



Analyst Briefing
1Q 2020 Results
20 May 2020

Management Representative



Dato' Noor Kamarul Anuar Nuruddin

Group Chief Executive Officer



En. Razidan Ghazalli

Group Chief Financial Officer

Our response for COVID-19

#stayentertained



FREE channels on unifi TV including premium channels and unifi PlayTV



20% discount for all Video-on-Demand (VOD) titles in HyppFlicks Plus

#stayconnected



unifi Home unlimited internet



unifi Mobile postpaid unlimited plans
 ○ **FREE 999GB LTE hotspot pass**



unifi Mobile #BEBAS
 ○ **FREE 7-day unlimited data pass**

#stayinbusiness



unifi Mobile Biz postpaid unlimited plans
 ○ **FREE 999GB LTE hotspot** so that you can have more data to access remote working platforms i.e. G Suite, Zoom



Up to 20% discount for unifi Digital Marketing Solutions (DMS) which includes Google Ads, Facebook Ads and Instaweb via Yellow Pages



Special financing support from unifi banking partners
 ○ **SME Bank and RHB Bank**
 ● Disbursement of up to RM1 million in funds and auto moratorium on repayments for up to six (6) months

#stayinformed



Stay safe. Stay updated.
 Get official information on COVID-19 at styalert.my



FREE calls to:
 ○ **Crisis Preparedness and Response Centre (CPRC)**
 ● 24-hour Hotline: 03-8881 0200 / 03-8881 0600 / 03-8881 0700

Our response for COVID-19



GLC Disaster Response Network

GLC/GLIC DISASTER RESPONSE NETWORK

UNITED AGAINST COVID

Joint-secretariat



YAYASAN HASANAH

A foundation of Khazanah Nasional

#GDRNBantu #GDRNAgainstCovid



HUMANITARIAN AID ASSISTANCE

5,482 FAMILIES | **8,270** STUDENTS ACROSS 9 UNIVERSITIES | **352** FRONTLINERS

300 BABY CARE BASKETS | **15,892** COOKED MEALS FOR BUKA PUASA | **2,400** KURMA PACKETS

15 PREGNANT REFUGEE MOTHERS SUPPORTED WITH DELIVERY COST AT HOSPITALS

NON-MEDICAL SUPPLIES

18,344 BOTTLES MINERAL WATER

650 BOTTLES VITAMIN C

650 SETS BEDDING FOR FRONTLINERS

#GDRNBantu #GDRNAgainstCovid

138 VENTILATORS | **35** PATIENT MONITORS | **55** BP MONITORS

335 ORAL/INFRARED THERMOMETER | **75** STETHOSCOPIES | **1,738** COVERALL SUITS


MEDICAL SUPPLIES

56,100 DISPOSABLE FACE SHIELDS | **69,500** BOXES EXAMINATION GLOVES (NITRILE POWDER FREE) | **399,520** FACE MASKS


6 WHEELCHAIRS | **140** MEDICAL VOLUNTEERS | **450** DISPOSABLE HEAD COVERS

Our “new normal” operations


#stayserved








- **All TMpoint outlets will reopen except those in Enhanced Movement Control Order (EMCO) areas***
 - A maximum of three (3) staff will be on duty and a maximum of five (5) visitors are allowed at any given time



- **Installations and Restorations***
 - **All** new installation and restoration activities will resume **except** in Enhanced Movement Control Order (EMCO) areas.
 - Activities at customer’s premises in Enhanced Movement Control Order (EMCO) areas are postponed except for important and critical services only.



- **Alternatively, contact TM Customer Service via the channels below:**
 - **unifi (Home & Personal, Business)**
 - **Operation hours from 7.00 am to 9.00 pm**
 -  TM Contact Centre 100
 -  @weareunifi
 -  Live Chat – bit.ly/unifilivechat
 -  @helpmeunifi
 -  help@tm.com.my
 -
 - **Self-service channels**
 - [myunifi app](#) • [unifi.com.my](#) • [community.unifi.com.my](#)

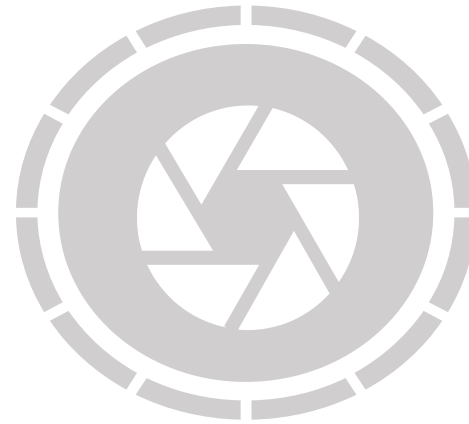




**PERFORMANCE
OVERVIEW**



**OPERATING
HIGHLIGHTS**



**CONCLUDING
REMARKS**



APPENDICES

1Q 2020 Key Highlights



- Revenue challenges were as expected and will persist
- Cost optimization program continue to yield results

