THCOM Performance

3Q-2020



Agenda



- Commercial Highlights
- Moving Forward
- Financial Highlights

Commercial Highlights

9M2020 Key Commercial Highlights

Broadcast Services

- **Thailand**:
  - Recognized sales revenue from the ***Royal Thai Navy*** for systems integration service, providing NAVA services to enhance communications on Navy vessels.
  - Signed new contract with the ***Royal Thai Navy*** to expand communications for additional Navy vessels.



- **Myanmar**:
  - Signed a long term Transponder Service Agreement with ***Canal Plus*** to provide direct-to-home (DTH) satellite broadcasting services.

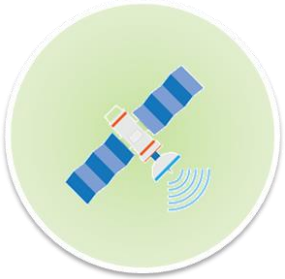
Broadband Services

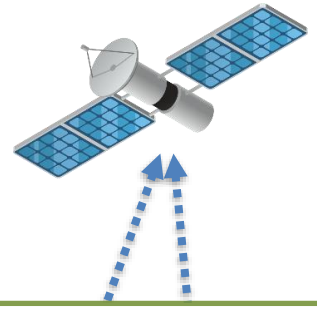
- **Thailand**:
  - Signed a bandwidth contract with ***TOT Public Company Limited*** to support TOT's mission to provide high-speed internet services nationwide.



Moving Forward

Focused Actions for 2020





Continuity of Core Business

Existing Capacity:

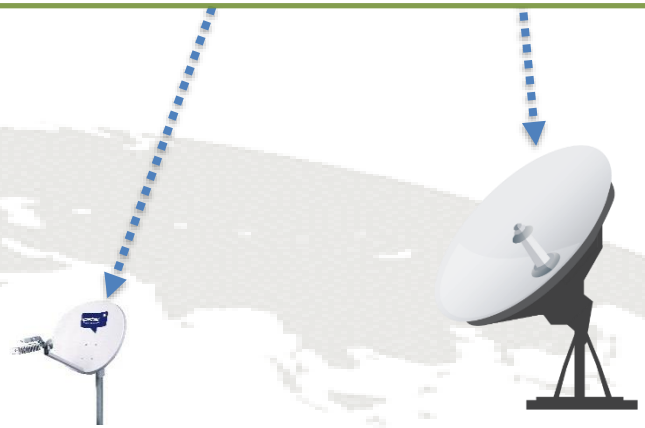
- Bulk sell remaining TC8 capacity over India for Indian government requirements
- Increase BW utilization of conventional satellites focusing CLMV market
- Ramp-up TC4 services in the Philippines for government e-learning platform

New Satellite:

- Thai slot: Studying to secure rights to Thai orbital slot through strategic partners and commission new satellite with effective cost structure
- Foreign orbital slot: Studying to secure Condosat payload with foreign satellite partners using foreign orbital slot

Adjacent and Related Business:

- System Integration (SI) Project: Focus and pursue government's SI projects
- Satellite Digital Solutions: Explore high-speed satellite connectivity with mobile operator's 5G network to enable digital solutions in underserved areas



Nation Space and Technology (NSAT)



Expanding Adjacent Business Through Partnership

LEO Related Services:

- Not launching the LEO constellation, but through corporation with partners providing broadband satellite and related services via Low Earth Orbit (LEO) satellites such as gateway managed services and satellite service provider.
- LEO technology are suitable for global mobility services (maritime and aeronautical). It is not seen as a direct threat to Fixed Satellite Broadband service as cost of service is higher compared to high-through-put satellite

NAVA Corporation:

- Combine THCOM & CAT expertise to launch a new bundled value-added maritime services
- Leverage CAT's existing customers and G2G relationships to help expand maritime fleet both Thai and international regions

NATION SPACE AND TECHNOLOGY CO., LTD.

Nava®



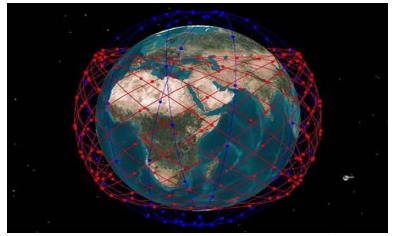
LEO (Low Earth Orbit) Satellite Industry Outlook



Starlink Constellation
Approximately 895 Starlink satellites have been placed into the orbit since 2019 from the initial objective to launch a mega constellation of 12,000 Starlink satellites.
Commercial testing in USA and Canada.



