Maybank

Telecommunications

Regional

ASEAN Telecom

NEUTRAL *[Downgrade]*

2025 outlook: Measured restraint; D/G to NEUTRAL

After a bountiful 2024, be selective in 2025

ASEAN telcos delivered a total USD return of 19% in 2024, outperforming the MSCI ASEAN and global telecom index by 7ppt. Except for Indonesia, telcos in 2024 were helped by various tailwinds - reopening (SG/TH), cost/capex cut (True/AIS/ST/GLO/PLDT), less competition/price increases (TH/PH) and M&A/capital return (Intouch/Singtel/AIS). We see most of these catalysts waning in 2025. On the other hand, spectrum auctions (TH/ID) and elevated competition (ID/SG) possess headwinds while change in ownership of smaller telcos (Dito/U Mobile/XLSmart) could bring uncertainty. Given the lack of catalysts, we downgrade our sector view to NEUTRAL. Singtel, Globe and XL are our preferred picks.

Price increases and cost cuts have run their course; CelcomDigi a likely exception1

We forecast ASEAN mobile and fixed revenue to increase 3% YoY in 2025 vs 4% in 2024, and margins to rise 1.0ppt (vs 1.5ppt in 2024). TH/SG mobile revenue could be impacted by absence of reopening/increase in roaming which lifted 2024. Following a year of price increases in TH/PH, we think further price rises would be challenging amid weak economic conditions. Cost cuts and divestment of loss-making operations increased margins for ST/AIS/True by 1.8-5.9ppt in 2024, which we expect to soften in 2025 (the exception being CelcomDigi, as we expect margins to rise 2.5ppt with integration cost likely peaking in FY24).

Persistent smaller operators may inflict more pain

In SG, improving fundamentals of sub-scale Simba may continue to weigh on competition even if the market consolidates. In MY, U Mobile won the 2nd 5G licence and underwent ownership changes, which in turn could challenge the status quo. Similarly in PH, change in ownership of Dito Telecom could bring uncertainty to the industry. In ID, merger of XL and FREN would result in a strong No.3 operator and its spectrum gains suggest potential revenue market share gains (ala ISAT) while industry growth is likely to remain subdued. The 2-player Thai telco space remains insulated.

Swing factors are primarily non-core/non-operational

While telcos are beneficiaries of interest rate cuts, hopes of aggressive rate cuts have been dampened by Trump 2.0. Singtel may part divest its stake in Bharti and Gulf Energy (newco) – giving credence to dividend growth outlook and opening doors for share buybacks. For PH telcos, the exciting parts in 2025 are the other businesses, ie, Gcash, Maya and data centres. We see potential consolidation in SG but to be of limited help in reducing competition. We expect rational spectrum auctions in ID/TH, but this is likely to remain a concern among investors.

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Company	BBG	MBIG	Price	MBIG TP	Mcap	P/E (x)		EV /EBITDA (x)		ROE		Dividend Yield (%)	
	Code	Rec	(LC)	(LC)	USDm	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Singtel	ST SP	Buy	3.08	3.65	37,384	20.4	17.9	9.5	8.6	10.3%	11.4%	4.9%	5.5%
Singtel's earnings are projected to grow 19% YoY in FY26, driven by 6% Optus EBITDA growth from cost optimization, 10% data center revenue growth from capacity ramp-up, and a 24% increase in associate contributions (Bharti and AIS). Over FY25-27, Singtel is expected to generate SGD4.9b in FCF and has a SGD8b capital recycling buffer, totaling SGD13.2b for dividends and other uses. Estimated dividends (SGD16-20 cents/share) over the period total SGD8.9b, leaving an excess of SGD4.3b, potentially available for share buybacks.													
XL Axiata	EXCL IJ	Buy	2,250	3,200	1,825	15.5	13.1	4.2	3.8	6.8%	7.9%	2.6%	3.3%
We like EXCL for its potential transformation post-merger, with execution speed as the primary risk. XLSmart will gain the much needed spectrum strength (34% market share) which in turn will allow it to bridge the revenue market share (at 25%) gap. Trading at 3.8x FY25 EV/EBITDA, valuations are at the lower end of peers.													
Globe	GLO PM	Buy	2,184	2,750	5,446	14.1	13.0	6.8	6.5	14.8%	14.9%	4.6%	5.2%
We like Globe mainly due to the strength of GCash. We expect the e-wallet to account for around 20% of FY25E earnings. As the contribution of GCash continues to increase, it will be the main driver of earnings growth for GLO in the medium to long term. Valuations as well remains attractive.													

