

4QFY22 and FY22 Results Announcement

24 February 2023
Kuala Lumpur

Agenda

4Q2022 Investor Briefing, 5pm to 6pm

1

KEY HIGHLIGHTS

2

FINANCIAL REVIEW

3

FAST FORWARD 2023

Notes on financial disclosure

- 4Q2022 performances comprised
 - Oct-Dec 2022 figures of Digi
 - 1-month Dec 2022 of Celcom

Reporting Scopes



- Operational one-offs in Celcom & Digi
- CelcomDigi consolidation adjustments in Dec'22
- Merger-related expenses

Factors determining normalised results



- Full integration of financial numbers of Celcom & Digi

FY2023 Disclosures



Key Highlights

An exciting and eventful three months

Filled with engagements on all fronts while delivering high quality of service to customers

1

DRIVING COMMERCIAL MOMENTUM

- Solid 4Q22 performance with growth on core KPIs
- Partnership with Petronas on offshore digital transformation
- MoUs with MBSB Bank and Langkawi Port on digitalisation initiatives
- Wider range of 5G mobile plans with bundling offers



2

ENGAGING PEOPLE ON ALL FRONTS

- Completed organisational design for all leadership forums
- Active integration planning to maximise customer experiences across both network
- Continuous engagements with business partners and retailers



3

DELIVERING RESPONSIBLE BUSINESS COMMITMENTS

- Commitment to deliver affordable access across all segments
- Flood relief aids and network restoration at flood-impacted areas

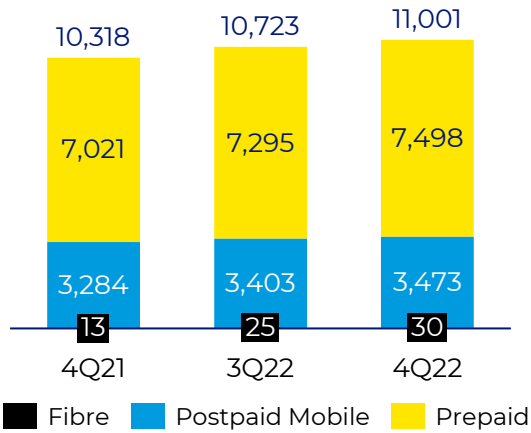


Solid 4Q22 and FY2022 for Digi and Celcom

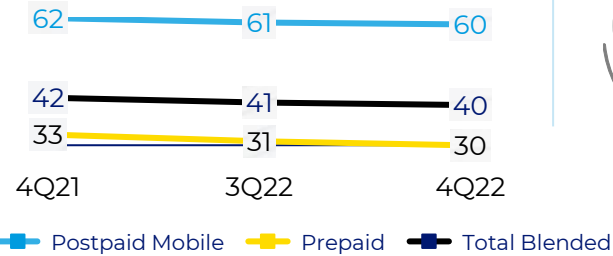
CelcomDigi starts 2023 with strong momentum



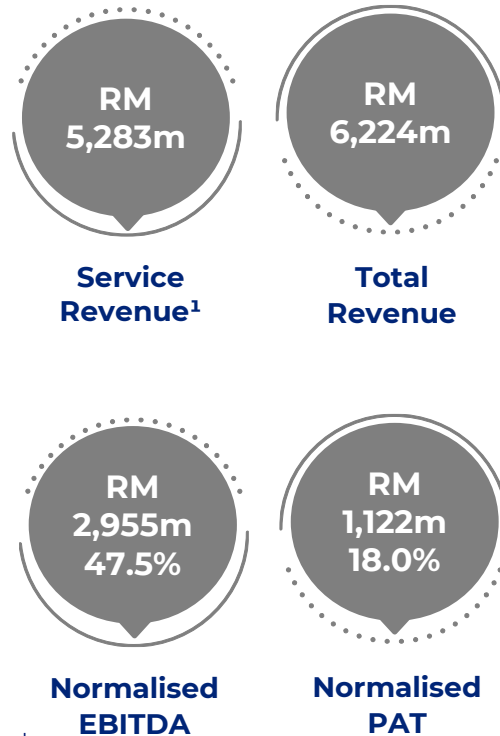
Subscribers



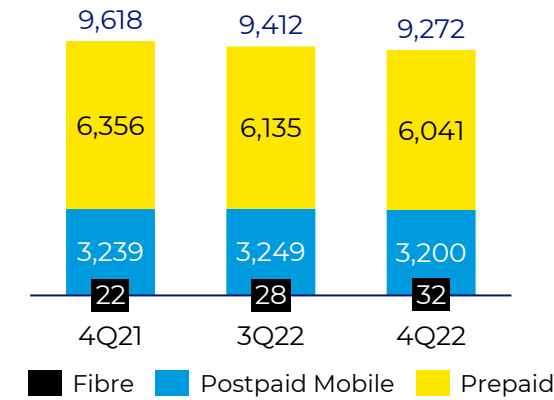
ARPU



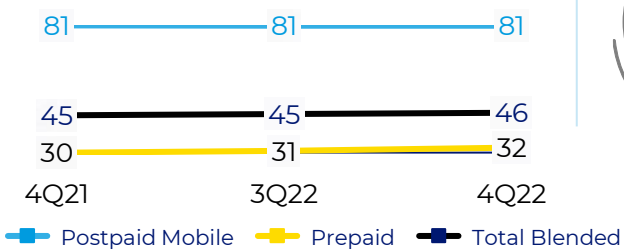
Financials FY22



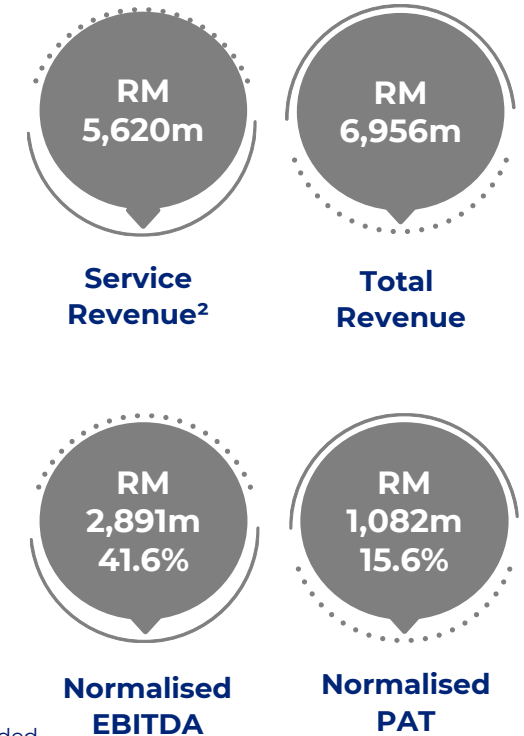
Subscribers



ARPU



Financials FY22






1. Service Revenue for Digi comprises revenue from Postpaid, Prepaid, Fibre, Digital and B2B businesses.
2. Service Revenue for Celcom comprises revenue from Postpaid, Prepaid, Fibre, Enterprise, wholesale and all other revenues relating to interconnect and roaming.
3. Total Revenue ex-device for Celcom amounted to RM6,257m

