

## Company Report

Paul Yap Ee Xing, CFA

paul.ee-xing@ambankgroup.com

+603 2036 2281

# MAXIS

(MAXIS MK EQUITY, MSXC.KL)

TELECOMMUNICATION

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

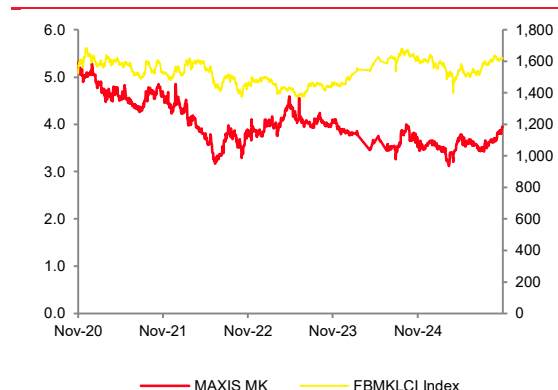
Fair value	↗
EPS	↔

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



### 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
<b>EBITDA</b>	<b>1,102</b>	<b>1,048</b>	<b>5.2</b>	<b>1,090</b>	<b>1.1</b>	<b>3,251</b>	<b>3,138</b>	<b>3.6</b>
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
<b>EBIT</b>	<b>654</b>	<b>605</b>	<b>8.1</b>	<b>644</b>	<b>1.6</b>	<b>1,916</b>	<b>1,808</b>	<b>6.0</b>
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
<b>PBT</b>	<b>544</b>	<b>487</b>	<b>11.7</b>	<b>537</b>	<b>1.3</b>	<b>1,581</b>	<b>1,449</b>	<b>9.1</b>
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
<b>Core net profit</b>	<b>412</b>	<b>366</b>	<b>12.6</b>	<b>398</b>	<b>3.5</b>	<b>1,181</b>	<b>1,075</b>	<b>9.9</b>
<b>Capex</b>	<b>224</b>	<b>140</b>	<b>60.0</b>	<b>165</b>	<b>35.8</b>	<b>475</b>	<b>362</b>	<b>31.2</b>
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

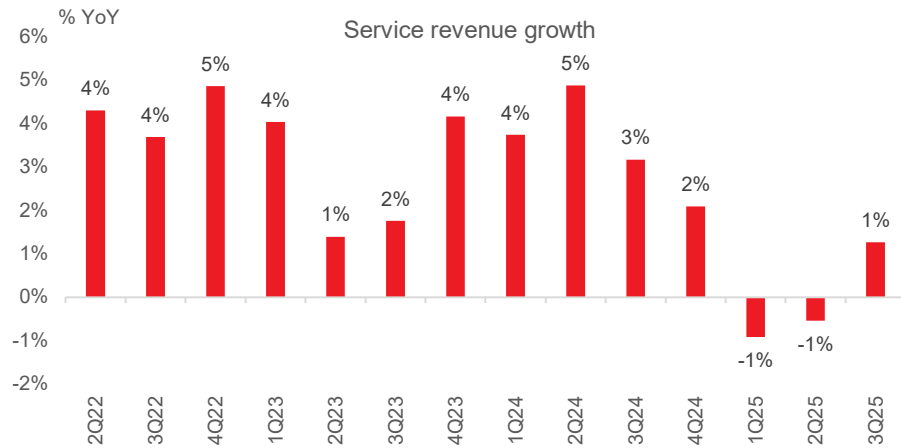
RMm	3Q25	3Q24	YoY (%)	2Q25	QoQ (%)	9M25	9M24	YoY (%)
<b>Revenue</b>	<b>2,589</b>	<b>2,576</b>	<b>0.5</b>	<b>2,562</b>	<b>1.1</b>	<b>7,759</b>	<b>7,765</b>	<b>-0.1</b>
<b>Service</b>	<b>2,241</b>	<b>2,213</b>	<b>1.3</b>	<b>2,204</b>	<b>1.7</b>	<b>6,616</b>	<b>6,620</b>	<b>-0.1</b>
Consumer converged revenue	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
<b>Non service revenue</b>	<b>348</b>	<b>363</b>	<b>-4.1</b>	<b>358</b>	<b>-2.8</b>	<b>1,143</b>	<b>1,145</b>	<b>-0.2</b>
Device	348	363	-4.1	358	-2.8	1,143	1,145	-0.2
<b>Total expenses</b>	<b>1,487</b>	<b>1,528</b>	<b>-2.7</b>	<b>1,468</b>	<b>1.3</b>	<b>4,508</b>	<b>4,627</b>	<b>-2.6</b>
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

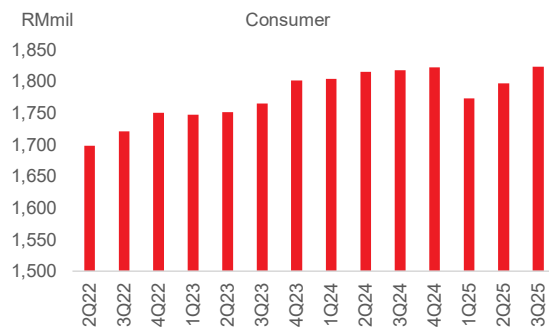
## EXHIBIT 3: 3Q25 SUBSCRIBER AND ARPU BREAKDOWN

