



Please note that all financial figures and analyses are based on the applicable accounting policy for 2021 and 2022, unless otherwise stated

Executive Summary

The challenges arising from the pandemic continued to impact Thailand well into the first three months of 2022 with high cases of COVID-19 being registered daily in the country. While pandemic related restrictions within the country have gradually been lifted from the third quarter of last year, certain restrictions to international travel prolonged through the first quarter of 2022 amid the rising Omicron cases. Despite the slow macroeconomic recovery and significantly aggressive competition, dtac continued to deliver on improving customers' experience, positioning itself as a beyond connectivity service provider, and continuing subscriber growth momentum in Q122.

In 2022, the Company's strategic priorities remain unchanged from the previous year. Under Value-Focused Network, in 2022 dtac will prioritize 5G expansion by expanding coverage to all of Thailand's 77 provinces within the third quarter of 2022. The Company will also focus on low-band rollout by accelerating deployment to improve customer experience. At the end of Q122, dtac's 5G network covered 34 provinces while over 2.8K low-band sites were rolled out in the first quarter. The number of nodes of 700 MHz network reached approximately 15,600 at the end of Q122. The ongoing efforts in improving experience for customers resulted in an improved churn of 2pp QoQ, with 5.1pp YoY improvement in 4G and 5G usage.

The Company's ambition on strengthening itself as a beyond connectivity service provider will continue, leveraging on the outcome of digital transformation which led to 24% YoY higher active digital users and 75% digital share of sales in Q122. dtac continues to add diverse value propositions in its adjacent services portfolio, which includes Financial Services, Protection, Gaming, Jaidee, and Content Partner Access (CPA) services, aiming to reach ~20% YoY revenue growth in 2022. Having introduced offers under Gaming and Protection while refreshing propositions on Financial Services, dtac was able to

gain traction, registering healthy transaction and subscriber growth QoQ.

The Company continues to see fruitful results from the drive on efficiency which focused on structural initiatives, leading to a 2.6% decline in operating expenses YoY. Normalized for the amalgamation related costs of approximately THB 110 million, operating expenses declined by 5% YoY. In Q122, savings from key structural initiatives amounted to over THB 200 million. The Company will continue with its structural efficiency initiatives in 2022 while also exploring cash saving opportunities.

Subscriber growth continued its positive momentum with 305K increase QoQ, resulting in 19.9 million subscribers at the end of Q122, a 4.1% increase YoY. Prepaid users grew by 292K while postpaid users increased by 12K, driven in part by improved churn as a result of improved customer experience. Approximately 31% of the total subscriber base were postpaid subscribers.

Service revenues excluding IC declined by 2.5% from the previous year and 1.4% QoQ in Q122 mainly driven by slow macroeconomic recovery and significantly aggressive competition. Core service revenue decline YoY was also impacted by more favorable government subsidy and higher IDD in Q121. Handset sales declined QoQ due to higher sales in the previous quarter driven by seasonal launch of iPhone. Blended ARPU declined by 6.8% YoY and 3.6% QoQ.

EBITDA (before other items) declined by 3.9% YoY due to lower revenues, offset to some extent by savings from structural initiatives. Normalized for the amalgamation related costs, EBITDA declined by 2.4% YoY. EBITDA improved 2.6% QoQ as a result of structural efficiency initiatives. Excluding revenues from CAT lease agreements, TOT network rental and amalgamation related costs, dtac registered a normalized healthy EBITDA margin of 44.2% in Q122. Net profit improved QoQ to THB 726 million in Q122.



Operational Summary

At the end of Q122, total subscriber base stood at 19.9 million, an increase of 0.3 million from the end of 2021, registering the highest subscriber net adds since Q1'16. Postpaid subscriber base stood at 6.2 million, increasing by 51.7K YoY and 12.2K from the end of 2021 as a result of improved churn. Prepaid subscriber increased by 728K YoY and by 292K QoQ to 13.7 million, driven by our regionalized approach and gradual yet slow recovery from pandemic related restrictions.

Average Revenue per User excluding IC (ARPU) for Q122 was THB 231 per month, declining by 6.6% YoY and 3.2% QoQ, driven by slow macroeconomic recovery from the pandemic and significantly aggressive competition. At the end of Q122, postpaid subscriber base accounted for approximately 31% of total subscriber base. Postpaid ARPU excluding IC for Q122 was THB 487 per month, a decline of 2.7% YoY and 1.3% QoQ, while prepaid ARPU excluding IC was THB 114 per month, declining by 10.0% YoY and 4.6% QoQ.

