



Analyst Briefing for 2018

Advanced Info Service Plc.

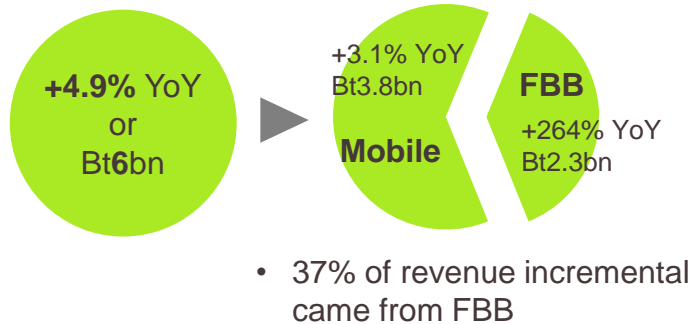
8 February 2018



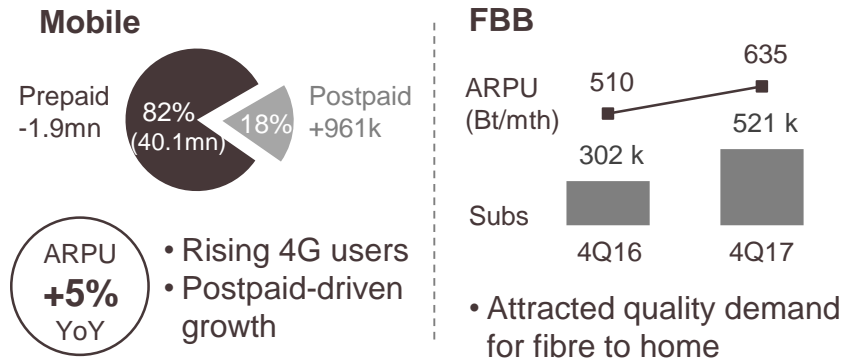
Somchai Lertsutiwong
CEO

FY17 recap: Fundamentals set

Integrated position drove revenue growth



Focused on quality amid high competition



Continued cost optimization

Operational cost of service¹⁾

+4.2% YoY

- Focused on network OPEX efficiency and digitized process
- 16% YoY** if excluding payments to TOT

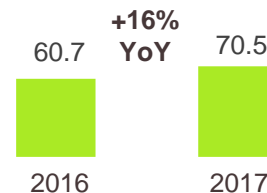
SG&A

-16% YoY

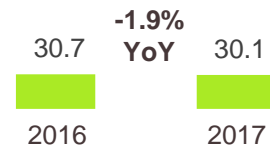
- Managed subsidies to focus on quality revenue

Cash profit highly improved

EBITDA (Bt bn)



NPAT (Bt bn)



- Balanced revenue growth and return

¹⁾ Cost of service excluding IC and D&A

AIS' digital transformation toward 2020

Next Generation Network

Network Function
Virtualization &
Cloudification



- > 90% cloudification
- Network virtualization ready for 5G

- **5G** future-proof networks
- **IT** legacy transformed to Cloud-friendly network architecture
- **AI** for network operation

Next Generation Economy

Contents and
Enterprise
Segments



- Expand revenue contribution of enterprise business from 9% to 25%

- New opportunities:**
- IoT
 - SME & R-SME
 - Managed Security
 - Mobile Digital Marketing
- Maximize value of **contents** in customer retention and branding

Next Generation Xperience

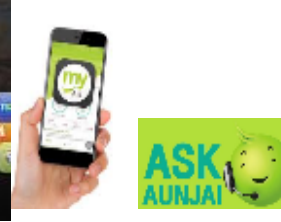
Customer Value
Management



- Move to ARPH
- Improve revenue assurance and add valued users

- Data-driven analysis** based on customer insights:
- Bundle mobile, fibre & content via **FMC**

Full Service
Digitization



- Provide shops & services that never sleep

- **Digitize** all customer journeys
- **AI/Chatbots** embedded into all self-service channels
- Deployment of **OMNI channels**

Next Generation Team

Organization
Transformation





- Data-driven organization & culture




- **Organization** readiness for digital disruption
- **Leverage** capabilities and create synergies in value chain supporting digital business objectives

Target 2020

Strategy toward 2020

FY18 Direction & Guidance

		Consumer Business		Enterprise Business
		Mobile	Fixed broadband	
Key driver 		<ul style="list-style-type: none"> Increasing 4G penetration and data usage 	<ul style="list-style-type: none"> High demand for fibre in invested areas 	<ul style="list-style-type: none"> Demand from corporate customers to achieve revenue and cost efficiency
	Strategy 	<ul style="list-style-type: none"> Continue to improve network and brand perception Target uplifted offerings through customer value management program 	<ul style="list-style-type: none"> Expand coverage to cover 6mn homepass Enhance sales/technical support Leverage mobile subscriber base 	<ul style="list-style-type: none"> Consolidate CSL to leverage expertise and customer base Create revenue synergy from cross/upselling and wider product portfolio Realize cost synergy from co-used infrastructures
		Convergence of mobile, FBB, and video content targeting revenue per household and brand value		

