

# 3Q24 MD&A

## Advanced Info Service Plc.

### Executive Summary

#### Sustaining core business growth alongside economic stability

3Q24 showed a modest growth in the Thai economy, supported by increased stability, government stimulus, and tourism recovery, despite weaker consumer sentiment, lower private investment, and flood. AIS reported core service revenue of Bt40,799mn, increasing 20% YoY from TTTBB consolidation and organic business growth, while increasing 1.4% QoQ driven by continued demand for mobile and fixed broadband connectivity.

#### Mobile growth momentum driven by quality focus and customer demand

Mobile revenue reached Bt30,962mn, increasing 5.6% YoY and 0.6% QoQ, driven by digital behavior which led to higher data consumption, boosted by inbound tourist-related usage. Subscriber growth aligned with domestic demand supported by effective quality acquisition strategy and superior network. Mobile ARPU continued growing YoY reflecting increased consumption demand and value-focused strategy.

AIS is committed to enhancing service quality to address the rising demands of digital behavior. After achieving over 95% 5G coverage, AIS is focusing on expanding network capacity in high-traffic areas to improve customer experience and drive mobile revenue growth. Currently, 5G subscribers have reached 11.5 mn subs or 25% of total subscriber base.

#### FBB maintained a growth engine leveraging on scale and value-added services

Fixed broadband revenue reached Bt7,437mn, a strong growth of 146% YoY and 2.1% QoQ. This growth is driven by high-quality subscriber expansion, a robust nationwide fiber footprint, and increased ARPU from cross-selling value-added services and differentiated products like smart home solutions. TTTBB's integration efforts prioritize maintaining seamless service quality while enhancing efficiency and productivity.

#### Enterprise services rise on economic certainty and continual digital transformation trend

Non-mobile enterprise business reported revenue of Bt1,821mn, growing 20% YoY from TTTBB enterprise revenue consolidation and strong demand in connectivity services for EDS and cloud to support digital transformation. QoQ growth was driven by resumed government budget spending and large cloud projects. AIS enterprise continue the focus on core connectivity products, strengthened through partnerships aimed at delivering higher returns in targeted industries.

#### Resilient performance through commitment in operational efficiency and profitability

3Q24 EBITDA was at Bt27,696mn, increasing 17%YoY accelerated from TTTBB positive EBITDA contribution and core business growth, while flat 0.3% QoQ from higher SG&A in line with growing top line.

EBITDA margin was at 53%, improving YoY from continual focus in profitable revenue, effective cost management, and enhanced device margin.

AIS reported a net profit of Bt8,788mn, increasing 7.9% YoY reflecting strong operating performance, while increasing 2.5% QoQ from higher foreign exchange rate gain.

### Market and Competitive Environment

In 3Q24, Thailand showed positive sentiment emerged from the resolution of political uncertainty and a clearer economic direction and resuming of budget spending. These factors eased pressure during the low season and flood impact, temporarily boosting purchasing power and alleviating some local concerns.

The mobile industry maintained positive sentiment despite the low season, along with ongoing data consumption demand, supported by rising tourist arrivals, benefiting the prepaid segment. Competition continued shifting towards value-based offerings with more benefits and personalized packages to drive ARPU. The handset market improved from the previous quarter, fueled by the new iPhone launch.

The fixed broadband industry sustained growth despite seasonal challenges during the rainy season. Subscriber numbers continued to rise, driven by expanding infrastructure in suburban areas, where penetration remains under 50%. ARPU growth was supported by upselling and cross-selling value-added services and innovative products tailored to customer demands for fast, stable internet, along with enhanced home experiences through content bundles and IoT add-ons.

Enterprise services have seen growth recovery, driven by increased economic certainty and political stability, boosting confidence in both public and private sector spending. Key transformations continue in connectivity services such as EDS and Cloud. Additionally, rising demand for connectivity has spurred investment from hyperscale cloud service providers, supported by government initiatives to position Thailand as a digital economy hub.

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### 3Q24 Operational Summary

**Mobile Service:** In 3Q24, mobile subscribers reached 46.3 million with a net addition of 613k, driven by an increase in prepaid subscribers from domestics, tourists and migrants. Postpaid subscribers continued to grow aligned with subtle economic recovery, increasing by 118k. AIS's efforts to enhance customer experience through value-added services and digital demand led to increased data usage, resulting in a blended ARPU of Bt223, up 3.0% YoY. Prepaid ARPU remain flat QoQ from seasonality. Postpaid ARPU declined QoQ, pressured by continuous effort in handset subsidy optimization and lower roaming revenue from seasonality. VOU dropped QoQ reflects seasonality while continued growing from last year in line with customer demand. 5G subscribers reached 25% of the total base, growing 8.6% QoQ to stand at 11.5 million by the end of 3Q24.

