

EDOTCO:

Value illumination and path to monetisation

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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.



- A. EDOTCO Group's Journey transitioning to a balanced growth
- B. Strategic initiatives to drive value creation in the past three years
- C. Portfolio optimisation and monetisation
- D. Mitigation actions to address identified risks
- E. Key value drivers for Malaysia
- F. Key Takeaways

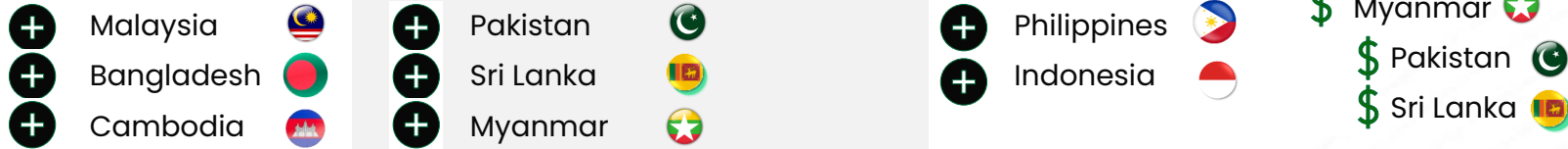
EDOTCO's Journey – Transitioning to balanced growth in the next phase

Ready for value creation & monetization on the back of positive sustainable historical growth

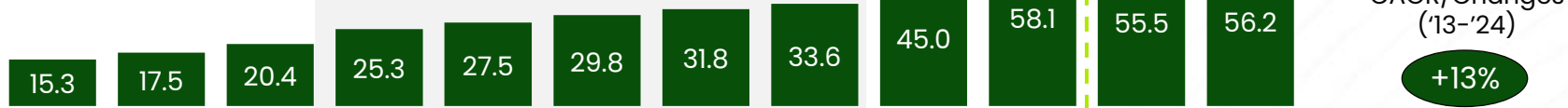


Timeline 2013-2026

Market Portfolio



Owned and Managed Towers, # ('000)



Colo Ratio, x



Revenue, US\$ mn



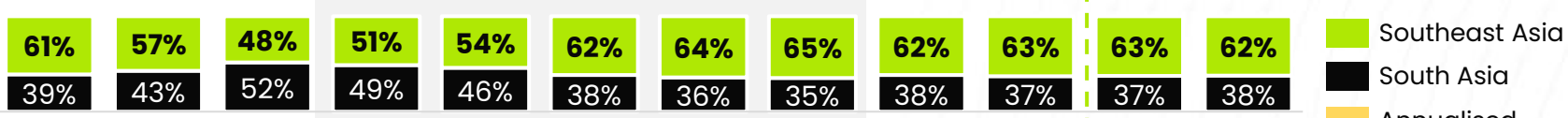
EBITDA, US\$ mn



EBITDA Margin, %



Rev. contribution, Southeast Asia vs. South Asia, %



1. Groupwide Focus for EDOTCO 4.0:

- Enhancing yield and maximising dividend for core markets
- Growth in new markets
- Monetisation of non-core assets
- AI, analytics-driven initiatives to drive operational excellence

2. Colo ratio continuously increased from 1.30x to 1.66x

3. EBITDA Margin has increased from 41% to 70%

4. Portfolio rebalancing towards Southeast Asia

Sources: Audited FS; Axiata / EDOTCO Data Financials; Constant FX = 4.5
Notes: 1. Data for Y2023-Y2024 exclude Myanmar; 2. Annualised revenue & EBITDA contribution for Y2024 based on first 9 months



Portfolio optimisation & rebalancing

- **Rebalancing portfolio** – expansion in Southeast Asia i.e. PH & ID
- **Win-win CD merger** resolution (MY)
- **Strategic acquisition** to strengthen leadership in Malaysia – Touch Mindscape & D’Harmoni’s towers
- **Myanmar exit strategy** – signed SPA



Yield focus

- **Biggest TowerCo partner** for 5G rollout in Malaysia
- **PAT turnaround for all NTCs** except PH achieved positive PAT by Q3 '24
- **Deliver highest incremental colocation in the region** +0.24x through proactive marketing
- **Dynamic repricing** program across NTCs
- **Selective build** in Frontier Markets



