



No. 018/2023

14 November 2023

Subject: Management Discussion and Analysis for the 3<sup>rd</sup> quarter of the year 2023 ended 30 September 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 September 2023 as follows:

#### Analysis of Operating Results for Three-Month Period

For the three-month period ended 30 September 2023, the Company group had net profit for the period of 2.19 million Baht, decreased by 4.35 million Baht or 66.51 percent when compared with net profit at the same period last year in an amount of 6.54 million Baht. Because the Company has reduced expenses.

Operating Result	July - September		
	2023 (Thousand Baht)	2022 (Thousand Baht)	Change
Service income	46,322	52,507	-11.78%
Other income	716	1,059	-32.39%
<b>Total revenues</b>	<b>47,038</b>	<b>53,566</b>	<b>-12.19%</b>
Cost of services	25,867	29,634	-12.71%
Selling expenses	12,842	11,291	13.74%
Administrative expenses	6,060	6,022	0.63%
<b>Total expenses</b>	<b>44,769</b>	<b>46,947</b>	<b>-4.64%</b>
<b>Profit (Loss) from operating activities</b>	<b>2,269</b>	<b>6,619</b>	<b>-65.72%</b>
Finance costs	(83)	(98)	15.31%
Profit (Loss) before income tax	2,186	6,521	-66.48%
Income tax (expense) income	5	22	-77.27%
<b>Profit (Loss) for the period</b>	<b>2,191</b>	<b>6,543</b>	<b>-66.51%</b>
Gross profit	20,455	22,873	-10.57%
Profit (Loss) per share (Baht)	0.01	0.03	-66.67%
Gross Profit Margin (%)	44.16	43.56	1.37%
Net Profit Margin (%)	4.66	12.21	-61.87%

The Company group had services income of 46.32 million Baht, decreased by 6.19 million Baht or 11.78 percent when compared with service income of 52.51 million Baht at the same period last year due to the decrease in income from the business of Online Content, and Content Production.



The cost of services was 25.87 million Baht, decreased by 3.77 million Baht or 12.71 percent when compared with cost of services in the same period last year in an amount of 29.63 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 55.84 percent from 56.44 percent respectively.

The gross profit of the Company group was 20.45 million Baht, decreased by 10.57 percent, which was in line with the decrease in service income when compared to the same period last year. And gross profit margin of 44.16 percent when compared to the same period last year of 43.56 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 12.84 million Baht, increased by 1.55 million Baht or 13.74 percent when compared to selling expenses in the same period last year in an amount of 11.29 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 27.72 percent.

The administrative expenses were 6.06 million Baht, an increase of 0.04 million Baht or 0.63 percent compared to the same period last year in the amount of 6.02 million Baht. As a result of the increases of salary, and employee wages and benefits.

Total expenses were 44.77 million Baht, decreased by 2.18 million Baht when compared with total expenses in the same period last year in an amount of 46.95 million Baht. This was mainly due to a decrease in the cost of services.

The Company group had other income in an amount of 0.72 million Baht, decreased by 0.34 million Baht when compared with other income in the same period last year in an amount of 1.06 million Baht. The other income in this period was generated from revenue earned from YouTube, and the adjustment of accounting entries.

The net profit margin was 4.66%, decreased from 12.21% in the same period last year. This was due to total revenues decreasing by 12.19 percent when compared to the same period last year.

#### **Analysis of Operating Results for Nine-Month Period**

For the nine-month period ended 30 September 2023, the Company group had net loss for the period of 13.27 million Baht, decreased by 34.33 million Baht or 163.05 percent when compared with net profit at the same period last year in an amount of 21.05 million Baht. Due to the Company have decreased income. And the Company has invested in various projects according to the Company's business plan cause the selling expenses to increase. In the past period, there was a 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	January - September		
	2023 (Thousand Baht)	2022 (Thousand Baht)	Change
Service income	118,893	156,661	-24.11%
Other income	1,220	4,094	-70.20%
<b>Total revenues</b>	<b>120,113</b>	<b>160,755</b>	<b>-25.28%</b>
Cost of services	74,832	91,333	-18.07%
Selling expenses	35,882	28,041	27.96%
Administrative expenses	22,507	20,072	12.13%
<b>Total expenses</b>	<b>133,221</b>	<b>139,446</b>	<b>-4.46%</b>
<b>Profit (Loss) from operating activities</b>	<b>(13,108)</b>	<b>21,309</b>	<b>-161.51%</b>
Finance costs	(266)	(327)	18.65%
Profit (Loss) before income tax	(13,374)	20,982	-163.74%
Income tax (expense) income	100	72	38.89%
<b>Profit (Loss) for the period</b>	<b>(13,274)</b>	<b>21,054</b>	<b>-163.05%</b>
Gross profit	44,061	65,328	-32.55%
Profit (Loss) per share (Baht)	(0.05)	0.08	-162.50%
Gross Profit Margin (%)	37.06%	41.70%	-11.13%
Net Profit Margin (%)	-11.05%	13.10%	-184.38%

The Company group had services income of 118.89 million Baht, decreased by 37.77 million Baht or 24.11 percent when compared with service income of 156.66 million Baht at the same period last year due to the decrease in income from the business of Online Content, Content Production, and TV dramas and series production.

The cost of services was 74.83 million Baht, decreased by 16.50 million Baht when compared with the cost of services in the same period last year in an amount of 91.33 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 62.94 percent from 58.30 percent respectively.

The gross profit of the Company group was 44.06 million Baht, decreased by 32.55 percent, which was in line with the decrease in service income of 24.11 percent when compared to the same period last year. And gross profit margin of 37.06 percent when compared to the same period last year of 41.70 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 35.88 million Baht, increased by 7.84 million Baht or 27.96 percent when compared to selling expenses in the same period last year in an amount of 28.04 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 30.18 percent.



Total expenses were 133.22 million Baht, decreased by 6.23 million Baht when compared with total expenses in the same period last year in an amount of 139.45 million Baht. This was mainly due to the decrease in the cost of services 18.07 percent.

The Company group had other income in an amount of 1.22 million Baht, decreased by 2.87 million Baht when compare with other income at the same period last year in an amount of 4.09 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, dividend income, and revenue earned from YouTube.

The net profit margin was -11.05%, decreased from 13.10% in the same period last year due to the Company had total revenues decreased by 25.28 percent.

#### Analysis of Financial Position

Financial Position	30 September 2023 (Thousand Baht)	31 December 2022 (Thousand Baht)	Change
Assets	126,719	139,475	-9.15%
Liabilities	69,430	68,980	0.65%
Shareholders' equity	57,289	70,495	-18.73%

As of 30 September 2023 and 31 December 2022, the Company group had assets of 126.72 million Baht and 139.47 million Baht, decreased by 12.76 million Baht. This was mainly due to the decrease in cash and cash equivalents.

As of 30 September 2023 and 31 December 2022, the Company group had liabilities of 69.43 million Baht and 68.98 million Baht, increased by 0.45 million Baht. This was mainly due to the increase in trade and other payables.

As of 30 September 2023 and 31 December 2022, the Company group had shareholder's equity of 57.29 million Baht and 70.49 million Baht, decreased by 13.21 million Baht. Due to the Company had a net loss in the prior periods resulted in the decrease of shareholders' equity.

Please be informed accordingly.

Yours Sincerely,  
SLM Corporation Public Company Limited

(Autthapol Pohundratanakul)  
Chief Executive Officer