

'Year of investment' planned for Samart

SET-listed Samart Corporation is undergoing a transformation this year as it seeks to maximise profit and create sustainable, recurring revenue to compete in the increasingly digital-driven market.

The communications equipment maker is diversifying into higher-margin and new S-curve businesses in the fields of utilities, alternative energy, e-commerce and consumer lifestyle services.

“We're aiming at consolidated revenue growth of 25% to 24 billion baht this year, helped by our ICT bidding projects and new utility business,” President Watchai Vilailuck said.

Samart Telcoms Plc, the group's information and communications technology subsidiary, is focusing more on bidding for ICT projects in the private sector in order to reduce dependence on what it calls “politically sensitive” state bidding projects.

Of an expected 24 billion baht in consolidated revenue, up to 10 billion will come from Samart Telcoms, 7 billion from the group's handset flagship Samart I-Mobile Plc, 5 billion from the utility arm U-Trans Co, 1.1 billion from call centre service firm One to One Contacts Plc and the rest from other ICT-related businesses.

Samart earlier announced a goal for consolidated annual revenue to top 100 billion baht by 2020, with half coming from new businesses.

“2016 will be the year of investment for Samart,” Mr Watchai said. “We plan to invest up to 20 billion baht in construction of new power plants and ICT project development this year.”

About half the budget will go to construction of power plants and development of alternative energy projects.

Mr Watchai said the utility business would be key to Samart in the near term, as demand for alternative energy was growing rapidly amid heightened public awareness about environmental concerns.

U-Trans is focusing on energy, transport and transmission contractors.

The energy business covers conventional sources such as coal-fired power plants in addition to alternatives such as waste-to-energy.

Chakkrit Charuchinda, chief executive of Samart I-Mobile, said the handset arm was diversifying into digital-based services such as e-commerce, e-wallet and online payment.

“We [Samart I-Mobile] are selling not only mobiles but also lifestyle-based gadgets as well as providing handset repair service,” he said.

Despite the shaky domestic economy, Samart I-Mobile expects to sell 3 million handsets this year, equal to last year’s figure.

“We expect sales revenue of 7 billion baht this year,” Mr Chakkrit said.

He said the unit was preparing to introduce various websites that would help small and medium-sized enterprises to maximise business opportunities and increase sales as well as offer special discounts and attractive promotions for products and services.

“Samart I-Mobile will be getting the most change in business direction and organisational restructure,” Mr Watchai said.

SAMART shares closed yesterday on the SET at 19 baht, up 20 satang, in trade worth 253 million baht.

