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## I. Overview

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### *Performance overview*

Thaicom Plc (the Company)'s consolidated revenue from sales of goods and rendering of services for Q3/2019 totaled Baht 1,188 million, decreased by Baht 316 million or 21.0% from Baht 1,504 million for Q3/2018, mainly due to a decrease of revenue from satellite services. The company's net profit (loss) for Q3/2019 was Baht (113) million. This was from a drop in revenue, and besides, the extra expenses of Baht 54 million that consist of a foreign exchange loss and loss from sale of investment.

Compared to Q2/2019, the Company's consolidated revenue from sales of goods and rendering of services decreased by Baht 28 million or 2.3% from Baht 1,217 million, mainly contributed by a drop in revenue from satellite business. The Company's consolidated net profit (loss) improved from Baht (135) million or Baht (0.12) per share for Q2/2019 to Baht (113) million or Baht (0.10) million per share for Q3/2019.

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## II. Business Summary

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### *Satellite and related Services*

The overall utilization rate as at the end of Q3/2019 of the Company's conventional satellites, the Thaicom 5, 6, 7 and 8, was 54%, slightly increased from 53% as at the end of Q2/2019. For broadband satellite, the Thaicom 4, the utilization rate was 23%, down from 24% as at the end of Q2/2019. This was mainly from the ramp down and churn of customers.

On 20 September 2019, THCOM announced the signature of an Agreement of Intention with Russian Satellite Communications Company (RSCC), a Russian leading satellite operator, to collaborate on the joint development of a service offering for maritime satellite broadband connectivity. Thaicom and RSCC will initially study roaming options on their proprietary maritime VSAT networks. Roaming on Thaicom's network will be provided by Nava Roaming Solutions. This collaboration will help Thaicom expanding its Nava service further.

### *Internet and media Services*

The Executive Committee's Meeting No. 8/2019 on 21 August 2019 resolved to grant approval for the Company to sell investment in all 1,000 ordinary shares held by the Company in Cambodian DTV Network Limited (CDN), or representing 100 percent of CDN's registered capital at the price of USD 800 per share, totaling USD 800,000 (Baht 24,640,320). THCOM has reported loss from sale of investment totaled of Baht 28.5 million for Q3/2019. The revenue from CDN decreased continuously since 2018 due to fierce competition on the business. The Company, therefore, took into consideration on the circumstance to justify the sale of investment in CDN.

### *Telephone business abroad*

Lao Telecommunications Co., Ltd. (LTC) became the first of Lao telecom operators to demonstrate the potential of 5G services in the Lao PDR in an event held at LTC's headquarters in Vientiane on 16 October 2019. LTC plans to expand 5G services over the next several years and LTC is working with partners across the region to introduce IoT solutions to the country.

As of the end of Q3/2019, LTC had total mobile subscribers (excluded fixed wireless) of 1.43 million subscribers, still ranking No.1 with approximately 56.3% of total mobile's market share, slightly decreased from 56.5% as at the end of Q2/2019.

### III. Consolidated Operating Results

#### Selected financial information of THCOM

Unit: Baht million	Amount			Changes		Amount		Change YoY (%)
	Q3/2019	Q2/2019	Q3/2018	QoQ (%)	YoY (%)	9M/19	9M/18	
Revenue from sales of goods and rendering of services	1,188	1,217	1,504	-2.3%	-21.0%	3,707	4,503	-17.7%
Cost of sales of goods and rendering of services	925	925	1,027	-0.1%	-10.0%	2,812	3,074	-8.5%
Other SG&A expenses	281	298	275	-6.0%	2.1%	824	1,030	-20.0%
EBIT from continuing operations *	(17)	(7)	202	n/a	n/a	72	399	-82.1%
Depreciation and Amortization	454	452	478	0.5%	-5.0%	1,357	1,434	-5.4%
EBITDA from continuing operations **	438	447	694	-1.9%	-36.9%	1,444	1,848	-21.9%
Share of profit of investment in joint venture	1	(13)	28	n/a	-96.3%	(16)	113	n/a
Profit (loss) for the period from continuing operations	(46)	(47)	154	n/a	n/a	(49)	2,359	n/a
Profit (loss) for the period from discontinued operation	-	-	-	-	-	-	30	n/a
Profit (loss) for the period	(113)	(135)	104	n/a	n/a	(281)	2,236	n/a
Profit (loss) attributable to: non-controlling interest	-	-	-	-	-	-	17	n/a
Profit (loss) attributable to owner of the Company	(113)	(135)	104	n/a	n/a	(281)	2,219	n/a
Gain (loss) on sale of investment	(29)	-	-	-	-	(29)	1,892	n/a
Foreign exchange gain/loss (net of tax)	(25)	(55)	(31)	n/a	n/a	(95)	5	n/a
Written-off of deferred tax asset	-	(40)	-	n/a	n/a	(66)	-	n/a
Recognition of past service cost (additional compensation for employees) due to the Labor Protection Act (No. 7) B.E. 2562 (net of tax)	-	(42)	-	n/a	n/a	(42)	-	n/a
Normalized profit***	(59)	2	135	n/a	n/a	(49)	323	n/a
Earnings (loss) per share (Baht)	(0.10)	(0.12)	0.09	n/a	n/a	(0.26)	2.02	n/a

