



Investor Presentation

Advanced Info Services Plc.

May 2020

Agenda

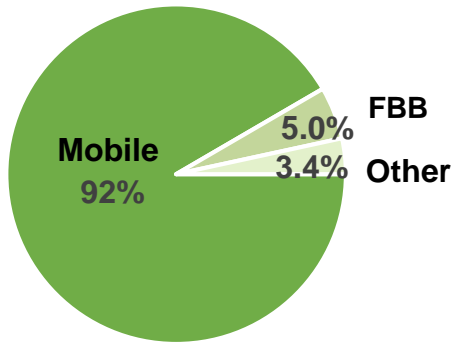
- 1Q20 Performance
- Leading to 5G era
- 2020 outlook



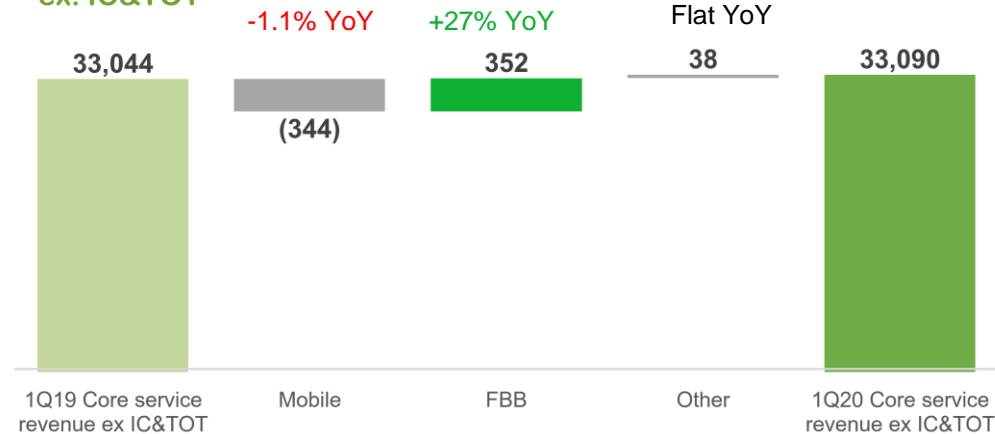
1Q20 Performance

1Q20 Performance

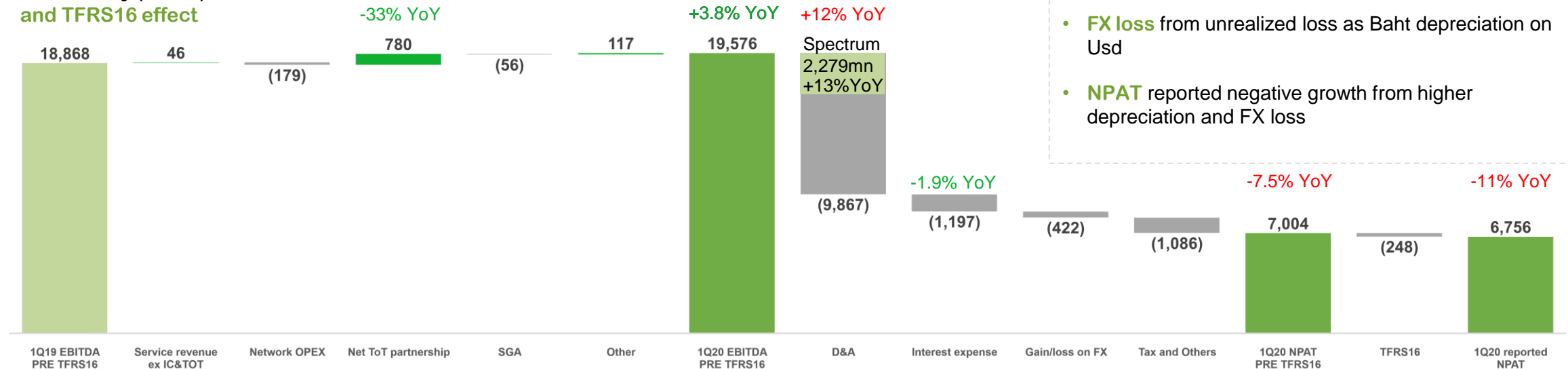
% Contribution to service revenue ex. IC&TOT



Service revenue (Bt mn) ex. IC&TOT



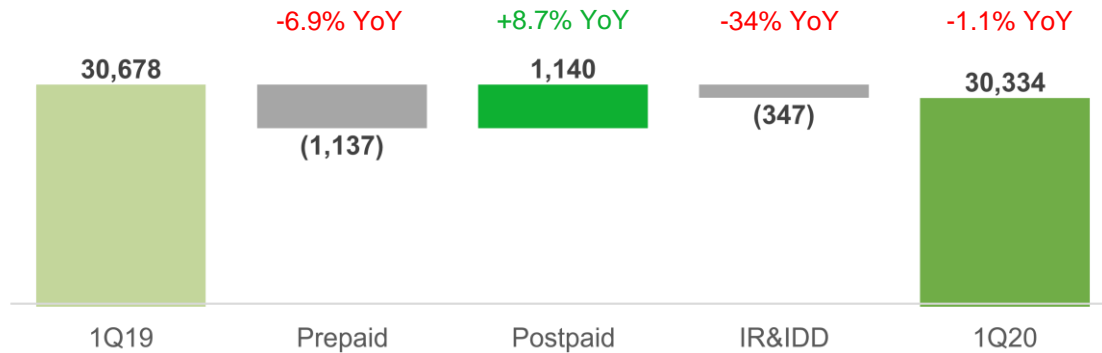
Profitability (Bt mn) and TFRS16 effect



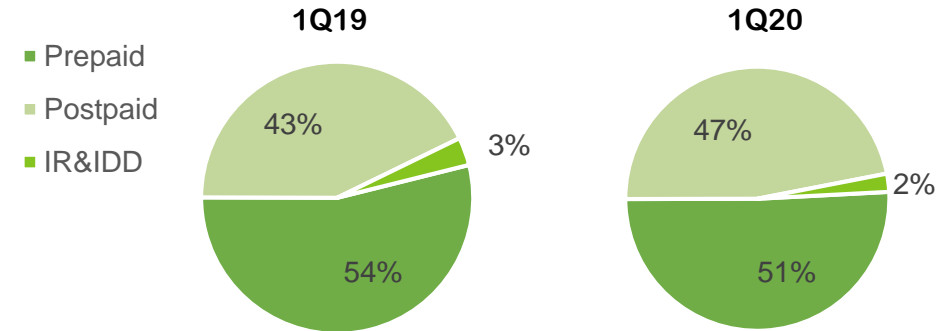
- **Mobile** revenue was negatively affected by price competition and COVID-19 impact. Postpaid growth was offset by prepaid decline. Revenue from international roaming and prepaid tourist SIM faced significant drop from faded travelers.
- **FBB** revenue grew double digit as subscriber base continued to grow, albeit at slower rate.
- **EBITDA** growing from net cost reduction from TOT partnership
- **D&A** grew YoY from network expansion and the acquisition of 2600MHz in Feb.
- **Interest expense** dropped slightly from 4Q19 repayment
- **FX loss** from unrealized loss as Baht depreciation on Usd
- **NPAT** reported negative growth from higher depreciation and FX loss

Mobile revenue impacted from roaming and competition

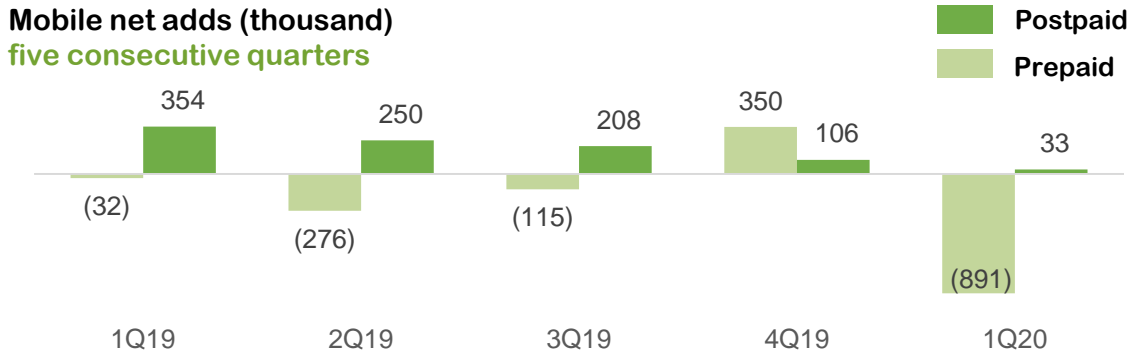
Mobile Revenue (Bt mn)



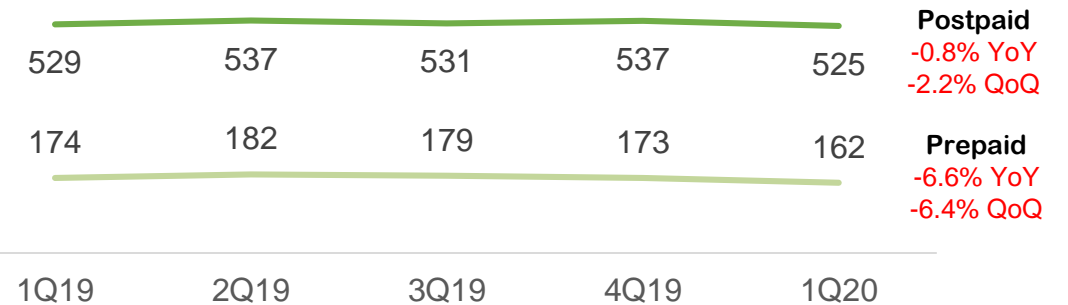
% Revenue Contribution mobile business



Mobile net adds (thousand) five consecutive quarters



Mobile ARPU (bt/month/user) Postpaid and prepaid



Subscribers % Change



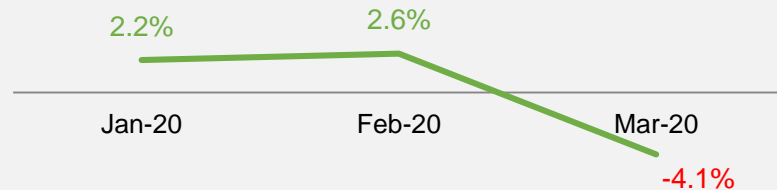
- Prepaid** revenue was affected from less traveler segment and continued unlimited data pricing. Subscribers dropped from tourist SIM started in early Feb.
- Postpaid** revenue grew high single digit YoY, slowing down from double digit growth in FY19. Net add affected by shop close led to less subscribers acquisition.

- Prepaid ARPU** pressured by continued unlimited fixed speed plan at Bt200 and Bt150.
- Postpaid ARPU** impacted from new unlimited speed plan at Bt300, launched in late-Feb in response to competition

COVID-19 impact on traveler revenue and handset sales

Core service revenue significantly declined YoY in Mar-20

%YoY Service revenue

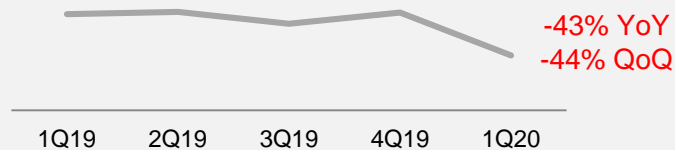


- In Mar-20, Service revenue declined 4.1% YoY as mobile revenue dropped 5.5% YoY while fixed broadband revenue increased 26% YoY.

