



MAXIS BERHAD

Company No. (200901024473 (867573-A))

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

ANNOUNCEMENT

The Board of Directors of Maxis Berhad (“Maxis” or “the Company”) is pleased to announce the following condensed consolidated financial statements for the first quarter ended 31 March 2024 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		QUARTER ENDED	QUARTER ENDED	+	PERIOD ENDED	PERIOD ENDED	+
		31/03/2024	31/03/2023		31/03/2024	31/03/2023	
RM'm	RM'm	%	RM'm	RM'm	%		
Revenue	3	2,603	2,526	3.0	2,603	2,526	3.0
Traffic, device, commissions and other direct costs		(1,037)	(1,023)		(1,037)	(1,023)	
Spectrum licence fees		(62)	(61)		(62)	(61)	
Network costs		(138)	(138)		(138)	(138)	
Staff and resource costs		(202)	(200)		(202)	(200)	
Operation and maintenance costs		(102)	(106)		(102)	(106)	
Marketing costs		(39)	(38)		(39)	(38)	
Impairment of receivables and deposits, net		(40)	(34)		(40)	(34)	
Government grant and other income		76	60		76	60	
Other operating expenses		(16)	(14)		(16)	(14)	
Depreciation and amortisation		(448)	(431)		(448)	(431)	
Finance income		9	5		9	5	
Finance costs		(125)	(117)		(125)	(117)	
Profit before tax		479	429	11.7	479	429	11.7
Tax expenses	21	(126)	(109)		(126)	(109)	
Profit for the period		353	320	10.3	353	320	10.3
Attributable to:							
- equity holders of the Company		353	320	10.3	353	320	10.3
- non-controlling interests		(*)	(*)		(*)	(*)	
		353	320		353	320	
Earnings per share attributable to equity holders of the Company (sen):							
- basic	28	4.5	4.1		4.5	4.1	
- diluted	28	4.5	4.1		4.5	4.1	

Note:

* Less than RM1 million.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/3/2024	QUARTER ENDED 31/3/2023	PERIOD ENDED 31/3/2024	PERIOD ENDED 31/3/2023
	RM'm	RM'm	RM'm	RM'm
Profit for the period	353	320	353	320
Other comprehensive income				
Item that will be reclassified subsequently to profit or loss:				
Net change in cash flow hedge	3	5	3	5
Total comprehensive income for the period	<u>356</u>	<u>325</u>	<u>356</u>	<u>325</u>
Attributable to:				
- equity holders of the Company	356	325	356	325
- non-controlling interests	(*)	(*)	(*)	(*)
	<u>356</u>	<u>325</u>	<u>356</u>	<u>325</u>

Note:

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	AS AT 31/3/2024 RM'm	AS AT 31/12/2023 RM'm
Non-current assets			
Property, plant and equipment	9	5,210	5,384
Intangible assets ⁽¹⁾		11,142	11,193
Right-of-use assets ("ROU")		1,813	1,826
Financial assets at fair value through other comprehensive income ("FVOCI")		4	4
Receivables, deposits and prepayments	25	1,340	1,333
Deferred tax assets		*	*
		<u>19,509</u>	<u>19,740</u>
Current assets			
Inventories		20	22
Receivables, deposits and prepayments	25	2,531	2,435
Amounts due from related parties		12	15
Derivative financial instruments	24	1	-
Deposits, cash and bank balances		1,168	569
		<u>3,732</u>	<u>3,041</u>
Total assets		<u>23,241</u>	<u>22,781</u>
Current liabilities			
Provisions for liabilities and charges		64	160
Payables and accruals		4,328	4,126
Amounts due to related parties		13	11
Borrowings	23	1,159	857
Derivative financial instruments	24	*	3
Taxation		280	265
		<u>5,844</u>	<u>5,422</u>
Net current liabilities		<u>(2,112)</u>	<u>(2,381)</u>

Notes:

⁽¹⁾ Includes intangible assets arising from business combination comprising goodwill and telecommunications licenses of RM9,685 million (2023: RM9,685 million), spectrum rights of RM1,069 million (2023: RM1,099 million) and customer relationships of RM3 million (2023: RM3 million)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	AS AT 31/3/2024 RM'm	AS AT 31/12/2023 RM'm
Non-current liabilities			
Provisions for liabilities and charges		401	396
Payables and accruals		482	499
Deferred income		1,183	1,147
Borrowings	23	8,906	8,915
Deferred tax liabilities		633	658
		<u>11,605</u>	<u>11,615</u>
Net assets		<u>5,792</u>	<u>5,744</u>
Equity			
Share capital		2,593	2,593
Reserves		3,198	3,150
Equity attributable to equity owners of the Company		<u>5,791</u>	<u>5,743</u>
Non-controlling interests		1	1
Total equity		<u>5,792</u>	<u>5,744</u>
Net assets per share attributable to equity holders of the company (RM)		<u>0.74</u>	<u>0.73</u>



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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

← Attributable to equity holders of the Company →

Period ended 31/3/2024	Note	Attributable to equity holders of the Company					Total	Non-controlling interest	Total equity
		Share Capital	Merger relief ⁽²⁾	Reserve arising from reverse acquisition	Other reserves	Retained earnings			
		RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	
At 1/1/2024		2,593	22,729	(22,729)	57	3,093	5,743	1	5,744
Profit for the period		-	-	-	-	353	353	(*)	353
Other comprehensive income for the period		-	-	-	3	-	3	-	3
Total comprehensive income for the period		-	-	-	3	353	356	(*)	356
Dividends provided for or paid	7	-	-	-	-	(313)	(313)	-	(313)
Long-term Incentive Plan ("LTIP") and Incentive arrangement - shares-based payment expense		-	-	-	5	-	5	-	5
At 31/3/2024		<u>2,593</u>	<u>22,729</u>	<u>(22,729)</u>	<u>65</u>	<u>3,133</u>	<u>5,791</u>	<u>1</u>	<u>5,792</u>

Notes:

⁽²⁾ Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of subsidiaries during the financial year ended 31 December 2009 is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

* Less than RM1 million.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

← Attributable to equity holders of the Company →

Period ended 31/3/2023	Note	Share Capital	Merger relief ⁽²⁾	Reserve	Other reserves	Retained earnings	Total	Non- controlling interest	Total equity
				arising from reverse acquisition					
		RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/1/2023		2,585	22,729	(22,729)	72	3,432	6,089	2	6,091
Profit for the period		-	-	-	-	320	320	(*)	320
Other comprehensive income for the period		-	-	-	5	-	5	-	5
Total comprehensive income for the period		-	-	-	5	320	325	(*)	325
Dividends provided for or paid		-	-	-	-	(392)	(392)	-	(392)
LTIP and Incentive arrangement - shares-based payment expense		-	-	-	*	-	*	-	*
Dilution of interest in a subsidiary		-	-	-	-	(*)	(*)	*	-
At 31/3/2023		<u>2,585</u>	<u>22,729</u>	<u>(22,729)</u>	<u>77</u>	<u>3,360</u>	<u>6,022</u>	<u>2</u>	<u>6,024</u>

Note:

⁽²⁾ Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of subsidiaries during the financial year ended 31 December 2009 is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 31/3/2024	PERIOD ENDED 31/3/2023
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	353	320
Adjustments for:		
- non-cash items	533	549
- finance costs	125	117
- finance income	(9)	(5)
- tax expenses	126	109
Government grant relating to costs	18	14
Payments for provision for liabilities and charges	(130)	(116)
Operating cash flows before working capital changes	1,016	988
Changes in working capital	(31)	(640)
Cash flows from operations	985	348
Interest received	8	5
Tax paid	(136)	(172)
Net cash flows from operating activities	857	181
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(137)	(210)
Consideration paid for business combinations	(5)	(8)
Government grant relating to the purchase of assets	83	32
Proceeds from disposal of property, plant and equipment	*	*
Net cash flows used in investing activities	(59)	(186)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	300	500
Repayment of borrowings	-	(200)
Repayment of lease liabilities	(72)	(77)
Payments of finance costs	(114)	(114)
Ordinary share dividends paid	(313)	(392)
Net cash flows used in financing activities	(199)	(283)
NET CHANGE IN CASH AND CASH EQUIVALENTS	599	(288)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	540	601
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD⁽³⁾	1,139	313

