

## Business Overview

Competition in Thailand's telecom network service remained competitive since the last few quarters with most telecom operators aggressively expand their services to gain market share or expand its customer base. Whilst overall bandwidth demand still shows positive momentum growth, price erosion also prevails the market. On flip side, this situation is beneficial to end customers in which the network providers must continuously improving their network efficiency and deliver their best service at competitive prices.

Taking the cue from the market condition, Symphony had also expanded into the direct enterprise market with innovative product offering with bundling of ICT solutions/services, as part of value-added proposition to the customers. Symphony will always do its best to serve customers with continually improved service level experience and strengthen the network resiliency to meet the customers' demanding requirements.

In 1Q2018, Symphony had improved its profitability on QoQ, with EBITDA and Net Profit increased to Baht 160.3 million and Baht 13.5 million respectively. The improvement in profitability on the back of stable revenue growth, was attributable to the Company's effort to lower its operating cost with on-going cost optimisation/saving initiatives, which expecting to further enhance its future performance. On YoY comparison, the total revenue and net profit were lower by 5.4% and 51.4% respectively, due to lower revenue contribution from International segment, higher depreciation and higher financing cost incurred.

## 1Q2018 Performance Overview

### Revenue

In 1Q2018, the Services Income was Baht 340.7 million, declined by 0.9% QoQ and 6.2% YoY respectively, mainly due to churn effect and price erosion from International segment, despite the increase in revenue contribution from Domestic segment. Other Income was Baht 3.4 million, up by Baht 2.8 million YoY and 1.8 million QoQ.

### Costs of Services and Sales

Costs of services and sales in 1Q2018 were Baht 224.1 million, increased from YoY due to higher depreciation on network equipment spent in last period, offset with lower direct cost of services and sales resulted from on-going cost savings initiatives and lower regulatory fees. On QoQ, the cost of services and sales was marginally up by 0.8% due to effect of reversal of regulatory license fees, approximately Baht 7.3 million in 4Q2017. Excluding the reversal, the normalized cost of services and sales would have been trending lower by 2.4% QoQ.

### Service & Administrative (S&A) Expenses

Service & Administrative expenses were Baht 79.5 million, reducing by 12.0% YoY from Baht 90.4 million in 1Q2017. Compared to 4Q2017 normalised (excluding one-off adjustments of Baht 189.0

million), S&A expenses declined by 8% QoQ, mainly due to positive impact from cost control and cost optimisation initiatives executed in the current quarter.

### EBITDA and Net Profit

EBITDA in 1Q2018 was Baht 160.3 million and Net Profit was Baht 13.5 million, increased from previous 4Q2017 normalised (excluding one-off adjustments of Baht 189.0 million less deferred tax impact of Baht 36.7 million) by Baht 2.3 million (up by 1.4%) and by Baht 1.0 million (up by 7.7%).

On YoY comparison, EBITDA decreased by Baht 4.8 million or 2.9% and net profit decreased by Baht 14.2 million or 51.4% due to lower revenue, higher depreciation, higher financing cost and offset by lower S&A expenses.

Unit Million Baht	Amount			Change	
	Q1/17	Q4/17	Q1/18	(%) QoQ	(%) YoY
<b>Revenue</b>					
Services Income	363.2	343.9	340.7	-0.9%	-6.2%
Other income	0.6	1.6	3.4	>100%	>100%
<b>Total Revenue</b>	<b>363.8</b>	<b>345.5</b>	<b>344.1</b>	<b>-0.4%</b>	<b>-5.4%</b>
Costs of Services and Sales (excl. D&A)	(122.4)	(115.5)	(118.0)	2.2%	-3.6%
Depreciation & Amortization (D&A)	(96.8)	(106.9)	(106.0)	-0.8%	9.6%
<b>Total Costs of Services and Sales</b>	<b>(219.2)</b>	<b>(222.4)</b>	<b>(224.1)</b>	<b>0.8%</b>	<b>2.2%</b>
Service & Administrative Expenses (excl. D&A)	(76.3)	(261.0)	(65.8)	-74.8%	-13.7%
Depreciation & Amortization (D&A)	(14.1)	(14.4)	(13.7)	-4.9%	-3.0%
<b>Total Service &amp; Administrative Expenses</b>	<b>(90.4)</b>	<b>(275.5)</b>	<b>(79.5)</b>	<b>-71.1%</b>	<b>-12.0%</b>
<b>Operating Profit /( Loss)</b>	<b>54.2</b>	<b>(152.3)</b>	<b>40.5</b>	<b>&gt;100%</b>	<b>-25.2%</b>
Finance Cost	(20.8)	(27.4)	(25.6)	-6.7%	22.9%
Income Tax Expenses	(5.7)	39.8	(1.5)	<-100%	-73.5%
<b>Net Profit/(Loss) for the period</b>	<b>27.7</b>	<b>(139.9)</b>	<b>13.5</b>	<b>&gt;100%</b>	<b>-51.4%</b>
<i>Net Profit/(Loss) Margin</i>	<i>7.6%</i>	<i>-40.7%</i>	<i>3.9%</i>		

