



Capital allocation: Generating sustainable cashflow

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Operational excellence: Financials

1

**Capital
allocation**

Capital allocation
framework 2.0

2

Cost excellence

Step change in capital
productivity

3

**HoldCo cost
reduction**

New governance
model

4

**Treasury
management**

Financial guardrails &
dividend upstream

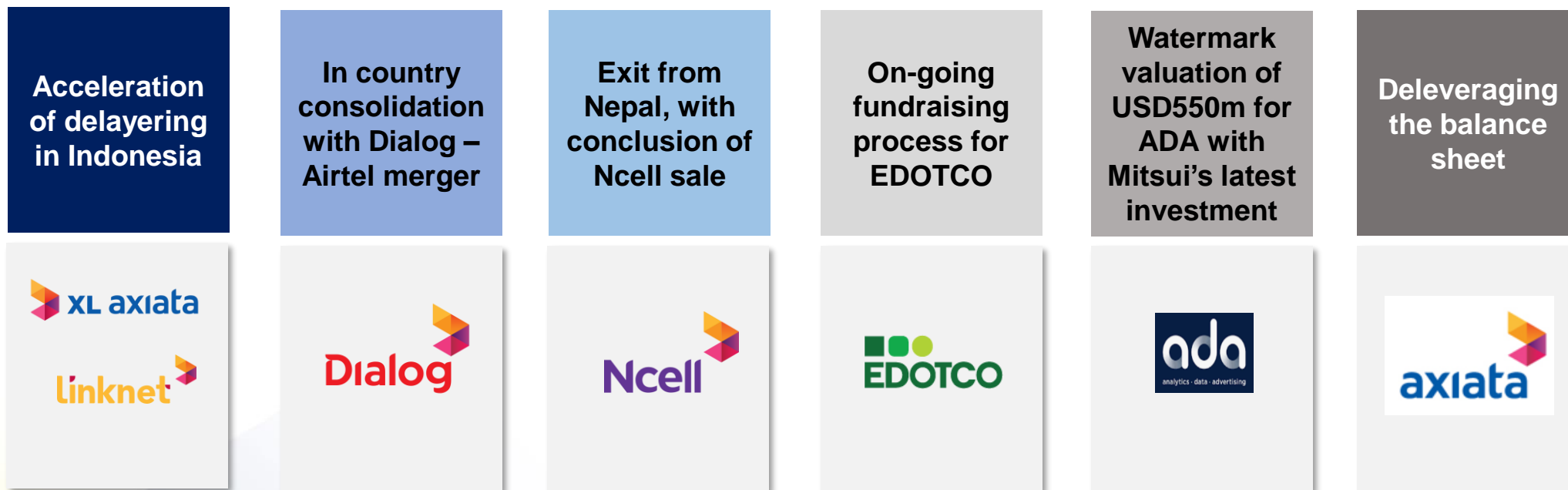
Capital allocation: Framework

Capital Allocation Framework 2.0 – Generating sustainable cashflow' to enable Axiata to deliver 10sen DPS per annum, and retain credit rating of Moody's Baa2 and S&P's BBB. The framework guides Axiata HoldCo on its cashflow deployment, ie to reward its shareholders with dividends, service/repayment debt, and also capital allocation to OpCos for sustainable growth.

Source of fund	Use of fund	Financial outcome
OpCo dividends (including associates)	a) Holdco debt servicing b) Dividends	a) DPS 10sen p.a. b) Retain credit rating
Asset monetization / value illumination	a) Pare down debt b) Special dividend c) Fund new growth areas	Reduce net debt/EBITDA to 2.5x
HoldCo Master Service Agreement	HoldCo opex	Holdco is self-sustaining

Capital allocation: Key corporate activities in 2023

Key corporate activities include structural transformation of OpCos to deliver sustainable growth; and asset monetization and value illumination to pare down debt.

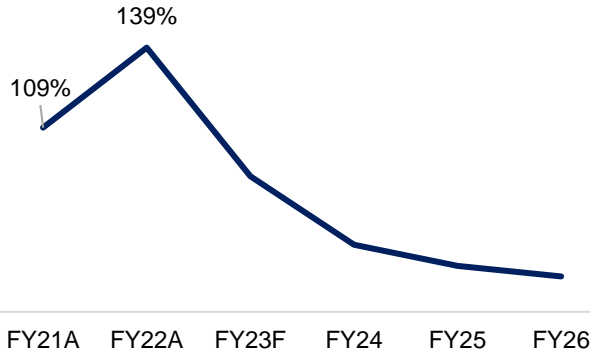


Cost excellence: Capex

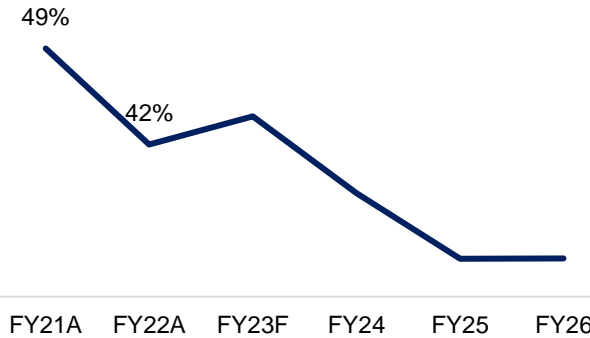
All opcos to improve on Capital Productivity ratio, as we move towards an asset light model.



