








**ILINK**

**Opportunity Day 3Q 2019**

**19 Nov 2019**



# AGENDA

-  **Company Overview**
-  **Performance Overview (9M19)**
-  **Performance Analysis**
-  **Key Financial Ratio**
-  **Forward Looking**



# COMPANY OVERVIEW

# COMPANY MILESTONE



# COMPANY STRUCTURE



# THREE MAIN BUSINESSES

1



## Distribution

- ✓ Cabling Importer and Distributor
- ❖ ICT Cabling & Networking Products
  - ICT Dealer, IT System Integrator, Installer, Contractor, IT Shop, Electrical Supply Shop, Construction Materials Shop, Online Business

2



## Telecom

- ✓ Fiber Optic Network Provider
- ❖ Data Service
- ❖ Data Center
- ❖ Network Installation
  - Mobile and Internet Operators, Banks and Financial institutions, Branch Offices, Superstores, Retail Stores, Government Sector

3



## Engineering

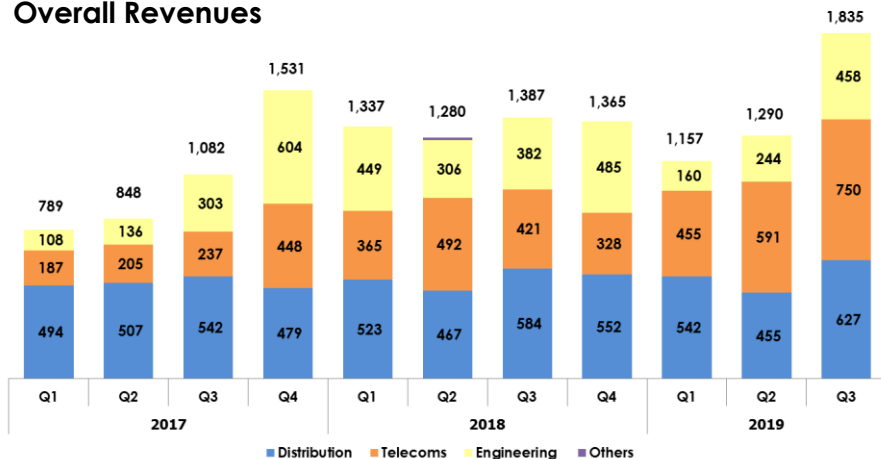
- ✓ Electrical Engineering Turnkey Project
- ❖ Submarine Cable,
- ❖ Transmission Line
- ❖ Electrical Substation
- ❖ Underground Cable
  - Government Sector such as PEA, AOT, MEA etc.



# PERFORMANCE OVERVIEW

# 9M19 PERFORMANCE RECAP

## Overall Revenues



**4,282** Million Baht

9M19 Revenue

**+7% YoY**

- Distribution **1,624** MB **+3% YoY**
- Telecoms **1,796** MB **+41% YoY**
- Engineering **862** MB **-24% YoY**

**18.55% GP Margin**

9M19

**+9% YoY**

**83** Million Baht

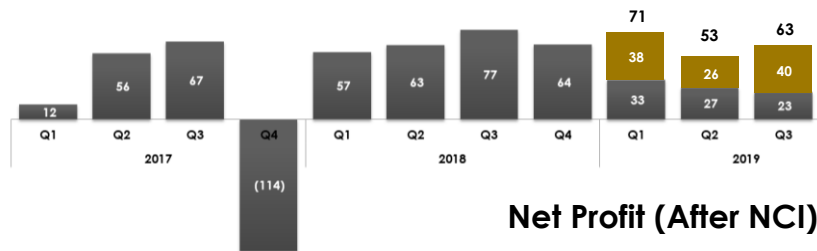
**-58% YoY**

9M19 Net Profit  
with unrealized loss FX (After NCI)

**187** Million Baht

**-5% YoY**

9M19 Actual Net Profit  
without unrealized loss FX (After NCI)



**Net Profit (After NCI)**



# PERFORMANCE ANALYSIS

# DISTRIBUTION BUSINESS



## Distribution

- ✓ Cabling Importer and Distributor
- ❖ ICT Cabling & Networking Products
- ICT Dealer, IT System Integrator, Installer, Contractor, IT Shop, Electrical Supply Shop, Construction Materials Shop, Online Business



