

## ADVANCED INFO SERVICE

## ADVANC TB

THAILAND / ICT

BUY

UNCHANGED

## Expect a slowdown in 3Q22

- We think ADVANC's core earnings in 3Q22 could fall to THB6.3b (-2.3% q-q, -8.2% y-y).
- Slowdown in economy while costs continue to rise are the key pressures on ADVANC's performance.
- Maintain BUY with a new 2023 TP of THB242.

TARGET PRICE	THB242.00
CLOSE	THB197.50
UP/DOWNSIDE	+22.5%
PRIOR TP	THB250.00
CHANGE IN TP	-3.2%
TP vs CONSENSUS	+0.3%

## KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	181,333	182,872	187,397	189,138
Net profit	26,922	26,391	27,381	28,959
EPS (THB)	9.05	8.88	9.21	9.74
vs Consensus (%)	-	(2.8)	(9.9)	(13.4)
EBITDA	91,408	90,653	92,655	93,864
Core net profit	27,068	26,391	27,381	28,959
Core EPS (THB)	9.10	8.88	9.21	9.74
Chg. In EPS est. (%)	-	(4.0)	(7.6)	(7.3)
EPS growth (%)	(0.4)	(2.5)	3.8	5.8
Core P/E (x)	21.7	22.2	21.4	20.3
Dividend yield (%)	3.9	3.8	4.2	4.7
EV/EBITDA (x)	7.2	7.2	6.9	6.6
Price/book (x)	7.2	7.0	6.7	6.5
Net debt/Equity (%)	89.8	76.2	54.9	37.5
ROE (%)	34.4	31.8	31.8	32.3

## Service revenue could remain flat...

We expect ADVANC's mobile service revenue to remain flat q-q in 3Q22 while its other businesses, including enterprise and fixed broadband (FBB), contribute tiny amounts of growth. Therefore, we expect ADVANC's service revenue excluding interconnection fees to remain flat at THB33.3b (+0.3% q-q, +1.8% y-y). Handset revenue should improve significantly in 3Q22 thanks to faster sales of the new iPhone 14, pushing total revenue growth slightly higher by 1.3% to THB45.8b. Meanwhile, due to the economic slowdown, we expect the lowest growth in total mobile subscribers in the past two years at 45.7m subs, and blended average revenue per user (ARPU) to continue to fall to THB124 in 3Q22.

## ...as its cost of service continues to increase...

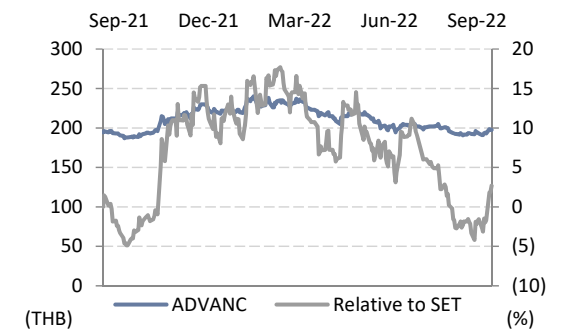
Despite the flattish service revenue, we expect ADVANC's costs to increase in 3Q22 mainly due to 1) higher electricity expenses starting from Sep-22; and 2) higher marketing and administrative expenses. As a result, we expect that ADVANC's core earnings in 3Q22 could fall to THB6.3b (-2.3% q-q, -8.2% y-y).

## ...leading us to revise earnings down

We think ADVANC's 9M22 performance will continue to slow down due to weak ARPU so long as the competition remains intact in the mobile and FBB segments. We believe this trend could continue until the amalgamation of its remaining two competitors is approved by the regulator, possibly by early next year. With costs likely to remain at the currently high level, we cut our core earnings forecasts on ADVANC for 2022/2023 by 4%/7.6% to THB26.4b/THB27.4b.

