

THAICOM

# MANAGEMENT'S DISCUSSION AND ANALYSIS



Thaicom Public Company Limited

## Management's Discussion and Analysis for Q2/2025

### Thaicom Public Company Limited

#### 1. Economic Overview

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In the second quarter of 2025 and the first half of the year, the Thai economy continued to face challenges due to global economic uncertainties. One significant factor has been the U.S.'s increasingly stringent trade policies, including higher import tariffs and trade restrictions targeting economic competitors. As a result, the U.S. dollar has gradually weakened since the beginning of the year amid concerns over a potential economic recession in the U.S. Meanwhile, the Baht remained volatile throughout the second quarter. In the early part of the quarter, the Baht faced downward pressure due to a gradual recovery in exports. However, starting from mid-quarter, the Baht began to appreciate and is expected to strengthen further in the short term, supported by foreign capital inflows. This trend is in line with the improvement in export performance and the continued high level of gold prices, which acted as a safe-haven asset amid global political and economic uncertainties. In the longer term, however, the Baht may return to a weakening trend due to domestic factors—particularly economic uncertainty, political issues, and border conflicts that could undermine investor confidence.

#### 2. Company's Performance Overview

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In Q2/2025, the Company reported revenue from sales and services of Baht 535 million, representing an increase of Baht 35 million or 7.0% from Baht 500 million in Q1/2025 (QoQ). This growth was primarily driven by revenue recognition from key projects, including the professional services for THAICOM 4 and THAICOM 6, under a contract with National Telecom Public Company Limited ("NT"), for which revenue recognition began in Q2/2025. Incremental revenue contribution came from the gradual return of revenue from the Universal Service Obligation ("USO") Phase 2 project, operated under the National Broadcasting and Telecommunications Commission ("NBTC"). However, compared to Q2/2024 (YoY), revenue from sales and services declined by 16.2%, primarily due to the expiration of the USO Phase 2 project.

The Company recorded revenue growth in its Space Technology business during the quarter, with contributions from various projects, including the agricultural technology development initiative for the Agricultural Research Development Agency ("ARDA") and a drone project for the Geo-Informatics and Space Technology Development Agency ("GISTDA"). Furthermore, progress was made on the 'CarbonWatch' initiative through strategic partnerships with leading organizations, including Global Green Chemicals Public Company Limited ("GGC"), Concrete Products and Aggregate Co., Ltd. ("CPAC"), under Siam Cement Public Company Limited ("SCG"), and Kasetsart University. These developments reflect the Company's success in expanding its revenue base and executing its strategic roadmap effectively.

Despite ongoing challenges from foreign exchange volatility and macroeconomic headwinds, the Company generated a core profit<sup>1</sup> of Baht 14 million in Q2/2025, highlighting effective operational management and resilience. Focusing solely on the satellite business—excluding non-satellite segments and the share of loss from the telecommunications business—the Company reported Baht 38 million in core profit, exceeding the normal core profit of Baht 24 million. These results underscore the core business's robust profitability.

The Company reported a net loss attributable to the owner of the Company of Baht 207 million in Q2/2025, primarily due to foreign exchange losses resulting from the appreciation of the Baht during the quarter. This surge in the Baht's value has adversely impacted Thailand's exports, including the Company, which derives a significant portion of its revenues internationally. Acknowledging the volatility of exchange rates, the Company has taken proactive steps to mitigate the impact through foreign exchange risk management and business diversification strategies.

Regarding the telephone business abroad, the Company's share of loss from investment in the joint venture significantly improved, driven by the continued growth in net profit of Lao Telecommunications Public Company ("LTC"), which benefited from the ongoing tariff restructuring for telecom services implemented by the Ministry of Telecommunication and Communication of the Lao PDR. However, despite the appreciation of the Lao Kip against the U.S. dollar in Q2/2025, the Company continued to incur a share of loss from this investment, primarily due to finance costs arising from interest expenses incurred by Shenington Investments Pte. Ltd. Nevertheless, the share of loss declined significantly—by 78.0% compared to Q2/2024 (YoY), which recorded a share of loss of Baht 41 million, and by 66.7% compared to Baht 27 million in Q1/2025 (QoQ). In Q2/2025, the Company recorded a share of loss of Baht 9 million, marking the lowest level since the end of 2024.

