

อินทัช โฮลดิ้งส์ INTUCH TB / INTUCH.BK

17 กุมภาพันธ์ 2558

กำไรหลักสูงกว่าคาดเล็กน้อย

กำไรหลักสูงกว่าคาดเล็กน้อย

INTUCH รายงานกำไรสุทธิไตรมาส 4/57 ที่ 3.65 พันล้านบาท เพิ่มขึ้น 5% YoY แต่ลดลง 4% QoQ ถ้าไม่รวมค่าใช้จ่ายพิเศษสุทธิจำนวน 497 ล้านบาทในไตรมาส 4/57 กำไรหลักอยู่ที่ 4.15 พันล้านบาท เพิ่มขึ้น 7% YoY และ 6% QoQ รายการค่าใช้จ่ายพิเศษในไตรมาส 4/57 ได้แก่ ขาดทุนอัตราแลกเปลี่ยน 23 ล้านบาท การตั้งด้อยค่าเงินลงทุนในไอทีวี 109 ล้านบาท ผลขาดทุนที่บันทึกครั้งเดียวจากการยกเลิกกิจการการดำเนินงานของแม็กซ์บ็อกซ์ และค่าใช้จ่ายพิเศษครั้งเดียวของ ADVANC ตามสัดส่วนที่ INTUCH ถือหุ้น 300 ล้านบาทซึ่งได้แก่ ค่าตัดจำหน่ายอุปกรณ์อิเล็กทรอนิกส์ การตั้งด้อยค่าสินทรัพย์ และค่าตัดจำหน่ายสินทรัพย์ ภาษีเงินได้รอตัดบัญชี กำไรสุทธิออกมาต่ำกว่าคาด 5% เนื่องจากรายการตัดจำหน่ายสินทรัพย์ภาษีเงินได้รอตัดบัญชีของ ADVANC

กำไรหลักสูงกว่าคาด 3% เนื่องจากกำไรหลักของ ADVANC และ THCOM ที่สูงกว่าคาดคิดเป็น 3% และ 12% ตามลำดับ รายได้จากการขายเครื่องและรายได้บริการที่สูงกว่าคาดรวมถึงภาวะภาษีจ่ายที่ต่ำกว่าคาดหนุนกำไรหลักของ ADVANC ให้สูงกว่าประมาณการของเรา ส่วนรายได้ที่เพิ่มสูงขึ้นเล็กน้อย และต้นทุนค่าบริการและภาระดอกเบี้ยจ่ายที่ต่ำกว่าคาดหนุนกำไรหลักของ THCOM ให้ออกมาสูงกว่าคาด

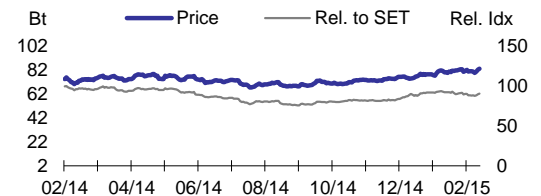
ประเด็นหลักจากผลประกอบการ

กำไรหลักของ ADVANC ที่เพิ่มขึ้น 6% YoY และกำไรของ THCOM ที่เพิ่มขึ้น 27% YoY หนุนกำไรหลักของ INTUCH ให้ปรับตัวสูงขึ้น ต้นทุนด้านกฎระเบียบที่ลดลง 30% YoY และรายได้บริการที่ไม่รวมไอซีทีที่เพิ่มขึ้น 4% YoY หนุนกำไรหลักของ ADVANC ให้เพิ่มขึ้น YoY นอกจากนี้รายได้เงินปันผลที่เติบโตแข็งแกร่ง 41% YoY ชดเชยผลกระทบจากรายได้รายอื่นที่ยังคงลดลง 15% YoY (ดูผลประกอบการไตรมาส 4/57 ของ ADVANC ในรายงานฉบับที่ 4 ก.พ. 2558)

กำไรหลักของ THCOM ที่เพิ่มขึ้นก้าวกระโดด YoY เนื่องจากรายได้ที่เพิ่มขึ้นจากดาวเทียมไทยคม 6 รายได้บางส่วนของดาวเทียมไทยคม 7 รายได้การขายแบนด์วิธที่เพิ่มขึ้นเนื่องจากการขายให้กับลูกค้าเอ็นบีเอ็นประเทศออสเตรเลีย และรายได้ที่เพิ่มขึ้นของธุรกิจลาวเทลคอม (ดูผลประกอบการไตรมาส 4/57 ของ THCOM ในรายงานฉบับวันที่ 13 ก.พ. 2558)

แนวโน้ม

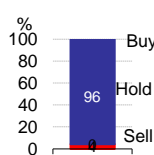
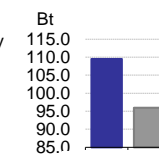
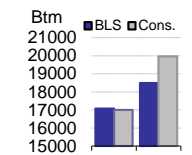
เราคาดกำไรหลักของ INTUCH ในไตรมาส 1/58 ในเบื้องต้นอย่างคร่าวๆ ที่ 4.2 พันล้านบาท เพิ่มขึ้น 6% YoY และ 1% QoQ หนุนโดยกำไรหลักไตรมาส 1/58 ของ THCOM ที่คาดว่าจะเพิ่มขึ้น 30% YoY เนื่องจากรายได้ที่เพิ่มขึ้นจากดาวเทียมไทยคม 7 ลูกค้าเอ็นบีเอ็นประเทศออสเตรเลีย และธุรกิจลาวเทลคอม รวมถึงกำไรหลักไตรมาส 1/58 ของ ADVANC ที่คาดว่าจะเพิ่มขึ้น 4% YoY เนื่องจากรายได้เงินปันผลที่เติบโตต่อเนื่องและต้นทุนด้านกฎระเบียบที่ยังคงลดลงต่อเนื่อง เป้าหมายรายได้บริการและการขายสำหรับในปี 2558 ของ INTUCH อยู่ที่ 5-7%