## Core Products

### 1 Cabling Products

- UTP
- Fiber
- FTTH
- Coaxial
- Telephone
- Tools & Testers



### 2 Networking Products

- POE Switch
- Media Converter
- Video Converter
- SFP



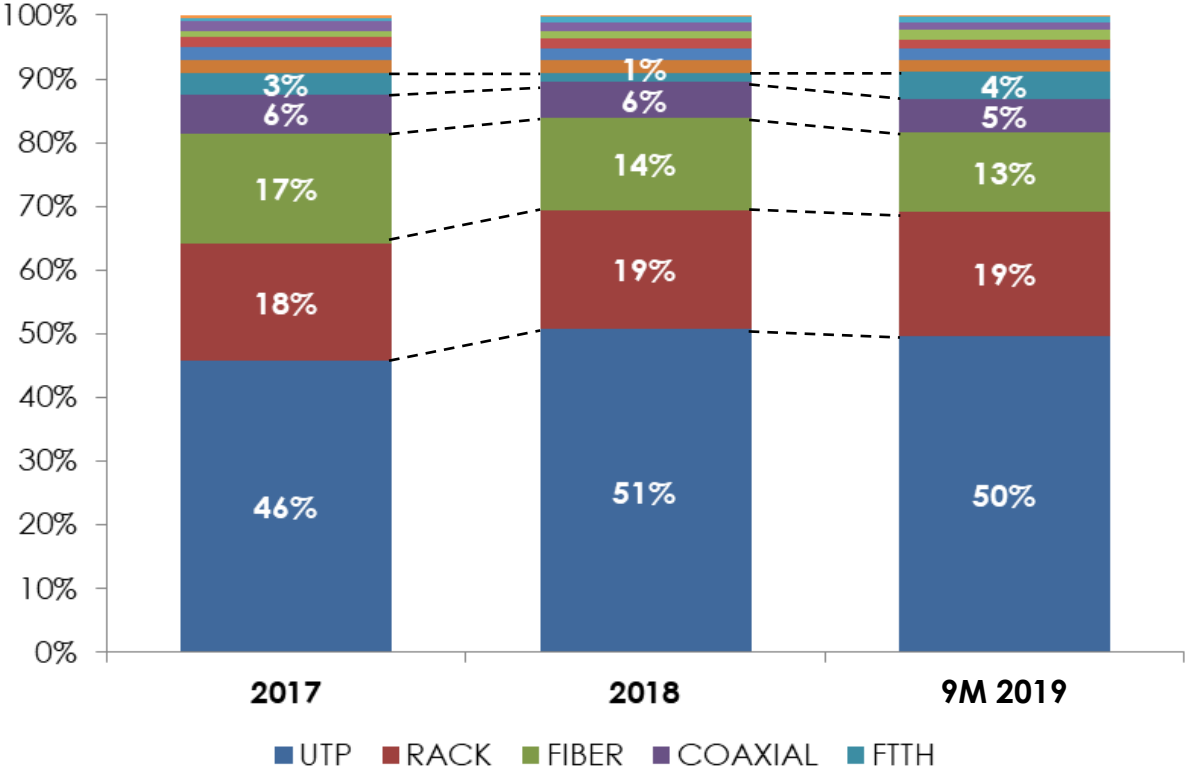
### 3 Racks and Data Center Cabling

- 19" LINK Rack
- 19" GERMAN Rack




# DISTRIBUTION BUSINESS

Product Mix



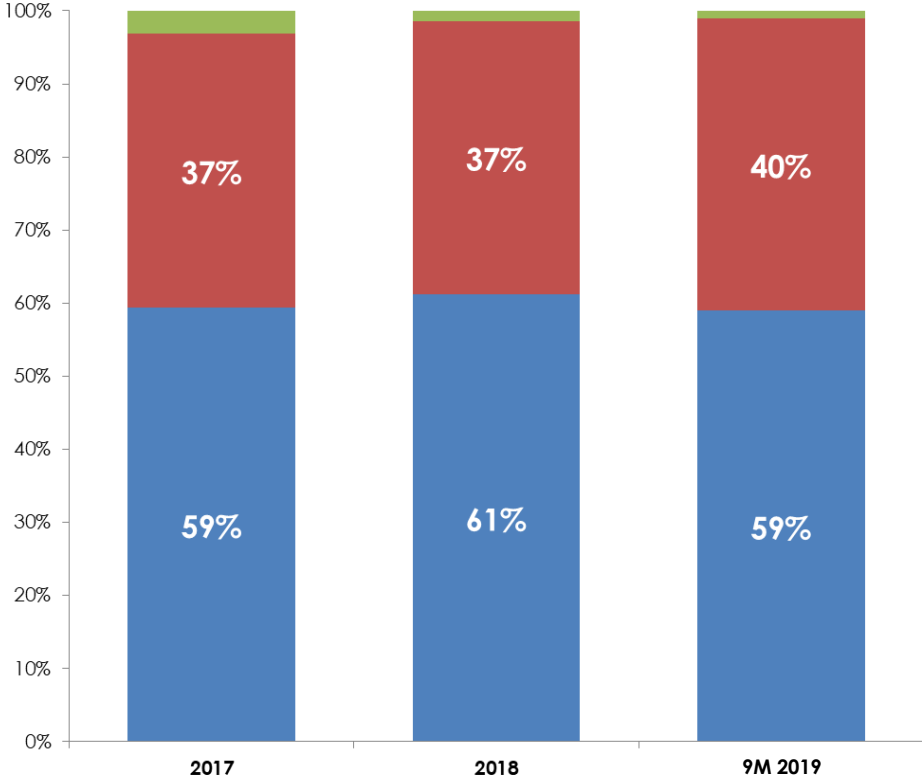
**TOP 3 Best Seller**



**UTP**  
Rack Cabinet  
Fiber

# DISTRIBUTION BUSINESS

Customer Mix



## SALES TEAM 3

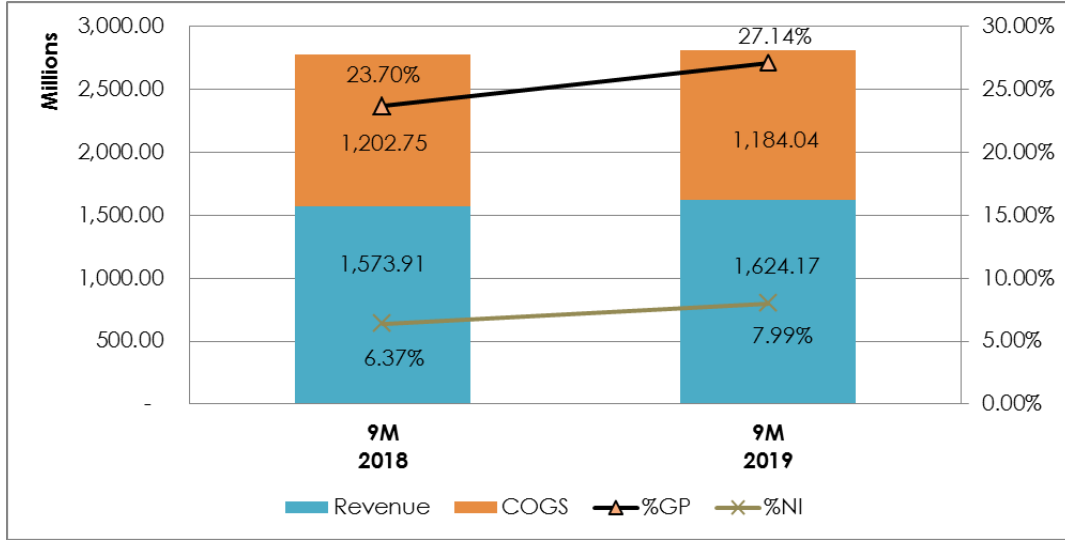
- IT Shop
- CCTV Shop
