



Company Report

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MAXIS

(MAXIS MK EQUITY, MSXC.KL)

10 Nov 2025

Delivering quiet gains

BUY

(Maintained)

Rationale for report: Company Result

Price	RM3.95
Target Price	RM4.45
52-week High/Low	RM3.97/RM3.11

Key Changes

Fair value	↑
EPS	↔

YE to Dec	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	10,536.0	10,829.8	11,075.1	11,316.5
Core net profit (RM mil)	1,396.0	1,528.3	1,648.2	1,757.7
FD Core EPS (sen)	17.8	19.5	21.0	22.4
FD Core EPS growth (%)	3.1	9.5	7.8	6.6
Consensus Net Profit (RM mil)	-	-	-	-
DPS (sen)	17.0	17.0	17.0	17.0
PE (x)	22.2	20.2	18.8	17.6
EV/EBITDA (x)	9.6	9.1	8.7	8.4
Div yield (%)	4.9	4.3	4.3	4.3
ROE (%)	24.0	25.5	26.3	26.5
Net Gearing (%)	nm	nm	nm	nm

Stock and Financial Data

Shares Outstanding (million)	7,832.1
Market Cap (RMmil)	30,936.7
Book Value (RM/Share)	0.75
P/BV (x)	5.2
ROE (%)	24.0
Net Gearing (%)	-
Major Shareholders	Binariang GSM (62.2%) EPF (12.1%) Amanah Saham Nasional Bhd (10.3%)
Free Float	23.7
Avg Daily Value (RMmil)	12.5

Price performance	3mth	6mth	12mth
Absolute (%)	12.5	5.9	10.6
Relative (%)	8.2	1.1	10.8



MAXIS MK

FBMKLCI Index

Investment Highlights

Maxis was one of our more understated top pick highlighted earlier this year, yet it has quietly delivered a respectable ~12% total return including dividends. With weakness emerging across small and mid-caps, its relevance only grows: resilient domestic demand, predictable earnings and a solid 4% dividend yield offer a steady anchor for portfolios. Recent spectrum gains enhance its ability to defend and expand market share, while potential M&A developments provide upside optionality. We maintain BUY with a higher TP of RM4.45 as we roll forward our valuation base to reflect a 12-month view.

- **Maintain BUY at higher TP of RM4.45/share.** We raise our TP as we roll forward our valuation base year, to capture a 12-month view. This is based on an EV/Ebitda multiple of 9.5x. We like the stock as a defensive option, given its resilient domestic demand and solid dividend yield of 4%. Further upside could stem from M&A developments.
- **Delivering through cost discipline.** 9M25 core profit grew +10% YoY to RM1.2bil. This is within expectations, forming 77% of ours and 79% of consensus estimates. Ebitda margins expanded 1.5pp YoY, as a result of cost optimisation initiatives, revolving around productivity improvements, network optimisation and digitalisation. Traffic, commissions and other direct costs contracted 4% YoY, reflecting successful negotiations to secure more favourable terms for its hero products.
- **New spectrum to improve network quality.** Service revenue was stable YoY, as enterprise growth (+3% YoY) was offset by a moderation in consumer revenues (-1% YoY). Non-mobile revenue was a key driver for enterprise, underpinned by data centre connectivity, cloud solutions and wholesale. Within consumer, the drag was mainly due to pricing, with postpaid and prepaid ARPU declining 6% YoY and 5% YoY. On a positive note, improved spectrum holdings (recently secured 2 x 10MHz in the 2100 MHz band) bolsters network capacity, which can help to attract and retain subscribers. As part of conditions for the CelcomDigi merger, another 10MHz of 1800MHz and 40MHz of 2600MHz spectrum is expected to be divested by Nov 2025.
- **Steady dividends with room for buffer.** The group declared a third interim dividend of 4 sen/share, keeping it on track for our full-year forecast of 17 sen/share, or an implied yield of 4%. We see this level as sustainable, underpinned by a projected FY26F free cash flow yield of 6%. This provides a comfortable cushion even as 5G-related cash flow risks linger.

