

Telecom

SET ICT index Close: 30/9/2024 192.36 +0.31 / +0.16% Bt3,825mn
 Bloomberg ticker: SETCOMUN



Not time to exit the building

We remain positive on the sector and believe share prices could rise further despite the already substantial rise YTD. Compared to regional peers, current valuations are still lower in terms of EV/EBITDA – but EBITDA margin is higher and industry structure better thanks to fewer players. We do not feel the bonus from industry consolidation is over yet and thus expect higher ARPU. The upcoming spectrum auction in 2025 is not a real concern despite little information on bidding rules and in fact we see high chance of earnings upside after the auction from cost savings. TRUE is our top pick, but we also rate ADVANC as OUTPERFORM.

Valuation still attractive despite a strong rally. ADVANC and TRUE share prices have risen 20.3% and 121.8% YTD respectively, outperforming the SET by a large 17.5% and 119%. This begs the question: are current valuations demanding and should investors take some profit at this level? We believe the answer is “No”. We compare valuations in terms of EV/EBITDA for Thai telcos with regional peers and this shows that ADVANC and TRUE are both still trading below peer average but have a superior EBITDA margin in 2024-2025. Additionally, industry structure is better in Thailand with just two key players vs 3-5 for other countries in the region.

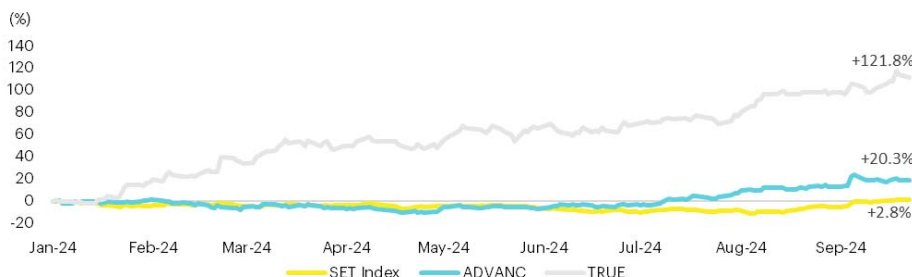
Industry outlook good - and getting better. We believe the benefits of market consolidation will continue to emerge, with ARPU for both prepaid and postpaid rising further, supported by a better pricing structure especially for the prepaid segment, and higher 5G subs where ARPU uplift is still at ~10%. At the same time, this will be gradual. There is also room for FBB to grow further, driven by demand for higher quality broadband and on-top packages such as home solutions, where ARPU is generally above average.

Potential earnings upside from license auction in 2025. In 3Q25, three licenses will expire, all leased from NT: 850MHz (leased by TRUE for Bt2.5bn p.a.), 2100MHz (leased by ADVANC for Bt3.9bn p.a.) and 2300MHz (leased by TRUE for Bt4.5bn p.a.). Since we expect mild bidding competition, all operators should enjoy cost savings: Bt2bn for ADVANC and Bt6bn for TRUE, based on our estimates. Savings are higher for TRUE since it has stated that it will no longer need 850MHz (details in Figure 13). We believe this is not yet fully reflected in the share price because of the limited information on the bidding rules.

Prefer TRUE over ADVANC. Although we like both companies, we prefer TRUE over ADVANC due to cheaper valuation in terms of EV/EBITDA as well as stronger earnings growth in 3Q24F and 2025F. TRUE also has a slightly higher benefit from an interest rate cut at 0.7% for 2025F for every 25bps cut vs 0.4% for ADVANC. We roll our valuation base for both companies to 2025. This lifts TRUE’s DCF-based TP to Bt13.0 from Bt11.5 (7.9% WACC and 2% LTG) and ADVANC’s to Bt300 from Bt260 (6% WACC and 2% LTG).

Key risks. A weak economic recovery that would weaken revenue growth for mobile and FBB businesses. Key ESG risk for the sector is cybersecurity and data privacy for its subscribers, which could hit revenue (S).

Share price performance YTD relative to SET



Source: InnovestX Research, Bloomberg Finance L.P.

Valuation summary

	Rating	Price (Bt)	TP (Bt)	ETR (%)	P/E (x) 24F	P/BV (x) 25F	P/BV (x) 24F	P/BV (x) 25F
ADVANC	Outperform	260.0	300.0	19.0	24.5	22.7	8.1	7.7
TRUE	Outperform	11.2	13.0	16.2	60.7	48.6	4.5	4.2
Average					42.6	35.6	6.3	5.9

Source: InnovestX Research

Price performance

(%)	Absolute			Relative to SET		
	1M	3M	12M	1M	3M	12M
ADVANC	5.3	23.2	14.0	(1.3)	10.5	15.8
TRUE	8.7	27.3	57.7	2.0	14.1	60.2

Source: SET, InnovestX Research

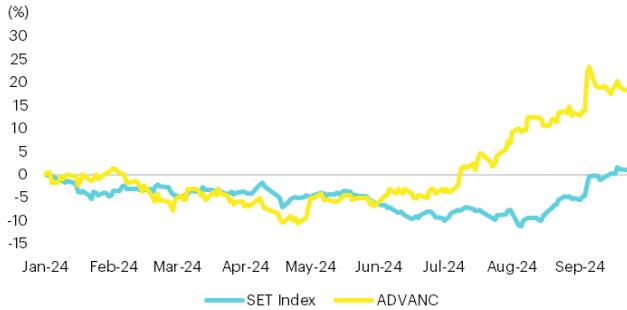
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Valuation remains attractive despite the strong rally YTD

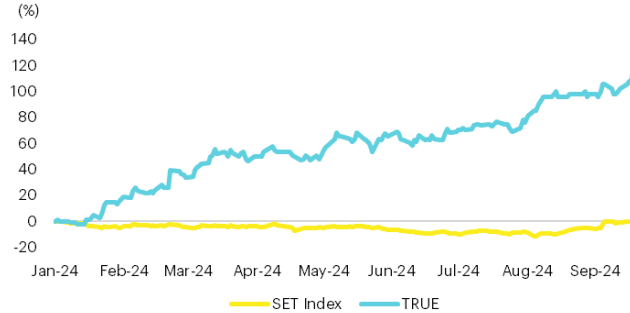
ADVANC and TRUE share prices have risen 20.3% and 121.8% YTD, a marked outperformance of 17.5% and 119% to the SET. Backing this is strong earnings growth in 1H24 upon eased pricing competition for both mobile and FBB. Despite the strong rise, we believe valuations for both remain attractive when compared to regional peers.

