



Axiata Analyst & Investor Day 2022

Axiata end game: Unlocking future value

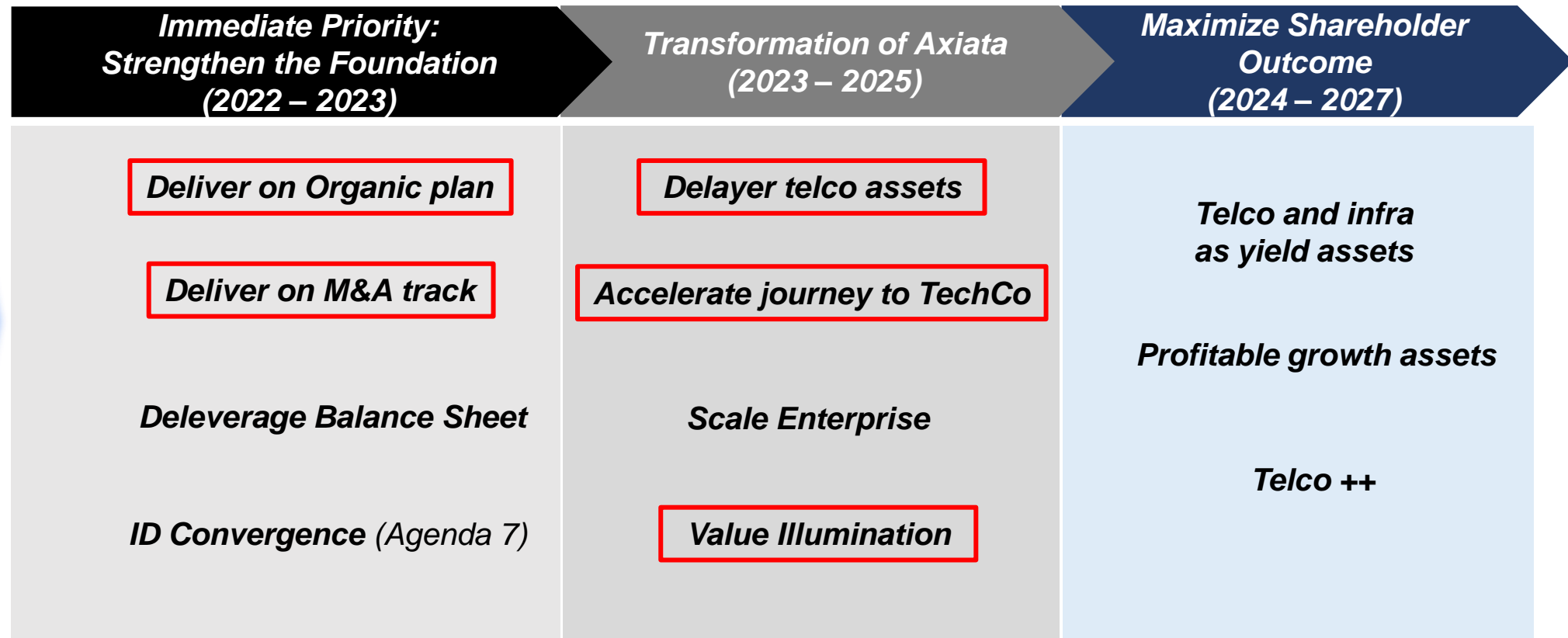
Dr Hans Wijayasuriya
Vivek Sood
Joint Acting Group CEO


Axiata end game : Backdrop, immediate action plans and unlocking future value

We are executing well to strengthen the foundation, where Axiata is likely to be ahead of 2022 Headline KPIs, coupled with completion of several strategic M&A transaction this year. Pivoting from Axiata 5.0 as we adjust to market realities and to capture post-pandemic growth opportunities.

Externalities (2019-2021)

- Pandemic
- Macro economic
- Regulatory



 Focus discussion

Strengthen the Foundation (2022-2023): Deliver on organic plan

Revenue ex-device and EBIT growth projected to be ahead of Headline KPI 2022, with further uplift in 3Q22 from the consolidation of Link Net's financials. Capex ex-tower acquisitions in Philippines, is also in line.

