

PRESS RELEASE

For Immediate Publication

CelcomDigi delivers steady revenue and profit growth in Q3 FY2024, solid momentum on integration and transformation

- *Continued growth in Postpaid; double-digit growth in Home & Fibre and Enterprise ICT solutions*
- *Declares third interim dividend of 3.6 sen per share*

PETALING JAYA, 18 November 2024 – CelcomDigi Berhad (CelcomDigi) today announced its third quarter results for the Financial Year 2024 (Q3 FY2024), reporting improved Q-Q topline and bottom-line performance, driven by effective market execution and operational excellence. The company reported solid progress on its integration and transformation initiatives across retail, network, and IT, driving synergy realisation and elevating customer experiences.

Steady Q3 FY2024 growth performance was driven by resilient underlying profitability from growing quality subscribers. Earnings Before Interest and Tax (EBIT) improved 17.7% Q-Q (+10.9% Y-Y) to RM771 million, while Profit After Tax (PAT) grew 5.8% Q-Q (-4.1% Y-Y) to RM440 million. The company recorded RM2,689 million Service Revenue for the quarter.

The consumer Postpaid business grew (+0.7% Q-Q) on the back of growth in subscribers (+92K Q-Q), from comprehensive market offers resulting in higher take-up on convergence and family lines, a higher device contracting base, and value-accretive Prepaid-to-Postpaid migration. The consumer Prepaid business declined (-1.4% Q-Q), due to a decreased subscriber base (-105K Q-Q) arising from dual-SIM consolidation and a strategic decision to reduce reliance on one-time rotational SIM segment. The impact of this rationalisation is stabilising, with subscriber losses at a notably lower rate than in previous quarters.

The Home & Fibre business continued double-digit growth in revenue (+18.2% Q-Q) after recording the highest growth since merger, driven by a rise in subscribers (+19K Q-Q) for its CelcomDigi ONE convergence plans. The company closed the quarter with its total subscribers at 20.3 million subscribers.

Enterprise Business saw steady performance in core connectivity with increase in quality subscribers and encouraging growth in ICT solutions with revenue up (+14.1%) year-to-date.

CelcomDigi declared a third interim dividend of 3.6 sen per share or RM422 million - the highest in the last four quarters, in line with its sustainable dividend commitment to shareholders.

Chief Executive Officer Datuk Idham Nawawi said, “Our resilient Q3 performance is a result of our continued focus on profitable and sustainable growth, disciplined cost management, and our ability to continue realising synergies from the merger. We continue to step up customer excellence, by consistently offering best-value products to our customers, as well as enriching customer experience through our enhanced network, and a fresh, ‘digital-everything’ retail model at our modernised retail stores.”

Accelerating integration and transformation initiatives across network, IT, and retail

CelcomDigi’s network integration and modernisation efforts is now close to 70% complete, with over 10,500 sites modernised at end October 2024, and more than 65% customers benefitting

from improved quality of experience on the new CelcomDigi intelligent network. The company aims to complete 75% of network upgrades by end of 2024, ahead of its target.

The company recorded another major milestone as it completed the first phase of harmonising Celcom and Digi’s core billing and customer relationship management (CRM) system into a single, enhanced platform. This marked a crucial step in its broader IT consolidation and transformation programme to deliver an improved customer experience.

The company invested RM384 million in capital expenditure (CAPEX) in the quarter to deliver on its network and IT integration initiatives.

As part of its retail transformation programme, there are now 30 CelcomDigi new concept stores, with plans to transform and modernise up to 50 stores by year-end. Additionally, all existing Celcom and Digi stores nationwide are now able to cross-serve 100% of its customers.

As a flow-through of cost savings from these integration initiatives, the company has generated gross synergy of approximately RM1.0 billion year-to-date, realising from cost savings, cost avoidance, and economies of scale, exceeding its RM700 million guidance for 2024. It is on track to deliver its RM8 billion net present value (NPV) target by 2027.

