

**DIGI.COM BERHAD**

(425190-X)



# 3Q 2018 Results 17 October 2018



**MyDigi  
Rewards™**

**The largest  
lifestyle rewards app**



**Key Highlights**

**Operational & Performance Review**

**2018 Outlook**

**Q&A**



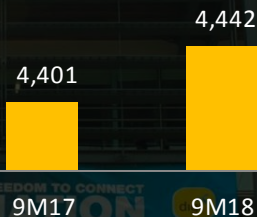
# SOLID MARKET POSITION

with healthy earnings development in 9M 2018

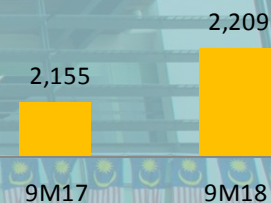
- **Malaysia's largest 4G mobile network** with 11.8M subscribers
- **Resilient performance** with solid internet growth
- **Healthy returns** with 14.8 sen dividend per share in 9M18



0.9% Service Revenue (RM M)



+2.5% EBITDA (RM M)



# RESILIENT PERFORMANCE WITH STEADY REVENUE

## backed by solid postpaid and prepaid internet growth



### GROWTH

**+14.9%**  
Postpaid  
Revenue  
(Y-Y)

**+9.6%**  
Prepaid  
Internet  
Revenue  
(Y-Y)

**+18.4%**  
Internet  
Revenue  
(9.0M Internet  
subs)

### EFFICIENCY

**-1.2%**  
OPEX  
(Y-Y)

**46%**  
EBITDA  
margin

**4G LTE upgrade  
nationwide -  
better internet  
experience**

### DIGITAL TRANSFORMATION

**All-new MyDigi  
Rewards + Box  
of Surprise**

**2.8M MyDigi  
MAU and  
21.9M upsell  
transactions**

**Improved  
Customer  
Satisfaction  
Score**

*All analysis and comparisons are made based on old accounting principles. A summary of the financial impact post adoption of MFRS 15 will be included as part of Other Updates*

## EVOLVING MARKET LANDSCAPE

impacting data monetisation and revenue growth

- Data price aggression and rich data quotas in the market

- Increasing subsidies on device bundles

- Continued decline in legacy voice and IDD services

### Focus Areas

Strengthen subscribers with **stronger postpaid and internet base**

**Drive internet monetisation** while accelerating data adoption

Leverage on **MyDigi rewards and personalised offers** to drive value and retention

Enable **efficient and engaging** digital channels

# STRONG INTERNET GROWTH MOMENTUM

across data traffic usage, internet subs and internet revenue



## 4G PLUS NETWORK COVERAGE

Nationwide LTE upgrade on

- **4G LTE: 89%**
- **LTE-A: 58% → 61%**  
(170 cities and towns)
- **FIBRE: 8,300KM**



## DATA TRAFFIC GROWTH

**+60% Y-Y**

**+14% Q-Q**



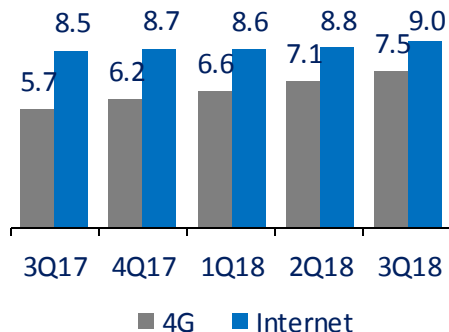
## INTERNET REVENUE (RM M)

**+18.4% Y-Y**

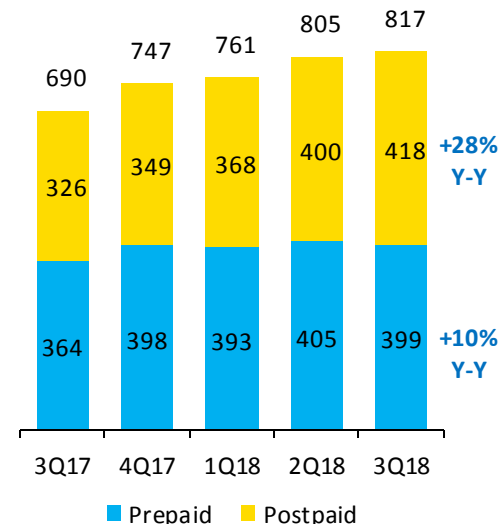
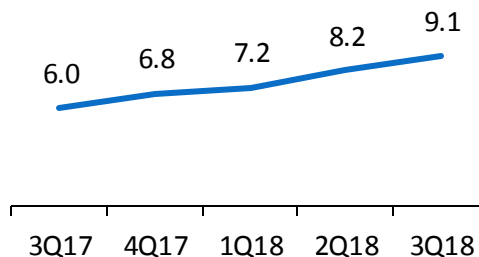
**+1.5% Q-Q**



## 4G & INTERNET SUBSCRIBERS (M)



## MONTHLY DATA USAGE (GB/user)



# EMPOWERING OUR CUSTOMERS TO CONNECT to what matters most with relevant offers

## Core business

- Continue **prepaid to postpaid conversions** with 4G easy entry proposition
- Accelerate **high value postpaid acquisitions with device bundles and borderless roaming** proposition
- Focus on **sustainable internet growth** with affordable on demand bite-sized internet passes and recurring internet subscriptions

