



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

Executive Summary

During the third quarter of 2022, Thailand continued to witness slow macroeconomic recovery amidst various external challenges. As all restrictions on international travel were lifted from June, the country is witnessing ongoing growth in tourists and migrants. However, the country faces higher inflation rates resulting in increasing costs and reduced spending capability of consumers. The competition in the telecom sector continued to remain fierce in the third quarter. Despite such external challenges, dtac continues to remain focused on strategic priorities in order to deliver value for customers.

Having achieved the ambition to expand 5G coverage to 77 provinces in 1H22, dtac focused on enhancing the experience for customers through continued rollout of 5G sites, adding ~0.6K new sites in Q322. Deployment on low-band continued with an additional 1.0K new sites, reaching approximately 18,800 on the 700 MHz. As a result of the improved experience and coverage, dtac's Net Promoted Score further improved from last quarter while network complaints continued to decline. Usage of 4G on dtac's network improved by 4.5pp from last year while 5G usage improved by 29pp.

B2B and dtac beyond continue to remain key pillars as a customer centric challenger for the Company. In Q322, solution sales provided to the SME segments gained popularity and sold 2.5K times higher licenses QoQ. Dtac entered an exclusive campaign with Google to offer Google Workspace as a connectivity solution which will continue in 2H22. Dtac Business also partnered with Amazon Web Services to provide retail automation solutions combining industry expertise with dtac's 5G private network. As of the first nine months of 2022, service revenue from B2B has achieved a 14% growth YoY.

dtac beyond continued positive traction on growth and engagement. Revenue from Pay via dtac grew by 7% QoQ. Gaming Nation registered a growth of 82% in users while subscribers of dtac Safe quadrupled from

last quarter. Additionally, the Company registered a 28% growth in active digital users YoY, reaching 7.6 Mn at the end of Q322 while prepaid digital users grew by 64% YoY. During the first nine months of 2022, revenue from dtac beyond grew by 16% from last year.

Structural focus on efficiency has led to quantifiable savings in the past few years and continues to remain a key pillar in navigating a tense macroeconomic climate. Focus on efficiency measures have helped dtac achieve 6.2% reduction in OPEX in the first nine months of 2022. Normalized for one-offs during the periods, OPEX reduced by 3.1% from last year. In addition to savings of ~THB 700 Mn in 9M22, dtac also registered additional cash savings of ~THB 150 Mn (below EBITDA).

Subscriber growth continued with a 775K net add QoQ resulting in 21.1 Mn subscribers at the end of Q322, registering an increase of 9.2% YoY. Prepaid users grew by 833K while postpaid users declined by 58K. Approximately 29% of dtac's total subscriber base are postpaid users.

During Q322, service revenue excluding IC declined by 0.3% YoY mainly due to ARPU erosion, while remaining flat QoQ driven by higher prepaid revenue from growing tourist and migrant segments. Core service revenue decreased by 0.6% YoY due to fierce competition and lower postpaid revenue. Handset sales increased by 73.3% YoY due to the early launch of iPhone in Q322 and shop closure in Q321. Blended ARPU declined by 8.3% YoY and 3.4% QoQ.

EBITDA (before other items) declined by 3.6% YoY, however, normalized EBITDA remained flat driven by structural efficiency measures despite higher inflation. EBITDA declined by 13.4% QoQ due to positive one-offs in Q222 and amalgamation related costs of ~THB 160 Mn in Q322. Excluding revenues from CAT lease agreements, TOT network rental and one-offs in Q222, dtac registered a normalized healthy EBITDA margin of



45% in Q322. Net profit for Q322 amounted to THB 488 million, adversely impacted YoY due to amalgamation cost in '22 and regulatory cost benefit in '21.



Operational Summary

At the end of Q322, total subscriber base stood at 21.1 million, an increase of 775K from the end of last quarter. The increase mainly came from prepaid segment. Prepaid subscriber increased by 833K QoQ to 14.9 million, while postpaid subscriber base registered a decline of 58K.

Average Revenue Per User excluding IC (ARPU) for Q322 was THB 222 per month, declining by 7.7% YoY and 3.3% QoQ, driven by fierce competition and slow macroeconomic recovery. At the end of Q322, postpaid subscriber base remained at 29% of total subscriber base. Postpaid ARPU excluding IC for Q322 was THB 484 per month, a decrease of 2.3% YoY and 1.1% QoQ. Prepaid ARPU excluding IC was THB 111 per month, declining by 7.3% YoY and 2.0% QoQ.

