

Analyst Briefing FY16

Advanced Info Service Plc.

10 February 2017

Agenda

Somchai Lertsutiwong, CEO

- Wrap-up 2016
- Outlook 2017
- Spectra lined up

Hui Weng Cheong, President

- Increased demand in mobile, broadband and contents
- Lead in technology adoption
- Create differentiation with digital services

Somchai Lertsutiwong

CEO

Wrap-up 2016

+1.6%
Service
revenue

*Improved momentum in
2H16 from fast 4G rollout*

-4.2%
Handset
margin

vs -3.3% FY15

39.9%
EBITDA margin

vs 45.6% FY15

Bt48bn
Cash
capex

*Fast 4G rollout and
tax incentive*



Challenging year with intense competition and 2G migration

- 98% 4G coverage in one year
- 2100MHz commercial trial with TOT
- Intense competition on 2G migration in 1H16 and retain/attract customers in 2H16 ~Bt10bn subsidy costs



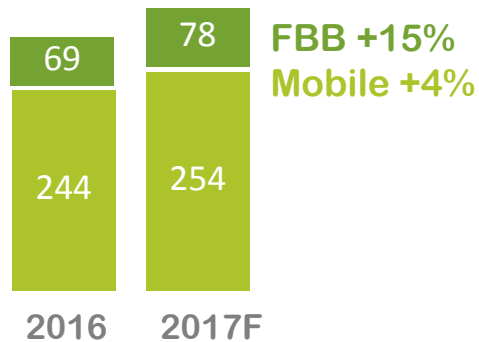
Build up FBB as new revenue stream

- Streamlined operational process
- ~35,000 net addition per month in 4Q16 and contribute 1.2% of service revenue
- ~4% FBB subscriber market share

2017 outlook

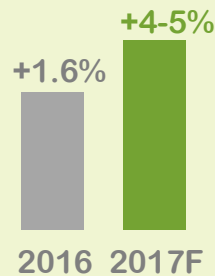
Guidance

Mobile & Fixed-broadband industry revenue (Bt bn)

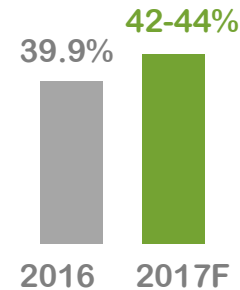


service revenue

**Excluding IC*

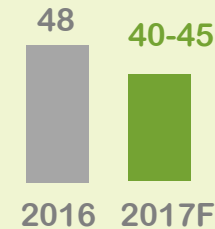


EBITDA margin



Capex

(Bt bn)



Dividend policy

minimum 70%
of net profit
(from 100% of net profit)

Build strong leadership in mobile data

- Focus on 4G investment providing best mobile data experience
- Increase smartphone adoption

Expand Fixed-broadband business

- Continue to expand and focus on return on investment
- Increase utilization in existing coverage
- Expand coverage in selective areas

Create differentiation with contents

- Provide exclusive contents on multi platforms
- Enhance brand loyalty
- Potential new revenue stream

Spectra lined up

Spectrum available	Bandwidth	Status
850MHz	10MHz	DTAC's concession expires in 2018
1800MHz	45MHz	DTAC's concession expires in 2018
2100MHz	15MHz	TOT-AIS Partnership
2300MHz	64MHz	TOT opens for partnership
2600MHz	144MHz	MCOT opens for partnership

Hui Weng Cheong
President

Growing demand



Mobile data



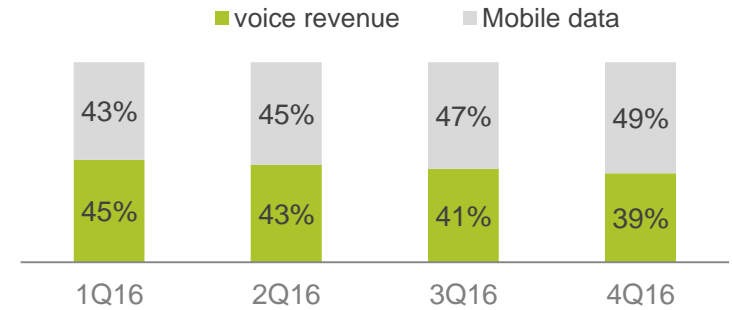
Fixed-broadband



Digital services

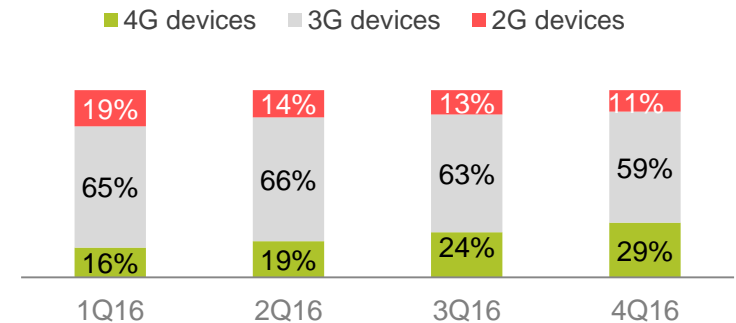
The contribution from mobile data surpassed voice

