

# **SUPERCHARGING AIMS TO GROW ACROSS ASIA: TIME PARTNERS DIGITALBRIDGE**

22 November 2022

**time**<sup>TM</sup>

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# INTRODUCTION

## **Time is pleased to announce a strategic partnership with DigitalBridge to boost the regional expansion of its AIMS data centre business**

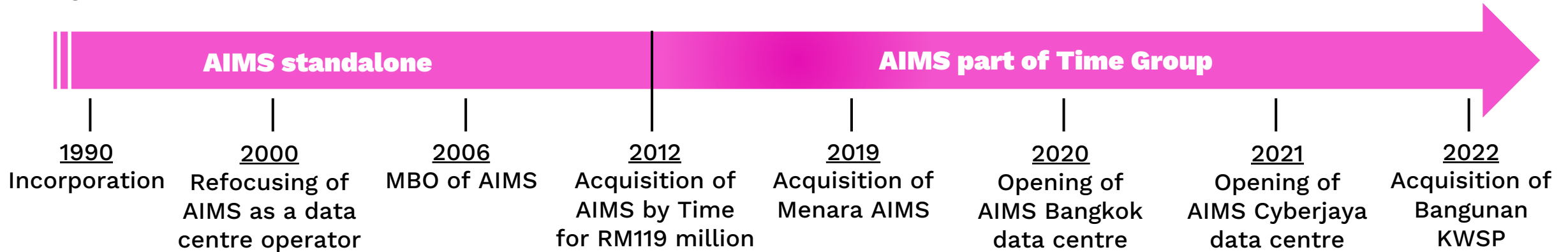
- AIMS, a wholly-owned subsidiary of Time, is Malaysia's leading highly connected, ecosystem-centric data centre business, and is widely regarded as the home of the Malaysian internet
- After a strategic review of the data centre landscape, Time decided to seek a strategic partner to expand the AIMS data centre business across Asia
- Subsequent to a thorough process, Time has decided to partner with DigitalBridge, one of the world's leading digital infrastructure firms, to use AIMS as its platform for expansion in the region via a continuation of the AIMS business model and strategy
- This partnership is expected to accelerate the growth of AIMS into new markets and achieve greater scale in the highly connected, ecosystem-centric data centre business segment, in line with Time's positive outlook on the sector

Key terms	Summary
<b>Partnership Structure</b>	DigitalBridge acquires stakes in AIMS HoldCo (Malaysia and Singapore) and AIMS Thailand
<b>Valuation</b>	RM3.2 billion (100% enterprise value)
<b>Proceeds to Time</b>	Approx. RM2.0 billion <sup>(1)</sup>
<b>Use of Proceeds</b>	<p>(1) Special dividend of up to RM1.0 billion; and</p> <p>(2) Remainder to be re-invested into Time group for further shareholder value creation</p>

(1) Subject to customary net debt, working capital and other closing adjustments

# THE STRATEGIC RATIONALE

## AIMS has grown significantly since its inception, and in particular since its acquisition by Time in 2012



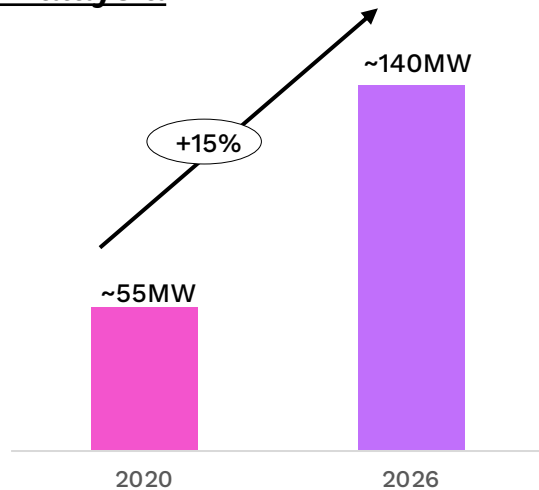
AIMS Group <sup>1</sup>	FY2020 (RM'million)	FY2021 (RM'million)	Growth rate
Revenue	154	182	+18%
EBITDA	75	86	+14%
PAT <sup>2</sup>	33	38	+15%

