

# Malaysian mobile

Industry note

Continued improvements and Enterprise opportunity; Q2 21 review

## Analysts

Chris Hoare  
+44 20 7375 9130  
[chris@newstreetresearch.com](mailto:chris@newstreetresearch.com)

David Lopes  
+44 20 7375 9147  
[david@newstreetresearch.com](mailto:david@newstreetresearch.com)

## Sales

Michael Chambers  
+65 6709 5717  
[michael@newstreetresearch.com](mailto:michael@newstreetresearch.com)

Charlie Gaynor  
+44 20 7375 9121  
[charlie@newstreetresearch.com](mailto:charlie@newstreetresearch.com)

Steven Perez  
+44 20 7375 9112  
[steven.perez@newstreetresearch.com](mailto:steven.perez@newstreetresearch.com)

Ethan Lacy  
+1 212 921 4925  
[ethan.lacy@newstreetresearch.com](mailto:ethan.lacy@newstreetresearch.com)

Zach Monsma  
+1 212 921 7729  
[zach.monsma@newstreetresearch.com](mailto:zach.monsma@newstreetresearch.com)

Daniel Gilroy  
+1 646 647 83613  
[daniel.gilroy@newstreetresearch.com](mailto:daniel.gilroy@newstreetresearch.com)

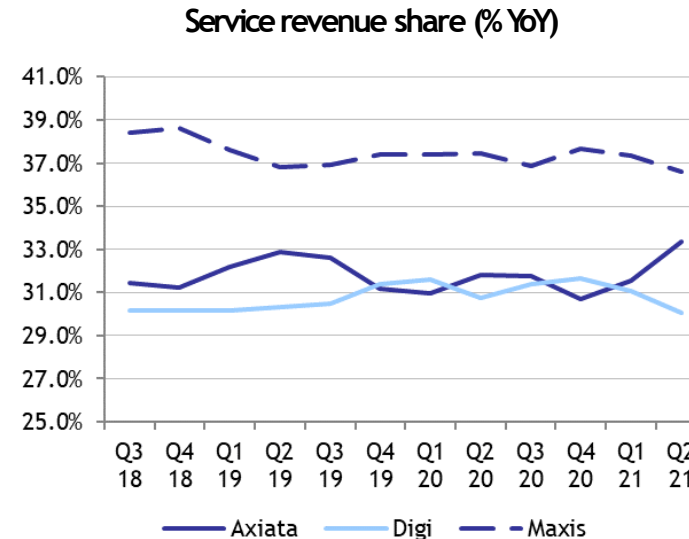
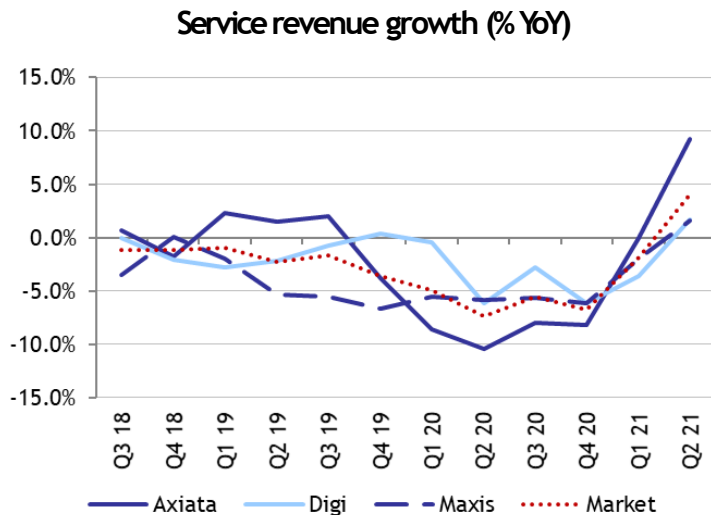
- **What's new:** Q2 was a good quarter overall for the Malaysian telco market with both service revenues and EBITDA trends improving again. Mobile subscriber net adds were good and market ARPU was back to growth this quarter, which drove service revenue growth back into positive territory, a first since Q2 18 (easier comps have helped though). All operators saw their trends improving across the board. [Like in others EM telco markets](#), we think the contribution from [Enterprise revenues will push inflection in growth forward](#). Malaysian telcos are not cheap, but with the growth environment improving, we expect valuation to follow.
- **Thesis:** We continue to see very encouraging signs for Malaysian telcos this quarter with growth back to positive territory despite the return of some MCOs in the quarter. The merger between Celcom and Digi should provide further support in the medium term via easing competition and better margins. As mentioned above, we also are bullish about the potential from Enterprise revenues. The Enterprise market remains underdeveloped, with Enterprise revenues contributing 0.26% of GDP in 2020, and Enterprise penetration of around 26% we think. We see strong growth with Enterprise revenues for the MNOs doubling by 2026, driving an inflection in revenue growth for the sector as a whole. Malaysian telcos are not cheap, with captive Malaysian pension funds driving a premium valuation. But growth is inflecting, and the market is consolidating. We therefore expect the premium valuation to be maintained while EPS rises, driving share price upside.
- **Valuation:** We are Buyers of Axiata, Digi and Maxis shares. Our price targets are MYR5.7, MYR6 and MYR5.6 respectively.

---

# Quarterly review

# Service revenue trends continue to improve

- Market service revenue growth continued to improve and are back into positive territory this quarter. Service revenue were up 4% YoY vs. -2% in Q1 and -7% in Q4.
  - All operator grew service revenues this quarter.
  - Axiata is outperforming peers again.
- With regards to revenue share movements this quarter:
  - Axiata gained 1.8% service revenue share in the quarter from both Digi (-1%) and Maxis (0.8%)
  - ...to Axiata.

