

Operational Summary in FY18

2018 Operational Summary

- Total revenue from core business was Bt3,339mn, increasing 7.5% YoY
- Net profit was Bt583mn, increasing 7.4% YoY
- Number of “Boonterm kiosk” was 130,053, increasing 4.3% YoY
- Total usage amount was Bt41,980mn, increasing 16.1% YoY
- Total average number of money transfer transactions per day was 30,006 transactions, increasing 30.1% YoY

Business Overview

	Quarter	Quarter	Quarter	Quarter	Quarter	Y.2017	Y.2018	%YoY
	4/2017	1/2018	2/2018	3/2018	4/2018			
Total usage amount through "Boonterm Kiosk" (Million Baht)	10,084	10,421	10,611	10,506	10,442	36,175	41,980	16.1%
Total number of "Boonterm Kiosk" as the period ended (Kiosk)	124,653	130,404	129,948	130,109	130,053	124,653	130,053	4.3%
Total average number of money transfer transactions (per day)	23,062	25,985	27,287	28,689	30,006	23,062	30,006	30.1%

Over view in 2018, FSMART continued to grow from last year and able to maintain its No. 1 position in the online top up machine business, both in terms of number of kiosks and total usage amount. The Company's strategy continues to focus on the performance of Boonterm kiosk with the ARPU management more than 5% of growth from 2017 and relocating the kiosks from the area that generate low income to the new area that generate higher income. As well as adding new services on the kiosks to meet customers' needs and serve more convenient for the customers and also gradually launches promotional campaigns, which has been well received by our customers, in order to encourage new customers and retain our existing customer base. The Company is still working on plan and can achieve goals

Operating results in 2018, the company had a total of 130,053 Boonterm kiosks, an increase of 4.3% YoY. The total usage amount slightly grown from the previous year. The money transfer service increased continuously as well as other services such as top-up to E-Wallet top-up and other bill payment. The total usage amount was Bt41,980mn, an increase of 16.1% YoY. The average number of money transfer transactions was 30,006 transactions per day, an increase of 30.1% YoY. Total revenue from core businesses was Bt3,339mn, an increase of 7.5% YoY, and net profit of Bt583mn, an increase of 7.4% YoY with 23 million subscribers and 2.01 million transactions per day.

The company continues to focus on relocating Boonterm kiosks from low potential locations to higher potential locations and expand the number of kiosks efficiently and new services are added to encourage more service usage such as increasing the number of banks transfer, bill payments for both public and private agencies, accumulation of savings into the National Savings Fund, purchase folk songs as well as voting for favorite singers, Etc. all of which therefore result in the still growing well of the total usage amount.