2018 Guidance			
	Service revenue (ex. IC) +7-8% YoY 2% of which comes from CSL		EBITDA margin 45-47% From better revenue momentum and continuing cost control
			Cash CAPEX Bt35 – 38bn To respond to 4G growth and expanding last miles



Hui Weng Cheong
President

Mobile: target quality revenue

Product focused on creating customer value

Integrated and best value



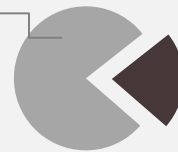
- New prepaid SIM focusing on simplification and sale efficiency



- Competitive bundling packages for postpaid

Fixed-mobile-content convergence

78%
of AIS Fibre
subs also use
AIS Mobile



- Increasing value per household



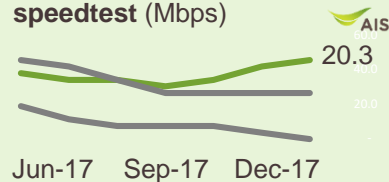
Best Deal!	799	50 / 20 Mbps	PLATINUM HB	Max Speed up to 4 Mbps
New!	1,099	100 / 30 Mbps	free 3 months	AIS 4G+ WiFi

Targeted retention program

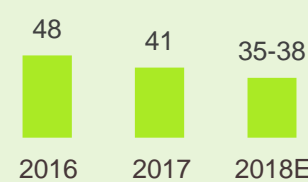
- Adopt Big Data to analyze customer usage and behavior
- Proactively offer relevant products/services to increase stickiness

Leading network quality

4G download
speedtest (Mbps)



CAPEX (Bt bn)



- Improving data network quality with optimum investment



Enhance brand perception

1 AIS ONE NETWORK



Position as leading brand
in mobile data

Mobile: digital strategy to enhance sale and service

Digital Content



Increase visibility



Bring in local content and mainstream international content



Package design to attract segmented subscriptions



paid subscribers
60k in mid-17
270k in end-17

Digital Sale & Service



Artificial intelligence



HYBRID



Intelligent assistant

- Enhance customer journey and service efficiency
- Upsell via personalized offerings and time freed-up of staff

Digitized Customer Journey

Discovering



Visible to >38mn accounts

Deciding

Website and online store
>5mn active visitors



& CVM

>2mn active users

Experiencing & upgrading

%Sales from online channel

5%
in 2016

7%
in 2017

76%



2016

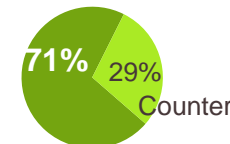
79%



2017

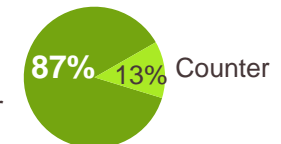
%Calls handled by IVR

KIOSK



2017
%Service transaction

KIOSK

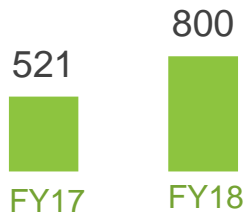


2017
%Payment transaction

Scale up FBB to support convergence strategy



FBB subscribers ('000)



