# Advance Info Services (ADVANC TB)

3Q26 Earnings Down Slightly qoq As Expected But Beat Forecasts On Strong Smartphone Sales, Particularly Samsung Models

## Highlights

- ADVANC reported a 3Q26 net profit of Bt13.5b (+12% yoy, -2% qoq), slightly above our and Bloomberg consensus by 1.2% and 2.8%. Strong handset sales drove the 3Q26 beat, offsetting softer core service revenue.
- The tone at the meeting was positive. Core service sales growth is expected to meet the upper-bound of its 2026 guidance, while EBITDA growth is likely to beat guidance.
- Maintain BUY with a target price of Bt415.00. Any share price decline would offer a higher dividend yield and an attractive entry point.

## Analysis

- **Earnings declined slightly qoq as expected but beat forecasts on strong smartphone sales, particularly Samsung models.** Advance Info Services (ADVANC) reported a 3Q26 net profit of Bt13.5b (+12% yoy, -2% qoq), slightly above our and Bloomberg consensus by 1.2% and 2.8%, respectively due to management's conservative guidance. Total sales came in at Bt58.06b (+6.8% yoy, +2.8% qoq), above our estimate and Bloomberg consensus by 1.0% and 1.7%, respectively. The key surprise behind the sales and earnings beats was strong handset sales of Bt11.6b (+29.4% yoy, +16.1% qoq). Demand remained strong despite higher device prices, supported by expansion across both offline and online channels. Apple unit sales grew 7% qoq, while Samsung rose 30% qoq, particularly budget models such as the A07. Meanwhile, Chinese brands declined 20% ahead of new Vivo and Oppo launches in 4Q26. On the other hand, core service revenue softened to Bt44.9b (+3.0% yoy, -1.3% qoq), reflecting slower net additions and lower ARPU qoq following the end of the English Premier League (EPL).
- **Slightly positive meeting tone: Core service sales growth to meet guidance, EBITDA to beat guidance, strong handset sales continuing in 4Q26.** The tone at the meeting was positive on three fronts: a) core service revenue growth should reach the upper end of the 3-5% guidance range (vs 5.2% yoy growth in 9M26), b) EBITDA growth is expected to slightly exceed the 2-4% guidance range (vs 6.8% yoy growth in 9M26); and c) despite stronger-than-expected handset unit sales in 3Q26, handset sales should remain strong during the high season in 4Q26, supported by continued growth in Samsung unit sales and demand for the iPhone 18/Duo. In addition, accessories sales grew 30% qoq, in line with smartphone sales, while insurance sales (AIS Care+) also posted strong growth in 3Q26. Management said that ADVANC has gained smartphone unit market share through store modernisation and expanded distribution.

## Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 213,569.3 | 226,263.8 | 234,832.3 | 244,927.5 | 253,134.4 |
| EBITDA | 111,612.2 | 121,490.0 | 131,068.8 | 138,821.2 | 142,173.9 |
| Operating profit | 50,384.4 | 63,736.0 | 74,989.4 | 78,595.3 | 80,101.7 |
| Net profit (rep./act.) | 35,075.4 | 47,885.9 | 54,811.1 | 56,591.8 | 58,733.8 |
| Net profit (adj.) | 239.3 | 121.2 | 200.0 | 0.0 | 0.0 |
| EPS | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 |
| PE (x) | 4,225.7 | 8,340.8 | 5,055.8 | n.a | n.a |
| P/B (x) | 10.4 | 9.4 | 16.9 | 13.7 | 12.0 |
| EV/EBITDA (x) | 10.7 | 9.7 | 9.5 | 8.9 | 8.6 |
| Dividend yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net margin (%) | 16.4 | 21.2 | 23.3 | 23.1 | 23.2 |
| Net debt/(cash) to equity(%) | 193.1 | 150.9 | 395.0 | 296.1 | 249.1 |
| Interest cover (x) | 13.0 | 16.8 | 18.1 | 16.4 | 17.1 |
| ROE (%) | 36.1 | 46.9 | 69.7 | 66.1 | 64.6 |
| Consensus net profit | n.a | n.a | 53,194.5 | 56,559.4 | 59,212.2 |
| UOBKH/Consensus (x) | n.a | n.a | 0.0 | 0.0 | 0.0 |

