



3Q21 Financial Results

Advanced Info Service Plc.

1 November 2021

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.

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.

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.

Full year guidance maintained

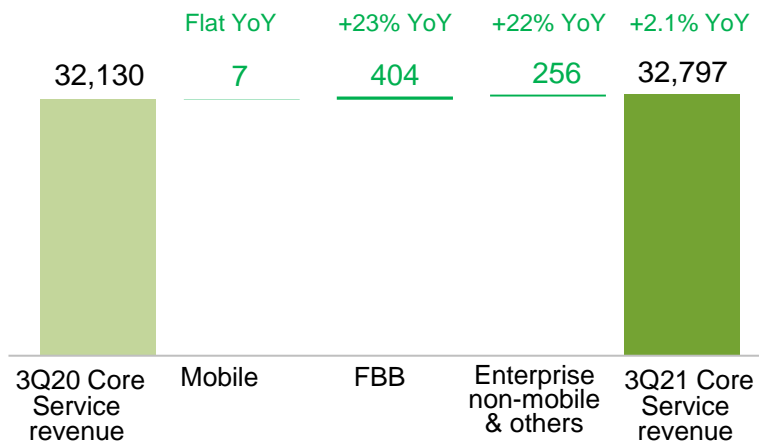
- For 9M21, AIS delivered a flat core service revenue and slight increase in EBITDA, in-line with full year guidance.
- FY21 guidance is maintained as we started to see improvements on consumption with the shop re-openings since Sep-21 with the lifting of lockdown measures.
- Our network capex remains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

3Q21 Performance:

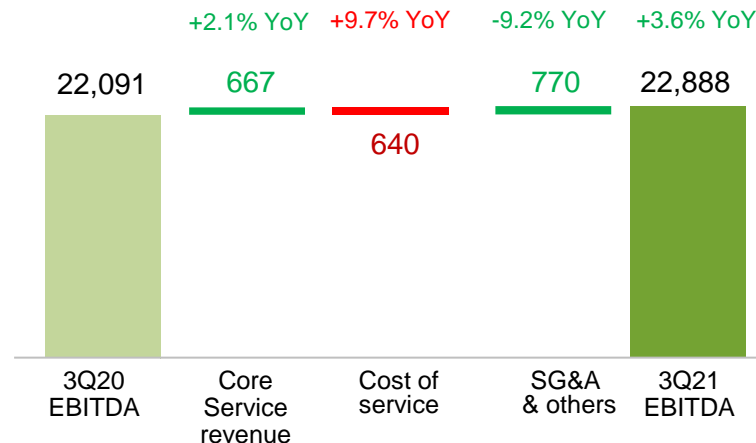
Revenue slightly improved amid prolonged COVID & price competition



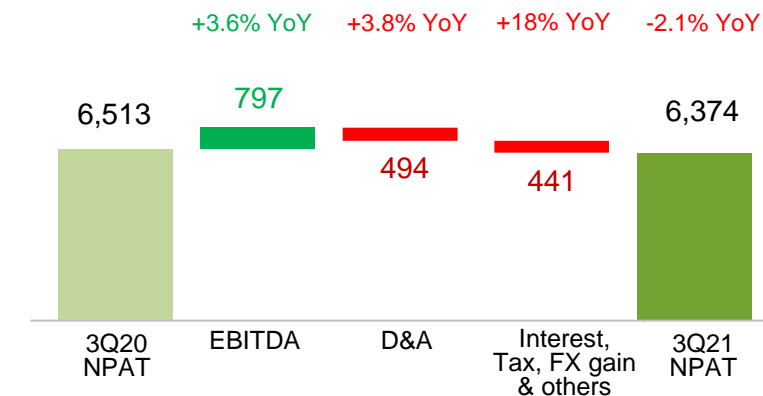
Core service revenue (Bt mn)



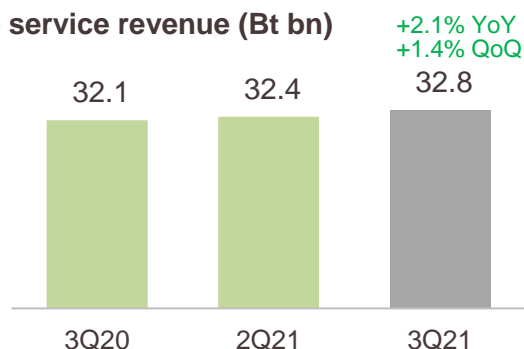
EBITDA (Bt mn)



