



Opportunity Day Q4 2019

10 March 2020



Agenda

- **Company Timeline**
- **Group and Company Structure**
- **Products and Services**
- **Q4 2019 Performance Recap and Recent Update**
- **Three 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

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



- 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



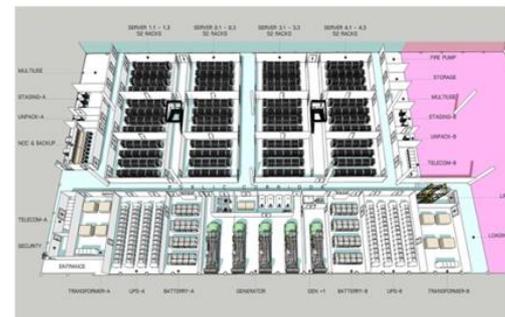
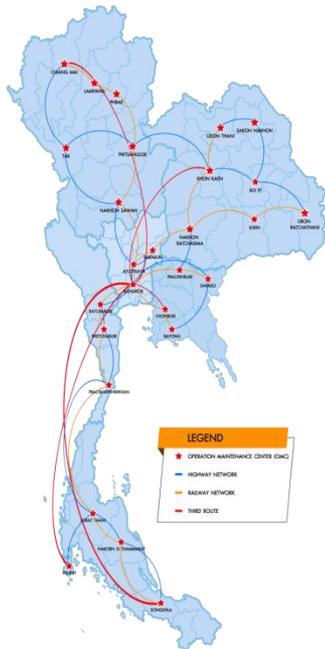
- Design, construction and contracting for submarine cable project which is electrical cable or composite cable of high voltage cable and fiber optic cable
- Design, construction and contracting for transmission line, underground cable and substation or project related to electrical power system

Products and Services

1. การให้บริการโครงข่ายวงจรรสื่อสารข้อมูลความเร็วสูง (Data Service)

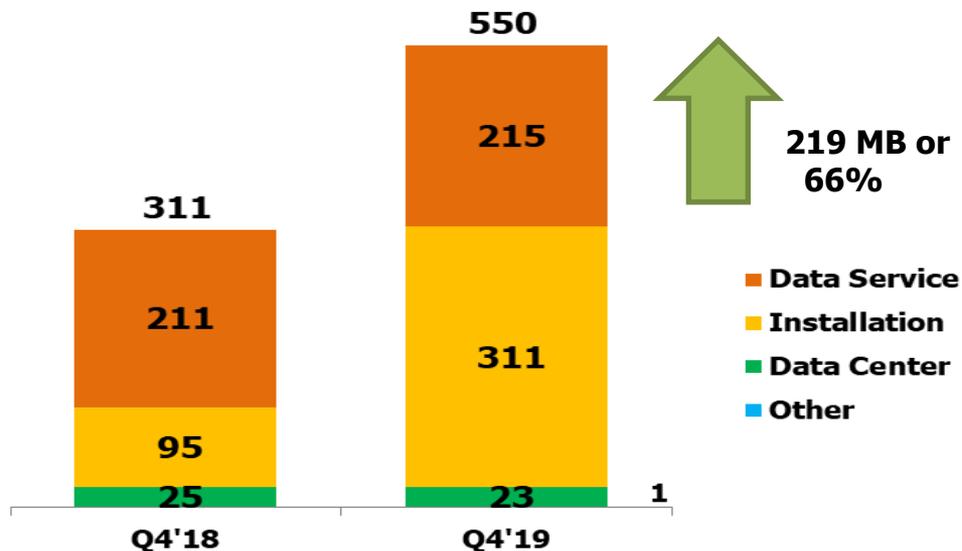
2. การให้บริการติดตั้งโครงข่ายโทรคมนาคม (Installation)

3. การให้บริการพื้นที่ศูนย์ข้อมูลหรือดาต้าเซ็นเตอร์ (Data Center)



2019 Q4 Performance Recap and Recent Update

2019 Q4 Revenue



What's new in 2019

Data Service

- #of Circuit increase to **20,093 (Dec'19)** from 19,152 (Sep'19)
- # of Customer increase to **650 (Dec'19)** from 638 (Sep'19)
- % of SLA at **99.99 %**
- Network Coverage up to **75 provinces**
- New Links acquiring are such as Ngerntidor (เงินติดล้อ), PhatraSecurities, Summit Capital Leasing, Fuel Pipeline Transportation (ขนส่งน้ำมันทางท่อ), Thai Life Insurance, Ch. Karnchang, Bangkok Life Assurance, Fuji Restaurant Group