\* EBIT = Sales and service income – Cost of sales and service – SG&A

\*\* EBITDA = EBIT + Depreciation and Amortization

\*\*\* Normalized profit = Profit (loss) attributable to owner of the Company – Gain (loss) on sale of investment - FX gain/loss (net of tax) - written-off of deferred tax asset – recognition of past service cost (net of tax)

#### Revenue from sales of goods and rendering of services

Consolidated revenue from sales of goods and rendering of services for Q3/2019 was Baht 1,188 million, a decrease of 21.0% from Baht 1,504 million for Q3/2018, and 2.3% from Baht 1,217 million for Q2/2019, caused by a decrease of revenue from satellite business and divestment of CDN.

For 9M/2019, the consolidated revenue from sales of goods and rendering of services totaled Baht 3,707 million decreased by 17.7% from Baht 4,503 million for 9M/2018, contributed by the decrease of both satellite and internet and media services.

Revenue from sales of goods and rendering of services Unit: Baht million	Q3/2019	Q2/2019	Q3/2018	QoQ (%)	YoY (%)	9M/19	9M/18	%YoY
Satellite and related services	1,174	1,189	1,479	-1.3%	-20.6%	3,640	4,406	-17.4%
Internet and media services*	28	47	55	-40.4%	-49.1%	114	155	-26.5%
Consolidation eliminations	(14)	(19)	(30)	-26.3%	-53.3%	(47)	(59)	-20.3%
<b>Total</b>	<b>1,188</b>	<b>1,217</b>	<b>1,504</b>	<b>-2.3%</b>	<b>-21.0%</b>	<b>3,707</b>	<b>4,503</b>	<b>-17.7%</b>

\* Include revenue from sales and services generated by Thai AI, and CDN

### Satellite and related services

Revenue from satellite and related services for Q3/2019 was Baht 1,174 million, a decrease of 20.6% from Baht 1,479 million for Q3/2018, contributed by a decrease of both conventional and broadband satellite services. Compared to Q2/2019, the revenue slightly decreased by 1.2% from Baht 1,189 million due to the broadband satellite service.

The revenue from satellite and related services for 9M/2019 was Baht 3,640 million, decreased by 17.4% from Baht 4,406 million for 9M/2018. This was contributed by a drop of revenue in both conventional and broadband satellite services.

Satellite and related services Unit: Baht million	Q3/2019	Q2/2019	Q3/2018	QoQ (%)	YoY (%)	9M/19	9M/18	%YoY
Conventional*	664	656	898	1.2%	-26.0%	1,969	2,675	-26.4%
Thaicom 4 Broadband	510	532	581	-4.2%	-12.3%	1,671	1,731	-3.5%
Services	440	495	534	-11.1%	-17.6%	1,488	1,599	-6.9%
Sales	70	38	47	85.8%	47.8%	183	132	38.5%
<b>Total</b>	<b>1,174</b>	<b>1,189</b>	<b>1,479</b>	<b>-1.3%</b>	<b>-20.6%</b>	<b>3,640</b>	<b>4,406</b>	<b>-17.4%</b>

\* Includes the Thaicom 5 6 7 and 8 satellites

- Revenue from the conventional satellites and related services for Q3/2019 was Baht 664 million, decreased by 26.0% from Baht 898 million for Q3/2018. This was due mainly from the extension of a long-term contract for a major customer in Thailand, which THCOM has provided a discount to the existing contract. Likewise, the revenue from the conventional satellites and related services for 9M/2019 was Baht 1,969 million, dropped by 26.4% from Baht 2,675 million for 9M/2018.

However, compared to the previous quarter, the revenue from the conventional satellites and related services increased by 1.2% from Baht 656 million for Q2/2019, mainly from a higher utilization of conventional satellites.