EXHIBIT 1: 3Q25 EARNINGS SUMMARY

RMm	3Q25	3Q24	YoY (%)	2Q25	QoQ (%)	9M25	9M24	YoY (%)
Revenue	2,589	2,576	0.5	2,562	1.1	7,759	7,765	-0.1
EBITDA	1,102	1,048	5.2	1,090	1.1	3,251	3,138	3.6
Margin (%)	42.6	40.7	1.9	42.5	0.0	41.9	40.4	1.5
Depreciation and amortisation	-448	-443	-1.1	-446	-0.4	-1,335	-1,330	-0.4
EBIT	654	605	8.1	644	1.6	1,916	1,808	6.0
Interest income	8	8	0.0	11	-27.3	30	24	25.0
Interest expense	-115	-118	2.5	-121	5.0	-358	-362	1.1
Others	-3	-8	62.5	3	nm	-7	-21	66.7
PBT	544	487	11.7	537	1.3	1,581	1,449	9.1
Tax	-132	-121	-9.1	-139	5.0	-400	-374	-7.0
Effective tax rate (%)	24.3	24.8	-0.6	25.9	-1.6	25.3	25.8	-0.5
MI	0	0	nm	0	nm	0	0	nm
Net profit	412	366	12.6	398	3.5	1,181	1,075	9.9
Core net profit	412	366	12.6	398	3.5	1,181	1,075	9.9
Capex	224	140	60.0	165	35.8	475	362	31.2
EPS (sen)	5.3	4.6	15.2	5.1	3.9	15	14	10.2
Core EPS (sen)	5.3	4.7	12.6	5.1	3.5	15	14	9.9
DPS (sen)	4.0	4.0	0.0	5.1	-21.6	13	12	9.2

Source: Maxis, AmlInvestment Bank

EXHIBIT 2: 3Q25 REVENUE AND COST BREAKDOWN

RMm	3Q25	3Q24	YoY (%)	2Q25	QoQ (%)	9M25	9M24	YoY (%)
Revenue	2,589	2,576	0.5	2,562	1.1	7,759	7,765	-0.1
Service	2,241	2,213	1.3	2,204	1.7	6,616	6,620	-0.1
Consumer converged revenue	1,823	1,817	0.3	1,797	1.4	5,393	5,436	-0.8
Postpaid	952	925	2.9	933	2.0	2,809	2,752	2.1
Prepaid	616	641	-3.9	610	1.0	1,821	1,938	-6.0
Fibre	255	225	13.3	254	0.4	739	665	11.1
WBB	0	26	nm	0	nm	24	81	-70.4
Enterprise converged revenue	418	396	5.6	407	2.7	1,223	1,184	3.3
Mobile	207	209	-1.0	207	0.0	627	611	2.6
Fixed and solutions	211	187	12.8	200	5.5	596	573	4.0
Non service revenue	348	363	-4.1	358	-2.8	1,143	1,145	-0.2
Device	348	363	-4.1	358	-2.8	1,143	1,145	-0.2
Total expenses	1,487	1,528	-2.7	1,468	1.3	4,508	4,627	-2.6
Traffic, commissions and other direct costs + Device cost	949	971	-2.3	914	3.8	2,875	3,004	-4.3
Spectrum license fees	61	62	-1.6	63	-3.2	186	186	0.0
Network	153	149	2.7	150	2.0	449	426	5.4
Staff and resource	193	204	-5.4	209	-7.7	601	614	-2.1
Marketing	118	43	>100	41	>100	201	129	55.8
Operation and maintenance	45	128	-64.8	111	-59.5	258	339	-23.9
Allowance for doubtful debts, net	24	27	-11.1	37	-35.1	95	105	-9.5
Government grants and other income, net	-56	-56	0.0	-57	1.8	-157	-176	10.8

Source: Maxis, AmlInvestment Bank

EXHIBIT 3: 3Q25 SUBSCRIBER AND ARPU BREAKDOWN

RMm	3Q25	3Q24	YoY (%)	2Q25	QoQ (%)
Operational metrics					
Mobile subscriptions ('000)	13,494	12,862	4.9	13,236	1.9
Postpaid (excl. WBB)	5,794	5,243	10.5	5,647	2.6
Prepaid	7,573	7,494	1.1	7,601	-0.4
Wireless broadband	127	125	1.6	123	3.3
Home connections ('000)	724	716	1.1	727	-0.4
ARPU (RM/month)	42	44	-4.1	43	-0.5
Postpaid	63	67	-6.0	64	-1.6
Prepaid	27	28	-4.9	27	0.7
Data usage (GB/month)	35.8	30.1	18.9	34.3	4.4
Postpaid	38.4	32.8	17.1	36.6	4.9
Prepaid	34.0	28.2	20.6	32.7	4.0

