



Investor Presentation

14 Aug 2020

15.15 – 16.00 pm BKK time

Agenda

- 2Q20 Performance
- Post COVID-19 strategies

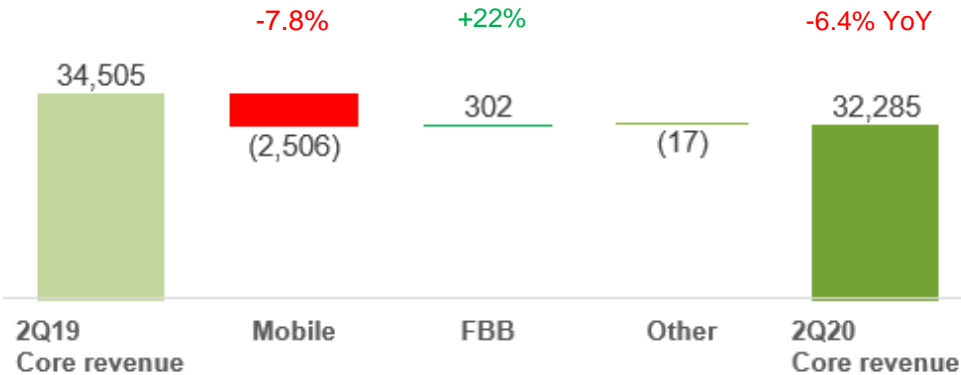
Financial Performance

2Q20 Performance:

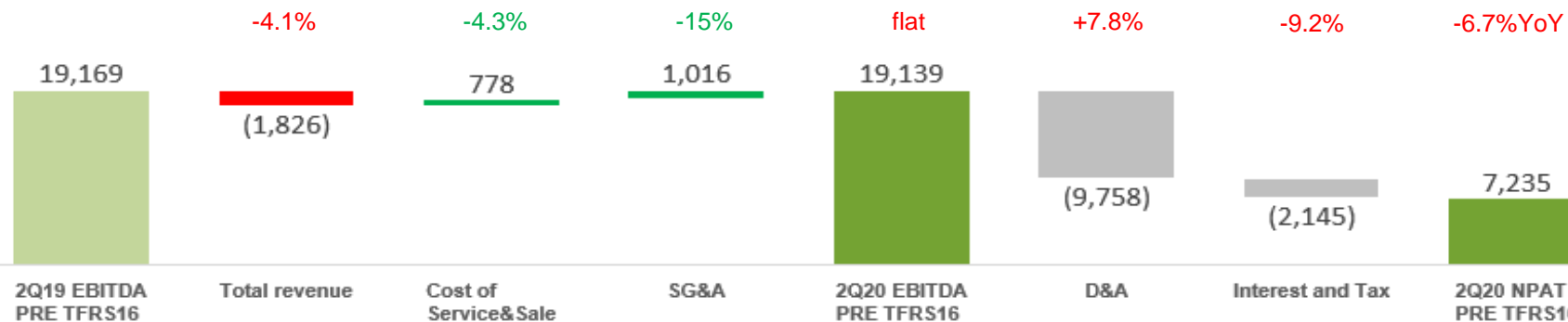
NPAT declined YoY from the pandemic but increasing QoQ from SG&A saving



Core service revenue (Bt mn)

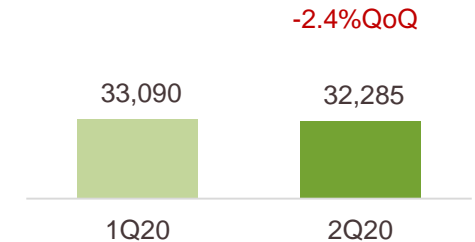


Profitability (Bt mn)

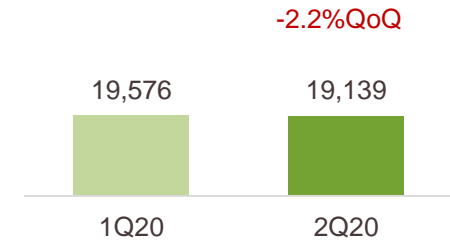


- **Core service revenue** impacted from lockdown to mobile business offset by growing demand on FBB resulted in decrease -6.4%YoY.
- **EBITDA** was flat YoY from decreased revenue offset by cost saving.
- **NPAT** -6.7%YoY from continued investment in new spectrum.

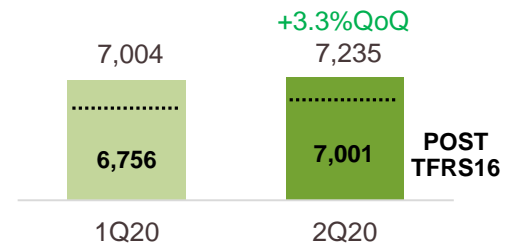
Core service revenue (Bt mn)



EBITDA (Bt mn) PRE TFRS16



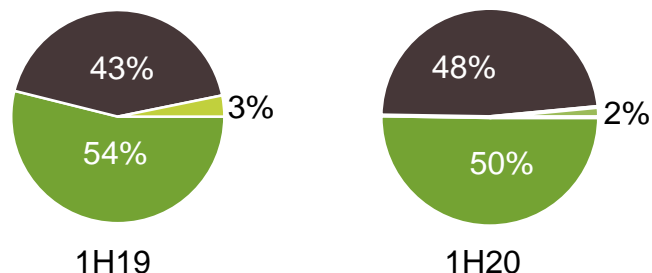
NPAT (Bt mn) PRE TFRS16



Mobile revenue impacted from lock down and competition

% Mobile Revenue Contribution

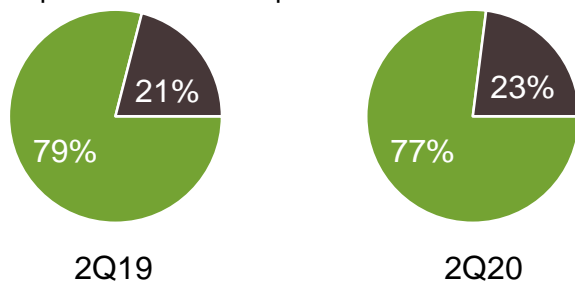
■ Prepaid ■ Postpaid ■ IR & IDD



- Lower IR& IDD contribution following lock down
- Postpaid revenue mix continued to expand

