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Management's Discussion and Analysis for the Third Quarter Ended September 30, 2023

1. Overview of the Interlink Group

Interlink Communication Public Company Limited: ILINK has operated for 35 years till now by being a pioneer of introducing and distributing LAN cable technology in Thailand 30 years ago. With the vision as well as strong intention to bring technology to develop the country, the founder of Interlink Group put a great effort in importing and distributing cabling products. ILINK mainly focuses on B2B transactions whose partners are ICT dealer, IT system integrator, Contractor, and Electrical Shop. Other than the head office in Bangkok, the company has 4 more branches in other main parts of Thailand including Chiang Mai in the northern region, Song Khla in the southern region, Khon Kaen in the northeastern region, and Rayong in the eastern region. Moreover, the Distribution Center and R&D Center have been additionally built to serve customers high-quality products all over the country on a timely manner.

Currently, ILINK has more than 30,000 dealers selling our products to the end users who are from both public and private sectors. Furthermore, the company starts expanding the market of cabling distribution business to several neighboring countries such as Lao People's Democratic Republic, Republic of the Union of Myanmar, and Kingdom of Cambodia. In the future, the company will continuously tap into the markets of other Asian countries.

In order to promote sustainable growth for business, new executives took an advantage of being the biggest cabling importer and distributor to establish a subsidiary company named Interlink Telecom Public Company Limited: ITEL focusing on telecom & data center business. ITEL has installed fiber optic network along with telegraph poles of the State Railway of Thailand as well as along with the road through the electricity poles all over Thailand. Moreover, ITEL has been licensed through NBTC to render Data Service over installed fiber optic network and also build Data Center to offer better services with Service Level Agreement (SLA) 99.99% capturing customers such as Mobile and Internet Operators, Banks and Financial institutions, and Business with Branch Offices.

Gaining strong reliability from the government sectors together with having an own professional engineering team, the company diversified engineering business bidding on the turnkey projects of Fiber Optic, Submarine Cable, Underground Cable, High Voltage Transmission Line, Substation etc. This business is operated under another subsidiary company named Interlink Power and Engineering Company Limited: IPOWERR and mainly works on the huge projects from the government sectors.



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Interlink Communication Public Company Limited:[The Group of Interlink] have been reflected by 3 main businesses which are 1. Cabling Distribution Business that is the pioneer continuously generates income and has consistent profits 2.Telecom & Data Center Business that rapidly grow and did the spin off creating an independent entity to be listed on the Stock Exchange of Thailand (SET) under the name “ITEL” and 3. Turnkey Engineering Business where most construction projects in the company's expertise are possessed by the government sectors.

2. Overview of the Interlink Group's Operation Results

Total revenues of Interlink Communication Public Company Limited: ILINK in Q3/2023 was 2,147.13 Million Baht, an increase of 18.85% compared to 1,806.60 Million Baht in Q3/2022, as shown in the table below.

Revenues	Quarter 3/2023		Quarter 3/2022		Increase/(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Cabling Distribution Business	866.60	40.36	675.41	37.39	191.19	28.31
Revenues from Telecom & Data Center Business	745.73	34.73	755.59	41.82	(9.86)	(1.30)
Revenues from Turnkey Engineering Business	523.18	24.37	357.23	19.77	165.95	46.45
Other Revenues	11.62	0.54	18.37	1.02	(6.75)	(36.74)
Total Revenues	2,147.13	100.00	1,806.60	100.00	340.53	18.85

In this regard, the Company's Profit for Q3/2023 amounted to 205.16 million baht, an increase of 79.98% compared to 113.99 million baht in Q3/2022, while the company have net profit (Contribute to Owner of the Parent Company) in the amount of 156.92 million baht, a growth of 83.98% compared to 85.29 million baht in Q3/2022, as shown in the table below.

Net Profit	Quarter 3/2023		Quarter 3/2022		Increase/(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit for the period	205.16	9.56	113.99	6.31	91.17	79.98
Profit Contribution						
Owner of the Parent Company ⁽¹⁾	156.92	7.31	85.29	4.72	71.63	83.98
Non-Controlling Interests (NCI)	48.24	2.25	28.70	1.59	19.54	68.11

⁽¹⁾ At the end of Q3/2023, the shareholding in the subsidiary “ITEL” was 49.12%, increasing from 48.41% at the end of 2022, while the shareholding in the subsidiary “IPOWER” is 95.07% with no changes.



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3. Operation Results by Business

Cabling Distribution Business

Revenues from cabling distribution business result from importing and distributing cabling products, networking equipment, and racks. The company's revenue from sales in Q3/2023 amounted to 866.60 Million Baht, an increase of 28.31% when compared to 675.41 Million Baht in Q3/2022. This period, the revenue accounted for 40.36% of total revenue.

In Q3/2023, the company's product sales have increased which higher than the target that the management has set. The main contributing factor remains from the change in infrastructure technology making both old and new customers in all sectors improve and develop the system through the purchase and installation of more efficient equipment. Moreover, the announcement of the electricity tariff adjustment that has a continuous upward trend is also a driving force behind the solar roof market to grow outstandingly. As a result, in this period, sales of Lan Cable product grew by 20.43% and Solar Cable products grew by 131.04% compared to Q3/2022 (YoY).

