



The ONE Enterprise Public Company Limited

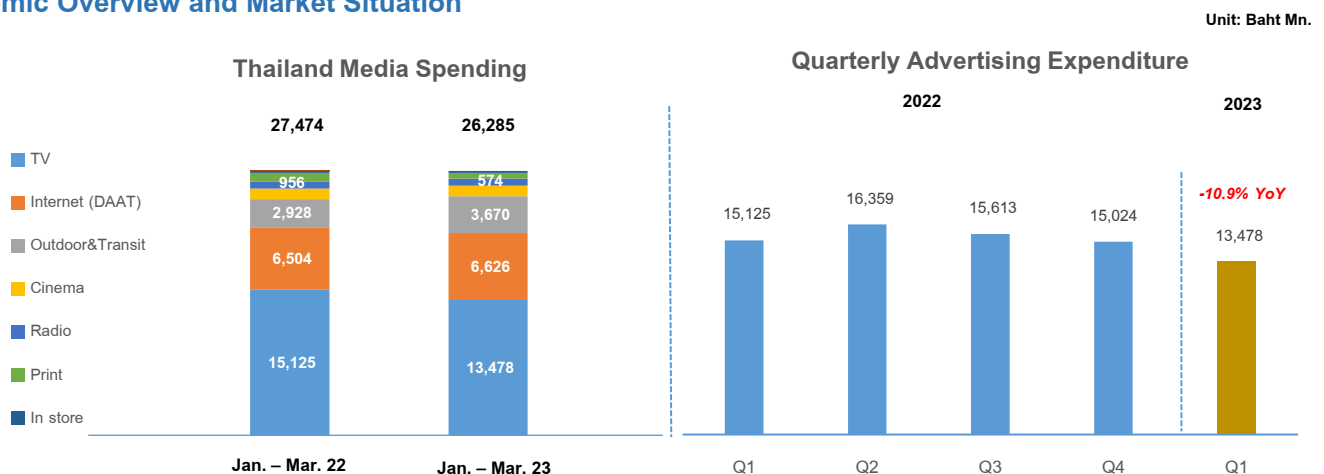
Management Discussion and Analysis Quarter 1/2023

Executive Summary

- The One Enterprise Public Company Limited (“the Company”) reported earnings in Q1/23 with revenue of 1,417.6 million baht and a net profit of 51.7 million baht. As of March 31, 2023, the Group had total assets of 9,327.8 million baht, total liabilities of 2,148.0, shareholders' equity of 7,179.8, and cash and fixed deposits at the end of the period of 1,901.3 million baht.
- Overall media spending tends to grow, at the same time, TV advertising media decreased in Q1/23 compared to the same quarter of the previous year. TV advertising media is still affected by the slowing consumption of the household sector. As a result, the Q1/23 TV advertising media fall at 10.9% YoY. However, the TV advertising media in March tends to improve and its increase was close to March of the previous year. It is expected that the TV advertising market will return to normal for the rest of the year.
- The Group puts its business proposition as a complete Entertainment & Lifestyle with the 2023 strategic plan that the Group has clarified at the beginning of the year, focusing on Content. Online, Copyright & Licensing and Production House, which is considered the strength of the Group including Idol Marketing, which plans to create new artists. Ready to expand the base to the level more international and is a complete Idol Marketing eco-system growth and Showbiz that is not just managing shows or organizing events alone but will also focus more on Fandom.
- According to such strategy the overview of the prime time ratings of January – March 2023 Channel One31 is at a rating of 2.51¹ maintaining the 2nd TV station ranking. In addition, the evening drama before the news, “Mighty Sticky Rice Man” scored the highest rating of 6.06² and the average rating throughout the on-air period was 4.92².
- Although in Q1/23, TV advertising media dropped YoY from slowing consumption. However, the Group's has income from other businesses to support. In particular, the revenue from concerts and events in Q1/23 was 111.8 million baht, or an increase of 100% YoY, and revenue from other related businesses (Merchandising, Artist management and Studio rental) had revenue of 326.2 million baht, representing an increase of 45.1% YoY.

Remark: ¹ Rating data from NW15+ average prime time January- March 2023 and ² Prime time rating NW15+ February - April 2023.

Economic Overview and Market Situation



- Thai economic outlook in 2023, the BOT expects GDP growth of 3.7%, in line with the NESDB's 3.0 - 4.0%, the Thai Chamber of Commerce 3.5 - 4.0% and the IMF's 3.7%, with factors from the tourism industry recovering since in the middle of 2022. In 2023, the number of tourists is expected to be about 11-30 million people, which is more than 2022. However, there are still risk factors for the Thai economy such as 1) household debt that has not decreased 2) Inflation that although the rate dropped to 2.8% in March, but it still affects the cost of living and business costs, and 3) political instability that may affect investment confidence and private consumption and spending in the period ahead.