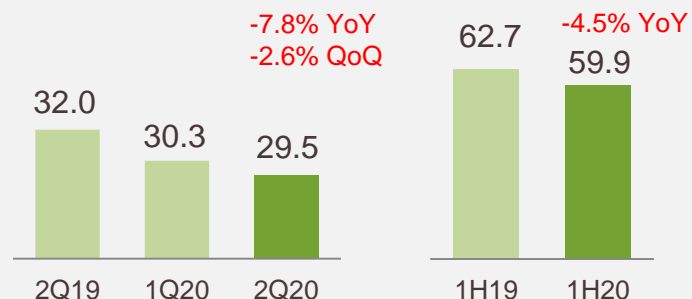
% Mobile Subscriber Contribution

■ Prepaid ■ Postpaid



- Pre-to-post migration has resulted in a larger proportion of postpaid subscribers from 21% in 2Q19 to 23% in 2Q20.

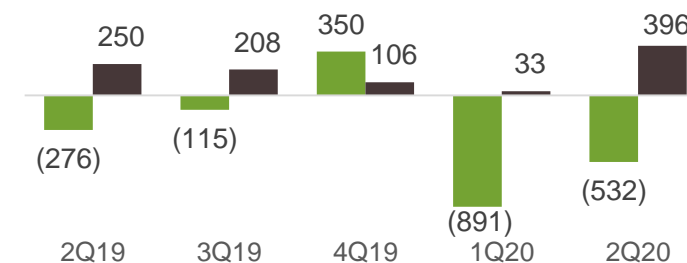
Mobile revenue (Bt bn)



- Mobile revenue was negatively affected by price competition and COVID-19 impact.
- Travelers segment revenue continued to decline due to international travel restriction.
- NBTC's mandate on free data and free voice in 2Q20 caused significant drop in top-up, while the compensation from NBTC partially covered.
- Postpaid revenue was able to withstand the pandemic from larger sub base.

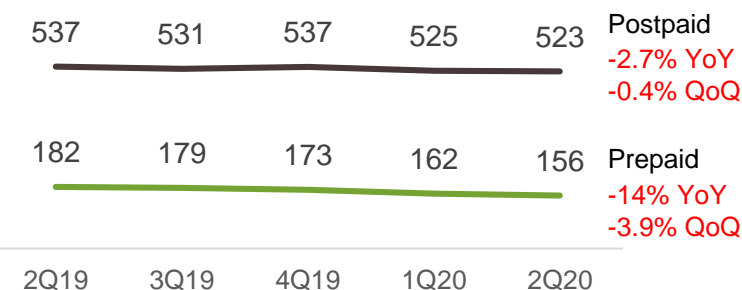
Net subscriber addition ('000)

■ Prepaid ■ Postpaid



- The decrease in prepaid subscribers resulted from tourist segment and weak consumption, while postpaid gained from migration from prepaid.

Mobile ARPU (Bt/sub/month)



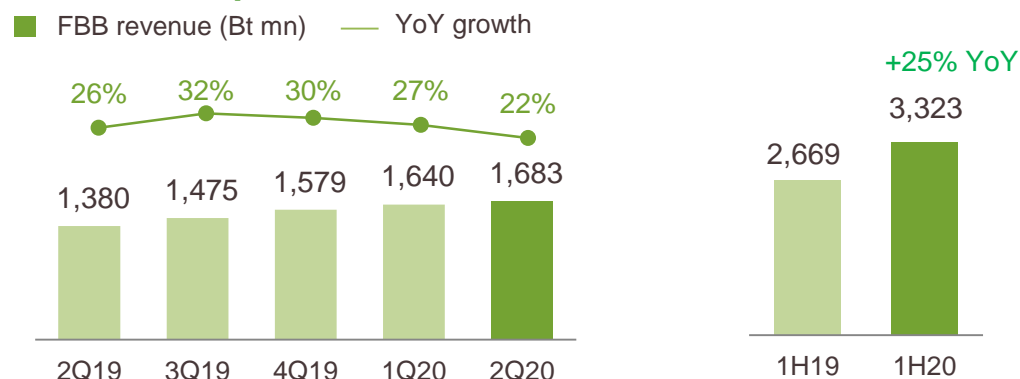
- Declining trend ARPU from price competition and the effect of the NBTC's campaign

High demand for fixed broadband from Work-from-home trend



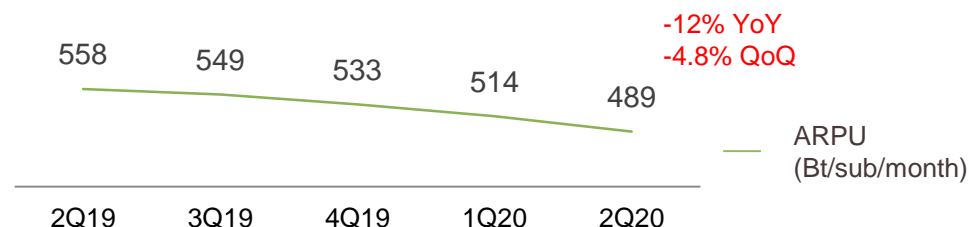
FBB had strong growth +20% YoY

Continued expansion of FBB revenue base



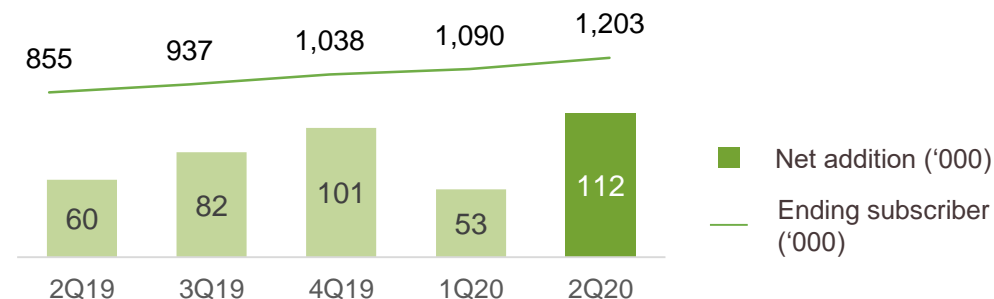
- FBB revenue was driven by subscriber gain offsetting lower ARPU due to price competition.

