

## 4. Management's Discussion and Analysis

### Disclaimer

Total Access Communication Public Company Limited and True Corporation Public Company Limited have amalgamated into a new company under the name True Corporation Public Company Limited on 1<sup>st</sup> March 2023. The financial information reflecting prior periods in this document is based on pro-forma financial statements of Total Access Communication Public Company Limited and True Corporation Public Company Limited.

### Overview of Business Operation, the Economy and State of the Industry Impacting Operations :

True Corporation continued to deliver on its synergy realization ambition and integration plans during the second year post amalgamation. With a strong start to 2024, the Company accelerated its value creation initiatives, which resulted in quarterly improvement in sustainable profitability, keeping its commitment to society and shareholders.

In the first quarter of 2024, macroeconomic factors in Thailand were benefited by stimulus measures and private sector investments, while sustaining influx of tourists and migrants boosted employment and businesses along with increased private consumption. However, the quarter was also affected by energy price hikes, lower government spending and delay in government budget disbursement.

During the second quarter of 2024, macroeconomic factors in Thailand were impacted by contraction in public investment, lower government spending and decline in exports. The arrival of tourists in Thailand reduced 13% compared to the previous quarter from seasonality, however, arrival of migrants remained stable. As a consequence, the GDP forecast for Thailand was revised to 2 - 3% for 2024. For the remainder of the year, the government spending is expected to be higher along with higher public investment, continued recovery of the tourism sector, and recovery of private sector consumption and investment.

The overall economic development in the third quarter of 2024 remained sluggish due to high costs of living and prolonged flood. In the third quarter, Thailand experienced significantly higher rainfall compared to the previous year which has caused extended flooding, continuing well into the fourth quarter. Tourist arrivals in Thailand improved by 6% from the previous quarter, while government spending and employment also increased, positively impacting the economy. The GDP growth forecast for 2024 is now estimated to be 2.7% by the Bank of Thailand.

During the fourth quarter, the macroeconomic factors of Thailand improved from the previous quarter mainly due to higher tourism and expansion of government investment. Private sector consumption improved, partially owing to the government stimulus. The Thai Baht appreciated against the USD partly due to increased tourism. The competition situation in the ICT sector remained uneventful. The industry players focused on providing enhanced customer experience and quality service along with increasing value to customers through added benefits and lifestyle propositions. True Corporation continued to achieve growth with consistently improving quarterly performance with sustainable profitability. With continued focus on synergy realization, the Company is progressing ahead of the integration plan.

The competition situation in the ICT sector remained uneventful as the industry players focused on providing enhanced customer experience and quality service along with increasing value

to customers through added benefits and lifestyle propositions. The Company continued to achieve growth under challenging economic conditions domestically and regionally. With continued focus on synergy realization, the Company is progressing on track with the integration plan.

During 2024, the Company completed the modernization of 10,600 sites, reaching 13,100 total sites modernized, or 77% of its network modernization ambition. As per earlier communication, True aimed to reduce 17,000 towers by Q325 as part of network modernization. The Company has identified further modernization scope of an additional 1000 sites including in-building solutions, revising the target up to 18,000 towers to be modernized by Q325. The Company is on track to meet its ambition, and upon completion, expects to achieve net profit after tax on a reported basis.

## Summary of Operational results

### Revenue from Sales and Services

True Corporation reported consolidated **total revenue** of THB 206,020 million for the year of 2024. Total revenue increased 1.6% YoY driven by growth in service revenue across all business segments.

**Service revenue excluding IC** for the year of 2024 amounted to THB 165,904 million, registering an improvement of 4.6% from the previous year. Service revenue improvement was driven by topline improvement across all business segments, continued rationalization in mobile and online segments including removal of low-value packages and discounts.

For the year of 2024, True Corporation reported **mobile service revenue** of THB 130,875 million, increasing 4.0% YoY. Mobile business was benefitted by removal of aggressive competitive offers, upselling initiatives, higher influx of tourists and migrants, and focus on quality subscriber acquisition.

In 2024, the Company executed synergy realization through optimization of commission expenses and focusing on quality subscriber acquisition, which negatively impacted net adds for both prepaid and postpaid subscribers during the first nine months. Subscribers returned to positive growth in the fourth quarter, despite being negatively affected by measures taken in collaboration with law enforcement agencies on scam prevention to the extent of 133 thousand.

At the end of 2024, **Postpaid subscribers** declined by 355 thousand from the end of 2023 to 15.2 million. **Prepaid subscribers** declined by 2.1 million from the end of 2023 reaching 34.2 million. Overall, **mobile subscribers** decreased by 4.7% from the end of 2023 to 49.4 million. 5G subscribers reached 13.8 million.

