



# DiGi.Com Berhad Q3-2004 results

Morten Lundal, CEO

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# Outstanding 3<sup>rd</sup> quarter performance

- Delivered yet another **record financial performance**, with all time high EBITDA and earnings
- Achieved **record revenues and net customer additions** that further increased the market share despite the intensifying competitive market
- Launched **new, innovative and unique services** to further strengthen DiGi and its brand appeal in the market place

# Launched new, innovative and unique services

- Pioneered live mobile TV broadcast
- Launched RM10 micro reload which now constitute over 50% of reload coupons
- Launched 3 sen SMS for friends and family
- Launched SMS Office generating strong interest
- In October, launched prepaid package at RM18
- Yesterday, launched a new electronic platform for prepaid customers, introducing Flexi e-load and Talktime Transfer

## Excellent 3<sup>rd</sup> quarter results vs last year

- 37% increase in customer base to 2.81 mil compared to Q3 last year
- 33% increase in revenue to RM576.9 mil from same quarter last year
  - YTD also improved by 33% to RM1.63 billion
- 49% EBITDA growth to RM249.7 mil (43% margin) from Q3 last year
  - YTD increased 46% to RM711.3 million (44% margin)
- Net profit of RM82.5 mil, 149% higher than Q3 last year
  - YTD reached RM222.2 million with 158% improvement from last year
- EPS of 11.0 sen, higher than 4.4 sen for Q3 last year
  - YTD of 29.6 sen also beat the 11.5 sen from last year

## Strong quarterly development

- 9% increase in customer base to 2.81 million
  - Net addition of 200k prepaid and 21k postpaid in Q3
- 8% increase in revenue to RM576.9 million
  - 11% increase in mobile revenue
- 10% EBITDA growth to RM249.7 million (43% margin)
- Net profit of RM82.5 million, 24% increase from previous quarter
- EPS of 11.0 sen, vs 8.8 sen in previous quarter

## Current quarter & YTD growth from last year

<i>RM million</i>	<b>Q3 2004</b>	Q3 2003	Growth %	<b>YTD Q304</b>	YTD Q303	Growth %
Revenue	<b>576.9</b>	434.2	33%	<b>1,627.4</b>	1,227.2	33%
EBITDA	<b>249.7</b>	167.5	49%	<b>711.3</b>	486.4	46%
EBITDA %	<b>43%</b>	39%	5%	<b>44%</b>	40%	4%
EBIT	<b>132.1</b>	58.9	124%	<b>362.9</b>	168.7	115%
Profit before Tax	<b>113.9</b>	43.0	165%	<b>312.3</b>	120.1	160%
Profit after Tax	<b>82.5</b>	33.2	149%	<b>222.2</b>	86.2	158%
EPS ( <i>sen</i> )	<b>11.0</b>	4.4	149%	<b>29.6</b>	11.5	158%

## Current quarter growth from previous quarter

<i>RM million</i>	<b>Q3 2004</b>	Q2 2004	Growth %
Revenue	<b>576.9</b>	533.4	8%
EBITDA	<b>249.7</b>	227.3	10%
EBITDA %	<b>43%</b>	43%	0.7%
EBIT	<b>132.1</b>	112.2	18%
Profit before Tax	<b>113.9</b>	95.0	20%
Profit after Tax	<b>82.5</b>	66.3	24%
EPS ( <i>sen</i> )	<b>11.0</b>	8.8	24%

## Operating expenses (“opex”) as % of revenue

<i>Opex</i>	<b>Q3 2004</b>	Q3 2003	<b>YTD Q3 2004</b>	YTD Q3 2003
Cost of Materials & Traffic Charges	<b>21.0 %</b>	25.8 %	<b>21.5 %</b>	26.2 %
Sales & Marketing Costs	<b>14.3 %</b>	14.3 %	<b>13.9 %</b>	12.9 %
Staff Costs	<b>5.3 %</b>	5.8 %	<b>5.1 %</b>	5.7 %
Operations & Maintenance Costs	<b>6.6 %</b>	7.9 %	<b>6.6 %</b>	7.8 %
Other Opex	<b>9.6 %</b>	7.7 %	<b>9.1 %</b>	7.8 %
Total Opex	<b>56.7 %</b>	61.4 %	<b>56.3 %</b>	60.4 %
<i>EBITDA margin</i>	<b>43.3%</b>	38.6 %	<b>43.7 %</b>	39.6 %

