

Q2 2018: Management Discussion and Analysis

Q2 2018 Highlights

In Q2 2018, Ssmart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 2,092 million and net profit of THB 70 million.

Financial Performance

Revenues

The consolidated total revenues for Q2 2018 was THB 2,092 million, increased by THB 405 million or 24 % from Q2 2017 mainly from the following:

Revenue from sales, contract work and services

Revenue from sales, contract work and services was THB 2,086 million, total increased by THB 408 million or 24.3% compared to Q2 2017, caused by growth in revenues from sales, contract work.

Other income

Other income was THB 6 million, decreased by THB 3 million from Q2 2017.

Cost of Sales, Contract work and Services

Cost of sales, contract work and services was THB 1,825 million, increased from Q2 2017 by THB 398 million or 27.8%, 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 261 million increased by THB 10 million or 4.2%. Gross profit margin was 12.5% decreased from 14.9% in Q2 2017.

Selling Expenses, Administrative Expenses, and Other Expenses

Selling expenses, administrative expenses, and other expenses were THB 167 million, increased from Q2 2017 by THB 10 million mainly from increase in Selling expenses, salary and benefits, office rental expenses and other expenses.

Finance Cost & Corporate Income Tax

Finance cost was THB 29 million, decreased by THB 10 million, mainly from decrease in loan. Corporate Income tax expenses were THB 3 million, decreased from the same period of last year by THB 4 million.

Net Profit

The consolidated net profit attributable to equity holders of the company was THB 70 million, which increased from the same period of last year by THB 9 million or 15.8%.

Financial Position

Assets

At the end of Q2 2018, SAMTEL reported the total assets of THB 8,396 million, decreased by THB 887 million or 9.6% compared to the end of 2017, mainly resulting from a decrease of cash and cash equivalents, property, plant and equipment and accrued income.

Source of financing

At the end of Q2 2018, SAMTEL reported total liability of THB 4,848 million, decreased of THB 903 million or 15.7% compared to the end of 2017, mainly from a decrease in loans from banks and trust receipts.

SAMTEL reported the total shareholders' equity of THB 3,548 million, an increase of THB 15 million or 0.4% from the end of 2017.