

3Q 2024: Management Discussion and Analysis

3Q 2024 Highlights

In this quarter, Samart Corporation Public Company Limited or “SAMART” recorded the total revenues for the three-month period of Baht 2,349 million, increased by Baht 245 million or 12% QoQ, which mainly increased from the power substation business under Utilities and Transportations Business, airtime service under the Digital Communications Business and revenue from contract works under Digital ICT Solution Business. While comparing to 3Q23 the total revenues decreased by Baht 485 million or 17% YoY. Due to the revenue from delivery and installation equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project from Digital Communications Business decreased by Baht 785 million YoY. While the revenue from the power substation business increased by Baht 250 million YoY, the revenue from airtime service increased by Baht 101 million YoY and revenue from the providing air navigation services in Cambodia’s airspace increased by Baht 34 million YoY.

The Company had gross profit Baht 503 million, increased by Baht 58 million or 13% YoY, while decreased by Baht 20 million or 4% QoQ. The gross profit margin was 21.8%, increased by 6.0% compared to 3Q23 of 15.8%, while decreased by 3.3% compared to 2Q24 of 25.1%

The Company reported the consolidated net profit attributable to equity holders of the Company of Baht 91 million, which was better than in 3Q23 that reported the consolidated net loss attributable to equity holders

of the Company of Baht 206 million due to the impact of impairment for loss on equipment in accordance with Thai Accounting Standard from the Digital Communications Business in an amount of Baht 243 million in 3Q23. The net profit in this quarter also better than in 2Q24 that reported the consolidated net loss attributable to equity holders of the Company of Baht 183 million due to the impacts of long-term provisions from litigation on the Dispute with the 13th Bangkok Asian Game Organizing Committee and the Sports Authority of Thailand of Baht 283 million in prior quarter.

SAMART’s performance by business lines;

Samart Corporation PCL., divided its businesses into 3 lines of business

- 1) Digital Communications Business or “SDC”
- 2) Digital ICT Solution Business or “SAMTEL”
- 3) Utilities and Transportations Business

Digital Communications Business

(Samart Digital PCL. or “SDC”)

The Digital Communications business will focus on the full service of Digital Trunked Radio System (DTRS) which covers the key areas nationwide. Moreover, this line of business has gradually recognized revenue from airtime services of The Ministry of Interior of the Kingdom of Thailand (MOI) Project since the end of last year. By the end of 3Q24, Digital Communications Business had total backlog worth Baht 1,016 million.

Digital ICT Solution Business

(Samart Telcoms PCL. or “SAMTEL”)

In this quarter, the new projects were signed with the total value of THB 909 million. By the end of 3Q24, Digital ICT Solution Business had total backlog worth Baht 3,871 million.

Utilities and Transportations Business

In this quarter, Samart Aviation Solutions Public Company Limited (“SAV”) had increased in the number of flights due to the providing air traffic management services in Cambodia's airspace gradually return to the pre-COVID-19 pandemic situation, which the number of flights increased to 25,901 flights, increased by 1,688 flights or growth by 7% YoY and increased by 1,223 flights or growth by 5% QoQ. Additionally, the power substation business operated under Teda Company Limited also expand its business continuously including the improvement of efficiency in excise tax management for domestic beer project. By the end of 3Q24, the Utilities and Transportations Business had total backlog worth Baht 8,681 million.

Financial Performance

Revenues

In 3Q24, the consolidated sales, contract works and services revenues of SAMART were Baht 2,307 million (after elimination of related parties' transaction), decreased by Baht 505 million or 18% YoY, while increased by Baht 223 million or 11% QoQ which was from the following reasons in each business line;

Digital Communications Business

In 3Q24, the revenue from sales, contract works and services were Baht 157 million. Comparing to 3Q23, the revenue decreased by Baht 678 million or 81% YoY, which mainly from the revenue from contract work from delivery and installation equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project decreased by Baht 785 YoY while revenue from airtime service increased by Baht 101 million YoY. Comparing to 2Q24, the revenue increased by Baht 50 million or 47% QoQ, which mainly from the increasing in revenue from airtime service.

Digital ICT Solution Business

In 3Q24, the revenue from sales, contract works and services were Baht 816 million which decreased by Baht 113 million or 12% YoY. While the revenue increased by Baht 90 million or 12% QoQ.

Utilities and Transportations Business

In 3Q24, the revenue from sales, contract works and services were Baht 1,332 million, increased by Baht 285 million or 27% YoY. This was mainly from revenue from the power substation business increased by Baht 250 million YoY and revenue from the providing air navigation services in Cambodia's airspace increased by Baht 34 million YoY. Comparing to 2Q24 the revenue increased by Baht 83 million or 7% QoQ which mainly from the increasing in revenue from the power substation business.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were Baht 1,804 million, decreased by Baht 563 million or 24% YoY while increased by Baht 243 million or 16% QoQ.

Selling & Administrative Expenses and Other Expense

Selling & Administrative expenses and other expense were Baht 279 million, which represented 12% of total revenues of the Company, decreased by Baht 412 million YoY, due to the impact of impairment for loss on equipment in accordance with Thai Accounting Standard from the Digital Communications Business in an amount of Baht 403 million in 3Q23. Comparing to 2Q24 the Selling & Administrative expenses and other decreased by Baht 289 million QoQ, due to the impacts of long-term provisions from litigation on the Dispute with the 13th Bangkok Asian Game Organizing Committee and the Sports Authority of Thailand of Baht 283 million in prior quarter.

Finance Cost

Finance cost was Baht 85 million, decreased by Baht 63 million or 43% YoY, while increased by Baht 4 million or 4% QoQ.

Net Profit (Loss)

Net profit attributable to the equity holders of the Company was Baht 91 million, which was better than in 3Q23 that reported the consolidated net loss attributable to equity holders of the Company of Baht 206 million due to the impact of impairment for loss on equipment in accordance with Thai Accounting Standard from the Digital Communications Business in an amount of Baht 243 million in 3Q23. The net profit in this quarter also better than in 2Q24 that reported the

consolidated net loss attributable to equity holders of the Company of Baht 183 million due to the impacts of long-term provisions from litigation on the Dispute with the 13th Bangkok Asian Game Organizing Committee and the Sports Authority of Thailand of Baht 283 million in prior quarter.

Financial Position

As of 30 Sep 2024, SAMART reported the total assets of Baht 16,543 million, decreased by 13% compared to the year-end of 2023. The total liabilities were Baht 10,184 million, decreased by 20% compare to the end of 2023. The total shareholders' equity was reported Baht 6,360 million.