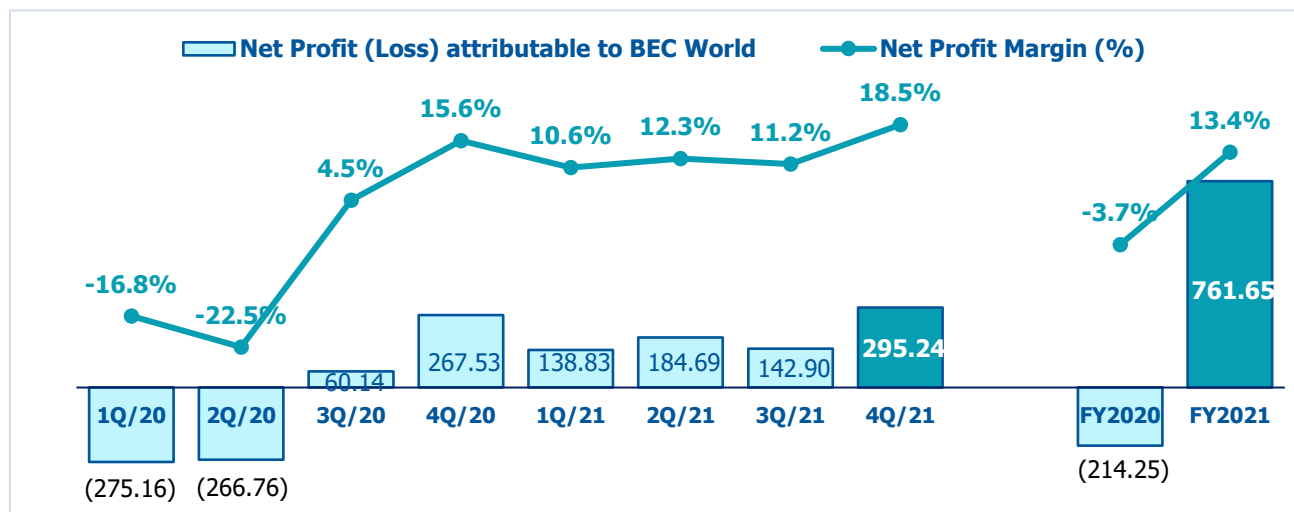




## MANAGEMENT DISCUSSION AND ANALYSIS

### FY2021

February 18, 2022



### Executive Summary

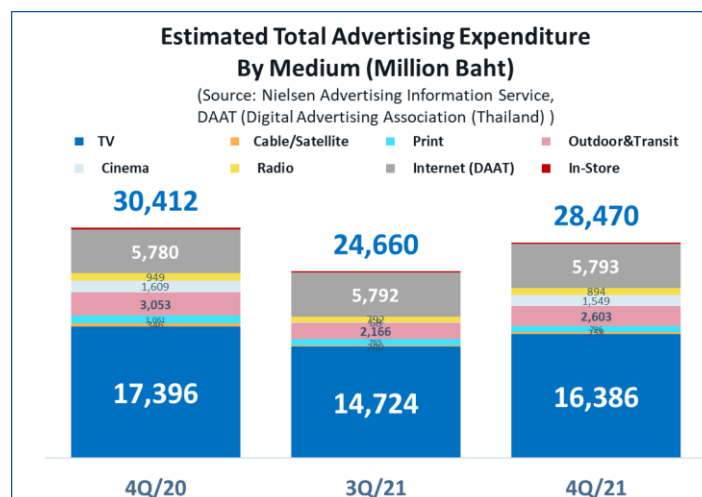
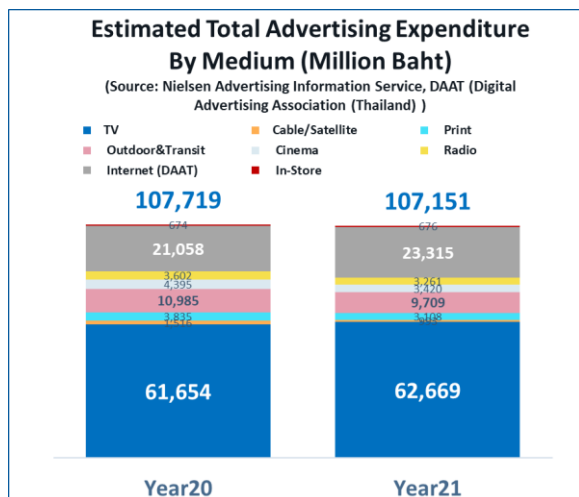
- BEC World Public Company Limited of (“BEC Group”, “The Company”) reported net profit attributable to the company for year 2021 increasing 455.5% YoY from year 2020 to Baht 761.6 million. Gross profit margin for year 2021 increased by 33.3% from 2020 at 21.8%. The performance of the Company has turned around to profit for six consecutive quarters during 3Q/20 to 4Q/21. The Company’s net profit attributable to the company in 4Q/21 was at Baht 295.2 million, an increase of Baht 27.7 million or 10.4% YoY from 4Q/20 and an increase of Baht 152.3 million or 106.6% QoQ from 3Q/21.
- Although the industry’s overall advertising spending slightly decreased in the year 2021, BEC Group was still able to generate more revenue from advertising income, especially from news program which was adjusted to be more interesting, as well as continuously reduce costs.
- For the year 2021, revenue from Global Content Licensing and Digital Platform totaled Baht 826.0 million, which was lower than the early 2021 target of Baht 1,000 million. This was due to the on-going COVID-19 pandemic, especially from the Delta variants, which prompted the government to issue measures to control various activities including social gatherings leading to the halt of drama production. Consequently, the simulcast to the overseas markets and the selling of exclusive content to OTT platform had to be postponed.
- Cash and cash equivalents in the statement of financial position significantly increased by 83.9% or Baht 2,152.9 to Baht 4,718.2 million as of December 31, 2021, from Baht 2,565.3 million as of December 31, 2020. Moreover, the Company had a net cash flow from operating activities of Baht 3,614.7 million, which was a result of substantial improvement in performance due to increases in revenue and lower costs and expenses. Net cash flow from operating activities increased by Baht 1,319.8 million or 57.5% when compared to the end of year 2020.