## Operating expenses (“opex”) as % of revenue

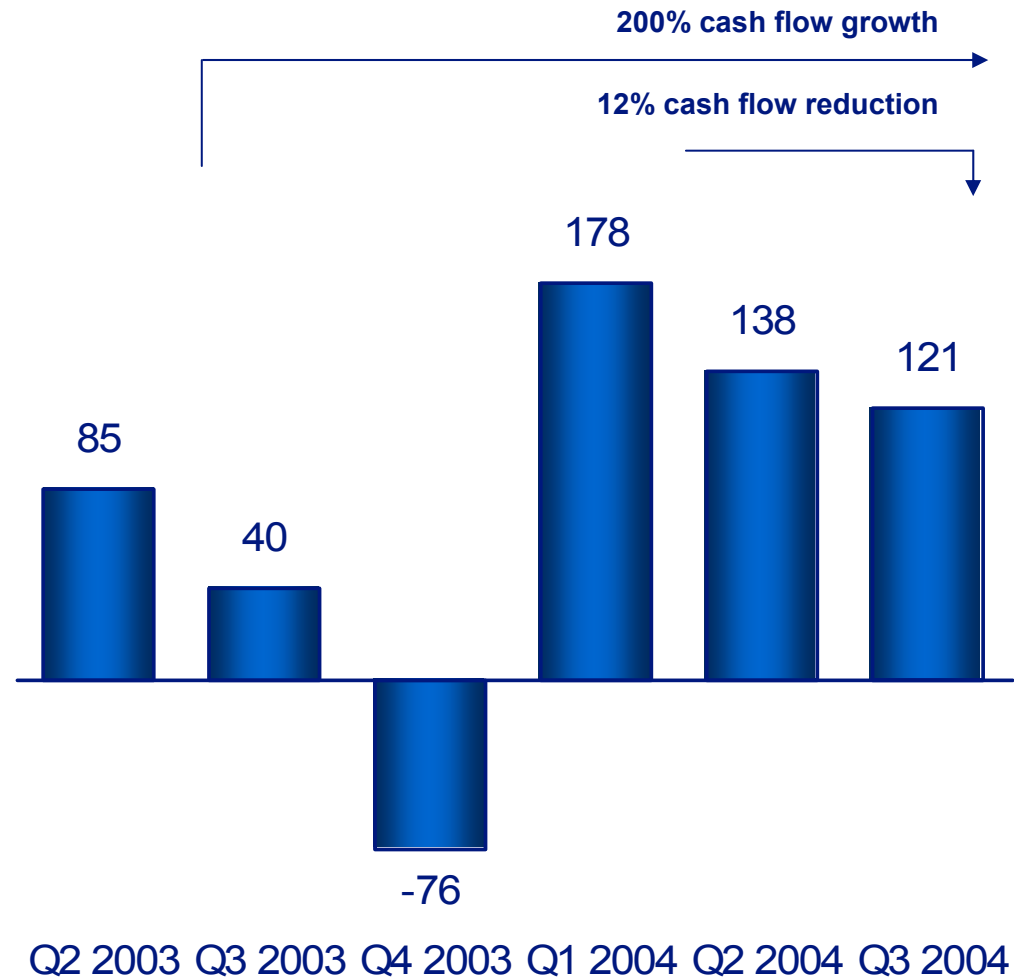
<i>Opex</i>	<b>Q3 2004</b>	Q2 2004	Change
Cost of Materials & Traffic Charges	<b>21.0 %</b>	21.8 %	0.8 %
Sales & Marketing Costs	<b>14.3 %</b>	14.5 %	0.2 %
Staff Costs	<b>5.3 %</b>	5.0 %	<b>(0.3 %)</b>
Operations & Maintenance Costs	<b>6.6 %</b>	6.8 %	0.2 %
Other Opex	<b>9.6 %</b>	9.3 %	<b>(0.3%)</b>
Total Opex	<b>56.7 %</b>	57.4 %	0.7 %
<i>EBITDA margin</i>	<b>43.3 %</b>	42.6 %	0.7 %

