1Q22 Financial Results

Advanced Info Service Plc.

10 May 2022

1Q22 Executive Summary

Prolonged economic impact from Omicron outbreak and rising inflation in 1Q22

- Thailand's economic recovery was challenged as private consumption remained subdued. Mobile service continued to be impacted by low tourist arrivals and weak consumer spending.
- AIS reported core service revenue of Bt32,770mn, improving 1.1% YoY driven by strong growth of fixed broadband and enterprise business. QoQ, it dropped -1.9% mainly from lower mobile revenue.

Growth in fixed broadband and enterprise revenue surged significantly

- AIS Fibre continued to surge to stand at 1.87mn subscribers, adding 93k or rising 30% YoY as demand for home broadband remained robust
- Non-mobile enterprise revenue grew 31% YoY and accounted for 3.8% of core service revenue. The growth was driven by robust demand for Cloud service and ICT solutions

Mobile revenue impacted by economy & price competition

- Mobile revenue was Bt28,847mn, dropping -1.7% YoY and -2.5% QoQ impacted by low spending amidst Omicron's spread and relatively high base of 1Q21 from government stimulus campaign.
- Our 5G network continued to expand with >20k BTS and reached 78% of the population
- With our all-out effort to drive 5G adoption, 5G subscribers as of Mar-22 reached over 2.8mn or 6.3% of total subscribers, while ARPU uplift remained around 10-15%.

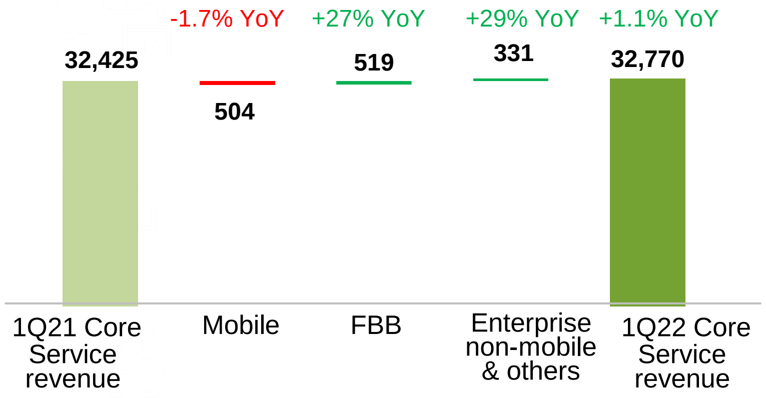
Soften EBIDA following revenue decline while maintained FY22 guidance

- EBITDA in 1Q22 dropped -0.8% YoY and -2.3% QoQ following revenue decline to amount of Bt22,404mn with a margin of 49.5%.
- Net profit decreased -5.0%YoY due to higher spectrum amortization and -8.1%QoQ from lower core service revenue and unrealized foreign exchange loss.
- The full-year guidance and outlook for 2022 were maintained.

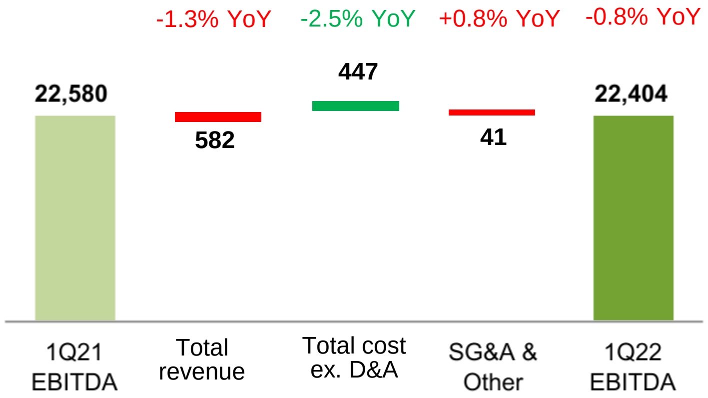
1Q22 Performance:
Core service revenue supported by strong growth in FBB and enterprise business

