Singtel Investor Day

Advanced Info Service Plc.

13 June 2018

Add AIS IR LINE@

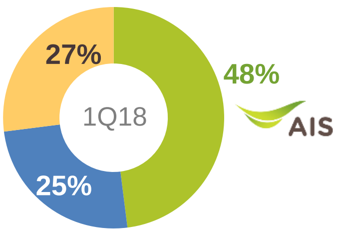
Ticker: ADVANC (SET)
AVIFY (ADR)

FTSE4Good

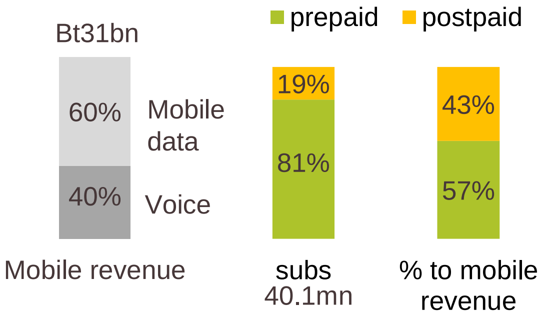
AIS: Digital Life Service Provider

Lead and digitally transform in "**Mobile**"

Mobile revenue market share

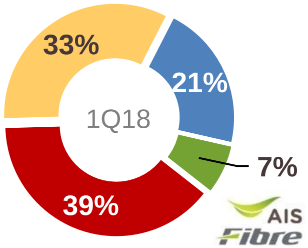


1Q18 breakdown



Grow stronger in "**Fixed broadband**"

Subscriber market share
(approx.8.4mn)



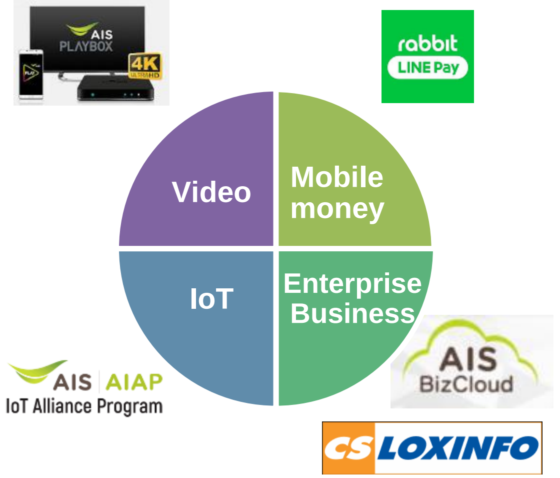
4th year of operation in 2018

covering **50 key cities** out of 77 provinces

expect to cover **6mn** homepass* out of total 21.5m households

Partner to offer differentiated "**Digital service**"

Focused on FOUR key areas



Digital life service provider with convergence products

Mark leadership in mobile data

- Nationwide 4G/3G/2G coverage with focus on network quality
- Focus on scale to maintain cost advantage

Aim to be a significant player in 2020

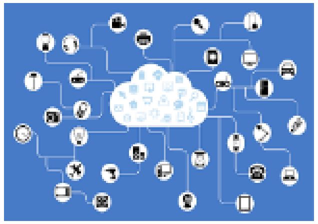
- Leverage existing nationwide fibre infrastructure
- Defensive value to core mobile business

Pursue long-term growth with integrated services

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

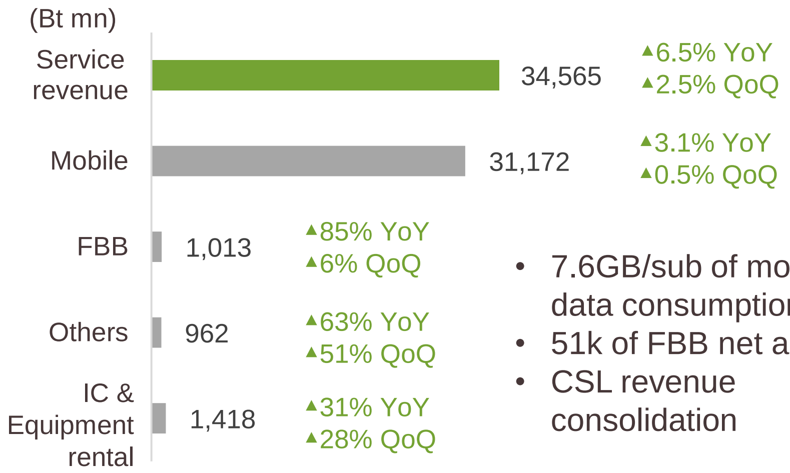
*Homepass is defined as a number of households within AIS fibre service area. This includes the homes that require additional investment i.e. port, last miles to be able to get connected.

