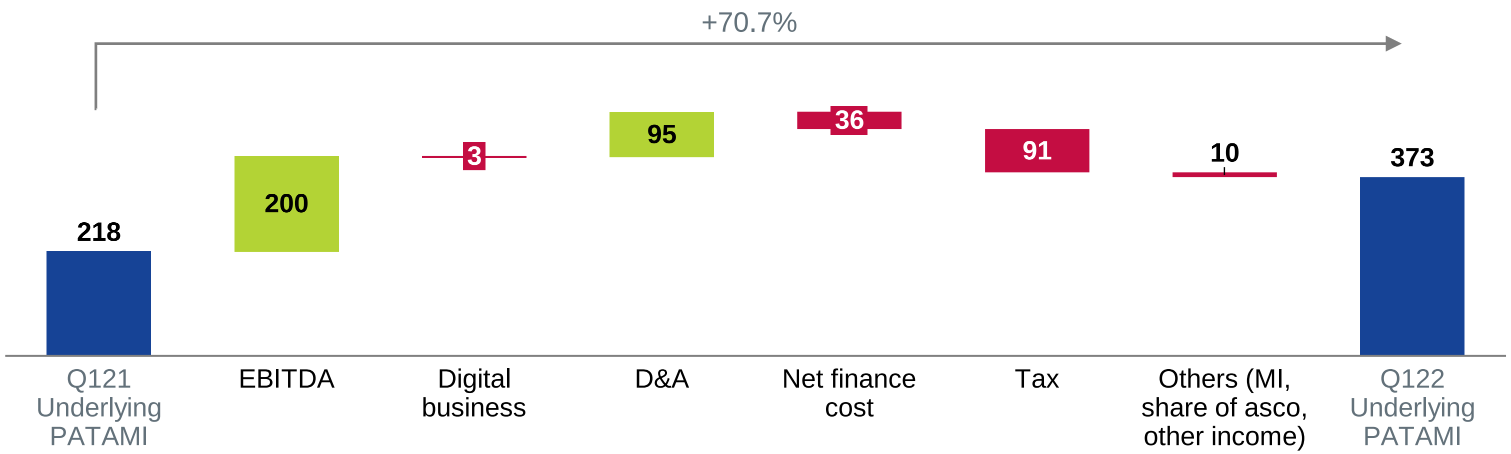
xx - at actual currency   xx – Underlying performance   xx% – Underlying performance growth rate

1. Underlying performance – at constant currency
2. Underlying PATAMI excludes forex related (forex/derivative gains/losses, hedging cost) and others

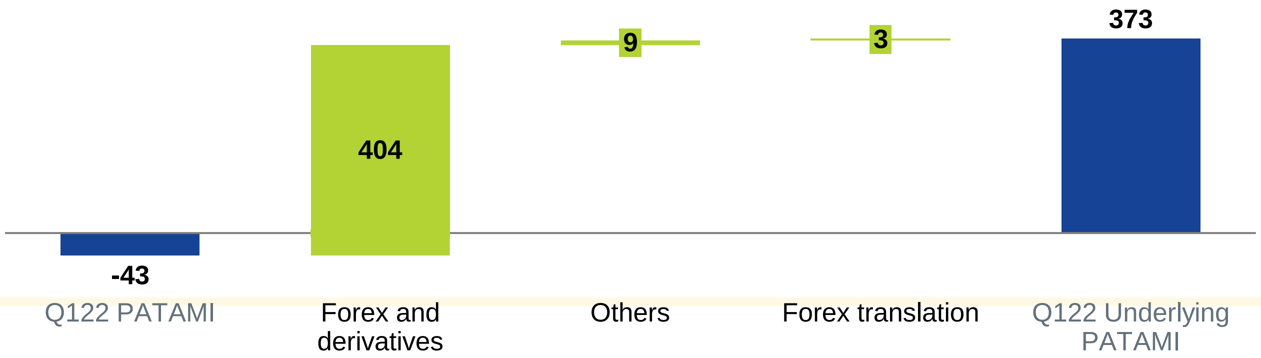
Underlying Performance[1]

YoY UPATAMI +70.7% due to higher EBITDA flow through from all OpCos except Ncell, absence of accelerated depreciation of 3G assets in Q122, offset by higher tax.

Q121 → Q122 Underlying PATAMI (RMmn)



Q122 Reported PATAMI → Q122 Underlying PATAMI (RMmn)



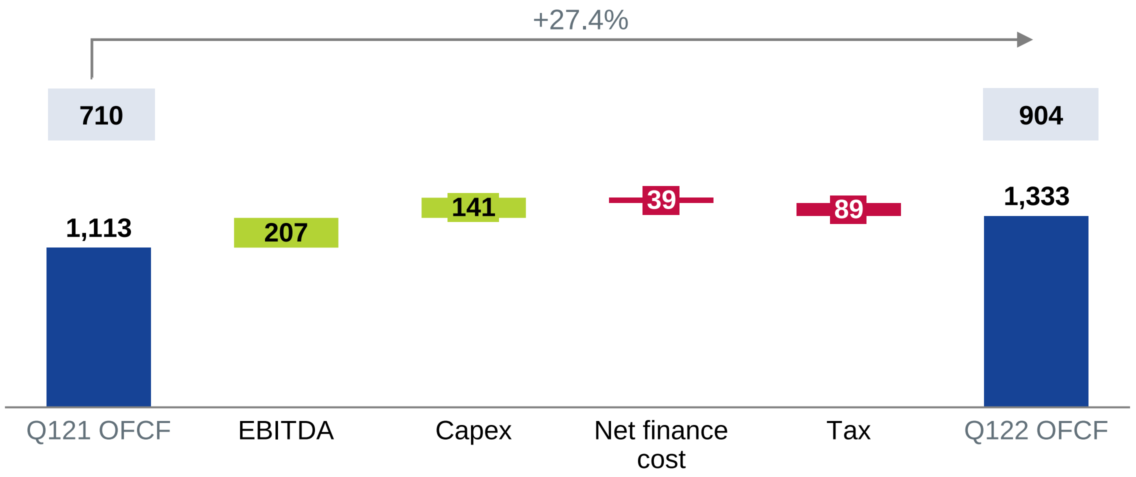
1. Underlying performance – at constant currency

Adjusted OFCF

YoY adjusted OFCF +27.4% to RM904mn driven by higher EBITDA and lower capex.

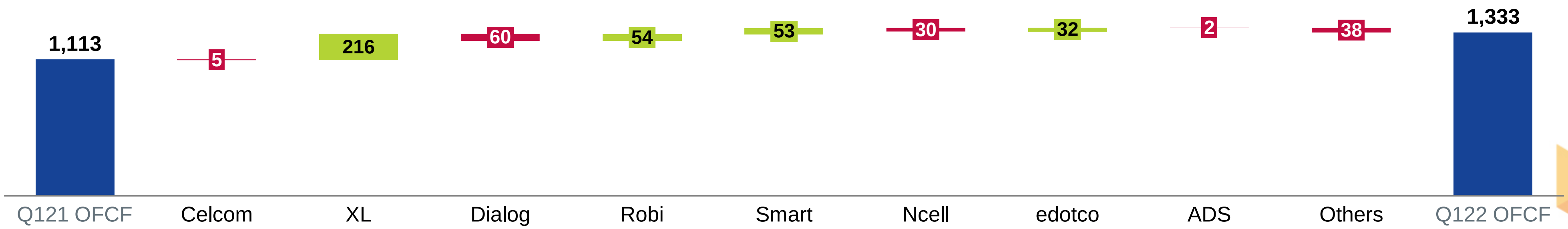
YTD movement – by line items (RMmn)

	Q121 OFCF	EBITDA	Capex	Net finance cost	Tax	Q122 OFCF
Adjusted OFCF[1]	710					904



YTD movement – by OpCos (RMmn)

	Q121 OFCF	Celcom	XL	Dialog	Robi	Smart	Ncell	edotco	ADS	Others	Q122 OFCF
Adjusted OFCF[1]	710	(14)	199	(60)	49	52	(30)	24	(1)	(25)	904



1. Adjusted OFCF = OFCF less ROU depreciation

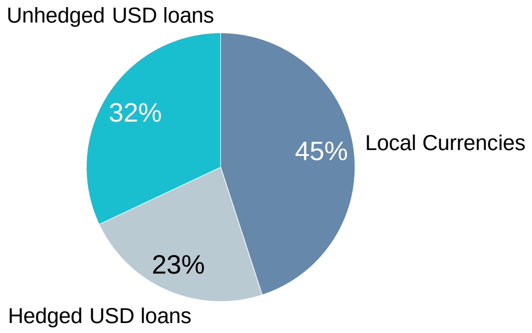
Balance Sheet

Gross debt/EBITDA at 2.49x, net debt/EBITDA at 1.99x and cash balance of RM5.8bn. Capital structure managed amidst challenging macroeconomic backdrop, where 45% of loans in local currency, 60% on fixed rate and 65% with more than 2 years maturity. 41% of USD loans are hedged; including natural hedge it is 51%.

