

ADVANCED INFO SERVICE

THAILAND / ICT

ADVANC TB

BUY

UNCHANGED

การแข่งขันในตลาดรุนแรงขึ้น

- การแข่งขันที่รุนแรงอย่างต่อเนื่องคุกคามแนวโน้มที่ทรงตัวก่อนหน้านี้ โดยเฉพาะอย่างยิ่งในช่วงก่อนการควบรวมกิจการระหว่าง DTAC และ TRUE
- จากการคาดการณ์ดังกล่าว เราปรับลดประมาณการกำไรในปี 2022 ลงเหลือ 27.5 พัน ลบ. โทเพียง 2% y-y
- คงแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 250 บาท (DCF)

TARGET PRICE	THB250.00
CLOSE	THB208.00
UP/DOWNSIDE	+20.2%
PRIOR TP	THB260.00
CHANGE IN TP	-3.8%
TP vs CONSENSUS	+1.8%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	181,333	182,872	186,319	188,109
Net profit	26,922	27,504	29,636	31,233
EPS (THB)	9.05	9.25	9.97	10.51
vs Consensus (%)	-	(3.0)	(6.3)	(10.1)
EBITDA	91,408	92,145	94,471	95,671
Core net profit	27,068	27,504	29,636	31,233
Core EPS (THB)	9.10	9.25	9.97	10.51
Chg. In EPS est. (%)	2.3	(2.8)	(3.8)	(4.9)
EPS growth (%)	(0.4)	1.6	7.8	5.4
Core P/E (x)	22.8	22.5	20.9	19.8
Dividend yield (%)	3.7	3.8	4.3	4.8
EV/EBITDA (x)	7.6	7.4	7.1	6.8
Price/book (x)	7.6	7.3	6.9	6.7
Net debt/Equity (%)	89.8	75.6	54.8	38.3
ROE (%)	34.4	33.0	34.0	34.3

การแข่งขันหน้าจะรุนแรงอย่างต่อเนื่อง

หลังดูราคาที่ใช้โทรศัพท์เคลื่อนที่ในปัจจุบัน เรามีความกังวลบางประการเกี่ยวกับแนวโน้มการแข่งขันของอุตสาหกรรมในช่วงก่อนการควบรวมระหว่าง Total Access Communication (DTAC TB, BUY, TP 55.50 บาท) และ True Corporation (TRUE TB, BUY, TP 5.40 บาท) เราคิดว่ากลยุทธ์ของ ADVANC ในการหาผู้ใช้บริการโทรศัพท์เคลื่อนที่อาจกดดันกำไรอย่างต่อเนื่องตลอดปี นอกจากนี้เรายังได้เปลี่ยนสมมติฐานรายได้เฉลี่ยต่อผู้ใช้ (ARPU) ในขณะที่เราเคยคาดว่าจะการแข่งขันน่าจะทรงตัวในต้นปีนี้ ปัจจุบันเราคิดว่าการแข่งขันอาจรุนแรงต่อเนื่องไปอีกอย่างน้อย 1 หรือ 2 ไตรมาส

ยอมเสียระยะสั้นให้ได้ระยะยาว

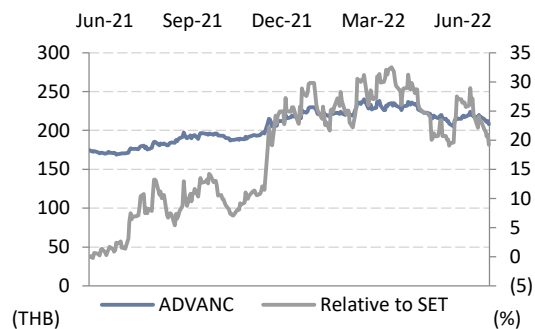
แม้ว่ากลยุทธ์การหาผู้ใช้บริการเชิงรุกที่ ADVANC ใช้ในช่วงก่อนการควบรวมกิจการอาจกระทบ ARPU ในอุตสาหกรรมบริการโทรศัพท์เคลื่อนที่ในระยะสั้น เราเชื่อว่าการกระทำดังกล่าวเป็นกลยุทธ์ที่ดีในการเพิ่มส่วนแบ่งตลาดที่จะช่วยสนับสนุนความยั่งยืนของบริษัทในระยะยาว เราคิดว่าการหาผู้ใช้บริการเพิ่มในปัจจุบันน่าจะช่วยให้ ARPU ปรับขึ้นเมื่อการแข่งขันที่รุนแรงลดลงในที่สุด

ปรับลดประมาณการกำไร

นอกจากการแข่งขันที่รุนแรงแล้ว เงินเฟ้อที่อยู่ในระดับสูงและค่าครองชีพที่ปรับขึ้นในประเทศไทยกำลังส่งผลกระทบต่อโดยตรงต่อกลุ่มโทรศัพท์เคลื่อนที่ ด้วยเหตุดังกล่าวเราปรับเพิ่มประมาณการตัวเลขผู้ใช้บริการโทรศัพท์เคลื่อนที่ในปี 2022 อีก 0.9% เป็น 45.6 ล้าน แต่ปรับลด ARPU รวมลงจาก 224 เป็น 218 บาท (-2.5%) ซึ่งทำให้ประมาณการรายได้ลดลง 1% ในปี 2022 และทำให้เราคาดว่ากำไรในปี 2022 จะอยู่ที่ 27.5 พัน ลบ. ลดลง 2.8% จากประมาณการก่อนหน้านี้ ด้วยเหตุดังกล่าวเราคาดว่ากำไรของ ADVANC ในปี 2022 อาจโตเพียง 1.6% y-y

คงแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 250 บาท

ในขณะที่ประเด็นการควบรวมยังไม่สิ้นสุด ยังมีโอกาสที่การควบรวมดังกล่าวจะไม่ได้รับอนุมัติจาก กสทช. เราเชื่อว่า ADVANC ยังเป็นบริษัทที่แข็งแกร่งและมี Downside น้อยกว่าเพื่อนเรา ยังชอบ ADVANC เนื่องจากตัวเลขผู้ใช้บริการที่สูงกว่าจะช่วยหนุนการเติบโตของบริษัทในระยะยาว เราคงแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 250 บาท



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.3)	(10.0)	19.9
Relative to country (%)	(2.9)	(9.2)	19.3
Mkt cap (USD m)	17,789		
3m avg. daily turnover (USD m)	38.6		
Free float (%)	36		
Major shareholder	Intouch Holdings (40%)		
12m high/low (THB)	242.00/169.00		
Issued shares (m)	2,973.55		

Sources: Bloomberg consensus; FSSIA estimates



Naruedom Mujjalinkool

naruedom.muj@fssia.com
+66 2611 3566

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 13 มิถุนายน 2022

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.

We think the company has various catalysts waiting in the future, including 1) the potential to pay a higher dividend; 2) the benefit of lower competition in the mobile market after the amalgamation of True Corporation (TRUE TB, BUY, TP THB5.40) and Total Access Communication (DTAC TB, BUY, TP THB55.50) in 2022; 3) likely new projects with Gulf Energy Development (GULF TB, BUY, TP THB60); 4) growth in the enterprise sector; and 5) growth in its digital services business.

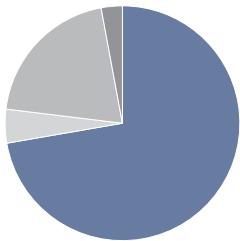
Company profile

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

investor.ais.co.th

Principal activities (revenue, 2021)

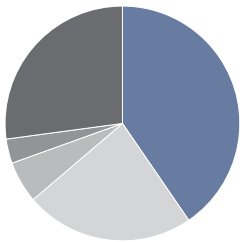
- Mobile - 72.3 %
- Fixed broadband - 4.7 %
- Sale of goods - 20.2 %
- Others - 2.9 %



Source: Advanced Info Service

Major shareholders

- Intouch Holdings - 40.4 %
- Singtel Strategic Investment PTE - 23.3 %
- Thai NVDR - 5.8 %
- Social Security Office - 3.4 %
- Others - 27.1 %



Source: Advanced Info Service

Catalysts

- 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 3.5-4% p.a.;
- The expectation of less competition in the mobile market after the amalgamation of TRUE and DTAC.

Risks 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
Aug-22	2Q22 results announcement

Key assumptions

Key assumption	2021	2022E	2023E	2024E
Total subscribers (m)	44.1	45.6	45.9	46.0
Blended ARPU (THB/sub/mth)	228	218	222	226
Fixed broadband				
FBB subscribers (m)	1.8	2.1	2.4	2.6
ARPU (THB/sub/mth)	444	435	429	422

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in mobile blended ARPU, we project 2022 earnings to rise by 2.2%, and vice versa, all else being equal.
- For every 1% increase in mobile subscribers, we project 2022 earnings to rise by 2.1%, and vice versa, all else being equal.

Source: FSSIA estimates

The competition remains intense

In Apr-22, all three mobile operators announced new mobile packages for pre-paid subscribers. The new starting price plan was only THB100 per month and offered unlimited data at the fixed speed of 15Mbps, together with a huge amount of data available for the voice package. The starting price dropped from the minimum price of THB150 that all three operators had always offered.

We see this as a high competition risk for the mobile operator industry. The new unlimited data package at THB100 is the lowest package that we have ever seen. It is lower than the current pre-paid average revenue per user (ARPU) that had already declined to THB117 in 4Q21. Moreover, the internet speed of 15Mbps is fast enough for consumers who need data for use in daily life. According to the [Droidsans website](#), the 15Mbps speed could have a download speed of 1400-1800KB/s, which enables watching streaming content at a resolution of 2K. For the speed of 20Mbps, the download speed of 1700-2400KB/s enables content streaming at a resolution of 4K.

Although this package may no longer be available at the moment – the current promotion is back to the normal level of THB200 for unlimited data with a fixed speed of 15Mbps – the current promotion is still attractive. We see this as a sign that all mobile operators can still offer this attractive price package if they want to. The current package of THB200 for 15Mbps is still more attractive than the post-paid package. We think this could be the key pressure point to slow down the movement from pre- to post-paid packages.