AIS' digital transformation toward 2020

	Next Generation Network	Next Generation Economy	Next Generation Xperience		Next Generation Team
	Network Function Virtualization & Cloudification	Contents and Enterprise Segments	Customer Value Management	Full Service Digitization	Organization Transformation
					
Target 2020	• > 90% cloudification • Network virtualization ready for 5G	• Expand revenue contribution of enterprise business from 9% to 25%	• Move to ARPH • Improve revenue assurance and add valued users	• Provide shops & services that never sleep	• Data-driven organization & culture
Strategy toward 2020	• **5G** future-proof networks • **IT** legacy transformed to Cloud-friendly network architecture • **AI** for network operation	New **opportunities:** • IoT • SME & R-SME • Managed Security • Mobile Digital Marketing Maximize value of **contents** in customer retention and branding	**Data-driven analysis** based on customer insights: Bundle mobile, fibre & content via **FMC**	• **Digitize** all customer journeys • **AI/Chatbots** embedded into all self-service channels • Deployment of **OMNI channels**	• **Organization** readiness for digital disruption • **Leverage** capabilities and create synergies in value chain supporting digital business objectives

1Q18 Quarterly Summary

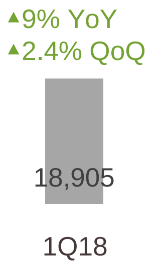
Service revenue improved in all segments



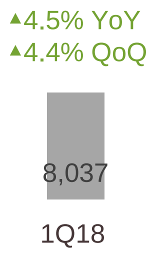
- 7.6GB/sub of mobile data consumption
- 51k of FBB net addition
- CSL revenue consolidation

Cost controlled resulted in profit expansion

EBITDA (Bt mn)



NPAT (Bt mn)



- Improved service revenue
- Lower regulatory fee, network OPEX, and controlled handset subsidies

Strategic executions

Expand into enterprise market

- Paid Bt3.4bn for 81.47% of CSL's shares
- Fully consolidated since Feb-18
- Incurred goodwill of Bt2.8bn
- Final tender offer until 6-Jul at Bt7.80/share

Widen e-service/mobile payment to Thai users

- Paid Bt788mn to buy 1/3 JV stake with Rabbit and LINE
- Utilize each party's strength in subscriber base, distribution channel, and brand

Officially signed 2100MHz contract

- Agreements effective since 1-Mar
  - Equipment rental agreement
  - Roaming agreement
- Net financial impact remains relatively the same at a net cost of Bt3.9bn/year

FY18 Guidance (maintained)

Item	FY18 Guidance	
Service revenue (ex. IC)	+7-8% YoY	• 2% of which comes from CSL • Increasing data usage on 4G and fixed broadband subscriber base • Moderate growth in enterprise business with synergy from CSL
Sale revenue	Decline and make near-zero margin	• More targeted marketing campaigns
EBITDA margin	45-47%	• Improving revenue and continuing cost management
Cash CAPEX	Bt35-38bn	• Strengthen 4G capacity to support mobile data growth using advanced technology • Expand fixed-broadband coverage and last miles
Dividend policy	Minimum 70% payout of NPAT	• Preserve financial health and flexibility for future growth

