

Digi.Com Berhad (425190-X)

4Q 2018 Results

24 January 2019

Surf and stream
with the family



Share up to
120GB
Internet



And
Unlimited
Calls



Share up to
4 lines





biGBonus

Key Highlights

Operational & Performance Review

2019 Outlook & Priorities

Q&A



4G PLUS

SOLID PERFORMANCE - DELIVERED 2018 GUIDANCE

alongside healthy shareholders return

FY 2018 PERFORMANCE

- ✓ Flat service revenue
- ✓ 46% EBITDA margin
- ✓ 11.6% Capex to service revenue
- ✓ +4.3% uplift in dividend per share to 19.6sen

GROWTH

+14.8%
Postpaid
Revenue

+19.9%
Internet
Revenue
(+503K Internet
Subscribers)

+2.4%
EBITDA

EFFICIENCY

Flat Opex
(RM1,956m)

RM685m
Capex

Robust 4G Plus
LTE-A: 65%
4G LTE: 89%

DIGITAL TRANSFORMATION

3.0M
MyDigi MAU
(85.9m upsell
transaction)

**Digital
distribution**
Facebook I Android

#1
Net Promoter
Score (higher
satisfaction Y-Y)

*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*

4Q 2018

Key Highlights

STRONGER POSTPAID AND EBITDA GROWTH

to deliver a solid close for 2018

4Q 2018 PERFORMANCE

GROWTH

+15.0%
Postpaid
Revenue
(Y-Y)

+13.7%
Internet
Revenue
(Y-Y)

+2.2%
EBITDA
(Y-Y)

EFFICIENCY

0.8% Lower
OPEX
(Y-Y)

12.0%
Improvement
in Sales & Mktg
efficiency
(Y-Y)

Rapid growth
on 4G subs to
7.9M

DIGITAL TRANSFORMATION

3.0M
MyDigi MAU
(23.4m upsell
transaction)

Digital
Distribution
and Digi
Connectivity

JomStudi
(Digital Learning
Hub)

*All analysis and comparisons are made based on old accounting principles.
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SOLID EXECUTION OF STRATEGIC FOCUS AREAS and stronger digital proposition

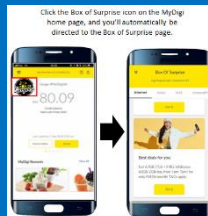
Core business

- Continued postpaid **conversions with entry level plans**
- **Strengthened high ARPU base** with plans upgrades, Family and borderless roaming proposition
- **Increased in contracted base** with the launch of easy device ownership program - Phone Freedom 365 (PF365)



MyDigi

- **3.0M** monthly active users, +20% Y-Y
- **Personalize “Box of Surprise”** contributed 10% of the total upsell transactions within MyDigi
- **10.7x** monthly logons



Digital distribution

- Enabled mobile data management feature on Android devices
- Ease purchase of relevant offers directly within the Android user interface



Digi Connectivity

- Enabled Digi Wifi access across 277 locations
- Pilot Digi Home Fibre in Jasir

ROBUST INTERNET GROWTH

anchored on better network experience and growing internet adoption



4G PLUS NETWORK COVERAGE

Nationwide LTE upgrade on

- **4G LTE: 89%**
- **LTE-A: 65%**
- **FIBRE: 8,400KM**



DATA TRAFFIC GROWTH

+58% Y-Y

+11% Q-Q



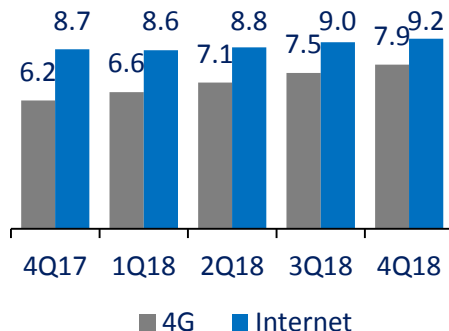
INTERNET REVENUE (RM M)

+13.7% Y-Y

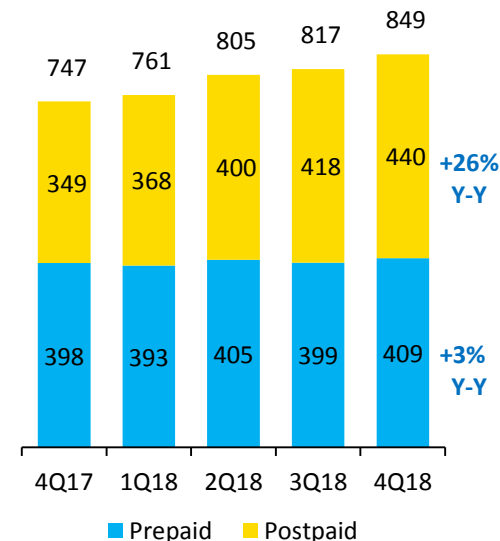
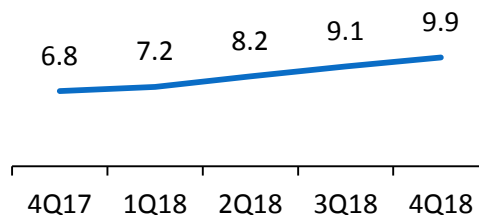
+3.9% Q-Q