## MyDigi

- All-new **MyDigi Rewards & Box of Surprise**
- Enable **personalized rewards** and offers from over 500 brands at 7,000 locations
- **Grow upsell transactions** and strengthen **B2B opportunities**



Ganjaran aneka hidangan untuk setiap detik



## Digital

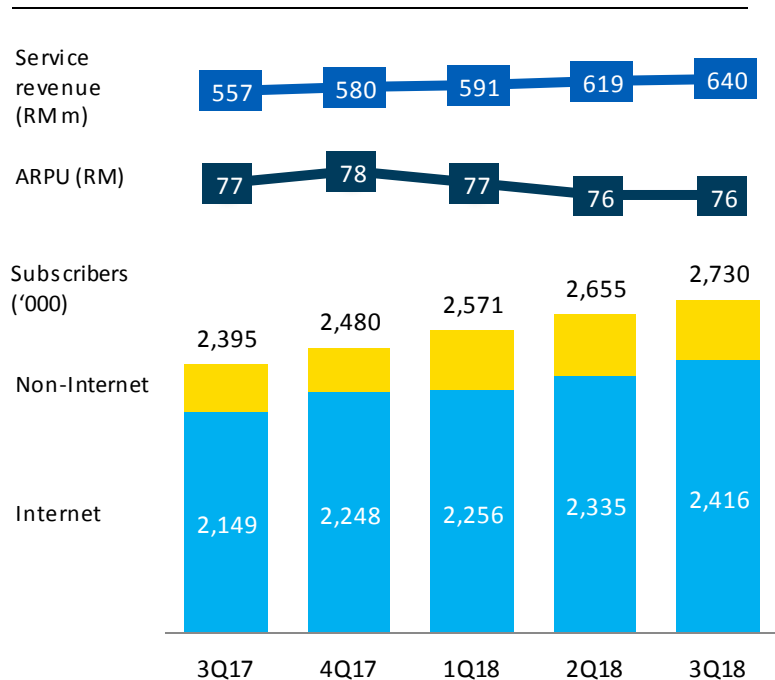
- Strengthen proposition to be the **trusted digital partner** for small businesses in Malaysia
- **OMNI**: Enterprise-level virtual business phone system
- **Industrial Valet**: E-commerce platform for businesses





# STRONGER POSTPAID SUBSCRIBERS along with steady ARPU

## POSTPAID

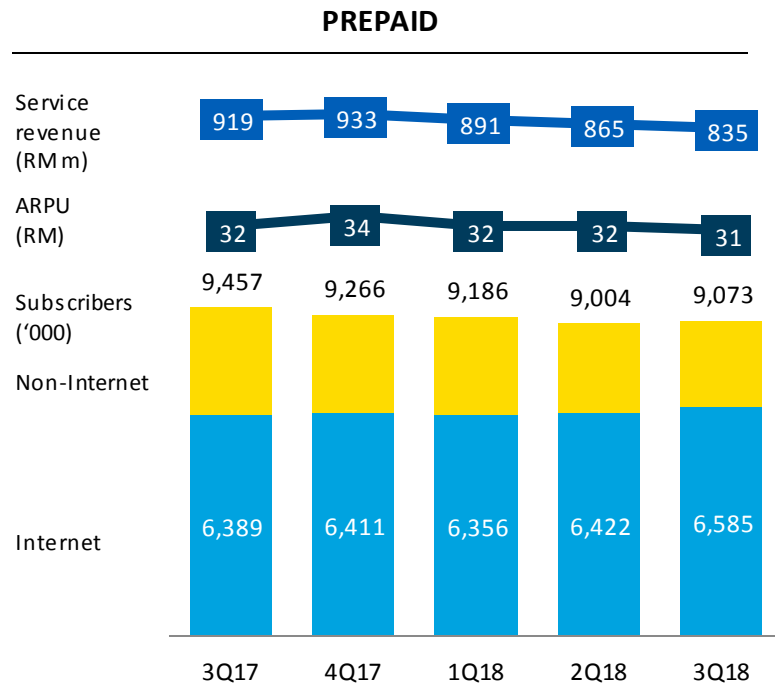


- Solid postpaid acquisitions with 14.0% Y-Y and 2.8% Q-Q subscriber growth to 2.7M postpaid subscribers
  - Strong take-up and plan upgrades to Digi's new high value postpaid plans with device bundle, family and Borderless Roaming proposition
  - Continued acquisition momentum in entry level postpaid plans and prepaid to postpaid conversions
- ARPU remained resilient at RM76 over a stronger postpaid subscriber base
- Postpaid revenue grew 14.9% Y-Y and 3.4% Q-Q to RM640m or 43.4% of total service revenue
  - Internet revenue rose 28.2% Y-Y and 4.5% Q-Q to RM418m backed by 2.4M internet subscribers