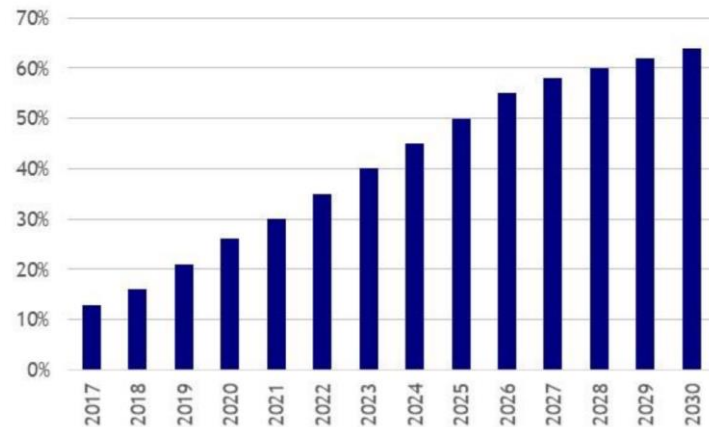


Source: New Street Research estimates

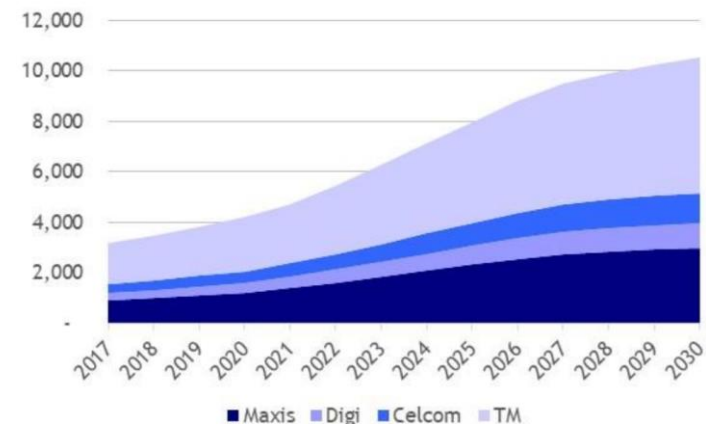
# Enterprise revenue - Driver of inflection in growth

- Enterprise revenues are now between 8 & 20% of aggregate sales for the 3 Malaysian quoted MNOs telcos and growing relatively fast. Overall, and despite Telekom Malaysia being the leader in the space, the market remains underdeveloped, with Enterprise revenues contributing 0.26% of GDP in 2020, vs 0.52% in Japan for instance, and Enterprise penetration of around 26% we think.
- We see strong growth with Enterprise revenues for the MNOs doubling by 2026, driving an inflection in revenue growth for the sector as a whole. Flowing through the P&L we see high single digit EPS growth for the incumbents on a pre-merger basis. Post-merger of Digi and Celcom, NewCo is likely to see close to 20% EPS growth as synergies are extracted.
- For more details on enterprise revenue, click [HERE](#)

Malaysian Enterprise Penetration



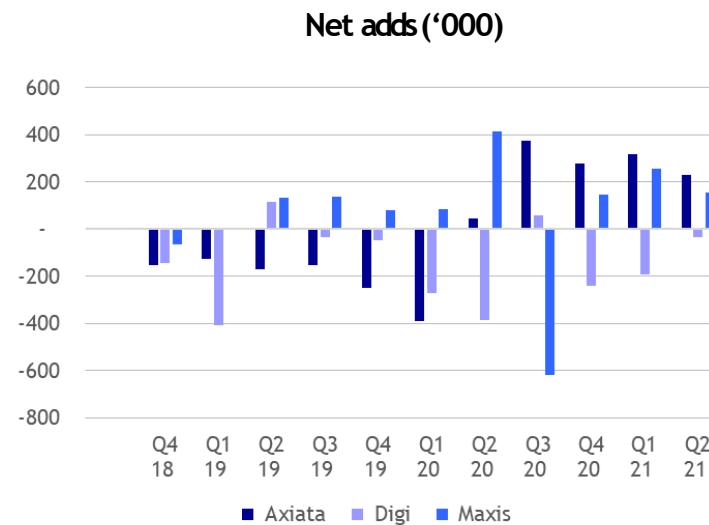
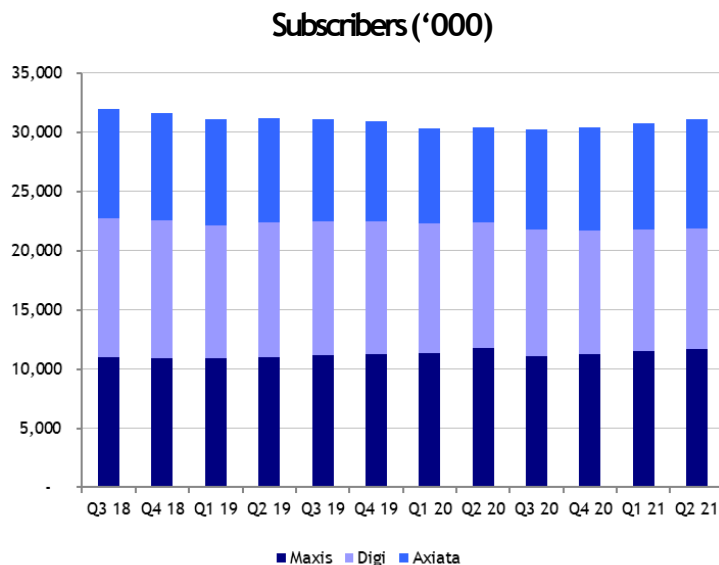
Malaysian Enterprise Penetration (NSRe, MYR mn)



Source: New Street Research estimates

# Market subscribers - Recovery continues, Axiata outperforming again

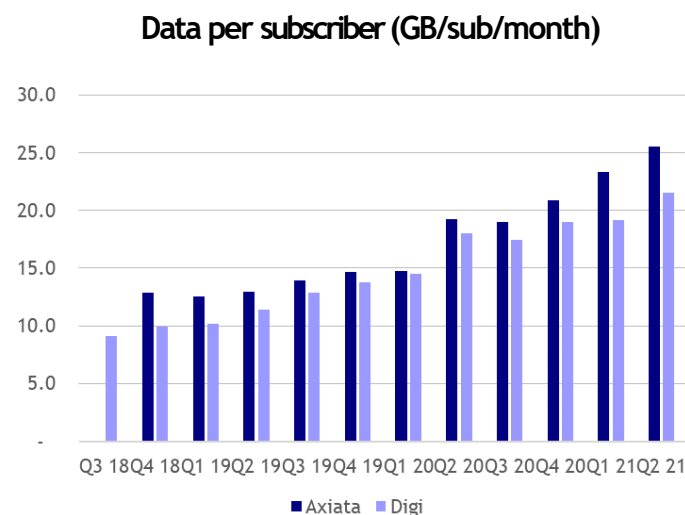
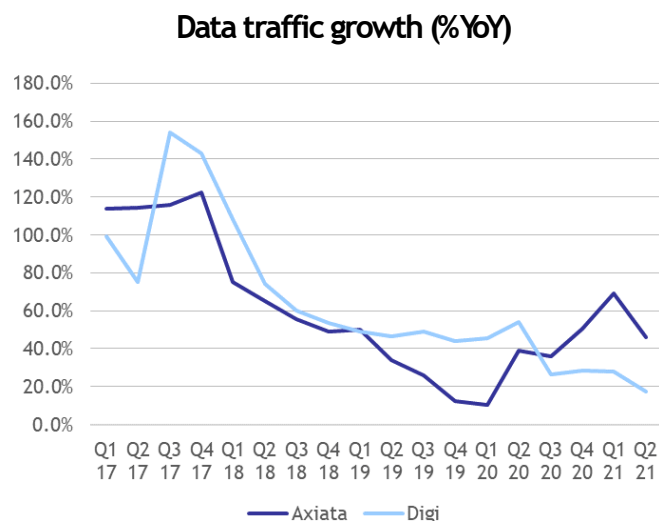
- Market net adds in Q2 were good with +350k new subs. This is slightly down vs. Q1 but better than last year's net adds. Digi was the only operator who lost subscriber this quarter.
  - Market net adds +350k (Q1 : +380k, Q4: +184k, Q3: -188k, Q2: +73k, Q1: -576k).
  - Celcom gained 229k subs, after gaining 316 in Q1.
  - Maxis gained 155k subs after gaining 255k in Q1.
  - Digi lost 33k subs after a loss of 191k in Q1.



