

12 May 2023

Re: Management Discussion and Analysis for 1Q 2023

To: The President of the Stock Exchange of Thailand

EXECUTIVE SUMMARY FOR 1Q 2023

Unit: THB million	1Q 2023	4Q 2022	1Q 2022	QoQ (%)	YoY (%)
Revenue from sales and service	1,729	2,020	1,209	-14.4	43.1
<i>Out-of-home media business</i>	1,405	1,583	1,001	-11.2	40.4
<i>Engagement marketing business</i>	324	437	208	-25.9	55.8
Earnings before interest and tax	227	355	195	-35.9	16.8
Equity holders of the Company	132	241	104	-45.2	26.7
Equity holders of the Company (excluding one-time items)*	150	251	89	-40.3	67.7

Note: *Net profit attributable to equity holders of the Company (excluding one-time items) will not include an allowance for expected credit losses of approximately THB10mn and write-off of Plan B's old office building of approximately THB8mn incurred in 1Q 2023. A write-off of expenses from changing digital screens to billboard panels and changing the AQUA and COMASS logos to the PLANB logos after the acquisition of approximately THB10mn incurred in 4Q 2022. Gain on disposals of derivative of approximately THB15mn incurred in 1Q 2022.

Business overview in 1Q 2023

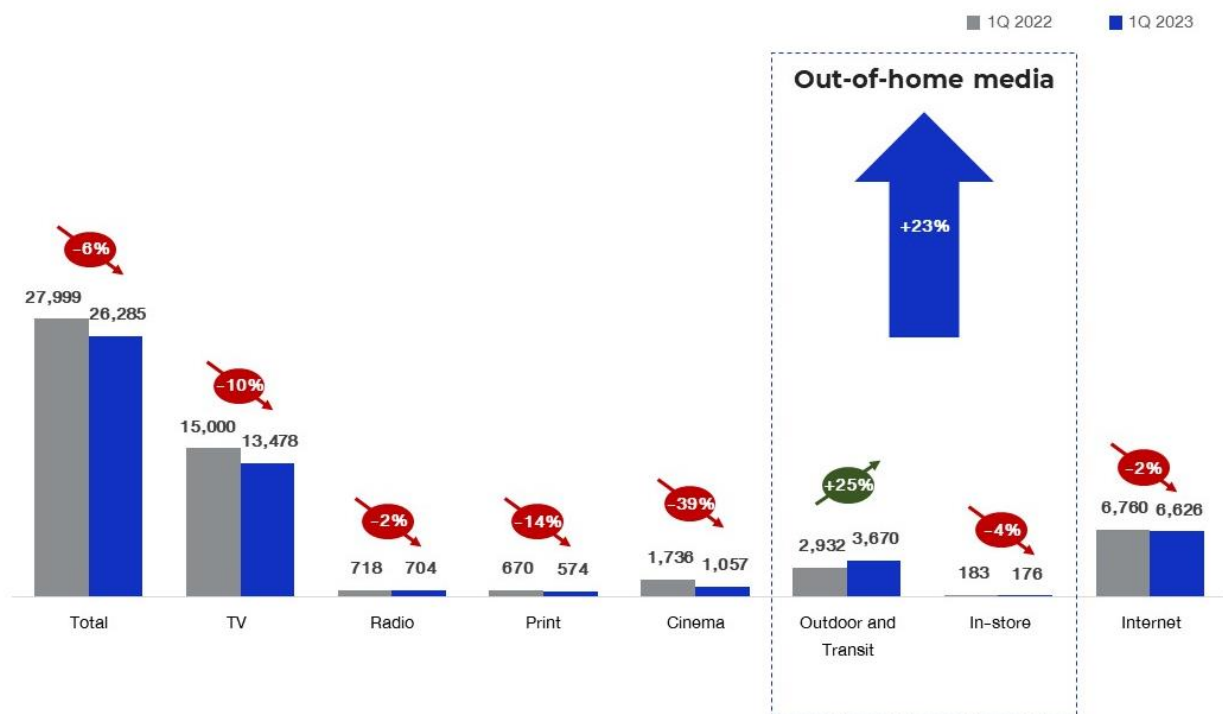
- PLANB generated a net profit attributable to equity holders of the Company of THB132million, solid growth with 26.7% YoY thanks to the significant increase in revenue, especially on static, digital, and airport media due to the higher-than-expected recovery and return of tourists, together with the ability to control expenses effectively.
- PLANB recorded total revenue from sales and services of THB1,729million, growing significantly at 43.1% YoY
 - OOH media business was THB1,405million, increasing 40.4% YoY from the media utilization rate of 64.8%
 - Engagement marketing business was THB324million, increasing 55.8% YoY.
- PLANB was pressured by the increase in the cost of goods sold of THB423million YoY caused by the following items (*more information on expenses can be found in MD&A page 6*)
 - 1) Cost of sales that moved in tandem with higher operating revenue, approximately THB205mn.
 - 2) Rental, signboard tax, and depreciation & amortization from the investment in Aqua Ad Public Company Limited, fully recognized in 1Q 2023, not yet recognized in 1Q 2022, approximately THB114mn.
 - 3) Electricity cost from the increased advertising media and the adjustment of FT was approximately THB32mn.
 - 4) One-time items of approximately THB18million from
 - An Allowance for expected credit losses of approximately THB10million, whereby the company has changed the long-standing debtor follow-up policy to start following up on debtors who cannot pay debts to the Company, both in the normal and the litigation processes. Therefore, after receiving the payment from the debtor, the Company will adjust such expenses from the Company's income statement.
 - The write-off of Plan B's old office building was approximately THB8million.
- Excluding one-time items (abovementioned), the Company's net profit attributable to equity holders of the Company was THB150mn, an increase of 67.7% YoY.