Private & Confidential

Sensitivity: Internal

Digi's underlying FY2022 performances in line with expectations

Return to growth in 4Q2022

| | Actual Performance | | Announced Guidance |
|---|----------------------------------|---|--|
| | FY2022 | Levers | |
| Service Revenue Growth | RM5,283mn -1.1% | <ul style="list-style-type: none">• QoQ and YoY growth in 4Q22• Growth in Postpaid and Home Fibre |  Return to growth |
| Normalised EBITDA Growth¹ | RM2,955mn -2.5% | <ul style="list-style-type: none">• Cost optimisation efforts• Better credit management |  Low single-digit decline |
| Capex / Sales Ratio | RM755mn 12.1% | <ul style="list-style-type: none">• Partly due to timing• Prioritised investments on modernisation |  Around FY2021 level (12.8%) |

All information was relating to Digi's financials pre-merger

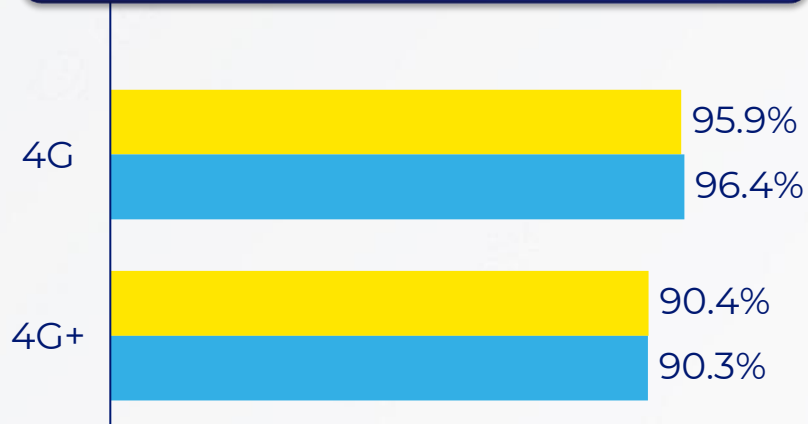
¹ Normalised EBITDA was adjusted to exclude all merger-related costs and non-recurring effects

Sustained network performance to cater to growing internet demand

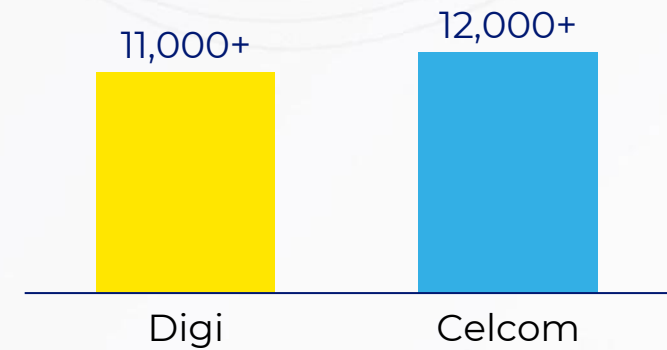
Continuing our promise to deliver the fastest and widest network whilst supporting national digitalisation plans

Digi Celcom

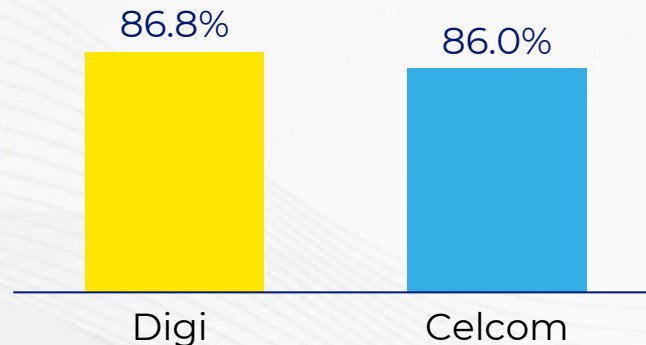
Population Coverage



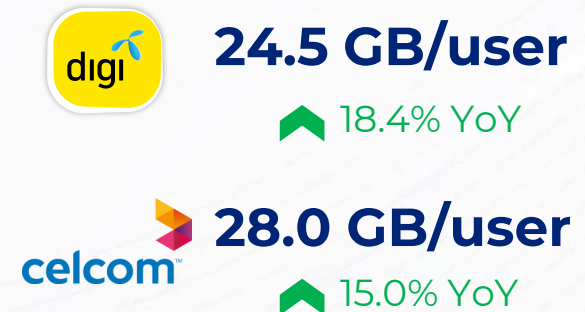
Physical Sites



Internet Users



Blended GB Per User



Private & Confidential

Sensitivity: Internal

celcomdigi

FY2022 and 4Q22 Performances of CelcomDigi

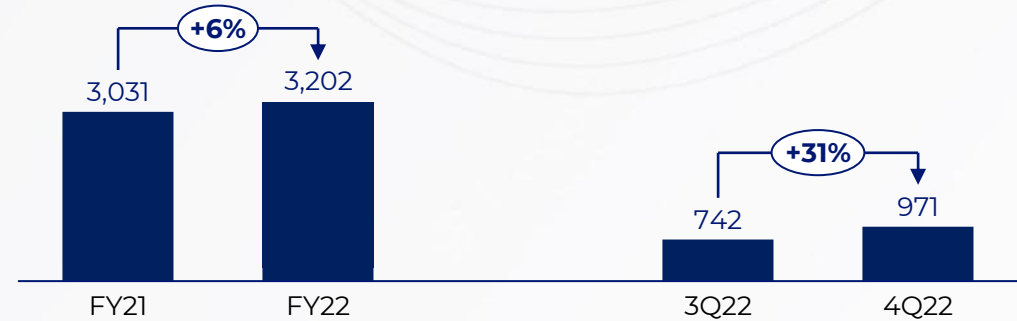
Led by continued growth momentum from both operating entities

