

# INTERLINK TELECOM

THAILAND / INFORMATION&COMM TECH

ITEL TB

**BUY**

UNCHANGED

TARGET PRICE	THB2.60
CLOSE	THB1.86
UP/DOWNSIDE	+39.8%
PRIOR TP	THB3.40
CHANGE IN TP	-23.5%
TP vs CONSENSUS	-13.0%

## สถานการณ์กำลังทยอยดีขึ้น

- คาดมีกำไรพิเศษทำให้ 4Q24 สูงเป็นประวัติการณ์ที่ 132 ล้านบาท และจบปี 2024 ที่ 309 ล้านบาท แต่กำไรปกติต่ำกว่าปีก่อนหน้าเพราะอุตสาหกรรมไม่เอื้อ
- ปรับประมาณการกำไรปี 2025-26 ลง ลดราคาเป้าหมายเป็น 2.60 บาท
- ยังแนะนำซื้อจาก Valuations ที่ถูกโดย 2025E P/E และ P/BV -2SD

### คาดมีกำไรพิเศษทำให้ 4Q24 สูงเป็นประวัติการณ์

เราคาดว่า ITEL จะทำกำไรสุทธิ 4Q24 ได้ 132 ล้านบาท สูงสุดเป็นประวัติการณ์ โดยเป็นกำไรพิเศษจากการขายหุ้นทั้งหมดที่ถือ 33.3% ในบริษัท ETIX ITEL Bangkok ซึ่งเป็น Data center เพราะบริษัทเลือกที่จะเป็น partnership ของ Hyperscaler โดยไม่เป็นคู่แข่งทางตรงกับลูกค้า หากหักรายการดังกล่าว กำไรจากการดำเนินงานปกติคาดว่าจะ เป็น 53 ล้านบาท (+65.0% q-q, -35.5% y-y) ตามทิศทางของรายได้ที่คาด +8.2% q-q, -15.3% y-y ผลประกอบการโดยรวมฟื้นตัวติดต่อกันเป็นไตรมาสที่ 3 ดอกยั่วว่า 2Q24 เป็นจุดต่ำสุดของผลการดำเนินงาน

### ปี 2024 ถูกกระทบจากงบประมาณของรัฐบาลซ้ำ

อย่างไรก็ตาม รายได้และกำไรยังลดลง y-y เนื่องจากปี 2024 เป็นปีที่ทั้งอุตสาหกรรมถูกกระทบจากความล่าช้าในการอนุมัติงบประมาณของรัฐบาลในปี 2024 ขั้นตอนการจัดซื้อจัดจ้างใช้เวลานานขึ้น มีการร้องเรียนจากผู้ประมูลรายอื่นมากขึ้น ส่งผลให้รายได้จากธุรกิจ Installation ของบริษัท (42% ของรายได้รวม) พลาดเป้าหมายที่สุด นอกจากนี้ ธุรกิจให้บริการ Data service (49% ของรายได้รวม) แม้จะเป็น recurring income แต่งาน USO เฟส 2 ยังไม่ได้ต่อสัญญา ทำให้อัตรากำไรขั้นต้นลดลงต่ำกว่าปกติ (ที่ 20%) เหลือ 13.3% ใน 3Q24 และคาดว่าจะอยู่ในระดับนี้ใน 4Q24 ส่งผลให้รายได้ทั้งปี 2024 คาดว่า จะลดลง 4.3% y-y และมีกำไรปกติ 175 ล้านบาท (-36.4% y-y) แต่มีกำไรพิเศษ ทำให้กำไรสุทธิ +12.3% y-y

