

Business Overview

In the last quarter of 2021, the overall economy of the country as reported by the Bank of Thailand slightly shrunk as compared to the same quarter of 2020. However, it improved from the earlier quarter due to the relaxation of COVID-19 controlled measures and open country more for incoming tourists. However, political risk, cost of business and slow market recovery still affects overall confident climate. In contrary, additional government measures relaxation and more opening country will drive economic and business recovery, including telecommunication sector.

Notwithstanding the tough situation of COVID-19, the Company continue to accelerate its growth journey in 2021 after embarking on turnaround journey back in 2018-2020. Moreover, the Company took the full opportunity to benefit from higher usage demand from domestic enterprises shifting to WFH policy and capture influx of demand for international connectivity from OTT (over-the-top) providers, regional telco carriers and technology/content providers in Thailand or neighboring ASEAN countries.

In 2021, SYMC also succeeded in receiving both recognitive awards of ISO/IEC 27001:2013 (Information Security Management System) and CSA STAR Certification 2014 (Cloud Security Management System). These certifications definitely endorse the company's quality and further demonstrate our commitment to providing excellent quality services to our customers.

SYMC also received an award 'The Thai Chamber of Commerce Business Ethics Standard Awards 2021', reflecting our organization that has ethics, honesty, fairness, transparency and also have social responsibility as well as aiming to create benefits for the public with good governance principles which lead to strength corporate sustainability.

Quarter Performance

The Company reported its Q4 performance with 18.6% YoY increase in Total Revenue and 35.5% YoY increase in Core Net Profit, reflecting its continued performance growth in their business focus execution.

For QoQ comparison, the Company also performed higher with 2.9% QoQ in Service Revenue but lower with 6.9% in Total Revenue and 51.5% in Core Net Profit due to Q3 performance included one-off adjustment of Baht 39.7 million (reversal of USO fee provision) recorded under Other Income. Exclude this adjustment, Q4 performance increased by 2.9% QoQ in Total Revenue.

Included the share of loss of associate of Baht 9.3 million, the Reported Net Profit was Baht 22.9 million, also higher 42.9% YoY but lower 60.2% QoQ.

Year-to-Date (12mths) Performance

For 12Ms performance, the Company recorded Total Revenue of Baht 1,525.2 million and Core Net Profit of Baht 163.5 million respectively, increased by 15.4% and 58.3% compared with YoY due to strong growth of connectivity services revenue, one-time reversal USO fee, lower depreciation expense

and lower financial cost. Included share of loss of associate of Baht 34.7 million, the Reported Net Profit was Baht 128.7 million, also higher by 35.1% YoY.

4Q2021 Performance Overview

Revenue

In 4Q2021, service revenue was Baht 388.2 million, increased by 18.8% YoY and 2.9% QoQ, due to higher revenue from domestic and international service segments resulted from growing demand for connectivity during this COVID-19 pandemic period.

Other income was Baht 3.4 million, decreased 92.2% QoQ, due to one-time reversal USO fee of Baht 39.7 million in 3Q2021.

For 4Q2021, total revenue was Baht 391.6 million, decreased by 6.9% QoQ, due to one-time reversal USO fee of Baht 39.7 million in 3Q2021 and increased by 18.6% YoY mainly driven by higher service revenue.

For FY2021, total revenue was Baht 1,525.2 million, increased by 15.4% YoY, mainly the growth of service revenue by 12.6% from both domestic and international connectivity services. Other income was Baht 58.4 million, increased by 218.9% YoY, due one-time reversal USO fee.