SEE PAGE 13 FOR IMPORTANT DISCLOSURES AND ANALYST CERTIFICATIONS

Fig 1: ASEAN telcos market outlook

Market	Outlook	Comments
Indonesia	Neutral	We cut our rating to NEUTRAL (vs. previous positive) as we expect growth to align with GDP and competition to remain tight. We think the XLSmart network will improve in 2H25E. We believe the competition is subject to ISAT's decision on pricing, as ISAT will need to defend market share from XLSmart, while Telkomsel might respond in ex-Java by upgrading its network or offering more attractive value. We like EXCL for its potential transformation post-merger, with execution speed as primary risk. We think TLKM to continue paying high dividends, despite we anticipate a soft growth. We also prefer telco over tower. We think telco consolidation will impact tower revenue growth
Malaysia	Neutral	We believe mobile operators will continue to be plagued by regulatory uncertainty and 5G capex risk into 2025E. We maintain a NEUTRAL stance on the sector. The telecom industry increasingly depicts a long-drawn out race to the bottom as competition hampers monetization and regulatory demands intensify. As revenues stagnate, telcos can only rely on optimising costs (including engaging in mergers) to preserve earnings. Into 2025E, we expect merger synergies to crystallize for CelcomDigi and Axiata (indirectly). Our preferred BUY is CelcomDigi
Philippines	Positive	What makes telcos exciting for 2025 are the other businesses – Gcash, Maya and data centres (DC). We expect mobile to slightly slow in 2025, but a change in Dito ownership may bring fresh uncertainty to the industry. Broadband is seeing a resurgence in subscriber growth, but as this is a prepaid service the contribution to revenue growth is also lower. So investors need to monitor the turnaround of Maya, which could be the most successful digital bank in the Philippines. GCash could also become successful if it can sustain the strong earnings growth and eventually go public. Lastly, data centers may also become a new growth segment for PH telcos.
Singapore	Neutral	In 2024, sector delivered a total return of 32% (including dividends) mainly led by Singtel. Operationally, sector earnings grew 11% mainly helped by various cost control initiatives as well as higher associate contribution (for Singtel). For 2025, we expect incumbent’s mobile revenue growth to decline by -1% in 2025. Besides high level of market saturation, we see a relatively higher competitive push from Simba and MVNOs and absence of tourism/roaming tailwinds to weigh on the industry mobile growth. In fixed broadband as well we see growth headwinds owing to the entry of Simba in the FBB space wherein its price points are 40-50% below that of incumbents besides high saturation. Potential for industry consolidation remains but the desired effect of same on competition may not be visible given presence of a subscale #4 operator Simba for whom market share gains is a more desired way to grow than price increases.
Thailand	Neutral	We downgraded sector to NEUTRAL from POSITIVE in November 2024. Sector delivered a total return of ~55% in 2024. While a 2 two player Thailand telco space is better placed, we see both topline growth and margins improvement slowing down in 2025. We expect mobile revenue growth to slow from 5% in 2024 to 3% in 2025 while fixed broadband growth is expected to slow from 9.5% in 2024 to 4% in 2025. Topline growth is slowing down owing to lack of price increase and tourism recovery scale of 2024. Thai telco EV/EBITDA valuation at 9x is hihger vs. ASEAN telco weighted average of 7x.

Source: Maybank IBG Research

Fig 2: ASEAN telcos Top Picks

Company	BBG	MBIG	Price	MBIG TP	Mcap	P/E (x)		EV /EBITDA (x)		ROE		Dividend Yield (%)	
	Code	Rec	(LC)	(LC)	USDm	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
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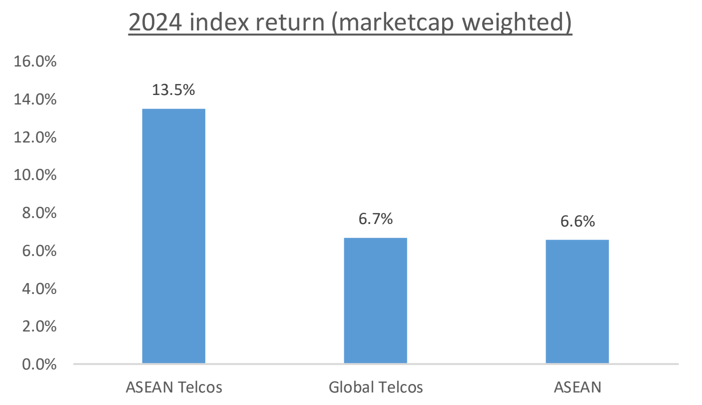
Source: Maybank IBG Research

1. 2024 was a bountiful year for ASEAN telcos

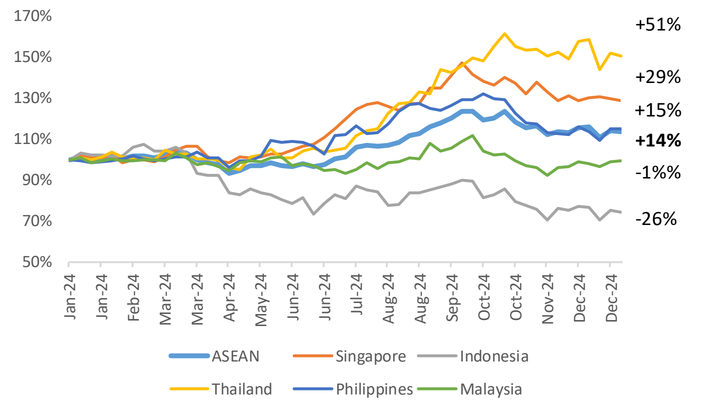
ASEAN telcos delivered a USD return of 14% in 2024 (+19% total return including dividends), outperforming the MSCI ASEAN and global MSCI telecom index by 7ppt. Except for Indonesia, telcos in 2024 were helped by reopening (SG/TH), costs/capex cut (True/AIS/ST/GLO/PLDT) and competitive improvement/price increases (TH/PH). In addition, positive M&A and capital return (Intouch/Singtel/AIS) helped in 2024.

Fig 3: ASEAN telcos in 2024 outperformed broader ASEAN and global telcos



Source: Maybank IBG Research, Bloomberg

Fig 4: Thailand and Singapore telcos were key outperformers, Indonesia was a laggard



Source: Maybank IBG Research, Bloomberg

2. 2025: Measured restraint

We forecast growth of mobile industry to slow in 2025; Moderate improvement in FBB in selected markets

Growth of mobile sector impacted by saturation and lack of tailwinds

In 2024, most of the ASEAN markets benefitted from rational competition (TH/PH) as well as tourism/recovery in roaming (TH/SG) except for Indonesia. Overall, we estimate the ASEAN mobile industry revenue grew 3.9% YoY in 2024. We expect it to slow down to 2.5% YoY growth in 2025. Besides the high level of market saturation already, we expect relatively more competition from smaller operators and the absence of tourism & roaming tailwinds, which may weigh on the growth of the mobile industry. As discussed in the next section, we think smaller operators in Indonesia, the Philippines, Singapore and Malaysia are already gaining or are expected to achieve strategic gains (through M&A, ownership changes, spectrum gains), which in turn may also weigh on the growth of the industry/incumbents.

