



# Opportunity Day Q2 2019

**20 August 2019**





# Agenda

- **Company Timeline**
- **Group and Company Structure**
- **Products and Services**
- **Q2 2019 Performance Recap and Recent Update**
- **Three Years Plan**

# Company Timeline

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- Established and registered as a company limited with 100% of total shares held by Interlink Communication Public Company Limited and Baht 30 million registered capital

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- Received a Telecommunications Network Provider Type III License No. 3A/55/001 from Office of The National Broadcasting and Telecommunications Commission (NBTC) with 15 years of license term
- Received "Right of Way" to install Fiber Optic Network along railways for servicing with 30 years term
- Started installation of Fiber Optic Network over the country, covered 10 provinces by emphasizing on Bangkok area and nearby area.

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- Started the service of Interlink Fiber Optic Network by focusing on service quality

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- Increased registered capital to Baht 300 million by issuing 270,000 shares with the value of Baht 100 per share. Offering to former shareholder for expanding the Company's network
- Purchased Data Center building and related equipment from Interlink Communication Public Company Limited and started Data Center service.
- Obtained Data Center quality standard from ISO under ISO27001 which is the important standard to operate business
- Received authorization from NBTC to provide International Private Leased Circuit (IPLC) and International Internet Protocol Virtual Private Network (International IP-VPN)
- Connected the network with oversea network service provider in order to provide data transferring service across countries such as Singapore, Malaysia, Cambodia, Vietnam and Hong Kong

2558



- Converted to Public Company Limited / Changed par value from Baht 100 to Baht 1
- Increased registered capital to Baht 500 million by issuing new 200,000,000 million shares at par value Baht 1
- Connected the network to Myanmar at both Thailand border crossing points at Mae-Sot, Tak province and Mae-Sai, Chiang Rai province

2559



- Connected the network to Laos at Thailand border crossing point for providing service to customers.
- Began to provide service to customers in 3 Southern border provinces.
- Alloted and sold 200 million ordinary shares at par value 1 Baht, in connection with the Initial Public Offerings to investors and unconnected persons for Baht 5.20 per share, so the issued and paid-up share capital is Baht 500 million and premium on share capital is Baht 815 million

2560



- Change of the par value of ordinary shares of the Company from that of Baht 1 to that of Baht 0.50, so the issued and paid-up share capital is Baht 500 million which the total of 1,000 million ordinary shares at a par value of Baht 0.50 each. The Company registered the change in the par value with the Ministry of Commerce on 9 May 2017 and the change was effective on 15 May 2017

2561



- Increased registered capital to Baht 625 million as to reserve for the issuance of warrant to purchase ordinary shares of the Company (ITEL-W1)
- ITEL-W1 maturity is 3 years from issue date of warrant. It can be exercised after the warrants are completed 2 years after issuance date at the end of each quarter with exercise ratio at 1 unit of warrant has the right to purchase 1 new ordinary share and the exercise price is 5 Baht per share.

# Group and Company Structure



## INTERLINK COMMUNICATION PUBLIC COMPANY LIMITED ("ILINK")

- Distribute all types of signal cable
- Import and Export all types of signal cable
- Design, construction and contracting for submarine cable project which is electrical cable or composite cable of high voltage cable and fiber optic cable
- Design, construction and contracting for transmission line, underground cable and substation or project related to electrical power system

95.07%



## INTERLINK POWER & ENERGY COMPANY LIMITED ("IPOWER")

- Design, construction and contracting for submarine cable project which is electrical cable or composite cable of high voltage cable and fiber optic cable
- Design, construction and contracting for transmission line, underground cable and substation or project related to electrical power system

60%



## INTERLINK TELECOM PUBLIC COMPANY LIMITED ("ITEL")

- Provide fiber optic network services
- Design, construction and contracting for fiber optic project and telecommunications project
- Provide data center service
- Design, construction and contracting for data center