# Healthy cash flow development

## *operating cash flow\**

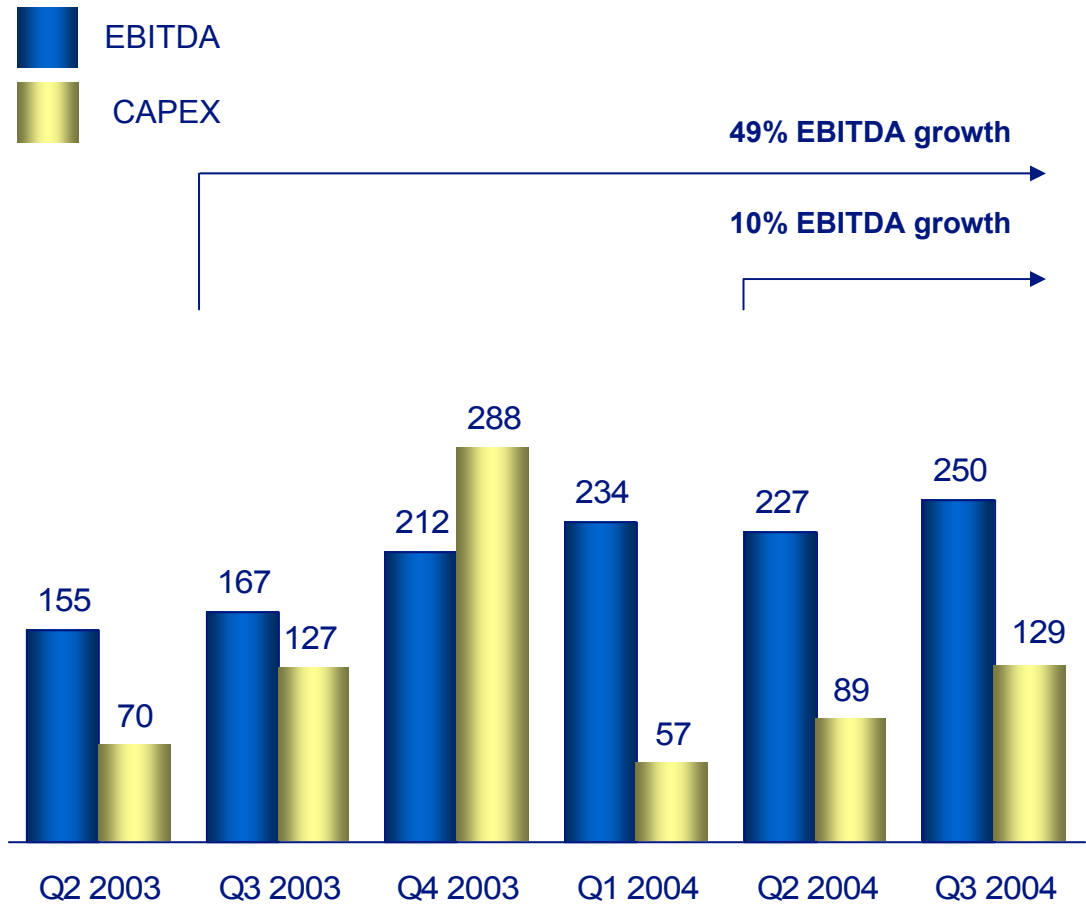
- Q3 2004 operating cash flow remain positive, lowering debt and improving net debt/equity to 14%.

