4 SEPTEMBER 2026

BUY (Unchanged)

Change in Numbers

TP: Bt 420.00 (Unchanged)

Upside: 21.4%

Advanced Info Service Pcl (ADVANC TB)

Highly resilient big cap

NUTTAPOP PRASITSUKSANT

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We maintain our BUY on ADVANC as a resilient big-cap stock offering a sustainable total return of 12% p.a. with a 7% EPS CAGR and 5%-plus dividend yields in 2027-29F. While its B2C services still have room to grow, the B2B solutions business is enjoying accelerating growth.

Still room to grow; maintaining BUY

We maintain our BUY on ADVANC. ***First***, we see ADVANC as a big-cap firm running a highly resilient business that still offers a total return of 12-13% p.a., with a 7% EPS CAGR and 5-6% dividend yields in 2027-29F. ***Second***, growth drivers look solid from both B2C mobile and fixed broadband services and an accelerating B2B digital solutions business. We project combined B2C and B2B revenues to grow 3.5% p.a. in 2027-29F. ***Third***, higher capex of Bt33/30/28bn in 2026-28F, from Bt26bn in 2025, is not a concern relative to its Bt120bn-plus EBITDA base. We fine-tune up our earnings by 3-6% in 2026-28F to reflect better-than-expected revenue growth. However, after factoring in higher capex and rolling over to a 2027F base year, our DCF-based 12-month TP remains at Bt420.

Further room for B2C ARPU improvement

We project 3.5% p.a. total service revenue growth over 2027-29F. The B2C business, comprising mobile, fixed broadband and add-on services, accounts for 95% of revenues, with the remaining 5% from B2B services. The key driver for B2C services is rising ARPU from growing data usage and higher package prices, supported by hyper-personalization and value-added offerings. We expect 1.5% p.a. mobile ARPU growth and 3.0% for fixed broadband (FBB). FBB also benefits from demand for higher speeds and more connected devices per household, alongside 3% p.a. subscriber growth. Thailand's mobile data price per GB remained among the region's lowest in 2025, while FBB ARPU was 30% below the regional average.

Group synergies strengthen B2B growth

We expect 8% p.a. revenue growth in the B2B enterprise solutions business in 2027-29F, vs. 5% in 2026F. Accelerating digital transformation across both public and private sectors is the key driver. We also see Singtel group's expertise in the digital value chain giving ADVANC strong advantages in upcoming project bids under Thailand's "Cloud First" and "Sovereign AI" policies. Singtel SG has developed various 5G network-led B2B solutions across the logistics, transport, and healthcare sectors that ADVANC could replicate. Investments in data centers and cloud solutions with GULF can also leverage the procurement scale and know-how of NXera and RE:AI, the group's data center and AI solutions developers.

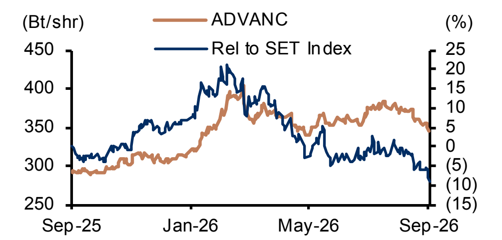
Elevated near-term capex isn't a concern

We project ADVANC's capex to increase temporarily to Bt33/30/28bn in 2026-28F from Bt26bn in 2025, before normalizing to Bt26bn in 2029F, to reflect its IT backbone investment to 1) enable hyper-personalization through better data analytics and 2) create long-term cost savings via automation across operations and services. Already including payments for the new 3500MHz spectrum license and the 2100MHz license renewal, we still estimate 4-6% FCF and 5-6% dividend yields over 2027-29F.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	226,264	232,335	242,999	251,652
Net profit	47,886	53,646	57,176	61,143
Consensus NP	—	53,883	57,375	58,300
Diff frm cons (%)	—	*(0.4)*	*(0.3)*	*4.9*
Norm profit	45,995	53,646	57,176	61,143
Prev. Norm profit	—	50,469	54,503	59,282
Chg frm prev (%)	—	*6.3*	*4.9*	*3.1*
Norm EPS (Bt)	15.46	18.04	19.22	20.56
Norm EPS grw (%)	29.1	16.6	6.6	6.9
Norm PE (x)	22.4	19.2	18.0	16.8
EV/EBITDA (x)	10.4	10.4	9.9	9.3
P/BV (x)	9.6	19.1	17.6	16.3
Div yield (%)	9.9	5.0	5.3	5.6
ROE (%)	45.0	66.6	101.9	100.5
Net D/E (%)	67.7	287.7	289.1	256.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 4-Sep-26 (Bt)	346.00
Market Cap (US$ m)	31,266.6
Listed Shares (m shares)	2,974.2
Free Float (%)	34.8
Avg. Daily Turnover (US$ m)	82.3
12M Price H/L (Bt)	404.00/288.00
Sector	Telecom
Major Shareholder	Gulf Development Pcl 40.44%

Sources: Bloomberg, Company data, ttb wealth estimates

Highly resilient big cap

Maintaining our BUY on ADVANC with an unchanged Bt420 TP

We maintain our BUY rating on shares of Advanced Info Service Pcl (ADVANC TB) with an unchanged DCF-based TP of Bt420/share after rolling over to a 2027F valuation base year.

Core B2C services continue to grow …

- **First,** we estimate 4/3/3% revenue growth for ADVANC's two B2C services combined over 2027-29F, mobile and fixed broadband (FBB), which together comprise 95% of its core service revenue, driven by ARPU expansion across both consumer businesses, alongside an expanding subscriber base in the FBB segment.

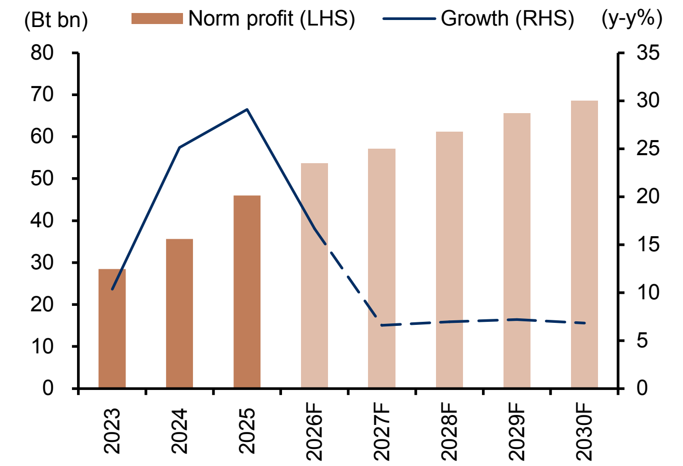
… with accelerating growth for the B2B segment

- **Second,** we expect ADVANC's B2B services revenue (ie, enterprise digital solutions) to accelerate to 10/8/5% growth over the same period, supported by the global megatrend of digital transformation adoption across major corporates and government entities. Synergy benefits from both its domestic parent, Gulf Development Pcl (GULF TB, Bt61.75, BUY), and its regional shareholder, the Singtel group, will likely enhance ADVANC's competitiveness in future project bids under Thailand's "Cloud First" and "Sovereign AI" policies.