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

**Analyst(s)**

Kitpon Praipaisarnkit
Kitpon@uobkh.co.th
+662 659 8154

**Assistant Analyst(s)**

Sirithat Prasertwuti
Sirithat@uobkayhian.co.th

**BUY (Maintained)**

| | |
|---|---|
| Share Price | Bt340.00 |
| Target Price | Bt415.00 |
| Upside | 20.3% |

## Stock Data

| | |
|---|---|
| Sector | Communication Services |
| Bloomberg ticker | ADVANC TB |
| Shares issued (m) | 2,974.2 |
| Market cap (Btm) | 1,011,231.3 |
| Market cap (US$m) | 29,960.6 |
| 3-mth avg daily t'over (US$m) | 61.7 |

## Price Performance (%)

| 52-week high/low | | | | Bt404.0/Bt303.0 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| (1.4) | (9.1) | 0.0 | 18.3 | 14.1 |

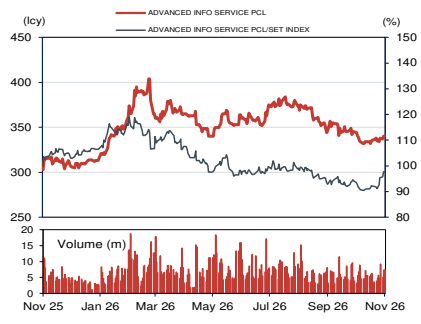
## Major Shareholders (%)

| | |
|---|---|
| GULF DEVELOPMENT PUBLIC COMPANY LIMITED | 40.44 |
| SINGTEL STRATEGIC INVESTMENTS PTE LTD. | 19.10 |

## Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 20.2 |
| FY26 Net Debt/Share (Bt) | 79.7 |

## 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.

- **Lower net subscriber additions in 3Q26 were due to ADVANC's strategy of focusing on customer quality and the end of EPL.** While total sales came in slightly above expectations on strong smartphone unit sales, core service revenue softened to Bt44.9b (+3.0% yoy, -1.3% qoq), reflecting slower growth in net additions. Mobile service revenue came in at Bt34.27b (+4.4% yoy, -0.1% qoq), affected by the end of the EPL. Blended ARPU declined to Bt239 per month (+2.1% yoy, -0.8% qoq), while net additions slowed to 52,800 subscribers (vs 271,000 in 3Q25 and 167,000 in 2Q26). Prepaid ARPU continued to grow, reaching Bt161 (+7.3% yoy, +1.3% qoq), while postpaid ARPU fell to Bt424 (-3.6% yoy, -2.3% qoq). Tourist arrivals remained soft despite a seasonal uplift (-5% yoy, +3.5% qoq). However, excluding the EPL impact, postpaid ARPU would have grown 0.6% qoq. Looking ahead, prepaid ARPU should remain supported by rising data consumption, while further postpaid ARPU uplift from 5G migration is limited, as many postpaid subscribers already use 5G.
- **Other segment: Broadband operations and growth remain steady, while enterprise sales dropped due to a change in revenue model.** On the other business, broadband remained resilient as IT integration with 3BB is near completion, and we expect smoother operations to continue. For enterprise, ADVANC changed its revenue model to recognise cloud revenue as recurring income. Excluding this adjustment, enterprise grew both yoy and qoq.
- **ADVANC continues to pursue asset monetisation for the long term.** ADVANC will pursue asset monetisation over the long term through the following: a) its 49% stake in Lao Telecommunication offers long-term strategic value and asset monetisation opportunities from its Thailand assets, with limited earnings contribution in the short to medium term given Laos' population of less than 10m; b) an increase in right-of-use assets (and higher lease liabilities) reflects long-term infrastructure agreements, including a roaming agreement through 2036 and a 20-year telecom infrastructure lease. These agreements allow ADVANC to secure infrastructure usage rights in advance, with cost savings expected to materialise gradually over the long term. ADVANC resumed investments in 2H26 following conservative spending due to geopolitics risks and economic conditions in 1H26, but SG&A-to-sales should be manageable.