\* Operating Cash Flow = EBITDA - CAPEX



# EBITDA improved 49% from same quarter last year

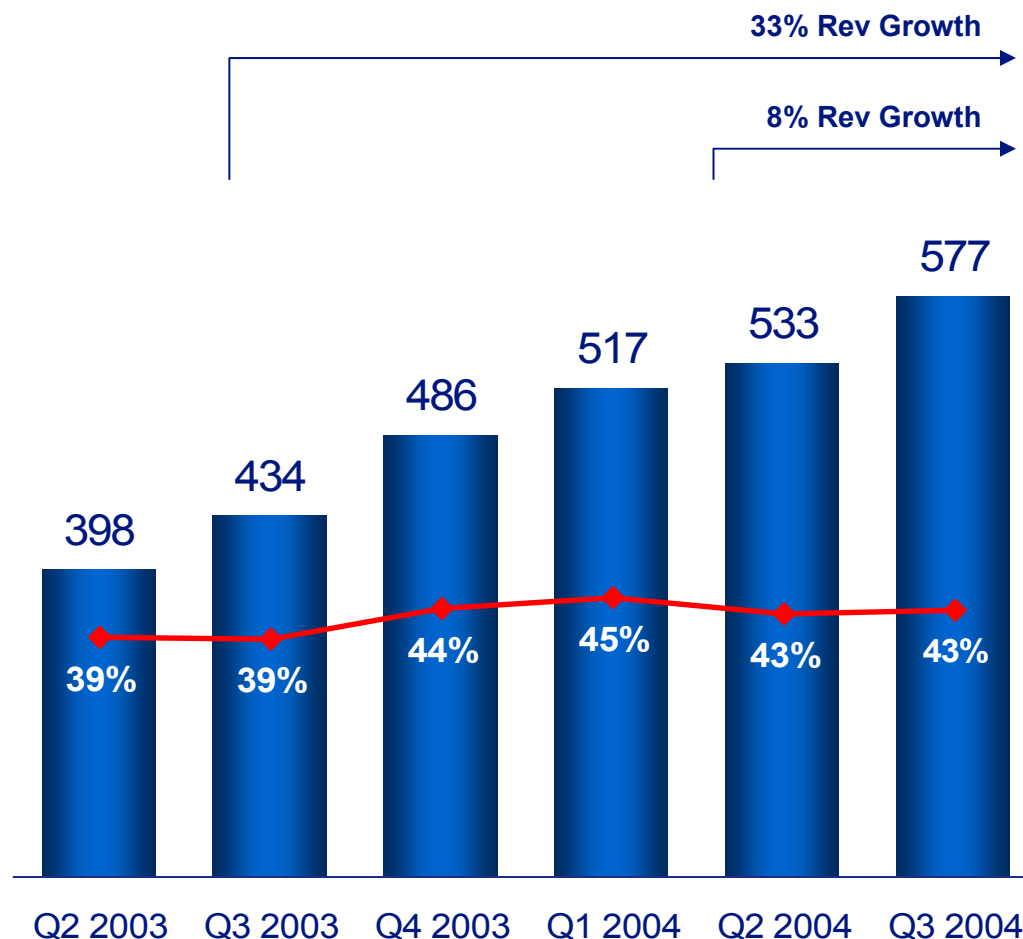
- EBITDA increased 10% to RM250 mil from Q2 2004 of RM227 mil mainly driven by strong revenue growth
- CAPEX spending of RM129 mil was 44% higher than Q2 2004



# Strong revenue growth

revenues / EBITDA %

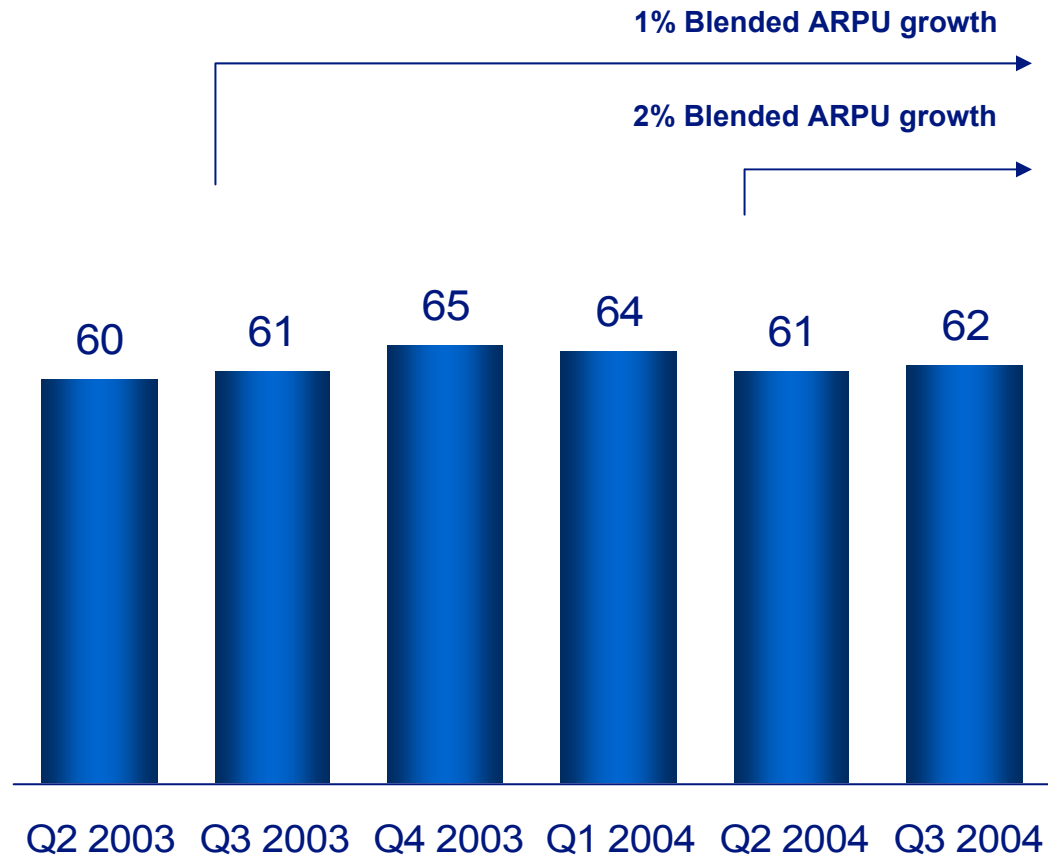
- Q3 2004 revenue grew by 8% to RM577 mil from RM533 mil while EBITDA margin remained steady at 43%.