Source: New Street Research estimates

## Data traffic and data/sub trends slowing but high

- Data usage is high and continues to grow. Data traffic growth is slowing for Axiata (after inflecting in Q2 20, the pandemic helped) and for Digi.
  - Despite usage above 25GB/sub/month, Celcom's data per sub grew by 32% YoY in Q2 (58% in Q1).
  - Digi is also seeing good growth in data per sub (20% in Q2 after 32% in Q1), and high usage (21.5GB/sub/month).
- Overall usage per customer is very high in Malaysia and continues to grow.



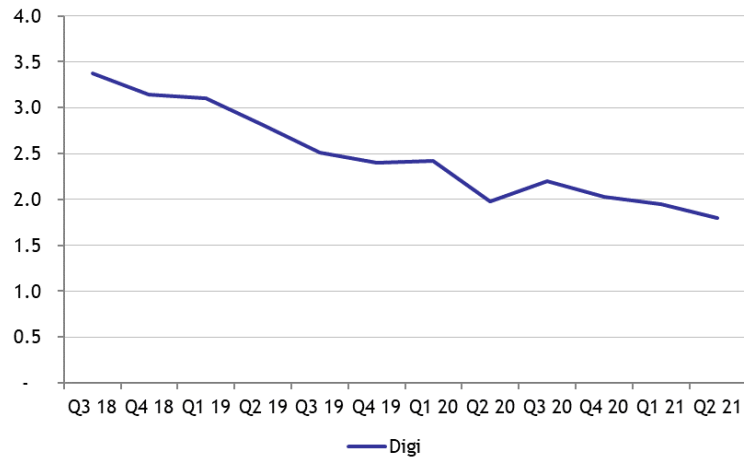
Source: New Street Research estimates

# Data pricing - Trends easing for Digi

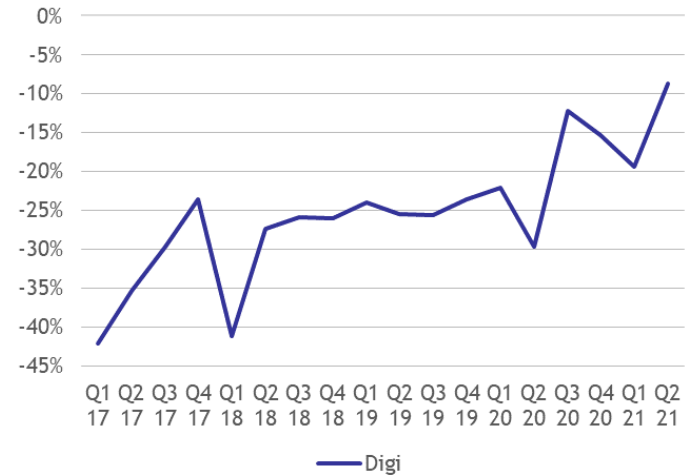
Like Maxis, Axiata stopped reporting data tariffs in Q2 18.

- Digi's tariffs were down sequentially in Q2 (-7% QoQ).
- On a y/y basis, the decline is around 9%, easing vs. c.-20% on average over the past few quarters.

Data tariffs (MYR/GB)



Data tariffs (YoY change, Digi only)



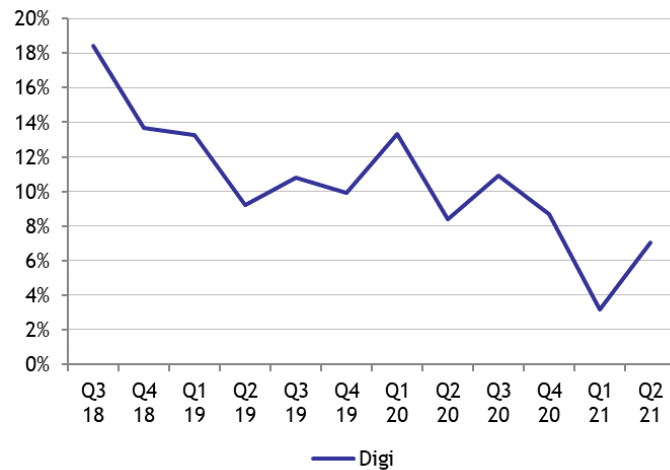
Source: New Street Research estimates

# Mobile internet revenues - Signs of inflection for Digi

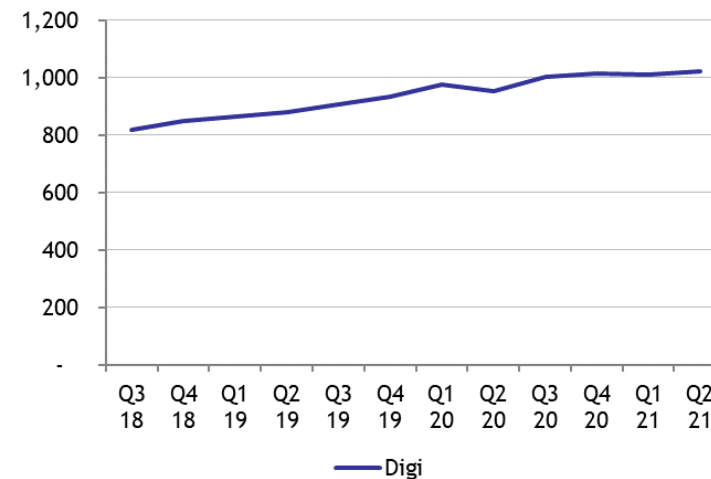
Only Digi reports MI revenues.

