## 40<sup>TH</sup> ANNUAL GENERAL MEETING

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27 MAY 2025



- **01 2024 SNAPSHOT**
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## **2024 SNAPSHOT**

Add product

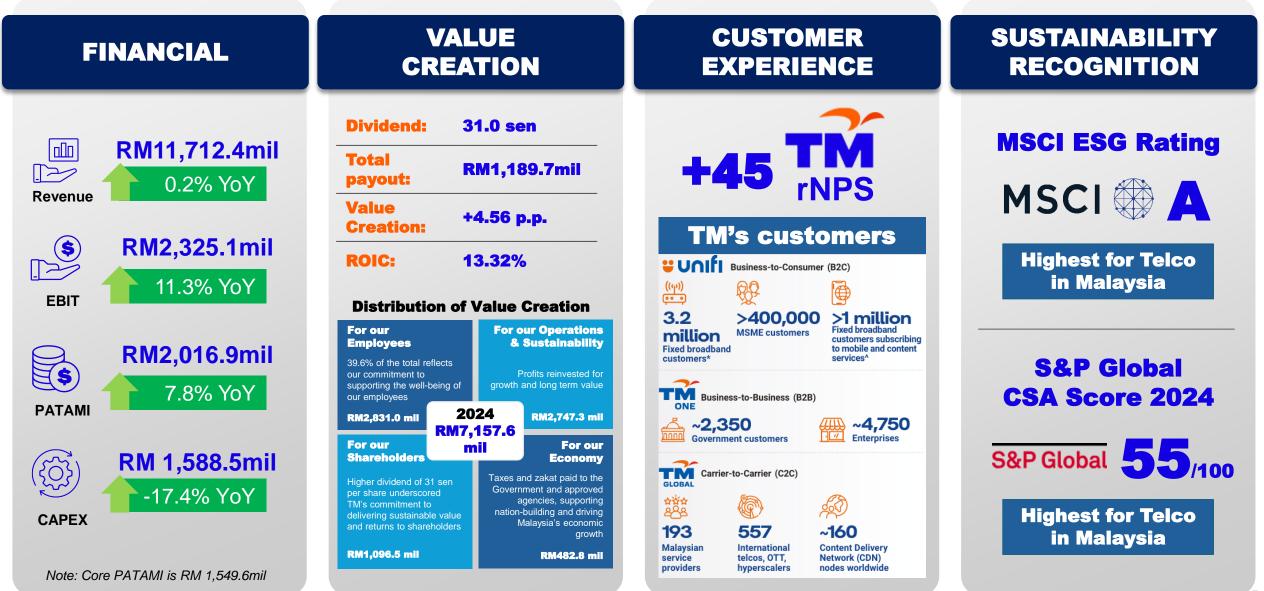
# TM's Digital Powerhouse journey is now in motion, with Phase 1 building the foundation for scale