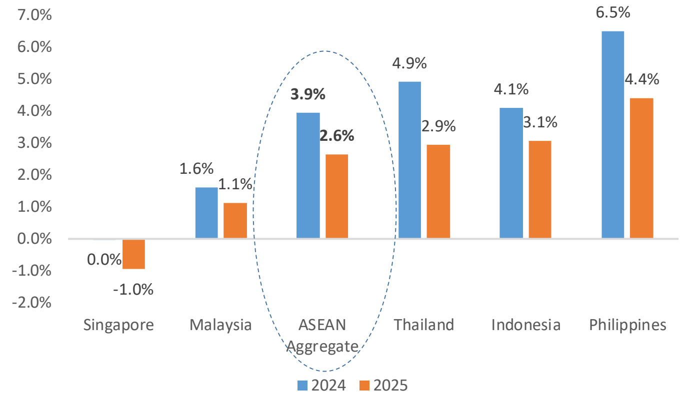
FBB in selected markets to benefit from post-Covid normalization; Competition to remain elevated in Singapore

We see potential for growth in FBB in Indonesia and the Philippines. FBB growth in both markets was relatively subdued in 2023-24 owing to post-Coivd normalization. In ASEAN, these markets have the lowest penetration levels, meaning there's more room for growth led by new subscriptions.

On the other hand, in Singapore we see growth headwinds owing to the entry of Simba in the FBB space wherein its price points are 40-50% below those of incumbents. This is in addition the high saturation level in

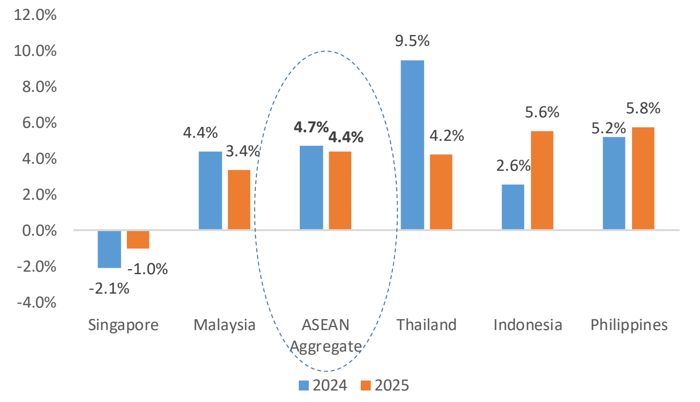
Singapore already. Also in Thailand, we expect growth to ease, as price increases in 2024 are likely to relatively slow down in 2025.

Fig 5: Expect ASEAN mobile revenue growth to slow down in 2025



Source: Maybank IBG Research, Company data

Fig 6: Expect ASEAN fixed broadband revenue growth to slow down in 2025



Source: Maybank IBG Research, Company data

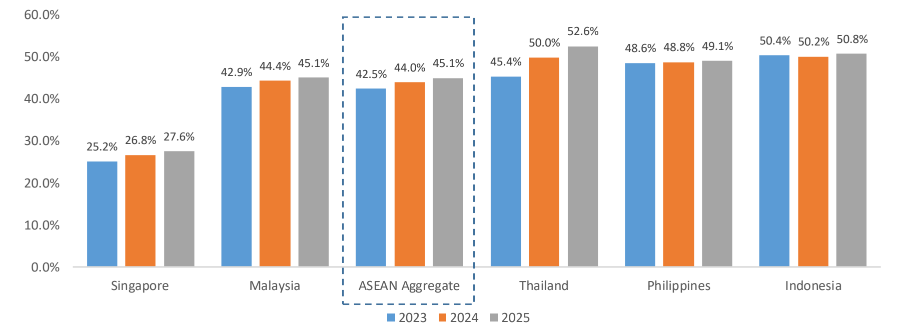
Expect margins to rise in 2025, but slow from 2024

For 2025, we forecast the margins of ASEAN telcos to increase by 1ppt in aggregate, slowing down from the 1.5ppt rise in 2024.

We expect the largest improvement in margins in Thailand of 2.7ppt in 2025. This should be mainly led by True Corp, as we forecast a 4.5ppt increase in margins. This should be supported by residual synergy realization post consolidation and the end of spectrum leasing fees paid to NT. The end of NT spectrum leasing fees will also help AIS. That said, a part of the improvement in margins owing to the absence of spectrum leasing fee will be transferred below EBITDA, as spectrum will move from direct leasing to the licensing model. Nevertheless, we estimate a net gain of THB5.9b for True and THB1.7b for AIS in FY25.

In Malaysia, we expect a 0.7ppt increase in margins overall, mainly led by CelcomDigi of 2.5ppt as merger synergies begin to manifest more meaningfully from FY25 onwards.

Fig 7: We expect the rise in margins to slow in 2025 from 2024



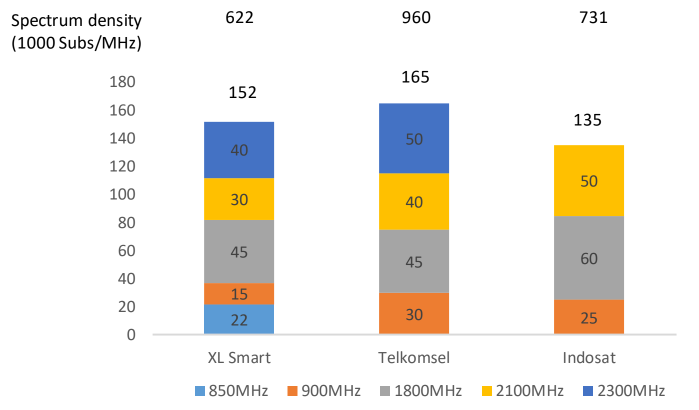
Source: Maybank IBG Research, Company data

