3Q21 Investor presentation

Advanced Info Service Plc.

Add AIS IR LINE@

3Q21 Executive Summary

Slight revenue improvement despite COVID restriction measures and continued competition

- Despite a weak economy and intense price competition, we generated a slight increase in service revenue (+2.1% YoY and 1.4% QoQ).
- Cost optimization was continued even as we expanded 5G network, resulting in higher cost of service but lower SG&A. Reported NPAT was 6.4bn, -2.1% YoY, and -9.5% QoQ Excluding one-time items and FX loss, normalized NPAT was 6.7bn, +0.9% and -0.7% QoQ.

Expand into potential growth areas of digital lending and new products in VDO and 5G enterprise

- AIS announced a Bt300mn joint investment in digital lending business, 'AISCB', expecting to launch service in 1Q22.
- AIS Play, the VDO service, has added two new premium channels from BBC World News and BBC Lifestyle.
- AIS enterprise business introduced new 5G services i.e. 5G FWA+, 5G network slicing, and smart manufacturing.

Continuous 5G subscriber growth and maintain a leading position in 5G development

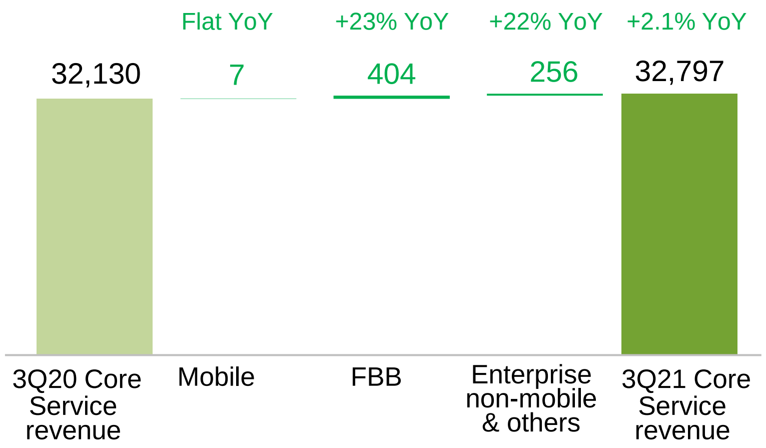
- Our 5G network continued to expand with >10k BTS and reached 42% of population
- 5G subscribers reached 1.5mn or 13% of postpaid subs. ARPU uplift maintained around 10-15%.
- We still aim to achieve 2mn 5G subscribers. The key drivers would be a higher data volume of 5G package comparing to 4G package, iPhone13 as well as more affordable devices coming to Thailand.

Full year guidance maintained

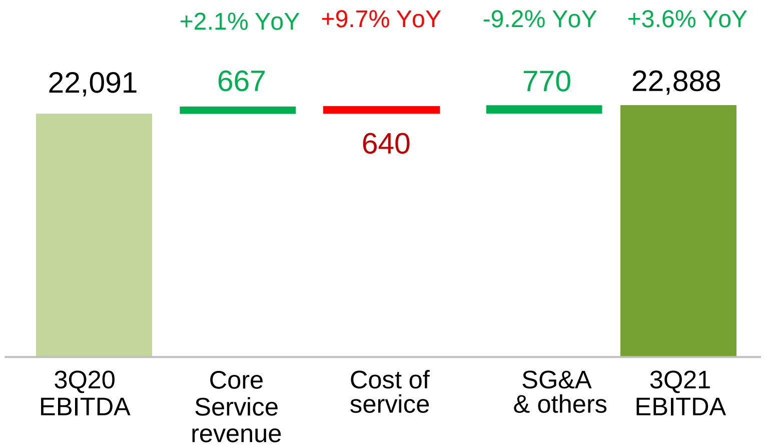
- For 9M21, AIS delivered a flat core service revenue and slight increase in EBITDA, in-line with full year guidance.
- FY21 guidance is maintained as we started to see improvements on consumption with the shop re-openings since Sep-21 with the lifting of lockdown measures.
- Our network capex remains between 25-30bn to ensure that we continued invest for leadership

3Q21 Performance:
Revenue slightly improved amid prolonged COVID & price competition

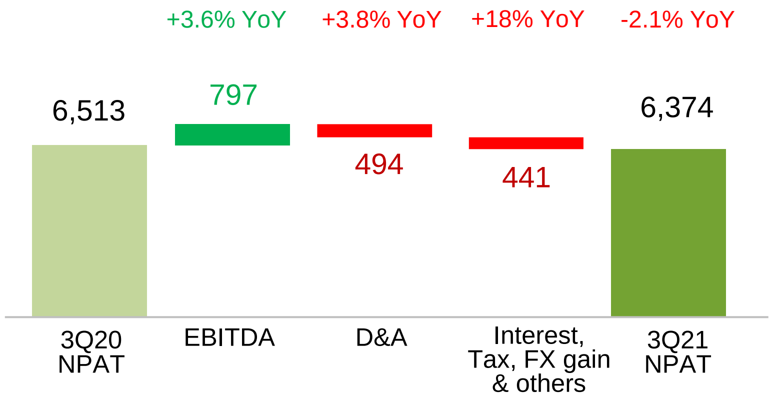
Core service revenue (Bt mn)



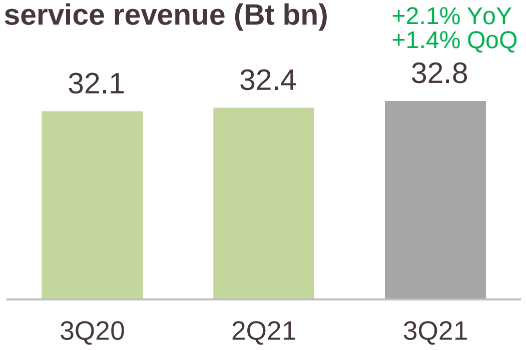
EBITDA (Bt mn)



