



Investor Presentation

Advanced Info Service Plc.

August 2017

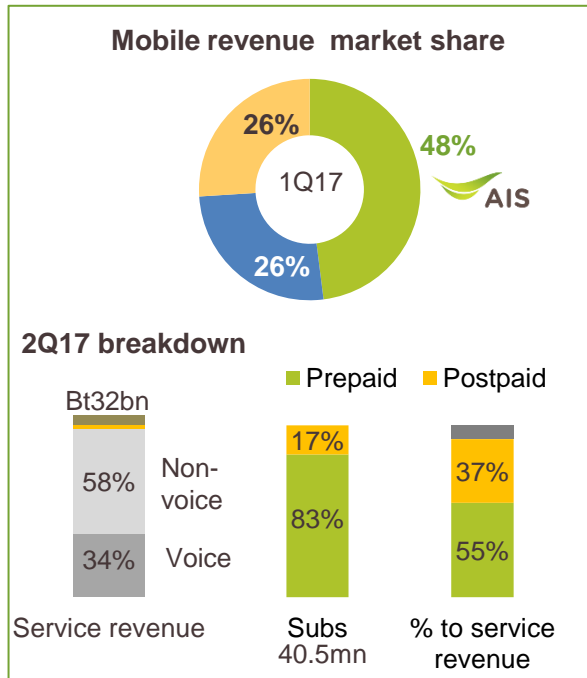
MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

Ticker: ADVANC (SET)
AVIFY (ADR)

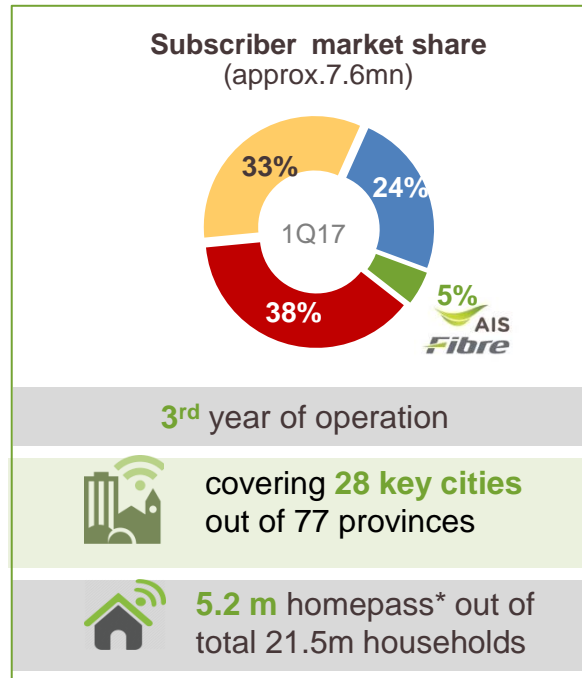
AIS: Digital Life Service Provider



Continue leading in
“**Mobile**”



Expand strongly into
“**Fixed broadband**”



Partner to offer differentiated
“**Digital service**”



Digital life service provider with convergence products

Mark leadership in mobile data

- Nationwide 4G/3G/2G coverage with focus on network quality
- Focus on scale to maintain cost advantage

Aim to be a significant player in 3 years

- Leverage existing nationwide fibre infrastructure
- Defensive value to core mobile business

Pursue long-term growth with integrated services

- Emphasize partnership & ecosystem
- Leverage the large sub base and telecom infrastructure

*Homepass is defined as a number of households within AIS fibre service area. This includes the homes that require additional investment, i.e. port, last miles to be able to get connected.

Mobile: Build on leadership in mobile data

Continue to strengthen network quality and efficiency supporting growing demand in mobile data



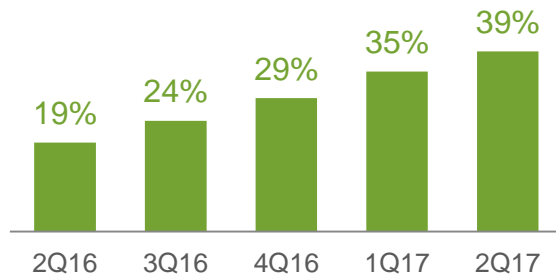
Nationwide coverage of 98% in 2G/3G/4G
Deploy 2CA in all districts and 3CA in key cities

CAPEX
Bt23bn
in 1H17

2CA and 3CA
network quality
enhancement

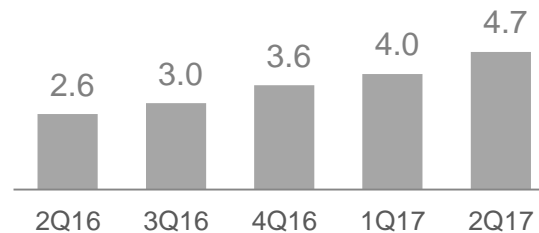
4G handset penetration

% to total 40.5mn subscribers



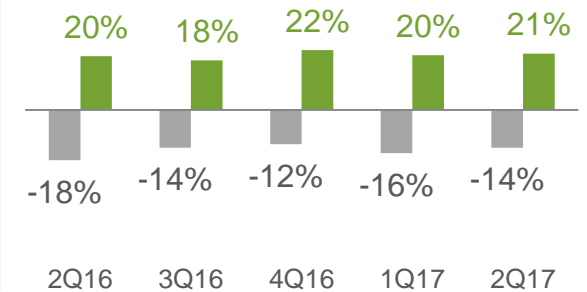
Average data usage (VoU)

GB/data sub/month



Voice vs Non-voice growth

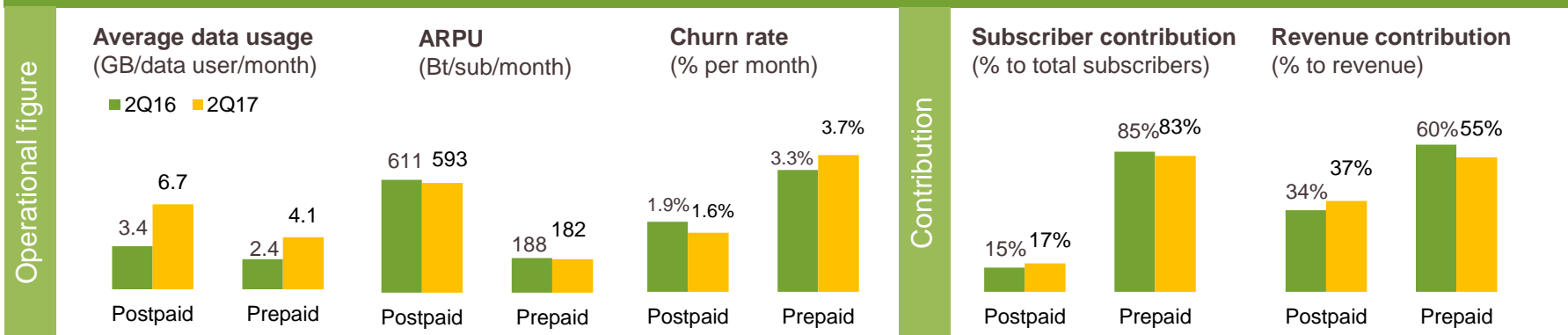
■ Voice revenue % YoY ■ Non-voice revenue % YoY