1Q 2020 Group Results

RM mn	1Q 2020	QoQ	YoY
Revenue	2,557.1	-15.7%	-8.0%
EBITDA	909.7	-8.1%	-14.6%
Normalised EBITDA	918.5	-8.2%	-14.4%
Depreciation & Amortisation	583.6	-6.4%	+4.1%
EBIT	326.1	-10.9%	-35.4%
Normalised EBIT	334.9	-11.2%	-34.7%
Net Finance Cost*	84.7	-14.3%	-7.9%
Profit Before Tax	160.1	+>100.0%	-63.4%
PATAMI/(LATAMI)	152.5	+>100.0%	-50.5%
Normalised PATAMI	240.8	+26.8%	-18.8%

Note:

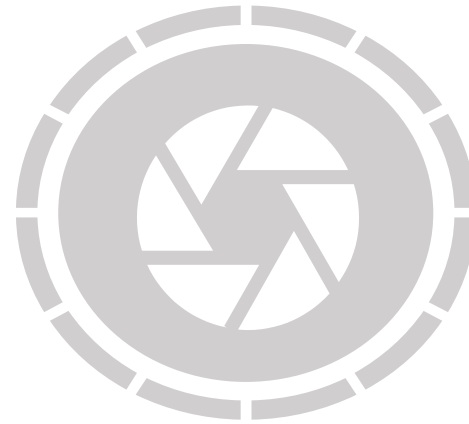
**Excluding FX gain/loss*



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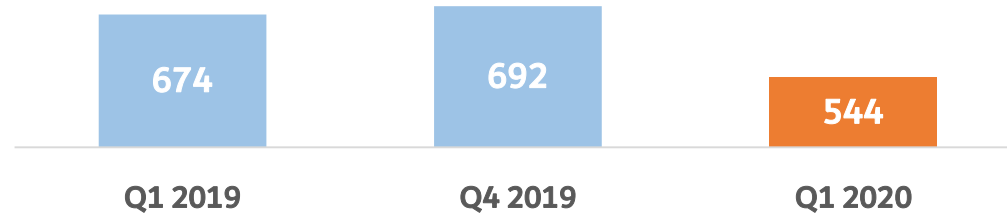


APPENDICES

Group Total Revenue by Product



Voice



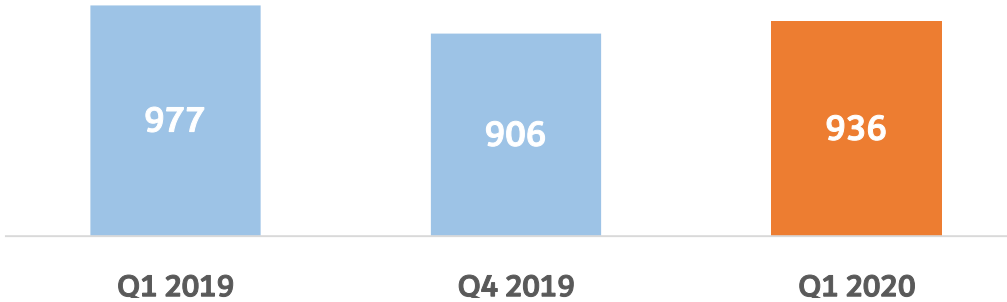
QoQ -21.3%
YoY -19.3%

Remarks YoY:

Lower voice customer base and traffic minutes



Internet

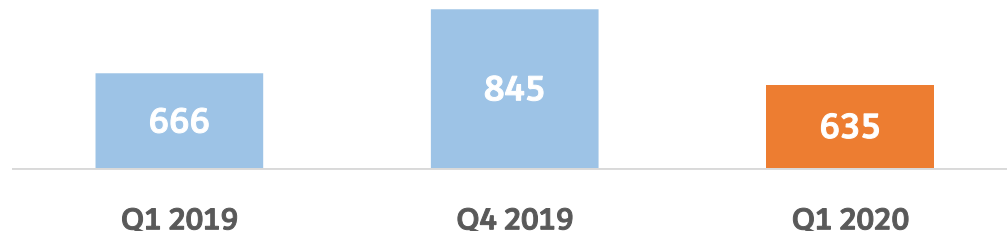


QoQ +3.3%
YoY -4.2%

Lower customer base from Streamyx



Data



QoQ -24.8%
YoY -4.6%

Lower domestic data

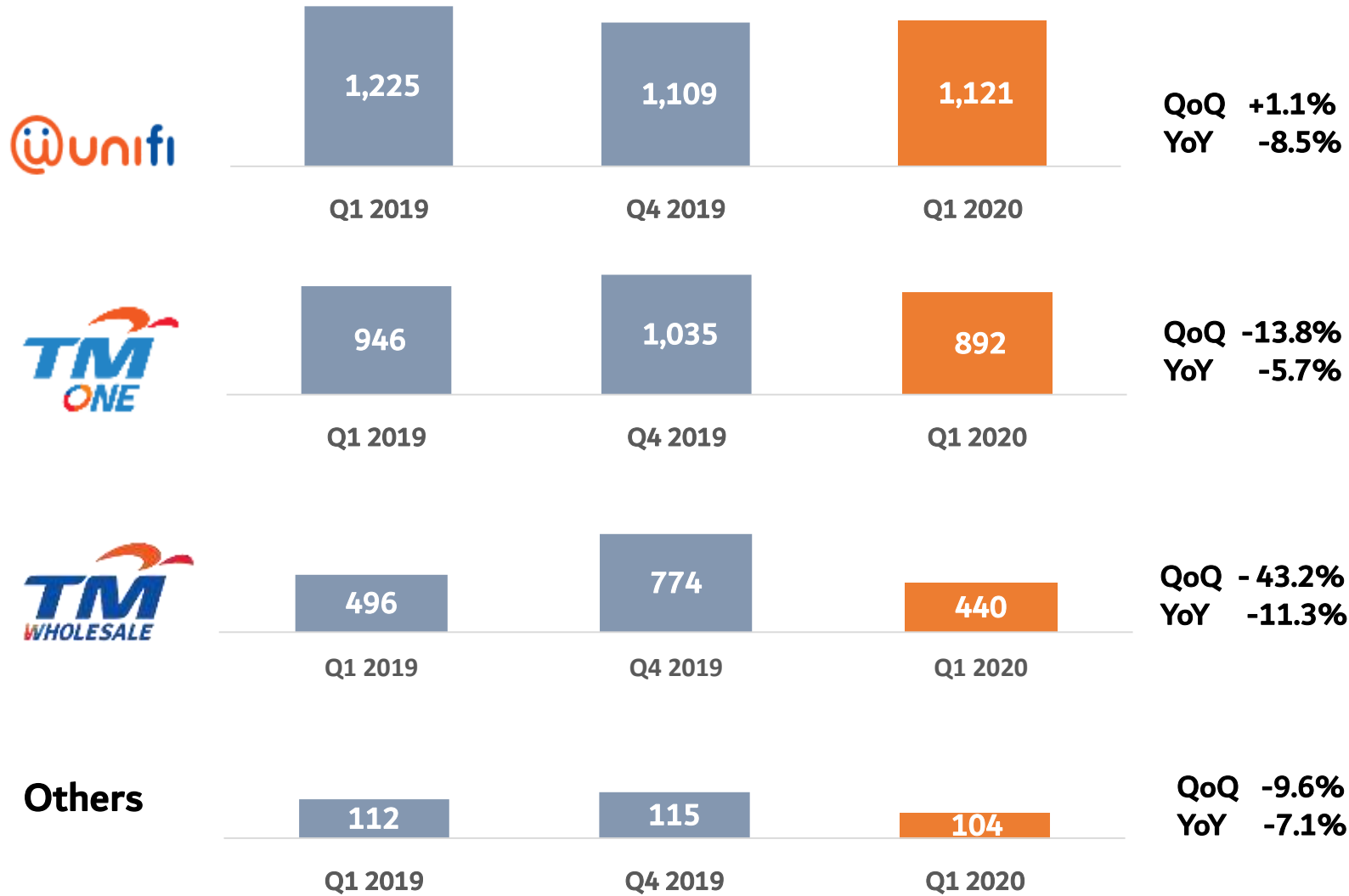
Others



QoQ -25.3%
YoY -4.3%

Lower ICT

Segmental Revenue by Cluster



Remarks YoY:

Lower voice due to lower voice customer base

Lower voice and data

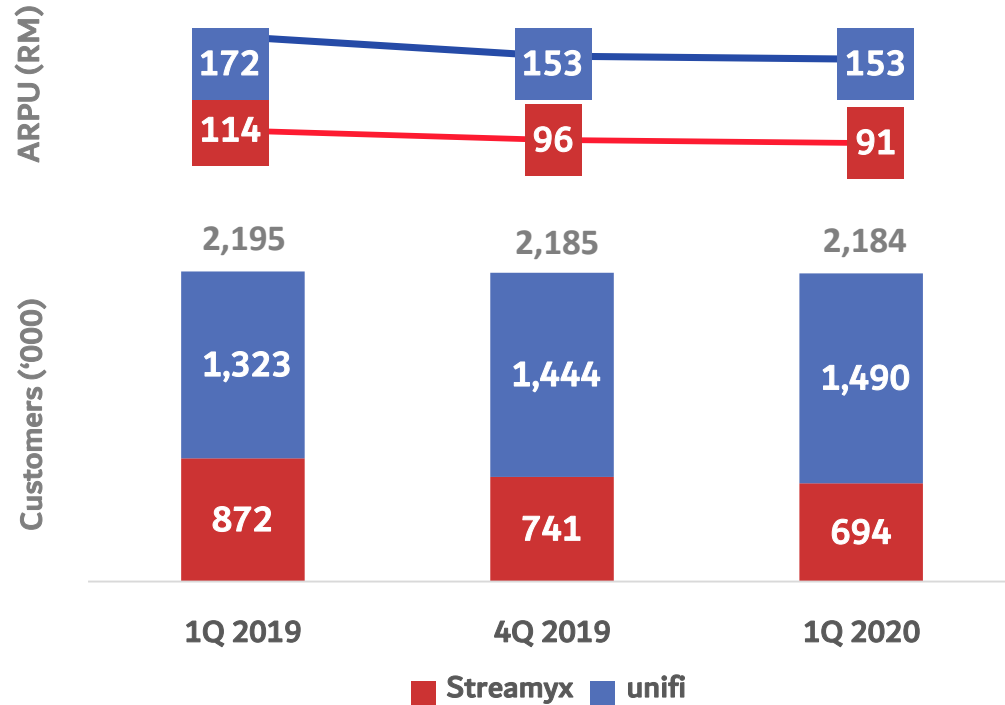
Lower international voice

Lower ticket sales for MKL

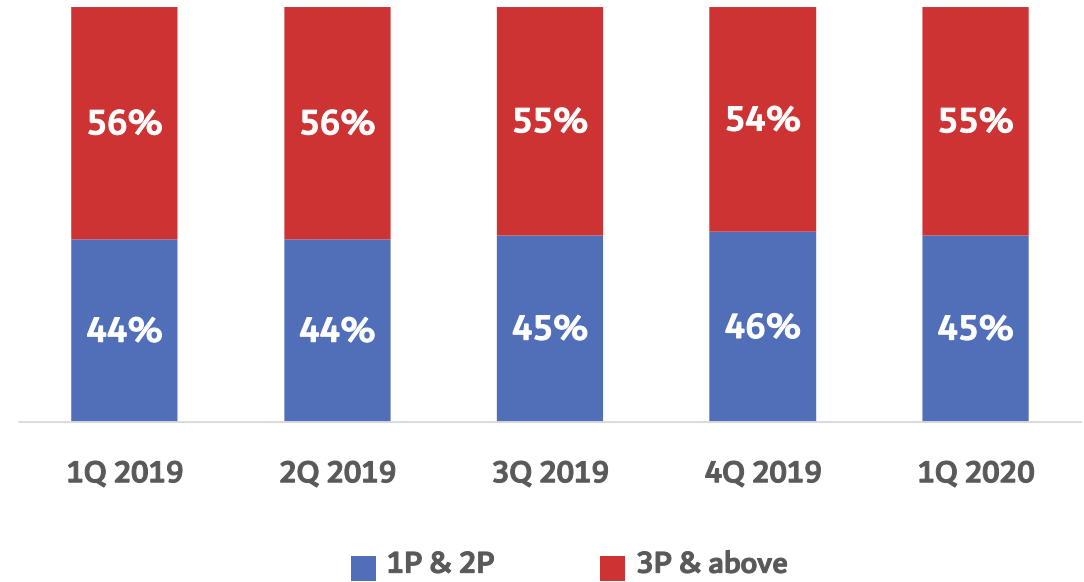
Note: Revenue by segment is after inter-co elimination.

