

## Advanced Info Service (ADVANC TB)

# Measuring the impact of buying TTTBB and JASIF

### Not much to worry about TTTBB-JASIF deal: BUY

If ADVANC fails to obtain reduction in rental payment to JASIF, the acquisitions of TTTBB and JASIF would represent 3% downside to ADVANC's FY23E net profit. On the other hand, 15-31% decreases in rent to JASIF would imply 1-4% upside to FY23E net profit. We believe the market has already priced in the lack of decrease in rental payment to JASIF. Reiterate BUY with THB244 TP, which does not factor in the impact of TTTBB-JASIF deal (pending approvals from TTTBB and JASIF approvals on 23 Sep).

### Minimal downside if JASIF leases are maintained

ADVANC's share price has dropped by 4% since the announcement of TTTBB-JASIF deal on 4 July (vs SET Index's 4% rise). Investors might have been worried about a profit drag from TTTBB, which generated a net loss of THB1.0b in FY21 (using JAS as a proxy). If there is no reduction in rental payment to JASIF, we believe TTTBB-JASIF purchases would hurt ADVANC's net profit by THB803m, or 3% of FY23E profit, assuming THB105m net profit for TTTBB in FY23E (Bloomberg consensus) and 3.5% interest rate for THB32.4b debt used to finance the acquisitions.

### Earnings upside of 1-4% if leases are 15-31% cheaper

As a condition of TTTBB-JASIF acquisitions, ADVANC is proposing to cut TTTBB's annual rental payment to JASIF by 31% (cancellation of Rental Assurance contracts) after the deal is closed. If the proposal is approved at JASIF's EGM on 23 Sep, we expect the TTTBB-JASIF purchases to add THB1.3b to ADVANC's net profit (4% upside to FY23E profit). If the annual rent to JASIF is cut by only 15%, as opposed to 31%, we expect the deal to add THB395m profit (1% upside to FY23E profit).

### Reiterate BUY; the worst case is likely priced in

We believe the market has already priced in the lack of reduction in rental payment to JASIF as evidenced in 4% price decline over the past two months (vs 3% downside to FY23E under the worst-case scenario). We reiterate BUY on ADVANC with the same DCF-based TP of THB244 (7.5% WACC, 2.0% TG). Potential re-rating catalysts are i) strong 3Q22 performance and ii) easing mobile competition.

FYE Dec (THB m)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	172,889	181,333	184,519	192,840	198,260
EBITDA	89,553	91,554	90,380	94,781	97,693
Core net profit	27,432	27,038	25,380	30,214	31,006
Core EPS (THB)	9.23	9.09	8.53	10.16	10.43
Core EPS growth (%)	(14.8)	(1.4)	(6.1)	19.0	2.6
Net DPS (THB)	6.92	7.69	6.91	8.64	8.86
Core P/E (x)	19.1	25.3	22.4	18.8	18.4
P/BV (x)	6.9	8.4	6.6	6.3	5.9
Net dividend yield (%)	3.9	3.3	3.6	4.5	4.6
ROAE (%)	37.9	34.2	30.2	34.0	33.2
ROAA (%)	8.6	7.7	7.1	8.7	9.5
EV/EBITDA (x)	7.4	8.8	7.4	6.8	6.4
Net gearing (%) (incl perps)	105.2	91.8	68.2	47.7	30.2
Consensus net profit	-	-	27,140	30,296	34,367
MKE vs. Consensus (%)	-	-	(6.5)	(0.3)	(9.8)

Wasu Mattanapotchanaart  
wasu.m@maybank.com  
(66) 2658 5000 ext 1392

## BUY

Share Price	THB 191.50
12m Price Target	THB 244.00 (+32%)
Previous Price Target	THB 244.00

### Company Description

ADVANC is No.1 mobile operator with 46.3% mobile revenue market share in 2021. Its 5G network had 76% population coverage at end-4Q21.

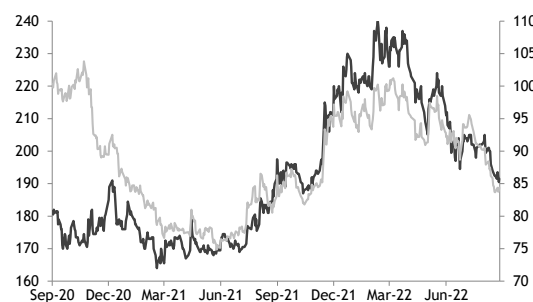
### Statistics

52w high/low (THB)	240.00/187.00
3m avg turnover (USDm)	33.7
Free float (%)	34.1
Issued shares (m)	2,974
Market capitalisation	THB569.6B
	USD15.5B

### Major shareholders:

Intouch Holdings	40.4%
Singtel Strategic Investments	23.3%
Thai NVDR	8.2%

### Price Performance



	-1M	-3M	-12M
Absolute (%)	(5)	(12)	2
Relative to index (%)	(7)	(10)	3

Source: FactSet

### Terms DEFINED

TTTBB - Triple T Broadband, wholly-owned subsidiary of JAS.

TTTI - Triple T Internet, wholly-owned subsidiary of TTTBB.

### Other listed companies mentioned

Jasmine International (JAS TB, CP THB2.40, Not rated).

