Singtel Investor Day 2017

Advanced Info Service Plc.

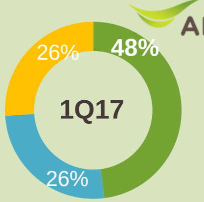
9 June 2017

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

Ticker: ADVANC (SET)
AVIFY (ADR)

AIS: Digital Life Service Provider

Continue leading in "Mobile"



Revenue market share

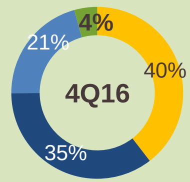
Service revenue
- Bt31.4bn
- 57% Non-voice
- 36% Voice

40.6mn users
- 16% postpaid
- 84% prepaid
- 59% data users

Strength
- Nationwide 4G/3G/2G coverage with focus on network quality
- Strong customer service and distribution channel

Target
- Mark leadership in mobile data
- Maintain competitiveness and cost efficiency

Expand strongly into "Fixed broadband"



Subscriber market share

Commercial launch in 2015

- Covering 28 cities
- Ready to service 5.2mn homes

Strength
- Leverage nationwide fibre to offer "FTTx" – fibre to premise
- Offer with "AIS PLAYBOX", a VDO platform
- Contributed 1.7% of revenue in 1Q17

Target
- To become significant player in three years

Partner to offer differentiated "Digital service"

Strength
- Emphasize partnership & ecosystem
- Leverage the large sub base and telecom infrastructure

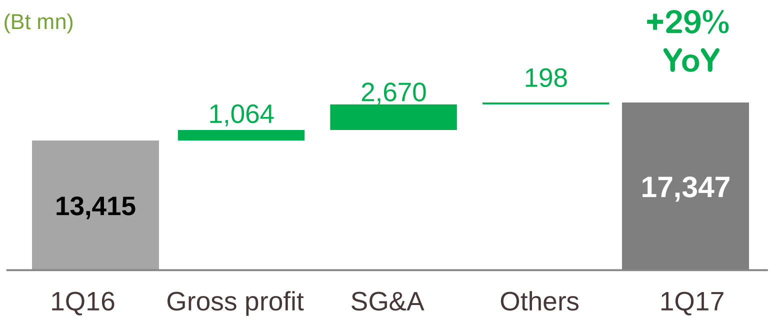
Target
- To pursue long-term growth with integrated services