Financial Summary in FY18

Income Statement

Income Statement	Q4/2017		Q3/2018		Q4/2018		%QoQ	%YoY	Y.2017		Y.2018		%YoY
	MR	%	MR	%	MR	%			MR	%	MR	%	
Income from rendering of top-up service for prepaid phone and other online service (Commission)	353.01	42.4%	346.47	41.7%	339.36	41.4%	-2.1%	-3.9%	1,344.87	43.3%	1,400.54	41.9%	4.1%
Income from rendering of service through online top-up machines "Boonterm kiosk" (Service Charge)	475.20	57.1%	481.31	57.9%	472.76	57.7%	-1.8%	-0.5%	1,748.52	56.3%	1,917.43	57.4%	9.7%
Advertising income	4.61	0.6%	4.04	0.5%	7.15	0.9%	77.0%	55.1%	11.54	0.4%	21.07	0.6%	82.6%
Total revenue from core business (3 items)	832.82	100.0%	831.82	100.0%	819.27	100.0%	-1.5%	-1.6%	3,104.93	100.0%	3,339.04	100.0%	7.5%
Cost of services	(658.51)	-79.1%	(655.73)	-78.7%	(652.92)	-79.7%	-0.4%	-0.9%	(2,373.50)	-76.4%	(2,631.21)	-78.8%	10.9%
Gross profit	174.31	20.9%	176.09	21.2%	166.35	20.3%	-5.5%	-4.6%	731.43	23.6%	707.83	21.2%	-3.2%
Service & Administrative expenses	(86.99)	-10.5%	(58.49)	-7.0%	(56.57)	-6.9%	-3.3%	-35.0%	(270.06)	-8.7%	(242.16)	-7.3%	-10.3%
Operating profit	87.32	10.5%	117.60	14.1%	109.78	13.4%	-6.7%	25.7%	461.37	14.9%	465.67	14.0%	0.9%
Other income	59.08	7.1%	59.99	7.2%	64.20	7.8%	7.0%	8.7%	198.19	6.4%	252.72	7.6%	27.5%
Sales profit	0.61	0.1%	0.87	0.1%	0.26	0.0%	-70.1%	-57.4%	4.66	0.2%	1.65	0.1%	-64.6%
Profit before finance cost and income tax expenses	147.01	17.7%	178.46	21.5%	174.24	21.3%	-2.4%	18.5%	664.22	21.4%	720.04	21.6%	8.4%
Bank Charge	(5.97)	-0.7%	(3.76)	-0.5%	(3.16)	-0.4%	-16.0%	-47.1%	(24.23)	-0.8%	(18.32)	-0.6%	-24.4%
Interest Expenses	(10.60)	-1.3%	(11.13)	-1.3%	(10.37)	-1.3%	-6.8%	-2.2%	(32.46)	-1.1%	(43.69)	-1.3%	34.6%
Profit before income tax expenses	130.44	15.7%	163.57	19.7%	160.71	19.6%	-1.8%	23.2%	607.53	19.6%	658.03	19.7%	8.3%
Income tax expense	(9.17)	-1.1%	(18.98)	-2.3%	(19.07)	-2.3%	0.5%	108.0%	(66.21)	-2.1%	(77.22)	-2.3%	16.6%
Net profit	121.27	14.6%	144.59	17.4%	141.64	17.3%	-2.0%	16.8%	541.32	17.4%	580.81	17.4%	7.3%
Non-controlling interests of the subsidiaries	(1.09)	-0.1%	(0.83)	-0.1%	(0.64)	-0.1%	100.0%	100.0%	(1.57)	-0.1%	(2.29)	-0.1%	100.0%
Net profit - Equity holders of the Company	122.36	14.7%	145.42	17.5%	142.28	17.4%	-2.2%	16.3%	542.89	17.5%	583.10	17.5%	7.4%

Total revenue

Total revenue from the core business in 2018 was Bt3,339.04mn, an increase of 7.5% compared to the previous year. The main factor was the increase in the number of new services on Boonterm kiosk that responded to the needs of customers. It was also a service point that facilitates the use of the service as well including the strategy of the company that focuses on managing the installation points of Boonterm kiosks with quality and expanding the efficient installation points. As a result, total prepaid value continued to grow continuously. In 4Q18, total revenue from core businesses was Bt819.27mn, a decrease of 1.6% YoY due to the slowdown of the grassroots economy. The details are as follows.

1) Income from rendering top-up service for prepaid phone and other online services (Commission) was Bt1,400.54mn, an increase of 4.1% YoY, due to the total usage amount increased from the new services added to Boonterm kiosk. In 4Q18, income from rendering top-up service for prepaid phone and other online services (Commission) was 339.36, a decrease of 3.9%. YoY, due to the slowdown of the grassroots economy.

2) Income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge) was Bt1,917.43mn, an increase of 9.7% YoY, due to the growth of the number of transactions increased from new services added, especially, the money transfer service that has increased continuously. In 2018 increased Bank of Ayudhya. In 4Q18, income from rendering of services through online top-up machines "Boonterm kiosk" (Service charge) was 472.76, a decrease of 0.5% YoY due to the slowdown of the grassroots economy.

