

INTERLINK TELECOM

THAILAND / INFORMATION&COMM TECH

ITEL TB

BUY

UNCHANGED

TARGET PRICE	THB4.00
CLOSE	THB2.44
UP/DOWNSIDE	+63.9%
PRIOR TP	THB4.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+14.3%

ได้อานิสงส์จากงบฯ 2 ปีในปี

- สิ้นปี 2023 ITEL มี Backlog 2,769 ล้านบาท ราว 65% รับรู้ในปี 2024 เท่ากับประมาณการรายได้ของเรา secure ไปแล้ว 53%
- แนวโน้ม 1Q24 อาจมีกำไรทางบัญชีจากการซื้อ GLS
- คงประมาณการกำไรและราคาเป้าหมาย 4 บาท แนะนำซื้อ

ประมาณการรายได้ปี 2024 มี Backlog รองรับแล้ว 53%

ณ สิ้นปี 2023 ITEL มี Backlog 2,769 ล้านบาท แบ่งเป็น Data service 53% Data center 5% ซึ่งทั้งสองส่วนนี้เป็น Recurring income ส่วนที่เหลือ 38% เป็นงาน Installation ทั้งจาก ITEL และ BLUE (บ.ลูก) และ GLS (บ.ลูกในกลุ่ม Health Tech) 1% ในจำนวน Backlog ดังกล่าว 65% หรือ 1,790 ล้านบาทจะรับรู้ในปี 2024 เทียบกับรายได้ที่เราคาด 3,393 ล้านบาท เท่ากับประมาณการรายได้ของเรา secure ไปแล้ว 53% ทั้งนี้ประมาณการของเราน้อยกว่าเป้าของบริษัทที่ตั้งไว้ 3.5 พันล้านบาท แม้ว่าบริษัทจะต้องหางานเพิ่มอีกกว่า 1.6 พันล้านบาทเพื่อให้ได้ตามเป้ารายได้แต่เชื่อว่าจะไม่ยากนัก เพราะในปี 2024 จะมีงบประมาณทั้งของปี 2024 ที่ล่าช้าและปี 2025 ในช่วง 4Q24 ซึ่งมีโครงการจำนวนมากที่บริษัทเข้าไปร่วมประมูลได้

อาจมีกำไรพิเศษทางบัญชีใน 1Q24 จากการซื้อ GLS ต่ำกว่ามูลค่า

ปัจจุบัน GLS (Global Lithotripsy Services) มี Backlog 25 ล้านบาท รอรับรู้เป็นรายได้ในปี 2024 ราว 10 ล้านบาท บริษัทตั้งเป้ารายได้ 100 ล้านบาทในปี 2024 ใกล้เคียงกับประมาณการของเราซึ่งเชื่อว่าเป็นไปได้ เพราะในช่วงปี 2020-22 GLS สร้างรายได้ได้ 96-103 ล้านบาท/ปี มีอัตรากำไรสุทธิ 7-9% GLS เป็นผู้เชี่ยวชาญด้านอุปกรณ์การแพทย์ CT scan / MRI scan มีลูกค้าคือโรงพยาบาลรัฐและเอกชน 51 แห่งบริษัทมีแผนขยายฐานตลาดและ leverage กับธุรกิจของ ITEL ทั้งนี้ การที่ ITEL ลงทุนซื้อ GLS 40 ล้านบาท ต่ำกว่ามูลค่าทางบัญชี อาจมีกำไรทางบัญชีเข้ามาใน 1Q24

