

9 FEBRUARY 2021

THAILAND / ICT

## ADVANCED INFO SERVICE

## ADVANC TB

BUY

FROM HOLD

TARGET PRICE	THB200.00
CLOSE	THB173.50
UP/DOWNSIDE	+15.3%
PRIOR TP	THB200.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-8.4%

## Upside เปิด มูลค่าน่าสนใจ

## มุมมองเป็นกลาง แต่ Upside เริ่มน่าสนใจ

จากเป้าหมายของ ADVANC ในปี 2021 ที่ให้การเติบโตของรายได้ค่าบริการหลักและ EBITDA ในระดับ 1-3% ทำให้เราคงประมาณการของเราที่คาดว่ากำไรสุทธิปี 2021 จะลดลง 6% y-y เป็น 25.6 พัน ลบ. โดยในระยะสั้นบริษัท จะยังมีแนวโน้มอ่อนแอโดยเฉพาะใน 1Q21 จากผลกระทบของ COVID-19 อย่างไรก็ดีราคาหุ้นได้ลดลงอย่างต่อเนื่องนับตั้งแต่เดือน ธ.ค. 20 ทำให้ Upside ต่อราคาเป้าหมายของเรามีความน่าสนใจมากขึ้น เราเชื่อว่าเป็นเวลาที่ดียิ่งที่จะหันมามอง ADVANC ใหม่ เนื่องจากปัจจุบันหุ้นมีมูลค่าที่ต่ำและให้ผลตอบแทนในรูปแบบเงินปันผลที่ 3.9% ต่อปี

## ผลประกอบการ 4Q20 ออกมาตามคาด

ADVANC รายงานกำไรสุทธิจากการดำเนินงานไตรมาส 4Q20 โดยอยู่ที่ 6.7 พัน ลบ. (-6% y-y, -1% q-q) ตามที่เราคาด ในขณะที่กำไรสุทธิรวมอยู่ที่ 7.2 พัน ลบ. โดยมีกำไรพิเศษประกอบด้วยกำไรอัตราแลกเปลี่ยนและประโยชน์ทางภาษี รายได้จากการให้บริการโทรศัพท์มือถือไตรมาส q-q อยู่ที่ 29 พัน ลบ. แม้ว่า ARPU รวมจะลดลง 1% q-q ปัจจัยดังกล่าวถูกชดเชยจากตัวเลขผู้ใช้บริการรวมที่เพิ่มขึ้น 1% นอกจากนี้ บริษัทฯ ยังสามารถรักษาต้นทุนได้ดี ซึ่งทำให้ EBITDA เพิ่มขึ้นเล็กน้อยเป็น 22 พัน ลบ. (+0.6% q-q)

## ประโยชน์จาก 5G ยังมีน้อย แต่มีศักยภาพในระยะยาว

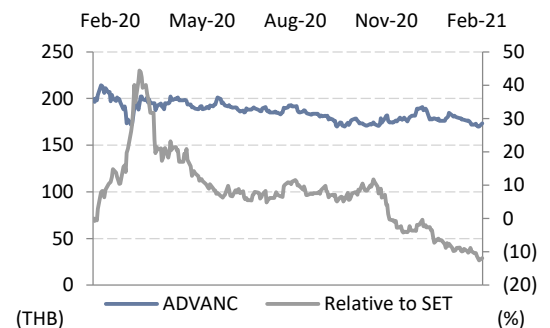
จำนวนผู้ลงทะเบียนใช้บริการ 5G รวมอยู่ที่ 239k ณ สิ้นปี 2020 สูงกว่าเป้าหมายของบริษัทฯ ที่ 100k ทำให้รายได้เฉลี่ยต่อผู้ใช้ (ARPU) เพิ่มขึ้นประมาณ 10-15% เราเห็นว่าตัวเลขดังกล่าวส่งสัญญาณที่ดีว่าบริษัทฯ อาจทำได้ดีกว่าเป้าหมายผู้ใช้บริการ 5G ที่ 1.5 ล้านราย ณ สิ้นปี 2021 อย่างไรก็ตาม ARPU ที่เพิ่มขึ้นเพียง 10-15% พร้อมกับตัวเลขผู้ใช้บริการ 1.5 ล้านราย (คิดเป็น 3.6% ของจำนวนผู้ใช้บริการรวม) อาจไม่มากพอที่จะชดเชยกับการแข่งขันที่ยังเข้มข้น หลังบริษัท โทรคมนาคมแห่งชาติ จำกัด (NT) ซึ่งเป็นอีกหนึ่งผู้ให้บริการที่ยังไม่มีบริการ 5G เต็มรูปแบบได้เสนอขายแผนบริการ 5G ในราคาที่น่าสนใจเพื่อเข้าถึงผู้ใช้บริการ

