

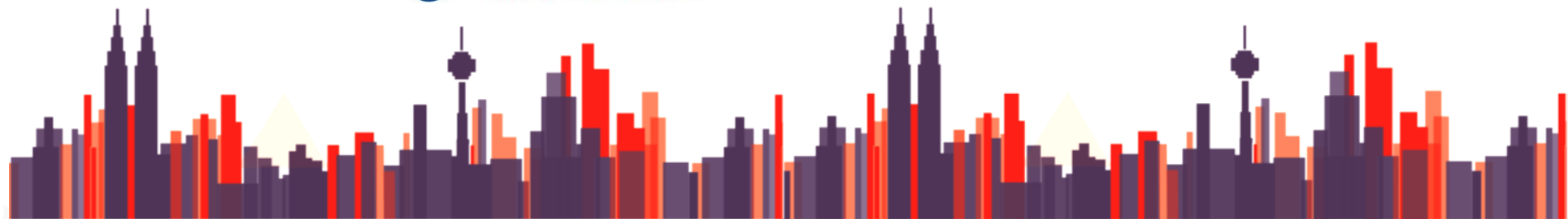
BURSA – HLIB

STRATUM FOCUS SERIES X

“DIGITALIZATION: SHAKING THINGS UP!”

THURSDAY, 6TH FEB 2020 | 8.30AM – 2.00PM | BURSA MALAYSIA

Co-organised by:





**MR DOMINIC PAUL ARENA
GROUP CHIEF STRATEGY AND MARKETING OFFICER
AXIATA GROUP BERHAD**



Dominic is Group Chief Strategy & Marketing Officer and member of the Senior Leadership Team of Axiata Group Berhad since March 2016. He is responsible for corporate strategy & portfolio, marketing & brand, and product innovation & partnerships. Dominic also sits on the Boards of telecom operators Dialog Axiata Plc and Ncell Private Limited; digital advertising company Adknowledge Asia Pacific Pte Ltd and enterprise solutions firm Suvitech Co., Ltd. Dominic is the Chairman of Qorus Alliance - the roaming alliance of 14 regional operators serving over 400 million customers - and he is a member of the GSMA Strategy Group.

Dominic has over 24 years of experience in the telecoms, media and technology sectors having held executive roles with global telecom operators including Vodafone, Orange and British Telecom as well as other leading strategic advisory firms.

Prior to joining Axiata, Dominic was the Group Managing Director of AEC Advisory, a regional strategic and corporate advisory firm based in Singapore. Preceding this, he held several senior corporate advisory roles as a global equity Partner of Value Partners Management Consulting, as Regional Director APAC for BT Global Services consulting group, as a Director of KPMG Australia and a Director with KPMG Consulting in SE Asia in charge of Telecom & Media advisory.



Stratum Focus Series X

“Digitalization: Shaking Things Up!”

Reimagining the Telco Business in a Hyper-Digital World
- Evolving to a 360° Business Model

Dominic P Arena

Group Chief Strategy & Marketing Officer

Axiata Group Berhad

6 February 2020

External pressures impacting the telecom industry

In the last few years, we saw a **SIGNIFICANT DECLINE** in the Global Mobile Industry...

- Industry penetration – almost all countries $\geq 100\%$ penetration...
- ... hyper-competition between traditional & non-traditional (internet players) – rapid price decline...
 - ... yet, capex has to be maintained due to exponential data growth & new technologies

