

COMPANY OVERVIEW

Advanced Info Service Plc. or AIS is the “Digital Life Service Provider” which consists of three core businesses namely mobile, fixed broadband, and digital service. In this 29th year of mobile service, AIS has maintained its leading position with 48% revenue market share and is serving 41.6 million subscribers nationwide with 4G/3G/2G networks, covering 98% of population.

In 2015, AIS started a fixed broadband business through a pure fiber optic network under brand “AIS Fibre”. Currently, AIS Fibre has 937,000 subscribers with service coverage of more than 7mn homes passed in 57 cities. We continued to strengthen our business by expanding the access and convergence offerings to homes, while enhancing operational foundation.

The last part of AIS’ core business is digital service, focusing on five key areas: video, mobile money, enterprise services, IoT and other platforms. AIS has developed AIS PLAY, an entertainment mobile application, and AIS PLAYBOX, a set top box for home entertainment connected via AIS Fibre, to provide exclusive and differentiated content. In early 2018, AIS has acquired CS Loxinfo aligning with the plan to strongly grow in the enterprise market in Thailand and invested in Rabbit LINE Pay joint venture holding 33.33% of equity stake which will support AIS in capturing the proliferation of mobile money in Thailand. In addition, AIS has been working with partners to offer digital services on AIS’s platforms, including gaming, advertising, and insurance sales, among others.

AIS’s subsidiaries operate various telecommunications related businesses including domestic mobile service, international direct dialing services, international roaming services, WiFi, etc.

Thailand’s telecommunication industry has been regulated by the National Broadcasting and Telecommunication Commission (NBTC). Currently, AIS is operating mobile business with 2x60MHz of spectrum, 2x45MHz of which were won from license auctions and granted by the NBTC while another 2x15MHz is from partnership with the TOT. All licenses are subjected to an annual license fee of 4.0% and network equipment ownership under the license scheme belongs to the company.

- **2100MHz spectrum license:** Advanced Wireless Network (AWN), a wholly-owned subsidiary of AIS, won a spectrum license of 2100MHz (2x15MHz bandwidth) in December 2012 at the bidding cost of Bt14.6bn, valid until 2027. This spectrum has been invested for 4G/3G technology.
- **1800MHz spectrum license:** AWN won a spectrum license of 1800MHz (2x15MHz) from the auction held by the NBTC in November 2015 at the bidding cost of Bt41bn and another license with 2x5MHz bandwidth in August 2018 at the bidding cost of Bt12.5bn. Both licenses are valid until 2033. The 1800MHz spectrum is currently deployed for 4G LTE and LTE-A services.
- **900MHz spectrum license:** AWN acquired a spectrum license of 900MHz (2x10MHz) from the re-auction in May 2016 at the bidding cost of Bt76bn, valid until 2031. The 900MHz is currently used to deploy 2G, 3G and 4G.
- **2100MHz spectrum partnership:** In 1Q18, AWN signed roaming and equipment rental agreements with TOT to co-utilize 2100MHz (2x15MHz), mainly run for 3G. The contract is valid until 2025 and the net expense for this part of partnership is around Bt3.9bn/year.

CG scores



“Excellent” Score from IOD



5th consecutive year listed in FTSE4Good Indexes

CREDIT RATING

Fitch National rating: AA+ (THA), Outlook: Stable
S&P BBB+, Outlook: Stable

PRICE PERFORMANCE IN 52 WEEKS



RECENT AWARDS

- “World’s Strongest Telecoms Brand” from Brand Finance
- “Thailand’s Fastest Mobile Network 2019” awarded by OOKLA for the five consecutive years
- “Asia’s outstanding telecommunication company” awarded by Asiamoney for 2 consecutive years
- Member of Dow Jones Sustainability Indices in telecommunication services sector in 2019

KEY INVESTMENT FEATURES

- 5th largest listed company on SET by market capitalization in 2018
- Dividend policy of at least 70% of consolidated net profit
- Strong operating cash flow; current net debt to EBITDA ratio of 1.0x
- Growth opportunities from fixed broadband and digital services