3. Persistent smaller operators could inflict more pain

Indonesia: EXCL-FREN M&A – a strong No.3 operator could emerge

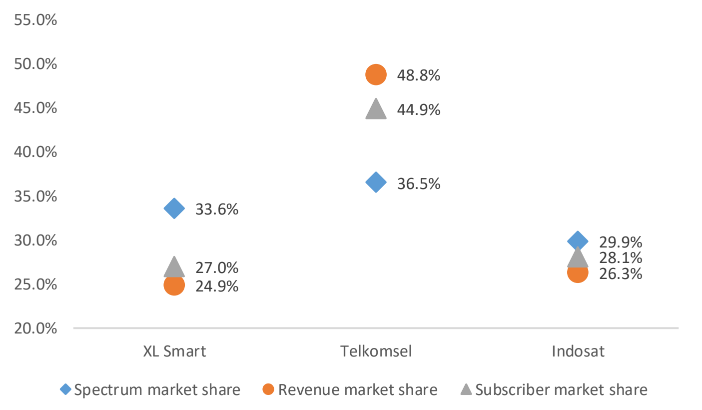
Telco is a scale business and the lack of scale had weighed on both XL and FREN's margins and ROEs. Potential M&A between XL Axiata and Smartfren may result in a mergedco having spectrum and network capabilities on par with their bigger competitors. We estimate the mergedco's spectrum market share would be ~34% compared to their revenue market share of 21%.

Fig 8: Spectrum ownership by operator and spectrum density (1000 Subs/MHz)



Estimates Source: Maybank IBG Research, Company data

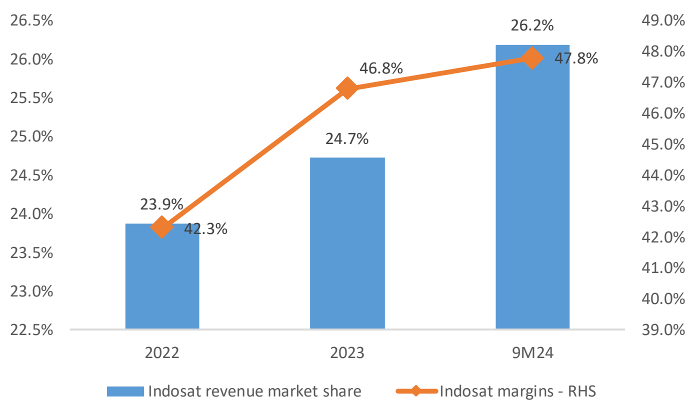
Fig 9: Indonesia telco operators: spectrum vs revenue market share vs subscriber market share



Source: Maybank IBG Research, Company data

Admittedly, network integration post-consolidation would be a challenge and the balance sheet leverage will also be on the higher side. That said, given the gap in revenue and spectrum share of the mergedco, we see potential for the mergedco to strive for higher market share. Note that when Indosat merged with Hutch in early 2022, it gained 3ppt in revenue market share and 5ppt in margin improvement.

Fig 10: Indosat merged with Hutch in early 2022 in Indonesia



Estimates Source: Maybank IBG Research, Company data

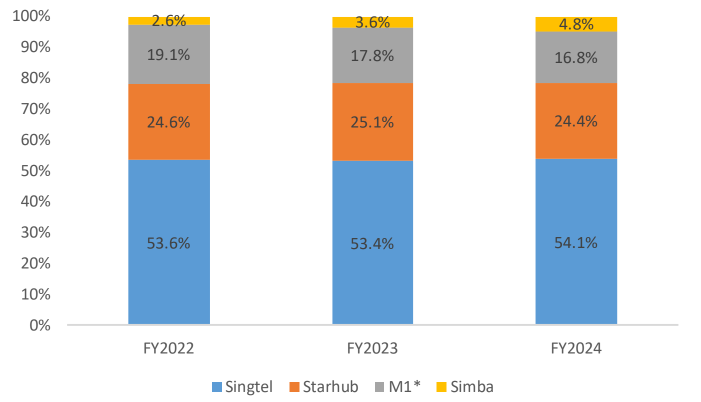
Singapore: Simba hits the mark and is well positioned to step up

Simba rolled out its commercial mobile service in Singapore in Mar'20. In just over 4 years, Simba has garnered 5ppt revenue market share. While its market share is still sub-scale, we note two feats that concern us about its potential impact on the incumbent telco operators:

- Even at a sub-scale 5% market share, Simba has attained healthy EBITDA margins, positive FCF and almost NPAT breakeven.

- The pace of Simba's market share gain is on an uptrend, which raises risk of an even bigger negative impact on incumbents going forward.

Fig 11: Singapore telcos revenue market share



**Estimates Source: Maybank IBG Research, Company data*

Fig 12: Simba financial metrics

SGD mn	FY21	FY22	FY23	FY24
Mobile subs (000)	392	587	819	1,053
Growth %		*50%*	*40%*	*29%*
Net adds (000)		*195*	*232*	*234*
Revenues	32.2	57.4	86.1	117.1
Growth %		*78%*	*50%*	*36%*
EBITDA	-0.5	15.5	31.1	49.7
Growth %			*101%*	*60%*
Margins	*-2%*	*27%*	*36%*	*42%*
NPAT	-28.2	-26.7	-15.3	-4.4
Capex		35.1	43.4	45.8
FCF		-13.0	-5.2	11.4
Net Cash	94.6	49.6	44.0	55.3

Source: Maybank IBG Research, Company data

Based on the current mobile pricing plans, Simba is still 50% below that of incumbents. Admittedly, it has a weaker network vs incumbents but end-user experience suggests the lag is relatively small at only 6-10%. Similarly, Simba's fixed broadband pricing for a 10Gbps plan is SGD29.9/month, which is 30-50% cheaper than incumbents' lower speed plans.