<sup>1</sup> Core profit means profit attributable to owner of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.

### 3. Business Overview

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#### Satellite and related Services

[GGC and the Company signed a Memorandum of Understanding to explore the use of science and technology in monitoring palm plantations and assessing carbon sequestration.](#)

**On 22 May 2025** – The Company signed a collaboration agreement with Global Green Chemicals Public Company Limited ("GGC") to explore the application of scientific and technological systems for monitoring palm plantation areas and assessing carbon sequestration. The partnership aims to facilitate knowledge exchange and jointly develop data collection methods for oil palm cultivation, as well as evaluate the amount

of carbon stored through such cultivation. Under this collaboration, the Company will play a key role by leveraging its space technology platform, "CarbonWatch," to enhance and advance carbon monitoring and assessment in palm plantations. GGC will serve as the domain expert, providing data support and overseeing various project sites for carbon credit development. The primary objective of this initiative is to strengthen competitiveness in the development of low-carbon products derived from oil palm and to establish a systematic, internationally recognized approach to oil palm plantation data collection in Thailand through advanced technological solutions.

[The Company, in collaboration with CPAC under SCG and Kasetsart University, signed an agreement to assess carbon sequestration in community forests in Lampang Province using the 'CarbonWatch' platform, with plans to expand the initiative to forest areas in the central and northern regions.](#)

**On 27 May 2025** – The Company signed a Memorandum of Understanding with CPAC, a subsidiary of SCG, and Kasetsart University to utilize the 'CarbonWatch' space technology platform—certified by the Thailand Greenhouse Gas Management Organization ("TGO")—to assess carbon sequestration in community forests in Lampang Province. The initiative aims to expand nationwide, enhancing the efficiency, accuracy, speed, transparency, and cost-effectiveness of large-scale forest carbon assessments compared to traditional methods. This collaboration marks a significant milestone in the Company's continued success, leveraging its satellite business expertise to advance into the space technology sector. Looking ahead, the initiative will contribute to national development goals, including carbon neutrality and achieving net-zero greenhouse gas emissions.

[AIS and the Company jointly support the military's satellite communication mission to safeguard the Thai-Cambodian border.](#)

**On 8 June 2025** – Advanced Info Service Public Company Limited ("AIS") and the Company have jointly supported the mission of Thai authorities in safeguarding the Thai-Cambodian border, particularly during periods of heightened sensitivity and close monitoring by all relevant sectors. This collaboration focuses on enhancing the security and reliability of communications in operational areas. In addition, the Company has provided and installed satellite equipment for the Second Army Region, enabling internet connectivity in remote areas along the border.

#### [Utilization of THCOM's satellites](#)

As of the end of Q2/2025, the utilization rate for the Company's conventional satellites providing services under telecommunication licenses via THAICOM 7 and THAICOM 8 reached 60.0%, rose from 56.8% in Q1/2025. This marked the second consecutive quarter of growth in utilization, primarily attributed to international customers.

#### Internet and media Services

The revenue from internet and media services mainly comes from Thai Advance Innovation Company Limited (Thai AI), consisting of the income from the sale of set-top-boxes and related equipment, including the sale and rental services for internet platform such as IPTV channels, video streaming, eSport, LOOX TV and New Space Technology business.

Revenue from internet and media services in Q2/2025 totaled Baht 17 million, a significant increase of Baht 14 million from Baht 3 million in both Q1/2025 (QoQ) and Q2/2024 (YoY). This increase was driven by contributions from Space Tech-related projects, including the agricultural technology development project for ARDA and a drone-based project for GISTDA.

