# Advanced Info Service (ADVANC TB)

## Thais Help Thais Plus Supports Resilient 2Q26 Earnings Amid Geopolitical Risks

| | |
|---|---|
| | **BUY** (Maintained) |
| Share Price | Bt375.00 |
| Target Price | Bt415.00 |
| Upside | 10.7% |
| Previous TP | Bt340.00 |

## Highlights

- We expect ADVANC to report a 2Q26 net profit of Bt13.20b (+20% yoy, -2% qoq), supported by resilient mobile revenue. However, earnings are expected to soften qoq due to seasonal weakness in device sales.
- We believe the telecommunications sector will benefit indirectly from the Thais Help Thais Plus scheme in 2Q26 through subsidy registration, higher data consumption, and qoq growth in subscriber and blended ARPU.
- Maintain BUY with a higher target price of Bt415.00, as a 4-5% dividend play.

**2Q26 Preview**

| Year to 31 Dec (Btm) | 2Q26F | 2Q25 | 1Q26 | yoy% | qoq% |
|---|---|---|---|---|---|
| Revenue | 56,877 | 56,044 | 58,197 | 1.5% | -2.3% |
| Gross profit | 25,085 | 21,591 | 25,426 | 16.2% | -1.3% |
| Operating profit | 17,976 | 15,130 | 18,217 | 18.8% | -1.3% |
| Operating EBITDA | 31,676 | 29,973 | 31,740 | 5.7% | -0.2% |
| Net profit | 13,204 | 10,982 | 13,496 | 20.2% | -2.2% |
| EPS | 4.44 | 3.69 | 4.54 | 20.2% | -2.2% |
| Gross profit margin (%) | 44.1 | 38.5 | 43.7 | 0.4 | 5.6 |
| EBITDA margin (%) | 55.7 | 53.5 | 54.5 | 1.2 | 2.2 |
| Operating margin (%) | 31.6 | 27.0 | 31.3 | 0.3 | 4.6 |
| SG&A Exp./ Sales (%) | 12.5 | 11.5 | 12.4 | 0.1 | 1.0 |
| Net profit margin (%) | 23.2 | 19.6 | 23.2 | 0.0 | 3.6 |

*Source: Advance Info Services, UOB Kay Hian*

## Analysis

- **Mobile core service sales are expected to remain resilient amid geopolitical risks.** We expect Advanced Info Service (ADVANC) to report a 2Q26 net profit of Bt13.20b (+20% yoy, -2% qoq). Earnings should be more resilient than previously feared despite geopolitical risks and higher energy costs. We forecast 2Q26 total revenue at Bt56.9b (+1% yoy, -2% qoq), with core service revenue remaining resilient at Bt45.24b (+5% yoy, +1% qoq), supported by blended ARPU uplift and qoq subscriber growth. However, total revenue and earnings could soften qoq due to seasonal weakness in device sales in 2Q26-3Q26, which we forecast at Bt10.6b (+7% yoy, -14% qoq).

**Key Financials**

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 213,569.3 | 226,263.8 | 234,709.8 | 246,430.2 | 255,732.7 |
| EBITDA | 111,612.2 | 121,490.0 | 128,365.3 | 135,867.4 | 143,737.9 |
| Operating profit | 50,384.4 | 63,736.0 | 72,613.4 | 76,556.0 | 79,370.1 |
| Net profit (rep./act.) | 35,075.4 | 47,885.9 | 53,241.8 | 55,934.1 | 58,435.9 |
| Net profit (adj.) | 34,836.1 | 47,764.7 | 53,241.8 | 55,934.1 | 58,435.9 |
| EPS | 11.7 | 16.1 | 17.9 | 18.8 | 19.6 |
| PE (x) | 31.4 | 22.9 | 20.6 | 19.6 | 18.7 |
| P/B (x) | 11.2 | 10.2 | 18.7 | 15.2 | 13.2 |
| EV/EBITDA (x) | 11.7 | 10.5 | 10.1 | 9.7 | 9.2 |
| Dividend yield (%) | 2.9 | 9.3 | 3.9 | 4.3 | 4.8 |
| Net margin (%) | 16.4 | 21.2 | 22.7 | 22.7 | 22.8 |
| Net debt to equity (%) | 192.9 | 150.8 | 313.4 | 283.0 | 254.8 |
| Interest cover (x) | 12.2 | 15.2 | 15.6 | 15.1 | 16.3 |
| Consensus net profit | n.a | n.a | 52,195.0 | 55,737.4 | 58,533.6 |
| UOBKH/Consensus (x) | n.a | n.a | 1.0 | 1.0 | 1.0 |

