FY22 MD&A
Advanced Info Service Plc.

Executive Summary

Maintaining growth in core products amid cautious economic recovery

2022 displayed an easing COVID-19 situation with a rebound of foreign tourists which boosted Thailand's economic recovery. Nonetheless, domestic demand stayed soft due to the global geopolitical conflicts that created accelerated inflation and a decline in consumer purchasing power. Through challenges from various factors, AIS delivered core service revenue growth of 1.6% YoY, with the momentum of Fixed Broadband and Enterprise businesses which rose on digitization demand from home and business customers. The mobile business leadership was sustained with AIS focusing on quality acquisition and profitable segments despite continued intense competition. The postpaid segment further developed a positive momentum and contributed a larger pie YoY in revenue share.

Accelerated 5G users with superior network and service experiences

With our aim to deliver a superior customer experience in coverage and quality, we executed 5G network rollouts utilizing 700MHz and 2600 MHz spectrum to cover 85% of the population in 2022. Our effort drove 5G adoption to 6.8mn users, above the target of 5mn. This represents 15% of total subscribers. The ARPU uplift of 5G subscribers stayed about 10-15%. AIS believes that our competitive edge in quality and 5G network strengths has enabled us to achieve a sustained mobile performance. Mobile revenue reported Bt116,696mn, a slight decline of -0.5% YoY from growth in quality postpaid customers while streamlining the offers of prepaid packages.

Broadband and Enterprise business remains a strong growth engine

Broadband revenue maintained its growth momentum with an increased subscriber base amid a price-competitive environment. The revenue recorded at Bt10,064mn, an increase of 19% YoY. AIS focuses on a fixed-mobile-content convergence (FMC) strategy alongside consistent service standards and introducing advanced technology via smart routers to enhance the home experience for AIS Fibre's customers.

The non-mobile enterprise business rode well on the digitization trend leveraging on a strong foundation of strategic partnerships that form a strong ecosystem with newly introduced products and platforms. We helped enterprise customers by delivering specific smart solutions and transforming their operations effectively. Consequently, we recorded Bt5,251mn in revenue, growing 26% YoY.

Soften EBITDA from cost pressure

AIS EBITDA in FY22 was Bt89,731mn, dropped -1.8%YoY mostly from a surging electricity price and continued 5G network expansions. We ensured carrying out continuous cost optimization in all areas to soften this impact. Following the declined EBITDA, AIS reported a net profit of Bt26,011mn, decreasing -3.4% YoY.

Expected growth in FY23 focusing on profitability through quality revenue and efficient cost allocation

2023 will be a year of transformation towards a Cognitive Tech-Co that aims to streamline and transform every operation to best provide superior experiences for the customers. AIS expects to grow core service revenue at around 3-5% with the main drivers from FBB and Enterprise, while cost optimization will be the key engine to grow EBITDA at mid-single digit growth. CAPEX is estimated between Bt27-30bn for growth opportunities in core business and to sustain our network leadership.

Market and Competitive Environment

The Thai economy in FY22 started off with a positive tone of post-pandemic recovery with the tourist and hospitality-related sectors mostly benefiting from the border re-openings. However, towards the middle of the year, the rising inflation and continuous increase in energy costs limited private consumption and signaled a global economic slowdown, raising spending concerns across all businesses and homes.

The mobile competition landscape in FY22 remained difficult for most operators maintaining their low-price packages to grow and retain the customer base. AIS executed price discipline since 3Q22 by removing the freebies in the entry-level package while taking cautious steps to uplift the ARPU. However, the fragile cost-concern environment, especially for price-sensitive segments, limited the result and brought down the ARPU across the industry. 5G remained the key growth factor of mobile operators with intentions to monetize their 5G investments. 5G packages were promoted through content or other services bundling in addition to more affordable 5G devices available in the market to create a 5G ecosystem. As a result, the industry's 5G users grew significantly in FY22.

The home broadband market continued to expand with genuine demand for quality broadband at home but also faced intense competition from low-price packages starting at Bt299 offering throughout the year amid economic challenges and causing an incessant drop in the broadband industry ARPU. While some operators focus on lowering prices to compete, some executed a convergence strategy offering product bundling with more value-added products and differentiated services promoting superior quality to acquire the market share.