100%



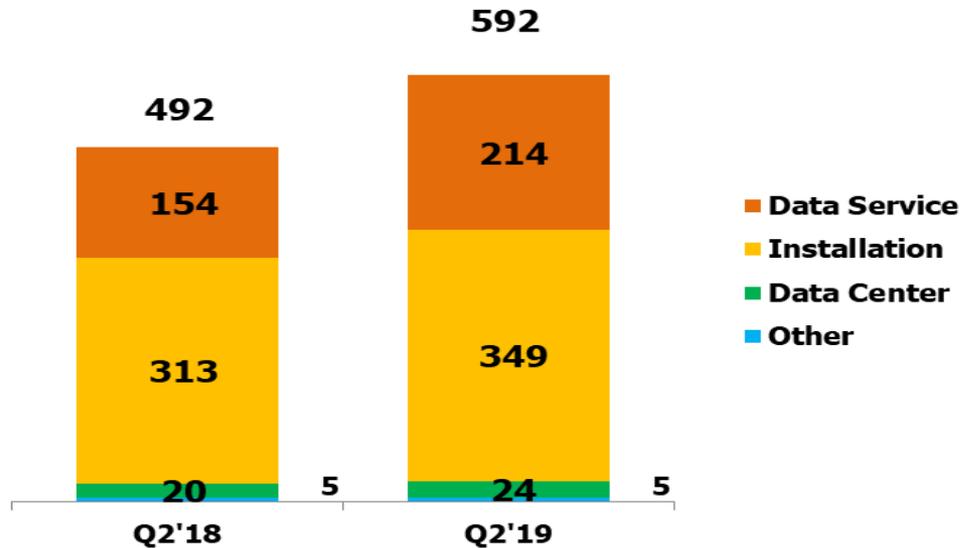
## INTERLINK DATA CENTER COMPANY LIMITED ("IDC")

- Dormant entity to reserve the company name only and does not operate business



# 2019 Q2 Performance Recap and Recent Update

## 2019 Q2 Revenue



## What's new in 2019

### Data Service

- #of Circuit increase to **18,117 (Jun'19)** from 16,992 (Mar'19)
- # of Customer increase to **607 (Jun'19)** from 580 (Mar'19)
- % of SLA at **99.99 %**
- Network Coverage up to **75 provinces**
- New Links acquiring are such as Ngerntidlor (เงินดีดล้อย), PhatraSecurities, Summit Capital Leasing, Fuel Pipeline Transportation (ขนส่งน้ำมันทางท่อ), Thai Life Insurance

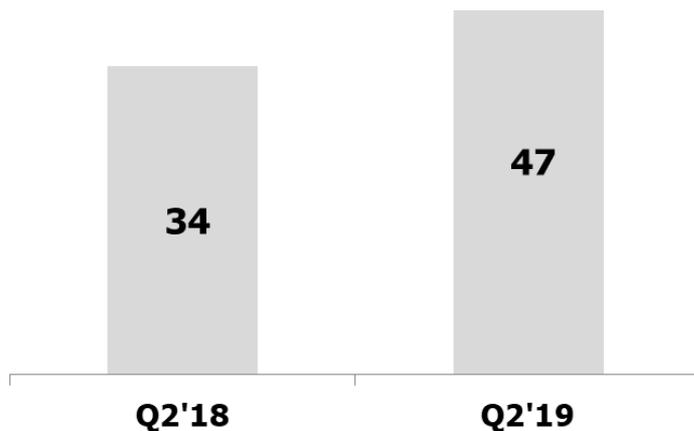
### Data Center

- # of customer: **19 customers (Jun'19)** from 19 customers (Mar'19) including **3 major customers such as TMB, GSB and MOC**
- Run at **95% of Occupancy Rate**
- SLA at **100%**

### Installation

- Major Projects Revenue Recognition are **USO-2 and DMS**
- New Project in 2019  
**1) PEA 3,140 Km. = 119.44 MB**
- Current Backlog = **1,368.64 MB**