### Economic Overview and Market Situation

2021 continued to be another year during which the world, including Thailand, faced with the outbreak of the Covid-19 virus. There had been several outbreaks, especially in 3Q/21, where the Delta variants spread across Thailand and resulted in the restrictions on economic activities under strict control measures for several months. Although the situation began to ease in the last quarter of the year 2021 thanks to higher vaccination rate and the stimulus package from the government, there remained a concern as the new variants Omicron started to spread towards the end of year 2021. As a result, several economic bureaus forecasted that the Thai economy in 2021 would see only a slight growth (from a significant contraction by -6.1% in 2020). Even though the government had continuously issued measures to stimulate the economy, the recovery of the Thai economy was expected to be slow. This was due to the risk from Covid-19 Omicron variants outbreak, increasing inflation rate in line with rapidly rising commodity prices, the economic slowdown of Thailand's trading partners, and a high level of household debt.

Nielsen Media Research ("Nielsen") reported that estimated advertising expenditures (AdEx) for the year 2021 was at Baht 107,151 million, decreasing Baht 568 million or 0.5% YoY from the year 2020 at Baht 107,719 million. The media with the most decreases was Cable/Satellite, which decreased 34.5% YoY, and Cinema which decreased 22.2% YoY. The total advertising spending of TV group (TV + Cable / Satellite TV) was at Baht 63,662 million, increasing Baht 492 million or increased 0.8% YoY from year 2020 at Baht 63,170 million. TV group continued to dominate in media spending and accounted for about 59.4% of the total spending. For the year 2021, the media with the most increase was the Internet/Digital, increasing 10.7% YoY to Baht 23,315 million.



The estimated advertising expenditures (AdEx) in 4Q/21 was at Baht 28,470 million, increasing 15.4% QoQ from 3Q/21 at Baht 24,660 million but decreasing 6.4% YoY from 4Q/20 at Baht 30,412 million. This was due to the severe outbreak of the Delta variant during 3Q/21, causing the government to announce a lockdown. Later on, as the vaccination rates for the population increased, the government announced a lift of the lockdown and started reopening the country in the 4Q/21 helping many economic activities to move on. Advertising spending in 4Q/21 evidently increased from the 3Q/21.

