



Please note that all financial figures and analyses are based on the applicable accounting policy for 2020 and 2021, unless otherwise stated

Executive Summary

The pandemic has been a bane to the business for over a year, but dtac's unwavering commitment to connect people to what matter most has yielded promising signs of sustained recovery amidst the backdrop of external challenges. In Q121, the Company observed ongoing positive subscriber acquisition development following its implementation of Thai mass focused strategy. Together with the favorable impact from government stimulus programs, dtac's effective recovery plan enabled stabilized service revenue after four quarters of consecutive loss. The addition of the low-band 700 MHz, offering both 4G/5G on Dynamic Spectrum Sharing (DSS) technology without bandwidth sharing and at optimal efficiency, has proven to deliver measurable customer experience improvement with its outreach to two-third of the country population within the first three months of the accelerated rollout plan.

As part of the strategic priorities for 2021, dtac has remained steadfast to its relentless endeavor to deliver the high-speed experience for all through its ongoing network investment. As a customer-centric challenger, the Company listens to customer's needs as the starting point in delivering them with relevant products and services. In addition, dtac has kept a strong momentum in its digital transformation programs covering sales and care and business processes, providing adjacent services to customers addressing their key needs, while continuing to modernize the organization. And to ensure earnings sustainability in addition to the core growth areas, dtac is carrying out structural efficiencies for ongoing cost reduction through a number of identified initiatives throughout the year.

At the end of Q121, approximately 5,000 nodes of 700 MHz network were installed. The rollout improved customer experience significantly through additional coverage both indoors and in rural areas and enabled introduction of 5G services in six major cities: Bangkok, Chiang Mai, Khon Kaen, Nakhon Ratchasima, Phuket, and Surat Thani. dtac will expand 5G sites to other high-traffic areas throughout 2021 catering to the

growing demand as more 5G devices become available in the market. As of Q121, a total of approximately 20,700 nodes of 4G-2300 MHz network were installed, reflecting constant addition to the network in terms of speed and capacity.

dtac continued to explore 5G use cases on its mmWave spectrum. dtac has worked with industry partner on its high-band 26 GHz spectrum to launch 5G use cases since Q320. In Q121, dtac used fixed wireless access on mmWave to stream high-definition video online, demonstrating further 26 GHz 5G readiness.

Competition in postpaid was relatively stable. Prepaid acquisition landscape remained unchanged from Q420, with unlimited data allowance at a fixed speed in the main acquisition portfolio of all operators, along with intense competition at the provincial level and localized areas.

At the end of Q121, total active subscriber base stood at 19.1 million, an increase of 229k from the end of Q420. The subscriber base increase consisted of prepaid at 189k and postpaid at 40k. Approximately 32.2% of total subscriber base were postpaid subscribers.

Service revenues excluding IC in Q121 stabilized at 0.5% QoQ from effective recovery plan and improvement from government stimulus programs and declined 7.7% YoY from the COVID-19 impact. Core service revenues (defined by bundle of voice and data service revenues) declined slightly at 0.7% QoQ and 6.5% YoY. Blended ARPU declined slightly at 1.1% QoQ and 1.7% YoY, reflecting ongoing macroeconomic pressure. EBITDA (before other items) increased 12.2% QoQ due to one-time effect in Q420, increase in handset subsidy margin, seasonal decrease in sales and marketing expenses, and structural efficiencies, and declined 2.5% YoY from the pandemic impact. EBITDA margin for Q121 was 36.4%. However, excluding revenues from CAT lease agreements and TOT network rental, EBITDA margin stood at 43.9%. Net profit for Q121 amounted to THB 822 million.



dtac revised guidance for 2021 on service revenue excluding IC from low single-digit decline to flat to low single-digit decline, on EBITDA from low single-digit decline to flat to low single-digit growth, while maintaining capital expenditure of THB 13-15 billion.



Operational Summary

At the end of Q121, total subscriber base stood at 19.1 million, increasing 229k from the end of last quarter. The increase was due to prepaid which increased 189k QoQ to 12.94 million, reflecting continued recovery following dtac's focus on Thai mass segment since the latter half of last year. Postpaid subscriber base stood at 6.15 million, reflecting an increase of 40k from Q420.

