

23 NOVEMBER 2021

Thailand ICT

The big turning point

Amalgamation between TRUE and DTAC

On 22 Nov-21, True Corporation (TRUE TB, HOLD, TP THB4.20) and Total Access Communication (DTAC TB, HOLD, TP THB42) announced a potential amalgamation between the two companies. They are considering a fixed swap ratio for their shareholders in respect to the allocation of shares in a new company to be formed as a result of the amalgamation. The ratios would be: 1 existing share in TRUE to 2.40072 shares in the new company; and 1 existing share in DTAC to 24.53775 shares in the new company.

Voluntary tender offer

Besides the share swap into the new company, TRUE and DTAC will set up a joint venture, Citrine Global, as a company under Telenor Asia, a shareholder of DTAC and Charoen Pokphand Holding, which is a shareholder of True. Citrine Global intends to make a conditional voluntary tender offer (VTO) for all of DTAC's and TRUE's securities at the tender offer price of THB47.76 and THB5.09 per share, respectively. The intention of the VTO is to provide an opportunity to the existing shareholders of the companies who do not wish to hold shares in the new company to sell their shares in the VTO.

Three winners and one tie

We think the winners of this transaction would be DTAC, TRUE, and the Digital Telecommunications Infrastructure Fund (DIF, NR), as DIF could benefit from 1) the new company renting more tower slots under the fund; or 2) the chance to acquire DTAC's mobile towers. Advanced Info Service (ADVANC TB, BUY, TP THB220), on the other hand, could have both an upside risk, such as there being less competition in the mobile service business and the future spectrum auction – as there would only be two mobile operators in Thailand – and downside risks, such as 1) ADVANC may lose the opportunity to grow in the fixed broadband (FBB) business since it may miss the chance to capture DTAC's customers as they might select FBB under TRUE as a convergent service; and 2) the towerco model that was speculated on by the market in the past several months may not be realised.

Maintain NEUTRAL view on sector

We believe the share prices of TRUE and DTAC may surge close to the VTO price, with an upside from their current prices at 18% and 16%, respectively. However, shareholders should consider that this amalgamation transaction must be done before the VTO will occur. Hence, there might be a downside risk on the VTO price. Note that, in accordance with the National Broadcasting and Telecommunications Commission (NBTC), TRUE and DTAC have to notify the NBTC of the details 90 days prior to the transaction being done.



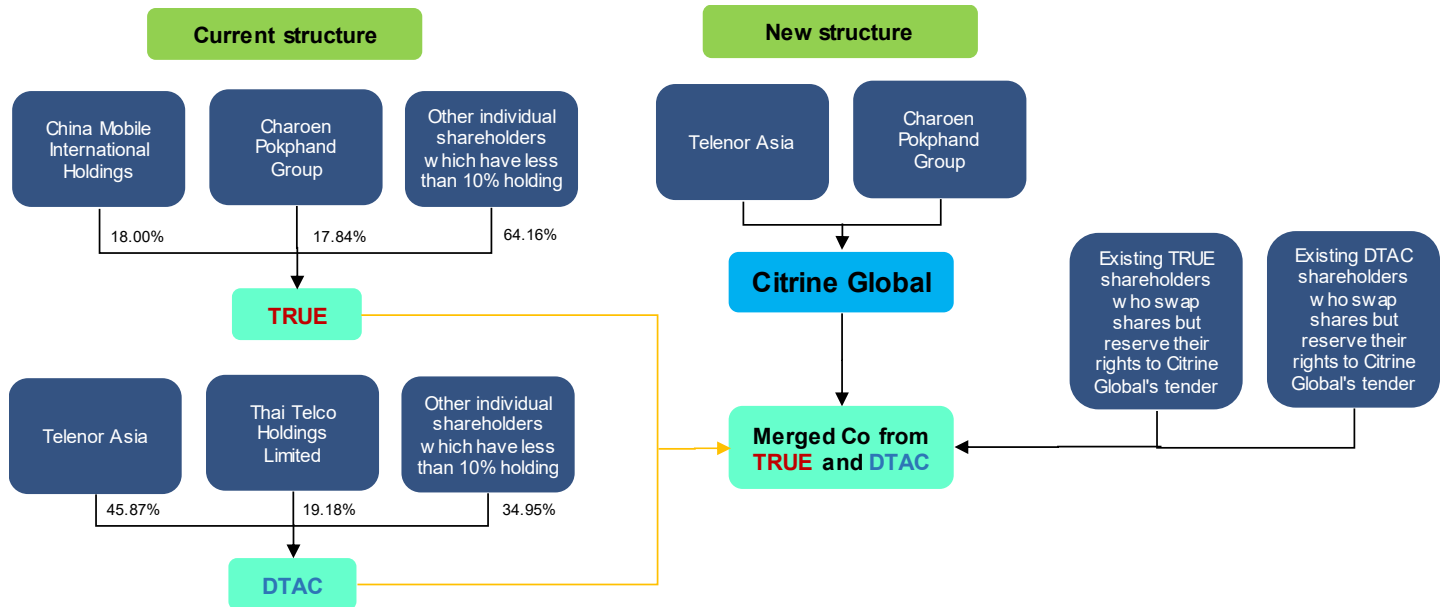
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High chance that this deal will get approved