3) Advertising income was Bt21.07mn, an increase of 82.6% YoY, since the situation in Thailand in 2017 is in a state of omission, festivals and entertainment media, as a result, and the advertising business has been affected both directly and indirectly. In 2018, the advertising business returned to normal operation. In 4Q18, the advertising revenue was Bt7.15mn, an increase of 55.1% YoY as a result of many companies was interested in place the advertising on the Boonterm kiosk more.

4) Other income was Bt252.72mn, an increase of 27.5% YoY. And in 4Q18, other income was Bt64.20mn, an increase of 8.7% YoY, according to the expansion of the number of Boonterm kiosk and more new services added.

Cost and Expenses

1) Cost of services in 2018 was Bt2,631.21mn or 78.8% of total revenue from core business, increased by 2.4% compared to 76.4% in the previous year. In Q418 the cost of services was Bt652.92mn an increase 0.6% YoY due to the depreciation ratio to the core revenue will tend to decrease from the kiosk that its useful life is 8 years.

2) Service and administrative expenses in 2018 was Bt242.16mn, equivalent to 7.3% of total revenue from core businesses. The proportion decreased by 1.4% compared to 8.7% in the previous year. In 4Q18, Service and administrative expenses were Bt56.57mn, a decrease of 3.6% YoY, due to promotion for expanding kiosks and more effective control of managing expenses.

Profit

1) Gross profit in 2018 was Bt707.83mn, a decrease of 3.2% compared to the previous year of Bt731.43mn, in 4Q18, the gross profit was Bt166.35mn, down 4.6% YoY due to the slowdown of the grassroots economy, the depreciation cost of and the improvement of the performance of the kiosk.

2) Sales profit in 2018 was Bt1.65mn, a decrease of 64.6% compared to the previous year of Bt4.66mn. In 4Q18, the profit from product sales was Bt0.26mn, a decrease of 57.4% YoY, mainly from, in 2018, the Company focused on the management strategy of installing Boonterm Kiosk while the year 2017 focused on expanding the installation points of Boonterm kiosk. This resulted in profits from the sale of related equipment to Boonterm kiosk such as roof stand, cement base, coin counting machine in 2017 higher than in 2018.

3) Net profit for the year 2018 was Bt583.10mn, an increase of 7.4% compared to Bt542.89mn in the previous year, in 4Q18 was Bt141.64mn a decrease of 16.8% YoY due to the Company adding new services and more effective cost management control.

Financial Position

Statement of Financial position	31-Dec-17		31-Dec-18		Increase (Decrease)	
	MB	%	MB	%	MB	%
Current assets	1,348.32	31.7%	1,430.87	36.5%	83	6.1%
Non-current assets	2,912.13	68.4%	2,485.33	63.5%	(427)	-14.7%
Total assets	4,260.45	100.0%	3,916.20	100.0%	(344)	-8.1%
Current liabilities	2,492.76	58.5%	2,452.98	62.6%	(40)	-1.6%
Non-current liabilities	433.70	10.2%	211.66	5.4%	(222)	-51.2%
Total liabilities	2,926.46	68.7%	2,664.64	68.0%	(262)	-9.0%
Total shareholders' equity	1,333.99	31.3%	1,251.56	32.0%	(82)	-6.2%
Total liabilities and shareholders' equity	4,260.45	100.0%	3,916.20	100.0%	(344)	-8.1%

As at December 31, 2018, FSMART had total assets of Bt3,916.20mn, a decrease of 8.1% YoY, due to the emphasizing in efficient Boonterm kiosk spot strategy in 2018 rather than emphasizing on expanding the kiosks. The lifetime of the kiosk is 8 years but can still be in use.

The total liabilities as at 31 December 2018 was Bt2,664.64mn, a decrease of 9.0% compared to the previous year with total liabilities decreased due to the Company paid off loans of long-term loans.

Total shareholders' equity as at December 31, 2018, was Bt1,251.56mn, decreased by 6.2% previous year due to the dividend payment of Bt473.96mn, treasury stock of Bt187.34mn and net profit of Bt583.10mn in 2018.