## Data centre demand across ASEAN is expected to remain strong

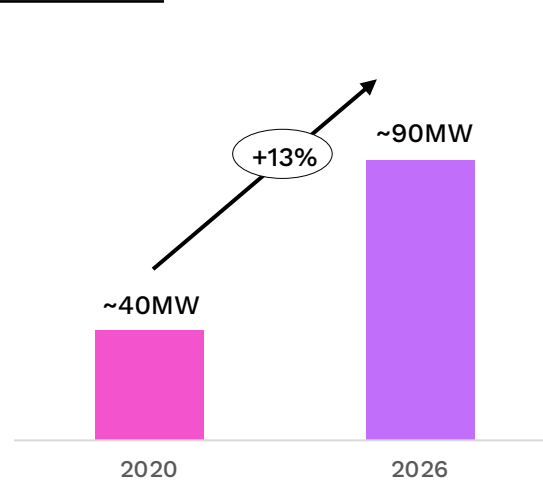
### Key drivers:

- Cloud adoption (public and private)
- Edge nodes moving closer to the end-user
- Continued growth in data exchange and consumption

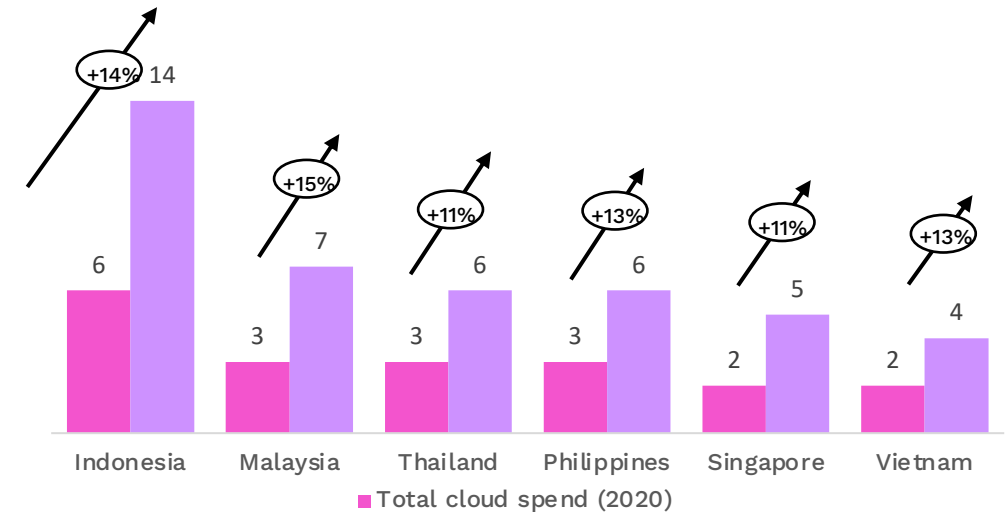
Co-location Demand Growth (MW)  
- Malaysia



Co-location Demand Growth (MW)  
- Thailand



Total Cloud Spend by Market (USD billion)





**Based on the strategic review carried out, Time believes there are significant opportunities in under-served markets across ASEAN and beyond, particularly in the highly connected, ecosystem-centric data centre segments that AIMS operates in**

**Key success factors:**

- Access to capital
- International data centre experience
- Expertise in building and scaling data centre businesses

**Conclusion:**

- Opportunity best captured together with a high-quality partner with a global lens
- Accelerates AIMS growth whilst reducing overall risk of execution

## Who is DigitalBridge

- One of the world's largest digital infrastructure firms investing across five key digital infrastructure verticals: data centres, macro cell towers, fibre networks, small cells, and edge infrastructure
- Across its portfolio companies, operates over 200 data centre facilities across 9 data centre and edge companies with over US\$1.2bn combined revenue
- US\$50 billion of assets under management and significant access to capital
- Strong international experience and a proven track record of scaling data centre businesses and digital infrastructure platforms globally



## What Time and DigitalBridge intend to do together:

- Bring together a unique combination of two entities with distinctly different backgrounds – a focused telecoms and data centre operator with assets across ASEAN, and a digital infrastructure fund that has fuelled the growth of some of the most admired data centre and digital infrastructure companies in recent times
- Expand and grow AIMS by replicating its business model across ASEAN and beyond, with focus on capital cities, secondary towns and highly connected areas
- Capitalise on continued demand for highly connected, ecosystem-centric data centres
- Leverage off DigitalBridge's capabilities whilst continuing to build on AIMS' strengths
- Make Malaysia a core hub and gateway for greater connectivity in the region