Revenue contribution (% to service revenue)



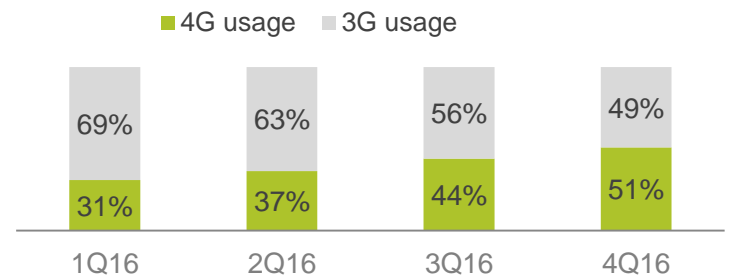
Growing 4G device adoption

Handset penetration (% to total handset)



Rising 4G traffic

Mobile data consumption (% to total traffic)



Growing demand



Mobile data

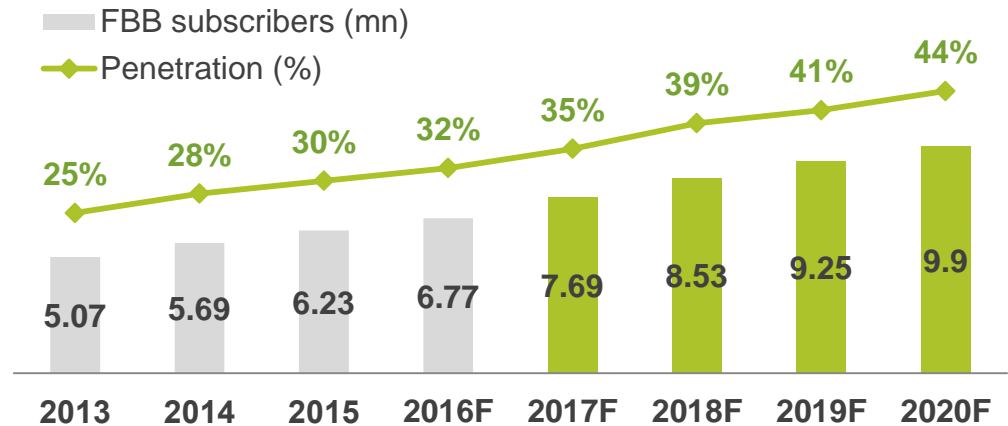


Fixed-broadband

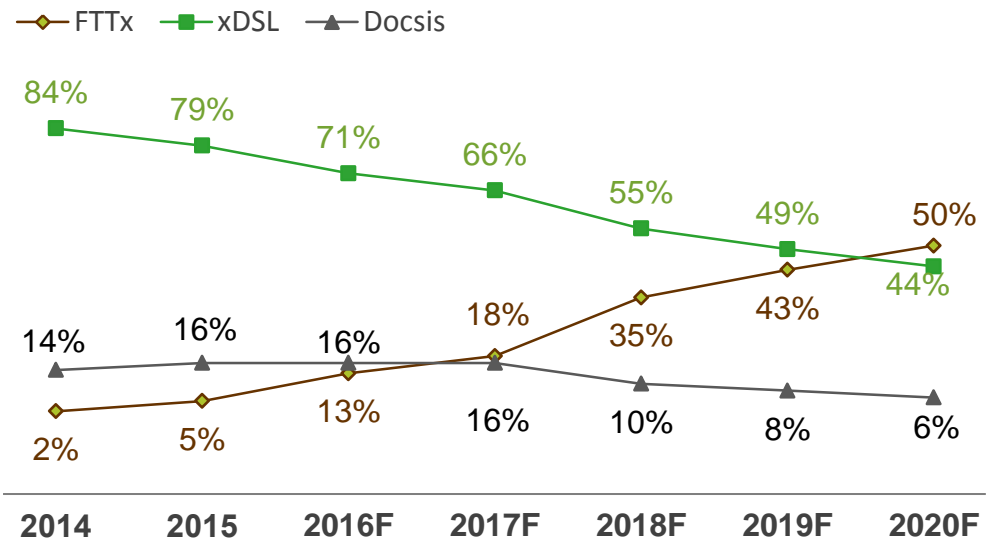


Digital services

32% FBB penetration in Thailand compared to Vietnam 52%, Malaysia 67%



Expect growth of FTTx will surpass existing technologies



Growing demand



Mobile data



Fixed-broadband



Digital services

Fast growing demand on video contents in Thailand



>65%

Watching from
mobile device

+85%

Watching time
from 2014

Top facebook fanpages in Thailand provide video contents e.g. shot clips and variety news.