In this regard, the Company's cost of sales in Q3/2023 amounted to 637.39 million baht, an increase of 24.53% compared to 511.84 million baht in Q3/2022, and the gross profit margin for this quarter was 26.45% increase from 24.22% in Q3/2022.

Telecom & Data Center Business

Telecom & Data Center Business generates revenue from the subsidiary company; ITEL, which provides fiber optic network rental services through various forms, such as Interlink MPLS IP-VPN service, Interlink Dark Fiber service, and Interlink IPLC service, including data center rental service. Both of these services are part of recurring revenue and the last is the revenue from network installation services. The Company's revenue from Telecom & Data Center business in Q3/2023 amounted to 745.73 million baht, an decrease of 1.30% when compared to 755.59 million baht in Q3/2022. This period, the revenue accounted for 34.73% of total revenue.

The main proportion of revenue recognized in Q3/2023 was revenue from network rental services of 412.76 million baht, an increase of 24.25% compared to 332.19 million baht in Q3/2022. The second proportion of revenue is revenue from network installation service of 310.61 million baht, an decrease of 22.60% compared to 401.30 million baht in Q3/2022. Mainly projects which had recognized revenue in this period such as Installation of Solar Cell project with private company amounted to Baht 96.53 million. Service Project with Government Agency amounted to Baht 67.72 million, and Maintenance project with Government Agency amounted to Baht 24.84 million etc.



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In this regard, the Company's cost of services in Q3/2023 amounted to 556.07 million baht, an decrease of 10.31% compared to 619.99 million baht in Q3/2022. The main proportion of costs recognized in Q3/2023 is the cost of network rental service and the cost of network installation services, which accounted for 57.87% and 39.35% of the total cost of telecom & data center business, respectively.

Turnkey Engineering Business

Turnkey Engineering business generates revenue from the subsidiary company; IPOWER, which operates electrical engineering projects and other special projects. arising under the employment contract focusing on the construction of high voltage transmission lines, the construction of substations, the submarine cable installation, and underground cable which in the company has an expertise. The company had revenue from turnkey engineering business in Q3/2023 amounted to 523.18 million baht, an increase of 46.45% when compared to 357.23 million baht in Q3/2022. This period, the revenue accounted for 24.37% of total revenue.

A major portion of revenue recognized in Q3/2023 came from the major project backlog, namely the 33 KV Submarine Cable Construction Project at Koh Tao in Surat Thani Province to the Provincial Electricity Authority in the amount of 409.10 million baht, the Purchase of submarine cables of various types, amounting to 3 items in the amount of 47.84 million baht.

In this regard, the Company's cost from turnkey engineering business in Q3/2023 amounted to 443.19 million baht, a increase of 30.80% compared to 338.84 million baht in Q3/2022. Therefore, the gross profit margin of the turnkey engineering business this year therefore significantly improved from 4.69% last year to 15.29% due to the company is able to effectively manage the cost of contracting projects in hand and also able to sign contracts for other high-margin projects as planned.

4. Overview of the Interlink Group's Financial Position

Assets

As of September 30, 2023, the Company had total assets of 12,776.64 million baht, an increase of 10.19% compared to 11,594.90 million baht as of December 31, 2022. The Company's major assets were accrued income from engineering and network services, trade accounts receivable and other receivables, and property, plant and equipment. As of the end of Q3/2023, the proportions of such important assets to total assets were 11.24%, 20.72% and 35.56%, respectively. List of assets that change materially, for example:

Liabilities

As of September 30, 2023, the Company had total liabilities of 6,687.92 million baht, a increase of 11.39% compared to 6,004.13 million baht as of December 31, 2022, an increase from bank overdraft and short-term borrowing from financial institutions to manage the project.



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Shareholders' Equity

As of September 30, 2023, the Company had total shareholders' equity of 6,088.72 million baht, an increase of 8.91% compared to 5,590.77 million baht as of December 31, 2022. This increase was due to result of an increase in profit for the period.

5. Important Financial Ratios

Debt-to-Equity Ratio

The debt to equity ratio at the end of Q3/2023 was 1.10 times, a increase of 2.80% from the end of 2022 when the debt to equity ratio was 1.07 times.

6. Analysis of Return and Stock Price

Return on Equity

The Return on Equity (ROE) at the end of Q3/2023 was 11.80%, an increase of 1.21% from the end of 2022 with the Return on Equity (ROE) of 10.59%.

Return on Asset

Return on Assets (ROA) at the end of Q3/2023 was 5.65%, an increase of 0.82% from the end of 2022 with a Return on Assets (ROA) of 4.83%.

Stock Price

The share price as of September 30, 2023 was 7.25 baht, compared to at the end of 2022 was 6.95 baht. The share price lessened 0.30 baht or accounted for a increase of 4.32%.

P/E Ratio

P/E Ratio as of September 30, 2023 was 8.69 times, compared to at the end of 2022 was 9.96 times. P/E Ratio decreased by 1.27 times, or a decrease of 12.75%.

Please be informed accordingly.



Yours sincerely

(Mr. Sombat Anuntarumporn)

Chairman