- Digi's mobile Internet revenue growth are showing signs of inflection this quarter.
- Mobile internet revenues grew 7% YoY vs. 3% in Q1.

Mobile internet revenue growth (%YoY)



Mobile internet revenue (RM m)



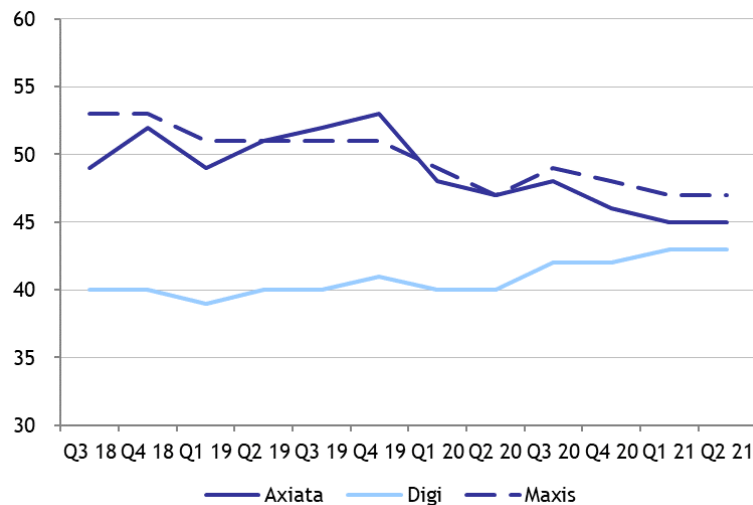
Source: New Street Research estimates



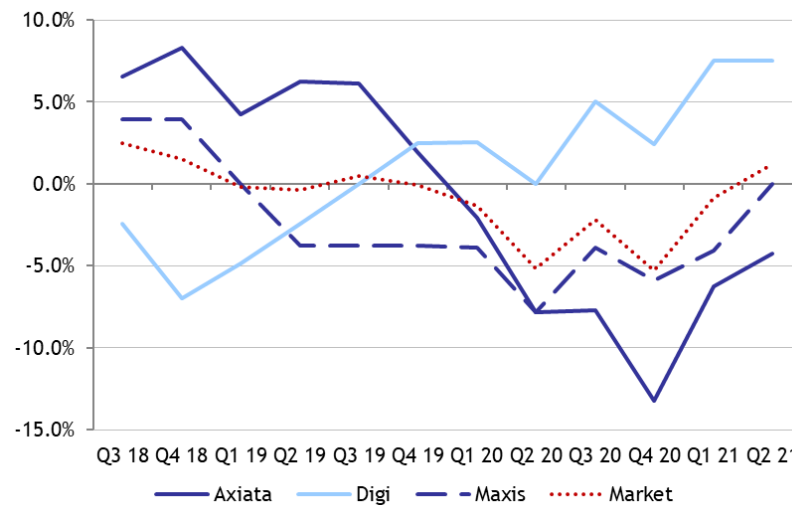
# ARPUs - Back to growth, Digi outperformed

- ARPU growth y/y for the market improved this quarter and the market is back to (positive) growth. Market ARPU grew +1.2% YoY from -0.8% in Q1 and -5.3% in Q4.
  - Celcom posted ARPU growth of -4.3% YoY from -6.3% in Q1.
  - Digi's ARPU growth was again 7.5% YoY (7.5% in Q1 as well) This is a strong performance relative to peers.
  - Maxis' ARPU growth eased to 0% YoY from -4.1% in Q1.

ARPU (MYR/month)



ARPU growth YoY

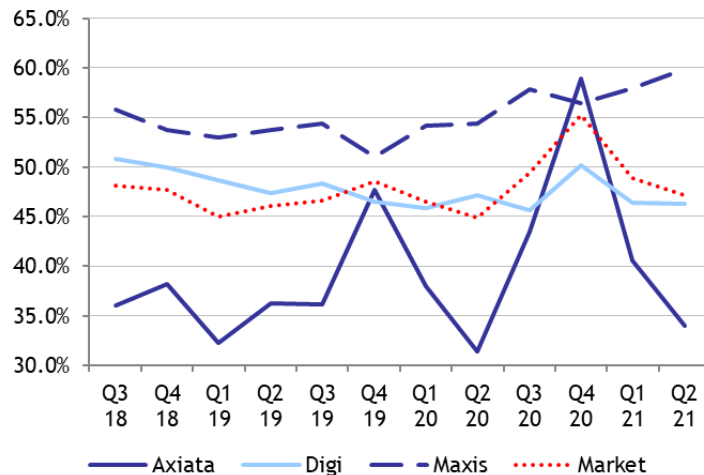


Source: New Street Research estimates

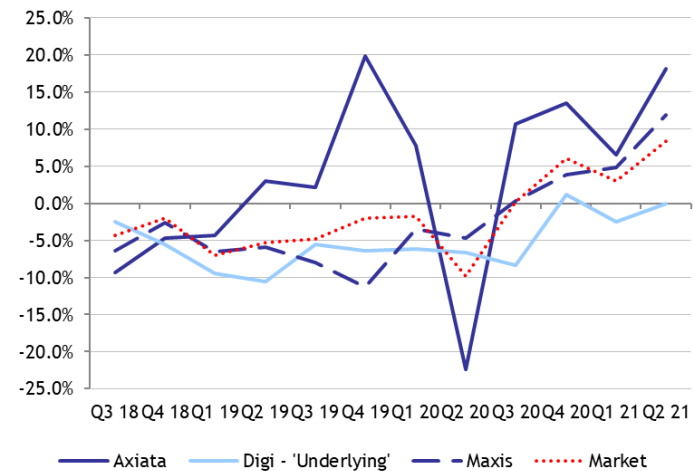
# EBITDA margins & growth

- Market EBITDA growth improved to 8.4% YoY from 3% last quarter, driven mostly by Axiata and Maxis.
  - Axiata's EBITDA growth accelerated to 18.2% YoY from 6.6% in Q1.
  - Maxis' accelerated to 12% YoY this quarter vs. 4.8% in Q1.
  - Digi's EBITDA growth was flat on a clean basis (reported: -3.4% YoY) vs. -2.5% in Q1.
- Margins (on service revenues) were down for the market on a sequential basis but up on a YoY basis.
  - Maxis outperformed in terms of margin improvement with a 2pp improvement on a sequential basis, and a 5.5pp improvement on a YoY basis.

