

COMPANY RESULTS

Advanced Info Service (ADVANC TB)

2Q25: Results In Line With Our And Consensus Estimates

ADVANC's 2Q25 net profit came in at Bt11.0b, rising 28% yoy and 4% qoq, mainly on strong revenue, robust gross margin and low SG&A-to-sales. Revenue totalled Bt56.0b (+9% yoy, flat qoq), largely thanks to core service revenue. The ARPU trend in both mobile and FBB was also impressive and showed continuous growth. In 2H25, we believe the strong earnings will continue. Maintain BUY with a target price of Bt340.00.

2Q25 RESULTS

Year to 31 Dec (Btm)	2Q25	2Q24	1Q25	yoy chg (%)	qoq chg (%)
Revenue	56,044	51,332	56,311	9.2	(0.5)
Gross profit	21,591	19,032	21,343	13.4	1.2
EBIT	15,130	12,458	14,787	21.4	2.3
EBITDA	29,973	27,621	29,593	8.5	1.3
Net profit	10,982	8,577	10,584	28.0	3.8
EPS	3.69	2.88	3.56	28.0	3.8
Core profit	10,957	8,522	10,593	28.6	3.4
Ratio			yoy chg (%)		qoq chg (%)
Gross marginn (%)	38.5	37.1	37.9	1.4	0.6
EBITDA margin (%)	53.5	53.8	52.6	(0.3)	0.9
Net profit margin (%)	19.6	16.7	18.8	2.9	0.8

Source: ADVANC, UOB Kay Hian

RESULTS

- **2Q25 results in line with our and consensus estimates.** Advanced Info Service (ADVANC) reported 2Q25 net profit of Bt11.0b (+28% yoy, +4% qoq), in line with our forecast and market expectations.
- **Remarkable 2Q25 net profit.** Net profit increased 28% yoy and 4% qoq, mainly supported by higher revenue, better gross margin, and lower SG&A-to-sales. The company reported 2Q25 revenue of Bt56.0b, improving 9% yoy and flat qoq, chiefly supported by revenue from core service revenue.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	188,873	213,569	226,836	236,692	245,598
EBITDA	93,527	111,612	121,524	125,845	127,577
Operating profit	40,646	50,384	59,192	61,686	63,770
Net profit (rep./act.)	29,086	35,075	42,819	44,582	46,582
Net profit (adj.)	28,725	34,896	42,819	44,582	46,582
EPS (Bt)	9.7	11.7	14.4	15.0	15.7
PE (x)	30.6	25.2	20.6	19.7	18.9
P/B (x)	9.7	9.1	8.6	8.2	7.8
EV/EBITDA (x)	10.7	9.0	8.3	8.0	7.9
Dividend yield (%)	2.9	3.6	3.6	3.7	3.9
Net margin (%)	15.4	16.4	18.9	18.8	19.0
Net debt/(cash) to equity (%)	249.8	193.1	120.6	70.9	25.8
Interest cover (x)	15.2	12.2	15.6	15.3	16.0
ROE (%)	33.0	37.4	42.9	42.4	42.2
Consensus net profit (Btm)	-	-	41,337	44,648	47,653
UOBKH/Consensus (x)	-	-	1.04	1.00	0.98

Source: ADVANC, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt296.00
Target Price	Bt340.00
Upside	+14.9%

COMPANY DESCRIPTION

ADVANC is the largest telecommunication business in Thailand providing mobile network service, fixed broadband service and digital services under spectrum licences granted by NBTC.

STOCK DATA

GICS sector	Communication Services
Bloomberg ticker:	ADVANC TB
Shares issued (m):	2,974.2
Market cap (Btm):	636,480.9
Market cap (US\$m):	18,243.5
3-mth avg daily t'over (US\$m):	28.2

Price Performance (%)

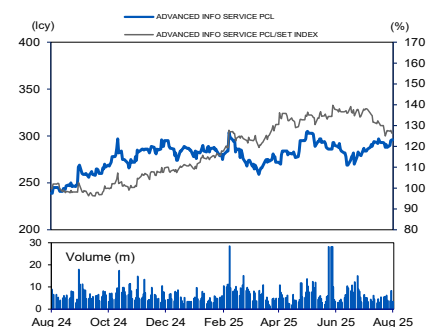
52-week high/low	Bt299.00/Bt193.00				
1mth	3mth	6mth	1yr	YTD	
(1.4)	6.7	35.7	30.1	(0.7)	

