

# INTERLINK TELECOM ITEL TB

THAILAND / INFORMATION&COMM TECH

**BUY**  
UNCHANGED

## 1Q24 results at first glance

TARGET PRICE	THB4.00
CLOSE	THB2.52
UP/DOWNSIDE	+58.7%
TP vs CONSENSUS	+14.3%

กำไรปกติดีกว่า 15% ตามคาดทั้งที่เป็น low season

### Highlights

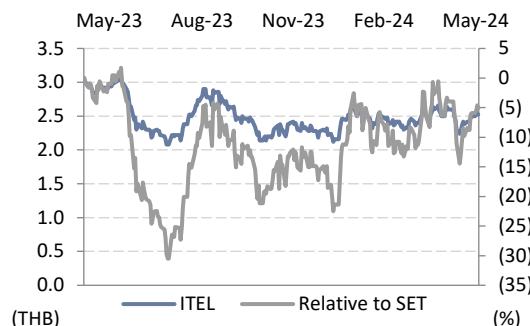
- ITEL รายงานกำไรสุทธิ 123.0 ล้านบาทใน 1Q24 โดยมีกำไรพิเศษทางบัญชี 53.9 ล้านบาทจากการซื้อกิจการของบริษัท Global Lithotripsy Services (GLS) ที่ซื้อได้ต่ำกว่ามูลค่าทางบัญชี
- หักรายการพิเศษ จะเป็นกำไรปกติ 69.0 ล้านบาท (-15.4% q-q, +19.4% y-y) ดีกว่าคาด 15% และมี Core profit margin 9.5% ต่ำกว่าปี 2023 เล็กน้อย โดยรวมยังถือเป็นไตรมาสที่ดีทั้งที่เป็น low season
- 1Q24 เป็นไตรมาสแรกที่รวมงบการเงินของ GLS เข้ามา ซึ่งสร้างรายได้ให้ 16 ล้านบาท (2.2% ของรายได้รวม) มีอัตรากำไรขั้นต้น 46.5% สูงกว่าธุรกิจเดิมของ ITEL ทั้งนี้ GLS ประกอบธุรกิจจัดจำหน่ายและให้คำปรึกษาทางการแพทย์เชี่ยวชาญ CT scan, MRI scan มีลูกค้าทั้งโรงพยาบาลรัฐและเอกชนกว่า 50 แห่ง GLS ตอบโจทย์บริษัทในด้านการกระจายแหล่งที่มาและลดความผันผวนของรายได้ เพราะลักษณะรายได้ของ GLS ส่วนหนึ่งเป็น Recurring income และอยู่ในธุรกิจ Health ซึ่งอยู่ในกระแส
- รายได้จากธุรกิจ Data service (42.3% ของรายได้รวม) ในไตรมาสนี้ลดลงค่อนข้างมาก -24.3% q-q, -1.7% y-y รวมถึงอัตรากำไรขั้นต้นลดลงจากที่เคยทำได้ 20-25% เหลือ 19.2% เราคาดว่าน่าจะมาจากการแข่งขันในตลาดที่ยังค่อนข้างสูง ส่งผลให้รายได้รวมใน 1Q24 -9.6% q-q, +33.7% y-y เป็น 725.6 ล้านบาท โดยอัตรากำไรขั้นต้นรวมทุกธุรกิจอยู่ที่ 26.3% ใกล้เคียง 4Q23 เพราะได้ธุรกิจอื่นรวมถึง GLS ช่วยหนุน

### Outlook

- กำไรปกติ 1Q24 คิดเป็น 22% ของประมาณการทั้งปีของเราที่ 319.4 ล้านบาท (+16.1% y-y) ดีกว่าในอดีตที่กำไร 1Q มักคิดเป็นเพียง 10% ของกำไรทั้งปี เราเชื่อว่าปี 2024 จะเป็นปีที่ ITEL กลับมาเติบโต ทั้งบรรยากาศการลงทุนโดยรวม การซื้อกิจการ GLS เข้ามาต่อยอดธุรกิจ Health Tech และทิศทางอัตราดอกเบี้ยที่หมดวงจรขึ้น
- เราคงประมาณการกำไรและราคาเป้าหมายที่ 4 บาท (P/E 17 เท่าใกล้เคียงค่าเฉลี่ยย้อนหลัง 4 ปี) แนะนำซื้อ

