



2Q21 Investor presentation

Advanced Info Service Plc.



Add AIS IR LINE@

2Q21 Executive Summary



Prolonged economic impact from new phase of pandemic

- Despite of economic weakness from prolonged pandemic, service revenue was flat both QoQ and YoY.
- We continued to optimized cost while expanding 5G network which resulted in controlled cost of service and declined SGA. Reported NPAT was 7bn, +0.6%YoY and +6%QoQ. Excluding one-time items, normalized NPAT was 6.6bn, -5% YoY and flat QoQ.

Focused on 5G leadership in network and customer value

- Our 5G network continued to expand and covered 25% of population
- We recorded over 1mn 5G subscribers, defining as those specifically signed up for the 5G package as they are willing to pay higher for a larger data plan; this resulted in the 10-15% ARPU uplift
- We expect more affordable models of 5G mobile devices, which should drive our 5G subscribers to 2mn, a renewed target.

Announced strategic partnership for Enterprise and VDO content

- Microsoft strategic partnership is part of our growth strategy in cloud service to widen our product suites and capabilities.
- Disney+ Hotstar is an exclusive partner in form of product offering and marketing to Thai population.

Revised down full year guidance following the rising economic risk

- We revised down the FY21 revenue guidance to be flat or slightly decline and EBITDA to be flat.
- Our network capex remains between 25-30bn to ensure we invest for leadership both on network quality and customer perception
- We continue to focus on delivering fair profitability balancing between short- and long-term drivers while keeping our solid financial strength.

2021 Revised Guidance

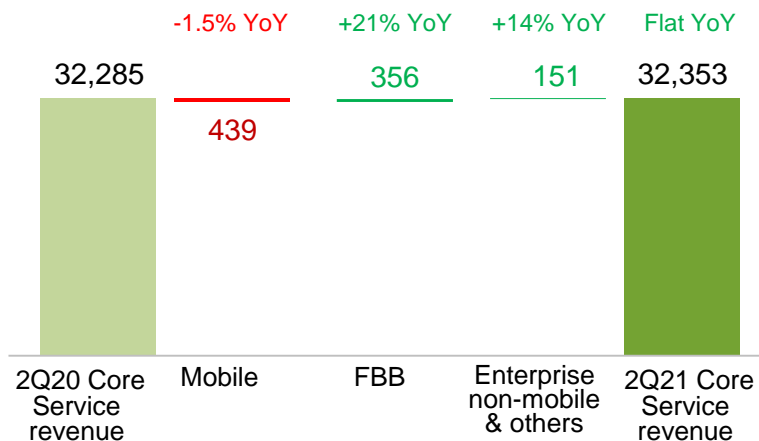
FY21 guided items	Previous Guidance	Revised Guidance	Rationale
Core service revenue	Low-single digit growth	Flat to slightly decline	<ul style="list-style-type: none"> Mobile revenue to continue under pressure due to weak consumer spending Home broadband to maintain growth momentum and outpace the industry growth Enterprise business is anticipated to continue delivering double digit growth
EBITDA	Low-single digit growth	Flat	<ul style="list-style-type: none"> Focus on cost optimization for operation and SG&A
CAPEX *excluding spectrum	Bt25-30bn	Bt25-30bn	<ul style="list-style-type: none"> 5G/4G network, FBB, digital and enterprise services Build 5G leadership and 4G quality to deliver superior quality in selective are with high 5G device penetration Focus on delivering 5G user experience, ensure good 5G coverage and expand 5G as penetration grows

2Q21 Performance:

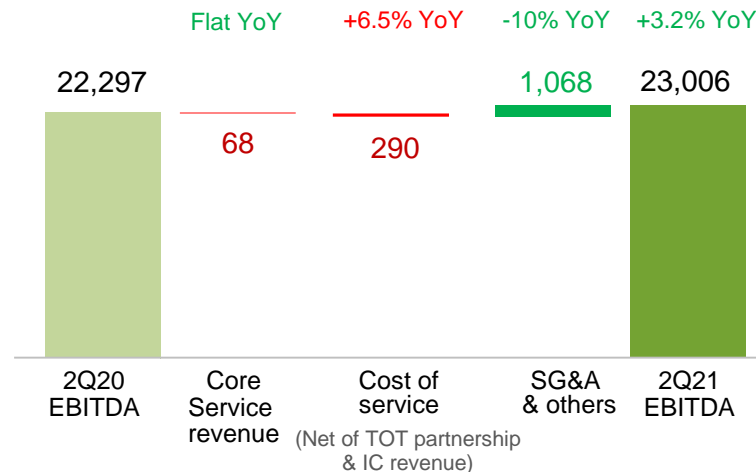
Despite of economic weakness, AIS delivered flat service revenue both QoQ & YoY



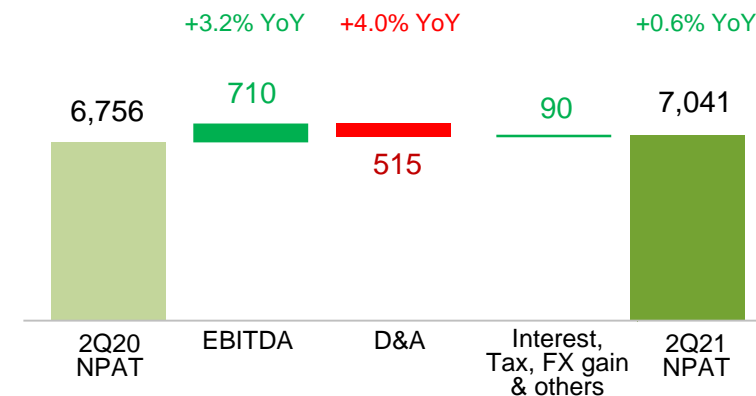
Core service revenue (Bt mn)



