



BKNIX Peering Forum  
& ThaiNOG Day 2019



# Session 4 : 5G Driven Mechanism

by [Jesada Sivaraks](#)

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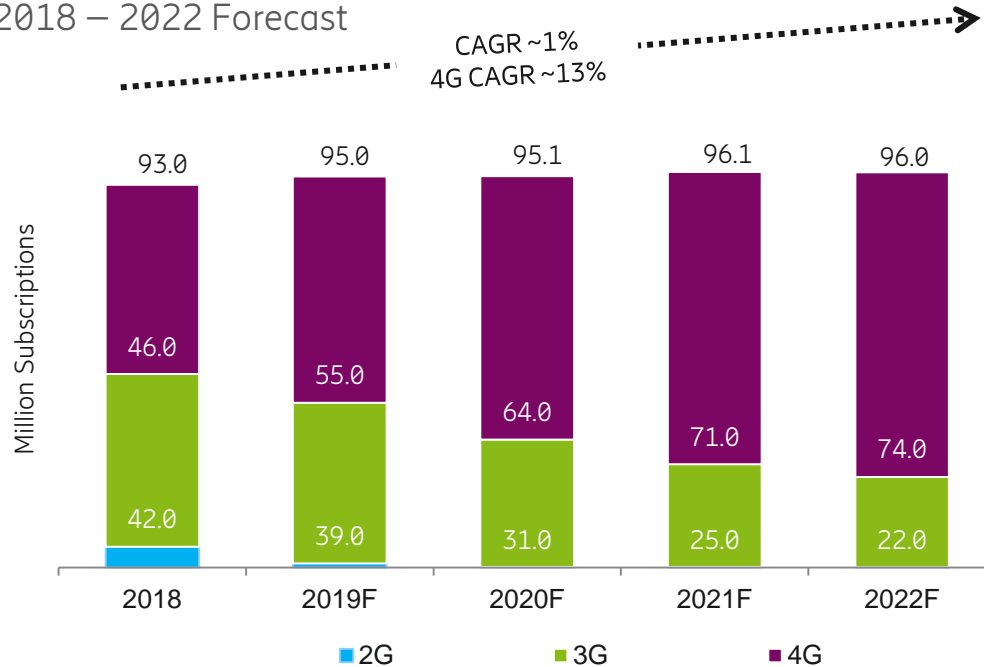
# MOBILE LANDSCAPE



4G SUBSCRIPTIONS CONTINUE TO GROW DUE TO RISING DATA DEMAND; SMARTPHONE SEGMENT IS EXPECTED TO GROW WITH OPERATORS OFFERING ATTRACTIVE BUNDLED PACKAGES

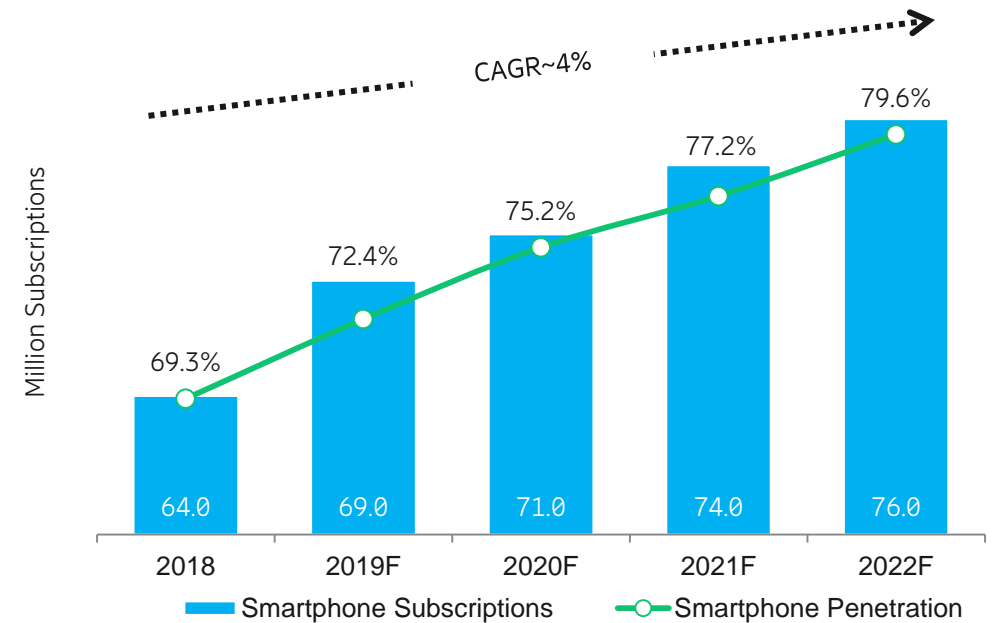
## Thailand's Mobile Subscriptions

2018 – 2022 Forecast



## Thailand's Smartphone Subscriptions

2018 – 2022 Forecast



Note: Smartphone subscription and penetration information is taken from GSMA Intelligence report

