



39th TELEKOM MALAYSIA BERHAD

ANNUAL GENERAL MEETING

30th May 2024

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A man in a dark blue suit and glasses is standing on a balcony, looking at a tablet. The background is a cityscape with tall buildings. Overlaid on the scene are several blue circular icons: a shield with a lock, a folder, a document with a checkmark, a gear, a globe, and a Wi-Fi symbol. There are also some abstract digital elements like a grid and a bar chart.

2023 OVERVIEW

Resilient Performance in a Challenging Year

The Star

StarPlus News Asean+ **Business** Sport Metro Lifestyle Food Tech Education Opinion

TOPICS : KKB Polls | StarExtra | Heatwave | Flood Alert | StarESG | Urban Biodiversity | True or Not

TM's net profit soars by 63.6% to RM1.87bil in FY23

TM surges to three-year high after above-view 4Q, analysts see further upside

By Jason Ng / theedgemalaysia.com

26 Feb 2024, 10:42 am • Updated - 27 Feb 2024 12:11 am

Home / Business / News / TM to sustain FY24 resilient earnings, gets 16 'Buy' calls

TM to sustain FY24 resilient earnings, gets 16 'Buy' calls

Malaysia / Telecom Services and Carriers / KLSE:TM

Telekom Malaysia Berhad Full Year 2023 Earnings: EPS Beats Expectations

Simply Wall St

May 06, 2024

23rd ANNIVERSARY
BUSINESSTODAY

HOME NEWS GLOBAL MARKETS PROPERTY NET ZERO 2050 SCALE UP LIFESTYLE

Home > Markets > Telco's Dilemma For 2023: 5G Challenge, Regulatory Risk And Tight Competition

Markets News

Telco's Dilemma For 2023: 5G Challenge, Regulatory Risk And Tight Competition

By Editor - January 10, 2023

BUSINESS TIMES

HOME

CORPORATE

ECONOMY

FEATURE

CARS BIKES TRUCKS

SME

ESG

Changing consumers spending mindset biggest threat to telcos - EY report

By Bernama - April 5, 2023 @ 10:33am

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SOYACINCAU

中文版

BM

NEWS

DEALS

REVIEWS

TECH

TELCO

CARS

CONTRIBUTE

JOBS

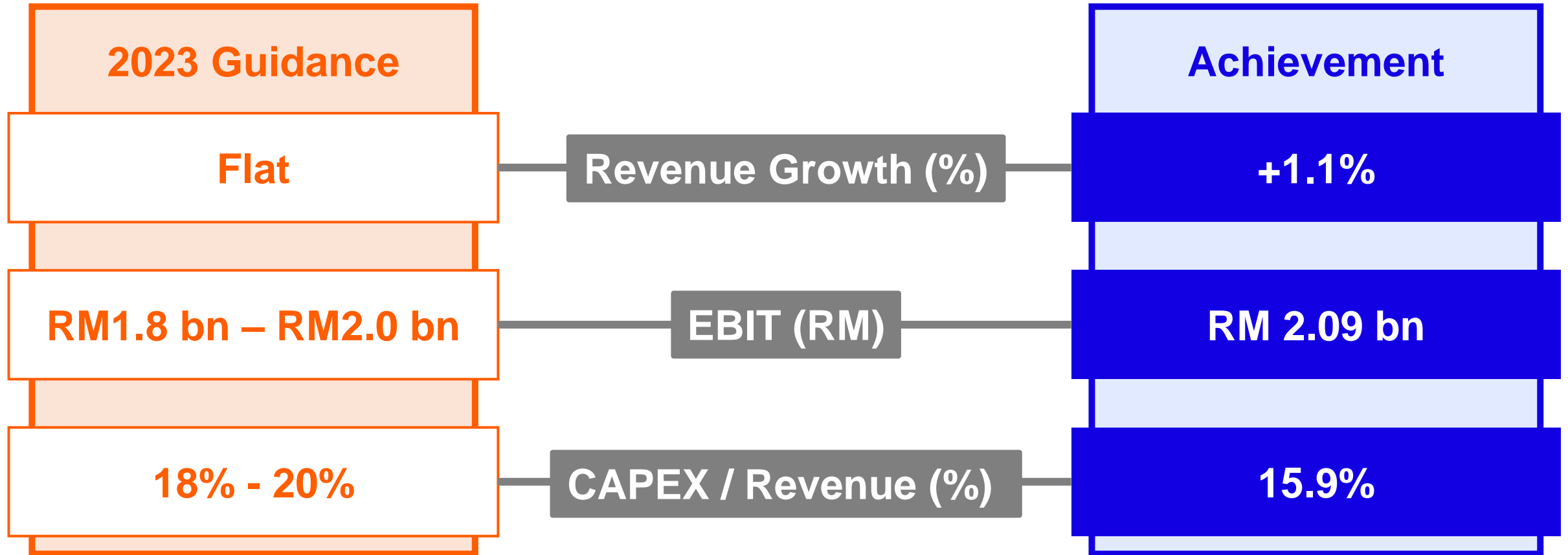
Search...