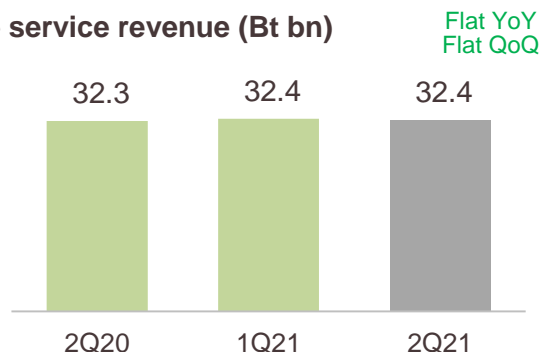
EBITDA (Bt mn)



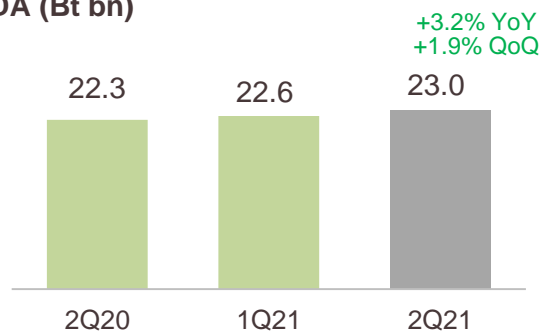
Reported NPAT (Bt mn)



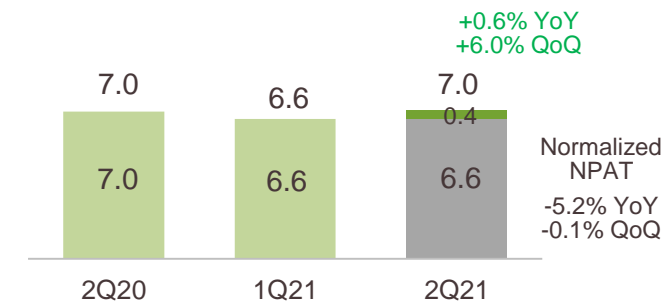
Core service revenue (Bt bn)



EBITDA (Bt bn)



NPAT (Bt bn)



- **Core service revenue** was flat YoY and QoQ from a decrease in mobile revenue offset by solid growth in fixed broadband and enterprise segment.
- **EBITDA** increased YoY and QoQ due to weak core service revenue offset by continuous cost optimization
- **NPAT** improved both YoY and QoQ from one-time items in other income. Normalized net profit decreased 5.2% YoY from higher spectrum amortization but remained flat QoQ.

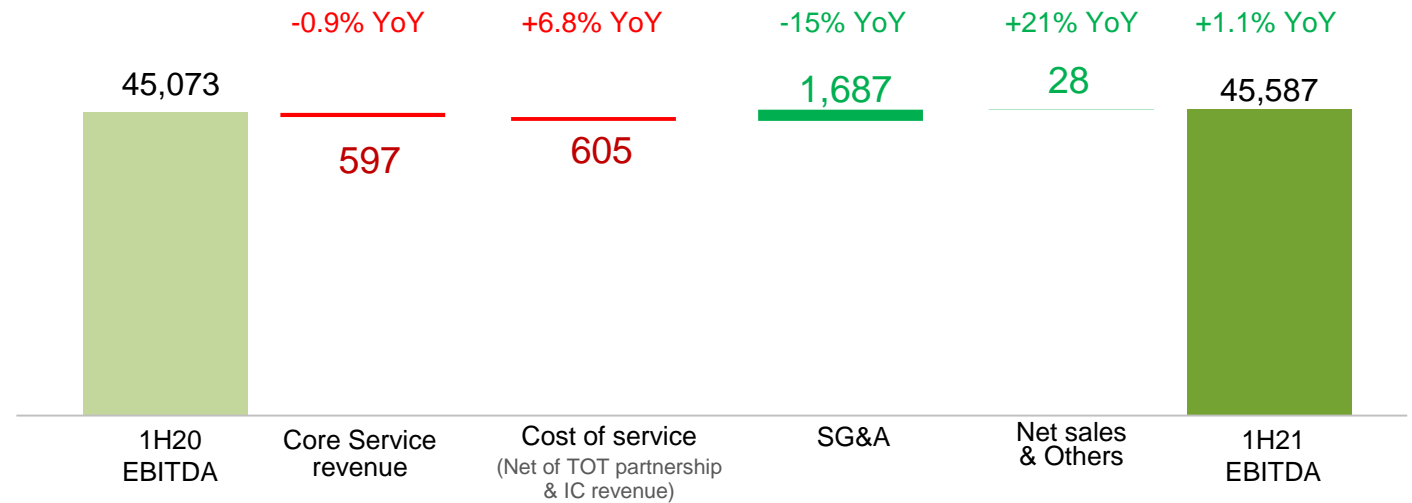
1H21 Performance:

COVID-19 impact to revenue mitigated by cost controls

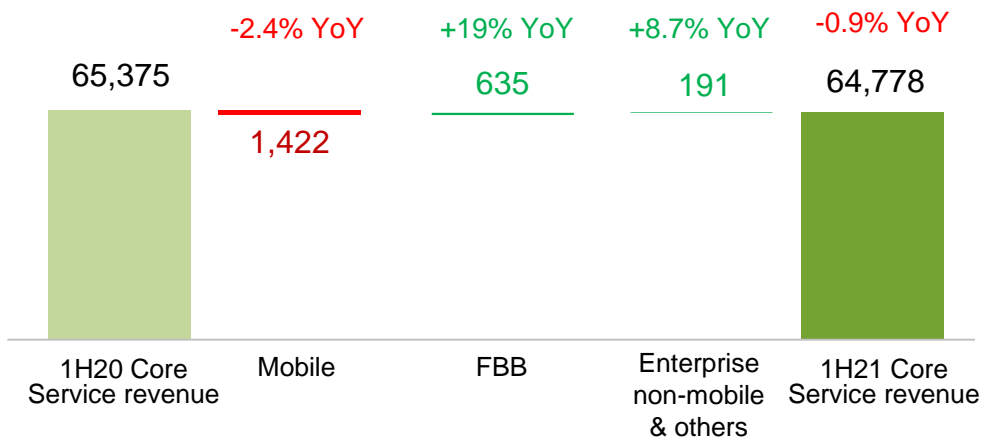


- **EBITDA** increased despite soften core service revenue, offset by cost control in SG&A
- **NPAT** slightly dropped whereas **normalized NPAT** declined by 3.4% YoY from 700MHz & 26GHz license amortization