ECONOMIC AND ADVERTISING INDUSTRY CONDITIONS

Overall Thai economy during 1Q 2023 improved from the previous quarter, supported by the continuous rise in tourists after the borders were fully opened. As a result, the service sector and private consumption indices adjusted upward. At the same time, export value also grew, and prices of certain consumer products dropped, especially gasoline for diesel and benzene. This is reflected in the Consumer Confidence Index, which also consistently improved thanks to the economic recovery to reach 51.3, 52.5 and 52.3 for January-March 2023, respectively, compared with 50.4 as of December 2022. Nevertheless, there are still concerns about the high cost of living, especially electricity charges that climbed recently, leading to a slower adjustment in the Consumer Confidence Index.

Note that media spending for 1Q 2023 stood at THB 26,285 million, decreasing THB 1,717 million or equivalent to 6.1% compared with media spending of the same period of the previous year. This is due to more careful spending on advertising budget and the slowdown in product promotions and new product launches for certain categories. The fall in media spending was broad-based, including most types of media, especially media spending for TV, which experienced a significant contraction of around 10.1% compared with media spending last year during the same period. However, unlike other media, out-of-home media and transit media managed to grow during the past period at a rate of 25.2% compared with the media spending of out-of-home media and transit media of 1Q 2022. The reasons behind this are the higher number of local and foreign tourists from the reopening of the country and the increase in people's outdoor activities. Details on percentage changes are as follows.

Total advertising spending in 1Q 2023 in comparison to total advertising spending in 1Q 2022 (THB million)