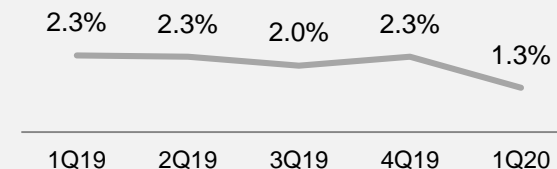
IR and prepaid tourist SIM revenue dropped



IR and prepaid tourist SIM revenue (Bt mn)

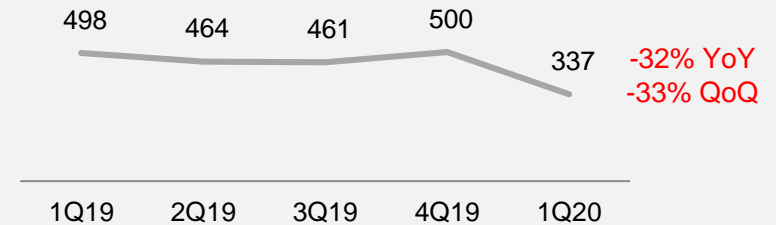


IR and prepaid tourist SIM contribution



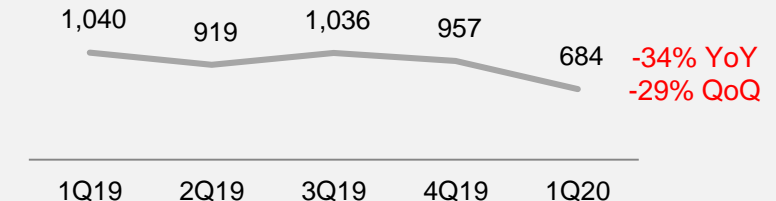
- COVID-19 situation and weak economy put pressure on ARPU and new postpaid acquisition

Postpaid acquisition ('000)



- Handset sale slowdown in the latter half of Mar-20, when partial lockdown was implemented

Unit sales ('000)

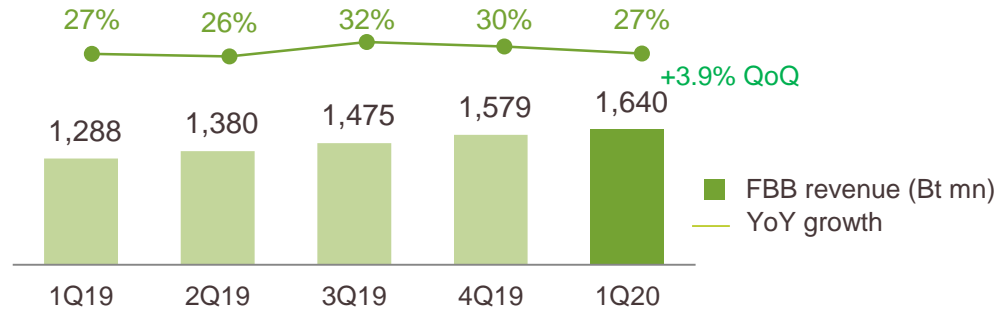


- Handset subsidies dropped in Mar-20 as AIS shops and channels in shopping malls were closed

Demand for home broadband emerged late March

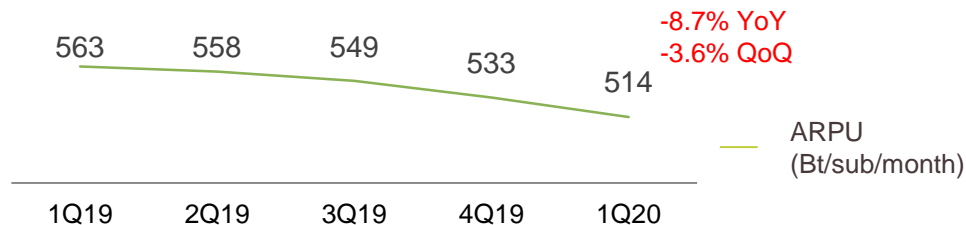
FBB business impacted by competition & COVID-19

Decelerated revenue growth



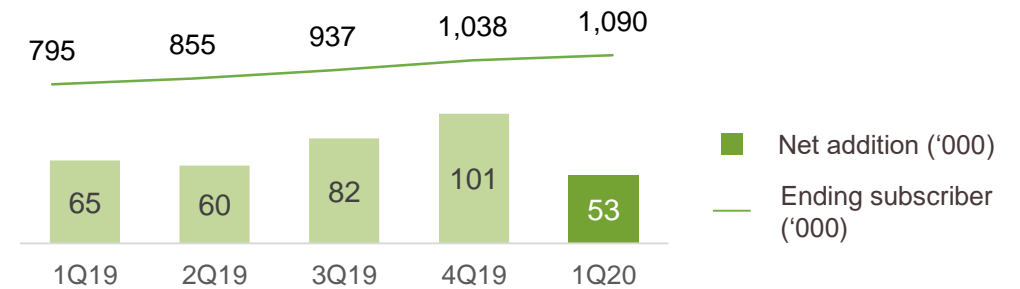
- AIS fibre had a decelerated growth of 27% YoY and 3.9% QoQ

ARPU softened amid competitive pricing



- FBB ARPU continued downward trend as the competition elevated with smaller package, Bt399 for 100/100Mbps, introduced in the market.

FBB subscriber growth slowdown



- Net add slowed down as AIS Fibre withdrew aggressive discount offered in an attempt to uplift ARPU.

Offer more affordable Working from Home Package



- As the city lockdown emerged during the last week of March, Working from Home Package were introduced to support the customer demand and resulted in higher subscription rate in late March.

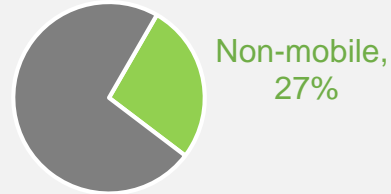
Enterprise business supported by EDS and Cloud

1Q20 Enterprise revenue

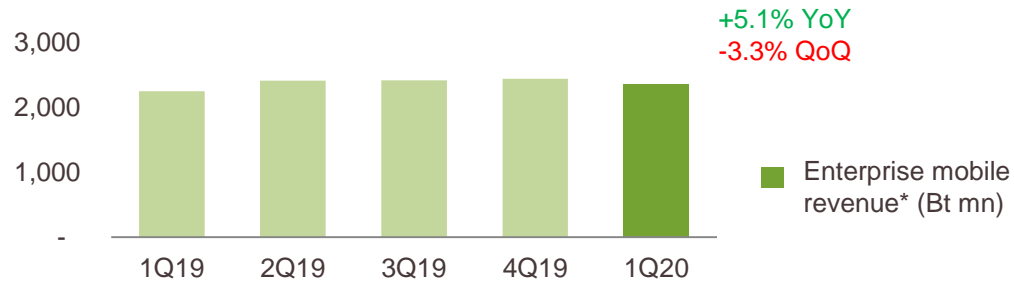
Bt3.2bn

+6.4% YoY, -2.6% QoQ

Mobile,
73%



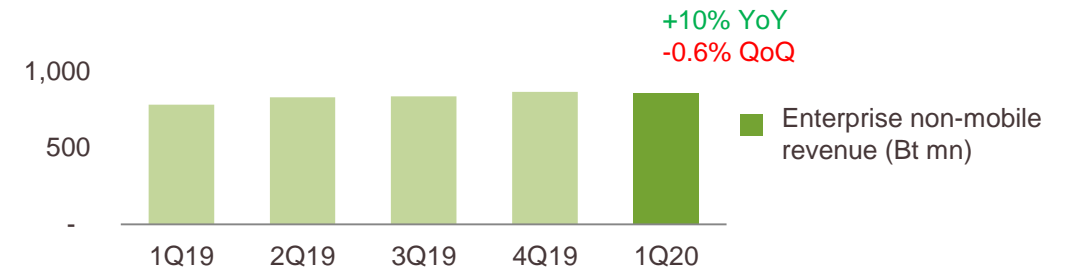
Enterprise mobile services pressured by COVID-19



- Enterprise mobile services were impacted by the COVID-19, resulting in a QoQ drop in revenue.
- AIS has mitigated this impact by launching minimal packages for customer retention and extending credit term.

**This revenue is embedded in mobile service revenue*

Enterprise non-mobile services is on higher demand



Non-airtime services include



Higher demand in EDS and Cloud

- In 1Q20, lower new data links implemented as site inaccessible, but since late-March, more requests of work from home's bandwidth have increased.
- For Cloud services, there was a high demand for WFH services e.g., Team for Thailand (Office 365), Virtual desktop infrastructure.

Ensure continuity of service during COVID-19

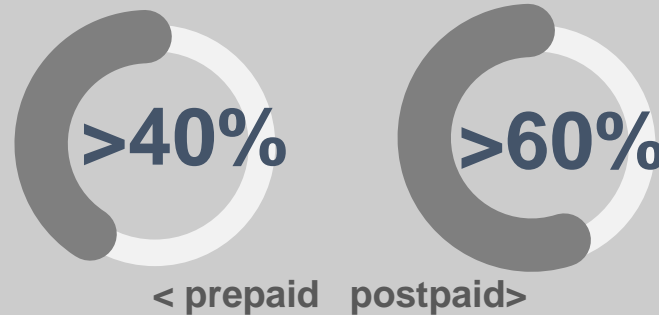
New acquisition channel

Reinforce and accelerate

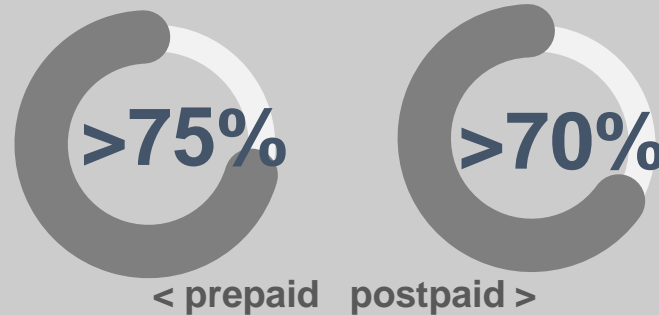
- AIS online store
- Pop-up store
- Telesales
- Other business partners in retail space

Top up & Payment channel

%amount via online channel¹⁾



%amount via online & self-service²⁾



as of Mar-20

1) Online channel: Mobile banking/mPAY app/myAIS/RLP/recurring DD,CC

2) Self-service channel: mPay Vending/ATM

Product and service



- **Work from home package:** targeting mass consumer and students on both mobile and broadband offerings.
- **VDO package**
- **Bundled COVID-19 insurance with data or FBB subscription**

AIS' COVID responses

- The payment deferral for 1-3 months with no interest
- The extension of validity for 1-3 months
- The launch of new and more affordable packages for affected customers



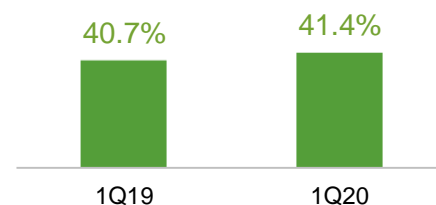
1Q20 Cost breakdown (Pre-TFRS16)