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,714	3,393	3,752	3,923
Net profit	275	319	361	384
EPS (THB)	0.20	0.23	0.26	0.28
vs Consensus (%)	-	15.0	15.6	14.3
EBITDA	939	892	975	1,011
Recurring net profit	275	319	361	384
Core EPS (THB)	0.20	0.23	0.26	0.28
EPS growth (%)	(0.8)	16.1	12.9	6.3
Core P/E (x)	12.7	11.0	9.7	9.1
Dividend yield (%)	2.8	2.7	3.1	3.3
EV/EBITDA (x)	7.9	7.5	6.7	6.4
Price/book (x)	0.9	0.9	0.8	0.8
Net debt/Equity (%)	94.6	71.0	64.7	58.8
ROE (%)	7.4	8.0	8.6	8.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.1)	0.8	(16.0)
Relative to country (%)	(0.8)	2.2	(4.0)
Mkt cap (USD m)	95		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	47		
Major shareholder	Interlink Communication PLC.. (49%)		
12m high/low (THB)	3.10/2.04		
Issued shares (m)	1,388.93		

Sources: Bloomberg consensus; FSSIA estimates



**Jitra Amorntum**

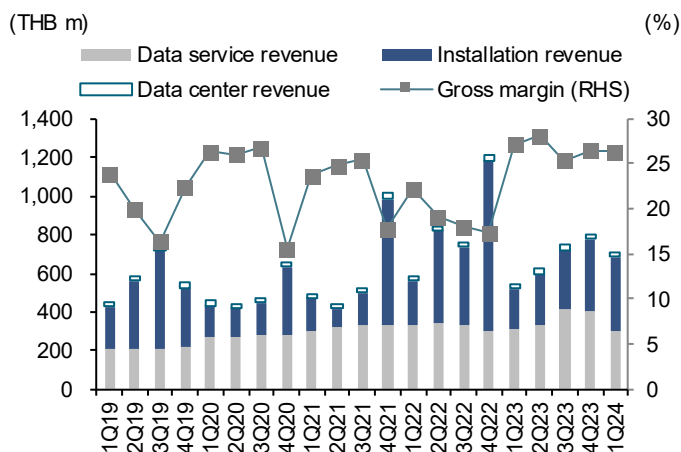
Fundamental Investment Analyst on Securities; License no. 014530  
jitra.a@fssia.com, +66 2646 9966