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

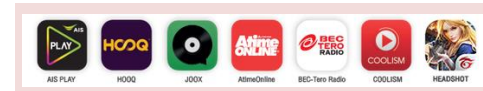
iEntertain NON-STOP

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	PREMIER FULL HD For 3 months NETFLIX For 1 month HOOQ For 12 months
399	3GB*	3GB	-	150	
499	8GB*	4GB	4GB	200	
599	12GB*	6GB	6GB	250	
699	16GB*	8GB	8GB	300	

- 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.

- 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



Buffet NET

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

AIS WIFI is included in all packages.

- 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

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	PREMIER FULL HD 3 month NETFLIX 3 month HOOQ 12 month
1,299		20GB	850	
1,499		25GB	1,200	
1,899		30GB	2,000	

AIS WIFI is included in all packages.

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

Handset discount with monthly plan



- Discount on various branded 4G smartphones e.g. iPhone, Samsung, Oppo, Huawei, etc. focusing on mid- and high-end segments
- Bundled with monthly plan at committed ARPU from 499Bt/month up to 1,099Bt/month
- Require advanced payment credited for monthly charge and subjected to 12 months contract

Examples

SAMSUNG	Regular Price (Baht)	Special Price (Baht)	Pay in Advance (Baht)	AIS Hot Deal Non-Stop Packages
Galaxy S8+	30,900	24,900	2,000	699
		22,900	4,000	1,099
Galaxy S8	27,900	21,900	2,000	699
		19,900	4,000	1,099
Galaxy S7 edge	23,900	18,900	2,000	599
Galaxy Note 5 64GB	22,900	12,900	4,000	699
Galaxy A9 Pro	15,900	11,900	1,500	499
Galaxy A7 (2017)	15,490	12,490	2,000	699
		10,490	2,000	699
Galaxy A5 (2017)	13,490	9,990	1,500	499
HOT Galaxy J7 Prime	8,400	4,900	2,000	
HOT Galaxy J5 Prime	7,900	2,990	1,500	
NEW Galaxy J7 Pro	10,900	7,900	1,000	
NEW Galaxy J7 Core	7,290	5,290		
OPPO				
R9s Plus	16,990	11,990	2,000	599
R9s	13,990	8,990		
NEW A77	9,990	7,990	1,500	499
A57	7,990	4,990	2,000	
A37	4,990	2,790	1,000	

A77
From 9,990

7,990.-

A57
From 7,990

4,990.-

Galaxy S8+
From 30,900

22,900.-

Galaxy S7 edge
From 23,900

18,900.-

Galaxy S8
From 27,900

19,900.-

Galaxy A9 Pro
From 15,900

11,900.-

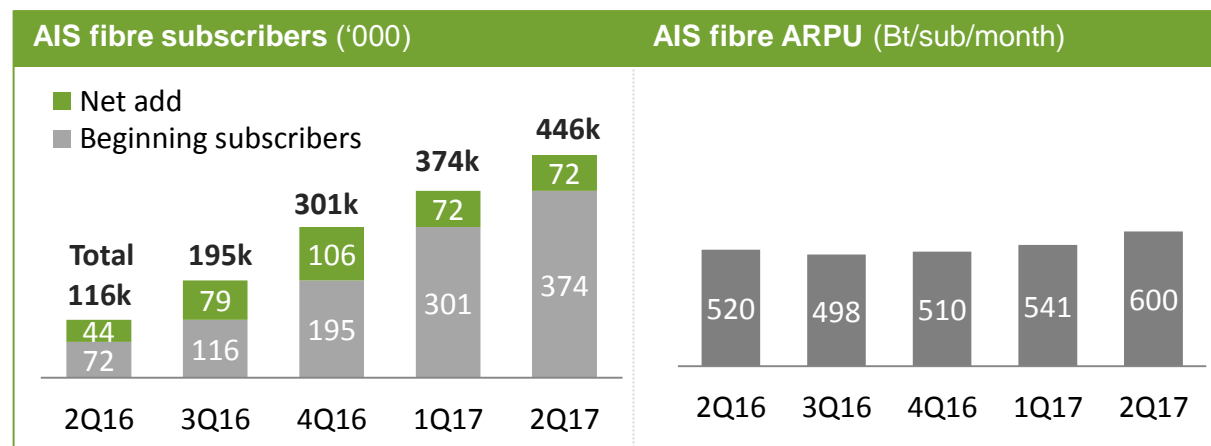
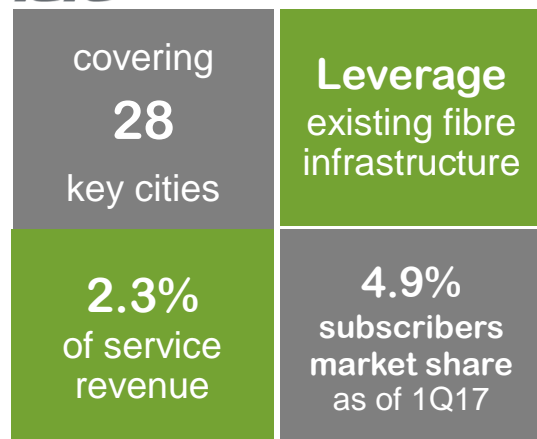
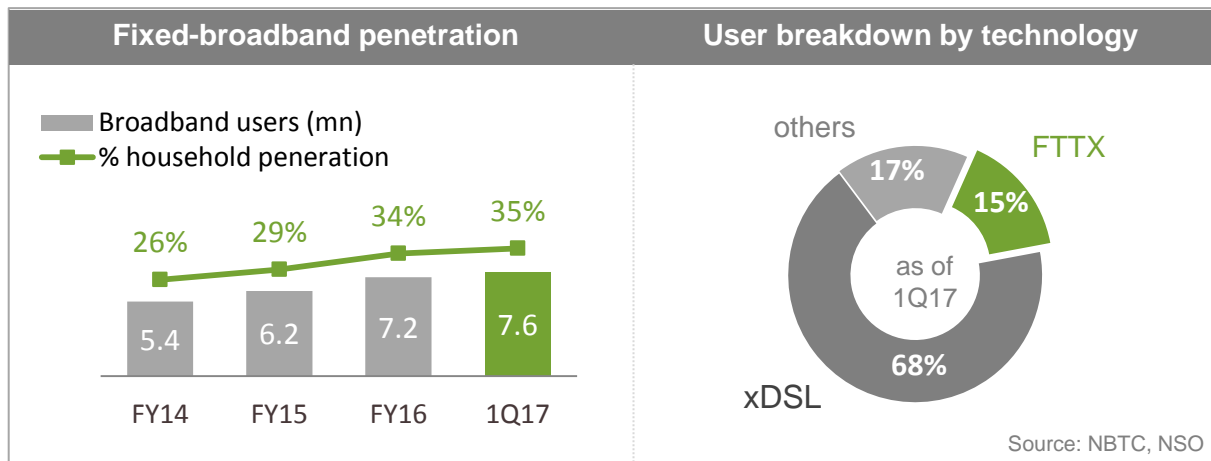
FBF: Expand subscriber and revenue base



