

Advanced Info Service (ADVANC TB) Two deals with NT

Reiterate BUY with a slightly higher TP of THB251

Reiterate BUY on ADVANC due to FY23E core profit growth of 13% YoY and FY23-24E dividend yields of 4%. The telecom operator has announced that it has agreed to: i) buy half of National Telecom's (NT) 700MHz spectrum licences; and ii) lease base stations to NT, which will utilise the network for 4G/5G 700MHz services. Although we have already factored in the spectrum purchase, the profit from network rent leads us to raise our DCFbased TP to THB251 (7.6% WACC, 2.0% terminal growth) from THB250.

700MHz spectrum purchase and network rent

ADVANC has agreed to: i) buy 700MHz spectrum (2x5MHz of bandwidth) from NT for THB14.9b (THB1.14b upfront payment to NT and THB13.72b instalments to NBTC); and ii) lease out 13,500 base stations to NT until 31 Mar 2036. While we have already factored in the 700MHz spectrum purchase (THB1.2b amortisation expense pa), we now add the network rent to our forecasts, resulting in a THB1 increase in our TP to THB251.

Raise FY25-30E core profit by 2%

ADVANC has to construct 13,500 base stations for NT's lease within two years; more base stations will lead to higher rental income. The network lease leads us to raise our FY24E core profit by 1% and increase FY25-30E core profit by 2%. We forecast rental revenue at THB308m/THB640m in FY24/25E; then, the rental income should be THB778m pa from FY26E onwards. We also assume a 90% EBT margin from the rental agreement.

Healthy 2H23E outlook as competition has eased

Quarterly profit growth is a potential re-rating catalyst for ADVANC, and we forecast 3Q23E profit to grow QoQ thanks easing competition. Mobile competition began to ease in 1Q23, and it eased further in Aug'23 as telecom operators reduced data quota for 4mbps prepaid plans to 15GB from 30GB. Also, the 700MHz spectrum purchase should cement ADVANC's leadership in network quality. In May'23, AIS had average 5G download speed of 143mbps, higher than 79mbps for TrueMove and 60mbps for dtac.

FYE Dec (THB m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	181,333	185,483	197,703	218,142	224,360
EBITDA	91,554	89,862	93,613	99,579	103,548
Core net profit	27,038	25,608	29,018	30,375	30,786
Core EPS (THB)	9.09	8.61	9.76	10.21	10.35
Core EPS growth (%)	(1.4)	(5.3)	13.3	4.7	1.4
Net DPS (THB)	7.69	7.69	8.23	8.61	8.73
Core P/E (x)	25.3	22.6	22.3	21.3	21.1
P/BV (x)	8.4	6.8	7.2	6.8	6.5
Net dividend yield (%)	3.3	3.9	3.8	3.9	4.0
ROAE (%)	34.2	31.1	33.0	32.8	31.6
ROAA (%)	7.7	7.4	8.0	8.0	8.6
EV/EBITDA (x)	8.8	7.8	8.3	7.6	7.1
Net gearing (%) (incl perps)	91.8	87.9	107.9	88.8	71.0
Consensus net profit	-	-	28,552	31,174	34,710
MIBG vs. Consensus (%)	-	-	1.6	(2.6)	(11.3)

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Share Price

THB 218.00 THB 251.00 (+19%) 12m Price Target **Previous Price Target** THB 250.00

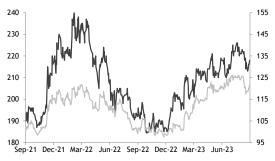
Company Description

ADVANC is No.1 mobile operator with 48.5% mobile revenue market share in 2Q23. Its 5G network had c.90% population coverage at end-2Q23.