## Maintain BUY with a new 2023 TP of THB242

We maintain BUY but revise our 2023 TP down from THB250 to THB242. We believe its share price may remain locked in a sideways trajectory until there is an improvement in the industry's outlook driven by 1) the economic recovery and higher tourist arrivals; 2) less competition; and 3) the amalgamation of its competitors pending approval by the National Broadcasting and Telecommunications Commission in Oct-22. However, the company still has the potential to pay decent dividends in 2022 and 2023 of 3.8-4.2%.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.6	(3.2)	1.0
Relative to country (%)	4.3	(4.0)	2.1
Mkt cap (USD m)	15,309		
3m avg. daily turnover (USD m)	33.8		
Free float (%)	36		
Major shareholder	Intouch Holdings (40%)		
12m high/low (THB)	242.00/187.00		
Issued shares (m)	2,973.55		

Sources: Bloomberg consensus; FSSIA estimates



Naruedom Mujjalinkool

naruedom.muj@fssia.com  
+66 2611 3566

### Investment thesis

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

We think the company has various future catalysts on deck, including 1) the potential to pay a higher dividend; 2) the benefits of lower competition in the mobile market after the potential 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.

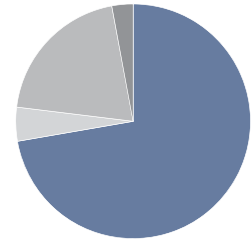
### Company profile

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

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

### Principal activities (revenue, 2021)

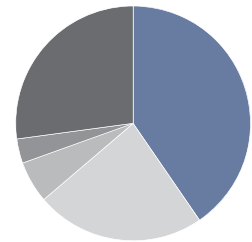
- Mobile - 72.3 %
- Fixed broadband - 4.7 %
- Sale of goods - 20.2 %
- Others - 2.9 %



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 annual dividend yield at around 3.5-4%;
- Potentially 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.

### Event calendar

Date	Event
Nov-22	3Q22 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
<b>Fixed broadband</b>				
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 2023 earnings to rise by 2.4%, and vice versa, all else being equal.
- For every 1% increase in mobile subscribers, we project 2023 earnings to rise by 1.9%, and vice versa, all else being equal.

Source: FSSIA estimates

**Exhibit 1: 3Q22 earnings preview**

	3Q21	2Q22	3Q22E	Change		9M21	9M22E	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
<b>Operating Revenue</b>	<b>42,377</b>	<b>45,273</b>	<b>45,843</b>	<b>1.3</b>	<b>8.2</b>	<b>130,995</b>	<b>136,395</b>	<b>4.1</b>	<b>182,872</b>
Operating Expense	(19,489)	(22,920)	(24,144)	5.3	23.9	(62,521)	(69,939)	11.9	(92,219)
<b>EBITDA</b>	<b>22,888</b>	<b>22,353</b>	<b>21,699</b>	<b>(2.9)</b>	<b>(5.2)</b>	<b>68,474</b>	<b>66,456</b>	<b>(2.9)</b>	<b>90,653</b>
EBITDA margin (%)	54	49	47	nm	nm	52	49	nm	50
Depreciation & Amortization	(13,442)	(12,783)	(12,790)	0.1	(4.9)	(39,828)	(38,942)	(2.2)	(53,353)
<b>EBIT</b>	<b>9,446</b>	<b>9,570</b>	<b>8,909</b>	<b>(6.9)</b>	<b>(5.7)</b>	<b>28,646</b>	<b>27,514</b>	<b>(4.0)</b>	<b>37,300</b>
Interest expense	(1,414)	(1,323)	(1,305)	(1.4)	(7.7)	(4,260)	(3,948)	(7.3)	(5,448)
Other income	203	(374)	120	n.a.	(41.0)	657	(56)	(108.5)	466
Associates	(26)	(6)	(5)	(19.3)	(81.0)	(120)	(27)	(77.6)	-
Extra items	(435)	(95)	-	n.a.	n.a.	(415)	(137)	(67.0)	-
<b>Pretax profit</b>	<b>7,774</b>	<b>7,773</b>	<b>7,719</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>24,508</b>	<b>23,346</b>	<b>(4.7)</b>	<b>32,318</b>
Tax	(1,399)	(1,467)	(1,467)	(0.1)	4.8	(4,447)	(4,477)	0.7	(5,924)
Tax rate (%)	(18)	(19)	(19)	nm	nm	(18)	(19)	nm	(18)
Minority interests	(1)	(0)	(0)	233.3	(66.7)	(2)	(1)	(52.0)	(3)
<b>Net profit</b>	<b>6,374</b>	<b>6,305</b>	<b>6,252</b>	<b>(0.8)</b>	<b>(1.9)</b>	<b>20,059</b>	<b>18,868</b>	<b>(5.9)</b>	<b>26,391</b>
<b>Core net profit</b>	<b>6,809</b>	<b>6,400</b>	<b>6,252</b>	<b>(2.3)</b>	<b>(8.2)</b>	<b>20,474</b>	<b>19,005</b>	<b>(7.2)</b>	<b>26,391</b>
EPS (THB)	2.14	2.12	2.10	(0.8)	(1.9)	6.75	6.35	(5.9)	8.88
Core EPS (THB)	2.29	2.15	2.10	(2.3)	(8.2)	6.89	6.39	(7.2)	8.88

