



ANALYST BRIEFING

1Q 2024 Results



Amar Huzaimi
Managing Director /
Group Chief Executive Officer



Ahmad Fairus Rahim
Deputy Chief Financial Officer

30 MAY 2024

TABLE OF CONTENTS



- > **Latest Highlights**
- > **1Q 2024 Performance Review**
- > **Customer Segments & Product Overview**
 - Unifi
 - TM One
 - TM Global
- > **Cost, Investments & Other Financials**
- > **Conclusion**
- > **Appendix**

A decorative graphic element on the left side of the banner, consisting of a white square with a blue and orange diagonal stripe.

LATEST HIGHLIGHTS



Latest Highlights

Product Updates, Awards & Recent Collaborations



Unifi redefines mobile prepaid experience with All-New UNI5G wow plans



Maybank Islamic and TM forge partnership to deliver first Islamic banking as a service solution powered by 5G



TM Global bags a double win at the Asian Telecom awards 2024



TM launches UniVerse Campaign, an all-in-One Converged Plan



TM One launches its innovation lab and Enterprise 5G lab to empower and drive digitalisation



TM bags Dual Platinum Wins at the Putra Brand Awards 2023



1Q 2024 PERFORMANCE REVIEW

1Q 2024 Highlights

Revenue

RM2,837.0 mil

1.8% increase YoY
5.2% decrease QoQ

EBIT

RM650.9 mil

37.5% increase YoY
59.1% increase QoQ

PATAMI

RM424.8 mil

28.7% increase YoY
2.0% decrease QoQ

CAPEX/Revenue %

7.2%

7.3pp decrease YoY
11.4pp decrease QoQ

Fixed Broadband Subscriber

3.135 mil

1.8% increase YoY
0.1% increase QoQ

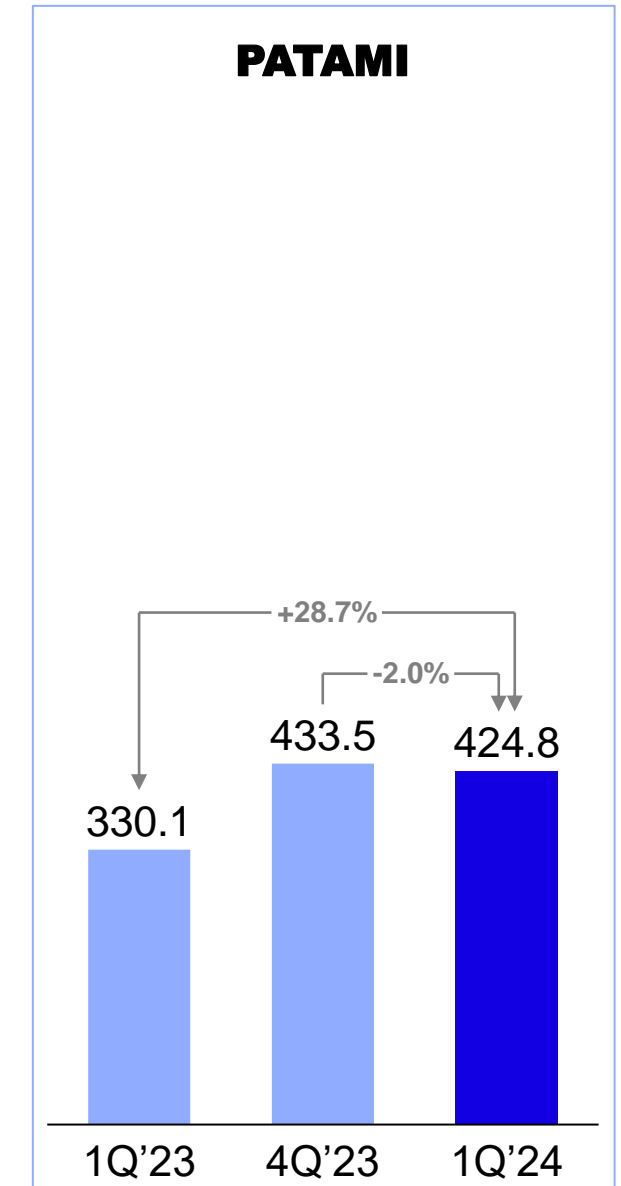
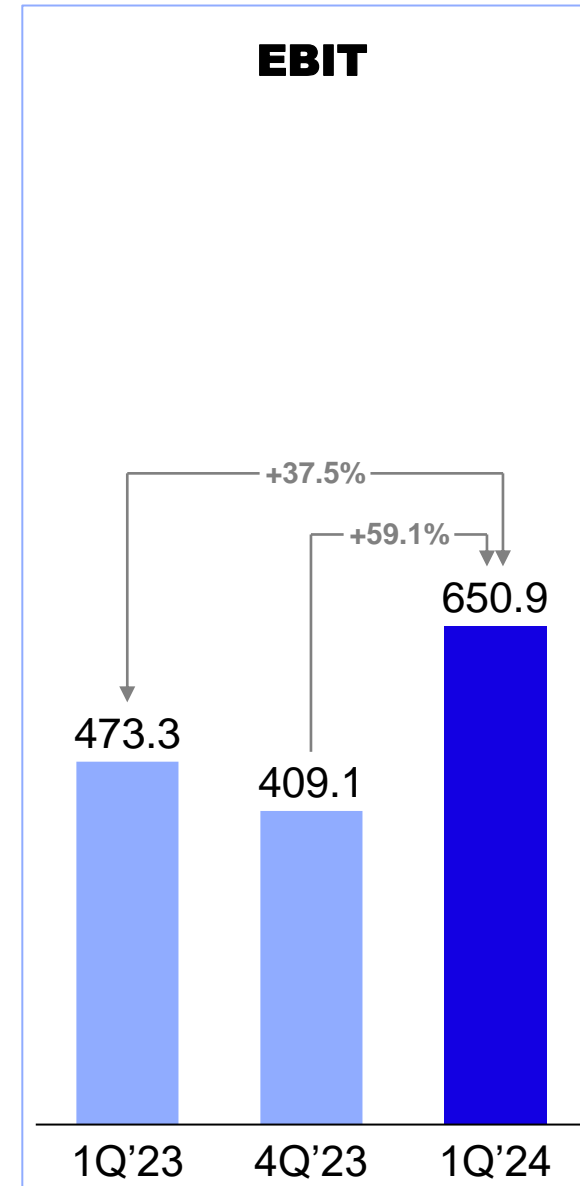
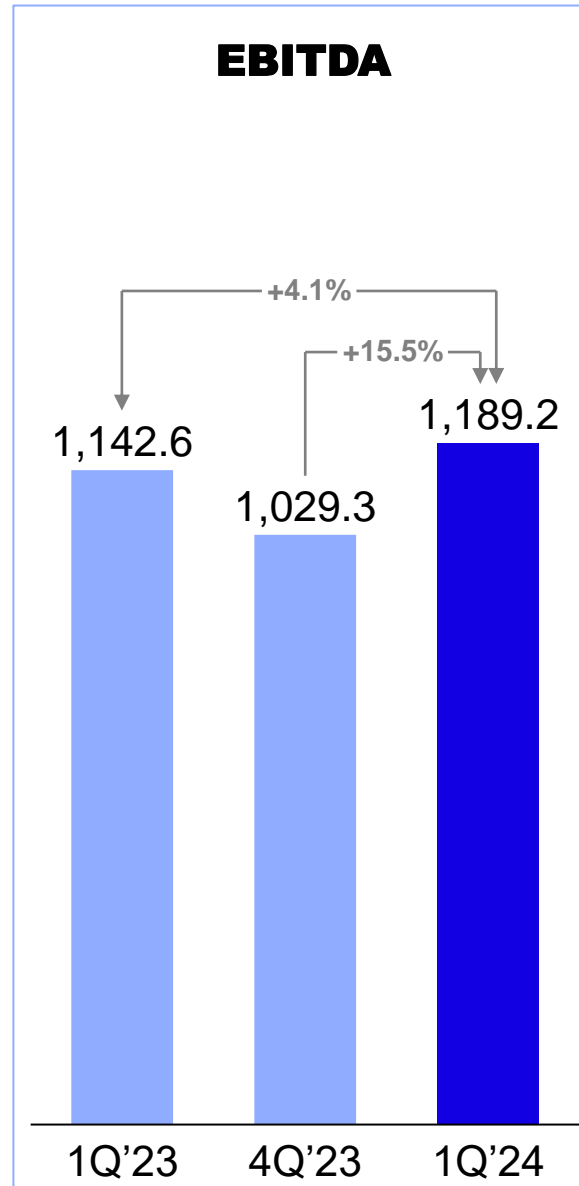
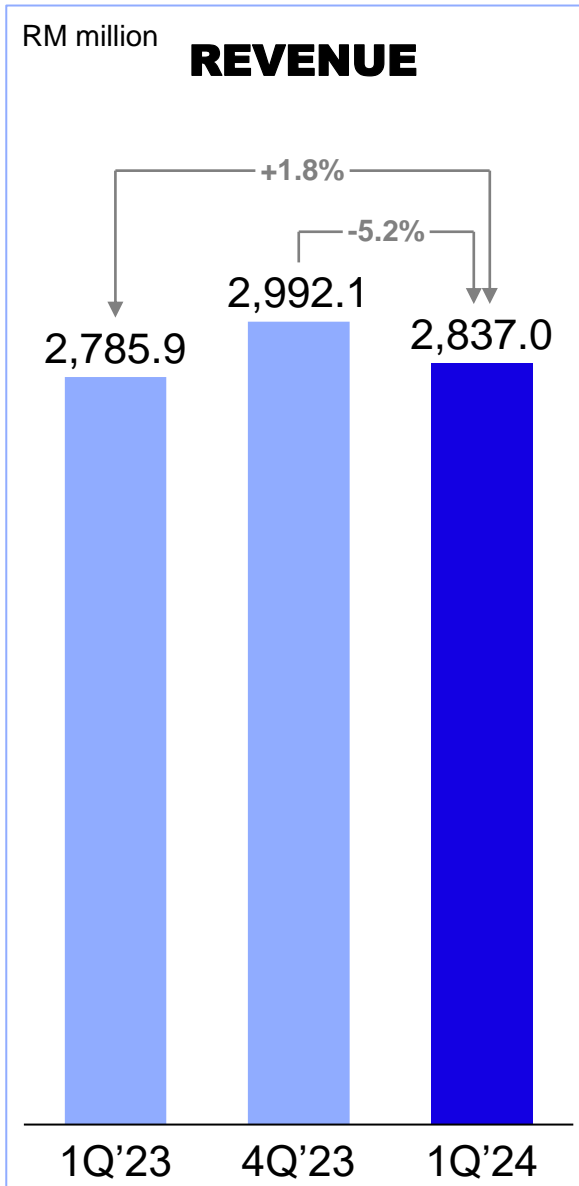
**A Strong Start to 2024:
Sustaining Positive Growth
Trajectory**