Enterprise business grew well riding on the demand for digitalization. Customers seek to transform with smart solutions to improve the efficiency and productivity of their businesses. Nonetheless, economic concerns also persisted in this customer segment, especially in small and medium enterprises, and postponed their investments to transform as they focused to secure the bottom line.

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Significant Event in FY22

1. In Feb-22, AIS announced the Joint Development Agreement ("JDA") with Gulf Energy Development Plc. ("Gulf") and Singapore Telecommunications Limited ("Singtel") to jointly establish a data center business. After that in July-22 AIS announced the establishment of a subsidiary company "AIS DC Venture Company Limited (AISDC)" to invest in joint data center business on behalf of AIS.
2. In July-22, AIS announced the acquisition of TTTBB and 19% investment units in JASIF. As of the end of the year, the transaction was under NBTC consideration for approval. Once NBTC approves, AIS expects the signing of the share purchase agreement and execution of the transaction to be completed within 2nd quarter of 2023.

FY22 Operational Summary

In FY22, total mobile subscribers reached 46mn, representing a total net addition of 1.9mn subscribers or +4.3% YoY. Prepaid customers increased by 859K, and postpaid by 1mn subscribers from the end of 2021. Although the softening impact of COVID-19 boosted business activities, the worsened macroeconomic conditions with higher inflation and energy cost affected the cost of living and pushed the 4Q22 blended ARPU downward -4.6%YoY. This was also an impact of prolonged intense price competition due to a lower purchasing power in price-sensitive customers. The blended ARPU slightly increased 0.8% QoQ from a high season with more inbound and outbound tourists coupled with AIS efforts to grow profitable revenue in selective segments.

AIS Fibre continued a strong momentum and closed at 2.2mn in 2022 with a net increase of 400k subscribers or 22% YoY. The growth was driven by expanded service coverage to more suburban areas with affordable entry packages while providing superior connectivity and service quality, as well as our efforts to reduce the churn rate. However, the intense price competition persisted for another year with low-price offerings continuing across the industry to acquire and retain customers causing ARPU to decrease -8.2%YoY and -2.5%QoQ.

Mobile Business Subscribers	4Q21	3Q22	4Q22	%YoY	%QoQ
Postpaid	11,522,200	12,371,000	12,560,100	9.0%	1.5%
Prepaid	32,594,500	33,290,700	33,453,000	2.6%	0.5%
Total subscribers	**44,116,700**	**45,661,700**	**46,013,100**	4.3%	0.8%
Net additions					
Postpaid	246,500	296,100	189,100	-23%	-36%
Prepaid	212,900	(138,800)	162,300	-24%	-217%
Total net additions	**459,400**	**157,300**	**351,400**	-24%	123%
ARPU (Baht/sub/month)					
Postpaid	473	453	455	-3.8%	0.5%
Prepaid	136	123	123	-10%	-0.1%
Blended	**224**	**212**	**213**	-4.6%	0.8%
MOU (minute/sub/month)					
Postpaid	174	155	153	-12%	-1.3%
Prepaid	66	58	58	-12%	—%
Blended	**92**	**82**	**82**	-11%	—%
VOU (GB/data sub/month)					
Postpaid	27.1	31.9	33.8	25%	6.0%
Prepaid	23.5	28.3	30.2	29%	6.7%
Blended	**24.9**	**29.6**	**31.5**	27%	6.4%
5G subscription					
5G subscription	2,200,000	5,500,000	6,830,000	210%	24%
Fixed Broadband Business					
FBB subscribers	1,772,000	2,085,900	2,169,200	22%	4.0%
FBB net addition	103,100	114,500	83,300	-19%	-27%
FBB ARPU (Baht/user/month)	444	418	407	-8.2%	-2.5%

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4Q22 Snapshot

For 4Q22, **core service revenue** was at Bt33,840mn, improving 1.3% YoY and 2.1% QoQ supported by growth in non-mobile businesses. Mobile business improved QoQ from a seasonality trend while dropping minimally YoY from the continued price competition, especially from the low-price unlimited data plans offered across the industry. Nonetheless, our focus on quality acquisition led to solid growth in the postpaid segment driven by significant 5G adoption and new handset sales. The FBB business grew 13% YoY and 2.2% QoQ with our excellent service quality and execution of product bundling strategy, we expanded to the untapped areas and brought in continuous subscriber growth. Enterprise business and other service revenues rode on a continuous digital transformation trend, growing 13% YoY and 16% QoQ driven by Cloud and IT solutions.