# ROBUST PREPAID INTERNET GROWTH

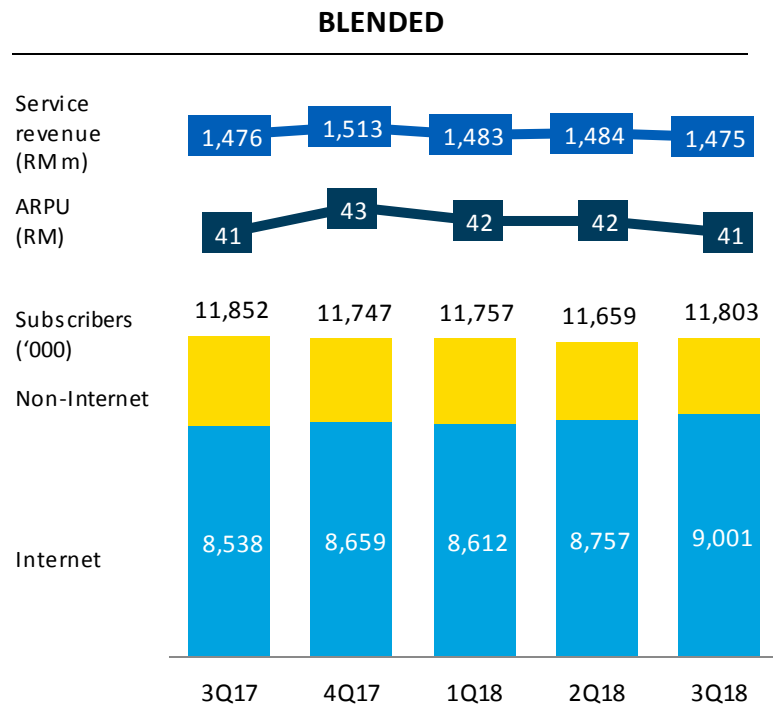
## although challenged by data monetisation headwinds



- Prepaid internet subscribers rose to 6.6M or 72.6% of 9.1M prepaid subscribers while ARPU resilient at RM31
- Internet revenue climbed 9.6% Y-Y to RM399m or 47.8% of prepaid revenue
  - 1.5% lower Q-Q due to data pricing aggression although prepaid data usage and adoption increased
- Amid progressive transition from voice to data and continued prepaid to postpaid conversions, non-internet revenue contracted 21.4% Y-Y and 5.2% Q-Q
- Prepaid revenue continued to trend lower with 9.1% Y-Y and 3.5% Q-Q decline but anchored on stronger internet revenue mix and improved margins

# RESILIENT SERVICE REVENUE

## supported by strong postpaid and prepaid internet growth

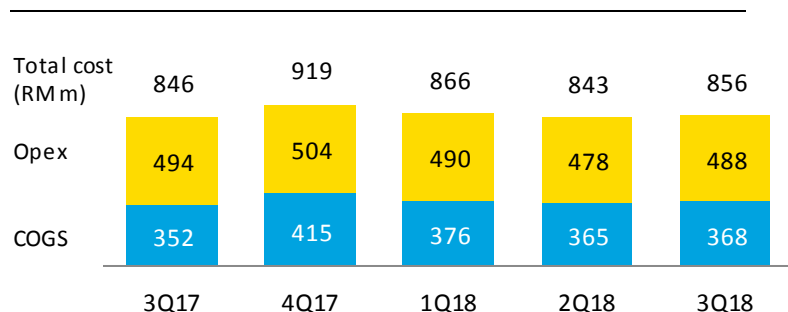


- Service revenue relatively resilient with stronger subscriber base to 11.8M and ARPU at RM41
  - Strong acquisition from easy entry to 4G postpaid plans and high value plans with device bundle
  - Steady prepaid to postpaid conversions
- Robust growth from postpaid revenue and prepaid internet revenue continued to bolster decline from prepaid legacy services
- Internet revenue climbed 18.4% Y-Y and 1.5% Q-Q to RM817m or 55.4% of service revenue
  - Supported by higher internet subscribers and 77.4% smartphone penetration
  - Monthly average data usage increased to 9.1GB as 4G subscribers rose to 7.5M
- Margin uplifts from higher mix of internet revenue re-invested on device bundles to drive postpaid growth