- The accumulated advertising spending in Thailand from January – March 2023 totaled 26.2 billion baht, decreased from the cumulative value of the same quarter of the previous year at 1.2 billion baht or 4.3% YoY. TV advertising spending January – March 2023 was 3.6 billion baht, a decrease of 1.6 billion baht or 10.9% YoY.
- Most of the decrease in advertising spending in Q1/23 came from television media, print media and cinema media respectively. However, it was yet the most valuable when compared to other media. Television media was valued at 13.5 billion baht, or 51.3% of the total value.
- However, TV advertising spending rose in March 2023, almost in line with March 2022 values, at 5.7 billion baht and 5.8 billion baht, respectively. The recovery in TV advertising spending in March is a positive sign for the media and entertainment industry in the next quarter.

Source: Information from BOT, The Nielsen Company (Thailand) Co., Ltd., and SCB EIC

Important events in Q1/23

- On January 4, 2023, One Sanook Co., Ltd., a subsidiary invested in ordinary shares of Good Things Happens Co., Ltd. in the amount of 156,123 shares at a price of 100 baht per share, amounting to 15.61 million baht, making One Sanook Co., Ltd. have a proportion of investment in that company accounted for 51.0%
- On January 16, 2023, One Sanook Co., Ltd., a subsidiary Invested in 2,000,000 ordinary shares of Pen 1 F&B Co., Ltd. at a price of 10 baht per share (call-up of 2.5 baht), amounting to 5.0 million baht accounted for 33.3%
- In February 2023, the Group's securities were selected by Morgan Stanley Capital International (MSCI) to be included in the MSCI Global Small Cap Index, which was weighted on 28 February 2023.
- In March, Channel One 31's 3-month prime time rating is 2.51¹, maintaining its 2nd TV station ranking. In addition, the evening drama before the news, "Mighty Sticky rice Man" scored the highest rating of 6.06² and the average rating throughout the on-air period was 4.92².

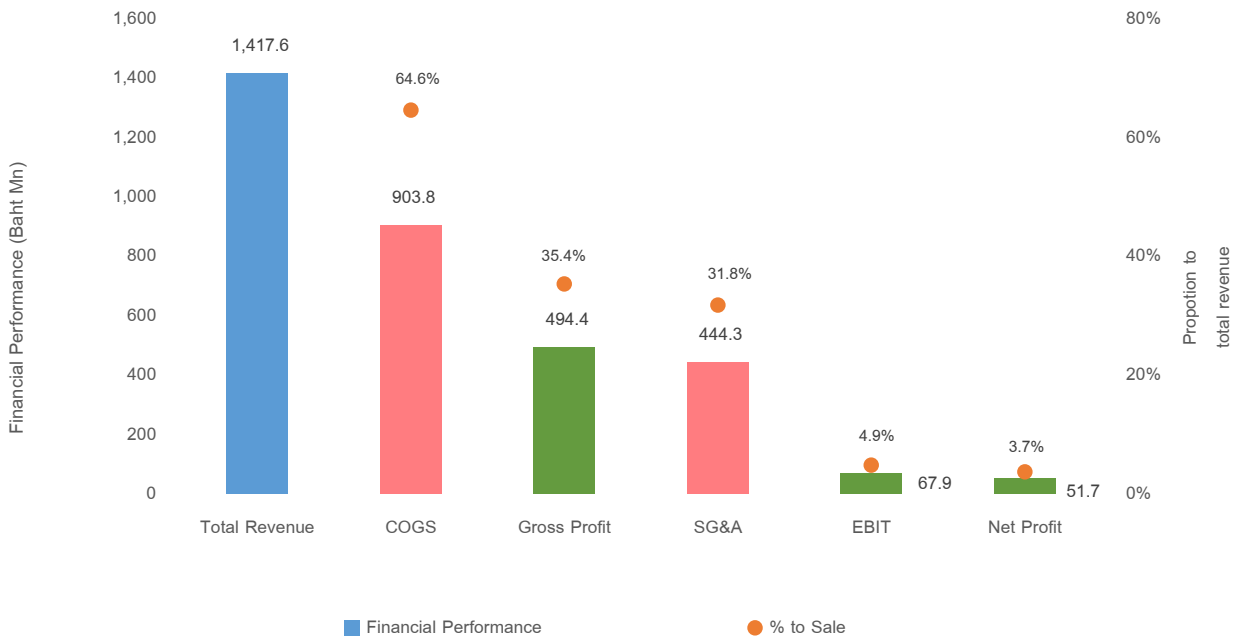
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Financial Performance of the Group

