

Total Access Communication (DTAC TB)

3Q missed on weak ARPU; merger likely to finish in 1Q23

Weak quarterly trend, but eyeing New Co in 1Q23

3Q22 core net profit of THB495m missed our forecast by 26% due to lower-than-expected ARPU (weak consumer purchasing power and intense price competition), leading us to cut FY22E core profit by 14.6%. We expect 4Q22 core profit to weaken further (-3.3% QoQ) due to flat revenue and rising expenses. Despite the weak 4Q22E outlook, we reiterate BUY on DTAC (THB55.20 TP) as we expect the merger with TRUE to complete in 1Q23. There is also 3.8% upside to DTAC's VTO price of THB47.76/sh.

3Q22 core profit missed forecasts by 26-28%

DTAC reported 3Q22 net profit of THB488m (-41.3% YoY, -51.4% QoQ). 3Q22 core net profit of THB495m (-23.8% YoY, -33.9% QoQ) missed our forecast/consensus by 26.0%/27.8% as service revenue was 1.7% lower than our forecast (weak ARPU). 3Q22 core service revenue was THB13.9b (-0.3% YoY, +0.1% QoQ); the top line was flat QoQ as a 3.3% ARPU decline offset the 776k subscriber increase. The disappointing 3Q leads us to cut our FY22E core net profit by 14.6% as we trim revenue forecast by 1.6%.

Expect merger completion in Jan 2023

We expect TRUE and DTAC to seek more clarification on measures on the New Co from the NBTC during Oct-Nov. The VTO is likely to take place in Dec 2022, and then the merger should be completed in Jan 2023. Despite the upcoming lawsuit against the NBTC's process of "acknowledgement" (as opposed to "approval" of the merger), we believe the merger will sail through as the NBTC board already announced a set of measures on 20 Oct to protect consumers.

Reiterate BUY with the unchanged TP of THB55.20

The FY22E earnings cut has no impact on our post-merger TP of THB55.20. Note that TRUE is not concerned about spectrum measures and cell-site requirements imposed by the NBTC. Potential re-rating catalyst is more clarity on the NBTC's price control measures. Downside risk is an upcoming lawsuit against the NBTC's process of "acknowledgement", which may lead to merger delay or cancellation (see scenario analysis on page 7).

FYE Dec (THB m)	FY20A	FY21A	FY22E	FY23E	FY24E
Revenue	78,818	81,320	81,191	82,702	83,659
EBITDA	29,387	29,267	29,055	30,237	30,900
Core net profit	5,477	3,324	2,560	2,709	1,774
Core EPS (THB)	2.31	1.40	1.08	1.14	0.75
Core EPS growth (%)	(6.3)	(39.3)	(23.0)	5.8	(34.5)
Net DPS (THB)	2.99	2.10	1.70	1.85	1.21
Core P/E (x)	14.4	32.6	42.5	40.2	61.4
P/BV (x)	3.2	5.4	5.8	6.3	6.8
Net dividend yield (%)	9.0	4.6	3.7	4.0	2.6
ROAE (%)	20.7	15.1	13.8	15.1	10.7
ROAA (%)	3.2	2.0	1.6	1.7	1.1
EV/EBITDA (x)	5.0	6.2	6.3	6.1	6.0
Net gearing (%) (incl perps)	195.3	275.3	306.9	371.8	414.2
Consensus net profit	-	-	3,120	3,498	3,919
MKE vs. Consensus (%)	-	-	(13.6)	(22.5)	(54.7)

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

BUY

Share Price THB 46.00
12m Price Target THB 55.20 (+24%)
Previous Price Target THB 55.20

Company Description

DTAC is Thailand's No. 3 mobile operator in a three-player market. It had 22.3% revenue market share in 2021.

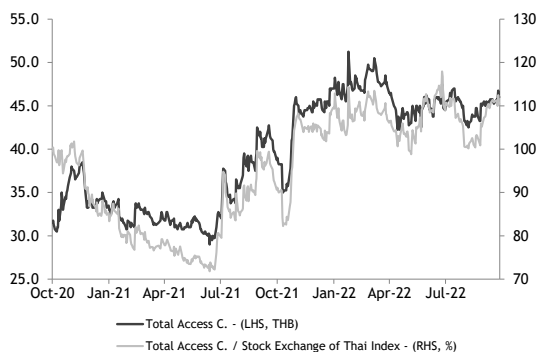
Statistics

52w high/low (THB)	51.25/35.00
3m avg turnover (USDm)	8.7
Free float (%)	19.9
Issued shares (m)	2,368
Market capitalisation	THB108.9B USD2.8B

Major shareholders:

Telenor Asia	46.7%
Thai Telco Holdings	18.3%
Thai NVDR	6.6%

Price Performance



	-1M	-3M	-12M
Absolute (%)	2	3	16
Relative to index (%)	5	0	20

Source: FactSet

Terms defined

NBTC - National Broadcasting and Telecommunications Commission.
New Co - merged company of TRUE and DTAC.
VTO - voluntary tender offer.
TCC - Thailand Consumer Council

Other listed stocks mentioned

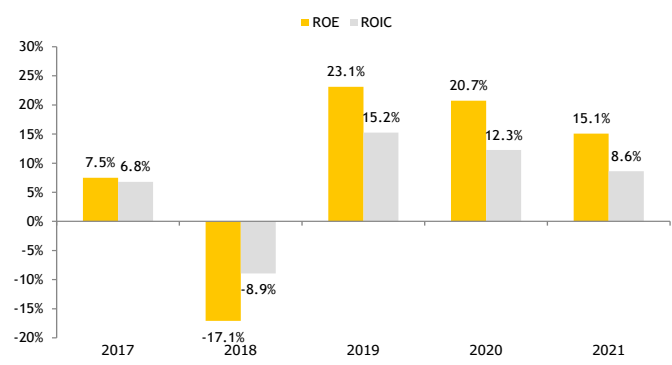
TRUE - True Corporation (TRUE TB, CP THB5.00, HOLD, TP THB5.40).