13mn fans



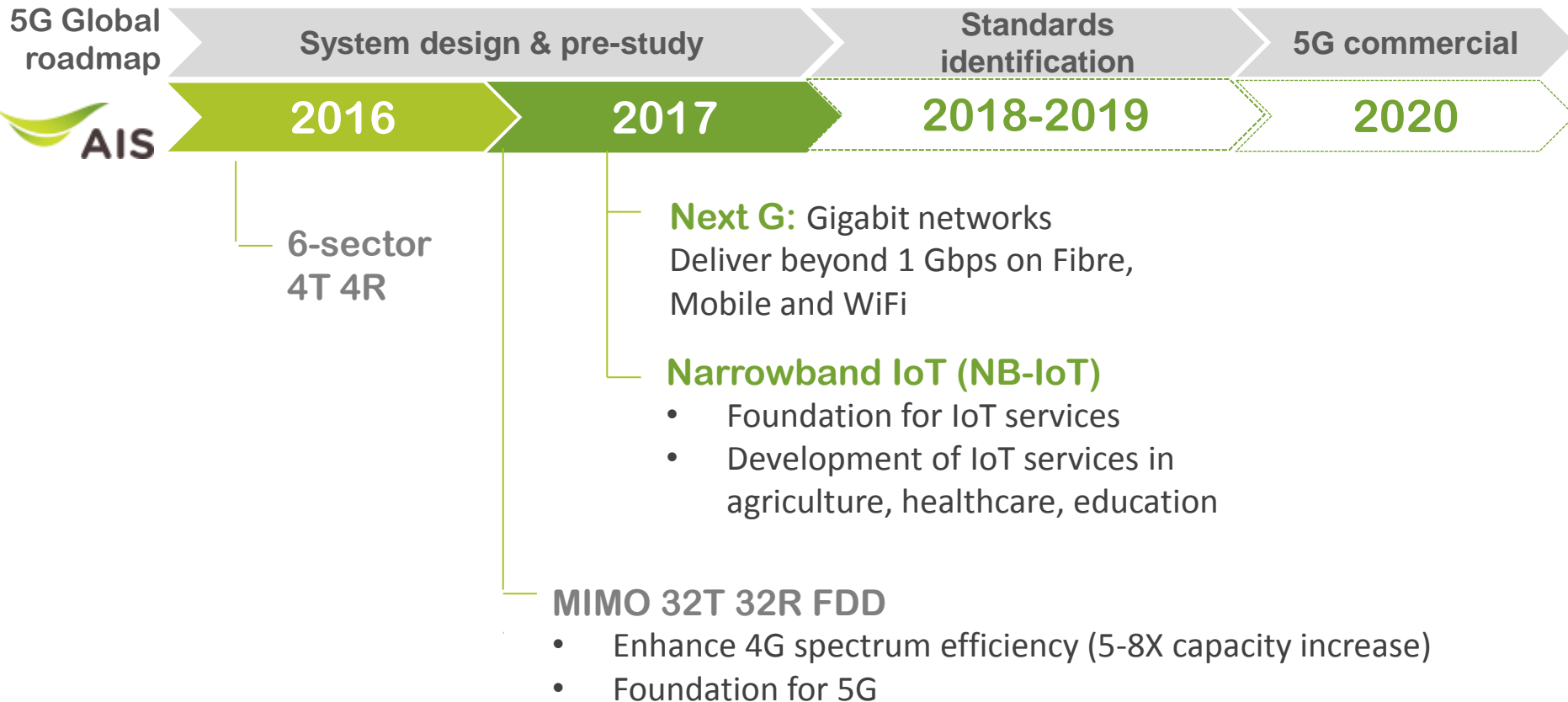
11mn fans



11mn fans

Lead in technology adoption

Build a strong and leading foundation of networks to create differentiation
First and fastest in South East Asia providing Gigabit networks and NB-IoT



Create differentiation through digital contents

Converged digital video service in Thailand

7.6m
OTT platforms users

6.8m
Pay TV households

22m
TV households

Multi platforms

Fixed-broadband



Mobile



Exclusive contents













Bundled services

- Mobile
- Fixed-broadband
- Video contents



- Enhance customers loyalty
- Strengthen brand perception
- New revenue stream

AIS Enterprise Cloud with global partners

 Managed Service	<ul style="list-style-type: none">• IT services• Service & Monitoring• IT consulting
 SaaS	<ul style="list-style-type: none">• Cloud storage• Security• Productivity   
 IaaS	<ul style="list-style-type: none">• Enterprise cloud• Integrated backup service  
 Data Center	AIS-Owned World Class Data Center Carrier Graded Tier 4 with ISO 27001 Certification at 2 Locations
 Network	AIS Enterprise Data Network