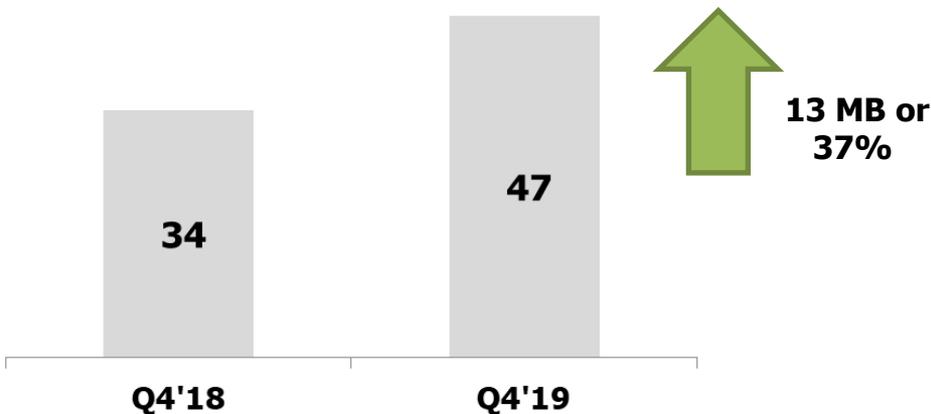
Data Center

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

Installation

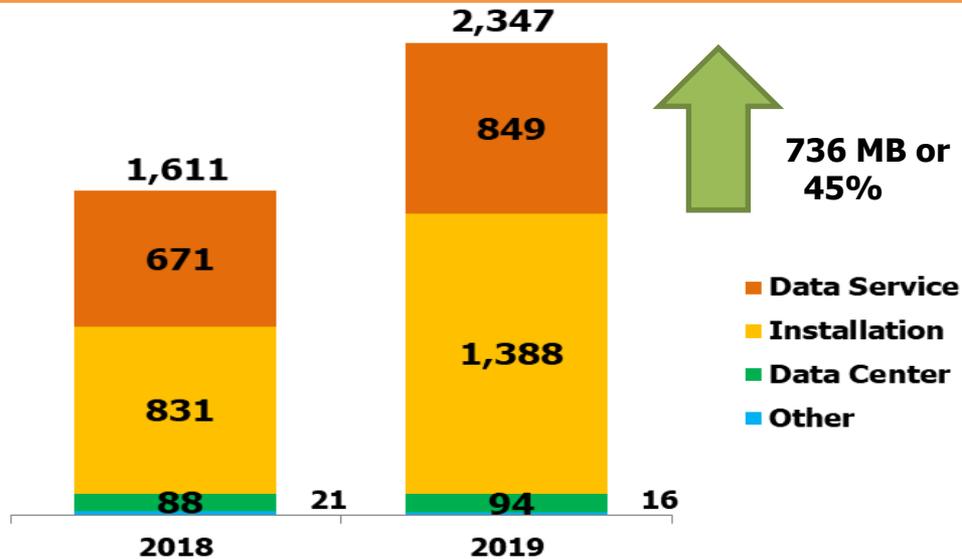
- Major Projects Revenue Recognition are **USO-2 and DMS**
- New Project in 2019
1) PEA 3,140 Km. = 119.44 MB
- Current Backlog = **857.92 MB**

2019 Q4 Net Income



2019 Performance Recap and Recent Update

2019 Revenue



What's new in 2019

Data Service

- #of Circuit increase to **20,093 (Dec'19)** from 15,900 (Dec'18)
- # of Customer increase to **650 (Dec'19)** from 550 (Dec'18)
- % of SLA at **99.99 %**
- Network Coverage up to **75 provinces**
- New Links acquiring are such as Ngerntidor (เงินติดล้อ), PhatraSecurities, Summit Capital Leasing, Fuel Pipeline Transportation (ขนส่งน้ำมันทางท่อ), Thai Life Insurance, Ch. Karnchang, Bangkok Life Assurance, Fuji Restaurant Group

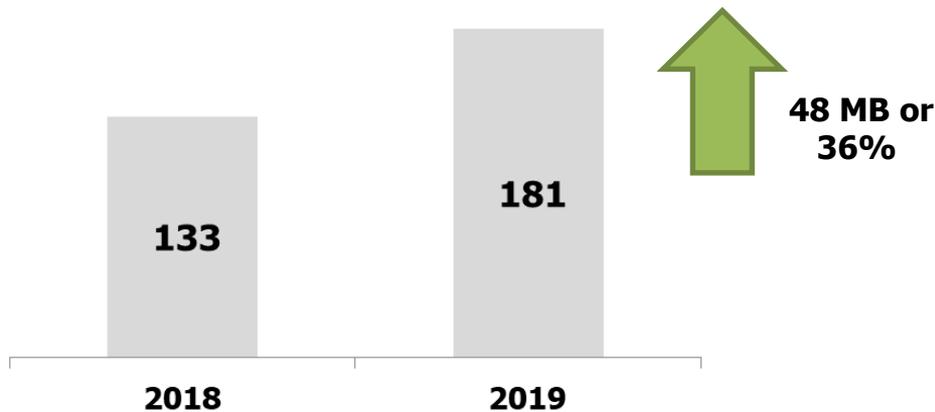
Data Center

- # of customer: **19 customers (Dec'19)** from 18 customers (Dec'18) 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 = **857.92 MB**

