



# Partnership and device strategy to drive data growth

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# Thailand - Overview



## Country overview

- Population: 67m
  - BKK & metro: 10m (15%)
  - Upcountry: 55m (85%)
- GDP per capita: USD 5,816
- GDP growth (2014e): 1.0%

## Telecom market

- 68% real mobile penetration
- 7% fixed-line broadband internet penetration
- Traditional 3-player market

Economic conditions in favor of long term growth in telco...

**Increased urbanization** – steadily increase in % of pop. living in urban areas

**Rise of the middle** – 50% of working pop. will be “middle class” by 2020

**Young demographic** – under 30 segment accounted for 40%

**Regulatory push** - ICT pushes for 95% household internet penetration by 2020

# dtac: 2<sup>nd</sup> largest mobile operator in Thailand

## Subscribers

**28m**

Subscribers (Q114)



## Revenues

**USD 3.1 bn**

total revenues (2013)



## Market share

**32%**

Revenue market share (Q114)



## 3G coverage

**88% pop**

11,000 3G sites nationwide (Q114)



## Distribution network

**200k**

distribution points



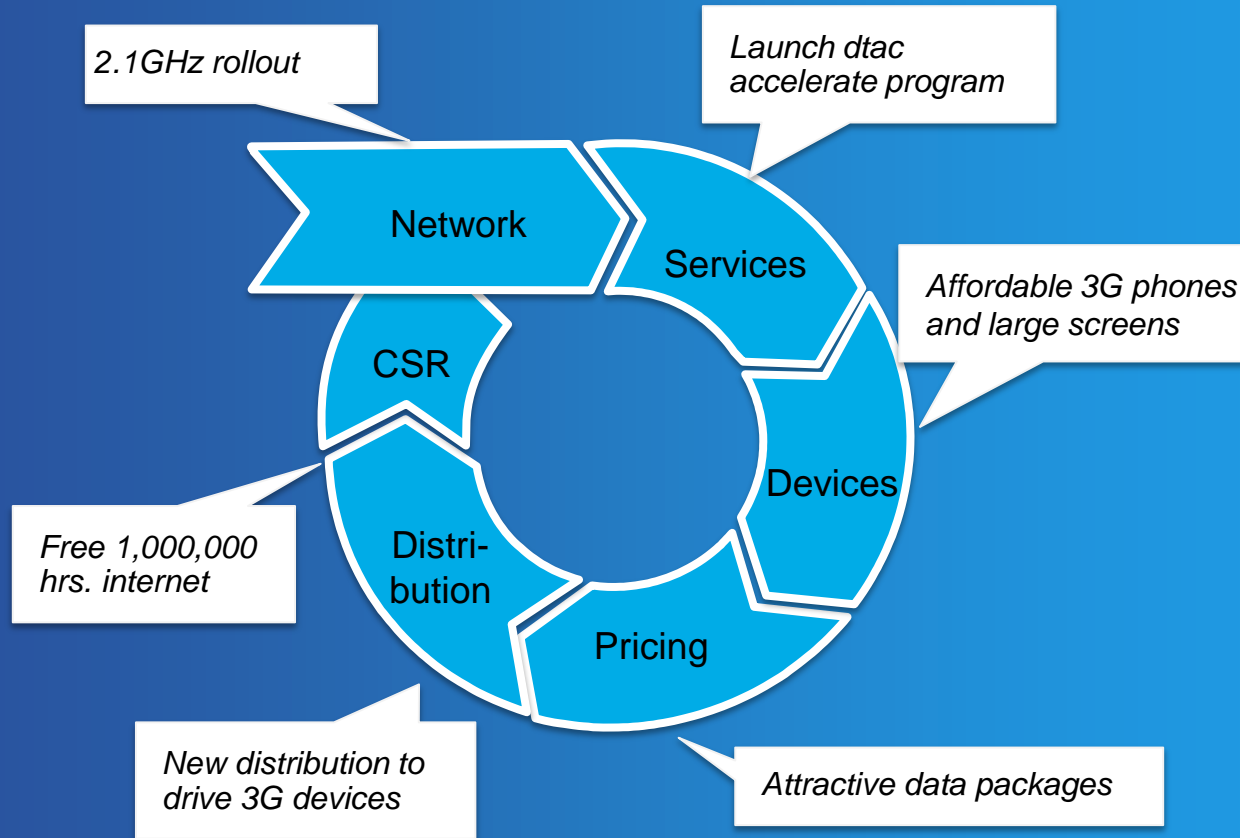
## EBITDA margin

**36.6%**

Q1 2014

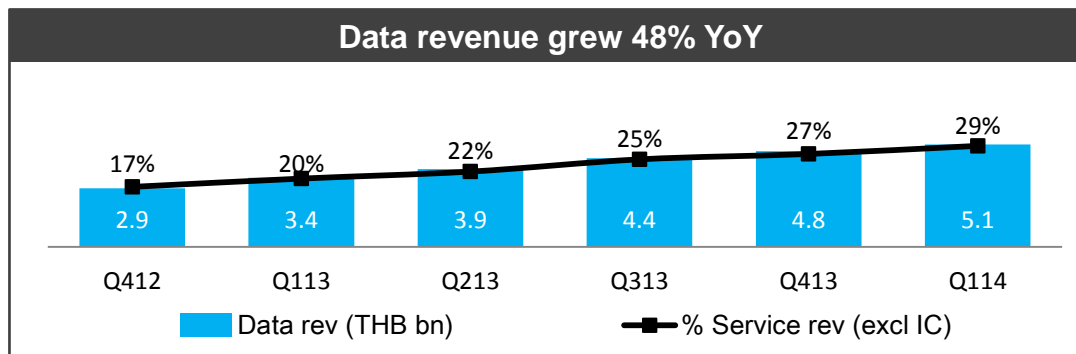
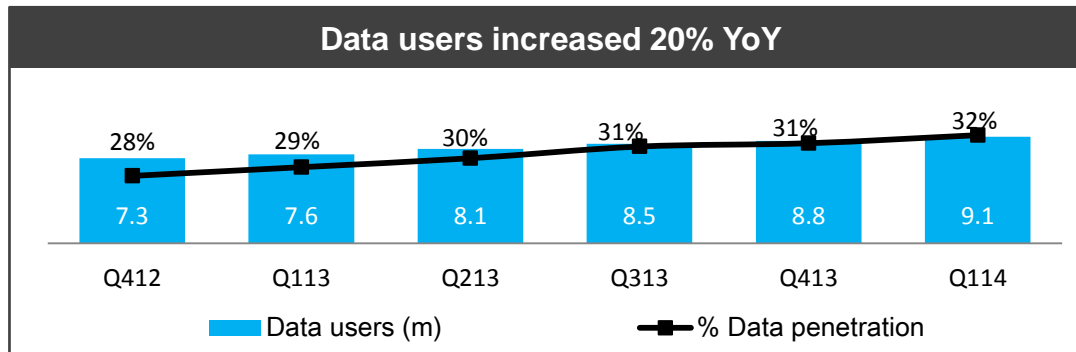
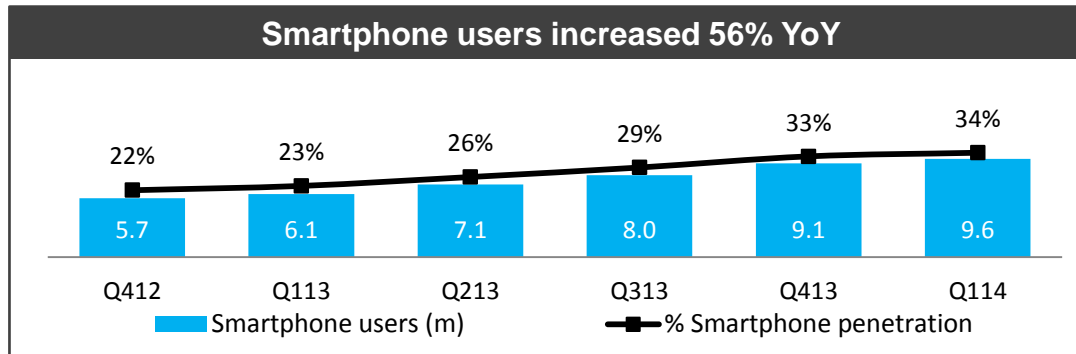


