

CHIEF EXECUTIVE OFFICER'S STATEMENT

DEAR SHAREHOLDERS,

The performance we see today results from a series of strategic decisions made over the past four years to transform our business in view of the challenges that continue to pressure the telecommunications sector. Our sharp focus on executing our growth, efficiency and digital transformation agenda has kept us on track. We closed 2019 with good momentum in line with industry performance, while establishing leadership on innovation, customer-obsession, workforce development and responsible business practices.

STEADY 2019 PERFORMANCE

- Strategic focus on digitalisation, deeper customer engagements and solid cost management underscores that our strategy is effective to deliver healthy growth, earnings and returns to shareholders.
- Posted service revenue of RM5.64 billion, driven by postpaid, internet and digital growth.
- Healthy EBITDA of RM2.91 billion or 46% margin, with flat OPEX and operational cash flow of RM2.16 billion.

 Refer to pages 29 to 34 of Financial Review

CUSTOMER-OBSSESSION DELIVERING VALUE AND GROWTH

- Deepening customer engagements through a streamlined omni-channel experience, delivered by a combination of people and digital resources: new EasyAdd feature on MyDigi, MyDigi for businesses, AI virtual assistants across all digital platforms, Digi Kiosks in high traffic areas, eQMS and more.
- 9.4 million internet customers enjoying an average 13.8GB data monthly, a significant 48% total usage growth contributing to an 11% year-on-year increase in internet and digital revenue.
- Net Promoter Score (NPS) continued to guide our delivery of quality network and customer experience.

 Refer to pages 39 to 51 of Operational Review

TRANSFORMING INNOVATION INTO OPPORTUNITIES

- New innovation 360 platforms unlocked more value from employee and business model innovation: Agile Tribes, Common Delivery Centre (CDC) set-up, Digital Frontrunners programme, Digital Day, 40-Hour Learning, and more.
- Data science driving innovation in offerings to deliver more relevant, personalised services enjoyed by 11.3 million customers, alongside sharing best practices to enable businesses through their respective digital transformations.
- Investing in leading network solutions to enable future technologies such as 5G, AI and IoT, while maintaining standards of excellence of core network and IT services, providing customers the best connectivity experience.

 Refer to pages 39 to 51 of Operational Review

PARTNERING RESPONSIBLY TO BUILD A BETTER TOMORROW

- Built on partnerships with global, government, social and industry organisations for more collaborative and effective action towards solving issues related to reducing inequalities and impact of digital technology on society.
- Established industry standards in managing business risks and building trust associated to human rights, ethics and compliance, data protection, cybersecurity, supply chain, quality of service, people, and environmental impact.

 Refer to pages 20 to 25 of Strategies to Create Value
Refer to pages 45 to 51 of Operational Review



“ The strength of our organisation, leverage from past strategic investments, alongside a clear, practical view of our business gives me assurance that we can move forward confidently. ”

As you read this, our nation and the world combat a new, unprecedented health crisis with Covid-19. This global pandemic has forced a ‘new normal’ way of work, life and social connection for all of us, leaving many questions about our shared future. While it is early days yet to gauge its full impact on the economy and our business, I would like to assure you that we have taken every measure necessary to protect our people, ecosystem partners and business continuity as we fulfil our crucial responsibility to keep our fellow Malaysians connected during this time.

As we continue providing essential connectivity services, I would like to thank our dedicated Digizens who are working tirelessly 24x7 every day to deliver reliable network and customer support services for all. To the Board and Management team for their leadership in making the right decisions to prioritise our people in this time of crisis. A deep appreciation also to Malaysia’s first responders, enforcement agencies and government authorities working determinedly to stem this pandemic.

I am thankful to the Board, Management team and Digizens for all we achieved in 2019, and for their perseverance as we steward through this challenging season together. It is the strength of our organisation, leverage from past strategic investments, alongside a clear, practical view of our business that gives me assurance we can move forward confidently. We are fit to continue providing the standard of excellence and ability to create value that both our customers and shareholders have come to expect of us, and to meet future developments.

Albern Murty
Chief Executive Officer