To determine market dominance, the NBTC uses the Herfindahl-Hirschman Index (HHI). The HHI is calculated by squaring the revenue market share of each firm competing in the related market and then summing the resulting numbers. Under the HHI, should the resulting numbers meet either of the following two criteria, the M&A would be considered to induce market dominance in the related business.

Exhibit 1: M&A based on disclosures on 22 Nov-21



Sources: SET; FSSIA's compilation

Exhibit 2: HHI's determination of market dominance by market share of revenue

First criteria	Second criteria
a) Before ≤ 1,800	a) Before > 1,800
b) After ≥ 1,800	b) After > 1,800
c) Increase > 50	c) Increase > 100

In both cases, the combined results of a+b+c indicate a high market concentration, signifying a negative impact on competition and therefore would be deemed as market dominance in the related business.

Sources: Office of The National Broadcasting and Telecommunications Commission (NBTC); FSSIA's compilation

The merger between TRUE and DTAC would increase the HHI from 3,664 to 5,032 (+37%), which would not be categorised as a monopoly or as market dominance. Compare the convenience store case of 7-Eleven and Tesco Lotus Express, which the Office of Trade Competition Commission (TCC) has already approved, where the HHI increased from 5,553 to 6,944 (25%). Therefore, we believe there is a high chance that this deal may receive approval from the TCC or NBTC. If the new company passes the HHI criteria, then the NBTC would have to identify whether the new company would have "significant market power", according to its criteria in the appendix at the end of this report.

Exhibit 3: Herfindahl-Hirschman Index (HHI) in the mobile business

	Current Structure			Total HHI	New Structure		Total HHI	Change (%)
	ADVANC (%)	DTAC (%)	TRUE (%)		ADVANC (%)	New company (%)		
Subscriber market share	46	20.3	33.7		46	54		
HHI index	2,116	412.09	1,135.69	3,663.78	2,116	2,916	5,032	37.35