	FY22 Headline KPIs @ constant rate³	Guidance
Revenue growth¹	Mid single digit	Likely above
EBIT growth	High single digit	Likely above
Capex²	RM7.1bn	In line

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)

Strengthen the Foundation (2022-2023): Deliver on M&A track

This year, we have completed 4 major inorganic growth initiatives including securing digital bank licence in Malaysia, acquisition of fixed broadband player in Indonesia, acquisition of towers in Philippines, and Celcom-Digi merger. Albeit higher leverage in the near term, all these strategic initiatives are to future proof Axiata and aligned with Axiata 5.0.

April 2022

Boost-RHB consortium wins digital bank licence in Malaysia



Pivot to attractive financial products opportunity, value illumination

September 2022

Axiata completes mandatory takeover offer for Link Net



linknet

Prioritise fiber and convergence opportunity

October 2022

Edotco acquired ~2000 towers from PLDT in Philippines



Pivot from frontier to emerging markets

November 2022

Completed merger of Celcom & Digi



Celcom

Digi

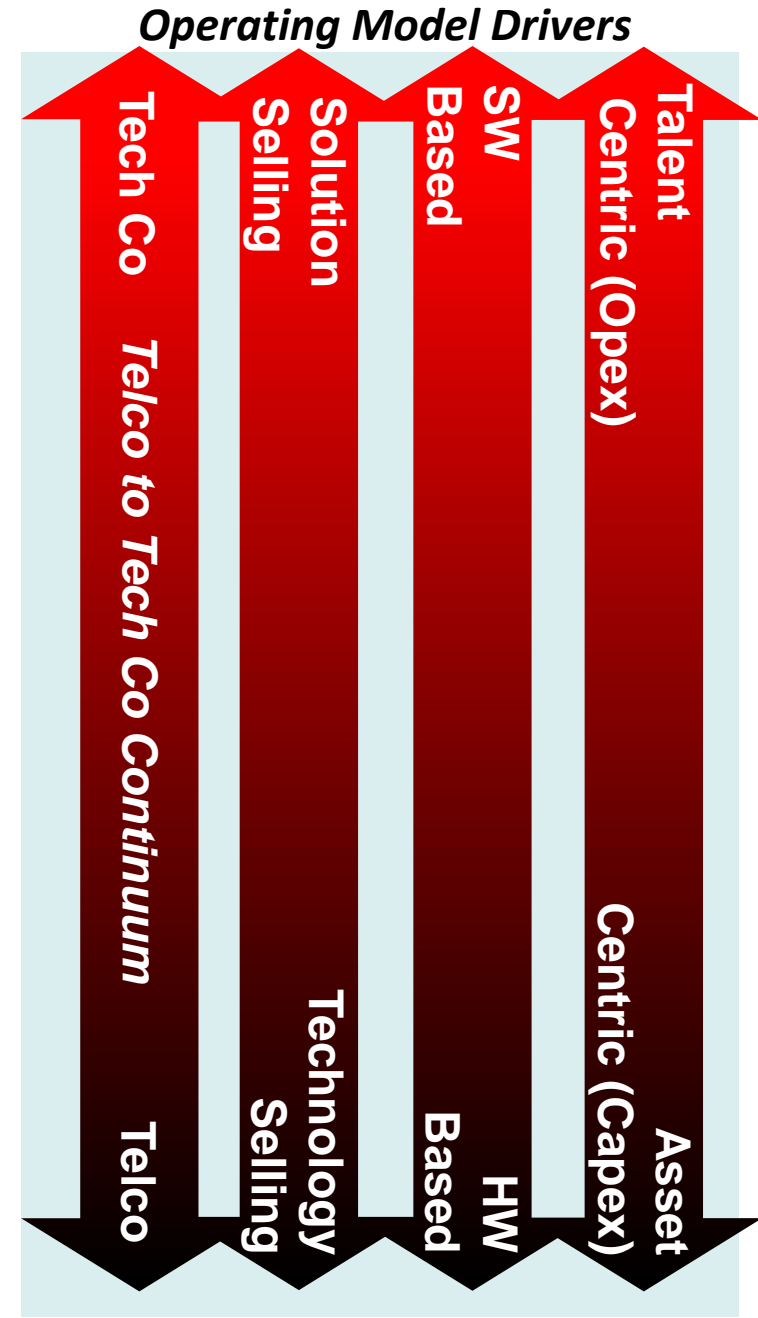
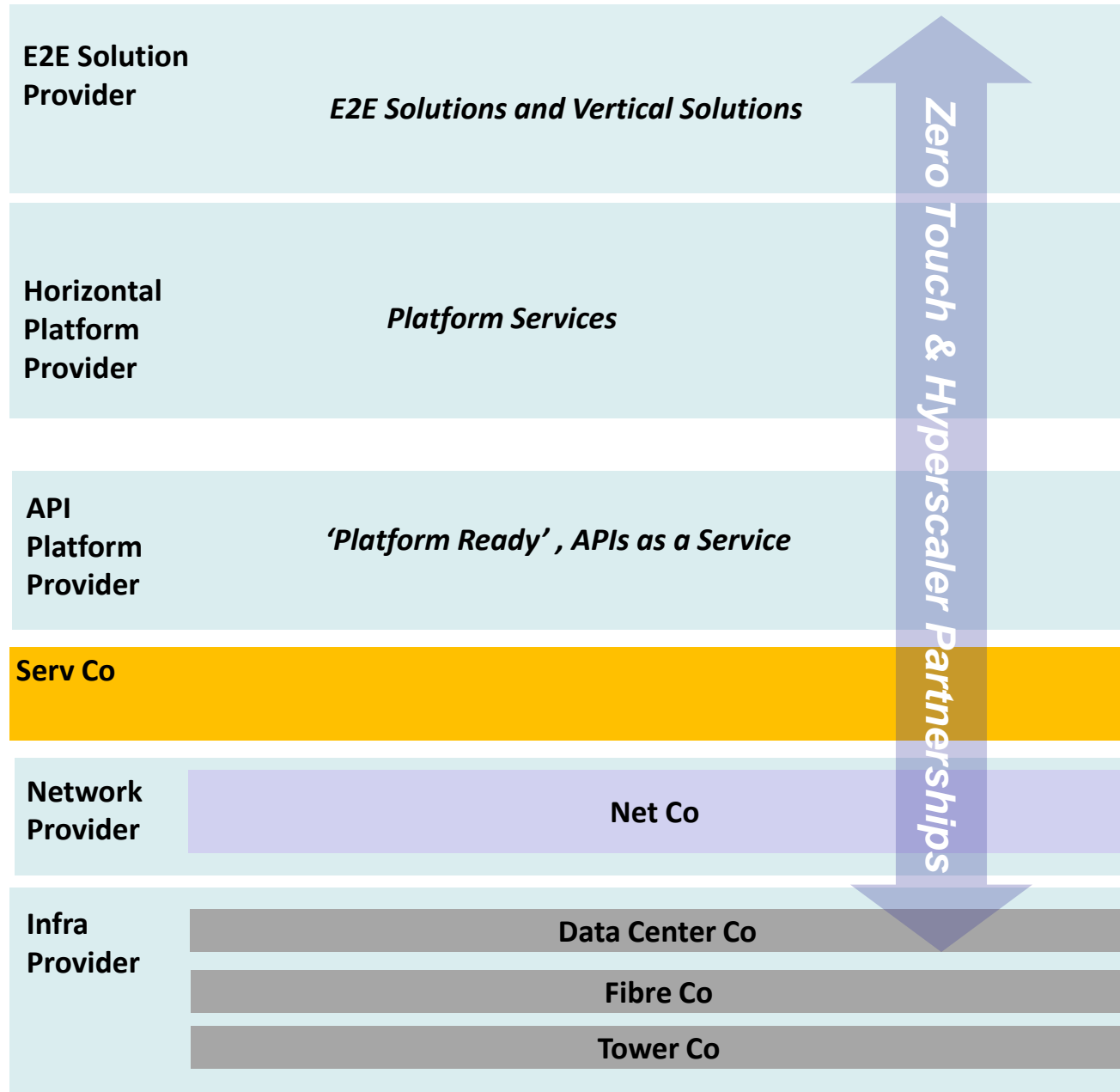
Celcom Digi Berhad

Future proofing, economies of scale in low growth market

Axiata's Structural Transformation Agenda will Focus on Curing Handicaps while Capitalising on Inherent Strengths