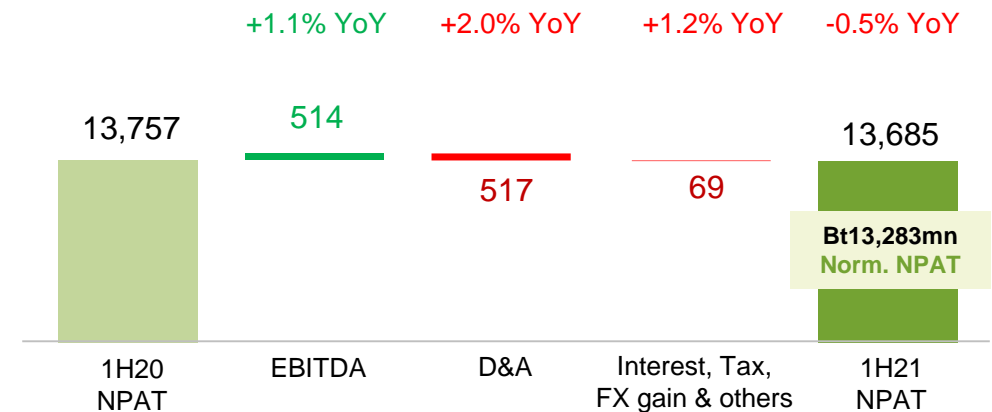
EBITDA (Bt mn)



Core service revenue (Bt mn)

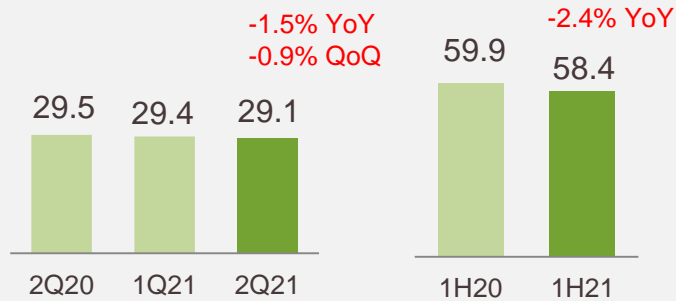


NPAT (Bt mn)



Mobile: Weak economy and pricing competition affected mobile revenue

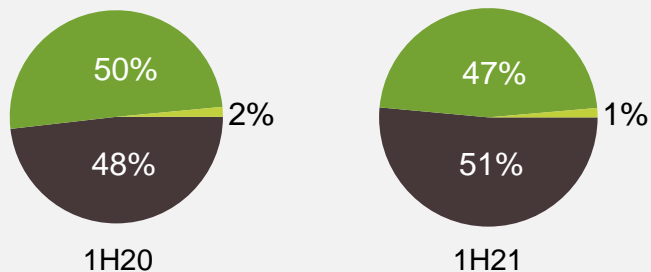
Mobile revenue (Bt bn)



- Mobile revenue was negatively affected by price competition and weak consumer spending

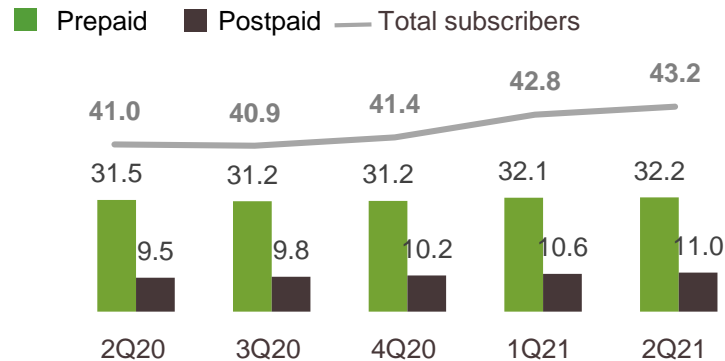
% Mobile Revenue Contribution

■ Postpaid ■ Prepaid ■ IR+IDD



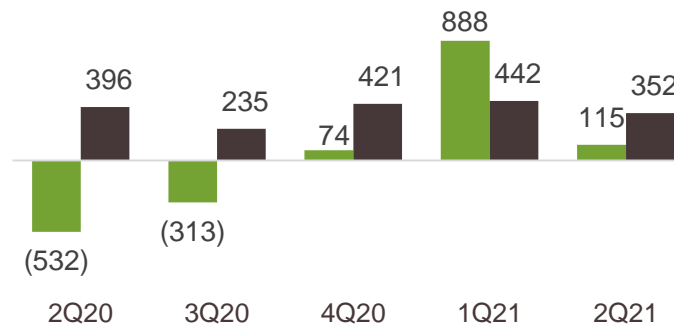
- Postpaid growth continued supported by pre-to-post migration

Total subscriber (mn)



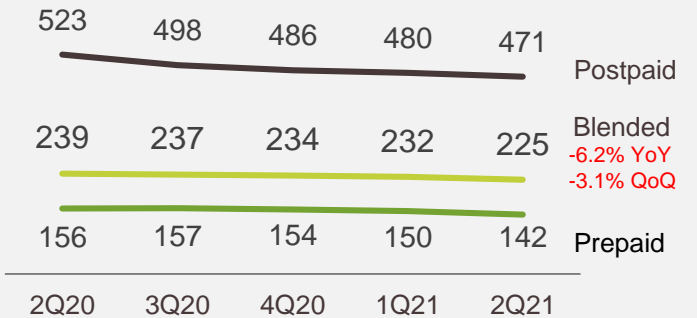
Net additional subscriber ('000)

■ Prepaid ■ Postpaid



- Maintained strong postpaid acquisition underpinned by continuing migration from prepaid to postpaid
- Increase in prepaid segment from strong acquisition, partly offset by seasonal churns of one-time segmented SIMs.