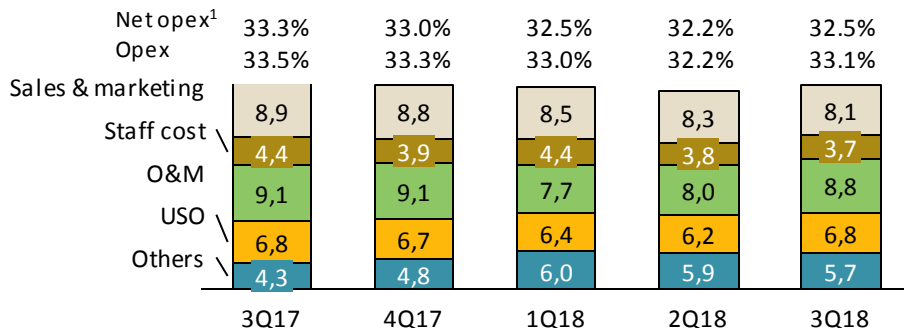
# CONTINUED FOCUS ON EFFICIENCY

## with Y-Y Opex reduction

### TOTAL COST (RM m)



### OPEX - % OF SERVICE REVENUE



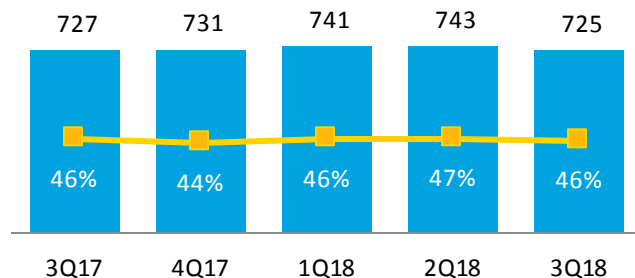
- Cost of goods sold (COGS) increased 4.5% Y-Y and 0.8% Q-Q
  - 57% higher Y-Y material cost from increased demand for device bundles
  - Significantly cushioned by improved traffic cost from higher internet revenue mix
- Gross profit resilient at RM1,204m supported by higher internet revenue and stronger postpaid customers
- Opex reduced 1.2% Y-Y to 33.1% of service revenue while Q-Q increase mainly due to higher cost related to on-going network upgrades and expansion
- Efficiencies well-supported by structural OE initiatives in sales and marketing activities including commission rationalization aided by digitization capabilities as well as optimized network operations

<sup>1</sup> Net opex = Opex + Forex/FV changes + Other income

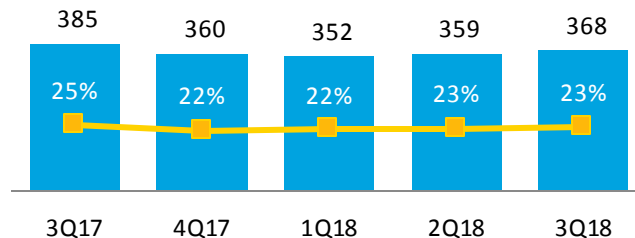
## ROBUST EBITDA AND PAT

as a flow through from resilient revenue and efficient operations

**EBITDA AND MARGIN (RM m and %)**



**PAT AND MARGIN (RM m and %)**



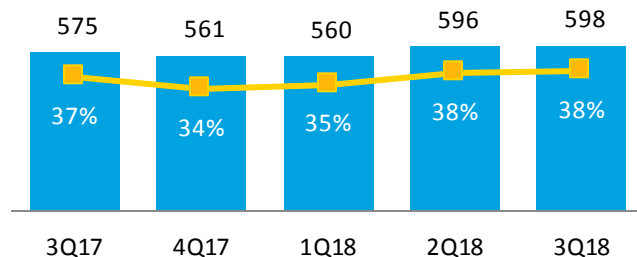
- Our strategy to invest on postpaid acquisition moderated EBITDA -0.3% Y-Y and -2.4% Q-Q
- EBITDA remained resilient at RM725m or 46% margin
  - Supported by higher mix of internet revenue and efficient cost management
- PBT for the quarter improved 2.4% Q-Q to RM504m
  - 2Q18 included network operating model transition cost of RM40m
  - Modest depreciation and amortisation at RM194m (2Q 2018: RM183m; 3Q 2017: RM206m)
- PAT remained steady at 23% margin or RM368m, up 2.5% Q-Q
- Excluding impact from FV changes, PBT would be 1.2% higher while PAT decline narrowed to 1.1% Y-Y



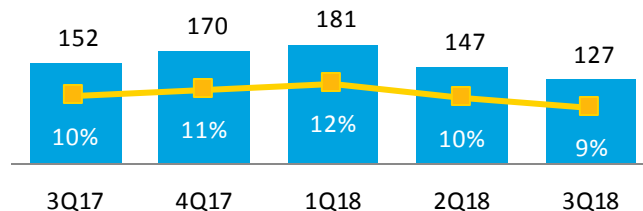
## ROBUST OPS CASH FLOW

backed by healthy EBITDA and efficient capex

**OPS CASH FLOW AND MARGIN** (RM m and %)



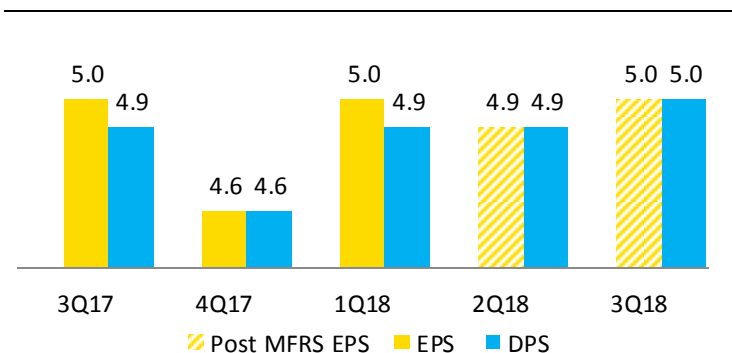
**CAPEX (EX-SPECTRUM) AND MARGIN**  
(RM m and % of service revenue)



- Ops cashflow strengthened 4.0% Y-Y to RM598m or 38% margin as a flow through from healthy EBITDA and relatively lower capex spend this quarter
- Capex investment at RM127m or 8.6% of service revenue
  - Efficiently delivered nationwide 4G-LTE network upgrades and LTE-A network coverage expansion to 61% of population
  - Significantly improved 4G network experience with additional capacity deployment
- Remained committed on continuous network upgrades and optimisation, efficient spectrum deployment and stronger IT capabilities to support quality and affordable internet services for our increasing internet subscriber base

