



The ONE Enterprise Public Company Limited

Management Discussion and Analysis Yearly Ending

31 Dec 2022

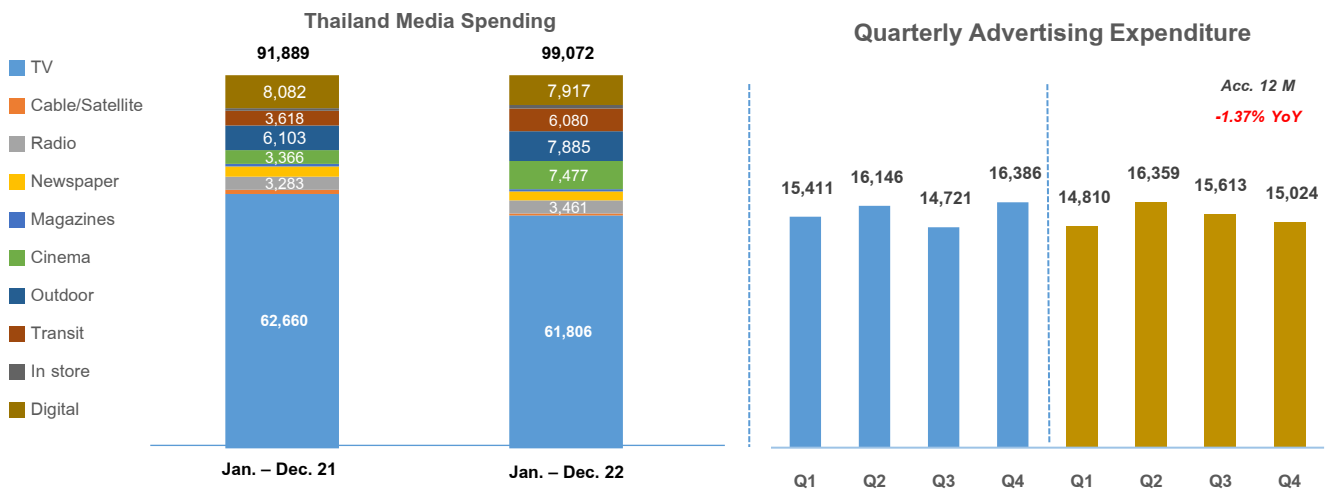
Executive Summary

- The One Enterprise Public Company Limited (“the Company”) reported earnings in 2022 with revenue of 6,226.7 million baht and a net profit of 738.3 million baht. Compared to the previous year, the Group's revenue increased by 790.9 million baht, net profit decreased by 90.1 million baht or representing an increase of 14.5% and a decrease of 10.9% respectively, mainly due to higher cost of goods sold.
- Overall media spending increased but TV advertising media decreased from last year and it continues to be affected by inflation and declining consumption of households. As a result, the cumulative twelve-month TV advertising media dropped 1.4% YoY.
- Overview of the prime time ratings of January – December 2022 Channel One31 is at a rating of 2.53¹, maintaining the 2nd TV station ranking. In addition, the evening drama before the news, “Memory of The Sinh” scored the highest rating of 7.42² and the average rating throughout the on-air period was 5.88².
- Although in 2022, TV advertising media dropped YoY from inflation and slowing consumption. However, the Group’s has income from other businesses to support. In particular, the revenue from concerts and events in 2022 was 301.4 million baht, or an increase of 14.5% YoY, and revenue from other related businesses (Merchandising, Artist management and Studio rental) had revenue of 947.0 million baht, representing an increase of 67.8% YoY.

Remark: ¹ Rating data from NW15+ average prime time and ²prime-time ratings NW15+ October - December 2022

Economic Overview and Market Situation

Unit: Baht Mn.