*Source: Advance Info Services, Bloomberg, UOB Kay Hian*

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**Stock Data**

| | |
|---|---|
| GICS sector | Communication Services |
| Bloomberg ticker: | ADVANC TB |
| Shares issued (m): | 2,974.2 |
| Market cap (Bt$m): | 1,094,509.2 |
| Market cap (US$m): | 32,871.1 |
| 3-mth avg daily t'over (US$m): | 83.8 |

**Price Performance (%)**

52-week high/low Bt404.0/Bt279.0

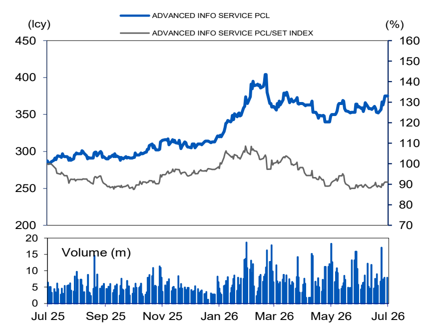
| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| 1.1 | 1.1 | 23.5 | 37.6 | 23.5 |

| Major Shareholders | % |
|---|---|
| GULF DEVELOPMENT PUBLIC COMPANY LIMITED | 40.44 |
| SINGTEL STRATEGIC INVESTMENTS PTE LTD. | 19.10 |
| Thai NVDR Company Limited | 7.63 |

**Balance Sheet Metrics**

| | |
|---|---|
| FY26 NAV/Share (Bt) | 19.7 |
| FY26 Net Debt/Share (Bt) | 61.7 |

**Price Chart**




*Source: Bloomberg*

**Company Description**

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

- **The telecommunications sector is expected to benefit indirectly from Thais Help Thais Plus in 2Q26.** Although ADVANC does not directly benefit from the Thais Help Thais Plus subsidy scheme (government contributes 60% of spending, capped at Bt1,000/person/month for four months), we believe it could help cushion geopolitical risks in 2Q26 through ARPU uplift and subscriber growth, as eligible participants require mobile connectivity to access the Paotang application, register for the subsidy, and make digital payments.
- **Management maintains its conservative 2026 guidance.** Despite stronger-than-expected 1Q26 earnings, management maintained its conservative 2026 guidance, citing external uncertainties (geopolitical risks and cost of living), rather than industry competitiveness. ADVANC guides for 2026 core service revenue growth of 2.0-4.0% (3.4% in our forecast), EBITDA growth of 2.0-4.0% (5.7% in our forecast) and capex of Bt30b-35b.
- **Strong 1H26 earnings leave room for potential upgrade in 2H26.** Our strong 1H26 earnings forecast accounts for 50% of our 2026 forecast, above the 2022-25 average of 48%, leaving room for a potential earnings upgrade in 2H26. Our conservative 2H26 assumptions reflect higher capex intensity, rising finance costs from foreign US debentures used to fund the 1Q26 special dividend, and some integration costs from the 3BB IT department in 2H26.
- **ARPU uplift strategy going forward.** ADVANC maintains its network leadership while building monetisation layers on top of its core connectivity business. Although mobile service penetration is already high, ARPU remains the key earnings driver. With competition easing, ADVANC is shifting from price wars to value-added packages by cross-selling and upselling mobile, broadband, and entertainment services into bundled offerings to support ARPU uplift. Broadband penetration remains below 50%, leaving room for further subscriber growth.