Exhibit 1: Unlimited fixed speeds on pre-paid packages

	AIS	dtac	True Move H
Internet promotion: Unlimited, max speed 15 Mbps/month	THB100	THB100	THB100
Internet promotion: Unlimited, max speed 20 Mbps/month	-	THB150	THB150
Free calls to all networks	15 mins/time*	Depends on subscription channel	1,000 mins/month
Free SMS	-	-	-
Free WiFi	Applicable*	-	Applicable
Extra charges	Charge THB0.99/min when exceed 15 mins/time	Exceed call charge depends on package	Charge THB0.50/min when exceeding 1,000 mins/month
Other privileges	-	-	Free TrueID Plus account 30 days
Terms and conditions	Mobile number portability / Call centre	Mobile number portability / Call centre	Mobile number portability
Channels for subscription	- Call centre 1175 - Website	- Call centre 1678 - 15 Mbps: call *104*132# - 20 Mbps: call *104*134#	- 15 Mbps: call *900*9726# - 20 Mbps: call *900*9727#
Eligibility period	6 months	6 months	6 months
Application period	No deadline	No deadline	31 Dec 2022

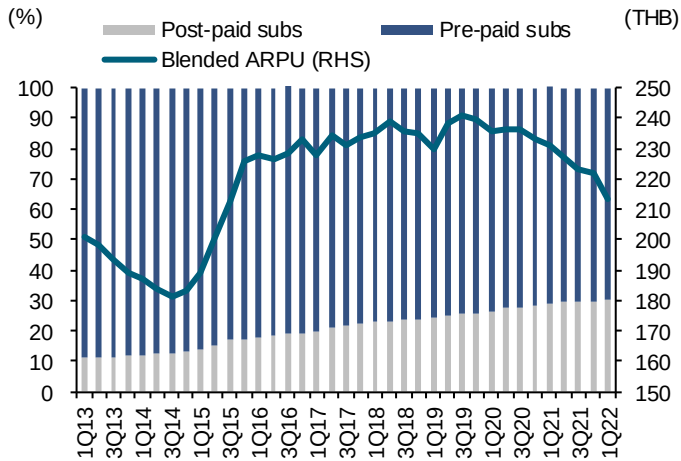
*Must choose either free call 15 mins/time or free WiFi

Source: [Droidsans website](#)

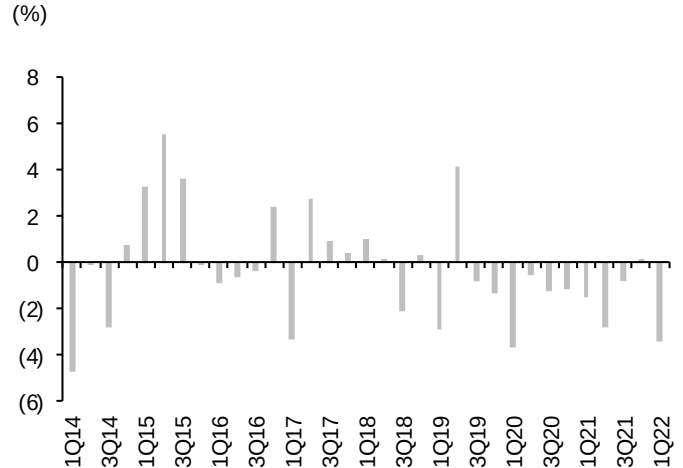
Attractive pre-paid package hurts post-paid package

Although both pre- and post-paid ARPU have been in a downtrend for quite a long time, blended ARPU in Thailand remained unchanged from 2015 to 2020. This is thanks to the switch in many customer's packages from pre- to post-paid packages – post-paid packages normally have a higher ARPU than pre-paid – making blended ARPU stable. The number of post-paid customers in Thailand had previously grown every quarter. The proportion increased from 17.5% in 1Q16 to 29.8% in 3Q21 (5 years).

However, there is the potential that pre- to post-paid will grow in the future. The proportion of post-paid subscribers grew from 29.8% in 3Q21 to just 30% in 1Q22, representing the slowest growth rate in the past five years.

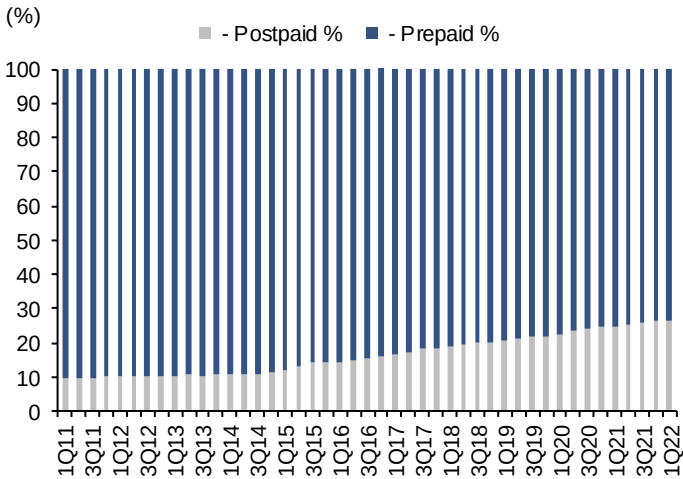
Exhibit 2: Industry pre- and post-paid subscribers and blended ARPU

Sources: ADVANC; DTAC; TRUE; FSSIA compilation

Exhibit 3: ADVANC's blended ARPU q-q growth

Source: ADVANC

We believe this was due to the intense competition in pre-paid services, with every mobile operator offering an attractive price plan with an unlimited fixed speed, as mentioned above. The price of THB200 per month is very attractive. Post-paid customers would have to spend about THB400 per month in order to use the same amount of data as pre-paid. This will likely hurt and slow down the transition of pre- to post-paid subscribers. If the competition remains intense in pre-paid, we believe the growth of the post-paid proportion would be limited. As a result, it would hurt blended ARPU, forcing a continued decline.

