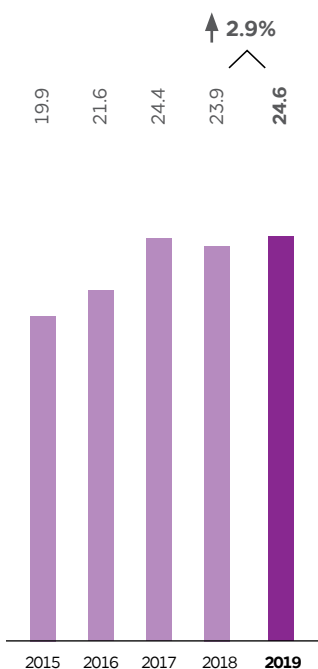
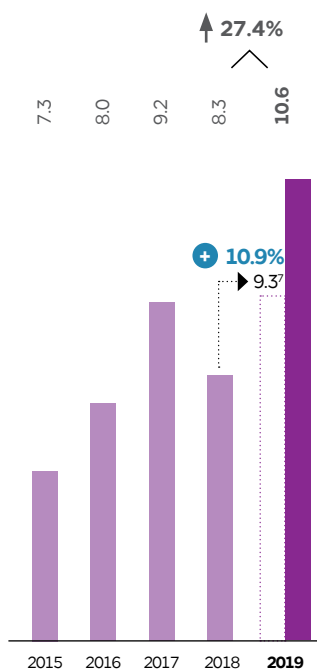
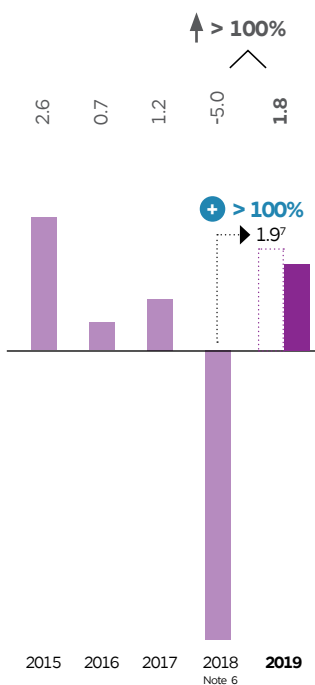
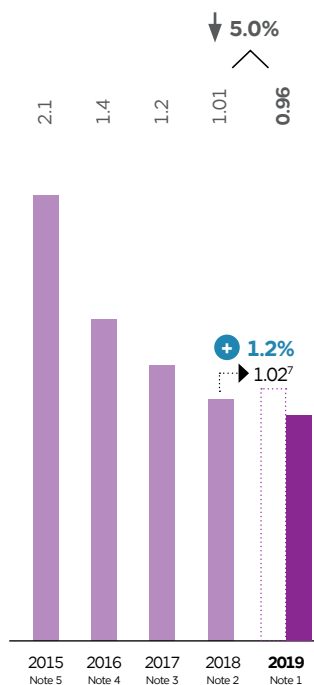
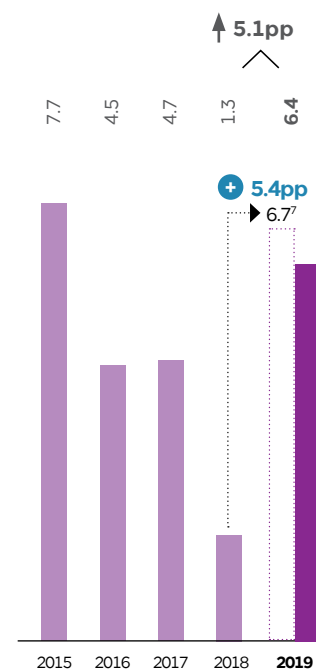
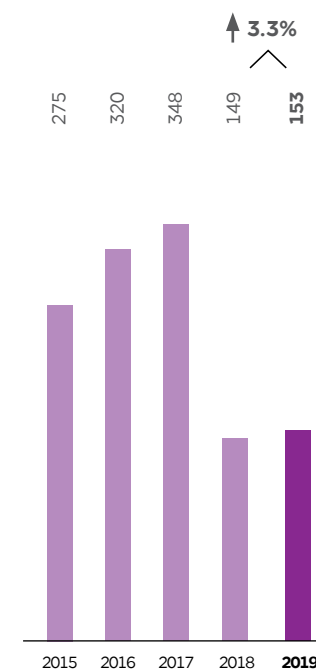




**TAKE MEASURE OF OUR
FINANCIAL PERFORMANCE**

Financial Review

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Operating Revenue
(RM Billion)EBITDA
(RM Billion)PAT
(RM Billion)Normalised PATAMI
(RM Billion)ROIC
(%)Customers
(Million)

Note 1 - 2019 normalised PATAMI excludes gain on divestment of non-core digital businesses (RM367.1 million), gain on disposal of associate (RM113.4 million), gain on disposal of Idea rights (RM96.1 million), foreign exchange gains (RM51.7 million), gain on disposal of towers (RM82.2 million) and purchase price allocations amortisation (RM121.8 million).

Note 2 - 2018 normalised PATAMI excludes Idea related losses (RM3,862.5 million), one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment (gross: RM1,816.6 million), foreign exchange loss (RM208.9 million) ^{Note 6}, gain on disposal of towers (RM80.5 million) and purchase price allocations amortisation (RM236.3 million).

Note 3 - 2017 normalised PATAMI excludes gain on disposal of towers (RM91.3 million), purchase price allocations amortisation (RM159.2 million), loss on asset held-for-sale (RM161.4 million), severance payment (RM62.8 million), loss on disposal of joint venture (RM40.1 million) and foreign exchange gain (RM165.6 million).

Note 4 - 2016 normalised PATAMI excludes gain on disposal of towers (RM339.6 million), accelerated depreciation (RM303.8 million), purchase price allocations amortisation (RM105.5 million), merger one-off adjustments (RM20.2 million) and foreign exchange loss (RM824.1 million).

Note 5 - 2015 normalised PATAMI excludes gain on disposal of towers (RM399.8 million), one-off tax impact (RM49.0 million) and foreign exchange gain (RM132.3 million).

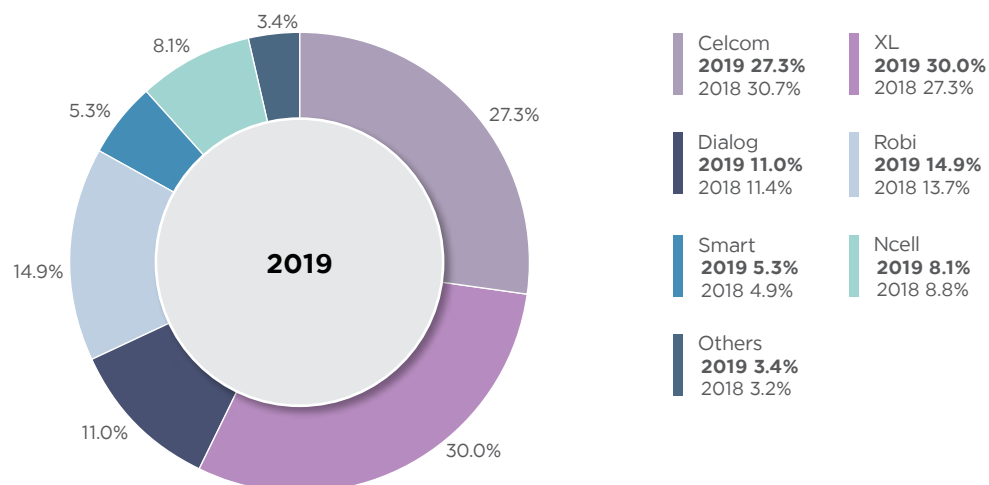
Note 6 - 2018 are based on restated financials.

Note 7 - Number are based on pre MFRS 16 "Leases" and growth rate at constant currency of 2018.

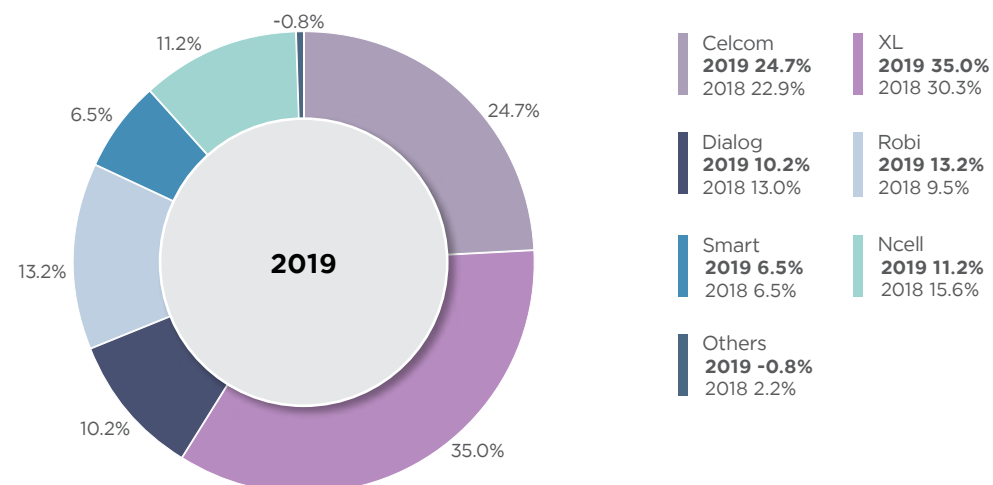
Financial Review

SUMMARY BREAKDOWN OF OPERATING REVENUE, EBITDA, TOTAL ASSETS AND TOTAL LIABILITIES & EQUITY

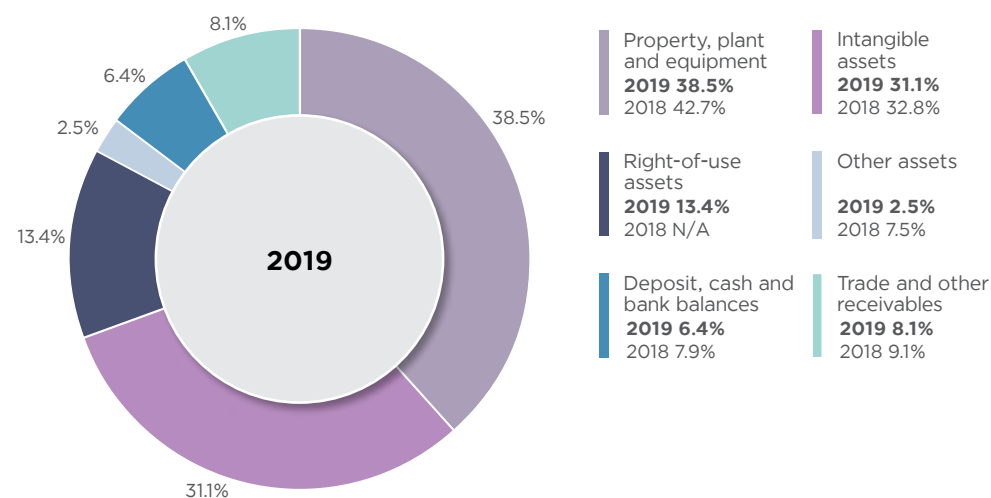
Operating Revenue



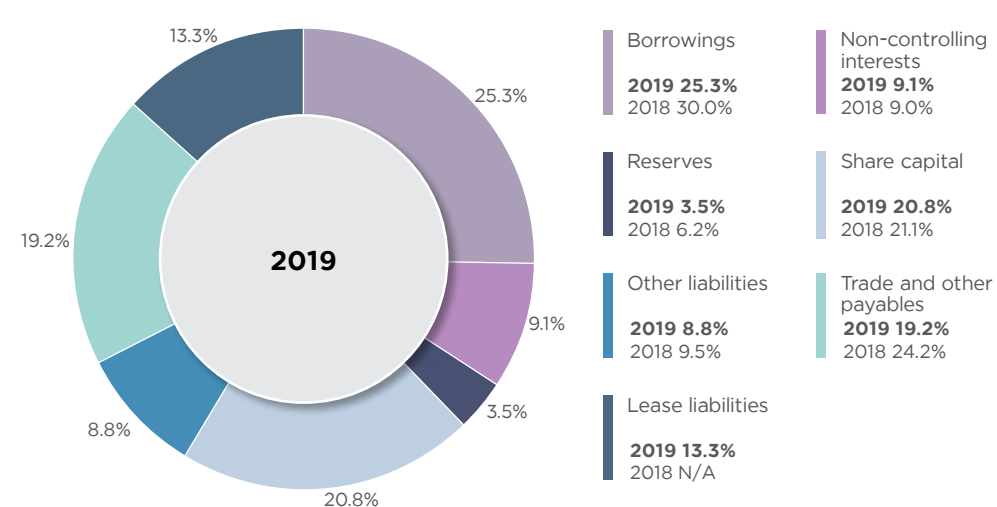
EBITDA



Total Assets



Total Liabilities & Equity



Financial Review

FIVE-YEAR GROUP FINANCIAL SUMMARY

Operational Highlights

All in RM Million unless stated otherwise

	FY2019	FY2018 ²	FY2017	FY2016 ²	FY2015
1. Operating Revenue	24,583	23,886	24,402	21,565	19,883
2. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	10,619	8,334	9,230	8,013	7,284
3. Earnings from Associates and Jointly Controlled Entities	(3)	(428)	(404)	30	434
4. Profit Before Tax (PBT)	2,872	(4,073)	1,936	1,140	3,331
5. Profit After Tax (PAT)	1,815	(4,975)	1,162	657	2,636
6. Profit After Tax and Minority Interests (PATAMI)	1,458	(4,762)	909	504	2,554
7. Normalised PATAMI ¹	960	1,010	1,205	1,418	2,071
8. Total Shareholders' Equity	16,181	17,477	24,731	23,581	23,525
9. Total Assets	66,534	63,855	69,911	70,753	56,118
10. Total Borrowings (exclude lease liabilities)	16,826	19,130	19,184	22,260	16,392
11. Total Lease Liabilities	8,840	N/A	N/A	N/A	N/A
12. Customers (million) ³	153	149	348	320	275