ESG@MAYBANK IBG
Tear Sheet Insert

Value Proposition

- DTAC is the 3rd largest mobile provider by subscribers in Thailand (19.9m) with revenue market share of 22% in 2021.
- DTAC's 2.1GHz spectrum licence will expire in 2027 and the JV agreement to operate 2.3GHz (60MHz capacity) will expire in 2025. Both have to be renegotiated at any cost as 10MHz on 700MHz spectrum and 5MHz on 1.8GHz would not be sufficient to provide good quality service.
- DTAC is planning to merge with TRUE in 2022. If the deal sails through regulatory hurdles, DTAC's network quality concerns would be resolved, in our view. We expect the merged company to generate annual cost synergies of more than THB15b onwards.

ROE and ROIC

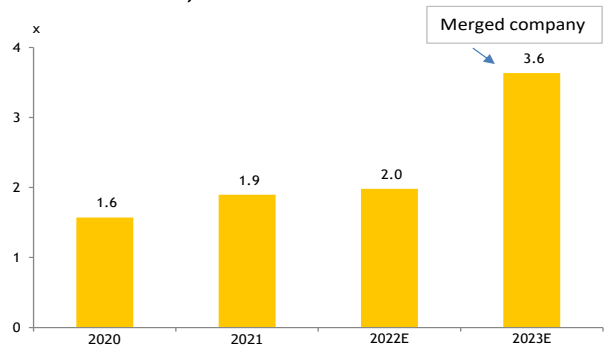


Source: Company

Financial Metrics

- DTAC's net debt-to-EBITDA ratio stood at 1.9x at the end of 2021, lower than TRUE's 4.1x but higher than ADVANC's 0.8x.
- If DTAC remains a standalone company going forward, we expect its net debt to EBITDA to stay in the range of 2.0-2.1x thanks to 0-3% revenue growth p.a. and slightly higher capex to support 5G investments (spectrum licences and equipment).
- If DTAC merges with TRUE by the end of 2022, we forecast FY23E net debt to EBITDA at 3.6x for the merged company.

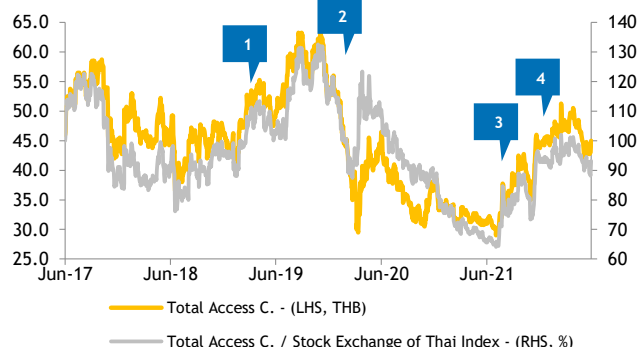
Net debt-to-EBITDA ratio (DTAC in 2020-21 and merged co from FY23E onwards)



Source: Company

Price Drivers

Historical share price trend



Source: Company, MST

- From 1Q19 to 4Q19, DTAC's mobile revenue market share stabilised around 23%. This represented an improvement from the 2014-18 period when DTAC lost 8.9% pts of market share to TRUE, so the market reacted positively.
- Share price tanked after prepaid competition intensified after TRUE introduced 4mbps unlimited data plans at only THB150.
- Share price surged during Jul-Aug 2021 after TMT Finance reported that Telenor SA was looking to sell its stake in DTAC.
- On 21 Nov 2021, TRUE and DTAC announced that they were planning to merge.

Swing Factors

Upside

- Subscriber net adds, especially post-paid.
- Higher-than-expected ARPU.
- Falling opex and handset margins returning to positive territory.

Downside

- Recession.
- Rising opex.
- Irrational, value-destroying competition depresses DTAC's profitability because it has to match peers.
- Unfriendly regulatory environment creates uncertainty and influences the outcome of several pending legacy cases.

ESG@MAYBANK IBG

wasu.m@maybank.com

Risk Rating & Score ¹	29.7 (Medium Risk)
Score Momentum ²	+0.0
Last Updated	28 Aug 2022
Controversy Score ³ (Updated: 28 Aug 2022)	1-Low

Business Model & Industry Issues

- The switch from 2G/3G to 4G spectrum was a difficult stage because spectrum was expensive and DTAC had to walk away from auctions. When DTAC’s 4G network quality finally caught up with its peers in 2020, competitors commercially launched 5G services in Oct 2020. Now, DTAC is behind peers in 5G services in terms of download speed and network coverage.
- In its pivot move, DTAC switched from internal network metrics to granular measure of network NPS (net promoter score), which is a customer satisfaction score and this shifts the focus to customers’ needs aiming to become a trusted partner with strong integrity, working to reduce inequalities, raise standards in operations and supply chain plus deliver safety, security and data privacy.
- DTAC is evolving towards a holistic and structured corporate responsibility framework to promote sustainable economic and social growth within a wider community. It has several social programmes that align with UN Sustainability Goals No 10: Reduce Inequality, and No 16: Peaceful Inclusive Societies.

