

## Executive Summary

In the fourth quarter of 2023, Thailand's telecommunications industry experienced a resilient performance amidst economic fluctuations. Despite macroeconomic uncertainties, the industry showcased steady growth, driven by increased demand for telecommunications services nationwide. With the continuous expansion of digital infrastructure and the adoption of advanced technologies, telecommunications companies in Thailand witnessed a surge in revenue streams. Furthermore, initiatives to enhance connectivity, coupled with strategic partnerships and innovative service offerings, contributed to the sector's robust performance during this period. As Thailand solidifies its position as a regional hub for telecommunications, the industry remains a vital driver of economic development and digital transformation in the country.

Amidst the economic landscape of the fourth quarter of 2023, Thailand's telecommunications sector emerged as a beacon of resilience and growth. As the country navigated through economic uncertainties, telecommunications companies demonstrated adaptability and agility in meeting evolving consumer demands. Investments in next-generation networks, coupled with the expansion of 5G infrastructure, propelled the industry forward, enabling enhanced connectivity and digital services across Thailand. Moreover, the sector's contribution to employment and technological advancement underscored its significance in driving Thailand's economic progress. Looking ahead, the telecommunications industry is poised to continue its upward trajectory, playing a pivotal role in shaping Thailand's digital future and fostering socio-economic development nationwide.

The performance overview for 2023 indicates another successful year for the company. The combination of increased new sales and a reduction in service cancellations led to substantial revenue growth, reaching all-time high of two billion baht. Additionally, the company achieved its highest net profit to date, with the net profit margin increasing from 9.5% to 13.1%.

## Quarter Performance

The Company reported its strong Q4 performance with 16% 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 38.2 million, higher by 5.2% YoY.

For QoQ comparison, the Company performed higher with 2.3% in Total revenue and lower with 26.8% in Net Profit due to loss on FX in this quarter, while decreased from finance cost and income tax expense, by 6.6% and by 23.9%, respectively.

### Year-to-Date (12 months) Performance

The Company recorded Total Revenue of Baht 2,016.4 million and Net Profit of Baht 264.6 million respectively, increased by 18.7% and by 57.2% 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 203.9 million, also higher by 25.8% YoY.

### **4Q2023 Performance Overview**

#### **Revenue**

In 4Q2023, service revenue was Baht 505.7 million, increased by 16.7% YoY and by 4% 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 1.8 million, decreased by 81.4% QoQ due to last quarterly had gain on FX. Compare with YoY, also decreased by 54.6% due to interest income from loan to associate company and one-off item from the results of the company's lawsuit.

For 12M2023, total revenue was Baht 2,016.4 million, increased by 18.7% YoY, mainly from the growth of service revenue of 15% to Baht 1,940.6 million in both domestic and international connectivity services. Other income was Baht 75.8 million, increased more than 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 5.1 million. Exclude one-off item of gain on sale of investment in associate, total revenue was Baht 1,952.7 million, higher with 14.9% YoY.

#### **Costs of Services and Sales (COSS)**

In 4Q2023, Costs of Services and Sales were Baht 327.5 million, increased by 20.7% YoY, 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 and higher depreciation expense for network equipment.

For 12M2023, Costs of Services and Sales were Baht 1,273 million, increased by 18% YoY, mainly due to higher network connection expenses and higher site expenses, both coming from higher site rental, electricity expenses and maintenance costs and higher depreciation expense for network equipment.