### ปรับประมาณการกำไรจากการฟื้นตัวของเศรษฐกิจและการลงทุน

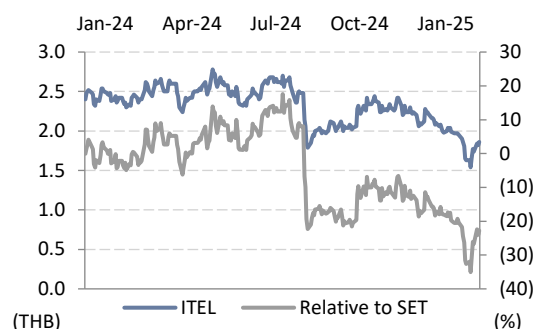
ปี 2025 บริษัทตั้งเป้ารายได้ 2.8 พันล้านบาท มี Backlog รองรับแล้ว 68% หรือ 1.9 พันล้านบาท เป้าหมายดังกล่าวต่ำกว่าประมาณการเดิมที่เราคาดเนื่องจากการฟื้นตัวของเศรษฐกิจและการลงทุนในประเทศที่ล่าช้ากว่าคาด โครงการ USO 2 ที่ยังไม่ได้เซ็นสัญญา (แต่คาดว่าจะเร็วๆ นี้) เราจึงปรับประมาณการกำไรปี 2025-26 ลง 34%/30% เป็น 229 ล้านบาท (+30.8% y-y) และ 270 ล้านบาท (+18.0% y-y) ตามลำดับ

### ปรับราคาเป้าหมายลงเป็น 2.60 บาท ราคาหุ้นสะท้อนข่าวลบแล้ว ยังแนะนำซื้อ

ราคาเป้าหมายปี 2025 ถูกปรับลงเป็น 2.60 บาทตามประมาณการกำไรที่ปรับลงโดยยังคง Target P/E 16.0 เท่าเท่าเดิม ทั้งนี้ ไม่รวมผลจากการซื้อหุ้นคืน โดย ITEL มีโครงการซื้อหุ้นคืนไม่เกิน 130 ล้านหุ้น วงเงิน 300 ล้านบาท ระหว่าง 20 ม.ค.-18 ก.ค. 2025 หรือคิดเป็น 9.4% ของทุนชำระแล้ว ราคาหุ้นที่ปรับลงมาอย่างต่อเนื่องสะท้อนปัจจัยลบของอุตสาหกรรมไปแล้ว ด้วย Upside ราว 40% จึงยังคงแนะนำซื้อ

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,714	2,597	2,805	3,035
Net profit	275	309	229	270
EPS (THB)	0.20	0.22	0.16	0.19
vs Consensus (%)	-	40.1	(20.0)	(16.3)
EBITDA	939	749	817	901
Recurring net profit	275	175	229	270
Core EPS (THB)	0.20	0.13	0.16	0.19
Chg. In EPS est. (%)	-	(41.1)	(34.2)	(30.2)
EPS growth (%)	(0.8)	(36.4)	30.8	18.0
Core P/E (x)	9.4	14.8	11.3	9.6
Dividend yield (%)	3.7	3.6	3.1	3.7
EV/EBITDA (x)	7.0	8.8	7.8	6.9
Price/book (x)	0.7	0.6	0.6	0.6
Net debt/Equity (%)	94.6	90.0	81.7	76.2
ROE (%)	7.4	4.4	5.5	6.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.1)	(17.0)	(26.8)
Relative to country (%)	(5.8)	(10.3)	(26.3)
Mkt cap (USD m)	77		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	47		
Major shareholder	Interlink Communication PLC.. (49%)		
12m high/low (THB)	2.92/1.46		
Issued shares (m)	1,388.93		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

ปี 2024 เป็นปีที่ท้าทายมากไม่แพ้ปี 2023 จากงานประมูลที่น้อยและล่าช้ากว่าคาด อัตราดอกเบี้ยในตลาดอยู่ในระดับสูงต่อเนื่องจากปีก่อน กดดัน ITEL ที่พึ่งพาเงินกู้อัตราดอกเบี้ยลอยตัวค่อนข้างสูง