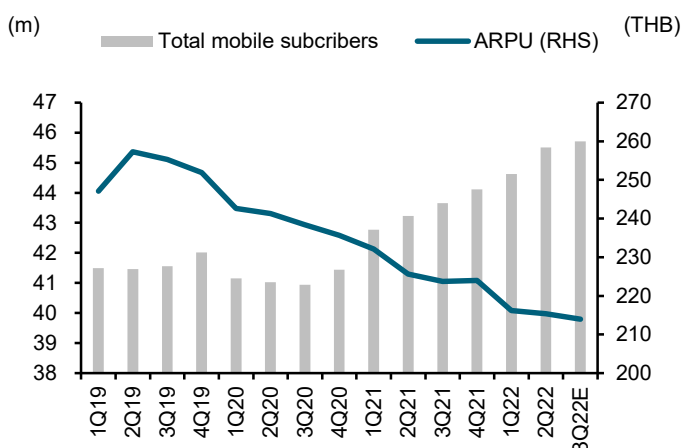
Sources: ADVANC; FSSIA estimates

**Exhibit 2: Key assumption changes**

	Current			Previous			Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total subscribers (m)	45.6	45.9	46.0	45.6	45.9	46.0	0.0	0.0	0.0
Blended ARPU (THB)	218	222	226	218	222	226	0.0	0.0	0.0
Revenue	182,872	187,397	189,138	182,872	186,319	188,109	0.0	0.6	0.5
Operating expense	(92,219)	(94,742)	(95,274)	(90,727)	(91,847)	(92,438)	1.6	3.2	3.1
EBITDA	90,653	92,655	93,864	92,145	94,471	95,671	(1.6)	(1.9)	(1.9)
Core net profit	26,391	27,381	28,959	27,504	29,636	31,233	(4.0)	(7.6)	(7.3)
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
EBITDA margin	49.6	49.4	49.6	50.4	50.7	50.9	(0.8)	(1.3)	(1.2)
Net profit margin	14.4	14.6	15.3	15.0	15.9	16.6	(0.6)	(1.3)	(1.3)