**Postpaid ARPU** for full year 2024 was THB 426. **Prepaid ARPU** for full year 2024 was THB 115. Mobile **blended ARPU** for full year 2024 was THB 209.

**Online service revenue** for the year of 2024 amounted to THB 25,116 million, increasing 6.2% from the same period last year driven by removal of discounts, cross selling of convergence offers, and upselling of customers into higher value packages. **Online subscribers** declined 0.8% YoY reaching 3.7 million at the end of December 2024. **Online ARPU** for the year of 2024, reaching THB 518

**PayTV service revenue** for the year of 2024 amounted to THB 6,637 million, increasing 5.2% YoY. Subscription and installation revenue contributed to 68% of overall PayTV service revenue for the year of 2024. **PayTV subscribers** reaching 1.2 million at the end of December 2024. For full year of 2024, **PayTV ARPU** reaching THB 290.

Full year of 2024, **interconnection revenue** amounted to THB 1,090 million, declining by 58.3% from the previous year due to lower interconnection rates applicable since the first quarter of 2024 and one-time benefit in 2023 from favorable settlement of a litigation.

**Product sales revenue** for the year of 2024 amounted to THB 18,866 million, decreasing 10.2% from the previous year, mainly affected by optimization of handset subsidy to customers and lower volume of handset sales.

<b>Mobile</b>						
<b>Customers ('000 subs)</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>4Q24</b>	<b>2024</b>
<b>Total</b>	<b>51,886</b>	<b>51,057</b>	<b>50,467</b>	<b>49,310</b>	<b>49,426</b>	<b>49,426</b>
Pre-paid	36,315	35,784	35,194	34,103	34,210	34,210
Post-paid	15,571	15,273	15,273	15,208	15,216	15,216
<b>ARPU (Baht/sub/month)</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>4Q24</b>	<b>2024</b>
<b>Blended</b>	<b>204</b>	<b>204</b>	<b>207</b>	<b>211</b>	<b>215</b>	209
Pre-paid	109	109	112	116	121	115
Post-paid	420	422	430	426	426	426
<b>Online</b>						
<b>Customers ('000 subs)</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>4Q24</b>	<b>2024</b>
Customers ('000 subs)	3,778	3,702	3,706	3,729	3,749	3,749
ARPU (Baht/sub/month)	494	506	520	524	522	518
<b>Pay TV</b>						
<b>Customers ('000 subs)</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>	<b>3Q24</b>	<b>4Q24</b>	<b>2024</b>
Customers ('000 subs)	1,371	1,339	1,303	1,266	1,229	1,229
ARPU (Baht/sub/month)	279	283	281	283	314	290

#### Cost of Sales and Service Expenses

**Total operating expenses** excluding depreciation and amortization for the year of 2024 amounted to THB 107,878 million, declining 7.9% from the previous year.

**Regulatory costs** for the year of 2024 increased by 4.3% to THB 4,577 million compared to the previous year mainly driven by higher effective fees to NBTC.

For the year of 2024, **interconnection costs** increased to THB 1,392 million. Interconnection costs for 2023 was positively impacted by benefited by reversal of a provision pursuant to settlement of a litigation.

**Network costs** for the year of 2024 amounted to THB 15,264 million, decreasing 9.3% from the same period last year. Network cost was benefitted by lower operational costs from tower reduction related to network modernization, efficiency initiatives, and lower energy tariff rate compared to the previous year

For the year of 2024, **other cost of providing services** amounted to THB 45,207 million, decreasing 1.2% compared to the previous year.

**Cost of sales** for the year of 2024 amounted to THB 19,461 million, a reduction of 12.6% from the previous year, declining in tandem with product sales. Cost of Sales was positively impacted by optimization of handset subsidy in 2024.

**Selling and administrative expenses** for the year of 2024 amounted to THB 21,977 million, declining 21.2% from the previous year. Selling and administrative expenses were benefitted by synergy realization achieved during 2023 and 2024, mainly arising from savings on account of organization modernization, optimization of commission costs and marketing expenses, and improved collections.

#### Profit (Loss)

For the year of 2024, reported **EBITDA** amounted to THB 98,142 million, an improvement of THB 12,407 million, or 14.5% from the previous year. Out of the 14.5% YoY improvement, 7.5% was achieved through realization of synergies and operational efficiency initiatives. Improvement of gross margin in mobile, online, PayTV and digital business segments contributed 7.0% while revenue from domestic roaming arrangement with National Telecom (NT) contributed 1.4%. The improvement is offset with positive one-offs of 1.4% during 2023.

