



**NEWS RELEASE**

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## **TM REPORTS OPERATIONAL IMPROVEMENT FOR 3Q 2019 AMIDST CHALLENGING ENVIRONMENT**

Telekom Malaysia Berhad (TM) today announced its financial results for the quarter ended 30 September 2019.

### ▪ **Financial and Operational Highlights as at Year-to-Date (YTD) September 2019 vs YTD September 2018:**

- ❖ Group Revenue of RM8.40 billion, 3.8% lower against YTD September 2018 – in line with guidance- mainly due to lower contribution from all lines of products except data and non-telecommunication related services.
- ❖ Group Reported Earnings Before Interest and Tax (EBIT) for YTD September 2019 increased to RM1.20 billion, from Loss Before Interest and Tax (LBIT) of RM187.3 million over the corresponding nine (9) months period last year, on the back of lower operating cost, from the Group's various cost optimisation initiatives.
- ❖ Group Reported Profit After Tax and Non-controlling Interests (PATAMI) showed significant improvement with a 718.9% growth YTD to RM683.8 million, from RM83.5 million in the corresponding period last year. Stripping off non-operational items, Normalised PATAMI stood at RM810.9 million, higher by 53.7% against the same period last year.
- ❖ The total capital expenditure (CAPEX) was within guidance at 8.8% of revenue or RM736.0 million. Out of the amount spent, 16% was made for Core Network, 58% for Access and the balance 26% was made for Support System.

### ▪ **unifi updates:**

- ❖ Increased YTD convergence penetration to 55% of TM Households compared to 48% in 30 September 2018.
- ❖ Total broadband customers as at 30 September 2019 was more than 2.15 million.
- ❖ #khabarbaik customer experience related initiatives in 3Q2019:
  - Streamlined all Streamyx packages to a new unifi Lite plan at RM69/month for existing Streamyx customers.
  - Introduced unifi Air to elevate the internet experience of existing Streamyx customers residing in TM's LTE coverage areas.
  - Launched an all-in-one app; myunifi for an easy experience in managing unifi account.

### ▪ **TM ONE updates:**

- ❖ Signed a series of MoUs and cross-industry strategic digital collaborations with Ministry of International Trade and Industry (MITI), Ministry of Rural Development, Global Health, UMW Corporation Sdn. Bhd. (UMW), Open University Malaysia (OUM), Bintang Urusjuta (M) Sdn Bhd and Digital Perak Corporation Holdings (DigitalPerak).
- ❖ TM ONE further demonstrated its capability to enable digital businesses and government with ten (10) smart solutions and end-to-end Hyperconnected Ecosystem.
- ❖ Held its annual flagship event LEAP Summit 2019 themed "Creative Disruption – Get Ready for It!" to share the successes and lessons from global creative disruptors and provide in-depth insights on industry trends towards Industrial Revolution 4.0 (IR 4.0).

▪ **TM GLOBAL updates:**

- ❖ TM as the National Telecommunication Infrastructure Provider continues to serve as the industry backbone - serving and collaborating with all other licensed operators in Malaysia as the strategic enabler of the Government's National Fiberisation and Connectivity Plan (NFCP) towards reaching more underserved areas nationwide and supporting 5G requirements with its ready and upgraded network infrastructure.

**Dato' Noor Kamarul Anuar Nuruddin, Group Chief Executive Officer, TM, commenting on the results:**

"Overall, in 3Q 2019 we saw continued improvements in our fundamentals. I'm pleased to report that our cost management initiatives under our performance improvement plan carried out since last year continues to yield results with profitability improvement. We have managed to keep a closer eye on our operational efficiencies to deliver sustained profitability with lower YTD OPEX/revenue. However, in line with sector contraction, our revenue challenges still persist on the retail front, in line with our expectations and 2019 market guidance.

Our CAPEX for YTD September 2019 is well within guidance, totalling 8.8% of revenue, and on track as we continue our targeted investments to ensure we deliver better service experience for all our customers.

We continue to offer attractive unifi products and promotions to acquire more customers, whilst addressing Streamyx customers and coverage pain points with price adjustments and our wireless offerings. Over the last three months, we have expressed our intention to be the key driver for Malaysia's Digital Nation aspirations. TM is ready to propel the nation into Industrial Revolution 4.0 (IR4.0) with our proposal to be the nation's infrastructure provider in both the fixed and mobile space. This commitment is reinforced with our participation in the 5G demonstration projects and our preliminary moves toward building infrastructure readiness. In the next few months, we will be showcasing our 5G use cases in SS15, Subang Jaya, Selangor and Langkawi, Kedah in collaboration with local municipal councils and other potential partners. The use cases will cover Big Data Analytics, Smart City, Smart Tourism and Smart Agriculture clusters. The deployment of our tested and proven 5G-enabled smart solutions for the showcase are testament of our commitment in humanising technology towards making life easier, and enriching the quality of life for all Malaysians."

**Prospects for the Financial Year Ending 31 December 2019**

The Group's performance improvement initiatives and efficient cost management continue to improve our profitability. Our focus remains toward our customers, and to strengthen the Group's performance by investing to improve customer experience across segments to grow our revenue.

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