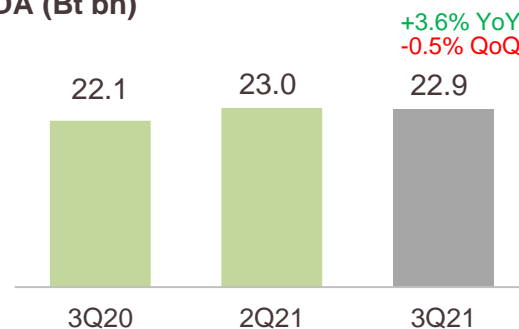
Reported NPAT (Bt mn)



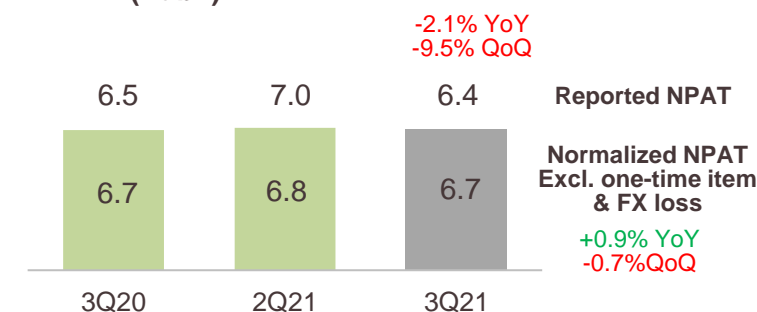
Core service revenue (Bt bn)



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.

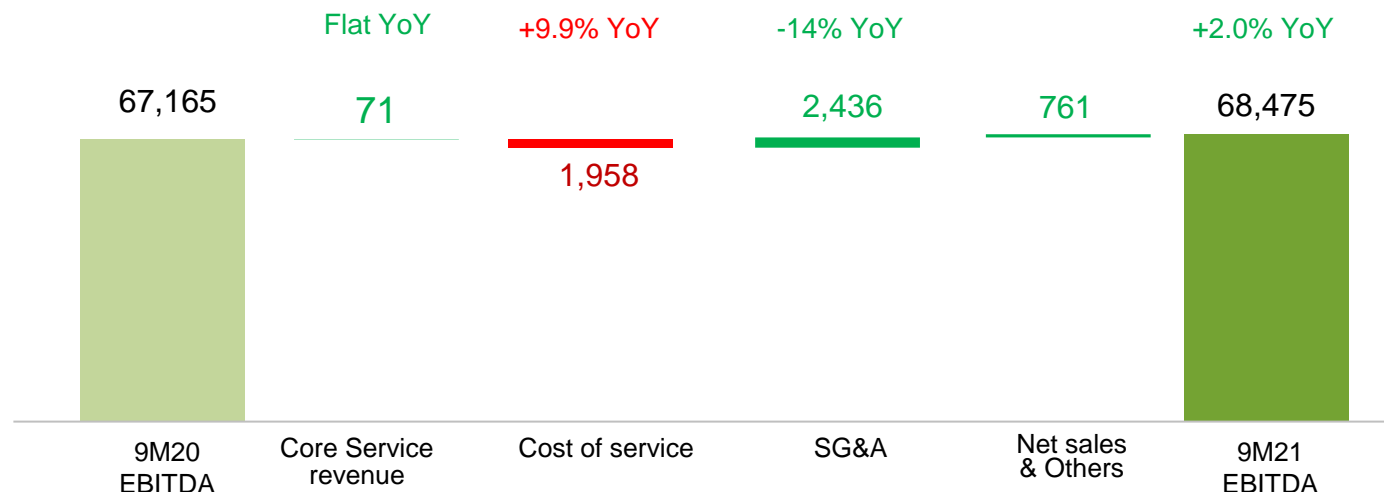
9M21 Performance:



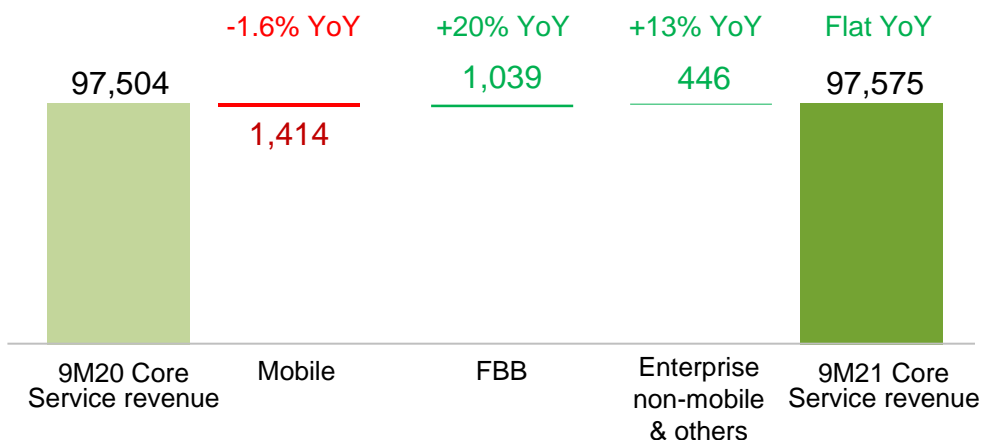
AIS delivered a flat core service revenue and slight increase in EBITDA

- **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

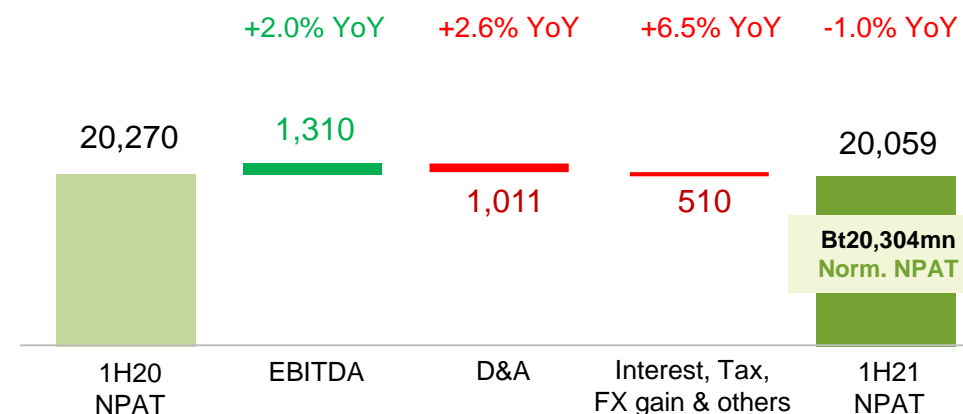
EBITDA (Bt mn)



Core service revenue (Bt mn)



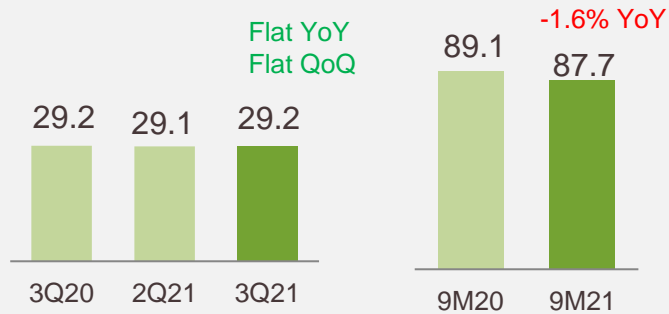
NPAT (Bt mn)



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



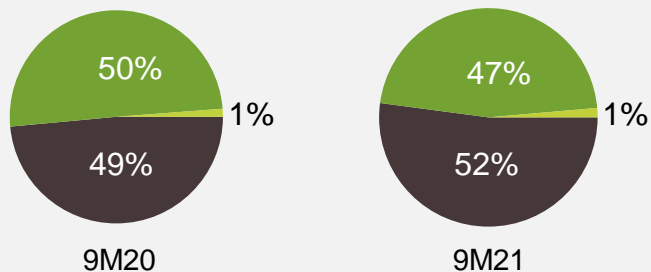
Mobile revenue (Bt bn)



