

# Q2 2023 PERFORMANCE GUIDE

18 August 2023

time™

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## Solid revenue growth and profitability in Time's core business

### Sustained Growth

- Solid revenue growth across all segments, led by Retail
- Continued strong momentum in Data revenue, with Cloud tracking positively

### Strong Fundamentals

- Significant one-offs in Q2 2023, but strong profitability maintained after adjusting for one-offs and gain from divestment of stake in AIMS
- Strong balance sheet

## Special Interim Dividend of 16.25 sen per ordinary share or total payout of RM300.1 million

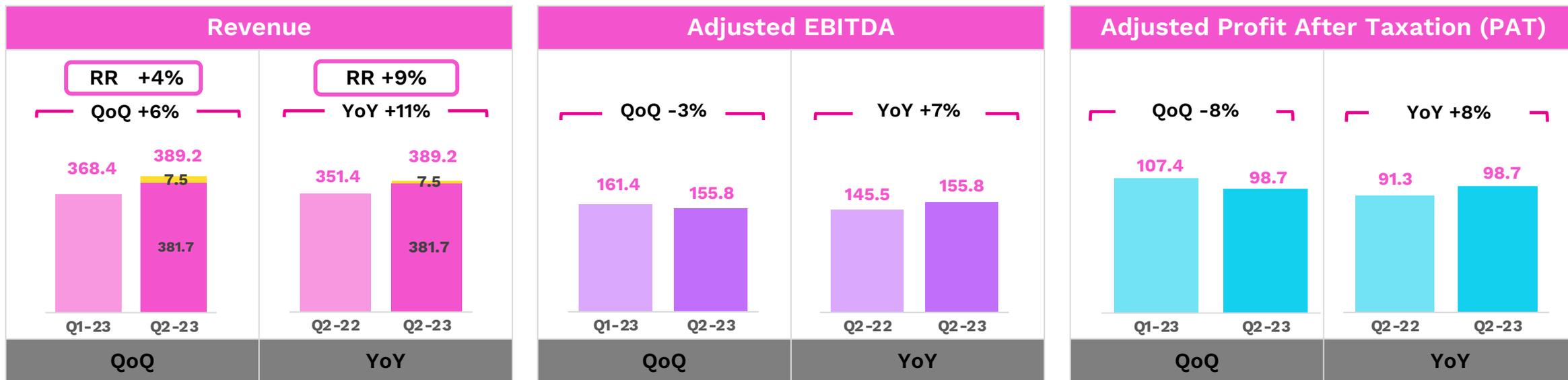
In light of the Group's strong profitability, healthy cash balance, and in line with our balance sheet optimisation programme, the Board is pleased to declare a Special Interim Dividend of 16.25 sen per ordinary share



## Something to note:

- Pursuant to the completion of divestment of stakes in AIMS Data Centre Holdings Sdn Bhd and AIMS Thailand (“AIMS Group”), the Group reports the financial results of AIMS up to 20 April 2023 as Discontinued Operations and thereafter as a Share of profits in a joint venture
- For purposes of comparability, the financial performance of TIME Group is presented on a non-consolidated basis for the results of the AIMS Group, which are presented under “Profits from Discontinued Operations” up to 20 April 2023 and subsequently as Share of Profit from Associates and Joint Ventures based on Time’s remaining 30% economic interests in AIMS Group
- Our basis of presentation therefore differs from the prior period where the financial performance of the AIMS Group was presented on a consolidated basis pending the completion of the divestment of stakes in the AIMS Group

