



The ONE Enterprise Public Company Limited

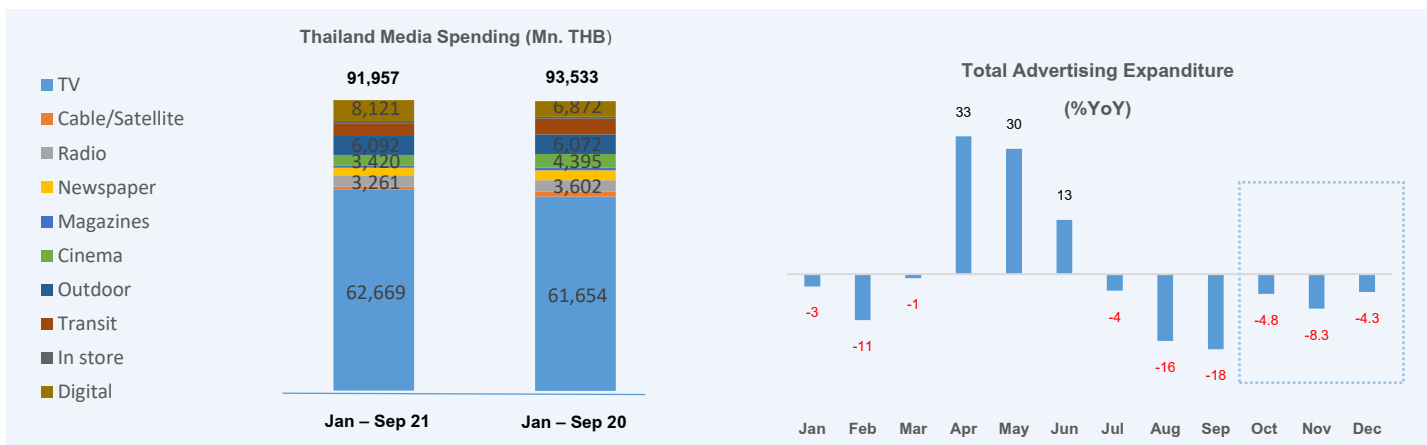
# **Management Discussion and Analysis Yearly Ending**

**31 Dec 2021**

## Executive Summary

- The One Enterprise Public Company Limited (“the Company”) reported earnings in 2021 with revenues of 5,435.8 million baht and a net profit of 828.4 million baht, stronger than 2020. The revenue increased by 2,220.7 million baht and net profit increased by 197.1 million baht or an increase of 71.0% and 31.2% respectively.
- In September, it was the time when the government started to relax the measures to prevent Covid-19. This allows the group of companies to return to operate the program again. As a result, revenue and net profit improved better than the previous quarter.
- The overall rating of channel One31 has recovered to a rating of 0.90, returning to the 4th TV station in the industry. After facing the situation of 3-4 waves of the Covid-19, at the end of the 2-3rd quarter of the year, Channel One31's ratings dropped to 0.68 because the station must broadcast rerun content because the group of companies cannot conduct the business for programs and dramas as usual.
- After the Group was listed on the Stock Exchange of Thailand, The Group has repaid a loan of Baht 2,200 million in November 2021. In addition, the Group has cash flow from operations which can repay some long-term loan debt. As a result, long-term borrowings remained at 311.5 million baht. As of December 31, 2021, operating cash flow was 1,532.9 million baht and cash flow was 2,461.9 million baht.

## Economic Overview and Market Situation



- The Thai economy began to see a recovery in Q4/21 with the easing of government measures and with the rapidly increasing vaccination rate. As a result, the number of critically ill patients is reduced and economic activity resume to almost normal. However, after the outbreak of the new coronavirus Omicron in December resulted the overall economic recovery remains weak. Although there are some positive economic factors such as government economic stimulus projects and accepting foreign tourists, there is a tendency that the Thai economy will not return to strength in the short term. Therefore, the overall Thai economy in 2021 grow slightly at 1.2% from a severe contraction in 2020 of - 6.1%
- The accumulated ad spending in Thailand from January to December 2021 totaled 91.9 billion baht, slightly less than the cumulative value of the previous year at 1.7 percent YoY. Television advertising is still the most valued at 62.6 billion baht, or 68.1 percent of the total value. As for TV ADEX in Q4/21, it has increased significantly compared to Q3/21, with cumulative TV ADEX from October – December 2021 with a total value of 163 billion baht, more than the cumulative value of Q3/21 to 11.1%
- It is expected that the media budget for television advertising in 2022 will grow to 84.2 billion baht, or an increase of 34.5% if there is no significant impact from the pandemic. The top three media spending channels next year, there are still television, the Internet, and out-of-home media.

