



The ONE Enterprise Public Company Limited

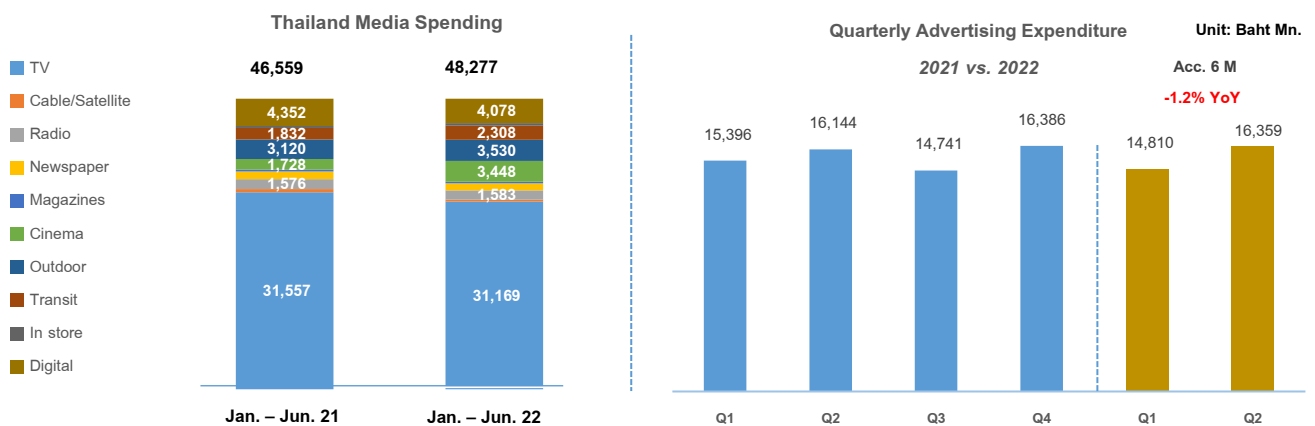
Management Discussion and Analysis Quarter 2/2022

Executive Summary

- The One Enterprise Public Company Limited (“the Company”) reported earnings in Q2/22 with revenues of 1,532.3 million baht and a net profit of 179.0 million baht. Compared to the same quarter of the previous year, the Group has revenue increased by 119.7 million baht, but net profit decreased by 83.2 million baht or an increase of 8.5% and decrease of 31.7% respectively. This was mainly due to higher comparative production costs.
- The overall media and advertising industry has been affected by the inflation escalation since the end of Q1/22, resulting in the cumulative 6-month advertising spending was weaker compared to the same period of the previous year.
- Overview of average prime time ratings channel One31 for cumulative January-June 22 is at 2.381. As a result, channel One31 became the 2nd television station in the industry⁽¹⁾. However, the impact of inflation causing advertising spending in Q2/22 to slow down. Still, the Group has other window of revenues from additional businesses to support such as revenue from copyrights management, revenue from production and service and revenue from other related business (artist management and merchandising) that increased, compared to the same quarter of the previous year. In addition, the Group began to be recognized revenue from events business in Q2/22.

Remark: ¹ Rating data from NW15+ average prime time rating, accumulative from January-June 22 and The Nielsen Company (Thailand) Co., Ltd.

Economic Overview and Market Situation



- The situation of the COVID-19 outbreak in Thailand with a new wave started in June 22 and continued to escalate. While the daily number of infected people remain stable about 2,000 cases per day, however, data from the Department of Disease Control (DDC) has summarized the number of out-of-hospital infections (ATK+) accumulated from July 31 to August 6 equal to 235,753 cases.
- In addition, the ongoing war between Russia and Ukraine occurred since Q1/22, resulting fuel and commodity prices continued to rise. This was the main factor driving inflation in June 22, hitting a six-month high of 7.7% YoY and such factors obstruct the overall of the Thai economy to fully recover. It is expected that in H2/22, the economy will still slow down, because of rising interest rates, inflation and the higher private sector expenses which has a chance to reduce private consumption growth compared to H1/22.
- The accumulated advertising spending in Thailand from January to June 22 totaled 48.2 billion baht, increased from the cumulative value of the previous year at 3.5% YoY. Overall, growth is from cinema media, outdoor media, and transit media. While television media dropped 1.2% YoY, it was still the most valued at 31.1 billion baht or 64.5% of the total value. The decline in television media was attributed to the COVID-19 outbreak, the Omicron strain, and inflation escalation.

