

**SOLID FIRST HALF 2021 FOR TM:
REVENUE UP +8.2%, EBIT UP +29.9%, DIVIDEND DECLARED**

First half 2021 Key Highlights *(vs first half 2020)*

- Group **Revenue** grew 8.2% to RM5.57 billion from RM5.15 billion
- Cost optimisation continues to yield results. Group Reported Earnings Before Interest and Tax (**EBIT**) increased by 29.9% to RM977.3 million, from RM752.4 million last year
- Group Reported Profit After Tax and Non-controlling Interests (**PATAMI**) rose 27.3% to RM544.0 million, compared to RM427.2 million last year
- Record breaking unifi customer growth; fixed broadband customer base grew 15% to 2.55 million
- Declares **interim dividend** of 7.0 sen per share totalling RM264.2 million in line with dividend policy
- Continues to focus on value creation and ESG for sustainable growth

Telekom Malaysia Berhad's (TM) revenue for the first half of 2021 (1H2021) grew strongly by 8.2% to RM5.57 billion, compared to RM5.15 billion in the same period last year. In a statement today, the company said this achievement was driven by growth across all its customer segments – unifi, TM ONE and TM WHOLESale.

On the back of this higher revenue and better cost efficiency, Group EBIT rose by 29.9% to RM977.3 million, from RM752.4 million last year. Subsequently, Group PATAMI grew 27.3% to RM544.0 million, from RM427.2 million in the same period last year.

The Company continues to invest in future growth by modernising its network and technology platforms, to deliver the best current and future solutions for its multi-segment customers. CAPEX spending in the first half of the year stood at RM597.0 million or 10.7% of revenue. Of the amount invested, 65% was for network access, 16% for core network, and the balance 19% for support systems.

Fibre broadband of choice – highest ever new unifi customers recorded in 2Q2021

unifi recorded several operational milestones with more than 210,000 new customer activations in the second quarter of 2021 (2Q2021). This is the highest number of unifi activations in a quarter in its 11-year history. unifi achieved an important milestone of 2.0 million customers in May 2021. By the end of June, the overall fixed broadband customer base had gone up to 2.55 million, representing a solid 15% growth over the past 12 months since June 2020.

This growth was enabled by the higher number of ports added in 2Q2021 and wider fibre network coverage, exceeding the targets committed in the JENDELA plan, achieving 138% of its commitment in 1H2021.

unifi also increased its sales and installation capacity to meet strong fibre broadband demand. unifi also saw positive uptake of device bundles with the enhanced unifiYourWorld campaign offering smart lifestyle devices, unlocking the unlimited possibilities to enrich users' digital lifestyle and needs.

unifi brought live streaming of the recent Olympic Games Tokyo 2020 on 13 HD channels for free via unifi PlayTV app and unifi Plus Box, to enable Malaysians to support our athletes competing at the games.

Customer touchpoints and support remains in operation with stricter SOPs

As more Malaysians are working from home, conducting business online, participating in online learning and keeping the family entertained while staying safely at home, TM observed that internet usage went up by 45% since the start of MCO in March 2020.

All customer support services remain in operation with stricter SOPs to continuously serve customers. Customer care lines remain open and attended to over 3.6 million customer interactions in 1H2021.

TMpoint outlets and key partner stores remain open for service applications and essential transactions while adhering to strict SOPs. TM is also expanding and renovating selected TMpoint outlets with localised flavour, self-serve kiosks and implementing many other improvements to enhance its customers' experience.

New service installation and restoration activities remain available for customers with SOPs in place to ensure the safety of both, customers and TM personnel. Notably, TM activated unifi Rovers nationwide to help customers sign up easily.

Due to the higher volume of interactions during this pandemic period, customers are encouraged to use self-serve digital channels such as the unifi portal and myunifi app which are available 24/7 for service registration, service diagnostics, account-related enquiries and payment. A more simplified and personalised digital bill was also introduced for bill payment convenience of customers.

TM ONE is committed to accelerating MyDIGITAL aspirations with cutting-edge digital infrastructure and solutions

TM ONE continues to be the digital enabler and trusted partner for enterprise and public sector customers by providing dependable connectivity and delivering new customer projects in 1H2021. As customers pursue to accelerate their digitalisation adoption, this has translated into new contracts and renewals.

