

13 November 2023

Re: Management Discussion and Analysis for 3Q 2023 and 9M 2023

To: The President of the Stock Exchange of Thailand

## EXECUTIVE SUMMARY FOR 3Q 2023 and 9M 2023

Unit: THB mn	3Q 2023	2Q 2023	3Q 2022 (Restated)	QoQ (%)	YoY (%)	9M 2023	9M 2022 (Restated)	YoY (%)
Revenue from sales and services	2,141	2,015	1,734	6.2	23.5	5,885	4,570	28.8
<i>Out-of-home media business</i>	1,645	1,620	1,395	1.5	17.9	4,669	3,699	26.2
<i>Engagement marketing business</i>	496	395	339	25.4	46.3	1,216	871	39.6
Earnings before interest and tax	405	359	278	13.0	45.9	991	752	31.7
Equity holders of the Company	261	227	178	14.9	46.3	620	451	37.7
Equity holders of the Company (excluding one-time items) *	261	227	188	14.9	38.5	638	446	43.2

Note: Details of one-time special items can be found on page 3 of the key financial in the income statement of 3Q 2023 and 9M 2023

### Business overview in 3Q 2023

- Plan B continued to deliver outstanding operational results with a net profit of THB 261mn, showing robust growth of 46.3% YoY. This growth was attributed to increased revenue across all business segments, improved gross profit margin, and efficient cost-control capabilities.
- Plan B generated revenue from sales and services amounting to THB 2,141mn, growing significantly by 23.5% YoY despite global and domestic economic challenges.
  - OOH media business was THB 1,645mn, increasing 17.9% YoY from the media utilization rate of 73.2%, driven by the growth of all business segments
  - Engagement marketing business was THB 496mn, increasing 46.3% YoY, driven by the growth of the sports marketing business, especially from Muay Thai, which brought in THB 167mn. Additionally, managing marketing rights for the Asia Games in Hangzhou contributed THB 146mn in revenue.
- Efficient cost management, particularly in the COGS, led to a significant jump in the gross profit margin at 30.6%, representing an increase in QoQ and YoY at 29.8% and 25.8%, respectively.
- Plan B's diligent cost control efforts resulted in a better-than-expected SG&A to sales ratio, standing at 12.4%
- Plan B's consistent focus on profit growth through revenue generation and efficient cost control resulted in achieving EBITDA of THB 657mn, increasing 6.4% YoY. This growth stems from increased revenue in all business segments and efficient COGS and SG&A cost management.

## ECONOMIC AND ADVERTISING INDUSTRY CONDITIONS

In 3Q 2023, Thailand's economy continued to expand, primarily driven by tourism and private consumption. The number of tourists kept growing steadily. However, the country's exports faced challenges due to the economic weaknesses of its trading partners. The Thai economy may encounter uncertainties stemming from the global economic landscape. This includes potential impacts from interest rate adjustments and efforts to control inflation in various countries. Furthermore, the Chinese economic slowdown and geographical factors, such as natural disasters, remain critical to monitor closely.

While the Thai economy is on the path to recovery, various factors may present risks, opportunities, or challenges in the business landscape. Since the beginning of 2023, the global market has seen fluctuations, high-interest rate trends, geographic uncertainties, changing consumer behaviour and lifestyles, technology-driven business transformations, and a growing focus on environmental, social, and governance (ESG) considerations. Plan B acknowledges the challenges of operating in this evolving environment and remains committed to customer care and service. Additionally, we are exploring international business expansion opportunities and supporting environmentally friendly investments to create sustainable ecosystems in the long term.

In 3Q 2023, statistics from the Magnetic Measurement system indicate a continuous increase in eyeballs compared to 3Q 2022 and 2Q 2023. This rise can be attributed to the increased number of events and activities in various city centres, reflecting a significant surge in eyeballs during the same period last year. This eyeball increase aligns with the company's business growth, particularly in Sep 2023, which saw the highest number of eyeballs and increased ad utilization rates in the same direction.



