2Q26: Management Discussion and Analysis

Business overview

In 2Q26, Samart Digital PLC. (SDC) reported total consolidated revenue in an amount of Baht 294 million, increased by Baht 153 million or 108.1% YoY. Moreover, compared to 1Q26, the total consolidated revenue increased by Baht 178 million or 151.9% QoQ. This was primarily from the revenue of device installation for The Ministry of Interior of the Kingdom of Thailand (MOI) Project of Baht 183 million.

The Company reported operating profit of Baht 33 million, decreased by Baht 6 million or 14.5% YoY. This was primarily from the decrease of the Airtime service profit. However, the operating profit of this quarter was better, compared to 1Q26, which the Company reported the operating loss of Baht 1 million. This was primarily from the subsidiary has recognized an allowance for diminution in value of unused Bulk and Package assets of mobile services of Baht 37 million in 1Q26, in accordance with accounting standards.

The Company reported the consolidated net profit attributable to equity holders of the Company of Baht 14 million, which was close to 2Q25. However, the Company reported the consolidated net profit attributable to equity holders of the Company in 2Q26 was better than 1Q26, in which reported the net loss attributable to equity holders of the Company of Baht 22 million. This was primarily from the subsidiary has recognized an allowance for diminution in value of unused Bulk and Package assets of mobile services of Baht 37 million in 1Q26, in accordance with accounting standards.

Financial highlights

Revenue breakdown in Million Baht

Business Unit	2/26	2/25	%YoY	1/26	%QoQ
Digital Network	277	119	133.4%	93	197.4%
Digital Content	17	22	(22.8%)	21	(18.6%)
Total revenue*	294	141	108.7%	114	157.4%

* Total Revenue (sales, service revenue and revenue from contract work)

Revenue

Digital Network Business: This quarter, the revenue of Digital Network business reported of Baht 277 million, which represented 94.2% of total revenue. The revenue increased by Baht 158 million or 133.4% YoY, and increased by Baht 184 million or 197.4% QoQ.

Digital Content business: This quarter, the revenue of Digital Content business reported of Baht 17 million, which represented 5.8% of total revenue. The revenue decreased by Baht 5 million or 22.8% YoY, and decreased by Baht 4 million or 18.6% QoQ.

Gross profit

In 2Q26, Samart Digital PLC. (SDC) reported the gross profit of Baht 50 million, decreased by Baht 3 million or 5.9% YoY. However, compared to 1Q26, the gross profit in this quarter increased by Baht 3 million or 5.4% QoQ.

In 2Q26, the gross profit margin was 17.1%, decreased YoY, from 37.9% in 2Q25. Moreover, the gross profit margin in this quarter decreased QoQ, from 41.8% in 1Q26. The main cause was the revenue recognition of installation of the project work which had a relatively high proportion in this quarter, but the gross profit margin of such work was not high. Thus resulting in the decrease in the gross profit margin of this quarter.

S&A and other expenses

In 2Q26, selling and administrative expenses including other expenses reported of Baht 18 million, increased by Baht 2 million or 14.2% YoY. While selling and administrative expenses including other expenses in this quarter decreased by Baht 33 million or 65.0% QoQ. Due to the subsidiary has recognized an allowance for diminution in value of unused Bulk and Package assets of mobile services of Baht 37 million in 1Q26, in accordance with accounting standards.

Financial costs

In 2Q26, financial costs reported of Baht 20 million, decreased by Baht 5 million or 19.2% YoY, and decreased by Baht 2 million or 7.9% QoQ. This was mainly resulted from the decrease in interest expense because the Company has continuously repaid long-term loans to financial institutions.

Net Profit (Loss)

In 2Q26, the consolidated net profit attributable to equity holders of the Company of Baht 14 million, which was close to 2Q25. However, the Company reported the consolidated net profit attributable to equity holders of the Company in 2Q26 was better than 1Q26, in which reported the net loss attributable to equity holders of the Company of Baht 22 million. This was primarily from the subsidiary has recognized an allowance for diminution in value of unused Bulk and Package assets of mobile services of Baht 37 million in 1Q26, in accordance with accounting standards.

Financial position

As at June 30, 2026, SDC reported total assets at Baht 2,910 million, decreased by Baht 37 million or 1.3% compared with December 31, 2025, mainly resulted from trade and other accounts receivable decreased by Baht 112 million, equipment decreased by Baht 31 million, and inventories decreased by Baht 26 million. While cash and cash equivalents increased by Baht 132 million.

The Company reported total liabilities at Baht 2,550 million, decreased by Baht 29 million or 1.1% compared with December 31, 2025, mainly resulted from current portion of long-term loans from financial institutions decreased by Baht 116 million, and unearned revenue decreased by Baht 96 million. While trade and other accounts payable increased by Baht 190 million.

Total shareholders' equity was Baht 360 million, decreased by Baht 8 million or 2.2% compared with December 31, 2025.

Liquidity

As of June 30, 2026, SDC and its subsidiaries reported cash and cash equivalents of Baht 277 million, increased from the end of 2025 by Baht 132 million or 91.0%, with the details of the sources and uses of cash as follows:

- Net cash generated from operating activities was Baht 276 million.
- Net cash used in investing activities was Baht 18 million.
- Net cash used in financing activities was Baht 126 million, which was mainly for the repayment of long-term loans from financial institutions.