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Axiata posts 1H25 profit of RM431 million declares dividend of 5.0 sen

Strong Quarter-on-Quarter Operational Performance, Improved Cash Flow
and Net Gains from continuous execution of Group's 5*5 strategy

Key Financials for 1H25

- Reported PATAMI surged by more than 100% YoY to RM430.7 million.
- The Group generated an increase in operating free cash flow after leases of RM868.7 million, an increase of over 90% YoY.
- Cash balance stands at RM4.9 billion, underscoring a strong and resilient balance sheet.
- On a constant currency basis, revenue recorded a marginal 0.9% YoY decline, compared to a sharper 10.0% drop on a reported basis, as the Ringgit strengthened against all operating currencies. On the same basis, EBITDA improved by 2.3%.
- On a QoQ basis for continuing operations, revenue improved by 2.6% and EBITDA by 18.1%.
- Underlying PATAMI of RM203.7 million increased by 39.0% YoY, mainly due to a rise in EBIT and lower net finance costs.
- Net Debt/EBITDA improved to 2.76x, attributed to reduction in debt and leases after the deconsolidation of XL Axiata and the improved cash position.
- The Group received RM1.0 billion in YTD dividends from all operating companies including CelcomDigi.
- Axiata declares first interim dividend of 5.0 sen per ordinary share.

Key Highlights for 1H25: Axiata 5*5 Strategy in Action

Synergies delivery of CelcomDigi¹

- **CelcomDigi sustains revenue growth and improves profitability as it progresses on integration journey.** It continued to see positive momentum in postpaid mobile, home & fibre and enterprise solutions business. Profits rose 5.1% YoY while net merger synergies reached approximately RM1.7 billion to date, underscoring the success of integration efforts, with the company on track to achieve steady-state cost savings of RM700–800 million by 2027.

Structural Transformation in Indonesia

- **XLSMART² surges ahead with broader mobile customer base.** Following a successful merger which unlocked USD400 million in equalisation payments and generated RM505 million in disposal gain, XLSMART expanded its mobile subscriber base by 40% in the second quarter of 2025. Network integration is progressing, driving momentum in infrastructure modernisation and XLSMART's ability to build a high-capacity, future-ready

¹ CelcomDigi Berhad

² PT XL Axiata Tbk (known as PT XLSMART Telecom Sejahtera Tbk from 16 April 2025)

network across Indonesia. Its enhanced market positioning via a three-brand strategy and wider footprint further reinforces its competitive edge.

Building Business Resilience in Frontier Markets

- **Frontier markets deliver strong profit growth and positive cash flow.** Robi³, Dialog⁴, and Smart⁵ continue to demonstrate resilience and operational strength across their respective markets. All three posted strong QoQ profit growth, supported by positive organic momentum with Dialog reaping the benefits of successful in-market consolidation in Sri Lanka. Robust operational execution including stronger ARPU contributed to strong results. Collectively, the frontier entities maintained a resilient balance sheet, ending the period with a net USD cash position of USD165 million, underscoring their financial strength and derisking currency volatility.

Creating sustainable value through infrastructure

- **EDOTCO⁶ sustains stable tenancy ratio with healthy order book, reinforcing infrastructure strength.** Despite weaker revenue, EDOTCO posted an over 100% growth in PATAMI. It used proceeds from the sale of its Myanmar operations to reduce debt and fund working capital needs. The company has a healthy orderbook and pipeline for both build-to-suit (“BTS”) and colocation towers.
- **Linknet⁷ advances its build-to-suit initiatives and expands ISP partnerships.** Linknet is transitioning into a wholesale fibre company following the carve-out of its retail segment in 2024. Excluding residential retail business transferred to XLSMART in September last year, YTD revenue rose 47.1%. The company is now focused on expanding its Internet Service Provider (“ISP”) client base. However, its order book from XLSMART has been slower than expected.

Illuminating the value of digital businesses

- **Boost’s⁸ loan book grows on the back of increased deposits.** Boost Bank’s loan book expanded significantly to RM167 million as of June, up from RM17 million in January, supported by strong deposit growth. Boost Bank continues to invest in talent and system as it scales operations. Meanwhile, non-bank losses narrowed, with the segment on track to break even by the end of 2025 on a run rate EBITDA basis.
- **ADA⁹ delivers strong EBITDA growth.** Despite slightly weaker revenue, the firm posted a 25.0% and 47.4% increase in EBITDA and EBIT respectively, supported by growth in the platform and solutions segments.

KUALA LUMPUR, 28 AUGUST 2025 – Axiata Group Berhad (“Axiata” or “the Group”) today released its financial results for the first half of 2025, highlighting strong profit growth and solid operational and financial performance. The Group posted RM431 million in profits, driven by strategic gains, disciplined cost management, significant debt & leases reduction and broad recovery across its frontier market assets.

