



PRESS RELEASE

For immediate publication

Digi's Q3 net profit up 7.2% to RM385 million

Stronger quarter-on-quarter performance across the board:

- Service revenue grew 1.6% from continued postpaid revenue uplifts and stabilised prepaid revenue
- Solid 8.3% internet revenue growth
- EBITDA strengthened 1.4% to RM727 million at 46% margin

SUBANG JAYA, 17 October 2017 – Digi.Com Berhad (Digi) today reported quarter-on-quarter growth across key areas of business for the third quarter of 2017. The company's stronger sequential performance and earnings was headlined by solid postpaid and prepaid internet growth, better monetisation and quality network delivery of data, underscored by a continued focus on operational efficiency steadily delivering healthy EBITDA margins.

Digi's CEO Albern Murty said, "This was a strong quarter for us, reflecting that we have been disciplined to execute well against our business priorities to deliver earnings growth, steady margins with lower expenses. These results were driven primarily by organic growth from our strategy for the past several quarters, centred around providing customers a quality experience on the best 4G Plus network, complemented by great value offerings."

For the quarter, Digi's postpaid revenue continued its solid growth trajectory at 3.9% higher than the preceding quarter while prepaid revenue stabilised sequentially. The stronger performance in both postpaid and prepaid was backed by solid internet revenue growth of 8.3% quarter-on-quarter, an increase stimulated by stronger monetisation of services from the 8.5 million active internet users in its base, of which 5.7 million are 4G LTE subscribers, and growth in data traffic on its network. The company also sees similar positive growth trends in its enterprise business segment and its new digital business ventures.

"New and existing customers are drawn to our services that put them in full control of their digital experiences. In this quarter, we have enabled customers the #FreedomToInternet with our new line-up of Digi Postpaid Family plans that offer multiple SIMS for one account, our online exclusive Postpaid IFINITE plans with limitless internet and calls, and new enterprise business offerings. We feel confident, from these past months, that we are on the right track and that our strategy is yielding results. We will continue our investments in technology, product innovation and a refreshed retail and self-serve experience for our customers, while progressively digitising our business in our ambition to be a preferred digital partner for all Malaysians and businesses alike."

Stronger sequential Q3 Financials

RM million	3Q17	2Q17	Q-o-Q	3Q16	Y-o-Y
Service revenue	1,476	1,453	1.6%	1,554	(5.0%)
EBITDA	727	717	1.4%	775	(6.2%)
EBITDA margin	46%	46%	Steady	48%	(1.6pp)
PAT	385	359	7.2%	438	(12.1%)

Key Highlights (Y-o-Y)

- Service revenue increased 1.6% sequentially to RM1,476 million primarily due to our all-time high postpaid revenue, stabilised prepaid revenue, and overall internet revenue growth
- Internet revenue grew 15.6% y-o-y and 8.3% q-o-q to RM690 million from an expanded internet subscriber base of 72.0%, who more than doubled their average data usage this year to 6Gb each
- Postpaid revenue rose 13.9% y-o-y and 3.9% q-o-q to RM557 million, uplifted by a 30.9% y-o-y growth in postpaid internet revenue to RM326 million



- Prepaid revenue stabilised, growing 0.2% q-o-q to RM919 million, backed by solid prepaid internet revenue growth of 8.7% q-o-q and 4.6% y-o-y to RM364 million
- OPEX to service revenue remained steady at 33.5%, well managed amidst network expansion and data traffic growth
- Earnings before interest, tax, depreciation and amortisation (EBITDA) strengthened 1.4% q-o-q to RM727 million or 46% EBITDA margin, supported by sequentially stronger service revenue and efficient cost management
- Profit After Tax (PAT) climbed 7.2% q-o-q to RM385 million while PAT margin stood healthy at 25%
- Ops cash flow increased 17.8% q-o-q to RM575 million or 37% margin, the strongest level in the last four quarters on the back of stronger EBITDA and efficient capex management
- Declared healthy third interim dividend of 4.9 sen per share equivalent to RM381 million, payable to shareholders on 22 December 2017

Bringing Malaysians the #FreedomToInternet with quality digital, network and customer service experiences with Digi in Q3:

- Invested additional RM152 million in capex for the quarter to intensify LTE 900Mz sites deployment and nationwide network expansion for 4G LTE: 87%, LTE-A: 49% and 8,000km fiber network
- Simplified our prepaid internet portfolio to include robust offers such as affordable weekly and monthly internet passes, and worry-free one time internet passes
- Enabled the convenience to pay for purchases on the Apple App Store and Google Play Store with Digi Direct Billing
- Monthly active MyDigi users grew to 2.2 million while the volume of upsell transactions during the quarter surpassed 17.7 million
- Underscored our customer first commitment by mobilising over 1,200 Digizens to engage customers on how to enjoy the #FreedomToInternet on Digi's consistent 4G Plus network and appreciate customers on the streets in six major cities nationwide

More information on Digi's Q3 performance is available at www.digi.com.my/investors.

About Digi

We are a mobile connectivity and internet services provider enabling 11.9 million Malaysians to get the most benefit out of an increasingly connected world. With a strong legacy of product and service innovation delivered on Malaysia's widest 4G Plus network, Digi has an ambition to become customers' favourite digital partner, providing relevant, personalised and engaging digital products and services that will further enable all Malaysians' digital lifestyles. This is because we believe digital communication empowers everyone to improve their lives, build societies and secure a better future for all. Listed on Bursa Malaysia, Digi is part of global telecommunications provider Telenor Group and is a leader in driving progressive and responsible business practices. For more information about Digi, visit www.digi.com.my.

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