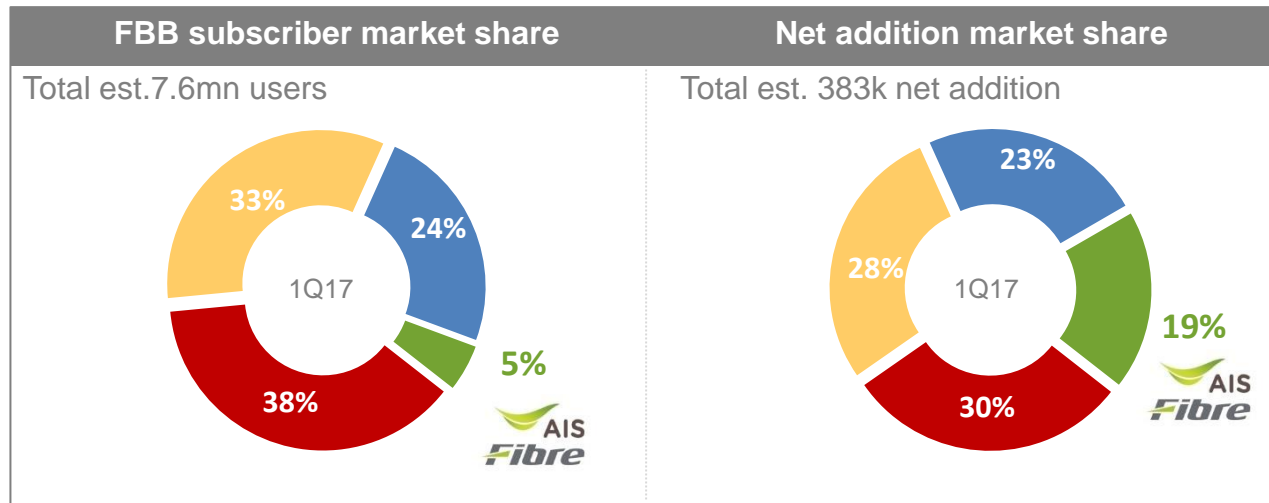
Thai fixed-broadband market

Key drivers:

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



FBB: Market share & comparative offerings



trueonline

3BB BROADBAND

TOT

Tech	DL/UL speed	Monthly fee (Bt)	Added service
FTTx	30/10	599	TV
FTTx	50/20	799	TV +mobile +4G/3G +WIFI
FTTx	100/30	1099	
FTTx	200/50	1399	
FTTx	300/70	1999	

Tech	DL/UL speed	Monthly fee (Bt)	Added service
VDSL	30/10	590	Cloud box (20GB) + Movie Maxx
FTTx	100/30	700	Cloud box (40GB) + Movie Maxx
FTTx	150/50	900	
FTTx	200/100	1,200	

Tech	DL/UL speed	Monthly fee (Bt)	Added service
FTTX	30/15	590	Pay extra Bt50-60 for IPTV
FTTX	50/20	650	
FTTX	80/20	750	
FTTX	100/20	800	
FTTX	150/30	990	
FTTX	200/80	1,200	

Source: NBTC, company data
Data as of Aug-17

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 **FOX MOVIES** **CINEMAX** **NATIONAL GEOGRAPHIC**

HBO Free 12 months! 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** 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	 HBO 12 months	4mbps
1,799	100/40	 HBO 12 months	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: Create differentiation with exclusivity and variety



Continue building variety and exclusive contents

International partners

Up to 3 months free-trial for Premier package to build awareness



Local partners

Partner with Workpoint to create special exclusive episodes of “**The Mask Singer**,” the currently most popular variety show, only available on AIS PLAY & AIS PLAYBOX



Encourage adoption of online channel



- All-in-one AIS online application
 - Check real-time usage
 - Buy on-top packs
 - Check and receive privilege
- >1.3mn active users

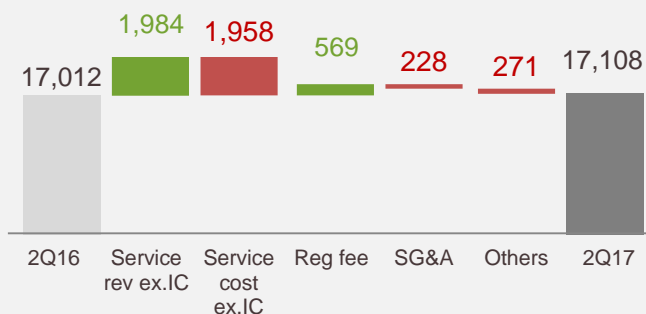


- A comprehensive mobile payment gateway
- Partnered with local banks to expand user base
- >500k active users