³ Robi Axiata PLC

⁴ Dialog Axiata PLC

⁵ Smart Axiata Company Limited

⁶ EDOTCO Group Sdn Bhd

⁷ PT Link Net Tbk

⁸ Boost refers to Boost Holdings Sdn Bhd and its subsidiaries

⁹ Axiata Digital & Analytics (known as ADA Data AI Solutions Sdn Bhd from 14 May 2025)

Profit After Tax and Minority Interest (“PATAMI”) soared by over 100% year-on-year (“YoY”) to RM430.7 million. On constant currency, revenue slid by just 0.9% YoY due to strong contributions from Dialog, Boost and Smart. However, the stronger Ringgit, notably against the Bangladeshi Taka and Indonesian Rupiah led to a 10.0% decline in reported revenue.

Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) dipped by 8.5% on a reported basis, yet rose to 2.3% on constant currency, due to improved cost efficiencies across OpCos while normalised Earnings Before Interest and Tax¹⁰ (“EBIT”) improved by 8.4%.

Underlying PATAMI¹¹ soared by 39.0% to RM203.7 million, flowing from higher EBIT and lower net finance costs.

Axiata reduced its debt by RM5.1 billion in the first half of the year, improving its Net Debt/EBITDA ratio to 2.76x despite lower annualised EBITDA. This improvement is largely attributed to a reduction in holding company debt via the repayment of the Multi-Currency Term Loan (“MCTL”) of USD250 million from the partial utilisation of the USD400 million proceeds received from the equalisation payment arising from the XLSMART merger. Total Group debt and leases also reduced following the deconsolidation of XL.

Additionally, lower capital expenditure of RM644.4 million across operating companies helped drive cash flow higher to RM868.7 million, reinforcing the Group’s strong liquidity position.

The Group’s strong first-half results were anchored by deliberate portfolio actions:

- **Realising Full Synergies from Jointly Controlled Entities:** The Group recognised RM170.8 million in share of results from CelcomDigi and XLSMART. CelcomDigi sustained its revenue growth with its integration milestones on track, while XLSMART is delivering against FY25 guidance of USD100–200 million in gross merger synergies. Full synergy benefits across jointly controlled entities (“JCE”) are expected to materialise by 2027.
- **Driving Profit Growth in Frontier Markets:** Dialog, Robi, and Smart delivered solid profit growth, supported by rising average revenue per user (“ARPU”) and successful market consolidation.
- **Illuminating and Monetising Infrastructure Assets:** EDOTCO’s divestment of its Myanmar tower assets resolved a major compliance and governance risk, enhancing its strategic positioning and overall corporate value. Meanwhile, Linknet advanced its build-to-suit (“BTS”) expansion and new Internet Service Provider (“ISP”) partnership.
- **Building Value Within Digital Companies.** ADA and Boost continued to build momentum and scale, with all other digital businesses (excluding Boost Bank) on track to achieve targets by 2025.

Reflecting strong cash generation and operational excellence, Axiata received RM1.0 billion in dividends from its operating companies in the first half of 2025. These results reflect the Group’s progress in transforming into a Converged Connectivity Leader in Southeast and South Asia, with a focus on improving cash flow, enhancing shareholder returns, and delivering sustainable profits.

Commentaries

¹⁰ Normalised EBIT excludes goodwill impairment

¹¹ Underlying PATAMI excludes forex-related causes (forex/derivative gains/losses, hedging costs), PPA amortisation, accelerated depreciation of assets and goodwill impairment.

Tan Sri Shahril Ridza Ridzuan, Chairman of Axiata said, “Our strong performance reflects Axiata’s disciplined execution and strategic clarity. We are encouraged by the progress in our key markets and portfolio of assets. The dividends of RM1 billion received year-to-date underscore our strong financial performance and our commitment to shareholder returns.”

“We are confident that the Group’s strategic realignment and financial discipline will deliver positive outcomes for our shareholders, including a progressive increase in dividends and a stronger balance sheet. In light of this, the Board is pleased to declare a first interim dividend of 5.0 sen per ordinary share, reinforcing Axiata’s commitment to shareholder returns.”

Vivek Sood, Group Chief Executive Officer and Managing Director of Axiata said, “Axiata’s performance reflects the strength of our strategic realignment and disciplined execution, with a clear emphasis on operational excellence, improved market structure, and strengthening of the balance sheet.”

“By repositioning our portfolio into long-term strategic businesses and medium-term monetisable assets, we are sharpening our focus on connectivity and convergence while illuminating and unlocking value across Axiata’s infrastructure and digital verticals.”

“The completion of the XLSMART merger and our exit from Myanmar reflect decisive actions under our 5*5 strategy, removing structural risks and enhancing our financial flexibility. With all our mobile markets now consolidated down to three players, we are seeing greater market stability.”

“In the second half of 2025, Axiata will intensify its commitment to portfolio objectives by prioritising improved cash flow and enhanced yield. Our key priorities will include driving operational performance and executing necessary portfolio moves to ensure optimal capital allocation in line with our strategic objective of enhancing dividend yield.”

Appendix: Operating Company Performance Summary

Performance insights for each operating company are provided below.

