



Investor Presentation

Advanced Info Service Plc.

Singtel Investor Day 2022

1H22 BUSINESS PERFORMANCE

2022 OUTLOOK & STRATEGIC FOCUS

ACQUISITION OF 3BB & JASIF

1H22 BUSINESS PERFORMANCE

1H22 Key Highlights



Recovered domestic economy & travelers after COVID relaxation



Leading 5G network quality and rising customer adoption



Solid growth in Broadband with quality focus



Postpaid revenue mix of 56% with stable ARPU created a strong foundation for mobile business



Prepaid price competition continued amid weak consumer spending

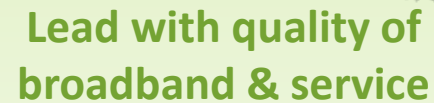


Enterprise growth driven by Cloud service through strategic partnership



Bt29.2bn

Fixed Broadband



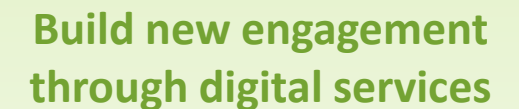
Bt2.5bn

Enterprise Business



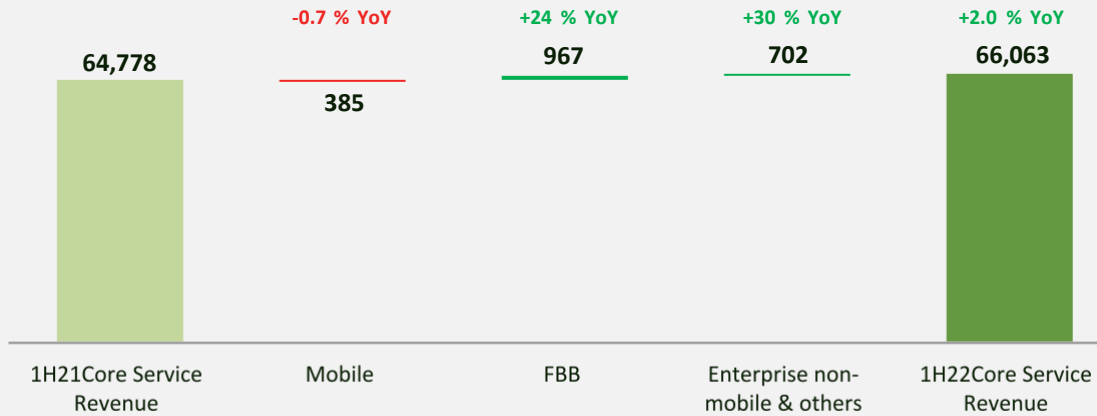
Bt1.3bn

Digital Services

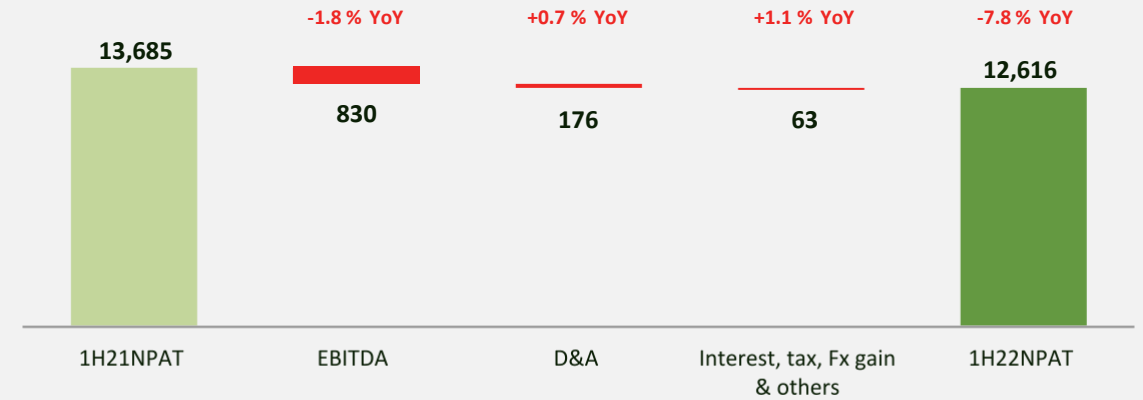


1H22 Performance: Growth driven by broadband, enterprise, and 5G adoption

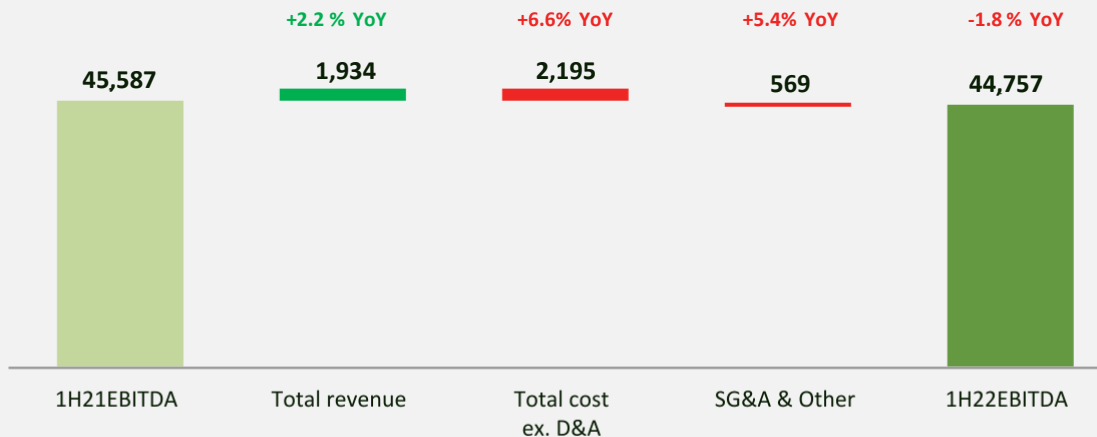
Core service revenue (Bt mn)



NPAT (Bt mn)



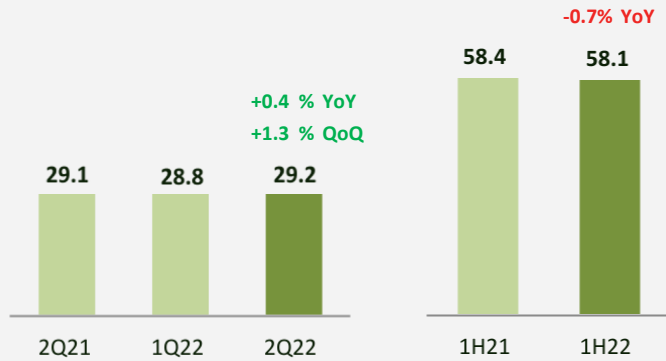
EBITDA (Bt mn)



- **Revenue increased 2% YoY** driven by growth in broadband and enterprise business offset by lower mobile revenue from ongoing price competition.
- **EBITDA dropped -1.8% YoY**, due to new contents acquired in 2H21 and resumed marketing campaigns to drive 5G adoption.
- **NPAT declined -7.8% YoY** following lower EBITDA and continued 5G investment.

