

## 3Q17: Management Discussion and Analysis

### Business overview

In 3Q17, Samart Digital PLC. (SDC) reported quarterly consolidated revenues of Baht 330 million, decreased by Baht 410 million or 55.4% YoY, majorly contributed by the decreasing in revenue of both mobile business unit and non-mobile business unit.

Operating profit (EBT) of Baht (211) million increased by Baht 11 million or 4.9% YoY and increased by Baht 404 million or 65.7% QoQ. The increase was primarily due to lower sale related expenses as well as administrative expenses.

The Company reported the consolidated net loss attributable to equity holders of the Company at Baht (162) million, decreased by Baht 32 million YoY and decreased Baht 318 million QoQ.

### Financial highlights

Revenue breakdown			in Million Baht		
Business Unit	3/17	3/16	%YoY	2/17	%QoQ
Mobile	179	491	(63.6%)	180	(0.7%)
Non-mobile	151	249	(39.2%)	149	1.8%
<b>Total revenue*</b>	<b>330</b>	<b>811</b>	<b>(55.4%)</b>	<b>329</b>	<b>0.4%</b>

\* Total Revenues (sales and service revenues, including selling support income)

### Revenue

**Mobile business:** The revenue of mobile business in 3Q17 was reported at Baht 179 million, in which represented 54% of total revenues, decreased by 63.6% YoY and 0.7% QoQ, mainly resulted from the decline in sold units of handset.

**Non-mobile business:** The revenue of non-mobile business in 3Q17 was reported at Baht 151 million, in which represented 46% of total revenues, decreased by 39.2% YoY mainly resulted from the decrease in digital business whilst increased by 1.8% QoQ.

### Gross profit

In 3Q17, overall gross profit of the Company was reported at loss Baht 4 million, decreased by Baht 35 Million YoY whilst increased by Baht 31 million QoQ. The loss result was primarily due to the lower revenue and profit margin of both mobile and non-mobile business units.

## S&A and other expenses

In 3Q17, selling and administrative expenses including other expenses were Baht 162 million, decreased by Baht 101 million or 38.3% YoY and decreased by Baht 363 million or 69.1% QoQ. This significant decrease was primarily due to lower recording allowance for doubtful accounts as well as decreased of selling and administrative expenses

## Financial costs

In 3Q17, financial costs were Baht 48 million, slightly increased by 5.9% YoY and increased by 6.3% QoQ. There was no changing in loan structure during the period.

## Net profit

The consolidated net loss attributable to equity holders of the Company was Baht 162 million, decreased by Baht 32 million or 16.4% YoY and decreased by Baht 318 million or 66.3% QoQ.

## Financial position

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As at 30 September 2017, SDC reported total assets of Baht 7,016 million, a decrease of Baht 958 million or 12.0% compared with last year, mainly from the decrease in trade accounts receivable and inventory of mobile business during the period.

The Company also reported its total liabilities at Baht 5,368 million decreased by Baht 90 million or 1.7%, mainly resulted from the decrease in trade accounts payable and short-term loan from bank offsetting with the increase in short term loan from parent company.

Total shareholders' equity was Baht 1,649 million, decreased by 34.5% compared with Baht 2,517 million at the end of 2016.