



PRESS RELEASE
For immediate publication

Digi delivers 0.9% q-o-q service revenue growth in Q3 2019 on the back of a stronger 4G+ network

SUBANG JAYA, 18 October 2019 – Digi.com Berhad (Digi) recorded stronger quarter-on-quarter performance in Q3 2019, delivering a 0.9% service revenue¹ growth at RM1,464 million, while margins remain healthy as EBITDA stands at RM725 million or 46% margin. The company continues to be geared for profitable growth, underlined by a disciplined focus on operational efficiency, to surpass challenging industry developments.

The company’s performance in the quarter reflects its persistent drive to deliver quality network experience, and more internet access options on mobile, in the home and on WiFi, across more customer segments. Digi’s network now connects 11.3 million customers in populated areas nationwide with a footprint of 4G LTE: 90%, LTE-A: 70% coverage and 9,200km of fibre network.

These strategic investments to expand network capacity and coverage have activated data growth opportunities for the quarter. Internet revenues increased 10.8% y-o-y to 64.0% of service revenue or RM905 million, where y-o-y postpaid and prepaid internet revenues climbed 19.1% and 2.0% respectively. Data traffic volumes surged 49% y-o-y, across a larger base of 9.4 million internet customers using an average 12.9GB of data monthly per customer.

In line with these investments, the company is also actively collaborating with several partners to trial emerging technologies such as 5G, IoT and AI. Digi recently opened its 5G OpenLab in Cyberjaya, a collaborative space for academics, innovators, developers and businesses to perform live trials on its next-generation 5G network. The lab serves to crowd source relevant use cases and explore technical network requirements needed to work towards a faster, more accurate 5G deployment in Malaysia. This will enable Malaysia to fully leverage on the opportunities of 5G, and fuel future growth for the progress of the country.

Digi’s CEO Albern Murty said, “We have stayed focused on delivering our strategy this quarter, and see that our efforts connect more Malaysians on our services. We will be persistent in providing affordable, widespread connectivity to more people and businesses while we run our business efficiently. Staying focused on introducing innovative products to market and making inroads into the B2B segment as part of our long-term growth.”

Stronger Q3 2019 performance

RM million	3Q18	2Q19	3Q19	Q-o-Q	Y-o-Y	9M18	9M19	9M-9M
Total revenue	1,600	1,509	1,549	0.8%	-2.4%	4,835	4,620	-4.8%
Service revenue¹	1,475	1,451	1,464	0.9%	-0.7%	4,442	4,356	-1.9%
EBITDA	750	752	725	-3.6%	-3.3%	2,293	2,200	-4.1%
EBITDA margin	47%	49%	46%	-2.1pp	-0.5pp	47%	48%	0.4pp
PAT	393	414	362	-12.6%	-7.9%	1,163	1,142	-1.8%

¹ Revenue ex- contract asset amortisation.

All analysis and comparisons are based on post MFRS 9 and MFRS 15.

Key Financial Highlights (Y-o-Y)

- Service revenue¹ improved marginally with 0.9% q-o-q growth while y-o-y decline narrowed to 0.7%, supported by 12.0% postpaid revenue¹ growth and 10.8% internet revenue growth y-o-y
- Prepaid revenue trimmed 11.4% y-o-y to RM740 million, with declines continuing to narrow as a result of the ongoing revenue mix shift from voice (45%) to internet (55%). This effect will drive more sustainable returns for the long-term, and stabilisation of this segment.
- OPEX remained flat y-o-y aided by non-recurring cost effects, in tandem with ongoing investments to expand network coverage and capacity to deliver solid customer experience in the quarter



- EBITDA traced to RM725 million or 46% margin and Profit After Tax (PAT) moderated to RM362 million or 23% margin; after accounting for fluctuations on non-recurring cost effects although underlying growth trajectory improved sequentially
- Ops cash flow remained solid at RM606 million or 39% margin after investing another RM119 million capex, as planned this quarter, with cumulative capex of RM548 million invested for network enhancements
- Net debt to EBITDA ratio healthy at 0.8 times while conventional debt over total assets trimmed to 13%, remaining within the Shariah threshold
- Declared third interim dividend per share of 4.5 sen or RM350 million, payable to shareholders on 19 December 2019

Connecting Malaysians with more affordable options and a stronger network nationwide in Q3 2019:

- **Deepening customer engagements with personalised services**
 - MyDigi app now serves 3.6 million active users, with 18.6 million upsell transactions on the app.
 - Introduced Digi Business Experts for SMEs at Digi Stores nationwide to help owners with digitalisation tips and recommended digital solutions to help grow their businesses.
- **Building a brand that cares with Yellow Heart**
 - Implemented priority services for pregnant women, senior citizens and people with disabilities at Digi Stores across the country.
 - Introduced an RM10 lifetime discount for senior citizens to enjoy Digi Postpaid plans from as low as RM28 monthly for 6GB of data. Easy subscriptions with one click on MyDigi's Box of Surprises.
- **Providing Malaysians more connectivity options to suit their lifestyle**
 - Launched Digi Home Fibre in Sabah, first commercial fixed offering from as low as RM89/month for 50Mbps with a special bundle plan, and RM179/month for unlimited speeds of up to 1Gbps.
 - Introduced Digi WiFi hotspots at 7,000 high-traffic locations nationwide with passes to unlimited internet that start from RM1.

For more on Digi's Q3 2019 performance, visit www.digi.com.my/investors.

About Digi

Digi is a mobile connectivity and internet services provider enabling 11.3 million Malaysians on our advanced 4G+ network. We have an ambition to provide relevant, personalised, and engaging digital products and services that will fully enable our customer's digital lifestyles. Listed on Bursa Malaysia, Digi is part of global telecommunications provider Telenor Group, and is a leader in driving responsible business practices. For more information, visit www.digi.com.my.

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