Sector: ICT Neutral
คำแนะนำพื้นฐาน: ชื้อ
เป้าหมายพื้นฐาน: 109.50 บาท
ราคา (13/02/58): 83.50 บาท
Price chart


| Share price perf. (%) | 1M | 3M | 12M |
|-----------------------|-------|------|-------|
| Relative to SET | (3.4) | 11.2 | (7.2) |
| Absolute | 1.8 | 13.6 | 16.0 |

Key statistics

| | | |
|-------------------------|---------------|----------|
| Market cap | Bt267.7bn | USD8.2bn |
| 12-mth price range | Bt67.5/Bt84.0 | |
| 12-mth avg daily volume | Bt842m | USD25.8m |
| # of shares (m) | 3,206 | |
| Est. free float (%) | 58.4 | |
| Foreign limit (%) | 47.2 | |

Consensus rating

BLS Target price vs. Consensus

BLS earnings vs. Consensus

Financial summary

| FY Ended 31 Dec | 2014 | 2015E | 2016E | 2017E |
|---------------------|--------|--------|--------|--------|
| Revenues (Btm) | 10,142 | 12,165 | 14,154 | 15,519 |
| Net profit (Btm) | 14,761 | 17,071 | 18,487 | 19,444 |
| EPS (Bt) | 4.60 | 5.32 | 5.77 | 6.06 |
| EPS growth (%) | +1.3% | +15.6% | +8.3% | +5.2% |
| Core profit (Btm) | 15,804 | 17,504 | 18,920 | 19,877 |
| Core EPS (Bt) | 4.93 | 5.46 | 5.90 | 6.20 |
| Core EPS growth (%) | +2.6% | +10.8% | +8.1% | +5.1% |
| PER (x) | 15.8 | 15.7 | 14.5 | 13.8 |
| PBV (x) | 6.9 | 7.4 | 6.9 | 6.4 |
| Dividend (Bt) | 4.4 | 4.9 | 5.3 | 5.6 |
| Dividend yield (%) | 6.0 | 5.9 | 6.4 | 6.7 |
| ROE (%) | 59.8 | 65.5 | 67.2 | 66.9 |

CG rating

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สิ่งที่เปลี่ยนแปลงไป

เราปรับประมาณการกำไรหลักปี 2558 ของ INTUCH เพิ่มขึ้นอีก 2% (เป็น 1.75 หมื่นล้านบาท) เพื่อสะท้อนการปรับเพิ่มประมาณการกำไรหลักของ ADVANC ขึ้นอีก 2% ดังนั้นราคาเป้าหมายของ INTUCH ซึ่งประเมินด้วยวิธี NAV ปรับเพิ่มขึ้นอีก 3% (เป็น 109.5 บาท) เพื่อสะท้อนการปรับราคาเป้าหมายของ ADVANC เพิ่มขึ้นอีก 4% (เป็น 270 บาท)

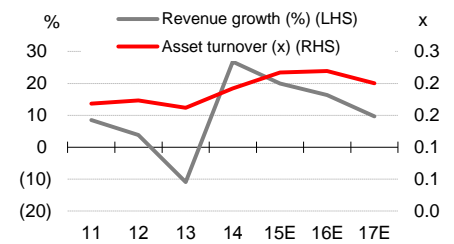
คำแนะนำ

เรายังคงคำแนะนำ ซื้อ หุ้น INTUCH เนื่องจากแนวโน้มการเติบโตของกำไรในปี 2558 ยังคงแข็งแกร่ง อัตราผลตอบแทนจากเงินปันผลในระดับดีที่ 6% และราคาหุ้น ณ ปัจจุบันยังคงต่ำกว่าราคาเป้าหมาย

