

April 19, 2018

OUTPERFORM

Advanced Info Service

(ADVANC TB)

Share Price: Bt203.0

Target Price: Bt220.0 (+8.4%)

Less auction risk and decent dividend yield

- Estimate 1Q18F profit at Bt7.9bn (+3% qoq, +3% yoy); strong operation but resume prepaid handset subsidy in Feb
- Expect new offer of 10% discount to customers who pay AIS bill on Rabbit LINE Pay to have limited impact
- OUTPERFORM, TP Bt220; ADVANC has the best core earnings outlook and limited risk of auction delays

1Q18F earnings to grow qoq and yoy

We expect ADVANC to report Bt7.9bn net profit for the quarter, up 3% qoq and 3% yoy, driven by two months' consolidation of CSL, lower regulatory cost, and 1% qoq and 5% yoy increase in service revenue ex. IC to Bt33bn. Regulatory cost should increase 50bps qoq to 4.5% as there was a one-time adjustment in 4Q17, but should fall 1.3ppt yoy. Handset margin is estimated at -2% as ADVANC has resumed prepaid handset subsidy since February in some areas, which should also take SGA costs to Bt6.1bn (+12% yoy). This is because some of handset subsidy expense would be booked under marketing expenses. Overall, 1Q18F profit should account for 23% of our full-year forecast. Results will be released on 10 May.

Expect limited impact from Rabbit LINE Pay promotion

After acquiring 33% stake in Rabbit LINE Pay (RLP), ADVANC is offering 10% discount to customers who pay their bills through RLP channel starting Mar–Aug. This should have limited impact on service revenue ex. IC in 2Q-3Q18 as the discount is capped at Bt50/mth, and ADVANC claims that payments made through RLP have been minimal so far. The decision to resume prepaid handset subsidy should not affect full-year guidance as it is targeted at a specific group. Therefore, we keep FY18F earnings at Bt34bn (+13% yoy). Note that we assumed ADVANC would secure 15MHz of 1800MHz spectrum at the next auction, and the lump sum final payment for 900MHz of Bt60bn would be in FY20F.

OUTPERFORM, DCF-based TP Bt220; top pick in Telecom sector

Despite less than 10% upside to our target price, the 3.9% dividend yield would take total return to 12.3%. ADVANC will continue to stand out against peers due to (i) its superior core earnings momentum, (ii) less urgent need for new spectrum in the event the next auction is delayed because the caretaking NBTC hands over reins to a new board, and (iii) decent dividend yield.

Financial Summary (Btm)

Year to Dec	2016	2017	2018F	2019F	2020F
Sales (Btm)	152,150	157,722	164,703	168,824	171,442
Growth (%)	(2)	4	4	3	2
EBITDA (Btm)	61,263	70,969	79,789	85,681	89,589
Growth (%)	(14)	16	12	7	5
Recurring profit (Btm)	30,667	30,077	33,967	35,801	36,942
Growth (%)	(22)	(2)	13	5	3
Net profit (Btm)	30,667	30,077	33,967	35,801	36,942
FDEPS (Bt) (Core)	10.22	10.04	11.42	12.04	12.43
Growth (%)	(22)	(2)	14	5	3
PE (x)	19.9	20.2	17.8	16.9	16.3
DPS (Bt)	10.08	7.05	8.00	8.43	8.70
Yield (%)	5.0	3.5	3.9	4.2	4.3
BVPS (Bt)	14.3	16.9	20.8	24.7	28.5
P/BV (x)	14.2	12.0	9.7	8.2	7.1



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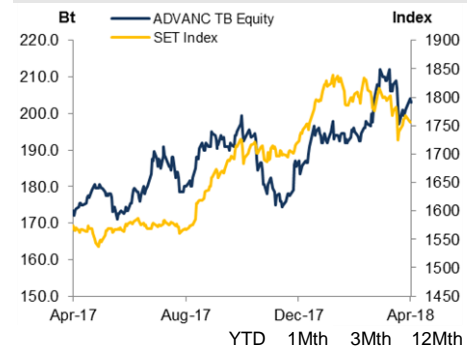
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Key Data

12-mth High/Low (Bt)	215 / 169.5
Market capital (Btm/US\$m)	603,538 / 19,318
3m avg Turnover (Btm/US\$m)	1219.2 / 39
Free Float (%)	33.1
Issue Shares (m shares)	2,973
Major shareholders:	
- INTOUCH HOLDINGS PCL	40.5
- TEMASEK HOLDINGS PRI	23.3
- STOCK EXCHANGE OF TH	5.8

Share Price Performance



Absolute (%)	6.3	(4.2)	5.7	17.0
Relative to index (%)	6.2	(1.2)	8.7	6.6

Krungsri Securities vs Market

	Positive	Neutral	Negative
Market Recommend	22	9	2
	Krungsri	Market	% +/-
Target Price (Bt)	220.0	214.7	2.4
'18 Net Profit (Btm)	33,967	32,162	5.6
'19 Net Profit (Btm)	35,801	33,782	6.0