FINANCIAL HIGHLIGHTS

(unit: Bt mn)	2016	2017	2018	%YoY
Total revenue	152,150	157,722	169,856	+7.7%
Net Profit	30,667	30,077	29,682	-1.3%
EBITDA	60,741	70,498	73,792	+4.7%
EBITDA Margin	39.9%	44.7%	43.4%	-1.3pp
Net Operating Cash Flow	61,635	65,528	69,132	+5.5%
Total Assets	275,670	284,067	290,505	+2.3%
Total Liability	232,962	233,641	232,836	-0.3%
Total Equity	42,708	50,427	57,669	+14%
Net Debt to Equity (x)	2.0	1.9	1.7	N/A
ROE	67%	65%	55%	-10pp
EPS (THB/Share)	10.31	10.12	9.98	-1.3%
DPS (THB/share)	10.08	7.08	7.08	0%

MARKET DATA

Stock Symbol	ADVANC
Exchange	Stock Exchange of Thailand (SET)
First trade date	5 Nov 1991
Registered capital	Bt4,997mn with par value of Bt1/share
Paid-up capital	Bt2,973mn with par value of Bt1/share
52-week Range	Bt151 - 238
Market Cap.	Bt668,965mn / USD21,580mn (@Bt31 /USD)
Free Float	36.23%

Depository Receipts: AVIFY

ADR Ticker Symbol	AVIFY
Exchange	OTC
Depository	BNYM (Sponsored)
ADR to ORD Share Ratio	1:1
ADR CUSIP Number	00753G103
Recent Price	USD7.52

OPERATIONAL HIGHLIGHTS

Mobile

As of	3Q18	4Q18	1Q19	2Q19	3Q19
Subscribers (million)	40.6	41.2	41.5	41.5	41.6
Prepaid	32.6	33.0	33.0	32.7	32.6
Postpaid	8.0	8.2	8.5	8.8	9.0
ARPU (Bt/mth/sub)	254	255	253	263	263
Prepaid	179	176	174	182	179
Postpaid	561	571	564	571	569
MOU (min/mth/sub)	147	145	138	122	113
Prepaid	124	121	113	94	82
Postpaid	241	244	237	227	225
VOU (GB data sub-mth)	10.1	10.9	11.4	11.5	12.1
Prepaid	9.2	9.8	10.3	10.1	10.5
Postpaid	12.7	14.0	14.4	15.1	16.2

Fixed broadband

Subscribers (sub)	676,700	730,500	795,000	855,400	937,000
Net additions	53,300	53,800	64,500	60,400	81,600
ARPU	573	574	563	558	549

REVENUE BREAKDOWN

% of Service Revenue	3Q18	4Q18	1Q19	2Q19	3Q19
Mobile	85%	85%	85%	86%	83%
Fixed broadband	3%	3%	4%	4%	4%
Other revenues	3%	3%	3%	3%	3%
IC and equipment rental	9%	9%	8%	7%	11%
	100%	100%	100%	100%	100%

MAJOR SHAREHOLDERS

As of 19th August 2019

1. INTOUCH HOLDINGS PUBLIC COMPANY LIMITED	40.45%
2. SINGTEL STRATEGIC INVESTMENTS PTE LTD.	23.32%
3. THAI NVDR	6.54%
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LTD.	3.53%
5. SOCIAL SECURITY OFFICE	2.80%
6. STATE STREET EUROPE LIMITED	2.18%
8. GIC PRIVATE LIMITED	0.69%
7. STATE STREET BANK AND TRUST COMPANY	0.63%
9. SE AISA (TYPE B) NOMINEE LLC	0.42%
10. SOUTH EAST ASIA UK (TYPE A) NIMINEE LIMITED	0.40%
Total	80.95%

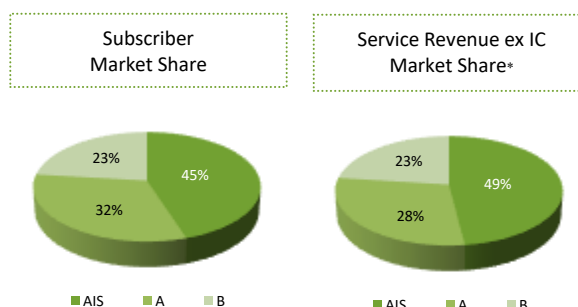
Source: Top ten shareholders as of 19th August 2019, the latest book closing date for the right to receive dividend