ปี 2025 บริษัทตั้งเป้ารายได้ 2.8 พันล้านบาท มี Backlog รองรับแล้ว 68% หรือ 1.9 พันล้านบาท เป้าหมายดังกล่าวต่ำกว่าประมาณการเดิมที่เราคาดเนื่องจากการฟื้นตัวของเศรษฐกิจและการลงทุนในประเทศที่ล่าช้ากว่าคาด เราจึงปรับประมาณการกำไรปี 2025-26 ลง 34%/30% เป็น 229 ล้านบาท (+30.8% y-y) และ 270 ล้านบาท (+18.0% y-y) ตามลำดับ

### Company profile

ITEL เป็นบริษัทในกลุ่ม ILINK ที่ต่อยอดมาจากธุรกิจจัดจำหน่ายอุปกรณ์และสายสัญญาณ ITEL ได้รับใบอนุญาตประกอบกิจการโทรคมนาคมแบบที่ 3 ประเภทมีโครงข่ายเป็นของตนเองจาก กสทช. เพื่อให้บริการวงจรสื่อสารความเร็วสูงเป็นเวลา 15 ปี

โครงสร้างรายได้ของ ITEL แบ่งเป็น 4 ส่วน

1. Data service ให้บริการเช่าโครงข่ายใยแก้วนำแสง
2. Installation ให้บริการติดตั้งโครงข่าย
3. Data center ให้บริการเช่าพื้นที่ดาต้าเซ็นเตอร์

Health service จัดจำหน่ายและให้บริการอุปกรณ์ทางการแพทย์

[www.interlinktelecom.co.th](http://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) การเปลี่ยนแปลงของเทคโนโลยีทำให้เกิดการลงทุนทางด้านเทคโนโลยีใหม่ๆ 3) บริษัทประสบความสำเร็จในการประมูลงานที่มีมาร์จิ้นดี 4) อัตราดอกเบี้ยในตลาดปรับลง

### Risks to our call

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

### Event calendar

Date	Event
February 2025	4Q24/2024 earnings announcement

### Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
Data service revenue	1,271	1,335	1,388
Gross margin (%)	16.5	18.5	23.9
Installation revenue	1,102	1,260	1,428
Gross margin (%)	29.9	28.0	28.0
Data center revenue	98	99	100
Gross margin (%)	47.4	47.2	47.3
GLS revenue	125	111	119
Gross margin (%)	29.0	30.0	30

Source: FSSIA estimates

### Earnings sensitivity

- For every 10% change in THB to USD, we project ITEL's 2025 core profit to change by 1%, all else being equal.
- For every 1% change in blended gross margin, we project ITEL's 2025 core profit to change by 8%, all else being equal.
- For every 10% change in SG&A expense, we project ITEL's 2025 core profit to change by 4%, all else being equal.