KEY FINANCIAL IN THE INCOME STATEMENT OF 1Q 2023

Unit: THB million	1Q 2023	4Q 2022	1Q 2022	QoQ (%)	YoY (%)
Revenue from sales and services	1,729	2,020	1,209	-14.4	43.1
Other income	23	42	9	-45.0	154.6
Gain (loss) on changes in the fair value of derivatives	-	(1)	15	nm	nm
Gain on cancellation of lease liabilities	-	3	-	nm	nm
Total revenues	1,752	2,064	1,233	-15.1	42.2
Cost of goods sold	1,295	1,454	871	-11.0	48.6
Gross profit	435	566	337	-23.2	28.9
Selling expenses	80	96	52	-16.6	53.8
Administrative expenses	151	160	115	-5.4	31.1
Selling and administrative expenses	231	255	167	-9.6	38.2
Share of profit (loss) from investments	(4)	(0.1)	(6)	>100.0	20.6
Earnings before interest and tax	227	355	195	-35.9	16.8
Interest expense	55	55	37	-0.2	47.2
Earnings before tax	168	299	152	-43.9	10.7
Income tax revenue (expenses)	(38)	(59)	(51)	36.2	26.0
Net profit	130	240	100	-45.9	29.5
Attributable to:					
Minority interests	(2)	(1)	(4)	-98.9	42.2
Equity holders of the Company	132	241	104	-45.2	26.7
One-time items after tax:					
An allowance for expected credit losses	10	-	-	nm	nm
Write-off Plan B's old office building	8	-	-	nm	nm
Write-off of expenses from changing digital screens to billboard panels and changing the AQUA and COMASS logos to the PLANB logo after the acquisition	-	10	-	nm	nm
Gain on disposals of derivative	-	-	15	nm	nm
Equity holders of the Company (excluding one-time items)	150	251	89	-40.3	67.7

Key financial ratios (%)	1Q 2023	4Q 2022	1Q 2022
Gross profit margin as % to revenues from sales and services*	25.1	28.0	27.9
Gross profit margin as % to revenues from sales and services (excluding one-time items)*	26.2	28.5	27.0
SG&A as % to revenues from sales and services*	13.3	12.6	13.8
EBIT margin as % to revenues from sales and services*	13.1	17.6	16.1
Net profit margin attributable to equity holders of the Company*	7.6	11.9	8.6
Net profit margin attributable to equity holders of the Company (excluding one-time items)	8.7	12.4	7.5

Note: * As a percentage to revenues from sales and services, excluding other income

ANALYSIS OF THE OPERATING PERFORMANCE OF 1Q 2023

The Company reported the operating revenue for 1Q 2023 of THB1,729million, increasing THB521million or 43.1% over the same period last year. The increase came mainly from a significant revenue uplift from the OOH media business that moved in tandem with the improving economy and the realized revenue from the investment in Aqua Corporation Public Company Limited, fully consolidated in 1Q 2023, while during 1Q 2022, there was no revenue realization on this. Additionally, the revenue from engagement marketing also increases, especially from the sport marketing business, in line with the increasing number of outdoor activities after the ease of COVID-19 control measures.

The Company reported the net profit attributable to the equity holders of the Company for 1Q 2023 at THB132million, increasing THB28million or 26.7% over the same period last year, driven by the increase in operating revenue and effective expense management.

Revenue Breakdown by Business

Out-of-Home Media Business

Unit: THB million	1Q 2023	4Q 2022	1Q 2022	QoQ (%)	YoY (%)
Total revenues of out-of-home media	1,405	1,583	1,001	-11.2	40.4
Transit	66	75	54	-12.0	22.7
Static	456	418	332	9.1	37.5
Digital	733	901	491	-18.7	49.2
Retail	99	143	117	-30.7	-15.7
Airport	52	47	7	11.8	611.8
Utilization Rate (%)	64.8	71.9	52.1	-7.1	12.7

In 1Q 2023, the out-of-home media business reported a total revenue of THB1,405million, increasing THB404million or 40.4% over the same period last year. Total revenue from out-of-home business accounts for approximately 81% of total revenue from sales and services. Details are as follows:

- In 1Q 2023, revenue from transit media was THB66million, increasing THB12million or 22.7% over the same period last year, as there was a significant increase in outdoor lifestyles and travel activities. Moreover, the Company also realized revenue from the rights management of advertising media inside and outside the Bangkok Mass Transit Authority (BMTA) EV buses since Feb 2023.
- In 1Q 2023, revenue from static media was THB456million, increasing THB124million or 37.5% over the same period last year thanks to the higher revenue realization from the investment in Aqua Corporation Public Company Limited ("AQUA") was fully realized in 1Q 2023, while during 1Q 2022, there was no revenue realization on this. Furthermore, higher revenue was driven by the recovery of media spending and the improvement of economic conditions.