LATEST FINANCIAL FIGURES

(unit Bt mn)	3Q18	4Q18	1Q19	2Q19	3Q19
Service Revenue	36,245	36,885	36,957	38,235	39,804
Net Income	6,800	6,839	7,615	7,725	8,679
EBITDA	17,817	18,071	18,906	19,117	21,135
EBITDA Margin	42.3%	40.5%	43.1%	42.8%	46.5%
Total Assets	291,392	290,505	296,634	287,607	283,593
Total Liabilities	240,570	232,836	239,685	223,078	221,495
Total Equity	50,821	57,669	56,769	64,529	62,098
Net Debt to EBITDA	1.4x	1.3x	1.1x	1.1x	1.0x
ROCE	19%	18%	20%	20%	22%
EPS	2.29	2.30	2.56	2.61	2.92

MOBILE MARKET SHARE

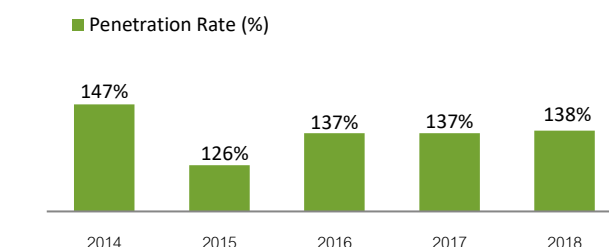
As of 2Q19



Note: excluding TOT, CAT, and other MVNOs as data is not publicly available
*By AIS' definition

MOBILE PENETRATION

As of FY18



Note: excluding TOT, CAT, and other MVNOs as data is not publicly available
*Thai population: 66.4mn

Source: Department of Provincial Administration, Ministry of Interior

BOARD OF DIRECTORS

The Board of Directors comprises 11 directors, 5 of which including the Chairman are independent. Roles and responsibilities of the Board of Directors are separated from management. There are 9 non-executive directors out of 11 directors.

As of 3Q19

1. Mr. Kan Trakulhoon	Independent Director and Chairman of the Board of Directors
2. Mr. Somprasong Boonyachai	Vice-Chairman of the Board of Directors
3. Mr. Krairit Euchukanonchai	Independent Director
4. Mr. Prasan Chuaphanich	Independent Director
5. Mr. Surasak Vajisit	Independent Director
6. Mr. Gerardo C. Ablaza, Jr	Independent Director
7. Mr. Allen Lew Yoong Keong	Director
8. Mr. Hui Weng Cheong	Director
9. Ms. Jeann Low Ngiap Jong	Director
10. Mr. Somchai Lertsutiwong	Director
11. Mr. Anek Pana-apichon	Director

THAILAND'S MOBILE MARKET

Thailand's mobile operators consist of AIS, True Corporations Plc. (TRUE), and Total Access Communications Plc. (DTAC). In August and October 2018, NBTC held 1800MHz and 900MHz auctions, respectively. AIS and DTAC each won the 1800MHz, while only DTAC participated and won in 900MHz auction. With these auctions, it marked a complete industry transfer from concession scheme to license scheme. In Jun-19, the NBTC held the allocation of 700MHz, ahead of its usable period starting in Oct-20, from which all three operators participated. The price of allocation was relatively more rationalized and term payment was set at 10 years, compared to four years in the past.

Overall, mobile industry continued to grow at a low single digit pressured by unlimited plans. Mobile penetration in Thailand was between 130-140%. Although postpaid segment has seen a high growth of adoption, prepaid segment is by far maintaining its share of 76%. In 2018 the growth of 4G was robust and resulted in 60% of the industry being 4G active users. This trend is expected to continue, underpinned by the popularity of social media applications and expanding urbanization. However, with operators deploying handset subsidies and pricing strategy, data monetization remains challenging.

5G in Thailand is expected to be launched within few years, operators have started to cooperate with vendor and related entities, with the support from the NBTC, to test and seek potential commercial use cases.

THAILAND'S FIXED BROADBAND MARKET

At the end of 2Q19, according to the NBTC, there were 9.5 million households or 44% of total households that had access to high-speed internet services, one-third of which continued to use xDSL technology. Key operators consist of TRUE Online, 3BB, TOT, and AIS Fibre.