ARPU continued to decline from small package



- FBB ARPU continued downward trend as Work-from-home package at Bt399 for 100/100Mbps was dominating the FBB market.

Robust subscriber growth driven by Work-from-home trend



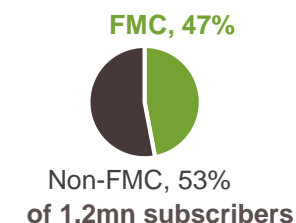
- FBB subscribers grew double-digit with 112k net addition in 2Q20, record high since inception from demand of Work-from-home

Geared toward long-term growth



- AIS fibre expanded nationwide network coverage in **77 cities**.
- Cover **8mn** home-pass out of 22mn households in Thailand

- Gain market share with competitive fibre pricing
- Leverage mobile subscriber base with targeted offering

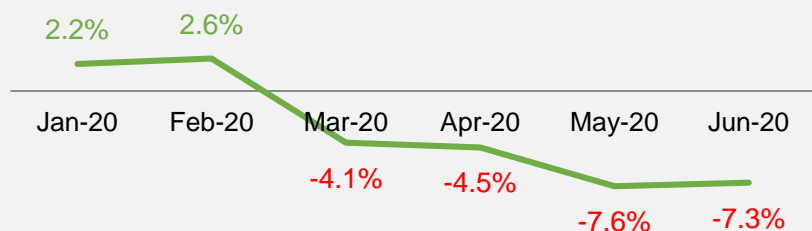


*FMC subscribers are FBB subscribers on bundling package with mobile service.

COVID-19 impact on 2Q20

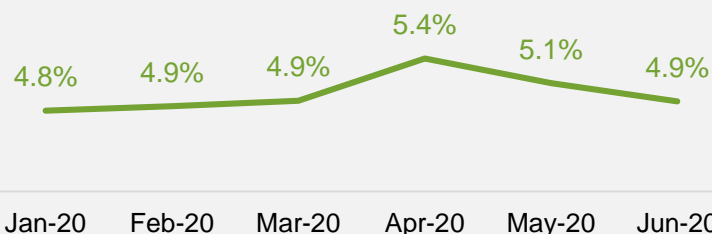
Ease of lockdown show improved trend in June

%YoY Service revenue



- Following ease of lockdown, revenue started to stabilize and June showed slight rebound 3.3% MoM.

%Bad debt provision to postpaid & FBB revenue

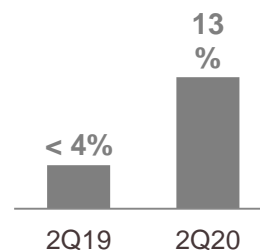


- After resuming collection process, % bad debt provision improved since May

Accelerated digital transformation

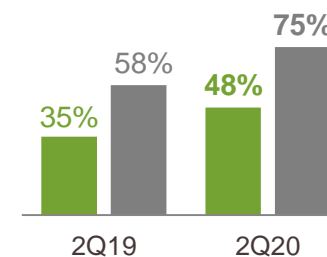
Moving toward online channel

Postpaid Subscriber acquisition via online



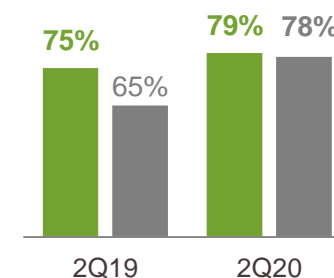
%Top up & Payment amount via online channel

■ Prepaid top-up
■ Postpaid bill payment



%Top up & Payment via self-service channel*

■ Prepaid top-up
■ Postpaid bill payment



*Self-service channel: online + machine

Expand active users on digital product and service platform



- Grew AIS Play user base with **2.3mn** active users
- Added attractive original content and acquire best premium contents

New launch in 2Q20

- 'beIN SPORTS' channel
- Device expansion to high-ended box, "Apple TV"
- Now available on SAMSUNG smart TV

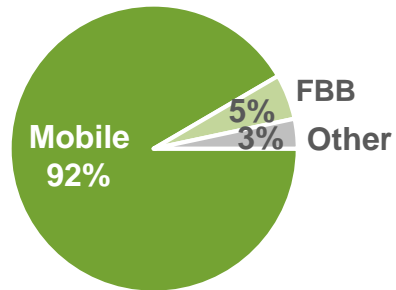


1H20 Performance:

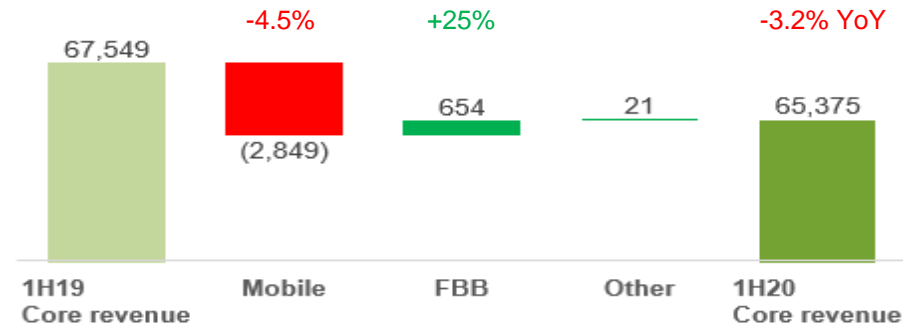
COVID-19 impact to revenue offsetting with cost measures



