

Executive Summary

In the first quarter of 2024, Thailand's economy showed resilience despite global challenges, with its telecommunications sector playing a pivotal role in driving growth. As the country continued to navigate the aftermath of the pandemic, telecommunications companies capitalized on the increasing demand for digital services, contributing significantly to economic activity. With advancements in technology and infrastructure expansion, the sector witnessed robust performance, facilitating connectivity, innovation, and productivity across various industries, thus bolstering Thailand's economic landscape.

The company's overall performance in the first quarter of 2024 has sustained consistent growth compared to the quarter one previous year, with increasing of customer base and gains in foreign exchange rates. Recognizing the potential, we are exploring opportunities in value-added services to complement our core offerings. Specifically, cloud and cybersecurity services represent areas where the company is poised to expand, contributing to future revenue growth. Our commitment to enhancing quality and reliability underscores our dedication to providing trusted connectivity and services, ensuring continued development and customer satisfaction.

Quarter Performance

The Company reported its strong Q1 performance with 12.2% YoY increase in Total Revenue, reflecting its continued solid business growth mainly driven by strong sales demand from both domestic enterprise and global connectivity services and gain on FX, Net Profit for current quarter was Baht 64.2 million, higher by 36.8% YoY.

For QoQ comparison, the Company performed higher with 3.9% in Total revenue and higher with 68.1% in Net Profit due to higher revenue and gain on FX in this quarter.

1Q2024 Performance Overview

Revenue

In 1Q2024, service revenue was Baht 506.9 million, increased by 8.7% YoY and by 0.2% QoQ, due to higher revenue from domestic and international service segments resulted from growing demand for data connectivity, cloud and security services and ICT solutions to support digitalisation for many Enterprises.

Other income was Baht 20.3 million, increased more than 100% QoQ and YoY due to this quarterly had gain on FX 18.5 million baht.

Unit : Million Baht	Amount			Change	
	Q1/23	Q4/23	Q1/24	(%) QoQ	(%) YoY
Revenue					
Service revenue	466.4	505.7	506.9	0.2%	8.7%
Other income	3.3	1.8	20.3	1008.0%	510.3%
Total Revenue	469.7	507.5	527.1	3.9%	12.2%
Costs of Services and Sales (excl. D&A)	(207.0)	(224.9)	(227.4)	1.1%	9.9%
Depreciation & Amortization (D&A)	(96.7)	(102.6)	(99.8)	-2.7%	3.2%
Total Cost of Services and Sales	(303.8)	(327.5)	(327.2)	-0.1%	7.7%
Service & Administrative Expenses (excl. D&A)	(82.2)	(108.9)	(96.3)	-11.6%	17.1%
Depreciation & Amortization (D&A)	(14.0)	(13.1)	(13.1)	-0.4%	-6.4%
Total Service & Administrative Expenses	(96.2)	(122.1)	(109.4)	-10.4%	13.7%
Operating Profit /(Loss)	69.8	57.9	90.5	56.3%	29.7%
Financial Cost	(9.6)	(8.9)	(8.0)	-10.9%	-16.8%
Income Tax Expenses	(13.3)	(10.8)	(18.3)	70.0%	37.9%
Net Profit/(Loss) for the period	46.9	38.2	64.2	68.1%	36.8%
<i>Net Profit/(Loss) Margin</i>	<i>10.0%</i>	<i>7.5%</i>	<i>12.2%</i>		

EBITDA (Unit : Million Baht)	Amount			Change	
	Q1/23	Q4/23	Q1/24	(%) QoQ	(%) YoY
EBITDA					
Operating Profit /(Loss)	69.8	57.9	90.5	56.3%	29.7%
Depreciation & Amortization (D&A)	110.7	115.8	112.9	-2.5%	2.0%
EBITDA	180.5	173.7	203.4	17.1%	12.7%
<i>EBITDA Margin</i>	<i>38.4%</i>	<i>34.2%</i>	<i>38.6%</i>		

Costs of Services and Sales (COSS)

In 1Q2024, Costs of Services and Sales were Baht 327.2 million, increased by 7.7% YoY, mainly due to higher network connection expenses from lease line rental on domestic and international services to support higher data connectivity usage, higher employee expense and higher depreciation expense for network equipment.

Service & Administrative (S&A) Expenses

In 1Q2024, Service & Administrative expenses were Baht 109.4 million, increased by 13.7% YoY mainly due to higher employee expense (salary, training expense and staff activities, etc), higher selling expense and higher maintenance on office equipment.

Compare QoQ, decreased by 10.4% mainly due to loss on FX in last quarterly, lower selling expense and lower maintenance on office equipment. This quarterly, mainly increase from employee expense (salary, training expense and staff activities, etc).

EBITDA and Net Profit

In 1Q2024, EBITDA closed at Baht 203.4 million, increased by 12.7% YoY due to higher service revenue and gain on FX. Compare with QoQ, EBITDA increased by 17.1% mainly due to lo gain on FX 18.5 million baht.