**Broadband Service:** The momentum of quality subscriber acquisition continued, with churn being well-managed through service enhancements and point privileges. AIS 3BB Fibre3 subscribers grew by 63k from the previous quarter, reaching 4.94 million in 3Q24. Softened net add QoQ was due to slowed-down installations in some areas with impacts from rainy season. The ARPU increased to Bt505, reflecting a 0.8% QoQ rise driven by innovative products and efforts to sell high-value packages bundled with the content.

Mobile Business	3Q23	2Q24	3Q24	%YoY	%QoQ
<b>Subscribers</b>					
Postpaid	12,663,800	12,797,600	12,915,400	2.0%	0.9%
Prepaid	31,785,900	32,871,400	33,366,700	5.0%	1.5%
<b>Total subscribers</b>	<b>44,449,700</b>	<b>45,669,000</b>	<b>46,282,100</b>	<b>4.1%</b>	<b>1.3%</b>
<b>Net additions (Churns)</b>					
Postpaid	(9,400)	64,400	117,800	NM%	83%
Prepaid	(857,100)	579,700	495,300	NM%	-15%
<b>Total net additions</b>	<b>(866,500)</b>	<b>644,100</b>	<b>613,100</b>	<b>NM%</b>	<b>-4.8%</b>
<b>ARPU (Baht/sub/month)</b>					
Postpaid	446	448	443	-0.8%	-1.3%
Prepaid	125	137	137	9.3%	-%
<b>Blended</b>	<b>216</b>	<b>224</b>	<b>223</b>	<b>3.0%</b>	<b>-0.8%</b>
<b>VOU* (GB/data sub/month)</b>					
Postpaid	33.8	36.9	35.9	6.2%	-2.7%
Prepaid	26.3	27.5	27.2	3.4%	-1.1%
<b>Blended</b>	<b>28.7</b>	<b>30.5</b>	<b>29.9</b>	<b>4.2%</b>	<b>-2.0%</b>
<b>5G subscription</b>					
5G subscription	8,496,000	10,578,600	11,488,400	35%	8.6%
<b>Fixed Broadband Business</b>					
FBB subscribers	2,380,700	4,881,900	4,944,800	108%	1.3%
FBB net addition	51,900	66,900	62,900	21%	-5.9%
FBB ARPU (Baht/user/month)	428	501	505	18%	0.8%

\* VOU excludes data from MMS sending since 3Q24 onwards

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### 9M24 Snapshot

9M24 core service revenue reported at Bt120,465mn, expanding 19% YoY, driven by TTTBB consolidation for both broadband and enterprise non-mobile revenue, along with the ongoing recovery in mobile and organic growth in fixed broadband services. Mobile revenue increasing 4.6% YoY with the ARPU recovery fueled by personalized packages and higher data consumption, alongside rising tourist arrivals. Fixed broadband grew 154% YoY through TTTBB acquisition, expansion into under-penetrated areas, and ARPU uplift from upselling bundled FBB innovative products and content services. Enterprise and other service revenue rose 35% YoY following TTTBB revenue recognition and increased demand for connectivity products.

The cost of services rose by 13% YoY due to consolidation of TTTBB and higher depreciation and amortization costs which increased 17% YoY from 3BBIF right of use agreement, the acquisition of 700 MHz spectrum license in 4Q23, and ongoing 5G network expansion. Network OPEX increased by 6.8% YoY due to TTTBB consolidation. Total SG&A increased by 28% YoY, with admin expense up 35% YoY due to higher performance-related staff costs. Marketing expenses increased by 6.0% YoY while maintaining a focus on cost-effective strategies that generate returns and drive revenue growth.

9M24 EBITDA increased by 20% YoY as a result of TTTBB EBITDA contribution and all core business growth. The net profit reported at Bt25,816mn, an increase of 17% YoY driven by operating performance and profit sharing from 3BBIF.

### 3Q24 Financial Summary

#### Revenue

In 3Q24, AIS generated a total revenue of Bt52,209mn, an increase of 13% YoY, due to strong growth in all core businesses. The total revenue increased 1.7% QoQ from higher device sales from iPhone 16 launch on late Sep-24.

