

Business Overview

Due to the ongoing COVID-19 epidemic from early 2020 till present, SYMC preserve profitability as top priority amidst uncertainty continuing in 2021. The Company has gone thru the business cycle since the pandemic took place in Thailand and no doubt, this has affected many sectors including telecommunication. We have seen many domestic businesses closed temporarily and or lay-off employees too for survival mode, as the prolong situation do not get better with third wave outbreak just started in April. This is definitely very challenging for the Company as it may continue to pressure on our footprint expansion on domestic business in short term until the vaccines immunization program fully completed hopefully by end 2021.

However, the Company also see other rising opportunity from International business mainly due to increasing demand for connectivity services regionally with largely contributed by political coup situation in Myanmar. The Company capitalized on this opportunity to grow this segment as part of effort to take-off some pressure arising from domestic business as a result of ongoing COVID-19 pandemic.

The Company's results in first quarter continued upward trend in Revenue and Core Net Profit. For 1Q2021, SYMC posted Revenue and Net profit of Baht 346.2 million and Baht 20.3 million, respectively, increased by 4.9% and 27.1% compared with QoQ, due to increasing services revenue growth coupled with effective cost management that effect to overall lower operating cost.

For YoY comparison, Revenue increased by 2% but Core Net Profit decreased by 13.1% due to lower forex gain recorded in current quarter (gain of 5.2MB) compared to forex gain in previous year quarter (gain of 15MB). Excluding the difference of forex gain, the core net profit would have been higher comparably. Including share of loss of associate of Baht 8.1 million, the Reported Net Profit was Baht 20.3 million by decreased by 37.9% YoY but increased QoQ by 27.1%.

1Q2021 Performance Overview

Revenue

In 1Q2021, service revenue was Baht 339 million, increased by 5.1% YoY and 3.7% QoQ, due to higher revenue from domestic and international service segments resulted from more demand for connectivity during this COVID-19 pandemic period.

Other income was Baht 7.2 million, increased >100% QoQ, due to gain on exchange rate. Meanwhile, it reduced 56.6% YoY, mainly due to higher gain on exchange rate from 1Q2020.

For 1Q2021, total revenue was Baht 346.2 million, increased by 4.9% QoQ, and by 2% YoY mainly from demand growth on services revenue in both domestic and international segments.

| Unit : Million Baht | Amount | | | Change | |
|--|----------------|----------------|----------------|--------------|---------------|
| | Q1/20 | Q4/20 | Q1/21 | (%) QoQ | (%) YoY |
| Revenue | | | | | |
| Service revenue | 322.7 | 326.9 | 339.0 | 3.7% | 5.1% |
| Other income | 16.6 | 3.2 | 7.2 | 127.3% | -56.6% |
| Total Revenue | 339.3 | 330.1 | 346.2 | 4.9% | 2.0% |
| Costs of Services and Sales (excl. D&A) | (111.3) | (111.0) | (128.5) | 15.8% | 15.4% |
| Depreciation & Amortization (D&A) | (101.9) | (97.0) | (94.8) | -2.3% | -7.0% |
| Total Cost of Services and Sales | (213.2) | (208.0) | (223.3) | 7.3% | 4.7% |
| Service & Administrative Expenses (excl. D&A) | (59.9) | (66.3) | (60.1) | -9.3% | 0.4% |
| Depreciation & Amortization (D&A) | (13.6) | (13.4) | (12.3) | -8.1% | -9.6% |
| Total Service & Administrative Expenses | (73.5) | (79.7) | (72.4) | -9.1% | -1.4% |
| Operating Profit /(Loss) | 52.7 | 42.4 | 50.6 | 19.3% | -4.1% |
| Financial Cost | (16.0) | (12.4) | (13.4) | 8.6% | -16.0% |
| Income Tax Expenses | (4.0) | (6.3) | (8.7) | 38.5% | 119.1% |
| Core Net Profit/(Loss) for the period | 32.7 | 23.7 | 28.4 | 19.8% | -13.1% |
| Share of loss of associate accounted for using equity method | 0.0 | (7.7) | (8.1) | 4.8% | 100.0% |
| Net Profit/(Loss) for the period | 32.7 | 16.0 | 20.3 | 27.1% | -37.9% |
| <i>Core Net Profit/(Loss) Margin</i> | <i>9.6%</i> | <i>7.2%</i> | <i>8.2%</i> | | |
| <i>Net Profit/(Loss) Margin</i> | <i>9.6%</i> | <i>4.8%</i> | <i>5.9%</i> | | |