Growth Rates YoY

1. Operating Revenue	2.9%	-2.1%	13.2%	8.5%	6.3%
2. EBITDA	27.4%	-9.7%	15.2%	10.0%	4.1%
3. Total Shareholders' Equity	-7.4%	-29.3%	4.9%	0.2%	13.3%
4. Total Assets	4.2%	-8.7%	-1.2%	26.1%	14.3%
5. Total Borrowings (exclude lease liabilities)	-12.0%	-0.3%	-13.8%	35.8%	18.0%

Share Information

1. Per Share					
Earnings (basic) - sen	16.0	(52.6)	10.1	5.7	29.5
Earnings (diluted) - sen	16.0	(52.4)	10.1	5.7	29.3
Net Assets - RM	1.8	1.9	2.7	2.6	2.7
2. Share Price information - RM					
High	5.26	5.70	5.49	6.34	7.22
Low	3.73	3.25	4.29	4.19	5.71

Financial Ratio

Return on Invested Capital ⁴	6.4%	1.3%	4.7%	4.5%	7.7%
Gross Debt to EBITDA ⁵	2.4	2.3	2.1	2.8	2.3
Debt Equity Ratio ⁶	1.6	1.1	0.8	0.9	0.7

Notes:

¹ Excludes foreign exchange gain/loss, gain/loss on disposal of associates & joint venture, gain on divestment of non-core digital businesses, loss on asset held-for-sale, one-off asset write-off, impairment and accelerated depreciation on property, plant and equipment, Ncell purchase price allocations, XL gain on disposal of towers, Robi-Airtel merger one-off adjustments, XL and Robi severance payment, Dialog tax impact and Idea related transactions (loss on derecognition of associate, loss on dilution, operational losses and gain on disposal of rights).

² FY2018 and FY2016 are based on restated financials.

³ FY2019 and FY2018 customers exclude Idea & M1.

⁴ EBIT less tax over average invested capital.

⁵ FY2019 (Post MFRS 16): Gross debt (Total borrowings + Lease liabilities) over EBITDA; FY2015-FY2018: Total borrowings over EBITDA.

⁶ FY2019 (Post MFRS 16): Debt (Total borrowings + Lease liabilities) over total shareholders' equity; FY2018: Total borrowings over total shareholders' equity.

⁷ 2019 are based on post MFRS 16 "Leases".

Financial Review

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Financial Year Ended	
	31/12/2019 RM'000	31/12/2018 RM'000 Restated
Operating Revenue	24,583,312	23,885,781
Operating costs		
- depreciation, impairment and amortisation	(7,084,236)	(7,644,816)
- foreign exchange gains	5,421	8,389
- domestic interconnect and international outpayment	(1,980,257)	(2,408,317)
- marketing, advertising and promotion	(2,001,470)	(2,147,698)
- other operating costs	(7,762,235)	(8,927,499)
- staff costs	(2,220,200)	(2,068,133)
- other losses - net	(22,601)	(25,242)
Other operating income/(expenses) - net	806,853	(3,057,592)
Operating profit/(loss) before finance cost	4,324,587	(2,385,127)
Finance income	230,468	221,459
Finance cost excluding net foreign exchange gains/(losses) on financing activities	(1,738,473)	(1,272,385)
Net foreign exchange gains/(losses) on financing activities	59,085	(208,689)
	(1,679,388)	(1,481,074)
Joint ventures		
- share of results (net of tax)	(2,819)	1,678
Associates		
- share of results (net of tax)	(647)	(26,364)
- loss on dilution of equity interests	-	(403,712)
Profit/(Loss) before taxation	2,872,201	(4,073,140)
Taxation and zakat	(1,057,105)	(901,552)
Profit/(Loss) for the financial year	1,815,096	(4,974,692)
Profit/(Loss) for the financial year attributable to:		
- owners of the Company	1,457,550	(4,762,025)
- non-controlling interests	357,546	(212,667)
	1,815,096	(4,974,692)
Earnings per share (sen)		
- basic	16.0	(52.6)
- diluted	16.0	(52.4)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Year Ended	
	31/12/2019 RM'000	31/12/2018 RM'000
Receipt from customers	24,875,636	24,510,506
Payments to suppliers and employees	(13,413,645)	(16,222,297)
Payment of finance costs	(1,689,589)	(1,176,600)
Payment of income taxes and zakat (net of refunds)	(1,233,788)	(1,141,763)
Total cash flows from operating activities	8,538,614	5,969,846
Purchase of PPE (net of proceeds from disposal)	(6,770,736)	(6,613,083)
Acquisition of intangible assets	(429,628)	(540,640)
Investment in deposits maturing more than three months	133,618	(970,029)
Investment in subsidiaries (net of cash acquired)	21,451	(103,510)
Investment in associates	(14,664)	(59,551)
Disposal of associates	1,649,256	-
Interest received	230,232	223,962
Disposal of rights on right issue of a financial asset at FVTOCI	96,149	-
Dividends received from an associate	-	90,187
Settlement of derivative financial instrument	(38,712)	-
Others	23,375	(395)
Total cash flows used in investing activities	(5,099,659)	(7,973,059)
Repayments of borrowings and Sukuk (net of proceeds)	(2,352,263)	(257,425)
Partial disposal of subsidiaries (net of transaction costs)	-	367,434
Additional investment in a subsidiary by NCI	82,444	396,456
Repayment of lease liabilities	(1,207,992)	(208,300)
Dividends paid	(613,669)	(855,445)
Others	(74,315)	9,674
Total cash flows used in financing activities	(4,165,795)	(547,606)
Net decrease in cash and cash equivalents	(726,840)	(2,550,819)
Exchange gains/losses and restricted cash	(45,803)	(133,091)
Cash and cash equivalents at the beginning of the financial year	3,787,748	6,471,658
Cash and cash equivalents at the end of the financial year	3,015,105	3,787,748
Bank overdraft	134,442	103,300
Deposits and others	1,081,552	1,180,400
Deposits, cash and bank balances	4,231,099	5,071,448

Financial Review

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at	
	31/12/2019 RM'000	31/12/2018 RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	13,857,268	13,502,368
Reserves	2,323,525	3,974,431
Total equity attributable to owners of the Company	16,180,793	17,476,799
Non-controlling interests	6,039,230	5,737,907
Total equity	22,220,023	23,214,706
NON-CURRENT LIABILITIES		
Borrowings	9,194,490	14,646,553
Derivative financial instruments	110,818	1,698,722
Deferred income	383,337	363,196
Deferred gain on sale and lease back assets	559,351	663,228
Trade and other payables	607,967	2,987,844
Provision for asset retirement	517,288	487,394
Deferred taxation	1,205,422	1,391,214
Lease liabilities	7,397,617	-
Total non-current liabilities	19,976,290	22,238,151
	42,196,313	45,452,857
NON-CURRENT ASSETS		
Intangible assets	20,724,361	20,926,703
Contract cost assets	182,908	108,503
Property, plant and equipment	25,633,223	27,290,458
Right-of-use assets	8,937,706	-
Associates	207,357	266,475
Joint ventures	21,709	27,699
Financial assets at fair value through other comprehensive income	301,347	1,659,412
Financial assets at fair value through profit or loss	3,459	-
Derivatives financial instruments	15,256	-
Trade and other receivables	656,639	686,804
Deferred taxation	324,187	586,961
Total non-current assets	57,008,152	51,553,015

	As at	
	31/12/2019 RM'000	31/12/2018 RM'000
CURRENT ASSETS		
Inventories	154,328	219,130
Trade and other receivables	4,721,973	5,115,230
Derivative financial instruments	9,247	238,506
Financial assets at fair value through profit or loss	60,417	38
Tax recoverable	70,944	54,860
Deposits, cash and bank balances	4,231,099	5,071,448
	9,248,008	10,699,212
Assets classified as held-for-sale	277,643	1,602,800
Total current assets	9,525,651	12,302,012
LESS: CURRENT LIABILITIES		
Trade and other payables	12,178,262	12,484,444
Deferred gain on sale and lease back assets	124,748	120,942
Borrowings	7,631,753	4,483,197
Lease liabilities	1,442,700	-
Derivative financial instruments	2,041,199	155,901
Current tax liabilities	899,811	1,157,686
	24,318,473	18,402,170
Liabilities classified as held-for-sale	19,017	-
Total current liabilities	24,337,490	18,402,170
Net current liabilities	(14,811,839)	(6,100,158)
	42,196,313	45,452,857

Financial Review

GROUP FINANCIAL ANALYSIS 2019

Through disciplined execution of “Shifting Gear” to deliver cash and profit as well as initiatives under “Operational Excellence”, Axiata Group concluded the financial year with revenue at RM24,583.3 million, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) at RM10,619.1 million and Profit After Tax and Minority Interests (PATAMI) at RM1,457.5 million.

During the year, the Group successfully realised gains of RM367.1 million from divestment of non-core digital businesses and gain of RM113.4 million from disposal of stake in M1. In addition, the Group also recognised gain of RM96.1 million from sale of Idea rights.