Fig 13: Comparison of price of Sim-only plans; Simba is still significantly cheaper than incumbents

Operator	Price (SGD)	Data allocation	Add on	Premium vs. Simba
Singtel/Gomo	18.3	300GB	6GB Roaming	53%
Starhub/Giga	18.3	300GB	6GB Roaming	53%
Simba	12.0	200GB	7GB Roaming	
Singtel/Gomo	15.0	250GB	1GB Roaming	50%
Starhub/Giga	15.3	300GB	4GB Roaming	53%
M1	15.0	250GB	Unlimited Weekend Data	50%
Simba	10.0	200GB	3GB Roaming	

Source: Maybank IBG Research, Company website

Fig 14: Comparison of price of home-broadband plan; Simba is still much cheaper than incumbents

	Speed	Price (SGD)
Singtel*	2.5Gbps	43.90
Starhub*	2Gbps	39.00
M1*	2.5Gbps	39.90
Singtel*	10Gbps	69.00
Starhub*	10Gbps	69.95
M1*	10Gbps	63.90
Simba	**10Gbps**	**29.99**

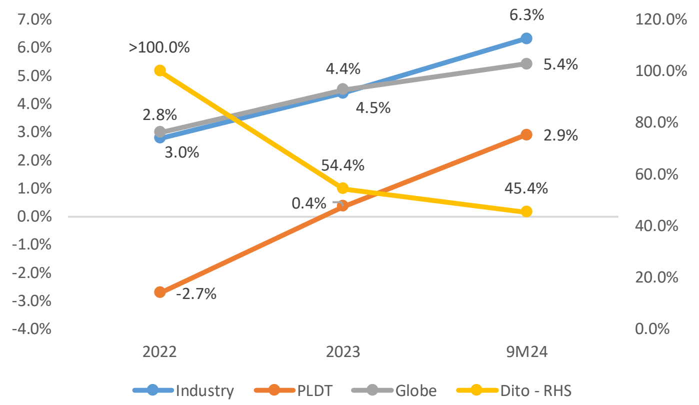
** Not 100% comparable as Singtel, Starhub and M1 FBB plans comes with multiple add-ons such as free content, security, installation etc. Source: Maybank IBG Research, Company website*

A resilient and heavily price discounted Simba may weigh on competition for a long time. Given these dynamics, we think the desired results of industry consolidation, if it happens at all in 2025, may not percolate to the incumbents.

Philippines: Changing of the guard could bring uncertainty to the industry

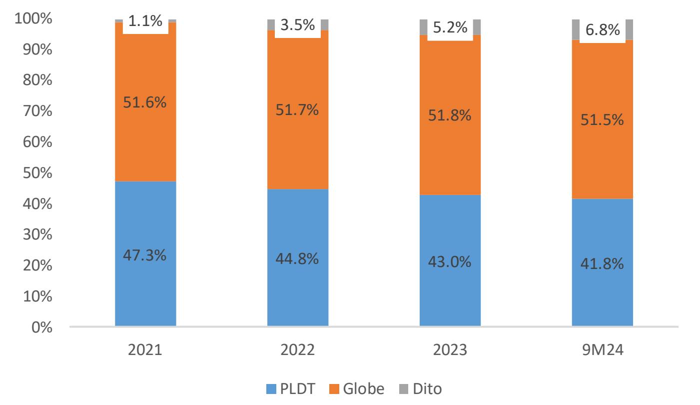
Dito Telcom is seeing a change in ownership as Summit Telco has been increasing its stake in Dito for the past two years to the point it is at the cusp of gaining majority share of Dito. If Summit Telco provides more funding to Dito in the near to medium term, we might see heightened mobile competition as it attempts to win market share from the 2 major operators. Meanwhile, new management of both PLDT and GLO could be more defensive to try to protect market share. This could escalate into a price war in the mobile segment.

Fig 15: Dito has been taking market share from incumbents



Source: Maybank IBG Research, Company data

Fig 16: Dito's market share



Source: Maybank IBG Research, Company data

Malaysia: U Mobile's 5G network win and changing of the guards

U Mobile to implement Malaysia's 2nd 5G network. In Nov'24, U Mobile was picked by the regulator to implement Malaysia's 2nd 5G network to compete with original 5G operator Digital Nasional Berhad (DNB). U Mobile is unlikely to deploy the second 5G network by itself, in our view, and could potentially collaborate with either CelcomDigi or Maxis (thus 5G capex concerns could resurface for the incumbents). We are also unsure if the present DNB access fees would be revised as part of the process of setting up the 2nd 5G network. As such, U Mobile's 5G network win and 5G capex risk possess sector risks. That said, given the share price de-rating of mobile telcos in recent years, some of the risks could have been priced-in, in our view.

U Mobile founder increases stake. In Dec'24, ST Telemedia announced to reduce its shareholding in U Mobile from 48% to 20%. The shares are being sold to Mawar Setia, which is 70% owned by Mr Vincent Tan, founder and chairman of U Mobile.

4. Swing factors are primarily non-core/non-operational

Key swing factors to keep an eye on:

We see catalysts for a few of the telcos, but they are non-core or non-operational in nature.

Singtel. Potential for larger capital return in 2025
Singtel's management earlier flagged SGD6b in potential capital recycling as part of its ST28 strategy. We see 2 potential capital-recycling targets over the medium term: 1) equalisation of its own stake in Bharti with the Mittal family – this suggests divestment of a 4-5ppt stake in Bharti, which in turn would be worth SGD6-7b based on Bharti's current share price. 2) Divestment of its stake in Gulf Energy (newco) – post amalgamation of Gulf Energy and Intouch. Singtel's management sees the newco as not being a telco nor a strategic holding and, as such, is likely to divest the stake, in our view. This could free up cSGD3b, based on Intouch's current share price. While these capital recycling targets could be executed in tranches over a medium term, we see Singtel has already generated SGD2b in proceeds from capital recycling in CY24-25, which in turn can help to support near-term value realization dividends. Singtel's 22%-owned associate, SingPost, announced divestment of its Australia business at an enterprise value of ÃUD1.0b, which in turn could lead to SGD79m in special dividends for Singtel.

