



PRESS RELEASE

For immediate publication

Digi pays 4.3 sen dividend in Q1 2019

Performance driven by solid postpaid and data growth, supported by solid operational efficiency

- EBITDA stands at RM723 million with 48% margin
- PAT resilient at RM366 million

SUBANG JAYA, 22 April 2019 – Digi.com Berhad (Digi) recorded healthy earnings in Q1 2019 having continued to make stronger inroads into Malaysia's postpaid market and increased internet adoption on its network that now serves 11.3 million customers. Q1 2019 service revenue¹ stood at RM1,441 million with EBITDA at RM723 million or 48% margin while ops cash flow was healthy at RM555 million or 37% margin, fuelled by the company's good traction on financial management.

In the quarter, the company invested RM168 million capex for IT and network capacity upgrades, fibre network expansion, and deployment of Network Function Virtualisation (NFV). Network population coverage now stands at 4G LTE: 89% and LTE-A: 67% supported by 8,400km of fibre network.

The company added 50,000 customers to its postpaid base, now totalling 2.9 million customers. Postpaid revenue¹ grew 13.5% y-on-y to RM671 million while postpaid internet revenue rose 25.3% y-on-y to RM461 million. Postpaid ARPU remained steady at RM71 supported by plan upgrades and ARPU increase from existing customers while its entry-level postpaid base strengthened.

The company's internet customer base stood healthy at 9.0 million, with customers using 10.2GB of data monthly which drove data traffic volumes up by 51% y-on-y. Internet revenue increased 13.3% y-on-y to RM862 million or 61.9% of service revenue as an effect of higher data usage across segments, 81.4% smartphone base and 21.0 million upsell transactions on MyDigi.

Digi's CEO Albern Murty said, "We have focused on building a strong postpaid portfolio and wide range of internet offerings to give customers full control over their digital experience. We also made strategic decisions to shift the subscriber mix and channel strategy for our prepaid business to drive growth from internet uptake and reduce dependency on legacy voice services. Despite market competition, we are positioning Digi for long-term growth by improving prepaid sustainability, driving further postpaid growth, investing in our network, and creating digital platforms to add value for customers while executing a disciplined strategy focused on growth, efficiency and digital transformation."

Resilient Q1 2019 Financials

RM million	1Q19	4Q18	Q-o-Q	Y-o-Y
Total revenue	1,509	1,674	(9.9%)	(7.4%)
Service revenue ¹	1,441	1,482	(2.8%)	(2.8%)
EBITDA (boi)	723	740	(2.3%)	(6.7%)
EBITDA margin	48%	44%	3.7pp	0.5pp
PAT	366	378	(3.2%)	(5.2%)

¹ Revenue ex- contract asset amortisation

All analysis and comparisons are based on pre MFRS 16

Key Highlights (Y-o-Y)

- Service revenue¹ at RM1,441 million fuelled by solid postpaid and internet revenue growth
- First interim dividend of 4.3 sen or RM334 million, payable to shareholders on 28 June 2019
- Internet revenue grew 13.3% y-o-y to RM862 million
- Postpaid revenue¹ grew 13.5% y-o-y to RM671 million over a larger 2.9 million subscriber base
- Prepaid revenue moderated to RM769 million; more importantly, prepaid subscriber mix shifted to 52% internet vs. 48% voice base setting the foundation for sustainable growth for the future



- OPEX reduced 0.4% y-o-y from solid efficiency initiatives, opex to service revenue healthy at 35.2%
- EBITDA stood at RM723 million or 48% margin
- Profit After Tax (PAT) at RM366 million with 24% margin
- Ops cash flow moderated 6.6% y-o-y but improved 8.8% q-o-q to RM555 million or 37% margin due to investments in IT and network upgrades
- Net debt to EBITDA ratio healthy at 0.8 times while conventional debt over total assets steady at 21%, well within the Shariah threshold

Continued investments to deliver quality network experience and innovative digital services to connect customers to what matters most in Q1 2019:

- Unveiled MyDigi 3.0 with greater convenience and rewards at customers' fingertips: one account for multiple numbers and easy one-click payment, customised rewards and internet offerings, and secure sign-in for a safer experience. MyDigi app monthly active users climbed to 3.2 million with 21.0 million upsell transactions for the quarter on the app.
- Introduced MyDigi Business to help enterprises easily manage their accounts: Manage multiple business lines in one place, instant customer support, and an all-in-one service portal.
- Customised digital services for different segments of customers:
 - Republic GG is an easy, safe platform for anyone with a valid mobile number to purchase game credits online. No debit or credit cards needed. Simply reload, select game items, and play.
 - Digital insurance coverage for dengue and zika in high alert areas as and when needed, in partnership with Gibraltar BSN.
- Officially launched JomStudi, a digital learning hub that aggregates school syllabus and digital safety content for students undergoing major national exams. A partnership with Astro and Media Prima aiming to change the learning experience for students, particularly in underserved areas.
- Enabled Malaysians to explore 5G's potential at the 5G Malaysia Showcase by featuring the future of emergency services, virtual learning and eSports enabled by the next generation of connectivity.

For more on Digi's Q4 2019 performance, visit www.digi.com.my/investors.

About Digi

Digi is a mobile connectivity and internet services provider enabling 11.3 million Malaysians on our advanced 4G+ network. We have an ambition to provide relevant, personalised, and engaging digital products and services that will fully enable our customer's digital lifestyles. Listed on Bursa Malaysia, Digi is part of global telecommunications provider Telenor Group, and is a leader in driving responsible business practices. For more information, visit www.digi.com.my.

For media enquiries, please contact Chew Hwee Yen (hychew@digi.com.my | +6012 395 3398).