Digitalising B2B2X for Growth

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BURSA-HLIB STRATUM FOCUS SERIES X : DIGITALISATION:SHAKING THINGS UP!

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1 TM ONE Enabling Digital Opportunity

2 Where is the Growth Opportunity

3 TM ONE Capturing Digital Opportunity

4 Conclusion

TM ONE serves enterprise and government agencies

2017

TM Enterprise

TM Government

VADS Lyfe

TM in 2020

unifi

TM ONE

TM GLOBAL

## Products & Services

Consumer & SMEs

- unifi Lite
- unifi Home
- unifi Biz
- unifi Mobile
- unifi TV
- unifi Wifi

Enterprise & Government

- Connectivity
- Cloud & Data Centre Services
- Business Process Outsourcing
- Managed Security Services
- Smart Services

Wholesale

- Data Services
- Backhaul Services
- Voice Services
- Access Services
- Infrastructure Services

Segmental Revenue

TM GLOBAL

Others
4%

TM GLOBAL
18%

TM ONE
35%

unifi

unifi
43%
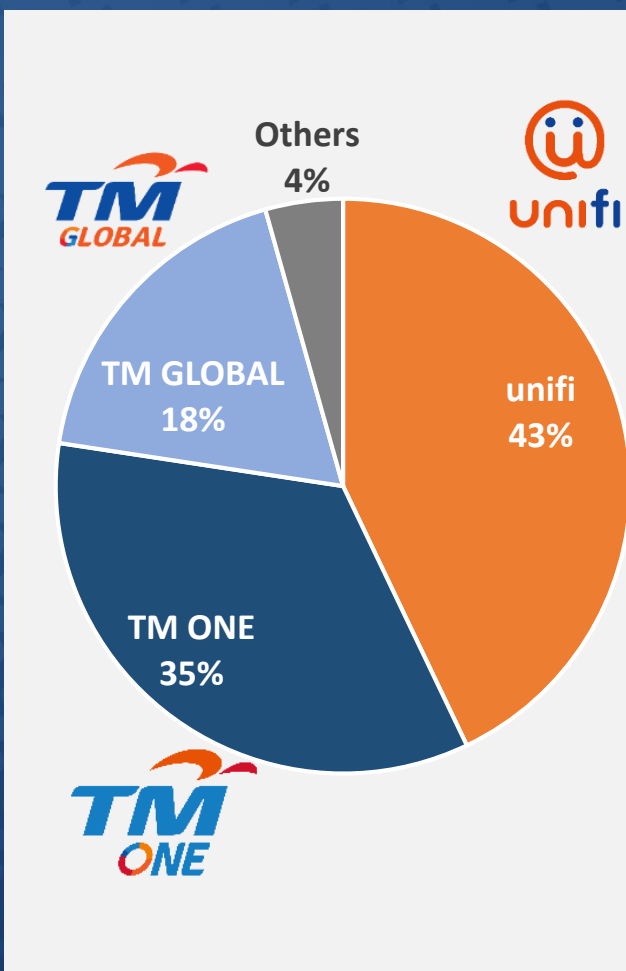
TM ONE

Source : TM Quarterly Result as at 30 September 2019