## ปรับคำแนะนำเป็นซื้อเมื่ออ่อนตัว

ราคาหุ้นของ ADVANC อยู่ที่ 170 บาทเมื่ออาทิตย์ที่แล้ว ซึ่งเป็นระดับที่ต่ำที่สุดในรอบ 2 เดือนที่ผ่านมา ซึ่งหากนับตั้งแต่ปี 2017 ราคาหุ้น ADVANC อยู่ในระดับที่สูงกว่า 170 บาทมาโดยตลอด เรามองว่าเป็นโอกาสในการซื้อเมื่อราคาอ่อนตัว ดังนั้นเราจึงปรับเพิ่มคำแนะนำสำหรับ ADVANC เป็นซื้อจากถือที่ราคาเป้าหมายเดิม 200 บาท เนื่องจากปัจจุบันหุ้นมีระดับการเกินมูลค่าที่น่าสนใจ โดยให้ Upside สูงถึง 15% แม้ว่าแนวโน้มของบริษัทฯ ดูอ่อนแอจากต้นทุน 5G แต่เราเรคาดว่าบริษัทฯ ยังเป็นผู้ให้บริการโทรศัพท์เคลื่อนที่ที่แข็งแกร่งที่สุด นอกจากนี้ บริษัทฯ ยังให้เงินปันผลที่สม่ำเสมออีกด้วย

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	172,890	176,599	180,828	184,555
Net profit	27,434	25,617	27,352	30,564
EPS (THB)	9.23	8.62	9.20	10.28
vs Consensus (%)	-	(7.2)	(2.8)	(0.3)
EBITDA	89,398	92,144	94,100	96,021
Core net profit	27,186	25,617	27,352	30,564
Core EPS (THB)	9.14	8.62	9.20	10.28
Chg. In EPS est. (%)	nm	(1.8)	(1.9)	nm
EPS growth (%)	(14.9)	(5.8)	6.8	11.7
Core P/E (x)	19.0	20.1	18.9	16.9
Dividend yield (%)	3.9	3.9	3.9	4.9
EV/EBITDA (x)	6.6	6.2	5.9	5.5
Price/book (x)	6.8	6.3	5.8	5.5
Net debt/Equity (%)	102.7	72.1	40.1	12.3
ROE (%)	37.5	32.7	32.2	33.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.0)	(0.3)	(13.0)
Relative to country (%)	(4.7)	(17.1)	(12.0)
Mkt cap (USD m)	17,183		
3m avg. daily turnover (USD m)	66.4		
Free float (%)	36		
Major shareholder	Intouch Holdings (40%)		
12m high/low (THB)	215.00/156.50		
Issued shares (m)	2,973.55		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 9 กุมภาพันธ์ 2021

### Investment thesis

ADVANC is the biggest mobile operator in Thailand with more than 45% of the market share. The company aims to be the number one 5G service provider. It also has the healthiest financial position in the sector, as well as a fair and consistent dividend yield at around 3.9% p.a.

Although we believe that the most important catalyst for its share price is its future net profit, the 10% decrease in its share price since 16 Dec-20 makes its upside look more attractive. We believe its earnings outlook for 2021 is unattractive, which we estimate to fall by 5.8% y-y due 5G infrastructure costs.

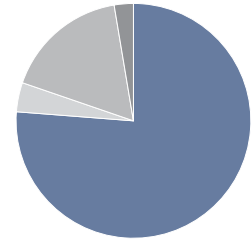
### Company profile

ADVANC operates a telecommunications business, including mobile network services, fixed broadband services, and digital services.