Unit : Million Baht	Amount			Change		Amount		Change (%) YoY
	Q4/22	Q3/23	Q4/23	(%) QoQ	(%) YoY	2022	2023	
<b>Revenue</b>								
Service revenue	433.3	486.3	505.7	4.0%	16.7%	1,688.2	1,940.6	15.0%
Other income	4.0	9.8	1.8	-81.4%	-54.6%	10.8	75.8	601.4%
<b>Total Revenue</b>	<b>437.3</b>	<b>496.1</b>	<b>507.5</b>	<b>2.3%</b>	<b>16.0%</b>	<b>1,699.0</b>	<b>2,016.4</b>	<b>18.7%</b>
Costs of Services and Sales (excl. D&A)	(180.3)	(226.5)	(224.9)	-0.7%	24.7%	(704.5)	(873.5)	24.0%
Depreciation & Amortization (D&A)	(91.1)	(100.9)	(102.6)	1.7%	12.6%	(373.9)	(399.5)	6.8%
<b>Total Cost of Services and Sales</b>	<b>(271.5)</b>	<b>(327.4)</b>	<b>(327.5)</b>	<b>0.0%</b>	<b>20.7%</b>	<b>(1,078.4)</b>	<b>(1,273.0)</b>	<b>18.0%</b>
Service & Administrative Expenses (excl. D&A)	(92.2)	(79.5)	(108.9)	37.0%	18.2%	(313.4)	(338.3)	7.9%
Depreciation & Amortization (D&A)	(14.2)	(13.3)	(13.1)	-1.4%	-7.3%	(58.2)	(54.6)	-6.3%
<b>Total Service &amp; Administrative Expenses</b>	<b>(106.4)</b>	<b>(92.8)</b>	<b>(122.1)</b>	<b>31.5%</b>	<b>14.8%</b>	<b>(371.6)</b>	<b>(392.9)</b>	<b>5.7%</b>
<b>Operating Profit /( Loss)</b>	<b>59.5</b>	<b>75.9</b>	<b>57.9</b>	<b>-23.7%</b>	<b>-2.7%</b>	<b>249.0</b>	<b>350.5</b>	<b>40.8%</b>
Financial Cost	(9.4)	(9.6)	(8.9)	-6.6%	-5.1%	(35.6)	(37.2)	4.5%
Income Tax Expenses	(13.8)	(14.1)	(10.8)	-23.9%	-21.9%	(45.0)	(48.6)	8.1%
<b>Core Net Profit/(Loss) for the period</b>	<b>36.3</b>	<b>52.2</b>	<b>38.2</b>	<b>-26.8%</b>	<b>5.2%</b>	<b>168.4</b>	<b>264.6</b>	<b>57.2%</b>
<i>Core Net Profit/(Loss) Margin</i>	<i>8.3%</i>	<i>10.5%</i>	<i>7.5%</i>			<i>9.9%</i>	<i>13.1%</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%
<b>Net Profit/(Loss) for the period</b>	<b>36.3</b>	<b>52.2</b>	<b>38.2</b>	<b>-26.8%</b>	<b>5.2%</b>	<b>162.1</b>	<b>264.6</b>	<b>63.3%</b>
<i>Net Profit/(Loss) Margin</i>	<i>8.3%</i>	<i>10.5%</i>	<i>7.5%</i>			<i>9.5%</i>	<i>13.1%</i>	
One-off items (after tax)	0.0	0.0	0.0	0.0%	0.0%	0.0	(60.8)	-100.0%
<b>Normalized Net Profit/(Loss) for the period</b>	<b>36.3</b>	<b>52.2</b>	<b>38.2</b>	<b>-26.8%</b>	<b>5.2%</b>	<b>162.1</b>	<b>203.9</b>	<b>25.8%</b>
<i>Normalized Net Profit/(Loss) Margin</i>	<i>8.3%</i>	<i>10.5%</i>	<i>7.5%</i>			<i>9.5%</i>	<i>10.4%</i>	