- The Thai economy in 2022 GDP grew by 2.6% YoY, in line with the global economic recovery after the Covid-19 virus became endemic. However, this growth is still less than the NESDB expected to grow at 3.2% YoY. Looking at the quarterly GDP figures, it is found that in Q4/22 GDP grew only 1.4% YoY. This is a result of a slowdown in exports and government consumption. If in Q1/23, Thailand's GDP still grows at a low level similar to Q4/22, it will result in the Thai economy having a chance to enter technical recession period. However, the NESDB estimates GDP in 2023 will grow approximately 2.7-3.7% from the recovery of the tourism sector and the expansion of domestic investment.
- The accumulated advertising spending in Thailand from January - December 2022 totaled 99.0 billion baht, increased from the cumulative value of the previous year at 7.1 billion baht or 7.8% YoY. TV advertising spending in 2022 was 61.8 billion baht, a decrease of 0.8 billion baht or 1.4% YoY. The reason is TV advertising did not raise because the Inflation impact since the middle of 2Q/22 and becoming intensified in 3Q/22.

- Most of the increase in advertising spending in 2022 came from cinema media, transit media, indoor media, and outdoor media respectively. While television media dropped YoY, it was yet the most valuable when compared to other media. Television media was valued at 61.8 billion baht, or 62.4% of the total value.
- Looking at a quarterly basis, Television media in 4Q/22 totaled 15.0 billion baht, a decrease of 1.3 billion baht or 8.3% YoY. This is a five-year low compared to the same period as inflation continues to take its toll and it is expected to continue to affect TV advertising spending in 2023 and will be a major factor affecting companies and agencies' decision to purchase TV advertising media.

Source: Information from the NESDB, MAAT, The Nielsen Company (Thailand) Co., Ltd., and Krungthai compass research

Important events in 2022

- 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.
- On October 20, 2022, the Group has registered a movie joint venture "Congratulations My Ex" by holding shares through a subsidiary, GMM TV Co., Ltd. of 25% of the total investment or the amount of 11,235,000 baht.
- On November 11, 2022, the Group established a subsidiary company "One Sanook Company Limited" with registered capital of 40,000,000 million baht at a par value of 100 baht per share.
- On December 22, 2022, the Group acquired shares of Pharbdee Thaweek Co., Ltd. by holding shares through its subsidiary, GMM TV Co., Ltd. of 51% of the total investment or equivalent to an investment amount of 10,000,000 baht.
- In December Channel One 31's 12-month prime time rating is 2.53¹, maintaining its 2nd TV station ranking. In addition, the evening drama before the news, "Memory of The Sinh" scored the highest rating of 7.42² and the average rating throughout the on-air period was 5.88².

Remark: ¹ Rating data from NW15+ average prime time and ² Prime time rating NW15+ October - December 2022.

