

## True Corporation

True Corporation  
Public Company Limited

## TRUE

Bloomberg TRUE TB  
Reuters TRUE.BK

## One surprise after another

TRUE reported core profit of Bt2.9bn, 36.1% above INVX on lower costs, and up 37.8% QoQ and turning around sharply from Bt1.6bn losses in 3Q23. Operations were also solid. We have upgraded our 2024F core profit to reflect the 9M24 beat and now expect TRUE to beat its EBITDA growth target. 4Q24F core profit is expected to again grow YoY, but we conservatively expect a slip QoQ. If it manages costs better than expected, there will be further upside to our forecast. Maintain OUTPERFORM with new DCF-based TP of Bt15 from Bt13 to reflect the earnings upgrade (7.9% WACC and 2% LTG). TRUE is our top pick in the sector.

**Catalyst #1: 3Q24 core profit beat expectations.** TRUE reported a net loss of Bt810mn (from Bt1.9bn losses in 2Q24 and Bt1.6bn losses in 3Q23), reflecting the booking of Bt3.9bn one-time expenses related to network modernization and Bt160mn FX gain (net tax). Stripping these out, core profit was Bt2.9bn, surging 37.8% QoQ and turning around from Bt1.6bn losses in 3Q23. This is 36.1% above INVX estimates. The key surprise was lower cost of services and SG&A than estimated, thanks to higher cost synergy than expected. TRUE says it has completed its network optimization program faster than targeted. As of 3Q24, it has completed 10.8k sites against its end-2024 target of 10k. Operations were solid. Mobile revenue (64% of total revenue) was Bt32.7bn, flat QoQ, but up 3.7% YoY on continued easing in pricing competition and higher tourism-related revenue. Blended ARPU was Bt211, up 1.9% QoQ and 5.5% YoY, driven by the prepaid segment which is the key indicator for pricing competition. Mobile subs dropped to 49.3mn from 50.5mn in 3Q24, impacted by a focus on quality acquisitions and collaboration with law enforcement on scam prevention. Revenue for the FBB business (13% of total revenue) was Bt6.4bn, up 1.5% QoQ and 7.5% YoY on higher ARPU (+0.7% QoQ and +9.8% YoY) and rising subs (+23k).

**Catalyst#2: EBITDA growth to exceed its 2024 target.** As 9M24 core profit reached 92% of our previous full-year forecast, we believe we were overly conservative and thus raised our 2024F core profit estimate by 27.6% to Bt8.1bn after cutting our cost of service assumption by 1.8% and adjusting tax expense to reflect 9M24 numbers. We now expect its EBITDA to grow 15.1%, ahead of guidance of 12-14%. We also see potential for consensus earnings upgrades after seeing these solid numbers in 3Q24.

**Catalyst#3: Expect 4Q24F core profit to be stronger YoY.** We expect TRUE to report YoY stronger core profit in 4Q24F, supported by ongoing cost reduction and less pricing competition. On a QoQ basis, we conservatively expect a slip in core profit as 4Q is normally high season for marketing. However, if it manages costs better than we expect, there could be further upside to our forecast.

**Action & recommendation.** We are impressed with its 3Q24 results and expect share price to react positively. Despite a strong share price rally YTD, we believe the stronger earnings outlook will continue to drive share price further. We reiterate our view that any share price correction is a buying opportunity.

**Risks and concerns.** 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).

## Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	na.	202,856	211,211	215,604	219,186
EBITDA	(Btmn)	na.	85,572	98,526	103,349	106,312
Core profit	(Btmn)	na.	(4,800)	8,135	10,230	11,885
Reported profit	(Btmn)	na.	(15,689)	(1,193)	10,230	11,885
Core EPS	(Bt)	na.	(0.14)	0.24	0.30	0.34
DPS	(Bt)	na.	0.00	0.00	0.14	0.16
P/E, core	(x)	na.	na.	51.4	40.9	35.2
EPS growth, core	(%)	na.	na.	na.	25.8	16.2
P/BV, core	(x)	na.	4.9	4.9	4.5	4.2
ROE	(%)	na.	(5.2)	9.5	11.5	12.4
Dividend yield	(%)	na.	0.0	0.0	1.2	1.4

Source: InnovestX Research

Tactical: OUTPERFORM  
(3-month)