12-13% total return from resilient earnings growth and rising dividend yield

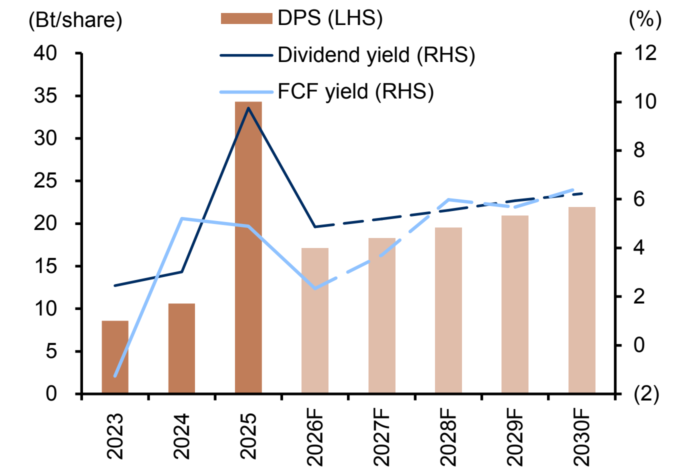
- **Lastly,** after factoring in 1) near-term elevated capex and higher operating costs related to IT backbone improvements and 2) early-stage losses from its 39% stake in the "Clicx" virtual bank, which commenced operations in 2Q26, we still estimate a 12-13% p.a. total return from ADVANC, through a 7% EPS CAGR that we see as decent for a large cap, and sustainable 5-6% dividend yields over 2027-29F. This already accounts for additional payments for two new spectrum licenses, which we assume will be bid out in 2027F.

Ex 1: Decent High-Single-Digit Earnings Growth



Sources: Company data, ttb wealth estimates

Ex 2: Strong FCF Supports Increasing Dividend Yields



Sources: Company data, ttb wealth estimates

Note: ADVANC paid a Bt27.4/share special dividend in 2025

Further room for B2C ARPU improvement

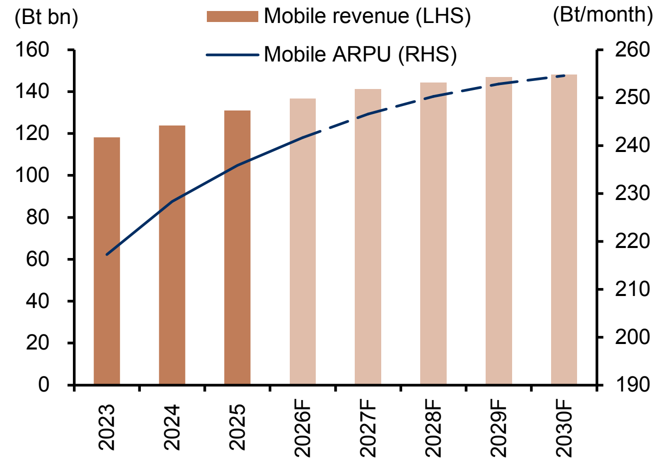
3.5% p.a. service revenue growth is driven by both B2C and B2B businesses

We estimate ADVANC's core service revenue to grow by an average of 3.5% p.a. over 2027-29F, supported by its two core B2C businesses, mobile and fixed broadband (FBB), including their adjacent value-added service offerings, which together account for 95% of the revenue, alongside an accelerating growth in B2B digital solutions service (5% of the core service revenue) as its new S-curve business unit.

We believe mobile ARPU still has room to expand

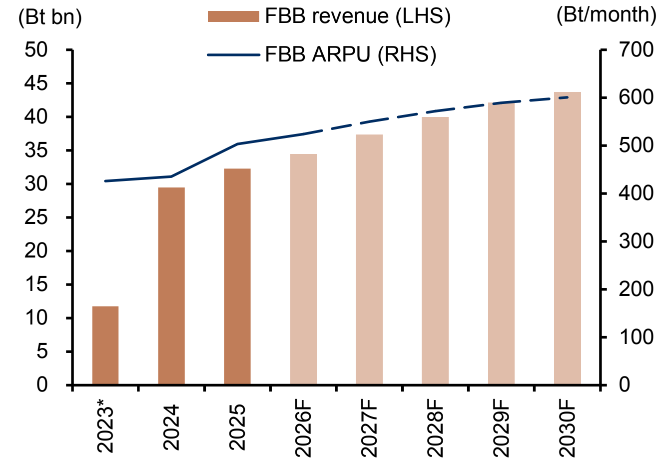
We expect ADVANC's mobile service revenue (75% of its core service revenue) to continue growing by 4/3/3%, driven by steadily increasing ARPU despite a mature subscriber base. We estimate ADVANC's mobile ARPU to rise from Bt242/month in 2026F to Bt253/month in 2029F, implying a 1.5% p.a. expansion over the next three years, returning to its previous peak in 2018, before heavy price competition eroded the industry's ARPU during 2019-22. The improvement will likely be driven mainly by rising data consumption, which should be further reinforced by ADVANC's hyper-personalization strategy, leveraging more advanced individual consumer behavior analytics to upsell more effectively through better-matched, customizable packages of bundled value-added services. Despite improving ARPU since the 2022 trough, Thailand's mobile data yield (price per GB) continues to decline and remains among the lowest in ASEAN, yet with arguably superior service quality. Combined with the favorable duopoly market conditions, which imply a low risk of price competition, we see strong potential for mobile ARPU to keep rising once macroeconomic conditions turn into a tailwind.

Ex 3: Rising ARPU Continues To Drive Mobile Revenue



Sources: Company data, ttb wealth estimates

Ex 4: FBB Still Has A Subscriber Expansion Driver



Sources: Company data, ttb wealth estimates

Note: *ADVANC acquired the fixed broadband business from TTTBB in 2023.

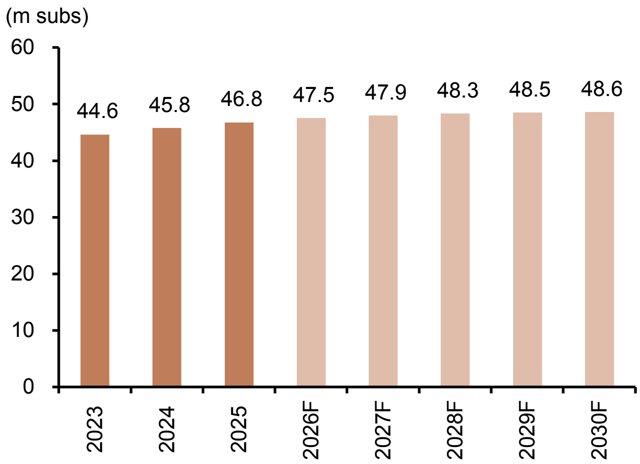
FBB revenue is growing through both higher ARPU and subscriber expansion

Meanwhile, we expect ADVANC's fixed broadband revenue, at 20% of core service revenue, to grow at a stronger pace of 7/8/7% over 2027-29F. This should be driven mainly by a 3% annual rise in ARPU, as value-added offerings are introduced in this segment and customers adopt higher-priced packages amid demand for faster connectivity and more connected devices per household. Subscriber growth of 3% p.a. provides the second leg of growth. We project ADVANC's FBB subscriber base to expand from 5.4m in 2026F to 6.0m in 2029F, as FBB penetration in Thailand remains low at 52% of total households against the country's estimated potential of around 60%.