## **Time continues to be committed to the data centre business**

- Time will continue to have data centre products available for its customers, offered in a seamless and integrated manner
- Time will retain significant economic exposure to the data centre space via its strategic stake in AIMS

## **AIMS will retain its DNA and leverage on its core strengths**

- AIMS customers can expect continued high-quality service with commitment to carrier neutrality and best of class service offerings
- AIMS will retain its headquarters in Kuala Lumpur and will be run by the current management team

# **TRANSACTION STRUCTURE AND USE OF PROCEEDS**

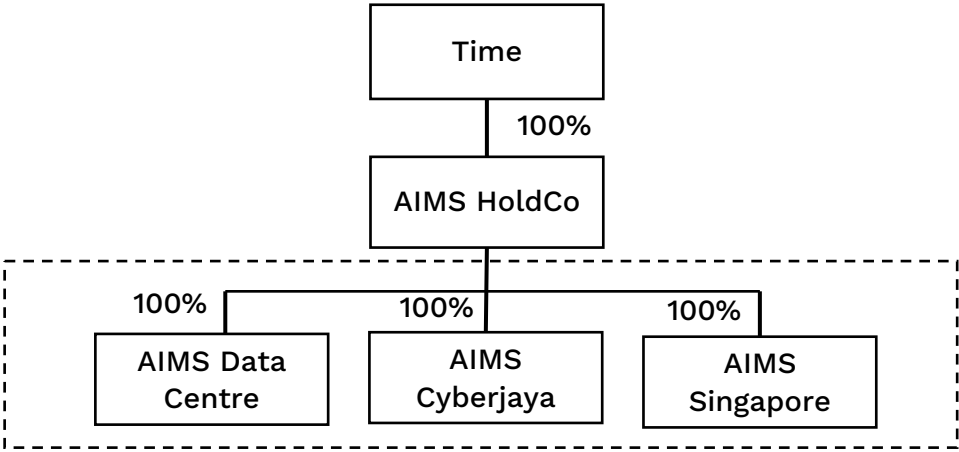
**Transaction structure overview**

**DigitalBridge will acquire shareholdings in AIMS HoldCo and AIMS Thailand based on a 100% enterprise valuation of RM3.2 billion**

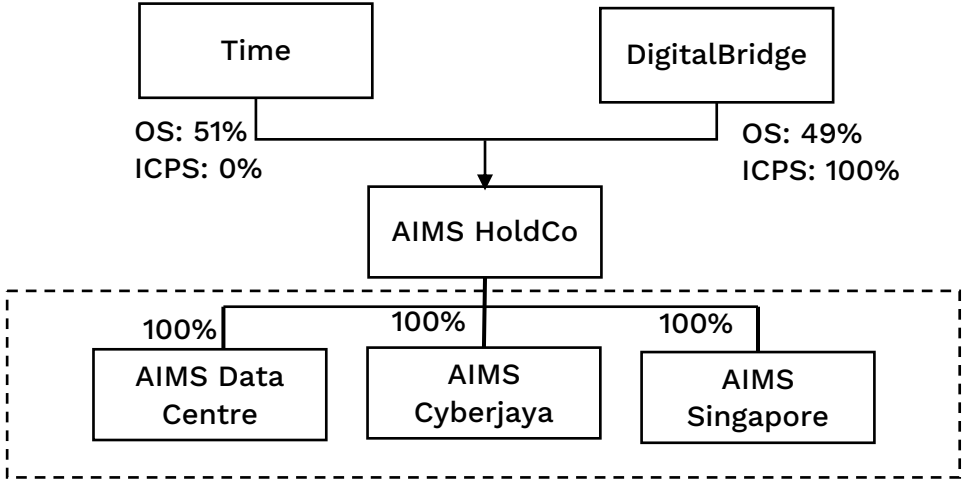
- Acquisition of 490,000 ordinary shares and 699,850 irredeemable convertible preference shares (ICPS) in AIMS HoldCo from Time
- Acquisition of 210,000 ordinary shares in AIMS Thailand from Time and 490,000 ordinary shares in AIMS Thailand from Symphony Communications
- Consideration is in cash
- ICPS are convertible into ordinary shares of AIMS HoldCo within 2 years
- DigitalBridge commitment to the transaction is secured by a US\$80 million deposit held in escrow