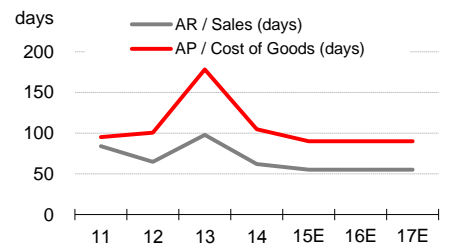
INTUCH : Financial Tables – Year

| PROFIT & LOSS (Btm) | 2013 | 2014 | 2015E | 2016E | 2017E |
|---|-----------------|-----------------|-----------------|----------------|-----------------|
| Revenue | 8,000 | 10,142 | 12,165 | 14,154 | 15,519 |
| Cost of sales and services | (4,778) | (5,956) | (7,534) | (8,975) | (9,814) |
| Gross profit | 3,222 | 4,185 | 4,631 | 5,179 | 5,705 |
| SG&A | (1,962) | (2,292) | (2,555) | (2,972) | (2,949) |
| EBIT | 1,259 | 1,893 | 2,076 | 2,207 | 2,757 |
| Interest expense | (268) | (385) | (448) | (473) | (464) |
| Other income/exp. | 307 | 257 | 305 | 346 | 387 |
| EBT | 1,298 | 1,766 | 1,933 | 2,079 | 2,680 |
| Corporate tax | (343) | (460) | (523) | (636) | (692) |
| After-tax net profit (loss) | 955 | 1,305 | 1,410 | 1,444 | 1,988 |
| Minority interest | (464) | (745) | (1,026) | (1,167) | (1,299) |
| Equity earnings from affiliates | 14,915 | 15,244 | 17,120 | 18,644 | 19,188 |
| Extra items | (838) | (1,043) | (433) | (433) | (433) |
| Net profit (loss) | 14,568 | 14,761 | 17,071 | 18,487 | 19,444 |
| Reported EPS | 4.54 | 4.60 | 5.32 | 5.77 | 6.06 |
| Fully diluted EPS | 4.54 | 4.60 | 5.32 | 5.77 | 6.06 |
| Core net profit | 15,406 | 15,804 | 17,504 | 18,920 | 19,877 |
| Core EPS | 4.80 | 4.93 | 5.46 | 5.90 | 6.20 |
| EBITDA | 3,379 | 4,654 | 5,231 | 5,669 | 6,310 |
| KEY RATIOS | | | | | |
| Revenue growth (%) | (10.9) | 26.8 | 20.0 | 16.3 | 9.6 |
| Gross margin (%) | 40.3 | 41.3 | 38.1 | 36.6 | 36.8 |
| EBITDA margin (%) | 42.2 | 45.9 | 43.0 | 40.1 | 40.7 |
| Operating margin (%) | 15.7 | 18.7 | 17.1 | 15.6 | 17.8 |
| Net margin (%) | 182.1 | 145.6 | 140.3 | 130.6 | 125.3 |
| Core profit margin (%) | 192.6 | 155.8 | 143.9 | 133.7 | 128.1 |
| ROA (%) | 28.7 | 27.0 | 29.7 | 25.8 | 23.3 |
| ROCE (%) | 35.6 | 33.5 | 37.2 | 31.8 | 28.4 |
| Asset turnover (x) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Current ratio (x) | 1.4 | n.m. | n.m. | n.m. | n.m. |
| Gearing ratio (x) | 0.3 | 0.3 | 0.3 | 0.5 | 0.6 |
| Interest coverage (x) | 4.7 | 4.9 | 4.6 | 4.7 | 5.9 |
| BALANCE SHEET (Btm) | | | | | |
| Cash & Equivalent | 6,856 | 7,649 | 7,793 | 9,572 | 9,992 |
| Accounts receivable | 2,147 | 1,719 | 1,833 | 2,133 | 2,339 |
| Inventory | 252 | 225 | 206 | 246 | 269 |
| PP&E-net | 3,261 | 9,188 | 11,075 | 11,654 | 11,142 |
| Other assets | 17,655 | 15,418 | 14,228 | 23,473 | 32,706 |
| Total assets | 50,809 | 54,699 | 57,436 | 71,608 | 83,345 |
| Accounts payable | 2,334 | 1,709 | 1,858 | 2,213 | 2,420 |
| ST debts & current portion | 4,490 | 725 | 568 | 568 | 568 |
| Long-term debt | 4,029 | 9,436 | 9,062 | 18,649 | 26,237 |
| Other liabilities | 1,242 | 1,119 | 1,095 | 1,274 | 1,397 |
| Total liabilities | 18,398 | 20,827 | 21,172 | 32,698 | 41,580 |
| Paid-up capital | 3,206 | 3,206 | 3,206 | 3,206 | 3,206 |
| Share premium | 10,342 | 10,342 | 10,342 | 10,342 | 10,342 |
| Retained earnings | 5,880 | 6,587 | 7,952 | 9,431 | 10,987 |
| Shareholders equity | 23,816 | 24,678 | 26,044 | 27,523 | 29,078 |
| Minority interests | 8,595 | 9,194 | 10,220 | 11,388 | 12,686 |
| Total Liab.&Shareholders' equity | 50,809 | 54,699 | 57,436 | 71,608 | 83,345 |
| CASH FLOW (Btm) | | | | | |
| Net income | 14,568 | 14,761 | 17,071 | 18,487 | 19,444 |
| Depreciation and amortization | 2,119 | 2,761 | 3,155 | 3,462 | 3,553 |
| Change in working capital | 72 | (170) | 54 | 16 | (22) |
| FX, non-cash adjustment & others | 215 | 1,693 | 2,089 | (7,436) | (7,849) |
| Cash flows from operating activities | 16,974 | 19,045 | 22,368 | 14,529 | 15,126 |
| Capex (Invest)/Divest | (2,539) | (6,465) | (4,984) | (3,984) | (2,984) |
| Others | (759) | 18 | (1,555) | (2,201) | (2,009) |
| Cash flows from investing activities | (3,297) | (6,447) | (6,539) | (6,186) | (4,993) |
| Debt financing (repayment) | 917 | 2,270 | (531) | 9,588 | 7,588 |
| Equity financing | 0 | 0 | 0 | 0 | 0 |
| Dividend payment | (13,831) | (14,345) | (15,705) | (17,008) | (17,888) |
| Others | (759) | 18 | (1,555) | (2,201) | (2,009) |
| Cash flows from financing activities | (13,142) | (12,414) | (16,237) | (7,420) | (10,300) |
| Net change in cash | 535 | 185 | (408) | 924 | (167) |
| Free cash flow (Btm) | 14,435 | 12,581 | 17,384 | 10,545 | 12,142 |
| FCF per share (Bt) | 4.5 | 3.9 | 5.4 | 3.3 | 3.8 |
| Key assumptions | 2013 | 2014 | 2015E | 2016E | 2017E |
| ADVANC's net additions (mn) | 5.17 | 3.39 | 2.26 | 1.90 | 1.66 |
| ADVANC's cum subs (mn) | 40.91 | 44.30 | 46.56 | 48.45 | 50.11 |
| ADVANC's blended ARPU (Bt/sub/month) | 240 | 217 | 210 | 217 | 221 |
| FY IPSTAR utilization rate (%) | 28% | 32% | 45% | 55% | 61% |
| IPSTAR price/transponder (US\$m) | 0.33 | 0.33 | 0.33 | 0.33 | 0.33 |
| Conventional satellite revenue (Btm) | 3,394 | 4,474 | 5,244 | 6,063 | 6,678 |