2019 Net Income

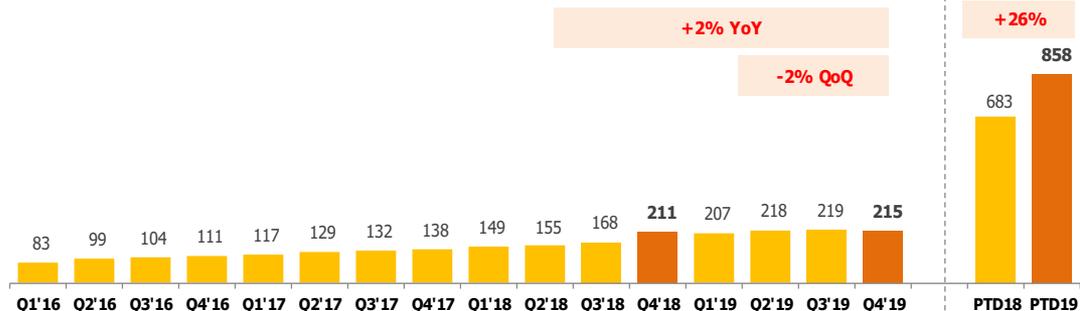


2019 Q4 Performance Recap and Recent Update

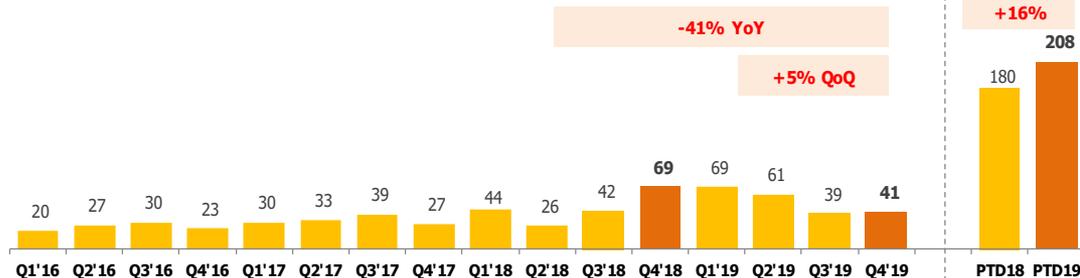
Data Service

Revenue

THB Million



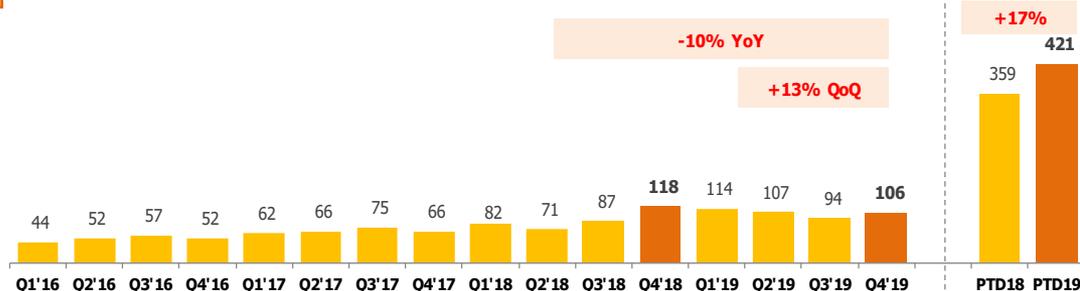
GP



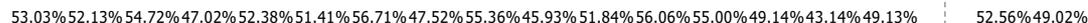
% GP



EBITDA



% 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, and Q4'19 because of the delayed in customers' budget approval process.
- Increased in # of customers and # of circuits are the key to success in 2019 vs 2018.
- Nationwide network (75 provinces) as well as improving SLA helped in building customer satisfaction that lead to more revenues.