- Revenue from the Thaicom 4 Broadband Satellite and related services was Baht 510 million for Q3/2019, decreased by 12.3% from Baht 581 million for Q3/2018 due to the ramp down of utilization from customers. Accordingly, the revenue for 9M/2019 also decreased by 3.5% from Baht 1,731 million for 9M/2018 to Baht 1,671 million for 9M/2019.

Compared to the previous quarter, the Broadband revenue decreased by 4.2% from Baht 532 million for Q2/2019, which also due to the ramp down of customers.

### Internet and media services

The Company's revenue from Internet and media services currently comes from CDN and Thai Advance Innovation Company Limited (Thai AI). For Q3/2019, the revenue was Baht 28 million, decreased by 49.1% compared to Baht 55 million for Q3/2018 and also decreased by 40.4% compared to Baht 47 million for Q2/2019. This was from the sale of CDN which THCOM recognized the revenue from CDN only for the period of 1 July 2019 – 16 September 2019.

For 9M/2019, the revenue from Internet and media services was Baht 114 million, down by 26.5% from Baht 155 million for 9M/2018 mainly also because of the sale of CDN on 17 September 2019.

### Cost of sales of goods and rendering of services

The Company reported consolidated cost of sales of goods and rendering of services for Q3/2019 of Baht 925 million, decreased by 10.0% compared to Baht 1,027 million for Q3/2018, corresponding to the cost for 9M/2019 which was Baht 2,812 million that decreased by 8.5% from Baht 3,074 million for 9M/2018. This was due mainly to the decrease in depreciation expense after the recognition of satellite assets impairment in Q4/2018, decrease of revenue from satellite business and the sale of CDN.

However, the cost of sales of goods and rendering of services for Q3/2019 remained consistent with the cost of sales of goods and rendering of services for Q2/2019.

Cost of sales of goods and rendering of services Unit: Baht million	Q3/2019	Q2/2019	Q3/2018	QoQ (%)	YoY (%)	9M/19	9M/18	%YoY
Satellite and related services	912	903	1,007	1.0%	-9.4%	2,754	3,009	-8.5%
Internet and media businesses*	28	41	49	-31.7%	-42.9%	106	133	-20.3%
Consolidation eliminations	(15)	(19)	(29)	-21.1%	-48.3%	(48)	(68)	-29.4%
<b>Total</b>	<b>925</b>	<b>925</b>	<b>1,027</b>	<b>0.0%</b>	<b>-10.0%</b>	<b>2,812</b>	<b>3,074</b>	<b>-8.5%</b>

\* Include cost from sales and services generated by Thai AI, and CDN

### Cost of satellite and related services

Cost relating to satellite and related services for Q3/2019 was Baht 912 million, decreased by 9.4% from Baht 1,007 million for Q3/2018. Likewise, for 9M/2019, the cost of relating to satellite and related services was Baht 2,754 million, which decreased by 8.5% from Baht 3,009 million for 9M/2018 due to a decrease of cost relating to conventional satellites.

Cost relating to satellite and related services for Q3/2019 slightly increased by 1.0% compared to Baht 903 million for Q2/2019.

Satellite and related services Unit: Baht million	Q3/2019	Q2/2019	Q3/2018	QoQ (%)	YoY (%)	9M/19	9M/18	%YoY
Conventional*	496	488	583	1.6%	-15.0%	1,465	1,769	-17.2%
Thaicom 4 Broadband	416	415	424	0.1%	-2.0%	1,289	1,240	3.9%
<b>Total</b>	<b>912</b>	<b>903</b>	<b>1,007</b>	<b>1.0%</b>	<b>-9.4%</b>	<b>2,754</b>	<b>3,009</b>	<b>-8.5%</b>

\* Includes the Thaicom 5 6 7 and 8 satellites

- Cost relating to the conventional satellites and related services was Baht 496 million for Q3/2019, decreased by 15.0% compared with Baht 583 million for Q3/2018, mainly from a decrease of the revenue sharing to government following a drop in revenue, together with the decrease of depreciation expense. Likewise, for 9M/2019, the cost relating to the conventional satellites and related services decreased by 17.2% from Baht 1,769 million in 9M/2018 to Baht 1,465 million in 9M/2019.

Compared to the previous quarter, the cost of Q3/2019 slightly increased by 1.6% from Baht 488 million for Q2/2019, following the increase of revenue

- Cost relating to the Thaicom 4 Broadband Satellite and related services for Q3/2019 was Baht 416 million, decreased by 2.0% from Baht 424 million for Q3/2018 following the revenue dropped. For 9M/2019, the cost relating to the Thaicom 4 Broadband Satellite and related services increased by 3.9% from Baht 1,240 million in 9M/2018 to Baht 1,289 million in 9M/2019 despite the revenue dropped. This was because of a higher UT sale that contributed a lower margin.

