
dtac

FIRST QUARTER 2017

20 April 2017

Q117 highlights



24.3m total subscribers

95.8% of sub base registered under DTN

70.2% smartphone penetration

39.0% penetration of 4G-enabled devices

THB10.4b data revenues

64.0% of service revenues ex. IC

THB6.9b EBITDA

34.9% EBITDA margin

THB4.5b CAPEX

22.7% to total revenues

THB2.4b operating cash flow
(EBITDA – CAPEX)

operational highlights

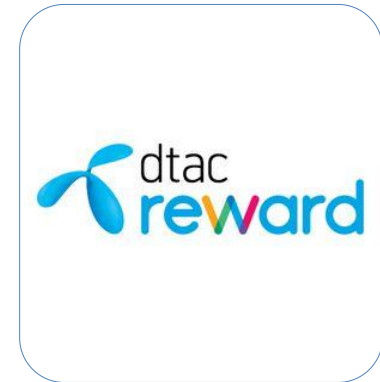
Q117 development



launched network
campaign to improve
perception

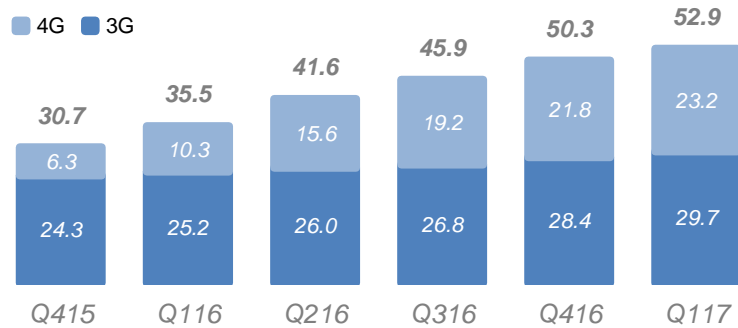


launched 'Flip It'
brand platform
to strengthen
market position

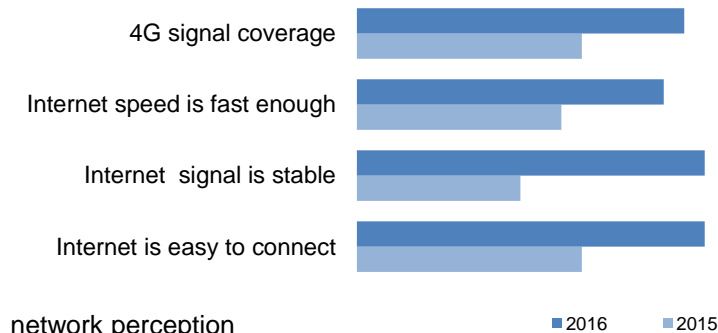


revamped dtac
Reward program
to build loyalty

clear improvement in network perception



no. of base stations (in thousand)