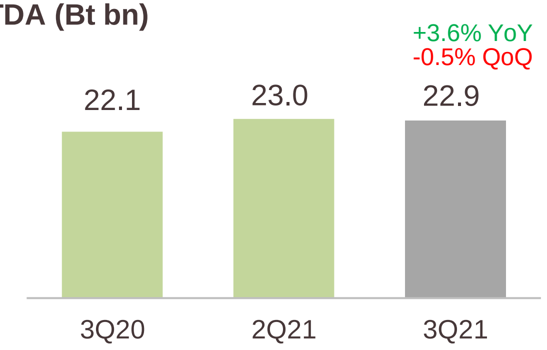
Reported NPAT (Bt mn)



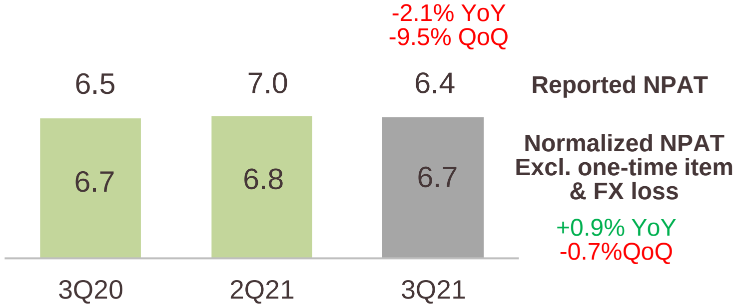
Core service revenue (Bt bn)



EBITDA (Bt bn)



NPAT (Bt bn)



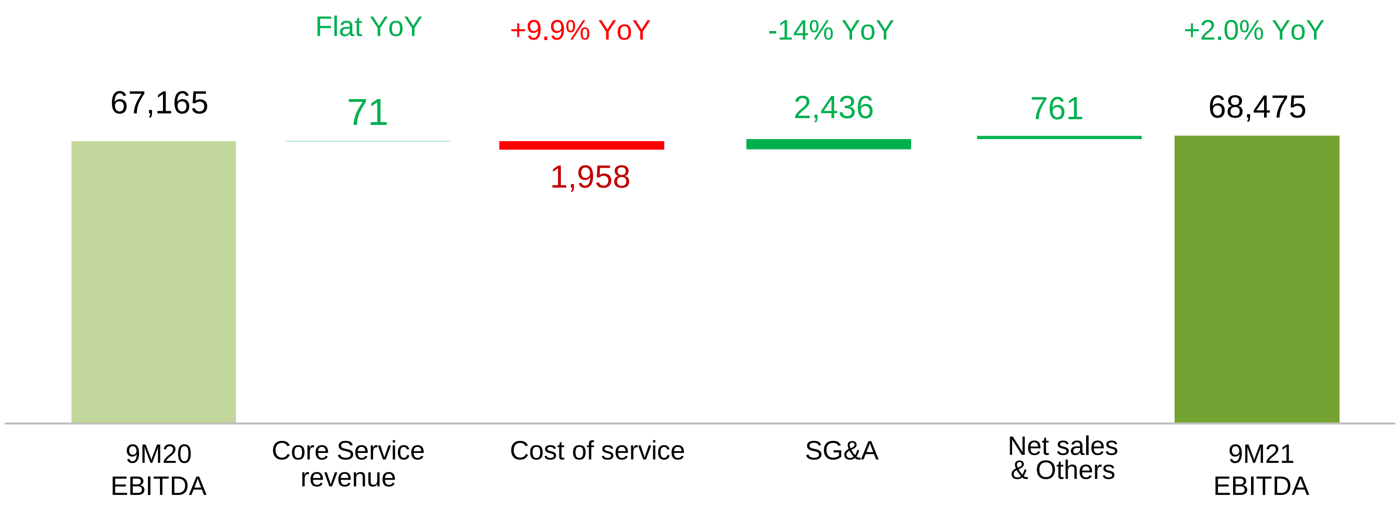
- **Core service revenue** increased YoY and QoQ on the back of a continuing growth in both fixed broadband and enterprise revenue while mobile was flat.
- **EBITDA** rose YoY following increase in core service revenue & ongoing cost optimization while dropped QoQ due to higher cost of service from our 5G investment
- **NPAT** decreased -2.1% YoY mostly due to unrealized foreign exchange loss and increase in D&A and -9.5% QoQ from one-time income in 2Q21. Normalized net profit increased 0.9% YoY while decreased -0.7% QoQ.

9M21 Performance:

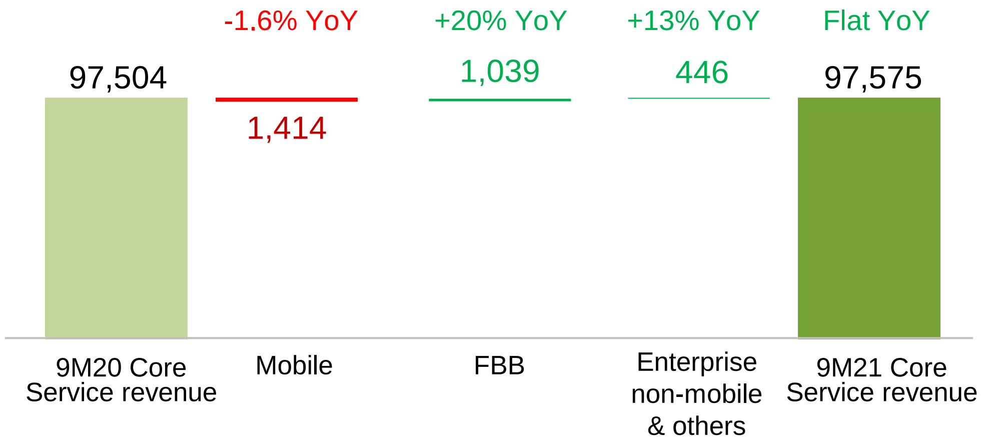
AIS delivered a flat core service revenue and slight increase in EBITDA

- **EBITDA** increased YoY despite flat service revenue, compensate by well-cost control.
- **NPAT** decreased -1% YoY as D&A increased from spectrum license of 700MHz and 2.6GHz acquired in 9M21