Statistics

Statistics	
52w high/low (THB)	226.00/184.50
3m avg turnover (USDm)	28.1
Free float (%)	34.1
Issued shares (m)	2,974
Market capitalisation	THB648.4B
	USD18.3B
Major shareholders:	
Intouch Holdings	40.4%
Singtel Strategic Investments	23.3%
Thai NVDR	7.5%

Price Performance



ADVANC - (LHS, THB) ADVANC / Stock Exchange of Thai Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	(1)	(0)	13
Relative to index (%)	(2)	0	22
Source: FactSet			

Terms defined

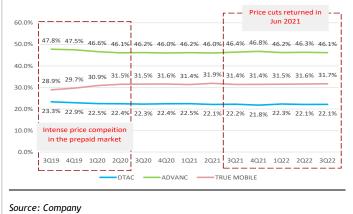
NT - National Telecom, a state-owned telecom operator NBTC - The National Broadcasting and **Telecommunications Commission**



Value Proposition

- ADVANC was the first provider of mobile phone services in Thailand. Two players joined the market, but ADVANC has maintained its lead in the market.
- In the mobile market, ADVANC had 48.5% market share in 2Q23 (vs TRUE's 51.5%).
- ADVANC has been moving to diversify its revenue by growing fixed broadband & Enterprise Business/Other services. Nevertheless, mobile revenue still accounted for 88% of core service revenue in FY22.
- Cost of services is gradually falling, but declining ARPU is dragging down ROIC.

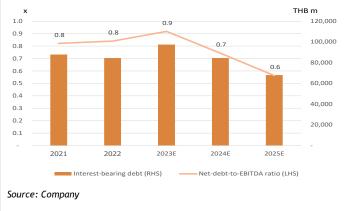
Quarterly mobile revenue market share



Financial Metrics

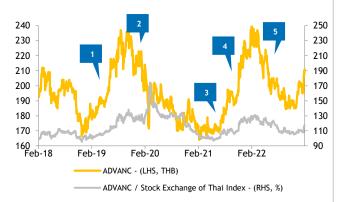
- ADVANC has the cleanest balance sheet among the three telcos with only 0.8x net-debt-to-EBITDA ratio (TFRS16 accounting) at end-FY22 (vs TRUE's 4.6x and DTAC's 1.9x).
- Barring substantial investment projects, we forecast ADVANC to be free of interest-bearing debt by FY28E.
- The clean balance sheet has allowed the company to raise its DPR from 75.0% in FY20 to 84.9% in FY21 and 87.9% in FY22.
- It also had the highest EBITDA margin of 48.4% in FY22 (vs TRUE's 40.9% and DTAC's 37.0%).
- The company also had the highest ROE of 31.2% in FY22 (vs TRUE's -10.8% and DTAC's 19.0%).

ADVANC's interest-bearing debt is declining



Price Drivers

Historical share price trend



Source: Company, MST

- 1. Share price started to recover from disappointment of high 4G spectrum costs.
- 2. Intense price competition in the prepaid market started in 3Q19, resulting in share price decline.
- 3. Share price rebounded as mobile competition was easing during 3Q20-2Q21.
- 4. In Nov 2021, TRUE and DTAC announced their plan to merge. Investors expected ADVANC to benefit from easing competition.
- 5. Inflation rates soared after the Russia-Ukraine war had broken out in Feb 2022, leading the consensus to downgrade earnings forecasts.

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 virtual banking businesses.
- Stronger-than-expected revenue growth in the nonmobile enterprise segment.

Downside

- Recession.
- Higher-than-expected inflation in 2023E.

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Risk Rating & Score ¹	21.5 Medium Risk
Score Momentum ²	+1.2
Last Updated	27 May 2023
Controversy Score ³ (Updated: 25 Jan 2023)	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 tCO2e 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 waster 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:

 ISO27001 Information Security Mgt Systems since 2015;
 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.

<u>1*Risk Rating & Score*</u> - 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. <u>2*Score*</u> <u>*Momentum*</u> - indicates changes to the company's score since the last update - a <u>negative</u> integer indicates a company's improving risk score; a <u>positive</u> integer indicates a deterioration. <u>3*Controversy Score*</u> - 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).

