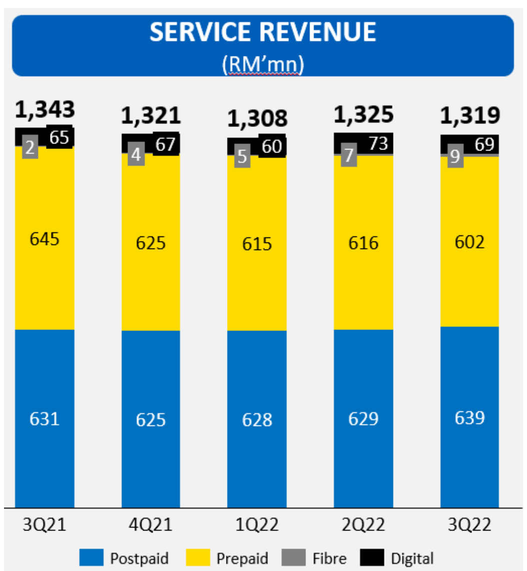
## SOLID RESULTS AND CONTINUED GROWTH IN CORE SEGMENTS

- Resilient service revenue of RM1,319 million buoyed by steady growth in Postpaid, Fibre and B2B businesses and positive underlying trend in Prepaid
- Total customer base growth momentum continued for second consecutive quarter with net additions of +210K to 10.72 million manifesting strong Digi value proposition
- The Postpaid subscriber base was up +39K Q-Q, the 8th consecutive quarter with growth, whereas the Prepaid subscriber base recorded a strong growth of +167K Q-Q driven by a rebound of the Migrant segment
- Cost optimisation efforts and lower spectrum license fees saw reduction in OPEX by -4.4% Q-Q to RM394 million
- EBITDA (before other items) lifted by 0.9% Q-Q to RM749 million, reflecting higher EBITDA margin of 48.9% driven by continuous modernisation initiatives and prudent spending
- Profit after tax rose 20.5% Q-Q to RM265 million from improved operating result and lower financing and tax costs
- Continued investments in reliable and high-speed connectivity, whilst supporting JENDELA to sustain #1 position in download speeds and consistency
- On track to deliver FY2022 guidance fuelled by our growth and modernisation strategies focusing on addressing customer needs in a challenging market environment

## 3Q 2022 FINANCIAL SUMMARY

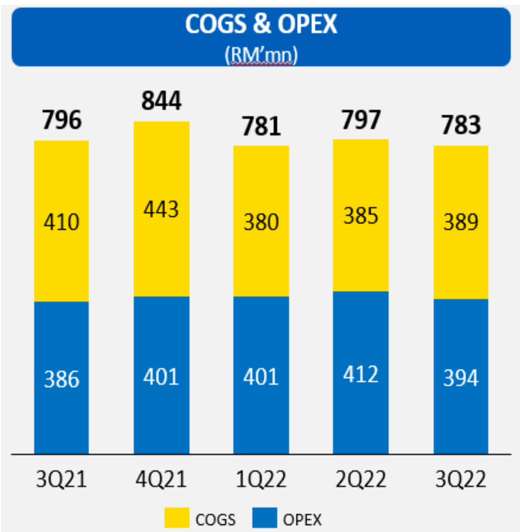



**Quarter-on-Quarter (Q-Q)**

- Resilient Service revenue momentum with a marginal -0.2% drop excluding Digital despite adverse macro trend and the end of Jaringan Prihatin programme (JP).
- Postpaid and Fibre revenue up 1.6% and 28.6%, respectively, on healthy consumer demand for smartphone and smart bundles anchored on high-speed internet proposition as well as continued B2B growth.
- Prepaid softened -2.3% as steady recovery in the migrant segment and good customer reception for our new Unlimited product further cushioned the negative ARPU impact from the JP which concluded last month.
- Increased demands for high-end smartphone models led to healthy device revenue of RM189 million to drive sustainable Postpaid growth.

**Year-on-Year (Y-Y)**

- Total service revenue declined by -1.8% despite robust Postpaid, B2B and Fibre growth. The encouraging total subscriber base additions of +358K to 10.72 million further compensated the impact from the JP which peaked in 3Q21 and subsequently ended in 3Q22.
- Postpaid strengthened 1.3% to underline our efforts in growing contracted base alongside 12.4% B2B revenue growth on our strong value proposition supporting the accelerating digitalisation needs of Malaysian businesses.
- Prepaid revenue was down -6.7% as the recent strong recovery of the migrant segment was unable to compensate for the impact from the end of JP where we fared encouragingly well since its inception.
- Encouraging underlying development from the Juara Internet Malaysiaku campaign and the launch of new Prepaid Unlimited products yielded higher active Prepaid subscriber base for both Malaysian and migrant segments, bringing total Prepaid subscriber to 7.30 million, up +177K.

