



ONE NETWORK

เครือข่ายอันดับ 1



**AIS**

Investor Newsletter

Volume 4/2017



**LIVE  
DIGITAL,  
LIVE MORE**



# Message from CEO >>

Dear AIS' shareholders,

First of all, on behalf of AIS, please allow me to express our thoughts as we are all saddened by the passing of his Majesty King Bhumibol Adulyadej. The Royal Cremation has passed serenely with the highest honor paid to His late Majesty and has marked the greatest loss to all of us. Our beloved King will always reside in our hearts, along with all of his great teaching and philosophy will continue to guide us sustainably forever through the rest of time.

Our 3Q17 results were satisfying on the back of gradually improving brand perception. We continued to see rising mobile data driven by 4G adoption and consumption of video streaming. Also, AIS Fibre continued to expand in 28 cities, resulting in total subscriber of 481,500. Overall, we saw a continuation of revenue momentum with service revenue in 3Q17 of Bt32,455mn growing +6% YoY and 0.9% QoQ, and 9M17 of Bt95,972mn, or +5.5% YoY.

AIS continues to invest in network quality enhancement to ensure great customer experience, and so far this year we have invested Bt34bn in latest 4G technology. This has well resulted in AIS proudly receiving the Thailand's Fastest Mobile Network Award from OOKLA for three consecutive years (2015-2017), indicating AIS' network superiority.

Furthermore, AIS gives importance to our on-going cost optimization where we focus on improving return on invested capital. Overall, 9M17 we have controlled our handset campaigns while maintaining competitive offerings for quality customers. Together with revenue improvement, this has reflected in our 9M17 EBITDA improving 14% YoY to stand at Bt52,043mn, or 44.7% EBITDA margin. In summary, we had 9M17 net profit of Bt22,377mn or 19% margin.

As 2017 is ending, I believe the 2017 guidance is well tracked. Currently, AIS is looking beyond into 2018 to early plan our business goals, which I hope to bring some good excitements to you soon.

Until we meet again in February 2018

Warm regards,  
**Somchai Lertsutiwong**  
Chief Executive Officer

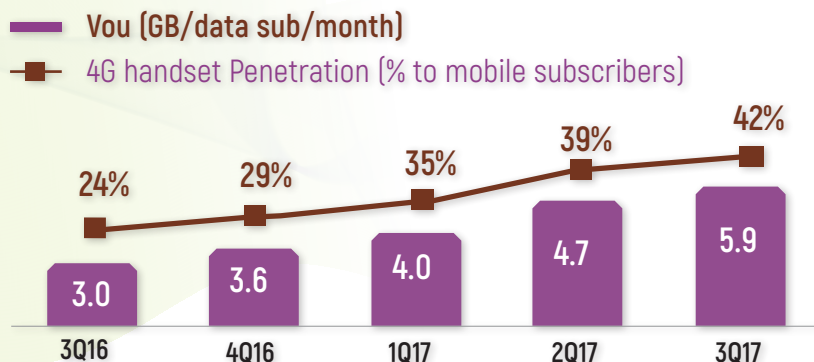


# Business Highlight in 3Q17 >>

As the digital life service provider, AIS continued to enhance customers' lifestyle in response to their demand in digital era through the combination of the three key services – mobile, fixed broadband, and digital services.

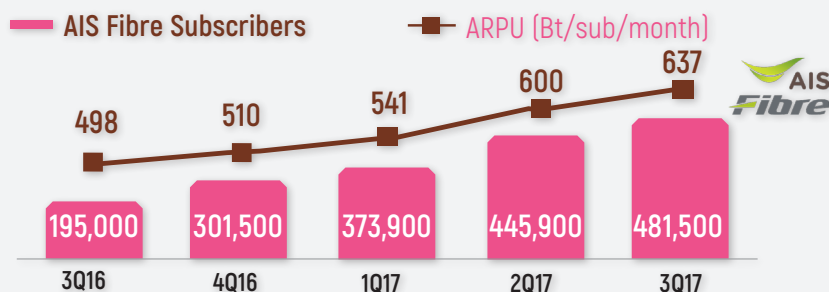
## Mobile >>>

AIS continued to build on leadership in mobile data to ensure superior experience for our customers. Apart from full 4G coverage, we carried on network quality and capacity enhancement with 2 and 3 carrier aggregation. This reflected by the "Fastest 4G network in Thailand" awarded for 3 consecutive years from Ookla. The trends for video streaming continued to grow upon the fast 4G speed and 4G compatible handset, which reached 42% of mobile subscribers. 4G data usage rose from 3GB to 5.9GB per month within a year.



## AIS Fibre >>>

After three years of operation, AIS Fibre has its footprints in 28 key cities and become well known among Thais. In 3Q17, AIS Fibre continued to grow and contributed 2.7% of AIS revenue. Meanwhile, the average revenue per subscription improved to Bt637 following expiration of discounted subscriptions. We maintain the aim to become one of the major player in fixed broadband market within the next three years.