4G & INTERNET SUBSCRIBERS (M)

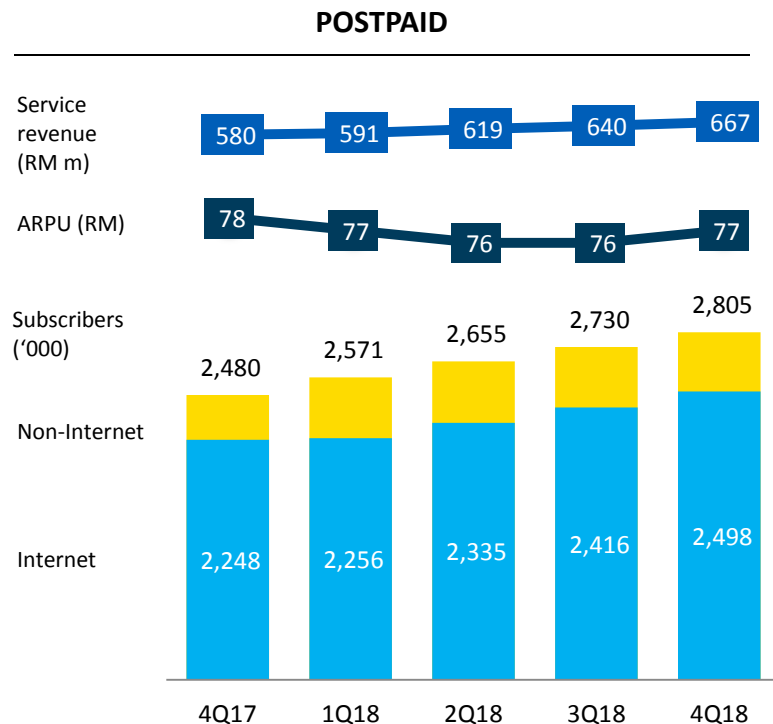


MONTHLY DATA USAGE (GB/user)



CONTINUED SOLID POSTPAID GROWTH

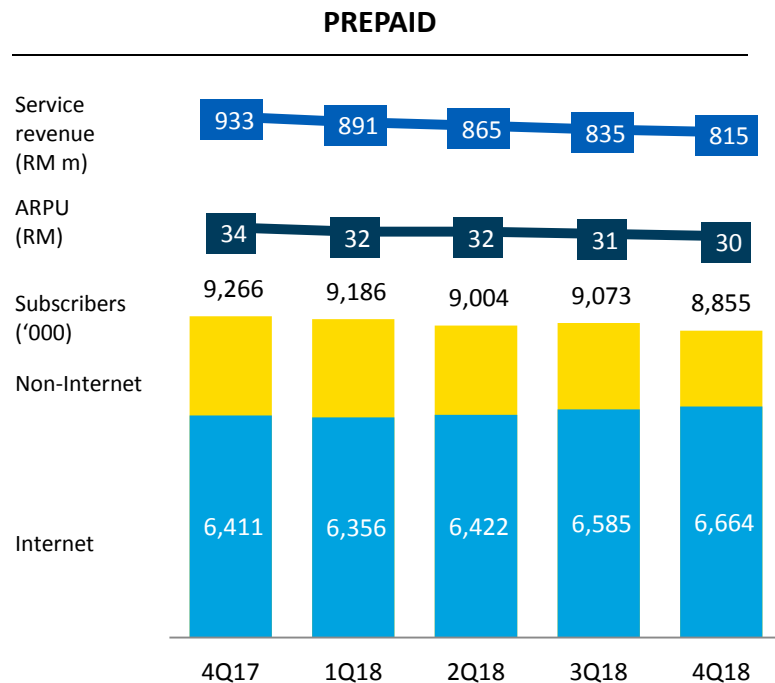
fuelled by healthy acquisitions and plan upgrades



- Solid acquisition momentum with +75K net adds and growing internet subscribers to 2.5M or 89.1%
- Increase in high ARPU base from plan upgrades and contracted base
 - Higher demand for device bundles and new PF365 program
 - Postpaid ARPU strengthened to RM77 while postpaid subscriber base expanded to 2.8M
 - RM5-10 ARPU uplift for new acquisitions in 2H18
- Postpaid revenue grew 15.0% Y-Y and 4.2% Q-Q to RM667m
 - Internet revenue rose 26.1% Y-Y and 5.3% Q-Q to RM440m
- Best postpaid revenue growth in 2018 underpinned by solid acquisition momentum and stronger base management activities
 - FY 2018 postpaid revenue grew 14.8% to RM2.52b or 42.5% of service revenue while internet revenue increased 28.7% to RM1.63b

