

## Executive Summary

Thailand's economy in the third quarter of 2024 demonstrated improvement in the third quarter compared to Q2, primarily driven by robust goods exports following the electronics sector recovery and positive performance in select product categories. According to the Bank of Thailand, the implementation of the 2024 Budget Act catalyzed significant expansion in government spending across both current and capital expenditures, subsequently stimulating private investment. However, the quarter also saw moderate declines in tourism revenue and private consumption. The manufacturing sector experienced a downturn, with particular impact on automotive production.

The company's achieved 6.8% year-on-year growth in service revenue during Q3 2024. This growth was moderated by increased operating costs, higher depreciation, and elevated tax expenses, resulting in lower EBITDA and net profit compared to both the previous quarter and the same period last year. It is important to note that the company recorded an unrealized foreign exchange loss of 16 million baht due to currency fluctuations affecting our USD-denominated accounts.

During Q3, the company executed several strategic initiatives, which includes extension of our enterprise's solution offerings such as managed services on cloud and security solutions, expanding coverage expansion to support existing and prospective customers, and also enhancement on Infrastructure backbone networks and site facilities upgrade. The company remain committed to our dual objectives of business growth and environmental sustainability. Our ongoing investments in infrastructure and sustainable operations position us to meet evolving market demands while maintaining our environmental responsibility.

## Financial Summary

### 3Q2024 Performance Overview

#### Revenue

In Q3 2024, service revenue reached Baht 519.2 million, marking a 6.8% year-over-year increase and a 1.6% quarter-over-quarter growth. This positive trend was driven by higher revenue contributions from both domestic and international service segments, reflecting rising demand for data connectivity, cloud and security services, and ICT solutions that support enterprise digital transformation. Other income decreased to Baht 1.1 million, down 76% QoQ and 88.8% YoY, primarily due to a foreign exchange loss in Q3 2024, whereas gains from foreign exchange were recorded in Q2 2024 and Q3 2023.

For the nine-month period of 2024 (9M 2024), total revenue increased to Baht 1,546.9 million, reflecting a 1.6% year-over-year rise. This growth was primarily driven by a 7.1% increase in service revenue across both domestic and international connectivity services. Other income declined by 89% YoY, largely due to a one-off gain from the sale of an investment in an associate amounting to Baht 63.7 million in the previous year. Excluding this one-off item, total revenue grew by 6% YoY, primarily fueled by the increase in service revenue.

