



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

Executive Summary

As the country is ramping up its nationwide vaccination program and battling the third wave of the outbreak, the Company promptly engaged with the government stakeholders to mobilize its network resources for crisis mitigation while rapidly boosting its 700 MHz investment across all provinces to support the country's recovery and business operations. Following the Thai mass-focused strategy along with measurable customer experience improvement from the low-band network investment, dtac showed positive subscriber net-adds for the third consecutive quarter. Despite the third wave outbreak leading to slowdown of economic activities and uncertain macroeconomic conditions, the Company observed another quarter of service revenue growth.

dtac's resilient operations supported a timely execution of its key strategic priorities for the year. Committed to delivering value-focus network, the 700 MHz rollout progressed beyond its original quarterly target alongside enabling customer experience improvement indoor and in-city area and unlocking outreach to more customers in remote areas. As a customer-centric challenger, dtac Business demonstrated promising performance with double-digit YoY growth in new business client net-adds and in revenue across categories of business solution offerings. Embarking Thai SMEs and businesses in a digital transformation journey, dtac Business strategized working with key industry partners to commercialize new solutions that help support resilient and sustainable transition as many businesses observed customer migration from the city center and consumer behavioral changes in the new era. Meanwhile, dtac's efficiency programs carried strong momentum with focus on structural cost reduction.

At the end of Q221, approximately 9,100 nodes of 700 MHz network on Dynamic Spectrum Sharing (DSS) technology were installed. In addition to the customer experience improvement, the Company extended the 5G service to three more cities, in addition to the previous launch in six cities. As of Q221, a total of approximately 20,900 nodes of 4G-2300 MHz

network were installed, further supporting network capacity expansion.

Compared to the relatively stable postpaid, prepaid acquisition showed an increase in competitive backdrop starting in June when unlimited data allowance at a fixed speed was being offered from all operators at lower pricing nationwide.

At the end of Q221, total active subscriber base stood at 19.2 million, an increase of 164k from the end of Q121. The subscriber base increase consisted of prepaid at 125k and postpaid at 39k. Approximately 32.1% of total subscriber base were postpaid subscribers.

Service revenues excluding IC in Q221 increased at 0.9% QoQ, reflecting gradual improvement following the execution of Thai mass strategy coupled with ongoing government stimulus programs, and declined 2.4% YoY from the ongoing impact of COVID-19. Core service revenues (defined by bundle of voice and data service revenues) declined slightly at 0.4% QoQ and 3.7% YoY. Blended ARPU was flat QoQ against a 2.3% YoY decline from the uncertain macroeconomic climate. EBITDA (before other items) increased 7.9% QoQ from stabilizing service revenue, well-managed cost of services and SG&A expenses and one-time effects in network OPEX and one-time gain from negotiation with vendor. The 0.5% YoY decline was from soft top-line development from the ongoing pandemic impact offset by well-managed costs. EBITDA margin for Q221 was 40.4%. However, excluding revenues from CAT lease agreements and TOT network rental, EBITDA margin stood at 49.0%. Net profit for Q221 amounted to THB 1,531 million.

dtac reiterates its guidance for 2021: service revenue excluding IC at flat to low single-digit decline, EBITDA at flat to low single-digit growth, and capital expenditure of THB 13-15 billion.



Operational Summary

At the end of Q221, total subscriber base stood at 19.2 million, increasing 164k from the end of last quarter. The increase came from both prepaid and postpaid. Prepaid subscriber increased 125k QoQ to 13.06 million, reflecting dtac's strong execution of Thai mass-focused strategy and positive momentum from the rapid low-band network deployment while postpaid subscriber base stood at 6.19 million, reflecting an ongoing increase of 39k from Q121.

Average Revenue per User excluding IC (ARPU) for Q221 was THB 247 per month, flattish at -0.2% QoQ and declined 2.1% YoY. At the end of Q221, postpaid subscriber base accounted for approximately 32.1% of total subscriber base. Postpaid ARPU for Q221 was THB 498 per month, a small decline of 0.6% QoQ and 5.2% YoY, while prepaid ARPU was THB 128 per month, reflecting gradual recovery at 1.0% QoQ and 2.7% YoY.