**Core service revenue** (excluding IC and NT partnership) was at Bt40,799mn, increasing 20% YoY mainly from TTTBB revenue consolidation and organic growth of mobile, and fixed broadband business, while increasing 1.4% QoQ mainly from fixed broadband organic expansion and growth in enterprise non-mobile business.

- **Mobile revenue** was at Bt30,962mn, increasing by 5.6% YoY due to ARPU and subscriber improvements aligned with focus on value-added services. It increased 0.6% QoQ from expanded subscriber base.
- **Fixed broadband revenue** reached Bt7,437mn, increasing 146% YoY from TTTBB consolidation and 2.1% QoQ from higher subscriber base and rising ARPU driven by upselling value-added services to existing customers and acquiring new customers with higher-value packages.
- **Enterprise non-mobile revenue & others** was at Bt2,399mn, increasing 37% YoY from TTTBB consolidation and roaming contract with NT. It increased by 11% QoQ from sizable cloud projects.

**Revenue from interconnection charge (IC) and NT partnership** was at Bt3,177mn, decreasing -4.1% YoY and -1.8% QoQ due to lower network traffic with NT.

**SIM & Device sales** reported Bt8,232mn, decreasing -5.1% YoY due to a lower supply of the first batch of iPhone16 in Thailand compared to last year. However, the revenue increased by 4.6% QoQ due to seasonal iPhone launched. The sales margin slightly declined from 6.0% in 2Q24 to 5.6% in 3Q24 due to higher mix of low-margin handsets.

#### Cost & Expense

In 3Q24, the **cost of service** was Bt24,849mn, increasing 14% YoY due to higher depreciation and the consolidation of TTTBB costs. It stayed flat QoQ, as higher depreciation was offset by lower maintenance and transmission costs.

- **Regulatory fee** was Bt1,629mn, increasing 16% YoY and 3.3% QoQ, in line with core service revenue movement. The regulatory fee as a percentage of core service revenue was 4.0%.
- **Depreciation & amortization** was at Bt15,052mn, increasing 21% YoY due to consolidation of right-of-use assets from TTTBB's acquisition, and increasing 2.1% QoQ due to ongoing 5G investments.
- **Network OPEX & NT partnership cost** was at Bt5,453mn, increasing 1.1% YoY from TTTBB associated costs and decreasing by -9.7% QoQ due to lower NT partnership costs in line with lower NT related revenue, and lower maintenance cost.
- **Other costs of services** were at Bt2,715mn, increasing 8.3% YoY due to higher costs associated with cloud services aligned with cloud revenue growth, and increasing 6.4% QoQ mainly from higher cost of cloud, offset by lower IDD cost.

#### Gross profit

In 3Q24, Gross Profit was Bt19,586mn, increasing 24% YoY due to TTTBB consolidation. It increased 2.9% QoQ following revenue expansion, boosted by efficient cost management.

**Gross profit margin** was 37.5%, improving YoY align with business expansion and higher sales margin, while improved QoQ due to lower Network OPEX from efficiency initiatives.

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**SG&A expenses** were Bt7,365mn, increasing 48% YoY mainly from TTTBB consolidation, while increasing 12% QoQ driven by a higher staff costs.

- **Marketing expense** was Bt1,447mn, increasing 29% YoY and increasing 17% QoQ due to marketing campaigns during the launch of the new iPhone 16 and the points privilege program. The marketing expense was at 2.8% of total revenue.
- **Admin & other expenses** totaled Bt5,918mn, increasing 53% YoY primarily due to higher staff cost and admin expenses following TTTBB acquisition. They also increased 11% QoQ due to accrued performance-based staff cost. The provision for bad debts as a percentage of postpaid and broadband revenue was at 2.1% lower than 3Q23 at 2.3%.

**Net FX gain (loss)** was Bt364mn in 3Q24, compared to an FX gain of Bt73mn in 2Q24 due to THB appreciation. AIS has a policy to mitigate currency risk using hedging instruments where applicable.

**Other Income (expense)** was Bt362mn, decreasing -29% YoY due to one-time gain in 3Q23 (Rabbit Line Pay divestment) and decreasing -15% QoQ from one-time income in 2Q24.

