

Telecom Sector – Overweight

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News update

Preliminary details for upcoming spectrum bids

- **NBTC is putting up six spectrum bands for auction in 2Q25**
- **Starting bidding prices are lower than previous rounds**
- **We expect peaceful bids given ample spectrum availability**
- **We maintain our view of lower spectrum costs for operators**

The National Broadcasting and Telecommunications Commission (NBTC) yesterday released a draft framework for an auction for six sets of spectrum licenses for public hearing, before the bids to be held simultaneously within 2Q25. One surprising point from the draft is a payment term for these six sets of licenses which is set to be 50% payment in first year, then 25% in the third and fifth year, unlike in latest bidding rounds where the payment term was a 10-year installment plan.

Below are our views on the bidding of each spectrum band.

- **10MHz of the 850MHz spectrum band:** This marks the first time for the 850MHz spectrum to be available for auction, as it has been under the rights of the National Telecom Pcl (NT, not listed) for the past decade. TRUE is currently renting this bandwidth from NT until 3 August 2025, when the rights set to expire. However, we expect TRUE to forego bidding for this band since we believe it already has sufficient holdings on low-band spectrums post its business amalgamation. Similarly, we don't see its significant value to ADVANC, so **assume the band to be unclaimed.**
- **55MHz of the 1500MHz spectrum band:** This is the first this spectrum band is being offered to telecom operators. However, despite its relatively low starting price, **we expect it will be overlooked by both operators** due to limited availability of compatible devices with the band.
- **35MHz of the 1800MHz spectrum band:** This is the leftover bandwidth from the auctions in 2015 and 2018. Both ADVANC and TRUE currently hold licenses for 20MHz bandwidth of this band. However, since the starting price of Bt6.2bn per 5MHz bandwidth license is 50-55% below prior final bidding prices, we believe **operators may find value in acquiring additional bandwidth.** Having said that, we expect additional financial burden to be minimal as the extra bandwidth could reduce required investments in network equipment for providing services on the spectrum.
- **75MHz of the 2100MHz spectrum band:** The 2100MHz spectrum is divided into 15 licenses; 12 for the paired FDD band (5MHz bandwidth each) and three for the unpaired TDD band. TRUE now holds six of the FDD licenses (30MHz in total) while ADVANC holds three licenses and rents three more from NT. One note taking point is that the nine licenses from both operators are set to expire in 2027, but NT's rights is expiring this August. NBTC will hold the auction of these 12 licenses together this time, but the new nine licenses for the bandwidths currently held by operators will last only 13 years, while the three licenses for the bandwidths currently under NT's rights last 15 years. The license prices though are all set at Bt3.4bn per 5MHz bandwidth license. **We expect both operators to secure back their current holdings, with ADVANC likely to also double up its holding bandwidth to match TRUE's.** Since we believe operators will equally split the available bandwidth, we expect competition to be mild. **We assume operators to ignore the FDD licenses.**
- **70MHz of the 2300MHz spectrum band:** TRUE currently rents 60MHz bandwidth of this 2300MHz spectrum from NT. Given the announced starting price is set at less than 10% of the annual rental fee that TRUE is paying to NT, **we believe TRUE to bid for this spectrum aggressively.** On the other hand, ADVANC now has no required infrastructure and equipment ready for this band, we see it is difficult for ADVANC to compete for the licenses, thus **assume ADVANC to opt out from the bid for this spectrum.**

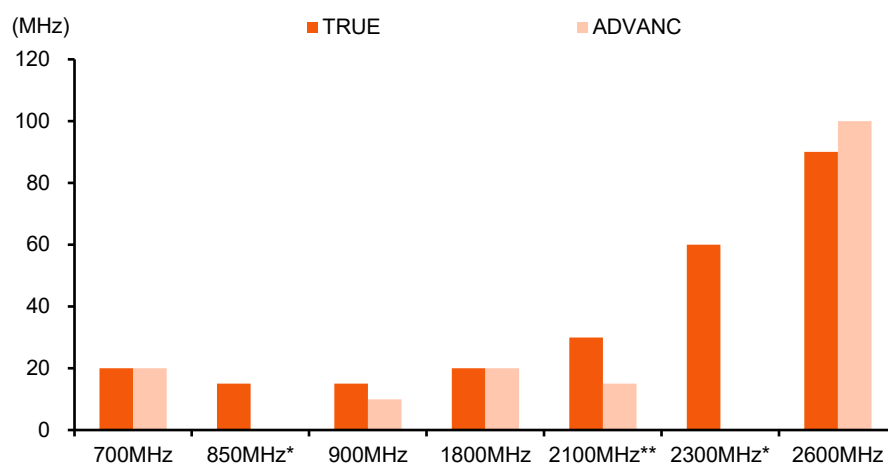
- 100MHz of the 26GHz spectrum band:** This is a remaining bandwidth from the auction in 2020, in which ADVANC and TRUE already secured 1.2GHz and 0.8GHz bandwidth of the band. **We assume both players to not participate in the bid** as current demand for this advanced 5G spectrum remains limited. Having said that, a decision by any operator to bid for this ultra-high frequency band would not make significant difference to its financials.

Ex 1: List Of Spectrums Available In The Upcoming Bid

Spectrum band	# available licenses	Permitted bandwidth per license (MHz)	Starting price (Bt m)	Previous bidding round (year)	Previous final bidding price (Bt m)
850MHz	2	5	6,609	n.a.	n.a.
1500MHz	11	5	904	n.a.	n.a.
1800MHz	7	5	6,219	2015 2018	13,662 12,511
2100MHz (FDD)	12	5	3,391	2012	4,875
2100MHz (TDD)	1	5	497	n.a.	n.a.
2300MHz	7	10	1,675	n.a.	n.a.
26GHz	1	100	423	2020	455

Sources: The National Broadcasting and Telecommunication Commission (NBTC), Company data, Thanachart estimates

Ex 2: Current Spectrum Holdings Of Both Operators



Sources: NBTC, Company data

Note: * TRUE is renting 15MHz of bandwidth of the 850MHz band and 60MHz of the 2300MHz band from NT until August 2025.

** ADVANC is renting 15MHz of bandwidth of the 2100MHz band from NT until August 2025.

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