Service Revenue incl. wholesale



Includes 1-month contribution from Celcom of RM491m

EBITDA excl. one-offs



Includes 1-month contribution from Celcom of RM243m

Profit After Tax excl. one-offs



Includes 1-month contribution from Celcom of RM79m

Total Capex



Includes 1-month contribution from Celcom of RM149m

Sustainable Shareholder Return in FY2022

Supported by solid balance sheet and focused core execution

RM364 million

4Q2022 Dividend Payout

RM1,017 million

FY2022 Dividend Payout

3.1 sen per share

4Q2022 Dividend per share

12.2 sen per share

FY2022 Dividend per share

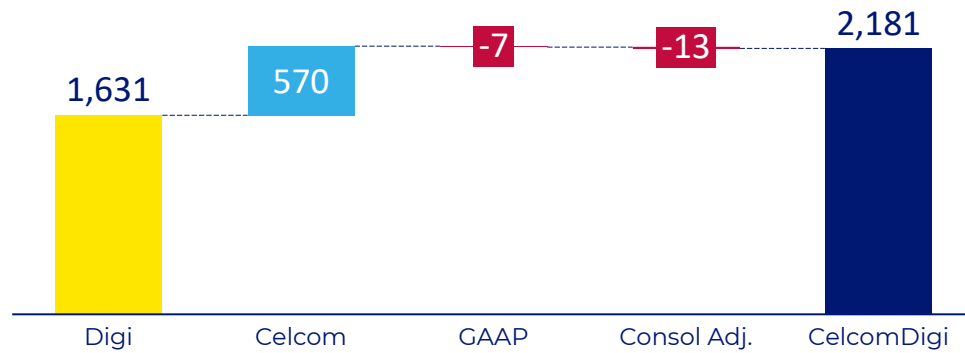


Financial Review

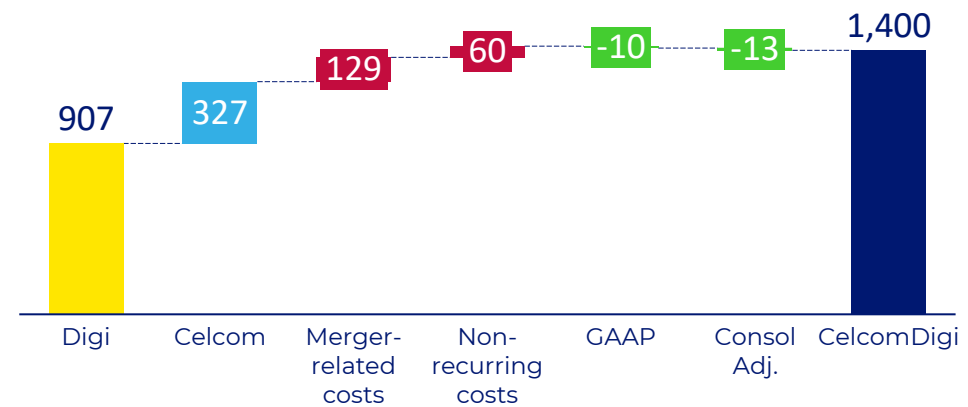
CelcomDigi's adjustments in 4Q2022 due to merger