## Digital contents >>>

AIS focused on the digital contents to create differentiation and value added for the mobile and fixed broadband services. The world class entertainment was introduced to our customers both on the go and at home. We continued to offer the free trial and adding new channels both exclusive and non-exclusive contents from the leading partners e.g. Netflix, HOOQ, and ViU.



On the go  
entertainment



Home  
entertainment



# AIS THE

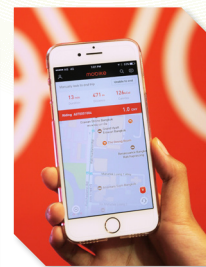
# NEXT G

In 3Q17, AIS introduced "AIS THE NEXT G" concept, with an aim to drive Thai economy toward digital era through the four pillars including :

- N** - **NEXT G Network** : provided up to 1Gbps speed support capability of business and extraordinary customers' data experience
- E** - **Sharing Economy** : joined hands with partners to drive Thai society toward sharing economy
- X** - **eXperience** : enhanced customer digital experiences through our shops
- T** - **Team** : developed the competency of our staff and leverage technology to serve the needs of customer in the fast changing world

More details on NEXT G Network on AIS Newsletter 3/2017 [\[click here\]](#)

**Sharing Economy** Utilize AIS' NB-IoT technology and e-payment system to support "mobike", a bike sharing platform in Thailand



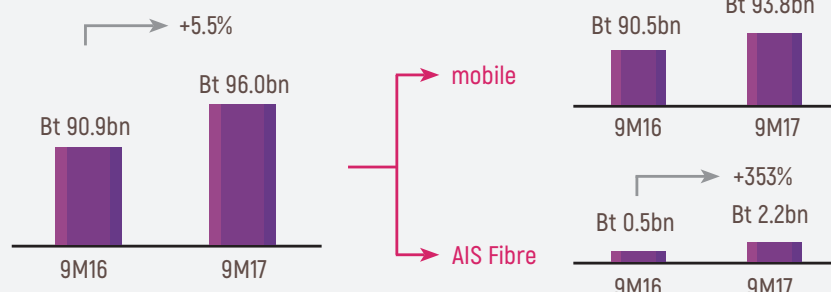
AIS joined hands with mobike, Central Pattana, and Kasetsart University to launch "mobike" trial service for the first time in Thailand. Mobike is the cashless bike sharing platform which allows user to locate, reserve, unlock and lock the smart bike via mobike application on smartphone.

Our specialties and communication infrastructure were not only used for supporting the function of this platform but also enhancing user experience. The Narrow Band-IOT technology accurately locate the smart bike with fast response time while mPAY, the e-wallet, allows the ease of payment transaction. We hope this will bring the convenience, reduce traffic congestion and create a cleaner environment to the city.

# 9M17 Financial Highlights >>

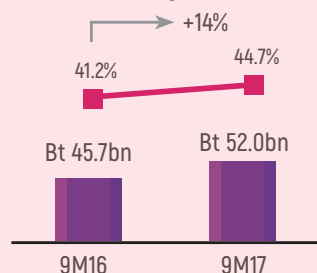
## Service revenue

(4-5% FY17 Guidance)

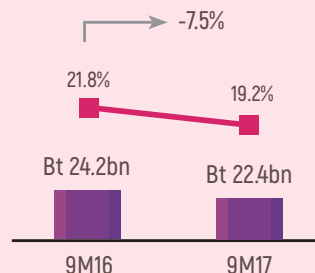


## EBITDA and margin

(42-44% margin FY17 Guidance)



## Net profit and margin



14X

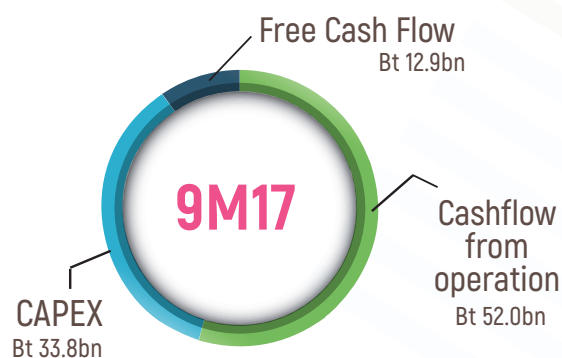
Net debt to EBITDA

BBB+ (S&P)  
AA+ TH (FITCH)

Investment grade  
credit rating

73%

ROE



In 9M17, service revenue, excluding IC, grew 5.5% YoY, compared to the full-year guidance of 4-5% YoY. The growth was underpinned by both growing popularity in video streaming and expanding fixed broadband subscriptions. EBITDA improved 14%, representing the margin of 44.7% against the full year guidance of 42-44%. This was mainly due to softer handset subsidy and lower regulatory fee, offset increased costs for network enhancement. Net profit declined 7.5% to Bt22.4bn due to higher D&A following 4G investment and spectrum acquisition to support a strong mid to long term network foundation.

