



NEWS RELEASE

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TM RECORDS A PROMISING 1Q2023 PERFORMANCE WITH 2.0% REVENUE GROWTH; CONTINUES TO STRENGTHEN ITS CORE BUSINESS

1Q2023 Key Highlights (vs 1Q2022)

- **Operating Revenue** grew 2.0% from RM2.89 billion to RM2.95 billion, with continuous growth across Unifi and TM Global
- **EBIT** decreased 15.5% from RM560.4 million to RM473.3 million, following accelerated depreciation and impairment
- **PATAMI** lower 2.9% from RM339.9 million to RM330.1 million, lower EBIT cushioned by lower net finance cost and effective tax rate
- **CAPEX** investment stood at 14.0% of revenue or RM413.1 million, heavily attributed to fibre network expansion

Amidst the challenges for the year, Telekom Malaysia Berhad (TM) achieved a steady and promising performance in the first quarter that ended on 31 March 2023, compared to the same period in the previous year (YoY).

Operating revenue grew 2.0% to RM2.95 billion, from RM2.89 billion in 2022, driven by Unifi and TM Global. TM saw an increase in customers with Unifi now serving close to 3.5 million home and MSME customers, TM One catering to 8,800 businesses, and TM Global serving more than 700 local and regional customers.

Its reported Earnings Before Interest and Tax (EBIT) is lower 15.5% to RM473.3 million, from RM560.4 million, following the Group's decision to accelerate depreciation and impairment of IT assets, due to changes in market conditions.

Profit After Tax and Minority Interest (PATAMI) decreased 2.9% to RM330.1 million from RM339.9 million. Lower net finance cost and lower effective tax rate from the recognition of deferred tax assets mitigated the impact of the lower EBIT on the Group's overall profitability.

Capital Expenditure (CAPEX) stood at 14.0% of overall revenue, or RM413.1 million. A significant portion of this investment was dedicated to fortifying its fibre infrastructure, delivering new customer acquisition, international subsea cables investment and 5G fibre network deployment to meet Government's target of 80% coverage by year end.

Unifi sustaining growth trajectory

Unifi continues to deliver leadership in convergence service and solutions for both home and MSMEs customers. Unifi reported a 1Q2023 revenue growth of 4.3% from RM1.38 billion to RM1.44 billion contributed by both, growth in number of subscribers and average revenue per customer (ARPC).

Unifi fixed broadband subscription increased by 8.1% to 3.08 million propelled by aggressive sales, and promotions such as the 6-months complimentary speed upgrade offered to existing Unifi Home users and 7-days free viewing of all Unifi TV channels during Chinese New Year.

Unifi Mobile unveiled its latest offerings, the UNI5G prepaid and postpaid plans, which include complimentary 5G access for all current mobile subscribers. Additionally, Unifi introduced the

Pakej Perpaduan Jalur Lebar Tetap (Home Internet) and Pakej Perpaduan Prabayar Mudah Alih (Prepaid Mobile) plans specifically designed for underserved communities, providing inclusive and ubiquitous connectivity for the community.

Unifi Business' collaborative efforts with local government agencies have been instrumental in supporting MSMEs to digitally grow their businesses. As part of this initiative, Unifi Business launched a programme in Sabah that has resulted in a significant participation of local entrepreneurs.

TM One navigating challenging market and shifting demand

TM One recorded a 6.7% slowdown in revenue from RM773.7 million to RM721.9 million in the current quarter, largely due to the impact of price reduction and lower revenue from one-off customer projects.

The delivery of key projects across several industries shall set the pace for TM One in the coming quarters. TM One delivered a Private 5G solution to enable Smart Industry solutions and completed a hybrid cloud project that is instrumental to the IT backbone transformation of its customer. TM is also the only telco with a 100% completion record for the Point of Presence (POP) Phase 1 Project, successfully delivering 233 sites across the northern states, Sabah and Sarawak.

Building on the success of TM One 5G Sphere Partner Programme launched end of 2022 where more than 90 leading partners are registered today, TM One launched its Sandbox platform providing a secure and controlled environment for enterprise and Government customers with technology partners to co-create and commercialise innovative smart service solutions, which will propel their digitalisation and automation drive.

TM Global catalysing digital inclusivity

TM Global reported continuous growth in 1Q2023, with revenue increasing by 3.9% from RM625.1 million to RM649.2 million, contributed by higher data and data centre co-location services.

As the leading partner for High-Speed Broadband Access (HSBA), TM Global achieved the highest number of new installations in March, supporting collective industry growth throughout Malaysia. Additionally, close to 8,000 4G and 5G fiberisation sites were deployed to meet the growing demands of industry players and enhance nationwide edge capabilities, further propelling national digital initiatives.

Internationally, TM Global secured deals from US-based hyperscaler and North Asia digital provider for its wholesale data centre solutions as well as a substantial deal from ASEAN telecommunication player for more than 10Tbps data requirement within this region. TM Global remains focused on positioning Malaysia as the preferred digital hub for the ASEAN region through its comprehensive and customised offerings for hyperscalers, global carriers and digital players.

Commentary and Outlook from Dato' Imri Mokhtar, TM Group Chief Executive Officer

"2023 is expected to be a challenging year with changes in the regulatory landscape, heightened competition and other market structure changes. TM will continue strengthening its core business to be commercially sustainable as a Public Listed Company (PLC) whilst continuing to contribute to the nation's growth via its role as a Government Linked Company (GLC).

"As the national connectivity and digital infrastructure provider, TM will continue to execute the fiberisation plan to support the Government's National Digital Network (JENDELA) programmes as well as the 5G rollout nationwide. TM looks forward to continue playing an

active role in the 5G implementation, leveraging its nationwide fibre infrastructure, extensive digital platforms (data centres, edge nodes) and rollout experience.

“We remain steadfast as we enter the final year of our 2021-2023 Transformation Programme, and pursue the next wave of growth beyond 2023. In line with our journey to become a human-centred TechCo, we announced the launch of TM’s new HQ and Campus, located in Cyberjaya. The campus will serve as a catalyst for a new way of working that drives agility and flexibility through digital collaboration and hybrid work environment, propelling innovation among our employees, customers and partners.

“We will continue to advocate sustainability efforts and strive for progress. TM has released our first Task Force on Climate-related Financial Disclosures (TCFD) report, 2 years ahead of Bursa Malaysia’s 2025 requirement. The report focuses on increasing transparency around the financial implications of an organisations’ climate-related risks and opportunities.

“Though cautious with the overall outlook, we remain optimistic with the prospects of increased hyperconnectivity, continuous growth investments in connectivity and digitalisation across all customer segments. TM will continue to enable a Digital Malaysia by offering comprehensive suite of communication services and digital solutions benefitting communities, businesses and Government.”

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