

CEO's Statement



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Goh Seow Eng
Chief Executive Officer

I am truly honoured to have joined Maxis after working in the telecommunications industry in Singapore and Thailand for the past 12 years. I am pleased to be back home in Malaysia, to share in our nation's discourse and to play a role in its development. Most of all, I am excited to lead Maxis, a homegrown company, and its staff of dedicated and talented people.

As Maxis' Malaysian CEO, I am steadfast in my resolution to lead and grow Maxis sustainably and predictably for the long term. To ensure Maxis' long-term competitive advantage, I am firmly committed to recruiting and developing Malaysian talent as well as to attract those Malaysian talent who are working abroad to return home. It is my resolute belief that successful homegrown companies like Maxis and a skilled and talented workforce that are fully committed to Malaysia are the bedrock of our nation's development and prosperity.

ACCELERATION TOWARDS A SUSTAINABLE FUTURE

2022 saw many changes to our operating environment brought about by the transition to the endemic phase of the COVID-19 pandemic, rising prices and change in government. Despite these changes, Maxis remained focused on our growth strategy and delivered on our All-Ways Connected™ proposition.

Maxis is on a journey to be the leading converged solutions provider in Malaysia. This comes at an opportune time, as shifts in consumer behaviour have increased the importance of constant connectivity. At the end of 2022, our mobile customers used an average of 26.6 GB per month, a 77% increase in mobile data usage since 2019. Substantial growth in video-related usage, web browsing, gaming, and instant messaging have made 24/7 high-speed connectivity more important than ever.

We are committed to fulfilling the connectivity needs of Malaysians and supporting the Government's *Jalinan Digital Negara* (JENDELA) programme to improve network coverage across the country. We achieved our JENDELA targets for 2022, with 157 new and 1,847 upgraded mobile sites, and passed more than 7 million premises with our fibre and fixed wireless broadband access services. We are now aiming to complete the next phase of base station upgrades and construction of new mobile network towers to further our reach to underserved communities.

We are committed to driving sustainable business growth. Our operations continue to be highly efficient and effective in achieving our strategic objectives, and we are actively fostering strong collaborations with our business partners to expand our range of converged offerings.



Read more on pages 20 to 22.

Our Strategy

Maxis delivered strong business performance on the back of our growth strategy, which is to drive the convergence of mobile and fixed, leveraging our fibre propositions to provide customers with seamless connectivity. The trend towards fibre connectivity has continued to gain momentum, as reflected in the continuous increase in fibre connections.

Leveraging our position as a Technology Solutions Provider for the Government's SME Digitalisation Grant, we helped more than 25,000 SMEs in their digital transformation journeys.

We also intensified our investment in 2022 with over RM1.1 billion invested in our industry-leading network and digital transformation. This enables us to meet the growing bandwidth demands of an increasingly digital environment.



Read more on pages 32 to 33.

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Business Performance

Despite a challenging operating environment, we achieved growth across our two core segments of Consumer and Enterprise. Service revenue for the year grew 4.0% to RM8,336 million, driven by growth in our mobile and fibre businesses. This resulted in an EBITDA of RM3,938 million for FY2022, with all segments contributing more than in the previous financial year.

Our Consumer Business saw growth in all areas—in the Postpaid, Prepaid and Home connectivity segments. Our well-executed Maxis and Hotlink dual-brand strategy, along with our range of converged services, enabled us to meet the needs of different customer segments. Some key Consumer Business highlights include:

- Postpaid subscribers increased by 6.5% year-on-year to over 3.3 million.
- The prepaid segment remained resilient with a base of more than 5.7 million subscribers, while we increased ARPU on the back of more personalised offers.
- The home connectivity (fibre, wireless and home broadband) segment continued to deliver annual double-digit growth, growing 13.2% from 2021 to 669k connections.

Meanwhile, our core Enterprise Business revenue grew 8.8% year-on-year. This reflects our successful drive towards meeting the increased digitalisation needs across businesses, and we are optimistic about the potential for continued growth in this segment.



Read more on pages 17 to 19.

OUR VALUE CREATION OUTCOMES

Our Operations

Maxis continues to prioritise investments in our operating capabilities to better serve our customers, improve network coverage and quality, and increase operating efficiencies for the long term.

5G Ready

Maxis has long been ready to launch our 5G services, and we are excited to bring the best of 5G connectivity and converged solutions to the nation soon.

In preparation for the rollout, we have been optimising our ecosystem to take full advantage of 5G connectivity. We continue to develop multi-industry 5G use cases with major players for commercial use through our growing 5G Alliance. We have also expanded our 5G international roaming services to more countries and rolled out a range of 5G devices to our customers.

Customer First

One notable achievement is our high customer satisfaction and engagement, represented by our improved touchpoint net promoter score (TP-NPS) at +66 points and a 6% year-on-year growth in Digital Care adoption. We enhanced customer care through the expansion of our online and retail touchpoints and established the Maxis Business Innovation Centre (MBIC) to serve our enterprise customers.

Digitalisation

Maxis has taken significant steps to invest in IT systems and digitalised our internal processes. The launch of the Maxis Digital Citizen programme has further supported this objective, instilling a digital-first mindset among our employees and customers.

Governance

During the year, we strengthened our internal business and governance practices, including standardising our cybersecurity operations across our business divisions. We continued to implement the Maxis Anti-Bribery and Corruption (MABC) system across all business operations, in line with our zero-tolerance policy to bribery and corruption. In November 2022, Maxis was awarded multiple ISO 37001:2016 Anti-Bribery Management System certifications from SIRIM QAS International and IQNet.

Culture and Talent

We provided over 130,000 hours of training to support the growth and development of our employees in essential areas such as Leadership, Business, Technology, and Compliance. We also fostered internal advancement by conducting structured and regular performance and career development reviews. Integrated talent development programmes were rolled out for employees in critical roles and high-potential individuals, alongside various upskilling opportunities available to all employees.



Read more on pages 37 to 62.

FUTURE OUTLOOK

Over the long-term, the telecommunications industry will continue to be a key contributor to building a digital Malaysia. At Maxis, we are fully committed to playing our part in advancing our country's digitalisation journey.

Despite the ongoing changes and industry consolidation, we are confident of our ability to thrive amid the evolving landscape. We remain agile and focused on delivering sustainable business growth by leveraging on our strengths in mobile, converged services, network and brand.

As we strive towards long-term profitability, we will continue to reshape our operating model and cost structure. We will also double down on our digitalisation agenda, which includes accelerating digital customer self-service and transitioning all business IT applications and infrastructure to the cloud.

Maxis has been built upon the strength of its people. We remain a proud, homegrown brand that has been serving the nation and communities around us for over 27 years. With our focused strategy, robust execution plan and engaged talent pool, we are confident in our ability to lead the industry and navigate any challenges that come our way.

As we embark on the next chapter of our journey in 2023, we look forward to continue delivering exceptional customer experiences, driving innovation and building a more connected and sustainable Malaysia.

GOH SEOW ENG