Compared to the previous quarter, the cost relating to the Thaicom 4 Broadband Satellite and related services of Q3/2019 remained consistent with the cost in Q2/2019, despite the revenue dropped, from a higher UT sale.

### Cost of Internet and media services

Cost relating to the Internet and media services for Q3/2019 amounted to Baht 28 million, a decrease of 42.9% from Baht 49 million for Q3/2018 and 31.7% from Baht 41 million for Q2/2019 were following the sale of investment in CDN.

### Selling and administrative expenses

SG&A expenses, including directors and management benefit expenses, were Baht 281 million for Q3/2019. An increase of 2.1% from Baht 275 million for Q3/2018 was due mainly to a recognition of the loss from sale of investment in a subsidiary.

However, compared to the previous quarter, the SG&A expenses decreased by of 6.0% from Baht 298 for Q2/2019 due mainly to a recognition of past service cost from the Labor Protection Act (No. 7) B.E. 2562 in Q2/2019.

### Finance costs

Finance costs for Q3/2019 was Baht 82 million, which remained consistent with the finance costs in Q2/2019

### Share of profit of investment in joint venture

Share of profit (loss) of investment in joint venture was Baht 1 million for Q3/2019, decreased from Baht 28 million for Q3/2018 mainly due to the impact of baht appreciation, which resulting to the drop of the share of profit and also a high competition among the mobile operators. However, the share of profit improved from Baht (13) million for Q2/2019.

### Net profit

The company's net profit (loss) for Q3/2019 was Baht (113) million. This was mainly from revenue drop, together with the extra expenses totaled of Baht 54 million that consist of a loss from sale of investment and a foreign exchange loss. The company has normalized net profit (loss) excluding the impacts of loss from such extra expenses of Baht (59) million for Q3/2019.

## IV. Financial Position

As at the end of Q3/2019, the Company reported total assets of Baht 20,844 million, decreased by 6.1% from Baht 22,202 million as at the end of 2018. This was mainly caused by the depreciation and amortization of PP&E and intangible assets under operating agreements.

### THCOM's asset components

Assets Unit: Baht million	September 30, 2019		December 31, 2018	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	10,380	49.8%	9,679	43.6%
Property, plant and equipment	4,446	21.3%	4,815	21.7%
Intangible assets under operating agreement	2,098	10.1%	3,007	13.5%

### Trade and other receivables

As at the end of Q3/2019, the Company had net trade accounts receivable and accrued income (excluded other account receivable) of Baht 1,605 million (or 7.7% of total assets), comprising of receivables from other parties and related parties, representing 96% and 4% of total trade accounts receivable and accrued income, respectively.

### Liquidity

As at the end of Q3/2019, the Company had a current ratio of 2.93x, increased from 2.39x as at the end of 2018, due mainly to the increase of cash and cash equivalent on hand.

### Non-current assets

Total non-current assets as at the end of Q3/2019 was Baht 10,464 million, a decrease of 16.4% from Baht 12,523 million as at the end of 2018. This was due mainly to depreciation and amortization of PP&E and the intangible assets.

### Borrowings and shareholders' equity

The Company's net borrowings as at the end of Q3/2019 were Baht 6,485 million, a decrease of 7.7% from Baht 7,023 million as at the end of 2018, mainly attributable to long-term loans repayment of borrowings for the satellite projects.

The Company's shareholders' equity as at the end of Q3/2019 was Baht 12,790 million, decreased by 2.6% from Baht 13,137 million as at the end of 2018, mainly reflecting from consolidated net loss.

As at the end of Q3/2019, the ratio of net borrowings to equity was 0.51x, slightly decreased from 0.53x as at the end of 2018.

### Cash flows

*Net cash provided by operating activities* for 9M/2019 was Baht 999 million, a decrease of 21.7% from Baht 1,277 million for 9M/2018, due mainly to the decrease of operating profit.

*Net cash provided (used) by investing activities* for 9M/2019 was Baht 1,437 million, most of which were cash withdrawn from current investment to prepare for the repayment of debenture in the next quarter.

*Net cash provided (used) in financing activities* for 9M/2019 was Baht (752) million, mainly comprising of the loans repayment.

The Company had ending cash and cash equivalents of Baht 4,514 million and held current investment of Baht 2,980 million as at the end of Q3/2019.

This document contains certain forward-looking statements. They refer to future events and to the future financial performance of the Companies. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue." Although the Companies believe that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.