The cost of services was at 22,046mn, growing 1.8% YoY and 0.8% QoQ, from network OPEX and NT partnership which increased 10% YoY and 2.4% QoQ as a result of increased utility price. D&A showed a decline -3.3% YoY and -0.8% QoQ from fully amortized 3G network assets offsetting the new 5G investments to maintain a leadership position. AIS continuously executed cost optimization especially in the administrative expenses to lessen the impact of the increased cost environment. Though we have increased marketing expenses for year-end campaign promotions, a one-time reversal of accrued expenses booked in this quarter resulted in the total **selling and admin expenses** for the quarter to decrease -5.6% YoY and -2.5% QoQ.

4Q22 **EBITDA** stayed flat YoY as a result of SG&A optimization amid rising utility costs. It improved by 3.6% QoQ driven by high seasonality in mobile revenue and a high growth in enterprise business while cost was well under control despite inflation and cost pressure. As a result, the **reported net profit** was at Bt7,363mn, improved 7.3% YoY and 22% QoQ from a net gain in foreign exchange.

FY22 Financial Summary

Revenue

In FY22, AIS generated **total revenue** of Bt185,485mn, increasing 2.3%YoY as a result of core service revenue improvement and growth in handset sales benefited from iPhone launching earlier by one quarter compared to the previous year despite the rising inflation which limited consumer purchasing power.

Core service revenue (excluding IC and NT partnership) recorded at Bt133,033mn, improving 1.6% YoY from strong growth in both fixed-broadband and non-mobile enterprise business.

- **Mobile revenue** reported Bt116,696mn, decreasing -0.5%YoY from lowered ARPU from Bt224 to Bt213 as a result of continuing price competition and delayed economic recovery. With AIS leadership in superior network quality, the revenue is sustained with increased 5G subscribers and a recovery in IR/IDD revenue from border re-opening. Prepaid and postpaid subscribers grew 2.6% and 9% YoY respectively.
- **Fixed broadband revenue** was at Bt10,064mn, increasing 19% YoY driven by strong subscriber growth of 22% YoY from a genuine need for quality broadband at home despite customers returning to their pre-covid routines combined with the expansion of service coverage in suburban areas. ARPU still faced a downward trend from low-price package offerings.
- **Enterprise non-mobile revenue & others** were at Bt6,274mn, improved 19%YoY from increasing demand of CCIID leading by Cloud Services and ICT Solutions following the digitization trend.

Revenue from interconnection charge (IC) and NT partnership was at Bt12,976mn, decreasing -6.1% YoY due to lower network traffic with NT and Interconnection charges compared to the previous year.

SIM & Device sales reported at Bt39,476mn, growing 8.0%YoY from a higher sale volume of iPhone14 (all models) compared to last year's sale of iPhone13 as iPhone14 was launched earlier by one quarter this year. The sale margin increased from 0.9% to 1.0% due to a higher mix of high-margin handsets.

Cost & Expense

In FY22, the **cost of service** was at Bt87,076mn, increasing 2.2%YoY affected by rising utility cost and cost of cloud in line with higher cloud sales to enterprise customers this year.