# ARPU remained above RM60

## blended ARPU (RM)

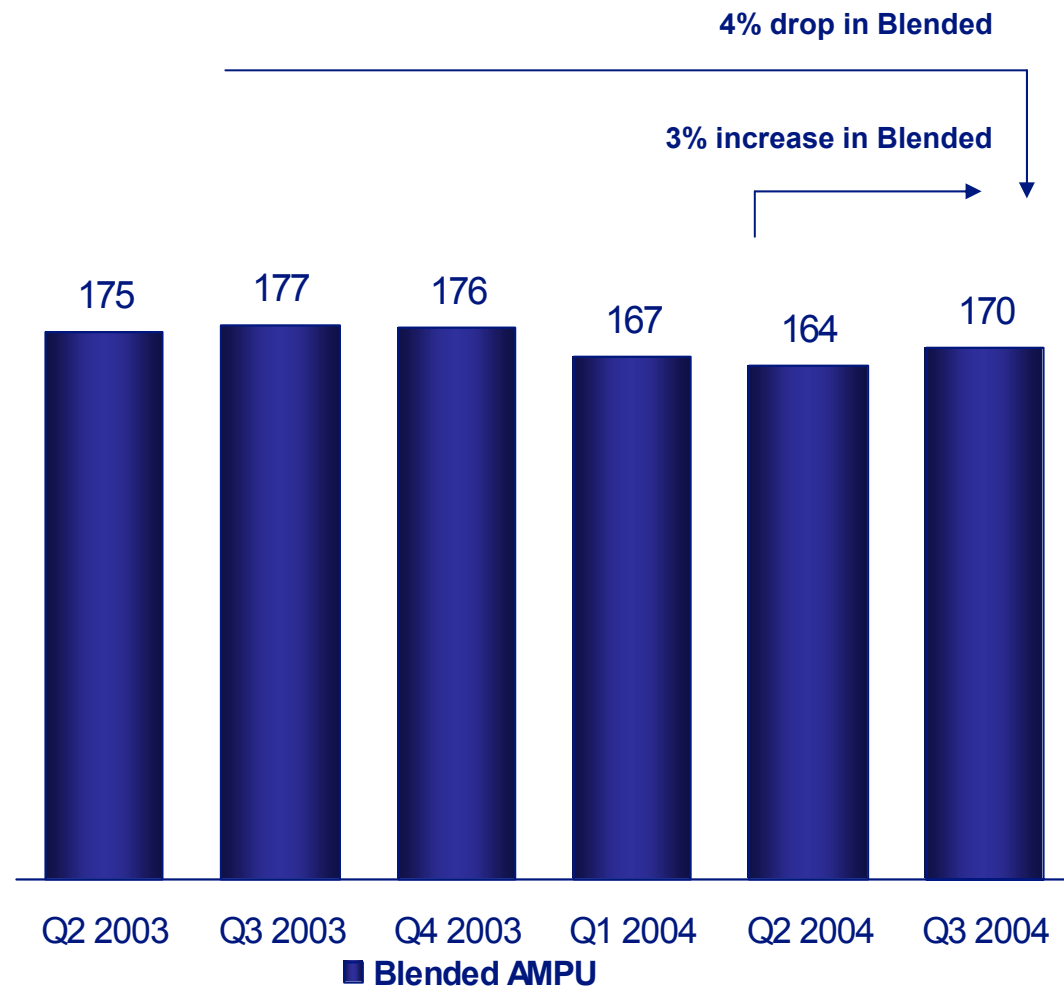
- Q3 ARPU stood at RM62, up 2% from previous quarter boosted by higher airtime and SMS usage.
- 14.5% of mobile revenue contributed by mobile data.