1 TM ONE Enabling Digital Opportunity

2 Where is the Growth Opportunity
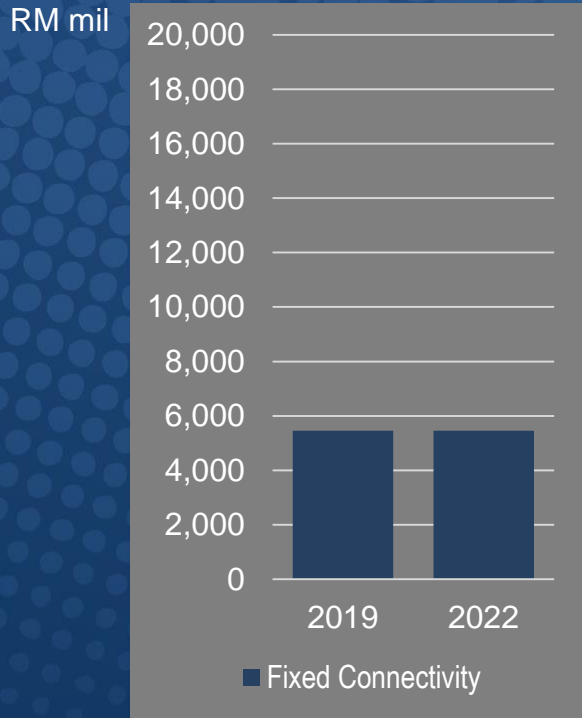
3 TM ONE Capturing Digital Opportunity

4 Conclusion

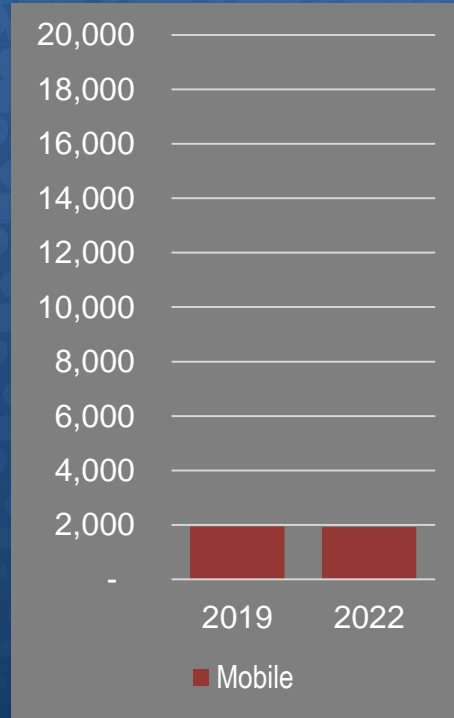# Whilst TM ONE strengthens it's core, it has expanded to adjacent businesses…

Core… → **Enhancing Core…** → **Adjacent…** → **Expanding…**

RM mil

Fixed Connectivity

CAGR 2019-2022 **-0.14%**

Bar chart (RM mil) — Fixed Connectivity: 2019 ≈ 5,400; 2022 ≈ 5,400

Enterprise Mobile

CAGR 2019-2022 **-0.21%**

Bar chart (RM mil) — Mobile: 2019 ≈ 1,900; 2022 ≈ 1,900

ICT/BPO Services

CAGR 2019-2022 **10.74%**

Bar chart (RM mil) — ICT/BPO: 2019 ≈ 10,500; 2022 ≈ 18,000

IoT/Smart Services

CAGR 2019-2022 **10.86%**

Bar chart (RM mil) — IoT/SS: 2019 ≈ 11,200; 2022 ≈ 16,700
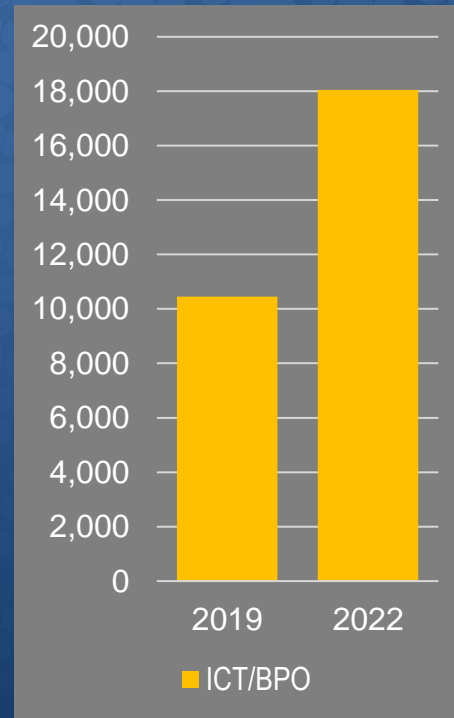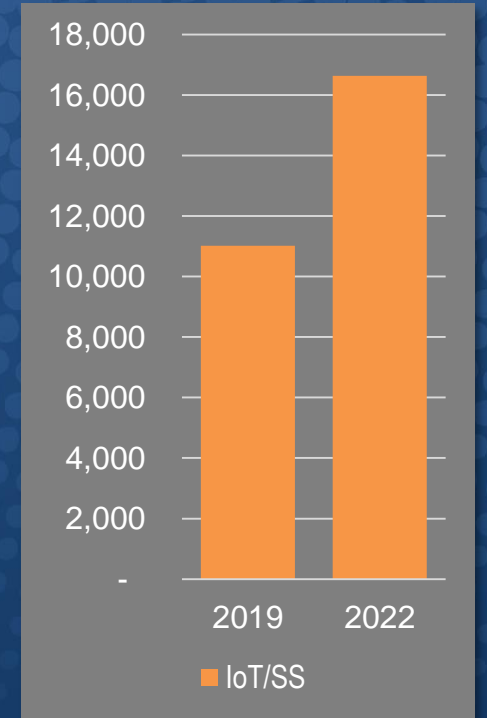
Amidst stagnant Connectivity business, competitive market and rapid technology change, TM ONE continues to innovate to unlock new value

GlobalData.

