

Chief Executive Officer's Review

Dear Shareholders,

2024 was a pivotal year for CelcomDigi. We made significant strides to strengthen market leadership and business momentum, while driving the transformative changes that will enable us to deliver long-term profitable growth. Following our merger, we embarked on one of the most complex integration and transformation programmes to set the future foundation for the business, while continuing to operate in a hyper-competitive market. Our performance in the year continues to prove the strategic value of the merger and paves the way to sustainable, profitable growth as the market leader in this fast moving sector and gives confidence to our shareholders.

As CEO, I am proud of what we have achieved together as Team CelcomDigi. Grounded in our purpose of 'Advancing and Inspiring Society', we are committed to deliver a differentiated experience for our customers. I see this in action every day working alongside incredible colleagues across the country, who embody our unique CelcomDigi culture and way of work. True to our values, CDzens have performed relentlessly to create long-term value for shareholders, and power the company towards our vision of being Malaysia's most trusted brand built on customer excellence.

CREATING PATHWAYS FOR SUSTAINABLE AND PROFITABLE GROWTH AS A MARKET LEADER

Maintained market leadership with growth across core segments

We continued to innovate and launched a complete portfolio of 4G/5G products under the new CelcomDigi brand catering to both consumer and business segments. Efforts to enhance our network, retail, digital and support experience have reinforced customer confidence and deepened trust in our brand. As a result, we saw growth across



Datuk Idham Nawawi

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key parts of the business, closing the year with a subscriber base of 20.4 million.

Our key target growth areas have gained traction, namely in Consumer Postpaid, Home & Fibre, and Enterprise Solutions, with revenues growing by 2.6%, 34.4%, and 8.8% respectively. We were challenged in the highly competitive Prepaid and Enterprise Mobile markets as we shifted to focus on more profitable segments within this space. While the industry collectively faced similar challenges, we are pleased to see indications of improving trends in the later part of 2024.

Strong underlying performance in FY2024 with synergy targets on track

We successfully kept our topline revenue stable, despite the complexities arising from the merger integration – typical for any company in this phase. We recorded a Total Revenue of RM12.7 billion and Service Revenue of RM10.8 billion for the year. Our reported Earnings Before Interest and Tax

(EBIT) and Profit After Tax (PAT) for FY2024 declined 13.8% and 11.3% respectively due to one-off merger-related financial adjustments; excluding these non-recurring adjustments, the full-year normalised EBIT registered a respectable 3.6% growth to RM2.8 billion, while PAT grew 11.7% to RM1.7 billion. We also realised RM1.6 billion in net synergy savings, driven by disciplined cost management and capital expenditure (CAPEX) avoidance from the integration programme. With a substantial part of the overall integration cost and most of the merger-related financial adjustments behind us, we expect a more robust financial and market performance going forward.

I am pleased to share that we declared a total dividend of 14.3 sen per share for FY2024, in line with our commitment to delivering sustainable shareholder returns.



Watch the CEO Reflections video on FY2024 on CelcomDigi's website at: <https://celcomdigi.listedcompany.com/financials.html>

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Read more about our performance in Performance Review Section: Financial Capital on pages 64 to 69

ENHANCING CUSTOMER EXPERIENCE THROUGH A WELL-EXECUTED INTEGRATION AND TRANSFORMATION PROGRAMME

Improved experience on Malaysia's intelligent digital network and modernised IT capabilities

We remained focused throughout the year to deliver improved customer experience through our integration and transformation programme. By end 2024, we successfully integrated and modernised 75% of our network, ahead of target. We observed that our customers now enjoy 20% higher data throughput, with 80% experiencing stronger signal quality on our newly modernised digital network. We successfully completed the first phase of our core billing and customer relationship management systems upgrade. This was a major undertaking in our end-to-end IT transformation programme, under which we completed 20 projects from more than 40 identified integration activities. This marks a crucial milestone in our broader IT integration and transformation programme, which aside from driving stronger operational efficiency and capturing synergies will enable new innovations and improved digital experiences for customers. We believe these investments are delivering the enhanced quality of experience we envision for our customers.

Serving customers with the new face of CelcomDigi-branded retail destinations

We are undertaking a complete transformation of our approximately 400 retail outlets, introducing a new experience, with 48 stores launched in 2024. We are seeing improvements from these transformed stores with 1.2 times increase in sales productivity and a customer satisfaction score of 96.6%. Our two market-leading digital platforms

– the Celcom Life and myDigi apps – continue to be the preferred channel for our customers to engage with us. The growing usage of these apps, close to 9 million monthly active users and counting, make it one of the most popular apps in the country.

