

MCOT Public Company Limited



63/1 Rama IX Road, Huaykwang

Bangkok 10310 Thailand

Phone +66 (0) 2201 6000

Fax +66 (0) 2245 1435

E-mail Contact@mcot.net

www.mcot.net

Ref: MCOT/6154/1601

August 11, 2022

The Stock Exchange of Thailand

Attn: The President

Re: Management's Discussion and Analysis (MD&A) on Operating Results for Three-Month and Six-Month Periods, Ended June 30, 2022

On August 11, 2022, the Board of Directors' meeting no. 11/2022 resolved to approve the financial statements of MCOT Public Company Limited, for the three-month and six-month periods, ended June 30, 2022, which were reviewed by EY Company Limited and the Audit Committee, the details of which are as follows:

Management's Discussion and Analysis (MD&A) on operating results for three-month and six-month periods, ended June 30, 2022, shows that MCOT is at deficit of 54 million Baht, a 168% drop, compared to the same period of the last year, due to over 20% drop in revenue from traditional media (TV and radio). Revenue from broadcast network operations and digital business increases 11% and 58%, respectively. MCOT is still able control expense budget. Total expenses increase 7%, compared to the same period of last year, due to amortisation of radio frequency fee.

Due to decreased revenue and increased expenses, the operating results of MCOT changes over 20%, compared to the same period of the last year. Explanation of such change, operations and adjustment measures to improve the Company's competitiveness by the management of MCOT are as follows:

Operating Results of MCOT Plc. and Subsidiaries

	Unit: Million Baht (Reviewed)		
	Jan-Jun 2022	Jan-Jun 2021	%YoY
Total Revenue	662	751	-12
Television	180	233	-23
Radio	166	202	-18
Broadcast Network Operator (BNO) + C-Band	249	224	+11
Digital and New Business	52	33	+58
Others	15	59	-75
Total Expense	716	672	+7
Profit (loss) before income tax expenses	(54)	79	-168
Profit (loss) for the period	(54)	79	-168
Earnings (loss) per share (Baht)	(0.08)	0.12	-167

At MCOT, we all work together towards a common goal of promoting transparency and anti-corruption to achieve sustainable development.

MCOT has adopted an anti-corruption policy against all forms of corruption, which applies to any action taken by MCOT employees. For more information, please visit www.mcot.net/jr > good governance > corporate governance > anti-corruption policy.

Unit: Million Baht (Reviewed)

	Apr - Jun 2022	Apr - Jun 2021	% Change (YOY)	Jan - Mar 2022	% Change (QOQ)
Total Revenue	355	389	(9)	307	16
Television	101	129	(22)	79	28
Radio	88	102	(14)	78	13
Broadcast Network Operation Service+C-Band	125	113	11	124	-
Digital + New Business	31	20	55	21	48
Others	10	25	(60)	5	100
Total Expenses	365	346	5	351	4
Profit (loss) before income tax expenses	(11)	43	(126)	(43)	74
Profit (loss) for the period	(11)	43	(126)	(43)	74
Earnings (loss) per share (Baht)	(0.02)	0.06	(133)	(0.06)	67

Significant issues in operating results in the first six months in 2022 and Q2-2022

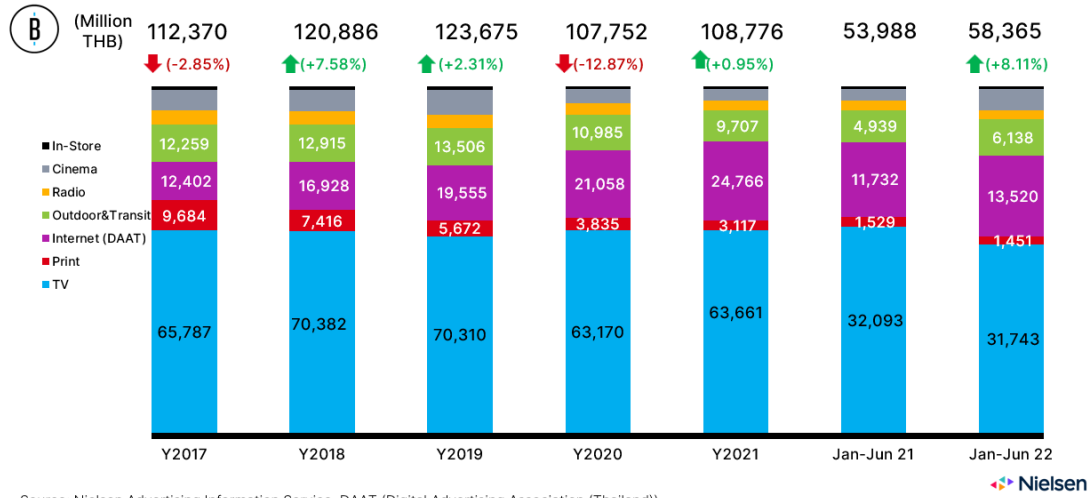
1. MCOT is able to continuously generate revenue from BNO rather than TV and radio, after broadcast of a public service channel T-Sports 7 since Q3-2021.
2. The licenses to operate 47 radio frequencies that MCOT has acquired from the auction, have taken effect since April 4, 2022, for a period of 7 years. The 47 frequencies consist of:
 - 6 frequencies in Bangkok and vicinity
 - 41 frequencies in regional area
3. On February 21, 2022, MCOT won the auction for radio frequencies. The Company has already paid license fee of 544 million Baht to the National Broadcast and Telecommunications Commission (NBTC) on March 24, 2022. In Q 2-2022, MCOT records amortisation of the license fee payment for the license period, resulting in an increase of 6 million Baht in an average monthly expense.
4. Revenue from rental of assets (studio and master control room) is recognised in late Q1-2022, broadcast operations of T-Sports 7.
5. Although the timeline for 50-rai utilisation (new business) is extended, MCOT is able to generate revenue through leasing out part of the land for a short term. Rental revenue from joint-operations with CKST is recognised until Q1-2023.