- Revenue & EBIT tracking market guidance
- Double-digit YoY profitability improvement
- Maintaining Fixed Broadband subscriber growth



1Q 2024 Reported Results

YoY topline & profitability improvement



CUSTOMER SEGMENTS & PRODUCT OVERVIEW

unifi

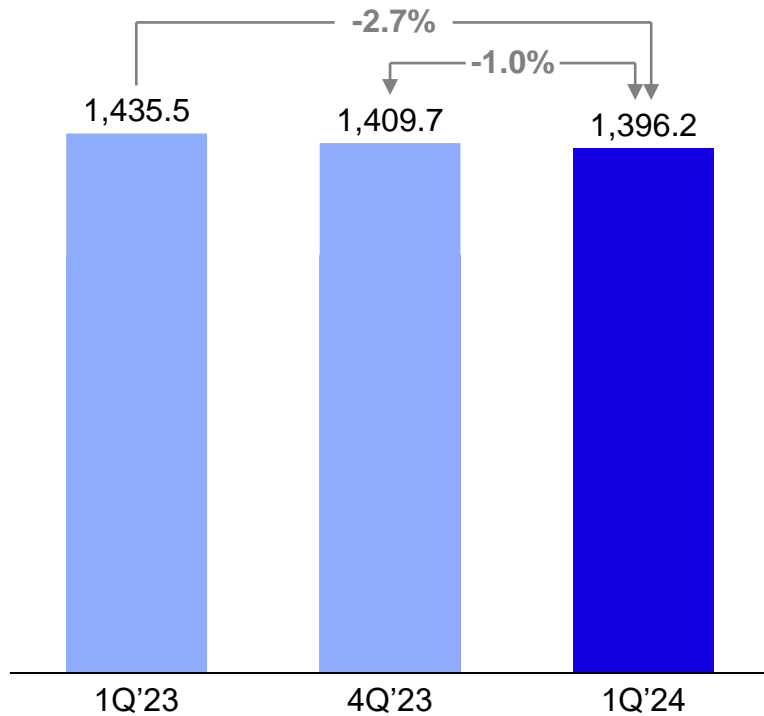
TM
ONE

TM
GLOBAL



A more aggressive & competitive market landscape

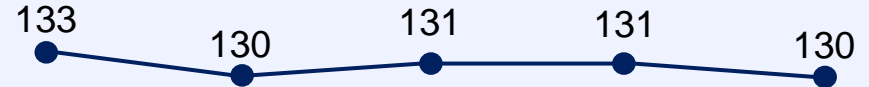
Revenue Trend
RM million



QoQ and YoY decreased due to:

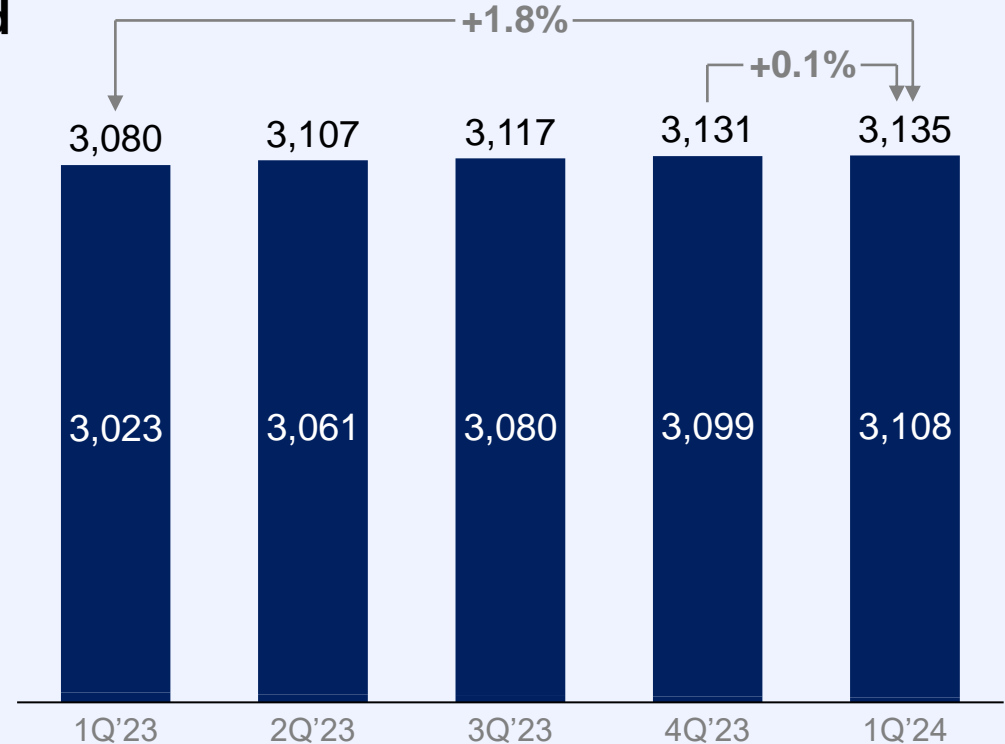
- Higher reduction of voice & mobile services despite the increase of fixed broadband subscriber.

Unifi ARPU¹



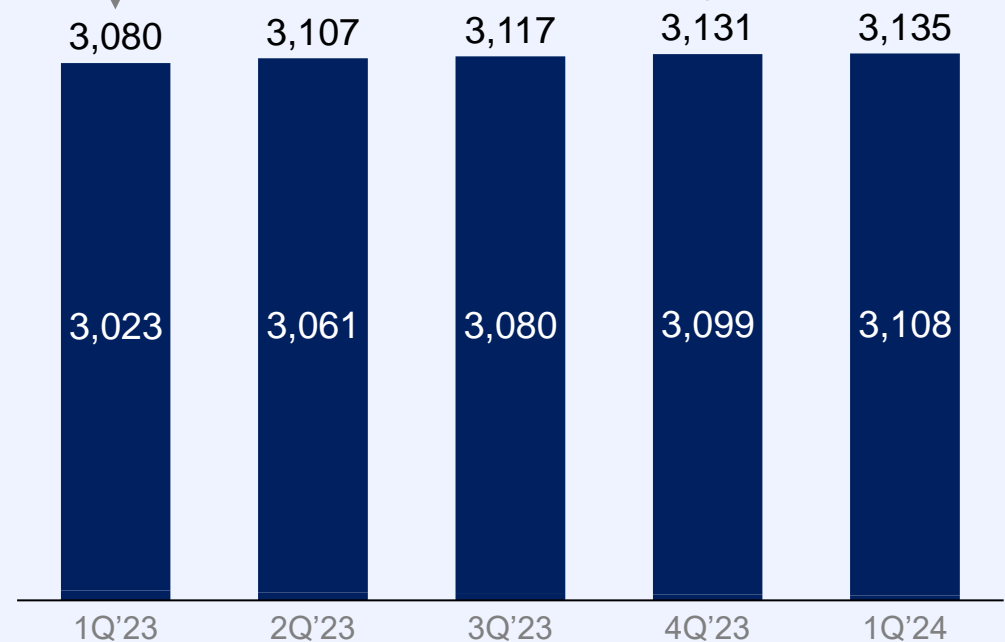
Fixed Broadband Subscribers

Total (in '000)



Unifi Home

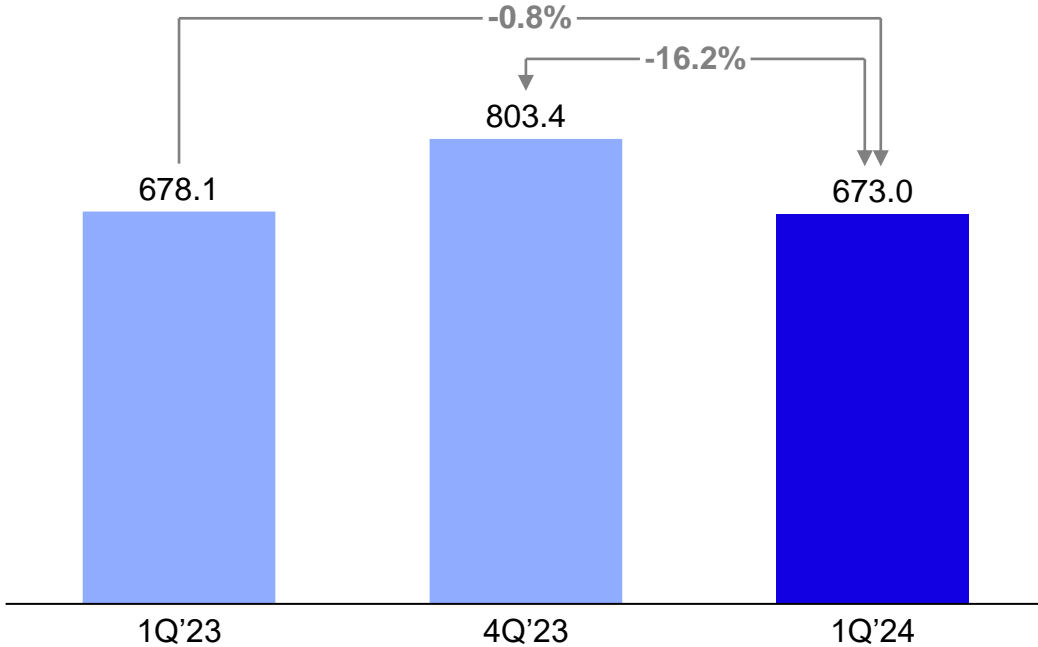
Total (in '000)



