



# The Group of INTERLINK

## Opportunity Day

**Year End 2019**

**10 March 2020**



# AGENDA

-  Group Overview
-  Business Analysis
-  Business Strategy (5-Year Plan)
-  2019 Performance Recap
-  Recent Updates



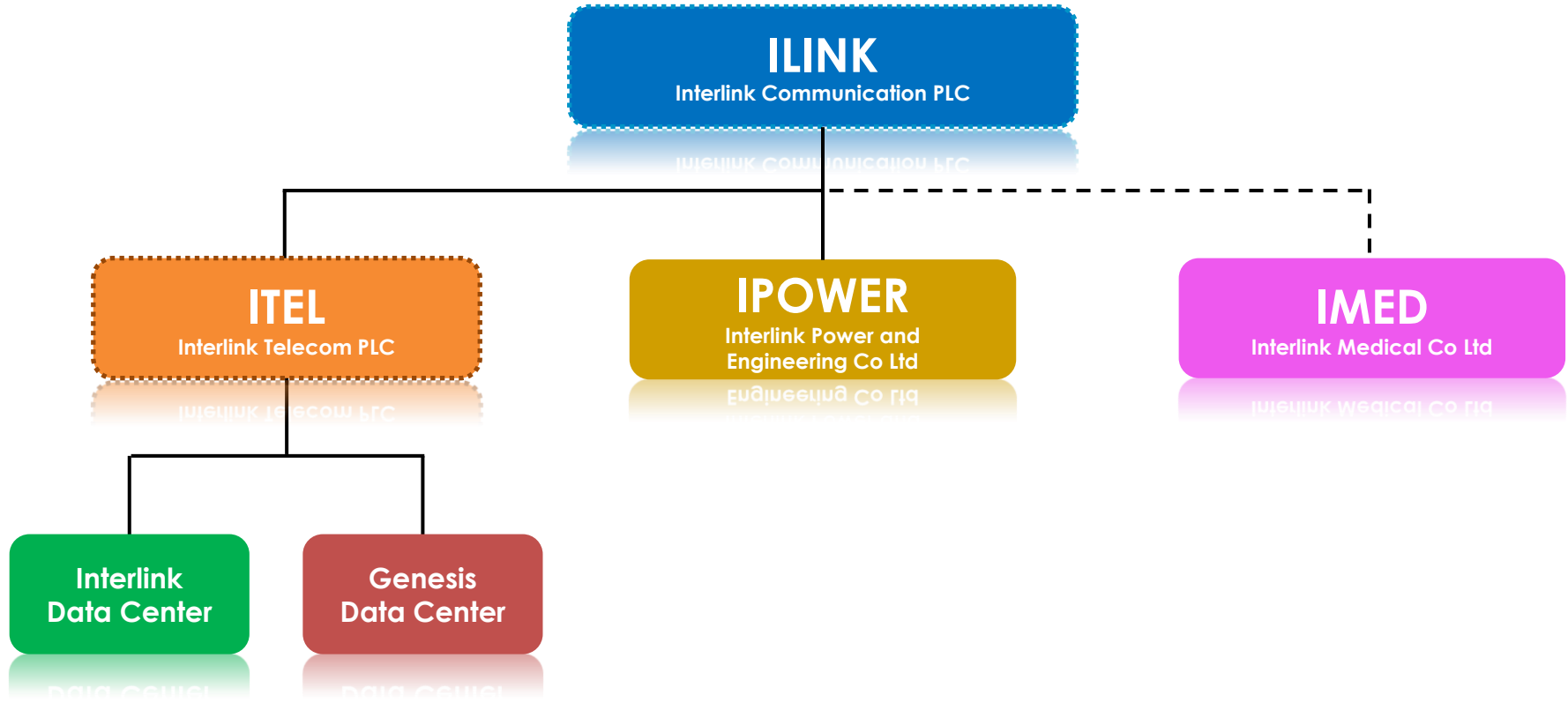
# GROUP OVERVIEW

# GROUP MILESTONE



- 1987** • Established Interlink Holding Limited
- 1995** • Registered Interlink Communication Company Limited as a company whose majority shareholder is Interlink Holding Limited to run **"Distribution Business"**
- 2004** • Interlink Communication Company Limited was converted to Public Company Limited being listed on the Market for Alternative Investment (mai) on 20 August 2004 under the stock name "ILINK"
- 2007** • Registered Interlink Telecom Company Limited as a subsidiary company whose 100% of total shares is held by Interlink Communication Public Company Limited to penetrate the new market running **"Telecom Business"**
- 2008** • Registered Interlink Power and Engineering Company Limited as a subsidiary company to run **"Engineering Business"**
- 2013** • ILINK expanded 4 more branches to cover 4 main regions (North, North East, East, and South) over Thailand  
• ILINK launched the 2-acre Distribution Center and R&D Center
- 2015** • Increased registered capital and transferred ILINK to be listed on the Stock Exchange of Thailand (SET) on 19 August 2015
- 2016** • Spun off Interlink Telecom Company Limited to be listed on the Market for Alternative Investment (mai) on 14 September 2016 under the stock name "ITEL"
- 2019** • Established Interlink Medical Company Limited expecting to diversify into **"Healthcare Technology Business "**

# GROUP STRUCTURE



# **BUSINESS ANALYSIS**

# DISTRIBUTION BUSINESS



“We are the Biggest Network Cabling Importer & Distributor in Thailand and CLMV”

## Core Products

### 1 Cabling Products

- LAN cable
- Fiber Optic Cable
- FTTH Cable

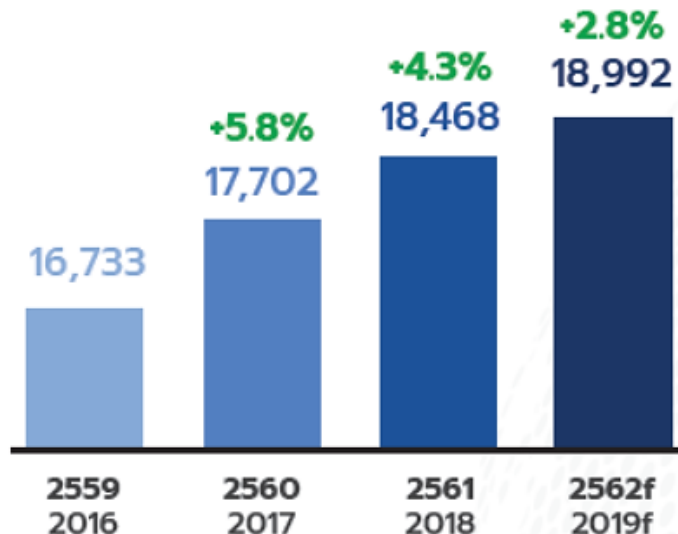
### 2 Networking Products

- POE Switch
- Network Switch
- Access Point

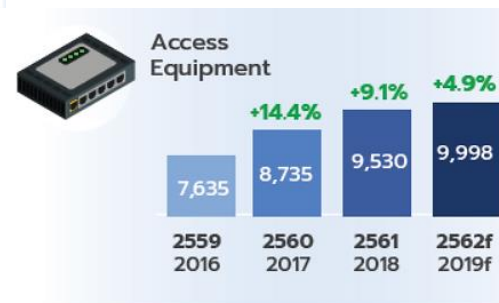
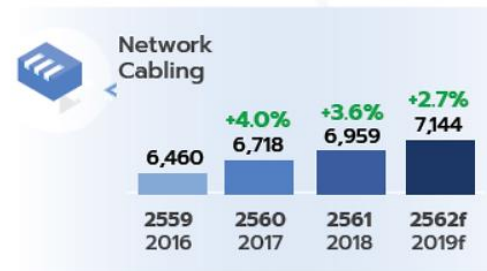
### 3 Racks

