

Q2 2020 PERFORMANCE GUIDE

21st AUGUST 2020

TIME™


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Movement Control Order (MCO)

- Resilient in our operations and performance
- Workforce adapting to new ways of working
- Optimistic of improving conditions but cautious of possible macro challenges

Safety & Stability of Operations

- Two key priorities:
 - Employee safety
 - Network availability and stability
- Prepared to take proactive measures to respond to any possibilities

Government & Industry Support

- Continued participation in government initiatives in support of medical/health authorities, overall industry and for economic recovery

Q2 2020 HIGHLIGHTS

TIMETM

STAYING RESILIENT IN THE NEW NORMAL

**Sustained Growth
Momentum**

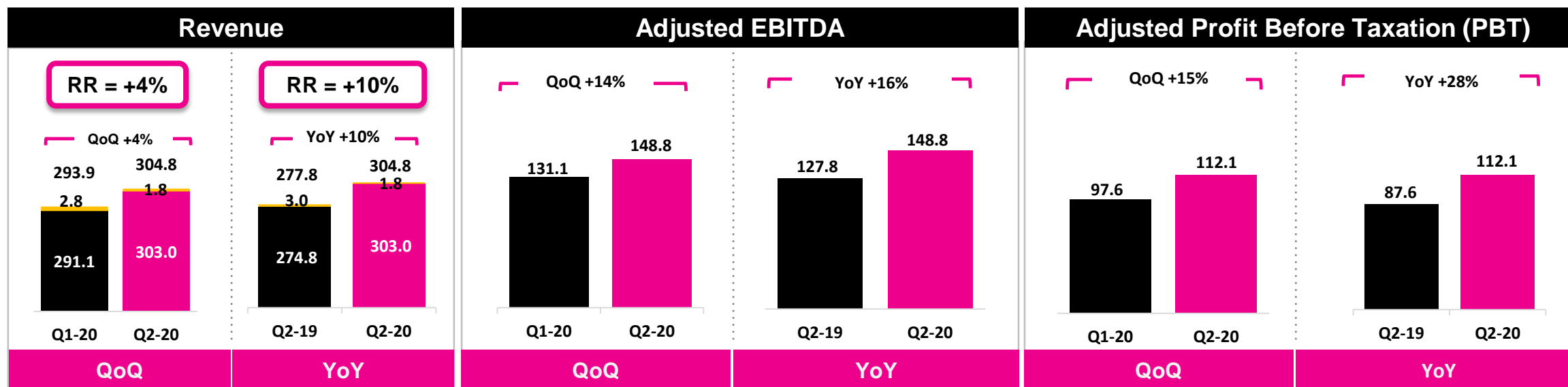
**Profitability
Maintained**

**Continued
Expansion**

TIME Q2 2020: Financial Highlights

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■ One-off non-recurring contracts

QoQ

- Revenue up 4% due to higher data and data centre sales
- Adjusted PBT was 15% higher mainly due to higher overall revenue, lower provision for doubtful debt and lower staff related cost