	1Q19	Change	1Q20	%Change	
Cost of service	(19,817)	568	(20,385)	▲2.9%	Increased mainly from network expansion
Regulatory fee	(1,403)	6	(1,409)	▲0.4%	Flat following core service revenue
Depreciation & Amortization	(8,691)	1,021	(9,712)	▲12%	4G network, FBB and 2600Mhz license
Network OPEX & TOT partnership (gross)	(7,371)	-197	(7,173)	▼2.7%	Lower rental cost offset by higher network OPEX
Network OPEX & TOT partnership (net of rev.)	(5,139)	-601	(4,538)	▼12%	Lower rental cost after settling disputes with TOT
Other costs of services	(2,352)	-262	(2,090)	▼11%	Lower prepaid commission
Cost of SIM and device sales	(7,159)	-740	(6,419)	▼10%	Dropped from lower device sales
SG&A	(6,262)	26	(6,288)	▲0.4%	Higher admin expenses offset by marketing expenses
Marketing Expense	(1,934)	-172	(1,762)	▼8.9%	Lower marketing activities in 1Q20
Admin and others	(4,328)	198	(4,526)	▲4.6%	Higher bad debt provision and staff cost
Net foreign exchange gain (loss)	84	506	(422)	▼602%	FX loss from Baht depreciation of A/P for CAPEX
Other income (expense)	203	68	271	▲34%	Reverse accrued expenses
Finance cost	(1,217)	-15	(1,201)	▼1.3%	Lower interest-bearing debt from debt repayment

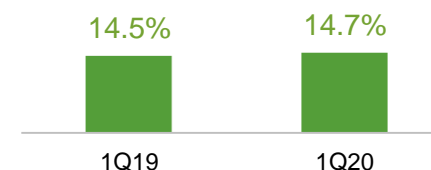
Common size

Cost of service

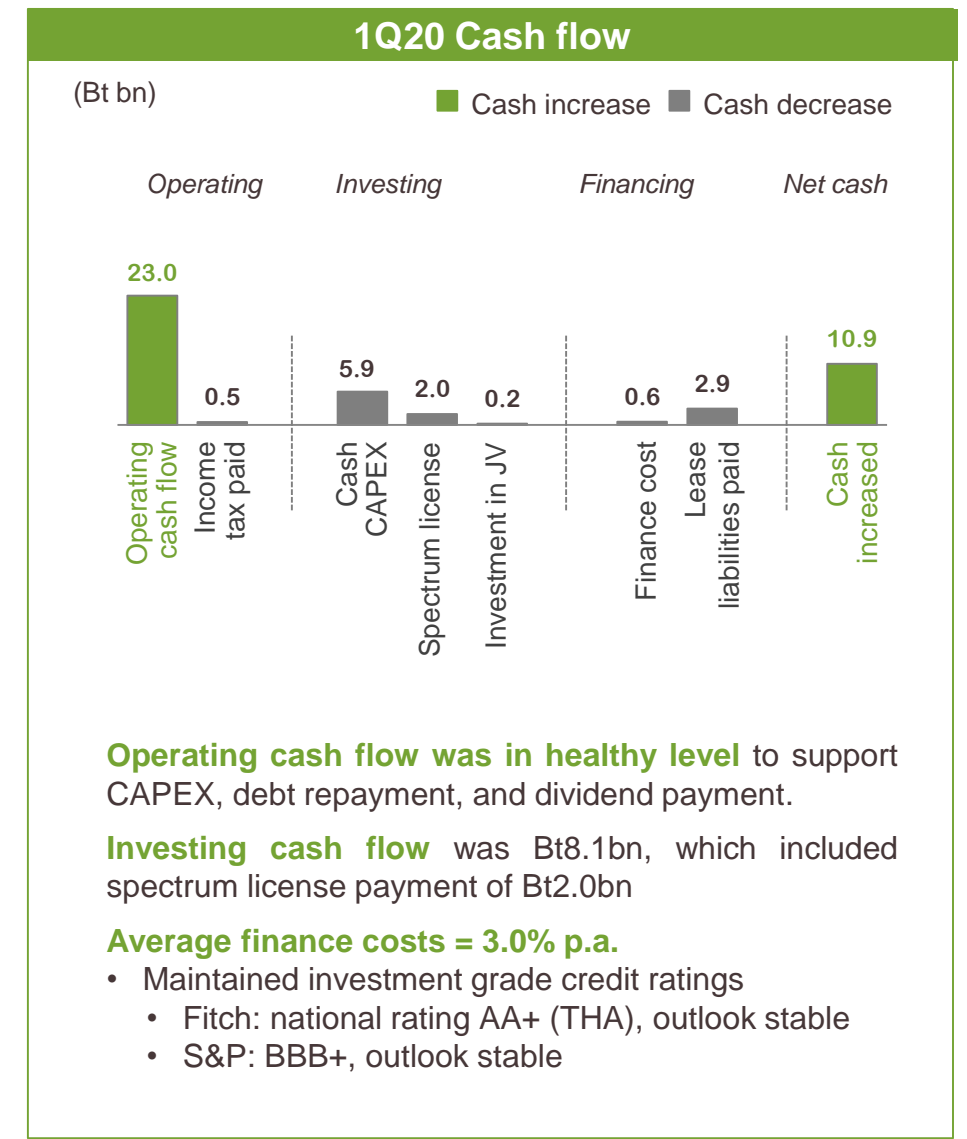
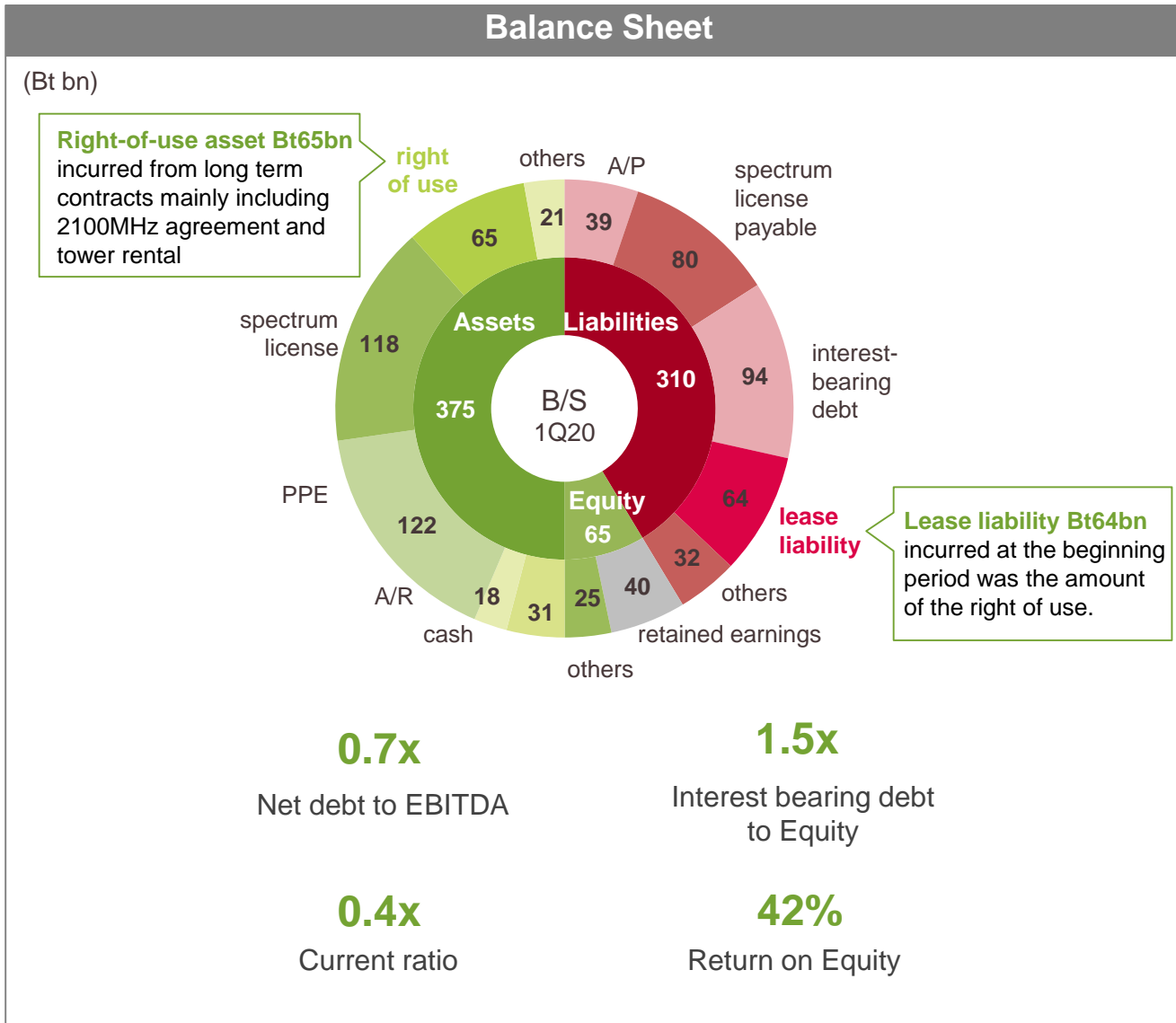
(Net cost of TOT partnership)



SG&A



Strong Balance sheet and cash flow to support investment



Impact from TFRS16

TFRS16 adoption

TFRS 16: Lease (replacing IAS17: Operating lease and Finance lease)

The standard requires the operating leases obligations as of 1 January 2020 to be recognized as right-of-use assets at the present value of lease payment over the remaining lease term at an amount equal to lease liabilities adjusted by prepaid payment. The leases including tower lease agreement, site rental, office & shop building rental, and minimum payment on TOT's 2100MHz spectrum. The key changes are as follows:

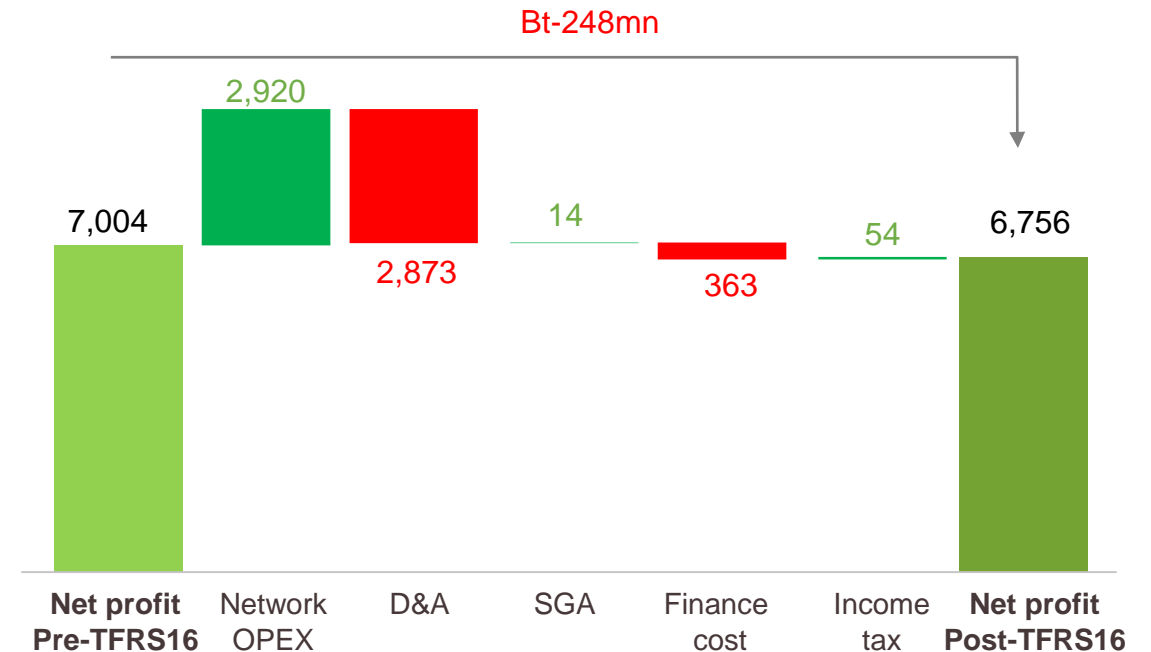
Opening balance impact on 1 Jan 2020

- Increase in Right of use of Bt67.3bn
- Increase in Lease liabilities of Bt66.3bn