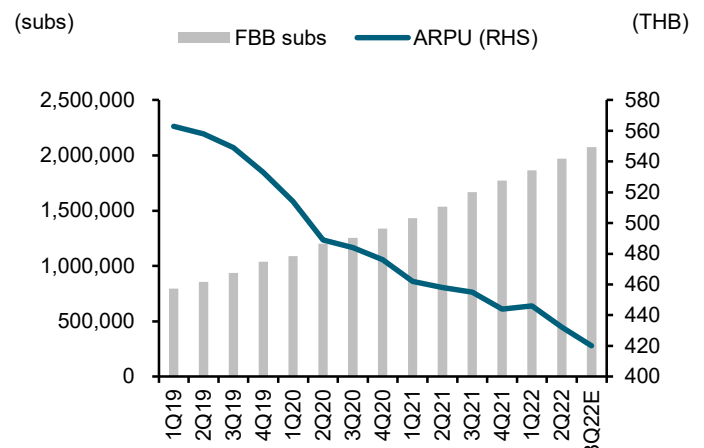
Source: FSSIA estimates

**Exhibit 3: Mobile subscribers and ARPU**



Sources: ADVANC; FSSIA estimates

**Exhibit 4: FBB subscribers and ARPU**



Sources: ADVANC; FSSIA estimates

## Exhibit 5: DCF valuation

		2023E	2024E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
EBITDA		92,655	93,864	95,989	97,622	98,826
(less) tax on EBIT		(6,222)	(6,661)	(7,346)	(8,028)	(8,695)
(less) capex & investments		(29,500)	(28,500)	(41,500)	(41,500)	(45,500)
decrease in working cap		(1,966)	388	(1,252)	(174)	(179)
Free Cash Flow		52,195	56,545	59,955	47,316	48,273
WACC (%)	7.95 (from 7.9)					
Terminal growth (%)	2					
PV of FCF		56,545	55,541	40,605	38,376	32,738
Enterprise value	785,226					
Net debt+cash	(65,948)					
Minority	(129)					
Equity value	719,149					
No. of shares (m)	2,974					
<b>Equity value / share (THB)</b>	<b>242</b>					

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	187,397	189,138
Cost of goods sold	(59,112)	(68,225)	(68,112)	(69,448)	(68,739)
<b>Gross profit</b>	<b>113,778</b>	<b>113,108</b>	<b>114,760</b>	<b>117,949</b>	<b>120,399</b>
Other operating income	-	-	-	-	-
Operating costs	(24,380)	(21,700)	(24,107)	(25,294)	(26,535)
<b>Operating EBITDA</b>	<b>89,398</b>	<b>91,408</b>	<b>90,653</b>	<b>92,655</b>	<b>93,864</b>
Depreciation	(51,923)	(53,446)	(53,353)	(54,130)	(53,295)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>37,475</b>	<b>37,962</b>	<b>37,300</b>	<b>38,525</b>	<b>40,569</b>
Net financing costs	(5,917)	(5,626)	(5,448)	(5,370)	(5,370)
Associates	(70)	(141)	0	20	40
Recurring non-operating income	720	704	466	451	424
Non-recurring items	247	(146)	0	0	0
<b>Profit before tax</b>	<b>32,525</b>	<b>32,894</b>	<b>32,318</b>	<b>33,606</b>	<b>35,624</b>
Tax	(5,089)	(5,970)	(5,924)	(6,222)	(6,661)
<b>Profit after tax</b>	<b>27,437</b>	<b>26,924</b>	<b>26,394</b>	<b>27,384</b>	<b>28,962</b>
Minority interests	(3)	(2)	(3)	(3)	(3)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>27,434</b>	<b>26,922</b>	<b>26,391</b>	<b>27,381</b>	<b>28,959</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(247)</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>27,187</b>	<b>27,068</b>	<b>26,391</b>	<b>27,381</b>	<b>28,959</b>
<b>Per share (THB)</b>					
Recurring EPS *	9.14	9.10	8.88	9.21	9.74
Reported EPS	9.23	9.05	8.88	9.21	9.74
DPS	6.92	7.69	7.54	8.29	9.25
Diluted shares (used to calculate per share data)	2,973	2,973	2,973	2,973	2,973
<b>Growth</b>					
Revenue (%)	(4.4)	4.9	0.8	2.5	0.9
Operating EBITDA (%)	13.6	2.2	(0.8)	2.2	1.3
Operating EBIT (%)	(9.2)	1.3	(1.7)	3.3	5.3
Recurring EPS (%)	(14.9)	(0.4)	(2.5)	3.8	5.8
Reported EPS (%)	(12.0)	(1.9)	(2.0)	3.8	5.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	35.8	32.9	33.6	34.1	35.5
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	51.7	50.4	49.6	49.4	49.6
Operating EBIT margin (%)	21.7	20.9	20.4	20.6	21.4
Net margin (%)	15.7	14.9	14.4	14.6	15.3
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	6.9	7.3	7.6
Inventory days	22.2	12.0	11.3	11.3	11.6
Debtor days	38.1	34.6	33.2	32.9	33.2
Creditor days	253.0	229.0	244.5	246.2	252.8
Operating ROIC (%)	37.7	31.6	34.7	39.8	48.8
ROIC (%)	17.3	14.9	14.8	16.8	19.9
ROE (%)	37.5	34.4	31.8	31.8	32.3
ROA (%)	10.3	9.3	9.2	9.8	10.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
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	35,236	33,599
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	26,391	27,381	28,959
Depreciation	51,923	53,446	53,353	54,130	53,295
Associates & minorities	-	-	-	-	-
Other non-cash items	8,561	8,824	5,753	5,690	5,706
Change in working capital	(2,041)	(2,704)	748	471	(413)
<b>Cash flow from operations</b>	<b>85,629</b>	<b>86,634</b>	<b>86,245</b>	<b>87,672</b>	<b>87,547</b>
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)
<b>Cash flow from investing</b>	<b>(54,694)</b>	<b>(45,352)</b>	<b>(45,803)</b>	<b>(40,964)</b>	<b>(39,990)</b>
Dividends paid	(20,219)	(21,203)	(23,823)	(23,538)	(26,077)
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)
<b>Cash flow from financing</b>	<b>(32,124)</b>	<b>(46,963)</b>	<b>(41,300)</b>	<b>(30,836)</b>	<b>(33,279)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(95)</b>	<b>(316)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(1,284)</b>	<b>(5,997)</b>	<b>(859)</b>	<b>15,872</b>	<b>14,277</b>
Free cash flow to firm (FCFF)	36,851.58	46,907.64	45,889.54	52,078.53	52,926.43
Free cash flow to equity (FCFE)	18,934.34	15,205.98	22,963.73	39,409.86	40,354.18