Factors affecting reported performances

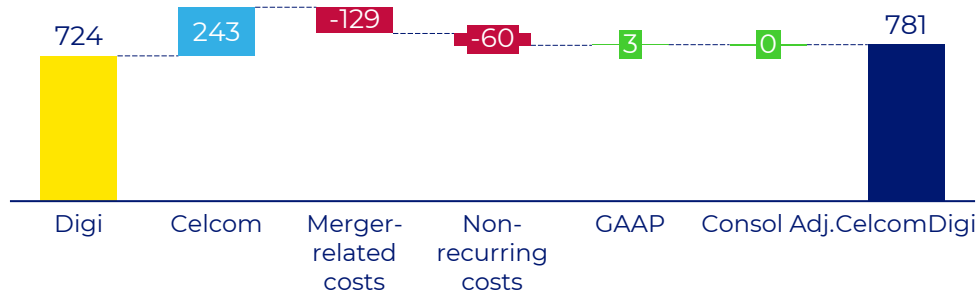
4Q2022 Total Revenue



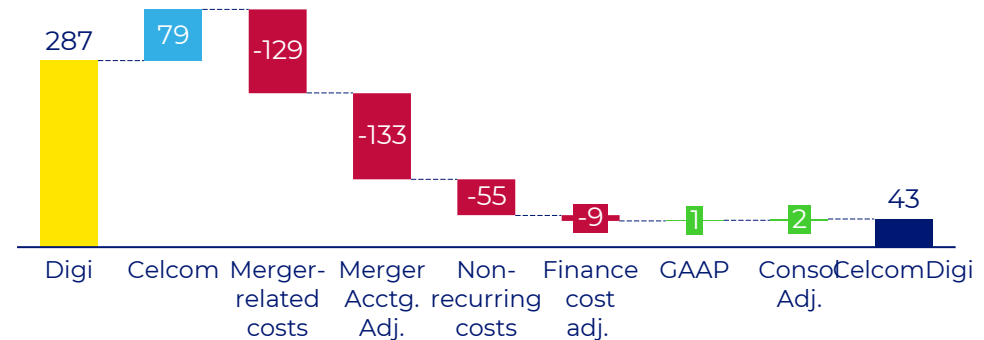
4Q2022 Cost



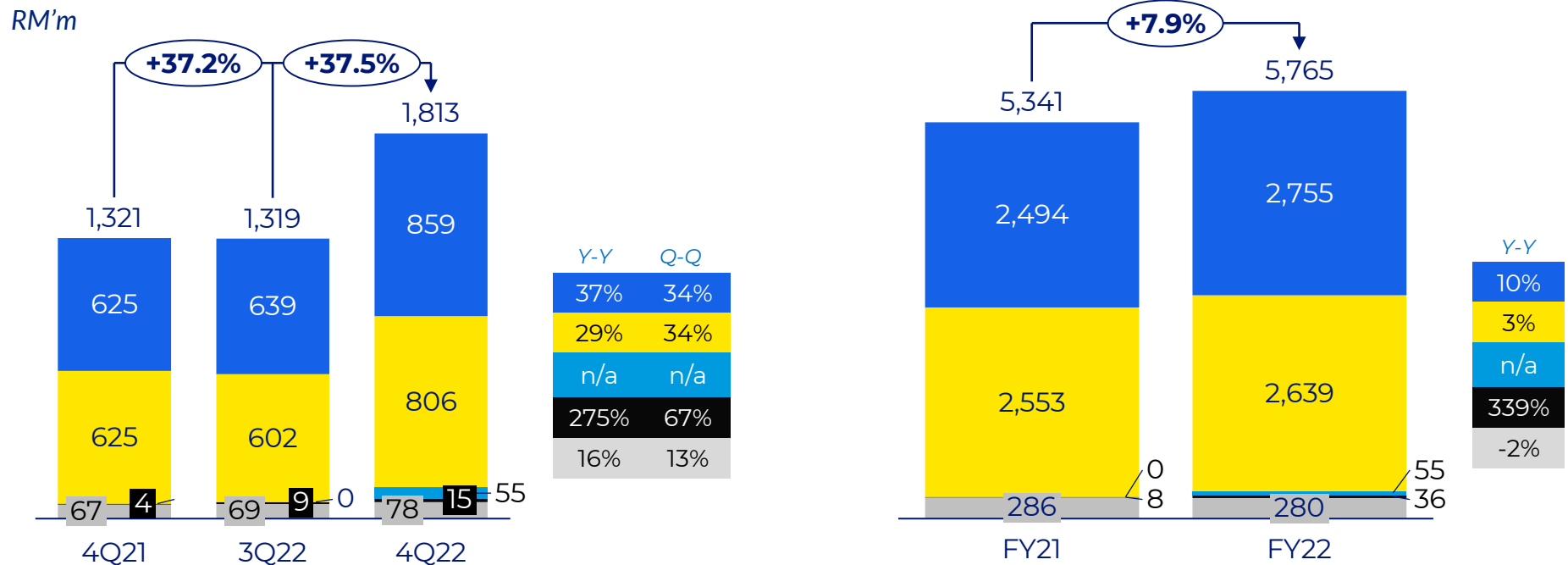
4Q2022 EBITDA



4Q2022 PAT



CelcomDigi - Service Revenue incl. wholesale



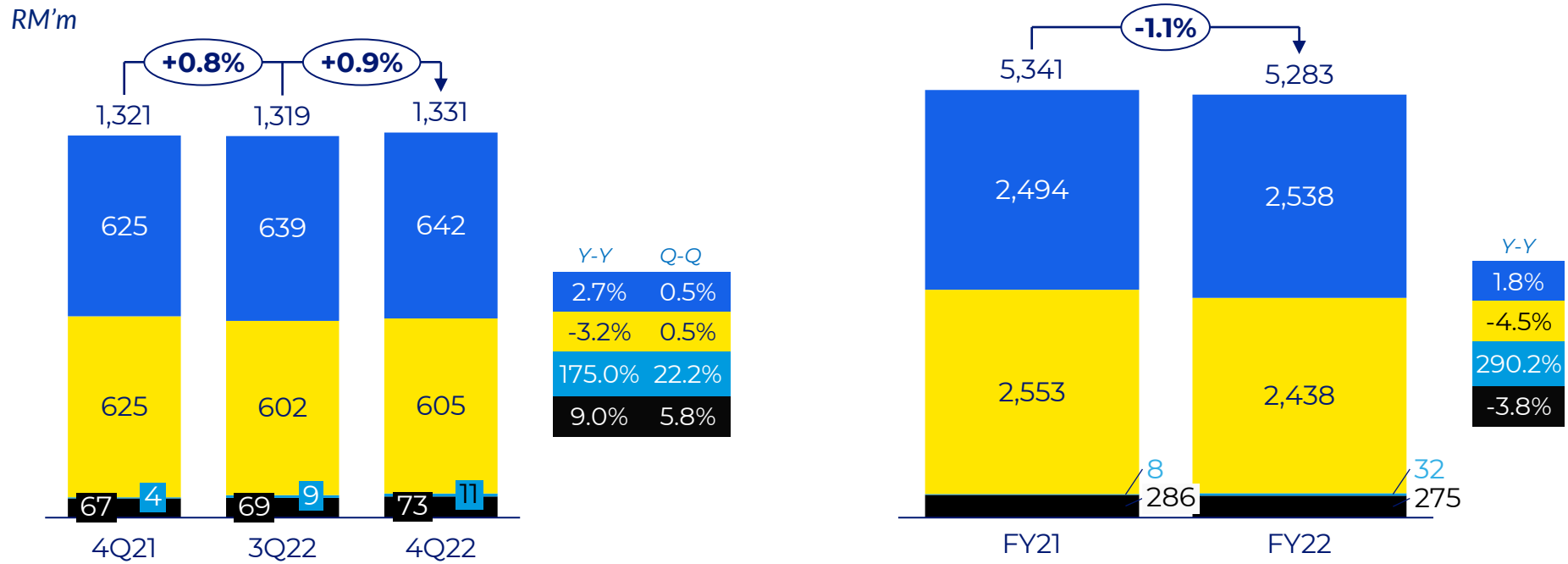
- Includes 1-month contribution from Celcom of RM491m
- Solid improvements across all segments

- Boosted by FY22 growth in Digi postpaid and fibre, offsetting softer Digi prepaid

■ Postpaid ■ Prepaid ■ MVNO ■ Fibre ■ Digital

The Service Revenue has been harmonized for Digi & Celcom to include all revenue from Postpaid, Prepaid, Fibre, Digital and Enterprise businesses, which include wholesale and all other revenues relating to interconnect and roaming

Digi - Service Revenue



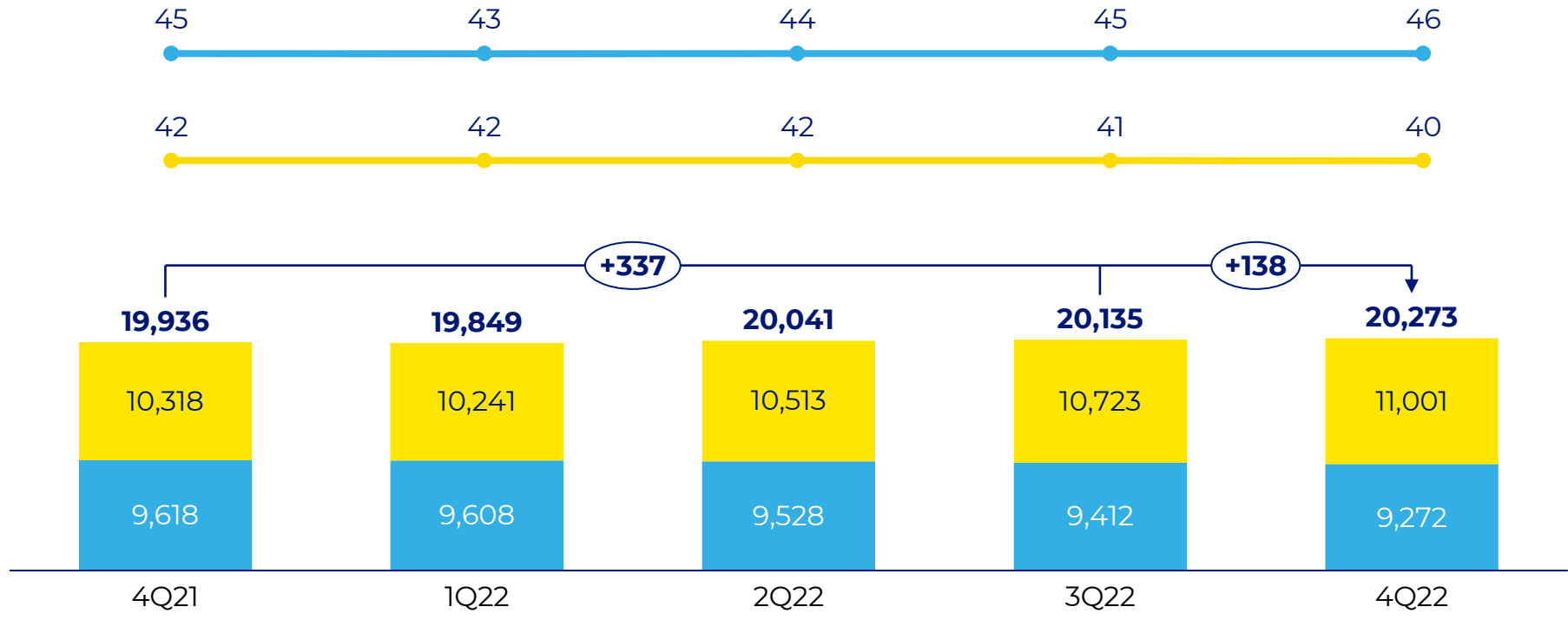
- Growth from Postpaid, Fibre and B2B from both subscriber base and revenue contributions

- Y-Y deduction mainly affected by Prepaid softness upon the conclusion of Jaringan Prihatin

