



PRESS RELEASE

For immediate publication

Digi's records 2.1% service revenue growth in Q2 2018

Year-on-year performance amped by stronger growth and efficiency momentum

- 15.5% postpaid and 26.4% internet revenue growth momentum
- EBITDA strengthened 3.6% to RM743 million at 47% margin
- PAT steady at RM359 million with 23% margin

SUBANG JAYA, 13 July 2018 – Digi.Com Berhad (Digi) recorded steady performance in Q2 2018 underlined by stronger growth and operational efficiency momentum across the business. The company saw positive uplifts on its top line, closing the quarter with RM1,484 million service revenue and a healthy EBITDA of RM743 million or 47% margin. This was underscored by 11.7 million customers on its network.

The stronger growth and efficiency momentum for the quarter was attributed to the company's disciplined acquisition quality, strong focus on data adoption and monetisation, digitisation across its businesses, and strong management on its cost structures. This has resulted in a higher postpaid subscriber mix, better quality prepaid base, and good traction on new digital innovations.

Data traffic volumes increased 14% in Q2 2018, with customers using an average 8.2GB per month. Overall internet revenue climbed 26.4% y-o-y and 5.8% q-o-q to RM805 million or 54.2% of service revenue. The strong performance was fuelled by a larger 8.8 million internet subscriber base, which included 7.1 million 4G LTE subscribers, and a higher smartphone adoption of 76.1% on its network.

Digi's CEO Albern Murty said, "We have maintained good momentum in the first half of the year, contributed by a disciplined cost focus, investing in areas with better margins and growing data usage in our base. Our digitisation efforts have given us valuable insights to better sell and serve various customer segments to easily access the internet the way they want. Our primary focus is to continue to provide our customers with quality digital experiences over a consistent network, and to do this in a sustainable manner."

Stronger Q2 2018 Financials

RM million	2Q18	1Q18	Q-o-Q	Y-o-Y
Service revenue	1,484	1,483	0.1%	2.1%
EBITDA	743	741	0.3%	3.6%
EBITDA margin	47%	46%	0.5pp	0.6pp
PAT	359	352	2.0%	0.0%

All analysis and comparisons are made based on old accounting principles.

Key Highlights (Y-o-Y)

- Service revenue grew 2.1% y-o-y to RM1,484 million anchored by solid postpaid and internet revenue growth
- Internet revenue increased 26.4% y-o-y to RM805 million over an 8.8 million active internet subscriber base, each using an average 8.2GB of data a month
- Postpaid revenue grew 15.5% y-o-y to RM619 million supported by a stronger postpaid base
- Prepaid revenue trimmed 5.7% y-o-y to RM865 million with yearly and sequential decline narrowing due to stronger prepaid internet revenues despite continued levelling of legacy prepaid revenues
- OPEX to service revenue stood at 32.2% aided by digitisation capabilities and operational efficiencies
- Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 3.6% y-o-y to RM743 million at 47% margin
- Profit After Tax (PAT) flat y-o-y at RM359 million with PAT margin at 23%
- Ops cash flow remained healthy at RM596 million or 38% margin, from stronger EBITDA



- Net debt to EBITDA ratio remained healthy at 0.8 times while conventional debt over total assets remained steady at 21%, well within the Shariah threshold
- Post MFRS 15 adoption, announced healthy second interim dividend of 4.9 sen per share or RM381 million, payable to shareholders on 28 September 2018

Connecting customers with easy, affordable access to quality network and digital services in Q2 2018:

- Invested RM147 million capex or 9.9% of service revenue as planned to expand 4G LTE and LTE-A coverage to 89% and 58% respectively, and over 8,300KM of Fiber network nationwide
- Digital self-serve MyDigi app recorded solid upsell transactions of 20.9 million, with over 2.6 million monthly active users
- Continued innovation of affordable products and services for all segments of society to easily access the internet, with data passes as affordable as RM1 on prepaid, and RM38 per month for postpaid.

More information on Digi's Q2 2018 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+ 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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