



PRESS RELEASE

For immediate publication

Digi records strong start to 2021 underpinned by steady internet growth in Q1

- Strengthened Malaysian internet subscribers and B2B revenues
- Improved commercial momentum with new Postpaid portfolio driving up subscriber base to pre-pandemic level

SUBANG JAYA, 23 April 2021 – Digi.com Berhad (Digi) recorded a total revenue of RM1,550 million in the first quarter of 2021, the company announced today. This was largely attributed to a steady growth of 3.2% y-o-y internet and digital revenue, alongside improved 23.1% y-o-y device and other revenues.

Effects from border closures, changes in prepaid subscribers and revenue mix moderated service revenue performance to -3.6% y-o-y. Excluding roaming, the service revenue would have declined by -2.6% y-o-y. The company's focus on operational efficiency resulted in EBITDA at RM737 million, or margin of 48% while operational cash flow strengthened to RM580 million.

Digi's CEO Albern Murty said, "We saw a steady growth y-o-y from improved commercial momentum leveraging internet growth and a stronger network that has provided better capacity and consistent network experience. Moving forward, we stay committed in delivering business priorities, while maintaining a balance of operational efficiencies with strategic investments in growth areas, as well as continuing our support in the society's recovery."

Q1 2020 business performance reflects a positive start of the year

The company's internet customer base was 8.8 million, with customers using 19.7GB of data monthly, driving data traffic volumes up by 28% y-o-y. Internet and digital revenue increased to RM1,008 million, +3.2% y-o-y as a result of higher data usages across segments.

Digital engagements were robust underpinned by 13.8 million upsell transactions volume on MyDigi, now surpassing 4.48 million monthly active users. In addition, the company is gaining market share in the B2B segment as evidenced by higher subscriber base of 7% y-o-y and increased revenue excluding roaming of 3.3% y-o-y driven by strong take-ups in Go Digital and PENJANA bundles.

Digi's 4G LTE and LTE-A network coverage now serves 92% and 75% of the population nationwide respectively, alongside extensive fibre network of 10,000 KM. The company completed 104% of new 4G sites rollout under the Jalinan Digital Negara (JENDELA) plan in the quarter, and is also on track in customer and network migration efforts as part of the nation's 3G shutdown in phases.

Financial Highlights

Income Statement (RM'm)	1Q2020	4Q2020	1Q2021	Q-Q	Y-Y
Service revenue	1,387	1,350	1,337	-1.0%	-3.6%
Total revenue	1,560	1,561	1,550	-0.7%	-0.6%
EBITDA before other items	756	766	737	-3.8%	-2.5%
EBITDA (before other items) margin	49%	49%	48%	-1.5pp	-0.9pp
Profit after tax (PAT)	332	280	265	-5.4%	-20.2%



- Both prepaid and postpaid revenue sustained q-o-q momentum (-0.3% q-o-q each) from continued good commercial momentum while customer spend optimisation affected y-o-y development
- Device and other revenues improved (0.9% q-o-q and 23.1% y-o-y) from encouraging take-ups for value accretive PhoneFreedom 365 plans
- OPEX of RM404 million, reduced -1.7% y-o-y on the back of efficient credit management alongside continued network investments and increased on-ground activities
- Softer EBITDA at RM737 million or 48% margin driven by cost focus to drive lean and profitable business, though reflective of softer topline development
- PAT was RM265 million, -20.2% y-o-y or 18% margin was largely due to a fair value loss in relation to interest rate swap contracts of RM22 million as compared to a fair value gain of RM37mil same period last year, given the substantially low projected interest rates at the onset of the pandemic
- Capex amounted to RM157 million, or capex-to-total revenue ratio of 10.1% for network enhancements
- Net debt to EBITDA ratio healthy at 1.7 times while conventional debt over total assets was at 6.2%, well-within the Shariah threshold
- Declared dividend per share of 3.4 sen, equivalent to payout of RM264 million

Operational Highlights

- Malaysian active data subscribers grew 2.1% q-o-q and 6.3% y-o-y driven by affordable high-speed internet passes
- Prepaid ARPU uplifted to RM33 (+RM2 y-o-y) to further elevate blended ARPU to RM43 (+RM2 y-o-y)
- Postpaid subscriber base enlarged to 3.09 million users, with net adds of 46k q-o-q driven by new Digi Postpaid portfolio to drive focused acquisition and retention strategies
- Stronger traction in the large enterprise segment across various industries namely ports, oil and gas and banks through customised connectivity and solution offerings

Connecting Malaysians and businesses with best-in-value products and internet connectivity in Q1

- **New Digi Postpaid plans** introduced with simpler internet plans, no speed caps and complicated quota partitions, flexible add-on options, and all-round greater savings and value for bundles
- **Special high-speed internet passes for SPM, STPM** and higher education students to enable them with best internet experience during exam preparations
- **Free internet access for B40 students** with 4G WiFi powered up at PPR
- **Emergency network restoration** in flood-stricken areas to ensure people stay connected in difficult times
- Digi Business **joining forces with Touch n' Go Digital** to help SMEs and micro businesses digitalise with a complete suite of essential digital solutions, always-on connectivity and e-wallet facilities
- **Concluded Definitive Agreement with Celcom and Maxis** to jointly develop and share fibre infrastructure, allowing for faster and more efficient deployment of fibre backhaul to base stations and avoiding duplication of fibre infrastructure in the country

Leading in responsible business practices

- Launched **Yellow Heart Safe Internet portal**, a one-stop repository of educational material for all Malaysians, in conjunction with marking Digi's 10th year of running flagship Safe Internet programme
- Ongoing **partnership with Ministry of Education** to provide future skills module on digital education learning platform to reduce inequalities
- Launched **MYBaikHati** joint-industry device crowdsourcing campaign to assist B40 students in e-learning
- Launched second **Integrated Annual Report 2020**



2021 outlook and guidance

While the challenging operating environment is expected to continue as uncertainties from the pandemic persist, Digi is reiterating guidance amid rising Covid-19 cases and ongoing movement restrictions in certain states and districts.

Digi is committed in maintaining business as usual until the completion of the proposed merger of Celcom Digi Berhad, whilst remaining focused on delivering 2021 priorities to achieve our strategic ambitions.

2021 guidance is summarised as follows:

Service revenue	Low single digit decline
EBITDA	Medium single digit decline
Capex-to-total revenue ratio	14.0% - 15.0%

More on Digi's 1Q 2021 performance is available [here](#).

About Digi

Digi is a mobile connectivity and internet services provider enabling 10.25 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 Audra Ooi (audra.ooi@digi.com.my | +6016 4832433).