RMm	3Q25	3Q24	YoY (%)	2Q25	QoQ (%)
<b>Operational metrics</b>					
<b>Mobile subscriptions ('000)</b>	<b>13,494</b>	<b>12,862</b>	<b>4.9</b>	<b>13,236</b>	<b>1.9</b>
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
<b>Home connections ('000)</b>	<b>724</b>	<b>716</b>	<b>1.1</b>	<b>727</b>	<b>-0.4</b>
<b>ARPU (RM/month)</b>	<b>42</b>	<b>44</b>	<b>-4.1</b>	<b>43</b>	<b>-0.5</b>
Postpaid	63	67	-6.0	64	-1.6
Prepaid	27	28	-4.9	27	0.7
<b>Data usage (GB/month)</b>	<b>35.8</b>	<b>30.1</b>	<b>18.9</b>	<b>34.3</b>	<b>4.4</b>
Postpaid	38.4	32.8	17.1	36.6	4.9
Prepaid	34.0	28.2	20.6	32.7	4.0

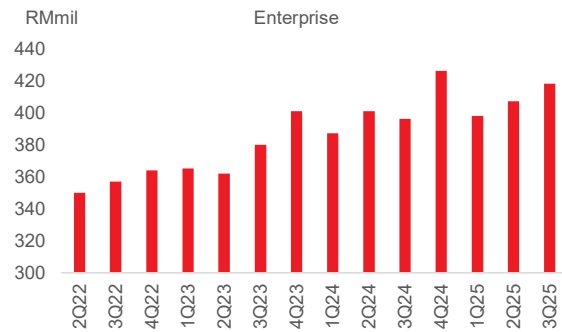
Source: Maxis, AmlInvestment Bank

**EXHIBIT 4: SERVICE REVENUE YOY GROWTH**

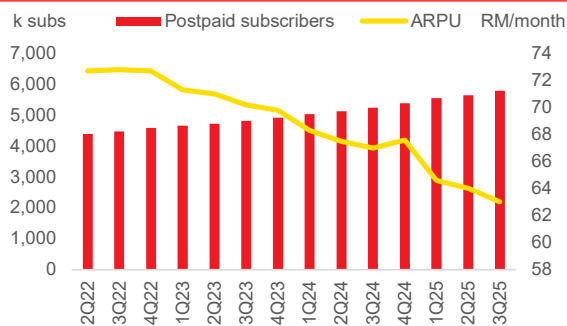
Source: Maxis, AmlInvestment Bank

**EXHIBIT 5: CONSUMER CONVERGED REVENUE**

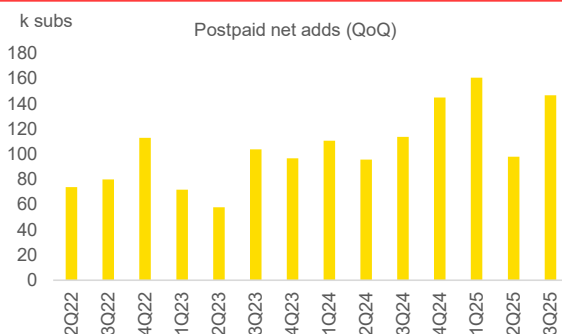
Source: Maxis, AmlInvestment Bank

**EXHIBIT 6: ENTERPRISE CONVERGED REVENUE**

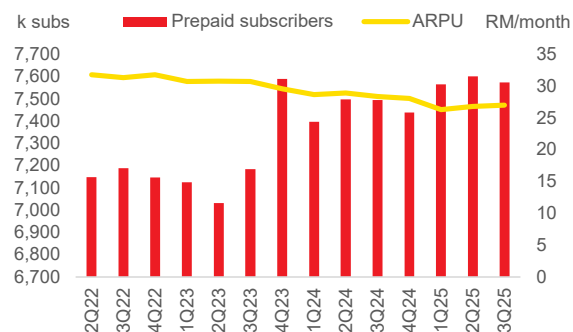
Source: Maxis, AmlInvestment Bank

**EXHIBIT 7: POSTPAID SUBSCRIBERS AND ARPU**

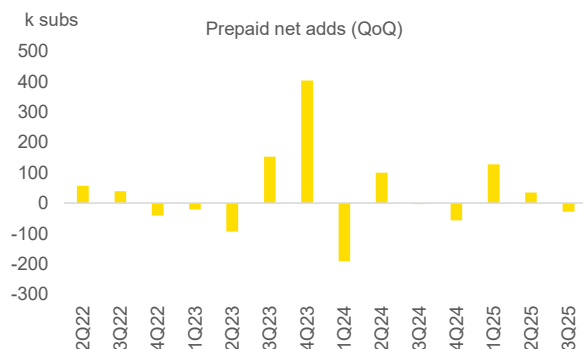
Source: Maxis, AmlInvestment Bank

**EXHIBIT 8: POSTPAID NET ADDS**

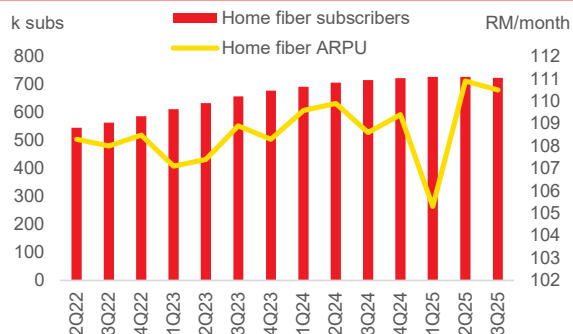
Source: Maxis, AmlInvestment Bank

**EXHIBIT 9: PREPAID SUBSCRIBERS AND ARPU**

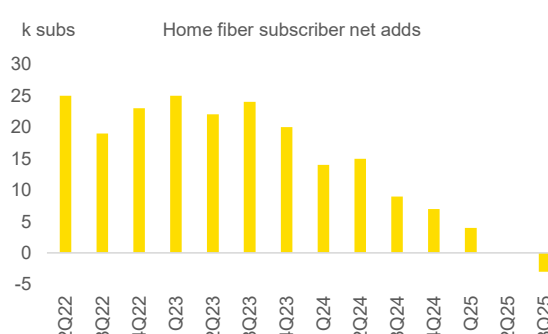
Source: Maxis, AmlInvestment Bank

**EXHIBIT 10: PREPAID SUBSCRIBER NET ADDS**

Source: Maxis, AmlInvestment Bank

**EXHIBIT 11: HOME FIBER SUBSCRIBERS & ARPU**

Source: Maxis, AmlInvestment Bank

**EXHIBIT 12: HOME FIBER SUBSCRIBER NET ADDS**

Source: Maxis, AmlInvestment 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	-
<b>12-month target price</b>	<b>RM4.45 (from RM4.20)</b>

Source: AmlInvestment 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 fructifies, 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	-	-	-	-	-
<b>Pretax profit</b>	<b>1,444.0</b>	<b>1,877.0</b>	<b>2,037.8</b>	<b>2,197.6</b>	<b>2,343.7</b>
Taxation	(452.0)	(481.0)	(509.4)	(549.4)	(585.9)
Minorities/pref dividends	1.0	-	-	-	-
<b>Net profit</b>	<b>993.0</b>	<b>1,396.0</b>	<b>1,528.3</b>	<b>1,648.2</b>	<b>1,757.7</b>
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
<b>Total non-current assets</b>	<b>19,740.0</b>	<b>19,419.0</b>	<b>19,096.6</b>	<b>18,828.5</b>	<b>18,605.3</b>