Material E issues

- E-waste is a major concern for telco companies in general. Natural Resources and Environment Minister Varawut Silpa-archa said in Dec 2020 that Thailand generated 400,000 tonnes of e-waste per year, but only 500 tonnes of that was collected and disposed of correctly.
- DTAC’s three primary sources of e-wastes are: network of base station towers, office buildings and customers. ThinkSmart collaborates with a 3rd party to process e-waste. In 2021, DTAC collected 176,907 kg of e-waste for recycling and 26,570 mobile devices and accessories for recycling or remarketing.
- Fair treatment and safety in communities where DTAC’s 120k base stations are located are inspected regularly to ensure safety in relation to electromagnetic fields (EMFs). Its own EMF team works with 894 vendors and partners to provide awareness to the communities on EMF risks.

Material S issues

- DTAC launched e-learning services platform that in addition to lessons such as AI and data visualization also focuses on building understanding and finding ways to cope with the online threat. SafeInternetforKid.com (parent Telenor’s platform) trained 440 teachers on digital resilience that in turn reached out to 24,000 students all over the country. Key areas covered: 1) Online Privacy & Sexual Abuse; 2) Diversity Respect to Stop Cyber Bullying; and 3) Anatomy of Fake News. The *learn.safeinternet.camp*, now in its 8th year, aims to build digital resilience among children and youths so they can roam the Internet safely.
- After employees voiced concerns about not having equal opportunities in career advancement, fair evaluation and reward, DTAC devised PromptGROW programme where employees can develop skills they deem crucial for their own advancement. In 2021, 2,739 employees participated in the Employee Engagement Survey, representing 97% of the total workforce. 79% of the employees felt “Effective”, or feel committed and enabled to be productive and engaged with the company.
- SmartFarmer, DTAC’s 12-year-old project, helps elevates the capacity of small farmers and marketing skills to help bring down costs and increase yields. Currently, there are around 536,000 users of the application.

Key G metrics and issues

- DTAC’s 10-member BOD has four independent directors and four females. On its 8-member Executive Management team, two are women.
- Regulatory risk is ever present in the Thai telecom industry. There are four that remain an issue for DTAC. First, the foreign business act says that foreigners cannot own more than 49% in telecommunications business type 2 and type 3. Because DTAC is majority controlled by Telenor SA through a layer of Thai joint ventures it risks having licences revoked. Emanating from this is the risk of violating the Land Code that has a condition that foreigners cannot own land. Several reviews since its inception in 1990 have been conducted and thus far DTAC is identified as not being a foreign entity. However, a different interpretation in the future can fault DTAC.
- Like other operators, DTAC has several disputes pending from the concessionary era covering 1990-2018. Losing any of the cases could have a negative impact on the enterprise.
- DTAC enforces strict “No Gifts Policy”.
- In 2021, DTAC received 9 complaints about the personal data protection and all were investigated and managed. The company offered training for more than 1,000 employees (out of 2,844 employees at the end of 2021) whose work is related to customers’ personal data.
- So far there has been no report of customer data being hacked.
- 2021 customer satisfaction survey hit 41% participation rate, vs target of 30%, and DTAC received a 94.3% Customer Satisfaction Score. The Network Check & Share allows users to rate their network experience and identify trouble spots. As complaints are coming directly from mobile devices, they come with detailed information the call centre and network teams can use to investigate. This puts DTAC in close contact with its subscribers and it can act quickly when problems emerge.
- EY Office Limited (formerly Ernst & Young) has been the auditor for 17 years now.

¹**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. ²**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. ³**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).

1. 3Q22 missed forecasts by 26-28%

1.1 3Q disappointed on weak ARPU

DTAC reported 3Q22 net profit of THB488m (-41.3% YoY, -51.4% QoQ). 3Q22 core net profit of THB495m (-23.8% YoY, -33.9% QoQ) missed our forecast and Bloomberg consensus by 26.0% and 27.8%, respectively. Service revenue was 1.7% lower than our forecast due to weaker-than-expected ARPU of THB222/month (-7.7% YoY, -3.3% QoQ), dragged by weak consumer purchasing power and intense price competition.

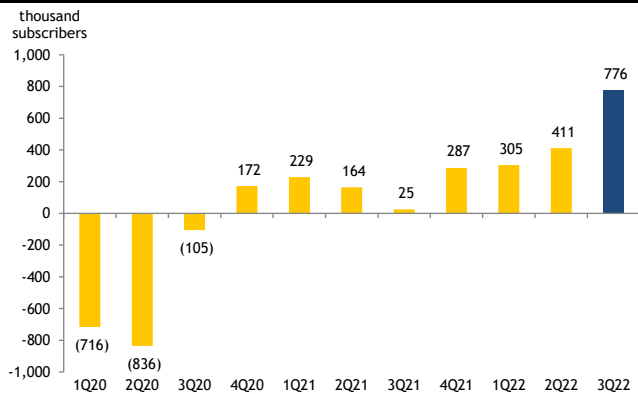
3Q22 core service revenue was THB13.9b (-0.3% YoY, +0.1% QoQ); the top line was flat QoQ as 3.3% ARPU decline offset the 776k subscriber increase (+834k prepaid subs and -58k postpaid subs). The disappointing 3Q leads us to cut FY22E core net profit by 14.6% as we trim revenue forecast by 1.6%.