Exhibit 4: ADVANC's subscriber proportion by package

Source: ADVANC

Exhibit 5: Change in post-paid contributions to total subscribers

Source: ADVANC

For ADVANC, we see that the proportion of post-paid subs to total subs is currently at 26.4%. It started to grow at a slower rate in 3Q21 despite the 5G promotional campaign, which the company projected to boost its ARPU by about 10-15%. We believe this trend could continue, especially during the amalgamation of DTAC and TRUE. If the industry continues to promote unlimited fixed speed packages for THB200 pre-paid as they did in 4Q19, we think that growth in postpaid subs could stall – as seen in the above exhibits. Furthermore, we believe that growth in the blended ARPU for ADVANC as well as the rest of the mobile industry should continue to slow down.

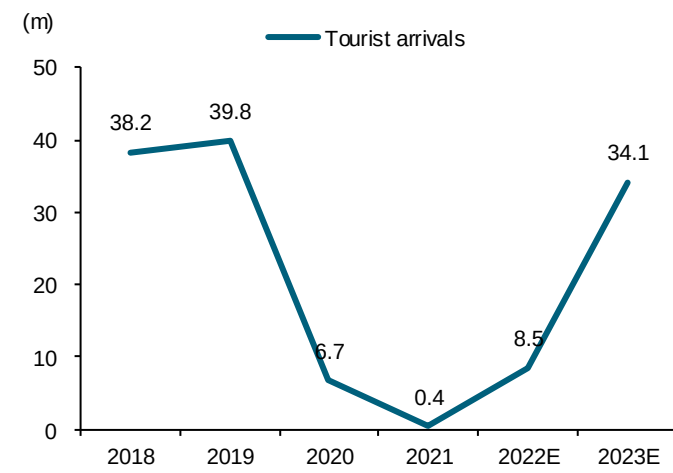
Competition should continue in 2022 and 2023

Because of the intense competition, unlimited data at fixed speeds, and slower-than-expected 5G subscriber growth, we have changed our view toward the competition in the mobile market. We expect the industry's mobile ARPU to continue to decline until 2023, which differs from our previous expectation in our earlier report, "[Thailand ICT - The big turning point](#)", on 23 Nov-21, when we expected that mobile ARPU should start to stabilise in 2022 as well as 2023 thanks to lower competition from the amalgamation.

Better outlook in 2H22

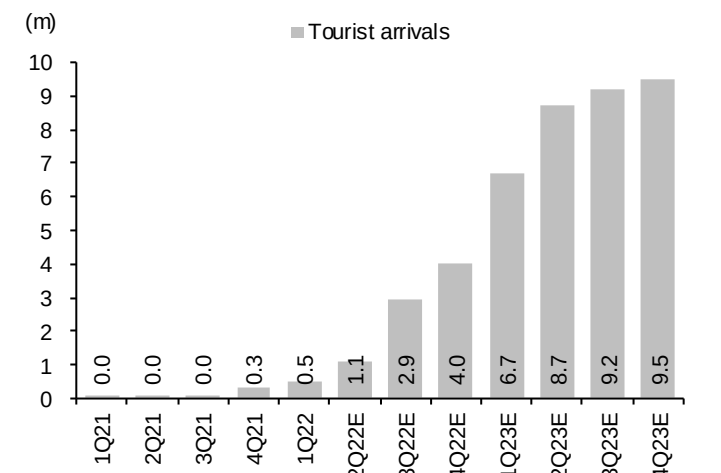
With Thailand's borders re-opening, FSSIA expects tourist arrivals in Thailand this year to reach 8.5m. For this reason, we believe the recovery in sales of sim cards to tourists should be a key support catalyst for mobile service revenue in 2H22 onward. On top of that, Thailand's economy should also start to recover at the same time, and consumer mobile data consumption should rise in line with increased purchasing power. Hence, we expect that mobile service revenue and earnings for ADVANC should start to recover from 2H22 onward.

