



# Singtel Investor Day 2023

## Advanced Info Service Plc.



**DISCLAIMER:**

Please be informed that this meeting is being recorded. By participating in this meeting, you have allowed AIS to collect, use, or disclose any personal data shared during this meeting by any means. Please do not copy, edit, or modify any content shared during this meeting for any purpose.





**Slow consumer spending recovery**  
with inconsistency across segments



**Easing inflation and utilities cost pressure** for consumers and corporates



**Stable competitive environment**  
in both Mobile and Broadband



**Increasing tourist arrival** sporadically  
on major tourist cities



**Political uncertainty** pressuring  
economic recovery and investments

A background image of a telecommunications tower with a satellite dish, overlaid with a white border. The text is centered over the tower.

**GROWTH  
RECOVERY AMID  
UNCERTAIN  
MARKET  
ENVIRONMENT**

## **MOBILE**

- Value-based Offerings**
- 5G Monetization**
- Profitable Market Share**

## **BROADBAND**

- Expand to new area**
- Lead with service quality & product bundling**
- 3BB Acquisition**

## **ENTERPRISE**

- Grow in connectivity**
- Upsell opportunity in Cloud**
- Build selected 5G verticals expertise**

## **OPERATIONAL EFFICIENCY**

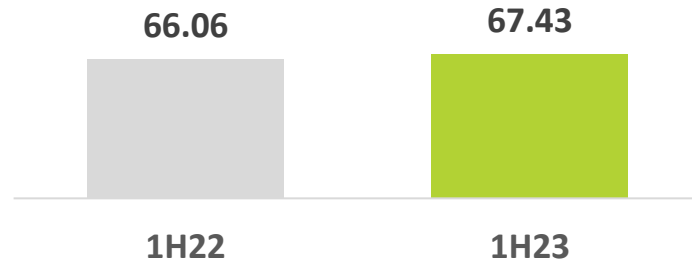
- Optimize cost to serve**
- Drive automation & digitalization**



**2023  
STRATEGIC FOCUS**

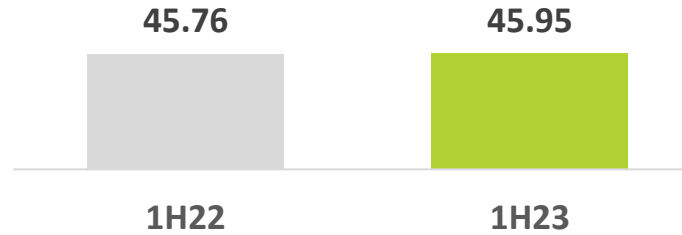
# 1H23 Performance driven by operational efficiency and value-focus

Core Service Revenue (THB Bn)



+2.1%  
YoY  +3-5%  
Guidance

EBITDA (THB Bn)



+2.7%  
YoY  Mid-single digit  
Guidance

Net Profit (THB Bn)



10%  
YoY  Deliver profit  
growth

EBITDA Margin

**52%**

Net Debt and Lease  
liability to EBITDA

**1.9 x**

FCF Yield

**3.5 %**

Average Cost of  
Borrowing

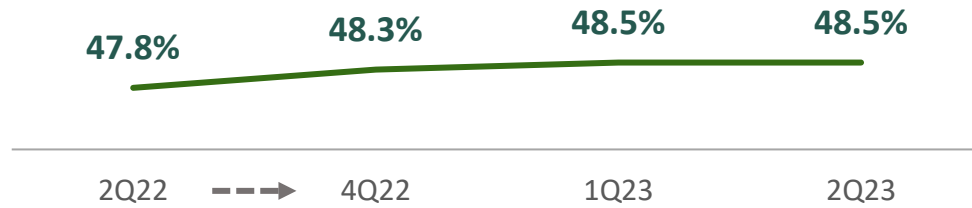
**3.0%**

ROIC  
Incl. lease liability

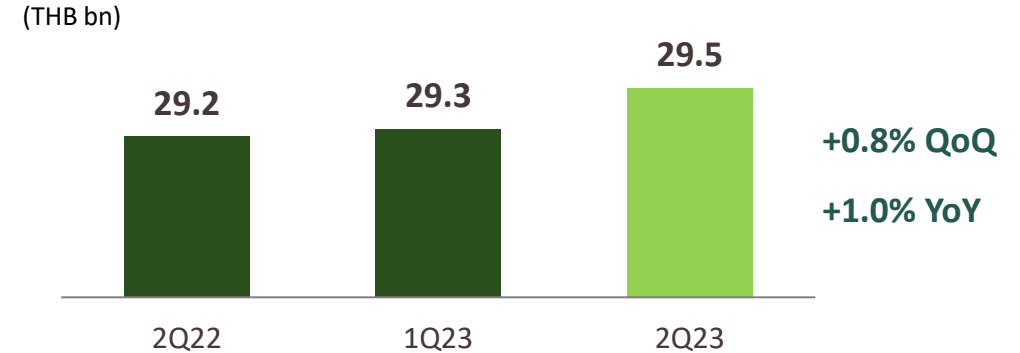
**12 %**

# Mobile Business: Drive with quality & potential 5G upsides

## Solid performance in Revenue Market Share

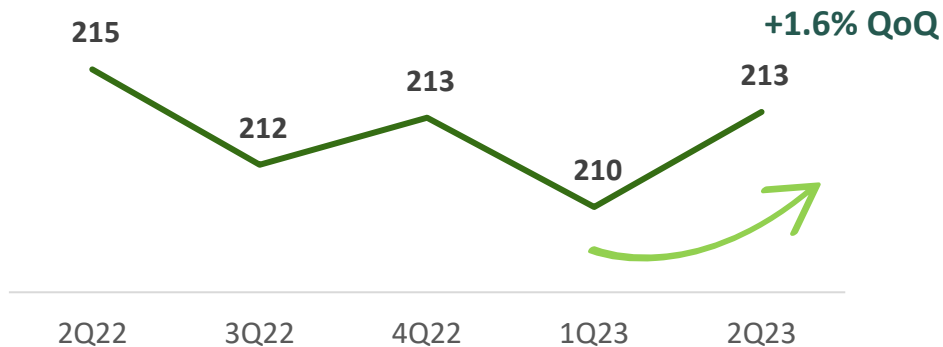


## Revenue recovery from Quality Acquisition



## ARPU bounced back from Cross-sells & Upsells

Blended ARPU (THB/subs/month)



## Expanded 5G adoption & coverage



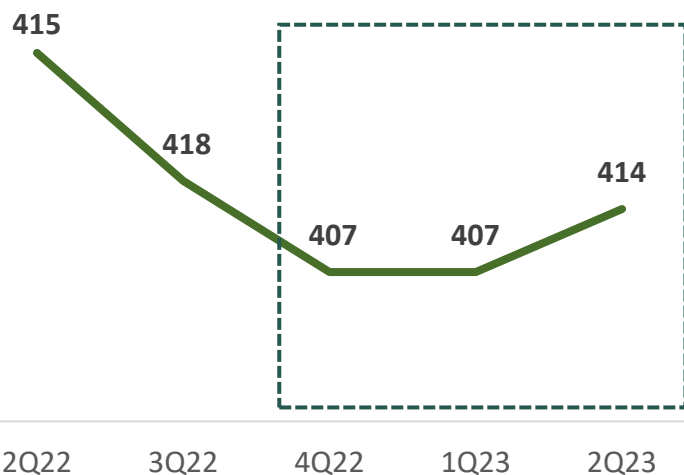
**5G Subscriber 7.8mn** +99% YoY  
17% of mobile subscribers