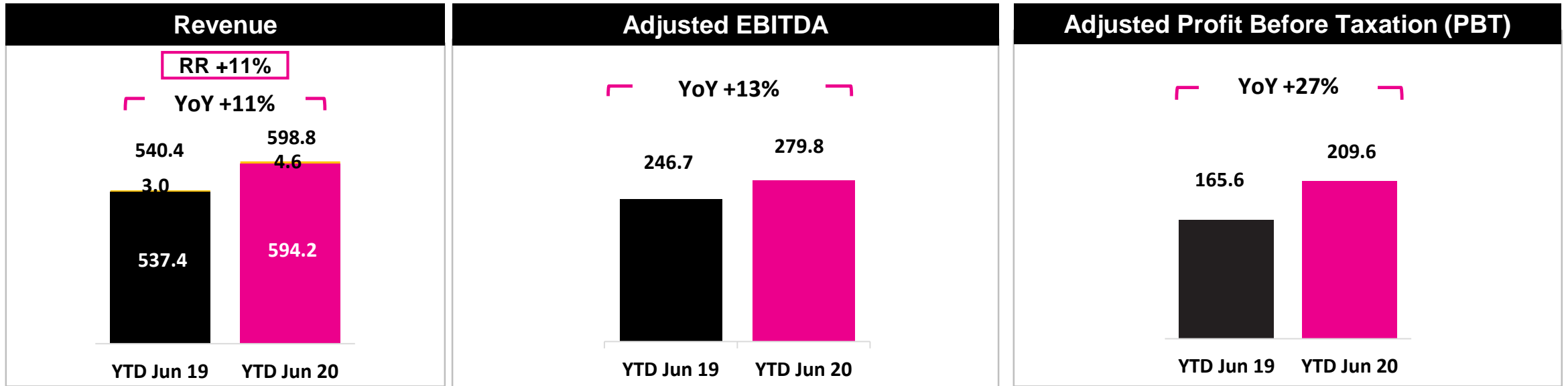
YoY

- Overall revenues grew 10% YoY from data and data centre revenue
- Adjusted PBT grew 28% mainly due to higher overall revenue growth, lower depreciation charges and lower interest expense

TIME YTD June 2020 : Financial Highlights

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■ One-off non-recurring contracts

YTD

- Overall revenue grew 11% against YTD June 2019 from all core products across all customer groups, with sustained growth in recurring contract revenue
- Adjusted PBT grew 27% mainly from strong overall revenue growth, lower interest expense, lower depreciation charges and higher share of profit from investment in associates