Figure 1: ADVANC outdid the SET by 17.5% YTD



Source: Company data, InnovestX Research

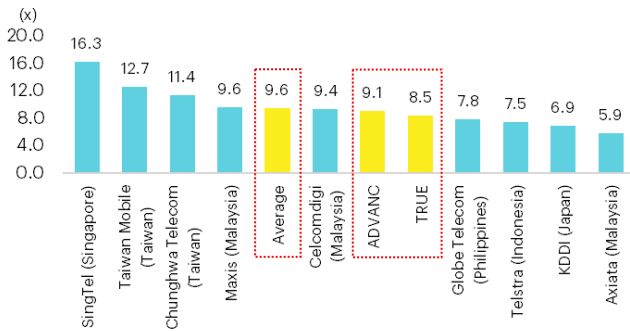
Figure 2: TRUE outperformed the SET by 119% YTD



Source: Company data, InnovestX Research

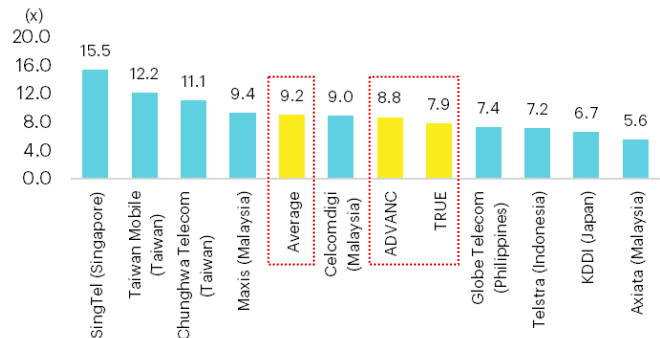
To support our stance, we refer to Bloomberg consensus data for a comparative analysis. In terms of EV/EBITDA, ADVANC and TRUE are trading at 9.1x and 8.5x in 2024, and 8.8x and 7.9x in 2025 vs the regional average of 9.6x in 2024 and 9.2x in 2025. Additionally, both companies boast higher EBITDA margins than the regional average, underscoring their strong profitability.

Figure 3: ADVANC and TRUE are trading below regional average in terms of EV/EBITDA in 2024



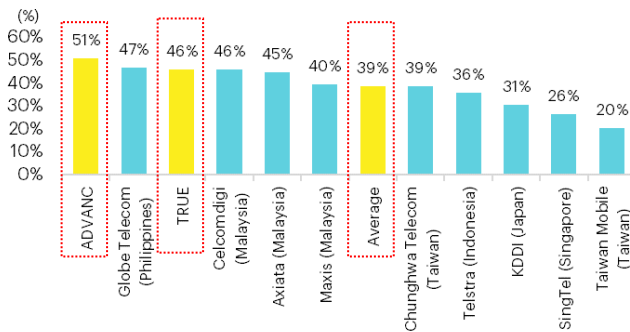
Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

Figure 4: ...and in 2025



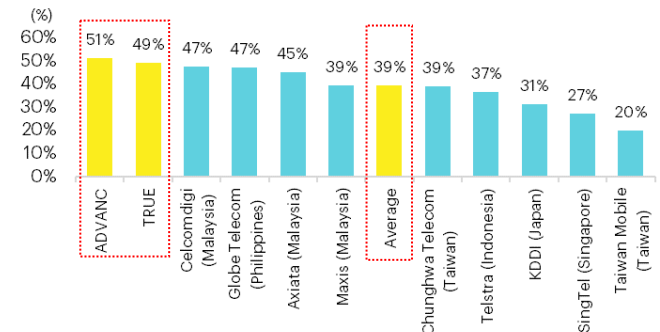
Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

Figure 5: Also have higher EBITDA margin in 2024



Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

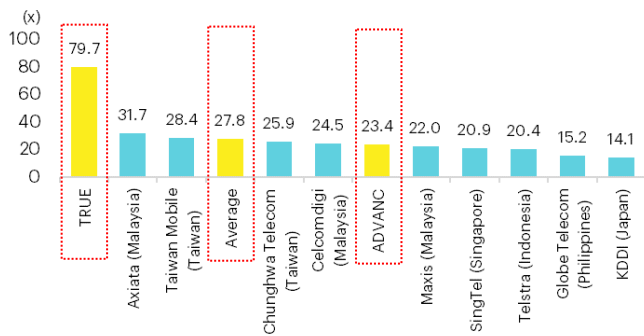
Figure 6: ...and in 2025



Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

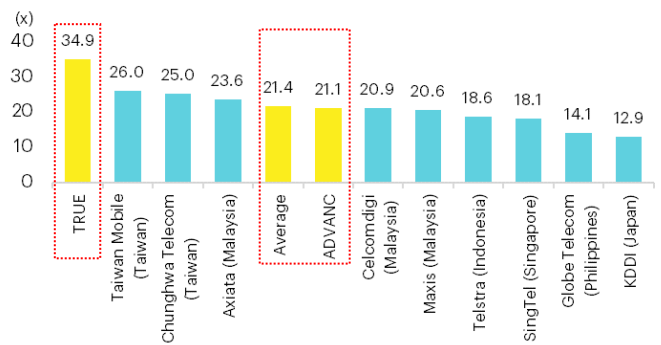
In terms of PE ratio, Thai telcos may not appear inexpensive when compared to the regional average except for TRUE, which is in the early stages of a turnaround, as reflected in its strong earnings growth in 2025F. ADVANC's PE and earnings growth are quite in line with regional average. The key point here is that Thailand has a more favorable industry structure. We also see potential earnings upside for both in 2025F, leading us to believe Thai telcos still present with attractive valuations.