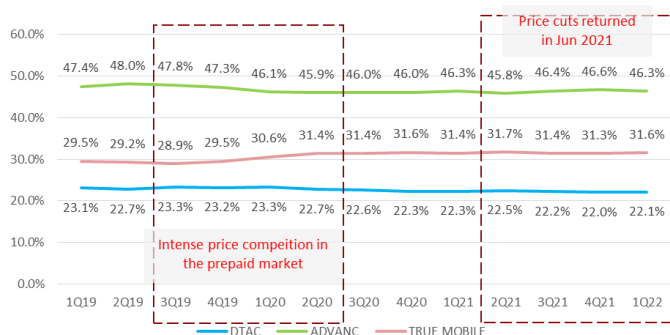
Jasmine Broadband Internet Infrastructure Fund (JASIF TB, CP THB8.70, HOLD, TP THB8.10).

**ESG@MAYBANK IBG**  
Tear Sheet Insert

## Value Proposition

- ADVANC was the first provider of mobile phone service in Thailand. Two players joined the market, but ADVANC has maintained its lead in the market. It is the largest player in terms of subscriber base and for now it's leading in the introduction of 5G services.
- ADVANC has been moving to diversify its revenue by growing fixed broadband (FBB) & Enterprise Business/Other services. By FY23E, it aims to reduce mobile revenue contribution to 60-70% of total from over 90%.
- Cost of services is gradually falling, but declining ARPU is dragging down ROIC.

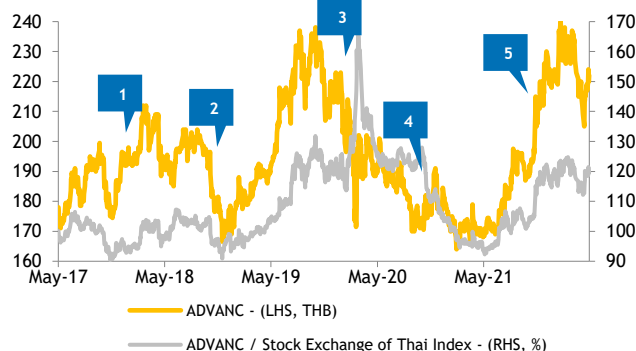
### Quarterly mobile revenue market share



Source: Company

## Price Drivers

### Historical share price trend



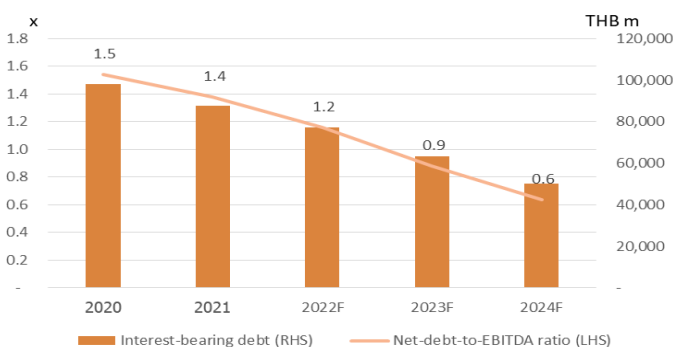
Source: Company, MST

- Share price started to recover from disappointment of high 4G spectrum costs.
- Despite healthy revenue growth (+3.8% YoY), the share price still tanked due to weak market sentiment amid rising interest rates.
- Low-end fixed-speed unlimited data plans in the prepaid market started emerging causing ARPU and revenue to suffer.
- Share price briefly recovered as competition in the prepaid market started easing in 3Q20.
- Share price was boosted by prospects of higher dividend payout, hype around TRUE-DTAC's merger and post-Covid-19 economic recovery.

## Financial Metrics

- ADVANC has the cleanest balance sheet among the three telcos with only 1.5x net-debt-to-EBITDA ratio (TFRS16 accounting) at end-FY21 (vs TRUE's 6.4x and DTAC's 2.6x).
- Barring substantial investment projects, we forecast ADVANC to be free of interest-bearing debt by FY27E.
- The clean balance sheet has allowed the company to raise its DPR from 75.0% in FY20 to 84.9% in FY21.
- It also had the highest EBITDA margin of 49.2% in FY21 (vs TRUE's 40.2% and DTAC's 36.0%).
- The company also had the highest ROE of 34.2% in FY21 (vs TRUE's -1.7% and DTAC's 15.1%).

### ADVANC's interest-bearing debt is declining



Source: Company

## Swing Factors

### Upside

- Easing mobile competition (i.e. increases in price of fixed-speed unlimited data plans).
- Inflation recedes and consumer purchasing power improves as the Russia-Ukraine war ends.
- Joint ventures in data centre and digital lending businesses.
- Stronger-than-expected non-mobile enterprise revenue.

### Downside

- Recession.
- Slower-than-expected recovery in tourist arrivals in 2H22.

