



3Q20 Financial Results

Advanced Info Service Plc.

6 November 2020

3Q20 Summary



Continued economic impact on mobile business

- **Economic recovery remained vulnerable** as service sector continued to be impacted by the absence of foreign tourists.
- **It was still challenging for telecom sector** due to weak consumer spending and revenue loss from traveler sector.

Official 5G mobile packages launched

- **5G volume-base package was launched** with starting price of Bt699 and unlimited data starting from Bt1,199, plus AR/VR to uplift ARPU.
- **5G subscribers are expected approximately 100k** by the end of 2020 as it is early stage of 5G with still limited handset.

Broadband remains resilient & enterprise on recovering

- **FBB saw increased demand for home connectivity** from the new normal, albeit low price offerings remained to address weak spending.
- **Enterprise non-mobile business started to recover** after pandemic, while cloud, ICT, IoT, cyber security doubled with digitization trend.

Revised revenue guidance while others maintained

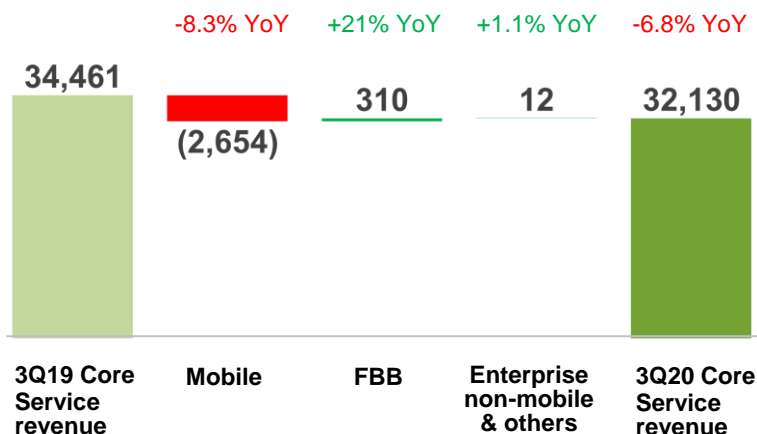
- **Core service revenue is expected to contract low to mid-single digit** as 9M20 revenue -4.4% and economic recovery remains weak.
- **EBITDA outlook maintained** with low-single digit decline and CAPEX of around Bt35bn

3Q20 Performance:

Prolonged COVID-19 impact on core service revenue

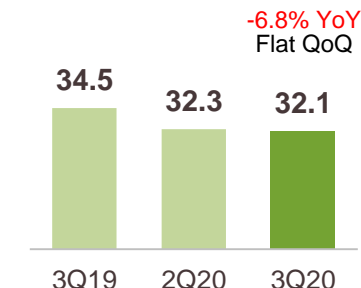


Core service revenue (Bt mn)

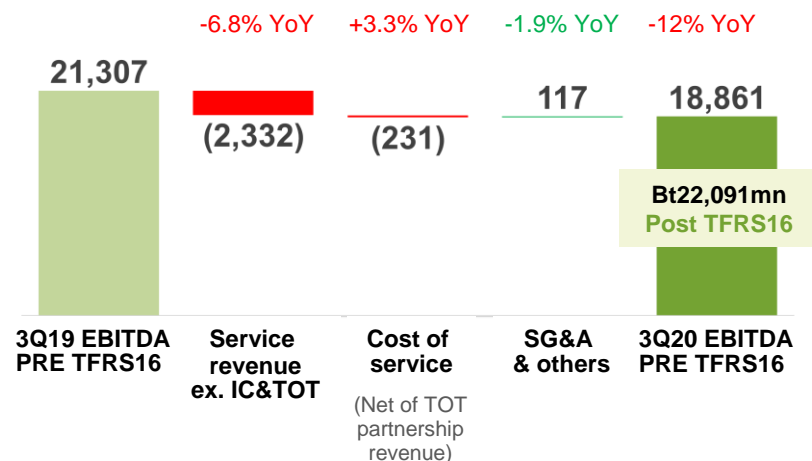


- Core service revenue** impacted by weak economy with decline in mobile offset by growth in FBB
- EBITDA** dropped -12% YoY with cost control. Recurring EBITDA -9%YoY, excluding one-time TOT settlement in 3Q19.
- NPAT** -23% YoY following network investment, spectrum acquisition and FX loss. Recurring NPAT (excluding one-time item & FX loss) -18%YoY, flat QoQ.

