

FROST & SULLIVAN



2022 COMPANY OF THE YEAR

*ASIA-PACIFIC
TELECOMMUNICATIONS GROUP INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Axiata Group Berhad excels in many of the criteria in the telecommunications space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

APAC's Leading Telecommunications Provider

Various market trends, including mobile services, financial technologies, and digital segments, are reshaping Asia-Pacific's (APAC) telecommunications industry. As a result of the COVID-19 pandemic, the APAC region experienced rapid changes in digitalization, resulting in digital trends such as cashless payments, remote learning, and online work. Enterprises are increasingly relying on cloud technology, big data, artificial intelligence-driven mechanisms, and enterprise-grade networks to support their digital transformation. Consequently, the proliferation of fifth-generation mobile network (5G) of wireless technology, will allow telecommunications companies to address the increasing network traffic and transform their business models accordingly. As digital consumption grows, cyber-attacks have become more prevalent, putting pressure on telecommunications providers and negatively impacting the customer experience and churn rates.

Frost & Sullivan estimates the APAC telecommunications market will reach \$489.24 billion in 2027, with a compound annual growth rate of about 3.6% from 2021 to 2027. Telecommunications companies across the region offer a wide array of services from telecommunications infrastructure to digital service; the strategy is to create new revenue streams beyond basic telecommunications services (e.g., voice/SMS). Mature APAC markets have a high mobile penetration rate (reaching 59.1% in 2021), high fourth-generation mobile network (4G) availability, and a growing 5G network. However, in emerging markets, telecommunications infrastructure is still lacking, and users rely on wireless networks.

Founded in 2008 and headquartered in Malaysia, Axiata Group Berhad (Axiata) is a multi-national and multi-industry telecommunications company with wide-ranging operations in APAC. With significant strategic stakes in India and Singapore, the company also operates in countries such as Cambodia, Nepal, Sri Lanka, Bangladesh, The Philippines, Laos, Myanmar, Pakistan and Indonesia.

Axiata uniquely leverages its technologies and expertise to meet its customers' needs. For instance, to address the residential segment and expand its customer base in the small enterprise segment both in rural and urban areas, Smart Axiata offers fiber-to-the-home (FTTH) that leverages 4G fixed wireless access. The company's Smart @ Home services support the increasing bandwidth speed needed to meet the home entertainment needs of Smart Axiata customers. Overall, Axiata is well-positioned to capitalize on new growth opportunities, cementing its leadership in the telecommunications space.

In 2020, Frost & Sullivan recognized Axiata for its best practices implementations, performance value, and excellent customer experience and remains impressed with the company's continuing innovation and sustained leadership.

An Extensive Portfolio Of Solutions Proves Axiata's Capabilities

Axiata creates innovative products through extensive research and development processes, top-notch infrastructures, technology investments, and strategic growth plans. The company developed and refined these processes over more than 10 years' time, perfecting its approach. Axiata continues to evolve in line with dynamically shifting industry trends and market developments, enabling it to maintain its leading position in APAC.

Axiata offers the most comprehensive telecommunications solutions in the APAC market, spanning robust features and capabilities. The company aims to provide world-class communications services using the most advanced technology available. Highlights include its significant regional network presence and innovative telecommunications solutions enabling consistent, seamless, and robust digital experiences. Moreover, Axiata is on track to become a digital champion within the APAC region by 2024, thanks to its outstanding digitization revolution, which creates new business opportunities everywhere.

Axiata's executive team closely monitors emerging market trends and evolving customer demands, then responds with novel solutions. The company continues to invest in developing local telecommunications infrastructure and adopts world-class security measures. Through its subsidiary, edotco, Axiata provides telecommunications infrastructure services and controls telecommunications towers in the region. edotco offers end-to-end telecommunications solutions, including co-locations, build-to-suit towers,

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**- Norazah Bachok,
Best Practices Research Analyst**

energy transmissions, and operations and maintenance. Moreover, edotco is bridging the digital divide and bringing regional connectivity to eight countries through state-of-the-art technology, creating green tower designs and using renewable energy sources to contribute to the climate change agenda. As a result, Axiata is poised for growth on a global scale, becoming the fifth largest tower company by the end of 2022.

As the region's largest mobile services and digital solution, Axiata plays a critical role in assisting consumers, businesses, and households to grow more sustainably. With deep insights into customers' needs, the company creates differentiated and segmented offerings across three core business areas: digital telecommunications, digital businesses, and infrastructure. The company has also succeeded in the APAC market due to its substantial brand equity, client trust, company culture, excellent analytics efforts, and systematic procedures and processes.

