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Axiata's profits surge to RM1.1 billion for 2024 Year-to-Date

The Group achieves double-digit EBITDA and EBIT growth

- YTD revenue of RM16.7 billion reflecting 3.3% growth compared to 3Q23.
- EBITDA and EBIT growth of 14.6% and 37.7% respectively, while reported PATAMI grew by more than 100% to RM1.1 billion.
- Underlying PATAMI grew by 3.6x YoY to RM551.2 million, reflective of strong underlying results from most OpCos.
- Balance sheet continues to strengthen with Net Debt/EBITDA improving to 2.59x, the lowest since the deconsolidation of Celcom in 4Q22.
- The Group generated operating free cash flow after lease payments of RM1.9 billion compared to RM0.2 billion for the same period in 2023.

Key Highlights for 3Q24¹:

- **Strong operational performance on the back of capex, opex and balance sheet discipline across the Group.** YTD revenue growth of 3.3% contributed by strong performance from all OpCos except Link Net and Dialog, while Robi was negatively impacted by forex translation. YTD double-digit EBITDA and EBIT growth of 14.6% and 37.7% respectively.
- **PATAMI hits RM1.1 billion.** PATAMI recorded growth of more than 100% flowing through from strong operational performance of OpCos, driven by higher revenue, finance income and share of results of associates, coupled with forex gains.
- **Strong underlying PATAMI growth of 3.6x YoY.** On constant currency basis, YTD revenue grew 3.4% YoY to RM16.8 billion, contributed by all OpCos except Link Net and Dialog. EBIT grew 38.9% YoY to RM2.6 billion contributed by all OpCos except Link Net and Dialog. Underlying PATAMI grew by over 100% to RM551.2 million.
- **Strengthening balance sheet.** Net Debt/EBITDA continues downtrend to 2.59x from 2.88x in 2Q24, the lowest since the deconsolidation of Celcom in 4Q22. YTD 3Q24 operating free cash flow after lease payments stood at RM1.9 billion.
- **CDB: 3.6 sen dividend per share declared for 3Q24 is the highest since merger.** Merger integration is on track with savings realisation and increased productivity.

¹Discussion of 3Q24 performance is based on Continuing Operations for the Group

- **XL: YTD revenue growth, yet softer momentum QoQ.** XL's YTD revenue grew by 6.2%, supported by marginal subscriber growth and higher blended average revenue per user ("ARPU") at IDR43,000 on the back of higher data traffic. In addition, cost savings delivered double digit EBITDA and EBIT growth; PATAMI jumped to IDR1.3 trillion.
- **Robi: Cost excellence amidst social unrest and floods.** While 3Q24 revenue was impacted by social unrest and floods, YTD revenue improved by 2.2%, driven by data growth. Structured measures on opex and capex optimisation drove double-digit EBITDA and EBIT growth while PATAMI jumped by over 100% to BDT4.0 billion.
- **Dialog progressing with Airtel integration.** YTD revenue dropped by 10.2% as Dialog moves away from the low margin hubbing business. Including Airtel from 3Q24, QoQ revenue grew by 4.5%. Stable EBITDA benefitted from cost rescaling efforts, yet EBIT slipped by 16.1% due to the impact of higher depreciation & amortisation ("D&A") and the integration of Airtel. PATAMI contracted by 61.7% due to lower forex gains from the Sri Lankan rupee appreciation and recognition of deferred tax liability.
- **Smart continues to deliver strong profit and cashflow growth.** YTD revenue grew by 9.8% supported by an 8.3% growth in blended mobile ARPU, offset by a decline in total subscribers from an electronic know-your-customer exercise. EBITDA grew by 19.9%, benefitting from continuing cost controls, flowing through to lift EBIT by 27.4% and PATAMI by 30.1%.
- **Link Net: Strategic focus on FibreCo.** Link Net's YTD revenue declined by 5.1% from decrease in enterprise revenue and lower ARPU. Link Net's strategic focus on FibreCo business results in widening losses, as homes passed rollout incurred higher D&A and net finance cost. PATAMI declined by over 100% impacted by the transfer of the ServeCo business to XL, which incurred one-off taxes in 3Q24. The transfer of customers from Link Net to XL was completed in September, establishing Link Net as a wholesale fibre company.
- **EDOTCO's capex optimisation and cost excellence improves cashflow.** YTD revenue grew by 7.8% due to strong orders in Malaysia, Bangladesh and Cambodia. EBITDA grew by 15.3% due to cost management, while capex optimisation and an extension of the useful life of towers helped to boost EBIT growth of 40.5%. PATAMI was further lifted by forex gains, despite higher net finance cost and taxation.
- **Boost narrows losses despite start-up costs for Boost Bank.** YTD revenue grew by 8.3% supported by improved contribution from Boost Credit and Boost Connect. EBITDA improved by 22.3% while higher D&A trimmed growth at EBIT and PATAMI.
- **ADA: Growth in top line revenue and bottom line PATAMI.** YTD revenue jumped by 18.8%, supported by growth in Customer Engagement and eCommerce solutions. PATAMI grew by over 100% by RM36 million.

