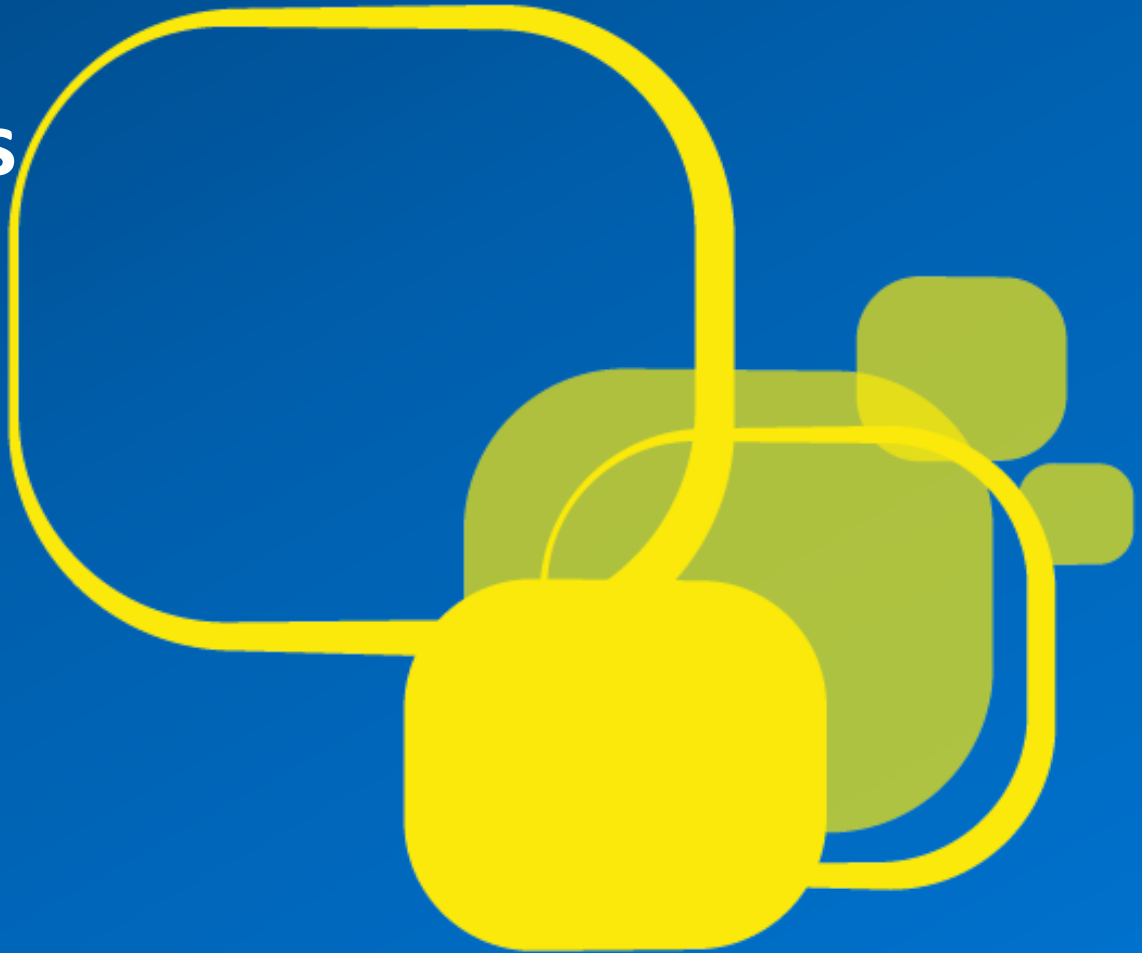


1Q 2017 results

Digi.Com Berhad

(Company No. 425190-X)

28 Apr 2017



- **Key Highlights**
- **Operational & Performance Review**
- **Other Updates**
- **2017 Outlook**
- **Q&A**



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Don't sweat those bills. We'll do it.



Because we know you like to sambal.



New MyDigi also the real One Leg Kik.

STRONGER PROFITABILITY and solid postpaid growth into 2017



Financial Highlights

+2.5% Gross Profit
+1.0% EBITDA with 45% margin

+12.1%
Postpaid Revenue

+15.2%
Internet Revenue

RM952 million
Prepaid Revenue
with improved margins

Operational Highlights

1.7 million
Active Users
on all-new MyDigi

60% of smartphone
subscribers on 4G

1st Mobile Operator in
Malaysia with fully capable
online retail store

Completion of spectrum
refarming and LTE 900Mhz
deployment

REPOSITIONED PREPAID WITH STRONGER FOCUS to drive sustainable revenue and digital opportunities

KEY FOCUS

Grow Malaysian and Internet prepaid opportunities

Scale down acquisitions from low margin segments

Rationalisation of prepaid legacy services – IDD, 3rd party contents and pay-per-use