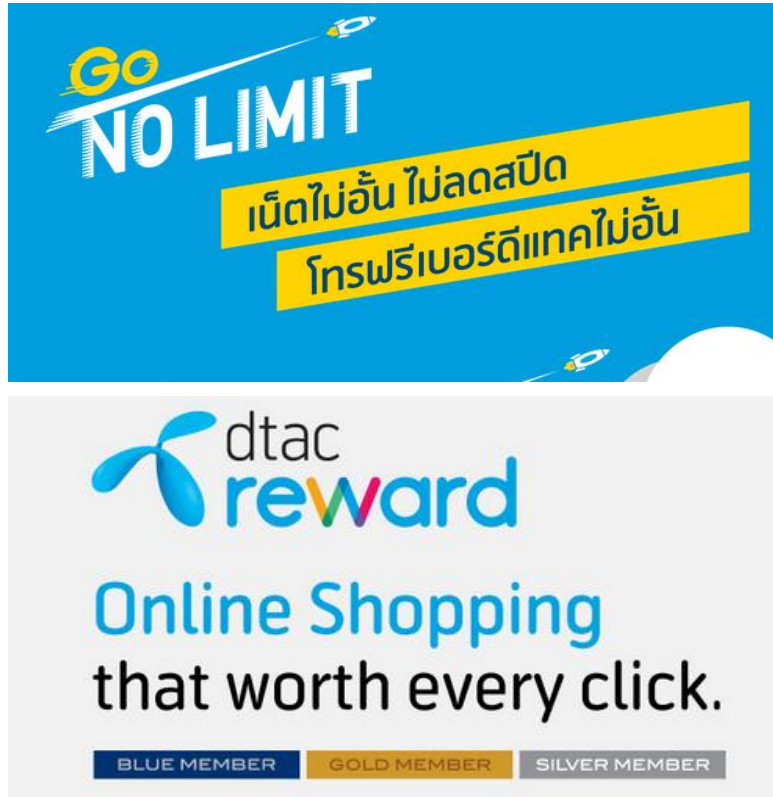


network perception

Source: Third-party market research

- **94%** population coverage of dtac network
- **1.3x** increase in 4G base stations in one year
 - ongoing densification of the network
- perception on data and 4G coverage clearly improved
- **Smoothest** network campaign launched to further strengthen perception

'Flip It' brand platform launched to strengthen market position



The image shows two promotional banners for dtac. The top banner is blue with a white rocket trail and the text 'Go NO LIMIT' in white and yellow. Below it are two yellow