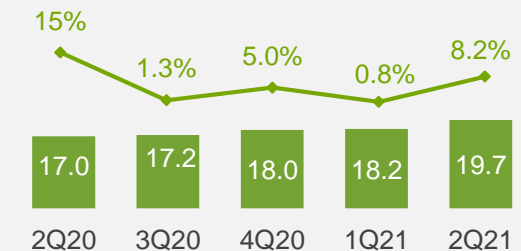
Mobile ARPU (Bt/sub/month)



- Weak consumer spending and price competition on unlimited data plans continued to pressure ARPU

Data consumption






■ Blended VOU (GB/data sub/month) — %QoQ growth



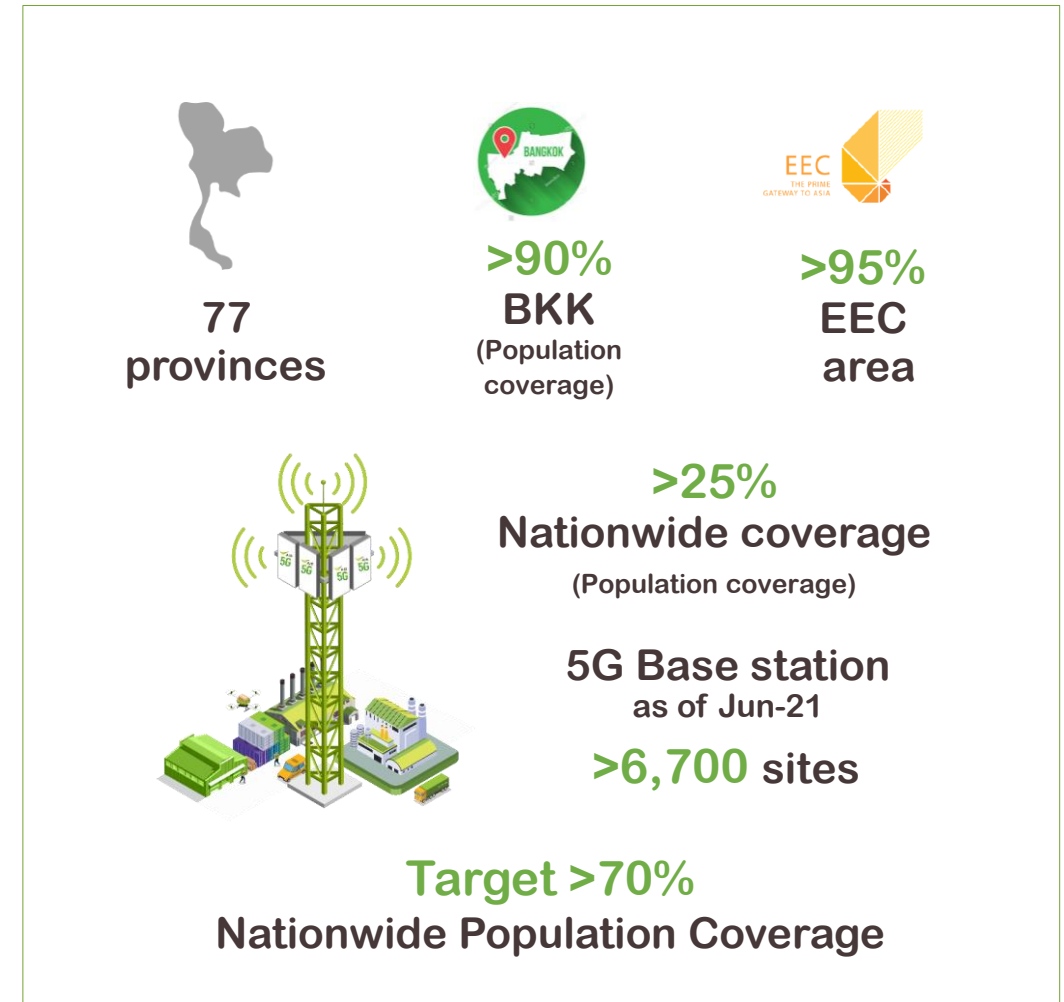
- Accelerated growth in data usage driven by new phase of pandemic

Enhance 5G leadership in network and customer value

Healthy 5G Momentum

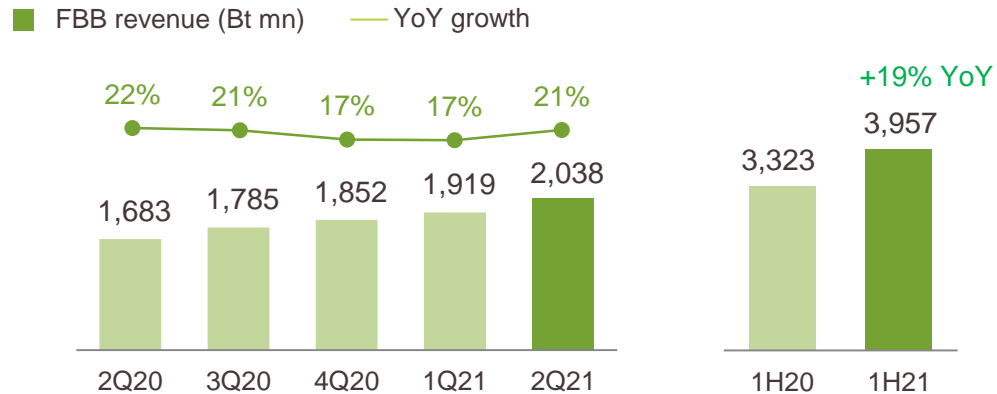
Scaling 5G potential	5G package subscribers 1mn	5G VOU ▲30%
Monetization	5G ARPU uplift ▲10-15%	5G ARPU >Bt600
Value creation	<div></div> <p>Star Dating Music Education Wellness Travel</p> <p>Provide most comprehensive content to capture targeted lifestyle and interests</p>	

