

2Q21: Management Discussion and Analysis

Business overview

In 2Q21, Samart Digital PLC. (SDC) reported quarterly consolidated revenues of Baht 30 million, decreased by Baht 39 million or 56.5% YoY, majorly contributed by the decreasing in revenue of trading equipment in Digital Network business and decreasing in revenue of Digital Content business from the reduction of revenue of mobile content.

Comparing 2Q21 to 1Q21, consolidated revenues decreased by Baht 69 million or 69.7%, majorly contributed by the decreasing in revenue of trading equipment in Digital Network business. Moreover, decreasing in revenue of Digital Content business from the reduction of revenue of mobile content and a reschedule of football tournament from ending in 2Q21 to ending in 1Q21 which resulted in reduction of revenue in 2Q21.

Operating loss (EBT) of Baht 75 million decreased by Baht 4 million or 5.4% YoY but operating loss (EBT) increased by Baht 11 million or 17.5% QoQ.

The Company reported the consolidated net loss attributable to equity holders of the Company of Baht 77 million, increased by Baht 1 million YoY, and increased by Baht 8 million QoQ.

Financial highlights

Revenue breakdown			in Million Baht		
Business Unit	2/21	2/20	%YoY	1/21	%QoQ
Digital Network	3	39	(92.3%)	60	(95.0%)
Digital Content	27	30	(10.0%)	39	(30.8%)
Total revenue*	30	69	(56.5%)	99	(69.7%)

* Total Revenues (sales, service revenues and revenue from contract work)

Revenue

Digital Network Business: This quarter, the revenue of digital network business was reported of Baht 3 million, which represented 10.0% of total revenues. Comparing 2Q21 to 2Q20, the revenue decreased by Baht 36 million or 92.3% YoY, and decreased by Baht 57 million or 95.0% QoQ.

Digital Content business: This quarter, the revenue of digital content business was reported of Baht 27 million, which represented 90.0% of total revenues. Comparing 2Q21 to 2Q20, the revenue decreased by Baht 3 million or 10.0% YoY, and decreased by Baht 12 million or 30.8% QoQ.

Gross profit

In 2Q21, overall gross profit of the Company was reported at loss of Baht 8 million, increased by Baht 6 Million YoY, and increased by Baht 10 Million QoQ.

S&A and other expenses

In 2Q21, selling and administrative expenses including other expenses were reported of Baht 39 million, decreased by Baht 19 million or 32.8% YoY. The reduction of the expense were due to decreasing in depreciation expense that was due to fully depreciation and decreasing in salary.

Comparing to 1Q21, selling and administrative expenses including other expenses increased by Baht 2 million or 4.9% QoQ.

Financial costs

In 2Q21, financial costs were Baht 36 million, decreased by Baht 10 million or 21.6% YoY, mainly resulted from repayment of the principle and reduction of interest rate.

Net loss

In 2Q21, the consolidated net loss attributable to equity holders of the Company was reported of Baht 77 million. Net loss increased by Baht 1 million or 1.7% YoY, and increased by Baht 8 million or 12.1% QoQ.

Financial position

As at June 30, 2021, SDC reported total assets at Baht 4,204 million, decreased by Baht 188 million or 4.3% compared with the end of 2020, mainly resulted from decreasing in cash and cash equivalents due to payment to trade payables.

The Company also reported its total liabilities at Baht 3,832 million, decreased by Baht 65 million or 1.7%, mainly resulted from payment to trade payables.

Total shareholders' equity was Baht 373 million, decreased by Baht 123 million or 24.8% compared with December 31, 2020 as a result of net loss in this period.