EBITDA margin: 44.6%
Net debt to EBITDA: 1.2x
Dividend: minimum 70%

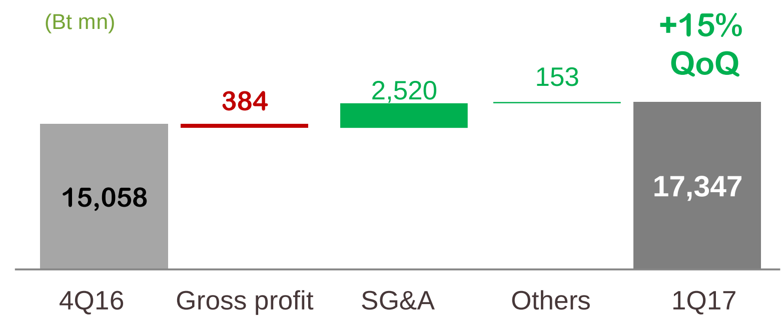
Investment Highlights

1Q17 Recap

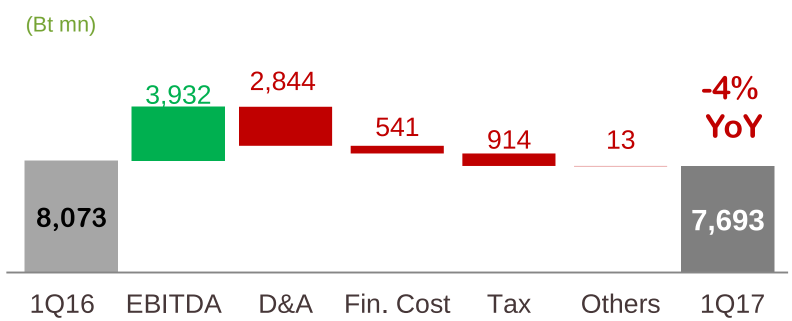
YoY EBITDA



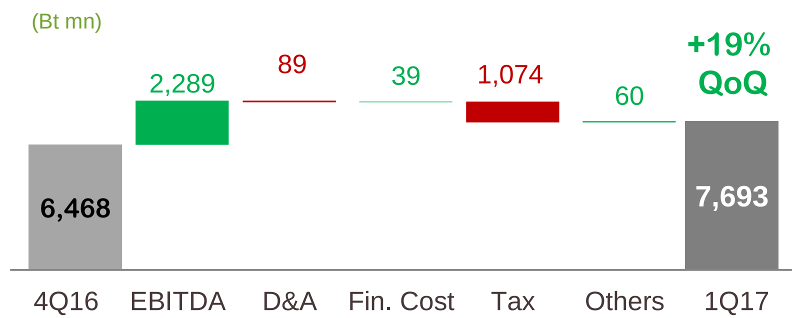
QoQ EBITDA



YoY NPAT



QoQ NPAT

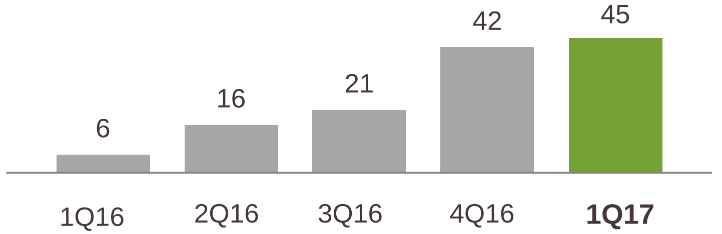


- Service revenue improved 4% YoY from 4G consumption and fixed broadband while regulatory fee continued to decline.
- Full impact of payments to TOT and D&A from 4G network investment and licenses pressured profitability.
- Lower handset subsidies and focus on quality subscribers.

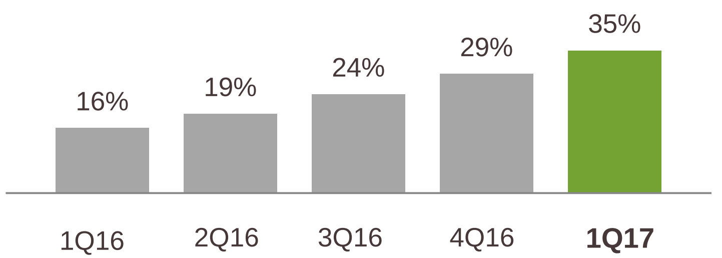
- Service revenue declined 0.8%, offset by lower handset subsidies.
- Tax benefits from investment were Bt835mn in 4Q16 and Bt209mn in 1Q17.

Mobile: lead in quality 4G network

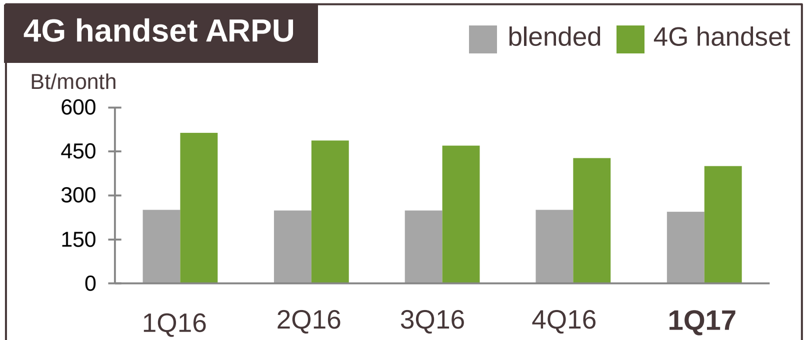
4G base station ('000)



4G handset penetration



4G handset ARPU



- Nationwide coverage of 98%
- Deploy 2CA in all districts and 3CA in key cities
- Guaranteed by OOKLA as "Thailand's fastest mobile network" for two consecutive years

SPEEDTEST AWARDS by OOKLA
THAILAND'S FASTEST MOBILE NETWORK

- 4G adoption continued to rise supported by more affordable 4G handsets, price plans with large data allowance, and new contents.

- 4G users continue to be high quality despite diluted ARPU from adoption of mid-tier 4G handsets.

Mobile: focus on postpaid segment, capturing high-value customers

customers contracted for 12 months

Focus on mid- to high ARPU subscription

- Offer high-end smartphones with discounts up to 40% e.g. AIS HOT DEAL with committed monthly package of Bt499+
- Target mid-end users by offering discounts up to 70% e.g. SUPER COMBO and SUPER VALUE PACK with committed monthly package of Bt299+

FBB: expand subscriber base and ARPU

Net Lover

HomeBROADBAND Package

Broadband Internet Value Package

Max Speed Internet (download)	Standard Price (Baht/Month)	AIS Customer (Baht/Month) Get 10% Discount
30 Mbps	590	531
50 Mbps	777	699
75 Mbps	888	799
100 Mbps	999	899

Net and Entertainment Lover

HomePLUS Package

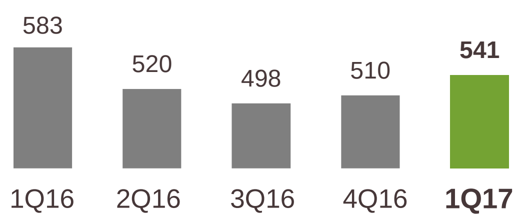
Boardband Internet with AIS PLAYBOX

Max Speed Internet (download)	Standard Price (Baht/Month)	AIS Customer (Baht/Month)	AIS Serenade (Baht/Month)	HOOQ
30 Mbps	690	631	-	–
50 Mbps	877	799	699	FREE ! 12 Months
75 Mbps	988	899	-	
100 Mbps	1,099	999	899	

Key highlight figures

- 1Q17, AIS Fibre had 374k, a net add of 72k, with coverage in 28 cities.
- Revenue contribution increased to 1.7% of service revenue ex. IC.
- ARPU improved to Bt541.