Major Shareholders

Intouch Holding	40.4
Singtel Strategic Investment	23.3
NVDR	7.5

FY25 NAV/Share (Bt)	31.86
FY25 Net Debt/Share (Bt)	64.83

PRICE CHART



Source: Bloomberg

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2Q25 KEY STATISTICS

Year to 31 Dec (Btm)	2Q25	2Q24	1Q25	yoy chg (%)	qoq chg (%)
Core Service Revenue	45,250	40,426	43,975	11.9	2.9
SIM and device sales	11,486	10,892	8,232	5.5	39.5
Mobile Business					
Mobile subscribers ('000)	45,761	44,617	46,282	2.6	(1.1)
Net additions ('000)	(521)	167	613	(412.4)	(185.0)
Blended ARPU (Bt/sub/month)	228	223	224	2.2	1.8
Fixed Broadband Business					
FBB subscribers ('000)	5,009	4,742	4,945	5.6	1.3
Net additions ('000)	64	2,362	63	(97.3)	1.9
FBB ARPU (Bt/sub/month)	509	490	505	3.9	0.8

Source: ADVANC, UOB Kay Hian

- Mobile revenue was boosted by higher ARPU and improved subscribers.** Mobile revenue rose 5% yoy and 2% qoq, driven by: a) stronger average revenue per user (ARPU), particularly in the prepaid segment, and b) increased net additions due to the absence of stricter personal identification (PI) measures. Prepaid ARPU in 2Q25 reached Bt148 per month (+8% yoy, +3% qoq), while postpaid ARPU remained flat yoy at Bt442 per month. As a result, blended ARPU increased to Bt233 per month (+4% yoy, +2% qoq).
- Robust growth in FBB business due to quality customers.** Fixed broadband (FBB) business revenue increased 9% yoy and flat qoq in 2Q25, supported by quality customers, subscriber base expansion and improving ARPU trends. FBB ARPU was reported at Bt519 per month (+4% yoy, flat qoq).
- Enterprise revenue was robust at Bt2.6b** (+21% yoy, +7% qoq), underpinned by connectivity services in Enterprise Data Service (EDS) and Cloud and higher roaming revenue from National Telecom (NT).
- EBITDA margin increased yoy but dropped qoq.** ADVANC's 2Q25 EBITDA margin came in at 53.5% (flat yoy, +0.9ppt qoq) due to profitable revenue focus and lower sales revenue contribution from seasonality.
- Dividend payment.** ADVANC has announced an interim dividend payment of Bt6.89/share for its 1H25 performance, implying a dividend yield of 2.3%. Ex-dividend date is 19 Aug 25 and payment is on 3 Sep 25.

KEY EARNINGS REVISION

- Fine-tune earnings.** We revise 2025-26's earnings by 1-2%.

VALUATION/RECOMMENDATION

- Maintain BUY with a target price of Bt340.00.** Our valuation is based on an EV/EBITDA multiple of 9.1x. We still favour ADVANC for its outstanding earnings growth in 2024 and 2025, a high dividend yield of 3.2%, and potential upside from the upcoming spectrum auction that could reduce its costs in 2025.

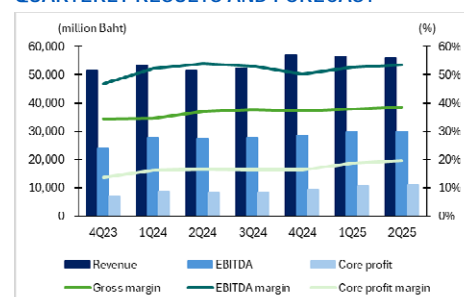
SHARE PRICE CATALYST

- a) Softening competition in the telecommunications industry that will allow the sector to experience an ARPU uplift, and b) decreasing electricity expenses leading to lower network opex.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

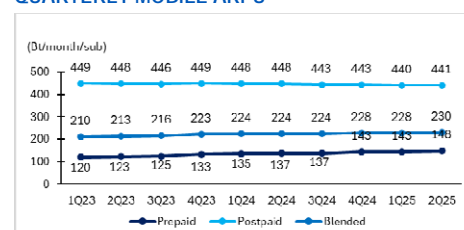
CG Report: 5 SET ESG Rating: AAA
Environmental
<ul style="list-style-type: none"> Climate actions. Committed to aligning its environmental goals with Science-Based Targets to reduce greenhouse gases to lower costs and mitigate risks.
Social
<ul style="list-style-type: none"> Human resource management. With the future job market being driven by data and AI, Advanced Info Service (AIS) emphasises cultivating employees with new mindsets, skills, and capabilities.
Governance
<ul style="list-style-type: none"> AIS has confidence that the company has a good corporate governance system, which consists of competent management, qualified and accountable directors, a mechanism of balances for transparent and auditable operations, and respect for the rights of all shareholders.