#### Telephone business abroad

Lao Telecommunications Public Company ("LTC"), the leading provider in the mobile and telecommunications market in the Lao People's Democratic Republic ("Lao PDR"), has demonstrated consistently improving performance from the first quarter to the present. LTC's net profit in Q2/2025 increased significantly compared to the same period of the previous year, driven by the tariff restructuring for telecom services implemented by The Ministry of Telecommunication and Communication of the Lao PDR, which came into effect in 2024. As of the end of Q2/2025, LTC and TPLUS Digital Company Limited ("TPLUS") collectively had 2.44 million mobile subscribers, a figure comparable to the end of 2024.

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#### 4. Consolidated Operating Results

##### Summary of key financial information of THCOM

Unit: Baht million	Amount			Change		Amount		Change
	Q2 2025	Q1 2025	Q2 2024	%QoQ	%YoY	Q2 2025	Q1 2025	Q2 2024
Revenue from sales of goods and rendering of services	535	500	638	7%	-16%	1,034	1,247	-17%
Other income	2	240	41	-99%	-95%	243	43	465%
<b>Total Revenue</b>	<b>537</b>	<b>740</b>	<b>679</b>	<b>-27%</b>	<b>-21%</b>	<b>1,277</b>	<b>1,290</b>	<b>-1%</b>
Cost of sales of goods and rendering of services	(361)	(374)	(376)	-3%	-4%	(735)	(733)	0%
SG&A expenses <sup>(1)</sup>	(179)	(198)	(255)	-10%	-30%	(377)	(480)	-22%
Net gain (loss) from foreign exchange	(209)	(25)	29	736%	-821%	(234)	329	-171%
<b>Profit from operating activities</b>	<b>(212)</b>	<b>143</b>	<b>77</b>	<b>-248%</b>	<b>-375%</b>	<b>(69)</b>	<b>406</b>	<b>-117%</b>
<b>Profit from operating activities before interest, tax, and depreciation and amortization (EBITDA) <sup>(2)</sup></b>	<b>160</b>	<b>94</b>	<b>195</b>	<b>70%</b>	<b>-18%</b>	<b>254</b>	<b>372</b>	<b>-32%</b>
Financial income	51	49	91	4%	-44%	100	163	-39%
Financial costs	(18)	(18)	(23)	0%	-22%	(37)	(52)	-29%
Reversal of loss on impairment based on Thai Financial Reporting Standard No.9	(1)	-	2	N/A	-150%	(1)	4	-125%
Share of profit (loss) of investment in subsidiaries and joint ventures	(9)	(27)	(41)	-67%	-78%	(35)	(90)	-61%
<b>Profit before income tax expense</b>	<b>(189)</b>	<b>147</b>	<b>106</b>	<b>-229%</b>	<b>-278%</b>	<b>(42)</b>	<b>431</b>	<b>-110%</b>
Income tax expense	(18)	(27)	(43)	-33%	-58%	(46)	(79)	-42%
<b>Profit attributable to the owner of the Company (Net Profit)</b>	<b>(207)</b>	<b>119</b>	<b>63</b>	<b>-274%</b>	<b>-429%</b>	<b>(88)</b>	<b>352</b>	<b>-125%</b>
Less: Unrealized gain (loss) on exchange rate of the Company	(215)	(25)	33	760%	-752%	(240)	317	-176%
Less: Unrealized gain (loss) on exchange rate of joint ventures	(6)	-	(19)	N/A	-68%	(6)	(27)	-78%
<b>Core Profit</b>	<b>14</b>	<b>144</b>	<b>49</b>	<b>-90%</b>	<b>-71%</b>	<b>158</b>	<b>62</b>	<b>155%</b>
<b>Core profit excluding share of profit/(loss) from telecommunications business <sup>(3)</sup></b>	<b>38</b>	<b>180</b>	<b>77</b>	<b>-79%</b>	<b>-51%</b>	<b>218</b>	<b>146</b>	<b>49%</b>
<b>Basic earnings per share (Baht)</b>	<b>(0.19)</b>	<b>0.11</b>	<b>0.06</b>	<b>-274%</b>	<b>-429%</b>	<b>(0.08)</b>	<b>0.32</b>	<b>-125%</b>

(1) SG&A expenses included selling and administrative expenses and directors and management benefit expenses.