- 19" LINK Rack
- 19" GERMAN Rack
- Data Center Rack

## มูลค่าตลาดอุปกรณ์สื่อสารใช้สาย ปี 2559-2561 และประมาณการปี 2562



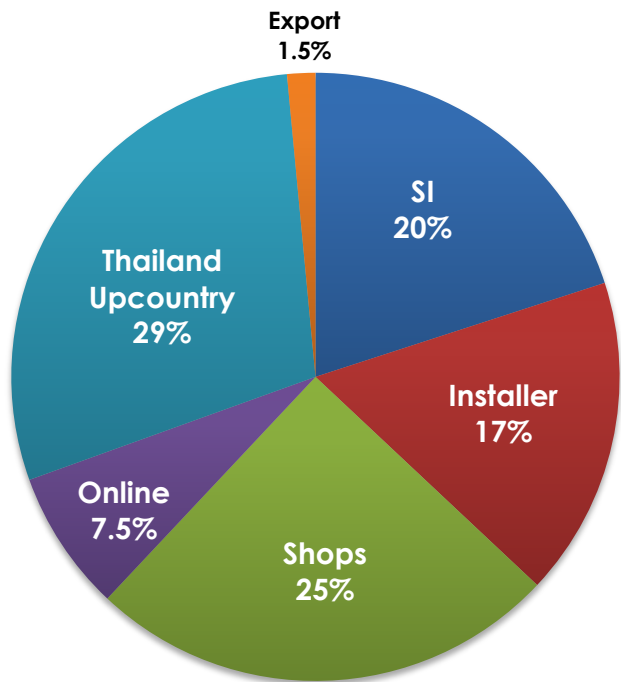
หน่วย : ล้านบาท (Million ฿)



# DISTRIBUTION BUSINESS



## Customers



As of December 2019

## Competitors

### 1 Cabling Products

- **LINK 50%**
- **Commscope (10%+10%)**
- Furukawa 10%
- Panduit 5%
- Limaz 5%
- Others 10%

### 2 Networking Products

- CISCO 50%
- LINKSYS 10%
- Huawei 10%
- TP-LINK 20%
- Zyxel 5%
- Others 5%

### 3 Racks

- **GERMAN 40%**
- **LINK 15%**
- Cheval 15%
- PERFOMA 10%
- Map 5%
- PpowerC 5%
- Others 10%



# TELECOM BUSINESS

“We are a Fiber Optic Network Provider & Data Center Provider”

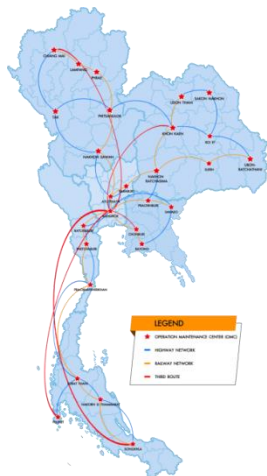


Recurring revenue

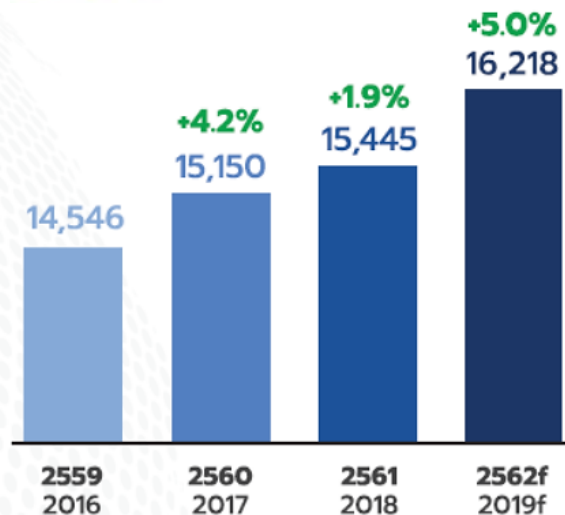
Data Service  
Data Center **70%**

Non-Recurring revenue

Network Installation **30%**



มูลค่าตลาดบริการสื่อสารข้อมูล  
ปี 2559-2561 และประมาณการ  
ปี 2562



หน่วย : ล้านบาท (Million ฿)

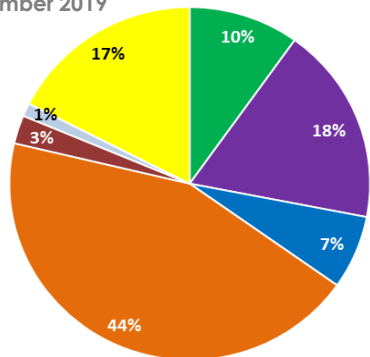
Source: nstda.com

## Customers

### ❖ Data Service

focus on ISP, BIZ, GOV and BFI

As of December 2019



■ BFI ■ BIZ ■ GOV ■ INT ■ ISP ■ MBC ■ SI ■ USO

### ❖ Data Center

Banks 85% , Government Sectors 10%, Others 5%

### ❖ Network Installation

Data Service Customers, NBTC, PEA, MEA,  
Royal Thai Army

## Competitors

### 1 Data Service

- AIS
- DTAC
- TRUE
- TOT
- Jasmine
- **ITEL**
- Utel
- Symphony
- ALT

### 2 Data Center

- Supernap
- INET
- CAT
- TOT
- **Interlink**
- **Genesis**

### 3 Network Installation

- |               |          |
|---------------|----------|
| ▪ <b>ITEL</b> | ▪ TRUE   |
| ▪ Utel        | ▪ AIS    |
| ▪ Planet      | ▪ TOT    |
| ▪ Sky         | ▪ Others |

# ENGINEERING BUSINESS



“We are a Professional in Electrical Engineering Turnkey Project”

## Projects

- Submarine Cable
- Power Substation
- Transmission Line
- Underground Cable

## Customers

- ❖ Government Sector such as  
PEA, MEA, EGAT, AOT etc

## Competitors

- Interlink (& Japan)
- Italian Thai (& Sweden)
- Gunkul (& Italy)
- RSS (& China)
- Others