banners with Thai text: 'เน็ตไม่อั้น ไม่ลดสปีด' and 'โทรฟรีเบอร์ดีเทคโนโลยีไม่อั้น'. The bottom banner is light gray with the dtac logo and 'reward' in blue and red. It features the text 'Online Shopping that worth every click.' and three membership level buttons: 'BLUE MEMBER', 'GOLD MEMBER', and 'SILVER MEMBER'.

Go No Limit packages

- differentiate from competitors' offers
- worry-free usage: unlimited data with no speed reduction
- free calls on-net 24 hours

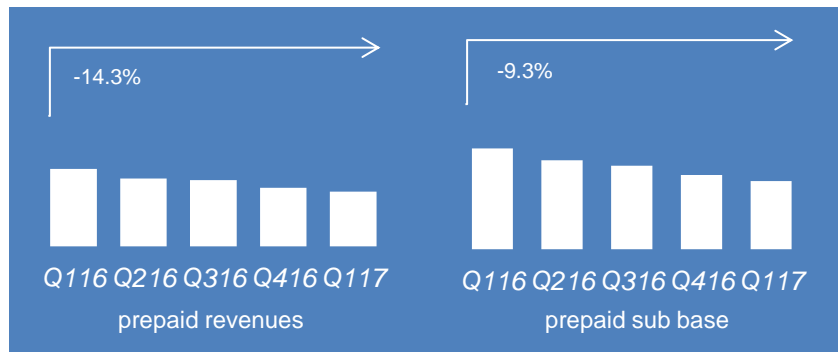
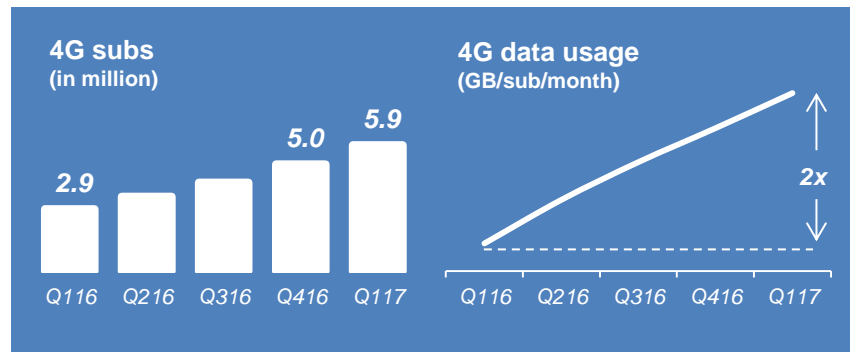
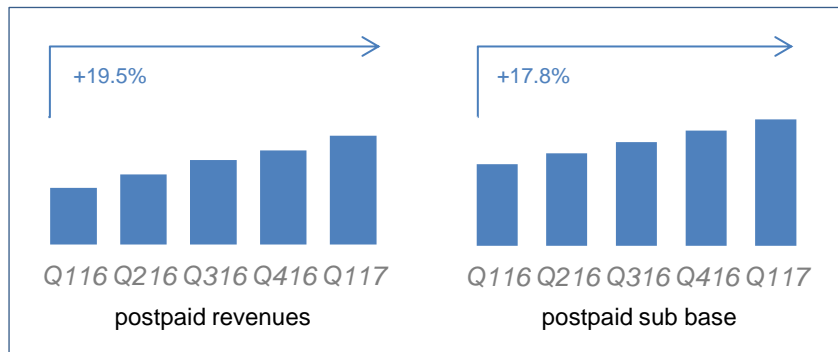
Go Plern prepaid SIM