**Since amalgamation**, EBITDA improved by 5,772 million, registering eight consecutive quarters of growth driven by topline improvement, synergy realization, and financial discipline. EBITDA to service revenue improved to 59.2% for the year of 2024, improving 5.1 percentage points from last year.

For the year of 2024, **depreciation and amortization** amounted to THB 69,192 million, decreasing by 1.0% from 2023. Depreciation and amortization reduced due to impairment of redundant assets related to network modernization, offset by impact from new capex investment.

**Interest expenses** for the full year 2024 amounted to THB 19,356 million, declining 1.9% from the previous year. Interest expenses reduced due to reduction in lease liability, optimization of bond coupons, and the Company's conscious efforts of deleveraging, including early settlement of USD denominated loan with sustainability linked JPY denominated loan during 2024.

In 2024, True Corporation reported Net Loss After Tax of THB 10,966 million. Net loss after tax for 2024 was negatively impacted by one-time effects of THB 20,832 million pertaining to impairment of assets related to network modernization and obsolete inventory of THB 13,185 million (non-cash), year-end impairment of goodwill and investments amounting to THB 5,001 million (non-cash), loss from investment in associates of THB 1,832 million (non-cash), and provision for compensation to local authorities of THB 821 million (cash) to be paid in 2025. Normalized for one-time effects, Net Profit After Tax for 2024 amounted to THB 9,866 million.

During the year of 2024, True Corporation issued **debentures** of THB 61.7 Bn, with weighted average interest rate of approximately 3.7%. Along with early repayment of bank borrowings, the Company refinanced THB 126 Bn during the year. The **leverage** of True Corporation reached 4.2x at the end of 2024, registering a reduction of 1.0x from the previous year and 0.2x from the previous quarter.

**2024 achievement, 2025 guidance, strategic outlook for 2025 - 2027**2024 guidance vs achievement:

For the year of 2024, the Company delivered 4.6% YoY growth in Service Revenue, surpassing the guidance of 3 - 4%. EBITDA improved by 14.5%, which surpassed the guidance of 12-14%. Capex was recorded at THB 31 billion, marginally exceeding the guidance of THB 30 billion for the year, while the Company achieved net profit after tax on a normalized basis from the first quarter of 2024.

At Capital Markets Day held during September 2023, the Company guided on EBITDA as a percentage of core service revenue to reach 59% at the end of 2025, and 63% at the end of 2027. Leverage was targeted to be under 4.5x in 2025 and under 4.0x by the end of 2027. True Corporation achieved EBITDA margin to service revenue of 59.2% for the full year of 2024 with year-end leverage of 4.2x. The mid-to-long-term guidance was achieved five quarters in advance owing to consistent quarterly improvement in EBITDA from topline growth, market rationalization, realization of synergies, and financial discipline, strengthened cash flow along with repayment of debt.

Guidance 2025:

For the year of 2025, the Management of True Corporation expects to deliver a growth of 2-3% on **service revenue** excluding interconnection revenue and domestic roaming with National Telecom (NT). The guidance factors in ARPU improvement in mobile segment along with subscriber growth in online segment, muted performance for PayTV, and higher contribution from B2B business. Domestic roaming revenue from National Telecom (NT) is expected to decline in 2025.

**EBITDA** improvement for 2025 will be benefited by savings on account of spectrum arrangement, synergy realization, & financial discipline, and is expected to grow between 8 to 10%. In 2025, EBITDA will be benefitted by certain accounting changes outlined below:

- Changes pertaining to spectrum arrangement with NT, which is currently recognized as revenue and cost with a net negative impact on EBITDA. Upon expiry of this arrangement from 3<sup>rd</sup> August 2025, the spectrum arrangement will be recognized as purchase of spectrum license post auction as intangible asset & subsequently amortized. This will ultimately result in a THB 1.7 billion positive impact to EBITDA per quarter. The cash outflow will be in accordance with NBTC guidelines.
- Transfer of assets to Digital Telecommunications Infrastructure Fund (DIF) upon expiry of the 850 MHz spectrum arrangement with NT, which will have a positive impact to EBITDA of THB 0.6 billion per quarter, and a below EBITDA impact of negative THB 0.8 billion per quarter. In 2025, net debt is expected to increase by approximately THB 20 billion and subsequently decrease on account of payment of lease liabilities. There is currently no new cash obligation for True.