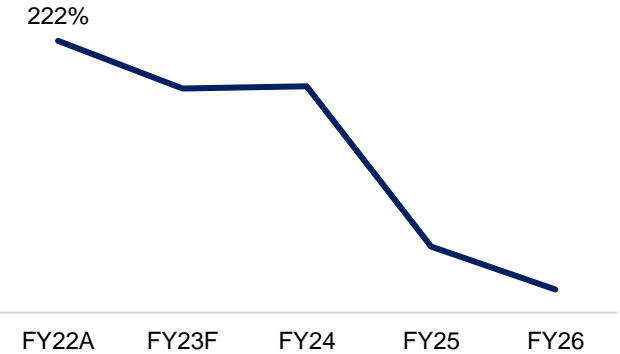
Capital Productivity (%)



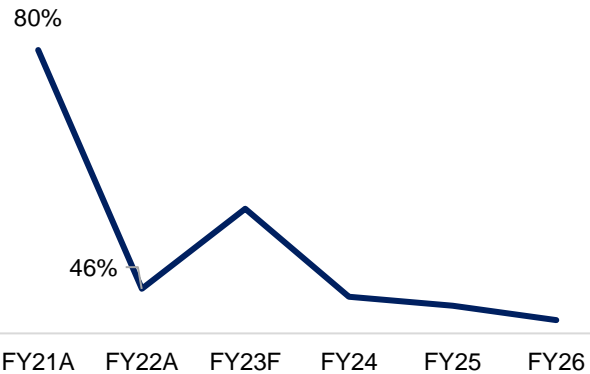
Capital Productivity (%)



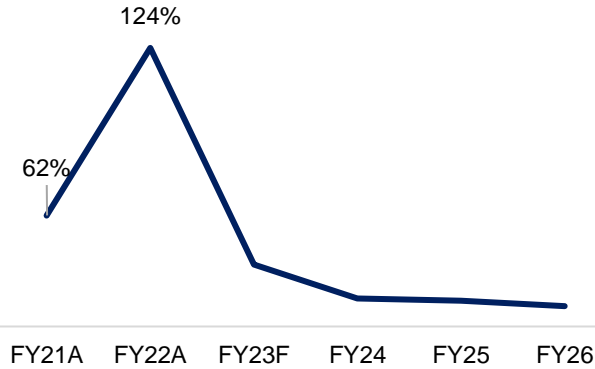
Capital Productivity (%)



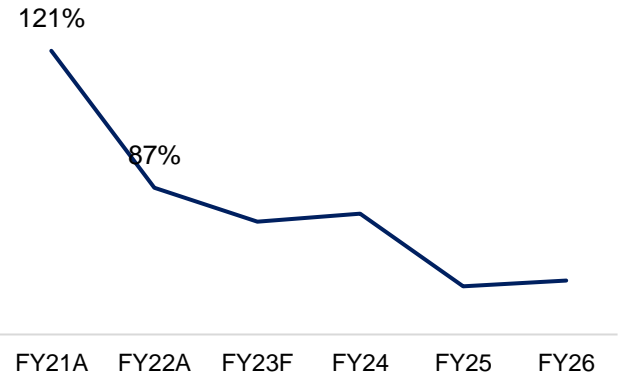
Capital Productivity (%)



Capital Productivity (%)



