




Opportunity Day Q4 2020

DATE 9 March 2021




- **Company Timeline**
- **Group and Company Structure**
- **Products and Services**
- **Q4 2020 Performance Recap and Recent Update**
- **FT 2020 Performance Recap and Recent Update**
- **Five Years Plan**


Company Timeline

- 2550 


 - 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

- 2555 


 - 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.

- 2556 

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

- 2557 

 - 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

Company Timeline

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.
- Allotted 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.

2562



- Certified member of the Private Sector Collective Action Coalition Against Corruption from Thai Institute of Directors Association (IOD) by the Private Sector Collective Action Coalition Against Corruption Council (CAC)

2563



- Increased registered capital to Baht 750 million as to reserve for the issuance of warrant to purchase ordinary shares of the Company (ITEL-W2)
- ITEL-W2 maturity is 1 year from issue date of warrant. It can be exercised 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 3 Baht per share.

Group and Company Structure



- 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



- 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



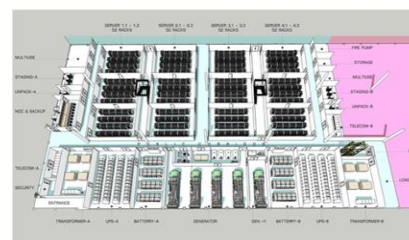
- Design, construction and contracting for submarine cable project which is electrical cable or composite cable of high voltage cable and fiber optic cable
- Design, construction and contracting for transmission line, underground cable and substation or project related to electrical power system

Products and Services

1. การให้บริการโครงข่ายวงจรรสื่อสารข้อมูลความเร็วสูง (Data Service)

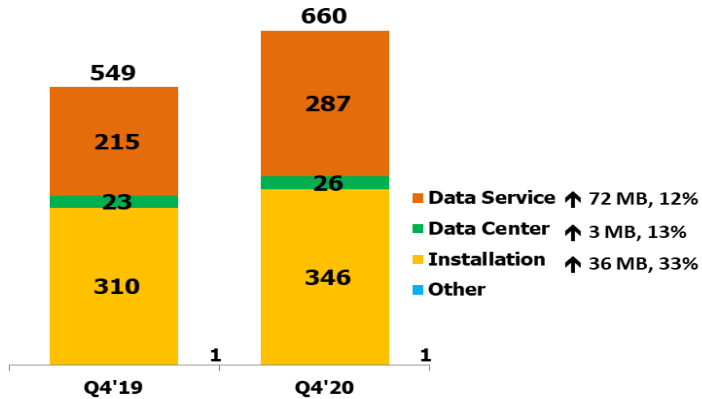
2. การให้บริการติดตั้งโครงข่ายโทรคมนาคม (Installation)

3. การให้บริการพื้นที่ศูนย์ข้อมูลหรือดาต้าเซ็นเตอร์ (Data Center)

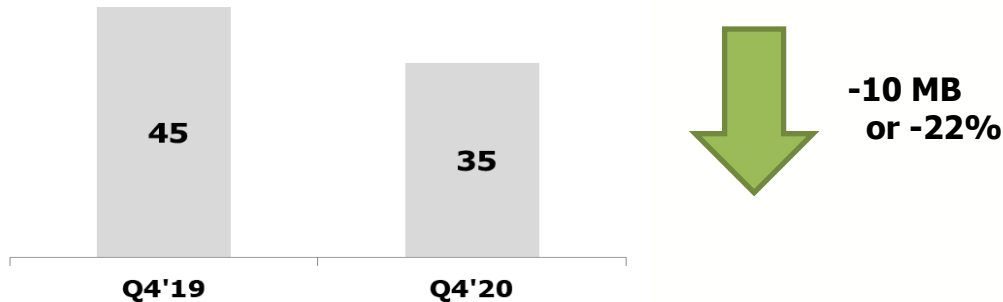


2020 Q4 Performance Recap and Recent Update

2020 Q4 Revenue



2020 Q4 Net Income



Nature of Business

Data Service

- # of Circuit increase to **22,902 (Dec'20)** from 22,661 (Sep'20)
- # of Customer increase to **752 (Dec'20)** from 731 (Sep'20)
- % of SLA at **99.99 %**
- Nationwide Network Coverage up to **75 provinces** as well as improving SLA helped in building customer satisfaction that lead to more revenues.