Fig 1: DTAC showed 3Q22 core net profit of THB495m (-23.8% YoY, -33.9% QoQ) on the back of THB13.9b core service revenue (-0.3% YoY, +0.1% QoQ)

Unit: THB m	3Q21	4Q21	1Q22	2Q22	3Q22	% YoY	% QoQ	2022E	YoY	9M22 as % of FY22E
Service revenue excluding IC	13,978	13,993	13,795	13,922	13,930	-0.3%	0.1%	55,659	-1.3%	74.8%
IC revenue	367	352	289	282	274	-25.3%	-2.8%	1,125	-21.0%	75.1%
Service revenue	14,345	14,345	14,084	14,204	14,204	-1.0%	0.0%	56,784	-1.8%	74.8%
Handset revenue	1,177	3,517	2,299	2,072	2,040	73.3%	-1.5%	9,466	7.0%	67.7%
Total revenue	19,232	21,586	20,129	19,961	20,030	4.1%	0.3%	81,191	-0.2%	74.0%
Cost of services	-12,671	-12,728	-12,522	-11,618	-13,094	3.3%	12.7%	-50,507	0.7%	73.7%
Cost of handsets	-1,560	-4,211	-2,855	-2,513	-2,502	60.4%	-0.4%	-11,644	9.7%	67.6%
Gross profit	5,001	4,647	4,752	5,830	4,434	-11.3%	-23.9%	19,041	-7.3%	78.9%
SG&A	-3,287	-3,817	-3,181	-3,899	-3,230	-1.7%	-17.2%	-13,042	-5.1%	79.1%
FX gain/loss	-5	20	-10	0	-8	60.0%	#DIV/0!	0	-100.0%	n/a
Interest income	3	1	5	1	5	66.7%	400.0%	29	141.3%	38.0%
Other income and share profit	12	13	-1	5	171	1320.0%	3320.0%	180	50.0%	97.2%
EBIT	1,724	865	1,563	1,941	1,359	-21.2%	-30.0%	6,197	-8.6%	78.5%
D&A	-5,649	-5,740	-5,520	-5,687	-5,844	3.5%	2.8%	-23,056	2.6%	74.0%
EBITDA	7,443	7,004	7,083	8,290	7,177	-3.6%	-13.4%	30,446	4.1%	74.1%
Finance cost	-729	-715	-663	-687	-759	4.1%	10.5%	-2,864	1.2%	73.6%
Tax	-163	21	-174	-250	-112	-31.3%	-55.2%	-636	7.5%	84.2%
Net profit	832	171	726	1,004	488	-41.3%	-51.4%	2,696	-19.7%	82.3%
Core profit	650	600	838	749	495	-23.8%	-33.9%	2,560	-23.0%	81.3%
Profitability ratios										
GPM - overall	26.0%	21.5%	23.6%	29.2%	22.1%			23.5%		
GPM - service ex. IC	11.9%	11.5%	11.1%	18.7%	8.4%			10.7%		
GPM - handset	-32.5%	-19.7%	-23.0%	-23.0%	-23.0%			-23.0%		
Handset losses (THB m)	-383	-694	-556	-441	-462			-2,177		
Regulatory costs (% of service revenue ex. IC)	3.0%	4.0%	3.7%	-3.3%	4.1%			-3.9%		
SG&A to service revenue ex. IC	-23.5%	-27.3%	-23.1%	-28.0%	-23.2%			-23.4%		
EBITDA margin - overall	38.7%	32.4%	35.2%	41.5%	35.8%			36.8%		
Effective tax rate	-16.4%	14.0%	-19.3%	-19.9%	-18.7%			-19.1%		
NPM	4.3%	0.8%	3.6%	5.0%	2.4%			3.3%		
Norm. net margin	3.4%	2.8%	4.2%	3.8%	2.5%			3.2%		

Source: Company, MST

Fig 2: Record-high net additions of subscribers in 3Q22 were likely supported by tourists and migrants



Source: Company, MST

Fig 3: 3Q22 core service revenue grew by 0.1% QoQ as weak ARPU offset strong increase in subscribers



Source: Company, MST

Fig 4: 3Q22 saw strong subscriber increase of 776k and weak ARPU of THB222/month (-7.7% YoY, -3.3% QoQ)

	3Q21	4Q21	1Q22	2Q22	3Q22	yoy	qoq
MOBILE BUSINESS							
Subscriber (m)	19.3	19.6	19.9	20.3	21.1	9.2%	3.8%
Prepaid	13.1	13.4	13.7	14.1	14.9	13.9%	5.9%
Postpaid	6.2	6.2	6.2	6.2	6.1	-0.7%	-0.9%
Subscriber (m)	19.3	19.6	19.9	20.3	21.1	9.2%	3.8%
Net addition (m)							
Prepaid	0.030	0.281	0.293	0.412	0.834	2680.0%	102.4%
Postpaid	0.00	0.01	0.01	0.00	-0.06	1060.0%	5700.0%
Net addition (m)	0.025	0.287	0.305	0.411	0.776	3004.0%	88.8%
ARPU (THB)							
Prepaid	120	120	114	114	111	-2.3%	-1.1%
Postpaid	496	494	487	489	484	-7.3%	-2.0%
Blended ARPU (THB)	241	239	231	230	222	-7.7%	-3.3%
Data consumption (GB/data sub/month)	25.0	25.2	26.1	27.4	28.6	14.4%	4.4%

Source: Company, MST

1.2 Extraordinary items

DTAC had after-tax net expense of THB7m from extraordinary items in 3Q22, including THB160m amalgamation-related expenses (THB128m expense after tax), THB48m impairment loss on right-of-use of fibre (THB38m expense after tax), THB13m loss on fair value hedge (THB10m expense after tax) and THB170m insurance claim (non-taxable income). The insurance claim was for a fire incident at one of DTAC's warehouses in 2Q22.

