



# ALT Telecom Public Company Limited

## Management Discussion and Analysis for Q2/2023 ended June 30, 2023

### EXECUTIVE SUMMARY

The performance of ALT Telecom Public Company Limited (“ALT” or the “Company”) as presented in consolidated financial statement for Q2/2023 ended June 30, 2023 compared to same period of previous year are summarized as follows;

Income Statement	Q2/2023		Q2/2022		Million THB	
					Up (Down)	
<b>Revenues</b>						
Sales	124.98	31.6%	23.69	9.4%	101.29	427.5%
Services- construction	89.78	22.7%	125.39	49.6%	(35.61)	-28.4%
Services - network	181.02	45.7%	103.73	41.0%	77.29	74.5%
<b>Total revenues</b>	<b>395.78</b>	<b>100.0%</b>	<b>252.81</b>	<b>100.0%</b>	<b>142.98</b>	<b>56.6%</b>
<b>Cost</b>						
Cost of sales	(104.99)	-84.0%	(21.58)	-91.1%	83.41	386.6%
Cost of services - construction	(88.23)	-98.3%	(94.83)	-75.6%	(6.60)	-7.0%
Cost of service - network	(145.40)	-80.3%	(90.43)	-87.2%	54.97	60.8%
<b>Total cost</b>	<b>(338.62)</b>	<b>-85.6%</b>	<b>(206.83)</b>	<b>-81.8%</b>	<b>131.78</b>	<b>63.7%</b>
<b>Gross (loss) profit</b>						
Sales	20.00	16.0%	2.11	8.9%	17.88	845.7%
Services- construction	1.55	1.7%	30.56	24.4%	(29.01)	-94.9%
Services - network	35.62	19.7%	13.30	12.8%	22.32	167.8%
<b>Gross (loss) profit</b>	<b>57.17</b>	<b>14.4%</b>	<b>45.97</b>	<b>18.2%</b>	<b>11.19</b>	<b>24.3%</b>
Other income	6.57	1.7%	5.26	2.1%	1.31	24.9%
Selling expenses	(18.69)	-4.7%	(17.33)	-6.9%	1.37	7.9%
Administrative expenses	(31.16)	-7.9%	(30.09)	-11.9%	1.07	3.6%
Reversal (recognition) of expected credit loss	16.33	4.1%	(1.84)	-0.7%	(18.17)	0.0%
Loss from exchange rate	7.99	2.0%	4.97	2.0%	3.02	60.7%
Share of loss of associate	0.29	0.1%	(1.85)	-0.7%	2.14	116.0%
Share of gain of JV	(1.36)	-0.3%	0.95	0.4%	(2.31)	-243.7%
Finance costs	(7.18)	-1.8%	(4.25)	-1.7%	2.93	69.0%
<b>Profit (loss) before income tax</b>	<b>29.95</b>	<b>7.6%</b>	<b>1.79</b>	<b>0.7%</b>	<b>28.16</b>	<b>1574.0%</b>
Income tax	(13.88)	-3.5%	(0.46)	-0.2%	13.42	2914.3%
<b>Profit (loss) for the period</b>	<b>16.07</b>	<b>4.1%</b>	<b>1.33</b>	<b>0.5%</b>	<b>14.74</b>	<b>1109.6%</b>

- Total revenue increased by 56.6% from THB 252.81 million in Q2/2022 to THB 395.78 million, and total gross profit increased in YoY by 24.3% from THB 45.97 million to THB 57.17 million.
- Sales revenue grew up YoY 427.5% from THB 23.69 million in Q2/2022 to THB 124.98 million in Q2/2023 along with an increase of gross profit by 845.7% from THB 2.11 million to THB 20.00 million. Most of the income comes from the sales of solar rooftops that have continued to grow.
- Network service is the recurring income and is the main portion at 45.7% of total revenue in Q2/2023. Its revenue grew up 74.5% from THB 103.73 million in Q2/2022 to THB 181.02 million in Q2/2023. Its gross profit grew up 167.8% from THB 13.30 million in Q2/2022 to THB 35.62 million in Q2/2023.
- In Q2/2023, there was a reversal of expected credit loss of THB 16.33 million because the Company was able to collect money from the customers. As a result, such provision of expenses has been reversed. which is a good factor for financial result.
- Interest expenses increased from THB 4.25 million in Q2/2022 to THB 7.18 million in Q2/2023 following an increase in interest rates and increased loan drawdown to invest in the installed solar rooftop PPA projects.
- The operational result of the Company in Q2/2023 was a net profit of THB 16.07 million.
- As of June 30, 2023, the Company has a backlog of approximately THB 4,275 million.