**>87%** Nationwide Population coverage

# Home Broadband: Value-driven ARPU to new areas with scale

Rebounded from value package and product bundling

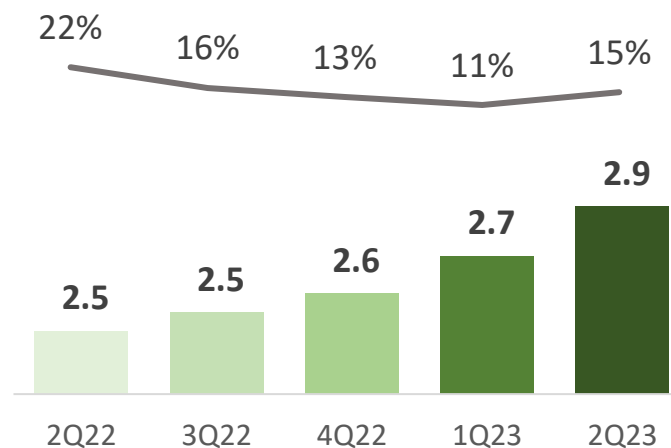
FBB ARPU (THB/subs/month)



Revenue growth boosted by Expanded service coverage

FBB Revenue (THB bn)

— % YoY growth



Potential growth in broadband penetration & Home pass rate

50%

Broadband penetration In Thailand

8.8mn

AIS home pass FBB footprint

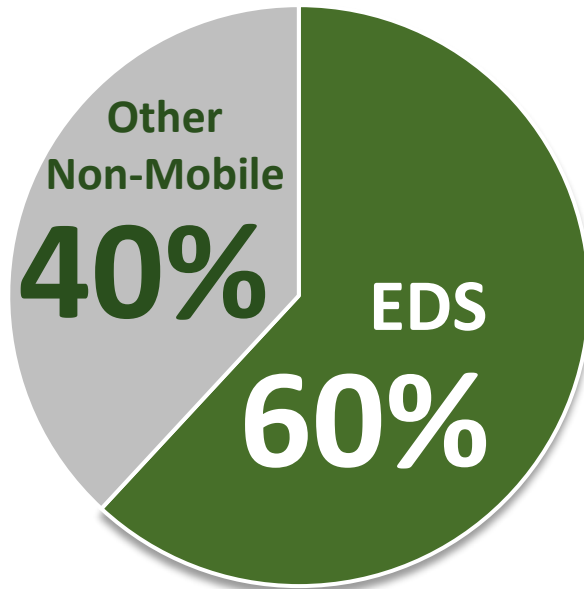
2.3mn

AIS Broadband Subscribers

# Enterprise Business: Towards multi-product relationship

## Enterprise Revenue Mix

Enterprise non mobile revenue as of 1H23



## Key Products



EDS with SD-WAN



AIS CloudX



AIS Paragon Platform



AIS 5G Solutions

# Key Updates in the new growth areas

## Mobile

**700MHz**  
**Collaboration with NT**  
Strengthen 5G coverage  
across Thailand



## Broadband

**3BB & JASIF**  
Scale up broadband  
business with widening  
service coverage



## Enterprise

**GSA Data Center**  
Growth opportunity in  
complimentary service



## Digital Business

**Virtual Bank**  
Digital service beyond  
connectivity





# SUSTAINABILITY STRATEGY

## THRIVING IN A GREENER AND INCLUSIVE DIGITAL WORLD

### Drive Digital Economy

Enable people and businesses to grow in the digital economy

### Promote Digital Inclusion

Build inclusive and responsible digital access in our products & services

### Act on Climate

Shape a greener future of life for consumers and society

**3.9%** of Enterprise non-mobile Revenue in 2Q23

Grow in the new digital business

AIS ภูมิใจ  
**CYBER**

Thailand Cyber Wellness Index (TCWI) by AIS

Thailand Cyber Wellness Index

**TCFD** | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Scope III Assessment

# Appendix





# 2Q23 Performance



## 2Q23 Key Highlights



Cautious economic recovery with tourism expansion while facing political uncertainty



Mobile rebounded from quality acquisition backed by superior quality



Focus on high-margin products with integrated offering to targeted industries



Top-line growth with profitability focus in all businesses and operations



Continue delivering value-added quality service and expanded service coverage

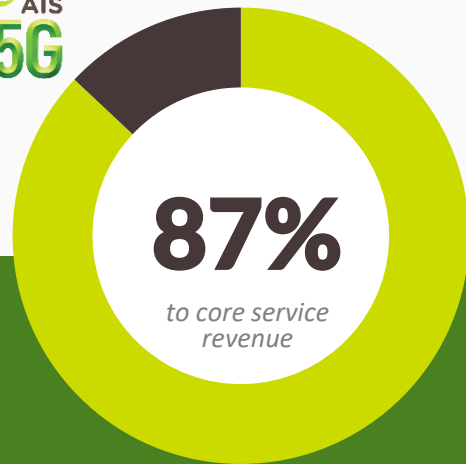


Effective cost controls and operational efficiency to deliver sustainable returns

