

CELLCARD RECEIVES THE 2023 PRODUCT LEADERSHIP AWARD

Identified as best in class in the Cambodian mobile services industry

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Cellcard excels in many of the criteria in the Cambodian mobile services space.

AWARD CRITERIA	
<i>Product Portfolio Attributes</i>	<i>Business Impact</i>
Match to Needs	Financial Performance
Reliability and Quality	Customer Acquisition
Product/Service Value	Operational Efficiency
Positioning	Growth Potential
Design	Human Capital

Match to Needs

Cellcard, part of the Royal Group of Companies (RGC), was launched in 1997 to provide connectivity and to enhance the way customers live, work, and play. Tapping into the needs of the new digital lifestyle as a result of industry digitization and digitalization, Cellcard introduces lifestyle innovations for the new digital generation, including expanding to accommodate and build the eSports and gaming community; providing digital entertainment services to address the need for real-time and on-demand content; and offering innovative and insightful enterprise solutions to support businesses, primarily small-to-medium enterprises (SMEs), in Cambodia.

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*- Mei Lee Quah
Director, ICT Research*

In 2022, the company launched the following four first-to-market products/services: Time To Rise, Cellcard Serey, Cellcard One, and Playgame Cloud to improve the connectivity experience and fun factor of its digital services. Most notable, the Time To Rise campaign was launched in July 2022, following the successful collaboration with artist brand ambassador VannDa and the release of the Time To Rise song and music video which made history in Cambodia after recording 1 million views within 24 hours of release. The Time to Rise campaign with artist brand ambassador VannDa and Spotify, a global audio streaming and media service provider, achieved the highest customer

engagement scores through all social media platforms. Over 2 million unique subscribers were acquired for Time To Rise within 7 months after the campaign was launched, with a mix of both existing and new subscribers. As a result of its extraordinary achievements for Time To Rise, Cellcard won the Digital Initiative of the Year – Cambodia award from Asia Telecom Awards and the Marketing Campaign of the Year 2022 award from CMO Asia.

In 2022, Playgame Unlimited, which is the first 4-in-1 gaming data plan that caters holistically to the needs of gamers in Cambodia, was upgraded to include arcade games, and Playgame Cloud, the first cloud gaming platform in Cambodia, launched in July 2022 to expand mobile access of console games. For making eSports and gaming accessible and affordable for all Cambodians, Cellcard was awarded the 2022 Best Esports and Arcade Games Platform – INTLBM award from International Business Magazine.

Reliability and Quality

In 2022, Cellcard embarked on a network coverage expansion and upgrade initiative to be bigger, better, and faster than ever, as part of its business turnaround strategy. With the population coverage close to 98% for both Cellcard and Cambodia, the company further added sites across 10 provinces and filled the coverage gaps in Phnom Penh’s residential areas and Boreys with indoor and microcell solutions. For improved network performance, the company upgraded its software on the radio access network (RAN) and activated full carrier aggregation in 16 provinces.

To offer better voice quality, the company activated VoLTE across the mobile network.

The exclusive arrangement with E-Sports Federation Cambodia (EFC) to host numerous eSports tournaments to nurture the gaming community, combined with its network focus to provide high speed and low latency for gaming, and the launch of gaming products that give access to some of the biggest esports games, console games and arcade games, are testament of the company’s brand and market leadership in eSports and gaming in Cambodia.

Recognized as Cambodia’s fastest, most reliable mobile network, Cellcard received the Operator of the Year (Cambodia) award from Asia Telecom Awards in March 2023 and the Most Reliable Telecom Operator 2022 award from Global Brands Magazine in December 2022. Ookla’s Speedtest Awards recognized Cellcard as the Fastest Mobile Network in Cambodia during Q3-Q4 2022, after achieving a speed score of 31.23, and again awarded by Ookla for its network performance Q1-Q2 2023, achieving a speed score of 31.60. Cellcard was recognized for its excellent, consistent quality during April-June 2022 and October-December 2022 and was awarded the Global Rising Star Award 2023 from Opensignal for achieving the most improvements year-on-year (YoY) in download speed experience (i.e., an increase of 51.4% between H2 2021 and H2 2022). In August the brand again is awarded by Opensignal with clear win in download speed experience and joint wins in video experience, LIVE video experience and availability.

Positioning

Cellcard is a homegrown brand that continues to serve Cambodia’s working class as a mobile operator of choice for businesses and an enabler for SMEs. To serve this segment, Cellcard adds mobile services to enterprise packages offered by EZECOM, including fiber broadband; cloud; cybersecurity; and hosted services, such as website hosting. With the vision of becoming a digital lifestyle services provider in

Cambodia, Cellcard is increasingly looking into the youth segment for growth, alongside the working class as a stable base.