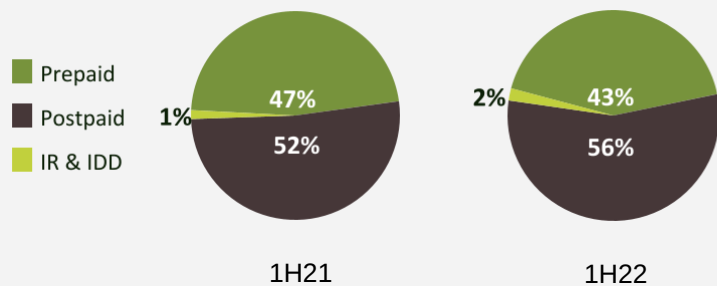
Mobile: Higher revenue mix from postpaid with sustained ARPU

Mobile revenue (Bt bn)



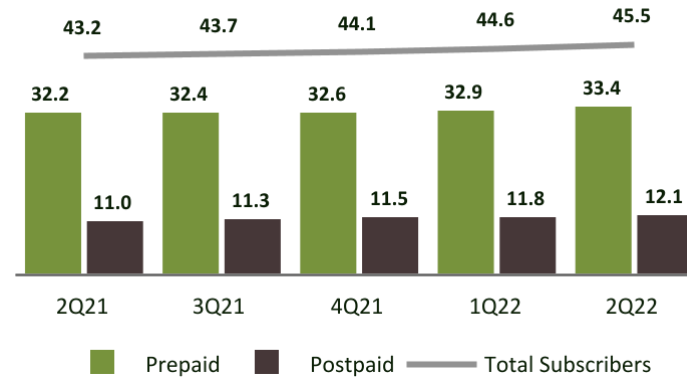
- 2Q22 revenue improved from international travelling and domestic demand

% Mobile Revenue Contribution

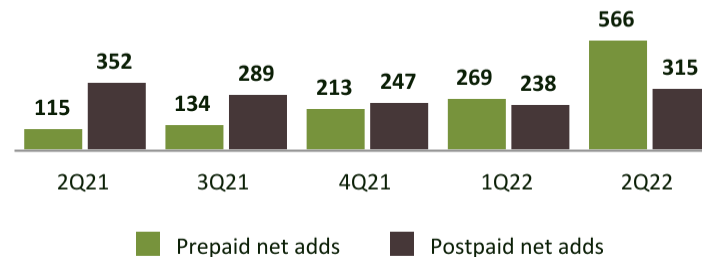


- Rising postpaid mix was driven by customer conversion from prepaid to postpaid
- Inter roaming revenue started recovering from border re-opening

Total subscriber (mn)

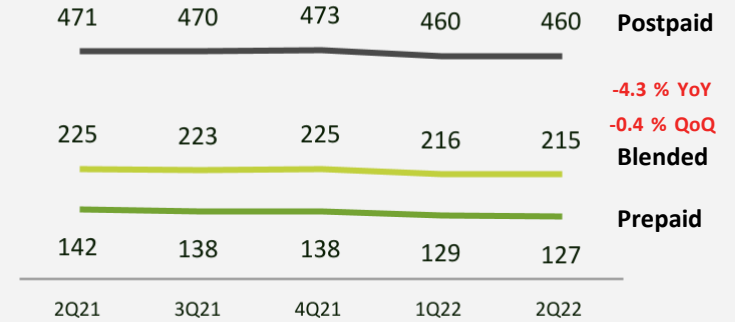


Net additional subscriber ('000)



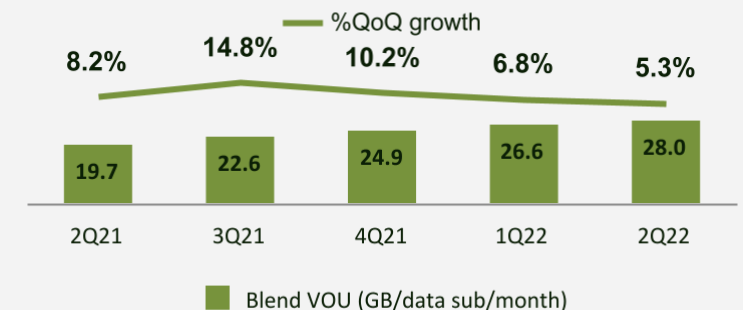
- 2Q22 strong net add from tourists and migrants resuming entrant to Thailand
- New campaigns and marketing activities launched to acquire and increase 5G penetration.

Mobile ARPU (Bt/sub/month)



- 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 quality network and subscriber growth

Enhance 5G network leadership



23K sites

5G Base station
(as of 2Q22)

>99%

BKK

>96%

EEC

77
provinces

>81%

**Nationwide
Population
coverage**

Drive 5G adoption with value uplift

2Q22

Year end Target

3.9mn

5G package
subscribers



5.0mn

5G package
subscribers



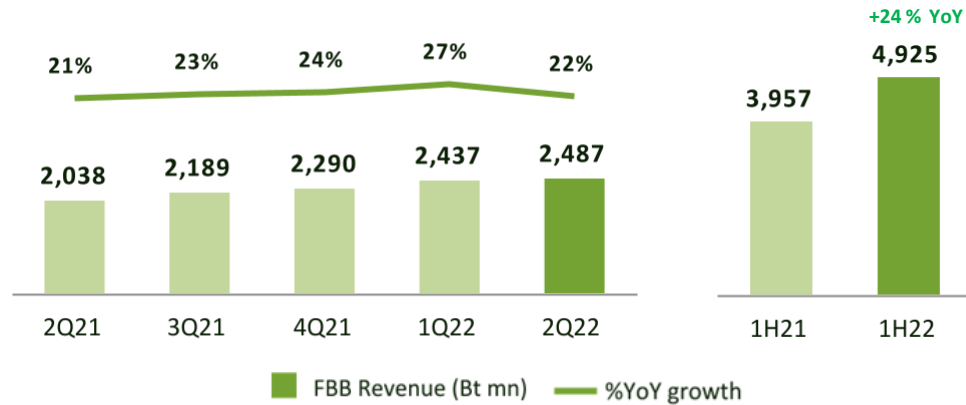
10-15%

5G ARPU uplift

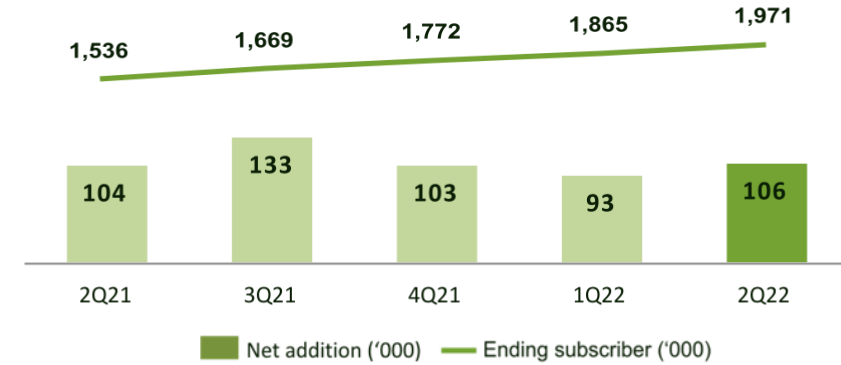
**Improved value through 5G
adoption**

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

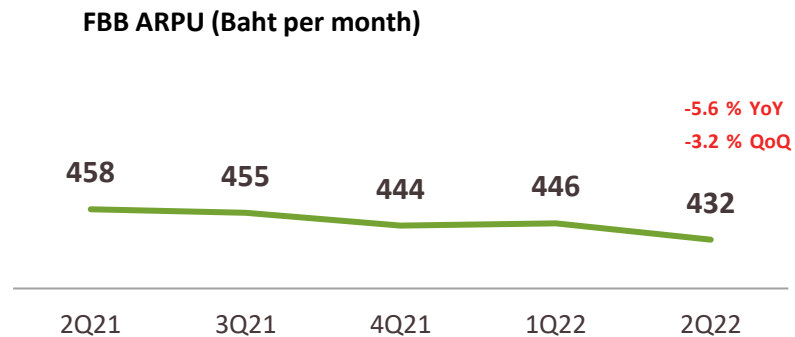
Delivered strong double-digit revenue growth



Solid demand driving subscriber growth



ARPU declined from lower entry price driven by competition



Focus on quality of indoor coverage and service guarantee

AIS Fibre Maintenance Standard
in 24 hours

Intelligent Router
AI-powered Smart Router

- Powered by AI functions that efficiently identify and optimize network usage to ensure the best performance for your home network.
- Maximizing the network processor to ensure Wi-Fi quality while also saving full capacity for other devices, even when streaming video in 4K.
- Enhancing speed with Wi-Fi Slicing and Wi-Fi Multicast.