Traffic on TOT's 4G-2300MHz network remained at the high levels. Number of 4G-2300MHz installed base stations under the partnership with TOT reached approximately 21,800 at the end of Q322. The number of 4G users reached 16.7 million, representing approximately 80% of total subscriber base. The number of 4G compatible devices stood at 89% of total subscriber base. Smartphone penetration reached 89.7%.

Active subscribers (in thousand)	Q321	Q222	Q322	%QoQ	%YoY
Postpaid	6,180	6,197	6,139	-0.9%	-0.7%
Prepaid	13,094	14,080	14,914	5.9%	13.9%
Total active subscribers	19,274	20,278	21,053	3.8%	9.2%
Net additional subscribers (in thousand)	Q321	Q222	Q322	%QoQ	%YoY
Postpaid	(5)	(1)	(58)	7744.2%	1076.9%
Prepaid	31	413	833	101.8%	2613.4%
Total net additional subscribers	26	412	775	88.2%	2905.1%
MoU (minutes/sub/month)	Q321	Q222	Q322	%QoQ	%YoY
Postpaid	193	166	160	-4.0%	-17.2%
Prepaid	72	59	53	-10.8%	-26.9%
Blended MoU	111	92	85	-8.4%	-23.8%
Postpaid excluding Incoming minutes	132	112	107	-4.2%	-18.7%
Prepaid excluding Incoming minutes	50	40	35	-11.6%	-29.7%
Blended MoU excluding Incoming minutes	76	62	56	-8.9%	-25.9%
ARPU (THB/sub/month) - (Post-TFRS 15)	Q321	Q222	Q322	%QoQ	%YoY
Postpaid	509	499	493	-1.3%	-3.1%
Prepaid	123	116	114	-1.8%	-7.6%
Blended ARPU	247	235	227	-3.4%	-8.3%
Postpaid excluding IC	496	489	484	-1.1%	-2.3%
Prepaid excluding IC	120	114	111	-2.0%	-7.3%
Blended ARPU excluding IC	241	230	222	-3.3%	-7.7%



Financial Summary

Revenues

Total revenues in Q322 amounted to THB 20,030 million, increasing by 4.1% YoY and 0.4% QoQ. Service revenue excluding IC amounted to 13,930 million for Q322, declining by 0.3% YoY due to decline in ARPU, while remaining flat QoQ due to slowly improving macroeconomic situation and growing contribution from tourist and migrant segment.

Core service revenues (defined by bundle of voice and data service revenues) in Q322 amounted to THB 13,534 million, decreasing 0.6% YoY due to fierce competition while remaining almost flat QoQ due to lower contribution from postpaid offset by growing prepaid revenue.

International Roaming (IR) revenues in Q322 amounted to THB 98 million, increasing by 158.8% YoY and 50.8% QoQ driven by increasing international tourism and reopening of economy.

Other service revenues in Q322 amounted to THB 298 million, declining by 9.3% YoY and 3.3% QoQ impacted by lower IDD revenue.

Handset and starter kit sales in Q322 amounted to THB 2,040 million, increasing 73.3% YoY due to early iPhone launch in Q322 and shop closure in Q321 due to Covid. Handset and starter kit sales declined by 1.5% QoQ.

Cost of Services (CoS)

Cost of services excluding IC in Q322 amounted to THB 12,756 million, increasing by 3.6% YoY and 12.8% QoQ as a result of one-time adjustment of regulatory cost and higher network roaming cost on the TOT 2300 MHz.

Regulatory costs in Q322 amounted to THB 576 million, increasing by 38.5% YoY due to one-time adjustment of THB 170 in Q321. Regulatory cost increased by 224.8% QoQ due to positive impact of ~THB 1 Bn from deductible filter cost in Q222.

Network OPEX in Q322 amounted to THB 1,360 million, declining by 6.8% YoY. Network cost increased by 18.0% QoQ driven by higher inflationary energy cost and

positive one-off in Q222. Overall, network OPEX remained well managed contributed by the structural efficiency initiatives.