## Exhibit 1: ITEL - 1Q24 results summary

Year to Dec 31	1Q23	2Q23	3Q23	4Q23	1Q24	----- Change -----		2024E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	2024E
Sales	543	622	746	803	726	(9.6)	33.7	3,393	25.0	21.4
Cost of sales	(396)	(447)	(557)	(591)	(535)	(9.5)	35.2	(2,604)	31.0	20.5
Gross profit	147	175	189	212	191	(10.0)	29.6	789	8.6	24.2
Operating costs	(47)	(51)	(53)	(61)	(52)	(14.7)	9.6	(222)	5.1	23.2
Operating profit	100	124	136	152	139	(8.1)	39.0	567	10.0	24.6
Operating EBITDA	190	215	232	237	242	2.1	27.5	860	(3.7)	28.1
Other income	14	6	8	19	8	(55.4)	(37.1)	33	(29.7)	26.1
Interest expense	(41)	(45)	(47)	(48)	(44)	(8.0)	8.2	(189)	4.3	23.5
<b>Reported net profit</b>	<b>58</b>	<b>64</b>	<b>68</b>	<b>82</b>	<b>123</b>	<b>50.8</b>	<b>112.8</b>	<b>319</b>	<b>16.1</b>	<b>38.5</b>
<b>Core profit</b>	<b>58</b>	<b>64</b>	<b>68</b>	<b>82</b>	<b>69</b>	<b>(15.4)</b>	<b>19.4</b>	<b>319</b>	<b>16.1</b>	<b>21.6</b>
Reported EPS (THB)	0.04	0.05	0.05	0.05	0.09	89.9	107.5	0.23	15.0	39.1
Core EPS (THB)	0.04	0.05	0.05	0.06	0.05	(15.4)	17.3	0.23	16.1	21.6
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>	
Gross margin	27.1	28.1	25.4	26.4	26.3	(0.1)	(0.8)	23.3	(3.5)	
Operating margin	18.5	19.9	18.3	18.9	19.2	0.3	0.7	16.7	(2.3)	
EBITDA margin	34.9	34.6	31.1	29.5	33.3	3.8	(1.6)	25.3	(7.6)	
Core profit margin	10.6	10.3	9.2	10.2	9.5	(0.6)	(1.1)	9.4	(0.7)	
SG&A / Sales	8.7	8.2	7.1	(7.5)	(7.1)	0.4	(15.8)	6.6	(1.2)	
<b>Revenue breakdown</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q %)</b>	<b>(y-y %)</b>	<b>(THB m)</b>	<b>(y-y %)</b>	
Data service	312	335	413	406	307	(24.3)	(1.7)	1,674	14.1	
Installation	207	263	310	374	379	1.3	83.5	1,520	31.7	
Data centre	24	24	22	23	24	2.8	(1.6)	99	7.0	
Medical supplies	0	0	0	0	16	100.0	100.0	100	100.0	
<b>Gross margin by business</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>	
Data service	21.7	25.6	22.0	22.3	19.2	(3.1)	(2.5)	23.7	0.9	
Installation	35.0	31.0	29.5	30.0	30.2	0.1	(4.9)	22.0	(9.0)	
Data centre	30.5	30.0	30.7	40.5	43.6	3.0	13.0	30.0	(2.9)	
Medical supplies	0	0	0	0	46.5	46.5	46.5	28.2	28.2	

