

2024 Management Discussion Analysis

2024 Highlights

In 2024, Samart Aviation Solutions Public Company Limited or “SAV” recorded total revenues of THB 1,758.9 million, increased by THB 111.0 million or 6.7% YoY, which mainly came from the increase of revenue from providing air navigation services in Cambodia’s airspace according to the number of flights had increased due to the recovery of the tourism sector following the COVID-19 pandemic. Moreover, the net profit attributable to shareholders was THB 464.3 million, increased by THB 192.8 million or 71.0% YoY.

Financial Performance

Revenue from contracts with customers

In 2024, the Company had revenue from contracts with customers of THB 1,755.7 million, increased by THB 111.4 million or 6.8% YoY. However, in 2023, the Company recorded revenue from work under concession contract regarding the interpretation of Thai Financial Reporting Standards No. 12: Service Concession Agreements (TFRIC 12) as revenue from contracts with customers for THB 143.0 million, which was recorded equal to the cost of equipment and systems invested in new Siem Reap International Airport ready for use. The airport began operating on October 16, 2023.

Therefore, excluding revenue from work under concession contract in 2023, the Company will have increased service income by THB 254.4.1 million or 16.9% YoY due to the increased number of flights.

The Company’s service income is divided into 3 types as follows:

- Revenue from services for flights landing and take-off within the country (Landing & Take-off: Domestic)
- Revenue from services for flights landing and take-off from international flight (Landing & Take-off: International)
- Revenue from services for flights flying through Cambodian’s airspace (Overflight)

In 2024, the Company had the number of flights and service income classified by flight type in comparison with 2023 data as follows.

- Table of the number of flights classified by flight type.

(Unit: Flight)

ITEM	Y2024	Y2023	%YoY
Landing & Take-off : Domestic	5,390	6,034	(10.7%)
Landing & Take-off : International	26,509	23,238	14.1%
Overflight	71,988	63,413	13.5%
Total Flights	103,887	92,685	12.1%

In 2024, the Company had 103,887 flights of all types providing services, increased by 11,202 flights or 12.1% YoY.

- Table of service income classified by flight type, expressed in US dollars and Thai baht.

(Unit: USD million)

ITEM	Y2024	Y2023	%YoY
Landing & Take-off : Domestic	0.8	0.3	152.5%
Landing & Take-off : International	16.3	14.1	15.8%
Overflight	32.7	28.7	14.0%
Total Service Income	49.8	43.1	15.6%

(Unit: THB million)

ITEM	Y2024	Y2023	%YoY
Landing & Take-off : Domestic	30.0	11.6	158.2%
Landing & Take-off : International	575.2	490.8	17.2%
Overflight	1,150.4	998.8	15.2%
Total Service Income	1,755.7	1,501.3	16.9%

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Gross Profit

Gross Profit was THB 913.0 million, increased by THB 134.2 million or 17.2% YoY. The Company has a gross profit margin of 52.0%.

Servicing and administrative expenses

Servicing and administrative expenses were THB 270.5 million, increased by THB 6.5 million or 2.5% YoY, mainly from the termination of some assets under the service concession due to the closure of the old Siem Reap International Airport, resulting in a loss from asset impairment of THB 9.5 million, which was recorded as administrative expenses. Meanwhile, other types of expenses decreased by THB 3.0 million.

Other expenses

Other expenses were THB 54.8 million, decreased by THB 42.1 million or 43.5% YoY, which mainly came from receiving dividends from Cambodia Air Traffic Services Company Limited ("CATS") of USD 14.0 million, while in 2023, the Company received dividends in the amount of USD 25.5 million, resulting in a decrease in the Company's withholding tax expense for dividends received by THB 38.9 million. The withholding tax rate in Cambodia is equal to 14.00%. However, Thailand and Cambodia have a Double Tax Agreement (DTA), which requires withholding tax to be deducted at a rate equal to 10.00% of the dividend amount.

Financial Expenses

Financial expenses were THB 7.1 million, decreased by THB 62.2 million or 89.7% YoY as the Company repaid long-term loans from financial institutions in full since October 11, 2023.

Net Profit

The Company had net profit attributable to shareholders of THB 464.3 million, which increased by THB 192.8 million or 71.0% YoY.

Financial Position

Assets

As of 31 December 2024, the Company had total assets of THB 2,178.1 million, an increase of THB 296.7 million compared to the end of 2023 due to cash & cash equivalents and trade & other receivables increased by 281.1 MB from operations, and intangible assets decreased by 64.4 MB mainly from amortization for the period.

Liabilities

As of 31 December 2024, the Company had total liabilities of THB 652.6 million, a decrease of THB 47.1 million compared to the end of 2023, mainly from the increase in accrued revenue sharing under service concession arrangement and CATS's income tax payable for 2024 according to the increased service income.

Shareholder's Equity

As of 31 December 2024, the Company had shareholders' equity of THB 1,525.5 million, an increase compared to the end of 2023 of THB 249.6 million from comprehensive income for the period of THB 441.5 million, while an interim dividend was paid in 2024 of THB 192.0 million.