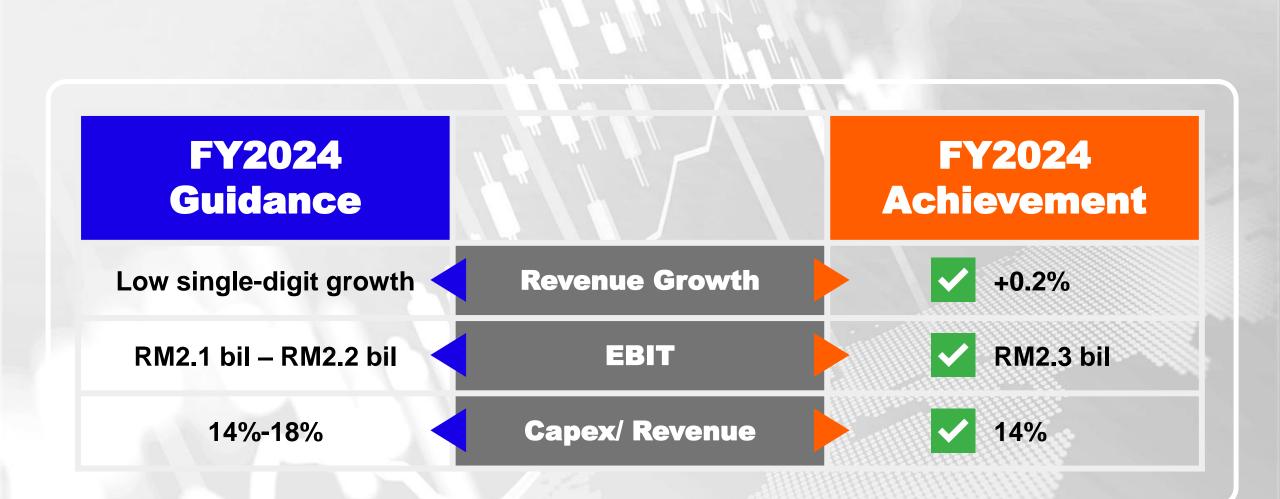


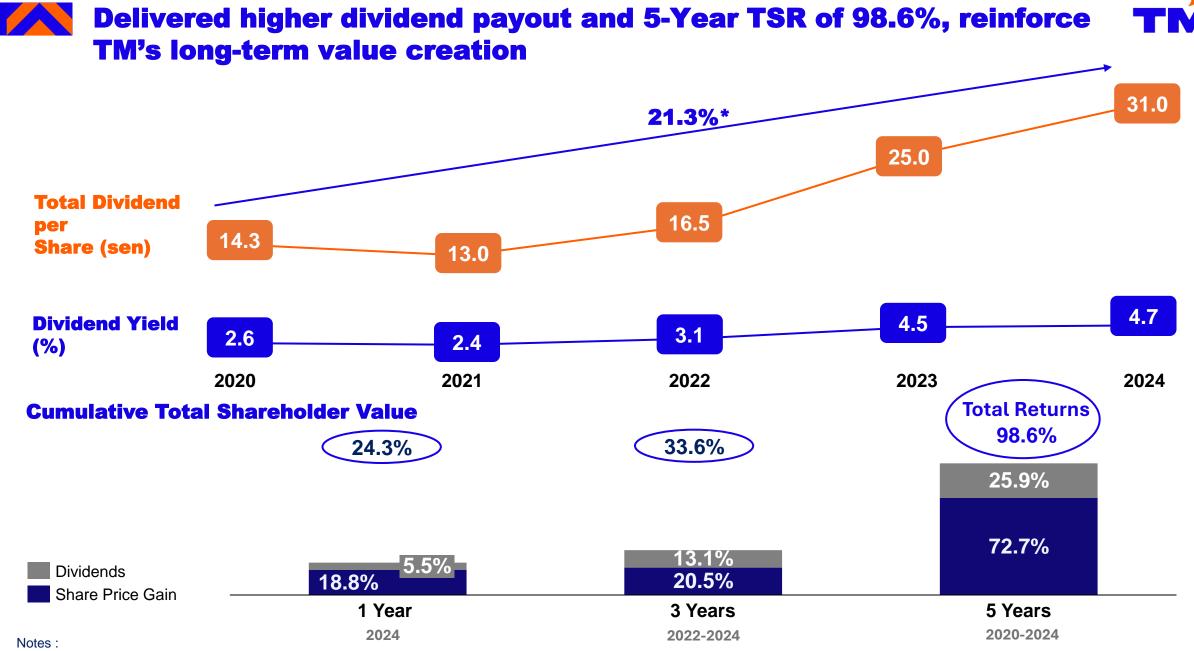
## **JOURNEY TOWARDS DIGITAL POWERHOUSE**

### Resilient financials, improved returns and stronger ESG position underlined TM's solid performance



TM delivered on all guidance targets, reflecting strong execution and TM financial discipline