Mobile: Drive 4G users through valued offerings

Business direction in 2018

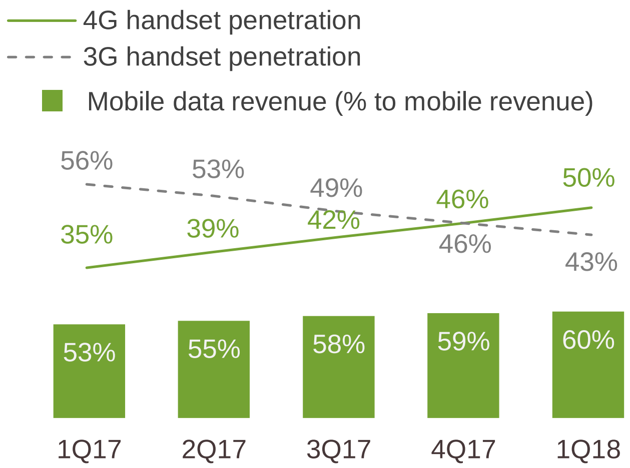
Key driver

- Increasing 4G penetration and data usage

Strategy

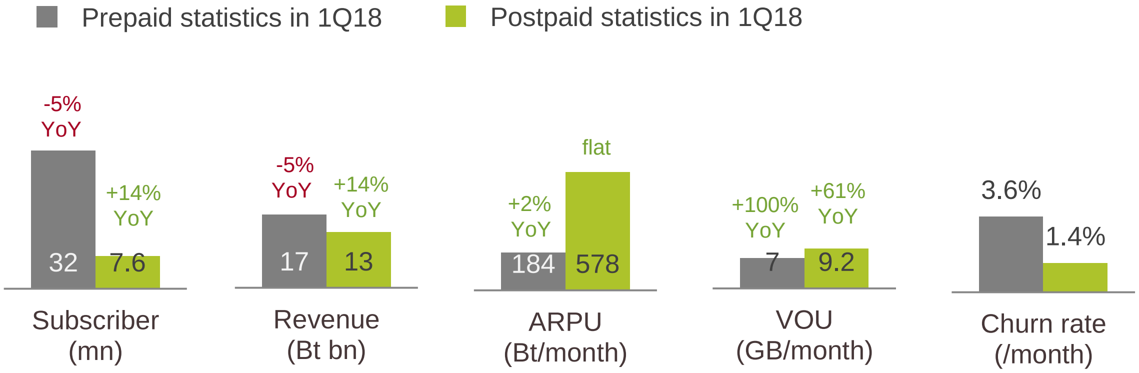
- **Continue** to improve network and brand perception
- Target uplifted offerings through **customer value management** program
- **Convergence** of mobile, FBB, and video content targeting revenue per household and brand value

4G adoption continued uptrend



Focus on postpaid and maintain competitiveness in prepaid

- Postpaid segment grew robustly following popularity of video streaming on mobile
- Prepaid segment softened due to prepaid-to-postpaid conversion and competition



Mobile: Build end-to-end customer satisfaction

AIS

End-to-end customer engagement

Strong branding

AIS 1-2-Call AIS

Product differentiation

Great network quality

4G ADVANCED

Reinforce OMNI channel and privilege

AIS | Telewiz | AIS Buddy | AIS ONLINE STORE | my AIS | serenade

Increase brand perception in both online & teen segment

Partner with CH3 to co-market "Love Destiny"

Zeed SIM for teenagers

Focus on valued-product proposition

FMC

Increase revenue per household

Maintain level of profitable subsidies

Targeted offerings

Ensure proper investment and strong spectrum position

55 MHz

Low- and high-band spectrum

NEXT G

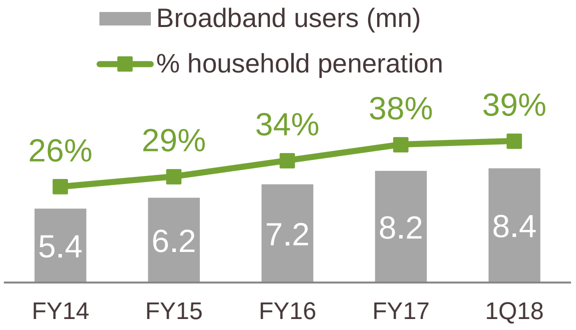
SPEEDTEST AWARDS 2015 - 2017 : THAILAND'S FASTEST MOBILE NETWORK

