

2Q 2019: Management Discussion and Analysis

2Q 2019 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of THB 4,420 million with Net Profit attributable to equity holders of the company was THB 56 million.

SAMART's performance by business lines;

Samart Corporation PCL., divided its businesses into 5 lines of business

- 1) Digital Business or "SDC"
- 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 5,793 million; for example, the design, supply, development, implementation and maintenance of Core Business Software with Provincial Electricity Authority value of THB 5,500 million. By the end of 2Q/2019, SAMTEL had total backlog worth THB 9,274 million.

Contact Center Business

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

In this quarter, the new projects were signed with the total value of THB 228 million. By the end of 2Q/2019, OTO had total backlog of THB 828 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 2Q/2019 were THB 4,325 million,

increased by 45% YoY which was mainly from the following reasons;

Digital Business

Sales, contract works and services revenues from Digital Business in 2Q/2019 were THB 264 million, increased by 18% 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 2Q/2019 were THB 3,157 million which increased by THB 1,071 million from the same period last year or increased by 51%.

Contact Center Business

The revenues from sales and services in 2Q/2019 were THB 185 million or increased by 5% 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 761 million, remain unchanged compare to the same period last year. Most of the revenues from Non-listed Business come from the air-traffic management business in Cambodia.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were THB 3,634 million, increased by 52% 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 456 million, slice increased by 4% YoY.

Finance Cost

Finance cost was THB 143 million, remain unchanged YoY.

Net Profit/ Loss

Net Profit attributable to the equity holders of the Company was THB 56 million, which increased when compare to the same period last year. Net profit of the Company mainly come from ICT Solution and Service Business and the air-traffic management business in Cambodia.

Financial Position

As of 30 June 2019, SAMART reported the total assets of THB 21,944 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 16,951 million. The total shareholders' equity was reported THB 4,994 million.