Continue to invest for 5G leadership



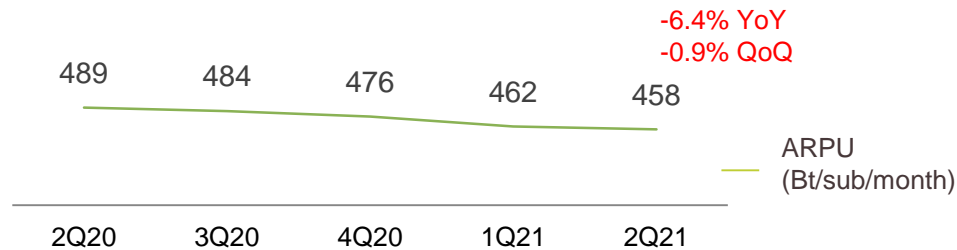
FBB: Solid demand continued driven by work from home

Despite soften ARPU, FBB continued to deliver high growth



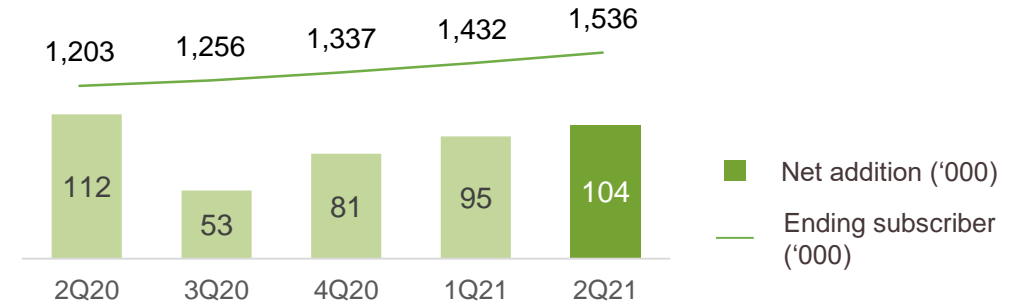
- FBB revenue was driven by subscriber gain offsetting lower ARPU due to price competition.

ARPU remained low from popularity toward low-price entry plan



- ARPU continued to decrease due to the popularity of a low-price plan at Bt399 for 200Mbps speed

Strong subscriber growth from high demand for Work-from-home



- Continue to deliver strong customer growth with 104k net addition in 2Q21

AIS Fibre places focus on positioning as superior service quality



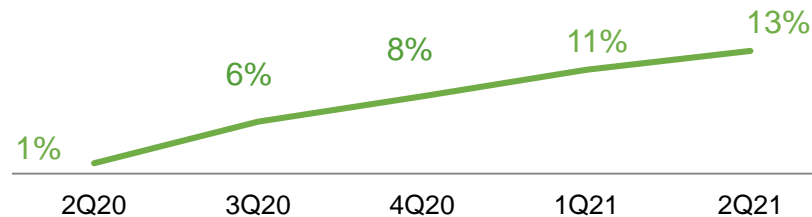
- 24hr maintenance guarantee e.g. resolving problems, fast installation, and on-time arrival is positioning AIS Fibre as a superior service quality

COVID-19 & work from anywhere boost demand and accelerate enterprise services

Enterprise business strongly grew amidst the new outbreak

Enterprise non-mobile revenue

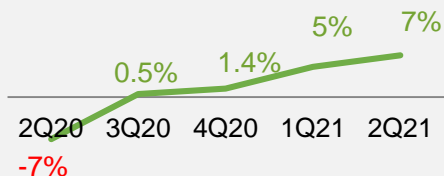
%YoY revenue



- non-mobile enterprise business grew due to increased demand for digital solutions e.g. Cloud, Cybersecurity and ICT solutions

Enterprise Data service (EDS)

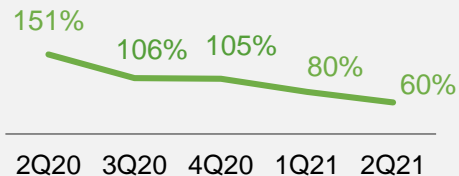
%YoY revenue



- EDS revenue continued growth momentum after the corporate resuming their operation

Cloud, Data center and ICT solutions

%YoY revenue



- Cloud, Data center and ICT solution increased by double digits following products and service expansion strategy.

Announced strategic partnership with Microsoft



Partnered with Microsoft to Bring together best-in-class network and cloud platform for consumers & enterprises



Network Partnership

- Strategic Partnership to bring global cloud to local (**Edge node**)
- Official Partnership of **ExpressRoute** Service for Microsoft Azure
- Official Partnership of **Edge Computing**



Solution Partner

- Official Microsoft **Cloud Solution Provider (CSP)** and Microsoft **Licensing Solution Partner (LSP)**



Advanced Specializations

- Fully support by **certified Microsoft experts** (Consult, Design, Migrate, Implement, Support)

AIS & Microsoft Strategic Partnership



- Expand cloud market across value chain, leveraging Microsoft advanced cloud solutions and co-develop new products
- Competency Development through Microsoft platform knowledge transfer
- Enhance 5G Capability with Microsoft Edge Computing Solutions