# GROUP PERFORMANCE HIGHLIGHTS



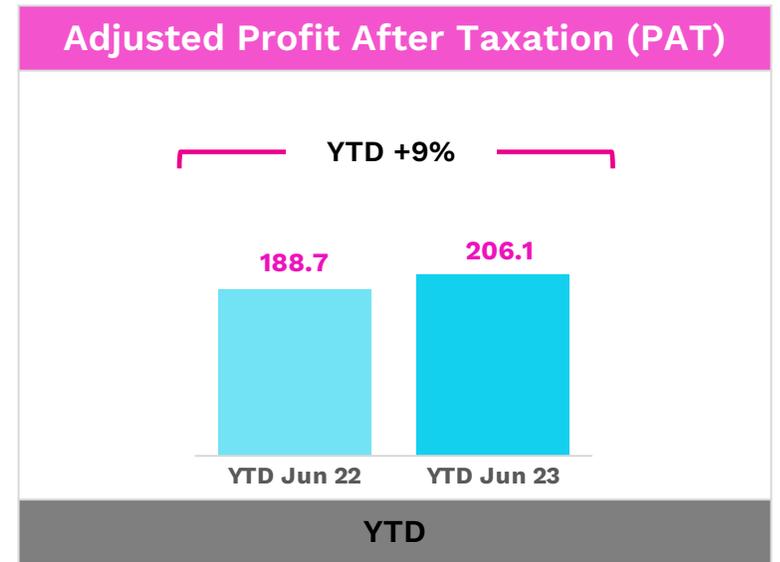
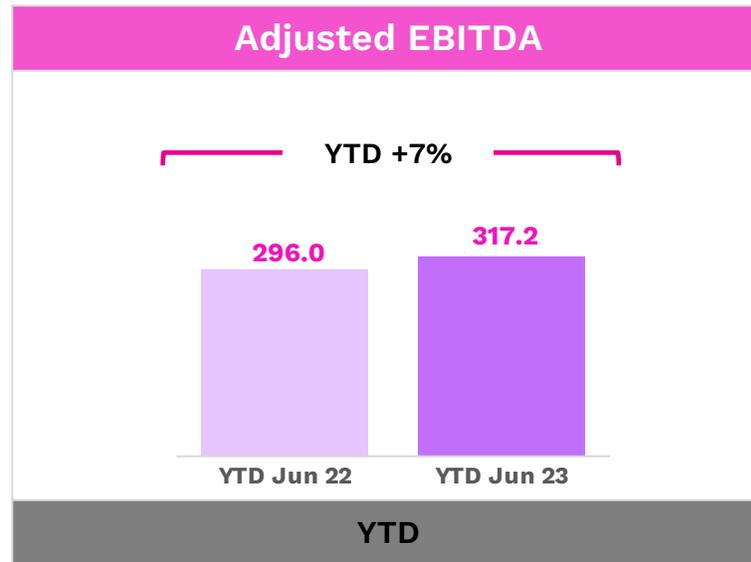
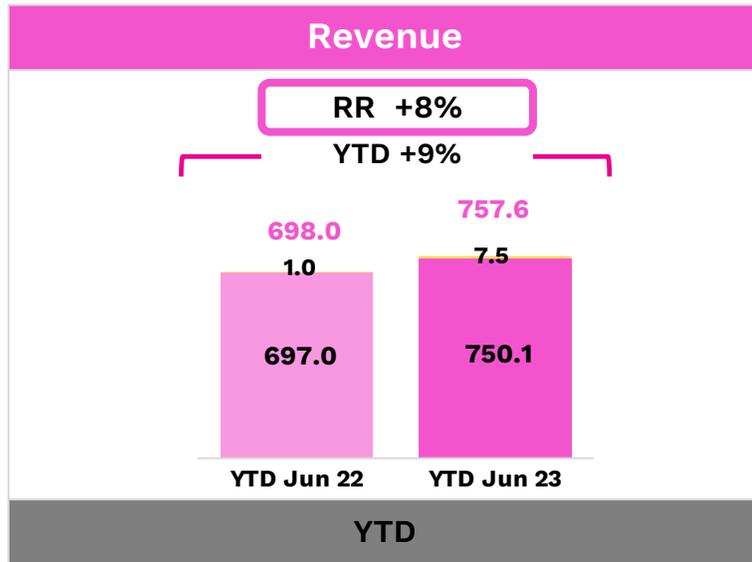
■ One-off non-recurring revenues RR Recurring revenues

**QoQ**

- +4% increase in recurring revenue was primarily driven by retail, wholesale and followed by enterprise customers
- Adjusted PAT reduced by 8% mainly due to higher provisions, development related expenses and allowance for doubtful debts, offset with higher interest income