Digital Telcos¹²

CelcomDigi sustains revenue growth with integration progressing as planned. YTD revenue growth of 1.8% was supported by strong gains in mobile postpaid, home & fibre and enterprise solutions, while prepaid performance was softer. Profitability improved with EBIT rising by 16.5% and PAT up by 5.1%, reflecting operational efficiencies. Integration efforts remain on track, with the company targeting RM700–800 million in steady-state savings by 2027. CelcomDigi also announced an interim dividend of 3.8 sen per share for Q2 2025.

XLSMART delivers revenue growth with synergy on track. Revenue growth of 12.0% YoY was driven by a stronger mobile base. Integration costs of IDR379 billion and accelerated depreciation of IDR739 billion impacted profitability, resulting in a slight 1.7% decline in EBITDA and an over 100% drop in profits after tax for the quarter.

Robi navigated macroeconomic pressures with a focus on cost efficiency. While macroeconomic pressures persist, cost efficiency measures helped sustain EBITDA which held steady, while EBIT improved by 6.1%, benefitting from reduced D&A. PATAMI surged by 78.8% to BDT3.8 billion,

¹² Growth numbers for OpCos infrastructure assets are based on results in local currency in respective operating markets

supported by lower finance costs and tax efficiencies. Quarter-on-quarter, revenue grew 9.1%, driven by strong performance in both voice and data segments. This was underpinned by a net addition of 1.03 mil subscribers QoQ and an 8.6% jump in ARPU.

Dialog delivered a strong performance led by mobile growth and integration synergies. YTD revenue increased by 5.9%, driven by a robust 33% growth in the mobile segment with 18% organic growth and an additional 15% from Airtel consolidation. ARPU increased by 18.0% YTD while EBITDA rose by 50.3%, supported by disciplined cost management and lower network and electricity costs. This translated into an over 100% YTD growth in both EBIT and PATAMI, reflecting strong operational leverage.

Smart continues stable growth trajectory with increased ARPU. YTD revenue grew by 3.0% on the back of continued growth in the prepaid and enterprise segment. Efficient sales and marketing spend contributed to EBITDA growth of 5.9%, driving overall bottom-line improvement. Blended mobile ARPUs rose 12.2% YTD, reflecting improved monetisation.

Infrastructure¹³

Linknet's FibreCo transition continues to gain traction, with strong progress in build-to-suit deployments and ISP acquisitions. While overall revenue declined 14.0% YTD, FibreCo-specific revenue grew by 47.1%, reflecting momentum in its wholesale fibre transition. Similarly, overall EBITDA fell 51.4%, yet FibreCo-specific EBITDA rose by 10.0%, supported by targeted infrastructure growth. High D&A charges linked to network investments impacted EBIT and flowed through to PATAMI, which declined by over 100%, despite lower net financing costs.

EDOTCO sustained a stable tenancy ratio with PATAMI increasing by over 100%. YTD revenue declined, mainly due to the stronger Ringgit against regional currencies. Organic growth and operational excellence helped cushion the impact, resulting in improved EBITDA margins. EBIT rose by 22.8%, driven by lower D&A following a change in tower useful life. PATAMI surged by over 100%, driven by forex gains and lower net finance costs.

Digital Businesses

Boost: Bank continues to increase its loan book. YTD revenue grew by 48.3%, driven by both bank and non-bank segments. Boost Bank continues to grow its deposits and loan book, contributing to strong revenue momentum. As it scales, the bank continues to invest in talent and systems to support its expansion. On the non-bank side, while losses persist, these have narrowed as operational efficiencies continue to improve.

ADA posts strong EBITDA while PATAMI declines due to forex losses. YTD revenue declined by 2.3%, impacted by reduced demand in customer engagement services and digital marketing solutions. Strict cost management delivered strong improvements in YTD EBITDA and EBIT with 25.0% and 47.4% YTD growth respectively. PATAMI declined by 16.0%, primarily due to foreign exchange losses in YTD25.

- Ends -

¹³ Growth numbers for infrastructure assets are based on results in local currency in respective operating markets

About Axiata

Axiata is a leading Converged Connectivity Group in Southeast and South Asia, strategically blending its digital telco operations with digital businesses and infrastructure. With two jointly controlled entities in Malaysia (CelcomDigi) and Indonesia (XLSMART), the Group holds controlling stakes in mobile and fixed operator companies in Sri Lanka (Dialog), Bangladesh (Robi), and Cambodia (Smart).

Axiata's regional digital business verticals comprise Boost a fintech company, and ADA, a digital analytics and AI company. Linknet, its fibre broadband company based in Indonesia and EDOTCO, the sixth largest independent tower company operating across nine countries, complement Axiata's portfolio, ensuring robust connectivity and infrastructure support across the region.

Axiata, a committed long-term investor, empowers regional progress by championing innovative technology and bridging the digital divide. The Group actively supports young talent, communities, and climate initiatives, striving to unite the region's best in innovation and connectivity to foster a thriving, inclusive, and sustainable future across its markets. Find out more at www.axiata.com

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