| EBITDA (Unit : Million Baht) | Amount | | | Change | |
|-----------------------------------|--------------|--------------|--------------|-------------|--------------|
| | Q1/20 | Q4/20 | Q1/21 | (%) QoQ | (%) YoY |
| EBITDA | | | | | |
| Operating Profit /(Loss) | 52.7 | 42.4 | 50.6 | 19.3% | -4.1% |
| Depreciation & Amortization (D&A) | 115.5 | 110.4 | 107.1 | -3.0% | -7.3% |
| EBITDA | 168.2 | 152.8 | 157.6 | 3.2% | -6.3% |
| <i>EBITDA Margin</i> | <i>49.6%</i> | <i>46.3%</i> | <i>45.5%</i> | | |

Costs of Services and Sales (COSS)

In 1Q2021, Costs of Services and Sales were Baht 223.3 million, increased by 4.7% YoY mainly due to the higher from cable rental on domestic and international segment to support higher connectivity demand during WFH and increasing traffic demand from Myanmar situation, higher repair maintenance fiber network/sites and higher employee expense.

For compare QoQ, increased by 7.3% mainly due to the same factors above that is from higher cable rental on domestic and international, higher repair maintenance fiber network/sites and employee expense.

Service & Administrative (S&A) Expenses

In 1Q2021, Service & Administrative expenses were Baht 72.4 million, decreased by 1.4% YoY mainly due to lower depreciation and amortisation, repair and maintenance equipment and profession fee.

For compare QoQ, decreased by 9.1% mainly due to lower depreciation and amortisation, provision for doubtful debt and repair and maintenance equipment.

EBITDA and Net Profit

In 1Q2021, EBITDA closed at Baht 157.6 million, decreased by 6.3% YoY due to lower forex gain of 5.2MB incurred in the current quarter (compared to previous year quarter of 15MB), despite higher revenue recorded in current quarter. For QoQ, EBITDA increased by 3.2% due to revenue growth coming from both Domestic and International segments.

Core Net Profit also closed at Baht 28.4 million, decreased by 13.1% YoY due to lower EBITDA in current quarter compared to last year quarter. For QoQ, the Core Net Profit increased by 19.8% mainly due to positive growth in service revenue by 3.7%. Included the share of loss of associate, the Reported Net Profit was Baht 20.3 million.