Risk Rating & Score <sup>1</sup>	20.3 Medium Risk
Score Momentum <sup>2</sup>	0.0
Last Updated	1 Jul 2022
Controversy Score <sup>3</sup> (Updated: 8 Aug 2022)	None - no evidence of controversies

## Business Model & Industry Issues

- Mobile service is an enabler of many economic activities, including e-commerce, mobile banking, mobile money, cloud services, IoT solutions and more. Digital innovations have high priority in its materiality matrix. However, mobile service is also an enabler of activities that can cause social problems and social ills, such as gambling, pornography and cyberbullying. Data privacy and cyber security is the second highest priority in its materiality matrix.
- The entry of 5G services promises new revenue streams if scalable user cases are found. But it can also scale up potential social risk, especially on vice. Social responsibility will take on more meaning beyond CSR projects such as donations and freebies etc. As the industry leader, ADVANC must take a lead in setting the best practice in cyber wellness and online safety.
- Mobile phone service providers are neither direct major polluters nor highly extractive on natural resources. The important environmental issues to address are the indirect consequence of mounting e-waste as well as the health hazard posed by the EMS, especially amid increasing density of telco towers and base stations. However, as these all involve equipment manufacturers and vendors, these matters are ranked low in its materiality matrix.

## Material E issues

- By adopting multiple energy-efficient technologies in the management of base stations nationwide, ADVANC reduced indirect GHG emissions from electricity consumption by 18,743 tCO<sub>2</sub>e in 2021. This was partly supported by the installation of additional solar panels at 2,744 base stations.
- By 2023, ADVANC aims to have reduced GHG emissions intensity, as calculated by the ratio of direct and indirect emissions to data traffic by 90% compared to the baseline in 2015. It also aims to increase renewable energy usage to 5% of total energy consumption.
- In 2021, waste from ADVANC's operation dropped by 67%. In addition, the operator collected 160k pieces of e-waste and reduced paper usage thanks to 8.4m e-bill accounts. In 2023, ADVANC aims to collect 360k units of obsolete mobile and related electronic waste from proper recycling and reduce non-recyclable e-waste from ADVANC to 5% of total waste from 35 in 2018.

## Material S issues

- ADVANC retained 85% of the talent pool and had 85% of the staff in critical roles to undergo new ability training in digital technology in 2021.
- As of end-2021, ADVANC's 5G network covered 76% of Thailand's population. The operator aims to raise the population coverage to 85% by the end of 2022.
- ADVANC's key strength lies in its innovative digital-inclusion projects, including: i) AIS Academy; ii) Aor Sor Mor Online application; and iii) AIS 5G Battling Covid-19. The HR department launched AIS Academy as internal training platform in 2015 before extending the offering to all Thai citizens from 2018 onwards. In 2020, AIS Academy launched an online learning platform called "LearnDi anywhere", which offered free courses in business, technology and finance, among other topics.

## Key G metrics and issues

- The 11-member board has two women. Of all board members, 36% were non-executive directors, and 91% were independent directors. Total monetary remuneration for the chairman of the board, independent directors, and non-executive directors totalling 6 people was THB26.8m.
- ADVANC's auditor for the past five years has been Deloitte Touche Tohmatsu Jaiyos Audit.
- For data security ADVANC has received certifications from: 1) ISO27001 Information Security Mgt Systems since 2015; 2) CSA STAR (Cloud Security Alliance) Self-Assessment since 2016; and 3) PCI DSS (Payment Card Industry Data Security Standard) since 2017.
- In May 2020, ADVANC's 8.3b records related to customers' internet usage were leaked. After a week of data leakage, ADVANC confirmed that it owned the data and apologised for the security lapse. We believe the data breach could be related to the rise in complaints regarding loss of customer data from 171-178 complaints in FY18-19 to 583 complaints in FY20.
- In 2019, the Digital Quotient Promotion programme was rolled out. This measures the digital proficiency of 8-12 years old using metrics recommended by WEF, OECD and IEEE and applied in 110 countries. In 2019 the first year of the rollout the programme was implemented in 24 schools with 3,100 students participating.
- The AIS Secure Net (network protector programme), which was launched in 2019, assists customers at risk of cyber threats. In 2021, there were 131,195 users of the service. Like other operators, ADVANC has several disputes pending from the concessionary era covering 1990-2018. Losing any of the cases could have a negative impact on the enterprise.

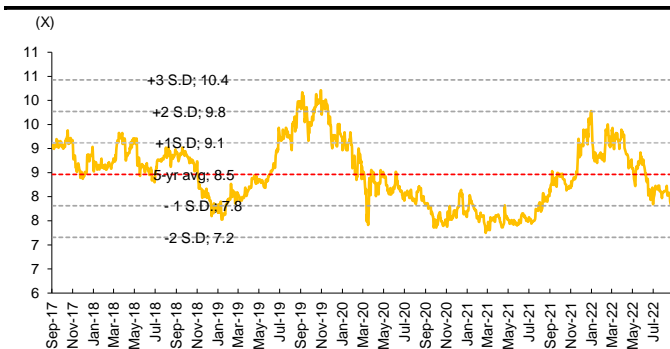
<sup>1</sup>**Risk Rating & Score** - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. <sup>2</sup>**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company's improving risk score; a **positive** integer indicates a deterioration. <sup>3</sup>**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

Fig 1: Potential impact of TTTBB-JASIF deal on ADVANC's FY23E net profit and fair value

Assumption of annual rental payment to JASIF	Upside/(downside) to ADVANC's FY23E net profit	Upside/(downside) to ADVANC's TP of THB244
31% decrease (pending JASIF's EGM on 23 Sep)	4.3%	3.9%
15% decrease	1.3%	3.0%
No change	-2.7%	2.7%