**CAPEX** for 2025 is expected to be approximately THB 28 - 30 billion. For 2025, True Corporation expects to report **Net Profit After Tax** on a reported basis and factors in dividend consideration of more than 50% of consolidated net profit subject to approval of the Board of Directors.

**Revised Mid-to-long-term ambitions:**

The management has provided a revised mid-to-long-term ambition for the Company, as outlined below:

<b>Revised Mid-to-long-term ambition</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2027</b>
EBITDA as a % of Service Revenue excl. IC	54%	59%	63%	67%
CAPEX as a % of Total Revenue excl. spectrum arrangement (Network Rental Revenue)	20%	17%	16%	13-14%
Leverage (x) (Net Debt / trailing twelve months EBITDA)	5.2x	4.2x	<4.0x	<3.2x

Having achieved the larger portion of the synergies at accelerated rate during the first 2 years since amalgamation, the Company has reached the second phase where it stands to achieve marginal incremental value until reaching steady state.

EBITDA improvement will be driven by topline growth, savings on account of spectrum arrangement & Capitalization of right of use of assets related to DIF, realization of synergies and financial discipline. Performance-driven cultural integration will help True Corporation deliver consistent and sustainable results.

CAPEX will benefit from synergies & network consolidation including spectrum pooling. The integration cost related to network modernization will cease with the completion of the project, aimed for Q325. Disciplined management of CAPEX through CAPEX Forum will continue.

Consistently improving performance of the company will result in strengthened cash flows, leading to gradual reduction in leverage. The leverage ambition takes into account dividend payments of no less than 50% of consolidated net profit, and accounts for the new spectrum auction allocation at reserve price with 10 installments similar to 2600 MHz.

**Summary of Financial Position**

The Company reported a consolidated net loss to shareholders of the parent company of Baht 10,966 million in 2024, which is summarized as below:

The Company reported total revenue of Baht 206,020 million for year of 2024, increasing 1.6% YoY driven by growth in service revenue across all business segments. EBITDA was reported at Baht 98,142 million, recording an improvement of THB 12,407 million from 2023, and THB 5,772 million since amalgamation. EBITDA improved for eight consecutive quarters driven by topline growth, realization of synergies, and ongoing financial discipline. Net loss to shareholders of the parent company was Baht 10,966 million, negatively impacted by one-time effects of Baht 20,832 million. Normalized for one-time effects, net profit for the year of 2024 amounted to Baht 9,866 million.

## Normalized & Consolidated Statements of Income (Loss)

Consolidated Statements of Income (Loss) Baht in millions unless otherwise stated	2023	2024	% Change
			Y-o-Y
Mobile	125,803	130,875	4.0
Online	23,655	25,116	6.2
Pay TV	6,311	6,637	5.2
Others	2,839	3,275	15.4
Service revenue excl. IC	158,609	165,904	4.6
Interconnection revenue	2,616	1,090	(58.3)
Spectrum arrangement (Network equipment rental)	20,542	20,160	(1.9)
Revenues from product sales	20,998	18,866	(10.2)
<b>Total revenues</b>	<b>202,765</b>	<b>206,020</b>	<b>1.6</b>
Regulatory costs	4,388	4,577	4.3
Interconnection costs	93	1,392	NM
Network costs	16,824	15,264	(9.3)
Others cost of providing services	45,739	45,207	(1.2)
Cost of sales	22,265	19,461	(12.6)
Selling and administrative expenses	27,885	21,977	(21.2)
<b>Total operating expenses</b> excl. depreciation and amortization	<b>117,192</b>	<b>107,878</b>	<b>(7.9)</b>
Depreciation and amortization	(69,866)	(69,192)	1.0
<b>Operating profit</b>	<b>15,707</b>	<b>28,950</b>	<b>84.3</b>
Share of results in subsidiaries and associates	1,848	1,016	(45.0)
Financial Cost			
Interest expense (net) (i)	(19,734)	(19,356)	1.9
Financial cost related to licences (ii)	(2,393)	(2,002)	16.3
Other Financial cost (iii)	(1,174)	(1,059)	9.8
Income tax (expense) revenue	(1,818)	(182)	90.0
Gain (Loss) on foreign exchange	1,960	678	(65.4)
Other income (expense)	(10,149)	(19,000)	(87.2)
Non-controlling interests	64	(12)	NM
<b>Net profit (loss) to equity holders of the Company</b>	<b>(15,689)</b>	<b>(10,966)</b>	<b>30.1</b>