## Notes and Comments

- > LTE subscriptions expected to witness a strong growth with the rise in data demand and content. Thailand has also seen a rapid increase in mobile broadband penetration over the past five years driven by strong growth of 4G mobile subscribers. Slowing growth is predicted over the next five years to 2022 as the market is reaching a state of maturity
- > Smartphone subscriptions expected to grow at 4% CAGR between 2018-22 due to increasing streaming services, demand for internet, and bundling campaigns, for example, AIS rolled out attractive discounts on handsets for customers looking to purchase handsets in conjunction with specific packages

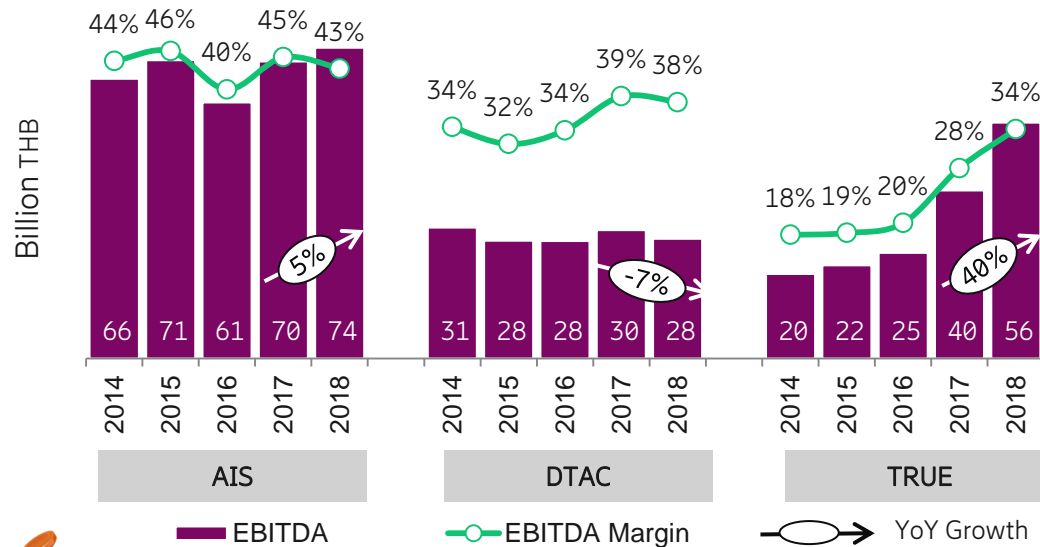
# PROFITABILITY



TRUE WITNESSED STRONG YoY GROWTH IN BOTH EBITDA AND PROFIT DURING 2017-18 DUE TO INCREASED REVENUE AND SUBS GROWTH; THE SITUATION WAS REVERSE FOR DTAC OWING TO LOW REVENUE AND HIGH D&A EXPENSES

