

Press Release
For immediate publication

CelcomDigi records growth in Q1 FY2023 in first full quarter post-merger

- *Growth recorded from enhanced customer offerings and stronger network quality*
- *Integration efforts underway, focused on bringing improved customer experience*
- *Declared 3.2 sen interim dividend on back of healthy free cash flow*

PETALING JAYA, 24 May 2023 – CelcomDigi Berhad (CelcomDigi) today announced its first quarter results for the Financial Year 2023 (Q1 FY2023), marking the company's first full quarter of combined financial reporting post-merger.

The company recorded positive topline and bottom-line growth, generating a healthy free cash flow (FCF) of RM696 million. Service revenue grew +0.9% Y-Y to RM2,670 million, while EBITDA grew +3.4% Y-Y to RM1,511 million with a solid EBITDA margin of 47.5%. Normalised profit after tax (PAT), excluding the effects of accelerated depreciation (non-cash items), rose +16.0% Y-Y to RM579 million.

CelcomDigi has accelerated its integration activities and continued to focus on bringing improved customer experience through enhanced products and services. After an accelerated CAPEX spend in Q4 FY2022 during the integration planning phase, the company further invested RM108 million in CAPEX in Q1 FY2023 to cater for increased capacity requirements.

The company declared a first interim dividend of 3.2 sen per share, amounting to RM375 million.

Network integration and modernisation efforts underway

The company started pilot network integration efforts in select clusters and full-speed network integration will commence from Q2 FY2023 onwards, where the company plans to re-invest 15%-18% of total revenue in CAPEX to support both existing networks and the new modernised integrated network.

The ambition is to deliver the widest 4G network with an increase in population coverage from 96% to 98% nationwide, with the latest 4G LTE and 5G-ready technology to provide improved quality and experience to all subscribers.

New, exciting offers to stay connected for CelcomDigi's 20.2 million customers

CelcomDigi introduced several offerings for both Celcom and Digi Postpaid and Prepaid customers, including the new Xpax Postpaid Unlimited 75, enabled free 5G trial access and 5G device bundling, and offered festive discounts on high-speed internet passes, among others. Higher take-ups in device bundling offers and internet passes contributed to the company's strong subscriber growth with net adds of 594k Y-Y bringing total subscribers to 20.2 million, and a sustained blended ARPU for the quarter.

The company also launched new CelcomDigi Home Fibre plans, providing ultra-fast home internet and offering additional savings when paired with selected Celcom or Digi Postpaid plans, yielding revenue, subscribers, and ARPU growth for its Home Fibre segment.

CelcomDigi also made it easier and convenient for its customers to stay connected by ensuring all its 534 Celcom Bluecubes and Digi Stores along with its exclusive partners' touchpoints nationwide were able to cater to the needs of both Celcom and Digi customers seamlessly.

Customers can now cross-access 11 types of sales and service transactions, from bill payments and plan changes to SIM replacements and prepaid reloads. New Postpaid and Prepaid subscribers of both Celcom and Digi can also complete their plan registrations, MNP registrations, or make Internet purchases at all Celcom Bluecubes and Digi Stores.

For the Enterprise segment, the company refreshed its corporate solutions under CelcomDigi Business, underscoring the company’s commitment to help enterprises of all sizes boost their business efficiency and productivity with Mobile, Fixed, IoT, Cloud, and Cybersecurity solutions.

CelcomDigi’s Chief Executive Officer, Datuk Idham Nawawi said, “We are pleased with the positive results in Q1 FY2023, having performed in line with our guidance. We maintain strong fundamentals to operate as a high-performing company, practicing operational excellence. We are accelerating integration efforts across the board, focusing on bringing the benefits of the merger to our customers in the shortest time possible. Organisational integration efforts are on-track, and the company has been operating as a single-entity since Day 1, with a single management team and sharp focus on bringing the best of both brands with improved offerings, network and retail experiences to our 20.2 million customers.”

“We are excited on the prospect of 5G and look forward to playing a more active and direct role in implementing the country’s 5G network, on the back of delivering the widest, most modern 4G network in Malaysia. We also remain committed to driving growth in convergence and enterprise solutions, leveraging new technologies and partnerships in 5G, AI and IoT solutions – there is a lot that customers can expect of us going forward,” he added.

Against the backdrop of rising scams and frauds besieging Malaysian society, CelcomDigi heightened its efforts in advocating digital safety and skills, collaborating with CyberSecurity Malaysia (CSM), and the Malaysian Crime Prevention Foundation (MCPF) to launch the Anti-scam National Awareness campaign (*Jelajah Anti-Scam Nasional*).

Financial Highlights

RM'm	1Q23	4Q22 (Reported)	1Q22 (Reported)	4Q22 (Comparable)	1Q22 (Comparable)	Q-Q	Y-Y
Total Revenue	3,180	2,181	1,522	3,306	3,050	-3.8%	+4.3%
Service Revenue	2,670	1,813	1,308	2,691	2,646	-0.8%	+0.9%
EBITDA	1,511	781	741	1,556	1,461	-2.9%	+3.4%
PAT	321	43	236	422	499	-23.9%	-35.7%

For meaningful analysis of the underlying business performance, comparative is on comparable basis where:

- merger is assumed effective since 1 Jan 2022; and
- exclude merger-related costs and accounting adjustments to harmonies accounting policies and estimates

- Total service revenue grew +0.9% Y-Y to RM2,670 million on improvement across all segments except for wholesale & others due to lower contributions from wholesale partners
- Postpaid revenue grew +0.9% Y-Y to RM1,283 million on positive traction for high value plans and mobile bundling offers, and solid contribution from Enterprise business
- Prepaid revenue grew +1.8% Y-Y to RM1,137 million fueled by strong data usage and stronger migrant contribution

- Y-Y EBITDA growth of +3.4% to RM1,511 million, reflective of a solid topline and OPEX discipline which yielded solid EBITDA margin of 47.5%
- Healthy FCF of RM696 million as flow through of prudent cash management and lower CAPEX spend
- PAT reduced by -35.7% Y-Y and -23.9% Q-Q to RM321 million after accounting for total depreciation and amortisation of RM916 million, net finance costs and share of associate's profit of RM134 million and taxation of RM140 million
- Normalised PAT, excluding the effects of accelerated depreciation (non-cash items), rose +16.0% Y-Y to RM579 million
- The Board of Directors declared 1st interim dividend of 3.2 sen per share equivalent to a payout of RM375 million, payable on 28 June 2023

Operational Highlights

- Healthy total subscriber growth of 594k Y-Y and 206k Q-Q to 20.2 million, reflecting focused execution on sustaining momentum across all segments
- Blended APRU sustained at RM42 for CelcomDigi
- Postpaid net adds of 153k Y-Y and 54k Q-Q to 6.7 million mainly from higher take-ups in device and bundle offers
- Prepaid strong net adds of 420k Y-Y and 146k Q-Q to 13.5 million on higher demand for high-speed internet passes
- Home Fibre subscriber base strengthened to 107k, up 21k Y-Y and 6k Q-Q driven by good take-ups for CelcomDigi Home Fibre products
- 4G and 4G LTE-A coverage at 96% and 90% of populated areas respectively
- Average data per user grew +14.2% Y-Y to 27GB for Celcom and +11.4% Y-Y to 23GB for Digi

-END-

About CelcomDigi

CelcomDigi is Malaysia's largest mobile network operator with more than 20 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.

For further media enquiries, please contact:

Audra Ooi, Communications, CelcomDigi | Mobile: +6016 483 2433 | audra.ooi@celcomdigi.com