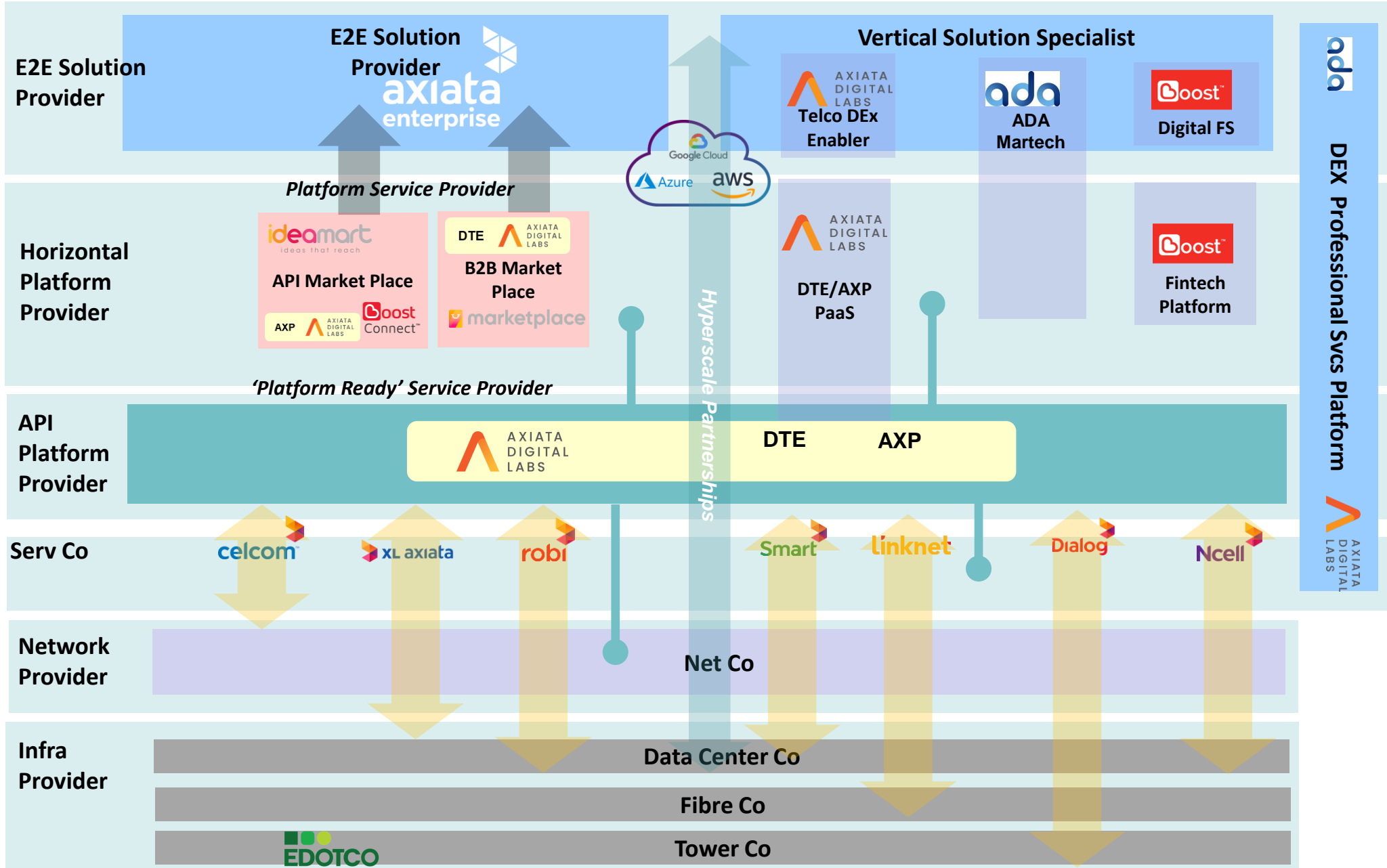
- Telco Multiple does not Translate Axiata's Portfolio Strengths into Shareholder Value - Conglomerate Discount a Significant handicap
- Axiata is a strong believer in the thesis of **De-layering** and Forging **Clarity** in Asset Definitions and Classes
- Signals Shifting Capital and Growth along the **Telco–Techco Continuum** (a.k.a. shift from a CSP to DSP - **Connectivity to Solutions**)
- Axiata has been a **Pioneer in Delivering on a De-Layering Agenda** - edotco commencing 2013 **Digital Businesses** 2014 onwards
- The 2023-25 Structural Agenda will aim to **Broaden Application** and **Accelerate Execution** with Focus on Growth Opportunities, Value Creation and Illumination
- The De-layering promise points to attractive illumination Opportunities e.g. 16-25x EV/EBITDA for FibreCos and NetCos, 24x for Platform, and 17x for Solutions.
- ... But Real Value will be Contributed only if the Concept reaches **beyond Financial Engineering** - **“Platforming”**, **Talent Centricity, Scale, Multi-Tenancy** and Utilisation Critical Factors for Success