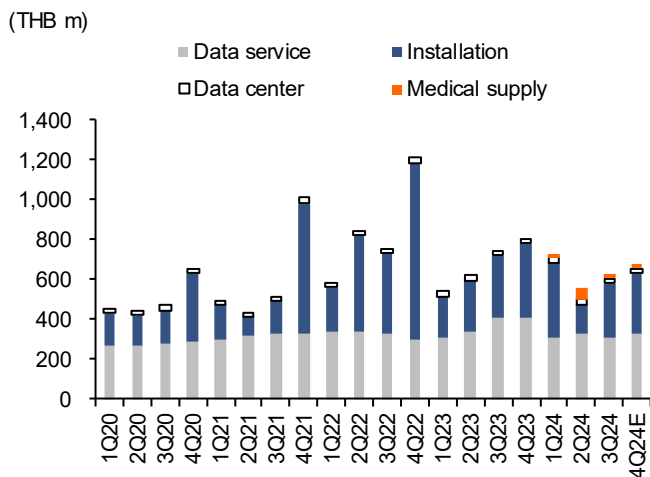
Source: FSSIA estimates

## Exhibit 1: ITEL - 4Q24 earnings preview

Year to Dec 31	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	803	726	562	629	680	8.2	(15.3)	2,714	2,597	(4.3)
Cost of sales	(591)	(535)	(427)	(487)	(527)	8.2	(10.8)	(1,987)	(1,975)	(0.6)
Gross profit	212	191	136	142	153	8.2	(27.6)	726	622	(14.4)
Operating costs	(61)	(52)	(59)	(46)	(43)	(5.9)	(28.8)	(212)	(200)	(5.6)
Operating profit	152	139	76	96	110	15.0	(27.2)	515	422	(18.0)
Operating EBITDA	237	242	181	201	216	7.1	(8.9)	892	715	(19.9)
Other income	19	8	7	9	10	15.6	(48.4)	46	34	(26.6)
Interest expense	(48)	(44)	(51)	(53)	(52)	(1.9)	7.8	(182)	(201)	10.7
<b>Reported net profit</b>	<b>82</b>	<b>123</b>	<b>21</b>	<b>32</b>	<b>132</b>	<b>309.2</b>	<b>62.1</b>	<b>275</b>	<b>309</b>	<b>12.3</b>
<b>Core profit</b>	<b>82</b>	<b>69</b>	<b>21</b>	<b>32</b>	<b>53</b>	<b>65.0</b>	<b>(35.5)</b>	<b>275</b>	<b>175</b>	<b>(36.4)</b>
Reported EPS (THB)	0.047	0.090	0.015	0.023	0.095	309.2	100.8	0.200	0.222	11.2
Core EPS (THB)	0.059	0.050	0.015	0.023	0.038	65.0	(35.5)	0.198	0.126	(36.4)
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	26.4	26.3	24.1	22.6	22.6	0.0	(3.9)	26.8	23.9	(2.8)
Operating margin	18.9	19.2	13.6	15.3	16.2	1.0	(2.7)	19.0	16.3	(2.7)
EBITDA margin	29.5	33.3	32.3	32.0	31.7	(0.3)	2.2	32.9	27.5	(5.4)
Core profit margin	10.2	9.5	3.8	5.1	7.7	2.7	(2.4)	10.1	6.7	(3.4)
SG&A / revenue	7.5	7.1	10.5	7.3	6.3	(1.0)	(1.2)	7.8	7.7	(0.1)
<b>Revenue breakdown</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q %)</b>	<b>(y-y %)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(y-y %)</b>
Data service	406	307	328	312	325	4.4	(19.8)	1,466	1,271	(13.3)
Installation	374	379	148	269	305	13.3	(18.4)	1,154	1,102	(4.5)
Data centre	23	24	25	25	25	0.5	10.3	93	98	6.0
Medical supplies	0	16	62	22	24	8.2	nm	0	125	100.0
<b>Gross margin by business</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Data service	22.3	19.2	20.3	13.2	13.3	0.0	(9.0)	22.8	16.5	(6.3)
Installation	30.0	30.2	30.5	28.9	30.1	1.2	0.1	31.0	29.9	(1.1)
Data centre	40.5	43.6	44.2	50.7	50.6	(0.1)	10.1	32.9	47.4	14.4
Medical supplies	0	46.5	21.3	44.5	22.8	(21.7)	22.8	--	29.0	nm