Key Financial Ratio

Financial Ratio	Quarter	Quarter	Quarter	Y.2017	Y.2018
	4/2017	3/2018	4/2018		
Current ratio	0.54	0.51	0.58	0.54	0.58
Debt to Equity ratio	2.19	2.47	2.13	2.19	2.13
Interest Bearing Debt ratio	1.13	1.21	0.99	1.13	0.99
Return on Asset	14.6%	13.9%	14.3%	14.6%	14.3%
Return on Equity	43.1%	46.0%	49.3%	43.1%	49.3%

As of December 31, 2018, the company had the current ratio of 0.58 times, increasing compared to the previous year from the reduced current liabilities due to repayment of long-term loans and current assets increased from increased cash and cash equivalents.

Debt to equity ratio was 2.13 times, decreased compared to the previous year from the decrease in long-term loans and the increase in shareholders' equity from net profit.

Interest-bearing debt to equity ratio was 0.99 times, decreased compared to the previous year from the decrease in long-term loans and the increase in shareholders' equity from net profit.

Return on assets was 14.3%, increased from the previous year from asset management to earning more efficiency.

Return on equity was 49.3%, increased from the previous year due to revenue growth, net profit, dividend payment and treasury stock.

2019 Management Outlook

- Emphasizing efficient Boonterm kiosk spot with the ARPU management more than 5% of growth from 2018
- Increasing 5,000 Boonterm kiosks nationwide to reach 135,053 kiosks at the end of 2019
- Managing the total usage amount through Boonterm kiosk to more than 10%, compared to 2018
- Developing the intelligent kiosk for selling sim card and Electronic Know Your Customer service (e-KYC)
- Expanding 2 new businesses: Personal Loan/Nano Finance and the service station for charging/replacing battery for electric motorcycle

The company emphasizes the efficiency of Boonterm kiosk spot with the ARPU management more than 5% of growth from 2018, total usage amount more than 10% YoY, and aims to increase 5,000 Boonterm kiosk to reach 135,053 kiosks nationwide at the end of 2019, As well as adding more new service continuously. In this year, the company expects to cooperate with 2 more commercial banks: Government Saving Bank (GSB) and Bangkok Bank (BBL) to add on our service, the money transfer service, which has already had 3 commercial banks such as Kasikorn Bank (KBANK), Krungthai Bank (KTB) and Bank of Ayudhaya (BAY). The company has emphasized in adding new services on Boonterm kiosk through the cooperation of various organizations, both from private and public sector, to let the Kiosk be a channel of service provider in order to response more varieties of customer needed than mobile top-up service. With more than 130,000 kiosk covering nationwide, along with service agents over the country, either in the city or upcountry. Resulting in easily and conveniently access for customer.

At present, Boonterm kiosk is a variety of service channels that covers all areas throughout the country and can reach customers. By the intention of the company in increasing the potential of Boonterm kiosk, the company has developed an intelligent kiosk that adds functionality of selling SIM cards, and authentication services (e-KYC) to support the opening of electronic bank accounts and SIM registration. This results in Boonterm's next step become the channel that can provide service and sell products in the same kiosk. Moreover, the company plans to expand 2 new businesses that are personal loan/Nano finance and the service station for charging/replacing battery for electric motorcycle. The personal loan/Nano finance business will be operated in the second quarter if the license is approved and the service station for charging/replacing battery for electric motorcycle, starting the first 10 service stations in Bangkok area, will be opened in 2H19 rely on the alliance Group.

The company continues to focus on developing "BeWallet", the company's e-Wallet mobile application, which can support both iOS and Android system. The service on Boonterm kiosk are also available on BeWallet application but BeWallet include the additional service that supports the payment system of the company's businesses such as e- Marketplace called "BeMall", vending machine and electric vehicle charging station. As well as support the other company's alliances businesses.

Furthermore, the development of the E-wallet application under the name "BeWallet" will facilitate the customers in making online payment and make the company penetrate new customer base and understand the customer's behavior, who demand for cashless payment. The company aims to retain customer who demand for cash payment through Boonterm kiosk and continue to expand the new customer base through BeWallet. This will make the company's revenue retain growth.