The fixed broadband market continued to expand competitively both from an evolving lifestyle towards digital-centric and the higher demand for fibre-to-the-home. Therefore, operators are putting an effort to expand fibre subscriptions by introducing the same prices of entry fibre plans as those of ADSL to entice existing users to upgrade. High-speed fibre plans are also offered to homes targeting an increase in ARPU while the integrated players are differentiating their offerings through higher value of convergence plans bundling fixed broadband with a mobile service as well as video content.

GOOD CORPORATE GOVERNANCE

Corporate Governance of AIS adheres fundamentally to laws and is developed to be transparent, reliable and acceptable in line with best practice of good corporate governance and sustainability growth, both domestic and international level, such as criteria of Corporate Governance Report of Thai Listed Companies (CGR) by Thai Institute of Directors Association, ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) and DJSI indices (Dow Jones Sustainability Indices). Its main purpose is to

- Ensure the transparency, accountability and competency of the Board of Directors;
- Protect shareholders' rights and encourage to shareholders to exercise their rights under standard legal practice;
- Provide equal, important and up to date information as well as avoid conflict of interests;
- Assure the effectiveness of AIS's internal control and risk management system;
- Strictly comply with laws, ethics and good moral

AIS was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and awarded "Excellent CG scoring" 2017 by the Thai Institute of Directors.

Key milestone

- Announced the "Securities Trading Policy for Directors, Management and Employees": All designated person whose position or duty entitled them to access the insider information are prohibited to buy/sell AIS and INTOUCH's securities for a period of thirty (30) days prior to the date of disclosure of the quarterly and annual financial statements, or any period that the company will announce (Blackout Period).
- Announced "No Gift Guideline" during seasonal period in order to promote a clean business among employees and partners.

SUSTAINABLE DEVELOPMENT

To build a strong foundation of growth and create long-term value to shareholders and stakeholders, AIS established a systematic approach to understand the constantly evolving nature of the business environment and remain flexible enough to adjust our company's business direction and strategy to face the new opportunities and challenges with steadfast determination.

AIS Strategy for Sustainable Growth (Five focus areas)

- **Bringing our society together:** To thoroughly understand and take into account the needs of the community, and develop appropriate strategic, integrated and systematic responses. The approach is in order to ensure not only our social license to operate, but also to ensure that we meet the needs of the larger society that we serve by leveraging on our strengths as an industry leader in a socially responsible business.
- **Providing the best customer experience:** To provide the best customer experience and capture new markets with deep insights of customer's needs and provide personalized products and services that meet those needs. These unparalleled services under slogan "Live Digital, Live More" set us apart from others.
- **Building a sustainable partnership:** To share our partners' responsibilities and actions by building a strategic win-win partnerships to drive mutual growth.
- **Growing our people with their strengths:** To develop visionary leaders with our brand character and create opportunities for people to learn and develop so that they can guide AIS toward its goal within the framework of sustainability.
- **Greening our future:** To develop innovative, yet easy-to-understand and environmentally friendly products and services that will empower the society and meet the needs of future generations.

Besides the five focus areas, Digital for Thais has been developed as our corporate citizenship and philanthropy. AIS is committed to promote digital innovation to help and develop the community, allowing access to information and knowledge for future development. The Digital for Thais has been focused on four key areas as follows.

- **Education** - Education is a cornerstone of human development. It enables us to access resources, either academic or recreational. The education development program by AIS emphasizes on enhancing education opportunities and life experiences for students.
- **Public Health** - Our program focuses on building a communication tool to promote and support public health officers to work effectively, and raise awareness about personal health and hygiene in remote areas to reduce illness rate and encourage health prevention.
- **Agriculture** - We promote the creation of digital technology and provide agricultural knowledge for farmers to efficiently produce agricultural yields. We also develop an application to work as a market place for farmers.
- **Startup Businesses** - We develop and endorse startups for sustainable growth through real business opportunity.

For more information, please see AIS annual report and sustainability report 2018.

