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# *dtac*

## *FY2016*

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31 January 2017

# FY16 highlights



**24.5m** total subscribers

*95.0% of sub base registered under DTN*

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**67.8%** smartphone penetration

*32.1% penetration of 4G-enabled devices*

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**THB35.7b** data revenues

*55.3% of service revenues ex. IC*

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**THB27.9b** EBITDA

*33.8% EBITDA margin*

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**THB20.3b** CAPEX

*24.6% to total revenues*

# operational highlights

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# FY16 recap



massive network expansion



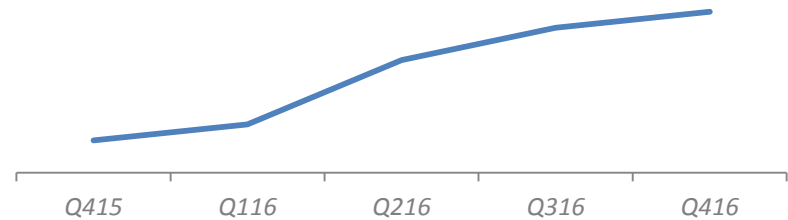
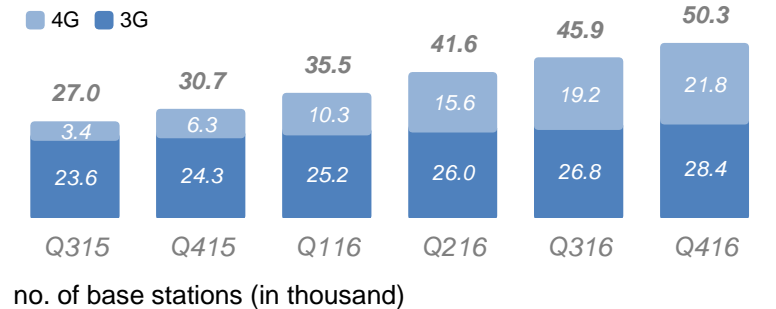
strong growth in postpaid and 4G



unsustainable level of prepaid subsidies

# massive network expansion

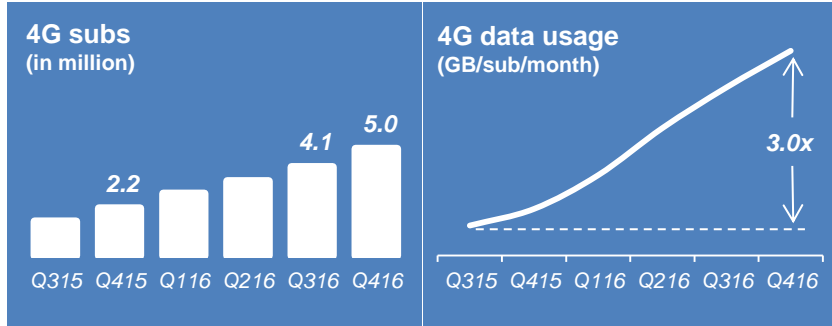
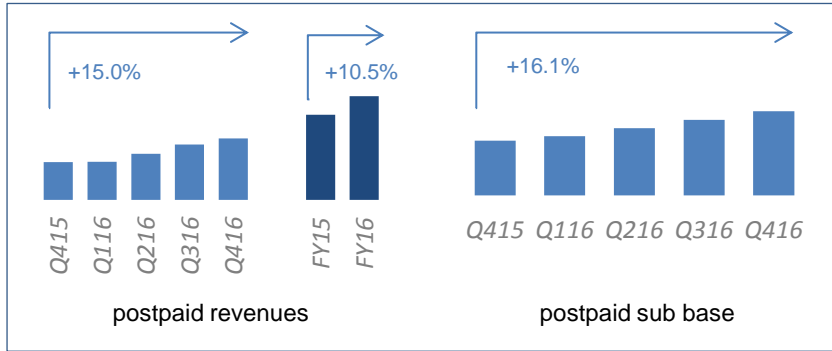
- **94%** population coverage of dtac network
- **2.4x** increase in 4G base stations in FY16
  - 4G networks covering all districts in Thailand
- **20MHz** contiguous bandwidth on 4G-1800MHz – widest in the market
- NPS has continuously improved



net promoter score (12-m rolling)

