

# Company Update

Thursday, June 05, 2025



I V Global Securities Public Company Limited

## True Corp Plc (TRUE)

Rating: BUY

Fair price: Bt13.75

Close price: Bt12.40

### Meeting with CEO

#### Company Information

Ticker:	TRUE TB
Sector:	ICT
Shares outstanding (m):	34,552.10
Market capitalization (Btm):	428,446.05
Trading vol/day (Btm):	954.42
Free float (%):	31.52
Beta:	1.08

#### Major Shareholders

Telenor Thailand Investments	28.60%
Thai NVDR	12.04%
CP Group	10.37%
China Mobile International	7.81%
CPH Telco	7.30%

#### Consensus Bloomberg

2025F EPS (Bt):	0.41
Target price (Bt):	14.35

#### Price Performance

52 Wk high/low:	13.30 / 8.25
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	1M	3M	1Y	YTD
Absolute (%)	0.8	11.7	40.9	11.7
Relative (%)	6.4	15.6	56.3	30.9



Rating	CGR	Thai CAC	ESG MSCI
TRUE		Certified	BBB

#### Analyst

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- At the analyst meeting, group CEO Sigve Brekke highlighted the company's commitment to boosting profitability via margin improvement, along with targeting to complete mobile network modernization by 3Q25, allowing it to reduce total operating expenses. This year, it aims to enhance customers' experience at the core service level through AI deployment and unified IT systems, transforming into a lean and agile organization, expanding its digital portfolio to cater to lifestyle and enterprise growth, and leveraging its major shareholders' ecosystem.
- The idea is to generate positive profit at the bottom line level and pay out dividends for the first time this year, based on the standalone financial statements.
- Management has reiterated it doesn't plan to launch any mobile phone service price war, and it aims for profitability. There's room for higher growth in the B2B segment, which generates revenues at 7-8% of the total, versus other markets at 14-15%. The B2C segment will see limited growth in the prepaid service, with overall revenue growth possibly close to GDP growth. Some 40m new SIMs are sold each year for the industry as a whole. TRUE generally has a strong market share of tourist SIMs. With the decline in tourist arrivals this year, TRUE has seen negative net adds of -1.3% QoQ to 48.8m at end-1Q25.
- While the near-term profitability derives largely from synergy cost savings, the longer-term earnings growth driver will be upselling service differentiation beyond traditional connectivity, by means of offering premium services for special demand, utilizing AI and cloud services. Such premium services will generate better profit margins with some 20% potential upside over traditional revenues.
- TRUE expects the EBITDA to grow at 8-10% this year (versus 7.1% for 1Q25), with a revenue growth target of 2-3% (versus 0.1% in 1Q25). The capex of Bt28bn-30bn doesn't include investment in the frequency spectrum auction.
- Regarding the network outage caused by a power failure on 22 May, affecting voice and data services for all True Move H subscribers nationwide, the company has provided compensation with 10GB of free data and 100 minutes of free calls for three days for prepaid customers (starting 15 June) and a one-day waiver on the main package for postpaid customers in the subsequent month's billing cycle. The impact is estimated at less than 1% of total service revenues for 2Q25.
- The company has recently submitted a proposal to enter the 850MHz, 1500MHz, 2100MHz and 2300MHz auction, which will be held on 29 June. The starting prices per license are Bt7.7bn, Bt1.06bn, Bt4.5bn, and Bt2.6bn, respectively.
- Maintain BUY.** We prefer to maintain our 2025F earnings estimate and BUY call with a price target of Bt13.75, based on an 8x 2025F EV/EBITDA multiple. Rising price competition, particularly in the mobile phone services sector, poses the primary risk to our earnings forecasts.

#### Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Service rev (Btm)	159,574	158,609	165,904	168,905	173,719	175,338
Change (%)	-2.2	-0.6	4.6	1.8	2.9	0.9
Total revenue (Btm)	215,070	202,765	206,020	201,156	193,810	195,428
Change (%)	-4.0	-5.7	1.6	-2.4	-3.7	0.8
Net profit (Btm)	(5,913)	(1,733)	(10,967)	6,274	14,119	19,590
Change (%)	-152.9	70.7	-532.8	-157.2	125.1	38.7
Core profit (Btm)	n.a.	(4,789)	9,883	13,399	17,119	19,590
EPS (Bt)	(0.17)	(0.05)	(0.32)	0.18	0.41	0.57
Change (%)	-152.9	70.7	532.8	-157.2	125.1	38.7
P/E (x)	n.m.	n.m.	n.m.	68.3	30.3	21.9
EV/EBITDA (x)	10.3	10.2	8.5	7.6	7.3	7.0
DPS (Bt)	0.209	-	-	0.054	0.123	0.170
Yield (%)	1.7	-	-	0.4	1.0	1.4
BVPS (Bt)	2.85	2.48	2.14	2.32	2.73	3.30
P/BV (x)	4.3	5.0	5.8	5.3	4.5	3.8
ROE (%)	(6.0)	(2.0)	(14.8)	7.8	15.0	17.2
ROA (%)	(0.7)	(0.2)	(1.6)	1.0	2.3	3.3
Net D/E (%)	433.9	517.5	553.7	474.8	371.2	283.8