(2) Excluded gain (loss) on exchange rate and loss on assets impairment.

(3) Excluding non-satellite business and share of loss from the telecommunications business

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

The consolidated revenue from sales and rendering of services in Q2/2025 totaled Baht 535 million, representing a significant increase of Baht 35 million or 7.0% from Baht 500 million in Q1/2025 (QoQ). The increase was primarily driven by higher satellite and related services revenue from domestic customers. However, compared to Q2/2024 (YoY), revenue from sales and services declined by 16.2%, primarily due to the expiration of the USO Phase 2 project.

For the first half of 2025, total revenue from sales and services amounted to Baht 1,034 million, down 17.1% from Baht 1,247 million in the same period in 2024 (YoY), primarily due to from domestic customers.

Revenue from sales of goods and rendering of services	Q2 2025	Q1 2025	Q2 2024	%QoQ	%YoY	6M 2025	6M 2024	%YoY
Unit: Baht million								
Satellite and related services	523	499	640	4.8%	-18.3%	1,022	1,247	-18.0%
Internet and media services	17	3	3	466.7%	466.7%	20	6	233.3%
Consolidation eliminations	(5)	(2)	(5)	150.0%	-	(7)	(6)	16.7%
<b>Total</b>	<b>535</b>	<b>500</b>	<b>638</b>	<b>7.0%</b>	<b>-16.1%</b>	<b>1,035</b>	<b>1,247</b>	<b>-17.0%</b>

After the expiry of the concession, revenue from satellite and related services comprised of revenue from sales of goods and rendering of services from THAICOM 7 and THAICOM 8, which are operated under licenses to provide telecommunication services. Besides, there were revenue from satellite services from part of bandwidth purchased on THAICOM 4 and THAICOM 6 satellites from National Telecom Public Company Limited, including bandwidth purchased from international satellite service providers in order to continue providing seamless service for both broadcast and broadband.

In Q2/2025, revenue from satellite and related services amounted to Baht 523 million, representing an increase of 4.8% from Baht 499 million in Q1/2025 (QoQ), and a decrease of 18.3% from Baht 640 million in Q2/2024 (YoY). The QoQ growth was primarily driven by revenue recognition from key projects, including the professional services for THAICOM 4 and THAICOM 6, under a contract with NT, for which revenue recognition began in Q2/2025. Additional support came from the gradual return of revenue from the USO Phase 2 project, operated under the NBTC. However, compared to Q2/2024 (YoY), revenue declined due to the full recognition of revenue from the USO Phase 2 project in Q2/2024, prior to the project's conclusion. The current period is considered a transition phase toward the launch of USO Phase 3, resulting in gradual revenue recognition under the new framework. Revenue is expected to return to normalized levels starting in the second half of 2025.

For the first half of 2025, the Company reported revenue from satellite and related services of Baht 1,022 million, a decrease of 18.0% compared to Baht 1,247 million in the same period in 2024 (YoY), due to the partial recovery of revenue from the USO Phase 2 project, which has yet return to normal levels.

#### [Internet and media Services](#)

Revenue from internet and media services in Q2/2025 totaled Baht 17 million, a significant increase of Baht 14 million from Baht 3 million in both Q1/2025 (QoQ) and Q2/2024 (YoY). This increase was driven by contributions from Space Tech-related projects, including the agricultural technology development project for ARDA and a drone-based project for GISTDA.

#### [Other Income](#)

In Q2/2025, other income totaled Baht 2 million, a sharp decline from Baht 240 million in Q1/2025 (QoQ) and Baht 41 million in Q2/2024 (YoY). The high figure in Q1/2025 was primarily due to a Baht 235 million gain from the reversal of long-term accounts payable – property and equipment, as it no longer has any obligations to pay under the contract terms. (For further details, please refer to Note 7 to the Q1/2025 financial statements) and in Q2/2024, the Company's other income included the compensation from legal settlements.