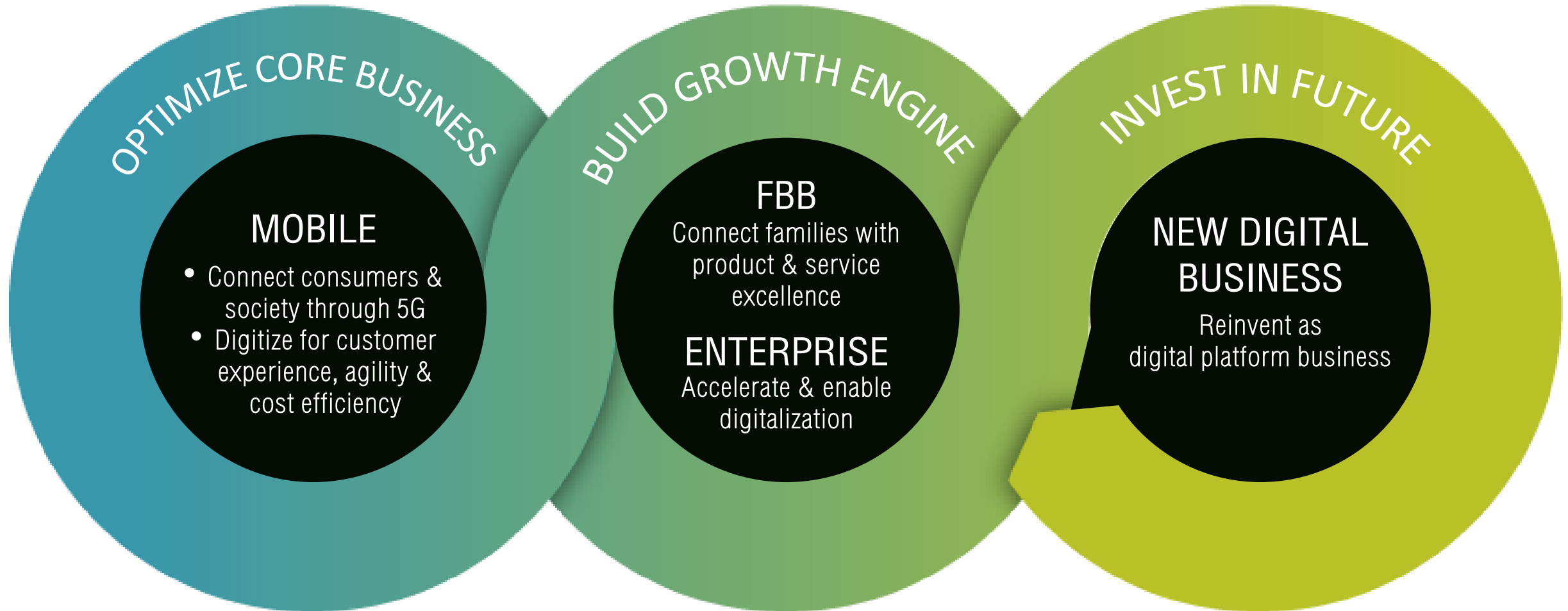
**Bring together best-in-class
network and cloud platform
for consumers & enterprises**

- Local Presence in Thailand leveraging on AIS customer base and salesforce
- Network Efficiency with Microsoft Edge Node on AIS Network & AIS Azure Express Route
- Alignment of business model as service provider with joint go-to-market strategy



2021 DRIVING LONG TERM VALUE

DRIVING LONG TERM VALUE CREATION



Maintain resiliency of digital infrastructure amid pandemic and facilitate consumers, businesses and communities to adapt in digital economy

Solid position in **Mobile business**

Maintain resiliency

Deliver profit / free cash flow and retain financial strength

5G leadership

1mn subscribers & target 2mn YE
+10-15% ARPU uplift
Strong positioned in spectrum

Digitalization

Customer interaction & internal process
Cloud base network & IT operation
Talent & capability building



คลื่นมากที่สุด

**Keep families
connected
powered by
superior Fiber
network & service**



Expect to reach
No.3 position
in 2022

12% market share
growing 1/3 shares
annually

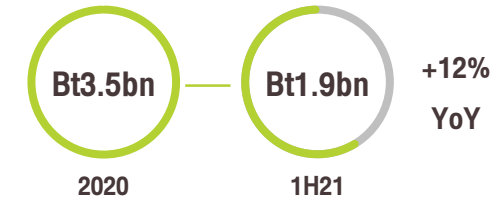
Differentiate with
Service excellence

Deliver
Positive EBIT



Accelerate & Enable Businesses toward Digital Transformation post COVID-19

Grow Enterprise portfolio
THB3.5 billion (non-mobile)



Open Ecosystem & Strategic Partnership
to externalize innovation & accelerate new services

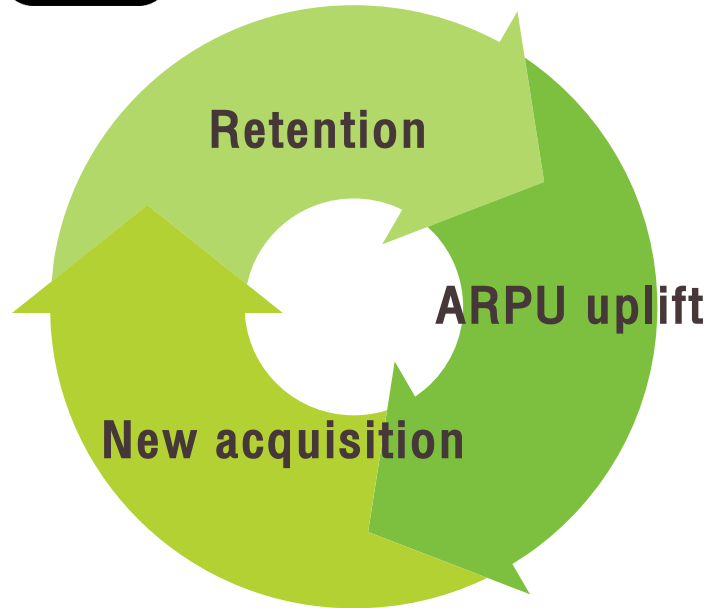
5G and Edge computing
to deliver extreme automation & performance