Unifi Operating Matrix

Fixed Broadband



Convergence Penetration



- unifi customer base continues to grow, whilst drop in Streamyx was partly due to migration of customer to unifi

- TM household convergence penetration now at 55%

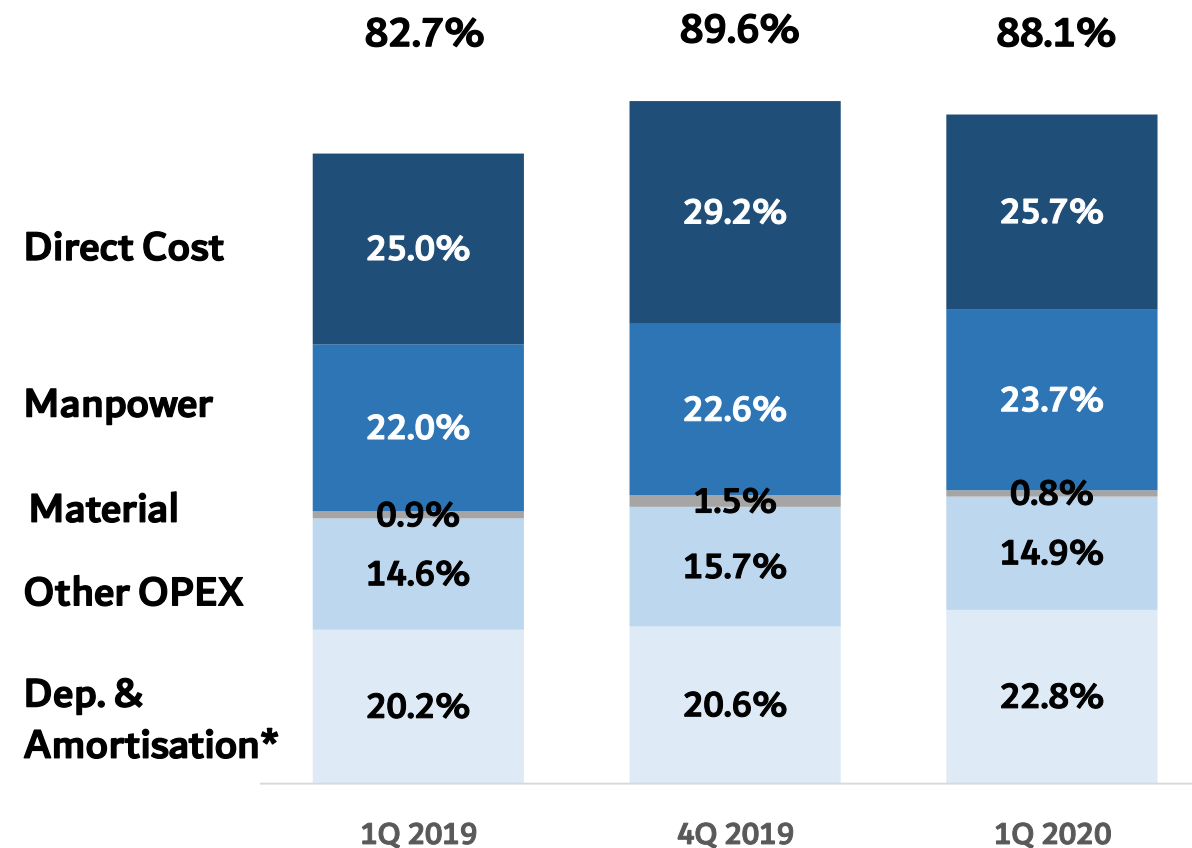
Group OPEX



TM Group Cost Breakdown

RM mn	1Q 2019	4Q 2019	1Q 2020
Revenue	2,779	3,034	2,557
Direct Cost	696	887	658
Manpower	610	685	607
Material	24	46	21
Other OPEX	407	477	382
Total OPEX	1,737	2,095	1,668
Dep. & Amortisation	560	619	584
Impairment	-	5	-
Total Cost	2,297	2,719	2,252

