

# Q1 2020 PERFORMANCE GUIDE

28<sup>th</sup> MAY 2020



TIME<sup>TM</sup>

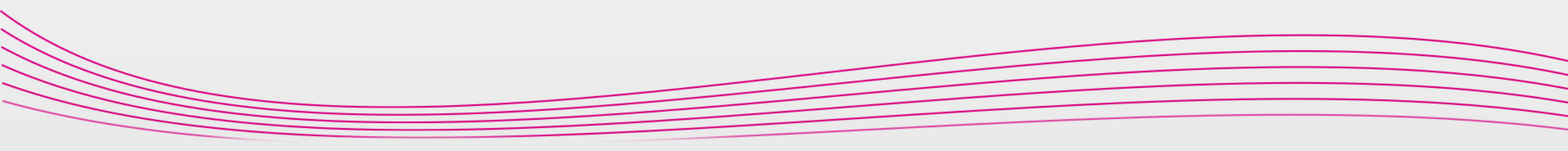
# DISCLAIMER

This presentation and the discussion following may contain forward looking statements by TIME dotCom Berhad (“TIME”) related to financial, market or industry trends for future period.

These forward-looking statements involve known and unknown risks and uncertainties which may cause the actual performance, results and outcome to be different than that expressed in this presentation.

The statements are made based on facts and information available to TIME at the date of the presentation and merely represent an expression of TIME management’s views, targets and expirations of future events. They do not in anyway represent a forecast, projection, estimate or guarantee of TIME’s future performance and neither have they been independently verified.

Accordingly no representation or warranty, express or implied is made to, and no reliance should be placed on the fairness, accuracy and completeness of such information. TIME and its subsidiaries, representatives and officers shall have no liability whatsoever for any loss, damage, costs and expenses arising out of or in connection with this presentation.



# Q1 2020 HIGHLIGHTS

TIME<sup>TM</sup>

# Staying Strong And Staying Connected

4

TIME

## Movement Control Order (MCO)

- Minimal impact to Q1 2020 performance
- TIME is deemed an “Essential Service”
- Temporary suspension of customer installation activities during MCO, now reactivated in limited areas with strict safety protocols

## Safety & Stability of Operations

- Employee safety is paramount
- BCP processes activated and strengthened
- Priority placed on network availability and stability

## Government & Industry Support

- Donations made to the Ministry of Health
- Participation in applications for movement and contact tracing capabilities, i.e. Gerak Malaysia
- Free calls to CPRC and other medical/health authorities
- 500 minutes free voice calls to local fixed and mobile numbers
- Discount for upgrade of TIME Fibre Home Broadband plan for existing customers