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. Number of 4G-2300MHz installed base stations under the partnership with TOT reached approximately 20,900 at end of Q221. The number of 4G users reached 12.7 million, representing approximately 66% of total subscriber base. The number of 4G compatible device increased to 85% of total subscriber base. Smartphone penetration reached 88%.

Active subscribers (in thousand)	Q220	Q121	Q221	%QoQ	%YoY
Postpaid	6,076	6,146	6,185	0.6%	1.8%
Prepaid	12,713	12,939	13,064	1.0%	2.8%
Total active subscribers	18,790	19,085	19,249	0.9%	2.4%
Net additional subscribers (in thousand)	Q220	Q121	Q221	%QoQ	%YoY
Postpaid	(78)	40	39	-2.7%	-149.6%
Prepaid	(757)	189	125	-33.9%	116.5%
Total net additional subscribers	(835)	229	164	-28.5%	119.6%
MoU (minutes/sub/month)	Q220	Q121	Q221	%QoQ	%YoY
Postpaid	196	189	187	-1.2%	-4.5%
Prepaid	79	72	73	1.2%	-7.5%
Blended MoU	116	110	110	-0.2%	-5.6%
Postpaid excluding Incoming minutes	135	130	128	-1.5%	-4.5%
Prepaid excluding Incoming minutes	55	51	52	1.6%	-6.4%
Blended MoU excluding Incoming minutes	80	77	76	-0.2%	-5.1%
ARPU (THB/sub/month) - (Post-TFRS 15)	Q220	Q121	Q221	%QoQ	%YoY
Postpaid	539	512	510	-0.4%	-5.3%
Prepaid	129	130	132	1.1%	2.3%
Blended ARPU	260	254	254	0.0%	-2.3%
Postpaid excluding IC	525	501	498	-0.6%	-5.2%
Prepaid excluding IC	125	127	128	1.0%	2.7%
Blended ARPU excluding IC	253	248	247	-0.2%	-2.1%



Financial Summary

Revenues

Total revenues in Q221 amounted to THB 19,984 million, declining 2.6% QoQ mainly from seasonal decline in handsets & starter kit sales and increased 4.3% YoY from increase in other operating incomes from TOT 2300 MHz network rental. Service revenues excluding IC amounted to 14,279 million, increasing for two consecutive quarters at 0.9% QoQ and declined 2.4% YoY from the pandemic impact.

Core service revenues (defined by bundle of voice and data service revenues) in Q221 amounted to THB 13,679 million, reducing slightly at 0.4% QoQ and 3.7% YoY from the COVID-19 impact.

International Roaming (IR) revenues in Q221 amounted to THB 33 million, increasing 4.5% QoQ and decreasing 58.0% YoY. The significant reduction was the result of ongoing limitation of international travel from the ongoing pandemic impact.

Other service revenues in Q221 amounted to THB 568 million, an increase of 45.2% QoQ and 62.2% YoY primarily from the surge in IDD revenue.

Handset and starter kit sales in Q221 amounted to THB 1,703 million, decreasing 30.5% QoQ from seasonality and increasing 23.6% YoY due to the low baseline from countrywide lockdown last year.

Cost of Services

Cost of services excluding IC in Q221 amounted to THB 12,027 million, decreasing slightly at 0.3% QoQ and increasing 7.5% YoY. The YoY increase is mainly due to higher depreciation and amortization, and other cost related to partnership with TOT on the 2300 MHz spectrum.

Regulatory costs in Q221 amounted to THB 576 million, decreasing 0.5% QoQ and increasing 8.3% YoY. Regulatory costs in Q221 accounted for 4.0% of service revenue (excluding IC), which declined slightly from 4.1% in Q121.

Network OPEX in Q221 amounted to THB 1,195 million, reducing 12.9% QoQ primarily from one-time reversal of cell site costs of approximately 150 million. The 26.6%

YoY reduction is from O&M optimization, capitalization of some lease contracts and CAT lease reduction.

