



# ALT Telecom Public Company Limited

Management Discussion and Analysis for the year ended December 31, 2024

## EXECUTIVE SUMMARY

The performance of ALT Telecom Public Company Limited ("ALT" or the "Company") as presented in consolidated financial statement for the year ended December 31, 2024 compared to same period of previous year are summarized as follows;

Income Statement	2024		2023		Million THB	
					Up (Down)	
<b>Revenues</b>						
Sales	147.85	11.6%	508.99	34.7%	(361.14)	-71.0%
Services- constuction	415.74	32.7%	342.78	23.4%	72.96	21.3%
Services - network	709.48	55.7%	614.77	41.9%	94.71	15.4%
<b>Total revenues</b>	<b>1,273.07</b>	<b>100.0%</b>	<b>1,466.54</b>	<b>100.0%</b>	<b>(193.47)</b>	<b>-13.2%</b>
<b>Cost</b>						
Cost of sales	(134.22)	-90.8%	(426.82)	-83.9%	(292.60)	-68.6%
Cost of services - construction	(301.52)	-72.5%	(298.96)	-87.2%	2.55	0.9%
Cost of service - network	(587.32)	-82.8%	(519.90)	-84.6%	67.42	13.0%
<b>Total cost</b>	<b>(1,023.06)</b>	<b>-80.4%</b>	<b>(1,245.68)</b>	<b>-84.9%</b>	<b>(222.63)</b>	<b>-17.9%</b>
<b>Gross (loss) profit</b>						
Sales	13.63	9.2%	82.17	16.1%	(68.54)	-83.4%
Services- constuction	114.22	27.5%	43.82	12.8%	70.41	160.7%
Services - network	122.16	17.2%	94.87	15.4%	27.29	28.8%
<b>Gross (loss) profit</b>	<b>250.01</b>	<b>19.6%</b>	<b>220.86</b>	<b>15.1%</b>	<b>29.16</b>	<b>13.2%</b>
Other income	19.86	1.6%	24.89	1.7%	(5.03)	-20.2%
Selling expenses	(88.19)	-6.9%	(86.66)	-5.9%	1.54	1.8%
Administrative expenses	(122.10)	-9.6%	(128.63)	-8.8%	(6.52)	-5.1%
Reversal (recognition) of expected credit loss	5.64	0.4%	16.73	1.1%	11.09	0.0%
Hain (loss) from exchange rate	2.12	0.2%	5.72	0.4%	(3.60)	-62.9%
Share of loss of associate & JV	3.20	0.3%	9.42	0.6%	(6.22)	-66.0%
Finance costs	(50.65)	-4.0%	(24.08)	-1.6%	26.57	110.3%
<b>Profit (loss) before income tax</b>	<b>19.88</b>	<b>1.6%</b>	<b>38.25</b>	<b>2.6%</b>	<b>(18.37)</b>	<b>-48.0%</b>
Income tax	(11.78)	-0.9%	(16.26)	-1.1%	(4.48)	-27.6%
<b>Profit (loss) for the period</b>	<b>8.10</b>	<b>0.6%</b>	<b>21.99</b>	<b>1.5%</b>	<b>(13.89)</b>	<b>-63.2%</b>

- o Total revenue decreased by 13.2% or THB 193.47 million, but gross profit increased by 13.2% or THB 29.16 million, with gross profit margin increasing from 15.1% to 19.6%.
- o Revenue from sales of goods decreased by 71.0% or THB 361.14 million, since in the previous period there was income from the sale of solar cell projects in the form of finance leases, income was recognized at one time in the amount of THB 230 million and sales of electronic meters that decreased by THB 125.64 million, resulting in a decrease in gross profit of 83.4% or THB 68.54 million.
- o Revenue from installation, system installation and maintenance services increased by 21.3% or THB 72.96 million, resulting in a increase in gross profit of 160.7% or THB 70.41 million, with the source of increased revenue and profit coming from the maintenance work of the new fiber network project that started providing services connecting Bangkok and the EEC.
- o Revenue from network services increased by 15.4% or THB 94.71 million, resulting in an increase in gross profit. 28.8% or THB 27.29 million.
- o Selling expenses increased by 1.8%, while administrative expenses decreased by 5.1%
- o Financial costs increased by THB 26.57 million, which is interest expense on lease liabilities, not interest expense from loans. This is a result of the Company's network expansion, investing in itself and the long-term network lease agreements from the Partners, resulting in the recognition of right-of-use assets on network and land lease contracts, along with lease liabilities amounting to THB 285.78 million and THB 272.67 million, respectively. The increased lease liabilities have resulted in an interest expense, which is in accordance with Financial Reporting Standard No. 16 - Leases.
- o The Company had a net profit of THB 8.10 million, a decrease of THB 13.89 million from 2023, mainly due to an increase in interest burden.
- o At the end of 2024, the Company had a backlog of THB 4,115 million.