Ex 5: More Value-Added Offerings Are Introduced To B2C Services

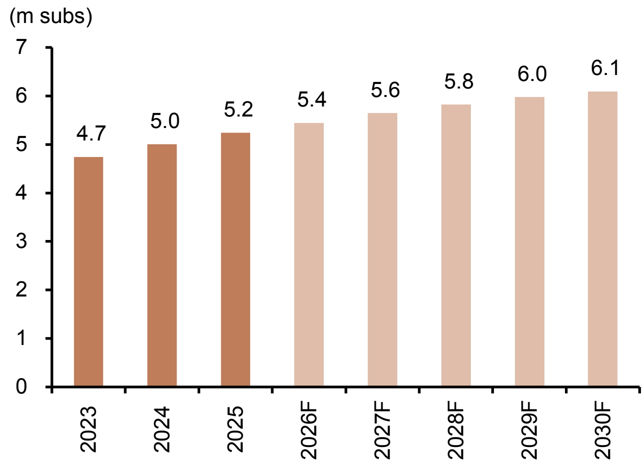
Source: Company data

Ex 6: Mobile Subs Have Likely Reached Mature Stage …



Sources: Company data, ttb wealth estimates

Ex 7: … But FBB Subs Have Potential To Expand



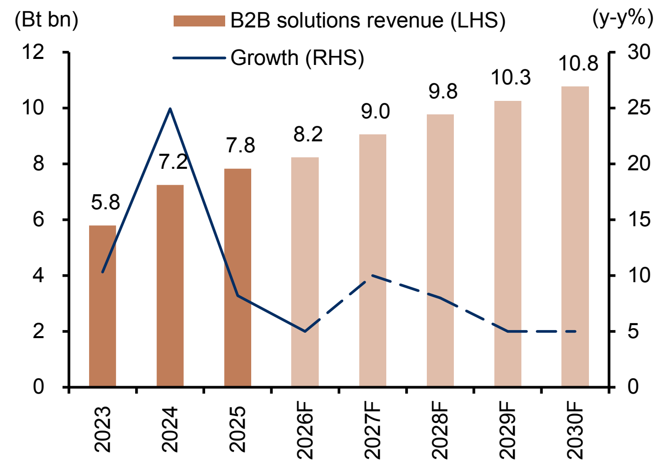
Sources: Company data, ttb wealth estimates

Group synergies strengthen B2B growth

Faster growth pace for B2B segment despite remaining small for ADVANC

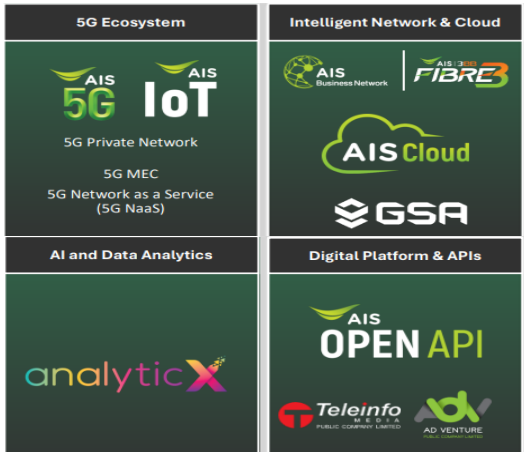
We foresee strong growth potential for ADVANC's new S-curve business unit in digital solutions for enterprises, despite this B2B segment remaining small, at only 5% of its core service revenue in 2026F. We estimate ADVANC's B2B revenue to grow 10/8/5% in 2027-29F, supported by the strong tailwind of the global digital transformation megatrend. Building on its established footprint in the private sector through traditional connectivity services such as enterprise data services (EDS), ADVANC has expanded its offerings to major corporates to include cloud-based data storage, business intelligence analytics, and cybersecurity. Beyond this first generation of digital services, we expect synergies from its parent companies, including regional subsidiaries within its group, to drive stronger growth as ADVANC moves into newer technology offerings.

Ex 8: B2B Revenue Grows Amid Digitalization Trend



Sources: Company data, ttb wealth estimates

Ex 9: ADVANC's Portfolio Of B2B Services



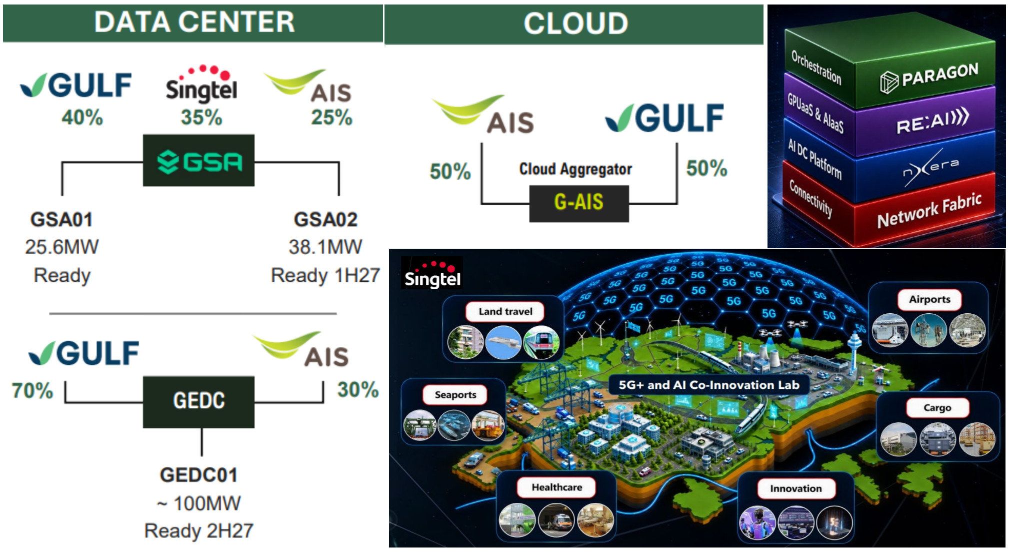
Source: Company data

We see strong synergies from the Singtel group in this B2B segment

Specifically, we see the group's data center and sovereign AI capabilities as ADVANC's clearest route into higher-value B2B services. Through the GSA joint venture with GULF and Singtel, ADVANC holds a 25% stake in emerging hyperscale data center capacity in Thailand and has announced three projects totaling 164MW of installed IT load capacity. Management targets 250MW in total capacity under the JV against a domestic market it expects to reach 2GW by 2030. This core data center business can leverage procurement scale and know-how from Nxera, the Singtel group's regional data center developer, which has secured a 460MW data center development pipeline, of which 230MW is already in operation across Singapore, Thailand, Malaysia and Indonesia. Another major related subsidiary is RE:AI, the group's sovereign AI solutions provider, which has developed a full sovereign AI stack spanning GPU-as-a-service, model and application layers, with a procurement advantage from being within the NVIDIA ecosystem.