Krungsri's earnings revision

	2018F	2019F
Earnings revision (%)	-	-

Source: Bloomberg, Krungsri Securities

ADVANC: 1Q18F results preview

Unit: (Btm)	1Q17	4Q17	1Q18F	y-o-y	q-o-q
Service revenue ex. IC	31,364	32,611	33,089	5%	1%
IC revenue	1,087	1,107	1,087	0%	-2%
Handset & SIM revenue	6,407	7,488	6,535	2%	-13%
Total revenue	38,858	41,205	40,711	5%	-1%
Cost of services	(8,395)	(7,937)	(8,088)	-4%	2%
Depreciation & Amortization	(6,807)	(8,044)	(8,115)	19%	1%
IC cost	(1,053)	(1,037)	(1,027)	-2%	-1%
Handset & SIM cost	(6,836)	(7,534)	(6,666)	-2%	-12%
Total costs	(23,091)	(24,552)	(23,896)	3%	-3%
Gross profit	15,767	16,653	16,815	7%	1%
SG&A	(5,474)	(6,362)	(6,107)	12%	-4%
Operating profit	10,293	10,291	10,708	4%	4%
Other income	207	251	200	-3%	-20%
Equity income	3	(4)	(4)	na.	na.
EBIT	10,503	10,538	10,904	4%	3%
Interest expense	(1,293)	(1,346)	(1,355)	5%	1%
EBT	9,211	9,193	9,549	4%	4%
Income tax	(1,668)	(1,512)	(1,623)	-3%	7%
Minority interests	0	(1)	(15)	na.	na.
Core profit	7,543	7,679	7,911	5%	3%
Extra items	150	21	0	na.	na.
Net income	7,693	7,701	7,911	3%	3%
EPS (Bt)	2.59	2.59	2.66	3%	3%

Ratio analysis and Operating stats

EBITDA margin (%)	44.5	45.1	46.7
SGA/Total revenue (%)	14.1	15.4	15.0
Reg. fee/service revenue (%)	5.8	4.0	4.5
Net profit margin (%)	19.8	18.7	19.4

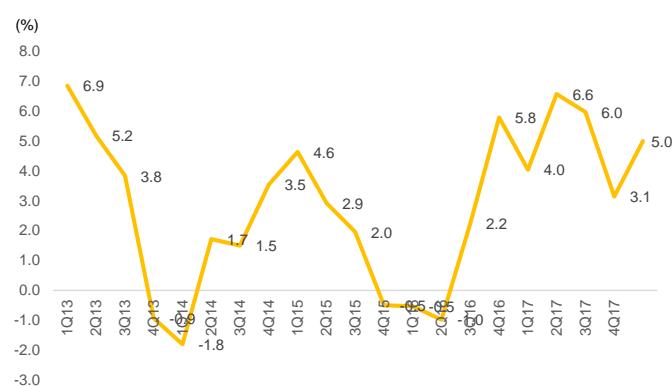
Source: Company data, Krungsri Securities

Promotion to have limited impact on earnings



Source: Company data, Krungsri Securities

Service revenue ex. IC to continue to grow yoy



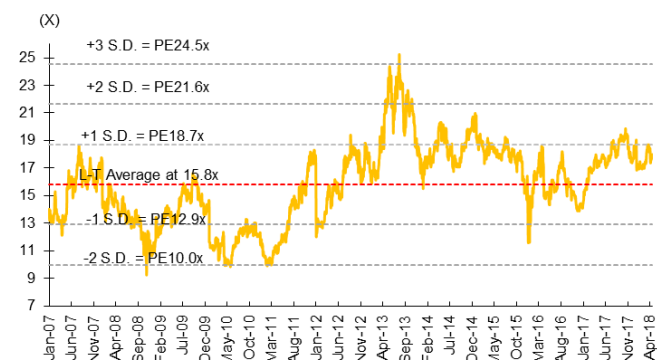
Source: Company data, Krungsri Securities

Our assumptions are in line with guidance

	Our assumptions	Guidance	Comment
Service revenue ex. IC growth (%)	7.2%	7-8%	
Handset margin (%)	-2%	near zero	
CAPEX (Bt bn)	36	35-38	Exclude license payment
Dividend payout (%)	70%	Minimum 70%	

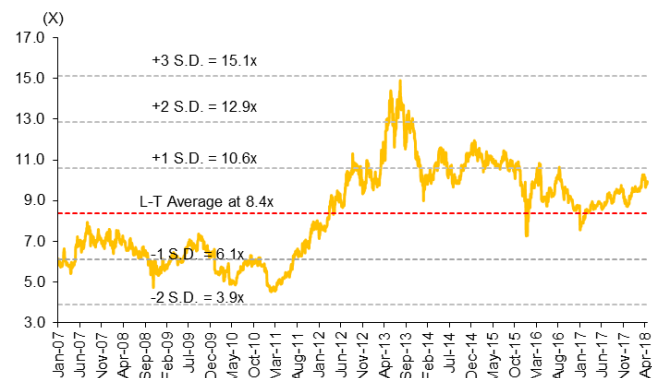
Source: Company data, Krungsri Securities