Latency Performance **50% up to**

All-in-one package
PLAY PREMIUM PLUS
299 Baht/Month

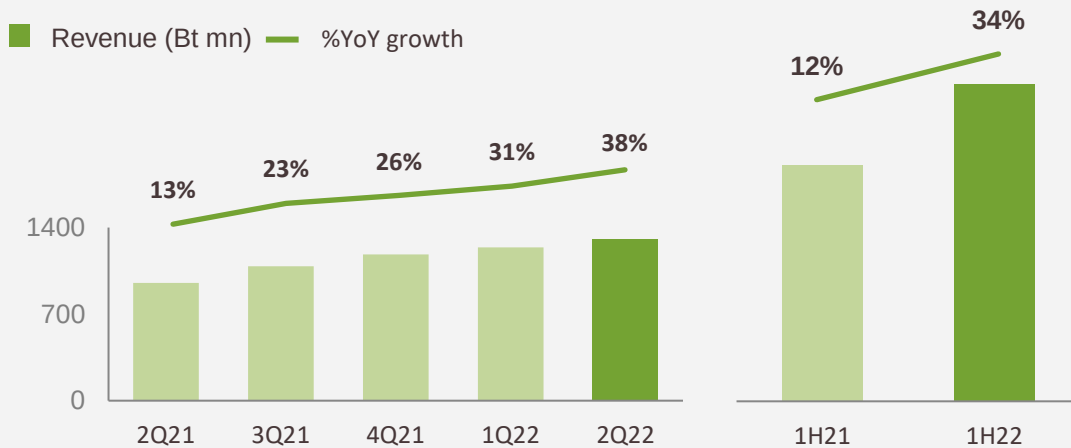
Enjoy applications on 12 months

- Stream 25 Premium Channels
- Movies and Cartoons On Demand
- Watch 4 Screens Simultaneously

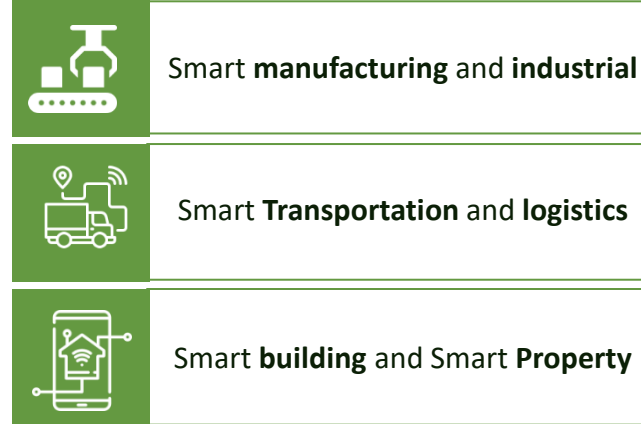
For AIS Fibre Customers: **29** Baht on the first month

Enterprise: Cloud service as a growth driver and build demand for 5G

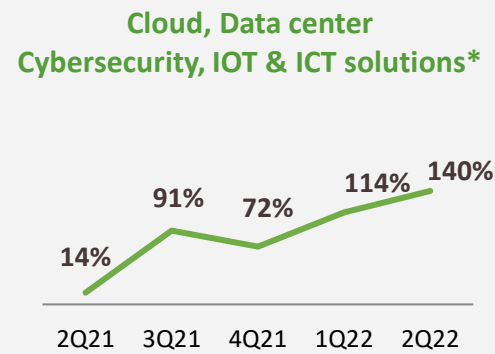
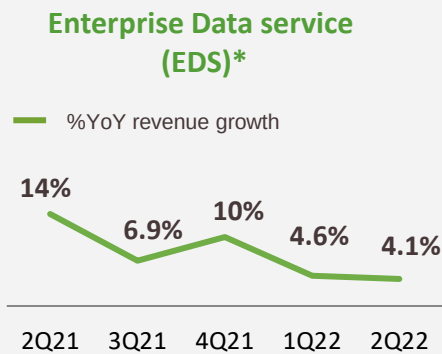
Enterprise non-mobile revenue continued growing double-digit



Focus on building 5G ecosystem and targeted 5G vertical solutions



Cloud and ICT solutions are the key growth engine



* Reclassification of CCIID revenue since 2Q22

Partnership in Cloud service to accelerate sales capabilities



2022 OUTLOOK & STRATEGIC FOCUS

FY22 Guidance

	Previous Guidance	Revised Guidance	Rationale
Core service revenue	Mid-single-digit growth	low-single-digit growth	• Mobile business remains under pressure, heighten inflation risk is a key impact in raising cautious spending behavior. • Fixed broadband maintains the growth momentum to outpace the industry growth led by quality acquisition and services. • Enterprise non-mobile will continue delivering double digit growth driven by cloud service.
EBITDA	Low-single-digit growth	Flat to slightly decline	• Focus on cost optimization and efficiency improvement. • Increased utilities costs due to higher energy price • Allocate spending to ensure market leadership and better engage customers.
CAPEX *exclude spectrum	Bt30-35bn	Approx. Bt30bn	• Focus on 5G leadership and network quality management • Expand AIS Fibre coverage to capture untapped demand • Enhance our enterprise business and digital services

2H22 Focus

ARPU UPLIFT THROUGH DIFFERENTIATION



- Grow 5G Adoption
- Unique Customer Experience
- Loyalty Program

PREMIUM QUALITY BROADBAND PROVIDER



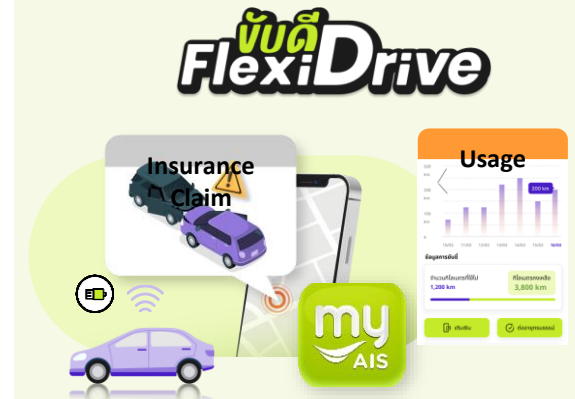
- Coverage with quality
- All-IN-ONE Package
- Upsell Premium Services & Contents