## RESILIENCE AMID UNCERTAINTY

**YoY Growth  
Momentum Intact**

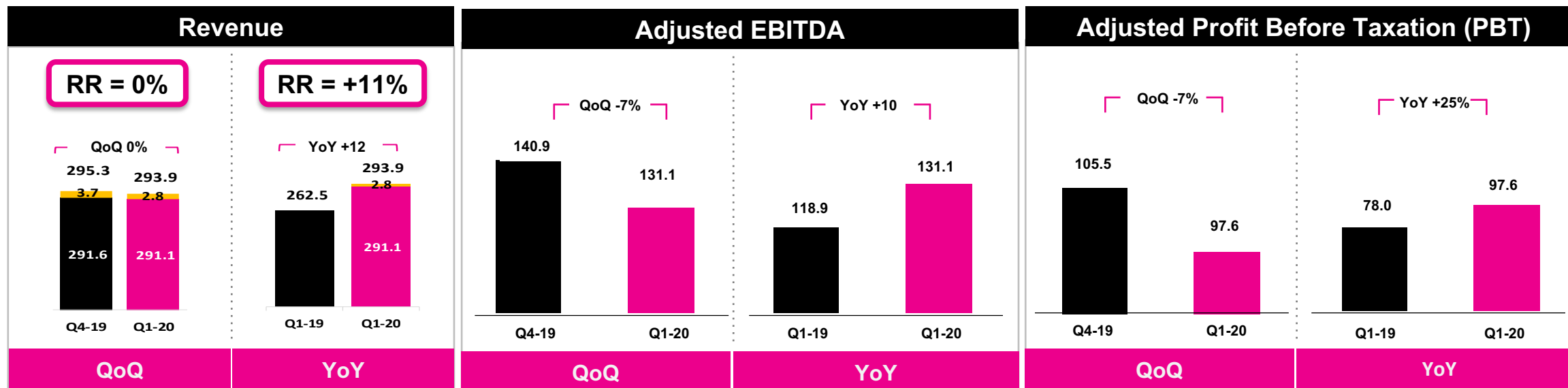
**Profitability  
Maintained**

**Strong  
Cash Position**

# TIME Q1 2020 : Financial Highlights

6

TIME



■ One-off non-recurring contracts

## QoQ

- Revenue 0.5% lower mainly due to lower voice and data centre revenues as well as lower recurring contract revenues in 2020
- Adjusted PBT lower by 7% mainly attributed by lower revenues and non-recurring contract revenues coupled with higher staff related costs

## YoY

- Overall revenues grew 12% YoY from all core products and positive contribution across all customer groups
- Adjusted PBT grew 25% mainly due to higher overall revenue growth, lower interest expense, lower depreciation charges and higher share of profit from investment in associates