# HEALTHY SHAREHOLDERS RETURN while sustaining strong balance sheet

### EPS AND DPS (sen)



### BALANCE SHEET (RM m)

	3Q17	4Q17	1Q18	2Q18	3Q18
Total Assets	5,869	5,834	6,027	6,035	6,202
Total Equity	540	519	669	673	684
Interest-bearing debts	1,802	1,305	1,302	1,300	1,297
Islamic debts	899	1,399	1,398	1,397	1,398
Cash & cash equivalents	661	575	461	428	565

- Earnings per share (EPS) after accounting for MFRS impact stood healthy at 5.0 sen
- The Board of Directors declared 3rd interim dividend of 5.0 sen per share equivalent to RM389m, payable to shareholders on 20 December 2018
- Total assets stronger at RM6.20b mainly due to higher cash and cash equivalent balances
- Net debt to EBITDA ratio reduced to 0.7 times while conventional debt over total asset steady at 21%
- Balance sheet continued to demonstrate solid financial capability and flexibility to fund immediate as well as future investments and operational commitments

# IMPACT OF MFRS CHANGES

## on 3Q 2018 performance

RM m	3Q 2018			
	(Pre-MFRS Δ)	(Post-MFRS Δ)	Delta	%
<b>Service revenue</b>	1,475	1,438	(37)	-2.5%
<b>Total revenue</b>	1,572	1,600	28	1.8%
<b>Opex</b>	488	491	3	0.6%
<b>EBITDA</b>	725	750	25	3.4%
Margin	46.1%	46.9%	0.8	0.8
<b>Profit before tax</b>	504	529	25	5.0%
<b>Profit after tax</b>	368	393	25	6.8%
<b>Capex</b>	127	127	-	0.0%
<b>Ops cash flow</b>	598	623	25	4.2%
Margin	38.0%	38.9%	0.9	0.9
<b>EPS (sen)</b>	4.7	5.1	0.3	6.8%
<b>DPS (sen)</b>	5.0			

With effect from 1 January 2018, Digi adopted *MFRS 15 Revenue From Contract With Customers* using a modified retrospective approach.

In 3Q 2018, the accounting of MFRS 15 provided an uplift of RM25m to the PAT via:

- Reduction in service revenue – RM37m
- Increase in device revenue – RM65m
- Increase in Opex – RM3m



Customer Engagement Day  
#DIGINATION Freedom to Connect

...to be a customer-first digital company, we first need to understand what matters most to our customers

.. only by understanding our customers needs will we be able to create and innovate personalised solutions that offer them true freedom to connect and share



### YELLOW HEART (Digital Resilience)

*Freedom to Be Safe*

- **YouthTALK** townhall to bring youth's voices and concerns on online violence to key influencers
- **Yellow Heart** videos (by Digi & Google) & DigiWorld module (by Telenor) launched in partnership with Ministry of Education



### YELLOW HEART (Digital Inclusion)

*Freedom to Be Equal*

- **Digi Academy** - our *future digital skills* training programme for marginalised communities, with 20 fully equipped Digi Internet Centres located in urban poor and rural communities
- Periodical train-the-trainer workshops for locally employed centre managers who we aim to equip with > 880 training hours and train more than 500 students





# OUR BELIEF IN DIVERSITY AND INCLUSION

makes us a stronger Digi



**Haakon Bruaset  
Kjoel**

Chair of Board  
of Directors

*Effective 1 Sep 2018*

Succeeding Lars-Ake  
Norling



**Anne K Kvam**

Board  
of Director

*Effective 16 Oct 2018*

Succeeding Haakon  
Bruaset Kjoel



**Elisabeth Stene**

Chief Human  
Resource Officer

*Effective 1 Oct 2018*

Succeeding Haroon  
Bhatti

## TOP 50 COMPANY 2018

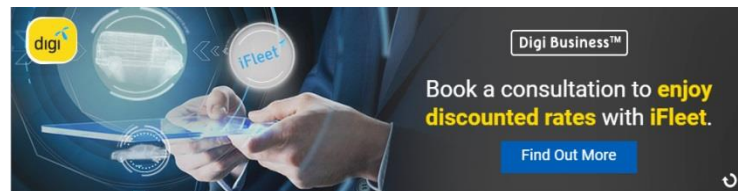
**Thomson Reuters  
Diversity & Inclusion Index**

- Ranked Top 5 in Asia, and 1st in Malaysia
- Measured against the performance of 7,000 other global organisation, scores were assigned based on diversity, inclusion and people development

# CONTINUED RESILIENT PERFORMANCE

with efficient operations and digital transformation

	2018 Updated Guidance <sup>1</sup>	YTD 3Q 2018
Service revenue growth	Flat	0.9%
EBITDA margin	46% - 47%	46.4%
Capex to service revenue ratio	11% - 12%	9.6%



- Solid 9M 2018 performance with a sharper focus on connecting our customers to what matters
- Continue to execute on growth and efficiencies
  - Focus on sustainable internet growth, prepaid to postpaid conversions and high value plans with device bundles and borderless roaming proposition
  - Leverage on data driven-insights and customer segmentation
  - Deliver on efficiency agenda
- Leverage on digital enablers to drive growth opportunities, better customer experience and efficiencies
- Remain committed to empower more Malaysians with *Freedom To Connect* and *Freedom To Share* via affordable and quality internet services

<sup>1</sup> FY 2018 Guidance based on old accounting principles



**Q&A?**

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digi



# THANK YOU

See you next quarter!



