



ANALYST BRIEFING

3Q 2023 Results



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23rd November 2023

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LATEST HIGHLIGHTS

Latest Highlights

Product Updates



TM now offers more attractive consumer broadband plans

Awards

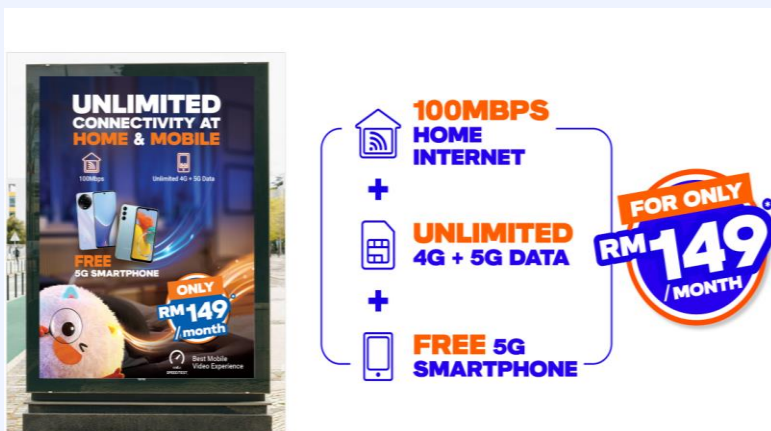


TM One received CyberSecurity Malaysia Appreciation Award 2023

Recent Collaborations



TM Joins ALC Consortium To Boost Submarine Cable Capacity From Malaysia To Asia



Unifi now offers a new bundled plan for seamless at-home and on-the-go connectivity



Unifi wins the OpenSignal 5G Global Awards 2023



TM Joins SK Telecom to pioneer multi access edge computing in Malaysia



