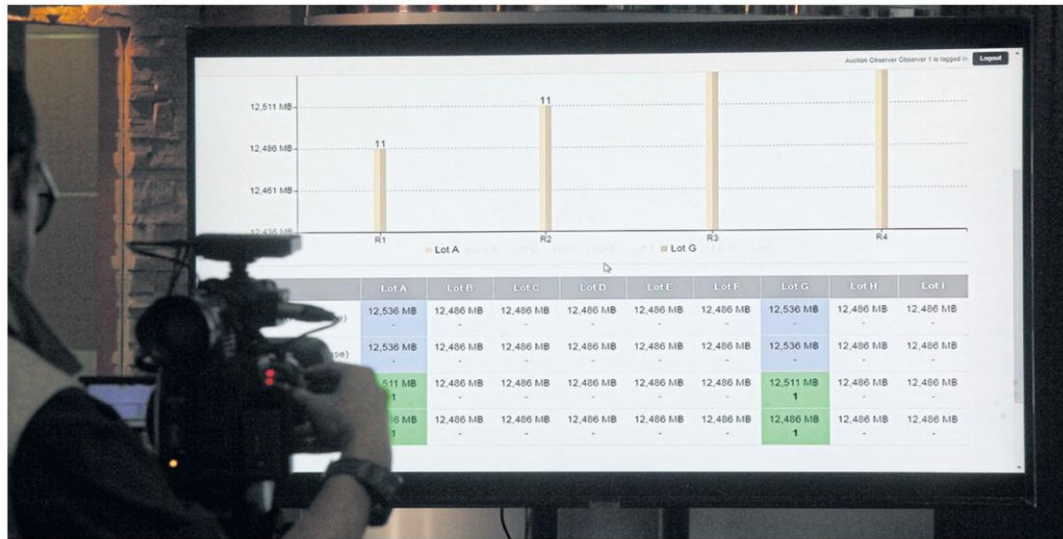


**INVESTMENT**



The bid results for the 1800-megahertz spectrum auction on Sunday. PORNPROM SATRABHAYA

# KS recommends telecom shares

**NUNTAWUN POLKUAMDEE**

Kasikorn Securities (KS) remains optimistic about the operating results of two major telecom companies for at least two years, saying they are expected to pay for the unsettled 900-megahertz spectrum licence or extend repayments through negotiations.

With this outlook, investors are recommended to invest in shares of True Corporation Plc and Advanced Info Service Plc (AIS), said KS senior equity research analyst Pisut Ngamvijitvong.

Telecom operator shares will remain attractive up until 2020, when they have to make all bid payments to the government, Mr Pisut said.

True Move and AIS each won a 900MHz spectrum licence in the 2015 auction. Each must pay 60 billion baht for the last

payment batch, due in 2020.

True has revealed that the company has already prepared funds for spectrum payments, 38 billion baht of which will come from the company's infrastructure fund, with the rest coming from loans, institutional investors or corporate bonds as the company insists it will not raise capital on the Stock Exchange of Thailand.

AIS has announced it will use the company's retained profits to pay for the licence as well as raising funds through corporate bond issuance and obtaining loans.

AIS also recently won one licence block on the 1800MHz spectrum for 10MHz of upload and download for 12.5 billion baht, a bidding price that reflects the company's fundamentals, Mr Pisut said.

Total Access Communication Plc (DTAC) is expected a postponement or

contract rollover with the government for the 850MHz spectrum licence that will end in September, he said.

DTAC also recently won one block on the 1,800MHz spectrum that cannot be operated on until early next year.

"We expect DTAC will negotiate with the government to extend the contract for 5-6 months for the 850MHz spectrum licence, or until the new spectrum is operated," Mr Pisut said. "True and AIS are expected to discuss extending their 2020 licence payments with the government."

KS expects that the National Broadcasting and Telecommunications Commission will also propose more flexible terms such as longer payment terms and further licence payment extensions.

The incremental economic value of the 4G spectrum is weighing on the uptake of 5G technology, Mr Pisut said.