## Valuation/Recommendation

- **We maintain BUY with a higher target price of Bt415.00.** Our target price is based on DDM discount model (CAPM of 7%, 3% terminal growth), implying 11x EV/EBITDA (+1.35SD) or 23x PE (+1.8SD).
- We believe ADVANC deserves a valuation premium, supported by: a) resilient operations amid geopolitical risks, with a favourable EBITDA margin of 55.0% in 2026-28 (vs 52.0% in 2023-25); b) an attractive dividend yield of 4-5% in 2026-28, based on an 85-90% payout ratio; and c) its leadership in the telecommunications sector, which should support the ARPU uplift strategy and higher ROE in a less competitive environment. In addition, we forecast a 1H26 DPS of Bt8.30 (2.2% yield), with payment typically made in September.

## Earnings Revision/Risk

- **Earnings revision:** None. We recently resumed coverage.

## Share Price Catalyst

- Stronger-than-expected ARPU and subscriber growth, higher-than-expected dividend payout.

## Environment, Social, Governance (ESG) Updates

### Environmental

- **ADVANC aims to decarbonise its network operation by 30% in 2030.** ADVANC targets to lower GBG emission intensity by 30% by 2030 from 2024.

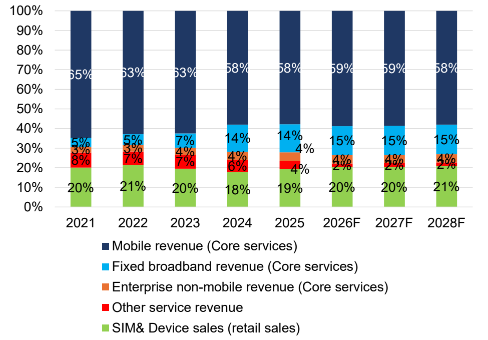
### Social

- **ADVANC is committed to a zero-harm workplace.** ADVANC achieved zero work-related fatalities and zero lost-time injuries for two consecutive years.

### Governance

- **ADVANC improved board diversity.** ADVANC expanded female board representation to 21.43% (3 of 14 directors) in 2025.