**Finance cost** was Bt2,293mn, increasing 68% YoY, due to higher interest-bearing debt from TTTBB acquisition and interest from 3BBIF right-of-use asset, while decreasing -4.1% QoQ from debt repayment. The average cost of borrowing was at 3.2% in 3Q24.

**Income Tax** was Bt1,865mn, decreasing -1.2% YoY, decreasing -6.1% QoQ. The YTD effective tax rate was 18.9%.

### Profit

In 3Q24, **EBITDA** was at Bt27,696mn, increasing 17% YoY following an increase in core service revenue with positive contribution from TTTBB consolidation. It was flat 0.3% QoQ with improved performance offset by higher SG&A.

**EBITDA margin** was at 53.0%, slightly decreased from 53.8% in 2Q24 as a result of higher admin expenses and marketing costs to support the new iPhone16 launch and increased privilege campaigns.

**The reported net profit** was at Bt8,788mn, increasing 7.9% YoY due to solid operating performance and profit sharing from 3BBIF, while increasing 2.5% QoQ from FX gain and lower finance cost.

### Financial position

Total asset as of ending quarter declined -5.4% from the end of 2023 to Bt429,869mn. Current assets was at Bt40,653mn, decreasing -3.8% mainly from lower cash balance due to dividends paid. Total non-current assets was at Bt389,216mn, decreasing -5.6% due to the amortization of spectrum licenses, PPE, and right-of-use assets.

Total liabilities amounted to Bt341,590mn, declined -6.1% from the end of 2023 due to lower long term borrowing from debt repayment and lower spectrum payable and lease liability. Interest-bearing debt stood at Bt116,749mn, decreasing by -8.2%. Total equity was at Bt88,278mn, decreasing -2.6% from dividends paid.

### Key Financial Ratio

#### Liquidity

For 3Q24, current ratio remained at 0.3x stable from 2Q24 and decreased minimally from 3Q23 due to short term loan for TTTBB acquisition. Nonetheless, AIS has ample operating cashflow to repay its debt obligation and ensure liquidity is managed efficiently.

#### Leverage

Net debt to EBITDA (including lease liabilities and license payable) was at 2.4x in 3Q24, lower than 2.5x in 2Q24 align with lower lease liability and spectrum payable, while increased from 1.9x in 3Q23 due to acquisition loan and consolidated of TTTBB liabilities.

AIS maintained debt repayment capability with interest coverage ratio of 11.9x and Debt service coverage ratio of 1.6x, indicating strong EBITDA generation capability to cover debt obligations.

The company places an importance to maintain its credit rating to ensures the funding costs are optimal at an appropriate level at BBB+ rating by S&P Global. AIS is conformable to maintain leverage ratio, net debt to EBITDA, below 2.5x.

#### Turnover

Inventory days increased from 45 days in 2Q24 to 47 days in 3Q24 from higher inventories aligned with higher stock of iPhone launching season. Account payable days was 44 days, increased from 43 days in 2Q24. The cash cycle was at 37 days, positive as AIS manage payment terms to ensure cost efficiency.

#### Credit term and Collection period

The average collection period (days) for 3Q24 was 34 days stable YoY and QoQ

The normal credit term granted by the Company ranges from 14 days to 120 days depending on the type of provided service and clients.

#### Cash flow

In 9M24, cash flow from operation (after tax) reported at Bt84,616mn, increasing 35% compare to 9M23 following a improvement in EBITDA. Net cash outflow from investing was at Bt28,878mn and at Bt12,755mn for spectrum license. As a result, free cash flow for 9M24 was at Bt41,755mn (OCF less CAPEX, spectrum license and lease liability). In summary, net cash decreased by Bt1,768mn resulting in an outstanding cash of Bt12,976mn at the end of Sep-24.

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### Recent development in Sustainability

In 3Q24, AIS reflected the commitment to sustainable finance through green funding initiatives, including Green Bond and Green Loan, aimed at supporting sustainability-related projects, such as the expansion of 5G network to enhance access to digital infrastructure for the public or households in remote areas.

