

1Q24: Management Discussion and Analysis

Business overview

In 1Q24, Samart Digital PLC. (SDC) reported quarterly consolidated total revenue in an amount of Baht 191 million, decreased by Baht 509 million or 72.7% YoY and decreased by Baht 95 million or 33.1% QoQ. The revenue majorly contributed by digital network business from airtime service and sales in trading business which different from prior year that revenue mainly from the revenue of trading equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project. The revenue of digital content business was mainly from mobile content and Video Assistant Referee (VAR) Service.

The Company reported operating profit (EBT) of Baht 16 million increased by Baht 29 million YoY, which 1Q23 was reported at loss of Baht 13 million. Comparing to last quarter, operating profit (EBT) increased by Baht 106 Million QoQ, which 4Q23 was reported at loss of Baht 90 million.

The Company reported the consolidated net loss attributable to equity holders of the Company of Baht 18 million, decreased by Baht 44 million YoY, and decreased by Baht 136 million QoQ.

Financial highlights

Revenue breakdown			in Million Baht		
Business Unit	1/24	1/23	%YoY	4/23	%QoQ
Digital Network	170	664	(74.4%)	204	(16.6%)
Digital Content	20	31	(35.5%)	27	(25.9%)
Total revenue*	190	695	(72.7%)	231	(17.7%)

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

Revenue

Digital Network Business: This quarter, the revenue of digital network business was reported of Baht 170 million, which represented 89.5% of total revenue. Comparing 1Q24 to 1Q23, the revenue decreased by Baht 494 million or 74.4% YoY and decreased by Baht 34 million or 16.6% QoQ.

Digital Content business: This quarter, the revenue of digital content business was reported of Baht 20 million, which represented 10.5% of total revenue. Comparing 1Q24 to 1Q23, the revenue decreased by Baht 11 million or 35.5% YoY and decreased by Baht 7 million or 25.9% QoQ.

Gross profit

In 1Q24, overall gross profit of the Company was reported of Baht 31 million due to airtime service, increased by Baht 30 million YoY, which 1Q23 was reported of Baht 1 million. Comparing to last quarter, gross profit increased by Baht 55 Million QoQ, which 4Q23 was reported at loss of Baht 25 million.

S&A and other expenses

In 1Q24, selling and administrative expenses including other expenses were reported of Baht 16 million, decreased by Baht 3 million or 15.7% YoY and decreased by Baht 104 million or 86.6% QoQ, mainly resulted from impairment loss on asset and loss from long-term provision in last quarter.

Financial costs

In 1Q24, financial costs were Baht 34 million, decreased by Baht 15 million or 29.7% YoY and decreased by Baht 10 million or 22.5% QoQ. Due to the decreasing in loans from financial institutions.

Net loss

In 1Q24, the consolidated net loss attributable to equity holders of the Company was reported of Baht 18 million, decreased by Baht 44 million or 70.7% YoY and decreased by Baht 136 million or 88.1% QoQ, mainly resulted from impairment loss on asset and loss from long-term provision in last quarter.

Financial position

As at Mar 31, 2024, SDC reported total assets at Baht 4,136 million, decreased by Baht 464 million or 10.1% compared with December 31, 2023, mainly resulted from the decreasing in trade and other receivables of Baht 1,243 million. While Cash and cash equivalents increased by Baht 796 million.

The Company also reported its total liabilities at Baht 3,935 million, decreased by Baht 475 million or 10.8%, which trade and other payables decreased by Baht 517 million, bank overdrafts decreased by Baht 63 million and current portion of long-term loans from financial institutions decreased by Baht 55 million. While unearned revenue increased by Baht 151 million and convertible debentures increased by Baht 10 million.

Total shareholders' equity was Baht 210 million, increased by Baht 11 million or 5.4% compared with December 31, 2023, as a result from the increasing of the converted convertible debenture of Baht 29 million while net comprehensive loss in this period of Baht 18 million.