

Business Overview

Overall economic reported from Bank of Thailand in first quarter of 2022 improved from the previous quarter. Foreign tourist figures also increased after the relaxation of international travel restrictions. Furthermore, private consumption and private investment indicators continued to expand, but at a slower pace and were affected by the Omicron variant outbreak, higher production costs, and rising living costs. Public spending expanded compared to the same period last year from capital expenditures. These factors may lead to growing all business including Telecommunication industry.

For the first quarter of this year, the Company performance continue growing with double-digit growth YoY in term of both of revenue and net profit due to growing on customer enterprise and international segment couple with well financing cost management. Meanwhile, the company are on process to launch our new SDN-MPLS network to serve more benefit to customers with new technology network intelligence capabilities together with IT automation to deliver distinctive customer experience. This is our commitment to providing excellent quality services to our customers.

Quarter Performance

The Company reported its Q1 performance with 17.1% YoY increase in Total Revenue and 24.8% 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 3.7% QoQ in Service Revenue, 3.6% in Total Revenue and 10.4% in Core Net Profit due to strong growth of connectivity services revenue and lower financial cost.

Included the share of loss of associate of Baht 6.3 million, the Reported Net Profit was Baht 29.2 million, also higher 43.7% YoY and 27.8% QoQ.

1Q2022 Performance Overview

Revenue

In 1Q2022, service revenue was Baht 402.6 million, increased by 18.7% YoY and 3.7% 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 million, decreased 12.2% QoQ, due to lower interest income, penalty from subcontract and other income and decreased 58.7% YoY due to lower gain on FX.

For 1Q2022, total revenue was Baht 405.6 million, increased by 3.6% QoQ and 17.1% YoY, due to mainly driven by higher service revenue.

Unit : Million Baht	Amount			Change	
	Q1/21	Q4/21	Q1/22	(%) QoQ	(%) YoY
Revenue					
Service revenue	339.0	388.2	402.6	3.7%	18.7%
Other income	7.2	3.4	3.0	-12.2%	-58.7%
Total Revenue	346.2	391.6	405.6	3.6%	17.1%
Costs of Services and Sales (excl. D&A)	(128.5)	(156.6)	(168.9)	7.9%	31.5%
Depreciation & Amortization (D&A)	(94.8)	(98.0)	(94.5)	-3.6%	-0.3%
Total Cost of Services and Sales	(223.3)	(254.6)	(263.4)	3.5%	18.0%
Service & Administrative Expenses (excl. D&A)	(60.1)	(69.5)	(74.7)	7.4%	24.2%
Depreciation & Amortization (D&A)	(12.3)	(13.3)	(13.1)	-1.5%	6.4%
Total Service & Administrative Expenses	(72.4)	(82.8)	(87.8)	6.0%	21.2%
Operating Profit /(Loss)	50.6	54.2	54.4	0.3%	7.6%
Financial Cost	(13.4)	(10.1)	(8.7)	-14.2%	-35.4%
Income Tax Expenses	(8.7)	(12.0)	(10.2)	-14.5%	17.9%
Core Net Profit/(Loss) for the period	28.4	32.2	35.5	10.4%	24.8%
Share of loss of associate accounted for using equity method	(8.1)	(9.3)	(6.3)	-32.4%	-22.5%
Net Profit/(Loss) for the period	20.3	22.9	29.2	27.8%	43.7%
<i>Core Net Profit/(Loss) Margin</i>	<i>8.2%</i>	<i>8.2%</i>	<i>8.8%</i>		
<i>Net Profit/(Loss) Margin</i>	<i>5.9%</i>	<i>5.8%</i>	<i>7.2%</i>		

EBITDA (Unit : Million Baht)	Amount			Change	
	Q1/21	Q4/21	Q1/22	(%) QoQ	(%) YoY
EBITDA					
Operating Profit /(Loss)	50.6	54.2	54.4	0.3%	7.6%
Depreciation & Amortization (D&A)	107.1	111.3	107.6	-3.3%	0.5%
EBITDA	157.6	165.5	162.0	-2.1%	2.8%
<i>EBITDA Margin</i>	<i>45.5%</i>	<i>42.3%</i>	<i>39.9%</i>		

Costs of Services and Sales (COSS)

In 1Q2022, Costs of Services and Sales were Baht 263.4 million, increased by 18.0% YoY and 3.5% 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 and higher employee expense.

Service & Administrative (S&A) Expenses

In 1Q2022, Service & Administrative expenses were Baht 87.8 million, increased by 21.2% YoY and 6% QoQ mainly due to higher employee expense, higher commission and higher RM office equipment.

