



Analyst Briefing 1H17

Advanced Info Service Plc.

10 August 2017

Agenda

Somchai Lertsutiwong, CEO

- 1H17 Wrap-up
- 2017 Guidance and outlook
- Regulatory outlook

Hui Weng Cheong, President

Mobile:

- Improving market perception
- Data monetization in current pricing trend

FBB

- Market expands into FTTx
- Pure broadband to fixed-mobile convergence

Digital content

- Video strategy of AIS

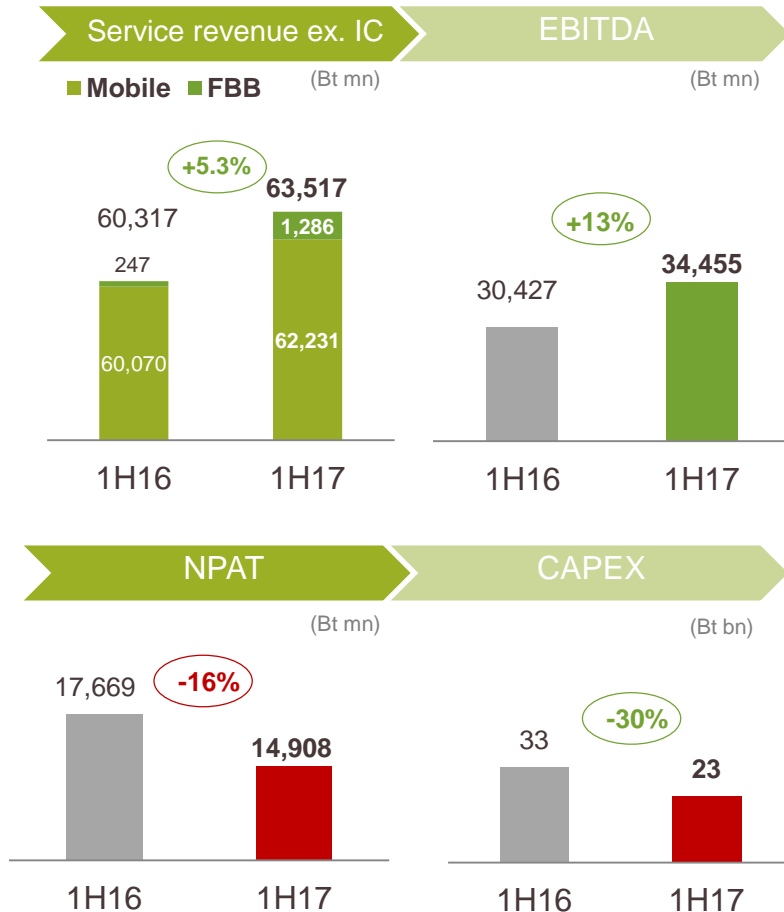
Somchai Lertsutiwong, CEO

- AIS' digital transformation



Somchai Lertsutiwong
CEO

1H17 AIS saw an improving growth



Grew on organic demand for 4G and fibre technology



- Focused on 4G quality segments in postpaid, prepaid-to-postpaid, high-ARPU subscribers
- Improved “mobile data” perception with continued investment to enhance network quality, competitive 4G offerings, and spending to increase brand awareness
- Mobile revenue increased **3.6% YoY** from 4G adoption and video consumption



- Increased subscriber base in 28 cities with higher experienced sales force and improving brand perception
- Offered competitive fibre offerings bundled with mobile
- FBB revenue increased **421% YoY** with growing subscriber base and improving ARPU trend



- Built awareness and created differentiation in video content on mobile and fixed platforms
- Partnered with world class and local content providers

FY17 Guidance maintained with competitive positioning

Service revenue (ex. IC)

1H17: +5.3%

2H17 Outlook

- Mobile market remains competitive with handset subsidies continued in postpaid segment
- Fixed broadband continues to expand subscriber base and introduces FMC products
- Continues building differentiation through digital content