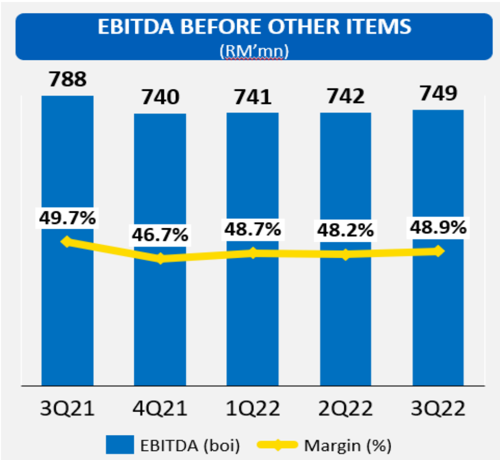



**Quarter-on-Quarter (Q-Q)**

- The 1.0% increase in COGS was driven mainly by higher demand for devices, high-speed fibre connectivity and broad range of digital services.
- OPEX declined -4.4% underscoring the solid execution of our continuous modernisation programme, disciplined spending, improved management of doubtful debts.
- This coupled with lower spectrum license fees following the conversion of 2,600 MHz to SA basis to mitigate the impact of traffic growth, network expansion, ongoing IT modernisation and merger preparations.
- OPEX to service revenue strengthened to 29.9%, up from 31.1% last quarter.

**Year-on-Year (Y-Y)**

- COGS declined -5.1% mainly on lower traffic and material costs, partially attributed to strategic shift in revenue mix, increasing the Gross Profit Margin from 74.1% to 74.6%.
- Underlying OPEX rose 2.1% driven mainly by investments in network expansion, IT modernisation and merger related costs as well as positive one-offs in 3Q21.
- This was partly offset by continuous modernisation programme, disciplined spending, improved management of doubtful debts, and lower spectrum license fees following the conversion of 2,600 MHz to SA basis.

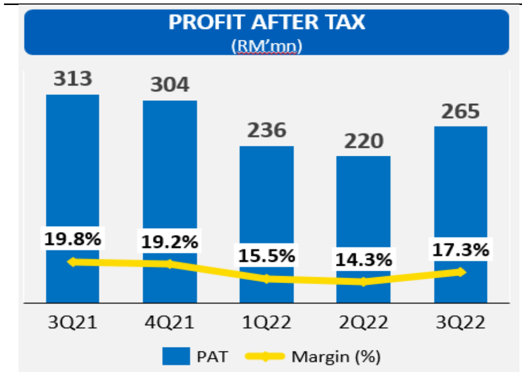



**Quarter-on-Quarter (Q-Q)**

- The sequential increase in EBITDA of 0.9% was achieved on the back disciplined handset subsidies and efficient cost management, while investing in modernisation and preparing for the merger.
- This translated to higher EBITDA margin by 0.7% percentage points to 48.9%, the highest for the year.

**Year-on-Year (Y-Y)**

- EBITDA declined by -4.9% as flow through from softer topline development in a challenging market driven mainly by the conclusion of the JP, increased investments catering to IT and network modernisation, some inflationary pressures and non-recurring merger related costs.
- Excluding one-off effects, normalised EBITDA contracted -3.5% Y-Y as ongoing efficiency initiatives and better credit management more than compensated for inflationary pressures.

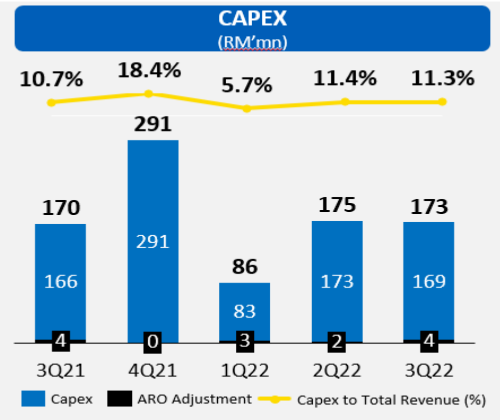



**Quarter-on-Quarter (Q-Q)**

- Profit after tax (PAT) increased by 20.5% to RM265 million, or a PAT margin of 17.3%, the highest level this year. The strong improvement was mainly driven by the improved operating result, lower net finance costs due to lesser fair value changes on financial instruments and lower taxes resulted by deferred tax impact.

**Year-on-Year (Y-Y)**

- PAT declined by -15.3% as flow through from softer EBITDA developments, higher net finance costs and higher tax provision due to Cukai Makmur.

