

2017: Management Discussion and Analysis

2017 Highlights

In 2017, Ssmart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 6,982 million and net profit of THB 220 million.

Financial Performance

Revenues

The consolidated total revenues for 2017 was THB 6,982 million, increased by THB 1,233 million or 21.5% from 2016 mainly from the following:

Revenue from sales and services

Revenue from sales and services was THB 6,949 million, total increased by THB 1,228 million or 21.5% compared to 2016, caused by growth in revenues from both sales and contract work.

Other income

Other income was THB 33 million, increased by THB 5 million from 2016.

Cost of Sales and Services

Cost of sales and services was THB 5,997 million, increased from 2016 by THB 1,232 million or 25.9%, 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 952 million decreased by THB 4 million or 0.4%. Gross profit margin was 13.7% decreased from 16.7% in 2016.

Selling Expenses, Administrative Expenses, and Other Expenses

Selling expenses, administrative expenses, and other expenses were THB 636 million, increased from 2016 by THB 28 million mainly from increase in depreciation and other expenses.

Finance Cost & Corporate Income Tax

Finance cost was THB 149 million, decreased by THB 24 million, mainly from decrease in loan interest. Corporate income tax income was THB 14 million, increased from the same period of last year by THB 43 million.

Net Profit

The consolidated net profit attributable to equity holders of the company was THB 220 million, which increased from the same period of last year by THB 37 million or 19.9%.

Financial Position

Assets

At the end of 2017, SAMTEL reported the total assets of THB 9,284 million, decreased by THB 735 million or 7.3% compared to the end of 2016, mainly resulting from a decrease of property, plant and equipment and accrued income.

Source of financing

At the end of 2017, SAMTEL reported total liability of THB 5,751 million, decreased of THB 792 million or 12% compared to the end of 2016, mainly from a decrease in short-term loans from banks and trust receipts and trade and other payables.

SAMTEL reported the total shareholders' equity of THB 3,533 million, an increase of THB 57 million or 1.6% from the end of 2016.