CHALLENGES

Rich internet offers and freebies

Prolonged macro challenges and competition intensity

Stronger headwinds from further MYR weakness and rising inflation

IMPACT TO Q1

Moderated gross adds and higher churn from price sensitive segments

Healthy prepaid to postpaid conversions

Revenue dilution from prepaid legacy services

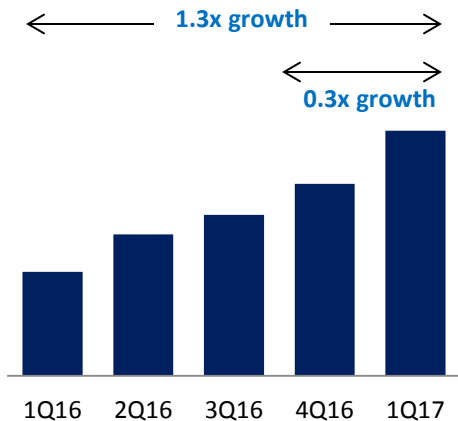
Flat prepaid internet revenue

Improved profitability

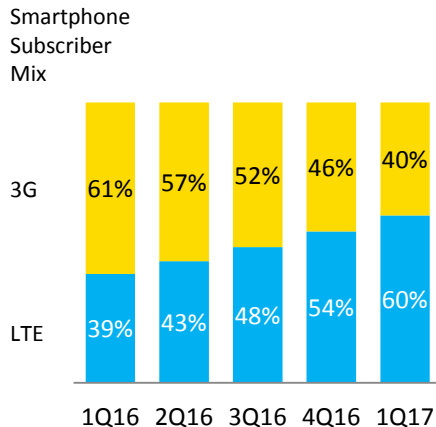
SOLID GROWTH ON DATA TRAFFIC AND LTE SUBSCRIBERS

with stronger internet revenue on Digi's robust 4G+ network

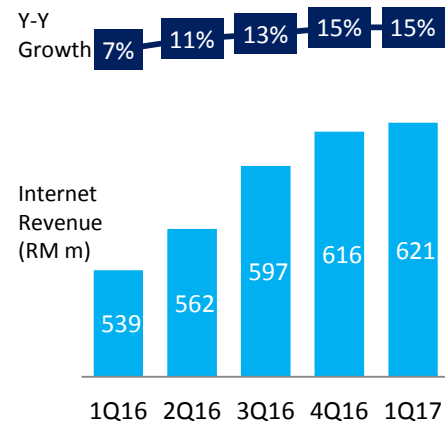
Data traffic growth well-supported by 4G+ network



Increasing LTE subscribers among smartphone users



Stronger internet revenue growth



FUELLING POSTPAID GROWTH

with 'Freedom To Internet' proposition and online exclusive offers

Continue to grow postpaid

Get rewarded in every way with MyDigi app

Digi Postpaid	Digi Postpaid	Digi Postpaid
50	80	110
RM50 /month	RM80 /month	RM110 /month

NO-LIMIT 4G INTERNET
Saturday & Sunday
25GB Monday - Friday

FREE ROAMING IN 8 COUNTRIES

Digi Postpaid™
All you need is this one plan.
Entertainment throughout the weekend and FREE roaming, all in one plan.

4G

- Strengthened easy-entry proposition through affordable 4G device bundled plans
- Expanded worry-free roaming proposition to more countries, including Greater China
- Strengthened distribution channel with fully capable online retail store
 - Attractive online exclusive rate plan deals for sign-ups
 - Infinite internet plans with limited time offer
- Better, faster and more convenient customer care support via the all-new MyDigi app
 - Cleaner and faster user interface, personalised rewards and offers, convenience of live chat support services
 - Exclusive rewards and propositions via MyDigi app
- Robust 4G+ network and progressive capacity expansion continued to support customers with consistent quality network for best internet experience on their digital life

DRIVING SUSTAINABLE PREPAID REVENUE with affordable and innovative internet passes

5GB + Unlimited Facebook Digi Prepaid™
Our ultimate Internet Plans give you more.
Enjoy Unlimited Facebook and 5GB Internet for only RM28/month.
Find out more >

Bigger and better prepaid deals, exclusively on the MyDigi app.
RM1 for 300MB | RM3 for 2GB | RM5 for 5GB
Find out more >

Video & Music Streaming
FREE 10GB monthly
50% EXTRA INTERNET
7GB
28 Sen/day

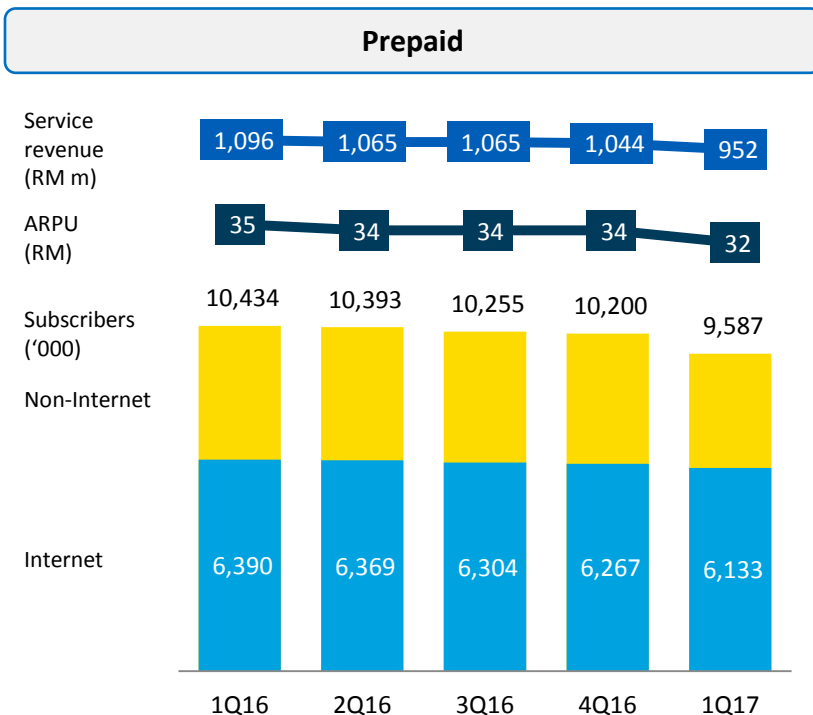


Drive sustainable prepaid base and services

- Robust 4G+ internet positioning focusing on best value, simple and clear propositions
 - Digi Prepaid LiVE: Freedom to music and video streaming
 - Digi Prepaid Best: Best for value for social
- Rationalised legacy prepaid services such as low margin IDD, 3rd party contents, pay-per-use internet services and stabilised revenue with subscription passes through
 - Affordable and innovative bite-size video, social and internet services passes
 - Tactical quota promotions and passes
- Enriched monthly add-ons with worry-free internet passes with bundled data quotas, voice and Facebook access
- Actively spurred stronger smartphone and internet adoption among the prepaid subscribers from 61% in the preceding quarter to 64%