## Blended AMPU rose by 3%

blended AMPU (minutes)

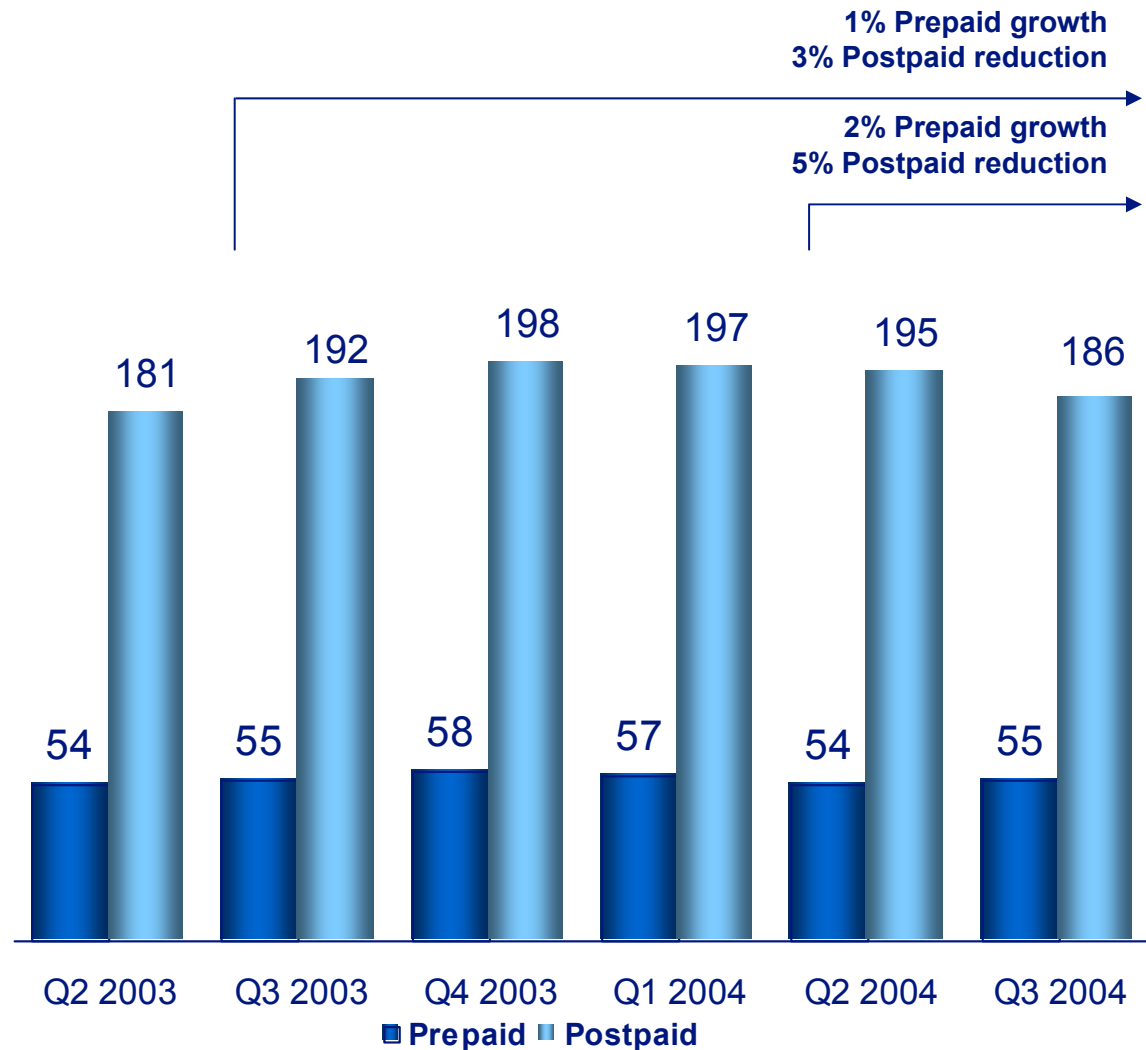
- Compared to previous quarter, AMPU improved to 170 minutes
- Compared to Q3 2003 (which included higher free airtime), AMPU fell by 4%.



