



# 3Q2023 Results Announcement

17 November 2023  
Kuala Lumpur

Private & Confidential







- 1. Business Highlights**
- 2. Market & Operational Performances**
- 3. Financial Review**
- 4. Guidance**







# Business Highlights





# Key Highlights



Launch of new brand



Strong market execution



Network integration on track



Continue to lead 5G for industry





celcomdigi

Creating a world inspired **by you**

**Dynamism**

**Passion for Customers**

**Excellence**





# 3Q23 Performances Underscored Strong Market Execution



Total Revenue

**RM3,104mn**

**-0.6%** Q-Q

**+1.0%** Y-Y



Service Revenue

**RM2,712mn**

**+0.2%** Q-Q

**+0.1%** Y-Y



EBITDA

**RM1,567mn**

**+5.9%** Q-Q

**+7.2%** Y-Y

*(Normalised: +5.9% Q-Q)*



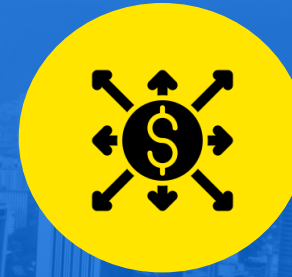
PAT

**RM459mn**

**+31.9%** Q-Q

**-3.8%** Y-Y

*(Normalised: +13.5% Q-Q)*



CAPEX

**RM385mn**

**+52.9%** Q-Q

**+8.6%** Y-Y

*(Capex Intensity: 12.4%)*



SUBSCRIBERS

**20,600K**

**+123K** Q-Q

**+636K** Y-Y



# Solid 9M2023 Results In Line With Expectations

Total Revenue  
**RM9,407m**  
+2.2%



Service Revenue  
**RM8,122m**  
+0.3%



EBITDA  
**RM4,558m**  
+3.6%



PAT  
**RM1,127m**  
-22.6%  
*(Normalised:  
RM1,643m, +12.8%)*



Free cash flow  
**RM2,481m**  
+34%



3<sup>rd</sup> Interim Dividend  
**3.3 sen**



Total Subscribers  
**20,600K**  
+514k YTD  
*+192K Postpaid  
+302K Prepaid  
+20K Home Fibre*



Capex Intensity  
**RM745m**







# Market & Operational Performances



# Enhanced Mobile Offerings Fulfilling Diverse Connectivity Needs

## Best Plans on Best Network



## Best Fibre Experiences For All



## 5G FOR ALL OFFERINGS





- **Prepaid:** new 5G XL Internet pass and Juara Kombo for Foreign Worker segment
- **Postpaid:** revised offers with free 5G devices, launched Pakej Peranti 5G with discounts for 5G devices and service contracting options
- **Roaming:** refreshed roaming passes with Unlimited 5G Roaming

## BEST CONVERGENCE OFFERS

- First in Malaysia's Fibre to the Room (**FTTR**) to **enhance fibre experience** and **collaboration** with Time & i-City to **boost fibre accessibility**
- **Reprice** all plan for existing & new subscribers, with **wide range of convergence solutions** for different lifestyle needs



# Building Quality Subscriber Base Amid ARPU Pressure

			<i>In RM'm</i>	<b>3Q2023</b>	<b>Q-Q</b>	<b>Y-Y</b>
	<u>Total Subscribers</u>	<b>20,600k</b>				
		<b>+123k Q-Q</b> <b>+636k Y-Y</b>	Blended ARPU	<b>40</b>	<b>-1</b>	<b>-2</b>
	<u>Postpaid Subscribers</u>	<b>6,864k</b>				
		<b>+92k Q-Q</b> <b>+212k Y-Y</b>	Postpaid ARPU	<b>67</b>	<b>-1</b>	<b>-4</b>
	<u>Prepaid Subscribers</u>	<b>13,614k</b>				
		<b>+22k Q-Q</b> <b>+398k Y-Y</b>	Prepaid ARPU	<b>28</b>	<b>-</b>	<b>-1</b>
	<u>Home Fibre Subscribers</u>	<b>121k</b>				
		<b>+8k Q-Q</b> <b>+26k Y-Y</b>	Home Fibre ARPU	<b>126</b>	<b>-1</b>	<b>+2</b>

# Steady Pace of Network Integration For Overall Experience Uplifts

## Phase 2: Massive Roll-Out

(Current Status – end Oct)

Modernised

**4,402**  
sites



**78%**  
On track

Phased out

**1,633**  
sites



**64%**  
On track

## Customer Experience



Download  
Speed  
*per Ookla*



**12% - 17%**



Signal  
strength



**9% - 17%**



Data Traffic



**7% - 10%**



# High Network Performance Nationwide

## 4G Network



Network Coverage


**96.4%** 4G  
pop. coverage  **0.2pp**  
(Q-Q)

**91.1%** 4G+  
pop. coverage  **0.4pp**  
(Q-Q)



Data Consumption

 **24.7GB/U**  
by celcomdigi +3.8% Q-Q

 **29.8GB/U**  
by celcomdigi 5.4% Q-Q

Smartphone Users

**93.4%**

**93.4%**

## 5G Network



Supporting Malaysia's 5G

**74%**  
provisioned &  
5G device base

**11.3%**  
5G-device  
users





# Increased Momentum and Execution for Enterprise and Innovation

## Trusted Digital Partner For Businesses

### ✓ Accelerating 5G Adoption with Business Leaders



Organised nationwide **MY5G Conference & Showcase**

Collaborated with **multiple top industry players**

### ✓ Solid 9M2023 Performance

- **Increased Enterprise revenue by 1.5% YTD** from SME segment, ICT and connectivity solutions