3Q 2023 PERFORMANCE REVIEW



3Q YTD 2023 Highlights

Revenue

RM9,126.3 mil

0.1% decrease YTD
2.6% decrease YoY
0.7% decrease QoQ

EBIT

RM1,679.3 mil

10.1% decrease YTD
4.8% decrease YoY
8.6% decrease QoQ

PATAMI

RM1,437.0 mil

46.2% increase YTD
102.9% increase YoY
5.4% decrease QoQ

CAPEX/Revenue %

15.1%

0.8pp decrease YTD
2.9pp decrease QoQ

Fixed Broadband Subscriber

3.12 mil

4.6% increase YTD
0.3% increase QoQ

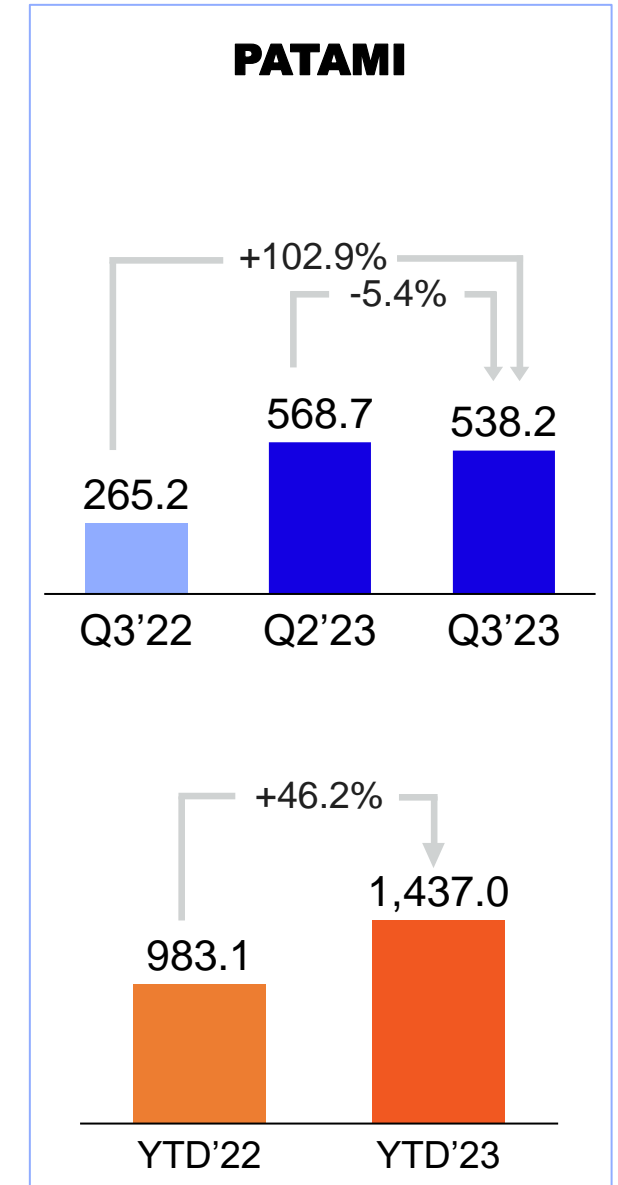
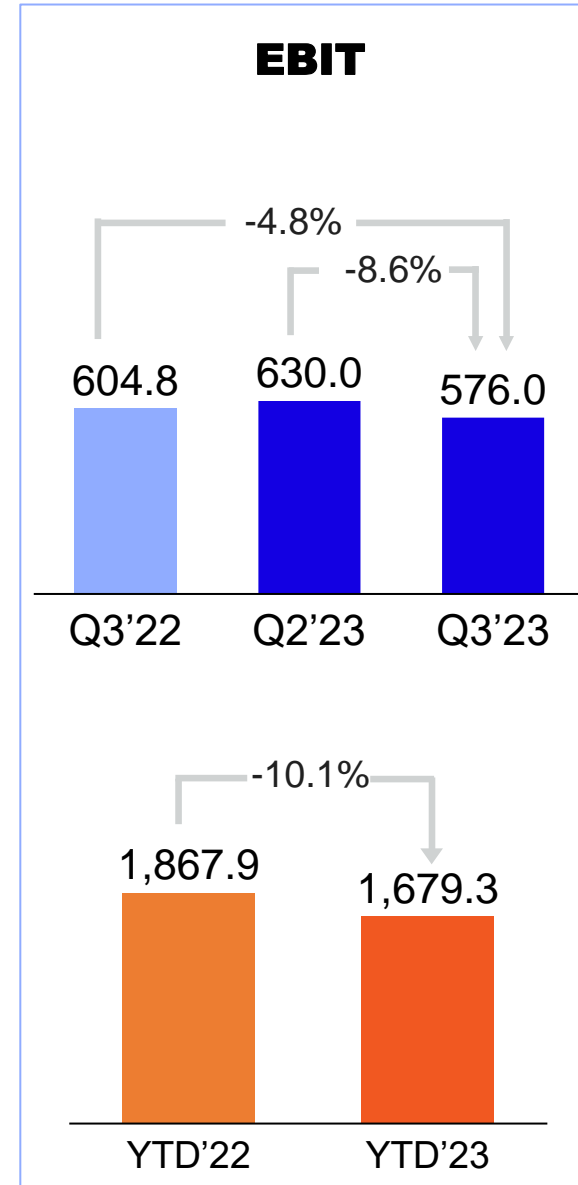
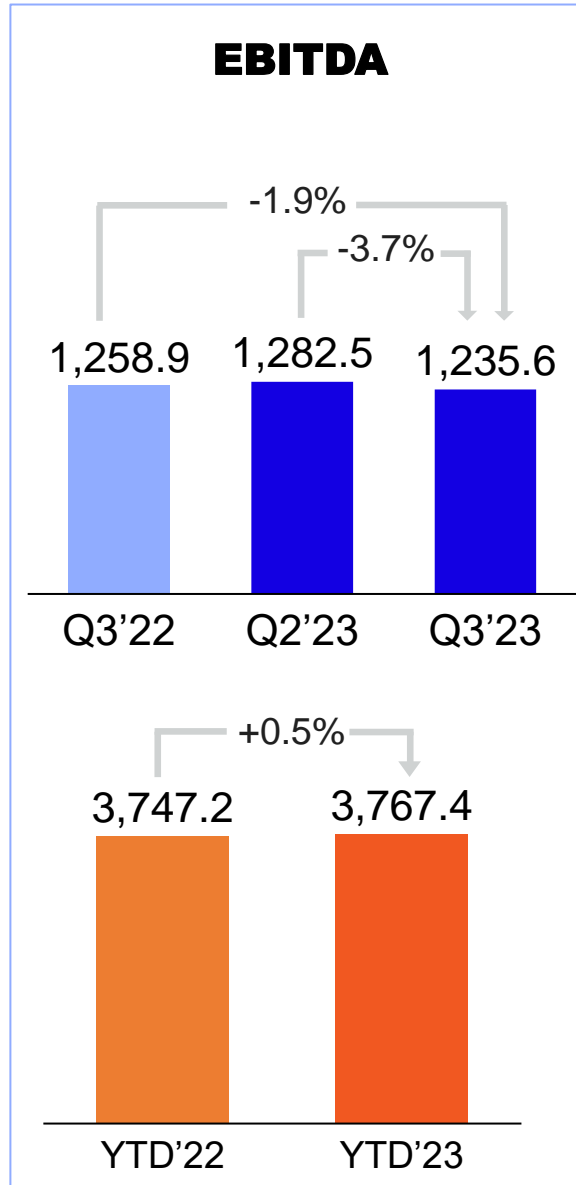
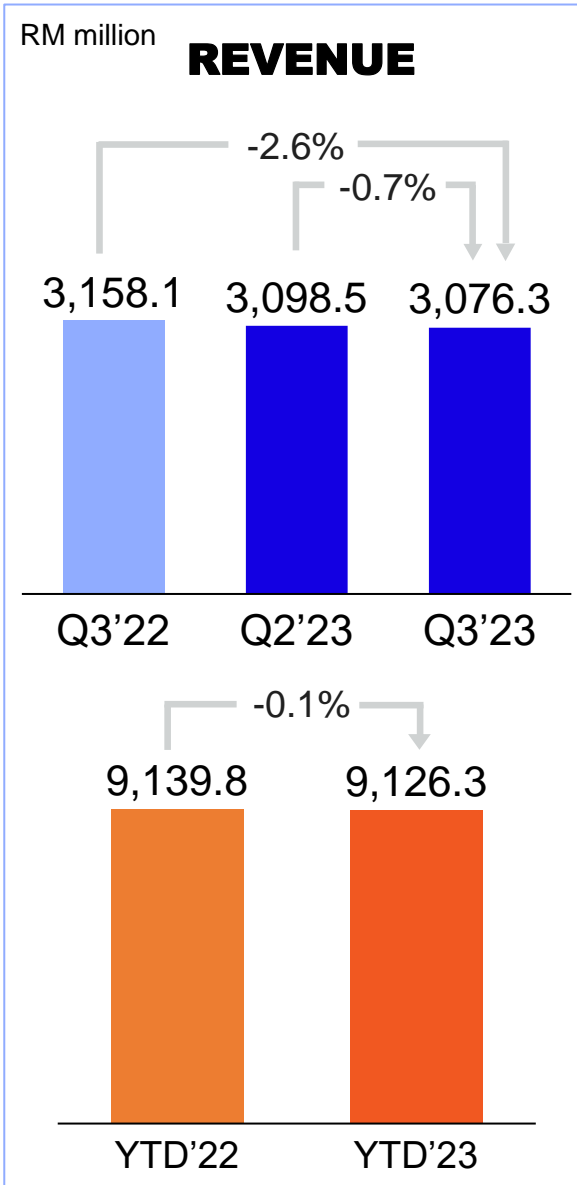
Tracking to full year guidance amidst expected headwinds