Figure 7: PE comparison in 2024



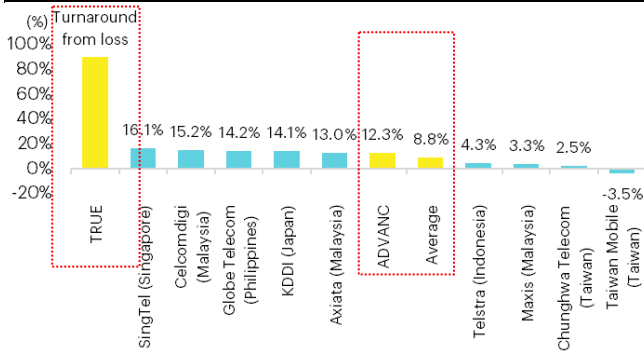
Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

Figure 8: PE comparison in 2025



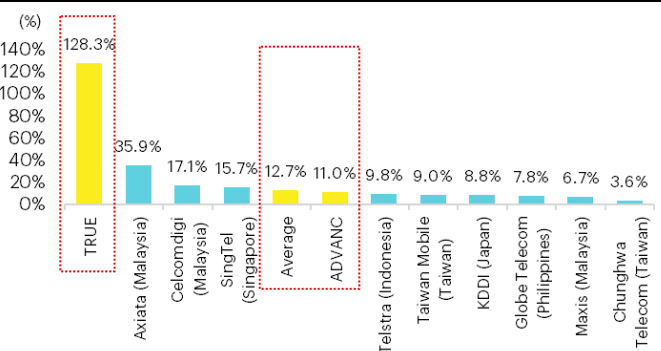
Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

Figure 9: EPS growth comparison in 2024



Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

Figure 10: EPS growth comparison in 2025

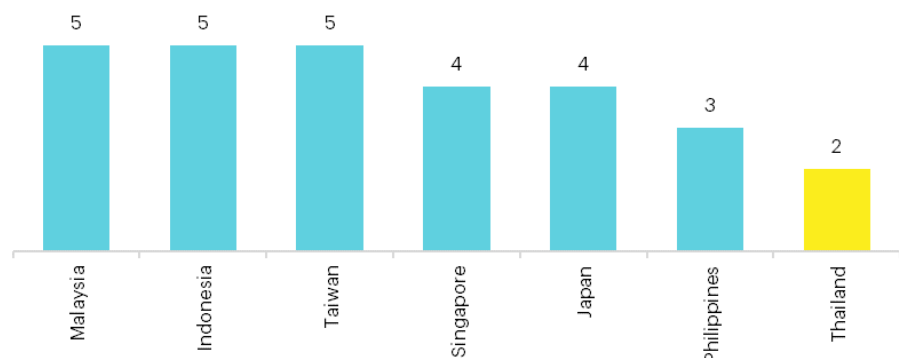


Source: InnovestX Research, Bloomberg Finance L.P.
Note: Price as of 23 Sep

Thailand's industry structure is advantageous, with only two key players, which limits competition and underwrites a more stable and predictable environment, allowing them to thrive. These factors suggest much room for further share price appreciation.

In conclusion, the combination of attractive valuations, superior profitability and a favorable industry structure in Thailand positions ADVANC and TRUE for continued growth. We believe there is ample room for their share prices to rise further, making them compelling investment targets in the current market landscape.

Figure 11: Thailand has the lowest number of key mobile operators



Source: InnovestX Research

Potential cost savings from license bidding in 2025

In 2025, three spectrum licenses will expire in 3Q25: 850MHz, 2100MHz and 2300MHz. An auction for these licenses is expected in 1H25. All three licenses now belong to National Telecom (NT), leased to ADVANC (2100MHz) and TRUE (850MHz and 2300MHz). ADVANC pays Bt3.9bn per annum for 2100MHz and TRUE pays ~Bt7bn for both spectra together (~Bt2.5bn for 850MHz and the rest for 2300MHz). TRUE has made it clear that it no longer needs 850MHz.

Figure 12: Spectrum licenses expiring in Sep 2025

	ADVANC	Cost	TRUE	Cost
850MHz (2x15MHz)	No	N/A	Yes	~Bt2.5bn p.a.
2100MHz (2x15MHz)	Yes	Bt3.9bn p.a.	No	N/A
2300MHz (60MHz TDD)	No	N/A	Yes	~Bt4.5bn p.a.

Source: Company data, InnovestX Research

Based on the current cost structure, we see potential cost savings for both ADVANC and TRUE arising out of the license auction, on the assumption that bidding competition is mild.

We look at the most recent auction, which was in 2012 for 2100MHz. The starting price for 15MHz capacity was Bt13.5bn for 15 years, implying an annual cost of Bt900mn. Assuming the price doubles in the upcoming round, we should still see ~Bt2bn savings annually for ADVANC if it retains the spectrum.

Since TRUE already announced that it is no longer interested in 850MHz, we should see at least Bt2.5bn in savings for TRUE. We do not have a benchmark price for 2300MHz, but the starting price should be ~Bt11bn for 60MHz, based on the starting price for 2600MHz in the 2020 auction plus a 30% premium. This implies cost of Bt1bn per annum. Note that the starting price for 2600MHz was Bt1.9bn for 10MHz capacity. Overall, we expect potential cost savings for TRUE on this at ~Bt6bn each year, assuming TRUE retains 2300MHz.

Though there has been no publication of the bidding rules, our calculations based on past auctions suggest earnings upside for the sector.

