

# **3Q22 Financial Result Advanced Info Service Plc.**

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## **3Q22 Key Highlights**





**Rising inflation** affected consumer spending amid price competition



**5G** users surged to 5.5mn from adoption in postpaid and expanded prepaid



Postpaid grew 5.1% YoY from device-package **bundling sales** 



Solid growth in AIS Broadband focusing **FIDIC** on service quality and package varieties



**Enterprise growth** driven by Cloud and launched new platform to scale up

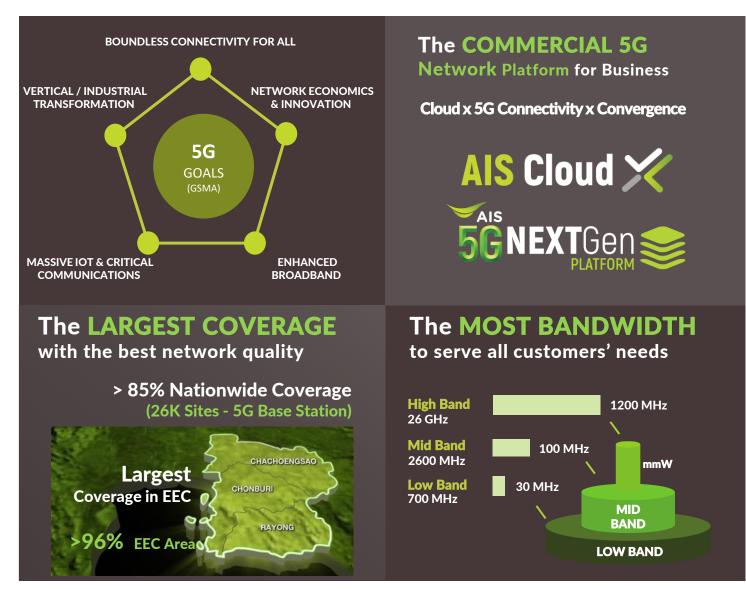