- Electrical Supply Shop
- Construction Materials Shop
- Online Shop



## SALES TEAM 1 & 2

- ICT Dealer
- IT System Integrator
- Installer
- Contractor
- Mobile & Internet Operator

# DISTRIBUTION: %GP continuously improved YoY



Rev **slightly grew** from UTP and Fiber

- UTP 9M19 Rev **+2% YoY**
- Fiber 9M19 Rev **+10% YoY**

**1,624** Million Baht

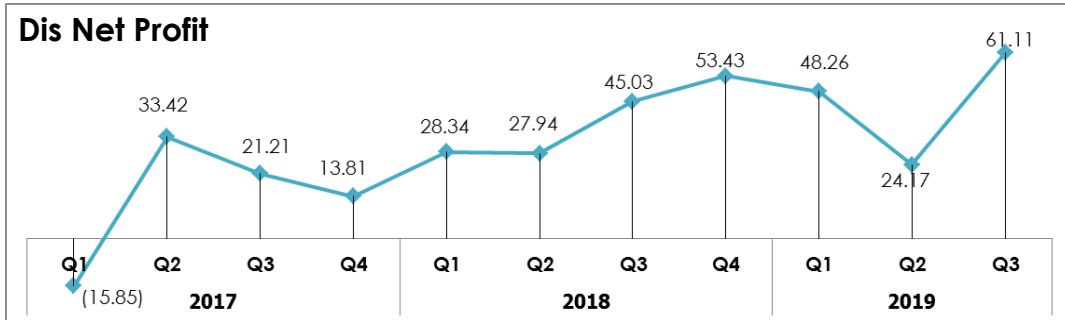
9M19 Dis Revenue **+3% YoY**

%GP **mainly increases** on UTP and Fiber

- Aggressive price negotiation with suppliers
- Falling copper price **-5% YoY**
- USD Depreciation **-6% YoY**