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

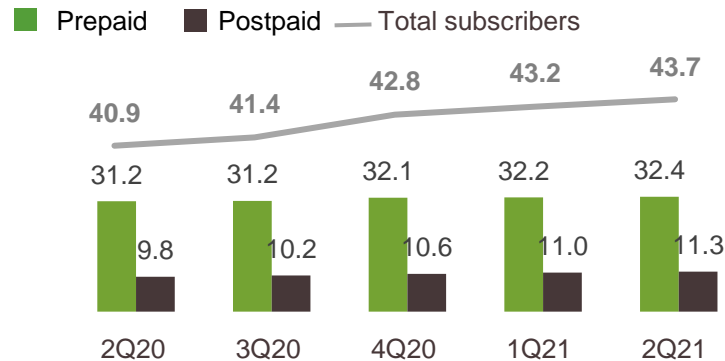
% Mobile Revenue Contribution

■ Postpaid ■ Prepaid ■ IR+IDD



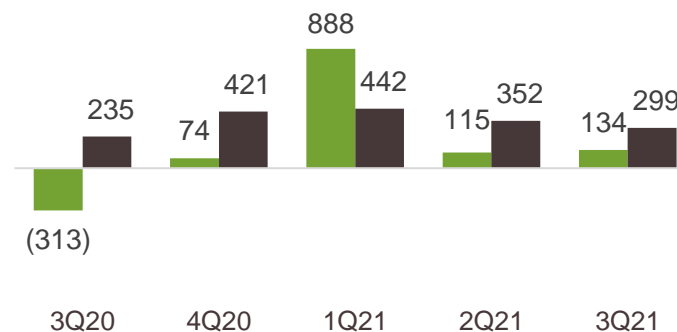
- Postpaid growth continued its momentum as the trend of customers moving from prepaid into postpaid subscription continued

Total subscriber (mn)



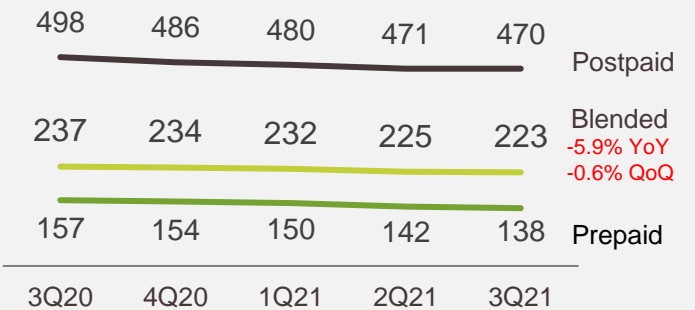
Net additional subscriber ('000)

■ Prepaid ■ Postpaid



- 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

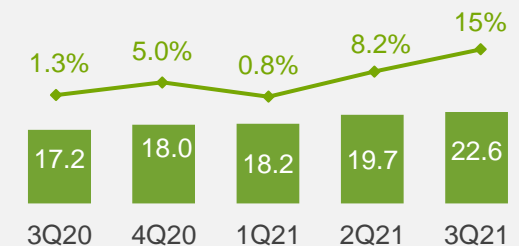
Mobile ARPU (Bt/sub/month)



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

Data consumption

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



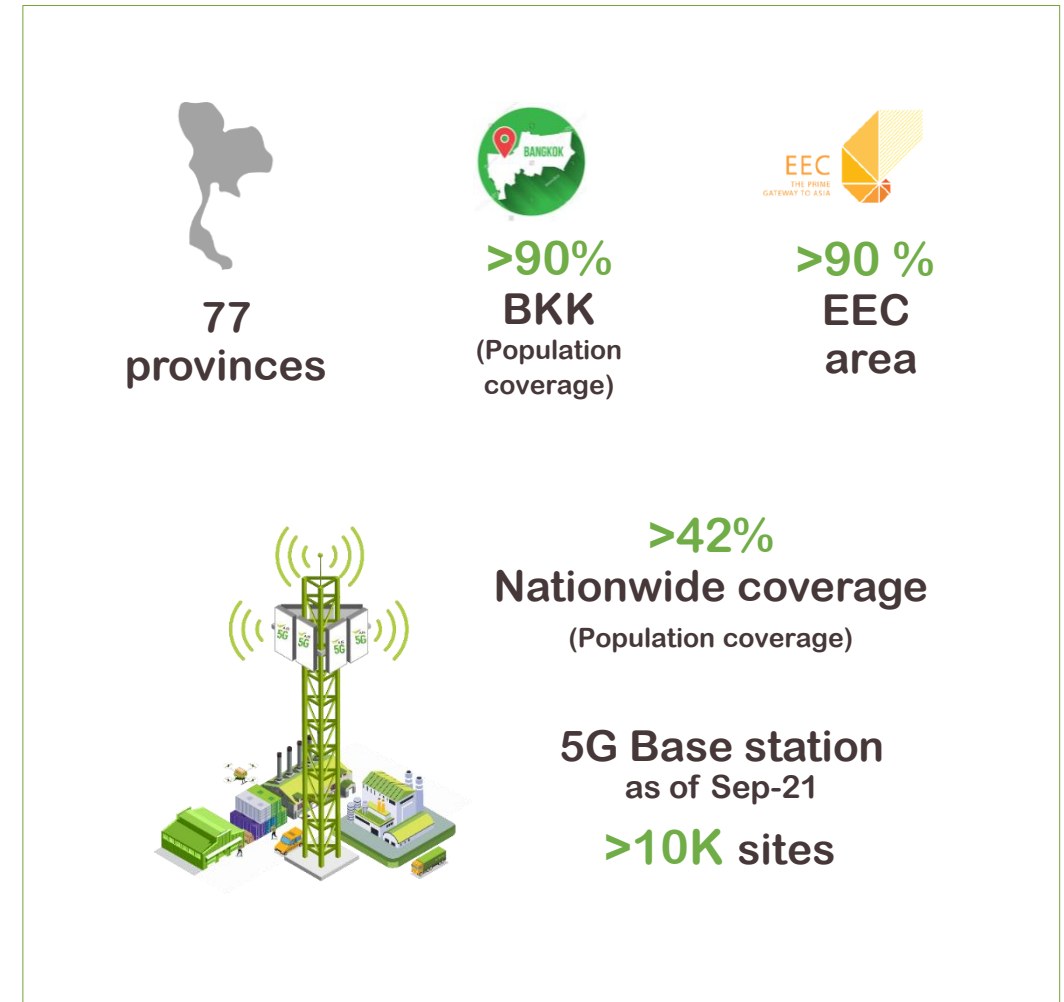
- Accelerated surge in data usage as a result of the new phase of pandemic

