



3Q 2018 Performance Guide

NOVEMBER 2018

TIME Q3 2018: HIGHLIGHTS

Retail



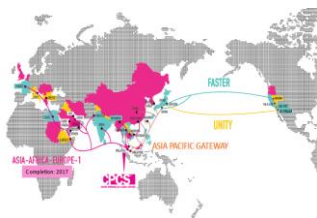
- Retail sales grew **11% QoQ** and **65% YoY** in Q3 2018

Wholesale



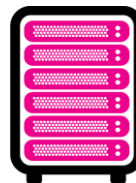
- Revenue from **wholesale business** grew **2% QoQ** and **42% YoY**

Global Bandwidth



- Recorded **one-off non-recurring contract revenues** from **global bandwidth sales** amounting to **RM19.4m** from **submarine cable systems** and **domestic terrestrial cable system**
- Amount of revenue recognised post MFRS 15 is **lower** by **RM18.8m**

Data Centre



- Adjusted data centre sales (excluding one-off non-recurring contract revenue amounting RM3.1m from data centre related activities in Q2 2018) **grew 3% QoQ** and **20% YoY**.

Subsequent Event



- Launched **Malaysia's fastest and most competitively priced fibre home broadband service** at **speeds of up to 1Gbps** in **October 2018**
- The **new competitively priced plans** may result in **reduced ARPUs** and **short term margin compression**
- Moving forward, the Group will work to cushion such impact by working to **increase sales volume**
- To **target > 1m** premises passed by **FY2020**

Note: All analysis and comparisons to previous year corresponding periods have been done excluding the effects of MFRS 15 for better comparability

REVENUE TREND: BY QUARTER

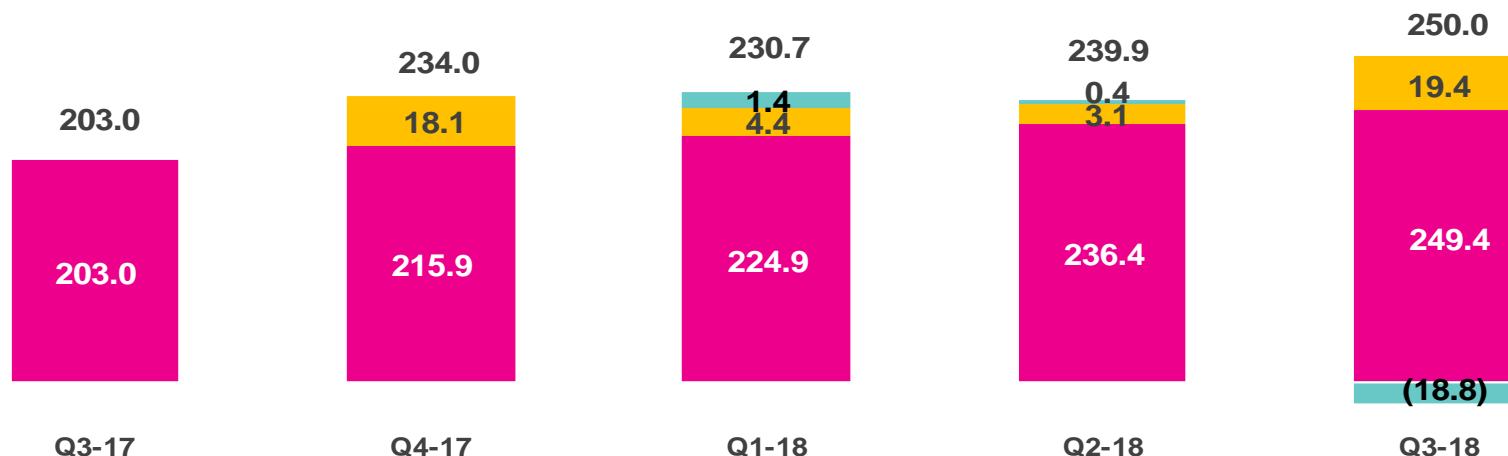
Revenue (RM'million)

YoY = +32%

RR = +23%

QoQ = +4%

RR = +6%



■ MFRS 15 Adjustments ■ One-off Global Bandwidth and other non-recurring contracts ■ Data, Data Centre, Voice and Others

