Investor Presentation

Advanced Info Service Plc.

September 2018

Add AIS IR LINE@

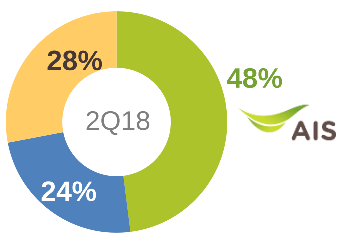
Ticker: ADVANC (SET)
AVIFY (ADR)

FTSE4Good

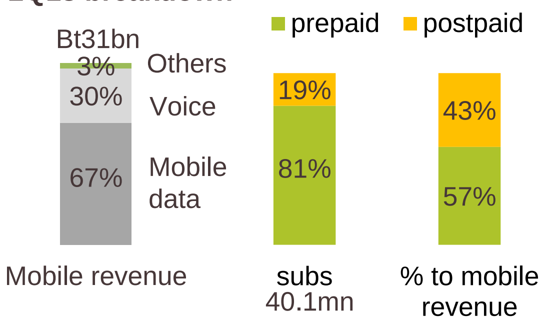
AIS: Digital Life Service Provider

Lead and digitally transform in "Mobile"

Mobile revenue market share

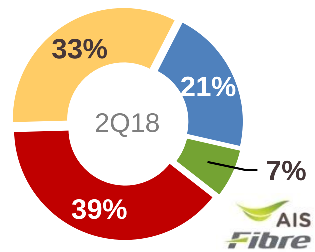


2Q18 breakdown



Grow stronger in "Fixed broadband"

Subscriber market share
(approx.8.6mn)



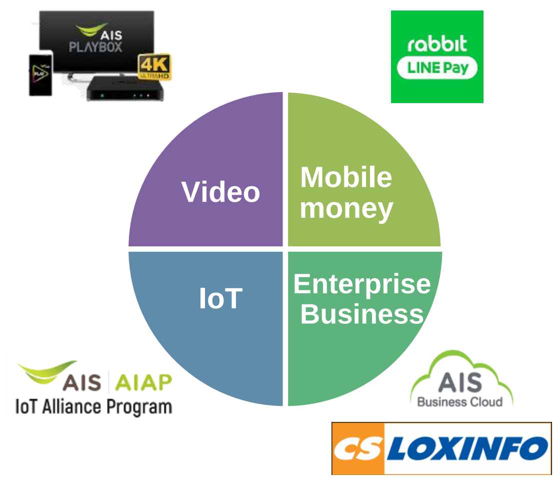
4th year of operation in 2018

covering **50 key cities** out of 77 provinces

expect to cover **6mn** homepass* out of total 21.5m households

Partner to offer differentiated "Digital service"

Focused on FOUR key areas



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

1 Full Service Digitization

Target 2020
- Provide shops & services that never sleep

Strategy toward 2020
- **Digitize** all customer journeys
- **AI/Chatbots** embedded into all self-service channels
- Deployment of **OMNI channels**

2 Digital Convergence & CVM

Target 2020
- Move to ARPH
- Improve revenue assurance and add valued users

Strategy toward 2020
- **Data-driven analysis** based on customer insights:
- Bundle mobile, fibre & content via **FMC**
- Maximize value of **contents** in customer retention and branding

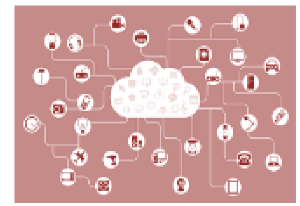
3 Enterprise Segments

Target 2020
- Expand revenue contribution of enterprise business

Strategy toward 2020

New **opportunities**
- IoT
- SME & R-SME
- Managed Security
- Mobile Digital Marketing

4 NFV& Cloudification



Target 2020
- > 90% cloudification
- Network virtualization ready for 5G

Strategy toward 2020
- **5G** future-proof networks
- **IT** legacy transformed to Cloud-friendly network architecture
- **AI** for network operation

5 Organization Transformation

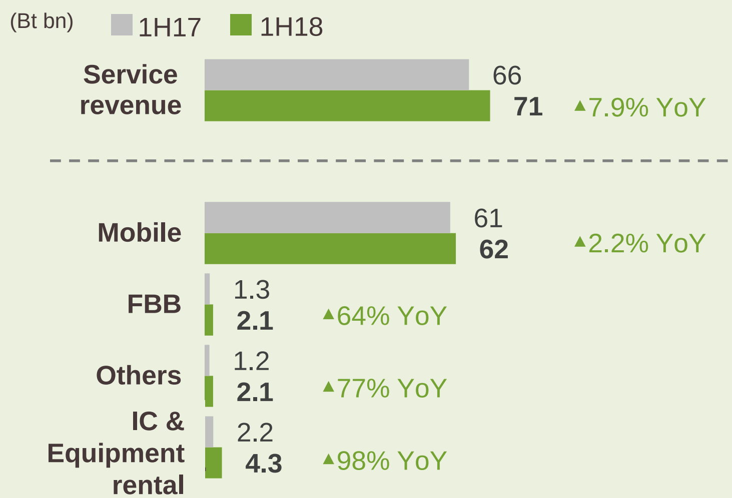
Target 2020
- Data-driven organization & culture

Strategy toward 2020
- **Organization** readiness for digital disruption
- **Leverage** capabilities and create synergies in value chain supporting digital business objectives

Please learn more about AIS' digital transformation at http://advanc.listedcompany.com/wp.html/t/vdo/e/am2q2018-en

1H18 Performance Snapshot

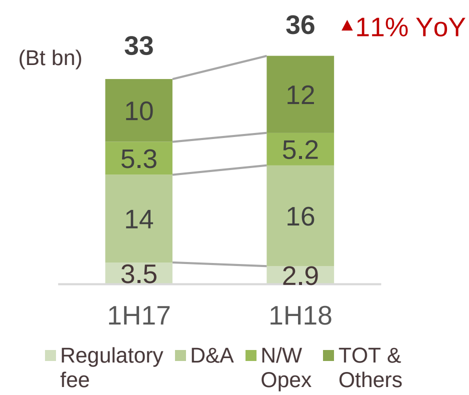
Service revenue improved in all segments