Source: Third-party market research

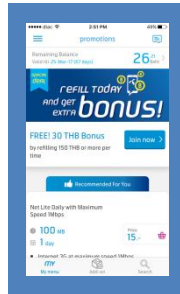
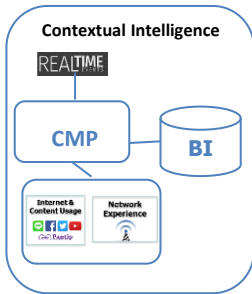
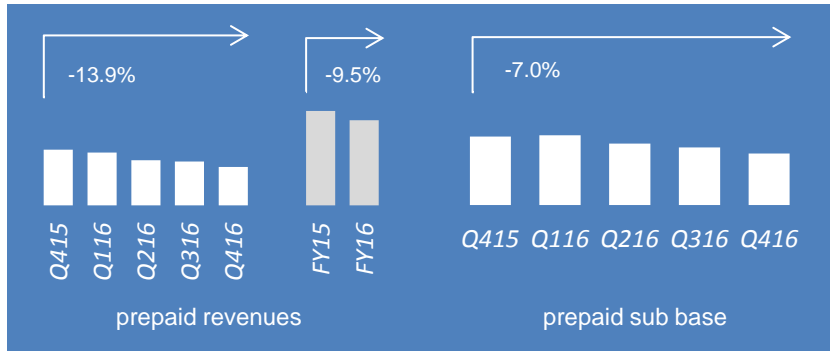
# continued strong growth in postpaid and 4G



**postpaid growth remains strong**, mainly driven by

- continuous improvement in network
- value-for-money position
- device/pre-to-post campaigns
- expansion of retail shops
- enhanced dtac reward loyalty program

# network campaign and personalized offer to turn around prepaid



## key focus areas

- network perception
- value-for-money position
- channel efficiency/expansion
- personalized offer
- enhanced dtac reward loyalty program

# financial highlights

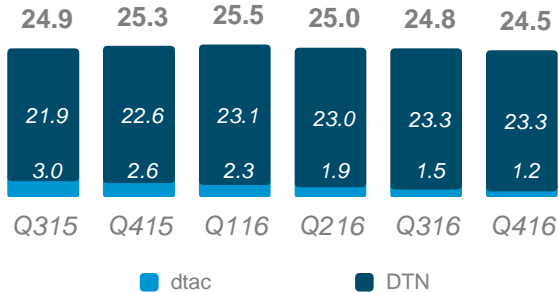
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# strong data revenue growth

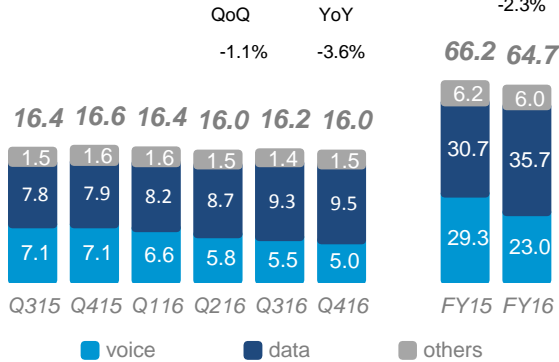
## dtac vs. DTN subscribers

million subs



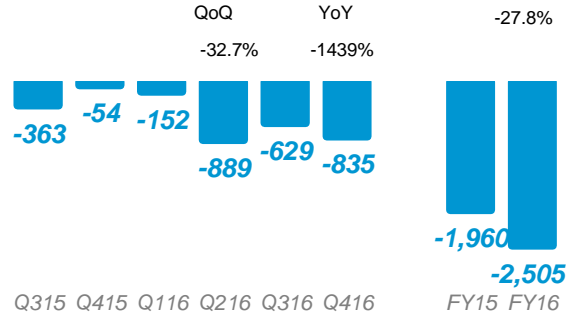
## service revenues ex. IC

THB billion



## handset margin

THB million



- 95% of sub base now registered under DTN
- strong postpaid net adds continues

- service revenues in Q416 were affected by subdued macro environment
- data revenue growth remains strong, approaching 60% in Q416

- higher level of subsidies in FY16, mainly driven by pre-to-post and iPhone campaigns

# 200bps improvement in EBITDA margin

## EBITDA (before other item)

THB billion

YoY

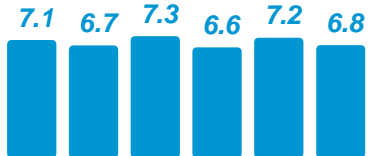
QoQ

YoY

unch

-6.5%

+0.3%

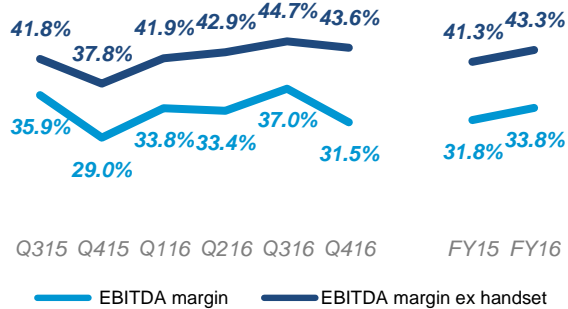


27.9 27.9

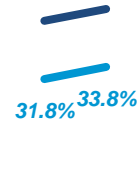


FY15 FY16

## EBITDA margin



41.3% 43.3%



FY15 FY16

— EBITDA margin — EBITDA margin ex handset

- lower regulatory costs
- network OPEX under control despite massive expansion
- cautiousness on handset subsidies
- dynamic S&M spending
- gen admin expenses well contained