Figure 13: Estimated potential cost savings from the upcoming auction

	Amount (Btmn)	Comment
ADVANC		
(1) Current cost of 2100MHz per annum	3,900	
(2) Estimated new cost for 2100MHz p.a.	1,800	Assumed doubling in price from the auction in 2012 or Bt900mn p.a.
Potential annual cost savings	2,100	(1)-(2)
% upside to our 2025F earnings	1.2%	After-tax, with benefits assumed to start in 4Q25
% upside to our 2026F earnings	4.5%	After-tax
TRUE		
(1) Current cost of 850MHz p.a.	2,500	
(2) Current cost of 2300MHz p.a.	4,500	
(3) Cost saving from 850MHz	2,500	TRUE has made it clear that it no longer needs 850MHz
(4) Estimated new cost for 2300MHz p.a.	1,000	Based on the starting price for 2600MHz in 2020 plus 30% premium
Potential cost saving per annum	6,000	(1)+(2)-(4)
% upside to our 2025F earnings	15.1%	After-tax and benefits assumed to start in 4Q25
% upside to our 2026F earnings	48.6%	After-tax impact

Source: Company data, InnovestX Research

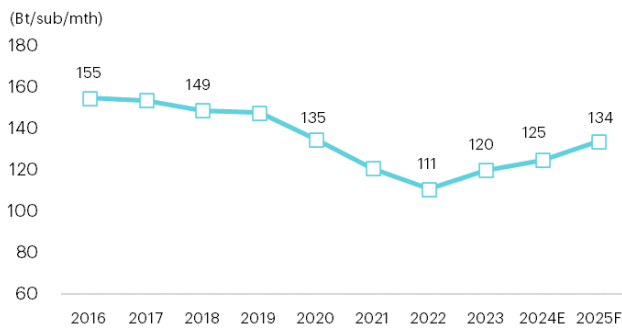
Industry update for end-1H24

Expect ARPU to rise further

According to SCB EIC, ARPU for telecom operators in Thailand is poised for exciting growth. With a rising number of 5G subscribers and continuous enhancements of service quality, ARPU is positioned for growth in 2024-2025. As the market reaches high penetration rates, the focus can shift towards delivering value, paving the way for sustainable ARPU growth through improved customer satisfaction and loyalty.

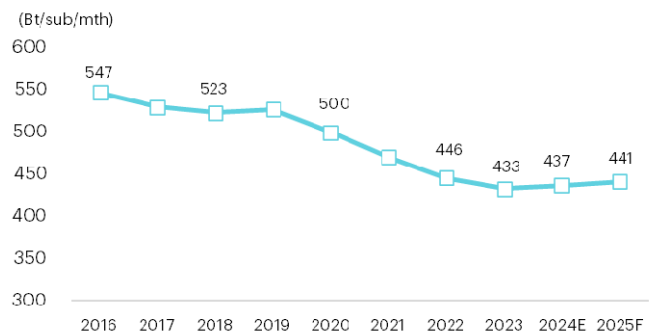
The view from SCB EIC is in line with INVX expectations that sector ARPU will rise further. The starting price for prepaid monthly packages for ADVANC is Bt150/mo with 15GB of data, still priced above average sector prepaid ARPU, with lower data on offer than prepaid subscribers generally use on average. TRUE's starting monthly package is Bt79/mo, which seems lower than its average prepaid ARPU. However, this provides data of just 5GB/mo, which is far below the average usage based on ADVANC numbers.

Figure 14: Expect sector prepaid ARPU to rise



Source: InnovestX Research, SCB EIC

Figure 15: ...and also postpaid

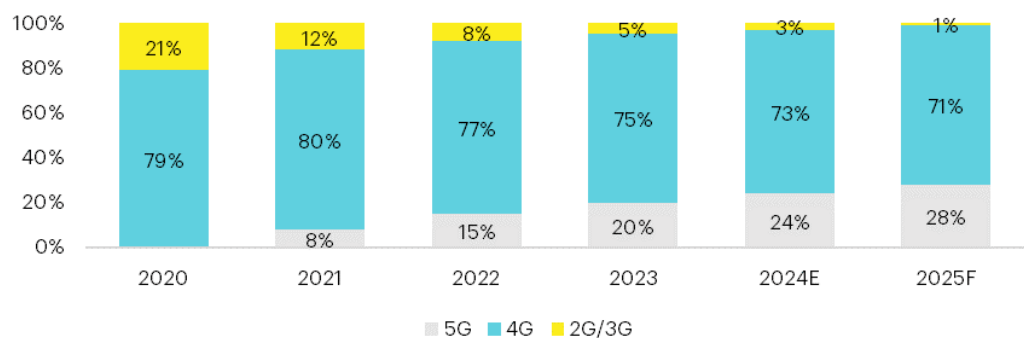


Source: InnovestX Research, SCB EIC

For the postpaid segment, the rising numbers of 5G subscribers will continue to drive ARPU as the gap for ARPU between non-5G and 5G subscribers is still 10-15%.

Overall, we believe the starting monthly prepaid package for ADVANC and TRUE against average data usage suggests further room for ARPU to rise further. In our forecast, we have assumed a continued rise in both postpaid and prepaid ARPU in 2024-2025.

Figure 16: Rising 5G subs is key for postpaid ARPU growth

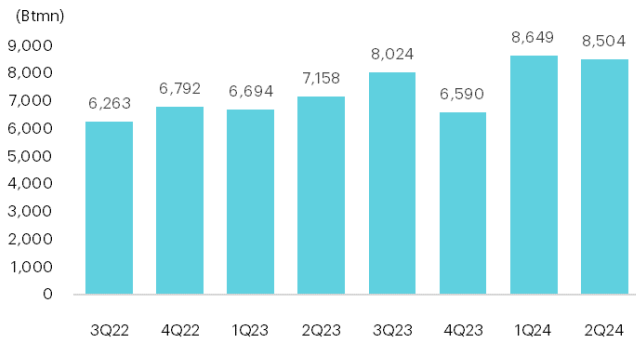


Source: SCB EIC

Market consolidation boosted 1H24 earnings

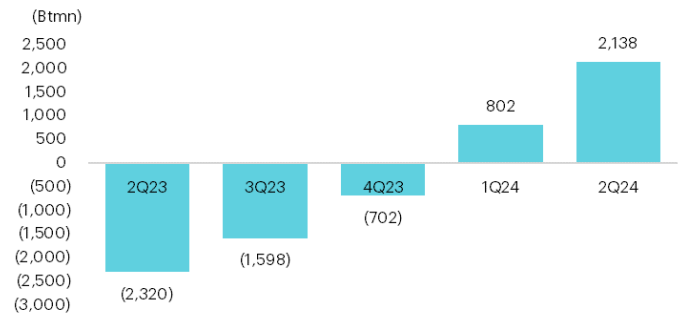
In 1H24, ADVANC reported net profit of Bt17.2bn, growing 23.8% YoY. TRUE reported a net loss of Bt2.7bn, but this was mainly from one-time expenses related to network modernization. Looking deeper shows core profit of Bt2.9bn in 1H24, a positive development on a QoQ basis. Note that we do not have 1H23 core profit for TRUE as the amalgamation process was completed in late 1Q23. Key to the strong earnings growth for both companies in 1H24 was lower pricing competition for both mobile and fixed broadband businesses.