## Stock data

Last close (Oct 25) (Bt)	12.10
Target price (Bt)	15.00
Mkt cap (Btbn)	418.08

12-m high / low (Bt)	12.2 / 5
Avg. daily 6m (US\$m)	23.68
Foreign limit / actual (%)	49 / 49
Free float (%)	31.5
Outstanding Short Position (%)	0.09

## Share price performance

(%)	1M	3M	12M
Absolute	8.0	37.5	90.6
Relative to SET	7.4	22.8	78.5

## INVX core earnings vs consensus

Earnings vs consensus	2024F	2025F
Consensus (Bt mn)	7,530	13,135
INVX vs Consensus (%)	8.0	(22.1)

Earnings momentum	YoY	QoQ
INVX 4Q24 core earnings	Up	Down

## 2023 Sustainability/2023 ESG Score

SET ESG Ratings	n.a.
-----------------	------

## ESG Bloomberg Rank in the sector

ESG Score and Rank	n.a.	n.a.
Environmental Score and Rank	n.a.	n.a.
Social Score and Rank	n.a.	n.a.
Governance Score and Rank	n.a.	n.a.

Source: SET, InnovestX Research, Bloomberg Finance L.P.

## Analyst

## Kittisorn Pruitipat, CFA, FRM

Fundamental Investment

Analyst on Securities

(662) 949 1007

kittisorn.p@innovestx.co.th

### Value proposition

After the amalgamation, TRUE (the merged TRUE and DTAC) has 52mn mobile subscribers and Bt126bn mobile revenue based on 2023 data. This makes TRUE the country's largest mobile operator in terms of subscribers and revenue. For the mobile spectrum, TRUE has 1,250MHz spectrum capacity vs 1,375MHz for ADVANC.

### Business outlook

We believe TRUE has room to improve profitability after the amalgamation and this was proved from the early stages of cost synergy seen in 4Q23. Its EBITDA margin is still below ADVANC while the number of subscribers is higher. There is ARPU upside, as the merger leaves the industry with only two players in the mobile segment (TRUE and ADVANC).

Bullish views	Bearish views
1. Ongoing reduction in pricing competition in the mobile and FBB segments, which will raise ARPU	1. Share price has significantly outperformed the SET YTD
2. Entering into a phase of high core earnings growth	2. Valuation in terms of PE is demanding

### Key catalysts

Factor	Event	Impact	Comment
Near-term earnings outlook	4Q24F core earnings	Softer QoQ, but growing YoY	We expect earnings to slip QoQ due to seasonality of high marketing spending while YoY should be better from cost synergy.
Factors to be aware in 2024	Details of upcoming spectrum auction	Positive	We expect bidding competition to be mild as there are only two key operators in Thailand. Additionally, we also expect to see potential cost savings, which would provide upside to our forecast in 2025F and onwards.

### Sensitivity Analysis

Factor	Earnings impact	TP impact
1ppt change in mobile revenue	10%	Bt0.5/sh.

**Our view on ESG**

TRUE primarily provides mobile services that by nature do not have high emissions. It also has excellent CG scoring. Overall, we have no issue related to ESG for the company. Key ESG risk for the company is cybersecurity and data privacy for its subscribers.

**ESG Ratings and Indices**

<b>Bloomberg ESG Financial Materiality Score</b>	<b>n.a.</b>
Rank in Sector	<b>n.a.</b>

	<b>CG Rating</b>	<b>DJSI</b>	<b>SETESG</b>	<b>SET ESG Ratings</b>
TRUE	5	Yes	No	No

Source: Thai Institute of Directors and SET

**Environmental Issue (E)**

- TRUE has committed to net zero target by 2050 and carbon neutral in 2030.
- By 2026, TRUE targets to reduce 42% in carbon emissions from both Scopes 1 and 2, compared to the 2020 baseline.
- 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.
- In 2023, TRUE achieved 1.99mn pieces of e-waste received from customers who participated in the campaign were properly recycled according to standards.
- By 2030, TRUE targets to achieve zero landfill e-waste.

**Social Issue (S)**

- In 2023, TRUE achieved 100% data breach prevention and 100% compliance to PDPA.
- TRUE has established a Personal Data Protection Policy in accordance with the PDPA framework.
- 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.
- Going forward, TRUE is committed to enhancing cybersecurity by continuously improving to meet the ISO 27001:2002 standard in critical business areas, serving as a vital foundation for ensuring data security.