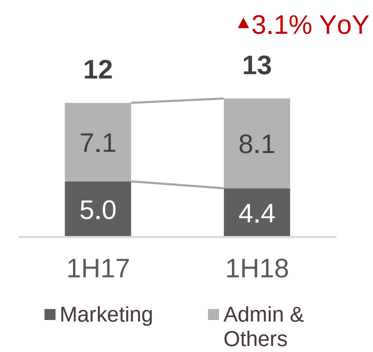
- Mobile grew with 4G adoption amid pricing pressure.
- FBB maintained quality acquisition amid intense competition
- Acquired CSL and invested in Rabbit LINE-Pay, totaling Bt4.2bn
- 2100MHz agreements effective since 1-Mar
- Net cost of Bt3.9bn/year

OPEX and marketing expense under control

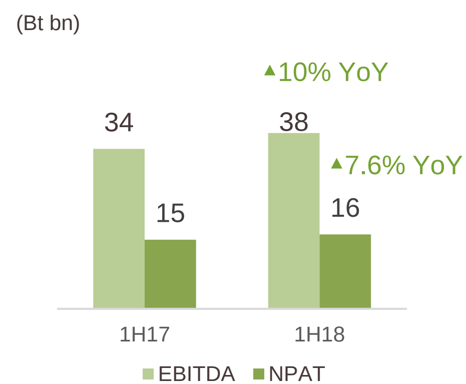
- Continued company-wide cost optimization



- Targeted handset subsidies, offset by cost related to FBB



Back on profit improvement



- **47% EBITDA margin**, +280bps
- Paid Bt3.78/share as interim dividend, a **70% payout ratio.**

Revised FY18 Guidance

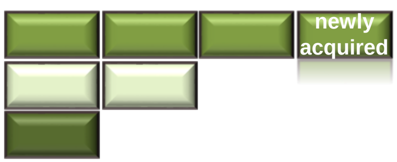
FY18 guided items	Revised guidance	Previous guidance	Rationale
Core service revenue (service revenue excludes IC & equipment rental)	+5-7% YoY	+7-8% YoY	• Outlook in 2H18 remains competitive • Mobile growth continues to be driven by 4G and postpaid adoption • FBB growth target maintains at 800,000 subscribers
SIM & device sale and margin	Decline with near zero margin	Decline with near zero margin	• Expect the market to remain cautious on handset subsidies
EBITDA margin (excludes equipment rental)	45-47%	45-47%	• Effective marketing spending to achieve quality growth • Continue to optimize and digitize operation and processes
Cash CAPEX (excludes spectrum payment)	Approx. Bt25,000mn	Bt35,000-38,000mn	• Investment plan remains unchanged • Expect lower cash outflow from negotiation for longer payment term
Dividend policy	Minimum 70% payout ratio	Minimum 70% payout ratio	• Preserve financial health and flexibility for future growth

Leading spectrum position after acquiring 2x5MHz of 1800MHz

Largest bandwidth of 120MHz (2x60MHz) under operation

900MHz License 2x10MHz Until 2031	**1800MHz License** 2x20MHz Until 2033	**2100MHz License** 2x15MHz Until 2027	**2100MHz Partnership with TOT** 2x15MHz Until 2025

NEXT G



- **4G on contiguous 2x20MHz of 1800MHz** and carrier aggregate with 2100&900MHz for superior speed
- More than half of all spectrums allocated for 4G

New capacity with accretive value
- Turn on the carrier on existing network equipment
- Reduce CAPEX in long term

Enhance **customer experience**
- Increase 4G speed for all customers and up to 30% for non-CA handsets

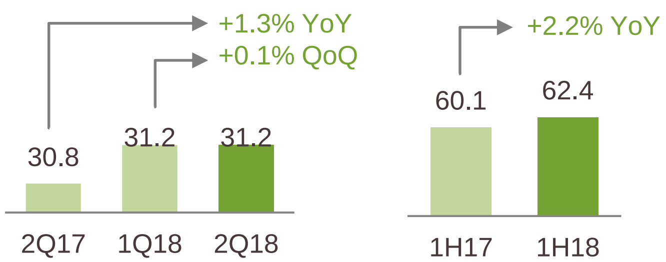
De-risk and remain financial flexibility
- Ensure sufficient capacity until 5G commercialization or next validate spectrum acquisition

= 5MHz block

Mobile: 4G & Postpaid remained key growth driver

Revenue grew amid competitive pricing

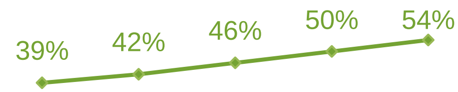
Mobile revenue (Bt bn)



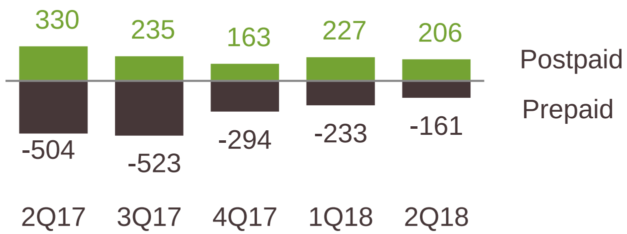
- Driven by postpaid segment
- More popularity on fixed-speed price plan, pressuring ARPU

Growth driven by 4G and postpaid adoption

4G Penetration

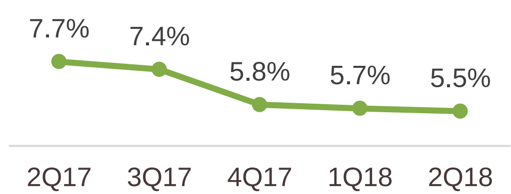


Net subscriber addition ('000)