Traffic on TOT's 4G-2300MHz network continued to stay at the high levels, driven by changing customer behavior as part of the new normal adaptation. Number of 4G-2300MHz installed base stations under the partnership with TOT reached approximately 21,600 at the end of Q122. The number of 4G users reached 16.1 million, representing approximately 81% of total subscriber base. The number of 4G compatible devices reached 87% of total subscriber base. Smartphone penetration remained steady at 89%.

Active subscribers (in thousand)	Q121	Q421	Q122	%QoQ	%YoY
Postpaid	6,146	6,186	6,198	0.2%	0.8%
Prepaid	12,939	13,375	13,668	2.2%	5.6%
Total active subscribers	19,085	19,561	19,865	1.6%	4.1%
Net additional subscribers (in thousand)	Q121	Q421	Q122	%QoQ	%YoY
Postpaid	40	5	12	124.5%	-69.4%
Prepaid	189	281	292	4.1%	54.9%
Total net additional subscribers	229	286	305	6.4%	33.2%
MoU (minutes/sub/month)	Q121	Q421	Q122	%QoQ	%YoY
Postpaid	189	182	173	-4.8%	-8.7%
Prepaid	72	68	63	-7.9%	-13.6%
Blended MoU	110	104	97	-6.7%	-11.8%
Postpaid excluding Incoming minutes	130	123	117	-5.2%	-10.2%
Prepaid excluding Incoming minutes	51	47	42	-9.0%	-16.6%
Blended MoU excluding Incoming minutes	77	71	66	-7.4%	-14.0%
ARPU (THB/sub/month) - (Post-TFRS 15)	Q121	Q421	Q122	%QoQ	%YoY
Postpaid	512	506	497	-1.7%	-3.0%
Prepaid	130	123	117	-4.9%	-10.2%
Blended ARPU	254	245	236	-3.6%	-6.8%
Postpaid excluding IC	501	494	487	-1.3%	-2.7%
Prepaid excluding IC	127	120	114	-4.6%	-10.0%
Blended ARPU excluding IC	248	239	231	-3.2%	-6.6%



Financial Summary

Revenues

Total revenues in Q122 amounted to THB 20,131 million, declining by 1.9% YoY and 6.7% QoQ, mainly driven by lower handset sales compared to Q421. Service revenues excluding IC amounted to 13,796 million for Q122, declining by 2.5% YoY and by 1.4% QoQ due to slow macroeconomic recovery from COVID-19 and significantly aggressive competition.

Core service revenues (defined by bundle of voice and data service revenues) in Q122 amounted to THB 13,430 million, decreasing 2.2% YoY and 1.4% QoQ from the impact of significantly aggressive competition and slow macroeconomic recovery.

International Roaming (IR) revenues in Q122 amounted to THB 64 million, increasing by 104% YoY, and 4.3% QoQ, reflecting gradual lifting of international travel restrictions due to COVID-19.

Other service revenues in Q122 amounted to THB 301 million, declining by 22.9% YoY impacted by lower IDD revenue. Other service revenues declined marginally by 4.7% QoQ.

Handset and starter kit sales in Q122 amounted to THB 2,229 million, declining 6.1% YoY. Handset and starter kit sales declined 34.6% QoQ due to higher handset sales related to the iPhone launch in Q421.

Cost of Services (CoS)

Cost of services excluding IC in Q122 amounted to THB 12,264 million, increasing by 1.7% YoY as a result of higher network roaming cost on the TOT 2300 MHz. CoS excluding IC declined by 1% QoQ driven by structural initiatives.

Regulatory costs in Q122 amounted to THB 514 million, decreasing 11.2% YoY and 7.3% QoQ. Regulatory costs in Q122 accounted for 3.7% of service revenue (excluding IC), decreasing from 4.0% in the previous quarter.

Network OPEX in Q122 amounted to THB 1,352 million, declining 1.5% YoY and increasing 4.1% QoQ. The YoY decline was mainly due to network cost optimization

initiatives. The QoQ increase in network OPEX was driven by higher roll-out and inflation.

Other operating costs of services in Q122 amounted to THB 5,227 million, increasing 4.7% YoY, and marginally increasing by 1% QoQ due to roaming cost on 2300 MHz paid to TOT. TOT's 2300 MHz roaming cost, net of corresponding revenues, was approximately THB 1,275 million in Q122, reflecting a 0.4% YoY increase.

Depreciation and Amortization (D&A) of costs of services in Q122 amounted to THB 5,171 million, increasing at 1.0% YoY from continuing network expansion. QoQ, D&A of CoS declined by 3.4%.

Selling, General and Administrative Expenses (SG&A)

SG&A expenses in Q122 amounted to 3,182 million, decreasing 4.9% YoY as a result of structural initiatives while decreasing 16.6% QoQ due to one-time negative impact from asset write-off in Q421.

