MEDIA RELEASE

Encouraging Start to 2021

- Despite protracted lockdowns in most markets, slower economic recovery and competitive pressures, Axiata recorded stable YoY revenue at RM6.1 billion (+0.5%) and EBITDA of RM2.7 billion (+7.5%) giving rise to an EBITDA margin at 44.4%

- Reported PATAMI at RM76 million impacted by accelerated depreciation of RM126 million and the higher one-off gain in Q121; underlying PATAMI however, jumped YoY to RM231 million (+85.0%)

- Operating free cashflow at RM1.1 billion (+70.7%) in line with focus on profit and cash

- Strong balance sheet – cash balance at RM6.6 billion and improved gross debt/EBITDA ratio of 2.5x

- All OpCos recorded a commendable quarter except for XL and Ncell which faced intense competitive pressures in their respective markets

Key Highlights for Q121[1]:

Good underlying performance[2]: YoY revenue (ex-device) and EBITDA increased 2.0% and 10.6%, with EBITDA margin expanding 2.9 ppt to 44.4% lifted by Celcom and lower losses from ADS; excluding Celcom's ERP in Q120, EBITDA was up 6.3% with an EBITDA margin expansion of 1.2 ppt; Adjusting for accelerated depreciation impact at Celcom and Robi (RM126 million), underlying PATAMI surged 85.0% driven by improved EBITDA contribution and lower net finance cost

Resilient balance sheet maintained: Gross debt/EBITDA ratio trending down to 2.50x (vs. 2.64x in Q120); and cash balance of RM6.6 billion; OFCF rose RM1.1 billion (+70.7%) mainly driven by higher EBITDA and lower capex spend

Celcom adds more than one million subscribers in the last 12 months, YoY improvement in EBITDA: YoY EBITDA up 27.6% in part due to one-off items recorded in Q120 and better cost management, however, PATAMI slipped 22.9% as a result of one-off impact from accelerated depreciation of network assets due to impending 3G sunset;

---

[1] Growth numbers for OpCos are based on results in local currency in respective operating markets
[2] Underlying performance – at constant currency

excluding these, EBITDA and PATAMI increased by 6.6% and 13.2%. YoY revenue (ex-device) remained flat as higher prepaid revenue from increased subscriber base (+893,000) was offset by sharp decline in roaming revenues due to COVID-19; Total subscriber increase YoY was just over 1 million and QoQ was 317,000

XL maintained strong EBITDA margin despite weak consumer spending and revenue development: YoY revenue (ex-device) dipped 3.8% due to intense competitive pressures and weak consumer spending from economic brunt of the pandemic; EBITDA margin remained strong at 49.9% on the back of lower operating costs; PATAMI dropped 78.9% (impacted by gain on towers disposal recorded in Q120)

Third consecutive QoQ growth for Ncell: Revenue (ex-device) and EBITDA increased 2.1% and 2.3%, thanks to growth in subscriber base and core revenue; However, spectrum constraint, stiff competition and lower international business continued to outweigh on YoY performance

OpCos tracked well on revenue growth: Dialog, Robi and Smart continued to perform well with YoY revenue (ex-device) growing at 12.5%, 2.4% and 7.1% respectively

Axiata Digital benefitted from an increasingly cashless ecosystem and business digitisation: YoY revenue grew 30.5% with EBITDA and PATAMI YoY growth both at 72.6% and 72.3%, YoY GTV for DFS up 15.3%, Boost users up 1.2x to 8.9 million and Malaysian merchants up 1.5x to over 230,000 driven by jump in online transactions

edotco sustained solid EBITDA margin: YoY revenue and EBITDA rose 4.0% and 7.2% driven by business in its top two markets of Malaysia and Bangladesh; EBITDA margin expanded to 64.1% (+1.9 ppt). PATAMI grew 42.2%, limited impact from the military coup in Myanmar thus far

