



PRESS RELEASE

For immediate publication

Stronger network quality drives steady Q1 performance for Digi

Enhanced product propositions also fuelled growth in core segments

SUBANG JAYA, 29 April 2022 – Digi.com Berhad (“Digi”) today announced its FY2022 first quarter results, highlighting the company’s priority in delivering improved customer experience through quality network experience and enhanced products and services.

Digi continued to demonstrate strength in its network quality and availability, catering to higher demand for data as average consumption increased to 21GB per user, with 99.8% data traffic on 4G. Average download speeds improved to 42.2Mbps from 38.9Mbps in the last quarter, underscoring the company’s commitment in strengthening connectivity and internet experience for its customers.

In addition, Digi further expanded its 4G LTE and LTE-A network coverage, which now serves 94.0% and 76.5% of populated areas nationwide respectively, alongside an extensive fibre network of 10,316KM across the nation.

Digi sustained growth momentum in its core segments, driven by network quality improvement efforts and sharp execution of its business strategies. The company saw a 249K Y-Y net additions of Postpaid subscribers to a total of 3.34 million, resulting from Digi’s enhanced best-value product offerings anchored on high-speed internet and smart bundling. The company also continued to focus on acquiring higher value Prepaid subscribers despite narrowing its base by -258K Y-Y to 6.9 million. Blended ARPU remained resilient at RM42.

Its Fibre segment maintained an upward trend with almost five times more subscribers Y-Y through strategic upselling activities, while its Business (B2B) subscriber base enlarged by 16.3% Y-Y from supporting both small and medium enterprise (SME) and large enterprise customers with digitalisation solutions, strengthening the business community’s trust in the Digi Business brand and services.

Digi’s Acting Chief Executive Officer and Chief Marketing Officer Praveen Rajan said, “We’ve seen good growth momentum to start the year. With more Covid-19 related restrictions lifted and borders reopening, we expect to see an increase in commercial and tourism activities that would drive demand for roaming services. We continue to prioritise efforts to deliver to the expectations of our business and consumer customers from all segments - from providing quality connectivity and better digital experiences, offering products with greater value and flexibility, to deepening our responsible business commitments as we continue building a brand that customers have come to trust.”

Steady Q1 2022, on track to achieving financial guidance for the year

Digi recorded service revenue of RM1,308 million in the first quarter of 2022, a decline of -2.2% Y-Y, largely resulted from softer commercial momentum in Prepaid and lower digital revenue contributions. Excluding the lower margin digital segment, the decline in service revenue narrowed marginally by -0.7% Y-Y, indicating steady progress towards the company’s ambition of returning to service revenue growth in 2022.



Income Statement (RM'm)	1Q2021	4Q2021	1Q2022	Q-Q	Y-Y
Service revenue	1,337	1,321	1,308	-1.0%	-2.2%
Total revenue	1,550	1,584	1,522	-3.9%	-1.8%
EBITDA (boi)	738	740	741	0.1%	0.4%
<i>EBITDA (boi) margin</i>	47.6%	46.7%	48.7%	2.0%	1.1%
Profit after tax (PAT)	265	304	236	-22.4%	-10.9%
<i>PAT margin</i>	17.1%	19.2%	15.5%	-3.7%	-1.6%
Capex / Revenue %	10.1%	18.4%	5.7%	-12.7%	-4.4%

Financial highlights for Q1 FY2022

- Total revenue reached RM1,522 million, a reduction of -1.8% Y-Y due to normal seasonal patterns from higher year-end device sale
- Postpaid revenue strengthened by 2.6% Y-Y to RM633 million driven by continued subscription growth and effective churn management
- Prepaid revenue declined by -3.9% Y-Y and -1.6% Q-Q to RM615 million as a result of weaker acquisition and demand for internet passes, and lower non-internet usages
- EBITDA (boi) delivered at RM741 million or margin of 48.7%, representing a marginal growth both Y-Y and Q-Q, attributed to continuous modernisation efforts
- Profit after tax (PAT) was down -10.9% Y-Y due to temporary tax rate increase from the implementation of Cukai Makmur in FY2022
- Capex-to-sales ratio of 5.7%, mainly due to timing of investments and project deferments to later quarters
- First interim dividend of 2.9 sen per share, equivalent to RM225 million of dividend payout

Operational highlights for Q1 FY2022

- Total subscriber base declined by -9K Y-Y and -77K Q-Q to 10.24 million, as focus was on building and retaining quality subscriber development
- Internet subscriber base increased to 8.9 million, with smartphone penetration rate reaching 92.1% as compared to 89.2% in the same quarter last year
- Improved 4G performance recording 99.8% data traffic on 4G, with 65% VoLTE traffic, as a result of efficient spectrum utilisation

Relevant and best-value-for-money products enabling consumers and businesses to stay connected

- [Enhanced Digi Postpaid plans](#), with new Family Unlimited bundle, more free add-on options with Digi Freedom Add-Ons, and Pakej PowerJimat offering affordable smart devices
- [Refreshed Digi Prepaid NEXT plans](#) and [introduced Hari Gaji Specials](#), offering customers more value and flexibility
- Enhanced B2B digital solutions, including rolling out new altHR features, as well as extended PENJANA SME Digitalisation Grant deals to help businesses digitalise with ease

Deepening responsible business commitments

- Listed on the global **2022 Bloomberg Gender Equality Index**, reflecting Digi's leadership among corporate Malaysia in championing diversity and inclusion agenda



- Continued prioritisation for the **climate agenda**, through increasing efforts to adopt AI-driven energy management at sites as part of network operations modernisation

2022 guidance

Digi's 2022 guidance is summarised as follows:

Drivers	Guidance
Service revenue	Return to growth
Normalised EBITDA	Around FY2021 level: RM3,009 million
Capex-to-sales ratio	Around FY2021 level: 12.8%

More on Digi's Q1 2022 performance is available [here](#).

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About Digi

Digi is a mobile connectivity and internet services provider enabling 10.24 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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