TRUSTED SMART DIGITAL PARTNER



- Core product growth
- 5G vertical integration
- Thailand 1st One Platform

TRANSFORM CONNECTIVITY TO LIFESTYLE EXPERIENCE

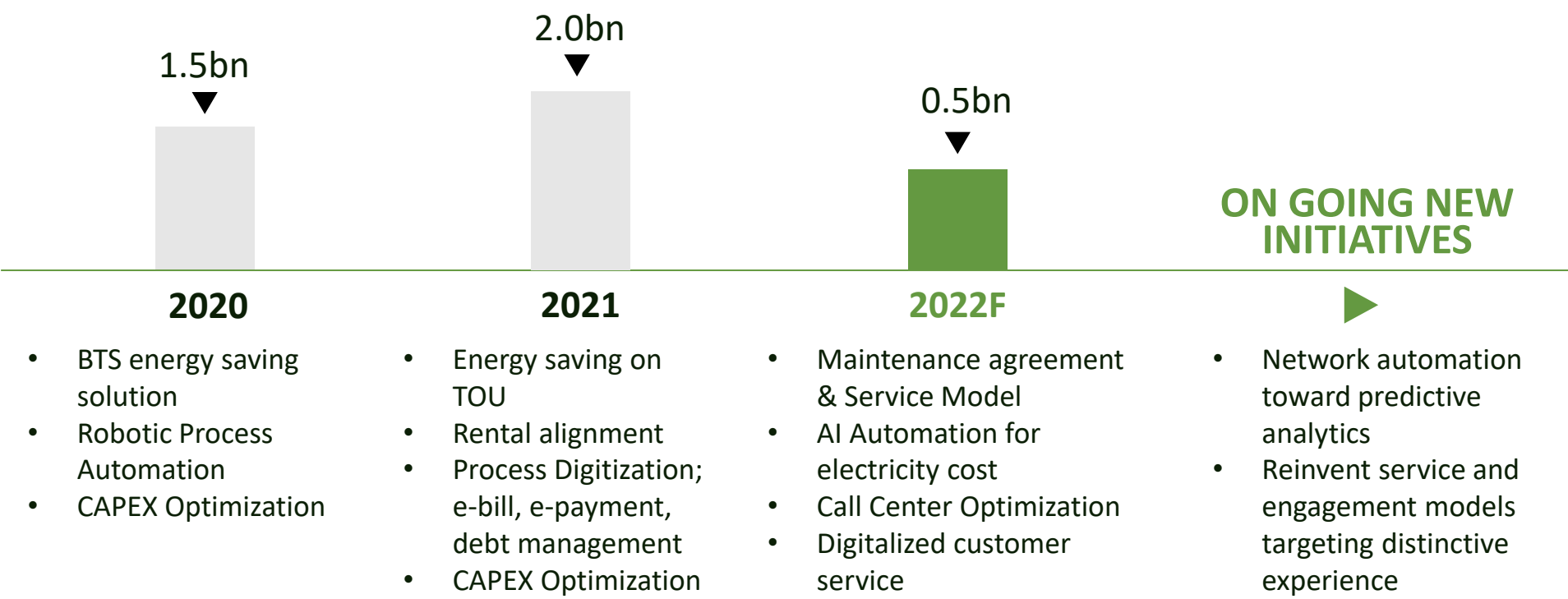


- Win-win partnership
- Co-create solution
- Customer centric

Building Efficiency with Cost Optimization

NETWORK OPEX / INCOME	10%	11%	11% 1H22
SG&A / INCOME	14%	12%	12% 1H22

Cost Saving initiatives



ACQUISITION OF 3BB & JASIF

Acquisition of 3BB and JASIF

Deal Summary

TTTBB: Acquire 99.87% stake @ 19.5 bn

JASIF: Acquire 19% stake @12.92 bn (THB8.5/unit)

Total Deal Value : 32.42 bn

EPS accretive realized through synergies & lease restructure

Transaction to be financed by debt and retain strong financial health post-transaction

Win-Win benefits for all Shareholders and Unitholders

- ✓ **Promote** Thailand's digital infrastructure and urbanization
- ✓ **Deliver** diverse choices of products & services
- ✓ **Reduce** network infrastructure duplication
- ✓ **Complement** AIS as an Integrated Digital Service Provider
- ✓ **Create** long-term value to shareholders and unit-holders
 - Propose restructuring of rental agreement to JASIF to **sustain long term return** and reflect **better credit profile** of new sponsor