# operating cash flow and financial position remain solid

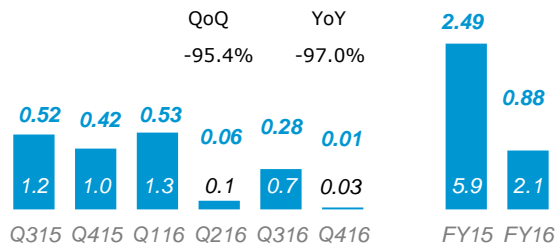
## net profit

THB per share (top)

YoY

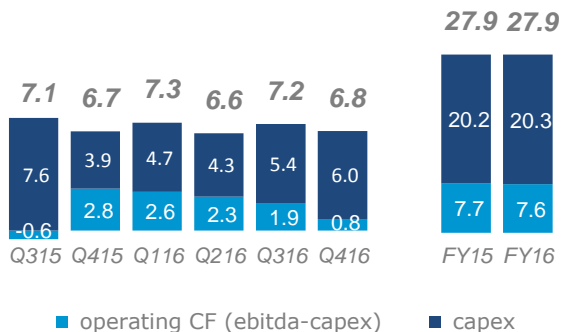
THB billion (bottom)

-64.6%

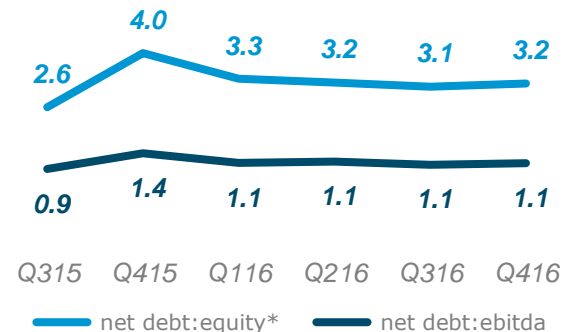


## operating cash flow

THB billion



## key financial ratios



- Net profit for FY16 mainly impacted by THB4.5bn increase in D&A charges
- in Q416, net profit was affected by THB146m one-time restructuring cost
- In Q416, provision for impairment of right to use equipment was made on the separate financial statements

- stable operating cash flow from previous year amid intensified competition

- financial ratios stabilized

\* excluding other component of shareholders' equity.

# one-time provision for impairment of assets – dtac stand-alone

Separate financial statement – dtac stand-alone	Amount (THB million)
Provision for loss from impairment of deferred right to use of equipment	5,185
The provision resulted in negative retained earnings of	-1,189
comprising: - <i>Statutory reserve</i>	474
- <i>Unappropriated retained earnings</i>	-1,663

- non-cash item
- no impact on consolidated financial statements
- the provision was resulted from
  - investment in concession assets
  - ongoing transfer of cash flow from dtac to DTN
- negative R/E to be offset against statutory reserve and share premium
- no additional dividend declared for FY16
- no change in dividend policy

# strategic direction and outlook

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# key focus areas to strengthen market position

postpaid growth and prepaid turn around

network and spectrum investments to secure data position

efficient operations through digitization of customer interactions

# 2017 outlook

**same level as  
previous year**

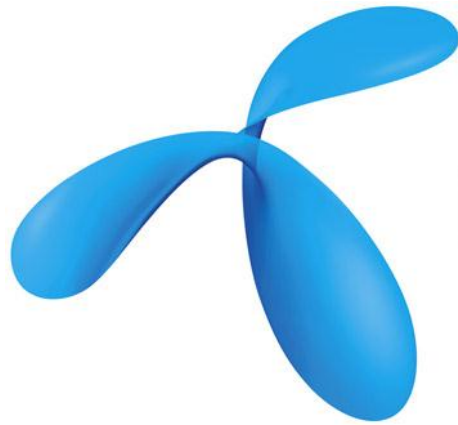
service revenues  
ex. IC

**at least same level  
as previous year**

EBITDA

**THB17 – 20  
billion**

capex



dtac



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