

24th

TIME™

ANNUAL GENERAL MEETING

22nd JULY 2021



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2020: RESILIENCE IN AN UNPRECEDENTED YEAR



COVID-19

- Challenges and uncertainties in the operating landscape with Movement Control Orders disrupting normalcy
- Heightened responsibility to ensure **network reliability and uninterrupted service**, as well as **protecting employee safety** whilst **supporting efforts** to fight the pandemic



Network Expansion

- Continued growth of our **domestic fibre coverage** to cater for growing demand, and **to support JENDELA and national digitalisation** objectives



Data Centre Expansion

- Launched data centre in **Bangkok**
- Domestic expansion with construction of new **purpose-built data centre in Cyberjaya** (AIMS @ Cyberjaya)
- Strengthening cloud services proposition

2020: RESILIENCE IN AN UNPRECEDENTED YEAR



Sustained Revenue Growth and Profitability

- Sustained Group revenue growth YoY of **10%** to reach **RM1,223 million**
- All **core customer** groups recorded revenue growth led by **Retail** which grew by **27%**, **Wholesale** by **7%** and **Enterprise** by **2%**



Higher Returns to Shareholders

- Declared interim ordinary and special interim (single tier) dividend of **12.5 sen** and **20.6 sen** per ordinary share for FY2020 **totaling RM200.0 million** which was paid out on 30 March 2021
- Total **dividend payout** increased by **18%** from FY2019



Strong Financial Position

- Strong balance sheet with **11% higher total assets** amounting to RM3.9 billion and **net cash** after borrowings balance of **RM702.0 million**

BUSINESS REVIEW

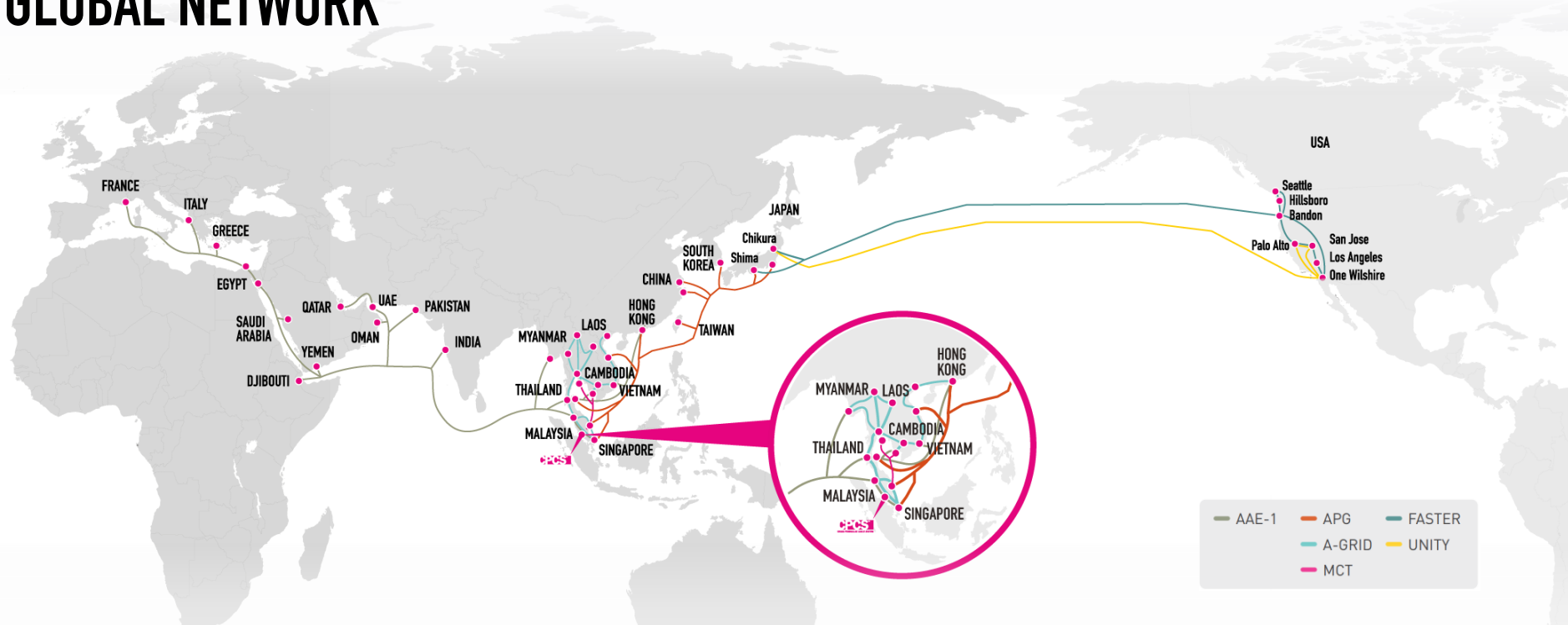
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DOMESTIC NETWORK



