

## Management Discussion and Analysis for the Year 2017

### Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the year 2017 compared to the prior year are as follows;

For the year 2017 the Group reported total revenues at THB 826.7 million, decreased by THB 142.2 million or 14.7% when compared to the prior year. It mainly decreased from the revenue from services and revenue from contract work. The total cost was reported at THB 695.4 million, decreased by THB 103.3 million or 12.9%. The gross profit for the year 2017 was decreased by THB 40.7 million or 24.9% and gross profit margin to total revenues was at 15.0%.

The Group reported total net profit for the year 2017 at THB 50.4 million, decreased by THB 32.9 million or 39.5% when compared to the prior year. It resulted from the decreasing of gross profit margin, followed the declining of revenues. Net profit margin to total revenues was at 6.1%.

### Revenues

The structure of revenues for the year ended 31 December 2017 and 2016 are as follows;

<i>Unit: THB million</i>	<b>Y2017</b>	<b>Y2016</b>	<b>% Change</b>
<b>1. Revenue from sales and contract work</b>	<b>21.4</b>	<b>87.7</b>	<b>-75.6%</b>
1.1 Turnkey Total Solutions	21.4	87.7	-75.6%
<b>2. Revenue from services</b>	<b>796.8</b>	<b>874.4</b>	<b>-8.9%</b>
2.1 Fully Outsourced Contact Center Management Service	540.4	647.0	-16.5%
2.2 Outsourced Contact Center Facility	54.0	86.6	-37.6%
2.3 Outsourced Customer Service Representative	142.0	99.2	43.1%
2.4 Maintenance Service	60.4	41.6	45.2%
<b>Total</b>	<b>818.2</b>	<b>962.1</b>	<b>-15.0%</b>

#### 1. Revenue from sales and from contract work

**1.1 Turnkey Total Solutions** generated revenue of THB 21.4 million in this year, decreased by THB 66.3 million or 75.6% when compared to the prior year. It was mainly from the decreasing of number of projects which was a result of economic slowdown, then most of projects has been postponed.

#### 2. Revenue from services

Revenue from services for this year was totally at THB 796.8 million, decreased by THB 77.6 million or 8.9% when compared to the prior year. The details are as follows;

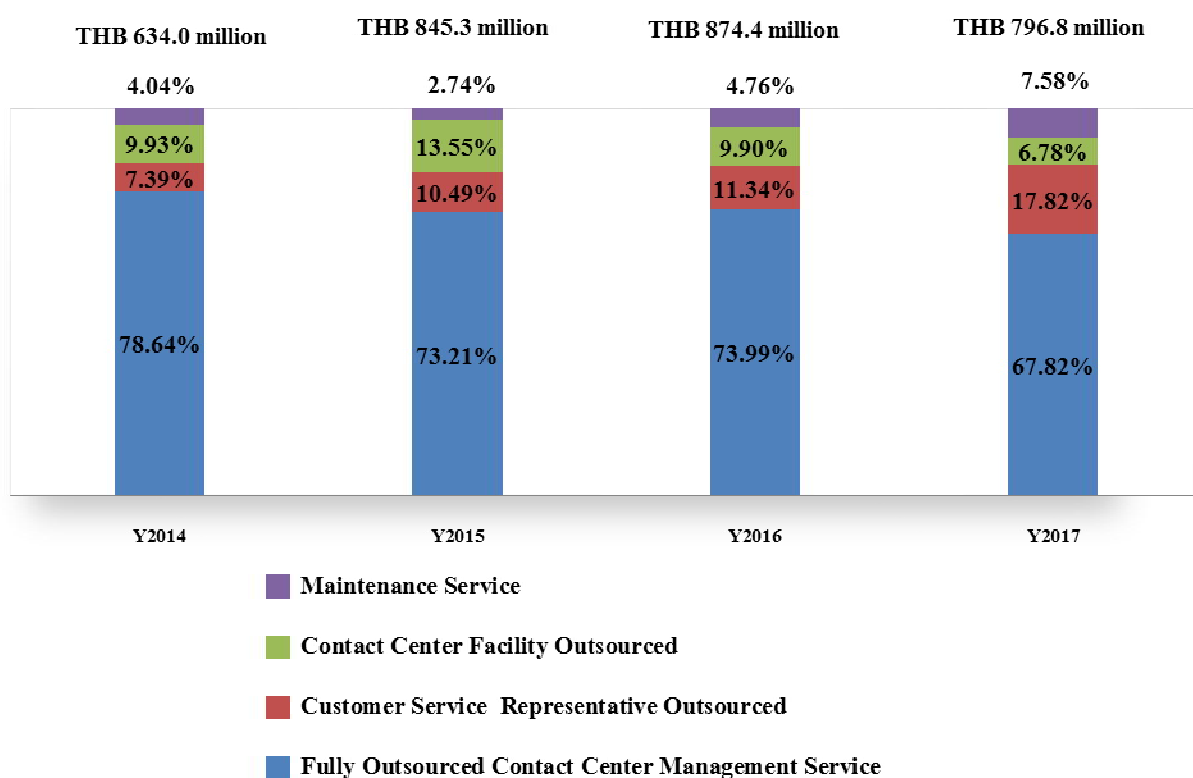
**2.1 Revenue from Fully Outsourced Contact Center Management Service** for this year was THB 540.4 million, decreased by THB 106.6 million or 16.5% when compared to the prior year. It was mainly decreased from the customers of the Government. According to the increased of the market competition both of the competitor and the pricing, some projects could not continue to extend the services. However, the Private sector’s customer has continued growth, both from new customers and existing customers expanding the services.