SHARPER FOCUS TO DELIVER IMPROVED PROFITABILITY

in challenging prepaid market conditions

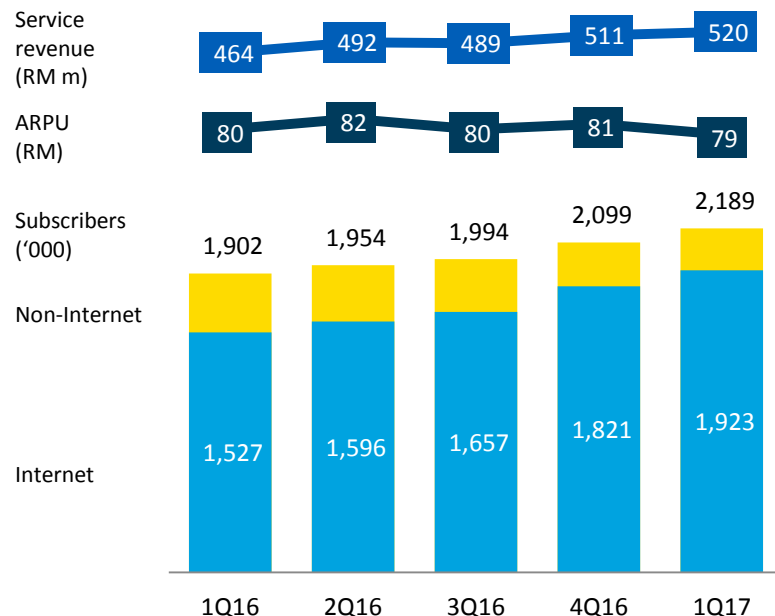


- Our decision to focus on stronger internet proposition and sustainable revenue in 2016 improved prepaid profitability and margins into 2017
- However, with competition remained intense amid increasing headwinds for migrant segment, contribution from price sensitive segments contracted faster into 2017
 - Prepaid subscribers trimmed to 9.6 million
 - Revenue from legacy prepaid services mainly IDD services, 3rd party contents and pay-per-use internet services moderated
- Prepaid revenue decline widened to 13.1% y-y and 8.8% q-q, albeit cushioned by healthier profitability development with improved margins and stronger internet revenue contribution to 35.2% (1Q16: 30.3%) of prepaid revenue.
- While prepaid market remained challenging, Digi will strive to deliver sustainable customer base contribution through stronger internet proposition in targeted segments

RECORD HIGH POSTPAID REVENUE

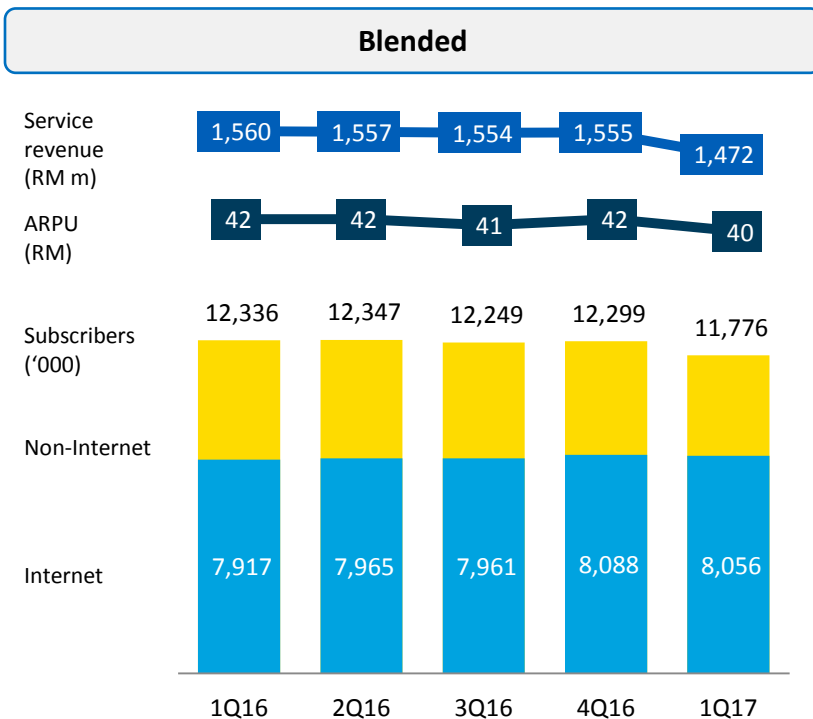
backed by continued solid growth momentum

Postpaid



- Simplified postpaid plans and clear propositions coupled with consistent BTL campaigns continued to drive strong postpaid acquisition momentum
 - Favourable postpaid take-up on entry level 4G plans and prepaid to postpaid conversions
 - Solid interests from exclusive online deals
- Postpaid subscriber base strengthened to 2.2 million anchored by 90K net adds and fairly steady ARPU
 - Internet subscribers rose another 102K to 87.8% of postpaid subscribers
- Postpaid revenue stood at record high with solid y-y growth of 12.1% and an uplift of 1.8% q-q
 - Fuelled by robust internet revenue growth of 38.2% y-y and 6.3% q-q to RM286 million
- Going forward with solid channel execution plans to fully capitalise on postpaid growth opportunities in 2017