**YoY**

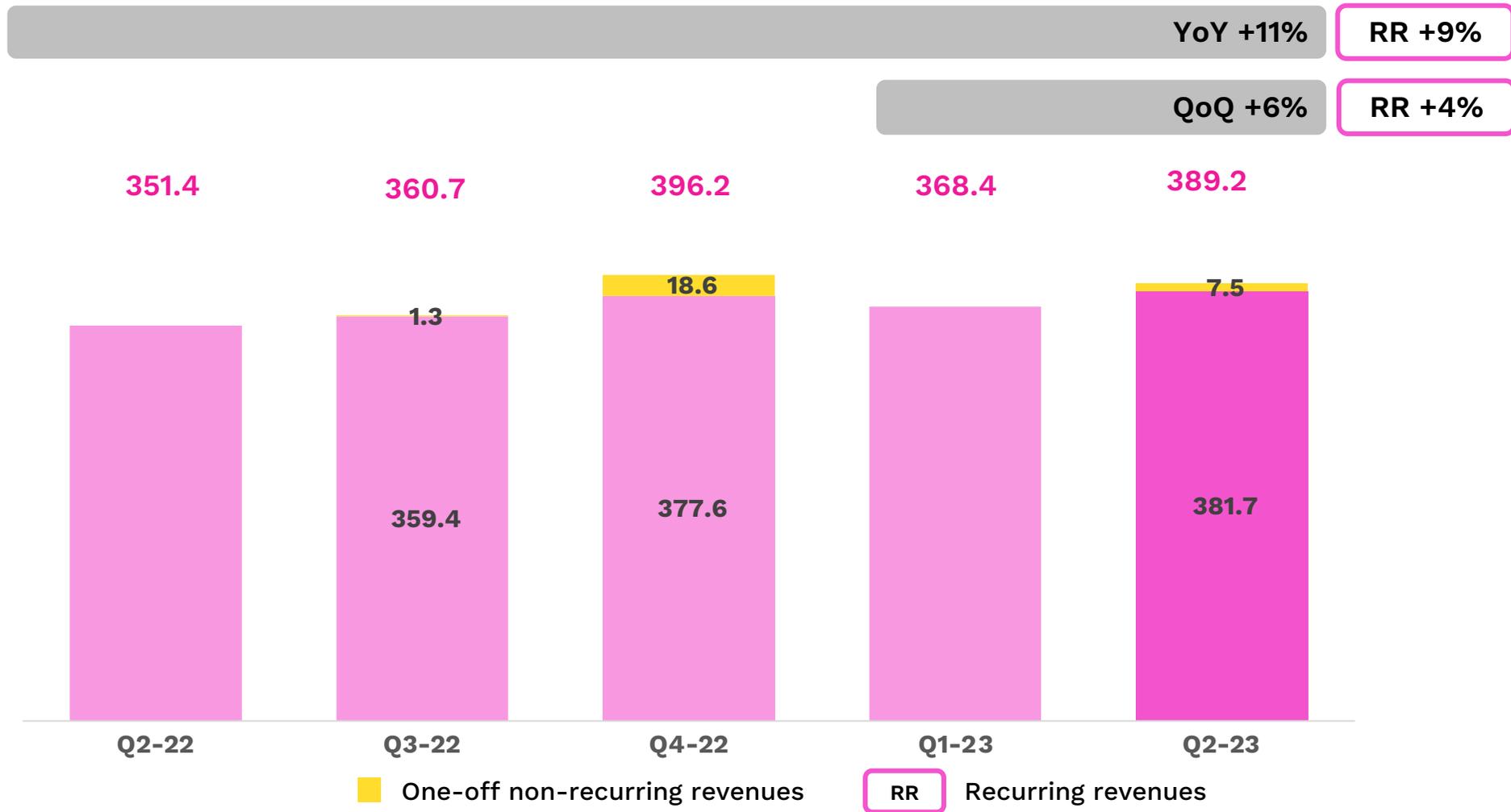
- +9% increase in recurring revenue was primarily driven by retail, followed by enterprise and wholesale customers
- Adjusted PAT increased by 8% mainly due to growth of revenue, higher interest income and higher share of profit from associates



■ One-off non-recurring revenues 
 RR Recurring revenues

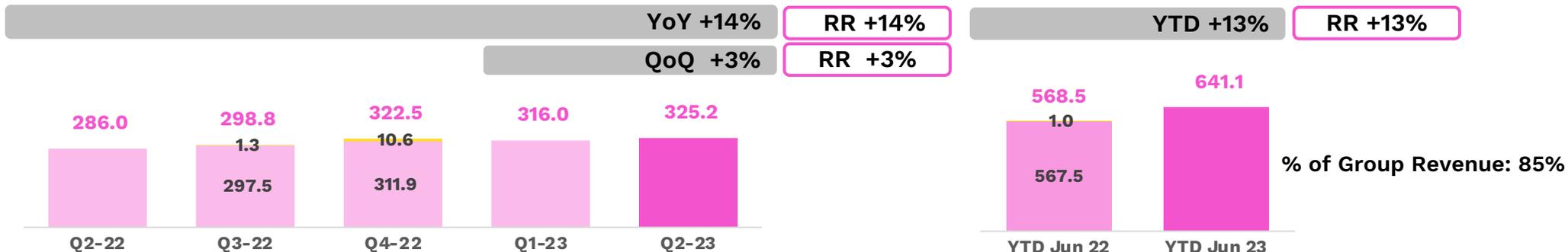
**YTD**

- +8% increase in recurring revenue was mainly attributable to retail and enterprise customers
- Adjusted PAT increased by 9% mainly due to growth of overall revenue, higher interest income and share of profit from associates, offset with higher depreciation and amortisation

