

## 2018: Management Discussion and Analysis

### 2018 Highlights

In 2018, Ssmart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 7,711 million and net profit of THB 351 million.

### Financial Performance

#### Revenues

The consolidated total revenues for 2018 were THB 7,711 million, increased by THB 729 million or 10.4 % from 2017 mainly from the following:

##### Revenue from sales, contract work and services

Revenue from sales, contract work and services were THB 7,679 million, increased by THB 730 million or 10.5% compared to 2017, major increased is caused by Revenue from contract work.

##### Other income

Other income was THB 32 million, decreased by THB 1 million or 3.8% from 2017.

#### Cost of Sales, Contract work and Services

Cost of sales, contract work and services was THB 6,564 million or 85.5% of revenues compare with 2017 at 86.3%.

However cost of sales, contract work and services increased from 2017 by THB 567 million or 9.5%, major increased is caused by Cost of contract work.

#### Gross Profit

Gross profit was THB 1,115 million increased by THB 163 million or 17.2%. Gross profit margin was 14.5% increased from 13.7% in 2017.

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

Selling expenses, administrative expenses, and other expenses were THB 667 million or 8.7% of revenues compare with 2017 at 9.2%.

But selling expenses, administrative expenses, and other expenses were increased from 2017 by THB 30 million or 4.7% mainly from increase in salary and benefits, office rental expenses and other expenses.

#### Finance Cost & Corporate Income Tax

Finance cost was THB 108 million, decreased by THB 41 million or 27.8%, mainly from decrease in loan and debentures. Corporate Income tax expenses were THB 24 million, increased from the same period of last year by THB 39 million.

#### Net Profit

The consolidated net profit attributable to equity holders of the company was THB 351 million, which increased by THB 131 million or 59.4%, from the same period of last year.

### Financial Position

#### Assets

At the end of 2018, SAMTEL reported the total assets of THB 8,944 million, decreased by THB 339 million or 3.7% compared to the end of 2017, mainly resulting from a decrease of cash and cash equivalents, property, plant and equipment and Inventories.

#### Source of financing

At the end of 2018, SAMTEL reported total liability of THB 5,266 million, decreased by THB 485 million or 8.4% compared to the end of 2017, mainly decrease is from loans from banks and trust receipts and current portion of debentures.

SAMTEL reported the total shareholders' equity of THB 3,678 million, increased by THB 145 million or 4.1% from the end of 2017, mainly from retained earnings.