■ Postpaid ■ Prepaid ■ Fibre ■ Digital

Privileged to serve a large Malaysian subscriber base

Total Subscribers & Blended ARPU including Fibre



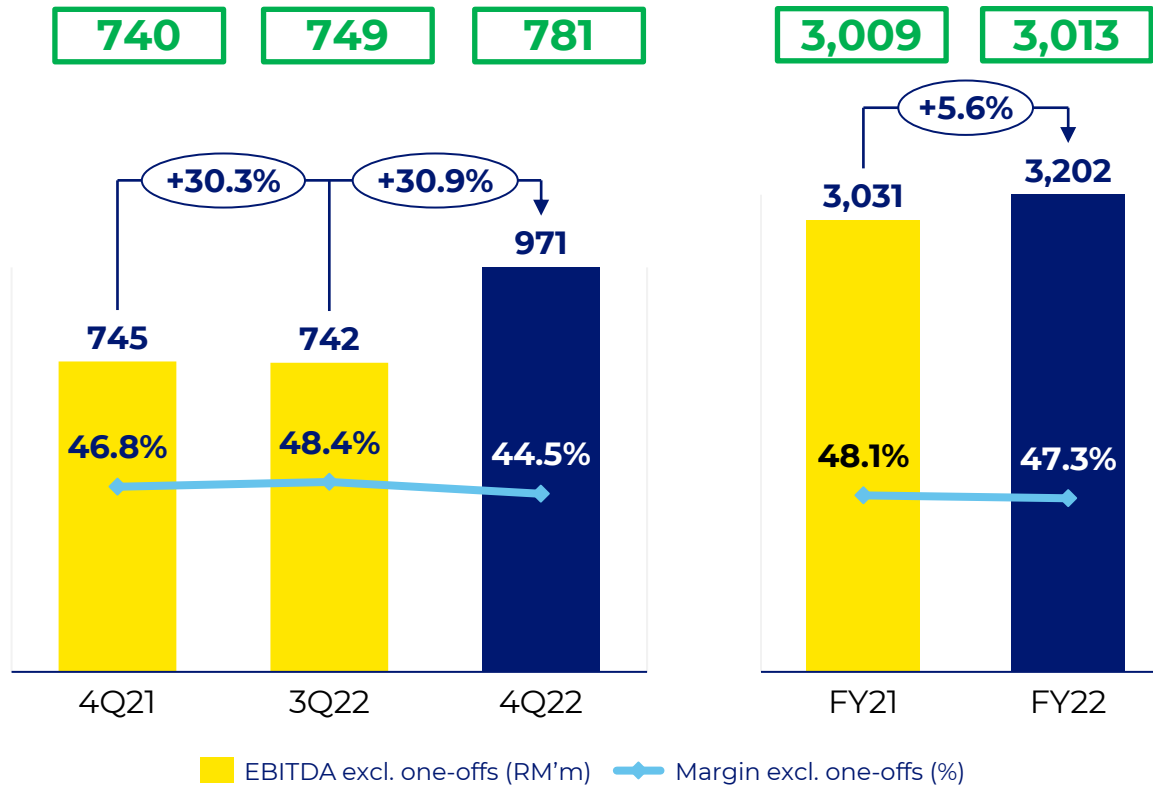
Note: Historical trends of combined subscribers and ARPU for Celcom and Digi for meaningful comparison

—●— Celcom ARPU (RM)
 —●— Digi ARPU (RM)
 Digi - Subs ('K)
 Celcom - Subs ('K)

Positive underlying EBITDA development for CelcomDigi

EBITDA

Reported EBITDA



• **Non-recurring effects:**

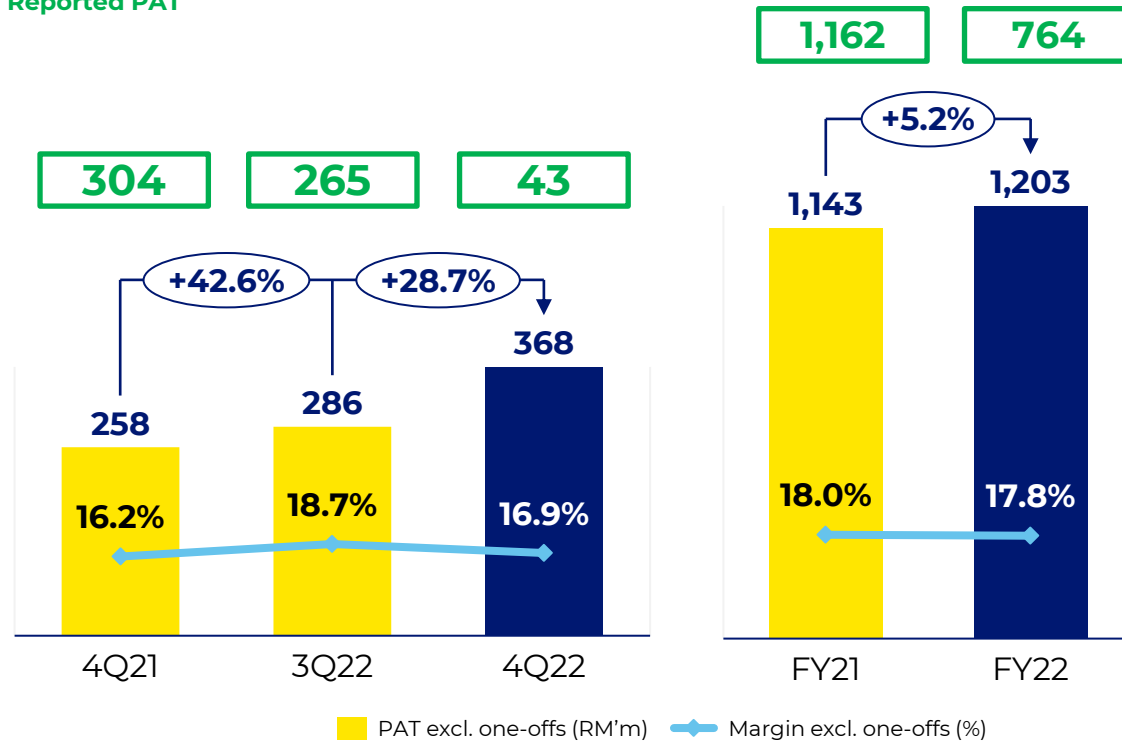
- Merger-related cost RM129m
- Operational one-offs relating to Celcom & Digi entities RM60m
- **Celcom Dec'22** EBITDA excl. one-offs RM243m
- **Digi 4Q22** EBITDA excl. one-offs RM724m

Merger-related costs and accounting adjustments to harmonise the accounting policies and estimates within CelcomDigi (the Group), collectively are termed as one-offs..

Net earnings impacted by one-offs despite positive core revenue development

PAT

Reported PAT

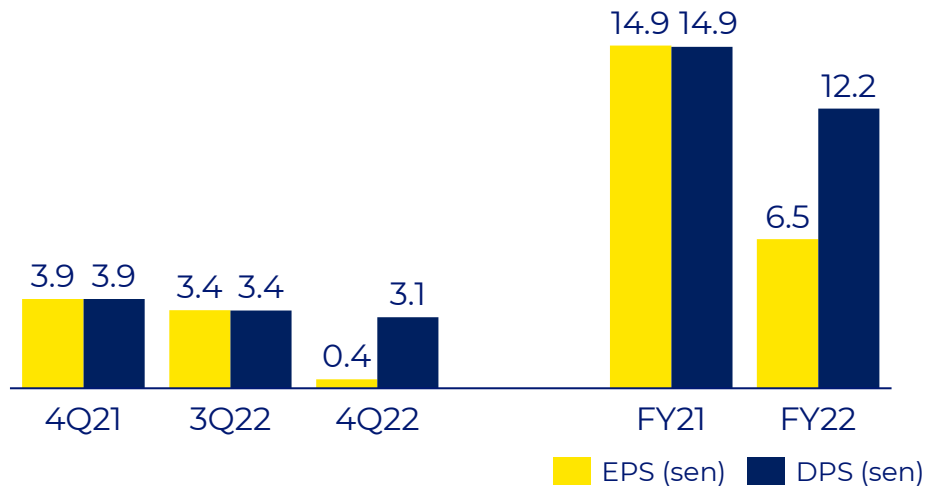


- 4Q2022's PAT of RM43 million** after accounting for:
 - depreciation and amortisation cost of RM596m
 - net finance cost of RM82m
 - taxation of RM59m
- PAT excluding one-offs amounted to RM368 million, or a margin of 16.9%
- FY2022 PAT** excluding the merger-related one-offs, harmonisation adjustments and Cukai Makmur for FY2022 would have been **RM1,203 million, at a margin of 17.8%**

Merger-related costs and accounting adjustments to harmonise the accounting policies and estimates within CelcomDigi (the Group), collectively are termed as one-offs..