### Sales Breakdown In 2023-28



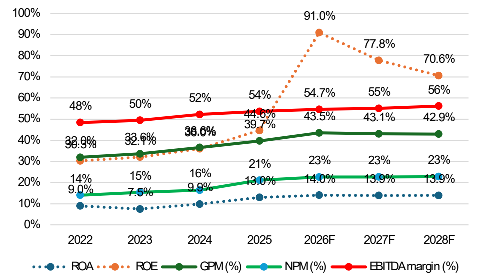

Source: UOB Kay Hian

### Data Centre Liquid Cooling Market Expected To Grow At A 20.1% CAGR In 2026-2023.

| Mobile Business | 2023 | 2024 | 2025 | 2026F | 1Q26 | 2Q26F | 3Q26F | 4Q26F |
|---|---|---|---|---|---|---|---|---|
| **Total subscriber ('000 subscri** | | | | | | | | |
| Postpaid | 50,721 | 51,460 | 53,521 | 56,077 | 13,803 | 13,943 | 14,101 | 14,230 |
| yoy | 4% | 1% | 4% | 5% | 5% | 5% | 5% | 4% |
| qoq | | | | | 1% | 1% | 1% | 1% |
| Prepaid | 129,783 | 131,277 | 131,243 | 133,751 | 33,137 | 33,387 | 33,537 | 33,690 |
| yoy | -2% | 1% | 0% | 2% | 2% | 2% | 2% | 2% |
| qoq | | | | | 0% | 1% | 0% | 0% |
| Total subscriber | 180,504 | 182,737 | 184,764 | 189,828 | 46,940 | 47,330 | 47,638 | 47,920 |
| | -1% | 1% | 1% | 3% | 3% | 3% | 3% | 2% |
| Annual subscriber is the sum of quarter subscriber (for comparison) | | | | | 0% | 1% | 1% | 1% |
| **Net additions ('000 subscriber** | | | | | | | | |
| Postpaid | 155 | 299 | 616 | 600 | 173 | 140 | 158 | 129 |
| Prepaid | (1,552) | 846 | 393 | 550 | (3) | 250 | 150 | 153 |
| Total net additions | (1,397) | 1,145 | 1,009 | 1,150 | 170 | 390 | 308 | 282 |
| Annual net addition subscirber is the sum of quarter subscriber (for comparison) | | | | | | | | |
| **ARPU (Bt/month/subscriber)** | | | | | | | | |
| ARPU - Postpaid | 448 | 446 | 441 | 436 | 436 | 435 | 436 | 438 |
| yoy | -2% | -1% | -1% | -1% | -1% | -2% | -1% | -1% |
| qoq | | | | | -1% | 0% | 0% | 1% |
| ARPU - Prepaid | 125 | 138 | 150 | 160 | 155 | 159 | 161 | 164 |
| yoy | 0% | 10% | 9% | 7% | 8% | 7% | 7% | 4% |
| qoq | | | | | -2% | 3% | 1% | 2% |
| ARPU - Blend | 216 | 225 | 234 | 246 | 238 | 242 | 244 | 247 |
| yoy | 1% | 4% | 4% | 5% | 4% | 4% | 4% | 3% |
| qoq | | | | | -1% | 2% | 1% | 1% |
| **Fixed broadband business (FBB)** | | | | | | | | |
| **FBB ARPU (Bt/subscriber/month)** | | | | | | | | |
| ARPU | 435 | 503 | 524 | 545 | 538 | 542 | 547 | 552 |
| yoy | 2% | 16% | 4% | 4% | 4% | 4% | 4% | 4% |
| | | | | | 2% | 1% | 1% | 1% |
| **Total subscribers ('000)** | | | | | | | | |
| Total subscribers ('000) - EOY | 11,720 | 19,651 | 20,652 | 21,610 | 5,293 | 5,363 | 5,433 | 5,523 |
| | 45% | 68% | 5% | 5% | 4% | 4% | 4% | 5% |
| Annual subscriber is the sum of quarter subscriber (for comparison) | | | | | 1% | 1% | 1% | 2% |
| **Net additions ('000)** | | | | | | | | |
| Net addition (subscriber increase) | 2,573 | 267 | 234 | 280 | 50 | 70 | 70 | 90 |
| Annual net addition subscirber is the sum of quarter subscriber (for comparison) | | | | | | | | |

