

No. INSET 048/2564

4 August 2021

Subject Management Discussion and Analysis of the 2nd Quarter 2021 Operating Results

Dear Governors and President

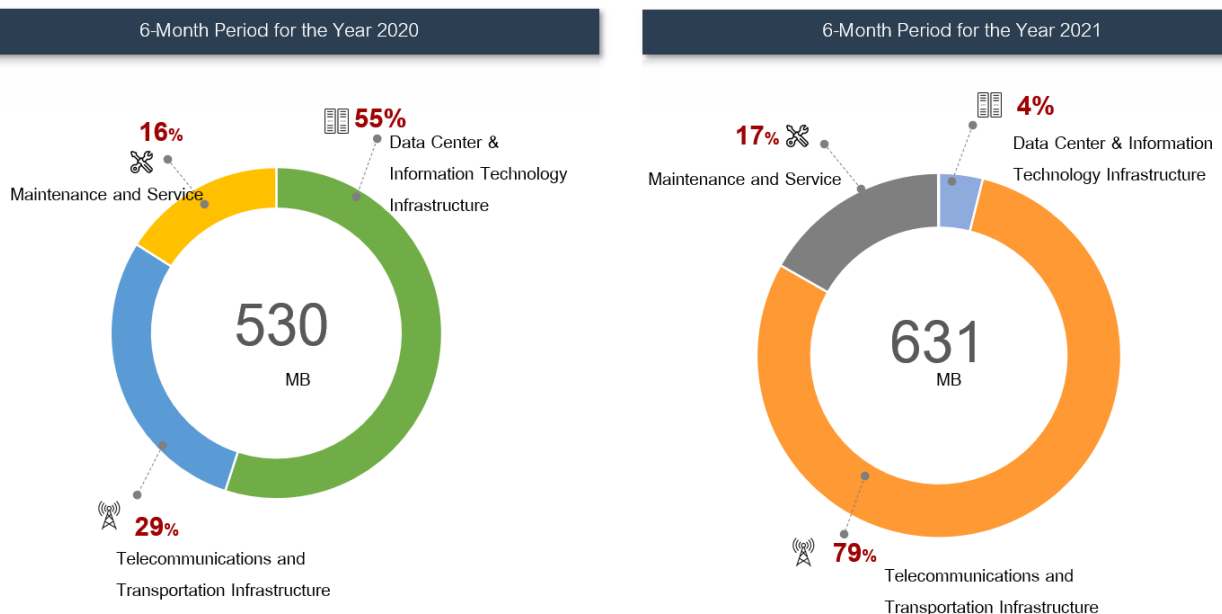
Market for Alternative Investment (mai)

Infraset Public Company Limited (the “Company”) hereby submitted the Management Discussion and Analysis of the 2nd Quarter 2021, ending 30 June 2021. Details are as follows:

Operating Result Overview

For the six-month periods ended 30 June 2020 and 2021, the Company’s revenues were 530.21 million Baht and 631.33 million Baht, respectively. The main revenues were from Telecommunications and Transportation Infrastructure Business, followed by the revenues from Maintenance and Service Business, and Data Center & Information Technology Infrastructure Business, respectively. The revenue’s proportion of each type of business to total income accounted for 79%, 17% and 4%, respectively.

The increase in revenue for the six-month period ended 30 June 2021 compared with last year was due to the expedited delivery of 2 projects including 1. the installation of 850 MHz frequency band filter circuit according to the Notification of National Broadcasting and Telecommunications Commission regarding the 824-839/869-884 MHz frequency band for the international mobile telecommunications plan and 885-895/930-940 MHz frequency band for the mobile telecommunications plan of CAT Telecom Public Company Limited (“CAT Filter”) and 2. the construction and upgrade of mobile station (“New Sites & Upgrade”). The Company recognized revenues from two projects accounted for 62% and 15% of total revenue.



For the six-month periods ended 30 June 2020 and 2021, the Company's net profits were 50.17 million Baht and 60.07 million Baht respectively. The corresponding net profit margins were 9.46% and 9.51% respectively. The Company's net profit increased from last year by 9.90 million Baht or 19.73%, while the Company's net profit margin was lower than last year. The main reason was revenue recognition from large projects with lower gross profit margins than smaller ones. As a result, the Company's gross profit margin was 17.15%, decreased from last year which was 17.50%.

Revenue and Gross Profit by Business

Telecommunications and Transportation Infrastructure Business

For the six-month periods ended 30 June 2020 and 2021, the Company's revenues from Telecommunications and Transportation Infrastructure Business were 151.69 million Baht and 500.83 million Baht, respectively. The corresponding gross profits were 30.82 million Baht and 84.59 million Baht, respectively. The revenue and gross profit from the business increased from CAT Filter and New Sites & Upgrade projects.

Maintenance and Service Business

For the six-month periods ended 30 June 2020 and 2021, the Company's revenues from Maintenance and Service Business were 83.95 million Baht and 105.41 million Baht, respectively. The corresponding gross profits were 27.72 million Baht and 35.01 million Baht, respectively. The increase in revenue and gross profit from the business was due to the full year revenue recognition of MA USO-II, of which contract is five years.

Data Center & Information Technology Infrastructure Business

For the six-month periods ended 30 June 2020 and 2021, the Company's revenues from Data Center & Information Technology Infrastructure Business were 291.97 million Baht and 24.62 million Baht, respectively. The corresponding gross profits were 52.57 million Baht and 8.68 million Baht respectively. The Company's revenues and gross profits from the business decreased from last year since in 2020, the Company expedited delivery of large projects including USO Phase 1 and 2 project, and Communication and Information Building of PEA (North Region) at Chiang Mai which were completed during the year.

Personnel Costs

For the six-month periods ended 30 June 2020 and 2021, the Company's personnel costs were 15.67 million Baht and 16.90 million Baht respectively. The costs were comprised of the salaries, bonuses, related expenses of the employees, and incentives of Installation and Service Department. The costs increased since in 2020 there was a reversal transaction of over recorded incentives. Whereas, the number of employees of Installation and Service Department were 69 staff, decreasing from last year which were 93 staff.

Distribution Costs

For the six-month periods ended 30 June 2020 and 2021, the Company's distribution costs were 3.47 million Baht and 4.91 million Baht respectively. The major expense that increased from last year was sales commissions.

Administrative Expenses

For the six-month periods ended 30 June 2020 and 2021, the Company's administrative expenses were 28.26 million Baht and 28.15 million Baht respectively. The main expenses were the compensations for administrative employees such as salaries, bonuses, remuneration for the executive committee and other employees' benefits. Major expenses that decreased from last year were remuneration for the executive committee and financial advisor fee; while the major expenses that increased from last year were depreciation expenses and remuneration for directors.

Please be informed accordingly.

Yours sincerely,

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(Mr. Sakbaworn Pukkanasut)
Managing Director