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- Mei Lee Quah
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With a long history of first-to-market innovations, Cellcard was awarded Best Digital Lifestyle Provider 2023 from International Business Magazine and Best Digital Services Innovator – Cambodia from Global Brands Magazine in March and April 2023 respectively. In the saturated Cambodian mobile services market, growth is limited to population growth and marginal churn from competitors. As a result, Cellcard has to work hard to launch leading products and services to overcome flat subscriber growth. In 2023, the company will expand its digital services to include insurance and telehealth to bring an even bigger variety of digital lifestyle services to Cambodians. This move will drive revenue

growth and increase the average revenue per user (ARPU).

Financial Performance

Cellcard’s most profitable year to date has been 2022. During the year, the company positively improved key financial metrics by launching new products/services, including Cellcard Serey, a base plan that offers the best value for data, starting from 15 GB for \$1.5 per week, and the network coverage expansion and upgrade work carried out. The company recorded an 11% YoY increase in revenue and an approximate 28% YoY increase in EBITDA in 2022. Driving revenue growth is the increased use of services that are attractive and induce subscribers to spend more; therefore, to increase revenue potential, the company must continually introduce relevant services to monetize its base and data propositions.

Growth Potential

Cellcard serves over four million customers through an expansive dealer and distribution network in Cambodia, which has a 16.7 million population. In 2022, the market had 17.5 million and 0.3 million mobile broadband and fixed broadband subscribers, respectively. Mobile broadband users, therefore, play an important role in driving the digital services market in Cambodia, and gaining access to this group of users would be key to the future monetization of digital services, including eSports and gaming.

Cellcard is now leveraging synergies within RGC to trigger greater growth. By expanding its reach to more customers through RGC and offering better loyalty and rewards programs through the group, Cellcard can bring increased value to the Cambodian people. In addition, with CLM programs, Cellcard’s subscriber tenure and customer lifetime value can be recognized, and customer engagement can be improved with personalized value propositions and superior customer experience.

With its CLM program and market leadership in the eSports and gaming industry, the company has strong future growth potential. Additionally, Cellcard’s leadership team has an entrepreneurial mindset, which is useful in growing the company in Cambodia’s low-cost market. In December 2022, Cellcard’s CEO was recognized as Best Visionary CEO (Telecom) – Cambodia by Global Brands Magazine.

Customer Acquisition

After 25 years of service in the Cambodian market, Cellcard reenergized its brand to remain attractive to Cambodians. The company offers outstanding customer service, backed by a reliable and quality nationwide network that is the fastest in the country. To acquire customers in 2022, the company continued collaborating within RGC to leverage synergies to expand touchpoints and value propositions, launched innovative products, and reinforced its CLM programs to increase customer retention with stickiness.

Furthermore, the company opened the first Cellcard x Ezecom Digital Experience center in Takmao and Siem Reap in February 2022 and launched Cellcard One, which is the first major collaborative project within RGC that offers dual-play bundles. To increase sales and extend full-service support touchpoints, Cellcard rolled out micro hubs across J Trust Royal Bank and Wing Bank and Cash In/Cash Out agents. Services within RGC, such as delivery, payments, eCommerce, and low-value loans (e.g., payday loans), are being cross sold across Cellcard's base.

To improve adoption rates, innovation is being used in fintech services. For example, loans can be approved and allocated based on the credit scoring of information on hand as a result of the subscriber's relationship with Cellcard. In terms of rewards, Cellcard offers subscribers cashback and/or discounts on Wing services, with subscribers receiving a 5 to 10% discount based on top ups for Cellcard services on the Wing application.

In addition to RGC collaborations, the company collaborates externally. For example, in 2022, Cellcard entered into a strategic partnership with Ministry of Education, Youth and Sport (MoEYS) to support the rollout of educational programs by delivering improved accessibility to learning, especially among Cambodian youth. As the telecommunication partner for the Strengthening Teacher Education Programmes (STEPCam), Basic Education Equivalency Programme (BEEP), and Factory Literacy Programme (FLP) educational initiatives of MoEYS, the company will utilize the latest digital technologies to extend the reach and impact of these programs.

As a significant project under Cellcard's corporate social responsibility (CSR) program, this partnership aligns with the company's commitment to uplift the digital literacy and accessibility of the educational content for all Cambodians.

Conclusion

Addressing digital lifestyle needs in a country such as Cambodia can be challenging; however, Cellcard has risen above the challenges and is a leader in the fast-growing, profitable eSports and gaming industry. With a string of awards recognizing its efforts, the company acquired and retained customers in 2022 and is tapping into RGC's synergies and leveraging its CLM platform for future revenue and ARPU growth.

With its strong overall performance, Cellcard earns Frost & Sullivan's 2023 Cambodian Product Leadership Award in the mobile services industry.

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Award recognizes the company that offers a product or solution with attributes that deliver the best quality, reliability, and performance in the industry.

Best Practices Award Analysis

For the Product Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Products serve a unique, unmet need that competitors cannot easily replicate

Design: Products feature innovative designs, enhancing both visual appeal and ease of use

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

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Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

