

Executive Summary

The Thai economy modestly recovered and grew in the first quarter of 2024 despite being fueled by private consumption and continued tourism recovery. Various agencies responsible for monitoring the Thai economy adjusted their forecasts downward for the year 2024. Tourism remained a key economic driver in 2024, along with government stimulus measures aimed at enhancing consumption and investment.

AIS, the Company's core investment, demonstrated consistent profit escalation attributed to the growth of the mobile business and the strategic expansion of the fixed broadband revenue base following the TTTBB acquisition in mid-November 2023. AIS continued to focus on offering high-quality products integrated with technology and innovation to attract and retain users with high average revenue per user (ARPU), consequently bolstering the overall ARPU positively.

Significant Events

- On 18 March 2024, ITV's Extraordinary General Meeting no. 1/2024 passed a resolution to approve the decrease in the registered and paid-up capital by reducing the share's par value from Baht 5 to Baht 0.02 to fully compensate for the entire deficiency in share capital and deficit and return reduced capital to all shareholders. Currently, it is during the waiting period for creditors to exercise their rights to object to the capital reduction. If no creditors object within two months, ITV will then proceed with registering the decrease in capital reduction with the Department of Business Development, Ministry of Commerce. Subsequently, ITV will return the cash to each shareholder. It is expected that ITV will return approximately 1.03 baht per share, a total of 1,248 million baht, in May 2024.

Overview of Consolidated Operational Results

Share of profit (loss) by business segment (in million baht)	For the three-month period ended 31 March				
	2024		2023		%YoY
Continuing operations					
The Company	(29)	-1%	(40)	-1%	-28%
AIS	3,418	105%	2,732	102%	25%
Other Businesses	(127)	-4%	(2)	0%	6,250%
Net Profit	3,262	100%	2,690	100%	21%
Normalized Net Profit ¹⁾	3,453	106%	2,675	99%	29%

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

Operational results of INTOUCH Group for 1Q24 revealed a net profit of 3,262 million baht, marking a 21% increase compared to 1Q23, primarily driven by a greater contribution from AIS. The rise in profit margin stemmed from boosted service and sales revenues, notably from fixed-broadband services following the recognition of TTTBB's contribution, alongside effective cost and SG&A management. Nonetheless, this was partly offset by increased finance costs resulting from the acquisition of TTTBB and JASIF, in addition to lease liabilities.

Operational results of INTOUCH for 1Q24 had a share of the net results of 3,418 million baht, increased by 25% YoY, primarily driven by AIS contributions, partially offset by the losses from the fair value remeasurement of investments in the InVent project. Operational expenses in 1Q24, excluding losses from the fair value remeasurement of investments in the InVent project, amounted to 33 million baht, representing a decrease from 1Q23.

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 a dividend payment 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.

Please see the Management Discussion & Analysis of Financial Results for AIS (ADVANC) for additional information.

Key Operational Results

Company business

The Company (in million baht)	For the three-month period ended 31 March		
	2024	2023	%YoY
Expenses	(33)	(42)	-21%
Others	4	2	100%
Net Loss ¹⁾	(29)	(40)	-28%

1) Excluding the net gain/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 1Q24 was 29 million baht, dropped from 1Q23, primarily attributed to reduced staff costs and effectively managed administrative expenses.

AIS businesses

Local wireless telecommunications (in million baht)	For the three-month period ended 31 March		
	2024	2023	%YoY
Share of net result from investment in AIS Group using equity method	3,418	2,732	25%
Normalized share of net result *	3,482	2,712	28%

* Excluding the share of net foreign exchange gain/loss.

The share of the net results from AIS Group saw an increase from 1Q23, primarily driven by revenue growth in sales & services, as well as effective management of costs and SG&A. However, this was partially offset by finance costs resulting from the acquisition of TTTBB and JASIF, besides lease liabilities.

Sales and service revenue experienced growth from 1Q23, primarily propelled by: -

- The rise in revenue in the fixed-broadband services business was driven by the inclusion of TTTBB's income and the expansion of high-quality subscribers, leveraging expended network coverage. Additionally, the ARPU saw a steady increase due to effective up-sell and cross-sell strategies.
- The increase in the mobile business revenue stemmed from growth in ARPU through value-added package structuring, cross-selling strategies, and 5G adoption, boosted by the recovery in tourism usage.
- The growth of revenue from enterprise non-mobile and others was from the demand for enhanced connectivity and TTTBB's revenue recognition.
- Sales of SIM & devices increased following the government's tax campaign launched in January – February 2024. The sales margin increased to 4.8% due to subsidy optimization.

Sales and service costs increased from 1Q23, mainly due to the inclusion of TTTBB's, and in line with revenue growth. However, electricity costs dropped as the FT rate declined along with the decline in depreciation after the fully depreciated network equipment.

Distribution costs & administrative expenses increased from 1Q23 due to the consolidation of TTTBB's SG&A. However, this rise was offset by efficient cost management in marketing expenses.