**Q1 2020**

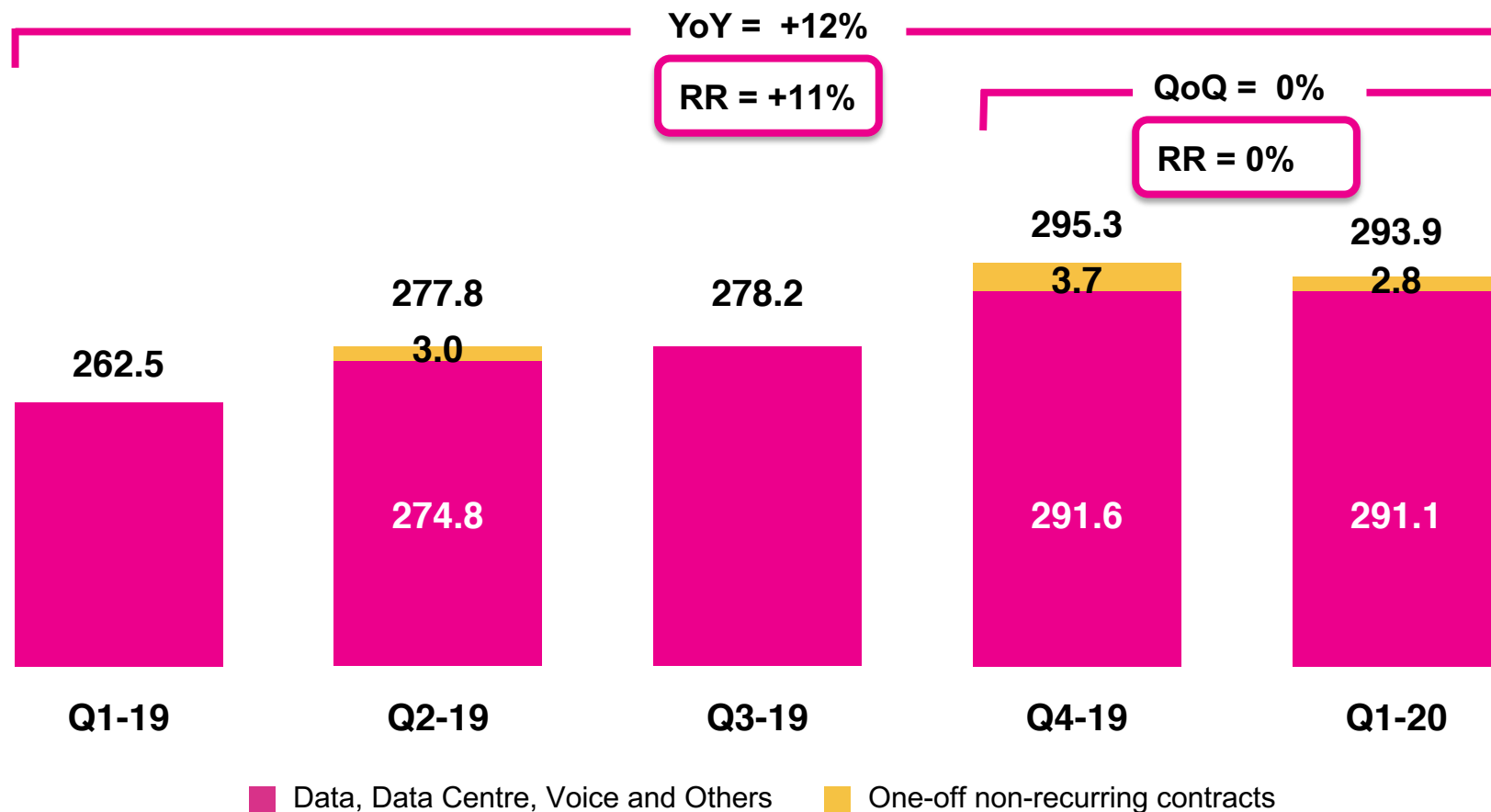
# **TIME GROUP PERFORMANCE**

**TIME™**

# Revenue Growth: Recurring By Quarter

8

TIME



- Recurring revenues increased 11% YoY and were flat QoQ
- One-off non-recurring contract revenue came from data sales of RM2.8m in Q1 2020. There were no one-off non-recurring contract revenues in Q1 2019 while one-off non-recurring contract revenues for Q4 2019 came from data sales (RM3.2m) and data centre sales (RM0.5m)

