



## **PRESS RELEASE**

**For immediate publication**

### **Digi's Q3 2022 performance resilient on the back of strengthened network**

- *Continued growth in core segments driven by high-speed internet propositions*
- *Sustained investments in network enhancement activities to support demand for quality internet experience*

**SUBANG JAYA, 20 October 2022** – Digi.com Berhad (“Digi”) today announced its FY2022 third quarter results, highlighting steady growth across the company’s Postpaid, Prepaid, Fibre, and Business segments, driven by its high-speed internet value offerings delivered on its strengthened mobile network.

Consumers’ demand for data continued to surge, as evidenced by the company’s data traffic growth of 6.2% Y-Y, with monthly average data per user reaching 23.0GB. To support the demand for high-speed internet connectivity, a total of RM173 million CAPEX, or CAPEX-to-total-revenue ratio of 11.3%, was invested in the quarter under review to further improve its network quality and coverage. Digi’s average download speeds surpassed 45.0Mbps from 44.1Mbps in the last quarter, while its 4G LTE and LTE-A network coverage now serves 95% and 80% of populated areas nationwide respectively, alongside an extensive fibre network of 10,372KM across the nation.

Digi’s focus on delivering quality internet experience through attractive best-in-value plans to its customers saw continued improvements in its subscriber base. Postpaid subscribers grew for the eight consecutive quarter, with +164K Y-Y net additions to a total of 3.4 million subscribers. Its Prepaid base also strengthened, with +177K Y-Y net additions to 7.3 million subscribers, attributed to the encouraging recovery of the migrant base combined with continued good growth within the Malaysian segment. Blended ARPU declined RM2.5 Y-Y to RM40, mainly due to impact from lower Prepaid ARPU as the Jaringan Prihatin programme ended.

The company’s strategy in growing its Fibre segment through targeted bundling offers yielded additional 17.6K Y-Y subscribers, with RM22 Y-Y uplift in ARPU to RM130. Digi Business also sustained its strong growth momentum with 18.1% Y-Y increase in its subscriber base while revenue lifted 12.4% Y-Y, from reflecting the company’s commitment in helping SME digitalise and supporting large enterprises’ needs for advanced digital and connectivity solutions.

Digi’s Acting Chief Executive Officer and Chief Marketing Officer, Praveen Rajan said, “We see continued demand for mobile services across all segments. Looking ahead, with macro-economic uncertainties such as risks of a global recession weighing on the market, we will remain disciplined in cost management, while continuing to invest in strategic growth areas, network improvements, and modernisation agenda. Discussions related to 5G access agreements with relevant parties are progressing well, and we’re also looking forward to completing the proposed Celcom-Digi merger this year.”

### **Steady sequential performance for Q3 2022 with healthy margins sustained**

Digi’s service revenue remained resilient with a marginal 0.5% Q-Q drop to RM1,319 million in the third quarter of 2022, despite impact from adverse macro pressures and the end of the Jaringan Prihatin



programme. EBITDA stood at RM749 million, up 0.9% Q-Q with a healthy 48.9% margin, attributed to resilient topline development, modernisation initiatives, and efficient cost management.

Income Statement (RM'm)	Q3 2021	Q4 2021	Q3 2022	Q-Q	Y-Y
Service revenue	1,343	1,321	1,319	-0.5%	-1.8%
Total revenue	1,584	1,584	1,532	-0.5%	-3.3%
EBITDA (boi)	788	740	749	0.9%	-4.9%
<i>EBITDA (boi) margin</i>	49.7%	46.7%	48.9%	0.7%	-0.8%
Profit after tax (PAT)	313	304	265	20.5%	-15.3%
<i>PAT margin</i>	19.8%	19.2%	17.3%	3.0%	-2.5%
Capex	170	291	173	-1.1%	1.8%
<i>Capex / Revenue %</i>	10.7%	18.4%	11.3%	-0.1%	0.6%

### Financial highlights for Q3 FY2022

- Postpaid and Fibre revenue lifted 1.6% Q-Q and 28.6% Q-Q respectively, on healthy consumer demand for smart bundles anchored on high-speed internet proposition, and continued B2B growth
- Prepaid softened 2.3% Q-Q, as steady recovery in the migrant segment and good reception of Digi's new Unlimited product cushioned the negative ARPU impact from the ending of Jaringan Prihatin programme
- Increased demands for high-end smartphone models led to healthy device revenue of RM189 million, sustaining Postpaid growth
- Profit after tax (PAT) increased by 20.5% Q-Q to RM265 million, driven by improved operating results, lower net finance cost, and lower taxes from tax penalty refund and deferred tax impact
- Third interim dividend of 3.4 sen per share, equivalent to RM264 million of dividend pay-out

### Operational highlights for Q3 FY2022

- Total mobile subscriber base grew 206K Q-Q to 10.7 million from healthy growth in all segments, with Postpaid and Prepaid subscribers growing 39K and 167K, respectively
- Fibre subscribers grew 4.6K Q-Q to 25.4K

### Internet-centric plans catering to consumers and businesses' affordability and digital needs

- Launched [Juara Internet Malaysiaku](#), in conjunction with Merdeka and Malaysia Day, with limited time offers on free devices, extra internet and plan rebates, alongside greater savings across Digi's range of Prepaid, Postpaid and Fibre products.
- Launched [enhanced roaming passes](#) as international travels picked up post-pandemic
- [Digi Business' Gemilang Specials](#) offered SMEs a line-up of digital tools and solutions at promotional prices as well as reintroduced free international roaming

### Sustaining Responsible Business initiatives

- Ramped up efforts on [scam and fraud awareness](#)
- Refreshed [Flood Preparedness Kit](#) to help the public stay prepared in the current monsoon season



## 2022 guidance

Digi maintains its 2022 guidance as follows:

Drivers	Guidance
Service revenue	Return to growth
Normalised EBITDA	Low single digit decline
Capex-to-total-revenue ratio	Around FY2021 level: 12.8%

More on Digi's Q3 2022 performance is available [here](#).

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## 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](http://www.digi.com.my).

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