- The overview of advertising spending in the second half of the year is still difficult to foresee due to external factors affecting the media industry, such as energy costs, economic conditions, and the new wave of COVID-19 outbreaks. The economic factors also affect companies' media purchasing decisions, resulting in a slowdown in media spending.

Source: Information from the Bank of Thailand, MAAAT, The Nielsen Company (Thailand) Co., Ltd., DDC and Kasikorn Research Center

Important events in Q2/22

- On April 5, the Group launched the “oneD” application, which is available on the website and application to increase the potential of an all-in-one video streaming platform. The application has an average of 3 monthly views (April - June) at 15.8 million views, representing an average growth rate of 168%, and an average 3-month cumulative download of 9.2 million times, representing an average growth rate of 6.6 percent, respectively.
- In June, The Stock Exchange of Thailand has announced the results of the selection of securities used for the index calculation in the second half of 2022, the Group has been selected for the SET 100 Index and has been selected for the international index calculation, FTSE SET Mid Cap Index, which has been selected to calculate the index in 8 months since the group's IPO in Nov. 2021.
- ONE31's prime time rating was 2.76 in June, causing TV station rank moved up to the 2nd in the industry.⁽¹⁾
- On July 1, the Group received the Asia Pacific Enterprise Award (APEA) Regional Edition in Asia organized by The Enterprise Asia.

Remark: ¹ Rating data from NW15+ average prime time rating, accumulative from January-June 22

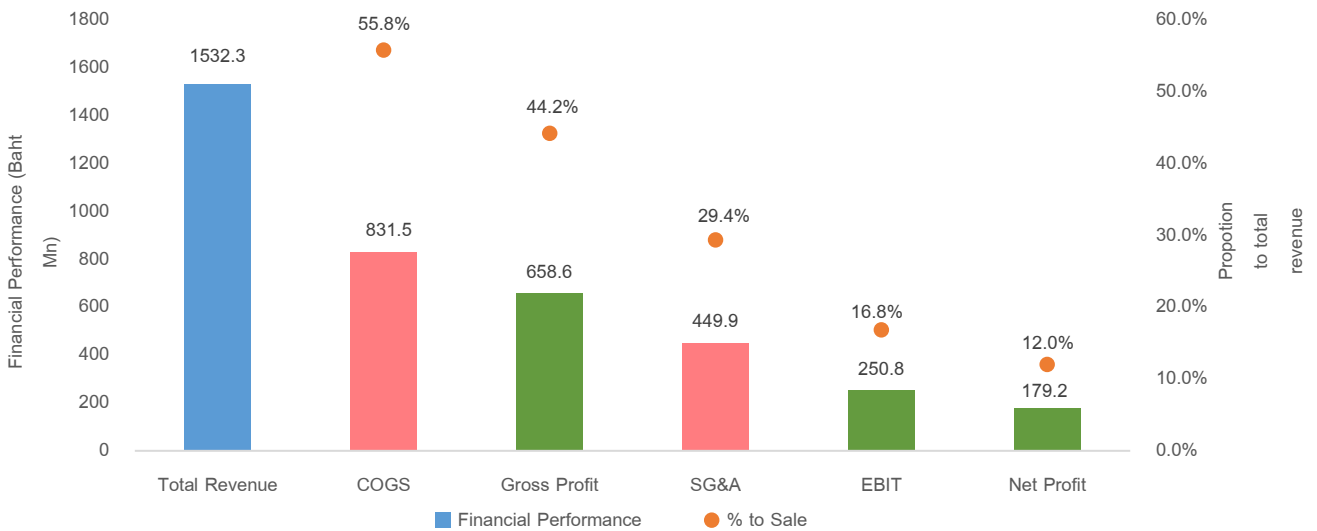
Financial Performance of the Group

Unit: Baht Mn.