RR: Recurring revenues

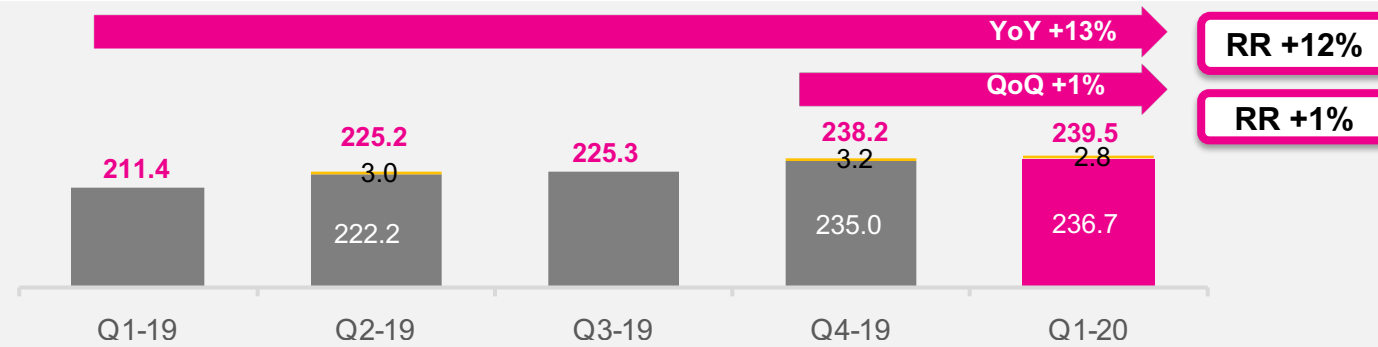


# Revenue Growth: By Product

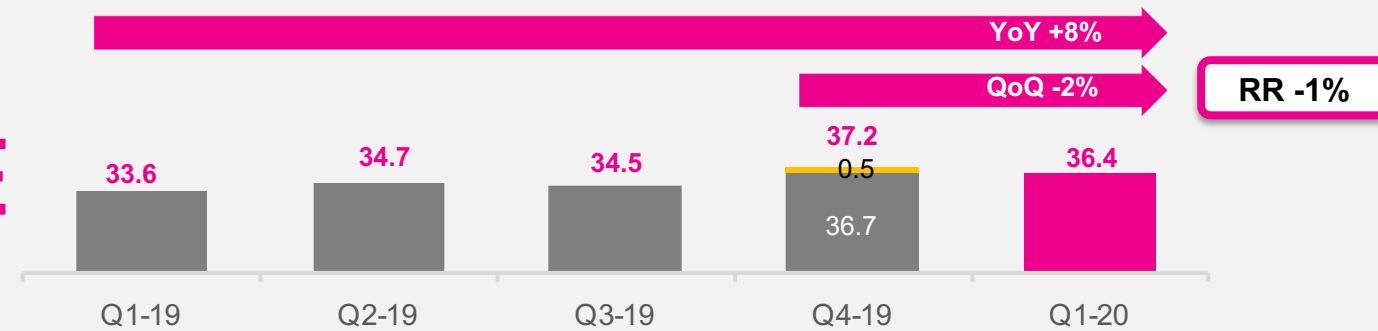
9

TIME

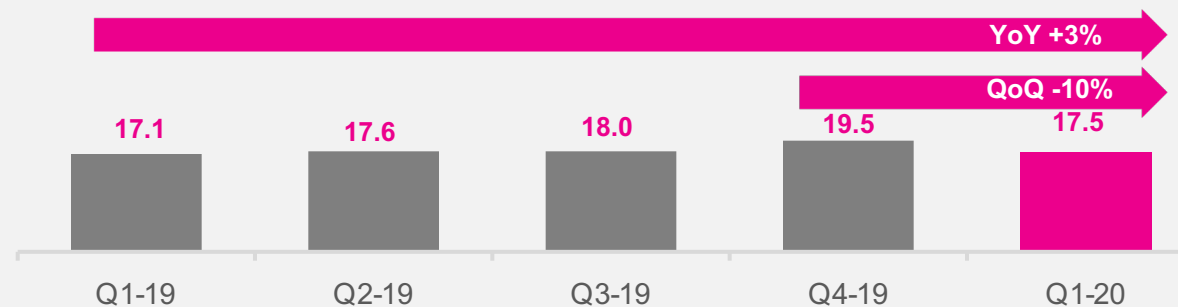
## DATA



## DATA CENTRE



## VOICE



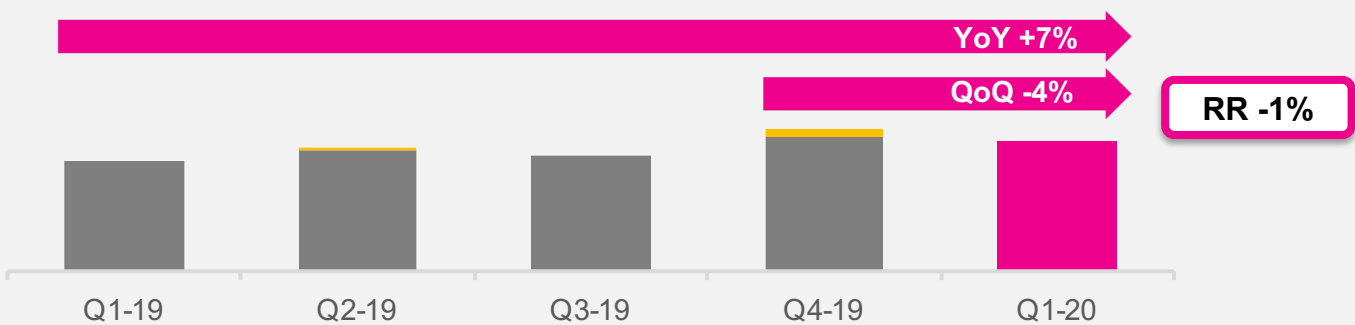
Note: Numbers are in RM millions

RR : Recurring Revenues

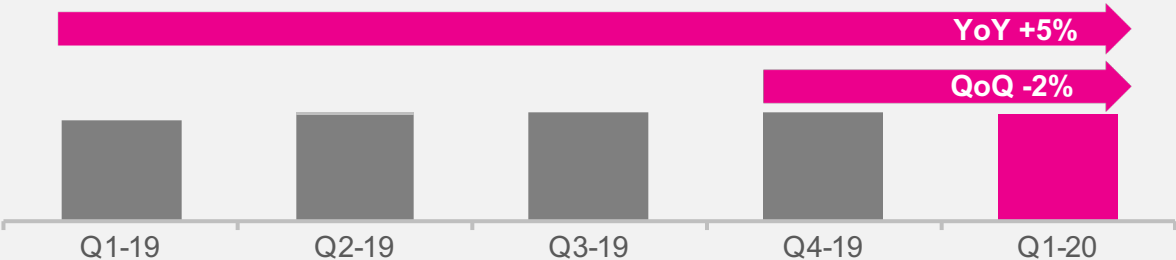
Legend :  Recurring  Non-recurring

# Revenue Growth: By Segment

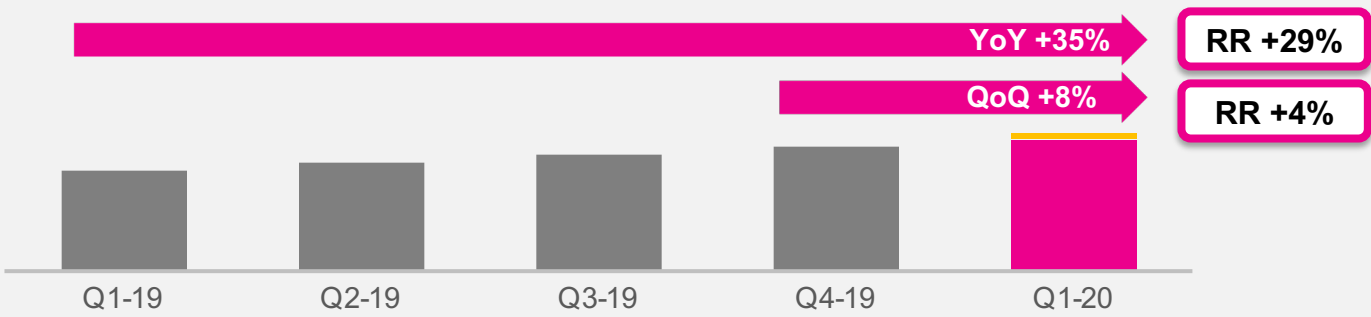
## WHOLESALE



## ENTERPRISE



## RETAIL



RR : Recurring Revenues