Balance as of 31 Mar 2020: Right of use Bt65.3bn and Lease liabilities Bt64.3bn

P&L impact

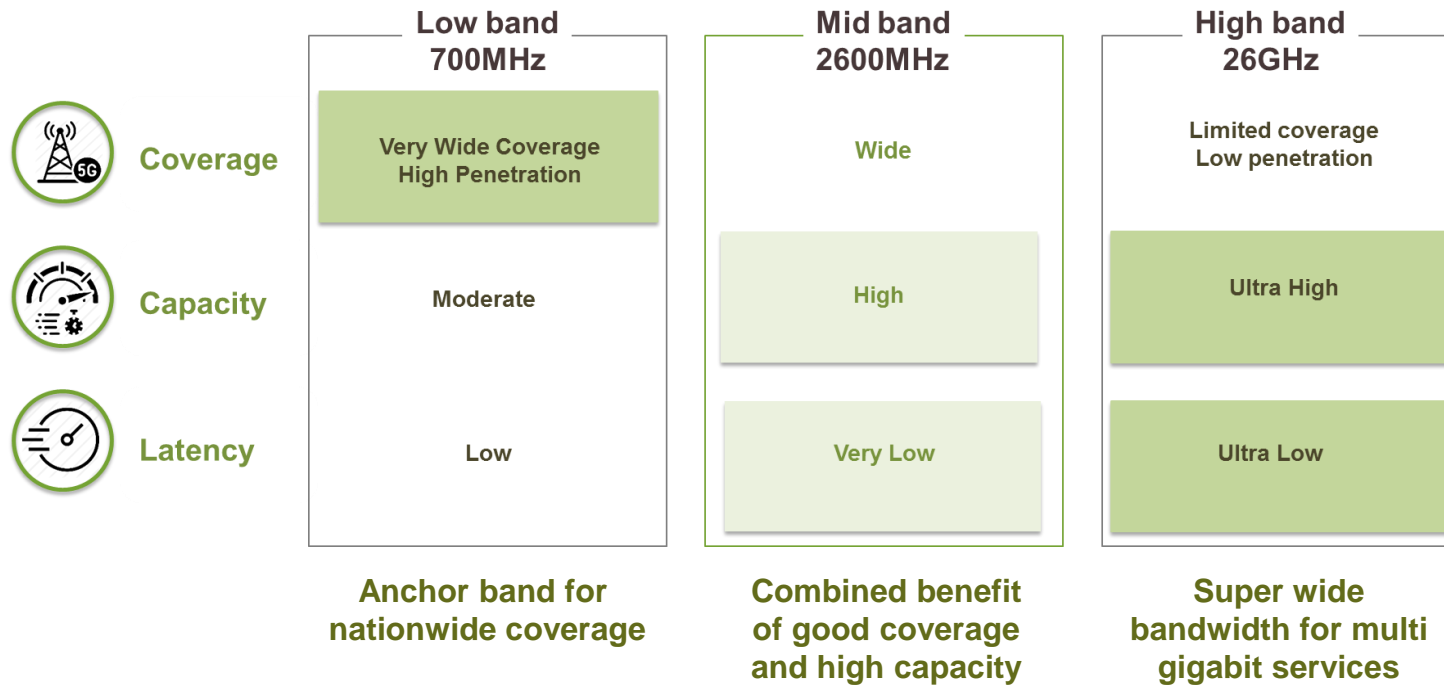
(Bt mn)



Leading to 5G era

Combination to deliver best 5G quality

Best performance combining each band capabilities



To deliver best-in-class 5G network

Superior throughput to serve all use cases



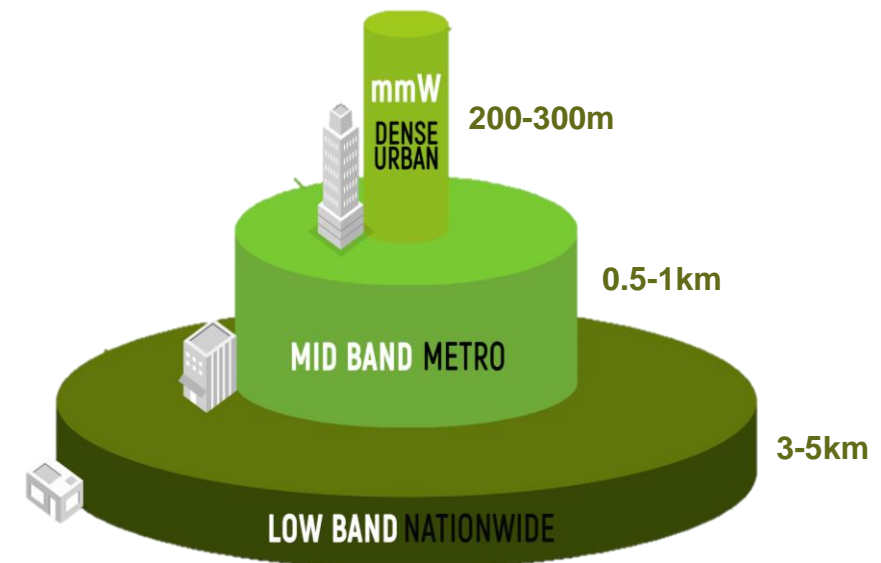
Speed
X 10

Maximum speed up to 1-10Gbps



Capacity
X 10

10 times network capacity over 4G



Spectrum management to strengthen our leading position



Low Band

900 MHz

- Provide nationwide coverage of 3G and 4G
- Potential to upgrade into 5G

700 MHz

2x15 MHz to secure long term position

- Anchor for blanket coverage with lower capex
- Ensure better in-building experience
- Support network coverage of 900MHz

Mid Band

1800 MHz and 2100 MHz

- Provide capacity of 3G and 4G
- Potential to upgrade into 5G

2600 MHz

100 MHz to reach full potential of 5G service

- Best 5G experience for mobile with strong combination of capacity and coverage
- To penetrate FWA need for specific locations with physical limitation
- Over 16mn 4G devices compatible on 2600Mhz

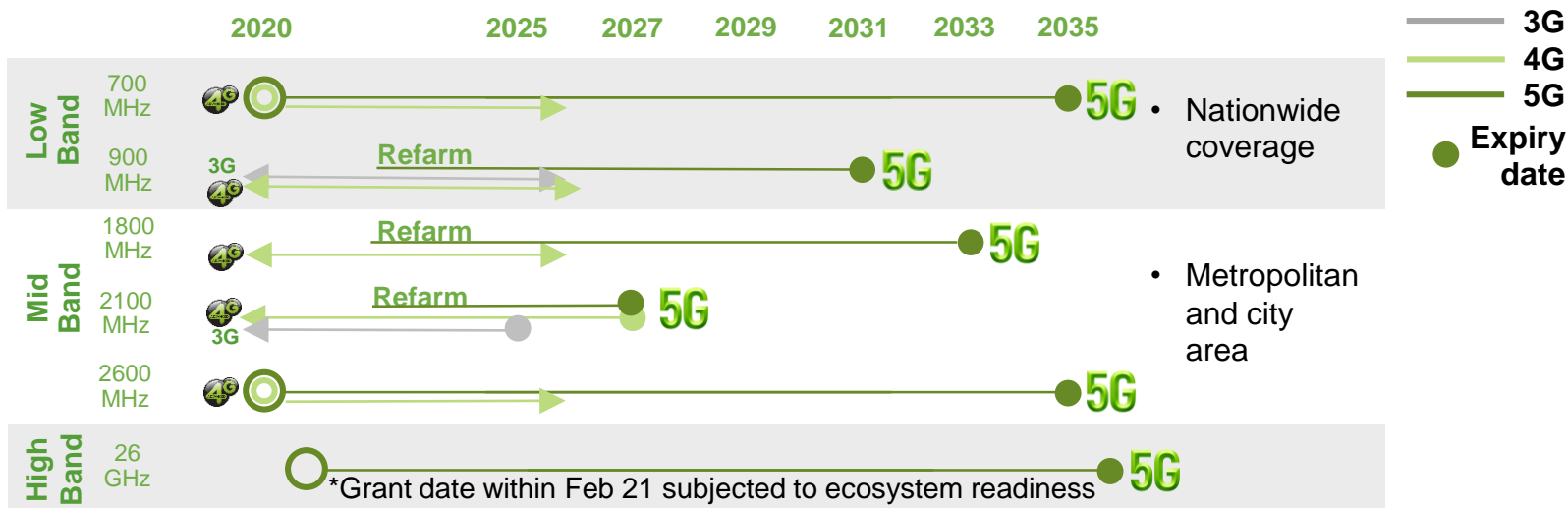
High Band

26 GHz

Enhance capability to serve enterprise and industrial services

- Support rollout in specifically hotspot area such as industrial estates
- Awaiting readiness of devices and use cases

More spectrum to be reform for providing 5G service in near future



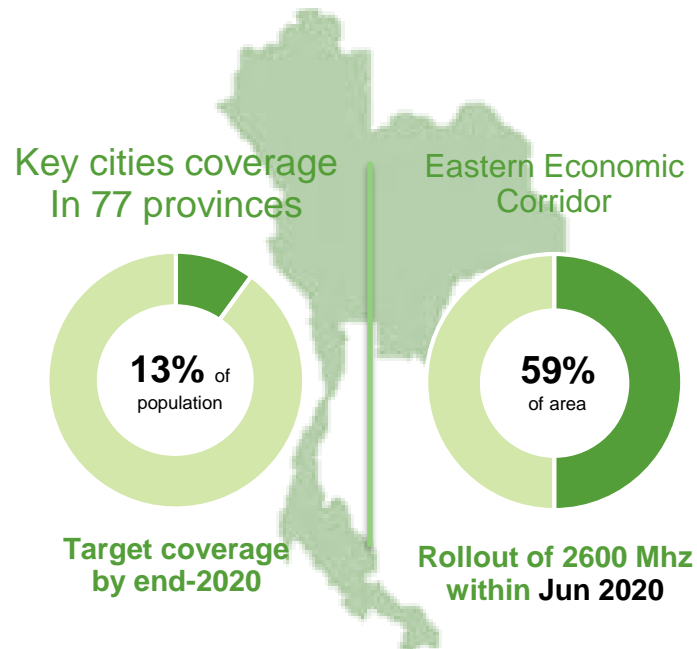
5G expected to be main stream network beyond 2025

- 4G and 5G will co-exist at least in the next 5 years.
- 3G, currently 23% of users, should subsequently fade out during the same period as 5G adoption rises.

