

2024 Management Discussion and Analysis

Performance Overview

In 2024, Samart Corporation Public Company Limited ("SAMART"), reported total revenue of Baht 10,157 million, decreased by Baht 140 million or 1.36% from 2023. The Company had revenue from sales, contracted work and services in an amount of Baht 10,042 million, decreased by Baht 97 million or 0.96% from the previous year. This decrease mainly came from revenue in the Digital Communications business. In 2023, there was revenue from the delivery and installment of network communication equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) project. However, in 2024, there were no further deliveries or installations under this project, resulting in a revenue decreased of Baht 1,621 million. However, revenue increased from the Utilities and Transportations business, which increased by Baht 893 million from the power substation business, Baht 111 million from the air traffic management services business in Cambodia and Baht 73 million from the improvement of efficiency in excise tax management for domestic beer project. Additionally, revenue from airtime services in the Digital Communications business increased by Baht 292 million and the revenue from Digital ICT Solution business increased by Baht 181 million.

The Company reported total cost and expense of Baht 9,353 million, decreased by Baht 790 million or 7.79% from 2023. The Company's gross profit for 2024 was Baht 2,144 million, increased by Baht 364 million or 20.44%. The gross profit margin for 2024 was 21.35%, up by 3.79% from the previous year's margin of 17.56%. The Company's selling, distribution, administrative and other expenses were Baht 1,454 million, decreased by Baht 329 million or 18.46% from previous year, mainly due to impairment losses on assets that recorded in 2023.

Finance costs in 2024 totaled Baht 355 million, decreased by Baht 203 million from the previous year. The company recorded the net profit attributable to equity holders of the Company Baht 133 million, although the company recognized the long-term provisions from litigation on the Dispute with the 13th Bangkok Asian Game Organizing Committee and the Sports Authority of Thailand of Baht 286 million in this year. This represent a significant improvement from the net loss attributable to equity holders of the Company Baht 390 million in the previous year.

Operational Outcome of the Company and Subsidiaries

In 2024, the Company's revenue from sales, contract work and service were Baht 10,042 million, decreased by Baht 97 million or 0.96% from the previous year.

Revenues from sales, contract work and service breakdown by business

Business	Revenue from sales, contract works and services in 2024 (Million Baht)	Revenue from sales, contract works and services in 2023 (Million Baht)	% Change
Digital ICT Solution	4,097	3,916	4.62%
Digital Communications	515	1,851	-72.18%
Utilities and Transportations	5,425	4,368	24.20%
Revenues from related parties	5	4	25.00%
Total revenues from sales, contract work and service	10,042	10,139	-0.96%

Digital ICT Solution business (“SAMTEL”)

In 2024, Digital ICT Solution business reported revenue from sales, contract work and service of Baht 4,097 million, increased by Baht 181 million or 4.62% from the previous year. This growth was mainly from the increasing in revenues from service and rental income. In 2024, SAMTEL signed new project worth Baht 4,784 million. As of the end of 2024, the Digital ICT Solution business had the backlog of Baht 4,361 million.

Digital Communications business (“SDC”)

In 2024, Digital Communication business reported revenue from sales, contract work and service of Baht 515 million, decreased by Baht 1,336 million or 72.18% from the previous year. The drop was mainly due to Baht 1,621 million reduction in contract works revenue, as there were no further deliveries or installations of network communication equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) project in 2024. While, airtime service revenue increased by Baht 292 million. As of the end of 2024, the Digital Communications business had the backlog of Baht 923 million.

Utilities and Transportations business

In 2024, Utilities and Transportations business reported revenue from sales, contract work and service of Baht 5,425 million, increased by Baht 1,057 million or 24.20% from the previous year. This growth was primarily due to an increase of Baht 893 million in revenue from the power substation business under Teda Company Limited and an increase of Baht 111 million in revenue from the air traffic management services business in Cambodia under Samart Aviation Solutions Public Company Limited. In 2024, the number of flights managed by the air traffic management services business totaled 103,887 flights, increased by 11,202 flights or 12.09% compared to the previous year. As of the end of 2024, the Utilities and Transportations business had a backlog of Baht 8,000 million.

Statement of financial position

Assets

As of 31 December 2024, the Company had total asset of Baht 18,099 million, decreased by Baht 1,010 million or 5.29% from the previous year.

- Total current asset was Baht 10,210 million, decreased by Baht 476 million. This was mainly from the decreasing in trade and other receivables which decreased by Baht 849 million and accrued income decreased by Baht 453 million, while cash and cash equivalents increased by Baht 580 million and inventories increased by Baht 108 million.
- Total non-current asset was Baht 7,889 million, decreased by Baht 534 million. This was mainly from the decreasing in property, plant and equipment, which decreased by Baht 245 million, finance lease receivables - net of current portion decreased by Baht 110 million and Intangible assets decreased by Baht 89 million.

Liabilities

As of 31 December 2024, the Company had total liabilities of Baht 11,329 million, decreased by Baht 1,458 million or 11.40% from the previous year.

- Total current liabilities was Baht 8,395 million, decreased by Baht 667 million. This was mainly from the decreasing in bank overdrafts and short-term loans from financial institutions which decreased by Baht 1,383 million and current portion of long-term loans from financial institutions decreased by Baht 384 million, while current portion of debentures increased by Baht 724 million and Trade and other payables increased by Baht 474 million.
- Total non-current liabilities was Baht 2,934 million, decreased by Baht 791 million. Primary due to debentures - net of current portion which decreased by Baht 629 million and long-term loans from financial institutions - net of current portion decreased by Baht 304 million, while long-term provisions increased by Baht 77 million.

Debt-to-Equity Ratio (D/E Ratio)

As of 31 December 2024, the D/E ratio was decreased from 2.02 times from the previous year to 1.67 times and net interest-bearing debt-to-equity ratio also decreased from 0.76 times from the previous year to 0.32 times.

Liquidity

As of 31 December 2024, the current ratio was 1.22 times

The Company had net cash flows from operating activities amounted to Baht 3,100 million, while net cash flows used in financing activities and net cash flows used in investing activities was Baht 2,028 million and Baht 472 million, respectively. Resulting in cash and cash equivalents at end of the year value Baht 3,035 million.

Sources of Fund

As of 31 December 2024, the total shareholders' equity of the Company was Baht 6,769 million, increased by Baht 448 million from the previous year and the unappropriated retained earnings were Baht 1,128 million.