



# ANALYST BRIEFING

3Q 2024 Results



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DATE: 26/11/2024

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A man in a light blue shirt and dark tie, wearing glasses, is looking at a tablet. The background is a blurred city at night with a complex network of glowing blue lines and dots overlaid, representing a digital or data environment.

# LATEST UPDATES

# Latest Updates

New offerings & recent collaborations



Unifi's UniVerse: leading convergence with the only quad-play service in Malaysia



TM One launches first AI-enabled Global Business Services Centre in the East Coast



Data centre JV has been completed in accordance with the terms of the JVA



Unifi Business and TNG Digital strategic collaboration to adopt 5G among MSMEs



TM One partners UTP and PETRONAS as digital enabler for PETRONAS-UTP 5G Innovation Lab



TM Global expands data centres in Cyberjaya and Johor

A decorative graphic on the left side of the text box, featuring a white diagonal line that separates a blue upper triangle from an orange lower triangle.

**3Q 2024  
PERFORMANCE REVIEW**

# 3Q YTD 2024 Highlights

## Revenue

**RM8,662.0 mil**

0.4% decrease YTD  
1.2% decrease YoY  
0.3% increase QoQ

## EBIT

**RM1,812.7 mil**

7.9% increase YTD  
4.7% decrease YoY  
10.4% decrease QoQ

## PATAMI

**RM1,286.3 mil**

10.5% decrease YTD  
13.6% decrease YoY  
17.3% increase QoQ

## CAPEX/Revenue %

**8.9%**

6.8pp decrease YTD  
1.7pp increase QoQ

## Fixed Broadband Subscriber

**3.167 mil**

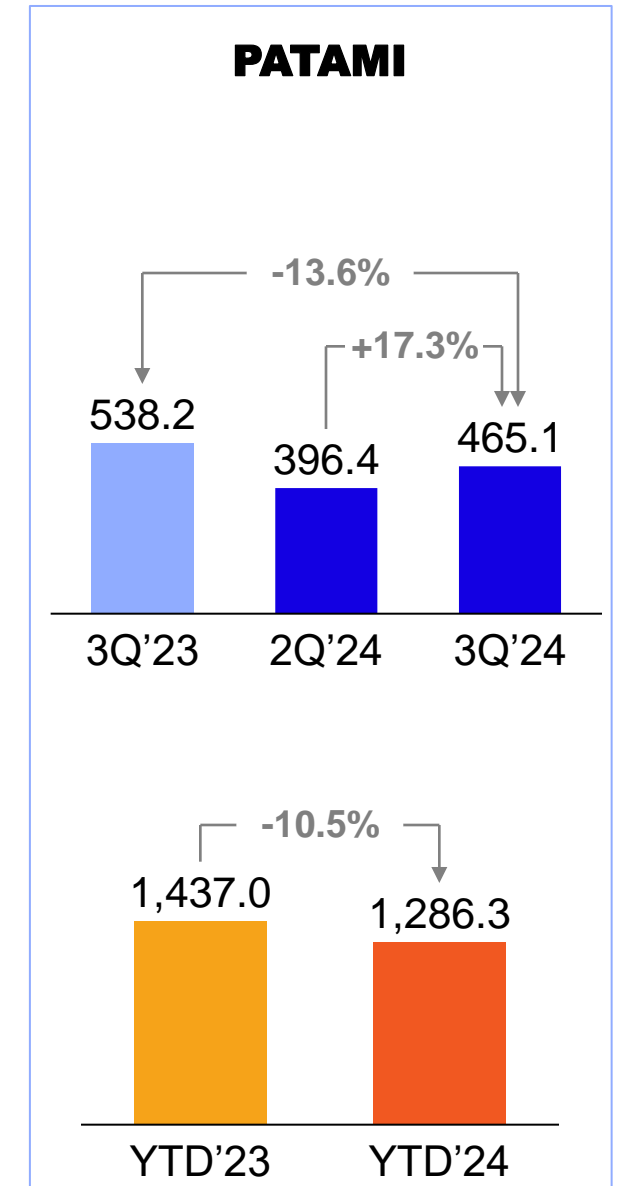
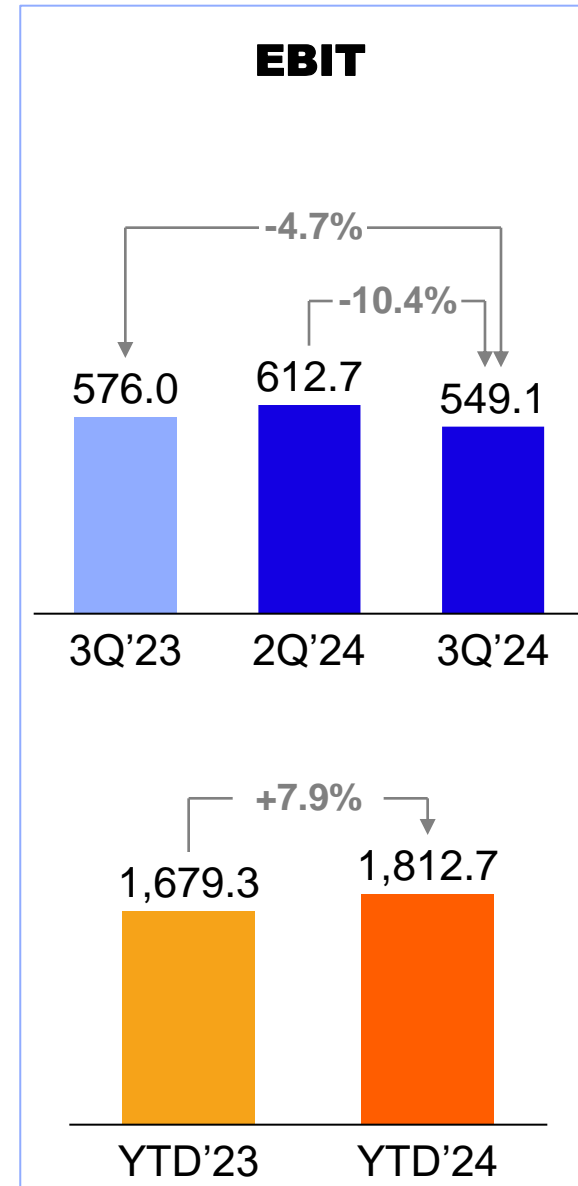
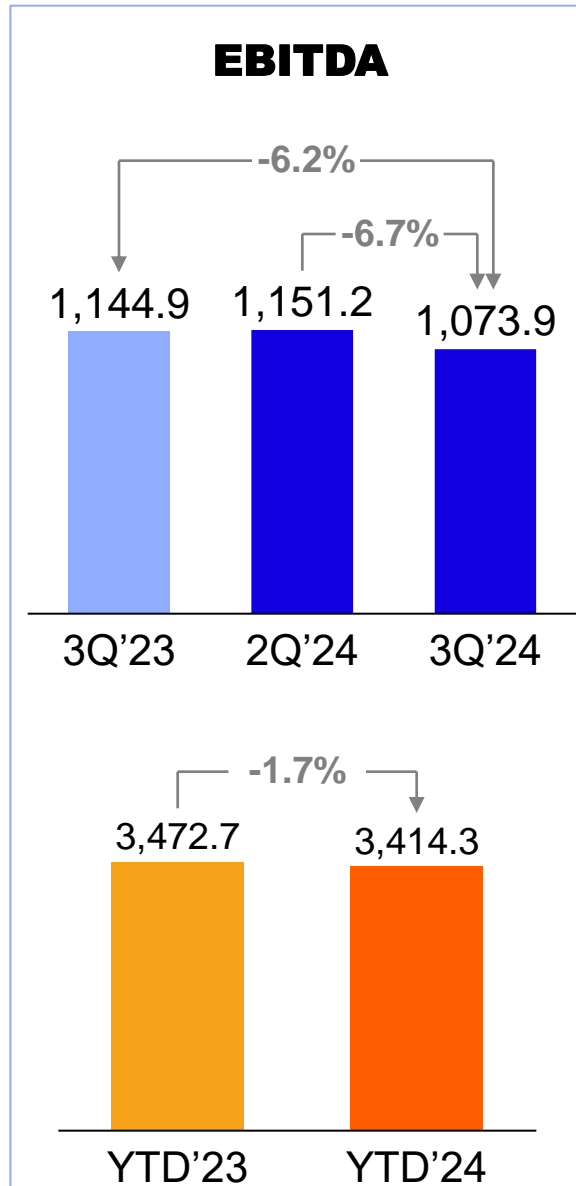
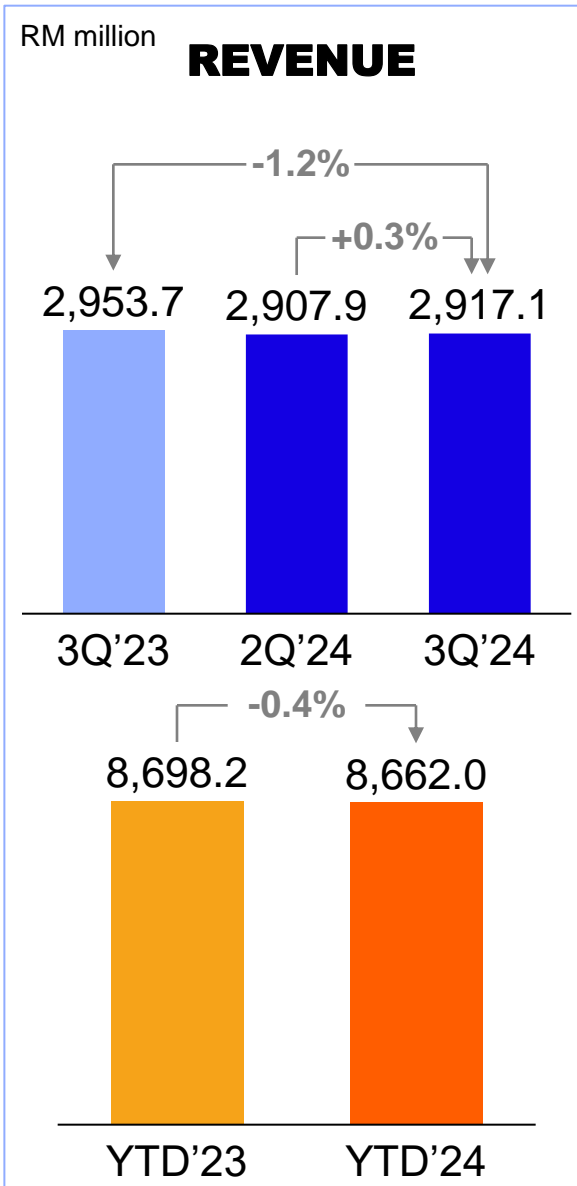
1.6% increase YTD  
0.8% increase QoQ