Legend :  Recurring  Non-recurring

# Expenses: By Category

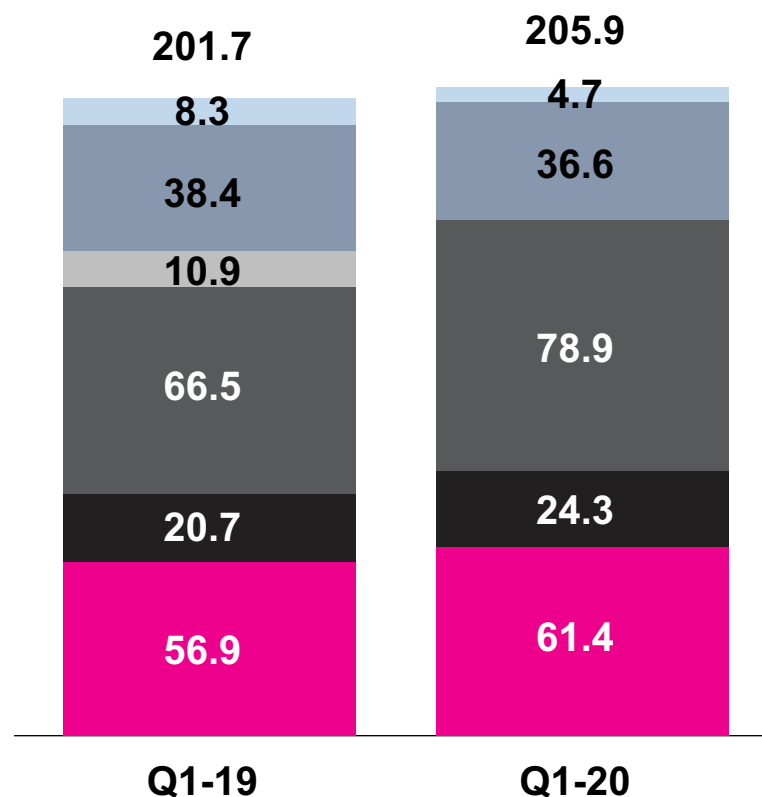
11

TIME

% of Revenue

76.8%

70.0%



Note: Numbers are in RM'million

- Excluding the impact of foreign exchange, adjusted Cost/Revenue % in Q1 2019 would have been 72.7%
- Cost of sales (including customer acquisition costs and network costs) increased in line with growth in revenue
- OPEX (excluding forex) increased by 19% 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