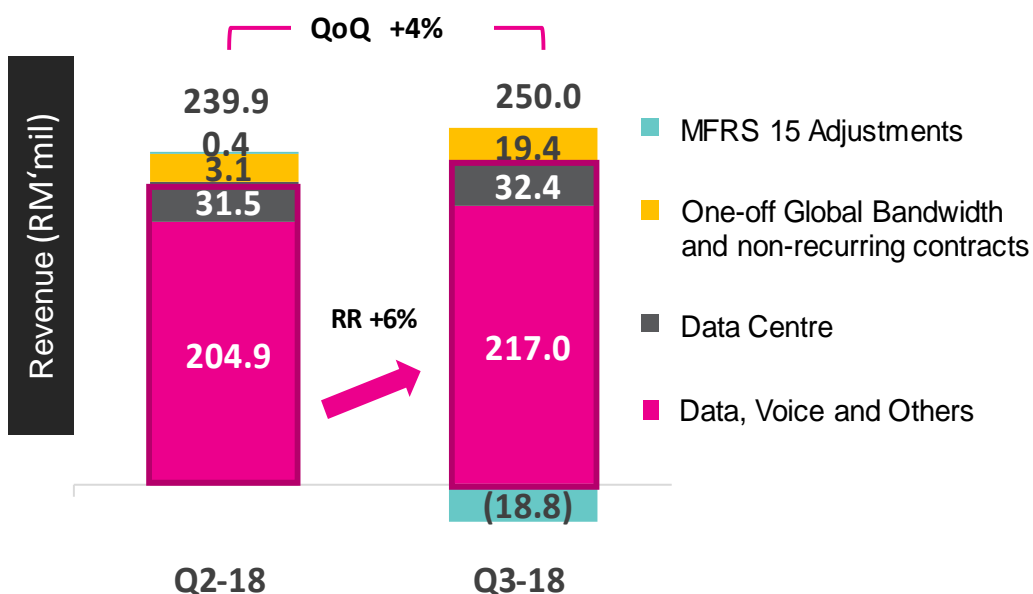
- **Overall recurring revenues** (excluding one-off Global Bandwidth and other non-recurring contract revenues) from data, data centre, voice and other businesses **grew 6% QoQ** and **23% YoY**
- **One-off non recurring global bandwidth sales** of **RM19.4m** were recorded in Q3 2018 mainly from capacity sales from submarine cable systems and domestic terrestrial cable system under pre-MFRS 15 requirements. **Revenue growth** (pre-MFRS 15) would have been **32% YoY**

Note : 1)Y-o-Y's variance is done by excluding the impact of MFRS 15 for better comparability while Q-o-Q variances are done after adjusting for MFRS 15 requirements

RR: Recurring revenues

ANALYSIS: QUARTER-ON-QUARTER

RM'mil	Actual As reported under MFRS 15 Q2 2018	Actual As reported under MFRS 15 Q3 2018	QoQ Variance
REVENUE	239.9	250.0	+4%
PROFIT BEFORE TAXATION (PBT)	68.5	82.6	+20%
Adjustments:			
Impairment loss in investment in associates	4.0	-	
Allowance for doubtful debts for advances to associate	5.5	-	
Forex gain	(4.7)	(9.1)	
Total	4.8	(9.1)	
ADJUSTED PBT	73.3	73.5	0%

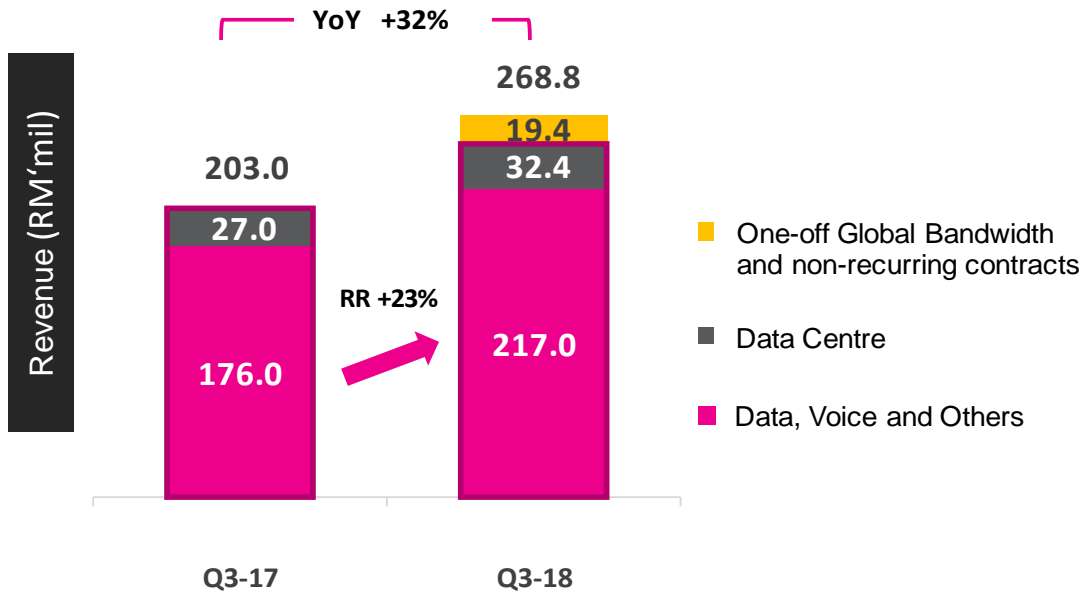


- Q3 2018 revenue was up 4% QoQ from sales to all customer groups, led by retail customers.
- Positive results continued to be seen from broadband sales to home users. Growth in retail sales contributed 11% QoQ while enterprise and wholesale sales contributed 4% and 2% QoQ respectively to overall increase of revenues.
- One-off non-recurring contract revenue amounting to RM3.1m had been recognised from data centre sales in Q2 2018.
- Excluding one-off non-recurring contract revenues from Q2 2018, the Group would have recorded an increase of 6% from all core product segments.
- Adjusted PBT in Q3 2018 recorded a marginal increase of RM0.2m compared to the adjusted PBT of Q2 2018.