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	Qı	uantitative Paramet	ers (Score: 3	1)		
	Particulars	Unit	2019	2020	2021	TRUE TB (2021)
	Scope 1	tCO2e	11,177	11,196	8,931	10,566
	Scope 2	tCO2e	604,230	685,687	636,390	326,623
	Total	tCO2e	615,407	696,883	645,321	337,189
	Scope 3	tCO2e	NA	NA	NA	370
	Total	tCO2e	NA	NA	NA	337,559
E	Scope 1 & 2 emission intensity	tCO2e/TB	0.020	0.015	0.010	2.80
	Green energy share of usage	%	0.9%	1.0%	1.6%	2.8%
	Power usage effectiveness (PUE) at data		1.61	1.56	1.510	NA
	centres	%	1.01	1.50	1.510	NA NA
	% of waste reused, recycled, or sold	%	14.1%	65.0%	80.3%	13%
	Green building certified	m sqft	0.23	0.23	0.23	NA
	% of women in workforce	%	60.0%	60.0%	60.5%	60%
S	% of women in management roles	%	52.7%	50.4%	50.1%	46.8%
3	Average training hours per employee	number	48.0	37.0	32.0	37.7
	Number of data breach, leak, theft	number	-	1	-	-
	Top 4 employees' payout as % of net profit	%	0.2%	0.3%	0.4%	NA
G	Directors' payout as % of net profit	%	0.1%	0.1%	0.1%	0.2%
G	Independent directors on board	%	36%	36%	36%	31%
	Women directors on board	%	9 %	9 %	18%	6%
	Shareholder payouts (dividend payout ratio)	%	70.0%	75.0%	84.9 %	NA
	Q	ualitative Paramete	ers (Score: 67	7)		
a) l	s there an ESG policy in place and is there a st	andalone ESG comm	nittee or is it	part of the ris	k committee?	

Yes, ADVANC has a Sustainable Development Committee that defines policy and strategies and ensures that the implementation of sustainability development policy and strategy meets the target.

b) Is the senior management salary linked to fulfilling ESG targets?

No.

c) Does the company follow the task force of climate related disclosures (TCFD) framework for ESG reporting? Yes

e) Has the company been involved in controversies which have impacted their management/stock price performance

Yes, there were two incidents of data leaks in 2018 (1-day share price decrease of 1.8%) and 2022 (1-day share price decrease of 4.2%). Also, ADVANC's share price dropped by 5.1% on 30 Jan 2020 after the company lost a lawsuit against National Telecom (THB31.1b claim against ADVANC) at Arbitration Institute; ADVANC appealed the order at the Central Admin Court in Apr 2020, and the case is still on-going.

f) What are the 2-3 key carbon mitigation/water/waste management strategies adopted by the company?

1. increase network's energy efficiency through the analysis of data usage, 2. increase utilization of renewable energy (i.e. solar panels at base stations), and 3. reduce non-recyclable E-waste from AIS services and operations.

g) Does carbon offset form part of the net zero/carbon neutrality target of the company? Yes

			Targ	get	(Score: 100)				
Particulars					`	Target	Achieved		
Generate THB150r	Generate THB150m revenue from digital innovations by 2024								
Reduce GHG emiss	90 %	89 %							
Increase renewabl	e energy usag	ge to 5% of	total energy cons	sun	nption by 2023	5.0%	1.2%		
Collect 360,00 uni	ts of obsolete	e mobile an	d related electro	nic	waste for recycling in 2023	360,000	160,924		
Reduce non-recycl	able E-waste	from servi	ces and operation	ns t	o 3% in 2023	3%	0.0%		
	Improve the wellbeing of 700,000 people through digital platform and collaboration by 2023								
Protect 290,000 Th	Protect 290,000 Thai users from cyber threats in 2023 (users of AIS Secure Net and AIS Fibre Secure								
				l	mpact				
					NA				
			Ov	era	Ill Score: 57				
As per our ESG ma	trix, Advance	ed Info Serv	ice (ADVANC TB)	has	an overall score of 57.				
ESG score	Weights	Scores	Final Score	1	As per our ESG assessment, ADVANC ha				
Quantitative	50%	31	16		internal policies, and tangible mid/le				
Qualitative	25%	67	17		some challenges on the controversies				
Target	25%	100	25		ADVANC's overall ESG score is 57, which average in our view (average ESG rati		o racing above		
Total			57						