Figure 17: Strong earnings in 1H24 for ADVANC



Source: Company data, InnovestX Research

Figure 18: ... and also for TRUE (core profit)

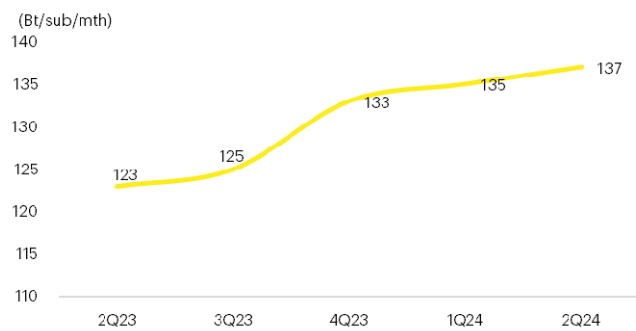


Source: Company data, InnovestX Research

Mobile pricing competition still in good shape

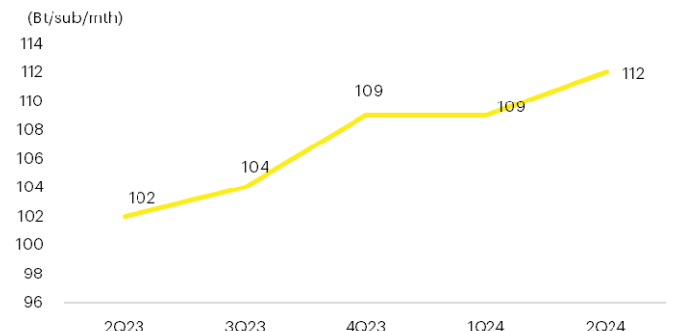
We use prepaid ARPU as a key indicator for pricing competition because this segment has historically experienced high levels of competition. Currently, we observe that prepaid ARPU is rising, driven primarily by the removal of low-tier unlimited data packages last year. TRUE's prepaid ARPU increased to Bt112 in 2Q24 from Bt102 in 2Q23 and ADVANC's rose to Bt137 in 2Q24 from Bt123 in 2Q23. This consistent growth in prepaid ARPU for the major players highlights the ongoing adjustments in pricing strategies and market dynamics.

Figure 19: ADVANC's mobile prepaid ARPU



Source: Company data, InnovestX Research

Figure 20: TRUE's mobile prepaid ARPU

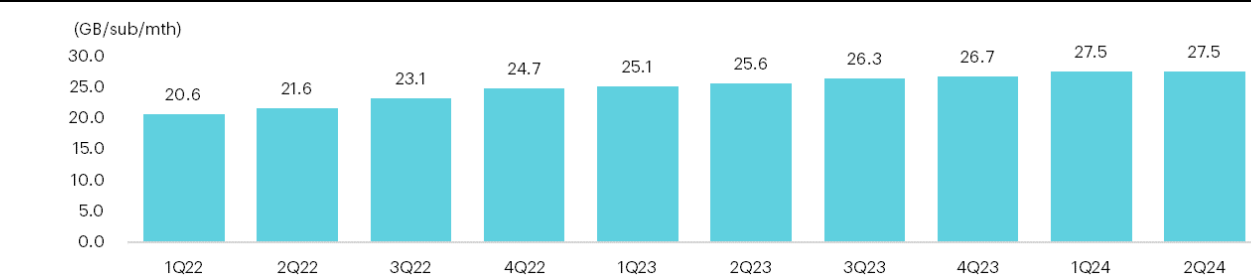


Source: Company data, InnovestX Research

Rising data consumption fueling higher prepaid ARPU

Apart from the removal of the unlimited data on low-tier packages for prepaid users, rising data consumption is a significant factor driving ARPU, as seen in the increasing frequency of data top-ups to meet subscriber needs. Over the past five quarters, ADVANC has reported a steady increase in data consumption to 27.5GB in 2Q24 from 25.6GB in 2Q23. Although TRUE has not provided specific data on this, we believe its trend is similar, reflecting a broader industry pattern. This steady rise in data usage underscores the growing reliance on mobile data services, which in turn boosts ARPU as users consume more data and engage in more top-ups.

Figure 21: Data consumption for ADVANC prepaid users

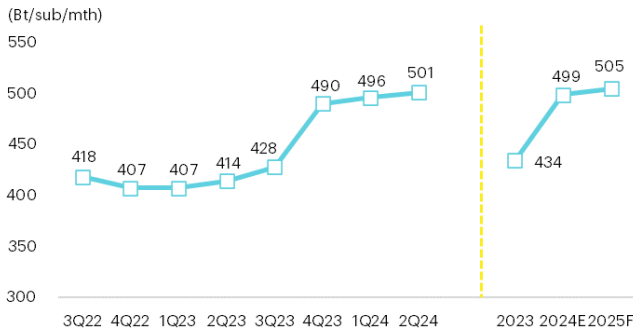


Source: Company data, InnovestX Research

Fixed broadband segment also benefits from market consolidation

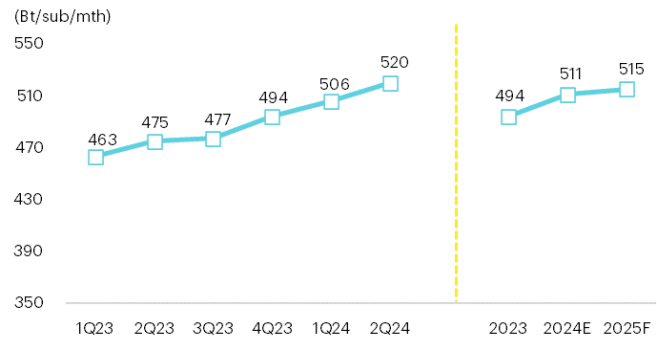
After ADVANC acquired TTTBB in 2023, we have seen continuous improvement in industry pricing competition as reflected by rising ARPU. One key development is the removal of low tier packages such as the one offering Bt299/mth: the starting package is now Bt500/mth. Going forward, we expect continuous improvement in ARPU from demand for higher quality broadband and on-top packages such as home solutions, where average ARPU is higher at a minimum of Bt599/mth vs the current ARPU of Bt501-505/mth. This is in line with SCB EIC and INVX assumption that ARPU for both TRUE and ADVANC will continue growing in 2024-2025.