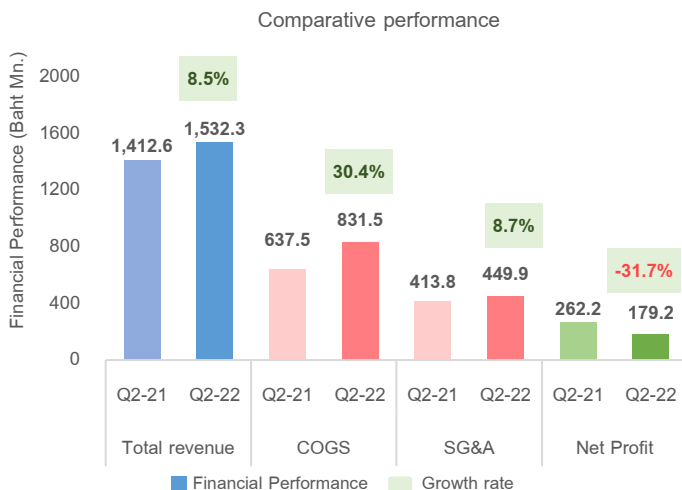
Consolidated financial statements	Q2-21	Q2-22	% Change	6M-21	6M-22	% Change
Revenue						
Revenue from advertising, promotion, and lease of television station	815.1	769.5	-5.6%	1,596.3	1,492.5	-6.5%
Revenues from Copyrights Management	317.9	338.6	6.5%	607.5	795.3	30.9%
Revenue from Radio Production	49.7	52.8	6.2%	91.4	95.7	4.7%
Revenue from production and service	73.3	101.4	38.3%	147.4	225.6	53.1%
Revenue from Event Business	4.2	18.2	333.3%	4.9	18.2	271.4%
Revenue from other Related Business	134.1	209.6	56.3%	289.3	434.4	50.2%
Revenue from Sale and Services	1,394.3	1,490.1	6.9%	2,736.8	3,061.7	11.9%
Total Revenue	1,412.6	1,532.3	8.5%	2,782.5	3,120.2	12.1%
Cost of Sale and Services	637.5	831.5	30.4%	1,324.6	1,687.3	27.4%
Gross Profit	756.8	658.6	-13.0%	1,412.2	1,374.4	-2.7%
Other Income	18.3	42.1	130.1%	45.7	58.5	28.0%
Selling and servicing expenses	43.2	67.9	57.2%	91.9	127.3	38.5%
Administrative expenses	370.6	382.0	3.1%	723.2	757.9	4.8%
Operating profit	361.3	250.8	-30.6%	642.8	547.7	-14.8%
EBITDA	656.1	611.2	-6.8%	1,211.4	1,245.0	2.8%

Consolidated financial statements	Q2-21	Q2-22	% Change	6M-21	6M-22	% Change
Share of profit (loss) from investment in associate	(0.9)	(0.1)	-88.9%	(1.0)	0.9	-190.0%
Profit before Interest income (expense) and tax income	360.4	250.7	-30.4%	641.8	548.6	-14.5%
Interest income	0.6	3.9	550.0%	0.6	4.0	566.7%
Finance expenses	(37.0)	(2.6)	-93.0%	(74.4)	(9.2)	-87.6%
Profit before tax income (expense)	324.0	252.0	-22.2%	568.0	543.4	-4.3%
Tax Income	(61.8)	(73.0)	18.1%	(112.9)	(114.0)	1.0%
Net Profit	262.2	179.0	-31.7%	455.1	429.4	-5.6%
Earnings Per Share (Baht)	0.138	0.075		0.239	0.180	