Exhibit 6: Tourist arrivals forecast



Source: FSSIA estimates

Exhibit 7: Tourist arrivals forecast, quarterly



Source: FSSIA estimates

Cuts to earnings estimates

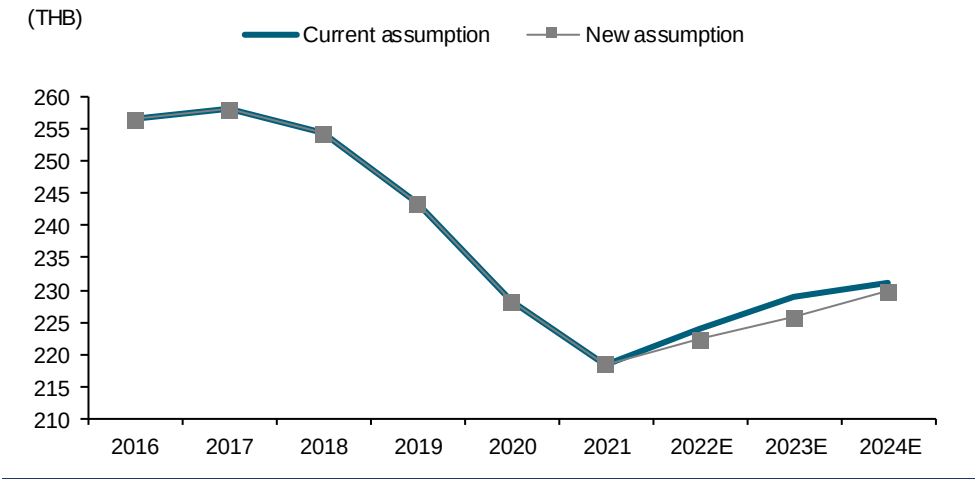
We revise our blended ARPU estimates for ADVANC down by 2.5% in 2022. We project ADVANC's blended ARPU in 2022 at THB218, down from THB228 in 2021. However, thanks to the better-than-expected subscriber acquisition numbers, we increase our total mobile subscriber forecast by 0.9% from 45.2m to 45.6m. This leads to a cut in our revenue estimate by 1% to THB183b. As a result, we expect ADVANC's net profit in 2022 to hit THB27.5b (+1.6% y-y), down by 2.8% from our previous expectation.

Exhibit 8: Key assumption changes

	New		Previous		Change	
	2022E (THB m)	2023E (THB m)	2022E (THB m)	2023E (THB m)	2022E (%)	2023E (%)
Total subscribers (m)	45.6	45.9	45.2	45.5	0.9	0.9
Blended ARPU (THB)	218	222	224	229	(2.5)	(2.9)
Revenue	182,872	186,319	184,320	189,246	(0.8)	(1.5)
Operating expense	(90,727)	(91,847)	(91,213)	(93,433)	(0.5)	(1.7)
EBITDA	92,145	94,471	93,107	95,813	(1.0)	(1.4)
Core net profit	27,504	29,636	28,295	30,813	(2.8)	(3.8)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
EBITDA margin	50.4	50.7	50.5	50.6	(0.1)	0.1
Net profit margin	15.0	15.9	15.4	16.3	(0.3)	(0.4)

Source: FSSIA estimates

Exhibit 9: New blended ARPU assumption



Sources: ADVANC; FSSIA estimates

Exhibit 10: DCF valuation

		2022E	2023E	2024E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
EBITDA		80,173	83,366	85,612	89,221	92,732	95,575
(less) tax on EBIT		(6,174)	(6,734)	(7,184)	(7,956)	(8,956)	(9,702)
(less) capex & investments		(30,000)	(25,000)	(24,000)	(37,000)	(37,000)	(37,800)
decrease in working cap		(2,714)	334	(417)	(308)	(287)	385
Free Cash Flow		46,712	51,298	54,844	44,573	47,063	47,689
WACC (%)	7.9						
Terminal growth (%)	2						
PV of FCF		46,712	47,542	47,107	35,482	34,721	32,607
Enterprise value	807,881						
Net debt+cash	(64,239)						
Minority	(126)						
Equity value	743,462						
No. of shares (m)	2,974						
Equity value / share (THB)	250						

Sources: ADVANC; FSSIA estimates

Financial Statements

Advanced Info Service

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	172,890	181,333	182,872	186,319	188,109
Cost of goods sold	(59,112)	(68,225)	(67,896)	(67,763)	(66,885)
Gross profit	113,778	113,108	114,976	118,556	121,224
Other operating income	-	-	-	-	-
Operating costs	(24,380)	(21,700)	(22,831)	(24,085)	(25,553)
Operating EBITDA	89,398	91,408	92,145	94,471	95,671
Depreciation	(51,923)	(53,446)	(53,649)	(53,337)	(52,456)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	37,475	37,962	38,496	41,135	43,214
Net financing costs	(5,917)	(5,626)	(5,448)	(5,370)	(5,370)
Associates	(70)	(141)	20	40	60
Recurring non-operating income	720	704	633	608	576
Non-recurring items	247	(146)	0	0	0
Profit before tax	32,525	32,894	33,681	36,373	38,421
Tax	(5,089)	(5,970)	(6,174)	(6,734)	(7,184)
Profit after tax	27,437	26,924	27,507	29,639	31,236
Minority interests	(3)	(2)	(3)	(3)	(3)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	27,434	26,922	27,504	29,636	31,233
Non-recurring items & goodwill (net)	(247)	146	0	0	0
Recurring net profit	27,187	27,068	27,504	29,636	31,233
Per share (THB)					
Recurring EPS *	9.14	9.10	9.25	9.97	10.51
Reported EPS	9.23	9.05	9.25	9.97	10.51
DPS	6.92	7.69	7.86	8.97	9.98
Diluted shares (used to calculate per share data)	2,973	2,973	2,973	2,973	2,973
Growth					
Revenue (%)	(4.4)	4.9	0.8	1.9	1.0
Operating EBITDA (%)	13.6	2.2	0.8	2.5	1.3
Operating EBIT (%)	(9.2)	1.3	1.4	6.9	5.1
Recurring EPS (%)	(14.9)	(0.4)	1.6	7.8	5.4
Reported EPS (%)	(12.0)	(1.9)	2.2	7.8	5.4
Operating performance					
Gross margin inc. depreciation (%)	35.8	32.9	33.5	35.0	36.6
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	51.7	50.4	50.4	50.7	50.9
Operating EBIT margin (%)	21.7	20.9	21.1	22.1	23.0
Net margin (%)	15.7	14.9	15.0	15.9	16.6
Effective tax rate (%)	-	-	-	-	-
Dividend payout on recurring profit (%)	75.7	84.5	85.0	90.0	95.0
Interest cover (X)	6.5	6.9	7.2	7.8	8.2
Inventory days	22.2	12.0	11.4	11.5	11.9
Debtor days	38.1	34.6	33.2	33.0	33.2
Creditor days	253.0	229.0	243.3	246.4	251.9
Operating ROIC (%)	37.7	31.6	35.8	42.0	50.6
ROIC (%)	17.3	14.9	15.4	17.9	21.0
ROE (%)	37.5	34.4	33.0	34.0	34.3
ROA (%)	10.3	9.3	9.5	10.5	11.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Mobile	131,804	131,064	130,885	133,963	136,078
Fixed broadband	6,959	8,436	10,903	12,049	13,071
Sale of goods	29,574	36,542	35,258	34,157	32,571
Others	4,553	5,291	5,826	6,150	6,389