Sources: NBTC; TCC; FSSIA estimates

Stronger in spectrum sharing

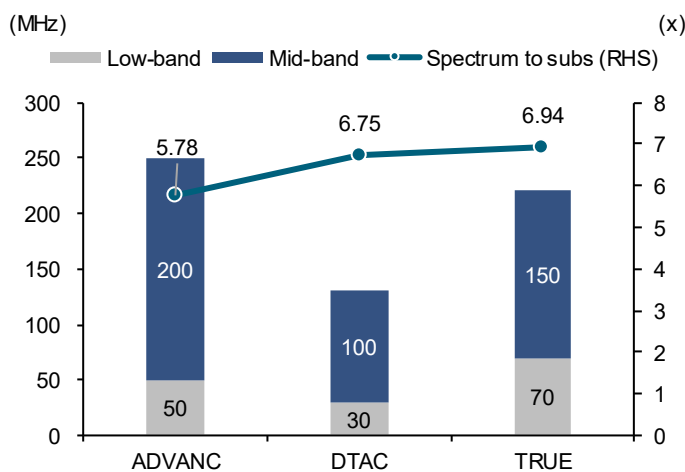
The new company would hold over 350Mhz (excluding 26Ghz) and become the biggest spectrum holder in Thailand. With a potential subscriber base of 51m subs, the new company would have a spectrum to subscriber ratio of 6.87x, higher than ADVANC at 5.78x. This could prompt TRUE to negotiate more aggressively with National Telecom (NT) in order to reduce the 850MHz spectrum rental cost that it currently incurs from NT, with a cost of over THB4b per year. For more details, see our report, [“True Corporation \(TRUE TB\) - Continue to wait and watch”, dated 19 Oct-21.](#)

This could mean that after the contract expiration of the 850MHz spectrum rental in 2026, TRUE may not necessarily rent the 850MHz spectrum after that, as the new company would still own 70Mhz in the low-band spectrum, which would still be higher than what ADVANC has.

On the other hand, DTAC would likely benefit from the new spectrum landscape, as it does not yet own a 5G mid-band spectrum since it is now waiting for the 3500Mhz spectrum auction. Having a 90Mhz bandwidth in the 2600Mhz spectrum from TRUE may reduce the pressure of having a lower quality 5G service in the future.

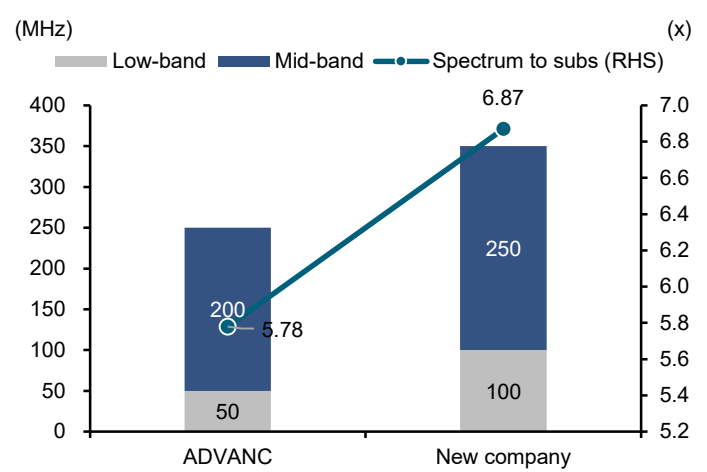
We will still have to wait and see to determine what the demand for the 3500Mhz spectrum will be, which is expected to open for bidding in 2022. Both ADVANC and the new company may benefit from lower spectrum auction competition, as well as the future spectrum auction. Note that the next spectrum to expire will be 2100Mhz, for which the contracts for every company will expire in 2027.