Key timeline

4 Jul 2022

Signing of Undertaking Agreement and Announcement of Transaction

Oct 2022

JAS Shareholder and JASIF Unitholder Meetings

1Q23

Expected NBTC Consideration and Closing of Transaction

<- Expected within 4 months ->

WIN-WIN solution to stakeholders

Business

SYNERGIES FROM COMBINED RESOURCES



Subscriber base

2.4 million in upcountry area



Sales and service channel

>300 of shops and sales channels



Integrated offering

Opportunity to offer bundling
With AIS's services



Network footprint

Wider broadband coverage



Trusted Brand

Strong brand presence in
upcountry market

JASIF

BETTER CREDIT POSITION

JASIF will be re-rated at
low risk and with lower
repayment risk

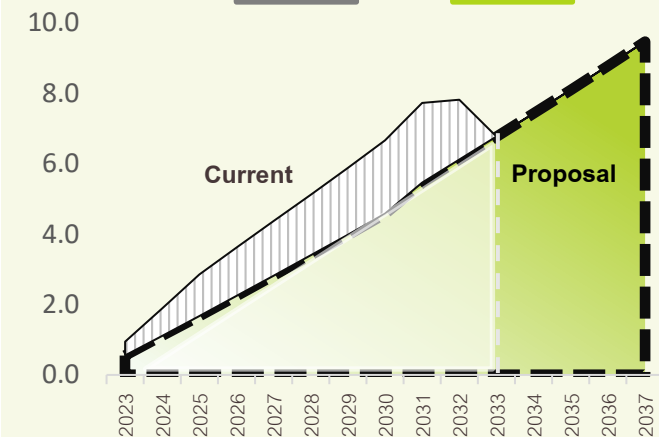
POTENTIAL ASSET INJECTION

AIS potential Asset
Monetization Plan

SUSTAINABLE LONG-TERM RETURN

Stronger Cashflow
Total dividend increase
A 15-year contract to JASIF

	Current	Proposal
CASH	7.8	9.5
NPV	5.9	6.0

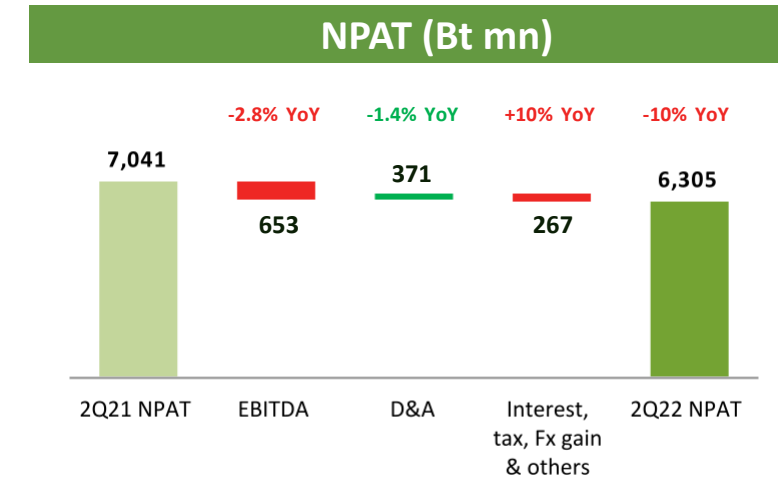
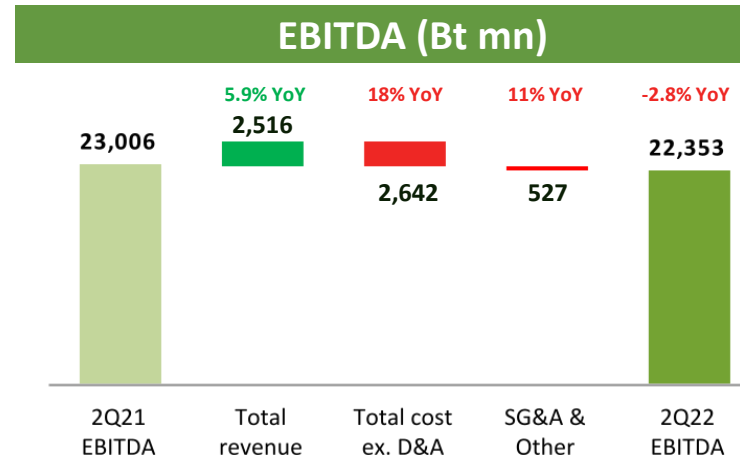
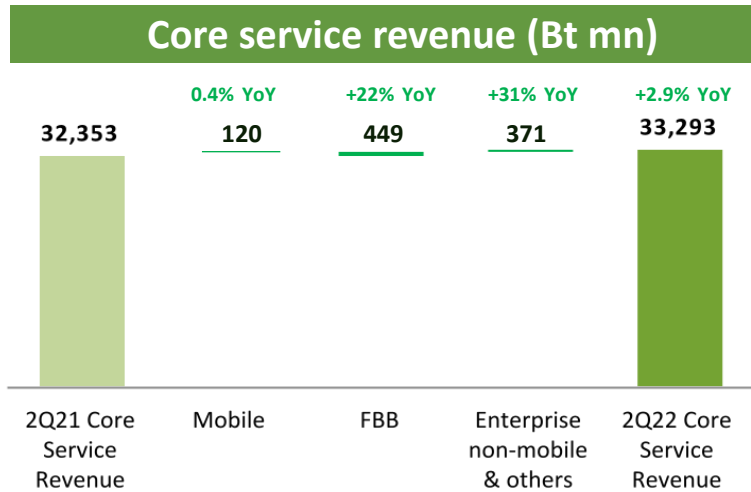


*Numbers based on contractual value

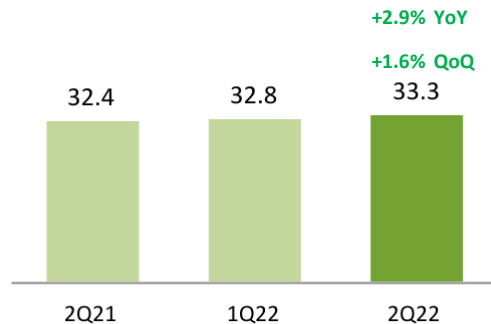


Appendix

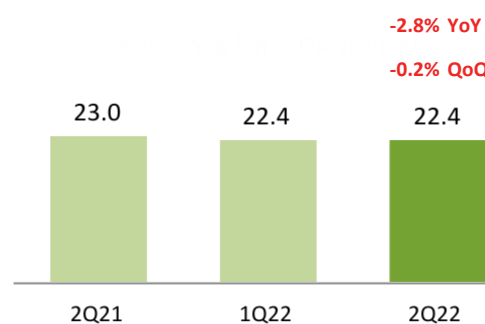
2Q22 Performance: Recovered economy and travelers after COVID relaxation



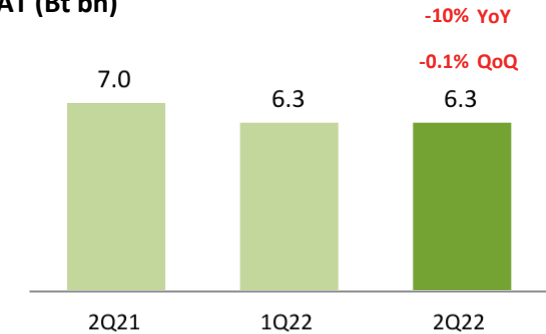
Core service revenue (Bt bn)



EBITDA (Bt bn)



NPAT (Bt bn)

