

Business Overview

In 2020, the overall domestic economy has declined, mainly due to the impact of COVID-19 pandemic and nationwide lockdown. This has resulted in many businesses were forced to shut down or temporarily closed or to cut costs in order to survive during this period. The 2nd wave of the outbreak also hit the country in Dec 2020 and spill-over the effect early 2021.

This was a very challenging year of 2020 for the company as some of our domestic customers segments were badly impacted by the COVID-19 pandemic, especially in the tourism and hotel business. On the other side, the Company also benefited from the post-effect of COVID-19 as non-affected business sectors are driving full digital transformation on their business and operations, with continuous demand on fixed-line connectivity and cloud services offering. The Company took full opportunity to expand more services and solutions to capture more market share and customer base across domestic and international segments.

In 2020, the Company has finally completed its strategic investment into data center business together with TIME dotCom, the major shareholder of the Company. This strategic investment is a long-term investment, which will fulfill our ambition to be one of the best fixed-line telecommunication provider in Thailand.

The Company's results in fourth quarter continued upward trend in revenue and net profit. For 4Q2020, SYMC posted Revenue and Net profit of Baht 330.1 million and Baht 16.0 million, respectively, increased by 1.7% and 1.0% compared with YoY, due to increasing services revenue growth coupled with effective cost management that effect to overall lower operating cost.

For 12M2020, SYMC posted Revenue and Core Net profit of Baht 1,321.5 million and Baht 103.2 million respectively, increased by 1.0% and >100% respectively, compared with YoY due to continued growth of services revenue, other income and overall lower operating cost. Including share of loss of associate of Baht 8.0 million, the Reported Net Profit was Baht 95.2 million.

2020 Performance Overview

Revenue

In 4Q2020, service revenue was Baht 326.9 million, increased by 1% YoY and 0.3% 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 3.2 million, increased >100% YoY, due to revenue from property claim insurance and interest income from loans to associate. Meanwhile, it reduced 53.3% QoQ, mainly due to gain on sale of fixed assets, interest income and gain on exchange rate in previous quarter.

For FY2020, total revenue was Baht 1,321.5 million, increased by 1% YoY, mainly the growth of service revenue by 0.9% from demand growth on services revenue in both domestic and international segments. Other income increased 10.8% YoY, due to gain on sale of fixed assets, interest income and gain on exchange rate.

Unit : Million Baht	Amount			Change		Amount		Change	
	Q4/19	Q3/20	Q4/20	(%) QoQ	(%) YoY	2019	2020	Amount	(%) YoY
Revenue									
Service revenue	323.6	325.8	326.9	0.3%	1.0%	1,292.0	1,303.2	11.3	0.9%
Other income	0.8	6.8	3.2	-53.3%	275.1%	16.5	18.3	1.8	10.8%
Total Revenue	324.5	332.6	330.1	-0.8%	1.7%	1,308.5	1,321.5	13.1	1.0%
Costs of Services and Sales (excl. D&A)	(111.8)	(110.0)	(111.0)	0.9%	-0.8%	(465.6)	(441.5)	24.1	-5.2%
Depreciation & Amortization (D&A)	(97.8)	(98.5)	(97.0)	-1.5%	-0.8%	(401.0)	(398.4)	2.6	-0.6%
Total Cost of Services and Sales	(209.6)	(208.5)	(208.0)	-0.2%	-0.8%	(866.6)	(839.9)	26.7	-3.1%
Service & Administrative Expenses (excl. D&A)	(69.6)	(61.2)	(66.3)	8.3%	-4.8%	(268.9)	(244.4)	24.5	-9.1%
Depreciation & Amortization (D&A)	(7.1)	(13.4)	(13.4)	0.1%	88.6%	(41.1)	(53.8)	(12.7)	30.9%
Total Service & Administrative Expenses	(76.7)	(74.6)	(79.7)	6.8%	3.9%	(310.0)	(298.3)	11.8	-3.8%
Operating Profit / (Loss)	38.1	49.5	42.4	-14.5%	11.1%	131.9	183.4	51.5	39.0%
Financial Cost	(15.9)	(13.5)	(12.4)	-8.3%	-22.1%	(75.9)	(56.7)	19.2	-25.3%
Income Tax Expenses	(6.4)	(9.0)	(6.3)	-30.7%	-2.4%	(11.2)	(23.4)	(12.2)	108.4%
Core Net Profit/(Loss) for the period	15.8	27.0	23.7	-12.1%	49.9%	44.7	103.2	58.5	130.9%
Share of loss of associate accounted for using equity method	0.0	(0.3)	(7.7)	100.0%	100.0%	0.0	(8.0)	(8.0)	100.0%
Net Profit/(Loss) for the period	15.8	26.8	16.0	-40.2%	1.0%	44.7	95.2	50.5	113.0%
<i>Core Net Profit/(Loss) Margin</i>	<i>4.9%</i>	<i>8.1%</i>	<i>7.2%</i>			<i>3.4%</i>	<i>7.8%</i>		
<i>Net Profit/(Loss) Margin</i>	<i>4.9%</i>	<i>8.0%</i>	<i>4.8%</i>			<i>3.4%</i>	<i>7.2%</i>		

