



PRESS RELEASE

For immediate publication

Digi's Q3 2020 service revenue up 4.3% q-o-q with economic sectors reopening

- Relevant internet and digital services designed to deliver customers' current connectivity needs
- Sequential EBITDA strengthened on the back of topline improvement and efficient operations
- Dividend payout of 4.1 sen per share

SUBANG JAYA, 16 October 2020 – Digi.com Berhad (Digi) recorded a 4.3% quarter-on-quarter (q-o-q) service revenue growth to RM1,374 million, fuelled by a 5.4% increase in internet and digital revenue. This was attributed to increased uptake of relevant digital services and improved data monetisation opportunities.

Topline growth was driven by commercial momentum recovering to pre-Movement Control Order (MCO) levels, that increased its EBITDA to RM786 million, with an EBITDA margin of 50%. Operating cashflow also strengthened 19.6% q-o-q to RM652 million.

The stronger q-o-q trajectory reflects the company's effective recovery plans and sharp focus on curating value-based products. This was achieved while delivering highly reliable services essential to meet customers' current needs, against challenging economic conditions brought about by Covid-19.

Digi's CEO Albern Murty said, "Digi navigated well through a difficult time to deliver a better quarter, driven by our resilience to improve business opportunities as we supported our customers. to emerge stronger from the crisis. In the quarter, we expanded our range of innovative and value-driven offering across our core product portfolios, launched fibre broadband nationwide to serve more households with total connectivity, and modernised our distribution and network capabilities. Going forward, we remain focused on financial resilience by prioritising investments in strategic areas to enable greater affordability for customers, and drive growth for the business."

Stronger Q3 2020 business performance driven by growing LTE network

In Q3 2020, the company invested RM134 million in capex for network enhancements to maintain service quality and availability nationwide. An additional 44% new and upgraded sites were deployed in 9M 2020 versus a year ago. Digi's 4G LTE and LTE-A network now covers 91% and 74% of the population respectively, together with a fibre network that stretches 9,850km. These enhancements were crucial to support the 26.1% year-on-year (y-o-y) surge in total data traffic and 17.4GB of monthly data usage per user from 12.9GB a year ago.

RM million	3Q 20	2Q 20	3Q 19	Q-o-Q	Y-o-Y
Total revenue	1,579	1,452	1,562	8.7%	1.1%
Service revenue	1,374	1,317	1,414	4.3%	(2.8%)
EBITDA	786	770	834	2.1%	(5.8%)
EBITDA margin	50%	53%	53%	(3.2pp)	(3.6pp)
Profit after tax	321	288	356	11.5%	(9.8%)

All analysis and comparisons are based on post MFRS 16

Key Financial Highlights

- Total revenue grew 8.7% q-o-q and 1.1% y-o-y to RM1,579 million on a wider range of innovative core product launches and digital solutions curated to suit customers' connectivity needs.
- Uplift in prepaid revenue substantially cushioned y-o-y service revenue decline, narrowing it to -2.8% despite lower regulated interconnect rates, and weaker roaming and consumer spend due to Covid-19.
- Internet and digital revenue rose 9.8% y-o-y to RM1,004 million, represented 73.1% of service revenue against 64.6% a year ago.



- Postpaid revenue stood at RM626 million.
- Prepaid subscriber base grew, contributing to a 7% increase in Prepaid revenue for the quarter.
- Profit After Tax (PAT) was RM321 million or 20.3% margin.
- OPEX stood at RM397 million, having invested in advertising and promotional activities as sales efforts recovered post-MCO.
- Ops cash flow at RM652 million or 41.3% margin having invested RM134 million capex for network enhancements.
- Net debt to EBITDA ratio remained healthy at 1.5 times while conventional debt over total assets of 7.5% was well-within the Shariah threshold.
- Third interim dividend of 4.1 sen per share equivalent to RM319 million, payable to shareholders on 17 December 2020.

Sustaining stronger growth trajectory through innovation while ensuring customers stay connected

- Customised value offerings relevant to market and customer needs:
 - Launched *Digi Fibre Broadband* to 3.7 million addressable households, offering total connectivity services that combine ultra-fast fibre broadband plans with unlimited high-speed Postpaid plan
 - *Digi Postpaid Start*, enabling *Digi Postpaid 38 and 58* customers to enjoy uncapped high-speed internet connectivity with upgraded data quotas, and built-in savings with daily and loyalty data bonuses
 - Enhanced phone ownership programme with *Digi PhoneFreedom 365*, now offering more flexibility, savings and internet quota to customers
- Monthly active users for *MyDigi* app at 4.3 million, anchored on seamless e-payment modes and personalised rewards.
- Free daily 1GB data for learning and productivity extended to 24 Hours until 31 December 2020.
- Leveraged PENJANA incentives to help Malaysian businesses boost recovery and growth via digitalisation:
 - Three new *Go Digital* bundles, offering best-in-value digital solutions and mobile connectivity plans to help SMEs digitalise and grow their business
 - Simplified PENJANA grant application for SMEs
 - Refreshed *Go Digi Business* postpaid plans with better value and free uncapped high-speed internet quota upgrade

Digi takes into consideration the uncertain market conditions related to the rising severity of the Covid-19 pandemic in the country. The company is consequently fully committed to delivering on the recently announced *Pelan Jalanan Digital Negara (JENDELA)*, that aims to deliver seamless and quality connectivity to all Malaysians. The company is keeping a sharp focus on key priorities anchored on its resilient fundamentals:

- Solid financial strength, efficient operations, and cost optimisation
- Organisational agility in digitalisation, operating model innovation, and future-ready network
- Strong value proposition, prioritising customer experiences with greater affordability and flexibility
- Prioritising customer and employee safety while carrying out operations

More on Digi's 3Q 2020 performance is available [here](#).

About Digi

Digi is a mobile connectivity and internet services provider enabling 10.7 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.

For media enquiries, please contact Chew Hwee Yen (hychew@digi.com.my | +6012 395 3398) or Audra Ooi (audra.ooi@digi.com.my | +6016 4832433)