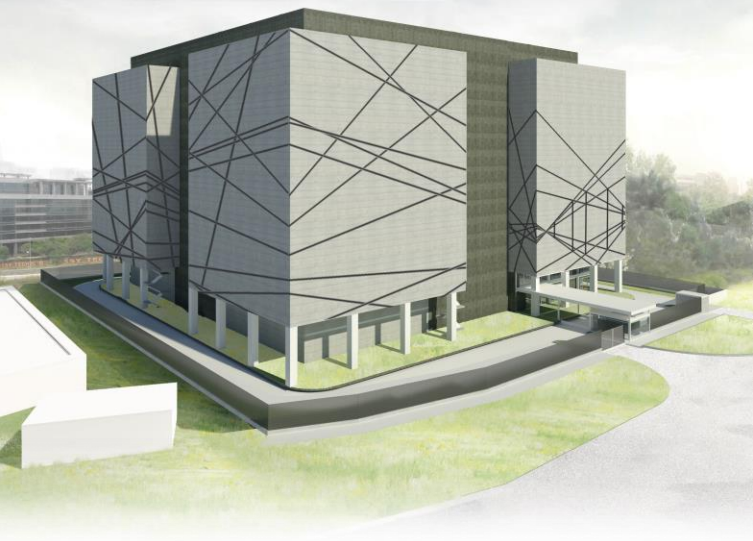
- Continued to **lead the market** in cost-competitive products catering to market needs and demands, given the current circumstance
- Continued to strengthen network infrastructure and expand coverage footprint - premises passed **grew by 23%** YoY in FY2020
- Maintained position as the brand providing the **fastest** and **most competitively priced** fibre home broadband service in the country
- Revenue growth across all core customer segments, led by Retail

GLOBAL NETWORK



- Extensive reach of subsea cable systems continued to **deliver strong business and operational performance, sustaining revenue growth** in the face of changing market dynamics and price erosion

DATA CENTRE



- Total data centre space increased by **6%** to **82,915 sq ft**, with access of **up to 51,283 sq ft** of additional data centre space through our associates in **Thailand** and **Vietnam**

Location	Data Centres (Net Lettable Area in Sq Ft as at FY 2020)
Menara AIMS, Kuala Lumpur	56,945
Cyberjaya*	18,700
Others	7,270
Total	82,915

*Note: Net lettable area stated for Cyberjaya in the table above excludes AIMS @ Cyberjaya

- 1st phase of our **new data centre** in **Cyberjaya (AIMS @ Cyberjaya)**, has added 10,000 sq ft of space in 2021

ASEAN



- **Similar trends** as those experienced in Malaysia
- Greater requirement for **connectivity**, offset by lockdowns and other movement restrictions impacting some sectors
- Long-term growth trajectory still **intact**
- **AIMS @ Bangkok** data centre opened in September 2020 and partnered with **Bangkok Neutral Internet eXchange** to host its 3rd site in Bangkok
- Currently working towards further data centre and network **expansion in Vietnam**

