



# Local Non-Deal Roadshow

KGI Securities (Thailand)

Prepared by Group Investor Relations

16 May 2019 1



**Sustainable growth and  
add more value to shareholder**

***To be Thailand Leading TMT Group***

## **Asset Management**

*Create and protect the value of existing business*

- Continue pass-through dividend
- Improve revenue sources and cost efficiency
- Mitigate business risks

## **New Growth**

*Build new growth for INTOUCH Group*

- Build new growth at INTOUCH through
  - ✓ New businesses
  - ✓ VC portfolio
- Support growth of existing subsidiaries

## **Holding of Excellence**

**Human capital**

**Innovation**

**Reputation**

**Governance**

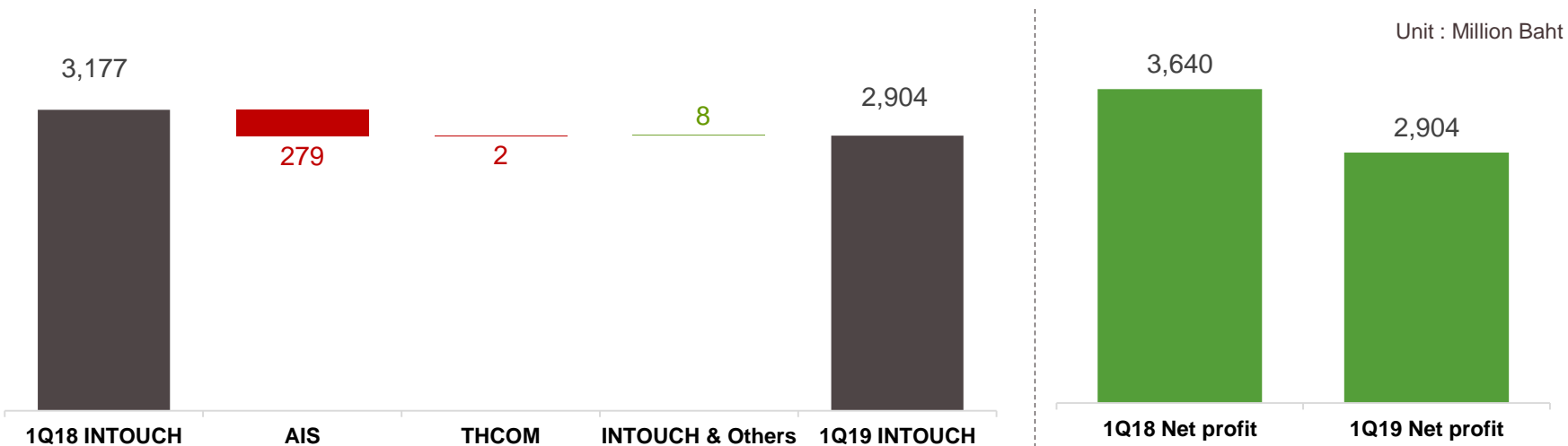
**Sustainable Development**

# Normalized net profit was pressured by lower profit from AIS



## 1Q19 Highlights

- Normalized net profit dropped by 9% YoY mainly from lower profit of AIS.
- Net profit decreased 20% YoY due mainly from THCOM gain on sales of CSL in 1Q18.



Normalized net profit excl. gain on sale of CSL and assets impairment of THAI COM

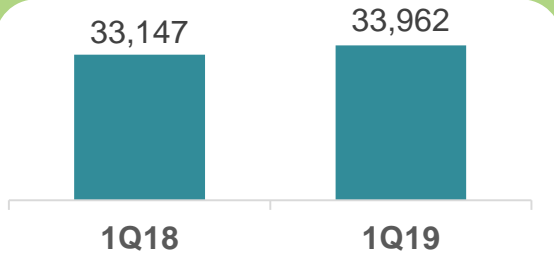
\*Others = ITAS, ITV, VC, and Intouch Media

# 1Q19 AIS Key Performance – Healthy EBITDA from service revenue



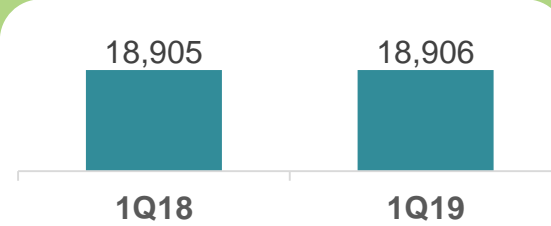
## growth

### Core service revenue (Btmn)



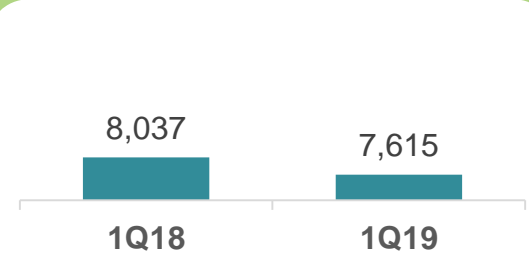
- Mobile revenue +1.1% YoY.
- FBB revenue +27% YoY.
- Other service revenues +21%.

