



4 November 2021

Re: Management Discussion and Analysis
Operating results for the year ended December 31, 2020

To: President
The Stock Exchange of Thailand

The One Enterprise Public Company Limited (“the Company” or “We”) would like to provide Management Discussion and Analysis for the year ended December 31, 2020 as follows:

Overview of the operating result for the year⁽¹⁾

Unit: THB mm	2020	2019	Changes
Revenue from advertising and airtime management	2,509.43	2,476.94	1.3%
Revenue from copyright management (online, international sales and others)	986.76	776.59	27.1%
Revenue from production service	535.95	422.24	26.9%
Revenue from radio program production	269.22	426.62	(36.9%)
Revenue from event business	56.28	332.55	(83.1%)
Other operating revenue	399.93	281.98	41.8%
Other revenue	117.74	101.35	16.2%
Total revenue	4,875.30	4,818.26	1.2%
Cost of goods sold	(2,546.91)	(2,768.46)	(8.0%)
Selling and marketing expenses	(163.78)	(275.77)	(40.6%)
Administrative expenses	(1,264.76)	(1,241.03)	1.9%
Total expense	(3,975.45)	(4,285.26)	(7.2%)
EBIT	899.85	533.01	68.8%
Share of profit (loss) from investment in associates	4.68	6.83	(31.5%)
Finance income	1.44	3.28	(56.3%)
Finance costs	(186.93)	(218.11)	(14.3%)
Profit before income tax expense	719.03	325.00	121.2%
Income tax expenses	(61.46)	(97.45)	(36.9%)
Net profit for the year	657.58	227.55	189.0%



Note: (1) FY2019 and FY2020 financial figures based on pro-forma financial statements which reflect the company's new structure from the 100% acquisition of GMMCH from Grammy and Siridamrongdham. The pro-forma financial statements assume that the GMMCH acquisition occurs on 31 December 2018.

Total Revenue of THB 4,875.3 mm, increased by 1.2% from THB 4,818.3 mm in 2019. Despite the COVID-19 outbreak, the Company and our subsidiaries' (collectively called "the Group Companies") revenue still increase due to following reasons.

- The increase of revenue from advertising and airtime management from ability to capture more advertising expenditure (ADEX) of television industry as a result of better programming schedule planning.
- The increase of revenue from copyright management (online, international sales and others) from new OTT partners i.e. the Group Companies initiated partnership with True ID, AIS Play and iQiyi in 2020; and increasing revenue from online channel as a result of enlarge number of views on YouTube.
- The increase of revenue from production service from increasing number of content produced and new OTT partners of ONE31

Net Income of THB 657.6 mm, increased by 189.0% from THB 227.6 mm in 2019, or equivalent to net profit margin of 4.7% and 13.5% in 2019 and 2020, respectively. The increased of net income and net profit margin are due to the net effect from following reasons.

- The decrease in percentage of COGS to operating revenue e.g. (1) percentage of broadcasting cost to operating revenue was lowered by 2.0% (2) percentage of production cost to operating revenue was lowered by 1.7% and (3) percentage of content amortization cost to operating revenue was lowered by 0.8%. However, the decrease in percentage content amortization cost to operating revenue was due to the Group Companies' strategy to adjust broadcasting programming during the COVID-19 outbreak in order to match the media and advertising spending by balancing revenue, production cost and the novelty of contents.
- The decrease in percentage of SG&A to total revenue e.g. percentage of advertising fees, marketing fees and commission was lowered by 2.4% and percentage of other associated operating costs to total revenue was lowered by 4.0%.
- The percentage of employee expense to total revenue increase by 3.0%
- The decrease in financial costs resulting from the repayment of interim short and long-term loans to financial institutions.



Financial Position as at 31 December 2020⁽¹⁾

Unit: THB mm	2020	2019	Changes
Other current assets	2,261.5	2,446.5	(7.6%)
Other non-current assets	5,207.9	4,886.8	6.6%
Total assets	7,469.4	7,333.3	1.9%
Current liabilities	2,001.3	2,202.0	(9.1%)
Non-current liabilities	3,433.9	3,809.2	(9.9%)
Total liabilities	5,435.3	6,011.1	(9.6%)
Total shareholders' equity	2,034.1	1,322.2	53.8%
Total liabilities and shareholders' equity	7,469.4	7,333.3	1.9%

Note: (1) FY2019 and FY2020 financial figures based on pro-forma financial statements which reflect the company's new structure from the 100% acquisition of GMMCH from Grammy and Siridamrongdham. The pro-forma financial statements assume that the GMMCH acquisition occurs on 31 December 2018.

Total assets of THB 7,469.4 mm, increased by 1.9% from THB 7,333.3 mm in 2019 primarily due to increase in property, plant, and equipment from the adoption of TFRS 16.

Total liabilities of THB 5,435.3 mm, decreased by 9.6% from THB 6,011.1 mm in 2019 primarily due to the repayment of interim short and long-term loans to financial institutions.

Total shareholders' equity of THB 2,034.1 mm, increased by 53.8% from THB 1,322.2 mm from 2019 primarily due to an increase in net profit which effectively reduce retained loss.