Shareholding overview

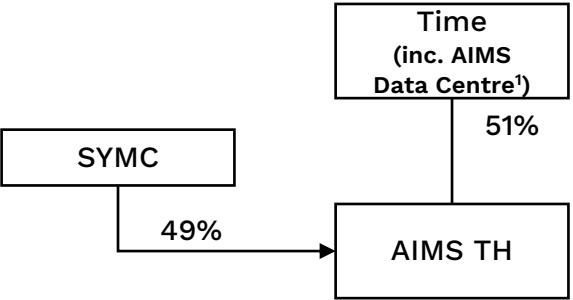
Current Shareholding (AIMS HoldCo)



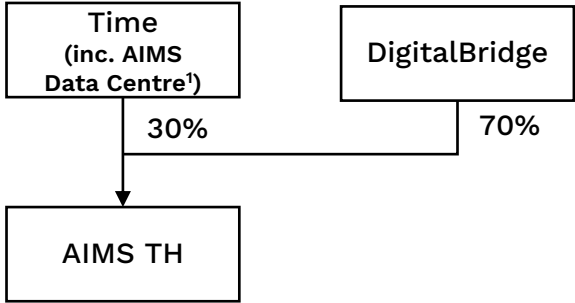
Shareholding Post Transaction (AIMS HoldCo)



Current Shareholding (AIMS Thailand)



Shareholding Post Transaction (AIMS Thailand)

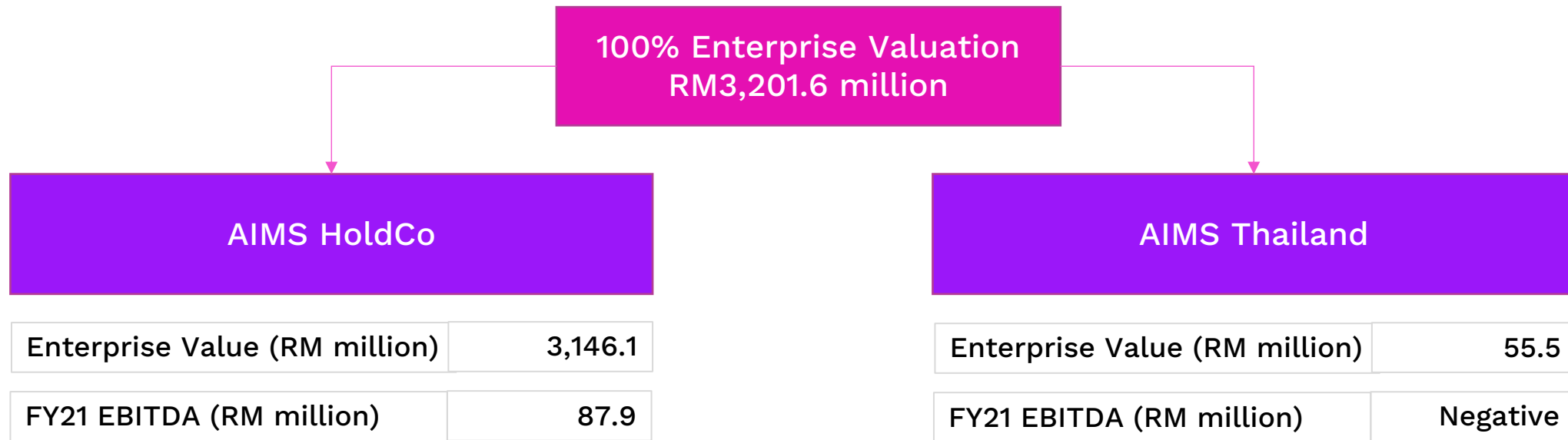


(1) AIMS Data Centre holds 1 share in AIMS TH

Please refer to the announcement made to Bursa Securities by Time for further details

## Attractive valuation secured for AIMS

Valuation for AIMS business is attractive and also compares favourably to the current book value of RM240 million and the original TIME acquisition cost of AIMS in 2012 of RM119 million





**The AIMS HoldCo and AIMS Thailand transactions are expected to close before the end of Q2 FY23, subject to certain conditions precedent (incl. Time shareholder approval) being satisfied at or prior to closing**

