

## MEDIA RELEASE

### Shareholders value Axiata's resilient performance despite COVID-19 impact in 2020

- *Steady revenue and EBITDA with operating free cash flow of RM3.3 billion amidst pandemic challenges*
- *Strong balance sheet with RM7.2 billion cash for liquidity to navigate future uncertainties, capture new growth opportunities and improve dividend*
- *Axiata 5.0 Vision and Strategy to future-proof Group's next growth phase in driving digitisation across the region*

**Kuala Lumpur, 15 June 2021** – Axiata Group Berhad ("Axiata" or "the Group") concluded its 29th Annual General Meeting ("AGM") today on a completely virtual platform with shareholders expressing support for the Group's efforts in realising its Axiata 5.0 Vision and Strategy. Shareholders acknowledged efforts by the Group to drive next-level performance and growth through disciplined execution in delivering its "Next Generation Digital Champion" ambition by 2024. All 12 resolutions tabled during the AGM were successfully passed.

Despite intensive competitive pressures across its markets and protracted pandemic-related challenges, Axiata ended 2020 with revenue steady at RM24.2 billion (-1.5%), Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") of RM10.7 billion (+0.4%) and operating free cash flow of RM3.3 billion (+73.1%). Correspondingly, the Group recorded a strong balance sheet with high cash balance at RM7.2 billion. The Group's good performance for the year delivered a prudent dividend payout of 7.0 sen dividend per share for the year.

In contributing continued benefits to communities across its footprint, Axiata iterates its commitment on championing digital inclusion. The Group will continue to invest in advanced technologies and network infrastructure in enhancing the experience of

customers and communities and supporting governments in the collective response to the accelerated pace of digitisation taking place globally.

Axiata's Digital Telcos remain focused on retaining number one or strong number two positions in each market, with focus on sustainable growth opportunities, operational excellence and structural changes including market consolidation.

An encouraging evidence of the Group's growth momentum is further demonstrated by Axiata Digital's businesses on the path to be profitable by 2022. The future of these core areas is strengthened through strategic partnerships with the long-term view to establish two unicorns in its digital financial services ("Boost Holdings")<sup>1</sup>, and digital analytics and AI ("ADA")<sup>2</sup> businesses. Recent announcements on SoftBank Corp's RM250 million investment into ADA and Boost Holdings' strategic partnership with RHB Banking Group to jointly pursue a digital bank license attest to the Group's vision and strategy in driving greater digital inclusion in Malaysia and the region.

Axiata's Infrastructure business is geared towards expansion, both in-market and into new territories, as edotco Group<sup>3</sup> ("edotco") accelerates towards becoming a much larger and efficient tower company. With ambitious plans in place for edotco, the Group is constantly evaluating options to raise fresh capital to enable the realisation of these goals.

Other key resolutions passed by shareholders at the AGM include the following:

**1. Re-election of Directors**

During the AGM, Thayaparan S Sangarapillai and Khoo Gaik Bee, both retiring by rotation, were re-elected as Directors. Shareholders also officially re-elected Ong King How who was appointed to the Board on 28 August 2020, as well as Tan Sri Dr Halim Shafie and Syed Ali Syed Salem Alsagoff who were both appointed to the Board on 1 November 2020.

**2. Reappointment of Auditors**

Shareholders approved the reappointment of PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 31 December 2021.

**3. Proposed Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature**

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<sup>1</sup> Boost Holdings Sdn Bhd

<sup>2</sup> Axiata Digital Advertising Sdn Bhd

<sup>3</sup> edotco Group Sdn Bhd

Shareholders approved the RRPT mandate at the AGM, providing the authorisation that enables Axiata to secure revenues from related parties in the course of doing business.

### **Commentaries**

Axiata's Chairman, Tan Sri Ghazzali Sheikh Abdul Khalid said, "I am pleased to report the conclusion of a productive 29<sup>th</sup> AGM for Axiata. On behalf of the Board, I thank all our shareholders for their participation and support, and we look forward to delivering further results in 2021."

"We have hit the ground running this year in pursuit of socio-economic recovery on the heels of an intensely challenging and demanding 2020. Amidst persisting uncertainties spilling into 2021 of rising industry complexities, economic interdependencies and heightened competitive pressures, the Board is cognisant of the need to consider life beyond pandemic. We are committed to do our part to help Malaysia and the region leapfrog into adopting 4IR and seize opportunities that come with new technologies and global partnerships. On that note, our priorities will be focused on guiding the Group towards ensuring financial and operational resilience, as well as sustainable and equitable growth across our geography."

"In furthering our commitment as a socially responsible organisation, the Board is heartened that Axiata will accelerate its climate action journey by embarking on the development of its Net-Zero Carbon Roadmap. Our sustained efforts in this space has resulted in Axiata's MSCI ESG Rating of 'A'."

"In line with the robust performance in 2020, Axiata paid a full year total dividend of 7 sen per ordinary share, which includes an interim dividend of 2 sen per ordinary share declared for the financial period ended 30 June 2020."

Axiata's President & Group Chief Executive Officer Dato' Izzaddin Idris said, "2021 brings good reasons for optimism. With the global vaccination programme for COVID-19 underway and in various stages of execution in our markets, the road to recovery is a reality we can clearly envision and take comfort in. As a business, we have made all the necessary adjustments to be ready for the next phase of our growth story."

"Today we stand at a very exciting juncture that will define Axiata in years to come. Guided by our Axiata 5.0 Vision to enhance resilience and advance towards our ambition of becoming The Next Generation Digital Champion by 2024, our internal constructs are elevated to facilitate greater agility as well as heighten scale and group synergy. Our Triple Core business strategies of Digital Telcos, Digital Businesses and

Infrastructure are actively pivoting to support the Group's value creation efforts which include paying higher dividends.”

“Raising our game also to implement world-class Data Privacy and Cyber Security standards to protect our customers globally and accelerate of our Group-wide digital transformation in fostering a culture of innovation, I am confident Axiata stands ready for its next chapter – to actively support communities, governments and businesses in their transition towards a digital-led future.”

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**About Axiata**

As one of the leading telecommunications groups in Asia in pursuit of its vision to be The Next Generation Digital Champion by 2024, Axiata has transformed itself from a holding entity with a portfolio of pure-play mobile assets into a Triple Core Strategy driven business focusing on Digital Telco, Digital Businesses and Infrastructure.

Within ASEAN and South Asia, the Group has controlling stakes in market-leading mobile and fixed operators in the region including 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. Axiata is actively spearheading efforts to transform its mobile-centric operations into digital converged companies.

Axiata Digital, the digital services arm of Axiata is focused on two digital business verticals namely Digital Financial Services ('Boost', 'Aspirasi') and Digital Analytics & AI ('ADA').

'edotco', the Group's infrastructure company, operates in eight countries to deliver telecommunications infrastructure services, amassing approximately 32,800 towers. Presently the 16<sup>th</sup> largest independent tower companies globally, it aims to be one of the top regional telecommunications tower companies and is committed to responsible and sustainable business operations.

As a committed and long-term investor, and in line with its sustainability goals, the Group actively supports and drives young talent development; disaster response and recovery; as well as green initiatives. Axiata's broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent.

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