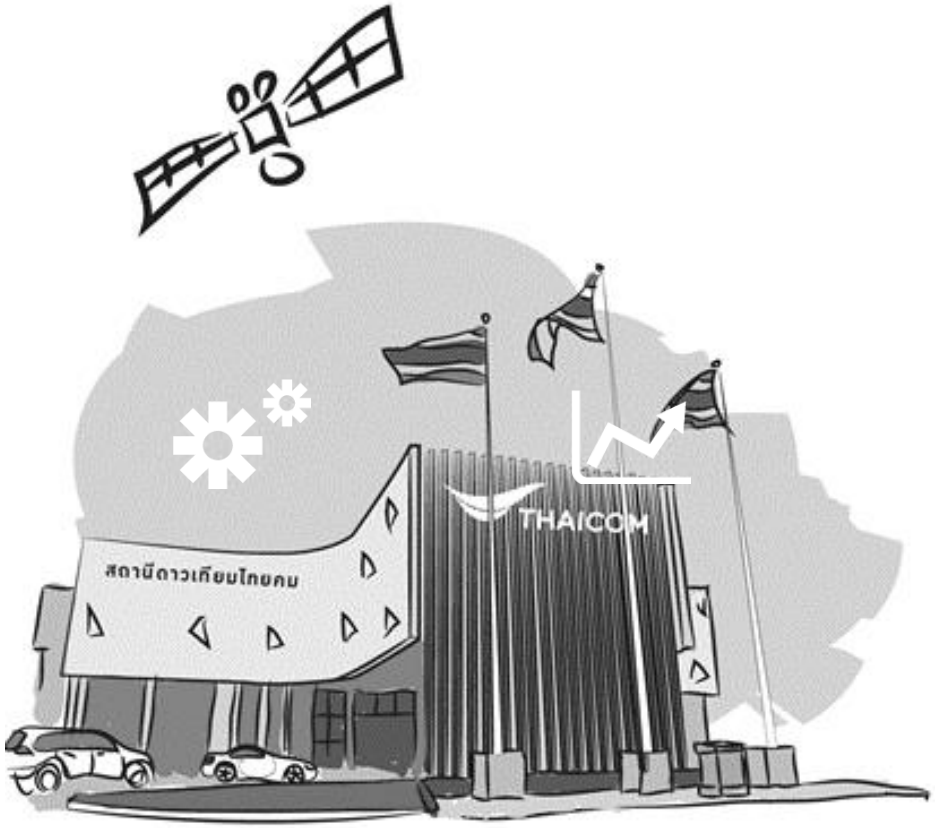


4Q18 Opportunity Day

12th February 2019

Agenda



- Financial Highlights
- Moving Forward
- Commercial Highlights

Financial Highlights

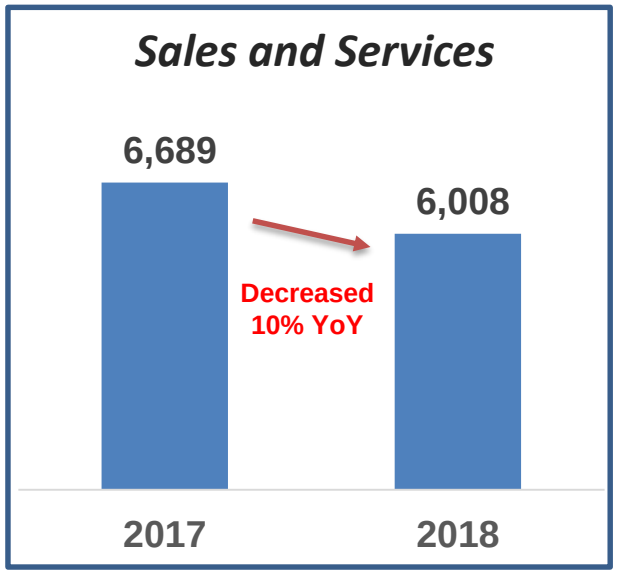
2018 : Key Financial Highlights

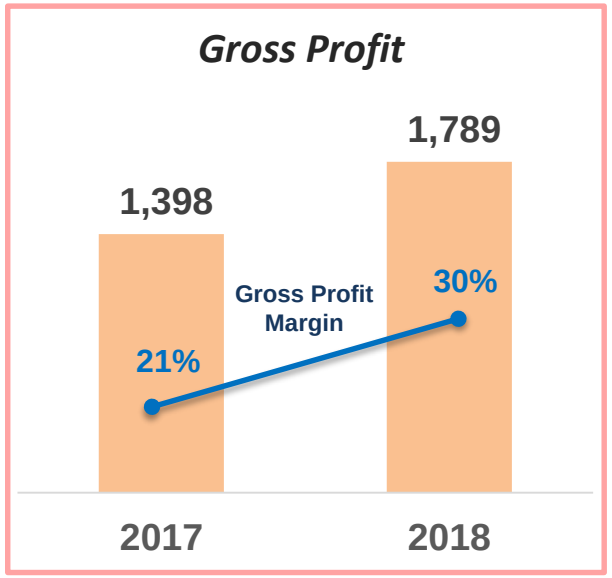
Consolidated Key Financial Highlights

- ***Revenue from Sales and Services 6,008 MB*** *; Decrease 10% YoY, mainly due to the decrease of price per unit following industry trend and impact from clients churn in 2017*
- ***Gross Profit 1,789 MB*** *; with 30% margin, improved from the decrease of depreciation*