AI-driven initiatives & operational excellence

- **Data-driven analytics** to drive cost efficiency
- **Digital Twin** Creation of the Tower Network
- **Energy Analytics** with AI-integrated platform
- **Uberisation:** Mobile connected work force
- **Next-Gen NaPA+:** Gen AI capability to proactively plan new sites

Portfolio Optimisation & Monetisation

EDOTCO Group's portfolio categorisation for growth, core, and monetisation-ready



Growth Markets

- Philippines
- Indonesia



Core Markets

- Malaysia
- Bangladesh
- Cambodia



Ready for Monetisation

- Myanmar
- Pakistan
- Sri Lanka

- ▶ Growing **faster** than market
- ▶ Driving **operational excellence**
- ▶ Drive **towerco in-market consolidation**
- ▶ Opportunistically scale up via future **transformation deals** (ID)

- ▶ Consolidate **market leadership** position while managing **industry impacts** (e.g. merger and capitalizing on **key industry developments** (e.g. 5G play))
- ▶ Enhancing **yield** and maximising **dividend**
- ▶ Exploring new **business/operating/pricing models**

- ▶ Complete the **sale process** in Myanmar
- ▶ **Self-sustaining** and **profitable** operations
- ▶ Continue **yield enhancement** and **operational excellence**

A Balanced **Growth** and **Yield** Play in the **Focused Portfolio**

Risk parameters

Portfolio
Frontier vs Emerging
Markets Exposure

Industry
CelcomDigi merger
impact

Country
Myanmar exit

Business
Yield & Balance Sheet
Management

Financial
FX and Interest Rate
volatility

Specific mitigation strategies

- i. **Portfolio pivot** towards Growth market in lower risk premium regions – Philippines and Indonesia
- ii. **Monetisation strategy** to exit for selected frontier markets
- iii. **Self-sustaining, selective expansion, & yield enhancement** strategies for retained frontier market exposure

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- i. **Successful closure** of settlement arrangement with counter-party to **foster a long-term partnership**. *(further details in subsequent slide)*

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- i. Share Sale Agreement **signed in April 2024**
 - ii. Completion pending regulatory approval

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- i. Target to improve liquidity, effective management of capex, and maintain a healthy gearing level by:
 - ii. Focusing on **high-yielding revenue**, namely colo with selective build
 - iii. **Intensify repricing** efforts on both tower and power specifically for frontier markets
 - iv. **Hygiene efficiency** to reduce working capital requirements

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- i. **Borrow against matching cashflow** profile to avoid interest & liquidity shock
 - ii. **Balanced mix** between fixed and floating rate financing
 - iii. Self sustaining NTCs including **borrowing in local currency (LCY)**
 - iv. **Prioritise LCY procurement** contract & **negotiate medium-term procurement contract with fixed FX** for foreign currency (FCY) suppliers
 - v. **Hedging mechanism**

