

CMD2017

DTAC

Lars-Åke Norling, CEO, dtac



A SHORT UPDATE ON THAILAND

Country

- Population of 68 m
- Well-placed in ASEAN
- Urbanization

Economy

- Resilient economy
- Rising middle class
- Increased productivity

Industry

- 3-player market
- Strong growth in data and smartphone penetration

Consumer

- Data-centric consumer
- Social media enthusiasts
- Heavy streaming usage

A HIGHLY COMPETITIVE BUT GROWING MOBILE MARKET

Mobile market revenue

THB 250 bn

3-5% growth forecast (2017-2020)

Mobile subscribers

90 m

70% smartphone penetration

Mobile operators



49%



26%



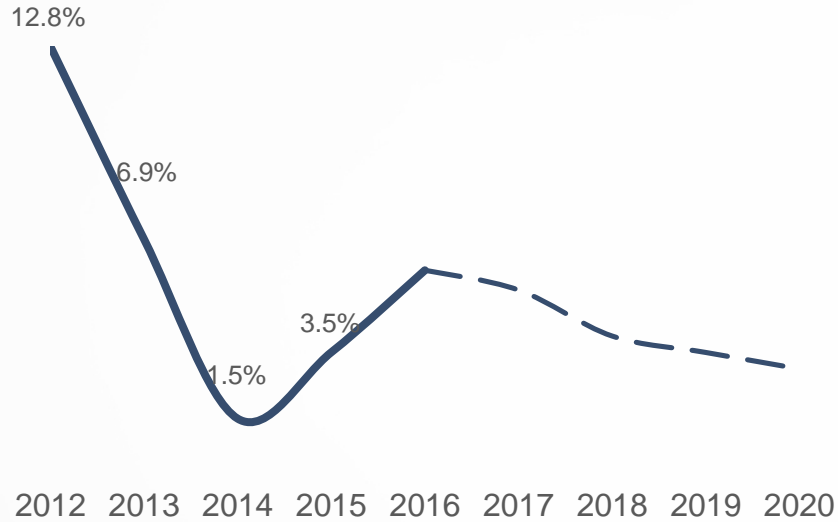
24%

Regulatory and political highlights

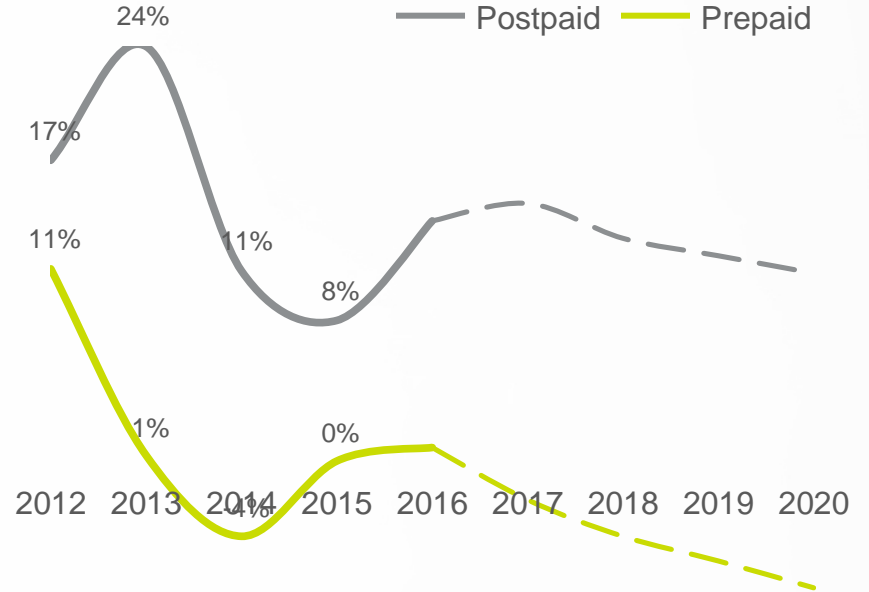
- Concession to license regime
- Government focus on “Digital Economy”

3-5% MOBILE MARKET GROWTH EXPECTED

Thailand's mobile market growth



Postpaid and prepaid market growth



DTAC HAS A SOLID MARKET POSITION TO CAPTURE GROWTH OPPORTUNITIES

Subscribers

24.5m

subscribers (Q416)