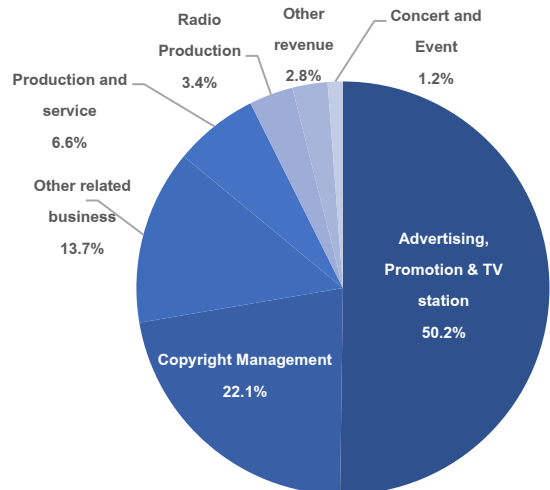
Financial Performance Quarter 2/2022



Comparison of Quarterly Financial Results YoY



Revenue Contribution Quarter 2/2022



For Q2/22, the Group's total operating income was 1,490.1 million baht, increase of 95.8 million baht or 6.9 % from the same quarter of the previous year, mainly as follows;

- Revenue from copyright management increased from online advertising channels that sells various program copyrights to other countries including OTT platform from GMM Channel Holdings Group and One31 Company Limited, for instance, Devil Sister Series, F4 Thailand Series, Cupid's Last Wish Series, The Love Proposal Drama, The Giver Drama, Family Harmony Drama and Revenge from The Past Drama.
- Revenue from the production and service increased from the production revenue from Change 2018 Company Limited and One31 Company Limited, which mainly recognizes revenue from partner TV channels and OTT platform channels. Such partners have hired those to produce programs such as Love Agreement Drama, Fah/Tarn/Tawan Drama, Mia Luang Drama and You are my missing piece Series.
- Revenue from other related businesses increased from artist management revenue and revenue from sales of products from GMM TV Company Limited, as a result from selling copyrights to various channels.
- Revenue from radio production increased from radio advertising revenue surged in June, as a result from a charity activity "Share for Shoe" arranged by Green Wave FM
- Revenue from event business increased from GMM TV Company Limited's "Polca the Journey" fan meeting event and GMM Media Public Company Limited's "Beach Boy Concert"
- As for Revenue from advertising, promotion and lease of television station decreased from advertising revenue dropped, which impacted by the inflation escalation.

Cost of Sales and Services

For Q2/22, the Group's cost of sales and services was 831.5 million baht, increase of 194.0 million baht or 30.4% from the same quarter of the previous year, mainly from the increase in the production cost; from the increasing amount of series, merchandising and artists management from GMM TV Company Limited. It is also from the cost of production and service for the increased number dramas from Change 2018 Company Limited. Such costs increased compared to the same quarter of the previous year, which corresponds to the increase in operating income in the same direction.

Selling and servicing expenses

For Q2/22, the Group's selling and servicing expenses were 67.9 million baht, increase of 24.7 or 57.2% from the same quarter of the previous year, mainly from oneD application' PR costs, agencies expenses and marketing expenses.

Administrative expenses

For Q2/22, the Group's administrative expenses were 382.0 million baht, increase of 11.4 million baht or 3.1 % from the same quarter of the previous year.

Finance Cost

For Q2/22, the Group's finance cost was 2.6 million baht, decreased by 34.4 million baht or 93.0% from the same quarter of the previous year, mainly from long-term loan repayment of 311.5 million baht in Q1/22, resulting in the Group has no long-term loans in Q2/22.