Figure 22: ADVANC’s FBB ARPU



Source: Company data, SCB EIC

Figure 23: TRUE’s FBB ARPU



Source: Company data, SCB EIC

Note that the oldest data for TRUE was in 1Q23

3Q24F preview

We expect sector earnings in 3Q24F of Bt10.4bn, falling 1.9% QoQ on low season for the mobile business, but growing 62.4% YoY on cost synergy in the sector. In 3Q24F, TRUE is expected to report stronger earnings both QoQ and YoY than ADVANC as cost savings will help offset the impact of seasonality. In 4Q24F, we expect a drop QoQ in sector earnings from higher marketing expense for the year-end holidays. However, we expect growth YoY. We see potential earnings upside for TRUE in 4Q24F if it manages costs better than we now anticipate.

Figure 24: 3Q24F results preview

Core earnings (Btmn)	3Q23	4Q23	1Q24	2Q24	3Q24F	QoQ	YoY	Comment
ADVANC	8,024	6,590	8,649	8,504	8,271	-	+	We expect ADVANC to report 3Q24F core profit of Bt8.3bn, down 2.7% QoQ, but up 9% YoY. We expect its mobile revenue (59% of total revenue) to be at Bt30.5bn, slipping 0.5% QoQ and 3.9% YoY. The QoQ drop will reflect seasonality. We expect its SG&A to rise 0.4% QoQ and 33.1% YoY to Bt6.6bn, QoQ due to higher marketing expenses and staff cost and YoY reflecting the TTTBB deal. Results will be released on Nov 1. In 4Q24F, we expect core profit to drop QoQ from high marketing expense but grow YoY.
TRUE	(1,598)	(702)	802	2,138	2,165	+	+	We expect TRUE to report 3Q24F core profit of Bt2.2bn, growing 1.3% QoQ and turning around from a Bt1.6bn core loss in 3Q23. Although we estimate a drop in mobile revenue (63% of total revenue) of 2% QoQ, we expect growth of 2.4% YoY to Bt32bn due to seasonality. Ongoing cost savings should help offset the lower revenue QoQ. However, net profit will continue in the red due to the write-off of expenses for network modernization. Results will be released on Oct 25. In 4Q24F, we conservatively expect core profit to drop QoQ due to seasonality, with high marketing expense. However, if it manages cost better than we expect, there could be upside to our forecast.

Source: Company data, InnovestX Research

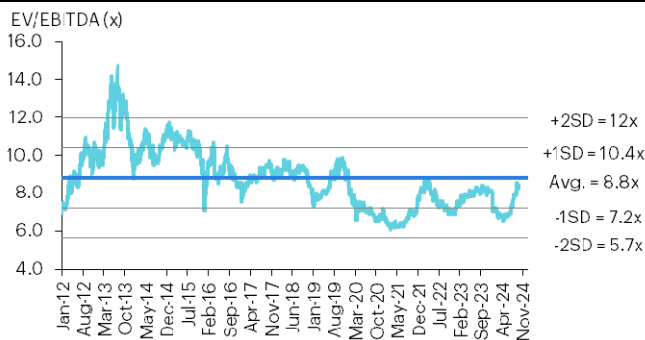
Maintain positive view on the sector; Prefer TRUE over ADVANC

We maintain our positive view on the sector as we believe valuations are still attractive despite the jump YTD. Industry outlook is also positive, with room for ARPU to rise further for both postpaid and prepaid segments and this will underwrite earnings growth in 2025F. We also see room for earnings upside from the license auction for 2100MHz and 2300MHz in 2025.

TRUE is our top pick in the sector. We maintain our OUTPERFORM rating but raise our DCF-based TP to Bt13.0 (from Bt11.5) after rolling valuation base to 2025. Our DCF valuation is based on 7.9% WACC and 2% LTG. We prefer TRUE over ADVANC as we see its valuation as cheaper in terms of EV/EBITDA and earnings growth is stronger.

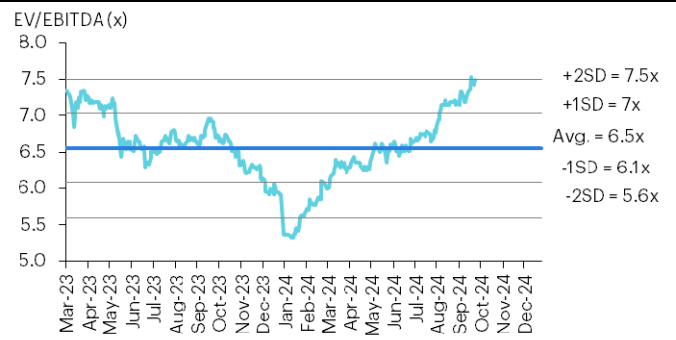
We also have an OUTPERFORM rating on ADVANC with a new DCF-based TP of Bt300 (from Bt260) after rolling valuation over to 2025. Our DCF valuation is based on 6% WACC and 2% LTG. We also like ADVANC for the benefits of market consolidation that will continue to emerge. Valuation is still undemanding compared to regional peers. We also believe it will be a target for the Vayupak fund since it has high trading liquidity and offers >3% dividend yield.

Figure 25: ADVANC EV/EBITDA band



Source: InnovestX Research, Bloomberg Finance L.P.

Figure 26: TRUE EV/EBITDA band



Source: InnovestX Research, Bloomberg Finance L.P.