# BUSINESS PORTFOLIO

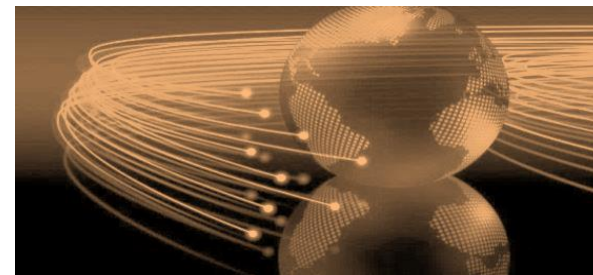


## Distribution

- B2B Trading
- Organic Growth
- Low Risk

- 70 % Recurring Revenue
- 30% Project Services
- Outstanding Growth
- Low to Medium Risk

## Telecom

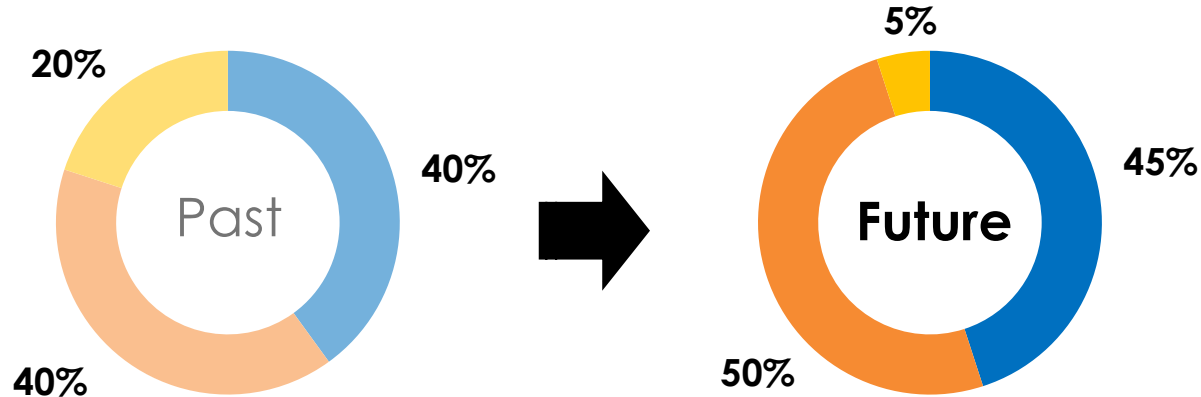
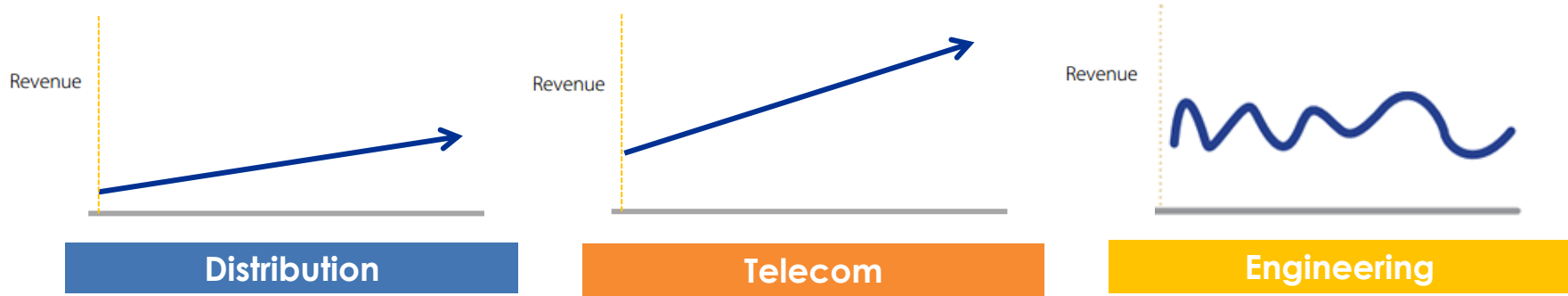


## Engineering

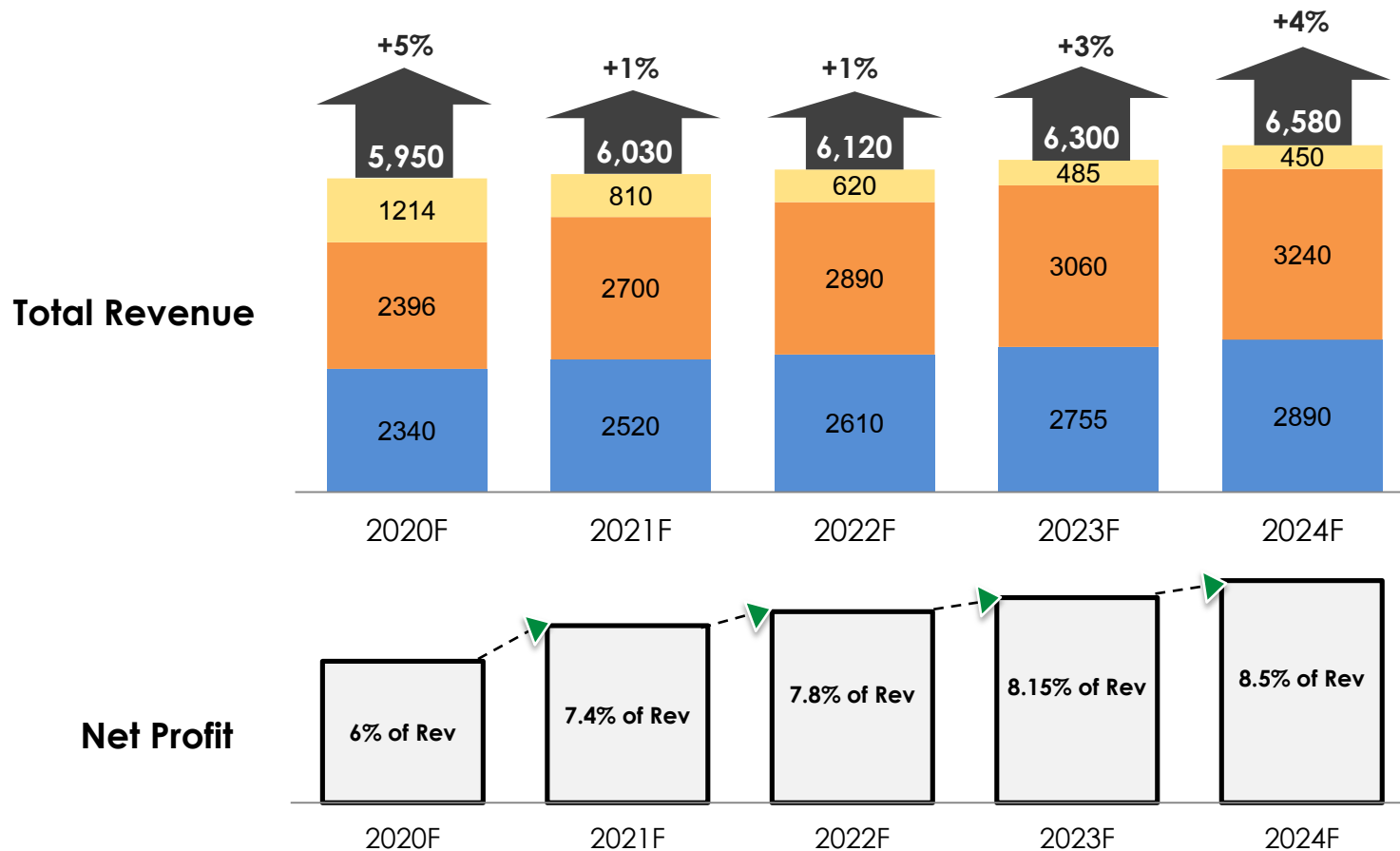
- 100% Project Services with Government
- Unpredictable Growth
- High Risk