Fig 5: We cut FY22E core net profit by 14.6% as we trim revenue forecast by 1.6%

	2021A	New			Previous			% change		
		2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Subscriber (m)	19.6	21.4	21.4	21.4	20.5	20.5	20.5	4.2%	4.2%	4.2%
ARPU (THB/sub/month)	244	220	217	221	228	224	228	-3.6%	-3.1%	-3.1%
Service revenue ex. IC (THB m)	56,401	55,659	57,591	58,403	56,541	57,052	57,851	-1.6%	0.9%	1.0%
% yoy	-3.4%	-1.3%	3.5%	1.4%	0.2%	0.9%	1.4%	-629.8%	284.0%	0.8%
Total revenue	81,320	81,191	82,702	83,659	82,379	82,470	83,473	-1.4%	0.3%	0.2%
Gain/(loss) on handset sales	-1,763	-2,177	-2,035	-2,103	-2,177	-2,035	-2,103	0.0%	0.0%	0.0%
EBITDA (THB m)	29,256	29,253	30,446	31,108	28,980	30,446	31,108	0.9%	0.0%	0.0%
EBITDA margin %	36.0%	36.0%	36.8%	37.2%	35.2%	36.9%	37.3%	2.4%	-0.3%	-0.2%
Core net profit (THB m)	3,324	2,560	2,709	1,774	2,996	2,709	1,774	-14.6%	0.0%	0.0%
Net profit (THB m)	3,356	2,696	2,709	1,774	2,556	2,709	1,774	5.5%	0.0%	0.0%
Core EPS (THB)	1.40	1.08	1.14	0.75	1.27	1.14	0.75	-14.6%	0.0%	0.0%
EPS (THB)	1.42	1.14	1.14	0.75	1.08	1.14	0.75	5.5%	0.0%	0.0%
DPS (THB)	2.10	1.70	1.85	1.21	1.70	1.85	1.21	0.0%	0.0%	0.0%
Network capex (THB m)	-14,877	-13,006	-16,000	-16,000	-13,006	-16,000	-16,000	0.0%	0.0%	0.0%
Licence capex (THB m)	-8,678	-5,554	-7,327	-5,554	-5,554	-7,327	-5,554	0.0%	0.0%	0.0%
Net debt to EBITDA (x)	1.90	1.98	2.10	2.14	1.99	2.10	2.14	-0.6%	0.0%	-0.1%
ROIC (%)	8.2%	7.3%	7.1%	6.1%	7.1%	7.1%	6.1%	2.2%	-0.1%	-0.1%

Source: Company, MST

1.3 4Q22E core profit to weaken QoQ

We forecast DTAC to show THB478m core net profit in 4Q22 (-20.3% YoY, -3.3% QoQ) on the back of flattish service revenue (+0.1% YoY, +0.6% QoQ) and rising expenses (network opex, marketing expenses and handset subsidies). We now expect the telecom operator to end FY2E with THB2.6b core profit (-23.0% YoY) and THB55.7b core service revenue (-1.3% YoY).

2. Merger likely to complete in Jan 2023

2.1 Waiting for an official document from the NBTC

Discussion on measures should take place during Oct-Nov

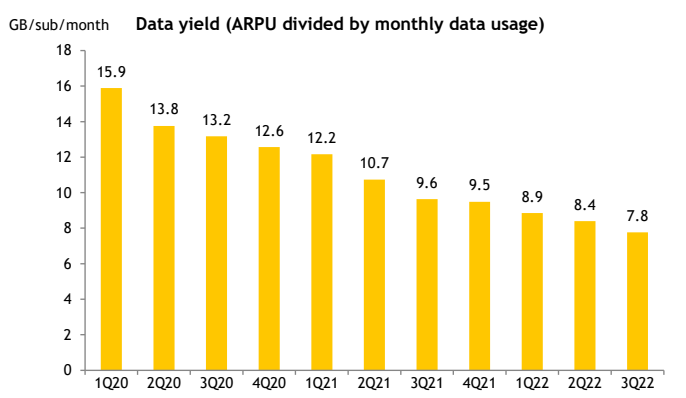
TRUE (HOLD, THB5.40 TP) and DTAC (BUY, THB55.20 TP) will likely receive the NBTC’s official document on the measures for the New Co soon. We expect the two companies to seek more clarity on the measures, especially those related to price controls, from the NBTC during Oct-Nov, allowing the merger to be completed in Jan 2023.

TRUE and DTAC need more clarity on price controls

At the meeting on 20 Oct, NBTC’s board demanded a 12% decrease in subscriber-weighted-average service fees charged by the New Co without clarifying how to calculate the base service fee. If the regulator wants TRUE’s and DTAC’s ARPUs to drop by 12% from current levels, this would represent major downside risk to our forecasts for both New Co and ADVANC; if this is what the NBTC is currently aiming for, we expect TRUE and DTAC to consider this a deal-breaker and hence fight against this measure.

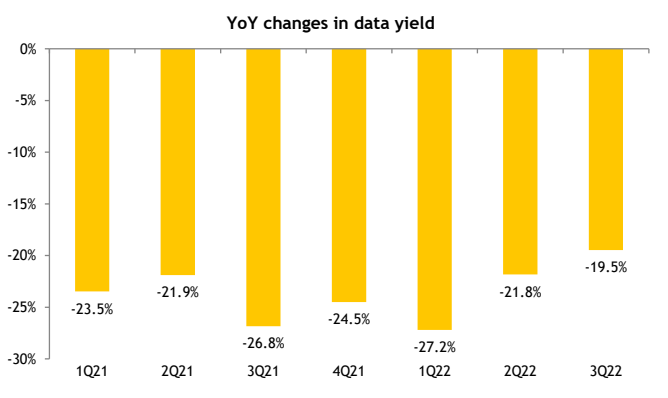
Alternatively, a mandate of 12% decline in data yield (price per GB) would be easy to comply because the unit price of cellular internet is already declining every year. To calculate a proxy for DTAC’s data yield, we divide ARPU by average monthly data usage per subscriber to arrive at data price of THB7.8/GB/month in 3Q22, which represents a YoY decline of 19.5%.