- Higher PATAMI levels
- Maintaining Fixed Broadband subscriber growth
- Continuous revenue increase at Unifi and TM Global



3Q YTD 2023 Reported Results

Higher YTD EBITDA & PATAMI

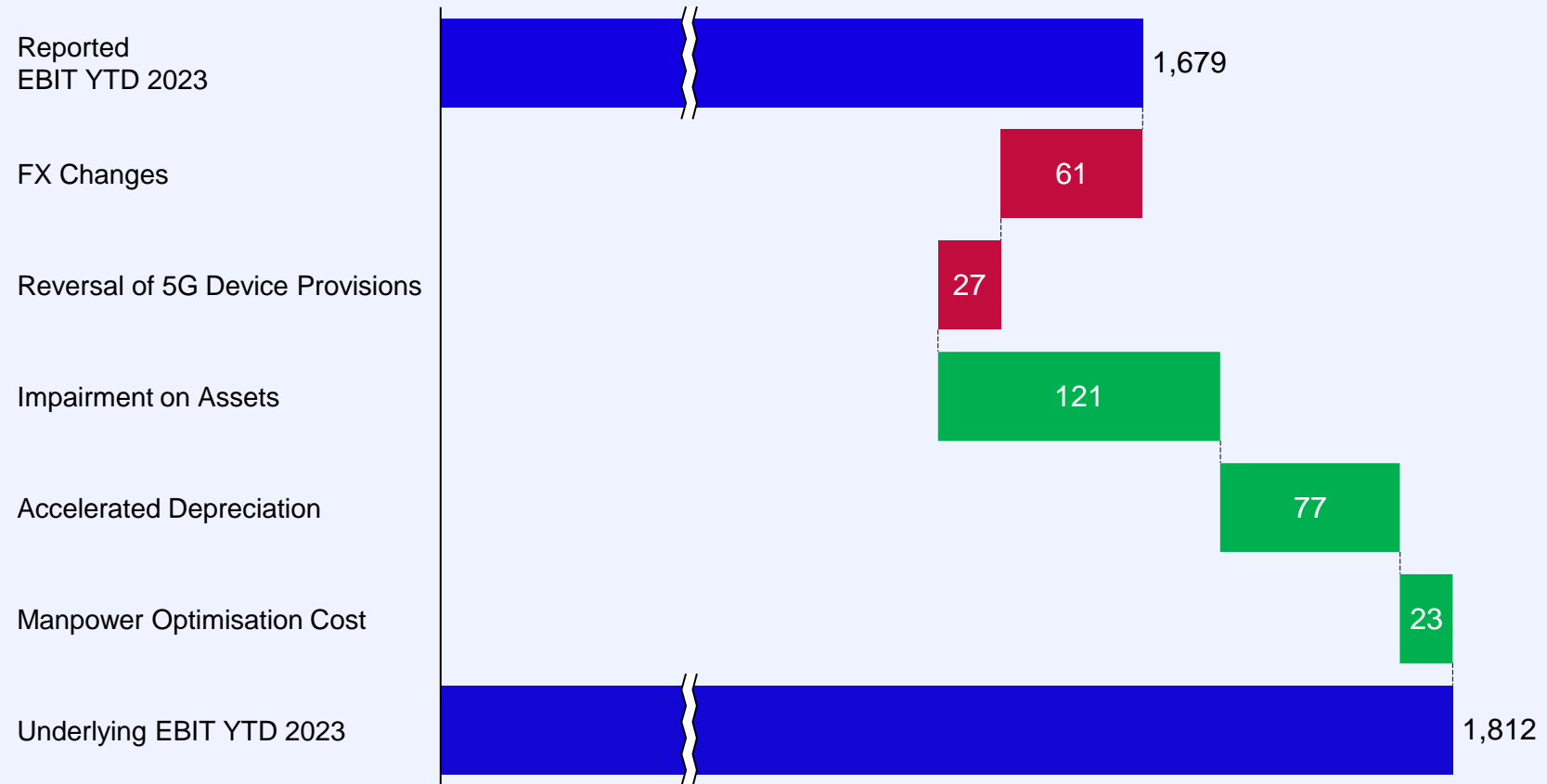




Underlying EBIT

Higher underlying EBIT from normalizing items

EBIT walk from reported, RM million





CUSTOMER SEGMENT & PRODUCT OVERVIEW

unifi

**TM**
ONE

**TM**
GLOBAL

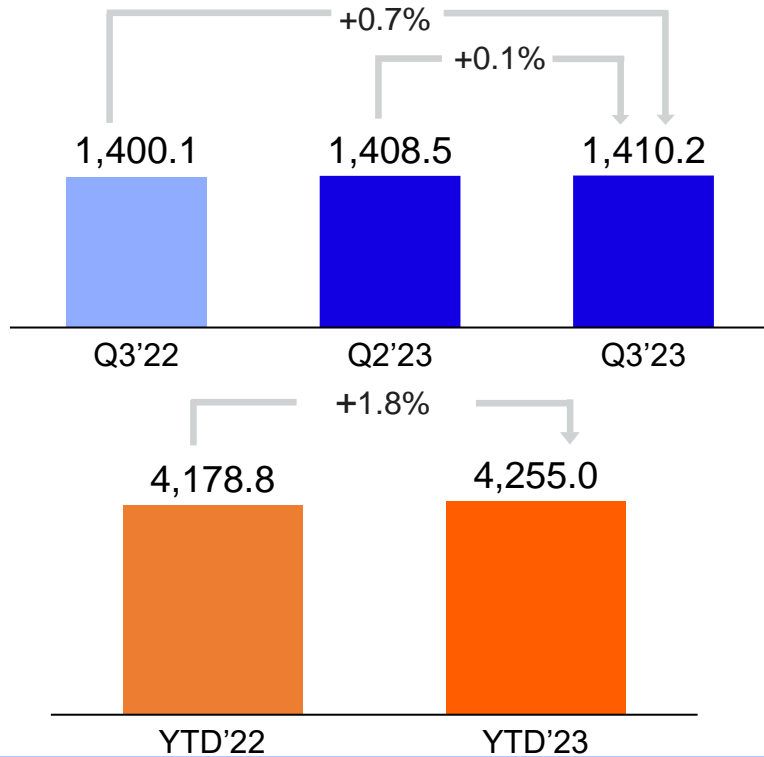
unifi | Maintaining Revenue Growth Trajectory



Improving revenue from continuous Fixed Broadband customer growth

Revenue Trend

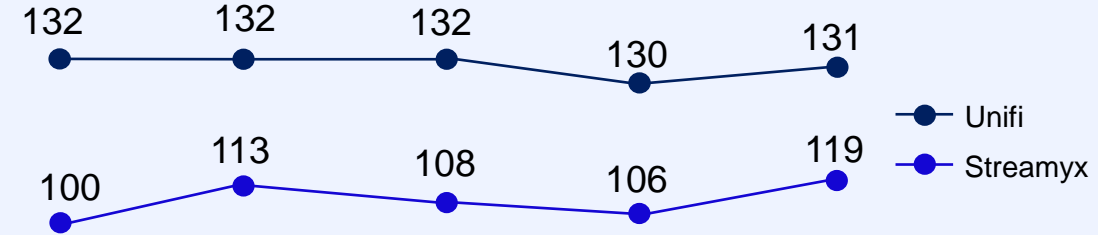
RM million



QoQ, YoY & YTD increased due to:

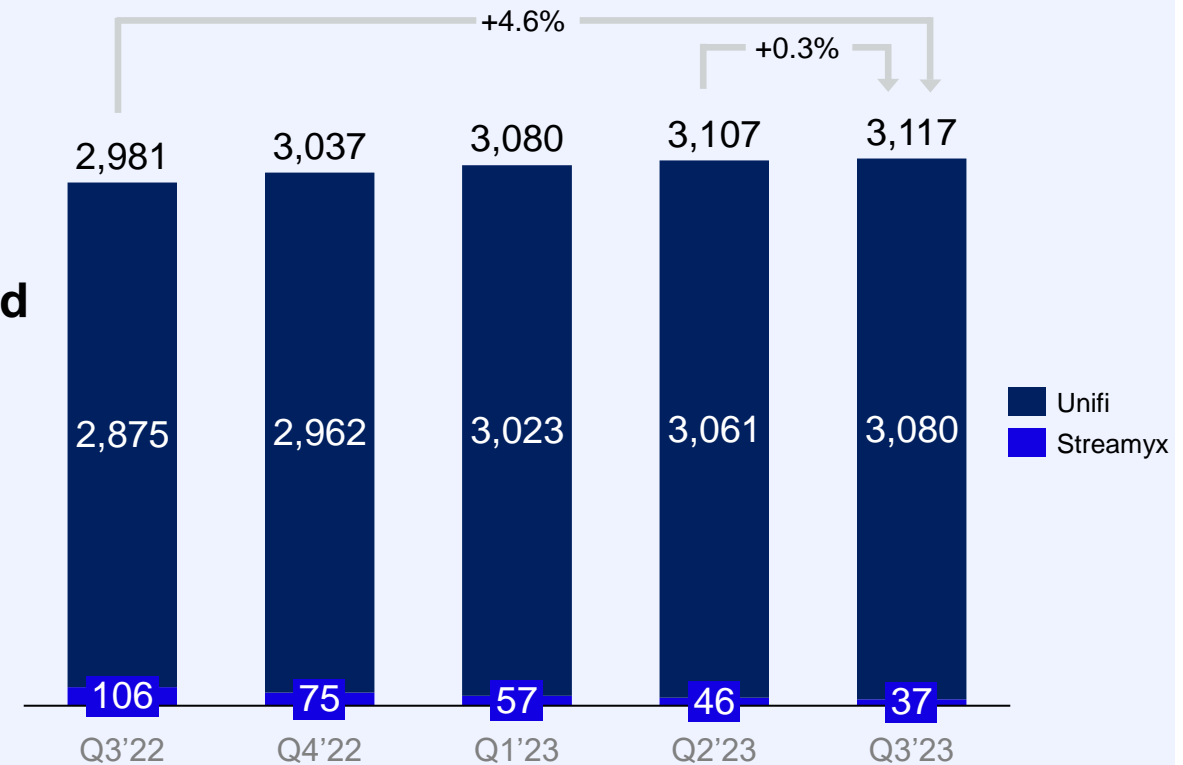
- Continued growth on cumulative fixed broadband subscribers driven by enhanced convergence campaigns & aggressive retention activities.