ARPU trend (Bt/month)



Current offerings

- Segmented offerings in two types of package:
  1) pure broadband connection
  2) broadband connection with video contents via AIS PLAYBOX
- Gain market share with competitive fibre pricing while encouraging customers to upgrade to higher-speed package
- Continue to leverage/supplement mobile subscriber base with special discounts to enhance brand loyalty

Digital service: create differentiation on AIS PLAY & PLAYBOX with new contents

- Registered 1.5mn active users on AIS PLAY and 300k on AIS PLAYBOX
- Contents from HBO, FOX, NBA, Cinemax, Warner, Viu, etc. were added to respond to higher demand for HD video streaming and enhance customers' stickiness.

Mobile

Fixed broadband

Digital service: expand into Enterprise Cloud with global partners

Managed Service
- IT services
- Service & Monitoring
- IT consulting

SaaS
- Cloud storage
- Security
- Productivity

WE CLOUD · Check Point SOFTWARE TECHNOLOGIES LTD. · Office 365

IaaS
- Enterprise cloud
- Integrated backup service

vmware NSX · NetApp

Data Center

AIS-Owned World Class Data Center
Carrier Graded Tier 4 with ISO 27001 Certification at 2 Locations

Network

AIS Enterprise Data Network

Microsoft | AIS

Strategic Partnership to bring Global Cloud to Local

Collaborations in
- Network Partnership
- Cloud Solution Provider
- Integrated Billing

FY17 Guidance

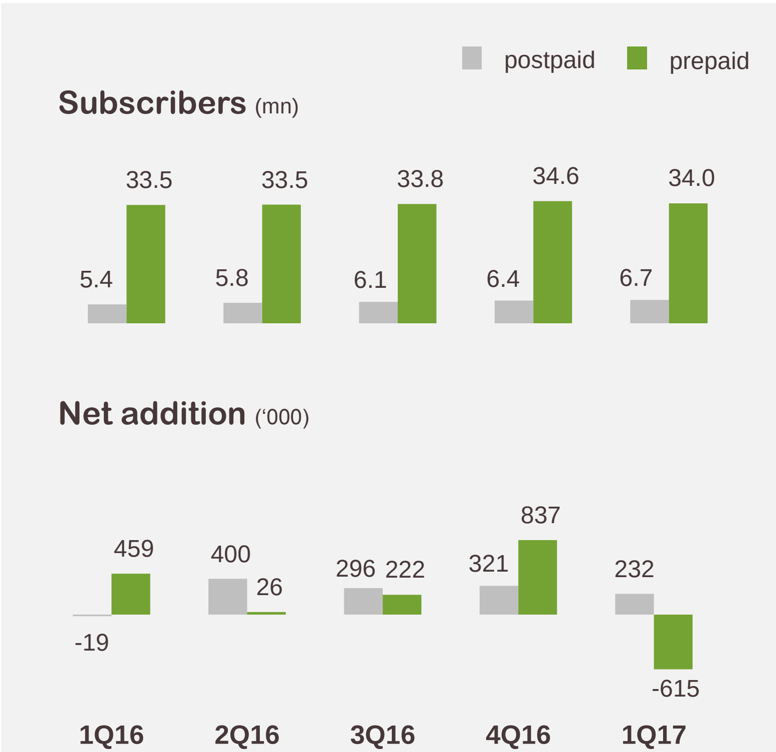
2017		
Service revenue (ex IC)	+4-5% YoY	• Improved network quality and increased smartphone adoption
Handset sales	Increase with near-zero margin	• Support by higher smartphone adoption • Continue migration of 2G users through targeted handset subsidies
EBITDA margin	42-44%	• Improved revenue and cost management offset by full-year payments for TOT partnership
CAPEX	Bt40-45bn	• Strengthen 4G capacity with 2CA and 3CA expansion • Selective expansion for fixed-broadband business
Dividend policy	Minimum 70% payout ratio	• Preserve financial health and flexibility for future growth

