



Investor Presentation

Advanced Info Service Plc.

May 2018



Add AIS IR LINE@

Ticker: ADVANC (SET)
AVIFY (ADR)

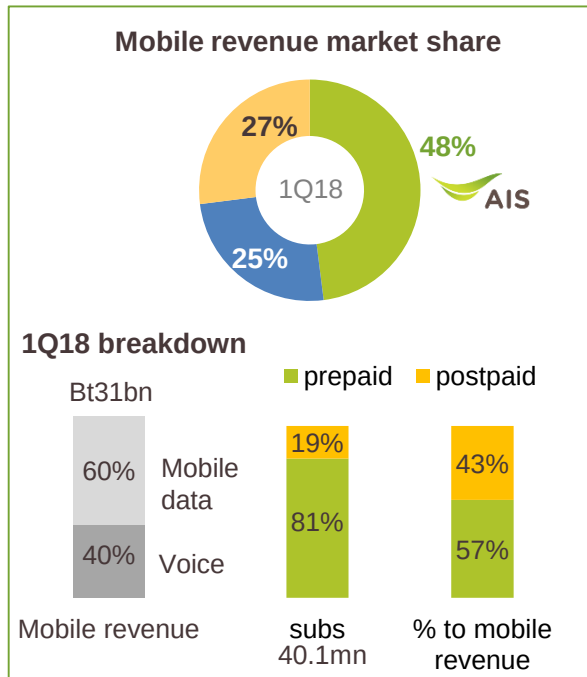


FTSE4Good

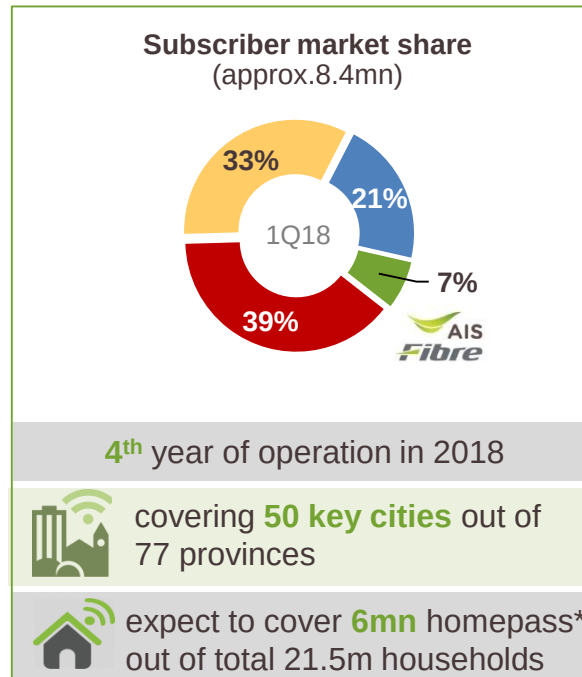
AIS: Digital Life Service Provider



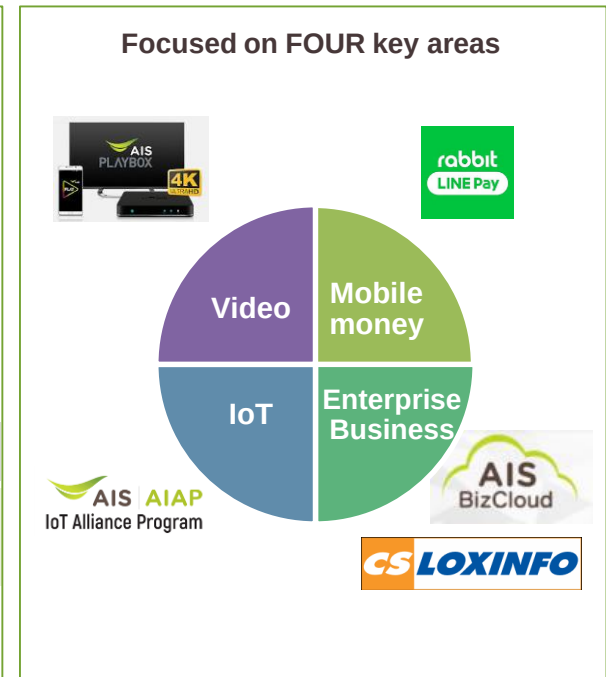
Lead and digitally transform in
“Mobile”



Grow stronger in
“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 2020

- 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.