#### [Cost of sales of goods and rendering of services](#)

In Q2/2025, the Company reported total cost of sales and rendering of services of Baht 361 million, representing a 3.5% decrease compared to Baht 374 million in Q1/2025 (QoQ). This decrease was primarily due to the recognition of maintenance costs for overseas ground stations recorded in Q1/2025 under satellite and related services. Cost of sales and services also declined compared to Q2/2024 (YoY), in line with the corresponding decrease in revenue.

For the first half of 2025, total cost of sales and services amounted to Baht 735 million, down 17.1% from Baht 887 million in the first half of 2024 (YoY). The decrease was mainly attributed to lower revenue.

Cost of sales of goods and rendering of services	Q2 2025	Q1 2025	Q2 2024	%QoQ	%YoY	6M 2025	6M 2024	%YoY
Unit: Baht million								
Satellite and related services	352	374	375	-5.9%	6.1%	726	731	-0.7%
Internet and media services	14	2	3	600.0%	366.7%	16	5	220.0%
Consolidation eliminations	(5)	(2)	(2)	150.0%	150.0%	(7)	(3)	133.3%
<b>Total</b>	<b>361</b>	<b>374</b>	<b>376</b>	<b>-3.5%</b>	<b>-4.0%</b>	<b>735</b>	<b>733</b>	<b>0.3%</b>

#### [Cost of internet and media services](#)

In Q2/2025, the cost of internet and media services totaled Baht 14 million, representing an increase from both Q1/2025 (QoQ) and Q2/2024 (YoY), in line with the corresponding increase in revenue.

#### [Selling and administrative expenses](#)

In Q2/2025, SG&A expenses, including directors' and executives' remuneration, amounted to Baht 179 million. This represented a significant decrease of Baht 19 million from Baht 198 million in Q1/2025 (QoQ) and a reduction of Baht 76 million from Baht 255 million in Q2/2024 (YoY). The QoQ decrease was primarily due to lower professional expenses for satellite procurement. The YoY reduction reflects improved cost control and administrative efficiency.

### Finance costs

Finance costs in Q2/2025 totaled Baht 18 million, consistent with Q1/2025. Compared to Q2/2024 (YoY) of Baht 23 million, finance costs declined by 21.7% due to the repayment of long-term loans related to the satellite project.

### Share of profit of investment in joint venture

The share of profit (loss) of investment in subsidiaries and joint ventures consisted of those from LTC, Nation Space and Technology Co.,Ltd and ATI Technologies Co.,Ltd.

In Q2/2025, the Company recorded a share of loss from investment in joint ventures totaling Baht 9 million, primarily due to losses from its investment in the telecommunications business in the Lao PDR ("LTC"). However, the loss significantly improved, declining by 78.0% compared to Baht 41 million in Q2/2024 (YoY), and by 66.7% compared to Baht 27 million in Q1/2025 (QoQ). The improvement was driven by a substantial increase in LTC's net profit in Q2/2025 compared to the prior year. Despite the appreciation of the Lao Kip against the U.S. dollar during the quarter, the Company continued to recognize a share of loss from this investment due to finance costs arising from interest expenses incurred by Shenington Investments Pte. Ltd. In the longer term, the Company will benefit from the positive factors arising from the Ministry of Telecommunication and Communication of the Lao PDR's policy that has restructured telecommunications service prices. This is expected to lead to a continuous recovery in losses from equity investments in joint ventures.

### Profit attributable to the owner of the Company (Net profit)

The Company reported a net loss attributable to the owner of the Company of Baht 207 million in Q2/2025, primarily due to foreign exchange losses resulting from the appreciation of the Baht during the quarter. The strengthening Baht negatively affected the export sector, including the Company, which derives a significant portion of its revenues internationally. Acknowledging the volatility of exchange rates, the Company has taken proactive steps to mitigate the impact through foreign exchange risk management and business diversification strategies.