Unit Million Baht	Amount			Change	
	Q1/17	Q4/17	Q1/18	(%) QoQ	(%) YoY
<b>EBITDA</b>					
Operating Profit /( Loss)	54.2	(152.3)	40.5	>100%	-25.2%
Depreciation & Amortization (D&A)	110.9	121.3	119.7	-1.3%	8.0%
<b>EBITDA</b>	<b>165.1</b>	<b>(31.0)</b>	<b>160.3</b>	<b>&gt;100%</b>	<b>-2.9%</b>
<i>EBITDA Margin</i>	<i>45.5%</i>	<i>-9.0%</i>	<i>47.0%</i>		
One-off items*	-	189.0	-	-100.0%	0.0%
<b>Normalised EBITDA</b>	<b>165.1</b>	<b>158.0</b>	<b>160.3</b>	<b>1.4%</b>	<b>-2.9%</b>
<b>Normalised Profit</b>	<b>27.7</b>	<b>12.5</b>	<b>13.5</b>	<b>7.7%</b>	<b>-51.4%</b>

\* One-off items are impairment loss, one-off professional fee, allowance for doubtful debt and provision for obsolete inventories.

### Statement of Financial Position and Cashflows

As of 31 March 2018, total assets were Baht 4,833.1 million, decreased by Baht 96.3 million from 31 December 2017. Network equipment and PPE were Baht 3,461.9 million, decreased by Baht 67.6 million from 31 December 2017 mainly due to the recognition of depreciation offset with lower addition for the period.

Cash and cash equivalents was Baht 939.3 million, decreased by Baht 30.0 million from 31 December 2017 due to higher loan repayment offset by net cash flow increase from operating activities less investing activities.

Total liabilities were Baht 2,567.7 million, decreased by Baht 109.8 million from 31 December 2017 mainly due to higher loan repayment in the quarter.

Total shareholders' equity was Baht 2,265.4 million, increased by Baht 13.5 million from 31 December 2017 due to the net operating result of the period. As of 31 March 2018, Debt to Equity (D/E) ratio was 1.13x.

Unit : Million Baht	31-Dec-17	31-Mar-18
<b>Assets</b>		
Cash and cash equivalents	969.3	939.3
Trade and other account receivables	197.5	197.5
Other current assets	110.2	114.1
<b>Total current assets</b>	<b>1,277.0</b>	<b>1,251.0</b>
Network equipment and PPE	3,529.5	3,461.8
Other non-current assets	123.0	120.3
<b>Total non-current assets</b>	<b>3,652.4</b>	<b>3,582.1</b>
<b>Total assets</b>	<b>4,929.4</b>	<b>4,833.1</b>
<b>Liabilities and shareholders' equity</b>		
Trade payables	321.7	323.2
Current portion of long-term/short-term loans	384.7	351.3
Other current liabilities	46.8	47.5
<b>Total current liabilities</b>	<b>753.2</b>	<b>722.0</b>
Long-term loans	1,205.8	1,130.4
Debentures	658.2	658.5
Other non-current liabilities	60.2	56.7
<b>Total non-current liabilities</b>	<b>1,924.3</b>	<b>1,845.6</b>
<b>Total liabilities</b>	<b>2,677.5</b>	<b>2,567.6</b>
<b>Shareholders' Equities</b>	<b>2,252.0</b>	<b>2,265.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,929.4</b>	<b>4,833.1</b>

Unit : Million Baht	As of 31-Mar-17	As of 31-Mar-18
Cash flows from operating activities	57.9	169.8
Cash flows used in investing activities	(136.2)	(90.8)
<b>Free cash flows</b>	<b>(78.2)</b>	<b>79.0</b>
Cash flows from financing activities	71.8	(109.1)
Net change in cash	(6.4)	(30.0)
<b>Beginning Cash and Cash Equivalents</b>	<b>81.4</b>	<b>969.3</b>
<b>Ending Cash and Cash Equivalents</b>	<b>75.0</b>	<b>939.3</b>