Source: Information from the Bank of Thailand, Media Intelligence Group, Krungsri research and The Nielsen Company (Thailand) Co., Ltd.

## Important events in 2021

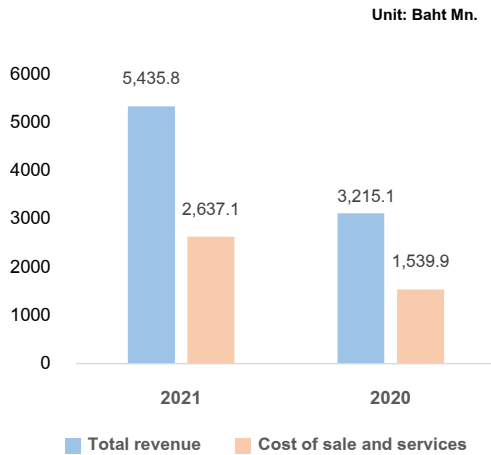
- During October 20 to November 1, 2021, the Company has offered its ordinary shares to the public for the first time (IPO) in the amount of 476,250,000 newly issued ordinary shares at 8.50 baht per share, amounting to 4,048.1 million baht.
- Resolution of the Extraordinary General Meeting of Shareholders No. 1/21, held on December 24, 2021, approved the Company to reduce the registered capital of 2 subsidiaries, namely One 31 Company Limited and GMM Channel Holding Company Limited, to clear accumulated loss. As a result, The One Enterprise Public Company Limited is able to pay dividends to shareholders.

## Financial Performance of the Group

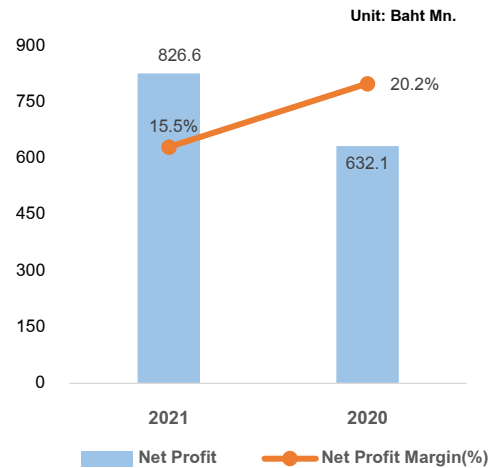
(Unit: Baht Mn.)

Consolidated financial statements	2021	2020	% Change
<i>Revenue from advertising, promotion and lease of television station</i>	2,995.5	2,115.4	41.6%
<i>Revenues from Copyrights Management</i>	1,244.2	642.9	93.5%
<i>Revenue from Radio Production</i>	188.6	32.6	478.5%
<i>Revenue from production and service</i>	316.8	235.1	34.8%
<i>Revenue from Event Business</i>	37.4	-	100.0%
<i>Revenue from other Related Business</i>	564.3	100.8	459.8%
<b>Revenue from Sale and Services</b>	<b>5,346.8</b>	<b>3,126.8</b>	<b>71.0%</b>
Cost of Sale and Services	2,637.1	1,539.9	71.3%
<b>Gross Profit</b>	<b>2,709.7</b>	<b>1,586.9</b>	<b>70.8%</b>
Other Income	89.0	88.3	0.8%
Selling and servicing expenses	209.3	121.8	71.8%
Administrative expenses	1,497.7	803.0	86.5%
<b>Operating profit</b>	<b>1,091.7</b>	<b>750.4</b>	<b>45.5%</b>
<b>EBITDA</b>	<b>2,161.3</b>	<b>1,562.8</b>	<b>38.3%</b>
Share of profit (loss) from investment in associate	0.1	4.7	-97.9%
<b>Profit before Interest income (expense) and tax income</b>	<b>1,091.8</b>	<b>755.1</b>	<b>44.6%</b>
Interest income	2.3	1.0	130.0%
Finance expenses	128.7	87.0	47.9%
<b>Profit before tax income (expense)</b>	<b>965.4</b>	<b>669.1</b>	<b>44.3%</b>
Tax Income	137.0	37.8	262.4%
<b>Net Profit</b>	<b>828.4</b>	<b>631.3</b>	<b>31.2%</b>
Earning Per Share (Baht)	0.419	0.319	