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change (%) YoY
	Q4/22	Q3/23	Q4/23	(%) QoQ	(%) YoY	2022	2023	
<b>EBITDA</b>								
Operating Profit /( Loss)	59.5	75.9	57.9	-23.7%	-2.7%	249.0	350.5	40.8%
Depreciation & Amortization (D&A)	105.3	114.2	115.8	1.4%	9.9%	432.2	454.1	5.1%
<b>EBITDA</b>	<b>164.8</b>	<b>190.1</b>	<b>173.7</b>	<b>-8.7%</b>	<b>5.4%</b>	<b>681.1</b>	<b>804.6</b>	<b>18.1%</b>
<i>EBITDA Margin</i>	<i>37.7%</i>	<i>38.3%</i>	<i>34.2%</i>			<i>40.1%</i>	<i>39.9%</i>	
One-off items (before tax)	0.0	0.0	0.0	0.0%	0.0%	0.0	(63.7)	-100.0%
<b>Normalized EBITDA</b>	<b>164.8</b>	<b>190.1</b>	<b>173.7</b>	<b>-8.7%</b>	<b>5.4%</b>	<b>681.1</b>	<b>740.9</b>	<b>8.8%</b>
<i>Normalized EBITDA Margin</i>	<i>37.7%</i>	<i>38.3%</i>	<i>34.2%</i>			<i>40.1%</i>	<i>37.9%</i>	

### Service & Administrative (S&A) Expenses

In 4Q2023, Service & Administrative expenses were Baht 122.1 million, increased by 14.8% YoY and by 31.5% QoQ mainly due to higher employee expense (salary, training expense, etc) and higher maintenance on office equipment and loss on FX (13.9 million).

For 12M2023, Service & Administrative expenses were Baht 392.9 million, also increased by 5.7% YoY, mainly due to overall higher employee expenses and training, higher professional fee and higher maintenance on office equipment.

### EBITDA and Net Profit

In 4Q2023, EBITDA closed at Baht 173.7 million, increased by 5.4% YoY due to higher service revenue and other income. Compare with QoQ, decreased by 8.7% due to loss on FX.

Net Profit closed at Baht 38.2 million, increased by 5.2% 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 26.8% from loss on FX but net-off with lower finance cost and income tax expense.

For 12M2023, both EBITDA and Core Net Profit were higher at Baht 804.6 million and Baht 264.6 million, resulted from growth in service revenue and other income from one-off item of gain on sale of investment in associate. Excluded one-off item of gain on sale of investment in associate, EBITDA and the normalized Net Profit was Baht 740.9 million and Baht 203.9 million, increased by 8.8% YoY and by 25.8% QoQ.

## Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-22		31-Dec-23		Change	
	Amount	%	Amount	%	Amount	(%) YoY
<b>Assets</b>						
Cash and cash equivalents	199.5	4.6%	400.0	9.4%	200.5	100.5%
Trade and other account receivables	343.5	7.9%	315.0	7.4%	-28.6	-8.3%
Other current assets	87.0	2.0%	53.9	1.3%	-33.1	-38.0%
<b>Total current assets</b>	<b>630.1</b>	<b>14.6%</b>	<b>768.9</b>	<b>18.1%</b>	<b>138.9</b>	<b>22.0%</b>
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%	3,217.9	75.8%	-84.3	-2.6%
Other non-current assets	268.4	6.2%	258.1	6.1%	-10.4	-3.9%
<b>Total non-current assets</b>	<b>3,694.7</b>	<b>85.4%</b>	<b>3,475.9</b>	<b>81.9%</b>	<b>-218.8</b>	<b>-5.9%</b>
<b>Total assets</b>	<b>4,324.8</b>	<b>100.0%</b>	<b>4,244.9</b>	<b>100.0%</b>	<b>-79.9</b>	<b>-1.8%</b>
<b>Liabilities and shareholders' equity</b>						
Trade payables	408.5	9.4%	329.2	7.8%	-79.3	-19.4%
Current portion of long-term/ short-term loans	306.2	7.1%	291.9	6.9%	-14.3	-4.7%
Other current liabilities	113.7	2.6%	116.4	2.7%	2.7	2.3%
<b>Total current liabilities</b>	<b>828.4</b>	<b>19.2%</b>	<b>737.5</b>	<b>17.4%</b>	<b>-91.0</b>	<b>-11.0%</b>
Long-term loans	638.3	14.8%	446.4	10.5%	-191.9	-30.1%
Other non-current liabilities	173.7	4.0%	152.5	3.6%	-21.2	-12.2%
<b>Total non-current liabilities</b>	<b>812.0</b>	<b>18.8%</b>	<b>598.8</b>	<b>14.1%</b>	<b>-213.1</b>	<b>-26.2%</b>
<b>Total liabilities</b>	<b>1,640.4</b>	<b>37.9%</b>	<b>1,336.3</b>	<b>31.5%</b>	<b>-304.1</b>	<b>-18.5%</b>
Share capital and share premium	1,818.0	42.0%	1,818.0	42.8%	0.0	0.0%
Retained earnings	840.1	19.4%	1,064.1	25.1%	224.1	26.7%
Other components of equity	26.3	0.6%	26.3	0.6%	0.1	0.3%
<b>Shareholders' Equities</b>	<b>2,684.4</b>	<b>62.1%</b>	<b>2,908.5</b>	<b>68.5%</b>	<b>224.2</b>	<b>8.4%</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,324.8</b>	<b>100.0%</b>	<b>4,244.9</b>	<b>100.0%</b>	<b>-79.9</b>	<b>-1.8%</b>

