



NEWS RELEASE

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TM DELIVERS RESILIENT FY2020 PERFORMANCE WELL POSITIONED TO ACCELERATE MYDIGITAL ASPIRATIONS

- *Improved FY2020 business performance amidst challenging environment; cost optimisation initiatives continue to drive profitability growth*
- *Committed to enabling Digital Malaysia towards MyDIGITAL growth aspirations*
- *Embarks on new TM transformation anchored on Value Programs with higher execution tempo*

Key Highlights

FY2020 Financials:

- ❖ The Group posted a **revenue** of RM10.84 billion, 5.2% lower from RM11.43 billion in 2019.
- ❖ **Group Reported Earnings Before Interest and Tax (EBIT)** increased by 2.3% YoY to RM1.60 billion, from RM1.57 billion in FY2019.
- ❖ Strong **Group Reported Profit After Tax and Non-Controlling Interests (PATAMI)** growth of 60.6% YoY at RM1.02 billion compared to RM632.7 million.
- ❖ Total **capital expenditure (capex)** for FY2020 at 13.7% of revenue or RM1.49 billion.

FY2020 Business Operations: Good underlying momentum

- ❖ **unifi:** Continues **convergence leadership** with growth in broadband and mobile customers; highest convergence take-up of TM households at 60%.
- ❖ **TM ONE: Taking transformation forward** to enable the digital transformation journey of enterprise and public sector customers with comprehensive suite of connectivity, cloud, data centre and smart solutions.
- ❖ **TM Wholesale: Strengthens domestic and international ecosystem** with telcos, digital service providers and hyperscalers to position Malaysia as a digital hub in ASEAN.
- ❖ **TM is committed to Environmental, Social and Corporate Governance (ESG) Sustainability**, building on our strong track record.

Moving Forward:

- ❖ **New TM transformation:** Embarks on new trajectory **anchored on key Value Programs** with higher execution tempo
- ❖ **2021 Market Guidance:** Revenue to be flat to low single digit growth, EBIT to be more than RM1.6 billion and CAPEX to be between 14% to 18% of revenue.
- ❖ **TM is well positioned to play a significant role in MyDIGITAL** - covering digital connectivity (fibre, 5G, international connectivity), digital infrastructure (cloud, data centre and cybersecurity) as well as digital skillsets and talents (via Multimedia University and TM Digital Academy). Appointed sole home-based Cloud Service Provider (CSP).

A Resilient Business Performance for FY2020

Telekom Malaysia Bhd (TM) today reported its Financial Results for the full year ended 31 December 2020. TM Group Revenue recorded RM10.84 billion as compared to RM11.43 billion in FY2019, lower by 5.2% in the face of market and pandemic challenges.

TM's performance improvement programs continued to bear fruit, with EBIT and PATAMI growth recorded from the previous year. Group EBIT for FY2020 rose by 2.3% YoY to RM1.60 billion, from RM1.57 billion in FY2019, on the back of lower operating cost, from the Group's ongoing momentum

of its cost optimisation and productivity programmes. This subsequently led to a strong 60.6% YoY growth in Group PATAMI to RM1.02 billion from RM632.7 million last year.

In 2020, the Company invested 13.7% of revenue in capex amounting to RM1.49 billion as it continued to optimise and modernise its network as well as sweating its assets. Of the amount spent, 53% was for network access, 22% for core network, and the balance 25% for support systems. This has ensured that TM's network was able to effectively manage the network traffic that has surged over the period of the Movement Control Order (MCO).

For shareholders, TM is committed to continually increase shareholder value and declared a Final Interim Dividend of 7.5 sen per share with a total payout amounting to RM283.0 million for the financial year of 2020.

TM is also committed to sustainable growth, with increased emphasis on ESG, building on its strong track record as one of the 75 Bursa companies on the FTSE4Good Bursa Malaysia Index, with the full rating of 4/4.

New TM Transformation – Setting A New Trajectory

Building on current momentum, TM has embarked on the next exciting phase of its journey with the 'New TM' Transformation Programme (2021-2023). Guided by the 'New TM' Compass of Purpose, Customers, Performance and People; TM will inculcate a new performance culture that is focused on outcome and impact. Over the next 12 months, TM looks to improve EBIT growth through three (3) areas of excellence: in connectivity, solutions and customer experience; with stronger revenue from our business units, better cost management and productivity from operations optimisation, and improved customer experience.

The 'New TM' transformation is anchored on 40+ Value Programs, driven by a dedicated Transformation Office; with a new cadence towards a higher execution tempo, which is already showing early traction. TM is also reshaping its workforce into a stronger execution engine, embracing a more agile work culture with future-ready skills.

For 2021, TM is sharing the following market guidance: Revenue growth to be flat or single digit growth, EBIT to be more than RM1.6 billion and CAPEX guidance to be between 14% to 18% of revenue.

These will set TM on a sustainable growth trajectory, to create shareholder value and continuously enable a more Digital Malaysia. TM reiterates its support for MyDIGITAL – Malaysia Digital Economy blueprint and other Government's digital and stimulus plans, towards accelerating the socio-economic recovery and growth at this most critical time. TM believes that such public and private collaboration will propel the country towards a full-fledged Digital Malaysia by 2030 – a more digital society, digital business and digital Government.

Imri Mokhtar, Managing Director & Group Chief Executive Officer commented:

"We are pleased to report a resilient overall business performance in 2020 as we navigated through the challenges of the pandemic and macroeconomic environment. These uncertainties have required us to change the way we work, becoming more efficient in execution and being more prudent in managing resources.

We are excited for the next phase of our journey with the 'New TM' Transformation Programme (2021-2023) - guided by our compass of Purpose, Customers, Performance and People. Our performance momentum has further strengthened our conviction in the transformation ahead.

TM Group will be at the forefront in this new economy towards improving the quality of life of our customers and supporting nation-building programmes including MyDIGITAL and other stimulus plans. We remain confident to bring value for our customers and shareholders in 2021 and beyond."

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Issued by:

Group Brand and Communication
Telekom Malaysia Berhad
Level 9 (North Wing), Menara TM,
Jalan Pantai Baharu
50672 Kuala Lumpur

For inquiries, please contact:

1	Asma Abdul Aziz Assistant General Manager Media Management & External Communications Group Brand and Communication	Tel: (03) 2240 3840 HP: (013) 364 1830 Email: asma_aa@tm.com.my
2	Saiful Azni Matmor Manager Media Management & External Communications Group Brand and Communication	Tel: (03) 2240 2617 HP: (013) 360 3496 Email: msaiful@tm.com.my