HIGHER PREPAID INTERNET SUBSCRIBERS AND REVENUE

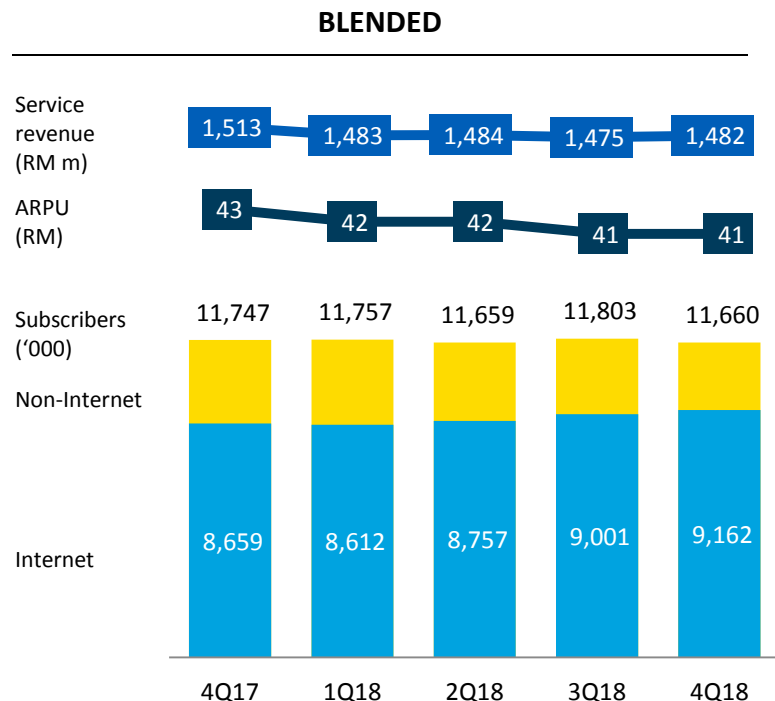
amid steady conversions to postpaid



- Efforts to strengthen prepaid internet adoption and usage contributed to increasing internet subscribers to 6.7M or 75.3% and prepaid resilience
- Prepaid internet revenue climbed 2.8% Y-Y and 2.5% Q-Q to RM409m or 50.2% of prepaid revenue, although growth challenged by intense data price competition and abundance data offers
- Moderating demand for prepaid legacy services and steady conversions to postpaid led to 12.6% Y-Y and 2.4% Q-Q lower prepaid revenue
 - Non-internet revenue contracted 24.1% Y-Y and 6.9% Q-Q
 - Prepaid ARPU levelled to RM30 albeit supported by stronger internet contribution
- FY 2018 prepaid revenue decline narrowed to 8.5% to RM3.41b (2017: 12.9%)
 - Prepaid internet revenue strengthened 12.2% to RM1.61b or 47.2% of prepaid revenue

RESILIENT SERVICE REVENUE

supported by solid postpaid growth

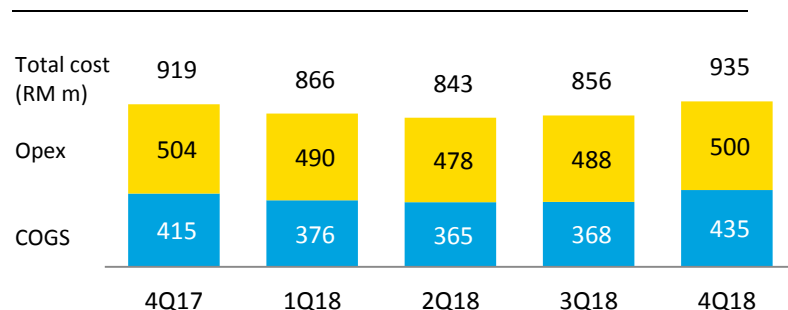


- Service revenue rose 0.5% sequentially to RM1.48b, underpinned by solid postpaid growth and steady ARPU at RM41, although challenged by continued decline in prepaid legacy services and intense data competition
- Internet revenue climbed 13.7% Y-Y and 3.9% Q-Q to RM849m or 57.3% of service revenue
 - Internet subscribers strengthened to 9.2M and smartphone penetration reached 79.6%
 - Monthly average data usage increased to 9.9GB along with growing 4G subscriber base to 7.9M
- Subscriber base trimmed marginally to 11.7m but well cushioned with stronger postpaid and internet subscribers
- Prepaid revenue decline and impact from mobile termination rate revision substantially mitigated by solid postpaid performance and internet growth
 - Service revenue remained resilient at RM5.92b for FY 2018
 - Internet revenue grew 19.9% to RM3.23b or 54.6% of service revenue

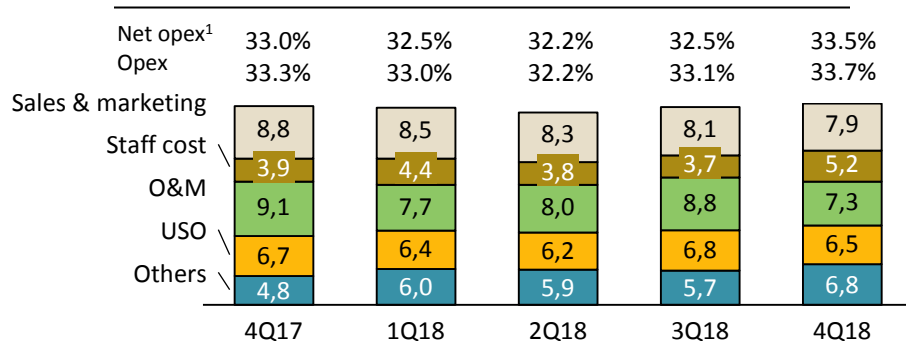
SOLID OPERATIONAL EFFICIENCY

to support sustainable growth and network upgrades

TOTAL COST (RM m)