Unit : Million Baht	Amount			Change		Amount		Change
	Q3/23	Q2/24	Q3/24	(%) QoQ	(%) YoY	9M23	9M24	(%) YoY
<b>Revenue</b>								
Service revenue	486.3	511.2	519.2	1.6%	6.8%	1,434.9	1,537.2	7.1%
Other income	9.8	4.6	1.1	-76.0%	-88.8%	87.8	9.7	-89.0%
<b>Total Revenue</b>	<b>496.1</b>	<b>515.7</b>	<b>520.3</b>	<b>0.9%</b>	<b>4.9%</b>	<b>1,522.8</b>	<b>1,546.9</b>	<b>1.6%</b>
Costs of Services and Sales (excl. D&A)	(226.5)	(235.7)	(238.2)	1.1%	5.2%	(648.6)	(701.3)	8.1%
Depreciation & Amortization (D&A)	(100.9)	(94.4)	(104.9)	11.1%	4.0%	(296.9)	(299.1)	0.7%
<b>Total Cost of Services and Sales</b>	<b>(327.4)</b>	<b>(330.1)</b>	<b>(343.1)</b>	<b>3.9%</b>	<b>4.8%</b>	<b>(945.5)</b>	<b>(1,000.4)</b>	<b>5.8%</b>
Service & Administrative Expenses (excl. D&A)	(79.5)	(87.5)	(111.8)	27.8%	40.7%	(243.3)	(279.5)	14.9%
Depreciation & Amortization (D&A)	(13.3)	(13.7)	(13.1)	-4.5%	-1.8%	(41.4)	(39.9)	-3.7%
<b>Total Service &amp; Administrative Expenses</b>	<b>(92.8)</b>	<b>(101.2)</b>	<b>(124.9)</b>	<b>23.4%</b>	<b>34.6%</b>	<b>(284.7)</b>	<b>(319.4)</b>	<b>12.2%</b>
<b>Operating Profit / ( Loss)</b>	<b>75.9</b>	<b>84.4</b>	<b>52.3</b>	<b>-38.1%</b>	<b>-31.2%</b>	<b>292.6</b>	<b>227.1</b>	<b>-22.4%</b>
Financial Cost	(9.6)	(7.8)	(7.0)	-9.8%	-26.7%	(28.3)	(22.7)	-19.7%
Income Tax Expenses	(14.1)	(7.8)	(12.8)	63.9%	-9.5%	(37.9)	(38.9)	2.6%
<b>Net Profit/(Loss) for the period</b>	<b>52.2</b>	<b>68.8</b>	<b>32.5</b>	<b>-52.8%</b>	<b>-37.8%</b>	<b>226.4</b>	<b>165.5</b>	<b>-26.9%</b>
<i>Net Profit/(Loss) Margin</i>	<i>10.5%</i>	<i>13.3%</i>	<i>6.2%</i>			<i>14.9%</i>	<i>10.7%</i>	
One-off items (after tax)	0.0	0.0	0.0	0.0%	0.0%	(60.8)	0.0	100.0%
<b>Normalized Net Profit/(Loss) for the period</b>	<b>52.2</b>	<b>68.8</b>	<b>32.5</b>	<b>-52.8%</b>	<b>-37.8%</b>	<b>165.7</b>	<b>165.5</b>	<b>-0.1%</b>
<i>Normalized Net Profit/(Loss) Margin</i>	<i>10.5%</i>	<i>13.3%</i>	<i>6.2%</i>			<i>11.4%</i>	<i>10.7%</i>	

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change
	Q3/23	Q2/24	Q3/24	(%) QoQ	(%) YoY	9M23	9M24	(%) YoY
<b>EBITDA</b>								
Operating Profit / ( Loss)	75.9	84.4	52.3	-38.1%	-31.2%	292.6	227.1	-22.4%
Depreciation & Amortization (D&A)	114.2	108.1	118.0	9.1%	3.3%	338.3	339.0	0.2%
<b>EBITDA</b>	<b>190.1</b>	<b>192.5</b>	<b>170.2</b>	<b>-11.6%</b>	<b>-10.4%</b>	<b>630.9</b>	<b>566.1</b>	<b>-10.3%</b>
<i>EBITDA Margin</i>	<i>38.3%</i>	<i>37.3%</i>	<i>32.7%</i>			<i>41.4%</i>	<i>36.6%</i>	
One-off items (before tax)	0.0	0.0	0.0	0.0%	0.0%	(63.7)	0.0	100.0%
<b>Normalized EBITDA</b>	<b>190.1</b>	<b>192.5</b>	<b>170.2</b>	<b>-11.6%</b>	<b>-10.4%</b>	<b>567.2</b>	<b>566.1</b>	<b>-0.2%</b>
<i>Normalized EBITDA Margin</i>	<i>38.3%</i>	<i>37.3%</i>	<i>32.7%</i>			<i>38.9%</i>	<i>36.6%</i>	

### Costs of Services and Sales (COSS)

In Q3 2024, the Cost of Services and Sales amounted to Baht 343.1 million, reflecting a 4.8% year-over-year increase. This rise was primarily due to higher network connection expenses associated with lease line rentals for both domestic and international services, supporting increased data connectivity usage, as well as increased employee expenses and higher costs of sales. Compared to the previous quarter, the cost increased by 3.9%, mainly due to higher depreciation expenses for network equipment.

For the nine-month period of year 2024 (9M,2024), Costs of Services and Sales reached Baht 1,000.4 million, 5.8% YoY increase. This growth was mainly due to higher network connection expenses, increased employee expenses and higher cost of sales.