# AIS: Towards becoming Cognitive Tech-Co

## Unleash Excellence in Digital Customer Experience

### Mobile

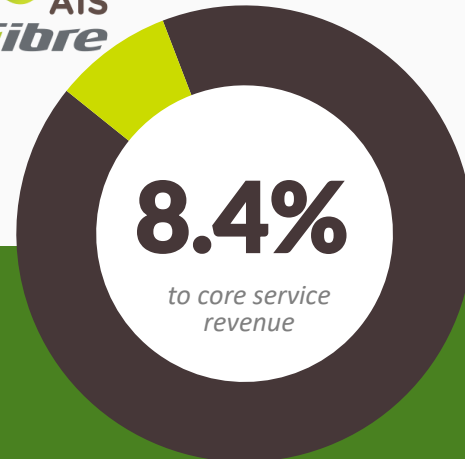


Offering higher value & 5G monetization

**Bt29.5bn**

As of 2Q23  
Growth 1.0% YoY

### Fixed Broadband

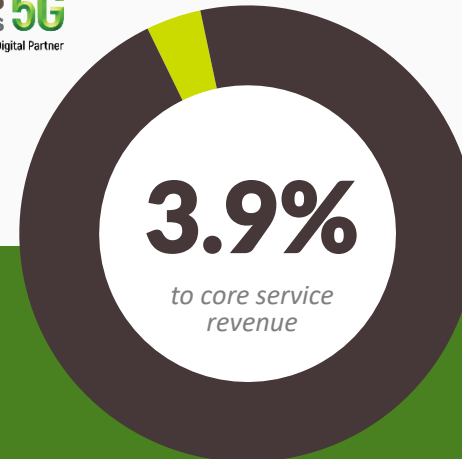


Focusing on high-quality subs acquisition

**Bt2.9bn**

As of 2Q23  
Growth 15% YoY

### Enterprise non-mobile Business



Providing end-to-end solutions for industry

**Bt1.3bn**

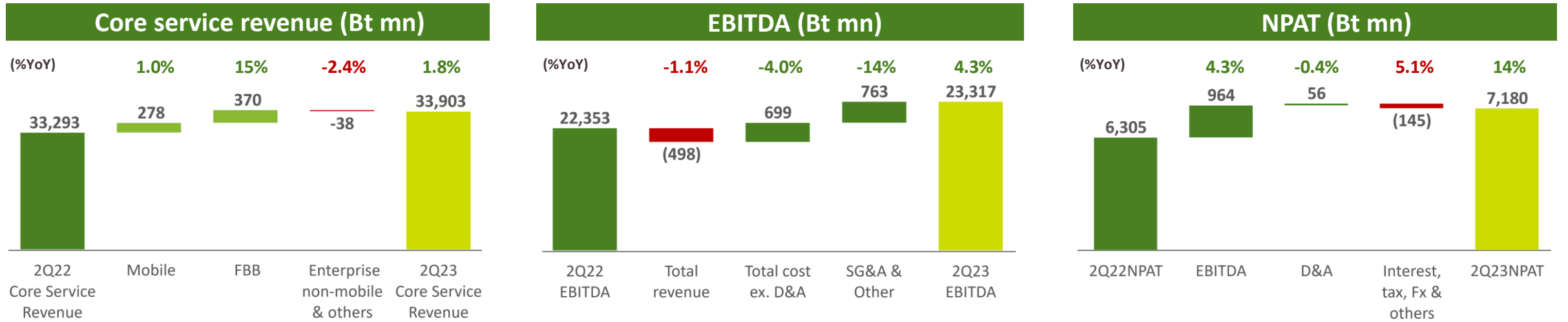
As of 2Q23  
Growth 2.2% YoY

### Digital Services

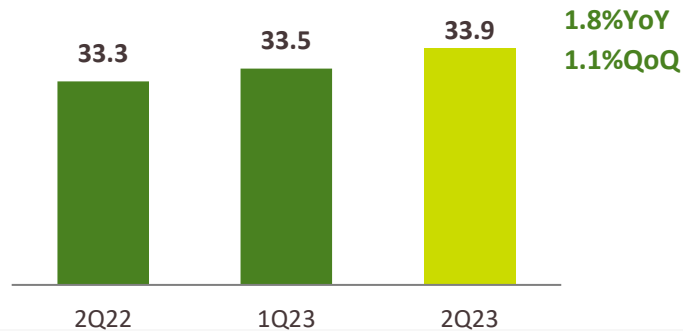


Building digital adjacencies to engage customers

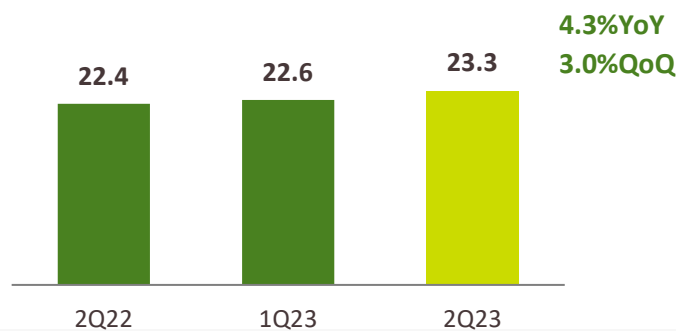
# 2Q23: Bottom-line expansion driven by operating performance



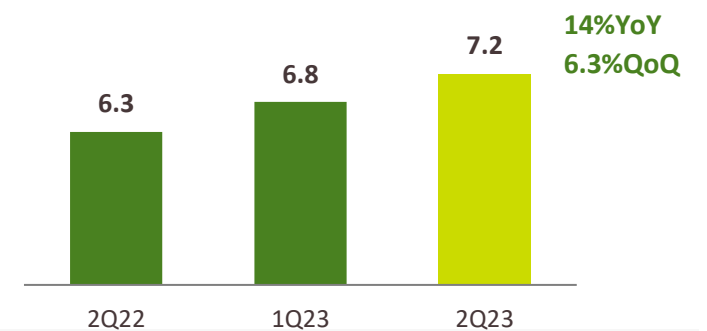
Core service revenue (Bt bn)



EBITDA (Bt bn)



NPAT (Bt bn)



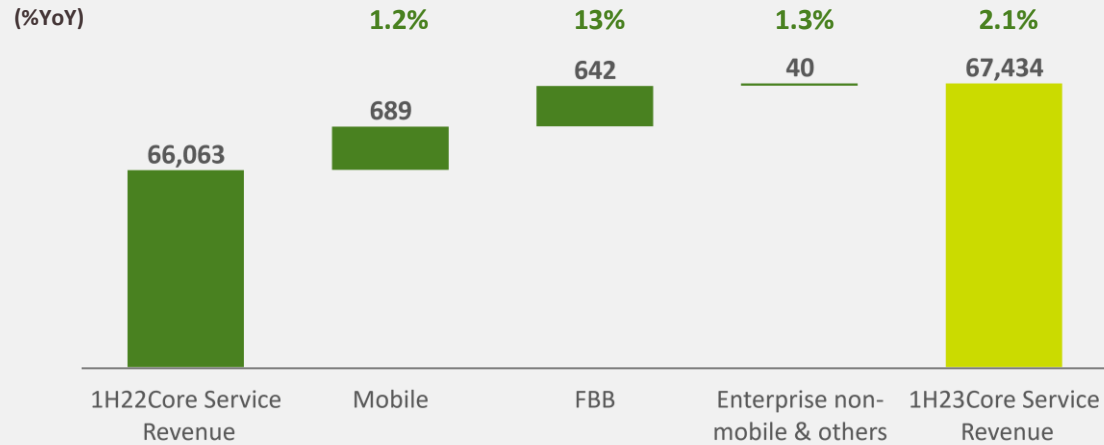
**Core service revenue improved YoY and QoQ** from a recovery of mobile and FBB with focus on profitability through valued package offerings and cross-selling/upselling value-added services while enterprise keeps the focus on products with high margins.

**EBITDA improved YoY and QoQ** from the expansion of core service revenue combined with well-controlled cost, especially in SG&A expenses.

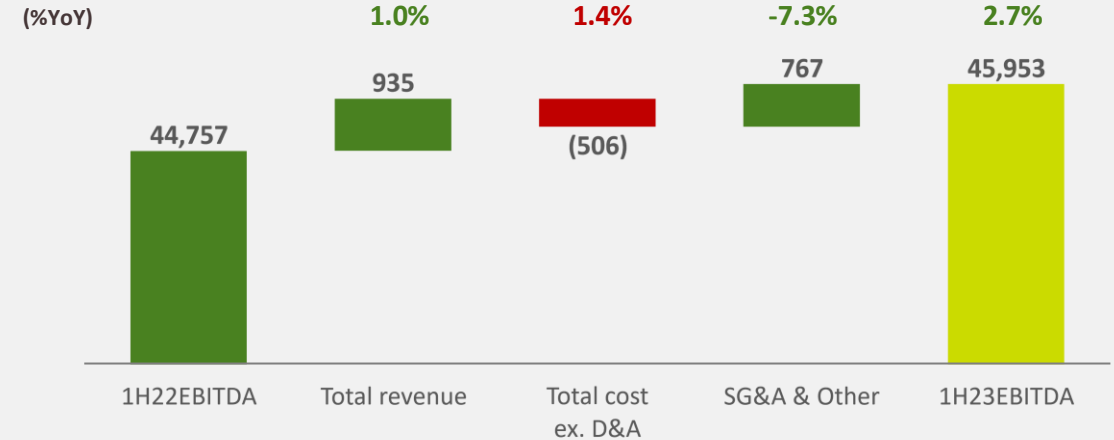
**NPAT increased YoY and QoQ** following better operational performance and a benefit of FX gain.

# 1H23: Healthier top-line growth brought in strong profit recovery

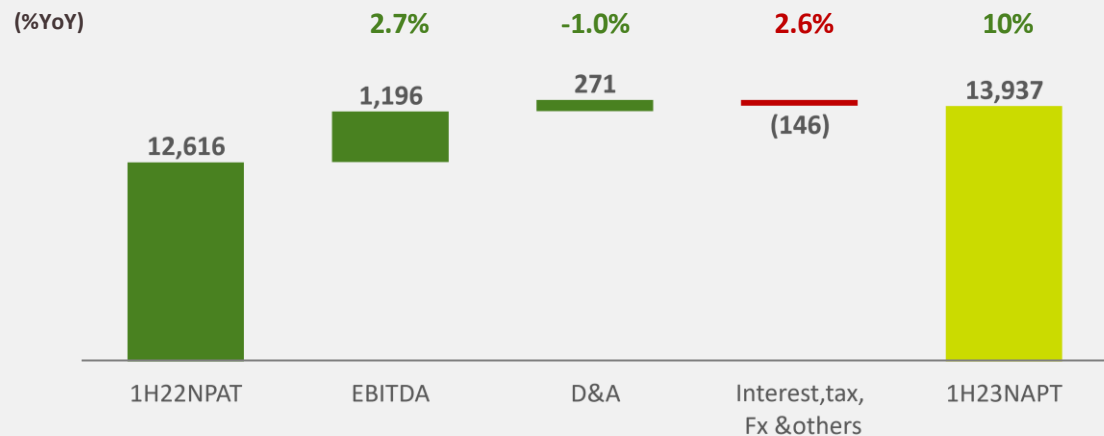
## Core service revenue (Bt mn)



## EBITDA (Bt mn)



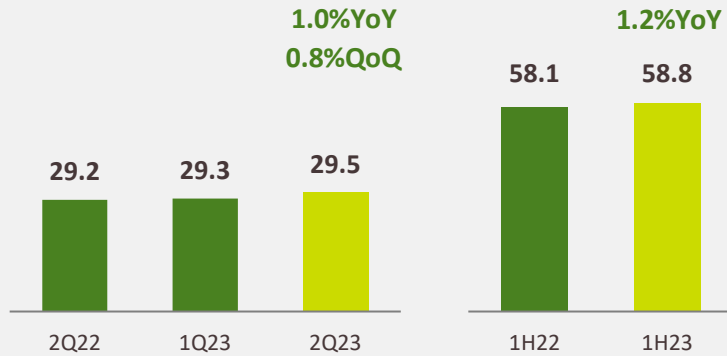
## NPAT (Bt mn)



- **Core Service Revenue increased 2.1% YoY** driven by growth in mobile and FBB following improved economy especially in tourist related sectors and domestic consumption, while enterprise business grew minimally from focus on high-margin services.
- **EBITDA improved 2.7% YoY**, from growth in core service revenue with well-executed cost control in SG&A, partially offset by the rising utility price.
- **NPAT showed 10% growth YoY** following better operating performance.