Other operating costs of services in Q221 amounted to THB 5,130 million, increasing 2.7% QoQ and 24.2% YoY, driven by roaming cost on 2300 MHz paid to TOT. TOT's 2300 MHz roaming cost, net of corresponding revenues, was approximately THB 1,271 million in Q221, reflecting a 2.9% YoY increase.

Depreciation and Amortization (D&A) of costs of services in Q221 amounted to THB 5,127 million, flattish at 0.1% QoQ and increasing 4.6% YoY from 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 Q221 amounted to 3,306 million, decreasing 1.2% QoQ and increasing 5.6% YoY. The YoY increase was due to the low baseline in Q220

Selling and Marketing (S&M) expenses in Q221 amounted to THB 947 million, decreasing 8.2% QoQ from seasonality and increasing 13.1% YoY due the low baseline in Q220

General administrative expenses in Q221 amounted to THB 1,624 million, increasing slightly at 0.8% QoQ. The YoY increase at 11.3% was due mainly to the low baseline.

Provision for bad debt in Q221 amounted to THB 273 million, decreasing 15.3% QoQ and 34.0% YoY. Postpaid bad debt, which contributed to almost all of bad debt, reached its lowest level at 2.7% of postpaid revenues in Q221, from 4.1% in Q220.

Depreciation and Amortization (D&A) of SG&A in Q221 amounted to THB 462 million, increasing 21.3% QoQ and 9.5% YoY.

EBITDA and Net Profit

EBITDA (before other items) in Q221 amounted to THB 8,065 million. The figure showed an increase of 7.9% QoQ due to stabilizing service revenue, well-managed cost of services and SG&A expenses and one-time



effects in network OPEX of approximately 150 million and one-time gain from negotiation with vendor booked as part of device cost reduction of approximately 180 million. The slight decrease of 0.5% YoY was a result of soft top line development from the ongoing pandemic impact offset by well-managed costs. EBITDA margin (excluding revenues from CAT lease agreements and TOT network rental) was 49.0% in Q221, increasing from 43.9% in Q121.

Net profit for Q221 amounted to THB 1,531 million, increasing 86.2% QoQ from EBITDA increase.

Balance Sheet and Key Financial Information

At the end of Q221, total assets amounted to THB 173,003 million, decreasing from THB 174,280 million at the end of Q420. Cash and cash equivalent amounted to THB 7,134 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 76,609 million at the end of Q420 to THB 79,968 million. Net debt to EBITDA (including lease liabilities) was 2.4x, increasing slightly from 2.3x the end of Q420.

CAPEX in Q221 amounted to THB 3,650 million. Operating cash flow (defined by EBITDA minus CAPEX) amounted to THB 4,415 million.

Outlook 2021

Following the first six months of 2021 results, we maintain our 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. Based on net profits of the Company for H121, the Board has approved an interim dividend of THB 1.05 per share.

Statement of financial position (THB million) (Post-TFRS 15 & 16)	Q420	Q221
Cash and cash equivalent	6,647	7,134
Other current assets	15,075	15,347
Non-current assets	152,558	150,522
Total assets	174,280	173,003
Current liabilities	48,426	52,823
Non-current liabilities	101,539	98,531
Total liabilities	149,965	151,354
Total shareholders' equity	24,315	21,649
Total liabilities and equity	174,280	173,003

Cash flows statement (THB million) (Post-TFRS 15 & 16)	6M20	6M21
Cash flows from operating activities	14,450	14,654
Cash paid for interest expenses and tax	(1,670)	(1,713)
Net cash flows from operating activities	12,780	12,942
Net cash flows from investing activities	(6,304)	(8,406)
Net cash receipt/(Repayment)	(3,588)	970
Dividend paid	(3,812)	(5,019)
Net cash flows from financing activities	(7,400)	(4,049)
Net change in cash	(924)	487



