



Asia Pacific Telecom Summit 2021:

The Next Frontier

The twimbit logo, featuring the word 'twimbit' in white lowercase letters with a red dot above the 'i', positioned over a background of a city skyline and a network diagram.

twimbit

The CEO Story

A visionary perspective from Asia's leading CEO on the future of telecom



Dato' Izzaddin Idris

President and Group CEO
Axiata Group Berhad

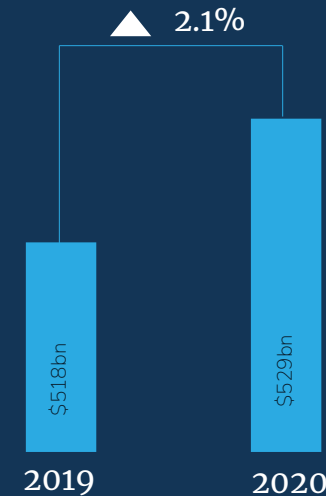
Key takeaways

- 1 Telco core business will remain relevant and important
- 2 Target new growth beyond their traditional businesses
- 3 Scaling-up B2B capabilities
- 4 Partner to transition as digital enablers
- 5 Industry ripe for business model innovation
- 6 Operational excellence and becoming a technology company

Telco core business will remain relevant and important

- Growth opportunities in emerging markets to serve connectivity needs of customers and meet demand for data intensive applications
- Tower infrastructure will be an important asset delivering consistent revenues and margin performance

*Telecom revenue growth in Asia



Asia is a diverse mix of markets with each presenting unique growth opportunities. Emerging markets in the region have huge broadband coverage gaps. Others are advancing connectivity to deliver new use cases and applications

* Twimbit estimates for 40 largest operators in APAC

Target new growth beyond traditional businesses

Emerging markets are still at the early stages of digital disruption

- Telecom operators evolve into becoming an anchor to digital ecosystem
- Financial services offer sizable opportunity. Changing business models in banking means telecom players have potential to acquire new revenue streams.