ANALYSIS: YEAR-ON-YEAR

RM'mil

	Actual Pre-MFRS 15 Q3 2017	Actual Pre-MFRS 15 Q3 2018	YoY Variance	MFRS Adjustments Q3 2018	Actual As reported under MFRS 15 Q3 2018
REVENUE	203.0	268.8	+32%	(18.8)	250.0
PROFIT BEFORE TAXATION (PBT)	42.5	102.3	>100%	(19.7)	82.6
Adjustments:					
Gain on disposal of PPE (submarine cable pre-sale)	(2.5)	-			-
Forex loss/(gain)	6.1	(9.1)			(9.1)
Total	3.6	(9.1)			(9.1)
ADJUSTED PBT	46.1	93.2	>100%	(19.7)	73.5



- The Group completed **one-off non-recurring global bandwidth contracts** amounting to **RM19.4m** from **submarine cable** and **domestic terrestrial cable systems** in Q3 2018.
- Overall revenues**, including the one-off non-recurring global bandwidth sales (pre-MFRS 15) would have shown an **increase of 32% YoY**.
- Recurring revenues from **data** and **data centre businesses** grew **26%** and **20% YoY** respectively.
- Voice revenue declined 5% YoY** in Q3 2018 due to lower usage during the current quarter as compared to Q3 2017.
- The Group recorded **>100% increase in adjusted pre-MFRS 15 PBT** in Q3 2018 mainly due to **higher overall revenues (boosted by one-off non-recurring contract revenues)** on the back of **improved overall cost efficiencies, higher share of profit from investment in associates, lower allowances made for doubtful debts, despite higher depreciation, higher interest expense** as well as **lower interest income**.

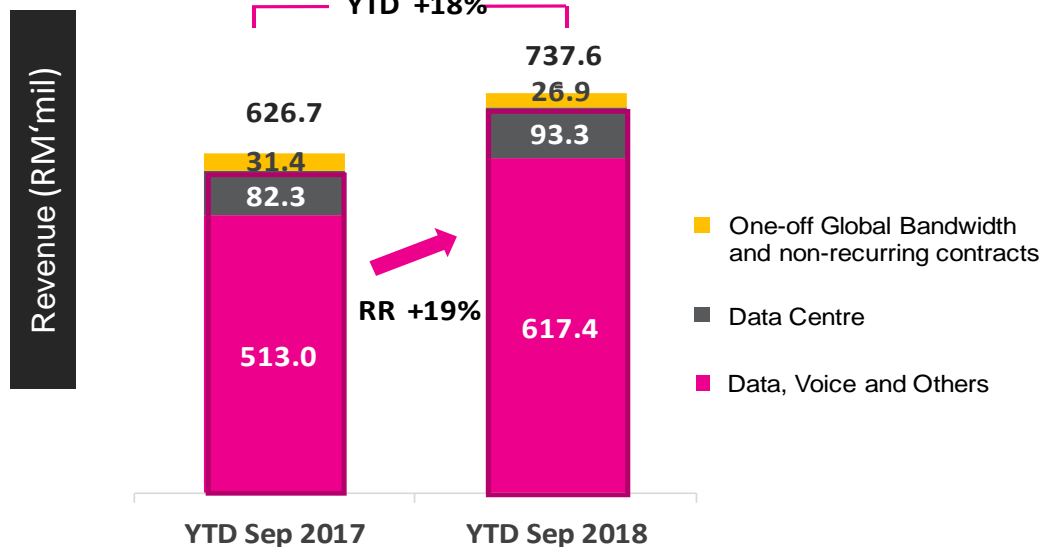
RR : Recurring revenues

Note : YTD variances to the previous year corresponding period is done excluding the impact of MFRS15 for better comparability.

ANALYSIS: YTD SEP 2018

RM'mil

	Actual Pre-MFRS 15 YTD Sep 2017	Actual Pre-MFRS 15 YTD Sep 2018	YTD Variance	MFRS Adjustments YTD Sep 2018	Actual As reported under MFRS 15 YTD Sep 2018
REVENUE	626.7	737.6	+18%	(17.0)	720.6
PROFIT BEFORE TAXATION (PBT)	135.9	225.6	+66%	(8.5)	217.1
Adjustments:					
Gain on disposal of PPE (submarine cable pre-sale)	(2.5)	-			-
Impairment loss in investment in associates	-	4.0			4.0
Allowance for doubtful debts for advances to associate	-	7.2			7.2
PPE written off	2.7	-			-
Forex loss/(gain)	17.6	(10.3)			(10.3)
Total	17.8	0.9			0.9
ADJUSTED PBT	153.7	226.5	+47%	(8.5)	218.0