**Governance Issue (G)**

- 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.
- In 2023, its chairman of board was not the highest-ranking executive, enhancing the effectiveness on business oversight.
- In 2023, it had corporate sustainability policy and report. Its sustainability disclosure aligned with guidelines from GRI, UN, COP21 and SDGs

**ESG Financial Materiality Score and Disclosure**

	<b>2022</b>	<b>2023</b>
<b>ESG Financial Materiality Score</b>	—	—
<b>Environment Financial Materiality Score</b>	—	—
<b>Social Financial Materiality Score</b>	—	—
<b>Governance Financial Materiality Score</b>	—	—

Source: Bloomberg Finance L.P.

**Disclaimer**

Bloomberg ESG Scores rate companies on their level of management of financially material industry-specific ESG issues. Bloomberg offers four financially material scores, for overall ESG, as well as Environmental, Social, and Governance. Values range from 0 to 10; 10 is best. To review the fully transparent methodology, see ESG Financial Materiality Score Model in Bloomberg.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	na.	na.	na.	na.	202,856	211,211	215,604	219,186
Cost of goods sold	(Btmn)	na.	na.	na.	na.	(159,428)	(150,976)	(153,279)	(155,189)
<b>Gross profit</b>	(Btmn)	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>43,428</b>	<b>60,235</b>	<b>62,325</b>	<b>63,997</b>
SG&A	(Btmn)	na.	na.	na.	na.	(27,721)	(31,682)	(31,694)	(31,782)
Other income	(Btmn)	na.	na.	na.	na.	740	586	446	545
Interest expense	(Btmn)	na.	na.	na.	na.	(23,300)	(23,613)	(22,988)	(22,363)
<b>Pre-tax profit</b>	(Btmn)	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>(6,853)</b>	<b>5,527</b>	<b>8,090</b>	<b>10,398</b>
Corporate tax	(Btmn)	na.	na.	na.	na.	1,819	(276)	(809)	(1,560)
Equity a/c profits	(Btmn)	na.	na.	na.	na.	1,847	2,801	2,863	2,958
Minority interests	(Btmn)	na.	na.	na.	na.	65	83	86	88
<b>Core profit</b>	(Btmn)	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>(4,800)</b>	<b>8,135</b>	<b>10,230</b>	<b>11,885</b>
Extra-ordinary items	(Btmn)	na.	na.	na.	na.	(10,889)	(9,328)	0	0
<b>Net Profit</b>	(Btmn)	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>(15,689)</b>	<b>(1,193)</b>	<b>10,230</b>	<b>11,885</b>
EBITDA	(Btmn)	na.	na.	na.	na.	85,572	98,526	103,349	106,312
<b>Core EPS</b>	<b>(Btmn)</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>(0.14)</b>	<b>0.24</b>	<b>0.30</b>	<b>0.34</b>
Net EPS	(Bt)	na.	na.	na.	na.	(0.45)	(0.03)	0.30	0.34
DPS	(Bt)	na.	na.	na.	na.	0.00	0.00	0.14	0.16

### Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	na.	na.	na.	na.	108,963	118,779	147,306	185,206
Total fixed assets	(Btmn)	na.	na.	na.	na.	465,056	302,352	268,566	225,241
<b>Total assets</b>	(Btmn)	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>744,722</b>	<b>738,045</b>	<b>737,414</b>	<b>736,698</b>
Total loans	(Btmn)	na.	na.	na.	na.	300,090	365,000	355,000	345,000
Total current liabilities	(Btmn)	na.	na.	na.	na.	203,131	196,557	186,647	187,699
Total long-term liabilities	(Btmn)	na.	na.	na.	na.	553,167	456,649	458,365	450,099
<b>Total liabilities</b>	(Btmn)	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>658,581</b>	<b>653,206</b>	<b>645,013</b>	<b>637,798</b>
Paid-up capital	(Btmn)	na.	na.	na.	na.	138,208	138,208	138,208	138,208
<b>Total equity</b>	(Btmn)	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>86,140</b>	<b>84,840</b>	<b>92,401</b>	<b>98,900</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>2.48</b>	<b>2.45</b>	<b>2.67</b>	<b>2.86</b>

### Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	na.	na.	na.	na.	(4,800)	8,135	10,230	11,885
Depreciation and amortization	(Btmn)	na.	na.	na.	na.	80,797	69,723	72,465	73,842
Operating cash flow	(Btmn)	na.	na.	na.	na.	70,951	66,221	81,498	83,390
Investing cash flow	(Btmn)	na.	na.	na.	na.	(60,731)	(80,204)	(59,253)	(49,294)
Financing cash flow	(Btmn)	na.	na.	na.	na.	(9,292)	(246)	(12,582)	(15,298)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>na.</b>	<b>928</b>	<b>(14,229)</b>	<b>9,663</b>	<b>18,799</b>

### Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	na.	na.	na.	na.	21.4	28.5	28.9	29.2
Operating margin	(%)	na.	na.	na.	na.	7.7	13.5	14.2	14.7
EBITDA margin	(%)	na.	na.	na.	na.	42.2	46.6	47.9	48.5
EBIT margin	(%)	na.	na.	na.	na.	31.6	35.3	36.9	37.6
Net profit margin	(%)	na.	na.	na.	na.	(7.7)	(0.6)	4.7	5.4
ROE	(%)	na.	na.	na.	na.	(11.7)	(1.4)	11.1	12.0
ROA	(%)	na.	na.	na.	na.	(1.4)	1.1	1.4	1.6
Net D/E	(x)	na.	na.	na.	na.	3.1	4.1	3.5	3.0
Interest coverage	(x)	na.	na.	na.	na.	3.7	4.2	4.5	4.8
Debt service coverage	(x)	na.	na.	na.	na.	2.3	1.0	1.1	1.2
Payout Ratio	(%)	na.	na.	na.	na.	0.0	0.0	47.5	47.5

### Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Service revenue (mobile)	(Btmn)	na.	na.	na.	na.	131,559	134,190	136,203	137,565
Service revenue (online)	(Btmn)	na.	na.	na.	na.	23,655	25,311	26,576	27,639
Service revenue (pay TV)	(Btmn)	na.	na.	na.	na.	6,311	6,185	6,185	6,185

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total revenue	(Btmn)	na.	na.	49,113	49,932	52,348	51,347	51,091	50,840
Cost of goods sold	(Btmn)	na.	na.	(34,894)	(36,189)	(38,299)	(36,789)	(35,815)	(35,165)
<b>Gross profit</b>	<b>(Btmn)</b>	na.	na.	<b>14,219</b>	<b>13,744</b>	<b>14,049</b>	<b>14,558</b>	<b>15,276</b>	<b>15,675</b>
SG&A	(Btmn)	na.	na.	(9,736)	(10,160)	(9,529)	(8,597)	(8,077)	(7,883)
Other income	(Btmn)	na.	na.	375	(103)	(9,428)	(1,432)	(4,023)	(3,393)
Interest expense	(Btmn)	na.	na.	(5,919)	(5,993)	(6,360)	(5,916)	(5,683)	(5,930)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	na.	na.	<b>(1,061)</b>	<b>(2,512)</b>	<b>(11,268)</b>	<b>(1,387)</b>	<b>(2,507)</b>	<b>(1,530)</b>
Corporate tax	(Btmn)	na.	na.	(1,986)	202	229	(69)	(54)	(30)
Equity a/c profits	(Btmn)	na.	na.	687	696	(252)	690	708	734
Minority interests	(Btmn)	na.	na.	40	16	12	(4)	(25)	16
<b>Core profit</b>	<b>(Btmn)</b>	na.	na.	<b>(2,320)</b>	<b>(1,598)</b>	<b>(702)</b>	<b>802</b>	<b>2,138</b>	<b>2,947</b>
Extra-ordinary items	(Btmn)	na.	na.	0	0	(10,577)	(1,571)	(4,017)	(3,757)
<b>Net Profit</b>	<b>(Btmn)</b>	na.	na.	<b>(2,320)</b>	<b>(1,598)</b>	<b>(11,279)</b>	<b>(769)</b>	<b>(1,879)</b>	<b>(810)</b>
EBITDA	(Btmn)	na.	na.	23,439	21,679	33,122	22,892	21,036	22,182
<b>Core EPS</b>	<b>(Btmn)</b>	na.	na.	<b>(0.07)</b>	<b>(0.05)</b>	<b>(0.02)</b>	<b>0.02</b>	<b>0.06</b>	<b>0.09</b>
Net EPS	(Bt)	na.	na.	(0.07)	(0.05)	(0.33)	(0.02)	(0.05)	(0.02)