OPEX - % OF SERVICE REVENUE



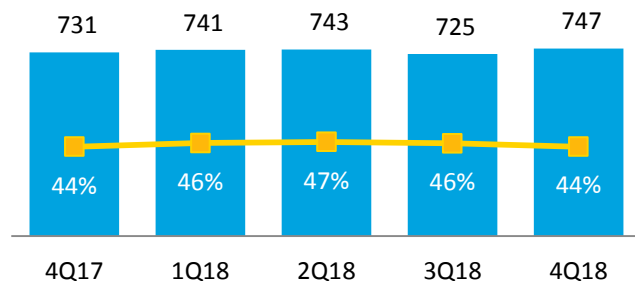
- Cost of goods sold (COGS) increased 4.8% Y-Y and 18.2% Q-Q
 - Surge in demand for contracted device bundles and new PF365 program
- Gross profit remained solid with 1.1% Y-Y and 3.3% Q-Q improvement to RM1,244m
- Continued focus on OE contributed to opex reduction of 0.8% Y-Y representing 33.7% of service revenue
 - Efficiencies realised for sales and marketing and network operations activities
 - Q-Q increase mainly due to higher staff cost provision and professional fees rendered to strengthen digital marketing and distribution capabilities
- Development of new digital capabilities managed within flat 2018 Opex at RM1.96b, reflecting solid cost management and operational efficiency across sales and marketing activities, network and IT operations

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

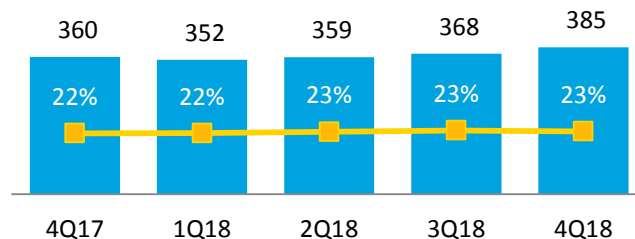
STRONGER Y-Y EBITDA AND PAT

underlined by solid postpaid growth and efficient operations

EBITDA AND MARGIN (RM m and %)



PAT AND MARGIN (RM m and %)

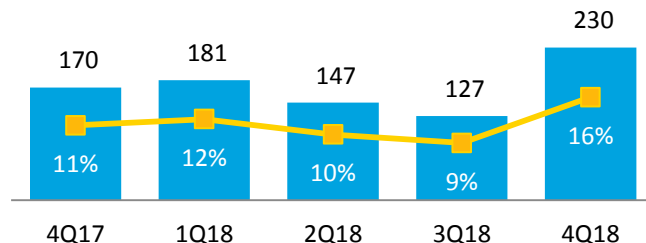


- EBITDA rose 2.2% Y-Y and 2.8% Q-Q to RM745m or 44% margin
 - Supported by solid postpaid growth and efficient cost management
- FY 2018 EBITDA rose 2.4% to RM2.96 billion or 46% margin
- PBT for the quarter improved 9.4% Y-Y and 4.2% Q-Q to RM525m due to a flow through from stronger EBITDA
 - Aided by modest depreciation cost at RM197m (4Q17: RM210m) and steady finance cost of RM25m
- PAT remained steady at 23% margin or RM385m, up 6.9% Y-Y and 4.6% Q-Q to deliver RM1.46b PAT for the year

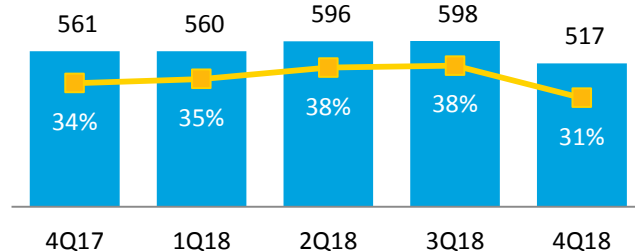
HIGHER CAPEX INVESTED

to expedite network deployment and upgrades

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



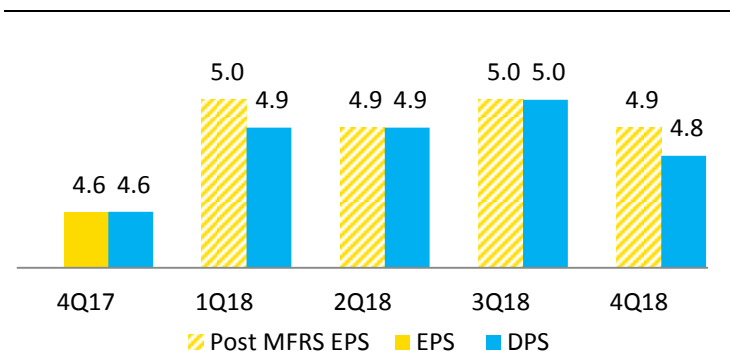
OPS CASH FLOW AND MARGIN (RM m and %)