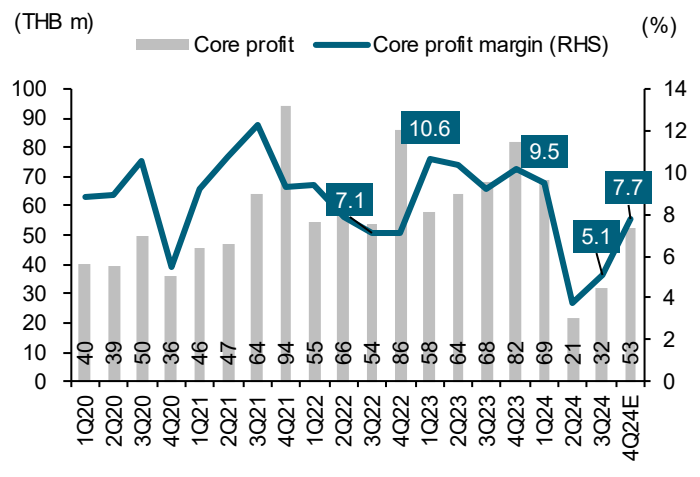
Sources: ITEL, FSSIA estimates

## Exhibit 2: Revenue breakdown



Sources: ITEL, FSSIA estimates

## Exhibit 3: Core profit and core profit margin



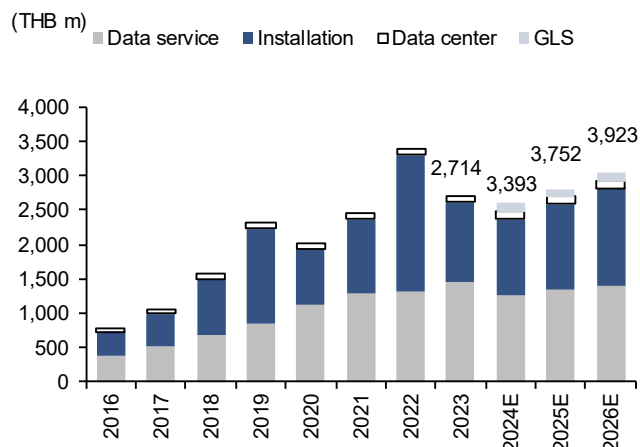
Sources: ITEL, FSSIA estimates

## Exhibit 4: Key changes in assumptions

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	2,597	2,805	3,035	3,238	3,569	3,826	(19.8)	(21.4)	(20.7)
Data service	1,271	1,335	1,388	1,598	1,726	1,812	(20.5)	(22.7)	(23.4)
Installation	1,102	1,260	1,428	1,420	1,596	1,722	(22.4)	(21.1)	(17.1)
Data center	98	99	100	99	103	105	(0.9)	(3.3)	(4.4)
GLS	125	111	119	120.0	144.0	187.2	4.2	(22.7)	(36.4)
Total cost of service	(1,975)	(2,125)	(2,294)	(2,447)	(2,709)	(2,908)	(19.3)	(21.5)	(21.1)
SG&A	(200)	(207)	(213)	(224)	(236)	(253)	(10.6)	(12.3)	(15.5)
Interest expense	(201)	(191)	(187)	(196)	(186)	(179)	2.5	2.4	4.3
EBITDA	715	784	871	859	935	995	(16.8)	(16.2)	(12.4)
Core profit	175	229	270	297	347	387	(41.1)	(34.2)	(30.2)
<b>Margins</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Blended gross margin	23.9	24.2	24.4	24.4	24.1	24.0	(0.5)	0.1	0.4
Data service	16.5	18.5	23.9	19.9	20.2	23.9	(3.3)	(1.7)	0.0
Installation	29.9	28.0	28.0	28.3	27.0	26.5	1.6	1.0	1.5
Data center	47.4	47.2	47.3	40.1	40.0	40.0	7.3	7.2	7.2
GLS	29.0	30.0	30.0	26.0	27.0	27.3	3.0	3.0	2.7
EBITDA margin	27.5	27.9	28.7	26.5	26.2	26.0	1.0	1.7	2.7
Core profit margin	6.7	8.2	8.9	9.2	9.7	10.1	(2.4)	(1.6)	(1.2)