EBITDA (Baht in millions unless otherwise indicated)	2023	2024	% Change
			Y-o-Y
Net profit (loss) to equity holders of the Company	(15,689)	(10,966)	30.1
Share of results in subsidiaries and associates	(1,848)	(1,016)	45.0
Financial cost (i)+(ii)+(iii)	23,300	22,417	(3.8)
Income tax (expense) revenue	1,818	182	(90.0)
Depreciation and amortization	69,866	69,192	(1.0)
Other items	8,288	18,334	121.2
EBITDA	85,735	98,142	14.5
EBITDA on service revenue excl. IC	54.1%	59.2%	0.1
EBITDA on total revenue	42.3%	47.6%	

## Consolidated Statement of Financial Position

### Assets

At the end of 2024, The Company's **total assets** amounted to Baht 675,484 million, decreasing 9.3% from the end of 2023. **Intangible assets** decreased 11.5% from last year to Baht 126,366 million as mobile spectrum licenses were amortized during the year.

**Property, plant and equipment** decreased 6.3% from the end of 2023 to Baht 208,701 million mainly due to depreciation and retirement of assets. ROU assets decreased 14.8% from the end of 2023 to Baht 84,861 million due to amortization and termination of contracts.

**Cash and cash equivalents** decreased by 20.1% from the end of 2023 to Baht 26,832 million on account of higher cash generated from operations, leading to better liquidity management.

**Trade and other current receivables** decreased 10.8% from the end of 2023 to Baht 46,189 million due to improved collections. Inventory increased 13.3% from the end of 2023 to Baht 2,585 million.

**Investment in associates and joint ventures** decreased 4.8% from the end of 2023 to Baht 20,670 million.

**Goodwill** decreased 3.5% from the end of 2023 to Baht 121,909 million due to annual impairment.

### Liabilities

At the end of 2024, The Company's **total liabilities** decreased 8.7% from the end of 2023 to Baht 601,299 million. Borrowings consisting of short-term, long-term borrowings and current portion of long-term borrowings amounted to Baht 339,658 million.

**Trade and other current payables** decreased 0.3% from the end of 2023 to Baht 101,100 million due to vendor payments made during the year.

**Liabilities under agreements and licenses for operation** decreased 33.5% from the end of 2023 to Baht 33,687 million in tandem with license payments during the year.

### Shareholder's Equity

At the end of 2024, **Shareholders' equity** was Baht 74,185 million, declining 13.9% from the end of 2023.

(Baht in millions unless otherwise indicated)	31-Dec-23	31-Dec-24	% Change YoY
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	33,580	26,832	(20.1)
Restricted cash at bank	14	23	65.9
Derivative assets	380	173	(54.4)
Trade and other current receivables	51,794	46,189	(10.8)
Short-term loans to related parties	2	7	NM
Inventories	2,281	2,585	13.3
Income tax deducted at source	9,841	8,263	(16.0)
Claimable value added tax	4,923	3,627	(26.3)
Other current assets	6,149	6,311	2.6
<b>Total current assets</b>	<b>108,963</b>	<b>94,009</b>	<b>(13.7)</b>
<b>Non-current assets</b>			
Restricted cash at bank	16	18	19.2
Financial assets at fair value through profit or loss	1,845	1,708	(7.4)
Financial assets at fair value through other comprehensive income	261	109	(58.1)
Derivative assets	509	262	(48.6)
Investment in associates joint ventures	21,711	20,670	(4.8)
Investment property	1,188	1,056	(11.1)
Property, plant and equipment	222,628	208,701	(6.3)
Right-of-use assets	99,578	84,861	(14.8)
Intangible assets	142,850	126,366	(11.5)
Goodwill	126,329	121,909	(3.5)
Deferred tax assets	11,586	11,839	2.2
Other non-current assets	7,258	3,975	(45.2)
<b>Total non-current assets</b>	<b>635,759</b>	<b>581,475</b>	<b>(8.5)</b>
<b>Total assets</b>	<b>744,722</b>	<b>675,484</b>	<b>(9.3)</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Short-term borrowings	14,589	1	(100.0)
Derivative liabilities	368	49	(86.6)
Trade and other current payables	101,387	101,100	(0.3)
Current portion of long-term borrowings	65,132	89,054	36.7
Current portion of lease liabilities	18,620	16,085	(13.6)
Current corporate income tax payable	394	205	(47.9)
Other current liabilities	2,641	2,917	10.4
<b>Total current liabilities</b>	<b>203,131</b>	<b>209,411</b>	<b>3.1</b>
<b>Non-current liabilities</b>			
Long-term borrowings	285,501	250,603	(12.2)
Derivative liabilities	1,165	3,799	NM
Deferred tax liabilities	4,874	4,631	(5.0)
Lease liabilities	93,681	80,223	(14.4)
Liabilities under agreements and licences for operation	50,670	33,687	(33.5)
Employee benefits obligations	3,186	2,748	(13.8)
Other provisions	7,215	8,149	12.9
Other non-current liabilities	9,159	8,049	(12.1)
<b>Total non-current liabilities</b>	<b>455,450</b>	<b>391,887</b>	<b>(14.0)</b>
<b>Total liabilities</b>	<b>658,581</b>	<b>601,299</b>	<b>(8.7)</b>
<b>Equity</b>			
Issued and fully paid-up share capital	138,208	138,208	0.0
Premium on share capital	145,076	145,076	0.0
Appropriated - legal reserve	1,855	1,927	3.9
Retained earnings (deficits)	(196,970)	(210,143)	(6.7)
Other components of equity	(2,441)	(1,230)	49.6
Equity attributable to owners of the parent	85,779	73,890	(13.9)
Non-controlling interests	361	295	(18.3)
<b>Total equity</b>	<b>86,140</b>	<b>74,185</b>	<b>(13.9)</b>
<b>Total liabilities and equity</b>	<b>744,722</b>	<b>675,484</b>	<b>(9.3)</b>