¹ ARPU: Average revenue per user (subscriber/account)

Managing the full impact of contract price adjustments

Revenue Trend RM million



QoQ decreased due to:

- Higher revenue in 4Q'23 driven by delivery of multiple projects from orders received throughout 2023.

YoY decreased due to:

- Price adjustment for certain service contracts renewal and some deferment in customer project.



TM One launched its **Innovation Lab and Enterprise 5G Lab** aimed to accelerate the development of industry-focused AI Powered solutions across the ecosystem, and increase the digital services adoption within Malaysia's enterprises and government sector.



Launch of **UNI5G Postpaid Corporate** mobile plan and bundled with devices for enterprises and government segment.

Limited Time Offer

UNI5G Postpaid Corporate 69

Stream videos daily and get all work done from your mobile device

What's included:

- 60GB (4G + 5G Data)
- Free upgrade to Unlimited 5G Data for 24 months when you subscribe now
- 60GB hotspot from data quota
- Unlimited calls
- RM 0.15 per SMS
- No Contract

Add Ons

Extra Data

- 10GB for RM 10
- 50GB for RM 45

RM 69 / month

[Apply Now >](#)

Limited Time Offer

UNI5G Postpaid Corporate 99

Stream, download, and everything online. Do what you love with no limits.

What's included:

- 100GB (4G + 5G)
- FREE upgrade to Unlimited 5G and 4G Data as long as you stay active on this plan
- 100GB hotspot from data quota
- Unlimited calls
- RM 0.15 per SMS
- No Contract

Add Ons

Extra Data

- 10GB for RM 10
- 50GB for RM 45

RM 99 / month

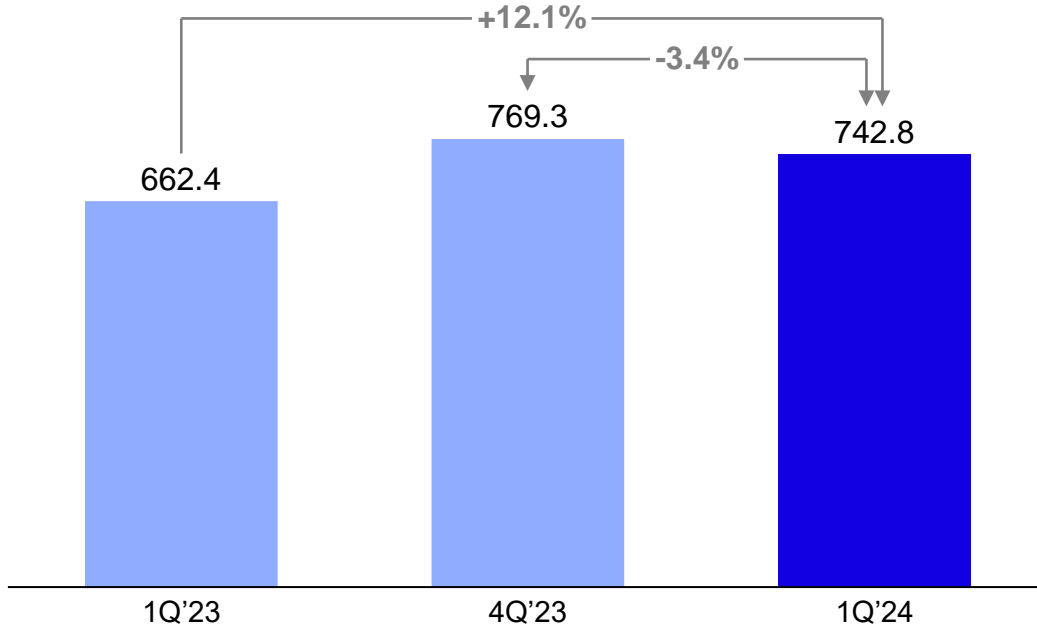
[Apply Now >](#)



Launch of **NEXT Series Industry event** with Digital HR Tech Day with industry HR leaders to **empower digital transformation in Human Capital management** in line with the rapid advancement of technology landscape.

Solid revenue growth for both Domestic & International segments

Revenue Trend
RM million



QoQ decreased due to:

- Lower IRU value deals supported by higher revenue from domestic data.

YoY increased due to:

- Higher revenue from Managed Wavelength, HSBA, and IRU.

DOMESTIC

- **YoY increase of 4G and 5G backhaul sites** for domestic service providers nationwide in supporting Malaysian digital ecosystem.
- Greater growth momentum in physical, coverage and revenue for High Speed Broadband (HSBB) Access **with increased new ports provisioned.**

