

TRUE CORPORATION
THAILAND / ICT

TRUE TB

BUY

FROM HOLD

การขายที่ราคาต่ำเสนอซื้อเป็นประเด็นหลัก

- เราคิดว่า TRUE จะบันทึกผลขาดทุนปกติในปี 2022 ที่ 3.5 พัน ลบ.
- TRUE เป็นตัวเลือกที่ดีกว่าถ้านักลงทุนกำลังมองหา Upside ระยะสั้นจากราคาต่ำเสนอซื้อที่ดีกว่า
- ปรับคำแนะนำเป็นซื้อหลังปรับราคาเป้าหมายปี 2023 เป็น 5.40 บาท เหตุผลเราชอบ DTAC มากกว่า TRUE ถ้าการควบรวมได้รับอนุมัติให้เดินหน้า

TARGET PRICE	THB5.40
CLOSE	THB4.62
UP/DOWNSIDE	+16.9%
PRIOR TP	THB4.20
CHANGE IN TP	+28.6%
TP vs CONSENSUS	-5.8%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	143,655	143,429	147,613	150,623
Net profit	(1,428)	(2,095)	134	1,696
EPS (THB)	(0.04)	(0.06)	0.00	0.05
vs Consensus (%)	-	nm	nm	(28.6)
EBITDA	57,761	57,850	60,583	62,778
Core net profit	(2,887)	(3,495)	134	1,696
Core EPS (THB)	(0.09)	(0.10)	0.00	0.05
Chg. In EPS est. (%)	nm	nm	(92.2)	nm
EPS growth (%)	nm	nm	nm	1,168.4
Core P/E (x)	(53.4)	(44.1)	1,153.1	90.9
Dividend yield (%)	1.5	-	2.2	2.6
EV/EBITDA (x)	6.8	6.6	6.3	6.1
Price/book (x)	1.9	2.0	2.1	2.1
Net debt/Equity (%)	287.9	291.5	305.3	314.0
ROE (%)	(3.5)	(4.4)	0.2	2.3

คาดว่า การแข่งขันจะกระทบอุตสาหกรรมและทำให้กำไรลดลง

เราเชื่อว่าอุตสาหกรรมบริการโทรศัพท์เคลื่อนที่อาจมีการแข่งขันอย่างรุนแรงตลอดปีนี้ ปัจจัยดังกล่าวน่าจะเป็นปัจจัยกดดันหลักสำหรับแนวโน้มของ TRUE ด้วยเหตุผลดังกล่าวและผลประกอบการที่อ่อนแอใน 1Q22 เราปรับเพิ่มประมาณการผลขาดทุนปกติของ TRUE ในปี 2022 เป็น 3.5 พัน ลบ. ซึ่งสูงกว่าประมาณการเดิมของเราที่ 448 ลบ. อย่างไรก็ตาม เราคิดว่า บริษัทฯ จะรายงานผลขาดทุนสุทธิที่ขึ้นเล็กน้อยมาอยู่ที่ 2.1 พัน ลบ. จากการขายหน่วยลงทุนใน Digital Telecommunication Infrastructure Fund (DIF TB, NR) ซึ่งจะทำให้บริษัทฯ สามารถรับรู้กำไรพิเศษ 1.4 พัน ลบ. ใน 2Q22

การควบรวมกิจการเป็นปัจจัยบวกสำคัญ

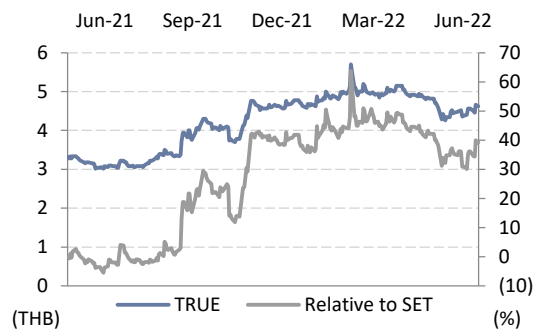
แม้ว่ากำไรของ TRUE น่าจะยังติดลบในปี 2022 พร้อมผลประกอบการที่ไม่มีสัญญาณฟื้นตัวอย่างชัดเจน เราเชื่อว่าราคาหุ้นน่าจะทรงตัวในระดับปัจจุบันจากการควบรวมที่คาดว่าจะเกิดขึ้นกับ Total Access Communication (DTAC TB, BUY, TP THB55.50) เราคิดว่า กสทช. จะประกาศคำวินิจฉัยในเดือน ก.ค. 2022 ซึ่งช้ากว่ากำหนดเดิมประมาณ 1 เดือน

การขาย TRUE ที่ราคาต่ำเสนอซื้อเป็นประเด็นการลงทุนสำคัญเพียงประการเดียว

เกี่ยวกับการควบรวมกิจการ TRUE มีปัจจัยบวกสำคัญประการหนึ่ง กล่าวคือราคาต่ำเสนอซื้อ (TO) TRUE ที่ 5.09 บาทเทียบกับราคาเสนอซื้อ DTAC ที่ 47.76 บาท นักลงทุนซื้อบริษัททั้งสองที่ราคาปัจจุบัน TRUE จะให้ Upside ที่สูงกว่า เพราะฉะนั้น TRUE น่าจะเป็นตัวเลือกที่ดีกว่าสำหรับนักลงทุนที่มองหา Upside ระยะสั้นจากราคาเสนอซื้อที่คาดว่าจะอยู่ในเดือน ก.ย. 22 ในทางตรงกันข้าม DTAC เป็นทางเลือกที่ดีกว่าถ้านักลงทุนต้องการมูลค่าจากบริษัทที่จะเกิดจากการควบรวมเนื่องจาก 1) ศักยภาพของ DTAC ในการจ่ายเงินปันผลระหว่างกาลในปีนี้ก่อนการควบรวม; 2) อัตราการแปลงหุ้นของ DTAC เป็นบริษัทที่จะเกิดจากการควบรวมดีกว่า TRUE อยู่เล็กน้อย; และ 3) มี Downside น้อยกว่าถ้าการควบรวมไม่ประสบความสำเร็จ

