

INET ACC. 008/2020

May 14, 2020

Subject: Management's Discussion and Analysis for Q1/2020  
To: The President of The Stock Exchange of Thailand  
Enclosure: 1. A Set of the Management's Discussion and Analysis for Q1/2020(Thai / English)

Internet Thailand Public Company Limited ("INET") would like to submit its audited consolidated financial statements and separate financial statements for 3 months period ended March 31, 2020.

The operation result of the Company and its subsidiaries ("the Company") of the 3 months period ended March 31, 2020 amounting to Baht 10.41 million. Please see further details in the Management's Discussion and Analysis for the Q1/2020 as attached.

Please be informed accordingly.

Yours sincerely,

Mrs. Morragot Kulatumyotin

Managing Director

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



บริษัท อินเทอร์เน็ตประเทศไทย จำกัด (มหาชน)  
1768 อาคารไทยซัมมิท ทาวเวอร์ ชั้น 10-12  
และชั้น IT ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ  
เขตห้วยขวาง กรุงเทพฯ 10310  
โทร. (662) 257-7000 แฟกซ์ (662)257-7222

Internet Thailand Public Co.,Ltd.  
1768 Thai Summit Tower, 10<sup>th</sup>-12<sup>th</sup> Floor  
and IT Floor, New Petchburi Road, Bangkok,  
Huay Khwang, Bangkok 10310.  
Tel. (662) 257-7000 Fax. (662) 257-7222

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# Internet Thailand Public Company Limited

## Management Discussion and Analysis for 1Q2020

### Business Overview

Internet Thailand Public Company Limited (“Company”) is a one-stop service provider of ICT infrastructure for businesses and individuals who wish to use ICT as a tool to enhance competitiveness of their businesses. The company's services cover cloud services and digital services. Full internet network connection providing data center services with various devices for those who want an efficient service and an international standard. To use as a tool to increase efficiency for businesses.

### Impact from the COVID-19 pandemic

The COVID-19 pandemic has affected the overall economy of Thailand. Particularly from the contraction in tourism and exports including the announcement of various measures created to deal with the situation that has caused a wide impact in many industries. For ICT service businesses, although not directly affected by the said facility but indirectly affected by other industries. Short term and from the work from home trend in the end of the first quarter of 2020, everyone has to hurry to adapt to online seriously and quickly, such as "work from home" "Food delivery" "e marketplace" etc. Overall, the business of providing ICT services is still a very necessary business. While Thailand still has to have measures to close some cities or to maintain social distance.

