



NETbay Public Company Limited
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Netbay IR 07/2562

8 August 2019

Subject: Management Discussion and Analysis for Q2/2019

To: The President The Stock Exchange of Thailand

Overview of Operating Results for the Three-Month Period ended 30 June 2019

Service income of Netbay Public Company Limited (“the Company”) and its subsidiary for the three-month period ended 30 June 2019 was Baht 103.52 million, increasing Baht 14.26 million or 15.97% from the same period of the previous year. The growth of revenues from Digital Business Services derived from the Company that was able to maintain its existing customers and expand more new customers, including enhance the variety of services. In addition, the growth of e-commerce in Thailand positively affects Company’s revenue.

Cost of services for the three-month period ended 30 June 2019 was Baht 20.92 million, increasing Baht 3.27 million or 18.65% from the same period of the previous year. The increase mainly driven by higher depreciation and amortization of network investment.

Service and administrative expenses for the three-month period ended 30 June 2019 was Baht 39.18 million, slightly increased by Baht 4.07 million or 11.59% from the same period of the previous year. The increase was less than the growth of revenue due to the efficiency in the management of service & administrative expenses in Q2/2019.

The company’s net profit for the three-month period ended 30 June 2019 was Baht 45.72 million, increasing Baht 9.65 million or 26.74% from the same period of the previous year. The rise in net profit was due to continuously maintain revenue growth in revenue and the efficiency in the management of cost of services and service & administrative expenses.



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As at June 30, 2019, the Company's total assets was Baht 527.13 million and total liabilities was Baht 115.83 million. Shareholders' equity amounted Baht 411.30 million, decreasing Baht 60.57 million from the end of year 2018 due to the dividend payment.

Debt to equity ratio as at June 30, 2019 was 0.28 (31 December 2018: 0.29). Book value per share was Baht 2.06 (31 December 2018: Baht 2.36 per share).

Amendments to the law relating to the legal severance pay rates

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 4.5 million (The Company only: Baht 3.8 million) as a result. The Company and its subsidiaries reflect the effect of the change by recognising past service costs as expenses in the income statement of the period in which the law is effective, which is the second quarter of 2019.

Please be informed accordingly.

Yours sincerely,

(Mr. Pichit Viwatrujirapong)

Chief Executive Officer

Netbay Public Company Limited