



PRESS RELEASE

For immediate publication

Internet and digital services lift Digi's Q2 growth, supported by strong and consistent network

- *Prioritised delivery of internet services and devices*
- *Network performance maintained as average monthly usage climbed to 21.4GB per subscriber*

SUBANG JAYA, 16 July 2021 – Digi.com Berhad (Digi) delivered a resilient quarter, driven by focused execution on its strategic business priorities. The company recorded service revenue of RM1,340 million, a marginal growth of 1.7% Y-Y, driven by increased internet usage. EBITDA was delivered at RM743 million or a margin of 45.9%, while profit after tax (PAT) lowered by 2.8% Y-Y to RM280 million.

Internet and digital revenue rose 7.0% Y-Y to RM1,020 million, underlining the company's focus on driving high-speed internet proposition with affordable mobile bundles to cater to Malaysians' need to stay connected in this current climate. Data traffic volumes went up by 18.3% Y-Y, with customers averaging a record high 21.4GB of data usage per subscriber monthly.

To support this increase in data consumption, Digi stepped up network optimisation activities to maintain network consistency and stability, with higher investments Y-Y of RM196 million for network capacity enhancements and new site deployments.

Digi's 4G LTE and LTE-A network coverage now serves 92% and 75% of the population nationwide respectively, alongside an extensive fibre network of 10,084 KM. The company also achieved all its targets for new 4G sites rollout and site upgrades under the Jalinan Digital Negara (JENDELA) plan in the quarter. Customer and network migration efforts are also on-track, as part of the nation's 3G shutdown in phases.

Digi's Chief Executive Officer Albern Murty said, "Digi remains committed to supporting the connectivity needs of society in these times, as we intensify efforts to provide consistent network experience, deliver on JENDELA ambitions, bring to market more innovative and affordable plans to support consumers. At the same time, we continue to step up our vigilance on the safety and health of our employees, partners, and in particular our retail and network frontliners, to continue serving our customers safely in our stores and digital channels."

Financial highlights

in RM'million	2Q2020	1Q2021	2Q2021	Q-Q	Y-Y
Service revenue	1,317	1,337	1,340	0.2%	1.7%
Total revenue	1,452	1,550	1,618	4.4%	11.4%
EBITDA	770	737	743	0.8%	-3.5%
Profit after tax (PAT)	288	265	280	5.7%	-2.8%
CAPEX to total revenue (%)	15.5%	10.1%	12.1%	2.0%	-3.4%

- Total revenue improved by 4.4% Q-Q and 11.4% Y-Y to RM1,618 million, underpinned by better performance of mobile segment and device sales
- Service revenue recovered by 0.2% Q-Q and 1.7% Y-Y to RM1,340 million attributed to better data monetisation alongside favourable response from Jaringan PRIHATIN offers



- Improved prepaid revenue of 0.5% Q-Q and 2.6% Y-Y to RM643 million on higher prepaid data revenue to offset lower non-internet usages
- Postpaid revenue of RM623 million supported by an enlarged subscriber base
- Device and other revenues grew 30.5% Q-Q and 105.9% Y-Y to RM278 million on positive take-ups for mobile bundles and newly launched smartphones
- Profit after tax (PAT) stood at RM280 million, +5.7% Q-Q and -2.8% Y-Y, due to higher depreciation and amortisation costs for increased right-of-use (ROU) assets, cushioned by lower net finance costs
- Second interim dividend of 3.6 sen per share was declared, representing 100% dividend payout ratio

Operational highlights

- Malaysian data subscriber base enlarged by 2.2% Q-Q and 5.2% Y-Y
- Blended ARPU sustained at RM43, whilst Prepaid ARPU uplifted for third consecutive quarter to RM34
- Postpaid subscriber base grew 95,000 Q-Q to 3.19 million, driven by the refreshed Digi Postpaid portfolio
- Continued growth in B2B segment with +6.9% Y-Y subscribers
- Gained traction in the large enterprise segment across various industries namely ports, oil and gas and banks through customised connectivity and solution offerings

Diverse products and services catering to different segments, from free to affordable offers, in challenging times

- Extended **free daily 1GB data** for all Postpaid and Prepaid customers until 31 December 2021
- Launched **Jaringan PRIHATIN** offers, subsidies provided financial aid to help B40 community own affordable 4G smartphones on entry-level plans
- Introduced **Pakej Data Khas Pelajar**, an exclusive high-speed internet plan to support online schooling for all students
- Introduced limited-time **Digi Fibre 150** offer to support new normal routines of studying, working, and socialising at home
- Launched **Digi eBelia Reload & Win** campaign, in which Prepaid customers enjoy **extra 10% free credits** for every online reload, while eBelia claimants stand to win additional RM50 credits

Responsible business as a strategic priority during the pandemic

- Enforced stricter safety guidelines at all retail touchpoints, Digi and partner premises, as part of health, safety, and environment (HSE) best practices
- Extended network support for coverage in essential and critical sites, including medical and vaccination centres
- Signed two-year MoU with UNICEF, extending partnership to collaborate on projects to reduce inequalities and advocate for children's rights in the digital age

2021 Guidance

Digi is reaffirming its FY2021 guidance of low single digit decline for service revenue, medium single digit decline for EBITDA, and capex-to-total revenue ratio of 14.0% to 15.0% in line with the company's commitment to drive better network quality.

More on Digi's 2Q 2021 performance is available [here](#).

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**About Digi**

Digi is a mobile connectivity and internet services provider enabling 10.2 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.

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