

Executive summary

INTOUCH is a holding company. Besides having a major investment in AIS, a Cognitive Tech-Co, INTOUCH has been seeking new investment opportunities in Telecom, Technology, Digital, and other businesses with growth potential, steady income and profits to create sustainable growth and returns for shareholders.

In 1Q23, the Thai economy began to recover with solid support from consumption that improved from easing the inflation situation and continuous expansion of the tourism sector. However, there are still risk factors that may affect the Thai economy, such as the uncertainty of the global economy, the volatility of the global financial market due to strict monetary policies from financial institutions in other countries, and geopolitical conflicts across the world.

In the face of challenges, AIS's execution focusing on profitable revenue brought a core service revenue growing 2.3% YoY. AIS maintained core mobile revenue growth with service quality leadership, pricing discipline, and ecosystem economy by engaging partnerships from various industries to increase the value of the products and services bundling matching various customers' needs. AIS maintained its position as a market leader in delivering excellent user experience. The total number of mobile subscribers reached 46.1 million in 1Q23, and 5G users continued the growth momentum and reached 7.2 million subscribers. In addition, Broadband and Enterprise businesses continued the growth momentum with distinctive products and industry collaboration with partnerships and efforts to expand the digital ecosystem to support the digital operations of enterprise customers.

Overview of Consolidated Operational Results

Share of profit (loss) by business segment (in million baht)	For the three-month period ended 31 March				
	2023		2022		%YoY
Continuing operations					
The Company	(40)	-1%	(26)	-1%	54%
AIS	2,732	102%	2,552	100%	7%
Other Businesses	(2)	0%	5	0%	-140%
Net Profit from continuing operations	2,690	100%	2,531	99%	6%
Discontinued operations					
THAICOM (<i>Satellite & International Businesses</i>)	-	0%	21	1%	-100%
Net Profit	2,690	100%	2,552	100%	5%
Normalized Net Profit ¹⁾	2,675	99%	2,572	101%	4%

1) Excluding the net gain or loss from extra items:- fair value measurement and foreign exchange.

Operational results of INTOUCH Group for 1Q23 showed a net profit of 2,690 million baht, an increase of 5% from the same period last year, mainly due to the following:

- Higher contribution from AIS due to the increase in revenue.
- Higher net loss from INTOUCH because of the staff costs and dividend payment registration expenses.
- Lower contribution from other businesses, which included business relative to human-resource development & management and businesses under the venture capital project ("InVent"), as in 1Q23, it had an unrealized loss from fair value measurement of investments under the venture capital project, while in 1Q22, there was a net realized gain.
- No contribution from discontinued operations (THAICOM) in 1Q23 due to the disposal of all investment in THAICOM at the end of 2022

Operational results of INTOUCH for 1Q23 had a share of the net results of 2,733 million baht, which increased from 1Q22, mainly due to the contribution from AIS. 1Q23 operational expenses, including directors and management benefits, were 47 million baht, an increase from last year due to staff costs and dividend payment registration expenses.

Dividend payout INTOUCH has a dividend policy based on separate financial statements. These are mainly 100% dividends passed through from associates and subsidiaries after the deduction of operating expenses, assuming there are no extraordinary circumstances or items of concern in which the payment of a dividend would have a material impact on the Company's operations.

Possible key and influential factors affecting the Company's future operations or financial position

INTOUCH conducts its business as a holding company with investments in other companies. Therefore, these companies' financial position or operational results could have a material impact on INTOUCH.

The performance of these investments has been disclosed in the Management Discussion & Analysis of Financial Results for AIS (ADVANC).

Key Operational Results

Company business

The Company (in million baht)	For the three-month period ended 31 March		
	2023	2022	%YoY
Expenses	(42)	(35)	20%
Others ¹⁾	2	9	-78%
Net Loss	(40)	(26)	54%

1) Excluding the net gain or loss from fair value measurement of investments in venture capital project which were presented as a part of operational result in Other Businesses.

INTOUCH's net loss in 1Q23 was 40 million baht, which rose from 1Q22 mainly due to staff costs and dividend payment registration expenses.

