

Press Release
For immediate publication

CelcomDigi maintains good progress on integration and network modernisation efforts, delivers steady Q3 FY2023 growth

- *Sustained growth in core segments, overall performance in line with financial guidance*
- *Launched new brand to drive leadership in innovation and digitalisation*

PETALING JAYA, 17 November 2023 – CelcomDigi Berhad (CelcomDigi) today announced its third quarter results for the Financial Year 2023 (Q3 FY2023), highlighting the company's strong growth performance driven by steady integration progress, solid market execution, and cost discipline.

CelcomDigi is on track with its overall merger integration efforts, with its network integration and modernisation reaching more than 4,400 sites as at end October 2023. These efforts have uplifted overall network experience, with customers now enjoying better signal strength and improved download speed in areas post consolidation. CelcomDigi is committed to delivering the widest and fastest 4G network in the country, with its 4G LTE and 4G LTE+ network coverage now reaching 96.4% and 91.1% of populated areas nationwide respectively.

CAPEX in the quarter increased 8.6% Y-Y to RM385 million in Q3 FY2023, as the company prioritised investments for network capacity upgrades and IT integration initiatives. CelcomDigi expects to accelerate CAPEX investments in the final quarter of the year, as it continues to deliver on integration milestones across the organisation.

Commenting on the results, CelcomDigi's Chief Executive Officer Datuk Idham Nawawi said, "We are happy with the progress made on overall business integration, and especially in delivering Malaysia's widest and fastest network through solid delivery of our network integration and modernisation programme. Our focus on market execution and prudent cost management contributed to our solid performance this quarter, with subscriber growth from all segments and improvements in profitability margins."

"In October, we also launched our new brand that underpins our vision to lead in innovation and digitalisation. This new milestone enables CelcomDigi to serve customers more seamlessly, and continue the steady progress made throughout the year in integrating products and services, introducing new offerings, building the nation's future digital network, and creating a winning organisation staffed by the country's most talented Malaysians," he added.

For Q3 FY2023, CelcomDigi recorded Service Revenue of RM2,712 million, and continued growing its quality subscriber base with additions of over 636K subscribers Y-Y, bringing its total subscribers to 20.6 million. EBITDA strengthened by 7.2% Y-Y to RM1,567 million, delivering an industry-leading EBITDA margin of 50.5%, while normalised Profit After Tax (PAT) improved to RM598 million, supported by disciplined cost management.

The company declared a third interim dividend of 3.3 sen per share amounting to RM387 million, in line with its progressive dividend commitment to shareholders.

Delivering affordable convergence and 5G plans

In Q3 FY2023, CelcomDigi continued to deliver best-value high-speed internet plans with extra data quota, 5G offerings, and device bundles with the widest range of 5G phones for both Celcom and Digi customers.

The company also launched Fibre-to-the-Room (FTTR), as well as introduced new fibre add-ons and smart home solutions, as part of its initiatives to deliver the best fibre experience with value-for-money convergence offerings when paired with selected Celcom or Digi Postpaid plans.

On the Enterprise segment, CelcomDigi progressed further with its MY5G Series to drive industry development and adoption of 5G among enterprises, having completed three CEO Roundtable sessions attended by over 60 CEOs across 20 different industries, as well as the MY5G Conference and Tech Showcase that saw more than 400 professionals convene to explore 5G and its potential to transform businesses.

Financial Highlights

RM'm	9M2023	9M2022 ¹	Y-Y	3Q2023	2Q2023	3Q2022 ¹	Q-Q	Y-Y
Total Revenue	9,407	9,205	2.2%	3,104	3,123	3,072	-0.6%	1.0%
Service Revenue	8,122	8,101	0.3%	2,712	2,707	2,708	0.2%	0.1%
EBITDA	4,558	4,401	3.6%	1,567	1,480	1,462	5.9%	7.2%
PAT	1,127	1,457	-22.6%	459	348	477	31.9%	-3.8%
Normalised PAT	1,643	1,457	12.8%	598	527	477	13.5%	25.4%
CAPEX	745	989	-24.6%	385	252	355	52.9%	8.6%

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

- Q3 FY2023 service revenue grew 0.2% Q-Q to RM2,712 million and 0.1% Y-Y from steady growth across Prepaid, Home & Fibre and other segments, and solid subscriber additions.
- Q3 FY2023 Postpaid revenue softened by 0.8% Q-Q to RM1,257 million as impacted by lower usage and further regulatory curbs on bulk messaging traffic.
- Q3 FY2023 Prepaid revenue grew 0.2% Q-Q to RM1,146 million on the back of solid subscriber additions and robust data usage.
- Home Fibre revenue grew 28.6% Y-Y and 7.1% Q-Q to RM45 million in Q3 FY2023, supported by steady take-up in the new fibre add-ons and high-speed plans for smart home solutions.
- Q3 FY2023 EBITDA stood at RM1,567 million, up 5.9% and 7.2% underscored cost optimisation efforts, to deliver EBITDA margin of 50.5%.
- PAT recorded an exceptional growth of 31.9% Q-Q to RM459 million in Q3 FY2023, yielding higher PAT margin of 14.8%.
- On normalised basis, Q3 FY2023 PAT improved by 13.5% Q-Q to RM598 million led by higher share of profits of an associate and a joint venture, lower depreciation, and taxation.

Operational Highlights

- Healthy total subscriber growth of 514K in the first nine months, including 123K in Q3 FY2023 to 20.6 million excluding Yoodo, reflecting quality subscriber base.
- Blended ARPU amounted to RM40 while Postpaid and Prepaid ARPU stood at RM67 and RM28, respectively.
- Postpaid net adds of 192K in the first nine months, including 92K Q-Q to 6.9 million driven by multiple attractive packages and bundles anchoring on 5G.
- Prepaid strong net adds of 302K in the first nine months, including 22K Q-Q to 13.6 million from the introduction of new 5G Internet Passes and Juara Kombo offerings.
- Home Fibre subscriber base strengthened to 121K, up 20K in 9M FY2023, including 8K Q-Q driven by introduction of new high-speed fibre plans and adds-on offerings.

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About CelcomDigi

CelcomDigi is Malaysia's largest mobile network operator with more than 20.6 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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