Guidance **+4-5%**

CAPEX

1H17: Bt23bn

2H17 Outlook

- Continues enhancing 4G capacity with 2CA/3CA
- Invests in FBB port capacity and last mile connections in both existing areas and potential new areas with targeted ROI



Guidance **Bt40-45bn**

EBITDA margin

1H17: 44.2%

2H17 Outlook

- Remains flexibility in EBITDA margin for any strategic execution



Guidance **42-44%**

Dividend

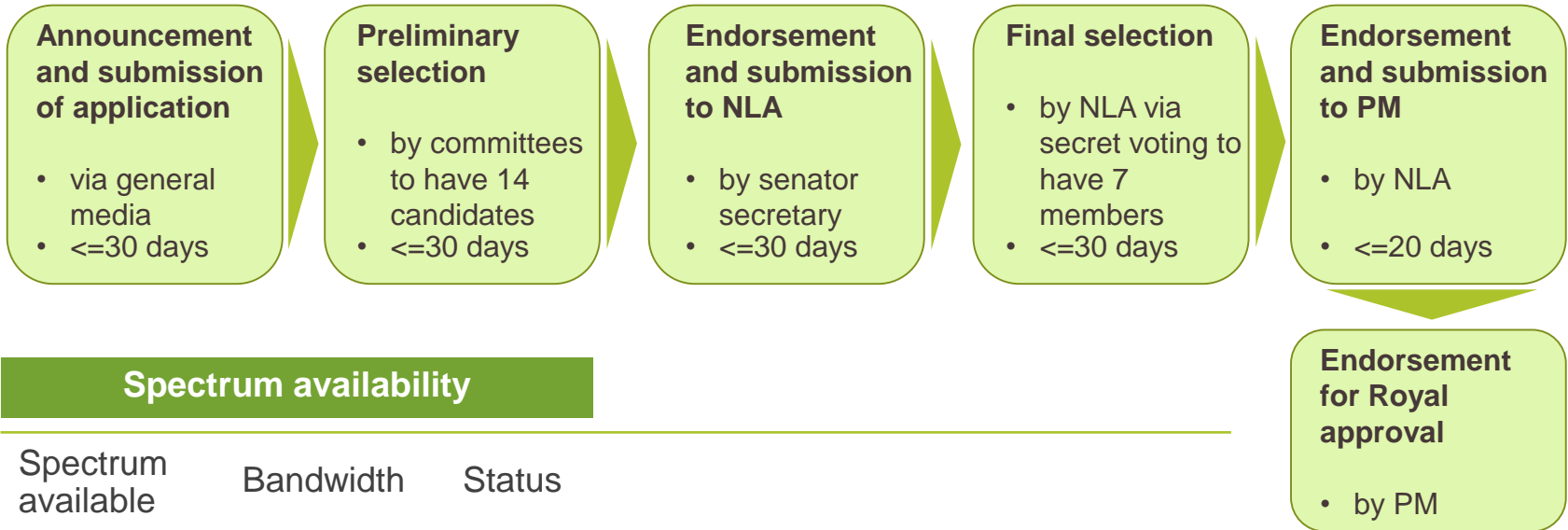
1H17: paid Bt3.51/share or equivalent to 70% of NPAT



Guidance **Minimum 70% of NPAT**

Regulatory outlook

Formation of new NBTC



Spectrum availability

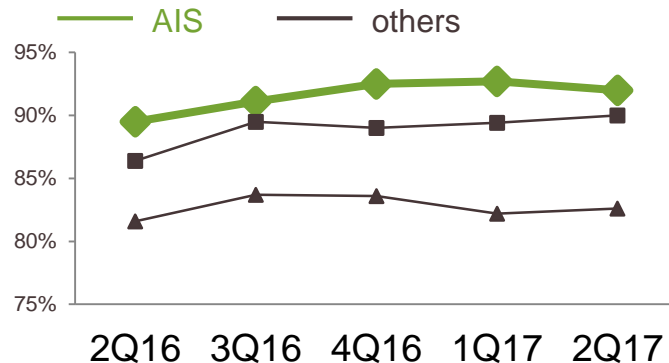
Spectrum available	Bandwidth	Status
700MHz	45MHz	Under broadcasting analog concession, expiring in 2020
850MHz**	10MHz	DTAC's concession expires in 2018
1800MHz	45MHz	DTAC's concession expires in 2018
2100MHz	15MHz	TOT-AIS Partnership
2300MHz	64MHz	TOT-DTAC Partnership
2600MHz	144MHz	MCOT opens for partnership