Fig 1: ADVANC has agreed to buy 700MHz spectrum licences (2x5MHz of bandwidth) from NT; the licences will expire on 31 Mar 2036

			Annual instalment (THB m)									
	Purchase price (THB m)	2023	2024	2025	2026	2027	2028	2029	2030			
Annual instalment to NBTC	13,722	1,715	1,715	1,715	1,715	1,715	1,715	1,715	1,715			
Upfront payment to NT	1,144	1,144										
Total spectrum price	14,866											

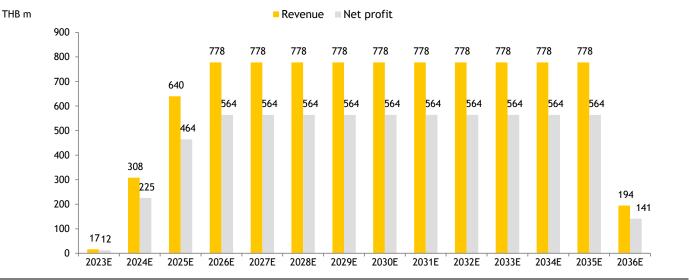
Source: Company, MST

Fig 2: NT will lease 13,500 base stations from ADVANC

Parties	AWN (ADVANC's wholly-owned subsidiary) and NT
Terms and conditions	AWN provides a network rental on NT's 700MHz spectrum to NT by constructing 13,500 base stations across the country within two years from the date of signing
Agreement period	11 Sep 2023 to 31 Mar 2036, matching the expiry of NT's 700MHz spectrum licence

Source: Company, MST

Fig 3: Revenue and net profit from the network lease to NT



Source: Company, MST

Fig 4: Changes in earnings forecasts

Unit: THB m	Actual		New			Previous			% change	
	2022A	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
Mobile subscriber (m)	46.0	46.5	46.7	46.7	46.5	46.7	46.7	0.0%	0.0%	0.0%
Mobile ARPU (THB/sub/month)	214	217	223	229	217	223	229	0.0%	0.0%	0.0%
FBB subscriber (m)	2.2	2.5	5.0	5.1	2.5	5.0	5.1	0.0%	0.0%	0.0%
FBB ARPU (THB/sub/month)	423	415	490	492	415	490	492	0.0%	0.0%	0.0%
Service revenue ex. IC (THB	133,031	142,845	161,147	165,607	142,845	161,147	165,607	0.0%	0.0%	0.0%
% у-оу	101.1%	201.1%	301.1%	401.1%	201.1%	301.1%	401.1%	0.0%	0.0%	0.0%
Mobile revenue	116,695	120,490	124,612	128,151	120,490	124,612	128,151	0.0%	0.0%	0.0%
FBB revenue	10,063	15,695	29,341	29,903	15,695	29,341	29,903	0.0%	0.0%	0.0%
Other revenue	6,273	6,661	7,193	7,553	6,661	7,193	7,553	0.0%	0.0%	0.0%
Total revenue	185,483	197,703	218,142	224,360	197,686	217,834	223,720	0.0%	0.1%	0.3%
EBITDA (THB m)	89,731	93,470	99,436	103,405	93,454	99,159	102,830	0.0%	0.3%	0.6%
EBITDA margin %	48.4%	47.3%	45.6%	46.1%	47.3%	45.5%	46.0%	0.0%	0.1%	0.3%
Core net profit (THB m)	25,611	29,018	30,375	30,786	29,005	30,151	30,321	0.0%	0.7%	1.5%
Net profit (THB m)	26,014	29,018	30,375	30,786	29,005	30,151	30,321	0.0%	0.7%	1.5%
Core EPS (THB)	8.61	9.76	10.21	10.35	9.75	10.14	10.20	0.0%	0.7%	1.5%
EPS (THB)	8.75	9.76	10.21	10.35	9.75	10.14	10.20	0.0%	0.7%	1.5%
DPS (THB)	7.69	8.23	8.61	8.73	8.22	8.55	8.59	0.0%	0.7%	1.5%
Network capex (cash, THB m)	32,319	29,000	29,000	29,185	29,000	29,000	29,185	0.0%	0.0%	0.0%
Licence capex (THB m)	11,039	13,899	15,689	17,462	11,039	13,973	15,746	25.9%	12.3%	10.9%
Net debt to EBITDA (x)	0.84	1.04	0.85	0.69	1.01	0.80	0.62	2.9%	5.6%	9.8%
ROIC (%)	15.9%	15.4%	16.9%	18.0%	15.7%	17.2%	18.5%	-1.4%	-1.9%	-2.5%