ปรับเพิ่มคำแนะนำเป็นซื้อหลังปรับราคาเป้าหมายปี 2023 เป็น 5.40 บาท

เราปรับเพิ่มราคาเป้าหมายปี 2023 เป็น 5.40 บาท จาก 4.20 บาทจากการประเมินการควบรวมกิจการ โดยคาดว่าราคาเป้าหมายในปี 2023 ของบริษัทที่จะเกิดจากการควบรวมอยู่ที่ 9 บาท นอกจากนี้เรายังปรับเพิ่มคำแนะนำเป็นซื้อจากถือ อย่างไรก็ตาม Upside ที่คาดว่าจะได้ของ TRUE ต่ำกว่าราคาเป้าหมายของ DTAC อยู่เล็กน้อย เราชอบ DTAC มากกว่า TRUE ถ้าการควบรวมได้รับอนุญาตให้เดินหน้า อย่างไรก็ตาม เราคิดว่า TRUE เป็นตัวเลือกที่ดีกว่าถ้าต้องการขายหุ้นที่ราคาต่ำเสนอซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.5	(6.9)	45.3
Relative to country (%)	3.9	(6.0)	44.6
Mkt cap (USD m)	4,433		
3m avg. daily turnover (USD m)	17.6		
Free float (%)	32		
Major shareholder	Charoen Pokphand Group (18%)		
12m high/low (THB)	5.70/3.00		
Issued shares (m)	33,344.20		

Sources: Bloomberg consensus; FSSIA estimates



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The Chairman Of The Board of Finansia Syrus Securities PCL is also TRUE's Director.

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

TRUE is the largest fixed broadband (46.7% market share) and second largest mobile operator (33.5% market share) in Thailand. The company has the strongest acquisition performance among telecommunication companies. However, in the past decade, TRUE has never shown sustainable operational performance and has been a loss-making company on its core bottom line.

Total Access Communication (DTAC TB, BUY, TP THB55.50) and TRUE agreed to do an amalgamation, which would create the biggest mobile operator in Thailand, in terms of the number of mobile subscribers. The amalgamation would create a huge synergy value from CAPEX and cost savings that could make the Mergerco grow significantly in the future.

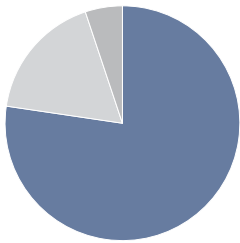
Company profile

True Group's core business segments are: 1) TrueMove H - a cellular and wireless telecommunication business; 2) TrueOnline - a broadband internet and fixed-line phone business; 3) TrueVisions - a pay TV and Digital TV business, content production business, and an online game and influencer network; and 4) True Digital Group - digital media, O2O and privileges, data analytics, internet of things (IoT) and digital solutions, as well as True Digital Academy.

www.truecorp.co.th

Principal activities (revenue, 2021)

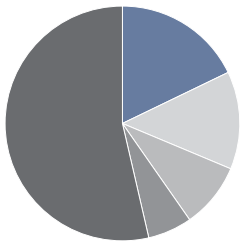
- True Move H - 77.3 %
- True Online - 17.6 %
- True Visions - 5.1 %



Source: True Corporation

Major shareholders

- Charoen Pokphand Group - 17.8 %
- China Mobile International Holdings - 13.5 %
- UBS AG Hong Kong Branch - 9.0 %
- Thai NVDR - 6.1 %
- Others - 53.6 %



Source: True Corporation

Catalysts

- Aggressive cost minimisation should help the company finally turn a profit in 2023;
- Cost and CAPEX savings from the amalgamation.

Risks to our call

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.

Event calendar

Date	Event
Aug-22	2Q22 results announcement

Key assumptions

Key assumptions	2021	2022E	2023E	2024E
Total subscribers (m)	32.2	33.4	33.6	33.7
Blended ARPU (THB/sub/mth)	217	210	214	218
Fixed broadband				
FBB subscribers (m)	4.6	5.0	5.2	5.5
ARPU (THB/sub/mth)	507	491	488	485

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in mobile blended ARPU, we project 2022 earnings to rise by 1.8%, and vice versa, all else being equal.
- For every 1% increase in mobile subscribers, we project 2022 earnings to rise by 1.6%, and vice versa, all else being equal.

Source: FSSIA estimates

Higher upside on TO is the only key catalyst

We prefer DTAC over TRUE if the amalgamation is successful, as stated in our latest report, "TOTAL ACCESS COMMUNICATION (DTAC TB) - The real winner from the merger", dated 13 Jun-22. This is due to 1) DTAC offering more upside to shareholders if DTAC's shares are converted to the Mergerco; 2) DTAC could offer a dividend one last time before transforming into the Mergerco; and 3) less downside if the deal gets rejected by the National Broadcasting and Telecommunications Commission (NBTC).

On the other hand, if we look at TRUE from the same perspective as DTAC, it means that TRUE is less attractive for the same three reasons that created key catalysts for DTAC. Although the second reason, DTAC's potential for offering an interim dividend, also applies to TRUE, it is less likely. TRUE could offer a special dividend thanks to the DIF disposal, but we think the odds of this happening are minimal.

For the first and third reasons, TRUE is less attractive compared to DTAC as its swap ratio to the Mergerco is lower than DTAC's, and the company also has a higher downside risk if the merger cannot proceed. In this case, TRUE's TP would be THB3.80, reflecting an 18% downside, much higher than for DTAC, which we think has only a 13% downside.

Therefore, the only key catalyst for investing in the company regarding the amalgamation is the company's better potential upside on the tender offer (TO) price. The tender offer price for TRUE is at THB5.09 compared to DTAC at THB47.76. If we invest in TRUE at the current share price of THB4.62 vs DTAC at THB44.75 and sell at the TO price, TRUE would provide a 10% upside, while DTAC would give only a 7% upside.

Therefore, we can conclude that if investors are looking for a short-term investment with the aim of locking in a profit via the TO for the next 3-4 months, TRUE is the better choice. We expect the amalgamation to gain approval from the NBTC, and the TO will be held on Sep-22. On the other hand, if investors are looking to convert any shares of DTAC or TRUE into the Mergerco and expect that the new share price would price in the potential synergies on cost and CAPEX savings in the future, DTAC is the better choice because it has a better swap ratio.