Q2 2020

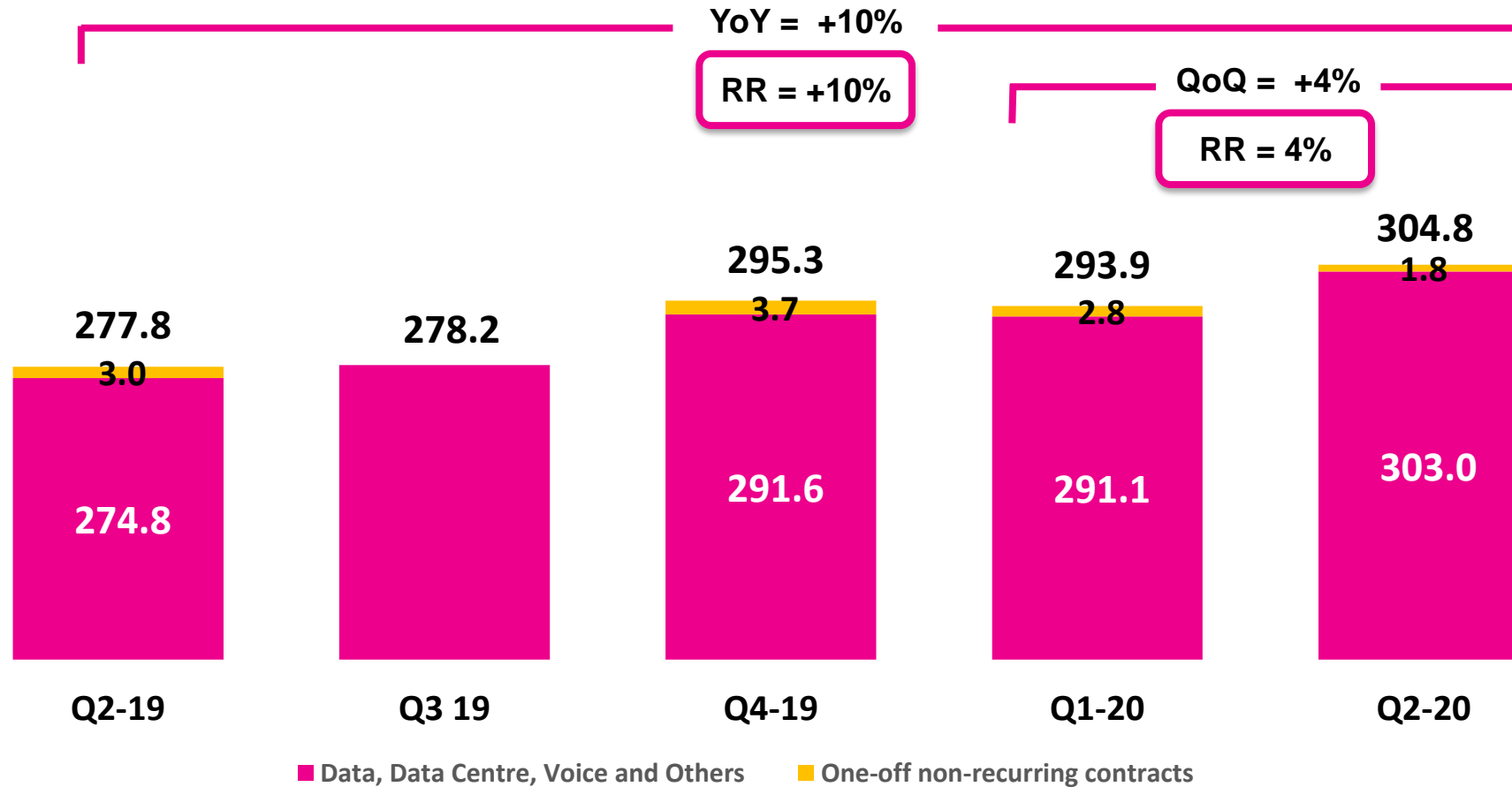
TIME GROUP PERFORMANCE

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Revenue Growth: Recurring By Quarter

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