- **Regulatory fee** was at Bt5,502mn, increasing 3.4%YoY aligned with an increase in core service revenue. The ratio has been maintained at 4.1%.
- **Depreciation & amortization** was Bt51,296mn, decreasing -0.9%YoY due to fully depreciated 3G network equipment offset with our continued investment of 5G network rollout. AIS invests with optimization and superior network quality in mind and expanded in the area with high utilization.
- **Network OPEX & NT partnership cost** was at Bt20,075mn, increasing 4.9%YoY due to the increased utility cost following the rising energy price and higher required network capacities and base stations from 5G rollouts. NT partnership cost dropped in line with lower network traffic with NT.
- **Other costs of service** recorded at Bt10,202mn, increasing 13%YoY with full year effect of content cost following the acquiring new content and Disney+ Hotstar in July 2021. The cost of cloud sales also increased corresponding with a higher cloud revenue.

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SG&A expenses recorded Bt22,353mn, increased 3.0%YoY, driven by marketing expenses following the resumed economic activities offset with continuous efforts to optimize and improve efficiency and productivity in all areas resulting in lower administrative expenses.

- **Marketing expenses** at Bt7,026mn, increasing 16%YoY from resumed advertisements and handset subsidy campaigns post COVID-19 lockdowns which reflected in last year's low base.
- **Admin & other expenses** at Bt15,327mn, decreased -2.2%YoY, mainly from cost control initiatives and lower staff-related expenses. Bad debt provision as % of postpaid and FBB revenue remained at 2.6%.

Net FX loss was at Bt -37mn in 22FY, compared to FX loss of Bt -646mn last year. The strengthened THB in 4Q22 helped covered the FX losses from depreciated THB in the previous quarters. AIS has the policy to mitigate the currency risk using hedging instruments where applicable.

Other income dropped -50% YoY as there was a special one-off item booked in 2Q21.

Finance cost was at Bt5,231mn, decreased -7.0%YoY from lower interest-bearing debt. The average cost of borrowing slightly increased from 2.6% to 2.8% affected by rising interest rates.

Income Tax was at Bt6,168mn, increased 3.3%YoY. The effective tax rate was 19.2% increasing from 18.1% in FY21 due to expiring tax benefits.

Profit

EBITDA in FY22 was at Bt89,731mn, decreasing by -1.8%YoY from lower operating profit as an impact from normalized marketing expenses and high utility cost.

EBITDA margin was at 48%, declining from 50% in FY21 mainly due to an increased mix of handset sales to total revenue.

The reported net profit was at Bt26,011mn, dropping -3.4%YoY from the challenging cost environment in operations despite improved FX impact and lower finance cost.

Cash flow

In FY22, cash flow from operation (after tax) reported at Bt81,405mn, decreased -6.0% YoY following a decreased in EBITDA. Cash outflow for network investment was at Bt32,319mn and at Bt11,039mn for spectrum license. As a result, free cash flow for FY22 was at Bt25,599mn (OCF less CAPEX, spectrum license and lease liabilities paid). In total, net cash decreased by Bt3,726mn resulting in outstanding cash of Bt9,014mn at the end of Dec-22.

Financial position

For the period ending December 2022, the total assets reduced -5.4% to Bt337,044mn compared to the end of 2021 when we acquired 700MHz and 26GHz spectrum licenses. There was no new spectrum license in 2022. Current assets were at Bt34,338mn which decreased -3.5% from lower cash. Total non-current assets were at Bt302,706mn, decreased -5.6% due to the amortization of spectrum licenses, Network and PPE, and lower right-of-use assets.

Total liabilities closed at Bt251,227mn, declining -8.4% from the end of 2021. Interest-bearing debt stood at Bt84,410mn, decreased by -3.9% from lower long-term borrowing. Net debt to EBITDA (excluding lease liabilities and license payable) remained healthy at 0.8x. Total equity was at Bt85,816mn, which increased 4.9% from higher retained earnings.

Financial ratios

Profitability: AIS continued to deliver profitability with an EBITDA margin of 48.4% from well-managed cost amid a rising cost environment and pressure from price competition while the net profit margin stood at 14%, significantly above the industry average. ROE declined from 34% in FY21 to 31% and ROA slightly decreased from 7.7% in FY21 to 7.5%.

Liquidity & Leverage: Current ratio was at 0.36x, lower than the previous year of 0.39x. AIS maintained a strong financial position with low net debt to EBITDA of 0.8x and a decent interest coverage ratio of 16x.