P/E Band



Source: Bloomberg, Krungsri Securities

EV/EBITDA Band



Source: Bloomberg, Krungsri Securities

Peer table

BB Ticker	Name	Market	PE		EPS		EV/EBITDA		Div Yld	ROE	Share Price			
		Cap	(x)	(x)	(%growth)	(x)	(%)	(%)	(%)	Performance				
		US\$	18F	19F	18F	19F	18F	19F	18F	18F	1M	3M	6M	YTD
Thailand														
ADVANC TB	ADVANCED INFO SERVICE PCL	19,318	17.8	16.9	13.8	5.4	10.7	9.8	3.9	54.7	(4.2)	5.7	4.1	6.3
DTAC TB	TOTAL ACCESS COMMUNICATION	3,410	129.7	24.1	(61.3)	437.2	8.8	10.1	0.4	2.8	(0.6)	(8.2)	(13.9)	(8.2)
TRUE TB	TRUE CORP PCL	7,636	(84.4)	(158.5)	N/A	N/A	15.3	14.0	0.0	(1.7)	1.4	13.5	14.4	15.3
INTUCH TB	INTOUCH HOLDINGS PCL	5,850	18.3	17.2	(1.0)	6.9	18.2	17.1	5.5	74.7	(3.0)	(1.3)	(3.0)	1.3
THCOM TB	THAICOM PCL	316	7.2	6.8	662.1	4.5	3.7	3.7	6.2	8.6	(23.7)	(27.4)	(46.1)	(28.0)
	Average (simple)		17.7	(18.7)	153.4	113.5	11.3	10.9	3.2	27.8				
Regional														
MTU AU	M2 GROUP LTD	1,104	11.1	11.2	(109)	(0)	6.7	6.6	0.0	5.0	(5.4)	(23.7)	(13.3)	(24.4)
728 HK	CHINA TELECOM CORP LTD-H	36,807	11.3	10.1	10	12	3.0	2.8	3.6	6.1	4.1	(6.5)	(12.3)	(4.0)
941 HK	CHINA MOBILE LTD	189,238	10.2	9.9	2	3	2.6	2.5	4.9	11.6	0.3	(10.9)	(8.3)	(8.5)
215 HK	HUTCHISON TELECOMM HK	1,725	35.6	35.6	(92)	0	3.2	3.2	2.1	2.5	(1.1)	(11.1)	(2.1)	(10.5)
762 HK	CHINA UNICOM HONG KONG LTD	39,992	28.3	17.7	314	60	3.2	3.0	1.4	2.7	6.0	(9.8)	(9.5)	(2.8)
ISAT IJ	INDOSAT TBK PT	1,831	14.9	11.9	49	26	3.6	3.4	2.6	11.0	(10.8)	(15.3)	(23.9)	(3.3)
TLKM IJ	TELEKOMUNIKASI INDONESIA PER	27,591	15.5	14.3	9	9	5.8	5.4	4.3	23.7	(1.3)	(9.6)	(12.3)	(15.1)
TBIG IJ	TOWER BERSAMA INFRA	1,810	19.7	16.5	(46)	19	11.8	10.7	3.1	45.6	(5.2)	(14.1)	(13.4)	(14.4)
BHARTI IN	BHARTI AIRTEL LTD	23,519	106.4	61.3	(62)	74	8.6	8.0	0.5	2.2	(7.3)	(22.0)	(16.4)	(27.1)
BHIN IN	BHARTI INFRATEL LTD	9,467	23.5	22.4	(3)	5	9.2	9.3	3.3	17.2	0.5	(2.3)	(27.2)	(11.3)
IDEA IB	IDEA CELLULAR LTD	4,758	N/A	N/A	984	10	14.9	14.9	0.0	(19.6)	(11.7)	(29.0)	(19.2)	(33.8)
RCOM IB	RELIANCE COMMUNICATIONS LTD	887	N/A	N/A	(160)	68	4.5	4.2	N/A	2.6	(10.2)	(28.5)	25.3	(41.9)
AXIATA MK	AXIATA GROUP BERHAD	12,516	32.6	26.9	63	21	6.9	6.5	2.0	5.7	1.1	(3.1)	3.9	(2.0)
DIGI MK	DIGI.COM BHD	9,135	24.2	23.8	(1)	2	13.2	12.9	4.1	276.6	0.7	(5.6)	(6.5)	(10.4)
T MK	TELEKOM MALAYSIA BHD	5,217	23.8	22.4	(8)	6	6.9	6.6	3.9	10.9	(3.6)	(11.2)	(12.2)	(14.3)
GLO PM	GLOBE TELECOM INC	4,012	14.5	13.5	(1)	7	5.8	5.5	5.4	22.1	(6.0)	(9.4)	(23.0)	(17.4)
TEL PM	PHILIPPINE LONG DISTANCE TEL	5,893	13.6	13.3	69	2	6.4	6.1	4.7	17.8	(6.6)	(4.1)	(16.5)	(4.1)
M1 SP	M1 LTD	1,256	13.1	15.8	(5)	(17)	6.8	7.2	6.1	27.4	0.0	0.0	(0.3)	0.0
ST SP	SINGAPORE TELECOM	42,466	14.0	14.0	2	(0)	12.6	12.4	6.0	14.6	(2.3)	(5.0)	(8.1)	(4.5)
STH SP	STARHUB LTD	3,075	18.2	19.1	(11)	(5)	8.5	8.4	6.7	103.8	(3.3)	(21.0)	(13.1)	(18.2)
030200 KS	KT CORP	6,651	9.6	8.9	46	7	2.7	2.7	3.9	6.0	(2.5)	(9.5)	(9.2)	(10.2)
032640 KS	LG UPLUS CORP	4,957	9.0	8.5	7	6	3.1	3.0	3.7	10.7	(5.8)	(19.6)	(11.4)	(13.6)
017670 KS	SK TELECOM	16,819	6.4	6.6	(6)	(3)	4.7	4.6	4.6	14.8	(7.3)	(20.1)	(17.0)	(16.9)
2412 TT	CHUNGHWA TELECOM CO LTD	30,267	22.9	22.6	(0)	1	10.8	10.7	4.3	10.7	4.1	6.5	11.2	8.0
4904 TT	FAR EASTONE TELECOMM CO LTD	8,672	23.1	22.7	2	2	9.9	9.9	4.9	15.8	5.5	4.1	7.7	6.3
	Average (simple)		21.0	10.9	61	29	7.9	7.6	3.5	26.3				