AIS

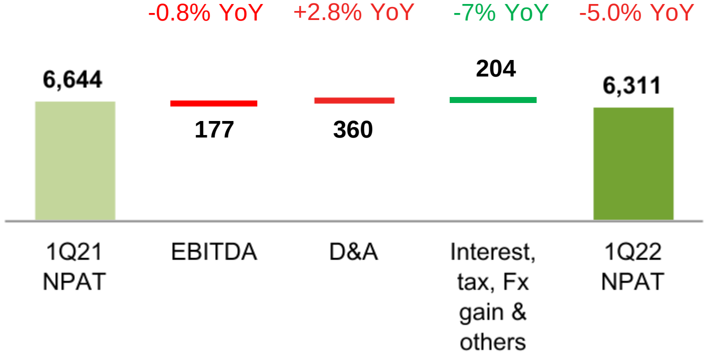
Core service revenue (Bt mn)



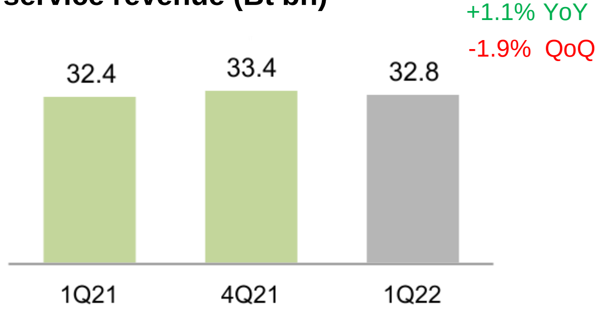
EBITDA (Bt mn)



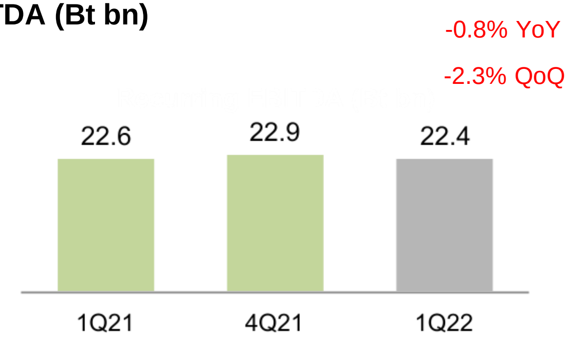
Reported NPAT (Bt mn)



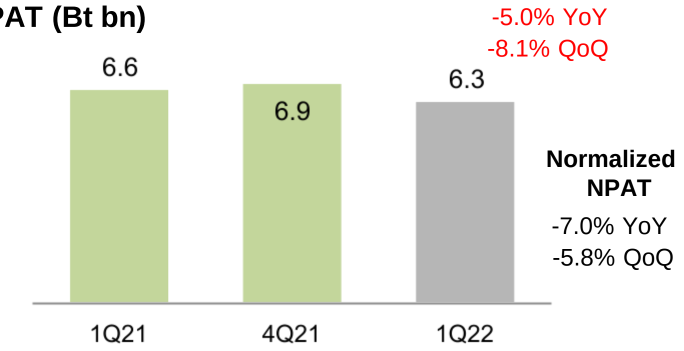
Core service revenue (Bt bn)



EBITDA (Bt bn)



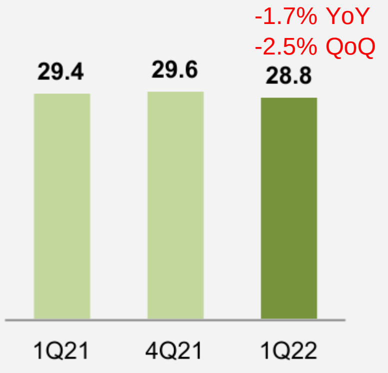
NPAT (Bt bn)



Core service revenue rose by 1.1% YoY amid prolonged COVID-19 from strong growth in fixed broadband and enterprise business while dropped 1.9% QoQ mainly from mobile revenue.
EBITDA decreased YoY and QoQ following core service revenue and continued investment to strengthen our network leadership.
NPAT dropped YoY following higher spectrum amortization while declined QoQ due to lower core service revenue and unrealized FX loss. Norm. NPAT (excluding unrealized FX loss) declined 7.0% YoY and 5.8% QoQ.