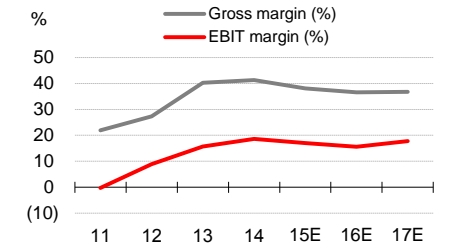
Revenue growth and asset turnover



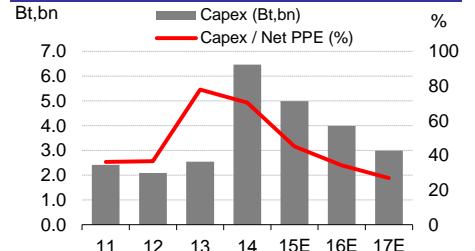
A/C receivable & A/C payable days



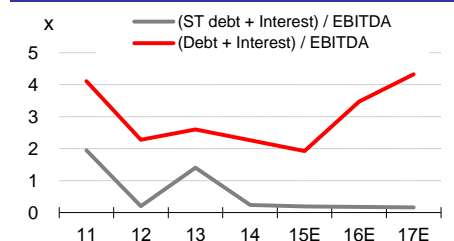
Profit margins



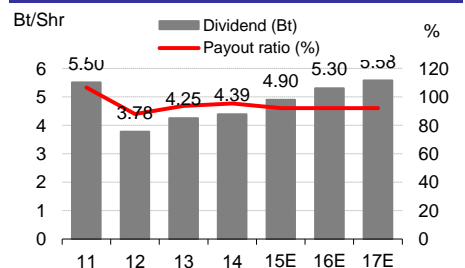
Capital expenditure



Debt serviceability



Dividend payout



INTUCH : Financial Tables – Quarter

| QUARTERLY PROFIT & LOSS (Btm) | 4Q13 | 1Q14 | 2Q14 | 3Q14 | 4Q14 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue | 1,175 | 2,486 | 2,594 | 2,794 | 2,267 |
| Cost of sales and services | (342) | (1,597) | (1,480) | (1,697) | (1,182) |
| Gross profit | 833 | 889 | 1,114 | 1,097 | 1,085 |
| SG&A | (531) | (571) | (550) | (586) | (586) |
| EBIT | 302 | 319 | 564 | 511 | 500 |
| Interest expense | (66) | (88) | (97) | (99) | (102) |
| Other income/exp. | 130 | 63 | 55 | 85 | 55 |
| EBT | 366 | 294 | 522 | 497 | 452 |
| Corporate tax | (65) | (98) | (114) | (139) | (109) |
| After-tax net profit (loss) | 301 | 196 | 407 | 358 | 344 |
| Minority interest | (119) | (185) | (243) | (116) | (201) |
| Equity earnings from affiliates | 3,699 | 3,965 | 3,591 | 3,686 | 4,002 |
| Extra items | (402) | (149) | (251) | (146) | (497) |
| Net profit (loss) | 3,479 | 3,827 | 3,504 | 3,782 | 3,648 |
| Reported EPS | 1.08 | 1.19 | 1.09 | 1.18 | 1.14 |
| Fully diluted EPS | 1.08 | 1.19 | 1.09 | 1.18 | 1.14 |
| Core net profit | 3,881 | 3,976 | 3,755 | 3,928 | 4,145 |
| Core EPS | 1.21 | 1.24 | 1.17 | 1.23 | 1.29 |
| EBITDA | 828 | 943 | 1,252 | 1,208 | 1,198 |

KEY RATIOS

| | | | | | |
|------------------------|-------|-------|-------|-------|-------|
| Gross margin (%) | 70.9 | 35.8 | 42.9 | 39.3 | 47.9 |
| EBITDA margin (%) | 70.4 | 37.9 | 48.3 | 43.2 | 52.8 |
| Operating margin (%) | 25.7 | 12.8 | 21.7 | 18.3 | 22.0 |
| Net margin (%) | 296.0 | 153.9 | 135.1 | 135.3 | 160.9 |
| Core profit margin (%) | 330.2 | 159.9 | 144.8 | 140.6 | 182.9 |
| BV (Bt) | 10.1 | 9.1 | 10.3 | 9.3 | 10.6 |
| ROE (%) | 58.4 | 73.9 | 57.7 | 72.1 | 59.1 |
| ROA (%) | 27.4 | 28.3 | 26.6 | 30.8 | 26.7 |
| Current ratio (x) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Gearing ratio (x) | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interest coverage (x) | 4.6 | 3.6 | 5.8 | 5.2 | 4.9 |

QUARTERLY BALANCE SHEET (Btm)

| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| Cash & Equivalent | 6,856 | 7,577 | 8,382 | 8,751 | 7,649 |
| Accounts receivable | 2,147 | 1,718 | 1,866 | 1,825 | 1,719 |
| Inventory | 252 | 233 | 244 | 249 | 225 |
| PP&E-net | 3,261 | 3,179 | 5,171 | 5,567 | 9,188 |
| Other assets | 38,142 | 34,218 | 36,859 | 32,514 | 35,535 |
| Total assets | 50,810 | 54,077 | 52,674 | 49,056 | 54,699 |
| Accounts payable | 2,334 | 1,568 | 1,740 | 1,676 | 1,709 |
| ST debts & current portion | 4,490 | 4,519 | 5,934 | 6,312 | 1,367 |
| Long-term debt | 4,029 | 3,656 | 3,657 | 3,370 | 9,436 |
| Other liabilities | 1,242 | 831 | 875 | 1,226 | 1,119 |
| Total liabilities | 18,398 | 24,899 | 19,642 | 19,132 | 20,827 |
| Paid-up capital | 3,206 | 3,206 | 3,206 | 3,206 | 3,206 |
| Share premium | 10,342 | 10,342 | 10,342 | 10,342 | 10,342 |
| Retained earnings | 5,880 | 2,793 | 6,297 | 2,938 | 6,587 |
| Shareholders equity | 23,816 | 20,717 | 24,285 | 20,982 | 24,678 |
| Minority interests | 8,595 | 8,461 | 8,747 | 8,941 | 9,194 |
| Total Liab.&Shareholders' equity | 50,810 | 54,077 | 52,674 | 49,056 | 54,699 |

