

2Q 2024: Management Discussion and Analysis

2Q 2024 Highlights

In this quarter, Samart Corporation Public Company Limited or “SAMART” recorded the total revenues for the three-month period of Baht 2,104 million, increased by Baht 29 million or 1% YoY, which mainly increased from the power substation business and the providing air navigation services in Cambodia’s airspace under the utilities and transportations business and airtime service under the digital communication business. While comparing to 1Q24 the total revenues slightly decreased by Baht 1 million or 0.1% QoQ.

The Company had gross profit Baht 523 million, increased by Baht 87 million or 20% YoY and increased by Baht 55 million or 12% QoQ. The gross profit margin was 25.1%, increased by 3.8% compared to 2Q23 of 21.3% and increased by 2.6% compared to 1Q24 of 22.5%

The Company 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 this quarter. However, if not including the impact of long-term provisions from litigation, the Company will recognize net profit attributable to equity holders of the Company of Baht 101 million, which increased by Baht 75 million or 292.1% YoY and increased by Baht 45 million or 82.7% QoQ.

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 2Q24, Digital Communications business had total backlog worth Baht 1,139 million.

Digital ICT Solution Business

(Samart Telcoms PCL. or “SAMTEL”)

In this quarter, the new projects were signed with the total value of THB 385 million. By the end of 2Q24, Digital ICT Solution Business had total backlog worth Baht 3,635 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 24,678 flights, increased by 1,609 flights or growth by 7% YoY and increased by 544 flights or growth by 2% 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 2Q24, the Utilities and Transportations business had total backlog worth Baht 9,658 million.

Financial Performance

Revenues

In 2Q24, the consolidated sales, contract works and services revenues of SAMART were Baht 2,083 million (after elimination of related parties' transaction), increased by Baht 40 million or 2% YoY which was from the following reasons in each business line;

Digital Communications Business

In 2Q24, the revenue from sales, contract works and services were Baht 107 million, decreased by Baht 7 million or 6% YoY. Due to revenue from contract work of trading equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project decreased by Baht 58 million YoY and sales from trading business decreased by Baht 17 million YoY while revenue from airtime service increased by Baht 69 million YoY.

Digital ICT Solution Business

In 2Q24, the revenue from sales, contract works and services were Baht 726 million which decreased by Baht 256 million or 26% YoY.

Utilities and Transportations Business

In 2Q24, the revenue from sales, contract works and services were Baht 1,249 million, increased by Baht 303 million or 32% YoY. This was mainly from revenue from the power substation business increased by Baht 201 million YoY and revenue from the providing air navigation services in Cambodia's airspace increased by Baht 72 million YoY.

Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were Baht 1,560 million, decreased by Baht 47 million or 3% YoY.

Selling & Administrative Expenses and Other expense

Selling & Administrative expenses and other expense were Baht 568 million, which represented 27% of total revenues of the Company, increased by Baht 273 million YoY which mainly came from the impacts of long-term provisions from litigation of Baht 283 million in this quarter.

Finance Cost

Finance cost was Baht 82 million, decreased by Baht 60 million or 42% YoY.

Net Profit (Loss)

Net loss attributable to the equity holders of the Company was Baht 183 million. Net loss increased by Baht 209 million YoY, which in 2Q23 the company reported net profit attributable to equity holders of the Company of Baht 26 million, due to the impacts of long-term provisions from litigation of Baht 283 million in this quarter.

Financial Position

As of 30 Jun 2024, SAMART reported the total assets of Baht 16,705 million, decreased by 13% compared to the year-end of 2023. The total liabilities were Baht 10,306 million, decreased by 19% compare to the end of 2023. The total shareholders' equity was reported Baht 6,399 million.