## Valuation/Recommendation

- **We maintain BUY with an unchanged target price of Bt415.00.** Our target price is based on DDM (expected return from Capital Asset Pricing Model of 7%, terminal growth of 3%), implying 10.5x EV/EBITDA in 2027 (+1.0SD) or 22x PE (+1.0 SD).
- **Earnings are likely to be flat in 2H26, but valuation already priced in.** Given ADVANC's conservative guidance since 1H26, we believe the current valuation appears more attractive, offering a dividend yield of roughly 5% over 2027-28.
- Any further share price correction would provide an opportunity to accumulate amid elevated US bond yields and high oil prices, as it would imply a higher dividend yield. Currently, ADVANC is trading at 9.5x, with strong pricing power and limited risk of earnings downgrades. Our conservative 2H26 earnings forecast leaves room for future upgrades, with 2H26 accounting for 50% of full-year earnings vs an average of 53% over the past three years.

## Earnings Revision/Risk

- We revised up 2026-28 earnings by roughly 1% to reflect higher handset sales assumption in 4Q26.

## Share Price Catalyst

- Higher sales and margins.

## Environment, Social, Governance (ESG) Updates

### Environmental

- ADVANC targets a 30% reduction in greenhouse gas emission intensity by 2030, from a 2024 baseline.

### Social

- ADVANC achieved zero work-related fatalities and zero lost-time injuries for two consecutive years.

### Governance

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

## Earnings Results

| (Btm) | 3Q26 | 3Q25 | 2Q26 | yoy (%) | qoq (%) |
|---|---|---|---|---|---|
| Revenue | 58,061 | 54,362 | 56,497 | 6.8% | 2.8% |
| Gross profit | 25,017 | 22,713 | 25,081 | 10.1% | -0.3% |
| SG&A | 6,555 | 6,177 | 6,415 | 6.1% | 2.2% |
| Operating profit | 18,462 | 16,536 | 18,666 | 11.7% | -1.1% |
| Operating EBITDA | 32,556 | 30,649 | 32,445 | 6.2% | 0.3% |
| Net profit | 13,504 | 12,039 | 13,716 | 12.2% | -1.5% |
| Core profit | 13,448 | 11,993 | 13,612 | 12.1% | -1.2% |
| EPS | 4.54 | 4.05 | 4.61 | 12.2% | -1.5% |
| Financial ratio | | | | ppts | ppts |
| Gross margin | 43.1 | 41.8 | 44.4 | 1.3 | -1.3 |
| SG&A to sales | 11.3 | 11.4 | 11.4 | -0.1 | -0.1 |
| Operating margin | 31.8 | 30.4 | 33.0 | 1.4 | -1.2 |
| EBITDA margin | 56.1 | 56.4 | 57.4 | -0.3 | -1.4 |
| Net profit margin | 23.3 | 22.1 | 24.3 | 1.1 | -1.0 |
| Core profit margin | 23.2 | 22.1 | 24.1 | 1.1 | -0.9 |

