

Executive Summary

In the fourth quarter of year 2022, the Thai economy continued to improve from previous quarter as reported by Bank of Thailand. The services sector continued to be the main driver of growth on the back of increasing foreign tourist arrivals, which bolstered service and private consumption growth. However, the macroeconomic concerns with rising inflation and utility costs are affecting the private consumption and signaling spending concern across all businesses. Against the backdrop of challenges and concerns, the Company remained positive and delivered good progress on its business strategy and operation with another solid performance throughout 2022.

In year 2022, the company achieved the good corporate governance assessment result at the "Excellent" recognition level (5 stars) from the "Corporate Governance Report of Thai Listed Companies Project (CGR)" conducted by the Thai Institute of Directors Association (IOD) for 3rd consecutive years.

The company also received an award "The Thai Chamber of Commerce Business Ethics Standard Awards 2022" which continued since year 2021. In this regard, the company and all employees will maintain the standards of ethics in business operations in compliance with the good corporate governance policy of the company in order to maintain and create sustainable value for the company accordingly.

Quarter Performance

The Company reported its strong Q4 performance with 11.7% YoY, increased in Total Revenue, reflecting its continued solid business growth mainly driven by strong sales demand from both domestic enterprise and global connectivity services. Net Profit for current quarter was Baht 36.3 million, higher by 58.8% YoY.

For QoQ comparison, the Company also performed higher with 0.1% in Total revenue but lower Net Profit by Baht 10.3 million due to strong contribution growth with 0.1% in services revenue, lower with cost of service by 2.2% and depreciation expense by 6% but higher service & administration expense of 25.6%.

Year-to-Date (12 months) Performance

For 12Ms performance, the Company recorded Total Revenue of Baht 1,699 million and Net profit of Baht 162.1 million, increased by 11.4% and 26% compared with last year due to strong growth of connectivity services revenue, lower depreciation expense and lower financial cost. If excluded the Other Income (reversal of USO fee provision), both Total Revenue and Net Profit increased significantly by 14.4% and 67.2% respectively.

4Q2022 Performance Overview

Revenue

In 4Q2022, service revenue was Baht 433.3 million, increased by 11.6% YoY and 0.1% QoQ, due to higher revenue from domestic and international service segments resulted from growing demand for data connectivity, cloud and security services and ICT solutions to support digitalisation for many Enterprises.

Other income was Baht 4 million, decreased 7% QoQ due to had one-time adjustment of lawsuit of Baht 1.2 million and lower gain on FX. However, it increased 18.7% YoY, due to had one-time adjustment of lawsuit of Baht 1.2 million.

For 12Ms performance, total revenue was Baht 1,699 million, increased by 11.4% YoY, mainly from the growth of service revenue of 15.1% to Baht 1,688.2 million in both domestic and international connectivity services. Other income was Baht 10.8 million, decreased by 81.5% YoY, due to lower gain on FX and 3Q2021 has one-time adjustment of reversal USO fee of Baht 39.7 million.

Costs of Services and Sales (COSS)

In 4Q2022, Costs of Services and Sales were Baht 271.5 million, increased by 6.6% YoY mainly due to higher network connection expenses from lease line rental on domestic and international services to support higher data connectivity usage, higher employee expense, higher USO fee and lower depreciation expense for network equipment. However, it decreased by 2.2% QoQ, due to lower depreciation expense for network equipment as a result of reassessment of useful life for certain new core network backbone system.

For 12Ms performance, Costs of Services and Sales were Baht 1,078.4 million, increased by 12.4% YoY, mainly due higher network connection expenses, higher employee expenses and higher site expenses, both coming from higher electricity expenses and cable organize maintenance (initiated by telecom regulator together with MEA/PEA) but lower depreciation expense for network equipment.