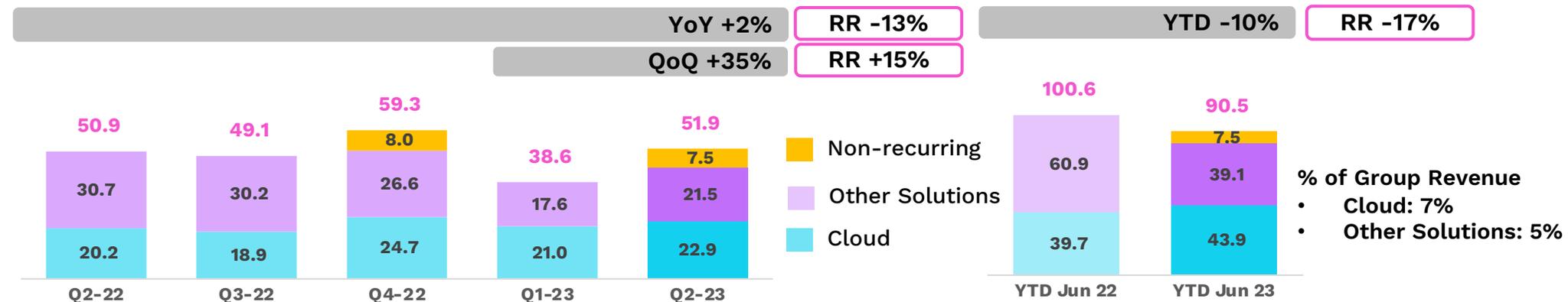


Note: Numbers are in RM millions

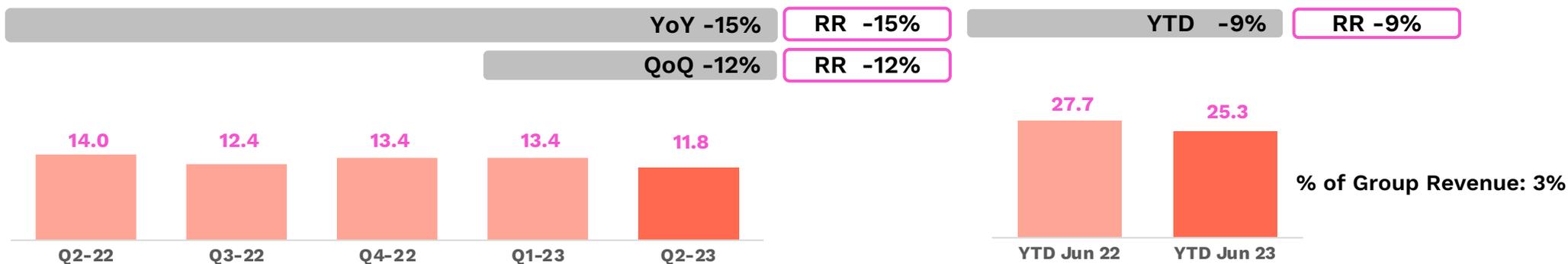
DATA



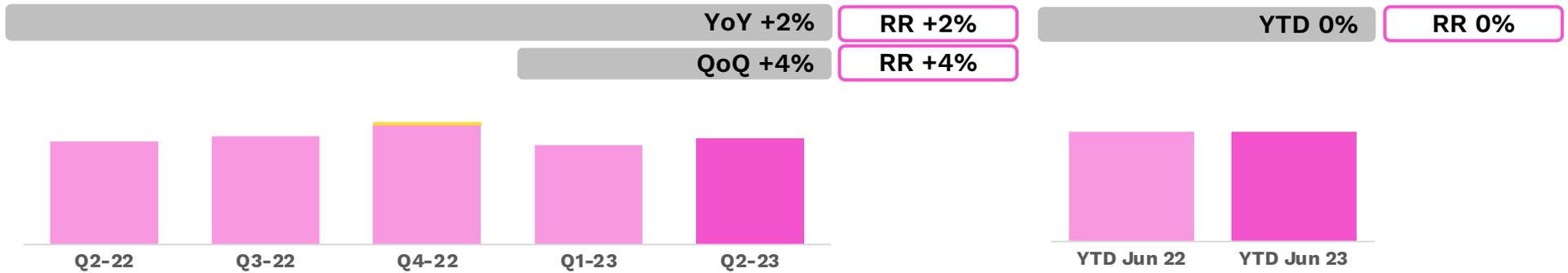
CLOUD & OTHER SOLUTIONS



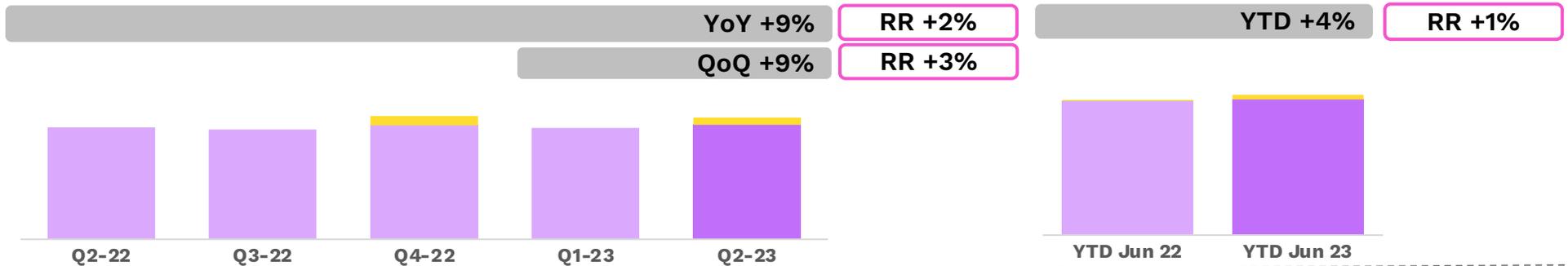
VOICE



