

Advanced Info Service Pcl (ADVANC TB) - BUY**Earnings Preview**

Nuttapop Prasitsuksant | Email: nuttapop.pra@thanachartsec.co.th

Strong earnings momentum continues

- **Expecting Bt12.5bn norm profit in 4Q25F ...**
- **... up 24% y-y and 4% q-q, beating our estimates**
- **Strong mobile service revenue growth ...**
- **... with benefits from spectrum cost savings**

We attended an analyst earnings preview with ADVANC yesterday. Based on the preliminary figures from the session, we estimate a Bt12.5bn normalized profit for 4Q25F, growing 24% y-y and 4% q-q growth, which looks to beat both our and the market's expectations. Strong growth in mobile service revenue remains the key earnings driver, on top of a full-quarter benefit of lower spectrum costs.

- **Core service revenue:** We estimate core service revenue at Bt44.3bn in 4Q25F, growing 6% y-y and 2% q-q. The growth is likely to be driven mainly by strong momentum of mobile service revenue, rising 5% y-y and 2% q-q to Bt33.3bn, supported by high season of mobile spending from tourism and some positive impacts from government spending stimulus, including ongoing benefits from package price improvement in the industry. Fixed broadband revenue is also growing, up 9% y-y and 1% q-q to Bt8.3bn, from both improving ARPU trend and expanding subscriber base.
- **EBITDA:** We project a strong EBITDA growth of 6% y-y and 2% q-q to Bt31.2bn in 4Q25F. In addition to the revenue growth, ADVANC will recognize the first full-quarter benefit from lower spectrum costs (effective from August 2025) this quarter. However, the spectrum cost reduction would be partially offset down by a seasonally high for spending. We project total SG&A expense to rise 12% q-q (but flat y-y) to Bt6.9bn on the seasonality. We estimate SG&A-to-revenue ratio at 12.1% in 4Q25F, from 11.4% in 3Q25 and 12.3% in 4Q24.
- **Norm profit:** Backed by continuing revenue growth momentum with some cost savings this quarter, we expect ADVANC to report a strong Bt12.5bn normalized profit in 4Q25F, implying 24% y-y and 4% q-q growth. This beat our expectations, and likely also the market's estimates. We thus maintain our BUY rating on ADVANC.

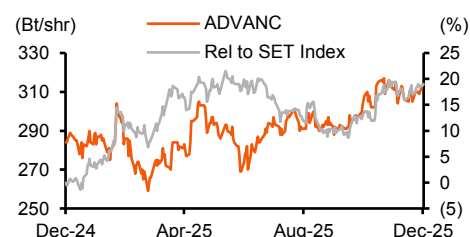
Key Valuations

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	213,569	222,063	224,432	231,359
Net profit	35,075	43,597	48,827	53,027
Norm net profit	35,636	43,597	48,827	53,027
Norm EPS (Bt)	12.0	14.7	16.4	17.8
Norm EPS gr (%)	25.1	22.3	12.0	8.6
Norm PE (x)	26.2	21.4	19.1	17.6
EV/EBITDA (x)	9.1	8.7	8.3	8.1
P/BV (x)	9.6	8.9	8.3	7.8
Div. yield (%)	3.4	4.2	4.7	5.1
ROE (%)	38.0	43.0	44.8	45.6
Net D/E (%)	88.6	99.2	80.9	89.4

Source: Thanachart estimates

Stock Data

Closing price (Bt)	314.0
Target price (Bt)	365.0
Market cap (US\$ m)	30,017
Avg daily turnover (US\$ m)	51
12M H/L price (Bt)	317.0/259.0

Price Performance

Source: Bloomberg

Ex 1: ADVANC's 4Q25F Earnings Preview

(Bt bn)	4Q24	3Q25	4Q25F	Growth (%)	
				Y-Y	Q-Q
Core service revenue	41.9	43.6	44.3	5.7	1.6
- Mobile	31.7	32.8	33.3	5.1	1.5
- Fixed broadband	7.6	8.2	8.3	9.0	1.2
- Enterprise solutions	2.6	2.6	2.7	3.1	3.3
EBITDA	29.5	30.6	31.2	5.5	1.6
Norm profit	10.0	12.0	12.5	24.1	4.1

Sources: Company data, Thanachart estimates

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