AIS' digital transformation toward 2020



Next Generation **N**etwork

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 **E**conomy

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 **X**perience

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 **T**eam

Organization
Transformation



- Data-driven organization & culture

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

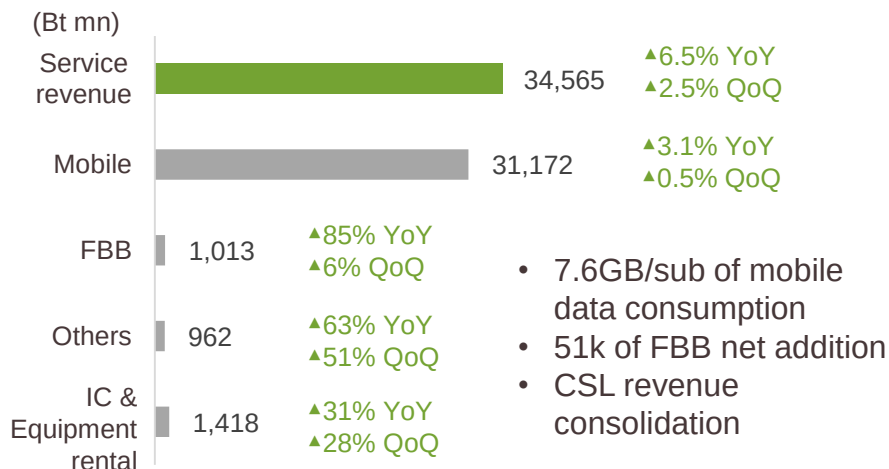
Target 2020

Strategy toward 2020

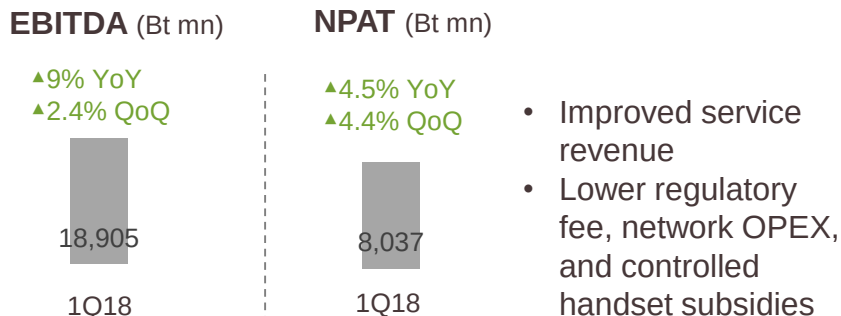
1Q18 Quarterly Summary



Service revenue improved in all segments



Cost controlled resulted in profit expansion



Strategic executions

Expand into enterprise market

- Paid Bt3.4bn for 81.47% of CSL's shares
- Fully consolidated since Feb-18
- Incurred goodwill of Bt2.8bn
- Final tender offer until 6-Jul at Bt7.80/share



Widen e-service/mobile payment to Thai users

- Paid Bt788mn to buy 1/3 JV stake with Rabbit and LINE
- Utilize each party's strength in subscriber base, distribution channel, and brand



Officially signed 2100MHz contract

- Agreements effective since 1-Mar
 - Equipment rental agreement
 - Roaming agreement
- Net financial impact remains relatively the same at a net cost of Bt3.9bn/year

FY18 Guidance (maintained)



Item	FY18 Guidance	
Service revenue (ex. IC)	+7-8% YoY	• 2% of which comes from CSL • Increasing data usage on 4G and fixed broadband subscriber base • Moderate growth in enterprise business with synergy from CSL
Sale revenue	Decline and make near-zero margin	• More targeted marketing campaigns
EBITDA margin	45-47%	• Improving revenue and continuing cost management
Cash CAPEX	Bt35-38bn	• Strengthen 4G capacity to support mobile data growth using advanced technology • Expand fixed-broadband coverage and last miles
Dividend policy	Minimum 70% payout of NPAT	• Preserve financial health and flexibility for future growth

Mobile: Drive 4G users through valued offerings



Business direction in 2018

Key driver



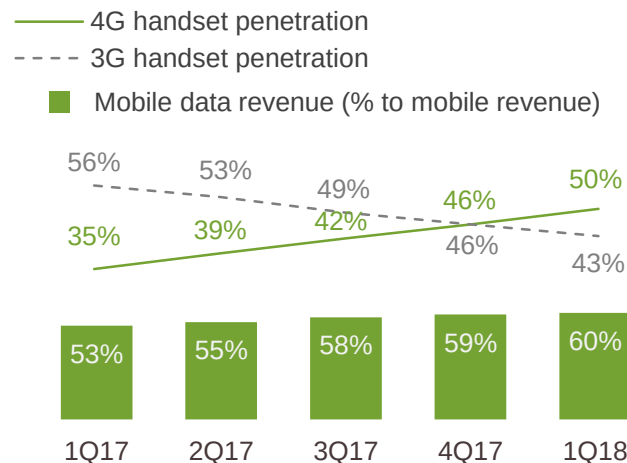
- Increasing 4G penetration and data usage

Strategy



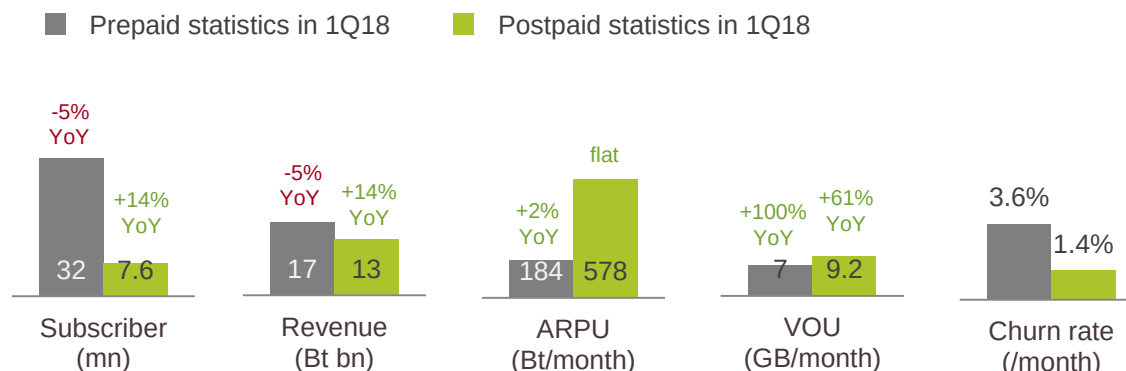
- Continue** to improve network and brand perception
- Target uplifted offerings through **customer value management** program
- Convergence** of mobile, FBB, and video content targeting revenue per household and brand value

4G adoption continued uptrend



Focus on postpaid and maintain competitiveness in prepaid

- Postpaid segment grew robustly following popularity of video streaming on mobile
- Prepaid segment softened due to prepaid-to-postpaid conversion and competition



Mobile: Build end-to-end customer satisfaction



End-to-end customer engagement



Strong branding



Product differentiation

Great network quality



Reinforce OMNI channel and privilege



Increase brand perception in both online & teen segment



Partner with CH3 to co-market "Love Destiny"