Exhibit 4: Pre-spectrum landscape



Sources: ADVANC; DTAC; TRUE; FSSIA's compilation

Exhibit 5: Post-spectrum landscape



Sources: ADVANC; DTAC; TRUE; FSSIA compilation

Exhibit 6: Spectrum summary

	Low-band				Mid-band					High-band	Grand	Ex-26GHz (MHz)	Subs (m)	Spectrum to subs (x)
	700 (MHz)	850 (MHz)	900 (MHz)	Sub-total (MHz)	1800 (MHz)	2100 (MHz)	2300 (MHz)	2600 (MHz)	Sub-total (MHz)	26000 (MHz)	total (MHz)			
ADVANC	30	0	20	50	40	60	0	100	200	1200	1450	250	43	5.78
DTAC	20	0	10	30	10	30	60	0	100	200	330	130	19	6.75
TRUE	20	30	20	70	30	30	0	90	150	800	1020	220	32	6.94
Total	70	30	50	150	80	120	60	190	450	2200	2800	600	94	6.37*
	700 (MHz)	850 (MHz)	900 (MHz)	Sub-total (MHz)	1800 (MHz)	2100 (MHz)	2300 (MHz)	2600 (MHz)	Sub-total (MHz)	26000 (MHz)	Grand total (MHz)	Ex-26GHz (MHz)	Subs (m)	Spectrum to subs (x)
ADVANC	30	0	20	50	40	60	0	100	200	1200	1450	250	43	5.78
New company	40	30	30	100	40	60	60	90	250	1000	1350	350	51	6.87

*Weighted average

Sources: ADVANC; DTAC; TRUE; FSSIA compilation

Exhibit 7: Potential upside from merger, 2023E

Financial performance	ADVANC	DTAC+TRUE	Diff
	(THB m)	(THB m)	
Mobile subs (m)	45.5	53.1	17
Mobile ARPU (THB)	234	227	(3)
FBB subs (m)	2.3	4.8	110
FBB ARPU (THB)	440	517	17
Total revenue	184,409	232,006	26
Operating cost	60,580	108,034	78
SG&A	28,693	31,804	11
EBITDA	95,136	92,168	(3)
Net profit	30,592	5,953	(81)
Financial ratio	ADVANC	DTAC+TRUE	
EBITDA margin (%)	51.6	39.7	
SG&A to sales (%)	15.6	13.7	
Net profit margin (%)	16.6	2.6	
Net debt to equity (x)	1.82	3.59	
Net debt to EBITDA (x)	1.54	4.77	
ROE (%)	37.8	(0.4)	
ROIC (%)	16.4	4.5	
EV/EBITDA (x)	7.41	7.45	

Sources: Company data; FSSIA estimates

Exhibit 8: New company outlook after the cost reduction and lower competition effect

Financial performance	2023E based on our current assumptions			2023E based on our new assumptions		----- Change -----	
	ADVANC (THB m)	DTAC+TRUE (THB m)	Diff (%)	ADVANC (THB m)	DTAC+TRUE (THB m)	(%)	(%)
Mobile subs (m)	45.5	53.1	17	53.1	53.1		
Mobile ARPU (THB)	234	227	(3)	235	233	0.7	2.7
FBB subs (m)	2.3	4.8	110	2.3	4.8		
FBB ARPU (THB)	440	517	17	440.2	517.0		
Total revenue	184,409	232,006	26	185,447	234,091	0.6	0.9
Operating cost	60,580	108,034	78	60,580	97,231	0.0	(10.0)
SG&A	28,693	31,804	11	28,693	28,624	0.0	(10.0)
EBITDA	95,136	92,168	(3)	96,173	108,236	1.1	17.4
Net profit	30,592	5,953	(81)	31,140	14,031	1.8	135.7
Financial ratio							
EBITDA margin (%)	51.6	39.7		51.9	46.2		
SG&A to sales (%)	15.6	13.7		15.5	12.2		
Net profit margin (%)	16.6	2.6		16.8	6.0		
Net debt to equity (x)	1.82	3.59		1.82	3.59		
Net debt to EBITDA (x)	1.54	4.77		1.54	4.77		
ROE (%)	37.8	(0.4)		37.8	(0.4)		
ROIC (%)	16.4	4.5		16.4	4.5		
EV/EBITDA (x)	7.41	7.45		6.4	n.a.		

Source: FSSIA estimates

High opportunity for cost optimisation

TRUE has strong revenue growth and subscriber auctions, but poor cost management, with the highest operating cost in the mobile sector. By combining with DTAC, which has lower potential revenue growth but impressive cost optimisation, we believe the new company would become more balanced between the revenue and cost sides. We expect the new company would have a good opportunity to optimise its costs, including 1) potentially lower operating costs as well as SG&A; 2) a lower future spectrum cost; and 3) less CAPEX to be invested in the future.