Asset turnover: Inventory was well-managed with inventory days increased from 22 days to 27 days due to increased stock handset after a supply shortage in FY21. Account payable days maintained at 73 days, stable from FY21

Credit term and collection period

The normal credit term granted by the Company ranges from 14 days to 120 days depending on the type of provided service and clients. For consumer business mainly mobile and fixed broadband service, the Company allows 30 days of credit term as most services are monthly mobile subscriptions. However, Enterprise clients have been granted longer credit terms ranging from 30 days to 120 days depending on the type of services. The average collection period (days) for FY22 was 31 days, decreasing from 32 days in 2021.

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Income statement (Bt mn)	4Q21	3Q22	4Q22	%YoY	%QoQ	FY21	FY22	%YoY
Mobile revenue	29,591	29,107	29,524	-0.2%	1.4%	117,244	116,696	-0.5%
Fixed broadband revenues	2,290	2,541	2,598	13%	2.2%	8,436	10,064	19%
Other service revenues	1,515	1,481	1,718	13%	16%	5,291	6,274	19%
Core service revenue	**33,397**	**33,130**	**33,840**	**1.3%**	**2.1%**	**130,972**	**133,033**	**1.6%**
IC and NT partnership	3,374	3,171	3,373	—%	6.4%	13,820	12,976	-6.1%
Service revenue	**36,771**	**36,301**	**37,213**	**1.2%**	**2.5%**	**144,791**	**146,009**	**0.8%**
SIM and device sales	13,568	9,934	11,485	-15%	16%	36,542	39,476	8.0%
Total revenues	**50,338**	**46,234**	**48,699**	**-3.3%**	**5.3%**	**181,333**	**185,485**	**2.3%**
Regulatory fee	1,258	1,380	1,392	11%	0.9%	5,320	5,502	3.4%
Depreciation & Amortization	13,158	12,822	12,722	-3.3%	-0.8%	51,773	51,296	-0.9%
Network OPEX and NT partnership	4,808	5,156	5,277	9.8%	2.4%	19,128	20,075	4.9%
Other costs of services	2,440	2,505	2,655	8.8%	6.0%	9,017	10,202	13%
Cost of service	**21,664**	**21,863**	**22,046**	**1.8%**	**0.8%**	**85,238**	**87,076**	**2.2%**
Cost of SIM and device sales	13,459	9,833	11,353	-16%	15%	36,215	39,096	8 0%
Total costs of service and sale	**35,123**	**31,696**	**33,399**	**-4.9%**	**5.4%**	**121,453**	**126,172**	**3.9%**
Gross profit	**15,215**	**14,538**	**15,300**	**0.6%**	**5.2%**	**59,880**	**59,313**	**-0.9%**
SG&A	**5,821**	**5,633**	**5,492**	**-5.6%**	**-2.5%**	**21,700**	**22,353**	**3.0%**
Marketing Expense	1,725	1,821	1,874	8.6%	2.9%	6,035	7,026	16%
Admin and others	4,096	3,812	3,619	-12%	-5.1%	15,665	15,327	-2.2%
Operating profit	**9,394**	**8,905**	**9,807**	**4.4%**	**10%**	**38,179**	**36,960**	**-3.2%**
Net foreign exchange gain (loss)	163	-231	572	251%	-347%	-646	-37	-94%
Other income (expense)	196	62	26	-86%	-57%	986	489	-50%
Finance cost	1,366	1,294	1,294	-5.3%	—%	5,626	5,231	-7.0%
Income tax	1,522	1,410	1,747	15%	24%	5,970	6,168	3.3%
Non-controlling interest	-0.7	-0.7	-0.7	—%	5.1%	-2	-3	13%
Net profit for the period	**6,863**	**6,032**	**7,363**	**7.3%**	**22%**	**26,922**	**26,011**	**-3.4%**