Zeed SIM for teenagers

Focus on valued-product proposition

FMC

Increase revenue per household



Maintain level of profitable subsidies



Targeted offerings

Ensure proper investment and strong spectrum position

55 MHz

Low- and high-band spectrum

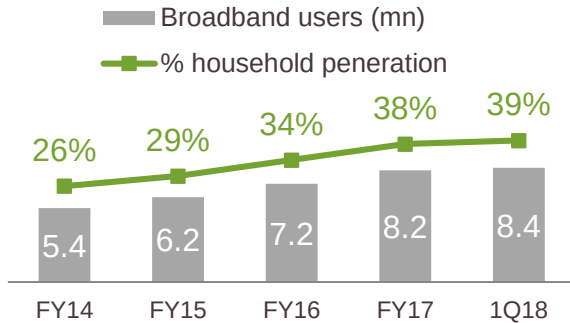


Advanced solutions with pre-5G network planning

FBB: Industry expanding into fibre-to-the-home

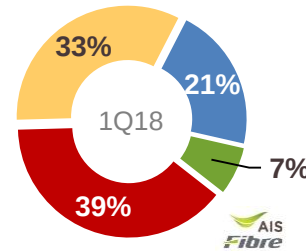
Thai fixed broadband market

39% market penetration with majority using xDSL



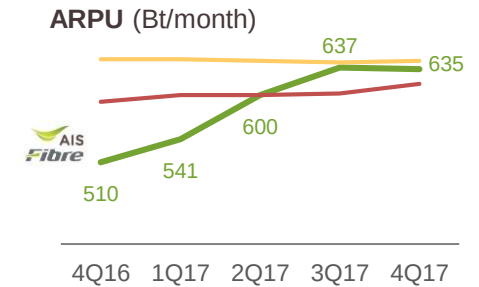
FBB subscriber market share

Total est. **8.4mn users**



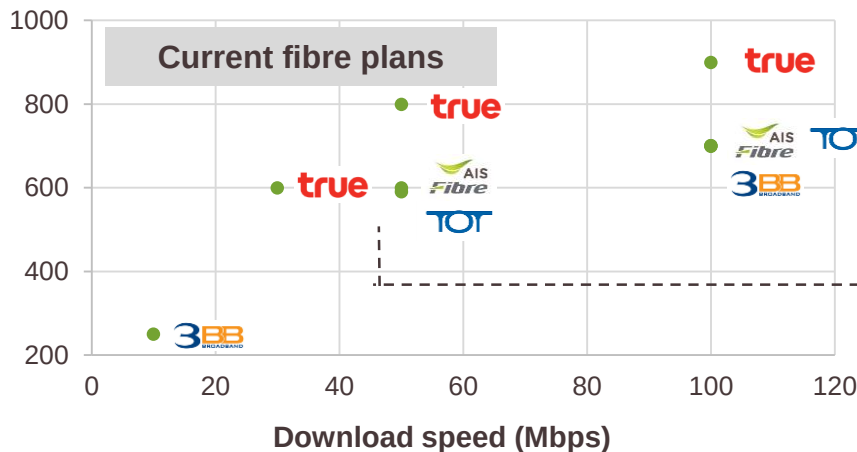
Industry ARPU

Maintained at around Bt600/month



Competitive fibre pricing with higher speed at same price

ARPU (Bt/month)



100Mbps packages are recently affordable at below Bt1,000

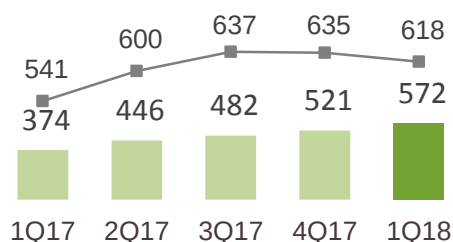
Typical package for new fixed broadband customers remained at Bt600, targeting new and ADSL users

AIS Fibre continues to focus on quality customers with improved acquisition rate

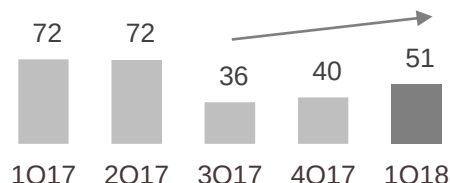


AIS Fibre performance

■ FBB subscriber ('000)
— ARPU (Baht/month)



■ FBB net additions ('000)



Focus on existing
50 cities, covering
6mn homepass



Synergy with CSL in
condo segment



- Acquire quality subscribers through convergence services of “**Power4**” and “**Family Extra**” packages

Join AIS Fibre + up to 4 AIS mobile numbers, get extra privileges for a family

Free 2GB
Mobile data

Free call
to 1 AIS number

HBO
FULL HD

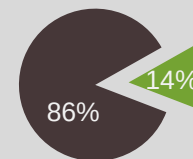
FAMILY
FULL HD

HBO movies & series on mobile
+ World class cartoons at home

Get **privileges for**
Serenade Emerald

and extra meals & movies
privileges

Pure fixed
broadband



Convergence

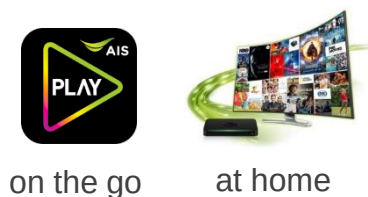
AIS Fibre customers by segment

Digital services: add on variety of contents & expand further into digital money segment



Digital contents

2 new channels including **CNN** and **Cartoon Network**, available on AIS PLAY and PLAYBOX



available on both AIS PLAY and AIS PLAYBOX

Continued to add value and create differentiation through digital contents

On top packages: Mao Mao Entertain



Free internet in ViU, Hook, Karaoke apps

Bt19/day
512Kbps*

+

or

Bt34/day for
UL 4Mbps

AIS Rabbit LINE-Pay

- On 5th March 2018 ,AIS, through mPAY, has entered into 33.33% stake (Bt788mn) in a joint venture **with Rabbit LINE Pay**, an e-Money platform that connect with Bangkok Mass Transits and is embedded in Line chat application.
- Strengthen AIS' digital life service provider position by leveraging customer bases, platform, channels of AIS and partners to enhance mobile money for both AIS and non-AIS customers



+2.6mn users



+45mn users



+8.5mn users

*FUP: speed drop to 64kbps after 300MB

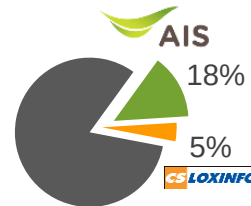
Enterprise: CS LOXINFO Business Integration