**Positive outlook to achieve 2024 market guidance**

- Steady revenue traction amid intense competition
- Maintaining YTD EBIT improvement
- Continuous Fixed Broadband subscriber growth

# 3Q YTD 2024 Reported Results

Higher YTD EBIT from lower costs

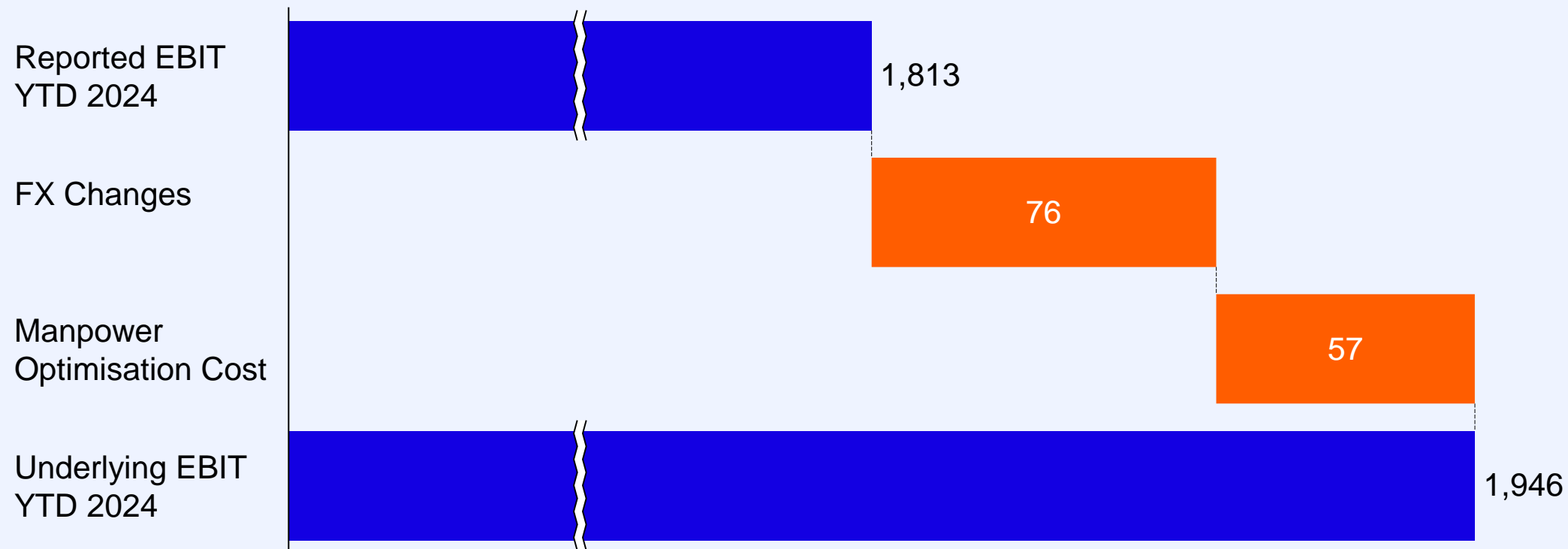




# Underlying EBIT

Higher underlying EBIT from normalizing items

## EBIT walk from reported, RM million







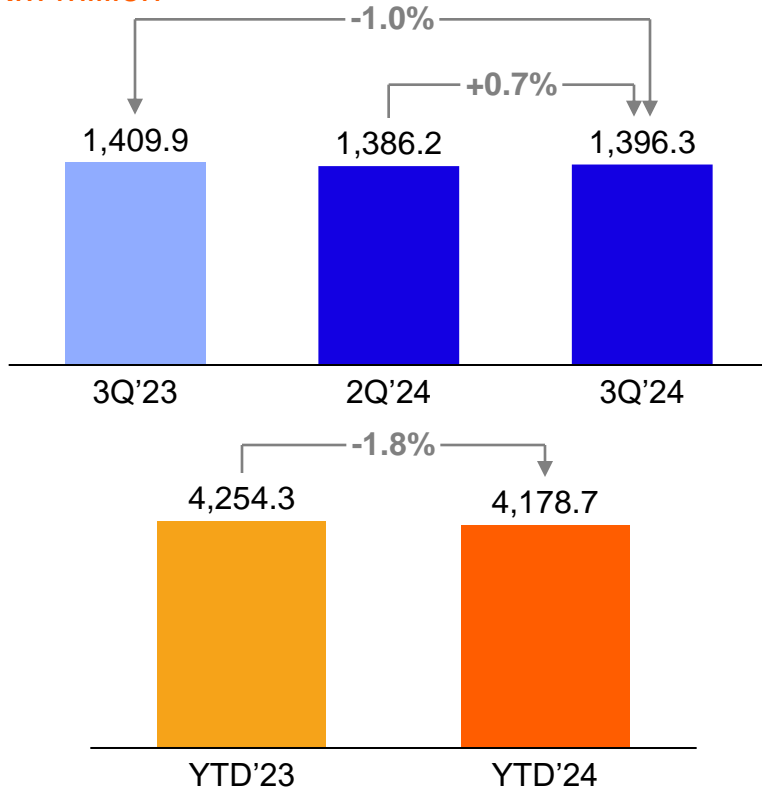
CHOOSE YOUR  
UNIVERSE



# CUSTOMER SEGMENTS & PRODUCT OVERVIEW

Positive impact of campaigns and promotions

## Revenue Trend RM million



### QoQ increased due to:

- Higher devices & mobile revenue

### YoY & YTD decreased due to:

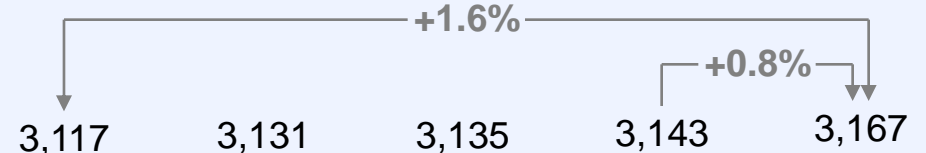
- New subscribers at entry level prices
- Lower voice and mobile services
- More promotional discounts

## Unifi ARPU<sup>1</sup>



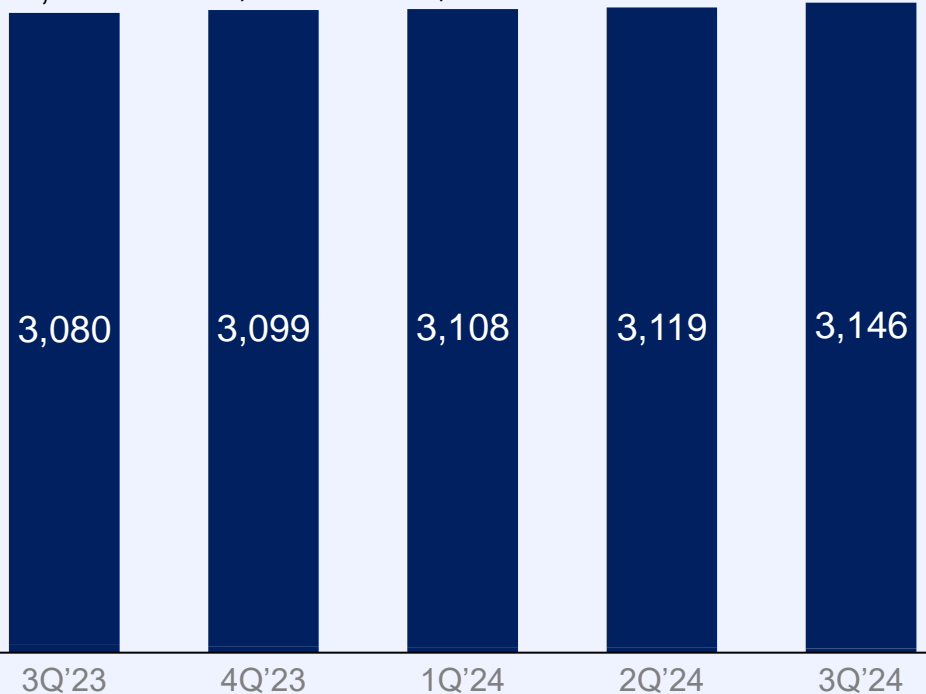
## Fixed Broadband Subscribers

Total (in '000)



## Unifi Home

Total (in '000)