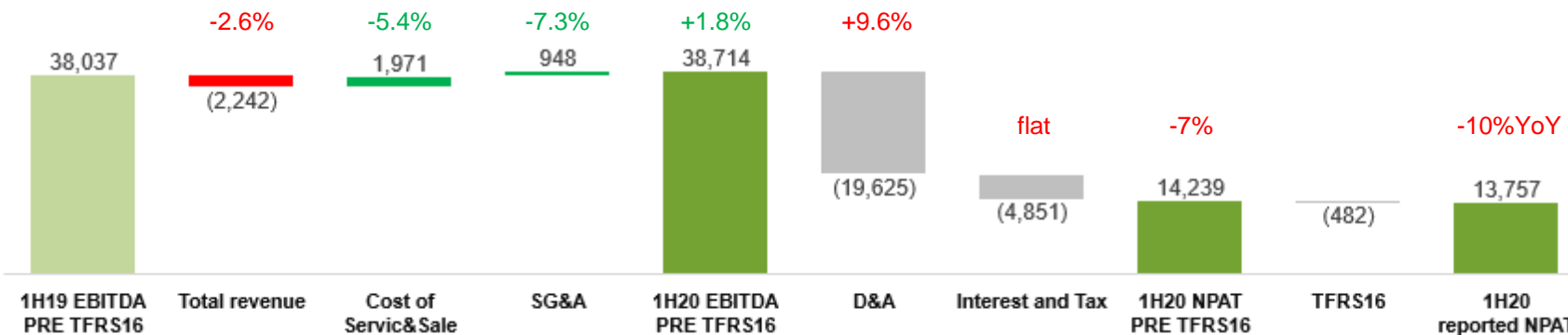
Revenue contribution



Core service revenue (Bt mn)



Profitability (Bt mn)



- **Core service revenue** affected by COVID-19 especially in mobile business while fixed broadband was the beneficiary stimulated by demand to work-from-home.
- **EBITDA** grew +1.8%YoY in the 1H20 amidst pandemic due to cost measures.
- **NPAT** -7%YoY as AIS continued to invest in network and spectrum for both 5G and 4G.

2020 Guidance

	FY2020	Rationale
Core service revenue	Low single digit decline	<ul style="list-style-type: none"> Revenue to rebound in 2H20, but still declining YOY from weak private consumption and pricing pressure Maintain mobile revenue market share with similar growth rate as industry
EBITDA	Low single digit decline	<ul style="list-style-type: none"> EBITDA growth in line with revenue growth from cost saving measures implemented
CAPEX *exclude spectrum	Approximately Bt35bn	<ul style="list-style-type: none"> Continue to invest for long term leading position

Key strategies for Post Covid-19

2020 Strategic Priorities



5G Leadership

Best-in-class Network for consumers and enterprise

- Lead the industry with 5G infrastructure and superior technologies
- Bring 5G consumer use cases to create value proposition
- Enhance connectivity for enterprise service with new technology



New Growth Engine

Diversify revenue source and growth driver

- Capture emerging ICT solution market (Cloud, Cyber security and IOT) through strategic partnerships
- Leverage strength of mobile and FBB to grow consumer digital platform



Digitalization

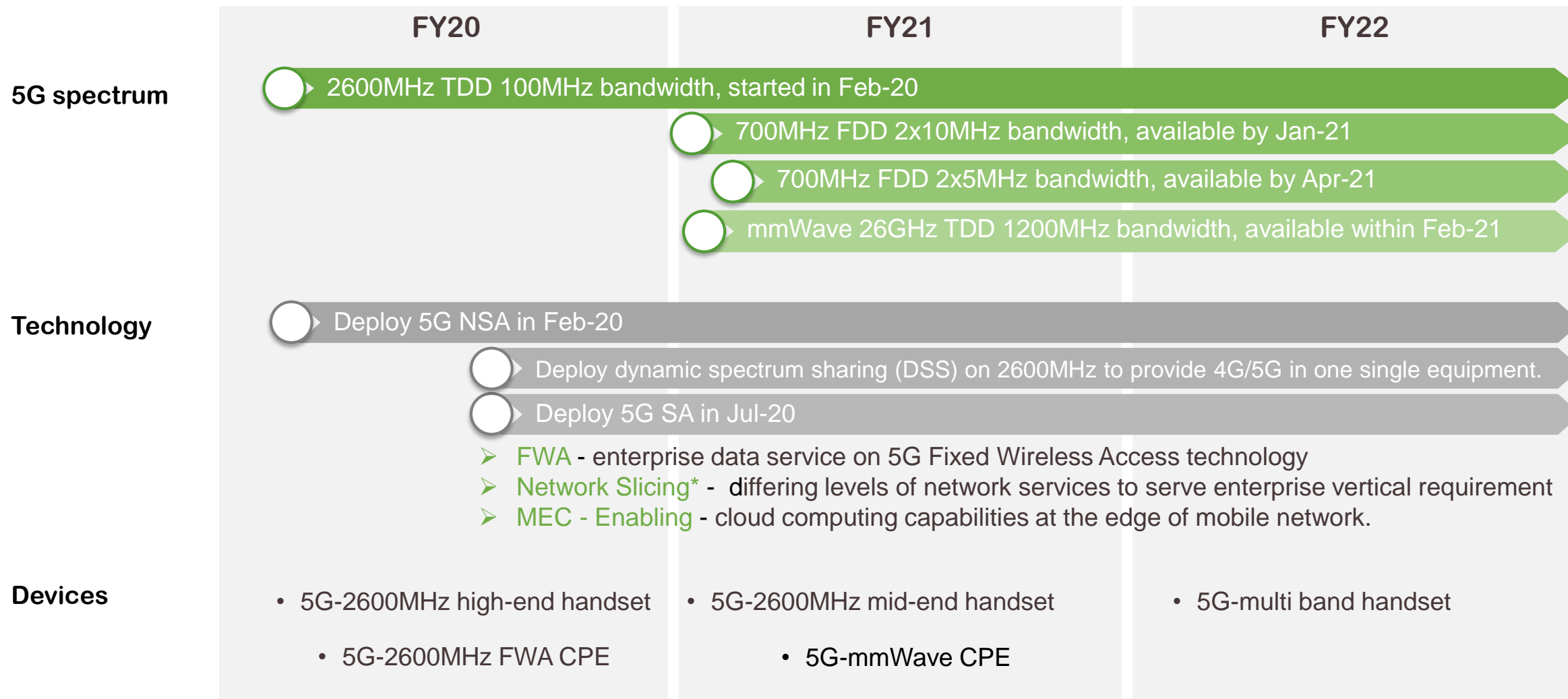
Enhance operational efficiency and customer relationship

