



# ANALYST BRIEFING

**FY 2023 Results**



**Amar Huzaimi**  
Managing Director /  
Group Chief Executive Officer



**Razidan Ghazalli**  
Group Chief Financial Officer

23rd February 2024



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**LATEST HIGHLIGHTS**

# Latest Highlights

Product Updates, Awards & Recent Collaborations



Unifi's new unstoppable Uni5G postpaid & family plans



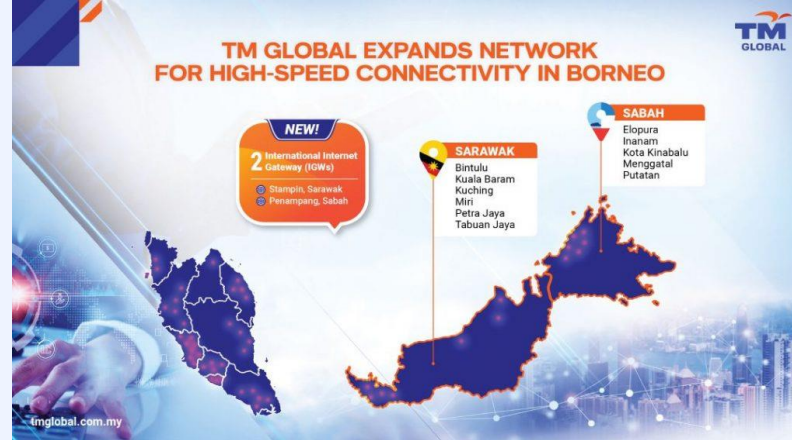
TM One collaborated with PLANMalaysia to accelerate Local Smart Cities



TM Wins Asia Best Employer Brand Awards 2023



DNB, TM And ZTE Collaborate On World's First and Fastest 28Gbps 5G mmWave on Standalone 5G Core



TM Global expands Network Infrastructure to Boost High-Speed Connectivity for Sabah and Sarawak



TM EDGE facilities win W. Media's Asia Pacific Cloud and Data Center award for the South-East Asia region