# **BUSINESS STRATEGY**

# NEW REVENUE CONTRIBUTION



# PROFIT-ORIENTED STRATEGY



# PERFORMANCE RECAP

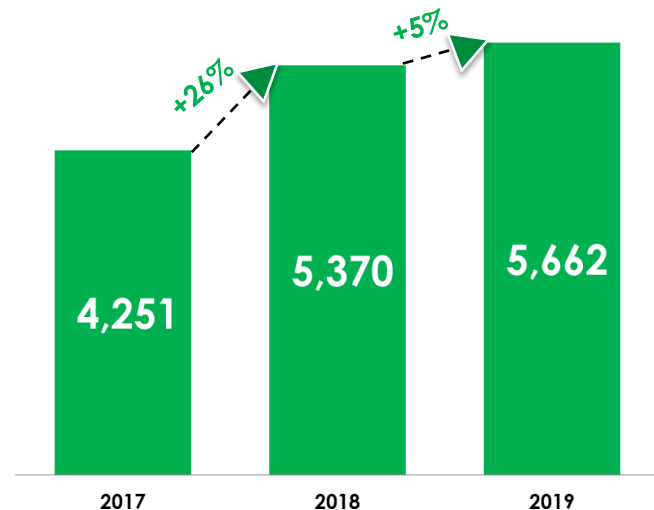


# 2019 PERFORMANCE RECAP



## Revenue

### Overall Revenues



**5,662** Million Baht

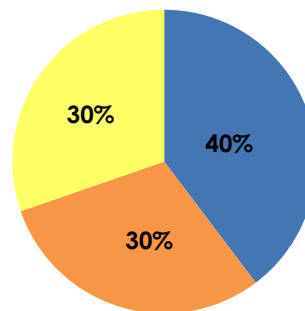
YE 2019 Revenues

**+5% YoY**

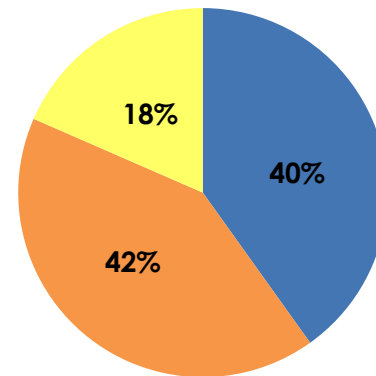
### Revenue by Business

▪ Distribution	2,272 MB	+7% YoY
▪ Telecoms	2,345 MB	+45% YoY
▪ Engineering	1,045 MB	-36% YoY