**133** Million Baht

9M19 Dis Net Profit **+32% YoY**



# TELECOM BUSINESS



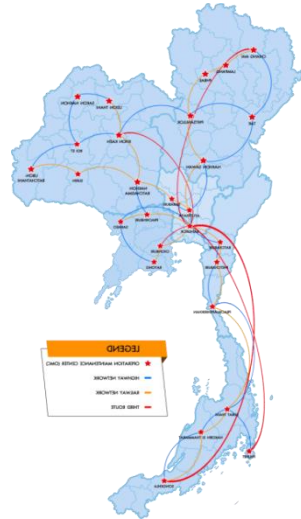
## Telecom

- ✓ Fiber Optic Network Provider
- ❖ Data Service
- ❖ Data Center
- ❖ Network Installation
- Mobile and Internet Operators, Banks and Financial institutions, Branch Offices, Superstores, Retail Stores, Government Sector

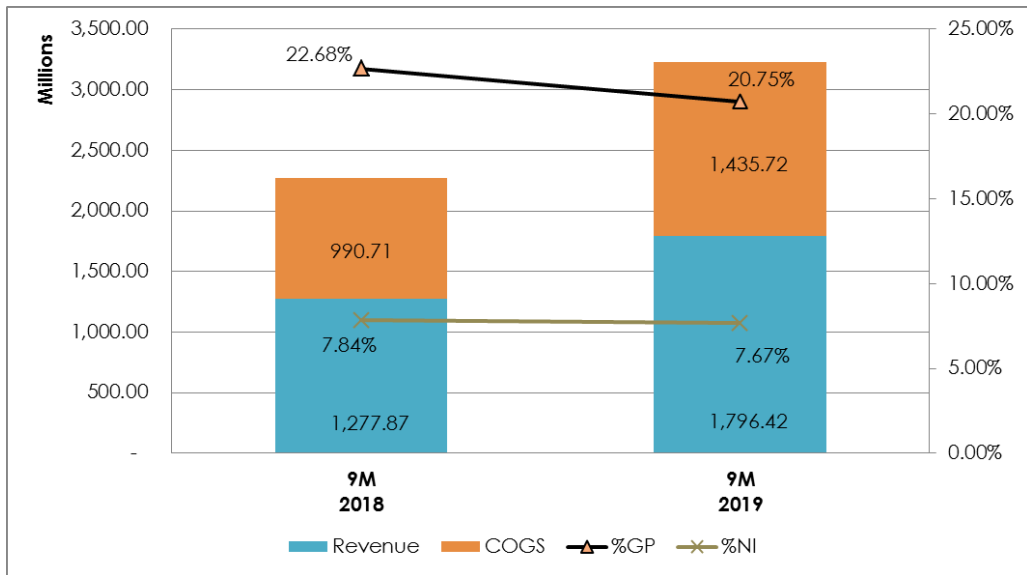
1. การให้บริการโครงข่ายวงจรรีโอสื่อสารข้อมูลความเร็วสูง (Data Service)

2. การให้บริการติดตั้งโครงข่ายโทรคมนาคม (Installation)

3. การให้บริการพื้นที่ศูนย์ข้อมูลหรือดาต้าเซ็นเตอร์ (Data Center)



# TELECOM: Revenue outstandingly grew both QoQ/ YoY



Rev **mainly increased** from Network Installation

- Projects
- USO Phase 2 = 412.29MB
  - DMS = 32 MB

**1,796** Million Baht

9M19 Tele Revenue **+41% YoY**

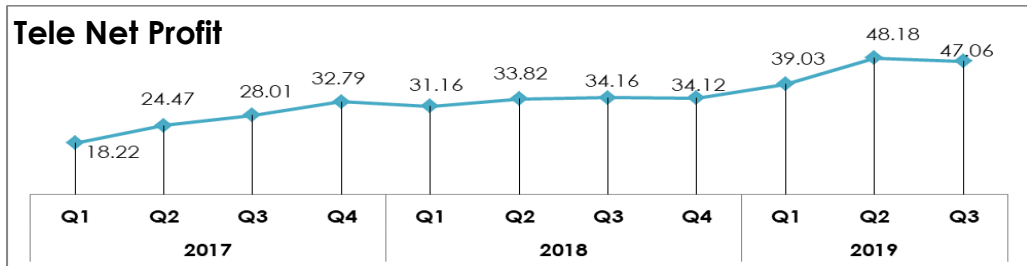
%GP **slightly decreased** from higher costs of