Launch Campaign Resume
OneWeb has emerged out of Charter 11. The US courts have approved the sale of OneWeb to the new investors UK Government and Bharti Global Ltd.
Approximately 78 satellites have been placed out of planned consellation of 648 satellites



LEO Satellite Program
Telesat is targeting to launch IPO in 2021 to fund their LEO satellite program to launch approximately 300 satellites by the end of 2023. The suppliers for this program is expected to announce by the end of 2020.

HTS & LEO Each technology platform offers unique advantages to serve particular requirements		**High Through Put (HTS)**	**Low Earth Orbit (LEO)**
	Application	Fixed Broadband, Mobile Backhaul	Mobility, Latency Sensitive Applications
	Latency	250 millisecond	20 millisecond
	Estimated End User price/ month	30 - 40 USD	80 - 100 USD
	Speed	500 Mbps – 1 Gbps	100 Mbps
	End user device complexity	Low *(mature fixed antenna technology)*	High *(flat antenna tracking multiple satellites)*

New Partnership: ATI Technologies (ATI)

New Business Development

ATI Roadmap:

- Plan to launch 1st product "AiANG", a 10-liter spraying drone for agricultural sector
- Develop in-house flight control system and cloud services
- Target to create high accuracy high precision drone services with data analytic

ATI TECHNOLOGIES

Other New Business in Development:

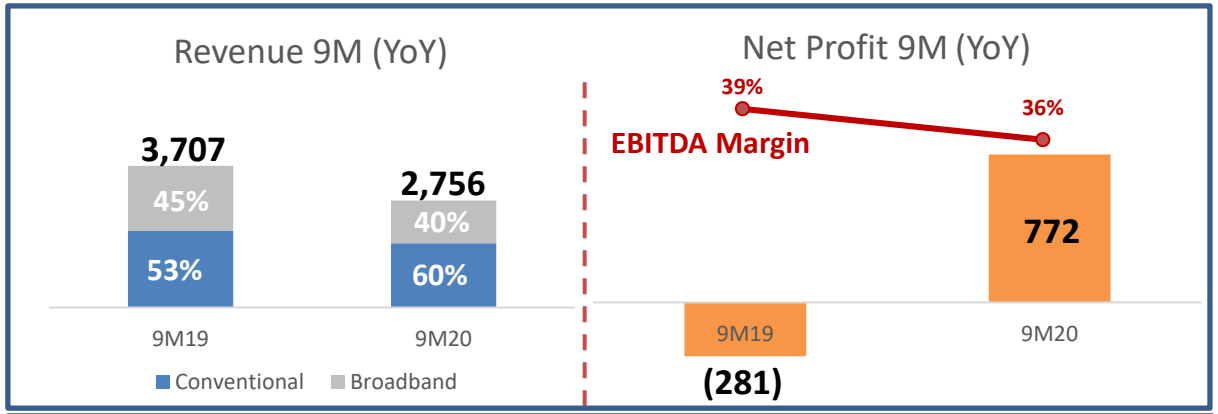
- Apart from ATI company on Drone Technology, we are developing number of new businesses with partners to create new services; Digital Government, EV/IOTs platform, platform & services for 5G, Data and Analytics with Space/Satellite data.