### Significant Events in 9M24

- None

### Consolidated Profit and Loss Statement

Income statement (Bt mn)	3Q23	2Q24	3Q24	%YoY	%QoQ	9M23	9M24	%YoY
Mobile revenue	29,311	30,775	30,962	5.6%	0.6%	88,064	92,077	4.6%
Fixed broadband revenue	3,021	7,284	7,437	146%	2.1%	8,588	21,839	154%
Other service revenues	1,748	2,170	2,399	37%	11%	4,862	6,549	35%
<b>Core service revenue</b>	<b>34,080</b>	<b>40,229</b>	<b>40,799</b>	<b>20%</b>	<b>1.4%</b>	<b>101,514</b>	<b>120,465</b>	<b>19%</b>
IC and NT partnership	3,313	3,235	3,177	-4.1%	-1.8%	9,981	9,779	-2.0%
<b>Service revenue</b>	<b>37,393</b>	<b>43,464</b>	<b>43,977</b>	<b>18%</b>	<b>1.2%</b>	<b>111,495</b>	<b>130,243</b>	<b>17%</b>
SIM and device sales	8,675	7,868	8,232	-5.1%	4.6%	26,060	26,591	2.0%
<b>Total revenues</b>	<b>46,069</b>	<b>51,332</b>	<b>52,209</b>	<b>13%</b>	<b>1.7%</b>	<b>137,555</b>	<b>156,834</b>	<b>14%</b>
Regulatory fee	1,409	1,577	1,629	16%	3.3%	4,171	4,787	15%
Depreciation & Amortization	12,479	14,738	15,052	21%	2.1%	38,055	44,606	17%
Network OPEX and NT partnership	5,394	6,038	5,453	1.1%	-9.7%	16,268	17,381	6.8%
Other costs of services	2,508	2,552	2,715	8.3%	6.4%	7,579	7,861	3.7%
<b>Cost of service</b>	<b>21,789</b>	<b>24,904</b>	<b>24,849</b>	<b>14%</b>	<b>-0.2%</b>	<b>66,074</b>	<b>74,635</b>	<b>13%</b>
Cost of SIM and device sales	8,517	7,395	7,773	-8.7%	5.1%	25,639	25,162	-1.9%
<b>Total costs of service and sale</b>	<b>30,306</b>	<b>32,300</b>	<b>32,623</b>	<b>7.6%</b>	<b>1.0%</b>	<b>91,713</b>	<b>99,797</b>	<b>8.8%</b>
<b>Gross profit</b>	<b>15,762</b>	<b>19,032</b>	<b>19,586</b>	<b>24%</b>	<b>2.9%</b>	<b>45,842</b>	<b>57,037</b>	<b>24%</b>
<b>SG&amp;A</b>	<b>4,993</b>	<b>6,574</b>	<b>7,365</b>	<b>48%</b>	<b>12%</b>	<b>15,540</b>	<b>19,829</b>	<b>28%</b>
Marketing expense	1,126	1,239	1,447	29%	17%	3,783	4,009	6.0%
Admin and others	3,867	5,335	5,918	53%	11%	11,758	15,820	35%
<b>Operating profit</b>	<b>10,770</b>	<b>12,458</b>	<b>12,221</b>	<b>13%</b>	<b>-1.9%</b>	<b>30,302</b>	<b>37,208</b>	<b>23%</b>
Net foreign exchange gain (loss)	123	73	364	196%	398%	207	239	15%
Other income (expense)	508	424	362	-29%	-15%	733	1,199	64%
Finance cost	1,366	2,391	2,293	68%	-4.1%	3,949	6,984	77%
Income tax	1,887	1,987	1,865	-1.2%	-6.1%	5,207	5,845	12%
Non-controlling interest	-1.0	-0.5	-0.6	-35%	39%	-3.0	-1.5	-50%
<b>Net profit for the period</b>	<b>8,146</b>	<b>8,577</b>	<b>8,788</b>	<b>7.9%</b>	<b>2.5%</b>	<b>22,084</b>	<b>25,816</b>	<b>17%</b>
<b>EBITDA</b>	<b>23,610</b>	<b>27,621</b>	<b>27,696</b>	<b>17%</b>	<b>0.3%</b>	<b>69,427</b>	<b>83,085</b>	<b>20%</b>
<b>EBITDA margin (%)</b>	<b>51.2 %</b>	<b>53.8 %</b>	<b>53.0 %</b>	<b>180bps</b>	<b>-76bps</b>	<b>50.5 %</b>	<b>53.0 %</b>	<b>250bps</b>