MORE SUSTAINABLE SERVICE REVENUE albeit moderated top line and subscriber base

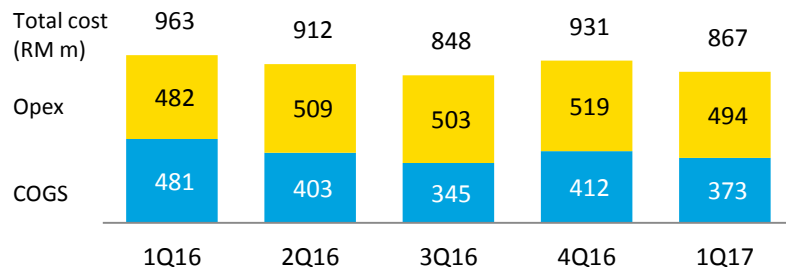


- Although Digi delivered continued solid postpaid growth for the quarter, overall subscriber base, ARPU and service revenue were undermined by prepaid contraction
- Favourable take up on 4G bundled plans spurred higher smartphone adoption to 68.0%
- Strategic shift in service revenue mix to enable digital opportunities led to stronger internet revenue growth
 - Internet revenue strengthened 15.2% y-y to RM621 million or 42.2% of service revenue
- Positive uplifts from continued prepaid to postpaid conversions, higher contribution from internet revenue and improved margins partially cushioned effects from service revenue decline of 5.6% y-y and 5.3% q-q

DISCIPLINE COST MANAGEMENT

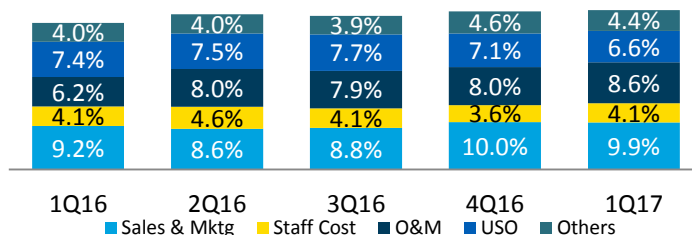
with 10.0% y-y and 6.9% q-q improvement on total cost

Total cost trend



Opex (% of service revenue)

	1Q16	2Q16	3Q16	4Q16	1Q17
Net Opex [1]	30.0%	33.2%	32.1%	33.2%	33.3%
Opex	30.9%	32.7%	32.4%	33.3%	33.6%

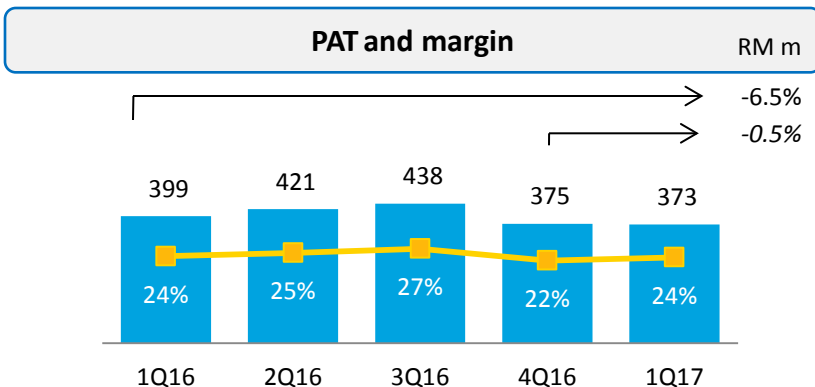
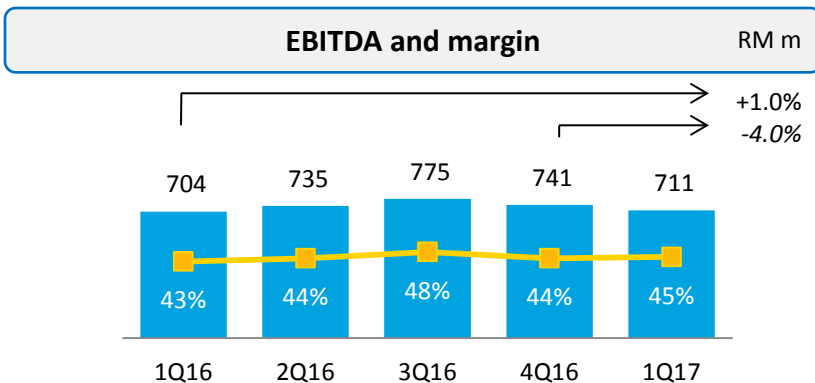


- COGS improved 22.5% y-y and 9.5% q-q mainly due to lower traffic volumes from legacy prepaid services as well as favourable traffic cost development
 - Traffic cost trimmed 32.0% y-y and 14.0% q-q to RM257 million
- Gross profit strengthened 2.5% y-y to RM1.20 billion, although relatively weaker sequentially as a flow through from higher demand for 4G bundled devices
- Opex remained relatively stable y-y after accounting for shared site rental cost which was included since 2Q16
- Opex to service revenue ratio stood fairly steady alongside with progressive expansion into more advanced network and IT capabilities
- Digitisation of core business continued to aid operational efficiencies while enhancing customer experience and unlocking new growth opportunities

[1] Net Opex = Opex + Forex/FV changes + Other Income

STRONGER PROFITABILITY

anchored on improved margins and well-managed cost structure



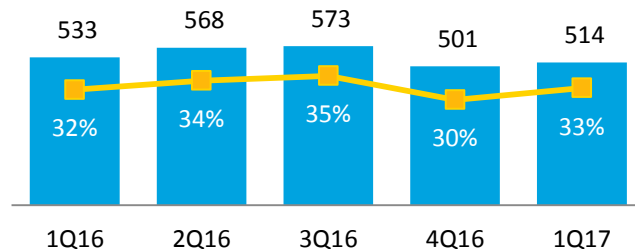
- EBITDA strengthened 1.0% y-y and registered healthy margin at 45% on the back of stronger gross profit alongside a well-managed cost structure
- EBITDA margin strengthened 0.8pp quarter-on-quarter but absolute EBITDA trimmed on sequentially lower service revenue
- As a flow through from EBITDA development, profit before tax stood at RM510 million after accounting for progressively higher depreciation (1Q 2017: RM176 million, 1Q 2016: RM156 million) from robust annual investments in network and IT
- PAT remained healthy at 24% margin or RM373 million, steady quarter-on-quarter, as effective tax rate re-traced back to corporate tax rate level