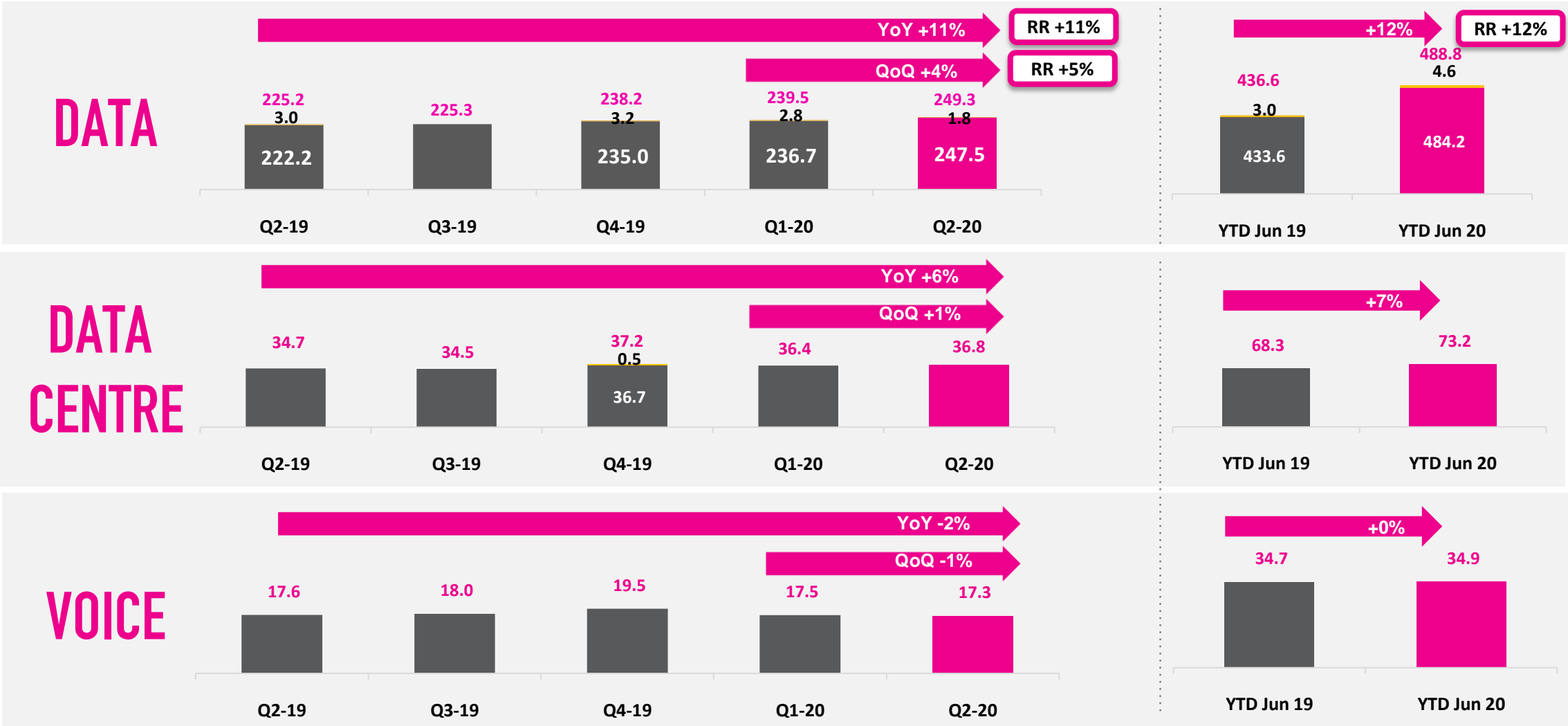
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- One-off non-recurring contract revenue of RM1.8mil in Q2 2020 came from data sales.