Based on our assumption, we expect that the new company would be able to reduce its operating costs and SG&A by 10% in 2023. We estimate that this would boost its net profit significantly from the separate financial performances of DTAC and TRUE by over 136% to THB14b.

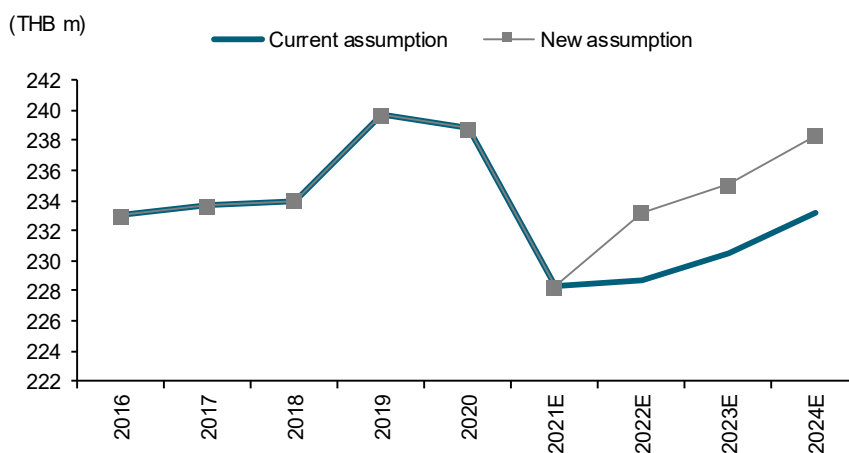
Less competition would benefit every company

We believe the merger between TRUE and DTAC would directly impact the mobile competition situation in Thailand, given that mobile average revenue per user (ARPU) for both pre- and post-paid customers has been in a declining trend for many years. The optimal market share of the new company at 54% vs 46% for ADVANC would strike a balance. We expect only a tiny change in market share of around 50-60% for the biggest operator and 40-50% for the second operator. Therefore, this would entirely remove the intense competition, in our view.

Based on our assumption, we revise our ARPU forecast to start improving from 2022 onward. Pre- and post-paid ARPU is likely to be flat and slightly decrease in 2023, compared to our current assumption where pre-paid ARPU would decline by 0.9% in 2022 and post-paid would decline by 1.1% and continue to slide going forward.

When pre- and post-paid ARPU become more stable, 2023E blended ARPU would increase significantly by 2% thanks to the pre-to-post transition that should continue in the future.

Exhibit 9: New assumption based on zero competition in the mobile market



Source: FSSIA estimates

As a result of the potentially changing mobile operator landscape, ADVANC's revenue in 2023 would have a chance to slightly exceed our current expectation by 0.6% at THB185b, while its net profit could improve by 1.8% to THB31b. Hence, lower competition should maintain the industry's ARPU and benefit ADVANC's target price, with it potentially rising to THB236 vs our current TP of THB220.

TRUE and DTAC should receive the same benefits as ADVANC. Based on our estimates, these two companies' target prices would increase to THB46 vs THB42 for DTAC and to THB4.53 vs THB4.20 for TRUE.

Exhibit 10: Potential upside for mobile operators assuming zero competition in the sector

	ADVANC			DTAC			TRUE		
	Current (THB m)	Potential upside (THB m)	Change (%)	Current (THB m)	Potential upside (THB m)	Change (%)	Current (THB m)	Potential upside (THB m)	Change (%)
Blended ARPU (THB/month)	230.1	231.9	0.8	242.4	246.4	1.6	213.6	221.4	3.6
Revenue	179,257	180,292	0.6	80,548	81,523	1.2	144,212	145,048	0.6
Net profit	28,240	28,792	2.0	4,540	4,912	8.2	(448)	226	n.a.
Target price (THB)	220	236	7.3	42	46	9.5	4.20	4.53	7.9

Source: FSSIA estimates

Telenor is positive and optimistic on this deal

According to the conference call with Telenor, DTAC's major shareholder, the company has a positive and optimistic view on this deal, even as it has no antitrust pre-approval for the deal, the CFO said. Telenor expects the due diligence to be completed in 1Q22 and will seek authority for approval after that. The company expects around a USD300m to USD500m cash outlay on the deal and it aims to hold 1/3 of the new company.