Source: Company data, Bloomberg, Krungsri securities

Financial statement - Quarterly (Btm)	4Q16	1Q17	2Q17	3Q17	4Q17
Quarterly P&L (Bt m)					
Sales	41,319	38,858	39,079	38,580	41,205
COGS (incl. dep'n)	(25,079)	(23,091)	(22,535)	(22,080)	(24,552)
Gross Profit	16,240	15,767	16,544	16,500	16,653
SG&A	(8,001)	(5,474)	(6,749)	(6,636)	(6,362)
Operating Profit	8,239	10,293	9,795	9,864	10,291
Net other income/expense	88	164	131	82	199
Net interest	(1,278)	(1,249)	(1,283)	(1,301)	(1,294)
Pretax profit	7,049	9,207	8,643	8,645	9,196
Income Tax	(594)	(1,668)	(1,443)	(1,221)	(1,512)
Associates	13	3	2	3	(4)
Minority interest	(6)	0	0	0	(1)
Profit after tax (pre-ex)	6,462	7,542	7,203	7,428	7,679
Extraordinaries, GW & FX	6	150	12	41	21
Reported net profit	6,468	7,693	7,215	7,469	7,701
Shares out (end Q, m)	2,973	2,973	2,973	2,973	2,973
Adjusted shares (m)	2,973	2,973	2,973	2,973	2,973
Pre-ex EPS	2.17	2.54	2.42	2.50	2.58
EPS	2.18	2.59	2.43	2.51	2.59

INCOME STATEMENT (Btm)	2016	2017	2018F	2019F	2020F
Turnover	152,150	157,722	164,703	168,824	171,442
Cost of sales (COGS)	(61,325)	(62,108)	(59,636)	(57,562)	(56,215)
Depreciation & amortization	(21,667)	(30,151)	(32,647)	(35,859)	(36,122)
Gross profit	69,158	65,463	72,420	75,403	79,105
S&A expense	(29,926)	(25,220)	(25,858)	(26,168)	(26,231)
Operating profit	39,232	40,243	46,561	49,235	52,875
Other operating income	364	575	581	587	593
EBIT	39,596	40,818	47,142	49,822	53,467
Interest expense	(4,236)	(5,302)	(6,300)	(6,250)	(9,000)
Interest income	204	175	166	177	134
Other income	364	575	581	587	593
Goodwill amortization	0	0	0	0	0
Pre-tax profit	35,564	35,691	41,008	43,749	44,602
Income tax on company & subsidiaries	(7,562)	(7,562)	(7,562)	(7,562)	(7,562)
Profit after tax	30,389	29,848	34,037	35,874	37,019
Minority interests	(23)	(1)	(70)	(74)	(77)
Share of associate net income	24	5	0	0	0
Preferred dividends	0	0	0	0	0
Recurring attributable net profit	30,389	29,852	33,967	35,801	36,942
Extraordinary items	277	225	0	0	0
Reported net profit	30,667	30,077	33,967	35,801	36,942
Shares in issue (Y/E, m)	2,973	2,973	2,973	2,973	2,973
Shares in issue (weighted avg. m)	2,973	2,973	2,973	2,973	2,973
EPS (before extraordinary items, Bt)	10.22	10.04	11.42	12.04	12.43
DPS (Bt)	10.08	7.05	8.00	8.43	8.70
DPS/EPS (%)	99	70	70	70	70

CASH FLOW (Btm)	2016	2017	2018F	2019F	2020F
Operating profit	39,232	40,243	46,561	49,235	52,875
Other operating income	364	575	581	587	593
EBIT	39,596	40,818	47,142	49,822	53,467
Depreciation & amortization	21,667	30,151	32,647	35,859	36,122
EBITDA	61,263	70,969	79,789	85,681	89,589
Notional cash taxes on ungeared operations	(6,119)	(7,037)	(8,018)	(8,973)	(9,092)
Net change in working capital	20,434	(1,018)	(9,757)	3,148	(3,005)
CAPEX	(119,235)	(36,604)	(36,000)	(30,000)	(25,000)
Operating free cash flow (OpFCF)	(43,657)	26,311	26,014	49,855	52,492
Net interest income adjusted for tax impact	(3,088)	(3,934)	(5,088)	(4,975)	(7,356)
Net free cash flow (Net FCF)	(46,745)	22,377	20,926	44,880	45,136
Non-operating income (net of tax)	0	0	0	0	0
Equity income from associates	24	5	0	0	0
Investments	(39)	(50)	(32,729)	(4,000)	(69,364)
Net change in other assets/liabilities	50,793	(11,492)	4,549	(4,184)	(49,552)
Other items	1	817	0	0	0
Residual cash flow (RCF)	4,033	11,656	(7,254)	36,697	(73,780)
Dividends	(36,510)	(23,190)	(22,363)	(24,416)	(25,458)
Equity capital raised	16	-16	0	0	0
Other items	296	255	(0)	0	0
Cash flow from financing	(36,198)	(22,951)	(22,363)	(24,416)	(25,458)
Net change in cash	(32,165)	(11,295)	(29,616)	12,281	(99,238)
Net cash/(debt) at YS	(87,732)	(99,027)	(128,643)	(116,362)	(215,600)
Ending net cash/(debt)	(87,732)	(99,027)	(128,643)	(116,362)	(215,600)
Increase/(decrease) in cash & equivalents	1,361	(576)	706	(2,719)	762
(Increase)/decrease in debt	(33,526)	(10,719)	(30,323)	15,000	(100,000)
NOPLAT (net op profit less adjusted tax)	33,477	33,781	39,125	40,849	44,375
Normalized OpFCF (est. maint. CAPEX)	64,596	49,331	47,369	63,560	59,822
FCFE (free cash flow to equity)	13	8	8	7	9