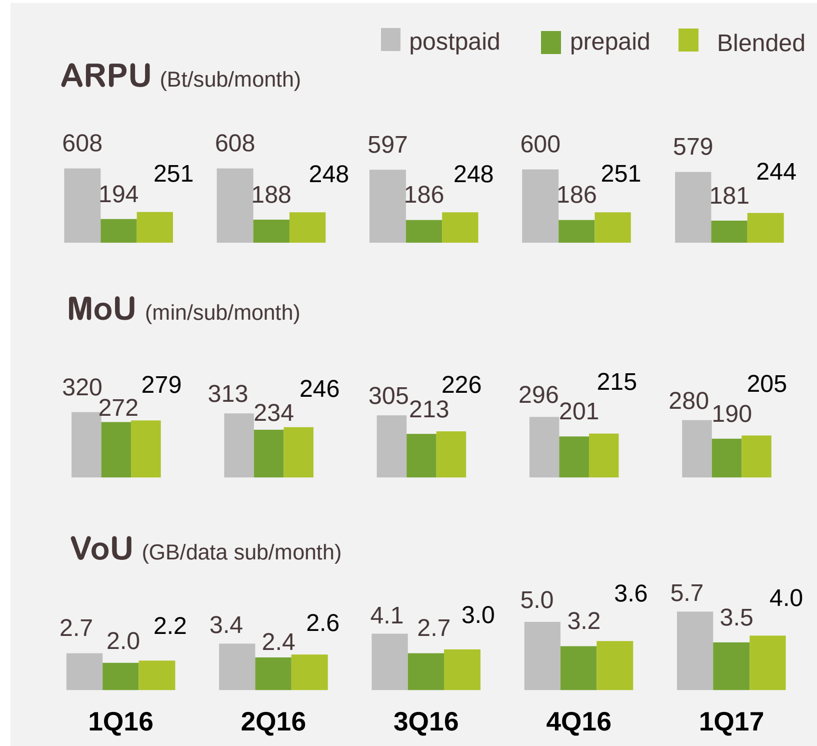
APPENDIX

Financial Highlights

Bt mn	1Q16	4Q16	1Q17	%YoY	%QoQ	FY17 Guidance
Service revenue ex. IC	30,148	31,617	31,364	▲4.0%	▼0.8%	+4-5%
Sales revenue	5,663	8,315	6,407	▲13%	▼23%	increase
Total revenue	**37,252**	**41,319**	**38,858**	**▲4.3%**	**▼6.0%**	
Cost of service ex. IC	(12,693)	(15,155)	(15,203)	▲20%	▲0.3%	
SG&A	(8,095)	(7,961)	(5,439)	▼33%	▼32%	
EBITDA	**13,415**	**15,058**	**17,347**	**▲29%**	**▲15%**	
EBIT	9,438	8,340	10,540	▲12%	▲26%	
NPAT	**8,073**	**6,468**	**7,693**	**▼4.7%**	**▲19%**	
Sales margin	-0.3%	-3.3%	-6.7%	▼640bps	▼340bps	near zero margin
EBITDA margin	36.0%	36.4%	44.6%	▲860bps	▲820bps	42-44%
EBIT margin	25.3%	20.2%	27.1%	▲690bps	▲180bps	
NPAT margin	21.7%	15.7%	19.8%	▼900bps	▲410bps	
Capex	(12,102)	(10,523)	(11,509)	▼4.9%	▲9.4%	Bt40-45bn

Mobile: focused on acquiring quality subscribers



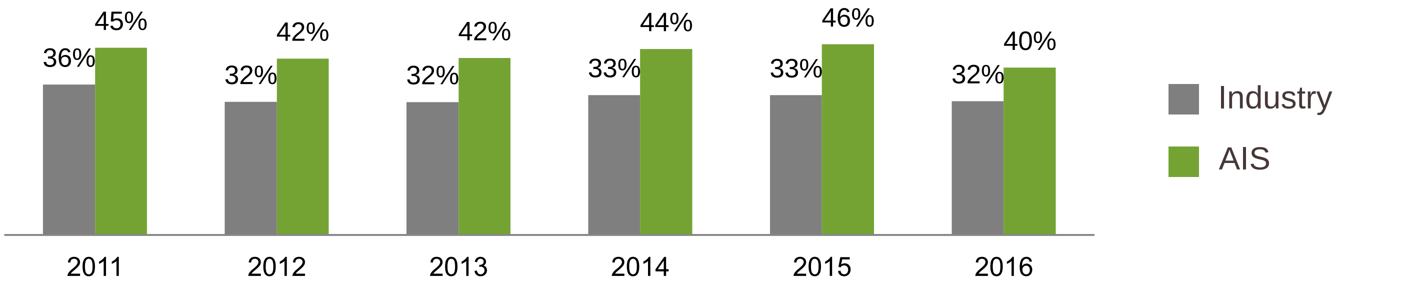


- **AIS recorded 40.6mn subscribers**, total net add of -383k (prepaid -615k and postpaid +232k).
- Prepaid subsidy was more targeted while prepaid-to-postpaid trend continued, resulting in negative prepaid net add.