FINANCIAL REVIEW



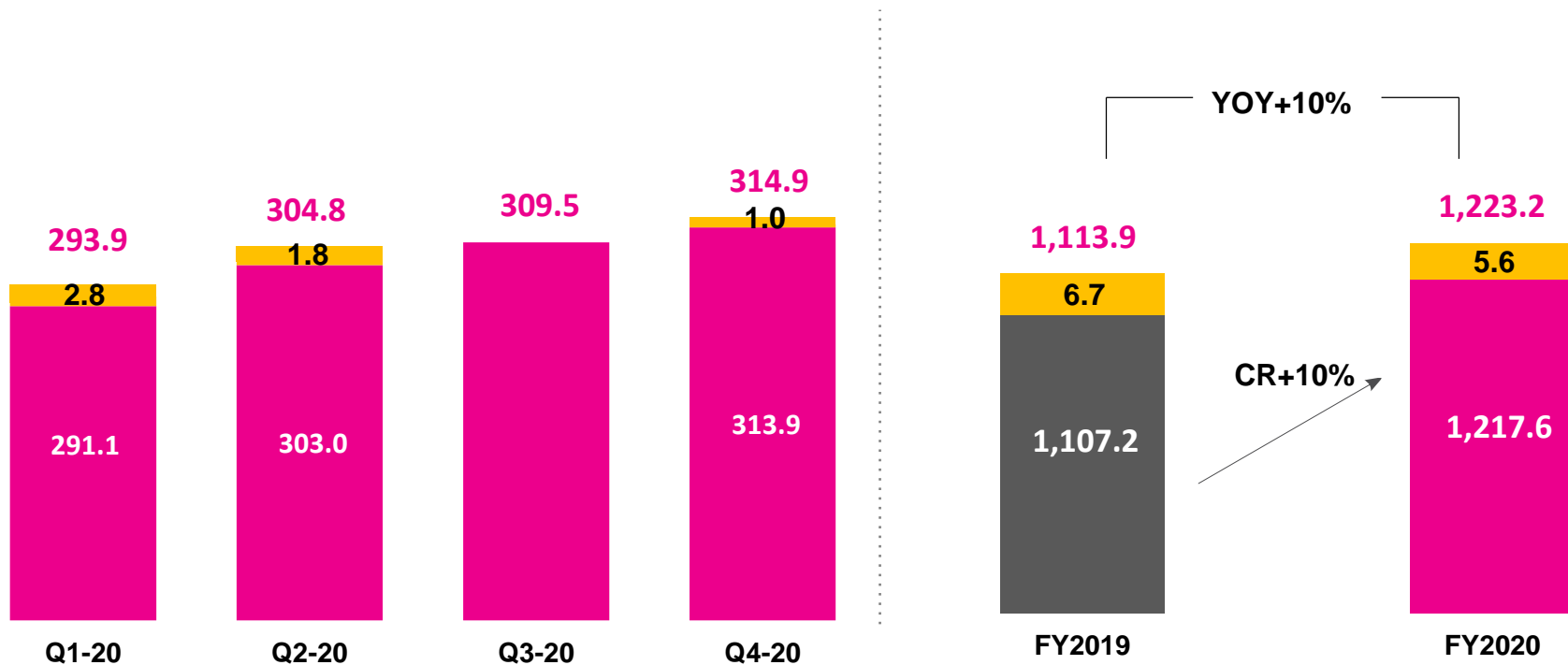
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2020 PERFORMANCE SUMMARY

Financial Performance In RM' million	FY 2019	FY2020	YoY%
Revenue	1,113.9	1,223.2	+10%
EBITDA	479.8	567.1	+18%
Adjusted EBITDA	510.0	590.3	+16%
Profit Before Taxation (PBT)	328.1	423.1	+29%
Adjusted PBT	358.3	443.2	+24%
Profit After Taxation (PAT)	314.0	326.9	+4%
Adjusted PAT	344.2	347.0	+1%

Note : Adjusted EBITDA and Adjusted PBT excludes forex impact and other one-off adjustments

REVENUE: TIME GROUP



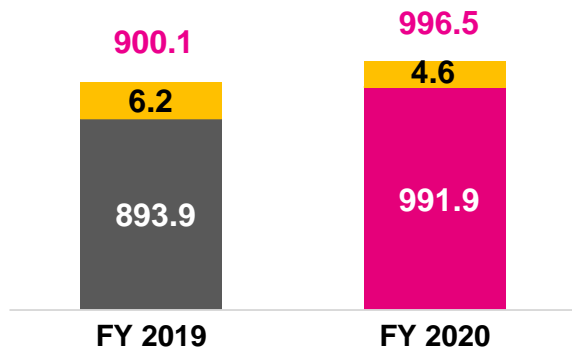
■ One-off non-recurring contracts ■ Data, Data Centre, Voice and Others CR: Core revenues