RESILIENT OPS CASH FLOW

alongside strategic investments to deliver growth opportunities

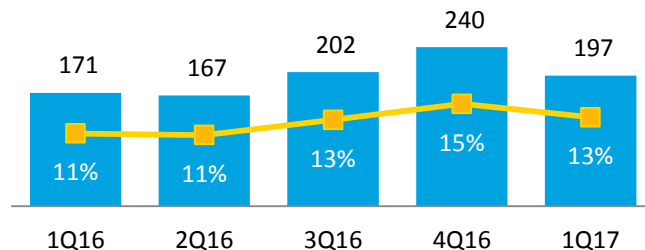
Ops cash flow and margin

RM m



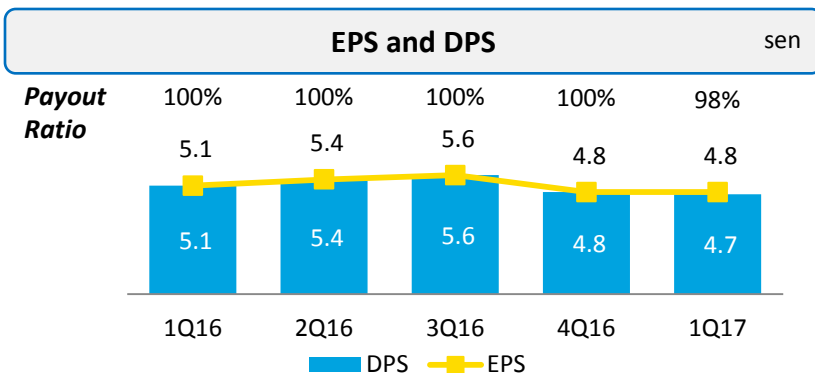
Capex and Capex to service revenue ratio

RM m



- Resilient ops cash flow at RM514 million or 33% margin, an uplift of 2.6% sequentially
- 15.2% higher capex compared to the start of 2016, as planned, to complete spectrum re-farming and deployment of LTE 900Mhz sites for capacity and network quality improvement
- LTE 900Mhz network ready to support customers with better network quality and capacity to complement existing 4G+ network, once approval for activation is obtained
- Robust 4G+ network with progressive coverage and capacity expansion to support growing data demand
 - 4G LTE network: 85% and LTE-A network: 42%
 - Fiber network: 7,700km
- Rapid development of IT capabilities to support digitisation of core business and delivery of new enhancements on MyDigi

HEALTHY SHAREHOLDERS' RETURN with solid balance sheet



Balance sheet RM m

	1Q16	2Q16	3Q16	4Q16	1Q17
Total Assets	4,922	4,708	4,739	5,498	5,729
Total Equity	537	562	580	519	519
Interest-bearing debts	1,631	1,424	1,461	2,282	2,558
Cash & cash equivalents	503	366	331	377	479

- EPS remained healthy at 4.8 sen consistent with prior quarter although 5.9% y-y after accounting for progressively higher depreciation
- 1st interim dividend at 4.7 sen per share (net) equivalent to RM365m payable to shareholders on 30 June 2017
 - Strong cash flow generating ability
 - Sustainable long term yield with regular payouts
- Total assets strengthened 16.4% y-y and 4.2% q-q to RM5,729 million after accounting for RM598.5 million advance payments for 900Mhz and 1800Mhz spectrum made in November 2016 and continued investments to support Digi's 4G+ network expansion
- Net debt/EBITDA level remained relatively stable at 0.7x with solid financial capability and flexibility to fund investments, operational commitments and any spectrum obligations arising

ISSUANCE OF RM900 MILLION IMTN

to fund investments in data and digital growth opportunities

Key Financing Activity

Programme	Issued Amount	Issue Date	Maturity Date	Coupon	Rating
RM5 billion IMTN	Islamic Medium Term Notes (IMTN)				
	• 5 years tenor – RM300 million	14 Apr 2017	14 Apr 2022	4.38% p.a.	RAM: AAA, Stable
	• 7 years tenor – RM300 million	14 Apr 2017	12 Apr 2024	4.53% p.a.	RAM: AAA, Stable
	• 10 years tenor – RM300 million	14 Apr 2017	14 Apr 2027	4.65% p.a.	RAM: AAA, Stable

SETTING THE FOUNDATION FOR SUSTAINABLE DIGITAL FUTURE

to capitalise on game changing opportunities

Consistent
best internet
and digital
experience

Stronger
revenue
contribution

Innovative
products
and services

Favourite
digital
partner

Personalised
rewards and
offers

Physical to digital
customer
experience

More affordable
connectivity fees

Increasing
connected devices

Agility in highly
competitive
environment

Pay-per-use to
worry-free
subscriptions

Legacy services to
digital services

Readiness for
exponential data
growth

Efficient operations

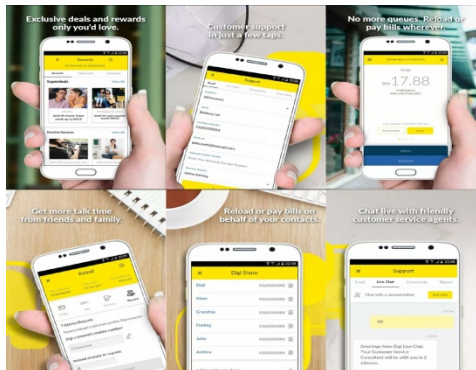
SPRINTING AHEAD INTO DIGITISATION of the core business and innovation