# Postpaid and prepaid ARPU remained healthy

prepaid & postpaid  
ARPU (RM)

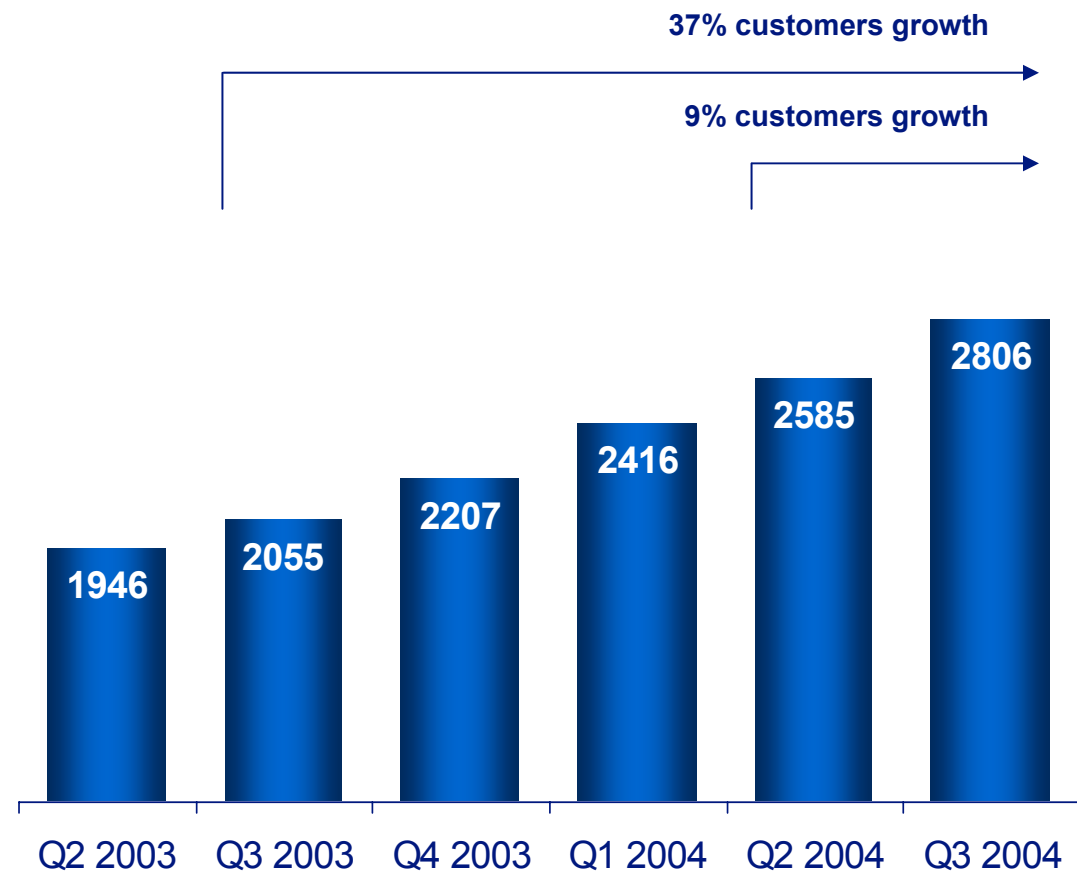
- Prepaid ARPU stood at RM55 slightly higher than previous quarter
- Postpaid ARPU reduced by 5%, expected with the strong growth in postpaid customer base.