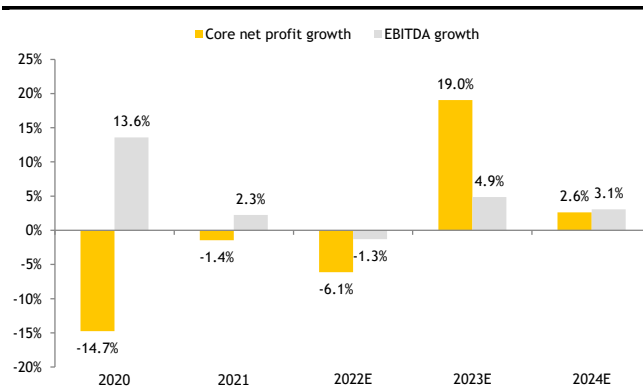
Source: Company, MST

Fig 2: 1-year-forward EV/EBITDA band



Source: Bloomberg, Company, MST

Fig 3: Core net profit and EBITDA growth



Source: Bangkok Post, Bank of Thailand, MST

Fig 4: DCF valuation for ADVANC

DCF VALUATION							
Cost of equity assumption (%)							
Risk free rate	3.5%						
Market risk premium	4.3%						
Stock beta	0.956						
Cost of equity , Ke	7.6%						
Cost of debt, Kd	3.5%						
After-tax cost of debt	2.8%						
WACC	7.5%						
Cashflows (THB m)	FY24E	FY25E	FY26E	FY27E	FY28E	2029E	Perpetuity
Period for discounting	1	2	3	4	5	6	6
Cashflows from operation	91,891	94,514	98,131	100,670	103,097	105,464	
Cash payment for lease liabilities	-12,984	-13,373	-13,774	-14,188	-14,613	-15,052	
CAPEX							
PPE	-29,000	-26,861	-26,476	-26,043	-26,592	-27,141	
Licence	-15,689	-15,689	-15,689	-15,689	-15,689	-15,689	
FCFF	39,219	38,592	42,192	44,751	46,204	47,583	878,575
NPV of FCFF	36,474	33,379	33,940	33,479	32,147	30,790	568,515
Sum of NPVs at YE	768,725						
FY22F net debt	43,510						
Equity Value	725,215						
# of shares	2,974						
TP (THB/share)	244.0						
Current share price (THB/share)	191.5						
Upside (downside) to DCF-based TP (%)	27.4%						

Source: Company, MST

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Key Metrics</b>					
P/E (reported) (x)	20.6	20.2	22.4	18.8	18.4
Core P/E (x)	19.1	25.3	22.4	18.8	18.4
P/BV (x)	6.9	8.4	6.6	6.3	5.9
P/NTA (x)	6.9	8.4	6.6	6.2	5.9
Net dividend yield (%)	3.9	3.3	3.6	4.5	4.6
FCF yield (%)	5.9	5.9	8.5	7.8	8.3
EV/EBITDA (x)	7.4	8.8	7.4	6.8	6.4
EV/EBIT (x)	17.5	21.2	18.4	16.7	15.5
<b>INCOME STATEMENT (THB m)</b>					
Revenue	172,889.0	181,332.9	184,519.4	192,840.4	198,260.4
EBITDA	89,553.0	91,554.0	90,380.4	94,780.8	97,692.5
Depreciation	(51,842.0)	(53,374.0)	(53,957.2)	(56,168.1)	(57,738.3)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	37,711.0	38,180.0	36,423.2	38,612.6	39,954.2
Net interest income / (exp)	(5,917.0)	(5,626.0)	(5,365.2)	(1,523.4)	(1,886.0)
Associates & JV	10.0	0.0	10.0	10.0	10.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	722.0	340.0	350.0	360.8	371.9
Pretax profit	32,526.0	32,894.0	31,418.0	37,460.1	38,450.1
Income tax	(5,089.0)	(5,970.0)	(6,037.6)	(7,246.0)	(7,444.0)
Minorities	(3.0)	(2.0)	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	27,434.0	26,922.0	25,380.4	30,214.1	31,006.1
Core net profit	27,432.0	27,038.1	25,380.4	30,214.1	31,006.1
<b>BALANCE SHEET (THB m)</b>					
Cash & Short Term Investments	18,420.8	12,739.3	13,014.4	13,621.7	12,197.4
Accounts receivable	17,781.2	16,552.3	16,843.1	17,602.7	18,097.4
Inventory	2,372.1	2,104.3	2,129.8	2,215.6	2,285.6
Property, Plant & Equip (net)	122,518.0	117,844.0	120,525.2	122,322.3	122,167.6
Intangible assets	120,223.8	142,639.0	152,384.5	138,705.9	125,027.4
Investment in Associates & JVs	830.6	982.9	982.9	982.9	982.9
Other assets	68,024.8	63,360.0	52,531.0	43,594.9	33,901.9
<b>Total assets</b>	<b>350,171.2</b>	<b>356,221.7</b>	<b>358,410.9</b>	<b>339,046.1</b>	<b>314,660.2</b>
ST interest bearing debt	18,748.4	14,131.7	24,131.7	23,131.7	20,131.7
Accounts payable	40,570.7	45,055.4	46,140.4	47,797.6	49,108.2
LT interest bearing debt	79,301.2	73,696.6	48,000.0	34,000.0	21,000.0
Other liabilities	135,862.0	141,514.0	153,494.0	142,864.0	128,500.0
<b>Total Liabilities</b>	<b>274,481.9</b>	<b>274,397.2</b>	<b>271,766.1</b>	<b>247,793.0</b>	<b>218,739.9</b>
Shareholders Equity	75,564.0	81,698.8	86,540.1	91,072.2	95,723.1
Minority Interest	125.4	125.8	125.8	125.8	125.8
<b>Total shareholder equity</b>	<b>75,689.3</b>	<b>81,824.5</b>	<b>86,665.8</b>	<b>91,197.9</b>	<b>95,848.9</b>
<b>Total liabilities and equity</b>	<b>350,171.2</b>	<b>356,221.7</b>	<b>358,431.9</b>	<b>338,991.0</b>	<b>314,588.8</b>
<b>CASH FLOW (THB m)</b>					
Pretax profit	32,526.0	32,894.0	31,418.0	37,460.1	38,450.1
Depreciation & amortisation	51,842.0	53,374.0	53,957.2	56,168.1	57,738.3
Adj net interest (income)/exp	5,917.0	5,626.0	5,365.2	1,523.4	1,886.0
Change in working capital	(88.1)	(1,034.3)	3,247.4	679.4	696.6
Cash taxes paid	(5,089.0)	(5,970.0)	(6,037.6)	(7,246.0)	(7,444.0)
Other operating cash flow	421.8	441.5	1,248.0	530.7	564.0
Cash flow from operations	85,529.8	85,331.2	89,198.3	89,115.6	91,891.0
Capex	(27,947.8)	(25,786.1)	(30,000.0)	(30,000.0)	(29,000.0)
Free cash flow	30,746.9	40,035.9	48,159.1	44,588.0	47,202.4
Dividends paid	(20,218.8)	(21,204.1)	(22,869.5)	(23,120.1)	(26,018.6)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(8,781.2)	(22,103.3)	(27,935.0)	(27,605.6)	(28,983.8)
Other invest/financing cash flow	(29,797.9)	(21,919.2)	(8,118.7)	(7,782.6)	(9,313.0)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(1,215.9)	(5,681.5)	275.1	607.4	(1,424.3)