## 2019 Q2 Net Income

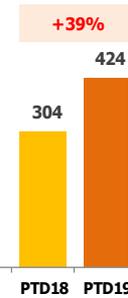
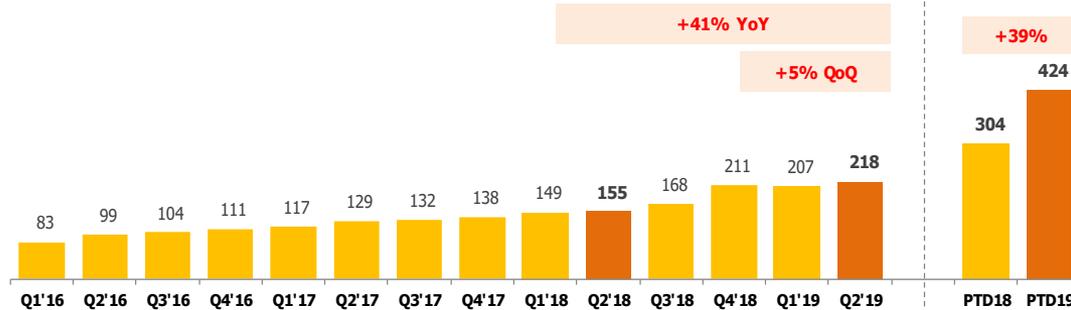


# 2019 Q2 Performance Recap and Recent Update

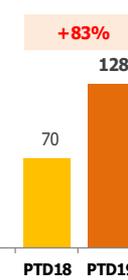
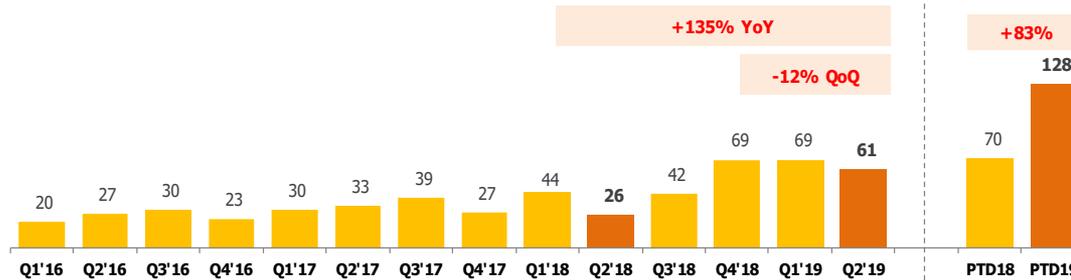
## Data Service

### Revenue

THB Million



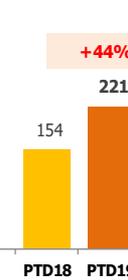
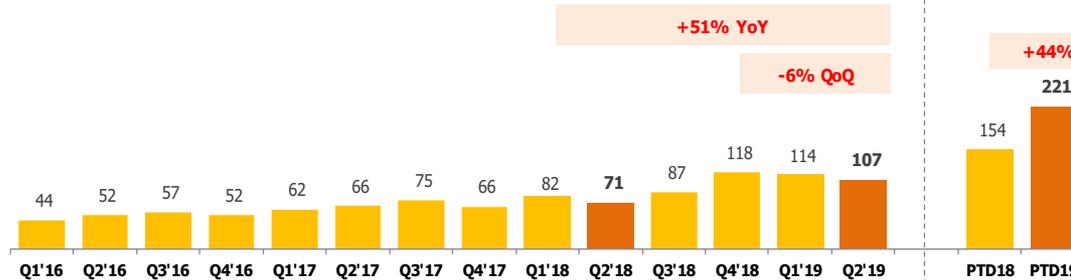
### GP



### % GP



### EBITDA



## Key Highlights

### Revenue

- Significant growth YoY
- Continuously growth QoQ, except for Q1'19 as a result of the price negotiation for dark fiber service and long outstanding accounts receivables
- Increased in # of customers and # of circuits are the key to success in Q2'19 vs Q2'18.
- Nationwide network (75 provinces) as well as improving SLA helped in building customer satisfaction that lead to more revenues.