Current users by technology:
4G-73%. 3G-23%, 2G-4%

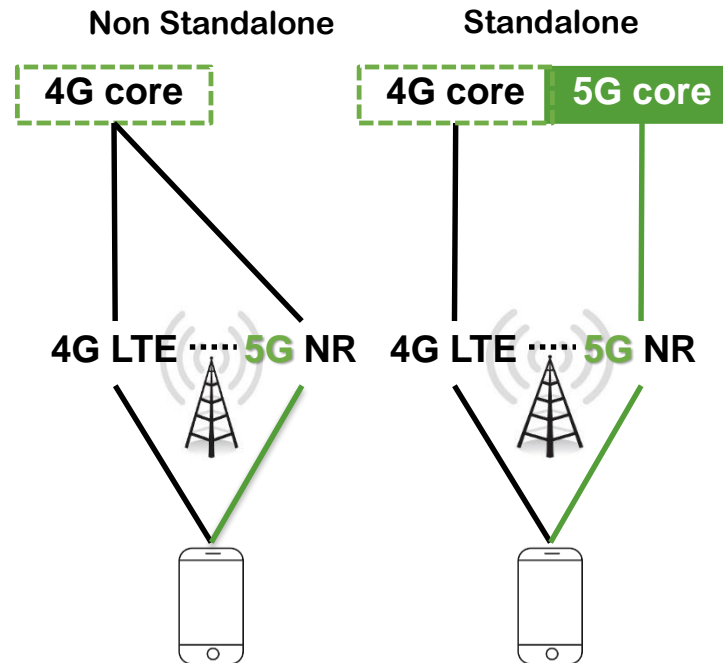
5G roll out plan

Nationwide roll out in strategic area



- Target 77 cities coverage (not an entire province)
- 27 promoted zone in EEC
- 5G network investment on selective locations
 - Prime CBD area with high 5G adoption
 - High data usage and utilization of 4G
 - Main attraction and landmark

Build up on current base station



- Both NSA and SA can be deployed on existing towers/sites.
- Multi-band and multi-technology allowing flexibility of equipment to support both 4G/5G
- Dynamic spectrum sharing (DSS) will support seamless capacity allocation between 4G and 5G

Catalyst for 5G expansion

Declining in 5G network cost

Estimated network investment cost per site



- Network investment during early stage of technology expected to decrease with -9% CAGR

Commercial use cases in both consumers and enterprise segments

Technology migration from 4G to 5G

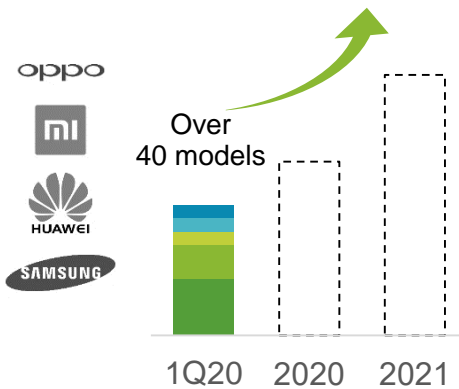
5G adoption rate and consumer behavior

- Data consumption with higher bandwidth

5G ecosystem with firm support on both devices and equipment

More 5G devices with lower price forthcoming by end-2020

Expect over 250 model of 5G mobile devices by end-2020



5G handset starting price (USD)



- Current 5G handset model is offered as low as USD500.
- More affordable models are expected from end of 2020

*Source: GSMArena

FWA devices

- FWA equipment (router) price will also be driven down as market particularly in China grows.

Huawei launched 5G CPE (Consumer Premise Equipment) Pro in Feb 2020



5G statistics and device ecosystem

- **Over 26.1 million** 5G subscribers in China as of Feb20
Expecting 164 mn 5G subscribers in China by end of 2020

381 Operators with 5G investment plan

Out of 816 total operators worldwide had announced they were investing in 5G

63 Operators providing 5G for mobile
and 34 operators launched 5G FWA home broadband services

12 Operators deploying mmWave
(Inc. n257, n258, n261, and n260)

- **250+ Devices**
had been announced for 5G compatible. Increasing 50 models from Jan 2020 to Mar 2020

40 mobile phone
commercially available and ready for 5G

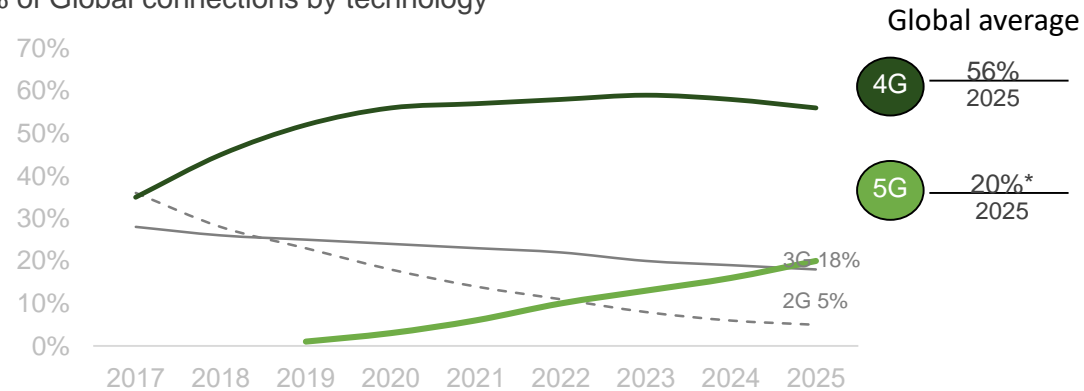
13 CPE devices (Customer Premised equipment)
Commercially available.

Reinforced 4G with new spectrum

4G still accounts for half of global connections in 2025

**5G adoption in Thailand is expected to be faster than global average*

% of Global connections by technology



Source: GSMA

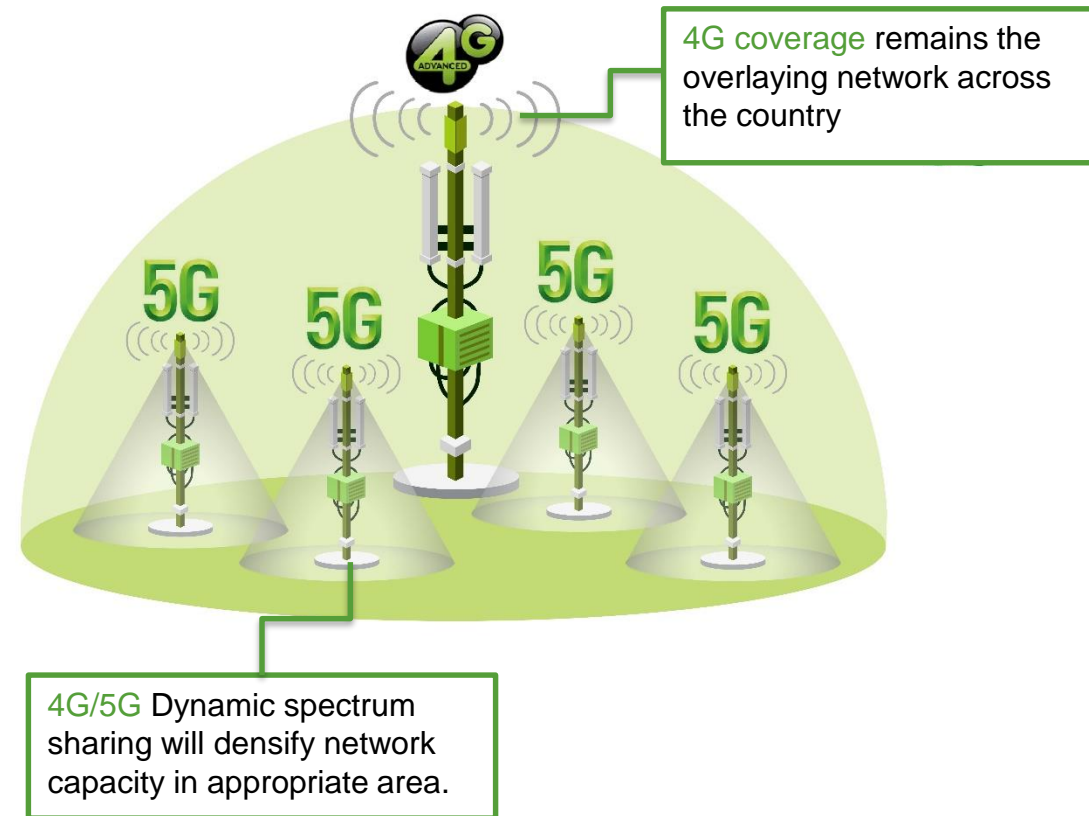
Device Compatibility on AIS network as of 4Q20

- 2600MHz
17 million devices
- 700MHz
12.5 million devices

Technology trend by connection by GSMA

- 4G
Expected usage of 4G starting to decline after 2023
- 56%
of total global connection in the next 5 year still rely on 4G

4G remained primary network as 5G helps offloading capacity in dense area



Bring In New Catalyst

*Pioneer Digital
Enterprise*



***Deliver new
experience with 5G***

***Expand market potential
with 5G FWA***

Mobile: Deliver new experience with 5G

Solution creator to offer premium package

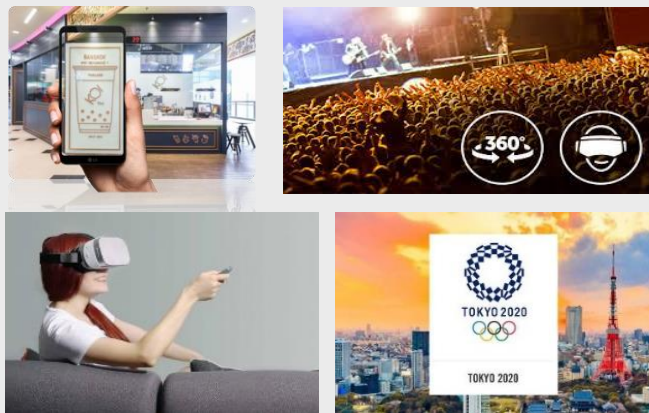
- Co-create with partners to offer aggregated AR, VR and content services to mobile package



Content bundling package

Core Innovative Services

- 1) New Immersive Experience and seen the Unseen with 4K & VR (Live & Special Contents)
- 2) New Augment Reality Experience
- 3) e-Sport & Gaming (The lowest Latency)



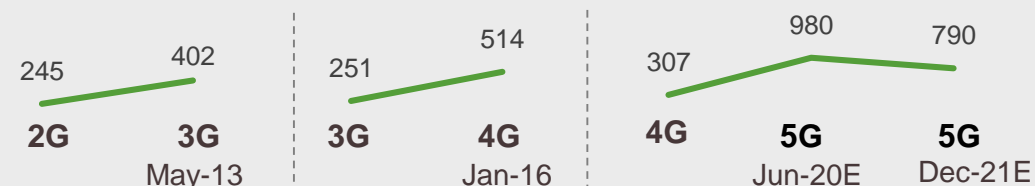
- Innovative Services & Quality improvements will drive the demand within the 5G technology cycle

Drive Top-Tier Consumers "Upgrade"

Target offering

Data speed: 1000+Mbps Mbps (unlimited data)

Blended ARPU (Bt/month)



- The transition from 4G to 5G will benefit AIS

Higher ARPU boosted by 5G adoption

- Many service providers are creating 5G packages aimed at capturing extra value.