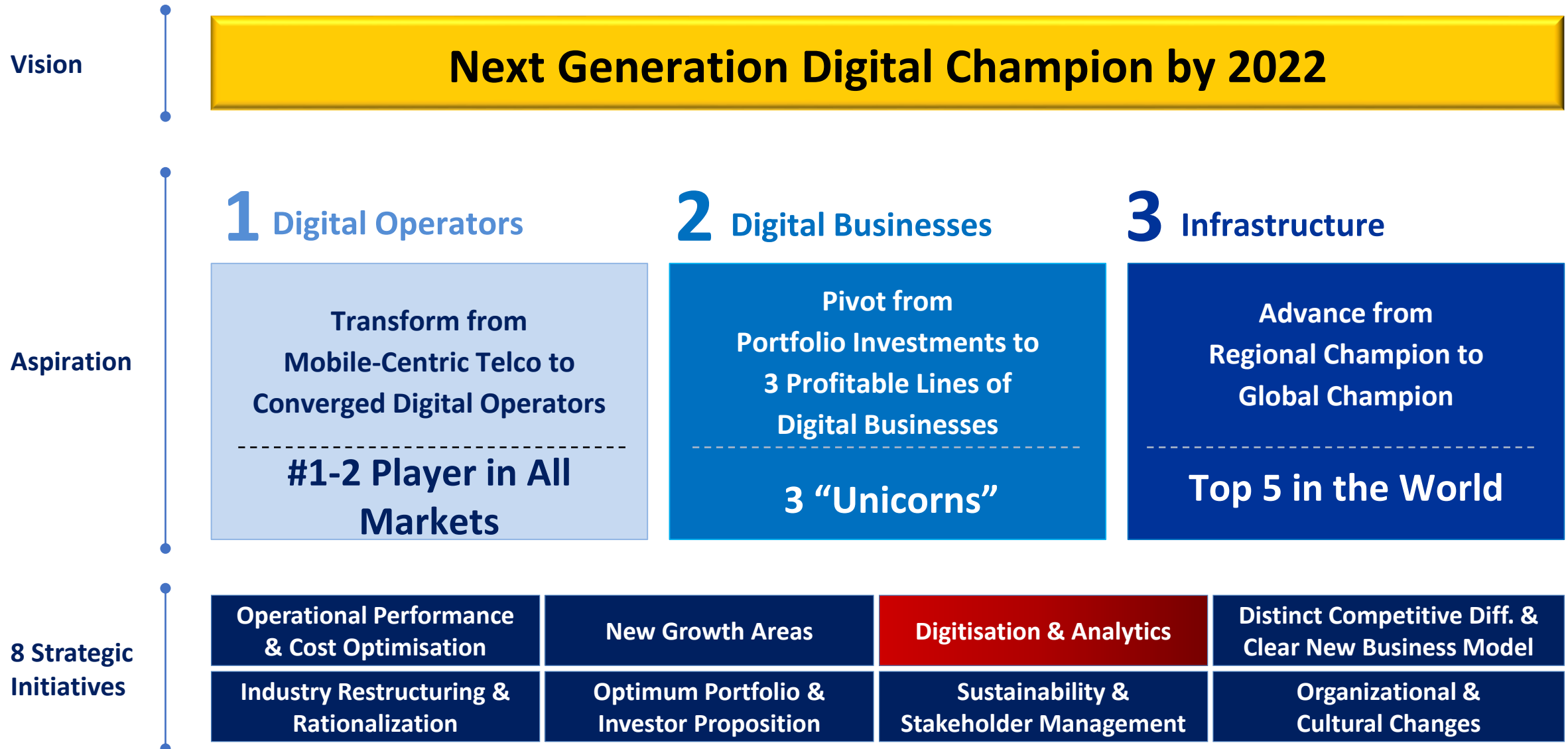


- ★ Revenue growth from double-digit in 2008 to circa **+1%** in 2018
(with flat or negative growth in mature markets)
- ★ Highly profitable to **zero profit growth** in 2018
- ★ **Workforce reduction $\geq 200,000$** cumulatively across 20 major telcos in North America & Western Europe in the last 3 years *(excluding another 60,000 job cuts in India alone)*

Telecommunications industry remains at the **BOTTOM TIER** for value creation –
ranked 24th amongst 33 industries based on BCG's *Value Creator Report* in 2019