We see these group synergies as strategic for ADVANC, together with GULF, in participating in upcoming project bids under Thailand's "Cloud First" policy and "Sovereign AI" agenda. Moreover, Singtel SG has also demonstrated repeated success in 5G network-led automation across major industries in Singapore, including automated seaport and cargo terminal operations, airport ground handling, land transport traffic systems, and connected healthcare applications. We expect ADVANC to be well positioned to replicate those services for Thai corporates.

Ex 10: Strong Expertise In Digital Service Supply Chain Within Its Group



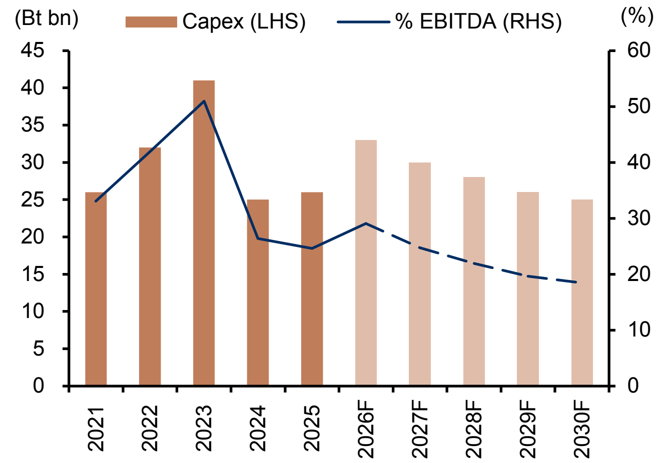
Source: Company data

Elevated near-term capex isn't a concern

Elevated capex is short-term and should soon be paid off, in our view

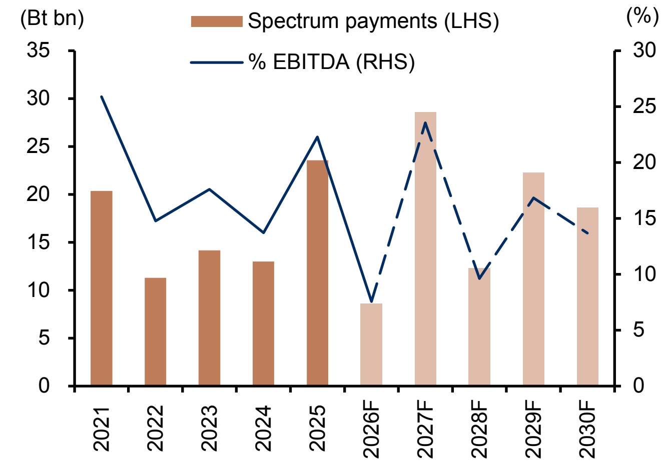
We estimate ADVANC's capex to increase temporarily to Bt33/30/28bn over 2026-28F from Bt26bn in 2025, before normalizing down to Bt26bn in 2029F. The rise mainly reflects the company's planned investment in its IT backbone with two core objectives: 1) to improve consumer data analytics capability and enable a hyper-personalization strategy to support upselling through package optimization, and 2) to build automated workflows across its operations and services, which should deliver structural cost savings. We therefore expect the additional capex to pay off through higher revenue and lower costs over the medium term. Network investment itself is tapering off following the completion of the core 5G network rollout last year. At the expected peak in 2026F, the capex represents only 29% of our EBITDA forecast, and we still project a healthy 3.7% FCF yield in that year.

Ex 11: Elevated Capex Is Just Short-Term



Sources: Company data, ttb wealth estimates

Ex 12: Upcoming Spectrum Payments Factored In

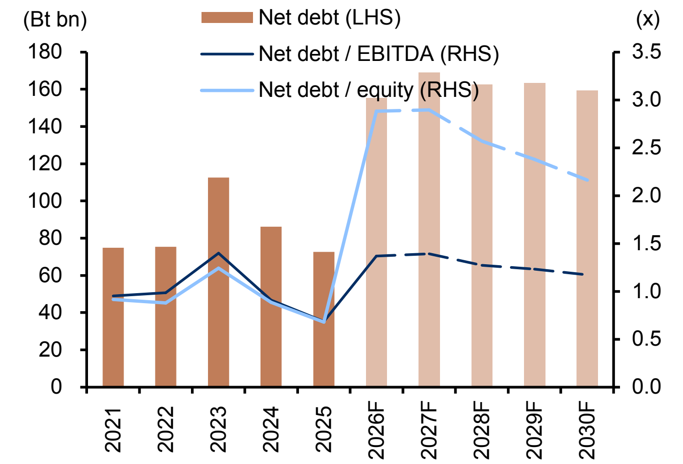


Sources: Company data, ttb wealth estimates

Balance sheet remains strong despite upcoming spectrum license payments

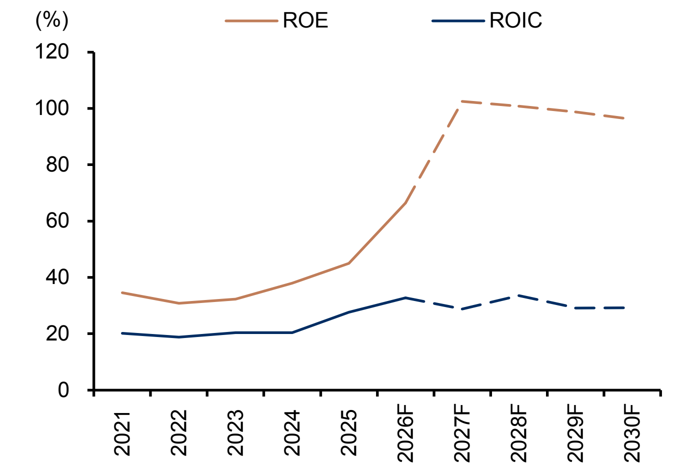
Our projections already incorporate the spectrum auction we assume will take place in 2027F, covering new licenses for the 3500MHz band and the renewal of expiring 2100MHz licenses that year. We assume license prices of Bt25bn and Bt15bn, respectively, each for a 15-year term. On this basis, we still estimate 3-6% FCF yields and sustainable 5-6% dividend yields over 2027–29F, while ADVANC's balance sheet should remain healthy, with the net-debt-to-EBITDA ratio peaking at 1.4x in 2027F, well below the company's 2.5x comfortable threshold.