Case for share buybacks emerge? We estimate Singtel will generate FCF of SGD4.9b over FY25-27 (including spectrum payments and data centre capex). Past and expected capital recycling adds a SGD8b buffer. Assuming SingPost pursues capital returns by further monetizing Singapore based assets, we see potential for another SGD300m in special dividends from SingPost. This yields a SGD13.2b cashflow+asset recycling buffer for dividends for FY25-27. Singtel's estimated dividends (regular + VRD) over FY25-27 total SGD8.9b (SGD16-20cents/sh over FY25-27). This suggests excess capital of SGD4.3b, which could be partly used for share buybacks, in our view.

Fig 17: Singtel - capital-generation analysis suggests excess capital for potential share buybacks

SGD m	FY25	FY26	FY27	Comments
Operating cashflows	4,980	5,390	5,780	
Less				
Lease liabilites	-454	-428	-407	
Interest expense	-439	-441	-454	
Capex	-2793	-2208	-1937	Part capex to be funded through cash contribution from data center JV partners like KKR
Spectrum outgo	-1697			
FCF for distribution	**-403**	**2313**	**2983**	
Buffer from previous asset recycling		2000		
Potential capital recycling		6000		
Potential upside from Singpost specials		300		
Total cashflow+asset recycling buffer for dividends		**13193**		
Expected diviedends (regular + VDR) - per share - (SGD cents)	16.0	18.0	19.6	
Total dividends outgo		**8850**		
Excess capital post dividend payments		**4343**		**Potential excess cash for share buybacks**

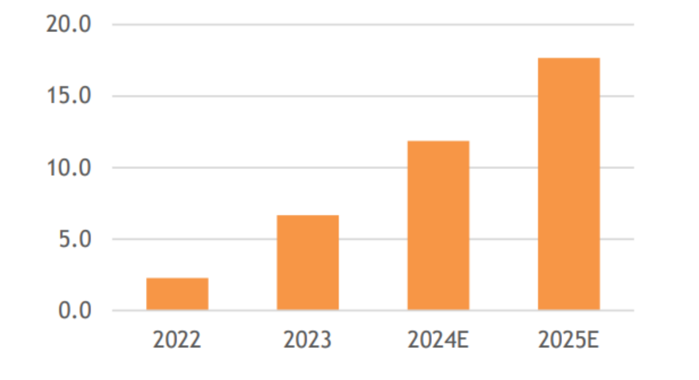
Source: Maybank IBG Research, Company

Globe Telecom: Catalysts with GCash and data centres

GCash. The more exciting businesses in the Philippine telco industry are actually not mobile or broadband. They are in fact Globe's e-wallet (GCash), and PLDT's digital bank (Maya). We like Globe mostly due to GCash, as GCash already accounted for around 14% of 3Q24 pre-tax earnings. We expect GCash to continue to provide strong earnings growth in FY25, driven by higher transactions, and mostly higher interest income as it increases the number of partnerships and loans. The entry of Mitsubishi UFJ (MUFG) into GCash should help provide more expertise to the lending business, which, according to GCash, is a segment it would like to grow. According to media reports (link), GCash is planning an IPO for 2H25, aiming to raise USD1.0-1.5b.

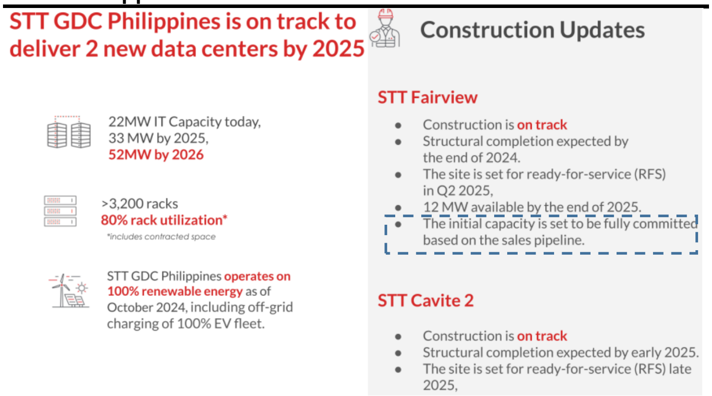
Data centre. In ASEAN, data centre demand is expected to increase at a 20% CAGR (link to report). For the Philippines, the telcos are the forefront in this segment as they were the early investors into data centres. Globe (STT GDC - domestic data center partner) has high aspirations for its data centre business and plans to increase capacity. STT GDC expects its Philippines data centre capacity to increase at a CAGR of 58% over the next 2 years. It noted that the initial capacity (12MW) of its upcoming STT Fairview data centre has already been fully committed based on the sales pipeline.

Fig 18: We expect Mynt's (GCash) earnings growth momentum to be sustained into FY25 (PHP b)



Source: Maybank IBG Research

Fig 19: STT GDC (Globe's domestic data centre partner) update on its Philippines data centre business



Source: Maybank IBG Research, Globe Tel, STT GDC

Interest rate cuts: A positive for telcos, but this catalyst has taken a backseat

Despite the rate cut in Dec'24, the market has recalibrated its outlook for the pace and depth of cuts in 2025. The Fed is now anticipated to make fewer and more cautious rate reductions due to stronger economic data and Trump's policy proposals, such as fiscal expansion and tariffs, which could fuel inflation and economic growth.