FUTURE PLAN

The leading Digital Life Service Provider for Thais

The wider abilities and range of choices of technologies have altered customer behavior to seek access to more comprehensive services as well as providing greater opportunity for mobile operators to access a broader marketplace. In light of these trends, AIS has redefined aspects of its business model from that of a traditional mobile service provider to that of a "Digital Life Service Provider", operating three main businesses, namely, mobile phone services, fixed broadband, and digital services, in order to enrich the daily lives and business capabilities of individuals, and the competitive edge of the country. To this end, we have focused on Digital Transformation in order to take advantage of technologies that expand our capabilities and efficiency, and to achieve sustainable growth in the digital era.

Creating a quality mobile network to deliver a superior user experience

In our market leadership position, AIS will continue to focus on improving the quality of 4G network through research and development with our partners, utilizing modern technology to increase network efficiency, both in terms of coverage and capacity, and providing excellent customer service. Additionally, over the next 3-5 years, 5G technology standards will become clearer, specifically in terms of frequency and types of services. As such, AIS has already begun to create awareness of these technological changes to all its business sectors and is ready to support 5G services, maximizing the efficiency of the country. The frequencies that can be utilized as well as the supported devices, applications and new revenue-generating models will be important factors in determining appropriate levels of investment in the long term.

Meeting the demand for high-speed internet with fibre optic network and technology

Demand for household internet connections has steadily increased, with digital services in the future likely to develop beyond current limits in terms of the quality of services and more. These include, for example, higher resolution content, such as 4K and 8K content. AIS sees the potential growth of this market and has set the target of becoming one of the major service providers in the next few years. Utilizing nationwide fibre optics from its mobile networks, AIS Fibre will continue to tap into new urban areas and

provide services to underserved areas that still lack quality high-speed internet access and/or who still use old ADSL technology. We will focus on providing a variety of services through the Fixed-Mobile Convergence (FMC) model.

Creating new revenue sources from digital services to general customers and enhancing the potential of enterprises with end-to-end ICT solutions






Smartphones have become a major channel for watching content of various kinds as well as for the payment of goods and services via a wide variety of applications. AIS expects that this trend will continue with increased changes in consumer behaviour and therefore continues to focus on developing its platforms for video content (AIS PLAY) and mobile payment channels (Rabbit LINE Pay). This will allow us to create products and services that are attractive to customers and to provide opportunity for new revenue stream leveraging our customer base and platform data.

While the business world grows ever more digital, cloud systems and ICT solutions are key factors in enabling digital transformation and play a major role in creating compelling value for enterprises. To support these growing needs, AIS has acquired CSL and partnered with leading providers in the ICT industry while also expanding its IDC services to new locations. With its extensive mobile network, the company aims to capture growth potential by providing a variety of comprehensive end-to-end services, such as ICT solutions, IDCs, and cloud services. These services will enhance business capability, optimize cost efficiency, and ensure system security for corporate customers.

Personnel development for the digital age and leveraging technologies to improve operational efficiency

AIS continues to utilize technology in our operations and comprehensive customer services. We believe that our employees are a key to our long-term, sustainable success. Thus, we introduced the AIS Innovation Center in order to build staff competency and encourage a growth mindset, ushering in a digital culture and learning platform that allows our employees to respond to rapid changes and disruptive innovation. In the very near future, Predictive Analytics Tools and Customer Value Management (CVM) will evolve to the next level. Machine learning and Artificial Intelligence (AI) will be integrated into our services and operations, resulting in expected improved sales and efficiency.

PRODUCTS UNDER AIS DIGITAL LIFE SERVICE

				
AIS Postpaid Postpaid mobile service	AIS One-2-Call Prepaid mobile service	mPAY and RLP Mobile money payment	AIS Fibre Household internet with 100% Fibre	AIS Business Cloud Cloud service for enterprise

CONTACT Investor Relations



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Terms and Definitions

EBITDA	Profit before interest and tax + Depreciation/Amortisation +/- Other non-cash and non-operating items
Free Cash Flow	Operating cash flow-CAPEX
Operating Cash Flow	Refers to note to audited year-end financial statements
Net Debt to EBITDA	(Interest - bearing debts - Cash) / EBITDA
ROCE	(Operating profit after tax) / (avg. interest bearing debt + avg. equity)
EPS / DPS	Earnings per share / Dividend per share

DISCLAIMER: "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