BALANCE SHEET (Btm)	2016	2017	2018F	2019F	2020F
Cash & equivalents	11,226	10,650	11,357	8,638	9,400
A/C receivable	14,116	17,071	19,392	20,398	22,615
Inventory	3,085	3,951	3,828	3,417	3,507
Others	3,472	3,169	4,723	4,028	4,150
Total Current Assets	31,899	34,841	39,299	36,482	39,672
Property and equipment	233,650	240,103	243,456	237,597	226,475
Investments & associates	39	89	32,818	36,818	106,182
Other assets	10,047	8,999	9,179	9,363	9,550
Goodwill	35	35	35	35	35
Total Assets	243,771	249,226	285,488	283,813	342,243
Short-term debt	11,685	9,576	10,000	5,000	5,000
A/C payable	34,292	32,141	29,979	30,305	28,982
Other current liabilities	76,361	63,820	68,549	64,549	15,185
Total Current Liabilities	69,328	69,718	64,137	62,187	61,610
Long-term debt	87,273	100,102	130,000	120,000	220,000
Other liabilities	76,361	63,820	68,549	64,549	15,185
Total Liabilities	232,962	233,641	262,686	246,735	296,794
Share capital	2,973	2,973	2,973	2,973	2,973
Share premium	22,388	22,372	22,372	22,372	22,372
Revaluation/Warrants/Treasury	0	0	0	0	0
Translation adjustment	237	300	300	300	300
Retained earnings	16,971	24,675	36,279	47,664	59,148
Total ordinary equity	42,569	50,320	61,925	73,309	84,793
Preferred equity	0	0	0	0	0
Minorities	139	106	176	250	327
Total equity & minorities	42,708	50,427	62,101	73,559	85,120
Accumulated depreciation	(34,798)	(34,798)	(67,445)	(103,304)	(139,425)
BV per ordinary share (Y/E, Bt)	14.3	16.9	20.8	24.7	28.5
Adjusted book value ps (Y/E, Bt)	14.3	16.9	20.8	24.7	28.5

RATIOS (%)	2016	2017	2018F	2019F	2020F
Growth					
Turnover	(2.0)	3.7	4.4	2.5	1.6
EBITDA	(13.8)	15.8	12.4	7.4	4.6
EBIT	(21.8)	3.1	15.5	5.7	7.3
Net profit	(21.7)	(1.9)	12.9	5.4	3.2
EPS pre extraordinary items	(21.9)	(1.8)	13.8	5.4	3.2
EPS (diluted)	(21.9)	(1.8)	13.8	5.4	3.2
DPS	(22.4)	(30.1)	13.4	5.4	3.2
Accounting ratios					
Cash profit margin	59.7	60.6	63.8	65.9	67.2
Gross profit margin	45.5	41.5	44.0	44.7	46.1
Operating profit margin	25.8	25.5	28.3	29.2	30.8
Net profit margin	20.2	19.1	20.6	21.2	21.5
Turnover/avg. total assets (x)	0.7	0.6	0.5	0.5	0.5
ROA	13.3	10.7	11.2	11.1	10.5
ROE	71.8	59.6	54.7	48.7	43.4
S&A/turnover	19.7	16.0	15.7	15.5	15.3
Effective tax rate	14.6	16.4	17.0	18.0	17.0
Operating performance					
EBITDA margin	40.3	45.0	48.4	50.8	52.3
EBIT margin	26.0	25.9	28.6	29.5	31.2
NOPLAT margin (NOPLAT/Turnover)	22.0	21.4	23.8	24.2	25.9
Asset turnover (Turnover/avg Op assets)	1.3	1.1	1.1	1.1	1.0
ROCE (NOPLAT/avg Op assets)	28.6	24.2	25.3	26.0	25.3
ROCE incl. capitalized goodwill	28.6	24.1	25.3	26.0	25.3