- Relatively higher capex investment at RM230m or 15.5% of service revenue to expedite network deployment and capacity upgrades in preparation for 2019
- FY 2018 Capex (ex-spectrum) summed up to RM685m
 - LTE-A network coverage reached 65% of population
 - 4G LTE network coverage reached 89% of population
 - Extensive network and IT capacity deployment and fibre expansion to support increasing data demand
- Higher capex spend for the quarter moderated ops cashflow
 - Ops cashflow declined 7.8% Y-Y and 13.5% Q-Q to RM517m or 31% margin although cushioned by stronger EBITDA
- FY 2018 Ops cashflow improved 6.2% to RM2.27b or 35% margin, supported by robust EBITDA growth and efficient capex

HEALTHY SHAREHOLDERS RETURN and strong balance sheet

EPS AND DPS (sen)



BALANCE SHEET (RM m)

	4Q17	1Q18	2Q18	3Q18	4Q18
Total Assets	5,834	6,027	6,035	6,202	6,212
Total Equity	519	669	673	684	673
Interest-bearing debts	1,305	1,302	1,300	1,297	1,297
Islamic debts	1,399	1,398	1,397	1,398	1,397
Cash & cash equivalents	575	461	428	565	433

- Earnings per share (EPS) after accounting for MFRS impact stood healthy at 4.9 sen
- The Board of Directors declared 4th interim dividend of 4.8 sen per share equivalent to RM373m, payable to shareholders on 29 March 2019
 - Cumulative dividend for FY 2018 amounted 19.6 sen dividend per share, equivalent to 4.3% uplift in dividend to RM1.52b
- Total assets strengthened to RM6.21b, up 6.5% Y-Y and 0.2% Q-Q underpinned by stronger spectrum portfolio and infrastructure assets and recognition of MFRS 15 contract assets
- Net debt to EBITDA ratio remained healthy at 0.8 times while conventional debt over total asset steady at 21%, well within the Shariah threshold

IMPACT OF MFRS CHANGES on 4Q 2018 performance

	4Q 2018			
RM m	(Pre-MFRS Δ)	(Post-MFRS Δ)	Delta	%
Service revenue	1,482	1,437	(45)	-3.0%
Total revenue	1,679	1,674	(5)	-0.3%
Opex	500	502	2	0.4%
EBITDA	747	740	(7)	-0.9%
Margin	44.5%	44.2%	-0.3pp	
Profit before tax	525	518	(7)	-1.3%
Profit after tax	385	378	(7)	-1.8%
Capex	230	230	-	0.0%
Ops cash flow	517	510	(7)	-1.4%
Margin	30.8%	30.5%	-0.3pp	
EPS (sen)	5.0	4.9	(0.1)	-2.0%
DPS (sen)	4.8			

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

In 4Q 2018, the accounting of MFRS 15 provided a decline of RM7m to the PAT via:

- Reduction in service revenue – RM45m
- Increase in device revenue – RM40m
- Increase in opex – RM2m

FY 2018 impact on income statement post MFRS 15 adoption as follows:

RM m	1Q	2Q	3Q	4Q	FY18
Service Revenue	(22)	(30)	(37)	(45)	(134)
Device Revenue	58	62	65	40	225
Opex	(2)	(7)	(2)	(2)	(13)
Pre vs Post	34	25	26	(7)	78

MFRS 16 ADOPTION AND MTR REVISION

application from 1 Jan 2019 onwards

MFRS 16: LEASES

.... applies a "right-of-use" approach which requires a lessee to recognise assets and liabilities for the rights and obligations created by lease contracts. Assets and liabilities arising from a lease are initially measured on a present value basis

...recognises depreciation of the right-of-use asset and interest on the lease liability

CHANGES TO MOBILE TERMINATION RATES (MTR)

Sen	2017	2018	2019	2020
Local	3.65	2.92	1.96	0.99
National	3.88	2.92	1.96	0.99
Sub-marine	15.73	2.92	1.96	0.99

- Effective 1 Jan 2019
- Comparisons for 2018 will not be restated and all communication relating to the development will be based on old accounting principles
- Financial statements for 2019 will be based on both old and new accounting principles
- On 20 Dec 2017, MCMC issued Determination 1, 2017 of Mandatory Standard on Access Pricing
- 2019 MTR effective from 1 Jan 2019 onwards
- 33% YoY reduction in termination rates in 2019

STRATEGIC PARTNERING AND COLLABORATING to accelerate digital inclusion to reduce inequalities



JomStudi Digital Learning Hub

Private sector partnership endorsed by Ministry of Communications & Multimedia and MDeC

- Digital learning hub aggregates multiple education resources into a single platform
- Provides access for all school going students to explore digital content



Partnership for Reduced Inequalities Sustainability Partnership Showcase 2018

- To drive digital resilience by providing **awareness** to students and teachers on **internet safety**
- To **reduce inequalities** by providing **future-skills** learning opportunities for youths in urban poor and rural communities

4Q 2018

Other Updates

CHANGE IN MANAGEMENT PERSONNEL

- appointment of Inger Gløersen Folkeson



INGER GLØERSEN FOLKESON

Appointment as Digi CFO

(with effect from Mar 2019)

*Previous roles: CFO of Telenor Group Holdings,
CFO of Telenor Digital Businesses*