Source: Company, MST

Fig 5: DCF valuation

DCF Valuation								
Cost of equity assumption (%)								
Risk free rate	3.0%							
Market risk premium	7.4%							
Stock beta	0.627							
Cost of equity , Ke	7.6%)						
Cost of debt, Kd	3.5%)						
After-tax cost of debt	2.8%)						
WACC	7.6%	•						
Cashflows (THB m)	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	Perpetuity
Period for discounting	0	1	2	3	4	5	6	6
Cashflows from operation	96,345	99,783	101,228	106,072	108,491	110,628	112,932	
Cash payment for lease liabilities	-11,470	-11,814	-12,169	-12,534	-12,910	-13,297	-13,696	
CAPEX								
PPE	-29,000	-29,185	-28,784	-29,362	-28,895	-27,404	-26,690	
Licence	-15,689	-17,462	-17,462	-17,462	-17,462	-17,362	-17,262	
FCFF	40,186	41,322	42,813	46,714	49,224	52,565	55,284	1,015,548

NPV OFFCFF			3	8,420	37,012	37,548	3 30	5,787	36,525	35,7	17	610,031
Sum of NPVs at end-FY	′24E	832,03	39									
FY23E net debt		84,49	6									
Equity Value		747,54	13									
# of shares		2,974	1									
TP (THB/share)		251.0)									
Current share price (THB	/share)	218.0)									
Upside (downside) to DC	F-based TP (%) 15.1%	, o									
urce: Company, MST g 6: Peer comparis Stock B	50N loomberg	Mkt cap	Rating	Price	ТР	Upside	P/E	E (x)	P/B	(x)	Divy	ıld (%)
	2	•				•						• •
	code	(USD'm)		(LC)	(LC)	(%)	23E	24E	23E	24E	23E	24E
ADVANC A		10.055		240.00	254 00	40	22.2	24.2		()	2.0	
	DVANC TB	18,255	Buy	218.00	251.00	19	22.3	21.3	7.2	6.8	3.8	3.9