- The Group recorded **one-off non-recurring contract revenues** amounting to **RM26.9m in YTD Sep 2018** (YTD Sep 2017: RM31.4m). Excluding these, **recurring revenues (pre-MFRS 15)** would have **grown 19%** in YTD Sep 2018.
- Recurring revenues (pre-MFRS 15) from data and data centre businesses grew 25% and 13% YoY** respectively in YTD Sep 2018.
- Voice revenue declined 16% YoY** due to lower usage in YTD Sep 2018.
- All core customer groups contributed positively** to overall recurring revenues growth, with the largest revenue growth contribution coming from **retail customers** which **grew 72%** followed by **wholesale** and **enterprise** with growth of **14%** and **9% YoY** respectively.
- Adjusted PBT (pre-MFRS 15)** in YTD Sep 2018 recorded an **increase of 47%** mainly contributed by **higher overall revenues on the back of improved overall cost efficiencies, higher share of profit from investment in associates, despite higher depreciation, higher interest expense, higher allowances made for doubtful debts and lower interest income.**

RR : Recurring revenues

Note : YTD variances to the previous year corresponding period is done excluding the impact of MFRS15 for better comparability.

UPDATE: ASEAN

RM ' million

		VIETNAM	THAILAND	
				
YTD Sep 2018		45.27%	49.00%	46.84%
As reported by investee	Revenue	179.6	12.3	124.6
	Profit/(Loss) After Tax	13.5	(2.2)	6.1
TIME's shares in proportion to its interest	Share of Profit/(Loss) on Investment of Associates	6.1	(0.8) ^{N1}	3.3 ^{N2}
Total Share of Profit on Investment of Associates		8.6		

Note : 1) The Group no longer shares losses from KIRZ in Q3 2018 as the investment value has been fully impaired in Q2 2018
 2) Includes share of post-acquisition profits from SYMC (i.e from 9th November to 31st December 2017) not taken up in Q4-17 which was deemed as immaterial.

PERFORMANCE: Q3 2018

RM 'million	Q3 2018 As reported under MFRS15	MFRS 15 adjust- ments	Q3 2018 Pre-MFRS15	Q3 2017 Pre-MFRS15	Y-o-Y Variance	Q2 2018 As reported under MFRS15	Q-o-Q Variance
Revenue	250.0	18.8	268.8	203.0	+ 32%	239.9	+ 4%
EBITDA	112.9	18.2	131.1	68.6	+ 91%	98.6	+ 15%
<i>Adjusted EBITDA</i>	<i>103.8</i>	<i>18.2</i>	<i>122.0</i>	<i>72.2</i>	<i>+ 69%</i>	<i>103.4</i>	<i>+ 0%</i>
PBT	82.6	19.7	102.3	42.5	> 100%	68.5	+ 20%
<i>Adjusted PBT</i>	<i>73.5</i>	<i>19.7</i>	<i>93.2</i>	<i>46.1</i>	<i>> 100%</i>	<i>73.3</i>	<i>+ 0%</i>
EBITDA Margin	45%		49%	34%	+ 15 pps	41%	+ 4 pps
<i>Adjusted EBITDA Margin</i>	<i>42%</i>		<i>45%</i>	<i>36%</i>	<i>+ 9 pps</i>	<i>43%</i>	<i>- 1 pps</i>
PBT Margin	33%		38%	21%	+ 17 pps	29%	+ 4 pps
<i>Adjusted PBT Margin</i>	<i>29%</i>		<i>35%</i>	<i>23%</i>	<i>+ 12 pps</i>	<i>31%</i>	<i>- 2 pps</i>
EPS (Sen)	13.71		17.09	4.86	+ 12.23 sen	11.17	+ 2.54 sen
<i>Adjusted EPS (Sen)</i>	<i>12.15</i>		<i>15.53</i>	<i>5.48</i>	<i>+ 10.05 sen</i>	<i>11.99</i>	<i>+ 0.16 sen</i>

Note : 1) Adjusted EBITDA, Adjusted PBT and Adjusted EPS excludes forex impact, impairment of investment, and other one off adjustments.

2) Y-o-Y variances to the previous year corresponding period is done excluding the impact of MFRS15 for better comparability.

3) Q-o-Q variances are determined post adjustments for MFRS 15.