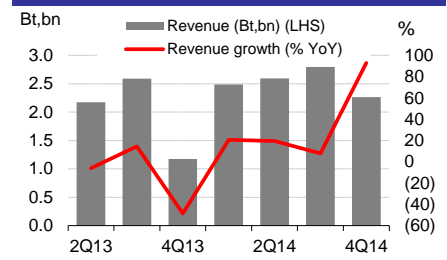
Key statistics

| | 4Q13 | 1Q14 | 2Q14 | 3Q14 | 4Q14 |
|---------------------------------------|-------|-------|-------|-------|-------|
| Net profit from INTUCH & others (Btm) | (115) | (87) | (67) | (78) | (105) |
| Net profit from ADVANC (Btm) | 3,544 | 3,823 | 3,422 | 3,627 | 3,666 |
| Net profit from THCOM (Btm) | 117 | 164 | 203 | 296 | 178 |
| Net profit from media & ads (Btm) | (68) | (73) | (56) | (63) | (89) |

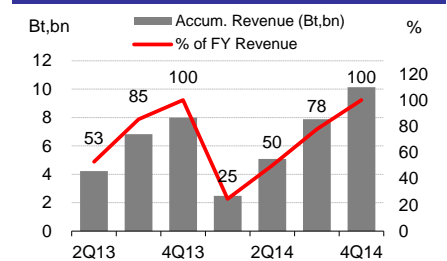
Company profile

Shin Corporation Plc (INTUCH) is a holding company. Its main assets are a 40.45% stake in Advanced Info Service Plc (ADVANC) and a 41.14% stake in Thaicom Plc (THCOM). ADVANC is Thailand's biggest and most profitable mobile telecoms firm. THCOM is Thailand's only satellite operator and also holds controlling stakes in Internet (CSL) and mobile and fixed-line telecoms (51% stake in Sherington).

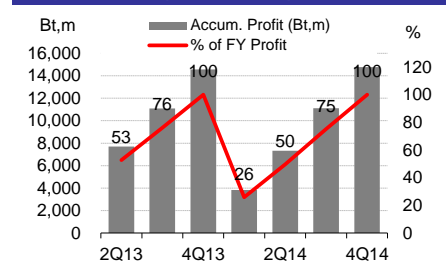
Revenue trend



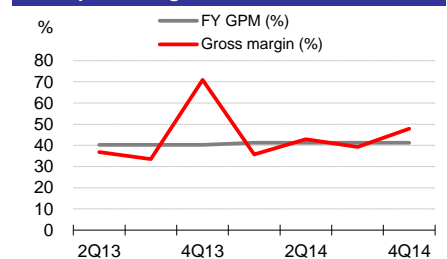
Revenue trend (accumulated)



Net profit trend (accumulated)



Gross profit margin



EBIT margin

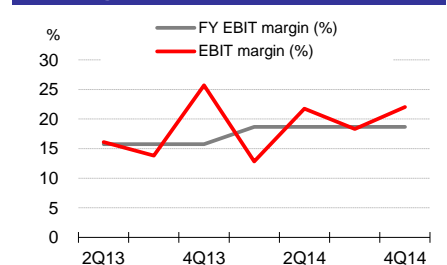


Figure 1 : 4Q14 results

| FY Ended 31 Dec (Btm) | 4Q14 | 4Q13 | YoY % | 3Q14 | QoQ % | 2014 | 2013 | YoY % |
|---------------------------------|---------------|---------------|-----------|---------------|------------|---------------|---------------|-----------|
| Income Statement | | | | | | | | |
| Revenue | 2,267 | 1,175 | 93 | 2,794 | (19) | 10,142 | 8,000 | 27 |
| Cost of sales and services | (1,182) | (342) | 246 | (1,697) | (30) | (5,956) | (4,778) | 25 |
| EBITDA | 1,198 | 828 | 45 | 1,208 | (1) | 4,600 | 3,379 | 36 |
| SG&A | (586) | (531) | 10 | (586) | (0) | (2,292) | (1,962) | 17 |
| EBIT | 500 | 302 | 65 | 511 | (2) | 1,893 | 1,259 | 50 |
| Interest expense | (102) | (66) | 54 | (99) | 3 | (385) | (268) | 44 |
| Other income/exp. | 55 | 130 | (58) | 85 | (35) | 257 | 307 | (16) |
| Equity earnings from affiliates | 4,002 | 3,699 | 8 | 3,686 | 9 | 15,244 | 15,046 | 1 |
| Extra items | (497) | (402) | 24 | (146) | 239 | (1,043) | (969) | 8 |
| EBT | 452 | 366 | 24 | 497 | (9) | 1,766 | 1,298 | 36 |
| Corporate tax | (109) | (65) | 67 | (139) | (22) | (460) | (343) | 34 |
| Minority interest | (201) | (119) | 68 | (116) | 72 | (745) | (464) | 60 |
| Net profit (loss) | 3,648 | 3,479 | 5 | 3,782 | (4) | 14,761 | 14,568 | 1 |
| Reported EPS | 1.14 | 1.08 | 5 | 1.18 | (4) | 4.60 | 4.54 | 1 |
| Core net profit | 4,145 | 3,881 | 7 | 3,928 | 6 | 15,804 | 15,537 | 2 |
| Key ratios | | | | | | | | |
| Gross margin (%) | 47.9 | 70.9 | | 39.3 | | 41.3 | 40.3 | |
| EBITDA margin (%) | 52.8 | 70.4 | | 43.2 | | 45.4 | 42.2 | |
| EBIT margin (%) | 22.0 | 25.7 | | 18.3 | | 18.7 | 15.7 | |
| SG&A / Revenue (%) | 25.8 | 45.2 | | 21.0 | | 22.6 | 24.5 | |
| Tax rate (%) | n.m. | 17.8 | | n.m. | | n.m. | 26.4 | |
| Net margin (%) | 160.9 | 296.0 | | 135.3 | | 145.6 | 182.1 | |
| Current ratio (x) | 0.0 | 0.0 | | 0.0 | | 0.0 | 0.0 | |
| Gearing ratio (x) | 0.3 | 0.3 | | 0.3 | | 0.3 | 0.3 | |
| Interest coverage (x) | 4.9 | 4.6 | | 5.2 | | 4.9 | 4.7 | |
| Balance Sheet | | | | | | | | |
| Cash & Equivalent | 7,649 | 6,856 | 12 | 8,751 | (13) | | | |
| Total assets | 54,699 | 50,810 | 8 | 49,056 | 12 | | | |
| ST debts & current portion | 1,367 | 4,490 | (70) | 6,312 | (78) | | | |
| Long-term debt | 9,436 | 4,029 | 134 | 3,370 | 180 | | | |
| Total liabilities | 20,827 | 18,398 | 13 | 19,132 | 9 | | | |
| Retained earnings | 6,587 | 5,880 | 12 | 2,938 | 124 | | | |
| Shareholders equity | 24,678 | 23,816 | 4 | 20,982 | 18 | | | |
| Minority interests | 9,194 | 8,595 | 7 | 8,941 | 3 | | | |
| BV (Bt) | 10.6 | 10.1 | 5 | 9.3 | 13 | | | |