Ex 13: B/S Remains Healthy After Capital Restructuring



Sources: Company data, ttb wealth estimates

Ex 14: Among Most Profitable Telcos In The Region



Sources: Company data, ttb wealth estimates

Ex 15: 12-month DCF-based TP Calculation Using A Base Year Of 2027F

(Bt m)	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal Value
EBITDA	121,389	127,687	132,510	135,833	138,331	140,146	141,628	142,741	143,802	144,821	146,268	—
Free cash flow	47,382	71,156	66,112	73,609	81,906	95,816	77,383	91,323	81,192	75,428	93,853	1,801,992
PV of free cash flow	44,162	61,789	53,497	55,505	57,553	62,727	47,207	51,915	43,011	37,227	43,165	828,768

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	1.0
WACC (%)	7.3
Terminal growth (%)	2.0
Enterprise value - add investments	1,386,526
Net debt (2026F)	155,166
Minority interest	–
Equity value	1,231,359
# of shares	2,974
Equity value/share (Bt)	**414.01**

Plus associates	Value per share
- JASIF	3.7
- GSA	2.3
Grand total	**420.0**

Sources: Company data, ttb wealth estimates

Valuation Comparison

Ex 16: Valuation Comparison With Regional Peers

Name	BBG Code	Market	EPS growth 26F (%)	EPS growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div Yield 26F (%)	Div Yield 27F (%)
Bharti Airtel	BHARTI IN	India	(0.6)	37.3	40.4	29.4	8.1	6.5	11.3	9.7	1.1	1.8
Idea Cellular	IDEA IN	India	na	na	na	na	na	na	18.8	16.2	0.0	0.0
Tata Communication	TCOM IN	India	20.9	35.4	41.3	30.5	13.9	11.4	12.7	11.2	1.1	1.3
Indosat	ISAT IJ	Indonesia	12.9	8.6	12.4	11.4	2.0	1.8	4.6	4.3	4.9	5.4
Telekomunikasi Indonesia	TLKM IJ	Indonesia	14.0	8.0	12.7	11.8	1.8	1.8	4.0	3.9	7.7	8.1
Axiata Group Bhd	AXIATA MK	Malaysia	95.0	43.6	22.7	15.8	0.8	0.8	5.9	5.7	6.1	6.6
Maxis Bhd	MAXIS MK	Malaysia	4.5	1.4	17.3	17.0	4.4	4.3	8.3	8.2	4.9	5.0
Singapore Telecom	ST SP	Singapore	(45.0)	2.1	24.2	23.7	2.8	2.6	20.8	20.4	4.2	4.4
StarHub	STH SP	Singapore	0.0	(22.2)	25.1	32.3	0.0	0.0	8.4	8.6	5.3	5.4
SK Telecom	017670 KS	S. Korea	232.5	na	na	14.4	na	1.4	5.1	5.1	3.7	3.9
Taiwan Mobile	3045 TT	Taiwan	8.7	7.3	22.8	21.2	4.1	4.1	11.6	11.5	4.3	4.5
Advanced Info Service *	ADVANC TB	Thailand	16.6	6.6	19.2	18.0	19.1	17.6	10.4	9.9	5.0	5.3
Thaicom *	THCOM TB	Thailand	na	na	na	540.9	1.1	1.1	12.8	16.5	0.0	0.1
True Corporation *	TRUE TB	Thailand	30.0	18.1	18.7	15.8	5.1	4.5	7.8	7.4	2.7	4.4
Average			**32.5**	**13.3**	**23.3**	**60.2**	**5.3**	**4.5**	**10.2**	**9.9**	**3.6**	**4.0**

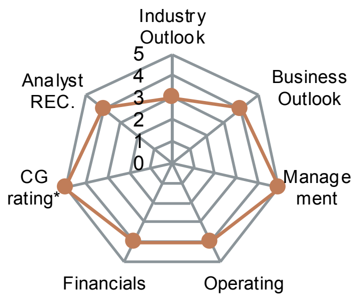
Source: Bloomberg
Note: * ttb wealth estimates, using ttb wealth normalized EPS
Based on 4 September 2026 closing prices

COMPANY DESCRIPTION

Advanced Info Service Pcl (ADVANC) is Thailand's largest telecom services operator, with 46.8m mobile and 5.2m fixed broadband subscribers as of 2025, under the operating licenses held by its subsidiary, Advanced Wireless Network (AWN). ADVANC aims to leverage its strong telecommunications infrastructure to capture the growing demand for digital solutions from major corporates and government agencies amid the global digitalization trend, including data center, data analytics, and cybersecurity services. It has set up joint ventures with its parent companies to develop data center and cloud solutions businesses in Thailand.

Source: ttb wealth

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Market leader in a duopolistic market.
- Economies of scale.
- Strong financial position.

W — Weakness

- Operating in a highly capital-intensive industry.
- Low pricing power amid intense competitive environment and commoditization of telecom services.

O — Opportunity

- Rising demand for digital-related services, both for individual and corporate usage amid digitalization trends.
- Emerging data center industry in Thailand and ASEAN.

T — Threat

- Abrupt changes in technology.
- Imposition of taxes and new regulatory measures.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	406.93	420.00	3%
Net profit 26F (Bt m)	53,883	53,646	0%
Net profit 27F (Bt m)	57,375	57,176	0%
Consensus REC	**BUY: 18**	**HOLD: 9**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2026-27F earnings estimates are relatively in line with the Bloomberg consensus numbers.
- Our DCF-based TP is 3% higher than the Street's, likely since we are more bullish on ADVANC's B2B business.

Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

- A slower-than-expected ARPU recovery, either from weaker-than-expected local consumption and tourism, or an abrupt resumption of competition intensity in the industry, is the key downside risk to our earnings forecasts.
- Stronger-than-expected competition in future spectrum auctions would become another downside risk to our earnings forecasts and valuations.
- Slower-than-expected or smaller-than-expected development of the data center industry in Thailand is another downside risk to our long-term projections, both directly to ADVANC's data center business's growth potential and via indirect benefits to its enterprise solutions business.

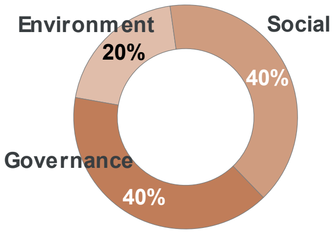
Source: ttb wealth

ADVANC

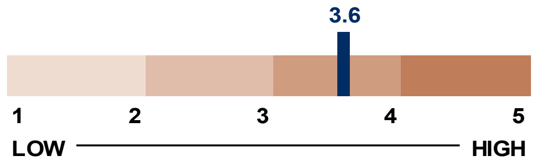
Advanced Info Service Pcl.