Fixed Broadband ARPU¹



Fixed Broadband Subscribers

Total (in '000)

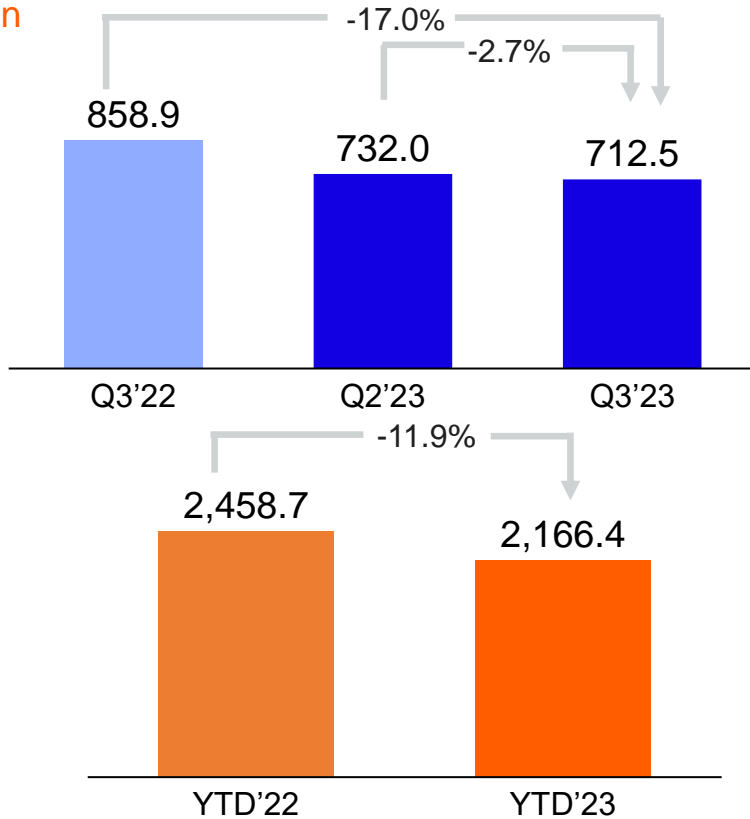


¹ARPU: Average revenue per user/account for a service

The prior year comparatives have been restated for better comparability with alignment to current business structure

Revenue Trend

RM million



YoY, QoQ & YTD lower due to:

- Price reduction from large contracts, deferred customer projects and projects in delivery



Continue to maintain our position as the reliable and trusted managed services and business solution provider for large enterprises and government sector.



Our unparalleled commitment to drive smart solution adoption with co-creation of sustainable use cases across key economic sectors and industry vertical leveraging on 5G, cloud and digital solution, by bringing together the chain of eco-systems.

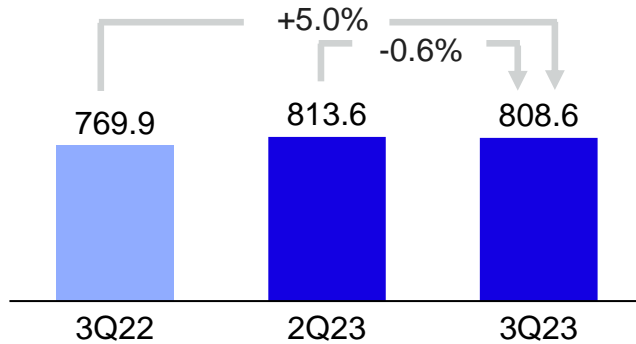


New collaboration with Selangor government to launch the Selangor Government Data Exchange (SelGDX) portal, an initiative that positions Selangor as the first state in Malaysia to develop a data-sharing platform across 48 state agencies and departments that facilitates secure, fast, and accurate data sharing/processing to foster efficiency.

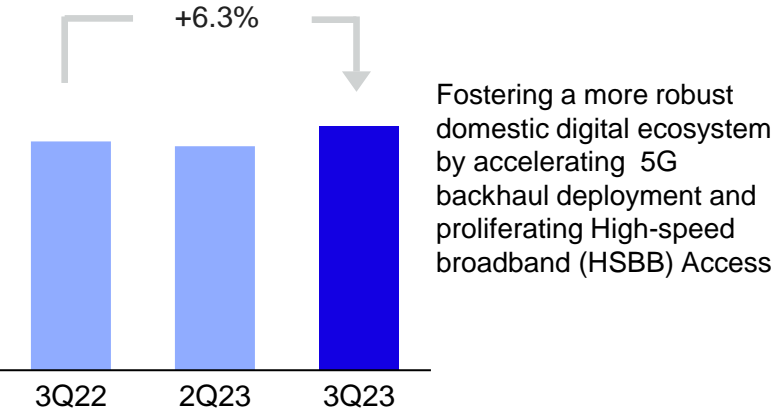
Driving Malaysia's digital economy through comprehensive wholesale data solutions for domestic service providers, global carriers & hyperscalers

Revenue Trend

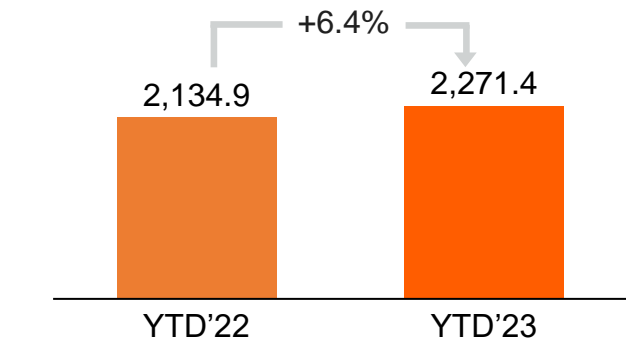
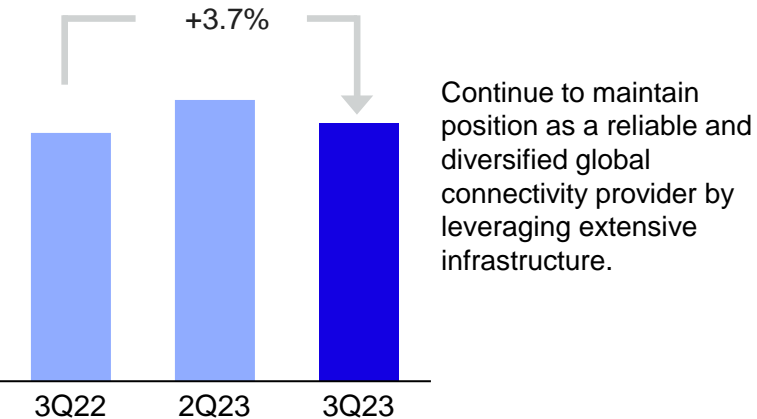
RM million



