# THAICOM Public Company Limited

# Thailand Focus 2015

**2 – 3 December 2015**
**Grand Hyatt Erawan Bangkok**



THAICOM PLC. Proprietary & Confidential

# Agenda



- **Thaicom…Who We Are**
- **Financial Highlights**
- **What's Next**



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# Who We Are

# Our Company

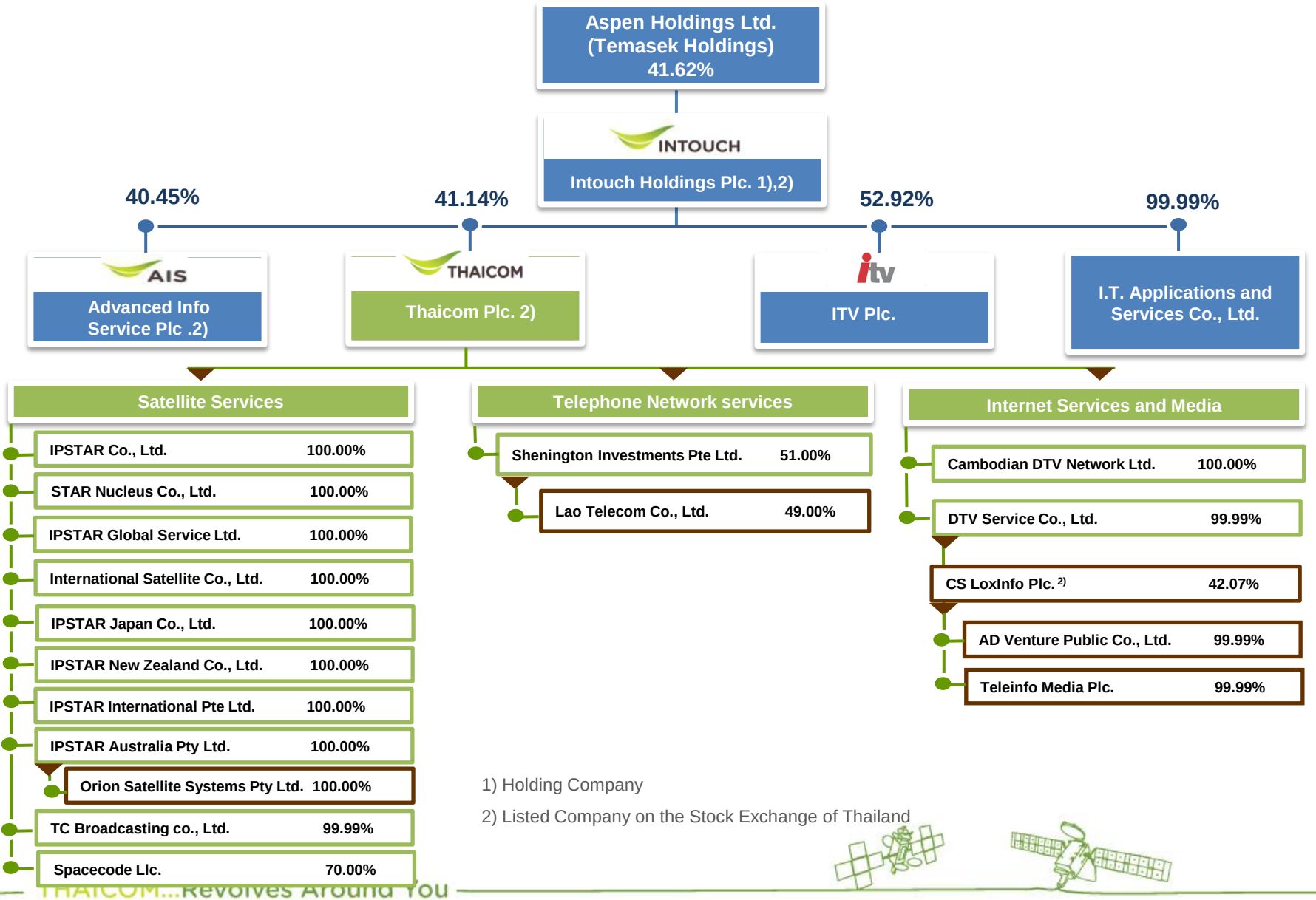







- Thaicom Public Company Limited (formerly named Shin Satellite) was founded on 7th November 1991, part of Intouch Holdings Public Company Limited.
- His Majesty King Bhumibol Adulyadej of Thailand graciously named the first national communications satellite, “THAICOM” which stands for “Thai Communications”.
- The Company became a listed company on the Stock Exchange of Thailand on 18th January 1994.

# Shareholding Structure




1) Holding Company

2) Listed Company on the Stock Exchange of Thailand

# Our Business Operations

## Satellite:



Conventional Satellite



Broadband Satellite

## Internet & Media and services:



Platform Satellite TV

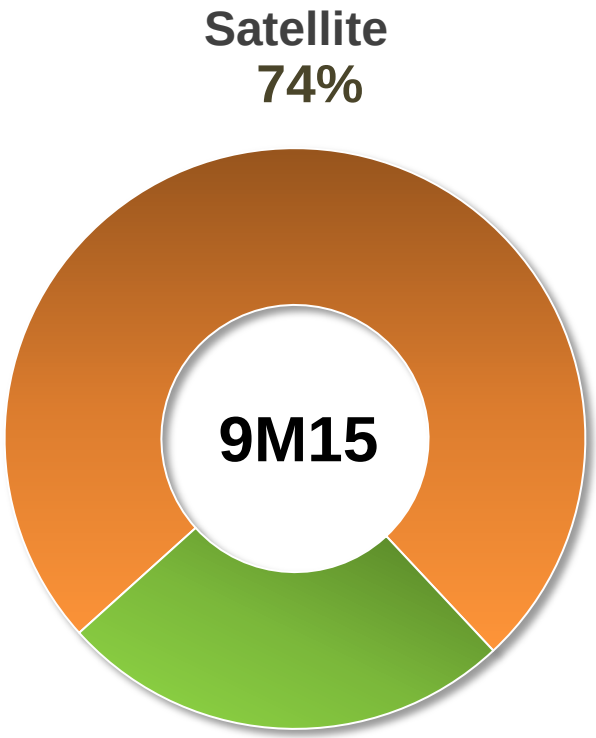
ICT Service Provider

## Telephone Network:



Regional Mobile Phone

**Revenue Contribution**



# Our Satellite Fleet

**De-orbited** | **In-orbited** | **Upcoming**



THAICOM 1A
Launched: 1993
De-orbited: 2010



THAICOM 2
Launched: 1994
De-orbited: 2010



THAICOM 3
Launched: 1997
De-orbited: 2006



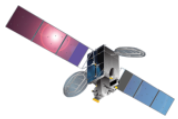
THAICOM 4 (IPSTAR)