Figure 27: ESG information disclosure in 2023

ESG disclosure	ADVANC	TRUE	ICT Average
Environment (Date as of 2023)			
Environmental Management			
Corporate environmental policy and practice	Yes	Yes	N/A
Energy Management			
Total electricity consumption within the organization (Kilowatt-Hours)	1,422,863,000	1,946,713,322	102,858,190
Water Management			
Total water withdrawal (Cubic meters)	199,734	162,666	158,567
Waste Management			
Total waste generated (Kilograms)	2,927,421	554,007	118,725
Percentage of total reused/recycled waste to total waste generated (%)	88	8	18
Greenhouse Gas Management			
Corporate greenhouse gas management plan	Yes	Yes	N/A
Total GHG emissions (MTCO2Eq)	704,264	1,062,163	88,009
Total GHG emissions - scope 1 (MTCO2Eq)	9,351	15,778	1,376
Total GHG emissions - scope 2 (MTCO2Eq)	694,913	702,553	96,365
Total GHG emissions - scope 3 (MTCO2Eq)	N/A	343,832	18,708
External Verification of Greenhouse Gas Emissions	Yes	Yes	N/A
Social (Date as of 2023)			
Human Rights			
Corporate human rights policy	Yes	Yes	N/A
Employment			
Total number of employees (Persons)	11,448	10,660	1,209
Total employment of workers with disabilities (Persons)	138	38	35
Percentage of employees in executive level (%)	0.15	0.00	3.26
Employee Remuneration			
Employee remuneration (baht)	10,656,599,000	9,526,245,746	925,625,426
Human Capital Development			
Average employee training hours (Hours / Person / Year)	24	47	N/A
Safety, Occupational Health, and Environment at Work			
Number of employee work injuries leading to employee absence (times)	0	0	1
Percentage of employees that lost time injuries for 1 day (Persons)	N/A	0	1
Lost time injury frequency rate (LTIFR) (Times / 1 million-manhours)	N/A	0	98
Employee Relation and Engagement			
Number of employee turnover leaving the company voluntarily (Person)	837	723	183
Employee turnover rate (%)	7.31	6.78	16.71
Significant labor dispute	No	No	N/A
Governance and Economics (Date as of 2023)			
Composition of the Board of Directors			
Total number of directors (Persons)	11	11	9
Total number of female directors (Persons)	2	3	2
Percentage of female directors (%)	18	27	22
Total number of independent directors (Persons)	4	4	4
Percentage of independent directors (%)	36	36	43
Total number of non-executive directors (Persons)	9	11	7
Percentage of non-executive directors (%)	82	100	71
Average director age (Years)	60	58	60
The Chairman of the Board is an independent director	Yes	No	N/A
The Chairman of the Board is the Highest-ranking Executive	No	No	N/A
The Chairman of the Board & the Highest-ranking Executive are from the same family	No	No	N/A
Meeting Attendance of the Board of Directors and Audit Committee			
Number of the Board of Directors meeting (Times)	8	7	7
Number of the audit committee meeting (Times)	16	7	5
Remuneration of Directors and Executives			
Total Director Remuneration (Baht)	18,225,000	16,000,000	5,737,412
Total executive remuneration (Baht)	121,420,000	290,330,000	44,287,431
Sustainability Policy and Strategy			
Corporate sustainability policy	Yes	Yes	N/A
Corporate sustainability report	Yes	Yes	N/A
Company sustainability disclosure aligned with guidelines	GRI, SASB, FCFD, SGS	GRI, UN, COP21, SDGs	N/A

Source: SETSMART and InnovestX Investment Research

Figure 28: ESG summary and our view on ESG

	ADVANC	TRUE
2023 SET ESG rating	AAA	N/A due to amalgamation
2022 Bloomberg ESG Financial Materiality Score (Rank in the sector)	3.67 (1/38)	N/A due to amalgamation
• Environmental Score (Rank)	3.19 (3/38)	N/A due to amalgamation
• Social Score (Rank)	3.26 (2/38)	N/A due to amalgamation
• Governance Score (Rank)	4.95 (1/38)	N/A due to amalgamation
Environmental issue Key risks: GHG emission & e-waste management	<p>ADVANC has committed to net zero target by 2050 with a goal of reducing GHG emissions intensity as calculated from the ratio of direct and indirect emissions to data traffic by 90% compared to the baseline in 2015.</p> <p>To achieve its GHG target, ADVANC has increased the percentage of energy from renewable sources from 0.5% in 2020 to 2.3% in 2023.</p> <p>ADVANC is in compliance with Electronic Product and Equipment Disposal Act and has its short-term target and long-term target to be zero e-waste to landfill.</p> <p>We view ADVANC has lower total GHG emission than sector average which showed its commitments on key environment issues.</p>	<p>TRUE has committed to net zero target by 2050 and carbon neutral in 2030.</p> <p>By 2026, TRUE targets to reduce 42% in carbon emissions from both Scopes 1 and 2, compared to the 2020 baseline.</p> <p>To achieve the carbon emissions reduction target, TRUE plans to increase solar cell capacity by 40MWP in 2024, 45MWP in 2025 and 40MWP in 2026.</p> <p>In 2023, TRUE achieved 1.99mn pieces of e-waste received from customers who participated in the campaign were properly recycled according to standards.</p> <p>By 2030, TRUE targets to achieve zero landfill e-waste.</p>
Social issue Key risks: Cybersecurity and data privacy for its subscribers	<p>ADVANC expands AUNJAI CYBER project, enhancing digital technology skills, and building cybersecurity awareness for 322,000 people.</p> <p>ADVANC creates the Thailand Cyber Wellness Index (TCWI) as a standard to build the digital citizenship for Thais.</p> <p>By 2025, ADVANC targets to enhance cybersecurity and data privacy to protect the critical business value chains by 2025.</p> <p>By 2027, ADVANC targets to uphold security standards equivalent or better than our peer group of companies in our industry and our region as verified by an independent third party.</p>	<p>In 2023, TRUE achieved 100% data breach prevention and 100% compliance to PDPA.</p> <p>TRUE has established a Personal Data Protection Policy in accordance with the PDPA framework.</p> <p>Additionally, a Data Protection Officer (DPO) is appointed, tasked with providing guidance to management, employees and relevant individuals on risks and best practices regarding personal data processing.</p> <p>Going forward, TRUE is committed to engaging cybersecurity by continuously improving to meet the ISO 27001:2002 standard in critical business areas, serving as a vital foundation for ensuring data security.</p>
Governance issue Key risks: Board composition & compensation, shareholder rights, audit	<p>In 2023, ADVANC's board of directors consisted of 11 directors: 2 female members (18% of the entire board), 4 independent directors (36% of the entire board), and 9 non-executive directors (82% of the entire board). Lack of gender diversity might limit perspective variety in strategic decision.</p> <p>In 2023, its chairman of board was not the highest-ranking executive, enhancing the effectiveness on business oversight.</p> <p>In 2023, it had corporate sustainability policy and report. Its sustainability disclosure aligned with guidelines from GRI, SASB, TCFD and SGS</p>	<p>In 2023, TRUE's board of directors consisted of 11 directors: 3 female members (27% of the entire board), 4 independent directors (36% of the entire board), and 11 non-executive directors (100% of the entire board). Lack of gender diversity might limit perspective variety in strategic decision.</p> <p>In 2023, its chairman of board was not the highest-ranking executive, enhancing the effectiveness on business oversight.</p> <p>In 2023, it had corporate sustainability policy and report. Its sustainability disclosure aligned with guidelines from GRI, UN, COP21 and SDGs</p>