Bt56bn

ICT & Mobile enterprise
market in 2017

Enterprise revenue market share



Before M&A



After M&A



Strengthen position in enterprise market



COST SYNERGY

Lower inter. bandwidth cost
Own fiber infrastructure



- ✓ Operate CSL's services with lower OPEX



Asset light models

REVENUE SYNERGY

Data center outside BKK
Large size corporate customers
Sizable corporate mobile base



- ✓ Cross sell & upsell potential from larger customer base and complementary product portfolio
- ✓ Widen Data Center propositions and target segments



Data center in inner BKK
Mid-size corporate customers
Well-known brand with good service quality

Economies of scale



OPERATIONAL EFFICIENCY

- ✓ Sales & Marketing alignment
- ✓ Leverage sale and technical expertise
- ✓ Align product roadmap



Strong and experienced sales and technical support in ICT

Expected to realize synergy in 1-2 years

APPENDIX

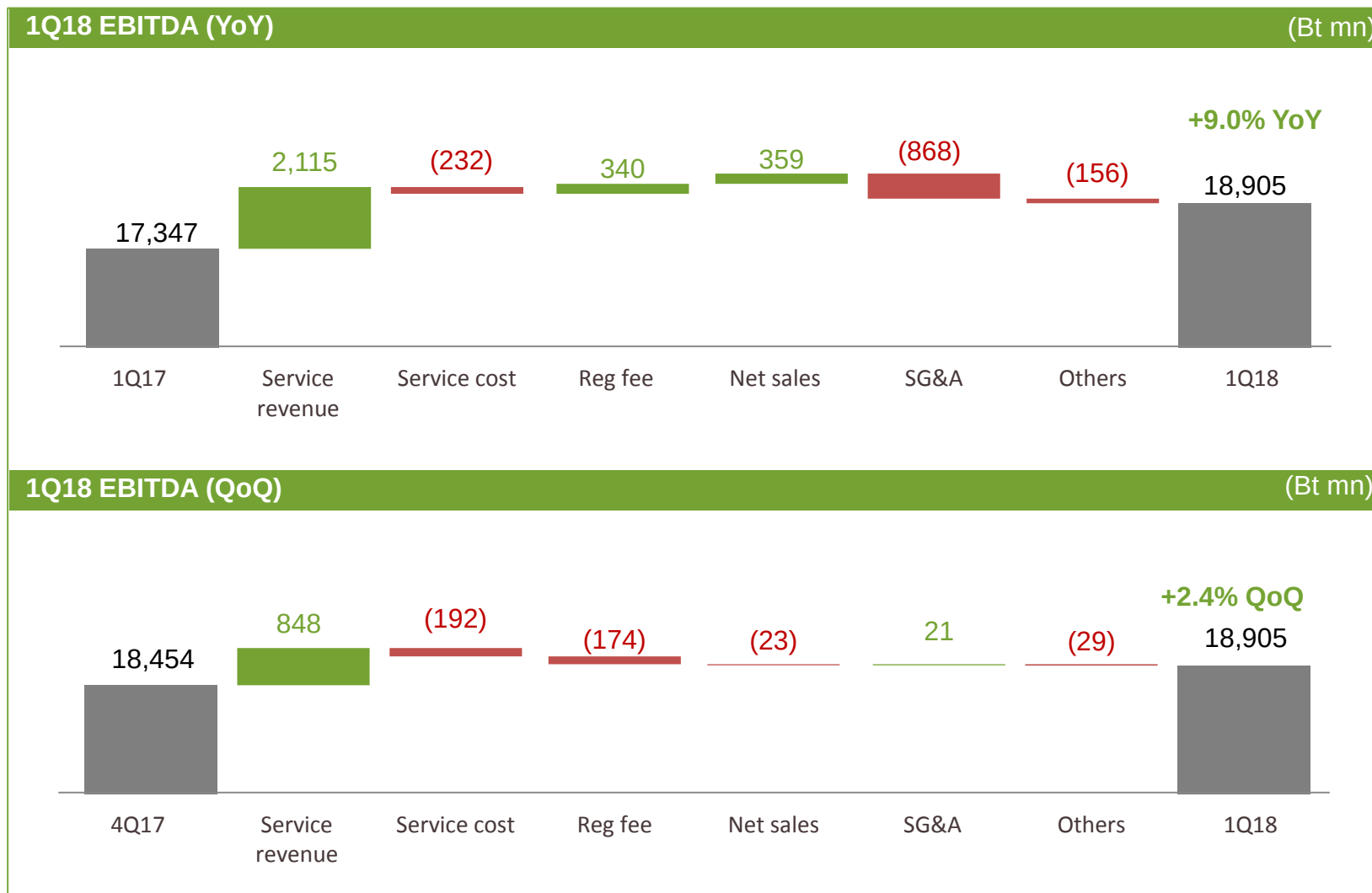
1Q18 Financial Highlights



Bt mn	1Q17	4Q17	1Q18	%YoY	%QoQ	FY18 Guidance
Mobile revenue	30,226	31,016	31,172	▲3.1%	▲0.5%	+7-8% YoY
Fixed broadband revenue	549	956	1,013	▲85%	▲6.0%	
Other revenues*	589	639	962	▲63%	▲51%	
Service revenue ex. IC & equipment rental	31,364	32,611	33,147	▲5.7%	▲1.6%	
IC and equipment rental	1,087	1,107	1,418	▲31%	▲28%	
Service revenue	32,451	33,717	34,565	▲6.5%	▲2.5%	decline
SIM and device sales	6,407	7,488	6,368	▼0.6%	▼15%	
Total revenue	38,858	41,205	40,933	▲5.3%	▼0.7%	
Cost of service	(16,256)	(17,018)	(17,281)	▲6.3%	▲1.5%	
SG&A	(5,439)	(6,338)	(6,336)	▲17%	stable	
EBITDA	17,347	18,454	18,905	▲9.0%	▲2.4%	
EBIT	10,430	10,290	10,826	▲3.8%	▲5.2%	
NPAT	7,693	7,701	8,037	▲4.5%	▲4.4%	
Capex	(11,509)	(7,286)	(6,467)	▼44%	▼11%	Bt35-38bn
Sales margin	-6.7%	-0.6%	-1.1%	▲560bps	▼50bps	near-zero
EBITDA margin	44.6%	44.8%	46.2%	▲160bps	▲140bps	45-47%
EBIT margin	26.8%	25.0%	26.4%	▼40bps	▲140bps	
NPAT margin	19.8%	18.7%	19.6%	▼20bps	▲90bps	