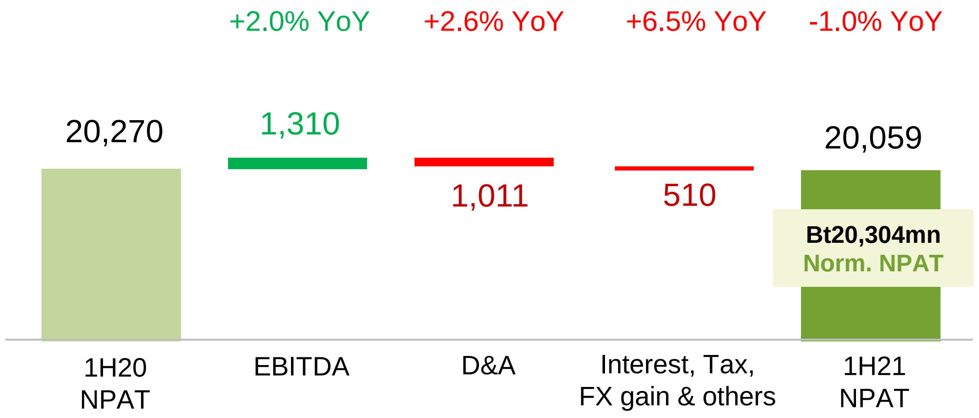
EBITDA (Bt mn)



Core service revenue (Bt mn)

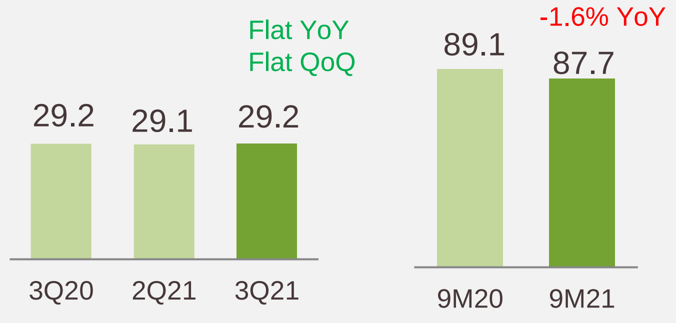


NPAT (Bt mn)



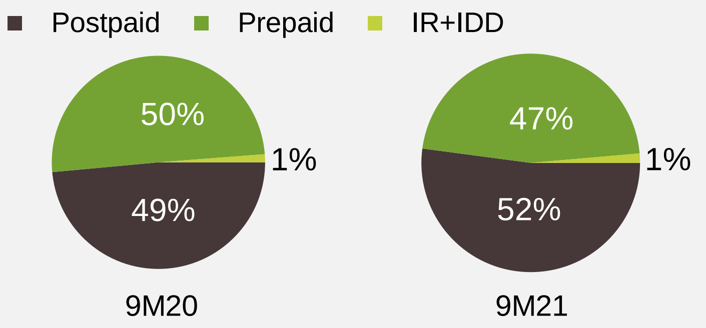
Mobile: Soft consumer spending offset by our movement to retain market share

Mobile revenue (Bt bn)



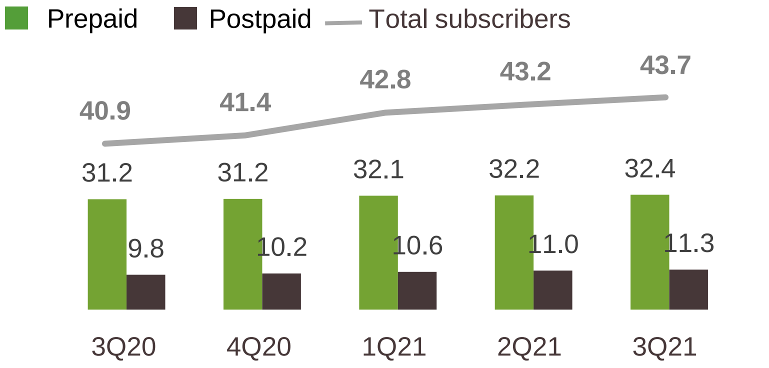
- Mobile business was driven by soft consumer spending offset by our movement to retain market share and build-up 5G perception

% Mobile Revenue Contribution

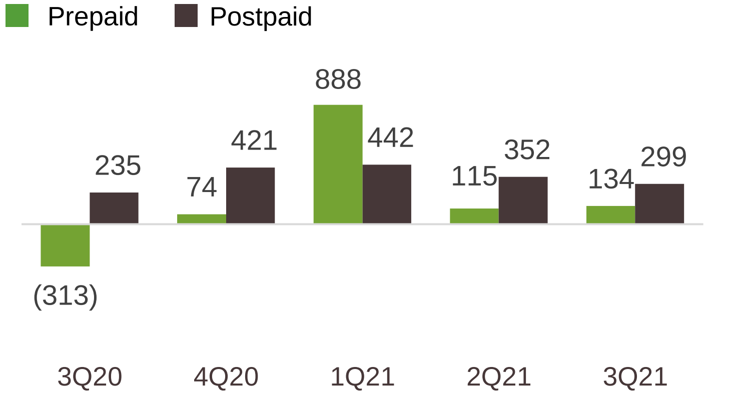


- Postpaid growth continued its momentum as the trend of customers moving from prepaid into postpaid subscription continued

Total subscriber (mn)

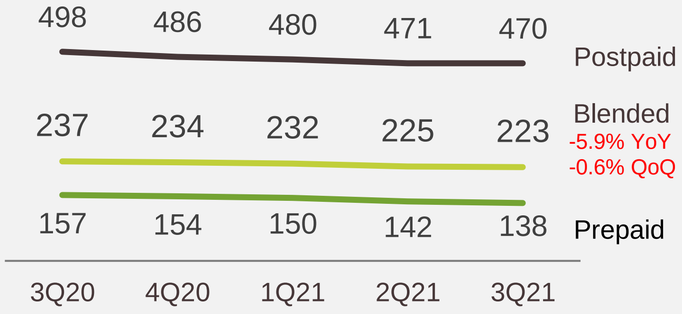


Net additional subscriber ('000)