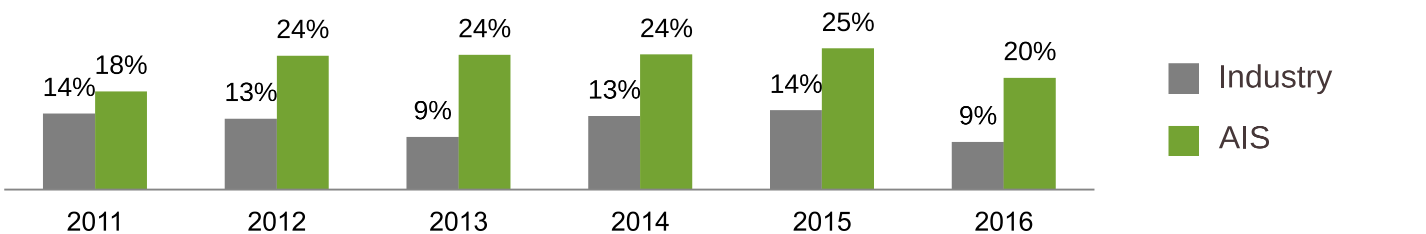
- **Blended ARPU** slightly declined from Bt251 to Bt244.
- **Blended MoU** declined as data cannibalization continues.
- **Blended VoU** rose to 4GB/ data sub/ month driven by 4G and the trend of HD videos streaming.