At MCOT, we all work together towards a common goal of promoting transparency and anti-corruption to achieve sustainable development.

MCOT has adopted an anti-corruption policy against all forms of corruption, which applies to any action taken by MCOT employees. For more information, please visit www.mcot.net/jr> good governance > corporate governance > anti-corruption policy.

Overall Industry

THAILAND MEDIA SPENDING



Source: Nielsen Advertising Information Service, DAAT (Digital Advertising Association (Thailand))

Nielsen Thailand reports advertising spending in the first six months of 2022, valued at 58,365 million Baht, which increases 8% from the same period of the last year. Accounting 54% of total spending, television remains the most spent medium among other media despite a 1% drop compared to the same period of the last year, followed by internet, out-of-home/outdoor and others. After resuming full services, cinema is the fastest-growing medium, compared to the same period of last year.

Similar to Q1-2022, top 3 most spenders in Q2-2022 are 1) food and beverage 2) personal care and cosmetics and 3) retail shops and food outlets.

Details of advertising spending are as follows:

Media (Jan-Jun 2022)	Percentage	% Changes, compared to 6M-2021
TV amounted to 31,743 million	54%	1% drop
Internet amounted to 13,520 million	23%	15% increase
Outdoor & transit amounted to 6,138 million	11%	24% increase
Cinema amounted to 3,511 million	6%	97% increase
Radio amounted to 1,579 million	3%	0.1% drop
Printed amounted to 1,451 million	2%	5% drop
In-store amounted to 423 million	1%	27% increase

Total revenue

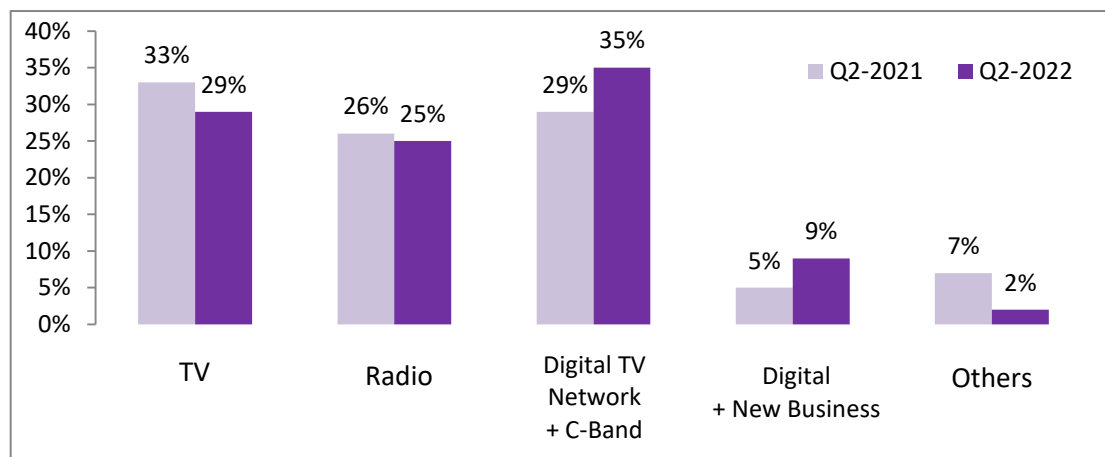
MCOT’s total revenue in the first six-month period is 662 million Baht, a 12% drop, compared to the same period of last year. Revenue in Q2-2022 is 355 million Bath, a 9% drop from the previous quarter. Details of revenue are as follows:

- Broadcast Network Operation Service and MCOT satellite network (35%)
- TV (29%)
- Radio (25%)
- Digital and New Business (9%)
- Others (2%)

At MCOT, we all work together towards a common goal of promoting transparency and anti-corruption to achieve sustainable development.