Continue targeted handset subsidies

% marketing spending[1] to revenue



- Focused on postpaid adoption
- Localized prepaid campaigns targeting competitive areas and segments

Postpaid

- Discounted handsets with pre-determined ARPU commitment

Prepaid

- Short-run, tactical handset campaigns focusing on new quality prepaids

[1] (Marketing expense + net handset sales) divided by total revenue

Mobile: Enhancing digital network and service

Keep enhancing network and brand

- **NEXT G network**, delivering 1Gbps, available to all android devices (v.7.0 up)
- **OOKLA** guarantee fastest network 2015-2018
- Build brand awareness of being more digital and younger

FROST & SULLIVAN

2018 Thailand IoT Solutions Provider of the Year

- Rollout NB-IOT in key areas of all 77 cities
- Collaborate with key business partners and universities

End-to-end online package for digital native users

NU MOBILE

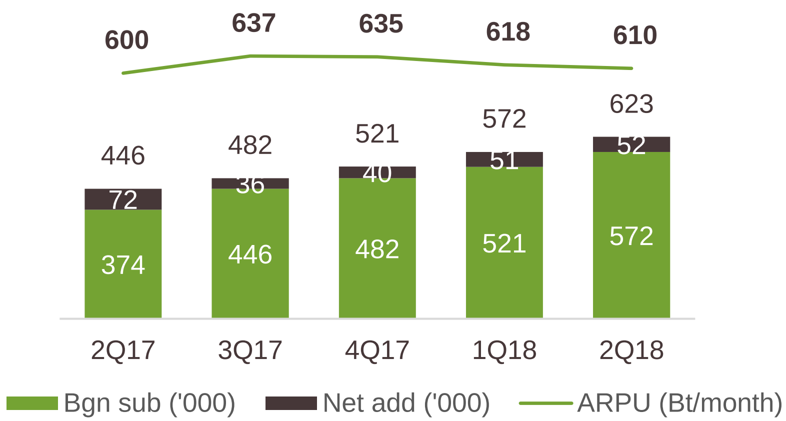
100% online | **Simple** | **Unlimited**

- End-to-end customer journey
  - Order from website
  - Digital KYC
  - Pay via credit card
  - Online live chat and help

ARPU (Bt)	Data speed	Voice
259	2Mbps	100 min
+140	4Mbps	
+300	6Mbps	+Bt50 for 100 min
+640	10Mbps	

FBB: Upselling fixed-mobile plan with 800k subs target

Quality acquisition continued amidst competition



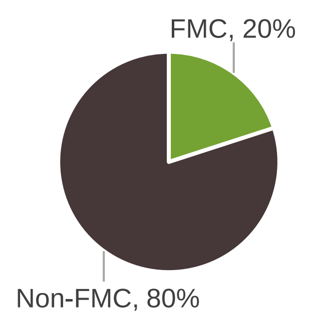
- Focus on coverage in 50 key cities to build up utilization rate
- ARPU slightly dropped 1.2% QoQ, despite pricing competition, due to increasing FMC subscriptions
- Subscriber target by end-18 maintained at 800k following more salesforce and improving brand awareness

3% revenue contribution	~7% subscriber market share	50 cities FTTH coverage

Drive long-term quality customer portfolio via FMC

- Continued to post valued bundling proposition to target increasing revenue per household

Of 623k subscribers



Power4 PACKAGE

Bt799	50/20Mbps	AIS PLAYBOX 3-month free trial of world-class content Unlimited 4Mbps mobile SIM 100,000 APs of SuperWiFi
Bt899	100/30Mbps	
Bt1,099	200/50Mbps	

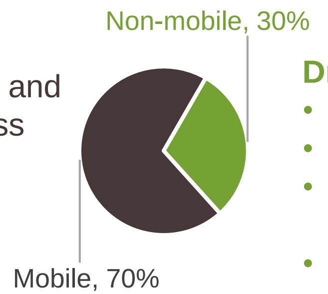
Digital service: growth in Enterprise & Consumer (I)

On-going business integration to penetrate enterprise market

AWN ← 98.96% CS LOXINFO

- Delist completed on 26-Jul-18
- Product & marketing alignments
- Sales force optimization
- Upsell and cross-sell
- Media leased line migration

- Maintain scale and competitiveness



Current enterprise revenue composition

Drive growth in
- EDS/leased line
- Data center
- Cloud & ICT Solutions
- Managed service

Enlarge & capture enterprise demand via end-to-end service platform and carrier-grade infrastructure

Revenue Synergy

Cost Synergy

Operation Efficiency

- Multi locations, multi-tier cloud & data center
- Corporate internet with cost advantage from economies of scale
- Communication services & Business solutions
- End-to-end ICT solution and managed services i.e. cyber security, DRaaS, DBaaS, BaaS
- Online advertising & digital marketing leveraging large database
- Regional hub and cross-border connectivity

Digital service: growth in Enterprise & Consumer (II)

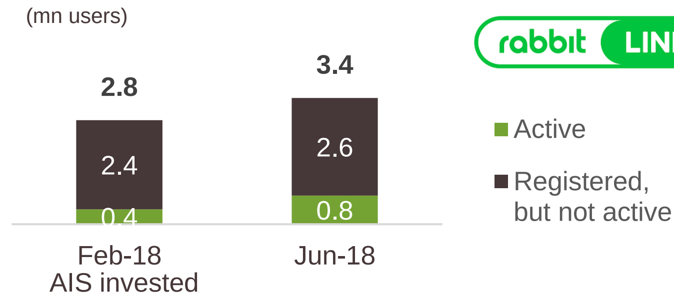
Build IoT ecosystem for the future economic growth