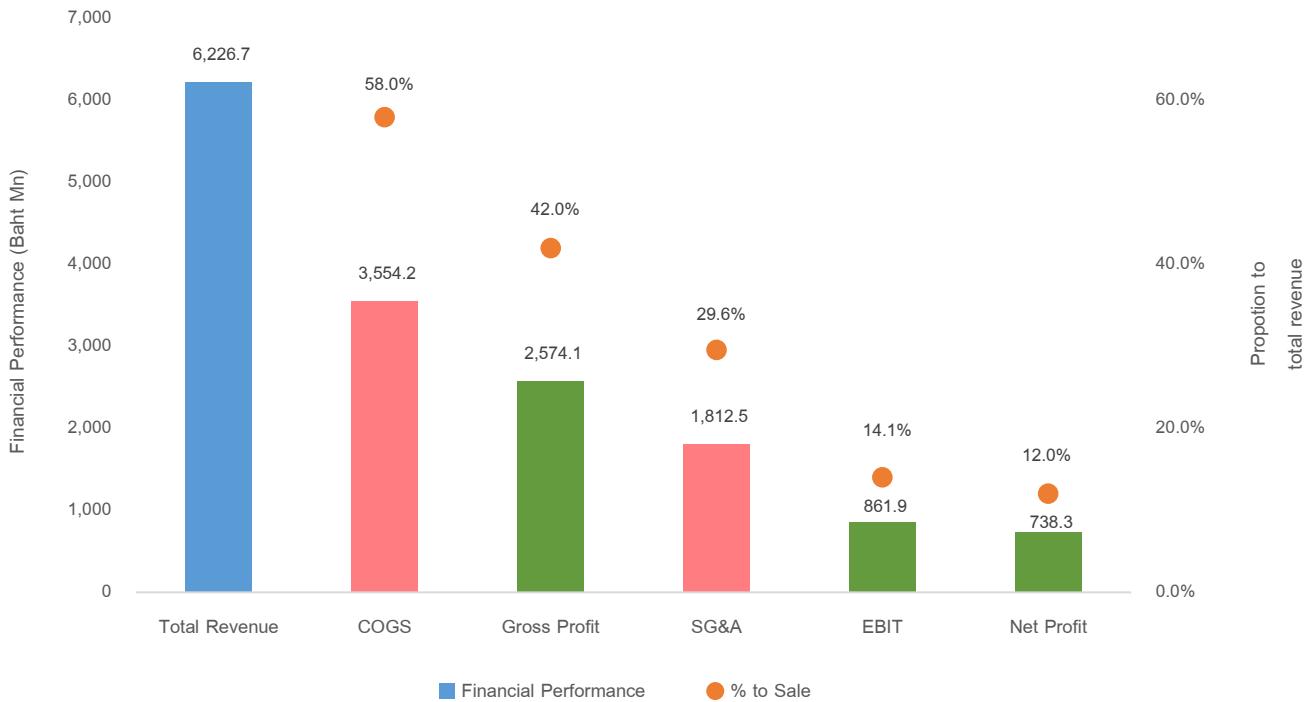
Financial Performance of the Group

Unit: Baht Mn.

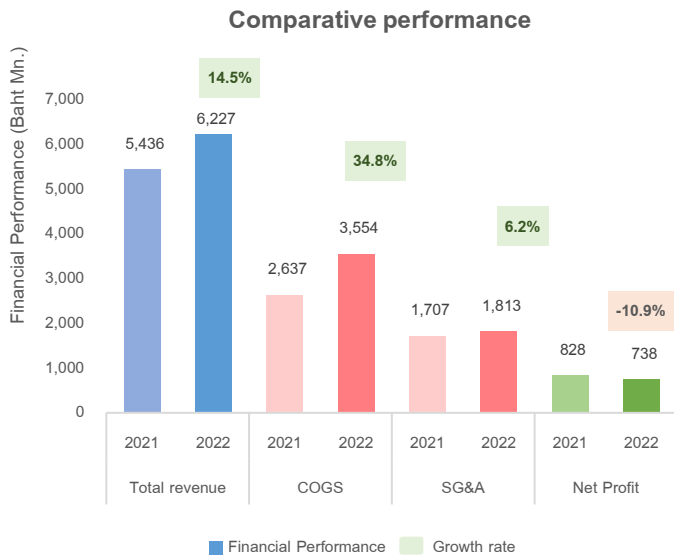
Consolidated financial statements	Q4-21	Q4-22	% Change	2021	2022	% Change
Revenue						
<i>Revenue from advertising, promotion, and lease of television station</i>	770.4	674.7	-12.4%	2,995.5	2,937.5	-1.9%
<i>Revenues from Copyrights Management</i>	397.1	240.8	-39.4%	1,244.2	1,345.2	8.1%
<i>Revenue from Radio Production</i>	58.6	73.8	25.9%	188.6	220.6	17.0%
<i>Revenue from production and service</i>	118.7	62.0	-47.8%	316.8	376.6	18.9%
<i>Revenue from Event Business</i>	26.4	112.2	324.8%	37.4	301.4	705.9%
<i>Revenue from other Related Business</i>	153.3	275.8	79.9%	564.3	947.0	67.8%
Revenue from Sale and Services	1,524.5	1,439.3	-5.6%	5,346.8	6,128.3	14.6%
Total Revenue	1,544.7	1,451.6	-6.0%	5,435.8	6,226.7	14.5%
Cost of Sale and Services	790.8	901.8	14.0%	2,637.1	3,554.2	34.8%
Gross Profit	733.7	537.5	-26.7%	2,799.7	2,574.1	-5.0%