**Time expects to receive approx. RM2.0 billion of proceeds from the transactions**

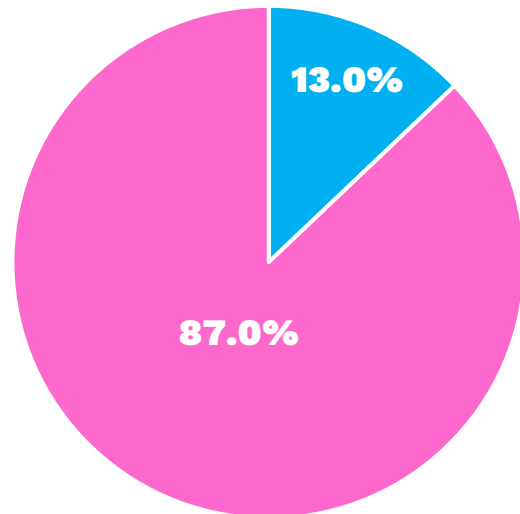
- Actual proceeds to be received by TIME at closing are subject to customary net debt, working capital and other adjustments
- Up to RM1.0 billion of the proceeds will be distributed to shareholders as a special dividend
- The remainder of the proceeds will be reinvested into the Time Group to fund capital expenditure and working capital, including potential incremental investments to continue growing AIMS

**Time receives material cash proceeds from the transaction, whilst retaining significant strategic & operational influence and economic exposure over the future growth of AIMS**

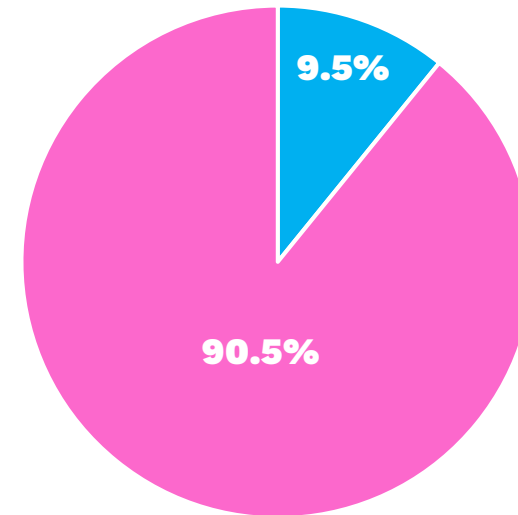
# POWERING TIME'S OTHER SEGMENTS

**AIMS is a strategically important part of Time, although its financial contribution to the Group is relatively modest**