Average Revenue per User excluding IC (ARPU) for Q121 was THB 248 per month, which was a slight decline of 0.9% QoQ and 1.3% YoY. At the end of Q121, postpaid subscriber base accounted for approximately 32.2% of total subscriber base. Postpaid ARPU for Q121 was THB 501 per month, showing a small decline of 0.9% QoQ and 4.8% YoY, while prepaid ARPU was THB 127 per month, showing a slight decline of 0.5% QoQ and 2.5% YoY, driven by continued customer spending optimization given ongoing macroeconomic pressure.

Traffic on TOT's 4G-2300MHz network continued to stay at the high levels, driven by change in customer behavior as part of the new normal adaptation after the lockdown. Number of 4G-2300MHz installed base stations under the partnership with TOT reached approximately 20,700 at end of Q121. The number of 4G users reached 12.6 million, representing approximately 66% of total subscriber base. The number of 4G compatible device increased to 84% of total subscriber base. Smartphone penetration reached 88%.

Active subscribers (in thousand)	Q120	Q420	Q121	%QoQ	%YoY
Postpaid	6,155	6,106	6,146	0.7%	-0.1%
Prepaid	13,470	12,750	12,939	1.5%	-3.9%
Total active subscribers	19,625	18,856	19,085	1.2%	-2.8%
Net additional subscribers (in thousand)	Q120	Q420	Q121	%QoQ	%YoY
Postpaid	(272)	63	40	-36.9%	-114.7%
Prepaid	(744)	110	189	-72.0%	125.4%
Total net additional subscribers	(1,017)	173	229	-32.1%	122.5%
MoU (minutes/sub/month)	Q120	Q420	Q121	%QoQ	%YoY
Postpaid	209	199	189	-4.7%	-9.5%
Prepaid	83	76	72	-5.2%	-12.3%
Blended MoU	121	116	110	-5.0%	-9.0%
Postpaid excluding Incoming minutes	144	137	130	-4.6%	-9.2%
Prepaid excluding Incoming minutes	59	53	51	-4.9%	-13.2%
Blended MoU excluding Incoming minutes	84	80	77	-4.8%	-9.3%
ARPU (THB/sub/month) - (Post-TFRS 15)	Q120	Q420	Q121	%QoQ	%YoY
Postpaid	540	518	512	-1.1%	-5.1%
Prepaid	134	131	130	-0.7%	-2.9%
Blended ARPU	258	256	254	-1.1%	-1.7%
Postpaid excluding IC	526	505	501	-0.9%	-4.8%
Prepaid excluding IC	130	128	127	-0.5%	-2.5%
Blended ARPU excluding IC	251	250	248	-0.9%	-1.3%



Financial Summary

Revenues

Total revenues in Q121 amounted to THB 20,516 million, flat QoQ and increased 2.2% YoY from increase in handsets & starter kit sales and other operating incomes from TOT 2300 MHz network rental. Service revenues excluding IC amounted to 14,149 million, stabilizing at 0.5% QoQ growth after four quarters of consecutive loss from the pandemic impact and declined 7.7% YoY.

Core service revenues (defined by bundle of voice and data service revenues) in Q121 amounted to THB 13,727 million, reducing slightly at 0.7% QoQ and 6.5% YoY from the COVID-19 impact.

International Roaming (IR) revenues in Q121 amounted to THB 32 million, decreasing 83.3% YoY. The significant reduction was the result of ongoing international travel bans from the pandemic impact.

Other service revenues in Q121 amounted to THB 391 million, an increase of 32.8% QoQ primarily from the surge in IDD revenue and a reduction of 14.4% YoY from overall declining trend in IDD services.

Handset and starter kit sales in Q121 amounted to THB 2,449 million, decreasing 7.8% QoQ from seasonality and increasing 44.3% YoY.

Cost of Services

Cost of services excluding IC in Q121 amounted to THB 12,063 million, increasing 2.9% QoQ and 6.8% YoY mainly from higher depreciation and amortization, and other cost related to partnership with TOT on the 2300 MHz spectrum.

Regulatory costs in Q121 amounted to THB 579 million, increasing 1.0% QoQ and declining 9.7% YoY. Regulatory costs in Q121 accounted for 4.1% of service revenue (excluding IC), which declined slightly from 4.2% in Q120.

Network OPEX in Q121 amounted to THB 1,372 million, reducing 22.2% QoQ and 22.8% YoY primarily from ongoing network optimization initiatives, capitalization of some lease contracts and reduction in CAT lease expense.