Data Center

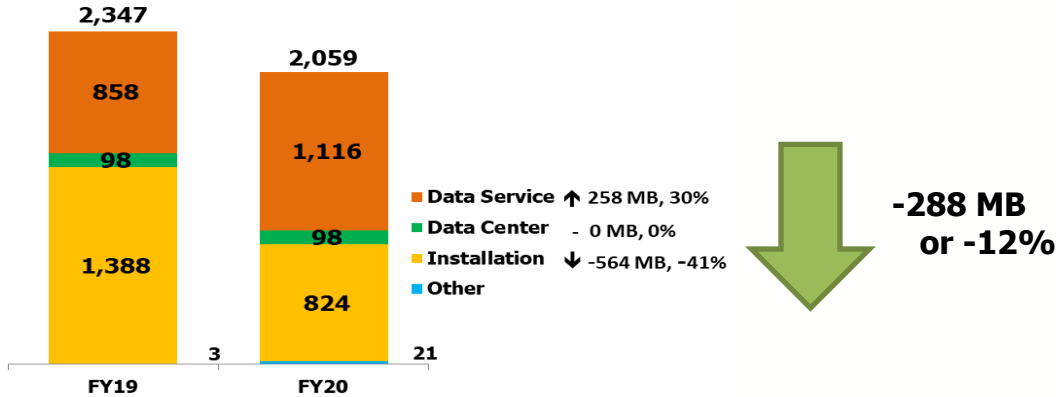
- # of customer: **19 customers (Dec'20)** from 19 customers (Sep'20) including **2 major customers such as TMB and GSB**
- One Major Customer contract will be renewed during Q3' 2020
- Run at **95% of Occupancy Rate**
- SLA at **100%**

Installation

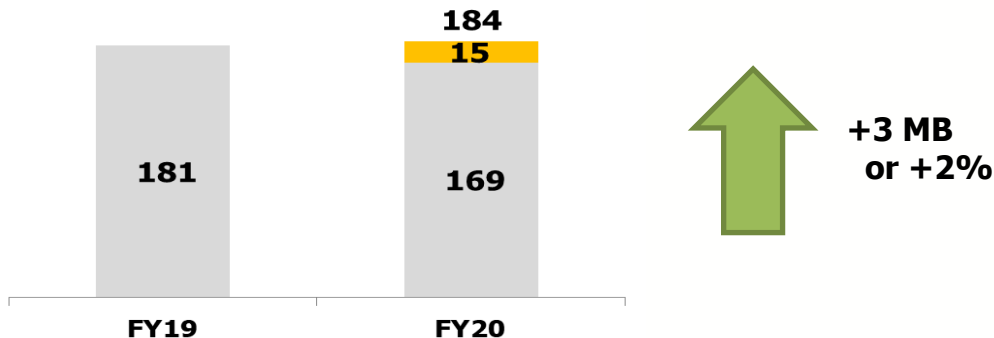
- Major Projects Revenue Recognition are **USO-2 and AWN OSP**
- New Project in 2020 (Exc. VAT)
 - 1) MA PEA (North) = **89.90 MB**
 - 2) MA Fiber Optic = **81.87 MB**
 - 3) Microwave = **80.28 MB**
 - 4) Microwave (Extension) = **46.44 MB**
 - 5) PEA 3,600 Km. = **233.37 MB**
- Current Backlog as of 31.12.20 = **659.76 MB**
- New Project in 2021 (Exc. VAT) => Microwave = **73.67 MB**

2020 Performance Recap and Recent Update

2020 Revenue



2020 Net Income



Nature of Business

Data Service

- # of Circuit increase to **22,902 (Dec'20)** from 20,093 (Dec'19)
- # of Customer increase to **752 (Dec'20)** from 650 (Dec'19)
- % of SLA at **99.99 %**
- Nationwide Network Coverage up to **75 provinces** as well as improving SLA helped in building customer satisfaction that lead to more revenues.

Data Center

- # of customer: **19 customers (Dec'20)** from 19 customers (Dec'19) including **2 major customers such as TMB and GSB**
- One Major Customer contract will be renewed during Q3' 2020
- Run at **95% of Occupancy Rate**
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Installation

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Gross Profit Margin Analysis

2020 Cost of Service

	FY2020	Q1	Q2	Q3	Q4	Change Q4 - Q3	
ต้นทุนค่าเสื่อมราคาโครงข่าย	223.49	52.56	55.77	56.23	58.94	2.71	
ต้นทุนค่าเชื่อมต่อโครงข่ายและอุปกรณ์โครงข่าย	106.10	25.77	23.98	26.13	30.23	4.10	
ต้นทุนค่าเช่าพื้นที่ในการติดตั้งโครงข่าย	97.62	24.98	19.98	18.63	34.02	15.39	(1)
ต้นทุนค่าบำรุงรักษาโครงข่าย	94.98	23.90	24.15	27.13	19.79	- 7.34	
ต้นทุนพนักงาน	36.33	10.93	10.24	8.95	6.21	- 2.74	
ต้นทุนงานบริการโครงข่ายโครงการ USO	194.92	37.64	42.68	37.84	76.76	38.92	(2)
อื่นๆ	46.73	10.66	11.73	11.58	12.76	1.18	
	800.17	186.44	188.53	186.49	238.71	52.22	