The Combine of De-Layering and Telco-Techco Transition Provides a Template for Axiata's Structural Agenda

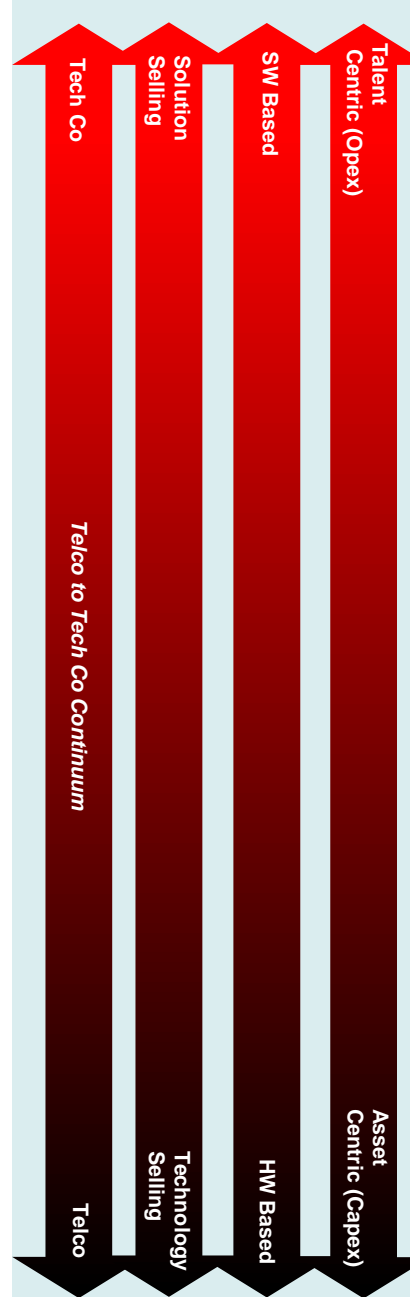


Axiata Assets Viewed from the Lens of De-Layering and the Telco-Tech Journey

Opportunity - a "Delayed" and Platform Based Formulation to Capture Future Growth while Illuminating the Parts



Operating Model Drivers



Solid Proof Points w.r.t Axiata's Progress along Delayering & TelCo-TechCo Journey & Capability to Win

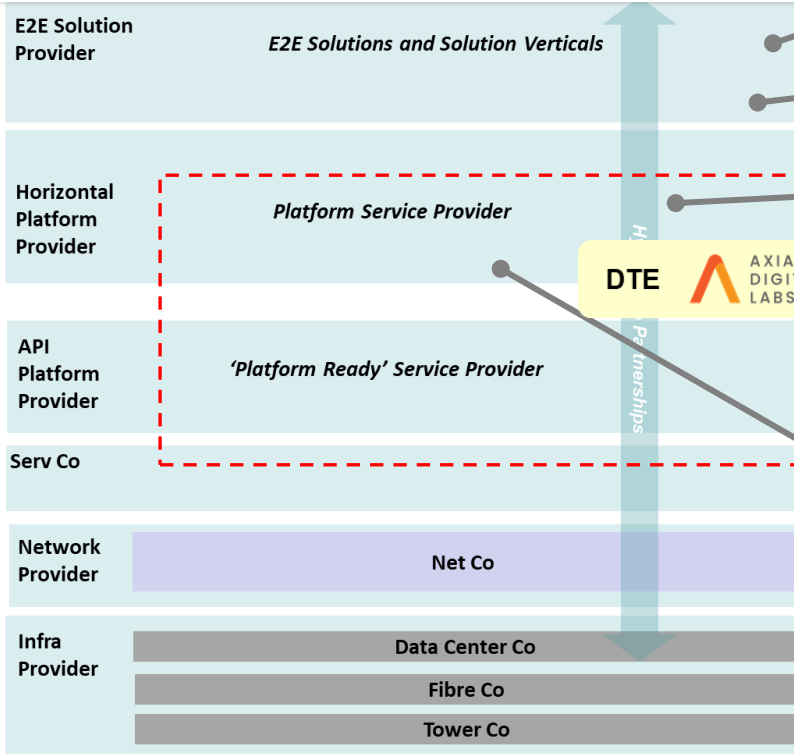
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Axiata Group Among First Three Telcos Globally to Achieve TM Forum's 'Running on ODA' Status