# BEC WORLD PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FY2021

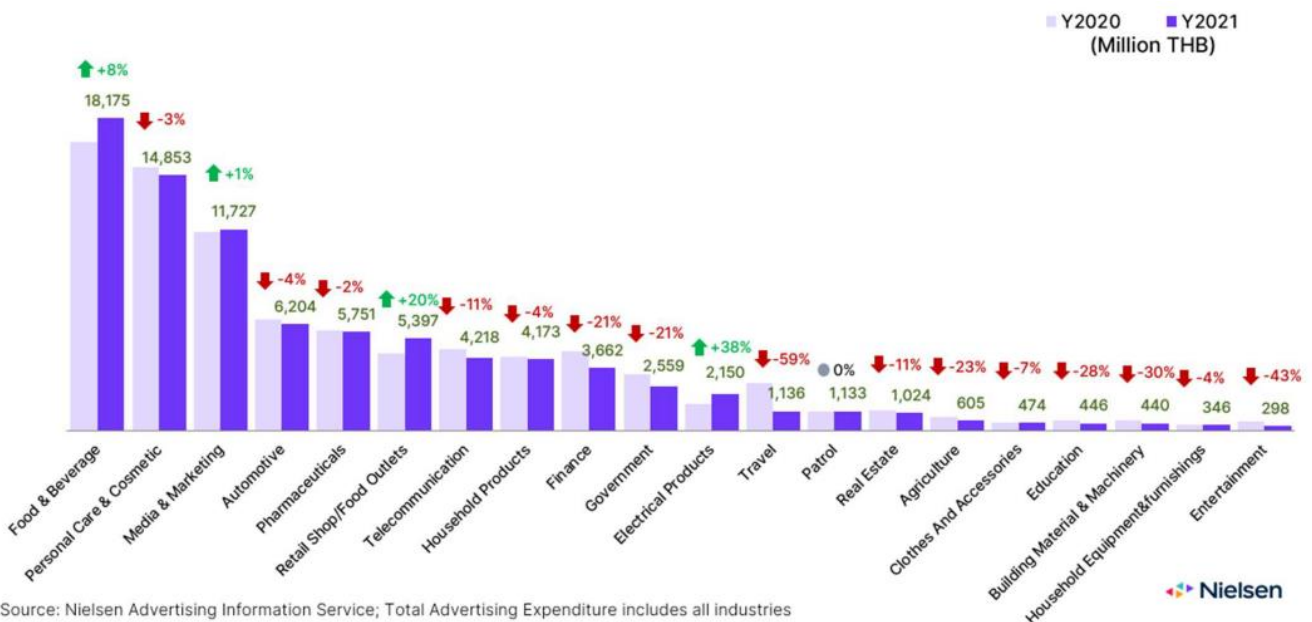


The media with the most increases was Cinema which increased to Baht 1,549 million or increasing 2,177.9% QoQ from 3Q/21 but decreasing 3.7% YoY from 4Q/20, while in-store media increased 24.8% QoQ for 3Q/21 to Baht 191 million but decreased 12.4% YoY from 4Q/20. The Cable/Satellite media increased 29.0% QoQ from 3Q/21 to Baht 258 million but decreased 25.4% YoY from 4Q/20.

The total advertising spending of TV group (TV + Cable / Satellite TV) was at Baht 16,644 million, an increase of 11.5% QoQ from 3Q/21 at Baht 14,924 million but decreased 6.2% YoY from 4Q/20 at Baht 17,742 million.

The top three industries with the highest advertising spending in 2021 were:

1. Food & Beverage Industry, with a market value of Baht 18,175 million or increasing 8% YoY from 2020
2. Personal Care and Cosmetic Industry, with a market value of Baht 14,853 million or decreasing 3% YoY from 2020
3. Media and Marketing Industry (mostly from the direct sales business), with a market value of Baht 11,727 million or increasing 1% YoY from 2020



## Significant Developments in the Year 2021

In year 2021, the Company was confronted with challenges in doing business amid the Covid-19 pandemic that affected the economy and advertising expenditure as well as drama production which had to be adjusted in accordance with the government's covid pandemic measures.

The Company continued to implement its "Single Content - Multiple Platforms" strategy by maintaining its current leading market position and developing to expand its market bases in all business' aspects, including revenue diversification to new businesses and continually build financial strength. Significant developments in 2021 were as follows:



1. **NEWS Programs adjustment:** The improvement of News programs by adjusting the content to be more interesting and suitable for each targeted audience for different time slots and adjusting the broadcast schedule of some News programs including both the extension of broadcasting time and changes of News airtime to the Pre-primetime period. This resulted in increased popularity of the news program slots throughout the day. Additionally, the return of highly popular news anchor, Mr. Sorayuth Suthassanachinda, who returned as news anchor on morning news programs “Rueng Lao Chao Nee” and “Rueng Lao Sao Artit was well received with great responses.



2. **Adjustment of broadcasting schedule and uses of new drama content.** In 2021, the Company adjusted the broadcasting schedule to suit different audiences at different times of the day, including the increase of new drama contents. Only during 3Q/21, the Company used rerun dramas during prime-time in order to match the industry’s lower advertising spending. This demonstrated that the Company had a higher flexibility to adapt with changes in the industry.
3. **Digital Platform Business.** In addition to having its own application “CH3 Plus” as an OTT Platform that provided its own content viewing services, the Company also sold/licensed contents and exclusive contents to other OTT Platforms which provided streaming services in Thailand to expand the audience base of the Company’s content. Moreover, the Company further developed the application “CH3 Plus” with the launch of “CH3 Plus Premium” a Subscription Video on Demand (SVOD) with more diverse functionalities. There were exclusive contents including exclusive events for members to be able to closely participate in activities with actor/actress. In 2021, there was a variety of events for CH3 Plus Premium members such as “Star of the month”, “One on One on Call”, “Cozy Dinner”, “CH3 Plus Moment”, etc.