* Note: Revenue & profit growth as reported by Top 40 Operator Group globally

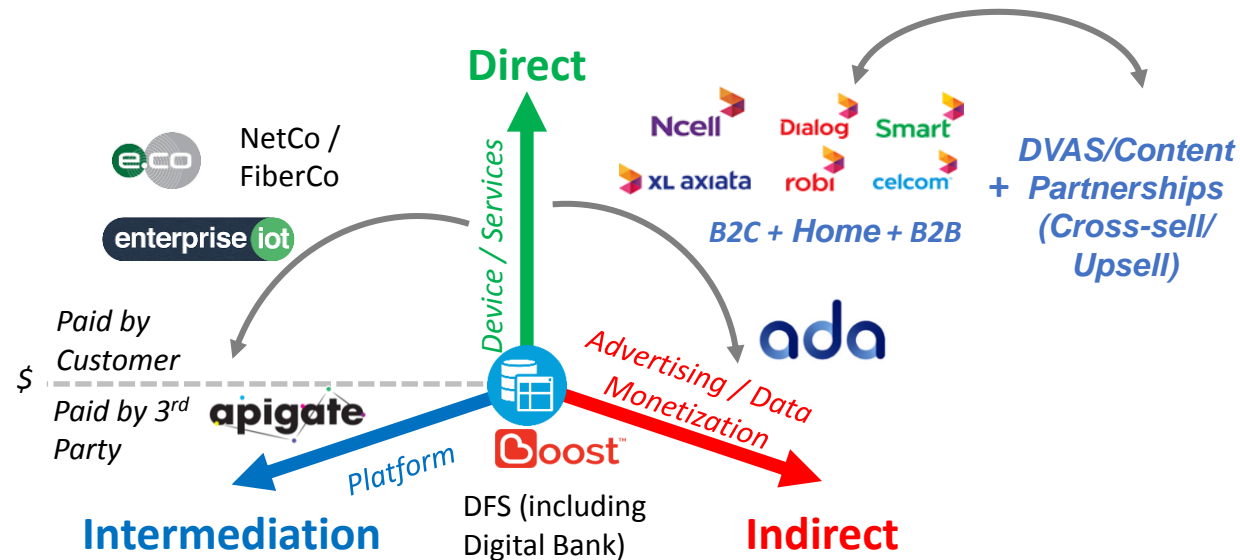
Digitization & Analytics is at the core of our strategy to be a Next Generation Digital Champion by 2022



We are Innovating both our Business Model and Operating Model, with data & analytics at the core

Innovation in Business Model [How we earn Revenues]

$$\sum \{fn\{DIRECT REVENUE(B2C + B2B + HOME)\} + \{ADVERTISING\} + \{DATA\} + \{DFS\} + \{PLATFORM\}\}$$



We have evolved our portfolio towards a 360 degree Business Model for achieving higher growth and greater resilience, leveraging data & analytics to capture maximum synergies

Our evolved 'digital-era' portfolio addresses traditional core segments plus new growth areas such as Enterprise ICT & IoT solutions



Consumer



Home



Enterprise



Internet of Things (IoT)