\*: CAGR (Total Dividend Per Share) xx% Total Shareholder Value

## Beyond financial performance: TM plays a key role in advancing Malaysia's digital and socio-economic progress

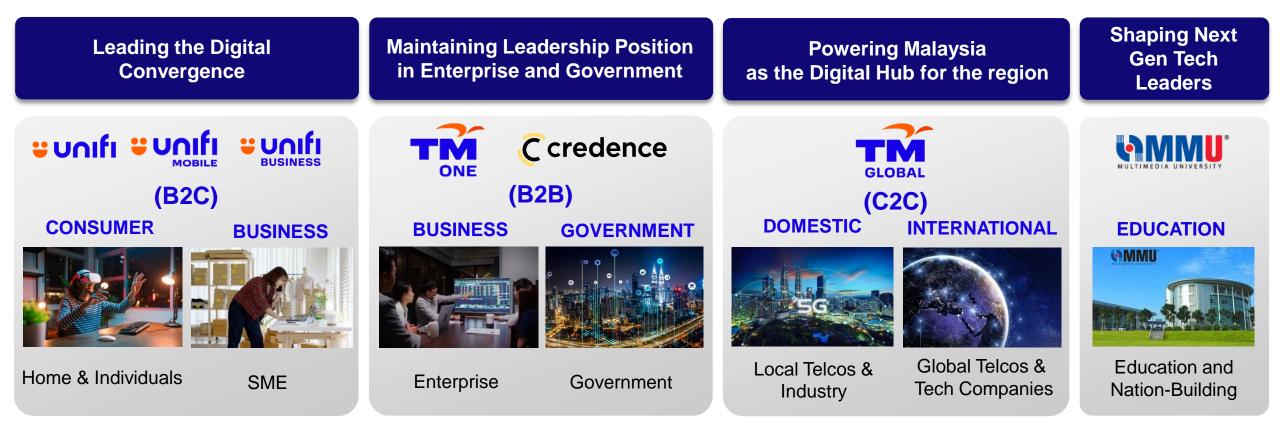


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# **DELIVERING BUSINESS VALUE**

# TM continues to lead across consumer, enterprise, industry and national digital priorities





### **PWR 2030: DIGITAL POWERHOUSE FOR MALAYSIA & THE REGION**

Committed To Driving Digital Transformation Expanding Our Service Offerings Malaysia as ASEAN's leading digital hub

### Strategic infrastructure investments to position TM as ASEAN's Digital Gateway





# Warga TM continues to be the driving force behind our digital transformation





- ~18,000 Warga TM We cultivate an environment where every *Warga TM* feels valued, empowered and supported in their professional and personal growth.



#### **LEARNING & DEVELOPMENT**

- Future-proofing our workforce through the development of skills and knowledge
- Builds a resilient, future-ready workforce with digital competencies in emerging technologies

#### FAIR EMPLOYMENT

- High-performance culture among Warga TM through comprehensive benefits, employee engagement, diversity and inclusion efforts
- Mix talent of creativity, energy and innovation that champions integration.

#### **HEALTH & SAFETY**

- Committed to physical and mental well-being and safety of employees
- Zero work-related employee fatalities, over the last three(3) years

# Sustainability is embedded as a value driver across TM's entire ecosystem





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## Industry recognition that reaffirms TM's impact, innovation and leadership in 2024

# **u**nıfı



PC.Com Reader Choice Award

Best Fixed Business, Best Home Broadband and Best Technology Solution Service Provider



#### **OOKLA Speedtest Awards 2024**

Best 5G Gaming Experience Awards for Best 5G Gaming Experience



#### **Cc- Global Awards (CCGA)**

Asia Podcast Awards - Best Money and Business Podcast (Unibizity Podcast)

Linked in

Talent



Awards 2024

Contact Centre



#### **PIKOM Digital Excellence** Award

IT Services Digital Enabler



**FutureNet Asia** 

Automation Deployment

Best Example of a Successful AI



FUTURENE



HRD Awards 2024 Excellence Award in Talent Management and Leadership Best Telecommunications Company