Sector: Technology | ICT

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
ADVANC	YES	AAA	-	3.56	AA	67.59	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

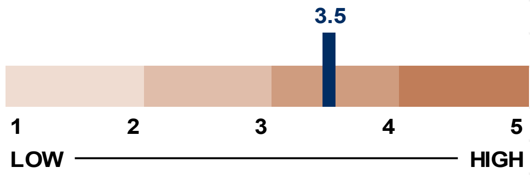
ESG Summary

- ADVANC is one of the two major telecommunications operators in Thailand, with over a 50% share in both the mobile and fixed broadband markets. We assign ADVANC a high ESG score of 3.6, supported by above-average performance across all three pillars: E 3.5, S 3.7, and G 3.5.
- We assign a 3.5 E score to ADVANC, which we view as strong for a telecom operator, given its electricity-intensive operating model. The score reflects ADVANC’s long-standing commitment to reducing indirect emissions, highlighted by its rollout of compact solar panels at base-station sites since 2018, reaching 13,414 locations in 2024. In addition, the company invests in automated network-optimization technologies to improve energy efficiency and reduce overall electricity consumption across its network infrastructure.
- We assign a good S score of 3.7 to ADVANC, driven by its consistency in providing critical digital infrastructure, where service continuity and reliability are essential to economic stability. We also view positively the company’s strong emphasis on data privacy and cybersecurity, which management clearly recognizes as a social license-to-operate issue. ADVANC contributes to social development through digital literacy programs and the AIS Academy platform, which supports skill development for students and the broader workforce.
- We rate ADVANC’s G score at 3.5. While its board structure is not ideal, with multiple major shareholders, this is partly offset by the company’s robust risk-management framework and a clear business sustainability strategy. We believe ADVANC’s ability to continuously adapt to fast-changing technologies is a key governance strength for a leading tech-based company.

Sector: Technology | ICT

We assign ADVANC a strong E score of 3.5, which we view as above average for the telecommunications sector, given its electricity-intensive operations. ADVANC's score is underpinned by its long-running green energy initiatives, measurable improvements in energy efficiency, and structured climate transition planning. These strengths are partially offset by rising absolute electricity consumption driven by data traffic growth and expanding digital infrastructure.

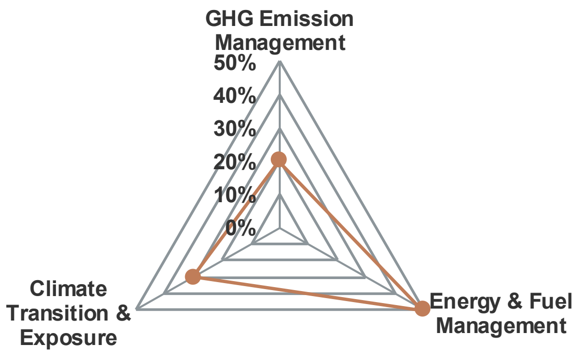
Environment (E) Rating



ENVIRONMENT	Our Comments

- **GHG Emission Management**
- **Energy & Fuel Management**
- **Climate Transition & Exposure**

SCALE WEIGHTING

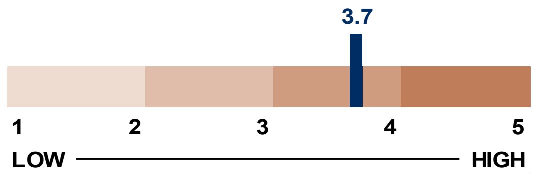


- We assign an Environmental (E) score of 3.5 to ADVANC. This reflects the company's proactive approach to managing indirect emissions (Scope 2) and energy efficiency, which are the most material issues for a telecom operator, both financially and environmentally.
- ADVANC has demonstrated a long-standing commitment to renewable energy adoption, particularly through the installation of compact solar panels at base-station sites nationwide. Initiated in 2018, the program expanded to 13,414 sites in 2024, helping to offset grid electricity consumption and reduce indirect carbon emissions. We view this as a credible, scalable initiative that is well suited to the company's distributed network footprint.
- ADVANC also has been investing heavily in automated and AI-enabled network optimization technologies, aimed at improving traffic management and reducing electricity usage per unit of data transmitted. These systems allow the company to dynamically adjust network performance based on demand, supporting energy efficiency gains despite rapidly rising data traffic. We see this as a structurally important lever for long-term emissions intensity reduction.
- ADVANC has set a 2030 target to reduce Scope 1 and Scope 2 GHG emissions intensity per data traffic by 25% compared with its 2024 baseline, which we view as appropriate for a sector where absolute emissions are structurally linked to digital demand growth. While intensity-based targets are reasonable, we note that absolute electricity consumption continues to trend upward, reflecting ongoing network expansion and higher data usage.
- We see waste management as an environmental strength for ADVANC. The company initiated one of Thailand's most established consumer e-waste collection and recycling programs. Through its nationwide handset and electronic waste take-back initiatives, ADVANC enables the proper disposal and recycling of mobile phones, batteries, and electronic accessories, helping to reduce landfill waste and hazardous material risks. The program is impactful given ADVANC's large customer base and its ability to drive behavioral change at scale, positioning the company as a sector leader in circular-economy practices.

Sources: ttb wealth, Company data

We assign ADVANC a strong S score of 3.7. This reflects the company's role as critical national digital infrastructure, its strong track record in maintaining service reliability, and its broad-based contributions to digital inclusion and human capital development. These strengths are partially offset by persistent data privacy and cybersecurity risks, which remain inherent to the sector and require continuous oversight.

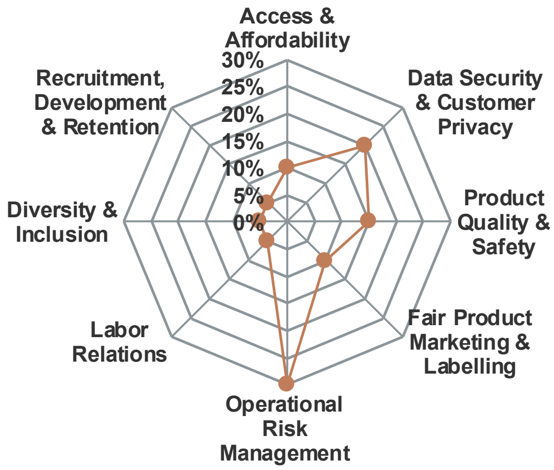
Social (S) Rating



SOCIAL

- **Access & Affordability**
- **Data Security & Customer Privacy**
- **Product Quality & Safety**
- **Fair Product Marketing & Labelling**
- **Operational Risk Management**
- **Labor Relations**
- **Diversity & Inclusion**
- **Recruitment, Development & Retention**