RR: Recurring revenues

Revenue Growth: By Product



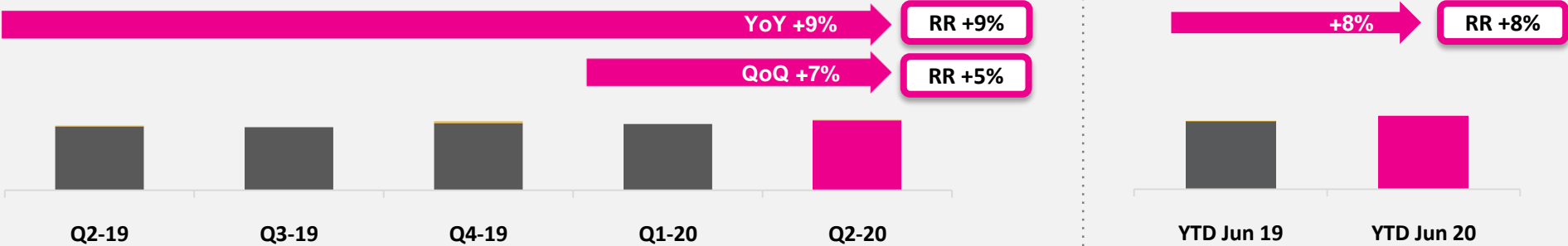
Note: Numbers are in RM millions

RR : Recurring Revenues

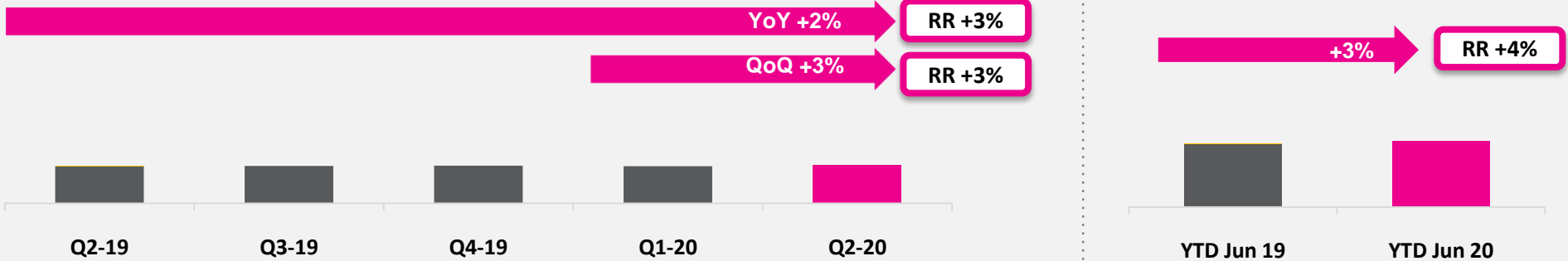
Legend : Recurring Non-recurring

Revenue Growth: By Segment

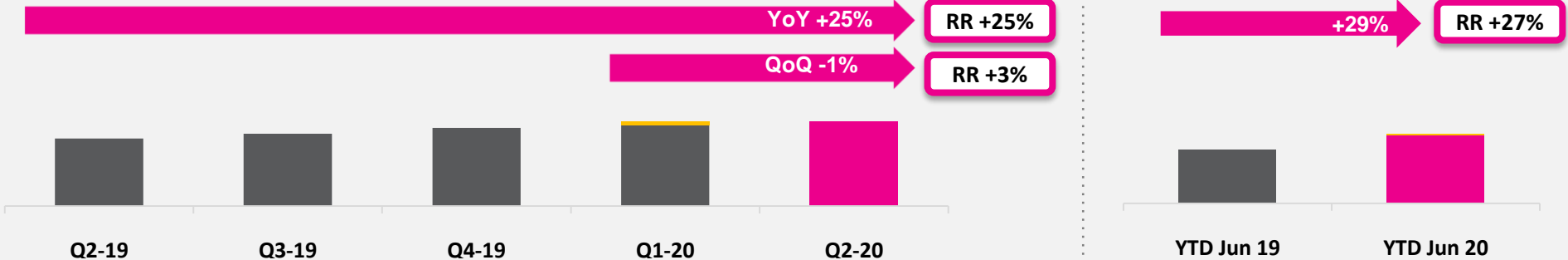
WHOLESALE



ENTERPRISE



RETAIL



Note: Numbers are in RM millions

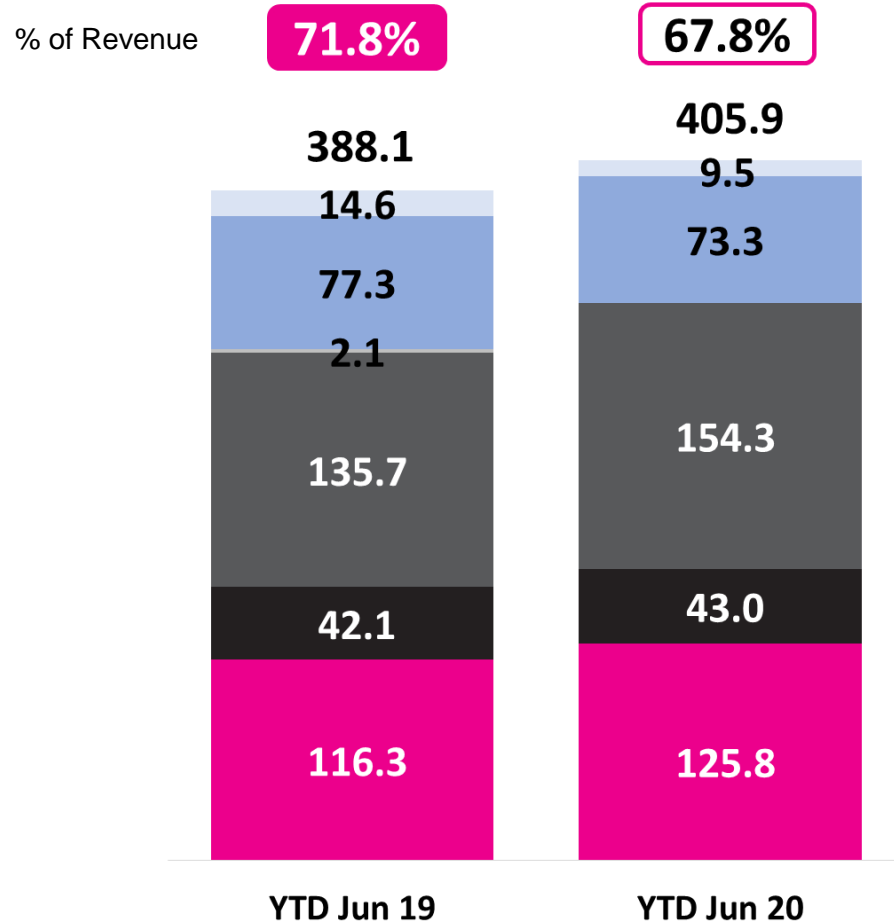
RR : Recurring Revenues

Legend : Recurring Non-recurring

Expenses: By Category

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- Excluding impact of foreign exchange loss in YTD June 2019, adjusted Cost to Revenue % for YTD June 2019 would have been 71.4%, compared to 67.8% for YTD June 2020, mainly due to improved cost efficiencies within the Group
- Higher OPEX (excluding forex) by 14% mainly due to higher allowance for doubtful debts, higher staff related costs and higher donations