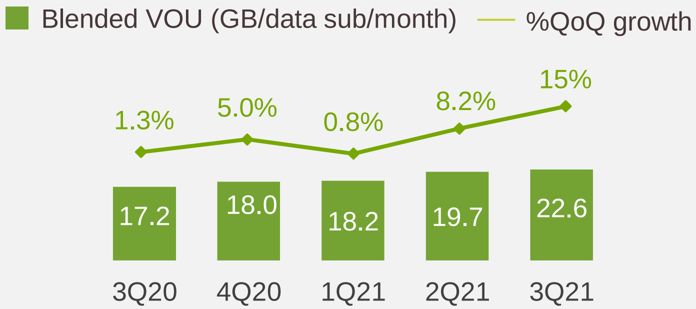
- Despite COVID restriction in 3Q, online channels, tele sales and temporary shops were in key role to acquire new subscribers and provide services to existing customers

Mobile ARPU (Bt/sub/month)



- Soft consumer spending and price competition on unlimited data plans has remained pressure ARPU

Data consumption



- Accelerated surge in data usage as a result of the new phase of pandemic

Continuous 5G subscriber scale expansion and maintain a leading position in 5G development

Healthy 5G Momentum

Scaling 5G potential	5G package subscribers **1.5mn**	5G handset on AIS network **1.6mn**
Monetization	5G ARPU uplift ▲**10-15%**	5G ARPU **>Bt600**

Drive mass adoption

R1 5G SA	Xiaomi Redmi	VIVO Y52	Realme 8
Start at Bt1,390	Note 9T Start at Bt1,289	Start at Bt1,489	Start at Bt1,989

- Launched low tier models with the most affordable price in 3Q21

Expand 5G network to provide superior experience

77 provinces

>90% BKK (Population coverage)

>90 % EEC area

>42% Nationwide coverage (Population coverage)

5G Base station as of Sep-21

>10K sites

Digital services: Expand further into digital lending & add on variety of contents

Expand into potential growth areas of digital lending

AIS has announced a 50:50 Joint Venture Agreement with the Siam Commercial Bank (SCB) to form a JV under the name AISCB Co., Ltd.

AIS 5G — 43mn customer base nationwide — 50%

SCB — Know-how & expertise — 50%

AISCB

Digital lending business

- Initial capital of Bt600mn
- Expected to commence service early next year
- Focus on financial services,
  - Handset financing
  - Personal loan
  - Digital nano finance

Continued to add value and create differentiation

2 new premium channels available on AIS PLAY and PLAYBOX

Add on sport contents via Thai League program

EXCLUSIVE ONLY ON AIS

>800 matches

AT AIS PLAY

Partnered to expand MAU on AIS Virtual Store

V AVENUE powered by AIS 5G

\+

FOOD PASSION · RS Mall · cmg CENTRAL MARKETING GROUP

Expanded strategic distribution channel

AIS 5G + Power Buy

- Formed a strategic partnership with PowerBuy to provide **E-Ordering** services

2 new premium channels available on AIS PLAY and PLAYBOX

ลูกค้าเอไอเอส
ดูสดฟรีกว่า 800 แมตช์
ที่ AISPLAY
THAILAND
AIS
5G
THAI LEAGUE
ผู้สนับสนุนหลักอย่างเป็นทางการ

Expand MAU on AIS V-AVENUE.CO by adding jigsaw pieces

FOOD PASSION

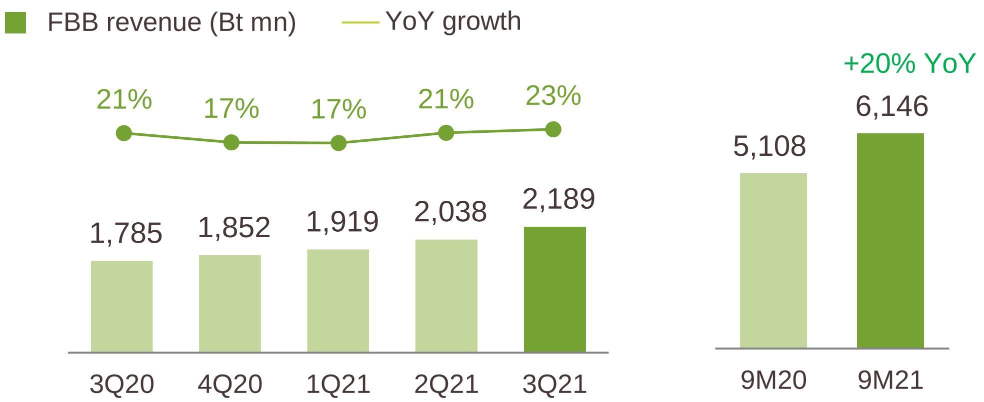


AIS & PowerBuy transform the sales channel model via e-Ordering

- **AIS formed a strategic partnership with PowerBuy**, Thailand’s number one retailer of electrical and electronic products under CRC, to provide e-Ordering sales channel for IT products and supporting services in one place

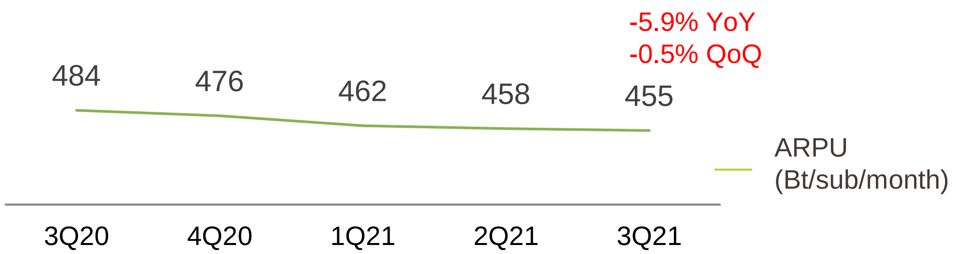
FBB: Solid growth in subscribers and revenue momentum