Other operating costs of services in Q121 amounted to THB 4,993 million, increasing 6.4% QoQ and 23.9% YoY, driven by roaming cost on 2300 MHz paid to TOT. TOT's 2300 MHz roaming cost, net of corresponding revenues, was approximately THB 1,270 million in Q121, reflecting a small 0.8% QoQ increase.

Depreciation and Amortization (D&A) of costs of services in Q121 amounted to THB 5,119 million, increasing 9.1% QoQ and 5.7% YoY, driven by amortization of 700 MHz licenses, depreciation of assets from IFRS16 capitalization, and continuing network expansion.

Selling, General and Administrative Expenses (SG&A)

SG&A expenses in Q121 amounted to 3,347 million, decreasing 19.8% QoQ and 8.5% YoY. The reduction was driven by ongoing structural efficiencies including lower level of provision for bad debt.

Selling and Marketing (S&M) expenses in Q121 amounted to THB 1,032 million, decreasing 6.5% QoQ from seasonality and 9.2% YoY from structural optimization.

General administrative expenses in Q121 amounted to THB 1,612 million, decreasing 31.3% QoQ from one-time effect in Q420 and 0.7% YoY from structural optimization and well-controlled spending.

Provision for bad debt in Q121 amounted to THB 381 million, decreasing 1.4% QoQ and 33.5% YoY. The YoY reduction reflected the higher bad debt level in Q120 which has been managed to come down respectively in four consecutive quarters. Postpaid bad debt, which contributed to almost all of bad debt, reached its lowest level at 3.2% of postpaid revenues in Q121.

Depreciation and Amortization (D&A) of SG&A in Q121 amounted to THB 381 million, decreasing 3.8% QoQ and 7.6% YoY.

EBITDA and Net Profit

EBITDA (before other items) in Q121 amounted to THB 7,477 million. The figure was increasing 12.2% QoQ due to one-time effect in Q420, increase in handset



subsidy margin, seasonal decrease in marketing expenses, and structural efficiencies, and decreasing 2.5% YoY from soft top line development due to the pandemic impact, slightly offset by well managed network OPEX and SG&A expenses. EBITDA margin (excluding revenues from CAT lease agreements and TOT network rental) was 43.9% in Q121, increasing from 38.5% in Q420 and from 43.7% in Q120.

Net profit for Q121 amounted to THB 822 million, increasing 193.1% QoQ from EBITDA increase, offsetting by higher depreciation and amortization of costs of services and loss in fair value hedges.

Balance Sheet and Key Financial Information

At the end of Q121, total assets amounted to THB 174,557 million, increasing from THB 174,280 million at the end of Q420. Cash and cash equivalent amounted to THB 6,920 million, increasing from THB 6,647 million at the end of Q420 mainly from positive cash flows from operating activities. Interest-bearing debt including lease liabilities increased from THB 69,962 million at the end of Q420 to THB 70,843 million. Net debt to EBITDA (including lease liabilities) was 2.4x, increasing slightly from 2.3x the end of Q420.

CAPEX in Q121 amounted to THB 3,334 million. Operating cash flow (defined by EBITDA minus CAPEX) amounted to THB 4,143 million.

Statement of financial position (THB million) (Post-TFRS 15 & 16)	Q420	Q121
Cash and cash equivalent	6,647	6,920
Other current assets	15,075	15,410
Non-current assets	152,558	152,227
Total assets	174,280	174,557
Current liabilities	48,426	53,215
Non-current liabilities	101,539	101,224
Total liabilities	149,965	154,439
Total shareholders' equity	24,315	20,118
Total liabilities and equity	174,280	174,557

Outlook 2021

Following the first three months of 2020 results, we revised the guidance for 2021.

2021 guidance:

- Service revenue excluding IC: flat to low single-digit decline
- EBITDA: flat to low single-digit growth
- Capital expenditure: THB 13-15 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)	3M20	3M21
Cash flows from operating activities	8,233	6,868
Cash paid for interest expenses and tax	(1,058)	(967)
Net cash flows from operating activities	7,175	5,900
Net cash flows from investing activities	(4,341)	(4,690)
Net cash receipt/(Repayment)	(1,328)	(937)
Dividend paid	-	-
Net cash flows from financing activities	(1,328)	(937)
Net change in cash	1,506	272