A photograph of two business professionals, a man in a dark suit and a woman in a white shirt, sitting at a wooden table. The man is smiling and writing in a black notebook with a pen. The woman is holding a white tablet and looking at it. On the table are several documents with charts and graphs, a laptop, and another tablet. A white banner with blue text is overlaid across the middle of the image.

# **FY 2023 PERFORMANCE REVIEW**

# FY 2023 Highlights

## Revenue

**RM12,255.6 mil**

1.1% increase YTD  
5.1% increase YoY  
1.7% increase QoQ

## EBIT

**RM2,088.4 mil**

0.1% decrease YTD  
84.0% increase YoY  
29.0% decrease QoQ

## PATAMI

**RM1,870.5 mil**

63.6% increase YTD  
170.6% increase YoY  
19.5% decrease QoQ

## CAPEX/Revenue %

**15.9%**

4.1pp decrease YTD  
3.8pp increase QoQ

## Fixed Broadband Subscriber

**3.13 mil**

3.1% increase YTD  
0.4% increase QoQ

## 2<sup>nd</sup> Interim Dividend

10.5 sen per share

## Final Dividend

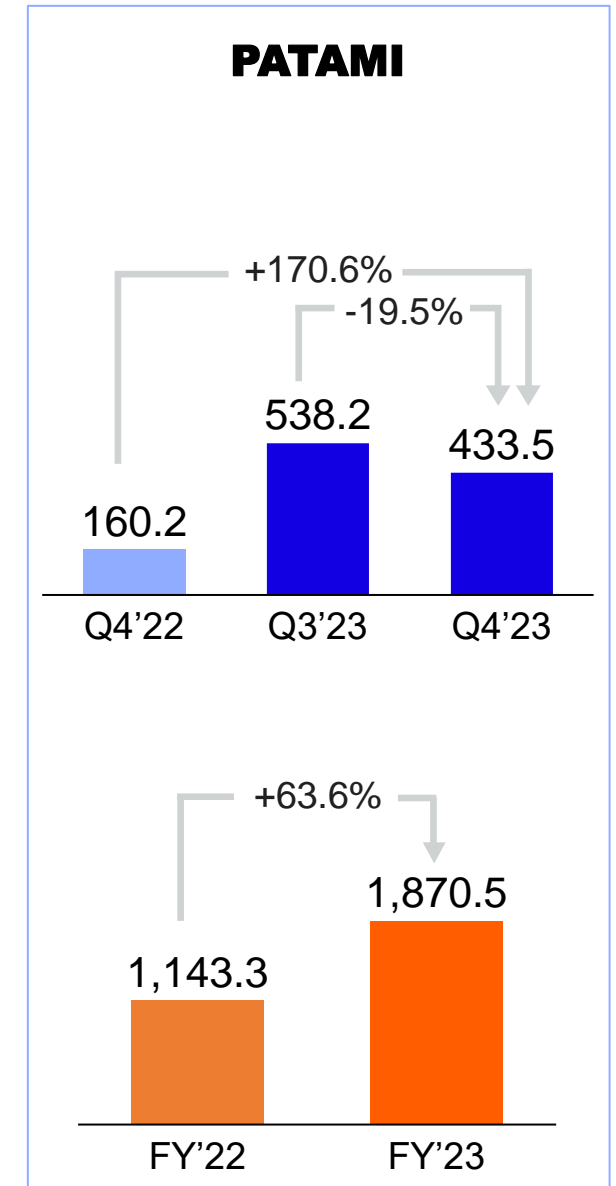
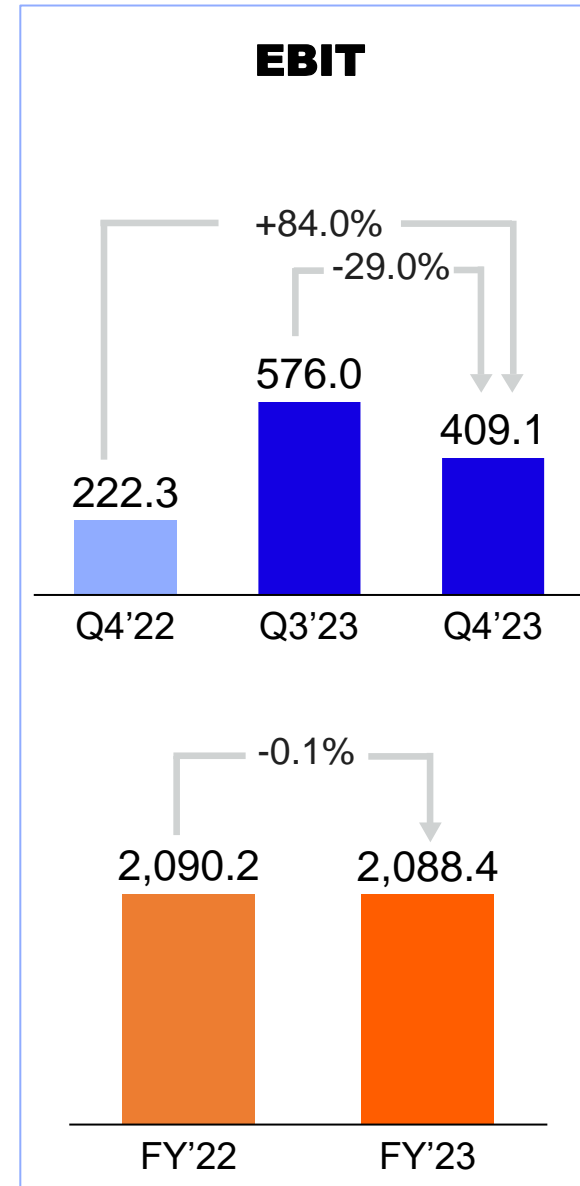
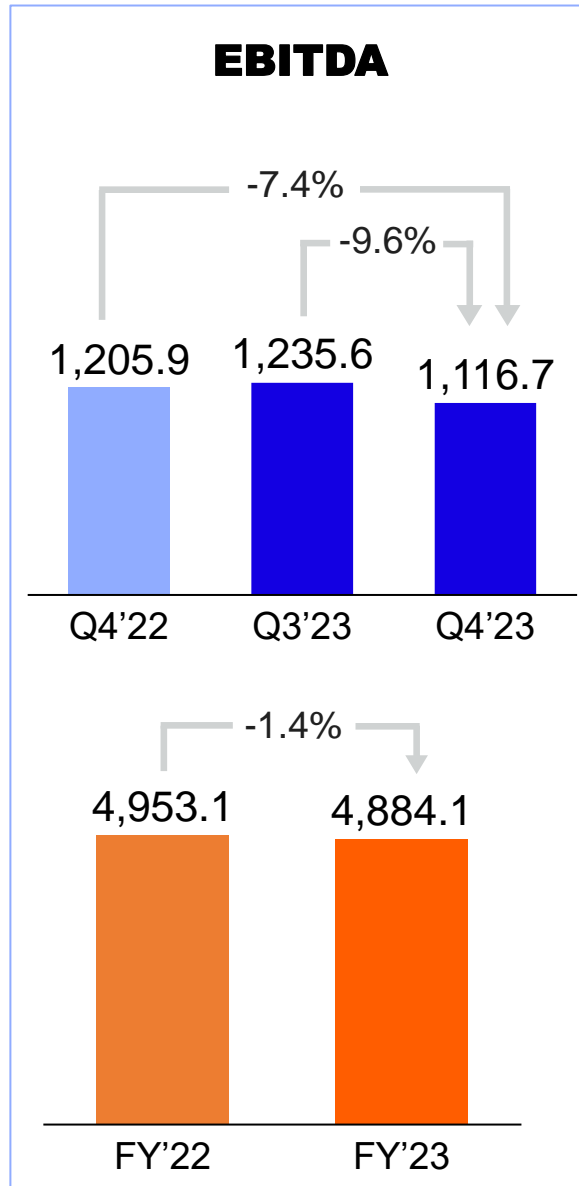
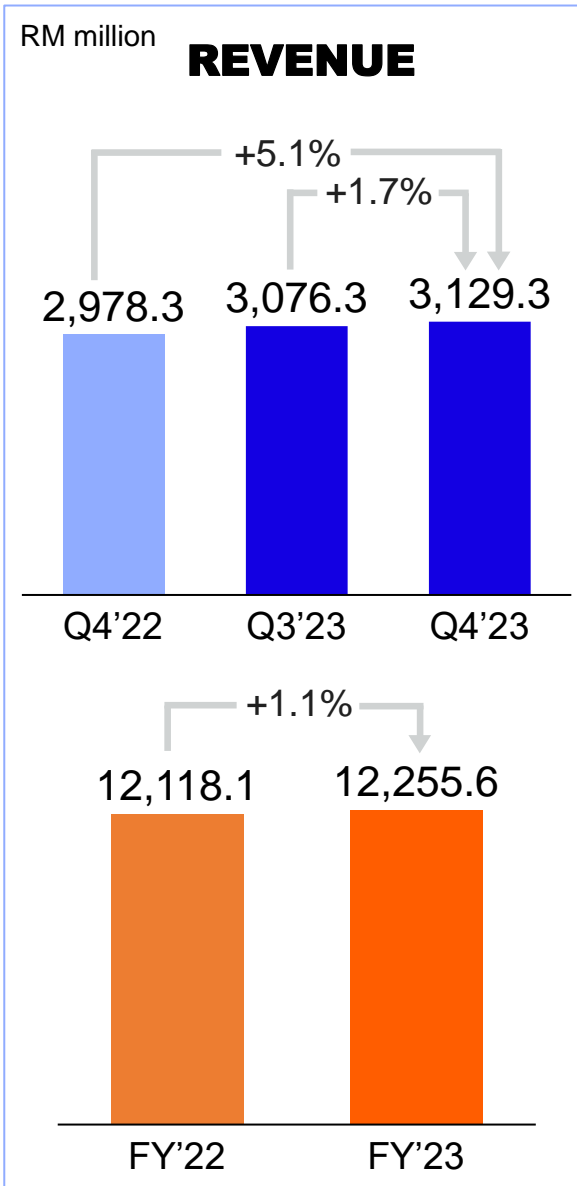
5 sen per share