Major technology trends

Commercial 5G networks

5G FWA provides internet access to homes

Telcos have now moved towards FMC

SD-WAN has seen rapid uptake from enterprises

IoT is a key telco growth opportunity

Redefining position in **cloud** market, using network advantage

Arthur D Little

Telco Reconfiguring for Value

Growth in core segment only through volume

B2B2X is gaining importance

New production models

Managing diverse portfolio of assets

Technology trends are pushing companies to adopt digitisation…

Digitisation Purpose…

Benefits beyond productivity and efficiency…

Differentiation at Core - technological improvements as key differentiators, e.g. smart air-conditioner

Servicication – manage and service products instead of just selling; hence deeper relationship with customer coupled with assets utilisation

Changing operating model

- Services need to be operated on a continuous basis
- Do not end when product leaves the warehouse
- **To operate a service means to respond to customers' inquiries, delivery, installation, service performance, managing configuration**
- **This is where telco excel**
- **Customer Experience, Customer Satisfaction**

Source : Arthur D Little

Technology trends are pushing companies to adopt digitisation...

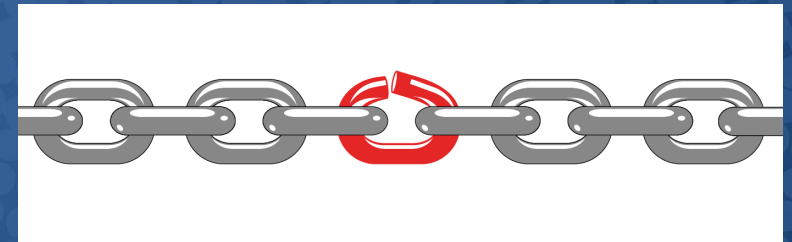## Benefits beyond productivity and efficiency...

Differentiation at Core - technological improvements as key differentiators, e.g. smart air-conditioner

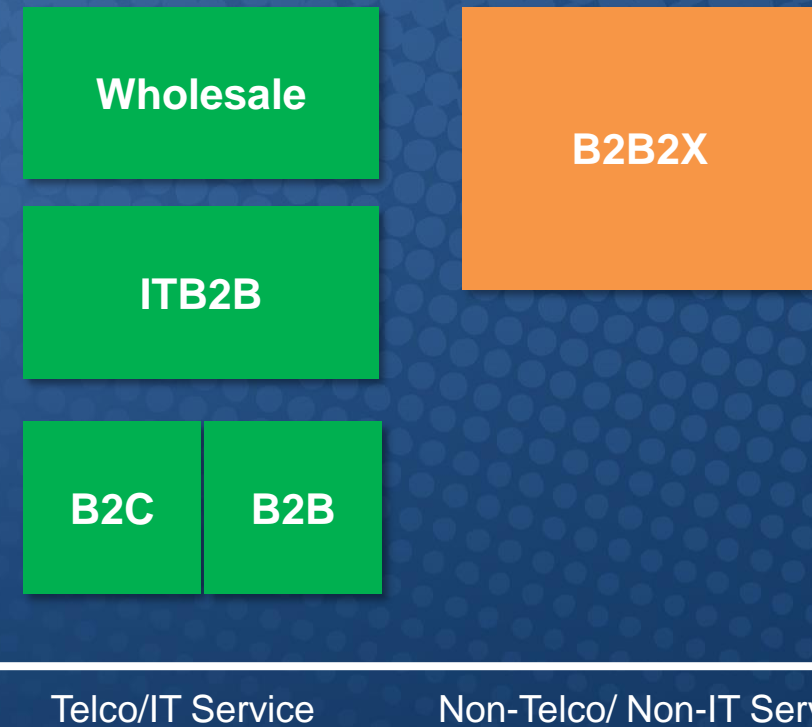**Servicication** – manage and service products instead of just selling; hence deeper relationship with customer coupled assets utilisation