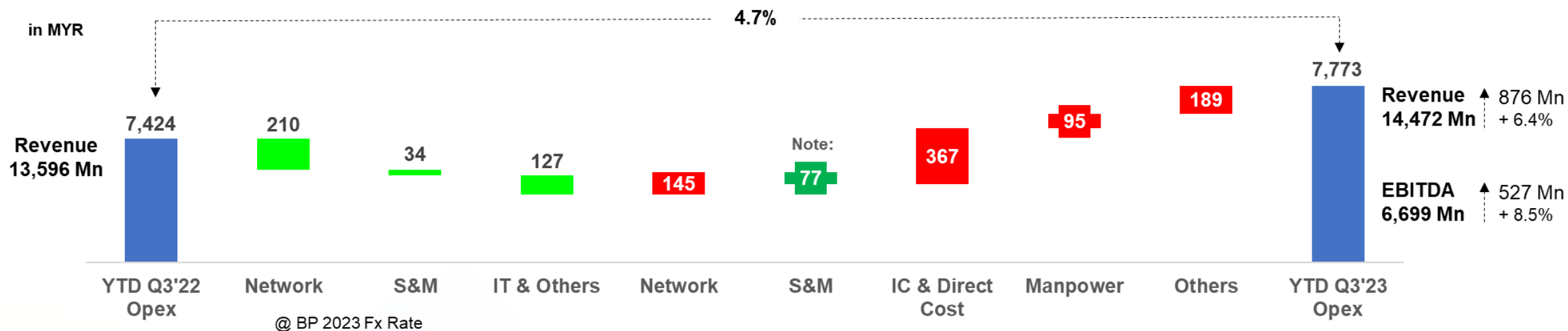
Capital Productivity (%)



¹Capital Productivity = (Capex + ROU Addition) / EBITDA

Cost excellence: Opex

YTDQ323 opex increased by 4.7%, while revenue for five mobile operators grew by 6.4%, with savings from cost excellence initiatives to counter new sites growth, direct cost and other cost growth.



Business strategy: Reinventing operating model

Key dimensions



Strategy &
business planning



Performance
management



Governance
model

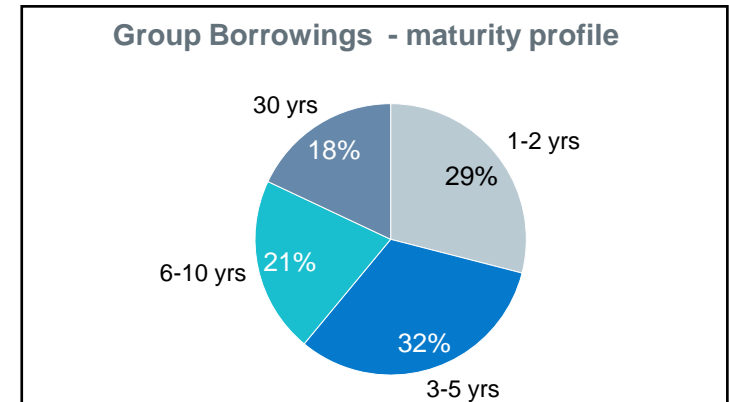
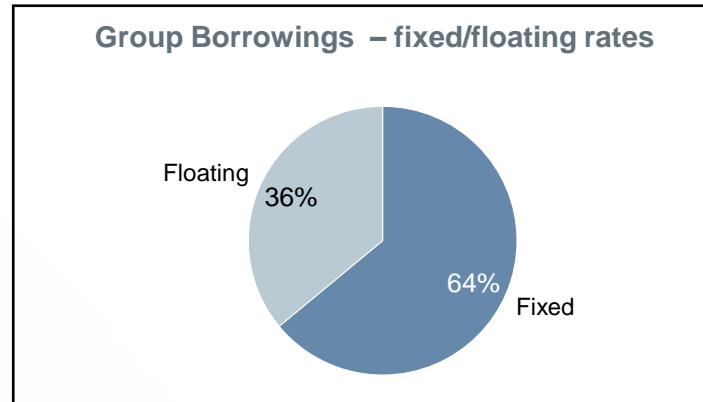
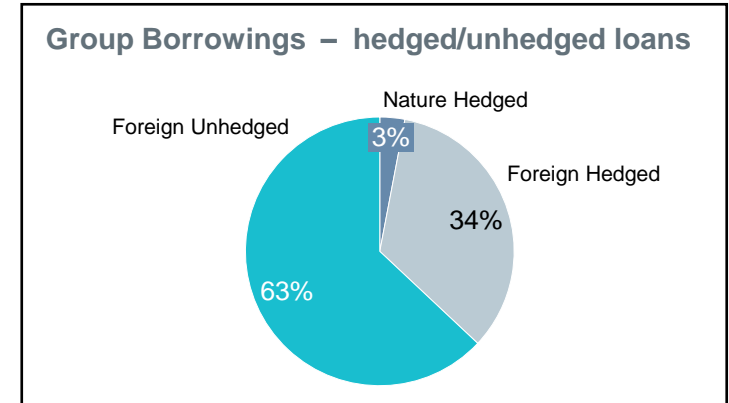
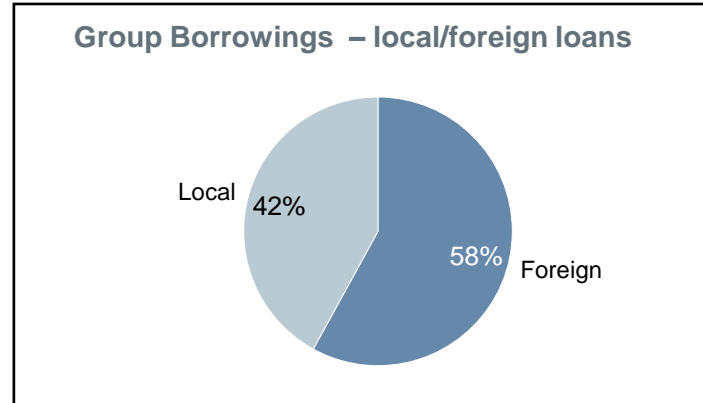
Smaller Axiata HoldCo