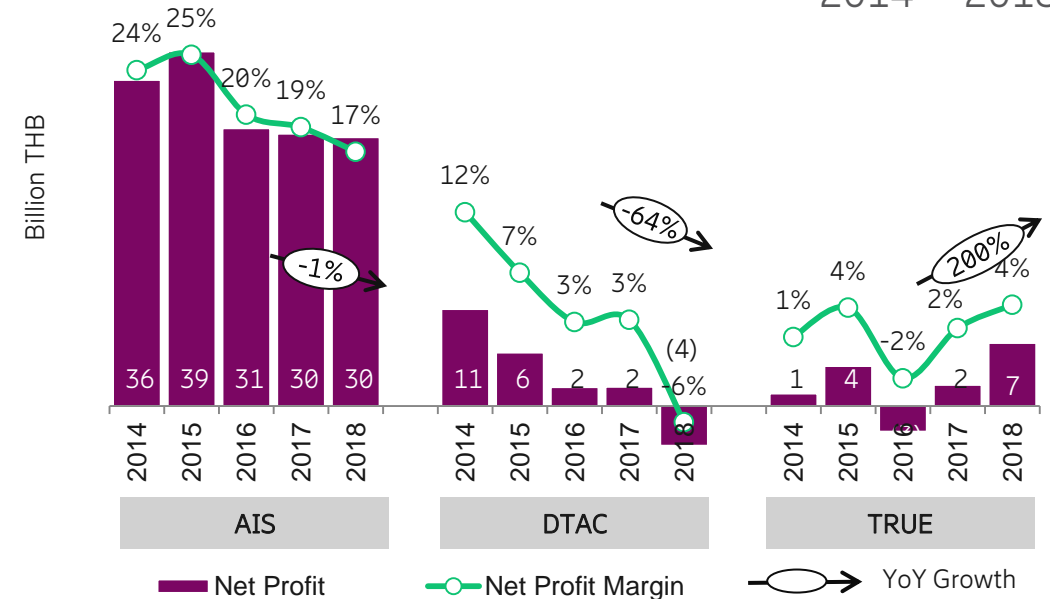
## The Big 3's EBITDA and Margin

2014 – 2018



## The Big 3's Net Profit/Loss and Margin

2014 – 2018



## Notes and Comments

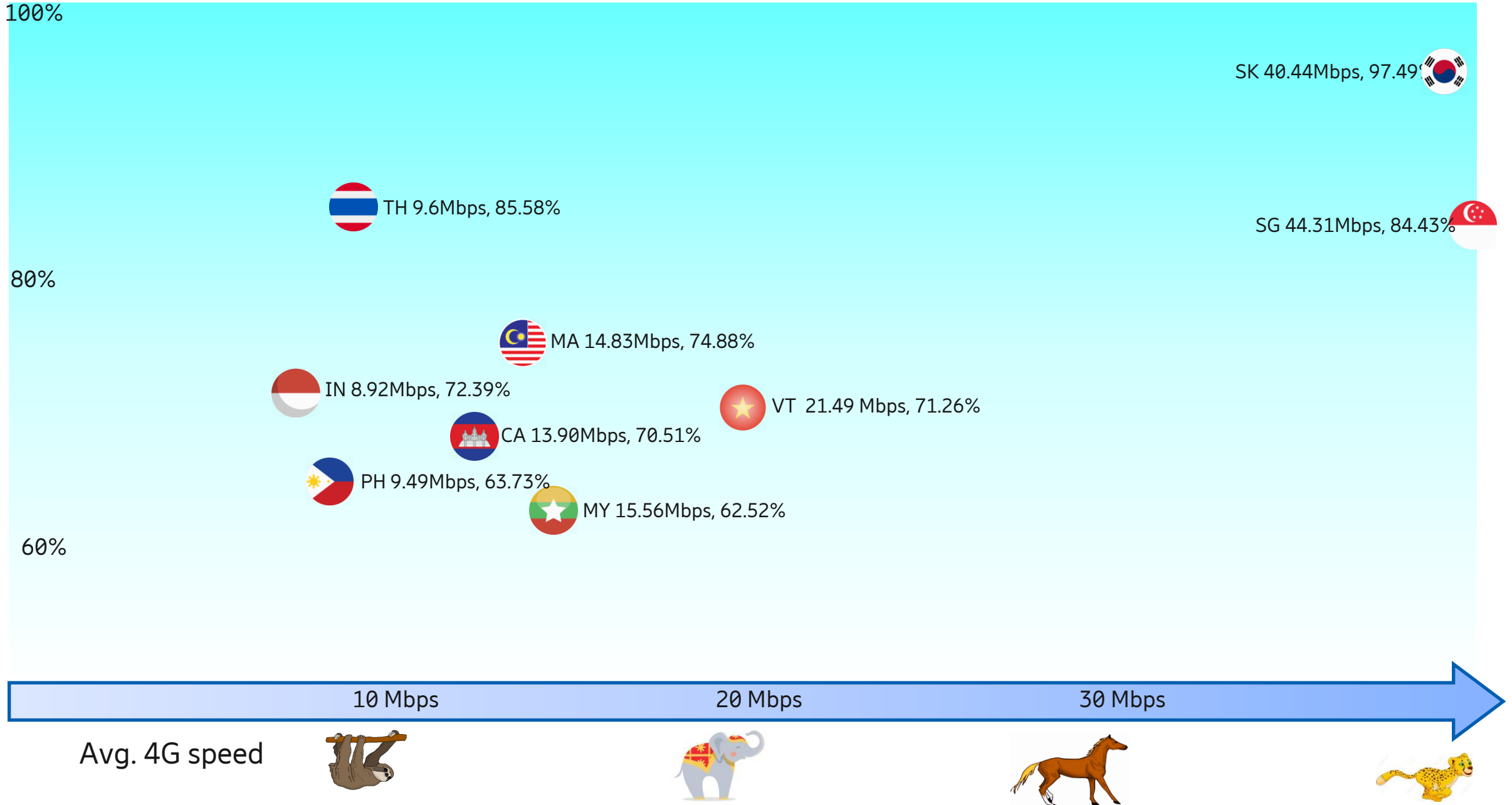
- AIS EBITDA witnessed growth due to improved results from both service revenue and cost optimization efforts. **Net Profit** declined slightly following EBITDA expansion, partly offset by higher network D&A
- DTAC EBITDA decreased mainly due to lower service revenues. This was offset by payments to TOT for 4G 2300MHz network roaming and equipment services payment to CAT. **Net Profit** declined due to lower EBITDA and higher D&A expenses, including a one-time amortisation for settlement with CAT
- TRUE EBITDA witnessed a YoY growth of 40% in 2018 due to growth of both cellular and broadband businesses as well as cost optimisation. **Net Profit** improved based on strong revenue and subscriber growth