Consolidated financial statements	Q4-21	Q4-22	% Change	2021	2022	% Change
Other Income	20.2	12.3	-38.9%	89.0	98.4	10.6%
Selling and servicing expenses	72.5	102.7	41.7%	209.3	305.5	46.0%
Administrative expenses	448.3	341.8	-23.8%	1,497.7	1,507.0	0.6%
Operating profit	233.1	105.3	-54.8%	1,091.7	860.0	-21.2%
EBITDA	531.7	432.7	-18.6%	2,161.3	2,272.1	5.1%
Share of profit (loss) from investment in associate	2.2	0.7	-66.8%	0.1	1.9	1800.0%
Profit before Interest income (expense) and tax income	235.3	106.0	-55.0%	1,091.8	861.9	-21.1%
Interest income	2.9	3.9	34.5%	2.3	9.2	300.0%
Finance expenses	(19.1)	(2.3)	-88.1%	(128.7)	(13.9)	-89.2%
Profit before tax income (expense)	219.1	107.6	-50.9%	965.4	857.2	-11.2%
Tax Income	(12.5)	37.4	-399.2%	(137.0)	(118.9)	-13.2%
Net Profit	206.0	144.9	-29.6%	828.4	738.3	-10.9%
Earnings Per Share (Baht)	0.087	0.061		0.419	0.310	

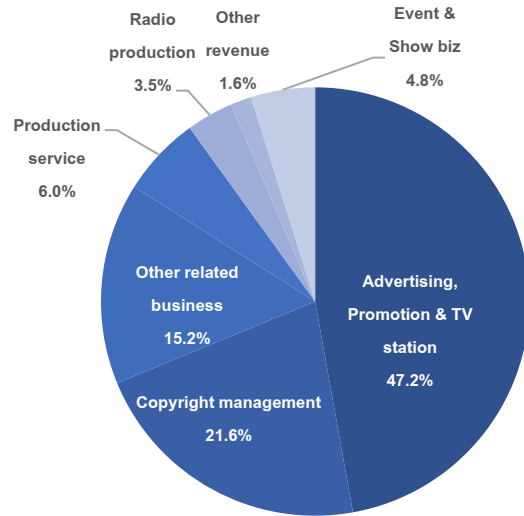
Financial Performance YE 2022



Comparison of Yearly Financial Results YoY



Revenue Contribution YE 2022



Revenue from Sale and Services

For 2022, the Group's total operating income was 6,128.3 million baht, increase of 692.5 million baht or 14.6 % from the previous year, mainly as follows;

- Revenue from advertising, promotion and lease of television station decreased as result from Q4/22 onward, the Group implemented a strategy to rerun broadcasting programs to manage costs. Consequently, advertising per minute rates decreased compared to the previous year.
- Revenue from copyright management increased from online advertising channels that sells various program copyrights to other countries including OTT platform and selling price per episode from GMM Channel Holdings Group and One31 Company Limited, for instance, F4 Thailand Series, Bad Buddy Series, My School President Series, 10 Years Ticket Series, The Love Proposal Drama, The Giver Drama, Desirable Flowers Drama and Family Harmony Drama.
- Revenue from radio production increased from radio higher sales of advertising revenue compared the last year, because GMM Media Public Company Limited has held events continuously since 3Q/22, along with consumer behavior that has returned to normal. Hence, they are returning to spend more time on the road after many companies lifted the work from home measures.
- Revenue from the production and service increased from the production revenue from Change 2018 Company Limited, GMM TV 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 Bad Beauty Drama, Mia Luang Drama, Fah/Tarn/Tawan Drama, The Root Drama, The Family Drama, Behind the Revenge Drama, BMC way and other event and online campaigns service.
- Revenue from event business increased from concerts and events after the Group was able to resume organizing the activities fully since mid-2022 onwards with income from Love Out Loud Fan Fest 2022, F4 Shooting Star, The Cassette Festival, Side By Side, Feel Fan Fun, Si Yak Pak Wan, P' Aoy P'Chod On Tour, and other fan meetings.

- 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 concerts and events.

Cost of Sales and Services

For 2022, the Group's selling and servicing expenses were 3,554.2 million baht, increase of 917.1 or 34.9% from the previous year, mainly from cost of production costs, concerts and events and artist management of GMM TV Co., Ltd.

In the year 2021, TV industry was still affected by the virus Covid-19 Delta strains. Therefore, the Company uses the strategy of broadcasting reruns to reduce production costs to a low level. However, when compared to the production cost in 2022 that the Group broadcasted first-run formats during January – September, resulting the comparative production cost is much higher.

Besides, 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 previous year, which corresponds to the increase in operating income in the same direction.