Home > Telco

MCMC on MSAP: Expect price reduction for broadband services after September 2023

BY Alexander Wong 11 July 2023 2:21 pm Comment

We Exceeded Our 2023 Guidance

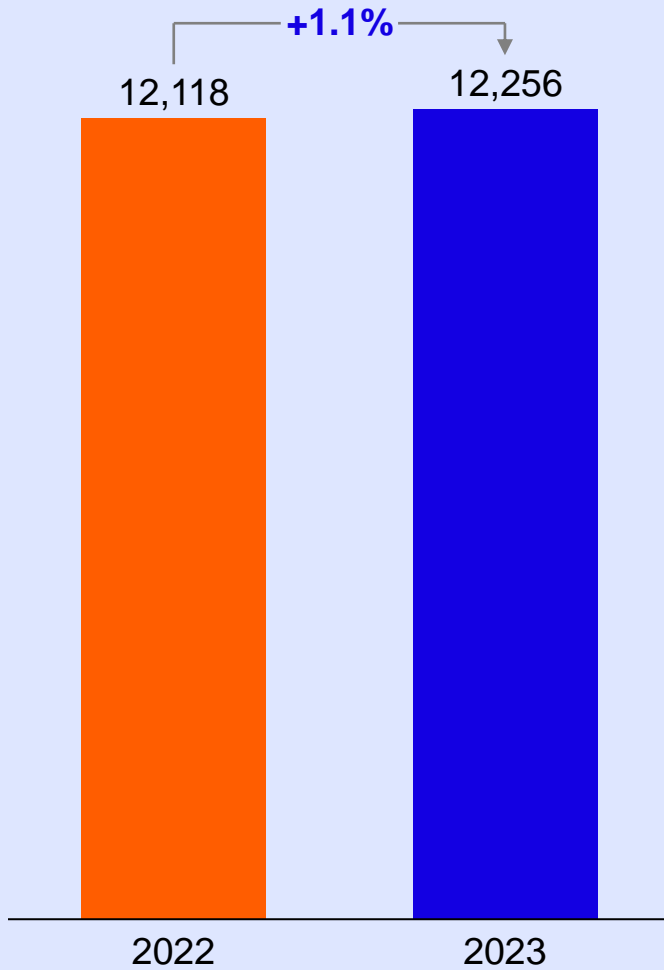




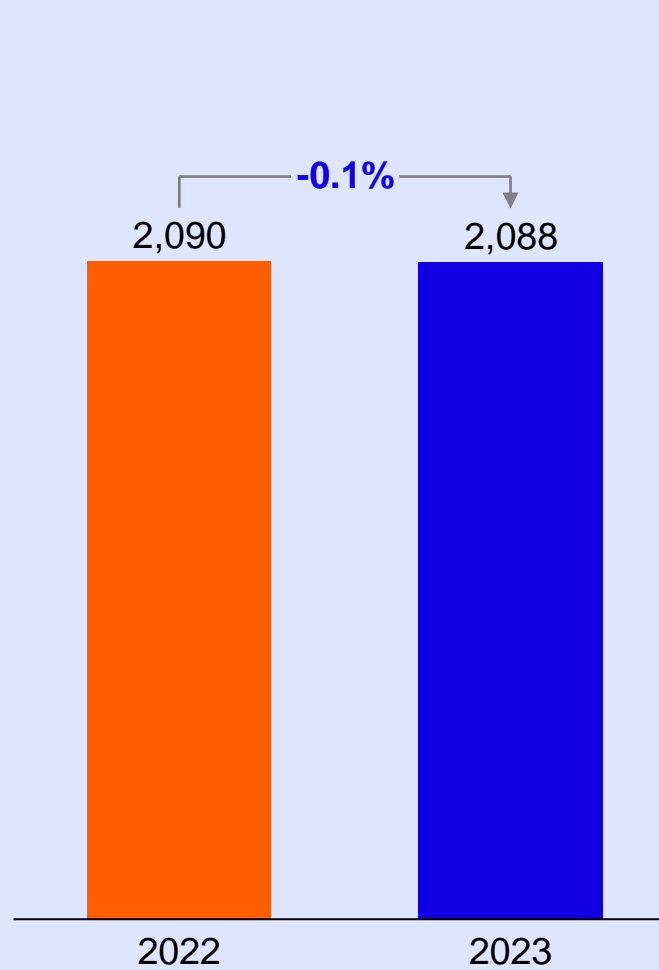
2023 Financial Performance

(RM million)

