



PRESS RELEASE

For immediate publication

Digi delivers resilient FY2021 performance on the back of strengthened network

- *Prioritised network and digital modernisation initiatives for improved customer experience and growing momentum in core segments*
- *Continued commitment to drive recovery from Covid-19 and support communities impacted by floods*

SUBANG JAYA, 28 January 2022 – Digi.com Berhad (“Digi”) today announced its FY2021 results, highlighting network and digital modernisation efforts, operational resilience, as well as commitment in supporting societal recovery from a challenging 2021 as key priorities for the company in the year. The company’s FY2021 service revenue stood at RM5,341 million, a -1.6% Y-Y decline, in line with its financial guidance for the year.

As the country underwent prolonged lockdowns last year, Digi ensured that it maintained the quality of its network services at a time when connectivity was critical for all. The company stepped up efforts to expand its 4G network coverage as well as upgraded existing sites to deliver improved 4G network experience for its customers. These included a successful 3G network shutdown, in line with Malaysia’s Jalanan Digital Negara (JENDELA) initiative. The shutdown enabled 3G spectrum to be repurposed to strengthen Digi’s 4G network performance, allowing for better quality of internet experience. Digi’s 4G LTE and LTE-A network coverage grew to 93.1% and 75.9% of populated areas nationwide respectively, alongside 10,173 km of fibre network.

Digi continues to work closely with the Malaysian Communications and Multimedia Commission (MCMC) on Universal Service Provision (USP) initiatives. In 2021, the company was awarded USP projects in rural and remote areas which will strengthen its ability to provide high-quality and affordable digital connectivity to these communities.

On the back of a strengthened network and solid execution of its business strategy, Digi continued to gain momentum in Postpaid, growing 253K subscribers Y-Y in FY2021 to a total of 3.3 million, underscoring customers’ appetite for high-speed internet, smart bundles and fibre plans. The company also recorded an overall improvement in acquiring quality Malaysian Prepaid customers, whilst its Business (B2B) segment enlarged its subscriber base by 9.8% Y-Y from supporting both SME and large enterprise customers with digitalisation solutions.

Digi’s Chief Executive Officer, Albern Murty said, “We delivered our 2021 priorities amid the current business environment, by emphasising on improved network and digital experiences for our customers and driving efficiencies across the operations. We also remain committed in supporting pandemic and flood relief efforts through various community-focused initiatives and relief aid, and in keeping our customers connected.”

Steady 4Q 2021 performance within guidance

As part of Digi’s strategy, the company completed its planned system migration for its customer billing platform in 4Q 2021. Arising from this was a regrettable but temporary service interruption in the last



week of October 2021 as customers faced intermittent data access and errors in quota management, all of which were resolved in due course. Service revenue for the quarter contracted by -1.6% Q-Q to RM1,321 million, largely attributed to the impact of the migration. Excluding this impact, Q-Q momentum sustained, particularly for Prepaid, supported by healthy demand from its Malaysian base.

Income Statement (RM'm)	4Q2020	3Q2021	4Q2021	Q-Q %	Y-Y %	FY2020	FY2021	Y-Y
Service revenue	1,350	1,343	1,321	-1.6%	-2.1%	5,428	5,341	-1.6%
Total revenue	1,561	1,584	1,584	0.0%	1.5%	6,153	6,336	3.0%
EBITDA	766	788	740	-6.1%	-3.4%	3,080	3,009	-2.3%
EBITDA (boi) margin	49.1%	49.7%	46.7%	-3.0%	-2.4%	50.1%	47.5%	-2.6%
Profit after tax (PAT)	280	313	304	-2.9%	8.6%	1,221	1,162	-4.8%
PAT margin	17.9%	19.8%	19.2%	-0.6%	1.3%	19.8%	18.3%	-1.5%
Capex / Revenue %	17.6%	10.7%	18.4%	7.7%	0.8%	12.6%	12.8%	0.2%

Key financial highlights in 4Q 2021

- Total revenue of RM1,584 million grew 1.5% Y-Y supported by positive momentum in core segments and healthy device revenue growth
- Postpaid revenue rose 1.6% Y-Y following the fifth consecutive quarter of solid subscriber growth
- Prepaid revenue decreased -2.6% Y-Y due to churn from low quality segments and impact from billing platform migration, while supported by continued growth in Malaysian base
- B2B revenue rose 2.2% Y-Y underlining efforts to meet digitalisation needs of SME and large enterprise segments
- Opex increased 6.1% Y-Y mainly from higher investments in sales and marketing, as well as network operations and maintenance to drive growth and modernisation. Excluding one-offs, the normalised Y-Y increase was 2.1%
- EBITDA was down -3.4% Y-Y to RM740 million due to flowthrough from higher costs and one-off impacts
- Profit After Tax was up 8.6% Y-Y through operational efficiencies and positive outcomes of long-standing tax claims
- Fourth interim dividend of 3.9 sen declared to sum 2021 total dividend to 14.9 sen, or near 100% of payout ratio

Operational highlights in 4Q 2021

- The total subscriber base stood at 10.3 million, with positive growth in Postpaid and quality improvement of the Prepaid base
- Internet subscriber base grew to over 9.0 million, alongside higher smartphone penetration rate of 92.0% reflecting a data-hungry subscriber base. Monthly average data usage per user grew 8.9% Y-Y to 20.7GB.
- Steady monthly Prepaid Malaysian subscriber trend, which grew 10.5% Y-Y and 0.4% Q-Q through targeted offerings and lowering churn rate
- Strong fibre subscriber growth resulting from upselling attractive family and smart bundle propositions
- Core ARPU remained resilient despite lower voice usage and continued low roaming activities to reduce blended ARPU by -RM1 to RM42



Delivering better offers and digital experience to customers in 4Q2021

- **Affordable, best-in-value propositions to help all Malaysians stay connected**
 - Launched [Juara Internet 2022](#), an extensive campaign underscoring Digi's high-speed internet proposition, with limited-time deals covering all segments - Postpaid, Prepaid, Fibre, and mobile broadband
 - Launched [RDY Gaming Plan](#), new Digi Prepaid plan designed exclusively for mobile gamers
 - [Pakej Peranti and Pakej Remaja Keluarga Malaysia](#) special offers to provide more affordable internet connectivity options for Malaysian households
- **New digital channel catering to customers' digital lifestyle**
 - Launched [Digi Store on Shopee Mall](#), giving customers easy access to Digi's products
- **New digital solutions for businesses**
 - Digi Business introduced [UltraPOS](#), fastest all-in-one payment terminal, as part of its Go Digital bundle solutions to help SMEs digitalise

Responsible Business initiatives to drive recovery from Covid-19 and support communities affected by floods

- All Digi Stores and retail frontliners are [100% fully vaccinated](#)
- Financial aid channelled through **MERCY Malaysia for flood relief efforts**
- [Future Skills For All](#) – enabling differently abled students to learn coding, via partnership with Malaysian Federation of the Deaf (MDF)

2022 outlook and guidance

Digi's 2022 guidance is as follows:

Service Revenue	• Return to growth underpinned by momentum in postpaid, B2B and fibre
EBITDA	• Around FY2021 level driven by ongoing operational efficiency discipline
Capex-to-total revenue ratio	• Around FY2021 level with prioritised focus on enhancing network and digital capabilities

More on Digi's 4Q 2021 performance is available [here](#).

About Digi

Digi is a mobile connectivity and internet services provider enabling 10.3 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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