SCALE WEIGHTING



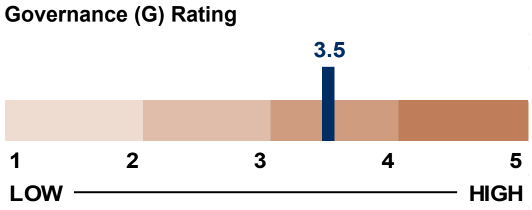
Our Comments

- We assign ADVANC a high S score of 3.7, supported by its ability to deliver reliable connectivity as one of Thailand's major telecom operators, which we see as essential to economic activity, public services, and social resilience.
- ADVANC places a strong emphasis on operational risk management and network resilience, including redundancy planning and system reliability, to ensure uninterrupted service quality for both consumer and enterprise customers. We view this focus on service continuity as a key contributor to customer trust and its long-term franchise strength in an increasingly digital-dependent economy.
- Data privacy and cybersecurity are explicitly recognized by ADVANC as license-to-operate issues, given the sensitive nature of customer data handled across its service platforms. The company has established governance frameworks, internal controls, and employee awareness programs to mitigate data-related risks. We view this as an essential foundation for a national-scale telecom operator, although the effectiveness of these measures must be continuously reinforced amid rapidly evolving cyber threats.
- We further flag rising online scams and call-center fraud in Thailand as an escalating social risk for ADVANC. While these issues are not solely attributable to telecom operators, public perception increasingly associates service providers with the safety of communications. This elevates reputational risk and may require additional investments in detection technologies, network monitoring, customer education, and potential customer protection or remediation measures.
- ADVANC exhibits a strong commitment to digital inclusion and social development, particularly through programs aimed at improving digital literacy and access to technology across Thai society. These initiatives help reduce the digital divide and support broader participation in the digital economy, which we view as increasingly important amid accelerating digital transformation.
- Human capital development is another key social strength for ADVANC. Through the AIS Academy platform, ADVANC supports skills development, reskilling, and workforce readiness for students, employees, and the broader labor force. We view this as strategically aligned with long-term industry needs, particularly as demand for digital, data, and technology-related skills continues to rise.

Sources: ttb wealth, Company data

Sector: Technology | ICT

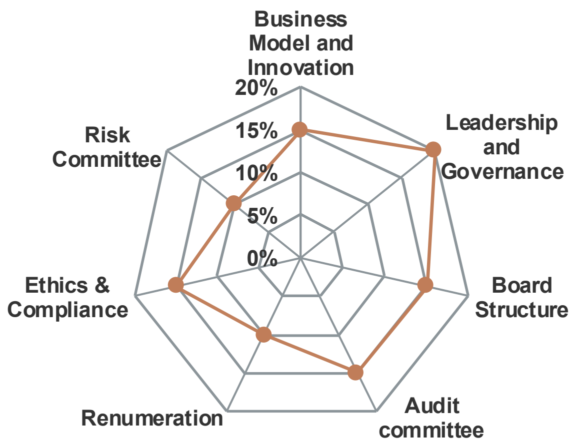
We assign a G score of 3.5 to ADVANC. While the company's board structure is not ideal, reflecting the involvement of multiple major shareholders, this is partly offset by robust risk-management practices, clear governance frameworks, and a long-term business sustainability strategy. Governance effectiveness remains particularly important given the sector's high regulatory risks and fast-changing technology landscape.



GOVERNANCE & SUSTAINABILITY

- **Business Model and Innovation**
- **Leadership and Governance**
- **Board Structure**
- **Audit committee**
- **Renumeration**
- **Ethics & Compliance**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign ADVANC a G score of 3.5, reflecting a balance between structural governance limitations and strong execution in risk oversight and strategic adaptability. As a leading national telecom operator, governance quality is a key determinant of long-term value preservation, particularly amid regulatory scrutiny and rapid digital disruption.
- ADVANC's board structure is not ideal in our view, as the presence of multiple major shareholders can constrain board independence and potentially dilute minority influence.
- That said, we are impressed by ADVANC's risk-management framework, which reflects a clear understanding of the key risks inherent in the telecom business, including regulatory intervention, cybersecurity threats, service continuity, and technology obsolescence. These risks are explicitly considered in management oversight and strategic planning, which we view as a governance strength.
- We view ADVANC's business sustainability strategy as a positive governance attribute. The company consistently reinvests in network modernization, digital platforms, and new technologies, allowing it to remain competitive and relevant amid rapid changes in consumer behavior, data usage, and enterprise demand. This forward-looking approach reduces long-term execution and disruption risk.
- Regulatory and policy risk remains a structural governance challenge for ADVANC. However, its long operating history and experience in navigating Thailand's telecom regulatory framework could partially mitigate this risk.
- ADVANC demonstrates adequate governance transparency, with disclosure on board roles, management responsibilities, and internal control structures. While disclosure quality is broadly in line with sector peers, we see room for improvement in areas such as board effectiveness metrics and deeper linkage between executive remuneration and long-term strategic or ESG outcomes.

Sources: ttb wealth, Company data

Earnings grow steadily despite near-term cost pressures

Balance sheet remains healthy after a major capital restructuring last year

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	213,569	226,264	232,335	242,999	251,652
Cost of sales	135,394	136,467	131,116	135,877	139,614
Gross profit	**78,175**	**89,797**	**101,219**	**107,123**	**112,038**
% gross margin	36.6%	39.7%	43.6%	44.1%	44.5%
Selling & administration expenses	26,791	26,061	27,513	28,251	29,024
Operating profit	**51,384**	**63,736**	**73,706**	**78,872**	**83,014**
% operating margin	24.1%	28.2%	31.7%	32.5%	33.0%
Depreciation & amortization	61,228	57,754	52,552	53,823	54,917
EBITDA	**94,890**	**105,746**	**113,479**	**121,389**	**127,687**
% EBITDA margin	44.4%	46.7%	48.8%	50.0%	50.7%
Non-operating income	336	384	232	243	252
Non-operating expenses	0	0	0	0	0
Interest expense	(9,185)	(7,973)	(8,059)	(9,585)	(9,458)
Pre-tax profit	**42,535**	**56,148**	**65,879**	**69,529**	**73,808**
Income tax	8,192	11,422	13,176	13,906	14,762
After-tax profit	**34,343**	**44,725**	**52,703**	**55,624**	**59,046**
% net margin	16.1%	19.8%	22.7%	22.9%	23.5%
Shares in affiliates' Earnings	1,295	1,274	948	1,557	2,102
Minority interests	(2)	(5)	(5)	(5)	(5)
Extraordinary items	(561)	1,891	0	0	0
NET PROFIT	**35,075**	**47,886**	**53,646**	**57,176**	**61,143**
Normalized profit	**35,636**	**45,995**	**53,646**	**57,176**	**61,143**
EPS (Bt)	11.79	16.10	18.04	19.22	20.56
Normalized EPS (Bt)	11.98	15.46	18.04	19.22	20.56