## 3Q24 MD&A

### Advanced Info Service Plc.

Financial Position (Bt mn%to total asset)	4Q23		3Q24	
Cash	14,744	3.2%	12,976	3.0%
ST investment	557	0.1%	556	0.1%
Trade receivable	19,356	4.3%	19,306	4.5%
Inventories	4,147	0.9%	4,550	1.1%
Others	3,477	0.8%	3,265	0.8%
<b>Current Assets</b>	<b>42,281</b>	<b>9.3%</b>	<b>40,653</b>	<b>9.5%</b>
Spectrum license	121,154	27%	111,349	26%
Network and PPE	139,224	31%	130,302	30%
Right of use	101,225	22%	93,595	22%
Intangible asset	20,882	4.6%	23,928	5.6%
Defer tax asset	3,703	0.8%	3,849	0.9%
Others	25,970	5.7%	26,193	6.1%
<b>Total Assets</b>	<b>454,439</b>	<b>100%</b>	<b>429,869</b>	<b>100%</b>
Trade payable	16,031	3.5%	16,250	3.8%
ST loan & CP of LT loans	57,404	13%	55,466	13%
CP of lease liabilities	15,062	3.3%	15,587	3.6%
Accrued R/S expense	3,361	0.7%	3,361	0.8%
CP of spectrum payable	12,599	2.8%	15,419	3.6%
Others	29,190	6.4%	31,085	7.2%
<b>Current Liabilities</b>	<b>133,647</b>	<b>29%</b>	<b>137,169</b>	<b>32%</b>
Debenture & LT loans	69,840	15%	61,283	14%
LT lease liabilities	100,077	22%	92,139	21%
Spectrum payable	51,610	11%	37,203	8.7%
Other	8,587	1.9%	13,796	3.2%
<b>Total Liabilities</b>	<b>363,761</b>	<b>80%</b>	<b>341,590</b>	<b>79%</b>
Retained earnings	65,515	14%	63,138	15%
Others	25,163	5.5%	25,140	5.8%
<b>Total Equity</b>	<b>90,678</b>	<b>20%</b>	<b>88,278</b>	<b>21%</b>

Key Financial Ratio	3Q23	2Q24	3Q24
Debt to equity (times)	2.9	3.7	3.9
Interest-bearing debt to equity (times)*	1.2	1.2	1.3
Net debt to EBITDA (times)*	0.9	0.9	0.9
Net debt & lease liability & spectrum license payable to EBITDA	1.9	2.5	2.4
Current Ratio (times)	0.4	0.3	0.3
Interest Coverage (times)	17.6	11.8	11.9
Debt Service Coverage Ratio (times)	2.4	1.6	1.6
Return on Equity	35%	37%	38%

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

Bt mn	Debt Repayment Schedule		License Payment Schedule		
	Debenture	Loan	900MHz	2600MH	700MHz
4Q24		46,906*			
2025		9,102	7,565	2,934	5,189
2026	15,180	6,853		2,934	5,189
2027	9,000	6,110		2,934	5,189
2028	9,500	5,130		2,934	5,189
2029				2,934	5,189
2030	3,000			2,934	5,189
2031	3,000				
2032					
2033	3,000				
2034					

\*Including bridge loan for financing TTTBB's deal.

#### Credit Rating

Fitch National rating: AAA (THA), Outlook: Stable, Rating on Watch  
S&P BBB+, Outlook: Stable

#### Source and Use of Fund: 9M24 (Bt.mn)

Source of fund	Use of fund
Operating cash flow	90,831 Net CAPEX & Fixed assets
Proceed from capital reduction of investment in an associate	821 Borrowings payment
Interest received	144 Long-term loan to associate
Other	26 Dividend paid
	Lease liability payments
	Spectrum license
	Income tax paid
	Finance cost payments
Cash decrease	1,768
<b>Total</b>	<b>93,590</b>

# 3Q24 MD&A

## Advanced Info Service Plc.

### 2024 Guidance vs. 9M24 Performance

	Guidance	9M24 Performance
<b>Core service revenue</b>	Around 13 - 15%	19%
<b>EBITDA</b>	Around 14 - 16%	20%
<b>CAPEX (exclude spectrum)</b>	Approx. Bt 25-26bn	17Bn (Cashflow)

#### Core service revenue to grow around 13-15%

9M24 performance exceeded expectations, benefiting from increased economic certainty in 3Q24. The low season's impact was mitigated by economic stimulus and a steady influx of tourists.

Efforts will focus on maintaining momentum in core service revenue. In the remaining quarter of the year, growth will continue to be driven by the TTTBB acquisition impact and strong momentum of organic performance, bolstered by increasing tourist-related activities and government budget disbursement. Our propositions remain focused on delivering convergence across our services, leveraging our customer relationships, and continuously enhancing the value of our multi-product offerings.