Notes:

⁽³⁾ The difference between the cash and cash equivalents and deposits, cash and bank balances represents deposits with financial institutions that carry maturity periods of more than three months.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

1. BASIS OF PREPARATION

The quarterly report is unaudited and has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2023 (“FY2023”).

The significant accounting policies and methods of computation adopted for the quarterly report are consistent with those adopted for the audited financial statements for FY2023.

The Group has adopted the following amendments to MFRS that came into effect on 1 January 2024 which did not have any significant impact on the unaudited quarterly report upon their application.

- | | |
|-------------------------------------|---|
| • Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback |
| • Amendments to MFRS 101 | Non-current Liabilities with Covenants |
| • Amendments to MFRS 107 and MFRS 7 | Supplier Finance Arrangements |

2. SEASONAL / CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonality and cyclical factors.



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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

3. REVENUE

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/3/2024	QUARTER ENDED 31/3/2023	PERIOD ENDED 31/3/2024	PERIOD ENDED 31/12/2023
	RM'm	RM'm	RM'm	RM'm
Telecommunications services and solutions	2,138	2,068	2,138	2,068
Sale of devices	412	414	412	414
Revenue from contracts with customers	2,550	2,482	2,550	2,482
Interest revenue (a)	41	31	41	31
Lease income (b)	12	13	12	13
Total	<u>2,603</u>	<u>2,526</u>	<u>2,603</u>	<u>2,526</u>
Goods or services transferred:				
- at a point in time	700	696	700	696
- over time	1,850	1,786	1,850	1,786
Revenue from contracts with customers	<u>2,550</u>	<u>2,482</u>	<u>2,550</u>	<u>2,482</u>

(a) The interest revenue represents the significant financing component of device-bundled plans that allow customers to pay for the devices over a period of up to 36 months.

(b) Lease income is recognised on a straight-line basis over the lease term.

4. UNUSUAL ITEMS

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows for the financial period ended 31 March 2024.

5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in the prior financial year that have a material effect in the financial period ended 31 March 2024.



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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

6. DEBT AND EQUITY SECURITIES

There were no other issuance, repurchase and repayment of debt or equity securities during the financial period ended 31 March 2024, except for partial drawdown of RM300 million from the RM500 million Revolving Credit-i (“RC”) facility to finance its working capital requirements. The maturity date of the RC drawdown is on 31 October 2024.

7. DIVIDENDS PAID

On 21 March 2024, the Company paid a fourth interim single-tier tax exempt dividend of 4.0 sen per ordinary share totaling to RM313 million in respect of the financial year ended 31 December 2023.

8. SEGMENT REPORTING

Segment reporting is not presented as the Group is primarily engaged in providing converged telecommunications services and solutions in Malaysia, whereby the measurement of profit or loss including EBIT (i.e. profit before finance income, finance costs and tax expenses) that is used by the chief operating decision-makers is on a Group basis.

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the financial period ended 31 March 2024. As at 31 March 2024, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.



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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Save for the below, there were no other material events subsequent to the end of the financial period up to the date of this report:

- (a) On 8 April 2024, the Group fully repaid the RM500 million outstanding balance under the Commodity Murabahah Term Financing facility upon its maturity.
- (b) On 26 April 2024, the Group repaid RM130 million under the Revolving Credit-i Facility, reducing the outstanding facility to RM170 million.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the financial period ended 31 March 2024.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the normal course of business, there are contingent liabilities arising from legal recourse sought by the Group's customers or vendors and indemnities given to financial institutions on bank guarantees. There were no material losses anticipated as a result of these transactions.

13. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of reporting date but not recognised as liabilities is as follows:

	RM'm
Property, plant and equipment	<u>496</u>



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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

14. SIGNIFICANT RELATED PARTY DISCLOSURES

The significant related party transactions, balances and commitments described below were carried out in the ordinary course of business and on agreed commercial terms with the related parties.

	Transactions for the financial period ended 31/3/2024 RM'm	Balances due from/(to) as at 31/3/2024 RM'm	Commitments as at 31/3/2024 RM'm	Total balances due from/(to) and commitments as at 31/3/2024 RM'm
(a) Sales of goods and services to:				
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (mobile and internet, business solutions, connectivity services to co-market and distribute content products)	25	14	-	14
- Saudi Telecom Company ⁽²⁾ (roaming and international calls)	1	5	-	5
- Maxis Communications Berhad ⁽³⁾ (corporate support services)	1	*	-	*
- TGV Cinemas Sdn. Bhd. ⁽⁴⁾ (mobile and internet, business solutions and other connectivity services)	1	5	-	5

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

14. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

	Transactions for the financial period ended <u>31/3/2024</u> RM'm	Balances due from/(to) as at <u>31/3/2024</u> RM'm	Commitments as at <u>31/3/2024</u> RM'm	Total balances due from/(to) and commitments as at <u>31/3/2024</u> RM'm
(b) Purchases of goods and services				
from:				
- MEASAT Broadcast Network Systems Sdn. Bhd. ⁽¹⁾ (customer acquisition and installation charges)	2	-	-	-
- Saudi Telecom Company ⁽²⁾ (roaming and international calls)	2	-	-	-
- MEASAT Global Berhad Group ⁽⁵⁾ (transponder and teleport lease rental)	5	(4)	(53)	(57)
- Tanjong City Centre Property Management Sdn. Bhd. ⁽⁴⁾ (rental, service charge, property service and other utility charges)	9	-	(81)	(81)
- UTSB Management Sdn. Bhd. ⁽⁴⁾ (corporate management services)	1	-	(8)	(8)
- SRG Asia Pacific Sdn. Bhd. ⁽⁶⁾ (call handling and telemarketing services)	4	(4)	-	(4)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes:

The Group has entered into the above related party transactions with parties whose relationships are set out below.

Usaha Tegas Sdn. Bhd. ("UTSB"), Saudi Telecom Company and Harapan Nusantara Sdn. Bhd. are parties related to the Company, by virtue of having joint control over Binariang GSM Sdn. Bhd. ("BGSM"), pursuant to a shareholders' agreement in relation to BGSM. BGSM is the ultimate holding company of the Company.

The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean is deemed to have an interest in all of the shares of the Company in which UTSB has an interest, PanOcean does not have any economic or beneficial interest in the shares of the Company, as such interest is held subject to the terms of the discretionary trust.

⁽¹⁾ Subsidiary of a company which is an associate of UTSB

⁽²⁾ A major shareholder of BGSM, as described above

⁽³⁾ Subsidiary of BGSM

⁽⁴⁾ Subsidiary of UTSB

⁽⁵⁾ Indirect subsidiary of a company in which TAK has a 100% direct equity interest

⁽⁶⁾ Company whereby TAK and/or a person connected to TAK has a deemed equity interest



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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

15. FAIR VALUE MEASUREMENTS

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group approximated their fair values as at 31 March 2024 except as set out below, measured using Level 3 valuation technique:

	<u>CARRYING AMOUNT</u> RM'm	<u>FAIR VALUE</u> RM'm
Financial liability:		
Borrowings		
- Islamic Medium Term Notes	<u>6,208</u>	<u>6,217</u>

(b) Financial instruments carried at fair value

The following table represents the assets/liabilities measured at fair value, using the respective valuation techniques, as at 31 March 2024:

	<u>Level 2</u> RM'm	<u>Level 3</u> RM'm
<u>Assets</u>		
Financial assets at FVOCI	-	4
Derivative financial instruments (forward foreign exchange contracts)	<u>1</u>	<u>-</u>
<u>Liabilities</u>		
Other payables	-	20
Derivative financial instruments (forward foreign exchange contracts)	<u>*</u>	<u>-</u>



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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)

16. ANALYSIS OF PERFORMANCE

Financial indicators (RM'm unless otherwise indicated)	1 st Quarter 2024	4 th Quarter 2023	1 st Quarter 2023	Variance Q1'24 vs Q4'23		Variance Q1'24 vs Q1'23	
				RM'm	%	RM'm	%
Revenue	2,603	2,742	2,526	(139)	(5.1)	77	3.0
Service revenue ⁽²⁾	2,191	2,202	2,112	(11)	(0.5)	79	3.7
- Consumer business	1,804	1,801	1,747	3	0.2	57	3.3
- Enterprise business	387	401	365	(14)	(3.5)	22	6.0
EBITDA ⁽¹⁾	1,044	1,057	972	(13)	(1.2)	72	7.4
EBITDA margin on service revenue (%)	47.6%	48.0%	46.0%	NA	(0.4)	NA	1.6
EBIT ⁽³⁾	595	289	541	306	>100	54	10.0
EBIT margin on service revenue (%)	27.2%	13.1%	25.6%	NA	14.1	NA	1.6
Profit before tax	479	178	429	301	>100	50	11.7
Profit after tax	353	56	320	297	>100	33	10.3
Capital expenditure ("Capex")	106	302	130	(196)	(64.9)	(24)	(18.5)
Operating free cash flow ("OFCF")	857	628	181	229	36.5	676	>100

⁽¹⁾ For reference purposes, the EBITDA is derived as below:

Profit before tax	479	178	429	301	>100	50	11.7
Add / (less):							
- Depreciation and amortisation	448	609	431	(161)	(26.4)	17	3.9
- Finance costs	125	120	117	5	4.2	8	6.8
- Finance income	(9)	(9)	(5)	-	-	(4)	80.0
- Gain on disposal of:							
Non-current asset	(*)	-	-	(*)	(100)	*	(100)
Right-of-use	(1)	-	-	(1)	(100)	(1)	(100)
- Impairment of goodwill	-	2	-	(2)	(100)	-	-
- Write down of identified assets	2	157	*	155	(98.7)	2	>100
EBITDA ⁽⁴⁾	1,044	1,057	972	(13)	(1.2)	72	7.4

Notes:

⁽²⁾ Service revenue is defined as Revenue excluding sale of devices.

⁽³⁾ Defined as profit before finance income, finance costs and tax expenses.

* Less than RM1 million.



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

Connectivity related operational indicators	1 st Quarter 2024	4 th Quarter 2023	1 st Quarter 2023	Variance Q1'24 vs Q4'23		Variance Q1'24 vs Q1'23	
				RM'm	%	RM'm	%
Consumer Business Revenue	1,804	1,801	1,747	3	0.2	57	3.3
<u>Postpaid Revenue</u>	911	903	864	8	0.9	47	5.4
- Subscriptions ('000)	3,651	3,598	3,397	53	1.5	254	7.5
- ARPU (RM)	75.1	76.5	78.4	(1.4)	(1.8)	(3.3)	(4.2)
<u>Prepaid Revenue</u>	649	655	661	(6)	(0.9)	(12)	(1.8)
- Subscriptions ('000)	5,771	5,875	5,686	(104)	(1.8)	85	1.5
- ARPU (RM)	37.2	37.9	38.4	(0.7)	(1.8)	(1.2)	(3.1)
<u>Home Connectivity Revenue</u>	244	243	222	1	0.4	22	9.9
- Connections ('000)	765	750	688	15	2.0	77	11.2
- Home blended ARPU (RM)*	110.4	109.3	108.4	1.1	1.0	2.0	1.8
Enterprise Business Revenue	387	401	365	(14)	(3.5)	22	6.0

* Inclusive of fibre and Wireless Broadband ("WBB")



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

(A) Performance of the current quarter against the preceding quarter (Q1'24 vs Q4'23)

Total revenue was 5.1% lower in Q1'24 due to lower device revenue, while service revenue was relatively flat versus the preceding quarter.