**2.2 Revenue from Contact Center Facility Outsourced** for this year was THB 54.0 million, decreased by THB 32.6 million or 37.6% when compared to the prior year. It was mainly decreased from Private sector's customer of insurance since the market trend of Insurance Outbound Telesales services was slowdown which because of the highly strict of relevant laws and also the various ways of approach the customer.

**2.3 Revenue from Customer Service Representative Outsourced** for this year was THB 142.0 million, increased by THB 42.8 million or 43.1% when compared to the prior year. It mainly increased both from new customers and existing customers of the Government and State Enterprise sector.

**2.4 Revenue from Maintenance Service** for this year was THB 60.4 million, increased by THB 18.8 million or 45.2% when compared to the prior year. It mainly increased from the Government and State Enterprise sector which the warranty from Turnkey Total Solutions expired and then continued with the maintenance service.

### The structure of revenue from services



### Gross Profit

For this year, gross profit margin of the Group was reported at THB 122.7 million and gross profit margin to total revenues was at 15.0%, decreased from 17.0% of the prior year. Gross profit margin decreased mainly from the declining of revenue which because of the high market competitive in the competitor and pricing and also the slowdown of the turnkey project's customer. Besides, it was from the increased of some costs such as repair and maintenance expenses and data center service fee etc.

## Selling Expenses, Administrative Expenses and Other Expenses

The Group has selling expenses, administrative expenses and other expenses for this year, totally at THB 70.6 million, slightly increased from the prior year by THB 2.6 million or 3.9% which was mainly from other service fee and data center service fee.

## Net Profit

The Group reported total net profit for this year at THB 50.4 million, decreased by THB 32.9 million or 39.5% when compared to the prior year. It resulted from the declining of gross profit. Net profit margin was at 6.1% which decreased from the prior year.

## Financial Position

### Total assets

As at 31 December 2017, the Group reported total assets at THB 946.5 million, decreased by THB 65.3 million or 6.5% when compared to the prior year. It was mainly from the depreciation of equipments during the year and also the collection of trade and other accounts receivable.

### Total liabilities

As at 31 December 2017, the Group reported total liabilities at THB 83.1 million, decreased by THB 54.4 million or 39.6% when compared to the prior year. It decreased mainly from trade and other payables.

### Financial ratio

The Group reported financial ratio as at 31 December 2017 as follows;

Financial ratio	Y2017	Y2016
Liquidity (times)	11.81	6.96
Debt to Equity (times)	0.10	0.16
Return on Equity (%)	5.81%	9.73%
Return on Assets (%)	5.15%	8.21%
Gross Profit Margin (%)	15.00%	16.99%
EBIT Margin (%)	7.34%	10.55%
Net Profit Margin (%)	6.10%	8.61%