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
<b>Total current assets</b>	<b>3,041.0</b>	<b>2,904.0</b>	<b>3,113.9</b>	<b>3,276.6</b>	<b>3,551.1</b>
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
<b>Total current liabilities</b>	<b>5,422.0</b>	<b>5,601.0</b>	<b>5,549.9</b>	<b>5,591.3</b>	<b>5,637.0</b>
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
<b>Total long-term liabilities</b>	<b>11,615.0</b>	<b>10,816.0</b>	<b>10,557.8</b>	<b>10,094.2</b>	<b>9,673.6</b>
<b>Shareholders' funds</b>	<b>5,743.0</b>	<b>5,905.0</b>	<b>6,101.9</b>	<b>6,418.6</b>	<b>6,844.9</b>
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)
<b>Cash flow from operations</b>	<b>2,816.0</b>	<b>3,057.0</b>	<b>4,066.5</b>	<b>3,932.1</b>	<b>4,004.4</b>
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	-	-	-
<b>Cash flow from investing</b>	<b>(764.0)</b>	<b>(693.0)</b>	<b>(1,191.3)</b>	<b>(1,218.3)</b>	<b>(1,244.8)</b>
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)
<b>Cash flow from financing</b>	<b>(2,111.0)</b>	<b>(2,469.0)</b>	<b>(2,680.5)</b>	<b>(2,606.5)</b>	<b>(2,539.7)</b>
<b>Net cash flow</b>	<b>(59.0)</b>	<b>(105.0)</b>	<b>194.8</b>	<b>107.3</b>	<b>219.9</b>
<b>Net cash/(debt) b/f</b>	<b>628.0</b>	<b>569.0</b>	<b>464.0</b>	<b>658.8</b>	<b>766.1</b>
<b>Net cash/(debt) c/f</b>	<b>569.0</b>	<b>464.0</b>	<b>658.8</b>	<b>766.1</b>	<b>986.0</b>
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

**DISCLOSURE AND DISCLAIMER**

This report is prepared for information purposes only and it is issued by AmlInvestment Bank Berhad ("AmlInvestment") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures or investment products. AmlInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmlInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmlInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmlInvestment's views as of this date and are subject to change without notice. Notwithstanding that, AmlInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmlInvestment's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmlInvestment's prior written consent. AmlInvestment, AmBank Group and its respective directors, officers, employees and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmlInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.