### Key Financial Ratios

The Company is in compliance with and meets all of its debt obligations. Its capital structure remained at a comfortable level with and improved net debt to EBITDA ratio of 4.2 times in 2024. The current ratio and quick ratio remained relatively stable at 0.4 and 0.3 times, respectively. Gross profit margin was 29.6% in 2024, improving from 27.7% in year 2023 due to improvement in revenue and subsequent reduction in cost along with increase in device margin due to lower subsidies.

Financial Ratios	Unit	2023	2024
<b>Liquidity Ratios</b>			
Current Ratio	Times	0.54	0.45
Quick Ratio-Accrual Basis	Times	0.42	0.35
Receivable Turnover	Times	3.6	4.2
Average Collection Period	Days	100	87
Inventory Turnover	Times	9.7	8.0
Average Inventory Turnover Period	Days	38	46
Payable Turnover	Times	1.3	1.4
Average Payment Period	Days	271	255
Cash Cycle	Days	(133)	(122)
<b>Profitability Ratio</b>			
Gross Profit Margin	%	27.7	29.6
Operating Profit Margin	%	7.7	14.1
Net Profit Margin	%	(7.7)	(5.3)
Return on Equity	%	(17.0)	(13.7)
<b>Operating Efficiency Ratio</b>			
Return on Assets	%	(2.0)	(1.5)
Return on Fixed Assets	%	24.3	27.0
Total Asset Turnover	Times	26.4	29.0
<b>Leverage Ratio</b>			
Net Interest Bearing Debt to Equity	Times	5.2	5.5
Total Liabilities to Total Equity	Times	7.6	8.1
Interest Coverage Ratio	Times	3.9	4.8
Net Interest Bearing Debt to EBITDA	Times	5.2	4.2

### Statement of Cash Flows

(Baht in millions unless otherwise indicated)	31 Dec 23	31 Dec 24	% change
Cash flows from operating activities before interest and tax	90,041	97,303	8.1
Net interest and tax paid	(19,090)	(18,856)	1.2
Cash flows from operating activities (net)	70,951	78,446	10.6
Cash flows (used in) from investing activities	(60,731)	(42,965)	29.3
Cash flows (used in) from financing activities	(9,292)	(42,222)	NM
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>928</b>	<b>(6,741)</b>	<b>NM</b>
Beginning cash balance and effects of exchange rate changes	32,652	33,573	2.8
<b>Ending cash balance</b>	<b>33,580</b>	<b>26,832</b>	<b>(20.1)</b>

## Summary of Significant Events and Developments

### Awarded "Deal of the Year" at the SET Awards 2024

True Corporation received the prestigious "Deal of the Year" award at the Stock Exchange of Thailand (SET) Awards 2024, an accolade that recognizes the outstanding success and positive impact of the amalgamation between the former True Corporation PCL (TRUEE) and Total Access Communication PCL (DTAC), marking a historic milestone in the information and communication technology industry.

### Upcoming Spectrum Auction in 2025

On January 20th, the NBTC released the draft regulation for the upcoming spectrum auction and invited public consultation from stakeholders. The public consultation period will close on February 20th, after which the NBTC will review and approve the final regulations, expected around the end of March 2025. Based on current estimates, auction is expected to take place in May 2025.