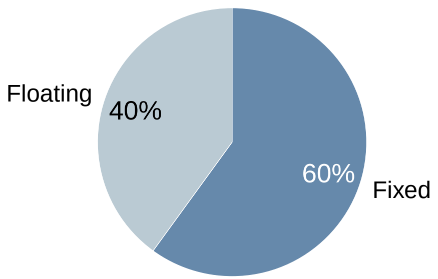
Group Borrowings – by currency

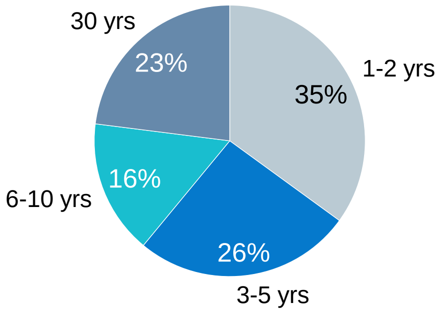
In million	Loan currency	USD	Local	Total (RM)
HoldCo and Non OpCo	USD	2,150		9,040
	RM		658	658
	Sub-total	**2,150**		**9,698**
OpCos	USD	279		1,170
	RM		3,409	3,409
	IDR		10,237,082	2,999
	BDT		7,046	343
	SLR		15,095	213
	PKR		4,295	99
	NPR		21,113	732
	Sub-Total	**279**		**8,965**
	Total Group	**2,429**		**18,663**

Group Borrowings – hedged/unhedged loans

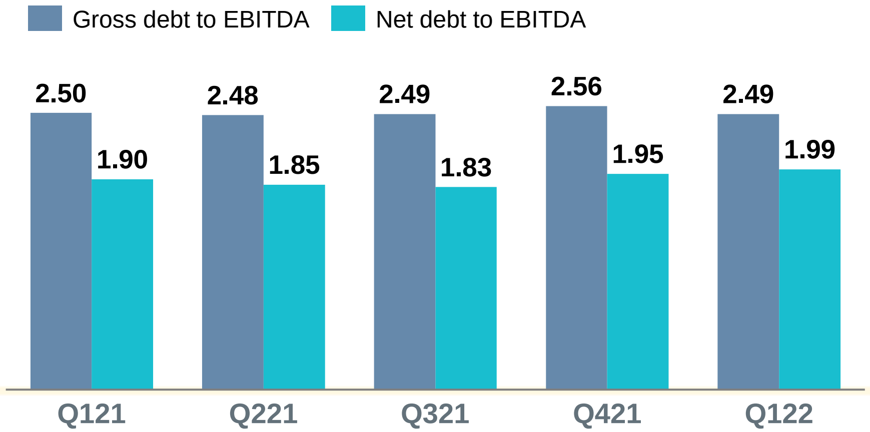


Group Borrowings – fixed/floating rates

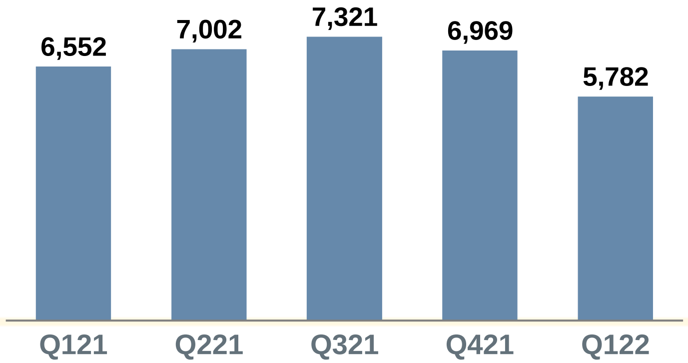




Gross and net debt/EBITDA (x)



Cash (RMmn)

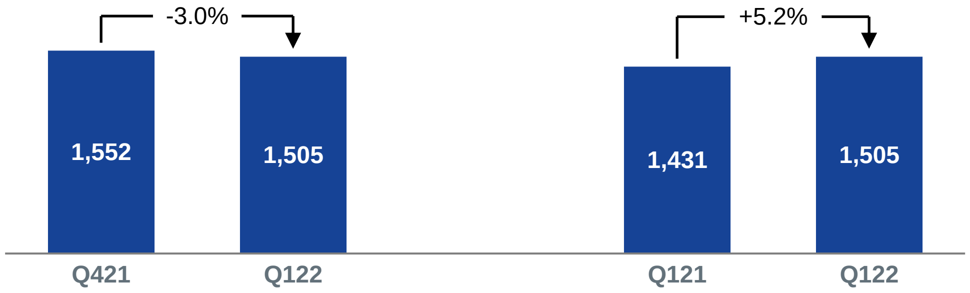


In RM million		As at Q122
HoldCo and Non OpCo		374
	Sub-total	**374**
OpCos	Celcom	1,532
	XL	421
	Robi	296
	Dialog	453
	Smart	555
	Ncell	505
	edotco	969
	Digital businesses	677
	Sub-total	**5,408**
	Total Group	**5,782**

1 Digital Telco – Celcom: Maintaining positive momentum

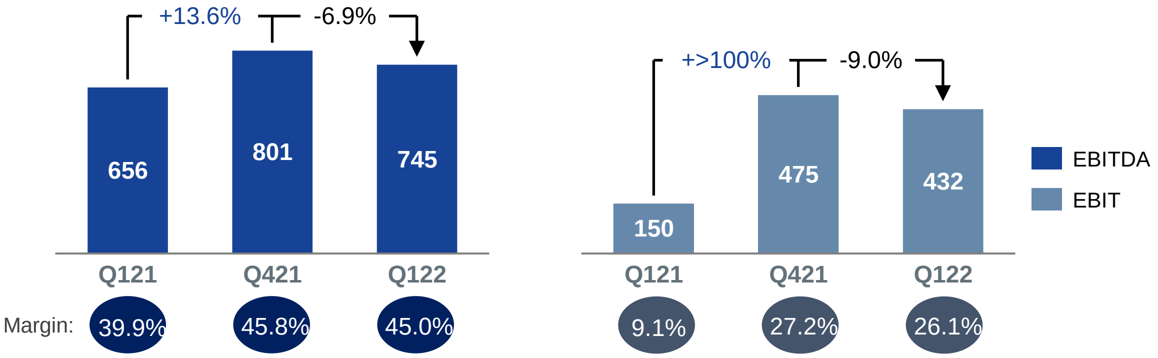
YoY revenue ex-device +5.2% driven by prepaid and contribution from new Enterprise Solutions subsidiaries, Bridgenet Solutions and Infront; EBIT +>100% as a result of 3G accelerated depreciation in 2021, coupled with lower direct and sales & marketing costs. Consequently, PATAMI +>100% partly offset by higher tax from Cukai Makmur.

Revenue ex-device (RMmn)



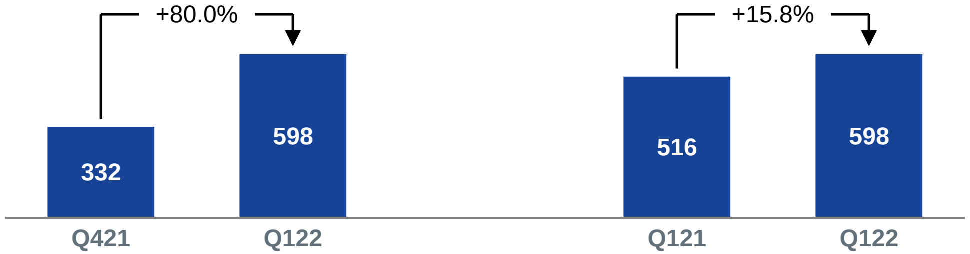
YoY: Higher prepaid and postpaid contribution, as well as uplift in other revenue with contribution from new subsidiaries Bridgenet and Infront.