INTERNATIONAL

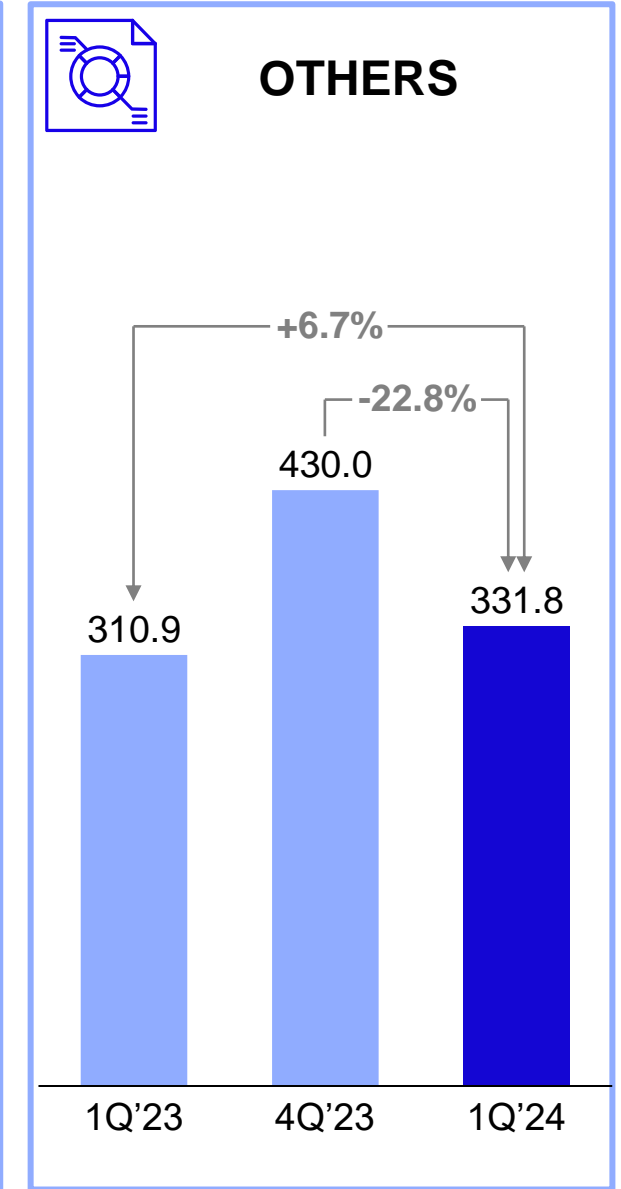
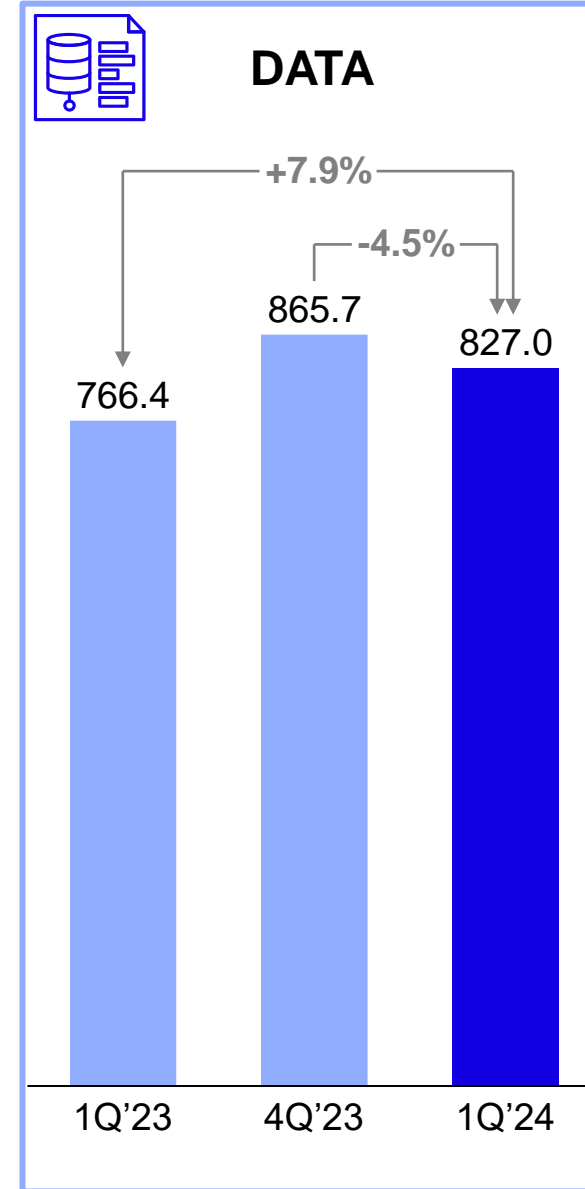
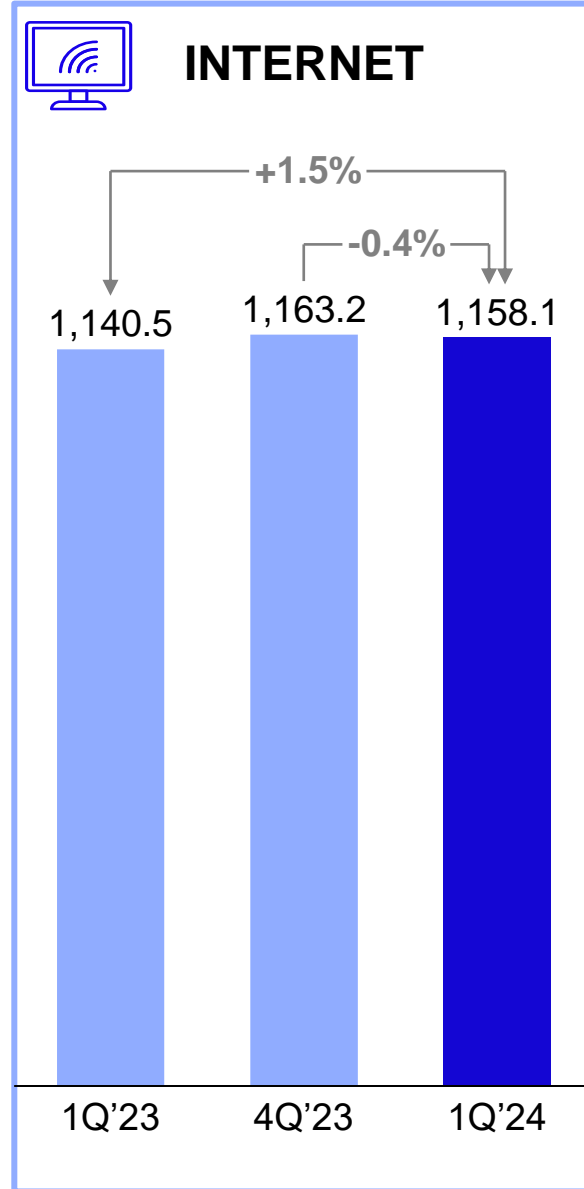
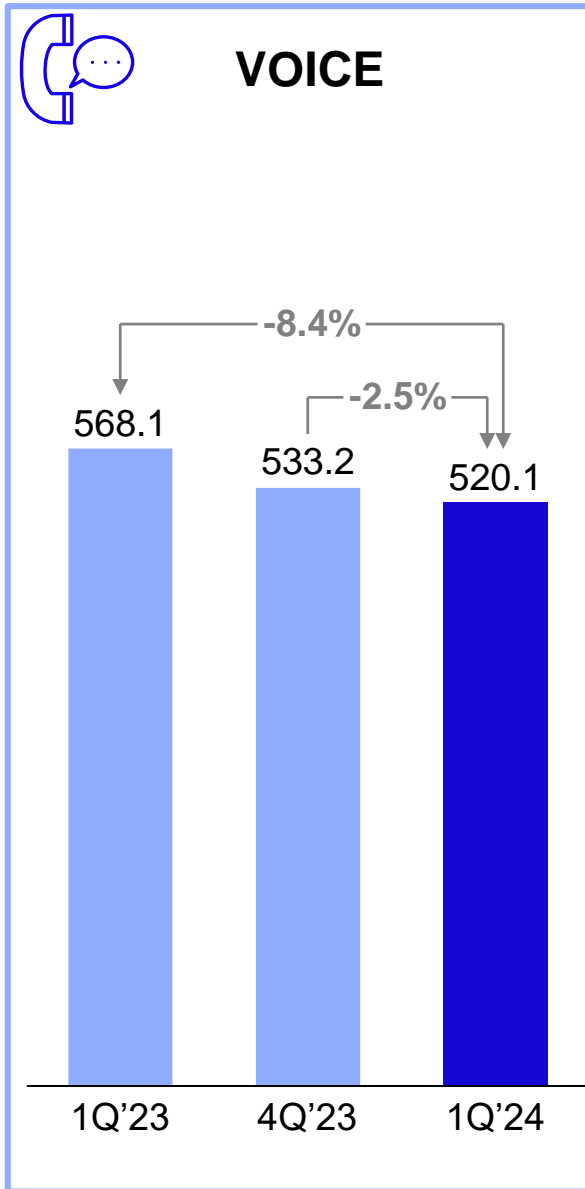
- YoY capacity for IRU has **increased significantly from global carriers**, connecting Malaysia to the rest of the world.
- Successfully provisioned **Managed Wavelength for hyperscalers** thus enabling Malaysia as regional digital hub.
- Recorded **significant YoY CDN traffic** to cater demand from digital players to achieve a better end-user experience.
- **Recognised at Asian Telecom Awards 2024** for Telecom Company and Wholesale Company of the year.