Network coverage

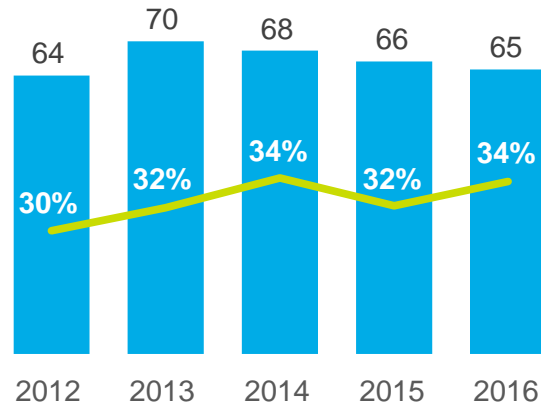
94% pop coverage

50k 3G and 4G sites (Q416)



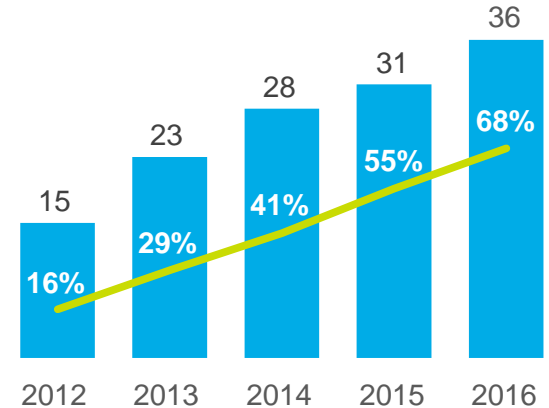
Financial position

— EBITDA margin
 ■ Service revenue ex. IC (THB bn)



Mobile data as key growth driver

— Smartphone penetration
 ■ Data revenue (THB bn)



KEY FOCUS AREAS TO STRENGTHEN MARKET POSITION

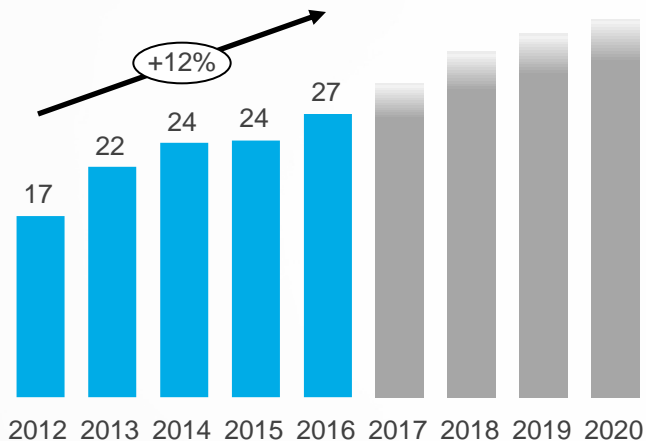
Postpaid growth and prepaid turn around

Network and spectrum investments to secure data position

Efficient operations through digitization of the core

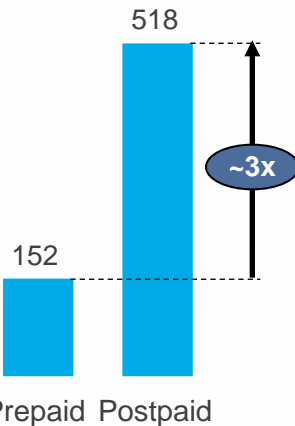
DOUBLE DIGIT GROWTH IN POSTPAID

Postpaid revenues (THB bn)

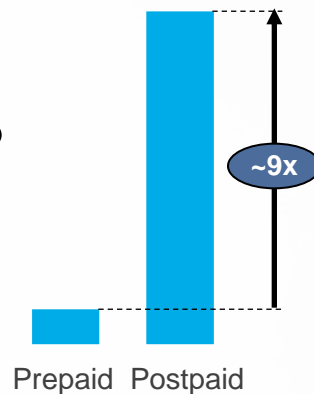


Postpaid customers lifetime value

ARPU/sub per year (THB)



Customer lifetime value (THB)