	5G ARPU uplift (from 4G upgrade)	Blended ARPU uplift
China Telecom	▲ 10%	SK Telecom ▲ 1.3% QoQ
China Mobile	▲ 6.5%	KT Corp ▲ 0.5% QoQ

Broadband: Expand market potential with 5G FWA



Fill-in broadband gap with FWA

Broadband underserved market: 5G-FWA has potential to supplement the coverage of home broadband, extending the service to remote or fibre-inaccessible areas

2020

2021

2022

2023

2024

Urban Area

- Inaccessible condo/villas/town houses
- Underserved condo (copper technology)

Rationale

- Spectrum availability: Mainly on the **2600MHz range**
- FWA CPE will likely remain limited and at high price level

Suburb area

- Populated suburb area

Rationale

- Increase FWA CPE affordability

FWA to supplement

- Faster rollout to penetrate new area
- No or minimal installation at home
- Easier and lower maintenance
- Leverage under-utilized spectrum in suburb area
- May not be feasible in area with high mobile data utilization which exhausts spectrum

FBB remains key technology

- Reliable speed and connectivity
- High investment for last mile installation (dedicated last mile)
- Investment feasible in area with high utilization

Expected broadband market size in 2030

~15mn

2030E household
with broadband
connection

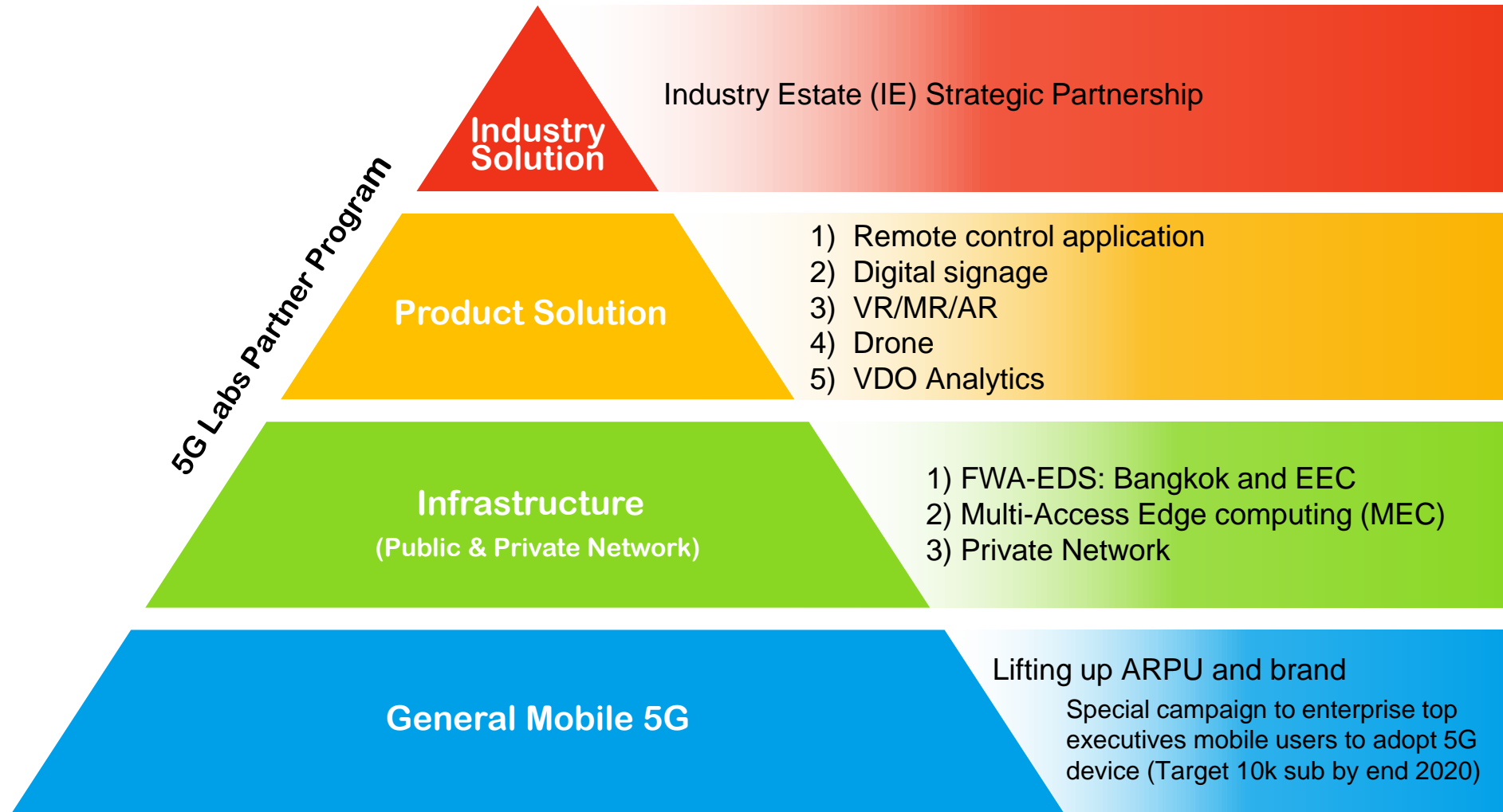
~10%-15%

%FWA
of total broadband
connection

- Broadband market in Thailand is expected to grow with 4% CAGR.
- FWA will be supplement and as the areas have increased utilization, fibre connectivity will be more efficient to serve demand.

Enterprise: Opportunity for large scale offering

5G product framework for business



Enterprise: Pioneer digital enterprise



Industry
solution



Smart Factory

Product
solution



Digital Signage



Drone

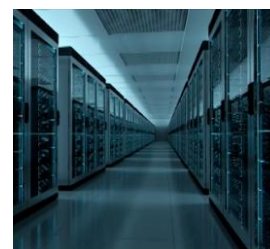


Data center VR Tour

Infrastructure



FWA-EDS



Multi-Access
Edge computing

General
Mobile 5G

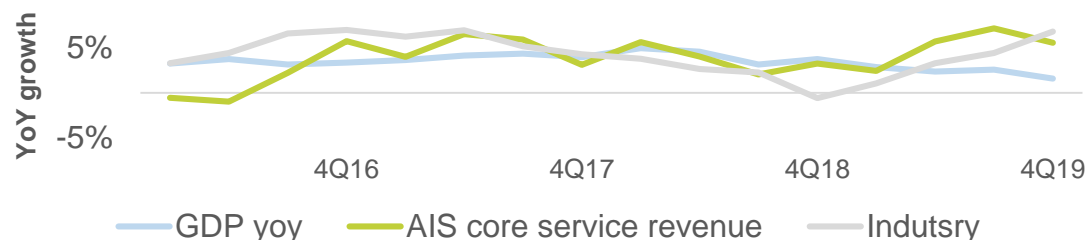


5G enterprise
mobile package

2020 outlook

2020 as a challenging year for telecom sector

Weak economy led to slowdown in telecom growth



Positive drivers

- Ongoing social distancing
- Continued movement restriction

Negative drivers

- Rising unemployment
- Businesses shutdown
- Severe drought

GDP growth 2020 outlook forecasted by BOT, World bank, ADB, local and foreign research firms are in range of -4.8% to -6.7%

Resilient in nature to the economic downturn, telecom normally performs ahead of the general GDP trend.

Revenue outlook by segment

• Mobile business	ARPU ↓	Sub ↓
• Fixed broadband	ARPU ↓	Sub ↑
• Enterprise business	Enterprise Mobile ↓	Solution ↑

COVID-19 impact might continue throughout 2020

Effect from partial lockdown

- Telecom shop closure across the country
 - Decline in handset sale
 - Bar activities for new acquisition both prepaid and postpaid

Enterprise clients implement cost control

Revenue loss from tourists and roaming

Acquire new subs with alternative channels; online, direct sale, temporary shops

Cross sell digital solutions to strengthen enterprise portfolio

Opportunity loss and cost incurred from NBTC measures

Measures from NBTC to support subscriber during COVID

- 10Gb free data subsidized by NBTC budget of Bt100/subscriber
- 100 mins free on/off net call for all subscribers

Cross sell opportunities to raise revenue after free data/min used up

Weak consumer spending led to revenue pressure

Rising bad debt from extended payment terms

Delay cash flow required more working capital

Extend payment period to support and retain customer in long term

Prepare source of funds for stress case

Cost management to minimize impact on profitability

2020 Cost saving initiatives to offset incremental cost from 5G investment and operating

Cost of service

- Network depreciation – Capex saving on 4G/5G with Dynamic spectrum sharing (DSS) technology
- Network operating cost –
 - Optimize network operation cost with 4G/5G site co-location
 - Negotiate with vendors and landlord to reduce expenses
- Other cost of service – Selective spending on contents for TV platform
- Revenue-related cost such as regulatory fee and prepaid commission varies following decline in revenue

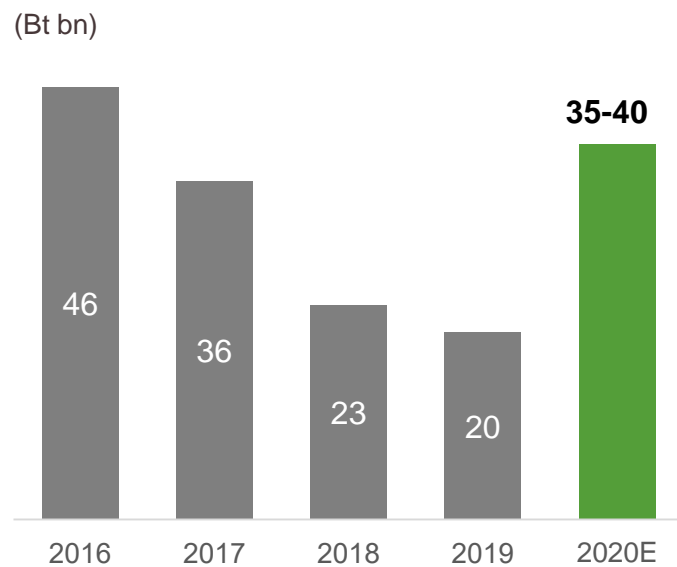
SG&A

- Marketing expenses
 - Slowdown marketing activities
 - Decline in handset subsidy
- Admin and other expense
 - Headcount control to manage staff cost
 - Shop space rental saving

If COVID-19 situation prolonged, further cost measures will be considered based on evolving situation