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change	
	Q4/19	Q3/20	Q4/20	(%) QoQ	(%) YoY	2019	2020	Amount	(%) YoY
EBITDA									
Operating Profit / (Loss)	38.1	49.5	42.4	-14.5%	11.1%	131.9	183.4	51.5	39.0%
Depreciation & Amortization (D&A)	104.9	111.8	110.4	-1.3%	5.3%	442.1	452.3	10.1	2.3%
EBITDA	143.0	161.4	152.8	-5.3%	6.8%	574.0	635.6	61.6	10.7%
<i>EBITDA Margin</i>	<i>44.1%</i>	<i>48.5%</i>	<i>46.3%</i>			<i>43.9%</i>	<i>48.1%</i>		

Costs of Services and Sales (COSS)

In 4Q2020, Costs of Services and Sales were Baht 208 million, decreased by 0.8% YoY and 0.2% QoQ, mainly due to the lower from depreciation and amortization of network equipment but slightly increased QoQ in Costs of Services and Sales due to additional cable rental on domestic and international.

For FY2020, Costs of Services and Sales were Baht 839.9 million, decreased by 3.1% YoY, mainly due to the lower and better cost from domestic and international cable rental as well as lower depreciation and amortization of network equipment.

Service & Administrative (S&A) Expenses

In 4Q2020, Service & Administrative expenses were Baht 79.7 million, increased by 3.9% YoY due to higher depreciation and amortisation and 6.8% QoQ, mainly due to higher forex loss incurred in the current quarter.

For FY2020, Service & Administrative expenses were Baht 298.3 million, decreased by 3.8% YoY, mainly due to overall lower operating expenses, repair and maintenance expense and depreciation and amortization of office equipment.

EBITDA and Net Profit

In 4Q2020, EBITDA closed at Baht 152.8 million, increased by 6.8% YoY due to higher revenue and lower operating cost but decreased by 5.3% QoQ, due to higher forex loss incurred in the current quarter.

Core Net Profit also closed higher at Baht 23.7 million, increased by 49.9% YoY due to higher revenue and effective cost management. However, the Core Net Profit decreased QoQ mainly due to higher forex loss incurred in the current quarter. Included the share of loss of associate, the Reported Net Profit was Baht 16.0 million.

For FY2020, both EBITDA and Core Net Profit were higher at Baht 635.6 million and Baht 103.2 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 95.2 million, still higher YoY by >100%.

Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-19		31-Dec-20		Change	
	Amount	%	Amount	%	Amount	(%) YoY
Assets						
Cash and cash equivalents	362.2	9.1%	695.8	16.4%	333.5	92.1%
Short-term investment	150.0	3.8%	0.0	0.0%	(150.0)	100.0%
Trade and other account receivables	195.0	4.9%	238.6	5.6%	43.6	22.4%
Other current assets	114.9	2.9%	109.5	2.6%	(5.4)	-4.7%
Total current assets	822.1	20.7%	1,043.8	24.7%	221.7	27.0%
Investment in associate	0.0	0.0%	41.0	1.0%	41.0	100.0%
Long-term loans to related party	0.0	0.0%	83.3	2.0%	83.3	100.0%
Network equipment and PPE	3,052.6	76.8%	2,854.1	67.5%	(198.5)	-6.5%
Other non-current assets	101.0	2.5%	207.7	4.9%	106.7	105.6%
Total non-current assets	3,153.6	79.3%	3,186.1	75.3%	32.5	1.0%
Total assets	3,975.7	100.0%	4,229.9	100.0%	254.2	6.4%
Liabilities and shareholders' equity						
Trade payables	192.7	4.8%	310.8	7.3%	118.2	61.3%
Current portion of long-term/ short-term loans/ debenture	396.0	10.0%	401.5	9.5%	5.4	1.4%
Other current liabilities	32.7	0.8%	83.4	2.0%	50.7	155.2%
Total current liabilities	621.4	15.6%	795.7	18.8%	174.3	28.1%
Long-term loans	959.4	24.1%	896.3	21.2%	(63.1)	-6.6%
Other non-current liabilities	37.7	0.9%	105.6	2.5%	67.8	179.7%
Total non-current liabilities	997.1	25.1%	1,001.9	23.7%	4.7	0.5%
Total liabilities	1,618.5	40.7%	1,797.6	42.5%	179.1	11.1%
Shareholders' Equities	2,357.2	59.3%	2,432.3	57.5%	75.1	3.2%
Total liabilities and shareholders' equity	3,975.7	100.0%	4,229.9	100.0%	254.2	6.4%