(1) ต้นทุนค่าเช่าพื้นที่ติดตั้ง เพิ่มขึ้นจาก 18.63 ล้านบาท เป็น 34.02 ล้านบาท เพราะ

a. ค่าเช่าท่อย่อยสายบางเส้นทางที่บริษัทใช้บริการอยู่ ทางผู้ให้บริการแจ้งว่าคิดค่าเช่าต่ำไป โดยเป็นเหตุจาก เดิมคิดตามระยะทางท่อย่อยสายที่บริษัทฯ ใช้ ซึ่งไม่ได้รวมระยะ Loop สายในบ่อพัก จึงขอคิดบริการในส่วนนี้ย้อนหลังนับตั้งแต่วันที่ขออนุญาตใช้งาน (ย้อนหลังตั้งแต่ปี 2558) => ยอดรวมประมาณ 3 ล้านบาท

b. ค่าเช่าท่อย่อยสาย ในส่วนที่บริษัทฯ ขอเช่าเพิ่มเติมเพื่อปรับปรุงคุณภาพบริการ ซึ่งตามขั้นตอนบริษัทฯ ต้องขออนุญาตใช้งานก่อนจะลงสาย ซึ่งได้รับอนุญาตจากผู้ให้บริการแล้ว อย่างไรก็ตามเมื่อบริษัทฯ เข้าหน้างานทางเจ้าหน้าที่แจ้งว่า ถ้าบริษัทฯ จะลงสายเส้นใหม่ได้ จะต้องรื้อถอนเส้นเก่าออกก่อน ซึ่งจะส่งผลกระทบต่อการใช้งาน ทำให้บริษัทฯ ไม่สามารถลงสายได้ตามแผนที่วางไว้ จึงได้ทำเรื่องยกเลิกการใช้บริการ อย่างไรก็ตาม ตามสัญญาใช้บริการจะต้องมีการคิดค่าเช่าขั้นต่ำ ทำให้มีปัญหาในขั้นตอนการยกเลิก ซึ่งบริษัทฯ ได้เข้าหารือและมีข้อสรุปร่วมกัน ว่า บริษัทฯ จะยอมจ่ายในค่าใช้จ่ายส่วนนี้ และก็จะมีการออกใบลดหนี้ให้ในอนาคต

=> ยอดรวมประมาณ 5.6 ล้านบาท

Gross Profit Margin Analysis (Con't)

2020 Cost of Service

	FY2020	Q1	Q2	Q3	Q4	Change Q4 - Q3	
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อื่นๆ	46.73	10.66	11.73	11.58	12.76	1.18	
	800.17	186.44	188.53	186.49	238.71	52.22	

(2) ต้นทุนงานบริการโครงข่ายโครงการ USO เพิ่มขึ้นจาก 37.84 ล้านบาท เป็น 76.76 ล้านบาท เพราะ

a. การเปิดให้บริการของศูนย์ USO NET / USO WRAP ที่ผ่านการตรวจสอบจาก สำนักงาน กสทช. => 6.38 ล้านบาท

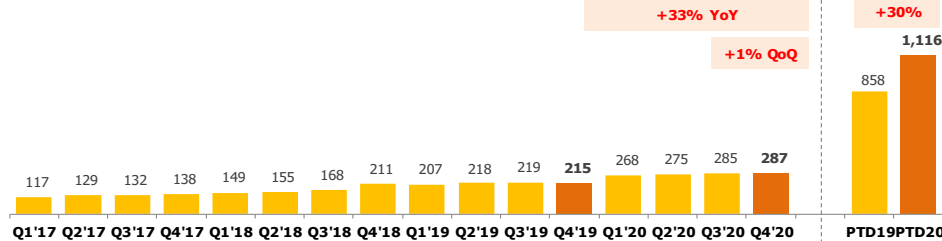
b. การจัดประเภทรายการใหม่ของค่าซ่อมแซมหลังคารั่ว ค่าปรับภูมิทัศน์ (ปรับพื้นที่, ถมดิน, ทำถนนเข้าสู่ศูนย์ USO NET, ลานจอดจักรยาน) => เดิมบันทึกเป็นต้นทุนการก่อสร้าง เนื่องจากเป็นส่วนที่ทำในช่วงตรวจรับ และแก้ไขงานจากการตรวจรับงาน แต่มีการจัดประเภทรายการมาที่ต้นทุนค่าบริการ เนื่องจากการก่อสร้างจบแล้วตั้งแต่ส่งมอบงานให้กับ กสทช. => 29.28 ล้านบาท (รวม การจัดประเภทรายการใหม่ตั้งแต่ไตรมาส 1 ถึง ไตรมาส 3 ปี 2020)