**Continuous cost** optimization to face inflation and rising utility cost



# AIS 5G: Merging consumers and businesses now and beyond

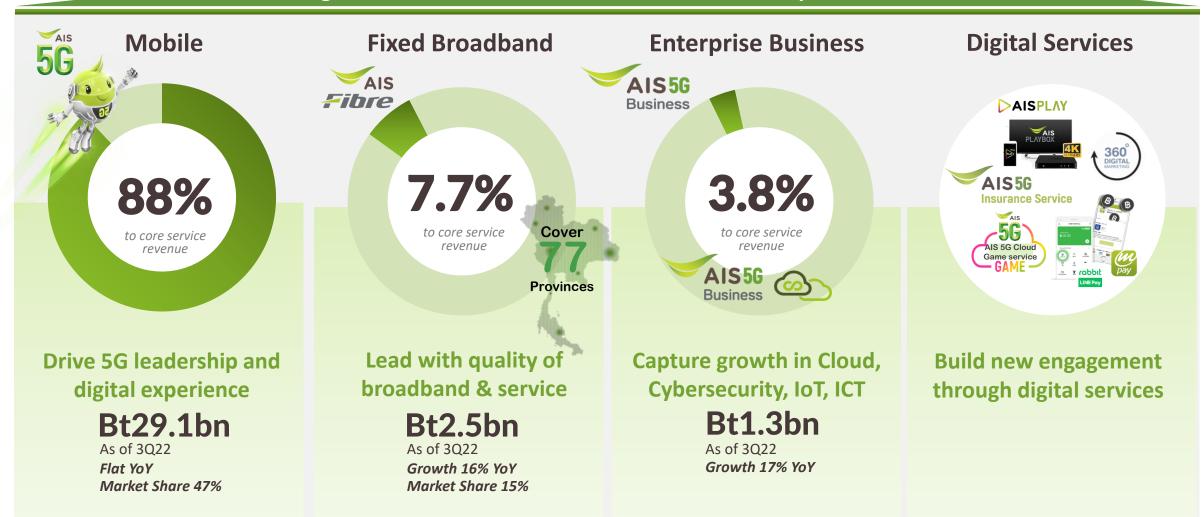






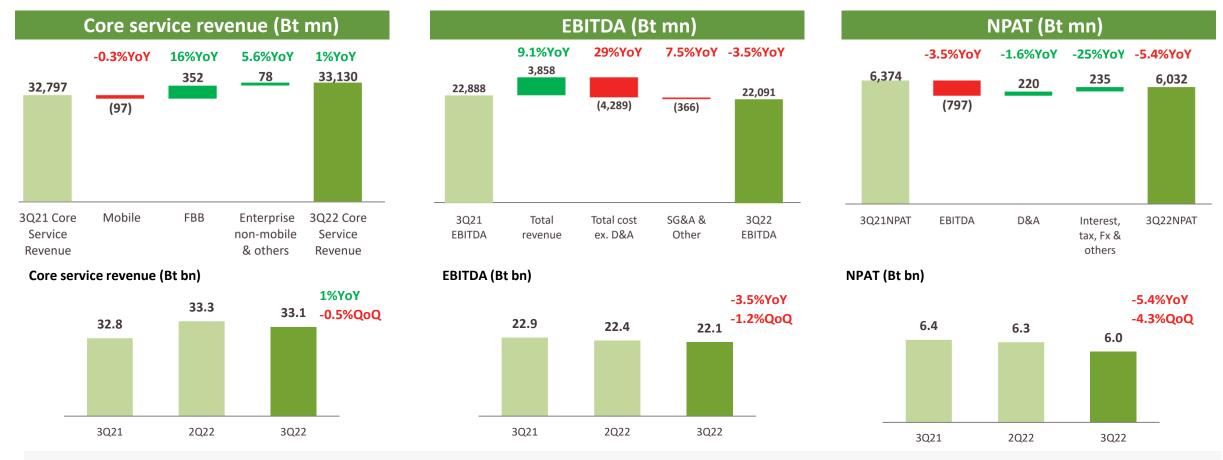


### **Cognitive Tech-Co: Deliver Distinctive Customer Experience**





## 3Q22 Performance: growing amid slowed down economy and inflation



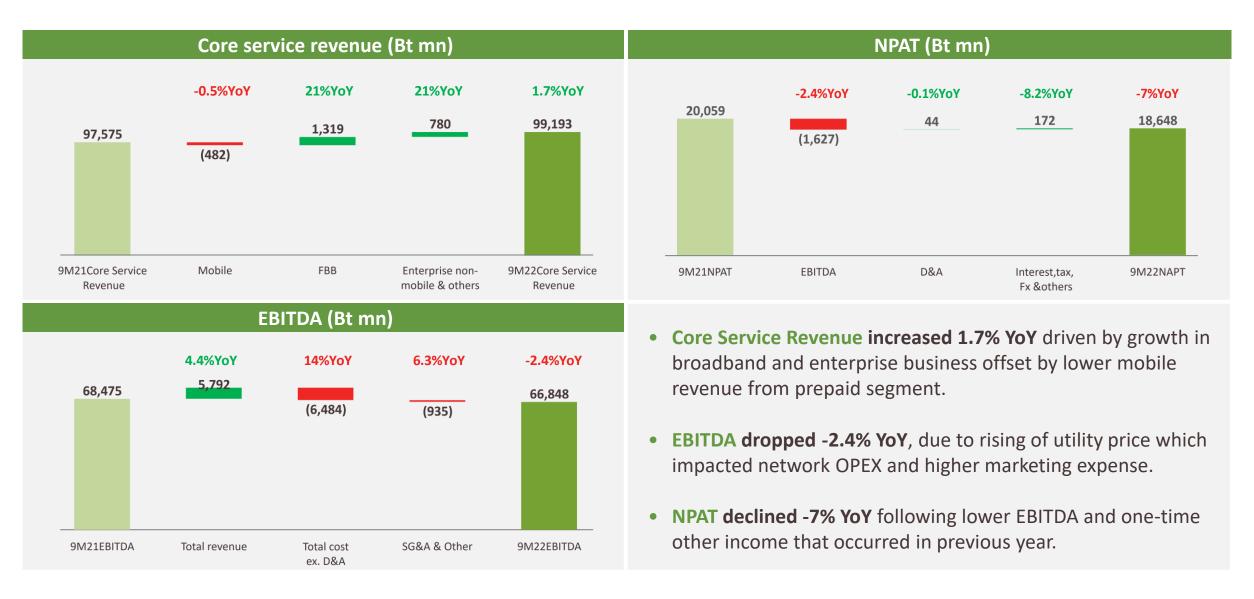
Core service revenue increased driven by the robust growth in both FBB and Enterprise business.