### Revenue Contribution



2018



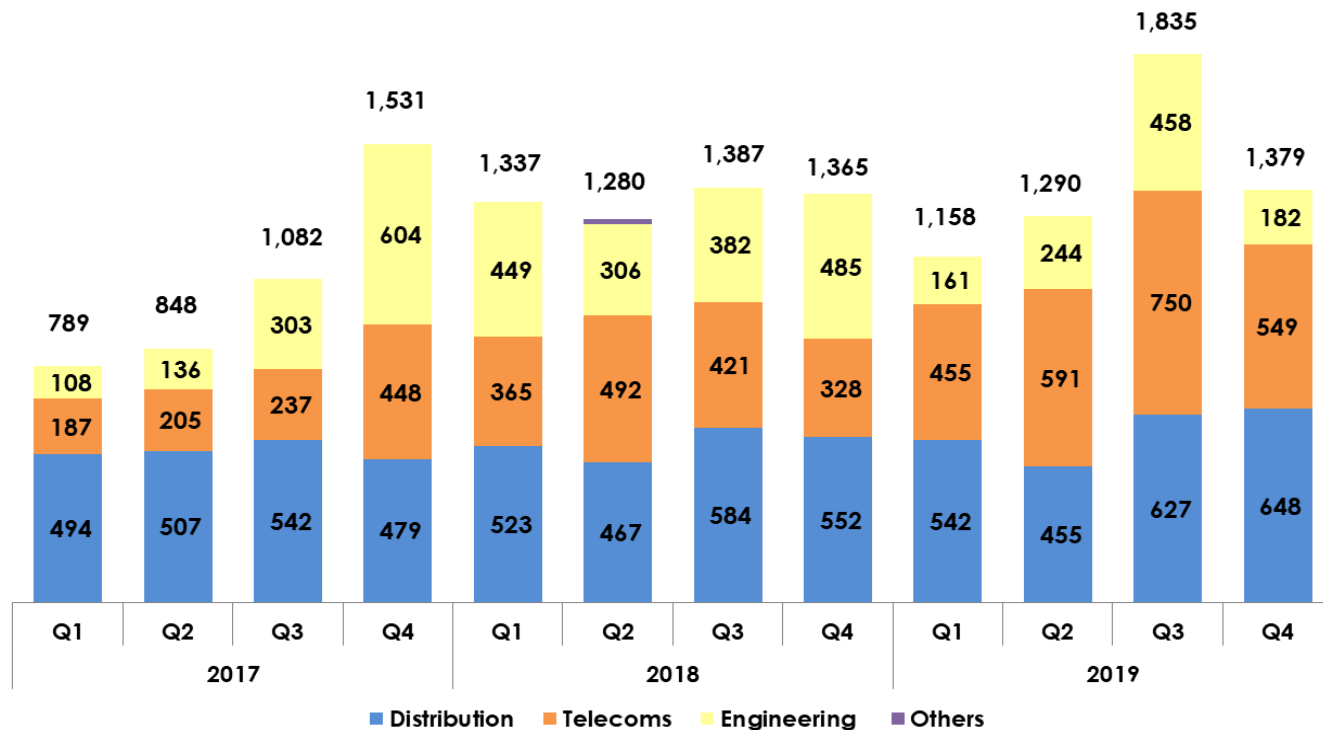
2019

# 2019 PERFORMANCE RECAP



## Revenue

### Revenue by Quarter

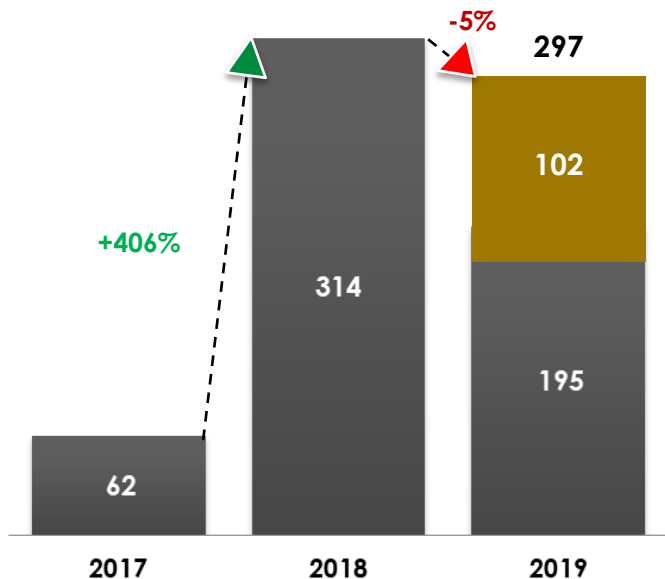


# 2019 PERFORMANCE RECAP

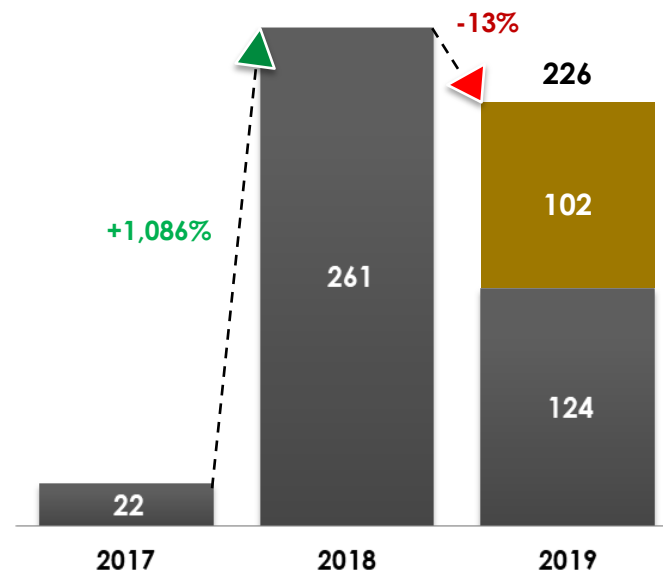


## Net Income

Net Income before NCI



Net Income after NCI

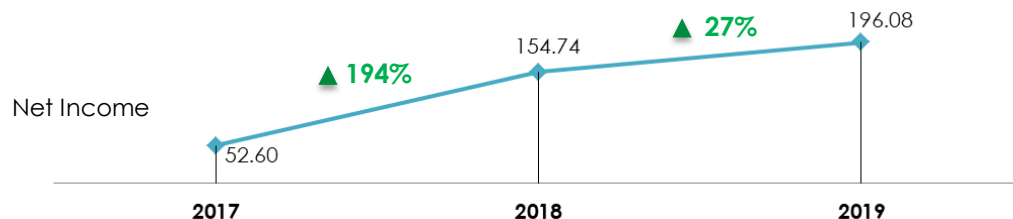
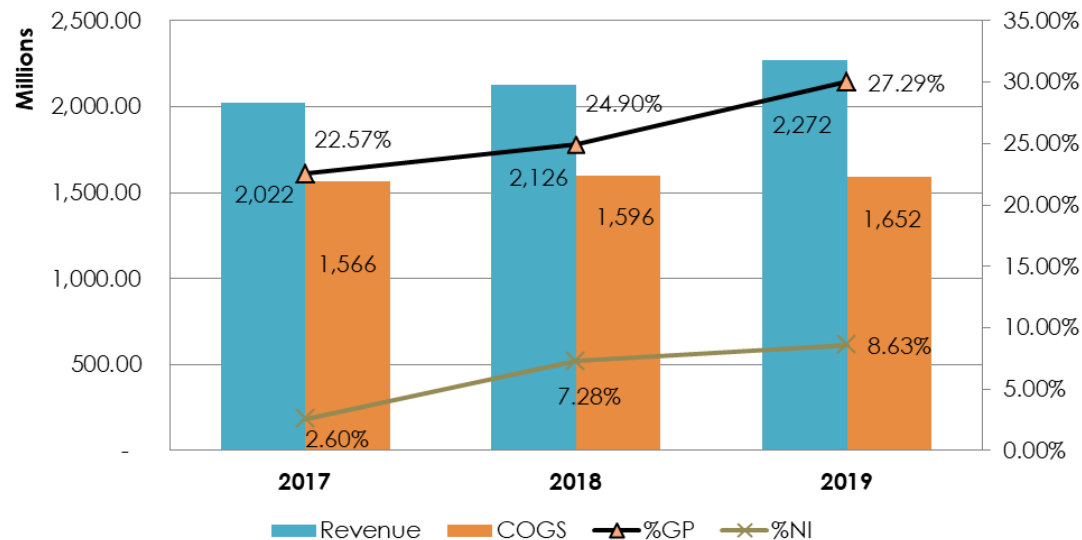