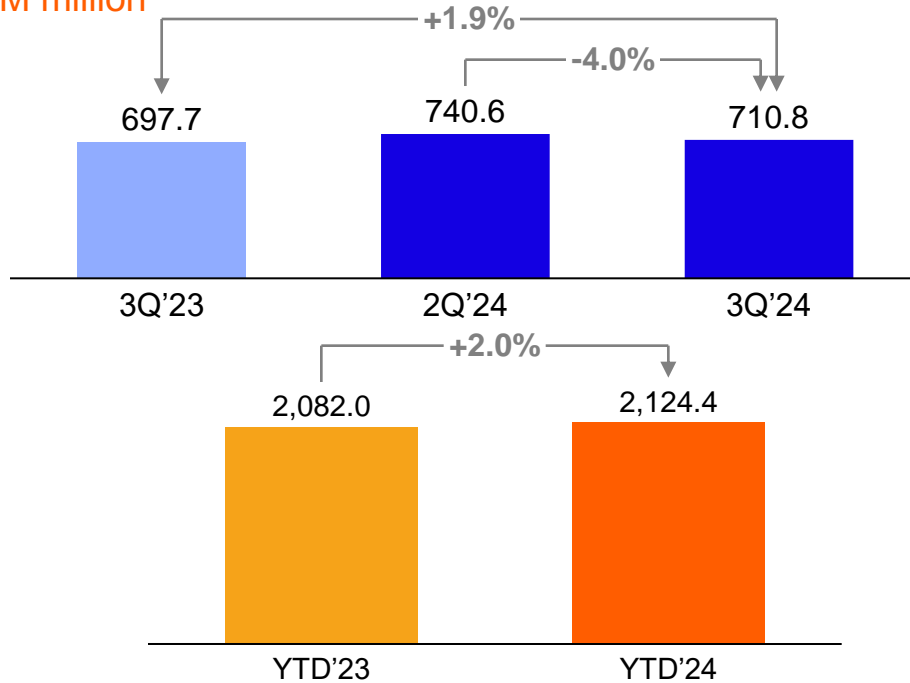


<sup>1</sup> ARPU: Average revenue (RM) per user (subscriber/account)

# Continue Driving Digital Transformation for Enterprise and Government

Committed to advance future technologies

**Revenue Trend**  
RM million



**QoQ decreased due to:**

- Higher revenue in the previous quarter from one-off settlement

**YoY & YTD increased due to:**

- Higher customer projects & other telecommunication services
- One-off settlement in 2024



Strategic collaboration with KPJ Healthcare Berhad, to accelerate digital connectivity transformation with advanced **Software-Defined Wide Area Network (SD-WAN) Internet Services**, integrated with enhanced firewall capabilities.



Pioneering 5G infrastructure alongside UTP and PETRONAS with a **Launch of First 5G Private Campus Network in Malaysia.**



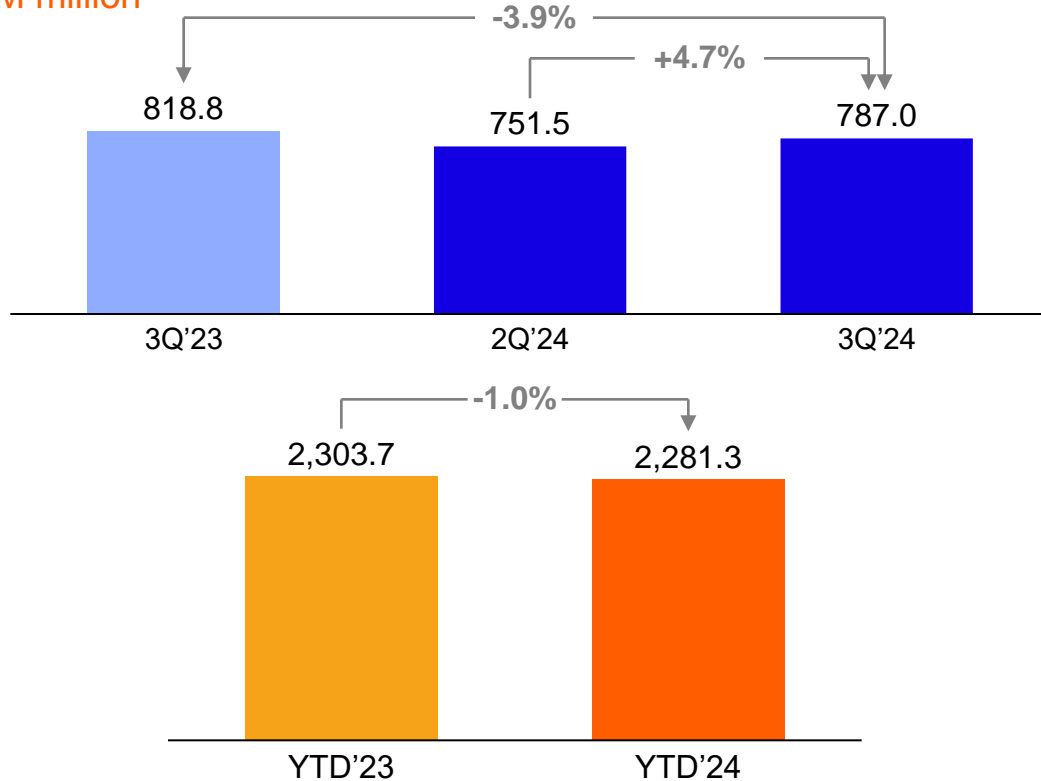
Launch the **first Global Business Service Centre (GBS) on the East Coast** for efficient technical support, customer service, and sales assistance through various digital channels.



Partnership with the Ministry of Education (MOE) to boost digital skills in Malaysia with **Technical Vocational Education and Training Division (TVET)**, focusing on AI, cloud, cybersecurity, and smart agriculture.

