

## MEDIA RELEASE

**All-time Lowest Coupon Rate Ever Achieved by an Asian Corporate via Axiata's 30-year USD1.0 billion Conventional Notes Issuance;  
The 10-year USD500.0 million Sukuk Representing All-time Lowest Yield Ever Achieved for a USD Offering by a Malaysian Corporate**

**Kuala Lumpur, 13 August 2020** - Axiata Group Berhad ("**Axiata**") successfully priced a dual-tranche offering comprising 10-year USD500.0 million Sukuk ("**Sukuk**") and a 30-year USD1.0 billion conventional Notes ("**Notes**") (collectively, the "**Issuances**") which will be issued via its wholly-owned special purpose vehicles, namely Axiata SPV2 Berhad and Axiata SPV5 (Labuan) Limited, respectively.

The Sukuk represents the fourth issuance under Axiata's multi-currency Sukuk issuance programme of USD1.5 billion or its equivalent in other currencies ("**Sukuk Programme**") established on 17 July 2012 whereas the Notes represents the inaugural issuance under Axiata's Euro medium term note programme of USD1.5 billion or its equivalent in other currencies ("**EMTN Programme**") recently established on 10 August 2020.

The proceeds from the Issuances will be partially used to refinance Axiata's existing borrowings and the balance to be used for its general corporate purposes.

The Issuances have been assigned expected ratings of Baa2(s) and BBB+(s) by Moody's Investors Service Inc. and Standard & Poor's Ratings Services, respectively. The Sukuk will be listed, but not quoted for trading, on Bursa Malaysia Securities Berhad (under the Exempt Regime) and will be listed and quoted on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and is structured based on the *Shari'a* principle of Wakala where the underlying assets comprise 100% airtime vouchers, representing an entitlement to a specified number of airtime minutes on the mobile telecommunications network of subsidiaries of Axiata for on-net calls. Meanwhile, the Notes will be listed and quoted on the SGX-ST.

The landmark issuances mark Axiata's return to the international USD debt capital markets since 2016, employing a strategy of issuing both Islamic Sukuk and conventional Notes to appeal to the broadest possible investor base. The transactions represent Axiata's commitment to proactive management of its balance sheet and extend its debt maturities and optimising its capital structure to match the assets and liabilities given the long-term nature of the telecommunications business.

Final orderbooks in aggregate were USD6.8 billion representing one of the most oversubscribed deals in Asia over the last 12 months, while showcasing Axiata's strong investor following and robust credit quality.

The book building exercise conducted yesterday commenced with an initial price guidance of U.S. Treasuries ("**UST**") 10-year + 200 basis points ("**bps**") and UST 30-year + 220bps for the Sukuk and Notes, respectively in the early morning Asia time. Strong investor interest towards the Issuances, as indicated by the staggering peak orderbook size of approximately USD11.8 billion across the two tranches, led to a price tightening of 52bps and 50bps for the Sukuk and Notes respectively, with the final price guidance set at UST + 150 bps area for the Sukuk and UST + 170 bps area for the Notes.

The Issuances were finally priced at UST + 1.48% (10 year) and UST + 1.70% (30 year), with the final orderbook size of USD3.8 billion or a bid-to-cover ratio ("**BTC**") of 7.6 times and USD3.0 billion or BTC of 3.0 times for the Sukuk and Notes, respectively. The Issuances attracted interest from a diverse group of Islamic as well as conventional investors, comprising asset management companies, financial institutions, insurance companies, and sovereign wealth funds, with participation from 245 accounts across key financial markets.

The successful pricing of the Issuances and the resultant achievements attest to the Group's significant growth potential and investment opportunities in the region. In particular, the 10-year tranche saw the lowest USD coupon for a Malaysian corporate issuer across both conventional and Islamic offerings whilst the 30-year tranche registered the lowest 30-year coupon for an Asian corporate.

Axiata's President & Group Chief Executive Officer, Tan Sri Jamaludin Ibrahim said: "This marks Axiata's first landmark issuance of USD1.5 billion in size from the international capital markets and our single largest as well as longest dated offering to-date, securing strong cross-border participation from a wide and diverse base of investors. This has enabled us to achieve the lowest ever 30-year coupon for an Asian telecommunications issuer, and the third lowest, globally."

"The Issuances will enhance the Group's capital position greatly, while breaking new grounds in the financing market locally and within the region."

"In addition to demonstrating Axiata's ability to access the debt capital markets, this successful conclusion further affirms international investors' confidence in the long-term fundamentals and resilience of the Malaysian economy and its ability to swiftly scale towards recovery in the aftermath of COVID-19 triggered challenges," he added.

Axiata's Deputy Group Chief Executive Officer, Dato' Izzaddin Idris said: "We are very encouraged by the strong support evidenced by the oversubscription of the Issuances which peaked at nearly 12 times across the two tranches as well as the tightening of the credit spread by 52 and 50 basis points respectively for the Sukuk and Notes, from our initial price guidance."

"Despite having gone to market under the 'new normal' circumstances, Axiata was able to successfully capitalise on the historical low interest rate environment to achieve our objectives of optimising our debt maturity profiles and reducing our financing costs which will translate to better preservation of liquidity for the Group."

CIMB Investment Bank Berhad, Citigroup Global Markets Limited, Standard Chartered Bank and UBS AG Singapore Branch acted as the Joint Lead Managers and Joint Bookrunners for the Issuances.

**-END-**

#### **About Axiata**

As one of the leading telecommunications groups in Asia in pursuit of its vision to be the New Generation Digital Champion by 2022, 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 Advertising ('ADA').

'edotco', the Group's infrastructure company, operates in six countries to deliver telecommunications infrastructure services, amassing approximately 32,300 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.

#### **Disclaimer**

This announcement does not constitute or form part of any offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or any jurisdiction in which such offer or solicitation or sale would be unlawful.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws of the United States, and may not be offered, sold or delivered in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and applicable state securities laws of the United States. The securities referred to herein will be offered and sold only outside the United States in offshore transactions in accordance with Regulation S under the Securities Act. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. No money, securities or other consideration is being solicited by this announcement or the information contained herein and, if sent in response to this announcement or the information contained herein, will not be accepted. Neither this communication nor any information herein nor the fact of its distribution shall form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. No public offering of securities will be made in the United States. A rating is not a recommendation to buy, sell or hold the securities and may be subject to suspension, reduction or withdrawal at any time by the rating agency.

#### **Stabilisation (FSA/ICMA)**

##### **Issued By:**

Corporate Communications,  
Axiata Group Berhad  
Axiata Corporate Headquarters, Axiata Tower,  
9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral.  
50470 Kuala Lumpur

##### **For media enquiries, please contact:**

Anuja Ravendran  
Corporate Communications  
Tel: +6012-2380581  
Email: [anuja@axiata.com](mailto:anuja@axiata.com)