EBITDA margins (on service revenues)



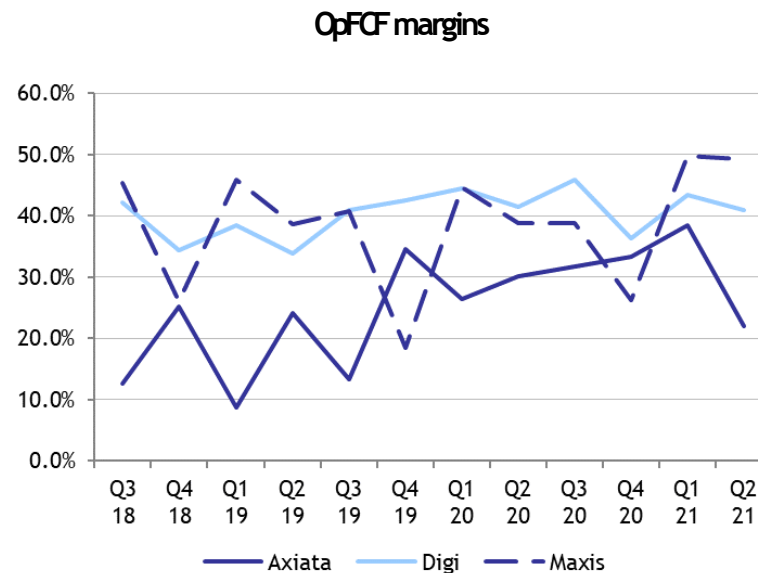
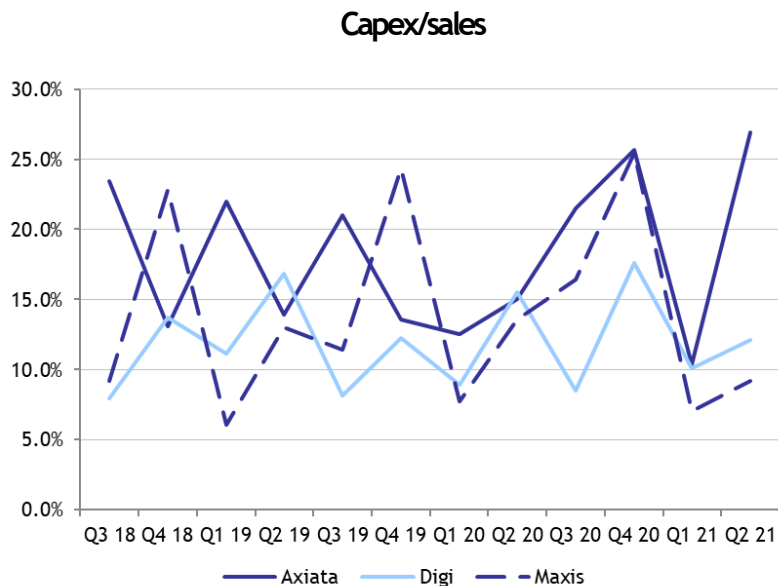
EBITDA growth (clean)



Source: New Street Research estimates

# Capex and cash flow

- Capex to sales for the market was slightly higher vs. last year's, at 14.4%, driven by Axiata. OpFCF generation on a YoY basis was stable despite higher capex (EBITDA margins improved YoY).
  - Maxis' capex to sales were lower vs. last year, which with better margins helped OpFCF generation (on total revs).
  - Digi also saw lower capex/sales vs. Q2 20, but lower margins implied that OpFCF generation (on total revs) was slightly worse vs. last year.
  - Celcom's capex/sales this quarter was higher vs. last year's which impacted OpFCF despite better margins this quarter vs. last year.



Source: New Street Research estimates

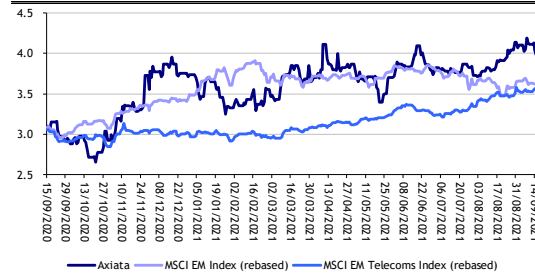
---

# Company slides

# Axiata (Buy), pt MYR5.7, +41%

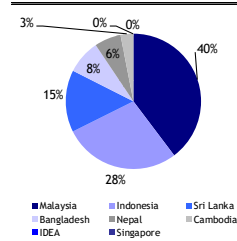
EV CALCULATION (MYRm)	2021E	2022E	2023E	2024E	CAGR 21E-24E
Share price, MYR	4.05				
Number of shares	8,817	8,817	8,817	8,817	
Market cap.	35,709	35,709	35,709	35,709	
Plus: Net debt (Cash)	18,224	11,209	8,983	6,656	
Plus: Other financial liabilities	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	4,320	4,320	4,320	304	
Less: Cumulative dividends	0	191	2,128	4,998	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	58,253	51,047	46,884	37,670	-13.5%

## PRICE PERFORMANCE, -1Y

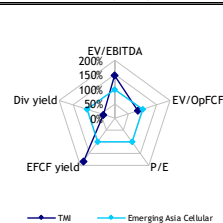


MULTIPLES & RATIOS	2021E	2022E	2023E	2024E	CAGR 21E-24E
EV/Revenue	2.3	2.0	1.7	1.4	3.6%
EV/EBITDA	5.3	4.5	3.9	3.0	4.5%
EV/OpFCF	13.2	10.6	8.6	6.1	11.8%
EV/FCF	20.3	16.3	13.3	9.4	11.8%
EV/Invested capital	1.3	1.3	1.4	1.6	1.0%
EV/NFA	2.7	2.7	2.9	3.1	-3.1%
P/E/FCF	12.3	10.9	9.1	7.3	19.1%
Adjusted P/E	140.2	60.6	40.9	36.0	57.4%
Dividend yield	2.3%	5.4%	8.0%	9.1%	57.4%
EFCF yield	8.1%	9.2%	11.0%	13.7%	19.1%
Net debt/EBITDA	1.7	1.0	0.8	0.5	-31.6%
OpFCF/Net interest	-3.3	-4.0	-5.3	-8.0	34.3%