2020 Q4 Performance Recap and Recent Update

Data Service

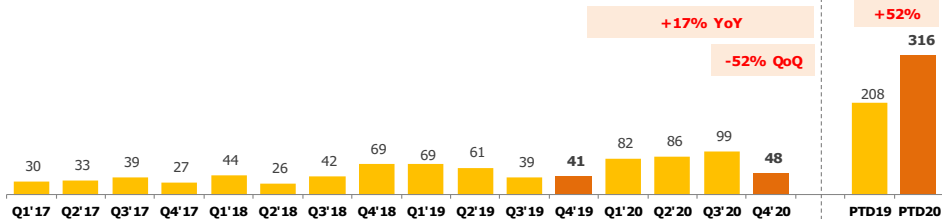
Revenue

THB Million



GP

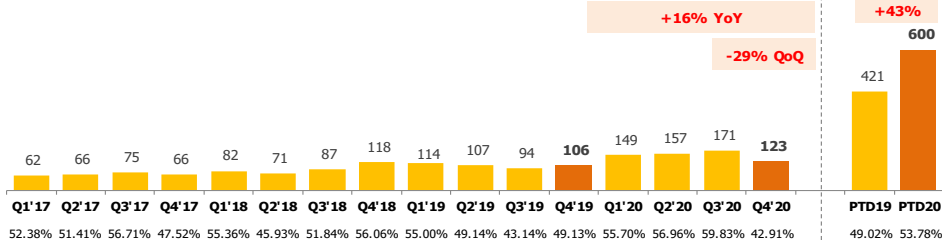
THB Million



% GP

EBITDA

THB Million



Key Highlights

Revenue

- Significant growth YoY
- Continuously growth QoQ
- Increased in # of customers and # of circuits are the key to success in 2020 vs 2019.
- New Links acquiring are such as CCTV Bangkok, Dhipaya Insurance, Thai Credit Retail Bank, Krung Thai Bank (start revenue recognition Q3'20), and the expansion of existing customers such as Srisawad Power (SAWAD), Siam Chai Service
- Start to recognize partial of USO Phase 2 - Service Revenue. Planned to recognize full phase during 2021.

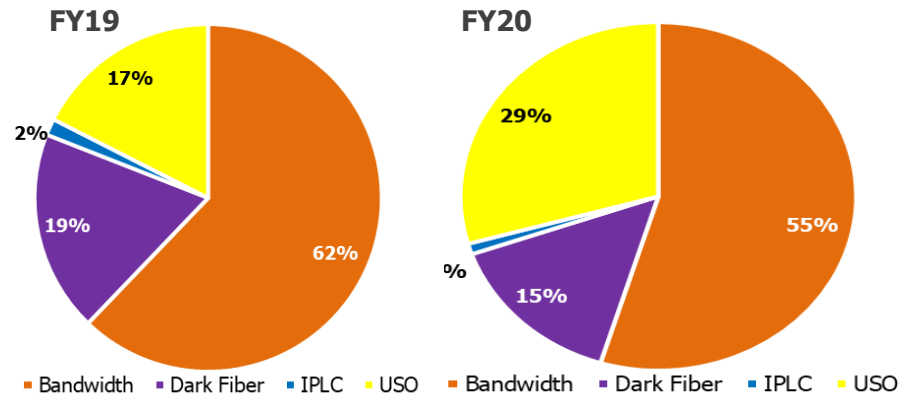
Gross Profit

- Decreased in %GP YoY and QoQ as a result of One-Time expenses related to underground duct and reclassify of USO Cost.
- In FY2020, we still believe that %GP is **expected to be growth to be around 25-30% in 2020 onwards as a result of underground duct price negotiation (50% Discount) and start to recognize service income in USO 2.**