Positioning Malaysia as a digital hub for the region

## Revenue Trend RM million



### QoQ increased due to:

- Higher revenue from IRU deals & Domestic Data

### YoY & YTD decreased due to:

- Lower global voice traffic and lower Managed Wavelength during the period

## Domestic

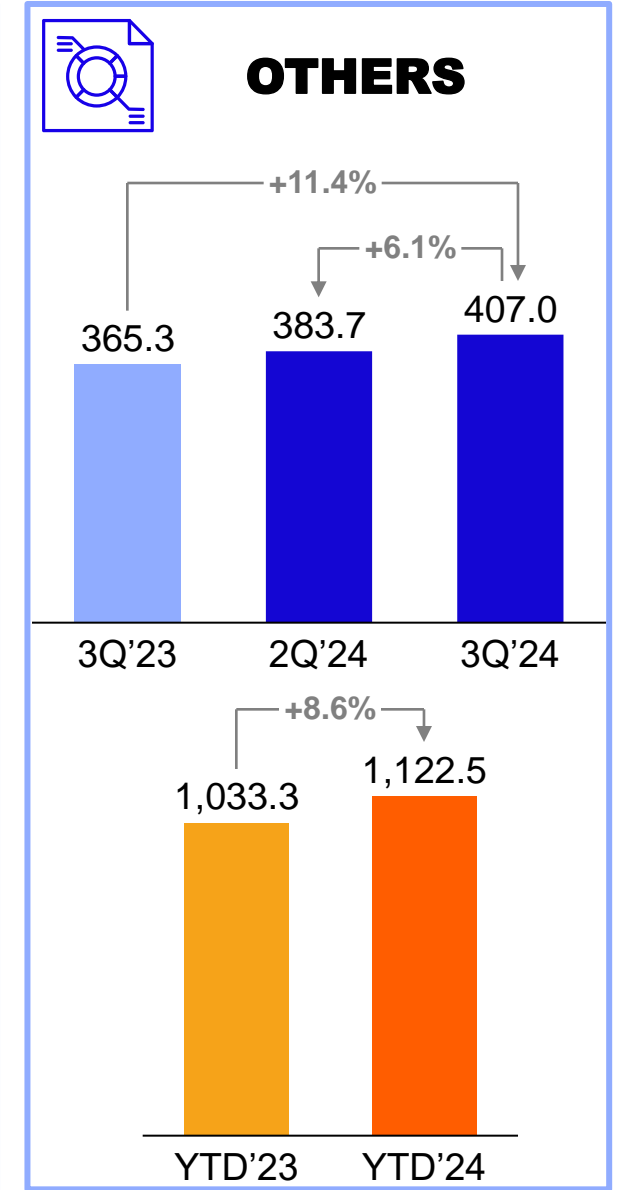
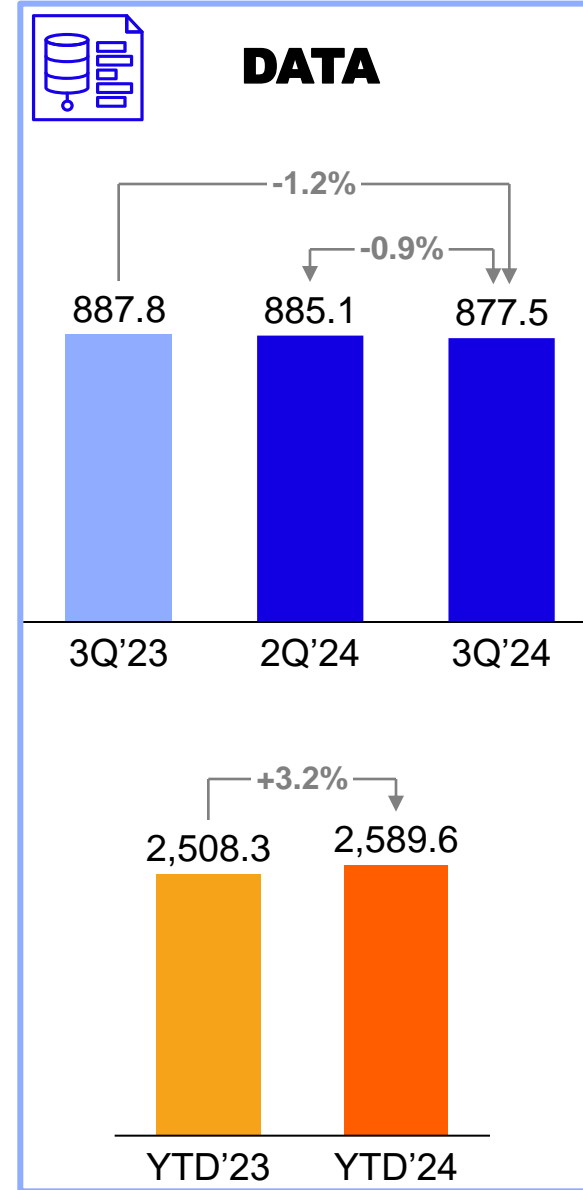
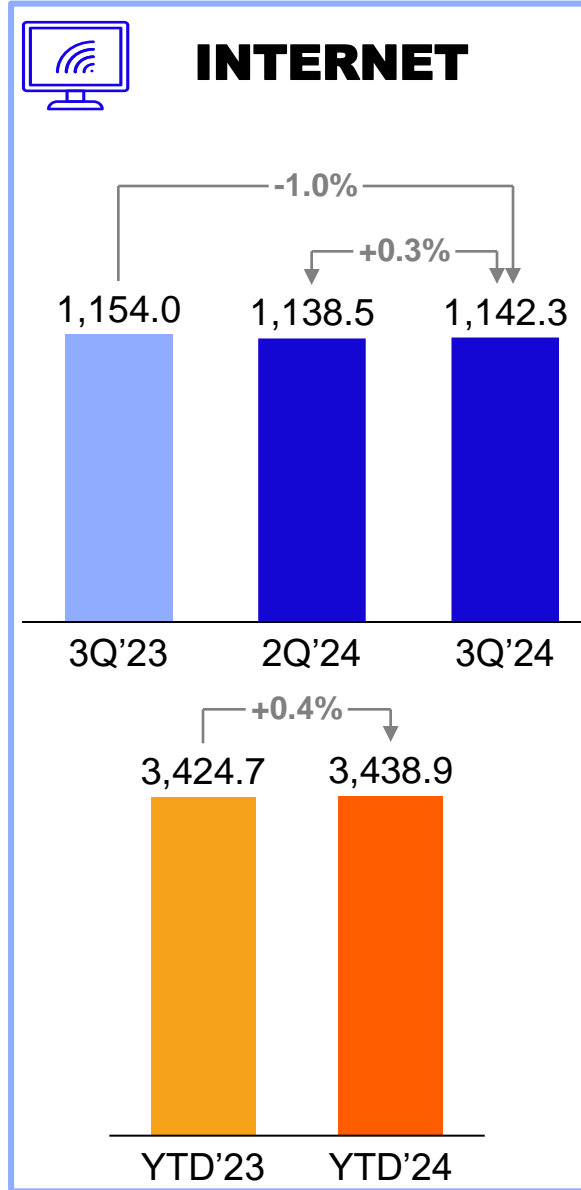
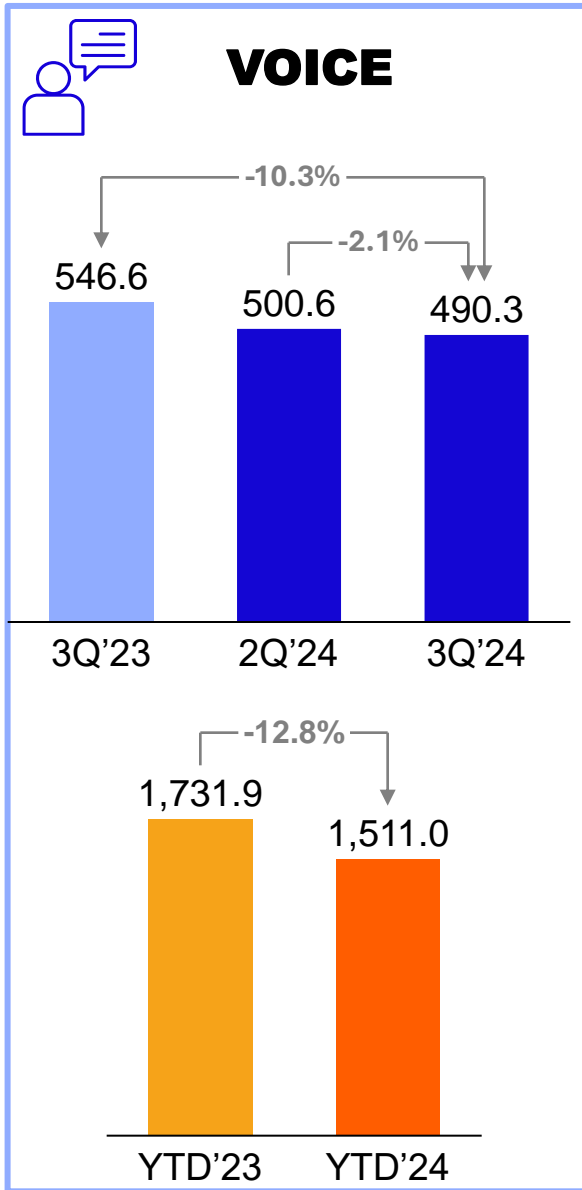
- Ongoing **upgrades of 4G and 5G backhaul sites** nationwide, in supporting Malaysia's digital economy growth.
- Continuously **provisioning High Speed Broadband (HSBB) Access ports**, to drive digital inclusion and meet growing demand for seamless access across Malaysia.
- **Infrastructure partner in Sarawak providing fibre backhaul connectivity**, bridging the digital divide and support economic growth across rural communities.