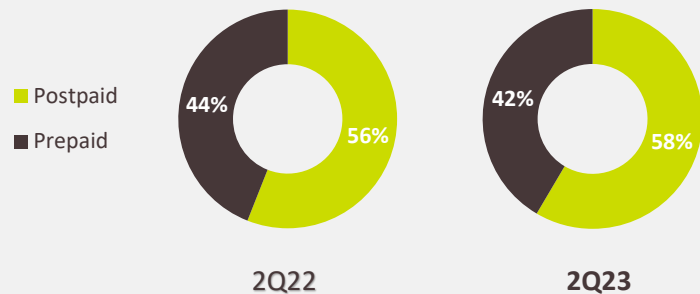
# Mobile: positive momentum with quality focus and growth of tourist usages

## Mobile revenue (Bt bn)



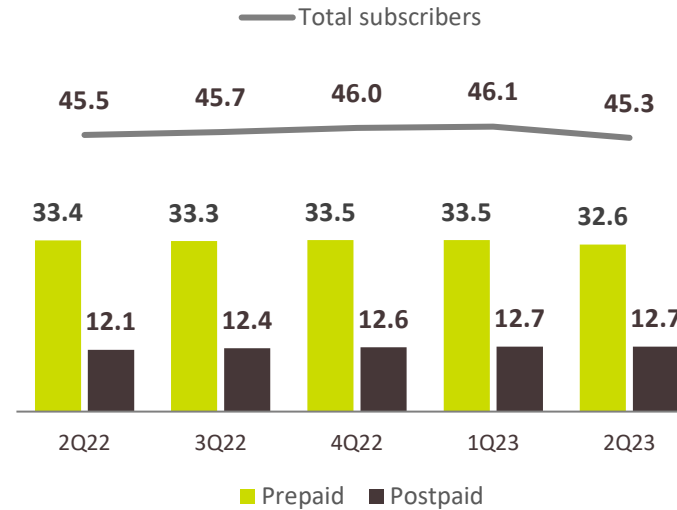
- 2Q23 revenue improved YoY and QoQ resulting from quality acquisition with a recovery of tourist-related usages and cross-sell & upsell.

## % Mobile Revenue Contribution

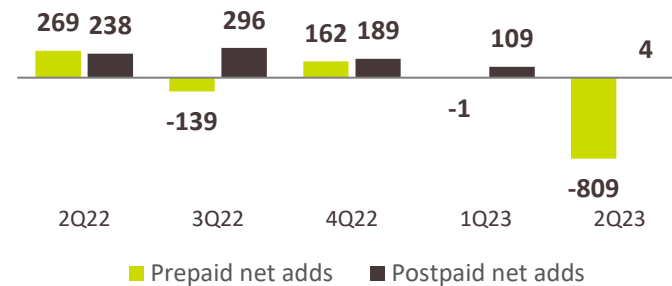


- Postpaid mix continues to grow from upselling strategy and benefitted from increasing roaming/IDD call.

## Total subscriber (mn)

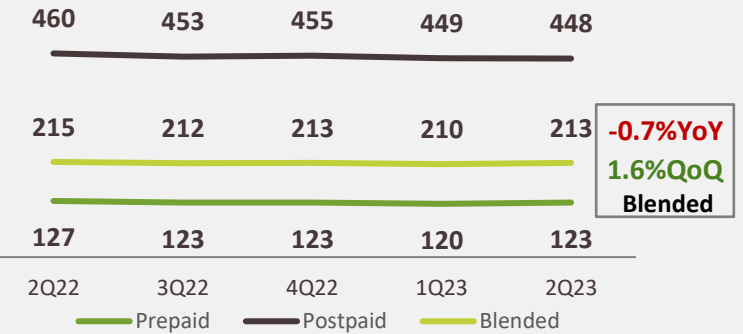


## Net additional subscriber ('000)



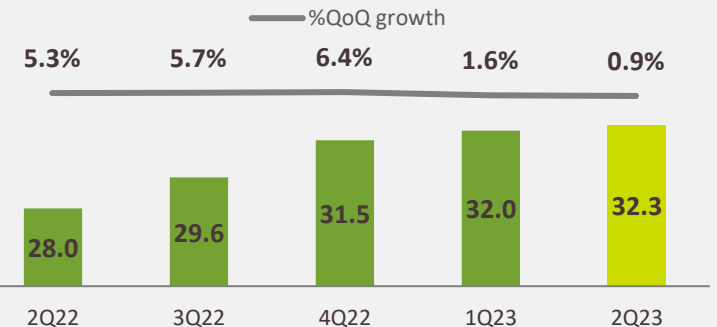
- Efforts in quality acquisition generated lower new subscribers in prepaid while churn rate remains stable. Postpaid grew leading by 5G subscribers.

## Mobile ARPU (Bt/sub/month)



- ARPU increased QoQ from value package offerings and increase in tourist-related usage.