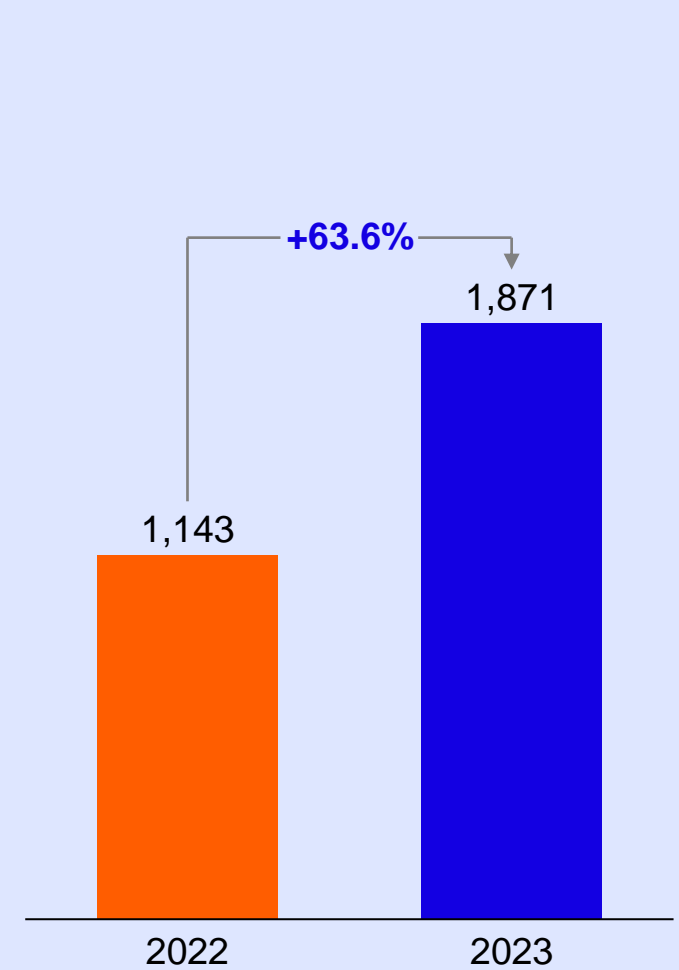
Revenue



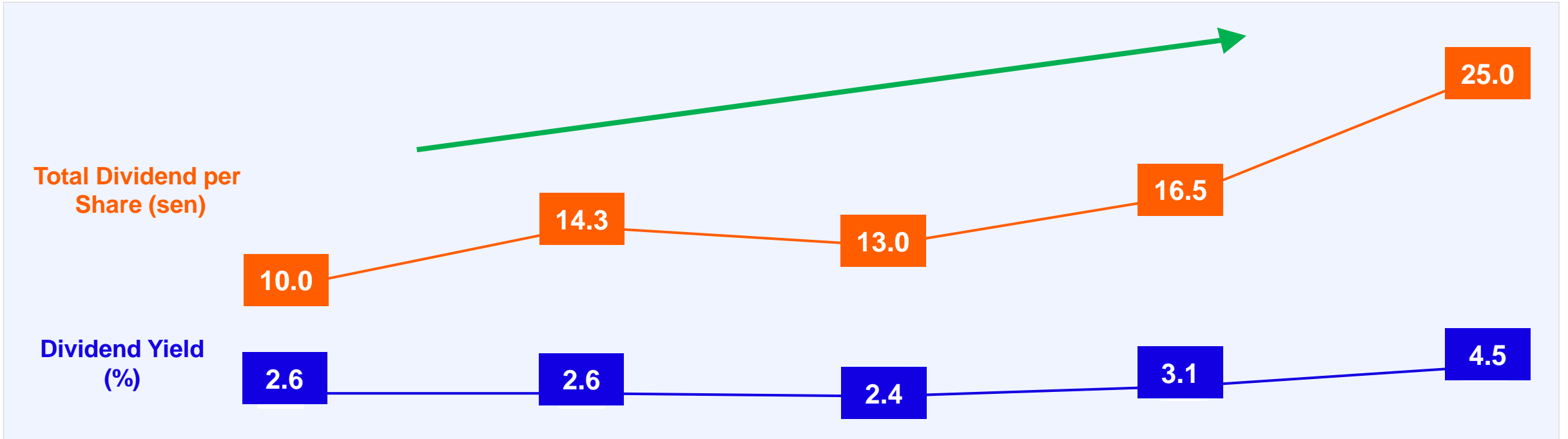
EBIT



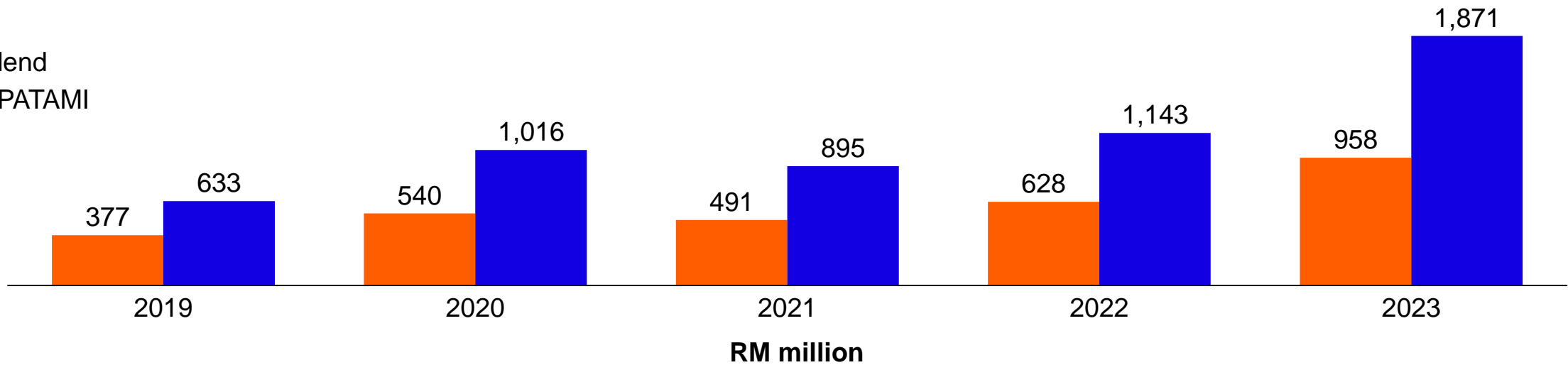
PATAMI

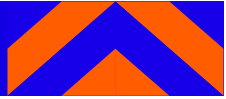


Improved Dividend Payout to Shareholders



■ Total Dividend
■ Reported PATAMI





Committed to Serving Malaysians

The Best Experience at Home, Work & On The Move



SOCIETY



Home & Individuals

BUSINESS



SME

>3.1 million Homes & MSME customers

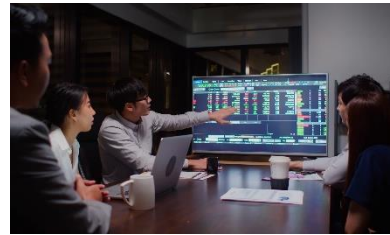
The only **Fixed Mobile Convergence** with **Quad Play** in Malaysia