- Revenue was 17% below our model
- Equity income was 3% above our estimate— ADVANC's core profit was 3% above our model
- Net profit was 5% below our projection, due to ADVANC's one-off expenses
- Core earnings were 3% above our model

Sources: Company data, Bualuang Research estimates

Figure 2: Net profit breakdown

| | 4Q14 | 4Q13 | % YoY | 3Q14 | % QoQ | FY14 | FY13 | % YoY |
|-----------------------------|--------------|--------------|------------|--------------|--------------|---------------|---------------|------------|
| Shin Corporation and others | (105) | (115) | 9.0 | (78) | (34.6) | (337) | (320) | (5.3) |
| ADVANC | 3,666 | 3,544 | 3.4 | 3,627 | 1.1 | 14,538 | 14,644 | (0.7) |
| THCOM | 178 | 117 | 51.9 | 296 | (39.9) | 841 | 463 | 81.6 |
| Media and advertising | (89) | (68) | (31.5) | (63) | 41.3 | (281) | (220) | 27.7 |
| Total | 3,650 | 3,478 | 4.9 | 3,782 | (3.5) | 14,761 | 14,567 | 1.3 |

Source: Company data

Figure 3: Net Asset Value (NAV) estimate

| Net Asset Value | Types of fair value | Fair value per share (Bt/share) | Equity values of all holdings (Btmn) | % of INTUCH's holdings (%) | Equity values of INTUCH's holdings (Btmn) | Equity values per INTUCH (Bt/share) |
|--|---------------------|------------------------------------|---|-------------------------------|--|--|
| 1) ADVANC | Market price | 248.00 | 737,304 | 40.45% | 298,239 | 93.03 |
| 2) THCOM | Market price | 38.50 | 42,194 | 41.14% | 17,358 | 5.41 |
| Unconsolidated net cash (debt) of INTUCH at YE15 | | | | | 2,000 | 0.62 |
| Total current INTUCH's break-up value | | | | | | 99.06 |
| Break-up value by using DCF values | | | | | | |
| Net Asset Value | Types of fair value | Fair value per share (Bt/share) | Equity values of all holdings (Btmn) | % of INTUCH's holdings (%) | Equity values of INTUCH's holdings (Btmn) | Equity values per INTUCH (Bt/share) |
| 1) ADVANC | DCF | 270.00 | 802,710 | 40.45% | 324,696 | 101.28 |
| 2) THCOM | DCF | 54.00 | 59,181 | 41.14% | 24,347 | 7.59 |
| Unconsolidated net cash (debt) of INTUCH at YE15 | | | | | 2,000 | 0.62 |
| Total current INTUCH's break-up value | | | | | | 109.50 |