4. **Global Content Licensing** continued to expand its business including the expansion into interesting countries such as South Korea and Japan as well as new platforms with more diversified sales. In 2021, the Company successfully concluded an agreement with Netflix to simulcast six dramas via Netflix, four of which were broadcasted in 2021. In 4Q/21 there were 2 dramas which were simulcast via Netflix, including "Help Me Oh! My Ghost!" and "Game of Outlaws". There was also a partial simulcast of "Are we Alright?" via Tencent Platform.



5. The Company reported to The Stock Exchange of Thailand regarding "Dissolution of subsidiaries, according to the Company's Board of Directors' Meeting no. 7/2021, which was held on July 30, 2021. The Board of Directors had acknowledged the resolution of the Executive Committee for the closure of three inactive subsidiary companies as follows:

- (1) BEC NEWS BUREAU CO., LTD
- (2) BEC IT SOLUTION CO., LTD
- (3) BEC BROADCASTING CENTER CO., LTD

All of them were 99.99% owned subsidiaries of the Company whose closure would not significantly affect the Company's operation. The Company would proceed with the business dissolution registration and liquidation in accordance with the legal procedures.

# BEC WORLD PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FY2021



## CONSOLIDATED PERFORMANCE SUMMARY

STATEMENT OF INCOME (Consolidated)	FY2021		FY2020		YoY	
	M.TH.B	%	M.TH.B	%	(+/-)	%
<b>Total Revenues</b>	<b>5,680.0</b>	100.0%	<b>5,860.9</b>	100.0%	<b>(180.9)</b>	-3.1%
Advertising income	4,834.0	85.1%	4,757.7	81.2%	76.2	1.6%
Income from copyright and other services	846.1	14.9%	1,053.4	18.0%	(207.3)	-19.7%
Income from organizing concerts and shows	-	0.0%	9.4	0.2%	(9.4)	-100.0%
Sales of goods	-	0.0%	40.4	0.7%	(40.4)	-100.0%
<b>Total Cost</b>	<b>(3,789.0)</b>	-66.7%	<b>(4,582.8)</b>	-78.2%	<b>(793.8)</b>	-17.3%
Cost of sales and services	(3,789.0)	-66.7%	(4,572.5)	-78.0%	(783.5)	-17.1%
Cost of organizing concerts and shows	-	0.0%	(10.3)	-0.2%	(10.3)	-100.0%
<b>Gross Profit</b>	<b>1,891.0</b>	33.3%	<b>1,278.1</b>	21.8%	<b>612.9</b>	48.0%
Selling and Admin Expenses	(766.0)	-13.5%	(1,344.1)	-22.9%	(578.1)	-43.0%
Other income	48.9	0.9%	84.9	1.4%	(35.9)	-42.3%
Non-Recurring Item - Asset Impairment & Loss on valuation of investments in non-marketable equity securities	(35.4)	-0.6%	(87.2)	-1.5%	(51.8)	-59.4%
Impairment loss in accordance with Financial Reporting Standard No. 9	(49.3)	-0.9%	(18.7)	-0.3%	30.5	162.8%
Share of profit (loss) of associates held by subsidiary	-	0.0%	(2.3)	0.0%	2.3	100.0%
Finance costs	(96.6)	-1.7%	(116.5)	-2.0%	(19.9)	-17.1%
<b>Profit before income tax expense</b>	<b>992.7</b>	17.5%	<b>(205.9)</b>	-3.5%	<b>1,198.6</b>	582.2%
Income tax (expense) revenue	(231.0)	-4.1%	(98.1)	-1.7%	132.9	135.5%
Profit for the period	761.7	13.4%	(304.0)	-5.2%	1,065.7	350.6%
<b>Net Profit attributable to BEC World</b>	<b>761.6</b>	13.4%	<b>(214.3)</b>	-3.7%	<b>975.9</b>	455.5%
Non-controlling interests	0.0	0.0%	(89.7)	-1.5%	89.8	100.0%
<b>EBITDA</b>	<b>3,179.1</b>	56.0%	<b>2,123.8</b>	36.2%	<b>1,055.3</b>	49.7%

Note: From December 8, 2020, the Company has removed BEC-Tero Entertainment Public Company Limited financials from the Company's consolidated financial statements.