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
<b>Key Ratios</b>					
<b>Growth ratios (%)</b>					
Revenue growth	(4.4)	4.9	1.8	4.5	2.8
EBITDA growth	14.3	2.2	(1.3)	4.9	3.1
EBIT growth	(8.3)	1.2	(4.6)	6.0	3.5
Pretax growth	(13.0)	1.1	(4.5)	19.2	2.6
Reported net profit growth	(12.0)	(1.9)	(5.7)	19.0	2.6
Core net profit growth	(14.8)	(1.4)	(6.1)	19.0	2.6
<b>Profitability ratios (%)</b>					
EBITDA margin	51.8	50.5	49.0	49.1	49.3
EBIT margin	21.8	21.1	19.7	20.0	20.2
Pretax profit margin	18.8	18.1	17.0	19.4	19.4
Payout ratio	75.0	84.9	80.9	85.0	85.0
<b>DuPont analysis</b>					
Net profit margin (%)	15.9	14.8	13.8	15.7	15.6
Revenue/Assets (x)	0.5	0.5	0.5	0.6	0.6
Assets/Equity (x)	4.6	4.4	4.1	3.7	3.3
ROAE (%)	37.9	34.2	30.2	34.0	33.2
ROAA (%)	8.6	7.7	7.1	8.7	9.5
<b>Liquidity &amp; Efficiency</b>					
Cash conversion cycle	(83.8)	(86.2)	(92.6)	(92.3)	(92.5)
Days receivable outstanding	37.6	34.1	32.6	32.2	32.4
Days inventory outstanding	11.7	6.6	6.1	6.0	6.1
Days payables outstanding	133.1	126.9	131.2	130.5	131.0
Dividend cover (x)	1.3	1.2	1.2	1.2	1.2
Current ratio (x)	0.4	0.4	0.3	0.3	0.3
<b>Leverage &amp; Expense Analysis</b>					
Asset/Liability (x)	1.3	1.3	1.3	1.4	1.4
Net gearing (%) (incl perps)	105.2	91.8	68.2	47.7	30.2
Net gearing (%) (excl. perps)	105.2	91.8	68.2	47.7	30.2
Net interest cover (x)	6.4	6.8	6.8	25.3	21.2
Debt/EBITDA (x)	1.1	1.0	0.8	0.6	0.4
Capex/revenue (%)	16.2	14.2	16.3	15.6	14.6
Net debt/ (net cash)	79,628.8	75,089.0	59,117.3	43,510.0	28,934.3