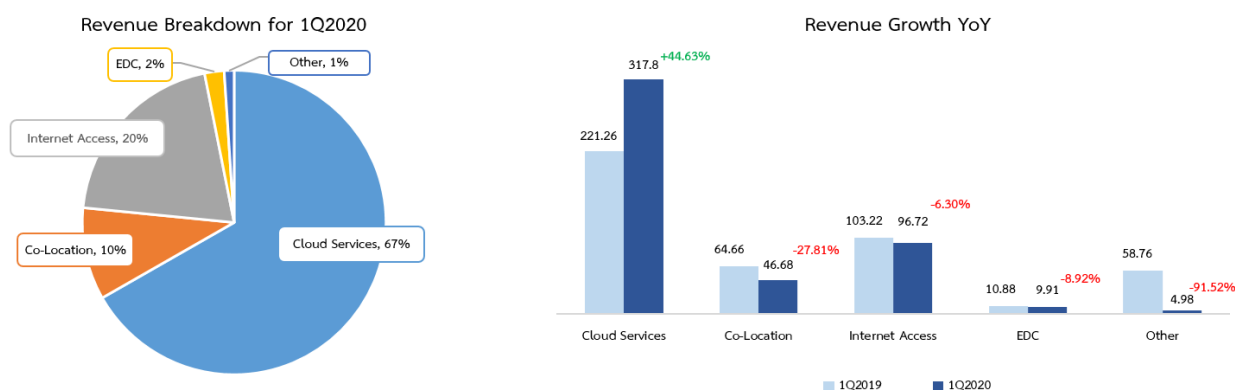
### Operating Results of 1Q2020

The company and subsidiaries recorded total revenue of 476.43 million baht, a decrease of 2.57% compared to the previous year. But considering the revenue from core services in 1Q 2020, still growth 3.77% from the previous year. While the company has a gross profit margin of 34.13% due to increased cost management. And the company has a net profit of 10.41 million baht, decreased from last year. As a result of having no financial investment in available-for-sale securities. At the same time, the company is able to expand its customer base from 3,004 in 2019 to 3,212 in 1Q2020.

Detail	1Q2019	1Q2020	Increase (Decrease)	% Increase(Decrease)
Revenue	458.78	476.09	17.31	3.77%
Cost of Goods Sold	(355.60)	(313.59)	42.01	-11.81%
<b>Gross Profit</b>	<b>103.18</b>	<b>162.50</b>	<b>59.32</b>	<b>57.49%</b>
Other Revenue	30.23	0.36	(29.87)	-98.81%
SG&A	(78.61)	(103.68)	(25.08)	31.90%
Share profit(loss) associates and investment in joint venture	1.51	5.02	3.51	232.41%

Detail	1Q2019	1Q2020	Increase (Decrease)	% Increase(Decrease)
Interest	(18.27)	(44.19)	(25.92)	141.85%
EBI	38.04	20.01	(18.03)	-47.40%
Tax	(4.57)	(9.60)	(5.03)	110.09%
Net Profit	33.47	10.41	(23.06)	-68.90%

## Revenue Breakdown



### Core Services Revenue:

Overall, Core Services Revenue grew by 3.77% compared to the previous year. The revenue growth is due to the increase in the number of customers of the company.

**Cloud Services** is a service for using computer resources through the internet under the security standards that comply with international standards. For 1Q2020, the company has revenue from Cloud Services in the amount of 317.8 million baht, an increase of 44.63% from the previous year. As a result, customers are more interested in cloud services due to temporary city closure measures and social distance keeping measures. As a result, more customers need to adapt to work from home, use services or service on top, so they meet the needs of our customers at the moment.

**Co-location** the Company has revenue from co-location in the amount of 46.68 million baht. Decreased by 27.81% from a year earlier. As a result of modifying customer behavior if it is a Co-Location service, the customer will take quite a long decision to bring the system and equipment to the Company.

**Internet Access** the Company has revenue from Internet Access in the amount of 96.72 million baht, an decrease of 6.30% from the previous year.

## Statement of Financial Position

The Company has a total asset in the amount of 6,702.78 million baht, an increase of 5.11% from the previous year a result of the improvement of Section TFRS 16, the Company must recognize additional assets in 1Q2020 with total liabilities in the amount of 4,796.52 million baht, increase of 7.04% increase from the previous year. As a result of the improvement of Section TFRS 16, the Company must recognize additional lease liabilities in 1Q2020, as well as the provision of funds to supplement liquidity and reserve the cost that has already been invested. In order to comply with the original investment and revenue incurred.

Detail	31 December 2019	31 March 2020	% Increase(Decrease)
<b>Asset</b>			
Current Asset	961.29	949.34	-1.24%
Non-current Asset	5,415.45	5,753.45	6.24%
<b>Total Asset</b>	<b>6,376.74</b>	<b>6,702.78</b>	<b>5.11%</b>
<b>Liabilities and Shareholders' Equity</b>			
Current Liabilities	2,238.52	2,242.80	0.19%
Non-current Liabilities	2,242.36	2,553.72	13.89%
Shareholders' Equity	1,895.86	1,906.26	0.55%
<b>Total Liabilities and Shareholders' Equity</b>	<b>6,376.74</b>	<b>6,702.78</b>	<b>5.11%</b>