THAICOM 5



THAICOM 6



THAICOM 7



*THAICOM 8*



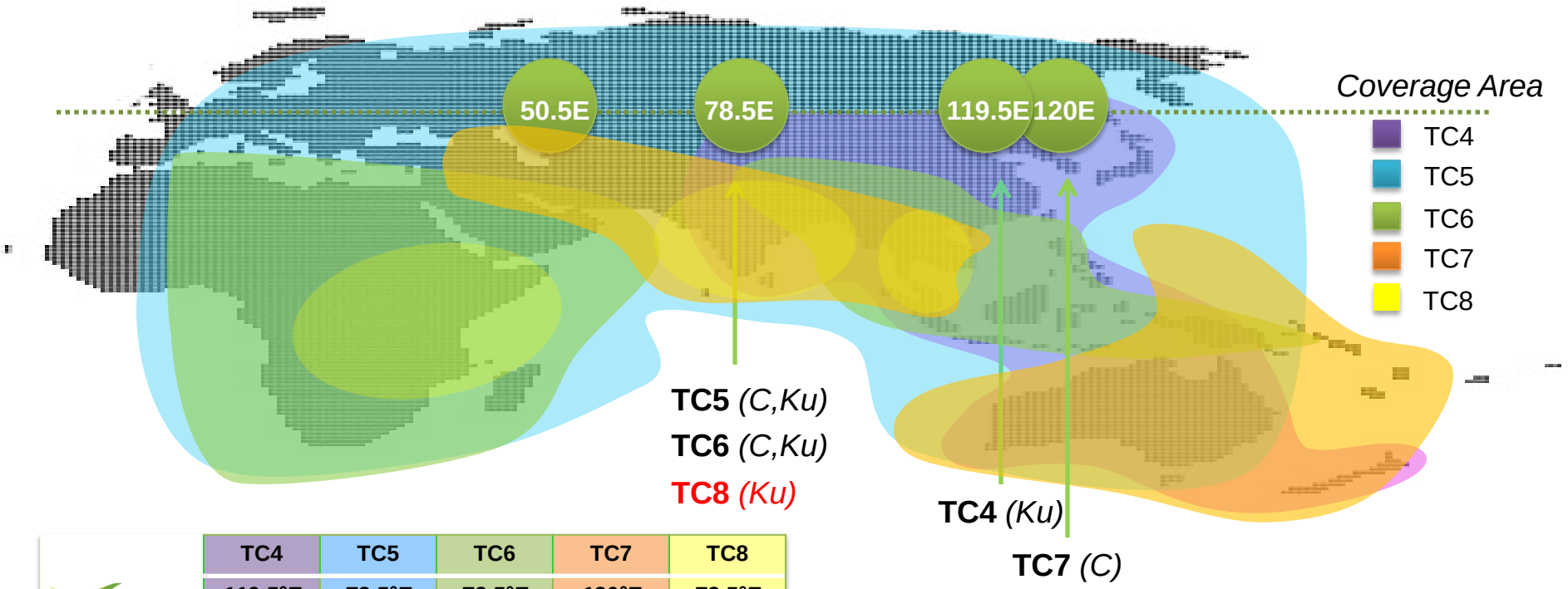
| | | | | | |
|---|---|---|---|---|---|
| | Concession | | | License | |
| **Launched** | 2005 | 2006 | 2014 | 2014 | Target 1H'16 |
| **Type of Satellite** | Broadband | Conventional | | Conventional | |
| **Fee** | 20.5% (Sep 2016 = 22.5% onwards) | | | 5.25% | |
| **Contract Life (Yr)** | 30 yr (2021) | | | 20 yr (2032) | |
| **Satellite Life (Yr)** | 15 | 14 | 18 | 18 | 18 |
| **Utilization rate*** | ~57.5% | ~100% | ~65-66% | ~78% | Pre-sales 13% |

*As of September 30, 2015



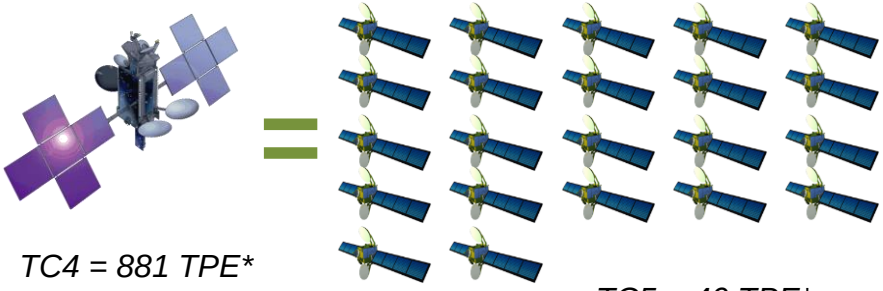


# Our Satellite Footprints




| | TC4 | | TC5 | | TC6 | | TC7 | | TC8 | |
|---|---|---|---|---|---|---|---|---|---|---|
| THAICOM | 119.5°E | | 78.5°E | | 78.5°E | | 120°E | | 78.5°E | |
| | C | Ku | C | Ku | C | Ku | C | Ku | C | Ku |
| Indochina | - | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | - | - | ✓ |
| SEA | - | ✓ | ✓ | - | ✓ | - | - | - | - | - |
| South Asia | - | ✓ | ✓ | - | - | - | ✓ | - | - | ✓ |
| North Asia | - | ✓ | ✓ | - | - | - | - | - | - | - |
| Australasia | - | ✓ | ✓ | - | - | - | ✓ | - | - | - |
| ME, Africa | - | - | ✓ | - | ✓ | - | - | - | - | ✓ |
| Total TPE* | 881 | | 40 | | 33 | | 14 | | 24 | |

Broadband Satellite Capacity



TC4 = 881 TPE*

TC5 = 40 TPE*

*Remarks: *TPE = 36 MHz transponder equivalents*



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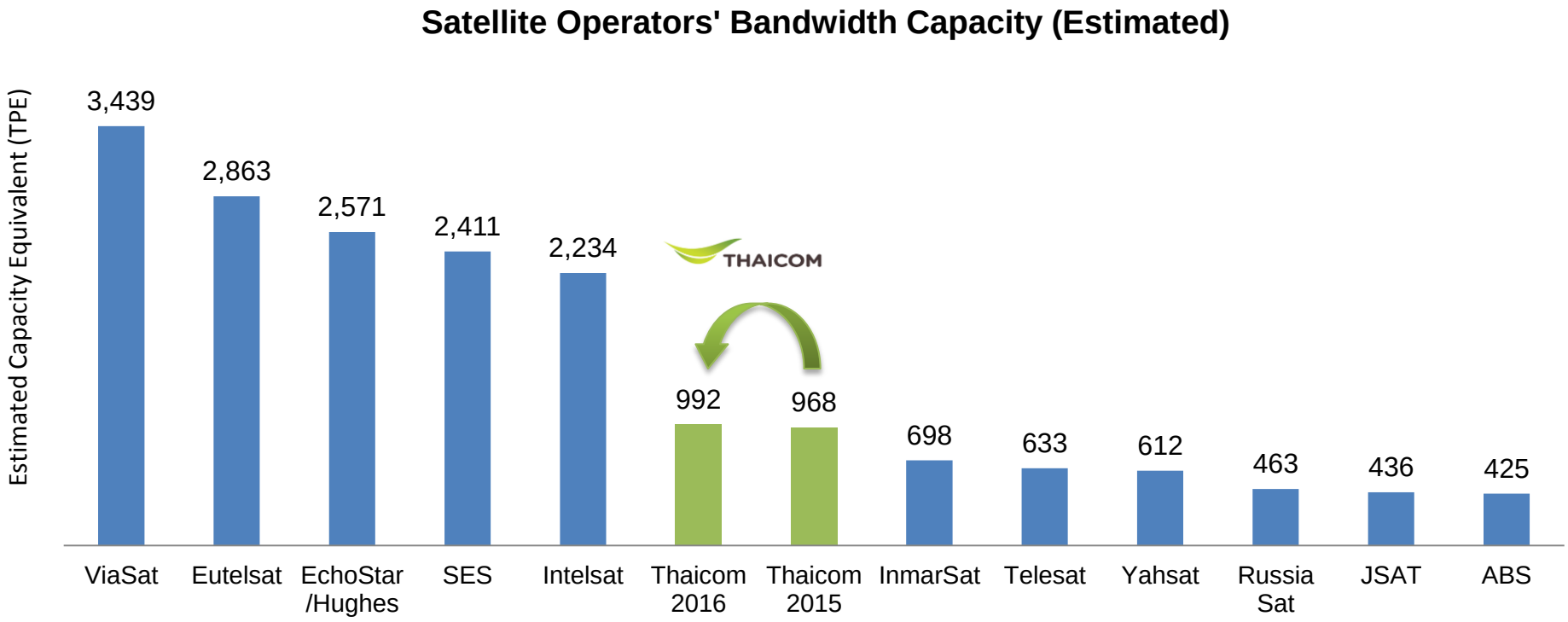
# Our Capacity

## Largest Satellite Operator in Asia Pacific (6th Globally)




** Thaicom capacity Y2015 includes THAICOM 4 (IPSTAR) THAICOM 5, THAICOM 6 and THAICOM 7 satellites*
*** Thaicom capacity Y2016 includes THAICOM-4 (IPSTAR), THAICOM-5, THAICOM-6, THAICOM-7 and THAICOM-8 satellites*
**** Other satellite operators' capacities (estimated) are as of July 2015*
***** TPE = 36MHz transponder equivalent*