- no internet leakage: free data at 64kbps

dtac Reward

- 2x increase in dtac Reward partners
- increase in visibility of dtac brand
- more effective use of marketing budget

postpaid growth has accelerated



postpaid growth remains strong, mainly driven by attractive offers and prepaid-to-postpaid push

5.9m 4G subscribers, growing strongly thanks to ongoing expansion of 4G network and device offers

prepaid is on downward trend as a result of migration to postpaid and dtac being more cautious in spending

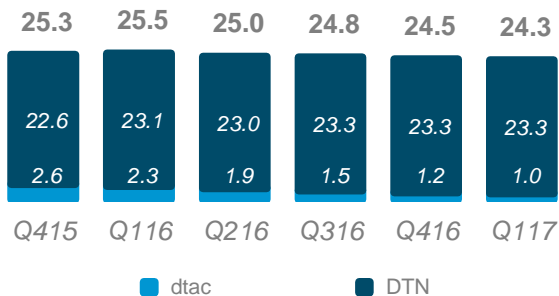
- average daily prepaid revenue was flattish QoQ

financial highlights

96% of sub base now registered under DTN

dtac vs. DTN subscribers

million subs

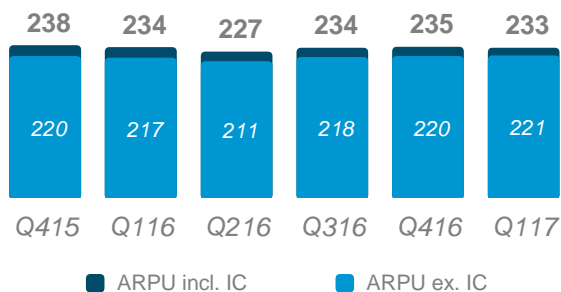


ARPU

THB/sub/month

QoQ YoY

w/ IC -0.6%
w/o IC +0.5%

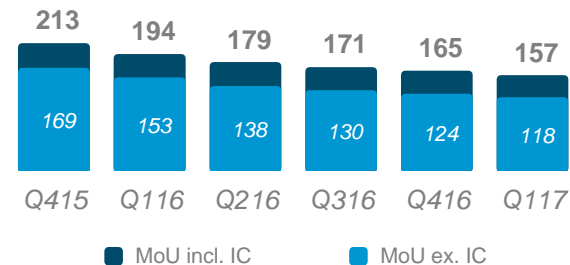


MoU

mins/sub/month

QoQ YoY

w/ IC -4.9%
w/o IC -4.8%

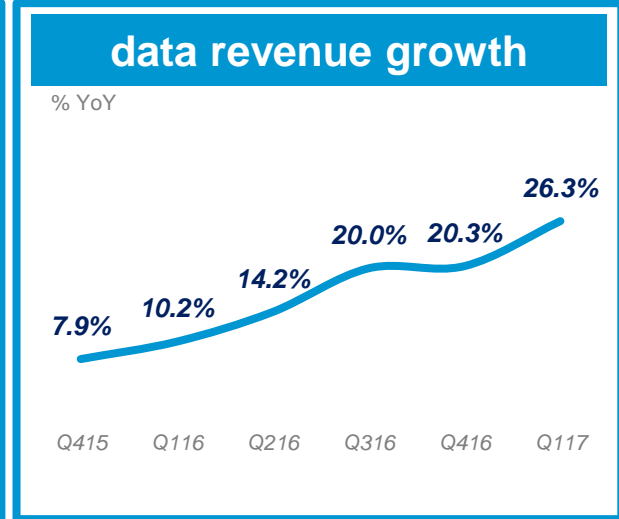
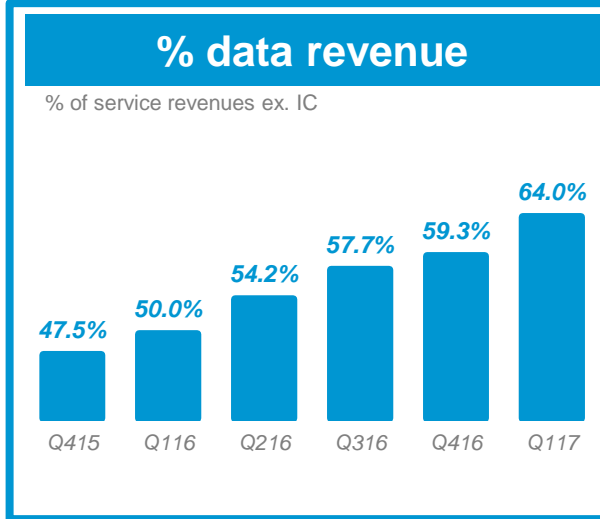
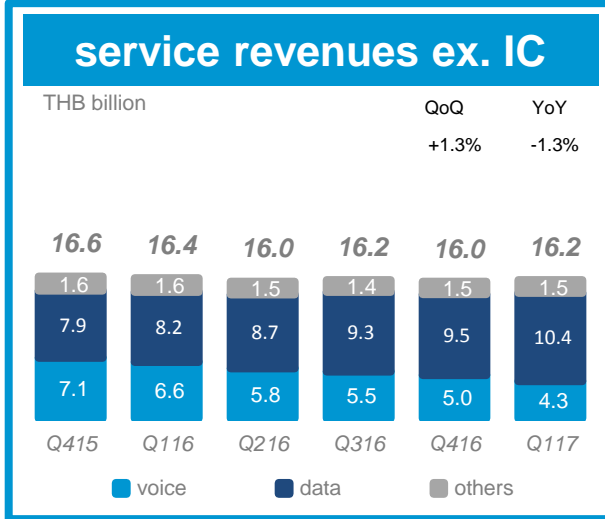


- strong postpaid net adds continues
- on track to port all subscribers to DTN before concession expires

- slight increase in ARPU without IC from higher postpaid sub mix
- postpaid ARPU has been on an upward trend