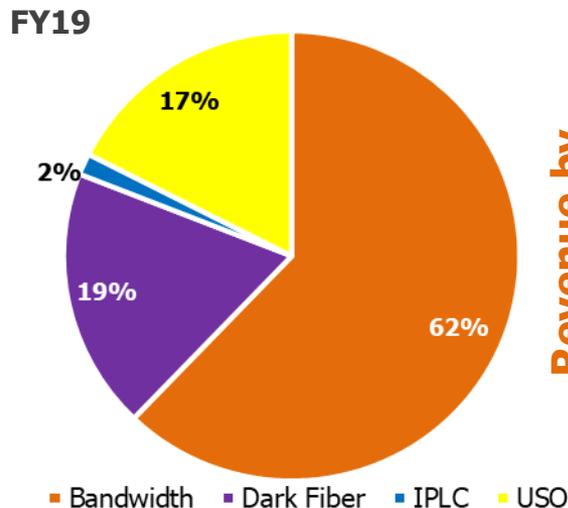
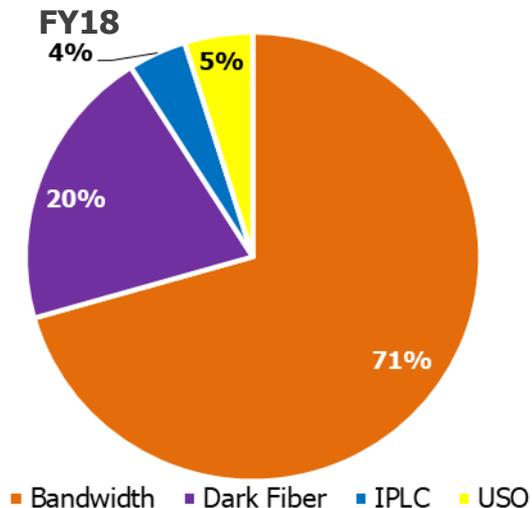
Gross Profit

- Decreased in % of GP as a result of increasing in underground duct rental, and cost of service of USO Phase 1.
- 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).**

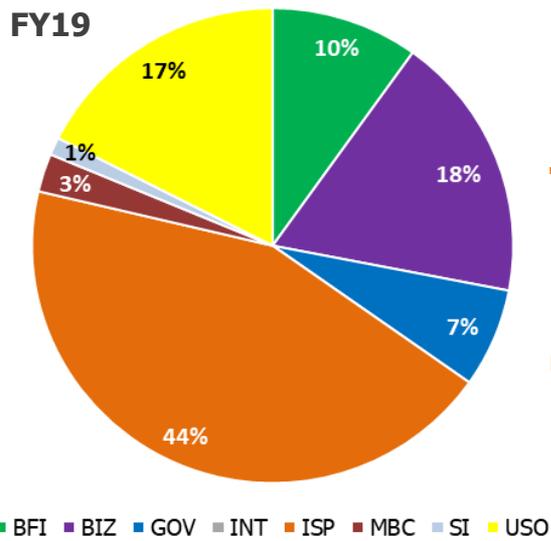
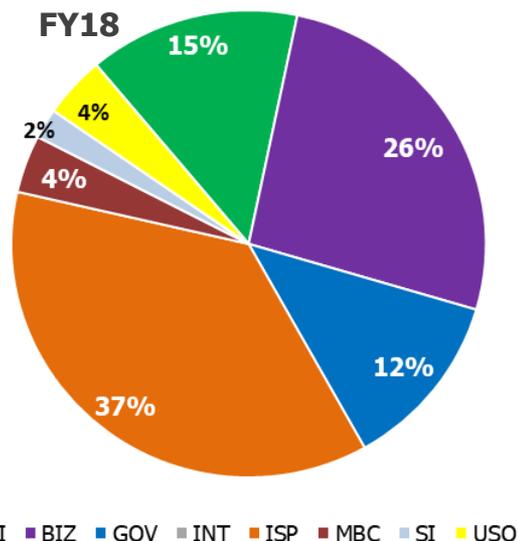
2019 Q4 Performance Recap and Recent Update

Data Service

Key Highlights



Revenue by Service Types



Revenue by Customer Segments

- **No. 1** of data service revenues is from **bandwidth**, in which its sales are covered **62%** of total data service revenue
- **No. 2** is from **dark fiber** in which its sales are covered **19%** of total service revenue
- **No. 3** is from **USO Service** in which its sales are covered **17%** of total service revenue.
- **The last** is **IPLC** that its sales remained around **2%** of total data service revenue