Enhanced operating models to improve customer experience and operational efficiency

The merger allowed us to evaluate our operating models and how our processes and ways of work can be redesigned to deliver superior customer experience and better efficiencies. We established a new Customer Experience Division (CXD) to deliver our ambition to provide superior experience to customers across all touchpoints and moments of truth. We also harmonised our customer care operations with more unified and modern support capabilities, and implemented a new cost-efficient distribution model which has driven channel growth and reached customers more effectively. We introduced a new and enhanced hybrid operating model for network to leverage AI and data-driven technology to deliver best-in-class service experience for our customers. These strategic decisions reflect our commitment to building a brand defined by trust and customer excellence – a game-changer for us to maintain market leadership.

ACCELERATING THE ADOPTION OF 5G AND AI

Leading the market on driving 5G adoption

Throughout the year, we introduced a full suite of CelcomDigi 5G offerings, with the aim of providing exciting 4G/5G plans and converged packages to cater to Malaysians' growing connectivity and digital lifestyle needs. On the enterprise front, we invested in various programmes to create awareness and generate interest in the potential of 5G, including our MY5G forums, which engaged with over 60 corporate CEOs

and 400 Malaysian SMEs. We also delivered innovative 5G solutions to market-leading companies in support of their digital transformation: we partnered with PETRONAS to enable the largest oil and gas platform with 5G, worked with DHL Supply Chain to reimagine logistics with Malaysia's first 5G-powered AI autonomous warehouse, and introduced next-gen learning through CelcomDigi Metaversity – bringing Metaverse, XR, AI and robotics to ten leading public and private universities.

CelcomDigi AI Experience Centre (AiX) catalysing enterprise digital transformation

A major milestone for the year was the launch of our state-of-the art CelcomDigi AI Experience Centre (AiX) with a vision to catalyse the adoption of 5G, AI, and emerging technology solutions. Partnering over 40 global technology and local ecosystem players, we collectively invested RM55 million to support this ambition. AiX showcases 45 ready-to-deploy use cases across eight key industries – from manufacturing and energy to logistics and smart cities, among others – with a number of pilots already underway with enterprise customers. We are pleased that AiX has garnered enthusiastic interest, and we have hosted more than 2,000 visitors and over 120 executives from both the public and private sector in the few months post its creation. AiX delivers on our merger promise to leverage our scale to attract global tech leaders, and drive investment and fast-track development of next-gen digital solutions to advance Malaysia's digital future.

Transforming CelcomDigi into an AI-first organisation

We ourselves are ramping up our knowledge, understanding and adoption of AI as rapidly as possible. We encourage the adoption of AI across our business; to-date we have embarked on several use cases focusing on four key areas: how we use AI to (i) serve customers better, (ii) help us sell better, (iii) improve operational

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efficiency, and (iv) generate new revenue streams. We are exploring collaborations with major technology partners including NVIDIA, AWS, Meta, Google, and Microsoft, to name a few. There is infinitely more to explore in this space and we aspire to fully harness the power and potential of AI as our competitive advantage for the future.

5G Dual Network Transition

The recent development of Malaysia's second 5G network registered no service impact on our customers. Both consumer and enterprise users with 5G devices continue to enjoy seamless 5G access, through the 5G wholesale agreement. Moving forward, we remain committed to offering the best choice, value, and connectivity experiences to customers on our 4G network, as we secure sustainable, long-term options for 5G access.

KEEPING CUSTOMERS AND DATA SAFE AS A TRUSTED BRAND

Safeguarding our customers is our top priority. We are cognizant of the growing safety, security and privacy threats and risks of digitalisation, particularly the scourge of online scams and frauds which affect all digital citizens across the world. Our approach to delivering this commitment is guided by the principle to "ACT" – to raise Awareness, drive Compliance in systems and processes, and leverage the full potential of Technology both in our infrastructure and through our product offerings to build resilience and safeguard against threats.

In the past year, we deployed many of these initiatives, including partnerships with Gabungan Bertindak Anti-Scam (GBAS), CyberSecurity Malaysia (CSM), the Malaysian Crime Prevention Foundation (MCPF), the Royal Malaysian Police (PDRM) and the Malaysian Communications and Multimedia Commission (MCMC) to raise scam awareness through nationwide roadshows and social media campaigns.

We also launched our first National Scam Awareness Survey 2024 Report, polling over 10,000 Malaysians for actionable data and insights to guide more strategic and targeted scam awareness measures. We implemented security enhancements in our apps and subscription services to strengthen scam prevention. Privacy and data protection remains core to everything we do, with zero compromise to safeguarding the trust placed in us. In 2024, we conducted a comprehensive review of privacy compliance across the company to drive continuous improvement, align with industry best practices, and stay compliant with new and emerging legislation. These efforts are guided and governed by the Board, through the Board Governance and Risk Management Committee (BGRMC).