77 Unifi TV channels

Building a Smarter Future



BUSINESS



Enterprise

GOVERNMENT



Government

~ 1,900 Government customers

~ 4,800 Enterprises

29 Local Councils collaboration

Bridging Malaysia to the World



DOMESTIC



Local Telcos & Industry

INTERNATIONAL



Global Telcos & Tech Companies

163 Malaysian Telcos, service providers

571 International Telcos, OTT, hyperscalers

80% 5G COPA largest backhaul contributor



Building an Inclusive Future

Enabled by our Fixed & Wireless Convergence Network

>720,000km fiber-optic cables nationwide

Data Centre capacity
~ 20 MW

>3.9 million HSBB ports

>100 content delivery nodes (CDN) worldwide

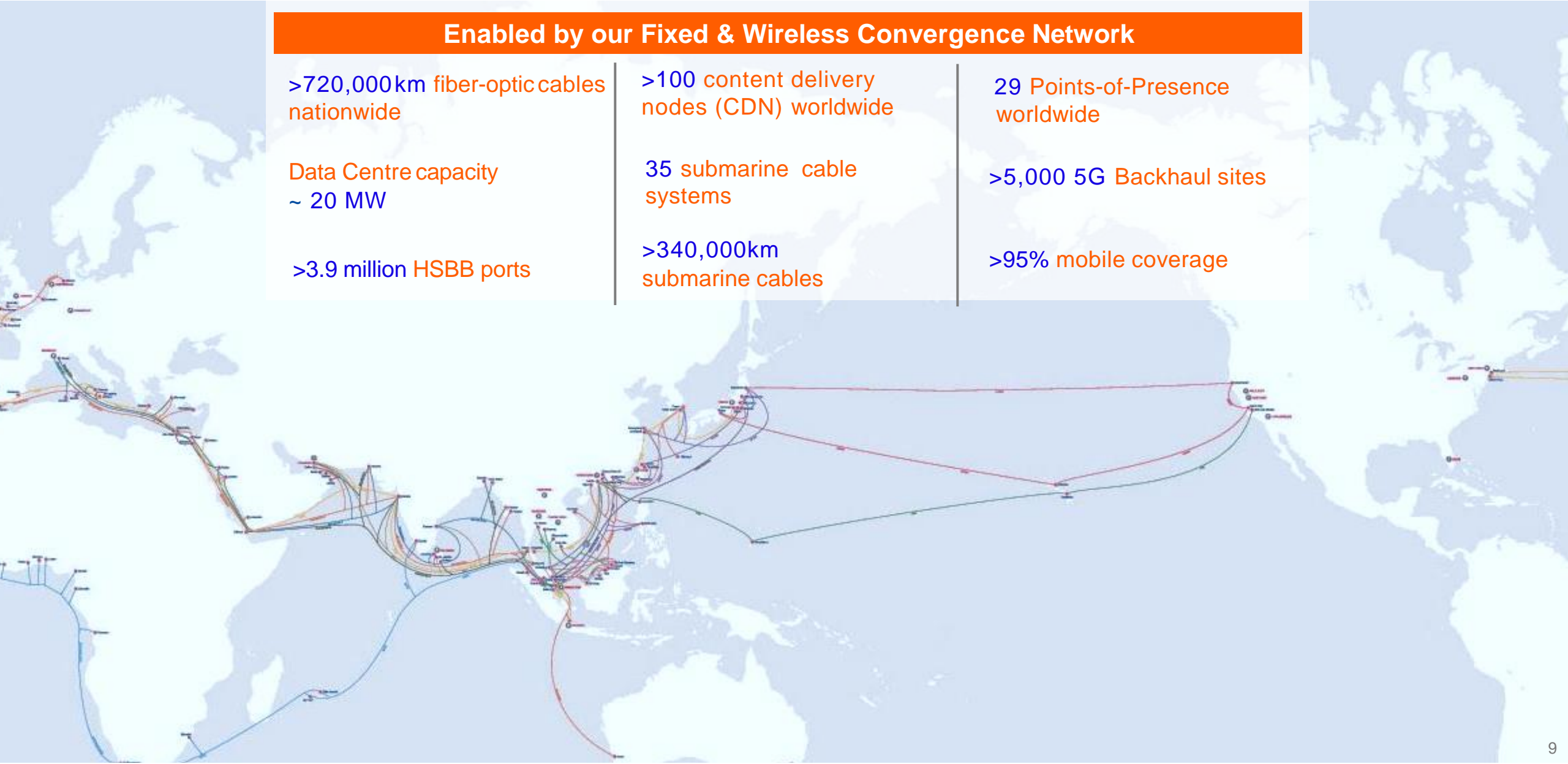
35 submarine cable systems

>340,000km submarine cables

29 Points-of-Presence worldwide

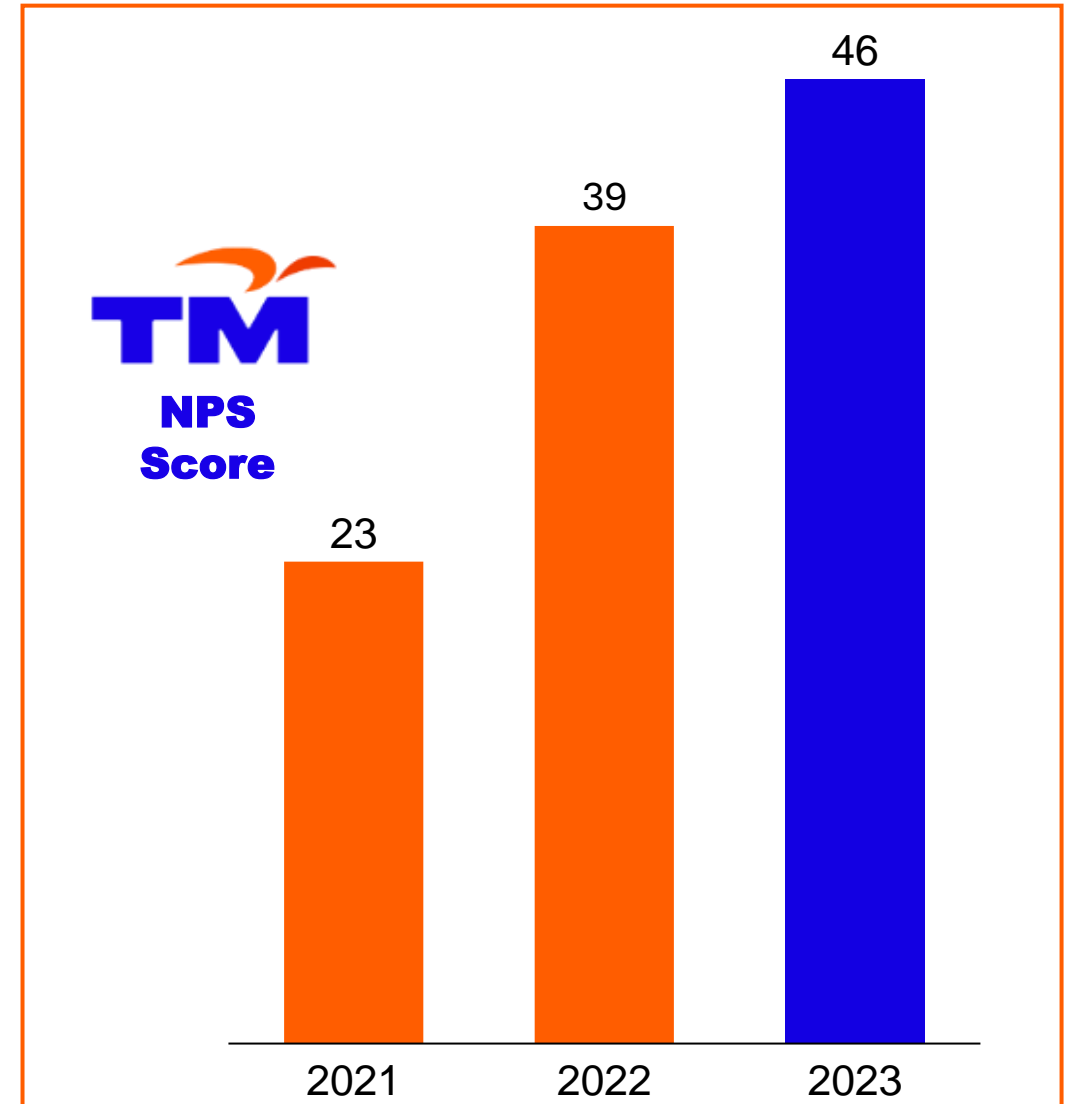
>5,000 5G Backhaul sites

>95% mobile coverage



Elevating Customer Experience

- **Unifi Store Transformation** – Upgraded in-store experience with interactive displays and dedicated sections for MSME.
- **Faster Installations** – 80% of customers getting service within 14 days.
- **Faster Restorations** – Resolved 90% of service faults within 24 hours.
- **Improved Unifi Mobile Services** – Improved 4G & 5G coverage to 95% nationwide.
- Implemented Robotic Process Automation (RPA) and other **Digital Tools** to enhance product quality and customer support processes for Enterprise, Global and Government clients.