Depreciation Expense

- Network Coverage
- Battery Life in Data Center (5 >> 3 years)

**134** Million Baht

9M19 Tele Net Profit **+35% YoY**



# ENGINEERING BUSINESS



## Engineering

- ✓ Electrical Engineering Turnkey Project
- ❖ Submarine Cable,
- ❖ Transmission Line
- ❖ Electrical Substation
- ❖ Underground Cable
- Government Sector such as PEA, AOT, MEA etc.



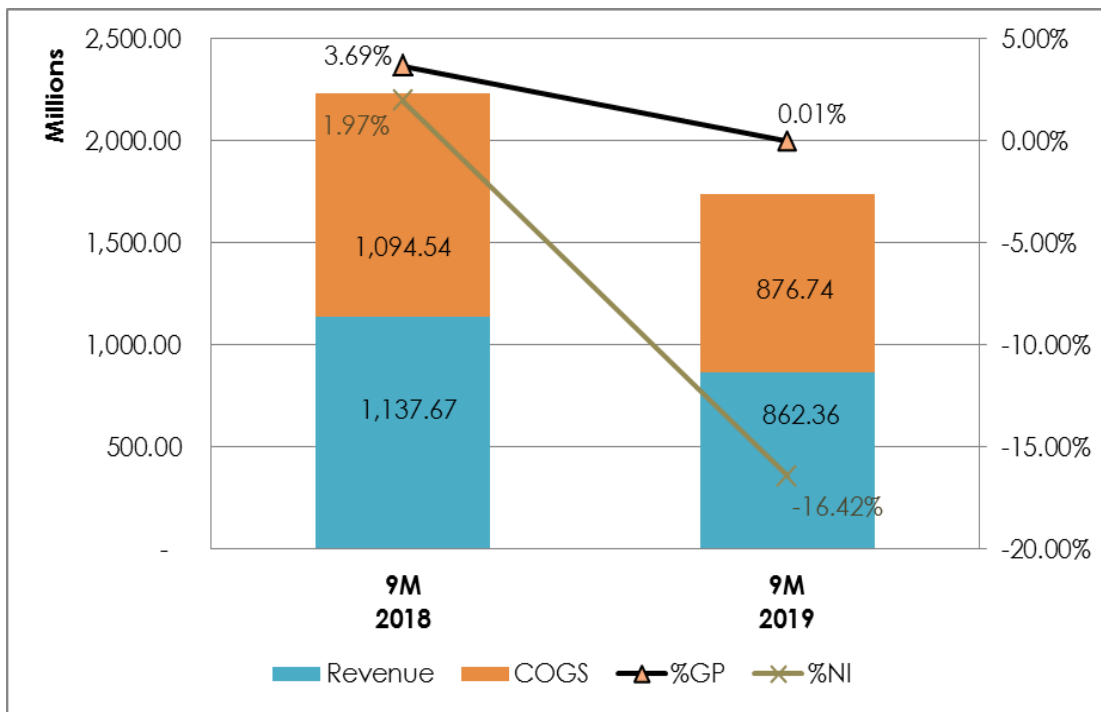
| Previous Projects |                              |         |
|-------------------|------------------------------|---------|
| ปี 2010           | เกาะปูกู เกาะยาว จ.สตูล      | 302MB   |
| ปี 2011           | เกาะสี่ซัง เกาะล้าน จ.ชลบุรี | 311MB   |
| ปี 2013           | เกาะสุกร เกาะลิบง จ.ตรัง     | 337MB   |
| ปี 2015           | เกาะกูด เกาะหมาก จ.ตราด      | 1,150MB |
| ปี 2015           | เกาะพะงัน จ.สุราษฎร์ธานี     | 799MB   |