Enhance end-to-end enterprise service delivery
to build business agility and ensure effective execution

Position as integrated value to customers



Build accretive value



>4mn

Video MAU
as of Jul-21

PLAY PREMIUM Premium package

- Differentiate through premium contents



Expanding engagement for B2C

- New source of revenue from
advertising on streaming content



Official Broadcaster

Made Available B2B Segment

- Expand services to corporate segment with bulk premium package sales



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แพ็คเกจรายเดือน
ที่เดียวเท่านั้น



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Expanding Video Contents Services

Faster than original plan

Reaching > 1M subscribers



Official Broadcaster



**EXCLUSIVE ONLY ON AIS
EVERY MATCH EVERY SPORT**

AT AISPLAY

Integrated Value through Enhance Experience



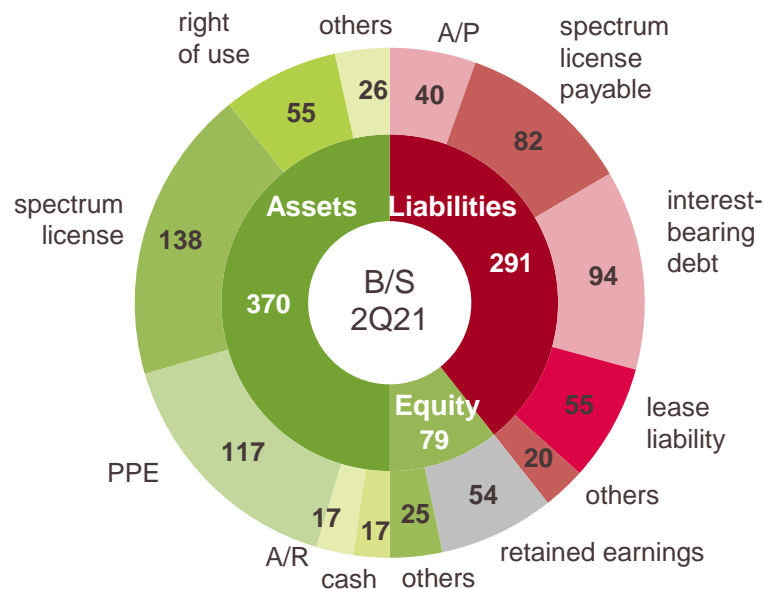


APPENDIX

Healthy Balance sheet and cash flow to support investment

Balance Sheet

(Bt bn)



0.8x

Net debt to EBITDA

1.2x

Interest bearing debt to Equity

0.5x

Current ratio

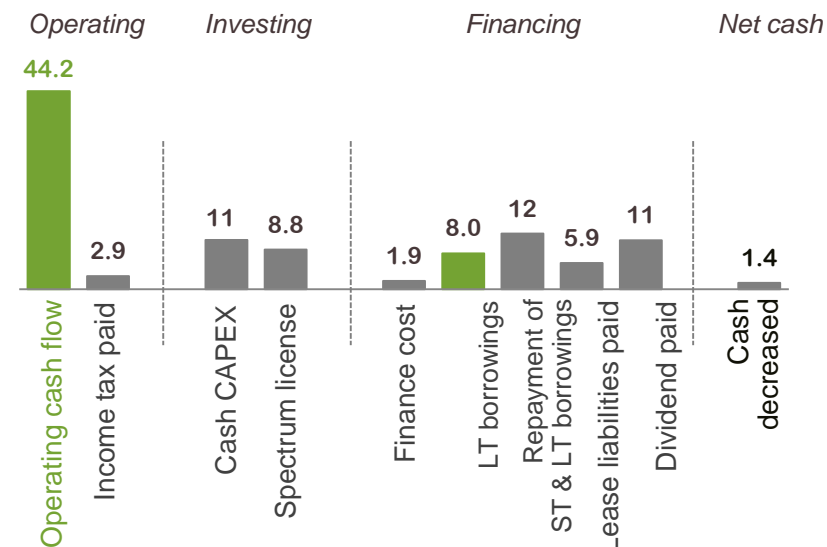
36%

Return on Equity

1H21 Cash flow

(Bt bn)

■ Cash increase ■ Cash decrease



Operating cash flow was healthy to support CAPEX, spectrum payment, and dividend

Investing cash flow was Bt20bn, including spectrum payment of Bt8.8bn

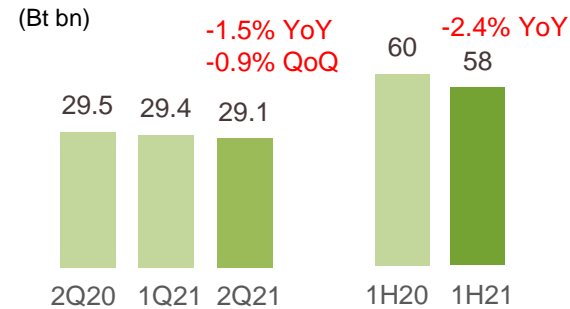
Average finance costs = 2.6% p.a.

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

2Q21 & 1H21 Revenue breakdown

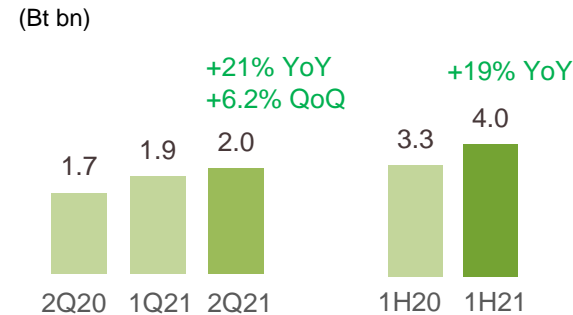


Mobile revenue



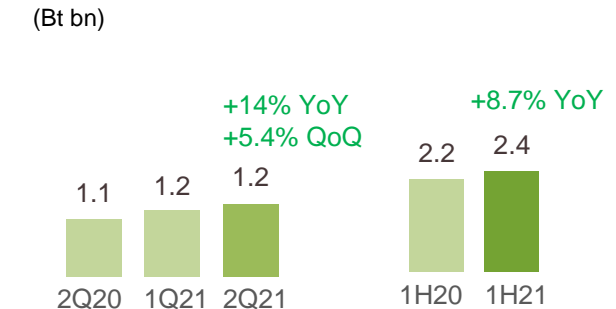
- Price competition and weak consumer spending have led mobile revenue to drop

