



PRESS RELEASE

For immediate publication

Digi's service revenue up 2.5% Q-o-Q in Q4 2017

- Sequential service revenue growth from increased postpaid and prepaid internet subscriptions
- Solid internet revenue growth of 8.3% Q-o-Q
- Delivered resilient EBITDA of RM731¹ million at 44% margin
- Dividend of 4.6 sen per share or RM358 million equivalent to almost 100% payout

SUBANG JAYA, 23 January 2018 – Capping a year of solid postpaid and internet development, progressive digital transformation and strong operational management, Digi.Com Berhad (Digi) today reported Q4 and FY2017 results that showed positive data uptrend driving revenue growth across the board. The company closed Q4 2017 with a record high RM747 million internet revenue, totalling 49.4% of its sequentially stronger RM1,513 million service revenue. FY2017 service revenue stood at RM5.91 billion with a strong EBITDA of RM2.89 billion at 46% margin, underlined by 11.7 million customers on its network.

In Q42017, Digi's postpaid and prepaid service revenue grew 4.1% and 1.5% respectively. This stronger sequential performance was supported by 8.7 million internet subscriber base, which includes 6.2 million 4G LTE subscribers, stimulating a 16.2% growth in data traffic on its network. Smartphone penetration from its base also steadily increased to 72.7%; all positive indicators of Malaysians' growing trust in the company's quality internet service and value offerings on the most consistent 4G Plus network in town.

Digi's CEO Albern Murty said, "We made good progress implementing our strategy in 2017, with our strong operational and financial performance, underscored by high data traction, showing the continued vibrancy of our business in this highly competitive environment. This capped a year where we delivered solid results and shareholder returns of RM1.46 billion in dividends. Digi is well positioned for future growth, and continued sustainable shareholder and customer value creation. We enter 2018 with confidence founded on our investments in next-generation network and digital capabilities to capitalise on opportunities for growth – using technology to connect our customers to what matters most to them."

Stronger sequential Q4 and steady FY2017 Financials

RM million	4Q17	3Q17	Q-o-Q	4Q16	Y-o-Y	FY17	FY16	Y-o-Y
Service revenue	1,513	1,476	2.5%	1,555	(2.7%)	5,914	6,226	(5.0%)
Total revenue	1,645	1,570	4.8%	1,670	(1.5%)	6,341	6,597	(3.9%)
EBITDA	731 ²	727	0.6%	741	(1.3%)	2,886	2,955	(2.3%)
EBITDA margin	44%	46%	(1.9pp)	44%	0.1pp	46%	45%	1pp
PAT	360	385	(6.5%)	375	(4.0%)	1,477	1,633	(9.6%)

Key Highlights

- Service revenue grew 2.5% q-o-q, while y-o-y decline improved to 2.7%
- Postpaid revenue rose 4.1% q-o-q and 13.5% y-o-y to RM580 million supported by 2.5 million postpaid subscribers
- Prepaid revenue grew 1.5% q-o-q to RM933 million from 9.3% sequentially stronger prepaid internet revenue on the back of lower prepaid legacy revenues
- Internet revenue up 8.3% q-o-q and 21.3% y-o-y over an expanded 8.7 million internet user base
- OPEX to service revenue remained steady at 33.3%, reflecting good cost management and operational efficiency given continued network expansion and aggressive data traffic growth
- EBITDA resilient at RM731¹ million or 44% margin while PAT levelled to RM360 million

¹ Exclude settlement costs and exit fee of RM6 million



- Ops cash flow remained healthy at RM561¹ million or 34% margin, from resilient EBITDA and accelerated network deployment in 1H 2017
- Final dividend of 4.6 sen per share or RM358 million, equal to almost 100% payout, delivering FY2017 dividends per share of 18.8 sen

360° digitisation of Digi to deliver on our customers' digital needs with the best products, services, and experience on our robust 4G Plus network:

- Invested RM170 million in capex in Q4 2017 as planned for nationwide network expansion and optimisation. Performed LTE upgrades for over 4,000 sites with coverage footprint standing at: 4G LTE: 87%, LTE-A: 55% and 8,000km fiber network
- Introduced new suite of Enterprise Go Digital plans, with customised services and digital solutions that enable enterprises to grow their business with less worry and more savings
- Self-care MyDigi app now serves 2.5 million users with an upsell transaction volume of 20.7 million, adding to total transactions of 63.1 million for 2017
- Digitising frontline experiences for customers with 100% adoption of our Mobile Sales app (MSA) at dealerships nationwide
- Entry into FinTech space with the launch of our vcash e-Wallet, a scan-and-pay mobile application

2018 Outlook Guidance

Digi expects to improve service revenue growth development with EBITDA sustained at around 2017 levels leveraging on sustainable growth, disciplined cost management and innovating operational efficiencies. Digi's 2018 guidance is as follows:

- Service revenue growth: flat-low single digit decline
- EBITDA: around 2017 level
- Capex to service revenue ration: 10%-12%

More information on Digi's Q4 and FY 2017 performance is available at www.digi.com.my/investors.

About Digi

We are a mobile connectivity and internet services provider enabling 11.7 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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