Consumer business performed well, in view of a seasonally low quarter versus Q4'23. Postpaid subscriptions grew by 1.5% to 3.65 billion customers, while ARPU dipped slightly to RM75.10 due to the lower roaming revenue. Prepaid revenue was 0.9% lower in Q1'24 due to lesser days in the first quarter versus fourth quarter, as Prepaid revenue is recognised when services are rendered. Home connectivity revenue held relatively flat at RM244 million, 0.4% up against the previous quarter.

Enterprise business was 3.5% lower versus Q4'23 as there was lower roaming revenue, and higher project delivery in Q4'23.

EBITDA in Q1'24 stood stable at RM1,044 million, representing a 47.6% margin on service revenue. The slight decline in margins from 48.0% in Q4'23 was due to lower government grant and other income. Maxis recorded a robust Q1'24 EBIT margin of 27.2%, higher than Q4'23 EBIT margin of 13.1% as Q4'23 accounted for accelerated depreciation and asset write-off. Profit before tax and profit after tax in Q1'24 was higher than Q4'23, in line with the higher EBIT performance.

Maxis Capex investments was lower in Q1'24 at RM106 million for the quarter, in line with usual annual trends. OFCF was healthy at RM857 million for the current quarter, an improvement versus the preceding quarter as Q4'23 recorded cash outflows for tax settlement payments, and advance payment made to Digital Nasional Berhad, pursuant to the conditional share subscription agreement signed on 1 December 2023.

(B) Performance of the current quarter against the preceding year corresponding quarter (Q1'24 vs Q1'23)

Maxis recorded a 3.0% improvement in total revenue against Q1'23, contributed by growth of 3.3% and 6.0% in service revenue for both the consumer and enterprise businesses respectively.

For consumer business, Maxis' strategy to widen the price range of Postpaid plans saw Postpaid revenue grew by 5.4%, backed by 7.5% growth in Postpaid subscriptions, while ARPU declined 4.2% to RM75.10. Prepaid ARPU was RM1.20 lower in light of a competitive Prepaid market, resulting in Prepaid revenue to be 1.8% lower in spite of growth in Prepaid subscriptions by 1.5%. Home connectivity revenue grew 9.9%, with a solid growth of 11.2% in home connection customers, while blended ARPU grew 1.8% to RM110.40.

Enterprise revenue grew 6.0% to RM387 million, mostly on the back of the 2G and 4G wholesale arrangement, per Maxis' announcement on Bursa Malaysia dated 23 June 2023.



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16. ANALYSIS OF PERFORMANCE (CONTINUED)

(B) Performance of the current quarter against the preceding year corresponding quarter (Q1'24 vs Q1'23)

The combination of higher revenue and stricter cost discipline led Maxis to a 7.4% higher EBITDA versus Q1'23. EBITDA margin on service revenue improved by 1.6% from 46.0% in Q1'23, to 47.6% in Q1'24. The higher EBITDA translated to higher EBIT, profit before tax and profit after tax in Q1'24.

Maxis was prudent with our Capex investments in Q1'24, with investment focused on network capacity, fibre network rollouts and IT digitisation. OFCF in Q1'24 was higher as Q1'23 recorded higher payments for regulatory compliance costs and prior year Capex.

(C) STATEMENT OF FINANCIAL POSITION

Financial indicators (RM'm unless otherwise indicated)	AS AT 31/3/2024	AS AT 31/12/2023
Total assets	23,241	22,781
Equity attributable to equity owners of the Company	5,791	5,743
Debt	10,065	9,772
Deposits, cash and bank balances	(1,168)	(569)
Net debt	8,897	9,203
Net debt-to-EBITDA	2.21	2.32

The higher equity position to RM5,791 million is mainly due to profit generated from the financial period ended 31 March 2024.