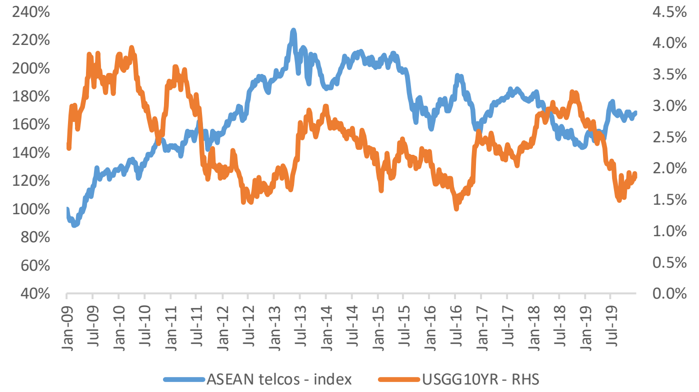
Fig 20: Outlook for the pace and depth of Fed rate cuts in 2025 tempered

Fed rate	Dec-24		Jan-25		Mar-25		May-25		Jun-25		Jul-25	
	05-Nov-24	Now	05-Nov-24	Now	05-Nov-24	Now	05-Nov-24	Now	05-Nov-24	Now	05-Nov-24	Now
(300-325)											1.2%	0.8%
(325-350)									5%	3%	9%	7%
(350-375)							11%	6%	22%	19%	25%	23%
(375-400)					26%	18%	34%	30%	35%	36%	33%	35%
(400-425)			41%	28%	45%	51%	37%	43%	27%	30%	23%	25%
(425-450)	77%	86%	48%	63%	24%	28%	16%	19%	9%	10%	8%	8%
(450-475)	22%	14%	11%	10%	4%	3%	2%	2%	1%	1%	1%	1%

Source: Maybank IBG Research, CME FedWatch

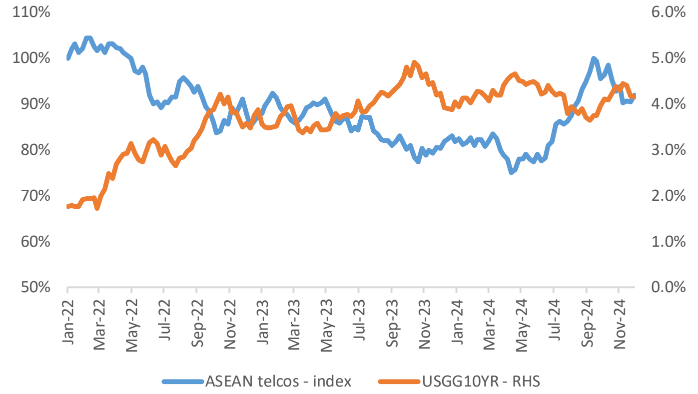
Telcos' share price performance is negatively correlated to interest rates. The historical correlation of 10-year US bond yields to ASEAN telco share prices is -60% from 2010-18 and -85% from 2022-YTD24. ASEAN telcos' performance relative to the MSCI APAC index is also 60-65% negatively correlated to 10-year US bond yields. While telcos are potential beneficiaries of a falling interest rate cycle, we see this catalyst has diminished with Trump's re-election.

Fig 21: ASEAN telco index vs US 10-year bond yield (2009-19) - correlation 60%



Source: Maybank IBG Research

Fig 22: ASEAN telco index vs US 10-year bond yield (Jan'22-Nov'24) - correlation 85%



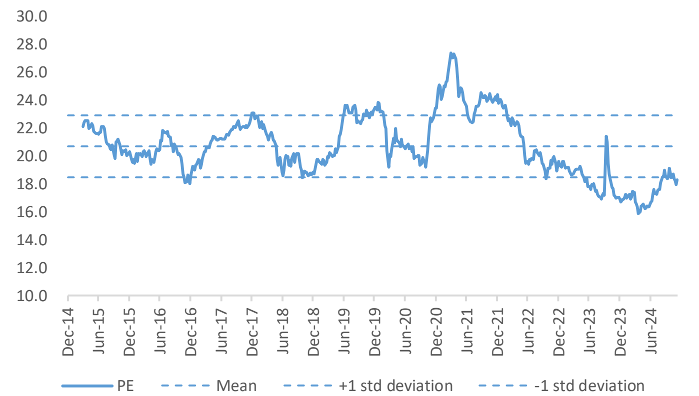
Source: Maybank IBG Research

5. Valuations – a mixed bag

Based on conventional valuation metrics, ie, PE, EV/EBITDA and dividend yield, ASEAN telcos are favourably placed, as they are trading at -1 STD below their long-term mean (PE and EV/EBITDA) and +1 STD above their long-term mean in terms of dividend yield.

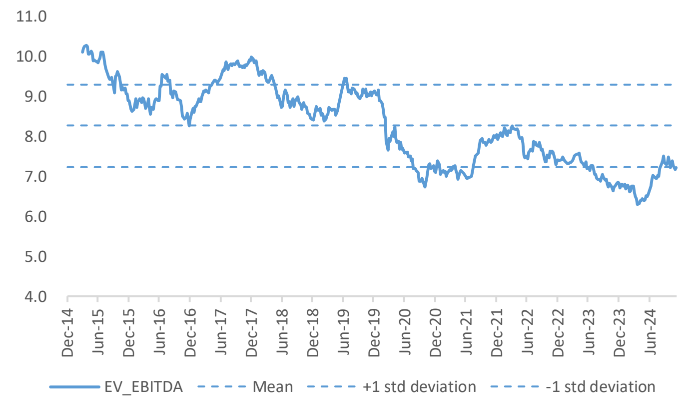
That said, defensive telcos are also held for their dividend-yield potential, which raises the question of how are yields faring vs bond yields. In this context, telcos are not favourably placed as their dividend yields to 10-year US bond yield spread are at just 0.4%, which is >-1 STD below their long-term mean.