2020 Q4 Performance Recap and Recent Update

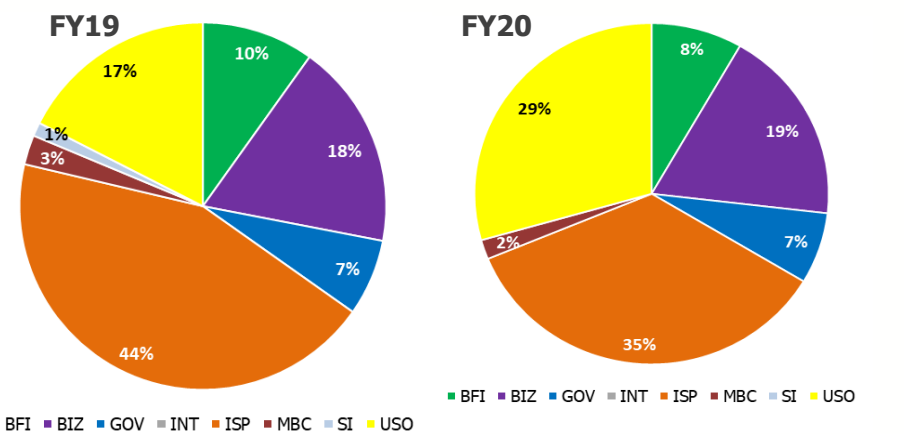
Data Service

Key Highlights



Revenue by Service Types

- No. 1 of data service revenues is from **Bandwidth**, in which its sales are covered **55%** of total data service revenue
- No. 2 is from **USO Service** in which its sales are covered **29%** of total data service revenue.
- No. 3 is from **Dark Fiber** in which its sales are covered **15%** of total data service revenue
- The last is **IPLC** that its sales remained around **1%** of total data service revenue



Revenue by Customer Segments

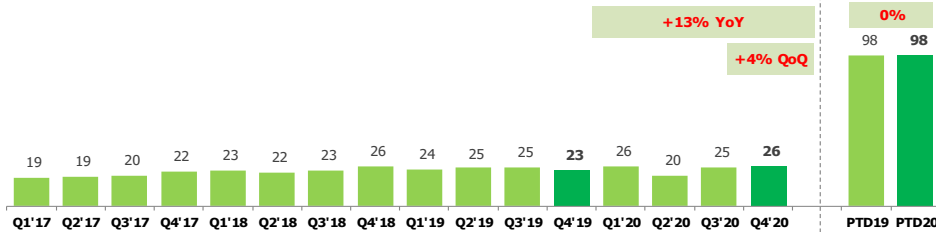
- Ranging of data service customers are **ISP>USO>BIZ>BFI>GOV>MBC>SI**
- ITEL will continuously **focus on ISP, BIZ, GOV and BFI.**

2020 Q4 Performance Recap and Recent Update

Data Center

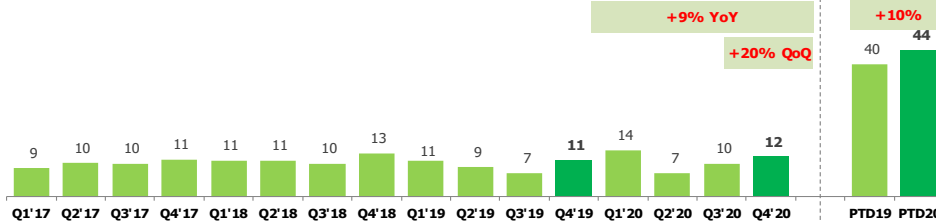
Revenue

THB Million



GP

THB Million

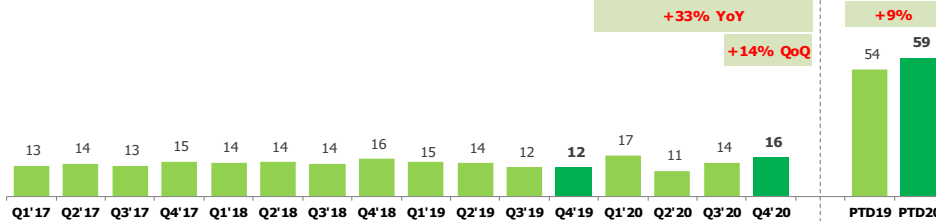


% GP

Quarter	% GP
Q1'17	49.48%
Q2'17	53.97%
Q3'17	47.34%
Q4'17	49.97%
Q1'18	48.22%
Q2'18	48.95%
Q3'18	42.96%
Q4'18	47.49%
Q1'19	45.32%
Q2'19	37.23%
Q3'19	30.22%
Q4'19	49.59%
Q1'20	52.50%
Q2'20	34.65%
Q3'20	41.54%
Q4'20	47.86%
PTD19	40.32%
PTD20	44.68%