Top consumer digital services categories in emerging Asia

Entertainment

- Streaming music and video
- Gaming
- Social

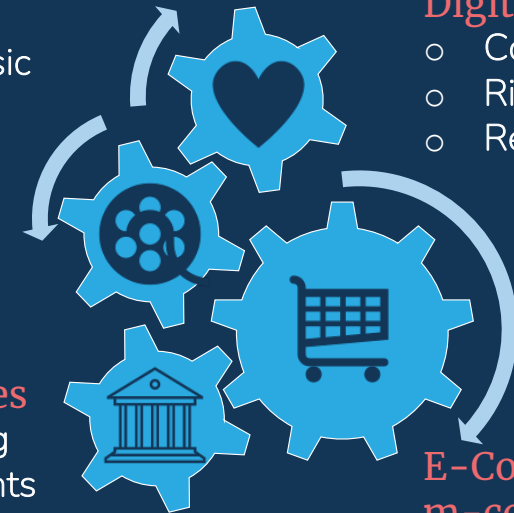
Digital Lifestyle

- Collaboration apps
- Ride-hailing
- Reading apps

Financial services

- Mobile banking
- Digital payments

E-Commerce/ m-commerce



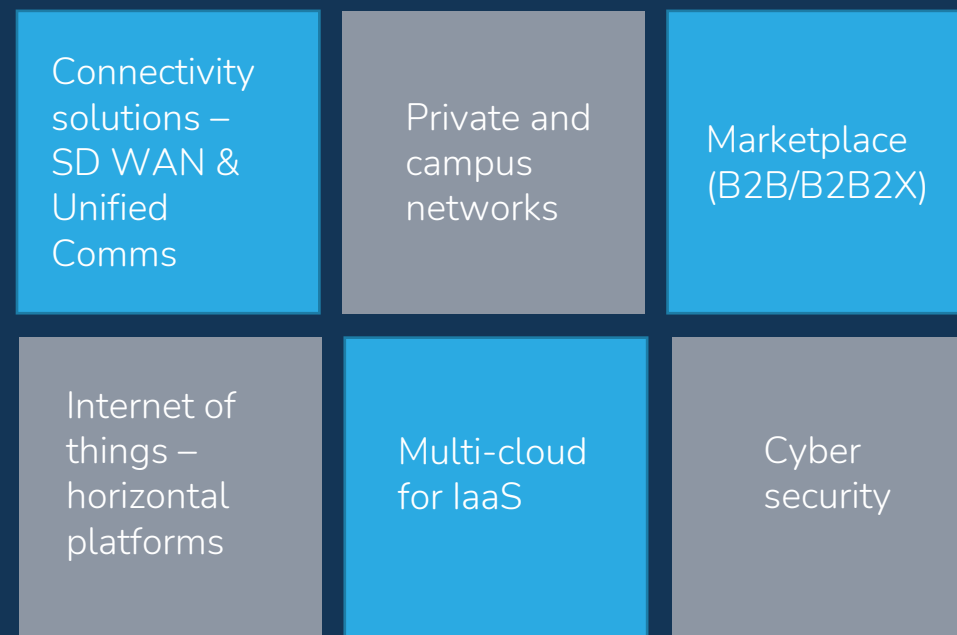
Source: Deloitte

Scaling-up B2B capabilities

Elevate contribution of enterprise business

- Proximity and understanding of local market context is helping operators to differentiate
- Operators should focus on addressing specific market needs particularly for SME/SMB segment

Enterprise focus areas at Axiata



Enabled through partnerships

Partner to transition as digital enablers

Partnerships are important as telecom operators transition to this new vision of digital enablers

- Building digital businesses require scale, right skills, and expertise
- Continually evaluate your ability to bring-in new partners for relevant businesses.

Evaluate partners across the value chain



Applications and solutions

Building B2B/B2C marketplace with partners



Enabling infrastructure

Collaborate on cloud technologies



Network & connectivity

Filling infrastructure gaps and augmenting basic connectivity

Source: Axiata

Industry ripe for business model innovation

- Telecommunication providers cannot undermine their spending in new technologies, but they also must balance shareholder returns
- Industry and governments should open to collaborative business models for capex intensive infrastructure rollouts



Axiata believes that there should be a fine delicate balance between rewarding shareholders and a continuous need to invest in technology. It sees creation of NetCos to be a real viable proposition in some countries.

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Operational excellence & role of technology

Cost to serve will differentiate market leaders


Technology transformations will play an important role in cost management. In Axiata's view cost of data must be brought down to 10 cent per GB to serve low-income economies.



Connectivity is the key to a lot of economies to prosper. One of Axiata's noble aim is to make sure that everybody has that equal opportunity to being able to afford a 4G handset, for example, to start with, let alone 4G subscription.

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A person is shown in profile, holding a smartphone to their ear. The background is a dark blue gradient with bokeh light effects in shades of teal and purple. A white network diagram, consisting of numerous nodes connected by lines, is overlaid across the lower half of the image. In the bottom right corner, there is a small, brightly lit image of a modern skyscraper at night.

A regional champion's
execution focus for the
next decade

Axiata's transition to digital telco

Provides telecom & digital services in 11 geographies across APAC

Telco business

Celcom, Dialog, Smart, XL, NCell, and Robi. Axiata have a footprint of over 150 million mobile subscribers.



Malaysia



Bangladesh



Indonesia



Pakistan



Thailand



Nepal



Cambodia



Sri Lanka



Myanmar



Laos



The Philippines

Digital business

Axiata Group has three digital businesses focused on digital financial services, digital advertising, and digital platforms.

Tower business

E.CO is among the leading telecommunications infrastructure providers in the region and globally.

1. Sustainable growth

Pivot to growing digital brands

- ADA – data and artificial intelligence company that designs and executes integrated digital, analytics, and marketing solutions
- Boost – an e-wallet service focusing on cashless payments and remittances
- Aspirasi – a digital financial services provider delivering AI-driven micro-financing and micro-insurance solutions

Enterprise is the growth engine

Elevate the contribution of enterprise business to the overall business

- Augment core connectivity with virtualization and cloud-based solutions
- Moving aggressively into growth markets – security, horizontal platforms, and applications & enterprise solutions
- Embrace partnerships to build B2B capabilities and GTM
- Identifying and building the correct channels for Micro businesses, SMEs, and Large enterprises

2. Operational excellence

Technology transformation will play important role in cost management

Cost structures must continuously improve through technology transformation as well as focus on opex reduction

Cost will differentiate market leaders

Cost of data must be brought down to 10 cent per GB to serve low-income economies

- Faster shutdown of legacy networks and repurposing resources for more efficient technologies
- Evaluate open-source technologies as viable low-cost options
- Virtualization, software defines, and distributed cloud-based infrastructure for agility

3. Structural changes to business

Imperative to balance stakeholder and customer expectations

Operators need to continue investing in new technologies. Demonstrate better shareholder value.

New business models should be considered for more efficient rollout of capital-intensive communications infrastructure.

Embrace and bring-in right partners

Introduction of new investors at the different levels and different parts of the organization

Prepare for structural changes to invite right partners to right businesses



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