# Summary Income Statement And Margins

12

RM' million	Q1-19	Q4-19	Q1-20	QoQ%	YoY%
Revenue	262.5	295.3	293.9	0%	12%
EBITDA	108.0	115.3	156.5	36%	45%
Adjusted EBITDA	118.9	140.9	131.1	-7%	10%
Profit Before Taxation (PBT)	67.1	79.9	125.6	57%	87%
Adjusted PBT	78.0	105.5	97.6	-7%	25%
EBITDA %	41%	39%	53%	14 pps	12 pps
Adjusted EBITDA%	45%	48%	45%	-3 pps	0 pps
Profit Before Taxation%	26%	27%	43%	16 pps	17 pps
Adjusted PBT%	30%	36%	33%	-3 pps	3 pps
EPS	10.82 sen	12.88 sen	16.73 sen	+3.85 sen	+5.91 sen
Adjusted EPS	12.68 sen	17.26 sen	11.96 sen	-5.30 sen	-0.72 sen

Note: Refer to appendices for EBITDA/PBT adjustments

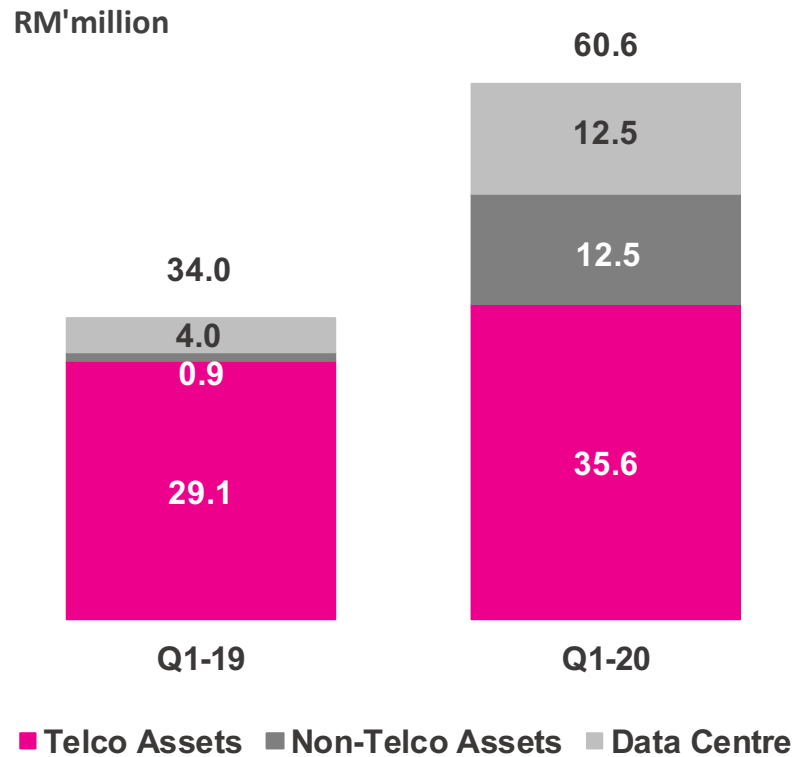
Adjusted PBT grew by 25% while adjusted EPS reduced by 0.72 sen mainly due to higher income tax expense resulted from higher deferred tax expense as the unrecognised deferred tax assets other than unutilised investment allowance has been fully recognised in this quarter