600+ members

AIS AIAP IoT Alliance Program

- Access to facilities through IoT Development Center and available NB-IoT tool kits
- Build versatile IoT solutions to benefit a wide range of industries e.g. transportation, healthcare, manufacturing, property development

Mobile wallet: strong take-up rate



- Integrated Rabbit Line Pay (RLP) on myAIS app to increase AIS's customer adoption

Video platform: building up subscriptions

1.3mn active users

on mobile and FBB (both paid subscribers and free bundling)

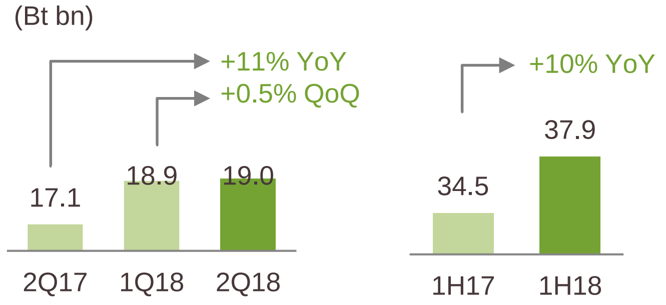
- World-class content on AIS PLAY application and PLAYBOX

AIS PLAY PLAYBOX

- Exclusive operator billing, more convenience for AIS's customers

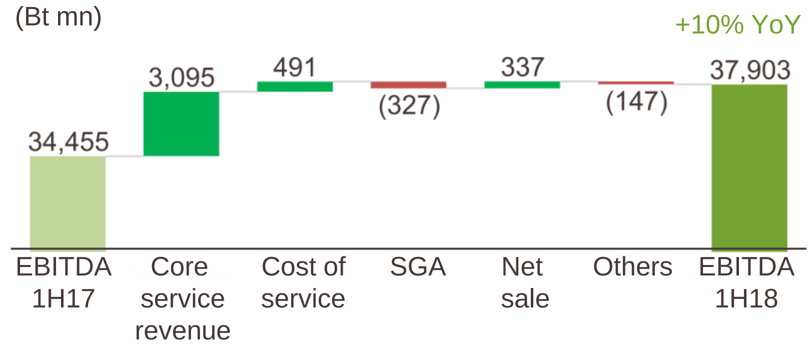
Profit rose from both revenue and cost improvement

EBITDA expanded from improving operation



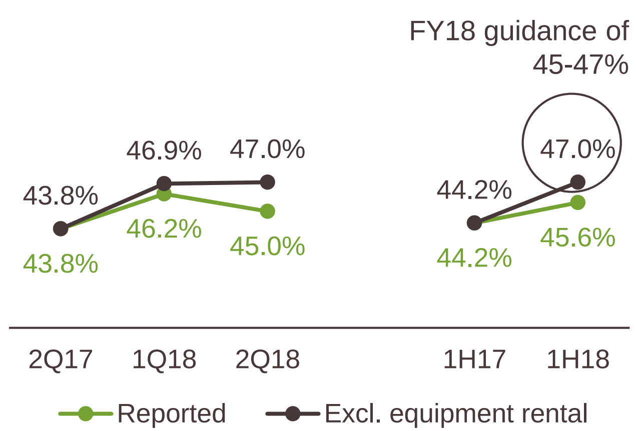
- 2Q18, EBITDA expanded from revenue improvement, controlled network OPEX and targeted marketing spending.

1H18 EBITDA waterfall

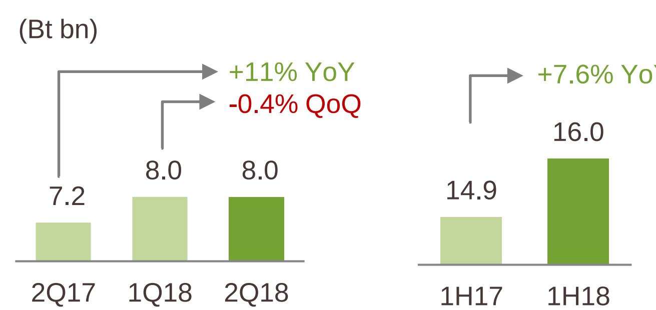


- Revenue generation was key to EBITDA increase in 1H18
- Cost of service included net cost paid on TOT partnership

EBITDA margin



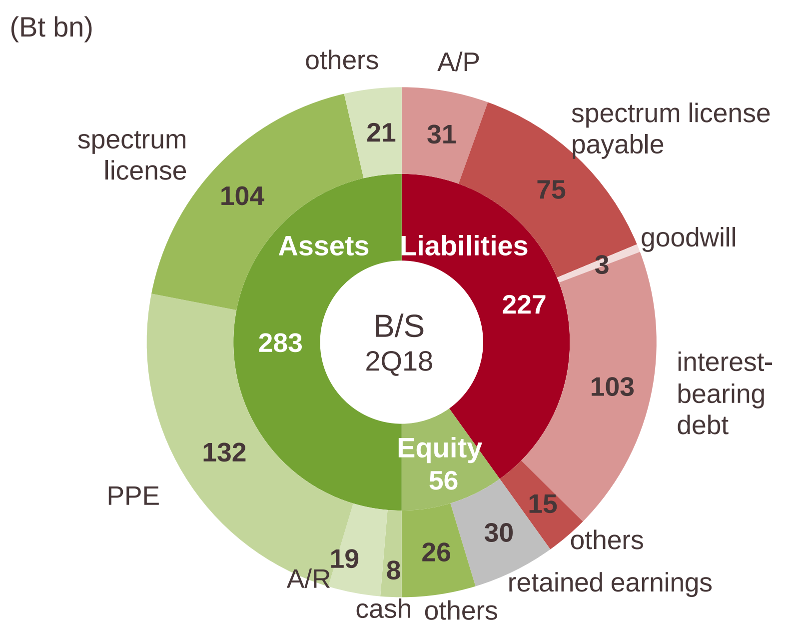
Net profit



- Net profit improved following EBITDA expansion, more than offsetting higher D&A.