As part of the published draft regulations, the NBTC has proposed dividing the auction into three groups of spectrum bands- paired spectrum, unpaired spectrum, and high band (26 GHz) spectrum. The proposed auction format is a simultaneous ascending clock auction by group. Besides these, the NBTC has disclosed reserve prices spectrum bands available for auction and has set 3 installment terms for upfront fees over 5 years.

Based on internal assessment, the Management of True Corporation has prepared a consolidated view to put forth in the public consultation process for NBTC's consideration.

### Material progress on litigation

The Company had filed the petition with the Administrative Court requesting for revocation of the arbitration award in relation to the dispute where TOT Public Company Limited ("TOT") (presently, National Telecom Public Company Limited) filed an arbitration claim for damages from the loss of income during the period from 16 November 2000 to June 2005 on the ground that the Company reduced domestic long distance calling fees under the Company's "TA 1234" campaign, details of which have been disclosed in the Company's Annual Report 2023 (Form 56-1 One Report).

On 17 December 2024, the Central Administrative Court read the Supreme Administrative Court's order to dismiss the Company's appeal in relation to the Company's petition to revoke the arbitration award. On 16 January 2025, the Company filed a petition requesting the Central Administrative Court to reconsider and issue a new ruling of the case. On 21 January 2025, the Central Administrative Court ordered to accept such petition and ordered TOT to submit a response within 30 days. Currently, the case is under the Central Administrative Court proceedings. In addition to this case, the case in which TOT has filed a petition to enforce the arbitration award is still under consideration by the Supreme Administrative Court. Therefore, the Company is not required to make any payment to TOT pursuant to the arbitration award.

### DJSI's Most Sustainable Company for the 7th consecutive year

True Corporation has once again been recognized as the world's most sustainable company in the telecommunications sector, marking its 7th consecutive year of this prestigious achievement. This accolade is part of the Dow Jones Sustainability Indices (DJSI) 2024, which evaluates companies based on the S&P Global's Corporate Social Assessment (CSA) of their economic, environmental, and social performance. True Corporation scored 95 out of 100, the world's highest score for a telecommunications company.

## Sustainable Development

True is committed to responsible business practices and sustainable growth for the business and stakeholders, aligning with the UN Sustainable Development Goals (SDGs), UN Global Compact and other international standards. The Company has issued the Sustainability Policy and other policies that guide the sustainability management approach and stakeholder engagements. True also conducts sustainability materiality analysis on a yearly basis. The analysis together with the policy implementation and global trends are a foundation to develop the True Sustainability Framework that guides True’s sustainability directions and focus.

As of December 2024, the overall achievement of the True Sustainability Framework against the 2030 goals is 81.14% with activities implemented in each target as detailed below:

Progress Against 2030 Goals	Sustainability KPIs and 2030 Targets	Activities and Performance as of Q4’24
100%	<b>Corporate Governance</b> <i>Maintain 5-Star, or Excellence, rating on the Corporate Governance Rating by the Thai Institute of Directors</i>	<ul style="list-style-type: none"> <li>Received 5-Star, or Excellence, in the 2024 Corporate Governance Rating assessment by the Thai Institute of Directors.</li> <li>100% of employees have received training on the Code of Conduct</li> <li>100% of employees have reviewed and declared ‘conflict of interest’.</li> </ul>
42%	<b>Human Rights Management</b> <i>Conduct human rights due diligence that covers 100% of own business operations and in the supply chain</i>	<ul style="list-style-type: none"> <li>Identified Significant Tier-1 Suppliers to participate in the due diligence workshop and included 42% of them in the assessment process, exceeding 40% target.</li> <li>Human rights assessment in own operations is conducted every two years, and on track for the next assessment in the 2025 cycle.</li> </ul>
89%	<b>Digital Inclusion and Education</b> <i>36 million Children and Internet Users Have Access to Basic Education, Life-Long Learning and Digital Upskilling Opportunities.</i>	<ul style="list-style-type: none"> <li>Total 32.17 million online users and people joining the programs:</li> <li>24.43 million of users (based on unique IP addresses and distinct users) of the True Plookpanya and True Little Monk platforms.</li> <li>7.74 million people joined CONNEXT ED and environmental conservation and moral projects</li> </ul>

