

MCOT Public Company Limited



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Ref: MCOT/ 6138/1444

August 10, 2021

The Stock Exchange of Thailand

Attn: The President

Re: Management's Discussion and Analysis (MD&A) on the Company's Operating Results for 3-Month and 6-Month Period Ended June 30, 2021

On August 10, 2021, the Board of Directors of MCOT Public Company Limited, at the Meeting No. 10/2021, has resolved to approve the Financial Statements ended June 30, 2021, which were reviewed by EY Company Limited and the Audit Committee of MCOT, the details of which are as follows:

Management's Discussion and Analysis (MD&A) on the Company's Operating Results for 3-Month and 6-Month Period Ended June 30, 2021

The Company's operating results in Q2-2021 showed profitability that continued from the previous quarter. Profits in Q2-2021 and the first six months were 43 million and 79 million Baht, which increased 123% and 107%, compared to the same period of 2020 respectively. Such profitability was due to increased revenue and continued cost management, bringing a significant cost reduction in 2021. The management of MCOT, therefore, explains the details of the changes, operations as well as established measures to enhance the Company's competitiveness as follows:

Operating Results of MCOT Plc. and Subsidiaries

	Unit: Million Baht (Reviewed)		
	Jan-Jun 2021	Jan-Jun 2020	%YoY
Total Revenue	751	785	-4
Television	233	183	+27
Radio	202	230	-12
Broadcast Network Operator (BNO) + C-Band	224	196	+14
Digital and New Business	33	33	-
Joint Operation (concession)	-	101	-
Others	59	42	+40
Total Expense	672	1,847	-64
Profit (loss) before income tax expenses	79	(1,062)	+107
Profit (loss) for the period	79	(1,062)	+107
Earnings (loss) per share (Baht)	0.12	(1.54)	+108
Profit (loss) attributable to:			
Equity holders of the Company	79	(1,061)	+107
Non-controlling interests of the subsidiaries	(0.4)	(0.3)	-33

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Unit: Million Baht (Reviewed)

	Apr-Jun 2021	Apr-Jun 2020	%YoY	Jan-Dec 2020	%QoQ
Total Revenue	389	319	+22	362	+7
Television	129	83	+55	103	+25
Radio	102	97	+5	100	+2
Broadcast Network Operator (BNO) + C-Band	113	105	+8	112	+1
Digital and New Business	20	14	+43	13	+54
Joint Operation (concession)	-	-	-	-	-
Others	25	20	+25	34	-26
Total Expense	346	503	-31	326	+6
Profit (loss) before income tax expenses	43	(184)	+123	35	+23
Profit (loss) for the period	43	(184)	+123	35	+23
Earnings (loss) per share (Baht)	0.06	(0.27)	+122	0.05	+20
Profit (loss) attributable to:					
Equity holders of the Company	44	(184)	+124	35	+26
Non-controlling interests of the subsidiaries	(0.2)	(0.2)	-	(0.2)	-

Significant issues in Q2-2021

- The fact that MCOT was able to earn more revenue caused revenue in Q 2-2021 to increase 22% compared to the same period of 2020. Continued from Q1 to Q2-2021, profits in Q2-2021 and the first six months were 43 million and 79 million Baht.
- Advertising spending in TV industry increased 29%. MCOT's TV revenue in Q 2-2021 increased 55% due to an increase in revenue in news and own programs and special projects with public sectors as well as increased proportion of time rental programs. Also, radio revenue increased 5%, slightly higher than the overall industry.
- Total revenue in the first six months of 2021 dropped 4%, compared to 2020, due to expiration of the Agreement on Joint Business Operations since March 2020.
- Effective cost management continued from 2020. For instance, content management focusing on seeking partnership and adjustment of personnel cost structure through launch of mutual separation program. This brought a 31% cost reduction in Q2-2021, compared to the same period of 2020.

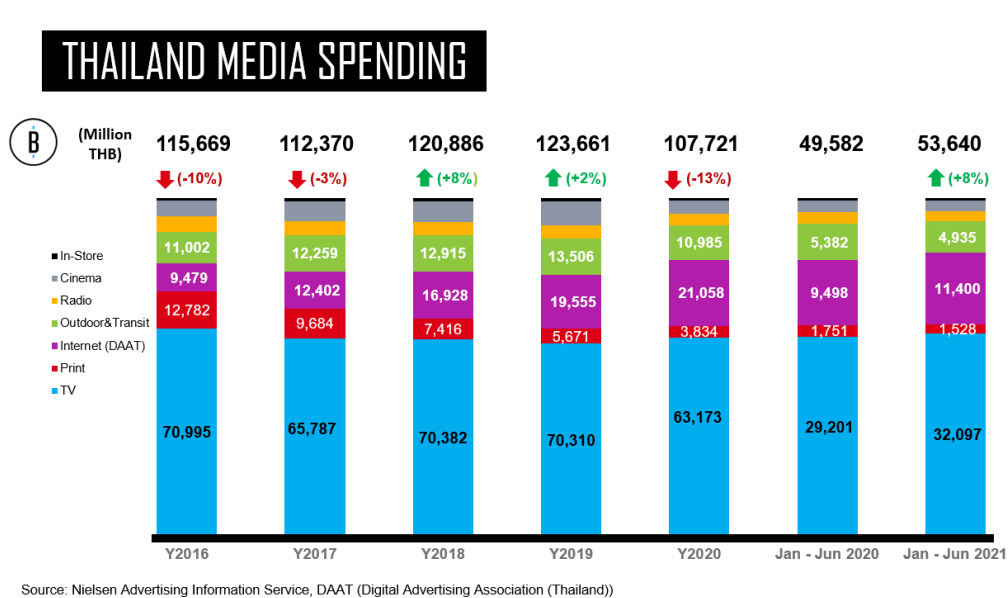
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Overall Industry

Nielsen Thailand revealed that Thailand’s advertising spending in the first half of 2021 was valued 53,640 million Baht, an 8% increase compared to the same period of last year. TV remained the most spent medium among other media, accounting for 60% of total spending.