**EBITDA soften QoQ** caused by higher network OPEX and **YoY** from marketing expenses corresponded with rising economic activities.

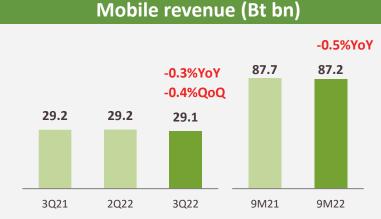
NPAT declined YoY following a lower of EBITDA and Thai baht depreciation partially offset by lower interest expense.



## 9M22 Performance: FBB & Enterprise sustained the revenue growth

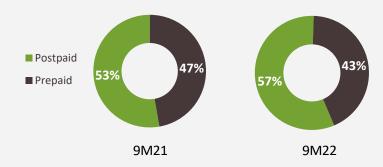


## Mobile: Postpaid led the growth in mobile with a strong ARPU foundation



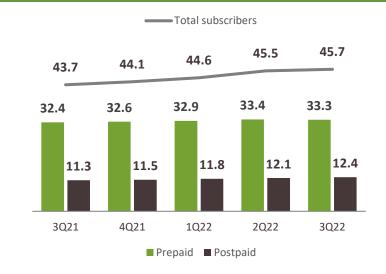
• 3Q22 revenue decrease from competition and inflation which affected the mass customer segment

#### % Mobile Revenue Contribution

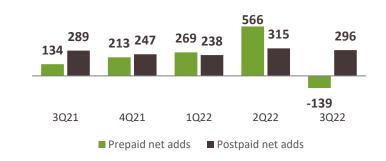


Rising postpaid mix was driven by 5G adoption and customer conversion from prepaid to postpaid

### **Total subscriber (mn)**



### Net additional subscriber ('000)



3Q22 negative prepaid net adds from lower purchasing power and high churn from tourist sim activated in the previous quarter.

## Mobile ARPU (Bt/sub/month)

Postpaid	453	460	460	473	470	
5.2%YoY 1.6%QoQ Blended		215	216	225	223	
Prepaid	123	127	129	138	138	
	3Q22	2Q22	1Q22	4Q21	3Q21	

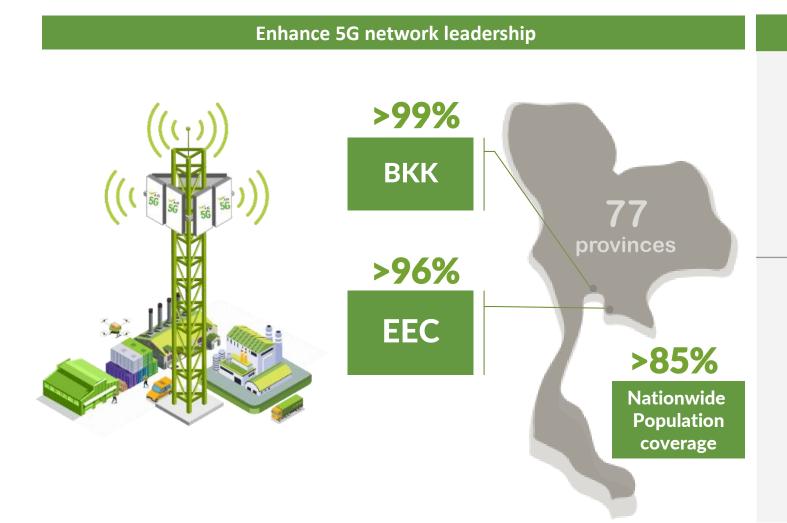
- ARPU impacted by ongoing price competition
- Postpaid ARPU sustained QoQ with 5G adoption