Sources: Advanced Info Service; FSSIA estimates

Financial Statements

Advanced Info Service

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	27,187	27,068	27,504	29,636	31,233
Depreciation	51,923	53,446	53,649	53,337	52,456
Associates & minorities	-	-	-	-	-
Other non-cash items	8,561	8,824	5,753	5,690	5,706
Change in working capital	(2,041)	(2,704)	(138)	(228)	(384)
Cash flow from operations	85,629	86,634	86,767	88,434	89,011
Capex - maintenance	(16,834)	(15,472)	(20,700)	(17,700)	(17,100)
Capex - new investment	(38,058)	(29,826)	(24,703)	(22,839)	(22,439)
Net acquisitions & disposals	326	220	(302)	(317)	(333)
Other investments (net)	(129)	(274)	(98)	(108)	(119)
Cash flow from investing	(54,694)	(45,352)	(45,803)	(40,964)	(39,990)
Dividends paid	(20,219)	(21,203)	(24,295)	(25,025)	(28,172)
Equity finance	0	0	0	0	0
Debt finance	4,071	(10,185)	(10,000)	0	0
Other financing cash flows	(15,977)	(15,575)	(7,478)	(7,299)	(7,202)
Cash flow from financing	(32,124)	(46,963)	(41,773)	(32,324)	(35,374)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(95)	(316)	0	0	0
Movement in cash	(1,284)	(5,997)	(809)	15,147	13,647
Free cash flow to firm (FCFF)	36,851.58	46,907.64	46,411.95	52,840.41	54,391.34
Free cash flow to equity (FCFE)	18,934.34	15,205.98	23,486.13	40,171.74	41,819.08
Per share (THB)					
FCFF per share	12.39	15.77	15.61	17.77	18.29
FCFE per share	6.37	5.11	7.90	13.51	14.06
Recurring cash flow per share	29.49	30.05	29.23	29.82	30.07
Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	337,010	359,999	390,499	417,999	444,499
Less: Accumulated depreciation	(155,769)	(191,581)	(230,188)	(268,530)	(306,025)
Tangible fixed assets (net)	181,241	168,418	160,311	149,469	138,474
Intangible fixed assets (net)	120,224	145,521	134,478	121,484	108,522
Long-term financial assets	110	210	210	210	210
Invest. in associates & subsidiaries	831	983	1,081	1,189	1,308
Cash & equivalents	20,342	14,345	13,535	28,682	42,329
A/C receivable	17,781	16,552	16,693	17,007	17,171
Inventories	2,372	2,104	2,122	2,162	2,183
Other current assets	1,660	2,565	2,587	2,635	2,661
Current assets	42,155	35,566	34,937	50,487	64,343
Other assets	5,610	5,524	5,959	6,449	6,974
Total assets	350,171	356,222	336,976	329,288	319,833
Common equity	75,564	81,699	84,907	89,518	92,579
Minorities etc.	125	126	129	132	135
Total shareholders' equity	75,689	81,825	85,036	89,649	92,714
Long term debt	79,301	73,697	65,697	65,697	65,697
Other long-term liabilities	101,367	108,832	95,825	82,942	67,182
Long-term liabilities	180,668	182,529	161,521	148,639	132,879
A/C payable	40,571	45,055	45,457	46,019	46,315
Short term debt	18,748	14,132	12,132	12,132	12,132
Other current liabilities	34,494	32,681	32,830	32,850	35,794
Current liabilities	93,813	91,868	90,419	91,000	94,240
Total liabilities and shareholders' equity	350,171	356,222	336,976	329,288	319,833
Net working capital	(53,251)	(56,515)	(56,886)	(57,063)	(60,094)
Invested capital	254,765	264,141	245,153	221,738	195,395
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	25.42	27.48	28.56	30.11	31.14
Tangible book value per share	(15.02)	(21.47)	(16.67)	(10.75)	(5.36)
Financial strength					
Net debt/equity (%)	102.7	89.8	75.6	54.8	38.3
Net debt/total assets (%)	22.2	20.6	19.1	14.9	11.1
Current ratio (x)	0.4	0.4	0.4	0.6	0.7
CF interest cover (x)	10.6	9.0	9.8	12.7	13.0
Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	22.7	22.8	22.5	20.9	19.8
Recurring P/E @ target price (x) *	27.3	27.5	27.0	25.1	23.8
Reported P/E (x)	22.5	23.0	22.5	20.9	19.8
Dividend yield (%)	3.3	3.7	3.8	4.3	4.8
Price/book (x)	8.2	7.6	7.3	6.9	6.7
Price/tangible book (x)	(13.8)	(9.7)	(12.5)	(19.3)	(38.8)
EV/EBITDA (x) **	7.8	7.6	7.4	7.1	6.8
EV/EBITDA @ target price (x) **	9.2	8.9	8.8	8.4	8.1
EV/invested capital (x)	2.7	2.6	2.8	3.0	3.3
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Advanced Info Service; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GGFT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MEFC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