Summary of Financial Position

Key financial position data

Consolidated Financial Position	As at 31 March 2024		As at 31 December 2023		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	2,487	6%	2,524	6%	(37)	-1%
Other current financial assets	-	0%	19	0%	(19)	-100%
Dividend receivable	5,545	13%	-	0%	5,545	100%
Other current assets	13	0%	11	0%	2	18%
Investment in an associate	35,203	80%	37,343	92%	(2,140)	-6%
Investment in venture capital	456	1%	574	1%	(118)	-21%
Property and equipment	12	0%	13	0%	(1)	-8%
Right-of-use asset	23	0%	24	0%	(1)	-4%
Other non-current assets	3	0%	3	0%	-	0%
Total Assets	43,742	100%	40,511	100%	3,231	8%
Liabilities and Equity						
Dividends payable	5,451	12%	-	0%	5,451	100%
Current portion of long-term lease liabilities	5	0%	5	0%	-	0%
Other current liabilities	18	0%	35	0%	(17)	-49%
Long-term lease liability	18	0%	20	0%	(2)	-10%
Other non-current liabilities	38	0%	37	0%	1	3%
Total Liabilities	5,530	13%	97	0%	5,433	5,601%
Total Equity	38,212	87%	40,414	100%	(2,202)	-5%
Total Liabilities and Equity	43,742	100%	40,511	100%	3,231	8%

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

Total consolidated assets rose 8% from the end of 2023, primarily due to the dividend receivable from AIS, which was announced in March 2024. INTOUCH will receive this dividend in April 2024. The decrease in the value of investment in an associate resulted from the dividend payment, but it was offset by the operational performance of AIS in 1Q24.

Total consolidated liabilities grew compared to the end of 2023 due to the dividend payable, announced in March 2024 and scheduled for payment in April 2024.

Total consolidated equity dropped 5% from the end of 2023 due to the dividend payment from the operational result of 2H23, net with the operational gains in 1Q24.

Liquidity and cash flow: At the end of 1Q24, the current ratio reached 1.5, up from 1.0 at the end of 1Q23. This increase was mainly due to the decrease in current liabilities following ITV's adjustment to the provision for unpaid fees and interest in 4Q23. 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 1Q24 decreased by 37 million baht compared to the end of 2023, primarily due to operational expenditures.

The profitability ratio and return on equity: 1Q24 INTOUCH Group reported a net profit margin of 95.2%, a decrease from 1Q23 primarily due to the increased loss from the fair value remeasurement of investments in the InVent Project. The annual return on equity increased to 33.7%, a rise from 1Q23, mainly attributable to the growth in the share of the net results from AIS, which outpaced the rise in equity.

Debt-to-equity ratio: At the end of 1Q24, the group's debt-to-equity ratio stood at 0.15 times, down from 0.23 times in 1Q23, attributable to reduced current liabilities following ITV's adjustment to the provision for unpaid fees and interest in 4Q23. 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:

The auditor found nothing to come to the attention that causes them to believe that the interim financial information for the three-month period ended 31 March 2024 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 2024		As at 31 December 2023		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	1,191	3%	1,246	3%	(55)	-4%
Other current financial assets	-	0%	6	0%	(6)	-100%
Dividends receivable	5,545	13%	-	0%	5,545	100%
Investment in subsidiaries and associate	35,902	83%	38,041	95%	(2,139)	-6%
Investments in venture capital	456	1%	574	1%	(118)	-21%
Other assets	44	0%	40	0%	4	10%
Total Assets	43,138	100%	39,907	100%	3,231	8%
Liabilities and Equity						
Dividend payable	5,451	13%	-	0%	5,451	100%
Other liabilities	73	0%	91	0%	(18)	-20%
Total Equity	37,614	87%	39,816	100%	(2,202)	-6%
Total Liabilities and Equity	43,138	100%	39,907	100%	3,231	8%

* 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		
	2024	2023	%YoY
Share of net results from investments in:-			
Subsidiaries	-	1	-100%
Associate	3,418	2,732	25%
Other income	4	3	33%
Total revenue	3,422	2,736	25%
Administrative & other expenses	(153)	(38)	303%
Director and management benefits	(7)	(9)	-22%
Total expenses	(160)	(47)	240%
Profit before finance costs	3,262	2,689	21%
Finance costs	-	(1)	-100%
Net Profit	3,262	2,688	21%

Consolidated Statements of Profit or Loss (in million baht)	For the three-month period ended 31 March		
	2024	2023	%YoY
Share of profit of investments in an associate	3,418	2,732	25%
Other income	10	8	25%
Total revenue	3,428	2,740	25%
Administrative expenses	(159)	(38)	318%
Director and management benefit expenses	(7)	(9)	-22%
Total expenses	(166)	(47)	253%
Profit before finance costs & income tax expense	3,262	2,693	21%
Finance costs	-	(1)	-100%
Profit before income tax expense	3,262	2,692	21%
Income tax expense	-	(1)	-100%
Net profit	3,262	2,691	21%

Consolidated source and use of Cash Flows			
For the three-month period ended 31 March			million baht
Source of funds		Use of funds	
Decrease in other current financial assets	19	Operating cash flows	45
		Repayment of loan and lease liabilities	2
		Net investment in venture capital	9
Decrease in cash	37		
Total	56		56



Significant financial ratios (based on consolidated financial statements)	For the three-month period ended 31 March		
	2024	2023	Change
Net profit margin (%)	95.2	98.2	(3.0)
Current ratio (times)	1.5	1.0	0.5
Annualised return on equity attributed to owners of the parent (%)	33.7	30.6	3.1
Annualise return on assets (%)	31.0	25.5	5.4
Debt to equity attributed to owners of the parent (times)	0.15	0.23	(0.1)
Interest bearing debt to equity attributed to owners of the parent (times)	0.001	0.001	(0.0)
Basic earnings per share (baht)	1.02	0.84	0.18
Book value per share (baht)	11.73	10.61	1.12

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 that may cause the actual results, performance, or achievements to materially differ 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.