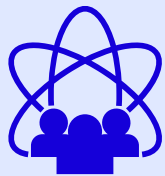


Empowering Our People

Bringing out the best in *Warga TM* by providing Environment and Leadership that Nurture Growth & Success...



A Great Place to Work & Employer of Choice



Care for overall Wellbeing and Welfare

- Competitive salary and wholesome benefits
- Wellbeing360 – comprehensive health and motivation support
- Hybrid work arrangements for productivity and flexibility



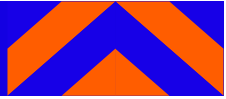
Continuous Development and Learning for Growth

- Reskilling and upskilling opportunities, focusing on digital talent
- Improving employee experience through automation and digitisation, including on-demand learning
- Job rotation that enriches career progression and builds digital expertise



Culture of Inclusivity, Respect and Care

- Equal career & growth opportunity
- Various recognition programs to value employees
- Diverse and inclusive leadership team



Delivering Our ESG Commitment

2023 IMPACT SCORECARD HIGHLIGHTS

SOLUTIONS PROVIDER



- **46 NPS Score** (vs 39 in '22)
- **95.4%** Unifi Mobile network coverage

DIGITAL INCLUSION



- **73%** premises with high-speed Internet
- **>110,000** community members in social impact programmes

ENVIRONMENTAL MANAGEMENT



- **26.7%** reduction in water consumption
- **22%** reduction in carbon emissions

RESPONSIBLE EMPLOYER



- **32%** of women in senior management
- **32.7%** reduction in overall accident cases