MCOT has adopted an anti-corruption policy against all forms of corruption, which applies to any action taken by MCOT employees. For more information, please visit www.mcot.net/jr> good governance > corporate governance > anti-corruption policy.

Table chart showing revenue structure in Q2-2022 in comparison with Q2-2021



The total revenue in Q2-2022 decreases 9%, compared to the same period of the last year, due to the drop in revenue from traditional media (TV and radio), which is major business of MCOT. However, BNO business accounts most in the total revenue and is able to generate revenue higher than other businesses, due to network rental from the new client. Broadcast Network Operation Service revenue has continued since Q3-2021.

Details of revenue from each business in Q2-2022 are as follows:

- Revenue from BNO is 125 million Baht, an 11% increase compared to the same period of the last year, due to the new client who is the Sports Authority of Thailand and assigned by the Minister of Tourism and Sports to broadcast T Sports 7 Channel since July 2021
- TV revenue is 101 million Baht, a 22% drop, compared to the same period of the last year, due to a drop in revenue from governmental PR campaigns during news programmes. Revenue from news programmes drop 34%, compared to the same period of last year. On a contrary, MCOT is able to generate more revenue from advertising, for example; time-rental and broadcast of special programmes and events.

TV revenue shows a positive sign with a 28% increase from the previous quarter. In Q2-2022, advertising time during prime time accounts for 43-59% of the total air time, which increases 25% from the previous quarter.

- Radio revenue is 88 million Baht, a 14% drop, compared to the same period of the last year, due to a decrease in radio stations to 47 and uncertainties of customers in planning PR budget.

Radio revenue shows a positive sign with a 13% increase from the previous quarter. Radio revenue mainly comes from central operations, which accounts for 75% of radio revenue. The highest revenue-generating station is F.M. 95 MH.z, followed by F.M. 100.5 MH.z., F.M. 96.5 MH.z. and F.M. 107 MH.z.

- Revenue from digital and new business is 31 million Baht, a 55% increase, compared to the same period of the last year, due to an increase in revenue from social platforms (YouTube and Facebook) and content distribution, and sharing from selling products through Shop Mania programme. In addition, revenue from asset's rental that is considered as a new source is recognised in Q1- 2022.

At MCOT, we all work together towards a common goal of promoting transparency and anti-corruption to achieve sustainable development.

Total expenses

In the first six months of 2022, total expenses are 716 million Baht, a 7% increase, compared to the same period of the last year. Expenses in Q2-2022 are 365 million Baht, a 5% increase from the same period of last year. The increase in expenses are partly due to increase in production expenses of TV, radio and BNO. From Q2-2022, MCOT will record amortisation of the radio frequency license fee, resulting in an increase of 6 million Baht in an average monthly expense.

- Sales and service expenses 67%
- Distribution expenses 5%
- Administrative expenses 26%
- Financial cost 2%

Net Profit

In Q2-2022, operating results of MCOT is at the deficit of 11 million Baht, which decreases 126% compared to the same period of the last year. The operating results trends to improve 74% from the previous quarter. This is because revenue from core businesses (TV and radio) is below the target. The Company is able to control the expense budget despite increase expenses from amortisation of licenses to operate radio frequencies.

Assets, Liabilities and Shareholder's Equity

	Unit: Million Baht (Reviewed)	
	June 30, 2022	December 31, 2021
Assets	10,070	9,909
Liabilities	3,357	3,142
Shareholder's Equity	6,713	6,767

As of June 30, 2022 the Company has total assets of 10,070 million Baht, which increases from December 31, 2021, due to 2 factors:

- 1) Decreased current assets to 182 million Baht
Decrease in cash and cash equivalent due to payment of license fees and operations , increased accounts receivable and debtors and unsettled payment of sponsorship for BNO rental from the NBTC.
- 2) 2. Increased non-current assets to 343 million Baht
Increase in non-current assets including licenses to operate radio frequencies, music rights, and software and graphic systems.

Total liabilities are 3,357 million Baht, partly due to a long-term loan from a financial institute for the license fee payment and shareholder's equity are 6,713 million Baht.

MCOT has cash/cash equivalent and short-term investment totalling 175 million Baht. The Company also possesses land assets as shown in Statement of Financial Position (property for investment) of 8,112 million Baht (3 plots of land with total area of 149 rais). This reflects 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

Investor Relations
Tel. 02 201 6388

At MCOT, we all work together towards a common goal of promoting transparency and anti-corruption to achieve sustainable development.

MCOT has adopted an anti-corruption policy against all forms of corruption, which applies to any action taken by MCOT employees. For more information, please visit www.mcot.net/jr> good governance > corporate governance > anti-corruption policy.