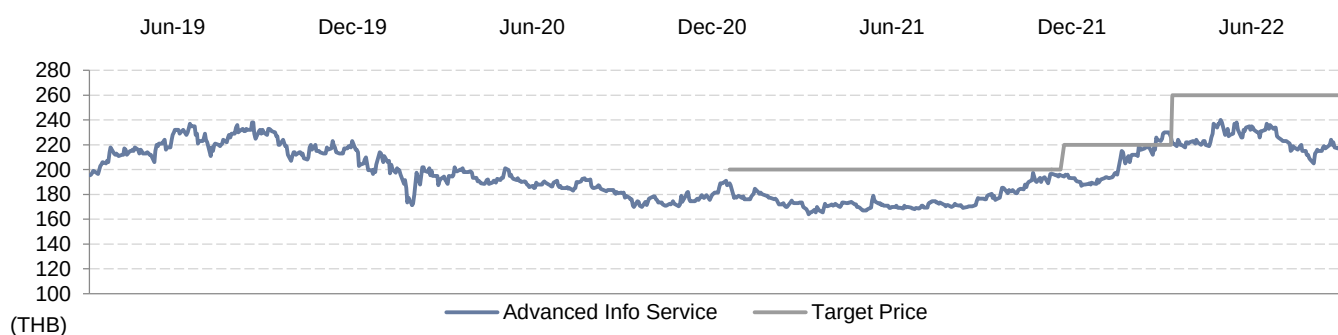
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Advanced Info Service (ADVANC TB)



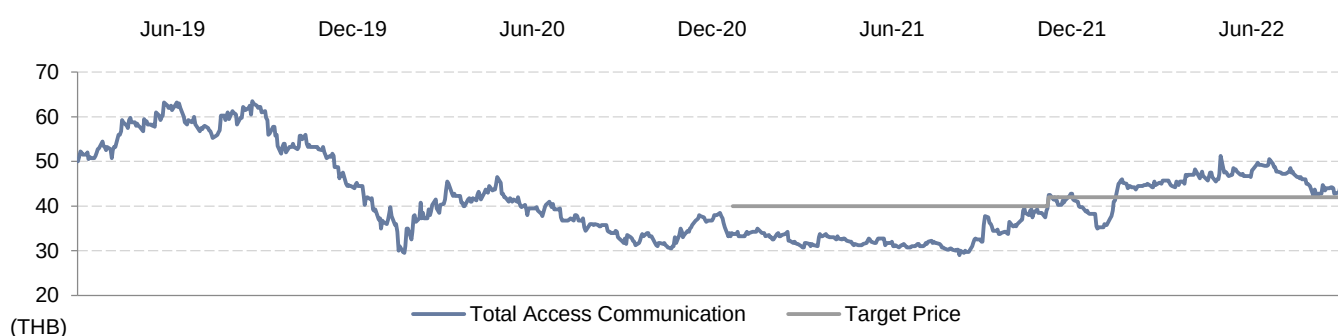
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Dec-2020	HOLD	200.00	01-Oct-2021	BUY	220.00	-	-	-
09-Feb-2021	BUY	200.00	05-Jan-2022	BUY	260.00	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Total Access Communication (DTAC TB)



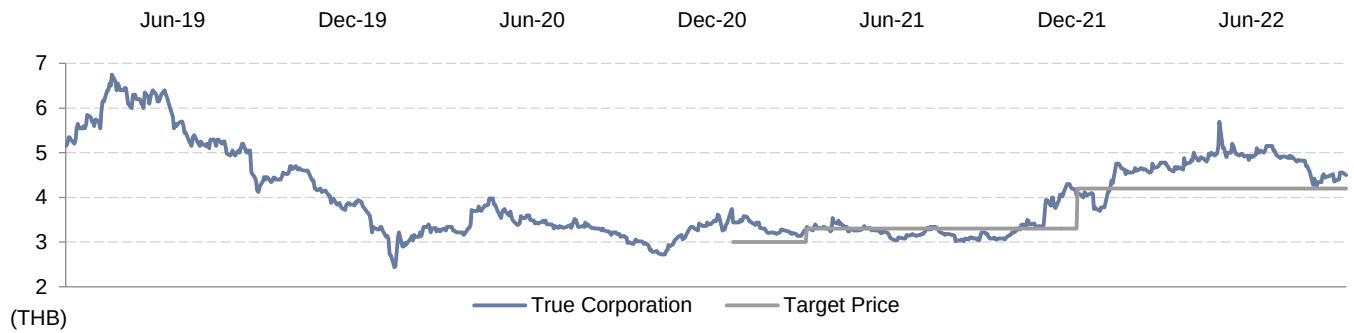
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Dec-2020	BUY	40.00	22-Sep-2021	HOLD	42.00	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