**Sustaining a resilient & positive performance**

- Higher topline & PATAMI levels
- Maintaining Fixed Broadband subscriber growth
- Continuous revenue increase at Unifi & TM Global
- Improved dividend payment

# FY 2023 Reported Results

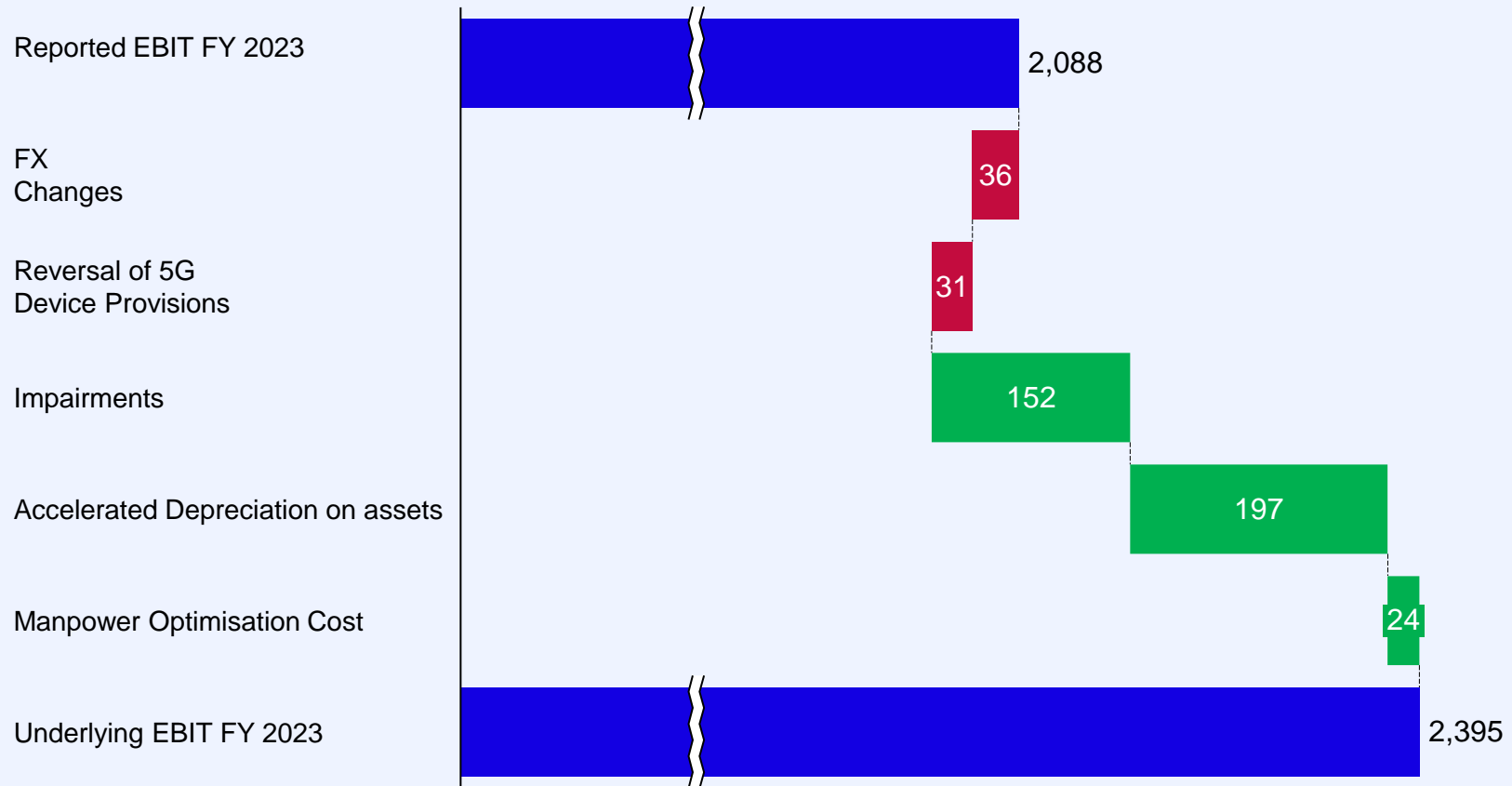
Higher FY Revenue & PATAMI



# Underlying EBIT

Higher underlying EBIT from normalizing items

## EBIT walk from reported, RM million







# CUSTOMER SEGMENT & PRODUCT OVERVIEW

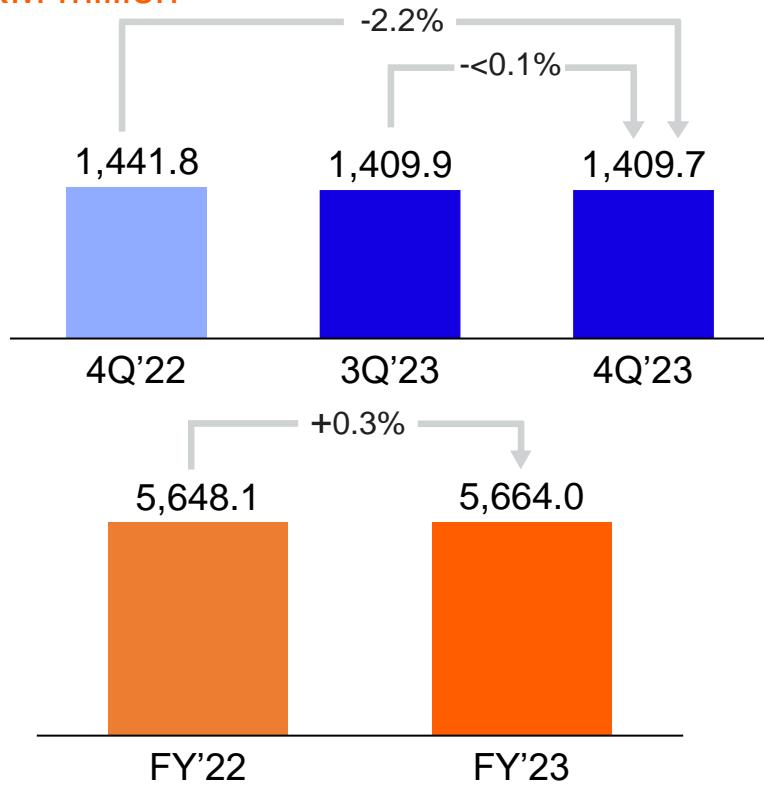
unifi

  
TM  
ONE

  
TM  
GLOBAL

Improving revenue from continuous Fixed Broadband customer growth

## Revenue Trend RM million



### QoQ & YoY decreased due to:

- Reduction in voice usage and mobile services

### FY increased due to:

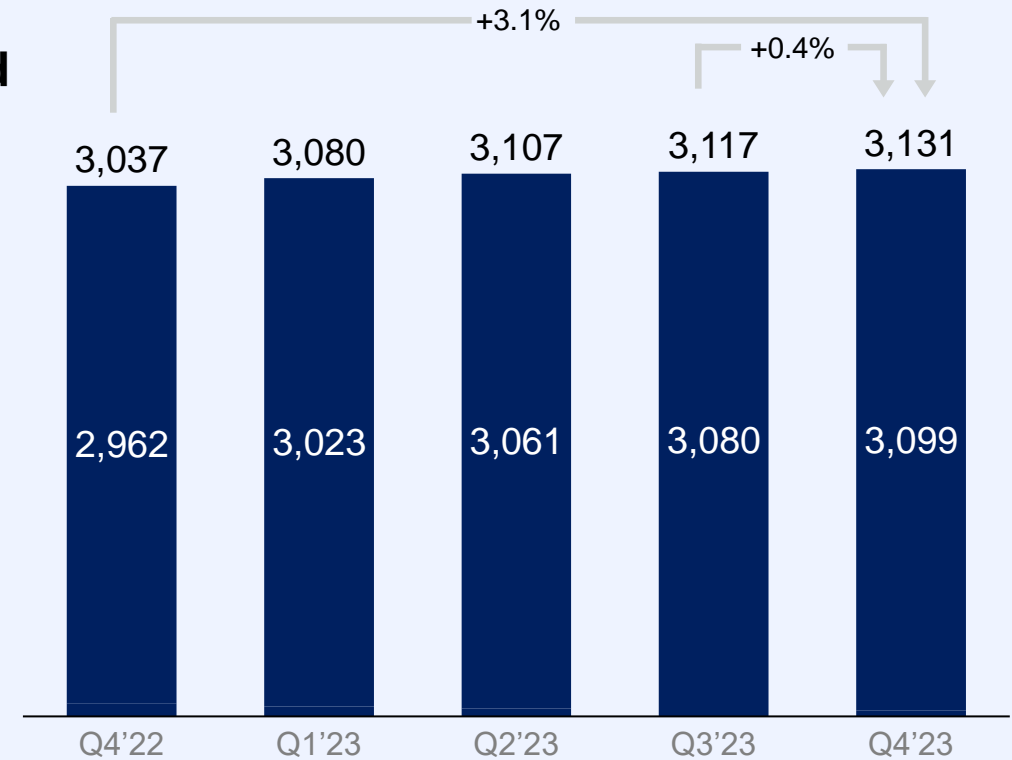
- Continued growth on cumulative fixed broadband subscribers driven by enhanced convergence campaigns & aggressive retention activities

2022 and 3Q23 figures are restated

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



## Fixed Broadband Subscribers Total (in '000)



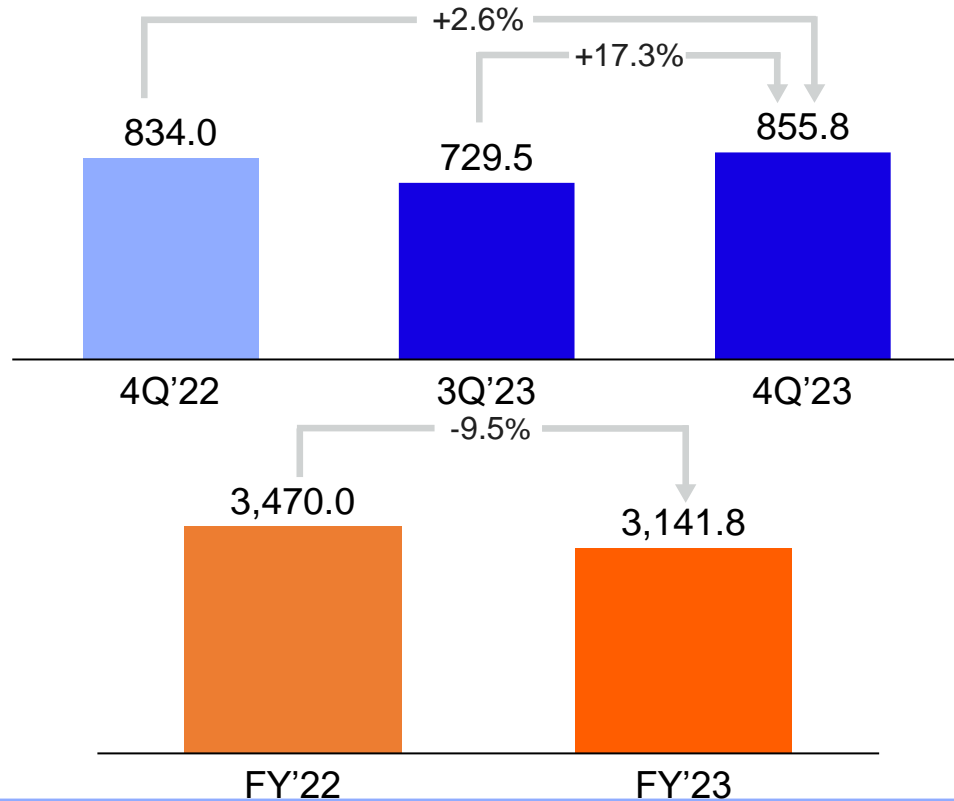
## Unifi Home Total (in '000)