EBITDA & EBIT (RMmn)



YoY: EBIT +>100% as a result of 3G accelerated depreciation in Q121 (RM162mn), lower cost of sales in tandem with lower device sales and lower sales & marketing cost.

FCF[1] (RMmn)



YoY: Driven by EBITDA +13.6%, as capex +5.8% to RM147mn.

PATAMI (RMmn)

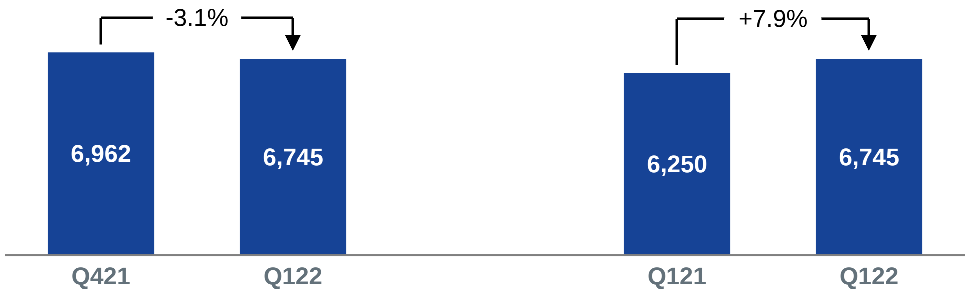
YoY: Flow through from higher EBIT, partly offset by increase in taxation with Cukai Makmur for 2022.

1. FCF = EBITDA – capex; Q122 excludes USP Capex

1 Digital Telco – XL: Good revenue growth albeit at higher opex spend

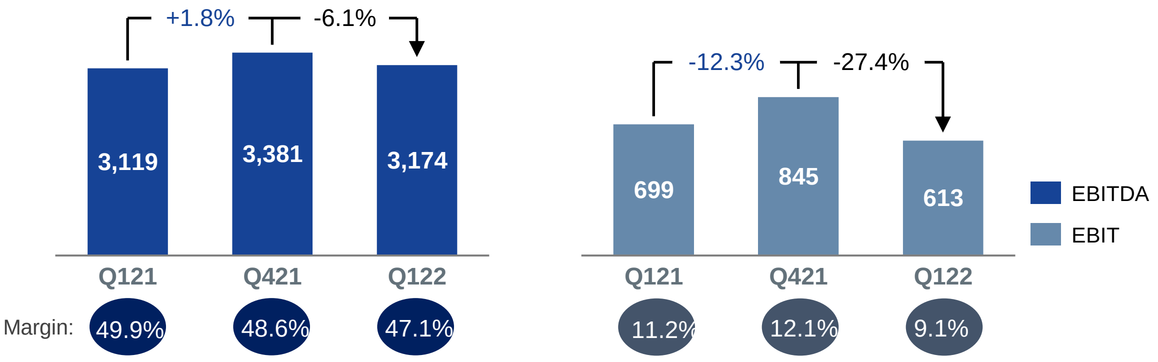
YoY revenue ex-device +7.9% supported by higher data revenue of +10%; EBITDA +1.8% moderated by higher sales & marketing cost due to expansion of distribution footprint while EBIT -12.3% consequent to increased network investments. PATAMI at -56.6%, impacted by higher net finance cost and one-off gain in Q121.

Revenue ex-device (IDRbn)



YoY: Driven by data +10%; total subs +1mn to 57mn and ARPU +3% to IDR36k.

EBITDA & EBIT (IDRbn)



YoY: EBITDA lagged revenue growth due to higher sales & marketing cost and cost of sales; EBIT declined due to higher D&A in line with higher capex over past year.

FCF[1] (IDRbn)

YoY: Growth of 58.6% due to capex phasing, coupled with higher EBITDA.

PATAMI (IDRbn)

YoY: Flow through from lower EBIT, compounded by gain on disposal of picocell in Q121 and higher net finance cost.

1. FCF = EBITDA – capex

1

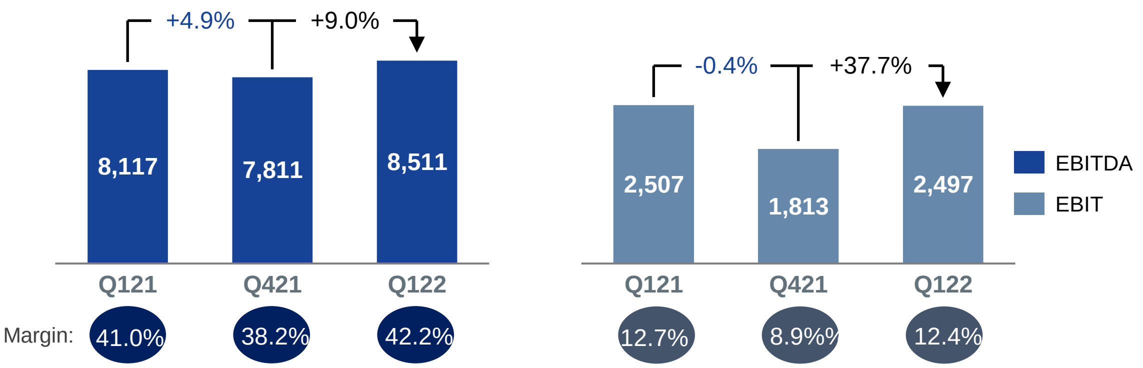
Digital Telco – Robi: Performance moderated by intense competition

Amidst aggressive competition, YoY revenue ex-device +2.0% driven by data revenue of +14.0%, in tandem with higher data subscribers and usage. EBITDA +4.9% attributed to lower direct and staff costs although EBIT -0.4% impacted by higher amortisation from new spectrum; PATAMI +16.1% benefiting from lower taxation.

Revenue ex-device (BDTmn)

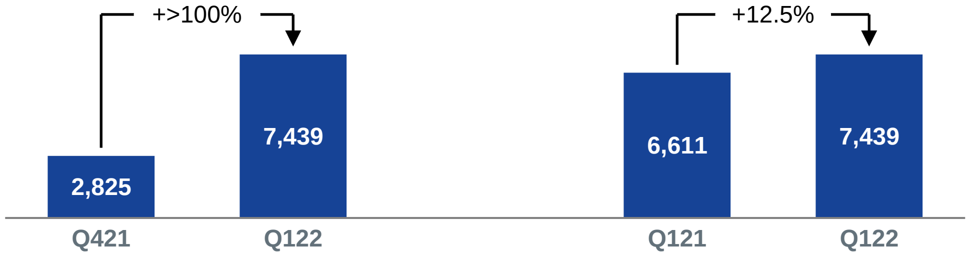
YoY: Data +14.0% in tandem with higher data subs and usage.

EBITDA & EBIT (BDTmn)



YoY: EBITDA growth better than topline with lower direct and staff costs. EBIT however declined due to higher D&A driven by amortisation of additional spectrum.

FCF[1] (BDTmn)



YoY: Healthy growth on the back of improved EBITDA +4.9% and lower capex -28.8%.

PATAMI (BDTmn)

YoY: Mainly due to lower taxation.

1. FCF = EBITDA – capex

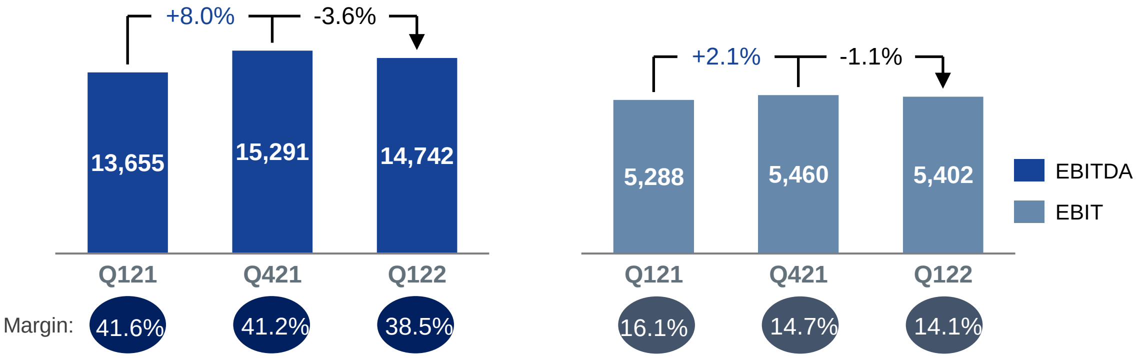
1 Digital Telco – Dialog: Forex flips strong revenue growth to PATAMI loss

YoY revenue ex-device +16.6% attributed to strong growth across all segments of mobile, fixed broadband and TV. EBIT growth lagged at +2.1% mainly due to higher direct and network costs, coupled with rise in D&A. PATAMI flipped to a loss of LKR15.8bn, impacted by non-cash forex loss arising from USD-denominated debt; excluding forex loss underlying PATAMI at LKR4.3bn.