Revenue

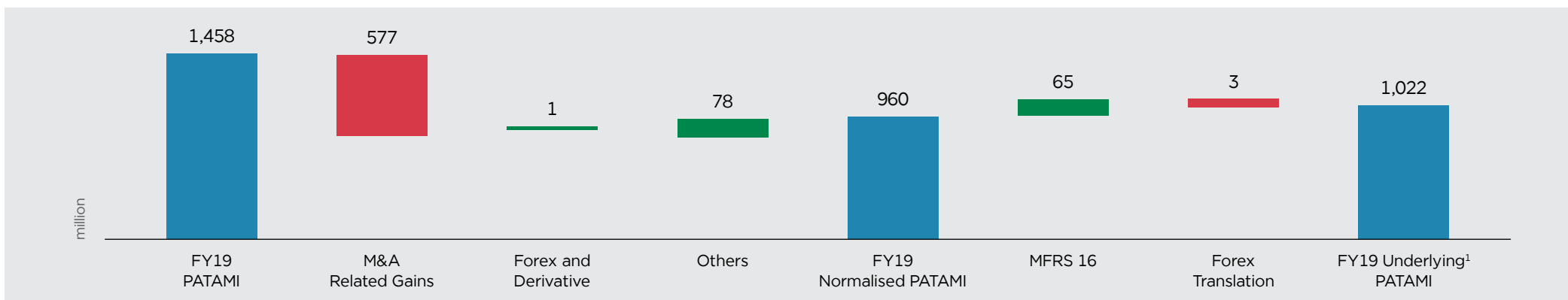
- Driven by strong growth in data revenue, the Group’s total revenue expanded by 2.9% in FY19 to RM24.6 billion
- All Operating Companies (OpCos) delivered growth except Celcom and Ncell

EBITDA

- Group EBITDA grew 27.4% to RM10.6 billion
- At constant currency and excluding MFRS 16 impact, Group EBITDA registered solid growth of 10.9% as a result of improved performance by all OpCos except Ncell
- Excluding MFRS 16 impact, double-digit growth from XL, Robi, Smart and edotco

PAT/PATAMI

- Group registered Profit After Tax (PAT) and PATAMI of RM1,815.1 million and RM1,457.5 million respectively driven by better underlying performance, lower depreciation, amortisation and assets written off, foreign exchange gain, discontinuation of Idea related losses, gain on disposal of non-strategic investments and gain on disposal of Idea’s rights, partly being offset by higher finance cost and tax
- Adjusting for one-off items mainly from merger and acquisition (M&A) related gains, forex and derivative, Group normalised PATAMI stood at net profit of RM960 million
- Bridging of 2019 PATAMI to normalised/underlying¹ PATAMI:



Cost Optimisation

In 2019, the Cost Excellence programme incrementally delivered RM1.3 billion of savings and avoidance across the Group, aided by over 200 distinct initiatives

- The programme continues to be balanced between capital expenditure (capex) and operating expenditure (opex), with each contributing nearly 50% of overall savings delivery

The Network domain (capex and opex) continues to drive the majority of savings, with improving contributions from Sales and Marketing, and Support functions. Negotiation is the major driver with increasing weightage from Operational Excellence and Digitisation

The Group continues to trend ahead of our expectation to deliver RM5.0 billion goal by 2021, having delivered more than RM4 billion in the first three years of the programme

Note: ¹ Numbers are based on constant currency and pre MFRS 16

Financial Review

GROUP FINANCIAL POSITION

As at 31 December 2019, the Group's financial position maintains its strong investment grade rating with gross debt/EBITDA of 2.4x, and a solid cash position of RM4.2 billion after net loan repayment of

RM2.3 billion. Excluding MFRS 16 impact, the Group's gross debt/EBITDA is 1.8x.

Key Highlights of Group Financial Position

Total equity stood at

RM
22.2
billion

- Total equity decreased by RM1.0 billion
- Despite profit for the financial year of RM1.8 billion, the decrease in equity balance in 2019 was mainly due to the following:
 - dividend via cash payment to shareholders and NCI of RM613.7 million
 - revaluation of financial assets at fair value through other comprehensive income of RM1.6 billion

Total assets balance stood at

RM66.5
billion

- Total assets increased by RM2.7 billion
- Property, plant and equipment (PPE) decreased by RM1.7 billion driven by:
 - depreciation of RM4.5 billion
 - RM3.3 billion was reclassified to right-of-use assets as a result of adoption of MFRS 16
 - reduction was partially offset by additions during the year amounting to RM6.2 billion
- Group recorded right-of-use assets of RM8.9 billion as at year end, which includes reclassification from intangible assets and PPE
- Assets classified as held-for-sale decreased by RM1.3 billion to RM277.6 million mainly due to disposal of stake in M1
- Financial assets at fair value through other comprehensive income decreased by RM1.4 billion to RM301.3 million mainly due to revaluation of assets marked-to-market

Total liabilities stood at

RM
44.3
billion

- Gross liabilities increased by RM3.7 billion
- As a result of adoption of MFRS 16, Group recorded lease liabilities of RM8.8 billion, which includes RM3.0 billion reclassified from finance lease payables
- Gross borrowing (excluding lease liabilities) reduced by RM2.3 billion to close at RM16.8 billion mainly due to net loan repayment of RM2.3 billion

Cash Position and Dividends

- The Group cash balance remained healthy at RM4.2 billion
- The decrease in cash balance compared to last year by RM840.3 million was the result of:
 - cash dividend payment
 - capital investment in network
 - repayment of loans
- As a result of the Group's steady FY19 performance, the Board of Directors approved a total dividend of 9.0 sen per ordinary share. Total dividend for FY19 translated to 86% dividend payout ratio (DPR) compared to 85% in FY18. The Board also approved a special dividend of 0.5 sen to share gain from disposal of M1 investment

Capital Investments

- The Group has spent RM6.2 billion, at 25% capex intensity ratio. The spend is in line with our aspiration to be New Generation Digital Champion by 2022 in enhancing customer experience, expanding non-urban areas (ex-Java in Indonesia and non-CCD in Bangladesh) and digitisation business

- These investments were mainly sourced from internal generated funds
- The Group continues to execute Triple Core Strategy - Digital Operators, Digital Businesses and Infrastructure
- The Group intensified the "Shifting Gear" initiatives focusing on sustainable profit and cash growths through Operational Excellence, with overarching emphasis on profitable growth, optimum customer satisfaction, sustainable cost structure, Digitisation/Analytic and organisation excellence
- At the same time, the Group will continue its initiatives on structural changes and collaborations to accelerate the delivery of an optimal portfolio across core business, enterprise, home, digital business and infrastructure

Capital Structure and Capital Resources

- The Group's debt to equity gearing ratio (gross borrowing including lease liabilities over total shareholder's equity) recorded at 1.6 as at 31 December 2019

Capital Allocation and Balanced Portfolio

- The Group continually strives to maximise shareholder return, with "Shifting Gear" tactics focusing on profit and cash
- Capital is allocated in line with the strategy to reprioritise or re-scope investment with long payback
- The Group follows a balanced approach towards moderate growth and moderate dividend

Financial Review

KEY PERFORMANCE INDICATORS

On 22 February 2019, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2019. The Group's 2019 Headline KPIs announced were as below:

Headline KPIs	FY19 Statutory Post MFRS16 @ Actual rate	FY19 Headline KPIs	FY19 Achievements
		Pre MFRS16 @ Constant rate ¹	
Revenue Growth	2.9%	3 - 4%	2.3%
EBITDA Growth	27.4%	5 - 8%	10.9%
Return on Invested Capital ² (ROIC)	6.4%	5.2 - 5.6%	6.7%

Notes: ¹ Constant rate is based on the FY18 Average Forex Rate (e.g. 1 USD = RM4.034)

² ROIC is defined as EBIT - tax + Share of Assoc / Average Invested Capital (excluding cash)

FY19 has been a strong year for the Group despite the challenges faced by the OpCos namely difficult macro-economic conditions, regulatory changes and intense competition. On a statutory reporting basis, the Group posted revenue and EBITDA growth of 2.9% and 27.4% Year on Year (YoY), while Return on Invested Capital (ROIC) stood at 6.4%.

On a like for like basis, (pre MFRS16 at constant rate), the Group exceeded the EBITDA and ROIC KPIs at 10.9% and 6.7% respectively. Although Axiata recorded lower revenue growth of 2.3% YoY, the Group revenue excluding device sales rose by 5.1% YoY.

In Malaysia, Celcom grew profitability YoY on the back of a subdued industry in addition to adverse impact from mobile termination rates, devices and wholesale revenue. In Indonesia, XL once again demonstrated exceptional execution of its dual brand and data led strategy. XL performance is further uplifted by its ex-Java investments and network expansions. 4G services are currently available in more than 400 cities. Smart in Cambodia, continued to deliver sustained excellent performance during the year.

In Bangladesh, Robi recorded strong results reaping the benefit from investments in 4G as well as the Airtel merger in FY16, despite the adverse impact from changes in taxes introduced during the National Budget in June 2019. Dialog in Sri Lanka performed better than peers despite being impacted by price competition arising from new regulations and subdued economic conditions following Easter Sunday incident. In Nepal, Ncell performance was dragged by multiple regulatory challenges and slow pick up of domestic data volumes and declining ILD revenue as earlier expected.

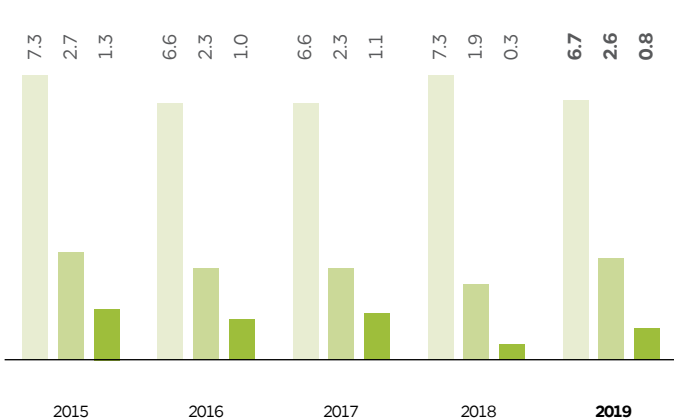
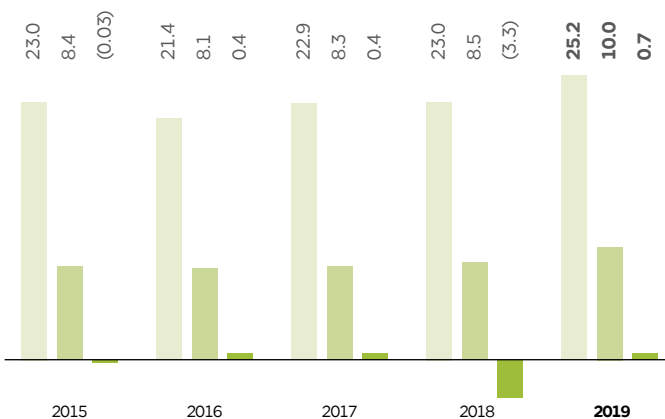
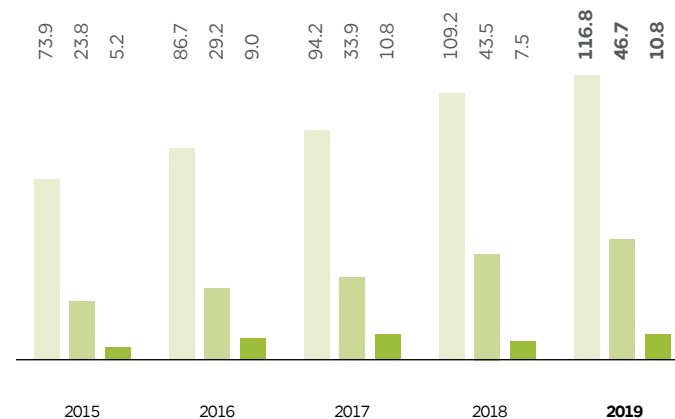
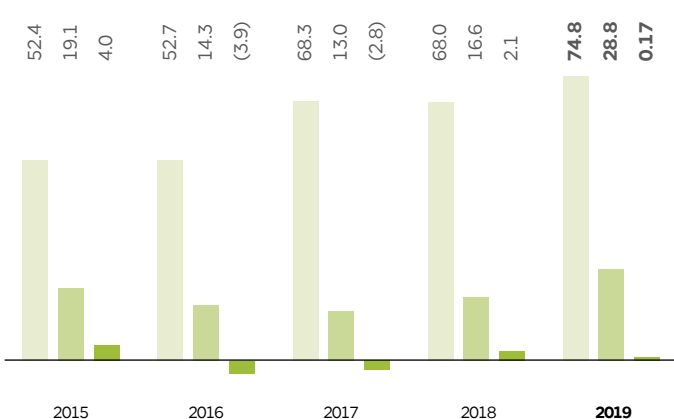
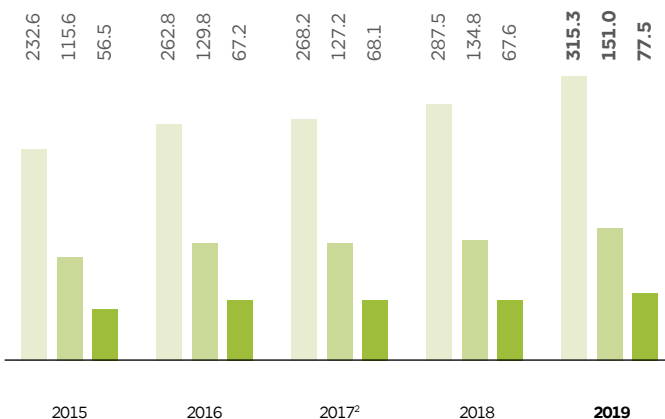
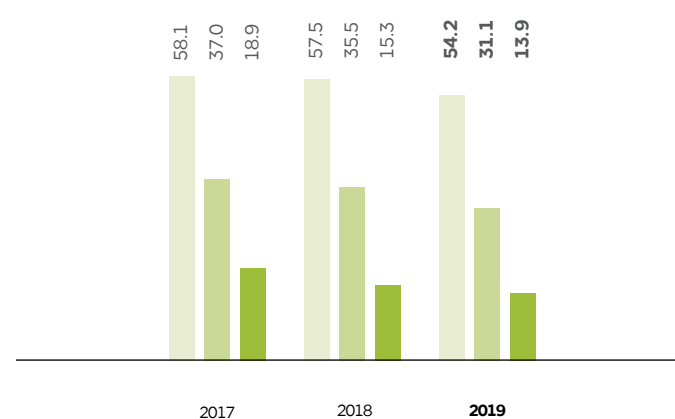
The digital business recorded top line growth in FY19 with reduced losses. Our infrastructure business, edotco continued delivering excellent performance underpinned by YoY growths in most markets.