EBITDA

THB Million



Quarter	% EBITDA
Q1'17	69.95%
Q2'17	71.59%
Q3'17	66.15%
Q4'17	65.75%
Q1'18	63.43%
Q2'18	65.44%
Q3'18	58.61%
Q4'18	61.88%
Q1'19	61.88%
Q2'19	55.71%
Q3'19	48.81%
Q4'19	53.13%
Q1'20	66.84%
Q2'20	52.85%
Q3'20	56.43%
Q4'20	62.38%
PTD19	54.81%
PTD20	60.02%

Key Highlights

Revenue

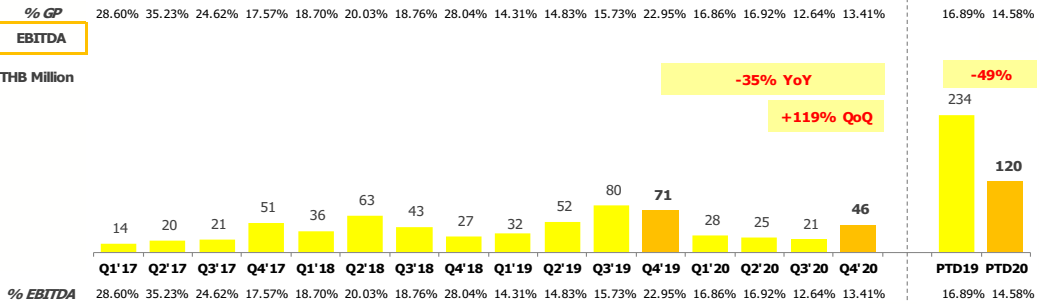
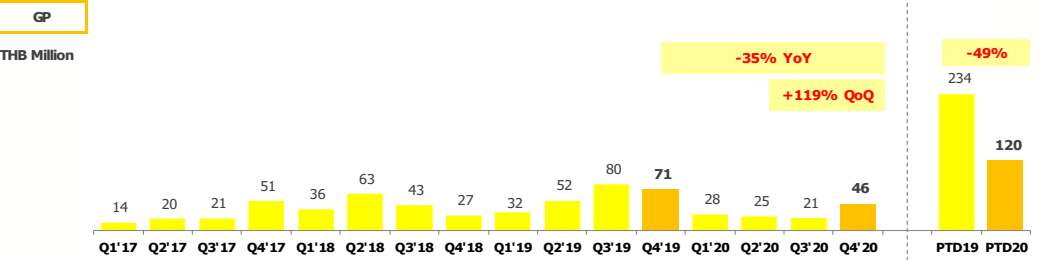
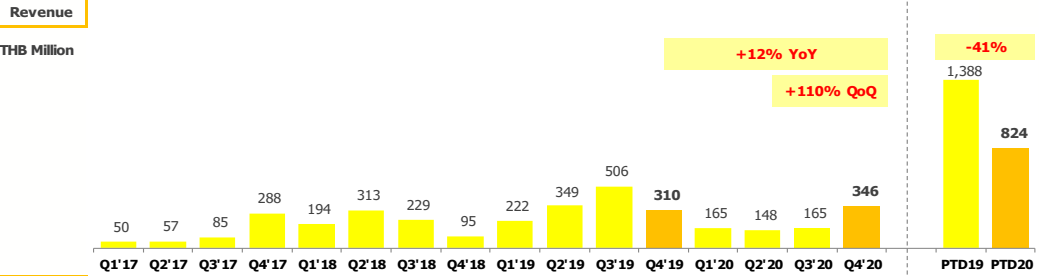
- New level of revenue over 20 MB per quarter starting from Q1'17, the variance is electricity charge
- Having 3 major customers with **95% utilization of capacity**

Gross Profit

- Overall %GP of 2020 is insignificantly changed from 2019.
- **New Control level of % GP above 40%**

2020 Q4 Performance Recap and Recent Update

Installation



Key Highlights

Revenue

- Fluctuation in revenue upon completion of projects' progression
- Major projects revenue recognition in Q4 2020 are **USO-2 (125 MB)**, **PEA 3,600 Km. (115 MB)**, **Microwave (Extension) (46 MB)**, and **AWN OSP (21 MB)**.