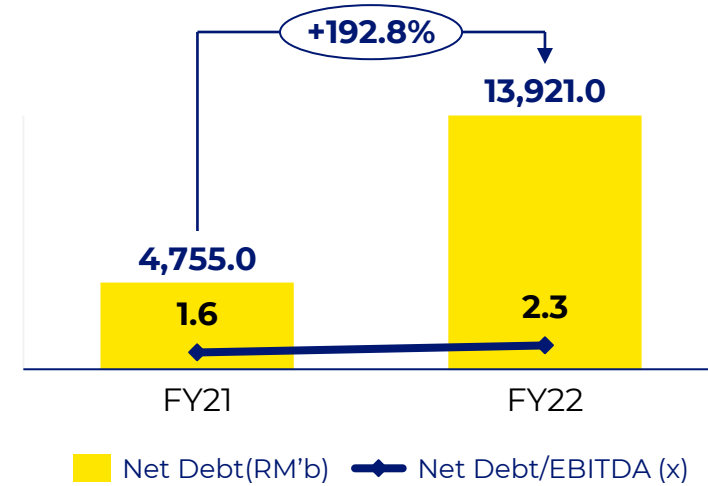
Sustainable returns to shareholders backed by solid financial position

EPS & DPS



- Total 4Q22 dividend payout of RM364m to bring full year dividend distribution to RM1,071m
- Payable on 29 March 2023

Net Debt/EBITDA

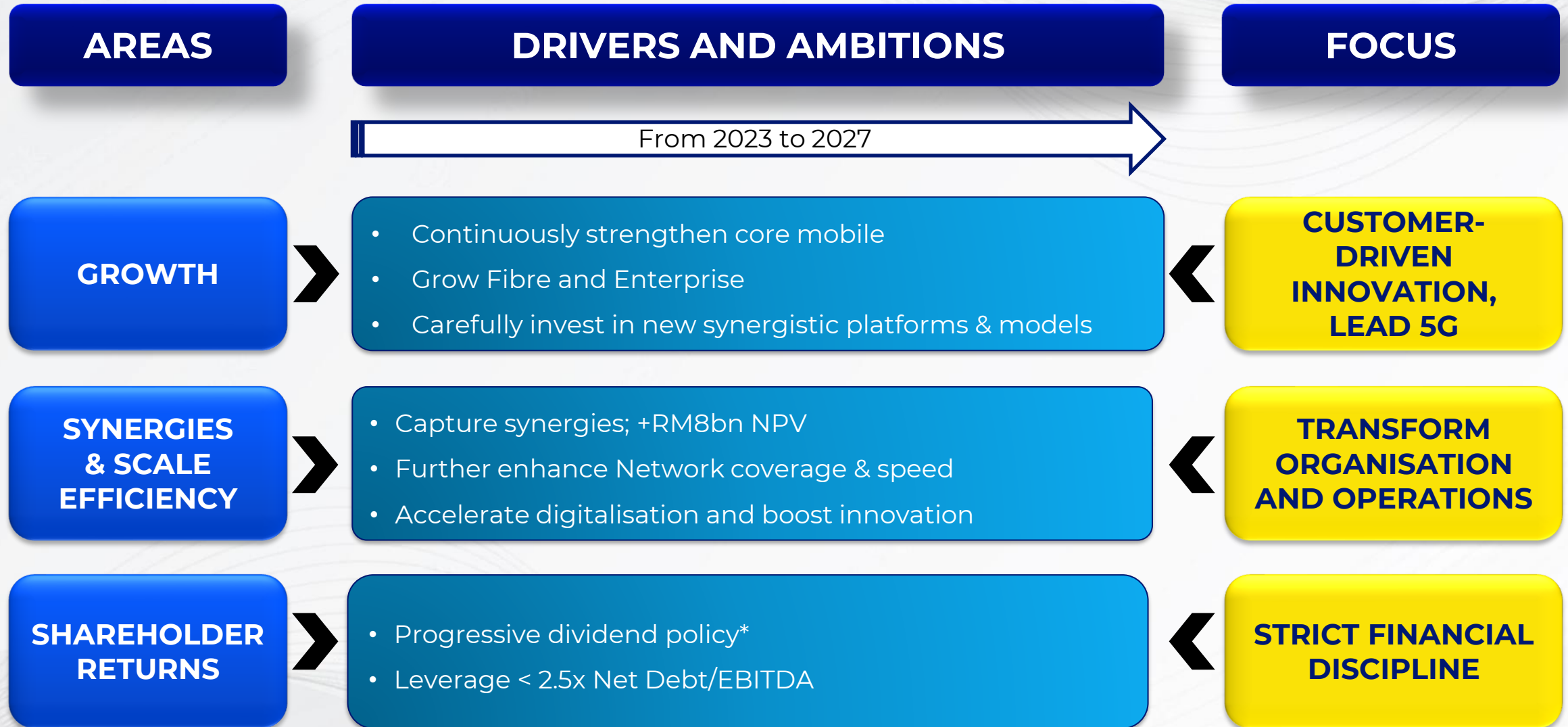


- Increased in borrowings due to merger and consolidation of Celcom's leverage
- Strong balance sheet supported by significant synergies



Fast Forward 2023




CelcomDigi is off to a great start – Focused execution of coherent strategy



** Subject to market factors and company's performances*

Significant synergies and better customer experience

In RM

| | | | Net NPV Synergies |
|---|----------------|--|-------------------|
|  | Network | <ul style="list-style-type: none">• Network consolidation and optimisation• COGS, Opex and Capex savings• Faster speed and better coverage | 5.5bn |
|  | IT | <ul style="list-style-type: none">• IT platform consolidations and upgrades• Opex and Capex savings• Enhance internal productivity and customer journeys | 1.1bn |
|  | Others | <ul style="list-style-type: none">• Procurement and G&A scale benefits• Streamline, integrate organisation and processes• More agile, digitalised to drive better customer service | 1.4bn |
| | | | RM8bn |



Network modernisation initiatives which include site decommissioning and upgrading of modern equipment will positively reduce carbon footprint

**20% to 30%
reduction over
the next 5
years**

FY2023 Guidance

CelcomDigi enters 2023 with good momentum

FY2023 Guidance



Service Revenue Growth

Maintaining growth momentum



EBITDA

Flat to low single digit increase



Capex-to-total revenue ratio¹

Around 15% to 18%

¹ Total CAPEX will include all BAU planned investments and ongoing merger integration activities

Summary and Key Takeaways

1

Delivered solid 4Q2022 results, entering **2023 with good growth momentum**

2

Combined network strength to deliver **quality experience and improved coverage** while supporting **national digital ambitions**

3

Focused execution of coherent strategy by delivering **synergies and sustainable value creation**