Kuala Lumpur, 14 October 2022 – Axiata Group Berhad (“Axiata” or “the Group”), one of Asia’s leading telco groups serving over 163 million subscribers, announced today that it had been named by the TM Forum as one of the first three telcos globally to earn ‘Running on ODA’ status. This award recognises Axiata’s architectural shift to the status of an agile Digital Telco driven by its success in building a Telco Operations framework based on TM Forum’s Open Digital Architecture (“ODA”) standards across operating entities in multiple Asian markets.

TM Forum announced the industry leaders in ODA deployment at its Digital Transformation World 2022 conference in Copenhagen, Denmark, placing Axiata, Jio and Vodafone Group in the spotlight as the first three telcos globally to achieve ODA deployment at scale.

Nik Willetts, Chief Executive Officer of TM Forum, said “The new Running on ODA mark recognises service providers who have demonstrated, through rigorous assessment, their deep expertise and ongoing commitment to the development, use and conformance to ODA. “Congratulations to the



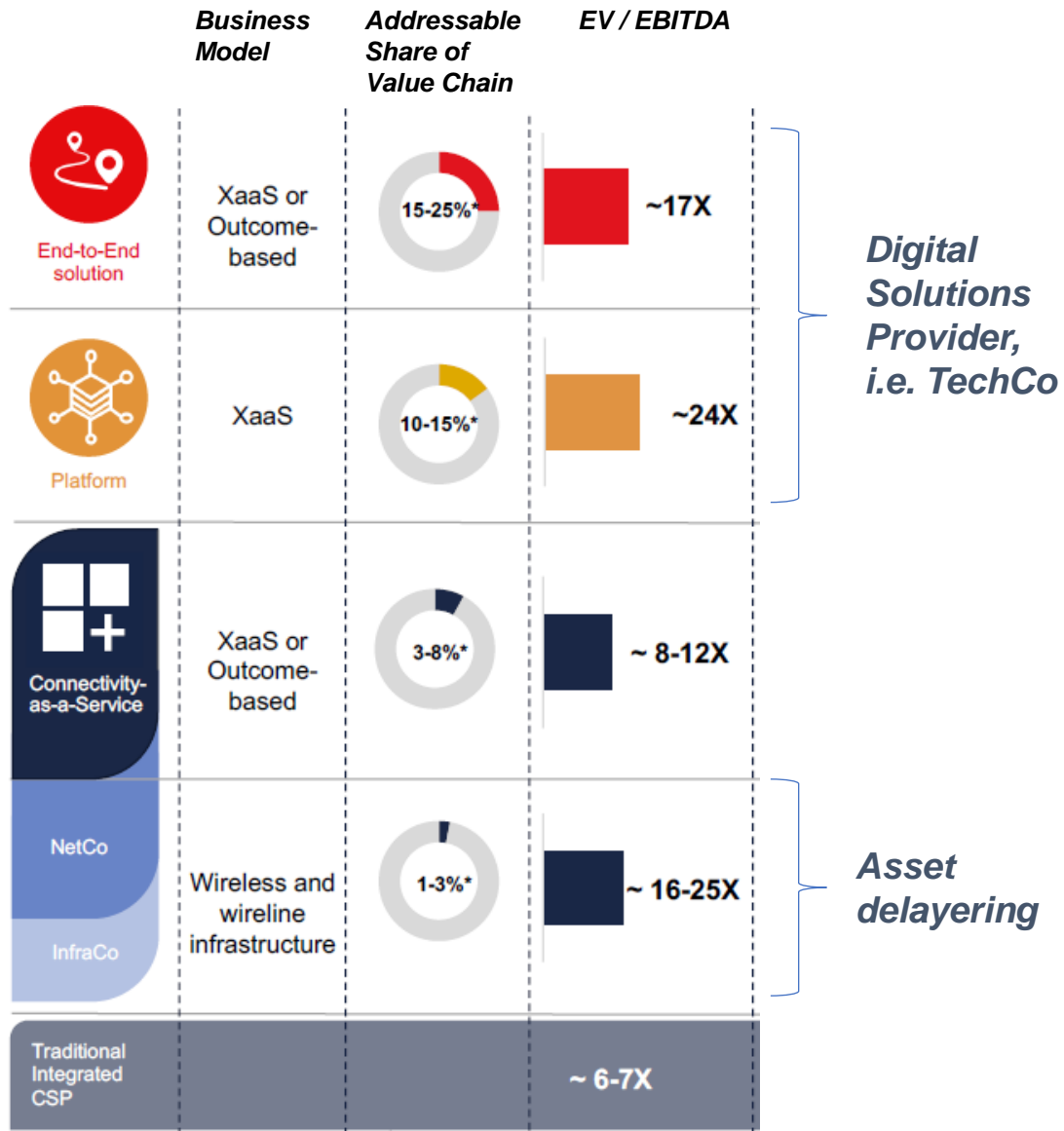
Making ODA come to Life, 3000+ Micro Services and 6000 APIs across 6 markets