Backlog

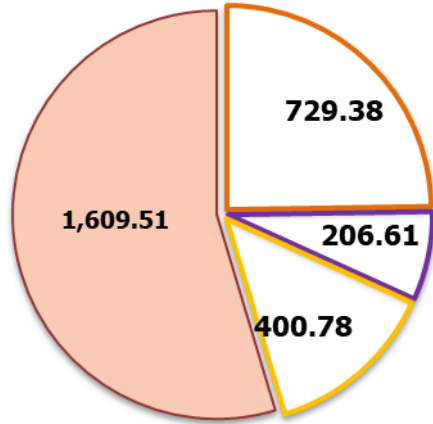
- New Project in 2020
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- Current Backlog as of 31.12.2020 = **659.76 MB** (Sep'20 = 1,013.59 MB)
- New Project in 2021 (Exc. VAT) => Microwave = **73.67 MB**

Gross Profit

- Decreased in term of %GP due to the project mix of 2020. The major projects in 2020 are **USO-2 Central 1**, **USO-2 South**, **True Node-B**, **AWN OSP**, and **PEA 3,140 Km.**
- **Control level of % GP above 20%**

2020 Q4 Performance Recap and Recent Update

Revenue Backlog



Bandwidth Dark Fiber USO1 USO2

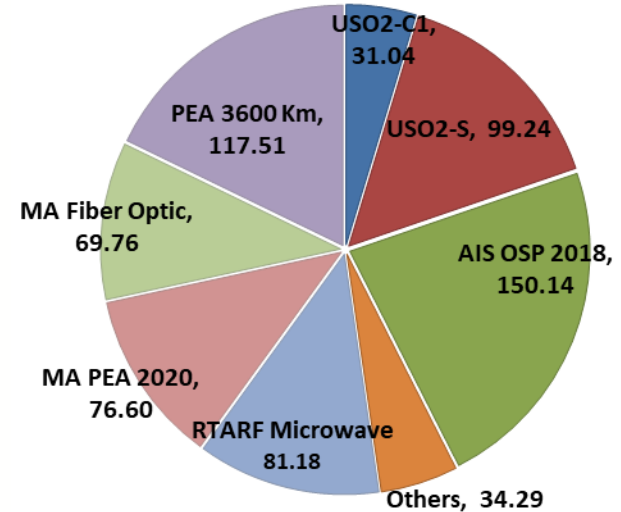
DATA SERVICE

Q4'20 = 2,946.28 MB
 (Q3'20 = 3,047.36 MB)



DATA CENTER

Q4'20 = 209.86 MB
 (Q3'20 = 210.58 MB)



INSTALLATION

Q4'20 = 659.76 MB
 (Q3'20 = 1,013.59 MB)

TOTAL = 3,815.90 MB
(Q3'20 = 4,271.53 MB)

2020 Q4 Performance Recap and Recent Update

Backlog Revenue Recognition

	2021	2022	2023	2024 Onwards	Total
BANDWIDTH	444.83	147.41	85.88	51.24	729.36
DARK FIBER	146.69	26.24	15.93	17.75	206.62
USO 1 - DSV	148.73	148.73	103.32	-	400.79
USO 2 - DSV	286.75	338.72	338.72	645.32	1,609.51
DATA SERVICE	1,027.00	661.11	543.85	714.32	2,946.28

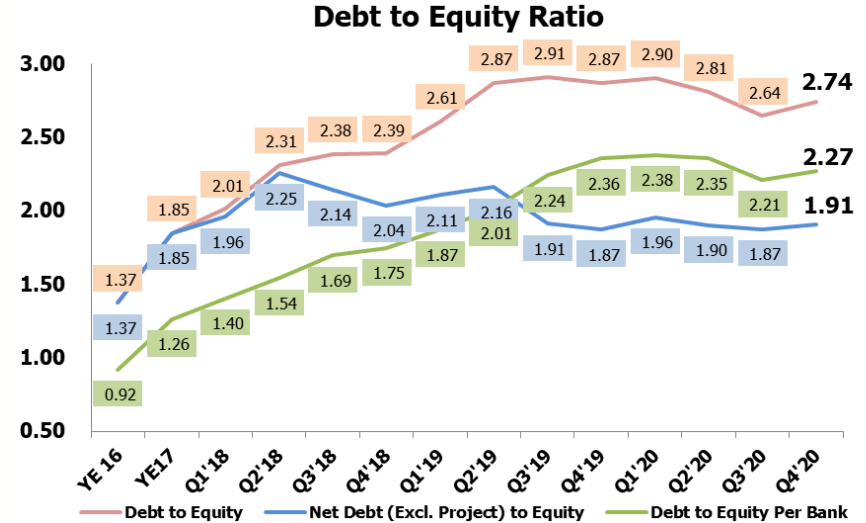
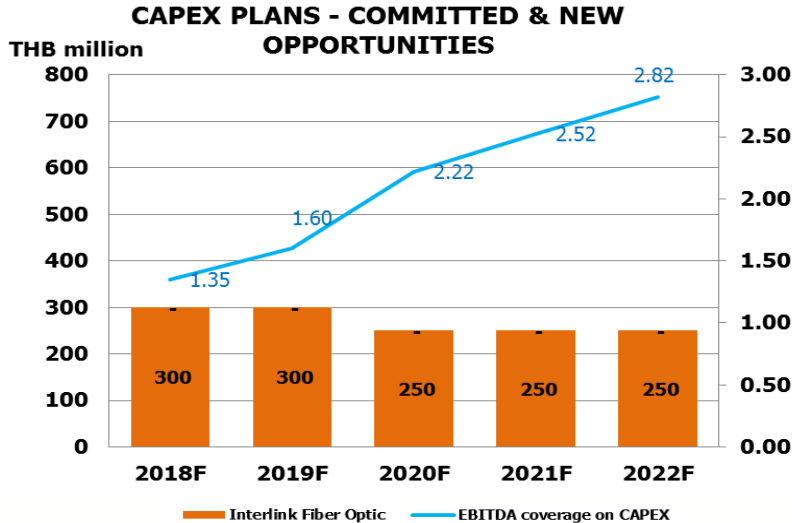
	2021	2022	2023	2024 Onwards	Total
DATA CENTER	65.77	56.86	33.23	54.00	209.86