Advanced solutions with pre-5G network planning

FBB: Industry expanding into fibre-to-the-home

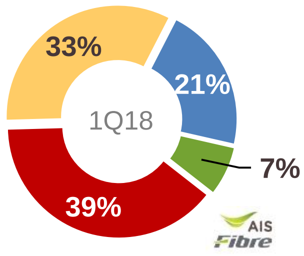
Thai fixed broadband market

39% market penetration with majority using xDSL



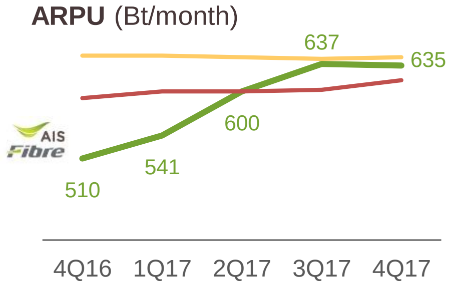
FBB subscriber market share

Total est.**8.4mn users**

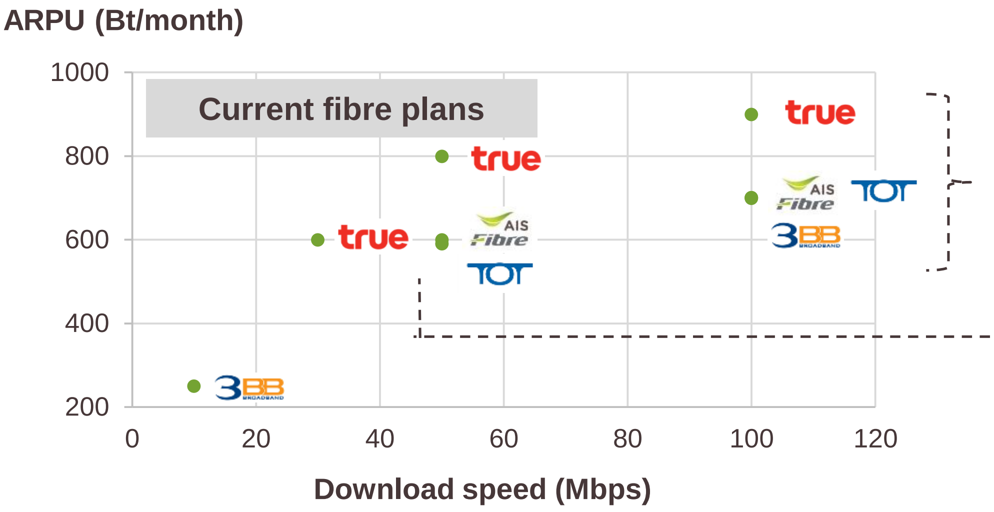


Industry ARPU

Maintained at around Bt600/month



Competitive fibre pricing with higher speed at same price

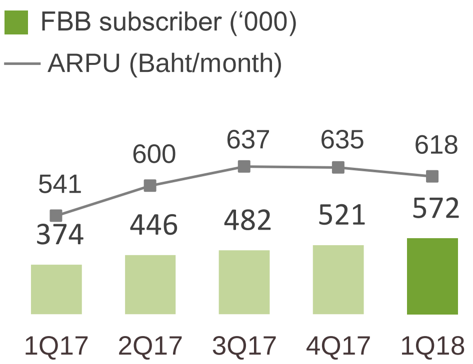


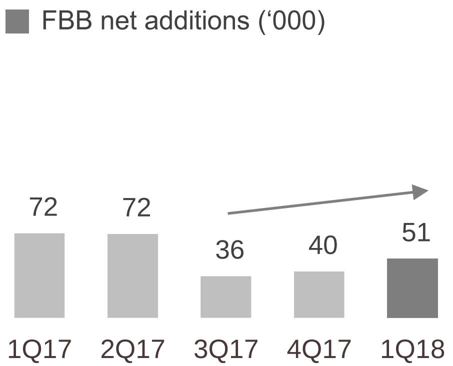
100Mbps packages are recently affordable at below Bt1,000