ARPU: Average revenue per user

Positive quarterly growth amidst competitive market landscape

## Revenue Trend RM million



### YoY & QoQ increased due to:

- Increased solution based revenue in 4Q23

### FY decreased due to:

- Deferred customer project opportunities and price adjustments for certain service contracts

2022 and 3Q23 figures are restated



Leading converged managed service provider for **Enterprise 5G adoption** in the country with successful deployment of multiple Private 5G projects for Petronas



As the key enabler of Digital Nation, we **lead the delivery completion of POP 2 projects** for better digital infrastructure in rural areas towards closing digital divide



Preferred digital partner for Sarawak Digital Economy Corporation (SDEC) in **materialising aspirations towards the growth of Sarawak's digital economy**



**Trusted partner in managing large projects** proven by TM's recent recognition being accorded 19 out of 24 awards at Persidangan PEDI MADANI 2023



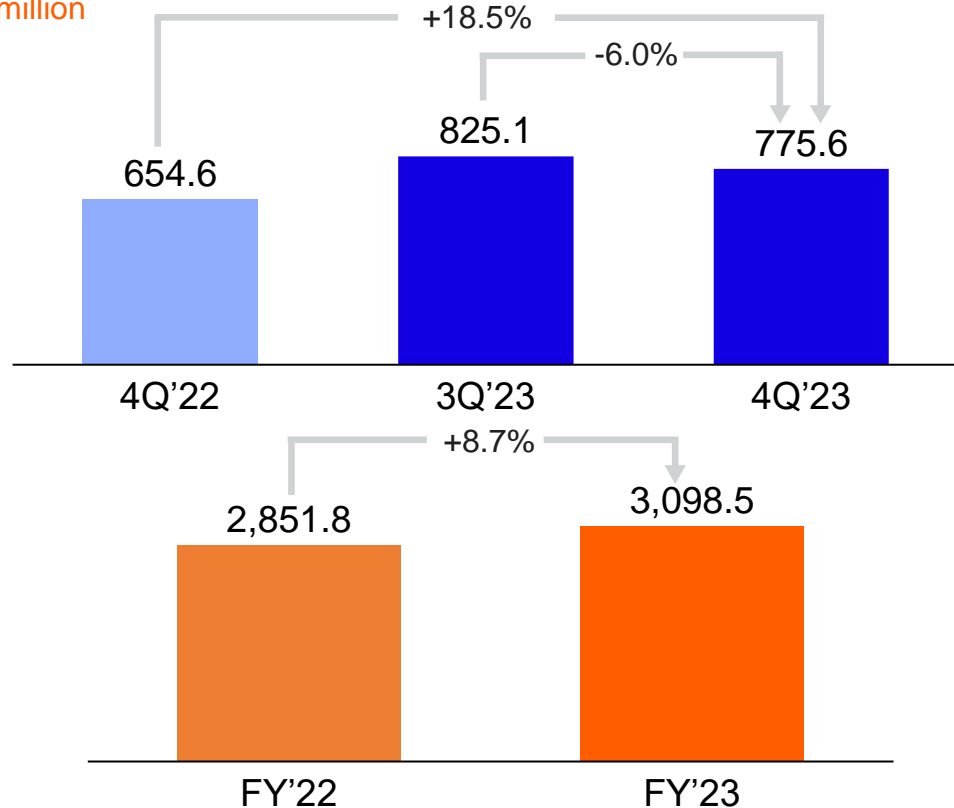
Driving digital adoption with hyperscaled sovereign TM Cloud Alpha to **digitalise Majlis Agama Islam Negeri Sembilan (MAINS)**

# Solid FY2023 performance

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

## Revenue Trend

RM million



### YoY & FY increased due to:

- Higher International Data revenue from Managed Wavelength and Other Data services
- Higher Domestic Data