Note: TRUE's EBITDA, Net Profit, Margins and YoY growths are for total consolidated data as operator did not provide mobile segment breakdown

Sources: Operators' published reports; JPM; UBS

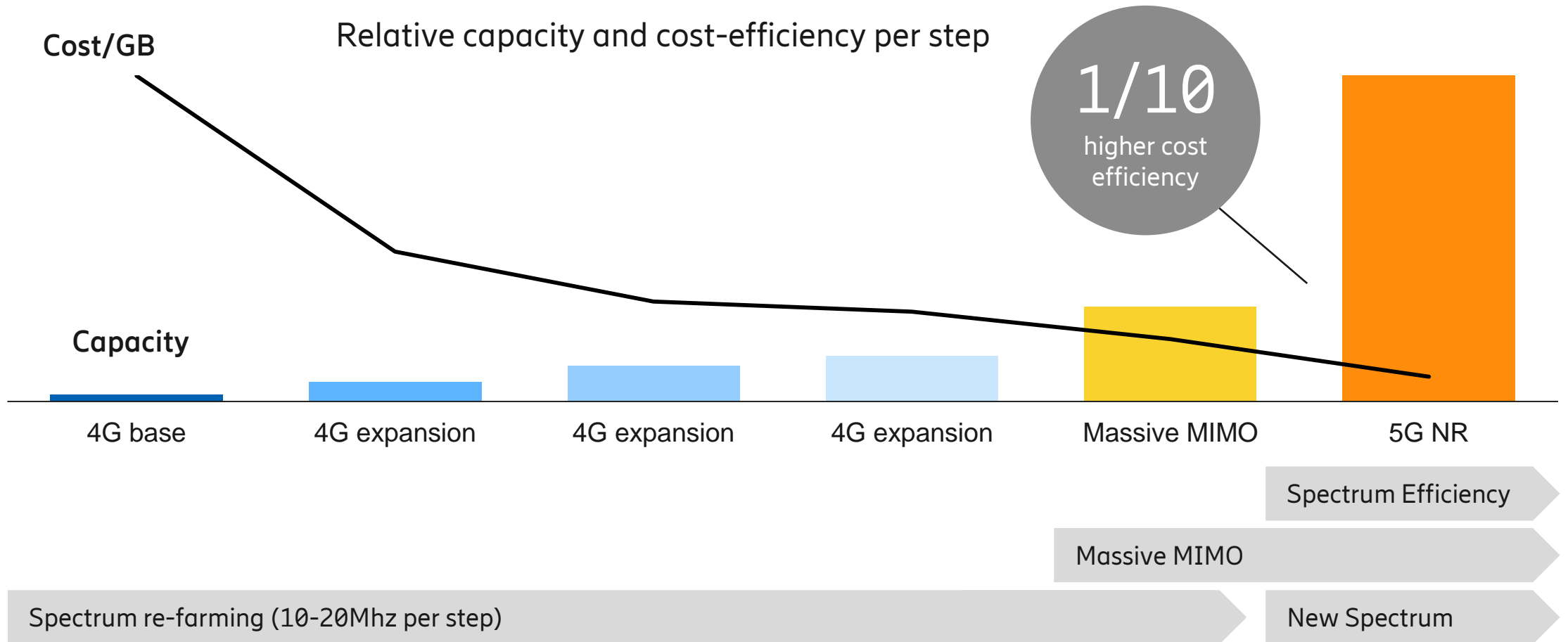