### Gross Profit

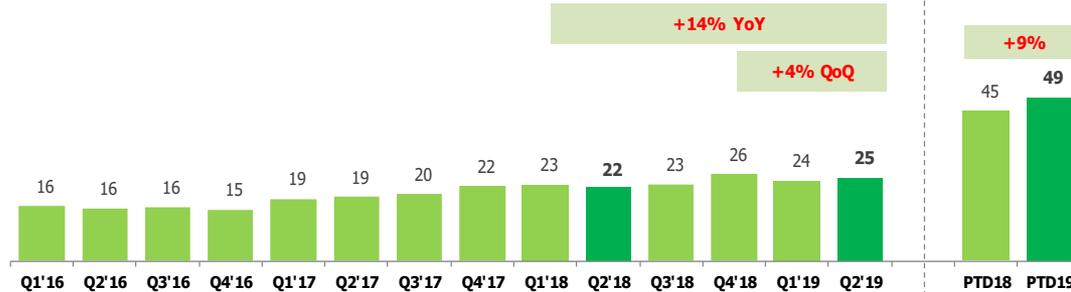
- Increased in value and % of GP both QoQ and YoY.
- Maintain Gross Profit Margin despite the decreasing in revenue
- In FY19, we still believe that COS will be effectively controlled, and %GP is **expected to be growth to be around 25-30% in 2019 onwards.**

# 2019 Q2 Performance Recap and Recent Update

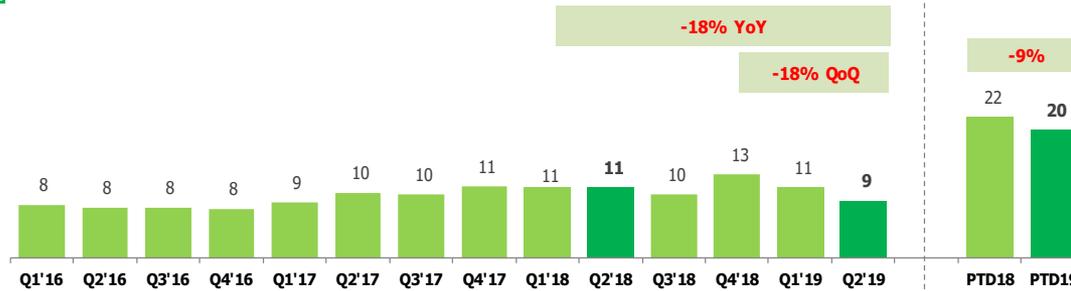
## Data Center

### Revenue

THB Million



### GP

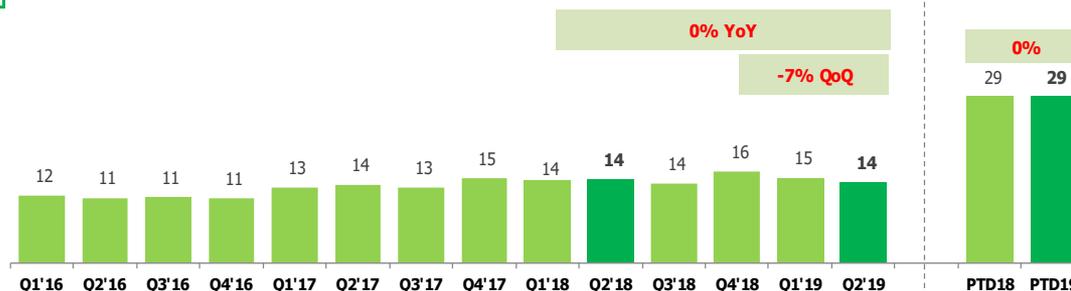


% GP

EBITDA

51.13% 49.71% 48.90% 50.02% 49.48% 53.97% 47.34% 49.97% 48.22% 48.95% 42.96% 47.49% 45.32% 37.23%

% EBITDA



72.22% 71.47% 71.25% 73.21% 69.95% 71.59% 66.15% 65.75% 63.43% 65.44% 58.61% 61.88% 61.88% 55.71%

## Key Highlights

### Revenue

- Q2'19 is higher than Q1'19 from fluctuation of electrical charge
- New level of revenue over 20 MB per quarter starting from Q1'17, the variance is electricity charge
- Having 3 major customers with **95% utilization of capacity**