## REVENUE

Total revenue of BEC Group's for the year 2021 was at Baht 5,680.0 million, decreasing 3.1% YoY from year 2020 at Baht 5,860.9 million

BEC Group's advertising income for the year 2021 was at Baht 4,834.0 million, an increase of Baht 76.2 million. The increase was from the adjustment of broadcasting schedule to suit different audiences for different time slots and the improvement of contents to be more interesting, especially the modification of News programs which were made more popular throughout the day. This was despite the impact of COVID-19 on the economic condition especially during 3Q/21 which saw the outbreak of Delta variants in Thailand resulting in several months of restricting economic activities under tight control measures and the cutback in advertising spending. Additionally, the impact of removing BEC-Tero Entertainment Public Company Limited's ("Tero") financials from the Company's consolidated financial statements took effect from December 8, 2020 onwards. Based on the foregoing, both revenue and cost were reduced according to the new structure in 2021. Advertising income continued to be the main contributor of the total revenue of the BEC group and accounted for 85.1% of total revenue, which slightly increased from last year.

Income from copyrights and other services was at Baht 846.1 million, decreasing Baht 207.3 million or 19.7% YoY, mainly due to the absence of revenue from Tero in 2021. Moreover, in 2021, the revenue from Global Content Licensing was at Baht 226.1 million, decreasing Baht 182.5 million or 44.7% YoY from 2020. The revenue from Digital Platform increased 39.6% YoY or Baht 170.3 million from 2020 to Baht 599.9 million in 2021. The combined revenue from the two businesses was at Baht 826.0 million, decreasing 1.4% YoY from 2020 and accounting for 14.5% of the total revenue.

# BEC WORLD PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FY2021



In 2021, the Company had no revenue from organizing concerts and shows after the disposal of Investment in TERO.

## **COST**

Total cost of BEC Group for the year 2021 was at Baht 3,789.0 million, decreasing Baht 793.8 million or 17.3% YoY from the year 2020 at Baht 4,582.8 million.

Cost of Sales and Services for the year 2021 was at Baht 3,789.0 million, decreasing Baht 783.5 million or 17.1% YoY from the year 2020 at Baht 4,572.5 million, which was mainly from the reduction in production expenses despite the increases in broadcasts of First-Run dramas in 2021 and lower staff costs from organization downsizing which had been carried out continuously.

In 2021, the Company had no costs from organizing concerts and shows after the disposal of Investment in TERO.

## **GROSS PROFIT**

As BEC group's total cost in year 2021 declined at a higher rate than the decline in the revenue. Gross Profit for the year 2021 was at Baht 1,891.0 million, an increase of Baht 612.9 million or increasing 48.0% YoY from year 2020 at Baht 1,278.1 million, with a gross profit margin of 33.3%.

BEC Group's selling and administrative expenses consistently decreased from various cost reduction projects in the past few years. BEC Group was able to reduce total selling and administrative expenses by Baht 578.1 million or 43.0% to Baht 766.0 million for the year 2021 from Baht 1,344.1 million in 2020.

## **NON-RECURRING ITEM**

In 2021, the Company recorded non-recurring items for assets impairment amounting to Baht 32.8 million mainly from content impairments and a loss on valuation of investments in non-marketable equity securities amounting to Baht 2.6 million.

In 2020, the Company recorded non-recurring items for assets impairment amounting to Baht 87.2 million, most of which were the impairment of contents.

## **FINANCIAL COST**

BEC Group's Financial Cost for year 2021 was at Baht 96.6 million, decreasing Baht 19.9 million or 17.1% YoY from year 2020 at Baht 116.5 million.

## **INCOME TAX EXPENSES**

Income tax expenses of BEC Group for year 2021 was at Baht 231.0 million, increasing Baht 132.9 million, which increased in line with the increase in revenue.

## **CONCLUSION**

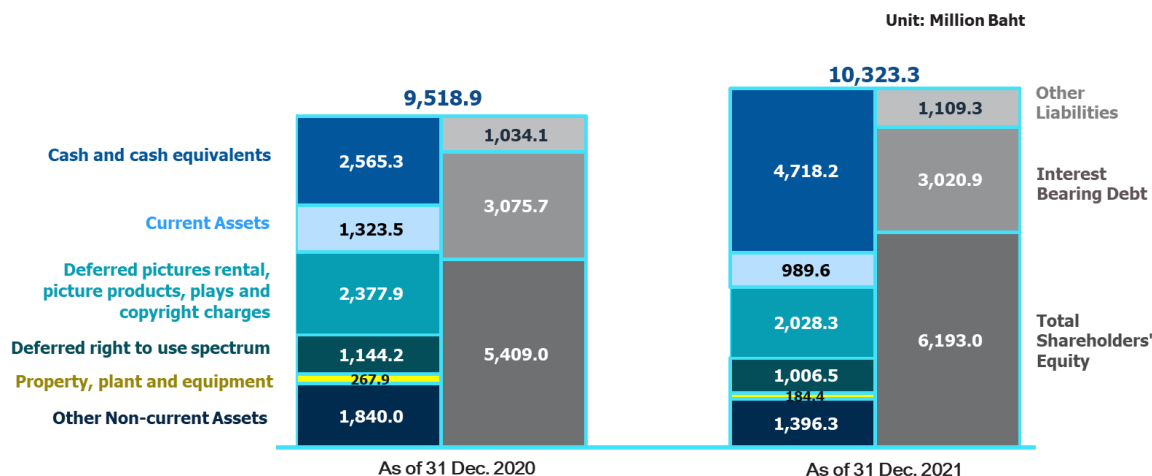
In conclusion, BEC Group reported a consolidated net profit attributable to BEC World of Baht 761.6 million, with net cash flow from operation of Baht 3,614.7 million and Cash and cash equivalents of Baht 4,718.2 million as at ending year 2021.