## Data Consumption

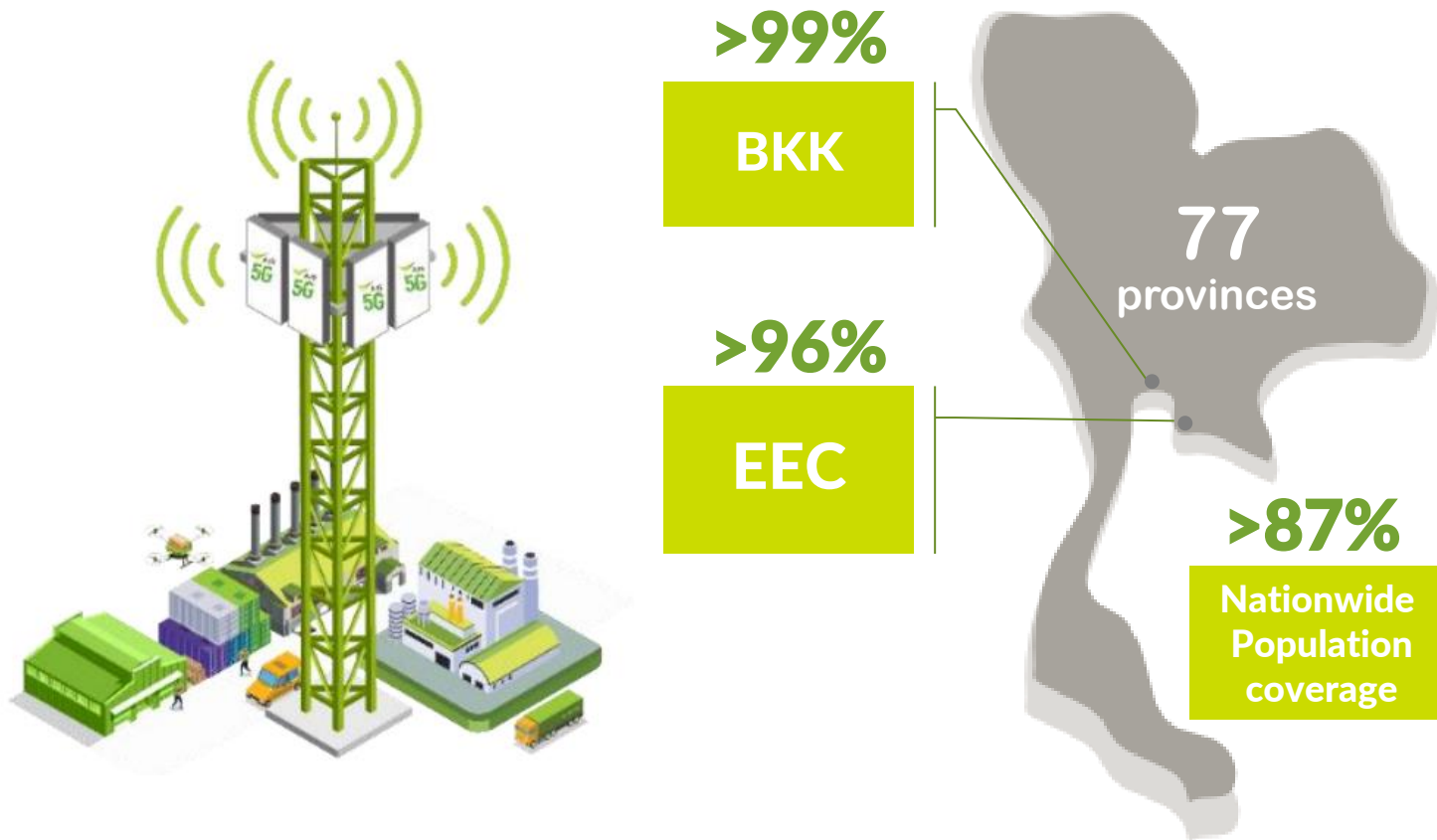


- Data consumption increased with genuine customer demand and higher 5G adoption while at a lower rate due to a reduction of unlimited data packages.




# Maintaining network superiority with 5G subscribers reaching 7.8mn

## 5G network coverage



## Driving 5G adoption with quality

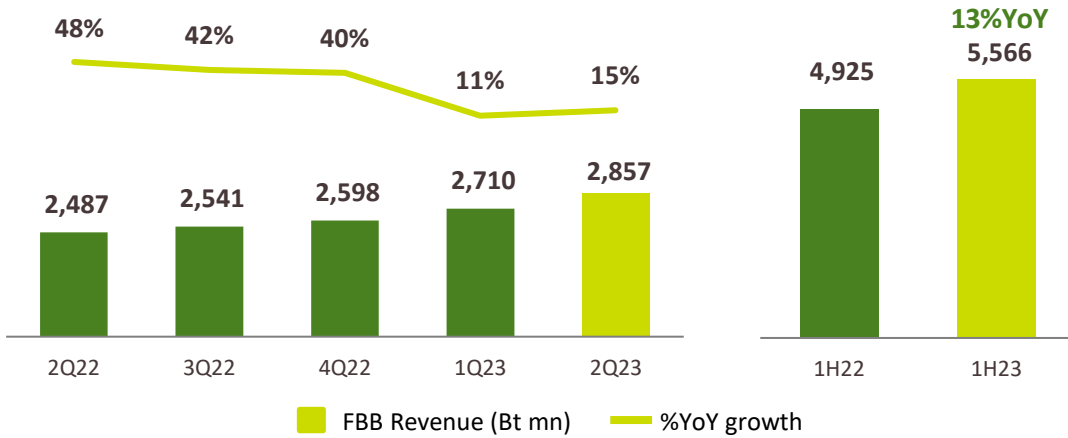
 **7.8mn**  
2Q23 Subscribers

 **10-15%**  
5G ARPU uplift

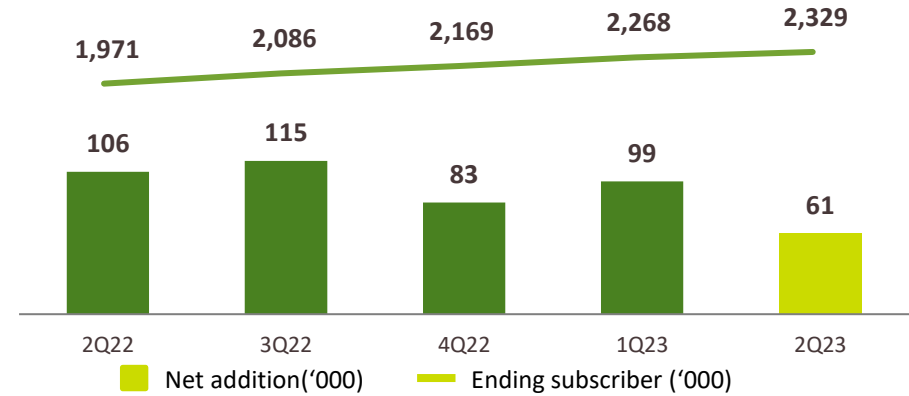
**Improved value through 5G adoption**

# Home Broadband: expanded coverage while delivering superior service and quality

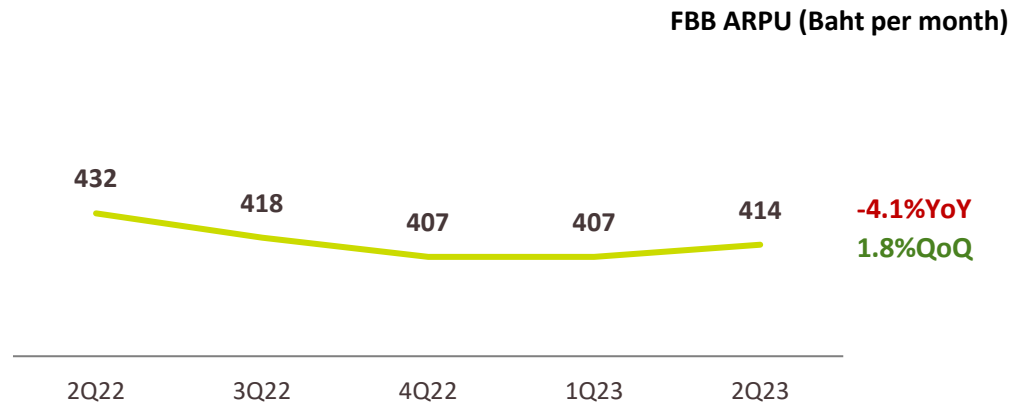
## Growth trajectory from genuine customer demand



## Quality subscriber acquisition in suburban areas



## ARPU trend driven by cross-sell & upsell services



## Variety of value-added services and innovative products

**NETFLIX**

**AIS Fibre**

**Package Fibre**

**Netflix Lovever**

Home internet **1Gbps**  
Stream **Netflix Premium**

Recommended Price **999.-**

Endless entertainment for your family to get into

**AIS Fibre**

EXPERIENCE A NEW HOME INTERNET **FAST. HI-SPEED. HI-TECH.** WITH THE NEWLY OPENED **6 GHz** BAND

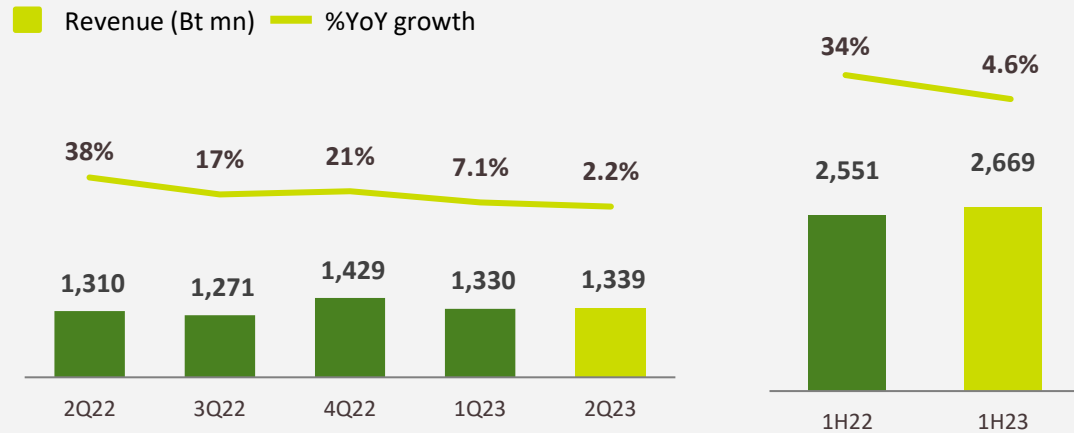
**WiFi6E**

EXCLUSIVELY! FOR AIS FIBRE CUSTOMERS  
BUY **WiFi6E** Router IN A VALUABLE PRICE VIA AIS Online Store