EBITDA (Bt mn)	4Q21	3Q22	4Q22	%YoY	%QoQ	FY21	FY22	%YoY
Operating Profit	9,389	8,905	9,807	4.5%	10%	38,179	36,960	-3.2%
Depreciation & amortization	13,546	13,222	13,118	-3.2%	-0.8%	53,374	52,902	-0.9%
(Gain) loss on disposals of PPE	30	3	-8	-127%	-390%	26	20	-23%
Management benefit expense	-26	-36	-29	13%	-19%	-145	-133	-8.4%
Other financial cost	-6	-4	-5	-30%	19%	-25	-17	-31%
EBITDA	**22,934**	**22,091**	**22,884**	**-0.2%**	**3.6%**	**91,408**	**89,731**	**-1.8%**
EBITDA margin (%)	**45.6%**	**47.8%**	**47.0%**	**143bps**	**-79bps**	**50.4%**	**48.4%**	**-203bps**

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Financial Position (Bt mn%to total asset)	4Q21		4Q22	
Cash	12,739	3.6 %	9,014	2.7 %
ST investment	1,392	0.4 %	982	0.3 %
Trade receivable	15,219	4.3 %	16,414	4.9 %
Inventories	2,104	0.6 %	3,839	1.1 %
Others	4,111	1.2 %	4,088	1.2 %
Current Assets	**35,566**	**10 %**	**34,338**	**10 %**
Spectrum license	131,775	37 %	119,765	36 %
Network and PPE	117,844	33 %	113,252	34 %
Right of use	50,574	14 %	42,861	13 %
Intangible asset	10,864	3.0 %	16,827	5.0 %
Defer tax asset	4,236	1.2 %	4,597	1.4 %
Others	5,363	1.5 %	5,404	1.6 %
Total Assets	**356,222**	**100.0 %**	**337,044**	**100 %**
Trade payable	26,745	7.5 %	24,215	7.2 %
ST loan & CP of LT loans	14,132	4.0 %	20,496	6.1 %
CP of lease liabilities	10,537	3.0 %	11,135	3.3 %
Accrued R/S expense	3,361	0.9 %	3,361	1.0 %
CP of spectrum payable	10,903	3.1 %	10,903	3.2 %
Others	26,190	7.4 %	26,231	7.8 %
Current Liabilities	**91,868**	**26 %**	**96,341**	**29 %**
Debenture & LT loans	73,697	21 %	63,914	19 %
LT lease liabilities	40,597	11 %	32,871	10 %
Spectrum payable	61,416	17 %	52,085	15 %
Other	6,819	1.9 %	6,015	1.8 %
Total Liabilities	**274,397**	**77 %**	**251,227**	**75 %**
Retained earnings	57,103	16 %	60,675	18 %
Others	24,722	6.9 %	25,141	7.5 %
Total Equity	**81,825**	**23 %**	**85,816**	**25 %**

Key Financial Ratio	4Q21	3Q22	4Q22
Interest-bearing debt to equity (times)*	1.1	1.2	1.0
Net debt to equity (times)*	0.9	1.1	0.9
Net debt to EBITDA (times)*	0.8	1.0	0.8
Net debt & lease liability & spectrum license payable to EBITDA	2.2	2.2	2.0
Current Ratio (times)	0.4	0.3	0.4
Interest Coverage (times)	16.0	14.8	15.9
Debt Service Coverage Ratio (times)	4.4	2.1	3.1
Return on Equity	34%	31%	31%

Figures from P&L are annualized YTD.
* Exclude Lease liability

Debt Repayment Schedule			License payment schedule		
Bt mn	Debenture	Loan	900MHz	2600MH	700MHz
2023	7,820	12,689	7,565		3,473
2024	6,638	7,432	7,565		3,473
2025		9,102	7,565	2,934	3,473
2026	8,180	6,853		2,934	3,473
2027	9,000	6,110		2,934	3,473
2028	2,500	5,130		2,934	3,473
2029				2,934	3,473
2030				2,934	3,473
2031	3,000				

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

Source and Use of Fund: FY22 (Bt.mn)			
Source of fund		**Use of fund**	
Operating cash flow	87,762	Dividend paid	22,871
Sale of equipment	367	CAPEX & Fixed assets	32,319
Interest received	134	Spectrum license	11,039
Dividend received & Other	32	Lease liability payments	12,447
		Income tax and Finance cost paid	9,735
		Net borrowings payment	3,443
		Investments in JV & Other	166
Cash decrease	3,726		
Total	**92,020**		**92,020**