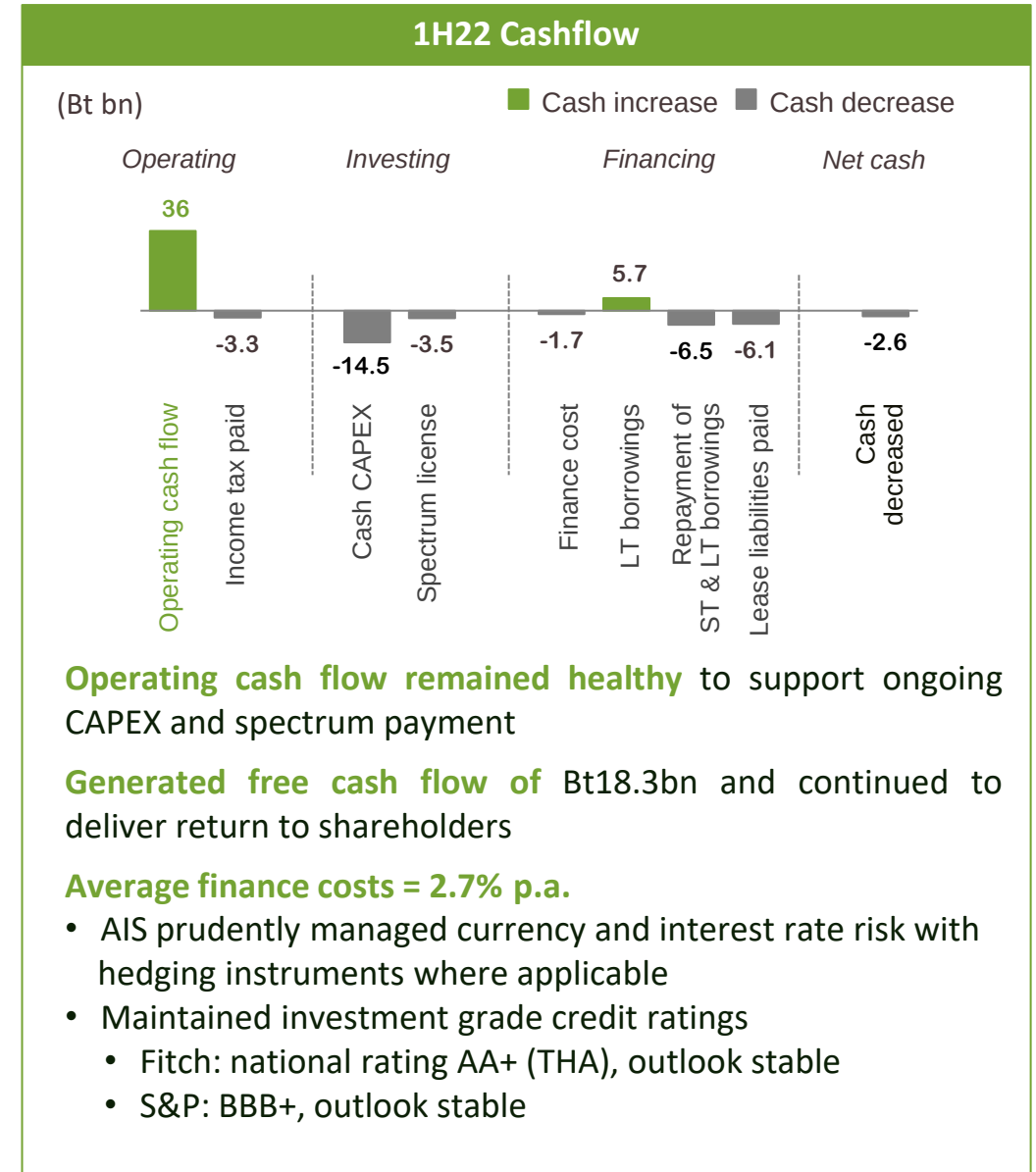
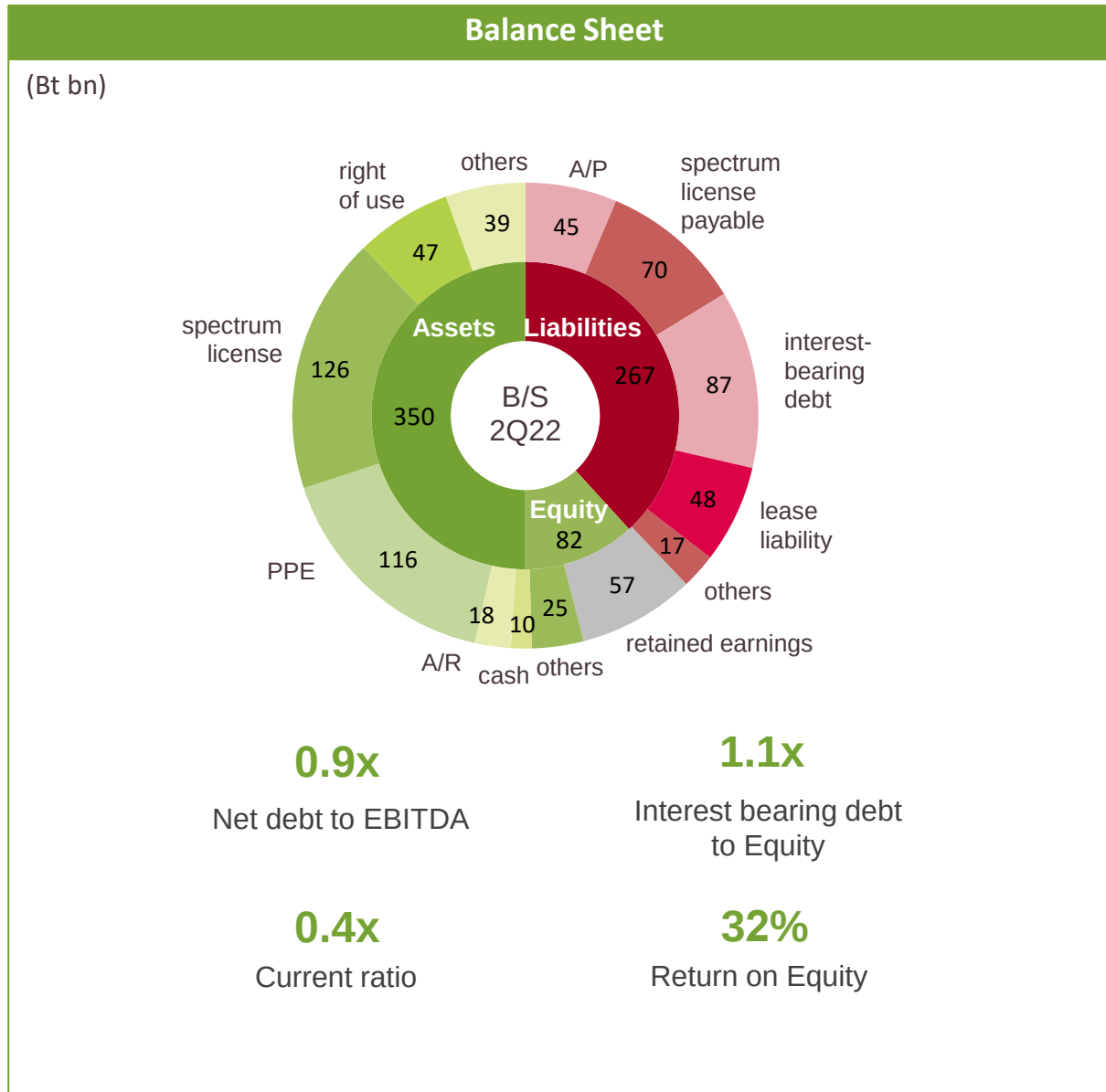


Core service revenue increased driven by the recovery in mobile business and robust growth in both FBB and Enterprise business.

EBITDA soften YoY and flat QoQ caused by higher content costs acquired since 2H21 and resumed marketing expenses corresponded with rising economic activities.

NPAT declined YoY following lower of EBITDA, Thai baht depreciation, and high base 2Q21 with one-time other income offset by decreased D&A.

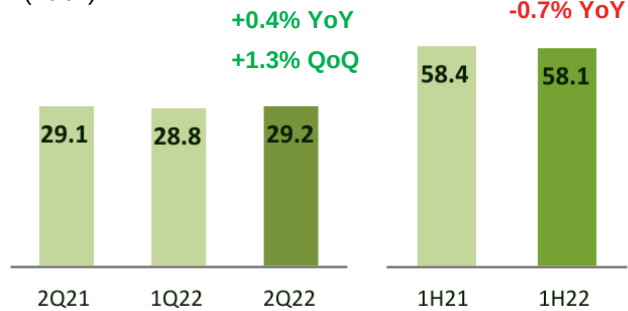
Healthy Balance sheet and cashflow to support investment



2Q22 & 1H22 Revenue breakdown

Mobile revenue

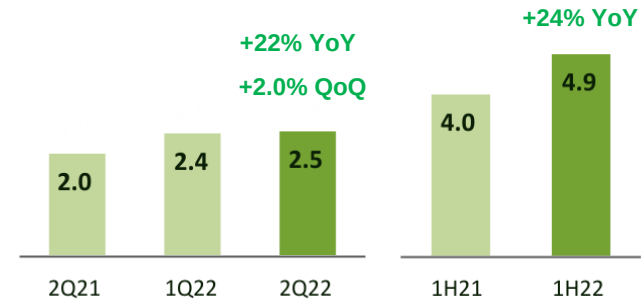
(Bt bn)



- Recovery from border opening and resuming business activity amid continued price competition

Fixed broadband revenue

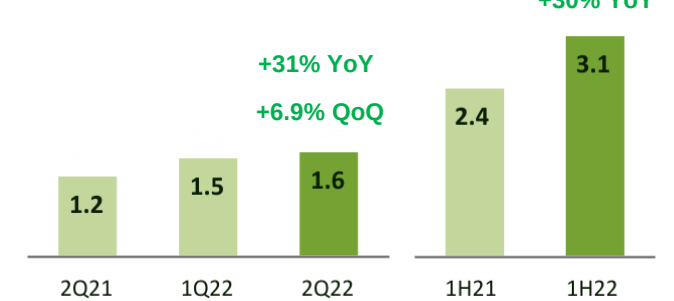
(Bt bn)



- Subscriber grew strongly offset by lower ARPU due to competition.

Enterprise and Other revenues

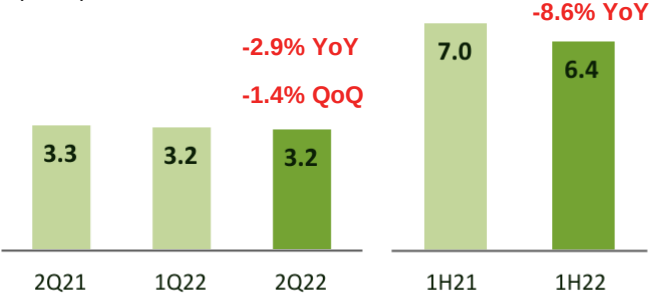
(Bt bn)



- Solid demand for Cloud and ICT solutions due to digitalization trend.