Unit : Million Baht	As of 31-Dec-22	As of 31-Dec-23
Cash flows from operating activities	666.5	747.4
Cash flows used in investing activities	(656.2)	(242.1)
<b>Free cash flows</b>	<b>10.3</b>	<b>505.3</b>
Cash flows used in financial activities	(160.0)	(300.2)
Net change in cash	(149.7)	205.1
Effect of exchange rate changes	(1.2)	(4.6)
<b>Beginning Cash and Cash Equivalents</b>	<b>350.4</b>	<b>199.5</b>
<b>Ending Cash and Cash Equivalents</b>	<b>199.5</b>	<b>400.0</b>

As of 31 December 2023, total assets were Baht 4,244.9 million, decreased by 1.8% from 31 December 2022, mainly due to collection money of trade account receivable and loan to associate company, then effected to decrease by 8.3% and by 100%, respectively and decreased by 38% from other current asset - withholding tax.

Cash and cash equivalents were Baht 400 million, increased by 100% from 31 December 2022 due to cash balance from normal business operations, receipt money from loan to associate company and sale of investment in associate.

Network equipment and PPE assets were Baht 3,217.9 million, decreased by 2.6% 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 1,336.3 million, decreased by 18.5% from 31 December 2022 mainly due to loan repayment during the period and decreased by 19.4% in account payable.

Total shareholders' equity was Baht 2,908.5 million, increased by 8.4% from 31 December 2022 due to the positive net operating result during the period and paid dividend to shareholders.

As of 31 December 2023, Debt to Equity (D/E) ratio was at 0.46x (*as of 31 December 2022: 0.61x*) and Debt to EBITDA ratio was at 1.66x (*as of 31 December 2022: 2.41x*).

## 2024 Outlook

In the realm of telecommunications fixed line services, the outlook for the year 2024 in Thailand appears promising yet challenging. With an evolving economic landscape marked by both opportunities and uncertainties, telecommunications companies operating in the fixed line sector must navigate various factors to sustain growth. As the demand for reliable and high-speed connectivity continues to rise, driven by digital transformation initiatives and remote working trends, telecommunications providers are poised to capitalize on this increasing demand. However, amidst economic fluctuations and regulatory developments, the company faces the imperative to innovate, streamline operations, and invest in infrastructure to maintain competitiveness and meet evolving consumer expectations. Overall, while the telecommunication fixed line industry in Thailand anticipates growth opportunities in 2024, careful strategic planning and agility will be crucial to navigate the dynamic economic environment effectively.

In year 2024, the Company will accelerate its organic business growth to capture market share and higher customer base as more opportunities and increasing demand for connectivity, coupled with cloud adoption and digital technology across all enterprises and also global carriers/OTTs.

The Company will continue to invest in new technologies, upgrading network infrastructure and improving product innovation to meet customers demands for quality and superior services. This is in line with our long term strategy to drive sustainable growth for future business expansion and commit to deliver the best return to our esteemed shareholders.