FBB continued to deliver double-digit growth



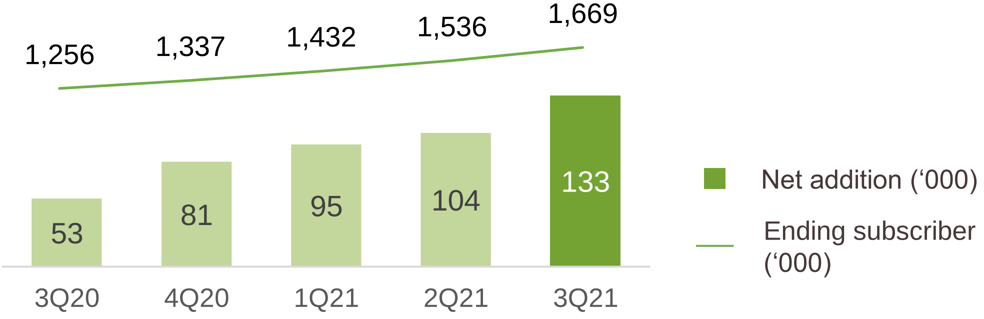
- Double-digit growth driven by strong subscriber demand in working and studying from home, offset by continued low price offering

ARPU remained low from popularity toward low-price entry plan



- ARPU slightly decreased due to the low-price plan at around Bt399 and some targeted discount in certain area.

Solid subscriber demand in working and studying from home



- Demand for home connection has boosted our subscriber growth to 1.67mn, exceeding our target of 1.6mn subs by the end of this year

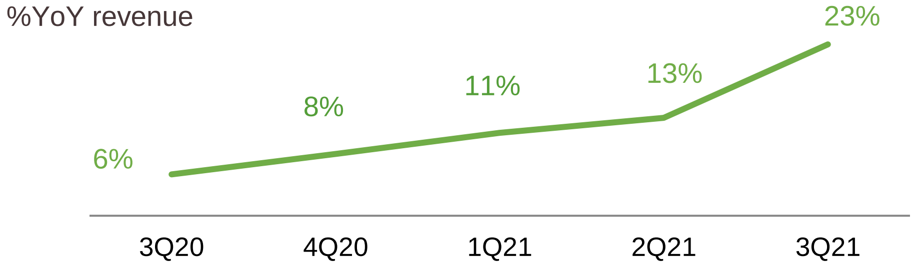
AIS Fibre continues to build customer perception

- Focus on building customer perception around service quality offering 24-month contracts with guaranteed quality service key differentiation

Enterprise services boosted by work from anywhere during the pandemic

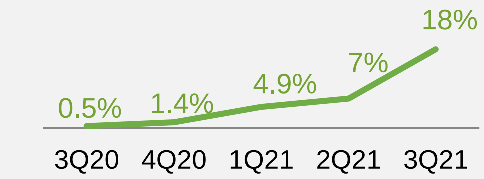
Strong Growth in Enterprise business during prolonged pandemic

Enterprise non-mobile revenue



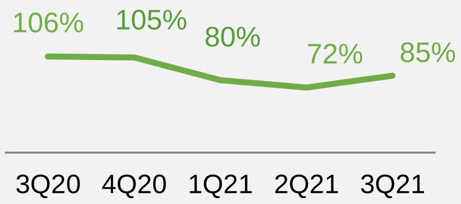
- Non-mobile enterprise business grew due to increased demand for digital solutions e.g. Cloud, Cybersecurity and ICT solutions

Enterprise Data service (EDS)



- AIS continue to gain market share in EDS market albeit at competitive price

Cloud, Data center and ICT solutions



- CCII growth was driven by the need of businesses toward digitalization and prepare for country's re-opening in Nov-21

Comprehensive suite of digital technologies

Cloud / Data Center

AIS Business Cloud

CSL Data Center
World-Class Standard Data Center

Managed Service | SaaS | PaaS | IaaS | Data Center

Offer end-to-end cloud solution

IBM, Microsoft 365, veeam, DELL Technologies, CSL, Schneider Electric, UiPath, Microsoft Azure, vmware

The Most Multi-locations

More than 5,000-rack capacity Data Centers

11 Owned & Carrier-neutral Data Center

Cybersecurity

IT Solution

Trustwave, Check Point Software Technologies Ltd., cisco, Cloudflare, IBM MaaS360, mobileiron, paloalto networks, Samsung Knox, aws, cisco Partner, DELL Technologies, ENGAGE Fortinet Select Partner, FORTINET, Hewlett Packard Enterprise Silver Partner, Microsoft Partner, veeam, vmware Partner Professional Solution Provider, vmware

AIS IoT

New services provide to Enterprise segment

Offer additional services to reach new markets

eFBB

Launched eFBB services and complete SME packages in order to target small size business and win market share

AIS SME 7S

Launched new 5G services for Business

5G FWA+ / 5G Network slicing / Private network / MEC

5G FWA+
More convenient to set up
High performance
QoS guarantee**
Dedicated Network Guarantee*

5G Network Slicing
Creating pre-defined, differing levels of services to serve enterprise vertical requirements

5G MEC
Enabling cloud computing capabilities at the edge of mobile network to reduce the physical distance of communication

5G Private Network
Providing dedicated network to optimize and secure to meet specific needs of vertical application

Higher Speed | Better Latency | Fast to Set up | Easy to relocate

Smart 5G Factory
AIS collaborated with BOSCH

Autonomous Mobile Robot
AIS collaborated with OMRON

2021 DRIVING LONG TERM VALUE

DRIVING LONG TERM VALUE CREATION

OPTIMIZE CORE BUSINESS

MOBILE

- Connect consumers & society through 5G
- Digitize for customer experience, agility & cost efficiency

BUILD GROWTH ENGINE

FBB

Connect families with product & service excellence

ENTERPRISE

Accelerate & enable digitalization

INVEST IN FUTURE

NEW DIGITAL BUSINESS

Reinvent as digital platform business

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

1.5mn 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

Keep families connected powered by superior Fiber network & service

AIS Fibre

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)

