

Executive Summary

In the third quarter of this year, the Thai economy is showing robust performance, marked by a consistent recovery, primarily driven by the strong resurgence in tourism and export activities. Despite a decrease in government spending, both in central government expenditure and state enterprise investments, the economy remains resilient in the face of challenging economic conditions. Although the private sector has scaled back its investments, businesses continue to operate efficiently.

Our core business operations revenue continues to experience consistent growth. We maintain our primary focus on retaining our existing customer base while actively seeking to expand by delivering exceptional service. This approach is underpinned by our commitment to offering high-quality services across a robust network available 24 hours a day, with rapid guaranteed customers experience level from service delivery, customers escalation and network services recovery. This strategy has been in place and important for us to differentiate us from our peers and keeping our customers fully satisfied with our services. With our dedication to delivering top-notch services, our ultimate goal is to become the preferred service provider in the B2B market.

Quarter Performance

The Company reported its strong Q3 performance with 13.5% YoY increase in Total Revenue, reflecting its continued solid business growth mainly driven by strong sales demand from both domestic enterprise and global connectivity services. Net Profit for current quarter was Baht 52.2 million, higher by 12% YoY.

For QoQ comparison, the Company performed lower with 10.9% in Total revenue and with 59% in Net Profit due to last quarterly had one-off item of gain on sale of investment in associate. If exclude one-off item of gain on sale of investment in associate, Total revenue was higher by 0.6% QoQ but Net profit was lower by 12.5% QoQ due to increasing in cost of service and income tax expense.

Year-to-Date (9 months) Performance

The Company recorded Total Revenue of Baht 1,522.8 million and Net Profit of Baht 226.4 million respectively, increased by 20% and by 80% compared with YoY due to strong growth of revenue from connectivity, cloud and security services for domestic enterprises and increasing demand from global connectivity services together with other income from one-off item of gain on sale of investment in associate. Exclude one-off item of gain on sale of investment in associate, the Normalized Net Profit was Baht 165.7 million, also higher by 31.7% YoY.

3Q2023 Performance Overview

Revenue

In 3Q2023, service revenue was Baht 486.3 million, increased by 12.4% YoY and by 0.8% QoQ, due to higher revenue from domestic and international service segments resulted from growing demand for data connectivity, cloud and security services and ICT solutions to support digitalisation for many Enterprises.

Other income was Baht 9.8 million, decreased by 86.9% QoQ due to last quarterly had one-off item of gain on sale of investment in associate. It also increased by 100% YoY due to gain on FX.

For 9M2023, total revenue was Baht 1,522.8 million, increased by 20% YoY, mainly from the growth of service revenue of 14.3% to Baht 1,434.9 million in both domestic and international connectivity services. Other income was Baht 87.8 million, increased by 100% YoY, from one-off item of gain on sale of investment in associate of Baht 63.7 million and gain on FX of Baht 19 million. Exclude one-off item of gain on sale of investment in associate, total revenue was Baht 1,459.1 million, higher with 15% YoY.

Unit : Million Baht	Amount			Change		Amount		Change (%) YoY
	Q3/22	Q2/23	Q3/23	(%) QoQ	(%) YoY	9M22	9M23	
Revenue								
Service revenue	432.8	482.2	486.3	0.8%	12.4%	1,254.9	1,434.9	14.3%
Other income	4.3	74.7	9.8	-86.9%	126.5%	14.2	87.8	516.6%
Total Revenue	437.1	557.0	496.1	-10.9%	13.5%	1,269.2	1,522.8	20.0%
Costs of Services and Sales (excl. D&A)	(180.5)	(215.1)	(226.5)	5.3%	25.5%	(524.1)	(648.6)	23.7%
Depreciation & Amortization (D&A)	(96.9)	(99.3)	(100.9)	1.6%	4.1%	(282.8)	(296.9)	5.0%
Total Cost of Services and Sales	(277.4)	(314.4)	(327.4)	4.1%	18.0%	(807.0)	(945.5)	17.2%
Service & Administrative Expenses (excl. D&A)	(73.4)	(81.5)	(79.5)	-2.5%	8.3%	(228.7)	(243.3)	6.4%
Depreciation & Amortization (D&A)	(17.6)	(14.1)	(13.3)	-5.5%	-24.5%	(44.0)	(41.4)	-6.0%
Total Service & Administrative Expenses	(91.1)	(95.6)	(92.8)	-3.0%	1.9%	(272.7)	(284.7)	4.4%
Operating Profit / (Loss)	68.6	146.9	75.9	-48.3%	10.7%	189.5	292.6	54.4%
Financial Cost	(9.3)	(9.2)	(9.6)	4.0%	2.3%	(26.2)	(28.3)	8.0%
Income Tax Expenses	(12.6)	(10.5)	(14.1)	34.6%	12.0%	(31.2)	(37.9)	21.3%
Core Net Profit/(Loss) for the period	46.6	127.3	52.2	-59.0%	12.0%	132.1	226.4	71.5%
<i>Core Net Profit/(Loss) Margin</i>	<i>10.7%</i>	<i>22.8%</i>	<i>10.5%</i>			<i>10.4%</i>	<i>14.9%</i>	
Share of loss of associate accounted for using equity method	0.0	0.0	0.0	0.0%	0.0%	(6.3)	0.0	100.0%
Net Profit/(Loss) for the period	46.6	127.3	52.2	-59.0%	12.0%	125.8	226.4	80.0%
<i>Net Profit/(Loss) Margin</i>	<i>10.7%</i>	<i>22.8%</i>	<i>10.5%</i>			<i>9.9%</i>	<i>14.9%</i>	
One-off items (after tax)	0.0	(60.8)	0.0	100.0%	0.0%	0.0	(60.8)	-100.0%
Normalized Net Profit/(Loss) for the period	46.6	66.5	52.2	-21.5%	12.0%	125.8	165.7	31.7%
<i>Normalized Net Profit/(Loss) Margin</i>	<i>10.7%</i>	<i>13.5%</i>	<i>10.5%</i>			<i>9.9%</i>	<i>11.4%</i>	