Maintained financial flexibility for future growth

Balance Sheet



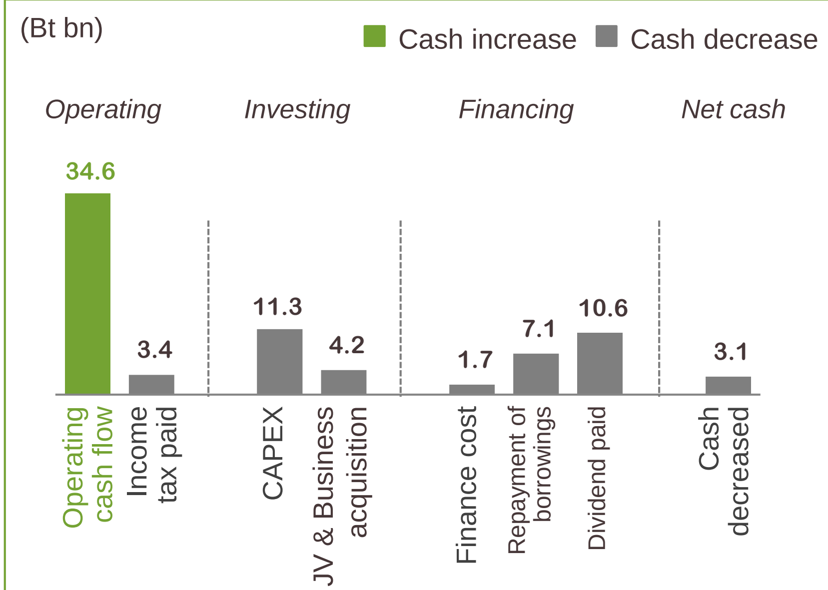
1.2X
Net debt to EBITDA

1.8X
Interest bearing debt to Equity

0.5X
Current ratio

64%
Return on Equity

1H18 Cash flow



Operating cash flow in 1H18 was sufficient to fund both CAPEX and cash paid to stakeholders.

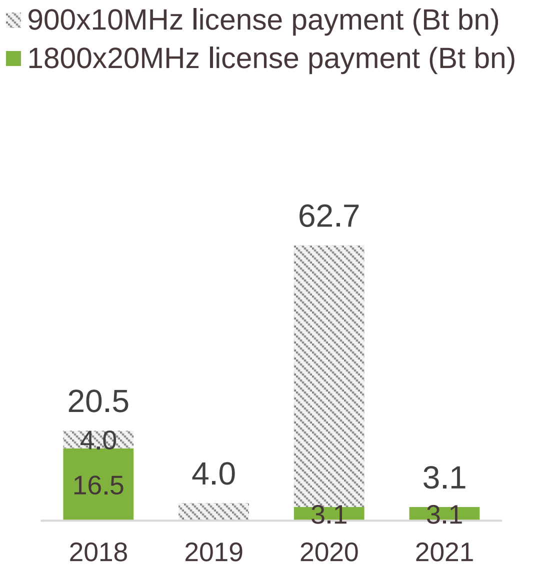
Cash CAPEX continued to decline to Bt11.3bn or 16% to service revenue, following negotiated payment term.

Average finance costs = 3.1% p.a.

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

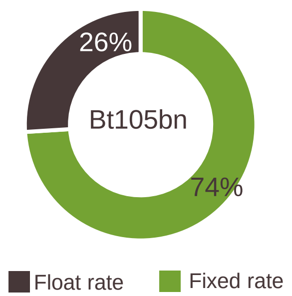
License payment and debt repayment schedule

Spectrum license payment schedule

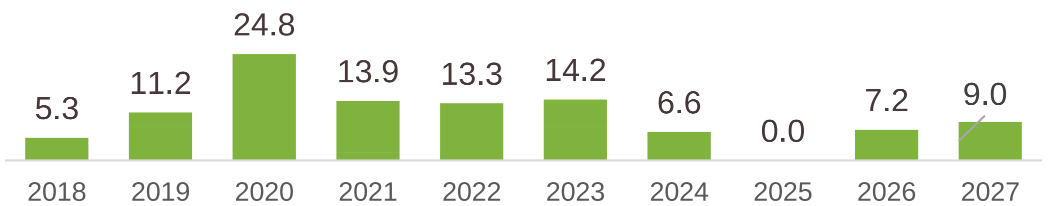


Total of **Bt90bn** toward 2021

Debt repayment Schedule



- All in THB currency
- S&P rating: BBB+
- Avg. cost of debt = 3.1% p.a.