Source: Company and IVG estimates

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## Results

Btm	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Mobile revenue	32,682	32,490	0.6	32,939	-0.8	130,875	125,894	4.0
Online	6,326	6,206	1.9	6,294	0.5	25,116	23,655	6.2
TV	1,525	1,757	-13.2	1,526	-0.1	6,637	6,311	5.2
Others	768	815	-5.8	838	-8.4	3,276	2,839	15.4
Core service revenue	41,301	41,268	0.1	41,597	-0.7	165,904	158,608	4.6
IC income	251	266	-5.6	276	-9.1	1,091	2,616	-58.3
Network equipment	4,857	5,056	-3.9	5,030	-3.4	20,160	20,542	-1.9
Sales	5,027	4,756	5.7	5,839	-13.9	18,866	20,998	-10.2
Total revenue	51,436	51,346	0.2	52,742	-2.5	206,020	202,764	1.6
Regulatory cost	1,279	1,211	5.6	1,015	26.0	4,577	4,388	4.3
IC cost	317	335	-5.4	364	-12.9	1,392	93	1396.8
Network costs	3,705	3,894	-4.9	3,847	-3.7	15,264	16,824	-9.3
Others	10,889	11,378	-4.3	11,306	-3.7	45,207	45,739	-1.2
Total cost of service	32,834	34,459	-4.7	33,759	-2.7	135,632	122,952	10.3
Cost of sales	5,116	5,077	0.8	5,998	-14.7	19,461	22,265	-12.6
Gross profit	(2,704)	(5,008)	-46.0	(3,547)	-23.8	120,119	113,455	5.9
SG&A	4,861	5,850	-16.9	4,988	-2.5	21,977	27,885	-21.2
Depreciation	16,644	17,641	-5.7	17,227	-3.4	69,192	55,908	23.8
EBITDA	25,268	23,602	7.1	25,204	0.3	98,142	85,735	14.5
Equity profit	744	690	7.8	(1,116)	-166.7	1,016	1,848	-45.0
Financial costs	(5,087)	(5,813)	-12.5	(5,312)	-4.2	(22,417)	(23,301)	-3.8
Tax	160	(69)	-331.9	(29)	-651.7	(182)	(1,818)	-90.0
Others	(2,806)	(1,536)	82.7	(9,050)	-69.0	(18,322)	(8,189)	123.7
<b>Net profit</b>	<b>1,634</b>	<b>(769)</b>	<b>-312.4</b>	<b>(7,509)</b>	<b>-121.8</b>	<b>(10,967)</b>	<b>(1,733)</b>	<b>532.8</b>
Normalized profit	4,280	802	433.8	3,576	19.7	9,883	(4,789)	-306.4

Source: Company and IVG estimates

## P&L Pro Forma

Btm	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Mobile revenue	31,019	31,269	31,540	32,270	32,490	32,744	32,702	32,939
Online	5,752	5,935	5,910	6,057	6,206	6,261	6,356	6,294
TV	1,665	1,569	1,660	1,418	1,757	1,679	1,675	1,526
Others	549	657	730	904	815	844	777	838
Core service revenue	38,985	39,430	39,840	40,353	41,268	41,528	41,510	41,597
IC income	1,549	382	342	343	266	275	273	276
Network equipment	5,188	5,193	5,079	5,082	5,056	5,043	5,031	5,030
Sales	5,740	4,107	4,876	6,275	4,756	4,245	4,026	5,839
Total revenue	51,462	49,112	50,137	52,053	51,346	51,091	50,840	52,742
Regulatory cost	1,070	1,059	1,147	1,112	1,211	1,155	1,196	1,015
IC cost	392	(1,075)	380	396	335	329	364	364
Network costs	4,546	4,165	4,235	3,878	3,894	3,850	3,673	3,847
Others	12,248	11,873	11,082	10,536	11,378	11,475	11,048	11,306
Cost of sales	6,000	4,537	5,224	6,504	5,077	4,265	4,121	5,998
Gross profit	27,206	28,553	28,069	29,627	29,451	30,017	30,438	30,212
SG&A	7,917	6,234	6,627	7,107	5,850	5,682	5,457	4,988
Depreciation	16,169	17,837	17,859	4,043	17,641	17,136	17,188	17,227
EBITDA	19,452	22,320	21,443	22,520	23,602	24,355	24,981	25,204
Equity profit	716	687	696	(251)	690	708	734	(1,116)
Financial costs	(5,427)	(5,857)	(5,940)	(6,077)	(5,813)	(5,687)	(5,605)	(5,312)
Tax	(264)	(1,986)	202	230	(69)	(54)	(30)	(29)
Others	1,362	313	(155)	(9,709)	(1,536)	(4,019)	(3,717)	(9,050)
Net profit	(492)	(2,320)	(1,598)	2,677	(769)	(1,879)	(810)	(7,509)
Core profit	(492)	(2,320)	(1,598)	(379)	802	2,398	3,107	3,576