PERFORMANCE: YTD SEP 2018

RM 'million	YTD Sep 2018 As reported under MFRS15	MFRS 15 adjustments	YTD Sep 2018 Pre -MFRS15	YTD Sep 2017 Pre-MFRS15	YTD Variance
Revenue	720.6	17.0	737.6	626.7	+ 18%
EBITDA	305.6	4.3	309.9	211.3	+ 47%
Adjusted EBITDA	306.5	4.3	310.8	229.0	+ 36%
PBT	217.1	8.5	225.6	135.9	+ 66%
Adjusted PBT	218.0	8.5	226.5	153.6	+ 47%
EBITDA Margin	42%		42%	34%	+ 8 pps
Adjusted EBITDA Margin	43%		42%	37%	+ 5 pps
PBT Margin	30%		31%	22%	+ 9 pps
Adjusted PBT Margin	30%		31%	25%	+ 6 pps
EPS (Sen)	35.71		37.17	20.23	16.94 sen
Adjusted EPS (Sen)	35.87		37.33	23.30	14.03 sen

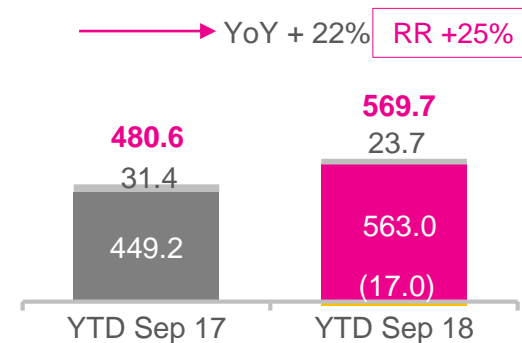
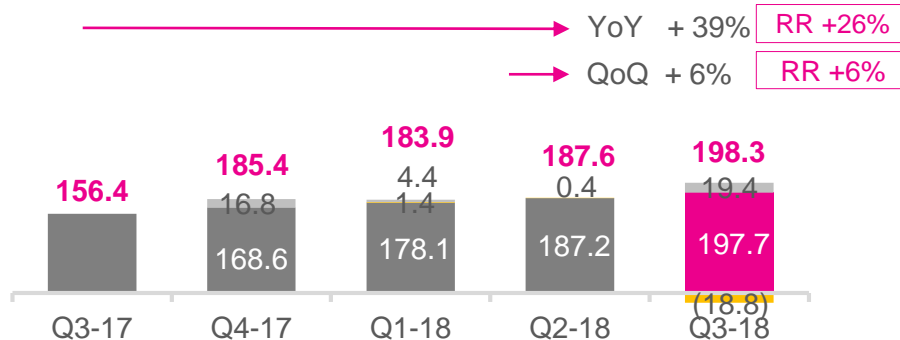
Note : 1) Adjusted EBITDA, Adjusted PBT and Adjusted EPS excludes forex impact, PPE written off, impairment of invenstment and other one off adjustments.

2) YTD variances to the previous year corresponding period is done excluding the impact of MFRS15 for better comparability.

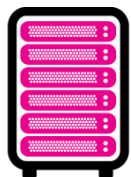
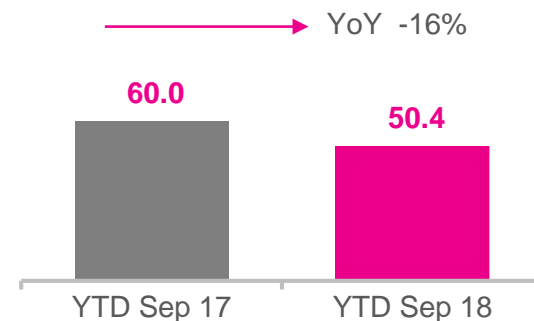
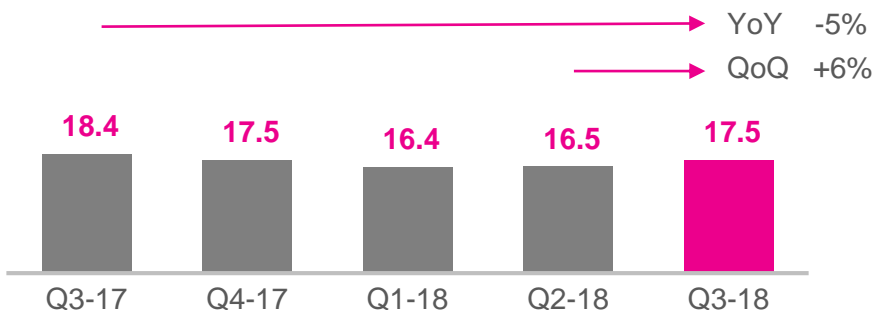
REVENUE GROWTH: BY PRODUCT



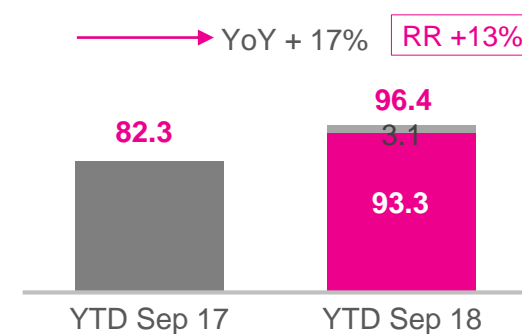
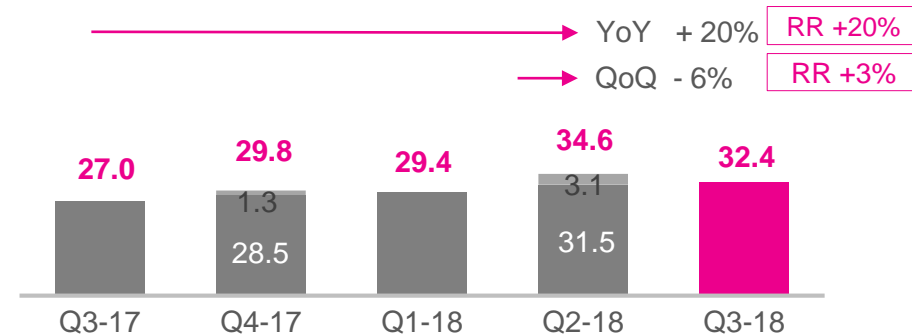
Data