Typical package for new fixed broadband customers remained at Bt600, targeting new and ADSL users

AIS Fibre continues to focus on quality customers with improved acquisition rate

AIS Fibre performance





Focus on existing **50 cities,** covering 6mn homepass

Synergy with CSL in condo segment

Join AIS Fibre + up to 4 AIS mobile numbers, get extra privileges for a family

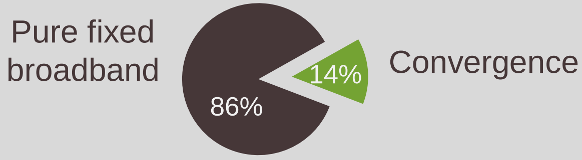
Free 2GB
Mobile data

Free call
to 1 AIS number

HBO FULL HD   FAMILY FULL HD
HBO movies & series on mobile
+ World class cartoons at home

Get privileges for Serenade Emerald
and extra meals & movies privileges

- Acquire quality subscribers through convergence services of **"Power4"** and "**Family Extra**" packages



AIS Fibre customers by segment

Digital services: add on variety of contents & expand further into digital money segment

Digital contents

2 new channels including **CNN** and **Cartoon** Network, available on AIS PLAY and PLAYBOX

CNN

CN CARTOON NETWORK

AIS PLAY

on the go

at home

available on both AIS PLAY and AIS PLAYBOX

Continued to add value and create differentiation through digital contents

On top packages: Mao Mao Entertain

① เหมาเหมา viu

Korean series

② เหมาเหมา HOOQ

Hollywood movies

③ เหมาเหมา AIS KARAOKE

Karaoke

+

Free internet in ViU, Hook, Karaoke apps

*Bt19/day 512Kbps**

or

Bt34/day for UL 4Mbps

AIS Rabbit LINE-Pay

- On 5th March 2018 ,AIS, through mPAY, has entered into 33.33% stake (Bt788mn) in a joint venture **with Rabbit LINE Pay**, an e-Money platform that connect with Bangkok Mass Transits and is embedded in Line chat application.
- Strengthen AIS' digital life service provider position by leveraging customer bases, platform, channels of AIS and partners to enhance mobile money for both AIS and non-AIS customers

rabbit LINE Pay

SERVICE : UTILITY / CREDIT CARD

MyAIS app & RLP app bill payment : 200 billers

rabbit LINE Pay	LINE	rabbit
+2.6mn users	+45mn users	+8.5mn users

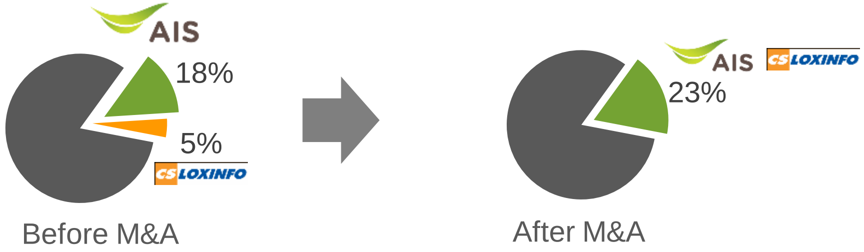
*FUP: speed drop to 64kbps after 300MB

Enterprise: CS LOXINFO Business Integration

Bt56bn

ICT & Mobile enterprise market in 2017

Enterprise revenue market share



Strengthen position in enterprise market

AIS		CS LOXINFO
Lower inter. bandwidth cost Own fiber infrastructure	**COST SYNERGY** ✓ Operate CSL's services with lower OPEX	Asset light models
Data center outside BKK Large size corporate customers Sizable corporate mobile base	**REVENUE SYNERGY** ✓ Cross sell & upsell potential from larger customer base and complementary product portfolio ✓ Widen Data Center propositions and target segments	Data center in inner BKK Mid-size corporate customers Well-known brand with good service quality
Economies of scale	**OPERATIONAL EFFICIENCY** ✓ Sales & Marketing alignment ✓ Leverage sale and technical expertise ✓ Align product roadmap	Strong and experienced sales and technical support in ICT

Expected to realize synergy in 1-2 years

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