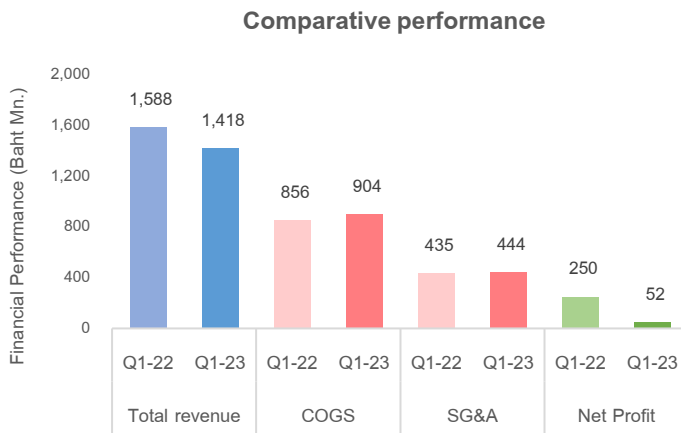
Consolidated financial statements	Q1-22	Q1-23	Unit: Baht Mn.
			% Total revenue
Revenue			
Revenue from advertising, promotion, and lease of television station	723.1	630.9	45.1%
Revenues from Copyrights Management	456.6	220.5	15.8%
Revenue from Radio Production	42.8	51.0	3.6%
Revenue from production and service	124.2	58.8	4.2%
Revenue from Event Business	-	110.8	7.9%
Revenue from other Related Business	224.8	326.2	23.3%
Revenue from Sale and Services	1,571.5	1,398.2	-
Other Income	16.4	19.4	1.4%
Total Revenue	1,587.9	1,417.6	-
Cost of Sale and Services	855.8	903.8	64.6%
Gross Profit	715.7	494.4	35.4%

Consolidated financial statements	Q1-22	Q1-23	% Total revenue
Interest Income	0.0	3.7	4.8%
Selling and servicing expenses	59.4	67.8	26.9%
Administrative expenses	375.9	376.5	5.0%
Operating profit	296.8	69.5	30.5%
EBITDA	633.8	426.7	-0.1%
Share of profit (loss) from joint venture and investment in associate	1.0	(1.6)	4.9%
Profit before Interest income (expense) and tax income	297.8	67.9	-0.2%
Finance expenses	(6.6)	(2.1)	5.0%
Profit before tax income (expense)	291.2	69.5	-1.3%
Tax Income	(41.0)	(17.8)	3.7%
Net Profit	250.2	51.7	4.8%
Earnings Per Share (Baht)	0.105	0.022	

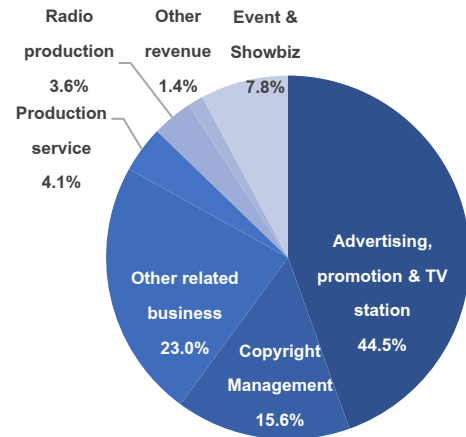
Financial Performance Q1/23



Comparison of Yearly Financial Results YoY



Revenue Contribution Q1/23



Revenue from Sale and Services

For Q1/23, the Group's total operating income was 1,398.2 million baht, increase of 173.3 million baht or 11.0 % from the previous year, mainly as follows;

- Revenue from advertising, promotion and lease of television station decreased as result from revenue from advertising, promotion and lease of television station decreased in TV advertising spending in January-February 23. This is a temporary effect from the overall economic situation. However, TV advertising spending in March tends to improve. The increase was close to March of the previous year. As a result, revenue from advertising, promotion and lease of television station in March also increased accordingly.
- Revenue from copyright management decreased because in Q1/22 there was an effect from the series F4 Thailand: Boy over the flower, which was very popular both domestically and internationally. As a result, the Group sold such series to OTT platforms and international channels and realized revenue from copyright management more than usual. Therefore, in this quarter, revenue from copyright management returned to normal revenue base.
- Revenue from the production and service decreased from the production revenue from Change 2018 Company Limited, due to the postponement of some drama filming queues in Q1/23, the revenue that has been postponed in this production queue will be postponed to recognize revenue in the next period.
- Revenue from radio production increased from radio higher sales of advertising revenue compared from the same quarter of the previous year, because the behavior of users on the road returns to normal compared to the same quarter of the previous year.
- 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, for example, Prom Night Live on Stage, GMM Fan Festival in Japan and "ONCE" LAZ1
- 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 Q1/23, the Group's selling and servicing expenses were 903.8 million baht, an increase of 48.0 or 5.6% from the same quarter of the previous year, mainly from cost of production costs, concerts and events and artist management of GMM TV Co., Ltd. This is in line with the increase in concert and event revenue and artist management revenue compared to Q1/22.