**Asia's Best Employer** 

Malaysia Best Employer Brand Awards

**Brand Awards 2024** 

For full listing, refer to IAR page 10-11

**ICQCC 2024** 

8 Gold Awards









**National Occupational Safety and Health Awards Communication Sector Award** 



**National Corporate Governance & Sustainability** Awards 2024 (NACGSA) Ranked 17th

## **TOWARDS LONG TERM SUCCESS**

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# TM is enabling Next-Gen Solutions to power Malaysia's digital transformation



## Unifi Unifi Unifi BUSINESS





- The only true quad-play provider
- Enhancing customer experience
  through AI
- Digital partner for MSMEs



## CONNECTING LIVES, ENRICHING EXPERIENCES



**UNIFI HOME 100Mbps** 

Subscription price is RM89/month (exclusively for online/existing customer) and RM95/month (via reseller/TMPoint). \*Terms and conditions apply.

#### ULTRA-FAST INTERNET FOR YOUR BUSINESS

Does your network slow down when more devices connect? Enjoy ultra speed for multiple users and devices with Unifi Business Ultra!



Get the Biz Fun Pack from RM2.30/day 20 premium local and international channels to keep your customers entertained

Get 300 Mbps and Cloud Storage Basic Plus ANYTIME, ANYWHERE

# TM is enabling Next-Gen Solutions to power Malaysia's digital transformation





- Seamless enterprise-grade connectivity
- Enterprise 5G
- Cybersecurity and smart services
- Cyber Fusion Centre
- National Cloud Provider

CATALYSING DIGITAL TRANSFORMATION FOR ENTERPRISES AND THE GOVERNMENT SECTOR



# TM is enabling Next-Gen Solutions to power Malaysia's digital transformation





- Al-ready green data centres
- GPUaaS
- High-speed backhaul for 5G
- ASEAN's leading digital hub

## POSITIONING MALAYSIA AS THE DIGITAL HUB FOR THE REGION



# As a nation-builder, TM commits to enable inclusion, education **TM** and digitally connected communities





## **RESPONSES TO QUESTIONS FROM MINORITY SHAREHOLDER WATCH GROUP (MSWG)**



### Questions from MSWG Operational and Financial Matters



"We are developing a sustainable, hyper-connected, AI-ready data centre campus in Johor in collaboration with Singtel's Nxera. This partnership is designed to serve the needs of hyperscalers, next-generation AI application providers and enterprises pursuing accelerated digitalisation and cloud in the region." (Page 23 of IAR 2024)

What is the Company's strategy to compete for hyperscaler demand in a capital-intensive segment increasingly dominated by regional giants?

TM is focused on maintaining its competitive edge through a strategic collaboration, robust infrastructure, and a customer-centric approach. Leveraging our extensive nationwide fibre network and regional submarine cable reachability, we ensure seamless, secure, and low-latency connectivity that interlinks our data centres to support the demands of hyperscalers and enterprises across the region.

Our data centres expansion and partnership with Singtel's Nxera exemplifies this strategy and provides a competitive advantage to serve hyperscalers. This holistic approach positions TM as a trusted enabler of Malaysia's digital economy and a competitive player in the regional digital infrastructure landscape.





**22** "Deployed a powerful and scalable platform for deploying advanced AI solutions including hyperconnected AI-ready data centre and sovereign GPUaaS, ensuring secure local AI infrastructure." (Page 36 of IAR 2024)

Please elaborate on the revenue contribution from these services in FY 2024 and the expected commercial ramp-up period. Are there anchor enterprise clients committed to these offerings?

We have secured an international customer, with services expected to be delivered by Q3 2025. As we immersed into the AI and GPU technology, we anticipate positive ramp-up momentum over the coming quarters. Our modular GPU design allows incremental and efficient ramp-up of the service.

For 2024, the focus was on embedding AI internally across key operational areas. This includes predictive network maintenance and proactive service alerts, resulting in faster response times and more personalised customer experiences.