Appendix

The NBTC is authorised to identify telecommunications business operators that have “significant market power” (meaning operator capability that may pose a barrier to competition in the relevant market). The NBTC shall assess markets that are non-competitive, and that have barriers to competition and then identify the operators that have significant market power (SMP operators).

A market shall be deemed as non-competitive if it has: a high market concentration (according to the Herfindahl-Hirschman Index (HHI) as determined by the NBTC); a high barrier to new entry; or low competition with no potential for improvement.

If a market is deemed to be non-competitive, then the NBTC shall categorise operators in such markets as SMP operators as follows:

- 1) operators that have a market share (including the market share of its subsidiaries) of at least 40 percent; or
- 2) operators that have a market share from 25 percent to 40 percent but that the NBTC considers as having SMP, taking into account the following:

- size of overall business;
- control over fundamental network facilities;
- technological advantage (compared to other operators in the same market);
- bargaining power;
- access to funding resources;
- variety of products and services;
- economies of scale;
- economies in production;
- vertical integration of service businesses;
- high volume of distribution or sale of products;
- competency to compete in the market;
- barriers to business growth; and
- capability of new entry by competitors to the market.

If it is not possible to identify only one SMP operator because of market concentration, similarity of products or services, similarity of cost structure, or similarity of market share, then the NBTC may identify more than one operator in the market as an SMP operator.

SMP operators or any operators with more than 25 percent market share in any relevant markets are forbidden from conducting the following activities:

- price discrimination;
- stipulating a fixed fee;
- stipulating service fees or product prices lower than cost to limit competition;
- stipulating conditions to force other operators to use certain services or to limit choices of services;
- unreasonably restrain from, reduce or limit provision of services or sale of products;
- stipulating unfair conditions on the provision of services to other operators;
- refusing to provide necessary networks or facilities to other operators;
- bundling services or products to other operators;
- concealing information necessary for using or providing services;
- using information derived from other operators to create competitive advantage;
- using techniques with the intent to limit the services of other operators;
- entering into agreements or conditions with other operators or other persons with the intent to reduce or limit competition; and
- other activities that the NBTC may, from time to time, stipulate.

In addition, the NBTC may issue specific measures to impose obligations or stipulate conditions on any individual operators or SMP operators, which may include orders to:

- perform or restrain from activities deemed harmful by the NBTC;
- keep a separate accounting system for some services;
- disclose or report information;
- change cost-calculation formulas;
- set prices or fees for certain services;
- provide services to other operators;
- separate services;
- cancel or amend terms in service agreements; and
- other measures that the NBTC may stipulate.

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	ICI	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	RCL	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	TIPIP	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	TTB	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

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.

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History of change in investment rating and/or target price

True Corporation (TRUE TB)



