

Operational Summary in 1Q17

- Total revenue from core business was Bt715mn, an increase of 47.6% YoY
- Net profit was Bt132mn, an increase of 49.8% YoY
- The total number of “Boonterm” was 100,022 kiosks, increased 7,940 kiosks or 38.0% YoY
- Total usage amount was Bt8,000mn, an increase of 62.99% YoY
- 23.4mn active subscribers and 2.1mn transactions per day.

Business Overview

	Quarter 1/2016	Quarter 2/2016	Quarter 3/2016	Quarter 4/2016	Quarter 1/2016
Total usage amount through “Boonterm kiosk” (Million Baht)	4,909	5,332	5,766	7,377	8,000
Total number of “Boonterm kiosk” as the period ended (Kiosks)	72,475	79,608	85,656	92,082	100,022

In 1Q17, FSMART is able to maintain as the leader of online top-up machine market both in terms of number of kiosks and total usage amount. The Company expanded Boonterm kiosk into 7,940 kiosks, resulting in the total of 100,022 kiosks. The total usage amount in 1Q17 has continuously grown which is Bt8,000mn or 62.99% YoY. The increasing number of active subscribers 23.4mn and 2.1mn transactions per day.

Money transfer service which has been launched in last year, as of 31 March 2017 has more than 10,000 transactions per day which tends to grow continuously. Advertising income grows from the previous quarter due to advertising media market recovery. As a result, FSMART has total revenue from core business of Bt715mn, an increase of 47.6% YoY, and net profit was Bt132mn, an increase of 49.8% YoY.

The management has revised FY17 target because of continuous growth in the total number of “Boonterm kiosk” from 120,000 kiosks to 122,000 kiosks and revised the total usage amount from Bt30,000mn to Bt32,000mn

FSMART has continued the strategic plan of maintaining the ARPU (average revenue per unit) level through selecting prime location and increase usage frequency through marketing promotion campaign which is contributed to the continuous growth of revenues.

Financial Summary

Income Statement

Income Statement	1Q16		4Q16		1Q17		%QoQ	%YoY
	Million Baht	%	Million Baht	%	Million Baht	%		
Income from rendering of top-up service for prepaid phone and other online service (Commission)	205	42.3%	305	44.4%	313	43.7%	2.5%	52.7%
Income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge)	273	56.4%	380	55.4%	399	55.8%	4.8%	45.9%
Entrance fee income	0	0.0%	0	0.0%	0	0.0%	-33.3%	-68.0%
Advertising income	6	1.3%	1	0.2%	4	0.5%	181.8%	-42.1%
Total revenue from core business (4 items)	484	100.0%	686	100.0%	715	100.0%	4.1%	47.6%
Cost of services	(352)	-72.7%	(529)	-77.1%	(536)	-74.9%	1.3%	52.2%
Gross profit	132	27.3%	157	22.9%	179	25.1%	13.8%	35.5%
Service & Administrative expenses	(46)	-9.5%	(62)	-9.1%	(60)	-8.4%	-3.9%	29.8%
Operating profit	86	17.8%	95	13.9%	119	16.7%	25.4%	38.5%
Other income	29	6.0%	39	5.6%	45	6.3%	16.2%	53.6%
Sales profit	1	0.2%	1	0.1%	1	0.2%	59.8%	55.6%
Finance costs	(6)	-1.2%	(10)	-1.4%	(12)	-1.7%	20.8%	95.9%
Profit before income tax expenses	110	22.8%	125	18.2%	154	21.5%	23.1%	39.5%
Income tax expenses	(22)	-4.6%	8	1.2%	(22)	-3.1%	-363.9%	-1.0%
Net profit	88	18.2%	133	19.4%	132	18.4%	-1.1%	49.8%

Total revenue

FSMART's total revenues from core business was Bt715mn, an increase of 47.6% YoY, mainly from the increasing number of total transactions, subscribers and the number of "Boonterm kiosk" which grown as planned. As a result, the total usage amount through "Boonterm kiosk" has grown continuously. Details are as follows:

1) Income from rendering top-up service for prepaid phone and other online services (Commission) was Bt313mn, an increase of 52.7% YoY, mainly from the prepaid mobile service.

2) **Income from rendering of services through online top-up machines “Boonterm kiosk” (Service charge)** was Bt399mn, an increase of 45.9% YoY, mainly from the increasing in kiosk usage and money transfer service, launched in 2Q16 which has grown steadily.

3) **Advertising income** was Bt3.6mn, decreased 42.1% YoY but increased 181.8% QoQ, due to advertising media market recovery and Strategic adjustment for effective targeting the right customers.