SoftBank invested RM250 million in ADA: On 11 May 2021, ADA announced a RM250 million investment from SoftBank Corp which will hold 23.1% of ADA, establishing a valuation of RM1.1 billion. This strategic alliance aims to accelerate the expansion of Axiata's digital and analytics business

Downside risk consequent to new wave of COVID-19: Key risk factor arises from resurgence of COVID-19 cases across our markets with re-introduction of lockdown or restricted movement, which may lead to slower-than-expected economic recovery

FY2021 Headline KPIs: Barring unforeseen circumstances, 2021 revenue (ex-device) and EBITDA growth are projected to be in line with Headline KPIs of low single digit percentage growth

Kuala Lumpur, 25 May 2021 – Axiata Group Berhad ("Axiata" or "the Group") kickstarted the year on solid footing for the first quarter ended 31 March 2021 (Q121) guided by the Axiata 5.0 vision aimed at transforming the Group into paying higher dividends by 2024.

Emerging from a challenging 2020 which bore the brunt of pandemic related challenges, revenue in Q121 held steady at RM6.1 billion, growing 0.5% year-on-year (YoY) given the resilient performance from most of its operating companies (OpCos), except XL[3] and Ncell[4] which faced intense competitive pressures in their respective markets. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) growth (+7.5%) outpaced revenue growth at (+0.5%) mainly driven by Celcom[5] and Axiata Digital[6], offset by forex translation impact due to Ringgit strengthening against OpCo currencies. Profit After Tax and Minority Interests (PATAMI), recorded at RM76 million for the quarter, was affected by lower one-off gains and accelerated depreciation of Celcom and Robi[7].

The Group's robust fundamentals strengthened by its focus on operational excellence to drive cash generation and profitability led to robust underlying performance. EBITDA growth YoY (+10.6%), outpaced revenue excluding device (ex-device) growth (+2.0%), with EBITDA margin at 44.4% (+2.9 ppt). Despite the RM126 million accelerated depreciation impact in Q121, PATAMI[2] surged 85.0% YoY, on the back of higher EBITDA contribution from all OpCos except XL and Ncell.[1]

Having successfully lowered gross debt/ EBITDA ratio to 2.5x and maintaining a cash balance of RM6.6 billion, the Group maintained a healthy balance sheet in Q121. Against an uncertain economic environment, its capital structure was well-managed with a good balance of 41% of loans held in local currency, 68% on a fixed interest rate and 25% on short-term maturity.

Digital Telcos[1]

Celcom's performance in Q121 continued to demonstrate improvements in subscriber, revenue and operational profitability measures, despite challenges in a highly competitive market. EBITDA improved YoY (+27.6%) mainly due to the absence of one-off items incurred in Q120. Adjusting for performance comparison, EBITDA grew (+6.6%) primarily due to improvements in credit management and staff costs. Total prepaid subscriber base grew by 893,000, total revenue (ex-device) remaining resilient in a declining market, with higher prepaid revenue being offset by significant decline in roaming related revenues. PATAMI dropped (-22.9%) from accelerated asset depreciation arising from the planned 3G shutdown. However, excluding these items, PATAMI rose (+13.2%) on the back of lower net finance cost.

---

[3] PT XL Axiata Tbk
[4] Ncell Axiata Limited
[5] Celcom Axiata Berhad
[6] Axiata Digital Services Sdn Bhd
[7] Robi Axiata Limited

Intense competitive pressures and weak consumer spending triggered by the pandemic led to **XL's** revenue (ex-device) slipping by 3.8% YoY. EBITDA margin, however, held at a strong 49.9% from lower operating costs. PATAMI dropped (-78.9%) compared to Q120 which saw a one-off gain from the sale and leaseback of telecommunication towers. As its 4G coverage reached 458 cities across various regions in Indonesia, XL Axiata continued to roll out network fiberisation to increase network capacity in anticipation for the 5G deployment.