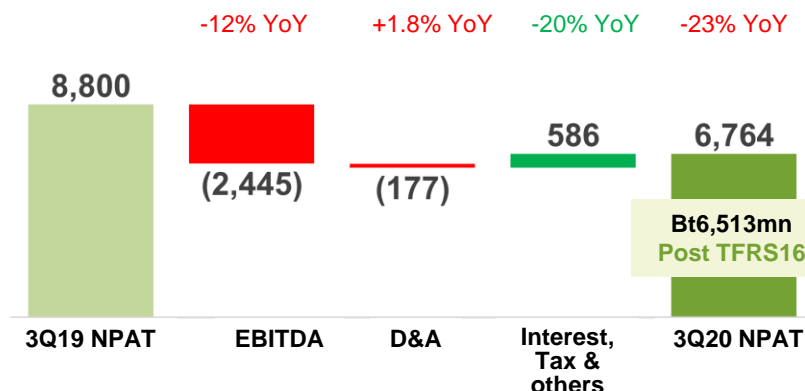
Core service revenue (Bt bn)



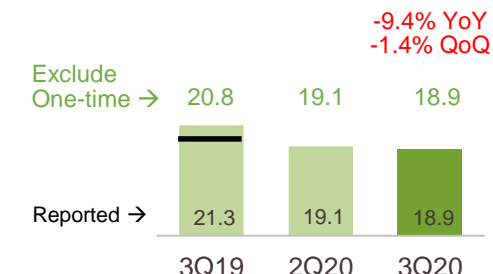
EBITDA – Pre-TFRS16 (Bt mn)



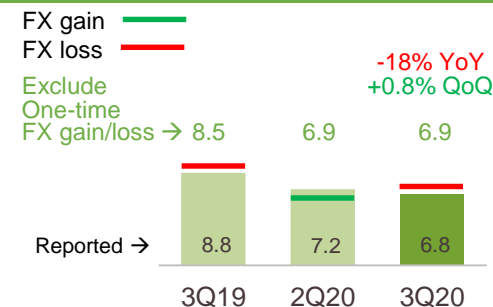
NPAT – Pre-TFRS16 (Bt mn)



Recurring EBITDA Pre-TFRS16 (Bt bn)



Recurring NPAT Pre-TFRS16 (Bt bn)