- In 1Q 2023, revenue from digital media was THB733million, increasing THB242million or 49.2% over the same period last year thanks to the higher revenue realization from the investment in Aqua Corporation Public Company Limited ("AQUA"), which was fully realized in 1Q 2023, while during 1Q 2022, there was no revenue realization on this. Furthermore, higher revenue was driven by the recovery of media spending and the improvement of economic conditions. Plan B recognized the revenue from the sales of timeshare advertising media in New York Times Square of approximately THB30million during the quarter.
- In 1Q 2023, revenue from retail media (department stores, supermarkets, convenience stores) was THB99million, decreasing THB18million or 15.7% over the same period last year due to declining revenue from convenience stores.
- In 1Q 2023, revenue from airport media was THB52million, increasing THB45million or more than 100% over the same period last year due to the relaxation of travel restrictions and the improved COVID-19 situation, which promoted higher traffic in airports from both domestic and foreign tourists.

Engagement Marketing Business

Unit: THB million	1Q 2023	4Q 2022	1Q 2022	QoQ (%)	YoY (%)
Total revenues of engagement marketing	324	437	208	-25.9	55.8
Sport marketing	204	249	111	-18.1	83.5
Artist management	93	127	81	-26.7	15.1
Online	27	23	16	18.1	69.0
Event organizing and management services	-	38	-	nm	nm

The engagement marketing business reported a total revenue of THB324million, increasing THB116million or 55.8% over the same period last year. Total revenue from engagement marketing business accounts for approximately 19% of total revenue from sales and services. Details are as follows:

- In 1Q 2023, revenue from sports marketing was THB204million, increasing THB93million or 83.5% over the same period last year supported by various sports programs that gradually resumed more activities as follows:
 - 1) Football started realizing revenue from sponsorship for the season from the beginning of the year until now, and the hype of the competition post-COVID-19 after the lockdown ended.
 - 2) Boxing from organizing Rajadamnern World Series (RWS) Season 2 since 11 Feb 2023 and boxing matches will be hosted throughout the year for this season from Feb to Dec. In addition, the airtime was also moved to every Sat at 20.05 hours on Workpoint 23 channel, the prime time for the broadcasting of sports programs that everyone can conveniently enjoy exciting matches offered. Besides, the Company also organizes boxing matches 7 days a week to promote diversity in viewing Muay Thai for both Thai and foreign tourists to respond to the number of tourists that continues to grow.
 - 3) Revenue recognition from a digital TV channel, T-Sports 7, from live broadcasting, PR and productions of TV programs for tourism and sports.

- In 1Q 2023, revenue from artist management was THB93million, increasing THB12million or 15.1% over the same period last year as the Company started realizing revenue from continuous BNK48 activities since the ease of COVID-19 control measures, including BNK48 4th Generation Fan Meet, BNK48 & CGM48 Matsuri 2023, handshake events and the launch of new single from BNK48 during the period. In addition, the popularity of PROXIE among teenagers also contributed to higher revenue from the artist management business.
- In 1Q 2023, revenue from the online business was THB27million, increasing THB11 million or 69.0% over the same period last year due to the higher revenue from Digital Factory Co., Ltd. during the quarter.

Unit: THB million	1Q 2023	4Q 2022	1Q 2022	QoQ (%)	YoY (%)
Total expenses	1,618	1,824	1,127	-11.3	43.6
Cost of goods sold	1,295	1,454	871	-11.0	48.6
SG&A expenses	231	255	167	-9.6	38.2
Finance cost	55	55	37	-0.2	47.2
Income tax revenue (expenses)	(38)	(59)	(51)	-36.2	-26.0

Expenses (Cost of sales + SG&A expenses + financial cost + income tax) PLANB's consolidated expenses for 1Q 2023 amounted to THB1,618million, an increase of THB491million or 43.6% over the same period last year. The increase in expenses can be classified into two types with the following key items:

- **Non-cash expenses (around THB80million)**
 - 1) Depreciation and amortization from the investment in Aqua Ad Public Company Limited ("AA") and Boardway Media Company Limited ("BMW") of Aqua Corporation Public Company Limited ("AQUA"), which were fully realized in 1Q 2023, while such cost did not realize in 1Q 2022 of approximately THB52million.
 - 2) The impact of the TFRS16 accounting standard of approximately THB20million.
 - 3) The write-off of Plan B's old office building of approximately THB8million. (One-time item)
- **Cash expenses (around THB320million)**
 - 1) Cost of sales that moved in tandem with higher operating revenue, approximately THB205million.
 - 2) Rental and signboard tax after the investment in subsidiaries of Aqua Corporation Public Company Limited ("AQUA"), which were fully realized in 1Q 2023, while such costs did not realize in 1Q 2022 of approximately THB62million
 - 3) Electricity cost from the increased advertising media and the adjustment of FT approximately THB32million.
 - 4) An allowance for expected credit losses of approximately THB10million. (One-time item).
 - 5) An interest expense on loans of approximately THB8million.
 - 6) A Rental for the Company's new office of approximately THB3million

The above expenses (except interest expenses on loans) are recorded as the cost of goods sold, resulting in the gross profit margin of 25.1% in 1Q 2023, dropping from 27.9% in 1Q 2022 due mainly to the higher cost of goods sold (details abovementioned). However, excluding one-time items, the gross profit margin in 1Q 2023 was 26.2%.

The company has changed the long-standing debtor follow-up policy to start following up on debtors who cannot pay debts to the Company, both in the normal and the litigation processes. In 1Q 2023, the Company had an allowance for expected credit losses of approximately THB10million (One-time items). Therefore, the Company closely monitors debt collection and believes that the Company will be able to manage those expenses. In addition, after receiving the payment from the debtor, the Company will adjust such expenses from the Company's income statement.

Nevertheless, SG&A to sales in 1Q 2023 was 13.3%, decreasing from 13.8% in 1Q 2022, reflecting the Company's effectiveness in cost management.

Earnings before interest and tax (EBIT)

PLANB reported its earnings before interest and tax for 1Q 2023 of THB 227 million, an increase of THB33million or 16.8% over the same period last year due to the expanding operating revenue of out-of-home media and engagement marketing businesses, given the improvement in the COVID-19 pandemic compared with the same period last year and effective management of SG&A expenses.

Net profit attributable to the equity holders

The Company reported net profit attributable to equity holders of the Company for 1Q2023 of THB132million, increasing THB28million or 26.7% over the same period last year. However, excluding one-time items from an allowance for expected credit losses of approximately THB10million and the write-off of Plan B's old office building of approximately THB8million incurred in 1Q 2023, and a gain on disposals of derivatives of approximately THB15million incurred in 1Q 2022, the Company's net profit attributable to equity holders of the Company was THB150million, increasing THB61million or 67.7% over the same period last year.

Furthermore, a balanced and diversified investment strategy enabled the Company to deliver earnings before interest and tax (EBITDA) for 1Q 2023 of THB469million, excluding the impact of the TFRS16 adoption.

FINANCIAL POSITION

As of 31 Mar 2023, the Company held total assets of THB15,656million, increasing THB194million or equivalent to a 1.3% growth from THB15,462million as of 31 Dec 2022 due to the increase in right-of-use assets.

Total liabilities were THB7,285 million, increasing THB30million or equivalent to a 0.4% growth from THB 7,255 million as of 31 Dec 2022 due to the increase in the lease liabilities – net of current portion.

Total equity was THB8,371million, increasing THB165 million or equivalent to a 2.0% growth from THB8,206million as of 31 Dec 2022 given the higher retained earnings.

KEY FINANCIAL RATIOS

Profitability ratios		1Q 2023	1Q 2022
Gross profit margin	(%)	25.1	27.9
Gross profit margin as % to revenues from sales and services (excluding one-time items)*	(%)	26.2	27.0
Operating profit margin	(%)	13.1	16.1
EBITDA margin	(%)	46.4	59.0
Net profit attributable to equity holders of the Company	(%)	7.6	8.6
Net profit margin attributable to equity holders of the Company (excluding one-time items)	(%)	8.7	7.5
Return on asset (ROA)	(%)	8.1	2.6
Return on equity (ROE)	(%)	9.4	2.0