Enterprise Cloud

The end-to-end, one-stop-service



Microsoft



AIS



AIS & Microsoft infrastructure

- **Cloud Solution Provider**
- **Network partnership:** Only operator to provide Microsoft Edge Node in Thailand
 - High speed like local connection
 - NO International Bandwidth cost



MS Office 365

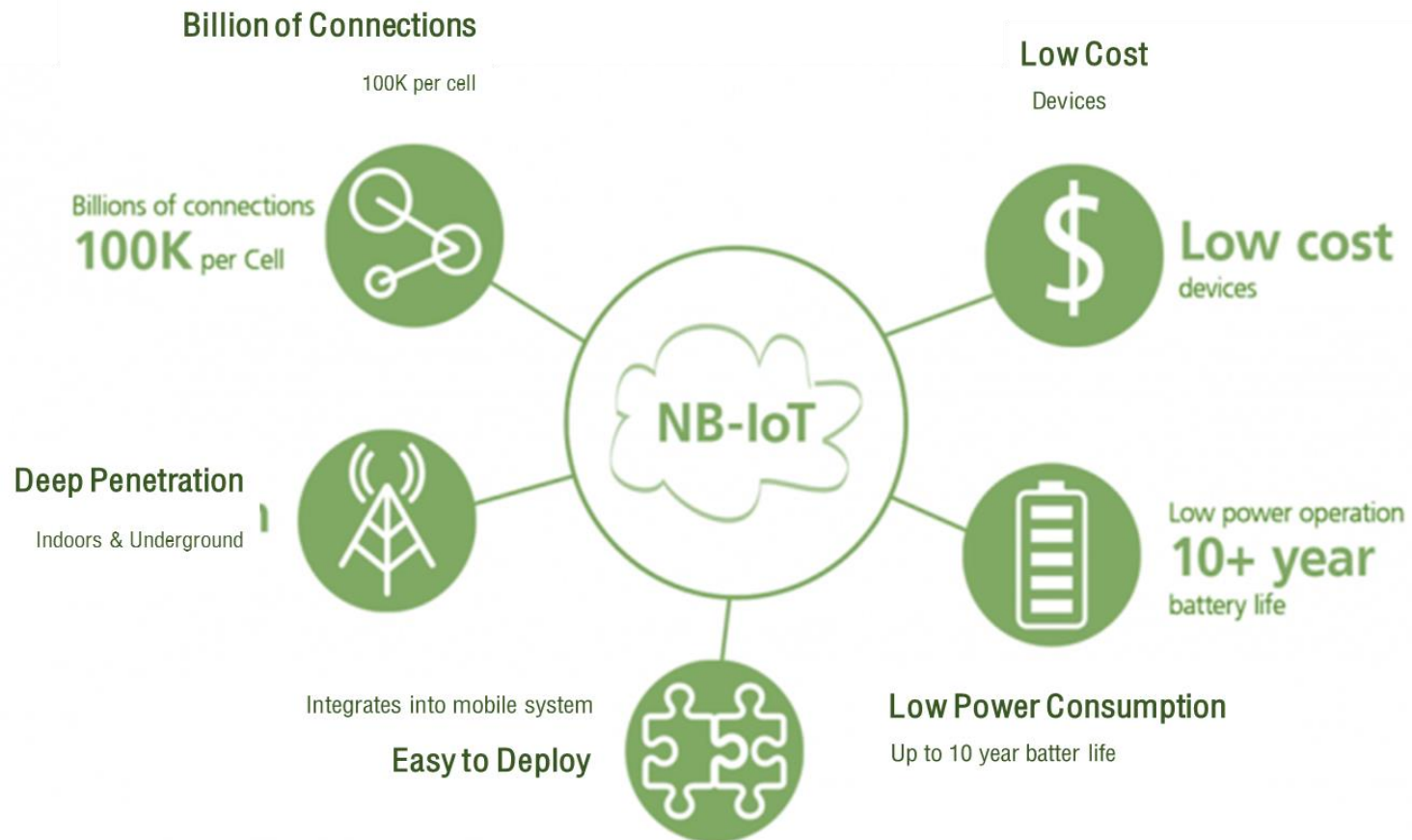
- Serving both corporate and SMEs with better experience



Preparation toward Internet of Things

Invest in network foundation to explore opportunities in IoT spaces

Provide NB-IoT structure to support growth for local industries and startups





Disclaimer

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “intend”, “estimate”, “continue” “plan” or other similar words.

The statements are based on our management’s assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.

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