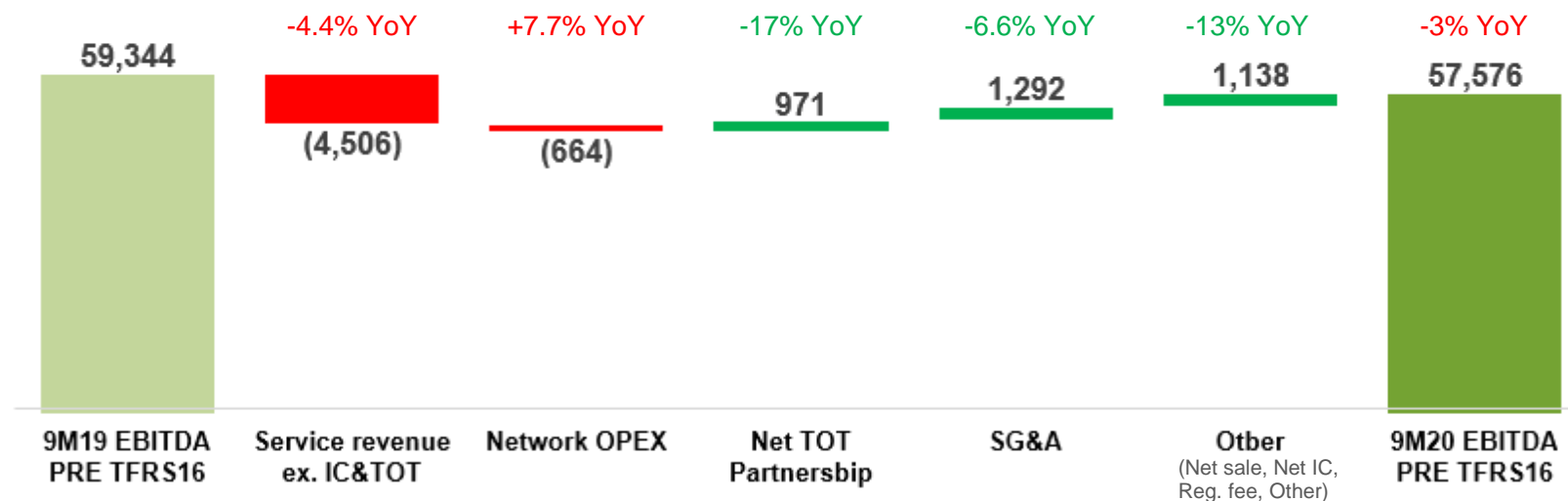
9M20 Performance:

EBITDA reflects economic impact, offset by cost control

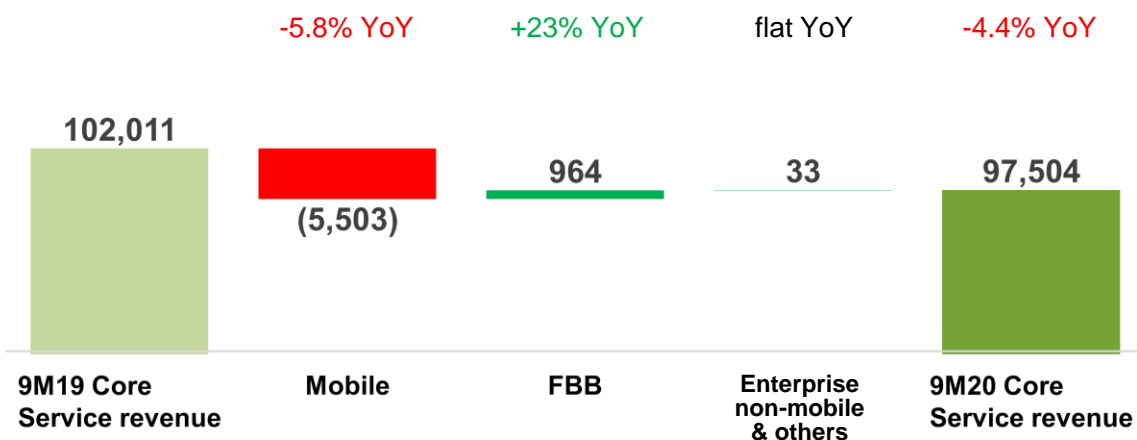


- **EBITDA declined low single digit**, in line with the guidance, driven by cost control.
- **NPAT declined 13%** with continued network investment, spectrum acquisition and FX loss.