## International

- Concluded **sizable IRU deals** from global carriers fueled by surge in data consumption and technologies advancements.
- Secured **large western bloc** requirement from hyperscalers, strengthening border-to-border connectivity and enhancing scalability across global markets.
- **Recorded strong A2P YTD revenue growth** driven by expanding demand for mobile-enabled business communications.

# Revenue by Product

Defending Internet & Data YTD revenue growth



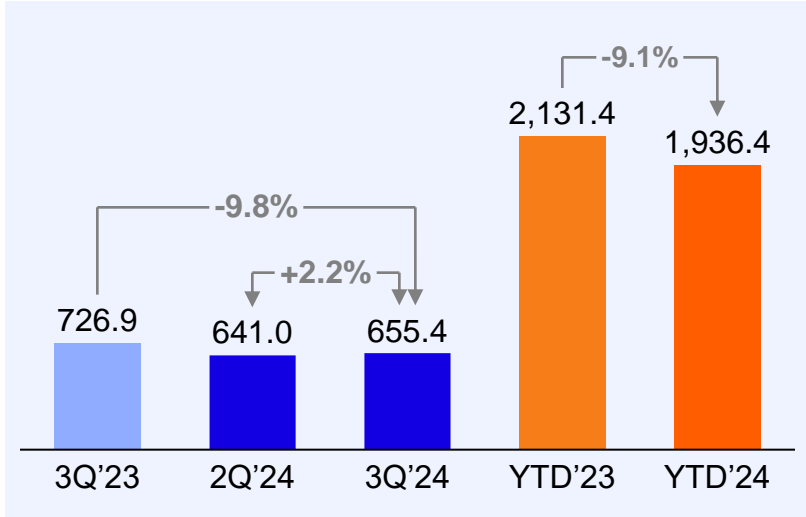


**COST, INVESTMENTS  
& OTHER FINANCIALS**

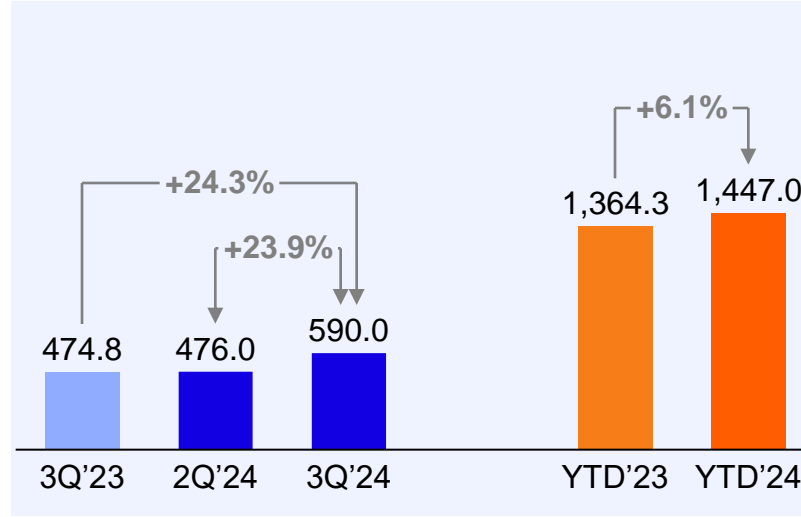
# Total Cost/Revenue at 80.5%

Lower Direct Cost & Depreciation

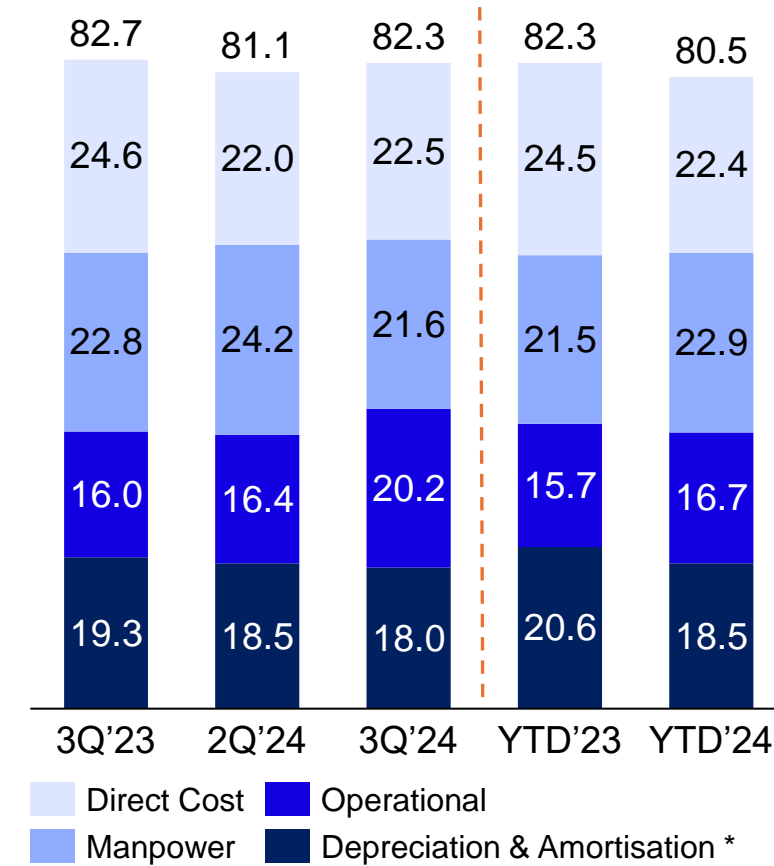
Direct Cost, RM million



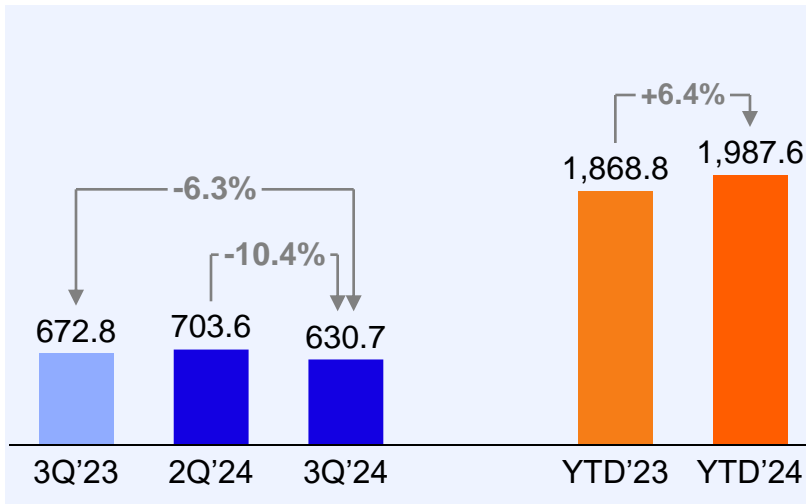
Operational Costs, RM million



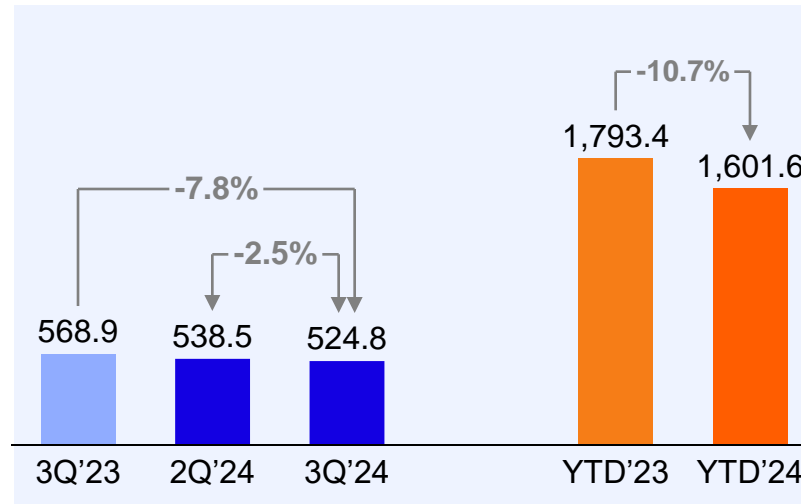
% Total Cost to Revenue



Manpower, RM million



Dep. & Amortisation\*, RM million



Notes:  
\* Including impairment

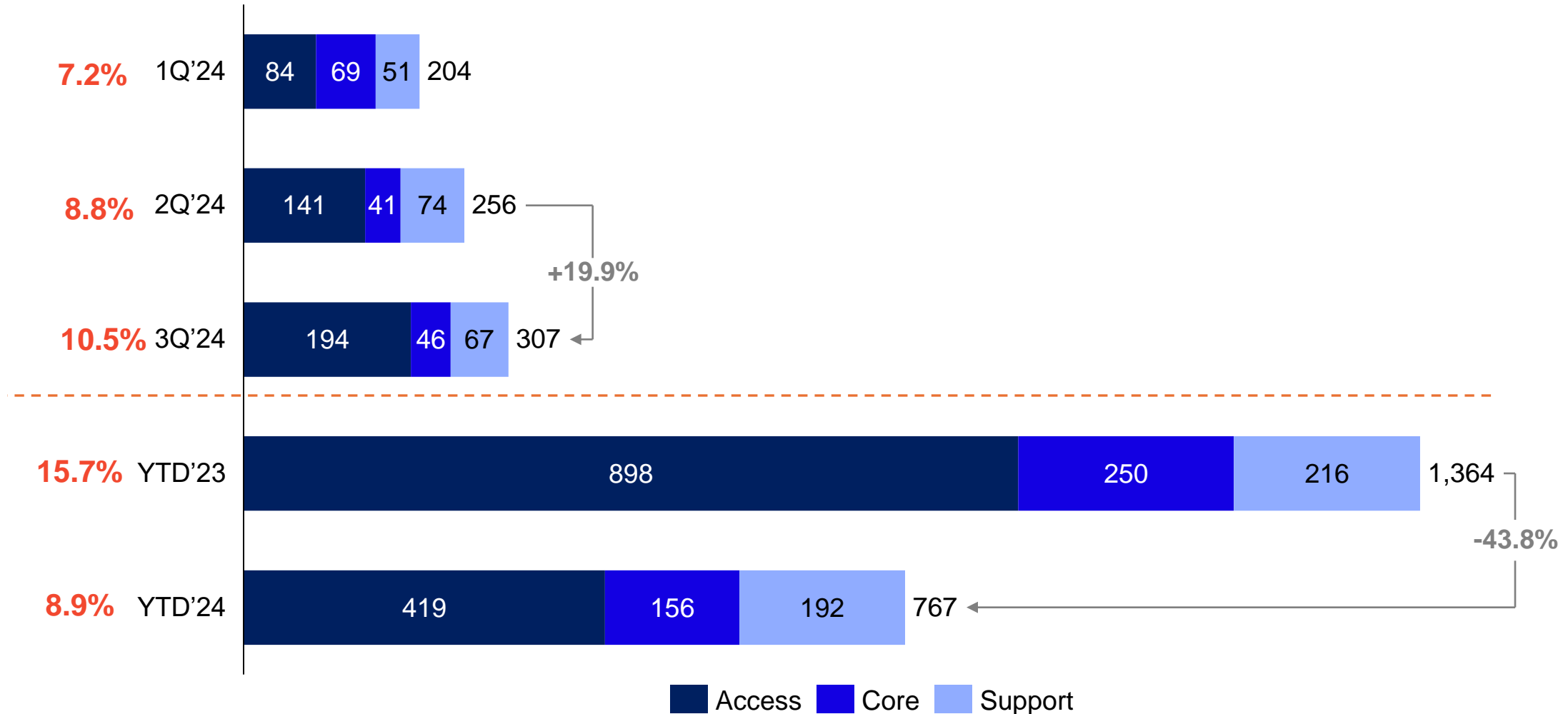