- combined voice and VoIP traffic continue to grow

strong data revenue and usage growth

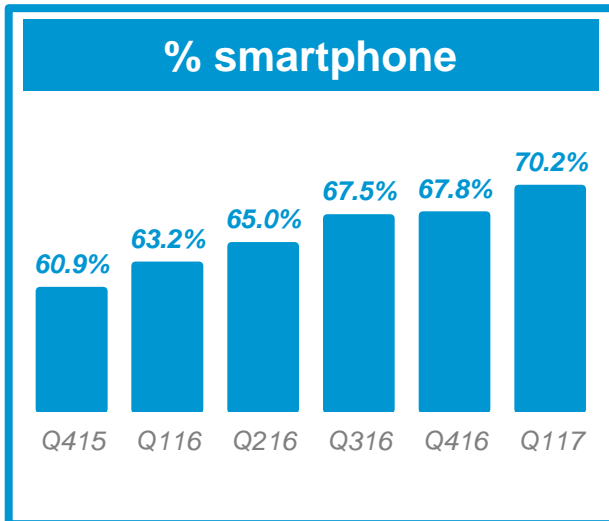


- average daily service revenue is flattish YoY

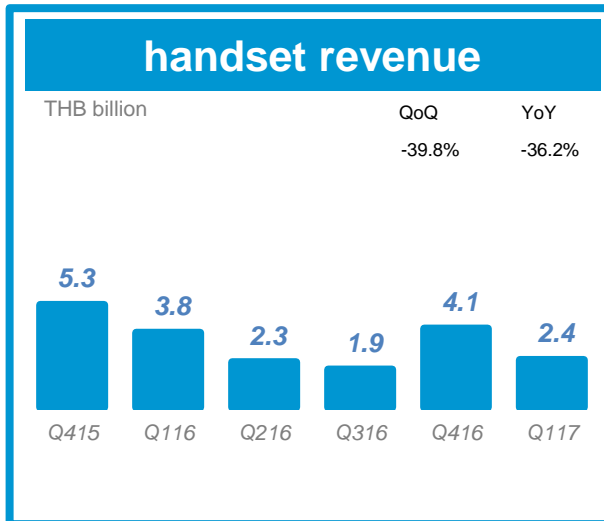
- data proportion continues to rise

- strong growth in data usage mainly driven by video streaming
- average data usage reached 4.4GB per month per user

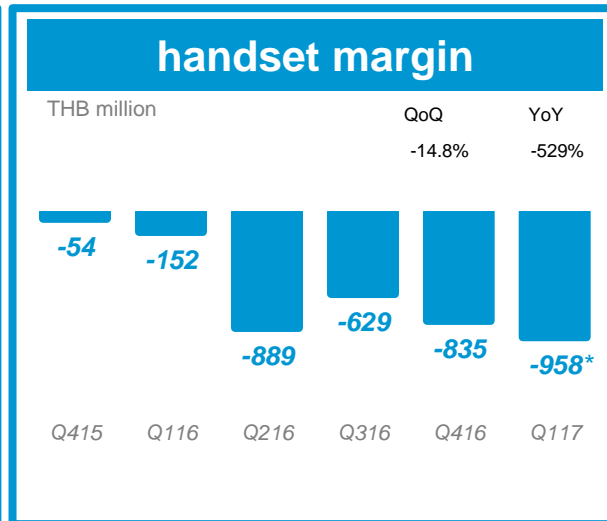
smartphone penetration reached 70%



- more than 90% of total handset sold in Q117 are smartphones
- 39% penetration of 4G-enabled devices

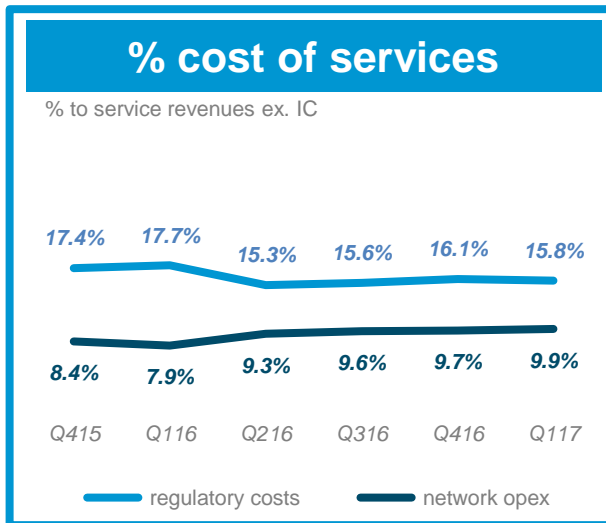
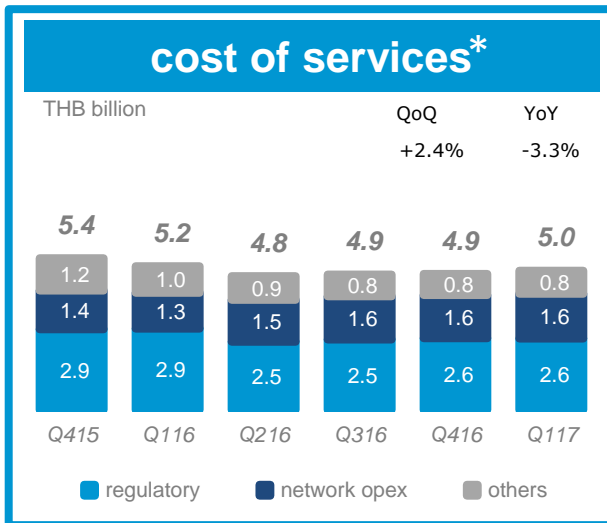