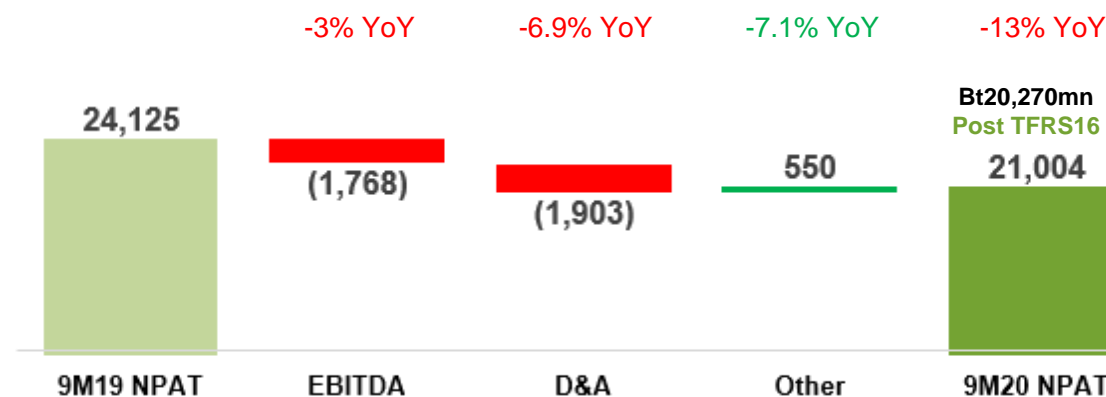
EBITDA – Pre-TFRS16 (Bt mn)



Core service revenue (Bt mn)



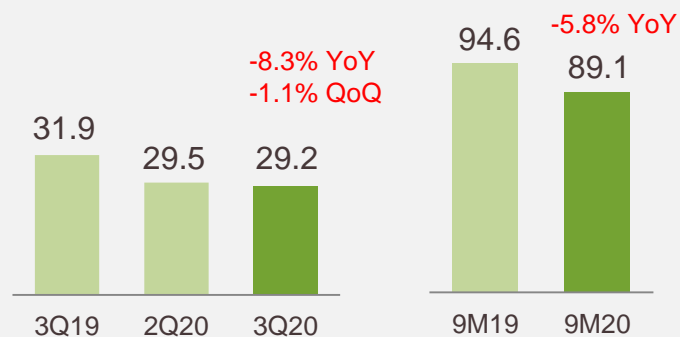
NPAT – Pre-TFRS16 (Bt mn)



Mobile revenue softened from weak economy and price competition

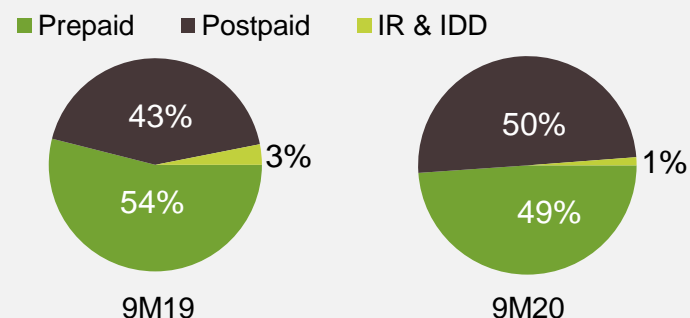


Mobile revenue (Bt bn)



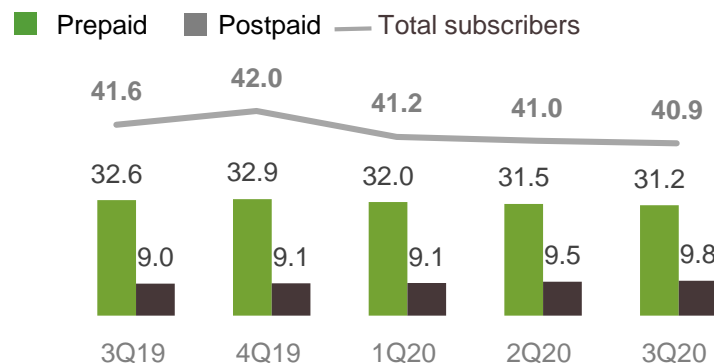
- Affected by weak economy, price competition and revenue loss from traveler segment.