**Time Group Revenue (FY21)**



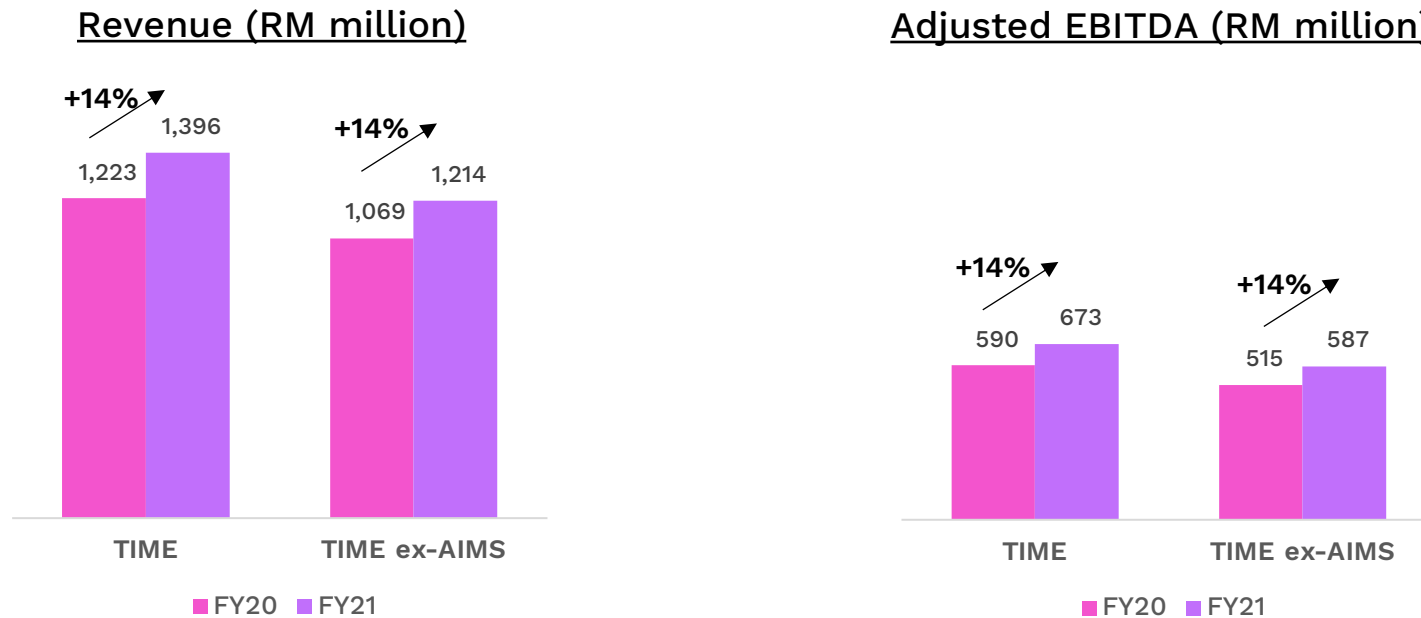
**Time Group PAT (FY21)**



■ AIMS

■ Rest of Time Group

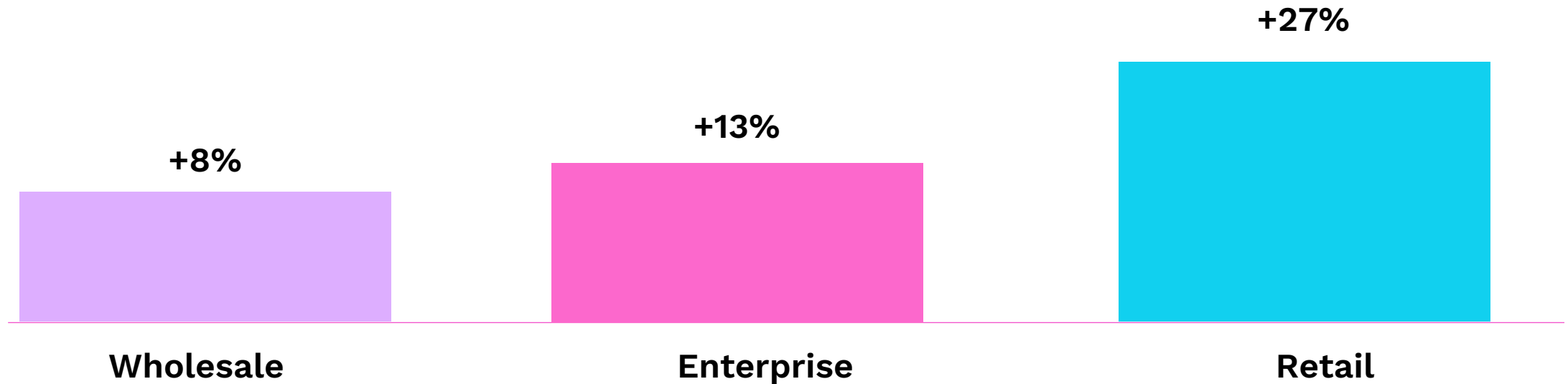
## Time Group growth is historically not impacted by the exclusion of AIMS



Time has benefitted from strong growth momentum in its 3 core market segments, even after adjusting for AIMS

Proceeds from the transaction will be utilised to continue investing in these core market segments

Revenue CAGR (2018 – 2021) (excluding AIMS)



# CONCLUSION

**This is a financially and strategically solid move – it enables Time to expand the AIMS data centre business regionally with a strong partner and in a value-accretive and financially prudent manner**

- Time is committed to being in the data centre business and intends to realise its ambition to be a regional data centre player whilst making Malaysia a core hub and gateway for the region
- This strategic partnership crystallises tremendous value and accords Time with more flexibility to optimise its capital allocation, whilst enabling the expansion of AIMS by leveraging on the joint capabilities of Time and DigitalBridge
- Part of the proceeds will be paid out as a special dividend and the balance reinvested into the business to drive growth in the key strategic areas of the Time Group, with the overall aim to increase shareholder value

**ANY QUESTIONS?**



**THANK YOU**