Historical profitability and CAPEX trend

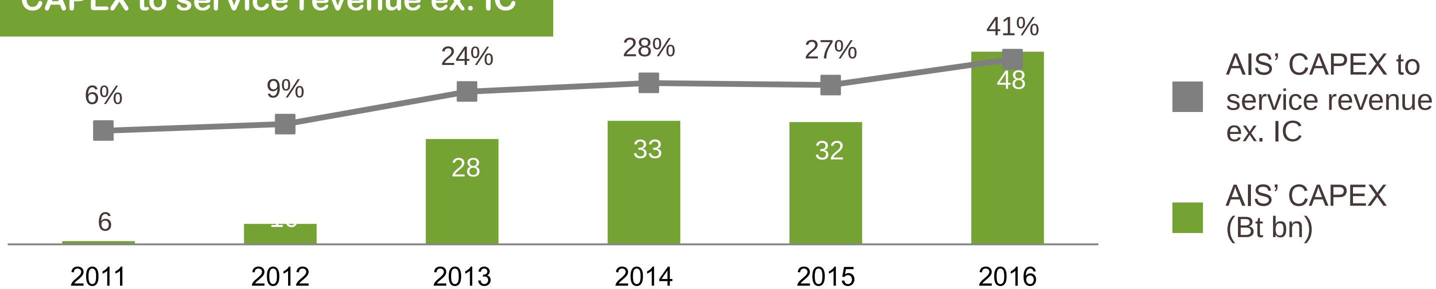
EBITDA margin



NPAT margin

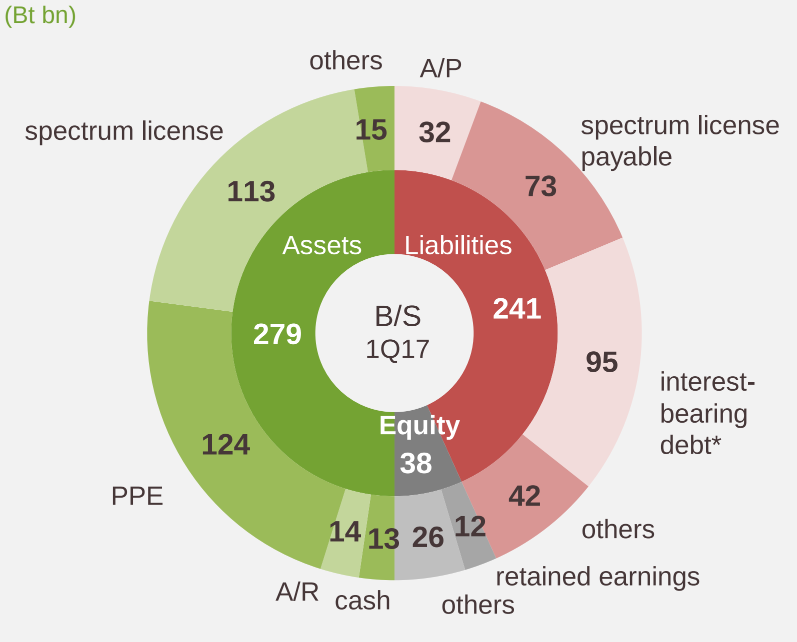


CAPEX to service revenue ex. IC



Maintained strong financial position for future growth

1Q17 Balance Sheet



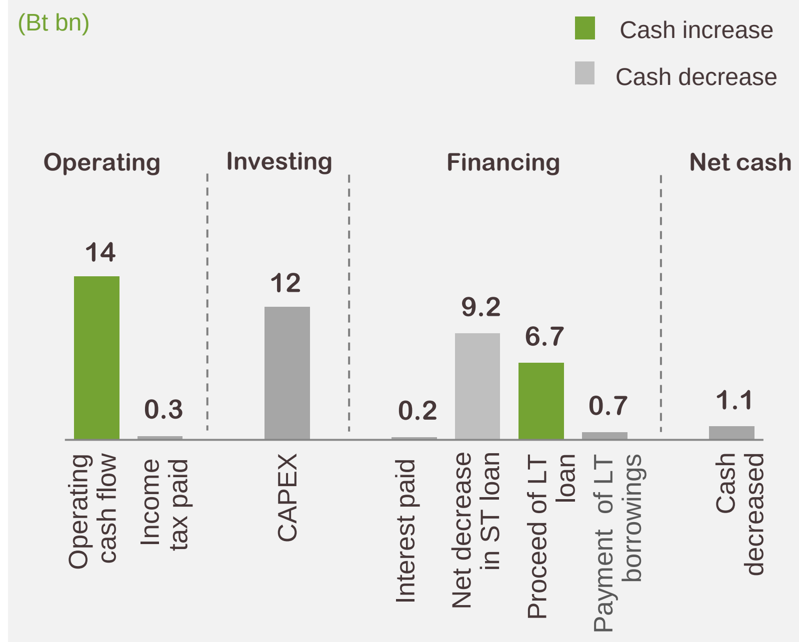
Net debt to EBITDA = 1.2x

Interest bearing debt to Equity = 2.5x

Current ratio = 0.43x

Return on Equity = 75%

1Q17 Cash flow