Revenue ex-device (LKRmn)

YoY: Double-digit growth on the back of higher contribution across all segments of mobile, fixed broadband and TV, as well as International Traffic Hubbing.

EBITDA & EBIT (LKRmn)

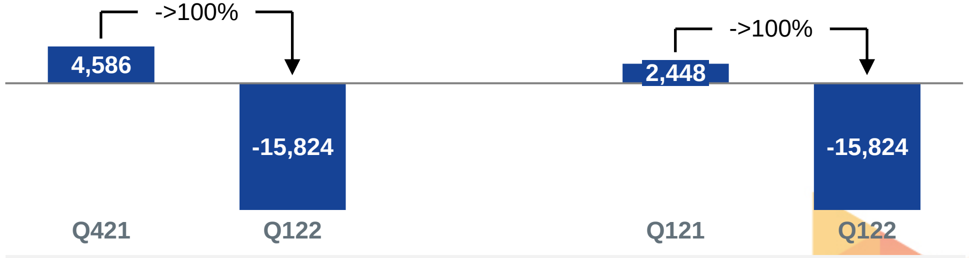


YoY: EBIT growth lagged topline due to higher direct and network costs driven by double digit inflation, further aggravated by rise in D&A.

FCF[1] (LKRmn)

YoY: Impacted by 3.1x higher capex to LKR7.5bn, due to capex phasing.

PATAMI (LKRmn)



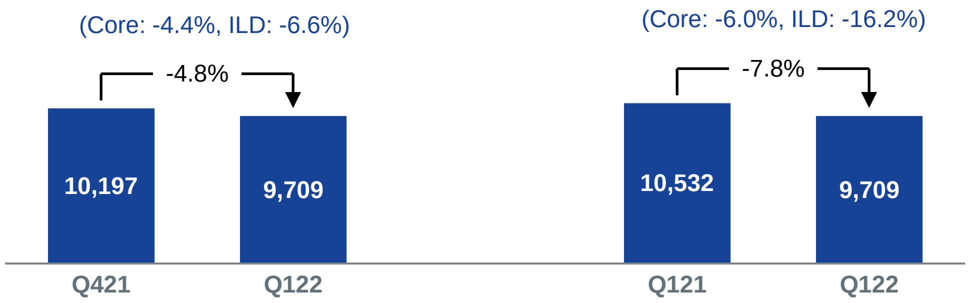
YoY: Significantly impacted by forex loss arising from USD-denominated debt (depreciation of LKR against USD: Mar’22: 293.87; Dec’21: LKR200.75).

1. FCF = EBITDA – capex

1 Digital Telco – Ncell: Revenue impact from lower voice revenue

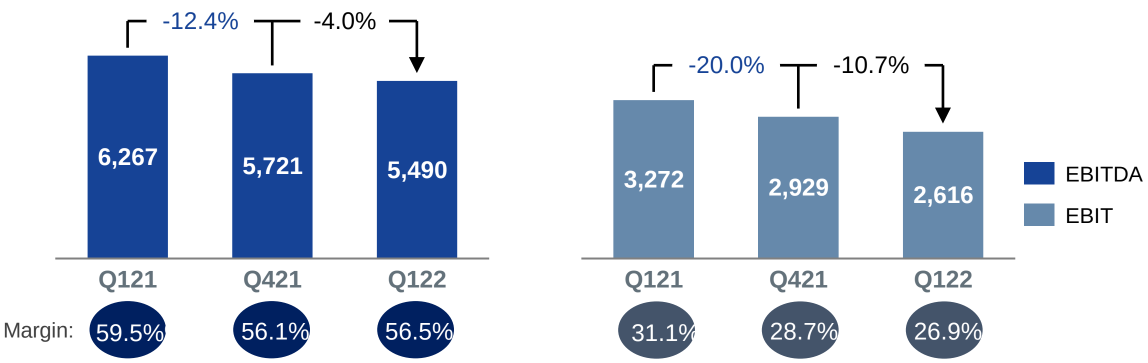
YoY revenue ex-device -7.8% due to lower voice (-16.7%) from impact of reduced interconnect rate and lockdown coupled with decline in ILD (-16.2%), eroding data growth of +19.8%. EBIT -20.0% impacted by higher network cost while PATAMI -9.7% cushioned by lower tax.

Revenue ex-device (NPRmn)



YoY: Voice -16.7% impacted by reduced domestic interconnect rate since mid-Jan’22, coupled with ILD -16.2%; countered +19.8% higher data contribution.

EBITDA & EBIT (NPRmn)



YoY: Revenue decline flowed through to EBIT, impacted further by higher network cost.

FCF[1] (NPRmn)

YoY: Declined as capex +90.4% to activate L900 spectrum acquired in Q221, coupled with EBITDA decline of -12.4%.

PATAMI (NPRmn)

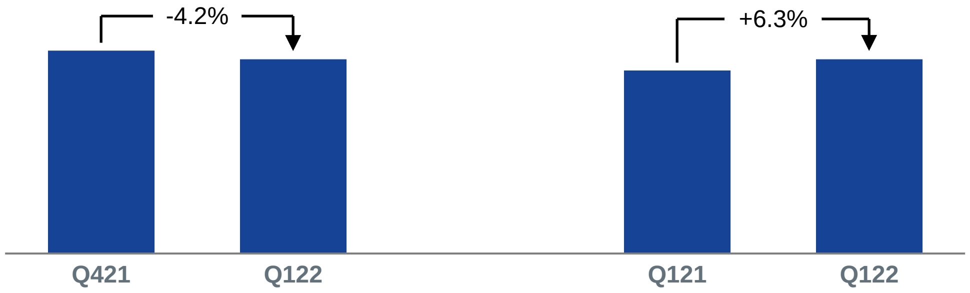
YoY: PATAMI decline moderated relative to EBIT, due to lower taxation.

1. FCF = EBITDA – capex

1 Digital Telco – Smart: Steady performance on all metrics

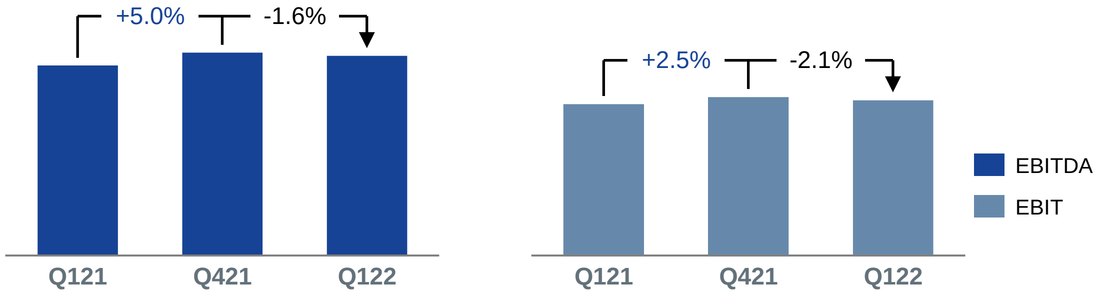
YoY revenue ex-device +6.3% driven by data contribution +11.4%, in line with higher subscribers and usage. EBIT growth muted at +2.5% on account of higher direct cost and D&A, while PATAMI +33.0% due to investment impairment of financial services business in Q121.

Revenue ex-device (USDmn)



YoY: Led by strong data growth of +11.4% on the back of increased data subscribers and usage.

EBITDA & EBIT (USDmn)



YoY: Marginal EBIT growth due to higher regulatory fees from accrual of microwave fee, and higher D&A.

FCF[1] (USDmn)

YoY: Driven by 43.5% lower capex, supported by higher EBITDA.