2020	9M21	
Bt3.5bn	Bt3.0bn	+16% YoY

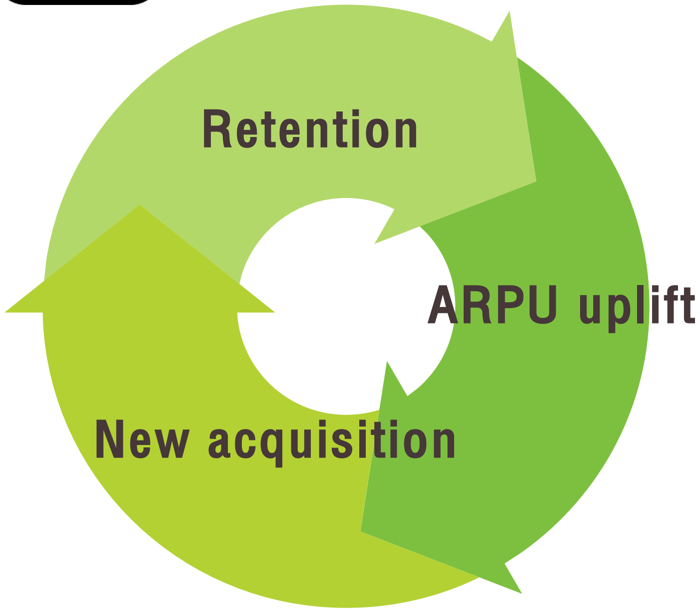
Open Ecosystem & Strategic Partnership
to externalize innovation & accelerate new services

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 Sep-21

PLAY PREMIUM Premium package	• Differentiate through premium contents
Expanding engagement for B2C	• New source of revenue from advertising on streaming content
Made Available B2B Segment	• Expand services to corporate segment with bulk premium package sales

2021 AIS BUSINESS SUSTAINABILITY

AIS SUSTAINABILITY STRATEGY

Economy

1 Digital Innovation

Innovate digital products & services to improve the quality of lives and promote businesses in Thailand

2 Data Privacy & Cyber Security

Ensure effective data privacy and cyber security to enhance customer value while ensuring customer trust

Society

3 Human Capital Development

Drive AIS' human capital to pursue new strategic growth area in digital business

4 Social Inclusion

Leverage our digital infrastructure & solutions to uplift community well-being & reduce the digital divide

5 Cyber Wellness

Establish trusted brand in cyber wellness & online safety to build healthy online space

Environment

6 Emissions

Reducing GHG emissions and utilize renewable energy in most possible extent in our operation

7 Waste

Reduce & recycle waste from operation as well as encourage customers to dispose e-waste properly

AIS SUSTAINABILITY TARGET & PERFORMANCE

Economy

1 Digital Innovation

Target: Generate 150 million baht in revenue from digital innovations

76Mb Revenue from Digital Innovations

162Mb R&D Investment

External Innovation Collaboration
- 5G Testing for industrial sector
- AIS Robotic Lab
- AIS IoT Alliance Program
- AIS Playground

AIS InnoJump to promote internal innovation projects

2 Data Privacy & Cyber Security

Target: Become a leading Cyber Security Operation Center

Technology and operational procedure
- Data classification & handling framework, privacy by design and by default
- The 24 x 7 cyber security operation center (CSOC)
- ISO27001 standard for the cyber security division

Capabilities & awareness building
- 23 different training courses and certificate programs for staffs
- Regular awareness communication to employees

AIS SUSTAINABILITY TARGET & PERFORMANCE

Society

3 Human Capital Development

Target: Improve wellbeing of people through our digital platform

Thailand's Best Employer 2020
Lifelong Learning
Employee Well-Being

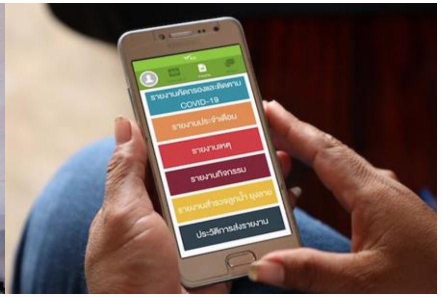
Forbes 2019 GLOBAL WORLD'S BEST EMPLOYERS 2000

4 Social Inclusion

Target: Become trusted telecom brand for cyber wellness and online safety

Network coverage
4G coverage >98%
5G target >70%

Aor Sor Mor Online Application >500K users



5 Cyber Wellness

Target: Build staff abilities in Digital Tech & Retain talent pool

Digital Literacy
Digital Intelligence Quotient course

35K students

114 schools

AIS Secure Net
Protect against cyber threats
>125k users

AIS SUSTAINABILITY TARGET & PERFORMANCE

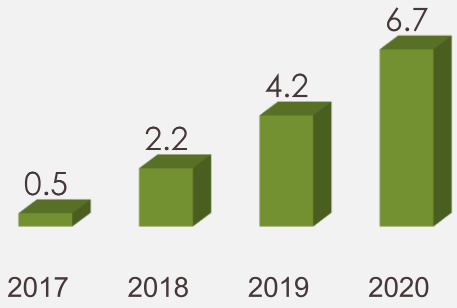
Environment

6 Emissions

Target: (1) Reduce GHG emission intensity by 90% (2) Increase renewable energy to 5% of total consumption

74,590 tCO2e	**Network energy efficiency programs**
3,503 tCO2e	**Renewable energy**
1,865 tCO2e	**e-bill and e-receipt for customers**

E- bill subscriptions
(Million billing accounts)



7 Waste

Target: (1) Reduce non-recyclable e-waste from 5% to 3%; (2) Collect 360,000 units of E-waste for proper recycling

- **Properly dispose of 55% of E-Waste from operations** with only 0.01% left as non-recyclable residue
- Strengthen the **"Thais Say No to E-Waste"** project, installed 2,400 E-Waste drop points across the country
- **Office waste management**