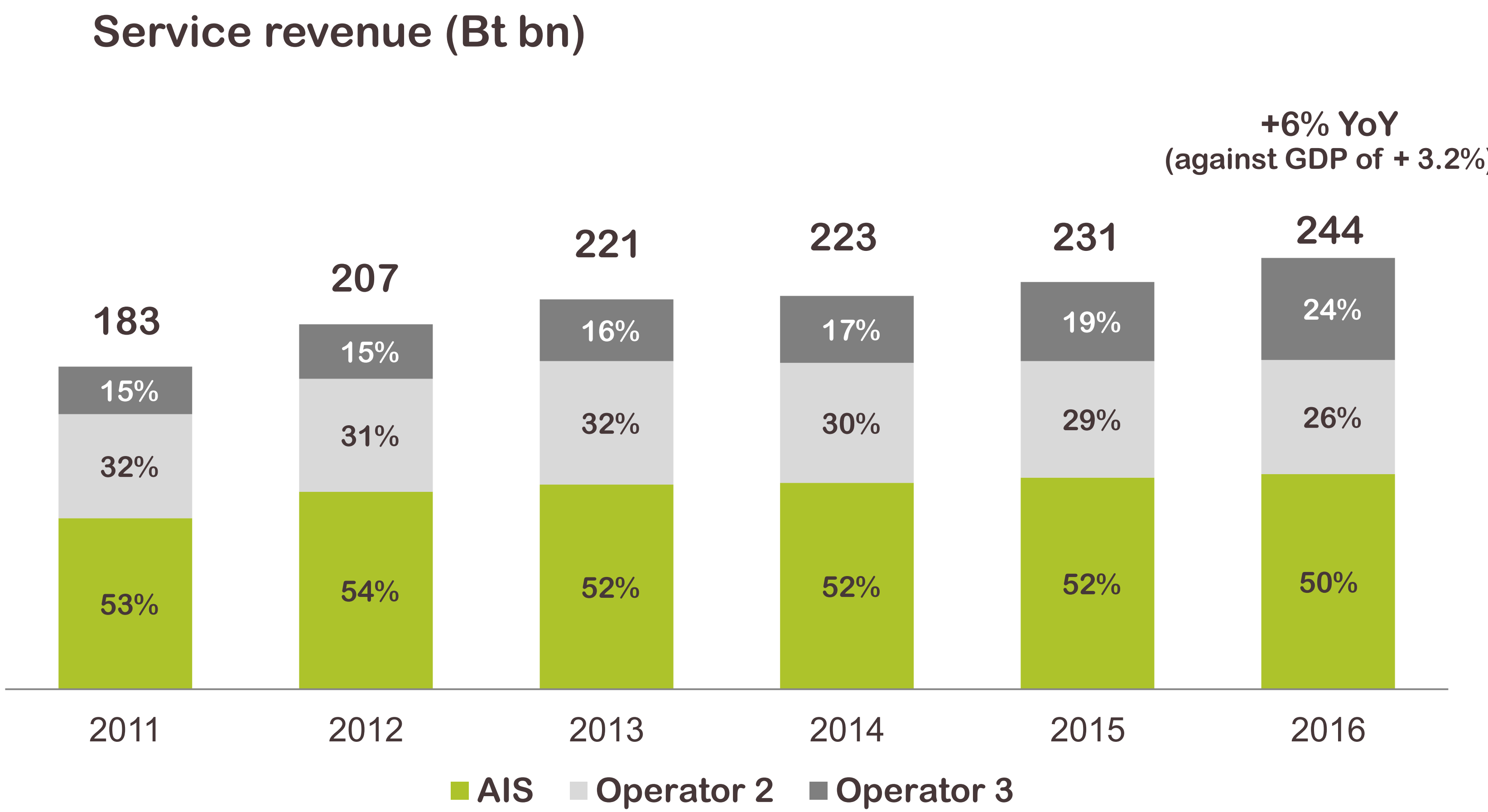


Operating cash flow remained strong to support network investment

Average finance costs = 3.1% p.a.

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

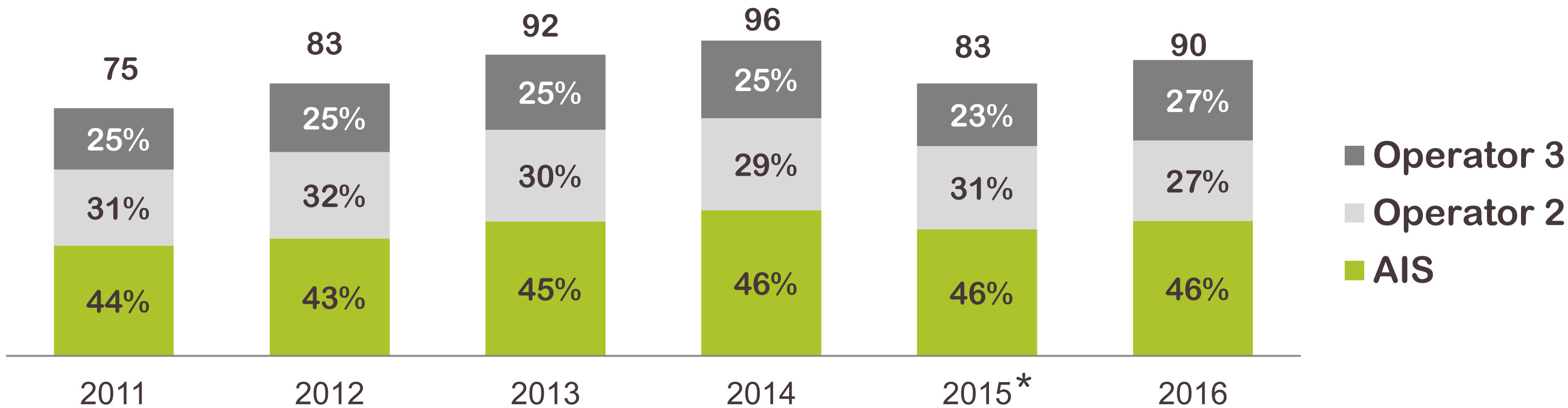
Mobile market share by revenue



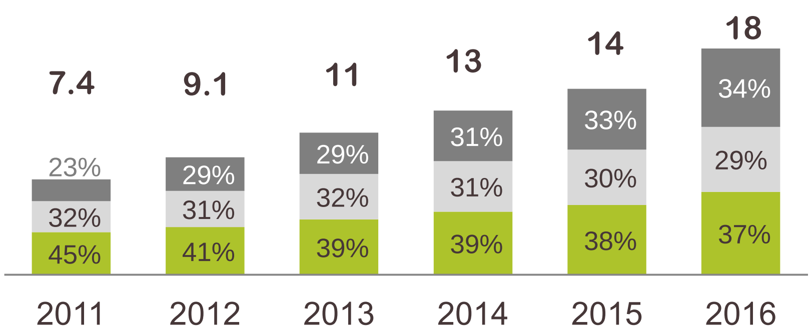
Source: company information, AIS's calculation

Mobile market share by subscribers

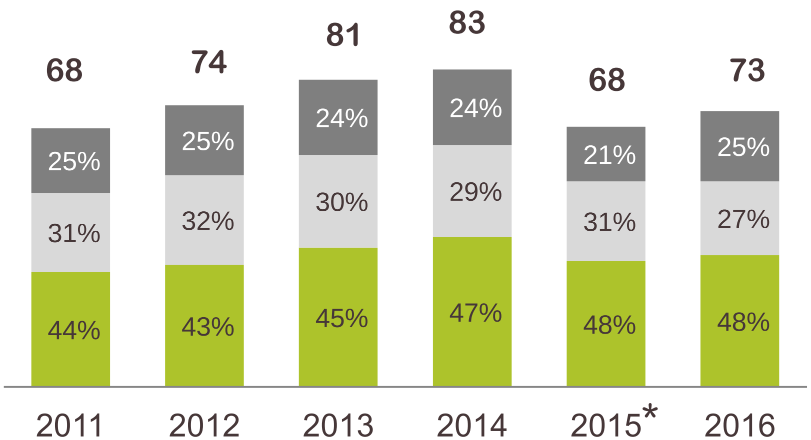
Total subscriber (mn)