PATAMI (USDmn)

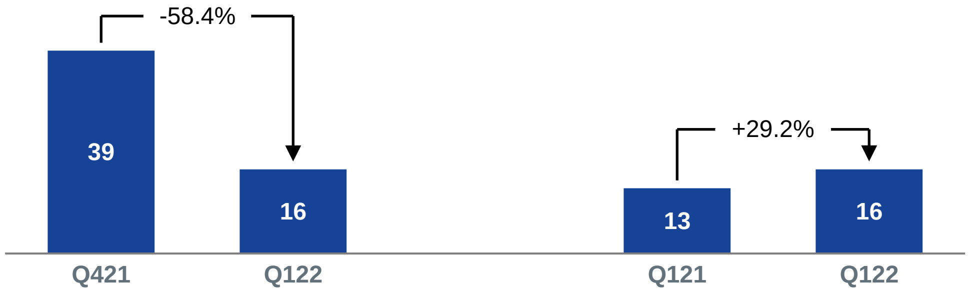
YoY: Surged due to investment impairment of financial services business in Q121; excluding this -5.3% due to higher taxation.

1. FCF = EBITDA – capex

2 Digital businesses – Boost: Steady growth in GTV

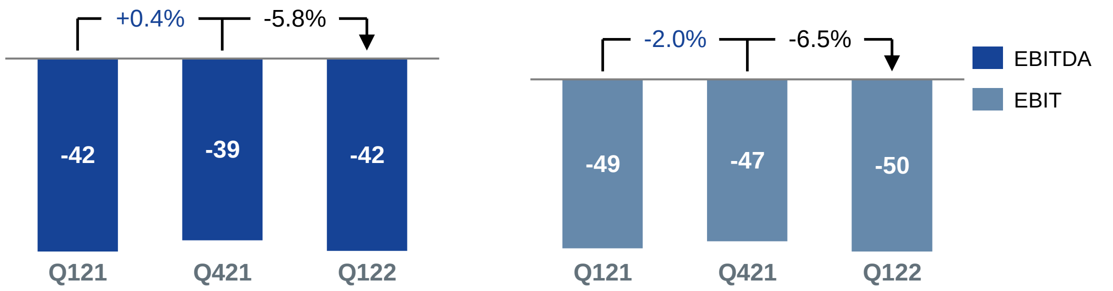
YoY revenue +29.2% in line with improved GTV (+25.2% to RM1.4bn) from higher offline transactions for the payments business coupled with increased loan disbursements at Boost Credit; net loss of RM48mn in Q122 (-10.6% YoY) mainly due to recognition of forex gain in Q121. Boost Life users +11% YoY to 9.9mn, while Malaysian merchants +42% to 469k.

Revenue (RMmn)



YoY: Driven by Boost Life + Biz in line with higher offline transactions for the payments business with easing Covid-19 SOPs, coupled with better contribution from Boost Credit due to growth in loan disbursements.

EBITDA & EBIT (RMmn)

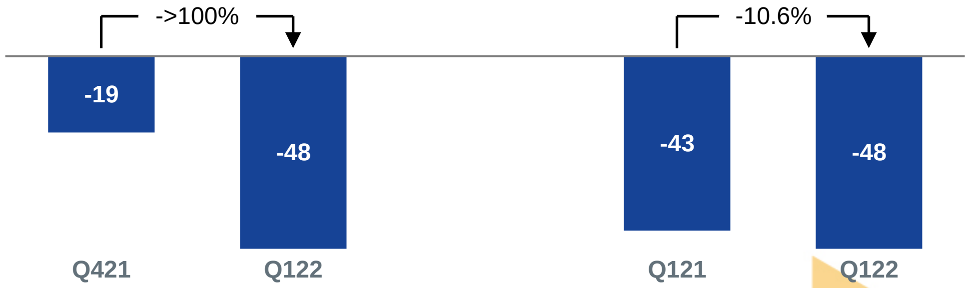


YoY: Despite revenue growth, EBITDA largely flat mainly due to higher staff cost, while EBIT further impacted by rise in D&A.

FCF[1] (RMmn)

YoY: Largely flat at -RM42mn.

PATAMI (RMmn)



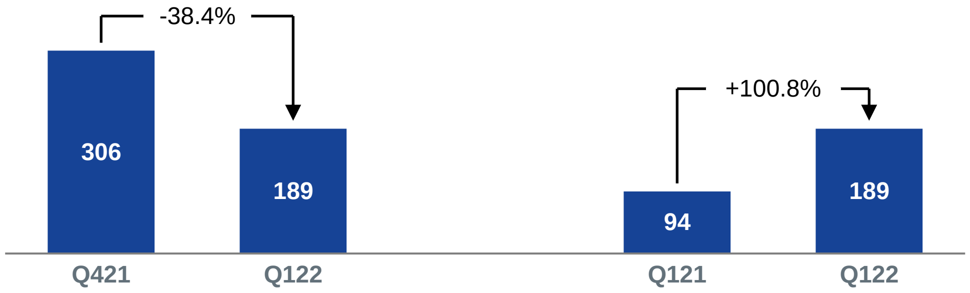
YoY: Higher losses mainly due to recognition of forex gain ~RM5mn in Q121.

1. FCF = EBITDA – capex

Digital businesses – ADA: Maintaining revenue momentum

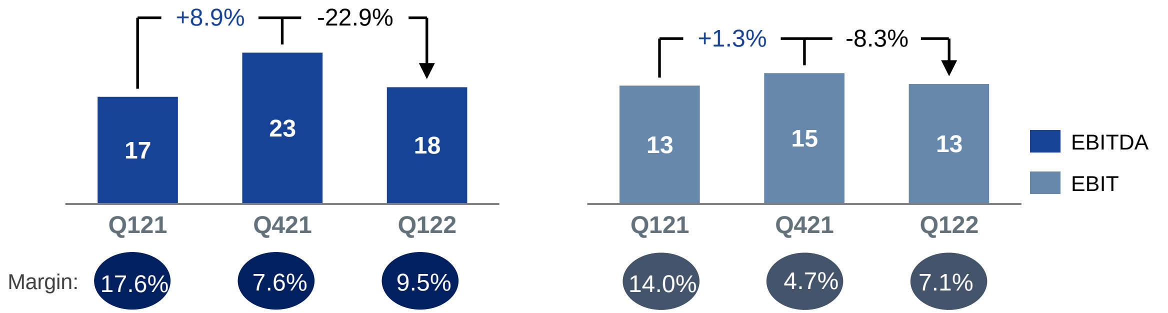
YoY revenue doubled to RM189mn driven by improved contribution from Customer Engagement business, coupled with new contribution from eCommerce enablement business from acquisition of Awake Asia in Jun'21. PATAMI -55.6% to RM6mn due to higher opex, taxation and forex loss.

Revenue (RMmn)



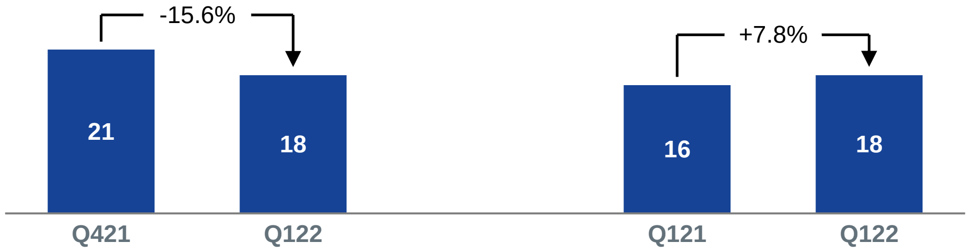
YoY: Mainly driven by 2.0x improved contribution from Customer Engagement business, coupled with new contribution from eCommerce solutions with the acquisition of Awake Asia in Jun'21.

EBITDA & EBIT (RMmn)



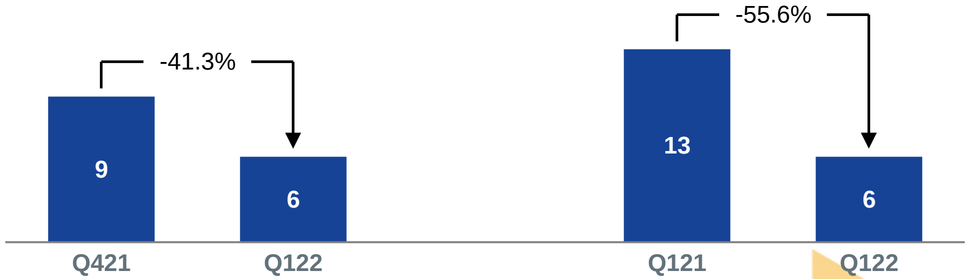
YoY: Higher staff and technology costs dragged EBITDA growth, while EBIT further impacted by higher D&A.