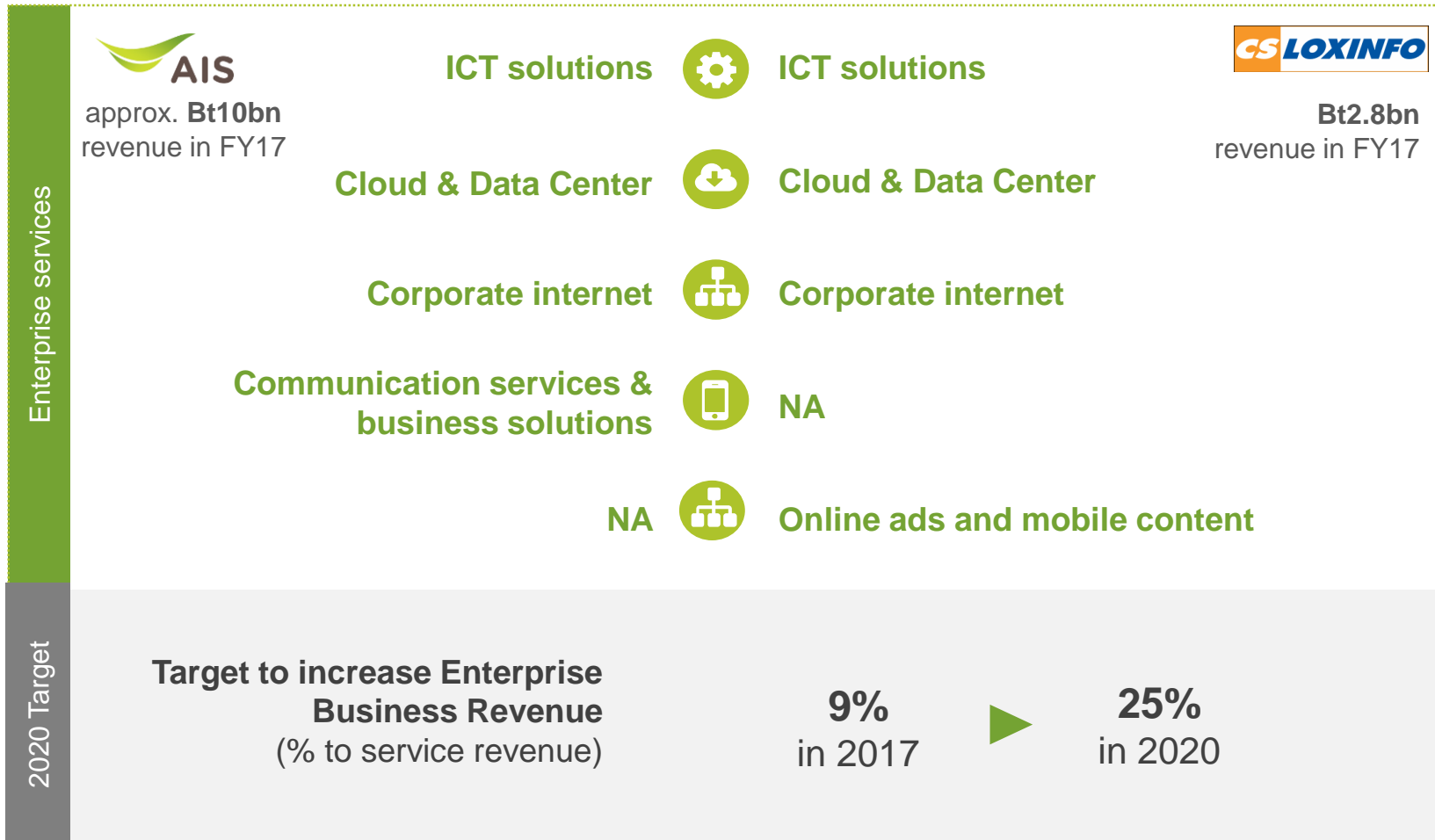
2018: target 800K FBB subscribers

- Scaled up and improved EBIT level
- Enhance revenue growth and brand value through convergence

Coverage expansion	Sales, Technical & Customers supports	Subscriber acquisition
 <p>Focus in existing 50 cities, covering 6mn homepass</p>	 <p>Synergy with CSL on sale & technical support</p>	 <p>Convergence packages targeting family</p>
 <p>Bt6bn CAPEX mostly for last miles</p>	<p>↑ Service Efficiency</p> <ul style="list-style-type: none">• Guarantee 48hrs installation• Enhance call center to be able to take level-2 call support through Network Operation Center (NOC)	<p>Enhance channel effectiveness</p>

Be one of the major players in fixed broadband market in 2020

Overview of AIS Enterprise and CS LOXINFO businesses

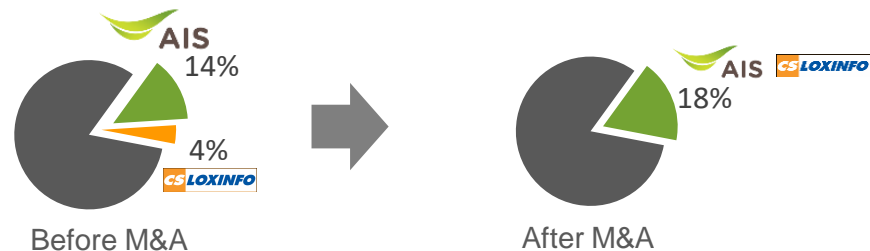


CS LOXINFO Business Integration



Bt70bn
ICT & Mobile enterprise
market in 2017

Enterprise revenue market share



	Strengthen position in enterprise market	
<p>Lower inter. bandwidth cost Own fiber infrastructure</p>	<p>COST SYNERGY</p> <ul style="list-style-type: none"> ✓ Operate CSL's ICT services with lower OPEX 	<p>Asset light models</p>
<p>Data center outside BKK Large size corporate customers Sizable corporate mobile base</p>	<p>REVENUE SYNERGY</p> <ul style="list-style-type: none"> ✓ Cross sell & upsell potential from larger customer base and complementary product portfolio ✓ Widen Data Center propositions and target segments 	<p>Data center in inner BKK Mid-size corporate customers Well-known brand with good service quality</p>
<p>Economies of scale</p>	<p>OPERATIONAL EFFICIENCY</p> <ul style="list-style-type: none"> ✓ Sales & Marketing alignment ✓ Leverage sale and technical expertise ✓ Align product roadmap 	<p>Strong and experienced sales and technical support in ICT</p>

Expected to realize synergy in 1-2 years

Q&A



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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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