Exhibit 1: DTAC and TRUE – upside and downside based on the amalgamation

	TP if unable to merger (THB)	Downside (%)	Current share price (THB)	Mergerco TP (THB)	Upside (%)	Tender offer price (THB)	Upside (%)
DTAC	39	(13)	44.75	55.50	24	47.76	7
TRUE	3.8	(18)	4.62	5.40	17	5.09	10

Sources: DTAC; TRUE; FSSIA estimates

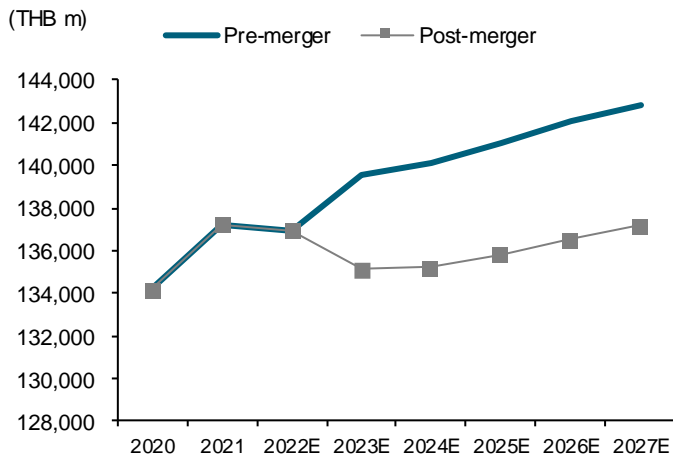
Mergerco would have strong earnings growth

Based on our assumption of the Mergerco's financial performance, we conservatively maintain our revenue forecast on the Mergerco going forward. We believe the key driver will come from the cost savings as we estimate that the operating costs of DTAC and TRUE are a lot higher than for Advanced Info Service (ADVANC TB, BUY, TP THB250) by over 70%, based on the separate financial performance forecasts for each company in 2023. Therefore, the first task of the Mergerco would be to minimise its costs starting from 2023 onward, in our view. We can break down the two main benefits from the cost savings as follows:

1) Operating cost savings

For the cost side, we reduce our operating expense estimate for 2023 mainly from network OPEX, cost of services, and SG&A expenses by 3.6%. We believe the Mergerco would minimise its operating costs starting from 2023 for a total amount of THB4.4b, with savings increasing in the following years.

Exhibit 2: Operating cost savings from merger



Sources: DTAC; TRUE; FSSIA estimates

Exhibit 3: Summary of cost and CAPEX savings from merger

	2023E	2024E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Operating cost savings	4,418	4,911	5,268	5,516	5,620
CAPEX savings	3,977	3,777	3,977	4,027	2,447
Total savings	8,395	8,688	9,245	9,543	8,067

Source: FSSIA estimates

2) CAPEX savings

DTAC and TRUE have to invest in their networks separately before the amalgamation announcement. Their total CAPEX per year is around THB40b combined, which is higher than ADVANC which invests around THB30-35b per year. We believe that after the merger, in 2023, the Mergerco would need to spend around THB32b per year, which is still higher than ADVANC but would be lower than their investments separately by about THB4b. Therefore, we believe the Mergerco would save about THB4b per year from the decrease in CAPEX required.

As a result, we expect the Mergerco's earnings in 2023 to hit THB8.6b, higher than the separate net profits of DTAC and TRUE by 153%. Note that our assumption is based on the expectation that the amalgamation would be done at the end of this year. If it is delayed longer than our expectation, the cost and CAPEX savings in 2023 would be lower than our current projection.

Exhibit 4: Assumption of financial performance of Mergerco

	--- DTAC+TRUE financial statement ---			---- Mergerco financial statement ----			----- Change -----		
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Operating revenue	231,385	235,238	238,970	231,385	235,238	238,970	0.0	0.0	0.0
Operating expense	(139,529)	(140,128)	(141,083)	(135,111)	(135,217)	(135,815)	(3.2)	(3.5)	(3.7)
EBITDA	91,856	95,109	97,887	96,274	100,021	103,156	4.8	5.2	5.4
Depreciation & amortisation	(72,859)	(73,442)	(73,689)	(70,825)	(70,423)	(69,672)	(2.8)	(4.1)	(5.5)
EBIT	18,997	21,667	24,198	25,449	29,598	33,484	34.0	36.6	38.4
Finance expenses	(22,194)	(22,184)	(22,019)	(22,194)	(22,184)	(22,019)	0.0	0.0	0.0
Other IS Items	3,090	3,239	3,390	3,090	3,239	3,390	0.0	0.0	0.0
Associates	4,017	4,136	4,259	4,017	4,136	4,259	0.0	0.0	0.0
Profit before tax	3,910	6,858	9,829	10,362	14,789	19,115	165.0	115.6	94.5
Tax	(603)	(1,168)	(1,732)	(1,865)	(2,662)	(3,441)	209.4	127.8	98.7
Profit after tax	3,307	5,690	8,098	8,497	12,127	15,674	156.9	113.1	93.6
MI	(80)	(80)	(80)	(80)	(80)	(80)	0.0	0.0	0.0
Net profit	3,387	5,770	8,178	8,577	12,207	15,754	153.2	111.6	92.6

Source: FSSIA estimates

Fair value for Mergerco is THB9

With the expectation that the Mergerco's earnings should grow significantly from 2023 onward and that the cost and CAPEX savings would be around THB9b per year, our 2023 DCF-based fair value for the Mergerco would be THB9, based on the total shares numbering 34.6b. We apply WACC = 7.5% and terminal growth of 1.5%.

Exhibit 5: Mergerco DCF valuation

		2023E	2024E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
EBITDA		96,274	100,021	103,156	105,887	107,258
(less) tax on EBIT		(1,865)	(2,662)	(3,441)	(4,010)	(4,634)
(less) capex & investments		(63,107)	(61,923)	(63,723)	(66,854)	(66,004)
decrease in working cap		(478)	2,566	1,072	1,414	1,142
Free Cash Flow		31,779	32,869	34,919	33,608	35,477
WACC (%)	7.5					
Terminal growth (%)	1.5					
PV of FCF		31,779	30,576	30,217	27,053	26,565
Enterprise value	600,156					
Net debt+cash	(283,804)					
Equity value	311,784					
No. of shares (m)	34,552					
Equity value / share (THB)	9.0					

Source: FSSIA estimates

Exhibit 6: Mergerco fair value to DTAC's and TRUE's TPs

	Swap ratio	Current outstanding shares	No. of new shares in Mergerco	% contribution in Mergerco	Mergerco fair value	Mergerco market cap	% market cap	TP
	(1)	(2)	(1)x(2)=(3)	(3)x(4)=(5)	(6)	(4)x(6)=(7)	(5)x(7)=(8)	(8)/(2)=(9)
		(m)	(THB m)	(%)	(THB)	(THB m)	(%)	(THB)
TRUE	0.60018	33,368	20,027	58.0	9.00	311,784	180,715	5.42
DTAC	6.13444	2,368	14,525	42.0	9.00	311,784	131,069	55.35
		Total (4)	34,552					

Note: Rounded up DTAC's TP from THB55.35 to THB55.50 and rounded down TRUE's TP from THB5.42 to THB5.40

Source: FSSIA estimates

Slowdown to continue in 2023 if the amalgamation cannot proceed

As we mentioned earlier regarding the cost reductions of over THB4b per year after the amalgamation, these will mainly come from reduced costs on TRUE's side. Of the two companies, TRUE has been loss-making for years due to its higher costs and financial expenses. Despite having just 20% lower revenue than ADVANC in 2021, the two companies' bottom lines are very different. For example, ADVANC's net profit hit THB26b in 2021, while TRUE lost THB2.9b over the same period.