NAKUL SEHGAL

Digi CFO

***THANK YOU FOR THE SOLID CONTRIBUTIONS
AND SUPPORT TO DIGI***

4Q 2018

2019 Priorities

SHARPER FOCUS IN 2019 TO DELIVER

growth, efficiency and winning team alongside digital transformation agenda



GROWTH

Capture growth from existing customers

Continue to drive Postpaid growth and SME/B2B opportunities

Deploy network for best internet experience



EFFICIENCY

Continue focus and execution of OE initiatives



WINNING TEAM

Build 'Customer Obsessed' and 'Innovation 360' culture, cultivate growth and efficiency mindset

AIM AT DELIVERING SUSTAINABLE GROWTH IN 2019

anchored on resilient revenue and stronger EBITDA

2018		
	PRE MFRS 15 & 9	
	2018 Guidance	FY 2018 Actual
Service revenue	Flat	+0.2% to RM5,924m
EBITDA	46% - 47%	46%
Capex to service revenue ratio	11% - 12%	11.6%
Delivered 2018 guidance		

2019				
	PRE MFRS 15 & 9		POST MFRS 15 & 9	
	FY 2018	2019 Guidance	FY 2018	2019 Guidance
Service revenue	RM5,924m	Around 2018 level	RM5,790m	Around 2018 level
EBITDA	RM2,956m	Low single digit growth	RM3,033m	Low single digit growth
Capex to service revenue ratio	11.60%	11% - 12%	11.80%	11% - 12%
¹ Guidance above excludes impact of MFRS 16: Leases				

Post MFRS 15, service revenue and EBITDA will be impacted by amortisation of b/f contract assets and new contract assets

Go borderless with Digi Postpaid.

**1 plan, 10 countries
at no extra cost.**

A roaming inclusive postpaid plan.



LET'S INSPIRE



Terms and conditions apply. Digi Telecommunications Sdn. Bhd. 001285-MY

Q&A?

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Digi Business

“We’re now
operating across
the region. All it
took was extended
connectivity.”

- Mr. Ong, Distributor



LET'S INSPIRE

THANK YOU

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machine-to-machine
integration platforms
from RM5/mth



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Appendix

GO BORDERLESS
with Digi Postpaid



**1 PLAN 10
COUNTRIES**
at No Extra Cost



HOME
Up to
100GB



ABROAD
**FREE ROAMING
+ IDD**



2018 PERFORMANCE

anchored on resilient revenue and stronger EBITDA

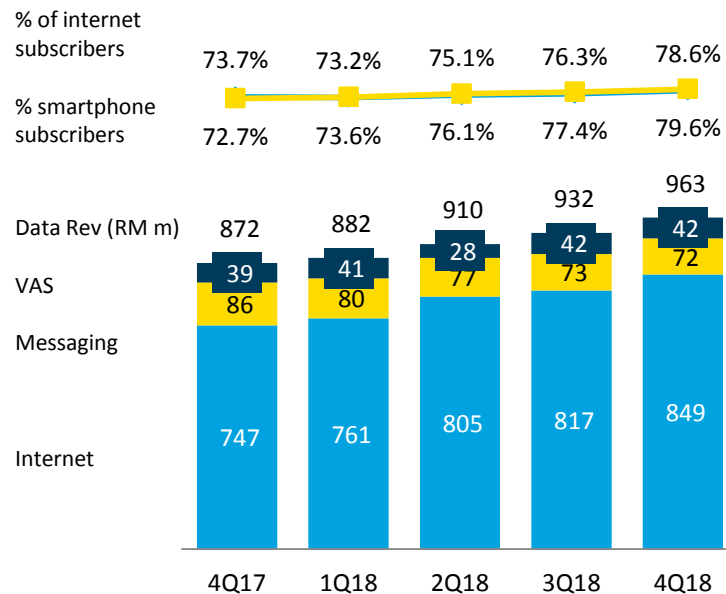
RM million	FY 2017	FY 2018	Y-Y
Service revenue	5,914	5,924	0.2%
Total revenue	6,341	6,436	1.5%
Gross profit	4,826	4,892	1.4%
EBITDA	2,886	2,956	2.4%
<i>EBITDA margin</i>	<i>46%</i>	<i>46%</i>	<i>0.4</i>
Profit before tax	1,984	2,002	0.9%
Profit after tax	1,477	1,464	-0.9%
Capex	748	685	-8.4%
Ops cash flow	2,138	2,271	6.2%
<i>Ops cash flow margin</i>	<i>34%</i>	<i>35%</i>	<i>1.6</i>
DPS (sen)	18.8	19.6	4.3%

- Sustained service revenue amid challenges from continued prepaid contraction, MTR revision impact and intense data competition
- Improved growth trajectory
 - 14.8% postpaid revenue growth
 - 12.2% prepaid internet revenue growth
- Efficient operations with sustained flat Opex alongside network expansion, capacity upgrades and digitisation
- 2.4% higher EBITDA at 46% margin
- 4.3% higher dividends for shareholders