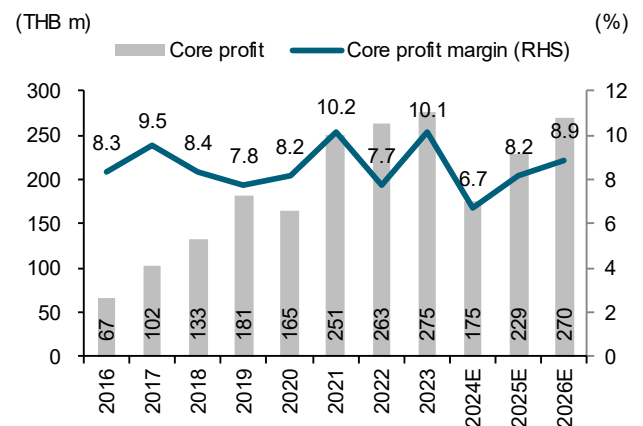
Source: FSSIA estimates

## Exhibit 5: Revenue breakdown, yearly



Sources: ITEL, FSSIA estimates

## Exhibit 6: Core profit and core profit margin, yearly



Sources: ITEL, FSSIA estimates

## Exhibit 7: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

## Exhibit 8: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

Interlink Telecom

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	3,393	2,714	2,597	2,805	3,035
Cost of goods sold	(2,755)	(1,987)	(1,975)	(2,125)	(2,294)
<b>Gross profit</b>	<b>637</b>	<b>726</b>	<b>622</b>	<b>680</b>	<b>741</b>
Other operating income	45	46	34	34	30
Operating costs	(155)	(212)	(200)	(207)	(213)
<b>Operating EBITDA</b>	<b>869</b>	<b>939</b>	<b>749</b>	<b>817</b>	<b>901</b>
Depreciation	(341)	(377)	(293)	(311)	(344)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>528</b>	<b>561</b>	<b>456</b>	<b>506</b>	<b>558</b>
Net financing costs	(169)	(182)	(201)	(191)	(187)
Associates	(5)	(4)	0	3	2
Recurring non-operating income	(5)	(4)	0	3	2
Non-recurring items	(9)	0	134	0	0
<b>Profit before tax</b>	<b>346</b>	<b>376</b>	<b>389</b>	<b>318</b>	<b>373</b>
Tax	(65)	(75)	(46)	(59)	(71)
<b>Profit after tax</b>	<b>280</b>	<b>301</b>	<b>343</b>	<b>259</b>	<b>302</b>
Minority interests	(27)	(26)	(35)	(30)	(32)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>254</b>	<b>275</b>	<b>309</b>	<b>229</b>	<b>270</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>9</b>	<b>0</b>	<b>(134)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>263</b>	<b>275</b>	<b>175</b>	<b>229</b>	<b>270</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.20	0.20	0.13	0.16	0.19
Reported EPS	0.19	0.20	0.22	0.16	0.19
DPS	0.06	0.07	0.07	0.06	0.07
Diluted shares (used to calculate per share data)	1,315	1,389	1,389	1,389	1,389
<b>Growth</b>					
Revenue (%)	37.6	(20.0)	(4.3)	8.0	8.2
Operating EBITDA (%)	10.0	8.0	(20.2)	9.1	10.3
Operating EBIT (%)	12.5	6.3	(18.7)	11.0	10.2
Recurring EPS (%)	(0.7)	(0.8)	(36.4)	30.8	18.0
Reported EPS (%)	(4.1)	2.7	12.3	(25.9)	18.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	18.8	26.8	23.9	24.2	24.4
Gross margin exc. depreciation (%)	28.9	40.7	35.2	35.3	35.7
Operating EBITDA margin (%)	25.6	34.6	28.8	29.1	29.7
Operating EBIT margin (%)	15.6	20.7	17.6	18.1	18.4
Net margin (%)	7.7	10.1	6.7	8.2	8.9
Effective tax rate (%)	18.9	19.9	11.8	18.5	19.1
Dividend payout on recurring profit (%)	31.8	35.1	53.0	35.0	35.0
Interest cover (X)	3.1	3.1	2.3	2.7	3.0
Inventory days	-	-	-	-	-
Debtor days	69.8	112.3	142.5	144.4	125.4
Creditor days	155.0	239.9	193.2	179.4	165.4
Operating ROIC (%)	7.6	7.6	5.6	5.9	6.6
ROIC (%)	6.0	5.9	4.5	5.0	5.5
ROE (%)	8.1	7.4	4.4	5.5	6.3
ROA (%)	5.1	5.1	4.1	4.5	4.9
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
2022	2023	2024E	2025E	2026E	
Data service	1,311	1,466	1,271	1,335	1,388
Installation	1,995	1,154	1,102	1,260	1,428
Data center	87	93	98	99	100
GLS	0	0	125	111	119