### Gross Profit

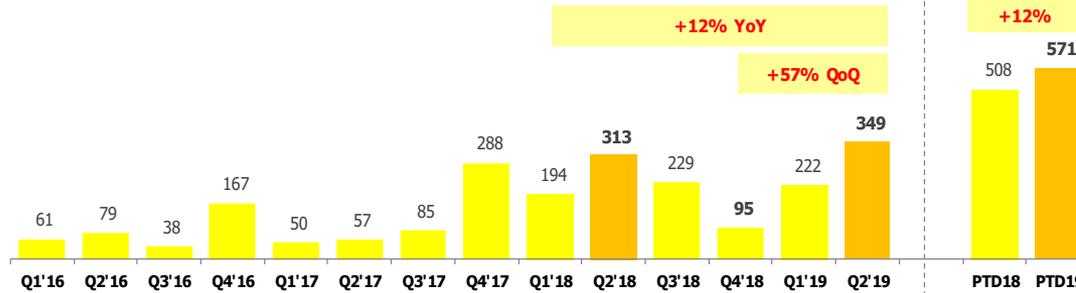
- %GP is fluctuate as a result of cost of electricity which revenue per unit is fixed price, but the electricity charge from MEA is fluctuated.
- Q2'19, the Company had changed the batteries, and change useful lives of batteries from 5 years to 3 years cause the significant decrease in GP.
- **New Control level of % GP above 40%**

# 2019 Q2 Performance Recap and Recent Update

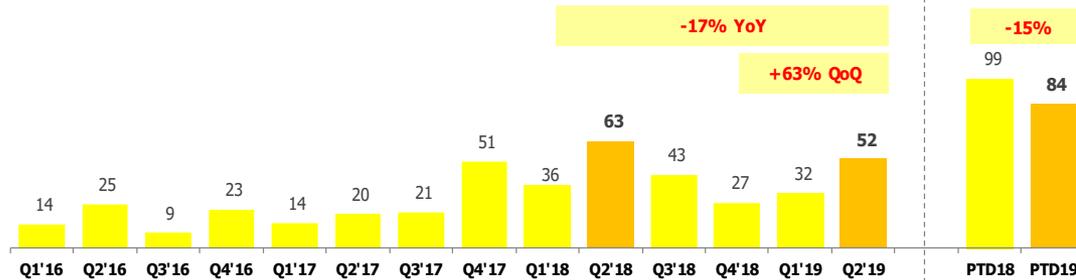
## Installation

### Revenue

THB Million

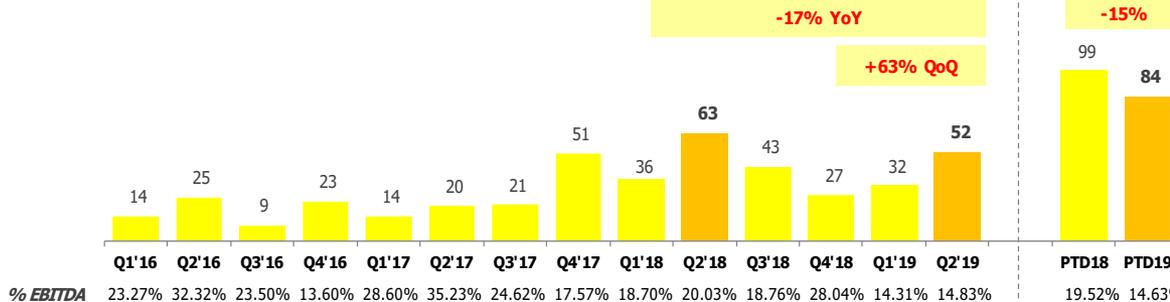


### GP



% GP

### EBITDA



## Key Highlights

### Revenue

- Fluctuation in revenue upon completion of projects' progression.
- Major projects revenue recognition in 2019 are USO-2 (303 MB) and DMS (224 MB)