### Balance Sheet

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Total current assets	(Btmn)	na.	na.	97,331	101,367	108,963	100,837	92,385	84,667
Total fixed assets	(Btmn)	na.	na.	339,714	331,324	323,394	313,788	304,635	298,698
<b>Total assets</b>	<b>(Btmn)</b>	na.	na.	<b>764,765</b>	<b>759,242</b>	<b>744,722</b>	<b>724,034</b>	<b>700,921</b>	<b>683,298</b>
Total loans	(Btmn)	na.	na.	281,843	318,783	365,222	366,683	260,339	260,010
Total current liabilities	(Btmn)	na.	na.	250,968	208,934	203,131	202,098	229,894	213,261
Total long-term liabilities	(Btmn)	na.	na.	0	447,109	413,881	452,010	455,450	436,478
<b>Total liabilities</b>	<b>(Btmn)</b>	na.	na.	<b>664,849</b>	<b>660,944</b>	<b>658,581</b>	<b>638,576</b>	<b>617,326</b>	<b>600,809</b>
Paid-up capital	(Btmn)	na.	na.	138,208	138,208	138,208	138,208	138,208	138,208
<b>Total equity</b>	<b>(Btmn)</b>	na.	na.	<b>99,915</b>	<b>98,298</b>	<b>86,140</b>	<b>85,459</b>	<b>83,595</b>	<b>82,489</b>
<b>BVPS</b>	<b>(Bt)</b>	na.	na.	<b>2.88</b>	<b>2.83</b>	<b>2.48</b>	<b>2.46</b>	<b>2.41</b>	<b>2.38</b>

### Cash Flow Statement

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Core Profit	(Btmn)	na.	na.	(2,320)	(1,598)	(702)	802	2,138	2,947
Depreciation and amortization	(Btmn)	na.	na.	(39,586)	5,989	18,580	18,198	18,850	18,363
Operating cash flow	(Btmn)	na.	na.	92,735	(14,964)	(60,559)	19,743	107,473	10,992
Investing cash flow	(Btmn)	na.	na.	(15,022)	(16,564)	554,332	(25,780)	(11,175)	(14,162)
Financing cash flow	(Btmn)	na.	na.	(84,939)	36,936	(485,448)	1,545	(104,667)	(610)
<b>Net cash flow</b>	<b>(Btmn)</b>	na.	na.	<b>(7,226)</b>	<b>5,408</b>	<b>8,326</b>	<b>(4,492)</b>	<b>(8,369)</b>	<b>(3,779)</b>

### Key Financial Ratios

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Gross margin	(%)	na.	na.	29.0	27.5	26.8	28.4	29.9	30.8
Operating margin	(%)	na.	na.	9.1	7.2	8.6	11.6	14.1	15.3
EBITDA margin	(%)	na.	na.	47.7	43.4	63.3	44.6	41.2	43.6
EBIT margin	(%)	na.	na.	31.6	31.8	51.6	32.9	29.9	31.9
Net profit margin	(%)	na.	na.	(4.7)	(3.2)	(21.5)	(1.5)	(3.7)	(1.6)
ROE	(%)	na.	na.	(10.5)	(7.4)	(6.5)	3.4	9.3	13.0
ROA	(%)	na.	na.	(1.3)	(0.9)	(0.8)	0.4	1.2	1.6
Net D/E	(x)	na.	na.	2.6	3.0	3.8	4.0	2.9	2.9
Interest coverage	(x)	na.	na.	4.0	3.6	5.2	3.9	3.7	3.7
Debt service coverage	(x)	na.	na.	1.4	1.4	1.3	0.9	1.8	2.0

### Main Assumptions

FY December 31	Unit	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24
Service revenue (mobile)	(Btmn)	na.	na.	31,269	31,335	32,270	32,490	32,744	32,702
Service revenue (online)	(Btmn)	na.	na.	5,935	5,910	6,057	6,206	6,261	6,356
Service revenue (pay TV)	(Btmn)	na.	na.	1,569	1,660	1,418	1,757	1,679	1,675