### **Data Consumption**



Data consumption grew at a slower pace after the relaxation of COVID control

# Driving 5G leadership with subscribers surged to 5.5mn beyond year end target



### **Drive 5G adoption with value uplift**



3Q22 Subscribers
Beyond year-end Target

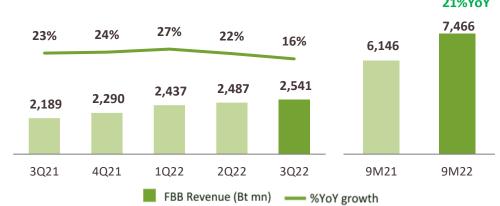
\$ 10-15% 5G ARPU uplift

Improved value through 5G adoption



## Home Broadband: Solid growth and focus on network & service quality



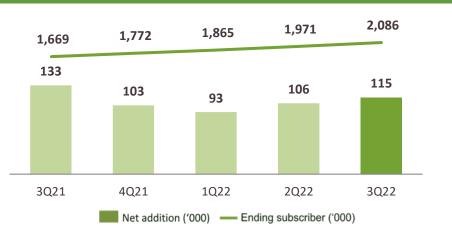


## ARPU declined from lower entry price driven by competition

### FBB ARPU (Baht per month)



### Solid demand driving subscriber growth



## Focus on innovation for coverage and service guarantee



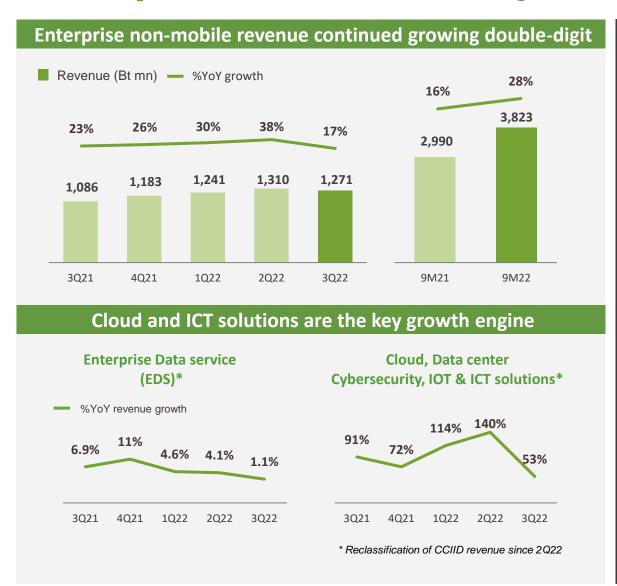
Lead confidence with service quality along 24h from the AIS Fibre team



A new standard with cutting-edge technology for the first time in Thailand



## **Enterprise:** Cloud services as a growth driver to build demand for 5G







# **5G**

# **Vertical Industry**

**Use Cases** 

- Manufacturing
- Transportation and Logistics Industry
- Building and Property
- Retails

