Hui Weng Cheong
President

Mobile: Market perception continued improving

Brand Preference Survey

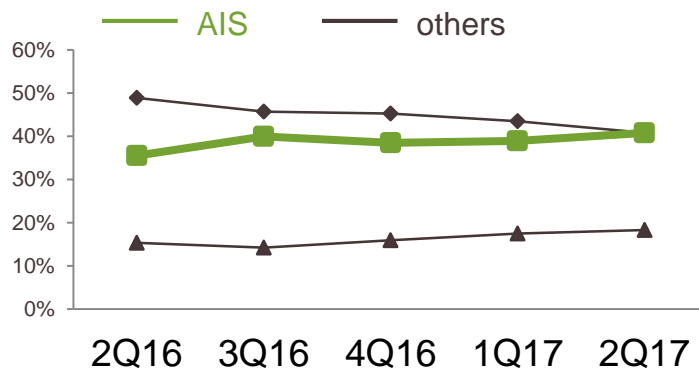


- Strongly-admired brand preference with service excellence throughout last year

 **AIS ONE NETWORK**
NEXT G | 4.5G | 4G | SUPER WiFi | 3G



Mobile Data Leadership Survey



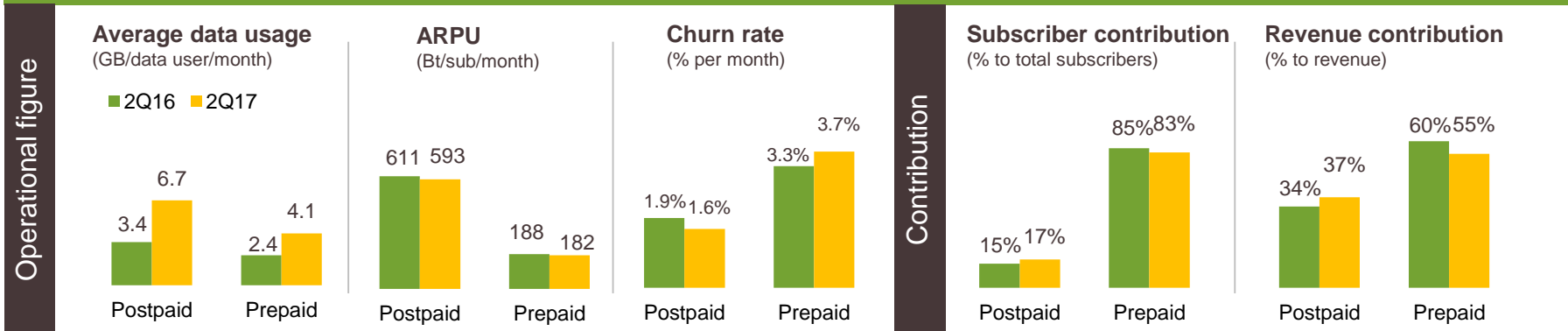
- Keep expanding network coverage and enhancing capacity, resulting in continuously improving mobile data perception

Total CAPEX
Bt23bn
in 1H17

2CA and 3CA
network quality
enhancement

Mobile: Growth driven by postpaid segment

Expand postpaid segment: driven by data demand and migration to postpaid



Postpaid: Build 4G adoption through VDO content

Postpaid offering is designed to encourage high ARPU subscription with more value and differentiation through VDO contents at worry-free data usage