FCF[1] (RMmn)



YoY: Improvement attributed largely to EBITDA +8.9%.

PATAMI (RMmn)



YoY: Impacted by higher taxation and forex loss.

1. FCF = EBITDA – capex

3

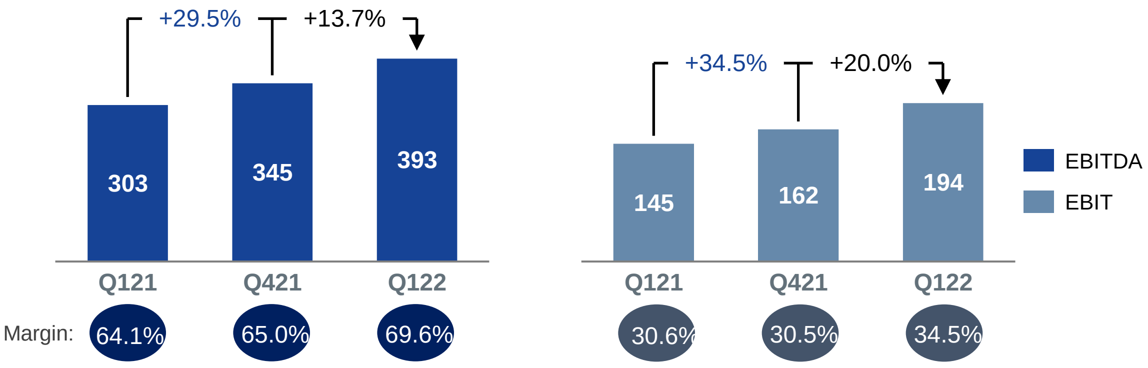
Infrastructure – edotco: Strong operational performance

YoY revenue +19.1% driven by acquisition of Touch Mindscape in Malaysia and organic growth in both colo and new B2S sites, namely from Bangladesh. EBIT +34.5% from revenue flow through and lower staff cost while PATAMI -3.1% impacted by higher net finance cost and unrealised forex translation loss. No. of towers and managed sites +47.0% YoY to 50.3k whilst tenancy ratio improved to 1.63x in Q122 from 1.57x in Q121.

Revenue (RMmn)

YoY: Double digit growth on account of Touch Mindscape acquisition in Malaysia and organic growth in both, colo tenancies and new B2S sites, namely from Bangladesh and Pakistan.

EBITDA & EBIT (RMmn)



YoY: EBITDA and EBIT growth driven by revenue flow through and lower staff cost, offset against higher D&A following completion of Touch Mindscape acquisition and organic expansion, at EBIT level.

FCF[1] (RMmn)

YoY: Healthy cash flow despite higher capex +21.0%, driven by EBITDA +29.5%.

PATAMI (RMmn)

YoY: Impacted by forex movement (net of unrealised forex translation loss in Q122 versus a gain position in Q121), coupled with higher net finance charges following completion of the acquisition of Touch Mindscape in Dec 2021.

1. FCF = EBITDA – capex

Moving Forward

FY22 Headline KPIs

In view of challenging global macro environment particularly in Sri Lanka, cautiously optimistic for revenue ex-device and EBIT growth to be in line with Headline KPIs.

	FY22 Headline KPIs @ constant rate[3]
Revenue growth[1]	Mid single digit
EBIT growth	High single digit
Capex[2]	RM7.1bn

Notes:
1. Revenue is based on revenue excluding devices
2. Capex is not a Headline KPI
3. Constant rate is based on FY21 Average Forex Rate (e.g. 1 USD = RM4.143)

Considerations in FY22 Headline KPIs

Closely monitoring potential impact arising from both external and internal factors.

- Macroeconomic challenges – inflationary pressures, increased energy cost, higher interest rates and currency volatility.
- Impact of M&A transactions, timing of completion and delivery of synergies.
- Sustained global chip supply issues exacerbated by Russia-Ukraine war increases direct cost.
- Increased taxes, higher inflation and forex challenges in Sri Lanka. Fiscal measures as a pre-requisite for IMF aid.

Axiata Net Zero Carbon Roadmap

We are committed to achieving net-zero emissions no later than 2050, and to reducing operational carbon emissions by 45% by 2030 from a 2020 baseline.

Our net-zero carbon pathway to reach our goal encompasses a **three-objective strategy**, including carbon **emissions reduction, avoidance, and removal.**

1 ACCELERATE DECARBONISATION OF OUR NETWORK OPERATIONS

Target:

By 2030 reduce our operational network emissions (Scope 1 and 2) by 45% from a 2020 baseline

Approach:

- Reduce network energy consumption through enhancing **energy efficiency**
- Increase network **renewable energy** consumption from self-generation or purchased electricity

2 ACCELERATE TRANSFORMATION OF OUR VALUE-CHAIN

Target:

Reduce value-chain emissions (Scope 3) from our indirectly controlled sources

Approach:

- Contribute to positive climate impact across our value chain
- Include tracking of our **suppliers' operational** carbon emissions (as our main focus) as we progress

3 DELIVER AN INCLUSIVE CLIMATE AGENDA

Target:

Contribute to positive climate action through carbon removal and enable avoidance through technology and digitalisation

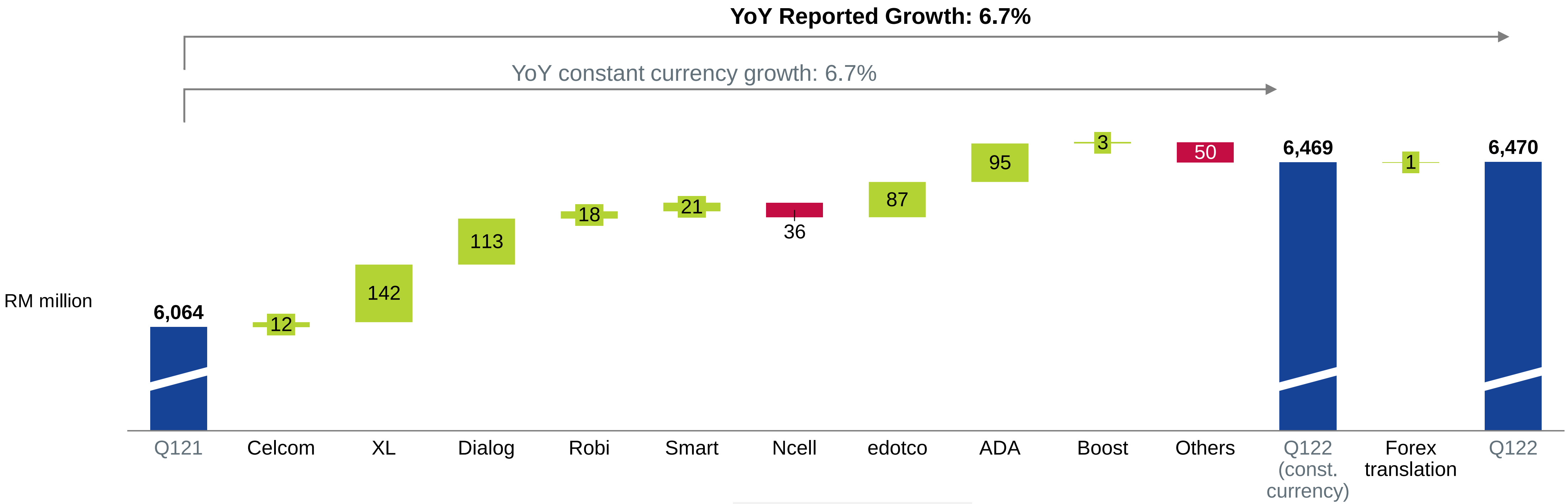
Approach:

- **Remove carbon emissions** through natural or technological solutions
- Contribute to decarbonisation solutions by **enabling efforts across society**