**Mitigation actions
to address
identified risks**
and sustain balanced
growth

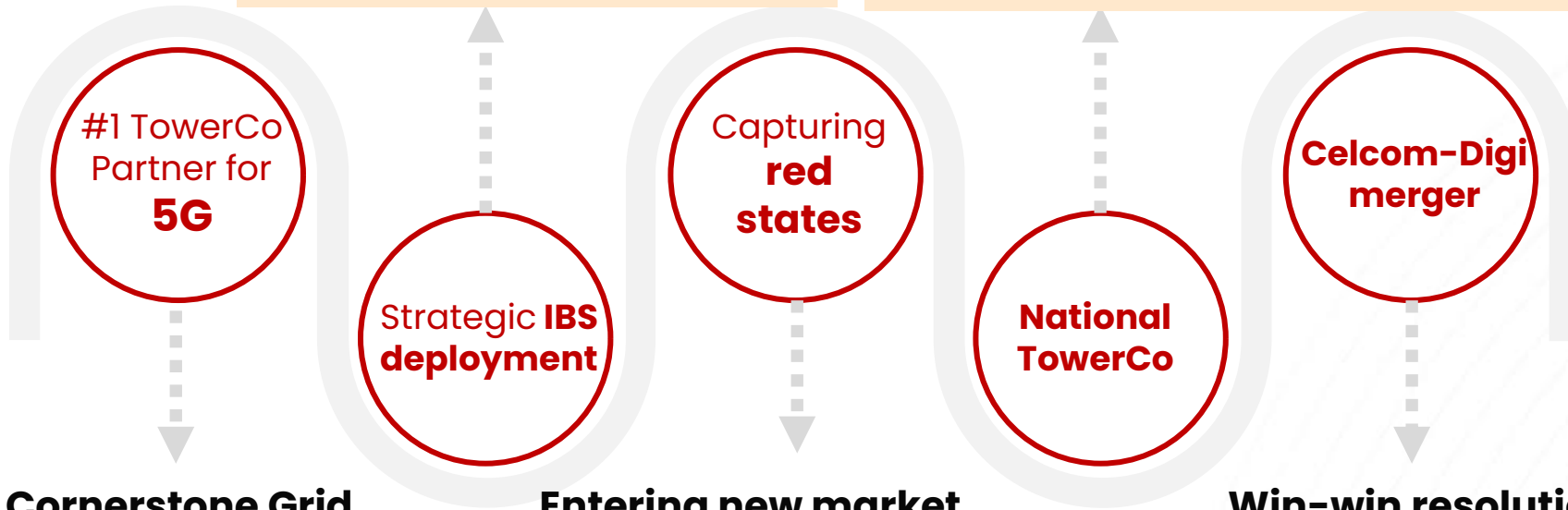
Key Value Drivers in Malaysia

Largest IBS portfolio

- ~470 Total IBS sites c. 10% revenue
- ~75 new IBS sites in '24
- **High potential from demand of increasing data usage indoors** and to convert existing portfolio to 5G

Driving national agenda

- Largest tower coverage: Colo ratio of 2.34x
- Major role in shaping industry policy
- **Main partner in supporting USP project and key gov't connectivity initiatives** i.e. JENDELA, NFCP, CB19



Cornerstone Grid

- EDOTCO provides c. 2k sites for Digital Nasional, as of '24 (~30%)
- **DNB's capacity expansion under Phase 3**
- **Second 5G network**

Entering new market

- **Tapping into the 7 red states via partnership model**
- >40% of the future B2S demand from 5G will be in the red states

Win-win resolution

- **Extending portfolio life for long-term value:** +7 years to the retained sites, and 12 years tenure for new sites
- **Cashflow net neutrality** with sites swap & LD waiver

Capturing more market share in MY



- **Malaysia will remain as the biggest value contributor to the Group, >40% revenue**
- **Malaysia is well-positioned to remain as the #1 TowerCo partner for 5G**
- **High potential for IBS driven by growing indoor data demand and 5G**
- **Increasing market share from red states**
- **Malaysia to continuously support national agenda as National TowerCo**
- **The CelcomDigi merger benefits both sides in a win-win deal**

Key takeaways

- 1** Delivered **stellar performance over the last 3 years**, with 15% CAGR for Revenue and 22% CAGR for EBITDA. As of Q3 '24:
 - All NTCs, except PH, are now **self-sustaining and PAT positive**;
 - **Group tenancy ratio achieved 1.66x; Malaysia 2.34x**
- 2** EDOTCO is ready for the **next stage of value creation & monetisation** – Transitioning to balanced growth in the next phase:
 - **Enhancing yield & maximising dividend in core markets;**
 - **Delivering growth in new markets;**
 - **Monetising non-core assets**
- 3** EDOTCO is strategically mitigating risks and sustaining balanced growth through **portfolio optimisation, financial management, and partnerships, navigating challenges like the CelcomDigi merger and Myanmar exit** while focusing on **high-yielding revenue streams**
- 4** **Malaysia will remain the highest value driver to the Group;** leveraging on its market leadership in 5G, extensive portfolio coverage, cornerstone grid, and strong operational excellence
- 5** Sustaining Growth market and unlocking potential in new growth areas/businesses will be supported by **new capital and/or managed level of debt funding**



Thank You