### Total Revenue and Cost of Sales and Services



### Net Profit and Net profit Margin



## Revenue from Sale and Services

For 2021, the Group's total operating income was 5,346.8 million baht, increase of 2,220.0 million baht or 71.0% from the the previous year, mainly due to as follows;

- Revenue from advertising, promotion and lease of television station increased from advertising revenue from One31 Company Limited and GMM Channel Holdings Group.
- Revenue from copyright management increased from online advertising channels that sells various program copyrights to other countries including OTT platform from One31 Company Limited and GMM Channel Holdings Group
- Revenue from radio production increased from GMM Media's radio advertising revenue from GMM Media Company Limited, which recorded full-year recognition.
- Revenue from the production and service increased from the production revenue from Change 2018 Company Limited and GMM Studios Company Limited.
- Revenue from other related businesses increased from artist management revenue due to the increasing number of artists in the agency and revenue from sales of products from GMM TV Company Limited.

## Cost of Sales and Services

For 2021, the Group's cost of sales and services was 2,637.1 million baht, increase of 1,097.2 million baht or 71.3% from the previous year, mainly from the Group's acquisition of GMM Channel Holdings Group ("GMMCH"). As a result, the production cost increased in line with the increase in operating income in the same direction.

## Selling and servicing expenses

For 2021, the Group's sales and service expenses were 209.3 million baht, increase of 87.5 or 71.8% from the previous year, mainly from the various expenses occurred from the Group's acquisition of GMMCH.

## Administrative expenses

For 2021, the Group's administrative expenses were 1,497.7 million baht, increase of 694.7 million baht or 86.5 % from the previous year, mainly from the Group's acquisition of GMMCH.

## Finance Cost

For 2021, the Group's financial cost was 128.7 million baht, increase of 41.7 million baht or 47.9 % from the previous year, mainly from the interest expense, resulted from the Group's acquisition of GMMCH.

## Net Profit

For 2021, the Group's net profit was 828.4 million baht, increase of 197.1 million baht or 31.2% from the previous year.

## financial positions

### Asset

Total assets as of December 31, 2021, equal to 9,305.5 million baht, compared to as of December 31, 2020, equal to 7,554.5 million baht, an increase of 1,751.0 million baht or 23.2% Cash and cash equivalents were 2,461.9 million baht.

### Liabilities

Total liabilities as of December 31, 2021, equal to 2,459.9 million baht, compared to as of December 31, 2020, was 5,452.3 million baht decreased by 2,992.4 million baht or 54.9%.

The total long-term loan before the IPO was at 2,820.8 million baht. After After the Group was listed on the Stock Exchange of Thailand, the Group has repaid the principal amounting to 2,200 million baht and during the year 2021, the Group has repaid all long-term loans of 1,062.5 million baht. The remaining long-term loan is 311.5 million baht.

### Equity

Equity as of December 31, 2021, equal to 6,845.5 million baht, compared to 31 December 2020, was 2,102.2 million baht, an increase of 4,743.3 million baht or 225.6%.

## Ratios and financial highlight

	For the period ended 2021	For the period ended 2020
Gross Profit Margin	50.7%	50.8%
EBITDA Margin	39.8%	48.6%
Net Profit Margin	15.5%	20.2%
ROAE	19.0%	35.0%
ROA	13.0%	13.0%
D/E (x)	0.36	2.55
Operating Cash Flow (Baht Mn.)	1,532.9	702.5
Cash at end of Period (Baht Mn.)	2,461.9	412.8



The ONE Enterprise Public Company Limited

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Please be informed accordingly,

Respectfully yours,

(Mr.Unnop Senasuttipan)

Group Chief Financial Officer

Authorized Person for Information Disclosure