True Corporation (TRUE TB)



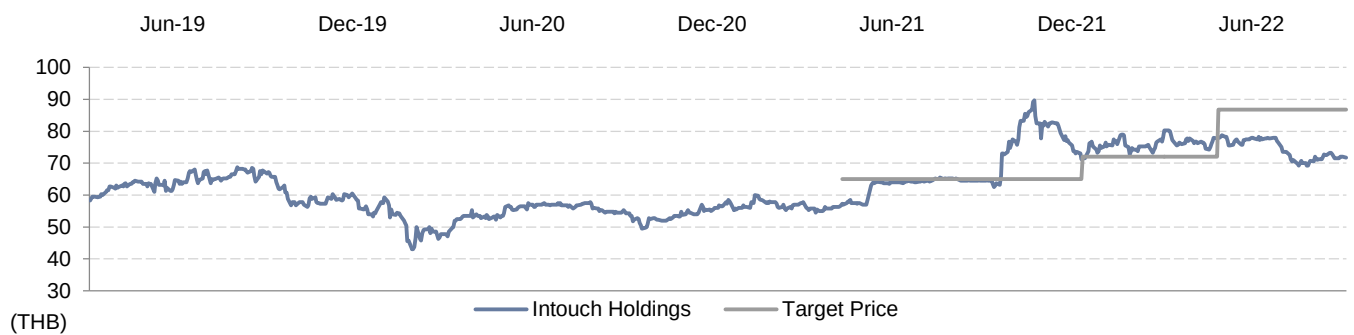
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	REDUCE	3.00	02-Mar-2021	HOLD	3.30	19-Oct-2021	HOLD	4.20

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

Price and TP are in local currency

Source: FSSIA estimates

Intouch Holdings (INTUCH TB)



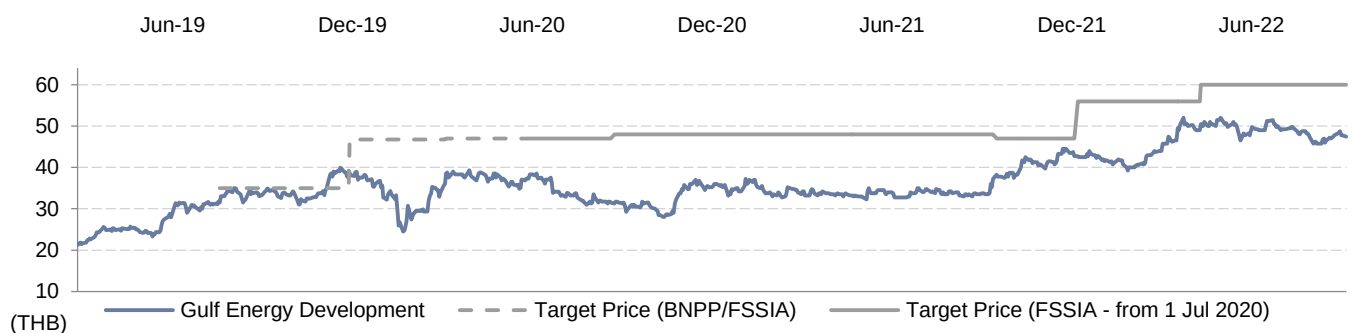
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Mar-2021	BUY	65.00	19-Oct-2021	HOLD	72.00	-	-	-
05-May-2021	HOLD	65.00	14-Feb-2022	BUY	86.80			

Naruedom Mujjalinkool started covering this stock from 24-Mar-2021

Price and TP are in local currency

Source: FSSIA estimates

Gulf Energy Development (GULF TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Oct-2019	BUY	35.00	11-Sep-2020	BUY	48.00	31-Jan-2022	BUY	60.00
30-Jan-2020	BUY	46.80	06-Aug-2021	BUY	47.00			
22-Apr-2020	BUY	47.00	15-Oct-2021	BUY	56.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Advanced Info Service	ADVANC TB	THB 208.00	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.
Total Access Communication	DTAC TB	THB 44.75	BUY	The key downside risks to our DCF-based TP are if the amalgamation between DTAC and TRUE is unable to proceed, if there is stronger-than-expected competition in the mobile market, and if there is a faster or slower-than-expected adoption of 5G use cases.
True Corporation	TRUE TB	THB 4.62	BUY	The key downside risks to our DCF-based TP are if the 5G subscription gains and ARPU are worse than our expectation, if the company can reduce its costs worse than we expect, and if there is a slower-than-expected adoption of 5G use cases.
Intouch Holdings	INTUCH TB	THB 70.00	BUY	The key downside risks to our NAV-discounted TP are if the sluggish performance from the satellite business continues and if there is a slower-than-expected 5G adoption rate.
Gulf Energy Development	GULF TB	THB 48.00	BUY	The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) delays in project commercial operation dates.

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

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All share prices are as at market close on 10-Jun-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.