HoldCo cost reduce by c.20%

Treasury management: Financial guardrails

OpCos have financial guardrails which are aligned with Axiata's capital structure policy, and commitment to retain its credit rating.

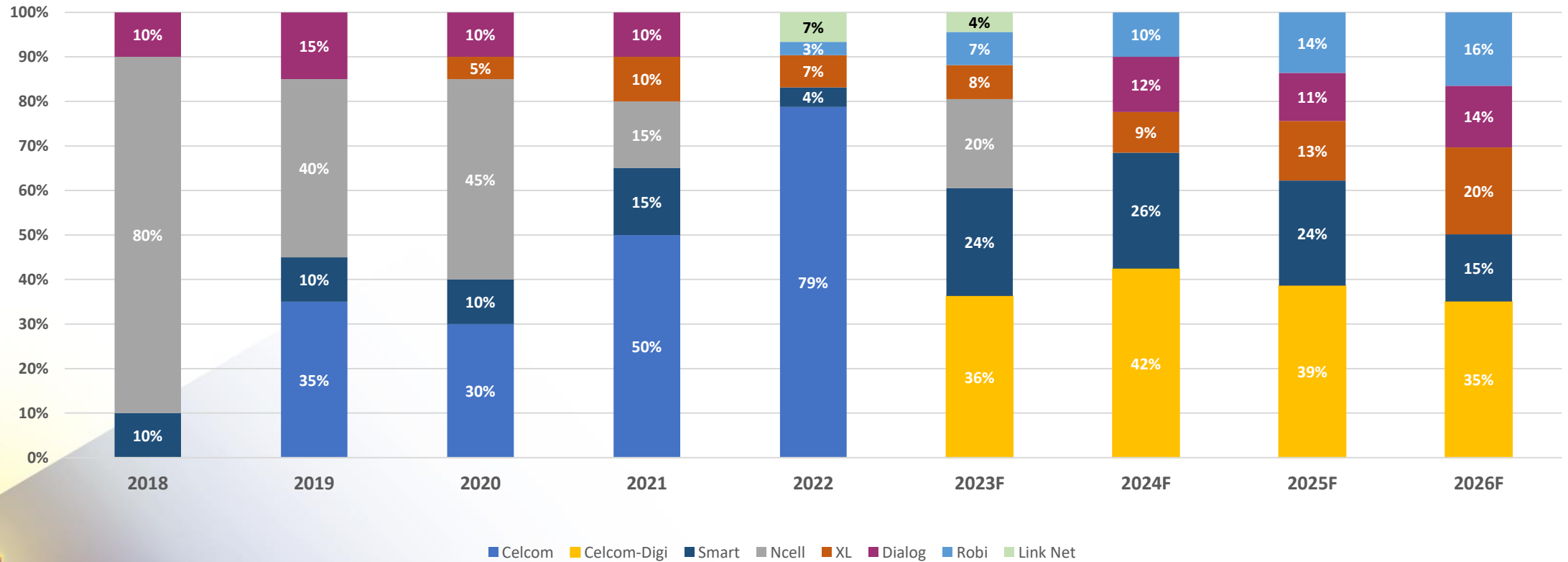
Financial Guardrails	Benchmark
Gross Debt/ EBITDA	<2.5x (except AGB 3.0x, EDOTCO 3.5x, XL 3.0x)
Local & Foreign Currency Debt Mix	Min. 50% local
Hedging of Foreign Currency	Min. 50% foreign currency debts
Fixed and Float Interest Rate Mix	Min. 50% fixed rate
Average Tenure of Debt	3 to 5 Years



Treasury management: Dividend transparency

Axiata remain committed to return at least 10sen DPS per annum from BAU operations which is well supported by our OpCo Dividend Policy with minimum 50% payout.

Dividend Payout by Opco



Financial outcome

DPS 10sen p.a.



Progressively increase

**High single digit total
shareholder return p.a.**



Net debt / EBITDA of 2.5x



Thank you