AIS committed to deliver sustainable growth and return to shareholders. For 9M17, AIS' financial position remained strong with net debt to EBITDA of 14 times. The company generated cash flow from operation of Bt52bn and covered the capex of Bt33.8bn, resulting in Bt12.9bn free cash flow.

# AIS D.C., an Innovative Playground >>

## for Innovators

AIS, as the Digital Life Service Provider, believes that sustainable growth in the long term must be driven by innovation created from people in the digital era. Therefore, in order to cultivate a sense of being innovative at work for generation of new ideas, AIS is facilitating both external and internal communities with places to learn, show, try, and market their out-of-the-box passion. Today, we will give you a glimpse of AIS D.C., an innovation and design center for non-AIS people.

### AIS Playground

AIS D.C. is the first to let the creators try the API (Application Platform Interface) connection system on their products and services with AIS' Digital Platform whereby varieties of digital businesses are supported, along with close consultation from AIS experts.



### Meeting Room

Members can come to use private meeting rooms that can accommodate 2-10 people with high-speed internet and facilities.



### START IT UP

This is an area to reveal the secrets behind the success of world's leading startup companies which began their business with idea bits and later blended into the right combination of the sweet outcomes.

### COURSE

A number of intensive courses from the experts on technology, design, business and others, provided for our members.

To come and use AIS D.C. facilities, become a full member with annual subscription fee or free of charge if you are AIS Serenade customer.



AIS D.C.  
5<sup>th</sup> FI The Emporium  
Call 02-029-2299

Open daily from 10.30AM – 9.00PM



# Best mobile package offering on

# AIS 4G postpaid

Worry-free  
internet streaming  
with differentiated  
world-class entertainment

More Information at [www.ais.co.th/4G-maxspeed](http://www.ais.co.th/4G-maxspeed)

**AIS 4G MAX SPEED**  
Fastest Speed on  
4G Internet Package

4G MAX SPEED	Monthly fee (Baht)	4G	4G/3G Non - Stop*	Call All Network (Mins)	AIS WiFi	Special! Movies/TV + 4G data
	1,099		3G : 16GB	650		
Unlimited NEXTG	1,299	Unlimited at Max Speed	3G : 20GB	850	✓	PREMIER FULL HD
	1,499		3G : 25GB	1,200		PLAY
	1,899		3G : 30GB	2,000		HQ

3 months

## Most valuable all-in-one package combining

home broadband,  
unlimited mobile data SIM,  
world-class entertainment,  
and AIS SuperWiFi

More information at [www.ais.co.th/fibre](http://www.ais.co.th/fibre)

**New Package!**  
**AIS Fibre POWER 4**  
799 Baht / month

**New!**  
**AIS Fibre Power4 Package**

Price (Baht/Month)	Max Speed (Download/Upload)	The Ultimate world class entertainment	Max Speed	Wifi Unlimited
599	30/ 10 Mbps	Watch the entertainment at anytime and anywhere, via AIS PLAY App	Max Speed up to 1 Mbps	
<b>Best Deal!</b> 799	50/ 20 Mbps	Enjoy free 100+ TV channel with High Resolution with world class entertainment	Max Speed up to 4 Mbps	AIS Super WiFi
1,799	100/ 40 Mbps	PLATINUM FULL HD	Max Speed up to 6 Mbps	
1,999	200/ 50 Mbps	HQ Via AIS PLAYBOX	Special Offer! Enjoy Gamers' Good Immediately	

## With our intention to be

“The Number 1  
Service with Heart  
for Digital Lifestyle.”



AIS provides experiences in digital services such as

“My AIS App” The best AIS branch on your mobile

“ASK AUNJAI” AIS Virtual Agent 24/7 on AIS website and My AIS App

“IVR Speech Recognition” Take a shortcut to the service you want by your voice command

“OMNI-Channel” Seamless customer service experience online & offline

Experience of superior service at all ais touchpoints

**AIS LIVE360**

<b>IVR SPEECH RECOGNITION</b> Take a shortcut to the service you want by your voice command	<b>ASK AUNJAI</b> AIS Virtual Agent 24/7 on AIS website and My AIS App	<b>INTELLIGENCE KIOSKS</b> The most convenient service for customers	<b>SOCIAL MEDIA CALL CENTER</b> All the latest information online on Facebook, Twitter, and Line	<b>OMNI CHANNEL</b> Seamless customer service experience online & offline	<b>Intimate Service</b> Your help, your way, your time
--	---	---	---	--	---