# DiGi customers - stronger growth in Q3 2004

customers ('000)

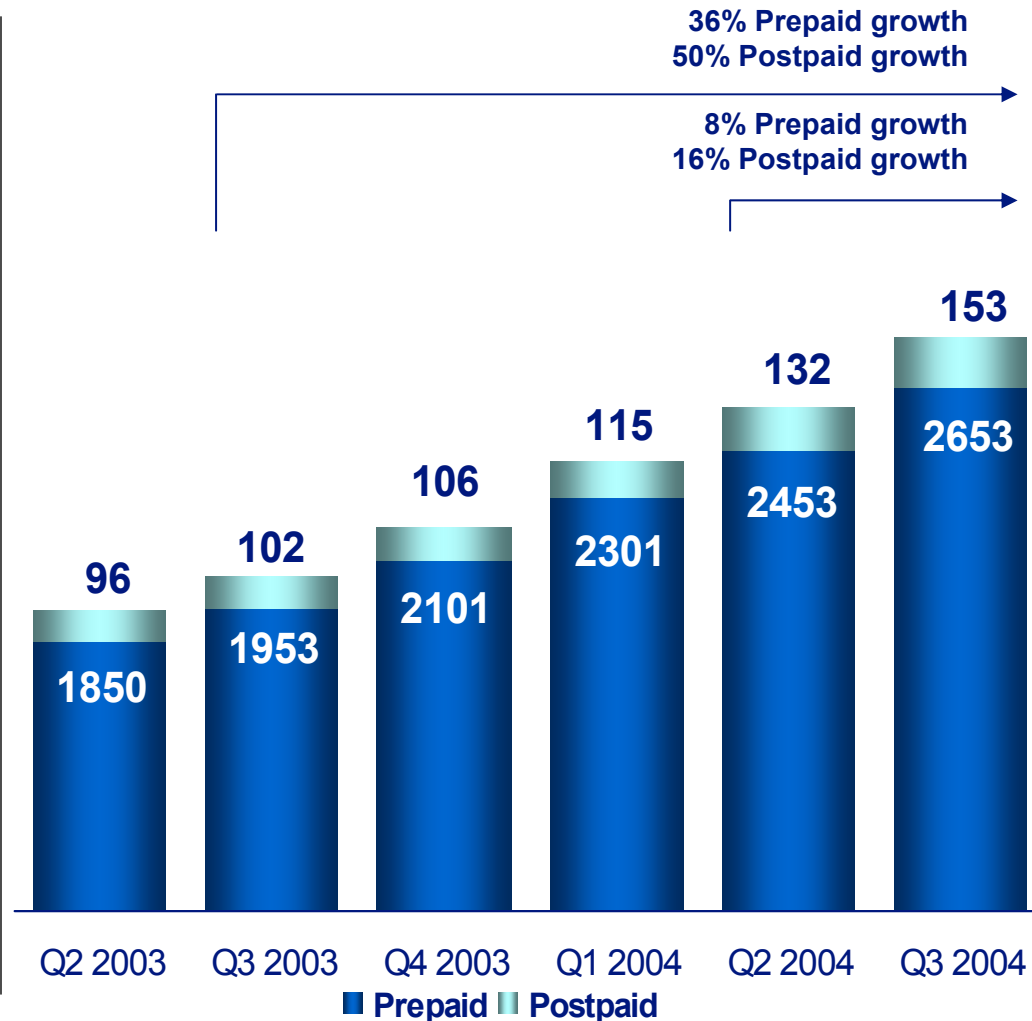
- DiGi customers growth of 9% in Q3 2004 surpassing previous quarter growth of 7%
- All time high net addition of 221K in Q3 2004



# DiGi customers - prepaid and postpaid

customers ('000)

- Prepaid increased by 36% to 2.65 mil customers from same quarter last year
- Postpaid also shows growth of 50% from same quarter last year
- Net addition for prepaid and postpaid are 200K and 21K respectively from previous quarter



# Positive outlook despite competitive landscape

- Well positioned for further growth by providing products and services that are of clear relevance to subscribers while maintaining the “simple, attractive and user-friendly” focus
- Sound investment spending in line with the Government’s vision and expectation for nationwide coverage (Time 2) by end 2005, creating a level playing field where differentiation is based on products and services, rather than coverage
- Focus on fast growing data services with first mover advantage provided by EDGE to complement voice for additional revenue growth
- With proven track record on product innovation and differentiation as well as cost-effectiveness, DiGi is poised to grow market share and ensure continued profitability

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thank you