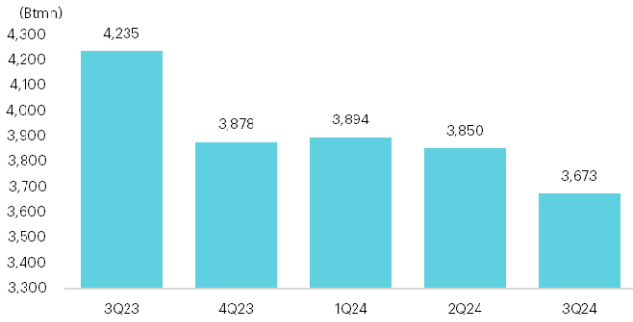
**Figure 1: 3Q24 results review**

Unit: (Btmn)	3Q23	2Q24	3Q24	y-o-y	q-o-q
<b>Revenue</b>					
Mobile	31,335	32,744	32,702	4.4%	-0.1%
Online	5,910	6,261	6,356	7.5%	1.5%
Pay TV	1,660	1,679	1,675	0.9%	-0.2%
Others	730	844	777	6.4%	-7.9%
<b>Service revenue excl. IC</b>	<b>39,635</b>	<b>41,529</b>	<b>41,509</b>	<b>4.7%</b>	<b>0.0%</b>
Interconnection revenue	342	275	273	-20.2%	-0.7%
Spectrum arrangement (Network equipment rental)	5,079	5,043	5,031	-0.9%	-0.2%
Revenues from product sales	4,876	4,245	4,026	-17.4%	-5.2%
<b>Total revenue</b>	<b>49,932</b>	<b>51,092</b>	<b>50,839</b>	<b>1.8%</b>	<b>-0.5%</b>
Cost of services	(21,343)	(21,074)	(20,402)	-4.4%	-3.2%
Depreciation & amortisation	(17,859)	(17,136)	(17,188)	-3.8%	0.3%
<b>Gross profit</b>	<b>10,730</b>	<b>12,882</b>	<b>13,249</b>	<b>23.5%</b>	<b>2.8%</b>
SG&A	(7,147)	(5,682)	(5,457)	-23.6%	-4.0%
<b>Operating profit</b>	<b>3,583</b>	<b>7,199</b>	<b>7,792</b>	<b>117.5%</b>	<b>8.2%</b>
Other income/(expense)	(469)	(4,279)	(3,917)	735.2%	-8.5%
<b>EBIT</b>	<b>3,114</b>	<b>2,920</b>	<b>3,875</b>	<b>24.4%</b>	<b>32.7%</b>
Equity income	696	708	734	5.5%	3.7%
Interest expense	(5,940)	(5,687)	(5,605)	-5.6%	-1.4%
<b>EBT</b>	<b>(2,130)</b>	<b>(2,060)</b>	<b>(996)</b>	<b>-53.2%</b>	<b>-51.7%</b>
Income tax	202	(54)	(30)	na.	-44.4%
Minority interests	16	(25)	16	0.0%	na.
FX gain/(loss)	314	260	200	-36.3%	-23.1%
<b>Net income</b>	<b>(1,598)</b>	<b>(1,879)</b>	<b>(810)</b>	<b>na.</b>	<b>na.</b>
<b>EPS (Bt/sh.)</b>	<b>(0.05)</b>	<b>(0.05)</b>	<b>(0.02)</b>	<b>na.</b>	<b>na.</b>
<b>Core profit</b>	<b>(1,598)</b>	<b>2,138</b>	<b>2,947</b>	<b>na.</b>	<b>37.8%</b>
<b>Ratio analysis</b>					
SGA/Total revenue (%)	14.3	11.1	10.7		
Operating profit margin (%)	7.2	14.1	15.3		
Net profit margin (%)	(3.2)	(3.7)	(1.6)		