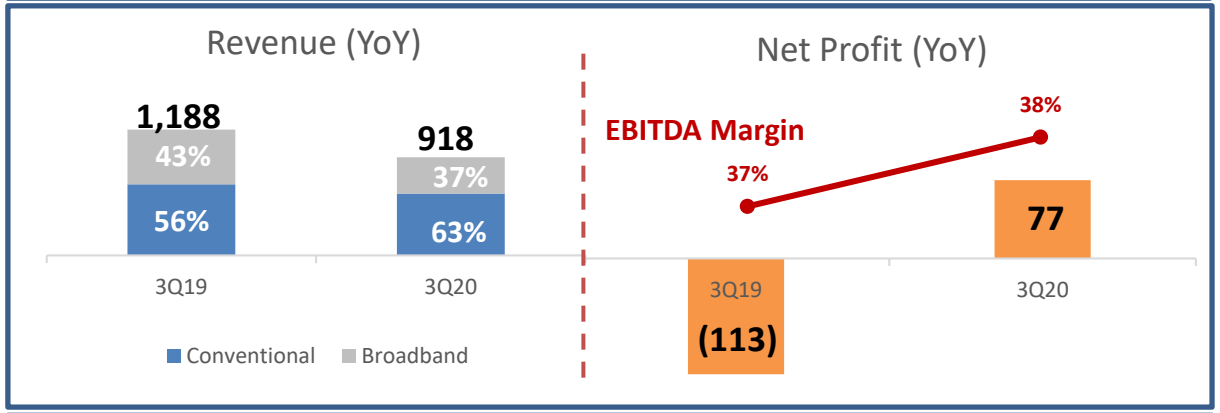


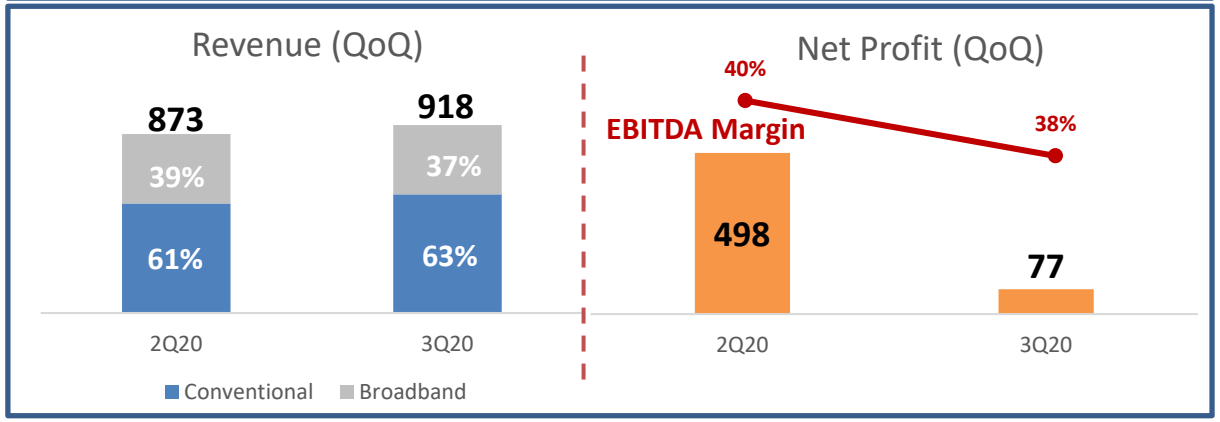
Financial Highlights

3Q20 : Consolidated Performance

Unit: Bath million







For 9M20:

- ***Revenue*** ▼ *25.7% YoY due to a ramp-down of broadband utilization, from foreign customers and loss of customers from the Thaicom 5 satellite de-orbit.*
- ***Net Profit*** ▲ *improved from (281) MB to 772 MB due to decrease of depreciation from Thaicom 5 satellite de-orbit and the impairment of other satellites in 2019, together with foreign exchange gain.*
- ***EBITDA margin*** ▼ *mainly due to a drop of revenue.*

3Q20 YoY:

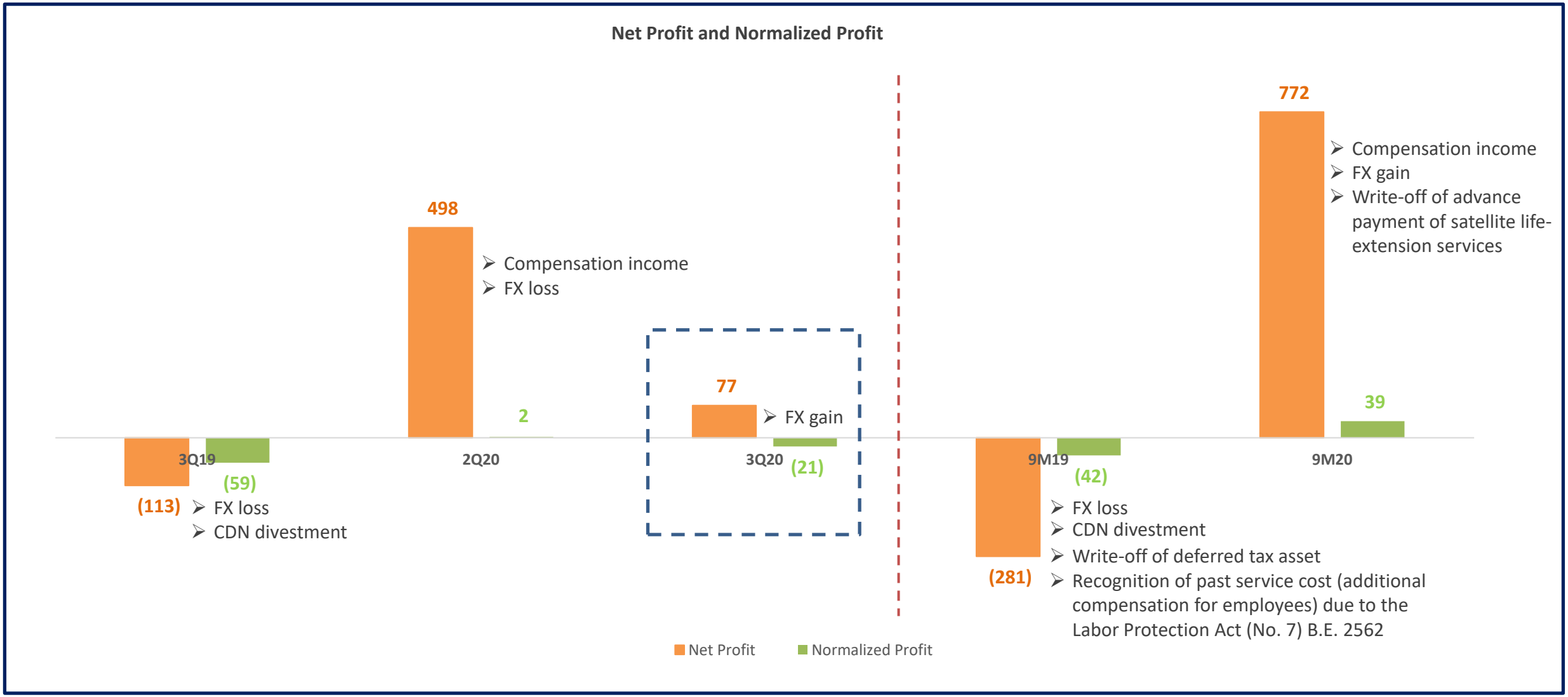
- ***Revenue*** ▼ *22.7% YoY due to a drop of revenue from conventional and broadband satellite services.*
- ***Net Profit*** ▲ YoY *from (113) MB to 77 MB as a result of depreciation and the impairment of satellites in 2019, including foreign exchange gain.*
- ***EBITDA margin*** ▲ *YoY as a result of effective cost management*

3Q20 QoQ:

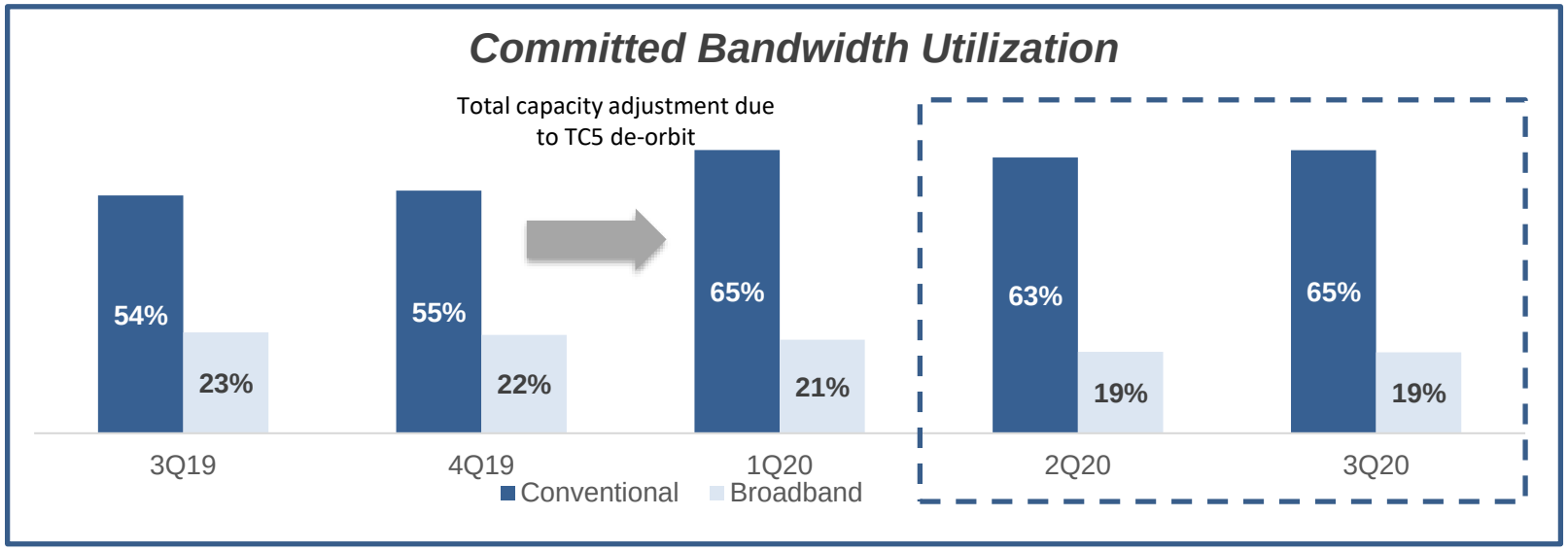
- ***Revenue*** ▲ *5.2% QoQ contributed by an increase of revenue from conventional satellite service, project base.*
- ***Net Profit*** ▼ *84.6% QoQ since the extra item from the compensation income was recognized in Q2/2020.*
- ***EBITDA margin*** ▼ *QoQ owing to an increase in cost relating to the conventional satellite.*