Despite ongoing challenges from foreign exchange volatility and macroeconomic headwinds, the Company generated a core profit<sup>1</sup> of Baht 14 million in Q2/2025, highlighting effective operational management and resilience. Focusing solely on the satellite business—excluding non-satellite segments and the share of loss from the telecommunications business—the Company reported Baht 38 million in core profit, exceeding the normal core profit of Baht 24 million. These results underscore the core business's robust profitability.

<sup>1</sup> Core profit means profit attributable to owner of the Company before unrealized gain (loss) on exchange rate of the Company and joint ventures, and before extra items.

## 5. Financial Position

As of the end of Q2/2025, the Company reported total assets of Baht 15,421 million, representing an increase of 1.7% from Baht 15,168 million as of year-end 2024. The increase was primarily driven by a rise in cash and cash equivalents, following the partial refund of withholding tax from the Indian Revenue Department. In addition, non-current assets increased due to the recognition of a gain from the write-off of liabilities related to property, plant, and equipment amounting to Baht 235 million, following the Company's release from contractual payment obligations. (Further details can be found in Note 7 to the Q1/2025 financial statements.)

### Asset components

Assets Unit: Baht million	30 June 2025		31 December 2024	
	Amount (Baht million)	% of Total Assets	Amount (Baht million)	% of Total Assets
Current assets	4,969	32.2%	4,711	31.1%
Property, plant and equipment	5,025	32.6%	4,559	30.1%
Right-of-use assets*	1,161	7.5%	1,233	8.1%
Intangible assets	757	4.9%	784	5.2%

\* Right-of-use assets including satellite's transponders, plant, buildings and vehicles

### Trade and other receivables

As of the end of Q2/2025, the Company reported total trade and other current receivables of Baht 1,010 million, representing 6.6% of total assets, a decrease of Baht 55 million from year-end 2024. This was mainly a result of the regular collection of accounts receivable.

### Liquidity

As of the end of Q2/2025, the Company's current ratio stood at 2.2 times, down from 4.3 times as of year-end 2024. The decline was primarily due to an increase in current liabilities resulting from short-term borrowings, despite the increase in current assets from the partial refund of withholding tax from India.

### Right-of-use assets

As of the end of Q2/2025, the Company had right-of-use assets totaling Baht 1,161 million, accounting for 7.5% of total assets. These assets are primarily related to capacity purchased on THAICOM 4 and THAICOM 6 satellites under post-concession agreements, as well as capacity leased from international satellite operators to serve the Company's customers. The value of right-of-use assets decreased by 5.8% from Baht 1,233 million as of year-end 2024 due to amortization of satellite lease assets.

### Borrowings and shareholders' equity

As of the end of Q2/2025, the Company had no long-term loans from financial institutions due within one year, having fully repaid its long-term borrowings related to the satellite project. However, the Company held short-

term loans from financial institutions totaling Baht 1,181 million to finance investments in a new satellite. As of year-end 2024, the Company had net borrowings of Baht 927 million.

Total shareholders' equity stood at Baht 9,963 million at the end of Q2/2025, representing a decrease of 0.6% from Baht 10,019 million at year-end 2024, primarily due to the net loss recorded during the quarter.

The Company's net debt-to-equity ratio was 0.12x as of Q2/2025, up 28.0% compared to the end of 2024.

#### Cash Flows

In Q2/2025, Net cash provided by operating activities totaled Baht 487 million in Q2/2025, an increase of Baht 157 million from Baht 330 million in Q2/2024 (YoY). The increase was mainly due to the partial refund of withholding tax from the Indian Revenue Department totaling INR 1,697 million. This was recorded under other non-current liabilities in the statement of financial position (Further details can be found in Note 12 to the financial statements).

Net cash used in investing activities was Baht 272 million in Q2/2025, an increase compared to net cash used of Baht (503) million in Q2/2024 (YoY). The increase was mainly due to advance payments for equipment related to the new satellite.

Net cash used in financing activities amounted to Baht 110 million in Q2/2025, primarily consisting of loan principal and interest payments.

As of the end of Q2/2025, the Company held total cash and cash equivalents, including temporary investments, of Baht 3,599 million.