Source: Company; Maybank IBG Research

## Research Offices

### ECONOMICS

**Suhaimi ILIAS**  
Chief Economist  
Malaysia | Philippines | Global  
(603) 2297 8682  
suhaimi\_ili@maybank-ib.com

**CHUA Hak Bin**  
Regional Thematic Macroeconomist  
(65) 6231 5830  
chuahb@maybank.com

**LEE Ju Ye**  
Singapore | Thailand | Indonesia  
(65) 6231 5844  
leejuye@maybank.com

**Dr Zamros DZULKAFLI**  
(603) 2082 6818  
zamros.d@maybank-ib.com

**Fatin Nabila MOHD ZAINI**  
(603) 2297 8685  
fatinnabila.mohdzaini@maybank-ib.com

**Brian LEE Shun Rong**  
(65) 6231 5846  
brian.lee1@maybank.com

**Luong Thu Huong**  
(65) 6231 8467  
hana.thuluong @maybank.com

### FX

**Saktiandi SUPAAT**  
Head of FX Research  
(65) 6320 1379  
saktiandi@maybank.com.sg

**TAN Yanxi**  
(65) 6320 1378  
tanyx@maybank.com.sg

**Fiona LIM**  
(65) 6320 1374  
fionalim@maybank.com.sg

### STRATEGY

**Anand PATHMAKANTHAN**  
ASEAN  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

### FIXED INCOME

**Winson PHOON, CFA**  
Head of Fixed Income  
(65) 6340 1079  
winsonphoon@maybank.com

**SE THO Mun Yi, CFA**  
(603) 2074 7606  
munyi.st@maybank-ib.com

### PORTFOLIO STRATEGY

**CHAN Han Chin**  
(603) 2297 8888  
hanchin.chan@maybank-ib.com

**ONG Seng Yeow**  
(65) 6231 5839  
ongsengyeow@maybank.com

### MIBG SUSTAINABILITY RESEARCH

**Jigar SHAH**  
Head of Sustainability Research  
(91) 22 4223 2632  
jigars@maybank.com

**Neerav DALAL**  
(91) 22 4223 2606  
neerav@maybank.com

### REGIONAL EQUITIES

**Anand PATHMAKANTHAN**  
Head of Regional Equity Research  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com

**WONG Chew Hann, CA**  
Head of ASEAN Equity Research  
(603) 2297 8686  
wchewh@maybank-ib.com

### MALAYSIA

**Anand PATHMAKANTHAN** *Head of Research*  
(603) 2297 8783  
anand.pathmakanthan@maybank-ib.com  
• Strategy

**WONG Chew Hann, CA**  
(603) 2297 8686  
wchewh@maybank-ib.com  
• Non-Bank Financials (stock exchange)  
• Construction & Infrastructure

**Desmond CH'NG, BFP, FCA**  
(603) 2297 8680  
desmond.chng@maybank-ib.com  
• Banking & Finance

**LIAW Thong Jung**  
(603) 2297 8688 tjliaw@maybank-ib.com  
• Oil & Gas Services- Regional  
• Automotive

**ONG Chee Ting, CA**  
(603) 2297 8678 ct.ong@maybank-ib.com  
• Plantations - Regional

**YIN Shao Yang, CPA**  
(603) 2297 8916 samuel.y@maybank-ib.com  
• Gaming - Regional  
• Media • Aviation • Non-Bank Financials

**TAN Chi Wei, CFA**  
(603) 2297 8690 chiwei.t@maybank-ib.com  
• Power • Telcos

**WONG Wei Sum, CFA**  
(603) 2297 8679 weisum@maybank-ib.com  
• Property • Glove

**Jade TAM**  
(603) 2297 8687 jade.tam@maybank-ib.com  
• Consumer Staples & Discretionary

**Nur Farah SYIFAA**  
(603) 2297 8675  
nurfarahsyifaa.mohamadfuad@maybank-ib.com  
• Construction • Renewable Energy • REITs

**Arvind JAYARATNAM**  
(603) 2297 8692  
arvind.jayaratnam@maybank.com  
• Petrochemicals • Technology

**Shafiq KADIR, CFA**  
(603) 2297 8691  
msshafiqk.abkadir@maybank-ib.com  
• Healthcare • Software

**LOH Yan Jin**  
(603) 2297 8687  
lohyanjin.loh@maybank-ib.com  
• Ports • Shipping

**TEE Sze Chiah** *Head of Retail Research*  
(603) 2082 6858 szechiah.t@maybank-ib.com  
• Retail Research

**Nik Ihsan RAJA ABDULLAH, MSTA, CFTe**  
(603) 2297 8694  
nikmohdihsan.ra@maybank-ib.com  
• Chartist

**Amirah AZMI**  
(603) 2082 8769 amirah.azmi@maybank-ib.com  
• Retail Research

### SINGAPORE

**Thilan WICKRAMASINGHE** *Head of Research*  
(65) 6231 5840 thilanw@maybank.com  
• Banking & Finance - Regional  
• Consumer

**CHUA Su Tye**  
(65) 6231 5842 chuasutye@maybank.com  
• REITs - Regional

**Eric ONG**  
(65) 6231 5924 ericong@maybank.com  
• Healthcare • Transport • SMIDs

**Kelvin TAN**  
(65) 6231 5837 kelvintan1@maybank.com  
• Telcos • Industrials

**LI Jialin**  
(65) 6231 5845 jialin.li@maybank.com  
• REITs

### PHILIPPINES

**Jacqui de JESUS** *Head of Research*  
(63) 2 8849 8840  
jacqui.dejesus@maybank.com  
• Strategy • Conglomerates

**Rachelleen RODRIGUEZ, CFA**  
(63) 2 8849 8843  
rachelleen.rodriguez@maybank.com  
• Banking & Finance • Transport • Telcos