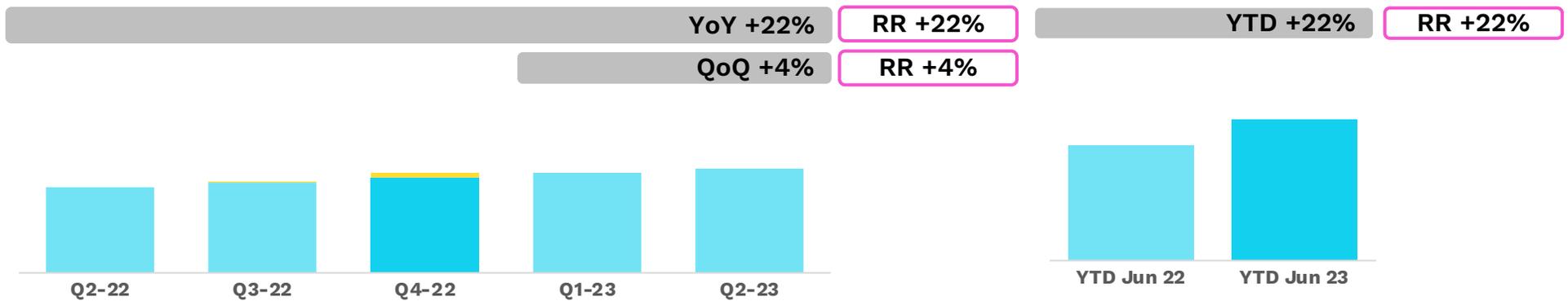
## WHOLESALE



## ENTERPRISE



## RETAIL



Expenses: By Category

Q2 2023 Performance Guide

Cost % of Revenue

70.5%

69.4%

65.4%

68.6%

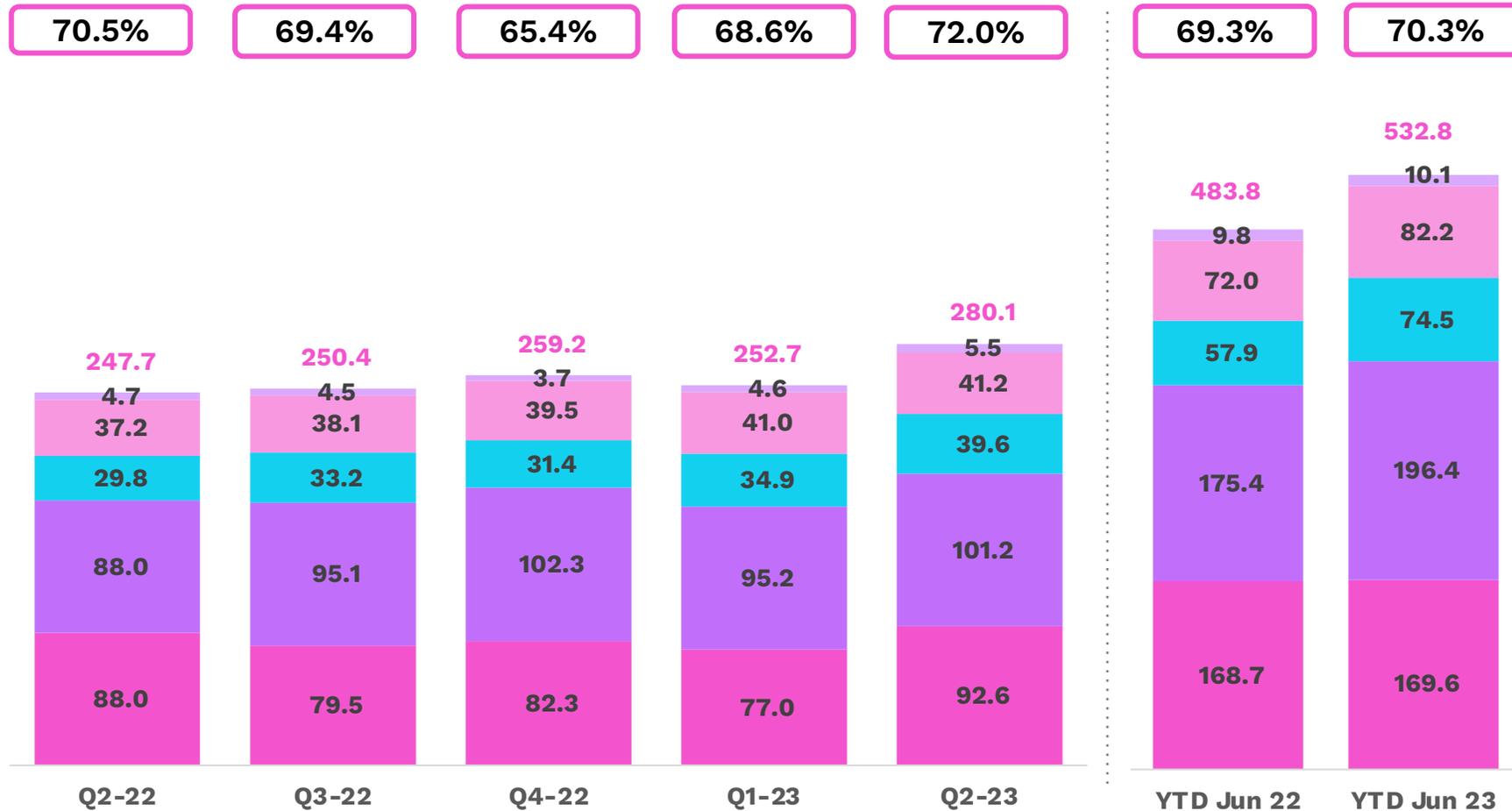
72.0%

69.3%

70.3%

Total Cost (RM' million)