- ***Normalized Profit 140 MB*** *; Increase 608%, despite revenue decreased, mainly due to the cost reduction*
- ***Net Profit 230 MB*** *; Improved from the sales of CSL, decrease of depreciation & amortization and SG&A, offsetting with impairment loss*

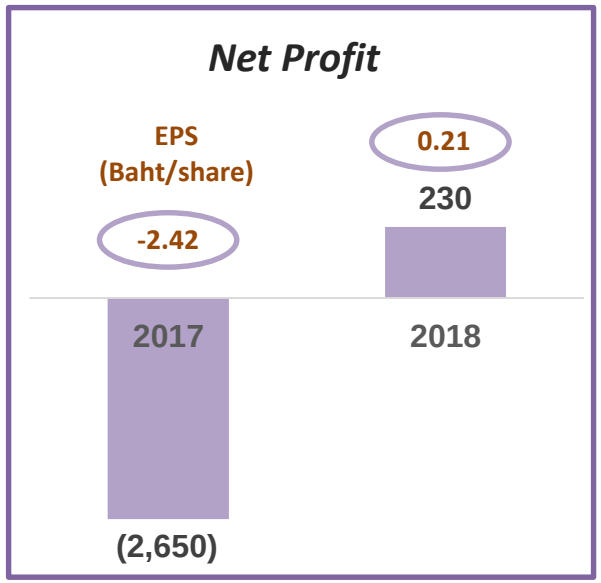
(+) Profit increased, despite the revenue drops, from the cost reduction

(-) Revenue dropped from the decrease of price per unit and impact of clients churn in 2017









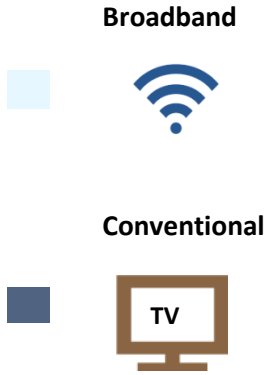
Unit: Baht million

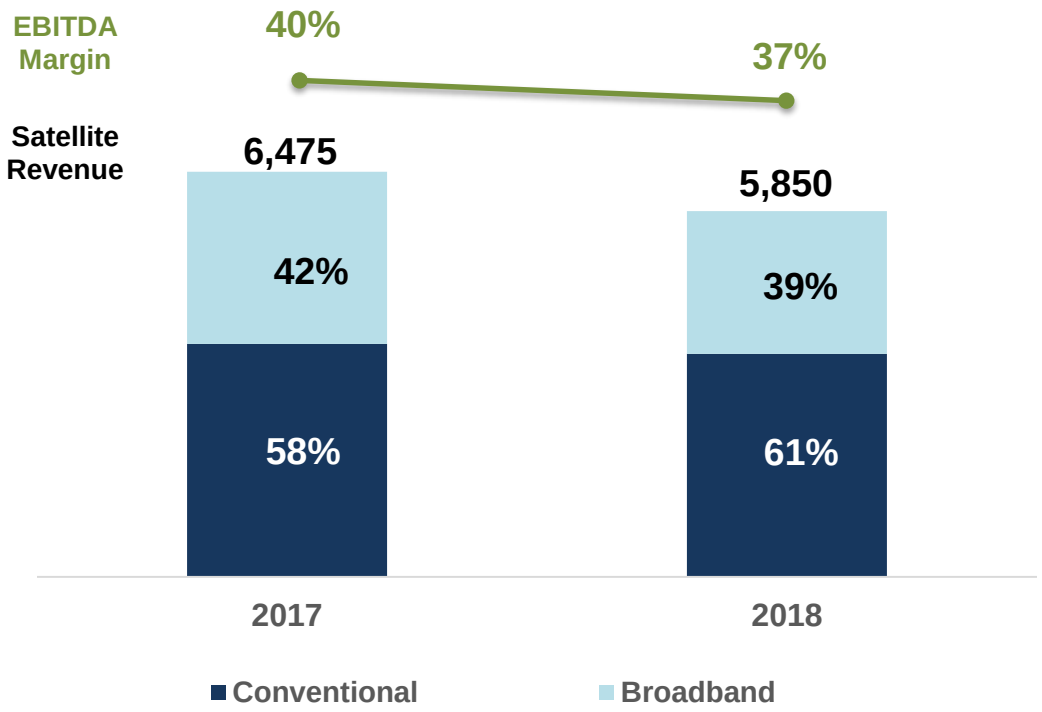
**Profit (loss) attributable to owner of the Company – Profit from the sale of CSL's share + Net impairment loss*