# ENGINEERING: Be directly affected by the change in accounting policy (TFRS15)

## TFRS15: Revenue from Contracts with Customers (Effective Jan 1, 2019)



**862 Million Baht**

9M19 Eng Revenue

**-24% YoY**

**-131 Million Baht**

**-670% YoY**

9M19 Eng Net Profit  
with unrealized loss FX

104 MB Accum Unrealized loss on FX rate  
of APM Project (CC4)

- Fwd Value = 42.36 Million EUR
- Fwd Rate = 39.49 THB/ EUR

**Remark** 9M19 Eng Actual Profit w/o  
unrealized loss FX = -27MB **-212% YoY**

# KEY FINANCIAL RATIO

# KEY FINANCIAL RATIO

| INTERLINK GROUP           |           |           |          |
|---------------------------|-----------|-----------|----------|
| Company Performance       | 2018      | 2019      | % Change |
| ROA                       | 3.79%     | 1.81%     | -52.24   |
| ROE                       | 9.48%     | 5.30%     | -44.09   |
| Dividend Yield            | 0.80%     | 2.81%     | 251.25   |
| Profitability Performance | 30-Sep-18 | 30-Sep-19 | % YoY    |
| GP Margin                 | 17.00%    | 18.55%    | 9.10     |
| - Distribution            | 23.70%    | 27.14%    | 14.54    |
| - Telecoms                | 22.68%    | 20.75%    | -8.51    |
| - Engineering             | 3.69%     | 0.01%     | -99.86   |
| Debt Performance          | 31-Dec-18 | 30-Sep-19 | % YTD    |
| D/E Ratio                 | 1.74      | 2.12      | 21.84    |
| Liquidity Ratio           | 31-Dec-18 | 30-Sep-19 | % YTD    |
| Current Ratio             | 2.21      | 1.37      | -38.01   |

## 2018

Dividends are paid by common stock (2:1) and cash at 0.05556 THB per share

## 2019

Dividends are paid by cash at 0.14 THB per share

- Controllable; not more than 2.50
- Still comply with debt covenant of the bank

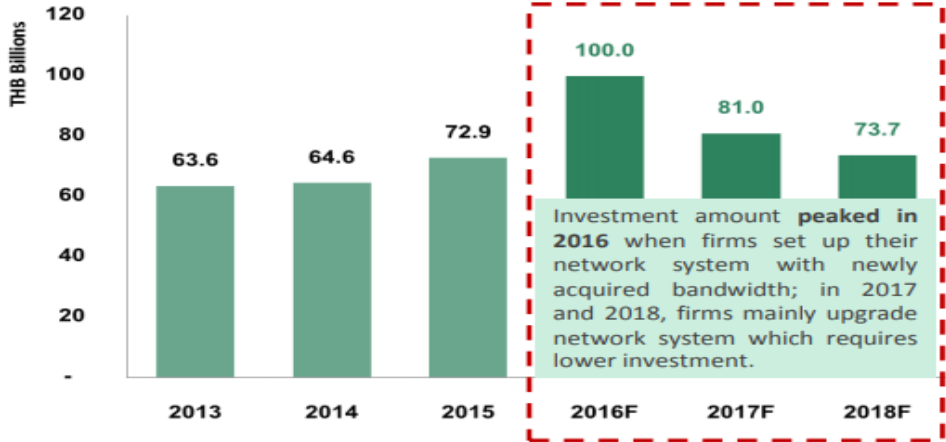
**FORWARD LOOKING**

# DISTRIBUTION TREND: 5G and Fiber Investment for Internet

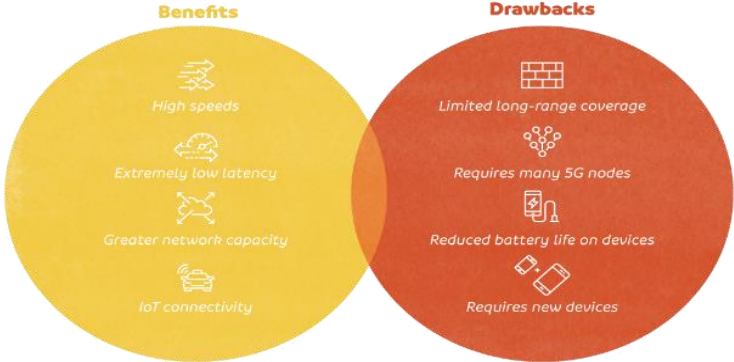
## The Benefit: Density of fiber-optic cable networks

- 5G will operate over a range of very high-frequency spectrums that can carry significant amounts of data but only for short ranges – only 10 percent of the distance of a 4G signal. Therefore, 5G coverage **requires a dense network of 5G antennas based on extensive land-based fiber systems**

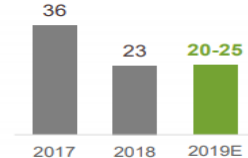
Investment in wireless broadband internet via 3G/4G networks



