



No. 012/2023

15 August 2023

Subject: Management Discussion and Analysis for 2nd quarter of the year 2023 ended 30 June 2023

To: President
The Stock Exchange of Thailand

SLM Corporation Public Company Limited (the “Company”) would like to explain the Company’s operating results and financial position, ended 30 June 2023 as follows:

Analysis of Operating Results for Three-Month Period

For the three-month period ended 30 June 2023, the Company group had net loss for the period of 5.92 million Baht, decreased by 14.25 million Baht or -171.01 percent when compared with net profit at the same period last year in an amount of 8.33 million Baht. Due to the Company has invested in various projects according to the Company’s business plan cause the selling expenses to increase. And because it was the period of political uncertainty which continues to cause concern to investors. Businesses had to slow down their investment in advertising and promoting products/services to wait and see the clarification of the political situation.

| Operating Result | April - June | | |
|--|-------------------------|-------------------------|-----------------|
| | 2023 (Thousand Baht) | 2022 (Thousand Baht) | Change |
| Service income | 39,976 | 46,920 | -14.80% |
| Other income | 113 | 2,313 | -95.11% |
| Total revenues | 40,089 | 49,233 | -18.57% |
| Cost of services | 26,703 | 25,583 | 4.38% |
| Selling expenses | 10,813 | 8,993 | 20.24% |
| Administrative expenses | 8,463 | 6,239 | 35.65% |
| Total expenses | 45,979 | 40,815 | 12.65% |
| Profit (Loss) from operating activities | (5,890) | 8,418 | -169.97% |
| Finance costs | (96) | (109) | 11.93% |
| Profit (Loss) before income tax | (5,986) | 8,309 | -172.04% |
| Income tax (expense) income | 69 | 24 | 187.50% |
| Profit (Loss) for the period | (5,917) | 8,333 | -171.01% |
| Gross profit | 13,273 | 21,337 | -37.79% |
| Profit (Loss) per share (Baht) | (0.02) | 0.03 | -166.67% |
| Gross Profit Margin (%) | 33.20% | 45.48% | -26.99% |
| Net Profit Margin (%) | -14.76% | 16.93% | -187.20% |



The Company group had services income of 39.98 million Baht, decreased by 6.94 million Baht or 14.80 percent when compared with service income of 46.92 million Baht at the same period last year due to the decrease in income from the business of Media Agency, Content Production, and TV Dramas and Series Production.

The cost of services was 26.70 million Baht, increased by 1.12 million Baht when compared with cost of services in the same period last year in an amount of 25.58 million Baht. The cost of services consists of direct labor cost from production department and direct materials cost, and overhead. The proportion of cost of services to services income was 66.80 percent from 54.52 percent respectively.

The gross profit of the Company group was 13.27 million Baht, decreased by 37.79 percent, which was in line with the decrease in service income when compared to the same period last year. And gross profit margin of 33.20 percent when compared to the same period last year of 45.48 percent.

Selling expenses consist of expenses related to sales and marketing staffs, all costs spent on producing unsponsored media, and indirect costs of unsponsored clips was 10.81 million Baht, increased by 1.82 million Baht or 20.24 percent when compared to selling expenses in the same period last year in an amount of 8.99 million Baht. Due to the increase in video clips of new programs without sponsors or customers in the company's media. The proportion of selling expenses compared to service income was 27.05 percent.

The administrative expenses were 8.46 million Baht, an increase of 2.22 million Baht or 35.65 percent compared to the same period last year in the amount of 6.24 million Baht. As a result of the increases of salary, and employee wages and benefits.

Total expenses were 45.98 million Baht, increased by 5.16 million Baht when compared with total expenses in the same period last year in an amount of 40.82 million Baht. This was mainly due to an increase in administrative expenses of 35.65 percent.

The Company group had other income in an amount of 0.11 million Baht, decreased by 2.20 million Baht when compared with other income in the same period last year in an amount of 2.31 million Baht. The other income in this period was generated from interest income, and dividend income.

The net profit margin was -14.76%, decreased from 16.93% in the same period last year. This was due to total revenues decreasing by 18.57 percent and total expenses increasing by 12.65 percent when compared to the same period last year.