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



So if tiny things is where we start,  
We clutch tiny things close to our heart,  
It's in this place where we create,  
The values of togetherness that others can't replicate.

Made of wonderful people and spectacular things,  
What we've achieved together is truly amazing,  
Big dreams, kind deeds, guts and grit,  
All made in Malaysia with a huge spirit.

**Our future is great when  
it's #MalaysianMade.**

**Selamat Hari Kebangsaan.**

# Appendix



LET'S INSPIRE

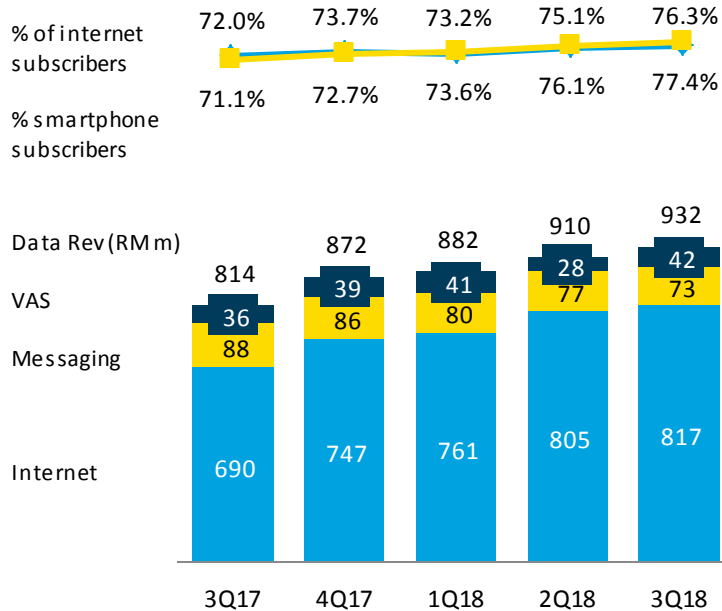


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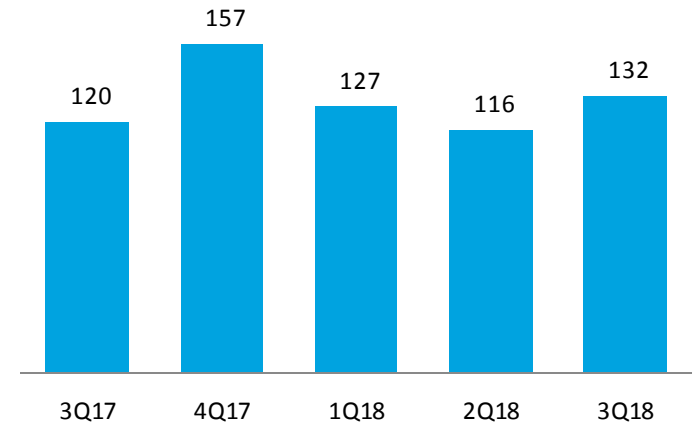
# 18.4% Y-Y INTERNET REVENUE GROWTH

fuelled by stronger internet subscribers and usage

DATA REVENUE AND PENETRATION



NO. OF DEVICES SOLD ('000)





## REPORTED KEY PERFORMANCE INDICATORS

Pre-MFRS											
(RM m)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	Q-Q	Y-Y
Subscribers ('000)	12,249	12,299	11,776	12,030	11,852	11,747	11,757	11,659	11,803	1.2%	-0.4%
Internet subscribers ('000)	7,961	8,088	8,056	8,311	8,538	8,659	8,612	8,757	9,001	2.8%	5.4%
Revenue	1,619	1,670	1,574	1,552	1,570	1,645	1,599	1,586	1,572	-0.9%	0.1%
Mobileserv. revenue	1,554	1,555	1,472	1,453	1,476	1,513	1,483	1,484	1,475	-0.6%	-0.1%
EBITDA (before other items)	775	741	711	717	727	731	741	743	725	-2.4%	-0.3%
<i>EBITDA margin</i>	<i>48%</i>	<i>44%</i>	<i>45%</i>	<i>46%</i>	<i>46%</i>	<i>44%</i>	<i>46%</i>	<i>47%</i>	<i>46%</i>	<i>-0.7pp</i>	<i>0.2pp</i>
Other items	-	-	-	-	-	(6)	-	(40)	-	-100.0%	0.0%
Depreciation	(174)	(178)	(176)	(194)	(206)	(210)	(231)	(183)	(194)	6.0%	-5.8%
EBIT	601	563	535	523	521	515	510	520	531	2.1%	1.9%
Net finance (costs)/income	(16)	(19)	(25)	(40)	(10)	(35)	(29)	(28)	(27)	-3.6%	170.0%
Profit Before Tax	585	544	510	483	511	480	481	492	504	2.4%	-1.4%
Taxation	147	169	137	124	126	120	129	133	136	2.3%	7.9%
Profit After Tax	438	375	373	359	385	360	352	359	368	2.5%	-4.4%
EPS (sen)	5.6	4.8	4.8	4.6	5	4.6	4.5	4.6	4.7	2.2%	-6.0%
Prepaid ARPU (RM)	34	34	32	32	32	34	32	32	31	-3.1%	-3.1%
Postpaid ARPU (RM)	80	81	79	78	77	78	77	76	76	0.0%	-1.3%
Blended ARPU (RM)	41	42	40	41	41	43	42	42	41	-2.4%	0.0%