**KEY FINANCIAL IN THE INCOME STATEMENT OF 3Q 2023 and 9M 2023**

Unit: THB mn	3Q 2023	2Q 2023	3Q 2022 (Restated)	QoQ (%)	YoY (%)	9M 2023	9M 2022 (Restated)	YoY (%)
Revenue from sales and services	2,141	2,015	1,734	6.2	23.5	5,885	4,570	28.8
Other income	16	20	14	-20.0	16.3	59	49	21.9
Gain (loss) on disposals of derivatives	-	2	10	nm	nm	2	24	-91.0
<b>Total revenues</b>	<b>2,157</b>	<b>2,037</b>	<b>1,758</b>	<b>5.9</b>	<b>22.7</b>	<b>5,947</b>	<b>4,642</b>	<b>28.1</b>
Cost of goods sold	1,486	1,414	1,286	5.1	15.6	4,195	3,323	26.2
<b>Gross profit</b>	<b>654</b>	<b>601</b>	<b>448</b>	<b>8.8</b>	<b>46.0</b>	<b>1,690</b>	<b>1,247</b>	<b>35.6</b>
Selling expenses	111	118	80	-6.1	39.0	309	207	49.1
Administrative expenses	154	147	115	5.2	34.5	452	359	25.8
<b>Selling and administrative expenses</b>	<b>265</b>	<b>265</b>	<b>195</b>	<b>0.2</b>	<b>36.3</b>	<b>761</b>	<b>566</b>	<b>34.3</b>
Share of profit (loss) from investments	(2)	(2)	(5)	-8.9	-57.5	(8)	(13)	-36.5
<b>Earnings (loss) before interest and tax</b>	<b>405</b>	<b>359</b>	<b>278</b>	<b>13.0</b>	<b>45.9</b>	<b>991</b>	<b>752</b>	<b>31.7</b>
Interest expense	68	68	46	-0.7	46.1	191	126	51.4
<b>Earnings (loss) before tax</b>	<b>335</b>	<b>288</b>	<b>227</b>	<b>16.4</b>	<b>48.0</b>	<b>791</b>	<b>613</b>	<b>29.1</b>
Income tax revenue (expenses)	(68)	(62)	(47)	9.5	44.6	(168)	(151)	11.2
<b>Net (loss) profit</b>	<b>267</b>	<b>226</b>	<b>179</b>	<b>18.3</b>	<b>48.9</b>	<b>623</b>	<b>461</b>	<b>35.0</b>
Attributable to:								
Minority interests	6	(1)	1	nm	>100.0	3	11	-76.2
<b>Equity holders of the Company</b>	<b>261</b>	<b>227</b>	<b>178</b>	<b>14.9</b>	<b>46.3</b>	<b>620</b>	<b>451</b>	<b>37.7</b>
One-time items after tax:								
Gain on disposals of derivative	-	-	10	nm	nm	-	25	nm
An allowance for expected credit losses	-	-	-	nm	nm	10	-	nm
Write-off Plan B's old office building	-	-	20	nm	nm	8	20	-62.0
<b>Equity holders of the Company (excluding one-time items)</b>	<b>261</b>	<b>227</b>	<b>188</b>	<b>14.9</b>	<b>38.5</b>	<b>638</b>	<b>446</b>	<b>43.2</b>

Key financial ratios (%)	3Q 2023	2Q 2023	3Q 2022 (Restated)	9M 2023	9M 2022 (Restated)
Gross profit margin as % to revenues from sales and services*	30.6	29.8	25.8	28.7	27.3
Gross profit margin as % to revenues from sales and services (excluding one-time items) *	30.6	29.8	26.4	29.0	27.2
SG&A as % to revenues from sales and services*	12.4	13.1	11.2	12.9	12.4
EBIT margin as % to revenues from sales and services*	18.9	17.8	16.0	16.8	16.5
Net profit margin attributable to equity holders of the Company*	12.2	11.3	10.3	10.5	9.9
Net profit margin attributable to equity holders of the Company (excluding one-time items)	12.2	11.3	10.9	10.8	9.8