Total of **Bt105bn** toward 2027

APPENDIX

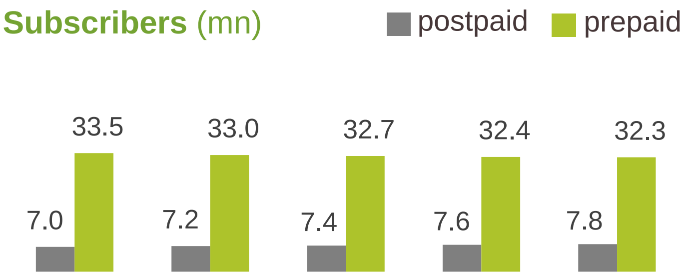
2Q18 & 1H18 Financial Highlights

Bt mn	2Q17	1Q18	2Q18	%YoY	%QoQ	1H18	%YoY
Mobile revenue	30,800	31,172	31,203	▲1.3%	▲0.1%	62,376	▲2.2%
FBB revenue	738	1,013	1,094	▲48%	▲8.0%	2,107	▲64%
Other revenues*	615	962	1,167	▲90%	▲21%	2,129	▲77%
Service revenue ex. IC & equipment rental	**32,153**	**33,147**	**33,464**	**▲4.1%**	**▲1.0%**	**66,612**	**▲4.9%**
IC and equipment rental	1,068	1,418	2,845	▲166%	▲101%	4,263	▲98%
Service revenue	**33,221**	**34,565**	**36,309**	**▲9.3%**	**▲5.0%**	**70,875**	**▲7.9%**
SIM and device sales	5,858	6,368	5,919	▲1.0%	▼7.1%	12,287	▲0.2%
Total revenue	**39,079**	**40,933**	**42,228**	**▲8.1%**	**▲3.2%**	**83,161**	**▲6.7%**
Cost of service	(16,520)	(17,281)	(19,202)	▲16%	▲11%	(36,483)	▲11%
SG&A	(6,701)	(6,336)	(6,197)	▼7.5%	▼2.2%	(12,533)	▲3.2%
EBITDA	**17,108**	**18,905**	**18,998**	**▲11%**	**▲0.5%**	**37,903**	**▲10%**
EBIT	9,776	10,826	10,673	▲9.2%	▼1.4%	21,499	▲6.4%
NPAT	**7,215**	**8,037**	**8,005**	**▲11%**	**▼0.4%**	**16,042**	**▲7.6%**
CAPEX	11,334	6,467	4,798	▼58%	▼26%	11,265	▼51%
Sales margin	-2.7%	-1.1%	-3.0%	▼30bps	▼190bps	-2.0%	▲280bps
Reported EBITDA margin	43.8%	46.2%	45.0%	▲120bps	▼120bps	45.6%	▲140bps
-ex. equipment rental	43.8%	46.9%	47.0%	▲320bps	▲10bps	47.0%	▲280bps
EBIT margin	25.0%	26.4%	25.3%	▲30bps	▼110bps	25.9%	flat
NPAT margin	18.5%	19.6%	19.0%	▲50bps	▼60bps	19.3%	▲20bps

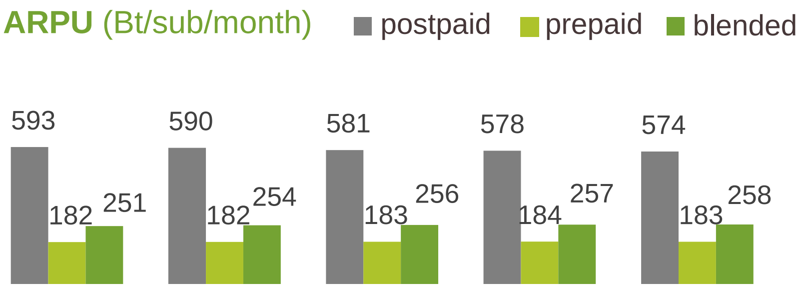
**Other revenues* *include enterprise data services, including CSL and other revenues*

Mobile: net addition gradually improved along with rising data consumption

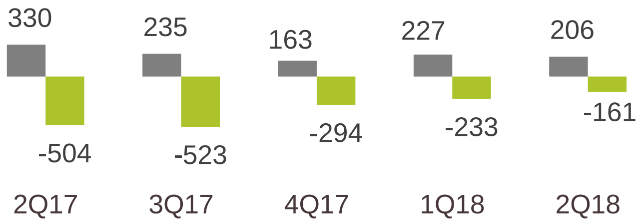
Subscribers (mn)



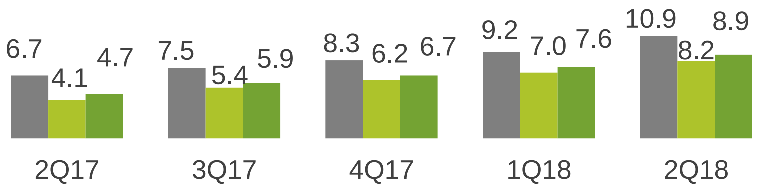
ARPU (Bt/sub/month)



Net addition (‘000)



VOU (GB/data sub/month)



- **Mobile subscribers was at 40.1mn,** increasing 45k.
- **Postpaid subscribers grew 206k** QoQ from attractive offerings and migration from prepaid.
- **Prepaid subscribers decreased 161k** QoQ, continuing to slow down, supported by localized marketing campaign.

- **Blended ARPU** improved Bt1 QoQ, reaching Bt258 from larger postpaid mix.
- **Blended VOU** increased to 8.9GB from increasing 4G adoption (54%) and popularity of video streaming.

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

AIS

Unlimited data usage with capped-speed packages

- Recently discarded low-price unlimited plans aiming at ARPU uplift
- 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
- Serve high-end heavy data users with real unlimited max speed experience

Buffet Net Plus

Monthly Fee (Bt)	4G/3G Unlimited max speed at	Voice call (mins)	Enjoy Free
~~299~~	~~1Mbps~~	~~5 numbers 24 hr.~~	1 month
~~450~~	~~2Mbps~~	~~Unlimited 5am – 5pm~~	3 months
~~550~~	~~4Mbps~~		
600	6Mbps	On-net: Unlimited 5am - 5pm Off-net: 200min	

*AIS WIFI is included in all packages.