คงประมาณการกำไรปี 2024 กลับมาโตสูง 19.3% y-y

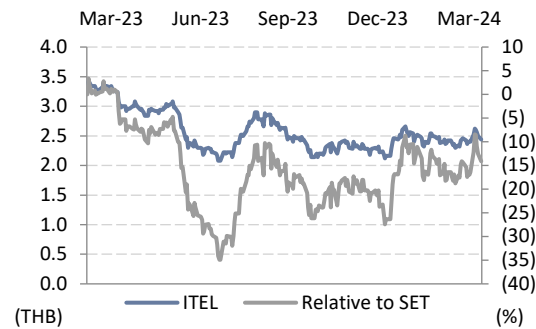
อัตรากำไรขั้นต้นที่สูงถึง 26.8% ในปี 2023 เกิดจากการส่งมอบงานหนึ่งที่มีมาร์จิ้นสูงกว่าปกติ เราคาดว่าอัตรากำไรขั้นต้นปี 2024 จะปรับลงเป็น 23.3% ซึ่งยังสูงกว่าในอดีต เราคงประมาณการกำไรปี 2024 ที่ 321 ล้านบาท (+19.3% y-y) และ 360 ล้านบาทในปี 2025 (+12.1% y-y) คิดเป็นอัตรากำไรสุทธิ 9.4% และ 9.6% ตามลำดับ กลับมาเติบโตสูงอีกครั้งหลังปี 2023 กำไรเพิ่มเพียง 5% y-y

Valuations ถูกเกินไป แนะนำซื้อ ราคาเป้าหมาย 4 บาท

ITEL ผ่านปีที่ยากลำบากไปแล้วในปี 2023 บรรยากาศการลงทุนที่ดีขึ้นในปีนี้อาจเม็ดเงินงบประมาณที่กำลังจะออกมา จะช่วยให้บริษัทกลับสู่โหมดการเติบโตอีกครั้ง หุ้นปัจจุบันเทรดที่ PE 10.9 เท่า และ PBV เพียง 0.8 เท่า เรายังคงแนะนำซื้อ คงราคาเป้าหมาย 4.00 บาท อิง PE 17.0 เท่า ใกล้เคียงค่าเฉลี่ยย้อนหลัง 5 ปี

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,714	3,393	3,752	3,923
Net profit	275	319	361	384
EPS (THB)	0.20	0.23	0.26	0.28
vs Consensus (%)	-	15.0	15.6	14.3
EBITDA	939	892	975	1,011
Recurring net profit	275	319	361	384
Core EPS (THB)	0.20	0.23	0.26	0.28
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(0.8)	16.1	12.9	6.3
Core P/E (x)	12.3	10.6	9.4	8.8
Dividend yield (%)	2.9	2.8	3.2	3.4
EV/EBITDA (x)	7.8	7.4	6.6	6.3
Price/book (x)	0.9	0.8	0.8	0.7
Net debt/Equity (%)	94.6	71.0	64.7	58.8
ROE (%)	7.4	8.0	8.6	8.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.8	8.9	(25.2)
Relative to country (%)	2.7	11.8	(13.2)
Mkt cap (USD m)	93		
3m avg. daily turnover (USD m)	0.6		
Free float (%)	47		
Major shareholder	Interlink Communication PLC. (49%)		
12m high/low (THB)	3.46/2.04		
Issued shares (m)	1,388.93		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

ปี 2023 เป็นปีที่บริษัทเผชิญความท้าทายหลายด้านทั้งอัตราดอกเบี้ยในตลาดที่ปรับสูงขึ้น ความล่าช้าในการจัดตั้งรัฐบาลซึ่งส่งผลกระทบต่องานประมูลใหม่ๆ และความมั่นใจในการลงทุนของภาคเอกชน

เราเชื่อว่าปี 2024 ITEL จะกลับมาเติบโตสูงอีกครั้งหลังเม็ดเงินจากงบประมาณภาครัฐที่เข้าสู่ระบบ ทำให้โครงการประมูลต่างๆ มีเพิ่มขึ้น นอกจากนี้ การซื้อกิจการ GLS เพื่อต่อยอดธุรกิจ Health Tech ตามเป้าของบริษัท จะช่วยกระจายความเสี่ยงของรายได้และสร้างการเติบโตอีกทางหนึ่ง

Company profile

ITEL เป็นบริษัทในกลุ่ม ILINK ที่ต่อยอดมาจากธุรกิจจัดจำหน่ายอุปกรณ์และสายสัญญาณ โดย ITEL ได้รับใบอนุญาตประกอบกิจการโทรคมนาคมแบบที่ 3 ประเภทมีโครงข่ายเป็นของตนเองจาก กสทช. เพื่อให้บริการวางจรสื่อสารความเร็วสูงเป็นเวลา 15 ปี โครงสร้างรายได้ของ ITEL แบ่งเป็น 3 ส่วน