### Questions from MSWG Operational and Financial Matters



**Q3** *"This contributed to the growth of our fixed broadband subscriber base and solidified our position as the nation's Convergence Champion with the only quad-play services." (Page 24 of IAR 2024)* 

As the only operator offering quad-play services, how does the Company measure effectiveness of its convergence strategy to improve ARPU and customer stickiness compared to single or dual-play services. How does this model fare in cost-to-serve and churn metrics against the Company's peers?

A3 As the only true quad play operator, we measure the effectiveness of our convergence strategy in segment revenue and subscribers' growth. We observed the churn rate is lower for convergence offerings as compared to single/dual play services. Unifi now has over 1 million convergence customers with lower churn rate that increases customer lifetime value.

As we introduce mobile, content, and lifestyle services as part of our convergence bundle, we unlock new revenue streams in a highly competitive fixed broadband market. Operationally, the model benefits from economies of scale, optimising cost-to-serve through a unified billing, sales, and support system, ensuring sustainable profitability and long-term growth.





- **Q4** The Company invested RM56.9 million R&D. What is the commercialisation success rate of its internally developed products in terms of revenue contribution or customer adoption?
- A4 Our R&D arm is primarily focused on internal initiatives in enhancing operational efficiencies across our organisation. This includes cutting-edge AI-driven solutions, such as self-healing network systems, predictive analytics for network management, and real-time fault detection programmes to pre-empt cable damage.
  - While external engagement remains minimal, strategic collaboration may be pursued. In parallel, TM R&D function will strengthen partnership with MMU to advance Applied Research, aligned with the Company's strategic priorities towards pioneering innovation.





**Q5** The table below sets forth the total remuneration paid to the Group CEO, Encik Amar Huzaimi Md Deris, for FY 2023 and FY 2024:

RM'000	Allowance	Salary	Bonus	Benefits-in-kind	Total
FY 2023	25	799.8	0	55.6	880.4
FY 2024	60	2,443.9	938.5	242.1	3,684.5

Please elaborate on the performance-based KPIs that underpinned the increase in total remuneration as set out in the table above, particularly in view of relatively stable topline and bottom-line performance during the period under review?

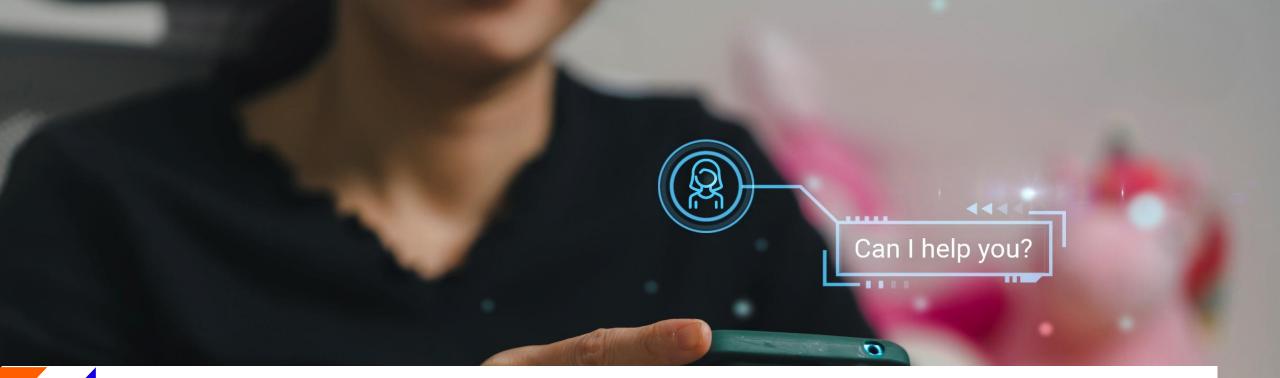
A5 Encik Amar Huzaimi Md Deris was appointed as Managing Director/Group CEO on 1st August 2023. The increase in the Group CEO's total remuneration in FY2024 is primarily due to the difference in tenure across the two financial years. As such, the FY2023 remuneration reflects only five months as the Group CEO, with no performance incentives applicable for that period.