- Finance expense
- Depreciation & amortisation
- Customer acquisition and related costs
- OPEX excluding foreign exchange
- Network and other related cost of sales



Notes:

- 1) The total cost excludes:
  - significant one-offs for the quarter (to normalise reporting of expenses)
  - net foreign exchange loss/(gain)
- 2) Numbers are in RM million

RM' million	Q2-22	Q1-23	Q2-23	QoQ %	YoY%	YTD Jun 22	YTD Jun 23	YTD%
<b>Revenue</b>	351.4	368.4	389.2	+6%	+11%	698.0	757.6	+9%
<b>EBITDA</b>	173.2	168.4	68.5	-59%	-60%	317.6	236.9	-25%
<b>Adjusted EBITDA</b>	145.5	161.4	155.8	-3%	+7%	296.0	317.2	+7%
<b>Profit Before Tax</b>	138.4	132.2	35.2	-73%	-75%	251.0	167.4	-33%
<b>Adjusted PBT</b>	110.5	125.2	128.6	+3%	+16%	229.2	253.8	+11%
<b>Profit After Tax</b>	119.2	114.4	2,264.7	+>100%	+>100%	210.5	2,379.1	+>100%
<b>Adjusted PAT</b>	91.3	107.4	98.7	-8%	+8%	188.7	206.1	+9%

Note: Refer to next page for EBITDA, PBT and PAT adjustments

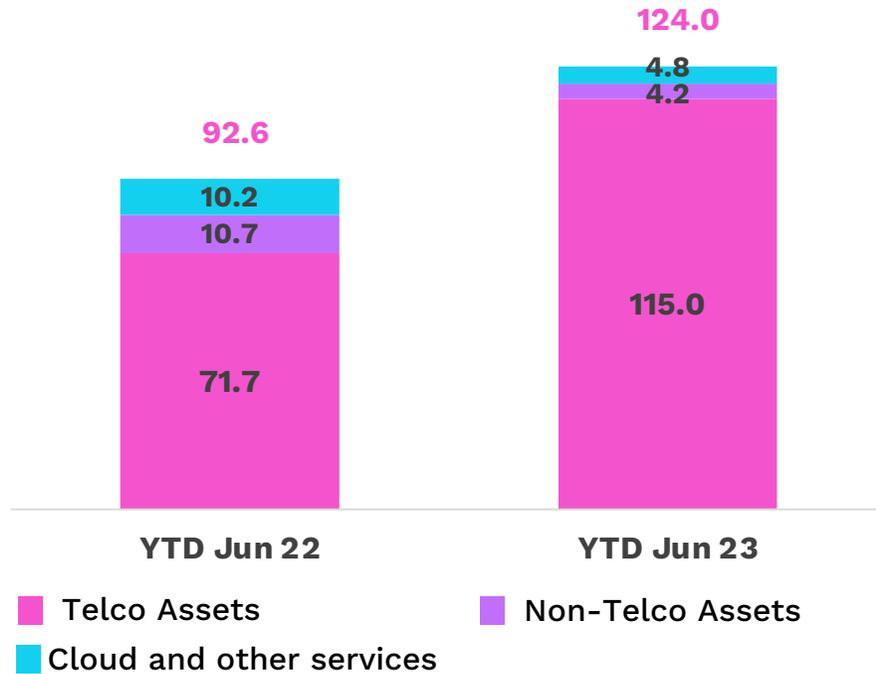
RM' million	Q2-22	Q1-23	Q2-23	QoQ %	YoY%	YTD Jun 22	YTD Jun 23	YTD%
<b>EBITDA</b>	173.2	168.4	68.5	-59%	-60%	317.6	236.9	-25%
<b>Profit Before Taxation (PBT)</b>	138.4	132.2	35.2	-73%	-75%	251.0	167.4	-33%
<b>Profit After Taxation (PAT)</b>	119.2	114.4	2,264.7	+>100%	+>100%	210.5	2,379.1	+>100%
<b>Adjustments on EBITDA</b>								
<i>Donation for flood relief</i>	0.3	-	-			1.3	-	
<i>Forex (gain)</i>	(26.7)	(7.0)	(15.7)			(22.7)	(22.7)	
<i>Construction deposit/PPE/inventory written off</i>	-	-	21.9			1.1	21.9	
<i>Provision for impairment of submarine cable</i>	-	-	27.7			-	27.7	
<i>Gain on disposal of PPE</i>	(1.3)	-	-			(1.3)	-	
<i>Adjustment for expired share grant scheme</i>	-	-	27.3			-	27.3	
<i>AIMS transaction related one-offs</i>	-	-	26.1			-	26.1	
<b>Total adjustments on EBITDA</b>	(27.7)	(7.0)	87.3			(21.6)	80.3	
<b>Adjusted EBITDA</b>	145.5	161.4	155.8	-3%	+7%	296.0	317.2	+7%