Finance expense

Depreciation & amortisation

Net foreign exchange loss

OPEX excluding foreign exchange

Customer acquisition and related costs

Network and other related cost of sales

Note: Numbers are in RM millions

Summary Income Statement

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RM' million	Q2-19	Q1-20	Q2-20	QoQ %	YoY%	YTD Jun 19	YTD Jun 20	YoY%
Revenue	277.8	293.9	304.8	+4%	+10%	540.4	598.8	+11%
EBITDA	136.6	156.5	134.6	-14%	-1%	244.6	291.1	+19%
Adjusted EBITDA	127.8	131.1	148.8	+14%	+16%	246.7	279.8	+13%
Profit Before Taxation (PBT)	96.4	125.6	97.9	-22%	+2%	163.5	223.5	+37%
Adjusted PBT	87.6	97.6	112.1	+15%	+28%	165.6	209.6	+27%
Profit After Tax (PAT)	92.5	98.0	69.8	-29%	-25%	155.6	167.7	+8%
Adjusted PAT	83.7	70.0	84.0	+20%	+0%	157.7	153.8	-2%

Note: 1) Refer to next page for EBITDA/PBT adjustments.

2) Adjusted PBT for Q2 grew by 28% YoY while adjusted adjusted PAT remained flat, mainly due to higher income tax expense as a result of higher deferred tax expense. The higher deferred tax expense arises as the Group has now recognised most of its previously unrecognised deferred tax assets (e.g. unrecognised tax losses and unrecognised capital allowances). The availability of such unrecognised deferred tax assets in prior periods allowed the Group to recognise deferred tax income in the past.

EBITDA & PBT Adjustments

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RM' million	Q2 19	Q1-20	Q2-20	QoQ %	YoY%	YTD Jun 19	YTD Jun 20	YoY%
EBITDA	136.6	156.5	134.6	-14%	-1%	244.6	291.1	19%
Profit Before Taxation (PBT)	96.4	125.6	97.9	-22%	2%	163.5	223.5	37%
Adjustment on EBITDA								
<i>Donation for fight against COVID-19</i>	-	1.7	-			-	1.7	
<i>PPE written off</i>	-	-	1.9			-	1.9	
<i>Forex (gain)/loss</i>	(8.8)	(27.1)	12.3			2.1	(14.9)	
Total adjustment on EBITDA	(8.8)	(25.4)	14.2			2.1	(11.3)	
Adjustment on PBT								
<i>Dividend income</i>	-	(2.6)	-			-	(2.6)	
Total adjustments on PBT	-	(2.6)	-			-	(2.6)	
Adjusted EBITDA	127.8	131.1	148.8	14%	16%	246.7	279.8	13%
Adjusted PBT	87.6	97.6	112.1	15%	28%	165.6	209.6	27%

Summary Margins & EPS

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Margins	Q2-19	Q1-20	Q2-20	QoQ %	YoY%
EBITDA %	49%	53%	44%	-9 pps	-5 pps
Adjusted EBITDA %	46%	45%	49%	+4 pps	+3 pps
Profit Before Taxation %	35%	43%	32%	-11 pps	-3 pps
Adjusted PBT %	32%	33%	37%	+4 pps	+5 pps
Profit After Taxation %	33%	33%	23%	-10 pps	-10 pps
Adjusted PAT %	30%	24%	28%	+4 pps	-2 pps
EPS	15.85 sen	16.73 sen	11.63 sen	-5.10 sen	-4.22 sen
Adjusted EPS	14.34 sen	11.96 sen	14.00 sen	+2.04 sen	-0.34 sen