Selling and servicing expenses

For Q1/23, the Group's selling and servicing expenses were 67.8 million baht, increase of 8.4 million baht or 14.1% from the same quarter of the previous year, mainly from increased marketing and public relations expenses from concerts and events and expenses for delivering selling goods of GMM TV Co., Ltd.

Administrative expenses

For Q1/23, the Group's administrative expenses were 376.5 million baht, an increase of 0.6 million baht or 0.2% from the same quarter of the previous year. This was mainly due to the increase in office building rental rates.

Finance Cost

For Q1/23, the Group's finance cost was 2.1 million baht, decreased by 4.5 million baht or 68.2% from the same quarter of the previous year, mainly from long-term loan repayment of 311.5 million baht at the end of Q1/22.

Net Profit

For Q1/23, the Group's net profit was 51.7 million baht, a decrease of 198.5 million baht or 79.3% from the same quarter of the previous year.

financial positions

Asset

Total assets as of March 31, 2023, equal to 9,327.8 million baht, compared to as of December 31, 2022, equal to 9,394.6 million baht, decreased by 66.8 million baht or 0.7%. Cash and cash equivalents were 1,501.3¹ million baht.

Remark: ¹ Excluding fixed deposits of 400.0 million baht.

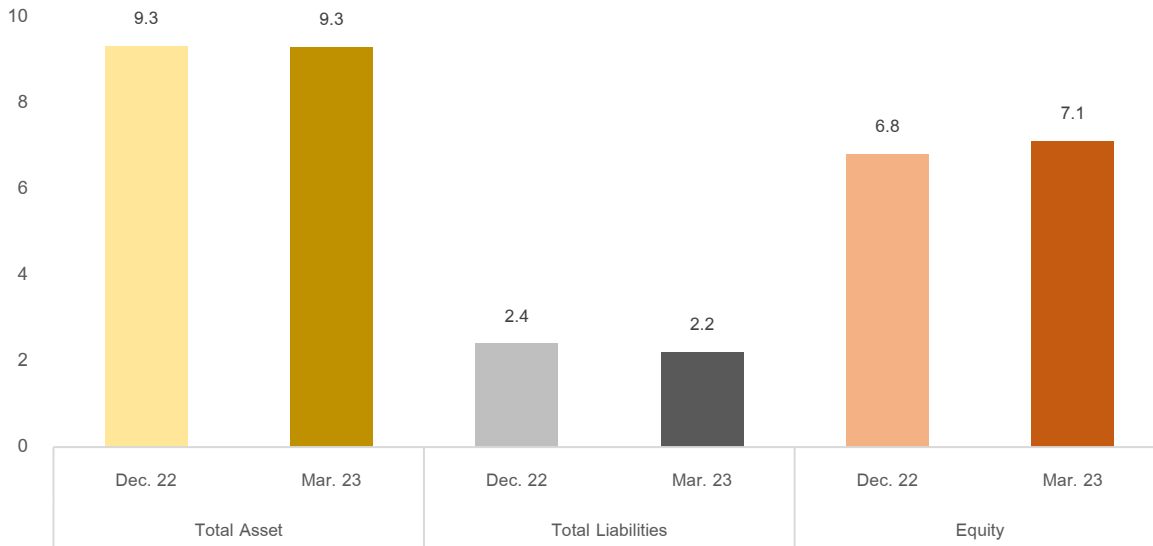
Liabilities

Total liabilities as of March 31, 2023, equal to 2,148.0 million baht, compared to as of December 31, 2022, was 2,266.4 million baht decreased by 118.4 million baht or 5.2%.

Equity

Equity as of March 31, 2023, equal to 7,179.8 million baht, compared to 31 December 2022, was 7,128.1 million baht, an increase of 51.7 million baht or 0.7%.

financial Positions Comparison



Ratios and financial highlight

	3M 2022	3M 2023
Gross Profit Margin	45.5%	35.4%
EBIT Margin	18.8%	5.0%
EBITDA Margin	40.0%	30.2%
Net Profit Margin	15.8%	3.6%
ROAE	3.5%	0.7%
ROA	2.7%	0.6%
D/E (x)	0.31	0.30
Cash and fixed deposit at end of Period (Baht Mn.)	2,138.7	1,901.3

Please be informed accordingly,

Respectfully yours,

(Mr.Unnop Senasuttipan)

Group Chief Financial Officer

Authorized Person for Information Disclosure