

No. IFS 061/2562

11 November 2019

Subject Management Discussion and Analysis of the 3<sup>rd</sup> Quarter 2019 Operating Results

Dear Governors and President

Market for Alternative Investment (mai)

Infrasets Public Company Limited (the "Company") hereby submitted the Management Discussion and Analysis of the 3<sup>rd</sup> Quarter 2019, ending 30 September 2019. Details are as follows:

### Operating Results

#### Overview

For the 3-month periods ending 30 September 2018 and 2019, the Company's revenues were 279.37 million Baht and 427.85 million Baht respectively. The main revenues were from Data Center & Information Technology Infrastructure Business, followed by the revenues from Telecommunications Infrastructure Business. The gross profit margins for the periods were 22.19% and 20.56% respectively. The increase in revenue in Q3/2019 compared with the same quarter last year was due to the expedited delivery of projects such as USO (Phase 2), Cable Landing Station and CAT-IDC, together with the revenue recognition of MA USO (Phase 1).

Selling and administrative expenses were 10.07 million Baht and 25.68 million Baht respectively. The expenses increased in line with the number of employees to support business expansion. The Company's net profits were 44.77 million Baht, and 50.29 million Baht respectively.

#### Data Center & Information Technology Infrastructure Business

For the 3-month periods ending 30 September 2018 and 2019, the Company's revenues from Data Center & Information Technology Infrastructure Business were 180.95 million Baht and 379.14 million Baht respectively. The corresponding gross profits were 30.02 million Baht and 89.75 million Baht respectively. In 2019, the Company's revenues and gross profits from the business increased mainly from the data center construction projects and USO (Phase 2) project, resulting in higher gross profit margin than the same period in 2018.

#### Telecommunications Infrastructure Business

For the 3-month periods ending 30 September 2018 and 2019, the Company's revenues from Telecommunications Infrastructure Business were 92.15 million Baht and 30.80 million Baht respectively. The corresponding gross profits were 41.64 million Baht and 9.23 million Baht respectively. The revenue from the business decreased as in Q3/2018 the delivery units of Transmission Tower Installation and Cable Network System in accordance with contract terms were high.

#### Maintenance and Service Business

For the 3-month periods ending 30 September 2018 and 2019, the Company's revenues from Maintenance and Service Business were 0.85 million Baht and 16.92 million Baht respectively. The revenues from Maintenance and Service can be divided into revenues from preventive maintenance (PM) and revenues from corrective maintenance (CM). In Q3/2019, the revenue from the business increased due to the revenue recognition of Maintenance and Service of USO (Phase 1), which has a contract period of 5 years

#### Other revenues

For the 3-month periods ending 30 September 2018 and 2019, the Company's other revenues were 5.42 million Baht and 0.99 million Baht respectively. Most of these revenues were from the interests received from bank deposits. However, other revenues in Q3/2018 caused by the gain from the transfer of rights and obligations in the land purchase and sale agreement in the amount of 5.34 million Baht.

#### Personnel expenses

For the 3-month periods ending 30 September 2018 and 2019, the Company's personnel expenses were 10.35 million Baht and 15.46 million Baht respectively. The expenses were comprised of the salaries, bonuses, related expenses of the employees, and incentives of Project Management and Service Department. The expenses increased in line with the number of employees. In Q3/2019, the number of employees in Project Management and Service Department were 107 staff, increasing from last year which were 65 staff

#### Selling expenses

For the 3-month periods ending 30 September 2018 and 2019, the Company's selling expenses were 0.99 million Baht and 2.80 million Baht respectively. The expenses increased in line with the number of sales and marketing staff resulting to the increase of sales compensations and commissions.

#### Administrative expenses

For the 3-month periods ending 30 September 2018 and 2019, the Company's administrative expenses were 9.08 million Baht and 22.88 million Baht respectively. The main expenses were the compensations for administrative employees such as salaries, bonuses, and other benefits. The expenses have increased in line with growing number of employees. In addition, in the year 2019, the Company had the additional expenses from 2018, such as special remuneration for the executive committee, branch office rental, and depreciation of the new office building.

#### Net Profits

For the 3-month periods ending 30 September 2018 and 2019, the Company's net profits were 44.77 million Baht and 50.29 million Baht respectively. The corresponding net profit margins were 16.03% and 11.75% respectively. The net profits increased

with rising revenues in each period. The Company's net profit margin was lower than the same period in 2018 because of higher selling and administrative expenses driven by the increase of number of employees to support business expansion.

Please be informed accordingly.

Yours sincerely,

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(Mr. Sakbaworn Pukkanasut)  
Managing Director