The Group's performance in FY19 was supported by the cost excellence programme, which delivered RM1.3 billion savings (capital and operating expenditures).



**ASSESS HOW OUR
OPERATING COMPANIES
HAVE CONTRIBUTED TO
CREATING VALUE**

2019 Overview Of Operating Companies' Performance

REPORTING BY GEOGRAPHICAL LOCATION¹Malaysia
(RM Billion)Indonesia
(IDR Trillion)Sri Lanka
(SLR Billion)Bangladesh
(BDT Billion)Cambodia
(USD Million)Nepal
(NPR Billion)

Revenue EBITDA PAT

Notes: All financial numbers are based on audited financial figures and follows the respective country's local GAAP except for Ncell which had a different financial year end 2019 numbers are post-International Financial Reporting Standards 16 (IFRS 16) except for Indonesia, Cambodia and Nepal as the entities have yet to adopt the standard

¹ Axiata's reporting by geographical location is conducted for its OpCos: Celcom, XL, Smart, Dialog, Robi and Ncell

² 2017 figures have been restated to exclude edotco Cambodia's results, for like to like comparison with 2018 figures



**Year of Investment/
Shareholding:**
2008/100.0%

Nature of Business:
Mobile Telecommunications

Customers:
8.4 million⁴

Technology Deployed:
Mobile - GSM/GPRS/
EDGE, 3G/
HSPA+, LTE/
LTE-A/VoLTE
Fixed Network - FTTx, WTTx

No. of BTS:
2G : 8,227
3G : 15,043
4G : 15,968

**Network Coverage
(by population and technology):**
2G : 95.22%
3G : 94.14%
4G : 93.23%

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Celcom's website



Performance



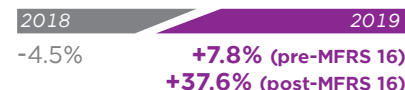
Revenue (RM Billion)



EBITDA (RM Billion)



EBITDA Growth (%)



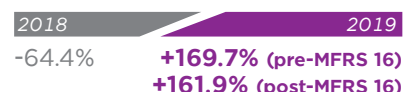
EBITDA Margin (%)



PATAMI (RM Billion)



PATAMI Growth (%)



Customers (Million)



Blended ARPU (RM)



Smartphone Penetration



Data Usage (Per Data Sub Per Month) (GB)



Key Highlights 2019

- Strong focus on Operational Excellence and cost optimisation delivered results
- Stringent cost management delivered 7.8% EBITDA growth and double-digit YoY PATAMI growth
- Mobile service revenue declined 3.9% due to lower Mobile Termination Rates, wholesale revenue and a challenging market environment
- FCF grew 21.9% due to EBITDA expansion whilst Capex reduced 3.6%
- Despite being a new entrant in the fixed wireless market for the Home segment, the company recorded encouraging growth in this area
- Non-mobile Enterprise revenue delivered double-digit growth in key Business to Business (B2B) verticals
- Maintained leadership position in the Internet of Things (IoT) and Machine to Machine (M2M) services and solutions
- Digital transformation efforts resulted in excellent growth in digital customer engagements, with a +20pp increase in digital transactions and double-digit growth in online sales
- Significant enhancements to the Celcom Life App, including in-app personalised offerings, drove higher customer adoption and doubled subscriber base penetration rate amongst Smartphone users
- Doubled subscriber base penetration on the back of increased customer adoption of the Celcom Life app which was enhanced with new in-app personalised offerings
- Focused execution of its customer centric strategy resulted in stellar customer experience metrics to retain its #1 industry leading Relational Net Promoter Score (rNPS)
- Opensignal Awards 2019 acknowledged Celcom as the clear #1 mobile leader in "Latency Experience", "4G Availability" and "Video Experience"
- YouTube Malaysia crowned Celcom with "The Ad of the Year" award for its witty and heart-warming "Guna Celcom" campaign during the festive season
- Efforts to empower underserved communities and ensure environmental sustainability were recognised by the "Asia Responsible Enterprise Award 2019 - Green Leadership Category"

People



- Ranked as Top 4 Employer in Malaysia by Ranstad
- Launched Axiata Virtual Academy, a fully virtual integrated learning platform
- Digitalising employee experience with the launch of employee app We@Celcom
- Culture infusion of Celcom's new vision and purpose through the introduction of Celcom's Compass

Partnership



- Demonstrated real 5G applications in collaboration with eco-systems partners and government agencies during Langkawi 5GDP
- Launched Innovation Centre for 5G with Universiti Teknologi Malaysia and Ericsson - 1st University campus in Malaysia with 5G
- Celcom as the preferred ICT partner in Kwasa Damansara
- > 10 partnerships/MoU for IR 4.0/5G including MRCB for Smart Building and MDEC for various solutions

Planet & Society



- Enhanced Vendor Development Programme (VDP) 2.0 to develop capable suppliers for sustainable growth
- Multiple digital inclusion platforms for students, graduates, entrepreneurs, local start-ups and rural communities, in line with Bumiputera empowerment agenda

Notes: ¹ All growth figures in 2018 are based on pre-MFRS 15 ² All absolute Revenue, EBITDA and PATAMI in 2018 are post-MFRS 15 and 9 ³ EBITDA Margin in 2018 is post-MFRS 15 and 9 ⁴ This excludes MVNO subscribers on Celcom's Network



OPERATING ENVIRONMENT

Year on Year (YoY) decline in industry revenue. **Intense competition** and **challenging macro conditions** in Malaysia

Growth opportunities in fixed broadband and Enterprise segments. Consumer preferences shifting from prepaid to postpaid

5G and IR 4.0 gaining traction with strong government push

Regulatory focus on **ensuring Quality of Service (QoS) and bridging the digital divide**

BUSINESS REVIEW IN 2019

Flat mobile service revenue YoY

when normalised for wholesale and interconnect impacts

Growth in postpaid revenue despite marginal dip in subscriber base. **Prepaid growth in line with market trend.**

Addressing lower end of the market through Mobile Virtual Network Operator (MVNO)



Improved profitability, with > RM280 million of annualised savings

from cost optimisation



Reduced operating expenditure (opex)

by executing cost optimisation initiatives



Serving > 13 million users,

the largest in the country, and continued to maintain network leadership position



Launched new regional operating model

to empower employees for faster time to market



Enhanced digital platforms

to support customer service



Outlook for 2020 and Beyond

Following the Government's economic stimulus announcement in response to challenges due to the COVID-19 pandemic, Celcom launched a comprehensive COVID-19 Relief Programme for consumers, the Ministry of Health, state operations and frontline organisations; and in collaboration with Axiata and its other subsidiaries - a RM150 million micro-SME financing fund

Activation of comprehensive Business Continuity Management framework to mitigate pandemic-related impacts on operations and customers through deployment of alternative digital channels, enhanced network operations and QoS management, and the use of digital tools enabling employees to Work-From-Home (WFH)

Continuous pursuit of Operational Excellence, and driving growth through innovation, digitisation and new business areas

Conducting smart investments to enhance network infrastructure towards delivering the best customer experience

Enhancing cost and Operational Efficiency by transforming cost base to deliver YoY improvements in EBITDA and PATAM

Focusing on new growth areas and innovations namely 5G, Home, Enterprise and IR 4.0. Continue building on our success in 2019

Continuous Digital Journey focusing on End-to-End Digitisation to become the nation's most inspiring digital organisation

Leverage on Data Science, Analytics and Artificial Intelligence capabilities in all core processes and daily operations

To focus talent and people development on enhancing skills towards becoming an exemplary high performing organisation

Maintain our commitment to develop the local vendor ecosystem through VDP2.0 to fulfil our purpose of Advancing Our Societies and building an Inclusive Digital Nation





**Year of Investment/
Shareholding:**
2005/66.3%

Nature of Business:
Mobile

Customers:
56.7 million

Technology Deployed:
Mobile - GSM, GPRS,
EDGE, 3G,
HSPA+,
DC-HSPA+,
4G LTE, 4.5G

No. of BTS:
2G/3G : 89,953
4G : 40,264

**Network Coverage
(by population and technology):**
2G Population Coverage : > 92%
3G Population Coverage : > 94%
4G Population Coverage : > 94%

Scan to watch more
from our President
Director, XL Axiata



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XL's website



Performance



Revenue (IDR Trillion)



EBITDA (IDR Trillion)



EBITDA Margin (%)



PAT (IDR Trillion)



PAT Growth (%)



Customers (Million)



Blended ARPU (IDR)



Total Traffic (PB)



Smartphone Penetration



Key Highlights 2019

- Revenue driven by data monetisation and upselling
- ROIC improved by 4.1ppt to 6.7%
- Free cash flow (FCF) surged up by 14.6%, due to improved EBITDA
- Sustained focus on network investments and product innovations resulted in the company's recognition as one of the leading brands in the industry
- Data revenue contributed 89% to service revenue, with smartphone penetration at 86%
- Network investments geared towards growing its data business, resulted in more than 40,000 4G BTS, and expansion of reach to 425 cities
- Obtained the "Best Network Transformation", "Best B2B Service" and "CEO of the Year" awards at the Selular Award 2019
- Product and technology innovation for XL PRIORITAS acknowledged with the "Apresiasi Inovasi" award from Koran Sindo
- Strong corporate governance led to its recognition as a "Top 20 Company" in the "Top 50 of the Biggest Market Capitalisation Public Listed Companies" category at the 11th Indonesian Institute for Corporate Director (IICD) Corporate Governance Conference and Awards 2019

People



- Implemented Operational Excellence as part of XL's DNA

Partnership



- Partnered with Vocus Group and Alcatel Submarine Networks to operate the Australia-Indonesia-Singapore cable communication system
- Princeton Digital Group to acquire 70% interest in XL Axiata Data Centre, and enable growth by targeting hyperscalers, domestic unicorns, corporations and telecommunications companies

Planet & Society



- Developed and improved the XL Axiata Sustainability Framework to increase and improve Environmental, Social and Governance measures

OPERATING ENVIRONMENT

Telco market recovery in 2019



Estimated market revenue growth of around 6%



Strong demand for data as more customers migrate to 4G smartphones, with increasing online activities such as video and music streaming, online gaming, e-commerce and online transport

Data growth expected in the short to medium-term, while in the long-term, 5G roll out likely to lead to recovery in data pricing and consolidation/collaboration between industry players

BUSINESS REVIEW IN 2019

Expanded BTS count, focusing on ex-Java

> **130,000** BTS
 > **40,000** 4G BTS

Ex-Java remained key growth area

, as well as the Home and Enterprise segments



Optimum mobile portfolio with growth in ex-Java, whilst protecting Java stronghold



Invested in network fiberisation to:

Meet **rising data** needs
 Prepare for **5G** roll out

Expanded network reach by 289 points located in remote areas through the Universal Service Obligation scheme

Quality data services

4G LTE network

in Anambas and Riau Islands, Kalimantan and Sumatra

Increased digitisation of business processes

for simpler and more efficient ways of working



Partnered with content providers such as Netflix to drive demand for data



Outlook for 2020 and Beyond

As a result of the COVID-19 pandemic, in the short-term XL is benefiting from more people and students working from home, with network traffic increasing

In the medium to long-term, a drawn out pandemic would impact business growth as increased unemployment erodes consumer spending

To maintain profitable growth, and improve shareholder return, with a target for ROIC to exceed Weighted Average Cost of Capital (WACC) by 2022

Expanding mobile business to strengthen mobile revenue, whilst driving revenue growth in Home and Enterprise segments