4) **Other income** was Bt45mn, an increase of 53.6% YoY, mainly from increasing in the number of “Boonterm kiosk” and the growth of the total usage amount through “Boonterm kiosk”.

Cost and Expenses

1) **Cost of services** was Bt536mn, represented 74.9% of total revenues from core business, compared to 72.7% in 1Q16, due to kiosk depreciation cost that increased in line with the increasing number of kiosks.

2) **Service & Administrative expenses** was Bt60mn, represented 8.4% of total revenues from core business, which decreased from last period, due to effective cost control and adjusting entries as mentioned above.

Profit

1) **Gross profit** was Bt179mn, increased 35.5% YoY and represented 25.1% of total revenues from core business, compared to 27.3% in last period, due to increasing of kiosk depreciation cost.

2) **Sales profit** was Bt1mn increased 55.6% YoY, mainly from sales of goods which are other parts of kiosks which in line with increasing in the number of “Boonterm kiosk”.

3) **Profit before income tax expenses** was Bt154mn, an increase of 39.5% YoY, mainly from revenues growth and effective operating cost management.

4) **Net profit** was Bt132mn, an increase of 49.8% YoY, represented 18.4% of total revenues from core business, increased from 18.2% in last period due to effective cost management and tax benefits in 2017.

Financial Position

Statement of Financial position	4Q16		1Q17		QoQ	
	MB	%	MB	MB	%	MB
Current assets	1,003	31.5%	1,051	31.4%	48	4.8%
Non-current assets	2,182	68.5%	2,298	68.6%	116	5.3%
Total assets	3,185	100.0%	3,349	100.0%	164	5.2%
Current liabilities	1,695	53.2%	2,007	59.9%	312	18.4%
Non-current liabilities	307	9.6%	227	6.8%	-80	-25.9%
Total liabilities	2,002	62.9%	2,234	66.7%	232	11.6%
Total shareholders' equity	1,183	37.1%	1,114	33.3%	-68	-5.8%
Total liabilities and shareholders' equity	3,185	100.0%	3,349	100.0%	164	5.2%

As of 31 March 2017. FSMART had total assets of Bt3,349mn, increasing 5.2% QoQ, due to the investment in "Boonterm kiosk" and an increasing amount of cash and cash equivalents.

Total liabilities of Bt2,234mn, increasing 11.6% QoQ, mainly from trade and other payables which is dividend payment approved by the shareholders' meeting on 31 March 2017 and retention received from service representatives.

Total shareholders' equity was Bt1,114mn, decreasing 5.8% YoY, mainly from dividend payment and net profit in 1Q17

Key Financial Ratio

Financial ratio	1Q16	4Q16	1Q17
Current ratio	0.63	0.59	0.52
Debt to Equity ratio	1.22	1.69	2.00
Interest Bearing Debt to Equity ratio	0.26	0.77	0.58
Return on Asset	19.8%	18.1%	20.3%
Return on Equity	33.1%	47.7%	45.9%

As of 31 March 2017. FSMART had Current ratio at 0.52, mainly from increasing of trade and other payables which is dividend payment approved by the shareholders' meeting on 31 March 2017.

Debt to Equity ratio increased to 2.00, mainly from dividend payment and retention received from service representatives.

Interest-bearing debt to Equity ratio increased to 0.58, mainly from repayment of loan.

Return on Asset stood at 20.3% because of improving profitability.

Return on Equity stood at 45.9% from increasing of net profit and dividend payment.

2017 Management Outlook

- Target revision of the total number of “Boonterm kiosk” from 120,000 kiosks to 122,000 kiosks
- Adjusting the total usage amount from Bt30,000mn to Bt32,000mn
- New services such as E-wallet mobile application “Be wallet”, selling products through “Boonterm kiosk” and etc.

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FSMART aims to be the leader of payment solutions by focusing on revenues growth from 5 digital retail channels with plans to launch new products and services continuously. In 2017, FSMART expected to increase revenue proportion from other channels, apart from mobile top-up, from 4-5% to 10% of the total usage amount. Therefore, the proportion of prepaid mobile top-up would decrease from 95% to 90% of total usage amount and this would help diversify company’s revenue structure.

In February 2017, FSMART has launched E-wallet mobile application called “Be wallet”. This is intended to support the demand from higher smartphone usage of the young generations.

Moreover, FSMART planned to continue adding new services in 2017 such as traffic tickets payment, Dtac’s monthly bill payment and selling products through “Boonterm kiosk” which co-operate with TVD MOMO (TVD shopping Co.,Ltd.), a 24-Hour TV sale and E-commerce company. FSMART planned to launch at least one money transfer service with another bank within this year. This will increase revenue from using service through “Boonterm kiosk” to grow even more.