## BREAKDOWN OF VALUE



## RELATIVE VALUATION (2021E)



FINANCIALS (MYRm)	2020A	2021E	2022E	2023E	2024E	CAGR 21E-24E
Revenue	24,203	24,982	25,925	26,849	27,784	3.6%
EBITDA	10,657	10,963	11,458	11,956	12,514	4.5%
Capex	5,330	6,551	6,637	6,527	6,357	-1.0%
OpFCF (EBITDA - capex)	5,327	4,412	4,821	5,429	6,158	11.8%
FCF (OpFCF * (1-tax rate))	2,751	2,868	3,134	3,529	4,003	11.8%
EFCF	3,520	2,897	3,270	3,940	4,897	19.1%
Adj net Income	365	255	589	873	993	57.4%
Clean EPS	0.04	0.03	0.07	0.10	0.11	57.4%
DPS	0.10	0.10	0.22	0.33	0.37	57.4%
Cash flow						
OpFCF	5,327	4,412	4,821	5,429	6,158	
Less: Interest payments	-1,693	-1,330	-1,217	-1,031	-766	
Less: Tax paid	-584	-263	-430	-572	-626	
Less: Change in WC	231	-593	261	255	259	
Less: Restructuring payments	0	0	0	0	0	
Less: Other	-15	-15	-15	0	2,327	
Sub total	3,265	2,212	3,421	4,082	7,352	
Less: Disposals/acquis.	-592	0	3,785	0	0	
Less: Dividends paid	-947	-256	-191	-1,937	-2,870	
Less: Share buyback	0	0	0	0	0	
Chg in Net debt/Cash	1,726	1,956	7,015	2,226	2,327	
Net debt (Cash)	19,725	17,769	10,754	8,528	6,200	

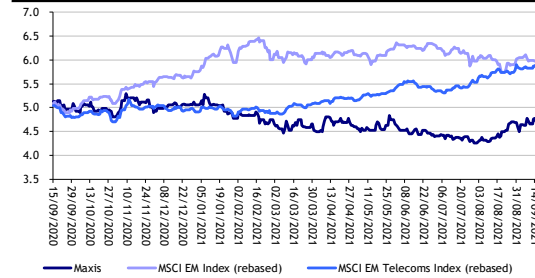
DIVISIONAL (MYRm)	2020A	2021E	2022E	2023E	2024E	CAGR 21E-24E
Revenues						
Indonesia	7,525	7,722	7,950	8,255	8,563	3.5%
Malaysia	6,219	6,550	7,031	7,245	7,467	4.5%
Sri Lanka	3,743	3,919	4,085	4,320	4,554	5.1%
Bangladesh	1,463	1,414	1,429	1,443	1,453	0.9%
Nepal	2,721	2,719	2,639	2,654	2,668	-0.6%
Other (inc. Cambodia)	2,532	2,658	2,791	2,931	3,077	5.0%
Total	24,203	24,982	25,925	26,849	27,784	3.6%
% change						
EBITDA						
Indonesia	3,777	3,715	3,917	4,068	4,285	4.9%
Malaysia	2,580	2,550	2,808	2,941	3,070	6.4%
Sri Lanka	1,150	1,118	1,045	1,069	1,093	-0.7%
Bangladesh	1,596	1,781	1,880	2,062	2,243	8.0%
Nepal	834	799	809	817	824	1.0%
Other (inc. Cambodia)	720	1,000	1,000	1,000	1,000	0.0%
Total	10,657	10,963	11,458	11,956	12,514	4.5%
% change						
EBITDA margin	44.0%	43.9%	44.2%	44.5%	45.0%	
Capex						
Indonesia	1,784	2,162	2,146	2,146	2,141	-0.3%
Malaysia	984	1,179	1,336	1,377	1,344	4.5%
Sri Lanka	645	598	607	584	587	-0.6%
Bangladesh	1,033	1,111	1,057	1,013	957	-4.9%
Nepal	213	565	572	505	436	-8.3%
Other (inc. Cambodia)	671	934	918	903	892	-1.5%
Total	5,330	6,551	6,637	6,527	6,357	-1.0%
% change						
Capex/sales	22.0%	26.2%	25.6%	24.3%	22.9%	

Source: Company data, New Street Research estimates

# Maxis (Buy), pt MYR5.6, 20%

EV CALCULATION (MYRm)	2021E	2022E	2023E	2024E	CAGR 21E-24E
Share price, MYR	4.68				
Number of shares	7,810	7,810	7,810	7,810	
Market cap.	36,551	36,551	36,551	36,551	
Plus: Net debt (Cash)	9,742	9,373	8,865	8,187	
Plus: Other financial liabilities	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	0	0	0	0	
Less: Cumulative dividends	0	1,562	3,124	4,686	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	46,293	44,362	42,292	40,052	-4.7%

## PRICE PERFORMANCE, -1Y



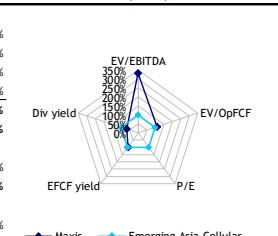
## MULTIPLES & RATIOS

	2021E	2022E	2023E	2024E	CAGR 21E-24E
EV/Revenue	5.1	4.7	4.2	3.8	5.4%
EV/EBITDA	12.1	11.0	9.9	8.9	5.6%
EV/OpFCF	18.0	15.8	14.3	12.8	7.0%
EV/FCF	24.1	21.1	19.0	17.0	7.0%
EV/Invested capital	2.7	2.7	2.6	2.6	-1.5%
EV/NFA	9.8	10.2	10.6	11.2	4.6%
P/EFCF	22.8	20.6	19.1	17.7	8.9%
Adjusted P/E	26.4	25.6	24.0	22.1	6.2%
Dividend yield	3.8%	4.3%	4.3%	4.3%	3.6%
EFCF yield	4.4%	4.9%	5.2%	5.7%	8.9%
Net debt/EBITDA	2.5	2.3	2.1	1.8	-10.7%
OpFCF/Net interest	-6.6	-7.2	-7.9	-8.9	10.7%

## WACC CALCULATION

Risk free rate	4.0%
Tax rate	25.0%
Equity premium	4.0%
Debt Premium	4.0%
Cost of Equity	8.0%
Cost of Debt	6.0%
Debt/Equity	30.0%
WACC	7.4%
Terminal growth	1.0%