Staggered payment profile of spectrum and capex

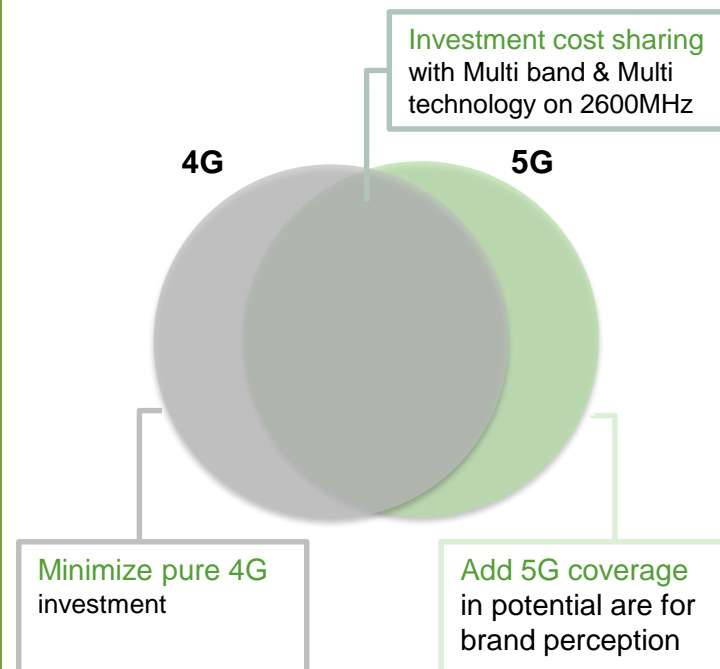
CAPEX for 4G/5G network



- CAPEX 2020 raised from network expansion
 - 4G capex for capacity expansion on 2600Mhz
 - 5G capex for launch network coverage with 2600 Mhz
- Saving on 4G investment as equipment compatible for both 4G/5G technology

Investment rationale for 4G/5G

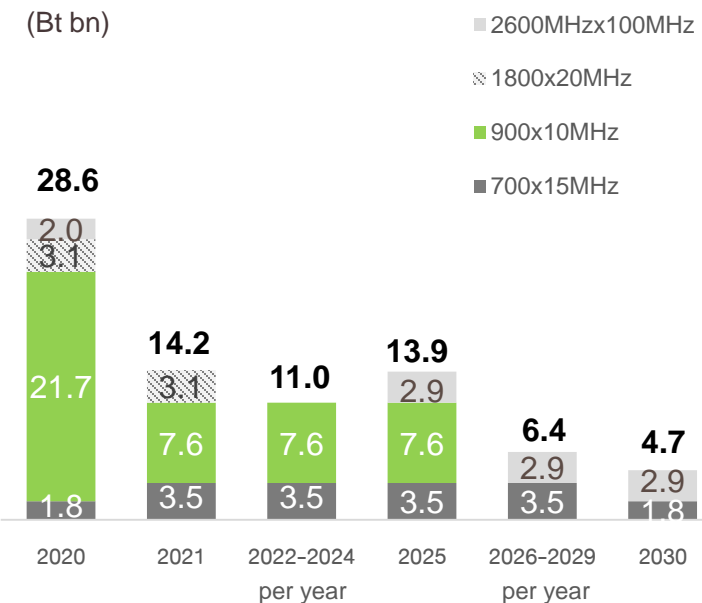
Total network capex of Bt35-40 bn



Ongoing 5G capex plan over long term varies by following factors

- 5G commercial use cases in the market
- Customer adoption rate
- 4G to 5G migration

Payment profile of spectrum



Total of **Bt125bn*** toward 2030

**26GHz license payments of Bt5.3bn to be made within 1 year after official announcement from NBTC on 16 Feb 2020*

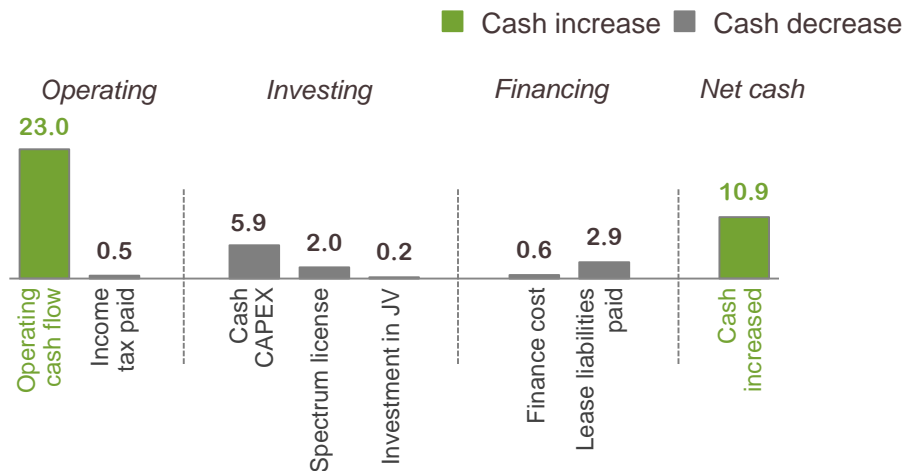
Solid operating cash flow, while maintaining financial commitment in uncertainty



Positive operating cash flow even after CAPEX

Solid cash flow from operation

(Bt bn)



Operating cash flow trend impacted from COVID-19 in late Mar-20, yet remained solid

Maintain investment plan

Capex plan 2020

- Network capex of Bt35-40bn
- Spectrum payment of Bt29bn

Sufficient debt capacity

Funding alternatives prepared for uncertainty

Cash on hand of Bt30,557mn

Credit facility available to drawdown

- Over Bt52bn of short-term and long-term credit facility prepared for uncertainties

Opportunity to tap into bond market

- Investment grade credit rating
 - Fitch: national rating AA+ (THA), outlook stable
 - S&P: BBB+, outlook stable

Strong financial flexibility

Internal target for financial ratio

- Net debt to EBITDA under 2.5-3.0* times

Appendix

1Q20 Summary

Impact from the pandemic COVID-19

- The COVID-19 pandemic has affected telecom from early February with faded tourist both inbound and outbound
- Partial lock down resulted in shops temporary closed and caused slowdown in top up revenue and new acquisition both on mobile and fixed broadband.
- Rising mobile data usage and demand for home broadband are offset with discount and unlimited data plan offering which continued to pressure ARPU.
- Measures to enhance sales channel include ramping up online sales, telesales, utilizing more smaller size local dealers and pop-up shops.

Mobile revenue impacted from roaming and competition

- Internal roaming and prepaid tourist SIM which normally contributes 2% of mobile revenue declined >40% YoY, QoQ.
- Postpaid acquisition and handset subsidy also slowdown due to temporary shop closure.
- Price competition in form of unlimited data plan continued to pressure revenue growth.

Demand in home broadband emerged in late March

- Withdrawal of discount offerings causes slowdown in FBB sub acquisition, hence slower pace of revenue growth in 1Q20
- Demand for home broadband due to lockdown arrived in late March while subscription came under discount offerings for work-from-home and students.

Secure long term competitiveness with 5G

- Strong spectrum portfolio to deliver best 5G service in both short and long term. New revenue opportunities includes ARPU uplift in mobile broadband with new use cases, FWA and digital business.
- Strengthen 4G network coverage and capacity with 700Mhz and 2600Mhz ready to serve over 16million compatible devices.

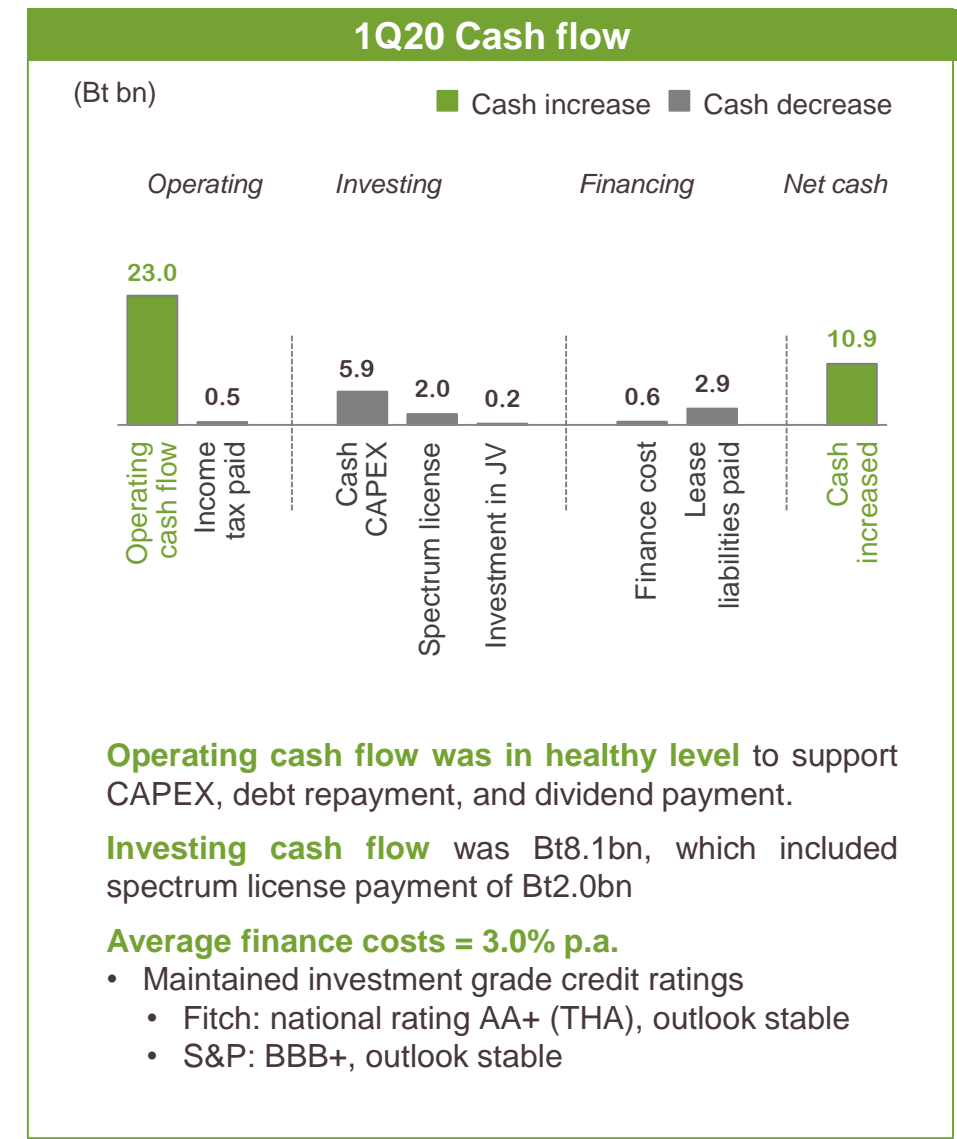
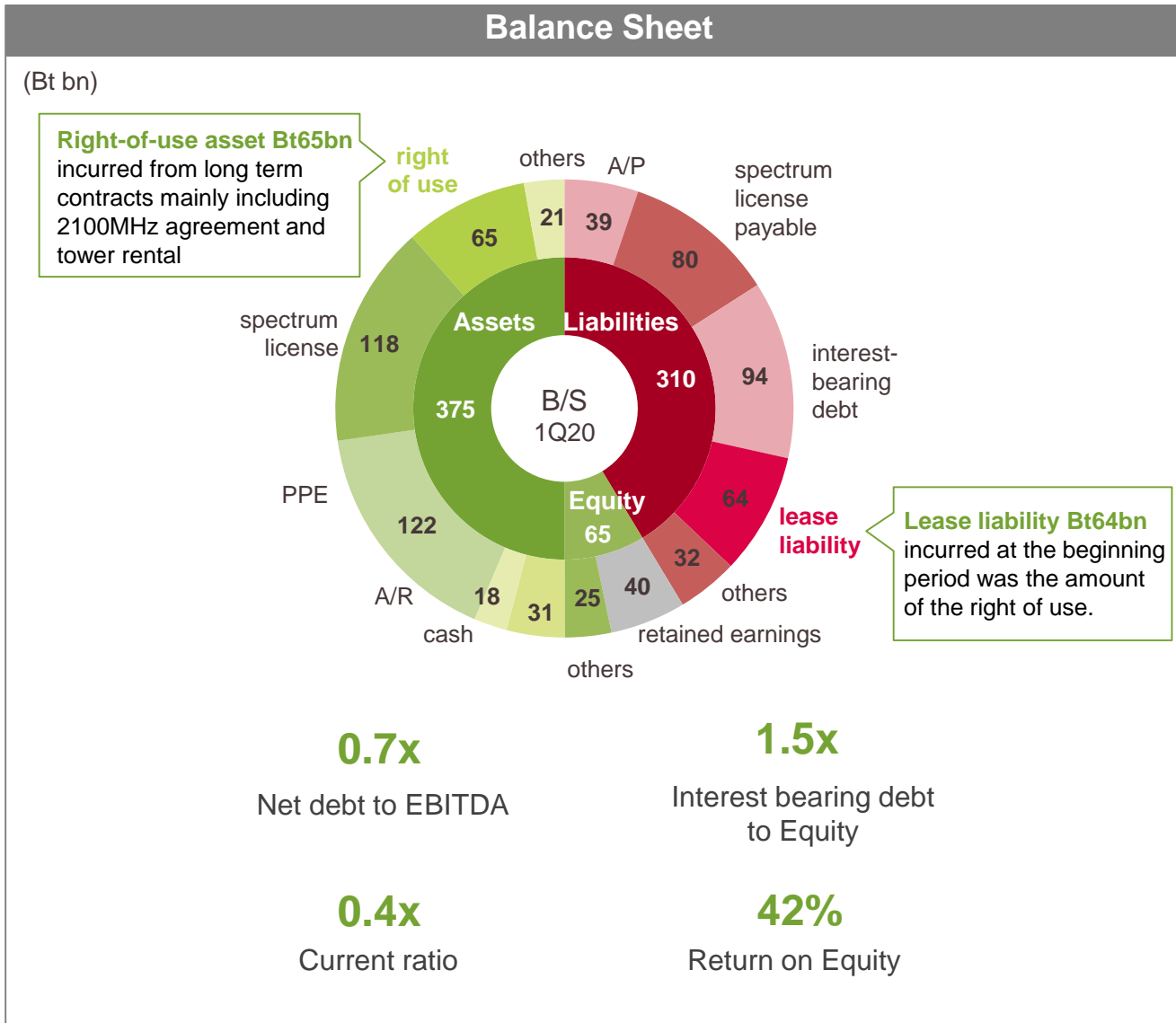
Maintained profitability performance