### ✓ First high-speed network for onshore drilling site

- Partnered with PETROS to provide **connectivity to Sarawak's first onshore drilling site**

## Innovation Solutions Beyond Connectivity

### ✓ First commercial 5G-Powered AI Autonomous Warehouse

- Partnered with **DHL** to equip with **latest AI and robotic solutions** for smart inventory management



### ✓ Elevate Malaysia's eMobility ecosystem

- Partnered Yinson to develop **innovative electric vehicle (EV) services and infrastructure**



### ✓ Develop experiential Metaverse

- Signed MoU with VIRNECT for the **co-creation of industrial solutions for specific industry verticals**







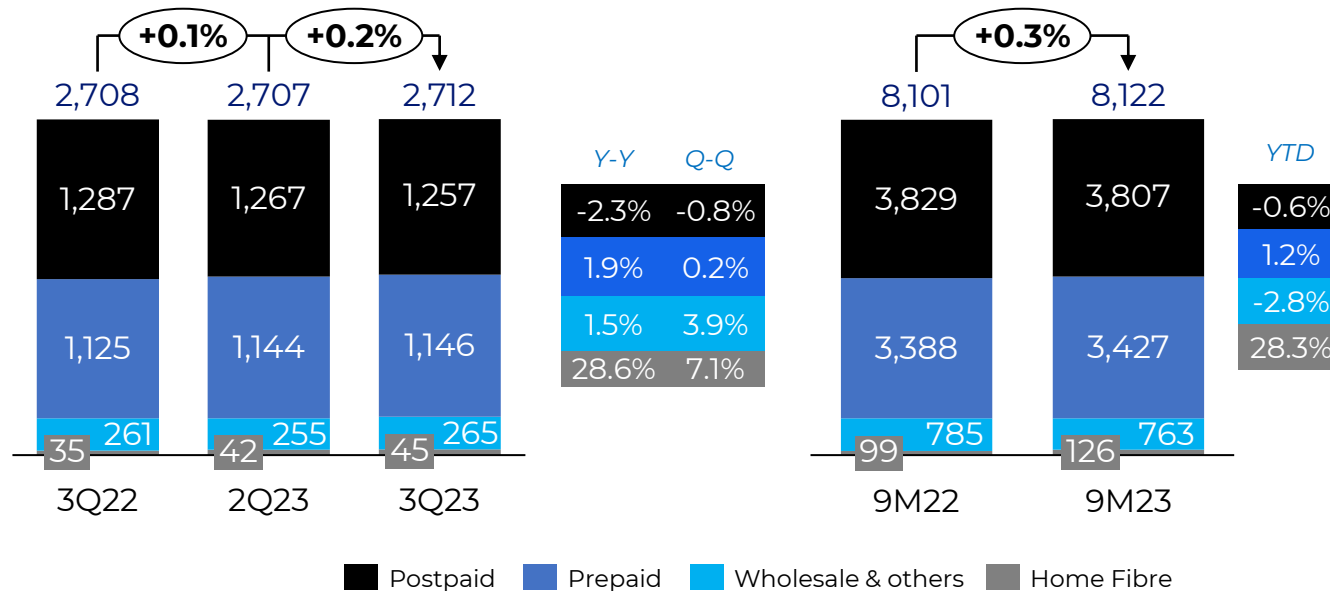
# Financial Review



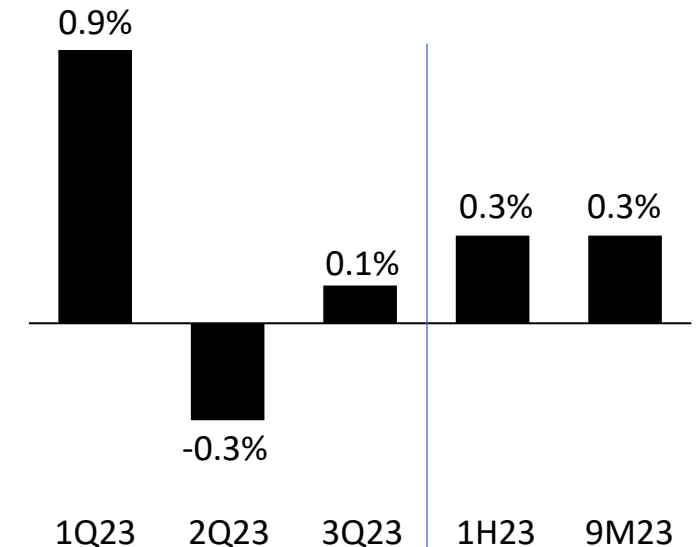


# Consistent Service Revenue Growth In Line With Guidance

Service Revenue (RM'm)