# BEC WORLD PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FY2021



## STATEMENT OF FINANCIAL POSITION



### ASSETS

As of December 31, 2021, BEC Group had Total Assets of Baht 10,323.3 million, an increase of Baht 804.4 million or increasing 8.5% YoY from Baht 9,518.9 million as of December 31, 2020, mainly from the increase in Cash and Cash Equivalents.

Total Current Assets increased by 46.8% YoY to Baht 5,707.8 million, mainly from Cash and cash Equivalents which increased 83.9% YoY or increasing Baht 2,152.9 million from Baht 2,565.3 million as of December 31, 2020, to Baht 4,718.2 million as of December 31, 2021.

Total Non-Current Assets decreased by Baht 1,014.6 million or decreasing 18% to Baht 4,615.5 million. This could be mainly attributed to the fixed assets group which reduced from annual depreciation and amortization as well as the control of investment under the COVID-19 situation

### LIABILITIES

As of December 31, 2021, BEC Group had total liabilities of Baht 4,130.3 million, increasing Baht 20.4 million or 0.5% YoY from the end of year 2020 at Baht 4,109.9 million.

Interest-Bearing Debt decreased by Baht 54.8 million from Baht 3,075.7 million at the end of year 2020 to Baht 3,020.9 million as at December 31, 2021, mainly from the decreasing of the current portion of financial leases. Approximately 99% of the interest-bearing debt was the five-year debenture amounting to Baht 3,000 million which was issued in 2017 with a coupon rate of 3.14% and would mature on May 31, 2022. Currently, the Company already has a plan for refinancing the said debenture.

### Shareholders' Equity

As at December 31, 2021, BEC Group had Total Shareholders' Equity of Baht 6,193 million, increasing Baht 784 million from Baht 5,409.0 million as at December 31, 2020. The increase in Shareholders' Equity was mainly from higher retained earnings of Baht 761.6 million from increases in net profit for the year.

Based on the Statement of Financial Position, the Company had a strong financial position with a Current Ratio of 1.49 times, Total Debt to Equity Ratio of 0.67 times, Interest-Bearing Debt to Equity Ratio of 0.49 times, and Net Interest-Bearing debt to Equity Ratio of -0.27 times.





### STATEMENT OF CASH FLOWS

Cash Flow Statement (Unit: million baht)	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
Net Cash Flows Provided from (Used In) Operating Activities	3,614.7	2,294.9
Net Cash Flows Provided from (Used In) Investing Activities	(1,154.5)	(1,693.0)
Net Cash Flows Provided from (Used In) Financing Activities	(65.0)	(109.0)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,395.2</b>	<b>492.9</b>
Cash and Cash Equivalents at the Beginning of the Period	2,565.3	2,665.3
Less cash and cash equivalents transferred from the dissolution of the subsidiaries	(242.2)	(593.00)
<b>Cash and Cash Equivalents at the Ending of the Period</b>	<b>4,718.2</b>	<b>2,565.3</b>

For the statement of cash flows for the year ended December 31, 2021, BEC Group had net cash from operating activities of Baht 3,614.7 million, increasing 57.5% YoY from December 31, 2020, at Baht 2,294.9 million. The increase was mainly from net profit for year 2021.

Net cash flows from investing activities was at Baht 1,154.5 million, which decreased by Baht 538.4 million or 31.8% YoY from December 31, 2020 at Baht 1,693.0 million. For year 2021, cash used for pictures rental, picture products, plays and copyright charges and the investment in equipment has decreased.

Net cash flows from financing activities as at the year ending 2021 decreased by Baht 44.0 million mainly from lower short-term loans borrowings from related parties.

As of December 31, 2021, BEC Group's net cash and cash equivalents increased by Baht 2,152.9 million. Net cash and cash equivalents balance as at the year ended 2021 amounted to Baht 4,718.2 million.

The Company has instituted a credit term policy with business partners or customers as follows:

1. New Customers: No credit term. There must be a prepayment before broadcasting or providing services.
2. Existing Customers: Credit terms between 30 - 45 days except for some customers which are government agencies whose credit terms might be longer than the standard.