### Backlog

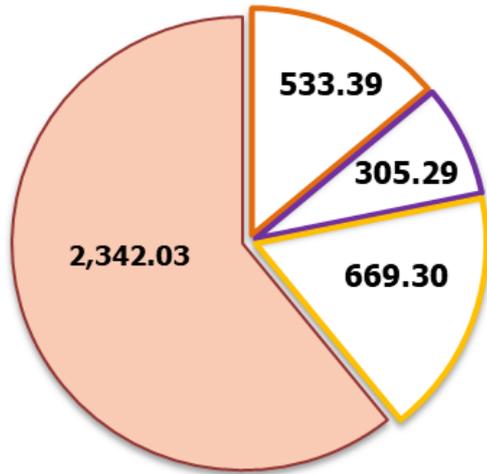
- No New Acquire Project in Q2
- New Project in 2019
  - 1) PEA 3,140 Km. = **119.44 MB**
- Current Backlog = **1,368.64 MB**

### Gross Profit

- Decreased in term of %GP due to major project in 2019 is contributed low %GP than usual
- Control level of % GP above 20%

# 2019 Q2 Performance Recap and Recent Update

## Revenue Back Log



Bandwidth Dark Fiber USO1 USO2

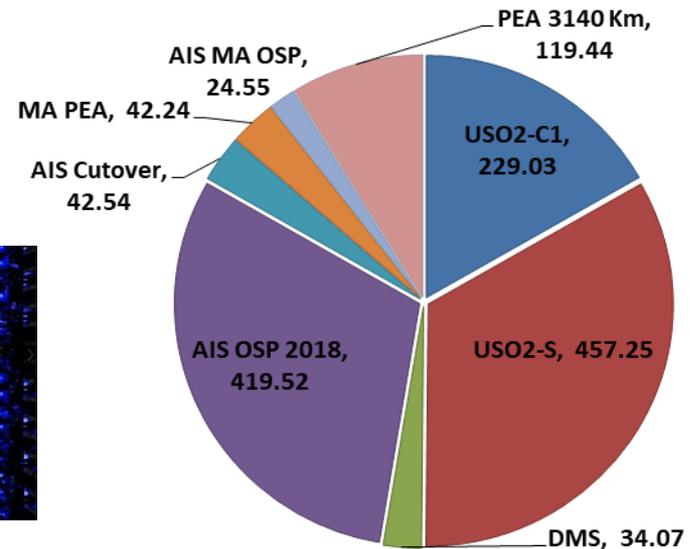
### DATA SERVICE

**Q2'19 = 3,850.01 MB**  
**(Q1'19 = 3,945.35 MB)**



### DATA CENTER

**Q2'19 = 93.05 MB**  
**(Q1'19 = 111.97 MB)**



### INSTALLATION

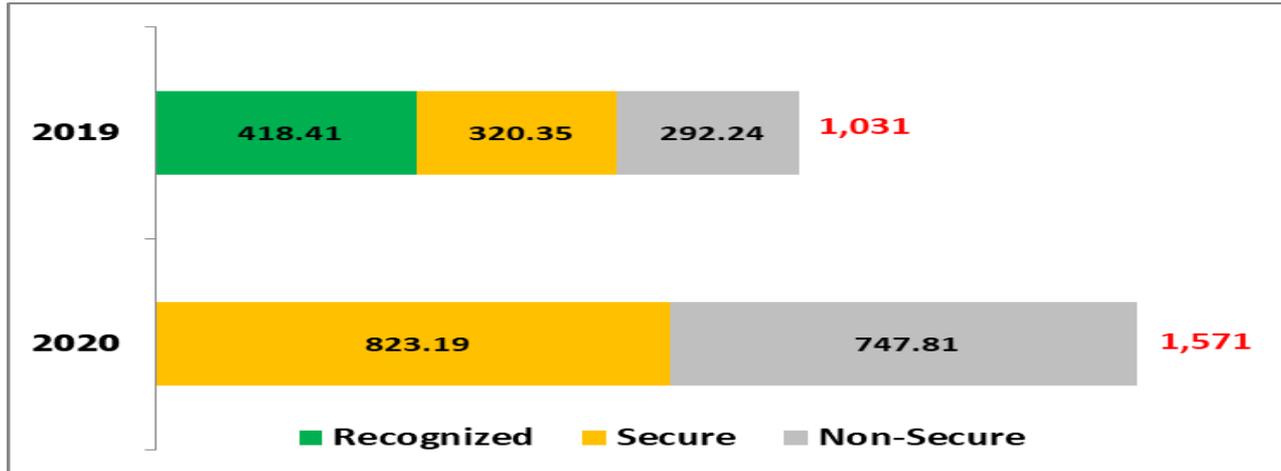
**Q2'19 = 1,368.64 MB**  
**(Q1'19 = 1,616.33 MB)**