[investor.ais.co.th](http://investor.ais.co.th)

### Principal activities (revenue, 2020)

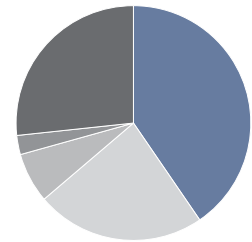
- Mobile - 76.2 %
- Fixed broadband - 4.0 %
- Sale of goods - 17.1 %
- Others - 2.6 %



Source: Advanced Info Service

### Major shareholders

- Intouch Holdings - 40.5 %
- Singtel Strategic Investment PTE - 23.3 %
- Thai NVDR - 6.9 %
- Social Security Office - 2.6 %
- Others - 26.7 %



Source: Advanced Info Service

### Catalyst

- Upcoming 5G technology should be a key driver for ADVANC, which aims to be the number one 5G operator;
- Consistent earnings which could lead to a consistent dividend yield at around 3.9% p.a.

### Risk to our call

The key downside risks to our DCF-based TP are stronger-than-expected competition in the mobile market and the slower-than-expected adoption of 5G use cases.

### Event calendar

Date	Event
May 2021	1Q21 results announcement

### Key assumptions

Key assumption	2020	2021E	2022E	2023E
Total subscribers (m)	41.3	42.0	42.5	43.1
Blended ARPU (THB/sub/mth)	241	246	249	253
<b>Fixed broadband</b>				
FBB subscribers (m)	1.2	1.4	1.5	1.8
ARPU (THB/sub/mth)	489	474	467	440

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in mobile blended ARPU, we project 2021 earnings to rise by 2.2%, and vice versa, all else being equal.
- For every 1% increase in mobile subscribers, we project 2021 earnings to rise by 2.1%, and vice versa, all else being equal.

Source: FSSIA estimates



## Exhibit 1: 4Q20 results review

	4Q19	3Q20	4Q20		2020
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
<b>Operating Revenue</b>	<b>48,818</b>	<b>41,715</b>	<b>46,074</b>	<b>10.4</b>	<b>(5.6)</b>
Operating Expense	(29,452)	(19,624)	(23,840)	21.5	(19.1)
<b>EBITDA</b>	<b>19,366</b>	<b>22,091</b>	<b>22,234</b>	<b>0.6</b>	<b>14.8</b>
<i>EBITDA margin (%)</i>	40	53	48	<i>nm</i>	<i>nm</i>
Depreciation & Amortization	(9,758)	(12,948)	(13,106)	1.2	34.3
<b>EBIT</b>	<b>9,608</b>	<b>9,143</b>	<b>9,128</b>	<b>(0.2)</b>	<b>(5.0)</b>
Interest expense	(1,171)	(1,449)	(1,358)	(6.3)	16.0
Other income	(238)	215	80	(62.9)	(133.5)
Associates	170	3	(66)	<i>n/a</i>	<i>n/a</i>
Extra items	-	(181)	509	<i>n/a</i>	<i>n/a</i>
<b>Pretax profit</b>	<b>8,369</b>	<b>7,730</b>	<b>8,293</b>	<b>7.3</b>	<b>(0.9)</b>
Tax	(1,303)	(1,215)	(1,128)	(7.2)	(13.4)
<i>Tax rate (%)</i>	(16)	(16)	(14)	<i>nm</i>	<i>nm</i>
Minority interests	(1)	(2)	(1)	<i>n.a.</i>	0.0
<b>Net profit</b>	<b>7,065</b>	<b>6,513</b>	<b>7,164</b>	<b>10.0</b>	<b>1.4</b>
<b>Core net profit</b>	<b>7,065</b>	<b>6,694</b>	<b>6,655</b>	<b>(0.6)</b>	<b>(5.8)</b>
EPS (THB)	2.4	2.2	2.4	10.0	1.4
Core EPS (THB)	2.4	2.3	2.2	(0.6)	(5.8)

Source: ADVANC

## Exhibit 2: 4Q20 operational summary

Operational summary	4Q19	3Q20	4Q20	
	(m)	(m)	(m)	(q-q%)
<b>Mobile</b>				
<b>Total subscribers</b>	<b>42.01</b>	<b>40.94</b>	<b>41.44</b>	<b>1.2</b>
Of which: Postpaid	9.11	9.77	10.19	4.3
Prepaid	32.91	31.17	31.24	0.2
<b>Blended ARPU (THB/sub/mth)</b>	<b>252</b>	<b>238</b>	<b>236</b>	<b>(1.1)</b>
Postpaid APRU (THB/sub/mth)	537	498	486	(2.4)
Prepaid APRU (THB/sub/mth)	173	157	154	(1.9)
<b>Fixed broadband</b>				
FBB subscribers (no.)	1,037,600	1,255,000	1,336,900	6.5
APRU (THB/sub/mth)	533	484	476	(1.7)