# Our Broadcast Services

## Asia's "Hot Bird" for Satellite TV

Covering More than

**120**

**COUNTRIES**



Hosting

**774 (126 HD)**

**SATELLITE TV CHANNELS**

**No.1** in Thailand and Indochina

A key player in South Asia

**17.5** Million viewers or

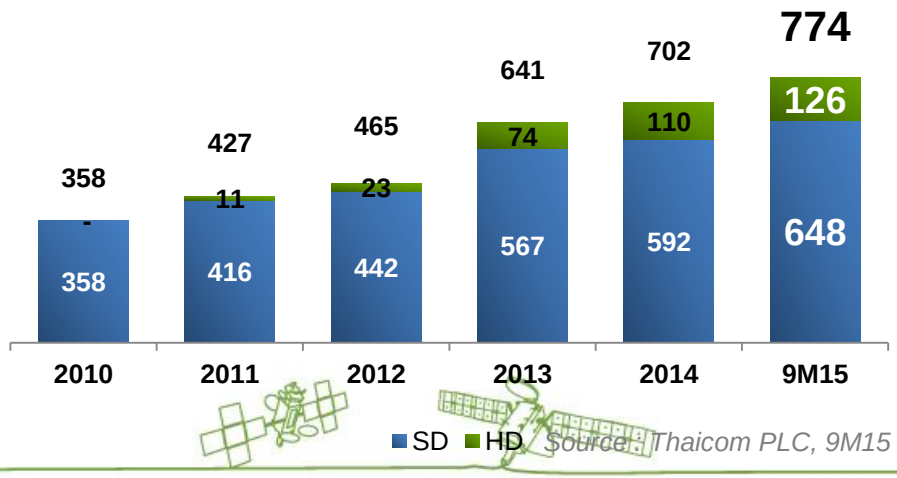
**73% of total TV HOUSEHOLDS**

*Source : Nielsen*



*Source : Nielsen, Feb 2015*

### Number of Satellite TV channels on Thaicom @78.5E




*Source : Thaicom PLC, 9M15*

# Our Broadband Services

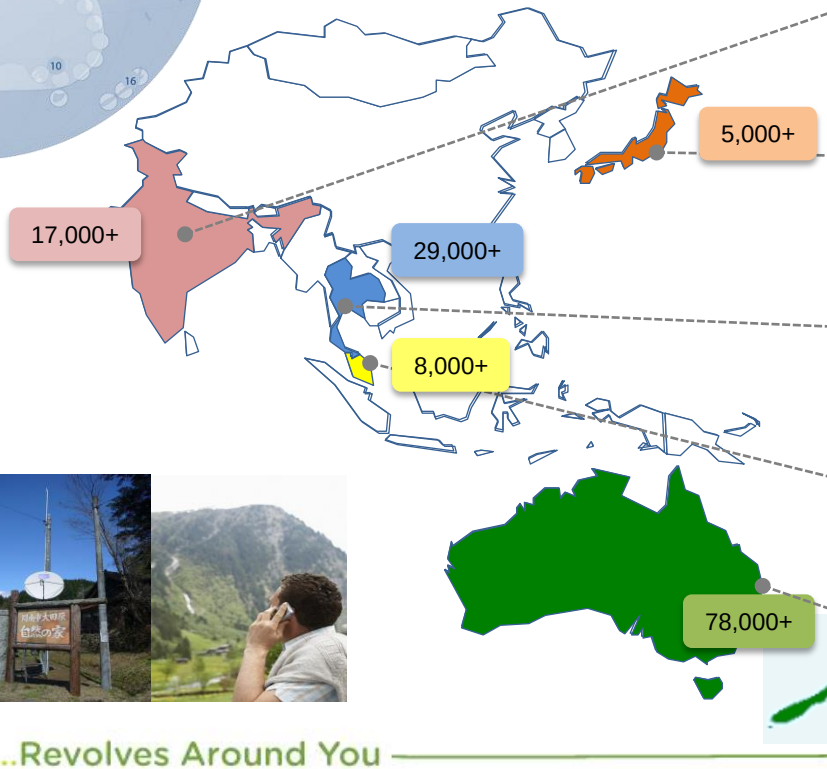
## The World's first High Throughput Satellite (HTS)



PRESENCE in

**10+ COUNTRIES in Asia Pacific**






**INDIA**

Main segment: Corporate/Banking & Mobile backhaul

**JAPAN**

Main segment: Mobile backhaul (small-cell 3G)

**THAILAND**

Main segment: School and Government project

**MALAYSIA**

Main segment: Government project

**AUSTRALIA & NEW ZEALAND**

Main segment: Consumer Broadband

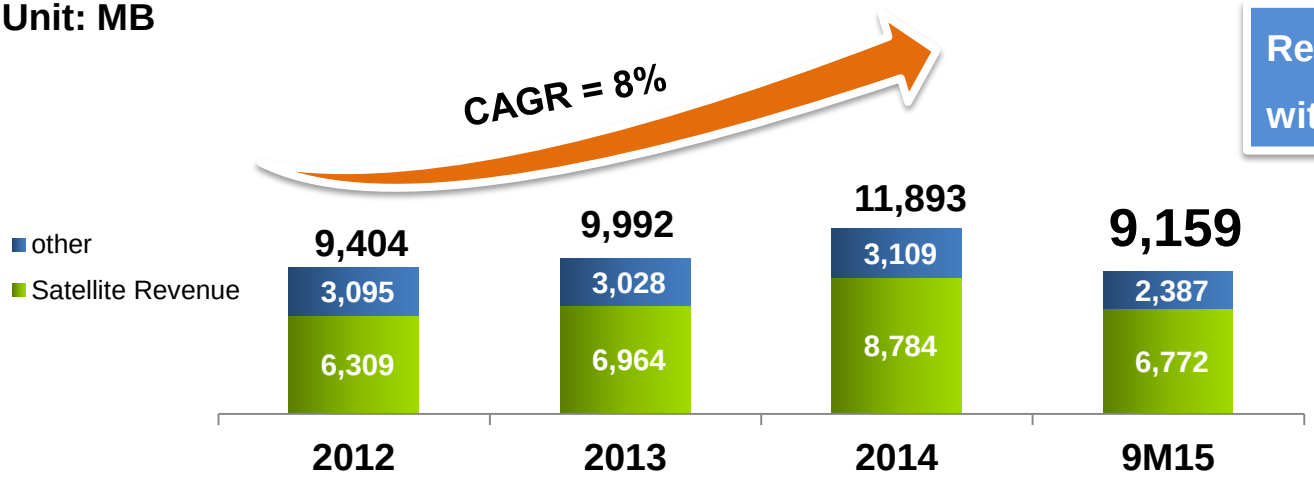


# Financial Highlights

# Bottom Line Grew Significantly from Satellite

## Consolidated Sales & Services Revenues

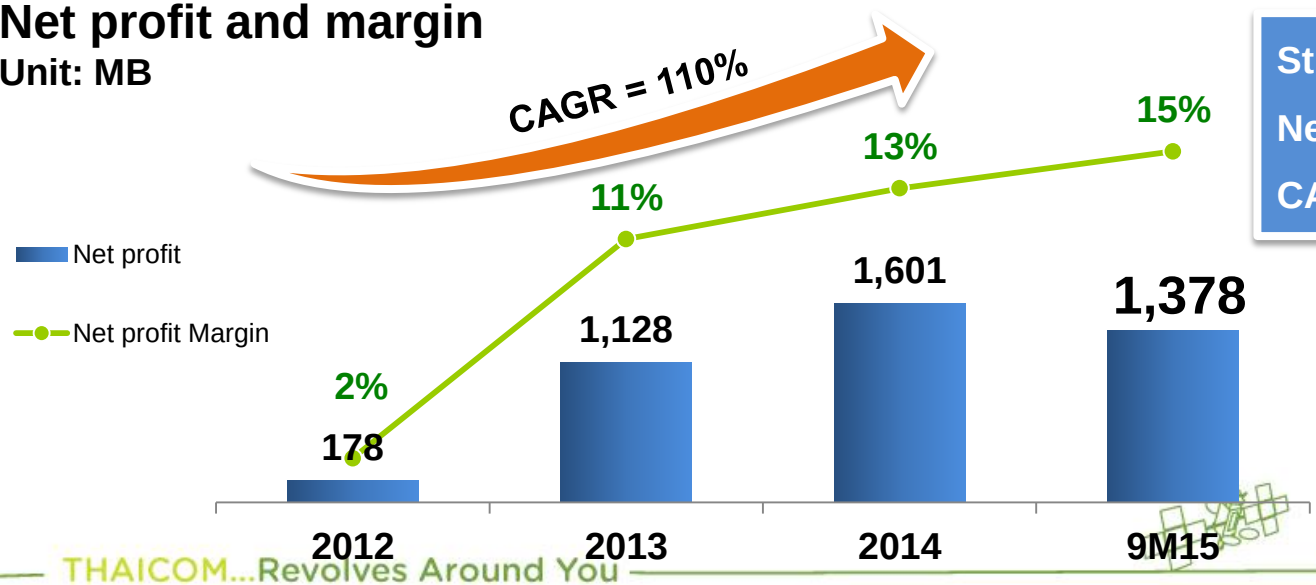
**Unit: MB**




Revenue grew continuously with CAGR of 8% (2012-2014).