**TOTAL = 5,311.70 MB**  
**(Q1'19 = 5,673.65 MB)**

# 2019 Q2 Performance Recap and Recent Update

## Back Log Revenue Recognition vs Target

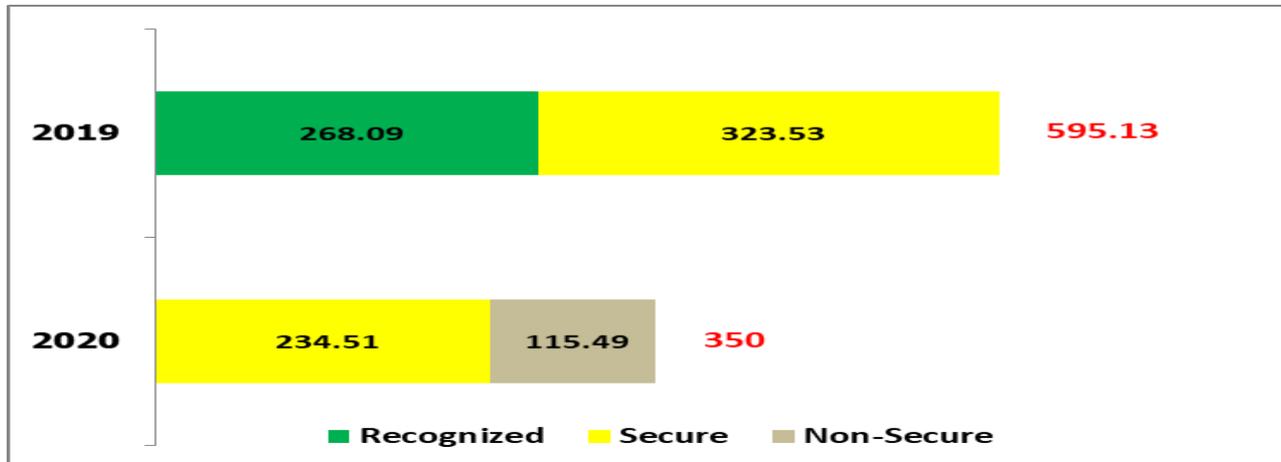
### DATA SERVICE



#### Data Service

- Target Revenue = 1,031 MB
- 1<sup>st</sup> HY Recognize = 418.41 MB
- Revenue to meet 2019 target = 612.59 MB
- **Secure** => Backlog will recognize during 2<sup>nd</sup> HY2019 = **320.35 MB**
- **Non-Secure** => New Link and Renew Contract during 2<sup>nd</sup> HY2019 to meet target = **292.24 MB**