Fig 6: DTAC’s data yield was THB7.8/GB/month in 3Q22, down 19.5% YoY



Source: Company, MST

Fig 7: YoY decreases in DTAC’s data yield have been at double-digit rates



Source: Company, MST

2.2 TRUE is not concerned about spectrum sharing and cell-site measures

Spectrum measures. Network roaming is a common business practice among telecom operators, so TRUE believes that the New Co will be allowed to network roam across its subsidiaries. This implies that TRUE is not concerned about synergies from the spectrum measure. Nevertheless, the New Co still needs more clarity on spectrum pooling and the combination of TUC (TRUE’s mobile subsidiary) and DTN (DTAC’s mobile subsidiary).

Cell-site measures. From the announcement on 20 Oct, TRUE interprets that the New Co will be allowed to reduce the number of towers/base stations. The operator believes the NBTC's requirement means that the number of antennas must not decline. In this case, the New Co could decommission some of the overlapping telecom towers and move the antennas from the decommissioned towers to the other towers within the same locations, allowing the New Co to save costs on network opex.

3. Lawsuit against the NBTC is a downside risk

3.1 Looming lawsuit for NBTC's "acknowledgement"

Downside risk to our target prices for TRUE and DTAC is an upcoming lawsuit against the NBTC board's process of "acknowledgement", which may delay the merger completion beyond Jan 2023.

On 21 Oct, local news outlets reported that Thailand Consumer Council (TCC) was planning to request two things from the Central Administrative Court, including: i) a revocation of the NBTC's acknowledgement of the merger process; and ii) a temporary injunction on the amalgamation of TRUE and DTAC. In the upcoming lawsuit (to be officially filed in Nov), TCC claims that the NBTC board has neglected its duty to protect consumers' interests (Article 60 under the constitution) because the majority of the NBTC board voted to "acknowledge" the proposed merger of TRUE and DTAC, as opposed to using its power to approve or reject the merger. Hence, the acknowledgement process for the merger was unlawful, and the merger should be void.

3.2 Risk of merger delays

We expect the process of emergency inquiry to complete around 1.5 months from the day of the lawsuit filing. We have three scenarios of what could happen after the emergency inquiry.

Base-case scenario: the court accepts the case without temporary injunction. The legal proceeding of the lawsuit kicks off, but the Central Admin Court allows TRUE and DTAC to continue the process of amalgamation. In this scenario, the merger completion takes place in Jan 2023. The Central Admin Court may take over a year before announcing a verdict that says the NBTC's "acknowledgement" of the merger was lawful because the telecom regulator has already protected consumers' interests by issuing the set of measures (i.e. price controls and quality-of-service requirement) on 20 Oct. Nevertheless, the legal proceeding could be an overhang on the share prices of TRUE and DTAC.

Worst-case scenario: the court accepts the case with temporary injunction. The legal proceeding kicks off, and the Central Admin Court stops TRUE and DTAC from merging so long as the legal case is still active. In this case, the merger could be delayed by over a year. If the 1-year merger delay pushes the start of the New Co's synergetic period from FY25E to FY26E, there is 5% downside to our target prices for TRUE (THB5.40 TP) and DTAC (THB55.20 TP). If the merger is cancelled altogether, we estimate standalone fair values for TRUE and DTAC at THB4.0/sh and THB33.90/sh, respectively.

Best-case scenario: the court does not accept the case. After careful consideration during the emergency inquiry, the Central Admin Court decides not to take the case, possibly because the NBTC board could offer enough evidence upfront that the "acknowledgement" process was lawful.

In this case, the merger completion takes place in Jan 2023, and there would be no overhang on the share prices of TRUE and DTAC.

Fig 8: Target prices for TRUE and DTAC are based on THB9.0/sh fair value of the New Co

	Number of New Co's shares received from swapping 1 existing share	Fair value of New Co (THB/sh)	Fair values of 1 existing share, based on fair value of New Co (THB/sh)	Probability of merger completion	TP (THB/sh)
DTAC	6.13444	9.00	55.20	100%	55.20
TRUE	0.60018	9.00	5.40	100%	5.40
			(1)	(2)	(1) x (2)

Source: Company, MST

Fig 9: DTAC offers higher upside to both the VTO price (3.8% upside) and post-merger fair value (20.0%)

	Unit: THB/sh				
	VTO price	Upside from mkt price	Post-merger fair value	Upside from mkt price	Mkt price
TRUE	5.09	1.8%	5.40	8.0%	5.00
DTAC	47.76	3.8%	55.20	20.0%	46.00

Source: Company, MST

Fig 10: Calculation of post-merger fair values and target prices for TRUE (THB5.40 TP) and DTAC (THB55.20 TP)