# Capital Expenditure

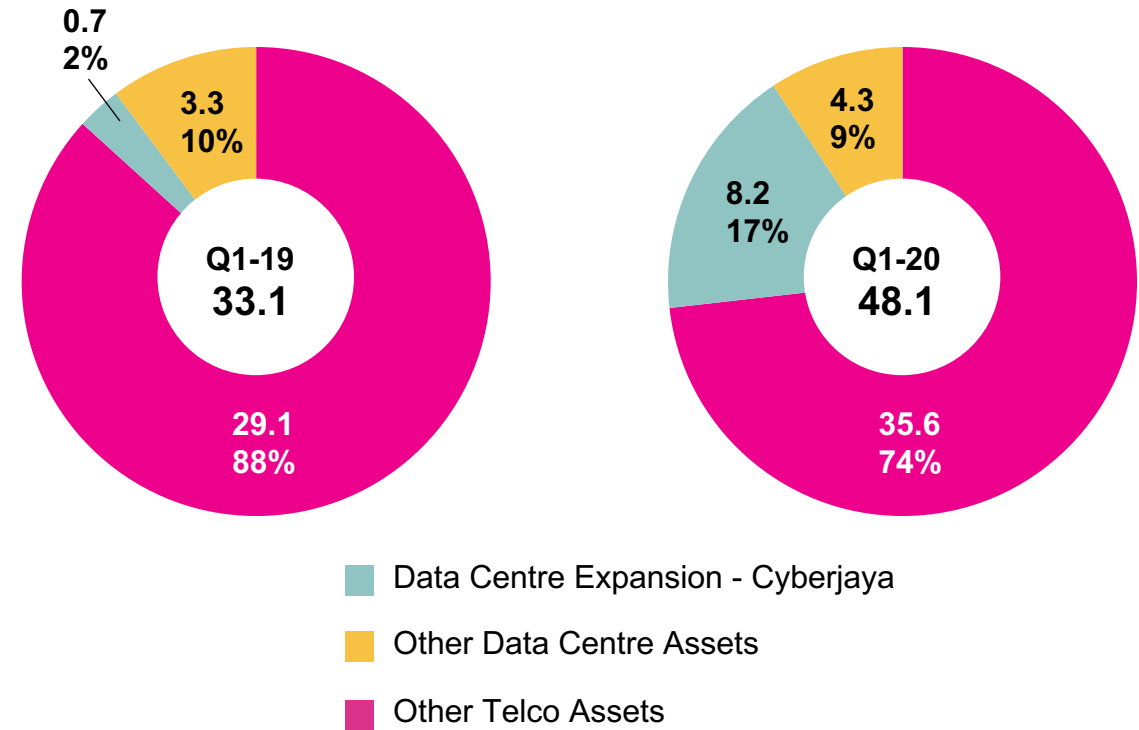
13

TIME

RM'million



Breakdown of Telco Assets and Data Centre Assets



- 59% of Q1 2020 capital expenditure spent on telco assets to expand domestic network coverage and upgrade TIME's existing network infrastructure
- Non-telco asset additions include investment in new billing system
- Higher spending on Data Centre assets due to data centre expansion in Cyberjaya

*Note: Numbers are in RM'million*

# Balance Sheet And Ratios

14

BALANCE SHEET			
RM' million	As at 31 Dec 19	As at 31 Mar 20	
<b>ASSETS</b>			
Non-current assets	2,617.4	2,658.7	
Current assets (exclude cash)	396.3	463.7	
Cash	507.0	348.7	
<b>Total assets</b>	<b>3,520.7</b>	<b>3,471.1</b>	
<b>EQUITY AND LIABILITIES</b>			
Share capital	1,200.1	1,200.1	
Reserves	1,566.7	1,508.8	
<b>Total equity attributable to owners of the Company</b>	<b>2,766.8</b>	<b>2,708.9</b>	
Non-current liabilities	357.4	364.6	
Current liabilities	396.5	397.6	
<b>Total liabilities</b>	<b>753.9</b>	<b>762.2</b>	
<b>Total equity and liabilities</b>	<b>3,520.7</b>	<b>3,471.1</b>	
Adjusted EBITDA <sup>N1</sup>	510.0	522.2	
Total Debt	113.4	99.8	
Net Cash Position	393.6	248.9	
Debt / Adjusted EBITDA (times)	0.2x	0.2x	
Debt / Equity (times)	0.0x	0.0x	
Current ratio (times)	2.28x	2.04x	

Note: 1) Based on adjusted EBITDA for last 12 months

RM 'million

VIETNAM

THAILAND



KIRZ



YTD MAR 2020		45.27%	49.00%	46.84%
As reported by investee	Revenue	54.9	3.7	42.6
	Profit/(Loss) After Tax & Other Comprehensive Income	5.2 <sup>N1</sup>	(0.8)	6.2 <sup>N2</sup>
TIME's shares in Proportion to its interest	Share of Profit on Investment of Associates	2.4	- <sup>N3</sup>	2.9
Total Share of Profit on investment of Associates		5.3		