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	175	229	270
Depreciation	341	377	293	311	344
Associates & minorities	5	4	0	(3)	(2)
Other non-cash items	278	332	180	61	73
Change in working capital	491	(797)	(476)	171	(14)
<b>Cash flow from operations</b>	<b>1,377</b>	<b>191</b>	<b>172</b>	<b>769</b>	<b>670</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(346)	(451)	(492)	(400)	(400)
Net acquisitions & disposals	(69)	(40)	(1)	0	0
Other investments (net)	(49)	(107)	465	(13)	(13)
<b>Cash flow from investing</b>	<b>(464)</b>	<b>(598)</b>	<b>(27)</b>	<b>(413)</b>	<b>(413)</b>
Dividends paid	(160)	(94)	(139)	(139)	(166)
Equity finance	282	81	9	8	9
Debt finance	(1,042)	454	(34)	(84)	(112)
Other financing cash flows	0	(173)	0	0	0
<b>Cash flow from financing</b>	<b>(920)</b>	<b>268</b>	<b>(163)</b>	<b>(215)</b>	<b>(269)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	11	19	0	0	0
<b>Net other adjustments</b>	<b>11</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>4</b>	<b>(120)</b>	<b>(18)</b>	<b>140</b>	<b>(12)</b>
Free cash flow to firm (FCFF)	1,081.56	(225.11)	345.87	546.65	444.12
Free cash flow to equity (FCFE)	(118.13)	(106.72)	111.25	271.16	144.75
<b>Per share (THB)</b>					
FCFF per share	0.78	(0.16)	0.25	0.39	0.32
FCFE per share	(0.09)	(0.08)	0.08	0.20	0.10
Recurring cash flow per share	0.67	0.71	0.47	0.43	0.49
<b>Balance Sheet (THB m) Year Ending Dec</b>					
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)	(2,803)
<b>Tangible fixed assets (net)</b>	<b>3,951</b>	<b>4,162</b>	<b>4,361</b>	<b>4,450</b>	<b>4,507</b>
<b>Intangible fixed assets (net)</b>	<b>112</b>	<b>164</b>	<b>165</b>	<b>166</b>	<b>167</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	20	16	16	16	16
Cash & equivalents	229	109	91	232	220
A/C receivable	2,466	2,603	3,050	2,863	2,868
Inventories	0	0	0	0	0
Other current assets	283	310	351	365	378
<b>Current assets</b>	<b>2,978</b>	<b>3,021</b>	<b>3,493</b>	<b>3,459</b>	<b>3,466</b>
Other assets	1,335	1,566	1,102	1,114	1,126
<b>Total assets</b>	<b>8,396</b>	<b>8,931</b>	<b>9,136</b>	<b>9,205</b>	<b>9,282</b>
Common equity	3,603	3,853	4,070	4,218	4,394
Minorities etc.	88	156	165	173	182
<b>Total shareholders' equity</b>	<b>3,691</b>	<b>4,009</b>	<b>4,235</b>	<b>4,392</b>	<b>4,576</b>
Long term debt	1,842	1,433	1,270	1,237	1,227
Other long-term liabilities	21	51	14	14	14
<b>Long-term liabilities</b>	<b>1,863</b>	<b>1,484</b>	<b>1,284</b>	<b>1,251</b>	<b>1,242</b>
A/C payable	1,234	882	898	886	882
Short term debt	1,553	2,469	2,635	2,584	2,481
Other current liabilities	55	87	85	93	101
<b>Current liabilities</b>	<b>2,842</b>	<b>3,438</b>	<b>3,617</b>	<b>3,562</b>	<b>3,464</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,396</b>	<b>8,931</b>	<b>9,136</b>	<b>9,205</b>	<b>9,282</b>
Net working capital	1,460	1,943	2,419	2,248	2,263
Invested capital	6,878	7,853	8,063	7,995	8,079
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	2.74	2.77	2.93	3.04	3.16
Tangible book value per share	2.65	2.66	2.81	2.92	3.04
<b>Financial strength</b>					
Net debt/equity (%)	85.8	94.6	90.0	81.7	76.2
Net debt/total assets (%)	37.7	42.5	41.7	39.0	37.6
Current ratio (x)	1.0	0.9	1.0	1.0	1.0
CF interest cover (x)	2.4	2.9	4.0	4.5	3.9
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>9.3</b>	<b>9.4</b>	<b>14.8</b>	<b>11.3</b>	<b>9.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>13.0</b>	<b>13.1</b>	<b>20.7</b>	<b>15.8</b>	<b>13.4</b>
Reported P/E (x)	9.6	9.4	8.4	11.3	9.6
Dividend yield (%)	3.4	3.7	3.6	3.1	3.7
Price/book (x)	0.7	0.7	0.6	0.6	0.6
Price/tangible book (x)	0.7	0.7	0.7	0.6	0.6
EV/EBITDA (x) **	6.6	7.0	8.8	7.8	6.9
EV/EBITDA @ target price (x) **	7.7	8.1	10.1	9.0	8.1
EV/invested capital (x)	0.8	0.8	0.8	0.8	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 9: 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	<b>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.</b>
★☆☆☆☆	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 10: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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 11: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>—</b>	<b>—</b>	<b>2.06</b>	<b>2.05</b>
BESG environmental pillar score	—	—	1.32	1.32
BESG social pillar score	—	—	1.16	1.16
BESG governance pillar score	—	—	4.98	4.90
<b>ESG disclosure score</b>	<b>39.11</b>	<b>39.11</b>	<b>39.11</b>	<b>39.11</b>
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
<b>Environmental</b>				
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 12: 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	—	—	—	—
<b>Social</b>				
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
<b>Governance</b>				
<b>Board size</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
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
<b>No. of executives / company managers</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>10</b>
No. of female executives	2	3	3	4
Executive share ownership guidelines	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3
Audit committee meetings	4	4	5	4
Audit meeting attendance %	83	100	100	100
<b>Size of compensation committee</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
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
<b>Size of nomination committee</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>4</b>
No. of nomination committee meetings	1	2	2	2
Nomination meeting attendance %	67	100	100	100
<b>Sustainability governance</b>				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG 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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> is extended from the SET ESG Ratings 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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&amp;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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' 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 &amp; 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></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+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities																		
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<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

