

REACH FURTHER
For a Better Malaysia



Analyst Briefing

1H 2021 Results

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> Performance Review

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Concluding Remarks

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1H 2021 Key Highlights

Solid YTD Performance Throughout the First Half

Revenue

RM5,573

million

EBIT

RM977

million

PATAMI

RM544

million

CAPEX

RM597

million

Interim Dividend

7.0

sen per share

Fixed broadband
subscribers

2.55

million



Encouraging YTD revenue growth
across the board



Strong YTD profitability increase



Highest growth of unifi customers



Higher Interim Dividend

TM Group Results

1H 2021



RM mn	1Q 2021	2Q 2021	QoQ	2Q 2020	YoY	1H 2020	1H 2021	YTD
Revenue	2,809.7	2,762.9	-1.7%	2,592.0	6.6%	5,149.1	5,572.6	8.2%
EBITDA	1,165.2	990.4	-15.0%	961.9	3.0%	1,871.6	2,155.6	15.2%
Normalised EBITDA	1,126.0	1,028.2	-8.7%	965.9	6.4%	1,884.4	2,154.2	14.3%
Depreciation & Amortisation	575.5	602.8	4.7%	535.6	12.5%	1,119.2	1,178.3	5.3%
EBIT	589.7	387.6	-34.3%	426.3	-9.1%	752.4	977.3	29.9%
Normalised EBIT	550.5	425.4	-22.7%	430.3	-1.1%	765.2	975.9	27.5%
Net Finance Cost*	145.1	89.5	-38.3%	95.0	-5.8%	179.7	234.6	30.6%
Profit Before Tax	407.0	293.1	-28.0%	345.2	-15.1%	505.3	700.1	38.6%
PATAMI	325.5	218.5	-32.9%	274.7	-20.5%	427.2	544.0	27.3%
Normalised PATAMI	331.5	254.9	-23.1%	267.6	-4.7%	508.4	586.4	15.3%

Note:

*Excluding FX gain/loss

Group Total Revenue by Product

YTD growth across all our products



Voice



YTD +2.2%
YoY +2.1%
QoQ +5.0%

Remarks YTD:

Higher contribution from unifi & interconnect revenue



Internet



YTD +6.0%
YoY +7.9%
QoQ +2.1%

Higher cumulative unifi subscribers & IPTV content revenue



Data

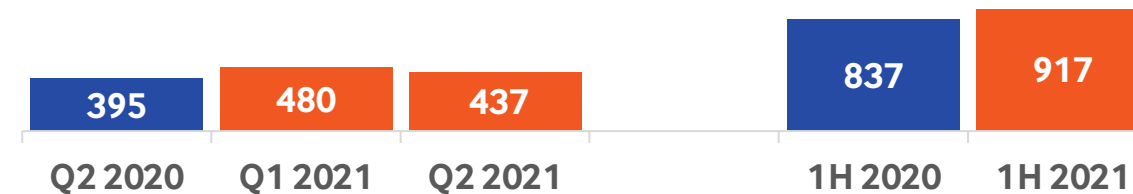


YTD +15.5%
YoY +6.1%
QoQ -6.6%

Higher IRU, International & Domestic Data



Others

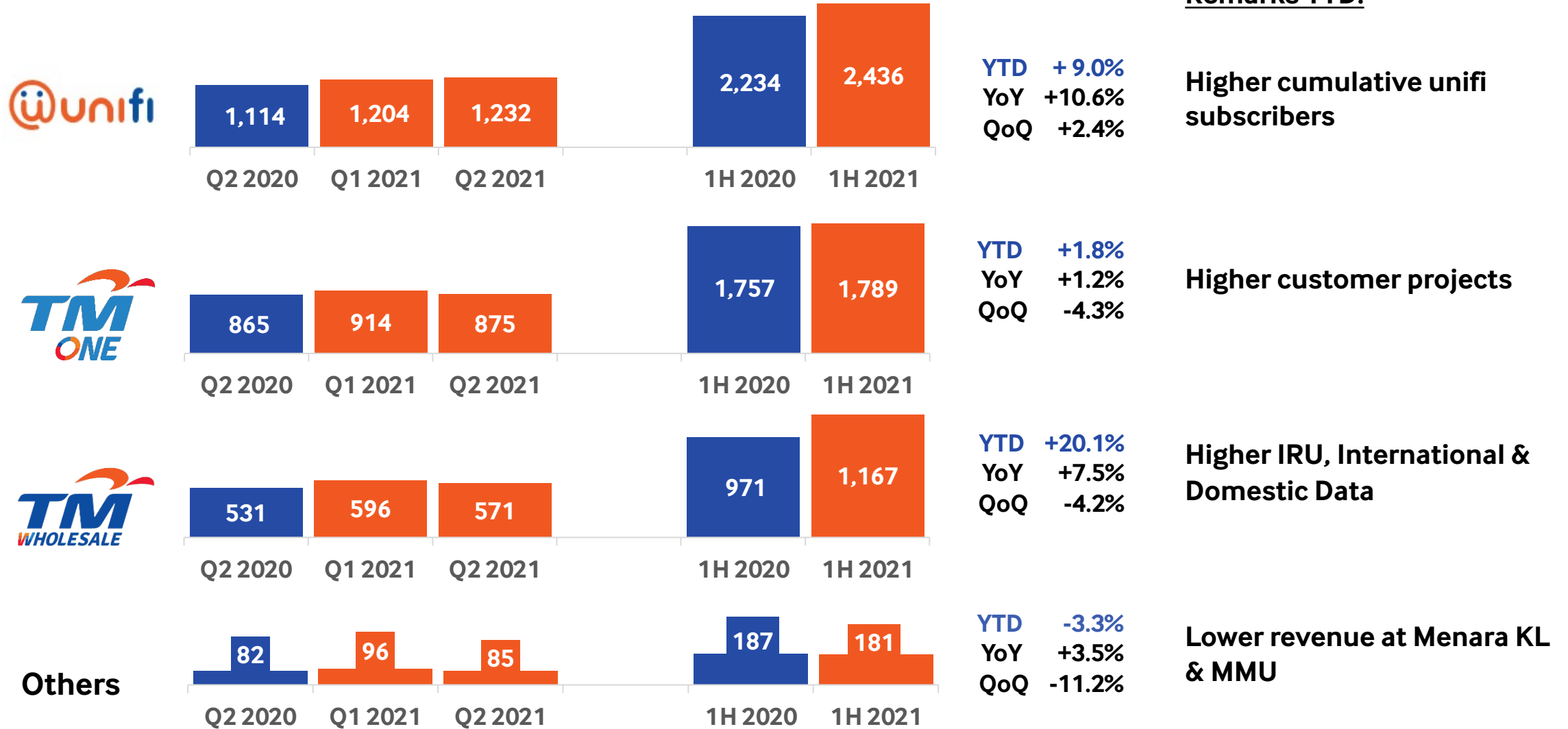


YTD +9.6%
YoY +10.6%
QoQ -9.0%

Higher customer projects

Segmental Revenue by Cluster

YTD growth from all business lines