Posting double-digit YoY growth across all metrics, **Dialog's**[8] revenue (ex-device), EBITDA, PATAMI and FCF increased by 12.5%,12.3%, 64.4% and 10.0% respectively on the back of higher contribution from all segments, coupled with consolidation of H One, a cloud solutions service provider acquired in January 2021.

Amidst stiff competition, **Robi** delivered 2.4% YoY growth in revenue (ex-device) for the quarter, aided by jump in data revenue growth (+16.3%). EBITDA grew (+3.1%), while EBITDA margin rose (+0.6ppt) to 41% as a result of lower marketing spend. PATAMI surged (+82.7%) despite the impact of accelerated depreciation stemming from the flow through of higher EBITDA, lower net finance cost, and taxation due to reduced tax rate applicable to listed companies following its IPO in December 2020.

Smart[9] maintained a steady pace for the quarter with revenue (ex-device) and EBITDA up 7.1% and 2.0% YoY, driven by data revenue. PATAMI declined (-31.1%) due to one-off impairment, excluding which the drop narrowed to 3.3%.

Spectrum constraints and stiff competition continued to weigh on **Ncell's** YoY performance, as revenue (ex-device) declined 12.5%, dragged by lower core and international long distance. Whilst EBITDA slipped (-10.7%) during the quarter, EBITDA margin expanded (+1.2 ppt) to 59.5% from lower direct and staff costs. PATAMI declined (-9.5%) due to flow through from the decline in EBITDA, cushioned by lower depreciation and amortisation (D&A) cost.

Digital Businesses

Encouraged by improvements in revenue as well as Operational Expenditure savings, **Axiata Digital's** YoY revenue grew (+30.5%), with both EBITDA and PATAMI increasing by 72.6% and 72.3%. For 2021, Axiata Digital plans to pursue a digital banking license in Malaysia, which will centre on bundling the various services that Boost and Aspirasi[10] currently offer into a unique digital bank proposition.

For the micro-financing business, as at 31 March 2021, **Aspirasi** funded 1,970 merchants, having disbursed 13,721 loans amounting to RM134.4 million. Under micro-insurance, it sold

[8] Dialog Axiata PLC
[9] Smart Axiata Company Limited
[10] Axiata Digital Capital Sdn Bhd

a total of 45,691 policies, recording 64.4x growth YoY. The company made the move to prioritise fully digital micro-financing and micro-insurance solutions for the underserved community in Malaysia. Correspondingly, in March 2021, Aspirasi introduced its first consumer financing in March, Aspirasi CashNow, with Lazada Malaysia for their customers. Consumers who choose to apply for Aspirasi CashNow will receive funds credited in their Lazada Wallet, along with a convenient and affordable monthly instalment.

Boost's Gross Transaction Value (GTV) expanded in Q121 (1.1x). Total users grew 1.2x to 8.9 million while total merchants increased 1.5x to 236,229 YoY. Active user spending increased by nearly 20% to an average of RM389 per week compared to RM326 per week a year ago. Boost has joined the DuitNow QR ecosystem to support the recovery of the Malaysian economy in a safer and contactless way, whilst also entering into significant new partnerships with Lazada and McDonald's, among others.

ADA[11] secured new clients under the 'Digital Analytics and Consulting' banner such as PETRONAS (Malaysia), OPPO and The Learning Lab (Singapore), Lazada (Indonesia), Cigna Insurance (Thailand) and AEON (Cambodia). New clients for its 'Digital Media and Creative' segment included brands such as, Nestle (Bangladesh), Tourism Authority Thailand (Thailand), International Labour Organisation (Cambodia) and San Miguel brands 'Star' and 'Veega' (Philippines). ADA's Marketing Technology solutions continue to secure large clients, and the announcement of the ADA and Insider strategic partnership has further solidified its position in helping enterprises drive data-led growth in marketing initiatives.