Service Revenue YoY Growth



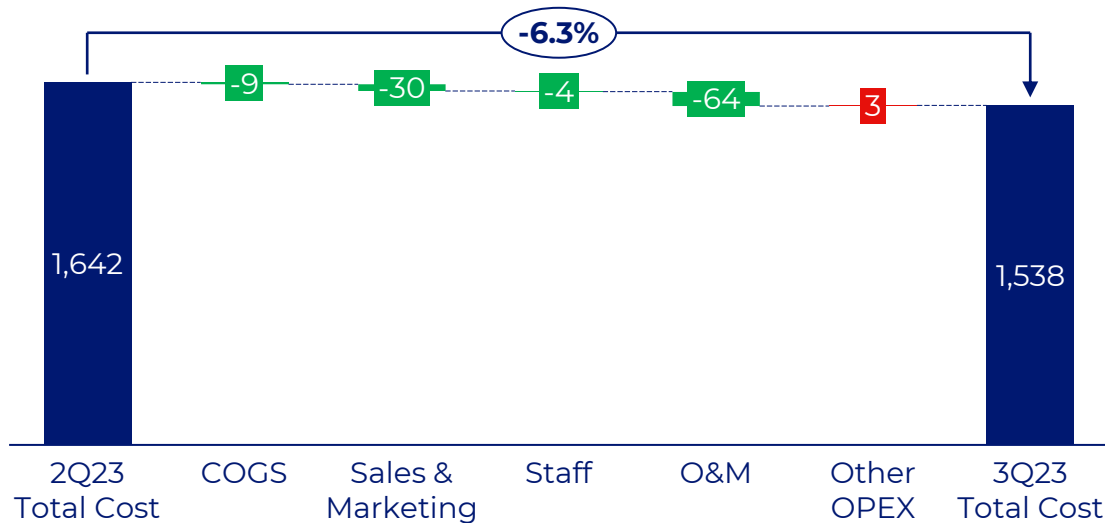
- Growth from Prepaid and Home Fibre segments on **solid subscriber additions** and **healthy data adoption**
- Cushioned Postpaid decline as impacted by **lower usage** and **further regulatory curbs** on **bulk messaging traffic**
- **Improved contribution** from wholesale business

- **Growth momentum** in line with our guidance
- Strong take-ups of **new high-speed plans** and **add-on offerings**

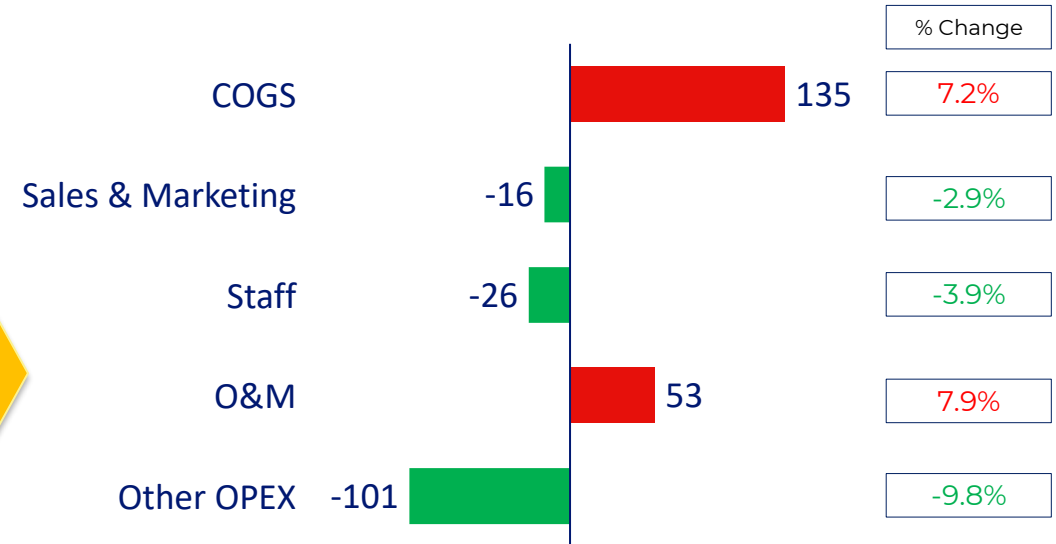


# Q-Q Cost Reductions Driven By Cost Optimisation Efforts

**3Q23 Total Cost Q-Q Movement**  
(RM'm)



**9M23 Total Cost Y-Y Change**  
(RM'm)



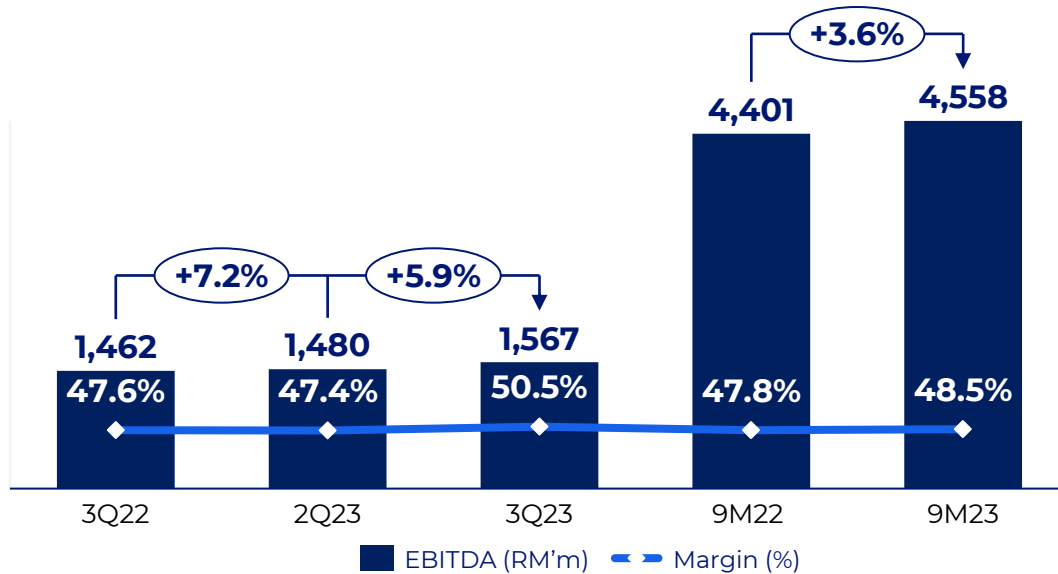
- **Q-Q lower total costs** as a result of lower device sales and lower operating expenses, mainly from lower regulatory and network related costs, as well as lower sales and marketing spend