Income statement (THB million) - (Post-TFRS 15&16)	Q120	Q420	Q121	%QoQ	%YoY
Core service revenues (Voice & Data)	14,680	13,826	13,727	-0.7%	-6.5%
IR revenues	188	(39)	32	-181.4%	-83.3%
Other service revenues	457	295	391	32.8%	-14.4%
Service revenues ex. IC	15,326	14,082	14,149	0.5%	-7.7%
IC revenue	424	367	337	-8.3%	-20.6%
Service revenues	15,750	14,449	14,486	0.3%	-8.0%
Handsets and starter kits sales	1,697	2,655	2,449	-7.8%	44.3%
Other operating income	2,627	3,427	3,581	4.5%	36.3%
Total revenues from sales and services	20,075	20,531	20,516	-0.1%	2.2%
Cost of services	(11,694)	(12,082)	(12,400)	2.6%	6.0%
Regulatory	(641)	(573)	(579)	1.0%	-9.7%
Network	(1,777)	(1,763)	(1,372)	-22.2%	-22.8%
IC	(402)	(360)	(336)	-6.8%	-16.3%
Others	(4,030)	(4,691)	(4,993)	6.4%	23.9%
Depreciation and Amortization	(4,844)	(4,694)	(5,119)	9.1%	5.7%
Cost of handsets and starter kits	(2,315)	(3,370)	(2,911)	-13.6%	25.7%
Total costs	(14,009)	(15,452)	(15,310)	-0.9%	9.3%
Gross profit	6,065	5,079	5,206	2.5%	-14.2%
SG&A	(3,657)	(4,172)	(3,347)	-19.8%	-8.5%
Selling & Marketing expenses	(1,137)	(1,103)	(1,032)	-6.5%	-9.2%
General administrative expenses	(1,623)	(2,346)	(1,612)	-31.3%	-0.7%
Provision for bad debt	(485)	(327)	(322)	-1.4%	-33.5%
Depreciation and Amortization	(413)	(396)	(381)	-3.8%	-7.6%
Loss from Asset Impairment	-	-	(0)	N/A	N/A
Gain (loss) on fair value hedge	(16)	(1)	(229)	27429.5%	N/A
Gain (loss) from fair value measurement of derivative assets	114	-	-	N/A	N/A
Gain/Loss on foreign exchange	27	(4)	(2)	-58.3%	-106.9%
Interest income	10	7	5	-31.4%	-54.4%
Other income & share of profit from investment in associated company	(2)	0	12	4458.5%	-613.4%
EBIT	2,540	908	1,644	81.1%	-35.3%
Financial cost	(775)	(664)	(687)	3.5%	-11.3%
Corporate income tax	(264)	36	(135)	-473.3%	-48.9%
Non-controlling interest	-	-	-	n.m.	n.m.
Net profit attributable to equity holders	1,501	281	822	193.1%	-45.2%

EBITDA (THB million)* - (Post-TFRS 15&16)	Q120	Q420	Q121	%QoQ	%YoY
Net profit for the period	1,501	281	822	193.1%	-45.2%
Finance costs	775	664	687	3.5%	-11.3%
Income tax expenses	264	(36)	135	-473.3%	-48.9%
Depreciation & Amortization	5,257	5,090	5,501	8.1%	4.6%
Other items	(129)	663	332	-49.9%	-358.0%
EBITDA	7,669	6,662	7,477	12.2%	-2.5%
EBITDA margin	38.2%	32.4%	36.4%		
EBITDA margin (based on total revenues excluding revenues from CAT lease agreement and TOT network rental in the denominator)	43.7%	38.5%	43.9%		

* 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 Q121	Loan	Debenture
In 2021	6,000	1,000
In 2022	3,333	3,000
In 2023	3,333	6,000
From 2024	3,333	27,500
Total	16,000	37,500

Key Financial Ratio (Post-TFRS 15&16)	Q120	Q420	Q121
Return on Equity (%)***	24.1%	20.7%	20.6%
Return on Asset (%)****	6.2%	5.2%	4.6%
Net debt to EBITDA (times)	2.1 x	2.3 x	2.4 x
CAPEX to Total Revenue (%)	4.3%	26.2%	16.3%

*** 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 Q121)

Frequency band	Winning price (THB mm)	Payment term (THB mm)								
		2021	2022	2023	2024	2025	2026	2027	2028	2029
900MHz	38,064	3,806	3,806	3,806	3,806	3,806	3,806	3,806	-	-
1800MHz	12,511	3,128	-	-	-	-	-	-	-	-
700MHz	17,584	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758	1,758
Total spectrum payment	68,159	8,693	5,565	5,565	5,565	5,565	5,565	5,565	1,758	1,758

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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.