

# Value Creation Model

## APPROACH TO VALUE CREATION

Our approach to delivering on our purpose of Advancing and Inspiring Society is an integral part of our strategy to enable an inclusive and sustainable digital society. We create value by maximising the positive impact of our operations on all stakeholders. Strengthened by our responsible business practices, we continue to shape a future that transforms the way our customers live and work through our innovation, technology, connectivity, platforms, products, and services.

### Our Inputs

Our business model is built upon the strategic utilisation of our financial and non-financial capitals in a comprehensive approach to value creation. We strive to constantly transform our capitals and resources into sustainable and innovative solutions to provide growth and total returns with added value and sustainability for all stakeholders.

### Our Business Model and Guiding Factors

Five strategic pillars drive us to achieve our corporate ambitions. The pillars are influenced by these Guiding Factors:

1. Operating Landscape and Outlook
2. Key Risks
3. Sustainability Management
4. Key Relationships
5. Materiality

### Output and Outcomes

Our business model employs financial, manufactured, intellectual, human, natural, and social and relationship capitals to convert these inputs into valuable outputs for customers, employees, shareholders, and the environment. The output and outcomes from the execution of our business strategies are also aligned to our material matters.

## OUR KEY INPUT



### Financial Capital

- RM47.9 billion market capitalisation as at 31 December 2023
- RM36.4 billion total asset value as at 31 December 2023



### Manufactured Capital

- 5,665 integrated network sites
- ~28,000 cumulative network sites
- 29,800km fibre network (incl. Celcom Timur Sabah)
- >400 CelcomDigi retail stores



### Intellectual Capital

- RM1.75 billion invested in technology capex
- Up to RM250 million investment in Innovation company over five years
- Introduced the CelcomDigi brand



### Human Capital

- 3,655 employees
- Male (52%) and female (48%) employees
- OneCompliance Integrity programme
- Launched three e-learning platforms
- Concluded post-merger organisation structure



### Natural Capital

- Committed to Net Zero, aligned to SBTi
- Established Climate Working Committee (CWC)
- Robust climate data monitoring
- Partnerships to stimulate green growth



### Social and Relationship Capital

- Implemented various social impact programmes (digital inclusion, digital entrepreneurship, and digital skills) and humanitarian efforts
- 307 National Information Dissemination Centres (NaDi) nationwide
- 23 modules curated for supplier training

## OUR BUSINESS MODEL

### GUIDING FACTORS



• Operating Landscape and Outlook



• Key Risks



• Sustainability Management



• Key Relationships



• Materiality



### STRATEGIC PILLARS



• Accelerate Integration, Synergies, and Operational Excellence



• Win in the Core



• Build New Core



• Shape Assets for Future Growth



• Succeed with Talents

# Value Creation Model

## OUR KEY OUTPUT

### PERFORMANCE

#### Financial Capital

- 3.3%<sup>1</sup> growth in EBITDA
- 13.2 sen dividend to shareholders
- RM12.7 billion in revenue

#### Manufactured Capital

- Maintained >99% network uptime
- Achieved 35% of overall network integration target
- Increased data traffic of 10% to 17%
- 97% 4G LTE and 91% 4G LTE-A population coverage
- 96.7% population coverage
- +3.9pp customer satisfaction score (CSAT)
- Received 12 Opensignal awards in 11 categories

#### Intellectual Capital

- 466,000 or 2.3% increase in subscriber base
- Grew home & fibre subscriber base to 131,000
- Over 50 product campaigns, including unified 5G offerings
- 6.6% growth in CelcomDigi logomark awareness
- 85% completion in Privacy Control Framework exercise
- Converged 5G mobile and fibre offering to Malaysian Business
- Strategic offers to drive digital adoption among MSMEs
- MY5G Series engaged >60 corporate CEOs and 600 MSMEs
- Innovative 5G and AI partnerships in agriculture, logistics, and electrification
- Advanced education via Metaverse, XR, and 5G with multiple universities

#### Human Capital

- Top 100 and next 300 leaders' placement across the company
- >3,000 professionals
- 65,404 hours of total employee learning
- 100% employees pass-rate in Anti-corruption, Cybersecurity, and HSE e-learning
- 0.14 Lost Time Injury Frequency (LTIF) rate
- Zero fatalities across operations

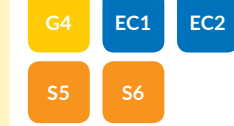
#### Natural Capital

- 913.86 GWh energy consumed
- 521,792.25 tCO<sub>2</sub>e emissions
- 3.42 GWh renewable energy generated
- 47.56 tonnes of e-waste recycled

#### Social and Relationship Capital

- Zero material corruption cases
- 585,268 individuals benefited from digital safety and empowerment programmes
- 23,478 hours of supplier training
- 2,487 suppliers signed Agreement of Responsible Business Conduct (ABC)

### MATERIALITY



### UNSDGs



<sup>1</sup> Comparable basis results which includes contribution from Celcom's results as if the merger was completed on 1 January 2022 and after excluding merger transaction costs and accounting alignment adjustments