**REGISTER**  
BYOD BROADBAND **2Gbps/1Gbps** FOR **1,299.-**  
GET A **100-BAHT** DISCOUNT FOR **6 MONTHS**

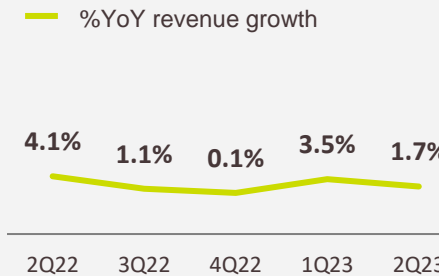
# Enterprise non-mobile: towards high-margin products for profitability

## Selective growth amid economic uncertainty

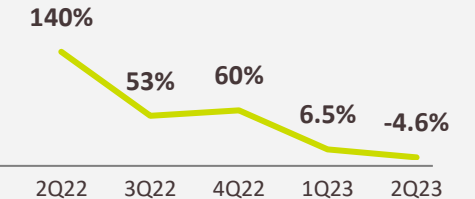


## Momentum remained strong in connectivity services

### Enterprise Data service (EDS)



### Cloud, Data center Cybersecurity, IOT & ICT solutions\*



\* Reclassification of CCIID revenue since 2Q22

**AIS Business 5G**  
Your Trusted Smart Digital Partner

**SME CORPORATE INTERNET**  
FAST SECURE STABLE  
Exclusively for your business  
Get 50% Discount for the first year



## Enterprise Key Focus

- I. **Telco and Connectivity**  
High quality network with professionally managed service
- II. **Non-Telco and solution**  
Integrated and end-to-end solutions to enhance business needs

# FY23 Guidance : maintained with positive outlook in 2H23

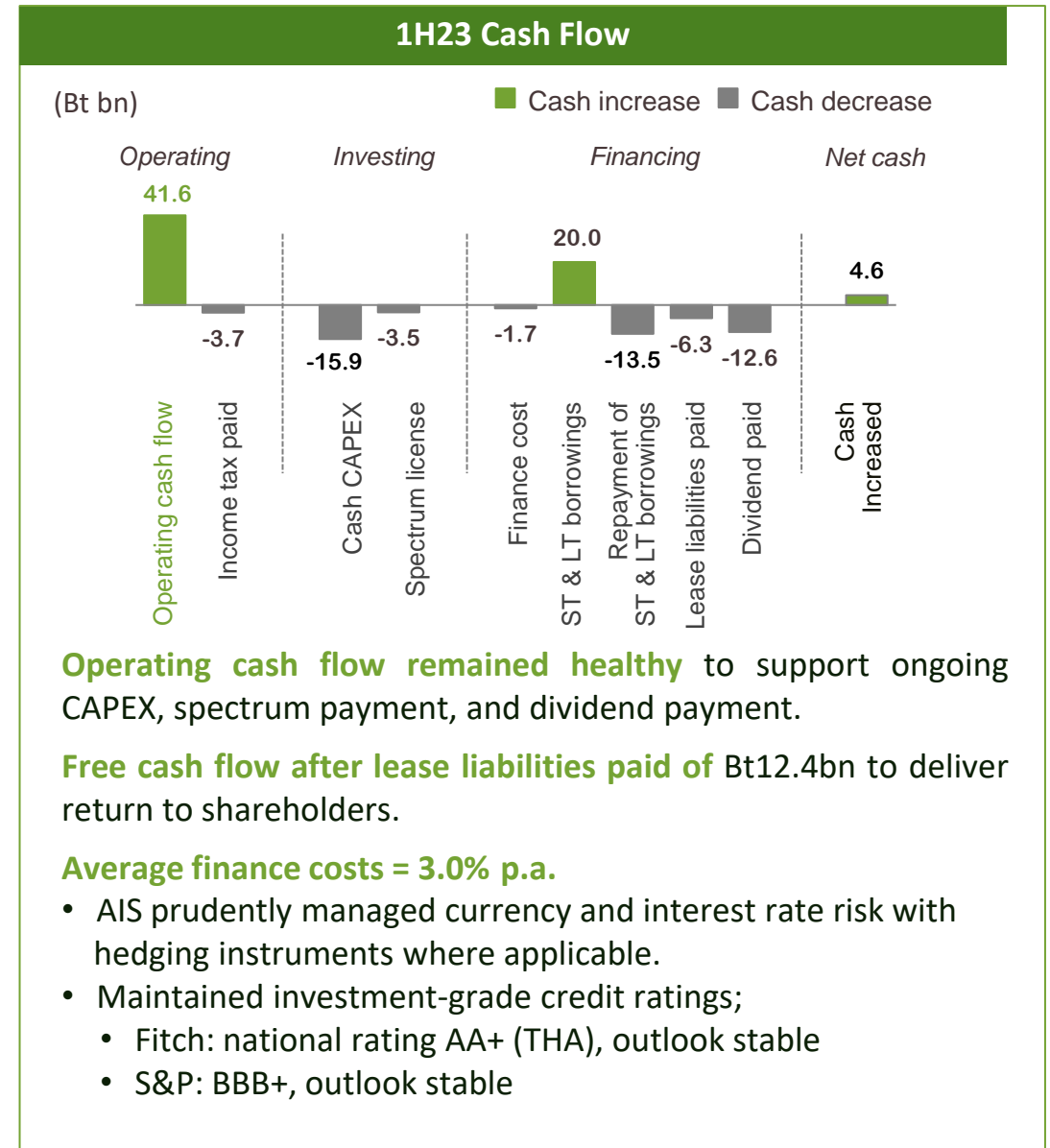
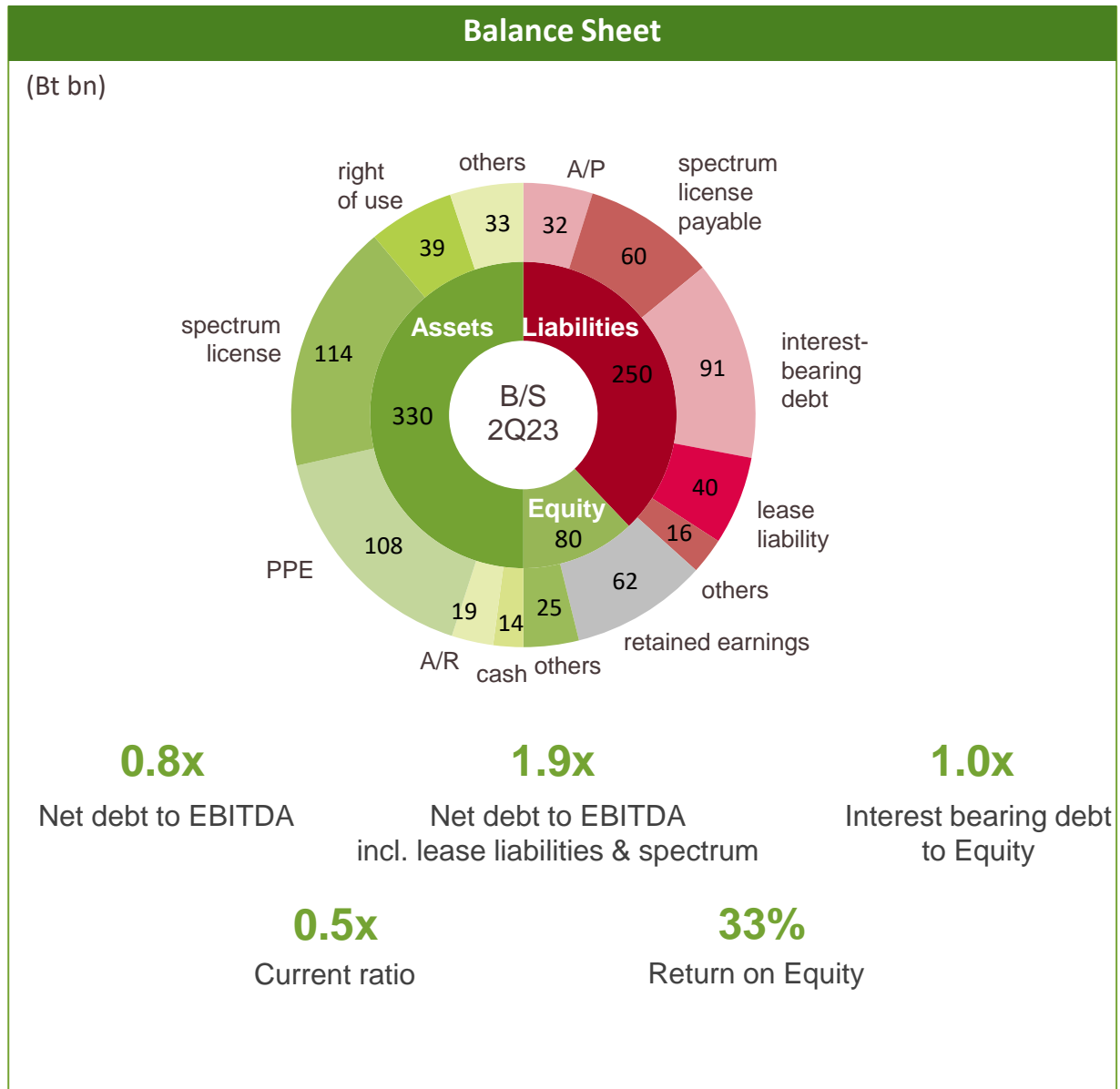
	Guidance	1H23	Rationale
<b>Core service revenue</b>	<b>Around 3-5%</b>	<b>+2.1%</b>	<ul style="list-style-type: none"> <li>• <b>Mobile business focusing on profitable market share</b> through superior 5G experience in quality and coverage, value-based differentiation of partnership privileges ecosystems, and personalized real-time offering.</li> <li>• <b>Fixed broadband maintains the growth momentum</b> focusing on mid-to-high-end segments and underserved areas led by quality acquisition and services.</li> <li>• <b>Enterprise non-mobile to focus on profitable products in targeted industries</b> growing EDS business, vertical solution with 5G Paragon Platform and CloudX.</li> </ul>
<b>EBITDA</b>	<b>Mid-single digit growth</b>	<b>+2.5%</b>	<ul style="list-style-type: none"> <li>• <b>Focus on profitability and higher efficiency</b> through process optimization and lower cost to serve by enhancing autonomous network and IT process &amp; systems.</li> <li>• <b>Optimal capital allocation</b> to ensure market leadership and deliver distinctive customer experiences.</li> </ul>
<b>CAPEX *exclude spectrum</b>	<b>Bt27-30bn (depending on foreign exchange rate)</b>	<b>13bn PPE</b>	<ul style="list-style-type: none"> <li>• <b>Sustain 5G leadership</b> and network quality management.</li> <li>• <b>Expand AIS Fibre coverage</b> to capture untapped demand.</li> <li>• <b>Enhance our enterprise business</b> and digital services with high growth potential.</li> <li>• <b>Network optimization</b> through reducing low-value traffic, shifting traffic towards 5G while ensuring sufficient network deployment.</li> </ul>