Net Profit

For Q2/22, the Group's net profit was 179.0 million baht, decrease of 83.2 million baht or 31.7% from the same quarter of the previous year.

financial positions

Asset

Total assets as of June 30, 2022, equal to 9,461.0 million baht, compared to as of December 31, 2021, equal to 9,305.4 million baht, increased by 155.5 million baht or 1.7% Cash and cash equivalents were 977.8¹ million baht.

Remark: ¹ Excluding fixed deposits of 1,100.0 million baht.

Liabilities

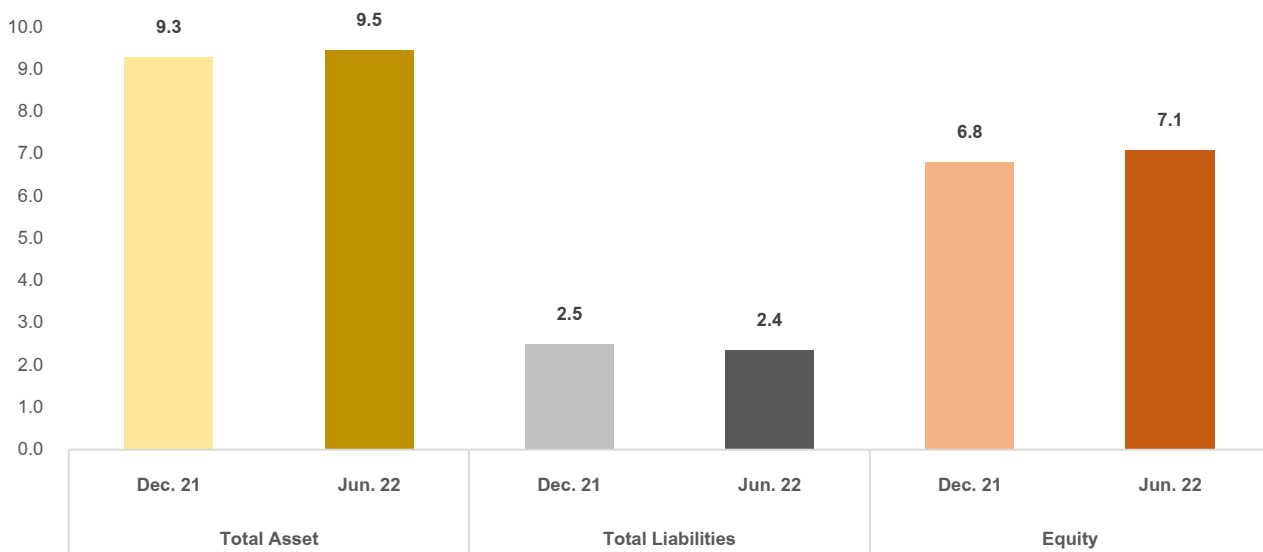
Total liabilities as of June 30, 2022, equal to 2,350.4 million baht, compared to as of December 31, 2021, was 2,459.9 million baht decreased by 109.5 million baht or 4.5%.

In addition, in Q1/22, the Group repaid a total of 311.5 million baht of long-term loans, resulting in the Group has no long-term loans in Q2/22.

Equity

Equity as of June 30, 2022, equal to 7,110.5 million baht, compared to 31 December 2021, was 6,845.5 million baht, an increase of 265.0 million baht or 3.9%.

financial Positions Comparison



Ratios and financial highlight

	6M 2021	6M 2022
Gross Profit Margin	51.6%	44.9%
EBIT Margin	23.1%	17.6%
EBITDA Margin	43.5%	39.9%
Net Profit Margin	16.4%	13.7%
ROAE	19.5%	6.2%
ROA	5.9%	4.6%
D/E (x)	2.4	0.3
Operating Cash Flow (Baht Mn.)	745.5	270.9
Cash and fixed deposit at end of Period (Baht Mn.)	813.1	2,077.8

Please be informed accordingly,

Respectfully yours,

(Mr.Unnop Senasuttiapan)

Group Chief Financial Officer

Authorized Person for Information Disclosure