Unit : Million Baht	Amount			Change		Amount		Change
	Q4/21	Q3/22	Q4/22	(%) QoQ	(%) YoY	2021	2022	(%) YoY
Revenue								
Service revenue	388.2	432.8	433.3	0.1%	11.6%	1,466.8	1,688.2	15.1%
Other income	3.4	4.3	4.0	-7.0%	18.7%	58.4	10.8	-81.5%
Total Revenue	391.6	437.1	437.3	0.1%	11.7%	1,525.2	1,699.0	11.4%
Costs of Services and Sales (excl. D&A)	(156.6)	(180.5)	(180.3)	-0.1%	15.2%	(571.1)	(704.5)	23.3%
Depreciation & Amortization (D&A)	(98.0)	(96.9)	(91.1)	-6.0%	-7.0%	(388.5)	(373.9)	-3.8%
Total Cost of Services and Sales	(254.6)	(277.4)	(271.5)	-2.2%	6.6%	(959.7)	(1,078.4)	12.4%
Service & Administrative Expenses (excl. D&A)	(69.5)	(73.4)	(92.2)	25.6%	32.6%	(258.4)	(313.4)	21.3%
Depreciation & Amortization (D&A)	(13.3)	(17.6)	(14.2)	-19.6%	6.8%	(51.0)	(58.2)	14.2%
Total Service & Administrative Expenses	(82.8)	(91.1)	(106.4)	16.8%	28.5%	(309.4)	(371.6)	20.1%
Operating Profit / (Loss)	54.2	68.6	59.5	-13.3%	9.7%	256.2	249.0	-2.8%
Financial Cost	(10.1)	(9.3)	(9.4)	0.8%	-7.1%	(47.1)	(35.6)	-24.4%
Income Tax Expenses	(12.0)	(12.6)	(13.8)	9.1%	15.2%	(45.7)	(45.0)	-1.4%
Core Net Profit/(Loss) for the period	32.2	46.6	36.3	-22.1%	12.9%	163.4	168.4	3.1%
<i>Core Net Profit/(Loss) Margin</i>	<i>8.2%</i>	<i>10.7%</i>	<i>8.3%</i>			<i>10.7%</i>	<i>9.9%</i>	
Share of loss of associate accounted for using equity method	(9.3)	0.0	0.0	0.0%	-100.0%	(34.7)	(6.3)	-81.9%
Net Profit/(Loss) for the period	22.9	46.6	36.3	-22.1%	58.8%	128.7	162.1	26.0%
<i>Net Profit/(Loss) Margin</i>	<i>5.8%</i>	<i>10.7%</i>	<i>8.3%</i>			<i>8.4%</i>	<i>9.5%</i>	
One-off items	0.0	0.0	0.0	0.0%	0.0%	(31.7)	0.0	-100.0%
Normalized Net Profit/(Loss) for the period	22.9	46.6	36.3	-22.1%	58.8%	96.9	162.1	67.2%
<i>Normalized Net Profit/(Loss) Margin</i>	<i>5.8%</i>	<i>10.7%</i>	<i>8.3%</i>			<i>6.4%</i>	<i>9.5%</i>	

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change
	Q4/21	Q3/22	Q4/22	(%) QoQ	(%) YoY	2021	2022	(%) YoY
EBITDA								
Operating Profit / (Loss)	54.2	68.6	59.5	-13.3%	9.7%	256.2	249.0	-2.8%
Depreciation & Amortization (D&A)	111.3	114.5	105.3	-8.1%	-5.4%	439.5	432.2	-1.7%
EBITDA	165.5	183.1	164.8	-10.0%	-0.4%	695.7	681.1	-2.1%
<i>EBITDA Margin</i>	<i>42.3%</i>	<i>41.9%</i>	<i>37.7%</i>			<i>45.6%</i>	<i>40.1%</i>	
One-off items	0.0	0.0	0.0	0.0%	0.0%	(31.7)	0.0	-100.0%
Normalized EBITDA	165.5	183.1	164.8	-10.0%	-0.4%	663.9	681.1	2.6%
<i>Normalized EBITDA Margin</i>	<i>42.3%</i>	<i>41.9%</i>	<i>37.7%</i>			<i>43.5%</i>	<i>40.1%</i>	

Service & Administrative (S&A) Expenses

In 4Q2022, Service & Administrative expenses were Baht 106.4 million, increased by 28.5% YoY and by 16.8% QoQ mainly due to higher selling and marketing expense, higher employee expense, higher forex loss and higher maintenance on office and network equipment.

For 12Ms performance, Service & Administrative expenses were Baht 371.6 million, also increased by 20.1% YoY, mainly due to overall higher employee expenses, higher selling and marketing expense and higher maintenance on office and network equipment.

EBITDA and Net Profit

In 4Q2022, EBITDA closed at Baht 164.8 million, decreased by 0.4% YoY and by 10% QoQ due to higher services revenue growth from Domestic and International segments but net-off with higher service and administrative expense (higher employee expenses, selling expense and maintenance on office equipment).

Net Profit closed at Baht 36.3 million, increased by 58.8% YoY due to higher services revenue growth from Domestic and International segments, higher operation cost from utility and maintenance expenses and administrative expenses but lower in depreciation expense for network equipment and finance cost. For comparison QoQ, it decreased by 22.1% due to higher service and administrative expense.

For 12Ms performance, both EBITDA and Core Net Profit were higher at Baht 681.1 million and Baht 168.4 million, decreased by 2.1% and increased by 3.1%, respectively, resulted from growth in total revenue, higher operation cost and administrative expense, lower financial cost, depreciation expense and tax expense. If exclude the one-time reversal USO fee in 3Q2021 to amount Baht 39.7 million, EBITDA and Net profit were higher by 2.6% and 67.2%.

For 12Ms, the share of loss of associate were Baht 6.3 million, decreased by 81.9%, if included the share of loss of associate, the Reported Net Profit closed at Baht 162.1 million, higher by 26% YoY.

Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-21		31-Dec-22		Change	
	Amount	%	Amount	%	Amount	(%) YoY
Assets						
Cash and cash equivalents	350.4	8.6%	199.5	4.6%	-150.9	-43.1%
Trade and other account receivables	303.7	7.5%	343.5	7.9%	39.8	13.1%
Other current assets	101.1	2.5%	87.0	2.0%	-14.1	-14.0%
Total current assets	755.3	18.6%	630.1	14.6%	-125.2	-16.6%
Investment in associate	6.3	0.2%	0.0	0.0%	-6.3	-100.0%
Long-term loans to related party	107.6	2.6%	124.1	2.9%	16.6	15.4%
Network equipment and PPE	3,027.8	74.5%	3,302.2	76.4%	274.4	9.1%
Other non-current assets	165.4	4.1%	268.4	6.2%	103.0	62.3%
Total non-current assets	3,307.1	81.4%	3,694.7	85.4%	387.6	11.7%
Total assets	4,062.3	100.0%	4,324.8	100.0%	262.4	6.5%
Liabilities and shareholders' equity						
Trade payables	395.6	9.7%	408.5	9.4%	12.9	3.3%
Current portion of long-term/ short-term loans	416.8	10.3%	306.2	7.1%	-110.6	-26.5%
Other current liabilities	78.8	1.9%	113.7	2.6%	34.9	44.3%
Total current liabilities	891.1	21.9%	828.4	19.2%	-62.7	-7.0%
Long-term loans	544.5	13.4%	638.3	14.8%	93.8	17.2%
Other non-current liabilities	82.5	2.0%	173.7	4.0%	91.2	110.6%
Total non-current liabilities	627.0	15.4%	812.0	18.8%	185.0	29.5%
Total liabilities	1,518.1	37.4%	1,640.4	37.9%	122.3	8.1%
Share capital and share premium	1,818.0	44.8%	1,818.0	42.0%	0.0	0.0%
Retained earnings	702.6	17.3%	840.1	19.4%	137.5	19.6%
Other components of equity	23.6	0.6%	26.3	0.6%	2.7	11.3%
Shareholders' Equities	2,544.2	62.6%	2,684.4	62.1%	140.2	5.5%
Total liabilities and shareholders' equity	4,062.3	100.0%	4,324.8	100.0%	262.4	6.5%

Unit : Million Baht	As of 31-Dec-21	As of 31-Dec-22
Cash flows from operating activities	662.3	666.5
Cash flows used in investing activities	(534.2)	(656.2)
Free cash flows	128.1	10.3
Cash flows used in financial activities	(473.5)	(160.0)
Net change in cash	(345.4)	(149.7)
Effect of exchange rate changes	(0.2)	(1.2)
Beginning Cash and Cash Equivalents	695.8	350.4
Ending Cash and Cash Equivalents	350.2	199.5

As of 31 December 2022, total assets were Baht 4,324.8 million, increased by 6.5% from 31 December 2021, mainly due to invest in new network systems/equipment to amount Baht 274.4 million and other asset to amount Baht 103 million (mainly from right of use to amount Baht 85.9 million).

Cash and cash equivalents were Baht 199.5 million, decreased by 43.1% from 31 December 2021 due to working capital and operational capex, including payments for new network backbone system.

Network equipment and PPE assets were Baht 3,302.2 million, increased by 9.1% from 31 December 2021 mainly due to invest in new network systems/equipment to support the increased customer service.

Total liabilities were Baht 1,640.4 million, increased by 8.1% from 31 December 2021 mainly due to loan drawdown during the period.

Total shareholders' equity was Baht 2,684.4 million, increased by 5.5% from 31 December 2021 due to the positive net operating result during the period and paid dividend to shareholder.

As of 31 December 2022, Debt to Equity (D/E) ratio was at 0.61x (as of 31 December 2021: 0.60x) and Debt to EBITDA ratio was at 2.41x (as of 31 December 2021: 2.18x).

2023 Outlook

The macroeconomic headwinds will continue to dampen the local and global outlook, which may likely to limit economic growth in 2023. However, the Company is well-positioned to weather the headwinds given its prudence approach through cost disciplined and operational efficiencies.

In year 2023, SYMC will continue to accelerate our expansion growth particularly in new growth areas to support the government and enterprises moving towards the large-scale digitalization. The Company strongly believe that global data connectivity will continue to drive exponential demand from global hyperscalers of Cloud and Data Center, regional carriers expanding their network infrastructure footprint in TH and ASEAN region.

SYMC remain optimistic with its commitment to continue to deliver positive growth trend results in 2023 by continuously capturing more customers base and market share, investing in new technologies and innovation services and delivering Excellent Customer Experience and Connection Excellence.