**Assistant Robot** 

**Remote Controlling** 

**Logistics Drone** 

Self Driving Vehicle

**Automated Warehouse** 













**Remote Surgery** 

eHealth

**Smart Retail** 

AR / VR

**VDO Analytics** 

**Digital Signage** 













**Smart Environment** 

**Smart Energy** 

**Smart Meter** 

**Smart Building** 

**Public Safety** 

**Traffic Control** 





	Guidance	Rationale
Core service revenue	low-single-digit growth	<ul> <li>Mobile business remains under pressure, heighten inflation risk is a key impact in raising cautious spending behavior.</li> <li>Fixed broadband maintains the growth momentum to outpace the industry growth led by quality acquisition and services.</li> <li>Enterprise non-mobile will continue delivering double digit growth driven by cloud service.</li> </ul>
EBITDA	Flat to slightly decline	<ul> <li>Focus on cost optimization and efficiency improvement.</li> <li>Increased utilities costs due to higher energy price</li> <li>Allocate spending to ensure market leadership and better engage customers.</li> </ul>
CAPEX *exclude spectrum	Approx. Bt30bn	<ul> <li>Focus on 5G leadership and network quality management</li> <li>Expand AIS Fibre coverage to capture untapped demand</li> <li>Enhance our enterprise business and digital services</li> </ul>



# Driving Long-term Sustainable Business Operation



## THRIVE IN A GREENER AND INCLUSIVE DIGITAL WORLD



Drive Digital
Economy

Enable people and businesses to grow in the digital economy

Promote Digital Inclusion

Build inclusive and responsible digital access in our products & services

**Climate Actions** 

Shape a greener future of life for

consumers and society

## Drive Digital Economy: Enable people and businesses to grow in the digital economy

### **Digital innovation**

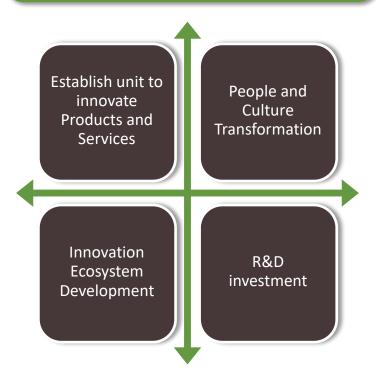
Drive digital services for both consumers & enterprises

**Data Privacy & Cybersecurity** 

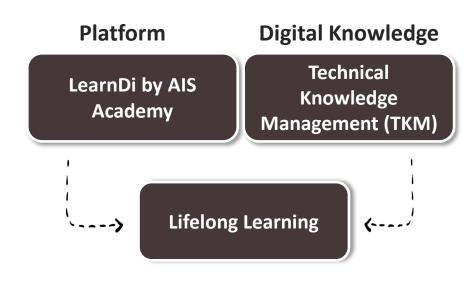
Maintain resiliency for data security and privacy

### **Human Capital Development**

Nurture AIS human capital to support business growth









## **Promote Digital Inclusion:** Build inclusive and responsible digital access



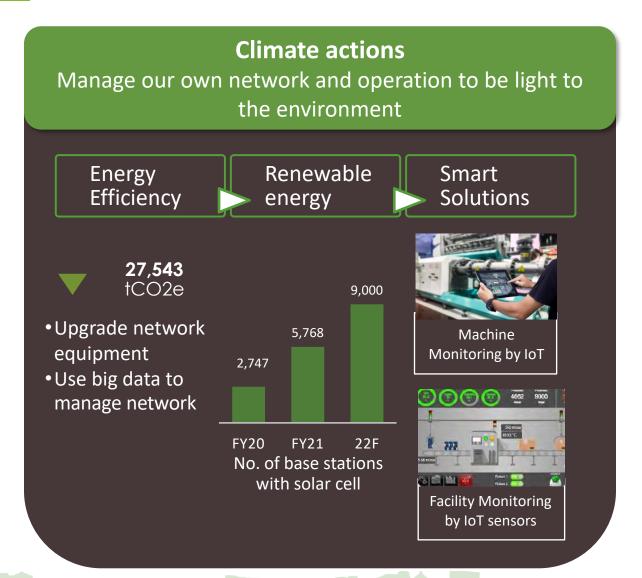
## **Digital wellness**

Empower digital citizenship by providing digital solutions and tools





## Act on climate: shape a greener future of life for consumers and society



# Waste Management Promote proper waste disposal







Waste separation at office building

Drop-off with postman campaign

Raising awareness



Non-recyclable E-waste from network operation

0%

E-waste collected from customers

**351,300** pieces

## **Sustainability Awards & Disclosure Standard**



### **Disclosure Standard**









### **ESG Index**

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## **Sustainability Awards**