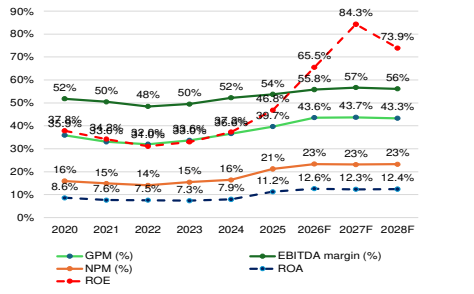
*Source: UOB Kay Hian*

## Performance By Segment

| 1) Mobile Business | 2024 | 2025 | 1Q26 | 2Q26 | 3Q26 |
|---|---|---|---|---|---|
| ARPU (Bt/month/subscriber) | | | | | |
| ARPU - Postpaid | 446 | 441 | 436 | 434 | 424 |
| *yoy* | *-0.6%* | *-1.1%* | *-0.9%* | *-1.8%* | *-3.6%* |
| *qoq* | | | *-1.1%* | *-0.5%* | *-2.3%* |
| ARPU - Prepaid | 138 | 150 | 155 | 159 | 161 |
| *yoy* | *10.2%* | *8.5%* | *8.4%* | *7.4%* | *7.3%* |
| *qoq* | | | *-1.9%* | *2.6%* | *1.3%* |
| ARPU - Blend | 225 | 234 | 238 | 240 | 239 |
| *yoy* | *4.4%* | *3.9%* | *4.4%* | *3.0%* | *2.1%* |
| *qoq* | | | *-0.8%* | *0.8%* | *-0.4%* |
| Total subscriber ('000 subscriber) | | | | | |
| Subscriber - Postpaid | 51,460 | 53,521 | 13,803 | 13,922 | 14,081 |
| *yoy* | *1.5%* | *4.0%* | *4.8%* | *4.8%* | *4.8%* |
| *qoq* | | | *1.3%* | *0.9%* | *1.1%* |
| Subscriber - Prepaid | 131,277 | 131,243 | 33,137 | 33,185 | 33,078 |
| *yoy* | *1.2%* | *0.0%* | *1.8%* | *1.4%* | *0.7%* |
| *qoq* | | | *0.0%* | *0.1%* | *-0.3%* |
| Total subscriber | 182,737 | 184,764 | 46,940 | 47,107 | 47,160 |
| | *1.2%* | *1.1%* | *2.7%* | *2.4%* | *1.9%* |
| | | | *0.4%* | *0.4%* | *0.1%* |
| *Annual subscriber is the sum of quarter subscriber (for comparison)* | | | | | |
| Net additions ('000 subscriber) | | | | | |
| Net additions Postpaid | 299 | 616 | 173 | 119 | 160 |
| Net additions Prepaid | 846 | 393 | (3) | 48 | (107) |
| Total net additions | 1,145 | 1,009 | 170 | 167 | 53 |
| *Annual net addition subscriber is the sum of quarter subscriber (for comparison)* | | | | | |
| 2) Fixed broadband business (FBB) | | | | | |
| FBB ARPU (Bt/subscriber/month) | | | | | |
| ARPU | 503 | 524 | 538 | 536 | 535 |
| *yoy* | *15.6%* | *4.2%* | *3.8%* | *3.3%* | *1.6%* |
| *qoq* | | | *1.6%* | *-0.3%* | *0.0%* |
| Total subscribers ('000) | | | | | |
| Total subscribers ('000) - EOY | 19,651 | 20,652 | 5,306 | 5,346 | 5,392 |
| | *67.7%* | *5.1%* | *4.7%* | *4.1%* | *3.6%* |
| | | | *1.2%* | *0.8%* | *0.9%* |
| *Annual subscriber is the sum of quarter subscriber (for comparison)* | | | | | |
| Net additions ('000) | | | | | |
| Net addition (subscriber increase) | 267 | 234 | 63 | 40 | 46 |
| *Annual net addition subscriber is the sum of quarter subscriber (for comparison)* | | | | | |