With this leadership focus, Frost & Sullivan expects Axiata to sustain its leadership in the APAC telecommunications industry.

Addressing Growing Industry Demands With Best Practices

Axiata's solution goes beyond its extensive expertise and best-in-class capabilities, with customer value as a strategic imperative. Through the years, the company has earned a sterling reputation supporting customers' path toward meeting their expectations and improving the user experience. As a result, Axiata generates operational excellence concerning customer expectations by being the lowest cost producer.

Being aware of its responsibilities when it comes to preserving sustainability, Axiata conducted a carbon inventory exercise in 2021, enabling the development of energy efficiency, renewable energy, and energy intensity targets. In a recent announcement, Axiata committed to Science-Based Target initiatives and launched Net-Zero Carbon Roadmaps with intermediate targets to achieve net-zero emissions no later than 2050, with a near-term 2030 target to reduce operational carbon emissions by 45% from 2020 levels.

With a resilient balance sheet and a steady pipeline of corporate activities to capture new growth areas, Axiata is well-positioned to meet digitalization's growing needs. As part of its commitment to support and enable the digital ecosystem, the company engages actively with country regulators and authorities through industry meetings, thought leadership platforms, and capacity-building workshops. The company is currently focusing on becoming a new generation digital champion by the end of this year, capturing the growth opportunities resulting from the Fourth Industrial Revolution. Unlike competitors, Axiata builds its technology, collaborating closely with stakeholders and partners to evolve alongside market needs and trends. The company strives to be the number one choice for customers and partners by providing a superior customer experience while building trust among all stakeholders. Axiata's 2021 accomplishments, which demonstrate the company's commitment to long-term value creation, include:

- April 2021 - Announced intention to create The Malaysian Digital Telco Champion through a merger of two Malaysian mobile providers (Celcom [an Axiata subsidiary] and Digi)
- June 2021 - Acquisition of Awake Asia by ADA (an Axiata subsidiary) to boost digital eCommerce capabilities
- July 2021 - Heads of Agreement to acquire a 66% stake in Link Net by Axiata and XL (an Axiata subsidiary)

Bringing faster speeds, greater capacity, convenience, and lower latency, 5G is the catalyst for the future. A variety of industries, including financial services, transportation, logistics, education, and advanced healthcare, will benefit from 5G-enabled advancements and innovations. In light of the 5G rollouts gaining traction worldwide, Axiata continues to support national 5G ambitions in their respective countries as the

company works internally on its digital transformation to lead customers and communities into the 5G era. Comparative to previous years, in 2021, Axiata sunsetted and replaced approximately 4,000 sites or 55% of its legacy networks.

An Excellent Client Relationship Marks Axiata's Performance

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**- Dewi Rengganis,
ICT Research Analyst**

Since its inception, Axiata's sterling reputation and customer-centric framework led to its coveted preferred partner status. Over the years, it added a range of new customers to its established base. By the end of 2021, Axiata owned and managed around 44,000 towers within eight countries and had approximately 185,000 enterprises and 163 million individual customers.

In 2021, the company generated Ringgit Malaysia (RM)25.9 billion in annual revenue, a 7% increase from 2020. The company also reported 7% year-on-

year growth for its earnings before interest and tax and cost savings of RM2 billion, which helped contribute to revenue growth. The company's impressive growth momentum and trajectory are a testament to its customer-centric approach, revolutionary telecommunications technology, and exceptional operational strategies, earning its clients' trust and loyalty and enabling it to capture more market share.

The company also ensures the confidentiality, integrity, and availability of customer data at all times. Inspiring customer confidence, digital trust, and resilience through cybersecurity and data privacy protection serve as Axiata's competitive differentiators. Axiata dominates the fiercely competitive telecommunications market. As a result of its long tradition of purpose-fit innovation, the company has contributed to shaping the industry's trends, which has secured its position in the APAC telecommunications market. Frost & Sullivan believes the company is well-positioned to drive the telecommunications space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

Conclusion

Despite challenging COVID-19 pandemic conditions, Axiata Group Berhad (Axiata) has maintained its leading position in the Asia-Pacific telecommunications market by addressing risks and continuously innovating and advancing its infrastructures and solutions. Overall, Axiata addresses the industry's growing unmet needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation. As part of its commitment to offering excellent customer service, Axiata integrates digital innovations into its operations. In addition, Axiata uses digital and analytical tools to upgrade internal processes, boost product value propositions and improve information and data privacy. The company remains a trusted partner, earning a reputation for offering the overall best in the telecommunications industry. With its strong overall performance, Axiata earns Frost & Sullivan's 2022 Asia-Pacific Company of the Year Award in the telecommunications industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