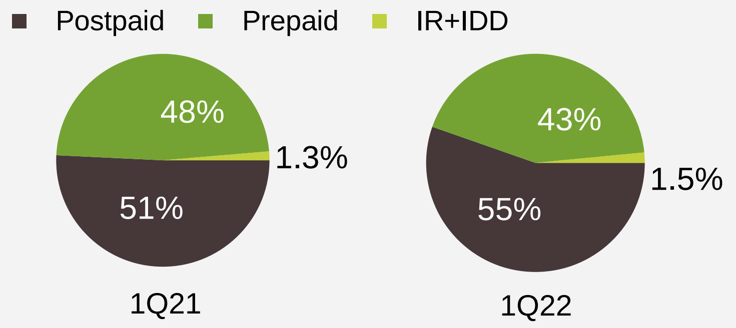
Mobile: Weak consumer spending & competition affected mobile revenue

Mobile revenue (Bt bn)



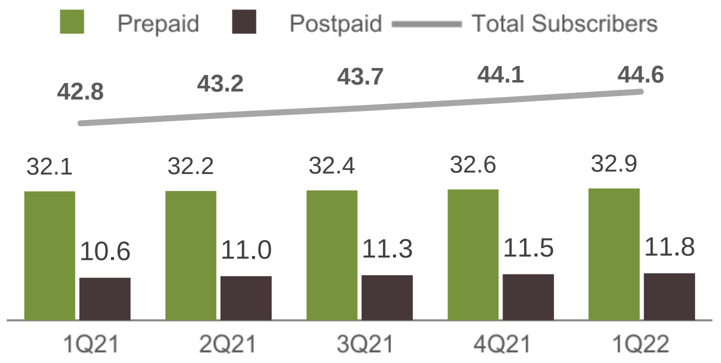
- Decreased YoY and QoQ following a drop in ARPU due to weak economy and price competition despite subscriber growth

% Mobile Revenue Contribution

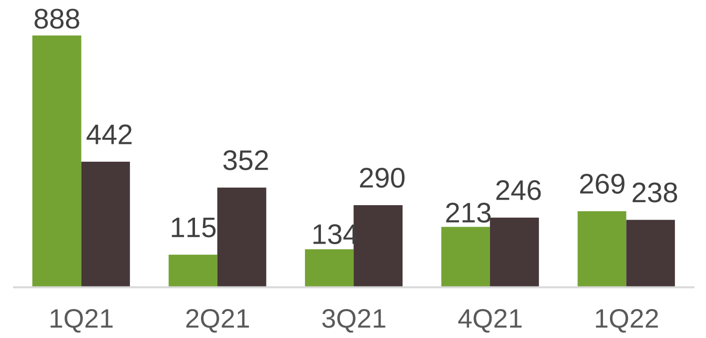


- Postpaid growth continued to expand from both new acquisition and pre-to-post migration

Total subscriber (mn)

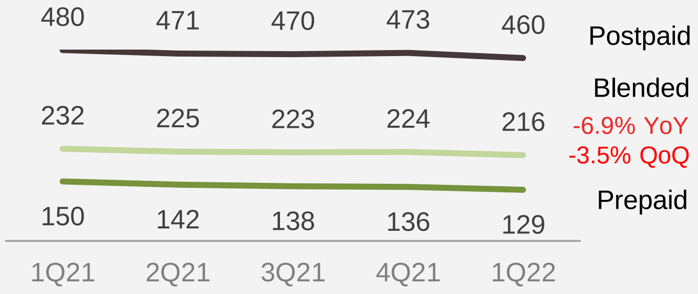


Net additional subscriber ('000)