Drive further industry consolidation and restructuring by consistently engaging with key stakeholders

Embed Operational Excellence as the business DNA, and within the employee work culture

Ensuring a healthy, happy and safe work environment to continue to attract the best talents in the industry

Continue internal digitisation initiatives, whilst involving key external stakeholders such as business partners and vendors, to further improve efficiencies in the ways of working

Continue to build partnerships and expand product portfolio, while remaining abreast of the latest industry development and incorporate insights into future business plans

Maintain stakeholder engagements and meeting emissions targets responsibly

Enhancing corporate governance standards, by regularly reviewing and updating the framework





**Year of Investment/
Shareholding:**
1995/83.3%

Nature of Business:
Communication Services,
Telecommunications Infrastructure
Services, Media and Digital
Services including Financial
Services and Dialog Enterprise

Customers:
14.9 million

Technology Deployed:

Mobile - GSM/EDGE, 3G/
HSPA+, LTE/
LTE-A, 5G Pilot
Fixed Network - FTTx, DOCSIS,
LTE, WIFI,
CDMA, WiBAS
TV - DTH (Satellite
TV), IPTV, ViU
Hub Mini
(Android TV),
ViU Hub (Hybrid
Satellite & IPTV)

No. of BTS:

2G : 5,163
3G : 3,325
4G LTE FDD : 3,467
4G LTE TDD : 2,436

**Network Coverage
(by population and technology):**

2G : 98%
3G : 86%
Mobile 4G
(FDD): 92%
Fixed 4G
(TDD): 68%



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Dialog's website

Performance



Revenue (SLR Billion)

2018	2019
109.2	116.8
+15.9%	+7.0%

EBITDA (SLR Billion)

2018	2019
43.5	44.2 (pre-IFRS 16)
	46.7 (post-IFRS 16)

EBITDA Margin (%)

2018	2019
39.8%	37.8% (pre-IFRS 16)
	40.0% (post-IFRS 16)

PAT (SLR Billion)

2018	2019
7.5	10.8 (pre-IFRS 16)
	10.8 (post-IFRS 16)

PAT Growth (%)

2018	2019
-30.4%	+43.4% (pre-IFRS 16)
	+43.7% (post-IFRS 16)

Customers (Million)

2018	2019
13.8	14.9
+7.8%	+8.0%

Blended ARPU (SLR)

2018	2019
403	382

**Blended MOU (Per Sub Per Month)
(Minutes of Use Per Sub Per Month)**

2018	2019
117	123

Data Usage

(Per Data Sub Per Month) (GB)

2018	2019
3.5	4.9

Key Highlights 2019

- Revenue growth led by TV at +17%, fixed at +7.1% and mobile at +0.6%
- More than 100% OFCF growth
- Spearheaded a technology first in South Asia and Sri Lanka, by commissioning the first fully functional and standards compliant 5G pilot transmission which showcased next generation technology to establish its position as a regional 5G leader. Recorded the fastest mobile 5G speeds in the region
- Pioneered the launch of Sri Lanka's first Google certified Android TV device ViU hub mini, Sri Lanka's first fully managed SD WAN Product, Sri Lanka's first eLTE network at Colombo International Port Terminals and Sri Lanka's first data science hackathon on Smart City planning
- Postpaid power plan with voice flat rates
- Partnered with Samsung to offer unlimited data for YouTube and Dialog ViU Premium
- Per day home broadband plans for wide affordability
- Exclusive Netflix partnership
- Winner of the "Industrial IoT Initiative of the Year" in the "IoT Solutions for Industries in Emerging Markets" category at the Global Telecoms Awards 2019
- SLIM-Nielson Peoples Awards 2019 named Dialog as the "Internet Service Provider of the Year" for the seventh consecutive year, and "Telecom Service Provider of the Year" for the eighth year running
- Awarded Sri Lanka's "Most Valuable Brand" by BrandFinance

People



- Enhanced digital culture via:
 - Digital skills development
 - Agile at scale measures
 - Driving digital engagement through gamification
 - Digitising HR processes
- Ensured that Dialog's Enterprise and organisational transformation were aligned with talent development objectives

Partnership



- The first telco in South Asia to demonstrate a fully standards-based Live 5G Showcase that integrated 5G network infrastructure with a mobile 5G device featuring holographic video call, holographic remote music production, 360° 8K video calling, and 360° 8K Live Virtual Reality enabled video streaming, 'AI powered Digital Twins' mechanism and 'Robotic Arm'
- Set up a regional connectivity hub connecting Maldives and Sri Lanka in partnership with Dhivehi Raajjeyge Gulhun PLC and Ooredoo Maldives PLC

Planet & Society



- Dialog Axiata Digital Innovation Fund (DADIF) - invested in 7 start-ups, and created 400 jobs
- Kickstarted the implementation of the ISO 14001 Environmental Management System, which upon completion will make Dialog the first mobile operator in South Asia with this certification
- Established Rally to Care initiative to assist families affected by 4/21 incidents by providing immediate term out-patient support, psychosocial rehabilitation and awarding long-term scholarships to 353 affected children



OPERATING ENVIRONMENT

Fall in economic growth to 2.3% due to the unfortunate Easter Sunday incident and policy uncertainty



Easter Sunday incident led to slowdown in tourism that **affected allied businesses**



Subdued consumer/business confidence as a result of the impending election cycle and reduced economic growth

The removal of the floor rate in 2018 led to **aggressive industry competition in data and voice services** which resulted in a drop in their respective prices by around 36% and 33% during 2019

BUSINESS REVIEW IN 2019

+2.3pp growth in mobile market share

despite intense competition and unfavourable macroeconomic environment

Expanded 2G, 3G and 4G coverage with > 3,500 sites



Maintained product innovation

Triple Blaster product

product with >1 million activations

MyDialog App

reached 4 million registrations

Retail Hub

the 1st digital retail platform in Sri Lanka, 100% E2E customer onboarding

Expanded roaming coverage collaborations - 681 operators and 230 countries worldwide

Deployed IoT based smart prepaid electricity meters in collaboration with Lanka Electricity Company and the Ministry of Power and Renewable Energy

Strong performance in the Fixed and TV space

Dialog Broadband Networks (DBN) serves **888,000** individuals and corporates, providing multiple services including broadband, Internet Data Centre, converged ICT solutions, transmission and backbone services

Dialog TV's (DTV) subscribers increased by **26% to 1.4 million**, and has **72% market share**

Digital portfolio growth

eZ Cash - **> 3.7 million** subscribers; **> 22,000** merchant partners

Multi-award winning financial inclusion app, Genie, is Sri Lanka's first and only PCI-DSS certified mobile payment app - **> 300,000** downloads; **> 20,000** merchant touch points; Annual Transaction Value of **> SLR2 billion**

InsureTech vertical, 1st of its kind in Sri Lanka, partnered with the largest insurers to offer exclusive value-added services to customers - **> 4.5 million** subscribers

Ideamart launched an innovative product, **'APPMAKER'**, an award winning Android application creation solution

Digital health vertical:

Established 'Digital Health Innovation Laboratory' to incubate innovative digital solutions for the healthcare sector

Online doctor appointment platform, Doc990 - **> 2 million** bookings; **126** leading hospitals; **> 1,500** network partners

Outlook for 2020 and Beyond

COVID-19 pandemic led to market downturn in Sri Lanka

Dialog providing community and enterprise support during the pandemic, including emergency support of 1GB offer, free remote medical consultations via 1390, free access and data for educational platforms and ViU, free access to > 130 DTV channels, WFH support, double data, free emergency reloads and loans, and increased credit limits

Supporting the nation and communities through LKR200 million pledge to enhance ICU capacities in hospitals and > LKR50 million in relief aid to > 360 villages across 19 districts

Sri Lanka's telecommunications industry continues to rapidly transform, with greater focus on emerging digital services and digitisation

Market focus is predominantly on providing the best experience supported via aggressive 4G and 5G expansion strategies

Dialog's strategy will focus on building value at the core, synergies in convergence, common market operations and technology

Focusing on mobile data leadership, capturing greater market share and monetisation of Home broadband

offerings, driving Enterprise growth via connectivity and ICT platforms, and Digital Transformation and Analytics at Scale

Dialog will leverage on its transformational progress in 2019 to further improve performance in 2020

Organisational transformation efforts will be further matured, towards developing and driving Dialog's digital culture

Continue to focus on Lean implementation and agile at scale

Maintain people investments in building digital skills towards achieving the New Generation Digital Champion ambition





**Year of Investment/
Shareholding:**
1996/68.7%

Nature of Business:
Mobile Telecom Operator

Customers:
49 million

Technology Deployed:
Mobile - GSM/EDGE, 3G/
HSPA+, LTE/
LTE-A

No. of BTS:
2G BTS : 11,237
3G BTS : 10,524
4G BTS : 8,910

**Network Coverage
(by population and technology):**
2G : 98.6%
3G : 91.1%
4G : 93.1%

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Robi's website



Performance



Service Revenue (BDT Billion)

2018	2019
67.4	73.9
9.5%	9.7%

Device Revenue (BDT Billion)

2018	2019
0.6	0.9

Total Revenue (BDT Billion)

2018	2019
68.0	74.8

Total Revenue Growth (%)

2018	2019
-0.4%	10.0%

EBITDA (BDT Billion)

2018	2019
16.6	24.0 (pre-IFRS 16) 28.8 (post-IFRS 16)

EBITDA Margin (%)

2018	2019
24.5%	32.0% (pre-IFRS 16) 38.5% (post-IFRS 16)

PAT (BDT Billion)

2018	2019
2.1	0.8 (pre-IFRS 16) 0.2 (post-IFRS 16)

PAT Growth (%)

2018	2019
+> 100%	-62.8% (pre-IFRS) -92.1% (post-IFRS)

Customers (Million)

2018	2019
46.9	49.0
+9.3%	+4.5%

Blended ARPU² (Blended ARPU/Sub/Month)

2018	2019
120	124

Blended MOU³ (Minutes of Use/Sub/Month)

2018	2019
134	121

Data Usage⁴ (Per Data Sub Per Month) (MB)

2018	2019
1,080	1,913

Key Highlights 2019

- ROIC improved 5.2pp to 4.8%⁵
- FCF turned positive to BDT14.6 billion⁶
- PATAMI declined in 2019 due to the absence of gain of the sale of tower assets to edotco and higher taxation in Bangladesh in 2019. Had the sale to edotco been excluded from 2018, PATAMI would have risen more than 100%
- Digital Telco Index (DTI) 2019 score of 7.4, an increase of +1.6 from 2018, resulted in Robi upgraded to a "Digital Telco" as a global digital company
- The national information centre (333) is a collaborative initiative of Robi, the Government's Aspire to Innovate (a2i) programme under the ICT Division, and

a prominent call center company, and helps citizens to conveniently receive information on how to obtain public services and provides a window for them to seek assistance from Government institutions to address various social problems. This innovative national platform was lauded as the Best Citizen Engagement project in Asia by GovInsider, an international organisation that promotes innovation in the public sector.

