

1Q 2017: Management Discussion and Analysis

Q1 2017 Highlights

In 1Q-2017, Smart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 1,405 million and net profit of THB 81 million.

Financial Performance

Revenues

The consolidated total revenues for 1Q-2017 was THB 1,405 million, decreased by THB 55 million or 4% from 1Q-2016 mainly from the following:

Revenue from sales and services

Revenue from sales and services was THB 1,395 million, total decreased by THB 54 million or 4% compared to 1Q-2016, with lesser portion of sales revenue and contract work.

Other income

Other income was THB 10 million, decreased by THB 1 million from 1Q-2016 mainly due to decrease in gains from foreign exchange rate.

Cost of Sales and Services

Cost of sales and services was THB 1,147 million, decreased from 1Q-2016 by THB 47 million or 4%, which was in the similar ratio to the sales and services revenue.

Gross Profit

Gross profit was THB 248 million decreased by THB 7 million or 3%. Gross profit margin was 17.8% increased from 17.6% in 1Q-2016.

Selling Expenses, Administrative Expenses, and Other Expenses

Selling expenses, administrative expenses, and other expenses were THB 151 million, decreased from 1Q-2016 by THB 4 million primarily due to diminishing in loss on changes in value of short-term investments in trading securities and provision for account receivables.

Finance Cost & Corporate Income Tax

Finance cost was THB 39 million, decreased by THB 6 million, mainly from decrease in loan interest. Corporate income tax income was THB 13 million, changing from the same period of last year which was income tax expense of THB 11 million.

Net Profit

The consolidated net profit attributable to equity holders of the company was THB 81 million, increased by THB 25 million or 45% compared to 1Q-2016.

Financial Position

Assets

At the end of 1Q-2017, SAMTEL reported the total assets of THB 9,777 million, decreased by THB 241 million or 2% compared to the end of 2016, mainly resulting from a decrease of cash on hand and accrued income.

Source of financing

At the end of 1Q-2017, SAMTEL reported total liability of THB 6,221 million, decreased of THB 322 million or 5% compared to the end of 2016, mainly from a decrease in short-term loans from banks.

SAMTEL reported the total shareholders' equity of THB 3,556 million, an increase of THB 80 million or 2% from the end of 2016.