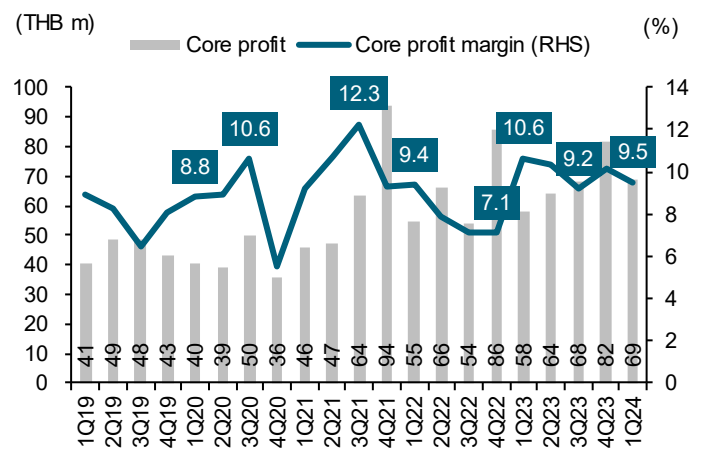
Sources: ITEL, FSSIA estimates

## Exhibit 2: Revenue structure and gross margin



Sources: ITEL, FSSIA's compilation

## Exhibit 3: Core profit and core profit margin



Sources: ITEL, FSSIA's compilation

## Financial Statements

### Interlink Telecom

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	3,393	2,714	3,393	3,752	3,923
Cost of goods sold	(2,755)	(1,987)	(2,604)	(2,873)	(3,003)
<b>Gross profit</b>	<b>637</b>	<b>726</b>	<b>789</b>	<b>879</b>	<b>919</b>
Other operating income	45	46	33	29	31
Operating costs	(155)	(212)	(222)	(245)	(269)
<b>Operating EBITDA</b>	<b>869</b>	<b>939</b>	<b>892</b>	<b>975</b>	<b>1,011</b>
Depreciation	(341)	(377)	(293)	(311)	(329)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>528</b>	<b>561</b>	<b>599</b>	<b>664</b>	<b>682</b>
Net financing costs	(169)	(182)	(189)	(197)	(190)
Associates	(5)	(4)	(4)	(5)	(6)
Recurring non-operating income	(5)	(4)	(4)	(5)	(6)
Non-recurring items	(9)	0	0	0	0
<b>Profit before tax</b>	<b>346</b>	<b>376</b>	<b>406</b>	<b>462</b>	<b>487</b>
Tax	(65)	(75)	(79)	(91)	(94)
<b>Profit after tax</b>	<b>280</b>	<b>301</b>	<b>327</b>	<b>370</b>	<b>392</b>
Minority interests	(27)	(26)	(8)	(10)	(9)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>254</b>	<b>275</b>	<b>319</b>	<b>361</b>	<b>384</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>263</b>	<b>275</b>	<b>319</b>	<b>361</b>	<b>384</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.20	0.20	0.23	0.26	0.28
Reported EPS	0.19	0.20	0.23	0.26	0.28
DPS	0.06	0.07	0.07	0.08	0.08
Diluted shares (used to calculate per share data)	1,315	1,389	1,389	1,389	1,389
<b>Growth</b>					
Revenue (%)	37.6	(20.0)	25.0	10.6	4.5
Operating EBITDA (%)	10.0	8.0	(5.0)	9.3	3.7
Operating EBIT (%)	12.5	6.3	6.8	10.8	2.7
Recurring EPS (%)	(0.7)	(0.8)	16.1	12.9	6.3
Reported EPS (%)	(4.1)	2.7	16.1	12.9	6.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	18.8	26.8	23.3	23.4	23.4
Gross margin exc. depreciation (%)	28.9	40.7	31.9	31.7	31.8
Operating EBITDA margin (%)	25.6	34.6	26.3	26.0	25.8
Operating EBIT margin (%)	15.6	20.7	17.7	17.7	17.4
Net margin (%)	7.7	10.1	9.4	9.6	9.8
Effective tax rate (%)	18.9	19.9	19.4	19.8	19.4
Dividend payout on recurring profit (%)	31.8	35.1	30.0	30.0	30.0
Interest cover (X)	3.1	3.1	3.1	3.3	3.6
Inventory days	-	-	-	-	-
Debtor days	69.8	112.3	92.3	86.8	87.1
Creditor days	155.0	239.9	143.1	136.8	135.9
Operating ROIC (%)	7.6	7.6	7.8	8.6	8.7
ROIC (%)	6.0	5.9	6.2	7.1	7.2
ROE (%)	8.1	7.4	8.0	8.6	8.6
ROA (%)	5.1	5.1	5.5	6.2	6.2
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Data service	1,311	1,466	1,674	1,808	1,898
Installation	1,995	1,154	1,520	1,722	1,764
Data center	87	93	99	103	105
GLS	0	0	100	120	156