# Group Capital Expenditure

Higher Q4 spending expected in line with project timelines

### CAPEX/Revenue (%)

### TM CAPEX Breakdown (RM mil)







# Group Cash Flow & Financial Ratios

Higher cash balance & healthy indicators

RM mil	YTD 2024	YTD 2023
Cash Flows from Operating Activities	2,582.3	2,593.8
Cash Flows used in Investing Activities	(575.9)	(1,411.1)
Cash Flows used in Financing Activities	(2,024.3)	(1,610.2)
Cash and Cash Equivalents at beginning of the Financial Period	2,697.9	2,344.3
Effect of exchange rate changes	(68.9)	21.2
Cash and Cash Equivalents at end of the Financial Period	2,611.1	1,938.0
Free Cash Flow <sup>1</sup>	1,819.9	1,488.2
<b>Financial Ratios</b>	<b>YTD 2024<sup>2</sup></b>	<b>YTD 2023<sup>2</sup></b>
Return on Equity	18.23%	20.36%
Return on Assets	7.75%	7.82%
Return on Invested Capital	12.40%	10.31%
WACC	8.61%	8.31%
Current Ratio	1.15	1.19
Gross Debt to EBITDA	1.36	1.51
Net Debt/EBITDA	0.81	1.03
Gross Debt/Equity	0.68	0.83
Net Debt/Equity	0.41	0.57
Net Assets/Share (sen)	243.51	227.61