### Service & Administrative (S&A) Expenses

In Q3 2024, Service & Administrative expenses totalled Baht 124.9 million, representing 34.6% YoY increase and 23.4% QoQ increase. This rise was primarily attributed to higher employee expenses, increased selling expenses and loss on FX.

For the nine-month period of year 2024 (9M 2024), Service & Administrative expenses amounted to Baht 319.4 million, marking 12.2% YoY increase. This growth was primarily driven by overall higher employee expenses, increased selling expenses and increased maintenance costs for office equipment.

### EBITDA and Net Profit

In Q3 2024, EBITDA closed at Baht 170.2 million, 10.4% YoY decrease and 11.6% QoQ decrease. This decline was primarily due to higher loss on FX in this quarter (amounted to FX loss 16.2 million in Q3-24, compared to FX gain 8.4 million in Q3-23 and FX gain 3.7 million in Q2-24), higher costs of services and sales and increased service & administrative expenses.

Net Profit was Baht 32.5 million, down 37.8% YoY and 52.8% QoQ, primarily due to higher loss on FX in this quarter (amounted to FX loss 16.2 million in Q3-24, compared to FX gain 8.4 million in Q3-23 and FX gain 3.7 million in Q2-24), higher costs of services and sales and increased service & administrative expenses.

For the nine-month period of year 2024 (9M, 2024), EBITDA and Net Profit reached Baht 566.1 million and Baht 165.5 million respectively, benefiting from growth in service revenue and reduce in finance cost. However, compared to the same period last year, EBITDA decreased by 10.3% and Net Profit fell by 26.9%. These YoY decreases were primarily due to the one-off gain on sale of investment in an associate recorded in the previous year and lower FX gain in 9M,2024 of 6.0 million, compared to 9M,2023 of 19.0 million. Excluding this one-off item and FX impact, the normalised EBITDA and Net Profit increased by 2% YoY and by 7% YoY, respectively.

## Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-23		30-Sep-24		Change	
	Amount	%	Amount	%	Amount	(%) YoY
<b>Assets</b>						
Cash and cash equivalents	400.0	9.4%	209.0	4.9%	-191.0	-47.8%
Trade and other account receivables	315.0	7.4%	333.2	7.7%	18.2	5.8%
Other current assets	53.9	1.3%	71.4	1.7%	17.4	32.3%
<b>Total current assets</b>	<b>768.9</b>	<b>18.1%</b>	<b>613.5</b>	<b>14.2%</b>	<b>-155.4</b>	<b>-20.2%</b>
Network equipment and PPE	3,217.9	75.8%	3,467.7	80.5%	249.9	7.8%
Other non-current assets	258.1	6.1%	227.5	5.3%	-30.5	-11.8%
<b>Total non-current assets</b>	<b>3,475.9</b>	<b>81.9%</b>	<b>3,695.3</b>	<b>85.8%</b>	<b>219.3</b>	<b>6.3%</b>
<b>Total assets</b>	<b>4,244.9</b>	<b>100.0%</b>	<b>4,308.8</b>	<b>100.0%</b>	<b>63.9</b>	<b>1.5%</b>
<b>Liabilities and shareholders' equity</b>						
Trade payables	329.2	7.8%	409.0	9.5%	79.8	24.2%
Current portion of long-term/ short-term loans	291.9	6.9%	367.0	8.5%	75.1	25.7%
Other current liabilities	116.4	2.7%	111.8	2.6%	-4.6	-3.9%
<b>Total current liabilities</b>	<b>737.5</b>	<b>17.4%</b>	<b>887.8</b>	<b>20.6%</b>	<b>150.3</b>	<b>20.4%</b>
Long-term loans	446.4	10.5%	267.4	6.2%	-179.0	-40.1%
Other non-current liabilities	152.5	3.6%	142.9	3.3%	-9.6	-6.3%
<b>Total non-current liabilities</b>	<b>598.8</b>	<b>14.1%</b>	<b>410.2</b>	<b>9.5%</b>	<b>-188.6</b>	<b>-31.5%</b>
<b>Total liabilities</b>	<b>1,336.3</b>	<b>31.5%</b>	<b>1,298.0</b>	<b>30.1%</b>	<b>-38.3</b>	<b>-2.9%</b>
Share capital and share premium	1,818.0	42.8%	1,818.0	42.2%	0.0	0.0%
Retained earnings	1,064.1	25.1%	1,166.4	27.1%	102.3	9.6%
Other components of equity	26.3	0.6%	26.3	0.6%	0.0	0.0%
<b>Shareholders' Equities</b>	<b>2,908.5</b>	<b>68.5%</b>	<b>3,010.8</b>	<b>69.9%</b>	<b>102.3</b>	<b>3.5%</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,244.9</b>	<b>100.0%</b>	<b>4,308.8</b>	<b>100.0%</b>	<b>63.9</b>	<b>1.5%</b>