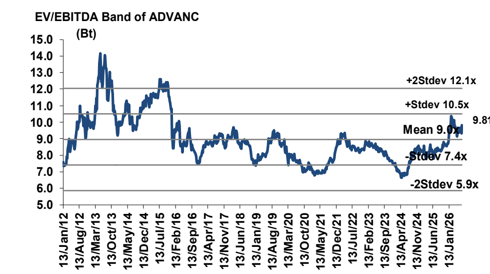
Source: UOB Kay Hian

### Operating Statistics




Source: UOB Kay Hian, NESDC

### 13-year Forward EV/EBITDA




Source: UOB Kay Hian, Bloomberg

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Net turnover | 226,264 | 234,710 | 246,430 | 255,733 |
| EBITDA | 121,490 | 128,365 | 135,867 | 143,738 |
| Deprec. & amort. | 57,754 | 55,752 | 59,311 | 64,368 |
| EBIT | 63,736 | 72,613 | 76,556 | 79,370 |
| Total other non-operating income | 734 | 780 | 817 | 855 |
| Associate contributions | 924 | 1,127 | 1,257 | 1,330 |
| Net interest income/(expense) | (7,973) | (8,247) | (9,024) | (8,840) |
| Pre-tax profit | 57,422 | 66,273 | 69,606 | 72,715 |
| Tax | (9,652) | (13,029) | (13,670) | (14,277) |
| Minorities | (5) | (2) | (2) | (2) |
| Net profit | 47,886 | 53,242 | 55,934 | 58,436 |
| Net profit (adj.) | 47,765 | 53,242 | 55,934 | 58,436 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 307,229 | 284,293 | 320,313 | 332,792 |
| Other LT assets | 60,340 | 59,814 | 63,674 | 74,339 |
| Cash/ST investment | 30,482 | 58,467 | 42,541 | 34,358 |
| Other current assets | 22,222 | 24,175 | 28,339 | 29,409 |
| Total assets | 420,273 | 426,748 | 454,867 | 470,898 |
| ST debt | 33,934 | 38,531 | 44,334 | 44,990 |
| Other current liabilities | 68,244 | 75,960 | 84,806 | 88,354 |
| LT debt | 158,280 | 203,305 | 201,599 | 200,217 |
| Other LT liabilities | 52,534 | 50,436 | 52,271 | 54,585 |
| Shareholders' equity | 107,280 | 58,516 | 71,859 | 82,752 |
| Minority interest | 105 | 107 | 109 | 111 |
| Total liabilities & equity | 420,378 | 426,855 | 454,976 | 471,009 |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Operating | 120,810 | 123,751 | 129,424 | 134,435 |
| Pre-tax profit | 57,543 | 66,273 | 69,606 | 72,715 |
| Tax | (9,652) | (13,029) | (13,670) | (14,277) |
| Deprec. & amort. | 57,754 | 55,752 | 59,311 | 64,368 |
| Associates | (924) | (1,127) | (1,257) | (1,330) |
| Working capital changes | (1,584) | 3,624 | 3,263 | 1,725 |
| Non-cash items | 2,199 | 2,139 | 1,419 | 754 |
| Other operating cashflows | 15,474 | 10,119 | 10,752 | 10,481 |
| Investing | (47,235) | (44,077) | (60,072) | (71,860) |
| Capex (growth) | (49,941) | (45,061) | (56,622) | (61,520) |
| Investments | 31 | (1,649) | (2,502) | (2,833) |
| Others | 2,674 | 2,632 | (948) | (7,506) |
| Financing | (70,828) | (51,754) | (85,278) | (70,758) |
| Dividend payments | (37,563) | (102,008) | (42,593) | (47,544) |
| Issue of shares | 0 | 0 | 0 | 0 |
| Proceeds from borrowings | (21,416) | 49,622 | 4,096 | (725) |
| Others/interest paid | (11,849) | 632 | (46,780) | (22,489) |
| Net cash inflow (outflow) | 2,746 | 27,920 | (15,925) | (8,184) |
| Beginning cash & cash equivalent | 22,607 | 25,354 | 53,273 | 37,348 |
| Changes due to forex impact | 0 | 0 | 0 | 0 |
| Ending cash & cash equivalent | 25,354 | 53,273 | 37,348 | 29,165 |

## Key Metrics

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 53.7 | 54.7 | 55.1 | 56.2 |
| Pre-tax margin | 25.4 | 28.2 | 28.2 | 28.4 |
| Net margin | 21.2 | 22.7 | 22.7 | 22.8 |
| Growth | | | | |
| Net profit (adj.) | 37.1 | 11.5 | 5.1 | 4.5 |
| Leverage | | | | |
| Debt to total capital | 179.0 | 412.5 | 341.7 | 295.9 |
| Debt to equity | 179.2 | 413.3 | 342.2 | 296.3 |
| Net debt/(cash) to equity | 150.8 | 313.4 | 283.0 | 254.8 |
| Interest cover | 15.2 | 15.6 | 15.1 | 16.3 |