Unit : Million Baht	As of 31-Dec-19	As of 31-Dec-20
Cash flows from operating activities	540.0	606.8
Cash flows used in investing activities *	(399.2)	(94.5)
Free cash flows	140.7	512.3
Cash flows used in financial activities	(598.4)	(178.8)
Net change in cash	(457.7)	333.5
Beginning Cash and Cash Equivalents	819.9	362.2
Ending Cash and Cash Equivalents	362.2	695.8

*Reclassification of fixed deposit (over 3 months) of Baht 150 million to Short-term investment.

As of 31 December 2020, total assets were Baht 4,229.9 million, increased by 6.4% from 31 December 2019, mainly due to newly adopted TFRS16 lease, recognizing an increase of right-of-use asset of Baht 124.1 million, investment in associate to amount Baht 41 million and long-term loan to related party to amount Baht 83.3 million.

Cash and cash equivalents were Baht 695.8 million, increased by 92.1% from 31 December 2019 due to higher cash generated from operation performance, gain on exchange rate and the maturity of fixed deposits more than 3 months to amounting Baht 150 million.

Network equipment and PPE assets were Baht 2,854.1 million, decreased by 6.5% from 31 December 2019 mainly due to the recognition of depreciation during the period.

Total liabilities were Baht 1,797.6 million, increased by 11.1% from 31 December 2019 mainly due to newly adopted TFRS16 lease, recognizing an increase of lease liabilities of Baht 107.2 million and newly adopted TFRS9 Financial instrument, recognizing an increase of other non-current financial liabilities of Baht 12.3 million and reduced from loan repayment during the period.

Total shareholders' equity was Baht 2,432.3 million, increased by 3.2% from 31 December 2019 due to the positive net operating result during the period.

As of 31 December 2020, Debt to Equity (D/E) ratio was 0.74x (as at 31 December 2019: 0.69x)

Dividend Policy

The Company has a dividend payout policy minimum 40% of its net profit after deducting of all reserves as per the Company's Articles of Association and governing law. This dividend payment is subject to changes based on the Company performance, business plan, liquidity, necessity and other suitability in the future. The Company proposed to pay dividend of Baht 0.055 per share to ordinary shareholders of the 433,654,887 ordinary shares, or a total of Baht 23.9 million, in respect of the operating results for the year 2020. This dividend payment is subject to approval of the Annual General Shareholders's Meeting in April 2021.

2021 Outlook

In 2021, the Company expects that new phase of outbreak COVID-19 pandemic in late 2020 will continue to affect businesses in first quarter and hopefully the overall situation will improve in the second quarter since the government plans to start vaccination in first quarter and continue to have strict government surveillance of the spread of the COVID-19 pandemic. Another important factor that will drive the economy of the country will be heavily depend on government initiatives to stimulate public spending and help businesses recover quickly.

The company is positive with encouraging sign of modest recovery and foresee the pandemic will hasten the adoption of digitalization across all business and operation model. This will definitely drive strong demand growth in digital infrastructure and seamless connectivity within telecommunication business. The Company strives to increase the efficiency of our core network backbone, investing in

innovation services and improving operating efficiencies to support digital transformation and meet the increasing demands from customers across enterprises and international service sector.

In view of the solid business fundamentals, SYMC is fully committed to deliver positive results and return to shareholders in 2021, barring any adverse circumstances including the prolong pandemic.