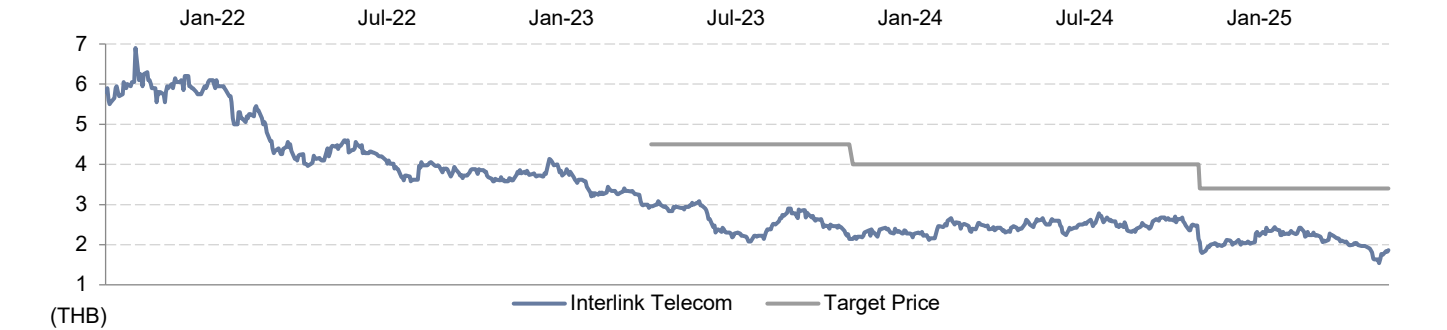
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History of change in investment rating and/or target price

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	13-Aug-2024	BUY	3.40

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Interlink Telecom	ITEL TB	THB 1.86	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.

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 22-Jan-2025 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.