***Digitisation
of the core
business
and
innovation***

ALL-NEW MYDIGI APP

Enable customers to have greater control over their digital lifestyle while being rewarded with fun and exciting offers from Digi as well as Digi's partners



SELF-SERVE KIOSKS at all Digi Stores

1st in Malaysia to offer secure self-serve upgrade and replacement of SIM cards/ 4G LTE USIMs as well as the convenience of bill payments and accounts management

MOBILE SALES APP (MSA)

Secure and swift registration platform for customer sign-ups, port-ins or change of plans, with more than 86% dealers actively using MSA at Digi's retail channel

ELECTRONIC QUEUE MANAGEMENT SYSTEM (eQMS)

Minimise waiting time by notifying customers via SMS when they are next in line to be served

VENTURING INTO DIGITAL OPPORTUNITIES

- a new impetus of growth



**Build new
digital
revenue
streams**

Handy Solution

- Enable handy devices, a mobile travel solution, to run on Digi's 4G+ network
- Sole distributor of handy solution in Malaysia



iFleet

- Intelligent fleet management solution for businesses to monitor the activity of their fleet vehicles, and gather vital data to better manage their mileage, reduce traffic incidents by promoting good driving habits, reduce the risk of theft, and even reconstruct the events leading to an accident

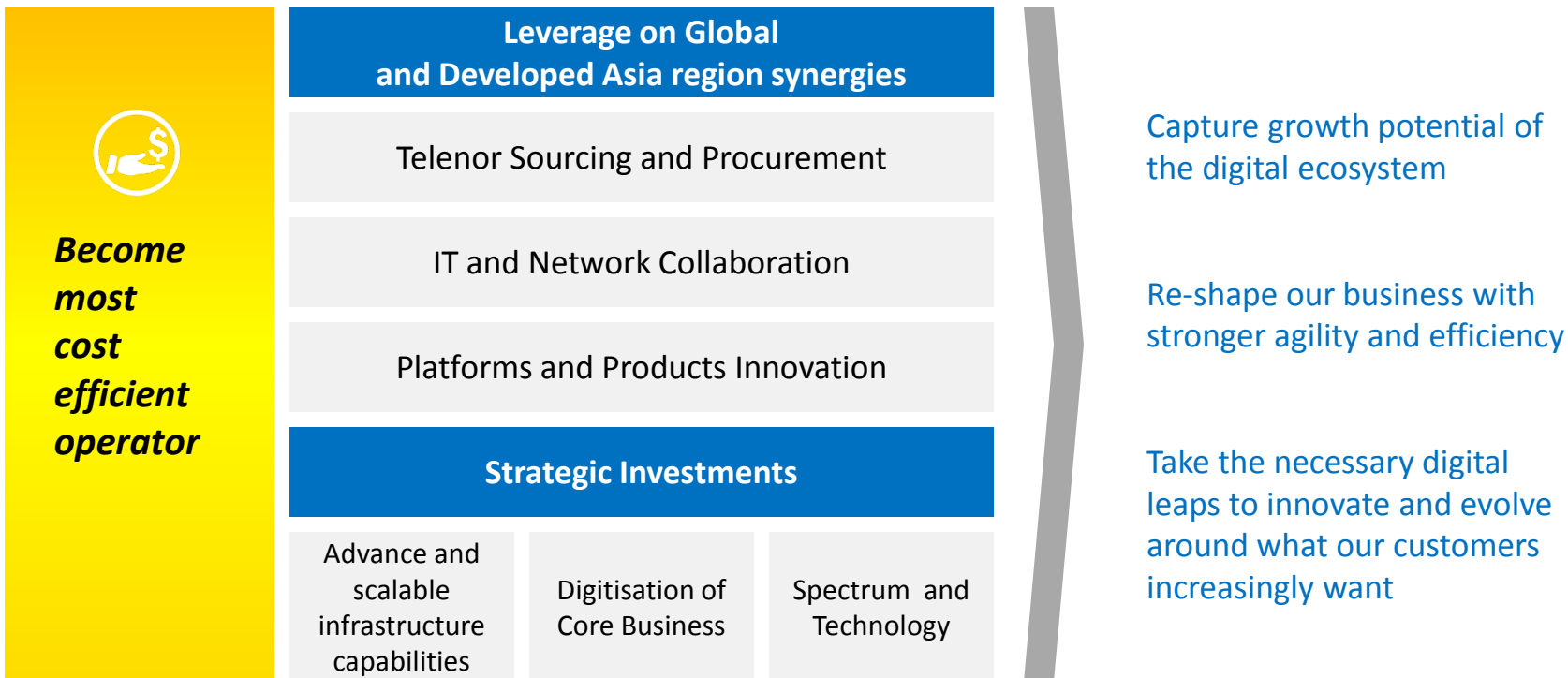
Hyperlocal Media

- Easy access to advertising on digital and mobile billboards and manage everything online, without going through agencies / middle men