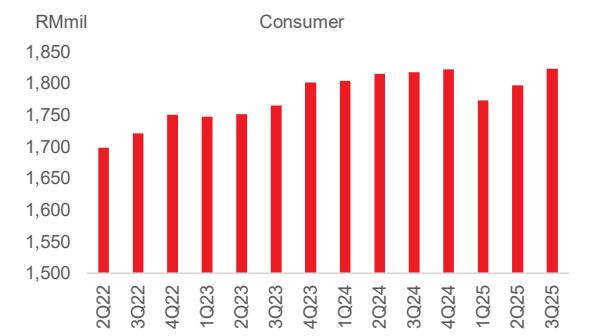
Source: Maxis, AmlInvestment Bank

EXHIBIT 4: SERVICE REVENUE YOY GROWTH



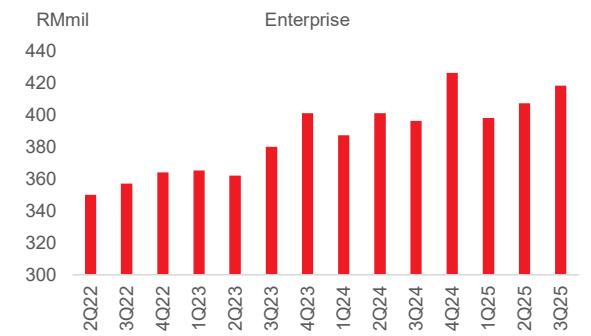
Source: Maxis, AmlInvestment Bank

EXHIBIT 5: CONSUMER CONVERGED REVENUE



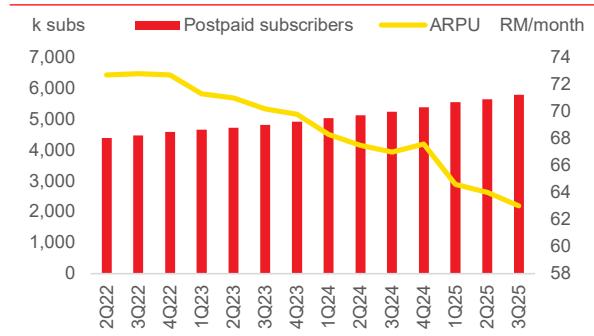
Source: Maxis, AmlInvestment Bank

EXHIBIT 6: ENTERPRISE CONVERGED REVENUE



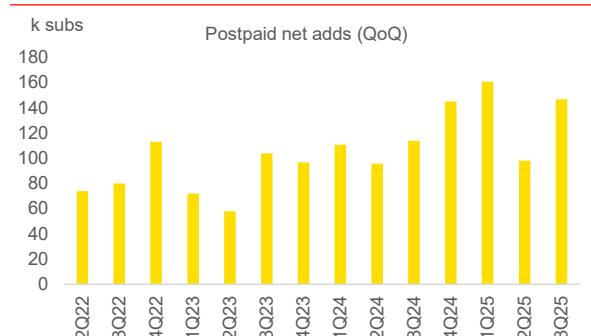
Source: Maxis, AmlInvestment Bank

EXHIBIT 7: POSTPAID SUBSCRIBERS AND ARPU

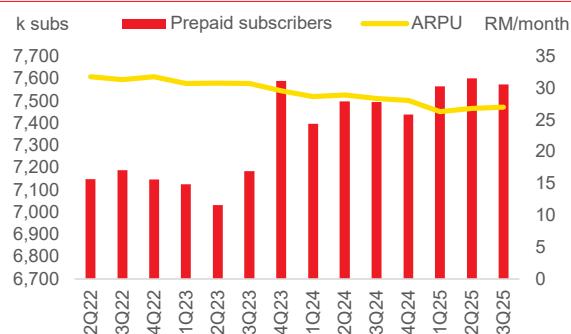


Source: Maxis, AmlInvestment Bank

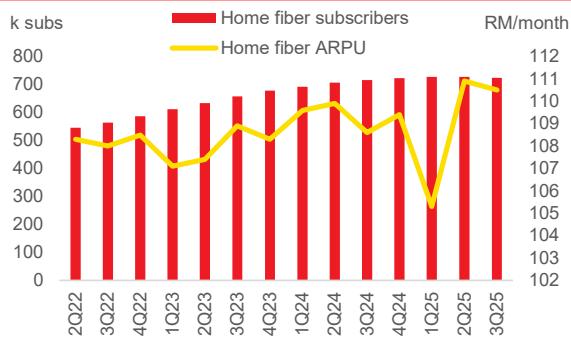
EXHIBIT 8: POSTPAID NET ADDS



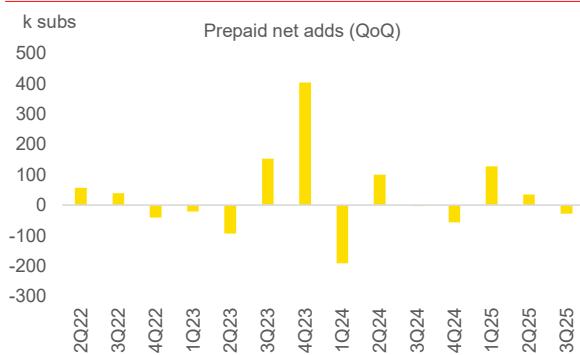
Source: Maxis, AmlInvestment Bank

EXHIBIT 9: PREPAID SUBSCRIBERS AND ARPU

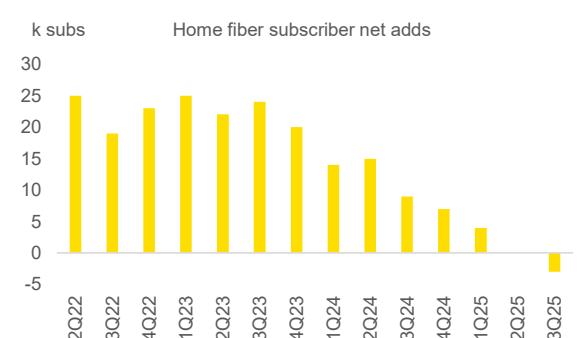
Source: Maxis, AmInvestment Bank

EXHIBIT 11: HOME FIBER SUBSCRIBERS & ARPU

Source: Maxis, AmInvestment Bank

EXHIBIT 10: PREPAID SUBSCRIBER NET ADDS

Source: Maxis, AmInvestment Bank

EXHIBIT 12: HOME FIBER SUBSCRIBER NET ADDS

Source: Maxis, AmInvestment Bank

EXHIBIT 13: VALUATIONS

Target EV/Ebitda (x) – 1sd to sector 5-year average	9.5x
CY27 Ebitda (RMmil)	RM4,502mil
Enterprise value (RMmil)	RM42,767mil
Less: Borrowings (RMmil)	(RM8,710mil)
Add: Cash (RMmil)	RM659mil
Equity value (RMmil)	RM34,716mil
Shares outstanding (mil shares)	7,832mil
ESG premium	-
12-month target price	RM4.45 (from RM4.20)

Source: AmInvestment Bank

Company profile

Maxis is Malaysia's second largest mobile operator. Starting off in mobile, it expanded into the fixed broadband market in 2013. The group serves 13 million customers, which includes postpaid, prepaid and broadband subscribers. In terms of market positioning, it positions itself as a premium brand, historically known for its reliable network. 4G population coverage stands at 95%, supported by more than 11k network sites and 22,000km fibre footprint.

Investment thesis and catalysts

Potential merger with U Mobile. It has been previously reported that Maxis is exploring a buyout of U Mobile. If it fruitions, we see positives from potential merger synergies, market consolidation and enhanced spectrum, with U Mobile being selected to implement Malaysia's second 5G network. Potential hurdles to a deal are pricing and regulatory risks, given it will represent a decrease in competition.

Service revenues have stabilised. Service revenues returned to a growth trajectory in FY21 and have sustained since. This has been driven by pre-to-post migration trends and fixed-mobile convergence. The group has also been gaining service revenue market share.

Valuation methodology

Our target price is derived from an EV/Ebitda multiple of 9.5x and CY27 Ebitda. Our multiple is the two-year average for the Malaysia mobile sector. We believe this is more relevant than the five-year average, as it better reflects the sector de-rating post 5G developments in Malaysia.

With the transition to a wholesale network model for 5G, Malaysia mobile players have undergone a sector derating, on expectations of reduced pricing power in the future and threats of increased competition.

Risk factors

Competition remains the biggest risk, due to the already mature mobile market (high penetration rates) and lower barriers to entry, following a transition to the dual 5G network model. We estimate every 1% decrease in ARPU, lowers earnings by 4%.