Liquidity ratios		1Q 2023	1Q 2022
Current ratio	(times)	0.8	1.2
Quick ratio	(times)	0.8	1.2
Average collection period	(times)	83.7	102.2
Average payment period	(times)	74.1	86.8

Leverage ratio		1Q 2023	1Q 2022
Debt / Equity	(times)	0.9	0.6

KEY DEVELOPMENTS IN 1Q 2023

The Company is committed to its mission and vision in developing content coverage to extend its service footprint through active searches for business partners to help expand its out-of-home media network and engagement marketing business. The aim is to enhance communication effectiveness and build engagement between consumers and product and service brands to support growing media needs in the future. The Company's key developments in 1Q 2023 are outlined below:

February 2023

- **Rajadamnern World Series (RWS) premiered its new season on 11 February 2023**

After the inaugural season of the Rajadamnern World Series (RWS) came to a glorious end at the end of 2022, the Company scheduled an auspicious timing to premiere the second season to build on the success of the first one and continue the thrill of RWS boxing tournament throughout the year from February to December. The 2nd season came back with more excitement from the higher prizes for the winners for each weight class to be commensurate with their glorious victories from THB 1 million to THB 3 million and giveaways of weekly bonuses to guarantee heated fights. Moreover, the program partnered with the top 4 promoters of the Kingdom, namely Petchyindee, Kiatpetch, Phalungmai and Sasiprapa, with a new format, "RWS Fight Night", that each promoter matches up the best pairs for every week under the new rules unique for RWS. Interested parties can watch the RWS program every Saturday from 20.05 hours on Workpoint 23 channel, YouTube: WorkpointOfficial and Facebook: Workpoint Entertainment.



- PLANB was granted rights to manage advertising media for EV buses

The Company received rights to manage advertising media for both inside and outside electronic vehicles or EV buses from Bangkok Mass Transit Authority (BMTA) in February 2023 for ten years.



March 2023

- PLANB introduced "Ploenchit Park", a new public park for Bangkokians.

The Company teamed up with the State Railway of Thailand under the Ministry of Transportation to improve an abandoned area near the Ploenchit expressway to become "Ploenchit Park", a new public park with over 2.5 kilometres in the distance connecting three public parks in Bangkok, which are Lumpini Park, Benjakitti Forest Park and Benjakitti Park. The new park offers various facilities such as a fitness centre, drinking water fountains, toilets, a security system and wheelchair assistance. This is to promote the well-being of everyone and to elevate the quality of living of urban people to achieve good health and sustainable happiness in all dimensions.



- Japanese Temple Festival with 48 Group Thailand's style was organized from 3-5 March 2023

Japanese Temple Festival for 2023 also returned with 12 booths of products and activities, including fun games with members of BNK48 and CMG48. In addition, the festival offered a fun and friendly experience for members and fans to tighten relationships to become closer.



THAILAND's ECONOMIC OUTLOOK for 2Q 2023 and 2023

Thai economy shows a position outlook of expansion for 2Q 2023 thanks mainly to the tourism sector and private consumption, while export of products shows signs of recovery compared with previous periods. However, inflation rates remain stable at a high level with can incur risks from cost pass-through and demand-pull inflationary pressure.

Bank of Thailand estimated that the Thai economy tends to expand at 3.6% and 3.8% for 2023 and 2024, respectively, supported by the consistently higher number of foreign tourists, which will drive private consumption. At the same time, export is likely to recover during the year's second half. Nevertheless, global economic uncertainties prevail under high inflation and issues from distressed financial institutions in major economies.

MANAGEMENT OUTLOOK IN 2023

Total revenue from sales and services	THB 7,200 – 7,500 million
EBITDA	Mid-digit growth
CAPEX	THB 800 – 1,00 million

Estimated revenue from sales and services for 2023 is THB 7,200 – 7,500 million amidst risks and economic uncertainties. In 2023, the global economy is characterized by uncertainties from the risk of economic slowdowns in many countries worldwide, potentially disrupting the supply chain and harming the manufacturing and industrial sectors. Nevertheless, the recovery of the Thai economy is supported by the growth in the tourism sector thanks to the earlier opening of China at the beginning of 2023 and the improved inflation rates, which helped boost private consumption.