# 4G consistent Access

# 4G: February 2018



Source: OpenSignal, the state of LTE Feb 2018

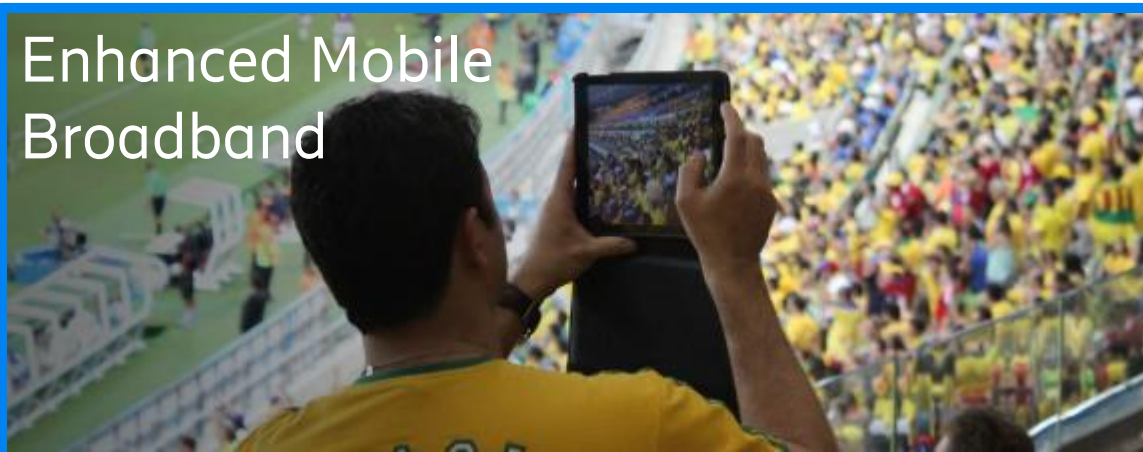
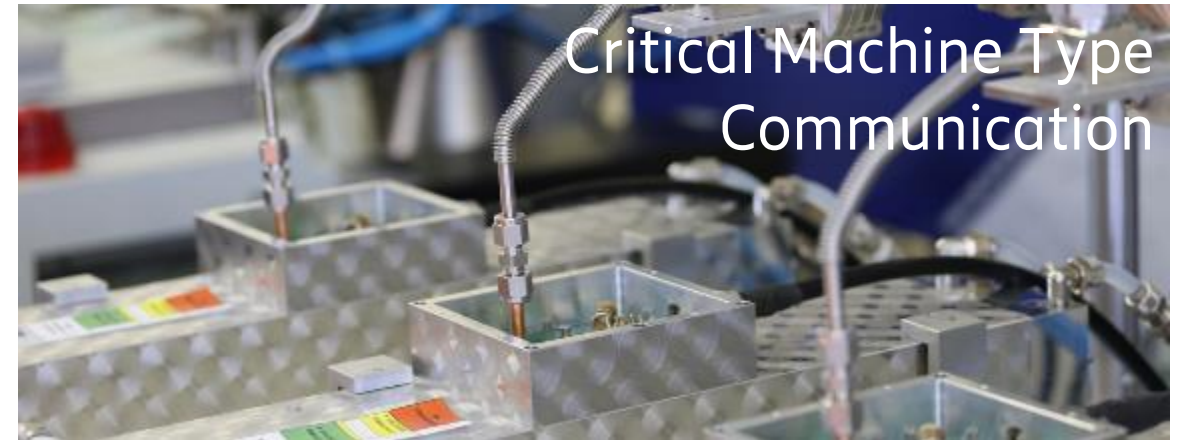
# Site expansions to bring significant capacity injections – At higher efficiency



