



ALT Telecom Public Company Limited

Management Discussion and Analysis for Q3/2023 ended September 30, 2023

EXECUTIVE SUMMARY

The performance of ALT Telecom Public Company Limited (“ALT” or the “Company”) as presented in consolidated financial statement for Q3/2023 ended September 30, 2023 compared to same period of previous year are summarized as follows;

Income Statement	Q3/2023		Q3/2022		Million THB Up (Down)	
	Value	%	Value	%	Change	%
Revenues						
Sales	12.28	4.8%	19.44	6.8%	(7.17)	-36.9%
Services- constuction	96.18	37.6%	142.33	49.8%	(46.15)	-32.4%
Services - network	147.33	57.6%	124.26	43.4%	23.07	18.6%
Total revenues	255.78	100.0%	286.03	100.0%	(30.25)	-10.6%
Cost						
Cost of sales	(7.98)	-65.0%	(12.68)	-65.2%	(4.70)	-37.1%
Cost of services - construction	(75.09)	-78.1%	(106.49)	-74.8%	(31.41)	-29.5%
Cost of service - network	(117.35)	-79.6%	(94.91)	-76.4%	22.44	23.6%
Total cost	(200.41)	-78.4%	(214.09)	-74.8%	(13.67)	-6.4%
Gross (loss) profit						
Sales	4.30	35.0%	6.76	34.8%	(2.46)	-36.4%
Services- constuction	21.09	21.9%	35.83	25.2%	(14.75)	-41.2%
Services - network	29.98	20.4%	29.34	23.6%	0.64	2.2%
Gross (loss) profit	55.37	21.6%	71.94	25.2%	(16.57)	-23.0%
Other income	9.13	3.6%	5.51	1.9%	3.62	65.7%
Selling expenses	(18.91)	-7.4%	(16.81)	-5.9%	2.10	12.5%
Administrative expenses	(30.22)	-11.8%	(29.49)	-10.3%	0.73	2.5%
Reversal (recognition) of expected credit loss	7.95	3.1%	2.15	0.8%	(5.81)	0.0%
Loss from exchange rate	0.46	0.2%	11.85	4.1%	(11.39)	-96.1%
Share of loss of associate	0.28	0.1%	(2.39)	-0.8%	2.68	111.9%
Share of gain of JV	0.42	0.2%	(3.50)	-1.2%	3.91	111.9%
Finance costs	(7.57)	-3.0%	(4.39)	-1.5%	3.18	72.3%
Profit (loss) before income tax	16.91	6.6%	34.86	12.2%	(17.95)	-51.5%
Income tax	(2.19)	-0.9%	(6.31)	-2.2%	(4.12)	-65.3%
Profit (loss) for the period	14.72	5.8%	28.55	10.0%	(13.83)	-48.5%

- o Q3/2023, the Company had total revenue of THB 255.78 million, decreased from THB 286.03 million in Q3/2022, which was a decrease in revenue from sales and revenue from services of system installation of THB 7.17 million and THB 46.15 million, respectively. While the revenue from the network service, which is recurring income, continued to grow, increasing by THB 23.07 million.
- o Gross profit in Q3/2023 amounted to THB 55.37 million, with the main proportion of 54.2% coming from the network service business that is recurring income of THB 29.98 million, the others being profits from system installation service and product sales were THB 21.09 million and THB 4.30 million respectively.
- o Q3/2023, there was a reversal of provision for credit loss expenses in the amount of THB 7.95 million as a result of better collections from the customers.
- o Interest expenses in Q3/2023 amounted to THB 7.57 million, increasing from THB 4.39 million in Q3/2022 following the increase of interest rates and more borrowing from bank.
- o Operating results in Q3/2023, the Company had a net profit of THB 14.72 million.
- o As of September 30, 2023, the Company had Backlog about THB 4,490 million.



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Million THB				
Financial Position	30-Sep-23	31-Dec-22	Up (Down)	%
Assets				
Current assets	1,276.84	1,217.31	59.53	4.9%
Non-current assets	2,377.07	1,806.75	570.32	31.6%
Total assets	3,653.92	3,024.06	629.86	20.8%
Liabilities & equity				
Current liabilities	1,273.07	808.60	464.47	57.4%
Non-current liabilities	777.41	627.74	149.67	23.8%
Total liabilities	2,050.47	1,436.34	614.13	42.8%
Equity				
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	(400.14)	(415.89)	15.76	-3.8%
Non-controlling interests	0.19	0.22	(0.03)	-13.5%
Total equity	1,603.45	1,587.72	15.73	1.0%
Total liabilities & equity	3,653.92	3,024.06	629.86	20.8%

Total assets and total liabilities of the Company increased by THB 629.86 million, THB 614.13 million, respectively. Changes in working capital, including accounts receivable and contract assets net increased by THB 15.63 million, inventory increased THB 152.73 million. Meanwhile, trade payables increased by THB 176.47 million. In terms of investment, important changes include: The value of the fiber optic network increased by THB 419.31 million. Right of use assets (Long-term leases and services) increased by THB 114.24 million along with lease liabilities that increased by THB 109.42 million. Investment properties increased by THB 8.29 million, property plant and equipment decreased by THB 46.89 million from depreciation. The funding sources to finance such increases of assets include: loans from financial institutions and related party increased by THB 226.90 million, advances received from customers for long-term service contracts (IRUs) increased by THB 72.69 million.

Cash Flow	Million THB	
	9M/2023	9M/2022
Net cash generated from operation	169.76	278.14
Net cash generated from investment	(526.76)	(280.10)
Net cash generated from finance	197.32	148.75
Net cash flow	(159.67)	146.78
Beginning cash	315.91	253.42
Ending cash	156.24	400.20

Q3/2023, the Company had net cash flows from operations of THB 169.76 million, cash used for investment of THB 526.76 million, and cash received from financing of THB 197.32 million. As of the end of the quarter, September 30, 2023, the Company had cash on hand in the amount of THB 156.24 million

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