Net debt-to-EBITDA decreased from 2.32x as at 31 December 2023 to 2.21x as at 31 March 2024 mainly as a result of lower net debt position.



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17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024 (“FY2024”)

FY2024 financial outlook

As Malaysia’s leading integrated telco, Maxis remains steadfast with our focus on growing mobile, fibre and enterprise. We are committed to delivering high quality services to our customers, enabling high-speed and reliable network connectivity to provide all customers a great experience. We are committed to delivering excellence and promoting operating efficiencies in everything we do, to deliver consistent and sustainable returns to our shareholders.

Maxis is fully aligned with the Government’s decision on the dual 5G network model, and is currently working with the Government and telecommunication industry to effect this transition.

Our guidance for the financial year ending 31 December 2024 is:

- a low single digit increase in service revenue;
- EBITDA to remain relatively unchanged* ; and
- Capex* spending to remain less than RM1 billion.

* before any potential financial impact for 5G



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18. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast.

19. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2023.

20. PROFIT OR LOSS ITEMS

The following items have been charged/(credited) in arriving at the profit before tax:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/3/2024 RM'm	QUARTER ENDED 31/3/2023 RM'm	PERIOD ENDED 31/3/2024 RM'm	PERIOD ENDED 31/3/2023 RM'm
Fair value (gains)/loss on forward foreign exchange contracts	(2)	3	(2)	3
Losses on foreign exchange (net)	3	2	3	2
Property, plant and equipment, intangible assets and right-of-use assets:				
- gain on disposal/termination	(1)	(*)	(1)	(*)
- reversal of impairment (net)	(1)	-	(1)	-
- write-offs	3	1	3	1



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21. TAX EXPENSES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/3/2024	QUARTER ENDED 31/3/2023	PERIOD ENDED 31/3/2024	PERIOD ENDED 31/3/2023
	RM'm	RM'm	RM'm	RM'm
Income tax				
- current tax	151	122	151	122
Deferred tax:				
- origination and reversal of temporary differences	(25)	(13)	(25)	(13)
Total	126	109	126	109

The Group's effective tax rate for the current quarter was 26.3% which is above the statutory tax rate of 24% due to non-deductible expenses.

22. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposal announced but not completed as at the date of this report.



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23. BORROWINGS

RM denominated	AS AT 31 MARCH 2024			AS AT 31 DECEMBER 2023		
	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm	CURRENT LIABILITIES RM'm	NON-CURRENT LIABILITIES RM'm	TOTAL RM'm
Secured						
Lease liabilities	289	1,672	1,961	288	1,681	1,969
Unsecured						
Revolving Credit-i	300	-	300	-	-	-
Term loans	*	595	595	*	596	596
Commodity Murabahah						
Term Financing	501	-	501	501	-	501
Islamic Medium						
Term Notes	67	6,140	6,207	66	6,140	6,206
Business Financing-i	2	499	501	2	498	500
	1,159	8,906	10,065	857	8,915	9,772
Excluding lease liabilities:						
- weighted average interest rate			4.15%			4.17%
- proportion of borrowings between fixed and floating interest rates			77% : 23%			80% : 20%

* Less than RM1 million.

Material changes to borrowings for the financial period ended 31 March 2024 are disclosed in Note 6.