Over 70,000 Developers on Axiata API Platforms



- Fastest Growing Mar-tech & Digital Analytics & Marketing Company in Asia
- **Investor Validation** – USD 20Mn (Sumitomo) and Softbank (USD 60m) translating into valuation of USD260m.
- Digital Bank License
- **Investor Validation** – USD 70Mn from GE, translating into valuation of USD320m.
- 1300+ SW Engineering Lab Taking Back Control of IT stacks & Building Principle Assets in TechCo Stack
- Tenancy Ratio – 1.62x
- Towers Growth > 2X to 31.8k
- **Investor Validation** – USD 700 Mn in 2017

Financial & Strategic Rationale for Structural Transformation



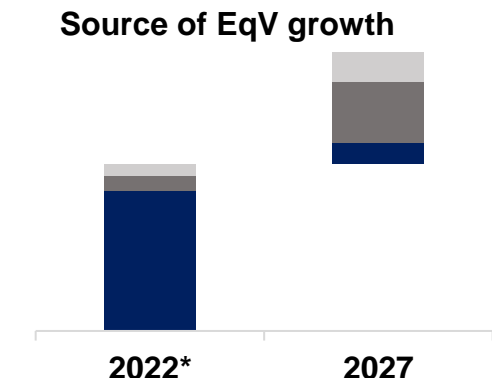
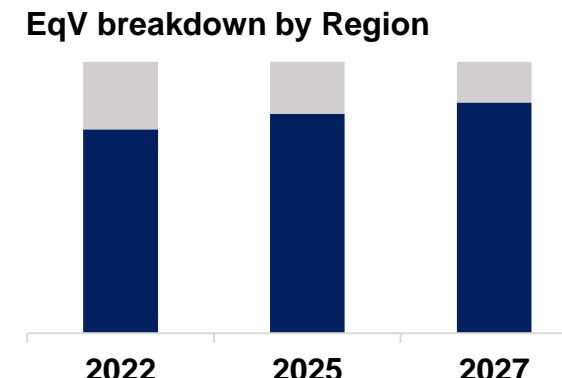
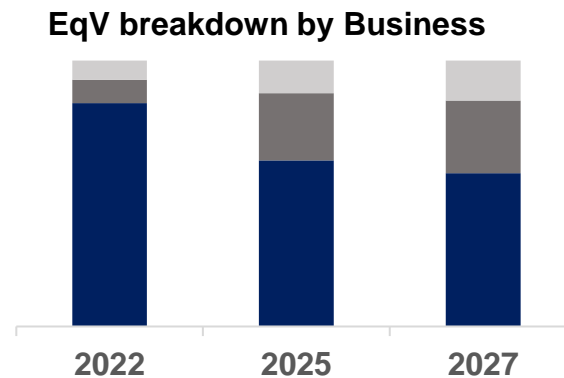
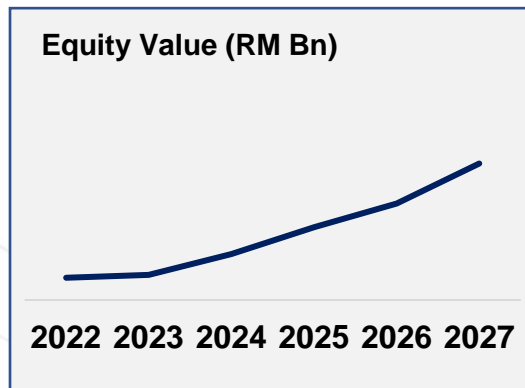