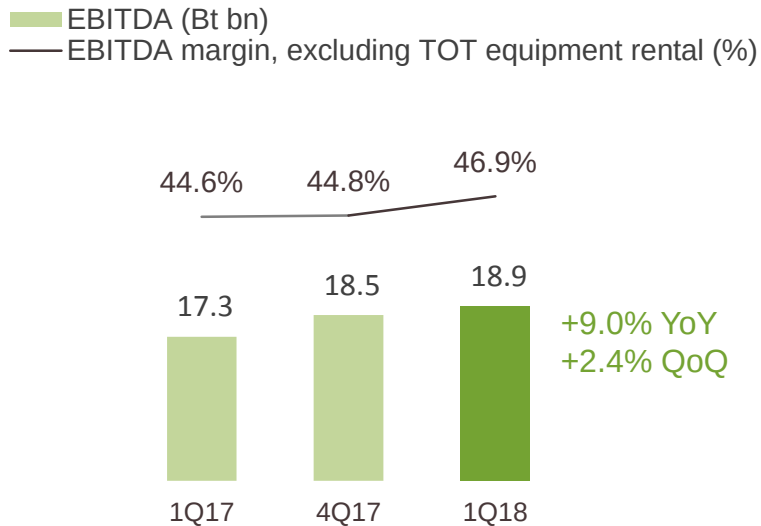
*Other revenues include enterprise data services, including CSL and other revenues

Improved EBITDA from better revenue growth and well-managed costs



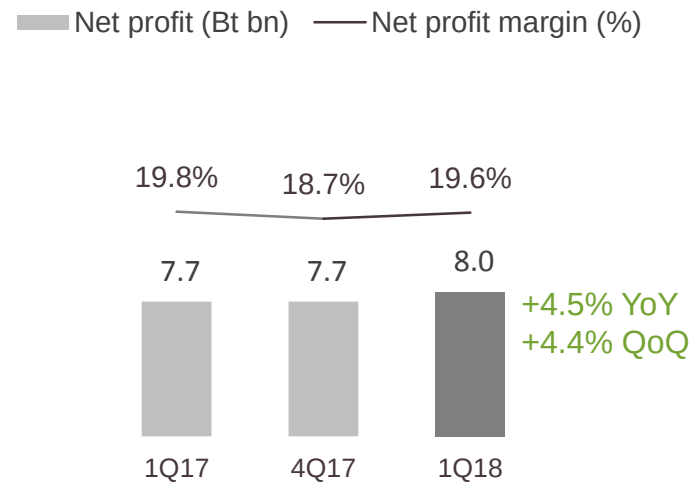
Net profit rose from strong EBTIDA despite 4G and fixed broadband investment

EBITDA & margin



- **1Q18 EBITDA** rose YoY and QoQ, underpinned by decent revenue momentum and ongoing cost optimization program.
- Excluding impact from TOT equipment rental, **EBITDA margin** improved to 46.9% and aligned with the full year guidance of 45-47%.

Net profit & margin



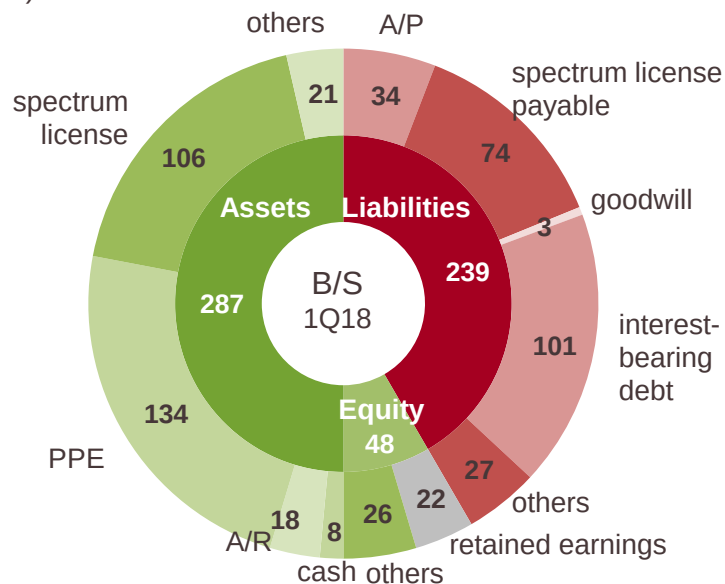
1Q18 net profit grew YoY and QoQ from improved EBITDA despite increased D&A from 4G investment.

Maintained financial flexibility for future growth



1Q18 Balance Sheet

(Bt bn)



1.2X

Net debt to EBITDA

2.1X

Interest bearing debt to Equity

0.5X

Current ratio

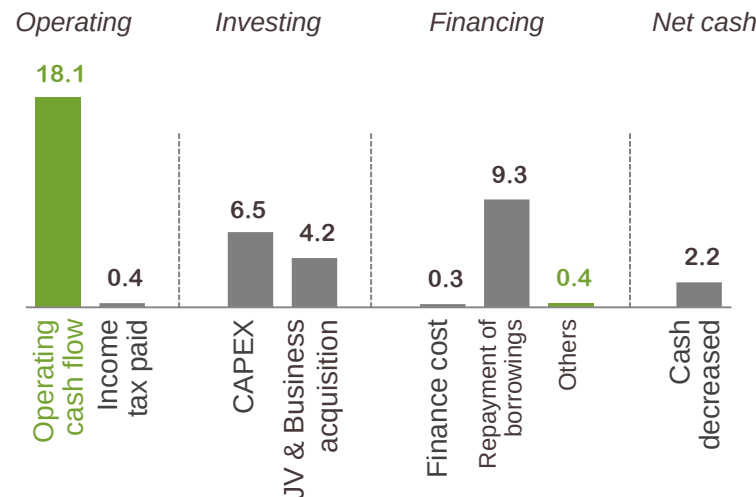
65%

Return on Equity

1Q18 Cash flow

(Bt bn)