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	<div><div>R1 5G SA Start at Bt1,390</div><div>Xiaomi Redmi Note 9T Start at Bt1,289</div><div>VIVO Y52 Start at Bt1,489</div><div>Realme 8 Start at Bt1,989</div></div> <div></div> <ul style="list-style-type: none">Launched low tier models with the most affordable price in 3Q21	

Expand 5G network to provide superior experience



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.



43mn customer base nationwide



Know-how & expertise

50%

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

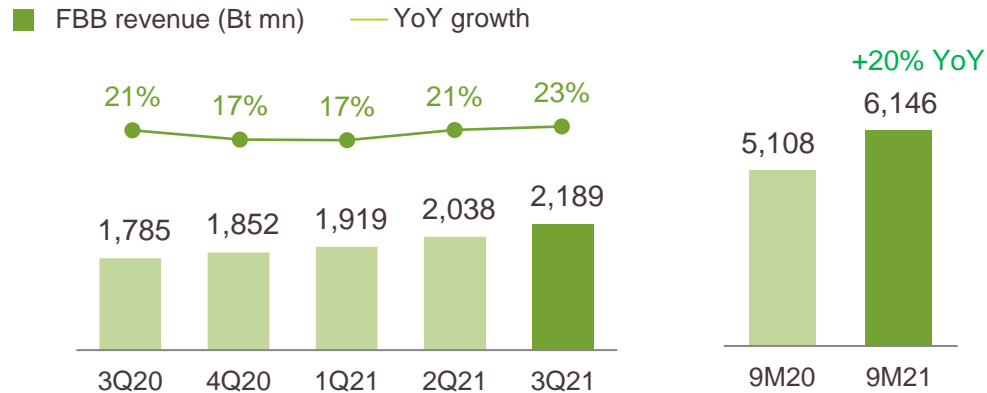
Expanded strategic distribution channel



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

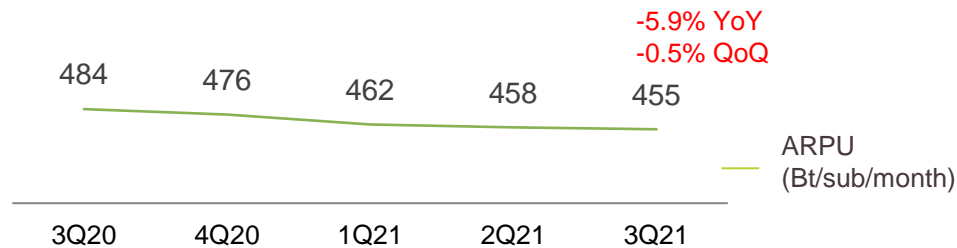
FBB: Solid growth in subscribers and revenue momentum