4G MAX SPEED

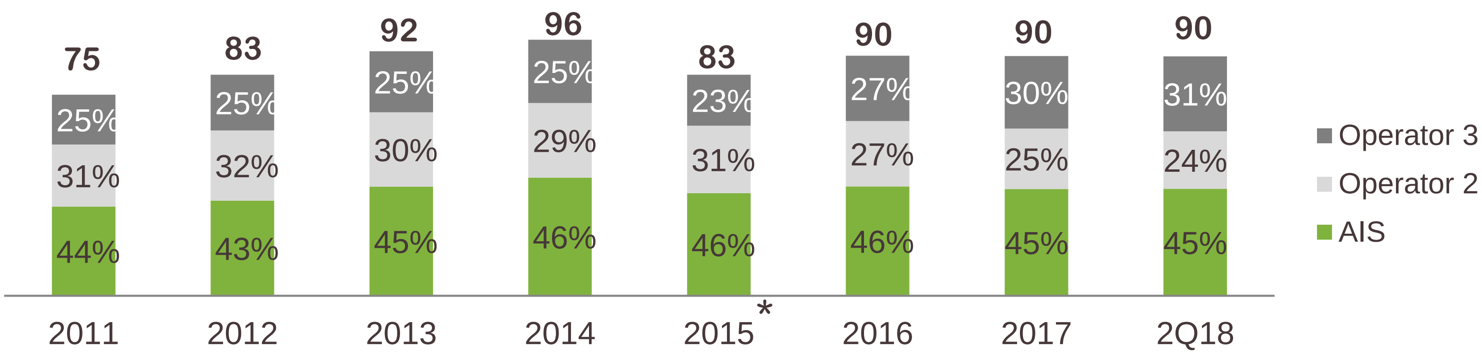
Monthly Fee (Bt)	Total internet	FUP after reach data usage limit	Call all networks (mins)	Enjoy Free
299	1GB	128kbps	100	1 month
399	3GB		150	
499	7GB		200	3 months
599	10GB		250	
799	15GB	384kbps	350	
999	20GB		450	
1,099	NEXT G Unlimited at max speed	-	650	3 months
1,299			850	
1,499			1,200	
1,899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

*AIS WIFI is included in all packages.

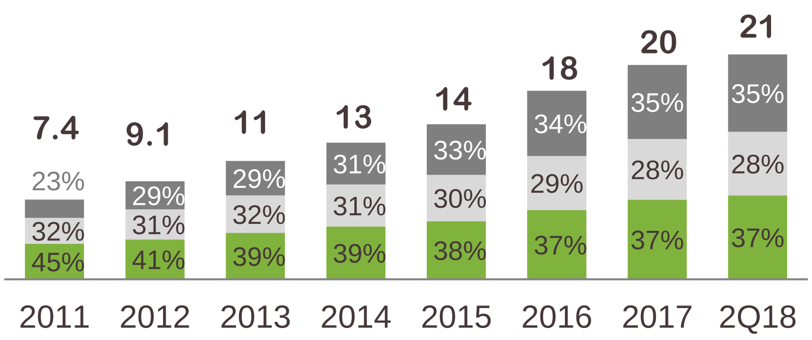
Updated: Aug-18

Mobile market share by subscribers

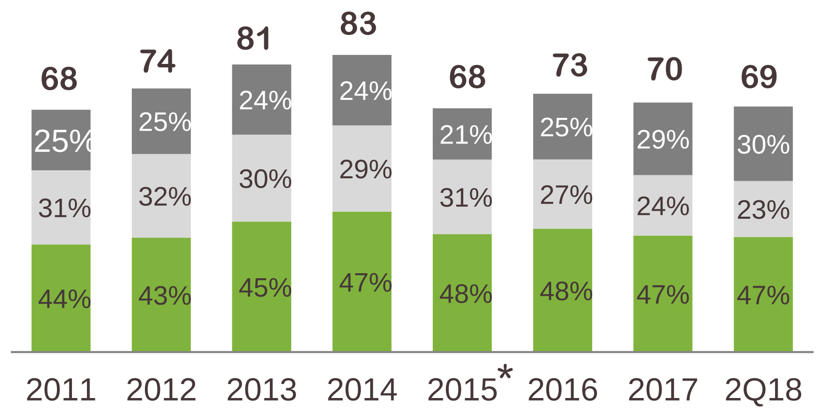
Total subscriber (mn)



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 targeting pure internet and FMC customers

AIS

Home Broadband Package

- Basic pure internet pack for early broadband adopters including ADSL users

Max Speed Internet (Download/Upload)	50/20 Mbps
	599 Baht/Month
Special	AIS Postpaid Customer 539 Baht/Month

Max Speed Internet (Download/Upload)	100/30 Mbps
	699 Baht/Month
Special	AIS Postpaid Customer 629 Baht/Month