#### Per share (THB)

FCFF per share	12.39	15.77	15.43	17.51	17.80
FCFE per share	6.37	5.11	7.72	13.25	13.57
Recurring cash flow per share	29.49	30.05	28.76	29.33	29.58

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)	(229,892)	(269,028)	(307,360)
<b>Tangible fixed assets (net)</b>	<b>181,241</b>	<b>168,418</b>	<b>160,607</b>	<b>148,971</b>	<b>137,139</b>
<b>Intangible fixed assets (net)</b>	<b>120,224</b>	<b>145,521</b>	<b>134,478</b>	<b>121,484</b>	<b>108,522</b>
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	13,486	29,358	43,635
A/C receivable	17,781	16,552	16,693	17,106	17,265
Inventories	2,372	2,104	2,122	2,175	2,195
Other current assets	1,660	2,565	2,587	2,651	2,675
<b>Current assets</b>	<b>42,155</b>	<b>35,566</b>	<b>34,887</b>	<b>51,289</b>	<b>65,770</b>
Other assets	5,610	5,524	5,959	6,457	6,981
<b>Total assets</b>	<b>350,171</b>	<b>356,222</b>	<b>337,223</b>	<b>329,601</b>	<b>319,930</b>
Common equity	75,564	81,699	84,267	88,111	90,993
Minorities etc.	125	126	129	132	135
<b>Total shareholders' equity</b>	<b>75,689</b>	<b>81,825</b>	<b>84,396</b>	<b>88,243</b>	<b>91,128</b>
Long term debt	79,301	73,697	65,697	65,697	65,697
Other long-term liabilities	101,367	108,832	95,938	83,162	67,397
<b>Long-term liabilities</b>	<b>180,668</b>	<b>182,529</b>	<b>161,634</b>	<b>148,858</b>	<b>133,094</b>
A/C payable	40,571	45,055	46,205	47,469	47,735
Short term debt	18,748	14,132	12,132	12,132	12,132
Other current liabilities	34,494	32,681	32,856	32,899	35,842
<b>Current liabilities</b>	<b>93,813</b>	<b>91,868</b>	<b>91,192</b>	<b>92,500</b>	<b>95,709</b>
<b>Total liabilities and shareholders' equity</b>	<b>350,171</b>	<b>356,222</b>	<b>337,223</b>	<b>329,601</b>	<b>319,930</b>
Net working capital	(53,251)	(56,515)	(57,659)	(58,437)	(61,442)
Invested capital	254,765	264,141	244,677	219,875	192,719

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

#### Per share (THB)

Book value per share	25.42	27.48	28.34	29.64	30.60
Tangible book value per share	(15.02)	(21.47)	(16.89)	(11.22)	(5.90)