Source: ADVANC

## Financial Statements

### Advanced Info Service

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	180,894	172,890	176,599	180,828	184,555
Cost of goods sold	(74,444)	(59,112)	(57,695)	(58,709)	(59,592)
<b>Gross profit</b>	<b>106,449</b>	<b>113,778</b>	<b>118,904</b>	<b>122,119</b>	<b>124,963</b>
Other operating income	-	-	-	-	-
Operating costs	(27,740)	(24,380)	(26,760)	(28,019)	(28,942)
<b>Operating EBITDA</b>	<b>78,709</b>	<b>89,398</b>	<b>92,144</b>	<b>94,100</b>	<b>96,021</b>
Depreciation	(37,456)	(51,842)	(55,614)	(56,018)	(54,550)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>41,254</b>	<b>37,556</b>	<b>36,530</b>	<b>38,082</b>	<b>41,470</b>
Net financing costs	(4,777)	(5,917)	(6,377)	(5,727)	(5,077)
Associates	(86)	(70)	1	20	40
Recurring non operating income	1,672	638	1,037	1,093	1,148
Non recurring items	(747)	247	0	0	0
<b>Profit before tax</b>	<b>37,402</b>	<b>32,525</b>	<b>31,190</b>	<b>33,448</b>	<b>37,542</b>
Tax	(6,209)	(5,089)	(5,546)	(6,066)	(6,945)
<b>Profit after tax</b>	<b>31,193</b>	<b>27,437</b>	<b>25,645</b>	<b>27,382</b>	<b>30,597</b>
Minority interests	(3)	(3)	(28)	(29)	(33)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>31,190</b>	<b>27,434</b>	<b>25,617</b>	<b>27,352</b>	<b>30,564</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>747</b>	<b>(247)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>31,937</b>	<b>27,186</b>	<b>25,617</b>	<b>27,352</b>	<b>30,564</b>
<b>Per share (THB)</b>					
Recurring EPS *	10.74	9.14	8.62	9.20	10.28
Reported EPS	10.49	9.23	8.62	9.20	10.28
DPS	7.08	6.80	6.70	6.70	8.56
Diluted shares (used to calculate per share data)	2,973	2,973	2,973	2,973	2,973
<b>Growth</b>					
Revenue (%)	6.5	(4.4)	2.1	2.4	2.1
Operating EBITDA (%)	6.7	13.6	3.1	2.1	2.0
Operating EBIT (%)	3.4	(9.0)	(2.7)	4.2	8.9
Recurring EPS (%)	7.7	(14.9)	(5.8)	6.8	11.7
Reported EPS (%)	5.1	(12.0)	(6.6)	6.8	11.7
<b>Operating performance</b>					
Gross margin inc depreciation (%)	38.1	35.8	35.8	36.6	38.2
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	43.5	51.7	52.2	52.0	52.0
Operating EBIT margin (%)	22.8	21.7	20.7	21.1	22.5
Net margin (%)	17.7	15.7	14.5	15.1	16.6
Effective tax rate (%)	-	-	-	-	-
Dividend payout on recurring profit (%)	65.9	74.4	77.7	72.8	83.3
Interest cover (X)	9.0	6.5	5.9	6.8	8.4
Inventory days	21.2	22.2	15.2	15.2	15.4
Debtor days	37.9	38.1	37.1	37.1	37.2
Creditor days	193.8	253.0	258.1	258.6	260.8
Operating ROIC (%)	48.9	37.8	30.1	35.4	45.4
ROIC (%)	20.9	17.3	14.5	15.7	19.5
ROE (%)	50.4	37.5	32.7	32.2	33.5
ROA (%)	12.7	10.3	8.8	8.9	10.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue By Division (THB m)</b>					
Mobile	139,898	131,804	137,361	140,661	143,785
Fixed broadband	5,722	6,959	7,812	8,481	8,949
Sale of goods	30,765	29,574	25,876	25,915	25,844
Others	4,509	4,553	5,550	5,771	5,977