8.00

12.50

6.55

14

46

7

nm

8.3

6.6

nm

8.3

9.1

2.7

0.6

0.7

3.0

0.6

0.7

0.0

10.2

11.3

0.0

9.9

10.1

37,012

37,548

36,787

36,525

38,420

Source: FactSet, MST

TRUE Corp

Digital Telecomm

Jasmine Broadban

TRUE TB

JASIF TB

DIF TB

6,810

2,754

1,532

Buy

Buy

Hold

7.00

9.20

6.80

NPV of FCFF

35,717

610,031



FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Metrics					
P/E (reported) (x)	20.2	23.7	22.3	21.3	21.1
Core P/E (x)	25.3	22.6	22.3	21.3	21.1
P/BV (x)	8.4	6.8	7.2	6.8	6.5
P/NTA (x)	8.4	6.8	7.2	6.8	6.5
Net dividend yield (%)	3.3	3.9	3.8	3.9	4.0
FCF yield (%)	5.9	6.6	7.4	8.0	8.2
EV/EBITDA (x)	8.8	7.8	8.3	7.6	7.1
EV/EBIT (x)	21.2	18.9	20.0	18.2	17.6
INCOME STATEMENT (THB m)		105 103 0			
Revenue	181,332.9	185,483.0	197,703.0	218,141.5	224,360.3
EBITDA	91,554.0	89,862.0	93,612.5	99,579.2	103,548.3
Depreciation	(53,374.0)	(52,902.0)	(54,507.6)	(57,885.4)	(61,782.6)
Amortisation	0.0	0.0	0.0	0.0	0.0
EBIT	38,180.0	36,960.0	39,104.9	41,693.8	41,765.7
Net interest income / (exp)	(5,626.0)	(5,231.0)	(5,683.3)	(5,987.5)	(5,243.5)
Associates & JV	0.0	10.0	1,718.5	1,157.8	1,192.1
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	340.0	442.0	395.0	508.0	470.0
Pretax profit	32,894.0	32,181.0	35,535.1	37,372.0	38,184.4
Income tax	(5,970.0)	(6,167.0)	(6,517.3)	(6,996.9)	(7,398.5)
Minorities	(2.0)	(3.0)	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	26,922.0	26,011.0	29,017.8	30,375.2	30,786.0
Core net profit	27,038.1	25,607.8	29,017.8	30,375.2	30,786.0
BALANCE SHEET (THB m)	42 720 2	0.012 5	42 040 8	42,000,2	42.040.2
Cash & Short Term Investments	12,739.3	9,013.5	13,010.8	12,999.3	13,048.3
Accounts receivable	16,552.3	17,901.8	19,081.2	21,053.8	21,654.0
Inventory	2,104.3	3,839.3	4,025.1	4,145.8	4,270.2
Property, Plant & Equip (net)	117,844.0	113,252.0	146,365.6	145,669.3	142,442.8
Intangible assets	142,639.0	136,592.1	146,858.6	133,024.2	119,189.8
Investment in Associates & JVs	982.9	993.6	14,188.6	14,285.9	14,572.0
Other assets	63,360.0	55,451.4	48,381.7	40,790.9	31,779.8
Total assets	356,221.7	337,043.7	391,911.5	371,969.2	346,956.8
ST interest bearing debt	14,131.7	20,495.8	25,495.8	25,495.8	21,000.0
Accounts payable	45,055.4	42,457.1	45,543.8	49,694.1	51,827.6
LT interest bearing debt	73,696.6	63,914.2	85,000.0	72,000.0	63,000.0
Other liabilities	141,514.0	124,360.0	145,500.0	129,638.0	111,155.0
Total Liabilities	274,397.2	251,227.3	301,539.4	276,828.2	246,982.4
Shareholders Equity	81,698.8	85,688.4	90,244.2	95,013.1	99,846.5
Minority Interest	125.8	127.9	127.9	127.9	127.9
Total shareholder equity	81,824.5	85,816.4	90,372.1	95,141.0	99,974.4
Total liabilities and equity	356,221.7	337,043.7	391,911.5	371,969.2	346,956.8
CASH FLOW (THB m)					
Pretax profit	32,894.0	32,181.0	35,535.1	37,372.0	38,184.4
Depreciation & amortisation	53,374.0	52,902.0	54,507.6	57,885.4	61,782.6
Adj net interest (income)/exp	5,626.0	5,231.0	5,683.3	5,987.5	5,243.5
• • • •		(6,252.7)		1,555.4	
Change in working capital	(1,034.3)	,	1,530.5		1,413.1
Cash taxes paid	(5,970.0)	(6,167.0)	(6,517.3)	(6,996.9)	(7,398.5)
Other operating cash flow	441.5	3,510.7	(52.8)	541.2	557.8
Cash flow from operations	85,331.2	81,404.9	90,686.4	96,344.8	99,783.0
Capex	(25,786.1)	(31,952.6)	(29,000.0)	(29,000.0)	(29,185.0)
Free cash flow	40,035.9	38,413.1	47,787.9	51,656.1	53,136.2
Dividends paid	(21,204.1)	(22,871.0)	(24,840.4)	(25,034.1)	(25,779.4)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(22,103.3)	(15,890.1)	14,949.8	(24,470.1)	(25,310.0)
Other invest/financing cash flow	(21,919.2)	(14,255.2)	(34,878.6)	(17,852.1)	(19,459.7)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0



FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Ratios					
Growth ratios (%)					
Revenue growth	4.9	2.3	6.6	10.3	2.9
EBITDA growth	2.2	(1.8)	4.2	6.4	4.0
EBIT growth	1.2	(3.2)	5.8	6.6	0.2
Pretax growth	1.1	(2.2)	10.4	5.2	2.2
Reported net profit growth	(1.9)	(3.4)	11.6	4.7	1.4
Core net profit growth	(1.4)	(5.3)	13.3	4.7	1.4
Profitability ratios (%)					
EBITDA margin	50.5	48.4	47.4	45.6	46.2
EBIT margin	21.1	19.9	19.8	19.1	18.6
Pretax profit margin	18.1	17.3	18.0	17.1	17.0
Payout ratio	84.9	87.9	84.3	84.3	84.3
DuPont analysis					
Net profit margin (%)	14.8	14.0	14.7	13.9	13.7
Revenue/Assets (x)	0.5	0.6	0.5	0.6	0.6
Assets/Equity (x)	4.4	3.9	4.3	3.9	3.5
ROAE (%)	34.2	31.1	33.0	32.8	31.6
ROAA (%)	7.7	7.4	8.0	8.0	8.6
Liquidity & Efficiency					
Cash conversion cycle	(86.2)	(82.9)	(72.9)	(73.0)	(74.5)
Days receivable outstanding	34.1	33.4	33.7	33.1	34.3
Days inventory outstanding	6.6	8.5	10.5	10.0	9.8
Days payables outstanding	126.9	124.8	117.0	116.1	118.6
Dividend cover (x)	1.2	1.1	1.2	1.2	1.2
Current ratio (x)	0.4	0.4	0.3	0.3	0.4
Leverage & Expense Analysis					
Asset/Liability (x)	1.3	1.3	1.3	1.3	1.4
Net gearing (%) (incl perps)	91.8	87.9	107.9	88.8	71.0
Net gearing (%) (excl. perps)	91.8	87.9	107.9	88.8	71.0
Net interest cover (x)	6.8	7.1	6.9	7.0	8.0
Debt/EBITDA (x)	1.0	0.9	1.2	1.0	0.8
Capex/revenue (%)	14.2	17.2	14.7	13.3	13.0
Net debt/ (net cash)	75,089.0	75,396.4	97,485.0	84,496.5	70,951.7

Source: Company; Maybank IBG Research

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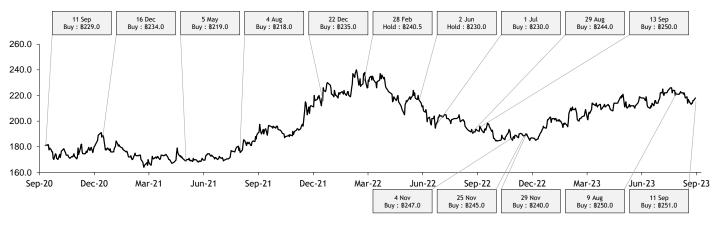
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