#### Financial strength

Net debt/equity (%)	102.7	89.8	76.2	54.9	37.5
Net debt/total assets (%)	22.2	20.6	19.1	14.7	10.7
Current ratio (x)	0.4	0.4	0.4	0.6	0.7
CF interest cover (x)	10.6	9.0	9.7	12.6	12.7

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>21.6</b>	<b>21.7</b>	<b>22.2</b>	<b>21.4</b>	<b>20.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>26.5</b>	<b>26.6</b>	<b>27.3</b>	<b>26.3</b>	<b>24.8</b>
Reported P/E (x)	21.4	21.8	22.2	21.4	20.3
Dividend yield (%)	3.5	3.9	3.8	4.2	4.7
Price/book (x)	7.8	7.2	7.0	6.7	6.5
Price/tangible book (x)	(13.1)	(9.2)	(11.7)	(17.6)	(33.5)
EV/EBITDA (x) **	7.4	7.2	7.2	6.9	6.6
EV/EBITDA @ target price (x) **	8.9	8.7	8.6	8.3	8.0
EV/invested capital (x)	2.6	2.5	2.7	2.9	3.2

\* 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	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	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	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	PPP	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	SEAOIL	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

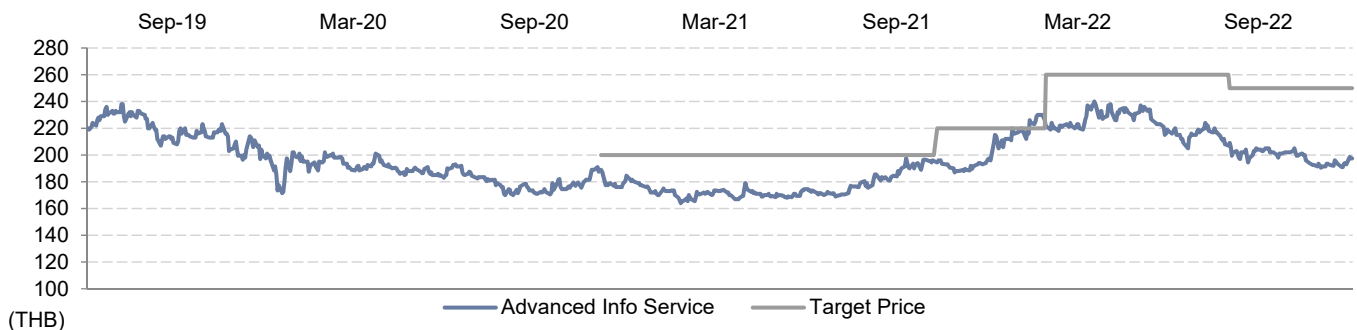
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

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

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

**Advanced Info Service (ADVANC TB)**



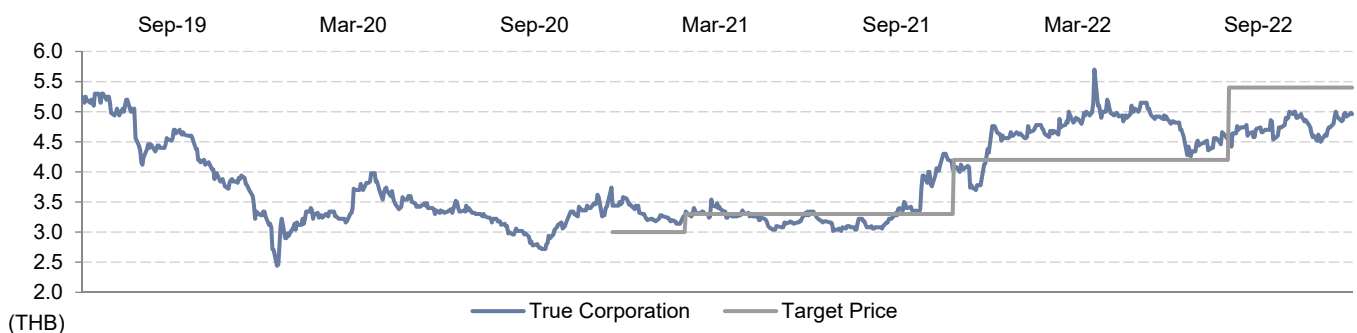
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Dec-2020	HOLD	200.00	01-Oct-2021	BUY	220.00	13-Jun-2022	BUY	250.00
09-Feb-2021	BUY	200.00	05-Jan-2022	BUY	260.00			