Selling and Marketing (S&M) expenses in Q122 amounted to THB 1,053 million, increasing 2.0% YoY. S&M expenses declined by 12.5% QoQ due to higher seasonal expenses in Q421.

General administrative expenses in Q122 amounted to THB 1,481 million, decreasing by 2.0% YoY due to well managed efficiency programs partially offset with amalgamation related cost of ~THB 110 million. General administrative expenses declined by 23.8% QoQ mainly due to one-time negative impact from asset write-off in the previous quarter with cost optimization offsetting the amalgamation related costs in Q122.

Provision for bad debt in Q122 amounted to THB 299 million, decreasing 7.3% YoY. Postpaid bad debt remained stable QoQ at 2.9% of postpaid revenue in Q122.

Depreciation and Amortization (D&A) of SG&A in Q122 amounted to THB 349 million, decreasing 8.4% YoY and 9.8% QoQ.



EBITDA and Net Profit

EBITDA (before other items) in Q122 amounted to THB 7,184 million, declining by 3.9% YoY due to lower revenues offset by structural initiatives. Normalized for the amalgamation related costs, EBITDA declined by 2.4% YoY. EBITDA improved 2.6% QoQ driven by structural initiatives, cost optimization and because of seasonally higher sales and marketing expenses in the previous quarter. EBITDA margin (excluding revenues from CAT lease agreements and TOT network rental) was 43.5% in Q122, increasing from 38.9% in Q421. Including normalization for amalgamation related costs, Q122 saw a healthy EBITDA margin of 44.2%.

Net profit for Q122 amounted to THB 726 million, decreasing 11.6% YoY. Normalized net profit remained stable YoY excluding the impact from amalgamation related costs in Q122. Net profit improved by 324.6% QoQ due to negative impact from one-time asset write-off of in Q421.

Balance Sheet and Key Financial Information

At the end of Q122, total assets amounted to THB 164,830 million, increasing from THB 164,315 million at the end of Q421. Cash and cash equivalent amounted to THB 5,627 million, increasing from THB 3,575 million from the previous quarter. Interest-bearing debt including lease liabilities decreased from THB 74,611 million at the end of Q421 to THB 73,740 million in Q122. Net debt to EBITDA (including lease liabilities) was 2.5x remaining stable QoQ.

Statement of financial position (THB million) (Post-TFRS 15 & 16)	Q421	Q122
Cash and cash equivalent	3,575	5,627
Other current assets	16,152	16,503
Non-current assets	144,587	142,701
Total assets	164,315	164,830
Current liabilities	47,096	49,233
Non-current liabilities	97,051	97,189
Total liabilities	144,147	146,422
Total shareholders' equity	20,167	18,408
Total liabilities and equity	164,315	164,830

CAPEX in Q122 amounted to THB 4,075 million with focus on the accelerated low-band rollout and capacity expansion. Operating cash flow (defined by EBITDA minus CAPEX) amounted to THB 3,109 million for the quarter.

Outlook 2022

Following the results after the first three months of 2022, our guidance remains unchanged. However, coupled with the slow improvement in macroeconomic situation and aggressive competition, we currently expect to meet the lower range of our guidance on service revenue while EBITDA is expected to be within range excluding amalgamation related costs.

2022 guidance:

- Service revenue excluding IC: flat to low single-digit growth
- EBITDA: flat to low single-digit growth (excluding amalgamation related costs)
- Capital expenditure: THB 12-14 billion

We maintain our dividend policy which is to pay out dividend not less than 50% of the Company's net profits based on the separate financial statements, depending on financial position and future business plans, and aim to pay dividend semi-annually.

Cash flows statement (THB million) (Post-TFRS 15 & 16)	3M21	3M22
Cash flows from operating activities	6,868	6,231
Cash paid for interest expenses and tax	(967)	(588)
Net cash flows from operating activities	5,900	5,644
Net cash flows from investing activities	(4,690)	(4,548)
Net cash receipt/(Repayment)	(937)	956
Dividend paid	-	-
Net cash flows from financing activities	(937)	956
Net change in cash	272	2,051