FBB continued to deliver double-digit growth



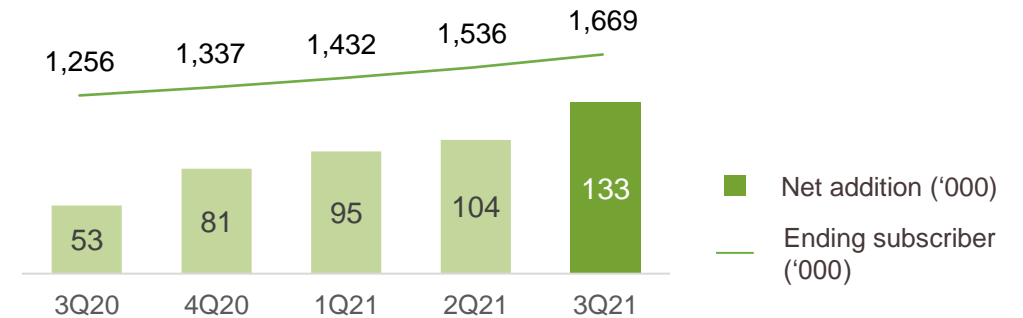
- Double-digit growth driven by strong subscriber demand in working and studying from home, offset by continued low price offering

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



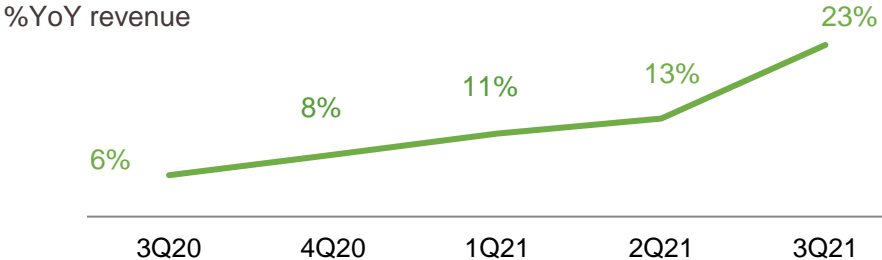
- Focus on building customer perception around service quality offering 24-month contracts with guaranteed quality service key differentiation

Enterprise services boosted by work from anywhere during the pandemic



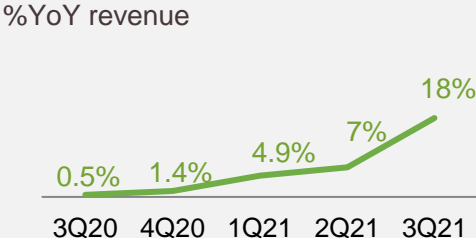
Strong Growth in Enterprise business during prolonged pandemic

Enterprise non-mobile revenue



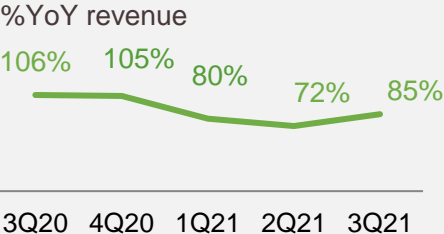
- Non-mobile enterprise business grew due to increased demand for digital solutions e.g. Cloud, Cybersecurity and ICT solutions

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



Offer end-to-end cloud solution



The Most Multi-locations
More than 5,000-rack capacity Data Centers
11 Owned & Carrier-neutral Data Center