Selling and servicing expenses

For 2022, the Group's selling and servicing expenses were 305.5 million baht, increase of 96.2 million baht or 46.0% from the previous year, mainly from increased marketing and public relations expenses, which corresponds to the increase in operating income in the same direction.

Administrative expenses

For 2022, the Group's administrative expenses were 1,507.0 million baht, increase of 9.3 million baht or 0.6 % from the previous year. This was mainly due to higher employee expenses to support company's expansion.

Finance Cost

For 2022, the Group's finance cost was 13.9 million baht, decreased by 114.8 million baht or 89.2% from 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.

Net Profit

For 2022, the Group's net profit was 738.3 million baht, decrease of 90.1 million baht or 10.9% from the previous year.

financial positions

Asset

Total assets as of December 31, 2022, equal to 9,394.6 million baht, compared to as of December 31, 2021, equal to 9,305.5 million baht, increased by 89.1 million baht or 0.9%. Cash and cash equivalents were 1,570.2¹ million baht.

Remark: ¹ Excluding fixed deposits of 400.0 million baht.

Liabilities

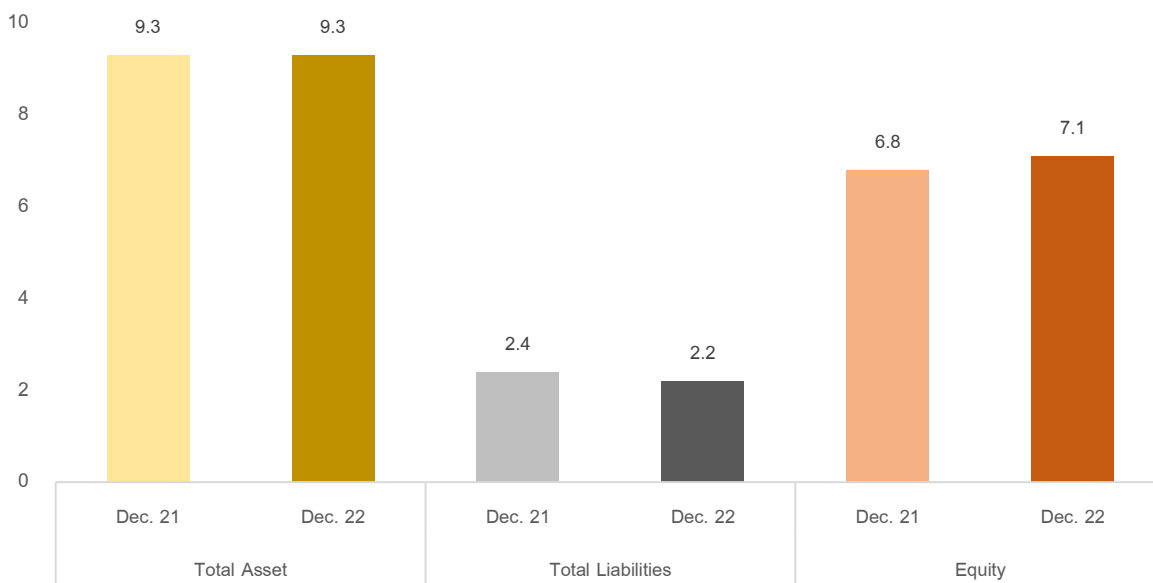
Total liabilities as of December 31, 2022, equal to 2,266.4 million baht, compared to as of December 31, 2021, was 2,459.9 million baht decreased by 193.5 million baht or 7.8%.

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.

Equity

Equity as of December 31, 2022, equal to 7,128.1 million baht, compared to 31 December 2021, was 6,845.5 million baht, an increase of 282.6 million baht or 4.1%.

financial Positions Comparison



Ratios and financial highlight

	2021	2022
Gross Profit Margin	50.7%	42.0%
EBIT Margin	20.1%	13.8%
EBITDA Margin	39.7%	36.5%
Net Profit Margin	14.8%	11.8%
ROAE	18.0%	10.6%
ROA	9.5%	7.9%
D/E (x)	0.35	0.31
Cash and fixed deposit at end of Period (Baht Mn.)	2,461.9	1,970.2



The ONE Enterprise Public Company Limited

Please be informed accordingly,

Respectfully yours,

(Mr.Unnop Senasuttipan)

Group Chief Financial Officer

Authorized Person for Information Disclosure