## REPORTED KEY PERFORMANCE INDICATORS

Post-MFRS				
(RM m)	1Q18	2Q18	3Q18	Q-Q
Subscribers ('000)	11,757	11,659	11,803	1.2%
Internet subscribers ('000)	8,612	8,757	9,001	2.8%
Revenue	1,635	1,618	1,600	-1.1%
Mobileserv. revenue	1,461	1,454	1,438	-1.1%
EBITDA (before other items)	775	768	750	-2.3%
<i>EBITDA margin</i>	47%	47%	47%	-0.6pp
Other items		(40)	-	100.0%
Depreciation	(231)	(183)	(194)	6.0%
EBIT	544	545	556	2.0%
Net finance (costs)/income	(29)	(28)	(27)	-3.6%
Profit Before Tax	515	517	529	2.3%
Taxation	129	133	136	2.3%
Profit After Tax	386	384	393	2.3%
EPS (sen)	5.0	4.9	5.0	2.0%
Prepaid ARPU (RM)	32	32	31	-3.1%
Postpaid ARPU (RM)	74	72	72	0.0%
Blended ARPU (RM)	41	41	40	-2.4%

## REVENUE COMPOSITION

Pre-MFRS											
(RM m)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	Q-Q	Y-Y
<b>REVENUE</b>	<b>1,619</b>	<b>1,670</b>	<b>1,574</b>	<b>1,552</b>	<b>1,570</b>	<b>1,645</b>	<b>1,599</b>	<b>1,586</b>	<b>1,572</b>	<b>-0.9%</b>	<b>0.1%</b>
<b>Mobile serv. revenue</b>	<b>1,554</b>	<b>1,555</b>	<b>1,472</b>	<b>1,453</b>	<b>1,476</b>	<b>1,513</b>	<b>1,483</b>	<b>1,484</b>	<b>1,475</b>	<b>-0.6%</b>	<b>-0.1%</b>
Voice revenue	819	801	721	689	662	641	600	574	543	-5.4%	-18.0%
Data revenue	735	754	751	764	814	872	882	910	932	2.4%	14.5%
Other serv. revenue	0	0	0	0	0	0	1	0	0	0.0%	0.0%
<b>Device and other revenue</b>	<b>65</b>	<b>115</b>	<b>102</b>	<b>99</b>	<b>94</b>	<b>132</b>	<b>116</b>	<b>102</b>	<b>97</b>	<b>-4.9%</b>	<b>3.2%</b>
<b>Prepaid Revenue</b>	<b>1065</b>	<b>1044</b>	<b>952</b>	<b>917</b>	<b>919</b>	<b>933</b>	<b>891</b>	<b>865</b>	<b>835</b>	<b>-3.5%</b>	<b>-9.1%</b>
Voice revenue	631	613	541	511	485	464	431	398	370	-7.0%	-23.7%
Data revenue	434	431	411	406	434	470	460	467	465	-0.4%	7.1%
<b>Postpaid Revenue</b>	<b>489</b>	<b>511</b>	<b>520</b>	<b>536</b>	<b>557</b>	<b>580</b>	<b>591</b>	<b>619</b>	<b>640</b>	<b>3.4%</b>	<b>14.9%</b>
Voice revenue	188	188	180	178	177	177	169	176	173	-1.7%	-2.3%
Data revenue	301	323	340	358	380	403	422	443	467	5.4%	22.9%



## REVENUE COMPOSITION

Post-MFRS					
(RM m)	1Q18	2Q18	3Q18		
<b>REVENUE</b>	<b>1,635</b>	<b>1,618</b>	<b>1,600</b>		<b>-1.1%</b>
<b>Mobile serv. revenue</b>	<b>1,461</b>	<b>1,454</b>	<b>1,438</b>		<b>-1.1%</b>
Voice revenue	578	544	506		-7.0%
Data revenue	882	910	932		2.4%
Other serv. revenue	1	0	0		0.0%
<b>Device and other revenue</b>	<b>174</b>	<b>164</b>	<b>162</b>		<b>-1.2%</b>
<b>Prepaid Revenue</b>	<b>891</b>	<b>865</b>	<b>835</b>		<b>-3.5%</b>
Voice revenue	431	398	370		-7.0%
Data revenue	460	467	465		-0.4%
<b>Postpaid Revenue</b>	<b>569</b>	<b>589</b>	<b>603</b>		<b>2.4%</b>
Voice revenue	147	146	136		-6.8%
Data revenue	422	443	467		5.4%