Voice



Data Centre



Note: Numbers are in RM millions

Legend : ■ Recurring ■ Non-recurring ■ MFRS15 Adjustments

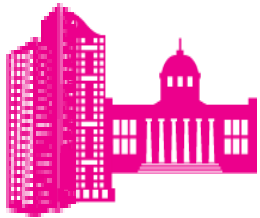
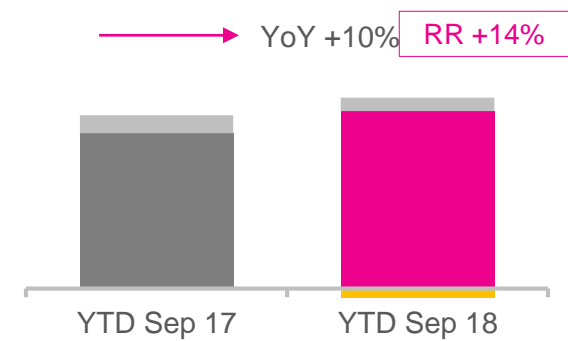
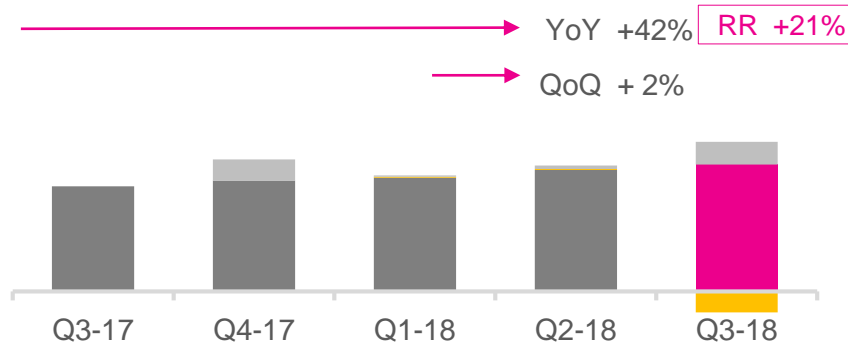
RR: Recurring revenues

Note : 1) YoY variances to previous year corresponding periods are done excluding the impact of MFRS15 for better comparability.
2) QoQ variances are determined post adjustments for MFRS 15.

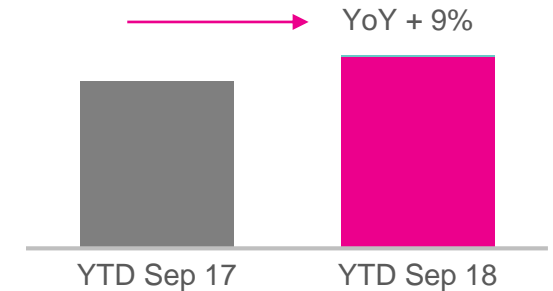
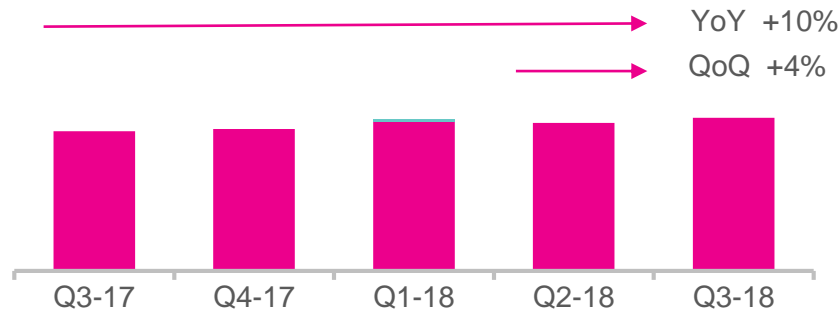
REVENUE GROWTH: BY SEGMENT