■ Cash increase ■ Cash decrease



CAPEX continued to decline to Bt6.5bn or 19% to service revenue after completing nationwide 4G at end of 2016

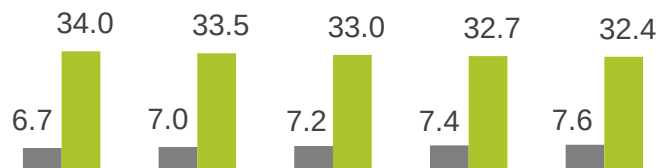
Operating cash flow remained strong to support future investment

Average finance costs = 3.2% p.a.

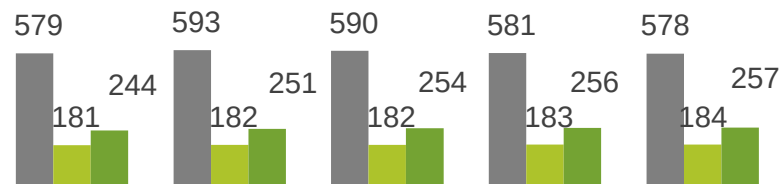
- Maintaining investment grade credit ratings
 - Fitch: national rating AA+ (THA), outlook stable
 - S&P: BBB+, outlook negative

Mobile: 40.1m subs with expanding postpaid segment

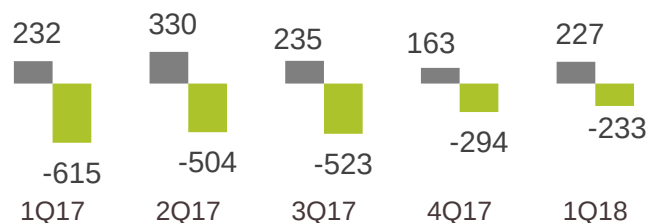
Subscribers (mn) ■ postpaid ■ prepaid



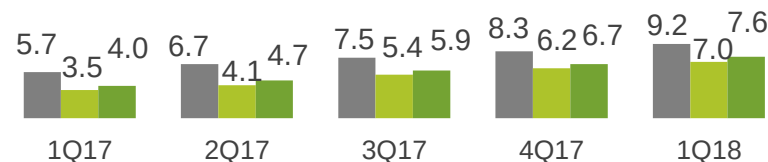
ARPU (Bt/sub/month) ■ postpaid ■ prepaid ■ blended



Net addition ('000)



VOU (GB/data sub/month)



- **Mobile subscribers was at 40.1mn**, a slight drop of 5.5k QoQ from lower prepaid users.
- **Postpaid subscribers grew 227k** QoQ from bundled package offerings and migration from prepaid.
- **Prepaid subscribers decreased 233k** QoQ due to migration to postpaid and market competition.
- **Blended ARPU** improved Bt1 QoQ, reaching Bt257 from larger postpaid mix.
- **Blended VOU** increased to 7.6GB from increasing 4G adoption and popularity of video streaming.

Mobile price plans: Target better ARPU and build differentiation on postpaid



Unlimited data usage with capped-speed packages

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

Full 4G speed packages

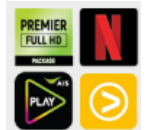
- Attract new data users and encourage higher ARPU subscriptions through premium VDO contents e.g. AIS PLAY, Premier package, HOOQ, and Netflix
- 4G speed with FUP, reduced speed after reaching the data usage limit
- Serve high-end heavy data users with real unlimited max speed experience

Buffet Net Plus

Monthly Fee (Bt)	4G/3G Unlimited max speed at	Call within AIS (mins)	Enjoy Free
299	1Mbps	5 numbers 24 hr.	 1 month
450	2Mbps	Unlimited 5am – 5pm	
550	4Mbps		
600	6Mbps		3 months

*AIS WIFI is included in all packages.

4G MAX SPEED

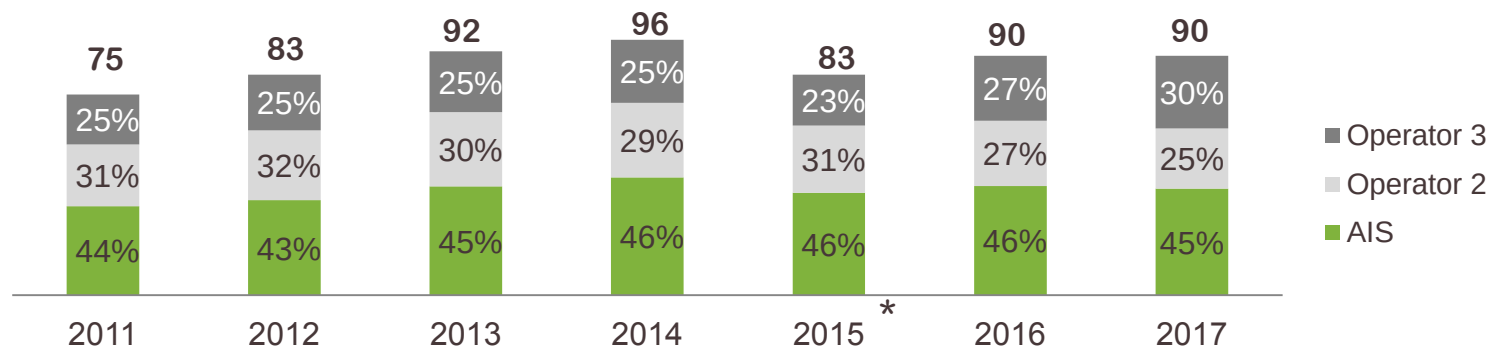
Monthly Fee (Bt)	Total internet	FUP after reach data usage limit	Call all networks (mins)	Enjoy Free
299	1GB	128kbps	100	 1 month
399	3GB		150	
499	7GB		200	 3 months
599	10GB	384kbps	250	
799	15GB		350	
999	20GB		450	 3 months
1,099	Unlimited at max speed	-	650	
1,299			850	
1,499			1,200	
1,899			2,000	

*AIS WIFI is included in all packages.