- lower handset revenue is driven by lower number of units sold and the reclassification of handset-related expenses to net off handset revenue



- normalized handset subsidies declined QoQ

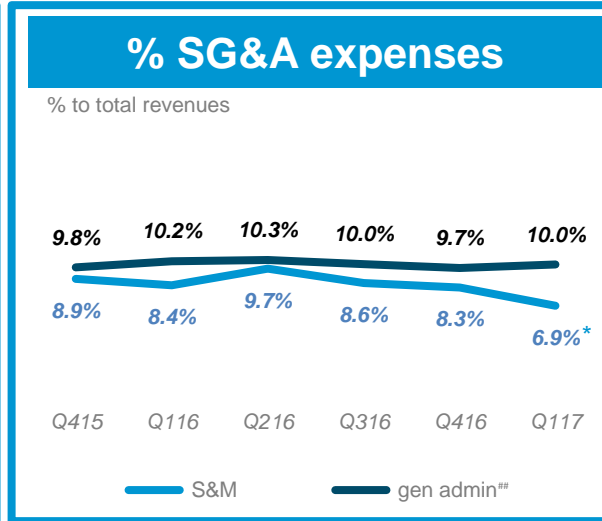
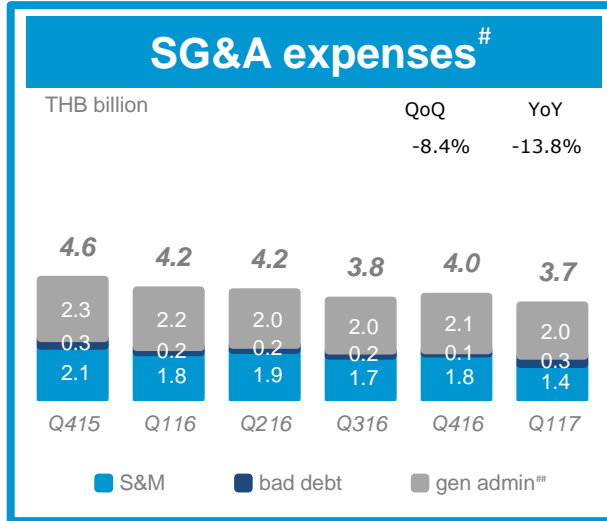
cost of services well contained



- total CoS declined YoY but increased only slightly QoQ
- regulatory costs declined from IC rate reduction in Q117 and adjustment of DR rate
- network OPEX increased only slightly despite the expansion
- cost of services well contained amid network expansion and data traffic growth

* excluding depreciation and amortization, and IC

SG&A under control



- S&M expenses dropped sharply from reclassification of handset-related expenses to better reflect its nature
- increase in provision for bad debt due to strong growth in postpaid segment
- gen admin expenses dropped QoQ and YoY as a result of ongoing operation excellence programs

excluding depreciation and amortization

excluding restructuring cost

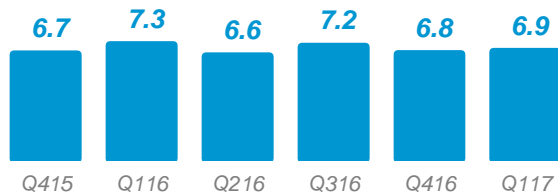
solid EBITDA development

EBITDA (before other item)

