

## Q2 2017: Management Discussion and Analysis

### Q2 2017 Highlights

In Q2 2017, Ssmart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 1,688 million and net profit of THB 60 million.

### Financial Performance

#### Revenues

The consolidated total revenues for 2Q17 was THB 1,688 million, increased by THB 326 million or 24% from 2Q16 mainly from the following:

##### Revenue from sales and services

Revenue from sales and services was THB 1,678 million, total increased by THB 326 million or 24% compared to 2Q16, caused by growth in revenues from contract work.

##### Other income

Other income was THB 10 million, decreased by THB 0.4 million from 2Q16 mainly due to the gains from reversal of allowance for doubtful accounts.

#### Cost of Sales and Services

Cost of sales and services was THB 1,428 million, increased from 2Q16 by THB 314 million or 28%, which relatively outgrew the revenue from sales and services in the same period because there was an increase in cost of contract work.

#### Gross Profit

Gross profit was THB 251 million increased by THB 12 million or 5%. Gross profit margin was 14.9% decreased from 17.6% in 2Q16.

#### Selling Expenses, Administrative Expenses, and Other Expenses

Selling expenses, administrative expenses, and other expenses were THB 158 million, increased from 2Q16 by THB 22 million primarily due to the company's public relationship, consisted of local sports sponsorship and marketing campaigns.

#### Finance Cost & Corporate Income Tax

Finance cost was THB 38 million, decreased by THB 5 million, mainly from decrease in loan interest. Corporate income tax expense was THB 6 million, decreased from the same period of last year which was THB 4 million.

#### Net Profit

The consolidated net profit attributable to equity holders of the company was THB 60 million, which was no different from the same period of last year.

#### Financial Position

##### Assets

At the end of Q2 2017, SAMTEL reported the total assets of THB 9,909 million, decreased by THB 109 million or 1% compared to the end of 2016, mainly resulting from a decrease of cash and cash equivalents and accrued income.

##### Source of financing

At the end of Q2 2017, SAMTEL reported total liability of THB 6,355 million, decreased of THB 187 million or 3% compared to the end of 2016, mainly from a decrease in trade and other payables and accrued project cost.

SAMTEL reported the total shareholders' equity of THB 3,554 million, an increase of THB 78 million or 2% from the end of 2016.