**Daphne SZE**  
(63) 2 8849 8847  
daphne.sze@maybank.com  
• Consumer

**Miguel SEVIDAL**  
(63) 2 8849 8844  
miguel.sevidal@maybank.com  
• REITs • Property

**Fiorenzo de JESUS**  
(63) 2 8849 8846  
fiorenzo.dejesus@maybank.com  
• Utilities

### VIETNAM

**Quan Trong Thanh** *Head of Research*  
(84 28) 44 555 888 ext 8184  
thanh.quan@maybank.com  
• Banks

**Hoang Huy, CFA**  
(84 28) 44 555 888 ext 8181  
hoanghuy@maybank.com  
• Strategy • Technology • Industrials

**Le Nguyen Nhat Chuyen**  
(84 28) 44 555 888 ext 8082  
chuyen.le@maybank.com  
• Oil & Gas • Logistics

**Nguyen Thi Sony Tra Mi**  
(84 28) 44 555 888 ext 8084  
trami.nguyen@maybank.com  
• Consumer

**Tyler Manh Dung Nguyen**  
(84 28) 44 555 888 ext 8085  
manhdung.nguyen@maybank.com  
• Utilities • Property

**Tran Thi Thanh Nhan**  
(84 28) 44 555 888 ext 8088  
nhan.tran@maybank.com  
• Consumer

**Nguyen Thi Ngan Tuyen**  
*Head of Retail Research*  
(84 28) 44 555 888 ext 8081  
tuyen.nguyen@maybank.com  
• Retail Research

**Nguyen Thanh Lam**  
(84 28) 44 555 888 ext 8086  
thanhlam.nguyen@maybank.com  
• Chartist

### INDONESIA

**Jeffrorenberg CHENLIM** *Head of Research*  
(62) 21 8066 8680  
jeffrorenberg.lim@maybank.com  
• Strategy

**Willy GOUTAMA**  
(62) 21 8066 8500  
willy.goutama@maybank.com  
• Consumer

**Richard SUHERMAN**  
(62) 21 8066 8691  
richard.suherman@maybank.com  
• Metals & Mining

**Etta Rusdiana PUTRA**  
(62) 21 8066 8683  
etta.putra@maybank.com  
• Telcos

**Satriawan, CTA**  
(62) 21 8066 8682  
satriawan@maybank.com  
• Chartist

### THAILAND

**Jesada TECHAHUSDIN, CFA**  
(66) 2658 6300 ext 1395  
jesada.t@maybank.com  
• Banking & Finance

**Vanida GEISLER, CPA**  
(66) 2658 6300 ext 1394  
Vanida.G@maybank.com  
• Property • REITs

**Yuwanee PROMMAPORN**  
(66) 2658 6300 ext 1393  
Yuwanee.P@maybank.com  
• Services • Healthcare

**Wasu MATTANAPOTCHANART**  
(66) 2658 6300 ext 1392  
wasu.m@maybank.com  
• Telcos

**Surachai PRAMUALCHAROENKIT**  
(66) 2658 5000 ext 1470  
Surachai.p@maybank.com  
• Auto • Conmat • Contractor • Steel

**Suttatip PEERASUB**  
(66) 2658 5000 ext 1430  
suttatip.p@maybank.com  
• Food & Beverage • Commerce

**Jaroontan WATTANAWONG**  
(66) 2658 5000 ext 1404  
jaroontan.w@maybank.com  
• Transportation • Small cap

## APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

### DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

### Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

### Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

### Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

The disclosure of the survey result 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 may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

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, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

### US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Securities USA Inc ("MSUS"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by MSUS in the US shall be borne by MSUS. This report is not directed at you if Maybank IBG is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that MSUS is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Maybank Securities USA Inc, 400 Park Avenue, 11th Floor, New York, New York 10022, 1-(212) 688-8886 and not with, the issuer of this report.

## UK

This document is being distributed by Maybank Securities (London) Ltd ("MSUK") which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

## DISCLOSURES

### Legal Entities Disclosures

**Malaysia:** This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938-H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia ("PTMSI") (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited ("MIBSI") is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India ("SEBI") (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057) **US:** Maybank Securities USA Inc is a member of/and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