Advertising spending in Q2-2021 was valued at 26,939 million Baht, a 24% increase compared to the same period of last year. In Q2-2020, the industry was affected by the first outbreak of Corona Virus 2019 (COVID 19). The top three spenders were food and beverage, personal care and cosmetics and automobiles.



Total revenue

In Q2-2021, the total revenue was 389 million Baht, a 22% increase, compared to the same period of last year, mainly due to increased revenue from all business including TV, radio, broadcast network operations, digital and new business.

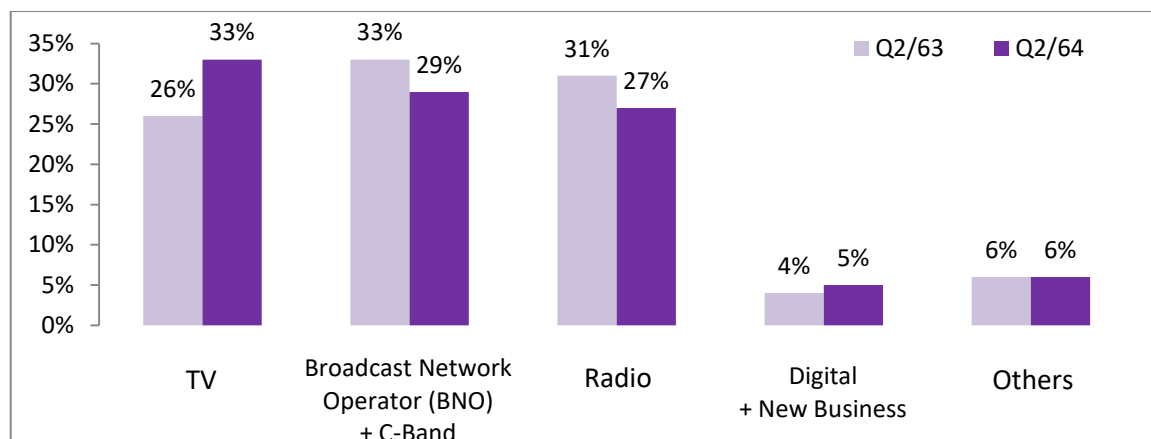
MCOT’s revenue structure was as follows:

- TV (33%)
- Broadcast Network Operator and MCOT satellite network (29%)
- Radio (27%)
- Digital and new business (5%)
- Others (6%)

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Revenue structure in comparison between 2021 and 2020



MCOT's total revenue in Q2-2021 increased from the same period of 2020. Details of revenue from each business were as follows:

- TV revenue increased 55% due to increase in revenue in news and own programs and special projects with public sectors as well as time-rental partnership.
- Broadcast network operations' (BNO) revenue increased 8%, partly due to sponsorship for BNO rental fee for 9 MCOT HD given from the National Broadcast and Telecommunications Commission since June 2020.
- Central radio revenue increased 5% despite the outbreak situation of COVID-19 which prohibited MCOT's radio stations from arranging marketing activities, therefore, affected customers' consideration in spending PR budget. The highest revenue-generating station was F.M. 95 MHz., followed by F.M. 100.5 MHz.
- Revenue from digital and new business increased 43% due to an increase in revenue from social platforms (YouTube and Facebook) and revenue sharing from selling products through Shop Mania program, whose business model had been modified in 2020. Shop Mania was re-launched in March 2021.

Total expenses

In Q2-2021 and the first half of 2021, total expenses amounted to 346 million Baht and 672 million Baht, a 31% and 64% decrease compared to the same period of last year. Cost of sales and services accounted for 63% of the total expenses. Such significant decrease in the total expenses was a result from restructuring expenses, managing expenses on contents and reducing personnel expenses following the Mutual Separation Plan. In Q2-2021, the structure of expenses was as follows:

- Cost of sales and services 63%
- Selling and distribution expenses 9%
- Administrative expenses 28%

Net Profit

The Company's operating results in Q2-2021 and the first half of 2021 showed profits of 43 million Baht and 79 million Baht, a 123 and 107% increase compared to the same period of last year. This was a result of increased revenue and reduced costs as well as continuous effective cost management.

The management of MCOT firmly believes that adhering to the commitment of being "a quality media organization that builds a strong and enriching community", through broadcast of creative contents in partnership with various partners, MCOT will be able to

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maintain revenue from traditional media and generate more revenue from digital and new business including asset utilization, to continuously grow. The Company will also continue to reduce and restructure cost to achieve sustainable profitability.

Assets, Liabilities and Shareholder's Equity

	Unit: Million Baht (Reviewed)	
	30 June 2021	31 December 2020
Asset	7,582	8,043
Liabilities	2,727	3,267
Shareholder's Equity	4,855	4,776

As of June 30, 2021, the Company had total assets of 7,582 million Baht, total liabilities of 2,727 million Baht and shareholder's equity of 4,855 million Baht. The Company had Cash, Cash equivalents and Short-term fixed deposits of 504 million Baht. This reflected the Company's financial strength.

Sincerely yours,



(Mr. Pornchit Piamsri)
Vice President of Corporate Secretary Department
MCOT Public Company Limited
Authorized to sign on behalf of the company

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