### EBITDA (Btmn)



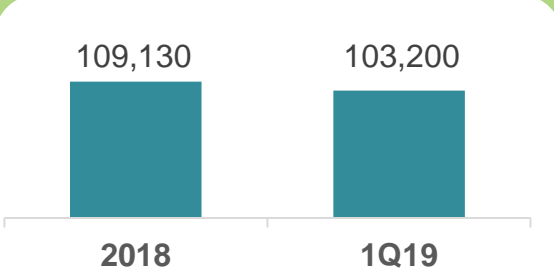
- EBITDA flat YoY due to higher network OPEX and SG&A offset by higher service revenue.
- Reported EBITDA margin stood at 43.1%.

### Net Profit (Btmn)



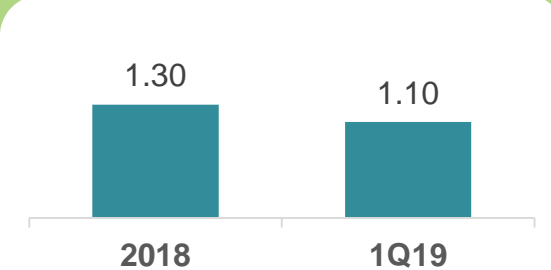
- Net profit decreased 5.3% YoY due to higher network and license D&A.
- Net profit margin stood at 17.4%.

### Interest-bearing debt (Btmn)



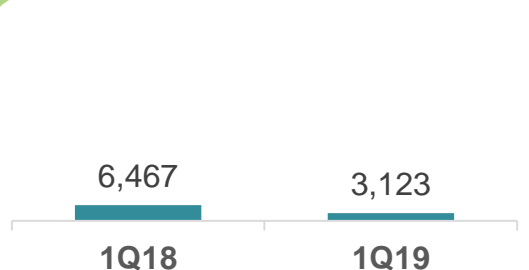
- Slightly lower debt outstanding due to debt repayment.

### Net debt to EBITDA (times)



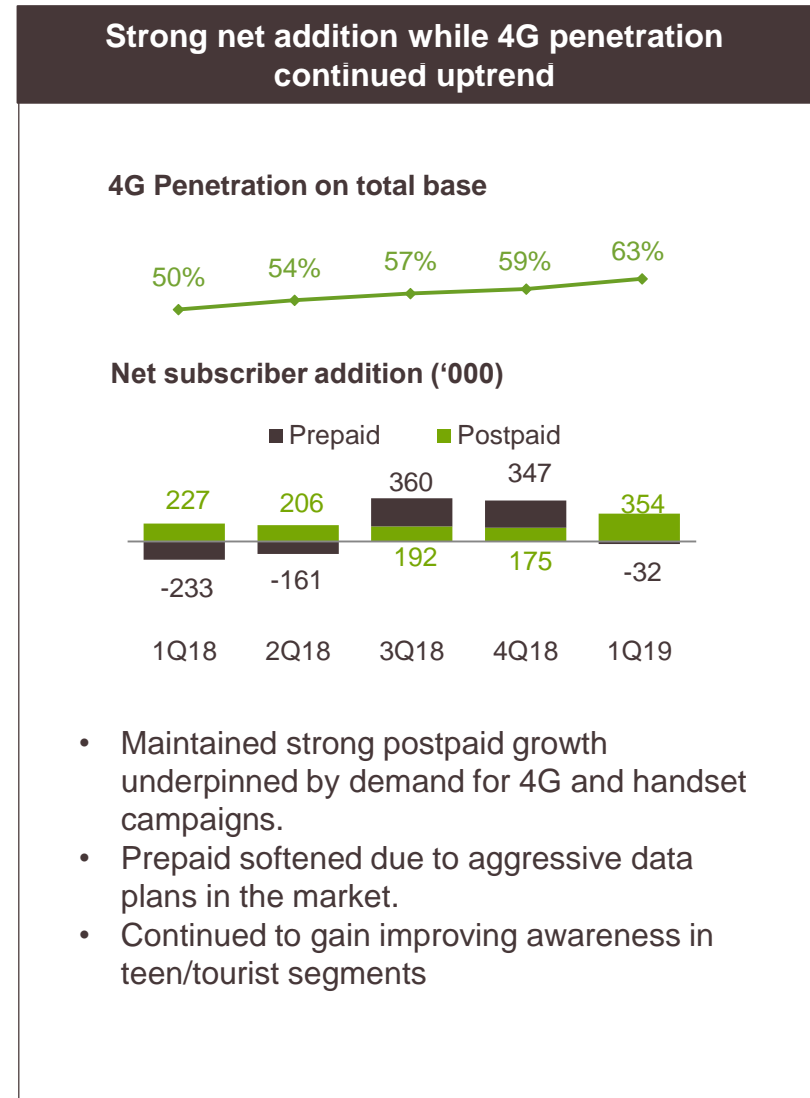
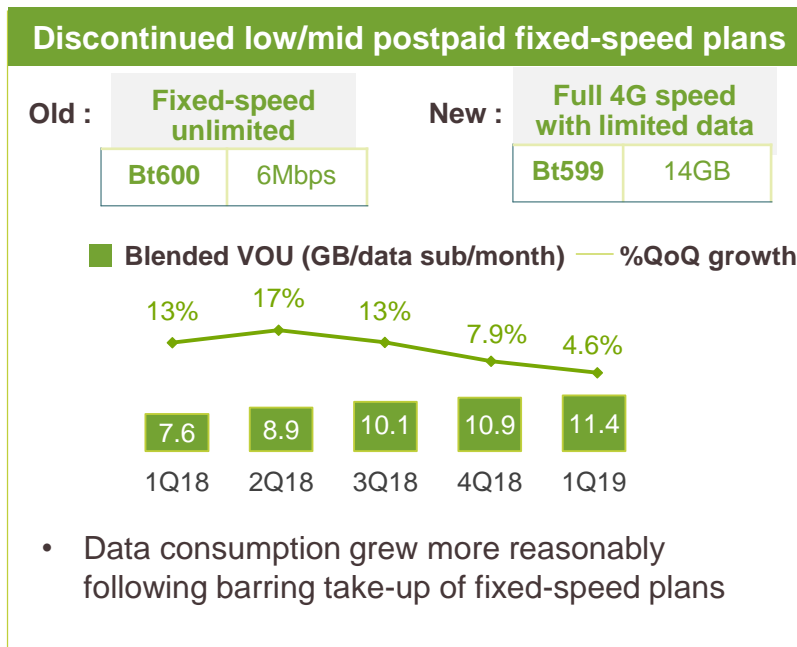
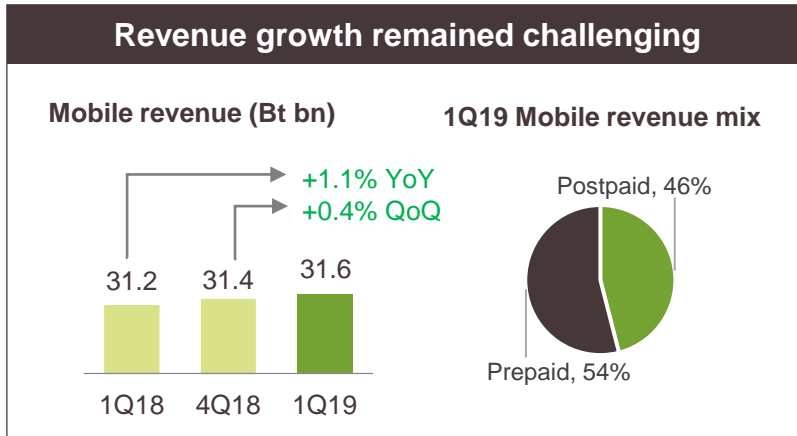
- Healthier debt ratio due to lower interest bearing debt.

### CAPEX (Btmn)

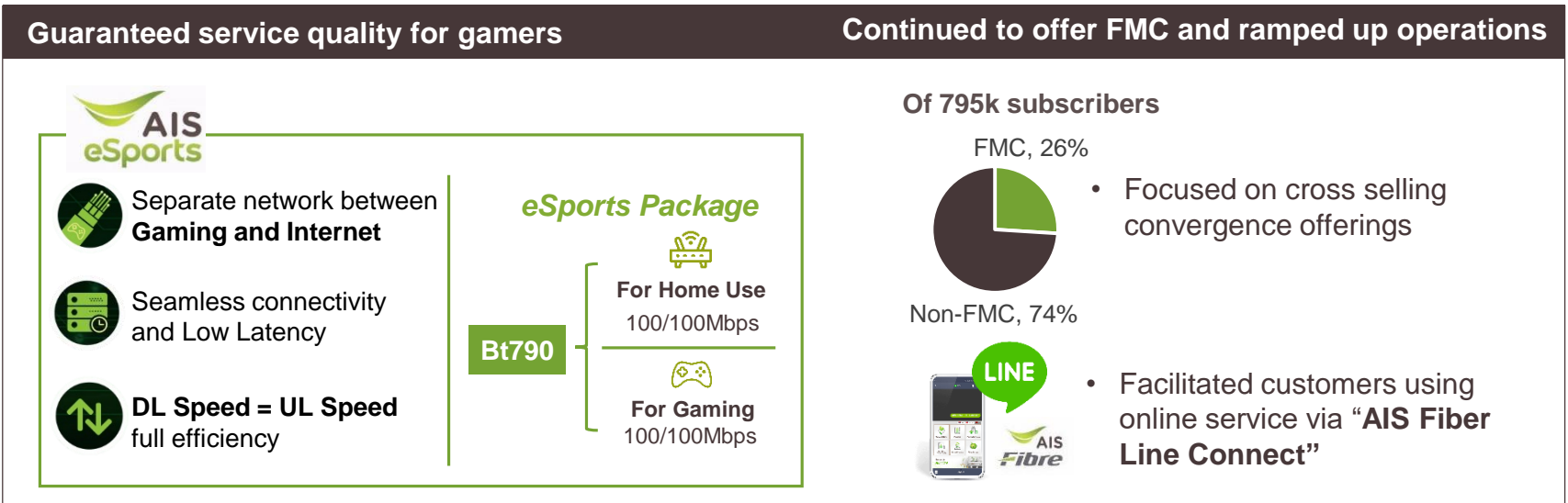
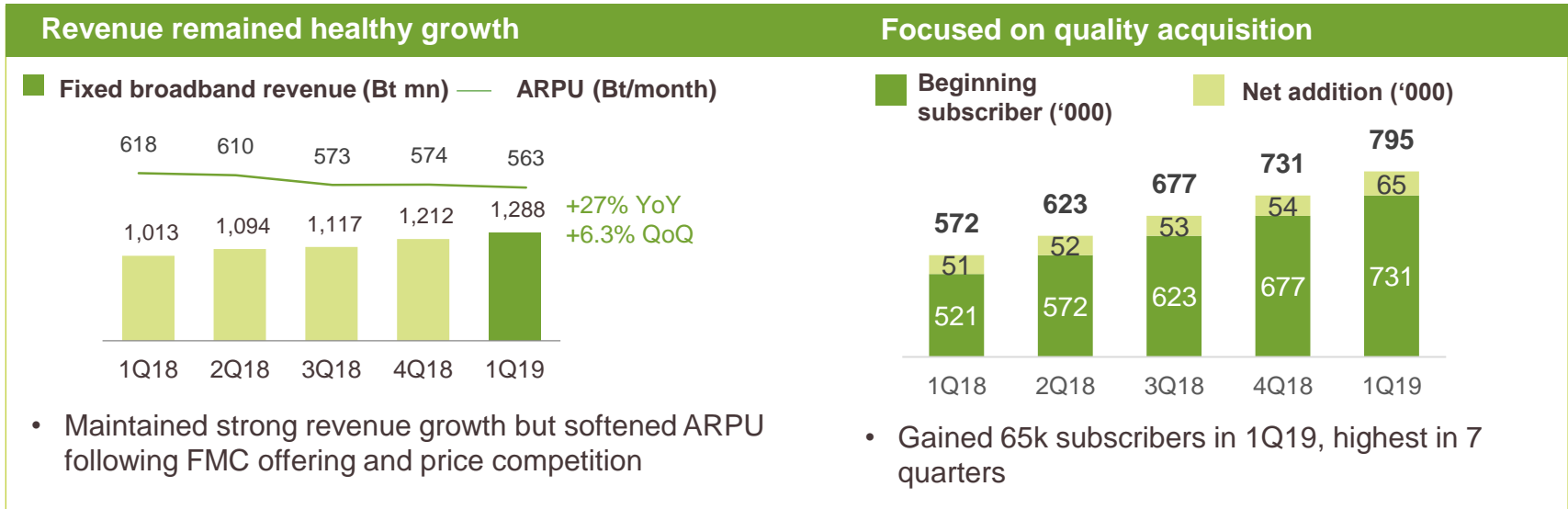


- Lower CAPEX from negotiation on payment term.

# Mobile: Revenue grew softly from price competition



# FBB: Competitively grew while focusing on FMC



# Digital service: Expanded strategic digital services for both enterprise and consumer

## Increased capabilities in enterprise segment

- Maintained target to achieve **high-single digit growth in FY19** for enterprise segment
- Strategic cooperation with business partners**



- Collaborated with China Unicom to provide local/international data connectivity



- Pioneered with Provincial Electricity Authority to launch Solar Rooftop IoT solution

- Established 5G Garage Innovation LAB**



- Cooperated with Faculty of Engineering, Chulalongkorn University, with the support from the NBTC to research and test 5G technology.

## Strengthened engaging consumer platforms

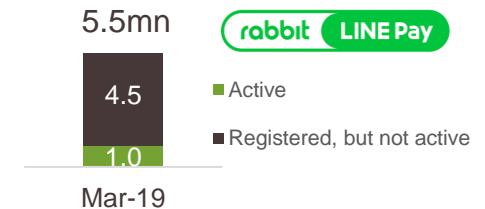
### 1 Video

**2mn** active users  
(March-19)



- Debuted the first eSports channel in Thailand on AIS PLAY and AIS PLAYBOX

### 2 Mobile money



- Continued expanding sub base

### 3 Insurance

- Established an insurance broker company to be a point of online insurance sale

### 4 Advertisement

- Targeted advertisement on partner's websites

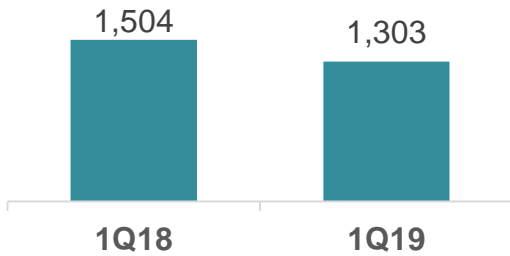
### 5 Games

- Made presence in "eSports" to support game ecosystem and further monetize

# 1Q19 THAICOM Key Performance – Stronger EBITDA

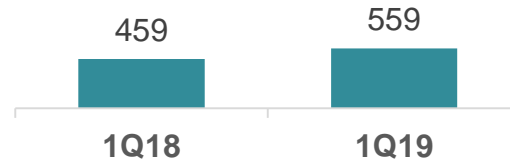


## Sale & service revenue (Btmn)



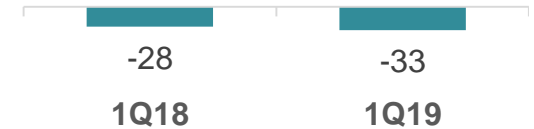
- Sale and service revenue decreased 13% YoY due mainly from lower revenue of satellite business.

## EBITDA (Btmn)



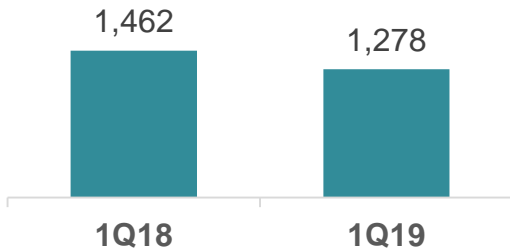
- EBITDA increased 22% YoY due to lower revenue sharing and effective cost management.
- EBITDA margin improved to 43% from 31%.

## Normalized Profit (Btmn)



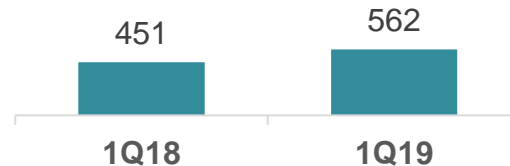
- Higher net loss from a decrease of share of profit of investment in joint venture.

## Satellite revenue (Btmn)



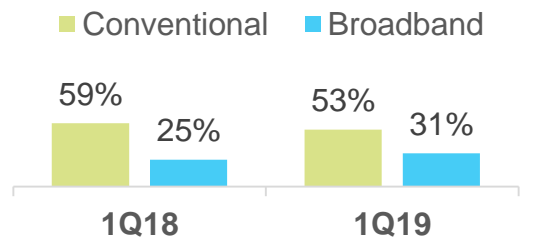
- Satellite revenue decreased 13% YoY due to newly signed long-term contract with existing customers.

## Satellite EBITDA (Btmn)



- Satellite EBITDA increased by 24% YoY following lower revenue sharing and effective cost management.
- EBITDA margin increased from 31% to 44%.

## Satellite utilization rate



- Utilization rate of conventional satellite decreased from Thai clients.
- Utilization rate of broadband satellite increased from customer in India.



## Broadcast Services

- India's IMCL (Grant Investrade Limited : GIL), finalized additional transponder on TC-5 which expected to sign contract within 2Q19
- Africa's Djibouti Telecom, signed procurement equipment agreement to sell Hughes Hub

## Broadband Services

- India's Antrix, signed bandwidth service agreement for additional 806MHz for 2-year period
- Australia's NBN, received 1st purchase order for NBN managed service
- Thailand's AIS (AWN), providing eSports services
  - Managing AIS eSports Thailand Corporate League 2019, started from 17 Apr 19, providing a white label AIS eSports platform

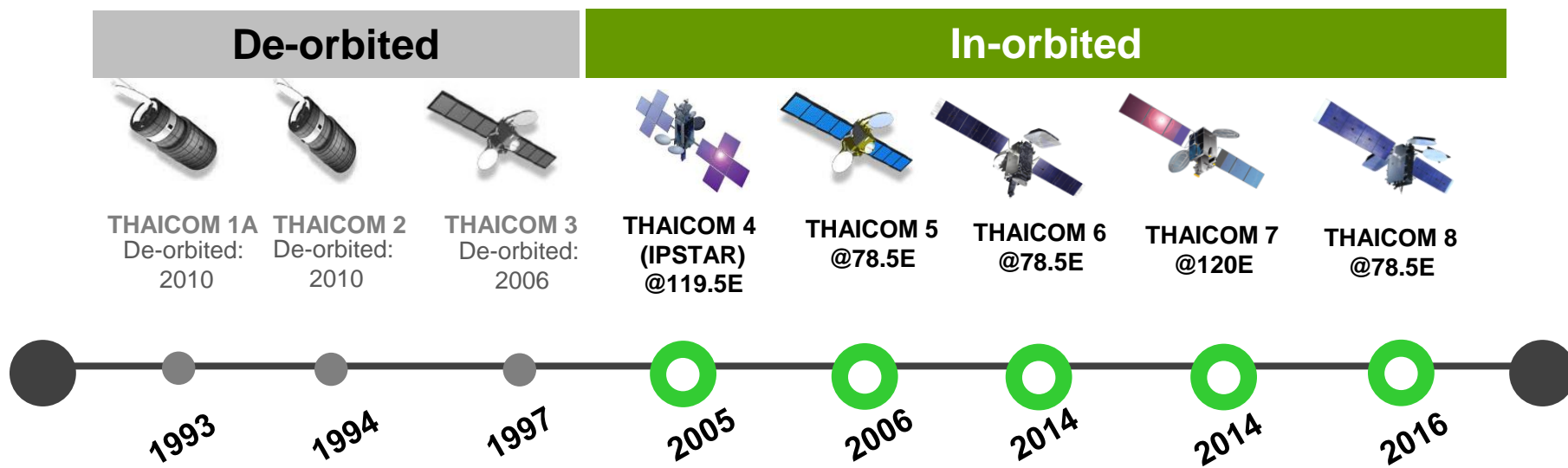


## Moving Forward

### Satellite Business Strategy

- Selling existing capacity partnership model
- Increase utilization of the existing satellites
- Thailand's PPP process (Public Private Partnership) THAICOM is open to join with strategic partnership in Thailand for this scheme
- International consortium for HTS

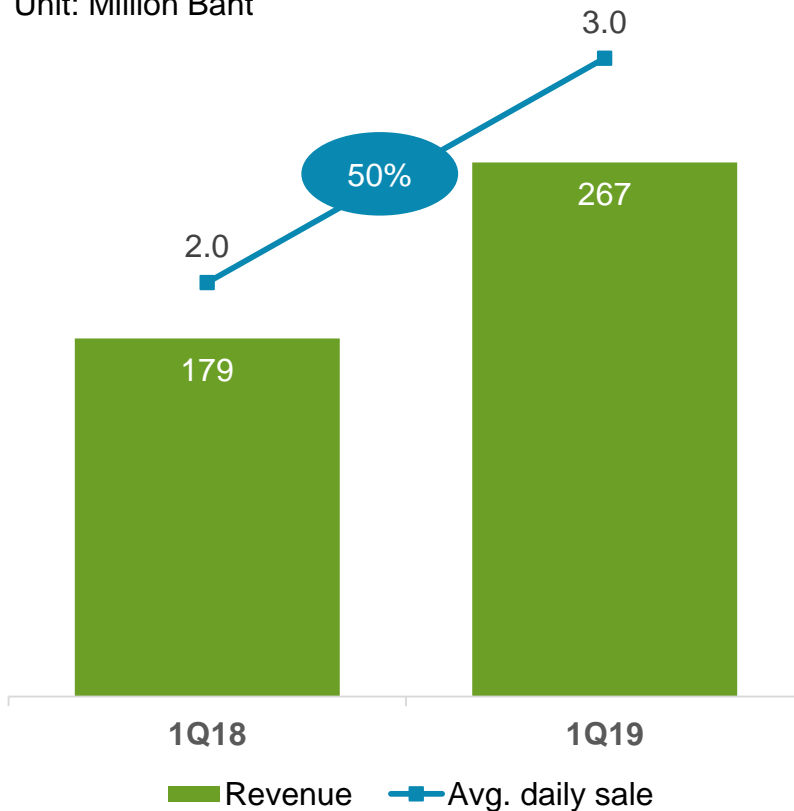
# Satellite Fleet



Scheme Operating	Concession end 2021		License end 2032		
Type of Satellite	Broadband	Conventional		Conventional	
Fee	22.5%		4.00%		
Contract Life (Year)	30 year (2021)		20 year (2032)		
Life end (Year)	2022	2020	2032	2032	2032

# Good revenue momentum with profit improvement

Unit: Million Baht



## 1Q19 Highlights

### Sales channel strategy and business partnerships:

- Sales and revenue were impacted by the general election and political news
- Partnership model boosted revenue growth YoY

### High margin products:

- Improved gross margin due to higher margin products
- EBITDA and net profit showed a lower loss with margin improvement

## 2019 Moving Forward

### Sales channel strategy and business partnerships:

Explore new opportunities with platform providers and channel TV operators



### High margin products:

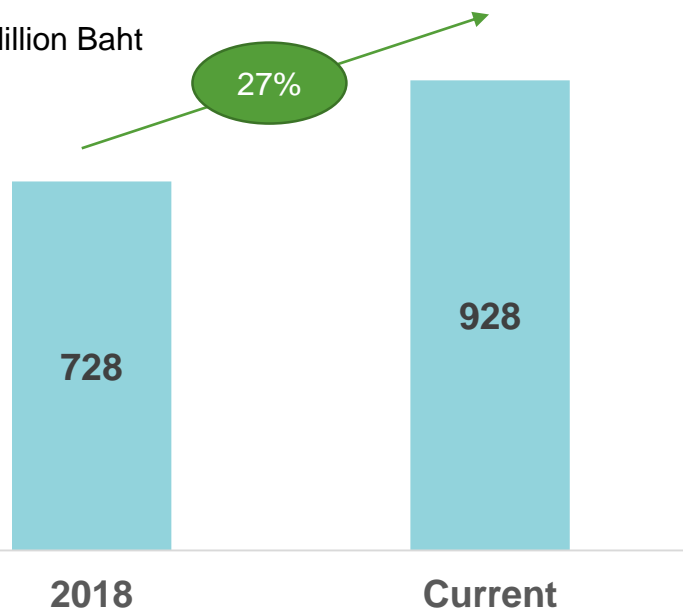
Sourcing high margin products and product differentiation such as fashionwear and health & beauty products

# Current InVent Portfolio

Maintain leadership in exploring and investing for growth

## Portfolio Value

Unit: Million Baht



## Investment & Distribution

More than 1 billion Baht total revenue

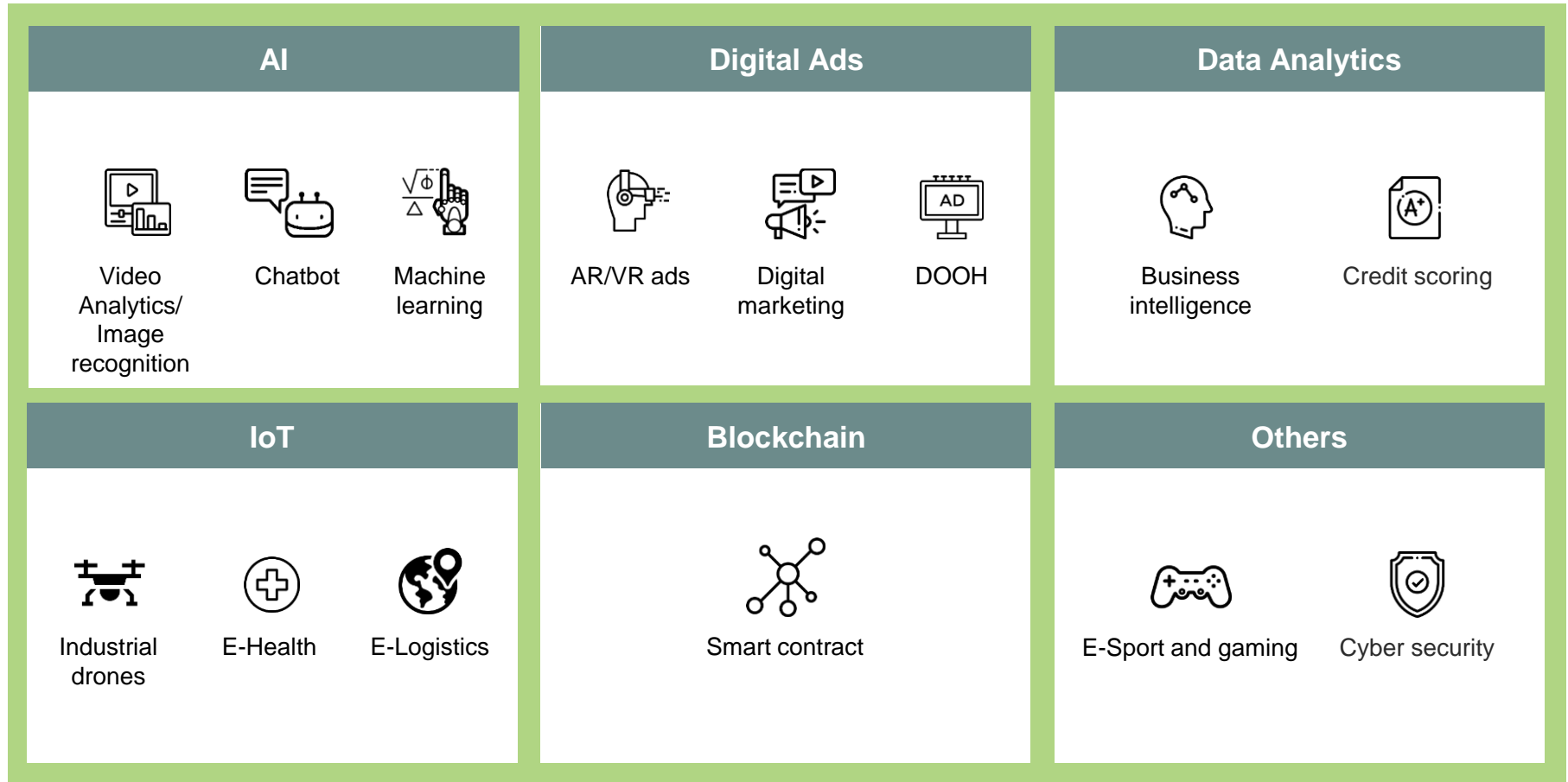


### 1Q19 Highlights

- Current value of InVent portfolio rose by 27% from end of 2018 following an increase of investment value mainly from Wongnai.
- YTD, INTOUCH managements approved 4 companies with total investment of approximately Bt125mn

# 2019 Investment Theme: Emerging Tech

*Explored emerging technology for INTOUCH new business opportunity  
Strategic growth enabler for INTOUCH subsidiaries*



### **INTOUCH Investor Relations**

Website: [https://www.intouchcompany.com/ir\\_en.asp](https://www.intouchcompany.com/ir_en.asp)

Facebook: <https://www.facebook.com/intouchcompany>

E-mail: [ir-intouch@intouchcompany.com](mailto:ir-intouch@intouchcompany.com)

Tel: (66) 2118 6912