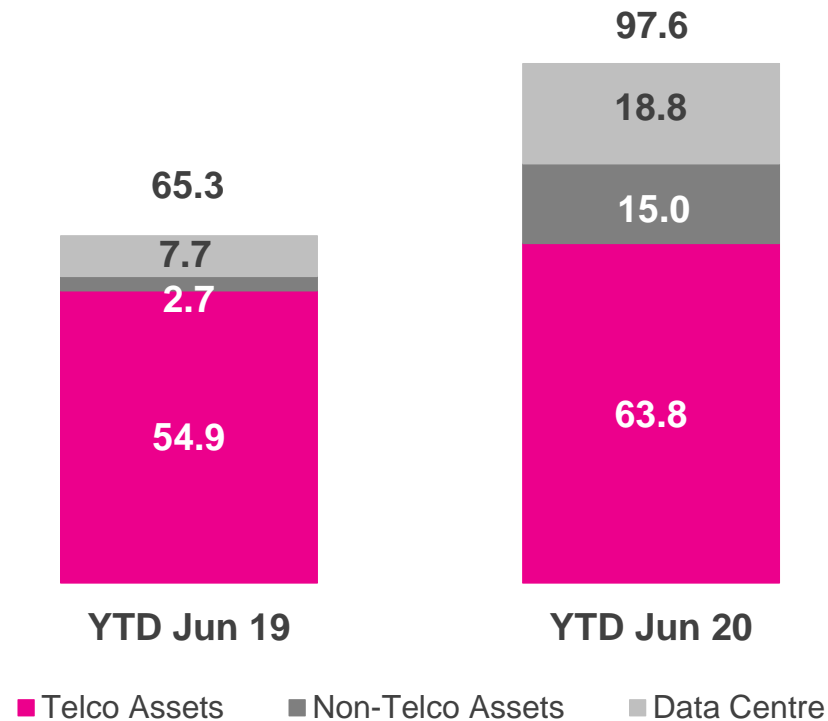
YTD Jun 19	YTD Jun 20	YoY%
45%	49%	4 pps
46%	47%	1 pps
30%	37%	7 pps
31%	35%	4 pps
29%	28%	-1 pps
29%	26%	-3 pps
26.66 sen	28.30 sen	+1.64 sen
27.02 sen	25.95 sen	-1.07 sen

Note: 1) Adjusted PBT for Q2 grew YoY while adjusted EPS remained flat, mainly due to higher income tax expense as a result of higher deferred tax expense. The higher deferred tax expense arises as the Group has now recognised most of its previously unrecognised deferred tax assets (e.g. unrecognised tax losses and unrecognised capital allowances). The availability of such unrecognised deferred tax assets in prior periods allowed the Group to recognise deferred tax income in the past.

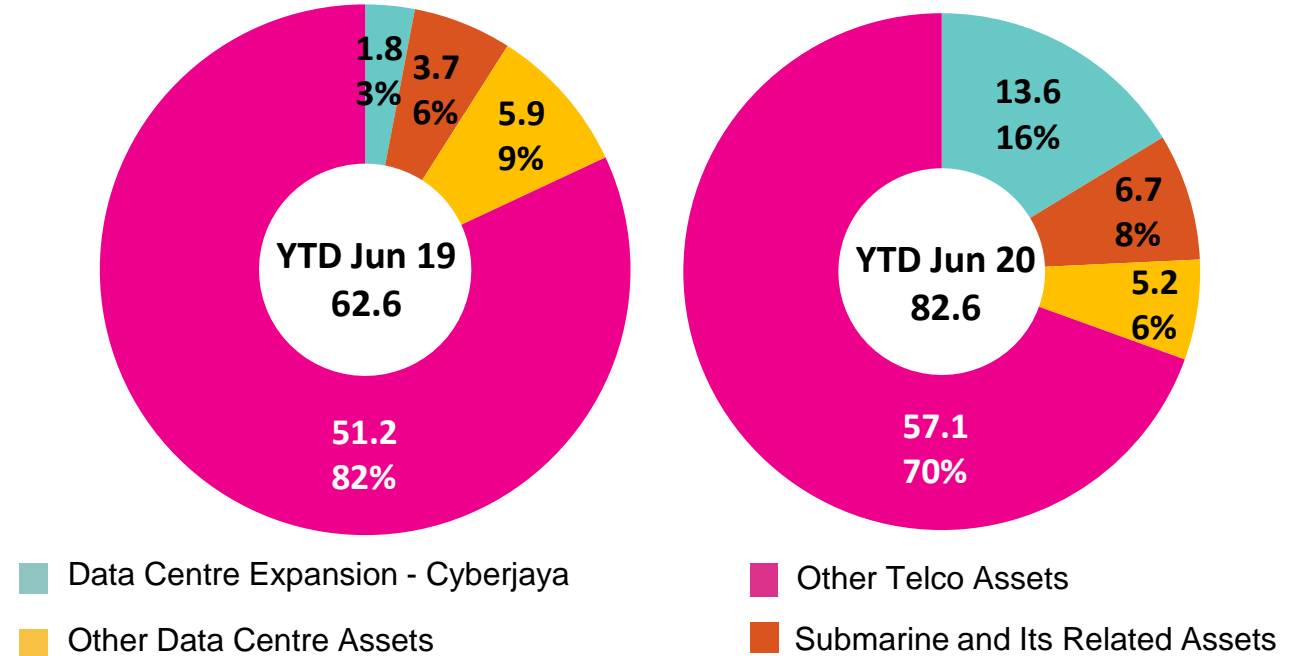
Capital Expenditure

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Breakdown of Telco Assets and Data Centre Assets