REVENUE: BY PRODUCT



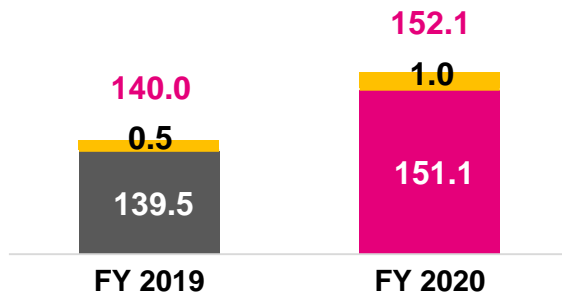
DATA

YoY +11%, CR +11%



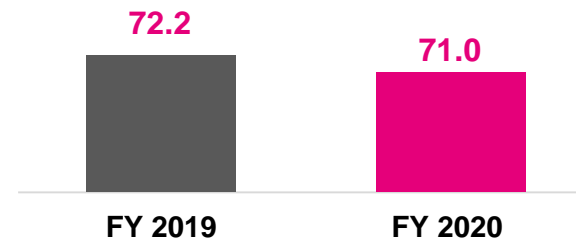
DATA CENTRE

YoY +9%, CR +8%



VOICE

YoY -2%



One-off non-recurring contracts
 Data, Data Centre, Voice and Others
 CR: Core revenues

REVENUE: BY CUSTOMER SEGMENT



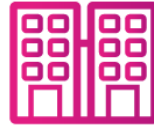
WHOLESALE

YoY +7%, CR +8%



FY2019

FY2020



ENTERPRISE

YoY +2%, CR +2%



FY2019

FY2020



RETAIL

YoY +27%, CR +26%

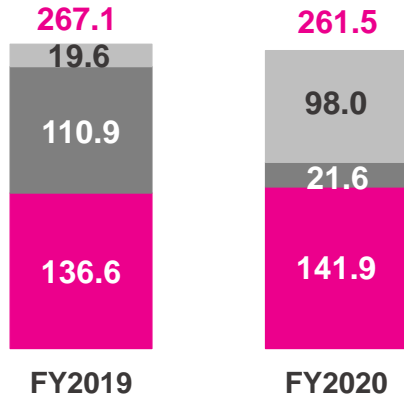


FY2019

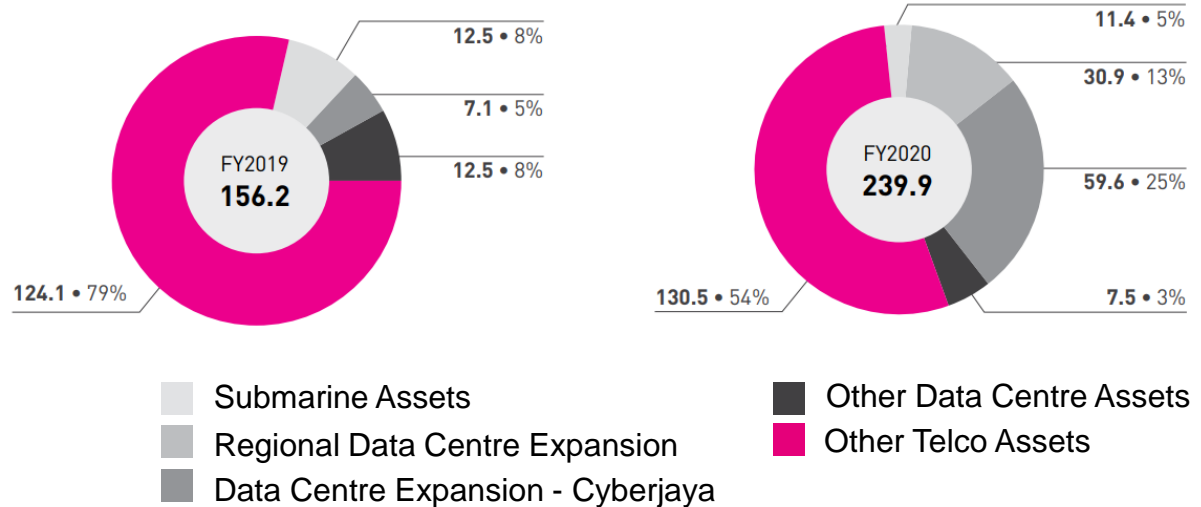
FY2020

■ One-off non-recurring contracts ■ Data, Data Centre, Voice and Others CR: Core revenues