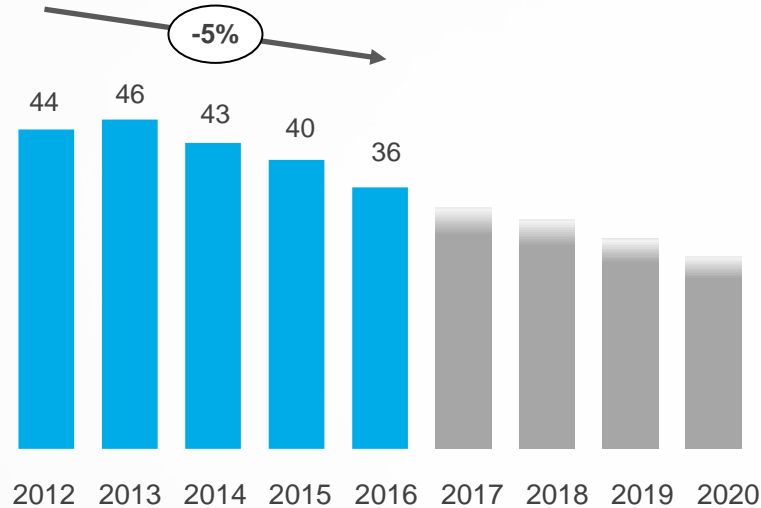


Key focus areas

- Network perception
- Value for money
- Device
- Pre to post migration
- Channel expansion

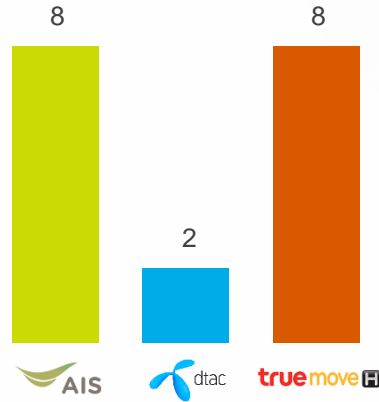
PREPAID CHALLENGED BY DEVICE SUBSIDIES AND NEEDS TO BE STABILIZED

Prepaid revenues (THB bn)



Handset subsidies (THB bn)

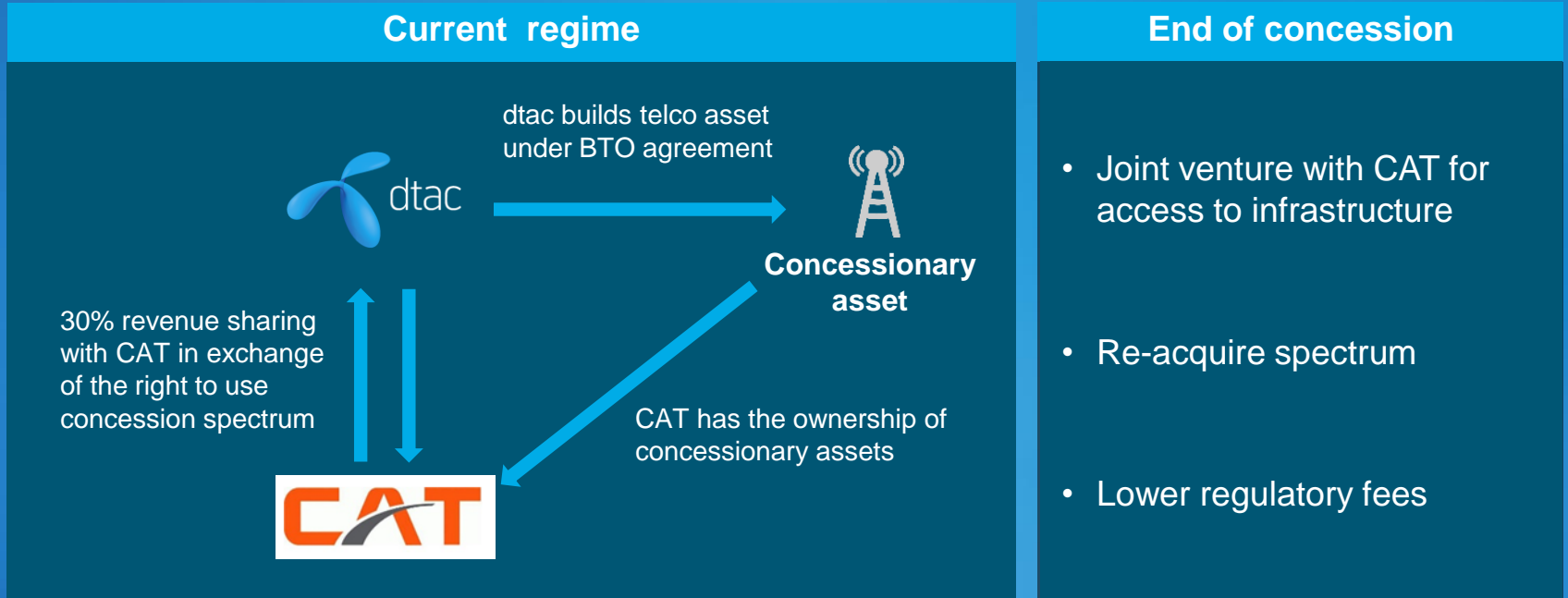
9M 2016 (est.)



