



PRESS RELEASE

For immediate publication

Digi's announces healthy third interim dividend of 5.0 sen per share or RM389 million

Steady year-on-year performance anchored on data growth momentum and operational efficiency

- 14.9% postpaid and 18.4% internet revenue growth momentum
- EBITDA healthy at RM725 million with 46% margin
- PAT at RM368 million with 23% margin

SUBANG JAYA, 17 October 2018 – Digi.Com Berhad (Digi) announced steady Q3 2018 performance today, recording RM1,475 million in service revenue and a healthy EBITDA of RM725 million or 46% margin. Increasing data consumption on its network remains the key contributor to its performance, fuelling growth across its postpaid and prepaid internet business as well as new digital businesses, and contributing to the company's expanded 11.8 million subscriber base this quarter.

Data traffic grew 60% y-o-y during Q3 2018 driving overall internet revenue up by 18.4% y-o-y and 1.5% q-o-q to RM817 million, which now constitutes 55.4% of service revenue. The company also reflected strong 4G LTE customer growth to 7.5 million and increased smartphone adoption at 77.4%, with customers using 9.1GB on average each month on its network.

In driving increased internet and digital services uptake among customers, the MyDigi self-serve app has steadily recorded 21.9 million in upsell transactions over a broader base of 2.8 million monthly active users. Building on its analytics capabilities, Digi introduced the app's new Rewards and Box of Surprise features to better serve its various customer segments with personalised offers and rewards from over 500 brands at 7,000 locations. MyDigi will serve as an important enabler for growth moving forward.

Digi's CEO Albern Murty said, "This was a busy quarter for us as we focused on capturing data demand on our network while maintaining margins in the current market environment. Our strategy is to focus on our postpaid, internet and digital capabilities to efficiently deliver high-quality services to customers while being financially disciplined. And we remain deeply committed to enable more Malaysians and businesses to benefit from relevant, affordable mobile and digital services across the country."

Steady Q3 2018 Financials

RM million	3Q18	2Q18	Q-o-Q	Y-o-Y
Service revenue	1,475	1,484	(0.6%)	(0.1%)
EBITDA	725	743	(2.4%)	(0.3%)
EBITDA margin	46%	47%	(0.7pp)	0.2pp
PAT	368	359	2.5%	(4.4%)

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

Key Highlights (Y-o-Y)

- Service revenue at RM1,475 million driven by strong postpaid and prepaid internet revenue growth
- Internet revenue climbed 18.4% y-o-y to RM817 million anchored by 9.0 million internet subscriber base consuming an average 9.1GB of data each monthly
- Postpaid revenue grew 14.9% y-o-y to RM640 million over a stronger 2.7 million subscriber base
- Prepaid revenue trimmed 9.1% y-o-y to RM835 million due to intense prepaid data price competition, and moderating demand for legacy voice and messaging services
- OPEX to service revenue 33.1% from continued focus on operational efficiencies
- Earnings before interest, tax, depreciation and amortisation (EBITDA) stable at RM725 million with EBITDA margin at 46%
- Profit After Tax (PAT) steady at RM368 million with 23% margin
- Ops cash flow increased 4.0% y-o-y to RM598 million or 38% margin



- Net debt to EBITDA ratio remained sturdy at 0.7 times while conventional debt over total assets steady at 21%, well within the Shariah threshold
- Healthy third interim dividend of 5.0 sen per share or RM389 million, payable to shareholders on 20 December 2018

Innovating easy, affordable access to quality network and digital services in Q3 2018:

- Adding to RM328 million capex invested in H1 2018, we invested RM127 million capex for network capacity upgrades and coverage expansion for 4G LTE: 89% and LTE-A: 61% respectively. Our capex commitment for FY2018 is between 11% - 12% of service revenue.
- MyDigi app recorded steady increase in upsell transactions of 21.9 million, with over 2.8 million monthly active users on the self-serve platform.
- Introduced all-new MyDigi Rewards and Box of Surprise features offering personalised offers and rewards to customers from over 500 brands at 7,000 locations.
- To enable more digitised businesses, unveiled two new offerings:
 - OMNI, an affordable, enterprise-level virtual phone system for SMEs simply controlled by a smartphone app and a web dashboard.
 - Industrial Valet, an exclusively customised e-commerce solution for Sime Darby Industrial, providing SDI's customers the convenience of buying heavy equipment parts in just a few clicks.
- Launched new high value postpaid plans - RM120, RM160, RM190 - with device bundles and Borderless Roaming benefits.
- Continued driving internet adoption and usage with affordable prepaid bite-sized internet passes, one-time Internet Cili Padi passes and more internet access via biGBonus and Super Tererrr plans.

More information on Digi's Q3 2018 performance is available at 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.

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