% Mobile Revenue Contribution

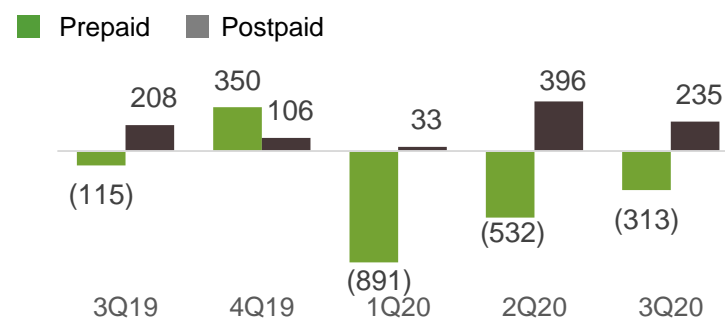


- Postpaid revenue mix continued to expand from pre-to-post migration trend
- Lower IR& IDD contribution following lock down

Total subscriber (mn)

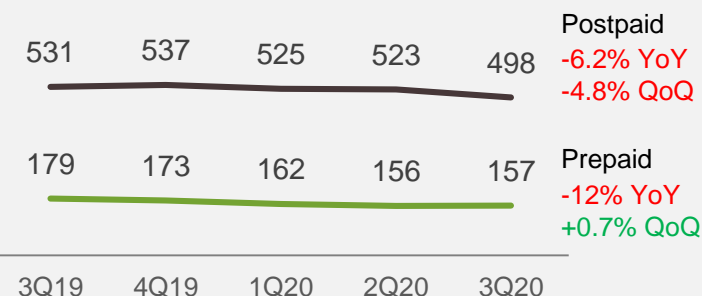


Net additional subscriber ('000)



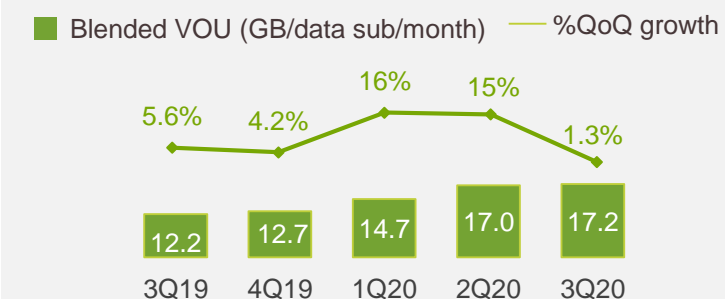
- Subscriber base stable with continued customer movement from prepaid to postpaid.

Mobile ARPU (Bt/sub/month)



- Prepaid ARPU stabilize from price adjustment
- Postpaid ARPU declined from price competition and weak economy.

Data consumption







- Decelerated growth in data consumption after the lockdown eased

Mobile: 5G official packages launched to capture high value market



5G postpaid package

Monthly fee (Baht)	Internet 5G 4G 3G Max speed 1Gbps	Voice		AIS SUPER WIFI	ฟรี ซิมการ์ด	AIS PLAY VR Value 950 Baht.	Free AIS 5G Services		
		AIS Network	Other Network (Minute)				AR Service	VR Service	Cloud Game
1,999	Unlimited	Call free 24 hrs.	600	Unlimited	4 SIM (50GB)	 Free!	 12 Bill cycles	 12 Bill cycles	 3 Bill cycles
1,699			400		3 SIM (50GB)				
1,399			250		2 SIM (50GB)				
1,199			150		1 SIM (50GB)				
899	80 GB	Call free 24 hrs.	70	Unlimited	-	Discount 20%	6 Bill cycles	6 Bill cycles	3 Bill cycles
699	50 GB		50		-				

5G add-on package

Price (Bt)	Data (GB)	AIS 5G service	Period
199	5GB	AIS PLAY VR/AR	30 days
399	15GB		

Add-on pack available for both prepaid and postpaid

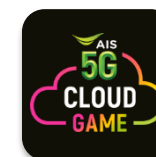
5G contents



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

Over 30 models of 5G devices expected by end-2020

5G handset

- 16 Handset models available now & 30 models by year end
- 20-30% discount for 12-month bundled contract