Key focus areas

- Network perception
- Value for money
- Channel efficiency/ expansion
- Personalized offers

DTAC APPROACHING END OF CONCESSION IN Q3 2018

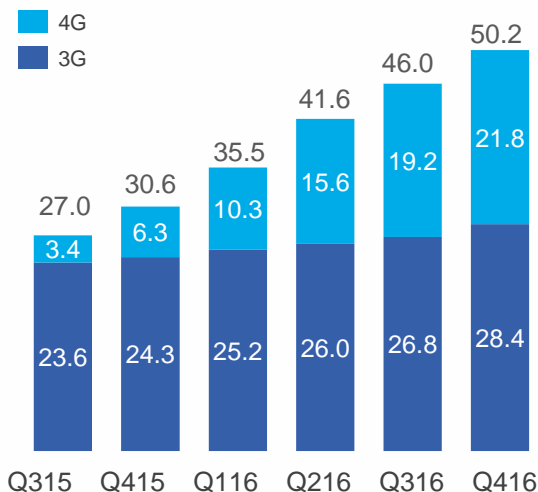


SIGNIFICANT NETWORK IMPROVEMENTS ...AND MORE TO COME

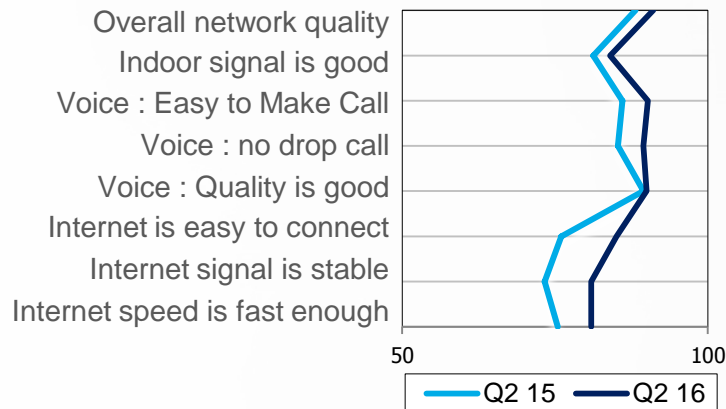
Key focus areas

- 4G technology for growth
- Network densification
- Optimize where data users are
- Network perception

No. of base stations ('000)

