

# 1Q 2018: Management Discussion and Analysis

## 1Q 2018 Highlights

In this quarter, Samart Corporation Public Company Limited or “SAMART” recorded the total revenues for the three-month period of THB 2,431 million with Net Profit attributable to equity holders of the company was THB 14 million.

### SAMART’s performance by business lines;

Samart Corporation PCL., divided its businesses into five lines of business

- 1) Digital Business or “SDC” (formerly known as Mobile Multimedia Business)
- 2) ICT Solution and Service Business or “SAMTEL”
- 3) Contact Center Business or “OTO”
- 4) Utilities and Transportations Business\*
- 5) Technology Related Business\*

(\*Non-listed Business)

### Digital Business

#### (Samart Digital Pcl. or “SDC”)

The Company is currently in the installation phase of Digital Trunked Radio System (DTRS) and Co-Tower cellular base station in the Department of Natural Park. These new businesses will make the Digital Business more sustainable and firm growth in the future.

### ICT Solution and Service Business

#### (Samart Telcoms Pcl. or “SAMTEL”)

In this quarter, the new projects were signed with the total value of THB 217 million. By the end of 1Q2018, SAMTEL had total backlog worth THB 7,106 million.

### Contact Center Business

#### (One to One Contacts Pcl. or “OTO”)

In this quarter, OTO continues to sign a several new projects together with renewal some existing projects with the total value worth THB 188 million. By the end of 1Q2018, OTO had total backlog of THB 835 million.

### Non-Listed Business

Currently, Samart U-Trans Co., Ltd. or “SUT” is on the studying process of several power plants in both Thailand and neighboring countries for biomass power plant, waste power plant, solar power plant, hydro power plant, coal-fired power plant and transmission line business. Moreover, the company is also exploring the possibility of developing the motorway project.

### Financial Performance

#### Revenues

The consolidated sales, contract works and services revenues (after elimination of related parties transaction) in 1Q2018 were THB 2,409 million, decreased by 18% YoY which was mainly from the following reasons;

#### Digital Business

Sales and Services Revenues from Digital Business in 1Q2018 were THB 167 million, decreased by 60% YoY mainly from the termination of i-Mobile handset business.

### **ICT Solution and Service Business**

The revenues from sales, contract works and services in 1Q2018 were THB 1,424 million, slice increased by from the same period last year.

### **Contact Center Business**

The revenues from sales and services in 1Q2018 were THB 168 million or dropped by 30% YoY due to the decrease in revenues from “Fully Outsourced Contact Center Management Service” from the same period last year.

### **Non-Listed Business**

The revenues from sales and services from non-listed business were THB 777 million, decreased by 23% YoY. The decrease in sales and services revenues mainly came from Utilities & Transportations and Technology Related Business.

### **Cost of Sales and Services**

Cost of sales, contract works and services were THB 1,850 million, decreased be 20% YOY. The cost of sales, contract works and services were came from ICT Solution and Service Business and Non-listed Business.

### **Selling and Administrative Expenses**

Selling and Administrative expenses were THB 390 million, dropped by 25% YoY resulting from the decrease in marketing expenses and after-sale service from Digital Business.

### **Finance Cost**

Finance cost was THB 136 million, increased by 13% YoY.

### **Net Profit/ Loss**

Net Profit attributable to the equity holders of the Company was THB 14 million, the dropped in Net Profit from the same period last year resulted from ICT Solution and Service and Contact Center Business.

### **Financial Position**

As of 31 March 2018, SAMART reported the total assets of THB 23,063 million, increased by 4% as compared to the year-end of 2017.

The total liabilities increased from THB 16,060 million by the end of 2017 to THB 16,997 million, increased by 6%. The total shareholders' equity was reported THB 6,066 million.