## RELATIVE VALUATION (2021E)



FINANCIALS (MYRm)	2020A	2021E	2022E	2023E	2024E	CAGR 21E-24E
Revenue	8,966	9,070	9,515	10,018	10,621	5.4%
EBITDA	3,759	3,836	4,046	4,263	4,521	5.6%
Capex	1,245	1,270	1,237	1,302	1,381	2.8%
OpFCF (EBITDA - capex)	2,514	2,566	2,809	2,961	3,140	7.0%
FCF (OpFCF * (1-tax rate))	1,886	1,925	2,107	2,220	2,355	7.0%
EFCF	1,546	1,602	1,779	1,912	2,070	8.9%
Adj net Income	1,378	1,383	1,428	1,525	1,656	6.2%
Clean EPS	0.18	0.18	0.18	0.20	0.21	6.2%
DPS	0.17	0.18	0.20	0.20	0.20	3.6%
Cash flow						
OpFCF	2,514	2,566	2,809	2,961	3,140	
Less: Interest payments	-399	-391	-391	-375	-353	
Less: Tax paid	-540	-512	-476	-508	-552	
Less: Change in WC	-14	-78	-11	-7	4	
Less: Restructuring payments	0	0	0	0	0	
Less: Other	-514	0	0	0	0	
Sub total	1,047	1,586	1,931	2,071	2,240	
Less: Disposals/acquis.	-1,076	0	0	0	0	
Less: Dividends paid	-1,328	-1,406	-1,562	-1,562	-1,562	
Less: Share buyback/ special dividen	0	0	0	0	0	
Chg in Net debt/Cash	-1,356	180	369	509	678	
Net debt (Cash)	-9,922	-9,742	-9,373	-8,865	-8,187	

## DIVISIONAL (MYRm)

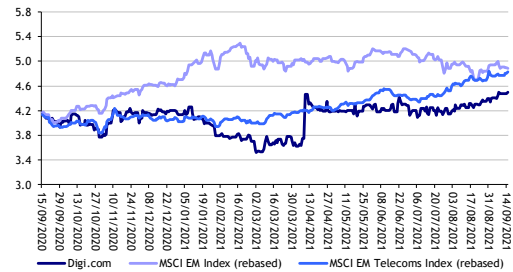
	2020A	2021E	2022E	2023E	2024E	CAGR 21E-24E
Revenues						
Malaysia	8,966	9,070	9,515	10,018	10,621	5.4%
Total	8,966	9,070	9,515	10,018	10,621	5.4%
% change		1.2%	4.9%	5.3%	6.0%	
EBITDA						
Malaysia	3,759	3,836	4,046	4,263	4,521	5.6%
Total	3,759	3,836	4,046	4,263	4,521	5.6%
% change		2.1%	5.5%	5.4%	6.0%	
EBITDA margin	41.9%	42.3%	42.5%	42.6%	42.6%	
Capex						
Malaysia	1,245	1,270	1,237	1,302	1,381	2.8%
Total	1,245	1,270	1,237	1,302	1,381	2.8%
% change		2.0%	-2.6%	5.3%	6.0%	
Capex/sales	13.9%	14.0%	13.0%	13.0%	13.0%	
OpFCF						
Malaysia	2,514	2,566	2,809	2,961	3,140	7.0%
Total	2,514	2,566	2,809	2,961	3,140	7.0%
% change		2.1%	9.5%	5.4%	6.1%	
OpFCF margin	28.0%	28.3%	29.5%	29.6%	29.6%	

Source: Company data, New Street Research estimates

# Digi (Buy), pt MYR6, 35%

EV CALCULATION (MYRm)	2021E	2022E	2023E	2024E	CAGR 21E-24E
Share price, MYR	4.43				
Number of shares	7,776	7,776	7,776	7,776	
Market cap.	34,445	34,445	34,445	34,445	
Plus: Net debt (Cash)	4,448	4,061	3,664	3,257	
Plus: Other financial liabilities	0	0	0	0	
Less: Associates	0	0	0	0	
Plus: Minorities	0	0	0	0	
Less: Cumulative dividends	0	1,320	2,702	4,194	
Less: NPV YE tax credit	0	0	0	0	
Enterprise Value	38,893	37,187	35,407	33,508	-4.8%

## PRICE PERFORMANCE, -1Y

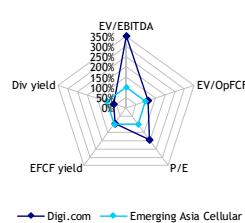


MULTIPLES & RATIOS	2021E	2022E	2023E	2024E	CAGR 21E-24E
EV/Revenue	6.4	5.9	5.5	5.1	2.8%
EV/EBITDA	12.7	11.8	11.0	10.0	3.1%
EV/OpFCF	17.8	15.4	14.2	12.7	6.5%
EV/FCF	24.4	21.1	19.5	17.4	6.5%
EV/Invested capital	9.1	9.5	10.1	10.8	19.7%
EV/NFA	14.5	15.8	17.6	20.2	-0.3%
P/E/FCF	23.9	20.9	20.0	18.7	8.6%
Adjusted P/E	27.7	26.0	24.8	23.0	6.3%
Dividend yield	3.6%	3.8%	4.0%	4.3%	6.3%
EFCF yield	4.2%	4.8%	5.0%	5.4%	8.6%
Net debt/EBITDA	1.5	1.3	1.1	1.0	-12.6%
OpFCF/Net interest	9.4	11.0	12.3	14.2	14.5%

## WACC CALCULATION

Risk free rate	4.0%
Tax rate	25.0%
Equity premium	4.0%
Debt Premium	4.0%
Cost of Equity	8.0%
Cost of Debt	6.0%
Debt/Equity	30.0%
WACC	7.4%
Terminal growth	2.0%

## RELATIVE VALUATION (2021E)



FINANCIALS (MYRm)	2020A	2021E	2022E	2023E	2024E	CAGR 21E-24E
Revenue	6,152	6,112	6,284	6,445	6,632	2.8%
EBITDA	3,078	3,067	3,164	3,231	3,361	3.1%
Capex	773	886	754	741	729	-6.3%
OpFCF (EBITDA - capex)	2,305	2,181	2,410	2,490	2,632	6.5%
FCF (OpFCF * (1-tax rate))	1,683	1,593	1,760	1,818	1,922	6.5%
EFCF	1,519	1,440	1,651	1,725	1,843	8.6%
Adj net Income	1,221	1,241	1,320	1,383	1,492	6.3%
Clean EPS	0.16	0.16	0.17	0.18	0.19	6.3%
DPS	0.16	0.16	0.17	0.18	0.19	6.3%
Cash flow						
OpFCF	2,305	2,181	2,410	2,490	2,632	
Less: Interest payments	211	231	220	203	186	
Less: Tax paid	-451	-458	-487	-511	-551	
Less: Change in WC	-149	-7	4	3	5	
Less: Restructuring payments	0	0	0	0	0	
Less: Other	-641	-462	-440	-406	-371	
Sub total	1,275	1,485	1,707	1,780	1,899	
Less: Disposals/acquis.	0	0	0	0	0	
Less: Dividends paid	-1,275	-1,241	-1,320	-1,383	-1,492	
Less: Share buyback/ special di	0	0	0	0	0	
Chg in Net debt/Cash	0	244	387	397	407	
Net debt (Cash)	-4,692	-4,448	-4,061	-3,664	-3,257	