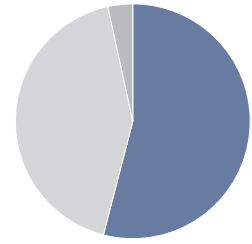
1. Data service ให้บริการโครงข่ายเช่าอุปกรณ์เพื่อเชื่อมต่อโครงข่าย
2. Installation ให้บริการติดตั้งโครงข่าย

Data center ให้บริการพื้นที่ดาต้าเซ็นเตอร์ รายได้มาจากค่าไฟฟ้าและค่าบริการจัดการดาต้าเซ็นเตอร์

www.interlinktelecom.co.th

Principal activities (revenue, 2023)

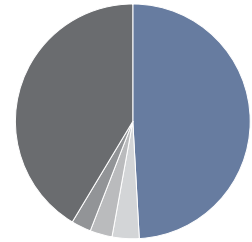
- Data service - 54.0 %
- Installation - 42.5 %
- Data center - 3.4 %



Source: Interlink Telecom

Major shareholders

- Interlink Communication PLC.. - 49.1 %
- Thai NVDR Co., Ltd. - 3.7 %
- HSBC Bank PLC - Eam Long-Only Emerging Markets Master Fund Limited - 3.1 %



Source: Interlink Telecom

Catalysts

ปัจจัยหนุนการเติบโตได้แก่ 1) ความเชื่อมั่นของภาคเอกชนในการลงทุน 2) การเปลี่ยนแปลงของเทคโนโลยีทำให้เกิดการลงทุนทางด้านเทคโนโลยีใหม่ 3) บริษัทประสบความสำเร็จในการประมูลงานที่มีมาร์จิ้นดี

Risks to our call

Downside risks ต่อราคาเป้าหมายของเรา 1) งานประมูลภาครัฐล่าช้า 2) ความไม่สงบทางการเมือง 3) อัตราดอกเบี้ยปรับขึ้นต่อเนื่องและยาวนาน

Event calendar

Date	Event
24 April 2024	Annual General Meeting for Shareholders
7 May 2024	Ex-dividend date
23 May 2024	Dividend payment date

Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
Data service revenue	1,674	1,808	1,898
Gross margin (%)	23.7	24.0	23.9
Installation revenue	1,520	1,722	1,764
Gross margin (%)	22.0	22.1	22.0
Data center revenue	99	103	105
Gross margin (%)	30.0	30.0	30.0
GLS revenue	100	120	156
Gross margin (%)	28.2	28.5	28.5

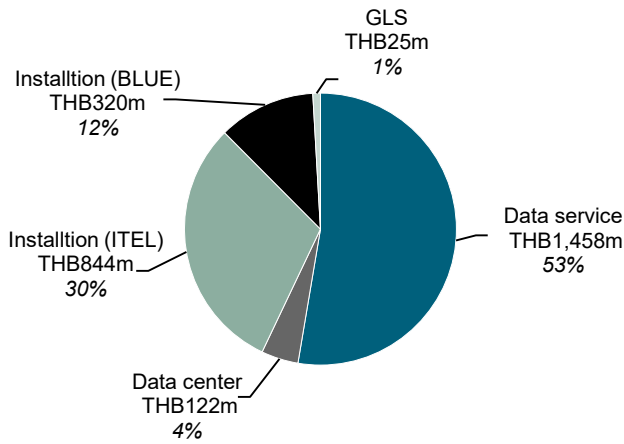
Source: FSSIA estimates

Earnings sensitivity

- For every 10% change in THB to USD, we project ITEL's 2024 core profit to change by 1%, all else being equal.
- For every 1% change in blended gross margin, we project ITEL's 2024 core profit to change by 8%, all else being equal.
- For every 10% change in SG&A expense, we project ITEL's 2024 core profit to change by 4%, all else being equal.