Source: Bualuang Research estimate

Figure 4: ADVANC's 4Q14 results

| | 4Q14 | 4Q13 | % YoY | 3Q14 | % QoQ | FY14 | FY13 | % YoY |
|--|-----------------|-----------------|-------------|-----------------|-------------|-----------------|-----------------|--------------|
| Sales | 8,454 | 5,947 | 42.1 | 4,208 | 100.9 | 23,332 | 18,995 | 22.8 |
| Service revenue (incl. IC) | 31,991 | 30,855 | 3.7 | 31,147 | 2.7 | 125,397 | 127,818 | (1.9) |
| Service revenue (excl. IC) | 30,038 | 29,010 | 3.5 | 29,382 | 2.2 | 117,990 | 116,558 | 1.2 |
| Total sales & services | 40,445 | 36,803 | 9.9 | 35,355 | 14.4 | 148,729 | 146,813 | 1.3 |
| Cost of sales | (8,299) | (5,625) | 47.5 | (4,291) | 93.4 | (23,148) | (17,760) | 30.3 |
| Cost of services (incl. IC) | (14,517) | (14,903) | (2.6) | (14,987) | (3.1) | (59,800) | (67,411) | (11.3) |
| Cost of services (excl. IC) | (12,779) | (13,210) | (3.3) | (13,385) | (4.5) | (53,033) | (56,810) | (6.6) |
| Total costs of sales & services | (22,816) | (20,528) | 11.1 | (19,278) | 18.4 | (82,948) | (85,171) | (2.6) |
| Gross profit | 17,629 | 16,275 | 8.3 | 16,077 | 9.7 | 65,781 | 61,642 | 6.7 |
| SG&A | (5,040) | (4,195) | 20.1 | (4,492) | 12.2 | (18,226) | (14,524) | 25.5 |
| EBIT | 12,589 | 12,080 | 4.2 | 11,585 | 8.7 | 47,555 | 47,118 | 0.9 |
| Interest expense | (458) | (228) | 100.5 | (471) | (2.7) | (1,527) | (1,002) | 52.3 |
| Other income/expense | 185 | 159 | 16.5 | 221 | (16.2) | 700 | 871 | (19.6) |
| EBT | 12,316 | 12,011 | 2.5 | 11,335 | 8.7 | 46,728 | 46,987 | (0.6) |
| Corporate tax | (2,436) | (2,707) | (10.0) | (2,311) | 5.4 | (9,416) | (10,008) | (5.9) |
| After-tax profit | 9,880 | 9,304 | 6.2 | 9,024 | 9.5 | 37,312 | 36,979 | 0.9 |
| Minority interest | 11 | 16 | (33.1) | 7 | 62.0 | 30 | 44 | (32.0) |
| Extra items | (768) | (504) | 52.3 | (74) | 944.3 | (1,305) | (749) | 74.2 |
| Net profit | 9,122 | 8,816 | 3.5 | 8,955 | 1.9 | 36,033 | 36,274 | (0.7) |
| Reported EPS | 3.07 | 2.97 | 3.5 | 3.01 | 1.9 | 12.12 | 12.20 | (0.7) |
| Fully diluted EPS | 3.07 | 2.97 | 3.5 | 3.01 | 1.9 | 12.12 | 12.20 | (0.7) |
| Core profit | 9,889 | 9,320 | 6.1 | 9,029 | 9.5 | 37,338 | 37,023 | 0.9 |
| Core EPS | 3.33 | 3.13 | 6.1 | 3.04 | 9.5 | 12.56 | 12.45 | 0.9 |
| EBITDA | 17,710 | 16,291 | 8.7 | 16,477 | 7.5 | 66,476 | 63,659 | 4.4 |
| KEY RATIOS | 4Q14 | 4Q13 | | 3Q14 | | FY14 | FY13 | |
| Gross margin (%) | 43.6 | 44.2 | | 45.5 | | 44.2 | 42.0 | |
| EBITDA margin (%) | 43.8 | 44.3 | | 46.6 | | 44.7 | 43.4 | |
| Operating margin (%) | 31.1 | 32.8 | | 32.8 | | 32.0 | 32.1 | |
| Net margin (%) | 22.6 | 24.0 | | 25.3 | | 24.2 | 24.7 | |
| Core profit margin (%) | 24.5 | 25.3 | | 25.5 | | 25.1 | 25.2 | |

Source: Company data

Figure 5: THCOM's 4Q14 results

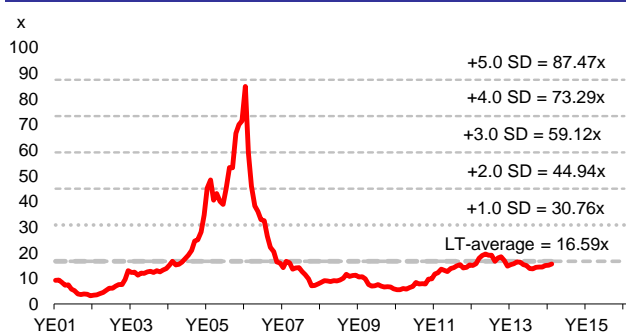
| | 4Q14 | 4Q13 | % YoY | 3Q14 | % QoQ | FY14 | FY13 | % YoY |
|-------------------------------|--------------|------------|-------------|--------------|---------------|--------------|--------------|-------------|
| Services & Sales | 2,583 | 2,267 | 13.9 | 2,598 | (0.6) | 10,004 | 7,937 | 26.0 |
| Costs of Services & Sales | (1,491) | (1,370) | 8.9 | (1,513) | (1.5) | (5,852) | (4,731) | 23.7 |
| Gross Profit | 1,091 | 897 | 21.6 | 1,085 | 0.6 | 4,152 | 3,206 | 29.5 |
| SG&A | (505) | (453) | 11.4 | (475) | 6.3 | (1,857) | (1,645) | 12.9 |
| EBIT | 587 | 444 | 32.0 | 610 | (3.8) | 2,296 | 1,561 | 47.0 |
| Interest Expense | (102) | (66) | 54.0 | (97) | 5.3 | (381) | (266) | 43.2 |
| Other Income (Exp.) | 25 | (0) | n.m. | 58 | (56.4) | 140 | 91 | 53.7 |
| Pre-tax Profit (Loss) | 510 | 377 | 35.0 | 571 | (10.7) | 2,055 | 1,387 | 48.2 |
| Corporate Tax | (102) | (66) | 54.4 | (138) | (25.9) | (450) | (339) | 32.8 |
| Pre-exceptional Profit | 408 | 311 | 30.9 | 433 | (5.8) | 1,605 | 1,048 | 53.2 |
| FX Gain (Loss) | (23) | (170) | (86.6) | 42 | n.m. | 59 | (270) | n.m. |
| Other extraordinary items | - | 104 | n.m. | (231) | n.m. | (231) | 155 | n.m. |
| Gn (Ls) from affiliates | 40 | 40 | (0.1) | 36 | 11.8 | 168 | 195 | (13.5) |
| Minority Interest | - | - | | - | | - | - | |
| Net Profit (Loss) | 425 | 286 | 48.4 | 279 | 52.4 | 1,601 | 1,128 | 42.0 |
| Core Profit (Loss) | 448 | 352 | 27.3 | 469 | (4.5) | 1,773 | 1,242 | 42.7 |
| Reported EPS (Bt) | 0.39 | 0.26 | 48.4 | 0.25 | 52.4 | 1.46 | 1.03 | 42.0 |
| EBITDA | 1,281 | 964 | 32.9 | 1,293 | (0.9) | 4,972 | 3,652 | 36.2 |
| Gross margin (%) | 42.3 | 39.6 | | 41.8 | | 41.5 | 40.4 | |
| EBITDA margin (%) | 49.6 | 42.5 | | 49.8 | | 49.7 | 46.0 | |
| Operating margin (%) | 22.7 | 19.6 | | 23.5 | | 22.9 | 19.7 | |
| Net margin (%) | 16.5 | 12.6 | | 10.7 | | 16.0 | 14.2 | |
| Core profit margin (%) | 17.3 | 15.5 | | 18.0 | | 17.7 | 15.7 | |