VR device



Regular price: **14,500 Baht**
Free VR service 199 Baht for a month

30% OFF

Bt 10,150 (Discount of up to Bt4,350)
 for AIS postpaid customers using
 a minimum monthly plan of Bt1,099

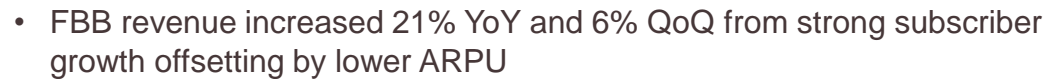
- Get Bt600 upfront discount
- Get Bt3,750 discount on the monthly plan (Bt375/month for 10 months)
- Enjoy FREE VR service for 6 months

20% OFF

Bt 11,600 (Discount of up to Bt2,900)
 for AIS postpaid customers using
 a minimum monthly plan of Bt599

- Get Bt600 upfront discount
- Get Bt2,300 discount on the monthly plan (Bt230/month for 10 months)
- Enjoy FREE VR service for 6 months

■ FBB revenue (Bt mn) — YoY growth



Quarter	ARPU (Bt/sub/month)
3Q19	549
4Q19	533
1Q20	514
2Q20	489
3Q20	484

ARPU (Bt/sub/month)

-12% YoY
-1.0% QoQ

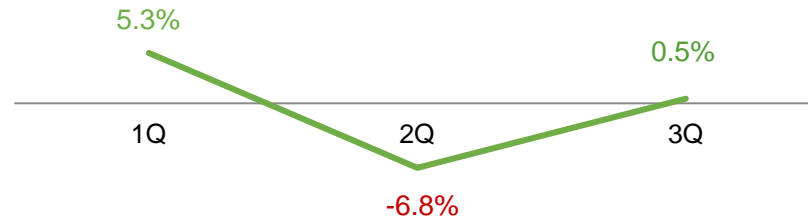
- 3

Enterprise business on **recovery** after pandemic

Enterprise non-mobile recovered with rising demand for digitization

Enterprise data service

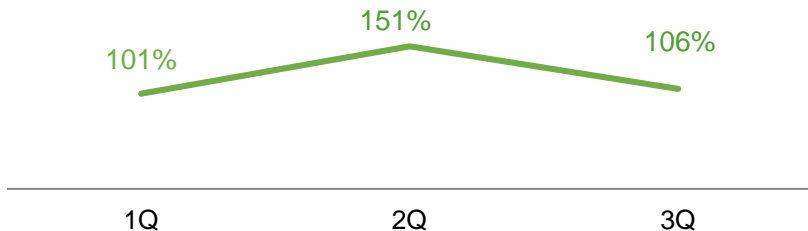
%YoY revenue



- EDS revenue, affected by service downgrade, began to stabilize after businesses resume operation and demand rebounded

Cloud, Data center and ICT solution

%YoY revenue



- Cloud , Data center and ICT solution grew double from corporate demand for digital transformation

Emerging demand on 5G enterprise services

5G FWA

Enterprise
Fixed Wireless
Access



Provide convenience to set up high performance and secure enterprise broadband network without a regular fiber network

- Launched in Jul20
- Over 200 prospect clients in pipeline
- Potential demand grow along with 5G network coverage

5G
Private
Network



Dedicated network to optimize and secure to meet specific needs of vertical application

5G
Network
Slicing



Creating pre-defined, differing levels of services to serve enterprise vertical requirements

5G
MEC
Multi-Access
Edge Computing



Enabling cloud computing capabilities at the edge of mobile network to reduce the physical distance of communication