Other operating costs of services in Q322 amounted to THB 5,320 million, increasing by 2.9% YoY, and 0.7% QoQ mainly driven by higher roaming cost on 2300 MHz paid to TOT. TOT's 2300 MHz roaming cost, net of corresponding revenues, was approximately THB 1,277 million in Q322, reflecting a 0.3% YoY increase.

Depreciation and Amortization (D&A) of CoS in Q322 amounted to THB 5,500 million, increasing by 4.5% YoY and 3.1% QoQ from ongoing network expansion.

Selling, General and Administrative Expenses (SG&A)

SG&A reported expenses in Q322 amounted to 3,230 million, decreasing 1.3% YoY and 17.2% QoQ due to lower S&M expenses partly offset by amalgamation related costs.

Selling and Marketing (S&M) expenses in Q322 amounted to THB 854 million, decreasing 14.8% YoY and 13.5% QoQ due to optimized spending and focus on digitization.

General administrative expenses in Q322 amounted to THB 1,584 million, increasing by 3.2% YoY and 0.6% QoQ due to negative one-off impact from amalgamation related costs of ~THB 160 Mn in Q322.

Provision for bad debt in Q322 amounted to THB 400 million, increasing 10.0% YoY due to slow macroeconomic recovery. Bad debts improved by 6.9% QoQ driven by reopening of the economy.

Depreciation and Amortization (D&A) of SG&A in Q322 amounted to THB 344 million, decreasing 10.9% YoY and 2.1% QoQ.



EBITDA and Net Profit

EBITDA (before other items) in Q322 amounted to THB 7,177 million, decreasing by 3.6% YoY driven by higher inflation. Normalized for impact from one-offs, EBITDA remained flat YoY driven by structural focus on efficiency. EBITDA decreased by 13.4% QoQ due to net positive impact from one-offs in Q222. EBITDA margin (excluding revenues from CAT lease agreements and TOT network rental) was 43.8% in Q322, decreasing from 50.8% in Q222. Considering normalization for one-offs, EBITDA margin remained healthy at 45%.

Net profit for Q322 amounted to THB 488 million, decreasing by 41.4% YoY due to negative impact from amalgamation cost in Q322 and regulatory cost benefit in Q321. Net Profit declined by 51.4% QoQ due to net positive impact from one-offs in Q222, higher depreciation and amortization in Q322, partly offset by interim settlement of insurance claim of ~THB 170 Mn.

Balance Sheet and Key Financial Information

At the end of Q322, total assets amounted to THB 157,189 million, decreasing from THB 164,315 million at the end of Q421. Cash and cash equivalent amounted to THB 5,929 million, increasing from THB 3,575 million at the end of Q421. Interest-bearing debt including lease liabilities decreased from THB 74,611 million at the end of Q421 to THB 71,854 million in Q322. Net debt to EBITDA (including lease liabilities) remained stable at 2.4x.

Statement of financial position (THB million) (Post-TFRS 15 & 16)	Q421	Q322
Cash and cash equivalent	3,575	5,929
Other current assets	16,152	16,124
Non-current assets	144,587	135,137
Total assets	164,315	157,189
Current liabilities	47,096	43,088
Non-current liabilities	97,051	96,214
Total liabilities	144,147	139,302
Total shareholders' equity	20,167	17,887
Total liabilities and equity	164,315	157,189

CAPEX in Q322 amounted to THB 1,954 million with focus on improving experience with low-band rollout and capacity expansion. Operating cash flow (defined by EBITDA minus CAPEX) amounted to THB 5,223 million for the quarter.

Outlook 2022

dtac expects to maintain its guidance for 2022 as previously communicated:

- Service revenue excluding IC: flat to low single-digit decline
- EBITDA: flat to low single-digit growth (excluding amalgamation related costs)
- Capital expenditure: THB 11-13 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)	9M21	9M22
Cash flows from operating activities	23,082	21,822
Cash paid for interest expenses and tax	(2,744)	(1,727)
Net cash flows from operating activities	20,338	20,095
Net cash flows from investing activities	(12,505)	(12,632)
Net cash receipt/(Repayment)	(1,148)	(611)
Dividend paid	(7,506)	(4,499)
Net cash flows from financing activities	(8,654)	(5,109)
Net change in cash	(821)	2,354



