

## 1Q 2024: Management Discussion and Analysis

### 1Q 2024 Highlights

In this quarter, Samart Corporation Public Company Limited or "SAMART" recorded the total revenues for the three-month period of Baht 2,114 million, decreased by Baht 397 million or 16% YoY, which mainly decreased from the Digital Communications business. The revenue from contract work of trading equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project decreased by Baht 640 million YoY while revenue from airtime service increased by Baht 63 million YoY. For Utilities and Transportations business revenue had increased that mainly from the power substation business which increased by Baht 150 million YoY and revenue from the providing air navigation services in Cambodia's airspace increased by Baht 67 million YoY.

The Company had gross profit Baht 462 million, increased by Baht 38 million or 9% YoY. The gross profit margin was 22.2%, increased by 4.9% compared to 1Q23 of 17.3%.

The Company reported the consolidated net profit attributable to equity holders of the Company of Baht 55 million, increased by Baht 81 million or 309% YoY, which in 1Q23 the company reported net loss attributable to equity holders of the Company of Baht 26 million.

### **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 recognised 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 1Q24, Digital Communications business had total backlog worth Baht 1,220 million.

### **Digital ICT Solution Business**

#### **(Samart Telcoms PCL. or "SAMTEL")**

By the end of 1Q24, Digital ICT Solution business had total backlog worth Baht 3,852 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 24,213 flights, increased by 2,076 flights or growth by 9% YoY and increased by 789 flights or growth by 3% 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 1Q24, the Utilities and Transportations business had total backlog worth Baht 10,340 million.

## Financial Performance

### Revenues

In 1Q24, the consolidated sales, contract works and services revenues of SMART were Baht 2,081 million (after elimination of related parties' transaction), decreased by Baht 375 million or 18% YoY which was from the following reasons in each business line;

### Digital Communications Business

In 1Q24, Sales, contract works and services revenues from SDC were Baht 122 million, decreased by Baht 569 million or 82% 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 640 million YoY while revenue from airtime service increased by Baht 63 million YoY.

### Digital ICT Solution Business

The revenues from sales, contract works and services in 1Q24 were Baht 869 million which slightly decreased by Baht 8 million or 1% YoY.

### Utilities and Transportations Business

In Q1/24, the revenues from sales, contract works and services were Baht 1,089 million, increased by Baht 205 million or 23% YoY. This was mainly from revenue from the power substation business increased by Baht 150 million YoY and revenue from the providing air

navigation services in Cambodia's airspace increased by Baht 67 million YoY.

### Cost of Sales, Contracts Works and Services

Cost of sales, contract works and services were Baht 1,619 million, decreased by Baht 413 million or 26% YoY.

### Selling & Administrative Expenses and Other expense

Selling & Administrative expenses and other expense were Baht 292 million, which represented 14% of total revenues of the Company, decreased by Baht 71 million or 20% YoY which mainly came from withholding tax expenses of Smart Aviation Solutions Public Company Limited (SAV) decreased by Baht 30 million YoY. Comparing with 4Q23, Selling & Administrative expenses and other expense decreased by Baht 123 million or 30% QoQ which mainly came from withholding tax expenses of Smart Aviation Solutions Public Company Limited (SAV) decreased by Baht 25 million QoQ and the impact of impairment for loss on asset in accordance with Thai Accounting Standard and the impacts of long-term provisions from litigation which recognise in previous quarter.

### Finance Cost

Finance cost was Baht 91 million, decreased by Baht 48 million or 34% YoY and decreased by Baht 16 million or 15% QoQ.

### **Net Profit**

Net profit attributable to the equity holders of the Company was Baht 55 million, increased by Baht 81 million or 309% YoY which in 1Q23 the company reported net loss attributable to equity holders of the Company of Baht 26 million. Comparing with 4Q23, Net Profit attributable to the equity holders of the Company increased by Baht 238 million, or 130% QoQ which in 4Q23 the company reported net loss attributable to equity holders of the Company of Baht 183 million.

### **Financial Position**

As of 31 Mar 2024, SAMART reported the total assets of Baht 17,663 million, decreased by 8% compared to the year-end of 2023. The total liabilities were Baht 11,152 million, decreased by 13% compare to the end of 2023. The total shareholders' equity was reported Baht 6,511 million.