Fig 23: ASEAN telcos PE band



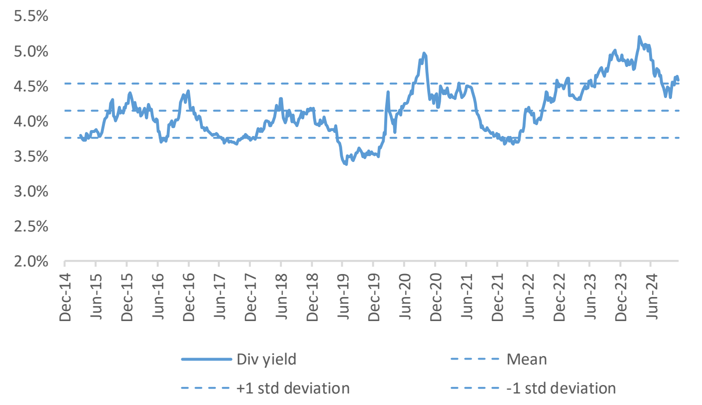
Source: Maybank IBG Research, Bloomberg

Fig 24: ASEAN telcos EV/EBITDA band



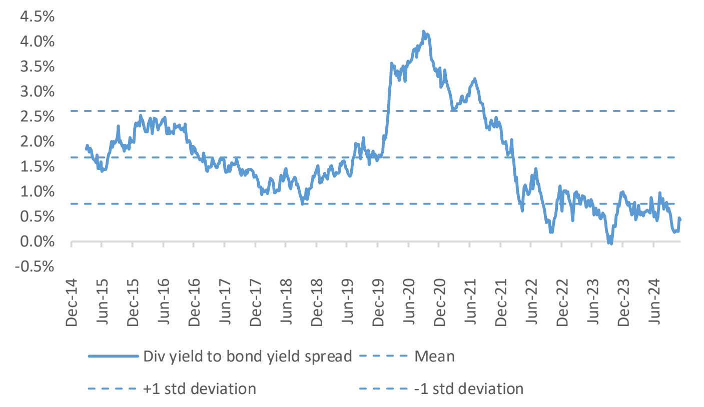
Source: Maybank IBG Research, Bloomberg

Fig 25: ASEAN telcos dividend yield band



Source: Maybank IBG Research, Bloomberg

Fig 26: ASEAN telcos dividend yield to US 10 year bond yield spread band



Source: Maybank IBG Research, Bloomberg

Fig 27: ASEAN telcos - valuation comps

Company	BBG	MBIG	Price	MBIG TP	Mcap	P/E (x)		EV /EBITDA (x)		ROE		Dividend Yield (%)	
	Code	Rec	(LC)	(LC)	USDm	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Singapore													
Singtel	ST SP	Buy	3.08	3.65	37,384	20.4	17.9	9.5	8.6	10.3%	11.4%	4.9%	5.5%
Starhub	STH SP	Hold	1.21	1.30	1,529	13.0	11.4	5.9	5.4	26.8%	30.5%	6.0%	6.6%
Thailand													
AIS	ADVANC TB	Hold	287.00	296.00	24,948	25.7	23.2	9.7	9.1	36.4%	37.7%	3.4%	3.8%
True Corp	TRUE TB	Buy	11.10	13.80	11,209	47.0	28.1	8.4	7.8	3.5%	11.2%	0.1%	1.2%
Malaysia													
Axiata	AXIATA MK	Buy	2.44	3.20	5,008	32.1	22.4	4.6	4.3	3.0%	4.2%	4.3%	4.8%
Maxis	MAXIS MK	Hold	3.66	3.70	6,408	20.4	19.6	9.0	8.8	23.9%	25.1%	4.5%	4.7%
Celcom Digi	CDB MK	Buy	3.60	4.50	9,439	24.3	20.2	9.2	8.7	10.4%	12.4%	3.7%	4.1%
Time dotCom	TDC MK	Hold	4.69	5.10	1,938	19.0	17.2	10.3	9.6	11.4%	12.9%	5.1%	4.9%
Telkom Malaysia	T MK	Buy	6.68	7.50	5,730	15.4	15.0	5.8	5.4	16.8%	16.2%	3.4%	3.6%
Indonesia													
PT Telkom	TLKM IJ	Buy	2,710	4,500	16,582	11.1	10.5	4.7	4.4	16.8%	17.3%	6.8%	7.1%
Indosat	ISAT IJ	Buy	2,480	2,900	4,940	15.4	12.6	4.5	4.1	15.8%	16.5%	2.9%	3.9%
XL Axiata	EXCL IJ	Buy	2,250	3,200	1,825	15.5	13.1	4.2	3.8	6.8%	7.9%	2.6%	3.3%
Philippines													
PLDT	TEL PM	Buy	1,295	2,070	4,832	8.0	7.5	5.1	4.8	31.3%	28.7%	7.6%	8.0%
Globe	GLO PM	Buy	2,184	2,750	5,446	14.1	13.0	6.8	6.5	14.8%	14.9%	4.6%	5.2%

Source: Maybank IBG Research

Fig 28: ASEAN telcos infrastructure - valuation comps

Company	BBG	MBIG	Price	MBIG TP	Mcap	P/E (x)		EV /EBITDA (x)		ROE		Dividend Yield (%)	
	Code	Rec	(LC)	(LC)	USDm	FY1	FY2	FY1	FY2	FY1	FY2	FY1	FY2
Singapore													
Netlink Trust	NETLINK SP	Buy	0.87	0.97	2,494	33.5	32.2	13.7	13.4	4.1%	4.5%	6.1%	6.2%
Thailand													
DIF	DIF TB	Hold	8.60	9.20	2,672	7.9	8.2	n/a	n/a	6.3%	6.4%	10.3%	10.3%
3BBIF	3BBIF TB	Hold	5.20	6.00	1,216	9.5	8.1	n/a	n/a	6.5%	7.6%	11.5%	10.5%
Indonesia													
Sarana Menara	TOWR IJ	Buy	655	1,260	2,064	9.8	8.9	7.0	6.7	18.9%	18.0%	3.9%	4.5%
Mitratel	MTEL IJ	Buy	645	850	3,329	24.8	22.3	9.0	8.5	6.3%	6.8%	3.2%	3.7%

Source: Maybank IBG Research, Bloomberg

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