Segmented plans and handset offerings



Discounted 4G devices from leading brands

Monthly plans

Target high end with full 4G speed in large bucket with FUP*, and target mid-tier with buffet plan with speed cap



Added value and differentiation with video contents

Prepaid: Focus on segmentation

Entertainment



Super Play SIM

- Unlimited music
- Free 2GB AIS PLAY

Teenagers



ZEED SIM

- 12GB YouTube
- Free JOOX
- 5GB Super WiFi

Roamers






SIM2FLY

- Popular outbound roamer SIM
- Bt399 for Asia
- 4GB for 8 days

*fair usage policy is applied through speed throttle down once reach data allowance

Price plans: Target better ARPU and build differentiation on postpaid




Higher level of monthly commitment and data given

iEntertain NON-STOP	Monthly Fee (Baht)	Total 4G/3G (at max speed)	4G/3G	4G/3G with application	Call all network (minutes)	Enjoy Free
	299	750MB*	750MB	-	100	 For 3 months
	399	3GB*	3GB	-	150	
	499	8GB*	4GB	4GB	200	 For 1 month
	599	12GB*	6GB	6GB	250	
	699	16GB*	8GB	8GB	300	 For 12 months




1) with FUP - speed is reduced after reach the data usage limit

2) AIS Premier and HOOQ only applicable with Bt499 packages and above

3) AIS WIFI is included in all packages.

Buffet NET	Monthly Fee (Bt)	4G/3G Unlimited max speed at	Call within AIS (mins)	Enjoy Free
	350	512kbps	100	 1 month
	450	1mbps	100	
	550	4mbps	200	 1 month
	600	6mbps	200	 12 months

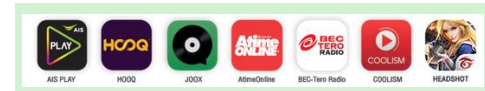
1) AIS WIFI is included in all packages.

MAX SPEED UNLIMITED	Monthly fee (Baht)	4G Internet	3G Internet*	Call all network (minutes)	Enjoy Movies Free
	1,099	Unlimited at Max Speed	16GB	650	 3 month
	1,299		20GB	850	
	1,499		25GB	1,200	 3 month
	1,899		30GB	2,000	 12 month

AIS WIFI is included in all packages.

- Attract new data users and encourage higher ARPU subscription through premium VDO contents e.g. AIS Premier and HOOQ
- 4G speed with FUP at 128kbps after reaching the data usage limit

*applications



- Offer unlimited data usage at different speed for diverse needs e.g. chat, social networks, music, HD video streaming
- Encourage customer to move from prepaid to postpaid subscription with worry-free plan

- Serve high-end heavy data users with real unlimited max speed experience

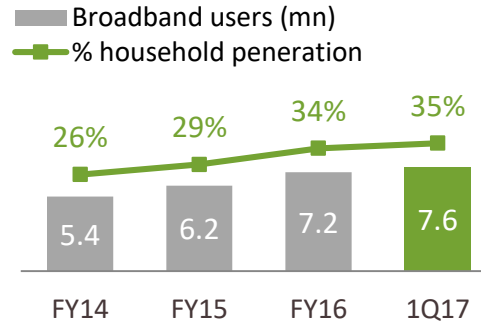
FBB: Expand subscriber and revenue base

Thai fixed broadband market

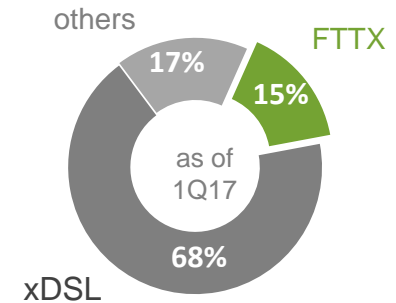
Key drivers:

- Low fixed broadband penetration (39% of 21.5m households)
- Majority of existing users connect through xDSL

