



## **PRESS RELEASE**

**For immediate publication**

### **Digi delivers positive service revenue growth year-on-year**

- *Solid postpaid performance with revenue growth of 13.7% year-on-year*
- *Record 22.5% year-on-year internet revenue growth to RM761 million*
- *EBITDA rose 4.2% year-on-year to RM741 million or 46% margin*

**SUBANG JAYA, 13 April 2018** – Digi.Com Berhad (Digi) today reported a strong entry into FY 2018 with solid year-on-year performance resulting from positive uplifts on top line across service revenue, gross profit and EBITDA; stronger operational efficiencies with continued opex reduction; and improved EBITDA and ops cash flow.

In Q1 2018, service revenue grew 0.7% year-on-year to RM1,483 million, fuelled by solid internet revenue growth within the quarter from the company's strong postpaid performance and stronger data monetisation of its prepaid business. Digi closed the quarter with 11.8 million subscribers with a healthy ARPU of RM42.

The company attributes this steady performance to its relentless focus on providing high-quality customer and service experiences, with continuous upgrades and optimisation of its 4G Plus network to support the increasing data demand from customers. In the quarter, Digi grew its active internet user base to 8.6 million, of which 6.6 million are 4G LTE subscribers, driving a total of 67% 4G data traffic on its network.

Digi's CEO Albern Murty said, "We managed to improve margins and returns, with earnings driven by the strong uptake momentum of our internet and digital services offerings across our postpaid, prepaid, enterprise and new digital businesses. Our sharper focus in delivering innovative range of products, services and solutions enabled us to provide better value and experience in meeting our customers' internet needs. This is supported by the sound investments we have made to accelerate the strategic deployment of our spectrum portfolio to improve the quality, performance and capacity of our 4G Plus network, while cost discipline and operational efficiencies have and will continue to be part of the way we create value."

Opex to service revenue for the quarter improved to 33.0% with 0.8% year-on-year and 2.8% quarter-on-quarter reduction in opex aided by realised operational efficiency initiatives achieved across sales and marketing costs as well as network related opex. Ops cash flow strengthened to 8.9% year-on-year to RM560 million, alongside higher margin of 35% as a result of higher EBITDA and relatively lower year-on-year capex spend this quarter.

These factors have led the company to declare a healthy 4.9 sen per share dividend. Digi's net debt to EBITDA ratio remained healthy at 0.8 times while balance sheet remained robust with solid financial capability and flexibility to fund investments and operational commitments.



## Steady Q1 2018 Financials

RM million	1Q18	4Q17	Q-o-Q	Y-o-Y
Service revenue	1,483	1,513	(2.0%)	0.7%
EBITDA	741	731	1.4%	4.2%
EBITDA margin	46%	44%	1.9pp	1.2pp
PAT	352	360	(2.2%)	(5.6%)

### Key Highlights

- Service revenue grew 0.7% y-o-y to RM1,483 million on the back of solid postpaid growth and stronger data monetisation from prepaid
- Internet revenue surged 22.5% y-o-y and 1.9% q-o-q to RM761 million over an 8.6 million active internet subscriber base, each using an average 7.2Gb of data a month
- Postpaid revenue grew 13.7% y-o-y and 1.9% q-o-q to reach RM591 million, from rising postpaid internet revenue contributions of RM368 million
- Prepaid revenue trimmed 6.4% y-o-y and 4.5% q-o-q to RM891 million; with yearly and sequential decline narrowing aided by stronger prepaid internet revenue contributions despite continued levelling of legacy prepaid revenues
- Earnings before interest, tax, depreciation and amortisation (EBITDA) strengthened 4.2% y-o-y and 1.4% q-o-q to RM741 million or 46% margin
- Profit After Tax (PAT) moderated to RM352 million due to higher depreciation while PAT margin remained at 22%
- Healthy first interim dividend of 4.9 sen per share or RM381 million, payable to shareholders on 29 June 2018

### Connecting customers to what matters most with a compelling combination of quality digital, network and customer services in Q1 2018:

- Invested RM181 million capex or 12.2% of service revenue to expand 4G LTE and LTE-A network footprint to 88% and 57% respectively, and over 8,200KM of fiber network nationwide
- 2100Mhz spectrum band re-issued for a tenure of 16 years until 1 April 2034 for a one-time fee of RM118.4 million and fixed annual fee at RM50 million per year
- Healthy monthly active MyDigi users at 2.5 million with upsell transactions on the app totalling 19.2 million for the quarter

More information on Digi's Q1 2018 performance is available at [www.digi.com.my/investors](http://www.digi.com.my/investors).

### About Digi

We are a mobile connectivity and internet services provider enabling 11.8 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+ 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](http://www.digi.com.my).

For media enquiries, please contact Chew Hwee Yen ([hychew@digi.com.my](mailto:hychew@digi.com.my) | +6012 395 3398).