

1Q21: Management Discussion and Analysis

Business overview

In 1Q21, Samart Digital PLC. (SDC) reported quarterly consolidated revenues of Baht 99 million, decreased by Baht 162 million or 62.1% YoY, majorly contributed from the decrease in revenue of Digital Network business from trading equipment and decrease in revenue of Digital Content business from the reduction of revenue of mobile content and impact of COVID-19 has an effect in reschedule of broadcasting football and increased by Baht 38 million or 62.3% QoQ, majorly contributed from the increase in revenue of Digital Network business from trading equipment.

Operation loss (EBT) of Baht 64 million increasing by Baht 23 million or 54.6% YoY resulting from decreasing in gross profit and decreasing in other income from gain on exchange rate, gain on fixed asset and gain on sale of EDT but decreased by Baht 38 million or 37.1% QoQ resulting from decreasing in depreciation expense that was due to fully depreciation and decreasing in salary from subsidiary company.

The Company reported the consolidated net loss attributable to equity holders of the Company at Baht 69 million, increased by Baht 10 million YoY, but decreased by Baht 146 million QoQ.

Financial highlights

Revenue breakdown			in Million Baht		
Business Unit	1/21	1/20	%YoY	4/20	%QoQ
Digital Network	60	200	(70.0%)	5	1,100.0%
Digital Content	39	61	(36.1%)	56	(30.4%)
Total revenue*	99	261	62.1%	61	62.3%

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

Revenue

Digital Network Business: this quarter, the revenue of digital network business was reported at Baht 60 million, which represented 60.6% of total revenues, decreased at Baht 140 million, which represented 70.0% YoY, from trading equipment and increased by Baht 55 million or 1,100.0% QoQ, which mainly resulted from trading equipment.

Digital Content business: The revenue of digital content business in this quarter was reported at Baht 39 million, which represented 39.4% of total revenues, decreased at Baht 22 million, which represented 36.1% YoY.

Comparing to 4Q20, the revenue of digital content business decreased by Baht 17 million or 30.4% QoQ, which mainly resulted from the reduction of revenue from mobile content. Moreover, an impact of Covid-19 has an effect in reschedule of broadcasting football result in delay of revenue from broadcasting services.

Gross profit

In 1Q21, overall gross profit of the Company was reported at Baht 2 million, decreased by Baht 22 Million YoY, mainly resulted from Digital Network business in which declining in revenue from trading equipment, and Digital Content business in which declining in revenue from mobile content and the postponement of revenue from broadcasting football due to Covid-19.

Moreover, decreased by Baht 3 Million QoQ, mainly resulted from Digital Content business.

S&A and other expenses

In 1Q21, selling and administrative expenses including other expenses were Baht 37 million, decreased by Baht 7 million or 15.5% YoY, and decreased by Baht 12 million or 24.6% QoQ because of decreasing in depreciation expense that was due to fully depreciation and decreasing in salary expense.

Financial costs

In 1Q21, financial costs were Baht 35 million, decreased by Baht 16 million or 31.3% YoY, mainly resulted from repayment of the principle and reduction of interest rate and decreased by Baht 3 million or 7.1% QoQ, It was due to no repayment of the principle in last quarter.

Net profit

In 1Q21, the consolidated net loss attributable to equity holders of the Company was Baht 69 million, increased by Baht 10 million or 16.9% YoY but decreased by Baht 146 million or 67.9% QoQ.

Financial position

As at March 31, 2021, SDC reported total assets of Baht 4,342 million, a decrease of Baht 50 million or 1.1% compared with last year, mainly from decreasing in cash and cash equivalents due to repayment loans, decreasing in Advance for purchase of inventories, and decreasing in equipment from depreciation which has been written off during the period.

The Company also reported its total liabilities at Baht 3,903 million increased by Baht 6 million or 0.2%, mainly resulted from increasing in trade payables and decreasing in unearned revenue from delivered goods to customers.

Total shareholders' equity was Baht 439 million, decreased by Baht 56 million or 11.4% compared with Baht 495 million at the end of 2020 as a result of net loss in this period.