RM' million	Q2-22	Q1-23	Q2-23	QoQ %	YoY%	YTD Jun 22	YTD Jun 23	YTD%
<b>EBITDA</b>	173.2	168.4	68.5	-59%	-60%	317.6	236.9	-25%
<b>Profit Before Taxation (PBT)</b>	138.4	132.2	35.2	-73%	-75%	251.0	167.4	-33%
<b>Profit After Taxation (PAT)</b>	119.2	114.4	2,264.7	+>100%	+>100%	210.5	2,379.1	+>100%
<b>Adjustments on PBT</b>								
<i>Dividend income</i>	(0.2)	-	-			(0.2)	-	
<i>Accelerated depreciation</i>	-	-	6.1			-	6.1	
<b>Total adjustments on PBT</b>	(0.2)	-	6.1			(0.2)	6.1	
<b>Adjustments on PAT</b>								
<i>AIMS transaction related fees</i>	-	-	40.2			-	40.2	
<i>Gain from divestment of AIMS</i>	-	-	(2,299.6)			-	(2,299.6)	
<b>Total adjustments on PAT</b>	-	-	(2,259.4)			-	(2,259.4)	
<b>Adjusted PBT</b>	110.5	125.2	128.6	+3%	+16%	229.2	253.8	+11%
<b>Adjusted PAT</b>	91.3	107.4	98.7	-8%	+8%	188.7	206.1	+9%

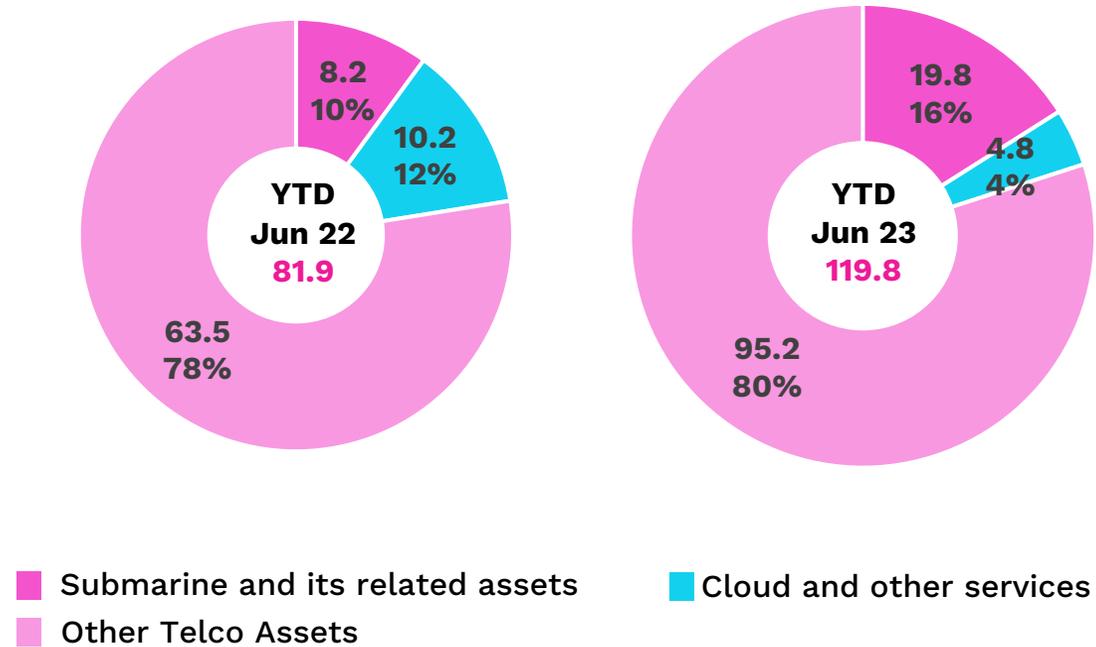
Margins	Q2-22	Q1-23	Q2-23	QoQ %	YoY %
<b>EBITDA %</b>	49%	46%	18%	-28 pps	-31 pps
<b>Adjusted EBITDA %</b>	41%	44%	40%	-4 pps	-1 pps
<b>Profit Before Taxation %</b>	39%	36%	9%	-27 pps	-30 pps
<b>Adjusted PBT %</b>	31%	34%	33%	-1 pps	+2 pps
<b>Profit After Taxation %</b>	34%	31%	582%	+>100 pps	+>100 pps
<b>Adjusted PAT %</b>	26%	29%	25%	-4 pps	-1 pps
<b>EPS</b>	6.48 sen	6.23 sen	123.08 sen	+116.85 sen	+116.60 sen
<b>Adjusted EPS</b>	4.95 sen	5.85 sen	5.27 sen	-0.58 sen	+0.32 sen