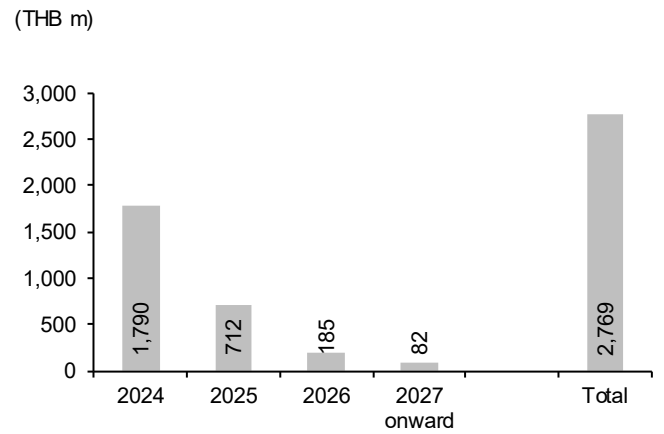
Source: FSSIA estimates

Exhibit 1: Backlog at end of 2023



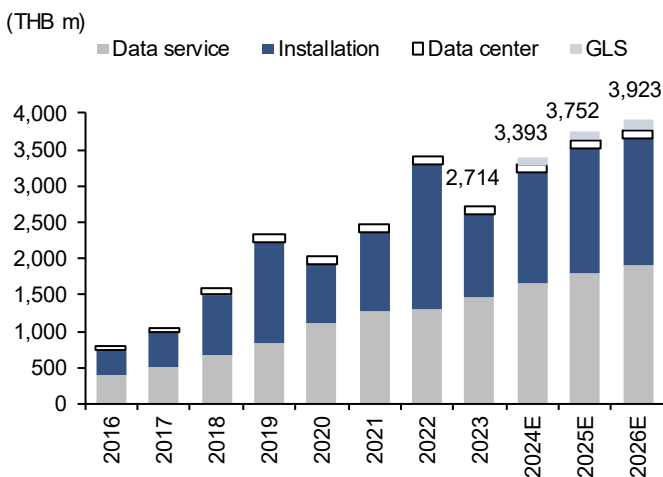
Sources: ITEL, FSSIA's compilation

Exhibit 2: Revenue recognition



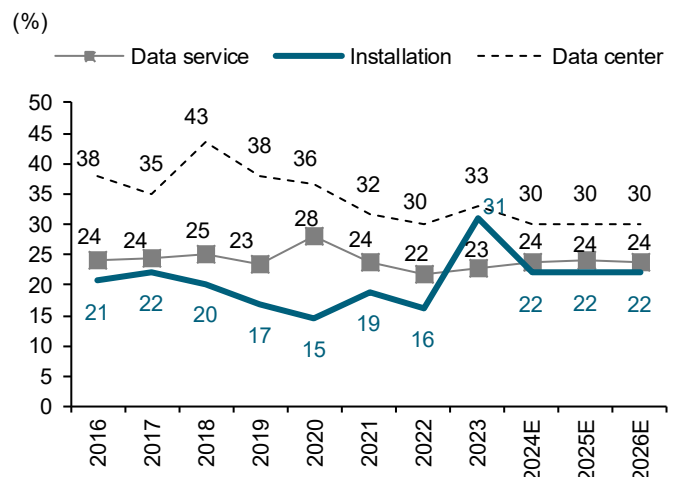
Sources: ITEL, FSSIA's compilation

Exhibit 3: Revenue structure



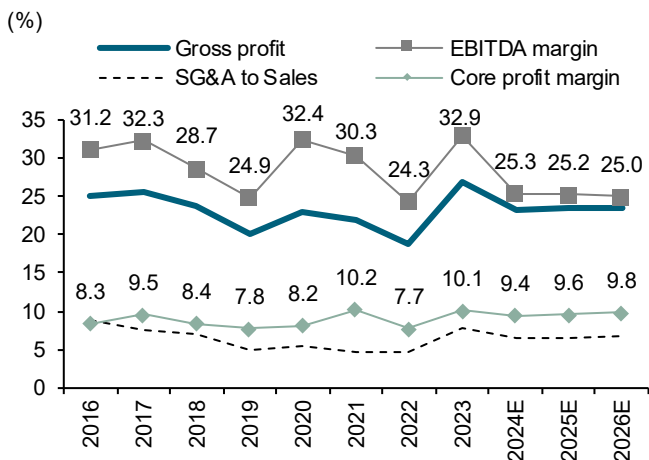
Sources: ITEL, FSSIA estimates

Exhibit 4: Gross margin by business unit



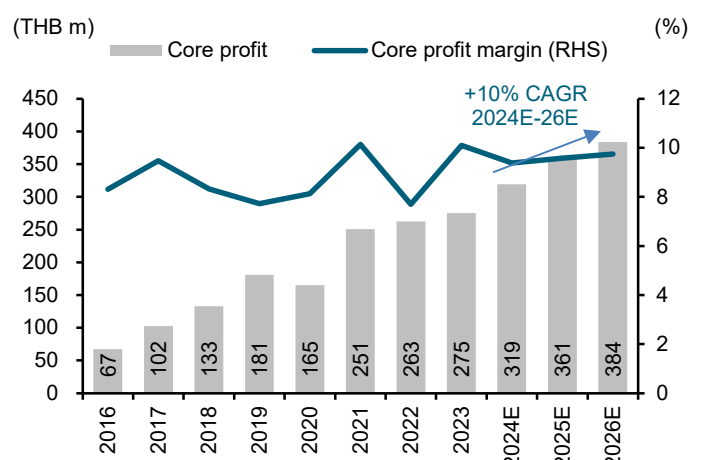
Sources: ITEL, FSSIA estimates

Exhibit 5: Margins



Sources: ITEL, FSSIA estimates

Exhibit 6: Core profit and core profit margin



Sources: ITEL, FSSIA estimates

Financial Statements

Interlink Telecom

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	3,393	2,714	3,393	3,752	3,923
Cost of goods sold	(2,755)	(1,987)	(2,604)	(2,873)	(3,003)
Gross profit	637	726	789	879	919
Other operating income	45	46	33	29	31
Operating costs	(155)	(212)	(222)	(245)	(269)
Operating EBITDA	869	939	892	975	1,011
Depreciation	(341)	(377)	(293)	(311)	(329)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	528	561	599	664	682
Net financing costs	(169)	(182)	(189)	(197)	(190)
Associates	(5)	(4)	(4)	(5)	(6)
Recurring non-operating income	(5)	(4)	(4)	(5)	(6)
Non-recurring items	(9)	0	0	0	0
Profit before tax	346	376	406	462	487
Tax	(65)	(75)	(79)	(91)	(94)
Profit after tax	280	301	327	370	392
Minority interests	(27)	(26)	(8)	(10)	(9)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	254	275	319	361	384