2018 : Satellite performance

Satellite Revenue

Unit: Baht million

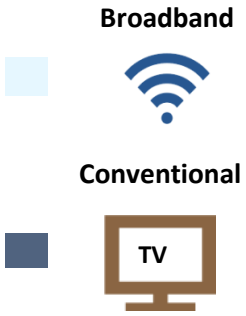


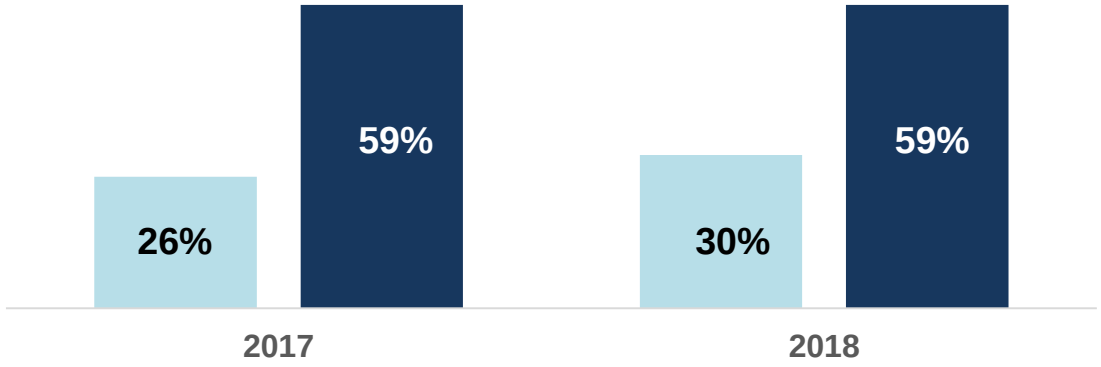


2018 Satellite revenue was 5,850 MB.

Decreased 10% YoY,
caused by the a drop of market price and major clients churned during 2017

Committed BW Utilization





Broadband: *Utilization increased from new contracts, the Philippines, Indonesia and Thai government project*

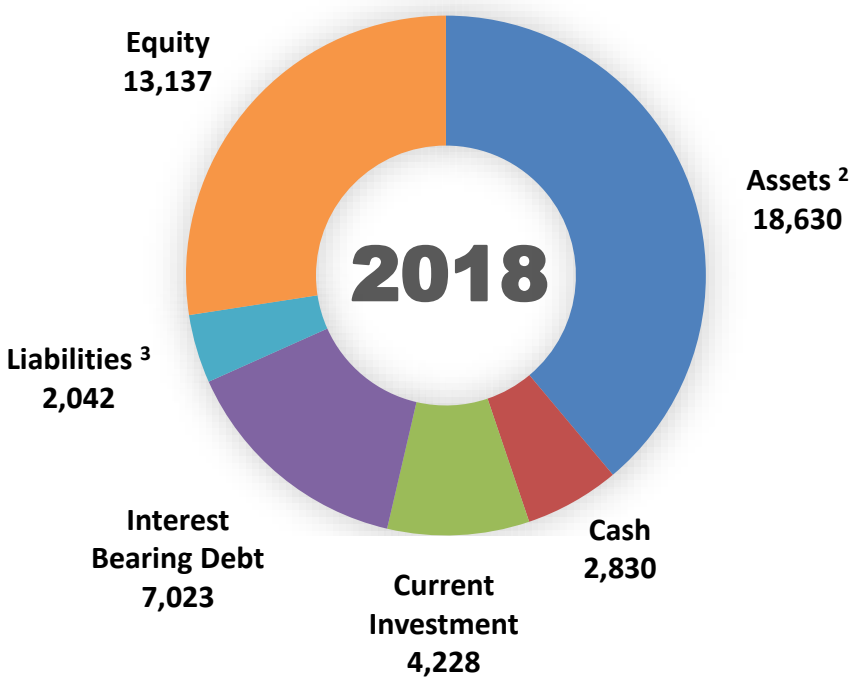
Broadcast: *New contracts from regional balancing the churn of local ones*