- **Group EBIT is ahead of Headline KPI. Revenue growth in line with targets.** Barring any unforeseen circumstances, the Group expects revenue growth to be in line with targets, while EBIT growth to be ahead of headline KPIs for the financial year ending 31 December 2024.

KUALA LUMPUR, 28 NOV 2024 – Axiata Group Berhad (“Axiata” or “the Group”) today reported impressive Profit After Tax And Minority Interest (“PATAMI”) of RM1.1 billion for the third quarter ended 30 September 2024, reflecting a robust year-on-year increase of over 100% and a similar growth from the previous quarter. The strong performance was driven by higher revenue, finance income, share of results from associates and improved forex gains.

YTD revenue growth of 3.3% was contributed by all Operating Companies (“OpCos”) except Link Net, Dialog and Robi. For Robi, this was primarily attributed to forex translation. Meanwhile, Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) and Earnings Before Interest and Tax (“EBIT”) grew by 14.6% and 37.7% respectively.

The Group’s underlying performance on constant currency basis includes a 3.4% YTD revenue growth to RM16.8 billion, contributed by all OpCos except Link Net and Dialog. EBIT grew by 38.9% YoY to RM2.6 billion, supported by all OpCos except Link Net and Dialog. Underlying PATAMI surged by over 100% to RM551.2 million.

The Group’s Net Debt/EBITDA improved to 2.59x in 3Q24 from 2.88x in the previous quarter, and 3.36x in 4Q23. The YTD improvement is supported by a reduction in borrowings and leases as well as an uplift from EBITDA growth of 14.6%. YTD 3Q24 operating free cash flow after lease payments increased to RM1.9 billion.

Barring any unforeseen circumstances related to the challenging macroeconomic environment particularly in Sri Lanka and Bangladesh, the Group expects revenue growth to be in line with targets, while EBIT growth to be ahead of headline KPIs for financial year ending 31 December 2024.

Digital Telcos²

XL’s³ YTD revenue growth of 6.2% was driven by increased contribution from data and digital services, which grew 10% YoY. Blended ARPU increased to IDR43,000, supported by effective personalised marketing via AI on XL’s app. Cost savings measures resulted in double-digit EBITDA and EBIT growth of 13.1% and 25.7%

² Growth numbers for OpCos are based on results in local currency in respective operating markets

³ PT XL Axiata Tbk

respectively. PATAMI grew by 31.7%, supported by EBIT flow through and moderated by higher finance cost and higher losses from Link Net.

Robi's⁴ Quarter on Quarter ("QoQ") revenue dipped by 5.0%, impacted by political unrest and the 11-day shutdown of mobile data, and flooding, that resulted in lower ARPU. YoY EBITDA grew 14.4% due to lower operating costs, which flowed through to EBIT which grew 39.1%. PATAMI grew by over 100%, benefitting from higher EBIT and lower forex losses despite higher taxation.

Dialog's⁵ YTD revenue contracted by 10.2% due to lower contribution from the hubbing business as Dialog winds down its exposure. Core business revenue registered marginal growth YoY and QoQ. EBITDA improved slightly, benefitting from cost management, yet EBIT slipped by 16.1%, undermined by higher D&A. PATAMI declined by 61.7%, largely due to lower forex gains and higher taxation.

Smart's⁶ YTD revenue grew 9.8% supported by growth in blended mobile ARPU of 8.3%. EBITDA improved by 19.9% while EBIT jumped to 27.4%, as a direct result of higher revenue, stable cost and D&A. Meanwhile, PATAMI grew by 30.1%, as a direct flowthrough from higher EBIT.