### QoQ decreased due to:

- Lower Managed Wavelength in the quarter

2022 and 3Q23 figures are restated

## DOMESTIC

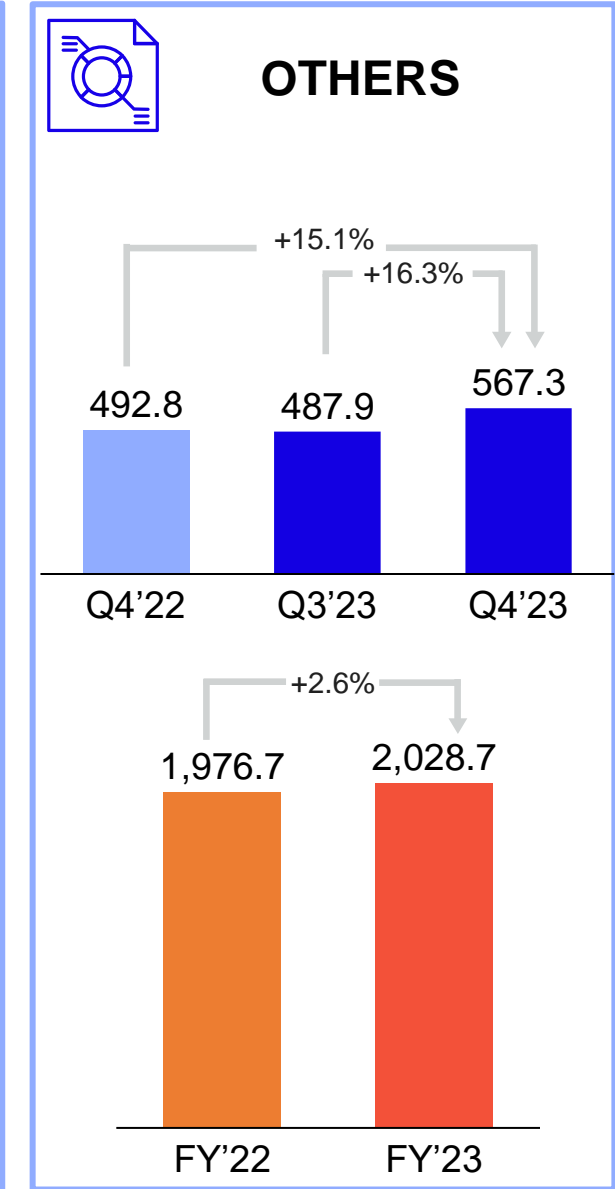
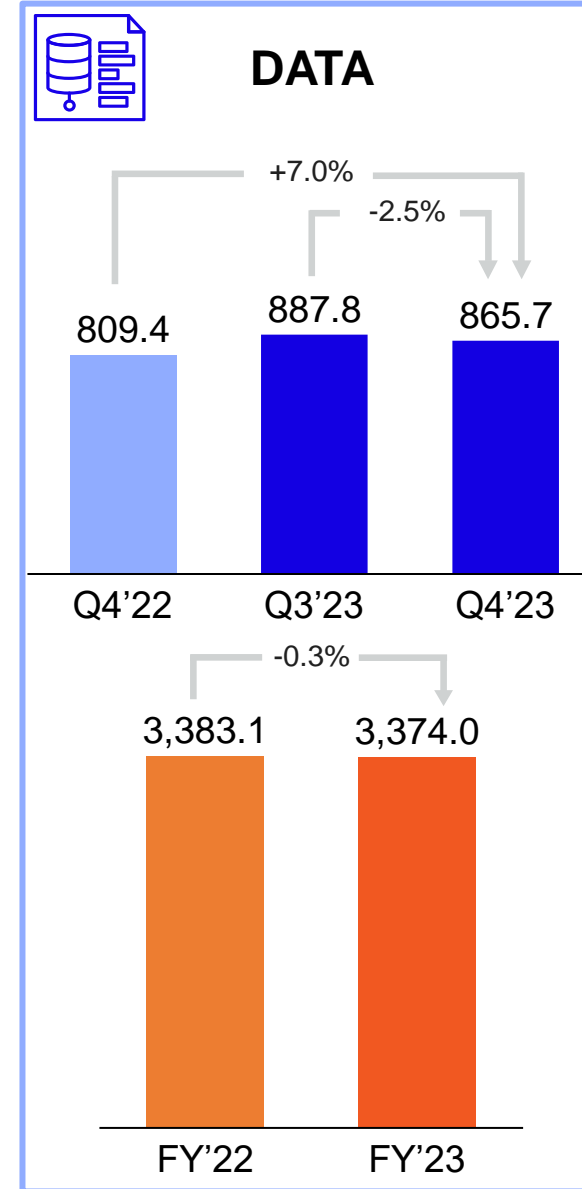
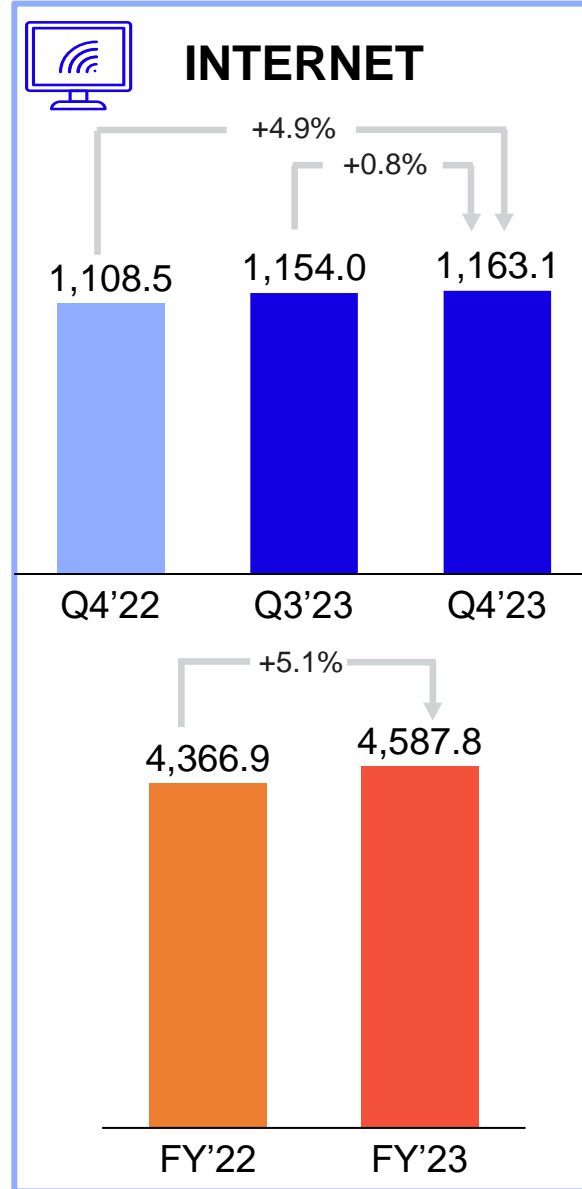
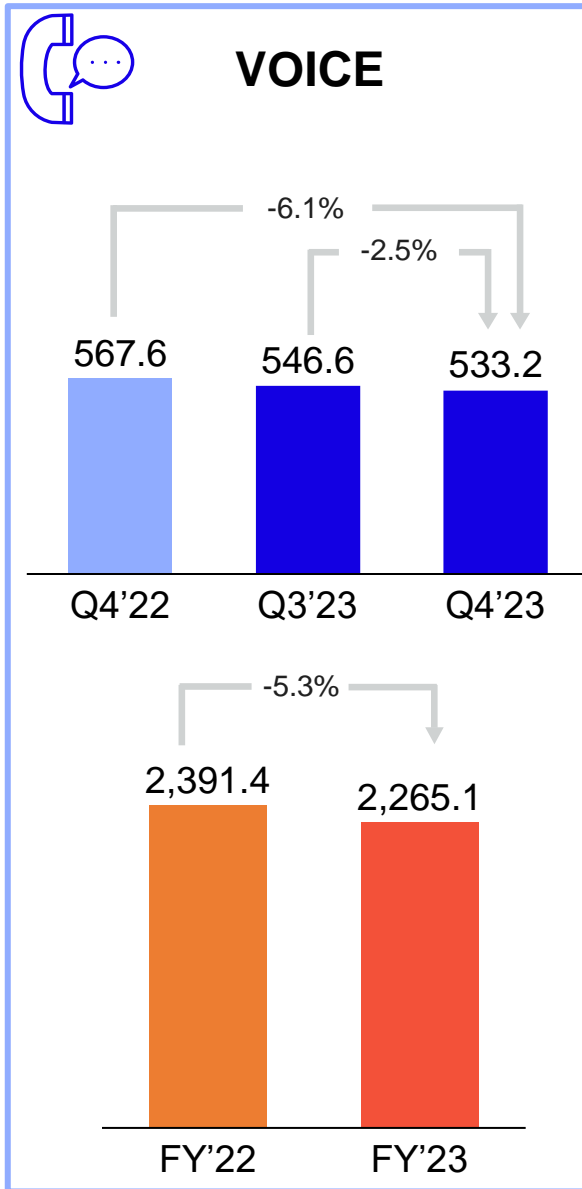
- **Surpassing the targeted deployment of 5G backhaul sites**, enabling industry players to deliver its commitment to the country
- Sizable additions of **High-speed Broadband (HSBB) access ports** against FY2022
- **Recognised at the W.Media's Asia Pacific Cloud & Datacenter Awards** for Edge Facilities project

## INTERNATIONAL

- Recorded YoY bandwidth growth of more than **30Tbps for data services** from global carriers and hyperscalers
- Successfully delivered mega requirement of more than **35Tbps long term leased connectivity** for US-based hyperscale
- Healthy growth of A2P SMS revenue during the year

# Revenue by Product

Internet growth supporting the higher revenue



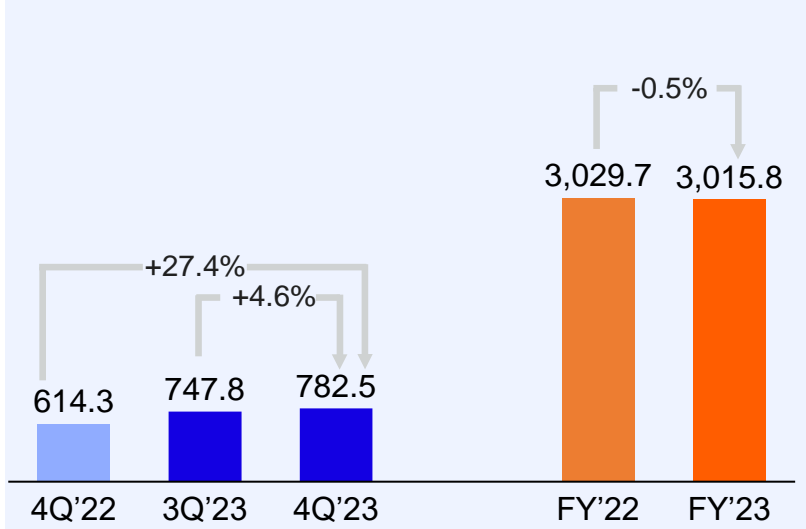
A man wearing a light blue denim shirt, a grey cap, and brown pants is sitting at a wooden workbench in a workshop. He is smiling and looking at a tablet device. The workshop is filled with various woven baskets and bags on shelves and hanging from the ceiling. A yellow knitted ball is visible in the foreground.