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Management Discussion and Analysis for the year ended December 31, 2024

Million THB				
Financial Position	31-Dec-24	31-Dec-23	Up (Down)	%
<b>Assets</b>				
Current assets	1,290.56	1,140.09	150.47	13.2%
Non-current assets	2,933.77	2,490.32	443.45	17.8%
<b>Total assets</b>	<b>4,224.33</b>	<b>3,630.41</b>	<b>593.92</b>	<b>16.4%</b>
<b>Liabilities &amp; equity</b>				
Current liabilities	1,019.27	1,236.89	(217.62)	-17.6%
Non-current liabilities	1,585.48	780.98	804.50	103.0%
<b>Total liabilities</b>	<b>2,604.75</b>	<b>2,017.88</b>	<b>586.88</b>	<b>29.1%</b>
<b>Equity</b>				
Paid-up capital	566.11	566.11	-	0.0%
Share premium	1,341.06	1,341.06	-	0.0%
Other component	32.75	33.80	(1.05)	-3.1%
Retained earning				
Legal reserve	62.50	62.50	-	0.0%
Unappropriated	(383.02)	(391.16)	8.14	-2.1%
Non-controlling interests	0.17	0.21	(0.04)	-18.8%
<b>Total equity</b>	<b>1,619.58</b>	<b>1,612.53</b>	<b>7.05</b>	<b>0.4%</b>
<b>Total liabilities &amp; equity</b>	<b>4,224.33</b>	<b>3,630.41</b>	<b>593.92</b>	<b>16.4%</b>

	31-Dec-24	31-Dec-23
Debt to equity	1.61	1.25
Net interest bearing debt to Equity	0.07	0.22
Current Ratio	1.27	0.92

o Total assets increased by THB 593.92 million, with the main items of increased assets being bank deposits and deposits for guarantee of THB 115.19 million, loans to related parties of THB 116.02 million, other current assets of THB 35.09 million, right-of-use assets of THB 285.78 million, fiber optic network of THB 165.16 million. The assets that decreased were trade receivables and contract receivables of THB -40.57 million, inventories of THB -69.84 million, and non-current assets of THB -12.85 million.

o Total liabilities increased by THB 586.88 million. The main items of increased liabilities were advances received from customers of THB 466.49 million, lease liabilities of THB 272.67 million, loans from related parties of THB 5.00 million, and estimated demolition costs of THB 7.33 million. The items of decreased liabilities were bank loans of THB -141.65 million, trade and other payables of THB -24.67 million.

### Financial ratios

o Debt-to-equity ratio at the end of 2024 was 1.61, up from 1.25, but if considering the net interest bearing debt ratio, it decreased from 0.22 to only 0.07.

o Current ratio was 1.27, up from 0.92 in the previous year.

In 2024, the Company had cash at the beginning of the year of THB 137.01 million and net cash flow from operations of THB 698.14 million.

The Company managed cash by maintaining a balance between liquidity management, investment

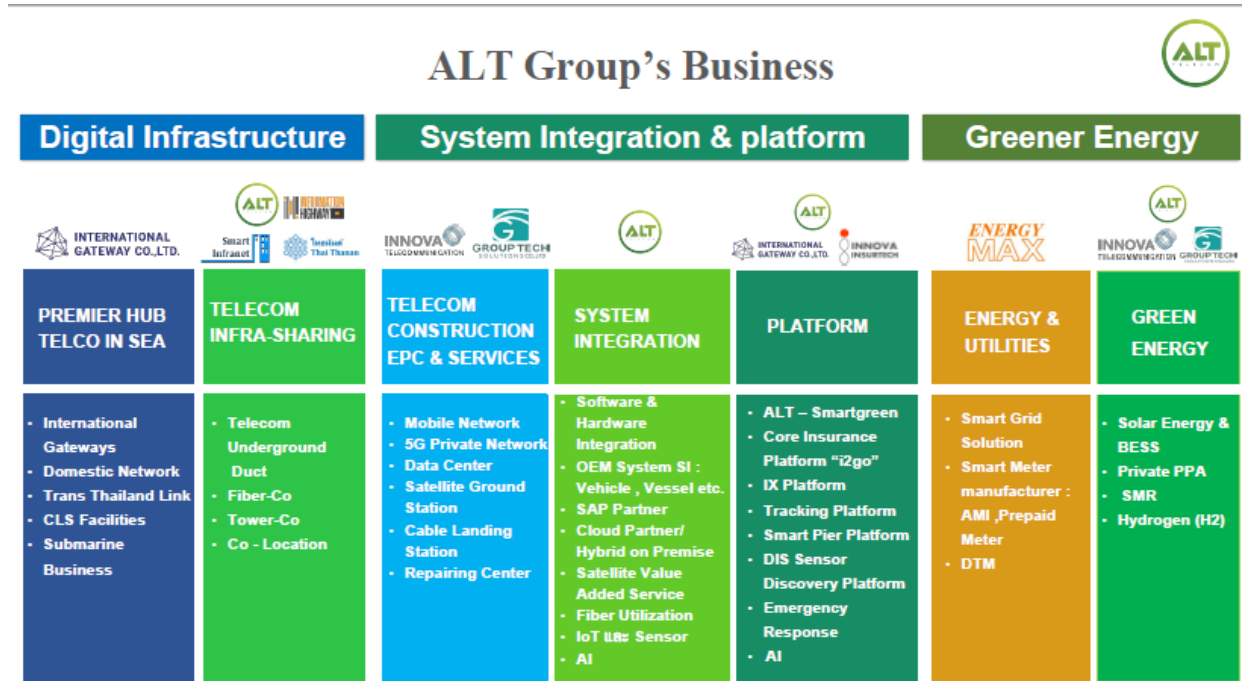
for growth and financial cost management for maximum efficiency. It spent THB 360.28 million on investment and repaid THB 226.42 million in debt. At the end of 2024, the Company had cash remaining of THB 246.31 million.