Analysis of Operating Results for Six-Month Period

For the six-month period ended 30 June 2023, the Company group had net loss for the period of 15.46 million Baht, decreased by 29.98 million Baht or 206.57 percent when compared with net profit at the same period last year in an amount of 14.51 million Baht. Due to the Company have decreased income.



| Operating Result | January - June | | |
|--|-------------------------|-------------------------|-----------------|
| | 2023 (Thousand Baht) | 2022 (Thousand Baht) | Change |
| Service income | 72,572 | 104,154 | -30.32% |
| Other income | 503 | 3,035 | -83.43% |
| Total revenues | 73,075 | 107,189 | -31.83% |
| Cost of services | 48,965 | 61,699 | -20.64% |
| Selling expenses | 23,040 | 16,749 | 37.56% |
| Administrative expenses | 16,446 | 14,050 | 17.05% |
| Total expenses | 88,451 | 92,498 | -4.38% |
| Profit (Loss) from operating activities | (15,376) | 14,691 | -204.66% |
| Finance costs | (183) | (229) | 20.09% |
| Profit (Loss) before income tax | (15,559) | 14,462 | -207.59% |
| Income tax (expense) income | 94 | 50 | 88.00% |
| Profit (Loss) for the period | (15,465) | 14,512 | -206.57% |
| Gross profit | 23,607 | 42,455 | -44.40% |
| Profit (Loss) per share (Baht) | (0.06) | 0.06 | -200.00% |
| Gross Profit Margin (%) | 32.53% | 40.76% | -20.20% |
| Net Profit Margin (%) | -21.16% | 13.54% | -256.32% |

The Company group had services income of 72.57 million Baht, decreased by 31.58 million Baht or 30.32 percent when compared with service income of 104.15 million Baht at the same period last year due to the decrease in income from the business of Media Agency, Content Production, and TV dramas and series production.

The cost of services was 48.97 million Baht, decreased by 12.73 million Baht when compared with the cost of services in the same period last year in an amount of 61.70 million Baht, which was in line with the decrease in service income. The cost of services consists of direct labor cost from production department and direct materials cost, and overhead. The proportion of cost of services to services income was 67.47 percent from 59.24 percent respectively.

The gross profit of the Company group was 23.61 million Baht, decreased by 44.40 percent, which was in line with the decrease in service income 30.32 percent when compared to the same period last year. And gross profit margin of 32.53 percent when compared to the same period last year of 40.76 percent. The gross profit margin decreased due to a decrease in the service income.

Selling expenses consist of expenses related to sales and marketing staffs, all costs spent on producing unsponsored media, and indirect costs of unsponsored clips was 23.04 million Baht, increased by 6.29 million Baht or 37.56 percent when compared to selling expenses in the same period last year in an amount of 16.75 million Baht. Due to the increase in video clips of new programs without sponsors or customers in the company's media. The proportion of selling expenses compared to service income was 31.75 percent.



Total expenses were 88.45 million Baht, decreased by 4.05 million Baht when compared with total expenses in the same period last year in an amount of 92.50 million Baht. This was mainly due to the decrease in the cost of services 20.64 percent.

The Company group had other income in an amount of 0.50 million Baht, decreased by 2.53 million Baht when compare with other income at the same period last year in an amount of 3.03 million Baht. The other income in this period was generated from income from the adjustment of accounting entries and receipts of capital reduction fees from the Thailand Securities Depository Company Limited, interest income, and dividend income.

The net profit margin was -21.16%, increased from 13.54% in the same period last year due to the Company had total revenues decreased by 31.83 percent.

Analysis of Financial Position

| Financial Position | 30 June 2023 (Thousand Baht) | 31 December 2022 (Thousand Baht) | Change |
|----------------------|---------------------------------|-------------------------------------|---------|
| Assets | 122,889 | 139,475 | -11.89% |
| Liabilities | 67,769 | 68,980 | -1.76% |
| Shareholders' equity | 55,120 | 70,495 | -21.81% |

As of 30 June 2023 and 31 December 2022, the Company group had assets of 122.89 million Baht and 139.48 million Baht, decreased by 16.59 million Baht due to the decrease in cash and cash equivalents.

As of 30 June 2023 and 31 December 2022, the Company group had liabilities of 67.77 million Baht and 68.98 million Baht, decreased by 1.21 million Baht. As a result of the decrease in accrued service costs, and lease liabilities - net of current portion.

As of 30 June 2023 and 31 December 2022, the Company group had shareholder's equity of 55.12 million Baht and 70.50 million Baht, decreased by 15.38 million Baht. Due to the Company had a net loss during the period resulted in the decrease of shareholders' equity.

Please be informed accordingly.

Yours Sincerely,
SLM Corporation Public Company Limited

(Autthapol Pohundratanakul)
Chief Executive Officer