IC and NT partnership

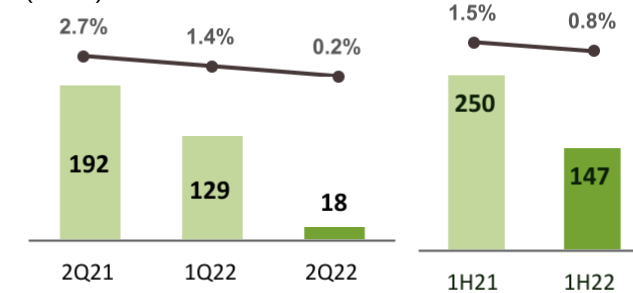
(Bt bn)



- Lower IC rate together with lower network traffic.

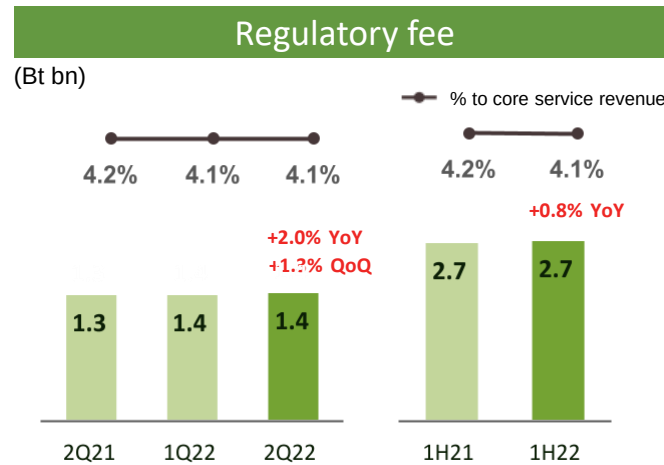
Net Sales & margin

(Bt mn)

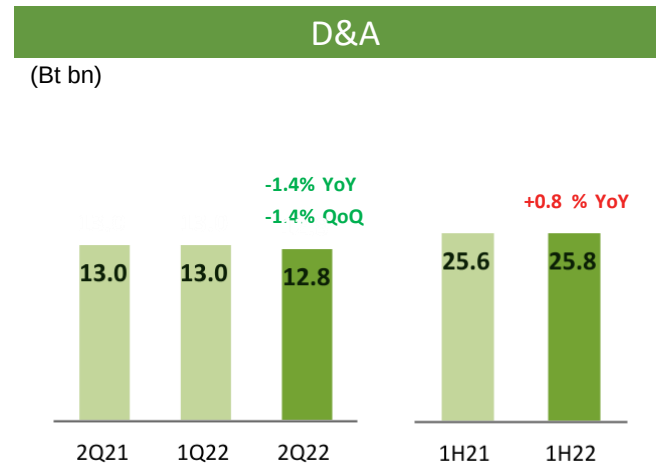


- Higher sales volume from upper-tier handsets, while sales margin declined following marketing campaigns.

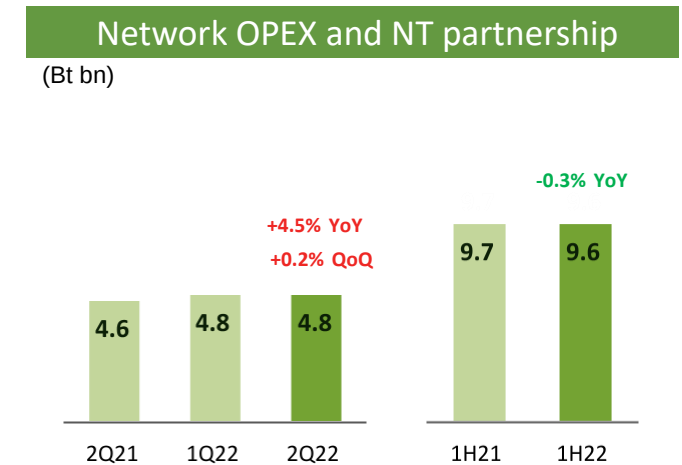
2Q22 & 1H22 Cost breakdown



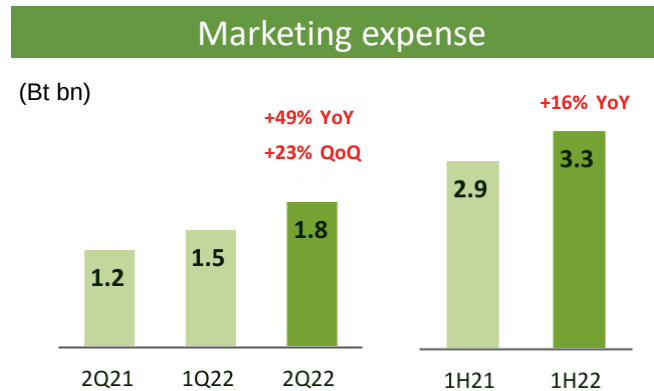
- Regulatory fee moved in line with core service revenue and remained approx. 4% of revenue.



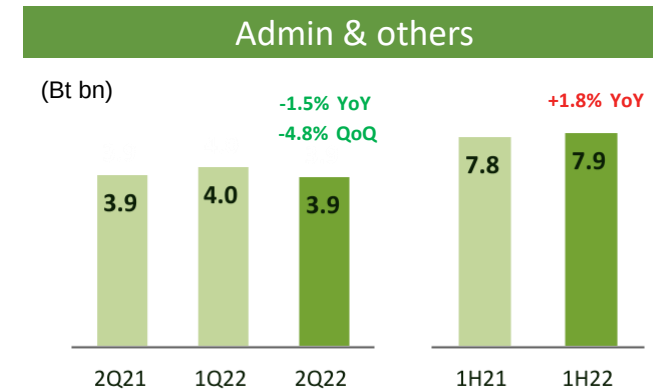
- D&A dropped from fully depreciated part of 3G equipment while 1H22 affected by additional 700MHZ spectrum license for 5G.



- Continued to optimize network OPEX offset by rising electricity cost.



- Marketing spend increased from resumed marketing activities and campaigns from COVID-19 relaxation



- Lower admin from cost control.
- Bad debt provision moved in line with revenue and was at 2.6% of (postpaid & FBB) revenue.

Financial Highlights

Bt mn	2Q21	1Q22	2Q22	%QoQ	%YoY	1H21	1H22	%YoY
Mobile revenue	29,098	28,847	29,217	1.3%	0.4%	58,449	58,064	-0.7%
FBB revenue	2,038	2,437	2,487	2.0%	2.0%	3,957	4,925	24%
Other revenues	1,217	1,486	1,588	6.9%	6.9%	2,372	3,075	30%
Core service revenue	32,353	32,770	33,293	1.6%	1.6%	64,778	66,063	2.0%
IC and TOT partnership	3,288	3,239	3,193	-1.4%	-1.4%	7,039	6,432	-8.6%
Service revenue	35,641	36,009	36,486	1.3%	1.3%	71,816	72,495	0.9%
SIM and device sales	7,116	9,270	8,786	-5.2%	-5.2%	16,802	18,057	7.5%
Total revenue	42,757	45,279	45,273	0%	5.9%	88,618	90,552	2.2%
Cost of service	21,012	21,537	21,630	0.4%	2.9%	42,138	43,167	2.4%
SG&A	5,145	5,537	5,690	2.8%	11%	10,639	11,228	5.5%
EBITDA	23,006	22,404	22,353	-0.2%	-2.8%	45,587	44,757	-1.8%
EBIT	9,630	9,034	9,161	1.4%	-4.9%	19,201	18,195	-5.4%
NPAT	7,041	6,311	6,305	-0.1%	-10%	13,685	12,616	-7.8%
Sales margin	2.7%	1.4%	0.2%			1.5%	0.8%	
EBITDA margin	53.8%	49.5%	49.4%			51.4%	49.4%	
EBIT margin	22.5%	20.0%	20.2%			21.7%	20.1%	
NPAT margin	16.5%	13.9%	13.9%			15.4%	13.9%	