ETHICAL BUSINESS



- **No case** of data loss
- **100%** of misconduct reported resolved

2023 Awards



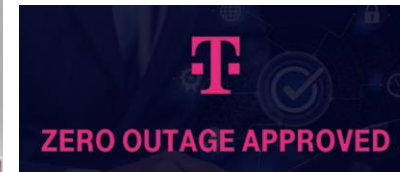
- **Fastest average 5G Download Speeds in 5G Global Mobile Network Experience Awards 2023:** Opensignal
- **Best Business Fixed Broadband Service Provider & Best Fixed Broadband Service Provider:** PC.com
- **Best mobile video experience:** OOKLA



- **CyberSecurity National Award:** Frost & Sullivan, CyberSecurity Malaysia,
- **Managed Services Partner of the Year 2023:** Cisco Partner Summit 2023
- **Best Enterprise Telco Awards:** PC.com



- **Telecom Company of the Year & Wholesale Company Initiative of the Year – Malaysia:** Asian Telecom Awards 2023
- **W.Media Asia Pacific Cloud & Datacenter Awards 2023:** W. Media
- **T-Systems Approved Zero Outage Supplier 2023:** Deutsche Telekom



- **Platinum Award in Communication Networks:** Putra Brand Awards 2023
- **Best Companies to Work for in Asia 2023 (Gold Award):** HR Asia
- **Asia's Best Brand Employer Award 2023 & Malaysia's Best Employer Brand Awards:** World HRD Congress'
- **Top 10 & Technology Sector Winner 2023 - GRADUAN Brand Awards**
- **Forward Faster Sustainability Awards:** UN Global Compact Malaysia & Brunei



**HR Asia
BEST COMPANIES
TO WORK FOR
IN ASIA 2024**



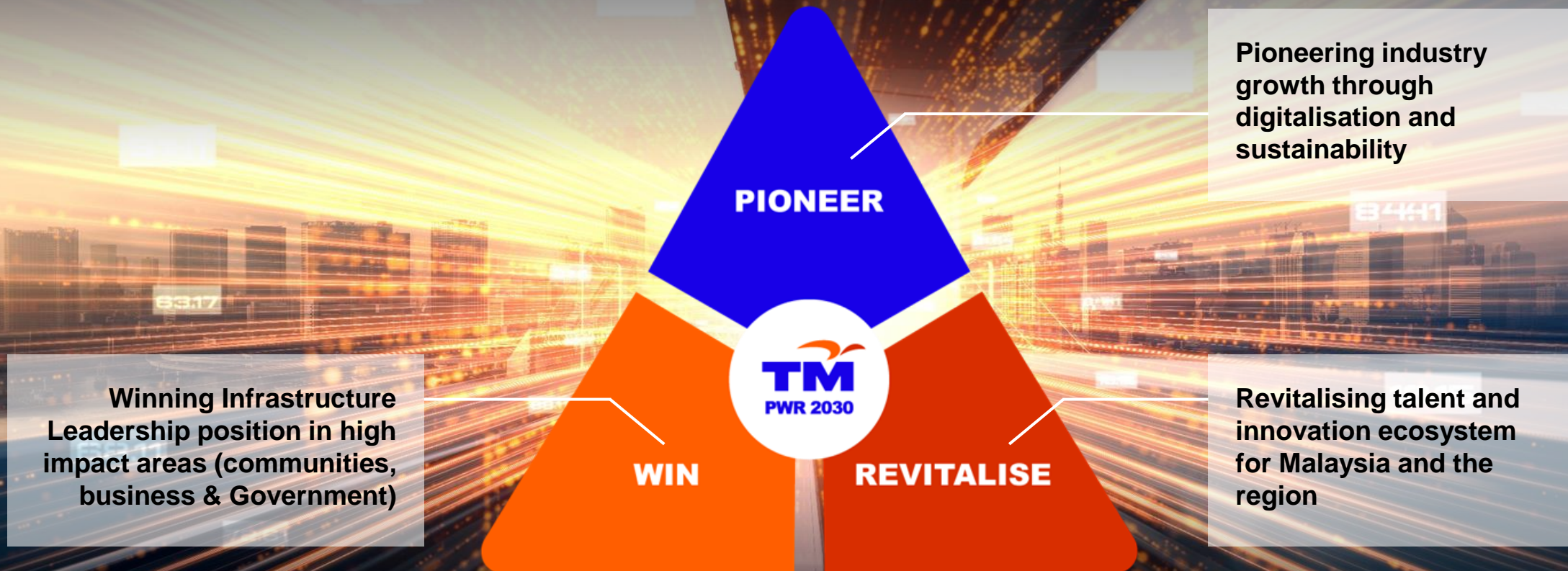


MOVING FORWARD

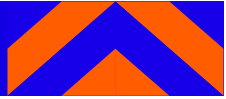
Mileage 0381921 km Trip 0020469 km

POWERING THE NEXT

TM to become a Digital Powerhouse by 2030



Propelling Malaysia to become a digital nation and positioning it as a digital hub for the region, anchored on PWR 2030



PWR 2030 Journey

The stage is set for us to accelerate the journey to become a **Digital Powerhouse by 2030**

2024 - 2026

DEFEND & BUILD

- Protecting existing core businesses
- Enhancing *Beyond-Connectivity* and build platform ecosystems
- Capturing new business growth via business model shift & people transformation

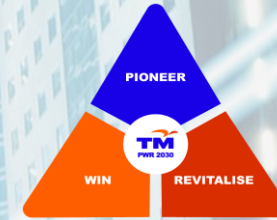
2027 - 2029

GROW & REPLICATE

- Growing integrated platforms by harnessing data to enhance value propositions
- Replicating successful ventures across the nation and region

2030

DIGITAL POWERHOUSE



- **Pioneering** industry growth through digitalisation and sustainability
- **Winning** Infrastructure Leadership in high impact areas (Government, Business and Communities)
- **Revitalising** talent and innovation ecosystem for Malaysia and the Region