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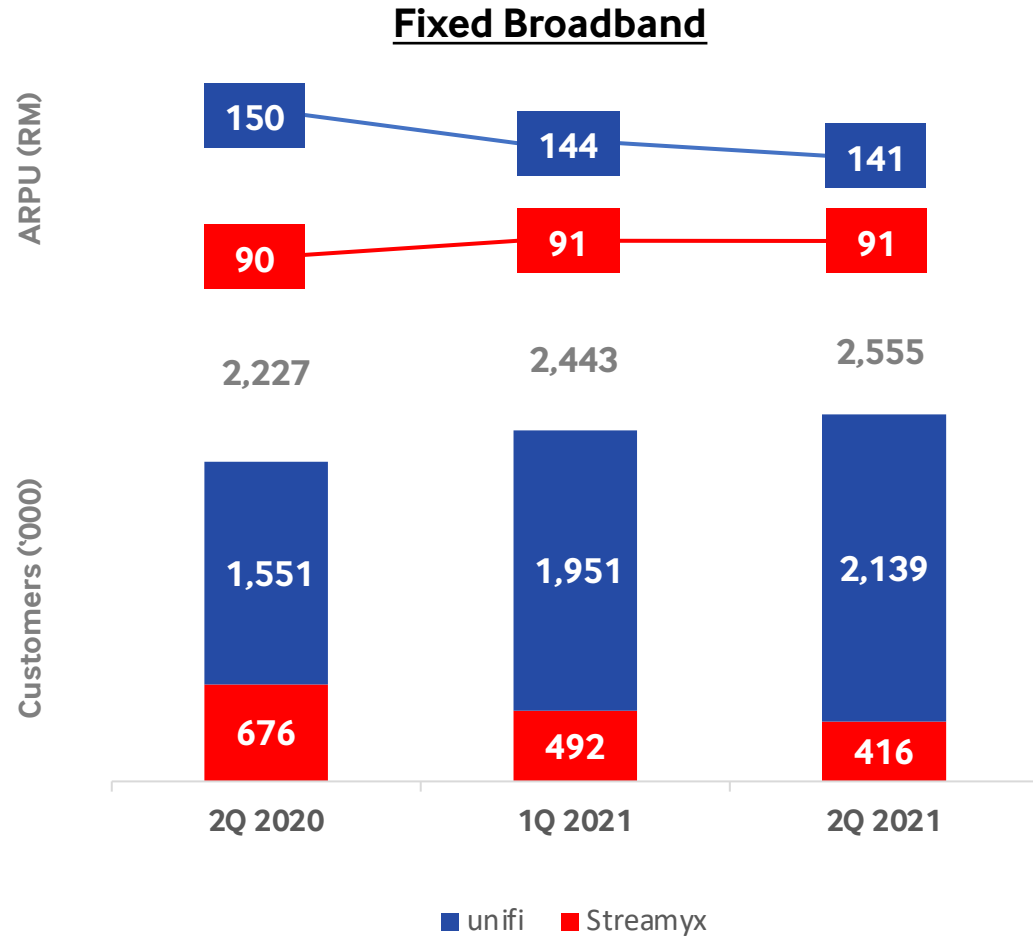
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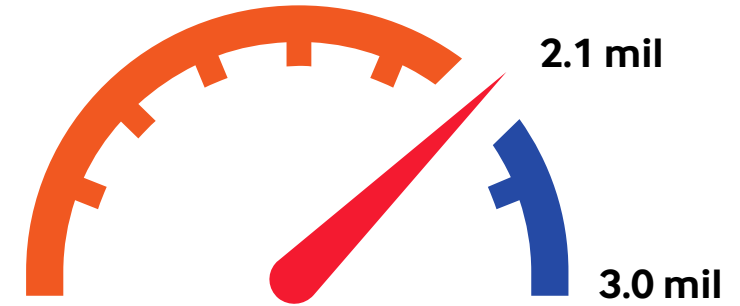
Appendices

Unifi Operating Metrics

Sustained fixed broadband subscribers



unifi subscribers growth



unifi

- Consecutive growth of cumulative unifi subscribers since 2Q 2020

Historical Records in Q2 2021

- Highest no. of unifi subscriber
- Highest no. of total fixed broadband subscriber
- Highest unifi net adds