IDC Future Enterprise
Awards



SET AWARDS 2022 Sustainability Excellence Highly Commended



Thailand Sustainability Investment 2022 8th Consecutive years



S&P Global

S&P Global Sustainability Silver Class Award 2022 2<sup>nd</sup> Consecutive years



Appendix

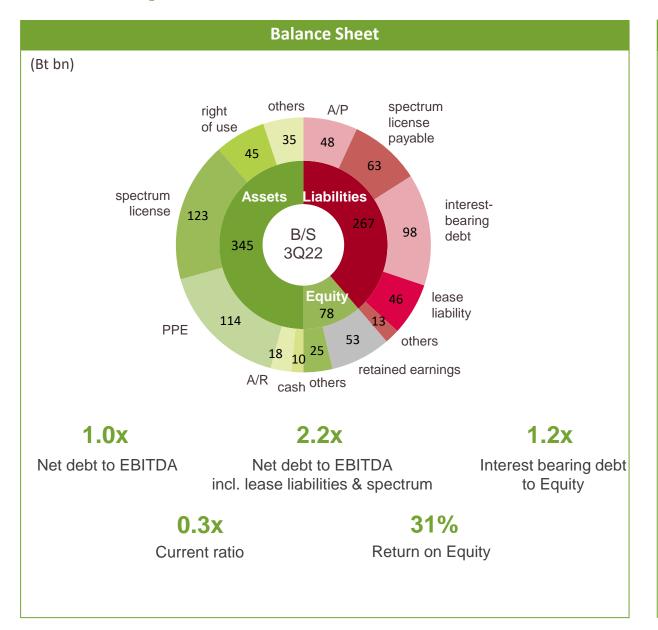


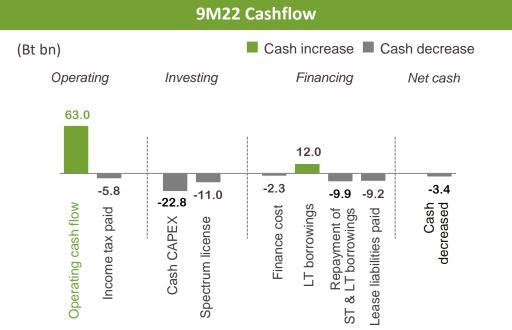
# **Financial Highlights**

Bt mn	3Q21	2Q22	3Q22	%YoY	%QoQ	9M21	9M22	%YoY
Mobile revenue	29,204	29,217	29,107	-0.3%	-0.4%	87,653	87,171	-0.5%
FBB revenue	2,189	2,487	2,541	16%	2.2%	6,146	7,466	21%
Other revenues	1,403	1,588	1,481	5.6%	-6.7%	3,776	4,556	21%
Core service revenue	32,797	33,293	33,130	1.0%	-0.5%	97,575	99,193	1.7%
IC and NT partnership	3,407	3,193	3,171	-6.9%	-0.7%	10,446	9,603	-8.1%
Service revenue	36,204	36,486	36,301	0.3%	-0.5%	108,020	108,796	0.7%
SIM and device sales	6,173	8,786	9,934	61%	13%	22,974	27,990	22%
Total revenue	42,377	45,273	46,234	9.1%	2.1%	130,995	136,786	4.4%
Cost of service	21,435	21,630	21,863	2.0%	1.1%	63,574	65,030	2.3%
SG&A	5,236	5,690	5,633	7.6%	-1.0%	15,875	16,861	6.2%
EBITDA	22,888	22,353	22,091	-3.5%	-1.2%	68,475	66,848	-2.4%
EBIT	9,446	9,161	8,869	-6.1%	-3.2%	28,647	27,064	-5.5%
NPAT	6,374	6,305	6,032	-5.4%	-4.3%	20,059	18,648	-7.0%
Sales margin	-0.5%	0.2%	1.0%			0.9%	0.9%	
EBITDA margin	54.0%	49.4%	47.8%			52.3%	48.9%	
EBIT margin	22.3%	20.2%	19.2%			21.9%	19.8%	
NPAT margin	15.0%	13.9%	13.0%			15.3%	13.6%	