Appendix

Group revenue: Q121 → Q122

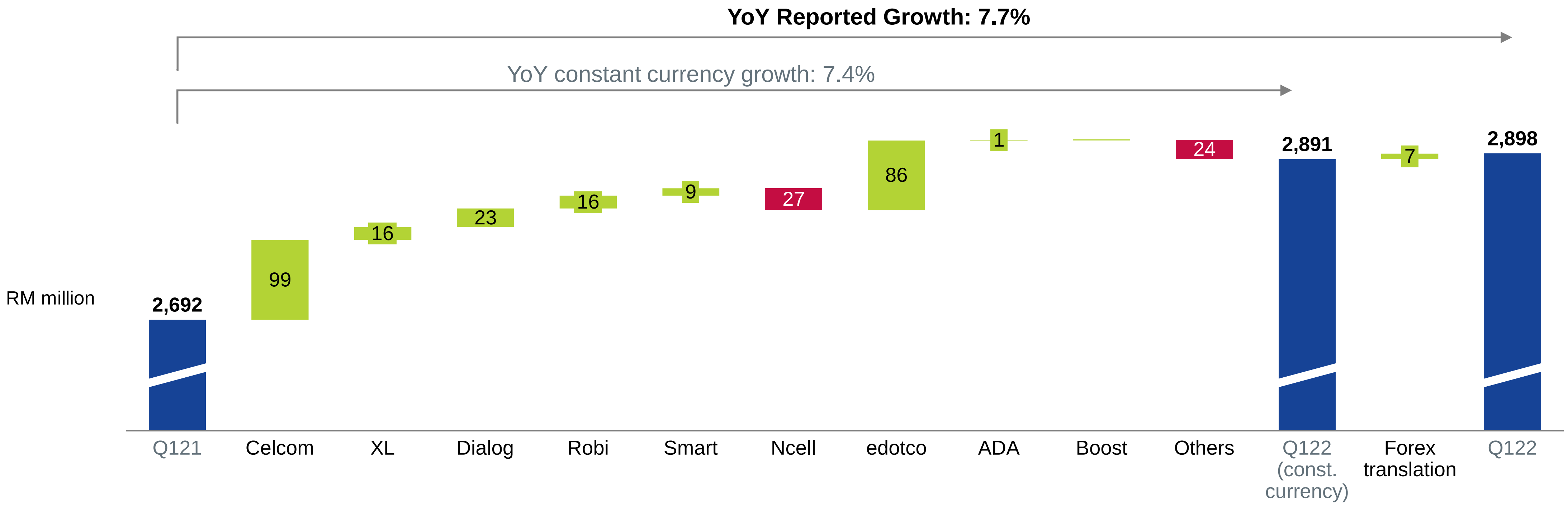
YoY growth of 6.7% driven by better performance across all OpCos, except Ncell.



Revenue	Q121	YTD Growth Rates		Revenue (const. currency)	Q122
Celcom	1,646	12	0.7%	Celcom	1,658
XL	1,793	142	7.9%	XL	1,935
Dialog	685	113	16.4%	Dialog	798
Robi	948	18	1.9%	Robi	966
Smart	338	21	6.2%	Smart	359
Ncell	378	(36)	-9.4%	Ncell	342
edotco	473	87	18.3%	edotco	560
ADA	94	95	100.8%	ADA	189
Boost	13	3	29.2%	Boost	16
Others	(304)	(50)	-16.4%	Others	(354)
GROUP	**6,064**	**405**	**6.7%**	**GROUP**	**6,469**

Group EBITDA: Q121 → Q122

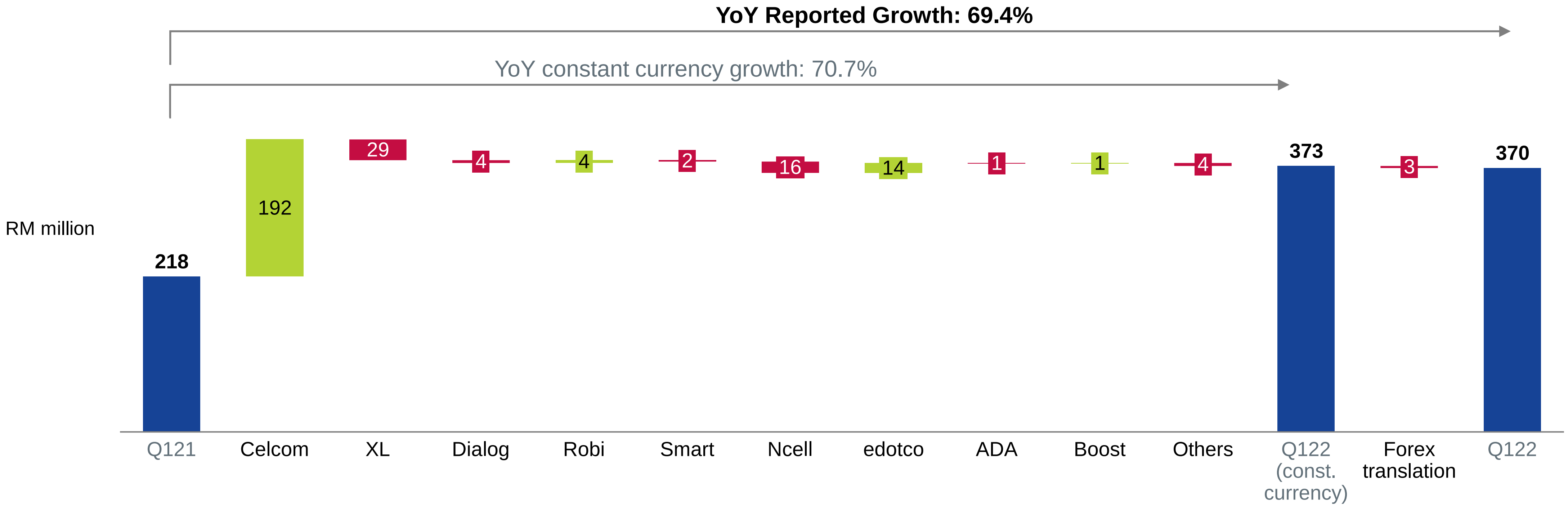
YoY growth of 7.7% driven by higher contribution from all OpCos, except Ncell.



EBITDA	Q121	YTD Growth Rates		EBITDA (const. currency)	Q122
Celcom	646	99	15.4%	Celcom	745
XL	901	16	1.8%	XL	917
Dialog	285	23	8.0%	Dialog	308
Robi	385	16	4.3%	Robi	401
Smart	181	9	5.0%	Smart	190
Ncell	224	(27)	-12.0%	Ncell	197
edotco	303	86	28.4%	edotco	389
ADA	17	1	8.9%	ADA	18
Boost	(42)	-	0.4%	Boost	(42)
Others	(208)	(24)	-11.5%	Others	(232)
GROUP	**2,692**	**199**	**7.4%**	**GROUP**	**2,891**