Following its appointment as the sole Malaysian Cloud Service Provider (CSP) under the MyDIGITAL blueprint, TM ONE sees growing demand for its Cloud services from enterprises and government agencies. In addition, TM ONE also served international demand to fulfil hyperscaled requirements as the local data centre provider.

With its complete suite of cybersecurity solutions under TM ONE CYDEC, TM ONE has formed alliances with strong global and local cybersecurity players to further enhance its ability to detect and eliminate cyber threats for enterprise and public sector customers. This will help pave the way for digital trust and cyber resiliency to help nurture a safer and more robust national cyber ecosystem.

TM WHOLESALE strengthens domestically, further builds partnership ecosystem globally

Domestically, TM WHOLESALE continues its growth momentum as the preferred infrastructure partner for High Speed Broadband (HSBB) access services. It also achieved further expansion of infrastructure coverage and capacity for Next Generation Backhaul services for several mobile network operators. TM WHOLESALE also secured bandwidth capacity upgrades for major Domestic Wholesale Data solutions and services.

Internationally, TM WHOLESALE strengthened its partnership ecosystem with more global telcos and hyperscalers for International Data services. TM WHOLESALE also secured more deals with global telcos and hyperscalers for International Ethernet services. It also expanded its digital media delivery network ecosystem with growth from domestic and international digital content players.

Focused on value creation and ESG for sustainable growth

TM continues to focus on Environmental, Social and Governance (ESG) principles of sustainable and ethical business practices in serving the nation:

- ❖ **Governance:** TM is committed to uncompromising integrity. All its suppliers have signed the TM Integrity Pledge and more than 90% of Warga TM have progressively completed the Uncompromising Integrity e-learning module. TM also ensures that its corruption mitigation practices are independently certified - having completed the Anti-Bribery Management System (ABMS) certification and the Organisational Anti-Corruption Plan (OACP).
- ❖ **Social:** TM aims to deliver social impact by ensuring the wellbeing of its Warga TM and the nation. TM is committed to bridging connectivity through the JENDELA plan. TM remains fully supportive of the Government's recovery plan - "Pelan Pemulihan Negara" - via its connectivity, digital infrastructure and solutions as well as various social contributions.
- ❖ **Environment:** TM continuously strives to reduce its annual carbon emissions from electricity usage through the retirement of old networks, implementation of an Energy Management System and improvement of energy-saving practices.

TM is continuously improving these sustainability efforts while at the same time upholding its commitment to its stakeholders.

Imri Mokhtar, Managing Director and Group Chief Executive Officer of TM commenting on the results:

"I am pleased to report that we have recorded a solid performance in the first half of the year and we are on track to meet our 2021 targets in line with market guidance. Coming off an exceptional first quarter, we recorded notable improvements in our 1H 2021 revenue and profitability against the same period last year.

"This was driven by higher revenue achieved by all of our customer segments – unifi, TM ONE & TM WHOLESALE and better cost efficiency. The current nationwide movement control order (MCO) has certainly influenced our business landscape and customer operations, but we are delighted with the momentum of our value programmes and the commitment of our frontliners.

"Our revenue in 1H2021 recorded an increase of 8.2% at RM5.57 billion against RM5.15 billion in the same period last year, driven by revenue growth from all customer segments. Our EBIT has increased by 29.9% from RM752.4 million to RM977.3 million.

Malaysia's economic growth outlook for 2021 continues to be challenging with the prolonged movement restrictions brought about by Covid-19. Notwithstanding the headwinds, our role remains. We will continue to serve the nation by meeting the demand for internet and data, both at the retail and wholesale fronts. This is evident through the acceleration of the number of ports deployed and the fibre network expansion under our Jalanan Digital Negara (JENDELA) commitment, which is well ahead of schedule. We remain steadfast and will leverage our comprehensive connectivity, digital infrastructure and other smart solutions to support the nation's digital aspirations under the MyDIGITAL blueprint.

We remain steadfast in our drive to realise the Digital Malaysia aspiration. We are making solid progress and gaining good traction with our 'New TM' Transformation Program (2021-2023). Based on the current momentum, TM is on track to achieve our 2021 targets and market guidance."

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