*HSBA: High Speed Broadband (Access), IRU: Indefeasible Right of Use



Revenue by Product

YoY growth for Internet, Data & Others



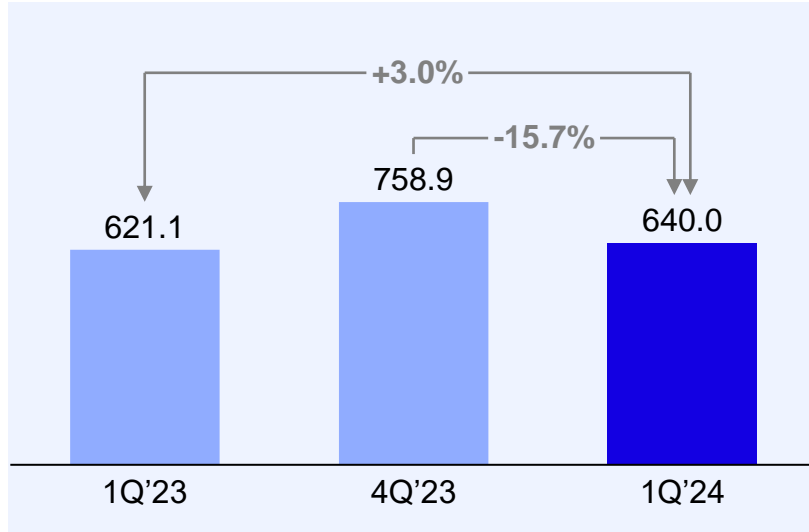
A graphic element on the left side of the text box, featuring a blue triangle pointing downwards and to the right, and a white triangle pointing upwards and to the right, meeting at a diagonal line.