2Q17 Overview



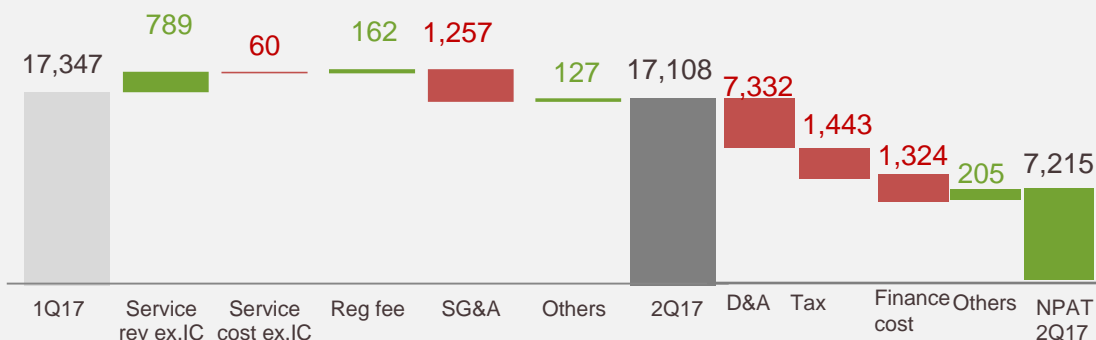
EBITDA (YoY)



EBITDA (QoQ)

NPAT 2Q17

(Bt mn)



Service revenue excluding, IC	Bt32bn	+6.6% YoY +5.2% QoQ
Mobile	Bt31bn	+4.6% YoY +1.9% QoQ
FBB	Bt738n	+404% YoY +34% QoQ
EBITDA	Bt17bn 43.8% margin	+0.6% YoY -1.4% QoQ
Net profit	Bt7.2bn	-25% YoY -6.2% QoQ

- Revenue growth is driven by demand for mobile data and expanded customer base of FTTx
- EBITDA is well maintain amidst challenging competition
- Net profit reflected continued 4G network expansion and acquisition of spectrum license

1.3X

Net debt to
EBITDA

70% of
net profit
dividend paid

BBB+
Investment
grade (S&P)

FY17 Guidance



2017 Guidance			1H17 actual
Service revenue (excludes interconnection revenue)	+4-5% YoY	<ul style="list-style-type: none"> Improved network quality and increased smartphone adoption 	5.3% YoY
EBITDA margin	42-44%	<ul style="list-style-type: none"> Improved revenue and cost management offset by full-year payments for TOT partnership 	44.2%
CAPEX	Bt40-45bn	<ul style="list-style-type: none"> Strengthen 4G capacity with 2CA and 3CA expansion Selective expansion for fixed-broadband business 	Bt23bn
Dividend policy	Minimum 70% payout of NPAT	<ul style="list-style-type: none"> Preserve financial health and flexibility for future growth 	Bt3.51/share <ul style="list-style-type: none"> 70% of NPAT approx.4% dividend yield