Driving beyond connectivity innovative solutions as growth engine

CelcomDigi continued to drive innovation leadership, leveraging its 5G and AI capabilities to go to market with innovative solutions beyond connectivity. More than a dozen use-cases and pilot projects with its enterprise customers have gone live since launching its state-of-the-art CelcomDigi AI Experience Centre (AiX) to accelerate the development and adoption of AI and emerging technology solutions. More pilots and commercial partnerships are in the pipeline.

Datuk Idham shared, “Encouragingly, there is a clear and growing interest among enterprises in AI and emerging tech solutions, and through our AiX we are actively exploring these opportunities by implementing proofs-of-concept and pilots to accelerate adoption. As we transform to become an AI-first company, we continue to invest into innovation and ‘beyond connectivity’ solutions as our growth engine. Our priority remains in delivering robust and efficient 4G/5G connectivity services and AI solutions to consumers and enterprises, and advance the nation’s development into a 5G-AI powered digital society.”

Financial and Operational Highlights

RM'm	Q3 2024	Q2 2024	Q3 2023	Q-Q	Y-Y
Total Revenue	3,126	3,106	3,104	0.6%	0.7%
Service Revenue	2,689	2,695	2,713	-0.2%	-0.9%
EBIT	771	655	695	17.7%	10.9%
PAT	440	416	459	5.8%	-4.1%
CAPEX	384	518	385	-25.9%	-0.3%
Subscriber base (K)	20,255	20,223	20,600	0.2%	-1.7%

- Q3 FY2024 EBIT was RM771 million, at +17.7% Q-Q and +10.9% Y-Y, benefiting from cost reduction and lower depreciation charge, as most assets affected by the change in useful lives were fully depreciated in early of the year.
- PAT was RM440 million, at +5.8% Q-Q and -4.1% Y-Y. This was driven by improved EBIT, and partly offset by higher taxation in this quarter due to absence of tax credits.
- **Consumer: Acquisition and base management strategy yielding growth in Postpaid and stabilising Prepaid**
 - Postpaid subscribers grew +92K Q-Q and +377K Y-Y in Q3 FY2024, reaching 5.71 million subscribers, driven by strong new subscribers' uptake from attractive packages and competitive pricing. Postpaid revenue was RM1,046 million, +0.7% Q-Q and +3.0% Y-Y, driven by an expanding subscriber base, multiple lines subscriptions, and Prepaid-to-Postpaid migration.
 - Prepaid subscribers were -105K Q-Q and -775K Y-Y in Q3 FY2024, amounting to 12.84 million subscribers. Revenue was RM1,096 million, -1.4% Q-Q and -4.4% Y-Y, from a dual-SIM consolidation and a strategic decision to reduce reliance on one-time rotational SIM segment. Average revenue per user (ARPU) stood at RM28.
- **Home & Fibre: Competitive offers and bundles leading to continuous performance growth**
 - Continued positive momentum on subscriber growth at +19K Q-Q and +58K Y-Y, totalling 159K subscribers.
 - Revenue at RM49 million was +18.2% Q-Q and +37.6% Y-Y, driven by the rise in subscribers. ARPU increased to RM109, supported by higher take-up of premium speed plans.
- **Enterprise: ICT solutions sustaining revenue growth**
 - Enterprise revenue declined -2.2% Q-Q and -3.3% Y-Y in Q3 FY2024, reaching RM295 million, mainly affected by the decline in mobile revenue.
 - Growth in corporate segment attributed mainly to fixed connectivity and ICT solutions.

Click [here](#) for CelcomDigi's CEO's Reflections and more on the company's Q3 2024 performance.

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About CelcomDigi

CelcomDigi is Malaysia's largest mobile network operator with more than 20.3 million users on its network. Established on 1 December 2022 from the merger of Celcom and Digi, the company aims to serve the growing digital needs of its customers by leveraging its newly combined widest network footprint, distribution touchpoints, innovative range of digital products and services, and superior customer experience powered by over 3,800 top industry experts. The company has clearly defined ambitions to advance the nation, inspire Malaysian society, and be a leader in inclusion and ESG practices. For more information on CelcomDigi, visit www.celcomdigi.com.

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