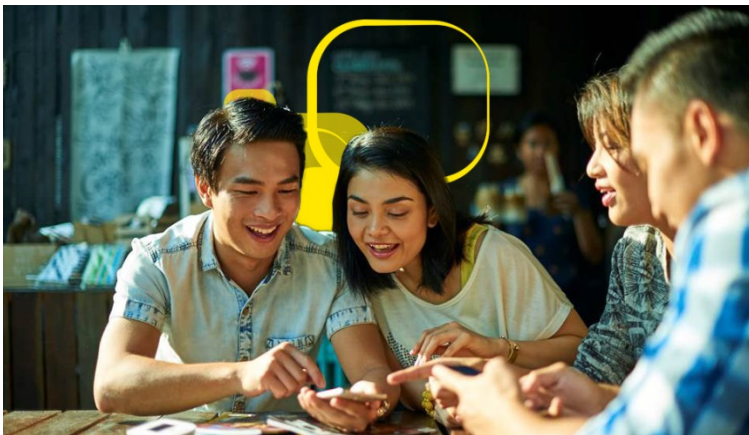
MOVING AHEAD WITH EFFICIENT OPERATIONS

to drive profitable growth and to fund new business opportunities



STRONGER FOUNDATION

to embrace digital transformation



	2017 Guidance	1Q 2017 Actual
Service revenue (RM)	Around 2016 level	RM1.47 billion
EBITDA margin		45%
Capex to service revenue ratio	11% - 13%	13%

- Clear ambition to be Customers' Favourite Partner in digital life
- To stay on course and steer in positive directions to deliver
 - Freedom to internet with best digital entertainment experience
 - Engaging digital products, richer retail and digital experiences
 - Best value for customers
- Focus on driving profitable revenue growth
 - Continue to grow postpaid and internet
 - Stabilise prepaid with stronger 4G adoption, usage and better monetisation
- Strengthen operational efficiencies and innovation
- Periodic capex review to prioritise investments in growth opportunities and strategic capabilities



Q&A

4G PLUS FREEDOM TO INTERNET

Get rewarded in every way with MyDigi app

Our new and improved MyDigi app is here to make your lives easier than ever. Get more done and enjoy perks like never before. Go ahead, download, update, or start using the app today to reap the rewards!

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Digi Prepaid™

Our ultimate Internet
Plans give you more.

**THANK
YOU**

See you next
quarter!

Investor_Relations@digi.com.my
www.digi.com.my

Appendix

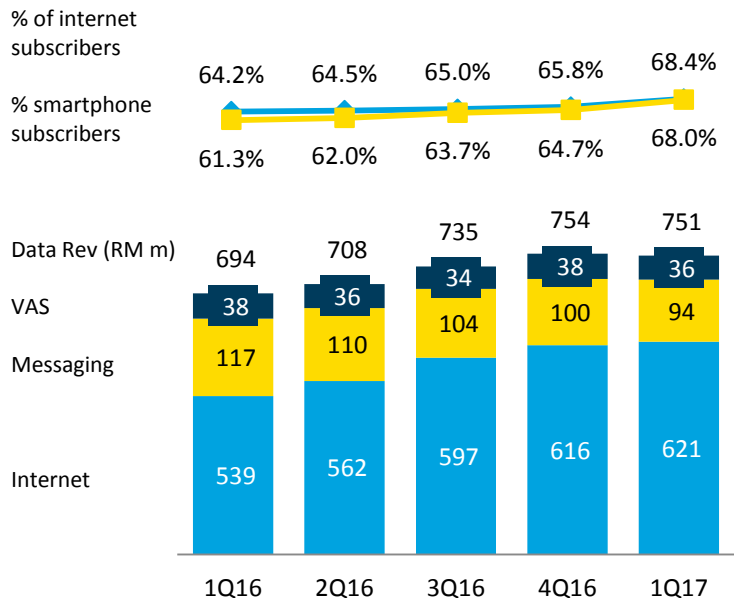


LET'S
INSPIRE

15.2% INTERNET REVENUE GROWTH

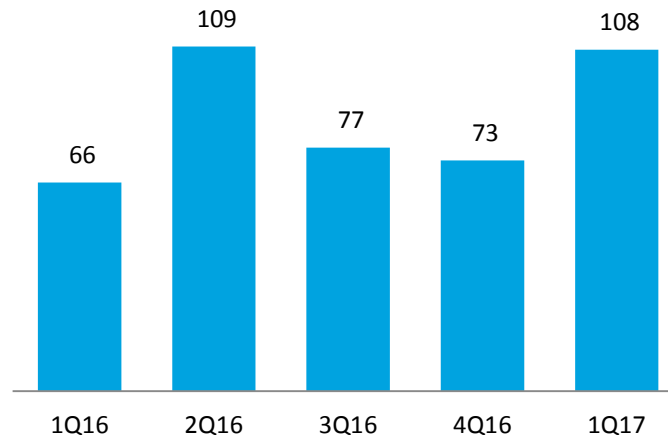
powered by robust 4G+ network proposition

Penetration and data revenue



No. of smartphones & devices sold

'000



REPORTED KEY OPERATING PERFORMANCE KPIS

(RM m)	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	Q-o-Q	Y-o-Y
Subscribers ('000)	11,776	12,299	12,249	12,347	12,336	12,125	11,675	11,815	11,691	-4.3%	-4.5%
Internet subscribers ('000)	8,056	8,088	7,961	7,965	7,917	7,502	7,024	6,843	6,624	-0.4%	1.8%
MOU	173	179	182	203	217	221	226	240	235	-3.4%	-20.3%
Revenue	1,574	1,670	1,619	1,655	1,653	1,725	1,675	1,723	1,791	-5.7%	-4.8%
Mobile serv. revenue	1,472	1,555	1,554	1,557	1,560	1,587	1,584	1,589	1,588	-5.3%	-5.6%
EBITDA	711	741	775	735	704	701	719	788	775	-4.0%	1.0%
<i>EBITDA margin</i>	45%	44%	48%	44%	43%	41%	43%	46%	43%	+0.8pp	+2.6pp
Depreciation & Amortisation	(176)	(178)	(174)	(143)	(156)	(169)	(170)	(150)	(140)	-1.1%	12.8%
EBIT	535	563	601	592	548	532	549	638	635	-5.0%	-2.4%
Net finance (costs)/income	(25)	(19)	(16)	(16)	(14)	(13)	(12)	(12)	(9)	31.6%	78.6%
Profit Before Tax	510	544	585	576	534	519	537	626	626	-6.3%	-4.5%
Taxation	137	169	147	155	135	137	140	162	147	-18.9%	1.5%
Profit After Tax	373	375	438	421	399	382	397	464	479	-0.5%	-6.5%
EPS (sen)	4.8	4.8	5.6	5.4	5.1	4.9	5.1	6.0	6.2	0.0%	-5.9%
Prepaid ARPU (RM)	32	34	34	34	35	38	38	38	39	-5.9%	-8.6%
Postpaid ARPU (RM)	79	81	80	82	80	80	81	82	81	-2.5%	-1.3%
Blended ARPU (RM)	40	42	41	42	42	44	45	45	46	-4.8%	-4.8%