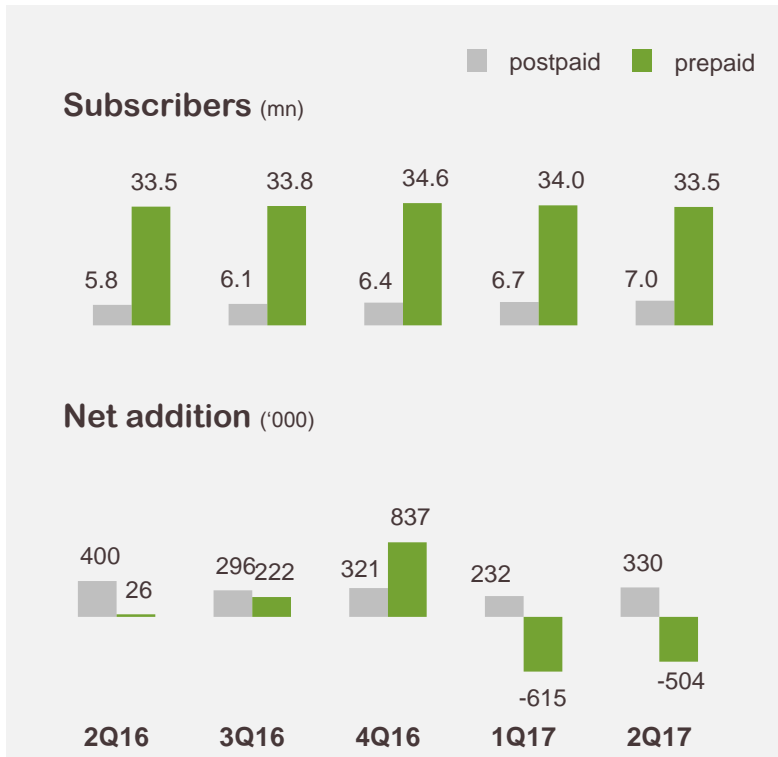
APPENDIX

Financial Highlights

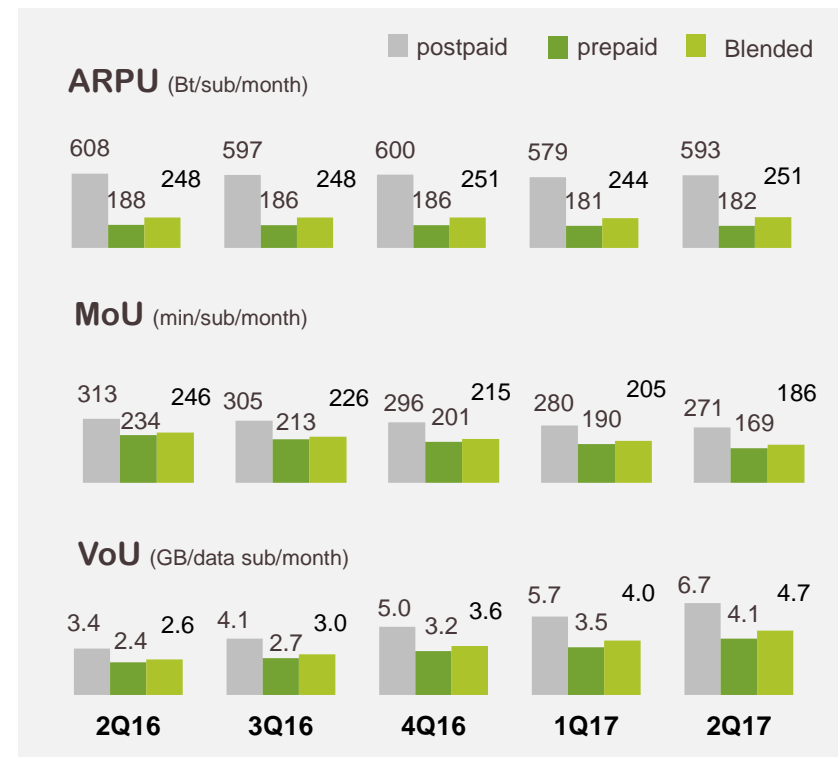


Bt mn	2Q16	1Q17	2Q17	%YoY	%QoQ	1H17	%YoY	FY17 Guidance
Service revenue ex. IC	30,169	31,364	32,153	▲6.6%	▲2.5%	63,517	▲5.3%	+4-5%
Sales revenue	4,882	6,407	5,858	▲20%	▼8.6%	12,265	▲16%	increase
Total revenue	36,482	38,858	39,079	▲7.1%	▲0.6%	77,937	▲5.7%	
Cost of service ex. IC	(11,309)	(15,203)	(15,512)	▲37%	▲2%	30,715	▲28%	
SG&A	(6,460)	(5,439)	(6,701)	▲3.7%	▲23%	12,140	▼17%	
EBITDA	17,012	17,347	17,108	▲0.6%	▼1.4%	34,455	▲13%	
EBIT	12,609	10,540	9,890	▼22%	▼6.2%	20,430	▼7.3%	
NPAT	9,596	7,693	7,215	▼25%	▼6.2%	14,908	▼16%	
Sales margin	2.3%	-6.7%	-2.7%	▼500bps	▲400bps	-4.8%	▼570bps	near zero margin
EBITDA margin	46.6%	44.6%	43.8%	▼280bps	▼80bps	44.2%	▲290bps	42-44%
EBIT margin	34.6%	27.1%	25.3%	▼930bps	▼180bps	26.2%	▼370bps	
NPAT margin	26.3%	19.8%	18.5%	▼780bps	▼130bps	19.1%	▼490bps	
Capex	(11,693)	(11,509)	(11,334)	▼3.1%	▼1.5%	(22,843)	▼4.0%	Bt40-45bn

Mobile: ARPU improved from rising data usage

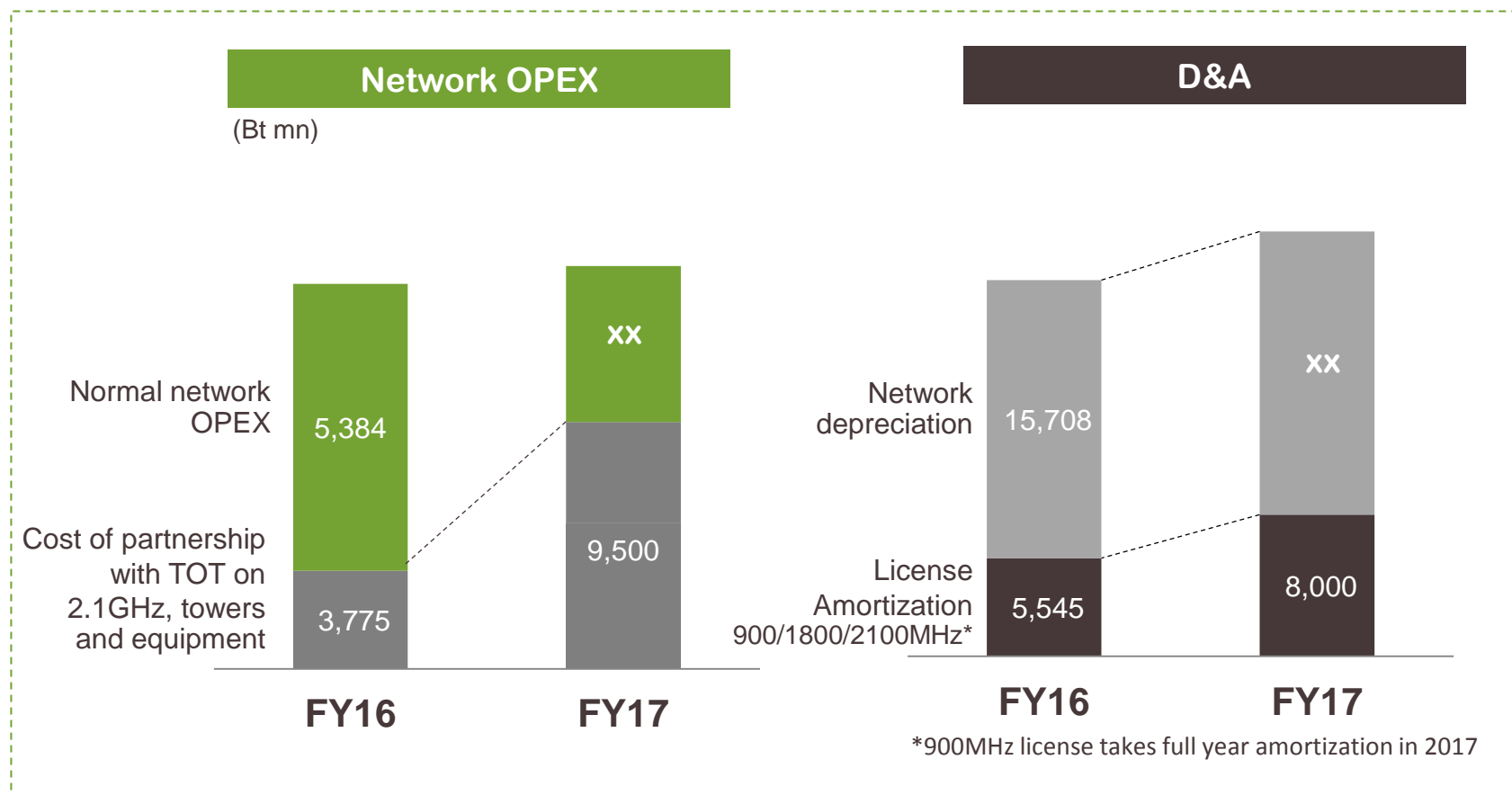


- **Total subscriber** stood at 40.5mn, a net loss of 174k
- Postpaid segment continued to grow strongly with a total net add of 562k in 1H17
- Prepaid segment saw a trend of shifting to postpaid and low-usage subscribers churned out, resulting in a total net loss in 1H17 was 1.1mn



- **Blended ARPU** improved YoY and QoQ driven by postpaid segment while prepaid ARPU remained flat.
- **Blended MoU** continued to decline as voice-data substitution continues.
- **Blended VoU** rose to 4.7GB underpinned by higher 4G adoption, video streaming, and large data-bucket price plans