**COST, INVESTMENTS
& OTHER FINANCIALS**

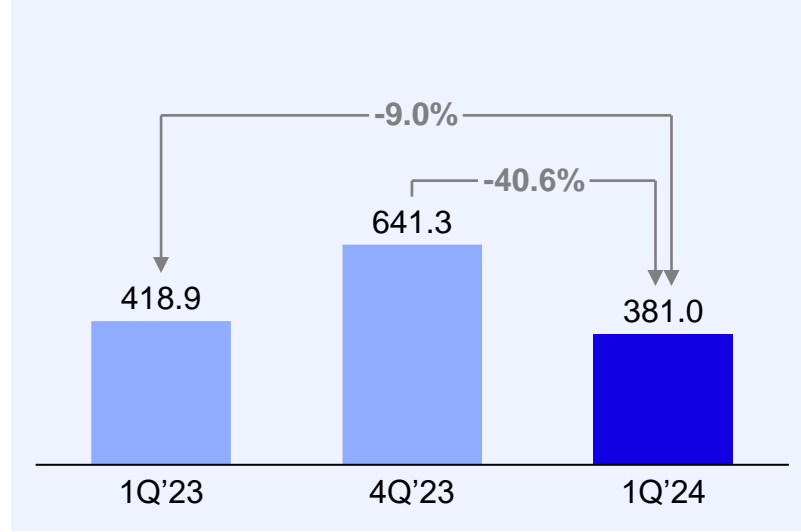


Total Cost/Revenue at 78.0%

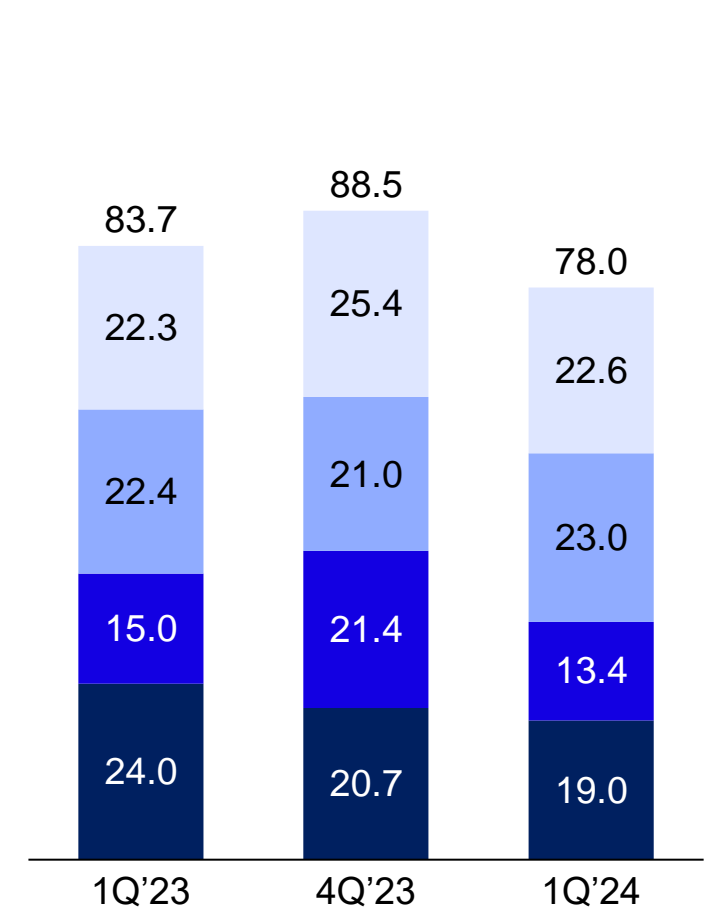
Direct Cost, RM million



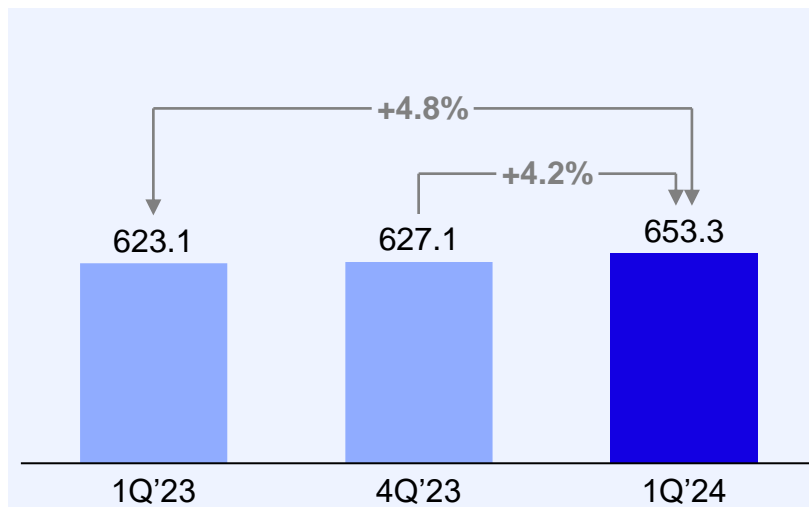
Operational Costs, RM million



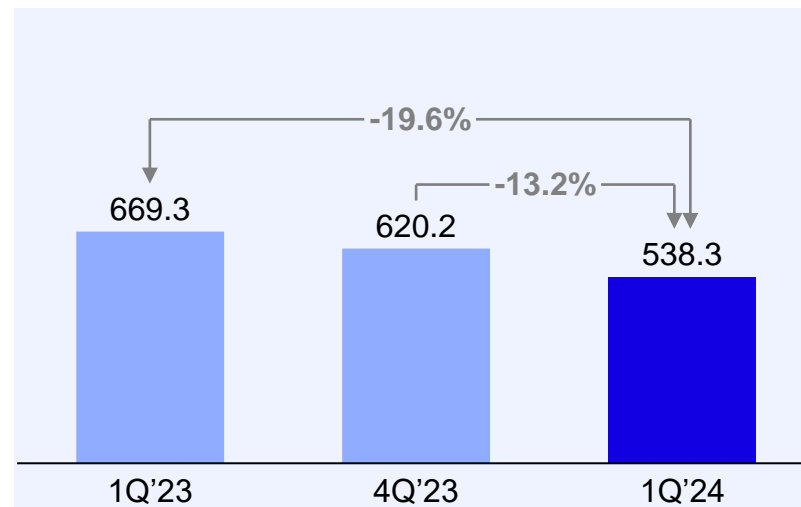
% Total Cost to Revenue



Manpower, RM million



Dep. & Amortisation*, RM million



- Direct Cost
- Operational
- Manpower
- Depreciation & Amortisation *
- Normalized

Notes:
* Including impairment

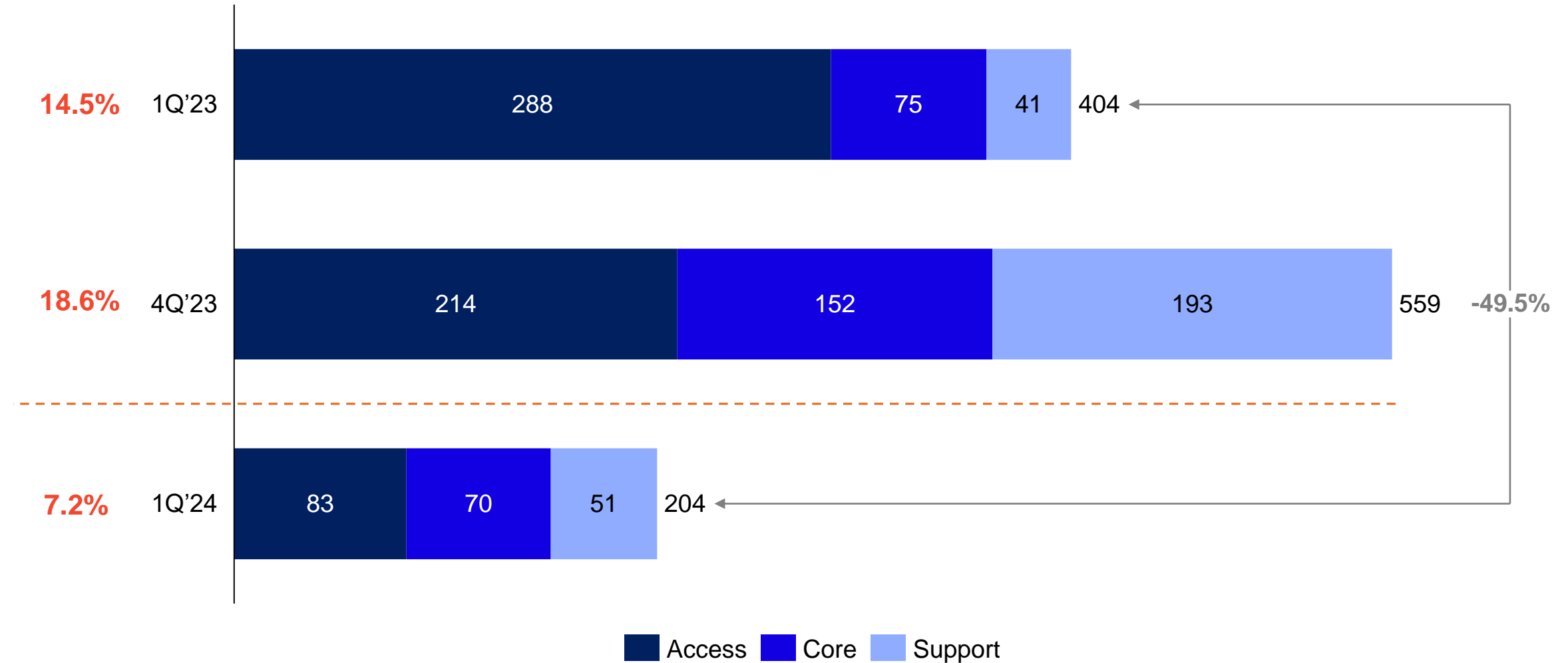


Group Capital Expenditure

CAPEX will increase towards guidance range

CAPEX/Revenue (%)