### Disclosure of Interest

**Malaysia:** Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

**Singapore:** As of 5 September 2022, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

**Thailand:** MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

**Hong Kong:** As of 5 September 2022, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

**India:** As of 5 September 2022, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

## OTHERS

### Analyst Certification of Independence

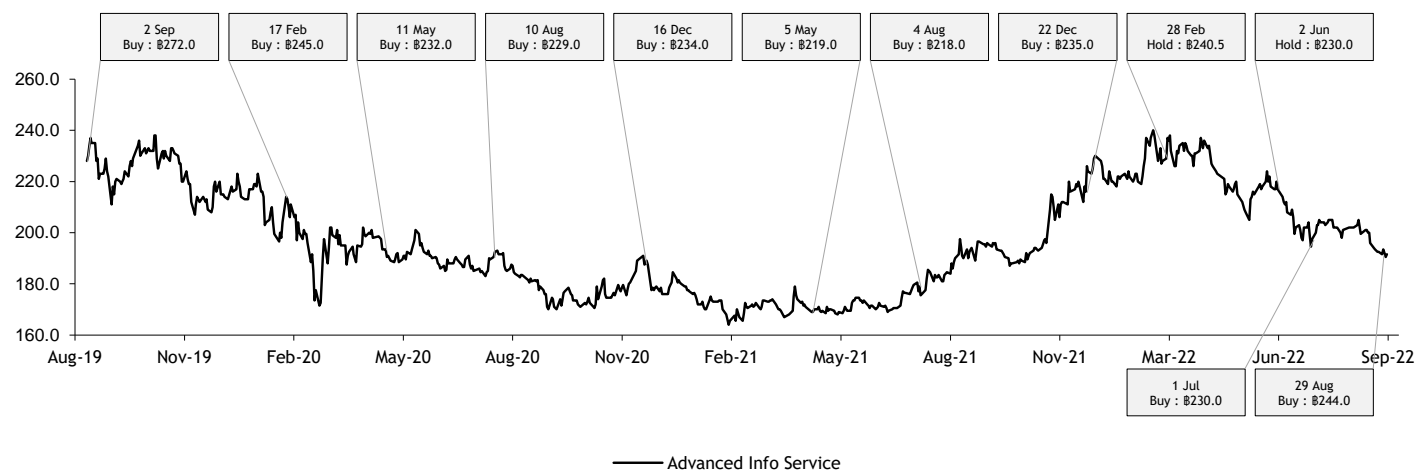
The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

### Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

## Historical recommendations and target price: Advanced Info Service (ADVANC TB)



### Definition of Ratings

Maybank IBG Research uses the following rating system

<b>BUY</b>	Return is expected to be above 10% in the next 12 months (including dividends)
<b>HOLD</b>	Return is expected to be between 0% to 10% in the next 12 months (including dividends)
<b>SELL</b>	Return is expected to be below 0% in the next 12 months (including dividends)

### Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

### Malaysia

**Maybank Investment Bank Berhad**  
(A Participating Organisation of  
Bursa Malaysia Securities Berhad)  
33rd Floor, Menara Maybank,  
100 Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel: (603) 2059 1888;  
Fax: (603) 2078 4194

Stockbroking Business:  
Level 8, Tower C, Dataran Maybank,  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (603) 2297 8888  
Fax: (603) 2282 5136

### Philippines

**Maybank Securities Inc**  
17/F, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines 1200

Tel: (63) 2 8849 8888  
Fax: (63) 2 8848 5738

### Sales Trading

Kevin Foy  
Regional Head Sales Trading  
kevinfoy@maybank.com  
Tel: (65) 6636-3620  
US Toll Free: 1-866-406-7447

#### Indonesia

Helen Widjaja  
helen.widjaja@maybank.com  
(62) 21 2557 1188

#### New York

James Lynch  
jlynch@maybank-keusa.com  
Tel: (212) 688 8886

#### Philippines

Keith Roy  
keith\_roy@maybank.com  
Tel: (63) 2 848-5288

### Singapore

**Maybank Securities Pte Ltd**  
**Maybank Research Pte Ltd**  
50 North Canal Road  
Singapore 059304

Tel: (65) 6336 9090

### Hong Kong

**MIB Securities (Hong Kong) Limited**  
28/F, Lee Garden Three,  
1 Sunning Road, Causeway Bay,  
Hong Kong

Tel: (852) 2268 0800  
Fax: (852) 2877 0104

### Thailand

**Maybank Securities (Thailand) PCL**  
999/9 The Offices at Central World,  
20<sup>th</sup> - 21<sup>st</sup> Floor,  
Rama 1 Road Pathumwan,  
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)  
Tel: (66) 2 658 6801 (research)

### London

**Maybank Securities (London) Ltd**  
PNB House  
77 Queen Victoria Street  
London EC4V 4AY, UK

Tel: (44) 20 7332 0221  
Fax: (44) 20 7332 0302

### Indonesia

**PT Maybank Sekuritas Indonesia**  
Sentral Senayan III, 22<sup>nd</sup> Floor  
Jl. Asia Afrika No. 8  
Gelora Bung Karno, Senayan  
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188  
Fax: (62) 21 2557 1189

### Vietnam

**Maybank Securities Limited**  
Floor 10, Pearl 5 Tower,  
5 Le Quy Don Street,  
Vo Thi Sau Ward, District 3  
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888  
Fax : (84) 28 38 271 030

### New York

**Maybank Securities USA Inc**  
400 Park Avenue, 11th Floor  
New York, New York 10022,  
U.S.A.

Tel: (212) 688 8886  
Fax: (212) 688 3500

### India

**MIB Securities India Pte Ltd**  
1101, 11<sup>th</sup> floor, A Wing, Kanakia  
Wall Street, Chakala, Andheri -  
Kurla Road, Andheri East,  
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600  
Fax: (91) 22 6623 2604

[www.maybank.com/investment-banking](http://www.maybank.com/investment-banking)  
[www.maybank-keresearch.com](http://www.maybank-keresearch.com)