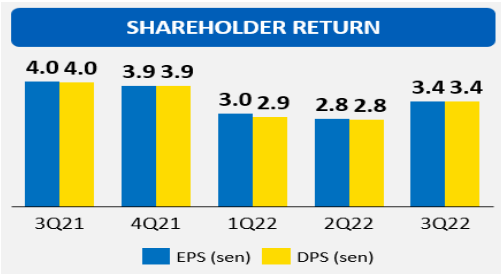



**Quarter-on-Quarter (Q-Q)**

- During the quarter, Digi invested RM173 million Capex or 11.3% of revenue to accelerate Digi's LTE-A network coverage expansion which has reached 80.3% of population, in addition to key IT modernisation initiatives to support business agility and revenue growth.
- Operating Cash Flow (OCF) rose 1.6% to RM576 million supported by stronger EBITDA and prudent Capex, translating to healthy OCF margin of 37.6%.

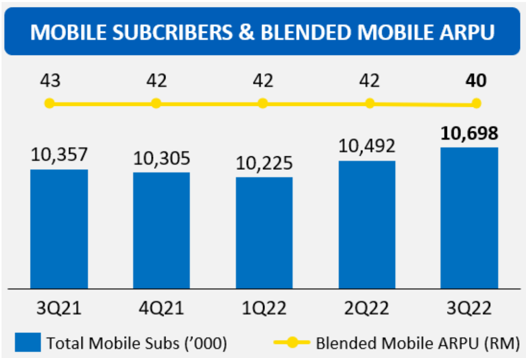
**Year-on-Year (Y-Y)**

- Marginal increase of RM3 million reflecting Digi's effort to continuously modernise operations and further develop the leading network position in Malaysia.




- Consistent with current quarter's financial performance, 3Q2022 earnings per share (EPS) rose to 3.4 sen, up 6 sen sequentially despite lower -6sen Y-Y.
- The Board of Directors declared 3rd interim dividend of 3.4 sen per share equivalent to RM264 million, payable to shareholders on 16 December 2022, translating to an attractive dividend pay-out ratio of near 100% to valued shareholders.

## 3Q 2022 OPERATIONAL DEVELOPMENT

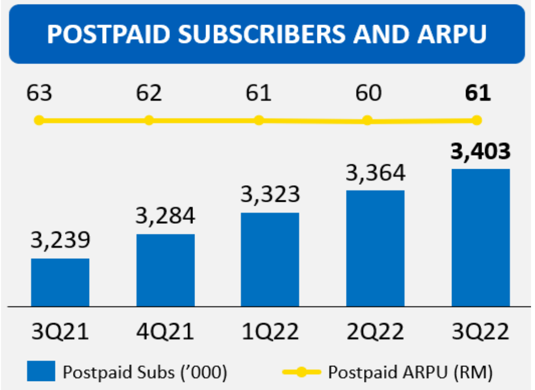



**Quarter-on-Quarter (Q-Q)**

- The second consecutive quarter of mobile customer growth with net additions of +206k accentuated by our relentless focus on 'Juara Internet' campaign across our Postpaid, B2B and Prepaid offerings to stimulate higher internet adoption and usages.
- Blended mobile ARPU declined RM1.4 or 3.3% to RM40 as the effect of a slightly improving Postpaid ARPU cushioned the negative impact on Prepaid ARPU upon the conclusion of JP.

**Year-on-Year (Y-Y)**

- +341K net additions marked a solid recovery trend post-pandemic capitalising on digital future, of which +164K in Postpaid and +177K in Prepaid.
- Blended mobile ARPU declined RM2.5 or 5.8% resulted from market pressure and the negative impact caused by the ending of the JP on Prepaid ARPU.

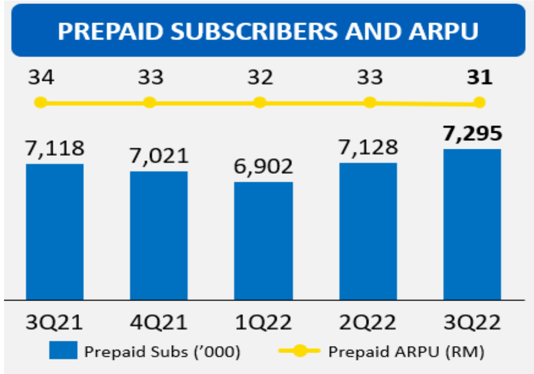



**Quarter-on-Quarter (Q-Q)**

- The Postpaid's net additions of +39K, the 8th quarter in a row with growth, was driven by consistent base management activities and continued strong demand for High-Speed Postpaid products.
- Increase in demand for Digi's smartphone bundles and value Postpaid plans uplifted ARPU by RM1, the first ARPU recovery since 1QFY2020.

