

No. INSET 047/2566

13 February 2023

Subject Management Discussion and Analysis of the Year 2022 Operating Results, Ending 31 December 2022

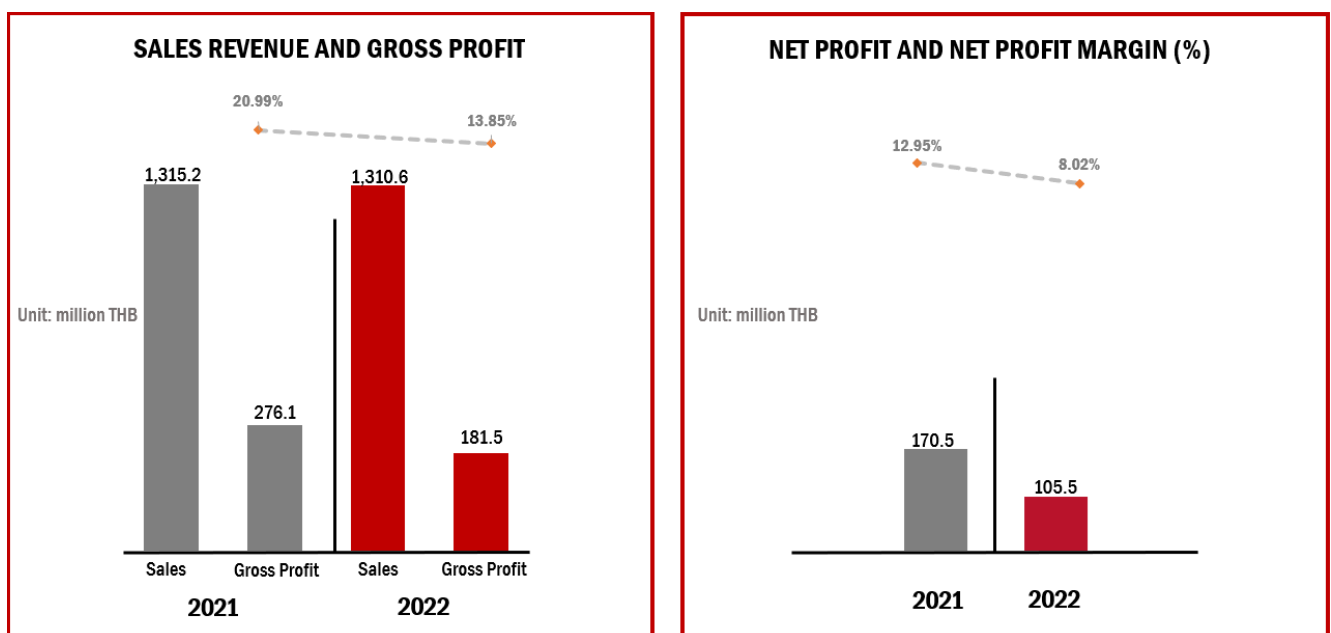
Dear Governors and President
Stock Exchange of Thailand

Infraset Public Company Limited (the "Company") hereby submitted the Management Discussion and Analysis of the year 2022 operating results, ending 31 December 2022. Details are as follows:

Operating Result Overview

For the year ending 31 December 2021 and 2022, the Company's revenues were 1,316.44 million Baht and 1,315.52 million Baht, respectively. The main revenues were from Data Center & Information Technology Infrastructure Business, followed by the revenues from Telecommunications and Transportation Infrastructure Business, and Maintenance and Service Business, respectively. The revenue's proportion of each type of business to total income accounted for 51%, 34% and 15%, respectively.

For the year ending 31 December 2021 and 2022, the Company's net profits were 170.54 million Baht and 105.53 million Baht respectively. The corresponding net profit margins were 12.95% and 8.02% respectively. The Company's net profit decreased from last year by 65.01 million Baht or 38.12%; while the Company's revenue slightly decreased. The major reason was the increase of project cost estimates due to higher material cost and transportation cost. As a result, the Company's gross profit margin was 13.85%, decreased from last year which was 20.99%, resulting from the reduction of project cost estimates of 2 large projects which was completely delivered during the year.



Revenue and Gross Profit by Business

Data Center & Information Technology Infrastructure Business

For the year ending 31 December 2021 and 2022, the Company's revenues from Data Center & Information Technology Infrastructure Business were 179.69 million Baht and 669.91 million Baht, respectively. The corresponding gross profits were 68.62 million Baht and 92.67 million Baht respectively. The Company's revenues and gross profits from the business increased from last year due to the revenue recognition of large projects including EEC Data Center Project, Mechanical and Electrical System Installation for Data Center and Cable Landing Station Project, Counting and Testing the Quality of Duct Project, and Construction and System Installation of Computer Center (Data Center)- Chulabhorn Royal Academy Project etc. Some projects was completed and delivered in 2022.

Telecommunications and Transportation Infrastructure Business

For the year ending 31 December 2021 and 2022, the Company's revenues from Telecommunications and Transportation Infrastructure Business were 936.01 million Baht and 445.23 million Baht, respectively. The corresponding gross profits were 178.07 million Baht and 47.84 million Baht, respectively. The revenue and gross profit from the business decreased since in 2021 major revenue recognition was CAT Filter project, total project value of 1,088 million Baht. Whereas in 2022, the major revenue derived from 2 projects including the Replacement of Overhead Power Line with Underground Power Cable System to Enhance Eastern Aviation City's Landscape project and Civil Works for New Sites and Upgrade Sites project.

Maintenance and Service Business

For the year ending 31 December 2021 and 2022, the Company's revenues from Maintenance and Service Business were 199.55 million Baht and 195.51 million Baht, respectively. The corresponding gross profits were 67.09 million Baht and 74.15 million Baht, respectively. The Company's revenue decreased while gross profit from such business increased. The revenue recognition mainly derived from MA USO I and MA USO II projects, which are 5-year long-term contracts, and MA for New Tier III Modular DC (BTT) project, which are 4-year contract.

Personnel Costs

For the year ending 31 December 2021 and 2022, the Company's personnel costs were 31.76 million Baht and 28.15 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 decreased because the reduction of incentives expense, which was in line with the Company's operating result. However, the number of employees of Installation and Service Department increased from 67 staff in 2021 to 72 staff in 2022 to ensure that the Company would have sufficient manpower for the projects that will occur in the next year

Distribution Costs

For the year ending 31 December 2021 and 2022, the Company's distribution costs were 9.04 million Baht and 5.59 million Baht respectively. The major expense that decreased from last year was sales commissions. While, the expense that increased from last year was entertainment and advertisement expenses.

Administrative Expenses

For the year ending 31 December 2021 and 2022, the Company's administrative expenses were 54.23 million Baht and 48.15 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 consultant fee; while the major expenses that increased from last year were the recreation expense and Company's registrar expenses.

Please be informed accordingly.

Yours sincerely,

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(Mr. Sakboworn Pukkanasut)
Managing Director