(FY23 Guidance excluding 3BB impact)

# Financial Highlights

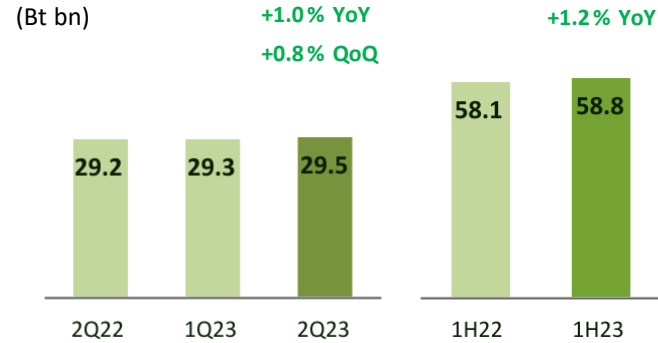
Bt mn	2Q22	1Q23	2Q23	%YoY	%QoQ	1H22	1H23	%YoY
Mobile revenue	29,217	29,258	29,495	1.0%	0.8%	58,064	58,753	1.2%
FBB revenue	2,487	2,710	2,857	15%	5.4%	4,925	5,566	13%
Other revenues	1,588	1,564	1,551	-2.4%	-0.8%	3,075	3,115	1.3%
<b>Core service revenue</b>	<b>33,293</b>	<b>33,531</b>	<b>33,903</b>	<b>1.8%</b>	<b>1.1%</b>	<b>66,063</b>	<b>67,434</b>	<b>2.1%</b>
IC and NT partnership	3,193	3,255	3,413	6.9%	4.9%	6,432	6,668	3.7%
<b>Service revenue</b>	<b>36,486</b>	<b>36,786</b>	<b>37,315</b>	<b>2.3%</b>	<b>1.4%</b>	<b>72,495</b>	<b>74,102</b>	<b>2.2%</b>
SIM and device sales	8,786	9,926	7,459	-15%	-25%	18,057	17,385	-3.7%
<b>Total revenue</b>	<b>45,273</b>	<b>46,712</b>	<b>44,774</b>	<b>-1.1%</b>	<b>-4.1%</b>	<b>90,552</b>	<b>91,487</b>	<b>1.0%</b>
Cost of service	21,630	21,950	22,334	3.3%	1.7%	43,167	44,285	2.6%
SG&A	5,690	5,570	4,910	-14%	-12%	11,228	10,480	-6.7%
<b>EBITDA</b>	<b>22,353</b>	<b>22,636</b>	<b>23,317</b>	<b>4.3%</b>	<b>3.0%</b>	<b>44,757</b>	<b>45,953</b>	<b>2.7%</b>
EBIT	9,161	9,482	10,181	11%	7.4%	18,195	19,662	8.1%
<b>NPAT</b>	<b>6,305</b>	<b>6,757</b>	<b>7,180</b>	<b>14%</b>	<b>6.3%</b>	<b>12,616</b>	<b>13,937</b>	<b>10%</b>
Sales margin	0.2%	1.8%	1.2%			0.8%	1.5%	
EBITDA margin	49.4%	48.5%	52.1%			49.4%	50.2%	
EBIT margin	20.2%	20.3%	22.7%			20.1%	21.5%	
NPAT margin	13.9%	14.5%	16.0%			13.9%	15.2%	

# Healthy balance sheet and cash flow to support investment



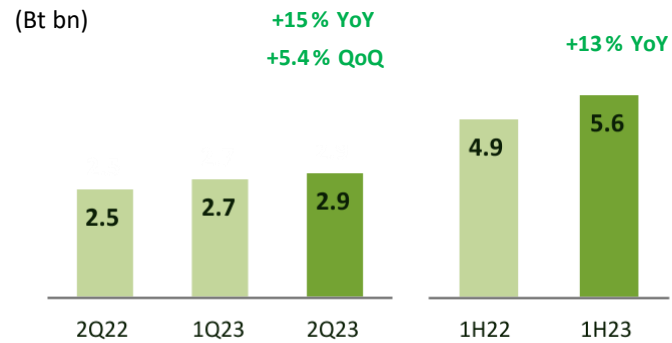
# 2Q23 & 1H23 Revenue Breakdown

## Mobile revenue



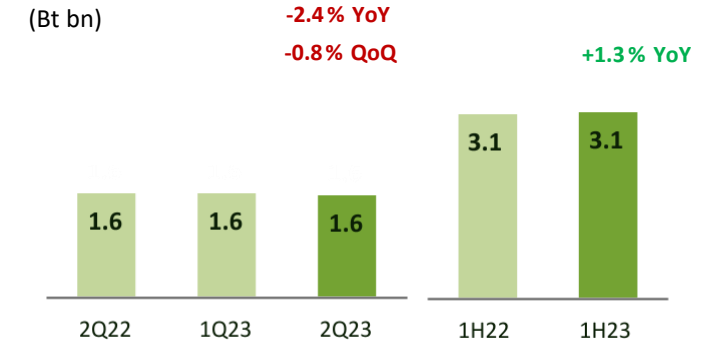
- Improved YoY and QoQ benefitted from tourist-related usages and effort to offer value-added services by cross-selling and upselling.