Source: Bloomberg Finance L.P., SET, company data and InnovestX Research (Note 2023 Bloomberg ESG Financial Materiality Scores have not yet available. Bloomberg ESG Financial Materiality Scores rate companies on their level of management of financially material industry specific ESG issues. Values range from 0 to 10; 10 is best. To review the fully transparent methodology, see ESG Financial Materiality Score Model in Bloomberg.).

Figure 29: Valuation summary (price as of Sep 30, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
ADVANC	Outperform	260.00	300.0	19.0	27.2	24.5	22.7	9	11	8	8.5	8.1	7.7	32	34	35	3.3	3.6	3.9	9.4	8.3	7.9
TRUE	Outperform	11.20	13.0	16.2	n.m.	60.7	48.6	0	n.m.	25	4.5	4.5	4.2	(11)	7	9	0.0	0.1	1.0	8.4	7.5	7.0
Average					27.2	42.6	35.6	5	11	16	6.5	6.3	5.9	11	21	22	1.7	1.8	2.4	8.9	7.9	7.5

Source: InnovestX Research

Disclaimer

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CG Rating 2023 Companies with CG Rating
Companies with Excellent CG Scoring

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXTT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITTEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAF, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP², SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMPC, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

Companies with Very Good CG Scoring

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BSRC, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIJK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator
Certified (ได้รับรับรอง)

2S, AAI, ADB, ADVANC, AE, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, ASW, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BLA, BPP, BRI, BRR, BSBM, BTC, BTG, BTS, BWG, CBG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CI, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXTT, CPF, CPI, CPL, CPN, CPW, CRC, CREDIT, CSC, DCC, DELTA, DEMCO, DIMET, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ETC, ETE, FNS, FPI, FPT, FSMART, FSX, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GLOBAL, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HEALTH, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITTEL, IVL, JAS, JR, JTS, KASET, KBANK, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, MEGA, MENA, META, MFC, MFEC, MILL, MINT, MODERN, MONO, MOONG, MSC, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, OSP, PAF, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RBF, RML, RS, RWI, S&J, SA, SAAM, SABINA, SAK, SAMART, SAT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SENX, SFLEX, SGC, SGP, SIRI, SITHAI, SKR, SM, SMIT, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SVOA, SVT, SYMC, SYNTEC, TAE, TAKUNI, TASC, TCAP, TCMC, TEGH, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TIPH, TISCO, TKN, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TPLAS, TRT, TRU, TRUE, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TURTLE, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UPF, UV, VCOM, VGI, VIBHA, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนา)

ACE, ADVICE, ALT, AMARIN, AMC, ANI, APCO, B52, BLAND, BPS, BYD, CAZ, CHASE, CHG, CV, DEXON, DITTO, ECL, EKH, EVER, FLOYD, GREEN, HL, HUMAN, ICN, IHL, IP, ITC, JDF, JMART, K, KJL, LDC, LH, LIT, MITSIB, MJD, MOSHI, NER, NEX, PLE, PLUS, POLY, PQS, PRI, PRIME, PROEN, PROUD, PRTR, PTC, RT, S, SANKO, SAWAD, SCAP, SCGD, SFT, SHR, SINGER, SINO, SIS, SJWD, SKE, SNNP, SOLAR, SONIC, SUPER, TBN, TMI, TPAC, TPP, TQM, UREKA, VNG, WELL, WIN, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALLA, ALPHAX, ALUCON, AMARC, AMR, ANAN, AOT, APEX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, BA, BBK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BR, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, CHARAN, CHAYO, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DOD, DPAINT, DTCENT, DTICI, DV8, EASON, EE, EFORL, EMC, ESTAR, ETL, EURO, F&D, FANCY, FE, FM, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HFT, HPT, HTECH, HYDRO, I2, IIG, IMH, IND, INGRS, INSET, IRC, IRPC, IT, ITD, ITNS, ITTHI, J, JAK, JCK, JCKH, JCT, JKN, JMT, JPARK, JSP, JUBILE, KAMART, KBS, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LEE, LEO, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, METCO, MGC, MGI, MGT, MICRO, MIDA, MK, ML, MORE, MST, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NCP, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOX, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACO, PAF, PANEL, PCC, PCE, PEACE, PEER, PERM, PF, PHG, PICO, PIN, PJW, PLT, PMC, PMTA, POLAR, PORT, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PRO, PSG, PSP, PTL, QTCG, RAM, RCL, READY, RICHY, RUH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWANG, SBNEXT, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SEI, SGF, SHANG, SIAM, SICT, SIMAT, SISB, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMK, SMT, SO, SPA, SPCG, SPG, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STC, STEC, STECH, STHAI, STI, STP, STPI, STX, SUC, SUN, SUTHA, SVR, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQ, UOBKH, UP, UPOIC, UTP, UVAN, VARO, VL, VPO, VRANDA, W, WARRIX, WAVE, WFX, WGE, WINDOW, WINMED, WINNER, WORK, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 30, 2024) are categorized into: companies that have declared their intention to join CAC, and companies certified by CAC.