# ALT Telecom Public Company Limited

## Management Discussion and Analysis for Q2/2023 ended June 30, 2023

Million THB				
Financial Position	30-Jun-23	31-Dec-22	Up (Down)	%
<b>Assets</b>				
Current assets	1,295.97	1,217.31	78.66	6.5%
Non-current assets	2,203.04	1,806.75	396.29	21.9%
<b>Total assets</b>	<b>3,499.01</b>	<b>3,024.06</b>	<b>474.95</b>	<b>15.7%</b>
<b>Liabilities &amp; equity</b>				
Current liabilities	1,129.64	808.60	321.04	39.7%
Non-current liabilities	780.64	627.74	152.90	24.4%
<b>Total liabilities</b>	<b>1,910.29</b>	<b>1,436.34</b>	<b>473.95</b>	<b>33.0%</b>
<b>Equity</b>				
Paid-up capital	566.11	566.11	-	0.0%
Share premium	1,341.06	1,341.06	-	0.0%
Other component	33.71	33.71	-	0.0%
Retained earning				
Legal reserve	62.50	62.50	-	0.0%
Unappropriated	(414.86)	(415.89)	1.03	-0.2%
Non-controlling interests	0.20	0.22	(0.02)	-9.0%
<b>Total equity</b>	<b>1,588.73</b>	<b>1,587.72</b>	<b>1.01</b>	<b>0.1%</b>
<b>Total liabilities &amp; equity</b>	<b>3,499.01</b>	<b>3,024.06</b>	<b>474.95</b>	<b>15.7%</b>

	30-Jun-23	31-Dec-22
Debt to equity	1.20	0.90
Net interest bearing debt to Equity	0.21	0.01
Current Ratio	1.15	1.51

Total assets and total liabilities of the Company increased by corresponding amounts. Total assets increased by THB 474.95 million, while total liabilities increased by THB 473.95 million. Significant changes consisted of: The changes in working capital were accounts receivable and inventory increased by THB 231.45 million, while trade payables increased by THB 36.83 million. In terms of investment, investment property of the Company increased by THB 9.56 million, and decrease in property plant and equipment. THB 46.58 million from depreciation, right-of-use (Long-term lease and service) increased by THB 130.06 million and optical fiber network increased by THB 237.01 million. The funding source used to support the above investments, there was a related increase, which consisting of loans from financial institutions and related parties increased by THB 234.74 million, lease liabilities increased by THB 130.41 million, and advances received from customers for long-term service agreements (IRU) increased by THB 56.49 million.

Million THB		
Cash Flow	6M/2023	6M/2022
Net cash generated from operation	3.33	(64.88)
Net cash generated from investment	(301.01)	(197.86)
Net cash generated from finance	204.13	186.08
<b>Net cash flow</b>	<b>(93.55)</b>	<b>(76.66)</b>
<b>Beginning cash</b>	<b>315.91</b>	<b>253.42</b>
<b>Ending cash</b>	<b>222.36</b>	<b>176.76</b>

In Q2/2023, the Company had net cash flow from operations of THB 3.33 million, cash used for investments of THB 301.01 million, and cash received from financing of THB 204.13 million.

As of the end of the Q2/2023, the Company had cash on hand amounting to THB 222.36 million

### Contact Investor Relations

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