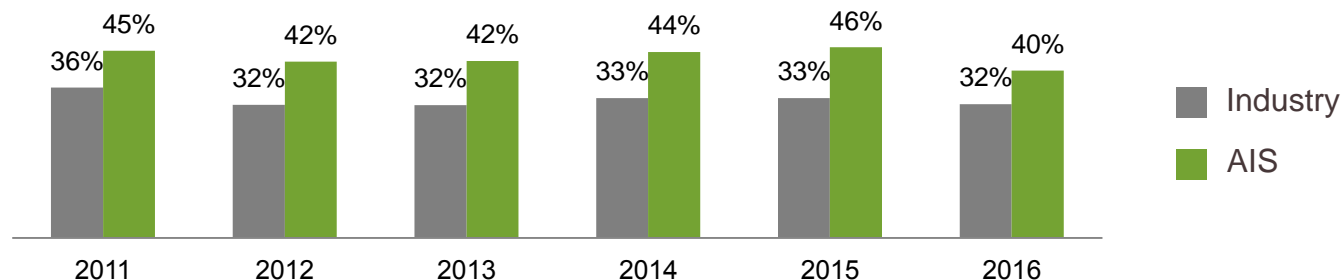
Breakdown of OPEX and D&A in FY17



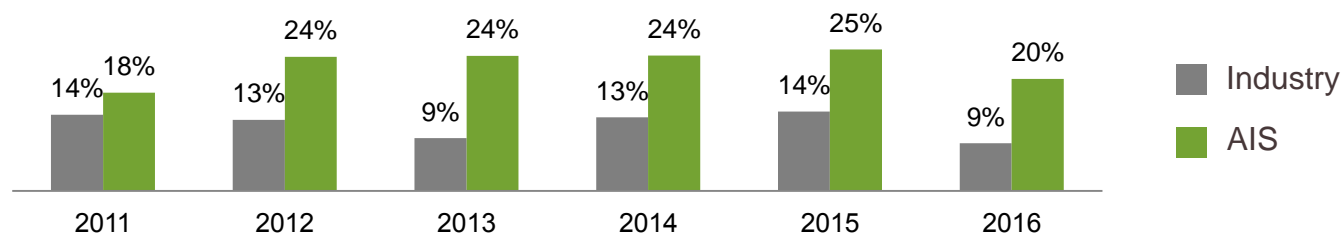
Historical profitability and CAPEX trend



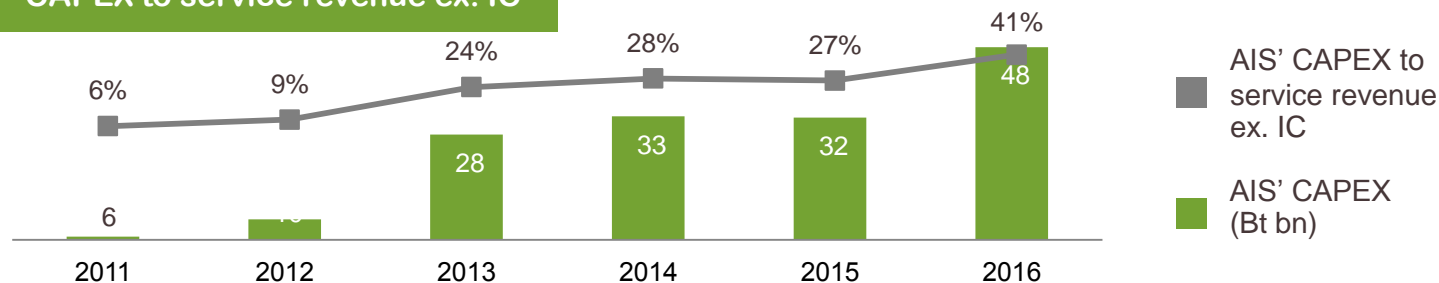
EBITDA margin



NPAT margin



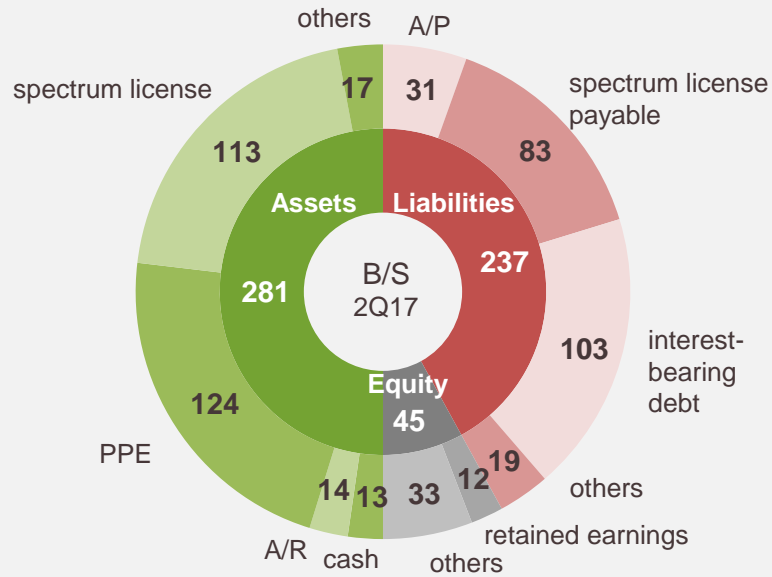
CAPEX to service revenue ex. IC



Maintained strong financial position for future growth

2Q17 Balance Sheet

(Bt bn)



Net debt to EBITDA = 1.3x

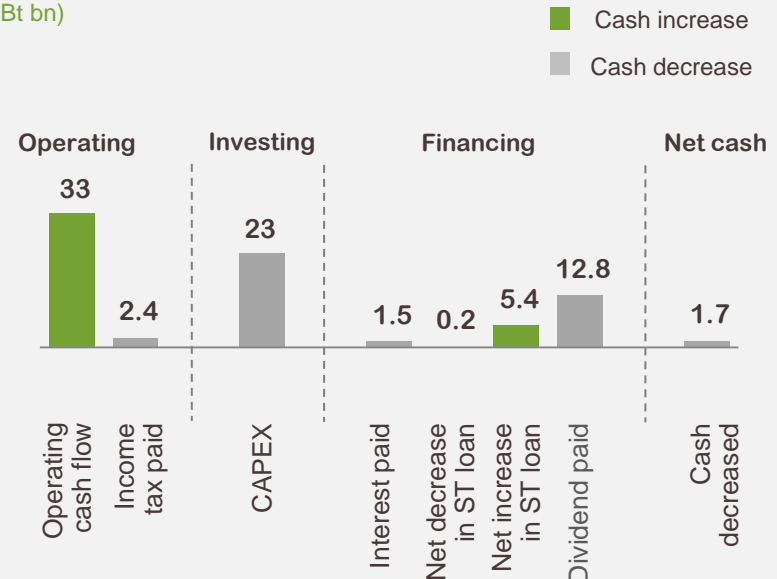
Interest bearing debt to Equity = 2.3x

Current ratio = 0.47x

Return on Equity = 64%

1H17 Cash flow

(Bt bn)



Operating cash flow remained strong to support network investment and interest payment

Average finance costs = 3.1% p.a.