Period	1	2	3	4	5	6	6
VALUATION OF NEW CO (Unit: THB m)	2024E	2025E	2026E	2027E	2028E	2029E	
Combined FCFF	4,195	15,313	20,374	23,174	22,609	24,854	
DTAC	911	363	2,553	2,891	4,569	4,915	
TRUE	3,284	14,949	17,821	20,283	18,040	19,939	
Opex saving (excluding D&A expenses) - after tax	-	4,934	9,867	9,867	9,867	9,867	
Network capex saving - after tax	-	8,041	7,890	7,745	7,620	7,601	
Revenue synergies from cross selling - after tax	-	350	358	364	370	374	
Integration costs - after tax	(2,733)	-	-	-	-	-	
							Terminal value
Combined FCFF after cost synergies	1,463	28,638	38,489	41,151	40,465	42,697	788,967
Present value of FCFF	1,360	24,772	30,965	30,791	28,160	27,635	510,650
Sum of PV of FCFF	654,333						
Net debt at end-FY23E	343,456						
Equity value	310,878						
# of shares (million shares)	34,552						
Valuation for the merged co (THB/share)	9.00						
Swap ratio for DTAC shares							6.13 shares of merged co
TP for DTAC (THB/share)	55.20						
DTAC's market price	46.00						
Upside/(downside) to target price	20.0%						
Swap ratio for TRUE shares							0.60 shares of merged co
TP for TRUE (THB/share)	5.40						
TRUE's market price	5.00						
Upside/(downside) to target price	8.0%						
WACC							7.5%
Terminal growth rate							2.0%

Source: Company, MST

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Key Metrics					
P/E (reported) (x)	17.8	25.0	40.4	40.2	61.4
Core P/E (x)	14.4	32.6	42.5	40.2	61.4
P/BV (x)	3.2	5.4	5.8	6.3	6.8
P/NTA (x)	0.7	1.0	1.0	1.0	1.0
Net dividend yield (%)	9.0	4.6	3.7	4.0	2.6
FCF yield (%)	27.2	13.0	14.6	12.5	13.3
EV/EBITDA (x)	5.0	6.2	6.3	6.1	6.0
EV/EBIT (x)	17.5	26.7	30.3	29.8	35.3
INCOME STATEMENT (THB m)					
Revenue	78,818.0	81,320.0	81,191.0	82,702.5	83,659.0
EBITDA	29,387.0	29,267.0	29,054.7	30,237.3	30,899.6
Depreciation	(20,951.0)	(22,478.0)	(23,056.0)	(24,031.0)	(25,672.2)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	8,436.0	6,789.0	5,998.6	6,206.3	5,227.4
Net interest income / (exp)	(2,833.0)	(2,818.0)	(2,835.2)	(3,037.4)	(3,227.4)
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	330.0	(143.0)	(11.0)	0.0	0.0
Other pretax income	27.0	120.0	180.0	180.0	180.0
Pretax profit	5,960.0	3,948.0	3,332.4	3,348.8	2,180.0
Income tax	(853.0)	(592.0)	(636.5)	(639.8)	(406.0)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	5,107.0	3,356.0	2,695.9	2,709.1	1,774.0
Core net profit	5,477.0	3,323.6	2,559.9	2,709.1	1,774.0
BALANCE SHEET (THB m)					
Cash & Short Term Investments	6,647.0	3,575.5	5,363.8	5,390.8	4,670.6
Accounts receivable	9,888.5	10,250.0	10,071.3	10,258.8	10,377.4
Inventory	634.0	1,306.8	1,434.1	1,340.2	1,348.6
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	51,347.0	53,771.7	55,733.4	61,028.7	66,032.9
Intangible assets	62,104.6	59,097.0	55,177.5	49,683.3	44,189.2
Investment in Associates & JVs	233.3	228.1	228.1	228.1	228.1
Other assets	43,425.9	36,085.6	35,858.2	33,432.2	30,328.2
Total assets	174,280.4	164,314.7	163,866.3	161,362.2	157,175.1
ST interest bearing debt	6,484.6	8,025.3	8,195.3	8,195.3	8,195.3
Accounts payable	26,943.9	25,965.6	28,493.1	28,631.7	28,711.4
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	47,641.4	51,078.4	54,987.1	60,987.1	62,987.1
Other liabilities	68,895.0	59,078.0	53,353.0	46,390.0	41,223.0
Total Liabilities	149,965.0	144,147.2	145,028.2	144,203.7	141,116.5
Shareholders Equity	24,315.4	20,167.5	18,838.1	17,158.5	16,058.6
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	24,315.4	20,167.5	18,838.1	17,158.5	16,058.6
Total liabilities and equity	174,280.4	164,314.7	163,866.3	161,362.2	157,175.1
CASH FLOW (THB m)					
Pretax profit	5,960.0	3,948.0	3,332.4	3,348.8	2,180.0
Depreciation & amortisation	20,951.0	22,478.0	23,056.0	24,031.0	25,672.2
Adj net interest (income)/exp	2,846.2	2,819.4	2,864.2	3,066.4	3,256.3
Change in working capital	486.1	(633.6)	255.0	(229.2)	(191.1)
Cash taxes paid	(334.0)	(234.1)	(636.5)	(639.8)	(406.0)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	30,215.9	28,805.4	28,869.8	29,586.9	30,521.0
Capex	(8,810.7)	(14,772.4)	(13,005.6)	(16,000.0)	(16,000.0)
Free cash flow	21,405.1	14,032.9	15,864.3	13,586.9	14,521.0
Dividends paid	(5,872.2)	(7,505.5)	(4,498.8)	(4,207.0)	(3,631.3)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	4,000.0	5,500.0	4,078.6	6,000.0	2,000.0
Other invest/financing cash flow	(21,414.3)	(15,099.0)	(13,655.7)	(15,352.9)	(13,610.0)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	(1,881.3)	(3,071.6)	1,788.3	27.1	(720.2)