Statement of Financial Position and Cashflows

| Unit : Million Baht | 31-Dec-20 | | 31-Mar-21 | | Change | |
|---|----------------|---------------|----------------|---------------|----------------|---------------|
| | Amount | % | Amount | % | Amount | (%) YoY |
| Assets | | | | | | |
| Cash and cash equivalents | 695.8 | 16.4% | 623.8 | 15.1% | (72.0) | -10.4% |
| Trade and other account receivables | 238.6 | 5.6% | 257.2 | 6.2% | 18.7 | 7.8% |
| Other current assets | 109.5 | 2.6% | 100.9 | 2.4% | (8.6) | -7.8% |
| Total current assets | 1,043.8 | 24.7% | 981.9 | 23.8% | (62.0) | -5.9% |
| Investment in associate | 41.0 | 1.0% | 32.9 | 0.8% | (8.1) | -19.8% |
| Long-term loans to related party | 83.3 | 2.0% | 107.8 | 2.6% | 24.5 | 29.4% |
| Network equipment and PPE | 2,854.1 | 67.5% | 2,812.2 | 68.2% | (41.9) | -1.5% |
| Other non-current assets | 207.7 | 4.9% | 190.8 | 4.6% | (16.9) | -8.1% |
| Total non-current assets | 3,186.1 | 75.3% | 3,143.6 | 76.2% | (42.4) | -1.3% |
| Total assets | 4,229.9 | 100.0% | 4,125.5 | 100.0% | (104.4) | -2.5% |
| Liabilities and shareholders' equity | | | | | | |
| Trade payables | 310.8 | 7.3% | 284.4 | 6.9% | (26.4) | -8.5% |
| Current portion of long-term/ short-term loans | 401.5 | 9.5% | 412.9 | 10.0% | 11.5 | 2.9% |
| Other current liabilities | 83.4 | 2.0% | 88.3 | 2.1% | 4.9 | 5.8% |
| Total current liabilities | 795.7 | 18.8% | 785.6 | 19.0% | (10.1) | -1.3% |
| Long-term loans | 896.3 | 21.2% | 793.4 | 19.2% | (102.9) | -11.5% |
| Other non-current liabilities | 105.6 | 2.5% | 91.2 | 2.2% | (14.4) | -13.6% |
| Total non-current liabilities | 1,001.9 | 23.7% | 884.6 | 21.4% | (117.3) | -11.7% |
| Total liabilities | 1,797.6 | 42.5% | 1,670.2 | 40.5% | (127.4) | -7.1% |
| Shareholders' Equities | 2,432.3 | 57.5% | 2,455.3 | 59.5% | 23.0 | 0.9% |
| Total liabilities and shareholders' equity | 4,229.9 | 100.0% | 4,125.5 | 100.0% | (104.4) | -2.5% |

| Unit : Million Baht | As of 31-Mar-20 | As of 31-Mar-21 |
|--|-----------------|-----------------|
| Cash flows from operating activities | 162.8 | 191.8 |
| Cash flows used in investing activities | 13.0 | (143.1) |
| Free cash flows | 175.8 | 48.7 |
| Cash flows used in financial activities | (90.5) | (120.7) |
| Net change in cash | 85.3 | (72.0) |
| Beginning Cash and Cash Equivalents | 362.2 | 695.8 |
| Ending Cash and Cash Equivalents | 447.6 | 623.8 |

As of 31 March 2021, total assets were Baht 4,125.5 million, decreased by 2.5% from 31 December 2020, mainly due to share of loss of associate accounted for using equity method of investment in associate to amount Baht 8.1 million, cash and cash equivalents reduced to amount Baht 72 million from working capital and operational capex and recognition of depreciation to amount Baht 41.9 million.

Cash and cash equivalents were Baht 623.8 million, decreased by 10.4% from 31 December 2020 due to working capital and operational capex.

Network equipment and PPE assets were Baht 2,812.2 million, decreased by 1.5% from 31 December 2020 mainly due to the recognition of depreciation during the period.

Total liabilities were Baht 1,670.2 million, decreased by 7.1% from 31 December 2020 mainly due to loan repayment during the period.

Total shareholders' equity was Baht 2,455.3 million, increased by 0.9% from 31 December 2020 due to the positive net operating result during the period.

As of 31 March 2021, Debt to Equity (D/E) ratio was 0.68x (*as at 31 December 2020: 0.74x*)

2021 Outlook

In 2021, the Company expects that the COVID-19 epidemic will continue to affect businesses in the second quarter. The situation depending on how quickly government vaccinations will be thorough. If it can be managed by the third quarter of this year, it is expected that the economic situation will begin to recover in the fourth quarter of this year. The market and business outlook remain challenging and expect to slowly gain back to normal by earliest of end 2021.

The company still positive with forward sign of recovery in the second half 2021 and foresee the pandemic will hasten the adoption of digitalization across all business and operation model. This will drive strong demand growth in digital infrastructure and seamless connectivity within telecommunication business, which the company is ready to respond to the needs of customers by providing services with a comprehensive yet stable network and offering a complete solution service.

The company remains committed to achieving even better growth for the rest of the year and delivering consistent returns to shareholders amid the ongoing outbreak.