APPENDIX

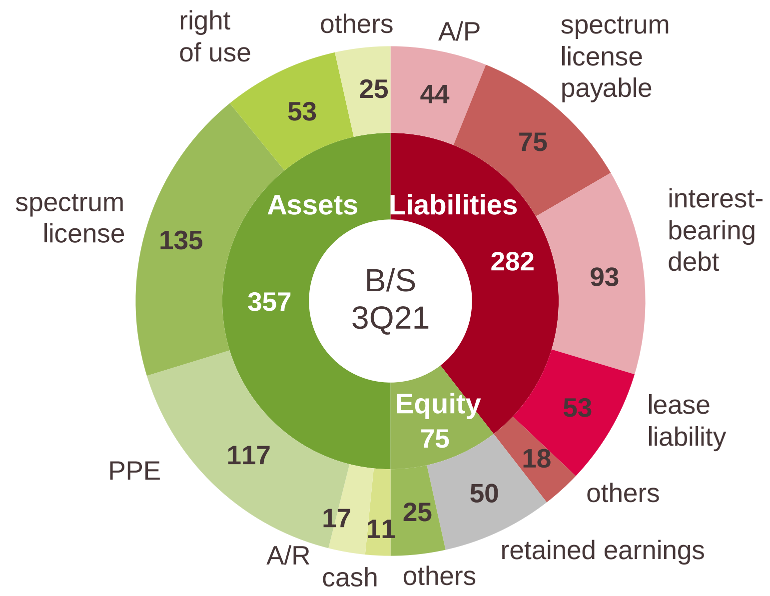
2021 Guidance

FY21 guided items	Guidance	Rationale
Core service revenue	Flat to slightly decline	• 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	Flat	• Focus on cost optimization for operation and SG&A
CAPEX *excluding spectrum	Bt25-30bn	• 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

Healthy Balance sheet and cash flow to support investment

Balance Sheet

(Bt bn)



0.9x
Net debt to EBITDA

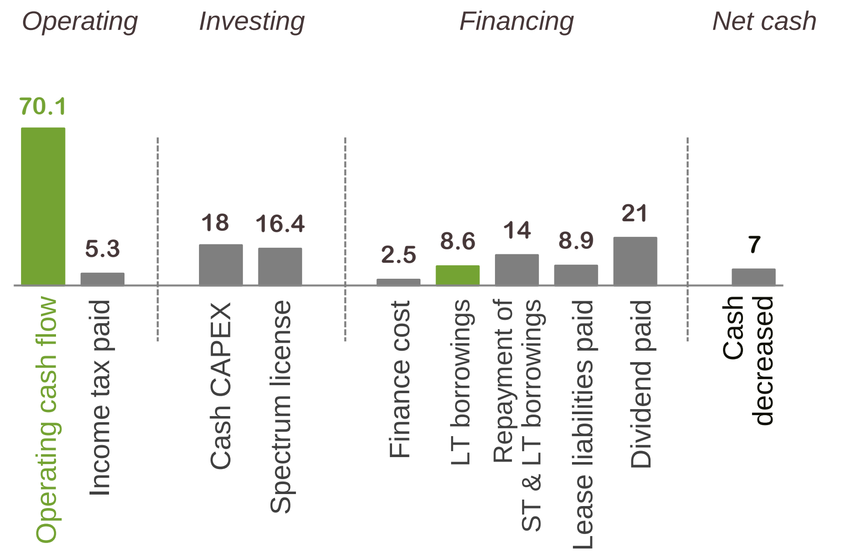
1.2x
Interest bearing debt to Equity

0.4x
Current ratio

33%
Return on Equity

9M21 Cash flow

(Bt bn)



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

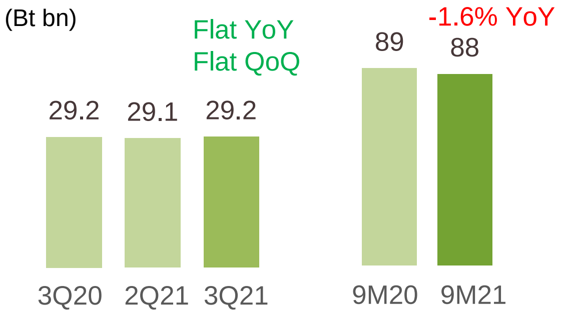
Investing cash flow was Bt34bn, including spectrum payment of Bt16.4bn

Average finance costs = 2.5% p.a.

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

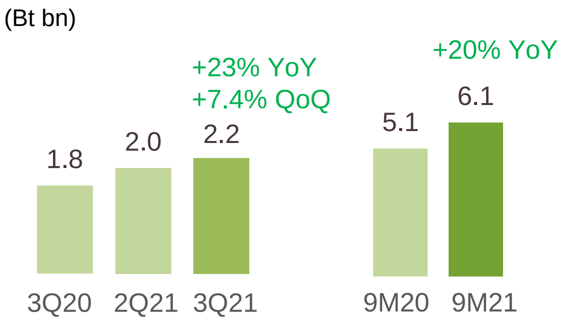
3Q21 & 9M21 Revenue breakdown

Mobile revenue



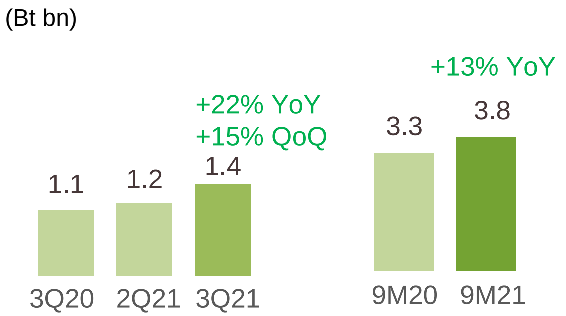
- Flat YoY and QoQ from soft consumer spending offset by our movement to retain market share

Fixed broadband revenue



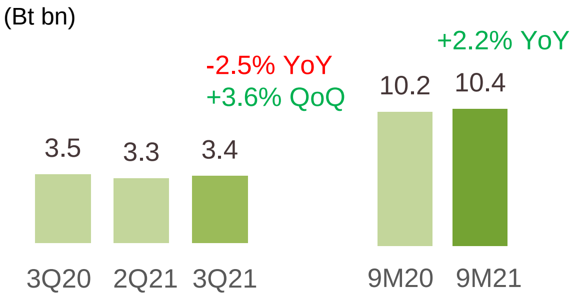
- Strong subscriber base to 1.7mn due to work and study from home, offset by continued low price offering