We will continue our efforts to address all short- and long-term sustainability issues related to our sector to build an inclusive, sustainable and trusted digital society. We believe our efforts in setting new benchmarks for ESG practices and operating responsibly will establish CelcomDigi as a brand Malaysians can trust and rely on in the age of 'digital-everything'.



Read more about our Environmental, Social and Governance (ESG) Strategy Framework in Section 3 on page 49

SHAPING A PROGRESSIVE AND WINNING CULTURE

We want to create a workplace environment that is progressive and promote a culture of high performance built on a workforce of diverse, inclusive and engaged CDzens. In 2024, we launched GROW@CelcomDigi to develop top industry talent through equal access to learning and career growth opportunities. Our 10/100/1000 approach nurtures future CDM, leaders, and next-gen talent, equipping them for our telco-tech evolution. We also became Malaysia's first company to earn the ISO 45003 certification for workplace psychological health and safety. These

efforts reflect our commitment to a workplace where every employee feels supported, valued, and empowered to grow.

This year, we conducted an Employee Engagement Survey (EES) with a strong participation rate of 93%, reflecting our employees' willingness to share feedback to help us build a more supportive and inclusive workplace. The survey results revealed an 86% engagement score, a clear sign of a highly engaged workforce and a thriving workplace culture. This score reflects our ongoing efforts to develop our people and the company, and that we are on the right track when compared with other high-performing companies globally and among those that have undergone similar transformative changes.



Read more about our performance in Section 4: Human Capital on pages 84 to 91

TRANSFORMING CELCOMDIGI FOR FUTURE GROWTH

We expect the telecommunications sector to remain exciting with challenges arising from intense competition, shifts in regulatory and industry structures, pressures to invest in 5G and AI, and economic headwinds. As we navigate these challenges, we will leverage our execution and transformation momentum to drive our ambition that prioritises profitable growth, trust and customer excellence. This will be delivered through four key areas:

- **Focus on sustainable and profitable growth as a market leader**

Creating a pathway for the long-term by driving growth across all key core segments, including new areas of converged services and enterprise solutions, and building a brand rooted in trust and customer excellence to drive customer loyalty.

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- **Enrich customer experience to our 20 million loyal customers**

Creating more value for our customers with a wide variety of value-added services, enhanced interactions and superior experience through our digital platforms.

- **Drive operational excellence as a way of work**

Becoming the most efficient telco in the region through efficient operating models, technology-driven efficiencies, cost structure optimisation, economies of scale, and fostering an operational excellence mindset across the organisation.

- **Continue to invest for the future**

Investing in new AI, data and technology platforms, build capabilities and partnerships as a strategic competitive advantage and to unlock new revenue opportunities.

With this strategy in place, and momentum from our rigorous market execution, and integration and transformation programmes, we are confident we will continue to be able to deliver a robust and positive financial and market performance in 2025 and beyond.

CelcomDigi's 2025 Guidance

- Low single digit growth in service revenue
- Low to mid-single digit EBIT* growth
- CAPEX intensity between 14%–16%

*Excluding material non-recurring and extraordinary items for both FY2024 and FY2025



Read more about our Value Creation Model and Strategy in Section 3, on pages 30 to 31 and 60 to 61

On behalf of the Management team, I would like to thank our customers for your trust in CelcomDigi. We assure you that we remain committed to delivering the best experiences for all your digital needs.

To our partners and shareholders, we convey our appreciation for your strong collaboration and investment in CelcomDigi. Our gratitude also goes to the Government and to our sector regulator the Malaysian Communications and Multimedia Commission (MCMC) for your continued engagement to drive Malaysia's connected and digital future.

My appreciation also to our Board for their steadfast support and strategic guidance, which has been instrumental in shaping our journey.

A special thank you and farewell to my colleagues, Chief Financial Officer Lucy Tan and Chief Home & Fibre Officer Chee Loo Fun, for your contributions as part of the founding Management team of CelcomDigi. We also welcome our new CFO Dennis Chia and Chief Customer Experience Officer Lau Yin May to the senior management team and to the CelcomDigi family. I am certain that these new appointments strengthen our leadership and capabilities for the next phase of our transformation.

Finally, our thanks to our dedicated CDzens whose passion and commitment continue to inspire me and fuel our success. United by our purpose of 'Advancing and Inspiring Society,' I believe we are ready to lead the next wave of innovation. I look forward to what we will achieve together in 2025 and beyond.



On the road with my colleagues as part of our Skuad5G adventure to unearth moments of truth with customers