- **9M23 total cost** marginally increased by 0.9% to **RM4,849mil** as a result of :
  - Higher device sales and traffic charges
  - Partially offset by lower operating expenses in regulatory, staff and sales and marketing costs
  - Higher network and IT related costs catering to increase in demand for data



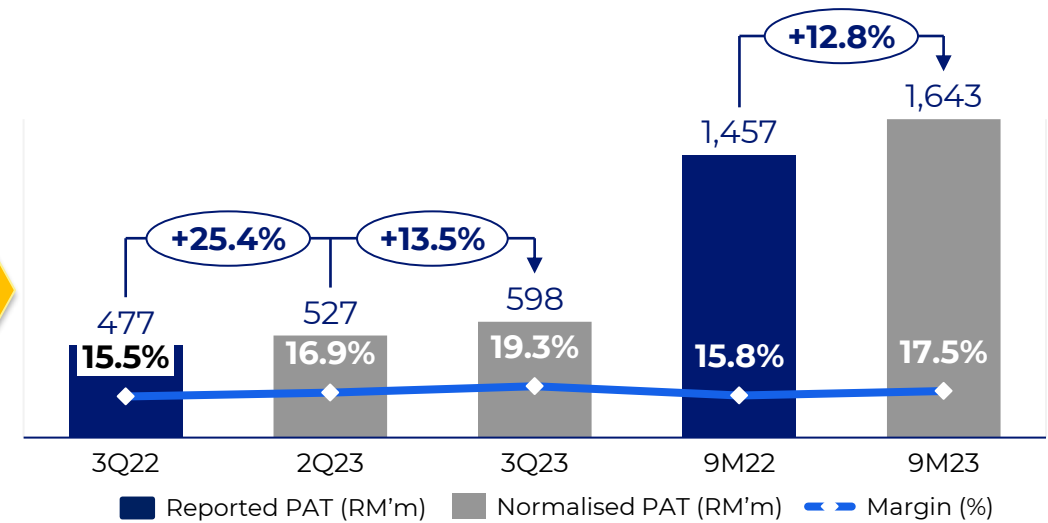
# Profitability Improvements Underscored Topline Growth And Cost Discipline

## EBITDA



- Q-Q EBITDA improved by 5.9% in tandem with **lower operating expenses**, mainly from **lower regulatory** and **network related costs**
- 9M23 EBITDA **increased by 3.6% or RM157m, or industry-leading margin of 48.5%**