Expand strategic partners with industrial estates

AMATA
POSSIBILITIES HAPPEN



5 IEs
Strategic
Partnership

27 IEs
in EEC
area

60%
Coverage for
EEC area

2020 Guidance

	9M2020	FY2020	Rationale
Core service revenue	+4.4%	Low to mid single digit decline (Revised)	<ul style="list-style-type: none"> • Mobile business pressured by weak consumption and continued low-price environment, as well as lack of revenue from traveler segment • Home broadband is expected to maintain growth momentum, Enterprise non-mobile should continue to grow double digit following digitization trend.
EBITDA	-3.0%	Low single digit decline (Maintained)	<ul style="list-style-type: none"> • Cost management to support EBITDA: To focus on cost optimization for operation and SG&A to preserve profitability.
CAPEX *exclude spectrum	Bt18bn	Approximately Bt35bn (Maintained)	<ul style="list-style-type: none"> • Investment in 4G/5G and broadband for long term leading position

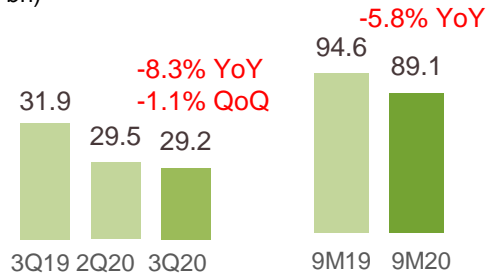


APPENDIX

3Q20 & 9M20 Revenue breakdown

Mobile revenue

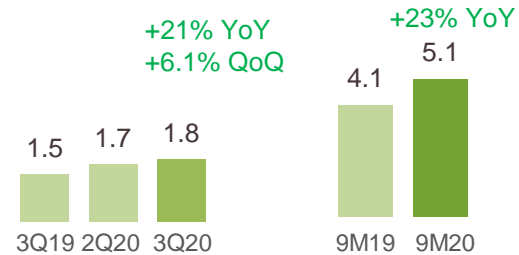
(Bt bn)



- Dropped following weak economy, price competition and revenue loss from traveler segment.

Fixed broadband revenue

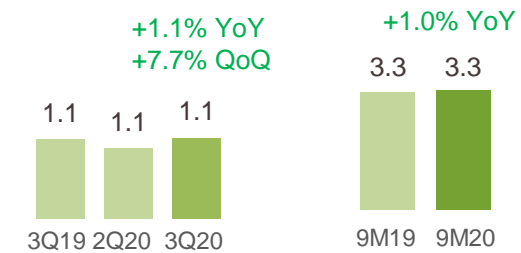
(Bt bn)



- Expanded subscriber base to 1.26mn, adding 53k in the quarter

Other service revenues

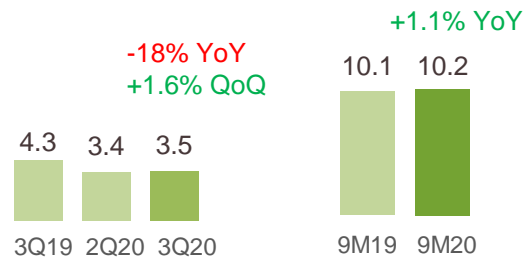
(Bt bn)



- DC & Cloud business were the main growth driver

IC and TOT partnership

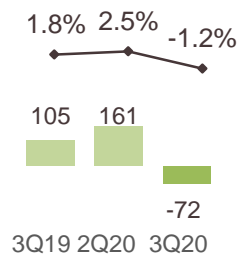
(Bt bn)



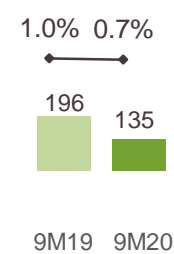
- Decreased YoY due to TOT settlement in 3Q19

Net Sales & margin

(Bt mn)