Cybersecurity



IT Solution



The Best IoT Service Provider in Thailand



New services provide to Enterprise segment



Offer additional services to reach new markets



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

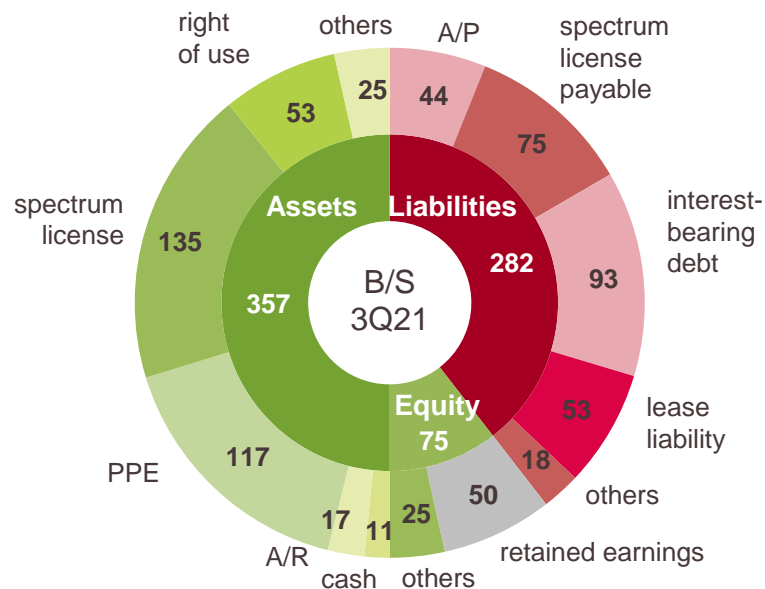


Autonomous Mobile Robot
AIS collaborated with OMPON

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

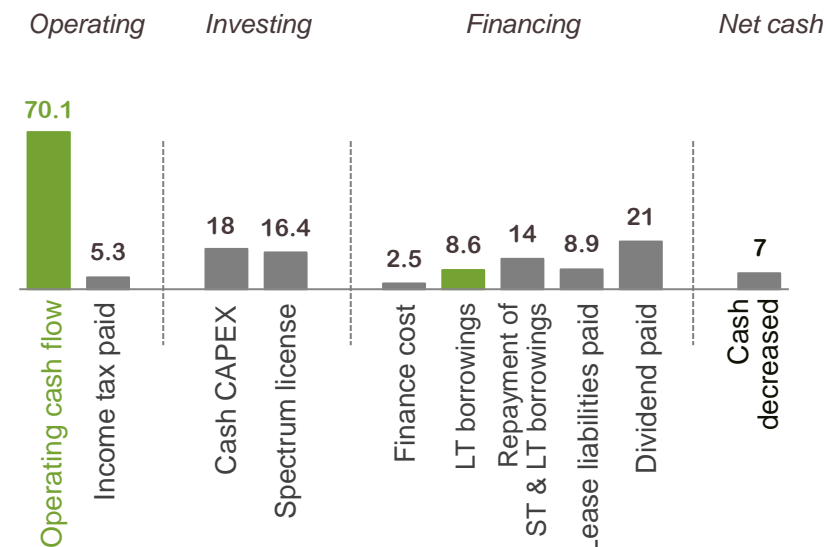
33%

Return on Equity

9M21 Cash flow

(Bt bn)

■ Cash increase ■ Cash decrease



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

2021 Guidance

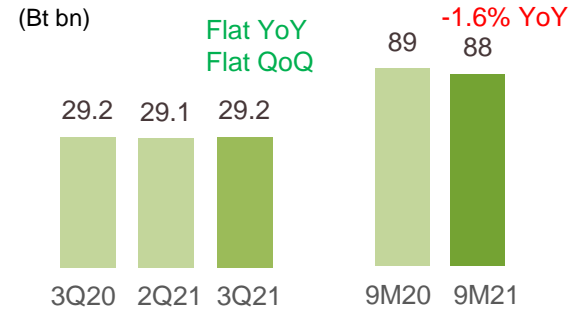
FY21 guided items	Guidance	Rationale
Core service revenue	Flat to slightly decline	<ul style="list-style-type: none"> Mobile revenue to continue under pressure due to weak consumer spending Home broadband to maintain growth momentum and outpace the industry growth Enterprise business is anticipated to continue delivering double digit growth
EBITDA	Flat	<ul style="list-style-type: none"> Focus on cost optimization for operation and SG&A
CAPEX *excluding spectrum	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



APPENDIX

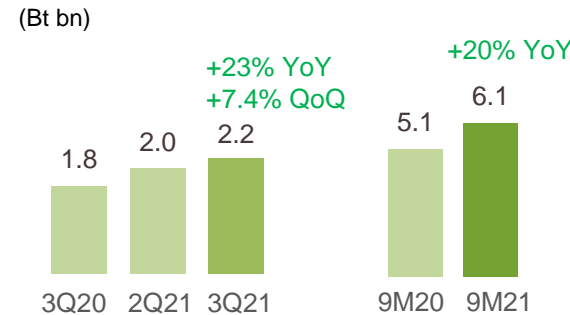
3Q21 & 9M21 Revenue breakdown

Mobile revenue



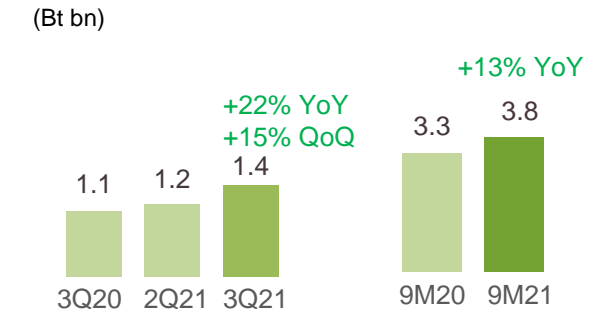
- Flat YoY and QoQ from soft consumer spending offset by our movement to retain market share