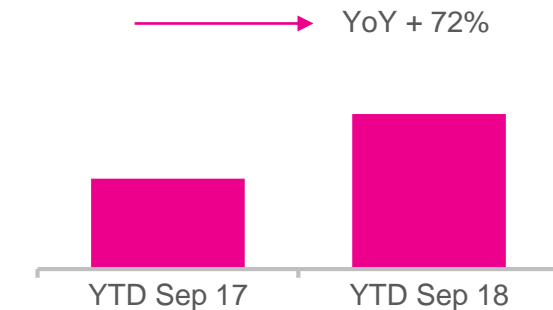
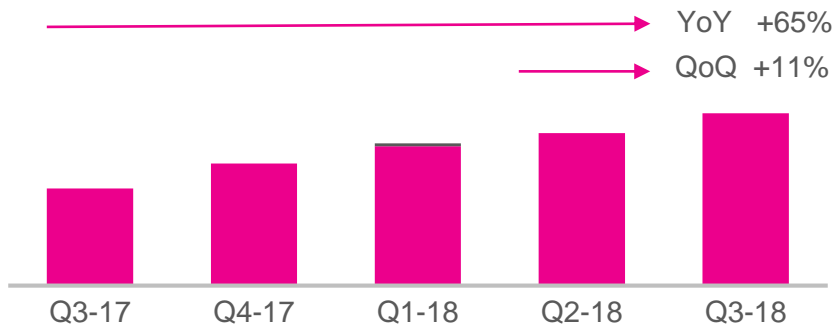
Wholesale



Enterprise



Retail

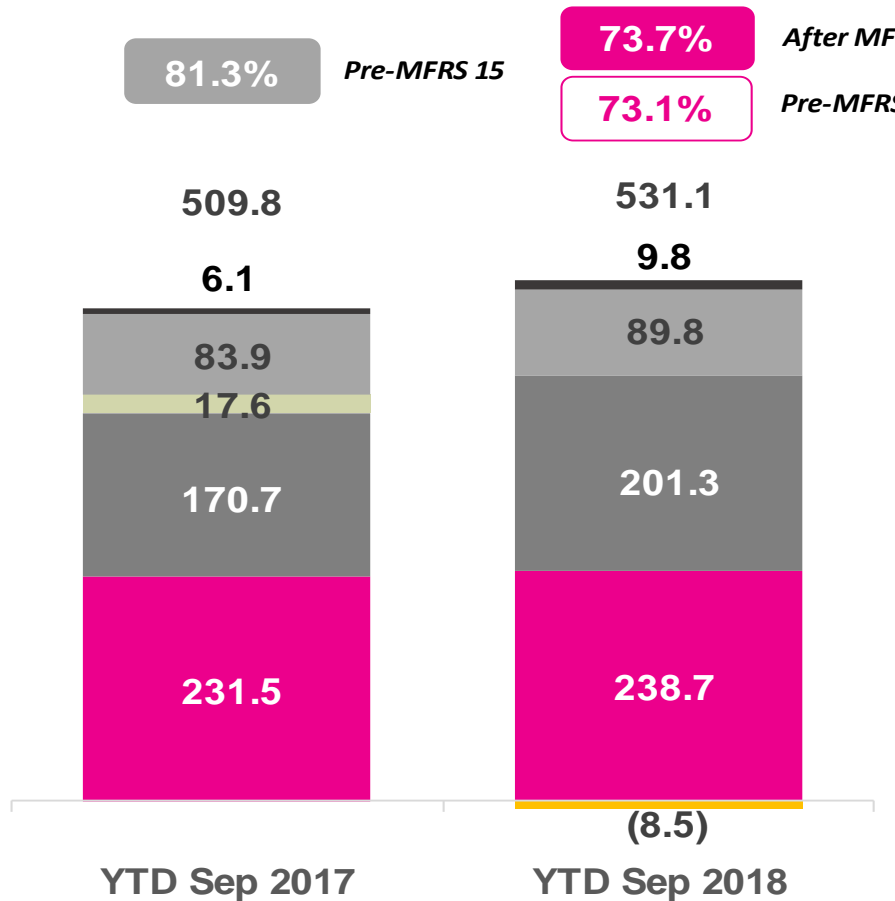


RR: Recurring revenues

Legend : Recurring Non-recurring MFRS15 Adjustments

Note : 1) YoY variances to previous year corresponding periods are done excluding the impact of MFRS15 for better comparability.
2) QoQ variances are determined post adjustments for MFRS 15.

CONSOLIDATED COST TO REVENUE %



- Finance Expense (pre-MFRS 15)
- Depn & Amortisation
- Net foreign exchange loss
- OPEX (pre-MFRS 15)
- COS (pre-MFRS 15)
- MFRS 15 Adjustments