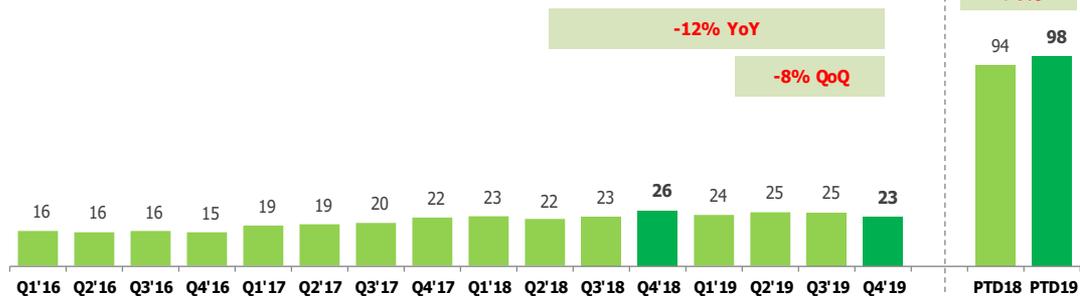
- **Ranging** of data service customers are **ISP>BIZ>USO>BFI>GOV>MBC>SI**
- ITEL will continuously **focus on** **ISP, BIZ, GOV and BFI.**

2019 Q4 Performance Recap and Recent Update

Data Center

Revenue

THB Million



Key Highlights

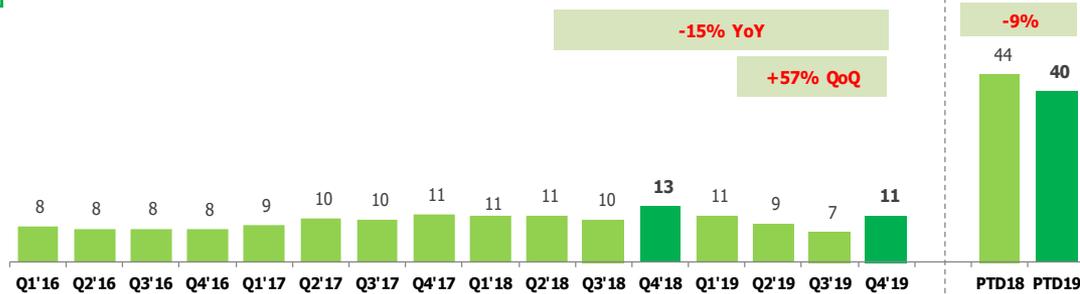
Revenue

- New source of revenue in 2019 is the revenue sharing from Cloud Service (2019 = 3.66 MB)
- 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 of 2019 decreased as a result of change in useful lives of batteries from 5 years to 3 years and the major overhaul of data center which operated since 2014, cause the significant decrease in GP.
- **New Control level of % GP above 40%**

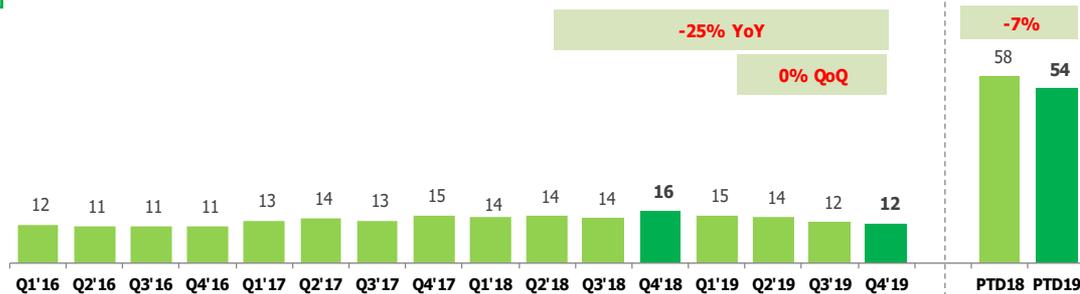
GP



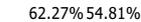
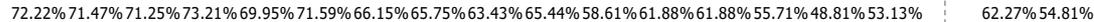
% GP



EBITDA



% EBITDA

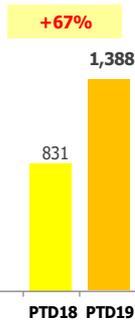
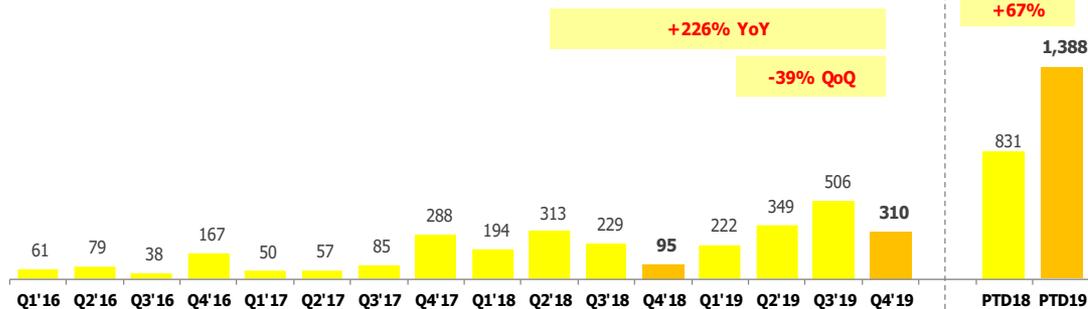