If the amalgamation is unable to proceed (we expect only a 20% possibility that the deal would not be approved by the NBTC), TRUE may try to reduce costs on its own. In our view, this is unlikely to be as effective as via amalgamation. Therefore, we expect TRUE to turn a tiny profit in 2023 of THB134m, if the company cannot merge with DTAC. Therefore, our 2023 TP for TRUE would fall to THB3.80.

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 7: 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

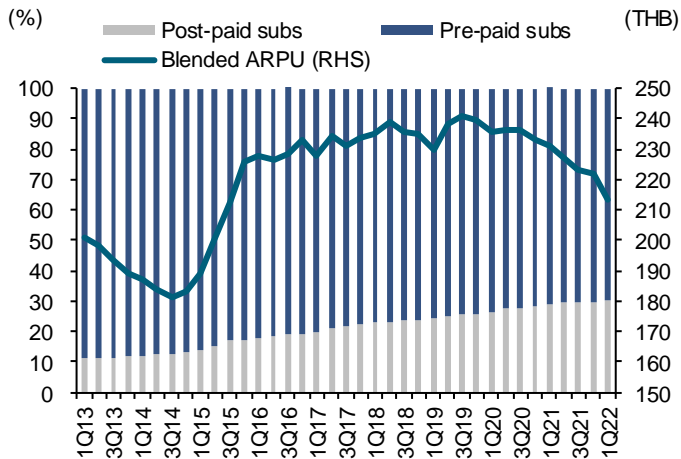
*Must choose either free call 15 mins/time or free WiFi

Source: [Droidsans website](#)

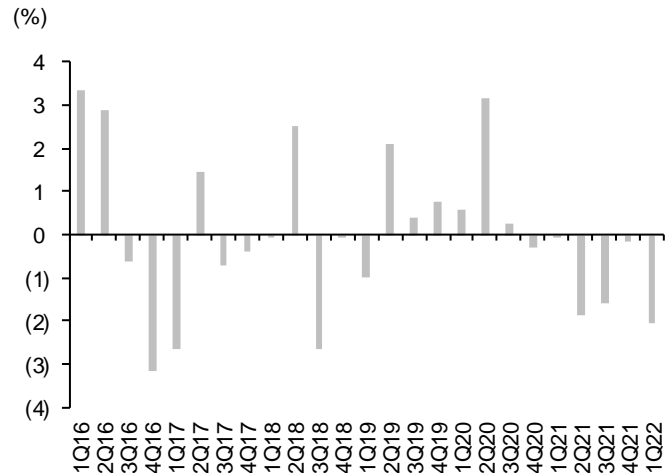
Attractive pre-paid package hurts post-paid package

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.

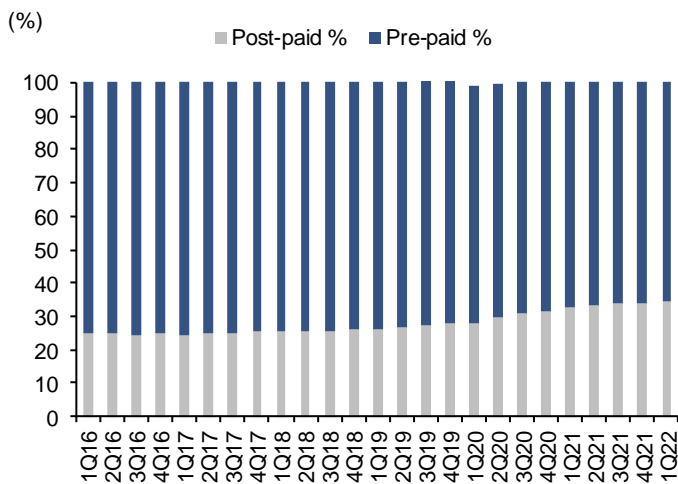
Exhibit 8: Industry pre- and post-paid subscribers and blended ARPU

Sources: ADVANC; DTAC; TRUE; FSSIA compilation

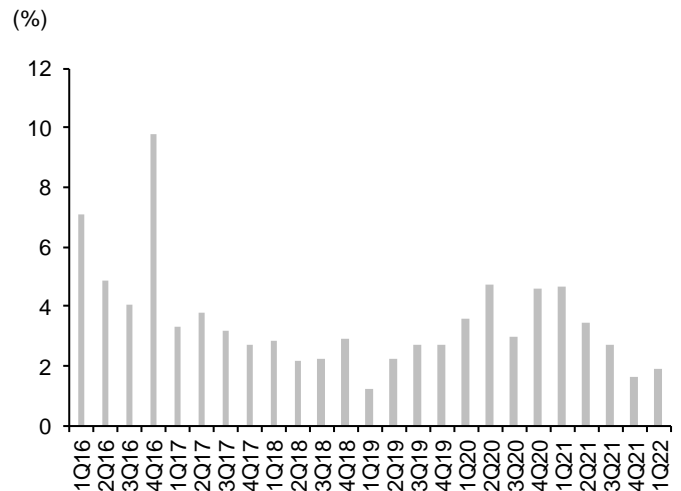
Exhibit 9: TRUE's blended ARPU q-q growth trend

Source: TRUE

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 10: TRUE's subscriber proportion by package

Source: TRUE

Exhibit 11: Change in post-paid contributions to total subscribers

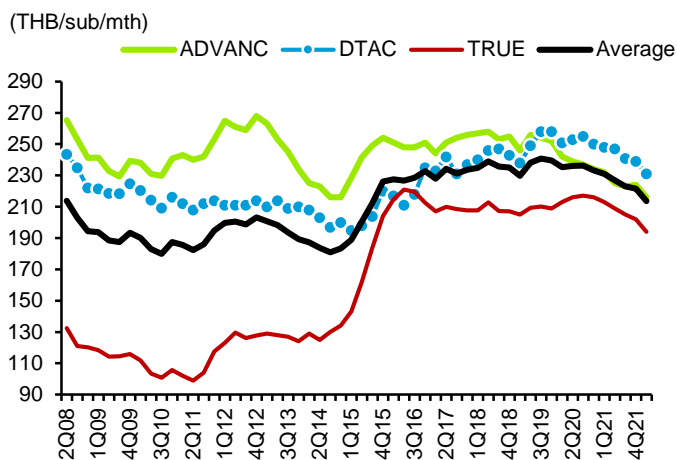
Source: TRUE

TRUE has the lowest blended ARPU in the industry

Of the three mobile operators, TRUE had the lowest blended ARPU of THB194 in 1Q22, lower than ADVANC and DTAC at THB216 and THB231, respectively. Both its pre-paid and post-paid ARPU are also the lowest. We believe this was due to the company's past aggressive subscriber acquisition strategy which has continuously increased its subscriber market share since 2015. Moreover, the company also had the highest q-q decline in ARPU during 1Q22 in the industry at 4% compared to its peers that declined 3.3-3.6% q-q.