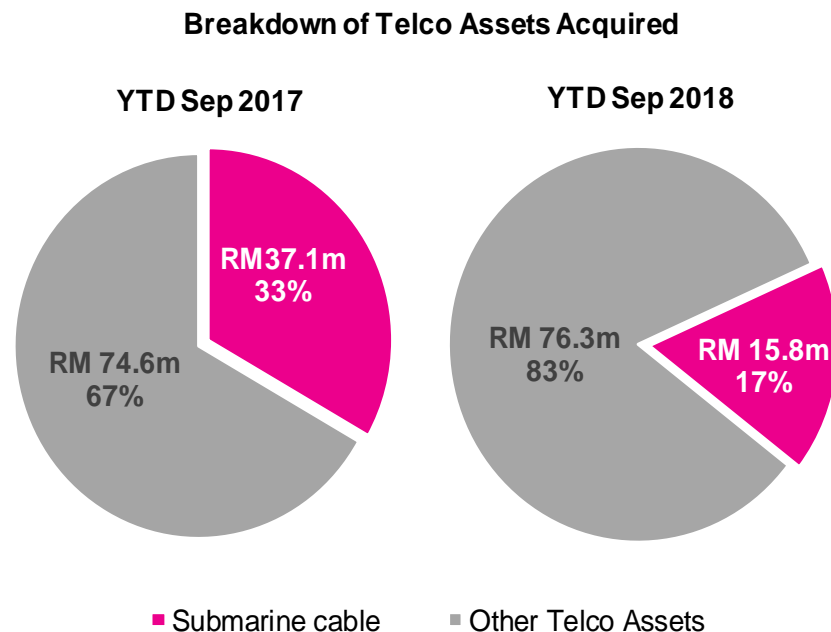
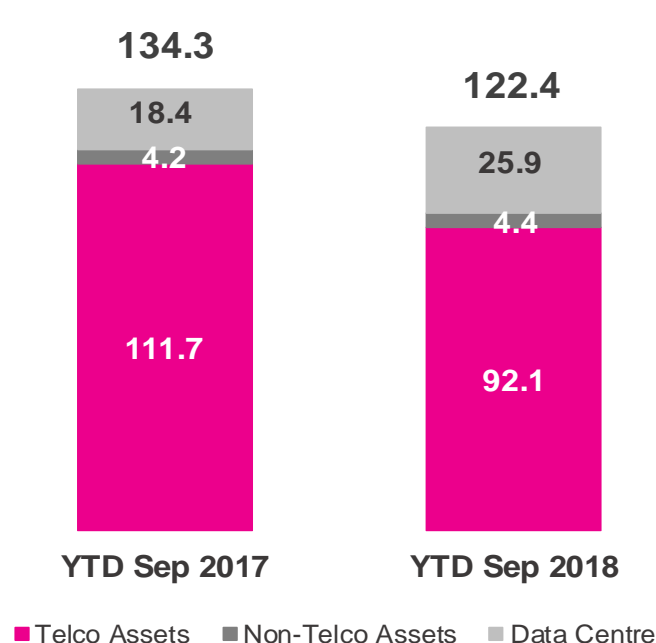
After MFRS 15

Pre-MFRS 15

MFRS 15 which was adopted, w.e.f 1 Jan 2018, required subscriber acquisition costs to be capitalised and amortised over the contract duration. **The adjustments made in compliance with MFRS 15** had the **effect of reducing overall costs** of the Group **by RM8.5m.**

- Included in costs in YTD Sep 2017 was a net foreign exchange loss of RM17.6m. **Excluding the net foreign exchange loss**, the **adjusted Cost to Revenue %** for **YTD Sep 2017** would have been **78.5%.**
- Included in OPEX for **YTD Sep 2018** is a **provision for impairment loss in investment in KIRZ (RM4.0m)** and an **allowance for doubtful debts (RM7.2m)** made for advances to KIRZ. **Excluding the above**, the **adjusted Cost to Revenue %** for **YTD Sep 2018** would have been **71.6% (pre-MFRS 15)** and **72.1% (post MFRS 15)**
- The overall improvement in costs is primarily due to **improved overall cost efficiencies** and **better cost management** in the current period.

CAPITAL EXPENDITURE: YTD SEP 2018



- 75% of total YTD Sep 2018 capital expenditure was spent on telco assets.
- YTD Sep 2018 expenditure incurred on telco assets was mainly to expand domestic network coverage and to upgrade TIME's existing network infrastructure.
- RM15.8m was spent on submarine cable systems in YTD Sep 2018.
- Network coverage spend YTD Sep 2018 was slower than expected. The Group expects to catch up spending in Q4 2018.
- The Group has also made CAPEX commitments of RM327.1m to be spent mainly on improving its network capabilities and increase its coverage areas.

MOVING FORWARD

1

Grow retail market share by capitalizing on the Group's new home broadband plans. The new competitively priced plans may result in some short term margin compression but such impact is expected to be cushioned by an increase in sales volumes

2

Continue to fulfill Group's commitment to deliver fast and unparalleled quality network experience to our customers

3

Expand the Group's coverage footprint throughout Malaysia and strengthen the backbone of our core domestic fibre network, whilst continuing to enhance operational and cost efficiencies within the Group

4

Grow the Group's current data centre ecosystem of customers to include interconnected players from various industries while at the same time expanding its market presence regionally

5

Work with the Group's partners in Thailand, Vietnam and Cambodia to integrate their networks with the Group's Malaysian network to obtain operational synergies and to create a seamless regional telecommunications network across Indochina, Malaysia and Singapore

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.

Thank You

Should you have any queries, please contact::

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 I Fax: +603-5032 6100 I www.time.com.my