Net Profit closed at Baht 64.2 million, increased by 36.8% YoY due to growth in service income and gain on FX but net-off with higher cost of service, depreciation expense for network equipment and service and administrative expense. Compare with QoQ, increased by 68.1% from higher revenue and gain on FX.

Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-23		31-Mar-24		Change	
	Amount	%	Amount	%	Amount	(%) YoY
Assets						
Cash and cash equivalents	400.0	9.4%	419.8	9.5%	19.8	4.9%
Trade and other account receivables	315.0	7.4%	318.4	7.2%	3.4	1.1%
Other current assets	53.9	1.3%	66.7	1.5%	12.7	23.6%
Total current assets	768.9	18.1%	804.8	18.3%	35.9	4.7%
Network equipment and PPE	3,217.9	75.8%	3,351.6	76.1%	133.7	4.2%
Other non-current assets	258.1	6.1%	247.9	5.6%	-10.2	-3.9%
Total non-current assets	3,475.9	81.9%	3,599.5	81.7%	123.5	3.6%
Total assets	4,244.9	100.0%	4,404.3	100.0%	159.5	3.8%
Liabilities and shareholders' equity						
Trade payables	329.2	7.8%	500.4	11.4%	171.2	52.0%
Current portion of long-term/ short-term loans	291.9	6.9%	291.9	6.6%	0.0	0.0%
Other current liabilities	116.4	2.7%	116.7	2.7%	0.3	0.3%
Total current liabilities	737.5	17.4%	909.0	20.6%	171.6	23.3%
Long-term loans	446.4	10.5%	373.4	8.5%	-73.0	-16.4%
Other non-current liabilities	152.5	3.6%	149.1	3.4%	-3.3	-2.2%
Total non-current liabilities	598.8	14.1%	522.5	11.9%	-76.3	-12.7%
Total liabilities	1,336.3	31.5%	1,431.5	32.5%	95.2	7.1%
Share capital and share premium	1,818.0	42.8%	1,818.0	41.3%	0.0	0.0%
Retained earnings	1,064.1	25.1%	1,128.4	25.6%	64.2	6.0%
Other components of equity	26.3	0.6%	26.3	0.6%	0.0	0.0%
Shareholders' Equities	2,908.5	68.5%	2,972.8	67.5%	64.2	2.2%
Total liabilities and shareholders' equity	4,244.9	100.0%	4,404.3	100.0%	159.5	3.8%

Unit : Million Baht	As of 31-Mar-23	As of 31-Mar-24
Cash flows from operating activities	233.8	247.2
Cash flows used in investing activities	(109.7)	(132.0)
Free cash flows	124.0	115.2
Cash flows used in financial activities	(104.9)	(100.0)
Net change in cash	19.2	15.2
Effect of exchange rate changes	(3.7)	4.5
Beginning Cash and Cash Equivalents	199.5	400.0
Ending Cash and Cash Equivalents	215.0	419.8

As of 31 March 2024, total assets were Baht 4,404.3 million, increased by 3.8% from 31 December 2023, mainly due to increased by 4.9% from cash and cash equivalents and 23.6% from other current assets.

Cash and cash equivalents were Baht 419.8 million, increased by 4.9% from 31 December 2023 due to cash balance from normal business operations.

Network equipment and PPE assets were Baht 3,351.6 million, increased by 4.2% from 31 December 2023 mainly due to invested in network equipment and decreased from depreciation expense.

Total liabilities were Baht 1,431.5 million, increased by 7.1% from 31 December 2023 mainly due to increased by 52% in account payable and from normal business operations.

Total shareholders' equity was Baht 2,972.8 million, increased by 2.2% from 31 December 2023 due to the positive net operating result during the period.

As of 31 March 2024, Debt to Equity (D/E) ratio was at 0.48x (*as of 31 December 2023: 0.46x*) and Debt to EBITDA ratio was at 1.76x (*as of 31 December 2023: 1.66x*).

2024 Outlook

The business outlook for the second quarter of 2024 appears promising for the company, buoyed by the approval of government budgets and increased spending during this period. Additionally, the influx of global data center setups in Thailand signals a positive trajectory for the Thai economy, presenting opportunities for the company to provide essential infrastructure services to both these setups and their clientele.

As part of our strategy, the company will intensify efforts to expand organically, aiming to seize a larger market share and broaden our customer base. This strategic move aligns with the growing demand for connectivity, driven by the adoption of cloud computing and digital technologies across various enterprises, as well as by global carriers and over-the-top (OTT) service providers.

This commitment to organic growth reflects our long-term vision, which encompasses both domestic expansion and sustained international development, positioning the company for enduring success in the evolving landscape of connectivity and digital innovation.

The company stands as a trusted and esteemed provider of telecommunications and IT infrastructure services, unwavering in its commitment to consistently deliver optimal outcomes for both its valued customers and shareholders.