CAPITAL EXPENDITURE



Breakdown of Telco and Data Centre Assets Acquired



■ Telco Assets
 ■ Non-Telco Assets
■ Data Centre

■ Other Telco Assets
■ Submarine Assets
■ Regional Data Centre Expansion
■ Data Centre Expansion - Cyberjaya
■ Other Data Centre Assets

- 59% capital expenditure was spent on telecommunication and submarine assets and 41% was spent on data centre assets
- Increases related to the Group's **domestic network coverage expansion** as well as **network infrastructure upgrade** to cater for higher usage whilst increased data centre investments mainly related to the development of **AIMS @ Cyberjaya**

RECENT DEVELOPMENTS & OUTLOOK



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EXPANSION OF CLOUD PROPOSITION



Completed Acquisition of **60% stake in AVM Cloud Sdn Bhd** in January 2021

- AVM Cloud is **one of Malaysia's leading VMware service provider** with almost 2 decades of experience in Southeast Asia
- Offers extensive products ranging from **public, private and hybrid cloud computing platforms** as well as **systems integration services** across diverse range of customers
- Strengthens TIME's Enterprise proposition and complements TIME's existing cloud offerings
- Already **contributing to the Group** as at Q1 2021

OUTLOOK & PRIORITIES FOR 2021 AND BEYOND

COVID-19 Pandemic: Continued Vigilance

- **External challenges** expected to persist in the **short term**
- **Continued vigilance** on the impact of the pandemic on the larger **economy**, especially to SME sector and its knock-on effects

Focused Operational Priorities

- Continued operation with **high health and safety standards** for the **wellbeing of employees and stakeholders**
- **Network availability and stability** remains top priority
- Continued provision of **high quality and meaningful solutions & services** across all segments

Strategic Priorities For Continued Sustainability

- **Strengthen** domestic fibre network infrastructure **and expand coverage footprint** in support of JENDELA and MYDIGITAL Blueprint
- **Enhance the Group's strategic position** in the **cloud and data centre** segments
- Focus on tapping into **regional demand** for cross-border connectivity and data centres in ASEAN

A nighttime photograph of a city skyline, featuring the Petronas Towers in the center. The towers are brightly lit, and other buildings are visible in the background, some with lights on. The sky is dark with some light rays or lens flare effects.

MSWG

OPERATIONAL AND FINANCIAL MATTERS

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QUESTION 1

The Group is fully committed to supporting JENDELA, a 5-year plan initiated by the government aimed at developing the nation's digital infrastructure to deliver digital connectivity and elevate the quality of experience for Malaysians. (Page 7 of Annual Report (AR) 2020)

What specifically are the Group's plans in supporting JENDELA in terms of delivering its digital connectivity?

For digital connectivity, we are supporting and will continue to support JENDELA by contributing in its network expansion objectives by increasing our network coverage footprint in line with JENDELA's fibre connectivity targets. In addition, we will continue to support industry players with their infrastructure needs, such as fibre backhaul and mobile network fiberisation for mobile operators.

QUESTION 2

TIME has also made good progress on its regional data centre expansion plans with the opening of AIMS @ Bangkok in September 2020 and the subsequent inking of a partnership between AIMS @ Bangkok and the Bangkok Neutral Internet eXchange (“BKNIX”) to enhance its regional network. (Page 7 of AR 2020)

- (a) What will be the total net lettable area of AIMS @ Bangkok with its opening?**
- (b) What is the additional net lettable area (and % increase in lettable area) due to the new Cyberjaya facility that is under construction?**

- (a) The total net lettable area of AIMS @ Bangkok is 5,500 sq ft.*
- (b) The first block of our new AIMS @ Cyberjaya data centre has a total of 60,000 sq ft in capacity, with 10,000 sq ft of it readily saleable to customers today. With the readily available space, our net lettable area in Malaysia will increase by approximately 12%.*

QUESTION 3

The Group continued to strengthen and improve its domestic fibre network infrastructure, whilst expanding its coverage footprint despite the various movement restrictions. (Page 10 of AR 2020)

What is the Group's plan to upgrade its fibre network capacity and length? What are the current areas served, targeted areas and timeframes?