In 2021, the Company's average collection period from trade accounts receivable was 39 days which is within the Company's policy.



### **MANAGEMENT OUTLOOK ON FUTURE OPERATIONS**

In the year 2022, it is expected that the Thai economy will expand gradually. The Covid-19 Omicron variant will continue its adverse impact in early 2022 but will affect the economy less than the Delta variant as the vaccination rates of the population accelerated. The government consequently may not need to issue any further strict measures. However, inflation from rising food and oil prices, political risks, household debt that remained at a high level, as well as the tourism industry which generates major income for Thailand continued to be adversely affected by the situation. These could present a risk that leads to the slowdown in advertising spending in the media industry during the year 2022.

Nonetheless, the Company will continue to implement BEC's new strategy which focuses on customers and the drive of revenue and profit from new businesses according to the new vision "Thailand's leading content and entertainment platform", realizing that BEC is no longer simply a Thai television station. The management team is committed to building BEC World to become a forward-thinking and lean organization as well as leveraging CH3 creativity to deliver fresh and engaging content for today's users and the use of technology to deliver innovation and efficient media across all screens beyond Thailand.

"Content" is at the heart of BEC's business. The Company has plans to develop contents which can reach diverse groups of audiences to enhance the strength of the Company including generating income from existing contents on Digital Platforms and Global Contents Licensing. The Company continues to use the strategy "Single Content Multiple Platforms" into 2022 from 2021 with the following strategic goals:

#### **1. TV Business**

Maintain the Existing market position, strengthen urban viewership, and expand new audience bases

To maintain TV rating and number of viewers, the Company must 1) maintain its existing market position which is number one popularity in Bangkok and key urban provinces, 2) expand the audience base age ranging from 15-24 years and 25-29 years with a focus on drama content development during Prime Time, 3) generate income during Non-Prime Time from News and Varieties, and 4) strengthen the weekend program to expand the audience base.

##### News Programs

- Focus on delivering relevant, up-to-date, and reliable news through quality and professional news reporters.
- Provide outstanding news via deep analysis which is easy to understand and right to the point
- Deliver reliable news to our audiences across offline & online platforms and remain a center of trust for the people in Thailand.
- Use online news to create awareness and expand to new generation audiences.

##### Drama Series

- Expand viewers base to include rural and younger audiences via new drama content mixes & formats, new producers, and new artists/faces.



- Create interesting and fresh content for the existing audiences via new stories, story-telling techniques, and unexpected plots/roles while maintaining the quality of production that CH3 is reputed for.

### Variety Shows

- Introduce new and modern variety programs produced by high quality producers both in international format and BEC's original format.
- Improve the currently strong variety programs to be more outstanding.

## **2. Generation and Diversification of New Revenue and Push for Revenue from Other Businesses**

Our goal is to become a more diversified business which can compete globally with less reliance on the declining local TV loose spots advertising expenditures. The Company has been creating innovative advertising solutions that can meet the needs of today's advertisers, whether it be direct to consumer (D2C) solutions (e.g. home shopping, QR, SMS) or brand awareness and engagement via integrated marketing solutions.

Business operations under the "Single Content Multiple Platforms" strategy will generate and distribute income across various channels. The Company expects the revenue from Global Content Licensing and Digital Platform businesses with a combined target revenue of Baht 1,000 million in 2022.

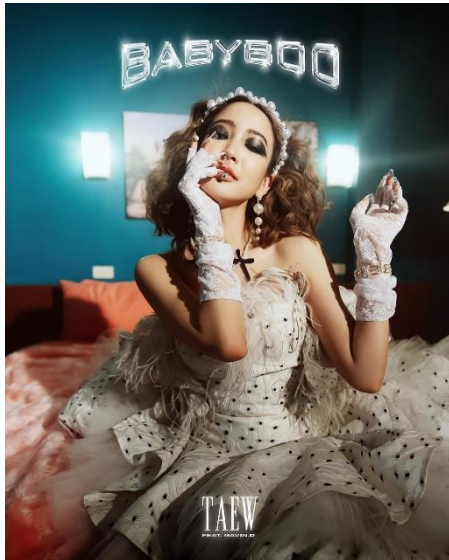
**Global Content Licensing (GCL) Business** is a business of distributing content copyrights abroad. The company has expanded into many countries and more platforms with focus mainly on growth in China and ASEAN. Additionally, GCL also expand to appealing markets such as Japan and South Korea.

**Digital Platform Business** is a business of distributing content copyrights through Content Streaming Service Operators both domestically and internationally in which the Company has continued to invest to develop its online services. Currently, "CH3Plus" is the Company's main digital platform on which viewers can watch live TV content and rerun TV contents. In the early 2021, the Company launched "CH3 Plus Premium", a Subscription Video on Demand (SVOD) with more diverse functionalities. There are exclusive contents including exclusive events for members to be able to closely participate in activities with actor/actress in the form of "Fandom" that will have activities of our popular CH3 celebrities throughout the year.