Non-recurring items & goodwill (net)	9	0	0	0	0
Recurring net profit	263	275	319	361	384
Per share (THB)					
Recurring EPS *	0.20	0.20	0.23	0.26	0.28
Reported EPS	0.19	0.20	0.23	0.26	0.28
DPS	0.06	0.07	0.07	0.08	0.08
Diluted shares (used to calculate per share data)	1,315	1,389	1,389	1,389	1,389
Growth					
Revenue (%)	37.6	(20.0)	25.0	10.6	4.5
Operating EBITDA (%)	10.0	8.0	(5.0)	9.3	3.7
Operating EBIT (%)	12.5	6.3	6.8	10.8	2.7
Recurring EPS (%)	(0.7)	(0.8)	16.1	12.9	6.3
Reported EPS (%)	(4.1)	2.7	16.1	12.9	6.3
Operating performance					
Gross margin inc. depreciation (%)	18.8	26.8	23.3	23.4	23.4
Gross margin exc. depreciation (%)	28.9	40.7	31.9	31.7	31.8
Operating EBITDA margin (%)	25.6	34.6	26.3	26.0	25.8
Operating EBIT margin (%)	15.6	20.7	17.7	17.7	17.4
Net margin (%)	7.7	10.1	9.4	9.6	9.8
Effective tax rate (%)	18.9	19.9	19.4	19.8	19.4
Dividend payout on recurring profit (%)	31.8	35.1	30.0	30.0	30.0
Interest cover (X)	3.1	3.1	3.1	3.3	3.6
Inventory days	-	-	-	-	-
Debtor days	69.8	112.3	92.3	86.8	87.1
Creditor days	155.0	239.9	143.1	136.8	135.9
Operating ROIC (%)	7.6	7.6	7.8	8.6	8.7
ROIC (%)	6.0	5.9	6.2	7.1	7.2
ROE (%)	8.1	7.4	8.0	8.6	8.6
ROA (%)	5.1	5.1	5.5	6.2	6.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Data service	1,311	1,466	1,674	1,808	1,898
Installation	1,995	1,154	1,520	1,722	1,764
Data center	87	93	99	103	105
GLS	0	0	100	120	156