Income statement (THB million) - (Post-TFRS 15&16)	Q220	Q121	Q221	%QoQ	%YoY
Core service revenues (Voice & Data)	14,202	13,727	13,679	-0.4%	-3.7%
IR revenues	79	32	33	4.5%	-58.0%
Other service revenues	350	391	568	45.2%	62.2%
Service revenues ex. IC	14,630	14,149	14,279	0.9%	-2.4%
IC revenue	403	337	368	9.2%	-8.8%
Service revenues	15,033	14,486	14,647	1.1%	-2.6%
Handsets and starter kits sales	1,378	2,449	1,703	-30.5%	23.6%
Other operating income	2,748	3,581	3,633	1.5%	32.2%
Total revenues from sales and services	19,160	20,516	19,984	-2.6%	4.3%
Cost of services	(11,593)	(12,400)	(12,377)	-0.2%	6.8%
Regulatory	(532)	(579)	(576)	-0.5%	8.3%
Network	(1,628)	(1,372)	(1,195)	-12.9%	-26.6%
IC	(401)	(336)	(350)	4.2%	-12.7%
Others	(4,131)	(4,993)	(5,130)	2.7%	24.2%
Depreciation and Amortization	(4,901)	(5,119)	(5,127)	0.1%	4.6%
Cost of handsets and starter kits	(1,698)	(2,911)	(1,929)	-33.7%	13.6%
Total costs	(13,291)	(15,310)	(14,307)	-6.6%	7.6%
Gross profit	5,869	5,206	5,677	9.1%	-3.3%
SG&A	(3,132)	(3,347)	(3,306)	-1.2%	5.6%
Selling & Marketing expenses	(838)	(1,032)	(947)	-8.2%	13.1%
General administrative expenses	(1,459)	(1,612)	(1,624)	0.8%	11.3%
Provision for bad debt	(413)	(322)	(273)	-15.3%	-34.0%
Depreciation and Amortization	(422)	(381)	(462)	21.3%	9.5%
Loss from Asset Impairment	-	(0)	(0)	N/A	N/A
Gain (loss) on fair value hedge	181	(229)	83	-136.0%	N/A
Gain (loss) from fair value measurement of derivative assets	51	-	-	N/A	N/A
Gain/Loss on foreign exchange	4	(2)	(8)	354.4%	-328.9%
Interest income	6	5	4	-9.0%	-30.6%
Other income & share of profit from investment in associated company	(4)	12	95	687.1%	-2716.4%
EBIT	2,974	1,644	2,545	54.8%	-14.4%
Financial cost	(731)	(687)	(699)	1.8%	-4.4%
Corporate income tax	(354)	(135)	(315)	133.3%	-11.1%
Non-controlling interest	-	-	-	n.m.	n.m.
Net profit attributable to equity holders	1,889	822	1,531	86.2%	-19.0%

EBITDA (THB million)* - (Post-TFRS 15&16)	Q220	Q121	Q221	%QoQ	%YoY
Net profit for the period	1,889	822	1,531	86.2%	-19.0%
Finance costs	731	687	699	1.8%	-4.4%
Income tax expenses	354	135	315	133.3%	-11.1%
Depreciation & Amortization	5,323	5,501	5,589	1.6%	5.0%
Other items	(191)	332	(69)	-120.7%	-64.0%
EBITDA	8,106	7,477	8,065	7.9%	-0.5%
EBITDA margin	42.3%	36.4%	40.4%		
EBITDA margin (based on total revenues excluding revenues from CAT lease agreement and TOT network rental in the denominator)	49.1%	43.9%	49.0%		

* 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	Loan	Debenture
Q221		
In 2021	9,500	1,000
In 2022	3,333	3,000
In 2023	3,333	6,000
From 2024	3,333	27,500
Total	19,500	37,500

Key Financial Ratio (Post-TFRS 15&16)	Q220	Q121	Q221
Return on Equity (%)***	23.7%	20.6%	17.6%
Return on Asset (%)****	6.7%	4.6%	4.5%
Net debt to EBITDA (times)	2.1 x	2.4 x	2.4 x
CAPEX to Total Revenue (%)	7.2%	16.3%	18.3%

*** 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 Q221)



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.