Voice, SMS, Data

Video/Content, eSports

eWallet, Micro Finance & Insurance

Fixed Wireless Broadband

Fiber

Smart Home & Entertainment

Managed Connectivity, Cloud, Cybersecurity, SaaS

Digital Advertising, Digital Platform

Artificial Intelligence, Machine Learning

IoT Solutions

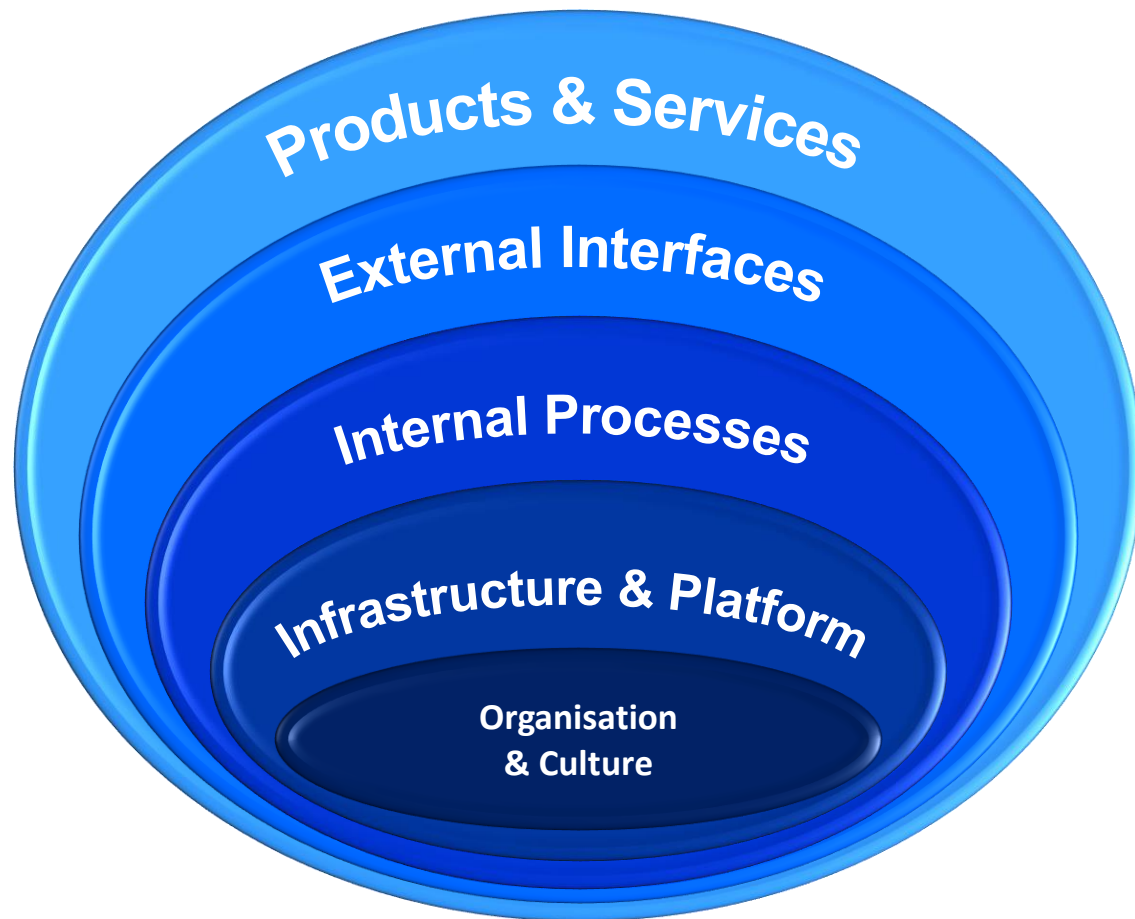
IoT PaaS

IoT as Enabler for Digital Transformation

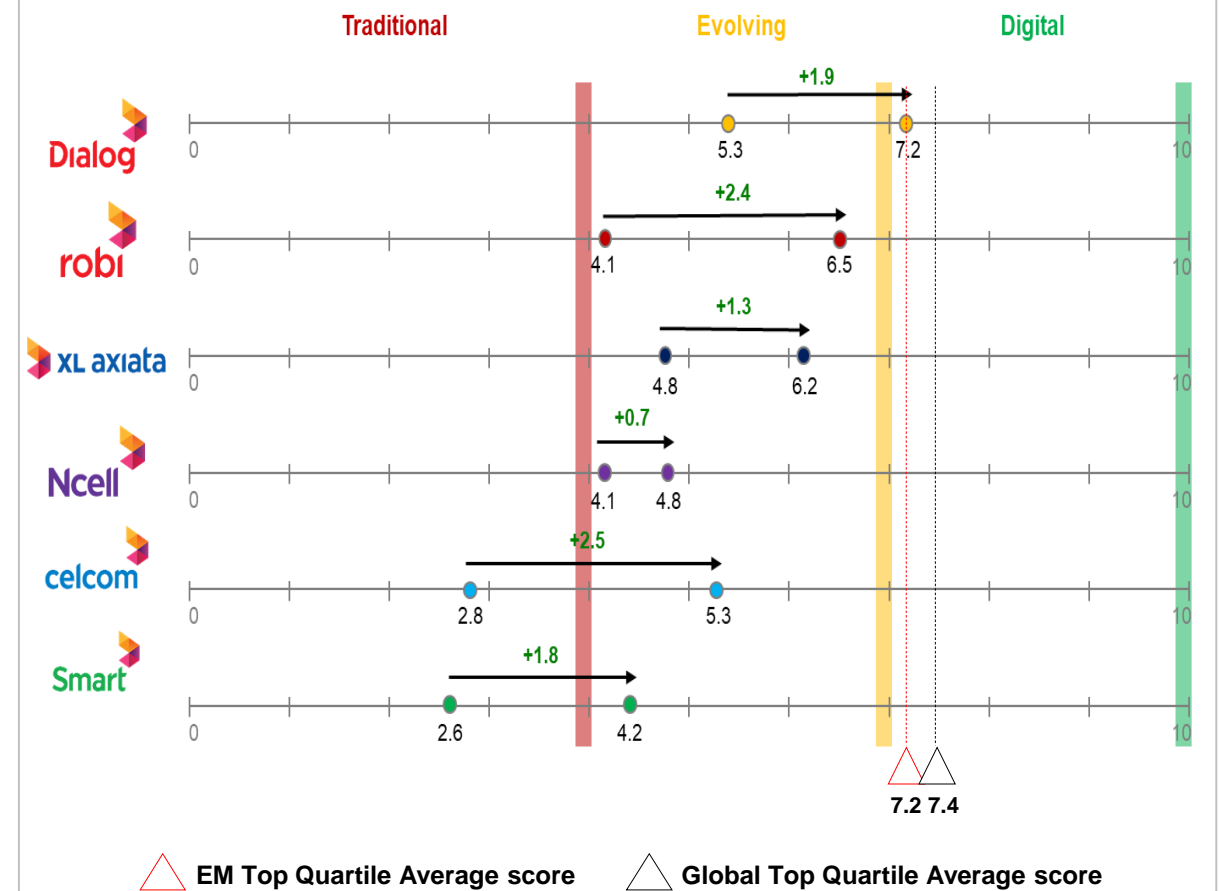


We have made significant progress with our Group-wide Digitization program addressing 5 layers of Digitization across the business

Transformation Framework: 5 Layers of Digitization



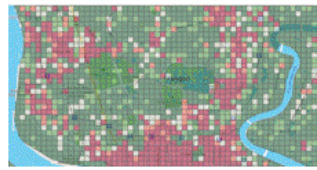
All OpCos achieved significant improvement since 2017



We created a centralised Axiata Analytics Center (AAC) for (I) Scaling Data Science Capacity (II) Building Analytics Maturity (III) Establishing Proof Point vis-à-vis ROI

Projects Achievement

Capex Planning Web Analytics



Value-Based Planning Dynamic Targeting
Revenue Stimulation



Next Best Action (NBA) Credit Scoring

Artificial Intelligence



Chatbots, voicebots
 And videobots



Offline & OOH
 Attribution

Capabilities Development

Talent via Training & Certification and Employer Branding “Data Unchained Hackathon”



- Data scientists & data engineers in the Group increase from **155** to **170**
- Technical training program for **281** professionals: **61** completed & **119** on-track