## COGS AND OPEX

Pre-MFRS											
(RM m)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	Q-Q	Y-Y
<b>COGS</b>	<b>345</b>	<b>412</b>	<b>373</b>	<b>375</b>	<b>352</b>	<b>415</b>	<b>376</b>	<b>365</b>	<b>368</b>	<b>0.8%</b>	<b>4.5%</b>
Cost of materials	72	113	116	120	100	155	146	166	157	-5.4%	57.0%
Traffic charges	273	299	257	255	252	260	230	199	211	6.0%	-16.3%
<b>OPEX</b>	<b>503</b>	<b>518</b>	<b>494</b>	<b>464</b>	<b>494</b>	<b>504</b>	<b>490</b>	<b>478</b>	<b>488</b>	<b>2.1%</b>	<b>-1.2%</b>
Sales & marketing	137	156	145	149	131	133	126	123	119	-3.3%	-9.2%
Staff costs	64	56	61	63	65	58	66	57	55	-3.5%	-15.4%
Operations & maintenance	122	125	127	128	134	138	114	119	130	9.2%	-3.0%
Other expenses	180	182	161	124	164	175	184	179	184	2.8%	12.2%
<i>USP fund and license fees</i>	<i>120</i>	<i>111</i>	<i>97</i>	<i>59</i>	<i>101</i>	<i>102</i>	<i>95</i>	<i>92</i>	<i>100</i>	<i>8.7%</i>	<i>-1.0%</i>
<i>Credit loss allowances</i>	<i>12</i>	<i>12</i>	<i>10</i>	<i>9</i>	<i>10</i>	<i>16</i>	<i>16</i>	<i>15</i>	<i>5</i>	<i>-66.7%</i>	<i>-50.0%</i>
<i>Others</i>	<i>48</i>	<i>59</i>	<i>54</i>	<i>56</i>	<i>53</i>	<i>57</i>	<i>73</i>	<i>72</i>	<i>79</i>	<i>9.7%</i>	<i>49.1%</i>
<b>TOTAL</b>	<b>848</b>	<b>931</b>	<b>867</b>	<b>839</b>	<b>846</b>	<b>919</b>	<b>866</b>	<b>843</b>	<b>856</b>	<b>1.5%</b>	<b>1.2%</b>

## COGS AND OPEX

Post-MFRS				
(RM m)	1Q18	2Q18	3Q18	Q-Q
<b>COGS</b>	<b>376</b>	<b>365</b>	<b>368</b>	<b>0.8%</b>
Cost of materials	146	166	157	-5.4%
Traffic charges	230	199	211	6.0%
<b>OPEX</b>	<b>492</b>	<b>485</b>	<b>491</b>	<b>1.2%</b>
Sales & marketing	129	125	121	-3.2%
Staff costs	65	58	54	-6.9%
Operations & maintenance	114	119	130	9.2%
Other expenses	184	183	186	1.6%
<i>USP fund and license fees</i>	95	96	102	6.3%
<i>Credit loss allowances</i>	16	15	5	-66.7%
<i>Others</i>	73	72	79	9.7%
<b>TOTAL</b>	<b>868</b>	<b>850</b>	<b>859</b>	<b>1.1%</b>

## CASH FLOW STATEMENT

(RM m)	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	Q-Q	Y-Y
<b>Cash at start</b>	<b>366</b>	<b>331</b>	<b>377</b>	<b>479</b>	<b>628</b>	<b>661</b>	<b>575</b>	<b>461</b>	<b>428</b>	<b>-7.2%</b>	<b>-31.8%</b>
Cash flow from operations	738	524	518	664	625	522	682	661	753		
Changes in working capital	(190)	(634)	(127)	(73)	514	(67)	(138)	(169)	(95)		
Cash flow used in investing activities	(199)	(232)	(190)	(224)	(743)	(163)	(295)	(141)	(137)		
Cash flow used in financing activities	(384)	387	(98)	(218)	(363)	(378)	(363)	(384)	(384)		
Net change in cash	(35)	45	103	149	33	(86)	(114)	(33)	137		
Effect of exchange rate changes on cash and cash equivalents	-	1	(1)	-	-	-	-	-	-		
<b>Cash at end</b>	<b>331</b>	<b>377</b>	<b>479</b>	<b>628</b>	<b>661</b>	<b>575</b>	<b>461</b>	<b>428</b>	<b>565</b>	<b>32.0%</b>	<b>-14.5%</b>
Capex (ex-spectrum)	202	240	197	229	152	170	181	147	127	-13.6%	-16.4%
Ops cash flow (EBITDA – Capex)	573	501	514	488	575	561	560	596	598	0.3%	4.0%
<i>Ops cash flow margin</i>	<i>35%</i>	<i>30%</i>	<i>33%</i>	<i>31%</i>	<i>37%</i>	<i>34%</i>	<i>35%</i>	<i>38%</i>	<i>38%</i>	<i>0.5pp</i>	<i>1.4pp</i>

## EBITDA RECONCILIATION

Pre-MFRS									
(RM m)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	YTD 2017	YTD 2018
<b>EBITDA (boi)</b> <b>(Local definition)</b>	<b>711</b>	<b>717</b>	<b>727</b>	<b>731</b>	<b>741</b>	<b>743</b>	<b>725</b>	<b>2,155</b>	<b>2,209</b>
Exclude:									
Forex (gain)/loss	2	-	2	-	(3)	4	(4)	4	(3)
<b>EBITDA (boi)</b> <b>(Telenor definition)</b>	<b>713</b>	<b>717</b>	<b>729</b>	<b>731</b>	<b>738</b>	<b>747</b>	<b>721</b>	<b>2,159</b>	<b>2,206</b>