Note : 1) Includes prior year end audit adjustments which reduced PAT by RM1.3m  
2) Includes prior year end audit adjustments which increased PAT and OCI by RM1.7m  
3) Loss in KIRZ is no longer shared as the Group's investment in KIRZ has been fully impaired

**Q1 2020**

**MOVING FORWARD**

**TIME™**



1

## Uncertain times ahead

- Expect challenges to continue domestically and regionally for the remainder of 2020 due to COVID-19
- Still too early to quantify full impact

2

## TIME is in a position of strength

- Despite weak economic backdrop, demand for communications services remains healthy
- Strong balance sheet with net cash position

3

## Immediate priorities

- Safety of employees while minimizing disruption to operations
- Ensure 100% network availability and stability
- Pay smaller suppliers and vendors promptly

4

## Medium term priorities

- Domestically - Focus on supporting the Government achieve national telecommunications objectives; intensify coverage footprint expansion
- Regionally – Continue to work with ASEAN partners to tap into increasing demand for cross-border connectivity; establish TIME as a key regional data centre player

# APPENDIX

TIME<sup>TM</sup>

# Q1 2020: EBITDA & PBT Adjustments

19

TIME

RM' million	Q1-19	Q4-19	Q1-20	QoQ%	YoY%
<b>EBITDA</b>	<b>108.0</b>	<b>115.3</b>	<b>156.5</b>	<b>36%</b>	<b>45%</b>
<b>Profit Before Taxation (PBT)</b>	<b>67.1</b>	<b>79.9</b>	<b>125.6</b>	<b>57%</b>	<b>87%</b>
<b>Adjustment on EBITDA:</b>					
<i>Allowance for doubtful debts for advance to associate</i>	-	6.5	-		
<i>Donation for fight against COVID-19</i>	-	-	1.7		
<i>Gain on disposal of PPE</i>	-	(0.1)	-		
<i>PPE written off</i>	-	1.6	-		
<i>Provision for financial guarantee given to KIRZ</i>	-	16.1	-		
<i>Forex loss/(gain)</i>	10.9	1.5	(27.1)		
<b>Total adjustment on EBITDA</b>	<b>10.9</b>	<b>25.6</b>	<b>(25.4)</b>		
<b>Adjustment on PBT</b>					
<i>Dividend income</i>	-	-	(2.6)		
<b>Total adjustments on PBT</b>	<b>-</b>	<b>-</b>	<b>(2.6)</b>		
<b>Adjusted EBITDA</b>	<b>118.9</b>	<b>140.9</b>	<b>131.1</b>	<b>-7%</b>	<b>10%</b>
<b>Adjusted PBT</b>	<b>78.0</b>	<b>105.5</b>	<b>97.6</b>	<b>-7%</b>	<b>25%</b>

# Q1 2020: Cashflow

20

CASH FLOW		
RM' million	Q1-19	Q1-20
Net cash inflow from Operating Activities	93.8	91.8
Net cash used in Investing Activities	(46.1)	(67.6)
<b>Net cash inflow from operating and investing activities</b>	<b>47.7</b>	<b>24.2</b>
Net cash used in Financing Activities	(131.9)	(187.1)
<b>Net decrease in cash balance</b>	<b>(84.2)</b>	<b>(162.8)</b>
Exchange effects on cash balance	(3.0)	4.6
Cash balance at beginning of period	389.4	507.0
<b>Cash balance at end of period</b>	<b>302.2</b>	<b>348.7</b>

Note : Within financing activities, there is RM170.0 million of dividend paid out in Q1 2020 and RM120.0 million in Q1 2019.

# THANK YOU

Should you have any queries, please contact::

**[investor.relations@time.com.my](mailto:investor.relations@time.com.my)**

TIME dotCom Berhad  
No.14, Jalan Majistret U1/26, Hicom Glenmarie Industrial Park,  
40150 Shah Alam, Selangor, MALAYSIA  
Tel: +603-5032 6000 | Fax: +603-5032 6100 | [www.time.com.my](http://www.time.com.my)