Million THB		
Cash Flow	2024	2023
Net cash generated from operation	698.14	151.37
Net cash generated from investment	(360.28)	(483.46)
Net cash generated from finance	(226.42)	153.19
<b>Net cash flow</b>	<b>111.44</b>	<b>(178.90)</b>
Beginning cash	137.01	315.91
Result of FX change to cash	(2.14)	0.00
<b>Ending cash</b>	<b>246.31</b>	<b>137.01</b>



**Business direction according to strategic plan**

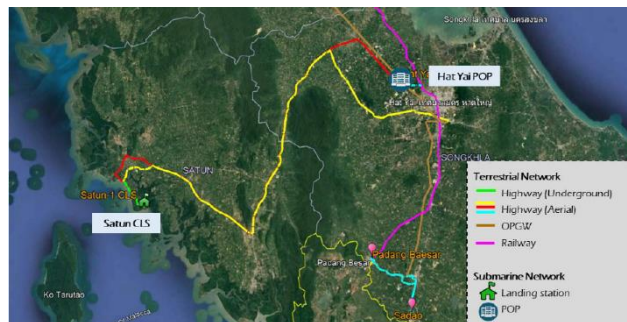
<b>VISION</b>	To be the infrastructure provider’s leader in digital and renewal energy business
<b>MISSION</b>	To provide digital and renewable energy infrastructure for both government agency and enterprise in order to increase service quality by focusing on cost efficiency and making better utilization of resources, also partnering with the well-recognized organization in technology and business networks.



**Digital Infrastructure Business**

**• Premier Hub Telco in Southeast Asia**

Provides fiber optic network services that support connectivity in the Southeast Asian region, leveraging the country’s location advantage to provide international communication network connectivity services to neighboring countries such as Myanmar, Laos, Cambodia, Vietnam,



and Malaysia through 15 gateways around the country, connecting to the center in Bangkok, with a network connecting from Bangkok to industrial estates in the Eastern Economic Corridor (EEC). In addition to the network covering the entire country and connecting countries at the regional level, the Company has also invested in a cable landing station to connect with submarine cable between regions for the Indo-Pacific region from the western Andaman Sea coast in Satun Province to the eastern Gulf of Thailand coast in Songkhla Province, as a new and shorter alternative to connections that have to go around to Singapore, under the Company’s investment in the Trans Thailand Link project.



# ALT Telecom Public Company Limited

## Management Discussion and Analysis for the year ended December 31, 2024

### • Telecom-Infra Sharing

Under the strategy to be a provider of communication infrastructure systems to telecom operators with neutrality, whether it is providing fiber optic network services, underground communication cable ducts, communication poles, equipment installation areas (Co-location), which will benefit all parties, help reduce costs and reduce the burden of duplicate capital expenditure.

### • System Integration & Platform Services

- Telecom EPC & Service - This is a contracting service for system installation and telecommunications network installation, whether it is fiber optic network installation inside and outside the industrial estate, data center system installation and construction, satellite ground station construction, or telecommunications equipment repair and testing services.

- System Integration - This is an engineering service for system construction or installation, both hardware and software, and marketing services to generate revenue on existing networks of customers, additional services on satellite networks, including AI system development to meet the specific needs of target customer groups.

### • Greener Energy

- Energy Utilities - Offers products to support digital energy systems, whether it is a solution for managing intelligent power distribution systems, producing and distributing smart meters, electronic meters, etc.

- Green Energy - A business that produces and distributes electricity from clean energy sources, such as solar power generation systems, and studies alternative sources of hydrogen production.

The readiness of digital utility systems, whether it is fiber optic networks, communication towers, high-speed data transmission equipment, as well as a team equipped with knowledge and experience, leading to trust from customers who are global hyperscalers. As well as the strong determination to be a part in driving the Thai economy into the digital era, the emergence and rapid expansion of data centers in Thailand, and the exponential development of AI, we are confident that the Company's resource utilization trend will be worthwhile and grow along with the expansion of digital society and economy of the country.

### Contact Investor Relations

[www.alt.co.th](http://www.alt.co.th)

Email: [IR@alt.co.th](mailto:IR@alt.co.th)

Tel (66) 2863-8999

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