Infrastructure

edotco[12] sustained its solid EBITDA margin at 64.1% (+1.9 ppt) in Q121. YoY revenue and EBITDA grew 4.0% and 7.2% respectively driven by higher contributions across the footprint especially from its top two markets of Bangladesh and Malaysia. PATAMI increased (+42.2%) on the back of EBITDA improvement coupled with lower D&A cost and higher unrealised forex gain. There has been limited impact to PATAMI from the Myanmar coup thus far. Notwithstanding, edotco management is continuously monitoring the development of the situation in the country.

Commentaries

Tan Sri Ghazzali Sheikh Abdul Khalid, Chairman of Axiata said, "Having started the year on a strong footing despite the prevailing macro conditions, the Board is heartened to note the steady performance delivered across the Group since the start of the pandemic in March last year."

"We are cognisant of the increasing risks and unpredictable scenarios that lie ahead for the industry and our businesses. The region continues to grapple with multi-faceted challenges as each country battles to mitigate blows from the protracted COVID-19 crisis. Despite this,

---

[11] Axiata Digital Advertising Sdn Bhd
[12] edotco Group Sdn Bhd

we press on towards the realisation of our ambition to become The Next Generation Digital Champion by 2024. The Board will place strict emphasis in ensuring the relentless execution of the Axiata 5.0 vision which will keep us steady in these uncertain times.”

“With the proposed Celcom-Digi merger making good headway, we are resolute in our intention to secure positive outcomes for our customers and stakeholders as Malaysia takes bold leaps in realising our digital aspirations.”

Dato’ Izzaddin Idris, President & Group Chief Executive Officer of Axiata said, “The encouraging start to the year, as reflected by steady EBITDA growth and improved profitability is testimony that we have the right strategy in place to support our immediate to mid-term goals. I am particularly assured to see our operating companies rise up to the challenges of intense market pressures, to exhibit resilience in their capacity to stay competitive and operationally efficient.”

“Whilst the results for the first quarter are encouraging, we remain circumspect in our outlook for the second quarter and beyond, especially given the resurgence of movement restrictions and its strain on economic recovery.”

“Other areas we continue to monitor include challenges from the 3G shutdown in Malaysia and heightened competition subsequent to new spectrum allocation in Indonesia. Despite the current limited impact to edotco, we are keeping a very close watch on the socio-political developments in Myanmar and will continue to assess any business, operational, and financial risks that may arise.”

“Among upsides, we look forward to the improved Ncell network from the 900MHz spectrum award and market share gain for XL despite the continuing intense competition. The recent RM250 million capital boost from SoftBank Corp into ADA provides strong growth impetus for the data analytics & AI businesses, now valued at RM1.1 billion.”

-END-

About Axiata
As one of the leading telecommunications groups in Asia in pursuit of its vision to be The Next Generation Digital Champion by 2024, Axiata has transformed itself from a holding entity with a portfolio of pure-play mobile assets into a Triple Core Strategy driven business focusing on Digital Telco, Digital Businesses and Infrastructure.

Within ASEAN and South Asia, the Group has controlling stakes in market-leading mobile and fixed operators in the region including 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. Axiata is actively spearheading efforts to transform its mobile-centric operations into digital converged companies.

Axiata Digital, the digital services arm of Axiata is focused on two digital business verticals namely Digital Financial Services ('Boost', ‘Aspirasi’) and Digital Analytics & AI ('ADA').

'edotco', the Group's infrastructure company, operates in eight countries to deliver telecommunications infrastructure services, amassing approximately 32,800 towers. Presently the 16th largest independent tower companies globally, it aims to be one of the top regional telecommunications tower companies and is committed to responsible and sustainable business operations.

As a committed and long-term investor, and in line with its sustainability goals, the Group actively supports and drives young talent development; disaster response and recovery; as well as green initiatives. Axiata's broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent.

Issued By:
Corporate Communications,
Axiata Group Berhad
Axiata Corporate Headquarters, Axiata Tower,
9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral.
50470 Kuala Lumpur

For media enquiries, please contact:
Anuja Ravendran
Corporate Communications
Tel: +6012-2380581
Email: anuja@axiata.com