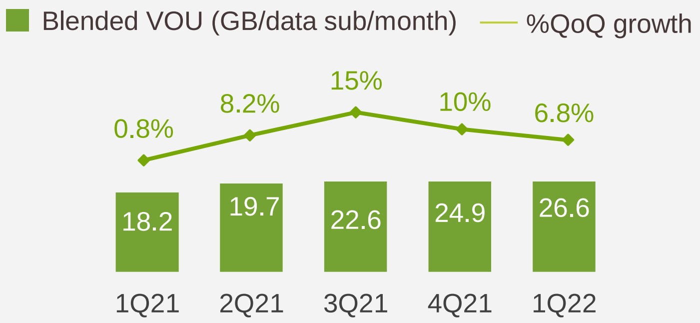
- Subscriber base continued to grow to stand at 44.6mn from both prepaid and postpaid
- Increase in prepaid driven by its acquisition momentum while expanding in postpaid due to handset bundling and better churn protection

Mobile ARPU (Bt/sub/month)



- Low spending and price competition pressured on ARPU dilution

Data Consumption



- Downward trend in data consumption after opening the country and the ease of covid restriction

5G subscribers continued to expanded

with the goal of achieving 5mn 5G subscribers by 2022

Enhance leadership in 5G network

21K sites

5G Base station
(as of MAR-22)

>99%

BKK
(Population coverage)

>96%

EEC Area

Scale expansion with value uplift

MAR-22	Target of 2022
>78% Nationwide coverage (Population coverage)	**85%**
2.8mn 5G package subscribers (**3.0mn** for 5G handset on AIS network)	**5.0mn** 5G package subscribers

$

10-15%
5G ARPU uplift
Monetization

Proactively promoted 5G services to leverage our best 5G network

Enhanced customer experiences through AR and VR technologies

Launched Avatar Park: New feature of Metaverse World

- Allowing customers to create their own identity and make new friends in metaverse on V-AVENUE.CO

Continued to drive MAU on AIS V-AVENUE.CO with more partners

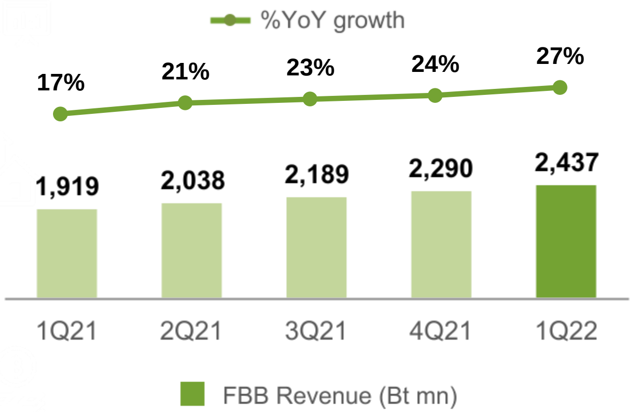
EMPORIUM, TV DIRECT, M Lifestore, FOOD PASSION, SUPERSPORTS, RS Mall, Samsonite, cmg, AMERICAN TOURISTER