Sources: Interlink Telecom; FSSIA estimates

Financial Statements

Interlink Telecom

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	263	275	319	361	384
Depreciation	341	377	293	311	329
Associates & minorities	5	4	4	5	6
Other non-cash items	278	332	79	91	94
Change in working capital	491	(797)	277	(52)	(74)
Cash flow from operations	1,377	191	972	716	739
Capex - maintenance	-	-	-	-	-
Capex - new investment	(346)	(451)	(492)	(400)	(400)
Net acquisitions & disposals	(69)	(40)	0	0	0
Other investments (net)	(49)	(107)	501	(13)	(19)
Cash flow from investing	(464)	(598)	9	(413)	(419)
Dividends paid	(160)	(94)	(175)	(200)	(210)
Equity finance	282	81	3	3	3
Debt finance	(1,042)	454	(808)	(107)	(107)
Other financing cash flows	0	(173)	9	0	0
Cash flow from financing	(920)	268	(971)	(303)	(313)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	11	19	0	0	0
Net other adjustments	11	19	(4)	(5)	(6)
Movement in cash	4	(120)	7	(5)	2
Free cash flow to firm (FCFF)	1,081.56	(225.11)	1,170.58	500.03	509.90
Free cash flow to equity (FCFE)	(118.13)	(106.72)	177.97	190.98	207.70

Per share (THB)

FCFF per share	0.78	(0.16)	0.84	0.36	0.37
FCFE per share	(0.09)	(0.08)	0.13	0.14	0.15
Recurring cash flow per share	0.67	0.71	0.50	0.55	0.58

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	5,467	6,018	6,509	6,909	7,309
Less: Accumulated depreciation	(1,516)	(1,855)	(2,148)	(2,459)	(2,788)
Tangible fixed assets (net)	3,951	4,162	4,361	4,450	4,521
Intangible fixed assets (net)	112	164	165	166	167
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	20	16	16	16	16
Cash & equivalents	229	109	116	110	112
A/C receivable	2,466	2,603	2,465	2,604	2,644
Inventories	0	0	0	0	0
Other current assets	283	310	217	201	249
Current assets	2,978	3,021	2,798	2,916	3,005
Other assets	1,335	1,566	1,065	1,077	1,094
Total assets	8,396	8,931	8,405	8,625	8,804
Common equity	3,603	3,853	4,086	4,338	4,607
Minorities etc.	88	156	159	162	166
Total shareholders' equity	3,691	4,009	4,245	4,501	4,773
Long term debt	1,842	1,433	1,389	1,333	1,246
Other long-term liabilities	21	51	14	14	14
Long-term liabilities	1,863	1,484	1,404	1,347	1,260
A/C payable	1,234	882	930	991	1,001
Short term debt	1,553	2,469	1,741	1,691	1,671
Other current liabilities	55	87	86	96	99
Current liabilities	2,842	3,438	2,757	2,777	2,771
Total liabilities and shareholders' equity	8,396	8,931	8,405	8,625	8,804
Net working capital	1,460	1,943	1,667	1,719	1,793
Invested capital	6,878	7,853	7,274	7,428	7,592

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

Per share (THB)

Book value per share	2.74	2.77	2.94	3.12	3.32
Tangible book value per share	2.65	2.66	2.82	3.00	3.20

Financial strength

Net debt/equity (%)	85.8	94.6	71.0	64.7	58.8
Net debt/total assets (%)	37.7	42.5	35.9	33.8	31.9
Current ratio (x)	1.0	0.9	1.0	1.0	1.1
CF interest cover (x)	2.4	2.9	4.5	4.0	4.2