# Mobile internet to drive future value of dtac: “Internet for all” is embedded in everything we do



**“All dtac customers will experience internet access within 2017”**

# Solid growth of data penetration and revenue expected to continue



- **Smartphone users reached 34% penetration**, mainly contributed by sales of affordable dtac TriNet phones and iPhones

- **Data subscribers\* reached 9m**, growing 20% YoY and representing 32% of total subscribers. Targeting 43% by end of 2014

- **Data revenue grew steadily** supported by quality 3G networks and higher smartphone penetration

# Connecting the un-connected



# Overcoming barriers to help customers get connected

Customers' challenges

## Devices are not internet-enabled



45% ----- Use feature phone

24% ----- Use non internet-enabled phone

% of existing dtac customers

## Lack of reasons to use



53% ----- Lack of need

26% ----- Internet is too complicated

% of non internet user respondents

## Complex pricing



11% ----- Mobile internet broadband is expensive

% of non internet user respondents

From barriers to enablers

TriNet phones:  
Affordable smartphones



Bringing relevant content  
and services to people



Safe, easy pricing:  
“Try before you buy”  
packages, bite-sized pricing

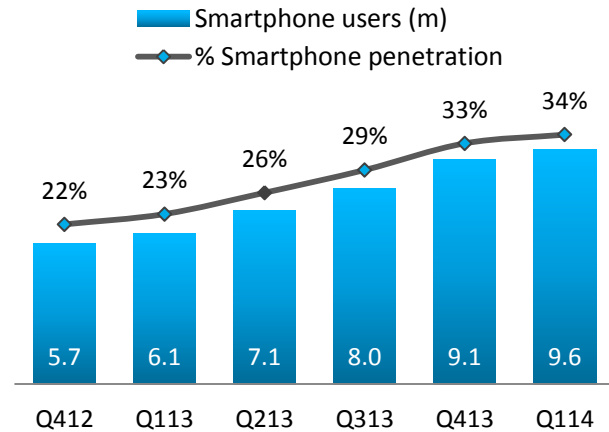
	Fun Play Unlimited Facebook	Fun Chat Unlimited Line	Fun Chat Unlimited WhatsApp	Fun Chat Unlimited Social App	Opera Mini Unlimited Web-browsing
Monthly fee	116 บาท	76 บาท	76 บาท	76 บาท	196 บาท
	Subscribe	Subscribe	Subscribe	Subscribe	Subscribe
Application Service	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited



# A new battle lies in data & handset promotions

Despite intense competition in data and 3G handset promotions...

... smartphone penetration for dtac increased 56% YoY



Smartphone users reached 34% penetration in Q1 2014, mainly due to sales of affordable dtac TriNet phones and iPhones

# New affordable 3G devices enabling faster migration



**Joey Jump 3.5**  
THB 1,990 (USD 60)



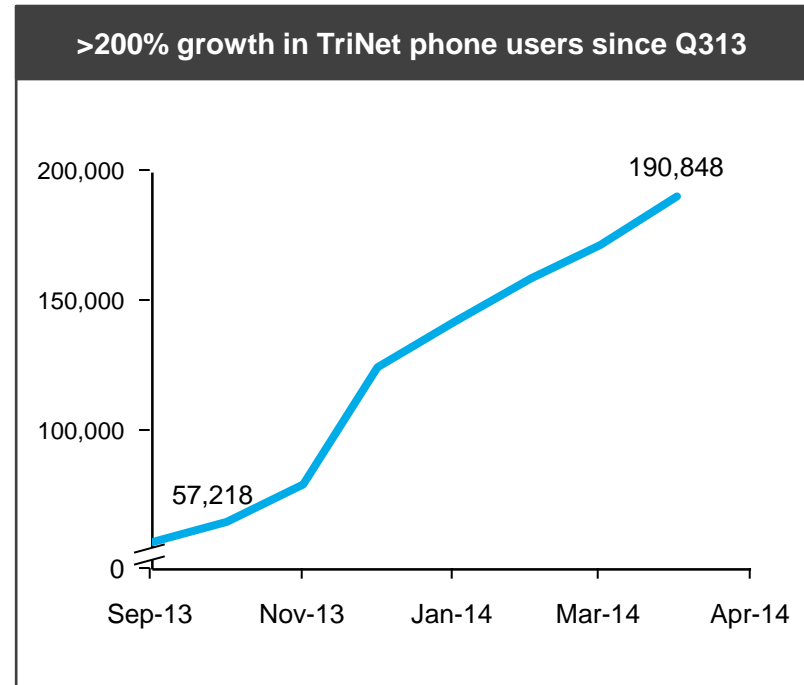
**Joey Jump 4.0**  
THB 2,990 (USD 90)