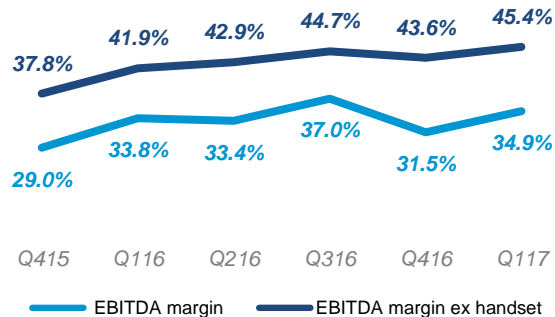
THB billion

QoQ
+2.0%

YoY
-5.9%



EBITDA margin

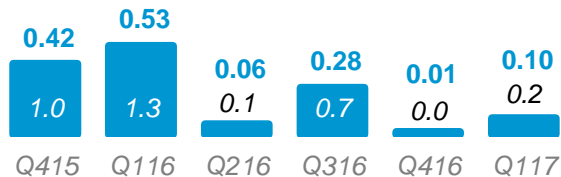


- EBITDA held up well despite higher device subsidies
- lower regulatory costs
- network OPEX under control despite massive expansion
- lower SG&A expenses

dtac continues to generate strong operating cash flow

net profit

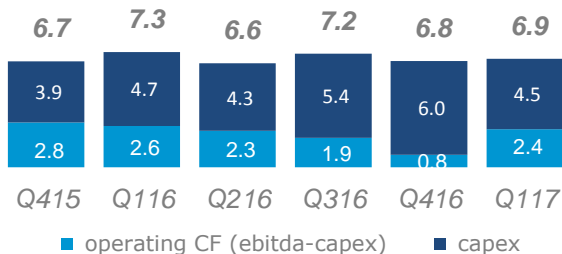
THB per share (top) QoQ YoY
 THB billion (bottom) +661% -81.8%



- QoQ rebound is from higher EBITDA despite increase in D&A charges
- YoY decline is due to lower EBITDA and higher D&A charges

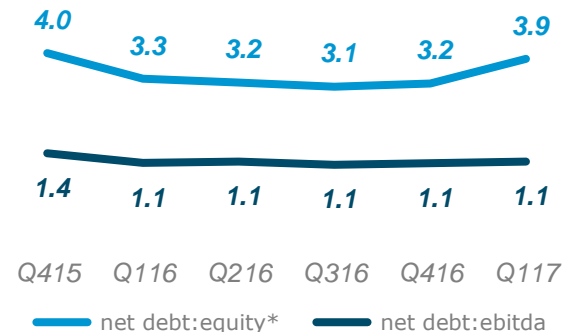
operating cash flow

THB billion



- operating cash flow remains solid

key financial ratios



- financial ratios stabilized

* excluding other component of shareholders' equity.

strategic direction and outlook

key focus areas to strengthen market position

'Flip It' brand platform

postpaid growth and prepaid stabilization

network and spectrum investments to secure data position

efficient operations through digitization of customer interactions

2017 outlook

**same level as
previous year**

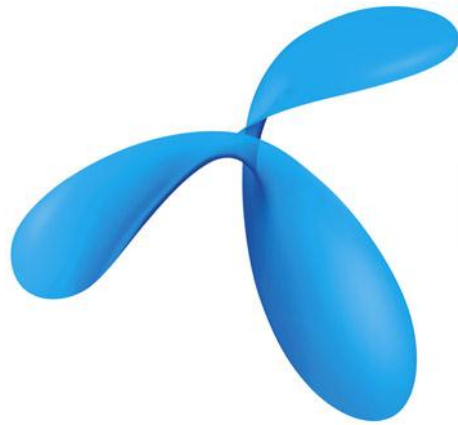
service revenues
ex. IC

**at least same level
as previous year**

EBITDA

**THB17 – 20
billion**

capex



dtac

disclaimer

Certain forward looking statements may be made in the course of the presentation. These forward-looking statements generally can be identified by use of statements that include words or phrases such as dtac or its management “believes”, “expects”, “anticipates”, “intends”, “plans”, “foresees”, or other words or phrases of similar import. Similarly, statements that describe dtac’s objectives, plans or goals also are forward-looking statements.

All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. The forward-looking statements contained in the slides are not and should not be constructed as representations of the future performance of dtac and that such statements are an expression of the Company’s reviews based on its current view and certain assumptions including, but not limited to, prevailing economic and market conditions and currently available information.