## DIVISIONAL (MYRm)

	2020A	2021E	2022E	2023E	2024E	CAGR 21E-24E
Revenues						
Malaysia	6,152	6,112	6,284	6,445	6,632	2.8%
Total	6,152	6,112	6,284	6,445	6,632	2.8%
% change						
EBITDA						
Malaysia	3,078	3,067	3,164	3,231	3,361	3.1%
Total	3,078	3,067	3,164	3,231	3,361	3.1%
% change						
EBITDA margin	50.0%	50.2%	50.3%	50.1%	50.7%	
Capex						
Malaysia	773	886	754	741	729	-6.3%
Total	773	886	754	741	729	-6.3%
% change						
Capex/sales	12.6%	14.5%	12.0%	11.5%	11.0%	
OpFCF						
Malaysia	2,305	2,181	2,410	2,490	2,632	6.5%
Total	2,305	2,181	2,410	2,490	2,632	6.5%
% change						
OpFCF margin	37.5%	35.7%	38.3%	38.6%	39.7%	

Source: Company data, New Street Research estimates

---

## Relevant research links



# Research links

---

[Malaysian Telcos - After 10 years we turn bullish as Enterprise drives inflection in growth](#)

[Axiata - Q2 21 Quick Take: Strong revenue growth](#)

[EM Telcos: Are leading EM Telcos “bad businesses”?](#)

[Malaysian mobile - Good start to the year, inflection continued but MCOs are back; Q1 review](#)

[Axiata - Investor Call with Head of IR; confidence in Digi deal proceeding remain high](#)

[Axiata \(Buy\) - Q1 20: Good start to the year](#)

[XL Axiata \(Buy\) Q1 21, Continued unlimited offers pressuring top line](#)

[Maxis \(Neutral\) - Q1 21 - Recovering trends](#)

[Malaysian Telcos: Celcom/Digi merger announced; upgrade Axiata to Buy](#)

[Maxis - Q4 20: No meaningful recovery and no guidance](#)

[Digi - Q4 20 - Weak results and weak guidance](#)

[Malaysian Telcos: Outlook 2021, A quiet year](#)

[Malaysian Mobile - Small inflection but pressure remains, Q3 20 review](#)

[Axiata - Q3 20: Recovering from a weak Q2](#)

[Maxis Q3 results: No meaningful recovery](#)  
[Digi \(Reduce\) - Q3 20: Weak again, guidance cut](#)

[Malaysian mobile - Tough quarter, material Covid impact, remain cautious, Q2 review](#)

[Axiata - Q2 20: Tough quarter, full Covid impact, stay cautious](#)

[Malaysian Telcos: Feedback from company calls; stay cautious](#)

[Digi.com \(Reduce\) - Q2 20: Weak, full impact of the pandemic not seen yet, stay cautious](#)

[Maxis \(Reduce\) - Q2 20: Resilient through market share gains](#)

[Malaysian telcos - Weak despite limited Covid-19 impact, remain cautious, Q1 review](#)

[Malaysian Telcos: Covid-19 triple whammy, downgrade pts and recs](#)

[Asian Telcos: Takeaways from early Q1 results re Covid-19 risk](#)

[Axiata - Q1 20: OK with weakness in Malaysia offset elsewhere](#)

[Maxis - Q1 20: Dividend cut despite better results](#)

[Asian Telcos: Who is most at risk from Covid-19?](#)

[Digi - Q4 19: First positive service revenue growth since 2018](#)

[Malaysian Telcos Outlook 2020: 5G dominates, trends should improve](#)

[Malaysian mobile: Slight improvements, Axiata pt up to MYR 5.75, Q3 review](#)  
[Axiata - CMD 2019: Focus on operational excellence](#)

[Maxis - Q3 19: Pressure remains](#)

[Digi - Q3 19: Some improvements but still weak, guidance cut again](#)

[Axiata; Portfolio improvements across the board - upgrade to Buy](#)

[Malaysian Mobile; affordability and fibre wholesaling improve growth outlook](#)

# Disclosures

---

*12 month historical recommendation changes are available on request*

***This report was produced by New Street Research LLP. 52 Cornhill, London, EC3V 3PD Tel: +44 20 7375 9111***

***Regulatory Disclosures: This research is directed only at persons classified as Professional Clients under the rules of the Financial Conduct Authority ('FCA'), and must not be re-distributed to Retail Clients as defined in the rules of the FCA.***

*This research is for our clients only. It is based on current public information which we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. We seek to update our research as appropriate, but various regulations may prevent us from doing so. Most of our reports are published at irregular intervals as appropriate in the analyst's judgment.*

*This research is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.*

*All our research reports are disseminated and available to all clients simultaneously through electronic publication to our website.*

*© Copyright 2021 New Street Research LLP*

*No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior written consent of New Street Research LLP.*

*New Street Research LLC is neither a registered investment advisor nor a broker/dealer. Subscribers and/or readers are advised that the information contained in this report is not to be construed or relied upon as investment, tax planning, accounting and/or legal advice, nor is it to be construed in any way as a recommendation to buy or sell any security or any other form of investment. All opinions, analyses and information contained herein is based upon sources believed to be reliable and is written in good faith, but no representation or warranty of any kind, express or implied, is made herein concerning any investment, tax, accounting and/or legal matter or the accuracy, completeness, correctness, timeliness and/or appropriateness of any of the information contained herein. Subscribers and/or readers are further advised that the Company does not necessarily update the information and/or opinions set forth in this and/or any subsequent version of this report. Readers are urged to consult with their own independent professional advisors with respect to any matter herein. All information contained herein and/or this website should be independently verified.*

*All research is issued under the regulatory oversight of New Street Research LLP.*