Service Value Chain

Why is the service bought?
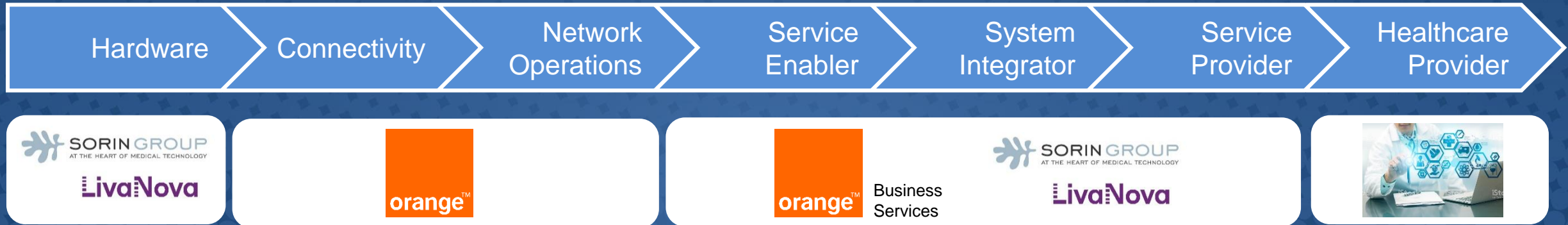
Own value chain

Own consumption

Wholesale	B2B2X
ITB2B	
B2C	B2B	

Telco/IT Service   Non-Telco/ Non-IT Service

What solution is the end customer sourcing?

Case 1 – SMARTVIEW enables remote patient monitoring

| Hardware | Connectivity | Network Operations | Service Enabler | System Integrator | Service Provider | Healthcare Provider |

- Medical devices, as well as the monitoring station, are provided by Sorin Group

- Connectivity is supplied by Orange telecom, which is able to provide coverage on a global scale

- The Platform on which the solution operates is provided by Orange Business Services, ensuring M2M capabilities
- The final product – the SMARTVIEW monitoring system (working alongside implant cardiac management devices)

- The solution is supplied to patients by the healthcare provider

Source : Arthur D Little

Case 2 – Integrated Communication service

Value beyond connectivity

Software & Hardware	Connectivity	Network Operations	Service Enabler	System Integrator	Service Provider	Enterprise & Government
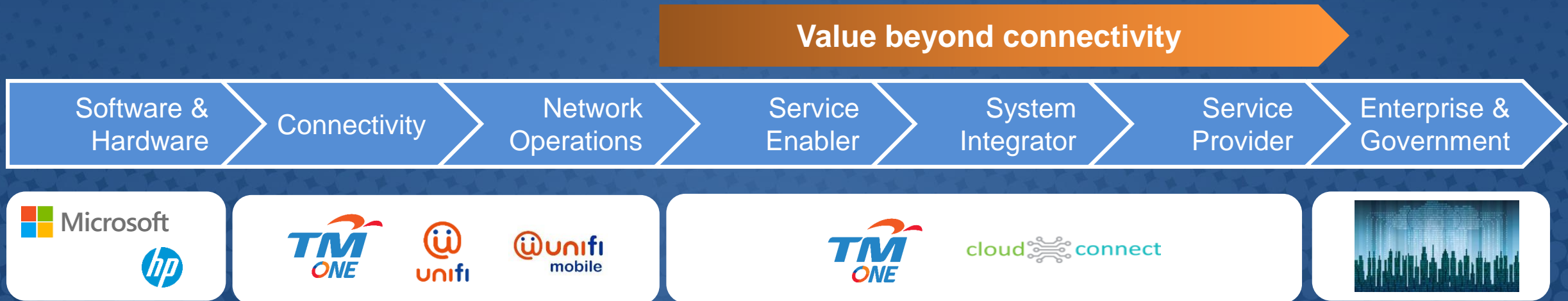
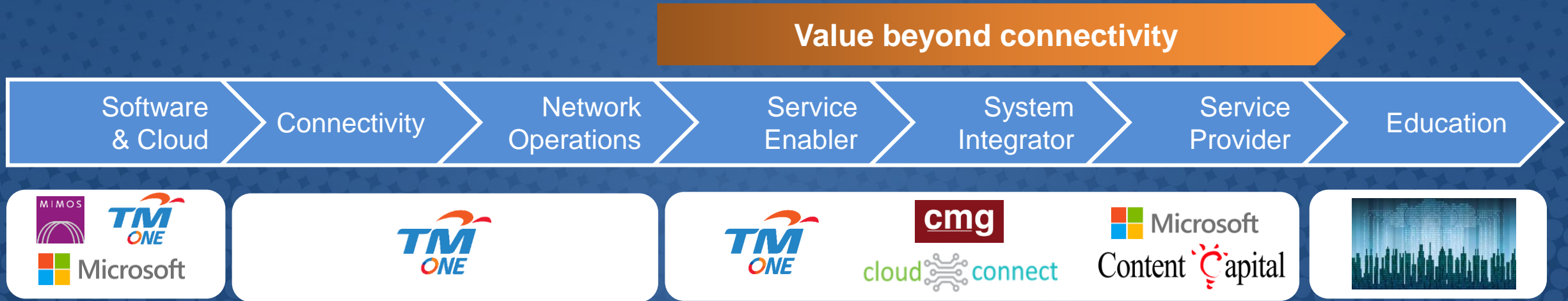- Software and hardware