Source: Company and IVG estimates

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## Key Assumptions

	1Q24	2Q24	3Q24	4Q24	2024	1Q25
Service revenue growth YoY	5.9	5.3	4.2	3.1	4.6	0.1
Service revenue growth QoQ	2.3	0.6	0.0	0.2	4.6	-0.7
Total revenue growth YoY	-0.2	4.0	1.4	1.3	1.6	0.2
Concession fees as % of service revenue	2.9	2.8	2.9	2.4	2.8	3.1
Gross margin	23.0	25.2	26.1	24.6	24.7	26.2
SG&A as % of total revenues	11.4	11.1	10.7	9.5	10.7	9.5
EBIT margin (%)	11.6	14.1	15.3	15.2	14.1	16.8
EBITDA margin	46.0	47.7	49.1	47.8	47.6	49.1
Net margin	-1.5	-3.7	-1.6	-14.2	-5.3	3.2
Core profit margin	1.6	4.7	6.1	6.8	4.8	8.3
Net D/E ratio (X)	5.2	5.2	5.1	5.5	5.5	5.5
Net D/EBITDA (X)	4.1	3.8	3.5	3.5	3.6	3.5
Total mobile subscribers (m)	51.057	50.467	49.311	49.426	49.426	48.788
Net add (m)	-0.829	-0.59	-1.156	0.115	-2.46	-0.638
FBB (m)	3.702	3.706	3.729	3.749	3.749	3.775
Net add (m)	-0.076	0.004	0.023	0.02	-0.029	0.026
ARPU postpaid (Bt)	422	430	426	426	426	424
ARPU prepaid (Bt)	109	112	116	121	115	120
Blended ARPU (Bt)	204	207	211	215	210	214
FBB ARPU (Bt)	506	520	524	522	518	524

Source: Company and IVG estimates

## TRUE

### E: Environmental

**Climate & Waste:** To combat the effects of climate change, True is taking decisive action that adheres to the Science Based Target's Initiative. It has set ambitious goals of achieving carbon neutrality (scope 1 and 2) by 2030 and becoming net zero by 2050. In addition, True sends no electronic waste to landfills.

### S: Social

#### **Data Safety & Privacy**

Customer data is safe with True. In step with its advanced cybersecurity measures, True applies a privacy-by-design approach to products, ensuring that personal information is never accessed or processed without permission.

#### **Digital Enablement**

Nationwide connectivity is the foundation for its digital ecosystem. From edge computing in heavy industry to online learning for schoolchildren, True's highly innovative solutions empower customers to reach their full potential.

#### **Supply Chain**

True's commitment to responsible business extends to its partners and suppliers. It works closely with all stakeholders in its supply chain to ensure they meet high health, safety and human rights standards.

#### **Diversity and Inclusion**

True's culture celebrates compassion, credibility, co-creation, and courage. Hence, it strives to make its workplace inclusive to people of different genders, sexual orientations, abilities, and backgrounds.

### G: Governance

True is committed to good governance and responsible business. This rests on the integrity of its Board of Directors, executive leaders, the structured governance system it abides by, transparent reporting, and full respect for its shareholders' rights.

## Comment

TRUE indicates a strong commitment to Environmental, Social, and Governance (ESG) practices, as well as clear long-term objectives in this regard. Furthermore, the company demonstrates the ability to execute short-term goals effectively.

*Source: Company and IVG estimates*

## I V Global Investment Research – Recommendation Definitions

### Sector Recommendations

**OVERWEIGHT:** The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

**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 by 10% over the next 12 months.

### Stock Recommendations

**BUY:** Expecting positive total returns of 15% or more over the next 12 months.




**HOLD:** Expecting total returns of not more than -10% to +10% over the next 3 months.

**SELL:** Expecting negative total returns of 15% or more over the next 12 months

## Anti-corruption Progress Indicator Definitions

<b>Level 5 Extended</b>	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
<b>Level 4 Certified</b>	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
<b>Level 3 Established</b>	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
<b>Level 2 Declared</b>	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
<b>Level 1 Committed</b>	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
<b>Partially progress</b>	Insufficient or not clearly defined policy
<b>No progress</b>	Data not available / no policy

## Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

## Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

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