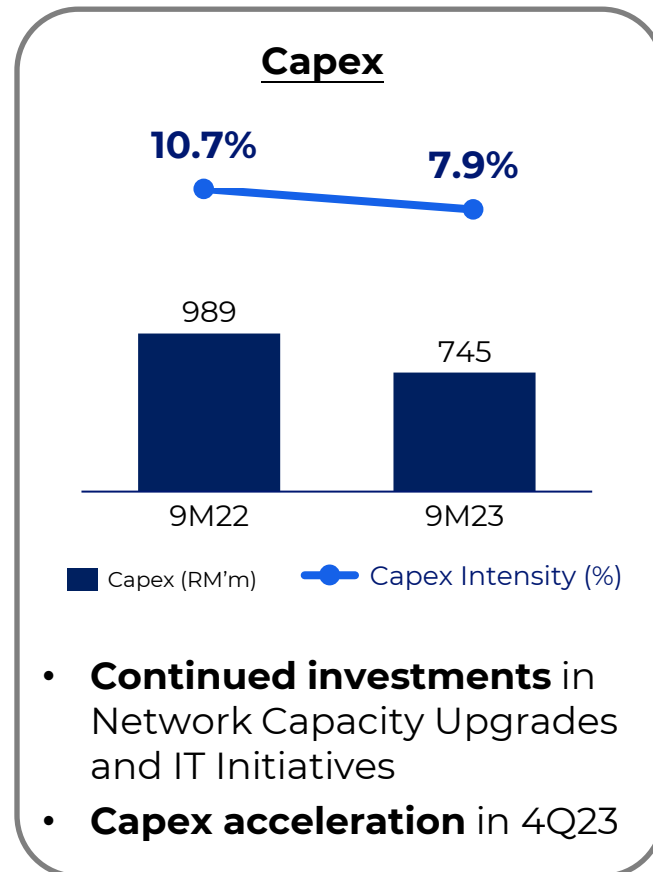
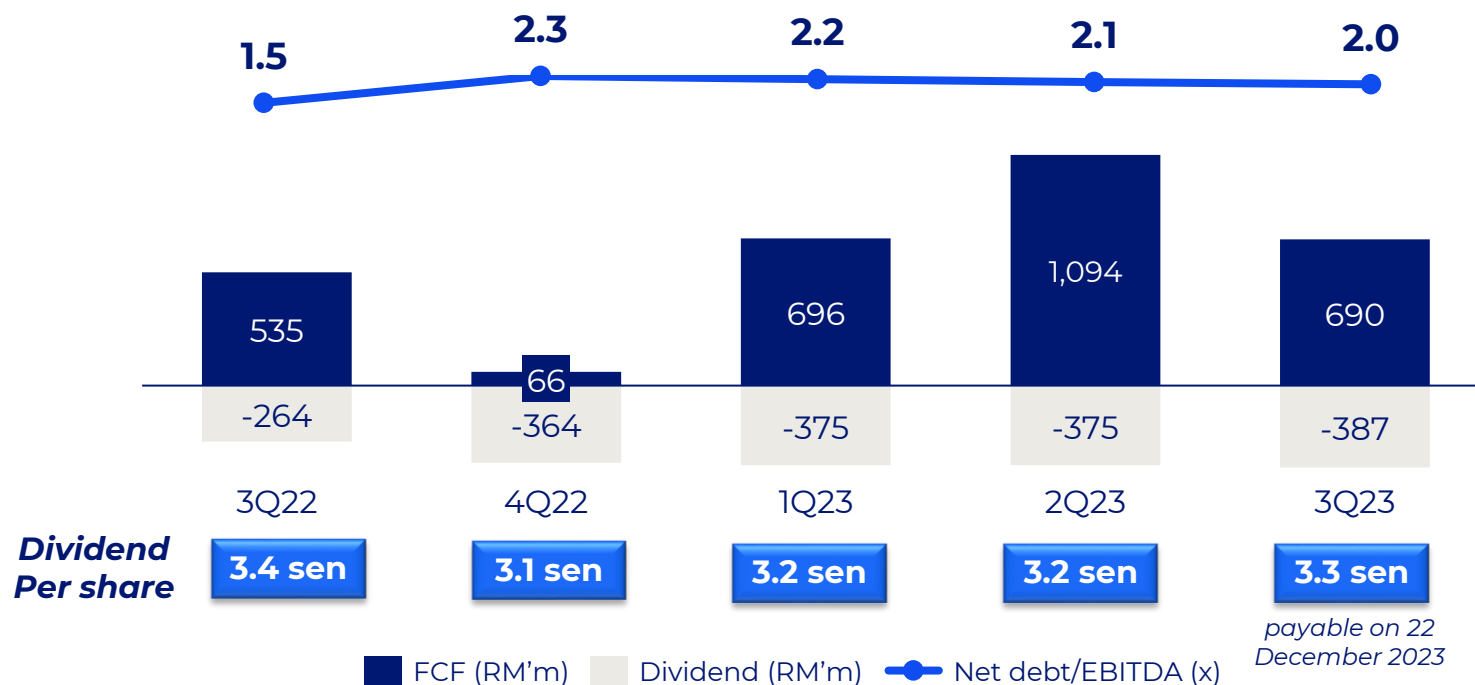
## Profit After Tax (PAT)



- The improved EBITDA, together with **higher share of profits of an associate and a joint venture, lower depreciation and taxation**, led to higher PAT
- PAT margin **increased to 19.3% and 17.5%** for 3Q23 and 9M23, respectively

# Steady cash and financial position to deliver dividend and fund future growth

**Net Debt/EBITDA, Free cash flow (FCF) & Dividend**



- Steady FCF underpinned by **efficient working capital management**
- Improving leverage ratio

- **Continued investments** in Network Capacity Upgrades and IT Initiatives
- **Capex acceleration** in 4Q23





# Guidance



# 2023 Guidance Reaffirmed With Positive Outlook

## FY2023 Guidance

9M23



Service Revenue Growth

Maintaining growth momentum



0.3%



EBITDA Growth

Flat to low single digit increase



3.6%



Capex-to-total revenue ratio<sup>1</sup>

Around 15% to 18%

7.9%

<sup>1</sup> Total CAPEX will include all BAU planned investments and ongoing merger integration activities

## 2023 Gross synergy and integration cost

9M23

Gross synergy

~RM200 mil to RM250 mil

Integration cost

~RM200 mil (since post-day 1)