Sources: Advanced Info Service; FSSIA estimates

## Financial Statements

### Advanced Info Service

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	31,937	27,186	25,617	27,352	30,564
Depreciation	37,456	51,842	55,614	56,018	54,550
Associates & minorities	-	-	-	-	-
Other non-cash items	7,973	8,643	7,404	5,299	4,630
Change in working capital	(738)	(2,041)	91	825	606
<b>Cash flow from operations</b>	<b>76,627</b>	<b>85,630</b>	<b>88,726</b>	<b>89,495</b>	<b>90,351</b>
Capex - maintenance	(13,817)	(16,834)	(18,000)	(16,920)	(13,920)
Capex - new investment	(13,232)	(38,058)	(22,538)	(22,319)	(20,319)
Net acquisitions & disposals	188	326	435	457	480
Other investments (net)	76	(129)	0	0	0
<b>Cash flow from investing</b>	<b>(26,784)</b>	<b>(54,694)</b>	<b>(40,103)</b>	<b>(38,782)</b>	<b>(33,759)</b>
Dividends paid	(21,050)	(20,219)	(19,907)	(19,907)	(25,459)
Equity finance	0	0	0	0	0
Debt finance	(15,110)	4,071	55	(10,000)	(10,000)
Other financing cash flows	(3,128)	(15,977)	(9,740)	(7,727)	(7,077)
<b>Cash flow from Financing</b>	<b>(39,288)</b>	<b>(32,124)</b>	<b>(29,592)</b>	<b>(37,634)</b>	<b>(42,536)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(216)</b>	<b>(95)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>10,338</b>	<b>(1,284)</b>	<b>19,031</b>	<b>13,079</b>	<b>14,056</b>
Free cash flow to firm (FCFF)	54,619.51	36,852.20	55,000.61	56,439.79	61,668.50
Free cash flow to equity (FCFE)	31,388.54	18,934.97	38,938.71	32,986.19	39,514.90

#### Per share (THB)

FCFF per share	18.37	12.39	18.50	18.98	20.74
FCFE per share	10.56	6.37	13.10	11.09	13.29
Recurring cash flow per share	26.02	29.49	29.81	29.82	30.18

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed asset (gross)	241,913	337,010	364,390	391,890	414,390
Less: Accumulated depreciation	(116,403)	(155,769)	(196,876)	(238,403)	(278,523)
<b>Tangible fixed assets (Net)</b>	<b>125,510</b>	<b>181,241</b>	<b>167,514</b>	<b>153,487</b>	<b>135,867</b>
<b>Intangible fixed assets (Net)</b>	<b>111,424</b>	<b>120,224</b>	<b>141,639</b>	<b>127,847</b>	<b>114,117</b>
Long-term financial assets	67	110	110	110	110
Invest. In associates & subsidiaries	660	831	831	831	831
Cash & equivalents	21,626	20,342	39,373	52,453	66,509
A/C receivable	18,298	17,781	18,163	18,598	18,981
Inventories	4,828	2,372	2,423	2,481	2,532
Other current assets	2,390	1,660	1,696	1,737	1,772
<b>Current assets</b>	<b>47,142</b>	<b>42,155</b>	<b>61,655</b>	<b>75,268</b>	<b>89,794</b>
Other assets	4,865	5,610	5,642	5,679	5,711
<b>Total assets</b>	<b>289,669</b>	<b>350,171</b>	<b>377,391</b>	<b>363,222</b>	<b>346,430</b>
Common equity	69,266	75,564	81,274	88,719	93,824
Minorities etc.	128	125	153	182	215
<b>Total Shareholders' equity</b>	<b>69,394</b>	<b>75,689</b>	<b>81,427</b>	<b>88,901</b>	<b>94,040</b>
Long term debt	69,172	79,301	79,345	71,345	63,345
Other long-term liabilities	45,848	101,367	123,034	110,276	97,460
<b>Long-term liabilities</b>	<b>115,020</b>	<b>180,668</b>	<b>202,379</b>	<b>181,621</b>	<b>160,805</b>
A/C payable	41,377	40,571	41,039	42,143	43,021
Short term debt	24,872	18,748	18,759	16,759	14,759
Other current liabilities	39,007	34,494	33,787	33,797	33,805
<b>Current liabilities</b>	<b>105,255</b>	<b>93,813</b>	<b>93,585</b>	<b>92,699</b>	<b>91,585</b>
<b>Total liabilities and shareholders' equity</b>	<b>289,669</b>	<b>350,171</b>	<b>377,391</b>	<b>363,222</b>	<b>346,430</b>
Net working capital	(54,867)	(53,251)	(52,544)	(53,125)	(53,540)
Invested capital	187,660	254,765	263,192	234,829	203,096