**Year-on-Year (Y-Y)**

- Net additions of +164K, or 5.1% and consistent growth demonstrated the strength of Digi's value proposition for High Speed Postpaid products offered on the leading network in Malaysia and supported by smart bundles with family, device and contract offers.
- ARPU dilution narrowed by –RM2 following higher entry-level and contracted subscriber base and roaming usages.

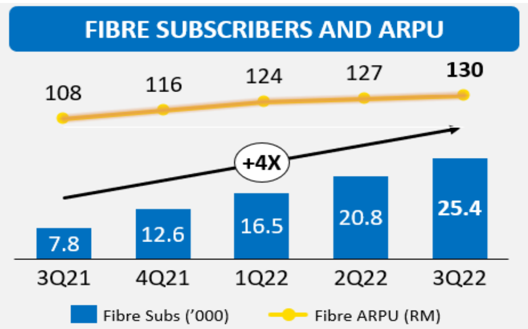



**Quarter-on-Quarter (Q-Q)**

- The net additions of +167K in Prepaid base, the second quarter in a row with Prepaid subscriber growth, was attributed to the encouraging recovery of the migrant base combined with continued good performance withing the Malaysian segment.
- ARPU declined by -RM2 to RM31 mainly due to the effect of the JP which ended in September 2022 and softer voice usages.

**Year-on-Year (Y-Y)**

- The net additions of +177K was the strongest growth for Prepaid base since 2020, confirming the success of our Prepaid strategy to focus on growing quality mobile internet subscribers of both Malaysian and migrant pools.



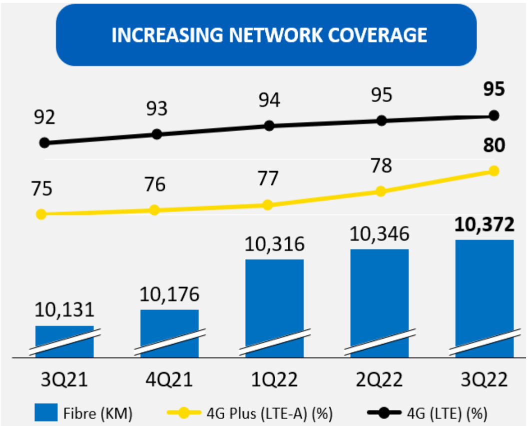

**Quarter-on-Quarter (Q-Q)**

- The consumer fibre segment recorded solid trajectory with subscriber additions of +4.6K through targeted offers to own mobile subscriber base.
- ARPU uplifted +RM3 to RM130

**Year-on-Year (Y-Y)**

- Fibre subscribers rose 4 times to 25.4K from 7.8K a year ago highlighting our execution in targeting bundle offers to existing customers.

## 3Q 2022 NETWORK UDPATES




- Digi's solid network expansion significantly improved our market leadership as reflected by the #1 network leadership position on download speed and consistency score since 2020.
- Our commitment in accelerating Malaysia's 4G coverage to support national digitalisation plans continued as both 4G LTE and LTE-A networks expanded over 95% and 80% of population nationwide.
- Digi continued to support subscribers' high data demand as evidenced by data traffic growth of 7.6% Q-Q, and 6.2% Y-Y, translating to an average data per user of 23.0GB.
- Lastly, Digi's superior average download speeds surpassed 45.0 Mbps in 3Q2022 to a record-high highlighting our ability to deliver competitive network and enhanced digital capabilities.

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## PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

Going towards 2023, the telecommunications sector is marked by several local and global factors. The impact of the Covid-19 pandemic is finally abating with growth in tourism and influx of foreign workers as international borders reopen. We have also seen a robust recovery in economic activities. At the same time, the global economy is at the risk of going into recession due to geo-political tensions and inflationary pressure. In this environment, the Malaysian economy has been quite resilient and there is a solid consensus that the Malaysian economy will continue to grow in 2023.

In this environment, we see continued robust underlying demand for mobile services in all segments. However, given the macro-economic uncertainties, we will continue to be disciplined on spending. Considering these two factors, we are maintaining our 2022 guidance.

| Drivers | 9MFY2022 | 2022 Guidance |
|---|---|---|
| Service revenue | -1.7% | Return to growth |
| Normalised EBITDA | -1.6% | Low single-digit decline |
| Capex-to-total revenue ratio | 9.4% | Around FY2021 level (12.8%) |