3Q20 : Net Profit and Normalized Profit

Unit: Bath million



3M20 : Satellite performance



Conventional satellites

- *Utilization increased in 3Q20 compared to 2Q20, caused by an increase of bandwidth consumption from foreign customers.*

Broadband satellite

- *Utilization remained steady in 3Q20 compared to 2Q20.*



The Thaicom 5 satellite was de-orbited on 26 February 2020.

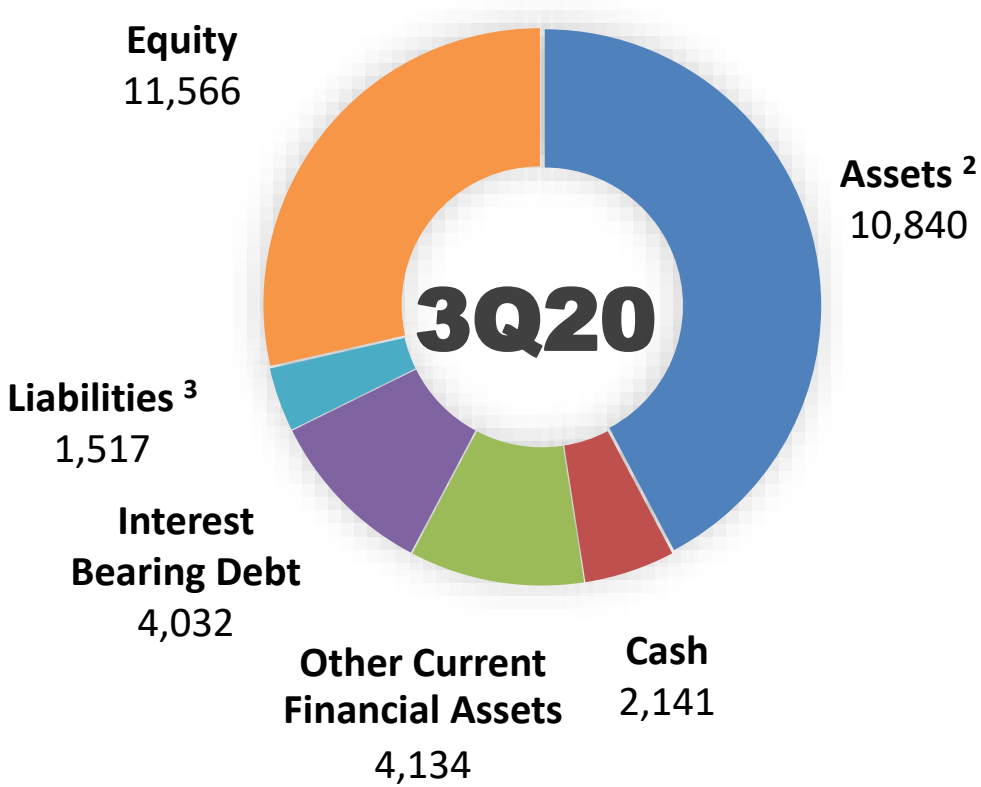
the utilization rate of the conventional satellites was adjusted from total capacity of 111 transponders to 71 transponders, effective as of 1Q20.

Financial position as of 30 September 2020

Unit: Baht million

D/E Ratio at 0.35x [1]

Down from 0.38x as at the end of 2019



Strong Cash position

Consolidated CF	9M19	9M20
CF from Operating	999	1,362
CF from Investing	1,437	(1,004)*
CF from Financing	(752)	(839)
Ending Cash	**4,514**	**2,141**
Total Cash On Hand [4]	**7,595**	**6,275**

1. Interest-bearing Debt / Equity
2. Excludes Cash and Other Current Financial Assets
3. Excludes Interest-Bearing Debt
4. Includes Cash and Other Current Financial Assets
**Note: The Net cash from (used in) investing activities for 9M20 of Baht (1,004) million were from the increase of other current financial assets.*

Question?