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	23.30	25.42	27.34	29.84	31.56
Tangible book value per share	(14.18)	(15.02)	(20.30)	(13.16)	(6.83)

#### Financial strength

Net debt/Equity (%)	104.4	102.7	72.1	40.1	12.3
Net debt/total assets (%)	25.0	22.2	15.6	9.8	3.3
Current ratio (x)	0.4	0.4	0.7	0.8	1.0
CF interest cover (x)	10.3	10.6	10.6	10.7	12.8

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>16.2</b>	<b>19.0</b>	<b>20.1</b>	<b>18.9</b>	<b>16.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>18.6</b>	<b>21.9</b>	<b>23.2</b>	<b>21.7</b>	<b>19.5</b>
Reported P/E (x)	16.5	18.8	20.1	18.9	16.9
Dividend yield (%)	4.1	3.9	3.9	3.9	4.9
Price/book (x)	7.4	6.8	6.3	5.8	5.5
Price/tangible book (x)	(12.2)	(11.6)	(8.5)	(13.2)	(25.4)
EV/EBITDA (x) **	7.5	6.6	6.2	5.9	5.5
EV/EBITDA @ target price (x) **	8.5	7.5	7.1	6.7	6.3
EV/invested capital (x)	3.1	2.3	2.2	2.3	2.6

\* Pre-exceptional & pre-goodwill are fully diluted \*\* EBITDA includes associate income and recurring non operating income

Sources: Advanced Info Service; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

## EXCELLENT LEVEL

AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

## VERY GOOD LEVEL

2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE	
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

## GOOD LEVEL

7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TPIPP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

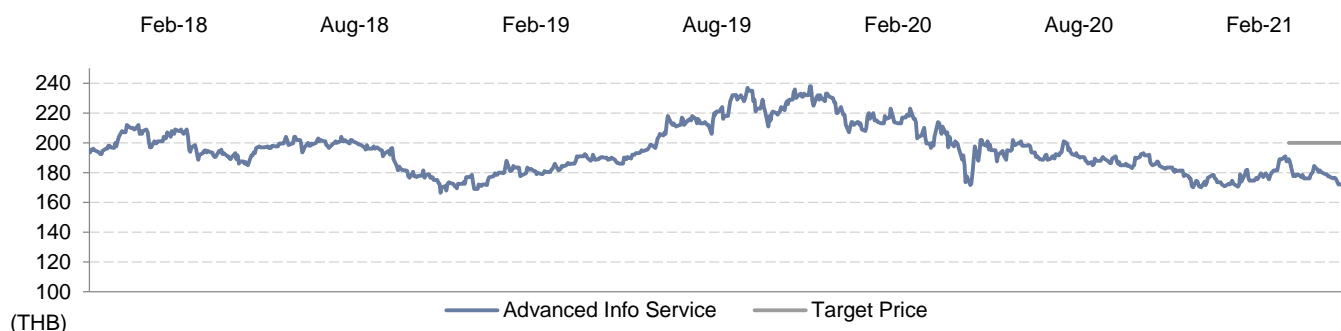
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#### History of change in investment rating and/or target price

#### Advanced Info Service (ADVANC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Dec-2020	HOLD	200.00	-	-	-	-	-	-

Naruedom Mujjalinkool started covering this stock from 16-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Advanced Info Service	ADVANC TB	THB 173.50	BUY	The key downside risks to our DCF-based TP are stronger-than-expected competition in the mobile market and the slower-than-expected adoption of 5G use cases.

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 Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 08-Feb-2021 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.