EBITDA and Net Profit

In 1Q2022, EBITDA closed at Baht 162 million, increased by 2.8% YoY due to higher services revenue growth from Domestic and International segments together with better cost management but decreased by 2.1% QoQ due to higher employee expense.

Core Net Profit closed at Baht 35.5 million, increased by 24.8% YoY due to higher service revenue and lower finance cost. Included the share of loss of associate, the Reported Net Profit was Baht 29.2 million, higher YoY and QoQ.

Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-21		31-Mar-22		Change	
	Amount	%	Amount	%	Amount	(%) YoY
Assets						
Cash and cash equivalents	350.4	8.6%	260.3	6.4%	-90.1	-25.7%
Trade and other account receivables	303.7	7.5%	284.4	7.0%	-19.4	-6.4%
Other current assets	101.1	2.5%	111.7	2.8%	10.6	10.5%
Total current assets	755.3	18.6%	656.4	16.2%	-98.9	-13.1%
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%	112.3	2.8%	4.8	4.4%
Network equipment and PPE	3,027.8	74.5%	3,071.8	75.8%	44.0	1.5%
Other non-current assets	165.4	4.1%	212.2	5.2%	46.8	28.3%
Total non-current assets	3,307.1	81.4%	3,396.3	83.8%	89.3	2.7%
Total assets	4,062.3	100.0%	4,052.7	100.0%	-9.6	-0.2%
Liabilities and shareholders' equity						
Trade payables	395.6	9.7%	369.0	9.1%	-26.5	-6.7%
Current portion of long-term/ short-term loans	416.8	10.3%	431.9	10.7%	15.1	3.6%
Other current liabilities	78.8	1.9%	90.0	2.2%	11.2	14.2%
Total current liabilities	891.1	21.9%	890.9	22.0%	-0.2	0.0%
Long-term loans	544.5	13.4%	461.5	11.4%	-83.0	-15.3%
Other non-current liabilities	82.5	2.0%	125.9	3.1%	43.4	52.6%
Total non-current liabilities	627.0	15.4%	587.3	14.5%	-39.7	-6.3%
Total liabilities	1,518.1	37.4%	1,478.2	36.5%	-39.9	-2.6%
Shareholders' Equities	2,544.2	62.6%	2,574.5	63.5%	30.3	1.2%
Total liabilities and shareholders' equity	4,062.3	100.0%	4,052.7	100.0%	-9.6	-0.2%

Unit : Million Baht	As of 31-Mar-21	As of 31-Mar-22
Cash flows from operating activities	191.8	190.1
Cash flows used in investing activities	(143.1)	(186.9)
Free cash flows	48.7	3.2
Cash flows used in financial activities	(120.7)	(93.3)
Net change in cash	(72.0)	(90.1)
Beginning Cash and Cash Equivalents	695.8	350.4
Ending Cash and Cash Equivalents	623.8	260.3

As of 31 March 2022, total assets were Baht 4,052.7 million, decreased by 0.2% from 31 December 2021, mainly due to share of loss of associate accounted for using equity method of investment in associate to amount Baht 6.3 million and cash and cash equivalents reduced by amount Baht 90.1 million from working capital and operational capex including big payment for new network backbone system.

Cash and cash equivalents were Baht 260.3 million, decreased by 25.7% from 31 December 2021 due to working capital and operational capex.

Network equipment and PPE assets were Baht 3,071.8 million, increased by 1.5% from 31 December 2021 mainly due to invest in new network systems/equipment to support the increased customer service.

Total liabilities were Baht 1,478.2 million, decreased by 2.6% from 31 December 2021 mainly due to loan repayment during the period.

Total shareholders' equity was Baht 2,574.5 million, increased by 1.2% from 31 December 2021 due to the positive net operating result during the period.

As of 31 March 2022, Debt to Equity (D/E) ratio was lower at 0.57x (*as of 31 December 2021: 0.60x*) and Debt to EBITDA ratio was higher at 2.28x (*as of 31 December 2021: 2.18x*).

2022 Outlook

In year 2022, SYMC expects that Thai economy will be positive since relaxation plan from the government on international travel restriction. Digitalization still on growing mode and expand to every industry. Its will be business opportunity for the company to serve demand from the market which the company is ready to respond to the needs of customers by providing services with a comprehensive yet stable network connectivity and offering a complete solution service.

The company still strives for business opportunity and keeps customers grow together sustainably also committed to achieving even better growth for the rest of the year and delivering consistent returns to shareholders.