Source: Ericsson modeling

# Enhanced MBB

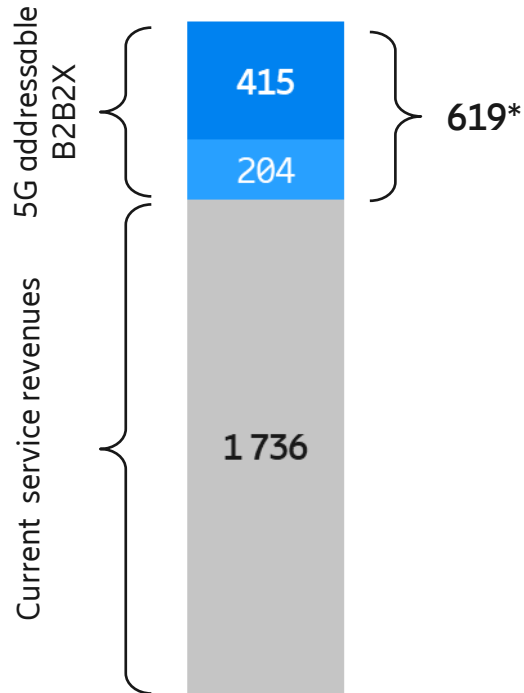
– The first use case of 5G



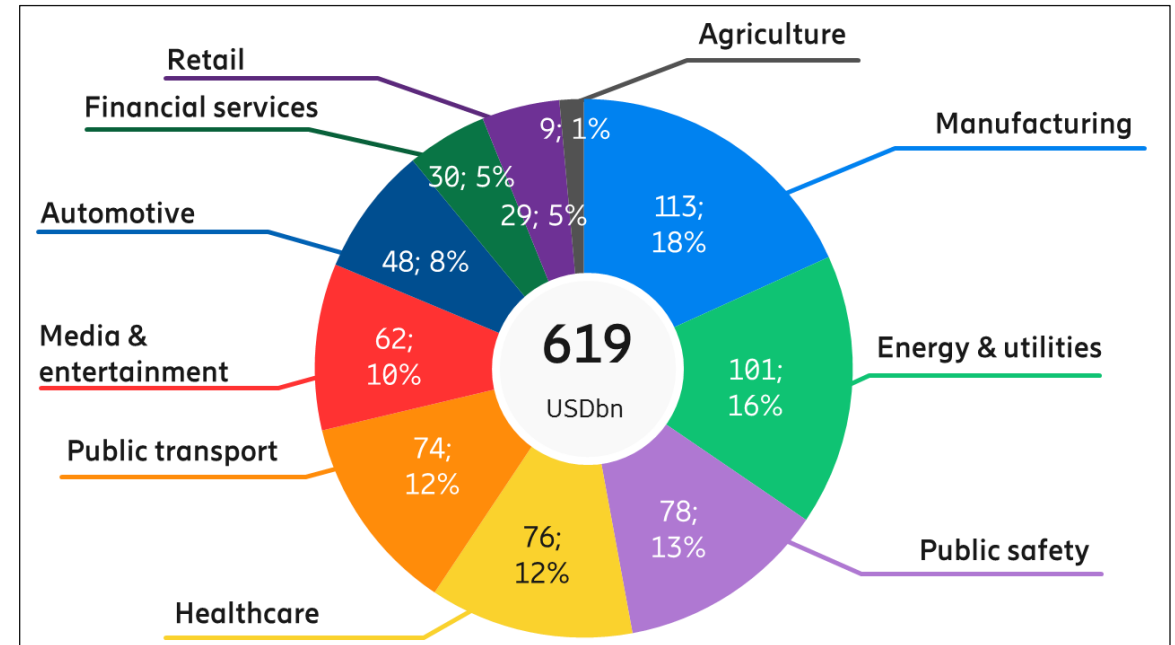
# 5G revenue potential for operators addressing industry digitalization



USDbn, 2026



Adding an addressable  
**36%**  
revenue growth potential



- Service enabler and service creator revenue potential
- Network developer revenue potential

\*Total addressable as Service creator operator role

# A new Ericsson survey on 5G



## Primary Research

Based on phone interviews with C-Level and other executives during October and November 2017

Energy & Utilities, Manufacturing, Public Safety, Healthcare, Public Transport, Media & Entertainment, Automotive, Financial, Retail & Agriculture.

## 10 Key industries

## Global Coverage

A global representation of respondents covering North America; Latin America; Asia Pacific; Europe; Middle East and Africa

Approximately 100 interviews for each of the 10 industries covered, representing large companies with a minimum of 1 000 employees

## Large companies



# How industry sectors want to leverage the 5G opportunities



Customer Value Creation

**New Offerings 78%**

Our industry will take advantage of 5G to improve or develop new offerings for our customers

Our industry

**Customer Value 74%**

My organization will invest to take advantage of 5G for customer value creation

My Organization

**Improve Efficiency 78%**

Our industry will take advantage 5G to improve efficiency

Improve Efficiency

**Operational Efficiency 73%**

My organization will take advantage of 5G to improve operational efficiency