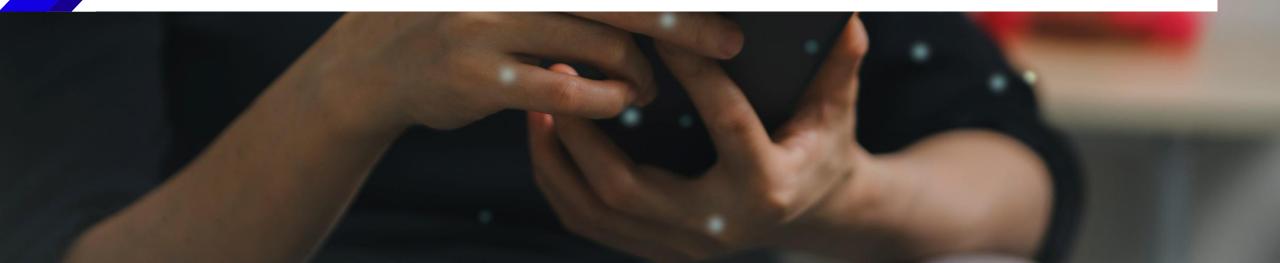


- **Q6** It was highlighted that the Company implemented rigorous monitoring of Power Usage Effectiveness (PUE) across its data centres, which is commendable. However, with the expansion of energy-intensive GPUaaS and scaling of hyperscale data centres, what is the total energy consumption trend across TM's digital infrastructure? To what extent are renewable energy sources sufficient to meet the projected demand from AI and hyperscale workloads?
- A6 TM is committed to sustainable practices by integrating green innovations into its local data centres. We source half of our energy from renewable resources as well as incorporating rainwater harvesting and recycling systems for water conservation.

We are actively managing energy efficiency across our digital infrastructure by targeting Power Usage Effectiveness (PUE) levels in line with global best practices. For our existing data centres, we are targeting a PUE of 1.4, while the upcoming Johor data centre developed in collaboration with Singtel's Nxera is being designed to be more advanced to achieve even lower PUE levels, to efficiently support energy-intensive GPUs.



## **RESPONSES TO QUESTIONS FROM PNB**





## Questions from PNB Financials

**Q1** To disclose the Total Shareholders' Returns (TSR) of TM for the past 1, 3, and 5 years up to the end of the financial year ended 2024. What would the Board attribute the performance to?



As shown earlier in our presentation, TM's cumulative Total Shareholders' Return (TSR) over the past 1, 3 and 5 years are 24.3%, 33.6% and 98.6% respectively, reflecting the company's strengthened performance and fundamentals during the period.

The Board attributes this achievement to sustained revenue growth, improved operational efficiency driving stronger profitability, and disciplined investments into new growth areas such as Data Centres, Submarine Cable Systems and GPUs. These results have also been supported by our continued emphasis on delivering quality customer service and strengthening customer experience across all touchpoints.

Together, these outcomes are anchored by TM's strategic roadmap – PWR 2030, which defines our ambition to become a leading digital powerhouse by 2030.





Q2 The Board's views on what are the one or two key critical drivers of TSR for the Company. Would this be return on equity, EPS growth or any other metric? If so, what was the performance of these metrics for the past 1, 3 and 5 years?

	2024	2023	2022	2021	2020
ROE	20.87%	23.00%	17.70%	13.94%	13.70%
EPS (sen)	52.6	48.9	30.2	23.7	27.0
Value Creation <sup>1</sup>	4.56	3.52	2.58	1.30	0.88

The Board sees Earnings Per Share (EPS) growth, Return on Equity (ROE), and Return on Invested Capital (ROIC) exceeding the Weighted Average Cost of Capital (WACC) as key drivers of Total Shareholders' Return (TSR).

EPS and ROE reflect profitability and capital efficiency, while ROIC more than WACC is a core indicator of true value creation demonstrating that our investments are generating returns above the cost of capital.

Over the past 1, 3, and 5 years, these metrics have improved in line with TM's strengthened fundamentals and the disciplined execution of PWR 2030—anchored on revenue growth, operational efficiency, strategic reinvestment, and enhanced customer experience.