- **Mobile** to focus on sustaining leadership in network quality and coverage, personalized segmented offerings, value-uplifting proposition with 5G, FMC, and privilege ecosystems, as well as delivering superior digitized service quality to the customers.
- **Broadband** to benefit from TTTBB acquisition and continue the growth momentum with a larger subscriber base, leveraging a combined coverage across Thailand, innovative product offerings, and superior service quality to offer more than broadband experiences. The key focus would also be on integration activities in combining the operations to achieve operational efficiencies and synergies.
- **Enterprise** to focus on profitable growth with digital technology and evolving socioeconomic context, leveraging on connectivity with enhanced technologies, value-added digital product offerings, and differentiated 5G Paragon platform.

#### EBITDA growth around 14-16% focusing on profitability

Similarly to core service revenue, EBITDA performance benefited from increased economic certainty. Expenses is planned to sustain market leadership, deepening relationship with customers through campaigns and rewards to support the future growth.

AIS will continuously execute cost optimization while accelerating TTTBB synergies to achieve higher efficiency while improving product delivery and superior customer experience, AIS will continue to enhance IT processes & systems, autonomous network, data analytics, and people capability. Optimal capital allocation will be executed to improve efficiency to maximize value to customers and stakeholders.

#### CAPEX approx. 25-26bn to sustain quality with optimization

CAPEX this year is expected to be lower than in previous years, benefiting from the acceleration of the 700MHz 5G rollout in the prior year and leveraging TTTBB's larger broadband footprint. The optimized spending is in line with the business ambition to bring in and maintain quality customers through sustained network leadership. The broadband growth would continue in the new areas while achieving CAPEX synergy from a combined broadband network. Approximately, 60% of CAPEX is for mobile business, 28% in broadband business, and the rest in enterprise and others.

#### 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 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 its subsidiaries' ongoing operations.

# 3Q24 MD&A

## Advanced Info Service Plc.

### Sustainability Updates

as of 2023

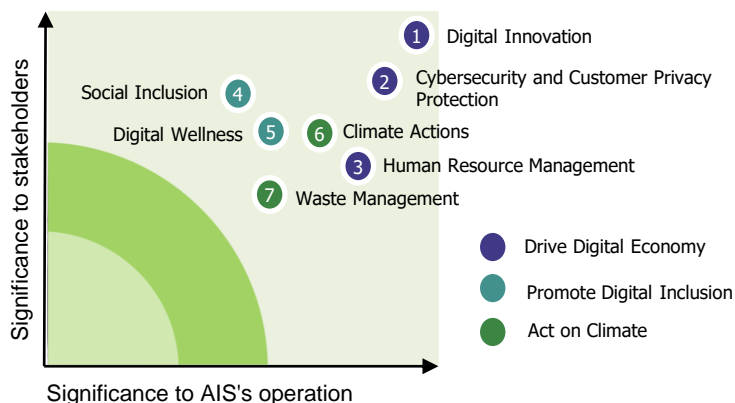
#### Sustainability Development Strategy

In driving sustainable business operation, Sustainable Development Committee (SDC) was assigned to govern policy, strategies, goals, and material aspects with providing consultancy and support management to operate business as sustainability framework.

AIS' sustainable development framework comprises three dimensions:



#### Materiality Assessment



#### Disclosure standard and ESG Rating

##### Disclosure Standards

- **GRI:** Global Reporting Initiative
- **UNGC:** United Nations Global Compact
- **SASB:** Sustainability Accounting Standard Board
- **CDP:** Carbon Disclosure Project
- **TCFD:** Task Force on Climate-Related Financial Disclosure

##### 2023 Rating

- AA rating on MSCI ESG ratings
- Member of DJSI World and member of Sustainability Yearbook
- FTSE 4 Good Index Series
- AAA rating on SET ESG rating
- "Excellent" based on Corporate Governance Report (CGR) of Thai Listed Companies by IOD

#### Drive Digital Economy

Strive to develop digital innovations to enhance Thai people and business sector by providing safe digital services, protecting data privacy, and promoting digital literacy for AIS employees.

- Protecting network systems and personal data privacy.
- Enhancing the board of director effectiveness with diverse knowledge and abilities.
- Delivering appropriate returns to all stakeholders.