Sources: Interlink Telecom; FSSIA estimates

## Financial Statements

### Interlink Telecom

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	263	275	319	361	384
Depreciation	341	377	293	311	329
Associates & minorities	5	4	4	5	6
Other non-cash items	278	332	79	91	94
Change in working capital	491	(797)	277	(52)	(74)
<b>Cash flow from operations</b>	<b>1,377</b>	<b>191</b>	<b>972</b>	<b>716</b>	<b>739</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(346)	(451)	(492)	(400)	(400)
Net acquisitions & disposals	(69)	(40)	0	0	0
Other investments (net)	(49)	(107)	501	(13)	(19)
<b>Cash flow from investing</b>	<b>(464)</b>	<b>(598)</b>	<b>9</b>	<b>(413)</b>	<b>(419)</b>
Dividends paid	(160)	(94)	(175)	(200)	(210)
Equity finance	282	81	3	3	3
Debt finance	(1,042)	454	(808)	(107)	(107)
Other financing cash flows	0	(173)	9	0	0
<b>Cash flow from financing</b>	<b>(920)</b>	<b>268</b>	<b>(971)</b>	<b>(303)</b>	<b>(313)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	11	19	0	0	0
<b>Net other adjustments</b>	<b>11</b>	<b>19</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>Movement in cash</b>	<b>4</b>	<b>(120)</b>	<b>7</b>	<b>(5)</b>	<b>2</b>
Free cash flow to firm (FCFF)	1,081.56	(225.11)	1,170.58	500.03	509.90
Free cash flow to equity (FCFE)	(118.13)	(106.72)	177.97	190.98	207.70
<b>Per share (THB)</b>					
FCFF per share	0.78	(0.16)	0.84	0.36	0.37
FCFE per share	(0.09)	(0.08)	0.13	0.14	0.15
Recurring cash flow per share	0.67	0.71	0.50	0.55	0.58
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	5,467	6,018	6,509	6,909	7,309
Less: Accumulated depreciation	(1,516)	(1,855)	(2,148)	(2,459)	(2,788)
<b>Tangible fixed assets (net)</b>	<b>3,951</b>	<b>4,162</b>	<b>4,361</b>	<b>4,450</b>	<b>4,521</b>
<b>Intangible fixed assets (net)</b>	<b>112</b>	<b>164</b>	<b>165</b>	<b>166</b>	<b>167</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	20	16	16	16	16
Cash & equivalents	229	109	116	110	112
A/C receivable	2,466	2,603	2,465	2,604	2,644
Inventories	0	0	0	0	0
Other current assets	283	310	217	201	249
<b>Current assets</b>	<b>2,978</b>	<b>3,021</b>	<b>2,798</b>	<b>2,916</b>	<b>3,005</b>
Other assets	1,335	1,566	1,065	1,077	1,094
<b>Total assets</b>	<b>8,396</b>	<b>8,931</b>	<b>8,405</b>	<b>8,625</b>	<b>8,804</b>
Common equity	3,603	3,853	4,086	4,338	4,607
Minorities etc.	88	156	159	162	166
<b>Total shareholders' equity</b>	<b>3,691</b>	<b>4,009</b>	<b>4,245</b>	<b>4,501</b>	<b>4,773</b>
Long term debt	1,842	1,433	1,389	1,333	1,246
Other long-term liabilities	21	51	14	14	14
<b>Long-term liabilities</b>	<b>1,863</b>	<b>1,484</b>	<b>1,404</b>	<b>1,347</b>	<b>1,260</b>
A/C payable	1,234	882	930	991	1,001
Short term debt	1,553	2,469	1,741	1,691	1,671
Other current liabilities	55	87	86	96	99
<b>Current liabilities</b>	<b>2,842</b>	<b>3,438</b>	<b>2,757</b>	<b>2,777</b>	<b>2,771</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,396</b>	<b>8,931</b>	<b>8,405</b>	<b>8,625</b>	<b>8,804</b>
Net working capital	1,460	1,943	1,667	1,719	1,793
Invested capital	6,878	7,853	7,274	7,428	7,592
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	2.74	2.77	2.94	3.12	3.32
Tangible book value per share	2.65	2.66	2.82	3.00	3.20
<b>Financial strength</b>					
Net debt/equity (%)	85.8	94.6	71.0	64.7	58.8
Net debt/total assets (%)	37.7	42.5	35.9	33.8	31.9
Current ratio (x)	1.0	0.9	1.0	1.0	1.1
CF interest cover (x)	2.4	2.9	4.5	4.0	4.2
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>12.6</b>	<b>12.7</b>	<b>11.0</b>	<b>9.7</b>	<b>9.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>20.0</b>	<b>20.2</b>	<b>17.4</b>	<b>15.4</b>	<b>14.5</b>
Reported P/E (x)	13.1	12.7	11.0	9.7	9.1
Dividend yield (%)	2.5	2.8	2.7	3.1	3.3
Price/book (x)	0.9	0.9	0.9	0.8	0.8
Price/tangible book (x)	0.9	0.9	0.9	0.8	0.8
EV/EBITDA (x) **	7.6	7.9	7.5	6.7	6.4
EV/EBITDA @ target price (x) **	9.8	10.1	9.8	8.9	8.4
EV/invested capital (x)	1.0	0.9	0.9	0.9	0.9
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Interlink Telecom; FSSIA estimates