Income statement (THB million) - (Post-TFRS 15&16)	Q121	Q421	Q122	%QoQ	%YoY
Core service revenues (Voice & Data)	13,727	13,615	13,430	-1.4%	-2.2%
IR revenues	32	62	64	4.3%	104.0%
Other service revenues	391	316	301	-4.7%	-22.9%
Service revenues ex. IC	14,149	13,994	13,796	-1.4%	-2.5%
IC revenue	337	352	289	-17.8%	-14.1%
Service revenues	14,486	14,345	14,085	-1.8%	-2.8%
Handsets and starter kits sales	2,449	3,517	2,299	-34.6%	-6.1%
Other operating income	3,581	3,725	3,746	0.6%	4.6%
Total revenues from sales and services	20,516	21,587	20,131	-6.7%	-1.9%
Cost of services	(12,400)	(12,729)	(12,522)	-1.6%	1.0%
Regulatory	(579)	(554)	(514)	-7.3%	-11.2%
Network	(1,372)	(1,299)	(1,352)	4.1%	-1.5%
IC	(336)	(347)	(258)	-25.6%	-23.2%
Others	(4,993)	(5,175)	(5,227)	1.0%	4.7%
Depreciation and Amortization	(5,119)	(5,353)	(5,171)	-3.4%	1.0%
Cost of handsets and starter kits	(2,911)	(4,211)	(2,856)	-32.2%	-1.9%
Total costs	(15,310)	(16,939)	(15,378)	-9.2%	0.4%
Gross profit	5,206	4,648	4,752	2.2%	-8.7%
SG&A	(3,347)	(3,817)	(3,182)	-16.6%	-4.9%
Selling & Marketing expenses	(1,032)	(1,203)	(1,053)	-12.5%	2.0%
General administrative expenses	(1,612)	(1,945)	(1,481)	-23.8%	-8.1%
Provision for bad debt	(322)	(282)	(299)	5.9%	-7.3%
Depreciation and Amortization	(381)	(387)	(349)	-9.8%	-8.4%
Loss from Asset Impairment	(0)	0	0	277.8%	N/A
Gain (loss) on fair value hedge	(229)	(1)	(2)	87.4%	n.m.
Gain (loss) from fair value measurement of derivative assets	-	-	-	N/A	N/A
Gain/Loss on foreign exchange	(2)	20	(10)	-149.3%	441.2%
Interest income	5	1	5	436.1%	13.2%
Other income & share of profit from investment in associated company	12	13	(1)	n.m.	n.m.
EBIT	1,644	864	1,563	80.9%	-4.9%
Financial cost	(687)	(714)	(663)	-7.1%	-3.4%
Corporate income tax	(135)	21	(174)	-941.4%	28.8%
Non-controlling interest	-	-	-	N/A	N/A
Net profit attributable to equity holders	822	171	726	324.6%	-11.6%

EBITDA (THB million)* - (Post-TFRS 15&16)	Q121	Q421	Q122	%QoQ	%YoY
Net profit for the period	822	171	726	324.6%	-11.6%
Finance costs	687	714	663	-7.1%	-3.4%
Income tax expenses	135	(21)	174	-941.4%	28.8%
Depreciation & Amortization	5,501	5,740	5,520	-3.8%	0.3%
Other items	332	400	101	-74.7%	-69.6%
EBITDA	7,477	7,004	7,184	2.6%	-3.9%
EBITDA margin	36.4%	32.4%	35.7%		
EBITDA margin (based on total revenues excluding revenues from CAT lease agreement and TOT network rental in the denominator)	43.9%	38.9%	43.5%		

* EBITDA herein is EBITDA before other incomes and other expenses. Please see more details in the note of the financial statement.

Debt repayment schedule (THB million), end of Q122	Loan	Debenture	Key Financial Ratio (Post-TFRS 15&16)	Q121	Q421	Q122
In 2022	5,001	3,000	Return on Equity (%)***	20.6%	15.1%	16.9%
In 2023	5,001	6,000	Return on Asset (%)****	4.6%	4.0%	3.9%
In 2024	5,598	3,000	Net debt to EBITDA (times)	2.4 x	2.5 x	2.5 x
From 2025	1,900	31,500	CAPEX to Total Revenue (%)	16.3%	17.8%	20.2%
Total	17,500	43,500				

** Excluding impact from TFRS 9

*** Net profit attributable to equity holder (LTM) divided by average equity

**** EBIT (LTM) divided by average assets



Spectrum payment schedule (as of the end of Q122)

Frequency band	Winning price (THB mm)	Payment term (THB mm)									Total (THB mm)
		2022	2023	2024	2025	2026	2027	2028	2029	2030	
900MHz	38,064	3,806	3,806	3,806	3,806	3,806	3,806	-	-	-	38,064
1800MHz	12,511	-	-	-	-	-	-	-	-	-	12,511
700MHz	17,584	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	19,342
Total spectrum payment	68,159	5,565	5,565	5,565	5,565	5,565	5,565	1,758	1,758	1,758	69,917

Disclaimer: Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue" "plan" or other similar words.

The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the Company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.