## Net profit and margin

**Unit: MB**

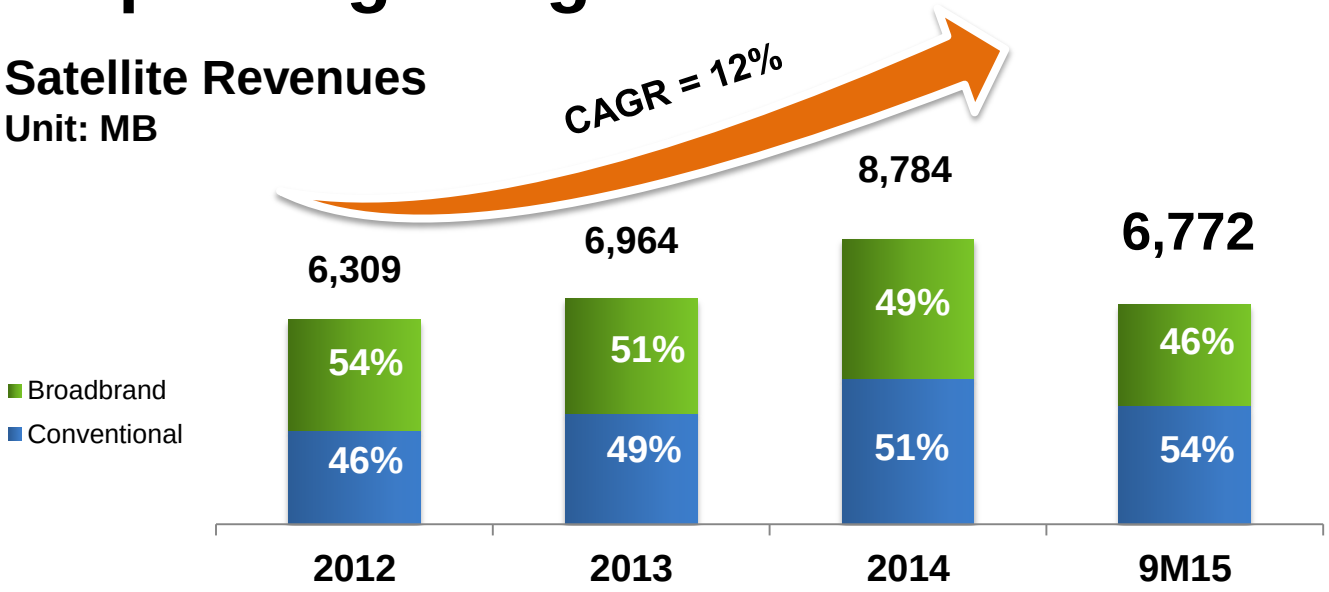



Strong growth of Consolidated Net Profit and Margin with CAGR of 110% (2012-2014).

# Strong Satellite Performances with Improving Margin

## Satellite Revenues

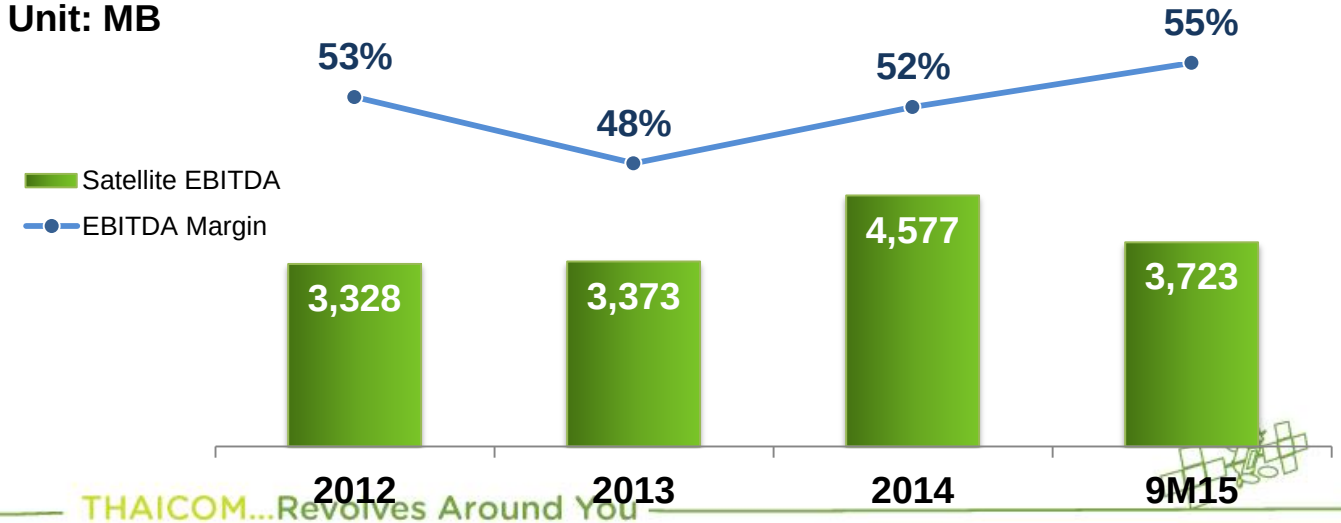
**Unit: MB**




Revenues continuously grew with CAGR of 12% (2012-2014).

## Satellite EBITDA

**Unit: MB**



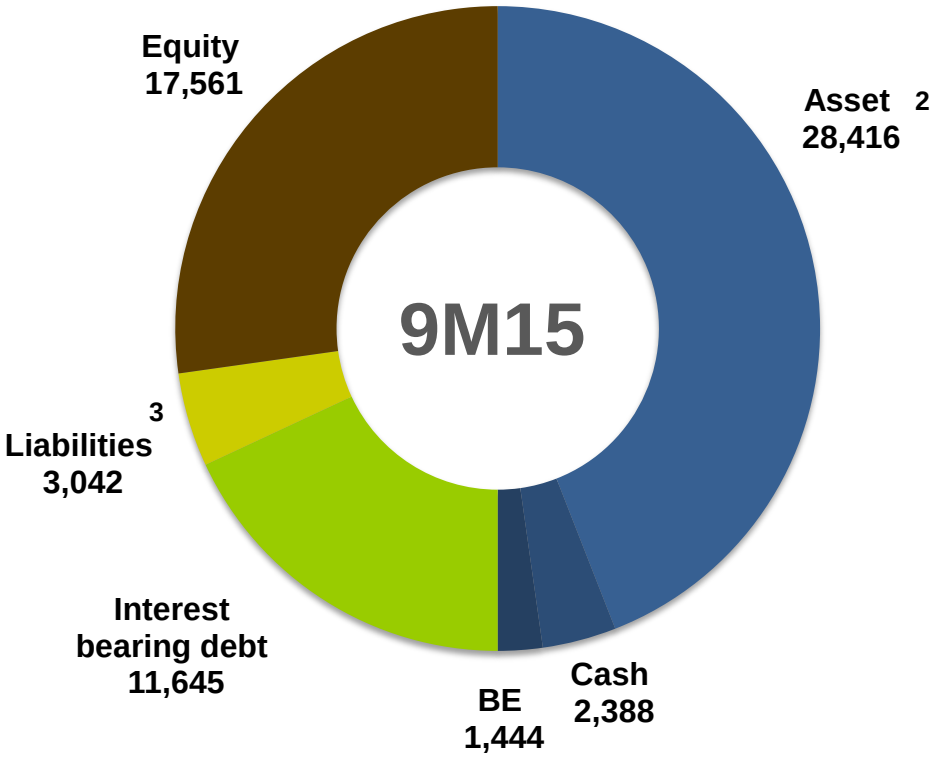

EBITDA grew with CAGR of 11% (2012-2014).

FY2013, EBITDA Margin dropped to 48% due to cost of interim satellite.