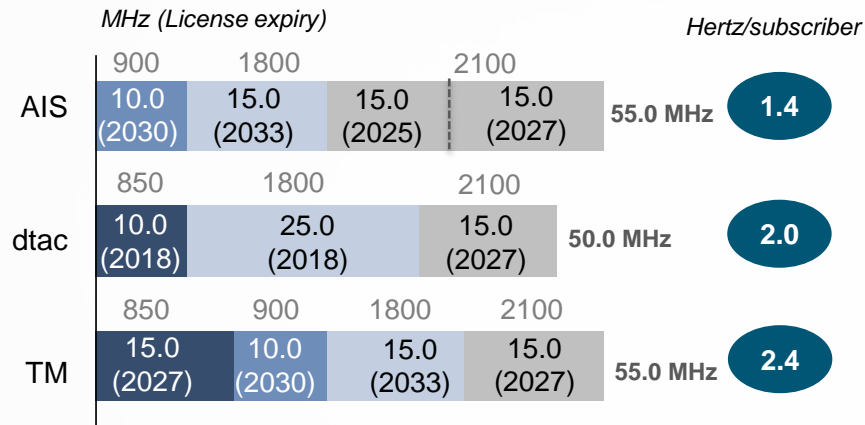


Network perception*

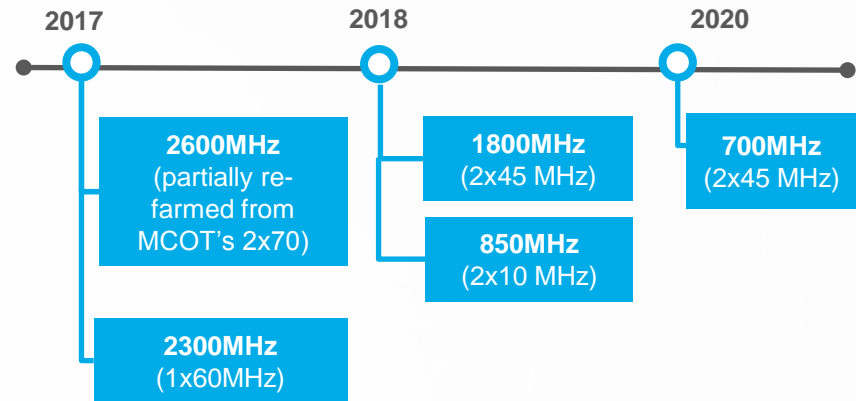


SPECTRUM INVESTMENTS NEEDED TO SECURE END OF CONCESSION

Current spectrum portfolio is on par with the competitors



Spectrum release timeline

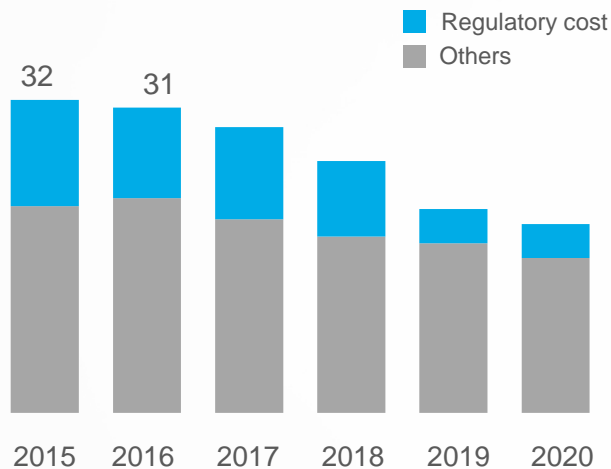


Key focus short term





- 2300 MHz co-operation with TOT
- Potential 2600 MHz auction in 2017
- 850/1800 MHz auction in 2018

OPEX REDUCTIONS THROUGH LOWER REGULATORY COSTS AND DIGITIZATION OF THE CORE

dtac's OPEX (THB bn)



