



PRESS RELEASE

For immediate publication

Digi delivers RM5.43 billion service revenue in FY2020

Efficient operations, transformation initiatives, growing Malaysian internet subscribers and B2B revenues sustained despite macro Covid-19 related pressures

Subang Jaya, 27 January 2021 – Digi.com Berhad (Digi) today announced its FY2020 results, underscoring its operational efficiency, digital modernisation efforts, and across-the-board operational resilience as key priorities for the company during the year. Digi’s solid business continuity management underpinned the company’s disciplined execution on securing growth opportunities, ensuring reliable nationwide connectivity, and serving customers’ needs as the Conditional Movement Control Order (CMCO) returned to several key markets in the fourth quarter of 2020.

A strong uptake in digital services and overall improved data usage resulted in a 9.9% Y-Y growth in internet and digital revenue for FY2020. Disciplined operational efficiency initiatives yielded opex savings of -1.4% Y-Y, and EBITDA of RM3.08 billion, in line with 2020 revised guidance.

In 4Q 2020, the company increased CAPEX¹ to RM275 million, catered to delivering fastest and most consistent network, driving customer engagements via digital channels, and curating relevant and best-in-value product offerings. These efforts contributed to the net growth of Postpaid and Business subscribers.

Digi’s CEO Albern Murty said, “Digi rallied against a challenging and uncertain market throughout 2020, driven by efficient operations and transformation initiatives. In the months ahead, we will maintain a sharp focus on accelerating our digital agenda and modernising our network and IT infrastructure to enhance customer experience, as well as supporting the society’s recovery in this current climate.”

Throughout the year, Digi maintained its strong support to aid the nation’s Covid-19 recovery through the provision of free 1GB data daily for productivity and education, access to PENJANA digitalisation grants for SMEs, and various Yellow Heart community initiatives to support critical humanitarian and emergency relief efforts.

Resilient quarter and FY2020 business performance

Steered by smart investments to drive customer value and better network experience, Digi invested a total of RM773 million CAPEX in FY2020. As a result, its robust 4G LTE and LTE-A network coverage grew to 92% and 75% of the population nationwide respectively, alongside 9,981 KM of extensive fibre network.

| RM million | 4Q2019 | 3Q2020 | 4Q2020 | Q-Q | Y-Y | FY2019 | FY2020 | FY-FY |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Service revenue | 1,437 | 1,374 | 1,350 | -1.7% | -6.1% | 5,644 | 5,428 | -3.8% |
| Total revenue | 1,678 | 1,579 | 1,561 | -1.1% | -7.0% | 6,297 | 6,152 | -2.3% |
| EBITDA (before other items - boi) | 817 | 786 | 766 | -2.5% | -6.2% | 3,303 | 3,078 | -6.8% |
| EBITDA (boi) margin | 48.7% | 49.8% | 49.1% | -0.7pp | 0.4pp | 52.5% | 50.0% | -2.5pp |
| Profit after tax | 343 | 321 | 280 | -12.8% | -18.4% | 1,433 | 1,221 | -14.8% |

All analysis and comparisons are based on post MFRS 16

Key financial and operational highlights in 4Q2020

- Total data traffic grew 8.2% Q-Q and 28.2% Y-Y as a continued effect of CMCO

¹ Included Asset Retirement Obligation (ARO) adjustments in 4Q 2020



- Internet users of 8.7 million, equivalent to 87.3% of penetration rate led by strong internet adoption
- Enlarged B2B customers by 1.8% Q-Q and 5.5% Y-Y driven by our flexible and affordable digital bundle plans
- Monthly active users for MyDigi application rose to 4.4 million on improved features and personalised rewards
- Opex reduced by -4.0% Q-Q and -2.8% Y-Y, attributed to strategic channel transformation to online platforms
- Achieved sukuk rating of AAA/Stable/P1 by RAM Rating in December 2020
- Final interim dividend of 3.6 sen per share equivalent to RM280 million

Connecting Malaysians with more affordable products and better network experience nationwide in 4Q2020

- **More@HOME** campaign introduced to support Malaysians to stay connected at home – through the campaign, customers can expect to get extra savings from special deals across Digi’s products and services including smartphones
- Digi and Senheng partnered to launch **PlusOne Connect**, first-of-its-kind co-branded entry-level prepaid plan
- Exclusive **Digi Postpaid Smart Bundle** for frontliners and employees of essential services
- **Digi Business Fibre Broadband** launched to offering total connectivity solution for SME businesses nationwide
- Digi partnered Cisco to offer **Cisco Umbrella**, an industry-first cloud-based cybersecurity solution to SMEs
- **Partnership with ZTE** on radio network modernisation, as part of Digi’s continuous efforts to enhance its network capacity and deliver improved user experience, while preparing a future-ready network.

Supporting Covid-19 humanitarian efforts and leading in responsible business practices

- Digi is partnering **MERCY Malaysia** to coordinate channeling of RM1 million contribution under the GLC-Disaster Recovery Network (GDRN) coalition, to aid relief efforts nationwide. This follows Digi’s contribution of RM1 million earlier in the year to support medical frontliners in the early phase of Covid-19 response, also channeled through GDRN.
- **Championing data privacy** by introducing simplified privacy notices with user-friendly infographics for easy understanding
- **Improving website and app accessibility** to better serve visually impaired community

2021 outlook and guidance

While the market conditions continue to be challenging, Digi remain focused on its long-term strategic goals, set on solid fundamentals of robust financials, organisational agility and its trusted and responsible brand.

Digi will prioritise on:

- Accelerating growth in core and digital businesses to re-capture the need for connectivity across prepaid, postpaid and FTTH segments
- Investing in network and IT infrastructure modernisation to enhance customer experience
- Driving financial sustainability via structural efficiency initiatives and cost containment efforts
- Committing to the highest standards of Responsible Business

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 4Q 2020 performance is available [here](#).

**About Digi**

Digi is a mobile connectivity and internet services provider enabling 10.44 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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