Accumulated Unrealized Loss on FX Rate

# 2019 PERFORMANCE RECAP



Distribution Business: %GP and %NI improved from year to year



Rev **increased** from Best Seller Products

- LAN Cable
- Fiber Optic Cable
- Racks

**2,272** Million Baht

2019 Dis Revenue **+7% YoY**

%GP **mainly grew** on Cabling Products  
& Networking Products

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

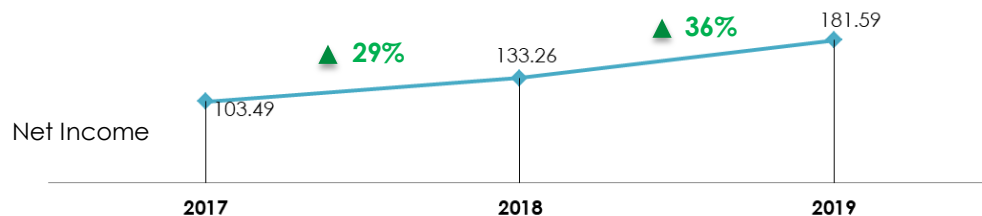
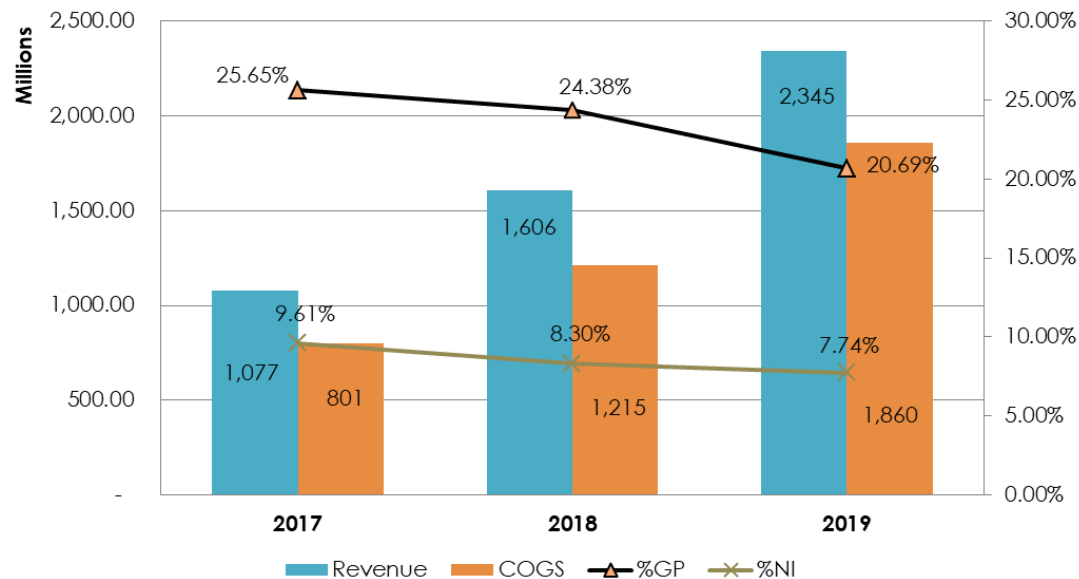
**196** Million Baht

2019 Dis Net Income **+27% YoY**

# 2019 PERFORMANCE RECAP



**Telecom Business:** Revenue significantly developed from Data Service/ Installation



**Rev increased from Data Service/ Installation**

Data Service **+26% YOY**

- Higher number of circuits
- Higher number of customers

Network Installation **+67% YOY**

- USO-2 Project
- DMS Project

**2,345 Million Baht**

2019 Tele Revenue **+45% YoY**

**%GP dropped from** an increase in underground duct rental, cost of service of USO Phase 1, and the project mix of 2019

**181 Million Baht**

2019 Tele Net Income **+36% YoY**

# DISTRIBUTION/ ENGINEERING: Backlog as of 31 Dec 2019

Business	Project	Realized		Back Log	End
Eng	AOT(CC3)	1,661 / 91%		175 / 9%	2020
Eng	APM(CC4)	585 / 30%		1,377 / 70%	2020
Eng	TMS-MHS	345 / 99%		5 / 1%	2020
Eng	Repair Joint (Submarine)	- / -%		27 / 100%	2020
Eng	Underground-CM	2 / 1%		173 / 99%	2020-2021
Dis	จัดซื้อ/ติดตั้ง Fiber optic กรมการสื่อสารทหาร	83 / 91%		9 / 9%	2020
Dis	จัดซื้อ/ติดตั้งปรับปรุงระบบโทรคมนาคม ทหาร กรมการสื่อสารทหาร	31/ 90%		3 / 10%	2020
TOTAL				1,769	



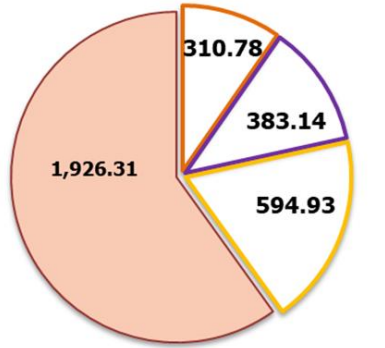
TOTAL Backlog = 1,769 MB (Eng = 1,757 Dis = 12)

( Will be recognized in 2020-2021 )

Realized  
 Back log

# TELECOM: Backlog as of 31 Dec 2019

## Revenue Backlog



Bandwidth Dark Fiber USO1 USO2

### DATA SERVICE

Q4'19 = 3,215.16\* MB

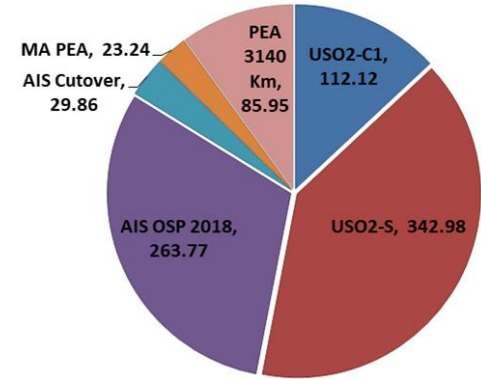
(Q3'19 = 3,742.21 MB)



### DATA CENTER

Q4'19 = 51.09 MB

(Q3'19 = 74.56 MB)



### NETWORK INSTALLATION

Q4'19 = 857.92 MB

(Q3'19 = 864.58 MB)