Progress Against 2030 Goals	Sustainability KPIs and 2030 Targets	Activities and Performance as of Q4'24
88%	<b>Human Capital Development and Leadership</b> <i>100% of Employees Receiving Digital Upskilling and Reskilling Programs</i>	<ul style="list-style-type: none"> <li>• 88% of employees received digital upskilling &amp; reskilling training program at the basic level,</li> <li>• 54% of employees received digital training at an intermediate level, and</li> <li>• 14% of employees received digital training at an advanced level.</li> </ul>
87%	<b>Cybersecurity and Personal Data Protection</b> <i>100% of Significant Business Operations are Certified with ISO 27001 Standard and compliant to PDPA</i>	<ul style="list-style-type: none"> <li>• 82% of significant business operations are certified with ISO 27001, achieving 75% target</li> <li>• 100% of significant business operations are compliant with PDPA to be endorsed by third-party.</li> </ul>
72%	<b>Health &amp; Well-Being</b> <i>25% of Total Revenue Comes from Products that Promote Consumers' Health and Well-Being</i>	<ul style="list-style-type: none"> <li>• The figure is estimated.</li> </ul>
76%	<b>Social Development and Economic Contribution</b> <i>500,000 people of vulnerable groups, students, SME receiving digital upskilling for jobs and income generation opportunities</i>	<ul style="list-style-type: none"> <li>• 381,247 people of vulnerable groups, students, SME received digital upskilling for jobs and income generation opportunities.</li> </ul>
56%	<b>Innovation</b> <i>200 Patents of Innovations or Interventions Granted or Filed</i>	<ul style="list-style-type: none"> <li>• 112 patents have been granted and filed.</li> <li>• 1,573 employees are formally recognized as innovators.</li> </ul>
98%	<b>Stakeholder Engagement</b> <i>88% of average engagement score of multi-stakeholder perception survey</i>	<ul style="list-style-type: none"> <li>• 86% of average engagement score of multi-stakeholder perception survey.</li> </ul>
95%	<b>Network Availability</b> <i>98% of 5G Network Coverage by Population</i>	<ul style="list-style-type: none"> <li>• 93% of the 5G network coverage by population throughout the country</li> <li>• Network NPS has been used to measure user satisfaction in customers.</li> </ul>
38%	<b>Climate Resilience</b> <i>Carbon Neutrality in 2030 in Scope1&amp;2, compared to the base year 2020</i>	<ul style="list-style-type: none"> <li>• 38% is an estimated figure for greenhouse gas emission reduction in Scope 1 and Scope 2.</li> <li>• 77% of significant tier-1 suppliers have committed to setting science-based targets to achieve Net Zero.</li> </ul>

Progress Against 2030 Goals	Sustainability KPIs and 2030 Targets	Activities and Performance as of Q4'24
100%	<b>E-Waste Management</b> <i>Zero Landfill in E-Waste Generated from Business Operations and Voluntary Consumer Campaigns</i>	<ul style="list-style-type: none"> <li>100% of e-waste from network infrastructure and facilities goes to certified recyclers.</li> <li>Implementing 'Think Took Tee Dee Tor Jai E-Waste Disposal Campaign' and 100% of e-waste collected go to recycle.</li> </ul>
95%	<b>Water Stewardship</b> <i>42% reduction in water withdrawals per revenue, compared to the base year 2020</i>	<ul style="list-style-type: none"> <li>This figure is estimated.</li> </ul>
100%	<b>Responsible Supply Chain Management</b> <i>100% of significant tier-1 suppliers are ESG audited annually.</i>	<ul style="list-style-type: none"> <li>100% of significant tier-1 suppliers have been identified and audited on True's Business Partner Code of Conduct at their workplace.</li> </ul>

**Awards and Recognitions (Jan - Dec 2024):**

- **Best CSR Award** and **Best Sustainable Asia Award** at the 14th Asian Excellence Awards 2024 by Corporate Governance Asia
- **2024 Gold Medal of the Climate Action Leading Organization (CALO)** by Thailand Greenhouse Gas Management Organization
- **The Honorary National Innovation Award** and **the National Innovation Award for Social and Environmental Dimension** at the National Innovation Awards 2024 by the National Innovation Agency (NIA)
- **HR Excellence Awards 2024 – Gold for Excellence in Change Management, Gold for Excellence in Employee Engagement, Gold for Excellence in Employer Branding and Silver for Excellence in Graduate Recruitment and Development – by the Human Resources Online Singapore**
- **Honorable Mention in the Gender-Inclusive Workplace category from the UN Women 2024 Thailand WEPs Awards**, recognizing the workplace that supports gender equality and promotes women's potential in the year 2024. (update in Q4'24)
- **True Corporation has been included in DJSI Indices 2024 as the world's most sustainable telecom company for seven consecutive years, and in the FTSE4Good Indices 2024 as a top scorer.** It's a testament to our performance in the environmental, social, and governance domains. (update in Q4'24)