Domestic Revenue



International Revenue



YoY and YTD increased due to:

- Higher Domestic & International Data

QoQ decreased due to:

- Lower Voice & Managed Wavelength

DOMESTIC

- Exceeded 5G backhaul sites deployment target, contributing towards the Government's 5G initiatives and aspirations.
- Expanded nationwide coverage for High-speed Broadband (HSBB) Access empowering greater digital inclusion
- Secured new backhaul deal with more than **150 sites in Borneo**, providing enhanced network stability and higher speed to schools

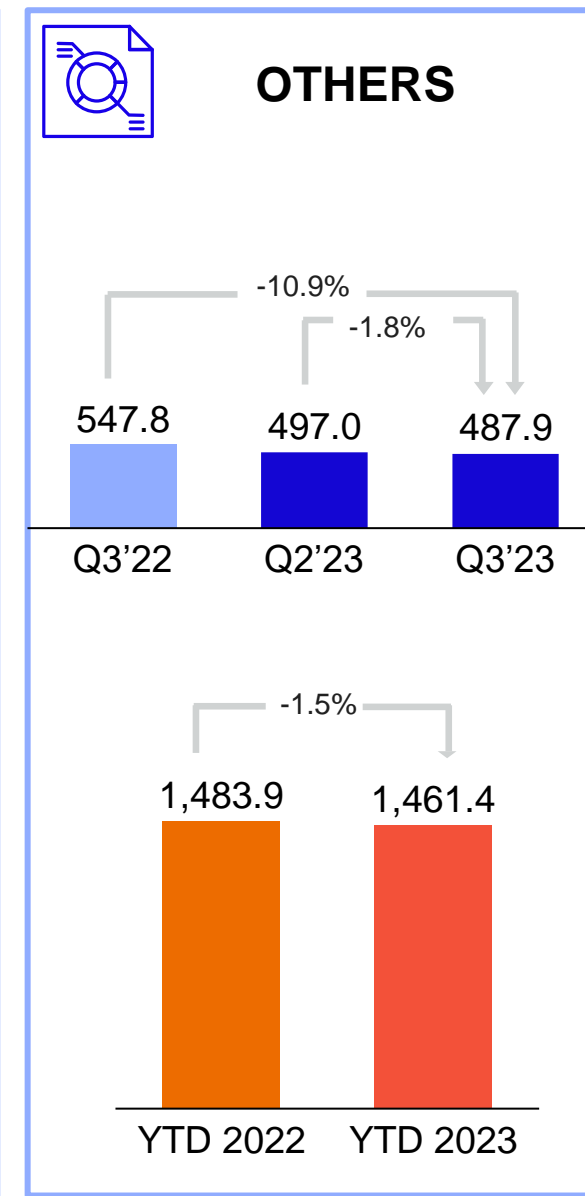
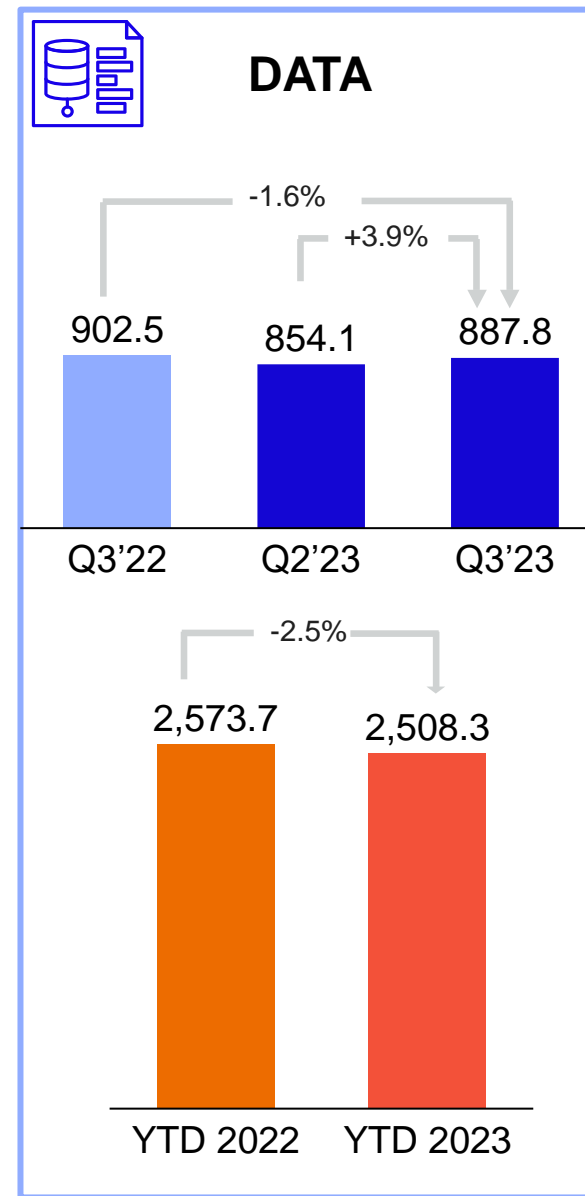
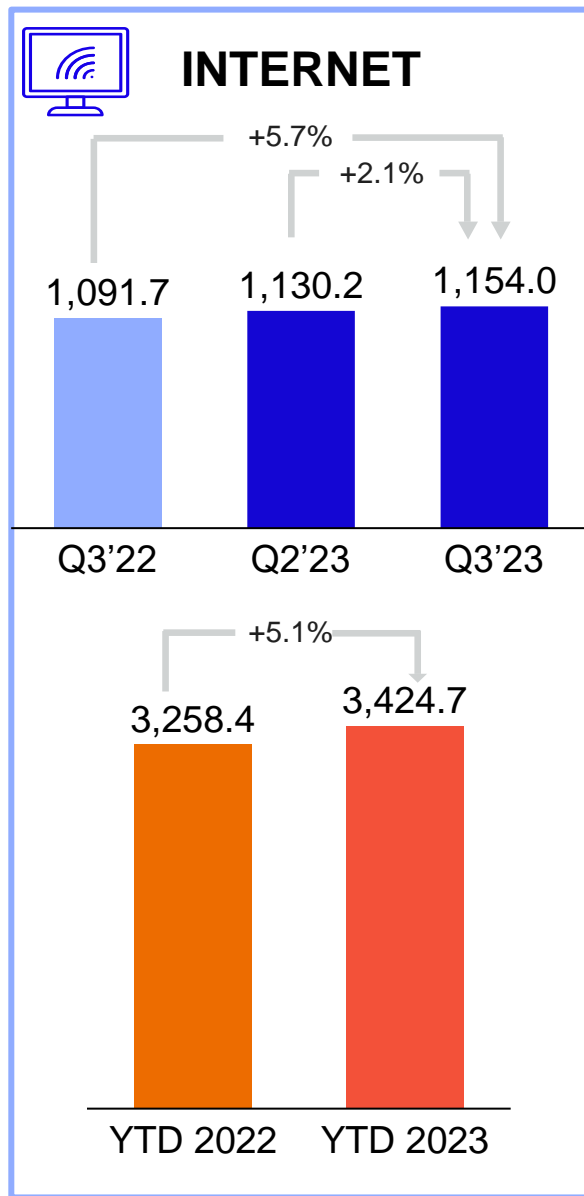
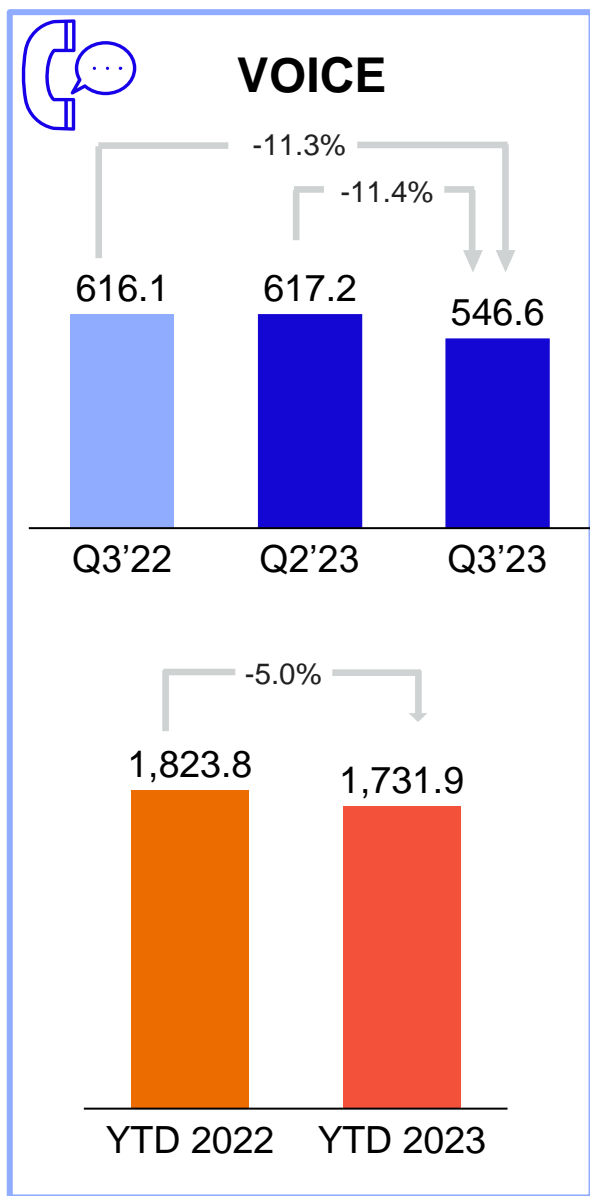
INTERNATIONAL