# Financial Position remains Robust

## D/E Ratio at 0.66x [1]

Unit: MB




## Strong operating cash flow

Unit: MB

| Consolidated CF | 9M15 | 9M14* |
|---|---|---|
| CF from Operating | 3,184 | 2,870 |
| CF from Investing | (2,435) | (2,745) |
| CF from Financing | (1,120) | 570 |
| Ending Cash | 2,388 | 2,986 |

* Restated

1. Interest-bearing Debt / Equity
2. Excludes Cash and BE
3. Excludes Interest-Bearing Debt



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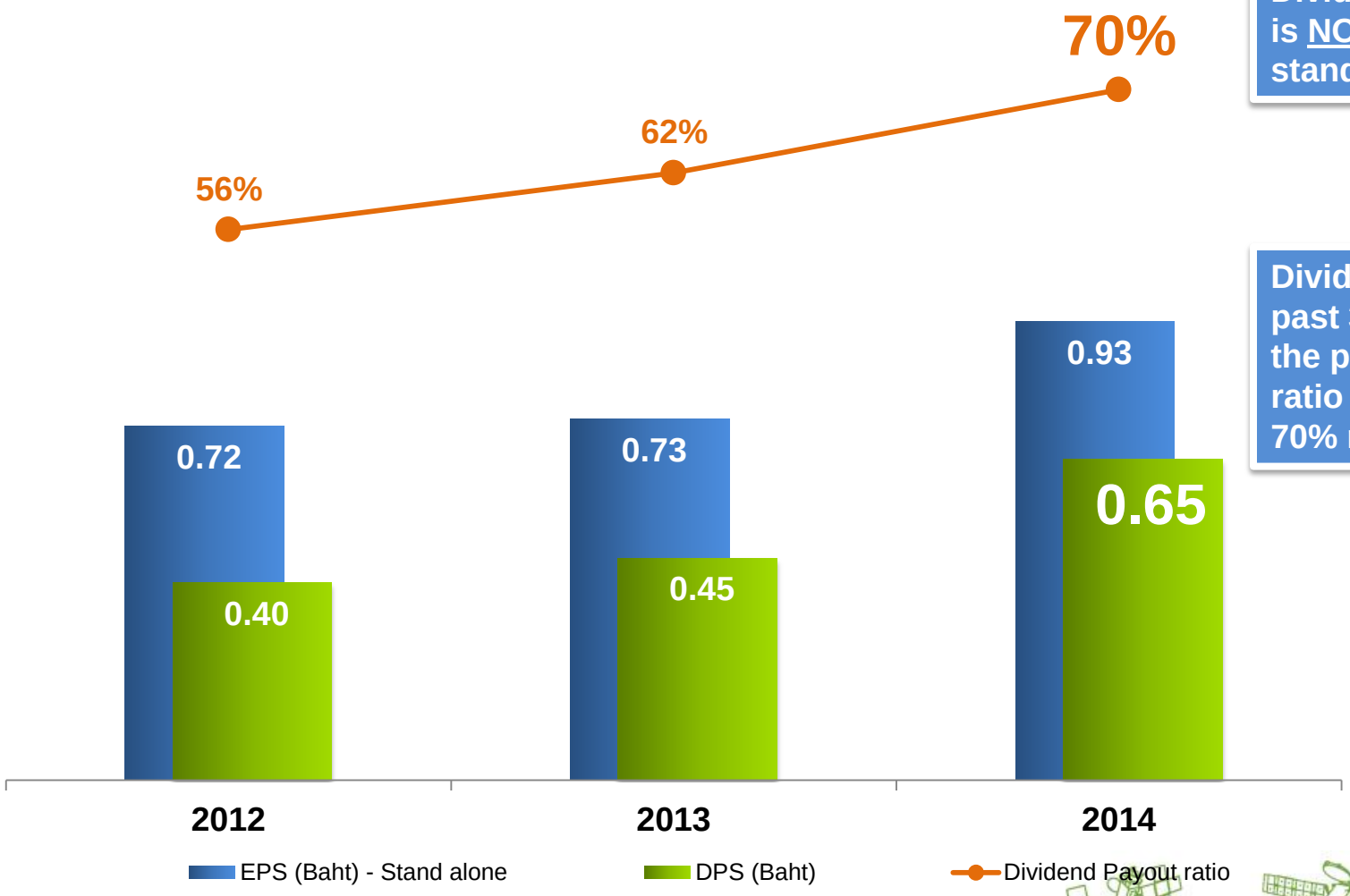
# Delivering Consistent Dividend Growth