- Core service revenue was Bt33,090mn, flat YoY but decreasing 4.3% QoQ.
- With careful cost control, EBITDA was Bt19,576mn or +3.8% YoY with margin of 45.7%. Net profit was Bt7,004mn, decreasing 7.5% YoY and 0.9% QoQ mainly from new spectrum, network investment, and FX loss.

2020 Outlook

- Capex Bt35-40bn with added investment in 2600MHz to support both 4G and 5G
- Despite negative outlook due to ongoing COVID-19 impact and severe drought, telecom is relatively resilient to the downturn and normally performs ahead of the general GDP trend
- AIS will be focusing on mobilizing operational responses to protect and grow revenue while managing cost to ensure resilient cash flow and profitability.
- AIS is expected to continue generating positive cash flow after network investment and has sufficient credit facilities.

Strong Balance sheet and cash flow to support investment



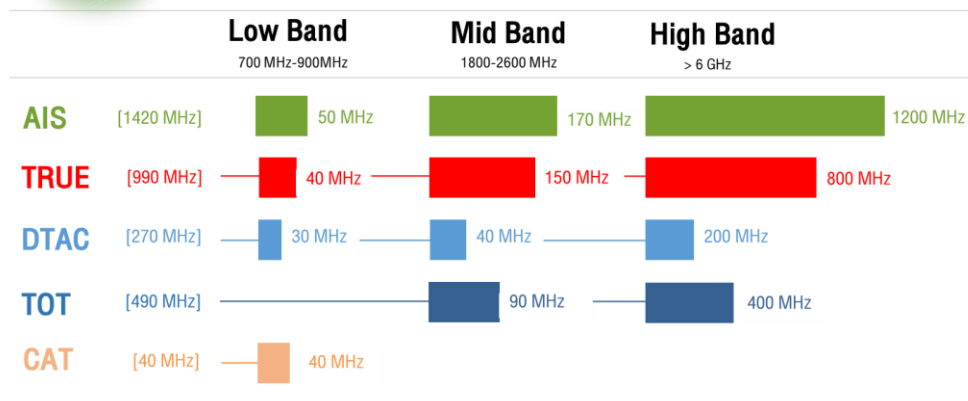
Best position to lead into 5G era

1

Strong & competitive spectrum portfolio



- **Secure long term competitiveness**
- **Strong spectrum portfolio to deliver best-in-class 5G services**



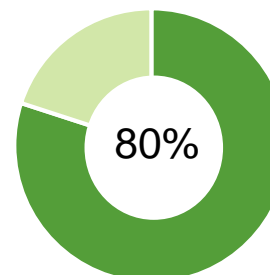
- **Efficient investment with enhanced flexibility**
 - Enhance coverage and capacity from complete set of bandwidth from low, mid to high band
 - Optimize investment and operating cost with new technology that can support both 4G and 5G

2

Strengthen 4G network quality and capacity to compete

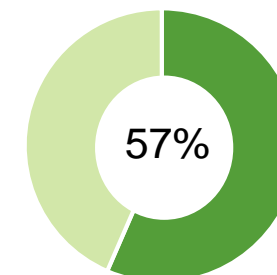
- **4G technology** as main connectivity's over the next 2-3 years
- **5G network** investment in selective locations to support 4G capacity

Majority of 5G CAPEX to support 4G



80% of 5G CAPEX deploy multi-band multi-technology to concurrently support 4G

Sizable device readiness on 4G-2600/700MHz



Over 17mn smartphones or 57% of devices on AIS network with 4G ready on 700Mhz or 2600Mhz

Best position to lead into 5G era

3

Bring in new catalyst

Consumer

Enhanced

Mobile Broadband

Faster and better experience

Fixed

Wireless Broadband

High capacity

Growing core business

- Connectivity revenue
- Established business model
- Telco-industry competition
- Cross function operating model

Enterprise

Growing beyond core – B2B/B2B2C

- Capturing revenue beyond connectivity
- Emerging use cases and business models
- Cross-industry competition
- Partnership platform operating model

Massive

Internet-of-Things

Efficiency and low-cost

Mission Critical

Enablement

Ultra-low latency and high reliability

4

Retain solid financial strength

Amidst pandemic and after

- Mobilize operation to protect revenue and grow certain revenue segment
- Manage cost and cash flow resiliency
- Continue our investment plan and deliver financial commitment

Under
2.5-3.0*

times

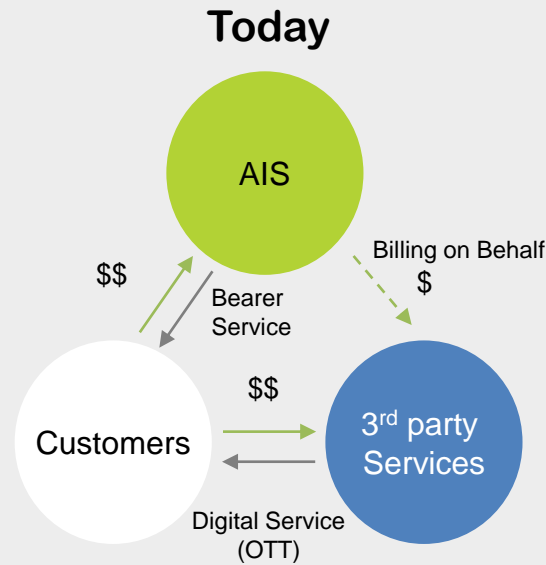
**Net debt
to EBITDA**

**Maintain healthy financial ratio after including
all new spectrum liability and investment**

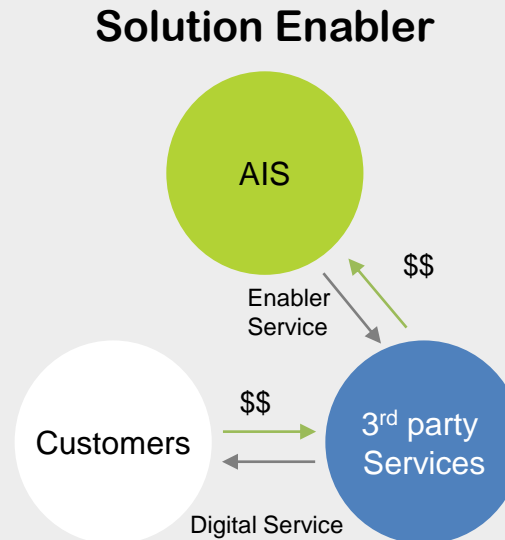
*Net debt to EBITDA ratio based on S&P methodology

New Business Models

Solution Enabler & Solution Creator”

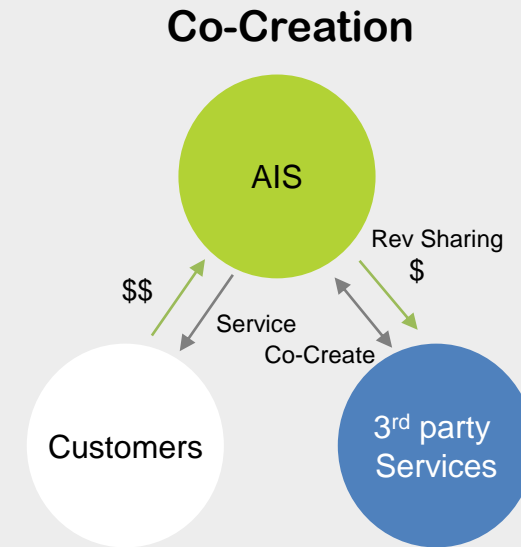


Mobile Internet Model



Business Model & Monetization

B2B2X: Usage, speed, latency, reliability, Naas, Network slicing, API, MEC, SLA



Business Model & Monetization

Operator aggregated AV, VR and content services, Convergent offer, sponsor data, advertising

New normal after COVID

Customer going digital

My AIS application
as one-stop service
on mobile touch point



Enhance AI Chatbot
to serve customers
on personalized level

- Introduce new AI call center agent with 80% target customer satisfaction

Leap adoption on all digital channels during pandemic



5.5 mn
active user

+39%
QoQ



4.9mn
transactions in
Mar20

+14%
QoQ



8.8mn
transactions in
Mar20

+3%
QoQ



6.2mn
transactions in
Mar20

+9%
QoQ

Digital Channel

**Moving toward
online channel,
reducing footprint**

- Renewed channel strategy
- Accelerate serving customer via digital platform

Digital Solution

**Opportunities to
capture demand
from new normal**

- Digital mobile brand
- Enterprise and SME customers seek new solutions to sustain

Digital Disruption

**Cost reduction
across the work
processes**

- Potential to move portion of workforce to work from home
- Operating cost reduction from digitalized organization