### INSTALLATION



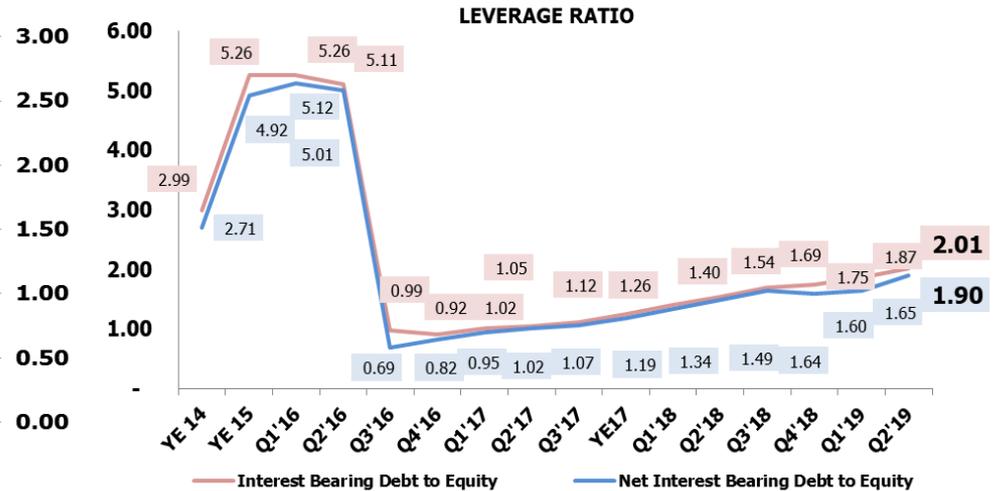
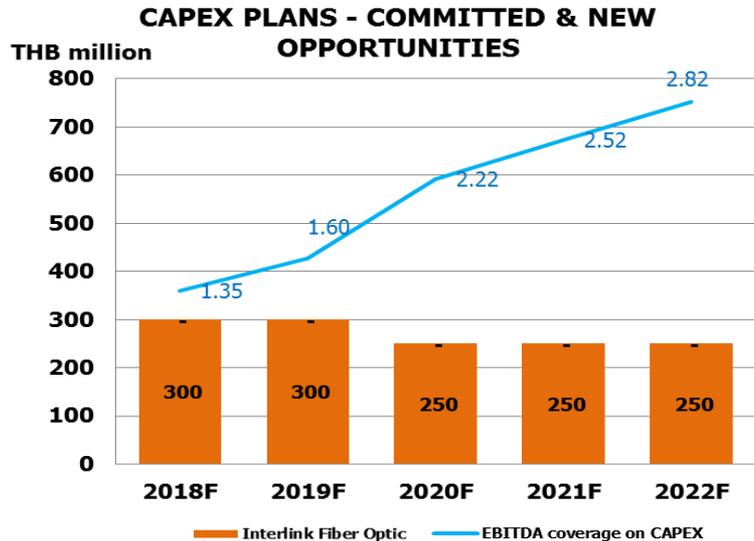
#### Installation

- Target Revenue = 350 MB
- 1<sup>st</sup> HY Recognize = 268.09 MB
- Revenue to meet 2019 target = 81.91 MB
- **Secure** => Backlog expected to recognize during 2<sup>nd</sup> HY2019 = **323.53 MB**
- 2019 Installation Revenue will be above Target

# 2019 Q2 Performance Recap and Recent Update

## Capital Expenditure and Financial Position Strength

### Overall



### Key Highlights

- Capital expenditure in expansion of Interlink Fiber Optic Network is forecasted to be not over 300 MB in 2019.
- In 2019, half of investment will be spent by EBITDA in which they will be sufficient for investment.
- Leverage ratio of ITEL is improved after IPO
- ITEL received funding from both of liabilities (bank loans) and operational result.

# Three Years Plan

## 2021 Goals

Revenue Growth over 20% CAGR

Gross Profit Margin  
Data Service: above 40% by 2021/Installation: Minimum at 20%/  
Data Center: above 45% each year

NPAT Margin Target at 20% by 2021

DE Ratio  
maintain  
under 1.7  
times

## Growth Pillars

Driven by  
recurring  
revenue

Maximization  
of assets  
utilization

Increasing of  
market shares

Improving/  
Maintaining  
customer  
experiences  
in term of  
churn rate

Improving/  
Maintaining  
service  
excellent in  
term of SLA

## Current Performance

40% w USO  
78% w/o USO

37%

9% working with IDC  
Research for more  
information

0.99%

99.9985%

## Measurements

80%

50% within  
5 years

17% within  
5 years

Lower than  
2%

99.99%



# THANK YOU



02-666-2222



info@interlinktelecom.co.th



www.interlinktelecom.co.th