Source: Company data, InnovestX Research

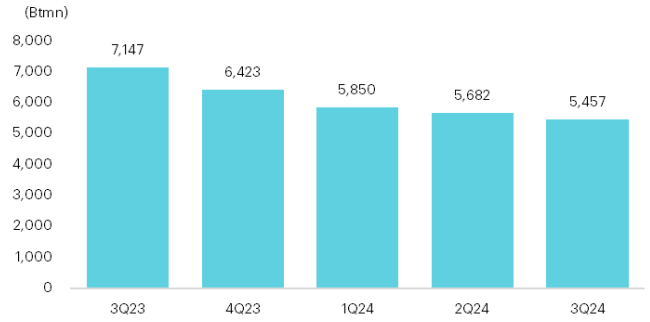
**Appendix**

**Figure 2: Network cost continued to decline**



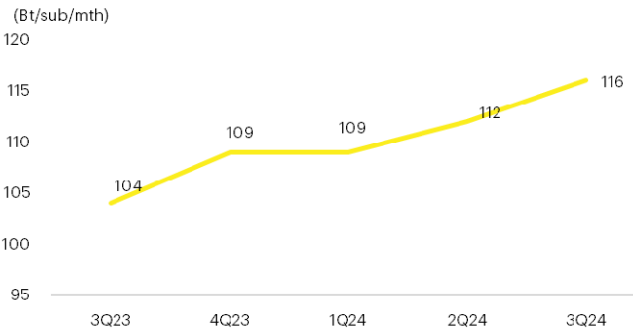
Source: TRUE and InnovestX Research

**Figure 3: ...and also SG&A**



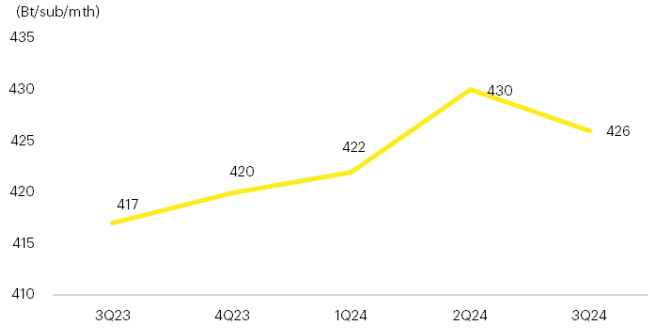
Source: TRUE and InnovestX Research

**Figure 4: Mobile prepaid ARPU still on the rise**



Source: TRUE and InnovestX Research

**Figure 5: Postpaid ARPU dropped QoQ due to lower roaming revenue**



Source: TRUE and InnovestX Research

**Figure 6: Valuation summary (price as of Oct 25, 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	274.00	300.0	12.9	28.6	25.8	23.9	9	11	8	9.0	8.5	8.1	32	34	35	3.1	3.4	3.7	9.9	8.7	8.3
TRUE	Outperform	12.10	15.0	24.0	n.m.	51.4	40.9	0	n.m.	26	4.9	4.9	4.5	(11)	10	12	0.0	0.0	1.2	8.8	7.8	7.2
<b>Average</b>					<b>28.6</b>	<b>38.6</b>	<b>32.4</b>	<b>5</b>	<b>11</b>	<b>17</b>	<b>6.9</b>	<b>6.7</b>	<b>6.3</b>	<b>11</b>	<b>22</b>	<b>23</b>	<b>1.6</b>	<b>1.7</b>	<b>2.4</b>	<b>9.3</b>	<b>8.2</b>	<b>7.8</b>

Source: InnovestX Research

**Disclaimer**

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited ("INVX") is wholly owned by SCB X Public Company Limited ("SCBX") and The Siam Commercial Bank Public Company Limited ("SCB") is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.



**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, BBIK, 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, ITEL, 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, OISHI<sup>1</sup>, 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, SFP<sup>2</sup>, SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMP, 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, TCCC<sup>3</sup>, 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**

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

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.

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

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

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

**Anti-corruption Progress Indicator**

**Certified (ได้คุ้มครอง)**

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, CPF, CPI, CPL, CPN, CPW, CRC, CREDIT, CSC, DCC, DELTA, DEMCO, DIMET, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERC, ETC, ETE, FNS, FPI, FPT, FSMART, FSX, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GLOBA, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HEALTH, HENG, HMPRO, HTC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, 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, PPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RBF, RML, RS, RWI, S&J, SA, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SENX, SFLEX, SGC, SGP, SIRI, SITHAI, SKR, SM, SMT, SMP, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SVOA, SVT, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TEGH, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TIPH, TISCO, TKN, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOMP, 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, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, BA, BBIK, 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, CPAXT, CPH, CPR, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DOD, DPAINT, DTCENT, DTCI, 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, IRCP, 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, MEDEZE, 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, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, OKJ, 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, QTCC, RAM, RCL, READY, RICHY, RJH, 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, 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, TATG, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUJ, TIGER, TITLE, TK, TKC, TLI, TM, TMAN, TMC, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTW, TVH, TVT, TWP, TWY, TYCN, UAC, UBA, UMI, UMS, UMS, UOIC, UOBKH, UP, UPOIC, UPV, UPAN, 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 categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.