2019 Q4 Performance Recap and Recent Update

Installation

Revenue

THB Million



Key Highlights

Revenue

- Fluctuation in revenue upon completion of projects' progression.
- Major projects revenue recognition in 2019 are USO-2 (950 MB) and DMS (258 MB)

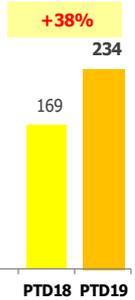
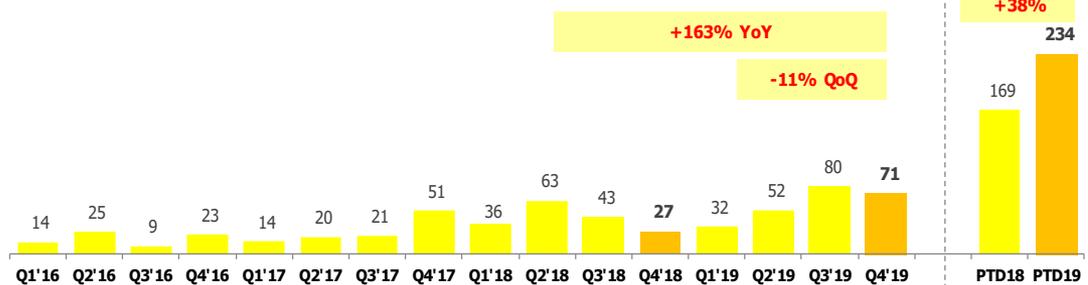
Backlog

- New Project in 2019
 - PEA 3,140 Km. = **119.44 MB**
- Current Backlog = **864.58 MB** (Sep'19 = 864.58 MB)

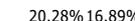
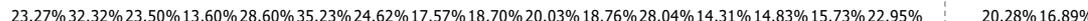
Gross Profit

- Decreased in term of %GP due to the project mix of 2019. The major projects in 2019 are DMS, USO-2 Central 1, and USO-2 South.
- Control level of % GP above 20%

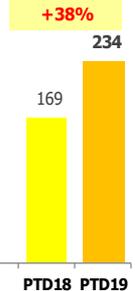
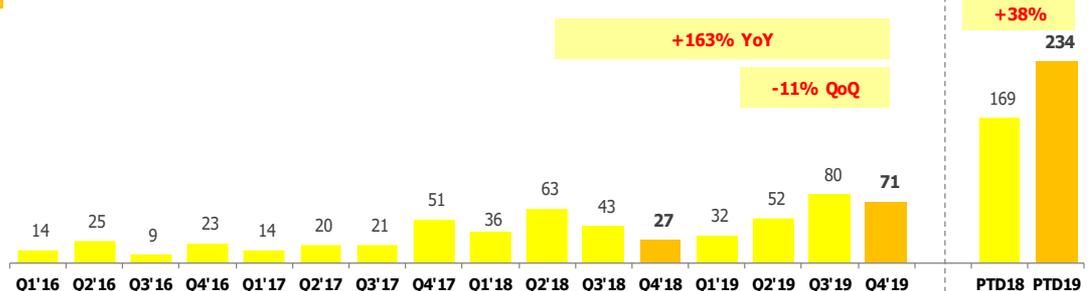
GP