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change (%) YoY
	Q3/22	Q2/23	Q3/23	(%) QoQ	(%) YoY	9M22	9M23	
EBITDA								
Operating Profit / (Loss)	68.6	146.9	75.9	-48.3%	10.7%	189.5	292.6	54.4%
Depreciation & Amortization (D&A)	114.5	113.4	114.2	0.7%	-0.3%	326.9	338.3	3.5%
EBITDA	183.1	260.4	190.1	-27.0%	3.8%	516.3	630.9	22.2%
<i>EBITDA Margin</i>	<i>41.9%</i>	<i>46.7%</i>	<i>38.3%</i>			<i>40.7%</i>	<i>41.4%</i>	
One-off items (before tax)	0.0	(63.7)	0.0	100.0%	0.0%	0.0	(63.7)	-100.0%
Normalized EBITDA	183.1	196.7	190.1	-3.3%	3.8%	516.3	567.2	9.9%
<i>Normalized EBITDA Margin</i>	<i>41.9%</i>	<i>39.9%</i>	<i>38.3%</i>			<i>40.7%</i>	<i>38.9%</i>	

Costs of Services and Sales (COSS)

In 3Q2023, Costs of Services and Sales were Baht 327.4 million, increased by 18% YoY and by 4.1% QoQ mainly due to higher network connection expenses from lease line rental on domestic and international services to support higher data connectivity usage, higher employee expense, higher utilities site and higher depreciation expense for network equipment.

For 9M2023, Costs of Services and Sales were Baht 945.5 million, increased by 17.2% YoY, mainly due higher network connection expenses, higher employee expenses and higher site expenses, both coming from higher electricity expenses and maintenance costs and higher depreciation expense for network equipment.

Service & Administrative (S&A) Expenses

In 3Q2023, Service & Administrative expenses were Baht 92.8 million, increased by 1.9% YoY mainly due to higher employee expense (salary, training expense, etc) and higher professional fee. Compare with last quarter, lower by 3% mainly due to lower professional fee, lower employee expense (bonus) and lower depreciation expense for office equipment.

For 9M2023, Service & Administrative expenses were Baht 284.7 million, also increased by 4.4% YoY, mainly due to overall higher employee expenses and training, higher professional fee and higher maintenance on office equipment.

EBITDA and Net Profit

In 3Q2023, EBITDA closed at Baht 190.1 million, increased by 3.8% YoY due to higher service revenue and other income. Compare with QoQ, decreased by 27% due to one-off item of gain on sale of investment in associate. Exclude one-off item of gain on sale of investment in associate, EBITDA decreased by 3.3% QoQ due to higher cost of service and higher depreciation expense for network equipment.

Net Profit closed at Baht 52.2 million, increased by 12% YoY due to growth in service income but net-off with higher cost of service, depreciation expense for network equipment and service and administrative expense. Compare with QoQ, decreased by 59% from one-off item of gain on sale of investment in associate of Baht 63.7 million. Excluded one-off item of gain on sale of investment in associate, the Normalized Net Profit decreased by 21.5% QoQ, due to higher cost of service, depreciation expense for network equipment and higher income tax expense.

For 9M2023, both EBITDA and Core Net Profit were higher at Baht 630.9 million and Baht 226.4 million, resulted from growth in service revenue, other income from one-off item of gain on sale of investment in associate and better cost management. Excluded one-off item of gain on sale of investment in associate, EBITDA and the normalized Net Profit was Baht 567.2 million and Baht 165.7 million, increased by 9.9% YoY and by 31.7% QoQ.

Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-22		30-Sep-23		Change	
	Amount	%	Amount	%	Amount	(%) YoY
Assets						
Cash and cash equivalents	199.5	4.6%	450.6	10.3%	251.1	125.9%
Trade and other account receivables	343.5	7.9%	288.8	6.6%	-54.8	-15.9%
Other current assets	87.0	2.0%	76.7	1.8%	-10.3	-11.9%
Total current assets	630.1	14.6%	816.1	18.7%	186.0	29.5%
Investment in associate	0.0	0.0%	0.0	0.0%	0.0	0.0%
Long-term loans to related party	124.1	2.9%	0.0	0.0%	-124.1	-100.0%
Network equipment and PPE	3,302.2	76.4%	3,280.7	75.3%	-21.5	-0.6%
Other non-current assets	268.4	6.2%	257.5	5.9%	-10.9	-4.1%
Total non-current assets	3,694.7	85.4%	3,538.2	81.3%	-156.5	-4.2%
Total assets	4,324.8	100.0%	4,354.3	100.0%	29.5	0.7%
Liabilities and shareholders' equity						
Trade payables	408.5	9.4%	392.8	9.0%	-15.7	-3.8%
Current portion of long-term/ short-term loans	306.2	7.1%	291.9	6.7%	-14.4	-4.7%
Other current liabilities	113.7	2.6%	121.0	2.8%	7.3	6.4%
Total current liabilities	828.4	19.2%	805.7	18.5%	-22.7	-2.7%
Long-term loans	638.3	14.8%	519.4	11.9%	-118.9	-18.6%
Other non-current liabilities	173.7	4.0%	158.9	3.6%	-14.8	-8.5%
Total non-current liabilities	812.0	18.8%	678.3	15.6%	-133.7	-16.5%
Total liabilities	1,640.4	37.9%	1,484.0	34.1%	-156.4	-9.5%
Share capital and share premium	1,818.0	42.0%	1,818.0	41.8%	0.0	0.0%
Retained earnings	840.1	19.4%	1,025.9	23.6%	185.9	22.1%
Other components of equity	26.3	0.6%	26.3	0.6%	0.1	0.3%
Shareholders' Equities	2,684.4	62.1%	2,870.3	65.9%	186.0	6.9%
Total liabilities and shareholders' equity	4,324.8	100.0%	4,354.3	100.0%	29.5	0.7%

Unit : Million Baht	As of 30-Sep-22	As of 30-Sep-23
Cash flows from operating activities	543.4	615.5
Cash flows used in investing activities	(557.2)	(180.3)
Free cash flows	(13.8)	435.2
Cash flows used in financial activities	(145.5)	(195.0)
Net change in cash	(159.2)	240.2
Effect of exchange rate changes	1.8	10.9
Beginning Cash and Cash Equivalents	350.4	199.5
Ending Cash and Cash Equivalents	192.9	450.6

As of 30 September 2023, total assets were Baht 4,324.8 million, increased by 0.7% from 31 December 2022, mainly due to increased by 100% in cash and cash equivalents from collection money of trade account receivable and loan to related party, then effected to decrease by 15.9% and by 100%, respectively.

Cash and cash equivalents were Baht 450.6 million, increased by 100% from 31 December 2022 due to cash balance from normal business operations, receipt money from loan to related party and sale of investment in associate.

Network equipment and PPE assets were Baht 3,280.7 million, decreased by 0.6% from 31 December 2022 mainly due to depreciation expense.

Long-term loan to related party decreased by 100% from 31 December 2022 due to receive the full amount of loan in May 2023.

Total liabilities were Baht 1,484 million, decreased by 9.5% from 31 December 2022 mainly due to loan repayment during the period and decreased by 3.8% in account payable.

Total shareholders' equity was Baht 2,870.3 million, increased by 6.9% from 31 December 2022 due to the positive net operating result during the period and paid dividend to shareholders.

As of 30 September 2023, Debt to Equity (D/E) ratio was at 0.55x (*as of 31 December 2022: 0.61x*) and Debt to EBITDA ratio was at 1.88x (*as of 31 December 2022: 2.41x*).

2023 Outlook

In the upcoming final quarter of this year, the company anticipates a gradual economic growth trajectory. Investments will be approached with caution due to the challenges posed by elevated energy prices and rising production factor costs, intensifying competition.

Nevertheless, the company remains committed to sustaining its consistent growth. In addition to offering essential infrastructure and data connectivity services, our focus extends to providing top-notch services in Cloud, security and cybersecurity, alongside cutting-edge digital ICT solutions.

The company is committed to ongoing product innovation and superior services level, aiming to offer more than just connectivity but also towards value-added solutions across various sectors. Our vision includes sustainable growth and delivering consistent returns to our valued shareholders as we evolve and expand.