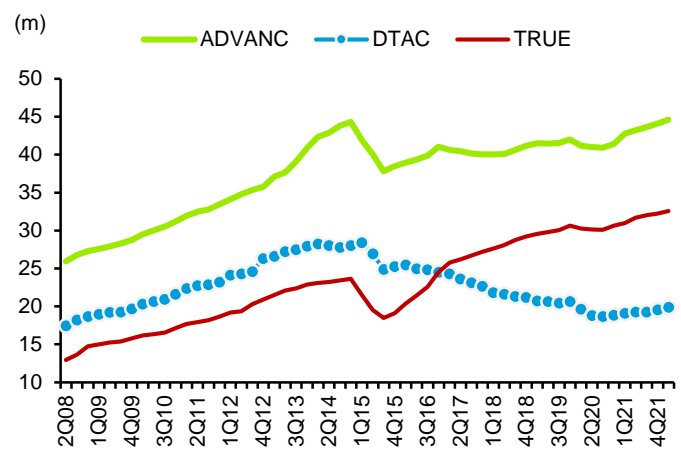
Although having the weakest blended ARPU in the industry could indicate that TRUE has the lowest downside risk in the form of further ARPU decline compared to its industry rivals, we also believe that the potential for increasing its ARPU is also limited. We think the ARPU trend should continue to stay at the current low level in 2Q22, which could hurt the company's mobile revenue that we project to contribute over 50% of TRUE's total revenue in 2022.

Exhibit 12: Mobile industry blended ARPU



Sources: ADVANC; DTAC; TRUE; FSSIA compilation

Exhibit 13: Mobile subscribers by company



Sources: ADVANC; DTAC; TRUE; FSSIA compilation

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

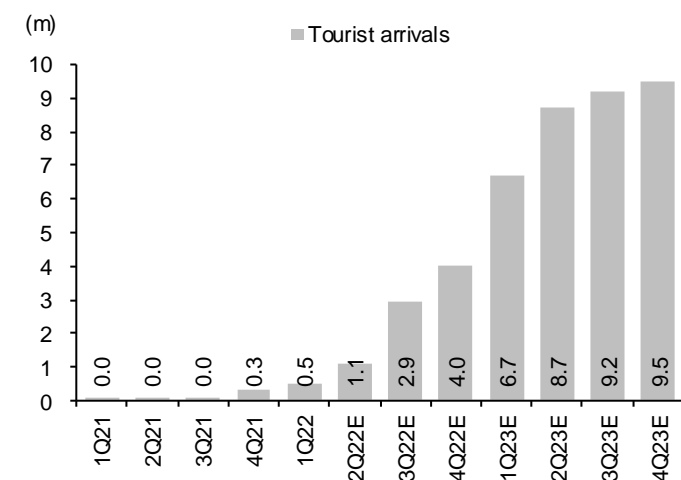
With the expected reopening of Thailand's borders, FSSIA expects tourist arrivals in Thailand this year to reach 8.5m. Therefore, we believe the recovery in tourist sim card sales should be a key support catalyst for mobile service revenue in 2H22 onward. On top of that, the Thai economy should also start to recover at the same time. We think that consumers should increase their mobile data consumption as they gain more purchasing power. Hence, we expect mobile service revenue and earnings for TRUE to start to recover from 2H22 onward.

Exhibit 14: Tourist arrivals forecast



Source: FSSIA estimates

Exhibit 15: Tourist arrivals forecast, quarterly



Source: FSSIA estimates

Earnings estimate cuts

Based on all the potential downsides we mentioned above, we revise our ARPU assumption for TRUE down from THB220 in 2022 to THB210, but increase the number of subscribers slightly to 33.4m from 32.2m thanks to the better-than-expected subscriber growth in 1Q22 that should continue for the rest of the year, driven by the recovery in tourist arrivals. Note that TRUE's blended ARPU in 1Q22 was at THB207, while the ARPU trend for 2Q22 should remain flat or slightly decline due to the weak short-term economic outlook, before stabilising or slightly picking up from 2H22 onward. In addition, we also cut our ARPU forecast on fixed broadband (FBB) from THB520 to THB491 in 2022, but increase the number of FBB subscribers to 4.97m from 4.64m. The momentum of subscriber growth remained strong in 1Q22.

This leads us to trim our revenue estimate for TRUE in 2022 by 0.5% to THB143b, flattish from last year. Moreover, we have seen no signs of a clear improvement in the cost minimisation strategy that the company has applied since the Covid impact. The company's operating expenses have remained stuck at around THB30b-33b since 2019. Moreover, its costs in 1Q22 still grew y-y by 1.4%. Despite the decrease in its cost of service and SG&A expense, the higher depreciation cost due to growth in assets from network expansion and the higher amortisation cost from its network spectrum continue to pressure its bottom line.

Exhibit 16: Key assumption changes

	----- Current -----		----- Previous -----		----- Change -----	
	2022E (THB m)	2023E (THB m)	2022E (THB m)	2023E (THB m)	2022E (%)	2023E (%)
Total mobile subscribers (m)	33.4	33.6	32.2	32.4	3.8	3.8
Blended ARPU (THB)	210	214	220	224	(4.5)	(4.4)
FBB subscribers (m)	5.0	5.2	4.6	4.8	7.9	8.6
FBB ARPU (THB)	491	488	520	517	(5.6)	(5.6)
Revenue	143,429	147,613	144,212	148,210	(0.5)	(0.4)
Operating expense	(85,579)	(87,029)	(85,564)	(87,312)	0.0	(0.3)
EBITDA	57,850	60,583	58,648	60,889	(1.4)	(0.5)
Net profit (loss)	(2,095)	134	(448)	1,720	367.7	(92.2)
Core profit (loss)	(3,495)	134	(448)	4,498	680.2	(97.0)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
EBITDA margin	40.3	41.0	40.7	37.4	(0.3)	3.6
Core profit margin	(2.4)	0.1	(0.3)	5.3	(2.1)	(5.2)