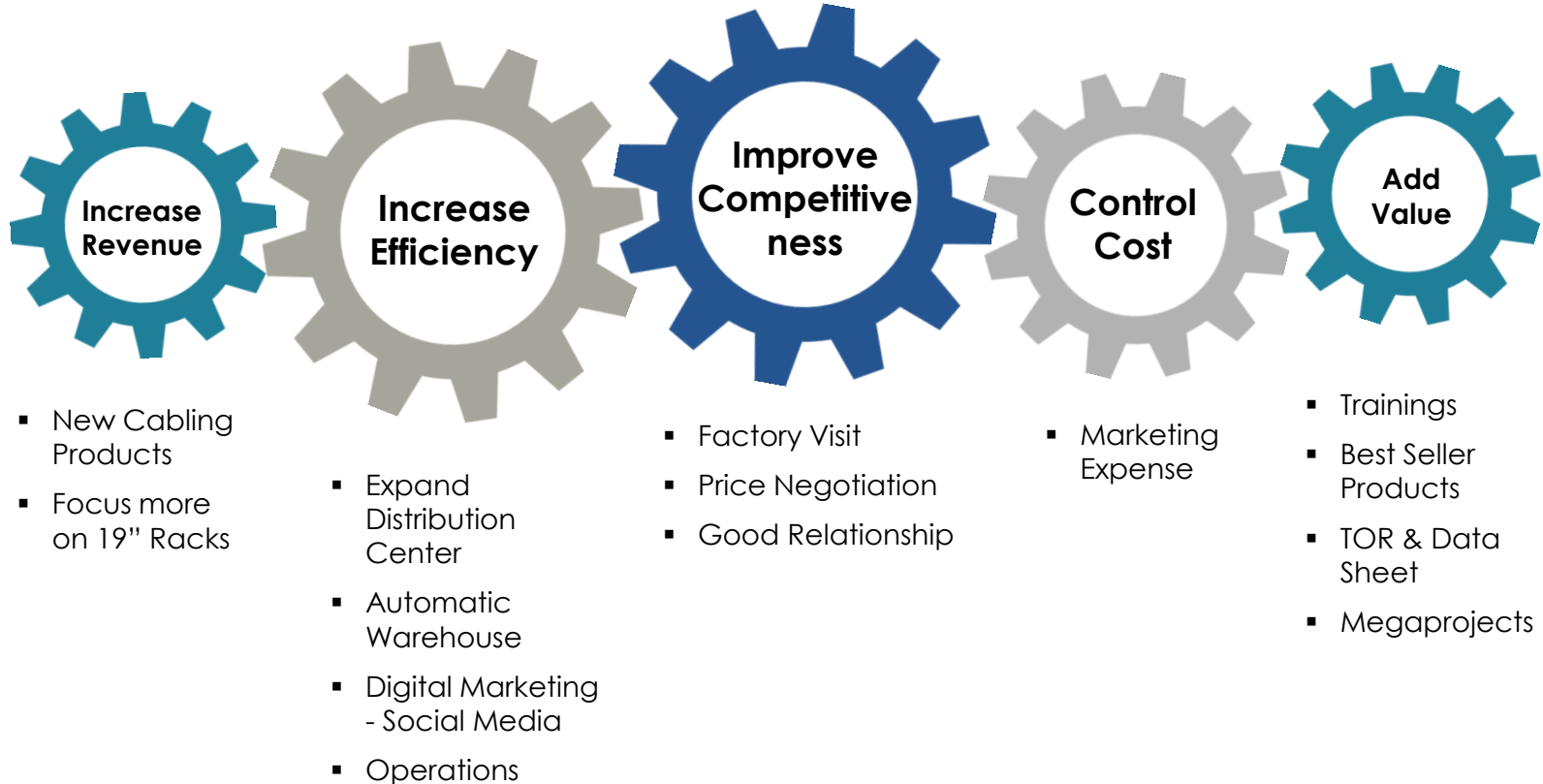
\* Reclassify USO2 MRC to Installation by 369.14 MB as a result of change in estimation (No effect in total contract)