- 70% of capital expenditure was spent on telco assets to expand domestic network coverage and upgrade TIME's existing network infrastructure
- Data Centre capital expenditure increase mainly due to the new Cyberjaya data centre construction
- Non telco asset additions include investment in new billing system

Note: Numbers are in RM'million

Cashflow Statement

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CASH FLOW		
RM' million	YTD Jun 19	YTD Jun 20
Net cash inflow from Operating Activities	208.4	211.8
Net cash used in Investing Activities	(104.1)	(110.1)
Net cash inflow from operating and investing activities	104.3	101.7
Net cash used in Financing Activities	(117.0)	(130.9)
Net decrease in cash balance	(12.7)	(29.2)
Exchange effects on cash balance	(0.5)	2.4
Cash balance at beginning of period	389.4	507.0
Cash balance at end of period	376.2	480.2
Acquisition of capex	(108.9)	(116.8)
Free Cash Flow (Operating CF - Capex)	99.5	95.0

Note : Included in financing activities are RM170.0 million of dividend paid out in Q1 2020 and RM120.0 million in Q1 2019.

Balance Sheet And Ratios

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BALANCE SHEET		
RM' million	As at 31 Dec 19	As at 30 Jun 20
ASSETS		
Non-current assets	2,617.4	2,623.2
Current assets (exclude cash)	396.3	485.6
Cash	507.0	480.2
Total assets	3,520.7	3,589.0
EQUITY AND LIABILITIES		
Share capital	1,200.1	1,328.9
Reserves	1,566.7	1,552.0
Total equity attributable to owners of the Company	2,766.8	2,880.9
Non-current liabilities	357.4	336.7
Current liabilities	396.5	371.4
Total liabilities	753.9	708.1
Total equity and liabilities	3,520.7	3,589.0
EBITDA (LTM) ^{N1}	479.8	526.3
Total Debt	113.4	60.3
Net Cash Position	393.6	419.9
Debt / EBITDA (times)	0.2x	0.1x
Debt / Equity (times)	0.0x	0.0x
Current ratio (times)	2.3x	2.6x

Note: Based on EBITDA for last 12 months

VIETNAM

THAILAND



KIRZ



YTD Jun 2020		45.27%	49.00%	46.84%
As reported by investee	Revenue	128.8	7.1	87.8
	Profit/(Loss) After Tax & Other comprehensive Income	10.8 ^{N1}	(2.0)	7.8 ^{N2}
TIME's shares in proportion to its interest	Share of Profit on Investment of Associates	4.9	- ^{N3}	3.6
Total Share of Profit on Investment of Associates		8.5		

Note : 1) Includes prior year end audit adjustments which reduced PAT by RM1.3mil

2) Includes prior year end audit adjustments which increased PAT and OCI by RM1.7mil

3) The Group no longer shares losses from KIRZ since Q2 2018 when the investment value was fully impaired

MOVING FORWARD

TIME™

1

Near-term macroeconomic challenges

- Economy expected to face continued uncertainties and challenges for the remainder of 2020 due to COVID-19
- Close monitoring of developments

2

TIME is in a position of strength

- Despite the challenging economic backdrop, we expect sustained demand for our services
- Strong balance sheet to weather any unexpected downturn

3

Priorities remain

- Ensure 100% network availability and stability
- Expanding our domestic coverage footprint
- Ensuring meaningful solutions and services are delivered to customers
- Supporting the Government's telecommunications objectives
- Establishing ourselves as a key data centre player with new facilities operational in Cyberjaya, Malaysia and Bangkok, Thailand
- Safety of employees and minimising disruption to operations throughout the pandemic

THANK YOU

Should you have any queries, please contact::

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