- Participation in **Asia Link Cable (ALC) consortium** solidifying our global presence and attracting more submarine cables landing in Malaysia
- Secured more than **12 Tbps International Data services** from global carriers and hyperscalers in elevating Malaysia as the trusted digital hub for the ASEAN region
- Launched **eSports storefront** in Philippines enabling one-stop solution which includes virtual tournaments to capture larger gaming community



Revenue by Product

Internet growth balancing the revenue decline



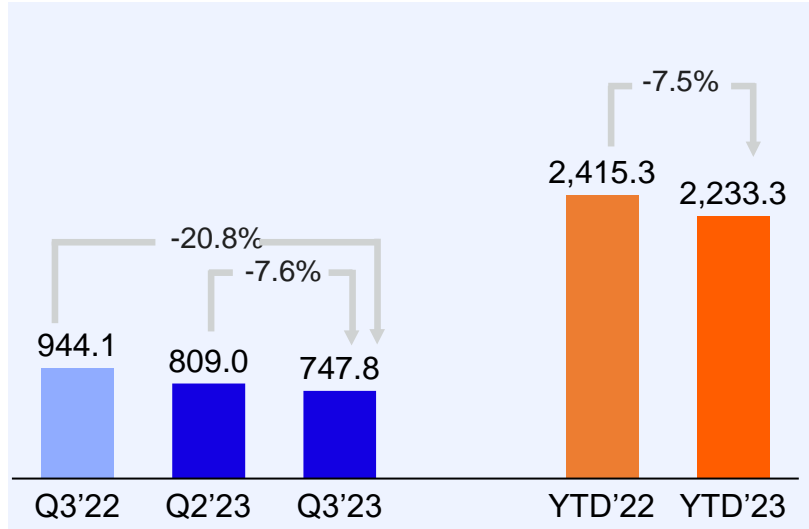
A man wearing a light blue cap and a denim shirt is sitting at a wooden workbench in a workshop. He is smiling and looking at a tablet device. The workshop is filled with various woven baskets and items on shelves in the background.