New Partners

ASIAN LIFESTYLE, loft, JUNG SAEM MOOL, ÅLAND, ORIGIN, SCG

FBB: Expanded revenue accelerated by Work from home demand

Continued to deliver strong growth with slight increase in ARPU

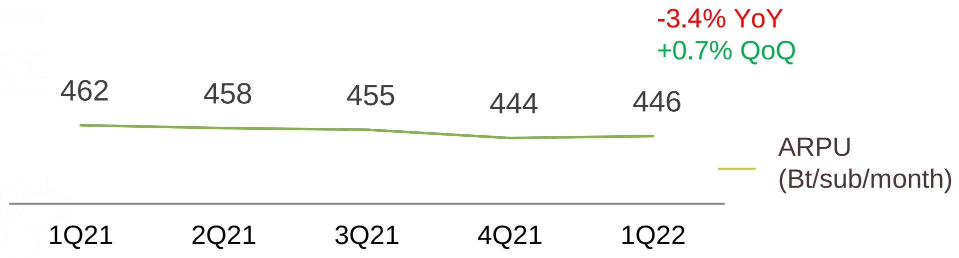


7% revenue Contribution

~14% subscriber market share

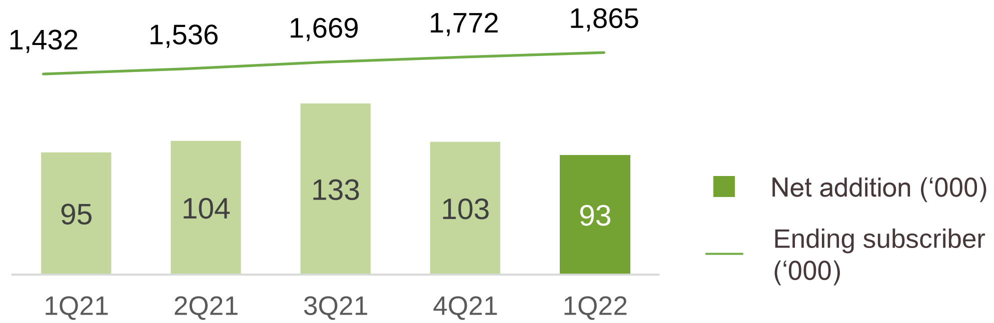
- AIS Fibre revenue expanded with double-digit growth due to strong demand from remote working

ARPU slightly rebounded despite price competition



- AIS Fibre has differentiated its service with value added and bundling package to ease pressure on ARPU

Maintained steady growth with scale and quality



- Gained 93k subscribers in 1Q22, on track to meet target 2.2mn by the end of 2022

Maintained leadership as the first intelligent Wi-Fi in Thailand

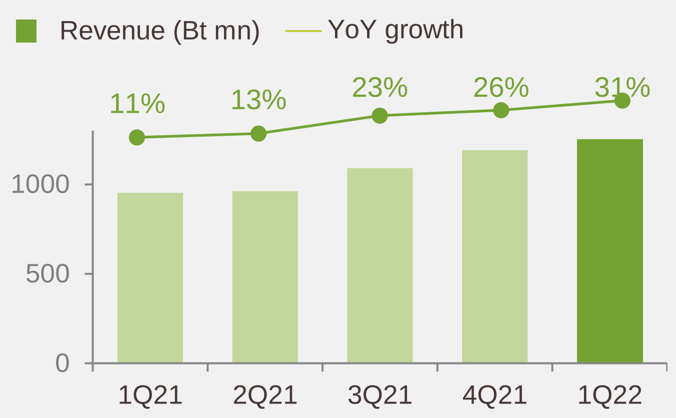
- **Debuted an AI-powered Smart Router** which allocates data traffic and shares the Internet signal on separate pipes to provide VIP Service for faster speed and lower latency

- Launched **'Power4Advance'** package bundling with AI-powered Smart Routers for 3 core groups : Gamer, Work & Learn Online and Live & Stream

Enterprise: Seize opportunities in digitalization trend to drive revenue

Captured growth with an increase in contribution rate to service revenue

Enterprise non-mobile revenue*



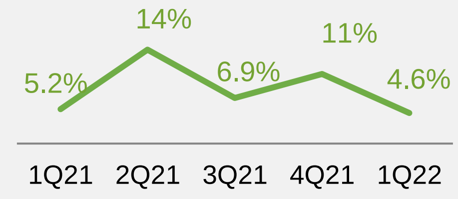
1.3 billion
Enterprise Rev in 1Q22

3.8%
% on core service revenue

- Non-mobile enterprise business still had a strong growth due to a higher demand of Cloud and ICT solutions.