Source: FSSIA estimates

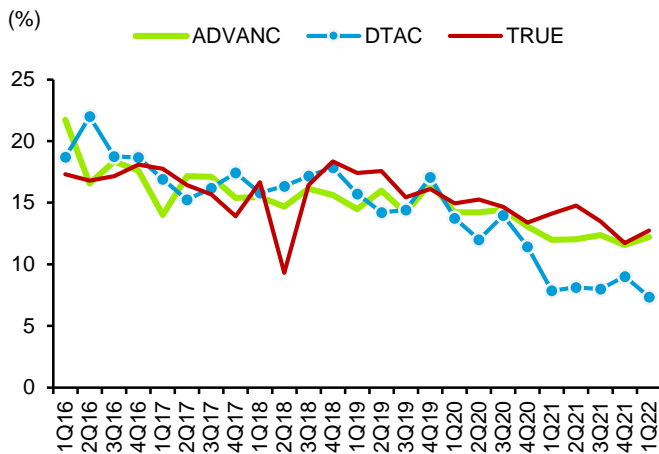
Expect core loss to increase in 2022 to THB3.5b

In addition, we also reduce our share of profits from associates assumption due to the disposal of its 2.82% stake in DIF that could result in TRUE recognising a lower share of profit from DIF of about THB180m this year. As a result, we increase the core loss forecast for TRUE in 2022 to THB3.5b from THB0.5b. The company's 2022 reported net loss is expected at THB2.1b thanks to a THB1.4b extra gain from DIF's share disposal.

The only key turnaround would come from the cost minimisation

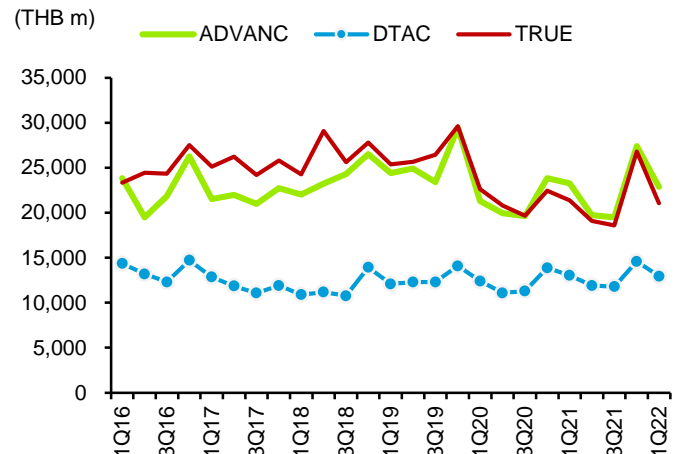
While TRUE is different from its peers, we believe the recovery in its revenue thanks to the expectation that the Thai economy should pick up in 2H22 onward would also boost the net profits of ADVANC and DTAC. For TRUE, however, the key driver that could help the company improve its bottom line could only come from cost optimisation, in our opinion. We believe the company has the best potential to reduce its SG&A expense further in the future – if only because TRUE has the highest SG&A to sales ratio in the industry at 12.7%, compared to ADVANC and DTAC at 12.2% and 7.4%, respectively.

Exhibit 17: SG&A to sales by quarter



Sources: ADVANC; DTAC; TRUE

Exhibit 18: Operating expenses by quarter



Sources: ADVANC; DTAC; TRUE

Neutral view on DIF disposal

On Jun-22, TRUE disposed of 300m shares in the Digital Telecommunication Infrastructure Fund (DIF TB, NR), equal to a 2.82% stake in DIF at THB13.3-13.45 per share, which is a 4-5% discount from DIF's current price at that moment. After this transaction, TRUE's stake in DIF was reduced from 23.38% to 20.56%. TRUE, which would gain about THB4b from the disposal, will recognise an extra gain of around THB1.4b in 2Q22.

We believe the reason behind the DIF disposal was due to 1) TRUE's need to increase liquidity to cover outstanding debts of over THB250b at the end of 2021; and 2) the extra gain of THB1.4b was meant to help TRUE's management meet its target of turning a profit in 2022.

Neutral view on DIF disposal

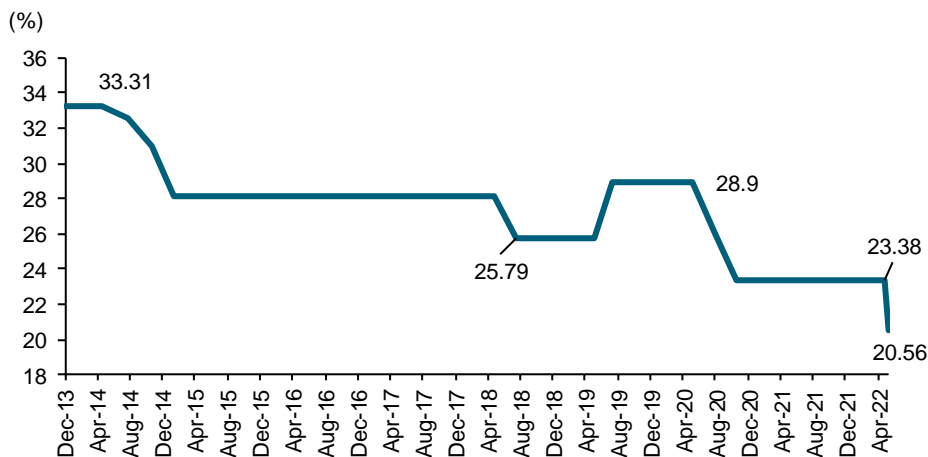
We have a neutral view on this transaction, although the disposal of DIF shares would generate more cash flow and recognise an extra gain for TRUE of about THB4b and THB1.4b, respectively. We see DIF as the only sustainable profit generator for the company at almost THB3b per year (based on its stake in DIF of 23.38%). The 2.82% divestment means that TRUE will lose its share of profit from DIF worth about THB360m per year, contributing to over 10% of its loss in 2021 at THB2.9b.

Moreover, disposal of DIF during 2Q22 would also support our view that the competition in the mobile industry should remain intense, as it could indicate that TRUE's core bottom line remains in the red.

Expected no more disposals for this year

We believe that after this transaction, TRUE is unlikely to dispose of any further DIF shares this year. The company may be comfortable maintaining its stake in DIF at no lower than 20% before the entering the merger process with DTAC at the end of this year.