Notes:

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

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



**CONCLUSION**



# Key Takeaways



## 3Q YTD 2024 Key Highlights:

- **EBIT increased 7.9%** from RM1,679.3 million to **RM1,812.7 million** compared to YTD 2023.
- **Steady 3Q YTD 2024 Operating Revenue** at **RM8.66 billion**.
- **Fixed broadband subscribers** grew 1.6% from YTD 2023 to **3.167 million**.



TM maintained **resilience** in Q3 2024, despite facing competitive pressures and a challenging operating environment. The Group continues to **optimise costs** with **EBIT for the first 9-months improved** compared to the previous year, reflecting better **financial performance** with an aim to deliver optimal shareholders return. This improvement is supported by the **strong balance sheet and cash reserves**, reinforcing the **healthy financial position**.

As we approach the final quarter of 2024, TM will take a **more proactive approach to boost revenue** emphasizing fixed-mobile convergence (FMC) and **leveraging new technologies** such as 5G, cloud and Artificial Intelligence (AI) solutions to **enhance the customer experience**. TM is also committed to **improving profitability** through a **strong focus on cost efficiency**, ensuring **sustainable growth** and competitiveness in the challenging operating environment.



The Group is maintaining a positive outlook to close the year, aligning with the market guidance we issued for 2024.

# QUESTION & ANSWERS

## Q&A Session Guidelines

- Kindly use the 'raise hand' function to indicate your wish to participate.
- You will be unmuted when it is your turn to speak.
- Please state your name and organisation.
- Proceed with your questions.

For any further inquiries, please contact TM IR team: [investor@tm.com.my](mailto:investor@tm.com.my)

# APPENDICES

# Cost % Revenue Comparison

Revenue (RM mil)	3Q 2023	2Q 2024	3Q 2024	QoQ	YoY	YTD 2023	YTD 2024	YTD	Comments YTD 2024 v YTD 2023
	2,953.7	2,907.9	2,917.1			8,698.2	8,662.0		
<b>Direct Costs %</b>	24.6%	22.0%	22.5%			24.5%	22.4%		
				+2.2%	-9.8%			-9.1%	<ul style="list-style-type: none"> <li>• Lower International &amp; Domestic outpayment cost</li> <li>• Lesser commissions</li> </ul>
RM mil	726.9	641.0	655.4			2,131.4	1,936.4		
<b>Manpower %</b>	22.8%	24.2%	21.6%			21.5%	22.9%		
				-10.4%	-6.3%			+6.4%	<ul style="list-style-type: none"> <li>• Higher manpower optimization cost</li> <li>• Higher staff remuneration</li> </ul>
RM mil	672.8	703.6	630.7			1,868.8	1,987.6		
<b>Operational Costs %</b>	16.0%	16.4%	20.2%			15.7%	16.7%		
				+23.9%	+24.3%			+6.1%	<ul style="list-style-type: none"> <li>• FX impact for YTD 2024</li> <li>• Higher licenses cost</li> </ul> Balanced with: <ul style="list-style-type: none"> <li>• Lower Rental/Lease</li> <li>• Decrease in Maintenance Cost</li> </ul>
RM mil	474.8	476.0	590.0			1,364.3	1,447.0		
<b>Total OPEX</b>	1,874.5	1,820.6	1,876.1	+3.0%	+0.1%	5,364.5	5,371.0	+0.1%	
<b>Dep &amp; Amortisation %</b>	19.3%	18.5%	18.0%			20.6%	18.5%		
				-2.5%	-7.8%			-10.7%	<ul style="list-style-type: none"> <li>• Impairment &amp; accelerated depreciation in 2023</li> </ul>
RM mil	568.9	538.5	524.8			1,793.4	1,601.6		
<b>Total Cost (RM mil)</b>	2,443.4	2,359.1	2,400.9	+1.8%	-1.7%	7,157.9	6,972.6	-2.6%	
<b>Total (%)</b>	82.7%	81.1%	82.3%	+1.2pp	-0.4pp	82.3%	80.5%	-1.8pp	

# Statement of Financial Position

RM mil	As At 30 Sept 2024	As At 31 Dec 2023 (RESTATED)	Var.
<b>Shareholders' Funds</b>	9,345.2	9,163.0	2.0%
<b>Non-controlling Interests</b>	154.0	159.6	-3.5%
<b>Deferred &amp; Long-Term Liabilities</b>	5,134.1	6,491.1	-20.9%
<i>Long Term Borrowings</i>	2,366.5	3,536.8	-33.1%
<i>Lease Liabilities</i>	1,538.4	1,634.5	-5.9%
<i>Deferred Tax</i>	1,075.1	1,127.0	-4.6%
<i>Others</i>	154.1	192.8	-20.1%
	<b>14,633.3</b>	<b>15,813.7</b>	-7.5%
<b>Current Assets</b>	6,848.3	6,515.0	5.1%
<i>Trade and Other Receivables</i>	2,697.8	2,275.0	18.6%
<i>Cash &amp; Bank Balances</i>	2,731.7	2,955.2	-7.6%
<i>Inventories</i>	196.6	204.6	-3.9%
<i>Others</i>	1,222.2	1,080.2	13.1%
<b>Current Liabilities</b>	6,273.8	5,874.2	6.8%
<i>Trade and Other Payables</i>	2,779.0	3,033.3	-8.4%
<i>Short Term Borrowings</i>	1,597.3	1,226.4	30.2%
<i>Lease Liabilities</i>	209.0	223.1	-6.3%
<i>Others</i>	1,688.5	1,391.4	21.4%
<b>Net Current Assets/(Liabilities)</b>	574.5	640.8	-10.3%
<b>Non-Current Assets</b>	14,058.8	15,172.9	-7.3%
<i>Property Plant &amp; Equipment</i>	11,171.3	11,796.8	-5.3%
<i>Other Non-Current Assets</i>	2,887.5	3,376.1	-14.5%
	<b>14,633.3</b>	<b>15,813.7</b>	-7.5%



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# THANK YOU