- Connectivity is provided by TM ONE
- unifi covers home and mobile users

- The solution operation, integration and call centre are provided TM ONE
- Cloud Connect provides service portal

- The solution is supplied to enterprise and government for internal utilisation

Case 3 – Education

Value beyond connectivity

| Software & Cloud | Connectivity | Network Operations | Service Enabler | System Integrator | Service Provider | Education |

- Software, Office 365 and Cloud Platform

- Connectivity is provided by TM ONE

- Integration was developed by CMG
- Call centre by TM ONE
- Cloud Connect provided the identity management
- Content Capital, Microsoft and TM ONE trained teachers on 21st Century Learning

- The solution is supplied to secondary schools
- Produced several Microsoft Innovative Educator (MIE) Experts and won MIE Global Educator Award

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TM *Digital Malaysia* roadmap

2011

Broadband Champion

- High speed broadband

2016

Convergence Champion

- Fixed and mobile
- Beyond connectivity

2020

Building A Digital Nation

- Connectivity (Fixed and mobile) and Digital infrastructure
- Digital society, business and government

TM ONE enables digital through vertical focus solutions

Customer Focus
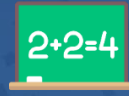
| Healthcare | Education | Government Services | Real Estate | Oil & Gas | Defence & Public Safety | BFSI |

Solution

Vertical Digital Solutions : B2B, B2B2X

Products (ICT/BPO & IoT/SS)

| Data Centre & Cloud Services | Managed Security Services | Enterprise Network Services | Business Process Outsourcing Services | IoT/Smart Services |

Products (Connectivity)

| High Speed Broadband | Private Network | Global Connectivity | 5G, Mobile & Wireless | Internet Exchange |

What has TM achieved in Langkawi 5G Use Cases?

1st in the World

Simultaneous 700 MHz & 3.5 GHz on Standalone 5G Network

1st in the Country

5G CORE (5GC)

700 MHz Standalone 5G Network

3.5 GHz Standalone 5G Network

5G Centralised Radio Access Network

Majority use cases for Langkawi 5G Trial (11 out of 35)

5G INFRASTRUCTURE PROVIDER & SUPPORT FOR

digi   U mobile   ALTEL

- 5G Network Sharing
- 5G Mobile Services
- 5G Use Case Monitoring

SERVICE PROVIDER TO LOCAL ENTREPRENEURS

HIG Haji Ismail Group   HOTEL ADYA LANGKAWI   NADIAS HOTEL CENANG   Artisans PIZZA   The Loaf

