

Axiata to inject USD 1.6b capex for expansion in BD, Indonesia

- A Monitor Desk Report

Date: 01 March, 2022



Dhaka: One of Asia's leading telecoms, Axiata Group Berhad, has allocated over USD 1.6 billion capital expenditure (capex) for FY22 as it plans to accelerate expansion in Bangladesh and Indonesia.

Datuk Izzaddin Idris, President and CEO of the telecommunication company, said the bulk of the allocation was to improve Axiata's mobile network quality of services and there was growth opportunity in markets like Bangladesh and Indonesia due to low penetration rate of mobile users.

"Our capex is substantially financed from our operations and free-cash-flow. Looking at the current cash-flow level, there is no need to raise debt to finance our capex," he said at a virtual media conference after announcing Axiata's group FY21 performance on February 22, according to reports.

Axiata outpaced its headline key performance indicator guidance of low single-digit earnings growth for the year ended December 31, 2021.

The group saw its net profit surging 124.3 per cent year-on-year (YoY) to USD 195 million from more than USD 87 million in FY20, while revenue rose 7.02 per cent to some USD 6.1

billion from USD 5.7 billion.

It earlier targeted earnings before depreciation and amortisation (Ebitda) and revenue growths of 8.5 per cent and 8.3 per cent respectively.

Izzaddin expects Axiata to achieve a middle single-digit revenue growth and high single-digit for EBIT growth in 2022 in view of prevailing tough external conditions.

For the fourth quarter, Axiata returned to the black with a net profit of around USD 27 million, reversing its net loss of USD 61 million a year ago.

Its revenue increased 10.2 per cent to USD 1.6 billion from USD 1.49 billion, added reports.

- T