Unit : Million Baht	As of 30-Sep-23	As of 30-Sep-24
Cash flows from operating activities	615.5	543.0
Cash flows used in investing activities	(180.3)	(483.0)
<b>Free cash flows</b>	<b>435.2</b>	<b>60.1</b>
Cash flows used in financial activities	(195.0)	(245.3)
Net change in cash	240.2	(185.2)
Effect of exchange rate changes	10.9	(5.8)
<b>Beginning Cash and Cash Equivalents</b>	<b>199.5</b>	<b>400.0</b>
<b>Ending Cash and Cash Equivalents</b>	<b>450.6</b>	<b>209.0</b>

As of September 30, 2024, total assets amounted to Baht 4,308.8 million, representing a 1.5% increase from December 31, 2023. This growth was primarily driven by 32.3% increase in other current assets and 7.8% rise in network equipment and property, plant, and equipment (PPE) assets.

Cash and cash equivalents stood at Baht 209 million, 47.8% decrease from December 31, 2023. This reduction was primarily due to funds being utilized for normal business operations.

Network equipment and Property, Plant, and Equipment (PPE) assets totaled Baht 3,467.7 million, 7.8% increase from December 31, 2023. This growth was primarily driven by investments in network equipment, partially offset by depreciation expenses.

Total liabilities amounted to Baht 1,298 million, representing 2.9% decrease from December 31, 2023, resulting from repayment in long-term loan of the Company.

Total shareholders' equity reached Baht 3,010.8 million, 3.5% increase from December 31, 2023. This growth was driven by positive net operating results during the period, partially offset by dividend payments to shareholders.

As of September 30, 2024, the company's financial ratios were as follows:

Debt to Equity (D/E) ratio: 0.43x (compared to 0.46x as of December 31, 2023)

Debt to EBITDA ratio: 1.72x (compared to 1.66x as of December 31, 2023)

## 2024 Outlook

In the upcoming final quarter of this year, the company anticipates a gradual economic growth trajectory. Investment decisions will be approached with caution due to challenges from elevated energy prices and rising production costs, which are increasing competitive pressures.

With the entry of major OTT platforms and Hyperscalers into Thailand, the company has a strategic plan to support infrastructure facilities that connecting various data centers (DC-to-DC) both domestically and internationally. Our comprehensive national coverage, along with our submarine cable connections, positions us well to link Thailand to the ASEAN and global network footprint. This presents a significant opportunity for Thailand to be future digital hub of connections in region of ASIA and the company will be fully prepared to support the digital infrastructure readiness to serve the needs of these major OTTs, Hyperscalers Cloud providers and large-scale enterprises. The company remains committed to expanding business opportunities and fostering sustainable growth alongside our customers. We are focused on delivering exceptional network stability and quality while developing comprehensive solutions for both domestic enterprises and regional providers.

The company is dedicated to achieving sustainable growth for the remainder of the year and delivering consistent returns to our shareholders. This dedication to excellence will continue to be a cornerstone of operations as the company navigates the opportunities and challenges of the last quarter of 2024, ensuring positive results for the year as a whole.