- Evolve sale and service channel toward digital
- Enhance customer value and build new revenue through data analytic
- Optimize and digitalize process for cost efficiency

Leading 5G infrastructure & superior technologies



Roadmap to strengthen leadership with best-in-class spectrum and superior technology

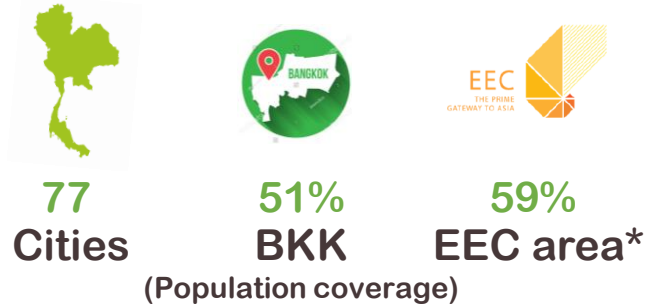


*Network slicing - Ability to manage multiple virtual networks over a shared network infrastructure to serve individual service or performance requirement.

Initial 5G coverage across Thailand

Leading 5G network

Coverage



Number of cell site

Current **>4,000 sites** → FY20 Target **4,600 sites**

4G 2600MHz utilization

60% 4G 2600MHz Capable device
20% 4G traffic offload to 2600MHz

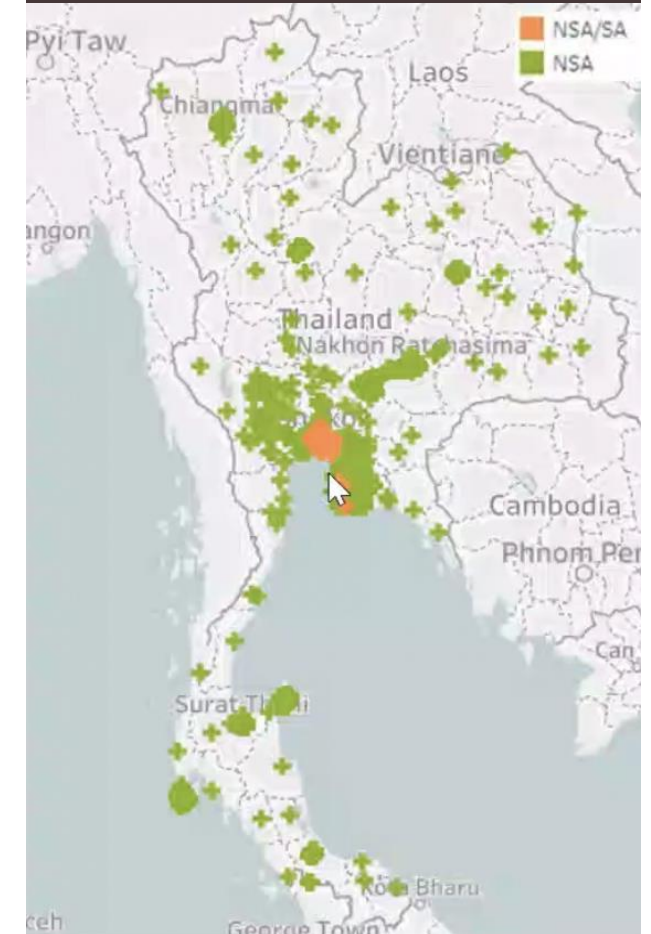
Bangkok and Metropolitan area

Downtown Bangkok	66 locations
Metropolitan areas	12 locations
Top Bangkok shopping malls	32 locations
AIS Shop	21 locations
AIS Co-Working Space	2 locations
Total	133 locations

Regional Area

North	26 locations
South	31 locations
Northeast	31 locations
East	22 locations
Central	32 locations
AIS shop	5 locations
Top shopping malls	39 locations
Total	186 locations

5G rollout in main locations to serve early adopter and high 4G usage area

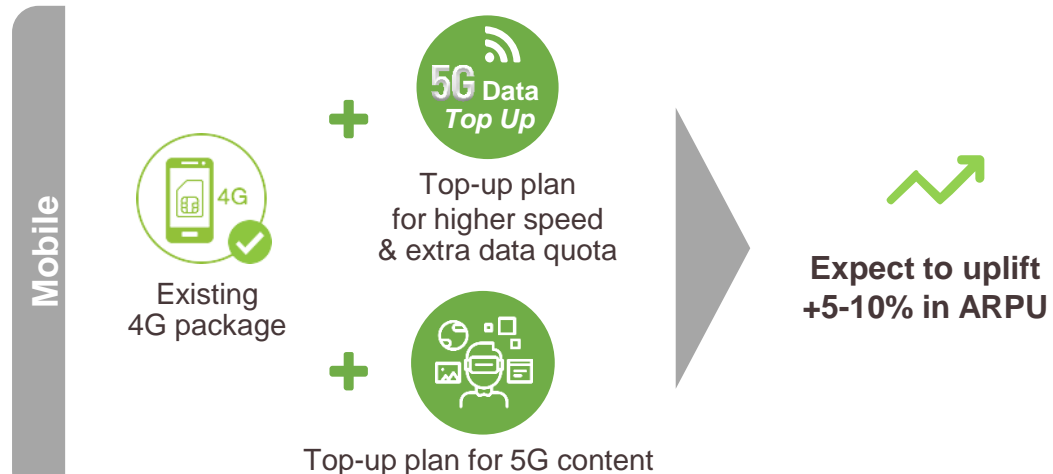


*EEC area - Geographical coverage in EEC promoted area by NBTC.