## Healthy Balance sheet and cashflow to support investment





Operating cash flow remained healthy to support ongoing CAPEX and spectrum payment

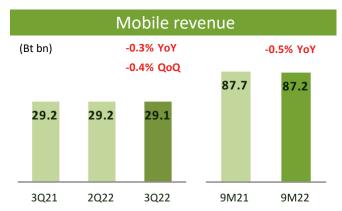
Free cash flow after lease liabilities paid of Bt14.1bn and continued to deliver returns to shareholders

### Average finance costs = 2.6% p.a.

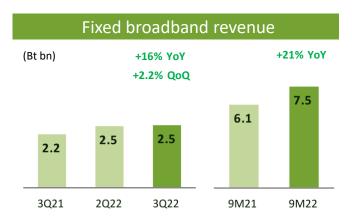
- AIS prudently managed currency and interest rate risk with hedging instruments where applicable
- Maintained investment-grade credit ratings
  - Fitch: national rating AA+ (THA), outlook stable
  - S&P: BBB+, outlook stable



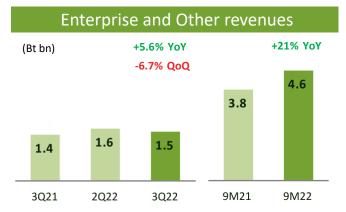




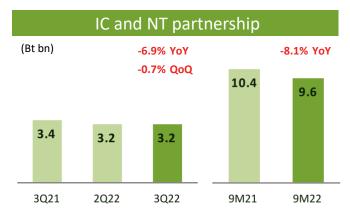
 Intense market competition and impact from the decline in domestic purchasing power



 Subscriber expanded strongly almost reach FY22 target at 2.2mn offset by lower ARPU due to competition.



 Digital transformation is a key driver of enterprise business, with a decrease in QoQ from a large deal closed in 2Q22 on cloud product



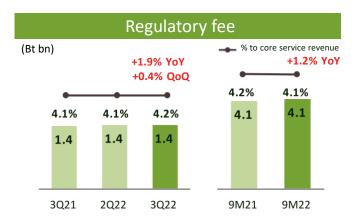
 Decrease YoY and QoQ due to lower network traffic with NT



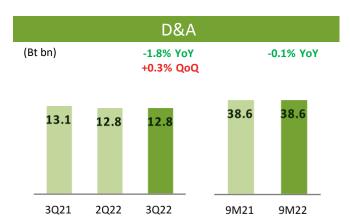
• Higher sale volume and sale margin from new iPhone.



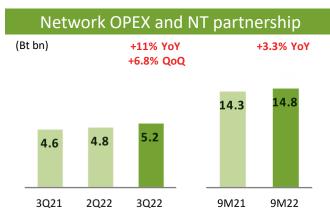




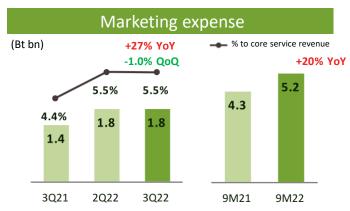
 Regulatory fee increased YoY following the trend of core service revenue



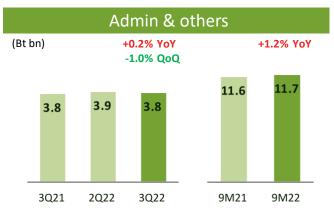
 D&A decrease YoY due to fully depreciated asset in some part of 3G network equipment and remain flat QoQ.



 Network OPEX highly increase from rising energy price and higher number of base stations



 Marketing YoY increased significantly both 3Q22 and 9M22 caused by last year's low base and declined QoQ from marketing cost optimization.



3Q22 flat YoY and declined QoQ, mainly from cost control initiatives

## Mobile 5G official packages launched











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The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.