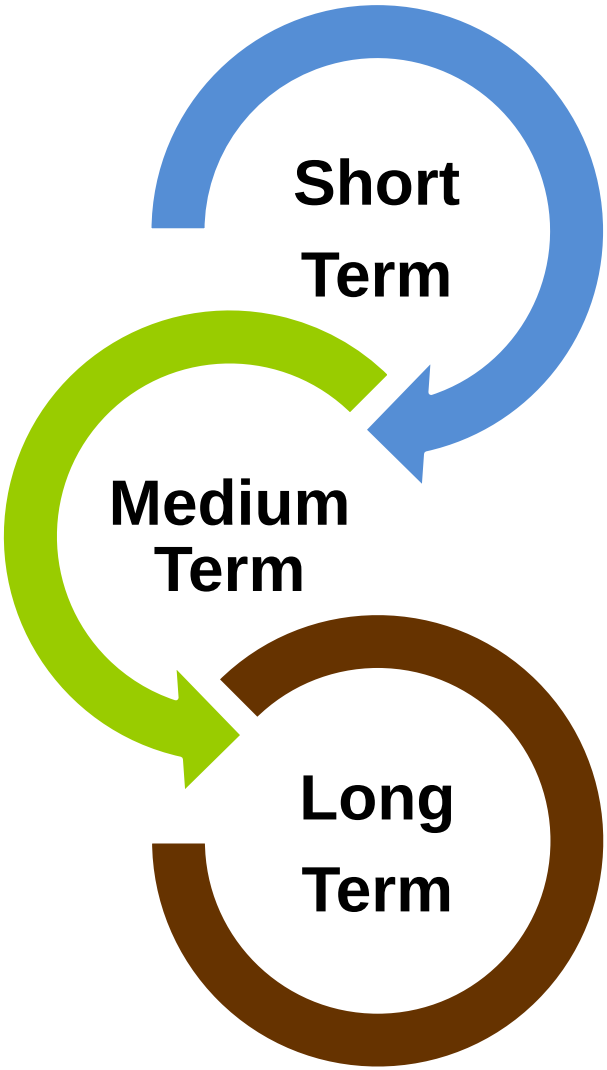

**Dividend payout policy is NOT less than 40% of stand-alone Net Profit.**

**Dividend paid for the past 3 years exceeded the policy with payout ratio of 56%, 62%, and 70% respectively.**



# What's Next

# What's next




- To Maximize existing assets and grow value added revenues

- To ensure long-term service continuity

- To leverage market access and partnership

# Moving Forward

## Sustainable Organization & Profitable Growth



Connectivity




Innovation



Responsibility



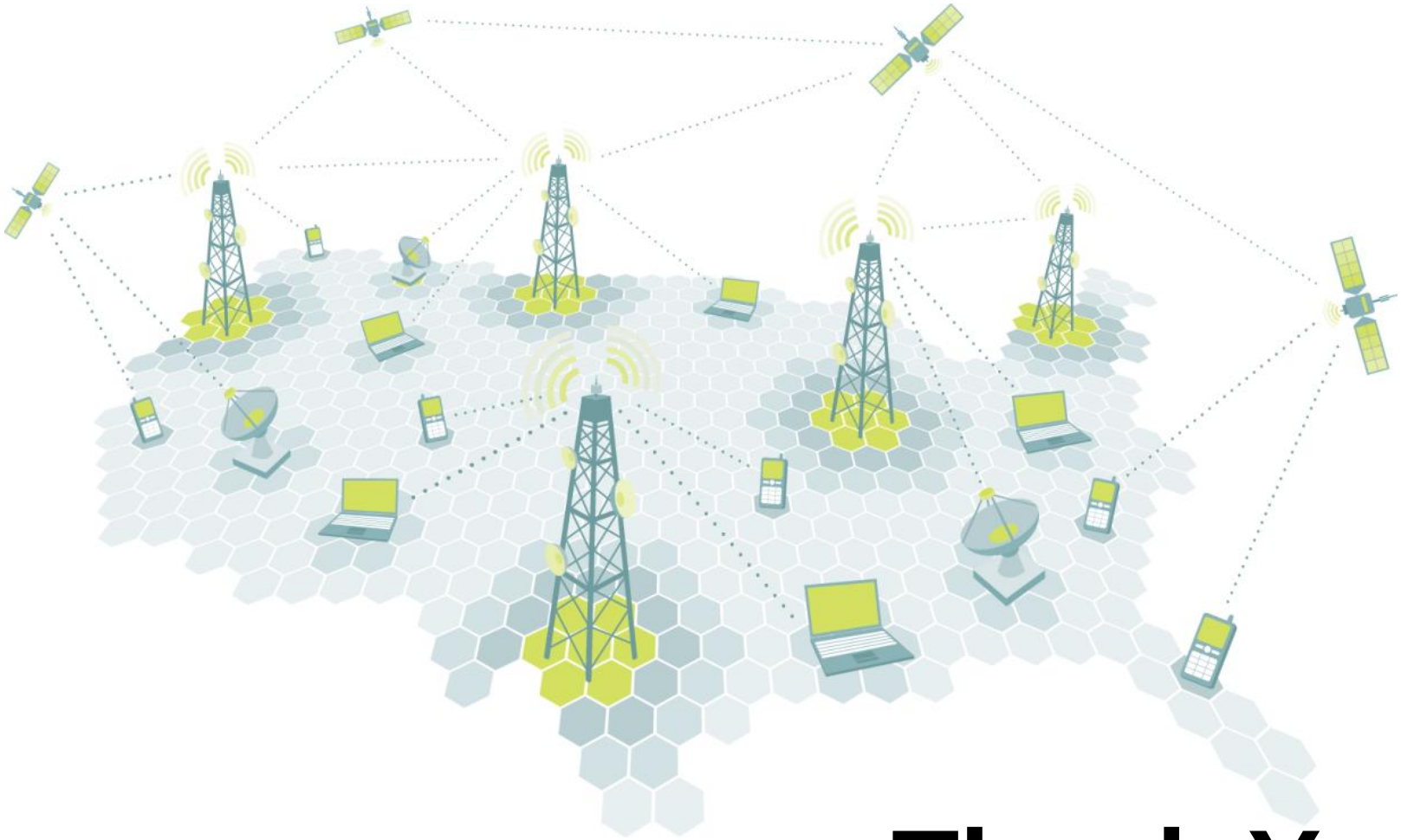

Corporate Governance

**Sustainable Development**

# Our Future:
## Developing the new chapter of THAICOM fleet




***" Follow-on satellite systems to ensure long term viability "***



# Thank You



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# Disclaimers

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “anticipate”, “intend”, “estimate”, “continue” “plan” or other similar words.

The statements are based on our management’s assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.

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# Appendix





# Consumer Behavior Trend

In-Flight Entertainment & Connectivity



Multiscreen




09:00



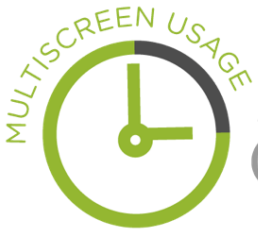
Content Delivery Network

14:00

2nd screen

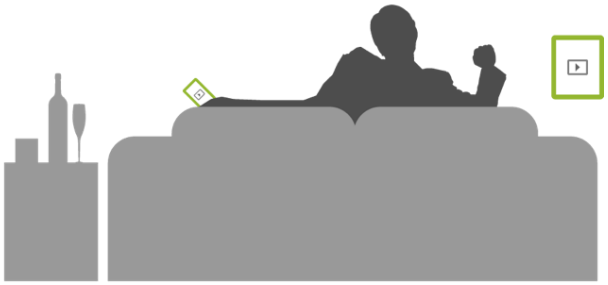


07:00




Ultra High Definition



20:00



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# Our Services: Broadcast





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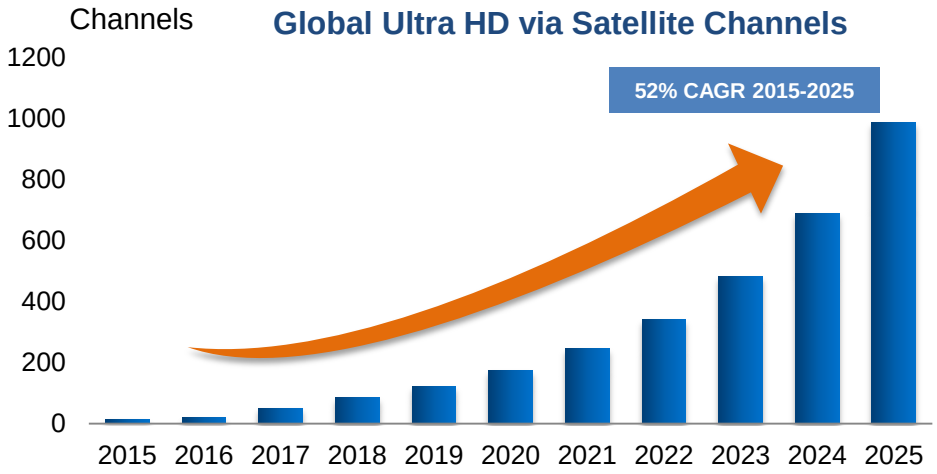
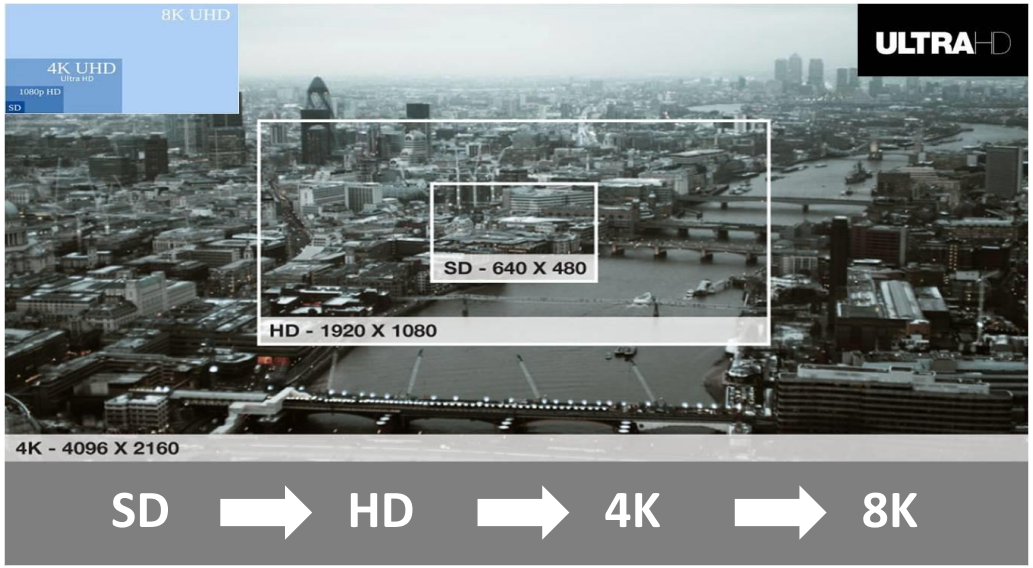
# Broadcast Trend : Key Drivers

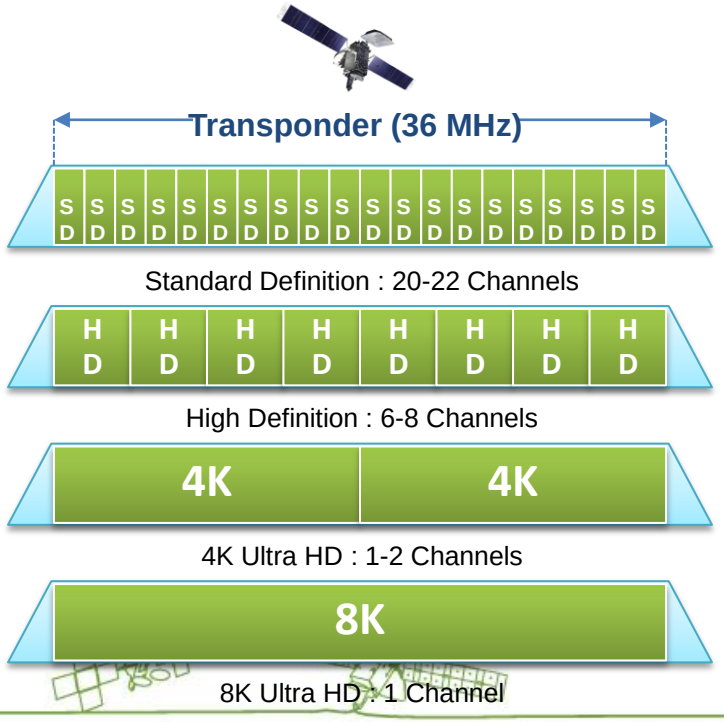



Source: NSR

- ✓ Lower TV/IRD costs
- ✓ More households
- ✓ More channels
- ✓ **More demand for satellite bandwidth**

Higher Broadcast Resolution



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# Broadcast Service Diagram







THAICOM
(Conventional)

Ku-band

C-band

Ku-band

C-band

Direct-to-Home (DTH)

TV Station/Teleport
-Production
-Compression
-Uplink, etc.