EXHIBIT 14: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	10,180.0	10,536.0	10,829.8	11,075.1	11,316.5
EBITDA	3,960.0	4,122.0	4,296.3	4,400.6	4,501.8
Depreciation/Amortisation	(1,903.0)	(1,780.0)	(1,838.5)	(1,818.7)	(1,807.4)
Operating income (EBIT)	2,057.0	2,342.0	2,457.8	2,581.9	2,694.4
Other income & associates	(167.0)	(18.0)	-	-	-
Net interest	(446.0)	(447.0)	(420.0)	(384.4)	(350.7)
Exceptional items	-	-	-	-	-
Pretax profit	1,444.0	1,877.0	2,037.8	2,197.6	2,343.7
Taxation	(452.0)	(481.0)	(509.4)	(549.4)	(585.9)
Minorities/pref dividends	1.0	-	-	-	-
Net profit	993.0	1,396.0	1,528.3	1,648.2	1,757.7
Core net profit	1,354.0	1,396.0	1,528.3	1,648.2	1,757.7
Balance Sheet (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	7,210.0	6,885.0	6,787.2	6,734.5	6,717.9
Intangible assets	11,193.0	11,042.0	10,817.4	10,602.0	10,395.4
Other long-term assets	1,337.0	1,492.0	1,492.0	1,492.0	1,492.0
Total non-current assets	19,740.0	19,419.0	19,096.6	18,828.5	18,605.3
Cash & equivalent	569.0	464.0	658.8	766.1	986.0
Stock	22.0	17.0	15.8	16.1	16.4
Trade debtors	2,450.0	2,419.0	2,435.4	2,490.5	2,544.7
Other current assets	-	4.0	4.0	4.0	4.0
Total current assets	3,041.0	2,904.0	3,113.9	3,276.6	3,551.1
Trade creditors	4,126.0	4,111.0	4,342.0	4,435.7	4,528.9
Short-term borrowings	857.0	1,193.0	910.9	858.5	811.1
Other current liabilities	439.0	297.0	297.0	297.0	297.0
Total current liabilities	5,422.0	5,601.0	5,549.9	5,591.3	5,637.0
Long-term borrowings	8,915.0	8,096.0	7,799.3	7,325.4	6,894.3
Other long-term liabilities	2,700.0	2,720.0	2,758.4	2,768.9	2,779.2
Total long-term liabilities	11,615.0	10,816.0	10,557.8	10,094.2	9,673.6
Shareholders' funds	5,743.0	5,905.0	6,101.9	6,418.6	6,844.9
Minority interests	1.0	1.0	1.0	1.0	1.0
BV/share (RM)	0.73	0.75	0.78	0.82	0.87
Cash Flow (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	1,444.0	1,877.0	2,037.8	2,197.6	2,343.7
Depreciation/Amortisation	1,903.0	1,780.0	1,838.5	1,818.7	1,807.4
Net change in working capital	(857.0)	(651.0)	254.4	48.7	49.0
Others	326.0	51.0	(64.1)	(132.9)	(195.7)
Cash flow from operations	2,816.0	3,057.0	4,066.5	3,932.1	4,004.4
Capital expenditure	(1,141.0)	(1,011.0)	(1,191.3)	(1,218.3)	(1,244.8)
Net investments & sale of fixed assets	1.0	1.0	-	-	-
Others	376.0	317.0	-	-	-
Cash flow from investing	(764.0)	(693.0)	(1,191.3)	(1,218.3)	(1,244.8)
Debt raised/(repaid)	(362.0)	(737.0)	(903.7)	(858.6)	(818.0)
Equity raised/(repaid)	3.0	-	-	-	-
Dividends paid	(1,331.0)	(1,253.0)	(1,331.5)	(1,331.5)	(1,331.5)
Others	(421.0)	(479.0)	(445.3)	(416.5)	(390.3)
Cash flow from financing	(2,111.0)	(2,469.0)	(2,680.5)	(2,606.5)	(2,539.7)
Net cash flow	(59.0)	(105.0)	194.8	107.3	219.9
Net cash/(debt) b/f	628.0	569.0	464.0	658.8	766.1
Net cash/(debt) c/f	569.0	464.0	658.8	766.1	986.0
Key Ratios (YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	4.0	3.5	2.8	2.3	2.2
EBITDA growth (%)	1.0	4.1	4.2	2.4	2.3
Pretax margin (%)	14.2	17.8	18.8	19.8	20.7
Net profit margin (%)	9.8	13.2	14.1	14.9	15.5
Interest cover (x)	4.6	5.2	5.9	6.7	7.7
Effective tax rate (%)	31.3	25.6	25.0	25.0	25.0
Dividend payout (%)	134.0	89.8	87.1	80.8	75.7
Debtors turnover (days)	82	84	82	81	81
Stock turnover (days)	1	1	1	1	1
Creditors turnover (days)	149	143	142	145	145

Source: Company, AmlInvestment Bank Bhd estimates

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