JOURNEY TOWARDS **DIGITAL POWERHOUSE**

PWR 2030 Our Business

2024 - 2026

DEFEND & BUILD

We will strive to **protect our leadership in our core businesses and enhance beyond connectivity** services for growth and customer stickiness



Aiming to **revolutionise Digital Home and Society** through convergence play strategy

- Unifi offers **converged solutions** with improved mobile coverage, content and digital lifestyle for consumers.
- Unifi Business offers **business solutions** to accelerate MSMEs' digital adoption



Spearheading **innovation for Government and Enterprises** by leveraging superior infrastructure

- TM One offers **managed services** with next gen connectivity, sovereign cloud, enterprise 5G, AI powered smart services, platform and cyber security solutions for **industrial digital growth**



Positioning Malaysia as a **digital hub for the region** pioneering wholesale platform play capabilities

- TM Global is **expanding domestic fibre network and international wholesale platform ecosystem** with new strategic submarine cables, data centres, edge computing and media delivery

Powered by our key enablers:

1. **Integrated platform** with enhanced **Enterprise Architecture** and robust in-built **Cybersecurity** across operations
2. **Modernised Operations and Business Support System** to improve customer experience and faster go-to-market
3. **Network Modernisation** continuation with amplified **Generative AI for Autonomous Network** and efficiency



Sustainability is Deeply Embedded in Our Organisation

SUSTAINABILITY OBJECTIVES

**ENABLING SUSTAINABLE GROWTH
*FOR CUSTOMERS & COMMUNITY***

**ENSURING BUSINESS RESILIENCE
*WITHIN TM AND OUR VALUE CHAIN***

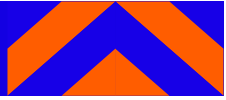
2024 SUSTAINABILITY FOCUS AREAS



**EMBEDDING SUSTAINABILITY INTO
ALL OUR OPERATIONS**



**EMPHASIZING OUR COMMITMENT TO
ETHICAL, PURPOSE-DRIVEN PRACTICES**



2024 Focus

We will strive to meet our 2024 Financial targets as per the Market Guidance, through the following:

1

Business

- **Protecting our existing core business** i.e. fixed mobile convergence
- **Enhancing our digital solutions** e.g. cloud, cybersecurity, smart services, platform play, data centre and content delivery network (CDN)

2

Technology and Sustainability

- Continuous **expansion** and **modernisation of network** and systems
- **Growing our AI capabilities** by embracing Generative AI to improve operational efficiency, customer experience and value proposition
- **Embedding sustainability** into every facet of our operations

3

Customer Experience

- Providing a **superior, personalised, and digitalised experiences** when serving our customers
- Continuous commitment to provide **best in class** customer experience

4

People

- Prepare a **robust, adept and motivated** Warga TM
- **Upskilling** our staff with relevant digital skillset
- Emphasising on **employees' wellbeing**



**RESPONSES TO QUESTIONS FROM MINORITY
SHAREHOLDER WATCH GROUP (MSWG)**

Transaction
Successful

RM



Questions from MSWG

Operational and Financial Matters

Q1 The growing demand for carbon-efficient products and services presents some opportunities for the Group. (Page 41 of Integrated Annual Report 2023 “IAR2023”)

How does the Company plan to innovate and adapt its product and service offerings to meet the growing demands?

- A1**
- TM has launched TM One Innovation Lab and Enterprise 5G Lab on 20 February 2024, as the platform to co-create industry focused solutions which includes helping our customers in their decarbonisation journey.
 - In 2023, we had introduced several solutions to cater for the growing demand in carbon-efficient products i.e. Smart Traffic Management powered by AI and sensor-based Smart Street Light. Please refer to Page 101 of IAR 2023 for the list of solutions.
 - We have also enhanced the renewable energy usage in data centres by 7% to 40% in 2023, and secured Leadership in Energy and Environmental Design (LEED) and Green Building Index (GBI) certifications for our 2 data centres i.e. KVDC and IPDC.



Questions from MSWG

Operational and Financial Matters

Q2 The table below set forth the revenue contribution by key customer-facing business unit:

RM' million	FY 2022	FY 2023
Unifi	5,648.1	5,664.0
TM One	3,470.0	3,141.8
TM Wholesale	2,851.8	3,098.5

With the increasing adoption of AI, quantum computing, edge computing and IOT is expected to pent up the demand for the wholesale bandwidth. On the other hand, the mobile market is near saturation, not to mention the increased competition.

- (a) Premised on the above, does the Group anticipate a shift in its primary revenue drivers?
- (b) How is the Company planning to allocate capital expenditures to support the pent-up demand?



Questions from MSWG

Operational and Financial Matters

A2 (a) Revenue drivers

We do not anticipate any significant shift in the revenue drivers as retail is still a key revenue generator and contributing positively with the ramp-up of convergence products and services.

For the medium to long term, we foresee a higher wholesale contribution to the revenue mix with increased demand in bandwidth and high adoption of new technologies i.e. AI, IoT, platforms and edge computing.

(b) Capital Expenditures

The total capital expenditure is aligned to our CAPEX guidance (18%-20% of revenue). Apart from the new growth areas, priority will also be given to strategic investments that support our core network expansion especially to cater for increase in bandwidth demand



Questions from MSWG

Operational and Financial Matters

Q3 *We achieved sustained revenue growth exceeding the revenue guidance for the financial year and continued to optimise expenditures, resulting in a higher than market guidance EBIT.”
(Page 27 of IAR2023)*

How does the Group balance optimising expenditures and maintaining service quality?