Bring 5G consumer use cases to create value proposition

New revenue drivers from 5G consumer package and...

Focus on high-ARPU subscribers by introducing on-top plan for 5G experience



FWA

5G Initial FWA package

5G CPE Pro

- Special price at Bt8,900 (Bt4,000 discount)
- 12 month contract

Price plan

- Bt599 4G/5G 100GB
- Bt1,099 4G/5G Unlimited data

...5G contents for immersive experience



- Collaborate with content creators to expand varieties of AR/VR contents
- Invest in AR/VR studio to support local content production

Offer variety of contents to capture all consumers' interest

AIS VR Original contents



5G Gaming



5G for virtual expo



Enhance 5G connectivity for enterprise service

Beyond EDS limitation with FWA technology



Services



5G FWA Broadband

- Wireless Internet connection for SME



5G FWA Corporate internet

- Dedicate channel for enterprise



5G FWA Private network

- Private network for securities.



5G FWA SD-WAN

- Auto network organization for large enterprise

Revenue model

Fixed recurring monthly fee based on

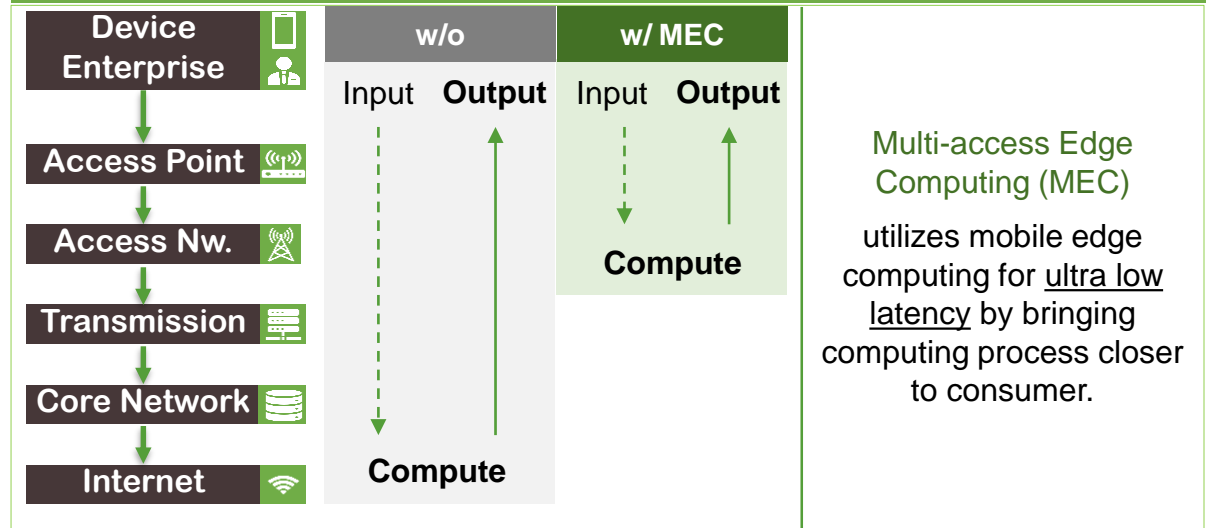
- Number of access point
- Speed
- Service level agreement (SLA) - quality assurance for less downtime

Advantage

Eliminates the need of **fixed-line infrastructure**

- Open up to new demand eg. building with copper wire.
- Diminish CAPEX lead to less OPEX

Enable new enterprise use cases with MEC



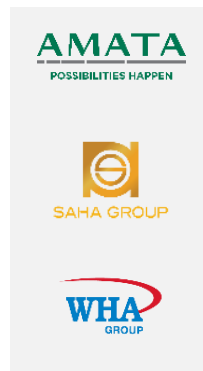
Use Case	MEC	5G SA	Requirement
Smart factory solution	✓	✓	Ultra Low latency & reliable
Remote control seaport	✓	✓	Ultra Low latency & reliable
Robot for security surveillance	✓	✓	Ultra Low latency & reliable
VDO streaming	✓	✓	Low latency
Private network	✓	✓	Low latency

Diversify revenue source and growth driver

Capture emerging ICT solution through strategic partnership

Strategic partnerships to capture ICT market

- Partnered with industrial estates to provide network infrastructure and enterprise data service
- Opportunities to provide value added service with 5G for industrial use cases



Product solution and industrial solution



**CLOUD
& Data center**



**Cyber
Security**



IoT



ICT Solution

Leverage AIS's strength to grow consumer digital platform

Expand active users on digital platform



Video

- Introduce original/co-create and premium contents to capture larger viewership
- Embed AIS Play application on Apple TV and smart TV



Game

- JV with Singtel and SKT to provide aggregated gaming contents on AI platform
- Launched "AIS eSport Studio" to engage gamer community



Digital marketing

- Offer online marketing via programmatic advertising platform through top 100 website in Thailand



Insurance

- Increase product varieties from travel to Health, and Accident insurance and cross sell on AIS's customer