REVENUE COMPOSITION

(RM m)	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	Q-o-Q	Y-o-Y
REVENUE	1,574	1,670	1,619	1,655	1,653	1,725	1,675	1,723	1,791	-5.7%	-4.8%
Mobile serv. revenue	1,472	1,555	1,554	1,557	1,560	1,587	1,584	1,589	1,588	-5.3%	-5.6%
Voice revenue	721	801	819	849	866	891	893	916	916	-10.0%	-16.7%
Data revenue	751	754	735	708	694	696	691	673	672	-0.4%	8.2%
Internet	621	616	597	562	539	535	530	507	505	0.8%	15.2%
Messaging	94	100	104	110	117	119	112	115	119	-6.0%	-19.7%
VAS	36	38	34	36	38	42	49	51	48	-5.3%	-5.3%
Device and other revenue	102	115	65	98	93	138	91	134	203	-11.3%	9.7%
Prepaid Revenue	952	1,044	1,065	1,065	1,096	1,137	1,141	1,141	1,154	-8.8%	-13.1%
Voice revenue	541	613	631	655	680	708	713	728	731	-11.7%	-20.4%
Data revenue	411	431	434	410	416	429	428	413	423	-4.6%	-1.2%
Postpaid Revenue	520	511	489	492	464	450	443	448	434	1.8%	12.1%
Voice revenue	180	188	188	194	186	183	180	188	185	-4.3%	-3.2%
Data revenue	340	323	301	298	278	267	263	260	249	5.3%	22.3%

COGS AND OPEX

(RM m)	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	Q-o-Q	Y-o-Y
COGS	373	412	345	403	481	537	464	481	551	-9.5%	-22.5%
Cost of materials	116	113	72	91	103	156	98	157	228	2.7%	12.6%
Traffic charges	257	299	273	312	378	381	366	324	323	-14.0%	-32.0%
OPEX	494	519	503	509	482	490	470	462	463	-4.8%	2.5%
Sales & marketing	145	156	137	134	144	157	142	135	145	-7.1%	0.7%
Staff costs	61	56	64	72	64	63	68	67	64	8.9%	-4.7%
Operations & maintenance	127	125	122	124	96	96	98	85	86	1.6%	32.3%
Other expenses	161	182	180	179	178	174	162	175	168	-11.5%	-9.6%
<i>USP fund and license fees</i>	<i>97</i>	<i>111</i>	<i>120</i>	<i>116</i>	<i>116</i>	<i>112</i>	<i>102</i>	<i>115</i>	<i>113</i>	<i>-12.6%</i>	<i>-16.4%</i>
<i>Credit loss allowances</i>	<i>10</i>	<i>12</i>	<i>12</i>	<i>13</i>	<i>14</i>	<i>14</i>	<i>12</i>	<i>8</i>	<i>8</i>	<i>-16.7%</i>	<i>-28.6%</i>
<i>Others</i>	<i>54</i>	<i>59</i>	<i>48</i>	<i>50</i>	<i>48</i>	<i>48</i>	<i>48</i>	<i>52</i>	<i>47</i>	<i>-8.5%</i>	<i>12.5%</i>
TOTAL	867	931	848	912	963	1,027	934	943	1,014	-6.9%	-10.0%

CASH FLOW STATEMENT

(RM m)	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	Q-o-Q	Y-o-Y
Cash at start	377	331	366	503	234	306	303	357	526	13.9%	61.1%
Cash flow from operations	518	524	738	728	546	535	523	744	551		
Changes in working capital	(127)	(634)	(190)	(103)	(77)	72	98	(327)	29		
Cash flow used in investing activities	(190)	(232)	(199)	(162)	(168)	(280)	(218)	(198)	(189)		
Cash flow used in financing activities	(98)	387	(384)	(599)	(31)	(396)	(409)	(277)	(561)		
Net change in cash	103	45	(35)	(136)	270	(69)	(6)	(58)	(170)		
Effect of exchange rate changes on cash and cash equivalents	(1)	1	0	(1)	(1)	(3)	9	4	1		
Cash at end	479	377	331	366	503	234	306	303	357	27.1%	-4.8%
Capex	197	240	202	167	171	288	223	200	193	-17.9%	15.2%
Ops cash flow (EBITDA – Capex)	514	501	573	568	533	413	496	588	582	2.6%	-3.6%
<i>Ops cash flow margin</i>	<i>33%</i>	<i>30%</i>	<i>35%</i>	<i>34%</i>	<i>32%</i>	<i>24%</i>	<i>30%</i>	<i>34%</i>	<i>32%</i>	<i>2.7pp</i>	<i>0.4pp</i>

EBITDA RECONCILIATION

(RM m)	1Q16	4Q16	1Q17	YTD 2016	YTD 2017
EBITDA (Local definition)	704	741	711	704	711
Exclude:					
Forex (gain)/loss	(9)	3	2	(9)	2
EBITDA (Telenor definition)	695	744	713	695	713