- Exemplary human resource management was recognised with the "Asia's Best Employer Brand 2019" award by CHRO-Asia, and the "Global Best Employer Brand 2020"

People



- Maintained Modern, Agile and Digital (M.A.D.) initiatives to accelerate people transformation
- Focus on digital talent development, led to employees scoring 93% on the digital readiness assessment, shifting from 'Digital Bachelor' to 'Digital Professors'

Partnership



- Deployed Machine Learning based Dynamic Spectrum Sharing for better spectral efficiency
- Focused on analytics readiness, scoring 91% on the Analytics Maturity Index as an 'Innovative Leader'

Planet & Society



- Bangladesh's largest free online school, Robi-10 Minute School, continued to improve educational outcomes amongst students
- Strong Social Reputation Score

Notes: ¹ All 2019 figures are pre- and post-IFRS 16, while 2018 figures are pre-IFRS 16

² For 2019, Blended ARPU/Sub was calculated based on a new method of average active sub-base. In previous years, the average active sub-base was calculated by adding the average prepaid active base and average postpaid HLR base (180 days rolling sub-base). As at 2019, the average postpaid active base (90 days rolling sub-base) is used instead of the average postpaid HLR base as per the industry practice. The figure for 2018 has been restated based on this calculation

³ For 2019, Blended MoU/Sub was calculated based on a new method of average active sub-base. In previous years, the average active sub-base was calculated by adding the average prepaid active base and average postpaid HLR base (180

days rolling sub-base). As at 2019, the average postpaid active base (90 days rolling sub-base) is used instead of the average postpaid HLR base as per the industry practice. The figure for 2018 has been restated based on this calculation

⁴ For 2019, Data Usage/Sub was calculated based on average Internet sub-base as per industry practice. In previous years, only the closing sub-base was used. The figure for 2018 has been restated based on this calculation

⁵ Based on post-IFRS 16. Pre-IFRS 16, ROIC improved 4.7pp to 4.3%

⁶ Based on post-IFRS 16. Pre-IFRS 16, FCF was BDT9.75 billion



OPERATING ENVIRONMENT

Competitive landscape expected to change with enforcement of Significant Market Player regulations' threshold of 40% subscriber/revenue market share



Increased data usage nationwide, as market leader ramped up 4G investments in 2019



Unified floor price for voice services led to more level playing field



Absence of data pricing regulations led to **data pricing war**



BUSINESS REVIEW IN 2019

Robust execution of Dual-brand Strategy led to both brands growing faster than market



Fastest roll out of 4G sites in all districts nationwide



Substantial gains in Corporate and SME segment via Mobile Number Portability (MNP) service, with 5 out of 7 MNP customers choosing Robi

Growth across all metrics:

Core service revenue from digital services

+44%

Revenue from Robi's appstore, bdapps.com

+85%

Revenue from MIFE, Robi's premier and B2B API platform

+111%

Robi significantly increased its spectral efficiency, data capacity and user speed experience by 3x, by **being the first operator to adopt Dynamic Spectrum Sharing**



Sustained focus on process efficiency, simplification and digitisation led to optimised cost structure



Implemented data governance and data privacy initiatives for secure customer experience



Strict compliance with **cyber security regulations**



Outlook for 2020 and Beyond

Despite the impact of COVID-19, Asian Development Bank projects Bangladesh economy to grow at 7.9% in 2020¹

Garments and other exports to the European Union expected to fall dramatically as a result of COVID-19 pandemic, leading to job losses²

Smartphone penetration expected to take a hit due to the economic downturn caused by COVID-19

Robi to maintain focus on its core business, while expanding its digital services and exploring commercial deployment of IR 4.0 technologies

With firm focus on cost optimisation, Robi is set to drive Operational Excellence, internal process digitisation, and introduce digital innovation to drive growth

Focus on beefing up its capabilities in data analytics to emerge as the preferred solution provider in the Enterprise segment

Upcoming Initial Public Offering (IPO) for Robi to be held in 2020. Based on IPO volume, Robi will be the largest listed company in Bangladesh in terms of the size of the IPO. Listing of Robi's share on the stock market is projected to increase the country's market cap to GDP by 2%

Maintain focus on digital talent development with the aim of unlocking employees' zeal for innovation and operational excellence, by further embracing digital culture in the workplace

Conduct job rotations at different levels to ensure employees better understand emerging technologies and ongoing business transformation

Continue to focus on National Champion aspirations through strong corporate governance and socially responsible initiatives

Notes: ¹ Source: <https://www.adb.org/countries/bangladesh/main>

² Source: Dr Ahsan H Mansur, economist and executive director of the Policy Research Institute (PRI) in Bangladesh, in the article "Corona could hit Bangladesh's employment sector too" published in The Business Standard on 19 March 2020



For more details on Robi's response to the COVID-19 pandemic, please refer to page 32 in the "Nurturing People" section



**Year of Investment/
Shareholding:**
2013/72.5%

Nature of Business:
Mobile Telecom Operator

Customers:
7.5 million

Technology Deployed:
Mobile - GSM/EDGE, 3G/
HSPA+, LTE/
LTE-A, 5G Pilot
Fixed Network - LTE

No. of BTS:
2G : 2,650
3G : 2,697
4G : 2,685

**Network Coverage
(by population and technology):**
2G : 99.2%
3G : 84.9%
4G : 75.0%



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Smart's website

Performance



Revenue (USD Million)

2018	2019
287.5	315.3
+7.2%	+9.7%

EBITDA (USD Million)

2018	2019
134.8	151.0

EBITDA Margin (%)

2018	2019
46.9%	47.9%

PAT (USD Million)

2018	2019
67.6	77.5

PATAMI Growth (%)

2018	2019
-0.8%	+14.9%

Customers (Million)

2018	2019
7.5	7.5
+3.0%	0

Blended ARPU (USD)

2018	2019
2.32	2.68

Blended MOU (Per Sub Per Month) (Minutes of use/sub/month)

2018	2019
171	137

Data Usage

(Per Data Sub Per Month in GB)

2018	2019
11	14

Key Highlights 2019

- Smart continued with its excellent performance track record, delivering another year of solid double digit growth across all metrics
- FCF increased by 47%
- Robust focus on cost management, asset utilisation and Capex efficiency led to strong EBITDA margin and PAT
- Recorded superior data growth, with data subscribers increasing by 6.9%, and contributing 68% towards overall revenue
- Smart remains the overall market leader in Cambodia, with a strong #2 position in Home Broadband
- First OpCo in the Group, as well as the first telco in Cambodia, to launch Google Mobile Data Plan
- First telco to host a 5G live network showcase in Cambodia
- Rebranded its music streaming app to Pleng by Smart which hosts more than 1 million songs, further cementing its leading lifestyle provider tag in the country
- Industry leader in cyber security protections and safeguards, with each NIST Function having met or exceeded a score of 3.0 as at end 2019
- 2019 Frost & Sullivan Asia Pacific Best Practices Awards recognised Smart as "Cambodia's Mobile Service Provider of the Year 2019" and "Cambodia's Mobile Data Service Provider of the Year 2019"
- Obtained "Best Telecommunications Company Cambodia 2019" and "Best Corporate Social Responsibility (CSR) Company Cambodia 2019" awards from Global Banking and Finance Review

People



- Enhanced people development programmes to improve digital competencies and address skill gaps
- Strengthened data privacy and cyber security culture via Cyber Security Awareness and internal capabilities
- Promoted and incentivised online learning

Partnership



- Launched innovative new products - Google Mobile Data Plan, GigaGigs by Smart, Ideamart by Smart and Smart WeChat Go SIM
- Improved customers' digital experience with robot shop assistant, Oun Smart, offering voice interaction services
- 2-year partnership agreement with Cambodia's largest football club, Phnom Penh Crown Football Club; launched the Smart Youth League and acquired stadium naming rights

Planet & Society



- Launched digital literacy pilot programme encouraging responsible digital citizenship with Google and GSMA, reaching out to 1,500 students
- Launched the three-month accelerator programme with Seedstands, MSP and DI, SmartScale, with 11 early stage start-ups
- Piloted the Seedstars Lean Launchpad to encourage ideation among high-school students



OPERATING ENVIRONMENT

Mobile-led telco industry, with top three mobile operators dominating > 90% of market share

Industry growth led by a self-regulated environment

Hyper-competition and increased regulatory cost burden

Encouraging **smartphone adoption rates, digital literacy, social media usage** and **mobile Internet proliferation**

BUSINESS REVIEW IN 2019

> 120 rural BTS sites committed to date through the Universal Service Obligation Fund



Retained leadership as the lifestyle and entertainment provider through affordable and innovative content bundles, digital services and promoting local artists

Upgraded and rebranded Smart Music to Pleng by Smart with > 1 million songs in the catalogue



Comprehensive talent development platform– Smart Talent Programme, Smart Leader Programme, CTO/CIO Competency Training, Smart Shop SOP Training and AI for Everyone, developing English competencies, LinkedIn Learning and Telco Mini-MBA

Launched SmartEdu Induction Camp to equip SmartEdu scholars with 3C (Creativity, Critical Thinking and Communication) skills to be future ready

Piloted a 6-week coding programme, Tiny Coding Cats with Raintree, reaching out to 100 students aged between 8 and 12



Piloted Seedstars Lean Launchpad to inspire high school students to solve education and environment issues through entrepreneurship

4 new SADIF investees in 2019, bringing total to 8:

Okra Solar : **Sousdey Cambodia** : **GoGames** : **Sala**

Extended partnership with Cambodia's largest football club and launched Smart Youth League to develop young football talent by 2 years



Maintained Corporate Social Responsibility (CSR) leadership in industry, awarded Best Capacity Building and Research and Development Fund Contributor in Cambodia

Outlook for 2020 and Beyond

Muted economic growth expected due to ongoing China-US trade war, COVID-19 virus, withdrawal of the Everything But Arms (EBA) scheme and slow economic diversification

Service, tourism, and garment and footwear sectors especially heavily impacted by the COVID-19 pandemic. Cambodia's economic growth is projected to slow sharply to 2.5% in 2020 due to the impact of the COVID-19 outbreak, according to a World Bank report as of 31st March 2020

Cambodian government has identified the digital economy and IR 4.0 as priorities under the National Rectangular Strategy IV

Digital economy, technology innovation and SME growth are gaining traction, as policy incentives are released to catalyse growth of digital start-ups

5G roll out expected in 2020, once government provides regulatory clarity

Smart has earmarked USD80 million in Capex for network expansion and upgrades to enable advanced mobile technologies including the first phase of its 5G rollout

In line with its aim to be Cambodia's #1 and most loved communication tech brand in Cambodia by 2022, Smart will further strengthen its mobile data leadership while introducing new digital, entertainment and lifestyle offerings

Smart will continue playing a key role in developing the ICT sector as well as building a Digital Cambodia and advancing national socio-economic growth through a strong CSR and sustainability agenda





**Year of Investment/
Shareholding:**
2016/80%

Nature of Business:
Mobile Telecom Operator

Customers:
16.9 million

Technology Deployed:
Mobile - GSM, EDGE, 3G/
HSPA+

No. of BTS:
2G : 3,567
3G : 3,179
4G : 2,963

**Network Coverage
(by population and technology):**
2G Population Coverage : 92.47%
3G Population Coverage : 59.88%
4G Population Coverage : 51.52%



Scan QR code to visit
Ncell's website

Performance



Revenue (NPR Billion)



EBITDA (NPR Billion)



EBITDA Margin (%)



PAT (NPR Billion)



PAT Growth (%)



Customers (Million)



Blended ARPU (NPR Per Month)



Blended MOU (Per Sub Per Month) (Minutes of Use/Sub/Month)



Data Usage

(Per Data Sub Per Month)



Key Highlights 2019

- Remained Nepal's market leader with more than 60% of revenue market share in 2019
- Reduction in revenue primarily due to lower revenue contributions from International Long Distance (ILD), Voice and Data, which decreased by 10.6%, 5.6% and 6.6% respectively
- Unavailability of additional spectrum for most of the year impacted Ncell's revenue growth and profitability
- Recorded growth in digital services revenue, which increased more than 40%
- Active subscribers increased by 2%, with data subscriber growth rate of 7%
- In 2019, Ncell reached an agreement with the Institute of Engineering (IOE), Pulchowk Campus to give continuity to the coveted 'Ncell Scholarships and Excellence Awards' worth NPR13 million for the next five years
- Ncell also strengthened its collaboration with the Department of Hydrology and Meteorology to further enhance its much appreciated early warning system (EWS) - a lifesaver initiative that improves disaster preparedness

People



- Organised 3 M.A.D. Leadership Conferences
- Conducted Train the Trainer workshops sharing Ncell's mission, vision and purpose

Partnership



- Good performance in digitisation and transformation:
 - DTI Score: 4.9
 - Data Population Coverage (3G/4G): 65.84%
 - Mobile Video Mean Opinion Score (vMOS) :
 - Dense urban - 3.02
 - Suburban - 3.06
- Brand Tracker Index: 83%

Planet & Society



- Obtained additional spectrum in 1800 band in December 2019
- In October 2019, Ncell signed a MOU with the Ministry of Health and Population to increase health awareness on epidemic/non-epidemic diseases. Ncell supported public service announcements on dengue awareness by the Ministry, UNICEF and WHO
- Collaborated with Dhulikhel Hospital for Telemedicine and Health Informatics Centre to connect 22 rural villages and provide quality healthcare services to 8 health centers under Dhulikhel Hospital by using connectivity, modern telemedicine kits



OPERATING ENVIRONMENT

Sluggish subscriber market growth with mobile market penetration at > 100%



Smart phone penetration > 60%



Reduction in Voice and ILD segments



Steady growth in digital services, despite reduction in data revenue



BUSINESS REVIEW IN 2019

Opex savings of NPR706 million due to:

First line maintenance with **Z&H**

BSS AMC

Huawei and ZTE Corporation **Care Support**

Reduction in **scratch card** unit price

Capex savings of NPR1,175 million due to:

Radio supply from Huawei and ZTE Corporation

CSS service for 781 sites

IT consolidation and **migration**

Launched pilot FWA in Tikapur, and sold 1,000 units with positive customer feedback

Launched Ncell for Business (N4B) in July 2019, with product portfolio comprising Ncell National Connect, Ncell International Connect, Ncell Biz Fiber Broadband, Field Force Automation, IP Transit, Data Centre Colocation and Vehicle Tracking



Completed digital initiatives:

Finalisation of **UI/UX Ncell app**

Retailer app

Employer portal

RPA implementation for back office digitisation

Enhanced cyber security:

100% compliance with CJ

Achieved **NIST Function of 3.0**



Outlook for 2020 and Beyond

Disruption of telco market as a result of the COVID-19 pandemic, with overall telco revenue estimated to decline by 15% to 20%

Fixed broadband business expected to grow, while voice and roaming decline

Ncell to focus on data and digital services as growth areas in 2020, offering QoS, competitive pricing and new data-led products

Consolidate and monetise the 4G network, and restructure the IT Blueprint

Focus on new growth areas:

- Consumer fixed wireless access
 - Establish a strong Home proposition
 - Maximise subscriber and revenue growth by optimising network capacity
- Enterprise segment
 - Providing low complexity connectivity solutions focused on key verticals to establish credibility and build scale
- Digital Financial Services
 - Initial focus on e-top-up and international remittance

Opex and Capex savings target of > NPR1 billion.

