

Press Release
For immediate publication

CelcomDigi's H1 FY2023 growth driven by stronger network quality and customer offerings

- *Declared second interim dividend of 3.2 sen per share*
- *Overall performance on track as per financial guidance*
- *Progressing well on integration efforts*

PETALING JAYA, 18 August 2023 – CelcomDigi Berhad (CelcomDigi) today announced an encouraging set of first half results for the Financial Year 2023 (H1 FY2023) which is in line with the company's 2023 guidance. This highlights the company's overall steady performance driven by focused execution in the first six months of 2023 since merger completion.

CelcomDigi recorded service revenue growth of 0.3% to RM5,410 million in H1 FY2023 coupled with strong subscriber additions of over 599K to 20.48 million, fueled by the company's unique value propositions in the market. Both EBITDA and Normalised Profit After Tax (PAT) strengthened 1.8% and 6.5% to RM2,992 million and RM1,044 million, respectively, cementing the company's commitment to deliver industry-leading EBITDA margin of 47.5% and normalised PAT margin of 16.6%.

For the second quarter of FY2023 (Q2 FY2023), service revenue rose marginally by 0.1% Q-Q to RM2,707 million driven by steady growth across core segments; while EBITDA amounted to RM1,480 million with a solid EBITDA margin of 47.4%. Normalised PAT excluding the effects of accelerated depreciation (non-cash items), rose +1.7% Q-Q to RM527 million, underscoring resilient underlying profitability growth.

In the quarter under review, CelcomDigi ramped up integration activities, and continued investments in network capacity upgrades and IT initiatives to improve customer experience. The company invested RM252 million in CAPEX or 8.1% of total revenue in Q2 FY2023, catering for network capacity upgrades and integration initiatives. As key projects have commenced in June 2023 onwards, the company expects CAPEX to ramp up for the remaining two quarters of FY2023.

The company declared a second interim dividend of 3.2 sen per share, amounting to RM375 million in line with its progressive dividend commitment to shareholders.

Network integration and modernisation efforts in full speed

Full-speed network integration commenced in Q2 FY2023. The company has completed 60% of its network integration and modernisation plans for 2023, with more than 2,000 sites in 24 clusters consolidated to-date. These efforts have uplifted overall network experience for its customers; post-consolidation, customers now enjoy wider coverage as well as increased download and upload speeds.

The ambition of the network integration plan 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.

Attractive and affordable offers leveraging 5G for CelcomDigi's 20.48 million customers

CelcomDigi introduced an array of value-for-money 5G offerings across Postpaid and Prepaid plans as well as device bundles with the widest range of 5G phones, lowest instalment plans, upgrades, and benefits for both Celcom and Digi customers.

The company also enhanced its CelcomDigi Home Fibre plans, providing ultra-fast home internet of up to 1Gbps, with more savings when paired with selected Celcom or Digi Postpaid plans. This contributed to continued growth trajectory in its Home Fibre segment, yielding revenue, subscribers, and ARPU growth.

Under its refreshed CelcomDigi enterprise offers, the company continued to see healthy demand for digital solutions across the SME segment, as well as higher M2M and connectivity solutions demand. The company also recently launched the CelcomDigi MY5G Series to drive industry development and adoption of 5G among Corporates and Public Sectors in the country.

CelcomDigi's Chief Executive Officer, Datuk Idham Nawawi said, "We are pleased to deliver both topline and bottomline growth while pushing ahead with integration of our networks, IT and organisation at the same time. Our customers remain the centre of focus – by efficiently harmonising backend operations and processes, we are able to better serve customers, deliver more value and converged products to customers, improve customer service, and modernise retail touchpoints and channels. Network integration and modernisation initiatives are progressing in full speed as we continue to provide elevated network experience to our customers on the nation's fastest, widest and most modern 4G network."

"We remain committed to leading 5G adoption in the country and have put in place initiatives such as the CelcomDigi MY5G CEO roundtable series to help businesses realise the true potential of 5G together. We look forward to unlocking more value and benefits of 5G for consumers and businesses in the coming months," he shared.

Financial Highlights

RM/mn	H1 FY2023	H1 FY2022	YTD	Q2 FY2023	Y-Y	Q-Q
Total Revenue	6,303	6,133	2.8%	3,123	1.3%	-1.8%
Service Revenue	5,410	5,393	0.3%	2,707	-0.3%	0.1%
EBITDA	2,992	2,939	1.8%	1,480	0.1%	-2.1%
PAT	669	980	-31.7%	348	-27.7%	8.4%
Normalised PAT	1,044	980	6.5%	527	9.6%	1.7%

Note: Normalised PAT excluding the accelerated depreciation and amortization costs (non-cash items)

- H1 FY2023 Service revenue grew +0.3% to RM5,410 million. Q2 FY2023 Service revenue grew +0.1% Q-Q to RM2,707 million, albeit a decline of -0.3% Y-Y from the recent revision in interconnect rate
- H1 FY2023 Postpaid revenue grew +0.3% to RM2,550 million on subscriber growth while Q2 FY2023 Postpaid revenue softened by -1.2% Q-Q to RM1,267 million from interconnect rate reduction and lower on-demand services
- Prepaid revenue grew +0.8% to RM2,281 million in H1 FY2023, while Q2 FY2023 grew +0.6% Q-Q to RM1,144 million driven by solid subscriber additions and continued strong data traction
- Home Fibre revenue grew +26.6% to RM81 million in H1 FY2023. For Q2 FY2023, the revenue strengthened by +27.3% Y-Y and +5.0% Q-Q to RM42 million, backed up by strong take-up of high value CelcomDigi Fibre offerings launched in 1Q 2023
- H1 FY2023 EBITDA rose +1.8% YTD to RM2,992 million as cost optimisation mitigated increased traffic growth and integration costs; while Q2 FY2023 EBITDA stood at RM1,480 million and margin of 47.4%
- Healthy Free Cash Flow (FCF) of RM1,790 million in H1 FY2023 or RM1,094 million for the quarter under review underpinned by working capital initiatives
- PAT declined -31.7% YTD to RM669 million for the first six months of FY2023, despite a steady growth of +8.4% Q-Q to RM348 million in Q2 FY2023.
- H1 FY2023 Normalised PAT rose by 6.5% to RM1,044 million, while Q2 FY2023 improved by +1.7% Q-Q to RM527 million on the back of focused core execution
- The Board of Directors declared second interim dividend of 3.2 sen per share equivalent to a payout of RM375 million, payable on 29 September 2023

Operational Highlights

- Healthy total subscriber growth of 599K Y-Y and 185K Q-Q to 20.48 million, driven by steady take-ups of recent product launches
- Blended ARPU amounted to RM41 for CelcomDigi as postpaid impacted by interconnect rate reduction and curbed messaging traffic
- Postpaid net adds of 159K Y-Y and 46K Q-Q to 6.8 million attributed to higher take-ups of smart and family bundles
- Prepaid strong net adds +418K Y-Y and +133K Q-Q to 13.6 million on continuous streak of subscriber additions with healthy data adoption
- Home Fibre subscriber base strengthened to 113K, up +22K Y-Y and +6K Q-Q driven by the continuous strong take-up of high value Fibre offerings
- 4G and 4G LTE-A coverage at 96% and 90% of populated areas respectively
- Average data per user grew +15.5% Y-Y to 28GB for Celcom and +8.3% Y-Y to 24GB for Digi

About CelcomDigi

CelcomDigi is Malaysia's largest mobile network operator with more than 20.5 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