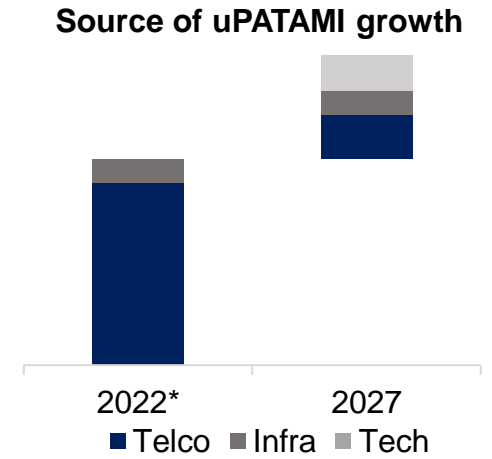
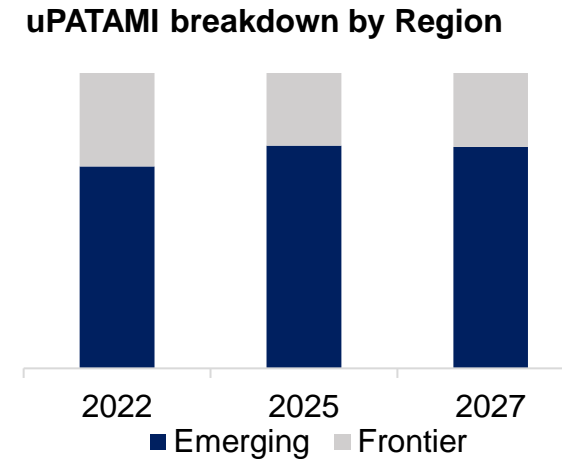
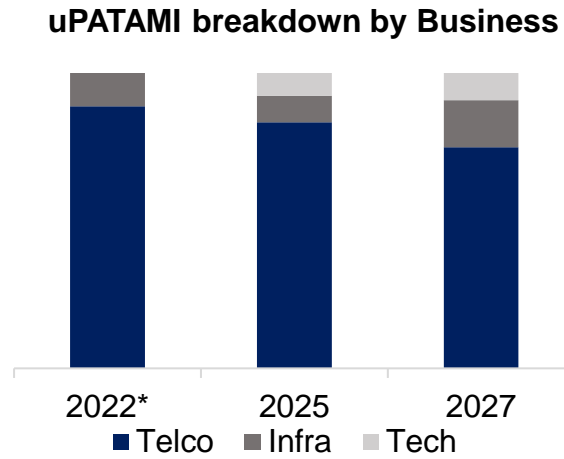
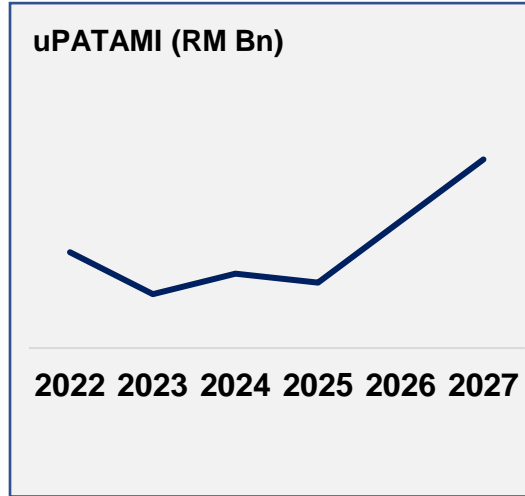
Financial rationale

- 1 New revenue opportunities
- 2 Higher Capital Efficiency & improved ROIC
- 3 Higher profitability
- 4 Higher Capital Appreciation resulting from higher SOTP

Non-financial / Strategic rationale

- 1 Delaying leads to **specialization and greater efficiency**. CAPEX shared and better monetized with partners and tenants
- 2 Platform & Solutions will be table-stakes in the future
- 3 Attract new digital talent
- 4 Internal transformation

While Near Term Initiatives will Pressure uPATAMI, Value illumination of new growth areas which command premium valuation multiples, will drive higher SOTP for Axiata.





Thank you