FYE 31 Dec	FY20A	FY21A	FY22E	FY23E	FY24E
Key Ratios					
Growth ratios (%)					
Revenue growth	(2.9)	3.2	(0.2)	1.9	1.2
EBITDA growth	(1.0)	(0.4)	(0.7)	4.1	2.2
EBIT growth	(12.9)	(19.5)	(11.6)	3.5	(15.8)
Pretax growth	(7.7)	(33.8)	(15.6)	0.5	(34.9)
Reported net profit growth	(6.9)	(34.3)	(19.7)	0.5	(34.5)
Core net profit growth	(6.3)	(39.3)	(23.0)	5.8	(34.5)
Profitability ratios (%)					
EBITDA margin	37.3	36.0	35.8	36.6	36.9
EBIT margin	10.7	8.3	7.4	7.5	6.2
Pretax profit margin	7.6	4.9	4.1	4.0	2.6
Payout ratio	138.6	148.2	149.3	162.0	162.0
DuPont analysis					
Net profit margin (%)	6.5	4.1	3.3	3.3	2.1
Revenue/Assets (x)	0.5	0.5	0.5	0.5	0.5
Assets/Equity (x)	7.2	8.1	8.7	9.4	9.8
ROAE (%)	20.7	15.1	13.8	15.1	10.7
ROAA (%)	3.2	2.0	1.6	1.7	1.1
Liquidity & Efficiency					
Cash conversion cycle	(122.0)	(106.4)	(104.7)	(110.3)	(106.8)
Days receivable outstanding	44.9	44.6	45.1	44.2	44.4
Days inventory outstanding	5.5	5.7	7.9	7.9	7.4
Days payables outstanding	172.5	156.7	157.7	162.4	158.6
Dividend cover (x)	0.7	0.7	0.7	0.6	0.6
Current ratio (x)	0.4	0.4	0.4	0.4	0.4
Leverage & Expense Analysis					
Asset/Liability (x)	1.2	1.1	1.1	1.1	1.1
Net gearing (%) (incl perps)	195.3	275.3	306.9	371.8	414.2
Net gearing (%) (excl. perps)	195.3	275.3	306.9	371.8	414.2
Net interest cover (x)	3.0	2.4	2.1	2.0	1.6
Debt/EBITDA (x)	1.8	2.0	2.2	2.3	2.3
Capex/revenue (%)	11.2	18.2	16.0	19.3	19.1
Net debt/ (net cash)	47,479.0	55,528.3	57,818.6	63,791.5	66,511.7

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

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

LEE Ju Ye
Singapore | Thailand | Indonesia
(65) 6231 5844
leejuy@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, FCA
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
• 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

Eugene HOO Yee Hui
(603) 2082 6819
eugene.hoo@maybank.com

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

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

Jarick SEET
(65) 6231 5848 jarick.seet@maybank.com
• Technology

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.rodriquez@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 • Gaming

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

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

Jaroonpan WATTANAWONG
(66) 2658 5000 ext 1404
jaroonpan.w@maybank.com
• Transportation • Small cap

INDONESIA

Jeffrosenberg CHENLIM Head of Research
(62) 21 8066 8680
jeffrosenberg.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

VIETNAM

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

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

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 Discretionary

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

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8088
loi.nguyen@maybank.com
• Industrials

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

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 25 October 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 25 October 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 25 October 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

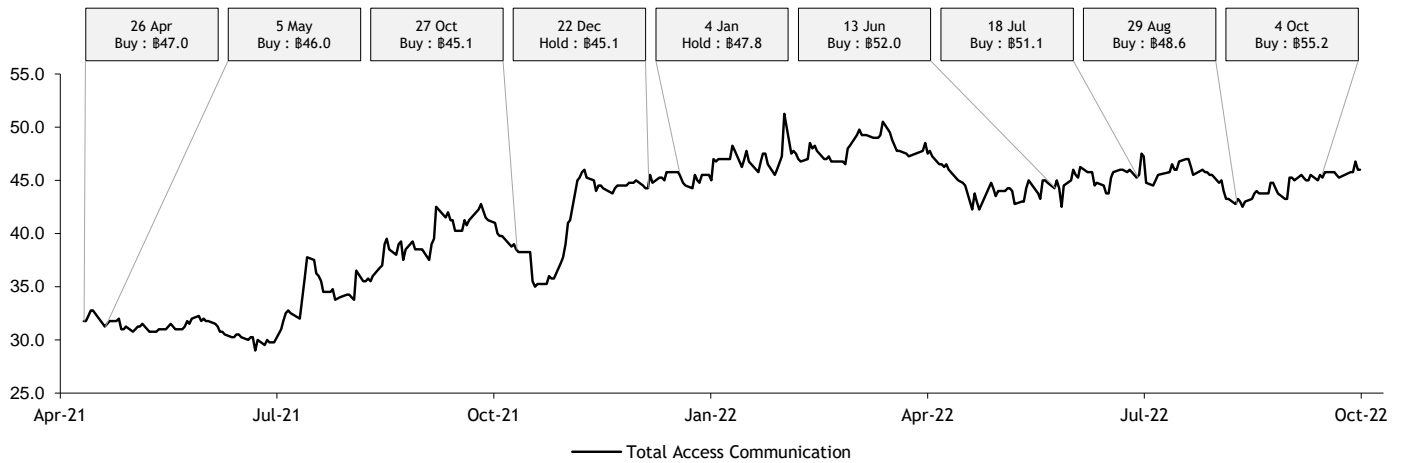
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed 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: Total Access Communication (DTAC TB)



Definition of Ratings

Maybank IBG Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (including dividends)
- HOLD** Return is expected to be between 0% to 10% in the next 12 months (including dividends)
- SELL** 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

Singapore

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

Tel: (65) 6336 9090

Indonesia

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

Tel: (62) 21 2557 1188

Fax: (62) 21 2557 1189

Thailand

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

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)

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

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

London

Greg Smith
gsmith@maybank.co.uk
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629

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

India

MIB Securities India Pte Ltd
1101, 11th 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

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

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

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

www.maybank.com/investment-banking
www.maybank-keresearch.com