**TOTAL = 4,124.17 MB**  
**(Q3'19 = 4,681.35 MB)**

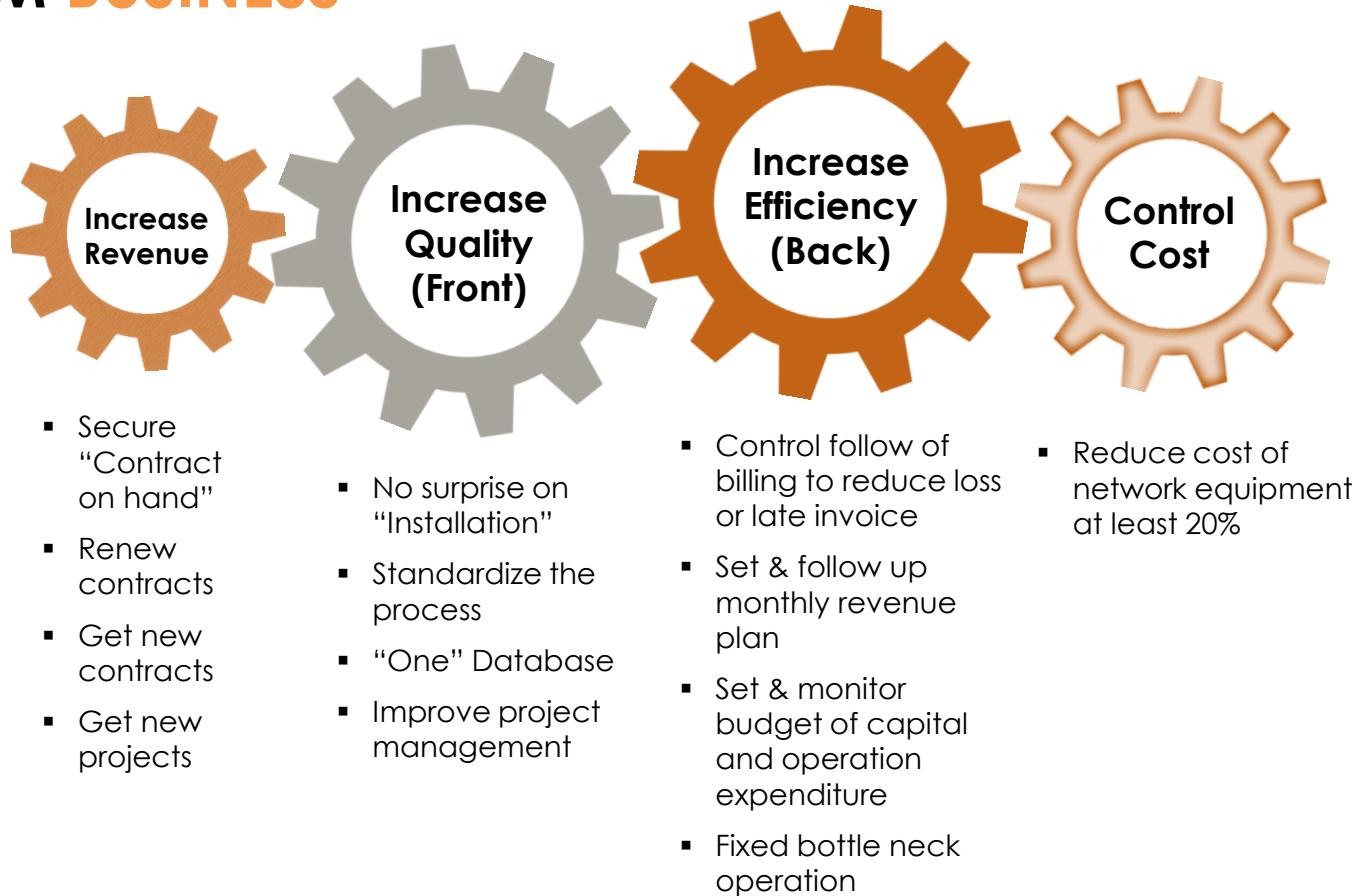
# RECENT UPDATES



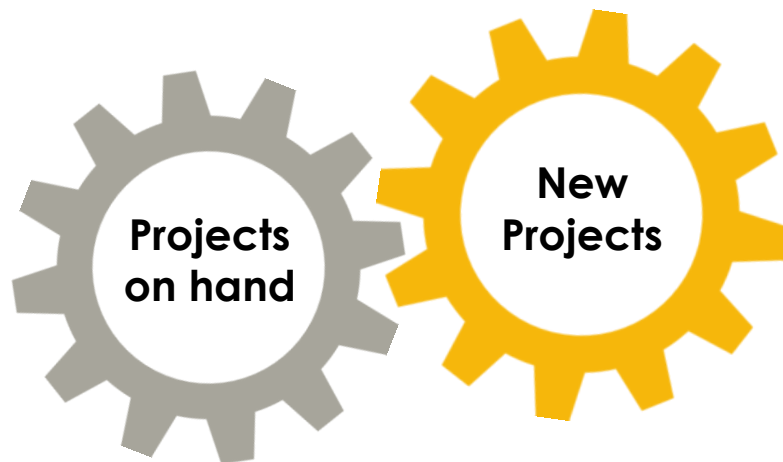
# DISTRIBUTION BUSINESS



# TELECOM BUSINESS



# ENGINEERING BUSINESS



- Control & Save Policy
- Backlog = 1,757MB (will be recognized during 2020 and 2021)
- Got Lesson learnt from the past mistakes (AOT Projects)
- Aim new projects in our professional field with 20% Gross Profit
- Revenue Contribution: not more than 5% of overall revenues

## 2020 Project Status

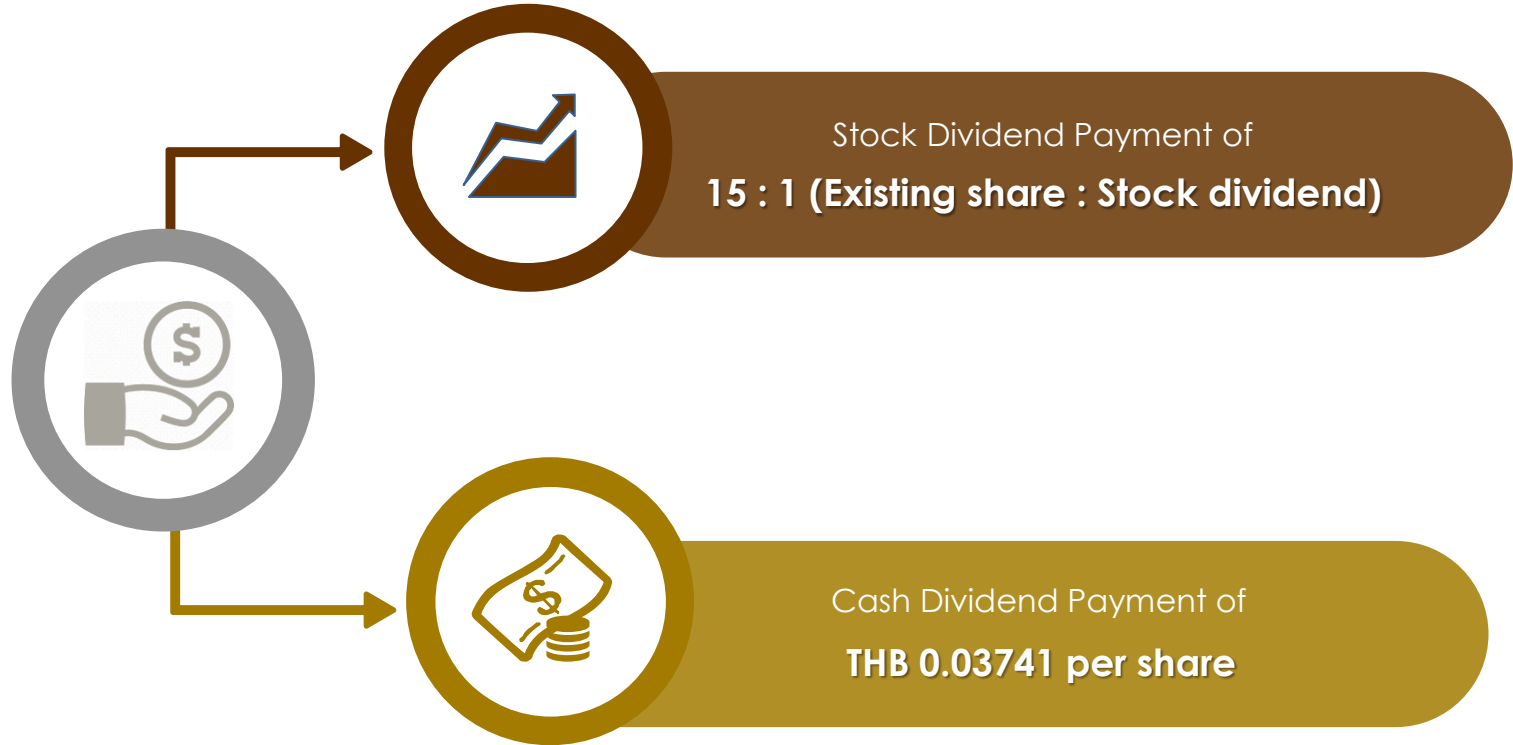
- |   |          |
|---|----------|
| ✓ งานสนับสนุนเพื่อการปรับปรุงสายเคเบิลใต้น้ำ 33KV เกาะคอเขา จ.พังงา | 19.8 MB  |
| ✓ Substation สวนผึ้ง จ.ราชบุรี                                      | 141 MB   |
| ✓ Substation วชิรบำรุง จ.พิจิตร                                     | 161 MB   |
| ✓ Submarine Cable เกาะสมุย จ.สุราษฎร์ธานี                           | 1,230 MB |
| ✓ Submarine Cable เกาะปันหยี จ.พังงา                                | 144 MB   |

## Upcoming Projects

- งาน Spare Part#1 Submarine Cable ~ 60 MB
- งาน Spare Part#2 Submarine Cable ~ 70 MB
- Submarine Cable เกาะสีชัง จ.ชลบุรี ~ 700 MB
- Submarine Cable เกาะเต่า จ.สุราษฎร์ธานี ~1,750 MB

# DIVIDEND PAYMENT

BOD approved to pay out dividend in terms of stock and cash from the 2019 operating results as follow



## Key Dates

Ex-dividend Date

May 11, 2020

Dividend Payment Date

May 22, 2020

# 2020 UPDATES



## Unrealized Loss on Exchange Rate

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- Budget cost of CC4 (APM Project) was revised to reflect the real fx rate as of December 31, 2019
- Unrealized Gain/Loss on Exchange Rate will rarely affect the 2020 operating results

## 2020 New Accounting Standard

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- TFRS 9: Financial Instruments
- TFRS 16: Leases

## Foreign Currency Rates vs Selling Price

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- USD Appreciation/ Depreciation
- Price list has been adjusted twice a year

## COVID-19

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- Stock Management
- Multiple suppliers in several countries

# 2020 UPDATES



## 5G Technology in Thailand

- Telecommunications market keeps growing
- Higher and stable connectivity
- Cabling and networking products are in high demand

## AOT Projects

Both projects will be completed by this year (2020)

- CC3
- CC4 (APM Project)





# THANK YOU



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# NOTE...