Voice • Fixed Broadband • Mobile • Content

Group OPEX

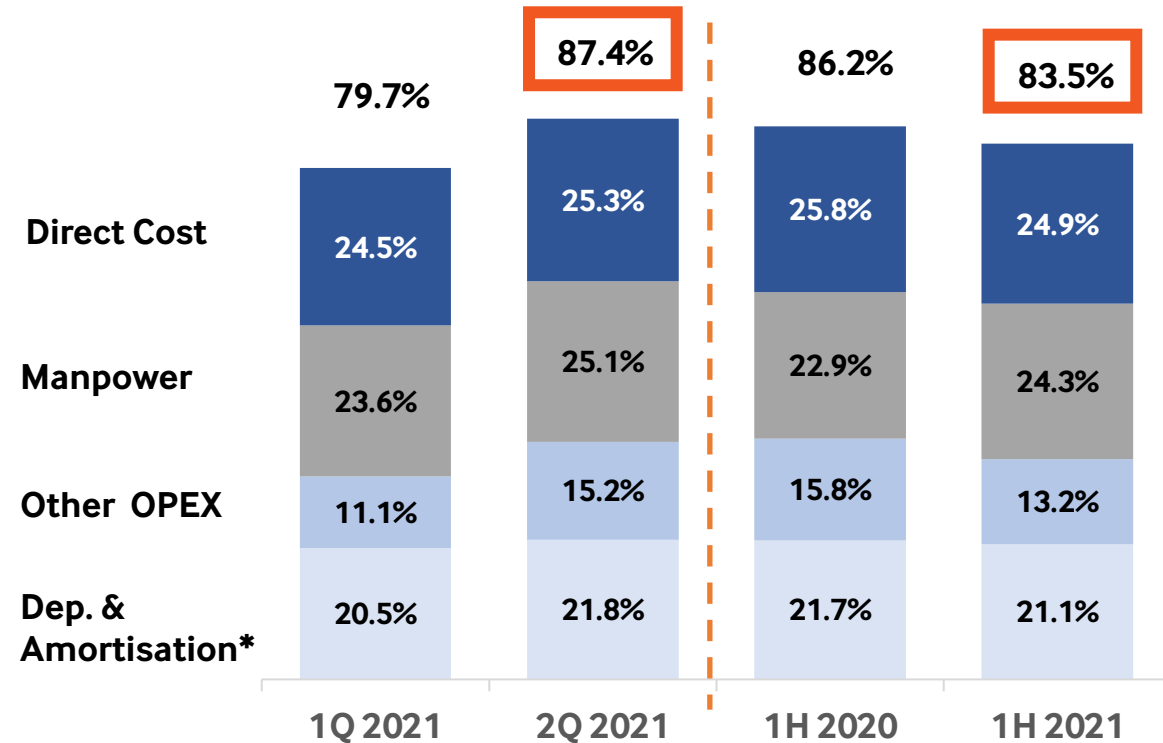


% Total Cost to Revenue have improved from the previous year

TM Group Cost Breakdown

RM mn	1Q 2021	2Q 2021	QoQ	1H 2020	1H 2021	YTD
Revenue	2,810	2,763	-1.7%	5,149	5,573	8.2%
Direct Cost	687	698	1.6%	1,329	1,385	4.2%
Manpower	663	693	4.5%	1,178	1,356	15.1%
Other OPEX	313	421	34.5%	811	734	-9.5%
Total OPEX	1,663	1,812	9.0%	3,318	3,475	4.7%
Dep. & Amortisation*	576	602	4.5%	1,119	1,178	5.3%
Total Cost	2,239	2,414	7.8%	4,437	4,653	4.9%

% Total Cost to Revenue



Notes:

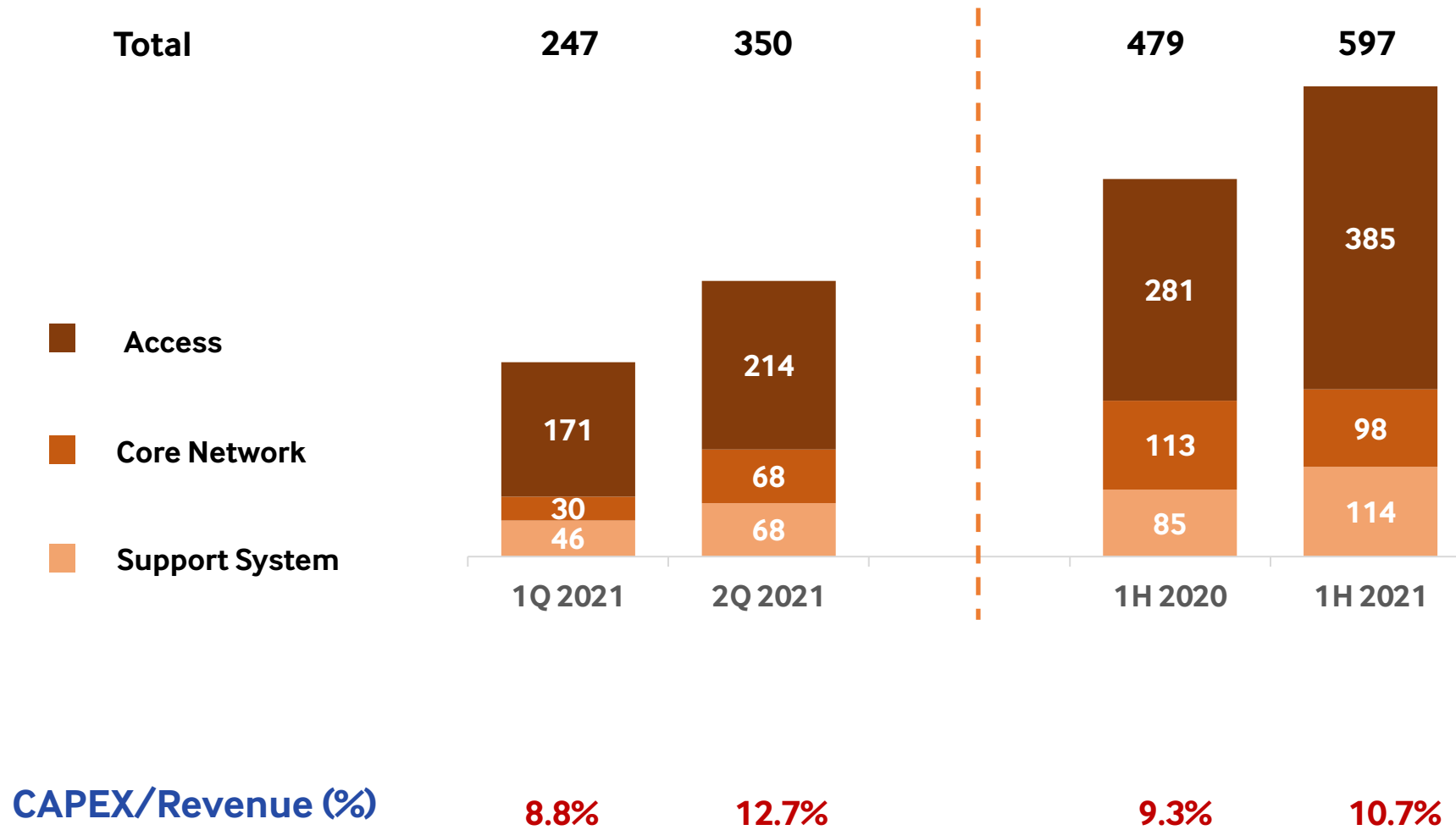
* Including impairment

Group CAPEX



Actual spending at 10.7% of revenue

TM CAPEX Breakdown (RM mn)



Group Cash Flow & Financial Ratios



RM mn	1H 2021	1H 2020
Cash Flows from Operating Activities	938	695
Cash Flows used in Investing Activities	(786)	(571)
Cash Flows used in Financing Activities	(2,497)	(643)
Cash and Cash Equivalents at beginning of the Financial Period	4,146	4,786
Effect of exchange rate changes	21	8
Cash and Cash Equivalents at end of Financial Period	1,823	4,274
<i>Free Cash Flow</i> ¹	1,311	1,187

Financial Ratios	1H 2021 ²	FY 2020 ²
Return on Invested Capital	9.22%	8.40%
Return on Equity	14.43%	13.70%
Return on Assets	4.52%	3.98%
Current Ratio	1.26	1.31
WACC	7.40%	7.52%
Gross Debt to EBITDA	2.21	2.59
Net Debt/EBITDA	1.44	1.41
Gross Debt/Equity	1.24	1.39
Net Debt/Equity	0.81	0.76
Net Assets/Share (sen)	196.0	188.8

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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Environment, Social and Governance (ESG)

Coming up: Establishment of 3-Year Sustainability Blueprint



FTSE4Good Bursa
Malaysia



FTSE Russell

3.2

ENVIRONMENTAL

Network Equipment Optimisation
Retirement of legacy networks in reducing the electricity usage

1.6mil
kWh reduced (936 tCO2e reduction)

Energy Performance Contract (EPC)
Installed an efficient cooling systems and Energy Management Systems at TM sites with high electricity

3.98mil
kWh reduced (2,331 tCO2e reduction)

Energy Efficiency Optimisation (EEO)
Improved energy-saving practices at selected network buildings through low-cost measures

550k
kWh reduced (322 tCO2e reduction)

Reduce emission

SOCIAL

Bridge connectivity & Seamless Customer Experience
Striving to bridge connectivity, protecting our customers from network issues, thus contributing to a more seamless customer experience

138% Unifi Port Roll Out
3.6 mil Inbound Calls
520k TMpoint Customers
760k Restoration activities

Protect our people & nation

- MCO allowances and vaccination program
- Cash & supplies donation

> RM6.5 mil Total donation in various forms
RM6.8 mil For safety of TM frontliners

Support 'Pelan Pemulihan Negara'
Providing connectivity & supporting national immunization program with MMU Cyberjaya and Melaka

Connectivity at **>400** PPV nationwide
3,000 Doses of vaccine per day at MMU

Improve social livelihood & network accessibility

GOVERNANCE

Integrity Pledge
Adhering to Code of Conduct & Business Ethics (CBE), TM Anti Corruption Guide (ACG) & Procurement Ethics & Integrity Pact

100% Suppliers signed TM Integrity Pledge

Uncompromising Integrity
Raising awareness of the ethical best practice and the value of upholding integrity in daily work and life.