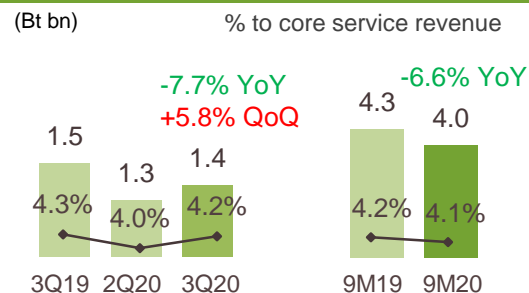
% sales margin



- Sale margin dropped from decline in high margin devices sale from weak economy

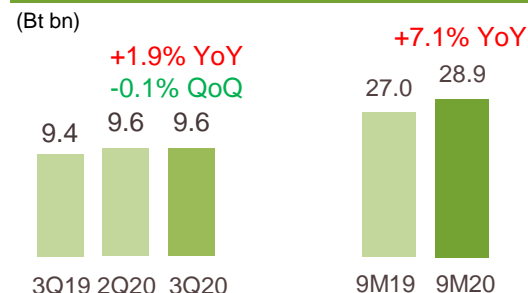
3Q20 & 9M20 Cost breakdown (Pre-TFRS16)

Regulatory fee



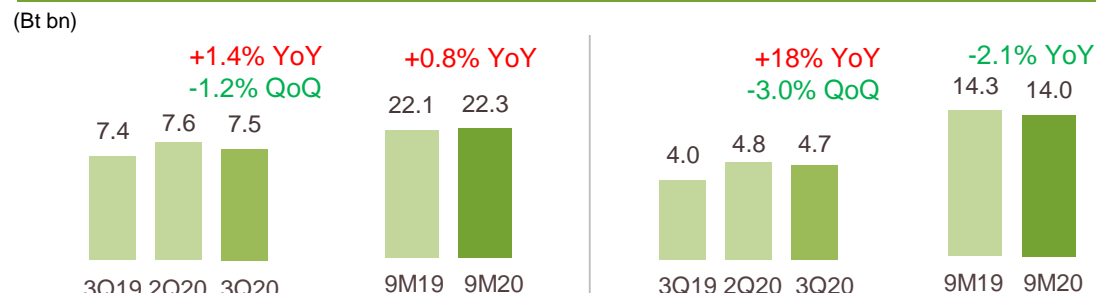
- Decreased YoY following lower service revenue but increased QoQ from one-time USO fee reduction in 2Q20

D&A



- 9M20 D&A increased from continued network investment and new spectrum

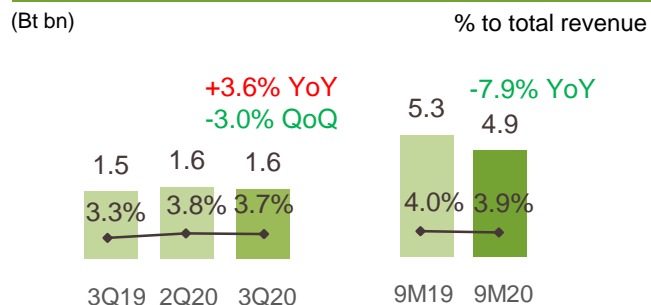
Network OPEX and TOT partnership



- 9M20 network OPEX increased from 4G/5G expansion.
- Dropped QoQ from reclassified expense to SGA.

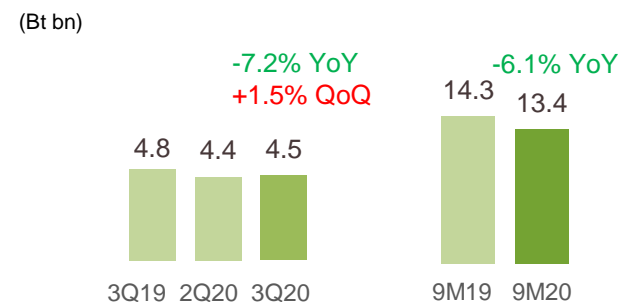
- Net of revenue**, network OPEX decreased from lower TOT rental cost

Marketing expense



- YoY increase from low marketing campaign in 3Q19
- 9M20 reduction resulted from lower marketing activities during lock down and continued cost saving measures

Admin & others



- Dropped QoQ due to reclassified expense from network opex and increase in shop rental after lockdown.
- 9M20 decreased from cost control.



Contact us

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

Email: investor@ais.co.th

Tel: +662 029 4443



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.