EQUITY VALUATIONS (Bt)	2016	2017	2018F	2019F	2020F
EPS	10.22	10.04	11.42	12.04	12.43
FDEPS	10.22	10.04	11.42	12.04	12.43
FDEPS growth (%)	-22	-2	14	5	3
DPS	10	7	8	8	9
BVPS	14.32	16.93	20.83	24.66	28.52
Adjusted BVPS	14.32	16.93	20.83	24.66	28.52
Free cash flow to equity (FCFE) per share	12.63	7.53	7.76	7.30	8.82
Share price (Bt) – 203					
PE (x)	19.9	20.2	17.8	16.9	16.3
PE (fully diluted, x)	19.9	20.2	17.8	16.9	16.3
PE/FDEPS growth (x)	(0.9)	(11.4)	1.3	3.1	5.1
Yield (%)	5.0	3.5	3.9	4.2	4.3
P/BV (x)	14.2	12.0	9.7	8.2	7.1
P/ABV (x)	14.2	12.0	9.7	8.2	7.1
P/FCFE (x)	16.1	27.0	26.2	27.8	23.0
ENTERPRISE VALUATIONS (Btm)	2016	2017	2018F	2019F	2020F
Ordinary shares (m)	2,973	2,973	2,973	2,973	2,973
Share price (Bt)	152	191	203	203	203
Ordinary equity MV	451,910	567,861	603,538	603,538	603,538
MI & deferred taxes	139	106	176	250	327
Equity MV (adjusted ord)	452,050	567,968	603,715	603,788	603,865
Preferred equity	0	0	0	0	0
Debt	98,958	109,677	140,000	125,000	225,000
Enterprise value	551,008	677,645	743,715	728,788	828,865
Net noncore assets	11,300	10,775	42,562	43,802	113,902
Core enterprise value (EV)	539,708	666,870	701,152	684,986	714,963
Turnover	152,150	157,722	164,703	168,824	171,442
EBITDA	61,263	70,969	79,789	85,681	89,589
EBIT	39,596	40,818	47,142	49,822	53,467
NOPLAT	33,477	33,781	39,125	40,849	44,375
OpFCF	(43,657)	26,311	26,014	49,855	52,492
OpFCF (normalized)	64,596	49,331	47,369	63,560	59,822
Op (core) capital employed (CE)	130,366	149,330	159,539	154,757	196,218
Avg. core capital employed	117,196	139,848	154,434	157,148	175,488
Core EV multiples					
EV/Turnover (x)	3.5	4.2	4.3	4.1	4.2
EV/EBITDA (x)	8.8	9.4	8.8	8.0	8.0
EV/EBIT (x)	13.6	16.3	14.9	13.7	13.4
EV/NOPLAT (x)	16.1	19.7	17.9	16.8	16.1
EV/OpFCF (x)	(12.4)	25.3	27.0	13.7	13.6
EV/OpFCF normalized (x)	8.4	13.5	14.8	10.8	12.0
EV/capital employed (YE, x)	4.1	4.5	4.4	4.4	3.6
EV/avg capital employed (x)	4.6	4.8	4.5	4.4	4.1
RISK MEASURES	2016	2017	2018F	2019F	2020F
Equity multiplier (avg. total assets/avg. equity)	5.0	6.0	5.4	4.8	4.4
Net debt/equity & MI	2.3	2.2	2.3	1.7	2.6
Interest cover (x)					
Interest cover (EBIT & int. incl/int. expense)	8.3	6.7	6.5	7.0	4.9
NOPLAT/interest paid	7.9	6.4	7.0	6.2	6.3
Debt service (OpFCF/net interest paid)	(10.8)	5.1	4.8	7.7	7.6
Short-term ratios (x)					
Current assets/current liabilities	0.5	0.5	0.6	0.6	0.6
Current assets less inventory/current liabilities	0.4	0.4	0.6	0.5	0.6
A/C receivable, days Turnover	33.9	39.5	43.0	44.1	48.1
Inventory, days COGS	18.4	23.2	23.4	21.7	22.8
A/C payable, days COGS	204.1	188.9	183.5	192.2	188.2

CG Rating 2016 Companies with CG Rating



AMATA	AOT	BAFS	BAY	BCP	BIGC	BTS	BWG	CK	CPF	CPN	CSL	DELTA	DEMCO
DRT	DTAC	DTC	EASTW	EGCO	GFPT	GPSC	GRAMMY	HANA	HMPRO	INTUCH	IRPC	IVL	KBANK
KCE	KKP	KTB	KTC	LHBANK	LPN	MBK	MCOT	MINT	MONO	NKI	NYT	OTO	PHOL
PPS	PS	PSL	PTT	PTTEP	PTTGC	QH	QTC	RATCH	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SE-ED	SIM	SITHAI	SNC	SPALI	SSSC	STEC	SVI	TCAP	THCOM	TISCO	TKT
TMB	TNDT	TOP	TSC	TTCL	TU	UV	VGI	WACOAL	WAVE				



2S	AAV	ACAP	ADVANC	AGE	AH	AHC	AKP	ALUCON	AMANAHA	ANAN	AP	APCO	APCS
ARIP	ASIA	ASIMAR	ASK	ASP	AUCT	AYUD	BANPU	BBL	BDMS	BEM	BFIT	BLA	BOL
BROOK	CEN	CENTEL	CFRESH	CGH	CHG	CHO	CHOW	CI	CIMBT	CKP	CM	CNS	CNT
COL	CPI	DCC	EA	ECF	EE	ERW	FORTH	FPI	GCAP	GLOBAL	GBX	GC	GL
GLOW	GUNKUL	HOTPOT	HYDRO	ICC	ICHI	IFEC	INET	IRC	JSP	K	KSL	KTIS	L&E
LANNA	LH	LHK	LIT	LOXLEY	LRH	LST	M	MACO	MALEE	MBKET	MC	MEGA	MFC
MOONG	MSC	MTI	MTLS	NCH	NOBLE	NSI	NTV	OCC	OGC	OISHI	ORI	PACE	PAP
PCSGH	PDI	PE	PG	PJW	PLANB	PM	PPP	PR	PRANDA	PREM	PRG	PRINC	PT
PTG	PYLON	Q-CON	RICHY	ROBINS	RS	RWI	S	SAMCO	SABINA	SALEE	S&J	SCG	SEAFO
SIAM	SINGER	SIS	SMK	SMPC	SMT	SNP	SPI	SPPT	SPRC	SR	SSF	SST	STA
SUSCO	SUTHA	SWC	SYMC	SYNEX	SYTNEC	TAE	TAKUNI	TASCO	TBSC	TCC	TF	TFI	TGCI