**COST, INVESTMENTS
& OTHER FINANCIALS**

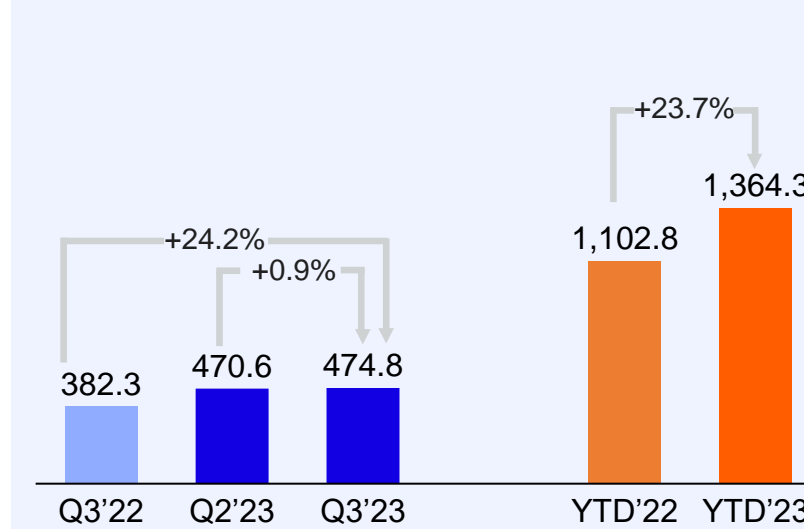
Total Cost/Revenue %

YTD Total Cost at 82.8% from Revenue

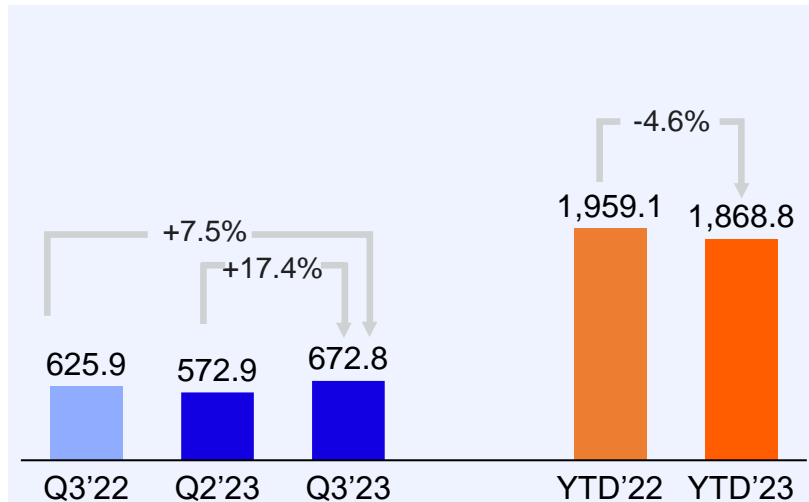
Direct Cost, RM million



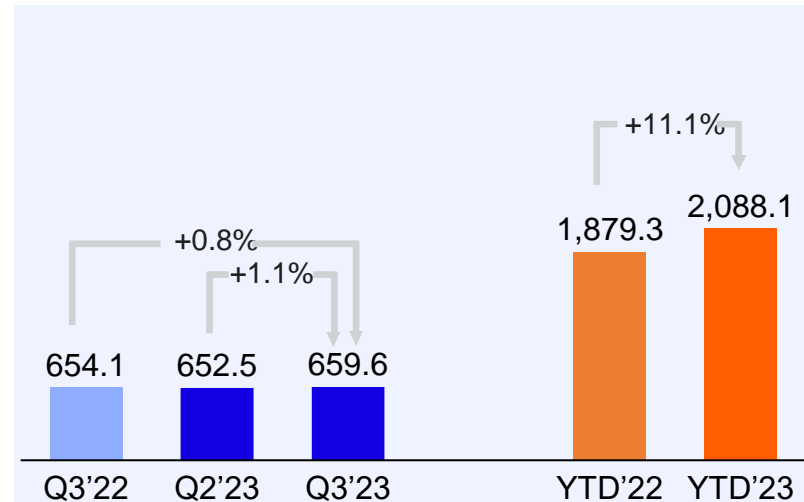
Operational Costs, RM million



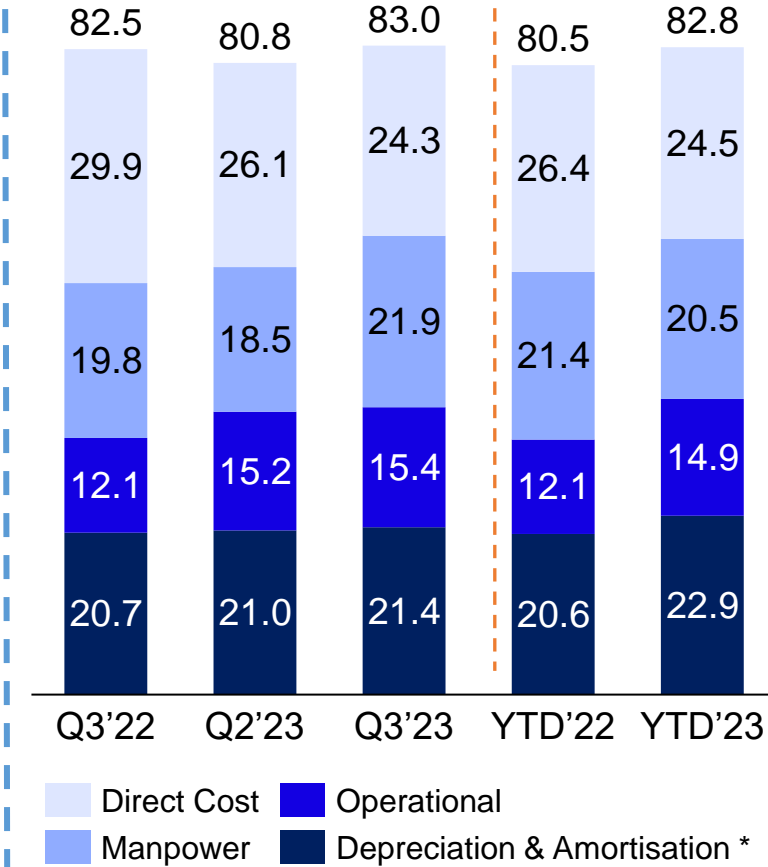
Manpower, RM million



Dep. & Amortisation*, RM million



% Total Cost to Revenue



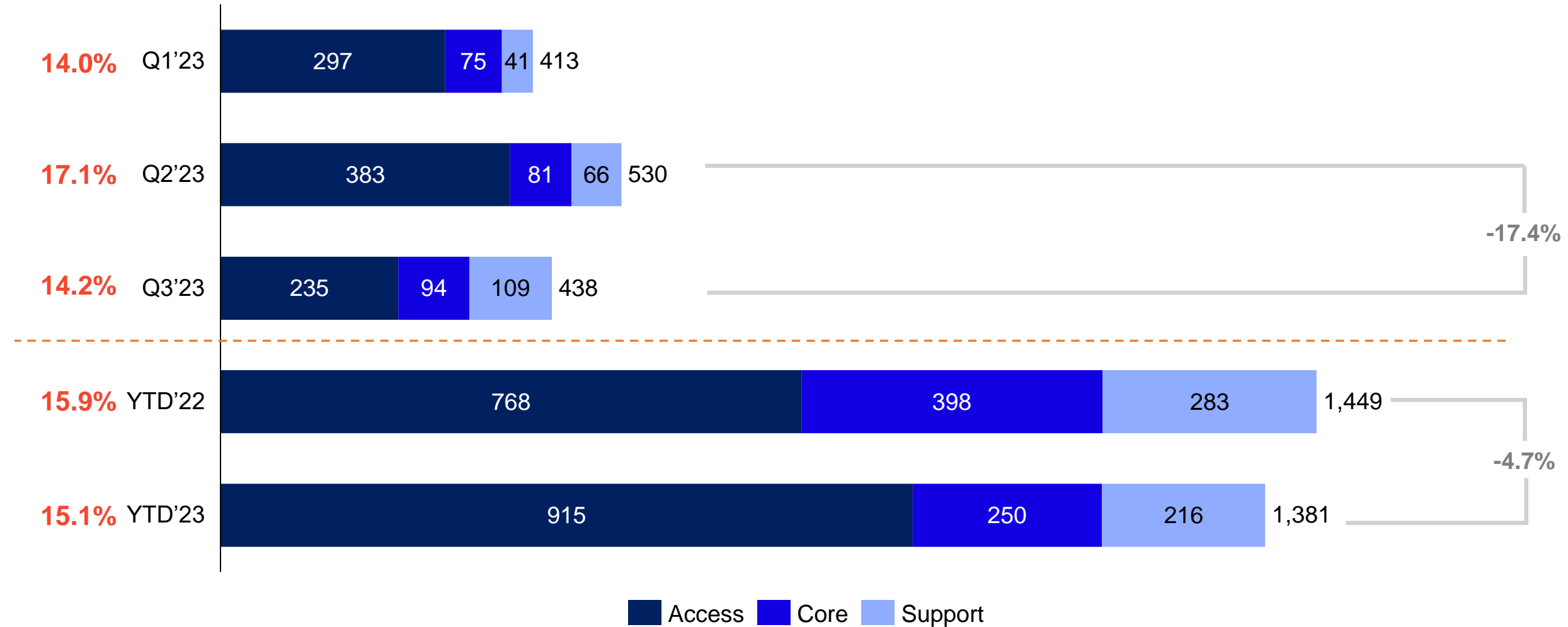
Notes:
* Including impairment

Group Capital Expenditure

Capex for YTD2023 at 15.1% moving towards the guidance range

CAPEX/Revenue (%)