# INTERLINK TELECOM PCL (ITEL TB)

**FSSIA ESG rating**

**38.30 /100**
**Exhibit 4: FSSIA ESG score implication**

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	<b>&gt;19-39</b>	<b>Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.</b>
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

**Exhibit 5: ESG – peer comparison**

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
ITEL	38.30	--	--	Y	5.00	5.00	Certified	--	40.60	--	--	41.18	--	2.05	39.11
ILINK	37.92	--	--	Y	5.00	5.00	Certified	--	57.40	--	--	45.96	--	--	--
SYNEX	35.18	--	Y	Y	4.00	4.00	--	--	53.33	--	--	27.64	--	--	41.24
FORTH	23.00	--	--	--	4.00	4.00	--	Low	--	--	--	--	--	--	--
JMART	34.72	--	--	--	3.00	5.00	Declared	Low	--	--	--	35.50	10.00	2.02	14.09

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 6: ESG score by Bloomberg**

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>—</b>	<b>—</b>	<b>2.06</b>	<b>2.05</b>
BESG environmental pillar score	—	—	1.32	1.32
BESG social pillar score	—	—	1.16	1.16
BESG governance pillar score	—	—	4.98	4.90
<b>ESG disclosure score</b>	<b>39.11</b>	<b>39.11</b>	<b>39.11</b>	<b>39.11</b>
Environmental disclosure score	16.79	16.79	16.79	16.79
Social disclosure score	19.29	19.29	19.29	19.29
Governance disclosure score	81.10	81.10	81.10	81.10
<b>Environmental</b>				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	Yes	Yes	Yes	Yes
GHG scope 1	—	—	—	—
GHG scope 2 location-based	—	—	—	—
GHG Scope 3	—	—	—	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	—	—	—	—
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

## Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—
<b>Social</b>				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	25	23	22	22
Pct disabled in workforce	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	Yes	Yes	Yes	Yes
Number of employees – CSR	798	749	729	728
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	559	265	90	530
Social supply chain management	Yes	Yes	Yes	Yes
<b>Governance</b>				
<b>Board size</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of women on board	4	4	4	4
No. of non-executive directors on board	10	10	11	11
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	8	7	8
Board meeting attendance pct	82	98	96	100
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	28	29	34	35
Age of the oldest director	77	78	79	80
<b>No. of executives / company managers</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>
No. of female executives	2	3	3	4
Executive share ownership guidelines	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3
Audit committee meetings	4	4	5	4
Audit meeting attendance %	83	100	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	1	2	2	2
Compensation meeting attendance %	67	100	100	100
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
No. of nomination committee meetings	1	2	2	2
Nomination meeting attendance %	67	100	100	100
<b>Sustainability governance</b>				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities																		
<b>AA</b>	7.143-8.570																				
<b>A</b>	5.714-7.142																				
<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																		
<b>BB</b>	2.857-4.285																				
<b>B</b>	1.429-2.856																				
<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **"CG Score"**; 2) **"AGM Level"**; 3) **"Thai CAC"**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

### History of change in investment rating and/or target price

#### Interlink Telecom (ITEL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-May-2023	BUY	4.50	20-Oct-2023	BUY	4.00	-	-	-

Jitra Amornthum started covering this stock from 03-May-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Interlink Telecom	ITEL TB	THB 2.52	BUY	Downside risks to our P/E-based TP include 1) uncertainty regarding bidding outcomes; 2) delays in projects; 3) cost overruns; and 4) risks from technological disruptions.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 09-May-2024 unless otherwise stated.



## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.