- Q3 What are the strategic initiatives that are being put in place by the Company to improve these key drivers and enhance TSR for the next three years?
- A3 We reaffirm our commitment to PWR 2030, TM's strategic roadmap guiding our journey to become a Digital Powerhouse by 2030.

Our focus is on strengthening core services, optimising network performance, and expanding infrastructure to support Malaysia's digital future, providing a solid foundation and strategic edge to propel TM forward. This has poised us to better capitalise emerging opportunities such as hyperconnected data centres, AI, and GPU-as-a-Service (GPUaaS) which are among the new growth areas for TM. This also underpins the growth of our Digital Solutions business, expansion into adjacent markets, and continuous enhancement of customer experience.

We are also reshaping our business model, forging more strategic and collaborative partnerships, building a digitally ready workforce to position TM for sustainable growth, stronger profitability and enhanced shareholder returns.





Q4 TM has substantially pared down its debt, with net gearing levels reducing from 0.82x in FY2018 to 0.21x in FY24. Given this shift, what is the optimal gearing and cash level for TM?

With low financial leverage potentially dragging down ROE, we propose that the Board review and revise the dividend policy upwards (from current 40-60% of PATAMI) to increase cash distribution to shareholders, thereby improving dividend yield and TSR.

A4 TM has significantly strengthened its balance sheet, reducing net gearing from 0.82x in FY2018 to 0.21x in FY2024. This reflects our prudent financial management and growing profit pool, giving us greater flexibility to support both reinvestments and shareholder returns.

While we recognise that lower leverage may affect ROE, our focus remains on sustainable value creation through disciplined capital allocation, earnings growth, and strategic investments under PWR 2030.

The Board continues to assess capital structure and cash levels to ensure they support longterm resilience and enhanced shareholder returns.





Q5 We understand that TM ceased disclosing segmental EBITDA following the corporate restructuring exercise in 2023. We would like TM to review and reinstate EBITDA disclosures by segment to enable a better assessment of the segmental performance and its drivers.

- A5 TM Group operates on shared network infrastructure and integrated support functions across all business lines. The internal reorganisation undertaken in 2023 formally aligned our legal structure with TM's strategic and operational model as a single integrated entity.
  - Accordingly, we now measure and report performance at the Group level. Our current disclosures, including revenue by segment and Group-level EBITDA, provide sufficient visibility into the performance and contribution of each business segments.
  - This approach reflects how TM is managed as a unified organization and is consistent with market practice, based on benchmarking conducted prior to the internal reorganisation.



**Questions from PNB** 

### **Financials**

It was previously indicated that TM performance in the shorter term is expected to be driven by improved cost management, expansion of the Unifi business via convergence play, and TM Global's growth prospects driven by global demand.

However, as cost management strategies reaching diminishing returns and Unifi business facing intensifying competitions, what is the longer-term strategy moving forward? i.e. Is there room for ARPU growth, and what are other potential revenue streams can TM explore?

Additionally, in relation to new revenue streams, what is the outlook for the GPU as-a-service business?

A6 TM's short-term performance has been driven by cost discipline, Unifi convergence, and the expansion of TM Global. As cost levers reach their limits and competition intensifies, our long-term strategy under PWR 2030 is centred on sustainable and diversified growth. We aim to increase customer share of wallet by delivering integrated convergence and high-value digital solutions across all segments. Key growth areas include:

B2C: Smart home and IoT-enabled services tailored to evolving consumer needs.

B2B: Managed ICT, sovereign cloud, cybersecurity, and AI-driven enterprise solutions.

C2C: International submarine cable, data and edge facilities, and infrastructure monetisation through wholesale access and neutral carrier.

GPU-as-a-Service: Gaining early traction with enterprises and public sector agencies, We are positioning TM as a trusted partner for AI development in the region.

This strategic shift from cost optimisation to long-term value creation is underpinned by TM's resilient infrastructure, integrated operations, and digitally capable workforce.

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