Fixed broadband revenue



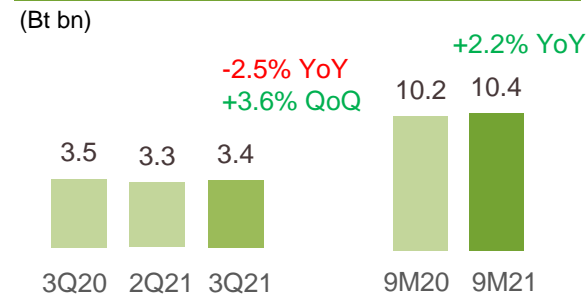
- Strong subscriber base to 1.7mn due to work and study from home, offset by continued low price offering

Other service revenues



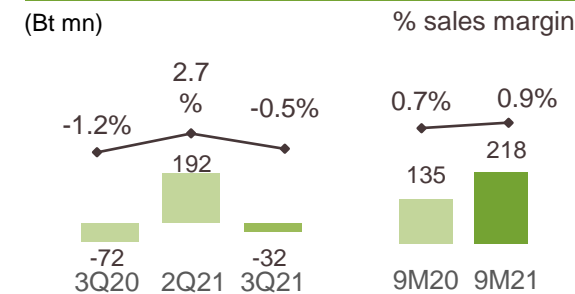
- Growth driven by demand for Cloud, Data center and ICT solution as well as the introduction of new services

IC and TOT partnership



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

Net Sales & margin

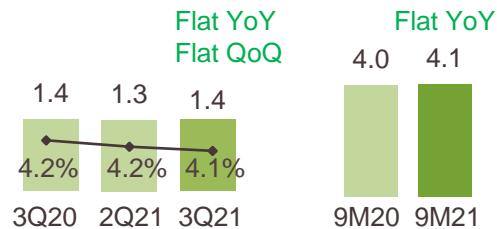


- Sim & Device margin was slightly negative at -0.5% in 3Q21 due to decline in high margin devices sale

3Q21 & 9M21 Cost breakdown

Regulatory fee

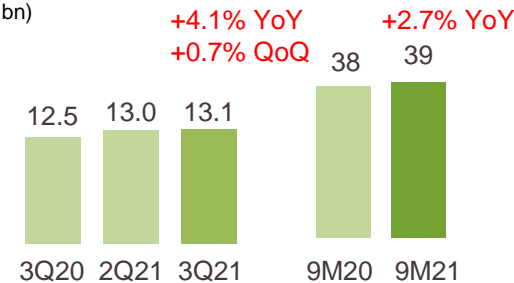
(Bt bn) % to core service revenue



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

D&A

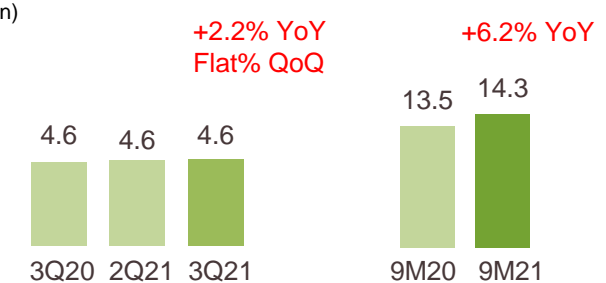
(Bt bn)



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

Network OPEX and TOT partnership

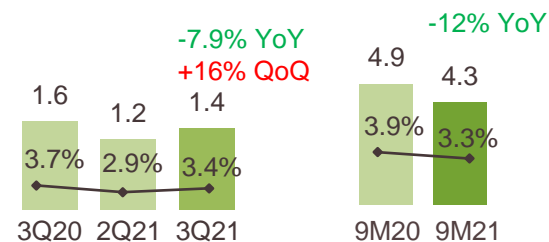
(Bt bn)



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

Marketing expense

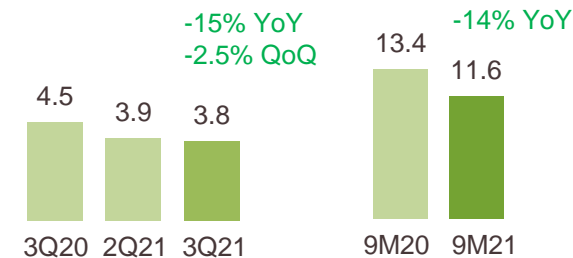
(Bt bn) % to total revenue



- 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



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