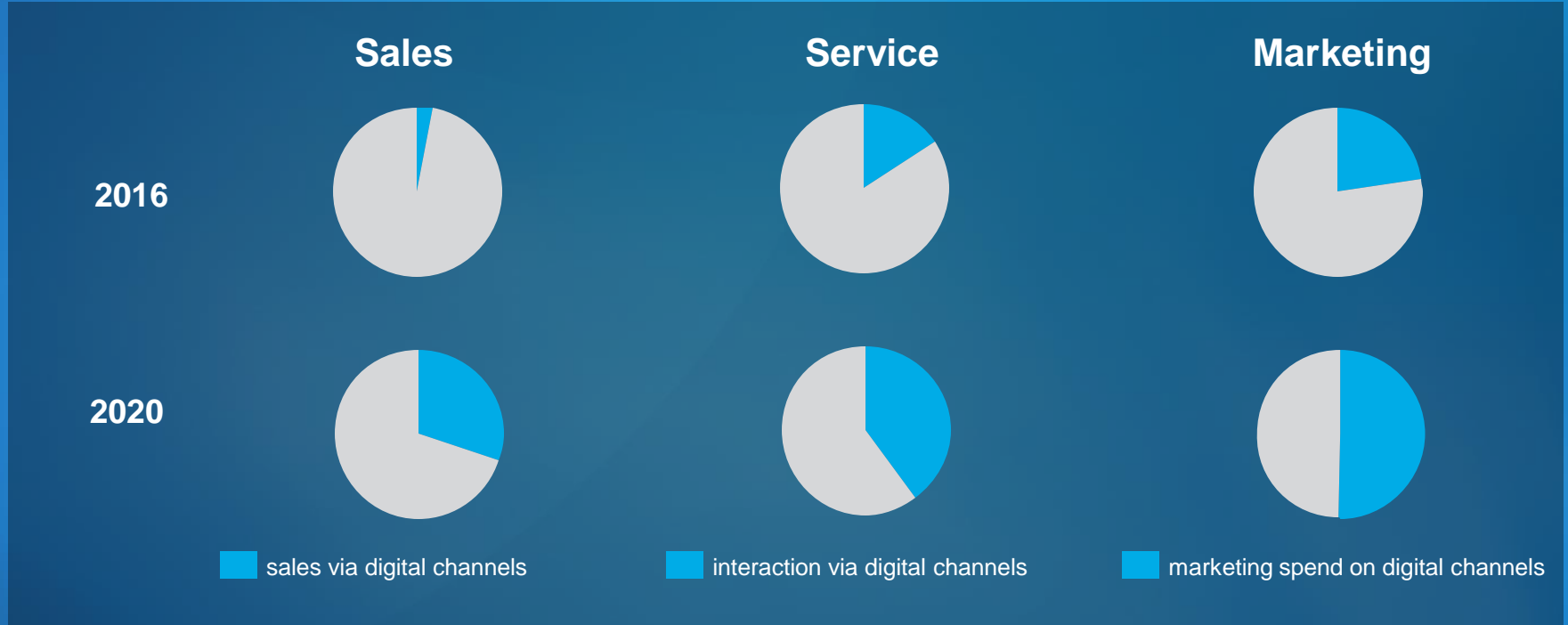
Focus areas

-  Digitization of core
-  Regulatory fees
-  Network/IT new operating models
-  Simplified business model

Areas we will not focus on

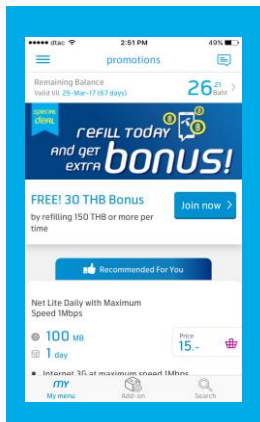
-  Happy Brand
-  Unprofitable services
-  ATL / marketing activities & budgets for small initiatives
-  Ownership of fixed broadband

AMBITIONS ON DIGITIZING THE CORE



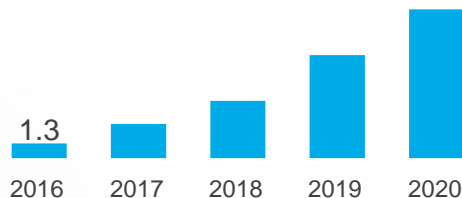
DIGITIZED CUSTOMER JOURNEY TO IMPROVE EXPERIENCE AND LOWER COST

dtac app



- Leading operator app in Thailand
- Best self service and offer engine
- Reduce cost and increase sales

Monthly active users (m)

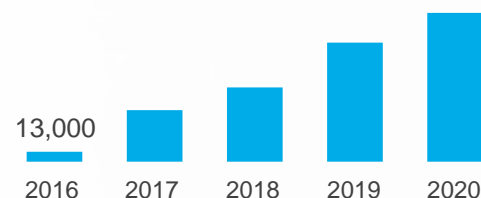


Retailer app



- Digitize all retailer transactions
- Simple app for refill, topping, MNP and SIM registration

Monthly active users (retailers)



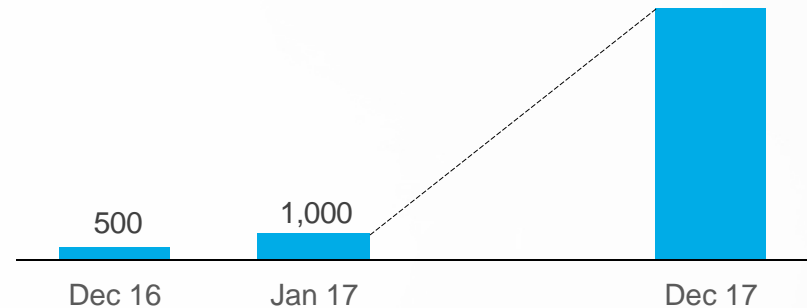
LEADING ONLINE POSITION TO DRIVE SALES AND LOWER COST

Piloting analytics with Tapad



- Real time/personalized offers to all customers in Thailand
- Drive MNP, pre to post migration and upsell

Ambition on mobile number portability (per month)



2017 OUTLOOK

Same level as 2016

Service revenues
ex. IC

**At least same level
as previous year**

EBITDA

**17-20
THB bn**

CAPEX



SUMMARY

A growing mobile market driven by data and postpaid

Strong growth in postpaid and focus on stabilizing prepaid

Planning for several spectrum scenarios and working to secure access to towers beyond end of concession

Considerable cost savings from digitization of the core and reduction of regulatory fees

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