- **Out-of-home Media Business** accounted for 75% of the Company's total revenue. In 2023, PLANB is expected to reach a media capacity of around THB 8,950 million per year with around a 60-65% utilization rate, thanks to the recovery of media spending and the luxury brands' spending shown positive trends since the end of 2022. In addition, we plan to increase organic growth from potential businesses in the digital and airport segments. Regarding synergies, we still emphasize the synergy of businesses post-integration of the out-of-home media business of MACO, and AQUA focuses on cost saving to deliver long-term growth.
- **Engagement Marketing Business** accounted for 25% of the Company's total revenue. Since outdoor activities can be fully resumed, we expect the performance of the engagement marketing business to skyrocket in 2023 with the following details:
 - The boxing business remains the Company's key focus after the success of launching the "Rajadamnern World Series" or "RWS" during the past year. For 2023, the Company will further promote organizing a variety of tournaments and events as well as adding more days to host events to 7 days a week.

Our target audiences are still Thai and foreign tourists who like Muay Thai and want to watch Muay Thai matches at Rajadamnern Muay Thai Stadium.

- Football also rebounded, as seen from recent popularity and trends, as Thailand's national football team won the ASEAN Cup for the 7th time at the beginning of 2023. For 2023, Thailand national football team plans to participate in the World Cup qualifying round for Asia Zone at the end of the year to qualify for the World Cup in 2026 and the Asia Cup in 2023, which will be held during the start of 2024.
- PLANB was granted rights to live broadcast the 2022 Hangzhou Asian Games from 23 Sep – 3 Oct 2023 from Hangzhou, China. The Company will manage the rights of sports content of the Asian Games and plan to deploy our advertising media to help promote and develop Thailand's sport industry. This can help ensure that Thai people can watch sports universally and enhance the competitiveness of Thailand's sport industry. Moreover, the Company publicizes Asian Games content through the network of all forms of media of PLANB and our alliances across Thailand. In addition, sport content is to be promoted before, during and after the competition under the "4Os Media" strategy to build brand recognition and generate buzz for Thailand's sport industry.
- Regarding the artist management business, BNK48 activities resumed in full with the plan to host 8-9 events from BNK48 and CGM48 in 2023, including the launches of 5-6 new singles.

EBITDA with mid-digit growth from our focus on profitability. The Company further developed a sales system by adopting technology to optimize the process and reduce costs to achieve sustainable growth in profitability amid the challenging cost environment. The capital allocation will be executed cautiously to ensure we streamline ourselves to maintain cash flow and liquidity. We will use control measures and enhance the efficiency of managing expenses with prudence to strengthen the Company's financial position and support sustainable business growth.

Continued investing in growth opportunities with optimization discipline. CAPEX will be around THB800-1,000 million to maintain the leader's position in the out-of-home media business through suitable investments. Over 65% of the CAPEX for 2023 will be for the renovation of digital display replacement to deliver a better experience for customers and service users. On the other hand, another 35% of the CAPEX is to accommodate organic growth to increase media capacity, such as adding more digital media and airport media to support future sustainable growth. Note that the Company put in place a policy to consider investment and supervise prudent investment management to ensure satisfactory return from investment.

Dividend policy at minimum 50% of net profit after tax and statutory reserve. PLANB is committed to driving long-term growth while delivering returns to shareholders. We emphasize maintaining strong financial health and flexibility to pursue future growth. Accordingly, our dividend policy is to pay a minimum of 50% of net profit after tax and statutory reserve. By preserving cash flow, we ensure that we have the financial flexibility to lead and pursue growth prospects in any changing circumstances.

The dividend payment shall depend on cash flow and investment plan, including any other future obligations of the Company and/or subsidiaries. Such dividends shall not adversely affect the Company and its subsidiaries' ongoing operations.

Please be informed.

Yours faithfully,

- *Pinijsorn Luechaikajohnpan* -

(Pinijsorn Luechaikajohnpan, Ph.D.)

Authorized Director

Plan B
media