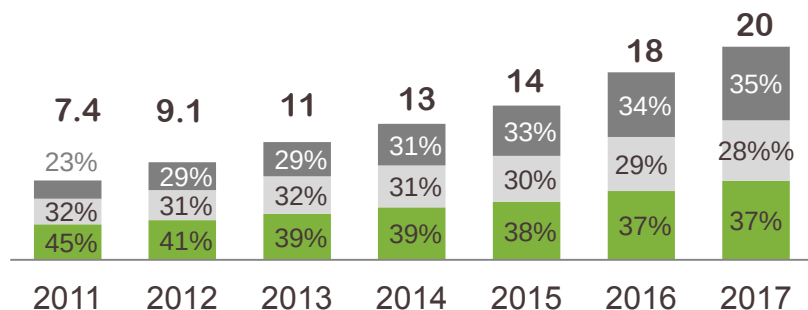
Mobile market share by subscribers



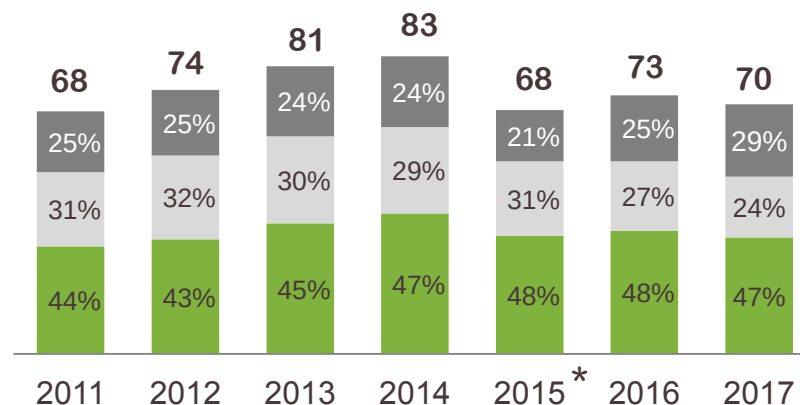
Total subscriber (mn)



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.

AIS Fibre: Competitive price plans with differentiation

Home BROADBAND Package

Hi-Speed Home Broadband Internet. Get Max Speed without Interruption

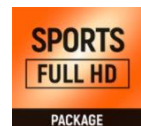
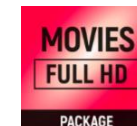
Max Speed Internet (Download/Upload)	Price (Baht/Month)	Special price for AIS Postpaid Customer (Baht/Month)	Special Join Today
Best Deal 50/20 Mbps	599	539	FREE - Get discount for installation fee with outdoor wiring installation amount of 4,800 Baht - Has permission to borrow Dual Band Wi-Fi Router value 2,500 Baht* AIS Fibre entry fee only 650 Baht from 2,000 Baht *In case customer cancels the service, customer must return all AIS Fibre equipment to the company
100/30 Mbps	699	629	

POWER4 Package

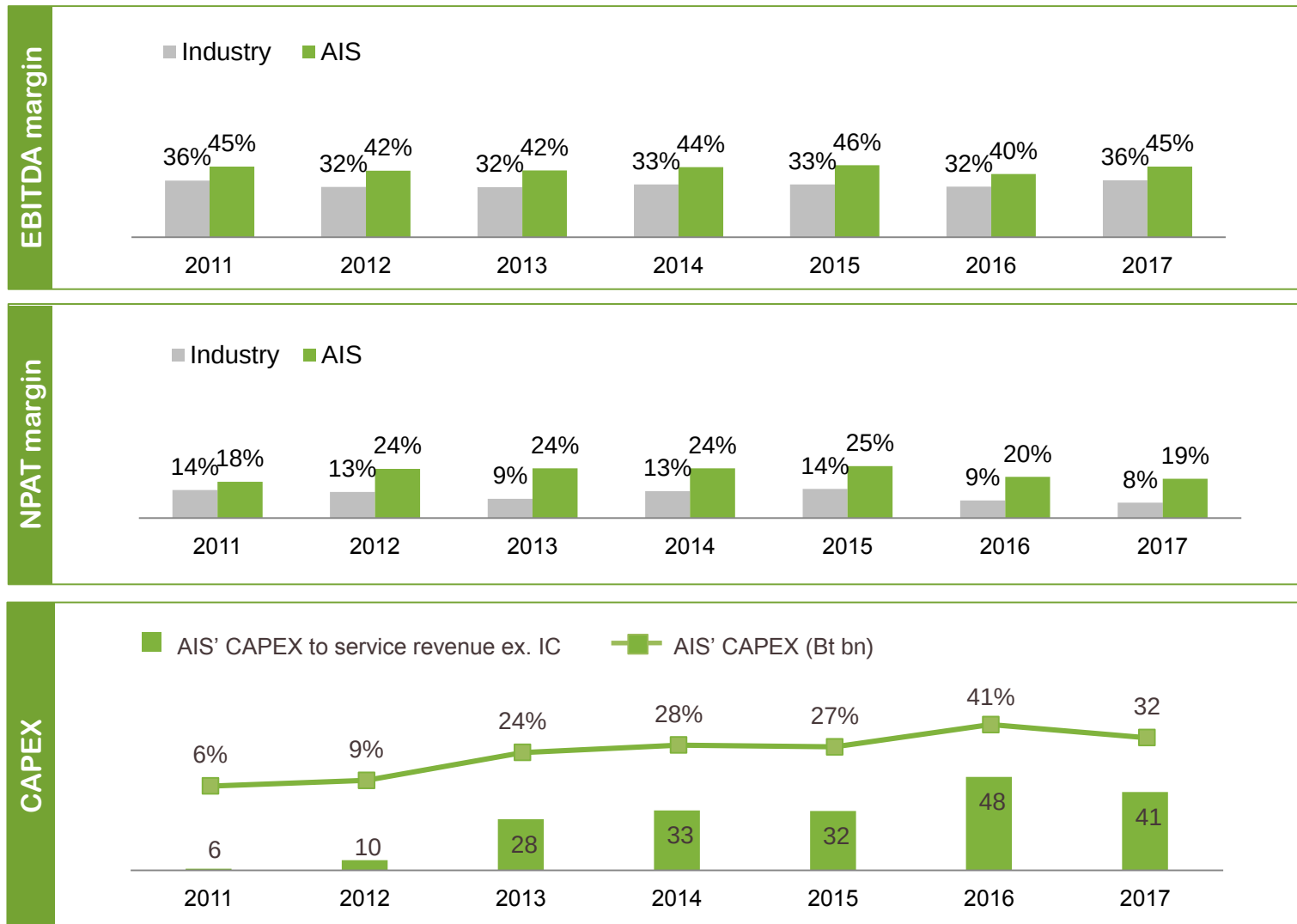
Unlimited Hi-Speed Home Broadband Internet and Mobile Internet with Premium Entertainment