TM CAPEX Breakdown (RM mill)



Group Cash Flow & Financial Ratios

Higher cash balance & free cash flow

RM mn	YTD 2023	YTD 2022
Cash Flows from Operating Activities	2,593.8	2,202.0
Cash Flows used in Investing Activities	(1,411.1)	(1,654.5)
Cash Flows used in Financing Activities	(1,610.2)	(1,166.3)
Cash and Cash Equivalents at beginning of the Financial Period	2,344.3	1,880.0
Effect of exchange rate changes	21.2	68.0
Cash and Cash Equivalents at end of the Financial Period	1,938.0	1,329.2
<i>Free Cash Flow</i> ¹	2,000.6	1,909.9
Financial Ratios	YTD 2023²	YTD 2022²
Return on Equity	20.40%	15.61%
Return on Assets	7.34%	5.27%
Return on Invested Capital	9.27%	10.76%
WACC	8.31%	8.45%
Current Ratio	1.19	1.14
Gross Debt/EBITDA	1.36	1.51
Net Debt/EBITDA	0.93	1.09
Gross Debt/Equity	0.83	0.96
Net Debt/Equity	0.57	0.69
Net Assets/Share (sen)	227.59	209.46

Notes:

1. Free Cash Flow = EBITDA-CAPEX-Lease Repayments

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

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CONCLUSION

Key Takeaways

YTD 3Q 2023 Key Highlights:



- **Operating Revenue** flat at RM9.13 billion, with steady growth at Unifi & TM Global.
- **PATAMI** increased 46.2% from RM983.1 million to RM1.44 billion.
- **CAPEX** investment for YTD 3Q 2023 stood at 15.1% of revenue or RM1.38 billion
- **Fixed broadband subscribers** grew 4.6% to 3.12 million



Unifi to continue offering converged solutions and lifestyles with more attractive packages, improved mobile coverage with 5G, enriched entertainment content and other competitive offerings to homes and SMEs.



TM One maintains its focus on next-gen connectivity, smart services innovation, cloud, 5G and cybersecurity while providing fit-for-purpose solutions to enable industry digital transformation and economic growth



TM Global will drive Malaysia's digital economy through comprehensive wholesale data solutions for domestic service providers, global carriers and hyper-scalers with extensive international connectivity and data center solutions.



TM's business and financial outlook for 2023 remains positive. The Group will continue to pursue industry growth through digitalisation and emerging technologies that empowers communities, businesses, and the Government to maximise shareholders value. Based on TM's current performance momentum, the Group is on track to achieve its 2023 market guidance.



QUESTION & ANSWERS

APPENDICES

Cost % Revenue comparison

Revenue (RM mn)	3Q 2022	2Q 2023	3Q 2023	QoQ	YoY	YTD 2022	YTD 2023	YTD	Comments YTD 2023 v YTD 2022
	3,158.1	3,098.5	3,076.3			9,139.8	9,126.3		
Direct Costs %	29.9%	26.1%	24.3%	-7.6%	-20.8%	26.4%	24.5%	-7.5%	<ul style="list-style-type: none"> • Lower international outpayment at TM Global • Lower customer project, ICT & BPO cost in line with lower revenue at TM One
RM mn	944.1	809.0	747.8			2,415.3	2,233.3		
Manpower %	19.8%	18.5%	21.9%	+17.4%	+7.5%	21.4%	20.5%	-4.6%	<ul style="list-style-type: none"> • Lower separation cost
RM mn	625.9	572.9	672.8			1,959.1	1,868.8		
Operational Costs %	12.1%	15.2%	15.4%	+0.9%	+24.2%	12.1%	14.9%	+23.7%	<ul style="list-style-type: none"> • Higher Maintenance Cost • Increased License Cost • Increased ICPT surcharge • Increased Advertising & Promotion
RM mn	382.3	470.6	474.8			1,102.8	1,364.3		
Total OPEX	1,952.3	1,852.5	1,895.4	+2.3%	-2.9%	5,477.2	5,466.4	-0.2%	
Dep & Amortisation %	20.7%	21.0%	21.4%	+1.1%	+0.8%	20.6%	22.9%	+11.1%	<ul style="list-style-type: none"> • Impairment & accelerated depreciation from useful life revision
RM mn	654.1	652.5	659.6			1,879.3	2,088.1		
Total Cost (RM mn)	2,606.4	2,505.0	2,555.0	+2.0%	-2.0%	7,356.5	7,554.5	+2.7%	
Total (%)	82.5%	80.8%	83.0%	+2.2pp	+0.5pp	80.5%	82.8%	+2.3pp	



Statement of Financial Position

RM mn	As At 30 Sept 2023	As At 31 Dec 2022	Var.
Shareholders' Funds	8,731.9	7,936.5	10.0%
Non-controlling Interests	153.1	152.6	0.3%
Deferred & Long-Term Liabilities	8,573.7	9,584.9	-10.5%
<i>Long Term Borrowings</i>	4,178.4	4,959.6	-15.8%
<i>Lease Liabilities</i>	1,624.5	1,544.2	5.2%
<i>Deferred Tax</i>	1,265.3	1,425.8	-11.3%
<i>Deferred Income</i>	1,480.3	1,630.7	-9.2%
<i>Others</i>	25.2	24.6	2.4%
	17,458.7	17,674.0	-1.2%
Current Assets	6,642.5	6,399.4	3.8%
<i>Trade and Other Receivables</i>	3,026.6	2,312.3	30.9%
<i>Cash & Bank Balances</i>	2,204.0	2,579.4	-14.6%
<i>Inventories</i>	256.7	305.4	-15.9%
<i>Others</i>	1,155.2	1,202.3	-3.9%
Current Liabilities	5,499.9	5,457.3	0.8%
<i>Trade and Other Payables</i>	3,262.9	3,718.0	-12.2%
<i>Short Term Borrowings</i>	629.1	309.7	103.1%
<i>Lease Liabilities</i>	199.8	230.3	-13.2%
<i>Others</i>	1,408.1	1,199.3	17.4%
Net Current Assets/(Liabilities)	1,142.6	942.1	21.3%
Non-Current Assets	16,316.1	16,731.9	-2.5%
<i>Property Plant & Equipment</i>	13,133.6	13,547.0	-3.1%
<i>Other Non-Current Assets</i>	3,182.5	3,184.9	-0.1%
	17,458.7	17,674.0	-1.2%

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THANK YOU