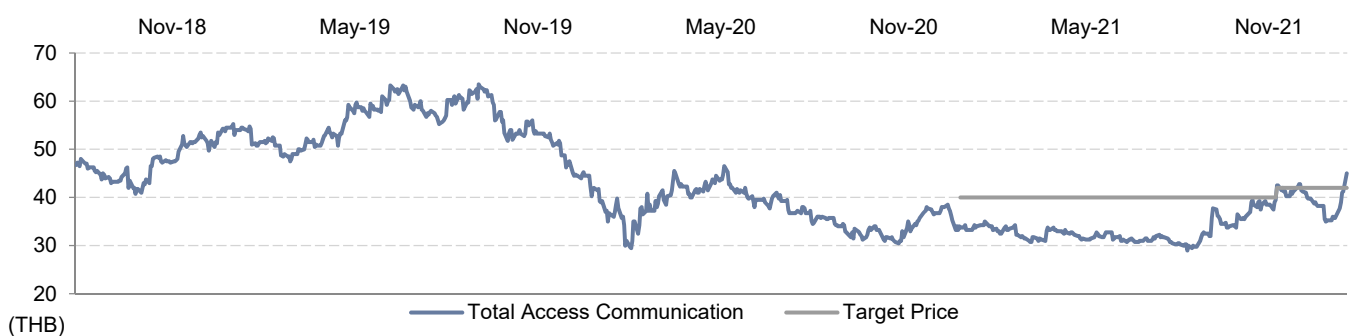
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	REDUCE	3.00	02-Mar-2021	HOLD	3.30	19-Oct-2021	HOLD	4.20

Naruedom Mujjalinkool started covering this stock from 29-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Total Access Communication (DTAC TB)



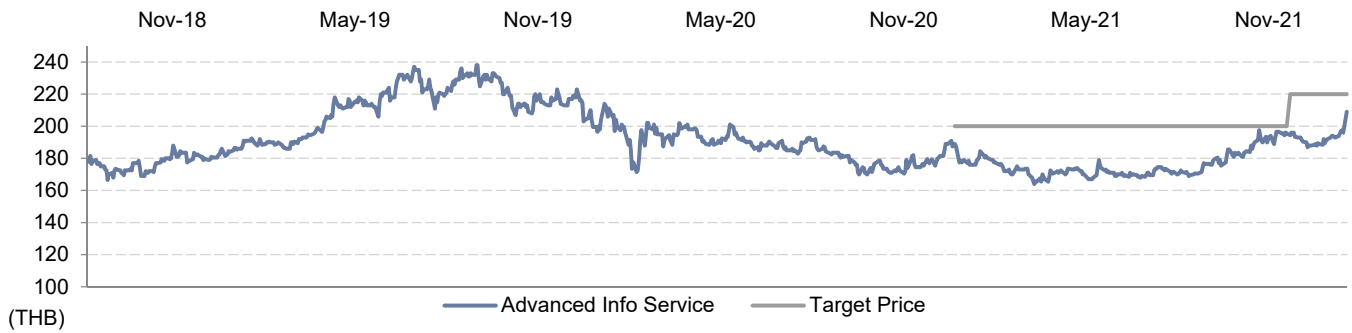
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Dec-2020	BUY	40.00	05-May-2021	BUY	40.00	22-Sep-2021	HOLD	42.00
01-Feb-2021	BUY	40.00	22-Jun-2021	BUY	40.00			

Naruedom Mujjalinkool started covering this stock from 24-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Advanced Info Service (ADVANC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Dec-2020	HOLD	200.00	09-Feb-2021	BUY	200.00	30-Jun-2021	BUY	200.00
05-Jan-2021	HOLD	200.00	06-May-2021	BUY	200.00	01-Oct-2021	BUY	220.00

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
True Corporation	TRUE TB	THB 4.76	HOLD	The key upside and downside risks to our DCF-based TP are if the 5G subscription gains and ARPU are better or worse than our expectation, if the company can reduce its costs better or worse than we expect, and if there is a faster or slower-than-expected adoption of 5G use cases.
Total Access Communication	DTAC TB	THB 45.00	HOLD	The key downside and upside risks to our DCF-based TP are if the 5G subscription losses are worse than our expectation, the cost of the 3500MHz band is higher than our expectation, if there is stronger or weaker-than-expected competition in the mobile market, and if there is a faster or slower-than-expected adoption of 5G use cases.
Advanced Info Service	ADVANC TB	THB 209.00	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 22-Nov-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.