AIS (Local wireless telecommunications)

Local wireless telecommunications (in million baht)	For the three-month period ended 31 March		
	2023	2022	%YoY
Share of net result from investment in AIS Group using equity method	2,732	2,552	7%
Normalized share of net result *	2,712	2,566	6%

* Excluding the share of net foreign exchange gain (loss).

The share of the net results from AIS Group rose from 1Q22, mainly due to revenue growth.

Sales and service revenue increased from 1Q22 due to improved core service revenue and increased handset sales, supported by the economic recovery. Mobile revenue improved mainly due to an increased subscriber base, a rebound in tourist-related usage, and efforts to uplift ARPU under a better competitive environment. The revenues from both fixed-broadband and non-mobile enterprise businesses continued to grow.

Sales and service costs increased from 1Q22 following its revenues, while service costs increased due to rising electricity prices.

Distribution costs & administrative expenses increased slightly from 1Q22 due to the efficiency of marketing and administrative expenses.

Summary of Financial Position

Key financial position data

Consolidated Financial Position	As at 31 March 2023		As at 31 December 2022		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	1,145	3%	5,562	13%	(4,417)	-79%
Other current financial assets	1,252	3%	1,383	3%	(131)	-9%
Dividend receivable	5,099	12%	-	0%	5,099	100%
Other current assets	37	0%	36	0%	1	3%
Investment in an associate	33,000	80%	35,366	82%	(2,366)	-7%
Investment in venture capital	641	2%	640	1%	1	0%
Property and equipment	17	0%	18	0%	(1)	-6%
Right-of-use asset	28	0%	29	0%	(1)	-3%
Deferred tax assets	1	0%	1	0%	-	0%
Other non-current assets	6	0%	6	0%	-	0%
Total Assets	41,226	100%	43,041	100%	(1,815)	-4%
Liabilities and Equity						
Dividends payable	5,002	12%	4,489	10%	513	11%
Current portion of long-term lease liabilities	5	0%	5	0%	-	0%
Provision for unpaid operating fees and interest	2,890	7%	2,890	7%	-	0%
Other current liabilities	23	0%	40	0%	(17)	-43%
Long-term lease liability	23	0%	25	0%	(2)	-8%
Other non-current liabilities	40	0%	39	0%	1	3%
Total Liabilities	7,983	19%	7,488	17%	495	7%
Total Equity	33,243	81%	35,553	83%	(2,310)	-6%
Total Liabilities and Equity	41,226	100%	43,041	100%	(1,815)	-4%

* Some items have been reclassified for comparative and analytical purposes.

Total consolidated assets dropped 4% from the end of 2022, mainly from cash & cash equivalents after the payment of the YE22 dividend payable, which was paid to shareholders in January 2023. Also, the value of the investment in an associate dropped due to the dividend payment, although this was partially offset by their operational results in 1Q23 of AIS. However, a dividend receivable from AIS was approved as a dividend payment in March 2023, which INTOUCH received in April 2023.

Total consolidated liabilities increased by 7% from the end of 2022, mainly due to the dividend payable, which was approved in March 2023 and paid in April 2023.

Total consolidated equity decreased by 6% from the end of 2022 due to the dividend payment from 2H22 operational results, net of the 1Q23 profit in the group.

Liquidity and cash flow: At the end of 1Q23, the current ratio was 1.0, which decreased from 1.7 at the end of 1Q22, mainly due to the deconsolidation of THAICOM after the disposal of all the investments. INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and secure short-term credit facilities from various banks as a financial backup.

The consolidated cash of 1Q23 dropped by 4,417 million baht from the end of 2022, mainly due to the dividend payment paid to shareholders in January 2023.

The profitability ratio and return on equity: INTOUCH Group's net profit margin at the end of 1Q23 was 98.2%, while the return on equity was 7.7%, remaining the same as in 1Q22.

Debt-to-equity ratio: At the end of 1Q23, the group had a debt-to-equity ratio of 0.2 times, almost the same as in 1Q22. INTOUCH Group can repay short- and long-term loans without violating the conditions of its loan agreements concerning maintaining stipulated financial ratios.