AEC	AEONTS	AF	AIRA	AIT	AJ	AKR	AMARIN	AMATAV	ARROW	APURE	AQUA	AMC	AS
BA	BEAUTY	BEC	BH	BIG	BJC	BJCHI	BKD	BR	BROCK	BRR	BTNC	CBG	CGD
CHARAN	CITY	CMR	COLOR	COM7	CPL	CSC	CSP	CSR	CSS	CTW	DCON	DIMET	DNA
EARTH	EASON	ECL	EFORL	EPCO	EPG	ESSO	FE	FER	FOCUS	FSMART	FSS	FVC	GEL
GIFT	GLAND	GOLD	GSTEL	GYT	HPT	HTC	HTECH	IFS	IHL	ILINK	INSURE	IRPC	IT
ITD	J	JMART	JMT	JUBILE	JWD	KASET	KBS	KCAR	KGI	KKC	KOOL	KWC	KYE
LALIN	LPH	MAJOR	MAKRO	MATCH	MATI	M-CHAI	MDX	MFEC	MJD	MK	MODERN	MPG	NC
NCL	NDR	NEP	NOK	NUSA	PATO	PCA	PDG	PF	PICO	PIMO	PL	PLAT	PLE
PMTA	PPM	PRIN	PSTC	QLT	RCI	RCL	RICH	RML	RPC	SANKO	SAPPE	SAWAD	SCI
SCN	SCP	SEAOIL	SENA	SIRI	SKR	SLP	SMG	SMIT	SORKON	SPA	SPC	SPCG	SPVI
SSC	STANLY	STPI	SUC	TACC	TCCC	TCMC	TEAM	TFD	TFG	TIC	TIW	TKN	TLUXE
TMD	TNP	TOPP	TPA	TPAC	TPCH	TPIPL	TPOLY	TRITN	TRT	TTI	TVI	TWP	U
UBIS	UMI	UPOIC	UT	UWC	VIBHA	VPO	VTE	WICE	WIIK	WIN	XO		

Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator 2016

Companies that have declared their intention to join CAC

A	AI	AIE	AIR	AJ	ALUCON	AMATAV	AOT	APCO	AQUA	ARROW	ASIA	ASK	AU
BCH	BJC	BJCHI	BLAND	BR	BROCK	BRR	CEN	CGH	CHEWA	CHG	CHOTI	CHOW	CIG
COL	COM7	CPALL	CPF	CPR	CSC	EKH	EPCO	FC	FER	FPI	FSMART	GEL	GFPT
GGC	GIFT	GJS	GLOBAL	GOLD	GPSC	GREEN	GSTEL	GUNKUL	HARN	IFS	ILINK	INET	IRC
J	JMART	JMT	JUBILE	JUTHA	KASET	KBS	KCAR	KTECH	KWC	KYE	L&E	LEE	LIT
LVT	MAKRO	MATCH	MATI	MBAX	MC	MFEC	MIDA	MILL	ML	MTLS	NBC	NCL	NEP
NINE	NMG	NNCL	NTV	NUSA	NWR	OGC	PACE	PAF	PAP	PATO	PCSGH	PIMO	PK
PL	PLANB	POST	PRINC	PRO	PSTC	PYLON	QTC	ROH	ROJNA	RWI	SANKO	SAUCE	SC
SCCC	SCN	SEAOIL	SE-ED	SENA	SIRI	SMART	SPACK	SPPT	SPRC	SR	SRICHA	SST	STA
SUPER	SUSCO	SWC	SYMC	TAKUNI	TBSP	TFI	THE	TICON	TIP	TKN	TLUXE	TMILL	TMT
TNP	TPA	TRUE	TSE	TTI	TU	TVD	TVO	TVT	TWPC	U	UPA	UREKA	UWC
VGI	VIBHA	VIH	VNT	WAVE	WHA	WICE	WIIK						

Companies certified by CAC

ADVANC	AKP	AMANAH	AP	ASP	AYUD	BAFS	BANPU	BAY	BBL	BCP	BKI	BLA	BROOK
BTS	BWG	CENTEL	CFRESH	CIMBT	CM	CNS	CPI	CPN	CSL	DCC	DEMCO	DIMET	DRT
DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GCAP	GLOW	HANA	HMPRO	HTC
ICC	IFEC	INTUCH	IRPC	IVL	K	KBANK	KCE	KGI	KKP	KSL	KTB	KTC	LANNA
LHBANK	LHK	LPN	MBK	MBKET	MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NKI	NSI
OCC	OCEAN	PB	PDI	PE	PG	PHOL	PLAT	PM	PPP	PPS	PRANDA	PREB	PRG
PSH	PSL	PT	PTG	PTT	PTTEP	PTTGC	Q-CON	QH	QLT	RATCH	RML	ROBINS	S & J
SABINA	SAT	SCB	SCC	SCG	SGP	SINGER	SIS	SITHAI	SMIT	SMPC	SNC	SNP	SORKON
SPC	SPI	SSF	SSI	SSSC	SVI	SYNTEC	TAE	TCAP	TCMC	TFG	TGCI	THANI	THCOM
THRE	THREL	TIPCO	TISCO	TKT	TMB	TMD	TNITY	TNL	TOG	TOP	TPCORP	TRU	TSC
TSTH	TTCL	TVI	UOBKH	WACOAL									