YTD Jun 22	YTD Jun 23	YTD %
45%	31%	-14 pps
42%	42%	0 pps
36%	22%	-14 pps
33%	34%	+1 pps
30%	314%	+>100 pps
27%	27%	0 pps
11.44 sen	129.32 sen	+117.88 sen
10.25 sen	11.12 sen	+0.87 sen

Capex Breakdown



Breakdown of Telco Assets



- 80% of capital expenditure was spent on telco assets to expand domestic and regional network coverage and upgrade Time’s existing network infrastructure
- 16% was spent on submarine cables and related investments
- 4% was spent on Cloud and other services

Note: Numbers are in RM millions

RM' million	As at 30 Jun 22	As at 30 Jun 23
Net cash inflow from Operating Activities	297.2	318.4
Net cash (used in)/generated from Investing Activities	(126.2)	1,891.0
<b>Net cash inflow from Operating and Investing Activities</b>	<b>171.0</b>	<b>2,209.4</b>
Net cash used in Financing Activities <sup>N1</sup>	(270.4)	(1,112.9)
<b>Net (decrease)/increase in cash balance</b>	<b>(99.4)</b>	<b>1,096.5</b>
Exchange effects on cash balance	3.8	3.8
Cash balance at beginning of period	796.1	484.6
Transfer to asset held for sale	(76.3)	-
<b>Cash balance at end of period</b>	<b>624.2</b>	<b>1,584.9</b>
Acquisition of capex	(133.2)	(148.0)
<b>Free Cash Flow (Operating CF - Capex)</b>	<b>164.0</b>	<b>170.4</b>

## Notes:

1) Included in financing activities are dividends paid out in Q1 2022 (RM240.1 million), Q1 2023 (RM270.1 million) and Q2 2023 (RM1.0 billion)

RM' million	As at 31 Dec 22	As at 30 Jun 23
<b>ASSETS</b>		
Non-current assets	2,380.3	3,120.2
Current assets (exclude cash)	1,324.5	606.8
Cash	484.6	1,584.9
<b>Total assets</b>	<b>4,189.4</b>	<b>5,311.9</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	1,418.6	1,425.2
Reserves	1,683.2	2,855.9
<b>Total equity attributable to owners of the Company</b>	<b>3,101.8</b>	<b>4,281.1</b>
Non-controlling interest	25.9	33.6
<b>Total equity</b>	<b>3,127.7</b>	<b>4,314.7</b>
Non-current liabilities	499.3	548.0
Current liabilities	562.4	449.2
<b>Total liabilities</b>	<b>1,061.7</b>	<b>997.2</b>
<b>Total equity and liabilities</b>	<b>4,189.4</b>	<b>5,311.9</b>
RM' million	As at 31 Dec 22	As at 30 Jun 23
EBITDA <sup>N1</sup>	652.1	571.4
Total Debt	29.6	18.0
Net Cash Position	455.0	1,566.9
Debt / EBITDA (times)	0.0x	0.0x
Debt / Equity (times)	0.0x	0.0x
Current ratio (times)	3.2x	4.9x

Note: 1) Based on EBITDA for last 12 months from continuing operations

				
<b>YTD JUN 23</b>		<b>30.00%</b>	<b>45.27%</b>	<b>46.84%</b>
<b>As Reported by Investee</b>	<b>Revenue</b>	<b>39.5</b>	<b>220.0</b>	<b>127.8</b>
	<b>Profit/(Loss) After Tax and Other Comprehensive Income</b>	<b>1.7</b>	<b>11.7</b>	<b>17.4</b>
<b>Time's Shares in Proportion To Its Interest</b>	<b>Share of Profit on Investment of Associates</b>	<b>0.5</b>	<b>5.3</b>	<b>8.1</b>
<b>Total Share of Profit on Investment of Associates</b>		<b>13.9</b>		

Notes:

1) Regarding AIMS:

- AIMS share of profits only reflects the May and June 2023 periods
- Pursuant to the completion of divestment of stakes in AIMS Data Centre Holdings Sdn Bhd and AIMS Thailand, the Group reports the financial results of AIMS up to 20 April 2023 as discontinued operations and thereafter as a share of profits in a joint venture
- The 30% holding is the underlying economic interest of Time in AIMS

2) Numbers are in RM millions

# OUTLOOK & PRIORITIES

**Continued Focus on Execution**

- Accelerate expansion of network footprint to meet customer demand across all customer groups
- Prioritise operational excellence and innovation to improve customer experience
- Monitor operational and external risks and its possible impact – continue to carry out risk mitigation and cost management initiatives

**Refining Strategic Direction**

- Reinvesting proceeds from divestment into ramping up the Group’s core businesses by strengthening propositions and service quality
- Ongoing refinement of Group business strategic direction on track

**ANY QUESTIONS?**

# THANK YOU

Should you have any queries, please contact: [investor.relations@time.com.my](mailto:investor.relations@time.com.my)