**COST, INVESTMENTS  
& OTHER FINANCIALS**

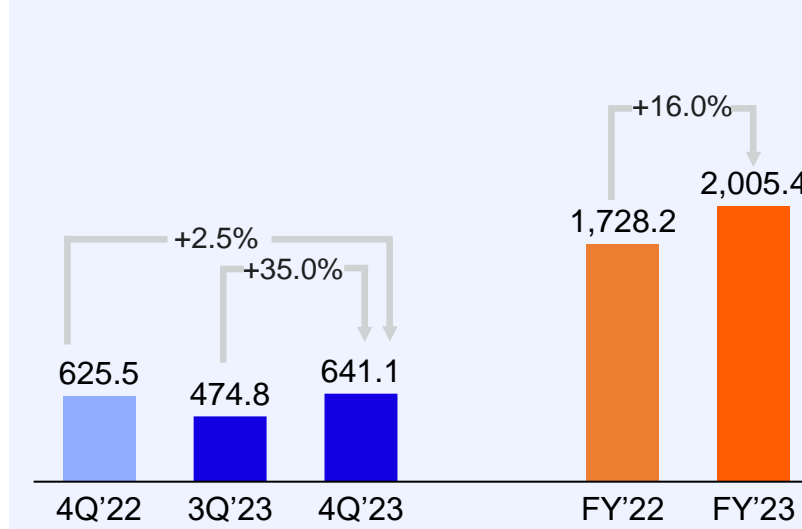
# Total Cost/Revenue %

YTD Total Cost at 84.2% from Revenue

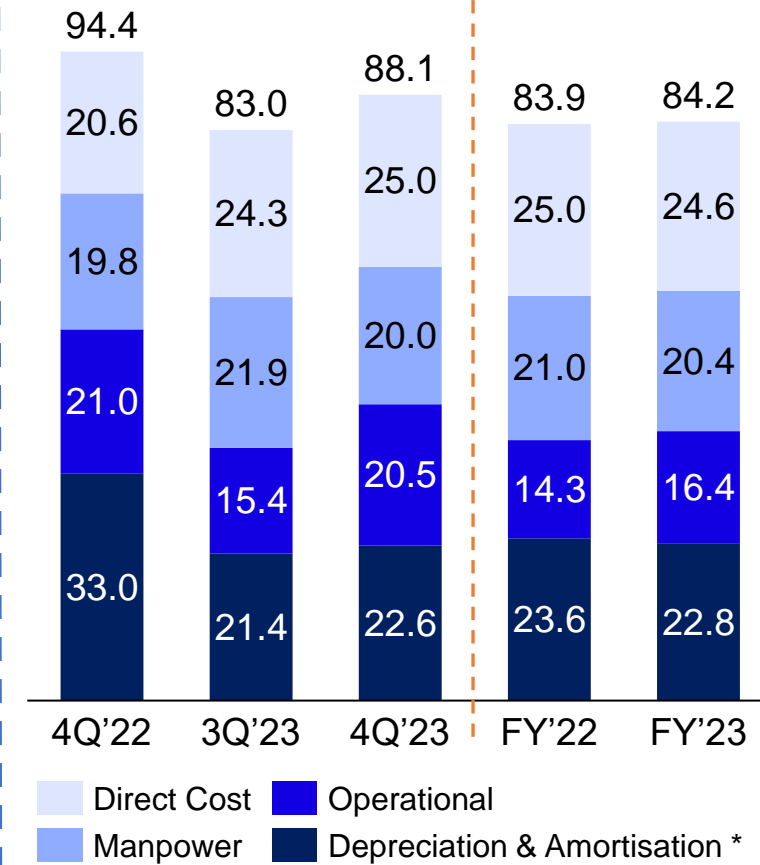
## Direct Cost, RM million



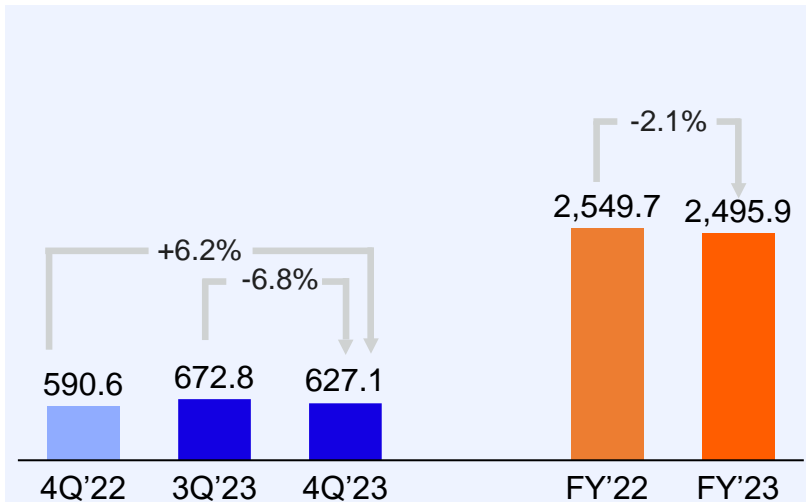
## Operational Costs, RM million



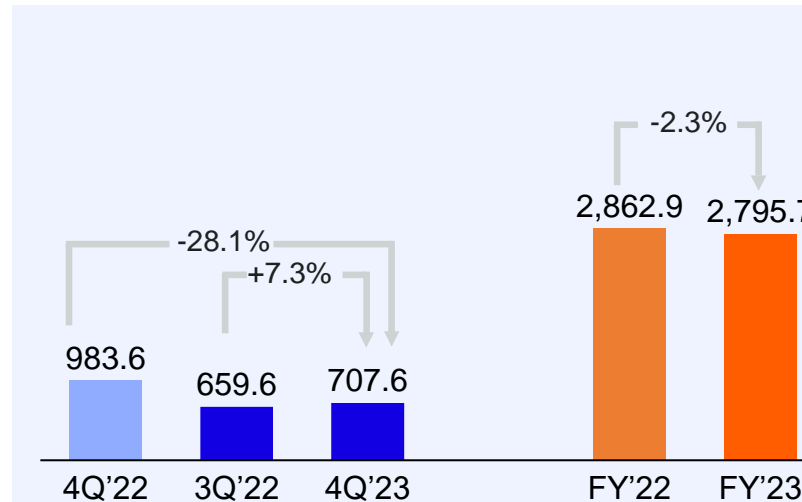
## % Total Cost to Revenue



## Manpower, RM million



## Dep. & Amortisation\*, RM million



Notes:  
\* Including impairment

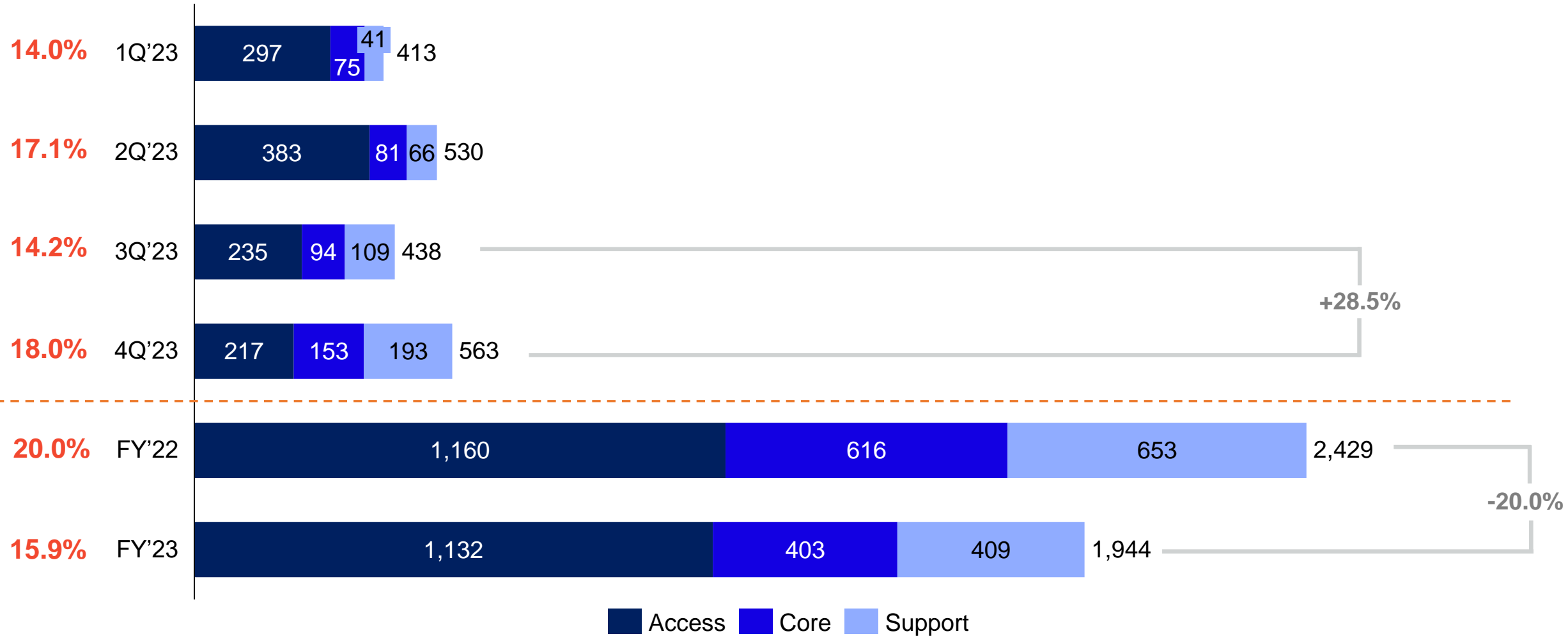
# Group Capital Expenditure

Lower CAPEX in FY2023



CAPEX/Revenue (%)

TM CAPEX Breakdown (RM mill)





# Group Cash Flow & Financial Ratios

Higher cash balance & free cash flow

RM mn	FY 2023	FY 2022
Cash Flows from Operating Activities	3,686.1	3,265.8
Cash Flows used in Investing Activities	(1,643.9)	(1,334.9)
Cash Flows used in Financing Activities	(1,687.8)	(1,465.6)
Cash and Cash Equivalents at beginning of the Financial Period	2,344.3	1,880.0
Effect of exchange rate changes	-0.8	-1.0
Cash and Cash Equivalents at end of the Financial Period	2,697.9	2,344.3
<i>Free Cash Flow</i> <sup>1</sup>	2,281.6	1,078.1*
<b>Financial Ratios</b>	<b>FY 2023<sup>2</sup></b>	<b>YTD 2022<sup>2</sup></b>
Return on Equity	23.00%	17.70%
Return on Assets	8.54%	5.95%
Return on Invested Capital	10.53%	10.74%
WACC	8.20%	8.16%
Current Ratio	1.14	1.16
Gross Debt/EBITDA	1.41	1.48
Net Debt/EBITDA	0.84	0.94
Gross Debt/Equity	0.80	0.95
Net Debt/Equity	0.48	0.60
Net Assets/Share (sen)	238.77	207.71

Notes:

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

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

\*Figures have been restated based on the new formula



**ENVIRONMENTAL,  
SOCIAL & GOVERNANCE**