% Total Cost to Revenue



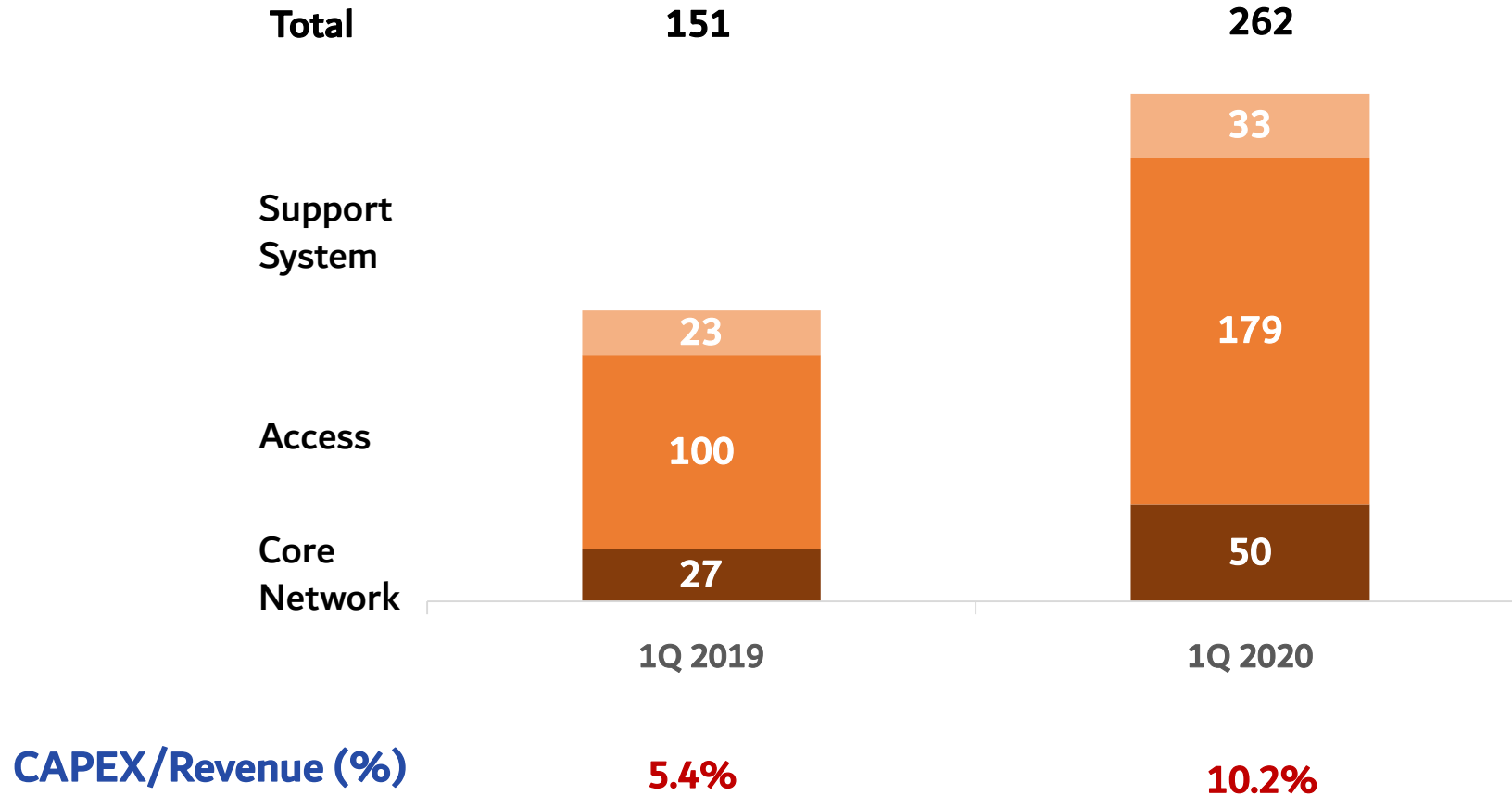
Note:

*Including impairment

Group CAPEX

Actual spending for CAPEX 1Q 2020 is 10.2% of revenue or RM262mn

TM CAPEX Breakdown (RM mn)



Group Cashflow & Financial Ratios

RM mn	1Q 2020	1Q 2019
Cash Flows from Operating Activities	113	350
Cash Flows from Investing Activities	-316	-248
Cash Flows from Financing Activities	-136	-69
Cash and Cash Equivalents at beginning of the Financial Year	4,786	2,757
Effect of exchange rate changes	8	3
Cash and Cash Equivalents at end of Financial Year	4,455	2,793
<i>Free Cash Flow¹</i>	518	780
Financial Ratios	1Q 2020 ²	FY 2019 ²
Return on Invested Capital	6.32%	7.99%
Return on Equity	13.04%	13.45%
Return on Assets	3.70%	4.06%
Current Ratio	1.32	1.28
WACC ³	7.74%	8.86%
Gross Debt to EBITDA	2.75	2.38
Net Debt/EBITDA	1.52	1.42
Gross Debt/Equity	1.47	1.29
Net Debt/Equity	0.82	0.77
Net Assets/Share (sen)	189.6	195.3

Note(s):

¹ Free Cash Flow = EBITDA-CAPEX+Leases

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

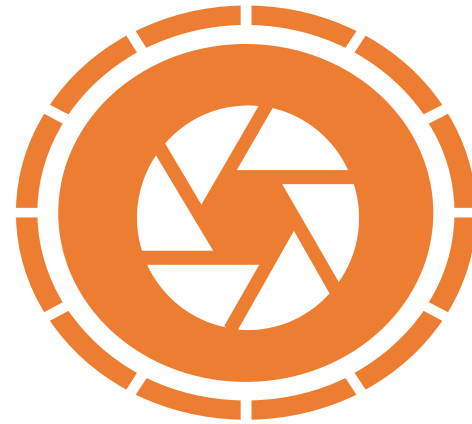
³ WACC assumptions for Market Risk Premium obtained from Damodaran Risk Premium Report, as at 1/1/2020: 6.38%; 1/1/2019: 7.63%,