**Cheetah Turbo 4.5**  
THB 4,290 (USD 130)



**Lion 5.0 HD**  
THB 5,590 (170)



- High specifications at affordable prices
- 15 month warranty
- Bundled with attractive price plans
- No SIM lock

# New partnerships and services make internet relevant for all

## Local content

- Supporting local start-ups to create content through **dtac Accelerate**



## Content partnerships

- Social
- Entertainment
- Education
- Convenience



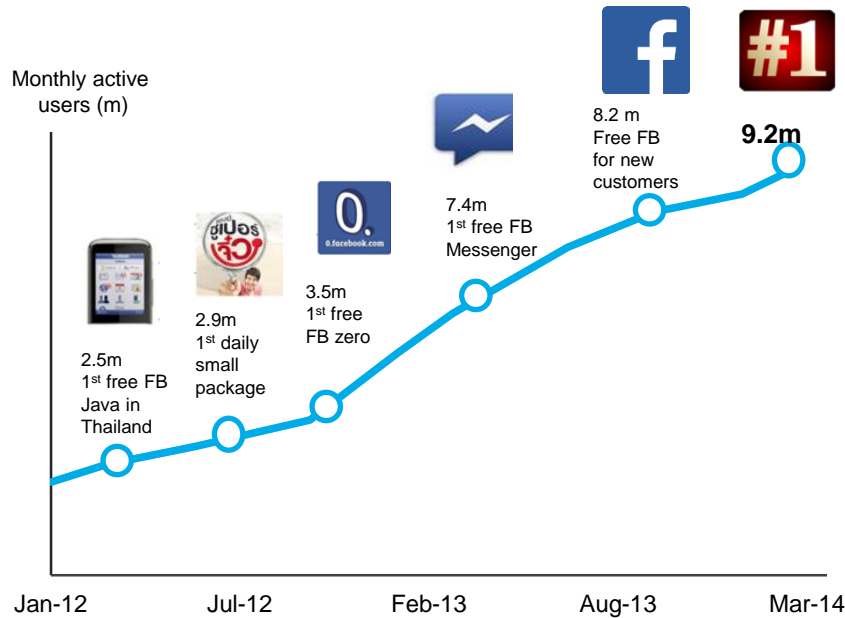
## Financial Services

- Over-the-counter **money transfer and bill payment**
- E-wallet** to enable e- and m-payments