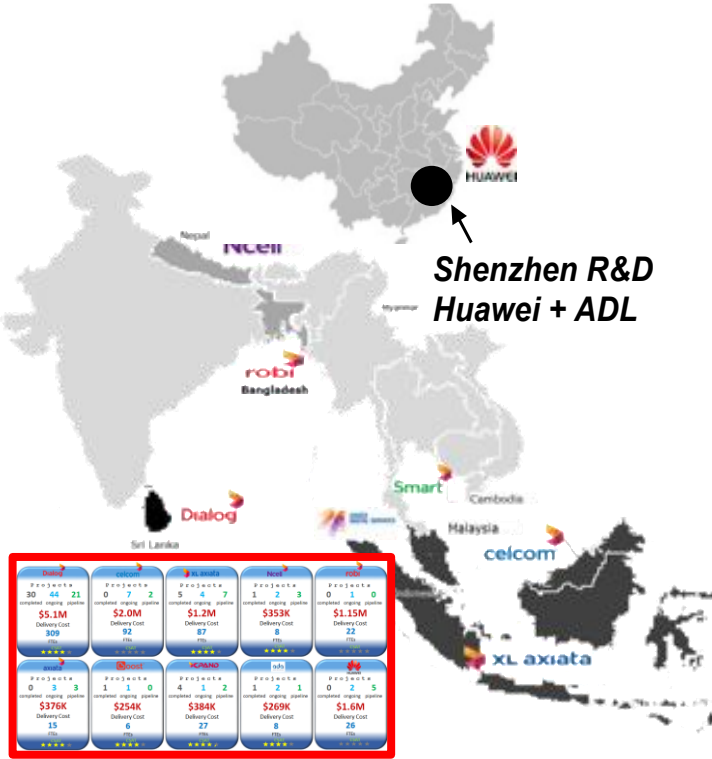
Analytics Maturity

Standardising Analytics & Digital KPIs Across OpCos



- Overall Analytics Maturity improved from **36%** to **53%**
 - Largest increase in OpCo identified from **25%** to **45%**
 - Analytics maturity index as an OpCo **KPI**

Established DevOps executional capabilities delivered through our new entity **Axiata Digital Lab** to OpCos with 400 software engineers and developers



Axiata Digital Labs (ADL) with **Digital Skills Set**. Satellites established in **Malaysia & Indonesia**

Helping drive the adoption and implementation of **open source SW stacks to reduce IT costs**

Huawei taking ADL developed SW into their CBS product to help create the **next Gen BSS with a global footprint**

ADL has engineered and delivered **API mgt, Big Data/AI, payment, Fintech, Digital Care, RPA** platforms. Built **UI/UX** and **Cloud solutioning** capabilities

ADL SW assets deployed at every opportunity to lower IT Costs resulting in **~USD 5 Mn savings projected in 2019**