On track



# Summary



Solid 9M2023  
results



Delivering  
Malaysia's  
Widest and  
Fastest Network



Focus on cost  
optimisation  
and discipline



A leading  
brand with clear  
5G positioning  
and brand value  
proposition





celcomdigi

# CUSTOMER ENGAGEMENT DAY





# Q&A SESSION WITH MANAGEMENT



**Datuk Idham**



**Albern**



**Lucy**





# APPENDICES



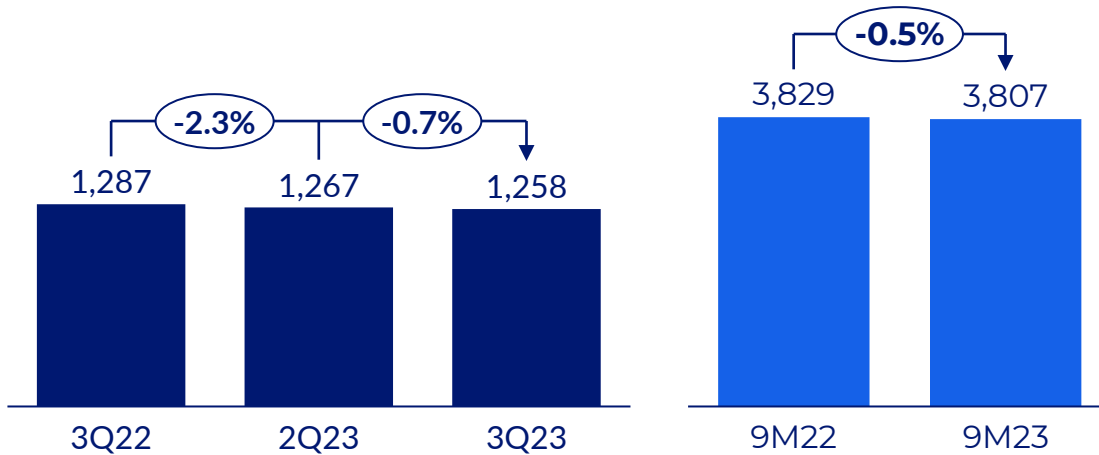
# Overview of 9M2023 and 3Q2023

	9M2023	9M2022 <sup>1</sup>	Y-Y	3Q2023	2Q2023	3Q2022 <sup>1</sup>	Q-Q	Y-Y
<i>RM'm</i>								
<b>Total Revenue</b>	9,407	9,205	2.2%	3,104	3,123	3,072	-0.6%	1.0%
<b>Service Revenue</b>	8,122	8,101	0.3%	2,712	2,707	2,708	0.2%	0.1%
<b>EBITDA</b>	4,558	4,401	3.6%	1,567	1,480	1,462	5.9%	7.2%
<b>PAT</b>	1,127	1,457	-22.6%	459	348	477	31.9%	-3.8%
<b>CAPEX</b>	745	989	-24.6%	385	252	355	52.9%	8.6%
<b>Normalised PAT<sup>2</sup></b>	<b>1,643</b>	<b>1,457</b>	<b>12.8%</b>	<b>598</b>	<b>527</b>	<b>477</b>	<b>13.5%</b>	<b>25.4%</b>

Notes:  
 1. 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  
 2. Normalised to exclude the accelerated depreciation which commenced in 4Q2022 with the revision in assets useful life and sites rationalisation

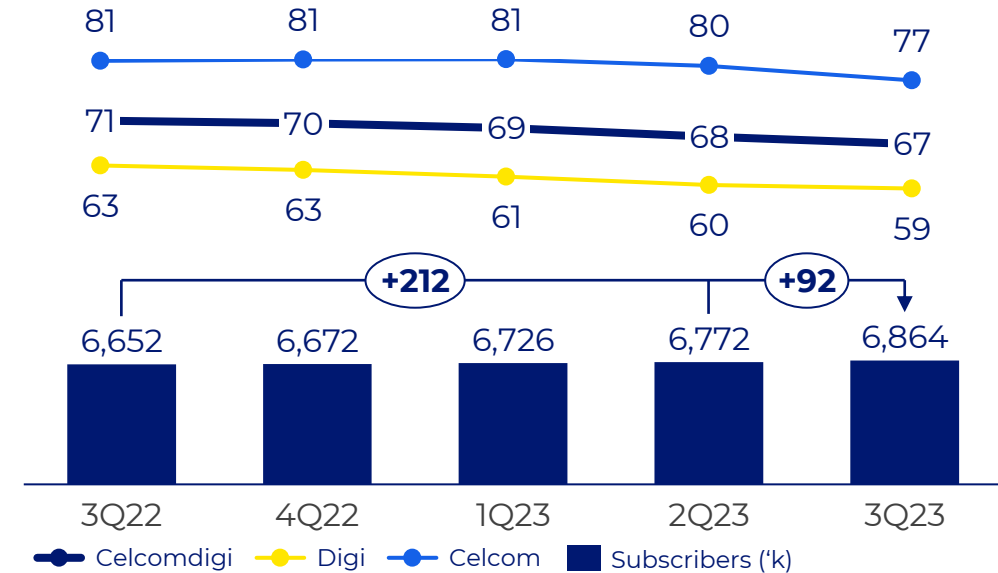
# Postpaid Revenue and Operational Drivers

**Postpaid Revenue (RM'm)**



- Postpaid revenue impacted by -2.3% Y-Y on slower traction for on-demand data, while Q-Q reduction of -0.7% **lower usage** and further **regulatory curbs** on **bulk messaging traffic**