Exhibit 19: Percent of TRUE's holding in DIF



Sources: Setsmart; FSSIA's compilation

Financial Statements

True Corporation

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	138,212	143,655	143,429	147,613	150,623
Cost of goods sold	(65,462)	(66,596)	(66,933)	(68,416)	(69,231)
Gross profit	72,750	77,059	76,496	79,197	81,392
Other operating income	-	-	-	-	-
Operating costs	(20,096)	(19,298)	(18,646)	(18,614)	(18,614)
Operating EBITDA	52,654	57,761	57,850	60,583	62,778
Depreciation	(42,008)	(45,347)	(47,513)	(48,262)	(48,667)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	10,646	12,414	10,337	12,321	14,111
Net financing costs	(18,058)	(19,199)	(19,975)	(19,528)	(19,576)
Associates	4,153	3,677	3,861	3,977	4,096
Recurring non-operating income	4,347	3,960	5,655	7,267	7,485
Non-recurring items	4,009	1,459	1,400	0	0
Profit before tax	944	(1,366)	(2,583)	60	2,020
Tax	(19)	(155)	387	(6)	(404)
Profit after tax	925	(1,521)	(2,195)	54	1,616
Minority interests	123	93	100	80	80
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,048	(1,428)	(2,095)	134	1,696
Non-recurring items & goodwill (net)	(4,009)	(1,459)	(1,400)	0	0
Recurring net profit	(2,961)	(2,887)	(3,495)	134	1,696
Per share (THB)					
Recurring EPS *	(0.09)	(0.09)	(0.10)	0.00	0.05
Reported EPS	0.03	(0.04)	(0.06)	0.00	0.05
DPS	0.07	0.07	0.00	0.10	0.12
Diluted shares (used to calculate per share data)	33,344	33,368	33,368	33,368	33,368
Growth					
Revenue (%)	(1.9)	3.9	(0.2)	2.9	2.0
Operating EBITDA (%)	55.6	9.7	0.2	4.7	3.6
Operating EBIT (%)	49.9	16.6	(16.7)	19.2	14.5
Recurring EPS (%)	nm	nm	nm	nm	1,168.4
Reported EPS (%)	(81.4)	nm	nm	nm	1,168.4
Operating performance					
Gross margin inc. depreciation (%)	22.2	22.1	20.2	21.0	21.7
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	38.1	40.2	40.3	41.0	41.7
Operating EBIT margin (%)	7.7	8.6	7.2	8.3	9.4
Net margin (%)	(2.1)	(2.0)	(2.4)	0.1	1.1
Effective tax rate (%)	-	-	-	-	-
Dividend payout on recurring profit (%)	(78.8)	(80.8)	-	2,494.1	236.0
Interest cover (X)	0.8	0.9	0.8	1.0	1.1
Inventory days	32.8	16.1	7.5	7.4	7.5
Debtor days	122.2	122.9	128.0	122.3	122.9
Creditor days	556.6	501.3	507.0	499.6	494.4
Operating ROIC (%)	5.3	6.0	4.8	5.7	6.4
ROIC (%)	3.6	3.4	3.3	4.3	4.9
ROE (%)	(2.8)	(3.5)	(4.4)	0.2	2.3
ROA (%)	2.6	2.6	2.7	3.3	3.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
True Move H	105,381	111,088	112,003	114,996	116,798
True Online	24,533	25,214	25,431	26,531	27,679
True Visions	8,298	7,353	5,995	6,085	6,146

Sources: True Corporation; FSSIA estimates

Financial Statements

True Corporation

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(2,961)	(2,887)	(3,495)	134	1,696
Depreciation	42,008	45,347	47,513	48,262	48,667
Associates & minorities	-	-	-	-	-
Other non-cash items	13,516	3,633	7,708	(3,370)	(3,469)
Change in working capital	(8,443)	(10,637)	3,606	(1,097)	(1,797)
Cash flow from operations	44,119	35,457	55,331	43,928	45,097
Capex - maintenance	(37,423)	(29,276)	(20,250)	(17,000)	(16,000)
Capex - new investment	(37,423)	(29,276)	(20,250)	(17,000)	(16,000)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	10,273	1,739	3,194	(6,098)	(6,000)
Cash flow from investing	(64,572)	(56,813)	(37,306)	(40,098)	(38,000)
Dividends paid	(3,003)	(2,334)	(2,334)	(2,334)	(3,334)
Equity finance	0	0	0	0	0
Debt finance	17,595	34,051	(9,313)	(2,000)	(2,999)
Other financing cash flows	(19,230)	(12,740)	(5,438)	(5,171)	(4,918)
Cash flow from financing	(4,639)	18,976	(17,084)	(9,505)	(11,252)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	17	14	0	0	0
Net other adjustments	17	14	0	0	0
Movement in cash	(25,075)	(2,366)	941	(5,676)	(4,154)
Free cash flow to firm (FCFF)	(2,395.31)	(2,157.67)	38,000.49	23,358.40	26,673.40
Free cash flow to equity (FCFE)	(22,071.81)	(32.30)	3,274.80	(3,341.41)	(819.84)

Per share (THB)

FCFF per share	(0.07)	(0.06)	1.14	0.70	0.80
FCFE per share	(0.66)	0.00	0.10	(0.10)	(0.02)
Recurring cash flow per share	1.58	1.38	1.55	1.35	1.41

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	341,972	372,215	402,215	425,215	446,215
Less: Accumulated depreciation	(110,078)	(126,878)	(146,003)	(165,606)	(185,368)
Tangible fixed assets (net)	231,894	245,337	256,212	259,609	260,847
Intangible fixed assets (net)	246,079	232,708	205,218	187,559	169,654
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	23,236	24,494	24,494	24,494	24,494
Cash & equivalents	24,330	21,963	22,905	17,229	13,075
A/C receivable	44,919	51,797	48,766	50,188	51,212
Inventories	4,508	1,374	1,372	1,412	1,440
Other current assets	30,649	24,996	24,983	25,228	25,404
Current assets	104,406	100,130	98,025	94,057	91,132
Other assets	11,933	22,245	22,219	22,697	23,040
Total assets	617,548	624,915	606,168	588,416	569,166
Common equity	85,090	81,362	76,932	74,732	73,093
Minorities etc.	528	456	356	276	196
Total shareholders' equity	85,618	81,818	77,288	75,008	73,289
Long term debt	158,491	192,196	192,196	192,196	192,196
Other long-term liabilities	197,653	176,953	162,250	148,129	134,143
Long-term liabilities	356,144	369,149	354,446	340,325	326,339
A/C payable	90,277	92,666	93,281	93,992	93,555
Short term debt	64,508	65,312	55,999	53,999	51,000
Other current liabilities	21,002	15,970	25,153	25,091	24,983
Current liabilities	175,787	173,948	174,434	173,083	169,538
Total liabilities and shareholders' equity	617,549	624,915	606,168	588,416	569,166
Net working capital	(31,203)	(30,469)	(43,314)	(42,255)	(40,481)
Invested capital	481,939	494,315	464,829	452,103	437,553