Same Investment Pattern will likely to happen in 2020 - 2023



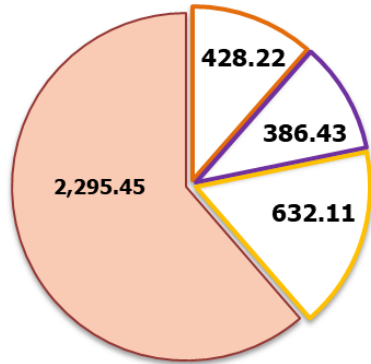
Budget CAPEX (Bt bn)



Example of CapEx from AIS

# TELECOM TREND: Backlog as of 3Q 2019

## Revenue Backlog



Bandwidth Dark Fiber USO1 USO2

Q3'19 = 3,742.21 MB

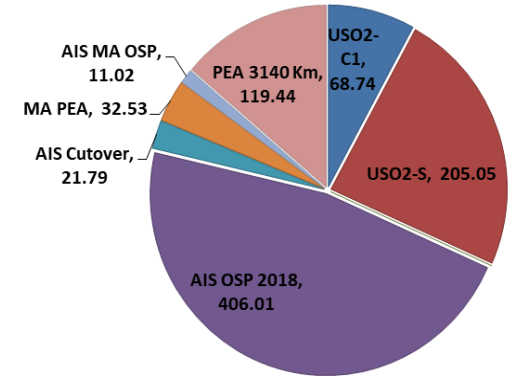
(Q2'19 = 3,850.01 MB)



### DATA CENTER

Q3'19 = 74.56 MB

(Q2'19 = 93.05 MB)



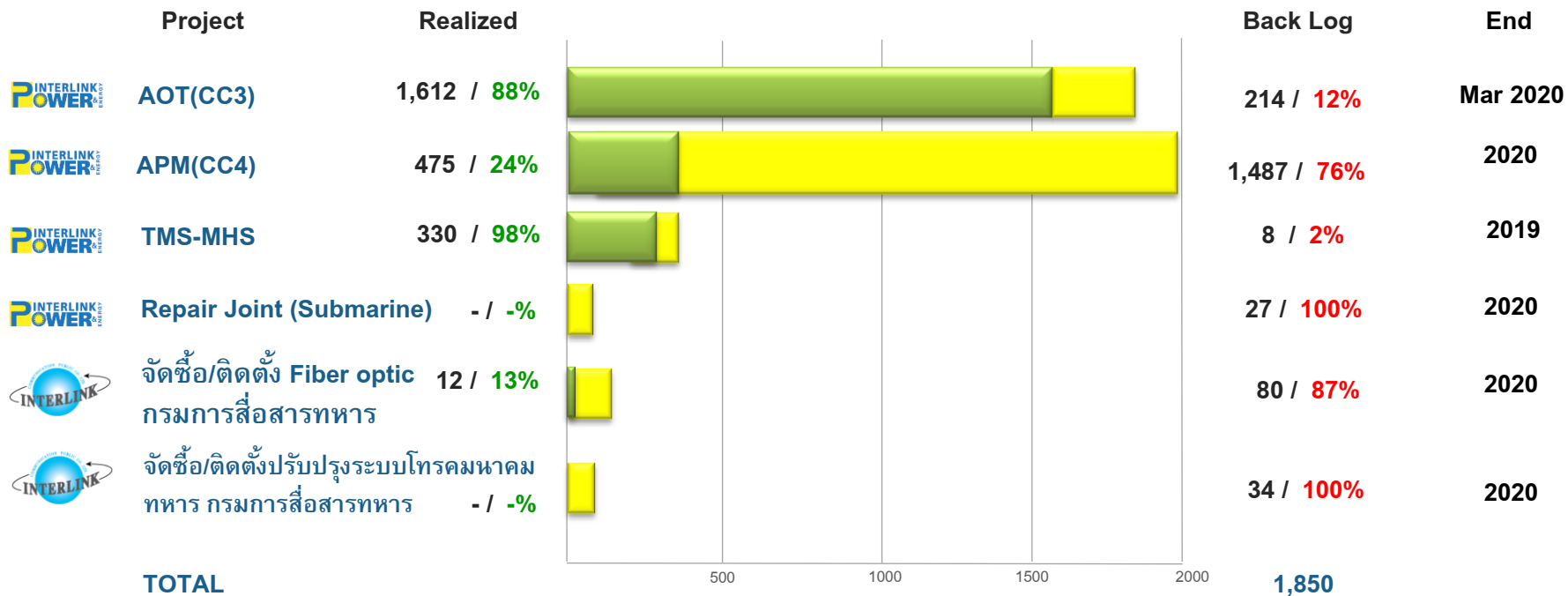
### INSTALLATION

Q3'19 = 864.58 MB

(Q2'19 = 1,368.64 MB)