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2023 Guidance
(excluding 3BB impact)

Core service revenue	Around 3 – 5 %
EBITDA	Mid-single digit growth
CAPEX (exclude spectrum)	Bt27–30bn (depending on Foreign Exchange Rate)

Core service revenue to grow cautiously amid risks and uncertainties at 3 – 5%

In 2023, the macroeconomic outlook remains fragile with the recession risk creating uncertainties in several regions. At the same time, the geopolitical risk continues catalyzing global supply chain disruption and affects industrial supplies in manufacturing activities. Nonetheless, Thailand's recovery has gained a firmer ground with tourism-related sectors benefiting from China re-opening its border faster than expected since the beginning of 2023, and a lower inflation rate that encourages higher private consumption. AIS sets our aspiration to transform from a Digital Life Service Provider towards a Cognitive Tech-Co with our 3 key foundations in Autonomous Network, IT Intelligence, and Data Analytics to drive growth across our core business areas.

- **Mobile revenue to grow despite a challenging competitive landscape** – AIS continues to focus on a profitable market share by delivering superior 5G experiences of network quality and coverage. We will place our efforts on creating value-based differentiation through the privilege ecosystem powered by partnership collaborations to better engage our customers with personalized and real-time offerings.
- **Fixed broadband to leap forward with quality and coverage** – FMC (Fixed-Mobile-Content Convergence) strategy will be deployed targeting mid-to-high-end customer segments bringing differentiated quality and services of home solutions expanding into the new under-served areas. It is our dedication to become a key player with double-digit growth and building our organic portfolio towards 2.5mn customers this year.
- **Enterprise business to thrive with continued digitization trend** – Our key strengths in the partnership ecosystem coupled with our leading 5G and smart solutions will help us grow together with our customers' digital transformation. AIS aims to grow CCIID (Cloud, Cyber security, IoT, ICT Solutions, and Data Center) products with our flagship 5GNextGen Platform and CloudX to serve data sovereignty targeting 4 sectors; manufacturing, retail, property, and transportation & logistics.

EBITDA with mid-single digit growth from our focus on profitability

The foundation of Cognitive Tech-Co is in adopting technology to optimize process and cost-to-serve and achieve sustainable growth in profitability amid the challenging cost environment. AIS will continue the journey to enhance the autonomous network and improve IT processes & systems to unlock higher efficiency and productivity of our operations to ensure distinctive customer experiences. Capital allocation will be executed with caution to ensure we streamline ourselves, improve CAPEX and OPEX efficiency, and deliver maximum value to our customers and stakeholders. As a result, EBITDA expects to grow at a mid-single digit rate.

Continued investing in growth opportunities with optimization discipline

CAPEX is planned to be around Bt27-30bn depending on the foreign exchange rate. AIS aims to sustain our network leadership with optimal CAPEX expenditure while delivering a superior customer experience. AIS emphasizes the importance of delivering the best-in-class network quality alongside the growing demand for traffic capacity and coverage. To optimize our investment, we plan on reducing low-value traffic and shifting traffic towards 5G network, and at the same time, ensure we deploy our network efficiently across our spectrum portfolio. In addition, we also target our AIS Fibre expansion into the new untapped areas as well as putting resources to grow our enterprise business and digital services with high growth potential.

Dividend policy at minimum 70% of net profit

AIS is committed to driving long-term growth while delivering returns to shareholders. We place importance on maintaining strong financial health and flexibility to pursue future growth. Our dividend policy is to pay a minimum of 70% of net profit. By preserving cash flow, we ensure that we have the financial flexibility to lead, compete, and pursue growth prospects in any changing circumstances.

The dividend payment shall still be made twice a year and is based on consolidated earnings and subjected to the availability of retained earnings on the separate financial statements. In all cases, dividend payment shall depend on cash flow and investment plan including any other future obligations of the Company and/or subsidiaries. Such dividends shall not adversely affect the Company and subsidiaries' ongoing operations.