N/A

2S	AAV	ABICO	ACAP	ACC	ADAM	AEC	AEONTS	AF	AFC	AGE	AH	AHC	AIT
AJA	AKR	ALLA	ALT	AMA	AMARIN	AMATA	AMC	ANAN	APCS	APEX	APURE	AQ	ARIP
AS	ASAP	ASEFA	ASIAN	ASIMAR	ASN	ATP30	AUCT	BA	BAT-3K	BCPG	BDMS	BEAUTY	BEC
BEM	BFIT	BGRIM	BGT	BH	BIG	BIZ	BKD	BLISS	BM	BOL	BPP	BSBM	BSM
BTC	BTNC	BTW	BUI	CBG	CCET	CCP	CGD	CHARAN	CHO	CHUO	CI	CITY	CK
CKP	CMO	CMR	CNT	COLOR	COMAN	CPH	CPL	CRANE	CRD	CSP	CSR	CSS	CTW
CWT	D	DCON	DCORP	DELTA	DIGI	DNA	DTCI	EA	EARTH	EASON	ECF	EE	EFORL
EIC	EMC	EPG	ERW	ESSO	ESTAR	ETE	EVER	F&D	FANCY	FMT	FN	FOCUS	FORTH
FTE	FVC	GC	GENCO	GL	GLAND	GRAMMY	GRAND	GTB	GYT	HFT	HOTPOT	HPT	HTECH
HYDRO	ICHI	ICN	IEC	IHL	III	INGRS	INOX	INSURE	IRCP	IT	ITD	ITEL	JAS
JCT	JSP	JTS	JWD	KAMART	KC	KCM	KDH	KIAT	KKC	KOOL	KTIS	KWG	LALIN
LDC	LH	LOXLEY	LPH	LRH	LST	LTX	M	MACO	MAJOR	MALEE	MANRIN	MAX	M-CHAI
MCS	MDX	MEGA	METCO	MGT	MJD	MK	MM	MODERN	MPG	MPIC	NC	NCH	NDR
NETBAY	NEW	NEWS	NFC	NOBLE	NOK	NPK	NPP	NVD	NYT	OHTL	OISHI	ORI	OTO
PAE	PDG	PERM	PF	PICO	PJW	PLANET	PRECHA	PMTA	POLAR	POMPUI	PPM	PRAKIT	PLE
PRIN	PRM	PTL	RAM	RCI	RCL	RICH	RICHY	RJH	ROCK	RP	RPC	RPH	RS
S	S11	SAFARI	SALEE	SAM	SAMART	SAMCO	SAMTEL	SAPPE	SAWAD	SAWANG	SCI	SCP	SDC
SE	SEAFCO	SELIC	SF	SFP	SGF	SHANG	SIAM	SIMAT	SKN	SKR	SKY	SLP	SMK
SMM	SMT	SOLAR	SPA	SPALI	SPCG	SPG	SPORT	SPVI	SQ	SSC	SSP	STANLY	STAR
STEC	STHAI	STPI	SUC	SUTHA	SVH	SVOA	SYNEX	T	TACC	TAPAC	TASCO	TC	TCB
TCC	TCCC	TCJ	TCOAT	TEAM	TFD	TFMAMA	TGPRO	TH	THAI	THANA	THIP	THL	TIC
TIW	TK	TKS	TM	TMC	TMI	TMW	TNDT	TNH	TNPC	TNR	TOA	TOPP	TPAC
TPBI	TPCH	TPIPL	TPIPP	TPOLY	TPP	TR	TRC	TRITN	TRT	TRUBB	TSF	TSI	TSR
TSTE	TTA	TTPL	TTTM	TTW	TUCC	TWP	TWZ	TYCN	UAC	UBIS	UEC	UKEM	UMI
UMS	UNIQ	UP	UPF	UPOIC	UT	UTP	UV	UVAN	VARO	VI	VNG	VPO	VTE
WG	WHAUP	WIN	WINNER	WORK	WORLD	WP	WPH	WR	XO	YCI	YNP	YUASA	ZIGA
ZMICO													

Disclaimer

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment result."

Reference

Disclosure: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of July 31, 2017) are categorised into:

- Companies that have declared their intention to join CAC
- Companies certified by CAC.

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Definition of Ratings

- OUTPERFORM** - Stocks with an expected capital gain above 10% in the next 12 months for small-caps, above 5% for big-caps
- NEUTRAL** - Stocks with an expected capital gain between -10% and +10% in the next 12 months for small-caps, -5% to +5% for big-caps
- UNDERPERFORM** - Stocks with an expected capital gain below 10% in the next 12 months for small-caps, below 5% for big-caps