QUARTERLY RESULTS AND FORECAST



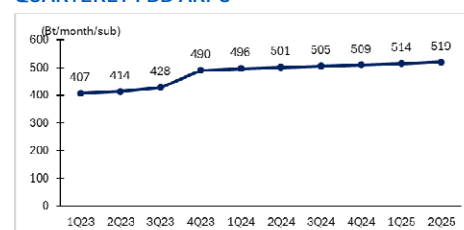
Source: ADVANC, UOB Kay Hian

QUARTERLY MOBILE ARPU



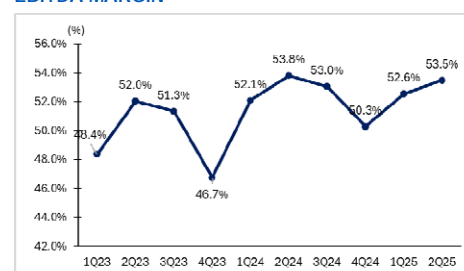
Source: ADVANC, UOB Kay Hian

QUARTERLY FBB ARPU



Source: ADVANC, UOB Kay Hian

EBITDA MARGIN



Source: ADVANC, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2023	2024F	2025F	2026F
Net turnover	213,569	226,836	236,692	245,598
EBITDA	111,612	121,524	125,845	127,577
Deprec. & amort.	61,228	62,332	64,159	63,807
EBIT	50,384	59,192	61,686	63,770
Total other non-operating income	818	800	900	1,000
Associate contributions	1,052	0	0	0
Net interest income/(expense)	(9,185)	(7,771)	(8,215)	(7,960)
Pre-tax profit	43,069	52,221	54,371	56,810
Tax	(7,992)	(9,400)	(9,787)	(10,226)
Minorities	(2)	(2)	(2)	(2)
Net profit	35,075	42,819	44,582	46,582
Net profit (adj.)	34,896	42,819	44,582	46,582

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	362,341	325,588	288,995	252,058
Other LT assets	19,065	20,039	20,334	20,602
Cash/ST investment	25,866	70,809	102,185	136,589
Other current assets	24,160	23,213	24,002	24,714
Total assets	431,432	439,649	435,517	433,963
ST debt	35,904	34,553	33,260	32,024
Other current liabilities	67,646	70,319	73,374	76,135
LT debt	177,726	159,725	145,325	133,804
Other LT liabilities	52,832	72,588	75,741	78,591
Shareholders' equity	97,223	102,362	107,712	113,301
Minority interest	100	102	104	106
Total liabilities & equity	431,432	439,649	435,517	433,963

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	104,134	108,773	111,010	112,440
Pre-tax profit	43,069	52,221	54,371	56,810
Tax	(7,992)	(9,400)	(9,787)	(10,226)
Deprec. & amort.	61,228	62,332	64,159	63,807
Associates	(1,052)	0	0	0
Working capital changes	(7,749)	2,293	1,675	1,514
Non-cash items	1,611	1,327	591	534
Other operating cashflows	15,019	0	0	0
Investing	(37,396)	(6,798)	(24,708)	(24,287)
Capex (growth)	(28,892)	(25,580)	(27,566)	(26,870)
Investment	13,234	13,234	13,234	13,234
Others	(21,739)	5,548	(10,376)	(10,651)
Financing	(56,984)	(57,033)	(54,925)	(53,749)
Dividend payments	(28,194)	(37,681)	(39,232)	(40,992)
Proceeds from borrowings	0	0	0	0
Loan repayment	(28,753)	(19,352)	(15,693)	(12,757)
Others/interest paid	(37)	0	0	0
Net cash inflow (outflow)	9,754	44,942	31,376	34,404
Beginning cash & cash equivalent	16,112	25,866	70,809	102,185
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	25,866	70,809	102,185	136,589

KEY METRICS

Year to 31 Dec (%)	2023	2024F	2025F	2026F
Profitability				
EBITDA margin	52.3	53.6	53.2	51.9
Pre-tax margin	20.2	23.0	23.0	23.1
Net margin	16.4	18.9	18.8	19.0
ROA	7.9	9.8	10.2	10.7
ROE	37.4	42.9	42.4	42.2
Growth				
Turnover	13.1	6.2	4.3	3.8
EBITDA	19.3	8.9	3.6	1.4
Pre-tax profit	19.6	21.2	4.1	4.5
Net profit	20.6	22.1	4.1	4.5
Net profit (adj.)	21.5	22.7	4.1	4.5
EPS	21.5	22.7	4.1	4.5
Leverage				
Debt to total capital	68.7	65.5	62.4	59.4
Debt to equity	219.7	189.8	165.8	146.4
Net debt/(cash) to equity	193.1	120.6	70.9	25.8
Interest cover (x)	12.2	15.6	15.3	16.0
EBITDA margin	52.3	53.6	53.2	51.9

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