*Source: UOB Kay Hian*

## Operation Statistics




*Source: UOB Kay Hian*

## EV/EBITDA And Forward PE Band




*Source: UOB Kay Hian*

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Net turnover** | **226,264** | **234,832** | **244,928** | **253,134** |
| EBITDA | 121,490 | 131,069 | 138,821 | 142,174 |
| Deprec. & amort. | 57,754 | 56,079 | 60,226 | 62,072 |
| EBIT | 63,736 | 74,989 | 78,595 | 80,102 |
| Associate contributions | 924 | 450 | 500 | 1,316 |
| Net interest income/(expense) | (7,238) | (7,236) | (8,478) | (8,327) |
| **Pre-tax profit** | **57,422** | **68,204** | **70,617** | **73,091** |
| Tax | (9,652) | (13,591) | (14,023) | (14,355) |
| Minorities | (5) | (2) | (2) | (2) |
| **Net profit** | **47,886** | **54,811** | **56,592** | **58,734** |
| Net profit (adj.) | 121 | 200 | 0 | 0 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 198,524 | 223,325 | 222,024 | 224,780 |
| Other LT assets | 169,046 | 170,274 | 172,463 | 175,189 |
| Cash/ST investment | 30,482 | 34,139 | 47,838 | 50,029 |
| Other current assets | 22,222 | 24,188 | 28,167 | 29,110 |
| **Total assets** | **420,273** | **451,925** | **470,492** | **479,109** |
| ST debt | 33,934 | 45,409 | 51,309 | 49,077 |
| Other current liabilities | 68,244 | 75,554 | 83,337 | 86,319 |
| LT debt | 158,280 | 225,643 | 215,696 | 211,790 |
| Other LT liabilities | 52,534 | 45,234 | 46,028 | 47,169 |
| Shareholders' equity | 107,176 | 59,978 | 74,012 | 84,643 |
| Minority interest | 105 | 107 | 109 | 111 |
| **Total liabilities & equity** | **420,273** | **451,925** | **470,492** | **479,109** |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Operating** | **120,810** | **122,857** | **126,159** | **129,054** |
| Pre-tax profit | 57,543 | 68,404 | 70,617 | 73,091 |
| Tax | (9,652) | (13,591) | (14,023) | (14,355) |
| Deprec. & amort. | 57,754 | 56,079 | 60,226 | 62,072 |
| Associates | (924) | (450) | (500) | (1,316) |
| Working capital changes | (1,584) | 3,196 | 2,517 | 1,373 |
| Non-cash items | 2,199 | 2,149 | 1,287 | 665 |
| Other operating cashflows | 15,474 | 7,070 | 6,035 | 7,525 |
| **Investing** | **(47,235)** | **(48,960)** | **(44,269)** | **(55,287)** |
| Capex (maintenance) | (49,941) | (41,474) | (35,877) | (46,333) |
| Investments | 31 | (1,766) | (2,627) | (2,968) |
| Others | 2,674 | (5,720) | (5,765) | (5,987) |
| **Financing** | **(70,828)** | **(70,304)** | **(68,191)** | **(71,576)** |
| Dividend payments | (37,563) | (102,008) | (42,558) | (48,103) |
| Issue of shares | 0 | 0 | 0 | 0 |
| Proceeds from borrowings | (21,416) | 78,838 | (4,047) | (6,138) |
| Others/interest paid | (11,849) | (47,134) | (21,586) | (17,335) |
| **Net cash inflow (outflow)** | **2,746** | **3,592** | **13,699** | **2,191** |
| **Beginning cash & cash equivalent** | **22,607** | **25,354** | **28,946** | **42,645** |
| Changes due to forex impact | 0 | 0 | 0 | 0 |
| **Ending cash & cash equivalent** | **25,354** | **28,946** | **42,645** | **44,836** |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| **Profitability** | | | | |
| EBITDA margin | 53.7 | 55.8 | 56.7 | 56.2 |
| Pre-tax margin | 25.4 | 29.0 | 28.8 | 28.9 |
| Net margin | 21.2 | 23.3 | 23.1 | 23.2 |
| ROA | 11.2 | 12.4 | 12.6 | 12.9 |
| ROE | 46.9 | 69.7 | 66.1 | 64.6 |
| **Growth** | | | | |
| Turnover | 5.9 | 10.0 | 14.7 | 18.5 |
| EBITDA | 8.8 | 17.4 | 24.4 | 27.4 |
| Pre-tax profit | 34.1 | 59.2 | 64.9 | 70.6 |
| Net profit | 36.5 | 56.3 | 61.3 | 67.4 |
| Net profit (adj.) | (49.3) | 65.0 | (100.0) | 0.0 |
| EPS | (49.3) | (16.4) | 0.0 | 0.0 |
| **Leverage** | | | | |
| Debt to total capital | 179.2 | 451.1 | 360.2 | 307.8 |
| Debt to equity | 179.4 | 451.9 | 360.8 | 308.2 |
| Net debt/(cash) to equity | 150.9 | 395.0 | 296.1 | 249.1 |
| Interest cover | 16.8 | 18.1 | 16.4 | 17.1 |

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