**TOTAL = 4,681.35 MB**  
**(Q2'19 = 5,311.70 MB)**

# ENGINEERING TREND: Backlog as of 3Q 2019

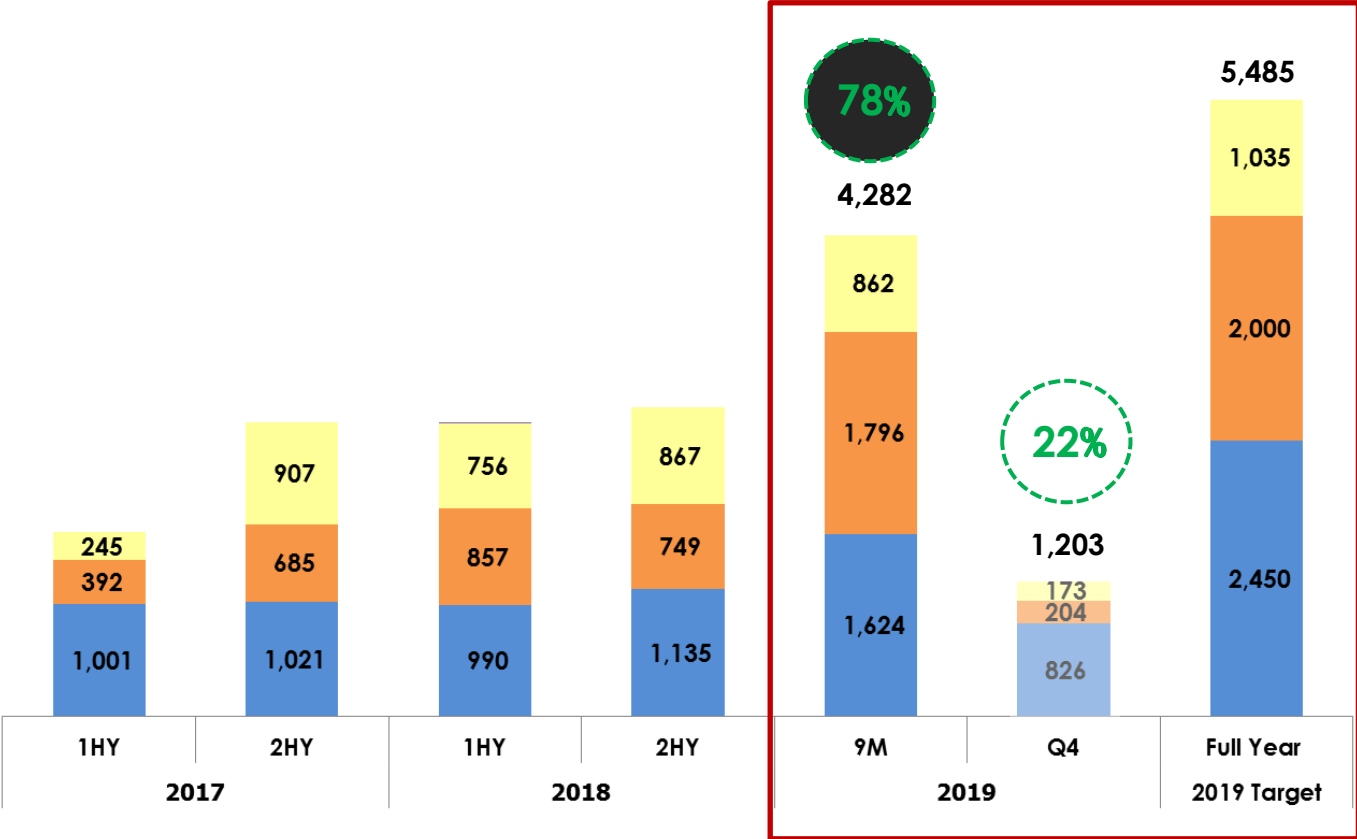


**TOTAL Back Log = 1,850 MB (Eng = 1,736 Dis = 114)**

**( Will be recognized in 2019 – 2020 )**

 Realized  
 Back log

# REVENUE TARGET ACHIEVEMENT







# THANK YOU



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