

1Q 2019: Management Discussion and Analysis

1Q 2019 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of THB 3,364 million with Net Profit attributable to equity holders of the company was THB 200 million.

SAMART's performance by business lines;

Samart Corporation PCL., divided its businesses into 5 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 906 million; for example the development of Core Business Process System with Small and Medium Enterprise Development Bank of Thailand value of THB 579 million. By the end of 1Q/2019, SAMTEL had total backlog worth THB 6,400 million.

Contact Center Business

(One to One Contacts Pcl. or "OTO")

By the end of 1Q/2019, OTO had total backlog of THB 730 million.

Non-Listed Business

Currently, Samart U-Trans Co., Ltd. or "SUT" is looking for the new business opportunity in air traffic business in many countries and 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.

Financial Performance

Revenues

The consolidated sales, contract works and services revenues (after elimination of related parties transaction) in 1Q/2019 were THB 3,300 million, increased by 37% YoY which was mainly from the following reasons;

Digital Business

Sales, contract works and services revenues from Digital Business in 1Q/2019 were THB 217 million, increased by 30% YoY mainly from the increased in revenues of Digital Network and Digital Content business.

ICT Solution and Service Business

The revenues from sales, contract works and services in 1Q/2019 were THB 2,089 million which increased by THB 665 million from the same period last year or increased by 47%.

Contact Center Business

The revenues from sales and services in 1Q/2019 were THB 189 million or increased by 13% YoY due to the increase in revenues from “Fully Outsourced Contact Center Management Service” from the same period last year.

Non-Listed Business

The revenues from sales, contract works and services from non-listed business were THB 865 million, increased by 11% YoY. The increase in sales, contract works and services revenues mainly came from Technology Related Services Business.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were THB 2,582 million, increased be 40% 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 358 million, dropped by 8% YoY resulting from the effectively cost control.

Finance Cost

Finance cost was THB 142 million, increased by 4% YoY.

Net Profit/ Loss

Net Profit attributable to the equity holders of the Company was THB 200 million, the increased in Net Profit from the same period last year resulted from ICT Solution and Service Business.

Financial Position

As of 31 March 2019, SAMART reported the total assets of THB 21,813 million, slice increased compared to the year-end of 2018.

The total liabilities slice increased from THB 16,527 million by the end of 2018 to THB 16,668 million. The total shareholders' equity was reported THB 5,145 million.