Key Performance Table	Unit	2021	2022	2023
New digital services revenue	%	NA	4.1	4.1
Litigation or fine from data leakage, theft, or loss	Number of cases	0	0	0
Independent Director	%	36	36	36
Women director on board	%	18	18	18
Gender employee diversity (women)	%	61	60	59

#### Promote Digital Inclusion

AIS is committed to advancing Thai society through the digital infrastructure and digital platform and encouraging responsible use of digital technologies. as follows:

- Expand 5G Network coverage continuously.
- Develop digital platforms to promote digital access for enhancing the quality of life in Thai society.
- Promote appropriate and secure internet and social media usage.
- Foster comprehensive development and care for employees.

Key Performance Table	Unit	2021	2022	2023
5G network coverage	% population	76	85	90
Improving socio-economic condition and quality of life	Million Person	NA	2.19	2.57
Promoting digital wellness	Million Person	NA	0.21	0.51

#### Act on Climate

AIS aims to reduce environmental impacts through business operational management as follows:

- Increase the use of electricity from renewable energy sources i.e., by installing solar energy systems at base stations nationwide.
- Improve network energy efficiency.
- Promote efficient water use and water recycling.
- Properly manage e-waste disposal and develop e-waste projects.

Key Performance Table	Unit	2021	2022	2023
GHG Emissions (scope 1 and 2)	Ton CO <sub>2</sub> e	645,321	675,497	704,264
GHG emission intensity	Ton CO <sub>2</sub> e /Terabit	0.01	0.008	0.007
Renewable energy	%	1.23	1.73	2.25
Water Discharge	%	NA	51	34
Disposal Electronics waste to landfill	Ton	NA	0	0

More information of sustainability development strategy and performance can be found in AIS Sustainability Report 2023.

Link to sustainability report: <https://sustainability.ais.co.th/storage/sustainability-report/2023/20240219-advanc-srd-2023-en.pdf>



# 3Q24 MD&A

## Advanced Info Service Plc.

### AIS Business

AIS, Thailand's leading Cognitive Tech-Co, delivering superior digital experience through four core services including,

- **Mobile service:** Under the "AIS" brand, providing prepaid, postpaid, and international roaming services over 240 countries worldwide. AIS key strengths include extensive network coverage, superior service quality, and value-added services tailored to customer needs.
- **Fixed Broadband service:** Under the "AIS Fibre 3" and "3BB Fibre 3" brands. AIS offers high-speed internet services to both residential and business customers. With fiber optic network covered 13.3 million households nationwide, innovative products, and superior service quality.
- **Enterprise services:** Under the "AIS Business" brand, providing technology and digital solutions that are essential for digital transformation, including EDS, cloud, data centers, and digital platforms. The focus is on delivering solutions that drive sustainable growth for business customers.
- **Digital services:** AIS is expanding digital services in three areas: entertainment and video platforms, digital finance, and digital marketing services. AIS aims to create a comprehensive digital services, enhance customer relationships, and potentially generate a new revenue streams.

### Glossary

Subscriber	Number of registered SIM at ending period whose status is not defined as churn
Postpaid churn	Subscribers whose payment status is overdue more than 60 days from due date
Prepaid churn	Subscribers who do not refill to extend their validity within 45 days or subscribers who are inactive more than 90 days
Net additions	Change of number of subscribers from beginning period to ending period
Churn rate	Number of subscriber disconnections in the period divided by the sum of gross new subscribers in the period and the subscribers at the beginning period
ARPU	Consolidated service revenue excluding inbound international roaming and interconnect revenues divided by average of subscriber at the beginning and ending period
VOU	Number of billed gigabyte generated from subscriber divided by average subscriber

EBITDA margin	EBITDA / Total Revenues
Interest-Bearing Debt to Equity	Interest Bearing Debt / Ending Equity
Debt to Equity	Ending Liability / Ending Equity
Net Debt to EBITDA	(Interest Bearing Debt - Cash) / EBITDA
Net Debt to EBITDA (Incl. lease liability and spectrum license payable)	(Interest Bearing Debt + Lease Liability + Spectrum License Payable - Cash) / EBITDA
Interest Coverage	EBITDA / Finance Cost
Debt Service Coverage Ratio	EBITDA / (Debt Repayment Within 1 Year Including Lease Liability)
ROA	Net Profit / Average Asset Between Beginning and Ending Period
ROE	Net Profit / Average Equity Between Beginning and Ending Period
Free Cash Flow (FCF)	Net Cash Flow From Operating Activities - CAPEX - Lease Liability Paid