Mobile 5G official packages launched

Official packages launched

ค่าบริการรายเดือน (บาท)	5G 4G 3G		โทร		ซิมการ์ดพร้อมเบอร์ (12 รอบบิล)	AIS SUPER WIFI	สนุกไม่อั้น กับความบันเทิงระดับโลก			
	เร็วสูงสุด 1000Mbps	เน็ตต่อเนื่อง	โทรเบอร์ AIS	โทรทุกเครือข่าย (บาท)			Disney+ Hotstar	PLAY Family	YouTube Premium	VR Service
1,999	ไม่จำกัด	-	ฟรี 24 ชม.	700	2 SIM (ซิมการ์ด 120 GB, ซิมการ์ด 120 GB)	ไม่จำกัด	12 เดือน*	12 เดือน	4 เดือน	12 เดือน
1,699				500	2 SIM (ซิมการ์ด 120 GB, ซิมการ์ด 120 GB)					
1,399				280	2 SIM (ซิมการ์ด 120 GB, ซิมการ์ด 120 GB)					
1,199				150	1 SIM (ซิมการ์ด 120 GB)					
999 799	60 GB	ความเร็ว 20 Mbps	ฟรี 24 ชม.	600	-	-	-	-	3 เดือน	6 เดือน
799 599	40 GB			500	-					-
599 399	30 GB			400	-					-

* แพคเกจ Disney+ Hotstar รับสิทธิ์จากแพคเกจ PLAY Family ตามแพคเกจหลักที่กำหนด

Exclusive 5G Device with Xiaomi

Redmi 10 5G AIS

Ram 4GB / 64GB

5,999 Baht

Promotion (a 12-month contract)

2,890 Baht with package 699 baht

1,890 Baht with package 899 Baht

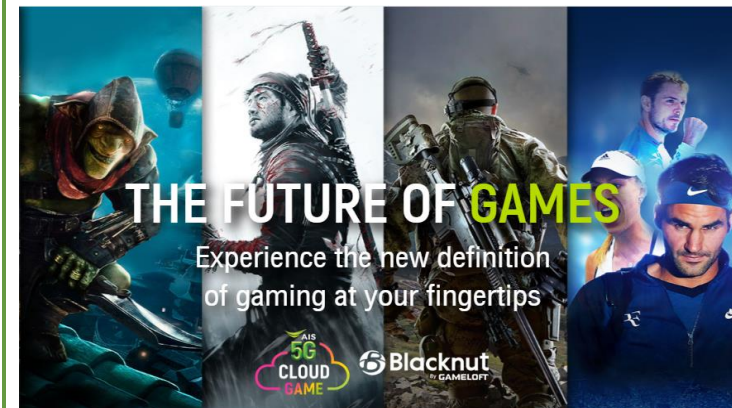


5G contents



AR content package
199 Baht/month

VR content package
199 Baht/month
500+ 4k contents



Cloud game package
299 Baht/month
Over 360 Games
in AIS platform

55 Baht /Week

Subscribe

299 Baht /month

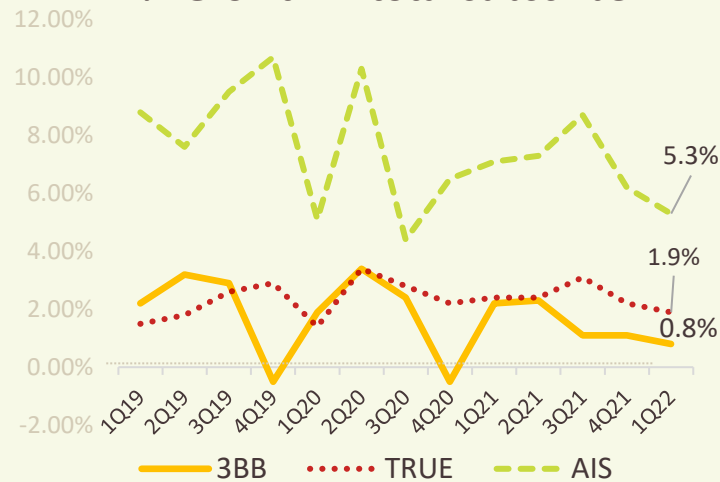
Subscribe

Challenging business landscape for 3BB & JAS

FBB COMPETITION

Price competitiveness affect subscriber as well as revenue growth

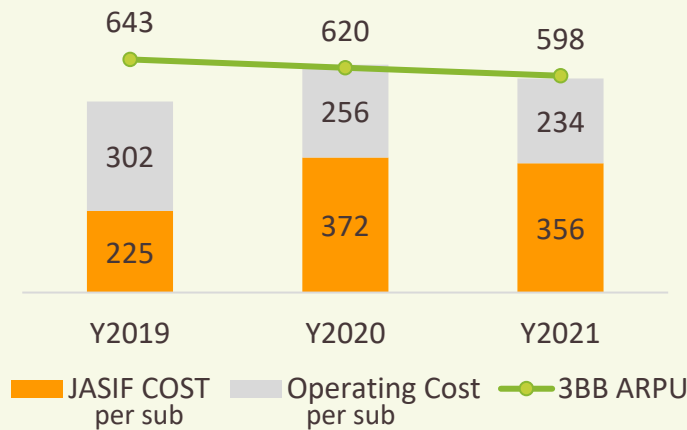
% Growth in total subscriber



HIGH-COST STRUCTURE

High and inflexible cost per subscriber pressured ability to adjust ARPU to reflect market situation

Rental Fee per core km per month (THB) for 2021		
JASIF	MLA (80%) 436 / RAA (20%) 770	503
DIF		350

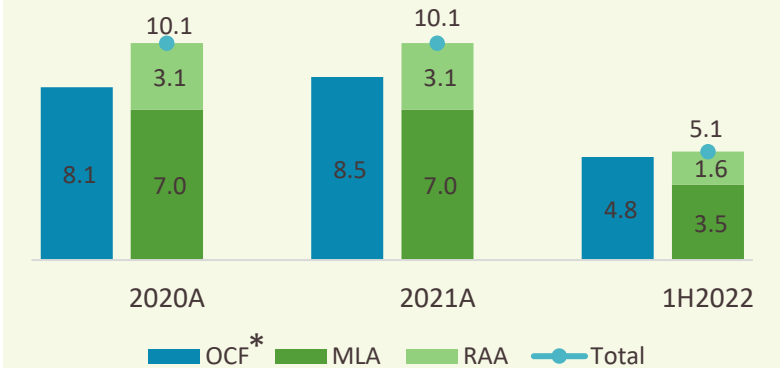


Source: JASIF and DIF annual reports, using paying sub @ 2.4mn subscribers

CASHFLOW

Tightening cashflow with risks in rental payment, debt repayment, and future investments

JAS Performance



*Cash flow from operating activities before tax



IR website: <https://investor.ais.co.th>

Email: investor@ais.co.th

Tel: +662 029 4443



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