92% Employees completed Uncompromising Integrity e-Learning

Anti Corruption
MS ISO 37001:2016 Anti-Bribery Management System Certification for TM & execution of TM Organisational Anti-Corruption-Plan (TM OACP)

ABMS Certification & OACP execution

Towards zero tolerance on unethical business conduct & corruption

Key Takeaways

1

We remain optimistic that the vaccination program will be a success in improving the current socio-economic challenges our country faces.

2

We continue to **serve the nation by meeting the necessary demand for internet and data to Malaysians both at the retail and wholesale fronts.** We have accelerated our broadband ports deployed and fibre network roll-out under the JENDELA plan, which is well ahead of schedule.

3

We will **leverage on our comprehensive connectivity, digital infrastructure, which includes data centre and Cloud as well as innovative and smart solutions and cybersecurity** to support Malaysia's MyDigital aspirations and enterprises of all sizes.

4

We are committed to **protecting our customers and people, helping those in need and supporting the national fight against Covid-19.**

5

We remain steadfast in our efforts to realise the Digital Malaysia aspirations. We are making solid progress on our 'New TM' Transformation Programme (2021-2023). Based on the current momentum, **TM is on track to achieve our 2021 targets** and market guidance.

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Cost % Revenue

Revenue (RM mn)	2Q 2020	1Q 2021	2Q 2021	QoQ	YoY	1H 2020	1H 2021	YTD	Comments 1H 2021 v 1H 2020
	2,592	2,810	2,763			5,149	5,573		
Direct Costs %	25.9%	24.5%	25.3%			25.8%	24.9%		
RM mn	671	687	698	1.6%	4.0%	1,329	1,385	4.2%	<ul style="list-style-type: none"> • Higher International Outpayment • Higher Customer Installation and Acquisition Costs
Manpower %	22.0%	23.6%	25.1%			22.9%	24.3%		
RM mn	571	663	693	4.5%	21.4%	1,178	1,356	15.1%	<ul style="list-style-type: none"> • Include manpower optimisation cost. • Higher staff benefits
Other OPEX %	15.7%	11.1%	15.2%			15.8%	13.2%		
RM mn	408	313	421	34.5%	3.2%	811	734	-9.5%	<ul style="list-style-type: none"> • Lower Utilities cost • Lower Maintenance expenses • Lower Advertisement & Promotion expenses
Dep & Amortisation %	20.6%	20.5%	21.8%			21.7%	21.1%		
RM mn	535	576	602	4.5%	12.5%	1,119	1,178	5.3%	<ul style="list-style-type: none"> • Increase asset impairment • Higher amortisation of intangible assets
Total Cost (RM mn)	2,185	2,239	2,414	7.8%	10.5%	4,437	4,653	4.9%	
Total (%)	84.3%	79.7%	87.4%	7.5 p.p	3.1 p.p	86.2%	83.5%	-2.7p.p	

Statement of Financial Position



RM mn	As At 30 June 2021	As At 31 Dec 2020	Var.
Shareholders' Funds	7,397	7,125	3.8%
Non-controlling Interests	(161)	(149)	8.1%
Deferred & Long Term Liabilities	10,052	11,495	-12.6%
<i>Long Term Borrowings</i>	5,344	6,796	-21.4%
<i>Lease Liabilities</i>	1,678	1,587	5.7%
<i>Deferred Tax</i>	1,463	1,461	0.1%
<i>Deferred Income</i>	1,511	1,590	-5.0%
<i>Others</i>	56	61	-8.2%
	17,288	18,471	-6.4%
Current Assets	5,461	7,441	-26.6%
<i>Trade and Other Receivables</i>	2,192	1,952	12.3%
<i>Cash & Bank Balances</i>	1,947	4,304	-54.8%
<i>Inventories</i>	81	99	-18.2%
<i>Others</i>	1,241	1,086	14.3%
Current Liabilities	4,938	5,808	-15.0%
<i>Trade and Other Payables</i>	3,096	3,494	-11.4%
<i>Short Term Borrowings</i>	371	831	-55.4%
<i>Lease Liabilities</i>	317	321	-1.2%
<i>Others</i>	1,154	1,162	-0.7%
Net Current Assets/(Liabilities)	523	1,633	-68.0%
Non-Current Assets	16,765	16,838	-0.4%
<i>Property Plant & Equipment</i>	13,282	13,545	-1.9%
<i>Other Non-Current Assets</i>	3,483	3,293	5.8%
	17,288	18,471	-6.4%

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Digital Malaysia
Powered by **TM**



Thank You

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