Evolve service and sale channel mix toward digital

Enhance online service channel capability

One-stop service on my AIS app



5.3mn
active users



60%
of total bills



80%
of total receipts



75%
of total transactions



- Improve cost efficiency with AI and digital channel

AI-enabled Customer service

79% of customers contact handled by AI
92% satisfaction rate from customers served by AI



Expand OMNI sale and acquisition channels

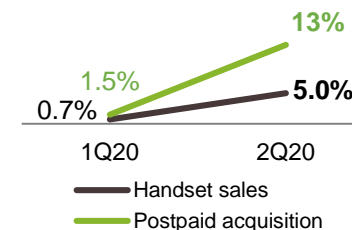


New online channel

- Upgrade acquisition capability on Line@AISSHOP
- Expand digital channels with new online partners e.g. JD Central, LAZADA and Shopee



Improved online sales



- Drive online sale channel to lower selling expense and improve customer experiences

Enhance customer value through data analytic

Deploy Customer 360 data analytic

C360 enhances data sets to provide a deeper understanding of our subscribers



1 | Persona

Analyze and interpret customer profile and behaviors to build targeted offerings



2 | Geolocation

Use anonymized location to improve service and offerings



3 | Customer level view

Aggregate to a single customer view for better service design

Create attractive value proposition

C360 as opportunities to

- Improve sales
- Reduce churn
- Increase ARPU
- Cross/up selling products across portfolio
- Enhance customer engagement with privilege program

Next Customer 360 development stages

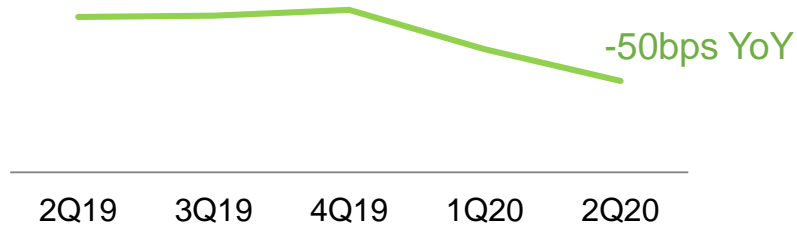
- Creating platform and strategy for **data monetization**
- Establish best-in-class **Marketing Analytic**
- Geospatial enabled **network optimization**
- Applied advanced analytics for **AIS loyalty program**

Optimize and digitalize process for cost efficiency

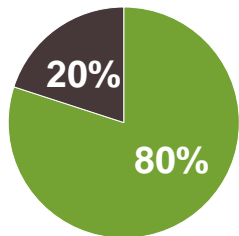


Lower prepaid commission following higher adoption of online top-up channels

% Prepaid commission of prepaid revenue



Enhanced shop staff cost efficiency



■ Sales transaction
■ Customer service transaction

Sale transactions reached 80% of total shop transactions, after implementing service kiosk and upgrading online service channels.



Cost saving initiatives from digitizing processes

Full-E channels been implementing on consumers and enterprise

• Consumer



2019

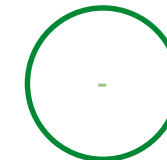


2020



• Corporate

eBusiness Portal



Cost saving from billing and collection..

- Printing & Packaging expenses
- Mailing expense
- Debt Collection expense

.. with higher customer satisfaction

- Convenience from online service
- Save commuting expense and time consuming
- Reduce carbon footprint from paper production and process