Fixed broadband revenue



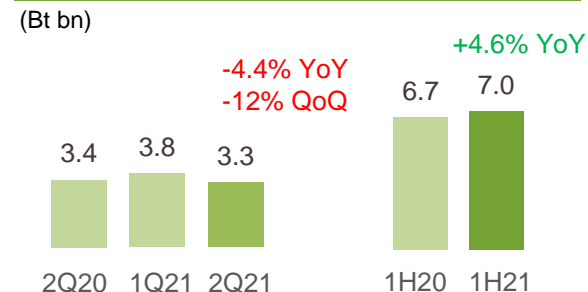
- Expanded subscriber base to 1.5mn while ARPU continued downward trend

Other service revenues



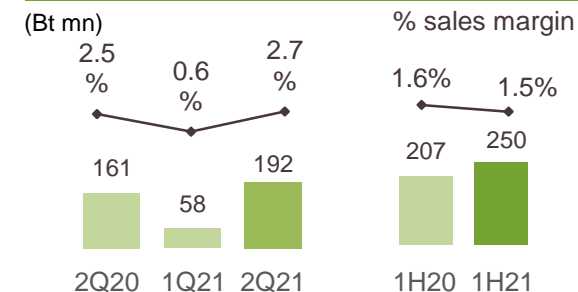
- Growth driven by increasing demand for Cloud, Data center and ICT solution following digital transformation trend

IC and TOT partnership



- Decreased YoY and QoQ following lower network traffic and IC revenue

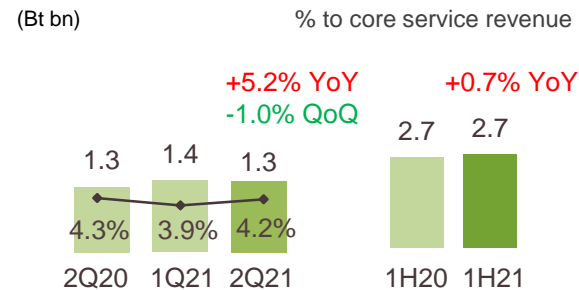
Net Sales & margin



- Sim & Device margin remained positive at +2.7% in 2Q21 due to more efficient subsidy

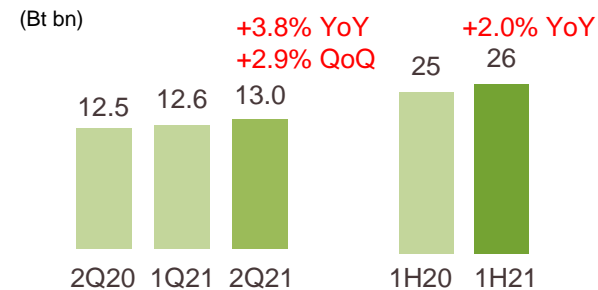
2Q21 & 1H21 Cost breakdown

Regulatory fee



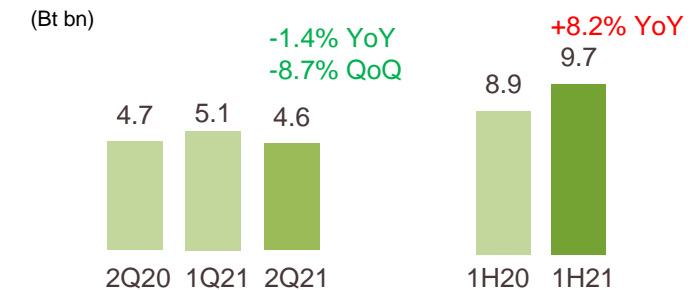
- Regulatory fee rose YoY from one-time USO fee reduction in 2Q20

D&A



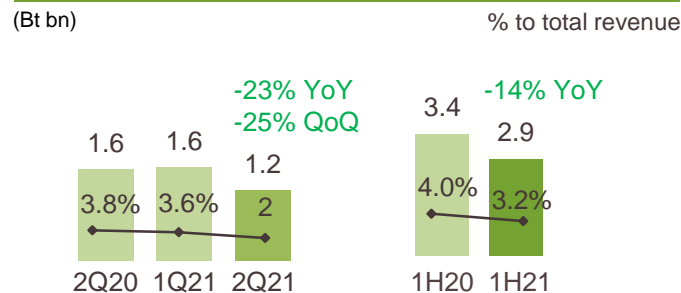
- D&A increased YoY from 700MHz spectrum license and 26GHz spectrum license acquired in 1H21

Network OPEX and TOT partnership



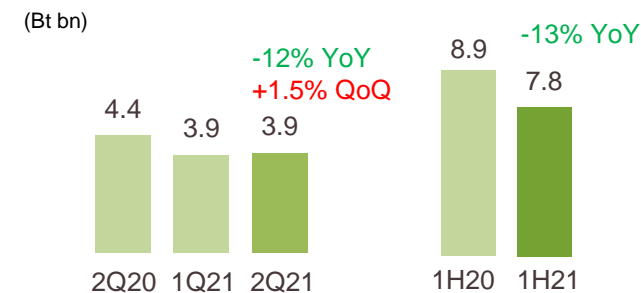
- Dropped YoY and QoQ mostly due to TOT partnership cost variable on usage

Marketing expense



- Dropped from lower marketing campaign and activities amid the pandemic

Admin & others



- Decreased YoY mainly from significant decline in bad debt provision



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