AGENCIES

LADA   Langkawi Municipal Council   Jabatan Laut Malaysia   Tourism Malaysia
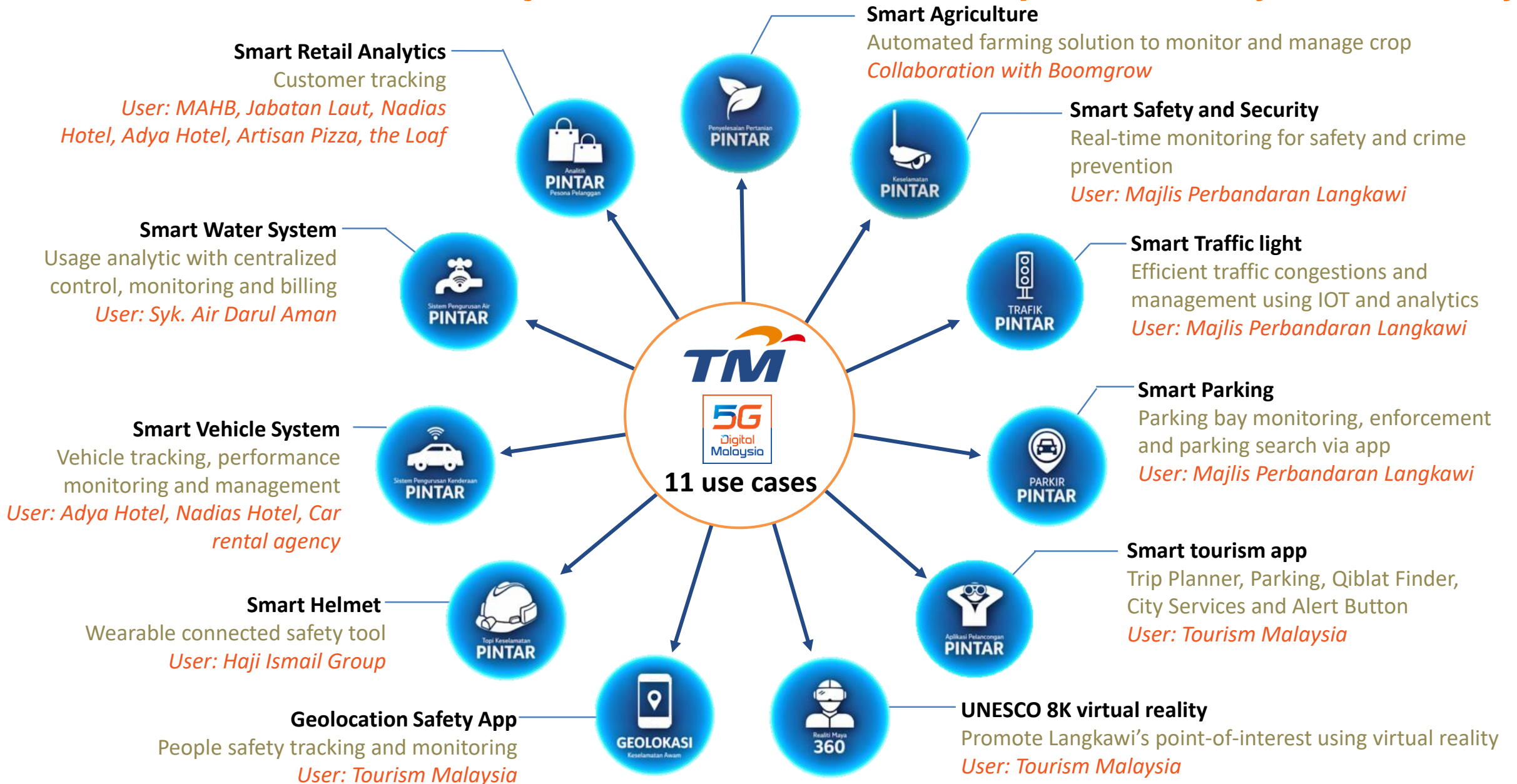
In Collaboration with the Government

KEMENTERIAN KOMUNIKASI DAN MULTIMEDIA MALAYSIA   MCMC

TM 5G use cases focus on job creation, talent development, safety and security

Smart Agriculture
Automated farming solution to monitor and manage crop
Collaboration with Boomgrow

Smart Retail Analytics
Customer tracking
User: MAHB, Jabatan Laut, Nadias Hotel, Adya Hotel, Artisan Pizza, the Loaf

Smart Safety and Security
Real-time monitoring for safety and crime prevention
User: Majlis Perbandaran Langkawi

Smart Water System
Usage analytic with centralized control, monitoring and billing
User: Syk. Air Darul Aman

Smart Traffic light
Efficient traffic congestions and management using IOT and analytics
User: Majlis Perbandaran Langkawi

Smart Parking
Parking bay monitoring, enforcement and parking search via app
User: Majlis Perbandaran Langkawi

Smart Vehicle System
Vehicle tracking, performance monitoring and management
User: Adya Hotel, Nadias Hotel, Car rental agency

Smart tourism app
Trip Planner, Parking, Qiblat Finder, City Services and Alert Button
User: Tourism Malaysia

Smart Helmet
Wearable connected safety tool
User: Haji Ismail Group

Geolocation Safety App
People safety tracking and monitoring
User: Tourism Malaysia

UNESCO 8K virtual reality
Promote Langkawi's point-of-interest using virtual reality
User: Tourism Malaysia

TM 5G Digital Malaysia
11 use cases

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Thank You

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