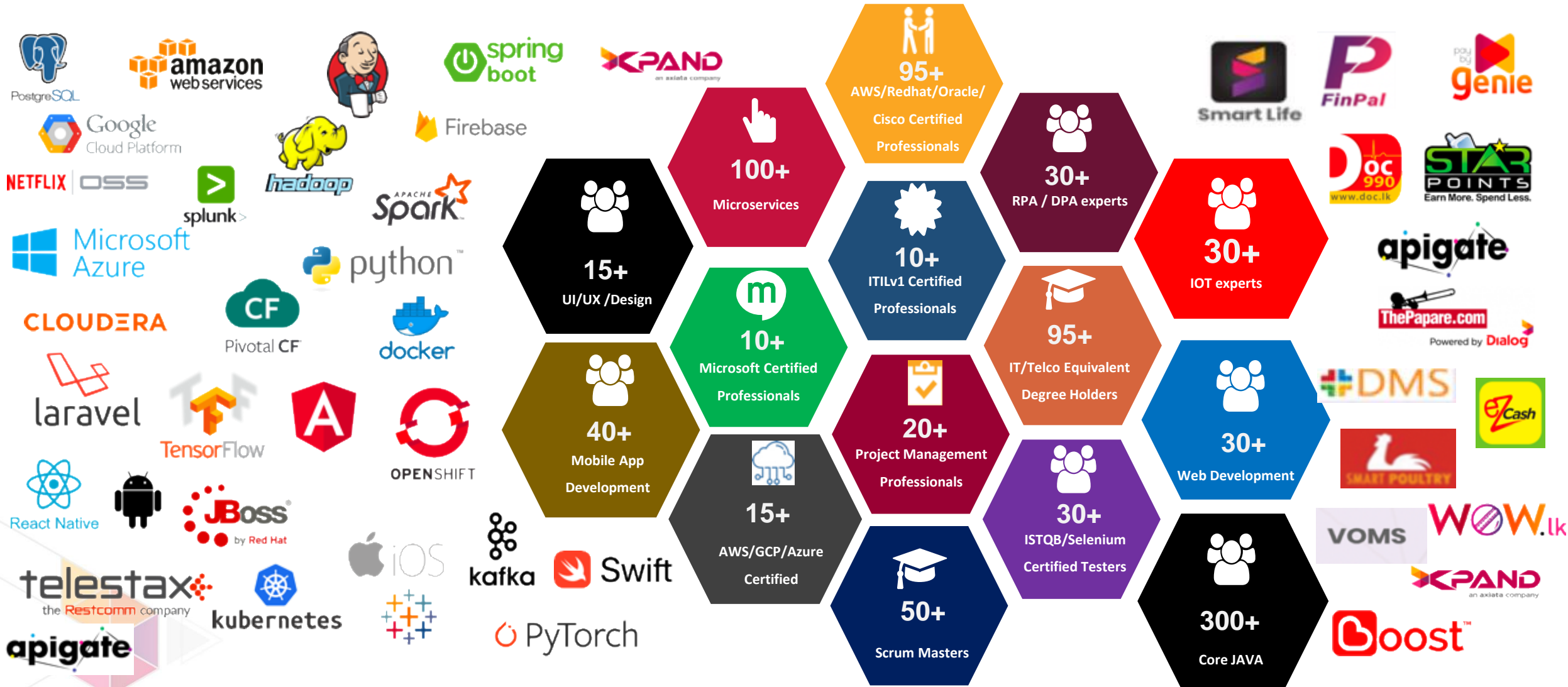
Solutions Capabilities

- Mobile Money ✓
- Fintech Platform ✓
- Big data Engine ✓
- IOT Platform ✓
- Self Care ✓
- Payment Platforms ✓
- RPA/DPA ✓
- App Modernization ✓
- Cloud migrations ⚠️

Highly differentiated digital skills positioning ADL to be the frontrunners in the digital transformation journey!



... and have developed world class, award-winning products & solutions through a solid engineering team with strong telco & digital domain expertise



IOT, Middleware, Big Data, Analytics, AI, Fintech, Cloud, RPA, UI/UX and BSS Experts Pool

In summary, our digital transformation is built upon Business Model evolution, strategic portfolio restructuring, Digitization to enable analytics and taking control for Agile Business IT to support growth

1

Telecom Industry : Challenging times with flat or -ve growth in mature markets, zero profit growth, workforce reduction \geq 200K across 20 major telcos in last 3 years

2

Digitisation & Analytics : Deep rooted as core of our strategy to be a Next Generation Digital Champion by 2022.

3

Axiata's 360^o Business Model and Operating Model : Evolved our portfolio for achieving higher growth and greater resilience, with data & analytics at the core

4

'Digital-era' Portfolio : Addresses traditional core segments "plus" new growth areas such as Enterprise ICT & IoT solutions

5

Group-wide Digitization Program underway : Significant progress made addressing 5 layers of Digitization across the business

6

Axiata Analytics Center (AAC) as COE : Scaling Data Science capabilities, building analytics maturity, establishing Proof Point vis-à-vis ROI

7

Axiata Digital Lab (ADL) Incubation on track : To build up strategic resource of >640 Digitisation / DevOps Engineers and >270 Data Scientists / Engineers / Analysts

8

World class, award-winning products & solutions

Thank You

BURSA – HLIB

STRATUM FOCUS SERIES X

“DIGITALIZATION: SHAKING THINGS UP!”

THURSDAY, 6TH FEB 2020 | 8.30AM – 2.00PM | BURSA MALAYSIA

Co-organised by:

