



# 1Q19 INTOUCH Performance Opportunity Day

The Stock Exchange of Thailand

Prepared by Group Investor Relations

15 May 2019 1

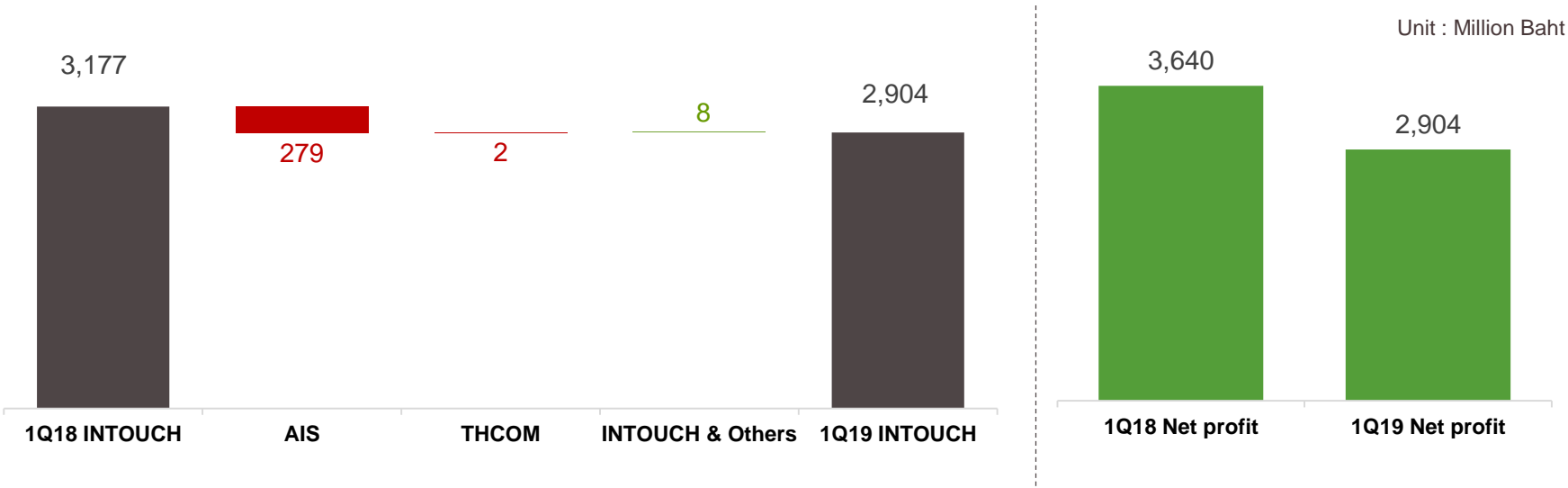


# Normalized net profit was pressured by lower profit from AIS



## 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

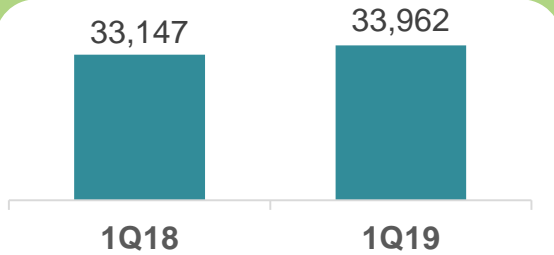
\*Others = ITAS, ITV, VC, and Intouch Media

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



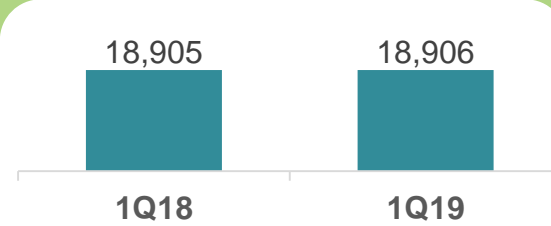
## growth

### Core service revenue (Btmn)



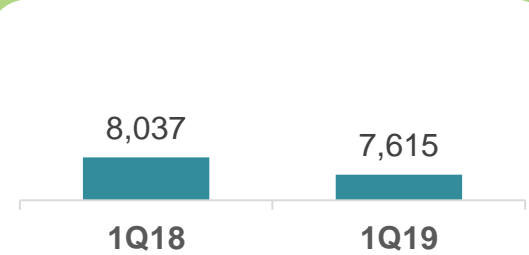
- Mobile revenue +1.1% YoY.
- FBB revenue +27% YoY.
- Other service revenues +21%.

### EBITDA (Btmn)



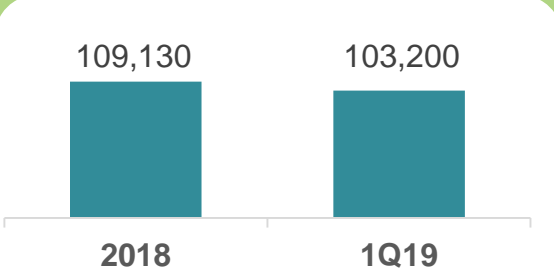
- EBITDA flat YoY due to higher network OPEX and SG&A offset by higher service revenue.
- Reported EBITDA margin stood at 43.1%.

### Net Profit (Btmn)



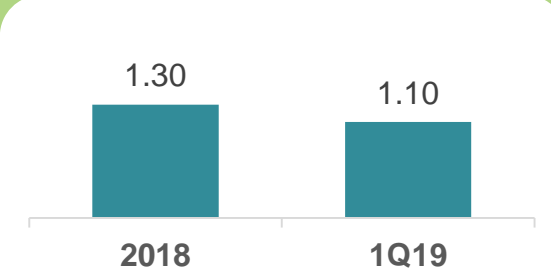
- Net profit decreased 5.3% YoY due to higher network and license D&A.
- Net profit margin stood at 17.4%.

### Interest-bearing debt (Btmn)



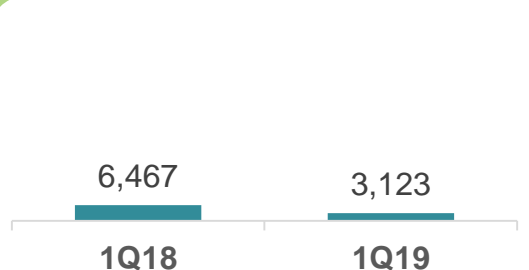
- Slightly lower debt outstanding due to debt repayment.

### Net debt to EBITDA (times)



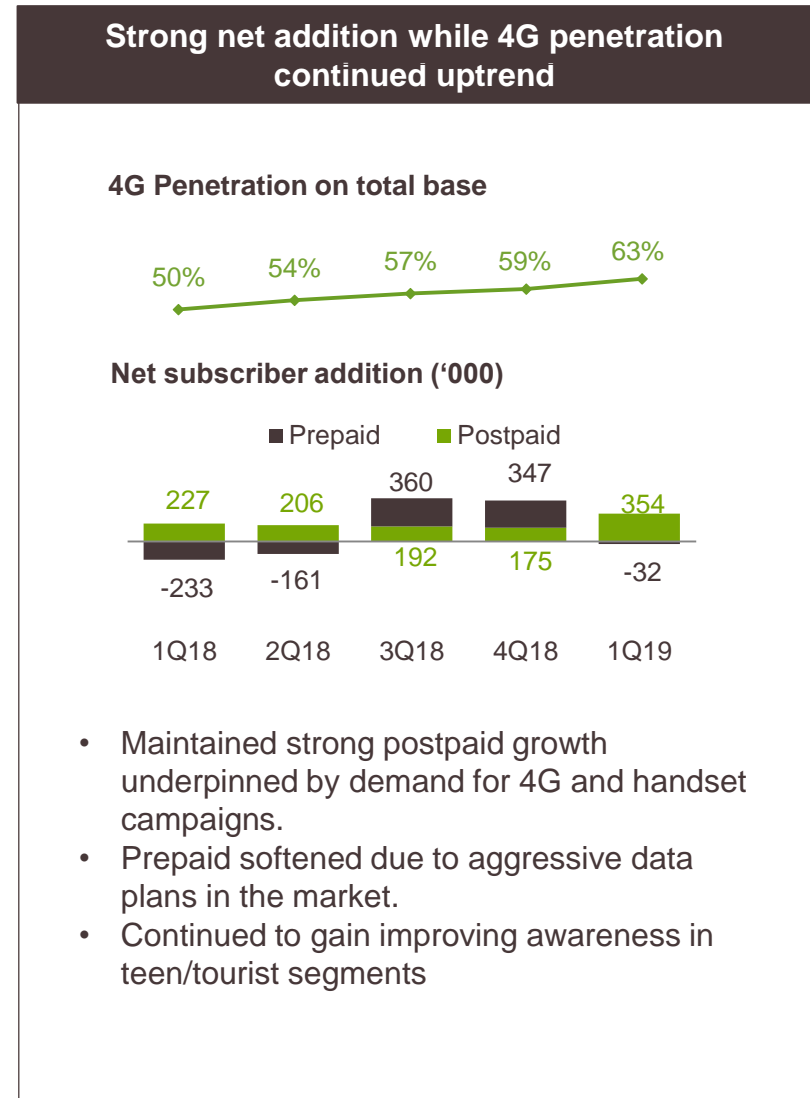
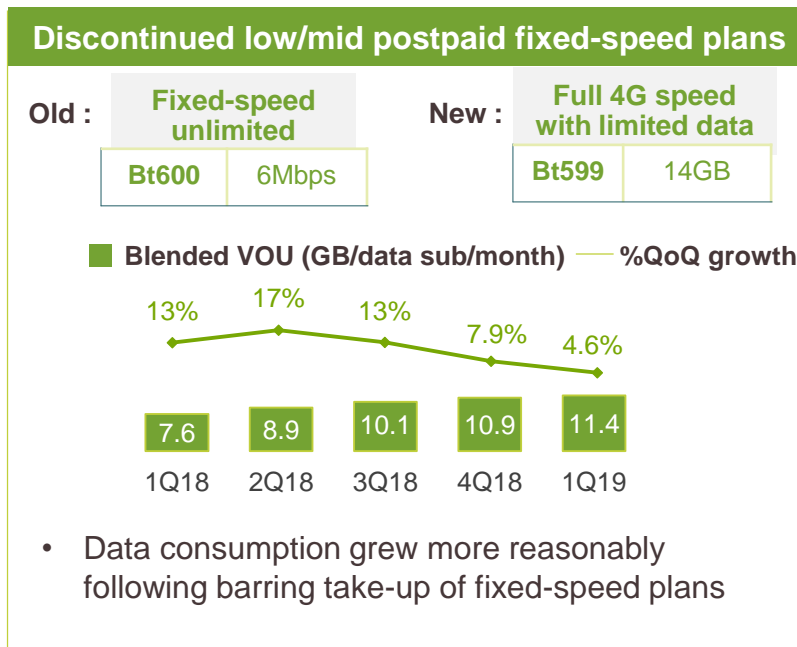
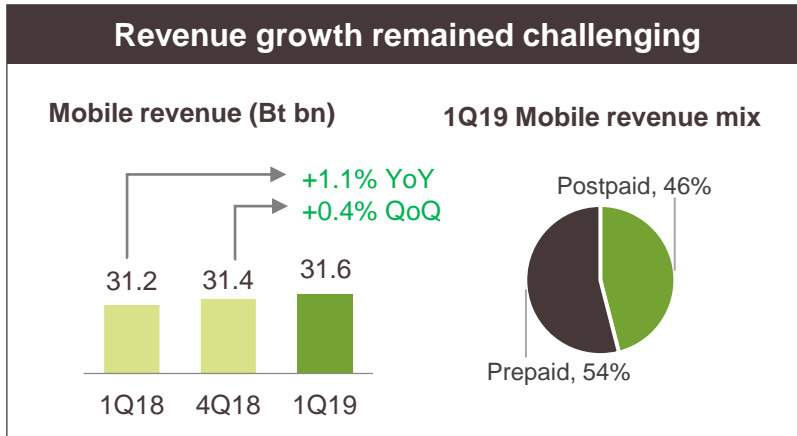
- Healthier debt ratio due to lower interest bearing debt.

### CAPEX (Btmn)

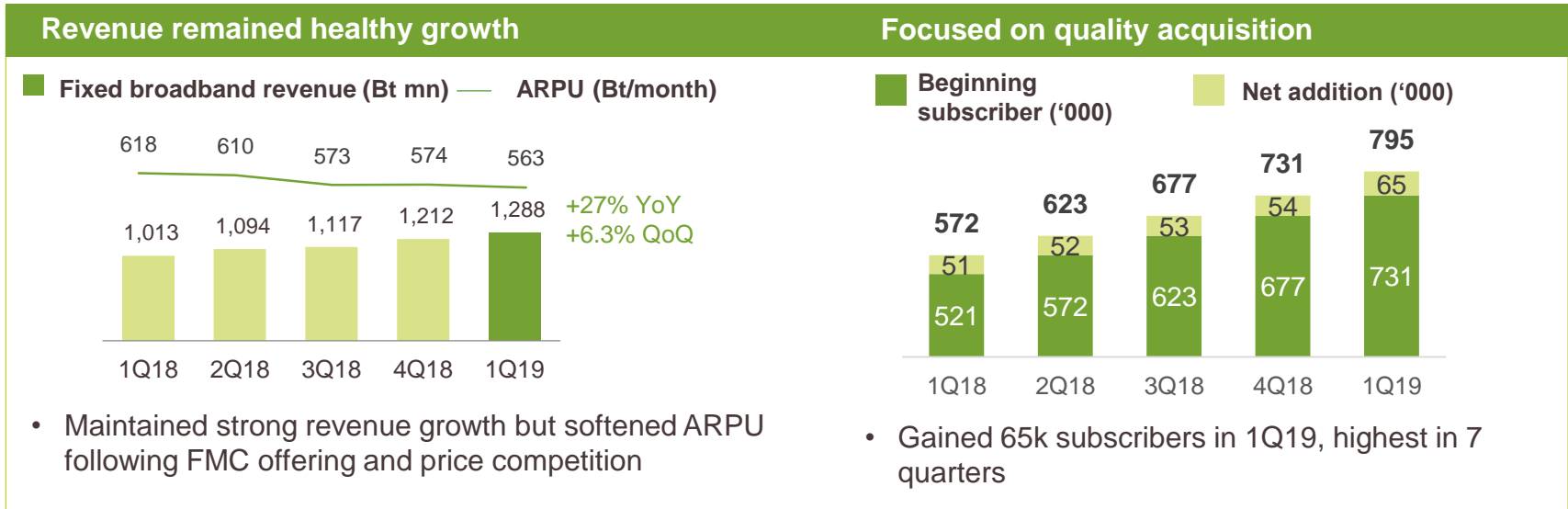


- Lower CAPEX from negotiation on payment term.

# Mobile: Revenue grew softly from price competition



# FBB: Competitively grew while focusing on FMC



### Guaranteed service quality for gamers

- Separate network between **Gaming and Internet**
- Seamless connectivity and Low Latency
- DL Speed = UL Speed** full efficiency

**eSports Package**

**Bt790**

- For Home Use 100/100Mbps
- For Gaming 100/100Mbps

### Continued to offer FMC and ramped up operations

Of 795k subscribers

- Focused on cross selling convergence offerings

- Facilitated customers using online service via “**AIS Fiber Line Connect**”

# 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

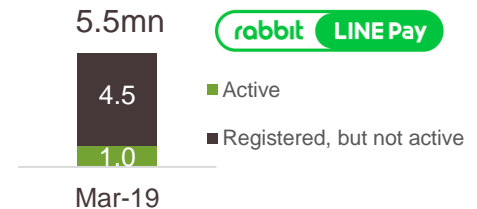
### 1 Video

**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

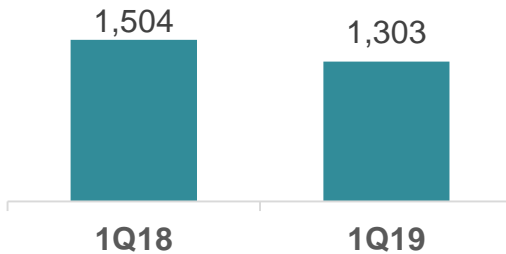
### 5 Games

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

# 1Q19 THAICOM Key Performance – Stronger EBITDA

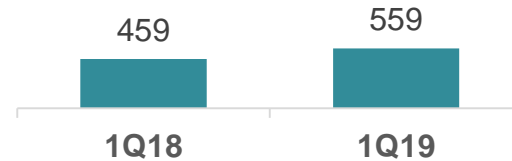


## Sale & service revenue (Btmn)



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

## EBITDA (Btmn)



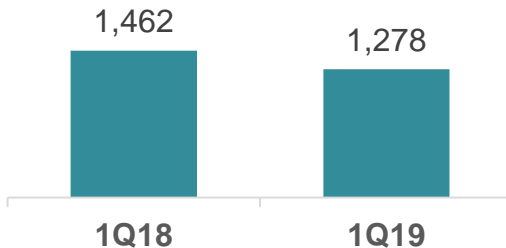
- EBITDA increased 22% YoY due to lower revenue sharing and effective cost management.
- EBITDA margin improved to 43% from 31%.

## Normalized Profit (Btmn)



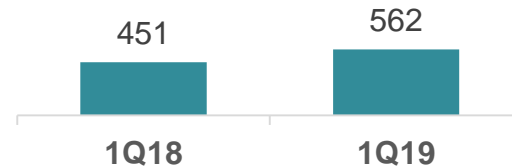
- Higher net loss from a decrease of share of profit of investment in joint venture.

## Satellite revenue (Btmn)



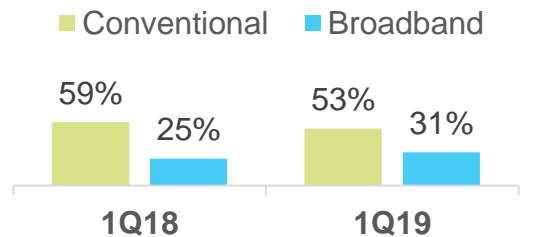
- Satellite revenue decreased 13% YoY due to newly signed long-term contract with existing customers.

## 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

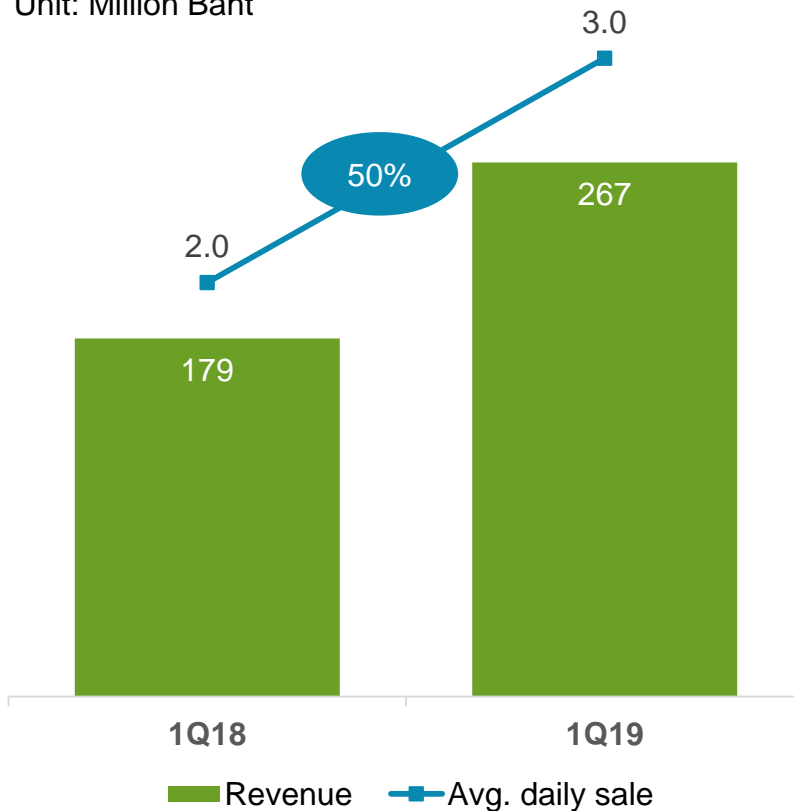
#### Partnership Model

- 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



# 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:

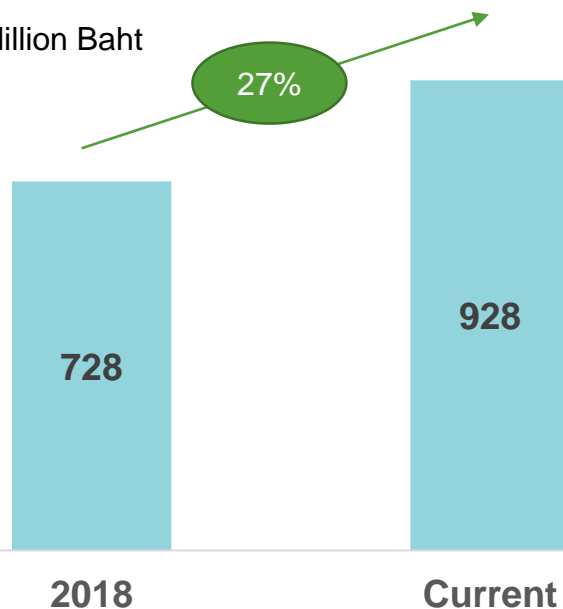
Sourcing high margin products and product differentiation such as fashionwear and health & beauty products

# 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

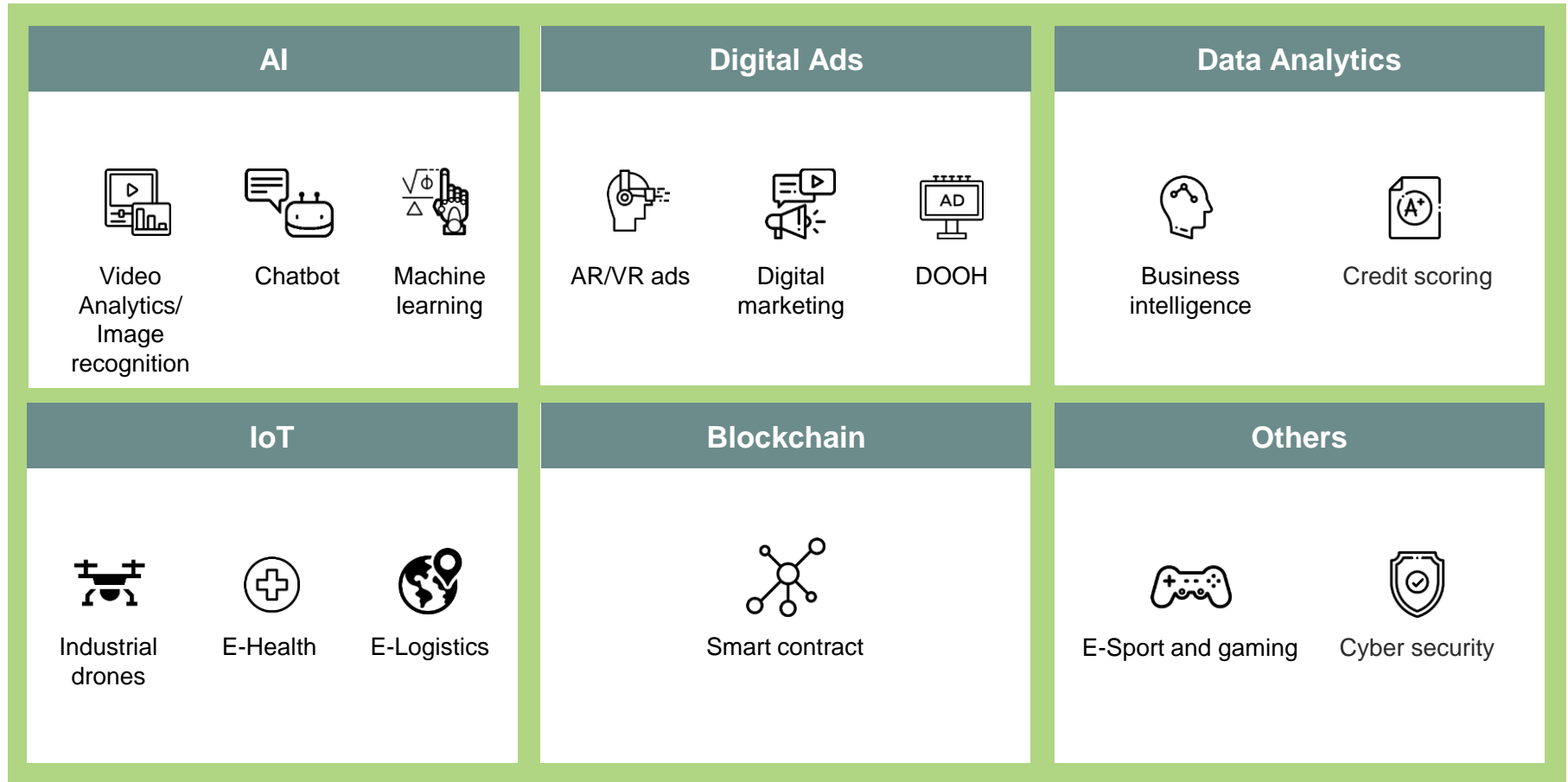


### 1Q19 Highlights

- 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*



**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**

# Appendix



# 1Q19 Key Financial Highlights



Excluding impact from IFRS15

Baht million	1Q18	4Q18	1Q19	%YoY	%QoQ	FY19 Guidance
Core service revenue	33,147	33,683	33,962	▲ 2.5%	▲ 0.8%	Mid-single digit growth YoY
Sales revenue	6,368	7,699	6,867	▲ 7.8%	▼ 11%	
Total revenue	40,933	44,584	43,824	▲ 7.1%	▼ 1.7%	
Cost of service	17,281	20,383	19,817	▲ 15%	▼ 2.8%	
Total SG&A	6,336	6,968	6,786	▲ 7.1%	▼ 2.6%	
EBITDA	18,905	18,071	18,906	↔	▲ 4.6%	
EBITDA margin	46.2%	40.5%	43.1%	▼ 3.1%	▲ 2.6%	Stable YoY
Sales margin	-1.1%	-4.3%	-4.3%	▼ 3.2%	↔	
Capex	6,467	3,685	3,123	▼ 52%	▼ 15%	Bt20-25bn

# 1Q19 Key Financial Highlights

Baht million	1Q18	4Q18	1Q19	%YoY	%QoQ
Satellite and related services	1,504	1,505	<b>1,303</b>	▼ 13%	▼ 13%
Cost of sales and services	1,001	1,145	<b>962</b>	▼ 3.9%	▼ 16%
Satellite EBITDA	451	348	<b>562</b>	▲ 25%	▲ 61%
Net profit attributable to Thaicom	1,864	(1,990)	<b>(33)</b>	▼ 98%	▲ 98%
Normalized net profit attributable to Thaicom*	(28)	(187)	<b>(33)</b>	▼ 18%	▲ 82%
Satellite EBITDA margin	31%	23%	<b>44%</b>	▲ 13%	▲ 21%

# 1Q19 Statements of Profit or Loss

## Consolidated Financial Statements

Baht million	1Q18	4Q18	1Q19	%YoY		%QoQ	
Revenues from sales and services	1,767	1,539	1,335	▼	24%	▼	13%
Share of profit of investments in associates	3,268	2,739	2,989	▼	8.5%	▲	9.1%
Total revenues	6,755	4,303	4,384	▼	35%	▲	1.9%
Cost of sales and service	945	946	804	▼	15%	▼	15%
SG&A	686	432	344	▼	50%	▼	20%
EBIT	4,899	348	3,047	▼	38%	▲	776%
Net profit attributable to Company	3,640	1,848	2,904	▼	20%	▲	57%
Normalized net profit*	3,177	2,600	2,904	▼	8.6%	▲	12%

\*Normalized net profit excl. profit from sale of CSL's share and asset impairment of Thaicom



# 1Q19 Statements of Profit or Loss

## Separate Financial Statements

Baht million	4Q17	3Q18	4Q18	%YoY	%QoQ
Share of net results from investments in subsidiaries	445	(823)	(18)	▼ 104%	▼ 98%
Share of profit of investments in associates	3,268	2,740	2,989	▼ 8.5%	▲ 9.1%
Other income	10	11	11	▲ 10%	▲ 0.0%
Total revenues	3,723	1,928	2,982	▼ 20%	▲ 55%
SG&A	86	80	80	▼ 7.0%	▲ 0.0%
EBIT	3,637	1,848	2,902	▼ 20%	▲ 57%
Net profit attributable to Company	3,637	1,847	2,902	▼ 20%	▲ 57%

# Statements of Financial Position as end of Mar 2019



Baht million	Consolidated		Separate	
	Dec-18	Mar-19	Dec-18	Mar-19
Cash & cash equivalents and current investment	10,213	<b>10,430</b>	1,913	<b>1870</b>
Investments in subsidiaries and associates	-	-	29,764	<b>29243</b>
Investments in associates and joint ventures	25,761	<b>25,276</b>	-	-
Property and equipment	4,876	<b>4,747</b>	-	-
Intangible assets under operating agreements	3,007	<b>2,708</b>	-	-
Other assets	6,152	<b>10,135</b>	103	<b>4,064</b>
<b>Total assets</b>	50,009	<b>53,296</b>	31,780	<b>35,177</b>
Interest-bearing debt	6,958	<b>6,700</b>	-	-
Other liabilities	5,110	<b>5,257</b>	131	<b>93</b>
Total liabilities	12,068	<b>11,957</b>	131	<b>93</b>
Total shareholders' equity	37,941	<b>41,339</b>	31,649	<b>35,084</b>
<b>Total liabilities &amp; shareholders' equity</b>	50,009	<b>53,296</b>	31,780	<b>35,177</b>

### **INTOUCH Investor Relations**

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

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