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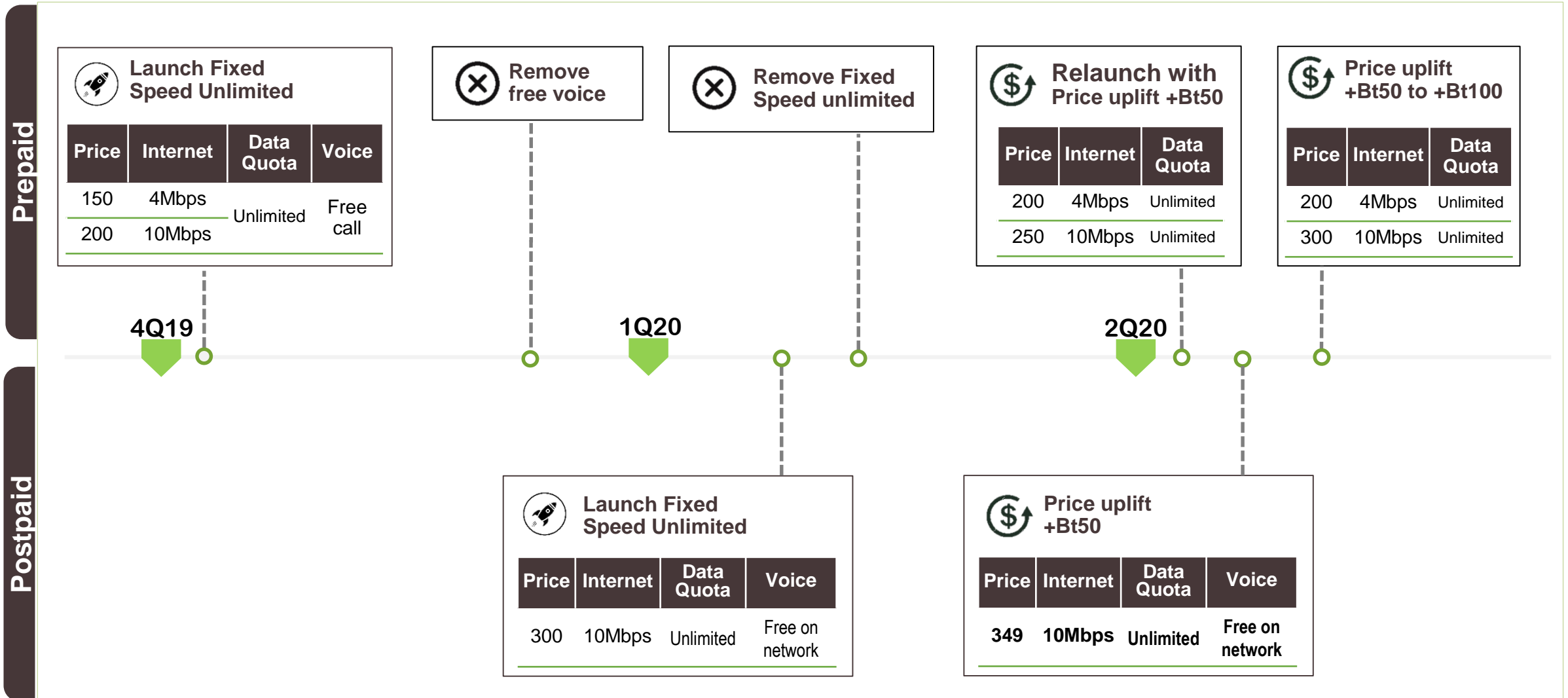
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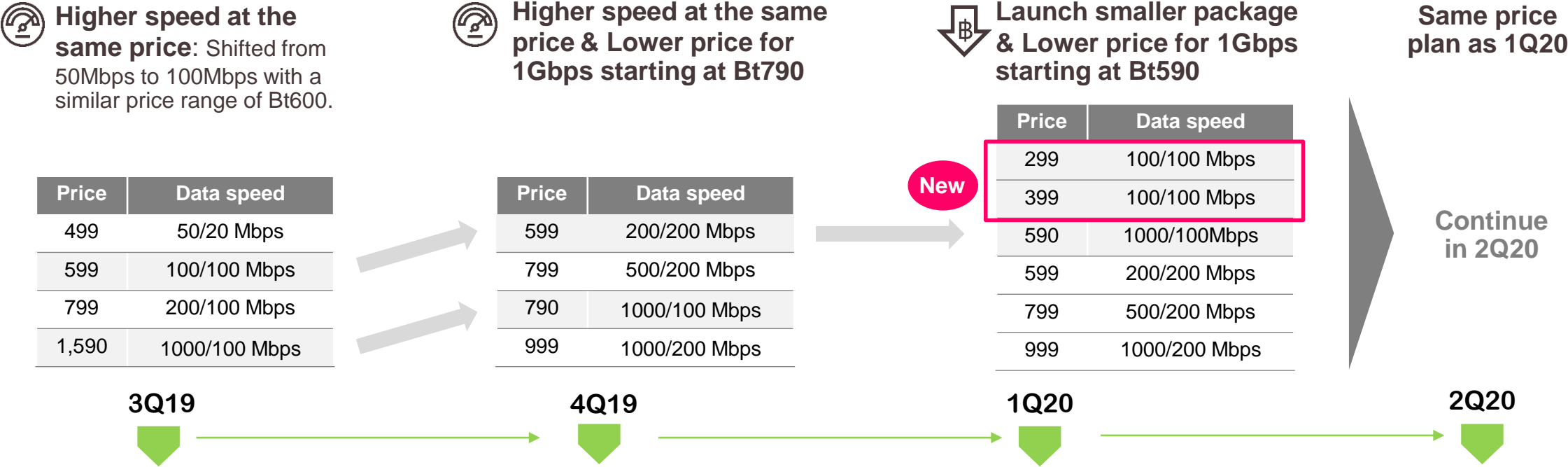
APPENDIX

Mobile Fixed Speed Unlimited package industry's movement:

Attempted to uplift tariff for fixed speed unlimited data package in 1H20



FBB market movement 3Q19 - 2Q20



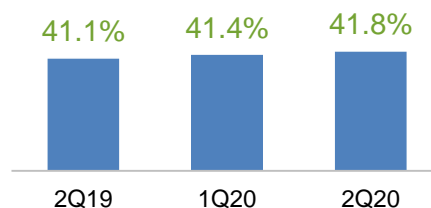
2Q20 Cost breakdown (Pre-TFRS16)



	2Q19	1Q20	2Q20	%YoY	%QoQ	
Cost of service	(20,170)	(20,385)	(20,439)	▲1.3%	▲0.3%	Increased mainly from network expansion
Regulatory fee	(1,462)	(1,409)	(1,281)	▼12%	▼9.1%	Dropped following core service revenue and one-time gain in 2Q20
Depreciation & Amortization	(8,896)	(9,712)	(9,606)	▲8.0%	▼1.1%	Decreased QoQ from fully amortized 3G equipment
Network OPEX & TOT partnership (gross)	(7,320)	(7,173)	(7,604)	▲3.9%	▲6.0%	Higher network OPEX
Network OPEX & TOT partnership (net of rev.)	(5,251)	(4,538)	(4,821)	▼8.2%	▲6.2%	Lower TOT rental cost but increasing QoQ from network expansion
Other costs of services	(2,492)	(2,090)	(1,948)	▼22%	▼6.8%	Lower prepaid commission
Cost of SIM and device sales	(6,709)	(6,419)	(6,372)	▼5.0%	▼0.7%	Dropped from lower device sales
SG&A	(7,047)	(6,288)	(6,021)	▼15%	▼4.2%	Lower marketing expenses and admin expenses
Marketing expense	(1,906)	(1,762)	(1,600)	▼16%	▼9.2%	Lower marketing activities during lock down
Admin and others	(5,141)	(4,526)	(4,421)	▼14%	▼2.3%	YoY reduction due to one-time provision for legal severance
Net foreign exchange gain (loss)	84	(422)	344	▲37%	▲182%	FX gain from Baht appreciation of CAPEX payable
Other income (expense)	91	271	129	▲42%	▼53%	Decreased QoQ from accrued expenses reversal in 1Q20
Finance cost	(1,194)	(1,201)	(1,194)	Flat	▼1.3%	Lower interest-bearing debt offset by higher deferred interest

Common size

Cost of service
(Net cost of TOT partnership)



SG&A