Enterprise Data service (EDS)*

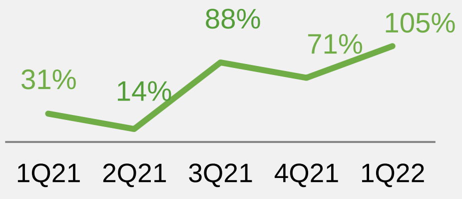
%YoY revenue



- EDS continued to gain growth momentum amid the competition

Cloud, Data center Cybersecurity, IOT and ICT solutions*

%YoY revenue



- Strong growth in CCIID boosted by robust demand for Cloud service and ICT solutions

Strive to achieve double-digit growth via 5 key strategies and collaboration

AIS Business 5G
Your Trusted Smart Digital Partner

Smart Property and Retail

Smart Transportation and Logistics

Smart Agriculture

Smart Health

Smart Automation and Manufacturing

5 Strategies

- 5G Connecting 5G Ecosystem to Enhance Businesses
- Enhancing network performance with Intelligent Network
- Enhancing Digital Infrastructure and Platform for Businesses
- Enhancing Data-Driven Business Capability for Business Opportunities
- Delivering Solution and Managed Service by Trusted Professionals

*Note: there has been a reclassification in revenue for enterprise services since 2020

2022 Guidance

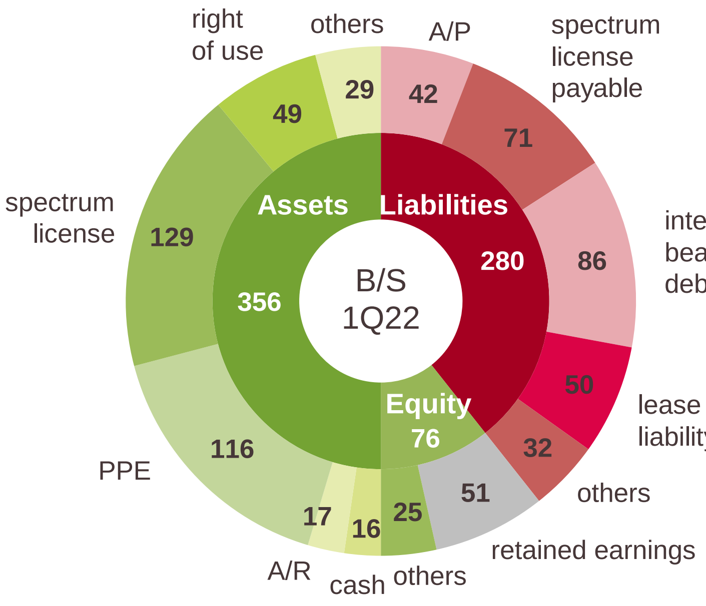
FY22 Guided items	Guidance	Rationale
Core service revenue	Mid-single digit growth	• Leverage 5G service to gain market share in high value segment • Grow FBB with target of 2.2mn subscribers with increase in ARPH from FMC strategy • Enterprise non-mobile continues to grow double digit
EBITDA	Low-single digit growth	• Continue to digitally transform focusing on customer experience and to optimize the cost to serve • ensure an effective capital allocation to capture growth opportunity
CAPEX *exclude spectrum	Bt30-35bn	• Build 5G leadership to deliver a superior customer experience, targeted to reach 85% population coverage • Expand AIS Fibre coverage to capture untapped demand • Enhance our enterprise business and digital services

Appendix

Healthy Balance sheet and cash flow to support investment

Balance Sheet

(Bt bn)