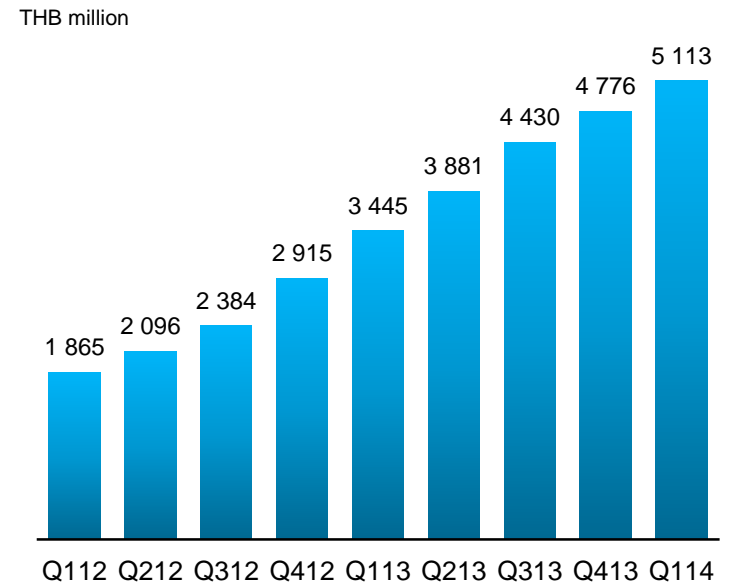


# Partnership with Facebook drives data consumption

## dtac is no. 1 Facebook on mobile in Thailand



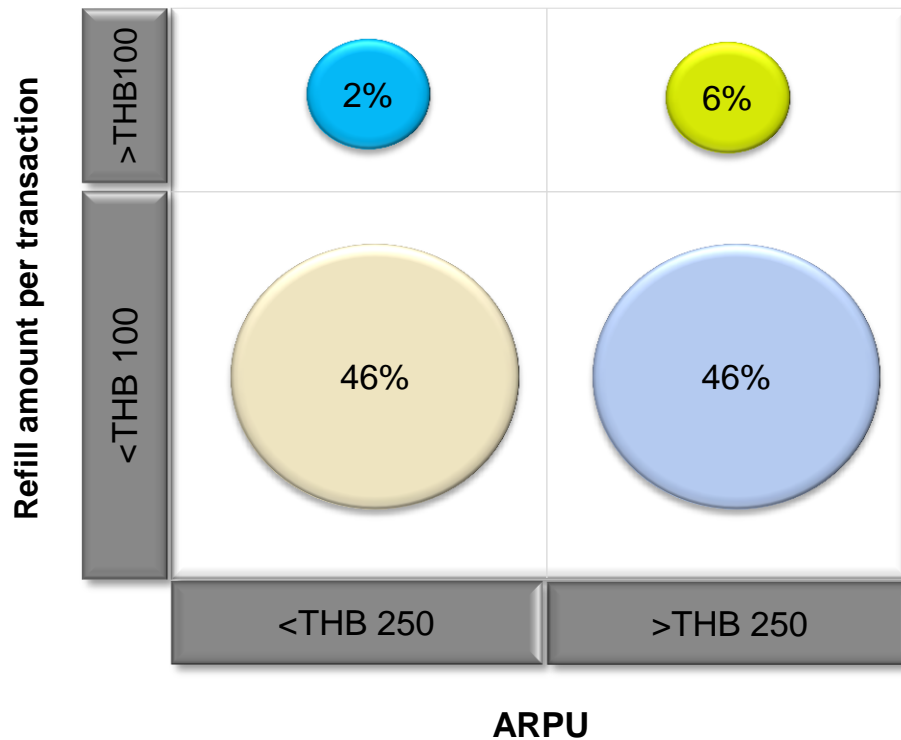
## 174% increase in data revenue from 2012 to 2014



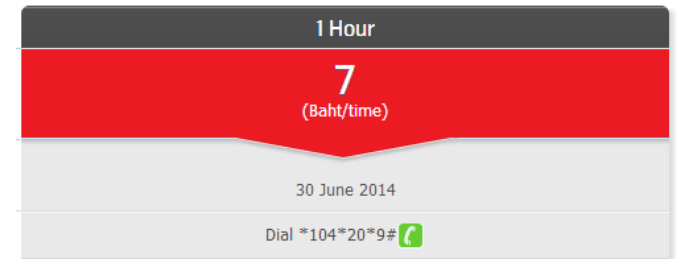
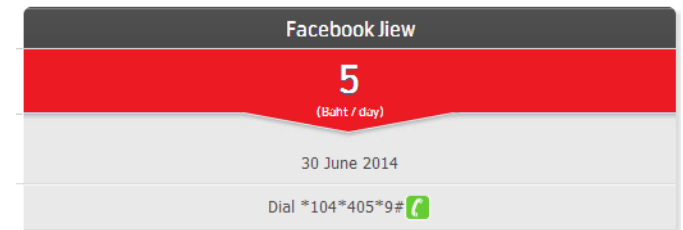
# Bite-sized pricing reduces barriers to purchase...