- A3**
- Customer remains our utmost priority and we will continue to improve the customer experience by providing superior and personalised experiences as elaborated on page 103 – 107 of IAR 2023. Our cost optimisation initiatives remain balanced and not in any way adversely affect our customer experience.
 - Our improved NPS score from 39 to 46 is testament to our relentless effort in delighting our customers towards achieving our aspiration to be a world-class company.



Questions from MSWG

Corporate Governance Matters

Q4 The Company to departs from Practice 5.2 of the Malaysian Code on Corporate Governance (“MCCG”), which states that at least half of the board should comprise independent directors. For large companies, the board comprises a majority of independent directors. Telekom’s board composition as at December 2023 and at the issuance of the CG Report consists twelve (12) Directors excluding Alternate Director as follows:

- a) One Non-Independent and Non-Executive Chairman;
- b) One Non-Independent Executive Director or MD/GCEO;
- c) Four Non-Independent and Non-Executive Directors; and
- d) Six Independent and Non-Executive Directors (INED).

The composition reflects an equal number of non-independent directors and INEDs.



Questions from MSWG

Corporate Governance Matters

- Q4** The Company is currently actively seeking suitable qualified candidate(s) for appointment as INED of the Company. (Page 28 of Corporate Governance Report 2023 “CG Report 2023”). Having served as Directors for nearly eight years, Tunku Afwida Tunku Dato’ A. Malek and Balasingham A. Namasiwayam have expressed their intention not to seek for re-election at the forthcoming 39th AGM. (Page 177 of CG Report 2023). Upon retirement of Tunku Afwida Tunku Dato’ A. Malek and Balasingham A. Namasiwayam, the Board will only have 4 INEDs on the Board.
- (a) What are the interim measures being considered to enhance the independence of the board while new INEDs are being sought?
 - (b) Please provide an update on the progress regarding the appointment of Independent Non Executive Directors (INED) so far?



Questions from MSWG

Corporate Governance Matters

A4 Board Succession Planning is an important agenda for the Board Nomination and Remuneration Committee (NRC) and TM Board. The Board has taken cognisance of the directors' retirement and board composition post-AGM, and has deliberated on the succession plan for the retiring directors. TM will be announcing the new INEDs appointments soon.

Concurrently, the Board will continue to assess the composition of INED to ensure compliance to the MCCG Practise 5.2 and will be making the necessary announcements in due course.

TM Board is committed to enhance the composition to ensure adherence to MCCG Practice 5.2 on majority independent directors for large companies and diversity in accordance with the Fit and Proper criteria.



Questions from MSWG Sustainability Matters

Q5 As part of the effort to reduce carbon emissions of its operations, Telekom intensified efforts towards energy efficiency including network modernisation. (Page 41 of IAR 2023)

- (a) What is the anticipated total capex required for the modernisation of the networks?
- (b) What percentage of the networks has been modernised to date?
- (c) How substantial is the enhancement in energy efficiency within the network subsequent to modernisation?

A5

- (a) Network modernisation is essential for TM to stay competitive, resilient and efficient in the rapidly evolving digital landscape. The invested CAPEX amount will form part of our 18-20% CAPEX percentage to revenue guidance.
- (b) Modernising our network is a continuous journey. To-date, most of our Core network has been modernised and is able to support new technologies. We will continue to enhance our network as per the Network Modernisation Plan approved by the Board.
- (c) We have achieved 14% reduction in our 2023 power utilisation as compared to our 2019 baseline. Further details on our energy efficiency efforts and performance are outlined on pages 128-130 of the IAR.



Questions from MSWG Sustainability Matters

Q6 *‘We are committed to leveraging digitalisation as a tool for sustainable growth across various sectors. By integrating sustainability into our digital initiatives, we aim to foster the nation’s economic development while minimising environmental impact.’ (Page 66 of AR2023)*

Has the Group conducted any assessments on the environmental impact of its digitalisation efforts?

A6 TM assesses its carbon emissions and several other environmental metrics as reported on Page 123-131 of the IAR2023

These metrics provide an understanding of the environmental impact of our digitalisation efforts, as they cover TM’s key enablers for digitalisation, namely the environmental impact of our network and data centres.



Questions from MSWG Sustainability Matters

Q7

‘As a leading digital company with an extensive network of stakeholders and a vast repository of data, we shoulder a significant responsibility to safeguard these assets against evolving cyber threats. Our cyber security strategy is meticulously designed to protect our stakeholders’ interests and ensure the integrity and confidentiality of our data.’ (Page 158 of AR2023)

How is Telekom preparing for future cyber security challenges, such as those posed by the Internet of Things (IoT) and 5G technology?

A7

- TM is committed to protecting our stakeholders’ interests by putting in place strategies to ensure cyber resilience and enhanced data protection.
- We have a dedicated cybersecurity team led by a Chief Information Security Officer (CISO) as well as a Security Operations Centre (SOC) to monitor and prevent cyber threats. TM continues to invest, uplift and optimise cyber security measures including response playbooks and periodic exercises.



Questions from MSWG Sustainability Matters

A7

- We also work closely with government agencies including Majlis Keselamatan Negara (MKN), Malaysia's National Cyber Security Agency (NACSA), MCMC and ministries to further strengthen our control measures to face the ever-growing threat of cyber attacks.
- We continuously engage our customers to better understand their needs in order to deliver solutions, including IoT and 5G technology, and embed with relevant cyber security measures.
- More information on our approach to cybersecurity is available on Page 158-160 of the annual report.



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THANK YOU