The group's commitments, including those off the balance sheet, have been disclosed in the notes to the interim financial statements, namely *Commitments, Bank Guarantees, Significant Events, and Disputes & Litigation*.

The External Auditor's Report

The external auditor's report contained the following conclusion:

"Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information for the three-month period ended 31 March 2023 is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*."

Additional Financial Data and Key Ratios

Separated Financial Position	As at 31 March 2023		As at 31 December 2022		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	988	2%	5,524	13%	(4,536)	-82%
Other current financial assets	146	0%	157	0%	(11)	-7%
Dividends receivable	5,099	13%	-	0%	5,099	100%
Investment in subsidiaries and associate	33,026	83%	35,391	85%	(2,365)	-7%
Investments in venture capital	641	2%	640	2%	1	0%
Other assets	54	0%	57	0%	(3)	-5%
Total Assets	39,954	100%	41,769	100%	(1,815)	-4%
Liabilities and Equity						
Dividend payable	5,002	13%	4,489	11%	513	11%
Other liabilities	86	0%	102	0%	(16)	-16%
Total Equity	34,866	87%	37,178	89%	(2,312)	-6%
Total Liabilities and Equity	39,954	100%	41,769	100%	(1,815)	-4%

* Some items have been reclassified for comparative and analytical purposes.

Separate Statements of Profit or Loss (in million baht)	For the three-month period ended 31 March		
	2023	2022	%YoY
Share of net results from investments in:-			
Subsidiaries	1	1	0%
Associate	2,732	2,552	7%
Other income	3	12	-75%
Total revenue	2,736	2,565	7%
Administrative & other expenses	(38)	(26)	46%
Director and management benefits	(9)	(9)	0%
Total expenses	(47)	(35)	34%
Profit before finance costs	2,689	2,530	6%
Finance costs	(1)	-	100%
Profit from discontinued operations	-	21	-100%
Net Profit	2,688	2,551	5%

Consolidated Statements of Profit or Loss (in million baht)	For the three-month period ended 31 March		
	2023	2022	%YoY
Sales and service revenue	-	12	-100%
Share of profit of investments in an associate	2,732	2,552	7%
Other income	8	16	-50%
Total revenue	2,740	2,580	6%
Sales and service costs	-	(13)	-100%
Administrative expenses	(38)	(25)	52%
Director and management benefit expenses	(9)	(9)	0%
Total expenses	(47)	(47)	0%
Profit before finance costs & income tax expense	2,693	2,533	6%
Finance costs	(1)	-	100%
Profit before income tax expense	2,692	2,533	6%
Income tax expense	(1)	(1)	0%
Profit for the year - continuing operations	2,691	2,532	6%
Profit (loss) from discontinued operations - net	-	51	-100%
Net profit	2,691	2,583	4%

Consolidated source and use of Cash Flows		For the three-month period ended 31 March		million baht
Source of funds		Use of funds		
Receive of dividend	-	Payment of dividend		4,489
Decrease in other current financial assets	130	Operating cash flows		52
		Repayment of loan and lease liabilities		1
		Net investment in venture capital		5
Decrease in cash	4,417			
Total	4,547			4,547

Material financial ratios (based on consolidated financial statements)	For the three-month period ended 31 March		
	2023	2022	Change
Net profit margin (%)	98.2	98.9	(0.7)
Current ratio (times)	1.0	1.7	(0.8)
Return on equity attributed to owners of the parent (%)	7.7	6.5	1.2
Return on assets (%)	6.4	4.6	1.8
Debt to equity attributed to owners of the parent (times)	0.2	0.3	(0.1)
Interest bearing debt to equity attributed to owners of the parent (times)	0.0	0.1	(0.1)
Basic earnings per share (baht)	0.84	0.80	0.04
Book value per share (baht)	10.61	11.90	(1.29)

Disclaimer

Some statements in this material are forward-looking statements with relevant assumptions, subject to various risks and uncertainties. These include statements concerning 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 its executives/staff do not control and cannot guarantee these statements' relevance, timeliness, or accuracy.