Price (Baht/Month)	Max Speed Internet (Download/Upload)	Mobile Data with Wi-Fi	Enjoy the Ultimate World Class Entertainment with AIS PLAYBOX	Special Join Today
599	30/10 Mbps	-	Watch live TV, News and Dramas from digital TV and premium TV more than 100 channels	FREE - Get discount for installation fee with outdoor wiring installation amount of 4,800 Baht - Has permission to borrow Dual Band Wi-Fi Router value 2,500 Baht* AIS Fibre entry fee only 650 Baht from 2,000 Baht *In case customer cancels the service, customer must return all AIS Fibre equipment to the company
Best Sellers 799	50/20 Mbps	Unlimited	Watch live TV, News and Dramas from digital TV and premium TV more than 100 channels	
1,099	100/30 Mbps	4 Mbps	+ Enjoy contents from 42 world class channels with package	
Super High Speed 1,399	200/50 Mbps	AIS SUPER WiFi More than 100,000 Wi-Fi Access Point	PLATINUM FULL HD for 3 months	

Bt599/month Bt399/month Bt299/month Bt199/month



Historical profitability and CAPEX trend



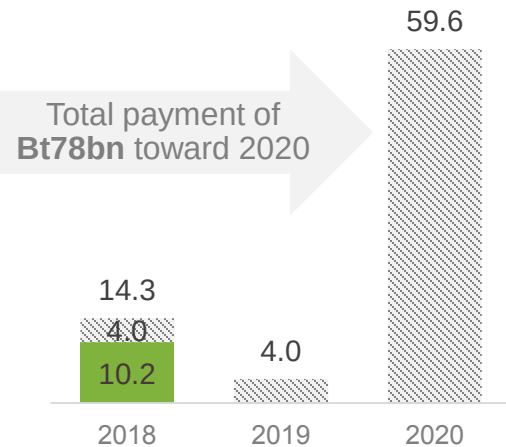
Source: company data

Debt payment and License payment schedule



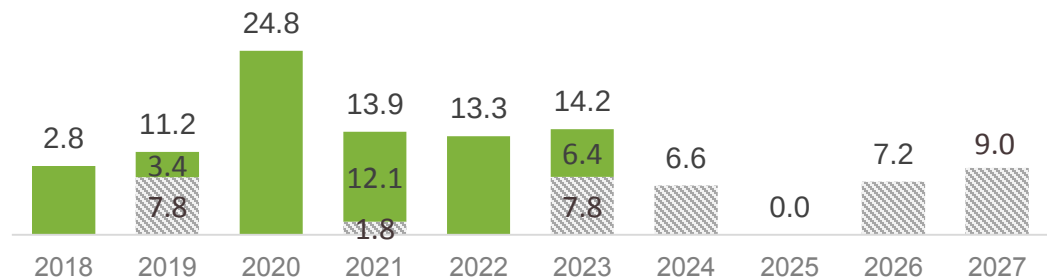
Spectrum license payment schedule*

- ▨ 900x10MHz license payment (Bt bn)
- 1800x15MHz license payment (Bt bn)



Debt repayment Schedule

- ▨ Debenture (Bt bn)
- Loan (Bt bn)



Note: 1800x15MHz license: the total payment is Bt40,986m for the use of 18 years, expiring in 2033
 900x10MHz license: the total payment is Bt75,654m for the use of 15 years, expiring in 2031

Distribution Channel expanding touch points to +400k



AIS Branded Shop

100+ shops



Exclusive branded shop by partner (Telewiz)

450+ shops



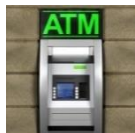
AIS Buddy

1,000+ shops



Electronic Distribution Channels

400k+ points



(refill-on-mobile agent)



Auto top-up KIOSK

Modern Trade Outlets

10k+ shops



Digital content: More varieties and exclusivities



Introduced new content packages to attract customers with different preferences e.g. sports, family, movies at more affordable prices on both AIS PLAY and AIS PLAYBOX.

Mobile



PREMIER FULL HD

Ultimate
entertainment
+ Unlimited
internet
Bt499/month

PREMIER FULL HD

Ultimate
entertainment
Bt299/month

NEW

HBO FULL HD

Movies and
series from
HBO
Bt199/month

NEW

SPORTAINMENT FULL HD

Exclusive sport
entertainment
Bt199/month

Fixed broadband



PLATINUM FULL HD

Ultimate
entertainment
in all forms
Bt599/month

NEW

MOVIES FULL HD

Ultimate
movies & series
Bt399/month

NEW

FAMILY FULL HD

World class
cartoons
Bt299/month

NEW

SPORTS FULL HD

Thrilling
sports matches
Bt199/month



Contact us

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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.