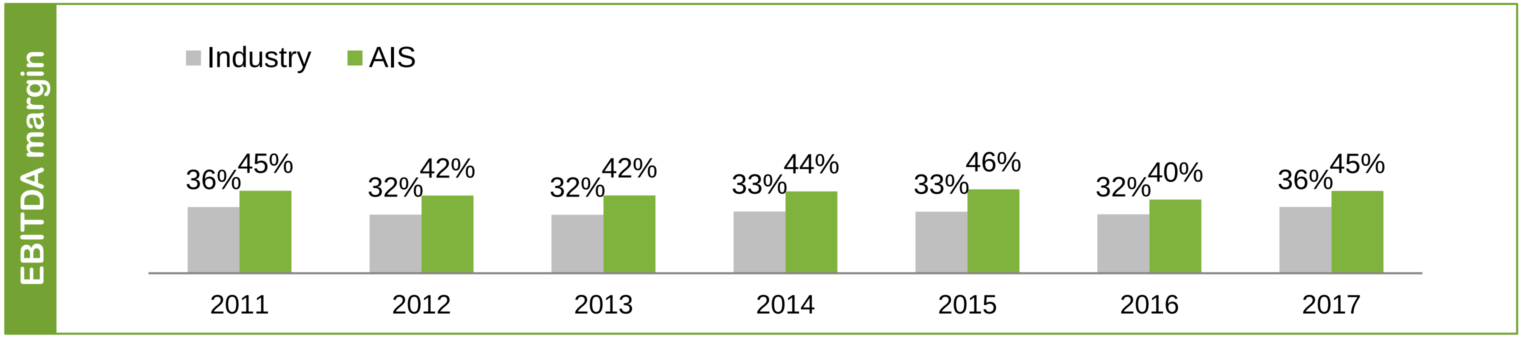
Power4 Extreme *NEW*

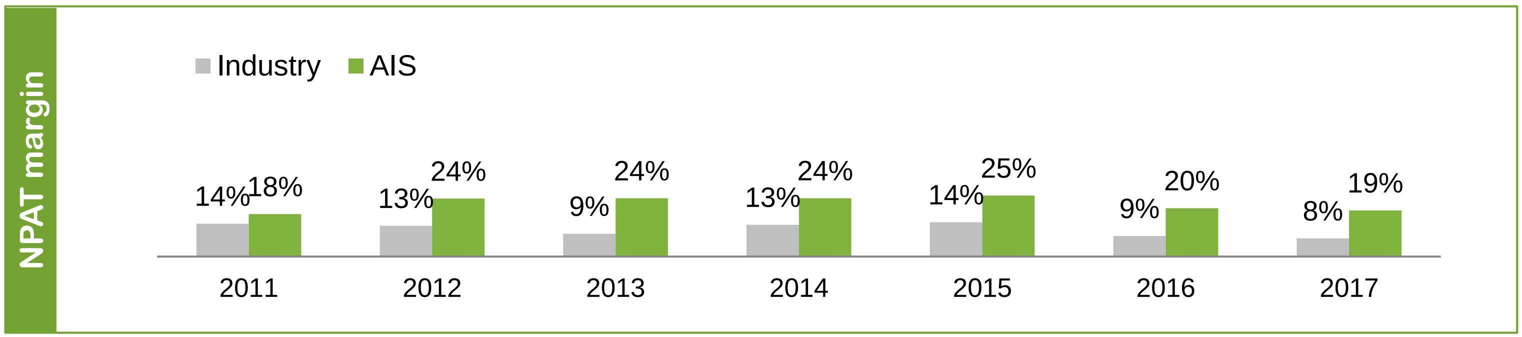
- High-end packs aiming to improve ARPH (average revenue per household

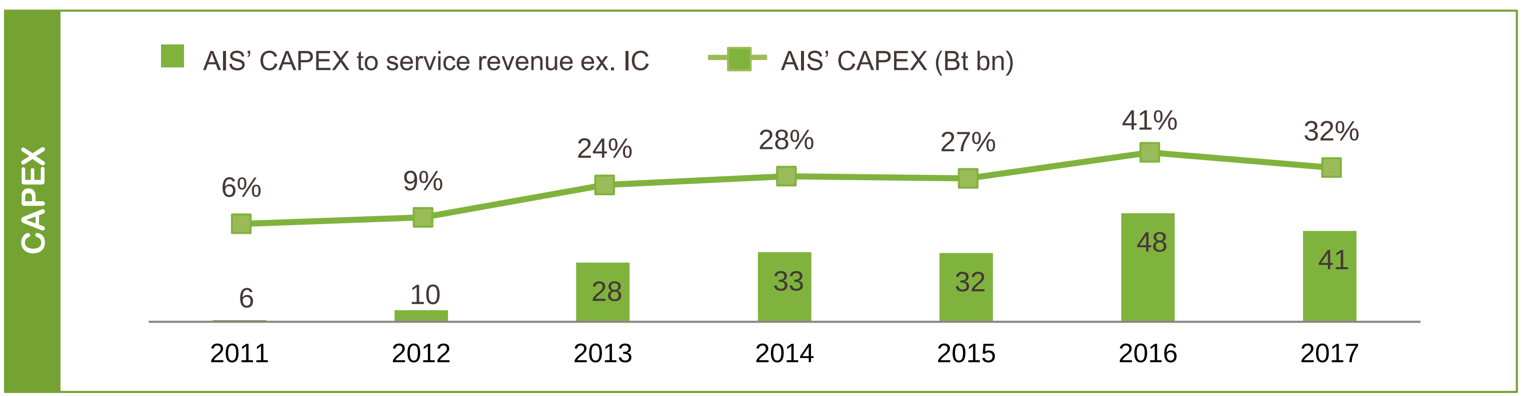
Service rates 2,999 Baht/Month	Service rates 2,999 Baht/Month	Service rates 3,999 Baht/Month
Max Speed Internet (Download/Upload) 1Gbps/100 Mbps	Max Speed Internet (Download/Upload) 1Gbps/100 Mbps	Max Speed Internet (Download/Upload) 1Gbps/100 Mbps
NEXT G: 100 GB* 600-minute free calls SIM card on the fastest network in Southeast Asia that comes with irresistible free call package and the best Wi-Fi network AIS SUPER WiFi: AIS SUPER WiFi Unlimited More than 100,000 Wi-Fi Access Point	-	NEXT G: 200 GB* 600-minute free calls SIM card on the fastest network in Southeast Asia that comes with irresistible free call package and the best Wi-Fi network AIS SUPER WiFi: AIS SUPER WiFi Unlimited More than 100,000 Wi-Fi Access Point
-	Watch live TV, News and Dramas from digital TV and premium TV more than 100 channels PLATINUM FULL HD PACKAGE: PLATINUM FULL HD for 12 months. Enjoy contents จาก from 42 world class channels with package	Watch live TV, News and Dramas from digital TV and premium TV more than 100 channels PLATINUM FULL HD PACKAGE: PLATINUM FULL HD for 12 months. Enjoy contents จาก from 42 world class channels with package
Enjoy AIS Serenade Platinum privileges.	Enjoy AIS Serenade Platinum privileges.	Enjoy AIS Serenade Platinum privileges.

Updated: Aug-18

Historical profitability and CAPEX trend







Source: company data

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
Bt299month

NEW
HBO FULL HD
Movies and series from HBO
Bt199month

NEW
SPORTAINMENT FULL HD
Exclusive sport entertainment
Bt199month

Fixed broadband

PLATINUM FULL HD
Ultimate entertainment in all forms
Bt599/month

NEW
MOVIES FULL HD
Ultimate movies & series
Bt399month

NEW
FAMILY FULL HD
World class cartoons
Bt299month

NEW
SPORTS FULL HD
Thrilling sports matches
Bt199month

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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.