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

Per share (THB)

Book value per share	2.55	2.44	2.31	2.24	2.19
Tangible book value per share	(4.83)	(4.54)	(3.84)	(3.38)	(2.89)

Financial strength

Net debt/equity (%)	232.0	287.9	291.5	305.3	314.0
Net debt/total assets (%)	32.2	37.7	37.2	38.9	40.4
Current ratio (x)	0.6	0.6	0.6	0.5	0.5
CF interest cover (x)	1.9	2.5	2.2	1.7	1.8

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(52.0)	(53.4)	(44.1)	1,153.1	90.9
Recurring P/E @ target price (x) *	(60.8)	(62.4)	(51.5)	1,347.8	106.3
Reported P/E (x)	147.0	(108.0)	(73.6)	1,153.1	90.9
Dividend yield (%)	1.5	1.5	-	2.2	2.6
Price/book (x)	1.8	1.9	2.0	2.1	2.1
Price/tangible book (x)	(1.0)	(1.0)	(1.2)	(1.4)	(1.6)
EV/EBITDA (x) **	6.7	6.8	6.6	6.3	6.1
EV/EBITDA @ target price (x) **	7.2	7.2	7.0	6.8	6.5
EV/invested capital (x)	0.7	0.8	0.8	0.8	0.9

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

Sources: True Corporation; 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	GFPT	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	MFEC	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	MTSIB	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	WIJK	
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

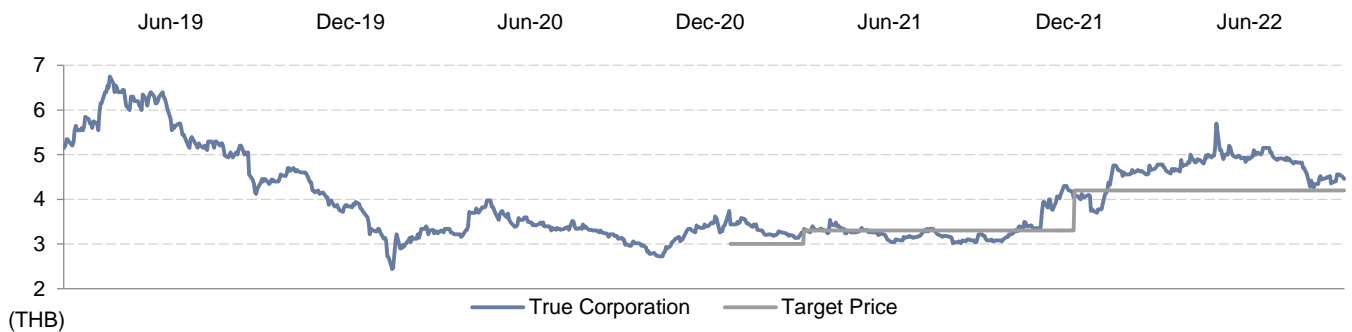
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

True Corporation (TRUE TB)



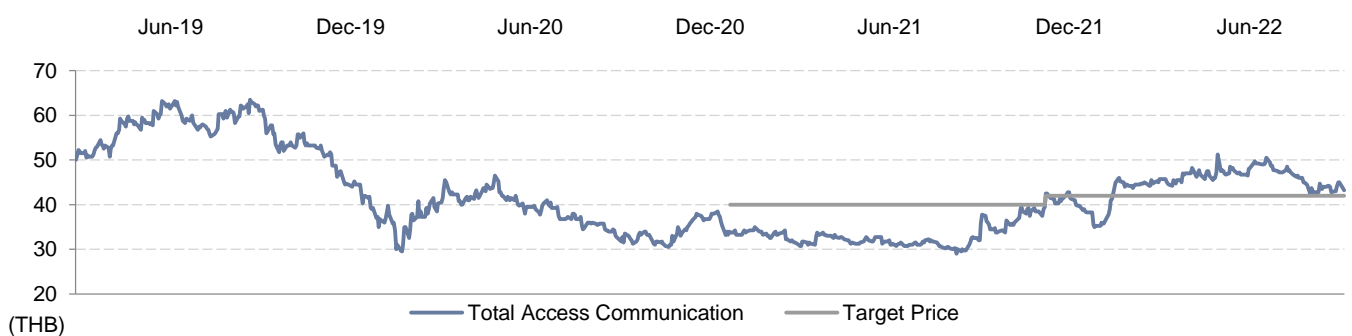
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	REDUCE	3.00	02-Mar-2021	HOLD	3.30	19-Oct-2021	HOLD	4.20

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)



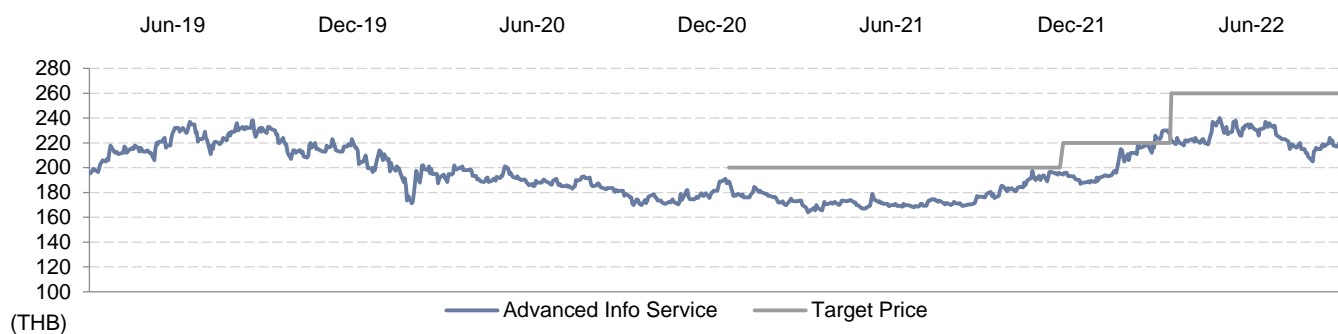
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Dec-2020	BUY	40.00	22-Sep-2021	HOLD	42.00	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

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

Company	Ticker	Price	Rating	Valuation & Risks
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.
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.
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.

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

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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

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.