Fixed broadband penetration



User breakdown by technology

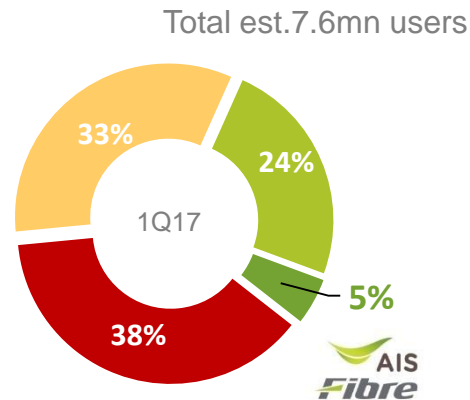


Source: NBTC, NSO

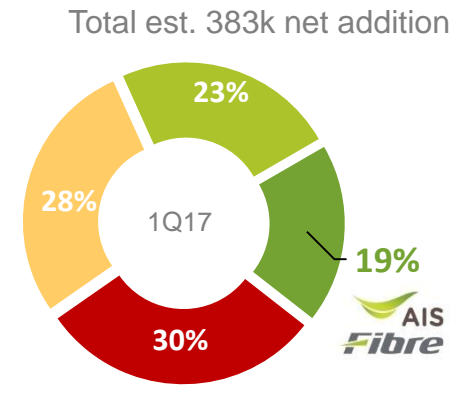
Key strategy

- Increase subscriber base in existing areas
- Expand into potential new areas that meet investment criteria
- Introduce competitive segmented pricing and FMC products
- CAPEX allocated for Bt5bn in 2017

FBB subscriber market share



Net addition market share



Source: Companies' reports, NBTC

FBB: Adding value through bundling packages



Pure broadband

Net Lover HomeBROADBAND Package

Broadband Internet Value Package

Max Speed Internet (download)	Standard Price (Baht/Month)	AIS Customer (Baht/Month)
30 Mbps	590	531
50 Mbps	777	699
75 Mbps	888	799
100 Mbps	999	899

Get 10% Discount

Net and Entertainment Lover HomePLUS Package

Boardband Internet with AIS PLAYBOX

Max Speed Internet (download)	Standard Price (Baht/Month)	AIS Customer (Baht/Month)	AIS Serenade (Baht/Month)	HBO
30 Mbps	690	631	-	-
50 Mbps	877	799	699	FREE ! 12 Months
75 Mbps	988	899	-	
100 Mbps	1,099	999	899	

Broadband + contents

NEW! HomePREMIUM Package Fast home broadband internet with more upload speed. The value package price with the ultimate World class entertainment

Speed (Download/Upload)	Standard price (baht/month)	Special! AIS Postpaid customer price (baht/month)
50/20 Mbps	1,444	1,299
75/30 Mbps	1,555	1,399

Save 399 baht!

PLATINUM FULL HD Enjoy with world class entertainment More than 33 channels

HBO HD Watch Hollywood movies and series more than 10,000 movies free all the year





PLATINUM FULL HD 899 Baht/Month

TV, movies, series, cartoons and news from world-class channel: HBO, FOX, Warner, Nick jr., Fight Sports and more. Plus, unlimited video/series on demand. Be the first in Thailand to watch HBO HD streaming video on mobile.

GOLD FULL HD 299 Baht/Month

TV, movies, series, cartoons and news from world-class channel: Cinemax, Red by HBO, Fox, Warner, Nick jr. and more. Plus, unlimited video/series on demand.

broadband + contents + mobile

Monthly Fee (Bt)	FBB mbps (DL/UL)	Entertainment	MOBILE Unlimited speed at
599	30/10	NA	1Mbps
799	50/20	 	4Mbps
1,799	100/40	 	6Mbps
1,999	200/50		

- Offer competitive pricing with segmented packages to serve different needs of customers
- Focus on ARPU accretion – Encourage customers to subscribe to high-end packages with more value for money and attractive campaigns
- Leverage synergy of the three core businesses (FMC) to acquire new subscribers while create stickiness and differentiation.