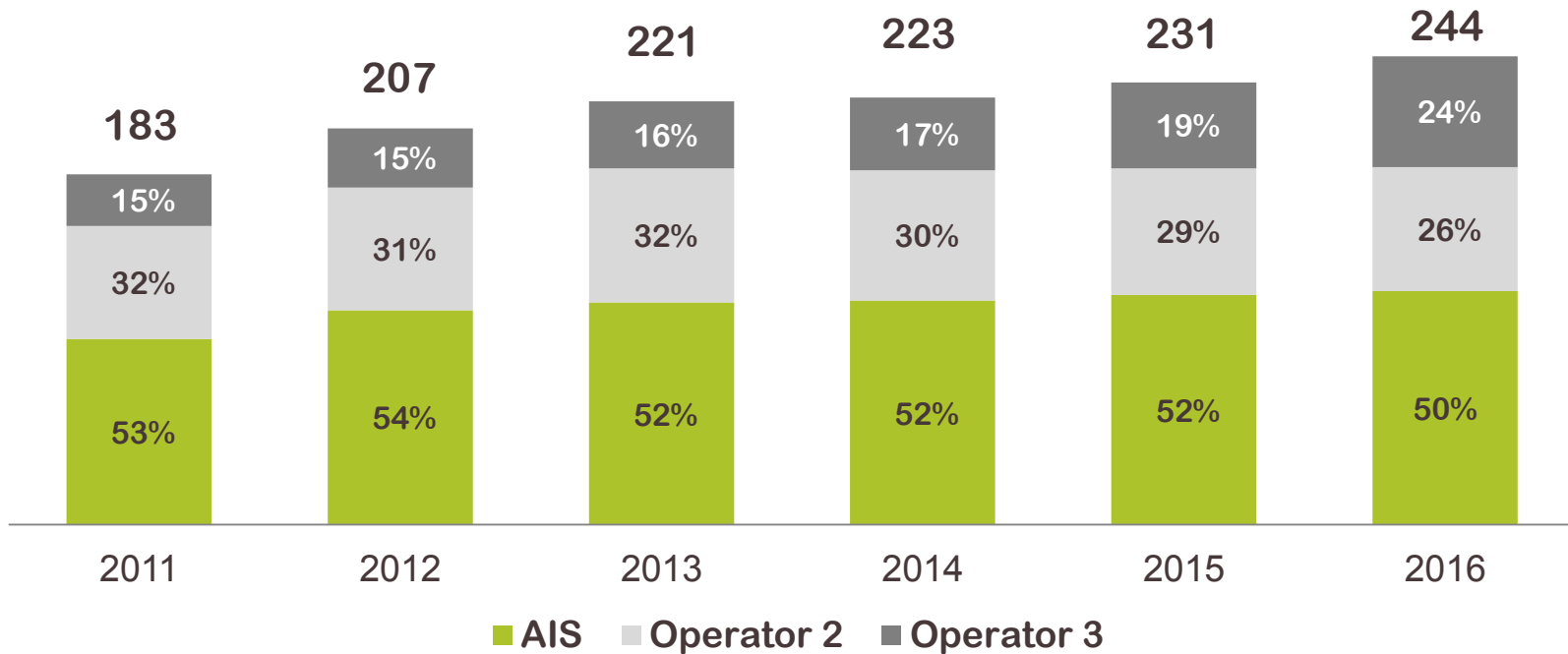
- Maintaining investment grade credit ratings
 - Fitch: national rating AA+ (THA), outlook stable
 - S&P: BBB+, outlook negative

Mobile market share by revenue



Service revenue (Bt bn)

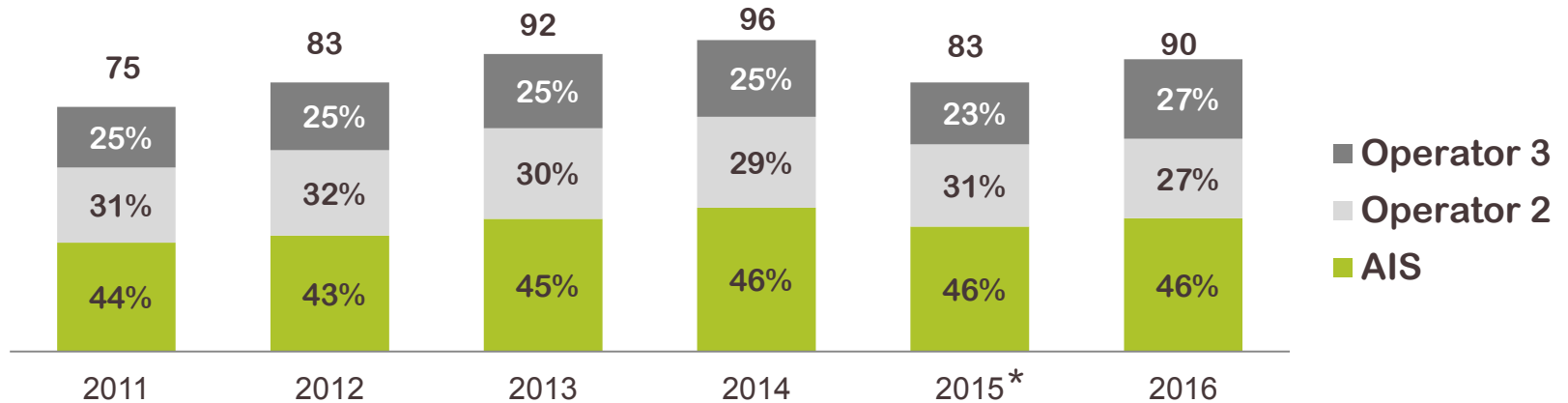
+6% YoY
(against GDP of + 3.2%)



