



PRESS RELEASE

For immediate publication

Digi declares 5.0 sen dividend in Q2 2019

- PAT up 7.8% y-o-y driven by steady performance on postpaid and internet business
- Disciplined operational efficiency momentum delivers EBITDA¹ at RM752 million with 49% margin

SUBANG JAYA, 12 July 2019 – Digi.com Berhad (Digi) reported stronger quarterly performance in Q2 2019, reflecting the company's ability to drive a sustainable business with healthy margins and remain resilient in a challenging market. For the quarter, Digi delivered RM1,451 million in service revenue², and EBITDA¹ at RM752 million or 49% margin.

The company's efforts to provide more value and digital experiences to customers saw a strong response, with continued growth reflected in postpaid and internet revenues, while prepaid revenue stabilised as internet adoption continues to exceed the use of legacy voice services in this segment.

The company invested RM261 million capex or 18.6% of service revenue in Q2 2019 to accelerate technology capabilities that will activate growth opportunities in the next quarter. These include IT capability improvements, network capacity and coverage upgrades, fibre network expansion, and Network Function Virtualisation (NFV) deployment. Digi's network now connects 11.4 million customers, serving populated areas across Malaysia with 4G LTE: 90%, LTE-A: 70% coverage and 9,100km of fibre network.

Net adds totalled 113,000 for the quarter. Growth was primarily driven by the company's easy device ownership programme, PhoneFreedom 365, higher demand for entry-level plans and growing subscriptions by businesses. Postpaid revenue² grew 12.6% y-o-y to RM697 million while postpaid business revenue increased 5% y-o-y. Prepaid revenue trimmed 13.2% y-o-y to RM751 million.

The company's internet revenue increased 9.2% y-o-y to RM879 million or 62.7% of service revenue. This was contributed by a larger 9.3 million internet customer and 83.1% smartphone base, with average monthly data usage totalling 11.4GB per customer.

Digi's CEO Albern Murty said, "We aim to deepen our customer insights capabilities and digitalisation efforts to drive differentiated customer experiences, connecting more Malaysians with services that matter most to them. We have started executing on this strategy and remain resilient in the midst of challenging market conditions."

Stronger Q2 2019 performance

RM million	2Q18	1Q19	2Q19 ¹	Q-o-Q	Y-o-Y	1H18	1H19	1H-o-1H
Total revenue	1,618	1,509	1,549	2.7%	-4.3%	3,253	3,058	-6.0%
Service revenue²	1,484	1,441	1,451	0.7%	-2.2%	2,967	2,892	-2.5%
EBITDA	768	723	752	4.0%	-2.1%	1,543	1,475	-4.4%
EBITDA margin	47%	48%	49%	0.6pp	1.1pp	47%	48%	0.8pp
PAT	384	366	414	13.1%	7.8%	770	780	1.3%

¹Include non-recurring cost benefit in COGS of RM34 million and Opex of RM28 million

²Revenue ex- contract asset amortisation

All analysis and comparisons are based on post MFRS 9 and MFRS 15.

Key Financial Highlights (Y-o-Y)

- Service revenue² grew 0.7% q-o-q with a narrowed decline of 2.2% y-o-y to RM1,451 million, primarily driven by solid 12.6% postpaid revenue² and 9.2% internet revenue growth y-o-y
- Prepaid revenue trimmed 13.2% y-o-y to RM751 million; ongoing shift in voice (46%) to internet (54%) revenue mix narrowed y-o-y decline to drive more sustainable returns moving forward
- OPEX¹ was flat y-o-y and remained a healthy 34.7% in proportion to service revenue, while investments into network and service innovation continued to ensure solid customer experience in the quarter



- EBITDA¹ rose to RM752 million or 49% margin
- Profit After Tax¹ (PAT) steady at RM414 million at 27% margin, after accounting for prior years' deferred tax overprovision of RM16 million
- Ops cash flow¹ dipped 20.9% y-o-y to RM491 million or 32% margin due to accelerated capex investment for network expansion
- Net debt to EBITDA ratio healthy at 0.8 times while conventional debt over total assets steady at 21%, well within the Shariah threshold based on pre-MFRS 16
- Declared second interim dividend per share of 5.0 sen or RM389 million, payable to shareholders on 27 September 2019

Connecting Malaysians with easy, affordable access to quality network and digital services in Q2 2019:

- MyDigi app active user base grew to 3.3 million, with 16.1 million upsell transactions on the app.
- Introduced upgraded Digi Postpaid Family plan offering equal benefits on data and calls for all family members. Open to customers who sign up for Digi Postpaid 80 and above, customers can tag up to three (3) supplementary lines to a principle line at only RM38 each monthly.
- Launched Digi Home Fibre pilot in selected areas within the Klang Valley: Bandar Sunway, Bangi, Kajang, Rawang, Shah Alam and Subang, actively exploring more connectivity options for Malaysians.
- Signed MoU with ZTE to explore the implementation of live trials and demonstrate use cases for 5G.
- Introduced an RM10 lifetime discount for persons with disabilities (OKUs) to enjoy Digi Postpaid plans from as low as RM28 monthly for 6GB of data.

For more on Digi's Q2 2019 performance, visit www.digi.com.my/investors.

About Digi

Digi is a mobile connectivity and internet services provider enabling 11.4 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).