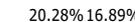
% GP



EBITDA

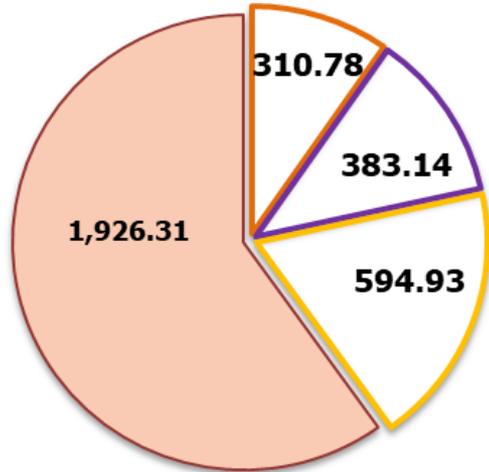


% EBITDA



2019 Q4 Performance Recap and Recent Update

Revenue Back Log



Bandwidth Dark Fiber US01 US02

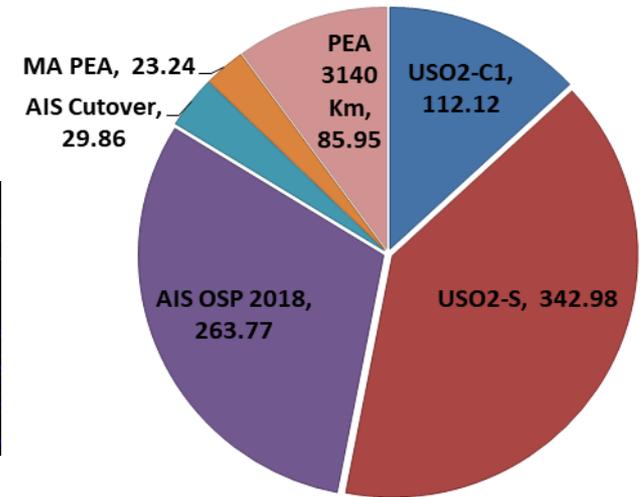
DATA SERVICE

Q4'19 = 3,215.16* MB
(Q3'19 = 3,742.21 MB)



DATA CENTER

Q4'19 = 51.09 MB
(Q3'19 = 74.56 MB)



INSTALLATION

Q4'19 = 857.92 MB
(Q3'19 = 864.58 MB)

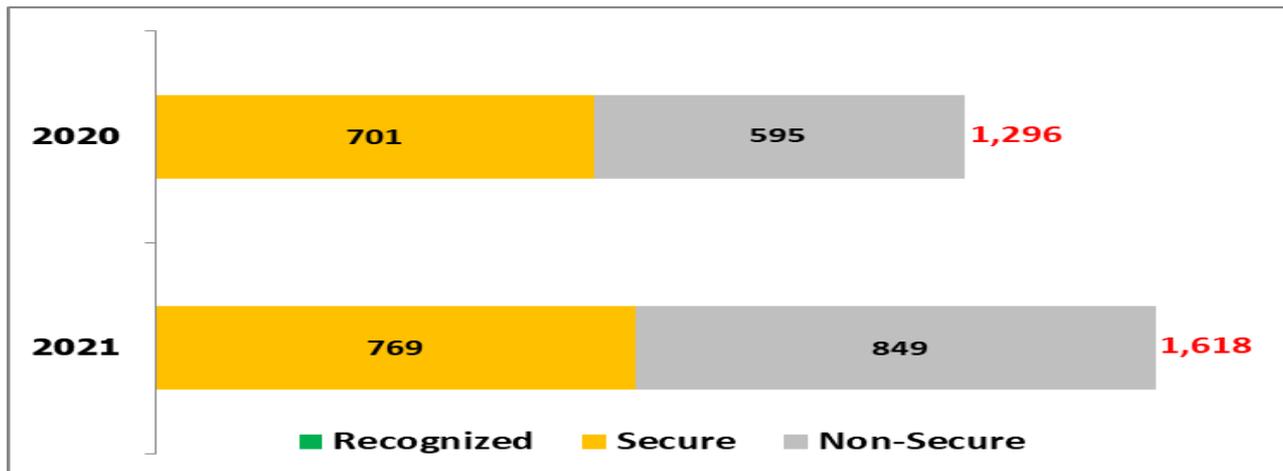
* Reclassify US02 MRC to Installation by 369.14 MB as a result of change in estimation (No effect in total contract)

TOTAL = 4,124.17 MB
(Q3'19 = 4,681.35 MB)