0.8x
Net debt to EBITDA

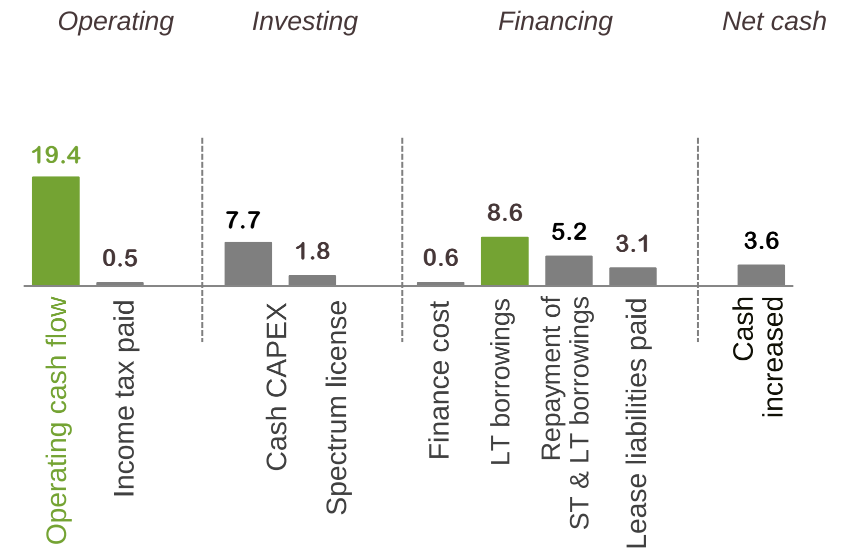
1.1x
Interest bearing debt to Equity

0.4x
Current ratio

32%
Return on Equity

1Q22 Cash flow

(Bt bn)



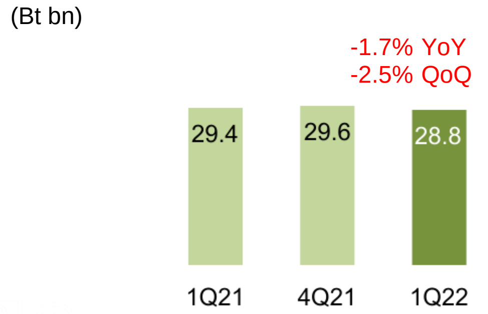
Operating cash flow was healthy to support CAPEX, spectrum payment, and dividend

Investing cash flow was Bt9.4bn, including spectrum payment of Bt1.8bn

Average finance costs = 2.6% p.a.
- Maintained investment grade credit ratings
  - Fitch: national rating AA+ (THA), outlook stable
  - S&P: BBB+, outlook stable

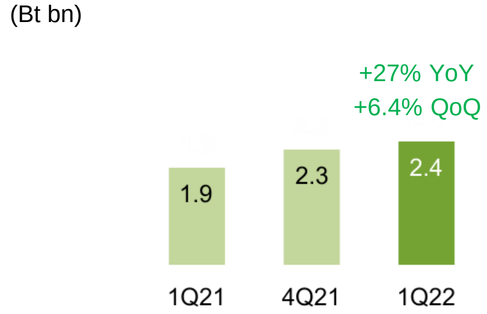
1Q22 Revenue breakdown

Mobile revenue



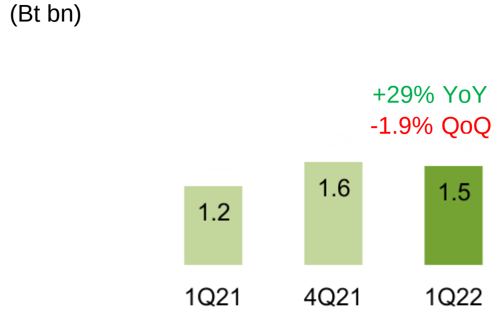
- Decreased YoY and QoQ following a downward trend in ARPU due to weak consumer spending and price competition