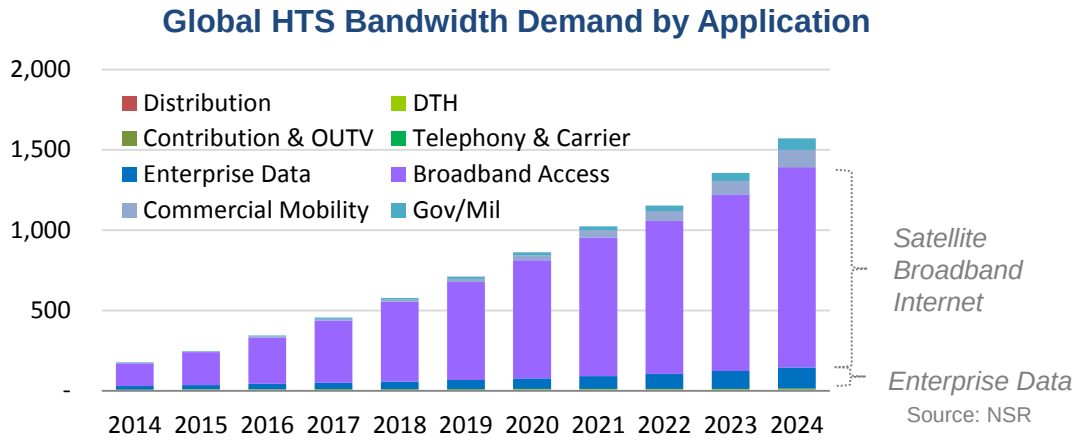
Repeater Station (Analogue & Digital TV)

Cable TV

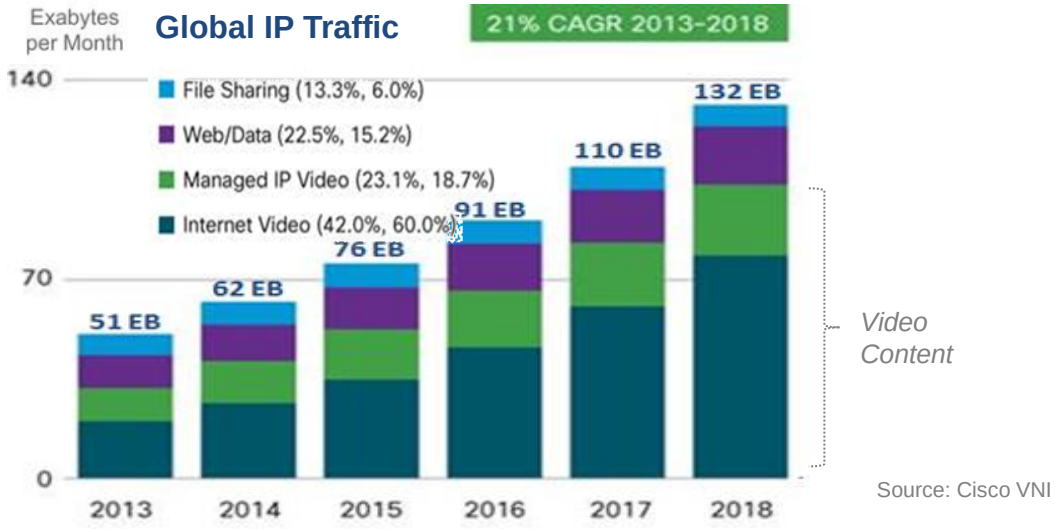
# Our Services: Broadband



# Broadband Trend : Key Drivers




Source: NSR




Source: Cisco VNI

Remark: HTS – High Throughput Satellite

- ✓ More subscribers & consumption
- ✓ More backhaul/offloading
- ✓ Mobility requirements
- ✓ Business continuity concerns
- ✓ **More demand for satellite bandwidth**

Mobility Services:



Business Continuity & Resiliency





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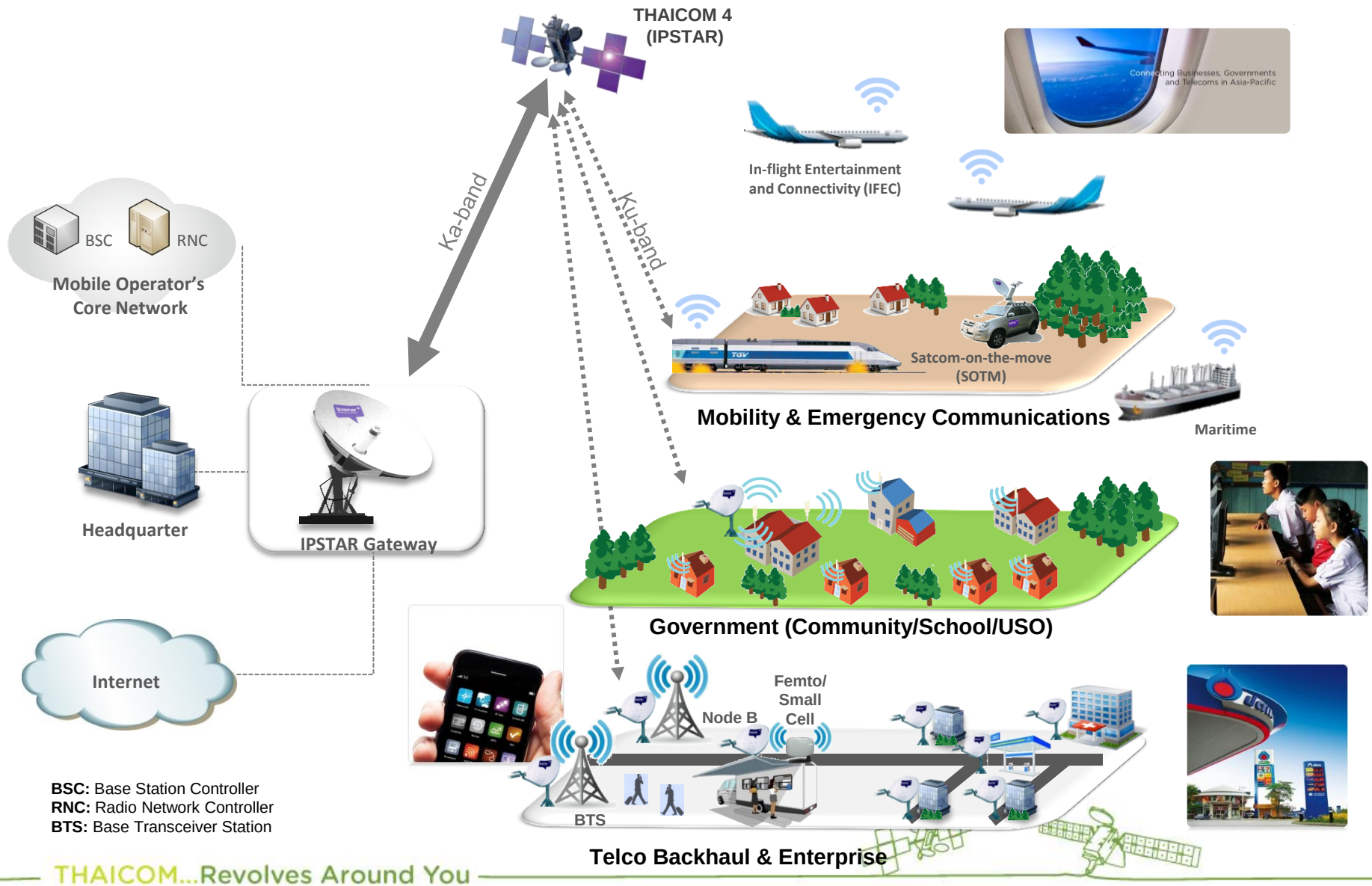
# Broadband Service Diagram




**BSC:** Base Station Controller
**RNC:** Radio Network Controller
**BTS:** Base Transceiver Station



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# Our Customers in 20+ Countries