## Fixed broadband revenue



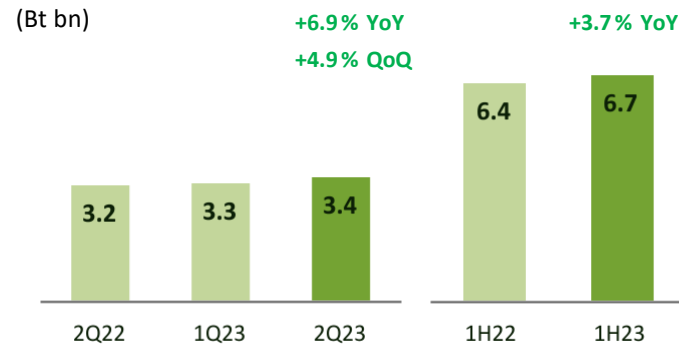
- Continue robust growth YoY and QoQ by quality acquisition strategy and upselling value packages and expanding service coverage.

## Enterprise and Other revenues



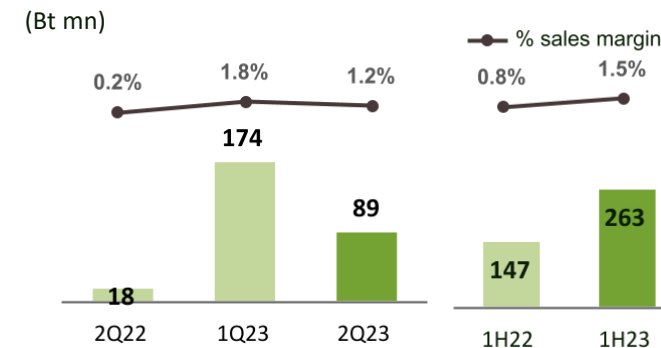
- Slightly declined YoY and QoQ mainly from other revenue while enterprise business continue its growth YoY and QoQ from focus on higher-margin sales.

## IC and NT partnership



- increasing YoY and QoQ from increased traffic usage from NT offset by lower IC revenue from a lower charge rate.

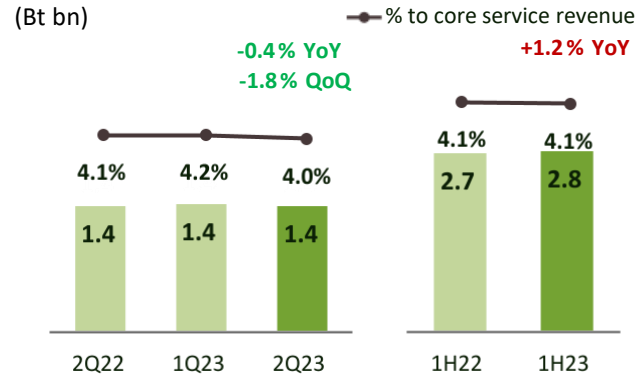
## Net Sales & margin



- Net sales margin improved YoY from reduced discount and subsidy in unprofitable segment, while declined QoQ from lower handset sales from seasonality.

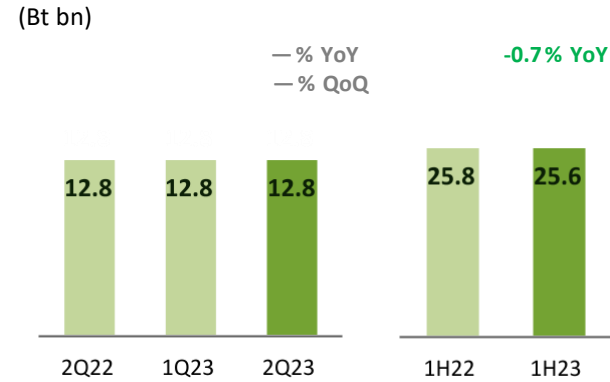
# 2Q23 & 1H23 Cost Breakdown

## Regulatory fee



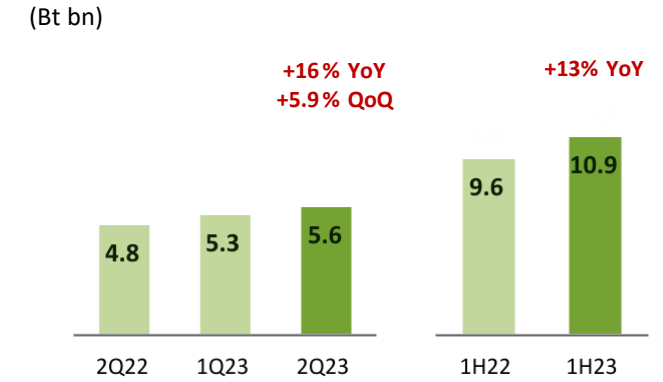
- Slightly decreased YoY and QoQ and stood around 4.0% of core service revenue.

## D&A



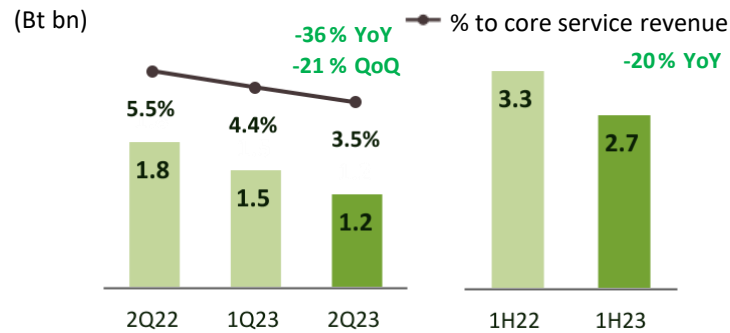
- D&A remained flat due to the fully depreciated 3G network equipment offset with 5G network capacity expansion.

## Network OPEX and NT partnership



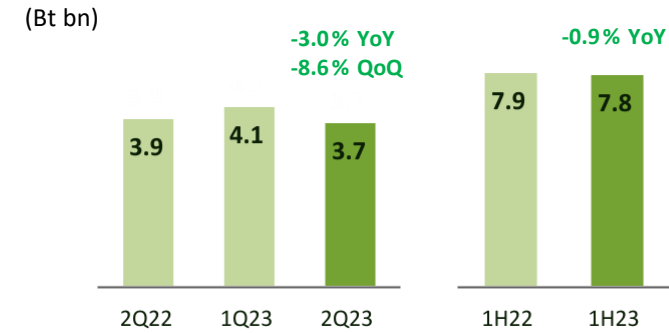
- Increased YoY due to higher electricity price and roaming cost with NT.
- Slightly increased QoQ benefitted from lower FT rate in May-23.

## Marketing expense



- Decreased YoY and QoQ from cost efficiency measures.

## Admin & others



- Decreased YoY and QoQ mainly due to a reduction in depreciation of right-of-use assets coupled with cost controls execution.



# Sustainability Awards & Disclosure Standard

## Disclosure Standard



## ESG Index & Rating



Member of  
**Dow Jones Sustainability Indices**

Powered by the S&P Global CSA



FTSE4Good



## Sustainability Awards



**IDC Future Enterprise Awards**



**SET AWARDS 2022 Sustainability Excellence Highly Commended**





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

Email: [investor@ais.co.th](mailto:investor@ais.co.th)

Tel: +662 029 4443

Sustainability website: <https://sustainability.ais.co.th>

Email: [AISsustainability@ais.co.th](mailto:AISsustainability@ais.co.th)

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.