# 2023 Sustainability Highlights

## Q1



**Launched Pakej Perpaduan Jalur Lebar tetap for underserved Malaysians namely the B40, the elderly, OKU, and Army-police Veterans**



**Completed phase one of New Fibre Optic Network Hub bringing faster, more reliable internet to remote areas of Northern Peninsular, Sabah And Sarawak**

## Q2



**Published our First Task Force on Climate-related Financial Disclosures (Tcfd) Report**



**Committed Rm3.5 Million for success of TVET Madani**

## Q3



**Geran Digital PMKS Madani launched to accelerate MSME Digitalisation**



**Yayasan TM expands TM Future Skills Programme to enhance digital skills among students from B40 and Low-income families**

## Q4



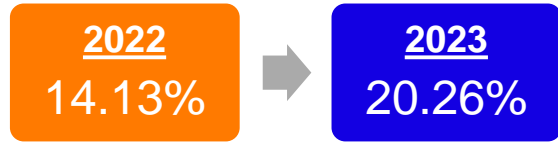
**TM Integrity Day 2023 emphasises “UNCOMPROMISING INTEGRITY” as a cornerstone of Corporate Governance**



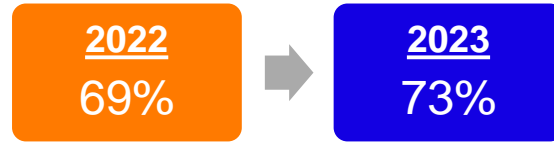
**Achieved over 20% Emissions Reduction based on 2019 level**

# 2023 ESG Progress

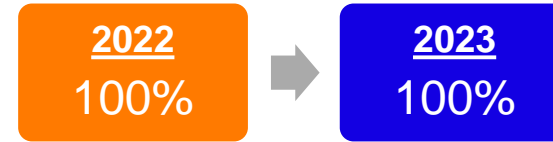
## Emissions reduced compared to 2019 baseline



## Premises with HIGH-SPEED Internet



## Anti-Corruption performance



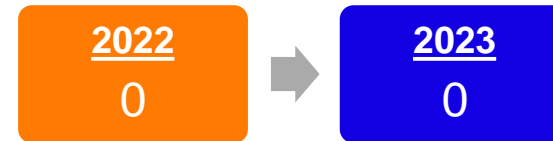
## Published 1<sup>ST</sup> TCFD Report



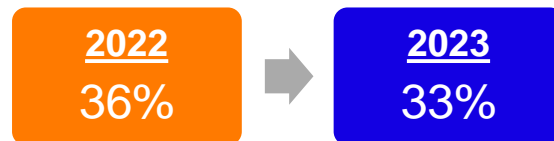
## Suppliers with ESG Compliance



## Data loss from Cybersecurity Incidents



## Percentage of Women on the Board



Won three awards at the UN GLOBAL COMPACT MALAYSIA & BRUNEI forward faster sustainability awards

Telekom Malaysia Berhad  
Telecommunication Services

**S&P Global CSA Score 2023**  
A key component of the S&P Global ESG Score

**46 / 100**

As of August 31, 2023

The S&P Global Corporate Sustainability Accessibility (CSA) Score is the S&P Global ESG Score without the inclusion of any modeling approaches. Company scores can be compared to their peers in the same industry. Learn more at [spscores](https://global.com/spscores)