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	50,027	52,704	43,242	49,497	45,511
Cash & cash equivalent	22,633	25,971	15,000	20,000	15,000
Account receivables	18,916	17,916	19,096	19,973	20,684
Inventories	5,067	4,107	4,311	4,467	4,590
Others	3,411	4,709	4,835	5,057	5,237
Investments & loans	12,413	12,962	13,158	13,594	13,885
Net fixed assets	126,999	118,626	129,999	136,481	139,644
Other assets	241,994	235,981	224,729	242,601	220,427
Total assets	**431,432**	**420,273**	**411,127**	**442,173**	**419,467**
LIABILITIES:					
Current liabilities:	103,550	102,178	103,687	112,340	118,009
Account payables	39,663	43,563	43,107	44,672	45,900
Bank overdraft & ST loans	12,000	0	0	0	0
Current LT debt	9,099	20,562	25,525	28,353	26,639
Others current liabilities	42,788	38,053	35,055	39,316	45,470
Total LT debt	**87,722**	**77,989**	**144,641**	**160,664**	**150,952**
Others LT liabilities	142,837	132,826	108,873	110,707	87,097
Total liabilities	**334,108**	**312,993**	**357,201**	**383,711**	**356,058**
Minority interest	101	105	110	110	115
Preferreds shares	0	0	0	0	0
Paid-up capital	2,974	2,974	2,974	2,974	2,974
Share premium	22,552	22,552	22,552	22,552	22,552
Warrants	0	0	0	0	0
Surplus	(500)	(533)	(533)	(533)	(533)
Retained earnings	**72,197**	**82,183**	**28,824**	**33,359**	**38,300**
Shareholders' equity	97,222	107,176	53,816	58,352	63,293
Liabilities & equity	**431,432**	**420,273**	**411,127**	**442,173**	**419,467**

Sources: Company data, ttb wealth estimates

Short-term elevated capex due to internal IT-related investments

Strong FCF generation to deliver decent dividend yields

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	42,535	56,148	65,879	69,529	73,808
Tax paid	(7,999)	(9,630)	(13,838)	(13,264)	(14,787)
Depreciation & amortization	43,506	42,010	39,774	42,517	44,673
Chg In w orking capital	1,779	5,859	(1,839)	532	395
Chg In other CA & CL / minorities	4,655	(8,176)	(1,513)	4,949	8,101
Cash flow from operations	**84,475**	**86,211**	**88,461**	**104,264**	**112,189**
Capex	(14,286)	(15,755)	(33,000)	(30,000)	(28,000)
Right of use	10,514	10,813	7,779	6,505	5,644
ST loans & investments	0	0	0	0	0
LT loans & investments	38	(549)	(196)	(436)	(291)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(26,300)	(29,452)	(38,625)	(41,543)	(26,915)
Cash flow from investments	**(30,034)**	**(34,943)**	**(64,043)**	**(65,474)**	**(49,562)**
Debt financing	(18,138)	(9,996)	71,615	18,850	(11,426)
Capital increase	0	0	0	0	0
Dividends paid	(28,194)	(37,563)	(107,005)	(52,640)	(56,201)
Warrants & other surplus	(237)	(370)	0	0	0
Cash flow from financing	**(46,568)**	**(47,929)**	**(35,390)**	**(33,790)**	**(67,627)**
Free cash flow	**54,441**	**51,268**	**24,419**	**38,790**	**62,627**

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	28.88	22.4	19.2	18.0	16.8
Normalized PE - at target price (x)	35.05	27.2	23.3	21.8	20.4
PE (x)	29.34	21.5	19.2	18.0	16.8
PE - at target price (x)	35.61	26.1	23.3	21.8	20.4
EV/EBITDA (x)	11.8	10.4	10.4	9.9	9.3
EV/EBITDA - at target price (x)	14.1	12.5	12.4	11.7	11.1
P/BV (x)	10.6	9.6	19.1	17.6	16.3
P/BV - at target price (x)	12.8	11.7	23.2	21.4	19.7
P/CFO (x)	12.2	11.9	11.6	9.9	9.2
Price/sales (x)	4.8	4.5	4.4	4.2	4.1
Dividend yield (%)	3.1	9.9	5.0	5.3	5.6
FCF Yield (%)	5.3	5.0	2.4	3.8	6.1
(Bt)					
Normalized EPS	11.98	15.46	18.04	19.22	20.56
EPS	11.79	16.10	18.04	19.22	20.56
DPS	10.61	34.30	17.14	18.26	19.53
BV/share	32.69	36.03	18.09	19.62	21.28
CFO/share	28.40	28.99	29.74	35.06	37.72
FCF/share	18.30	17.24	8.21	13.04	21.06

Sources: Company data, ttb wealth estimates

Very high-ROE company

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	13.1	5.9	2.7	4.6	3.6
Net profit (%)	20.6	36.5	12.0	6.6	6.9
EPS (%)	20.6	36.5	12.0	6.6	6.9
Normalized profit (%)	25.1	29.1	16.6	6.6	6.9
Normalized EPS (%)	25.1	29.1	16.6	6.6	6.9
Dividend payout ratio (%)	90.0	213.0	95.0	95.0	95.0
Operating performance					
Gross margin (%)	36.6	39.7	43.6	44.1	44.5
Operating margin (%)	24.1	28.2	31.7	32.5	33.0
EBITDA margin (%)	44.4	46.7	48.8	50.0	50.7
Net margin (%)	16.1	19.8	22.7	22.9	23.5
D/E (incl. minor) (x)	1.1	0.9	3.2	3.2	2.8
Net D/E (incl. minor) (x)	0.9	0.7	2.9	2.9	2.6
Interest coverage - EBIT (x)	5.6	8.0	9.1	8.2	8.8
Interest coverage - EBITDA (x)	10.3	13.3	14.1	12.7	13.5
ROA - using norm profit (%)	8.0	10.8	12.9	13.4	14.2
ROE - using norm profit (%)	38.0	45.0	66.6	101.9	100.5
DuPont					
ROE - using after tax profit (%)	36.6	43.8	65.5	99.2	97.1
- asset turnover (x)	0.5	0.5	0.6	0.6	0.6
- operating margin (%)	24.2	28.3	31.8	32.6	33.1
- leverage (x)	4.7	4.2	5.2	7.6	7.1
- interest burden (%)	82.2	87.6	89.1	87.9	88.6
- tax burden (%)	80.7	79.7	80.0	80.0	80.0
WACC (%)	7.3	7.3	7.3	7.3	7.3
ROIC (%)	20.4	27.7	32.8	30.2	29.2
NOPAT (Bt m)	41,488	50,770	58,965	63,097	66,411
invested capital (Bt m)	183,410	179,755	208,983	227,369	225,884

Sources: Company data, ttb wealth estimates

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Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

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Investment Banking Relationship

Within the preceding 12 months, ttb wealth has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: -

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

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