Q&A SESSION WITH MANAGEMENT



Datuk Idham



Albern



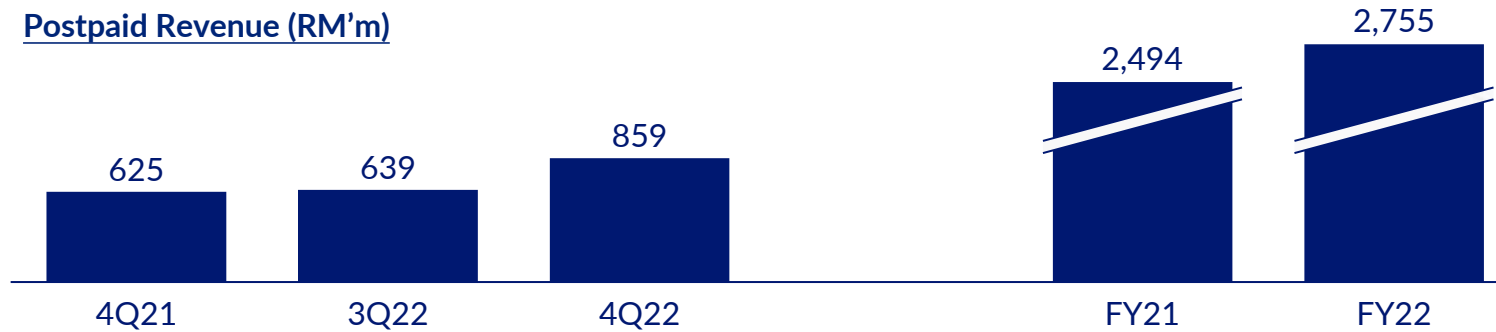
Lucy

Appendices

Continued positive momentum for postpaid revenue

Postpaid Development

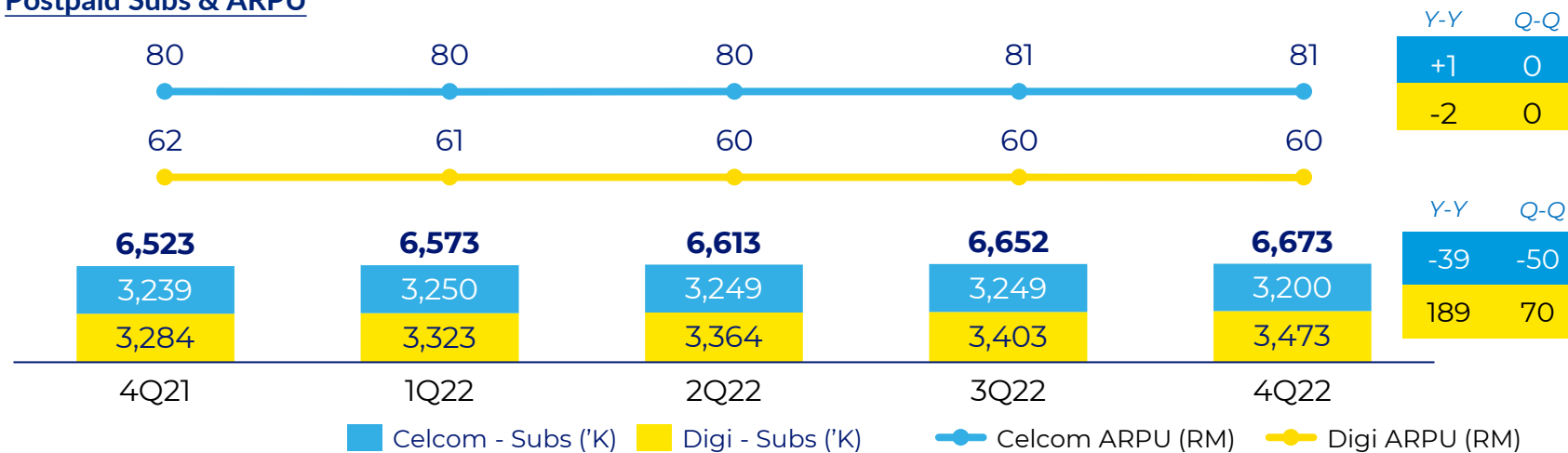
Postpaid Revenue (RM'm)



- Stronger contribution from Enterprise business and effective bundling strategies for mobile segment

Includes 1-month contribution from Celcom of RM225m

Postpaid Subs & ARPU

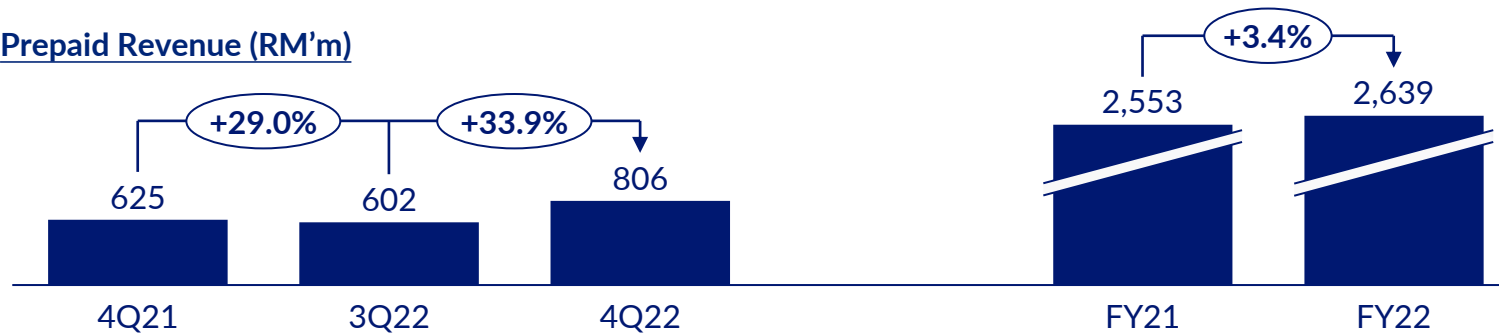


- Boosted by higher take-ups in device and bundle offers

Prepaid revenue recovery boosted by border reopening and data demands

Prepaid Development

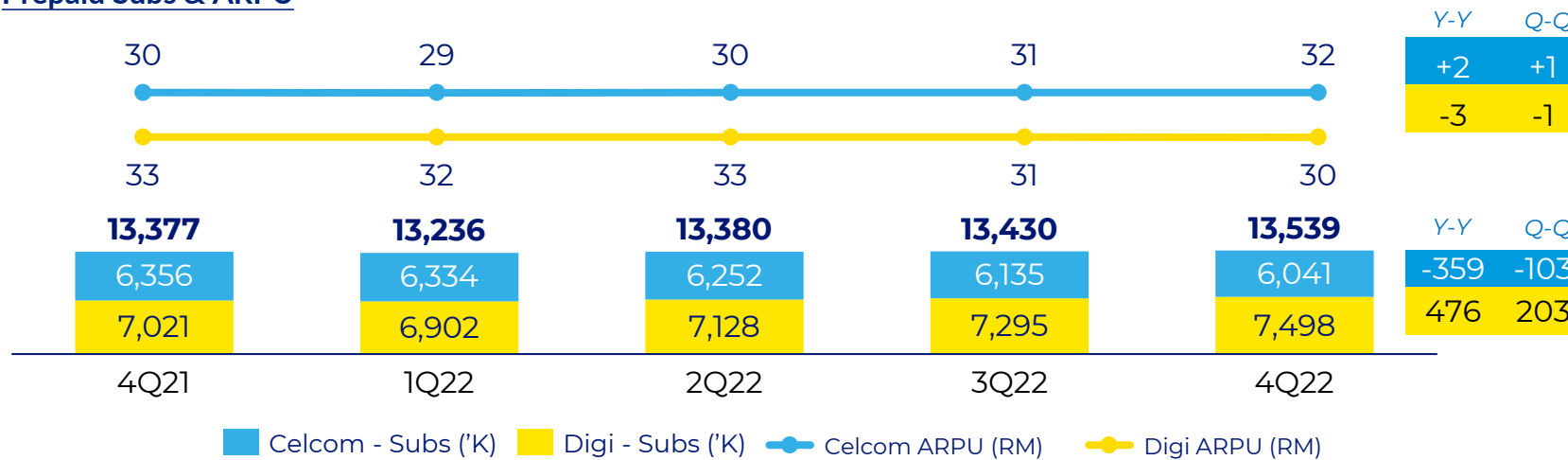
Prepaid Revenue (RM'm)