The Group plans to continue to roll out our fibre network and targets to increase premises passed in 2021 by approximately 20%. We currently serve predominantly multi-dwelling units (MDU) and will continue to expand in that demographic, particularly in the main cities in Peninsular Malaysia.

QUESTION 4

AIMS Data Centre (“AIMS”), the Group’s data centre business and Malaysia’s leading carrier-neutral data centre service provider, continues to see high traction for its services on the back of continued growth in the over-the-top (“OTT”) customer segment. (Page 11 of AR 2020)

Considering that revenue from Data Centre is growing well, what is the Group’s plan for expanding the segment whether domestically or regionally?

At this juncture, we are excited to keep the momentum going with the initial opening of AIMS @ Cyberjaya, whilst expanding regionally with the opening of our AIMS @ Bangkok data centre in September 2020. Currently, we are also working towards expansion into Vietnam through our associate company, CMC Telecom.

In addition to that, we also believe that with the consolidation of AVM Cloud into the TIME Group, this will further enhance our cloud services proposition, thus also contributing positively to our Data Centre’s growth prospects.

QUESTION 5

TIME posted stronger profit before tax (“PBT”) of RM423.1 million, 29% higher year-on-year (FY2019: RM328.1 million) on the back of stronger top-line performance, improved operational and cost efficiency, lower finance expenses, no provision for financial guarantees in FY2020 and increased share of profits from associates. (Page 14 of AR 2020)

- (a) Are the better performances in the top-line and bottom-line figures sustainable in FY2021?**
- (b) How was the provision for financial guarantees that appeared in FY2019 settled in 2020?**

- (a) We expect the market to continue to be competitive and challenging but we remain positive on the prospects of our financial and operational performance for 2021.*
- (b) The provision was determined based on the maximum amount of exposure to the Group. Negotiation for the settlement of the said bank facilities are still ongoing with the Group’s partners in Thailand.*

QUESTION 5 (CONT'D)

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- (c) What were the reasons for the better financial performance of associates in FY2020? What is the outlook for the associates in FY2021?**
- (c) The better performance from associates in FY2020 was driven by strong topline growth and cost discipline which delivered our share of profit from associates of RM18.0 million, compared with RM14.7 million in FY2019. Similar to Malaysia, we expect the market to continue to be competitive and challenging in Thailand and Vietnam, but we remain positive on the outlook for the associates in FY 2021.*

QUESTION 6

The recent acquisition of a 60% stake in AVM, one of Malaysia's leading cloud services providers, adds to the Group's product offerings in providing a more comprehensive solution to meet its Enterprise customer requirements. (Page 18 of AR 2020)

How has the cloud services contributed meaningfully to revenue from Enterprise customers and what is its outlook for FY2021?

AVM Cloud has had a positive contribution to our Enterprise revenues, starting in Q1 2021, which was the first quarter we consolidated AVM Cloud. Our Enterprise revenues in Q1 2021 grew by 26% YoY and 21% QoQ, and AVM Cloud contributed meaningfully to this growth. We do not provide forward-looking forecasts, but expect the positive momentum of AVM Cloud to continue throughout FY2021.

QUESTION 7

Net impairment on trade receivables increased to RM13.1 million in FY2020 from RM8.9 million in FY2019. (Page 140 of AR 2020)

- (a) What was the reason for the substantial increase in impairments?**
 - (b) How much of these impairments have been recovered to-date?**
 - (c) What percentage of these impairments are expected to be non-recoverable? Are impairments expected to increase, going forward?**
-
- (a) The impairment on trade receivables was recognised based on our credit policy and loss allowance for expected credit losses. The impairment increased from 0.8% of revenue in FY2019 to 1.1% of revenue in FY2020, due to an increase in credit risk across most customer segments, in light of the current pandemic.*
 - (b) RM4.4 million has been recovered up to June 2021.*
 - (c) We do not disclose any forecast on recoverability. The Group has established credit management control in place. We are committed and focused on recovering as much as possible of the amount through negotiation for settlement and legal proceedings. We would expect impairments as a % of revenue going forward to remain approximately in line with FY2020 levels.*

THANK YOU

Should you have any queries, please contact:
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