TM CAPEX Breakdown (RM mill)





Group Cash Flow & Financial Ratios



Higher Cash Balance & Improving Indicators

RM mn	1Q 2024	1Q 2023
Cash Flows from Operating Activities	568.6	670.9
Cash Flows used in Investing Activities	(217.5)	(458.7)
Cash Flows used in Financing Activities	(835.5)	(446.4)
Cash and Cash Equivalents at beginning of the Financial Period	2,697.9	2,344.3
Effect of exchange rate changes	22.4	(19.9)
Cash and Cash Equivalents at end of the Financial Period	2,235.9	2,063.2
<i>Free Cash Flow</i> ¹	629.8	438.0
Financial Ratios	1Q 2024²	1Q 2023²
Return on Equity	23.33%	16.21%
Return on Assets	9.18%	5.85%
Return on Invested Capital	12.38%	11.73%
WACC	8.63%	7.99%
Current Ratio	1.16	1.17
Gross Debt to EBITDA	1.49	1.57
Net Debt/EBITDA	0.96	1.05
Gross Debt/Equity	0.79	0.93
Net Debt/Equity	0.51	0.63
Net Assets/Share (sen)	234.75	208.72

Notes:

1. Free Cash Flow = PAT+ D&A - CAPEX – Lease Repayments

2. Based on 12 months trailing figures and normalised numbers where applicable

A close-up photograph of a person's hand holding a black smartphone. The hand is positioned in the center-right of the frame, with the phone held vertically. The person is wearing a tan-colored jacket. In the background, a blurred yellow circular light is visible. A white rectangular box with a blue diagonal pattern on the left side is overlaid on the image, containing the word 'CONCLUSION' in blue capital letters.

CONCLUSION

Key Takeaways

1Q 2024 Key Highlights:



- **1Q Operating Revenue at RM2.84 billion**, with 1.8% growth from 1Q 2023.
- **EBIT increased 37.5%** from RM473.3 million to **RM650.9 million**.
- **PATAMI increased 28.7%** from RM330.1 million to **RM424.8 million**.
- **Fixed broadband subscribers** grew 1.8% from 1Q2023 to **3.135 million**.

Growing our core business remains as our top priority while we continue strengthening our efforts towards driving new growth areas and digital solutions. In addition, we will continue to optimise cost and enhance profitability to ensure better returns for our shareholders.



As we embark on the next level of our transformation journey towards becoming a Digital Powerhouse by 2030, our primary focus in 2024 includes:

- Protecting our current core businesses
- Enhancing beyond connectivity business through new ventures including expansion of data centre and platform ecosystem
- Capturing new business growth via business model shift and people transformation



The Group maintains a **positive outlook for the current year**, staying aligned with the earlier issued 2024 guidance.



QUESTION & ANSWERS

APPENDICES

Cost % Revenue comparison

Revenue (RM mil)	1Q 2023	4Q 2023	1Q 2024	QoQ	YoY	Comments 1Q 2024 v 1Q 2023
	2,785.9	2,992.1	2,837.0			
Direct Costs %	22.3%	25.4%	22.6%			
RM mn	621.1	758.9	640.0	-15.7%	+3.0%	<ul style="list-style-type: none"> • Increase in Outpayment at TM Global • Higher Roaming costs at Unifi • Higher Content cost
Manpower %	22.4%	21.0%	23.0%			
RM mn	623.1	627.1	653.3	+4.2%	+4.8%	<ul style="list-style-type: none"> • Higher staff remuneration
Operational Costs %	15.0%	21.4%	13.4%			
RM mn	418.9	641.3	381.0	-40.6%	-9.0%	<ul style="list-style-type: none"> • Increase in Forex Gain • Lower Network Maintenance • Lower Professional Fees • Lower Rental
Total OPEX	1,663.1	2,027.3	1,674.3	-17.4%	+0.7%	
Dep & Amortisation %	24.0%	20.7%	19.0%			
RM mn	669.3	620.2	538.3	-13.2%	-19.6%	<ul style="list-style-type: none"> • Impairment & accelerated depreciation in 1Q23
Total Cost (RM mn)	2,332.4	2,647.5	2,212.6	-16.4%	-5.1%	
Total (%)	83.7%	88.5%	78.0%	-10.5pp	-5.7pp	



Statement of Financial Position

RM mn	As At 31 March 2024	As At 31 Dec 2023 (RESTATED)	Var.
Shareholders' Funds	9,008.9	9,163.0	-1.7%
Non-controlling Interests	162.6	159.6	1.9%
Deferred & Long-Term Liabilities	6,566.5	6,491.1	1.2%
<i>Long Term Borrowings</i>	3,583.1	3,536.8	1.3%
<i>Lease Liabilities</i>	1,559.1	1,634.5	-4.6%
<i>Deferred Tax</i>	1,255.7	1,127.0	11.4%
<i>Others</i>	168.6	192.8	-12.6%
	15,738.0	15,813.7	-0.5%
Current Assets	6,346.7	6,515.0	-2.6%
<i>Trade and Other Receivables</i>	2,672.6	2,275.0	17.5%
<i>Cash & Bank Balances</i>	2,419.8	2,955.2	-18.1%
<i>Inventories</i>	196.8	204.6	-3.8%
<i>Others</i>	1,057.5	1,080.2	-2.1%
Current Liabilities	5,558.9	5,874.2	-5.4%
<i>Trade and Other Payables</i>	2,805.5	3,033.3	-7.5%
<i>Short Term Borrowings</i>	926.7	1,226.4	-24.4%
<i>Lease Liabilities</i>	223.1	223.1	0.0%
<i>Others</i>	1,603.6	1,391.4	15.3%
Net Current Assets/(Liabilities)	787.8	640.8	22.9%
Non-Current Assets	14,950.2	15,172.9	-1.5%
<i>Property Plant & Equipment</i>	11,585.6	11,796.8	-1.8%
<i>Other Non-Current Assets</i>	3,364.6	3,376.1	-0.3%
	15,738.0	15,813.7	-0.5%

Corporate Finance & Investor Relations
Level 12, TM Annexe 2
Jalan Pantai Baharu
50672 Kuala Lumpur
Malaysia

www.tm.com.my/investorrelations
investor@tm.com.my

THANK YOU