- Positive traction on Digi's voice and roaming usages alongside higher demand in Celcom's monthly MI

Includes 1-month contribution from Celcom of RM189m

Prepaid Subs & ARPU



- Buoyed by higher internet passes from migrant segment

Appendix: Net Debt/EBITDA Reconciliation

| RM'mil | 1Q2021 | 2Q2021 | 3Q2021 | 4Q2021 | 1Q2022 | 2Q2022 | 3Q2022 | 4Q2022 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Borrowings* | 2,735 | 2,686 | 2,549 | 2,501 | 2,514 | 2,290 | 2,224 | 8,876 |
| Term Loan (Islamic) | 443 | 443 | 368 | 369 | 294 | 495 | 567 | 4,361 |
| Islamic Medium-Term Note (IMTN)/ Sukuk | 1,799 | 1,799 | 1,799 | 1,799 | 1,799 | 1,499 | 1,499 | 3,248 |
| Revolving Credit (Islamic) | - | - | - | - | 25 | - | - | 450 |
| Term Loan (Conventional) | 493 | 444 | 382 | 333 | 271 | 221 | 158 | 816 |
| Revolving Credit (Conventional) | - | - | - | - | 125 | 75 | - | 1 |
| Lease Liabilities** | 2,586 | 2,618 | 2,589 | 2,459 | 2,464 | 2,460 | 2,542 | 6,269 |
| Total Debt | 5,321 | 5,304 | 5,138 | 4,960 | 4,978 | 4,750 | 4,766 | 15,145 |
| Cash and Bank Balances | 217 | 403 | 590 | 205 | 182 | 138 | 185 | 1,224 |
| Net Debt | 5,104 | 4,901 | 4,548 | 4,755 | 4,796 | 4,612 | 4,581 | 13,921 |
| 4Q Rolling EBITDA | 3,062 | 3,035 | 3,035 | 3,009 | 3,012 | 3,011 | 2,972 | 6,084 |
| Net Debt/EBITDA | 1.7 | 1.6 | 1.5 | 1.6 | 1.6 | 1.5 | 1.5 | 2.3 |

Note:
1Q21-3Q22 information was pertaining to Digi standalone entity (pre-merger)

Confidentiality and information sharing policy



Do not record, take pictures, and share

Company confidential or restricted use information



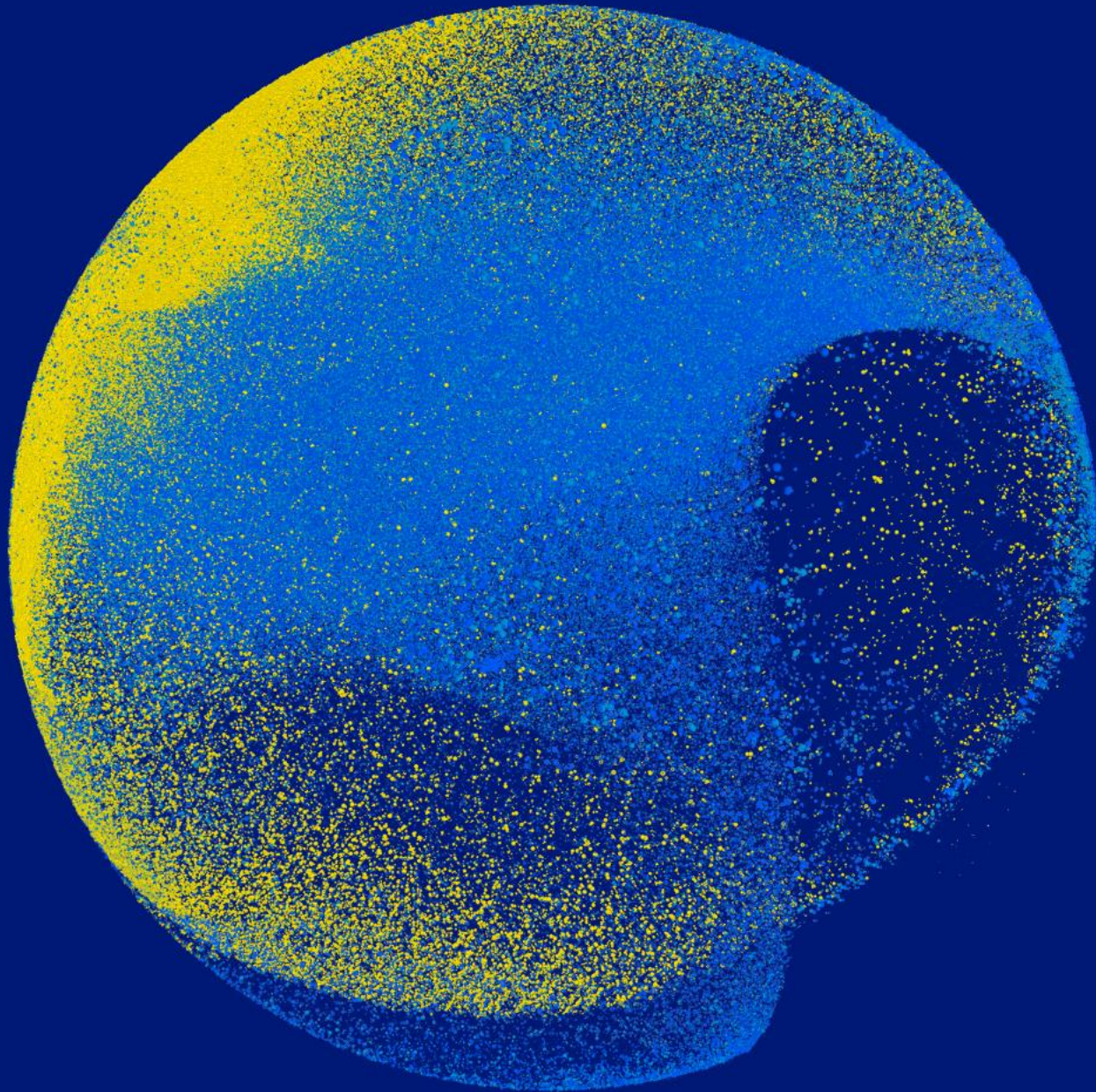
Doing so is a breach of

- Code of conduct
- The employment contract



Failure to comply

Stern action for breach of company policies



THANK YOU

CELCOMDIGI BERHAD

199701009694 (425190-X)

24 February 2023

Email: christine.lau@celcomdigi.com

(Christine Lau, Head of Investor Relations)

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