Users tend towards lower refill values per transaction, regardless of ARPU...

## Percentage of prepaid users

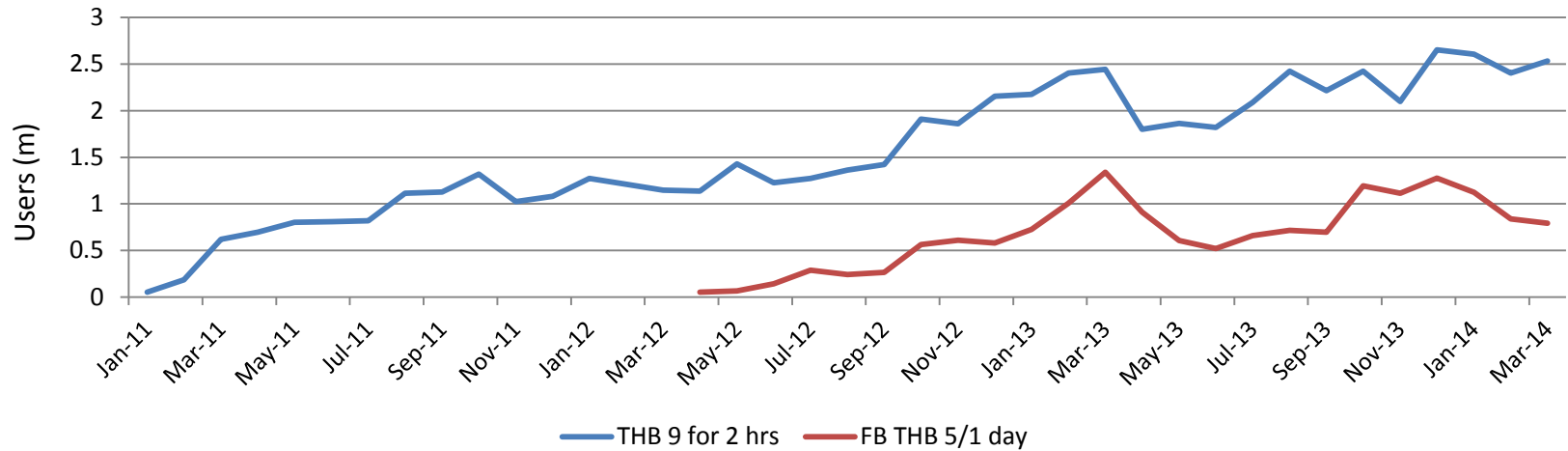


... therefore bite-sized pricing caters to this behavior



# ... provides convenience to customers in a cash based economy...

Most popular packages are Facebook THB 5/day and internet THB 9/2 hrs...

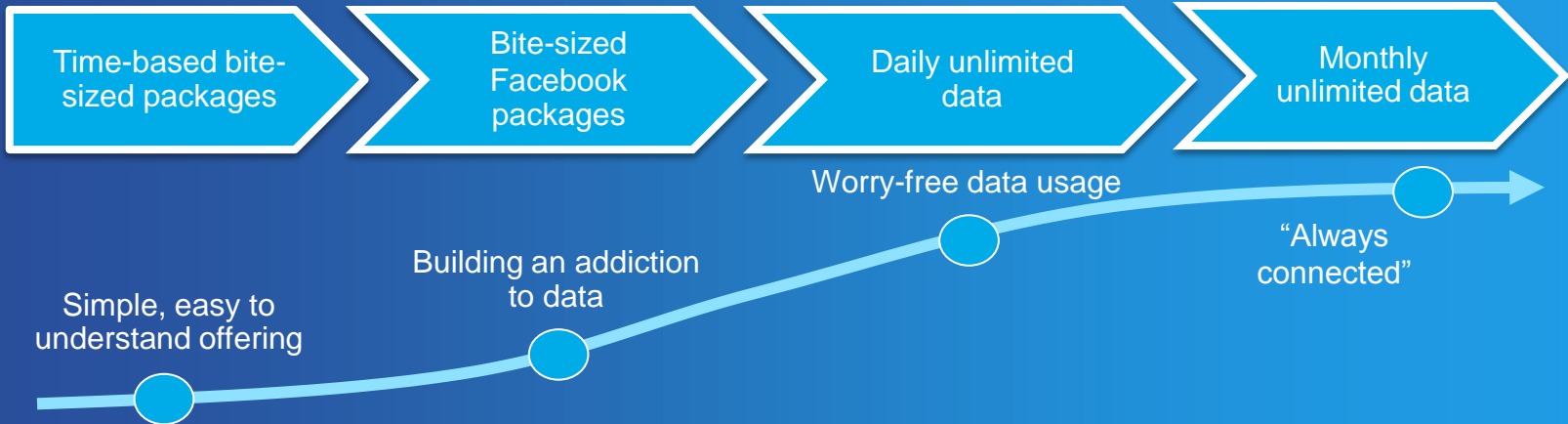


... with subscribers of these packages contributing above average ARPU and MOU\*

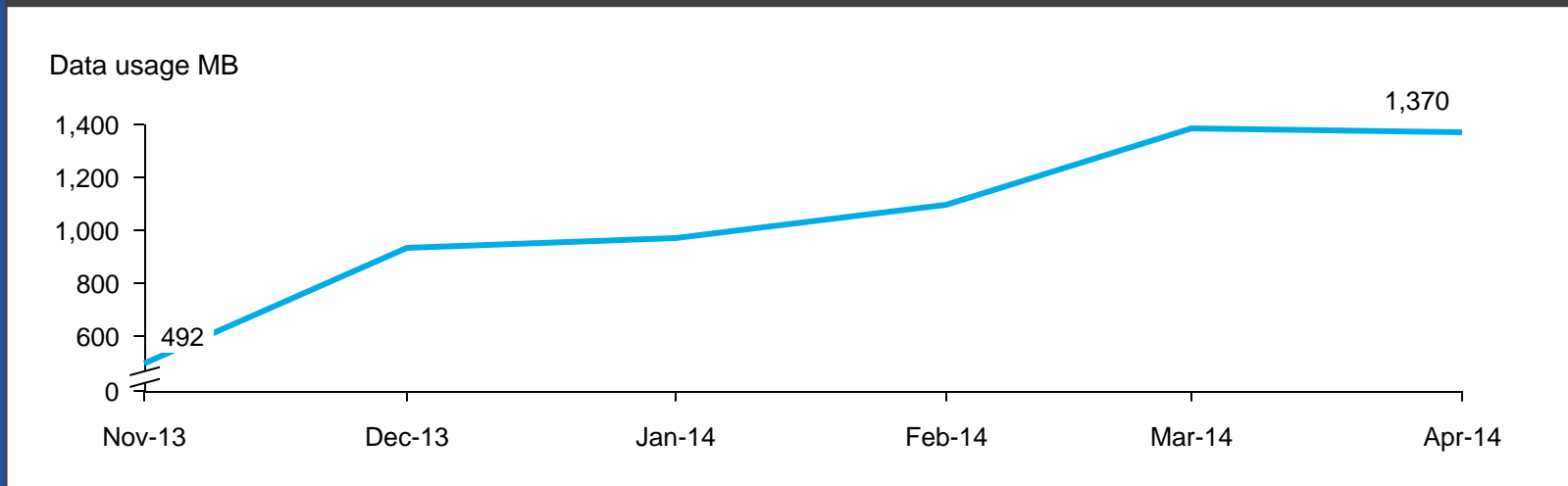
	Subscribers (m)	ARPU (THB)	MOU (minutes)	Data (MB)	Transactions per month
Prepaid (Avg)	26.5	160	212	701	
9B for 2 hrs	1.9	377	469	1053	6.1
5B for FB 1D	0.6	336	632	493**	5.3

# ... and facilitates growth in data consumption

happy journey



**178% increase in data consumption by customers who first purchased bite-sized in Nov 13\***



# Key takeaways

- **Solid growth** of data penetration and revenue expected to continue
- **New partnerships and services** make internet relevant for all
- **Affordable 3G devices** enabling faster migration
- **Bite-sized pricing** reduces barriers to purchase and provides upsell opportunities







Thank you