Income statement (THB million) - (Post-TFRS 15&16)	Q321	Q222	Q322	%QoQ	%YoY
Core service revenues (Voice & Data)	13,612	13,549	13,534	-0.1%	-0.6%
IR revenues	38	65	98	50.8%	158.8%
Other service revenues	328	308	298	-3.3%	-9.3%
Service revenues ex. IC	13,978	13,921	13,930	0.1%	-0.3%
IC revenue	367	282	274	-2.9%	-25.5%
Service revenues	14,345	14,203	14,204	0.0%	-1.0%
Handsets and starter kits sales	1,177	2,072	2,040	-1.5%	73.3%
Other operating income	3,710	3,685	3,786	2.8%	2.0%
Total revenues from sales and services	19,232	19,960	20,030	0.4%	4.1%
Cost of services	(12,671)	(11,618)	(13,094)	12.7%	3.3%
Regulatory	(416)	462	(576)	224.8%	38.5%
Network	(1,459)	(1,153)	(1,360)	18.0%	-6.8%
IC	(362)	(305)	(338)	10.5%	-6.7%
Others	(5,171)	(5,285)	(5,320)	0.7%	2.9%
Depreciation and Amortization	(5,263)	(5,336)	(5,500)	3.1%	4.5%
Cost of handsets and starter kits	(1,560)	(2,513)	(2,502)	-0.4%	60.4%
Total costs	(14,231)	(14,131)	(15,596)	10.4%	9.6%
Gross profit	5,002	5,829	4,434	-23.9%	-11.4%
SG&A	(3,274)	(3,899)	(3,230)	-17.2%	-1.3%
Selling & Marketing expenses	(1,002)	(987)	(854)	-13.5%	-14.8%
General administrative expenses	(1,535)	(1,575)	(1,584)	0.6%	3.2%
Provision for bad debt	(364)	(430)	(400)	-6.9%	10.0%
Depreciation and Amortization	(386)	(351)	(344)	-2.1%	-10.9%
Loss from Asset Impairment	12	(556)	(48)	-91.3%	-486.8%
Gain (loss) on fair value hedge	(0)	4	(13)	-414.1%	2661.0%
Gain (loss) from fair value measurement of derivative assets	-	-	-	N/A	N/A
Gain/Loss on foreign exchange	(5)	0	(8)	-1808.4%	53.4%
Interest income	3	1	5	782.4%	112.4%
Other income & share of profit from investment in associated company	(0)	5	171	3215.6%	-49708.5%
EBIT	1,725	1,941	1,359	-30.0%	-21.2%
Financial cost	(729)	(687)	(759)	10.5%	4.1%
Corporate income tax	(163)	(250)	(112)	-54.9%	-31.1%
Non-controlling interest	-	-	-	N/A	N/A
Net profit attributable to equity holders	832	1,004	488	-51.4%	-41.4%

EBITDA (THB million)* - (Post-TFRS 15&16)	Q321	Q222	Q322	%QoQ	%YoY
Net profit for the period	832	1,004	488	-51.4%	-41.4%
Finance costs	729	687	759	10.5%	4.1%
Income tax expenses	163	250	112	-54.9%	-31.1%
Depreciation & Amortization	5,649	5,687	5,843	2.8%	3.4%
Other items	70	662	(26)	-103.9%	-137.2%
EBITDA	7,443	8,290	7,177	-13.4%	-3.6%
EBITDA margin	38.7%	41.5%	35.8%		
EBITDA margin (based on total revenues excluding revenues from CAT lease agreement and TOT network rental in the denominator)	47.5%	50.8%	43.8%		

* 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 Q322	Loan	Debenture	Key Financial Ratio (Post-TFRS 15&16)	Q321	Q222	Q322
In 2022	1,000	-	Return on Equity (%)***	15.7%	13.3%	12.6%
In 2023	3,501	6,000	Return on Asset (%)****	4.1%	3.7%	3.5%
In 2024	5,599	6,882	Net debt to EBITDA (times)	2.4 x	2.5 x	2.4 x
From 2025	1,900	37,490	CAPEX to Total Revenue (%)	18.1%	16.7%	9.8%
Total	12,000	50,372				

** 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 Q322)

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.