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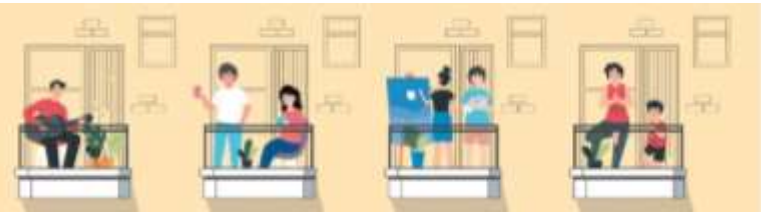
**CONCLUDING
REMARKS**



APPENDICES

Key Takeaways

We are always here for you.



1

TM is committed in maintaining its business profitability, leveraging on new avenues at the onset of a 'new normal' and adapting to the new challenges.

2

Befitting our role as the enabler of Malaysia's Digital Nation aspiration, we are committed to ensure that our network is always-on and available to customers, so they can stay connected, entertained and continue to be served during this unprecedented period.

3

TM will continue its promotional packages for its Infrastructure-as-a-Service and Software-as-a-Service solutions, to ease the journey towards cloud adoption for its enterprise and public sector customers - particularly to boost their resilience.

4

TM's enhancement of our network optimisation and capacity expansion have resulted in a downward trend of network congestion which translates to better speeds for our customers. We have also been in constant communication with popular international streaming, gaming, and productivity platforms, to fine-tune their services and cater to the increased demand.

5

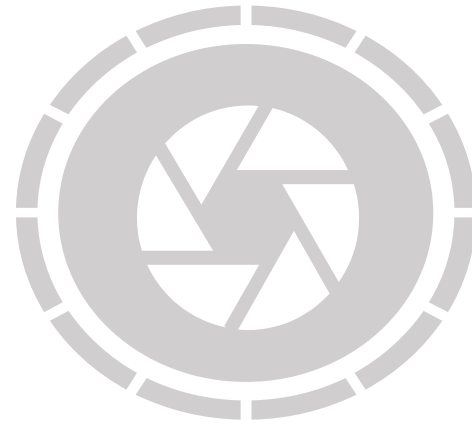
Due to the length and severity of the pandemic, associated change to consumer behavior coupled with the rapidly evolving situation and high degree of uncertainty, the Group does not believe it can estimate the full financial impact with reasonable accuracy at this time and believes it is prudent to revisit its 2020 guidance when there is better clarity.