Fixed broadband revenue



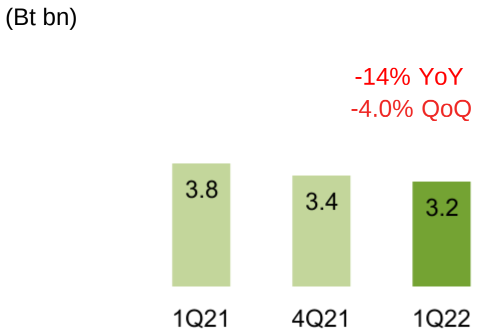
- Subscriber base expanded to 1.87mn with an increase QoQ in ARPU to Bt446

Other service revenues



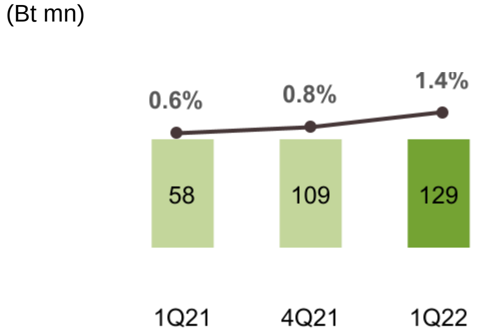
- Boosted by higher demand for Cloud Service and ICT solutions

IC and TOT partnership



- Dropped YoY and QoQ due to lower network traffic with TOT and change in IC rate effective from Jan-22.

Net Sales & margin

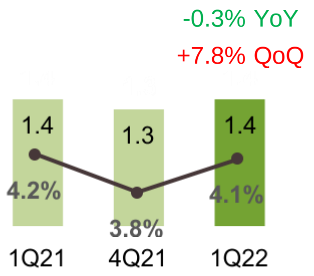


- Lower sale volume from high seasonal sales of the new iPhone13 in 4Q21 while sale margin grew due to an increased sales mix of higher-margin handsets.

1Q22 Cost breakdown

Regulatory fee

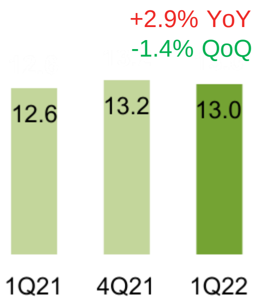
(Bt bn) % to core service revenue



- YoY flat in-line with core service revenue while QoQ increase from relatively low base in 4Q21.

D&A

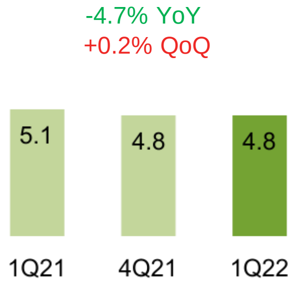
(Bt bn)



- Increased YoY from additional 700MHz spectrum acquisition in Apr-21 and continued investment in 5G/4G network

Network OPEX and TOT partnership

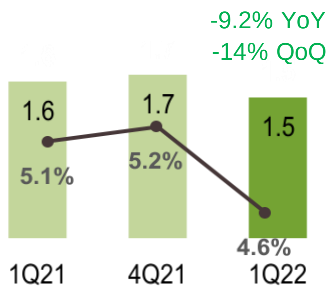
(Bt bn)



- Decreased YoY from lower network traffic with TOT, while remaining flat QoQ

Marketing expense

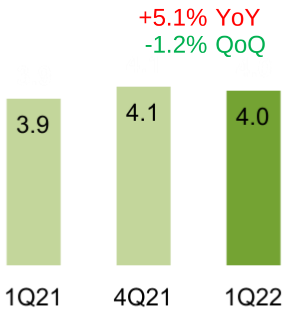
(Bt bn) % to core service revenue



- Dropped YoY and QoQ impacted by lower marketing campaigns and high-seasonal spending in 4Q21

Admin & others

(Bt bn)



- YoY rose mainly from higher staff cost, whereas QoQ decline due to some seasonal staff-related expenses

Contact us
IR website: http://investor.ais.co.th
Email : investor@ais.co.th
Tel: +662 029 3145