Moreover, in January 2022, the Company has expanded into a new business by entering the **Music Business** which will support actors or actresses who have the music performance potential to become full-fledged musicians. It debuted with Taew "Nataphon Tameeruks". The Company has the potential to be capitalize on both its television and social media via all platforms, including radio media, to reach all audiences and it will continue to gradually introduce new artists.

To generate revenue from new businesses, in February 2022, the Company has entered the **Movie Business** by collaborating with M Pictures Entertainment Plc. to produce a movie

together for the first time. It will be a big-format movie with the title "Bua Pan Fun Yab". The cooperation between the two companies will support the Thai film industry to become great in both Thai and international market by using each other's strengths for movie productions. The Company has plans to produce several more movies with M Pictures Entertainment Plc.



- 4. BEC Studio:** To support its business expansion, the Company has set up its own Production House to produce its own content, allowing it to control every step from pre-production, production and post-production processes. This will also enable the Company to produce contents for broadcasting and streaming on its own platforms (TV and CH3Plus) and for other local and international platforms. This included creating original contents and producing on-demand contents.

#### **5. Build Financial Strength**

The Company has always preserved its financial strength. In the last few years, the Company has restructured the organization to be lean and effective. It returned two Digital TV licenses and closed down Channel 3 Analog following the termination of the concession contract, resulting in cost savings, lower unnecessary costs, process improvement and reorganization to suit the current competitive environment. These measures will enable the Company to adapt to industry changes more quickly and efficiently.

Based on the ongoing cost reduction efforts, the Company's cost has decreased significantly starting in 1Q/21. There were substantial savings from the decrease in cost of sales and administrative costs, which could be attributed to the restructuring of the Company to be more lean and agile. Moreover, there has been a significant reduction in production costs from the policy to control production costs which has been ongoing. In 2022, the Company continues to implement cost cutting policy, which would enhance its financial strength along with sustainable business growth.

# BEC WORLD PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FY2021



Lastly, for the Environmental, Social, and Governance (“ESG”) aspect, BEC Group, as a media Company that delivers contents, News, and entertainment to audiences across the country via television screens and OTT platforms, has wide-ranging stakeholders. The Company realizes the importance of all stakeholders from upstream to downstream, both directly and indirectly throughout the value chain of businesses. Therefore, a form of participation and communication with stakeholders has been established to understand, implement the plan and respond to the expectations and needs of all groups of stakeholders, whether they be individuals or organizations that are involved in or support the Company's operations. This also included those who has interests or are affected by the Company's operations by considering the connections in the value chain, operations and activities of the organization. This ensures that stakeholders are treated fairly and equitably and that their expectations are responded to appropriately and in the most efficient manner together with BEC’s sustainable business growth.

Best regards,



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(Piriya-dit Choophungart)

Executive Vice President, Finance & Accounting

BEC World Public Company Limited

# BEC WORLD PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS FY2021



## KEY FINANCIAL RATIOS

Financial Ratios	FY2021	FY2020
Current Ratio (Times)	1.49	4.76
EBITDA to Revenue (%)	55.97%	36.24%
Net Profit to Revenue (%)	13.41%	-3.66%
Book Value Per Share (Baht/Share)	3.10	2.70
Earnings Per Share (Baht/Share)	0.38	-0.11
Return on Total Assets (%)	7.68%	-2.05%
Return on Equity (%)	13.13%	-3.85%
Total Debt to Equity (Times)	0.67	0.76
Interest Bearing Debt to Equity (Times)	0.49	0.57
Net Interest-Bearing Debt to Equity (Times)	-0.27	0.09
Net Interest-Bearing Debt to EBITDA (Times)	-0.54	0.24

Note :

Current ratio	=	Current assets divided by current liabilities
EBITDA to sales revenue	=	EBITDA divided by sales revenue
Net profit on sale revenue	=	Net profit divided by sales revenue
Book Value Per Share	=	Total Shareholders' Equity divided by number of shares
Earnings Per Share	=	Profit (Loss) attribute to equity holders of the parent divided by number of shares
Return on total assets	=	Net profit divided by average total assets
Return on equity	=	Net profit divided by average total shareholder's equity
Interest Bearing Debt to Shareholders' Equity	=	Interest Bearing Debt divided by shareholder's equity
Net Interest-Bearing Debt to Equity	=	Interest Bearing Debt net from cash and cash equivalent and current investments divided by shareholder's equity
Net Interest-Bearing Debt to EBITDA	=	Interest Bearing Debt net from cash and cash equivalent and current investments divided by EBITDA
EBITDA	=	Earnings Before Interest, Tax, Depreciation and Amortization