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	12.2	12.3	10.6	9.4	8.8
Recurring P/E @ target price (x) *	20.0	20.2	17.4	15.4	14.5
Reported P/E (x)	12.6	12.3	10.6	9.4	8.8
Dividend yield (%)	2.6	2.9	2.8	3.2	3.4
Price/book (x)	0.9	0.9	0.8	0.8	0.7
Price/tangible book (x)	0.9	0.9	0.9	0.8	0.8
EV/EBITDA (x) **	7.4	7.8	7.4	6.6	6.3
EV/EBITDA @ target price (x) **	9.8	10.1	9.8	8.9	8.4
EV/invested capital (x)	0.9	0.9	0.9	0.9	0.8

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

Sources: Interlink Telecom; FSSIA estimates

INTERLINK TELECOM PCL (ITEL TB)

FSSIA ESG rating

38.30 /100
Exhibit 7: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 8: ESG – peer comparison

	FSSIA ESG score	Domestic ratings					Global ratings						Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
ITEL	38.30	--	--	Y	5.00	5.00	Certified	--	40.60	--	--	41.18	--	2.05	39.11
ILINK	37.92	--	--	Y	5.00	5.00	Certified	--	57.40	--	--	45.96	--	--	--
SYNEX	35.18	--	Y	Y	4.00	4.00	--	--	53.33	--	--	27.64	--	--	41.24
FORTH	23.00	--	--	--	4.00	4.00	--	Low	--	--	--	--	--	--	--
JMART	34.72	--	--	--	3.00	5.00	Declared	Low	--	--	--	35.50	10.00	2.02	14.09

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 9: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	2.06	2.05
BESG environmental pillar score	—	—	1.32	1.32
BESG social pillar score	—	—	1.16	1.16
BESG governance pillar score	—	—	4.98	4.90
ESG disclosure score	39.11	39.11	39.11	39.11
Environmental disclosure score	16.79	16.79	16.79	16.79
Social disclosure score	19.29	19.29	19.29	19.29
Governance disclosure score	81.10	81.10	81.10	81.10
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	Yes	Yes	Yes	Yes
GHG scope 1	—	—	—	—
GHG scope 2 location-based	—	—	—	—
GHG Scope 3	—	—	—	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	—	—	—	—
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 10: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	25	23	22	22
Pct disabled in workforce	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	Yes	Yes	Yes	Yes
Number of employees – CSR	798	749	729	728
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	559	265	90	530
Social supply chain management	Yes	Yes	Yes	Yes
Governance				
Board size	11	11	11	11
No. of independent directors (ID)	4	4	4	4
No. of women on board	4	4	4	4
No. of non-executive directors on board	10	10	11	11
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	8	7	8
Board meeting attendance pct	82	98	96	100
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	28	29	34	35
Age of the oldest director	77	78	79	80
No. of executives / company managers	9	10	10	10
No. of female executives	2	3	3	4
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	4	4	5	4
Audit meeting attendance %	83	100	100	100
Size of compensation committee	5	5	4	4
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	1	2	2	2
Compensation meeting attendance %	67	100	100	100
Size of nomination committee	5	5	4	4
No. of nomination committee meetings	1	2	2	2
Nomination meeting attendance %	67	100	100	100
Sustainability governance				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **"CG Score"**; 2) **"AGM Level"**; 3) **"Thai CAC"**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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History of change in investment rating and/or target price

Interlink Telecom (ITEL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-May-2023	BUY	4.50	20-Oct-2023	BUY	4.00	-	-	-

Jitra Amornthum started covering this stock from 03-May-2023

Price and TP are in local currency

Source: FSSIA estimates

Interlink Communication (ILINK TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-May-2023	BUY	10.00	31-Jan-2024	BUY	9.50	-	-	-

Jitra Amornthum started covering this stock from 09-May-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Interlink Telecom	ITEL TB	THB 2.44	BUY	Downside risks to our P/E-based TP include 1) uncertainty regarding bidding outcomes; 2) delays in projects; 3) cost overruns; and 4) risks from technological disruptions.
Interlink Communication	ILINK TB	THB 7.30	BUY	Downside risks to our SoTP-based TP include 1) intense competition and price cuts; 2) the termination of distributorship contracts or the appointment of additional distributors in Thailand; 3) uncertainty in project bidding; 4) project delays; and 5) risk from technological changes.

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.

All share prices are as at market close on 25-Mar-2024 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.