Infrastructure

Link Net's⁷ revenue fell by 5.1%, driven by lower contribution by the residential segment with a lower ARPU of IDR307,000 cushioned by stable number of subscribers. The enterprise segment was impacted by a deliberate reduction of a one-off project to manage margins. EBITDA declined by 5.9% flowing through from weaker revenue, cushioned by lower opex. EBIT was impacted by the higher D&A from homes passed rollout and net finance cost.

EDOTCO's⁸ YTD revenue growth of 7.8% was supported by strong orders in Malaysia, Bangladesh and Cambodia. Malaysia and Bangladesh remain its largest markets. Revenue growth flowed through to EBITDA, helped by lower YTD costs, while EBIT growth expansion was due to lower D&A with the extension of useful life of towers. PATAMI improved by over 100% supported by EBIT growth and forex gains, which more than offset net finance cost and taxation.

⁴ Robi Axiata Limited

⁵ Dialog Axiata PLC

⁶ Smart Axiata Company Limited

⁷ PT Link Net Tbk

⁸ EDOTCO Group Sdn Bhd

Digital Businesses

Boost's⁹ YTD revenue growth of 8.3% is supported by improved contribution from Boost Credit and Boost Connect. EBITDA improved by 22.3% from lower costs, while higher D&A trimmed growth at EBIT and PATAMI.

ADA's¹⁰ YTD revenue rose 18.8%, supported by growth in the Customer Engagement and eCommerce segment. This flowed through to deliver EBIT and PATAMI growth of over 100%.

Commentaries

Tan Sri Shahril Ridza Ridzuan, Chairman of Axiata said, "The Group is pleased to report strong performance in the third quarter of 2024, with all three core business segments - Digital Telcos, Infrastructure, and Digital Businesses - registering strong financial results. Axiata remains committed to strengthening the business by optimising use of capital and improving operational efficiencies. The Group will continue to focus on optimising our portfolio of investments as a driver for future value growth.

The Board remains steadfast in supporting Axiata's aspiration to be a Sustainable Dividend Company, reinforcing its vision of Advancing Asia while building lasting value for shareholders."

Vivek Sood, Group Chief Executive Officer and Managing Director of Axiata said, "Axiata is making notable progress in its value creation journey, underpinned by operational excellence and fiscal discipline, delivering revenue growth and improved margins and creating a sustainable balance sheet.

"Key milestones include the completion of the Dialog-Airtel merger in Sri Lanka and advancing potential merger discussions between XL Axiata and Smartfren in Indonesia, in line with our market consolidation strategy. In September, we completed our delayering strategy in Indonesia with the transfer of customers from Link Net to XL. This firmly establishes Link Net as a FibreCo and XL as a ServeCo, enabling both entities to scale, accelerate their organisational agility and maximise value."

"While we acknowledge challenges such as heightened competition in Indonesia and Malaysia, uncertainties in Bangladesh and funding requirements for fibre development in Indonesia, the Group remains optimistic. We foresee potential opportunities from stabilising currencies, synergy extraction from merged companies and sustained

⁹ Boost refers to Boost Holdings Sdn Bhd and its subsidiaries

¹⁰ ADA refers to Axiata Digital & Analytics (ADA) and its subsidiaries

benefits from portfolio optimisation and asset monetisation. We expect to achieve full-year revenue growth targets, with EBIT growth anticipated to exceed headline KPIs.”

“The Group continues to refine its investment portfolio and governance model, focusing on assets with future potential to drive sustainable growth and yield.”

- Ends -

About Axiata

In pursuit of its vision to be The Next Generation Digital Champion, Axiata is a diversified telecommunications and digital conglomerate operating Digital Telcos, Digital Businesses and Infrastructure businesses across a footprint spanning ASEAN and South Asia.

The Group has controlling stakes in market-leading mobile and fixed operators in the region including 'XL' and 'Link Net' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, and 'Smart' in Cambodia while 'CelcomDigi' in Malaysia is a Key Associate Company. Axiata's regional digital business verticals comprise 'Boost' a fintech company, and 'ADA', a digital analytics and AI company. 'EDOTCO' is among the top 10 independent TowerCos globally, operating in nine countries to deliver telecommunications infrastructure services.

As a committed and long-term investor, the Group actively supports and drives young talent development; community outreach; as well as climate change initiatives. Axiata's broader goal of Advancing Asia aims to piece together the best in the region in terms of innovation, connectivity and talent to drive digital inclusion and sustainable progress across our markets. Find out more at www.axiata.com

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