India Nepal Myanmar China Korea

Pakistan Japan




Sweden Vietnam




Israel Laos




Thailand Philippines




Somaliland Cambodia






Malaysia Indonesia Australia New Zealand

# Thaicom is now no.8 in the world

THAICOM

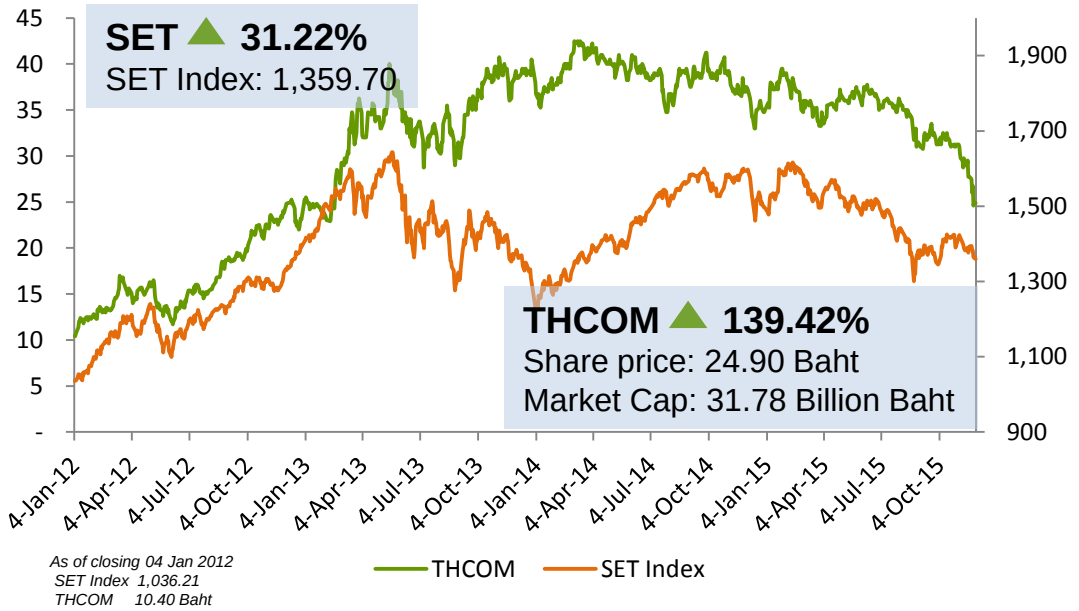
**The List | 2014 Top Fixed Satellite Service Operators**

SPACENEWS

| 2014 Rank | Company | Location | 2014 Revenue | 2013 Revenue | Satellite in Orbit | Satellite on Order | 2013 Rank | Revenue 2013-2014 |
|---|---|---|---|---|---|---|---|---|
| 1 | Intelsat | Luxembourg/United States | $2.47 billion | $2.64 billion | 55 | 7 | 1 | ▼ |
| 2 | SES | Luxembourg | $2.33 billion | $2.56 billion | 53 | 7 | 2 | ▼ |
| 3 | Eutelsat | France | $1.65 billion | $1.79 billion | 34 | 7 | 3 | ▼ |
| 4 | Telesat | Canada | $793.7 million | $838.6 million | 10 | 1 | 4 | ▼ |
| 5 | Sky Perfect Jsat | Japan | $446.2 million | $594.9 million | 16 | 3 | 5 | ▼ |
| 6 | Arabsat | Saudi Arabia | $350 million | $341 million | 6 | 3 | 6 | ▲ |
| 7 | Yahsat | United Arab Emirates | $285 million | < $50 million | 2 | 1 | New Entry | ▲ |
| **8** | THAICOM | **Thailand** | **$267 million** | **$267 million** | **4** | **1** | **10** | ● |
| 9 | China Satcom | China | $260 million | $230 million | 10 | 2 | 11 | ▲ |
| 10 | Hispasat | Spain | $246.6 million | $277.3 million | 7 | 3 | 9 | ▼ |
| 11 | Russian Satellite Communications Co. | Russia | $230 million | $176.8 million | 12 | 2 | 14 | ▲ |
| 12 | Singtel Optus | Australia | $204 million | $281 million | 5 | 0 | 8 | ▼ |
| 13 | Star One | Brazil | $200 million | $250 million | 7 | 2 | 7 | ▼ |
| 14 | Nilesat | Egypt | $192 million | $180.9 million | 2 | 0 | 13 | ▲ |
| 15 | Antrix/Indian Space Research Organisation | India | $185 million | $170 million | 9 | 4 | 15 | ▲ |

# Overall Performance

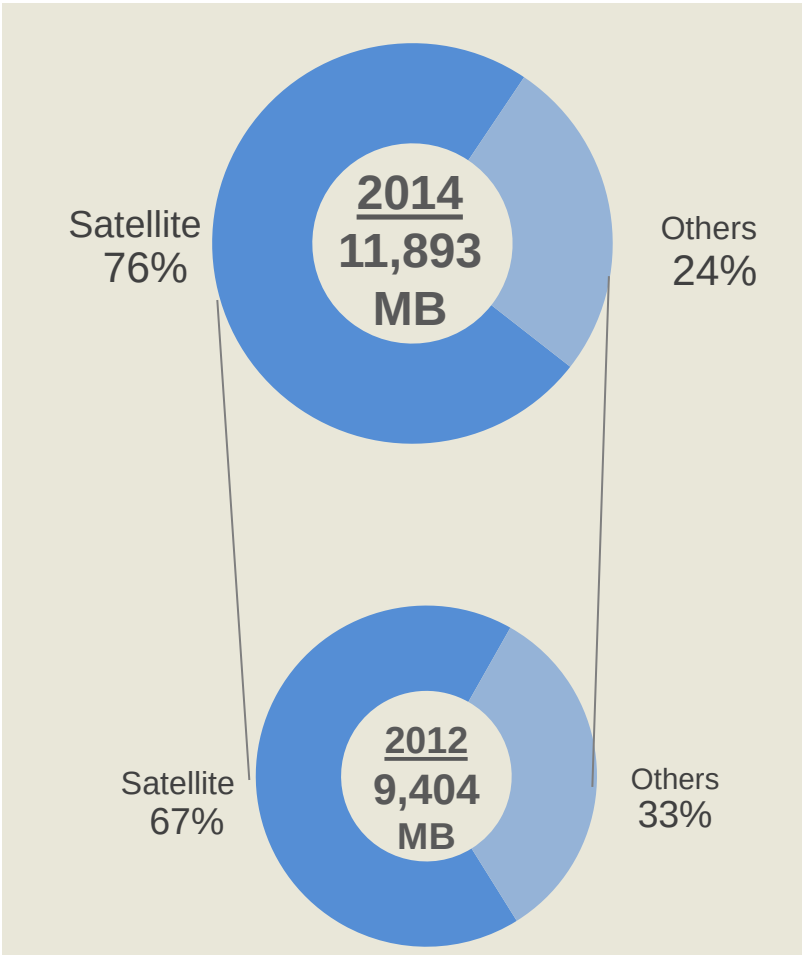
THCOM share performance vs SET : % Growth 2012–2015




*As of closing 04 Jan 2012*
*SET Index 1,036.21*
*THCOM 10.40 Baht*

## % Revenue breakdown 2012 vs. 2014:

Core satellite business contribution to revenue is increasing




## THCOM Share Performance:

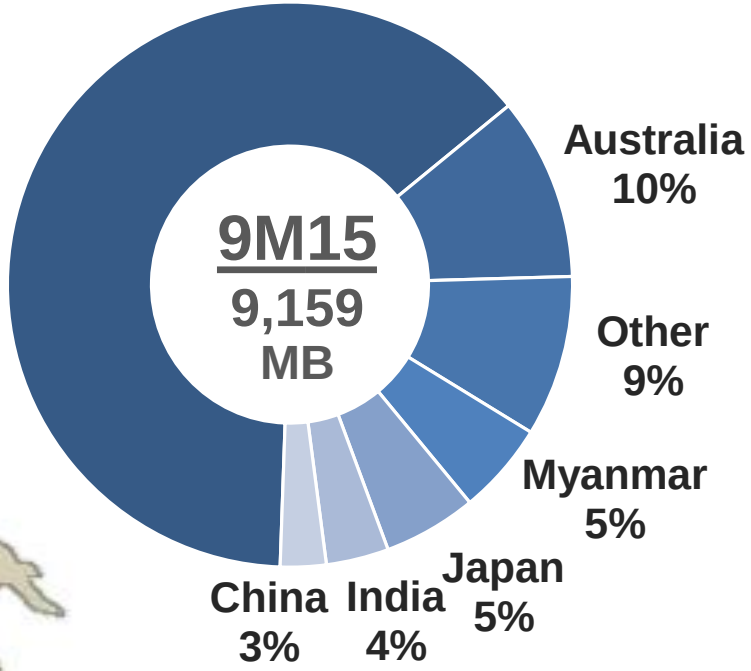
### Overview

| | |
|---|---|
| Share price*: | 24.90 Baht |
| Paid-up Shares: | 1.096 billion shares |
| Market Cap: | 27.29 billion Baht |
| BV/share | 15.65 Baht |
| PBV | 1.59 Baht |

- Share price as of 30 November 2015

# Revenue Breakdown by Country






**Others**

- Cambodia
- Indonesia
- Lao PDR
- Malaysia
- New Zealand
- Philippine
- Vietnam
- South Asia
- ME&A (Middle East/Africa & Pacific)