

## 1Q17: Management Discussion and Analysis

### Business Overview

In 1Q17, Samart I-Mobile PLC. (SIM) reported quarterly consolidated revenues of Baht 419 million, decreased by 70.9% YoY, majorly contributed by the decreasing in revenue of Mobile Business as the slowdown of handset market and domestic economic as well as decreasing in revenue of Non-Mobile business.

Operating profit (EBT) of Baht (234) million was recorded in 1Q17, decreased Baht 202 million or 627.9% YoY. However, operating profit increased Baht 280 million from last quarter or 54.5% QoQ. In addition, operating profit margin of this quarter was (55.7%), decreased by 53.5% YoY but increased by 75.7% QoQ, due to the increasing in gross profit margin of both Mobile business and Non-Mobile business.

As such, SIM reported the consolidated net profit attributable to equity holders of the Company at Baht (200) million, decreased by 605.3% YoY, but increased 171.9% QoQ.

### Financial Highlights

Revenue Breakdown			in Million Baht		
Business Unit	1/60	1/59	%YoY	4/59	%QoQ
Mobile	279	1,277	(78.2%)	275	1.4%
Non-Mobile	141	166	(15.5%)	116	21.2%
<b>Total Revenue*</b>	<b>419</b>	<b>1,444</b>	<b>(70.9%)</b>	<b>391</b>	<b>7.3%</b>

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

### Revenue

**Mobile Business:** The revenue of Mobile Business in 1Q17 was reported at Baht 279 million, in which represented 66.6% of total revenues, decreased by 78.2% YoY, mainly resulted from the decline in sold units and average selling price of i-mobile handset sold in the period, but increased by 1.4% QoQ.

**Non-Mobile Business:** The revenue of Non-Mobile Business in 1Q17 was reported at Baht 141 million, decreased by 15.5% YoY, mainly resulted from digital business, whereas increased by 21.2% QoQ. The revenue of Non-Mobile Business represented 33.6% of total revenues.

### Gross Profit

In 1Q17, overall gross profit of the Company was reported at Baht 42 million, decreased by 84.5% YoY, in relative to the lower revenues and gross profit margin of Mobile Business whilst it increased by 125.1% QoQ.

## S&A Expenses

In 1Q17, selling and administration expenses including other expenses were Baht 234 million, decreased 9.2% YoY. while decreased by 26.8% QoQ.

## Financial Costs

In 1Q17, financial costs were Baht 44 million, slightly decreased by 5.8% YoY. This was due to the decline in short term loans compared with the given period.

## Net Profit

The consolidated net profit attributable to equity holders of the Company was Baht (200) million, decreased by 627.9% YoY, whilst increased by 53.2% QoQ.

## Financial Position

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As at 31<sup>st</sup> March 2017, SIM reported total assets of Baht 7,563 million, a decrease of Baht 412 million or 5.2% compared with 31<sup>st</sup> December 2016, mainly from the decreasing in trade accounts receivable and inventory of mobile business during the period.

The Company also reported its total liabilities at Baht 5,261 million compared with Baht 5,458 million as at 31<sup>st</sup> December 2016, or a decreased by 3.6%, mainly resulted from the decrease in trade accounts payable and short term loans from bank.

Total shareholders' equity as at 31<sup>st</sup> March 2017, was Baht 2,302 million, decreased by 8.5% compared with Baht 2,517 million at the end of 2016.