2019 Q4 Performance Recap and Recent Update

Back Log Revenue Recognition vs Target

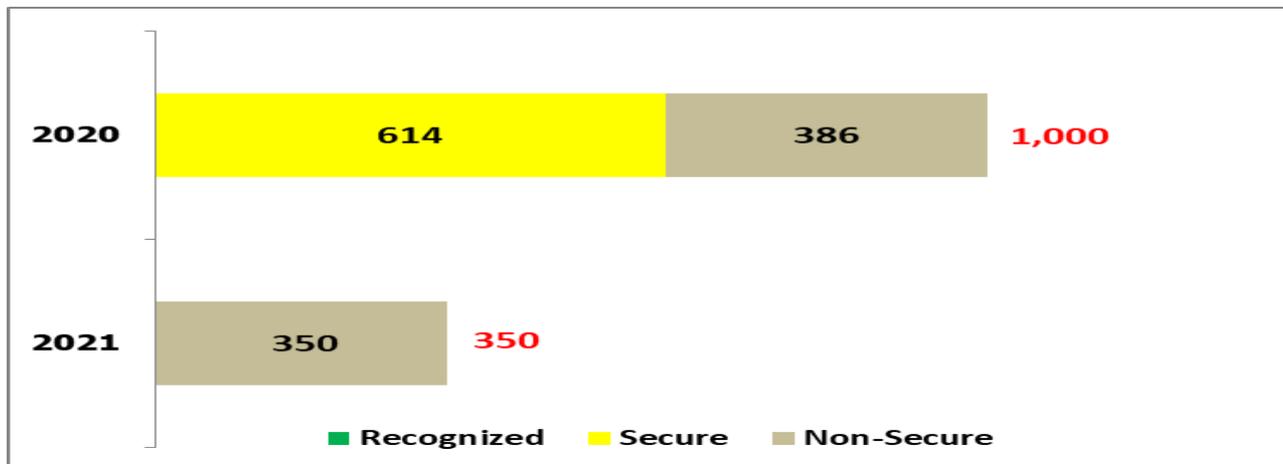
DATA SERVICE



Data Service

- Target Revenue 2020 = 1,296 MB
- **Secure** => Backlog will recognize during Q4 2020 = **700.75 MB**
- **Non-Secure** => New Link and Renew Contract during 2020 to meet Target = **595 MB**

INSTALLATION



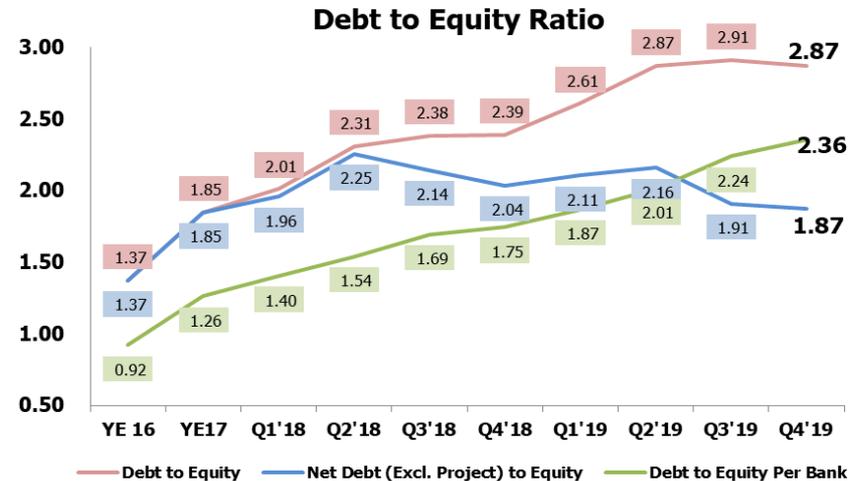
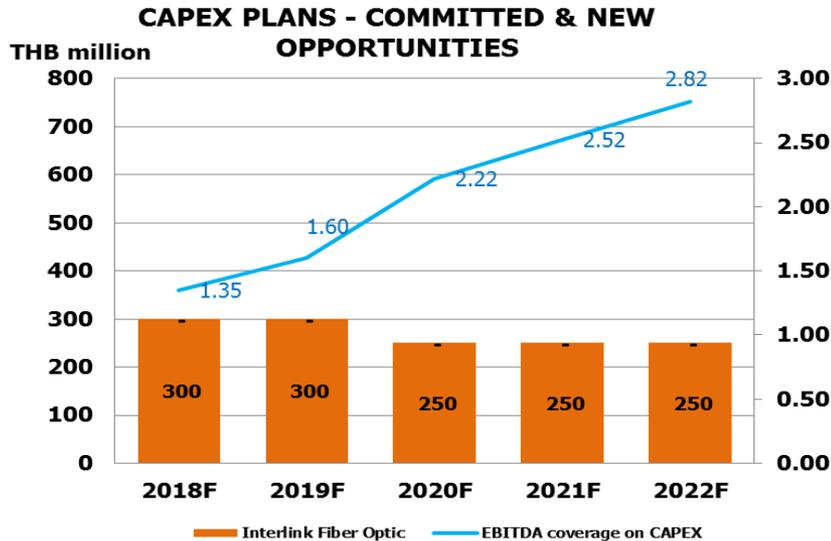
Installation

- Target Revenue = 1,000 MB
- **Secure** => Backlog expected to recognize during 2020 = **614 MB**
- **Non-Secure** => New project to recognize during 2020 such as TRUE 5G
- 2020 Installation Revenue Target is 350 MB.

2019 Q4 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 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

2019 Other Matters

Issuing New Warrants

ITEL-W2

- Right Offering of ITEL-W2
- 4 ordinary shares per 1 ITEL-W2
- Total ITEL-W2 issuing not exceeding 250 million units
- Capital increased by Baht 125 million if ITEL-W2 fully exercise
- Exercised ratio at 1 ITEL-W2 to 1 new ordinary share
- Exercised price at Baht 3 each
- Having term of 1 year, could be exercised at the end of each quarter
- For shareholders whose name presented on May 11, 2020

Three Years Plan (To Be Revised)





THANK YOU



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