S&P Global Sustainable1

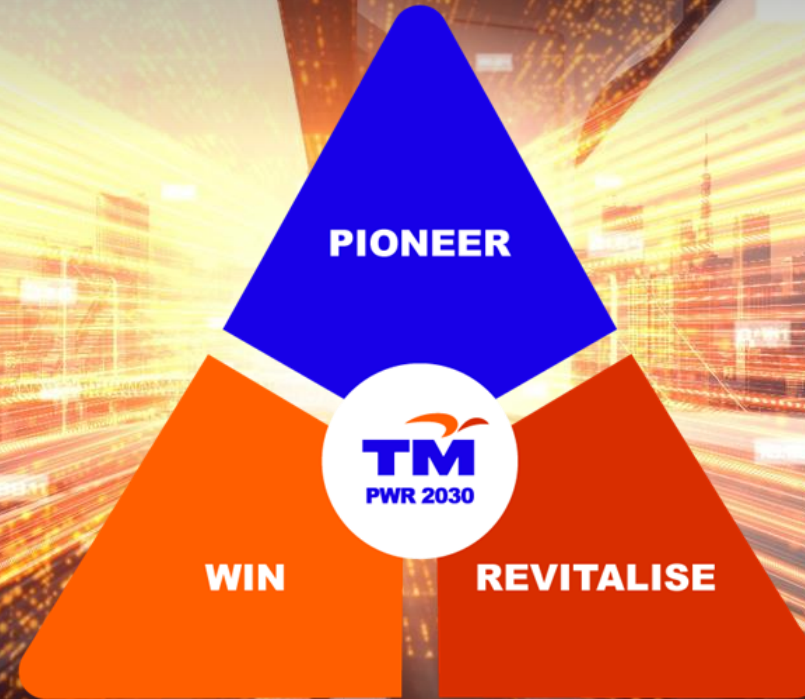
**Scored 46 points on S&P Global Corporate Sustainability Assessment**

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# CONCLUSION

# ***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

# 2024 Guidance

Current performance & market guidance for 2024

	FY2023	FY2024 Guidance
Revenue Growth	+1.1%	Low single digit growth
EBIT	RM2.10bil	RM2.1bil – RM2.2bil
Capex/ Revenue	15.9%	14%-18%

# Key Takeaways

## FY 2023 Key Highlights:



- **Operating Revenue** at **RM12.26 billion**, reflecting positive growth momentum.
- **PATAMI** increased 63.6% from RM1.14 billion to **RM1.87 billion**.
- **Fixed broadband subscribers** grew 3.1% to **3.13 million**.
- **2<sup>nd</sup> Interim Dividend and Final Dividend** totalling **15.5 sen per share** or approximately RM594.9 million



Offering converged solutions with improved mobile coverage, content, digital lifestyle, and solutions for consumers and MSME segments.



Focusing on managed services with next-gen connectivity, sovereign cloud, Private 5G, Smart Services, Platform and Cybersecurity solutions for industrial digital growth.



Expanding its domestic fibre network and international wholesale platform ecosystem with new strategic submarine cables, data centres, media delivery, and edge computing.



We are moving into the next phase of growth as we accelerate our journey to become a Digital Powerhouse by 2030 (PWR2030). Following the market guidance, TM is poised for a positive performance in 2024 driven by the strategic initiatives bolstered by ongoing network/IT modernization and workforce revitalization efforts across the organization.



A white rectangular box with a blue diagonal pattern on the left side. Inside the box, the text 'Q&A SESSION' is written in a bold, blue, sans-serif font.

**Q&A SESSION**

# APPENDICES

# Cost % Revenue comparison

Revenue (RM mn)	4Q 2022	3Q 2023	4Q 2023	QoQ	YoY	FY 2022	FY 2023	FY	Remarks FY 2023 v FY 2022
	2,978.3	3,076.3	3,129.3			12,118.1	12,255.6		
<b>Direct Costs %</b>	20.6%	24.3%	25.0%						
				+4.6%	+27.4%	25.0%	24.6%	-0.5%	<ul style="list-style-type: none"> <li>Lower international outpayment at TM Global</li> <li>Lower customer project &amp; ICT direct cost in line with lower revenue at TM One</li> </ul>
RM mn	614.3	747.8	782.5			3,029.7	3,015.8		
<b>Manpower %</b>	19.8%	21.9%	20.0%						
				-6.8%	+6.2%	21.0%	20.4%	-2.1%	<ul style="list-style-type: none"> <li>Lower separation cost</li> </ul>
RM mn	590.6	672.8	627.1			2,549.7	2,495.9		
<b>Operational Costs %</b>	21.0%	15.4%	20.5%						
				+35.0%	+2.5%	14.3%	16.4%	+16.0%	<ul style="list-style-type: none"> <li>Higher Maintenance Cost</li> <li>Higher License Cost</li> <li>Higher Utilities from ICPT surcharge increase</li> <li>Higher Advertising &amp; Promotion</li> </ul>
RM mn	625.5	474.8	641.1			1,728.2	2,005.4		
<b>Total OPEX</b>	1,830.4	1,895.4	2,050.7	+8.2%	+12.0%	7,307.6	7,517.1	+2.9%	
<b>Dep &amp; Amortisation %</b>	33.0%	21.4%	22.6%						
				+7.3%	-28.1%	23.6%	22.8%	-2.3%	<ul style="list-style-type: none"> <li>Lower asset base from accelerated depreciation and asset useful life revision commenced in 4Q'22</li> </ul>
RM mn	983.6	659.6	707.6			2,862.9	2,795.7		
<b>Total Cost (RM mn)</b>	2,817.3	2,555.0	2,758.3	+8.0%	-2.0%	10,170.5	10,312.8	+1.4%	
<b>Total (%)</b>	94.4%	83.0%	88.1%	+5.1pp	-6.3pp	83.9%	84.2%	+0.3pp	

# Statement of Financial Position

RM mn	As At 31 Dec 2023	As At 31 Dec 2022	Var.
<b>Shareholders' Funds</b>	9,163.0	7,936.5	15.5%
<b>Non-controlling Interests</b>	159.6	152.6	4.6%
<b>Deferred &amp; Long-Term Liabilities</b>	7,739.0	9,584.9	-19.3%
<i>Long Term Borrowings</i>	3,536.8	4,959.6	-28.7%
<i>Lease Liabilities</i>	1,634.5	1,544.2	5.9%
<i>Deferred Tax</i>	1,127.0	1,425.8	-21.0%
<i>Deferred Income</i>	1,414.8	1,630.7	-13.2%
<i>Others</i>	25.9	24.6	5.3%
	<b>17,061.6</b>	<b>17,674.0</b>	-3.5%
<b>Current Assets</b>	6,515.0	6,399.4	1.8%
<i>Trade and Other Receivables</i>	2,275.0	2,312.3	-1.6%
<i>Cash &amp; Bank Balances</i>	2,955.2	2,579.4	14.6%
<i>Inventories</i>	204.6	305.4	-33.0%
<i>Others</i>	1,080.2	1,202.3	-10.2%
<b>Current Liabilities</b>	5,874.2	5,457.3	7.6%
<i>Trade and Other Payables</i>	3,033.3	3,718.0	-18.4%
<i>Short Term Borrowings</i>	1,226.4	309.7	296.0%
<i>Lease Liabilities</i>	223.1	230.3	-3.1%
<i>Others</i>	1,391.4	1,199.3	16.0%
<b>Net Current Assets/(Liabilities)</b>	640.8	942.1	-32.0%
<b>Non-Current Assets</b>	16,420.8	16,731.9	-1.9%
<i>Property Plant &amp; Equipment</i>	13,026.4	13,547.0	-3.8%
<i>Other Non-Current Assets</i>	3,394.4	3,184.9	6.6%
	<b>17,061.6</b>	<b>17,674.0</b>	-3.5%



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[investor@tm.com.my](mailto:investor@tm.com.my)

# THANK YOU