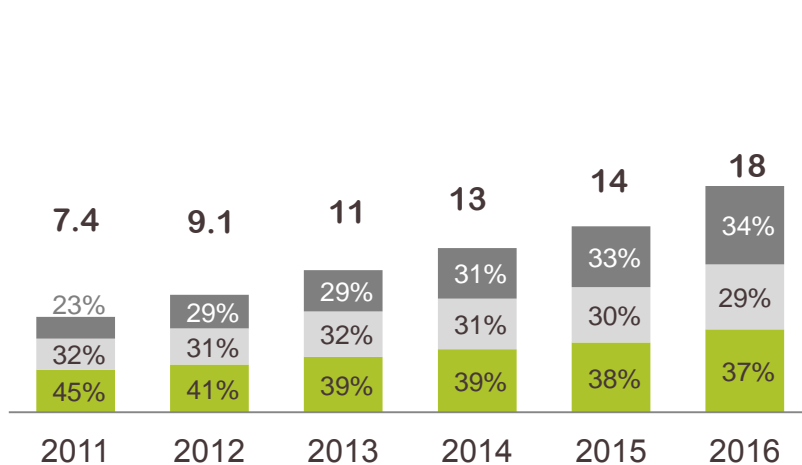
Mobile market share by subscribers



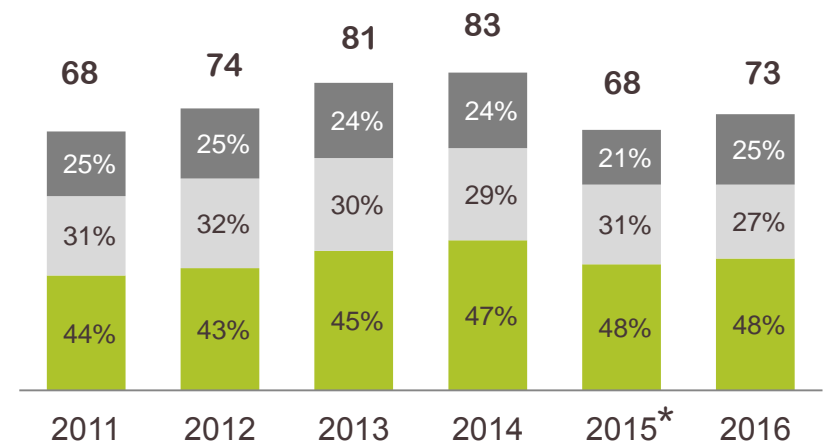
Total subscriber (mn)



Postpaid subscriber (mn)







Prepaid subscriber (mn)



* In 2015, sub base of the industry was affected by the adjustment of prepaid sub reporting to reflect only active ones. The decrease in sub base also caused by NBTC's announcement requiring prepaid sub to register their SIMs. The SIMs that failed to register by the deadline were terminated.

Digital service: expand into 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

 Microsoft



Strategic Partnership to bring
Global Cloud to Local

Collaborations in

- Network Partnership
- Cloud Solution Provider
- Integrated Billing

Distribution Channel

expanding touch points to +400k



AIS Branded Shop

100+ shops



Exclusive branded shop by partner (Telewiz)

450+ shops



AIS Buddy

1,000+ shops



Electronic Distribution Channels

400k+ points



(refill-on-mobile agent)



Auto top-up KIOSK

Modern Trade Outlets

10k+ shops



AIS HOT DEAL





iPhone		Regular Price (Baht)	Discounts up to 8,000 Baht Pay in Advance 2,000.- Monthly package starts at 599	Discounts up to 11,000 Baht Pay in Advance 3,000.- Monthly package starts at 899	Discounts up to 14,000 Baht Pay in Advance 4,000.- Monthly package starts at 1,099
iPhone 7	32GB	26,500	23,500	20,500	17,500
	128GB	30,500	25,500	22,500	20,500
*(PRODUCT)RED™	128GB	30,500	24,500	21,500	19,500
	256GB	34,500	27,500	24,500	21,500
*(PRODUCT)RED™	256GB	34,500	26,500	23,500	20,500
iPhone 7 Plus	32GB	31,500	28,500	25,500	23,500
	128GB	35,500	32,500	29,500	27,500
*Jet Black and (PRODUCT)RED™	128GB	35,500	31,500	28,500	26,500
	256GB	39,500	33,500	30,500	28,500
*(PRODUCT)RED™	256GB	39,500	32,500	29,500	27,500

SAMSUNG	Regular Price (Baht)	Special Price (Baht)	Pay in Advance (Baht)	AIS Hot Deal Non-Stop Packages
Galaxy S8+	30,900	24,900	2,000	699
		22,900	4,000	1,099
Galaxy S8	27,900	21,900	2,000	699
		19,900	4,000	1,099
Galaxy S7 edge	23,900	18,900	2,000	599
Galaxy Note 5 64GB	22,900	12,900	4,000	699
Galaxy A9 Pro	15,900	11,900	1,500	499
Galaxy A7 (2017)	15,490	12,490		
		10,490	2,000	699
Galaxy A5 (2017)	13,490	9,990	1,500	499
HOT Galaxy J7 Prime	8,400	4,900	2,000	
HOT Galaxy J5 Prime	7,900	2,990		
NEW Galaxy J7 Pro	10,900	7,900	1,500	
NEW Galaxy J7 Core	7,290	5,290	1,000	

Hot deal price packages



4G Hot Deal Non-Stop Packages

Monthly Fee (Baht)	Internet (Unlimited)			AIS Network Calls (05:00 – 17:00)	All Network Calls (Mins)	WiFi Unlimited	Special Application
	Total	4G/3G	4G				
299	750 MB	750 MB	-	Free Calls 1,000 Mins Per Month	-		 Watch more 10,000 movies for 12 months
399	3 GB	1.5 GB	1.5 GB		50		
499	4 GB	2 GB	2 GB		100		
599	6 GB	3 GB	3 GB		150		
699	8 GB	4 GB	4 GB		200		
899	12 GB	6 GB	6 GB		300		
999	14 GB	7 GB	7 GB		350		
1,099	16 GB	8 GB	8 GB		400		
1,199	18 GB	9 GB	9 GB		500		
1,499	24 GB	12 GB	12 GB		800		
1,899	30 GB	15 GB	15 GB		1,400		



Disclaimers

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.

AIS INVESTOR RELATIONS

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