**Subscribers & ARPU**

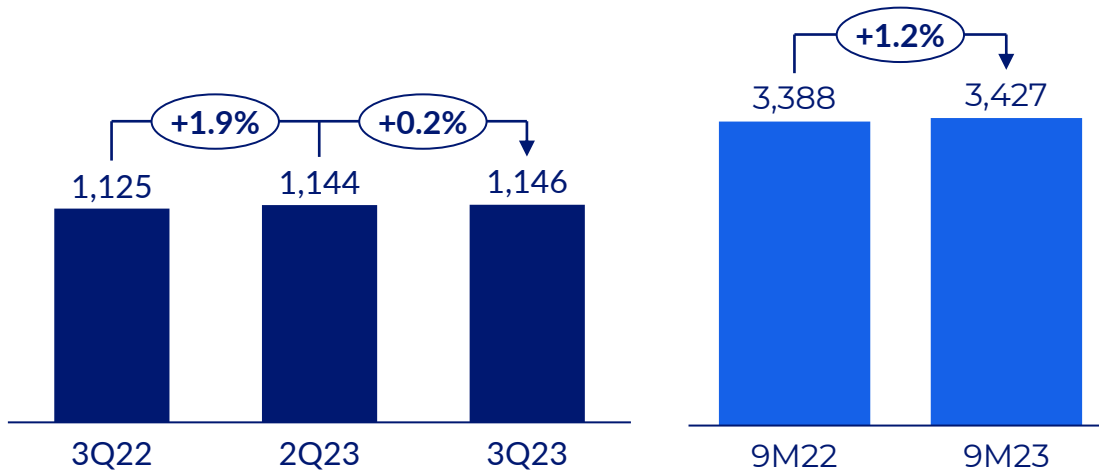


- Positive net adds on subscribers driven from **multiple attractive packages and bundles**
- ARPU impacted by **drop-in interconnect rate** and **slower traction for on-demand offerings**



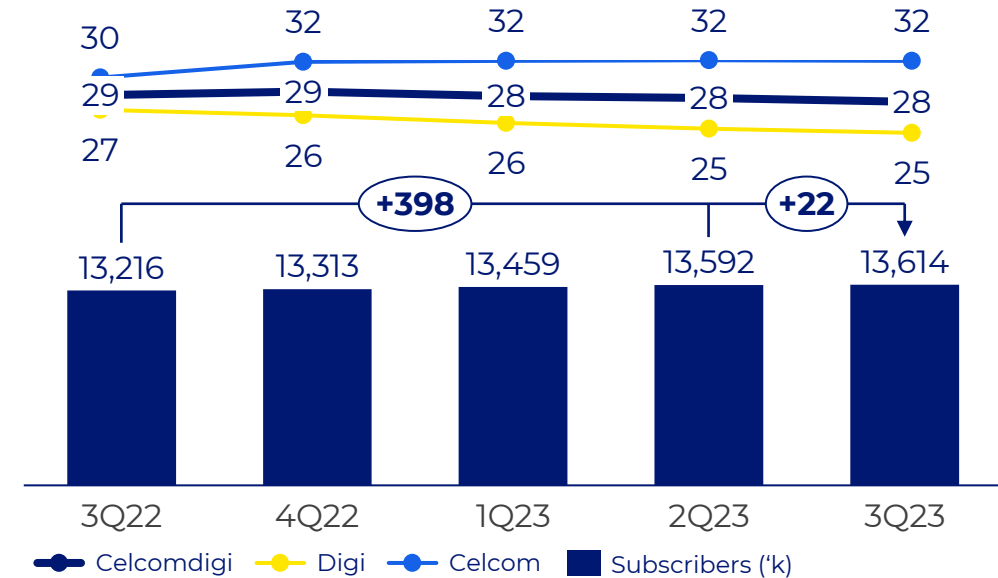
# Prepaid Revenue and Operational Drivers

Prepaid Revenue (RM'm)



- Revenue continued to grow on the back of **solid subscriber additions** and **robust data usage** with the introduction of new 5G internet passes and Juara Kombo for targeted segments