People development strategy to focus on 4 main pillars of Talent Management, Engagement, Performance and Reward, and Process Improvements

Digitisation efforts to focus on customer service, improving sales and distribution, and app enhancement

Maintain CSR focus on health, education and environment





**Year of Investment/
Shareholding:**
2012/63%

Nature of Business:
Telecommunications
Infrastructure and Services



Scan QR code to visit
edotco's website

Performance

Revenue (RM Billion)		Revenue Growth (%)		Tenancies (No. of Tenancies)		Tenancy Growth (%)	
2018	2019	2018	2019	2018	2019	2018	2019
1.5	1.8	+23.0%	+17.9%	29,572	32,728	+14.3%	+10.7%

Key Highlights 2019

- Recorded adjusted EBITDA growth of 21.7%, and expanded adjusted EBITDA margin by 1.6ppt to 50.2% on improved revenue assurance, new tenancy growth and improved service revenue
- EBITDA improvement lifted PATAMI by 23.9%
- Recorded 11.4% increase in the number of towers whilst sustaining a stable tenancy ratio of 1.61x
- Successfully entered and secured local partners in two new markets - the Philippines and Laos
- IBS colocations and tenancy recorded growth of 300% and 130% respectively
- Focused execution of cost optimisation measures led to maintenance opex per site per month reducing by 27% YoY, while average yield per site increased by 6.4%
- Further strengthened its commitment to sustainability throughout its operational footprint with a total of 1,419 green sites, comprising 1,384 sites using renewable energy and 35 structures built from alternative materials
- In 2019, edotco was awarded the Frost & Sullivan "Asia Pacific Telecoms Tower Company of the Year Award" for its demonstrated exemplary business growth and performance in Southeast Asia

Tower Portfolio

Malaysia		Sri Lanka		Bangladesh	
4,607 towers owned	8,884 tenancies	161 towers owned	1.01x tenancy ratio	9,105 towers owned	13,394 tenancies
8,394 towers managed	1.93x tenancy ratio	162 tenancies		1,102 towers managed	1.47x tenancy ratio
Cambodia		Myanmar		Pakistan	
2,713 towers owned	2,097 towers owned	1,617 towers owned	1 tower owned		
1,000 towers managed	1,027 towers managed	2,097 tenancies	1 tenancy		
3,907 tenancies	4,283 tenancies	1.30x tenancy ratio	1.00x tenancy ratio		
1.44x tenancy ratio	2.04x tenancy ratio				

People

- Accelerated progress towards becoming a people centric organisation:
 - Developed and implemented Succession Planning framework
 - Launched Coaching and Mentoring programme with 21 employees trained as mentors
 - Established the Centre of Design Excellence to enhance efficiency in sustainable design, roll out, Capex optimisation and innovation
- Launched Hero 2.0, with automated key HR functions

Partnership

- Completed Tower Preventive Maintenance of over 2,700 towers, of which 400 sites used drones
- Successfully implemented NIST Cyber Security Framework to improve overall cyber security maturity

Planet & Society

- Launched first Tower To Community (T2C) project in Malaysia in Pos Lemoi, Cameron Highlands to channel surplus electricity from BTS sites to a clinic serving some 600 indigenous villagers
- Launched Green Office Initiatives across all National Tower Companies (NTC) towards reducing its carbon footprint



OPERATING ENVIRONMENT

Opportunities emerging from anticipated **5G roll outs** in advanced markets and **4G catch up** in developing markets

Quick adoption to industry shifts with service diversification, responding to the growing demand for fibre to tower, IBS and small cells

Good uptake of low cost solutions in certain markets, and **healthy co-location traction** across the footprint

Declining customer financial health in certain markets, while regulatory restrictions heightened in Bangladesh

BUSINESS REVIEW IN 2019

Increased non-anchor revenue to 65% of total revenue, with non-Axiata tenancies at 52%



Improvement of DC Uptime across the Group by 0.02pp to 99.77% in 2019



NTCs:

Implemented revenue assurance functions in 4 NTCs

Implemented ePIC BI Analytics and eQUIP WFM at all NTCs

Design optimisation and sourcing efficiencies across all NTCs enabled Capex savings of

> RM35 million

Innovative structures:

Deployed

2

smart bus stops in Malaysia

370

smart multipurpose lamp poles across the footprint

Expanded tower portfolio:

Took over energy assets and management of

930

self-built sites in Myanmar

Acquired

1,318

towers in Pakistan

Built-to-suit sites:

Rolled out an additional

500

built-to-suit sites in Pakistan

Signed built-to-suit contracts with all MNOs in Pakistan

Acquired 20% stake in edotco Cambodia from Southern Coast Ventures



Designed and implemented new KPI framework

towards more holistic performance management, with a new culture fit assessment tool as part of recruitment process



Key collaborations:

Fiberail Sdn Bhd to provide telco-neutral wireless infrastructure services in Malaysia

Intelsat SA to advance connectivity capabilities and expand remote site monitoring and surveillance

Outlook for 2020 and Beyond

With the onset of COVID-19, key focus was given to Operation and Maintenance (O&M), with corrective maintenance, Tower Operation Centre and selective preventive maintenance given the highest priority

Towards ensuring employee health and safety, only staff with critical functions worked at all offices that remained open, while all other employees adopted WFH

To ensure employees health and safety, appropriate measures were implemented across all NTCs in response to the pandemic. All offices remained open, staffed by critical functions, while remaining employees worked from home

In 2019, edotco identified 17 areas for simplification and automation towards achieving business efficiency, which it will implement in 2020, known as Project Proteus

edotco will continue to explore opportunities to expand the business organically and inorganically, towards further strengthen the company's position as the leading integrated telecommunications infrastructure services provider

To focus on deploying next generation technology solutions towards enabling countries it operates within to be 5G ready

To focus on developing a 5G ecosystem, towards establishing edotco as nation building partners contributing to the digital ambitions of the nations within its footprint

To continue championing sustainability in all aspects of the business, including infrastructure design, practices and social responsibility

To maintain strict focus on Operational Excellence through digitisation and automation, and provide an enhanced customer experience



AXIATA DIGITAL

**Year of Investment/
Shareholding:**
2014/96.47%

Nature of Business:
Investment Holding and
Operations of Digital Services



Scan QR code to visit
Axiata Digital's website

WHAT WE DO

Axiata Digital Services (AD), the digital services arm of Axiata Group Berhad (Axiata), was established to support the increasingly digital lifestyle of Axiata consumers. AD's role has evolved from an investor of 30 brands to a business operator with portfolios concentrated on three strategic businesses. These include digital financial services such as e-wallets, micro-financing and micro-insurance, digital advertising that use data driven solutions to enhance business success, and platform services focused on API's (Application Programming Interface) that redefine the way businesses communicate with consumers. Flagship brands within the portfolio are Boost, Aspirasi, ADA, and Apigate.

Digital Financial Services



Boost is a proudly homegrown lifestyle e-wallet that revolutionises the way consumers transact daily, bringing convenience and security through a cashless ecosystem



Aspirasi is a digital financing services provider that serves and empowers micro-enterprises and SMEs. We offer a range of micro-financing and micro-insurance solutions to help the underserved community achieve their life and business goals without having to worry about financial support and protection no matter where they are at in their journey of dynamic financial growth

Digital Advertising



ADA is a data and artificial intelligence company that designs and executes integrated digital, analytics, and marketing solutions

Digital Platform



Apigate is Axiata's homegrown global Application Programming Interface (API) platform that connects businesses to a world-class ecosystem and customers from around the globe

As at end 2019, within ASEAN:

360 million

Internet users

90%

connect primarily through mobile phones

Paradigm shift

in how consumers communicate, work and purchase products and services

Booming Internet/digital economy:

Primary growth areas –
e-Commerce
and **Ride Hailing**

Internet economy growth:

> 40%
annually

20% and 30%
annually



Gearing digital financial services towards becoming a "Digital Bank"

Established Aspirasi, a digital financing services provider that empowers micro-enterprises and SMEs in Malaysia with a range of micro-financing and micro-insurance solutions

Obtained a strategic minority investment from Mitsui & Co. Ltd, that established a **pre-money enterprise value of USD500 million** for AD's core digital businesses

Built **strong HR foundation and strengthened the digitisation journey**

Received a No Objection Certificate from Bangladesh Bank to setup a mobile financial services business in **partnership with Trust Bank Limited**

Carved out non-strategic digital venture assets to an independent Singapore-based **fund at a valuation of USD140 million**

Sourced for the right talent for Boost and Aspirasi in terms of capability and culture fit

Reviewed and refined policies based on gaps identified in the HR Assessment and Employee Engagement Survey

Enhanced data privacy and cyber security:

Adopted NIST framework to identify and mitigate cyber risks

Identified programme for asset classification and enhanced protection for Critical Assets

Adopted Minimum Baseline Security Standard (MBSS) to fortify systems against threats

Integrated systems to Group Security Operations Center (GSOC) to enhance threat and security monitoring

Launched Cyber Security Awareness Training programme across all businesses

Seeking investors and strategic partners in the digital financial services business

3 key areas of focus for people development in 2020:

- Driving a culture of high-performance and accountability by accurately and effectively cascading business goals across all levels
- Creating an Employee Value Proposition, including reviewing the Total Rewards Philosophy, Culture and Values

- Establishing robust talent development programmes, focusing on communications and first-line manager training

Enhancing threat protection capability

Ensuring regulatory compliance for the Digital Financial Services businesses

Driving active collaboration to standardise adoption of controls across all businesses

SPEARHEADING THE GROWTH OF 3 CORE DIGITAL BUSINESS VERTICALS

OPERATING ENVIRONMENT

BUSINESS REVIEW IN 2019

OUTLOOK FOR 2020 AND BEYOND



Year of Investment/Shareholding:
2017/100.0%

Nature of Business:

Digital Financial Services
Company Providing e-wallet Services



Scan QR code to visit
Boost's website

WHAT WE DO

A proudly homegrown venture, Boost is Malaysia's own rewarding lifestyle e-wallet that is revolutionising consumers' daily transactions, in line with the Government's agenda of a cashless society. Backed by Axiata's vast expertise in digital technology, Boost is at the frontier of the Malaysian digital economy and is now the country's preferred lifestyle e-wallet. As a relatively new industry, Digital Financial Services (DFS) is regulated by Bank Negara Malaysia (BNM). Over the past year, Boost has worked closely with BNM to raise public awareness and build up this nascent space.

While keeping to the sound practices of any business operating in the financial sector, Boost is also a disruptor that is reimagining the future of the country and taking bold steps to drive the adoption of a cashless ecosystem that makes daily transactions simpler and more rewarding, as well as safer, secure and more transparent. In keeping with its ambition, Boost is continuing to provide DFS for underserved and unbanked Malaysians, with the hopes of transforming itself together with other AD subsidiaries, into a Digital Bank of the future that offers a wider range of services.