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Cost % Revenue

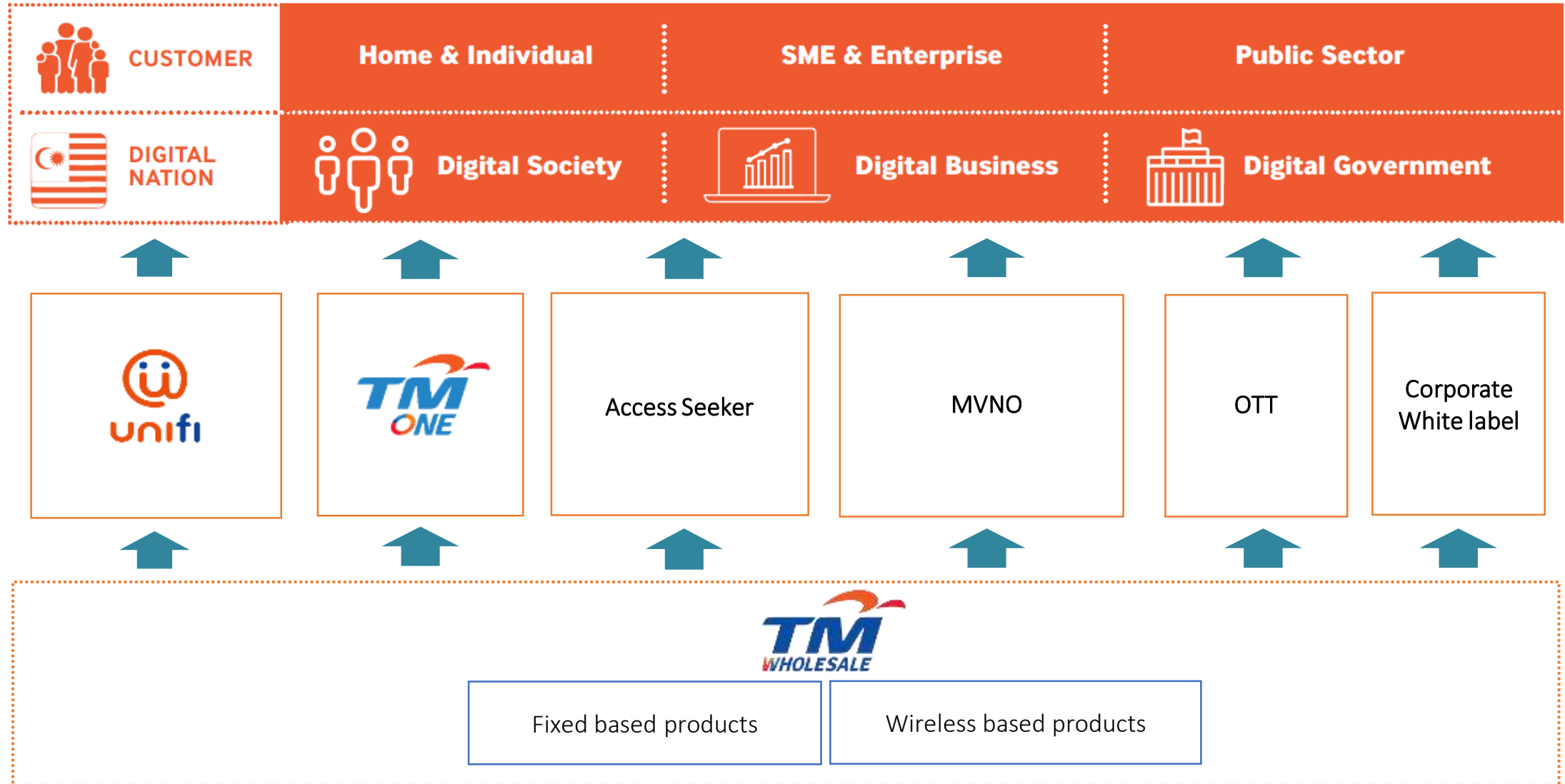
Revenue (RM mn)	1Q 2020	4Q 2019	1Q 2019	Comments 1Q 2020 v 1Q 2019
	2,557	3,034	2,779	
Direct Costs %	25.7%	29.2%	25.0%	<ul style="list-style-type: none"> • Lower International Outpayment • Lower ICT customer projects • Lower Customer Installation & Acquisition Costs
RM mn	658	887	696	
Manpower %	23.7%	22.6%	22.0%	<ul style="list-style-type: none"> • Lower Headcount
RM mn	607	685	610	
Materials %	0.8%	1.5%	0.9%	<ul style="list-style-type: none"> • Decrease in Customer Premise Equipment
RM mn	21	46	24	
Other OPEX %	14.9%	15.7%	14.6%	<ul style="list-style-type: none"> • Decrease in Rental • Lower Maintenance Cost
RM mn	382	477	407	
Dep & Amortisation %	22.8%	20.6%	20.2%	<ul style="list-style-type: none"> • Higher PPE & ROU depreciation
RM mn	584	624	560	
Total Cost (RM mn)	2,252	2,719	2,297	
Total (%)	88.1%	89.6%	82.7%	

Statement of Financial Position



RM mn	As At 31 Mar 2020	As At 31 Dec 2019
Shareholders' Funds	7,140	7,353
Non-controlling Interests	(812)	(800)
Deferred & Long Term Liabilities	12,579	12,570
<i>Long Term Borrowings</i>	7,802	7,699
<i>Lease Liabilities</i>	1,549	1,619
<i>Deferred Tax</i>	1,430	1,424
<i>Deferred Income</i>	1,713	1,744
<i>Others</i>	85	84
	18,907	19,123
Current Assets	8,679	8,591
<i>Trade and Other Receivables</i>	2,937	2,435
<i>Cash & Bank Balances</i>	4,606	4,918
<i>Inventories</i>	88	102
<i>Others</i>	1,048	1,136
Current Liabilities	6,569	6,476
<i>Trade and Other Payables</i>	3,328	3,604
<i>Short Term Borrowings</i>	1,047	1,034
<i>Lease Liabilities</i>	292	296
<i>Others</i>	1,902	1,542
Net Current Assets/(Liabilities)	2,110	2,115
Non-Current Assets	16,797	17,008
<i>Property Plant & Equipment</i>	13,991	14,260
<i>Other Non-Current Assets</i>	2,806	2,749
	18,907	19,123

TM aspires to drive future growth via 5G “National Connectivity Infrastructure Provider” play



Thank you

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THE BEST PLAN
IS TO STAY
AT HOME



We're always with you
to make staying at home easier.

#sTayhoMe