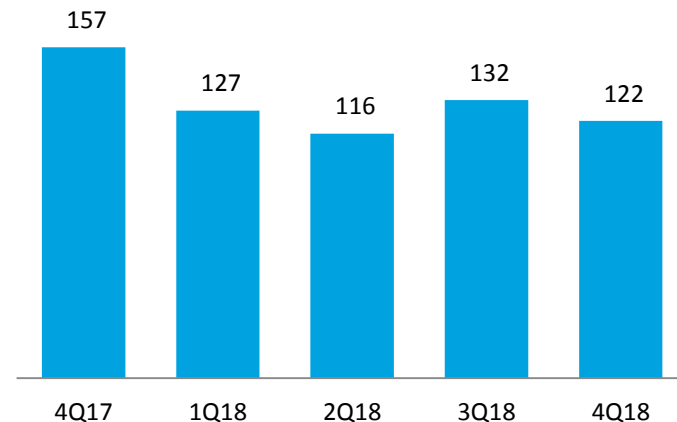
All analysis and comparisons are made based on old accounting principles.

INTERNET REVENUE ROSE 13.7% Y-Y to 57.3% of service revenue

DATA REVENUE AND PENETRATION



NO. OF DEVICES SOLD ('000)



REPORTED KEY PERFORMANCE INDICATORS

Pre-MFRS											
(RM m)	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	Q-Q	Y-Y
Subscribers ('000)	12,299	11,776	12,030	11,852	11,747	11,757	11,659	11,803	11,660	-1.2%	-0.7%
Internet subscribers ('000)	8,088	8,056	8,311	8,538	8,659	8,612	8,757	9,001	9,162	1.8%	5.8%
Revenue	1,670	1,574	1,552	1,570	1,645	1,599	1,586	1,572	1,679	6.8%	2.1%
Mobile serv. revenue	1,555	1,472	1,453	1,476	1,513	1,483	1,484	1,475	1,482	0.5%	-2.0%
EBITDA (before other items)	741	711	717	727	731	741	743	725	747	3.0%	2.2%
<i>EBITDA margin</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>44%</i>	<i>-1.6pp</i>	<i>0.1pp</i>
Other items	-	-	-	-	(6)	-	(40)	-	-	-100.0%	0.0%
Depreciation	(178)	(176)	(194)	(206)	(210)	(231)	(183)	(194)	(197)	1.5%	-6.2%
EBIT	563	535	523	521	515	510	520	531	550	3.6%	6.8%
Net finance (costs)/income	(19)	(25)	(40)	(10)	(35)	(29)	(28)	(27)	(25)	-7.4%	-28.6%
Profit Before Tax	544	510	483	511	480	481	492	504	525	4.2%	9.4%
Taxation	169	137	124	126	120	129	133	136	140	2.9%	16.7%
Profit After Tax	375	373	359	385	360	352	359	368	385	4.6%	6.9%
EPS (sen)	4.8	4.8	4.6	5	4.6	4.5	4.6	4.7	5.0	6.4%	8.7%
Prepaid ARPU (RM)	34	32	32	32	34	32	32	31	30	-3.2%	-11.8%
Postpaid ARPU (RM)	81	79	78	77	78	77	76	76	77	1.3%	-1.3%
Blended ARPU (RM)	42	40	41	41	43	42	42	41	41	0.0%	-4.7%

REPORTED KEY PERFORMANCE INDICATORS

Post-MFRS					
(RM m)	1Q18	2Q18	3Q18	4Q18	Q-Q
Subscribers ('000)	11,757	11,659	11,803	11,660	-1.2%
Internet subscribers ('000)	8,612	8,757	9,001	9,162	1.8%
Revenue	1,635	1,618	1,600	1,674	4.6%
Mobile serv. revenue	1,461	1,454	1,438	1,437	-0.1%
EBITDA (before other items)	775	768	750	740	-1.3%
<i>EBITDA margin</i>	47%	47%	47%	44%	-2.7pp
Other items		(40)	-	-	0.0%
Depreciation	(231)	(183)	(194)	(197)	1.5%
EBIT	544	545	556	543	-2.3%
Net finance (costs)/income	(29)	(28)	(27)	(25)	-7.4%
Profit Before Tax	515	517	529	518	-2.1%
Taxation	129	133	136	140	2.9%
Profit After Tax	386	384	393	378	-3.8%
EPS (sen)	5.0	4.9	5.0	4.9	-2.0%
Prepaid ARPU (RM)	32	32	31	30	-3.2%
Postpaid ARPU (RM)	74	72	72	71	-1.4%
Blended ARPU (RM)	41	41	40	40	0.0%

REVENUE COMPOSITION

Pre-MFRS											
(RM m)	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	Q-Q	Y-Y
REVENUE	1,670	1,574	1,552	1,570	1,645	1,599	1,586	1,572	1,679	6.8%	2.1%
Mobile serv. revenue	1,555	1,472	1,453	1,476	1,513	1,483	1,484	1,475	1,482	0.5%	-2.0%
Voice revenue	801	721	689	662	641	600	574	543	519	-4.4%	-19.0%
Data revenue	754	751	764	814	872	882	910	932	963	3.3%	10.4%
Other serv. revenue	0	0	0	0	0	1	0	0	0	0.0%	0.0%
Device and other revenue	115	102	99	94	132	116	102	97	197	103.1%	49.2%
Prepaid Revenue	1044	952	917	919	933	891	865	835	815	-2.4%	-12.6%
Voice revenue	613	541	511	485	464	431	398	370	342	-7.6%	-26.3%
Data revenue	431	411	406	434	470	460	467	465	473	1.7%	0.6%
Postpaid Revenue	511	520	536	557	580	591	619	640	667	4.2%	15.0%
Voice revenue	188	180	178	177	177	169	176	173	177	2.3%	0.0%
Data revenue	323	340	358	380	403	422	443	467	490	4.9%	21.6%