Merchant growth
of 2x YoY

Secured partnerships
with Malaysian
Government Ministries
and leading consumer
brands



Increased
competition
within the
industry

Stronger
acceptance for
e-wallets from the
Government sector

Performance



- Achieved significant growth:
 - 5 million users
 - 125,000 merchants
 - 46.5 million transactions
- Rolled out new use cases targeting customers' daily behaviour and lifestyles

People



- Focused employee engagement led to stronger employee affinity
- Ramped up talent acquisition by 97% to cater to rapidly growing business

Partnership



- Boost selected as an official e-wallet for the Government's e-Tunai Rakyat initiative
- New Boost loyalty rewards programme and Cash UP online shopping discounts have successfully engaged high quality users

Planet & Society



- Pioneer e-wallet donation platform in Malaysia, Do Good with Boost, registered 58 non-profit organisations and 140 religious institutions, to collect > RM800,000 in public donations
- First e-wallet in Malaysia to be accepted at four public health clinics in the Klang Valley

OPERATING ENVIRONMENT

Increased competition

within the industry

Recorded an **increase in weekly spend per active user from RM114 in 2018 to RM323 in 2019**,

denoting higher user confidence in e-wallet technology

Made a strategic decision to move away from customer rewards focusing on instant gratification, to a more **sustainable loyalty rewards programme** that drives engagement over the customer lifecycle, and reduces operating expenses

Stronger acceptance for e-wallets from the Government sector

New use cases

included indoor gated parking, Boost UP Loyalty Rewards, Cash UP online shopping cashback, travel packages, purchases for ferry tickets, roadside assistance and insurance premium payments

Continued to build a robust platform that can quickly tailor new offerings based on dynamic trends, such as **providing insurance coverage for the COVID-19 pandemic**

BUSINESS REVIEW IN 2019

Reinvented payment experiences, to create a seamless experience for users

Partnered with insurance providers to differentiate from competitors, with **Prudential** one of the largest GTV contributors

Boost is a **payment option for 22 universities and colleges nationwide**

Active engagement with BNM and Government Ministries via industry engagement sessions, knowledge sharing sessions and informal discussions on pertinent issues

OUTLOOK FOR 2020 AND BEYOND

Customer focus:

- Promote higher engagement through the Boost UP loyalty programme
- Introduce new use cases and reimagine users' daily payment experiences

For merchants:

- Enhance the Real-time Payment Platform to complete merchant payment settlement faster
- Diversify partnerships with major supermarkets, grocery stores and fuel stations

Boost has been selected as Samsung's exclusive partner and will integrate its e-wallet into Samsung Pay to broaden use cases

Continue to drive the employee value proposition to incentivise performance and talent retention

Driving higher adoption of employee e-learning for upskilling and future proofing

Extend payment coverage for educational institutions

Enhance digital donations by expanding charity base

Maintain close regulatory engagements with key authorities and drive collaborations with state governments, most notably Sabah and Kedah





**Year of Investment/
Shareholding:**
2016/100%

Nature of Business:
Fintech Financier and
Insurtech Provider



Scan QR code to visit
Aspirasi's website

WHAT WE DO

Aspirasi is an end-to-end digital financing services provider that serves and empowers micro-enterprises and SME businesses. Offering a range of micro-financing solutions such as working capital, supply chain financing and invoice financing, along with micro-insurance products that include credit insurance, health insurance, term life insurance and travel insurance. Aspirasi's aim is to help the underserved community achieve their business goals while providing support on their journey of dynamic financial growth.

Products Launched

Working Capital Financing

for underbanked micro-enterprises to support purchases of simple fixed-assets and raw materials

Supply Chain Financing

for small-enterprises via tri-partite factoring arrangement with principal distributor

Invoice Financing

for e-commerce merchants to address cash flow management issues by enabling receipt of cash before the invoice settlement date

Insurtech Products

Aspirasi Protect, Aspirasi Travel Local and Aspirasi Travel Worldwide

Performance



- Total Lending GTV growth of > 4x to RM40 million, benefitting 8,000 SMEs
- Growth of 25% per month, to disburse a total of RM60 million

People



- Invested in people and processes to scale financing and insurance business

Partnership



- Serving the underserved SME and micro-enterprise segments with low cost digital loans
 - Loan amount: RM500 - RM150,000
 - Tenures: 2 weeks - 12 months
- Providing SME customer base with a quick and convenient service:
 - 3 minute digital journey
 - Instant approval and funds disbursed within 48 hours

Planet & Society



- Promoting financial literacy in underserved business communities
- Providing underserved communities with digital bite-sized insurance policies at affordable prices and at key moments of need

SMEs lack meaningful access to financing across ASEAN, with only a limited portion able to access financing from financial institutions:

Trust deficit between micro-SMEs and financial institutions, leading to lack of financing opportunities

Major growth area, with **digital lending estimated to grow 33% annually to reach USD18 billion by 2025**

Initiated first regional collaboration between a bank and a digital services provider to launch Aspirasi's micro-lending platform, towards fuelling the growth of SMEs

Created a valuable product proposition for existing captive customer base of 700,000 SMEs, and launched multiple new products with new partners

Algorithmic lending using alternative data source:

Credit bureau data

Telco data

Wallet transaction

Partner transaction data

Strictly focused on positive unit economics even at low ticket sizes, to keep acquisition and collections completely digital or success-fee based

Partnered with industry giants such as CIMB and Lazada to help narrow financial inclusion gap, and **inked a strategic partnership with Great Eastern** to offer innovative insurtech solutions

Continue to fine-tune the business model and drive lower costs at scale

Expand product base by increasing numbers of partners, deepening partnerships and expanding access to partner bases as competitive differentiator

Remittance solutions a key product in the pipeline

Accelerate the growth of financing, by improving data science models to better underwrite and offer cheaper financing to customers

Identify premises for a rapidly growing team

Continue to nurture start-up culture even as the team grows

Continuously improve the customer experience and design journey across all products

OUTLOOK FOR 2020 AND BEYOND

BUSINESS REVIEW IN 2019

OPERATING ENVIRONMENT

Year of Investment/ Shareholding:

2014/81.7%

Nature of Business:

Integrated Digital Advertising and Analytics Agency



Scan QR code to visit
ADA's website

WHAT WE DO

ADA is a data and artificial intelligence company that designs and executes integrated digital, analytics, and marketing solutions.

Operating across 9 markets in South and Southeast Asia, ADA partners with leading brands to drive their digital and data maturity, and achieve their business goals.

We are anchored on the following main services:

Providing business insights, data enrichment, and advanced analytics

Understanding the consumer mindset and designing data-driven creative marketing strategies

Executing end-to-end digital marketing solutions for growth hacking, funnel optimisation, and goal optimisation

ADA complements its unique digital expertise with deep proprietary data of 375 million consumers.

> 450 data scientists, digital media gurus, agency experts and management consultants

Helped 1,917 clients to achieve their business goals

Performance



- Strong financial growth
 - PAT positive
 - Revenue grew by 1.5x
 - Client base grew by 2.5x with over 60% on multi-product
- Launched innovative Business Insights for data-driven decision making in telecoms, mobile electronics, retail and financial services
- Scaled outcome-based products for telecoms and financial services

People



- Built our digital talent pool from a mix of different backgrounds and expertise
 - media and creative talent, software engineers, data scientists and management consultants
- ADA Leadership Principles are built on a strong culture around Leadership, Collaboration and Innovation to infuse a growth mindset

Partnership



- Efficiently delivered quality data to monetise our data assets and maximise ROI for our clients
- Built our AI maturity through delivering value enhancing marketing insights and decisioning for both clients and ADA

Planet & Society



- Regionally-driven pro bono digital marketing work to help change misconceptions towards refugees
- In-market support for local communities and refugee schools for community needs

OPERATING ENVIRONMENT

Shift from traditional media to digital advertising – from 19% in 2017 to estimated 22% in 2022

Increasing analytical and digital maturity in clients – 75% emerging

Digitisation of the customer purchase funnel

– growth of digital purchases in Consumer Packaged Goods, Finance, Insurance and Telco to 25% by 2023

Explosion of video content and creation at scale – from 15 videos uploaded per minute in January 2009 to 500 videos uploaded per minute in May 2019

Delivered on commitment to be PAT positive, with revenue growing at around 150%

Secured notable clients from Indonesia, Thailand, the Philippines, Singapore, Cambodia, Bangladesh and Sri Lanka

New partnerships with media and creative agencies

BUSINESS REVIEW IN 2019

Product innovation:

Expanded services in creative agency offerings for content strategy and creative insight

Developed insights on digital video consumption

Won a total of 14 awards in 2019, including **Campaign Asia's APAC Tech Agency of the Year**

Focused investments to differentiate itself as an Analytics Driven Agency of the Future:

Digital Customer Acquisitions

Client Data Maturity

Creative Creation

OUTLOOK FOR 2020 AND BEYOND

Plan to win major accounts, by focusing account planning towards excellence in client delivery

New products, engagement and awareness focusing on state-of-the-art product innovation

Produce service platforms to automate systems for clients and internal processes to lead in automation

To seek new opportunities with shareholders, agencies and media houses

Implement comprehensive data strategy and governance, enhance data platform and improve data sources

Utilising tech and automation to improve people experience and enhance employer branding, and employee engagement and wellbeing



**Year of Investment/
Shareholding:**
2017/100%

Nature of Business:
Global API
Solutions Provider



Scan QR code to visit
Apigate's website

WHAT WE DO

Originally conceptualised as an in-house operating unit supporting Axiata's core telecommunication business, Apigate has evolved into a new-breed Application Programming Interface (API) platform that connects businesses to a world-class ecosystem and customers from around the globe. Apigate enables connectivity and monetisation, by seamlessly integrating the innovative insights of a telco group and the technology of an award-winning open-source middleware. It unlocks new streams of revenue for Mobile Network Operators (MNO) while connecting digital merchants to find the right customers at the right time.

3.5 billion

user reach

> 110

MNOs

Around

200

connected merchants

Performance



- Refocused on 2 key pillars of Payment and Application-to-person (A2P) messaging
- Demerged AXP in Apigate Sri Lanka, and launched turnaround plan focusing on Operational Excellence and cost rationalisation

People



- Restructured organisation to support turnaround, and reconstructed job roles and department structures post-AXP demerger
- Implemented Objectives and Key Results (OKR) system to create transparency and improve accountability and alignment, with clear focus on measurable goals and execution

Partnership



- Tested and validated anti-fraud solutions to address unauthorised payment issues and minimise end-user complaints
- Adopted MBSS and NIST security standards to maintain and improve data privacy and cyber security

OPERATING
ENVIRONMENT

Increased spend on mobile games driven by increased smartphone penetration, near ubiquitous 4G coverage and global expansion of Chinese gaming companies

Emergence of Bundling as key customer acquisition tool for digital merchants driven by expansion of Video / OTT entertainment

Growth of A2P messaging driven by increasing need for secure Two-factor Authentication to access digital services

BUSINESS REVIEW IN 2019

85% increase in GTV, driven by:

72%

increase in monthly active users for Payment

180%

increase in traffic A2P

Attractive value proposition:

3.79 million

monthly active users

200 merchants

Refined company positioning around customer intimacy and geographic focus in ASEAN and South Asia

Capitalised on opportunities in e-wallet proliferation in key markets of Malaysia and Indonesia to increase reach beyond telcos to OTT/ telco-agnostics

Deployed firewall solutions in A2P Messaging to prevent use of 'grey routes' and address revenue leakage

Provided a secure platform and customer interaction:

Secure software development lifecycle

Proactive internal and external security monitoring

Prevented external hacks through "Bug Bounty" programme

External audits and assessments

OUTLOOK FOR 2020 AND BEYOND

Maintain focus on Operational Excellence, towards becoming PAT neutral in 2020

Further capitalise on market trends by launching new products to enrich existing service proposition to digital merchants beyond payment processing for cost-effective customer acquisition and retention

Explore deployment of Rich Communication Services to expand A2P Messaging services and create synergies with Payment services

Use the OKR system to ensure clear direction, constant communication, to track individual performance and organisational results

Increase employee engagement activities to create a great company culture and making Apigate a great place to work

Deploy selected solutions across the telco partner ecosystem