Unit : Million Baht	Amount			Change		Amount		Change (%) YoY
	Q4/20	Q3/21	Q4/21	(%) QoQ	(%) YoY	2020	2021	
Revenue								
Service revenue	326.9	377.1	388.2	2.9%	18.8%	1,303.2	1,466.8	12.6%
Other income	3.2	43.3	3.4	-92.2%	7.0%	18.3	58.4	218.9%
Total Revenue	330.1	420.4	391.6	-6.9%	18.6%	1,321.5	1,525.2	15.4%
Costs of Services and Sales (excl. D&A)	(111.0)	(147.6)	(156.6)	6.1%	41.1%	(441.5)	(571.0)	29.3%
Depreciation & Amortization (D&A)	(97.0)	(98.8)	(98.0)	-0.8%	1.0%	(398.4)	(388.5)	-2.5%
Total Cost of Services and Sales	(208.0)	(246.4)	(254.6)	3.3%	22.4%	(839.9)	(959.6)	14.2%
Service & Administrative Expenses (excl. D&A)	(66.3)	(64.8)	(69.5)	7.3%	4.8%	(244.4)	(258.4)	5.7%
Depreciation & Amortization (D&A)	(13.4)	(12.9)	(13.3)	3.0%	-0.8%	(53.8)	(51.0)	-5.3%
Total Service & Administrative Expenses	(79.7)	(77.7)	(82.8)	6.6%	3.9%	(298.3)	(309.4)	3.7%
Operating Profit/(Loss)	42.4	96.4	54.2	-43.7%	28.0%	183.4	256.3	39.8%
Financial Cost	(12.4)	(11.3)	(10.1)	-10.1%	-18.2%	(56.7)	(47.1)	-16.9%
Income Tax Expenses	(6.3)	(18.8)	(12.0)	-36.5%	91.0%	(23.4)	(45.7)	95.4%
Core Net Profit/(Loss) for the period	23.7	66.3	32.2	-51.5%	35.5%	103.2	163.5	58.3%
Share of loss of associate accounted for using equity method	(7.7)	(8.7)	(9.3)	6.4%	20.0%	(8.0)	(34.7)	333.4%
Net Profit/(Loss) for the period	16.0	57.5	22.9	-60.2%	42.9%	95.2	128.7	35.1%
<i>Core Net Profit/(Loss) Margin</i>	<i>7.2%</i>	<i>15.8%</i>	<i>8.2%</i>			<i>7.8%</i>	<i>10.7%</i>	
<i>Net Profit/(Loss) Margin</i>	<i>4.8%</i>	<i>13.7%</i>	<i>5.8%</i>			<i>7.2%</i>	<i>8.4%</i>	

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change
	Q4/20	Q3/21	Q4/21	(%) QoQ	(%) YoY	2020	2021	(%) YoY
EBITDA								
Operating Profit /(Loss)	42.4	96.4	54.2	-43.7%	28.0%	183.4	256.3	39.8%
Depreciation & Amortization (D&A)	110.4	111.7	111.3	-0.4%	0.8%	452.3	439.5	-2.8%
EBITDA	152.8	208.1	165.5	-20.5%	8.3%	635.6	695.8	9.5%
<i>EBITDA Margin</i>	<i>46.3%</i>	<i>49.5%</i>	<i>42.3%</i>			<i>48.1%</i>	<i>45.6%</i>	

Costs of Services and Sales (COSS)

In 4Q2021, Costs of Services and Sales were Baht 254.6 million, increased by 22.4% YoY and 3.3% QoQ mainly due to higher network connection expenses from cable rental on domestic and international segment to support higher connectivity demand and ICT solutions for Enterprises segment and increasing international traffic demand between regional borders.

For FY2021, Costs of Services and Sales were Baht 959.6 million, increased by 14.2% YoY, mainly due higher network connection and site expenses but offset by lower depreciation and amortization of network equipment.

Service & Administrative (S&A) Expenses

In 4Q2021, Service & Administrative expenses were Baht 82.8 million, increased by 3.9% YoY and 6.6% QoQ mainly due to higher employee expense, higher commission and higher depreciation and amortisation.

For FY2021, Service & Administrative expenses were Baht 309.4 million, also increased by 3.7% YoY, mainly due to overall higher employee expenses but lower depreciation and amortization.

EBITDA and Net Profit

In 4Q2021, EBITDA closed at Baht 165.5 million, increased by 8.3% YoY due to higher services revenue growth from Domestic and International segments together with better cost management but decreased by 20.5% QoQ due to one-time reversal USO fee of Baht 39.7 million.

Core Net Profit closed at Baht 32.2 million, increased by 35.5% YoY due to higher service revenue higher EBITDA contribution together with lower finance cost. If exclude the one-time reversal USO fee in Q3, Core Net Profit reduced by 6.8% QoQ.

Included the share of loss of associate, the Reported Net Profit was Baht 22.9 million, higher YoY but lower QoQ.

For FY2021, both EBITDA and Core Net Profit were higher at Baht 695.8 million and Baht 163.5 million, resulted from positive growth in total revenue and better cost management. Included the share of loss of associate, the Reported Net Profit was Baht 128.7 million, still higher by 35.1% YoY.

Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-20		31-Dec-21		Change	
	Amount	%	Amount	%	Amount	(%) YoY
Assets						
Cash and cash equivalents	695.8	16.4%	350.4	8.6%	-345.4	-49.6%
Trade and other account receivables	238.6	5.6%	303.7	7.5%	65.2	27.3%
Other current assets	109.5	2.6%	101.1	2.5%	-8.4	-7.6%
Total current assets	1,043.8	24.7%	755.3	18.6%	-288.6	-27.6%
Investment in associate	41.0	1.0%	6.3	0.2%	-34.7	-84.7%
Long-term loans to related party	83.3	2.0%	107.6	2.6%	24.3	29.1%
Network equipment and PPE	2,854.1	67.5%	3,027.8	74.5%	173.7	6.1%
Other non-current assets	207.7	4.9%	165.4	4.1%	-42.2	-20.3%
Total non-current assets	3,186.1	75.3%	3,307.1	81.4%	121.0	3.8%
Total assets	4,229.9	100.0%	4,062.3	100.0%	-167.6	-4.0%
Liabilities and shareholders' equity						
Trade payables	310.8	7.3%	395.6	9.7%	84.7	27.3%
Current portion of long-term/ short-term loans	401.5	9.5%	416.8	10.3%	15.3	3.8%
Other current liabilities	83.4	2.0%	78.8	1.9%	-4.6	-5.6%
Total current liabilities	795.7	18.8%	891.1	21.9%	95.4	12.0%
Long-term loans	896.3	21.2%	544.5	13.4%	-351.8	-39.2%
Other non-current liabilities	105.6	2.5%	82.5	2.0%	-23.1	-21.9%
Total non-current liabilities	1,001.9	23.7%	627.0	15.4%	-374.9	-37.4%
Total liabilities	1,797.6	42.5%	1,518.1	37.4%	-279.5	-15.5%
Shareholders' Equities	2,432.3	57.5%	2,544.2	62.6%	111.9	4.6%
Total liabilities and shareholders' equity	4,229.9	100.0%	4,062.3	100.0%	-167.6	-4.0%

Unit : Million Baht	As of 31-Dec-20	As of 31-Dec-21
Cash flows from operating activities	606.8	662.3
Cash flows used in investing activities	(94.5)	(534.2)
Free cash flows	512.3	128.1
Cash flows used in financial activities	(178.8)	(473.5)
Net change in cash	333.5	(345.4)
Beginning Cash and Cash Equivalents	362.2	695.8
Ending Cash and Cash Equivalents	695.8	350.4

As of 31 December 2021, total assets were Baht 4,062.3 million, decreased by 4.0% from 31 December 2020, mainly due to share of loss of associate accounted for using equity method of investment in associate to amount Baht 34.7 million and cash and cash equivalents reduced by amount Baht 345.4 million from working capital and operational capex including to upgrade future core backbone network system.

Cash and cash equivalents were Baht 350.4 million, decreased by 49.6% from 31 December 2020 due to working capital and operational capex.

Network equipment and PPE assets were Baht 3,027.8 million, increased by 6.1% from 31 December 2020 mainly due to invest in new network systems/equipment to support the increased customer service.

Total liabilities were Baht 1,518.1 million, decreased by 15.5% from 31 December 2020 mainly due to loan repayment during the period.

Total shareholders' equity was Baht 2,544.2 million, increased by 3.6% from 31 December 2020 due to the positive net operating result during the period.

As of 31 December 2021, Debt to Equity (D/E) ratio and Debt to EBITDA ratio was significantly lower at 0.60x and 2.18x, respectively (*as at 31 December 2020: 0.74x and 2.83x, respectively*).

2021 Outlook

For the first quarter of 2022, SYMC anticipates the overall economy continues recovery from the previous quarter due to country opening and continuously government measures relaxation which helps every business sector and government to return to near-normal situation toward the end of 2022.

SYMC will continue to focus on driving growth in core service revenue across both domestic and international segments especially on connectivity infrastructure, enterprise solutions as well as data center services. This is part of long-term strategy to expand market share and expansion in domestic enterprise market and also to capture continuous demand from international carriers and OTTs towards expansion into Thailand and other ASEAN countries.

Along with this ambition, SYMC aims to deliver the best network stability yet superior quality to address future seamless connectivity or digital technology opportunities and provide excellent experience to our diversified customers. Therefore, the Company plans in 2022 to invest and upgrade its nationwide network backbone to serve more coverage demand and also to accelerate network intelligence capabilities together with IT automation to deliver distinctive customer experience.