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24. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Details of derivative financial instruments outstanding as at 31 March 2024 are set out below:

<u>TYPE OF DERIVATIVE</u>	<u>CONTRACT/ NOTIONAL VALUE</u>	<u>FAIR VALUE</u>
	<u>RM'm</u>	<u>RM'm</u>
<u>Current assets</u>		
Forward foreign exchange contracts:		
- designated in hedging relationship (cash flow hedge)	61	*
- not designated in hedging relationship	34	1
	<u>95</u>	<u>1</u>
<u>Current liabilities</u>		
Forward foreign exchange contracts:		
- designated in hedging relationship (cash flow hedge)	49	*
- not designated in hedging relationship	7	*
	<u>56</u>	<u>*</u>
	<u>151</u>	<u>1</u>

There have been no material change since the end of the previous financial year ended 31 December 2023 in respect of the following:

- the market risk and credit risk associated with the derivatives;
- the policies in place for mitigating or controlling the risks associated with the derivatives; and
- the related accounting policies.

(b) Gains/losses arising from fair value changes of financial liabilities

The Group determines the fair values of the forward foreign exchange contracts using the forward exchange rates from recognised financial information sources as at each reporting date.



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25. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	AS AT 31/3/2024	AS AT 31/12/2023
	RM'm	RM'm
<u>Non-current assets</u>		
At net of impairment:		
- Trade receivables	445	436
- Finance lease receivables	*	*
- Contract assets	106	79
Deposits	185	187
Prepayments	462	477
Contract cost assets, net of amortisation	142	154
	<u>1,340</u>	<u>1,333</u>
<u>Current assets</u>		
At net of impairment:		
- Trade receivables	1,293	1,281
- Other receivables and deposit	384	369
- Finance lease receivables	*	*
- Contract assets	209	209
Prepayments	468	402
Contract cost assets, net of amortisation	177	174
	<u>2,531</u>	<u>2,435</u>
	<u>3,871</u>	<u>3,768</u>

* Less than RM1 million.

The Group's credit policy provides trade receivables with credit periods of up to 120 days. In addition, selected eligible customers are allowed to purchase devices under bundled contracts on monthly installment schemes of up to 36 months.

The ageing analysis of the Group's gross trade receivables as at 31 March 2024 is as follows:

	RM'm
Current	1,611
1 to 90 days past due	140
More than 90 days past due	273
	<u>2,025</u>



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26. MATERIAL LITIGATION

There is no material litigation as at the date of this report.

27. DIVIDENDS

The Board of Directors has declared a first interim single-tier tax-exempt dividend of 4 sen per ordinary share in respect of the financial year ending 31 December 2024, to be paid on 24 June 2024. The entitlement date for the dividend payment is 5 June 2024.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred to the depositor's securities account before 4.30 pm on 5 June 2024 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividends declared for the financial period ending 31 December 2024 is 4 sen per ordinary share (2023: 4 sen).



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28. EARNINGS PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/3/2024	QUARTER ENDED 31/3/2023	PERIOD ENDED 31/3/2024	PERIOD ENDED 31/3/2023
(a) Basic earnings per share					
Profit attributable to the equity holders of the Company	(RM'm)	<u>353</u>	<u>320</u>	<u>353</u>	<u>320</u>
Weighted average number of issued ordinary shares	('m)	<u>7,832</u>	<u>7,830</u>	<u>7,832</u>	<u>7,830</u>
Basic earnings per share	(sen)	<u>4.5</u>	<u>4.1</u>	<u>4.5</u>	<u>4.1</u>
(b) Diluted earnings per share					
Profit attributable to the equity holders of the Company	(RM'm)	<u>353</u>	<u>320</u>	<u>353</u>	<u>320</u>
Weighted average number of issued ordinary shares	('m)	<u>7,832</u>	<u>7,830</u>	<u>7,832</u>	<u>7,830</u>
Adjusted for LTIP	('m)	<u>2</u>	<u>4</u>	<u>2</u>	<u>4</u>
Adjusted weighted average number of ordinary shares	('m)	<u>7,834</u>	<u>7,834</u>	<u>7,834</u>	<u>7,834</u>
Diluted earnings per share	(sen)	<u>4.5</u>	<u>4.1</u>	<u>4.5</u>	<u>4.1</u>

By order of the Board

Dipak Kaur

SSM PC No. 201908002620

(LS 5204)

Company Secretary

17 May 2024

Kuala Lumpur