



Axiata Analyst & Investor Day 2023

SMART

6th December 2023



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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.

Cambodia, Smart current positioning



Population:
17 mil.

Average Age:
26.6 y.o.

GDP:
25 bil. USD

GDP Growth:
Avr. 5.5% (in top 5 WW before COVID)

Mobile operators:
3 players

Fixed operators:
5 key players/20%
penetration

Smart Customer base:
8.2 mil. (Oct-23) // No2

Smart Base average Age:
29 y.o. // 39% MS fb based

Smart B2C ARPU:
4.6 USD // No1

Smart B2C ARPU YoY growth:
5.9%

Smart Population Coverage:
95%

Smart ISP operations start:
Jul-23

A highly dollarized economy

Boosting the ARPU of consumer segment is the main driver behind revenue growth, without compromising on customer base size

Continuous upsell across fee ladder towards 1.5 and monthly plans



+2.5X Since April
>1 USD Tariff Fee
2.9 Mil Subscribers
(40.2% of Prepaid Customers)

Advanced Analytics – strategically leveraging off TechCo capabilities

- In-depth analytics for better targeting and personalization
- AI driven NBA model development

Portfolio Enrichment

- New revenue generating services in financial & security domain

Maintain Customer Sentiment

- Gamification of core transactions

Note: Based on YTD Oct'23 Performance

Continuous and sustainable growth in revenue generating base



+5.8% YoY
Prepaid RGB
6.2 Mil



+5.9% YoY
ARPU
4.6 USD

Sales Network Motivation

- Dealer targeted activities to generate active customers
- Improve channel incentives with focus on first recharge and education

Advanced Analytics

- Deploy analytics to encourage multi-sim users to use Smart as the primary sim
- Evolved churn analytics “Who and Why”

Smart managed to maintain EBITDA margin of 53% despite increase in regulatory cost with 3% through cost containment approach

Restructuring Distribution Costs



Drive customer behavior towards E-recharges

- Mass and long-term awareness and educational campaign



Focus sales channel efforts

- Involvement of financial institutions to support education
- Transform own channels towards digital – inline to being a digitally enabled organization for its customers



Revamp distribution cost

- Implement performance-based commission



-10.3% YoY

Distribution Cost

40.2% → 49.6% (YoY)

Monthly Reload via eTop-Up

Network Investment Efficiencies



Site Profitability

- Created site P&L which formed guidance for asset optimization
- Closely monitor capex and ROU of new built to ensure positive EBITDA within 6 months



Asset Optimization

- New sites – “Just-in-time” rollout and power management
- Existing sites – Managed escalation cost (e.g. electricity, rental etc.)

Activities per Site Performance

High Revenue/Low Cost <ul style="list-style-type: none"> • Continue investment 	High Revenue/High Cost <ul style="list-style-type: none"> • Manage capacity • Optimise cost
Low Revenue/Low Cost <ul style="list-style-type: none"> • Increase RGB • Increase ARPU 	Low Revenue/High Cost <ul style="list-style-type: none"> • Improve OPEX • Optimise CAPEX

Cost



-36.3% (-311 Sites)
January Cohort
Non-Profitable Sites

Healthy AOCF yielding continuous improvement in dividends

Key Drivers improvement in Y23



5.9%

Y'22-Y'23

B2C ARPU
growth



4.9 pp

Y'22-Y'23

EBITDA margin
growth



13.4 pp

Y'22-Y'23

PAT margin
growth

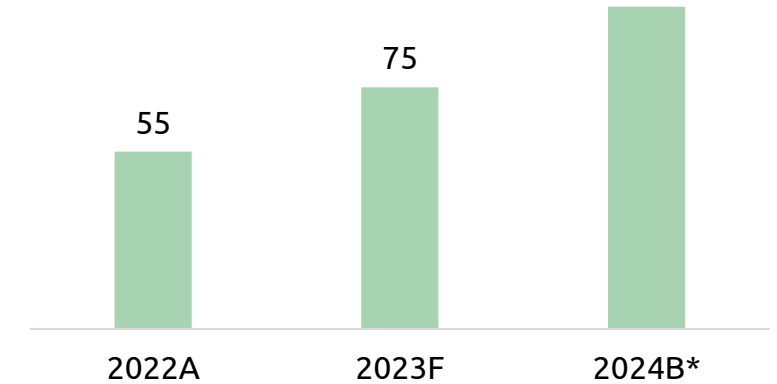


34.0%

Y'22-Y'23

AOCF
growth

Result in Dividend Payout Increase (USD 'Mn)



Dividend
Per Share
(USD)

720

980

- **Dividend payout shall not be affected** by future capital requirement, strong balance sheet will enable the company to raise debt to fund future investment

Note: Based on YTD Sep'22 versus YTD Sep'23 performance

Thank you!