Other service revenues



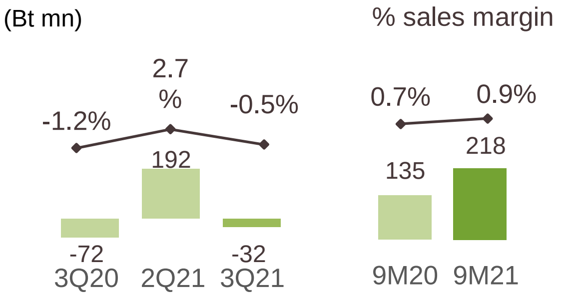
- Growth driven by demand for Cloud, Data center and ICT solution as well as the introduction of new services

IC and TOT partnership



- Decreased YoY following lower IC revenue but increase QoQ due to higher network traffic

Net Sales & margin

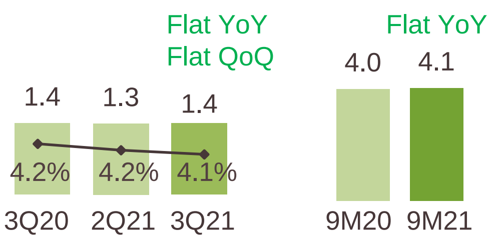


- Sim & Device margin was slightly negative at -0.5% in 3Q21 due to decline in high margin devices sale

3Q21 & 9M21 Cost breakdown

Regulatory fee

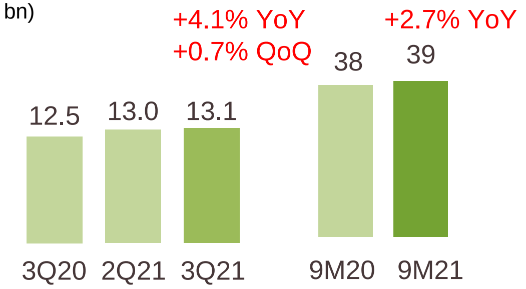
(Bt bn) % to core service revenue



- Regulatory fee was flat YoY and QoQ aligned with the revenue

D&A

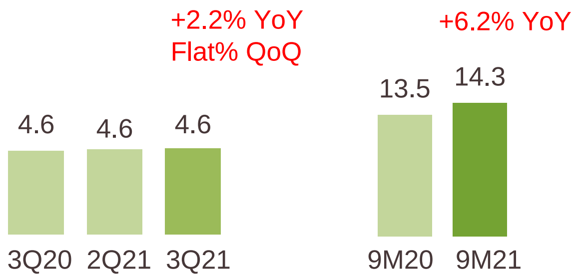
(Bt bn)



- D&A increased YoY from 700MHz spectrum license and 26GHz spectrum license acquired in 9M21

Network OPEX and TOT partnership

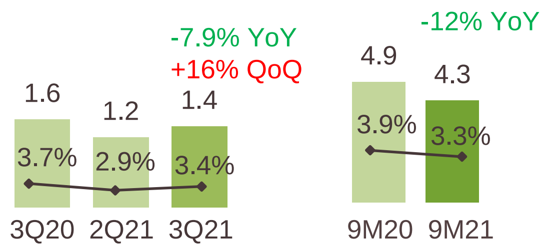
(Bt bn)



- Increased YoY and QoQ mostly due to keep strengthening 5G investment

Marketing expense

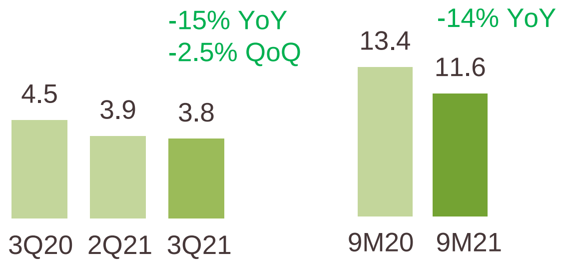
(Bt bn) % to total revenue



- Dropped YoY from lower marketing campaign and limited activities during the pandemic while rose QoQ owing to low base in 2Q21

Admin & others

(Bt bn)



- Decreased YoY mainly from significant decline in bad debt provision

Mobile Price Plan: 5G packages launched to capture high value market

AIS

แพ็กเกจ 5G Max Speed

มีให้เลือกครบ ทั้งใช้คนเดียว ใช้หลายอุปกรณ์ หรือแชร์กันในครอบครัว

		ค่าบริการรายเดือน (บาท)	เน็ตต่อเนื่อง 5G | 4G | 3G เร็วสูงสุด 1Gbps	โทร: โทรเบอร์ AIS	โทร: โทรทุกเครือข่าย (นาที)	ซิมการ์ดพร้อมเบอร์ (12 รอบบิล)	YouTube Premium	Google One	VR Service
เหมาะกับครอบครัว แชร์กันในกลุ่ม ประหยัด สบายกระเป๋า	5G	1,999	ไม่จำกัด	ฟรี 24 ชม.	700	2 SIM แชร์เน็ตถึง 200GB แชร์นาทีโทรรวมกันกับเบอร์หลัก	4 เดือน	6 เดือน	12 เดือน
	5G	1,699			500	2 SIM แชร์เน็ตถึง 100GB แชร์นาทีโทรรวมกันกับเบอร์หลัก			
เหมาะกับผู้ใช้ สมาร์ทโฟน 5G และอุปกรณ์อื่นๆ เช่น แท็บเล็ต	5G	1,399			280	2 SIM (50GB/SIM)			
	5G	1,199			150	1 SIM (50GB)			
เหมาะกับผู้ใช้ สมาร์ทโฟน 5G	5G	899	80 GB		70	-			6 เดือน
	5G	699	50 GB		50	-			
	4G	599	16GB (4G/3G)	300		-	3 เดือน	3 เดือน	-
	4G	499	10GB (4G/3G)	200		-			
	4G	399	5GB (4G/3G)	150		-			
	4G	299	1.5GB (4G/3G)	100		-			

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