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

Price and TP are in local currency

Source: FSSIA estimates

**True Corporation (TRUE TB)**



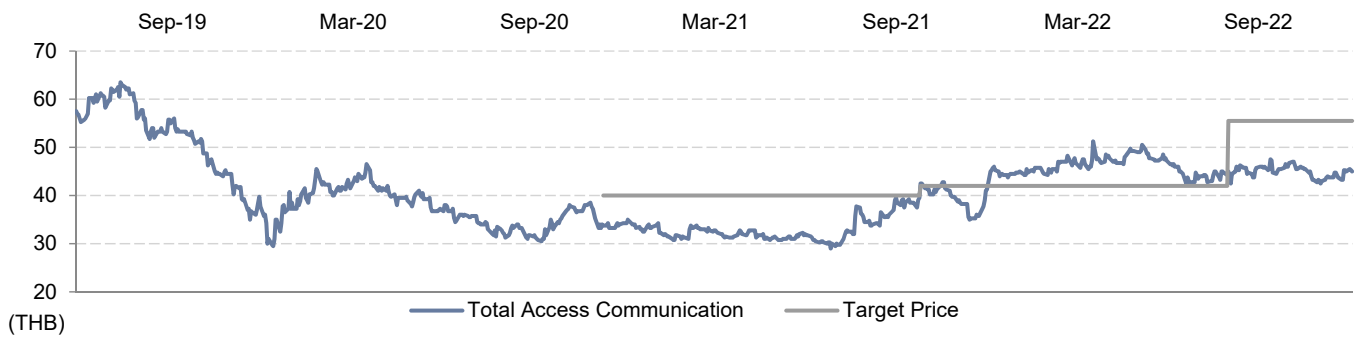
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	REDUCE	3.00	19-Oct-2021	HOLD	4.20	-	-	-
02-Mar-2021	HOLD	3.30	13-Jun-2022	BUY	5.40			

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)**



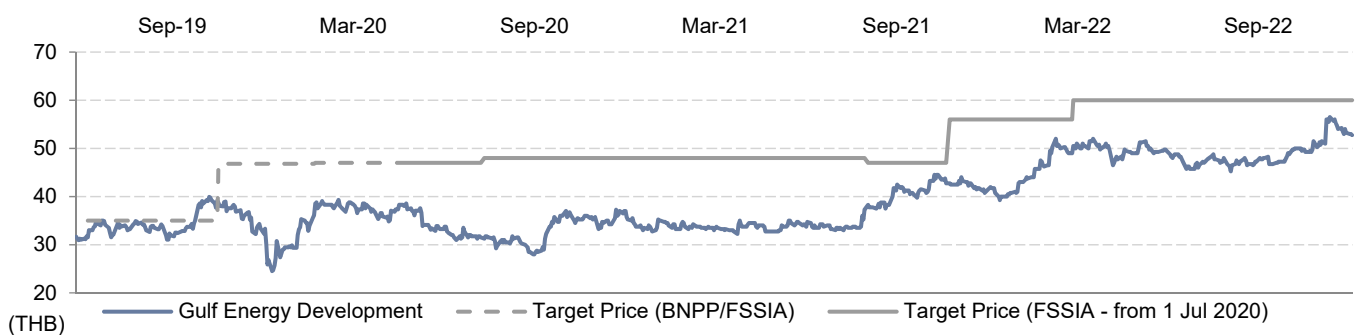
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Dec-2020	BUY	40.00	22-Sep-2021	HOLD	42.00	13-Jun-2022	BUY	55.50

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

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 197.50	BUY	The key downside risks to our DCF-based TP are stronger-than-expected competition in the mobile market and the slower-than-expected adoption of 5G use cases.
True Corporation	TRUE TB	THB 4.96	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 45.00	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
Gulf Energy Development	GULF TB	THB 52.75	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 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 28-Sep-2022 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.