Group underlying PATAMI: Q121 → Q122

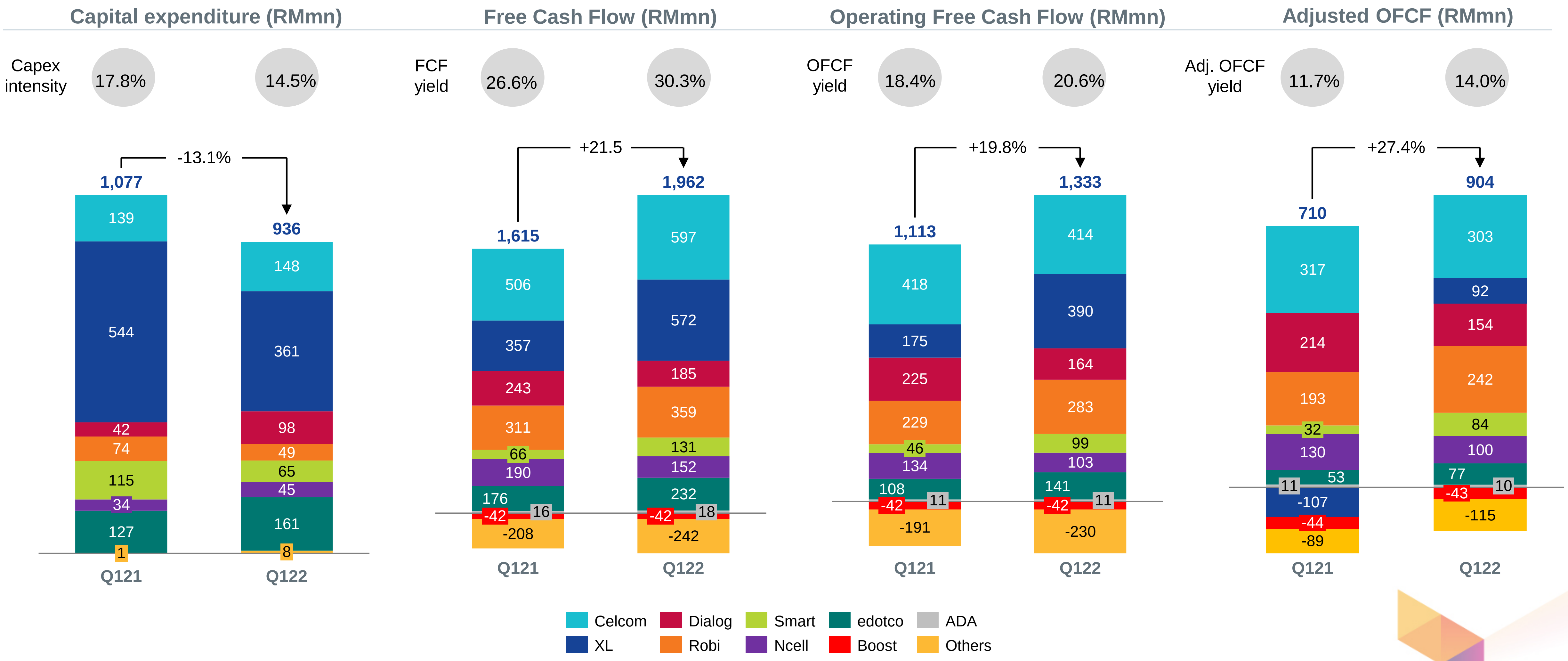
YoY growth of 69.4% mainly driven by Celcom and edotco.



Norm PATAMI	Q121	YTD Growth Rates		Norm PATAMI (const. currency)	Q122
Celcom	69	192	278.9%	Celcom	261
XL	42	(29)	-69.2%	XL	13
Dialog	79	(4)	-4.9%	Dialog	75
Robi	10	4	33.7%	Robi	14
Smart	56	(2)	-4.0%	Smart	54
Ncell	53	(16)	-30.6%	Ncell	37
edotco	44	14	31.3%	edotco	58
ADA	6	(1)	-18.6%	ADA	5
Boost	(37)	1	3.6%	Boost	(36)
Others	(104)	(4)	-3.8%	Others	(108)
GROUP	**218**	**155**	**70.7%**	**GROUP**	**373**

Capital expenditure and cash flow

OFCF +19.8% YoY to RM1.3bn, largely due to higher EBITDA and lower capex.



Note:
FCF = EBITDA-Capex
OFCF = EBITDA- Capex- Net Interest-Tax
Adjusted OFCF = OFCF less ROU depreciation

Championing Sustainability To Create Long-Term Value

Anchored on our aspiration to be The Next Generation Digital Champion by 2024, we ensure the way we operate integrates ESG elements. Our approach to sustainability is built on our 4P Pillars and our material matters.

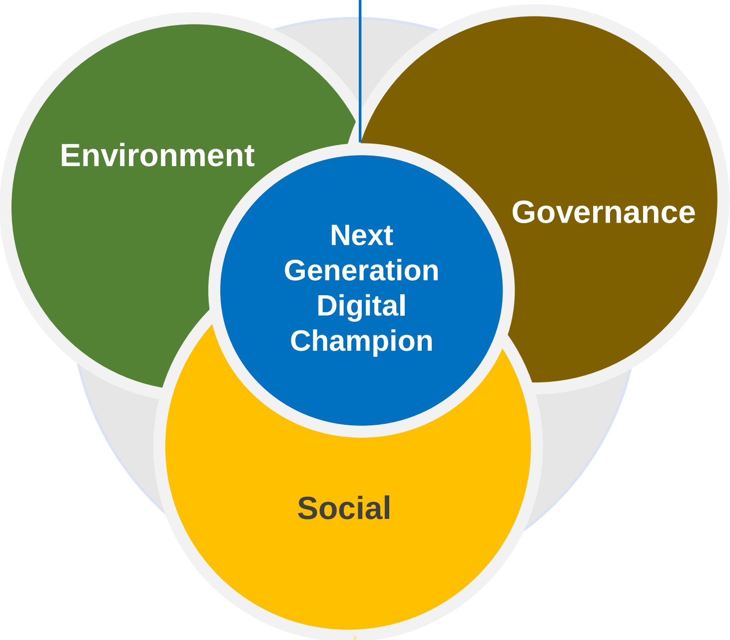
Beyond Short-Term Profits | **Nurturing People** | **Process Excellence & Governance** | **Planet & Society**

Our Material Matters for Next Generation Digital Champion:

- Sustainable Business Growth
- Network Quality and Coverage
- Digital Inclusion
- Digitisation and Modernisation

Our Material Matters for Environment:

- Climate Action
- Resource and Waste Management



Our Material Matters for Governance:

- Business Ethics and Compliance
- Data Privacy and Cyber Security
- Regulatory and Political Risk

Our Material Matters for Social:

- Fair Employment and Welfare
- Talent Development
- Employee Health, Safety and Wellbeing
- Emergency and Disaster Response
- Customer Service
- Supply Chain Management
- Community Development

Enhancing our Environmental, Social and Governance (ESG) Disclosures

Our sustainability practices and reporting are aligned with the following standards and market-led measurements.

The United Nations Sustainable Development Goals (UN SDGs)

We remain committed to the UN SDGs, and doing our part in alleviating global environmental and social issues as a leading regional telecommunications and digital conglomerate. Through various sustainability initiatives we are contributing to advancing **SDG 4 on Quality Education** and **SDG 13 on Climate Action** as key impact areas throughout our footprint.

FTSE4Good Bursa Malaysia (F4GBM) Index

Axiata remains a constituent of the F4GBM Index series following our December 2021 review which resulted in a **4-star ESG Grading Band**[1]. Similarly, our **FTSE Russell ESG score improved from 3.1 to 3.4** during 2021. 2021 was also the year which saw Axiata's inaugural listing as a constituent of the FTSE4Good Bursa Malaysia Shariah Index.

Global Reporting Initiative (GRI) Standards

We align our sustainability disclosures with GRI Standards and continue to be guided by GRI sustainability disclosure reporting principles in terms of content and quality. Our aim is to provide transparent, cohesive and comprehensive disclosures to our regional stakeholders.

Science Based Target Initiative (SBTi)

Axiata is the first telecommunications company in Malaysia to commit to SBTi corporate net-zero standards. We have undertaken **the setting of long-term science based targets to reach net-zero emissions no later than 2050**, with an **intermediate target of 45% reduction in operational emissions by 2030**.

Carbon Disclosure Project (CDP) Worldwide

Each year, Axiata participates in the CDP assessment. **As of 2021, Axiata's CDP rating was D**, reflecting further areas to improve on. We are leveraging our insights on best practices and have identified areas to improve our climate action efforts. The launch of our Net-Zero Carbon Roadmap in 2022 and alignment with SBTi is a significant step towards this end.

MSCI ESG Rating

Our focus on maintaining our MSCI ESG Rating has enabled us to retain our reputable ranking on the global index. In 2021, our **MSCI ESG rating increased to 'AA'(Leader) from the position of 'A'(Average)** which we had held for a five-year period previously.

Sustainability Accounting Standards Board (SASB)

We have committed to working towards **aligning our sustainability disclosures according to the SASB Standards for the Telecommunications Industry**. In line with this, we have begun organising our SASB Telco indicators in order to publicly disclose SASB standards in our future reports.

Task Force on Climate-related Financial Disclosures (TCFD)

We look forward **to embarking on our TCFD journey in 2022 to help us understand the implications, risks and opportunities that climate change could have on our business operations** across our regional markets. Through the adoption of TCFD recommendations, we seek to further advance our robust and future-proofed investment proposition and use our insights to guide the execution of Axiata's Net-Zero Carbon Roadmap.

1. The 4-star ESG Rating refers to the Top 25% by ESG Ratings amongst public listed companies in FBM EMAS

Thank You

www.axiata.com

Axiata Group Berhad