Source: Company data

Sector Comparisons

| | Bloomberg Code | Price (local curr.) | Market Cap (US\$ equivalent) | PER (x) | | EPS Growth (%) | | PBV (x) | | ROE (%) | | Div Yield (%) | |
|----------------------------|----------------|---------------------|------------------------------|--------------|-------------|----------------|-------------|------------|------------|-----------|-------------|---------------|------------|
| | | | | 2015E | 2016E | 2015E | 2016E | 2015E | 2016E | 2015E | 2016E | 2015E | 2016E |
| Advanced Info Service | ADVANC TB | THB248.00 | 22,619 | 18.0 | 16.4 | 14.0 | 9.2 | 15.7 | 15.7 | 87.8 | 95.7 | 5.6 | 6.1 |
| Total Access Communication | DTAC TB | THB93.50 | 6,792 | 19.7 | 18.7 | 4.5 | 5.7 | 8.1 | 8.6 | 37.4 | 44.5 | 6.1 | 6.4 |
| Shin Corporation | INTUCH TB | THB83.50 | 8,214 | 15.7 | 14.5 | 15.6 | 8.2 | 7.4 | 6.9 | 65.5 | 67.1 | 5.9 | 6.3 |
| Samart Corporation | SAMART TB | THB38.50 | 1,189 | 20.0 | 17.8 | 19.8 | 12.3 | 3.4 | 3.0 | 25.0 | 25.1 | 2.7 | 3.1 |
| Samart Telcoms | SAMTEL TB | THB27.50 | 521 | 19.0 | 17.3 | 27.9 | 9.6 | 4.4 | 3.9 | 24.2 | 23.7 | 2.8 | 3.1 |
| Samart I-Mobile | SIM TB | THB3.28 | 443 | 18.0 | 16.7 | 12.0 | 7.9 | 3.8 | 3.4 | 22.4 | 21.9 | 3.3 | 3.6 |
| Thaicom | THCOM TB | THB38.50 | 1,294 | 20.3 | 18.2 | 29.8 | 11.5 | 2.3 | 2.1 | 11.8 | 12.2 | 2.2 | 2.4 |
| True Corporation | TRUE TB | THB14.00 | 10,569 | 1387.2 | 325.9 | -79.0 | 325.7 | n.m. | n.m. | 0.4 | 1.5 | 0.0 | 0.0 |
| Simple average | | | | 189.7 | 55.7 | 5.6 | 48.8 | 6.4 | 6.2 | 34 | 36.5 | 3.6 | 3.9 |

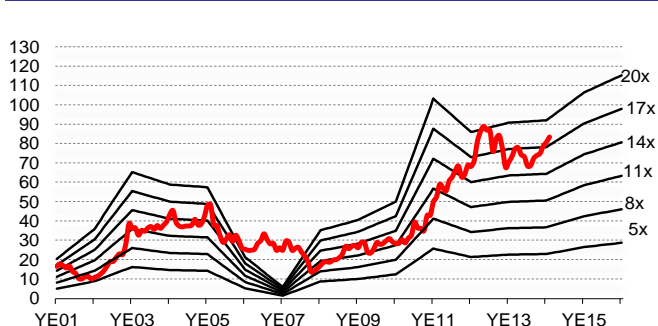
PER band versus SD (next 12 months)



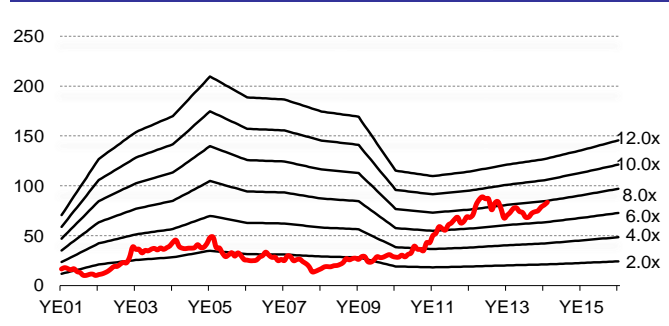
PBV band versus SD (next 12 months)



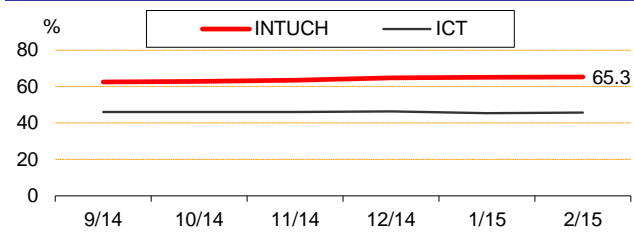
PER band and share price



PBV band and share price



Foreign holding



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|-------------------|---|
| PLANB, JASIF | PLANB, JASIF |

Score Range

90 – 100
80 – 89
70 – 79
60 – 69
50 – 59
Below 50

Score Range






No logo given

Description

Excellent
Very Good
Good
Satisfactory
Pass
N/A

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BUY: Expected positive total returns of 15% or more over the next 12 months.
HOLD: Expected total returns of between -15% and +15% over the next 12 months.
SELL: Expected negative total returns of 15% or more over the next 12 months.
TRADING BUY: Expected positive total returns of 15% or more over the next 3 months.

SECTOR RECOMMENDATIONS

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NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.
UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months.