REVENUE COMPOSITION

Post-MFRS						
(RM m)	1Q18	2Q18	3Q18	4Q18		Q-Q Y-Y
REVENUE	1,635	1,618	1,600	1,674		4.6%
Mobile serv. revenue	1,461	1,454	1,438	1,437		-0.1%
Voice revenue	578	544	506	474		-6.3%
Data revenue	882	910	932	963		3.3%
Other serv. revenue	1	0	0	0		0.0%
Device and other revenue	174	164	162	237		46.3%
Prepaid Revenue	891	865	835	815		-2.4%
Voice revenue	431	398	370	342		-7.6%
Data revenue	460	467	465	473		1.7%
Postpaid Revenue	569	589	603	622		3.2%
Voice revenue	147	146	136	132		-2.9%
Data revenue	422	443	467	490		4.9%

COGS AND OPEX

Pre-MFRS											
(RM m)	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	Q-Q	Y-Y
COGS	412	373	375	352	415	376	365	368	435	18.2%	4.8%
Cost of materials	113	116	120	100	155	146	166	157	220	40.1%	41.9%
Traffic charges	299	257	255	252	260	230	199	211	215	1.9%	-17.3%
OPEX	518	494	464	494	504	490	478	488	500	2.5%	-0.8%
Sales & marketing	156	145	149	131	133	126	123	119	117	-1.7%	-12.0%
Staff costs	56	61	63	65	58	66	57	55	77	40.0%	32.8%
Operations & maintenance	125	127	128	134	138	114	119	130	108	-16.9%	-21.7%
Other expenses	182	161	124	164	175	184	179	184	198	7.6%	13.1%
<i>USP fund and license fees</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>96</i>	<i>-4.0%</i>	<i>-5.9%</i>
<i>Credit loss allowances</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>12</i>	<i>140.0%</i>	<i>-25.0%</i>
<i>Others</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>90</i>	<i>13.9%</i>	<i>57.9%</i>
TOTAL	931	867	839	846	919	866	843	856	935	9.2%	1.7%

COGS AND OPEX

Post-MFRS					
(RM m)	1Q18	2Q18	3Q18	4Q18	Q-Q
COGS	376	365	368	435	18.2%
Cost of materials	146	166	157	220	40.1%
Traffic charges	230	199	211	215	1.9%
OPEX	492	485	491	502	2.2%
Sales & marketing	129	125	121	115	-5.0%
Staff costs	65	58	54	77	42.6%
Operations & maintenance	114	119	130	108	-16.9%
Other expenses	184	183	186	202	8.6%
<i>USP fund and license fees</i>	<i>95</i>	<i>96</i>	<i>102</i>	<i>96</i>	<i>-5.9%</i>
<i>Credit loss allowances</i>	<i>16</i>	<i>15</i>	<i>5</i>	<i>14</i>	<i>180.0%</i>
<i>Others</i>	<i>73</i>	<i>72</i>	<i>79</i>	<i>92</i>	<i>16.5%</i>
TOTAL	868	850	859	937	9.1%

CASH FLOW STATEMENT

(RM m)	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	Q-Q	Y-Y
Cash at start	331	377	479	628	661	575	461	428	565	32.0%	-14.5%
Cash flow from operations	524	518	664	625	522	682	661	753	474		
Changes in working capital	(634)	(127)	(73)	514	(67)	(138)	(169)	(95)	8		
Cash flow used in investing activities	(232)	(190)	(224)	(743)	(163)	(295)	(141)	(137)	(224)		
Cash flow used in financing activities	387	(98)	(218)	(363)	(378)	(363)	(384)	(384)	(390)		
Net change in cash	45	103	149	33	(86)	(114)	(33)	137	(132)		
Effect of exchange rate changes on cash and cash equivalents	1	(1)	-	-	-	-	-	-	-		
Cash at end	377	479	628	661	575	461	428	565	433	-23.4%	-24.7%
Capex (ex-spectrum)	240	197	229	152	170	181	147	127	230	81.1%	35.3%
Ops cash flow (EBITDA – Capex)	501	514	488	575	561	560	596	598	517	-13.5%	-7.8%
<i>Ops cash flow margin</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>31%</i>	<i>-7.2pp</i>	<i>-3.3pp</i>

EBITDA RECONCILIATION

Pre-MFRS										
(RM m)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	FY2017	FY 2018
EBITDA (boi) (Local definition)	711	717	727	731	741	743	725	747	2,886	2,956
Exclude:										
Forex (gain)/loss	2	-	2	-	(3)	4	(4)	2	4	(1)
EBITDA (boi) (Telenor definition)	713	717	729	731	738	747	721	749	2,890	2,955