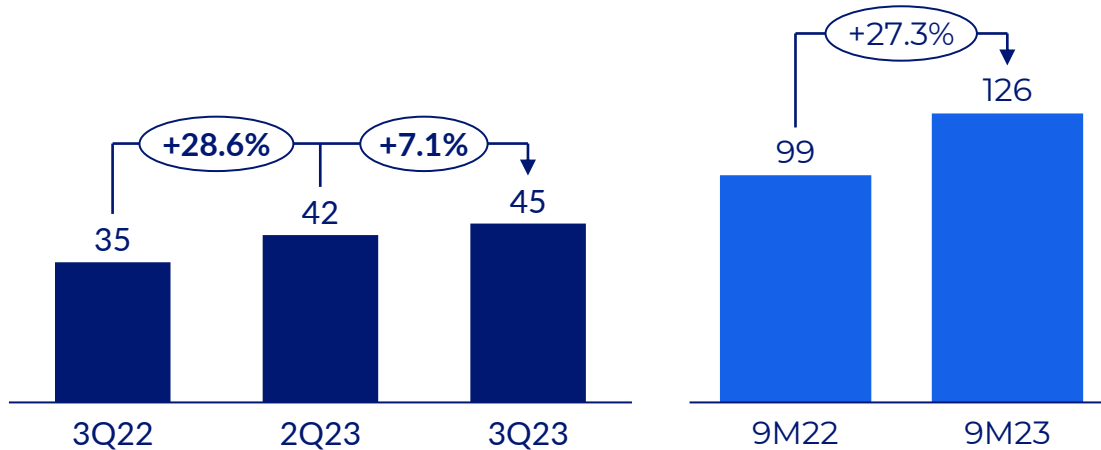
Subscribers & ARPU



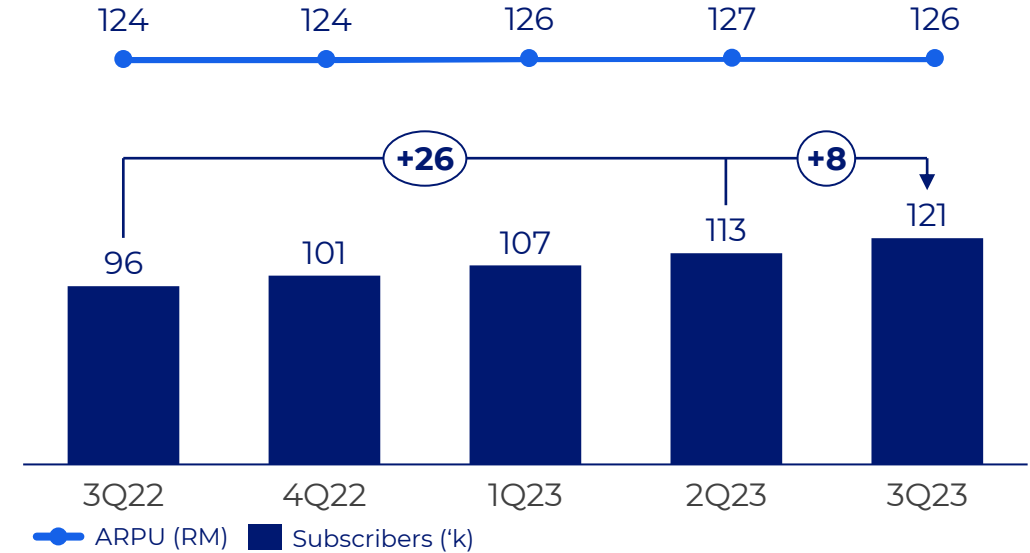
- Continuous subscriber net adds motivated by **introduction of new attractive plans** and **add-on offering**

# Home Fibre as a Significant Growth Segment

### Home Fibre Revenue (RM'm)



### Subscribers & ARPU



- Revenue supported by **steady take-up** in the new fibre add-ons and high-speed plans for smart home solutions

- Introduction of new high-speed fibre plans and add-on offerings as catalyst to **continuous subscriber acquisition** and **ARPU growth**



# Synergies and Integration Cost

Time to implement

3 yrs



**Network**

3 yrs



**IT**

<3.5 yrs



**Others**

*In RM*

**Net NPV Synergies  
2023 - 2027**

RM5.5b

RM1.1b

RM1.4b

**Net NPV Synergies RM8.0 bil**

**Gross Synergies 2023**

**RM200m to RM250m**

**~RM200m**

*(Estimate integration cost for 2023)*

# Net Debt/EBITDA Réconciliation

RM'mil	3Q2022	4Q2022	1Q2023	2Q2023	3Q2023
<b>Borrowings*</b>	<b>2,224</b>	<b>8,876</b>	<b>8,291</b>	<b>7,429</b>	<b>7,430</b>
Term Loan (Islamic)	567	4,361	4,290	2,479	2,480
Islamic Medium-Term Note (IMTN)/ Sukuk	1,499	3,248	3,248	4,250	4,247
Revolving Credit (Islamic)	-	450	-	-	-
Term Loan (Conventional)	158	813	749	694	697
Revolving Credit (Conventional)	-	1	-	1	1
Banker's Acceptance	-	3	4	4	5
<b>Lease Liabilities**</b>	<b>2,542</b>	<b>6,269</b>	<b>5,888</b>	<b>6,112</b>	<b>5,847</b>
<b>Total Debt</b>	<b>4,766</b>	<b>15,145</b>	<b>14,179</b>	<b>13,541</b>	<b>13,278</b>
Cash and Bank Balances	185	1,224	965	834	747
<b>Net Debt</b>	<b>4,581</b>	<b>13,921</b>	<b>13,214</b>	<b>12,707</b>	<b>12,530</b>
4Q Rolling EBITDA	2,972	5,957	6,007	5,997	6,114
<b>Net Debt/EBITDA</b>	<b>1.6x</b>	<b>2.3x</b>	<b>2.2x</b>	<b>2.1x</b>	<b>2.0x</b>



# Becoming a trusted brand in the age of 'digital-everything'



Gold Winner for  
**The Edge Malaysia  
ESG Awards**



The **Trust Circle** –  
Convened our  
inaugural multi-sector  
privacy network



Digitalisation,  
innovation & partnerships  
accelerating **green  
growth adoption**



Collective action on  
**#FightAgainstScams**,  
in partnership with  
PDRM & Whoscall





# Thank You

**CELCOMDIGI BERHAD**

199701009694 (425190-X)

17 November 2023

Email: [christine.lau@celcomdigi.com](mailto:christine.lau@celcomdigi.com)

*(Christine Lau, Head of Investor Relations)*

No part of this presentation may be circulated, quoted, or reproduced for distribution without the prior written consent of CelcomDigi. The information contained in this presentation is proprietary and is for CelcomDigi's internal use.