	2021	2022	2023	2024 Onwards	Total
INSTALLATION	570.65	57.25	31.86	-	659.76

TOTAL	1,663.43	775.22	608.94	768.32	3,815.90
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2020 Q3 Performance Recap and Recent Update

Capital Expenditure and Financial Position Strength



Key Highlights

- Capital expenditure in expansion of Interlink Fiber Optic Network is forecasted to be not over 300 MB in 2020.
- In 2020, half of investment will be spent by EBITDA in which they will be sufficient for investment.
- Debt to Equity Ratio is continuously increased due to the project financing.
- ITEL received funding from both of liabilities (bank loans) and operational result.
- ITEL planned to maintain the appropriate level of debt to equity ratio by issuing new warrants

Five Years Target

2025 Goals

Revenue Target over 5,000 MB (CAGR = 15.60%)

Gross Profit Margin
 Data Service: above 40% by 2025/Installation: Minimum at 20%/
 Data Center: above 45% each year

NPAT Margin Target at 15% by 2025

DE Ratio
 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

58% w USO
 55% w/o USO

45%

7%

0.99%

99.9924%

Measurements

80%

60%
 Within 5 years

12%
 Within 5 years

Lower than 2%

99.99%



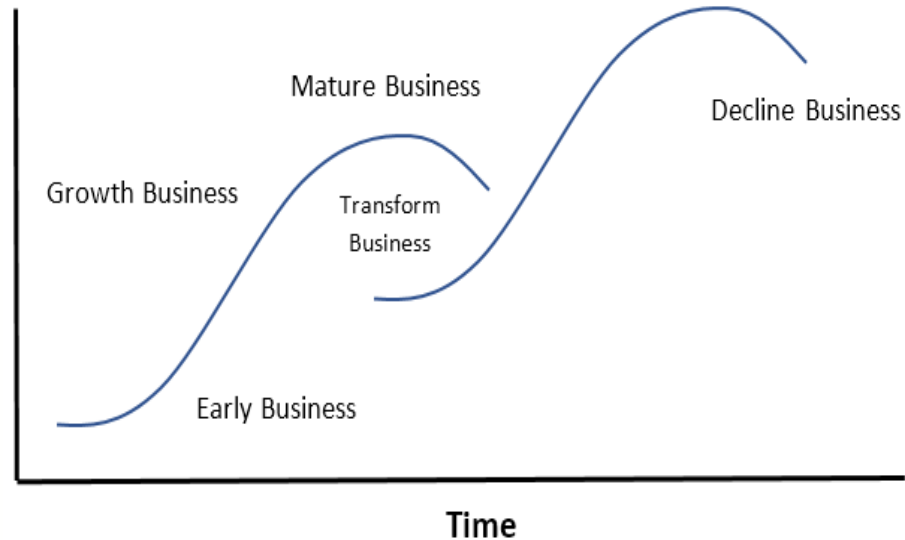
Target 2021 – Road to Success



What is our New S-Curves

BIG DATA x SECURITY

- Anti Drone
- Social Data & Social Analytics
- Security Analytics



To be Continued on 1 April 2021 @ ITEL Company Visit



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