Digital service: Differentiate via AIS video strategy



Variety & exclusivity of VDO library

Premium Content

Exclusive and world-class contents

exclusive

Core video subscription
linear & on-demand

Additional subscription
video on-demand (SVOD)



Freemium Local

Local content leaders

exclusive

Special on-demand
Special episodes, short clips, live concerts

Linear free-to-air
channels



Multi-platform delivery



Mobile: AIS PLAY
Personal entertainment

FBB: AIS PLAYBOX
Home entertainment



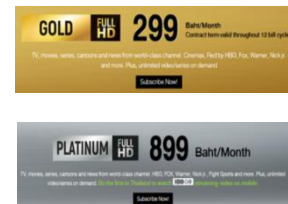
Bundled subscription model

VDO package for Mobile



Build awareness through short-term free-trial period to educate customers and increase stickiness

VDO package for FBB



Offer more worth-the-money proposition to customers compared to common pay TV service

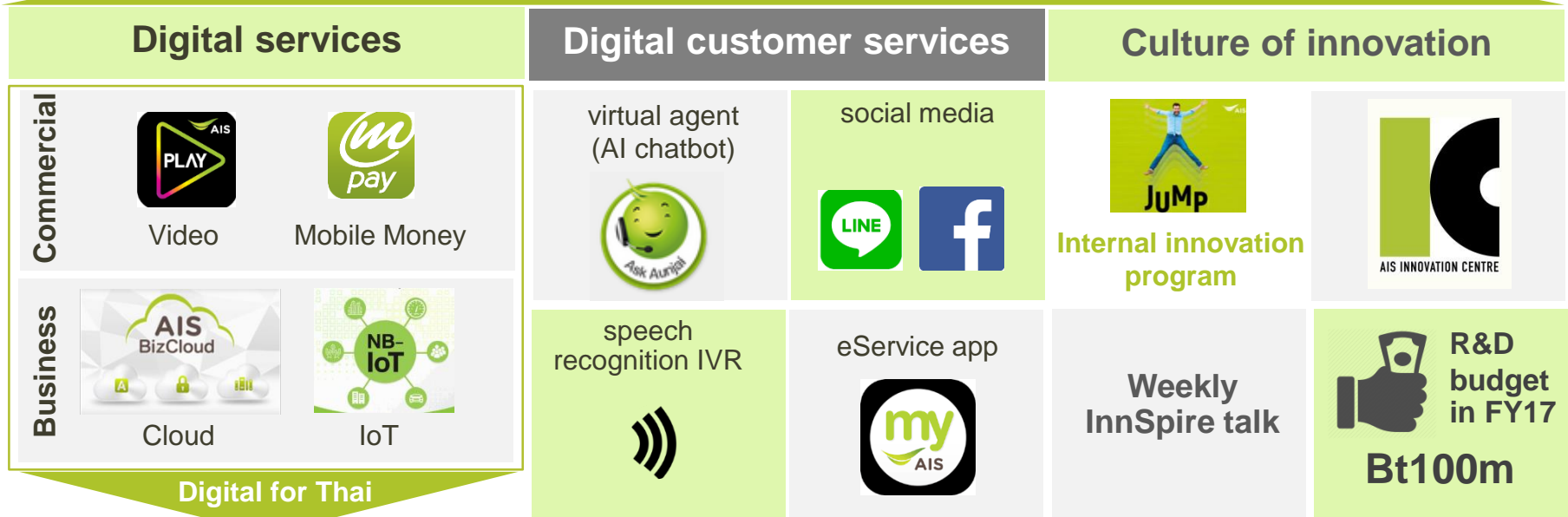


Somchai Lertsutiwong

CEO

Gear toward Digital Transformation

ACHIEVE SUSTAINABLE GROWTH



Digital for Thai



Agriculture



Public health



Education



Startup

Promote cost efficiency through digital channels and optimized human touch points for revenue generation tasks

Encourage innovative sense among employees to be ready for digital disruption era

Empowered Thai economy and well-being through expertise in telco and infrastructure

Q&A



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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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