

2Q24: Management Discussion and Analysis

Business overview

In 2Q24, Samart Digital PLC. (SDC) reported quarterly consolidated total revenue in an amount of Baht 112 million, which majorly contributed by airtime service in digital network business. Comparing to 2Q23, total revenue decreased by Baht 7 million or 5.5% YoY. Due to the Company had revenue mainly from installation equipment for The Ministry of Interior of the Kingdom of Thailand (MOI) Project in 2Q23. Comparing to 1Q24, total revenue decreased by Baht 79 million or 41.5% QoQ. As the decreasing in revenue from sales in trading business.

The revenue of digital content business was mainly from mobile content and Video Assistant Referee (VAR) Service.

The Company reported operating profit of Baht 15 million, which was better than in 2Q23 that reported operating profit at loss of Baht 49 million. Comparing to last quarter, operating profit slightly decreased by Baht 0.6 Million QoQ.

The Company reported the consolidated net loss attributable to equity holders of the Company of Baht 18 million, decreased by Baht 72 million YoY, and decreased by Baht 0.5 million QoQ.

Financial highlights

Revenue breakdown			in Million Baht		
Business Unit	2/24	2/23	%YoY	1/24	%QoQ
Digital Network	85	91	(6.5%)	170	(49.9%)
Digital Content	24	25	(4.0%)	20	20.0%
Total revenue*	109	116	(6.0%)	190	(42.5%)

* 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 85 million, which represented 78.0% of total revenue. The revenue decreased by Baht 6 million or 6.5% YoY and decreased by Baht 85 million or 49.9% QoQ.

Digital Content business: This quarter, the revenue of digital content business was reported of Baht 24 million, which represented 22.0% of total revenue. The revenue decreased by Baht 1 million or 4.0% YoY and increased by Baht 4 million or 20.0% QoQ.

Gross profit

In 2Q24, gross profit of the Company was reported of Baht 31 million, which was mainly from margin of airtime service. Comparing to 2Q23 gross profit increased by Baht 57 million YoY, which 2Q23 was reported at loss of Baht 27 million. Comparing to 1Q24, gross profit was similar to the previous quarter, which 1Q24 was reported of Baht 31 million.

The gross profit margin was 28.2%, which was better than gross profit margin in 2Q23 that was reported loss in gross margin of 23.0% and increased by 11.9% compared to 1Q24 of 16.3%

S&A and other expenses

In 2Q24, selling and administrative expenses including other expenses were reported of Baht 18 million, decreased by Baht 6 million or 25.3% YoY due to the loss from exchange rate of Baht 5 million in 2Q23. While a selling and administrative expenses including other expenses increased by Baht 2 million or 12.7% QoQ.

Financial costs

In 2Q24, financial costs were Baht 34 million, decreased by Baht 9 million or 20.6% YoY and similar to the previous quarter, which 1Q24 was reported of Baht 34 million.

Net loss

In 2Q24, the consolidated net loss attributable to equity holders of the Company was reported of Baht 18 million, decreased by Baht 72 million or 80.2% YoY due to the increasing of Airtime Margin. Comparing to 1Q24, net loss attributable to equity holders of the Company decreased by Baht 0.5 million or 2.7% QoQ.

Financial position

As at Jun 30, 2024, SDC reported total assets at Baht 3,347 million, decreased by Baht 1,252 million or 27.2% compared with December 31, 2023, mainly resulted from the decreasing in trade and other receivables of Baht 1,180 million, equipment decreased by Baht 29 million and other current asset decreased by Baht 29 million.

The Company also reported its total liabilities at Baht 3,136 million, decreased by Baht 1,274 million or 28.9%, which trade and other payables decreased by Baht 1,206 million, current portion of long-term loans from financial institutions decreased by Baht 164 million and bank overdrafts decreased by Baht 64 million. While unearned revenue increased by Baht 151 million and convertible debentures increased by Baht 9 million.

Total shareholders' equity was Baht 211 million, increased by Baht 21 million or 11.1% compared with December 31, 2023, as a result from the increasing of the converted convertible debenture of Baht 70 million while net comprehensive loss of Baht 36 million and decreasing of non-controlling interests of the subsidiaries of Baht 13 million.