Postpaid subscriber (mn)



Prepaid subscriber (mn)



* In 2015, sub base of the industry was affected by the adjustment of prepaid sub reporting to reflect only active ones. The decrease in sub base also caused by NBTC's announcement requiring prepaid sub to register their SIMs. The SIMs that failed to register by the deadline were terminated.

Price plan: Gearing toward limited data to better monetize

Postpaid (limited data)

4G MAX SPEED

Monthly fee (baht)	Total GB	4G/3G	4G	Voice call (min)
299	1.5GB	1.5GB	-	100
399	5GB	4GB	1GB	150
488	10GB	8GB	2GB	200
588	15GB	12GB	3GB	250
688	20GB	16GB	4GB	300
888	30GB	24GB	6GB	400
1,288	50GB	40GB	10GB	600
1,888	75GB	60GB	15GB	1500

Updated May 2017

- Leading the market in limited pricing to suit customer behavior and encourage more data usage to uplift ARPU.
- Best-selling package is Bt488 with 10GB of data.

Popular prepaid top-ups (limited data)

Mao Mao Max Speed		
Top up (baht)	**Data**	**Duration**
9	100MB	24 hr
15	200MB	24hr
19	500MB	24 hr
39	1.5GB	24hr
49	3GB	24 hr

Updated May 2017

- After buying a SIM, prepaid customers will do a per-day, per-week top-up at their convenience.

Distribution Channel: expanding touch points to more than 400k

AIS

AIS Branded Shop

100+ shops

Exclusive branded shop by partner (Telewiz)

450+ shops

AIS Buddy

1,000+ shops

Electronic Distribution Channels

400,000+ points

mpay

(refill-on–mobile agent)

Auto top-up KIOSK

Modern Trade Outlets

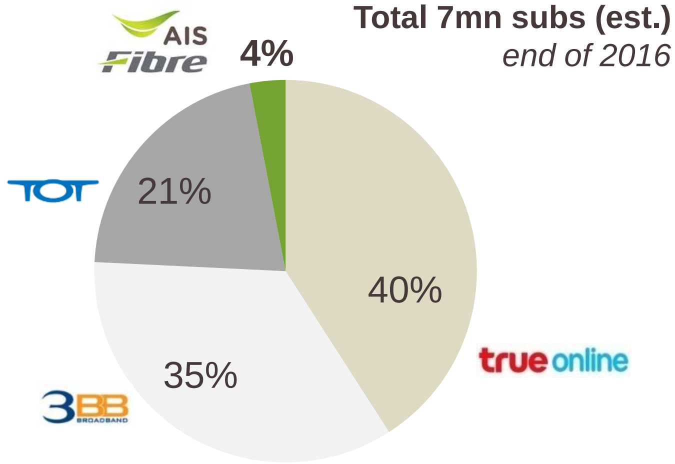
10,000+ shops

TESCO Lotus
FamilyMart
Big C SUPERCENTER
iStudio
Power Buy
W
B2S Books · Music · Stationery
iBeat
Jaymart
TG
BKK tablet | smartphone
SE-ED Book Center
IT CITY

Fixed broadband market

AIS

Subscriber market share



Net Lover **HomeBROADBAND Package**

Broadband Internet Value Package

Max Speed Internet (download)	Standard Price (Baht/Month)	AIS Customer (Baht/Month)
30 Mbps	590	531
50 Mbps	777	699
75 Mbps	888	799
100 Mbps	999	899

Get 10% Discount

AIS Fibre

Tech	DL/UL speed	Price/mth (Bt)	Added service
FTTx	30/5	599	-
FTTx	50/20	799	TV + mobile +home phone
FTTx	100/30	1,099	
FTTx	200/50	1,399	

true online

Tech	DL/UL speed	Price/mth (Bt)	Added service
VDSL	30/10	590	-
FTTx	50/10	590	
VDSL	50/20	700	
FTTx	100/30	900	
FTTx	200/50	1,200	

3BB BROADBAND

Tech	DL/UL speed	Price/mth (Bt)	Added service
FTTx	50/20	750	IPTV
FTTx	100/20	850	
FTTx	150/30	1,050	
FTTx	200/80	1,250	

TOT

Updated May 2017

Disclaimers

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “intend”, “estimate”, “continue” “plan” or other similar words.

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 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.

AIS INVESTOR RELATIONS
http://investor.ais.co.th
investor@ais.co.th
TEL. +662 0295117