Financial position as of 31 Dec 2018

Unit: Baht million

D/E Ratio at 0.53x [1]

up from 0.49x as at the end of 2017



Strong cash position

Consolidated CF	2017	2018
CF from Operating	2,980	1,886
CF from Investing	(46)	1,207
CF from Financing	(3,327)	(2,223)
Ending Cash	1,961	2,830
Total Cash On Hand [4]	5,368	7,057

1. Interest-bearing Debt / Equity
2. Excludes Cash and Current Investment
3. Excludes Interest-Bearing Debt
4. Includes Cash and Current Investment

Moving Forward

Key Framework 2019

Satellite Business

Partnership Model

- ✓ Selling existing capacity partnership model
- ✓ Increase utilization of the existing satellites
- ✓ Thailand's PPP process (Public Private Partnership)

  THCOM is open to join with strategic partnership in Thailand for this scheme
- ✓ International consortium for HTS

Adjacent

Professional Services

- ✓ Bangladesh satellite program
- ✓ China's TCSTAR-1 program

NAVA

- ✓ Expand in Gulf of Thailand
- ✓ Expand to South China sea

Australia

- ✓ End to End Solutions and managed services for NBN
- ✓ Maritime and Movie Solution services

New Business

- ✓ Capture government projects to serve Thailand 4.0
- ✓ Identify in 2019 the prototyping of potential business among AI, FINTECH, Block chain, Drone and Robotic

Satellite Business Roadmap

TC5 EOL

CONCESSION END

TC4 EOL

2019	2020	2021	2022	2023



TC4 @119.5E
Under Concession until 2021 / EOL until 2022



TC5 @78.5E
Under Concession until 2021 / EOL until 2020



TC6 @78.5E
Under Concession until 2021 / EOL until 2032



TC7 @120E
Under License until 2032 / EOL until 2032



TC8 @78.5E
Under License until 2032 / EOL until 2032

Operate under Thai Regulation

- ✓ Life extension for TC4 & 5
- ✓ PPP for satellites under concession (TC4 & 5 & 6) with competitive advantage:
  - ❖ 27 years experience of satellite service provider.
  - ❖ Effective cost structure management
  - ❖ Strategic Partner
- ✓ Operate TC7 & 8 under license scheme

Explore partnerships

- ✓ Consortium Based Asian HTS @another orbital slot
- ✓ Explore Resell Model ; Rent/Rev share Model

Explore Global GEO & LEO Satellite Partnership

- ✓ Explore Global VHTS/HTS/LEO Resell; Rent/Rev share Model

Remarks:
PPP = Thai Government's Public Private Partnership (PPP) scheme
HTS = High Throughput Satellite, VHTS = Very High Throughput Satellite, LEO = Low Earth Orbit, EOL = End of Life

Commercial Highlights

Commercial Highlights

Broadcast Services



- Thailand's TRUE VISIONS: signed a long-term contract on TC8 to strengthen broadcast services in Thailand
- Myanmar's Canal Plus: signed contract to extend Myanmar's DTH platform until Aug 2021
- Acquired TelOne, new African telecom customer in Zimbabwe to provide rural broadband services in Africa
- Signed agreement with UAE's Mediavision for video platform on TC6 over Sub-Saharan Africa

Broadband Services



- Philippines' We are IT Philippines (WIT), signed bulk bandwidth agreement for the whole TC4 capacity
- Signed bandwidth agreement and hardware contracts for Thailand's USO project
- THAICOM offered 1,600 Digital Life set top boxes, to support distance learning in a smart classroom model in accordance with government's Thailand 4.0 policy
- Japan's KDDI, signed amendment contract for additional bandwidth on TC4
- Provide mobility services for Australia's Spirit of Tasmania cruise ships

Telecom Services

- LTC entered into Sale and Purchase Agreement to acquire 500,000 shares or 100% of Vimpelcom Company Limited, one of Lao's mobile operator under the brand "BEELINE", from the government of Lao PDR.
- This acquisition will significantly enhance LTC network efficiency and expand its target market, especially young generations.

Appendix

Satellite Assets Impairment

Impairment of Assets

Non-cash item and does not affect the cash management

2018 Impairment on Thaicom 7 and Thaicom 8 is caused by the market price drops mainly due to a change of customer behavior

Depreciation of satellite assets will decrease around 116 MB per annum

2017 impairment of Thaicom 4, Thaicom 6 and a subsidiary is caused by market price drops, churns of major customers, and slow down of business sectors from the recession of Australian's economic

Depreciation of satellite assets will decrease around 868 MB per annum