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

## ANALYSIS OF THE OPERATING PERFORMANCE OF 3Q 2023 and 9M 2023

### Revenue from sales and services

The Company reported a revenue of THB 2,141mn in 3Q 2023, marking an increase of THB 407mn or a significant 23.5% YoY. This increase was mainly attributed to the growth in the OOH media business, which benefited from the improving economic conditions. Additionally, it coincided with the company's high season and the substantial growth in revenue from the engagement marketing business, notably recognizing THB 167mn from Muay Thai as part of the Rajadamnern World Series (RWS) and THB 146mn from managing marketing rights for the Asian Games in Hangzhou, China.

The Company reported a revenue of THB 5,885mn in 9M 2023, marking an increase of THB 1,315mn or a significant 28.8% YoY. This notable increase was primarily attributed to the growth in the OOH media business, which benefited from improving economic conditions and revenue from the engagement marketing business. The Company also recognized THB 280mn from Muay Thai and THB 201mn from managing marketing rights for the Asian Games in Hangzhou, China.

### Out-of-Home Media Business

Unit: THB mn	3Q 2023	2Q 2023	3Q 2022 (Restated)	QoQ (%)	YoY (%)	9M 2023	9M 2022 (Restated)	YoY (%)
Total revenues of Out-of-home media	1,645	1,620	1,395	1.5	17.9	4,669	3,699	26.2
Transit	105	101	66	3.7	59.6	272	179	52.5
Static	488	486	462	0.5	5.6	1,428	1,240	15.2
Digital	828	818	724	1.2	14.3	2,379	1,872	27.1
Retail	149	142	118	5.1	26.5	390	367	6.2
Airport	75	73	25	2.5	>100.0	200	41	>100.0
Utilization rate (%)	73.2	72.1	63.2	1.1	10.0	70.1	57.8	12.3
Media capacity	2,247	2,247	2,202	0.0	2.1	6,664	6,398	4.2

In 3Q 2023, the out-of-home media business reported a total revenue of THB 1,645mn, increasing THB 250mn or 17.9% YoY. Total revenue from out-of-home business accounts for approximately 77.0% of total revenue from sales and services. Details are as follows:

- In 3Q 2023, revenue from transit media was THB 105mn, increasing THB 39mn or 59.6% YoY. This growth was attributed to increased outdoor activities and the commuting of the population, especially when compared to the same period last year. Additionally, the trend of recognizing revenue from advertising management rights, both inside and on electric buses (EV Bus), from the Mass Rapid Transit Authority of Thailand (MRTA), has contributed to the increase following the commencement of service in Feb 2023.
- In 3Q 2023, revenue from static media was THB 488mn, increasing THB 26mn or 5.6% YoY. This increase resulted from the recovery in the value of static advertising, driven by improved economic conditions.

It also includes advertising for consumer goods and automotive products and product launches in the electronics category, such as mobile phones, which have been consistently campaigned.

- In 3Q 2023, revenue from digital media was THB 828mn, increasing THB 103mn or 14.3% YoY. This growth mirrors the trend in static advertising. Additionally, revenue recognition from new digital advertising spaces such as Paragon Façade and The District EM has received positive feedback from customers across various industries, particularly from the Luxury Brand group, who continue to express consistent interest in advertising.
- In 3Q 2023, revenue from retail media (department stores, supermarkets, convenience stores) was THB 149mn, increasing THB 31mn or 26.5% YoY due to increasing revenue from convenience stores.
- In 3Q 2023, revenue from airport media was THB 75mn, increasing 50mn or more than 100% YoY. This surge was attributed to the full-scale return of tourists and an improved COVID-19 situation. Consequently, in comparison to the prior period, in-flight advertising and various forms of airport advertising have improved, including advertising on baggage carts, advertising in the entrance areas to aircraft, advertising at baggage claim points, and other advertising spaces within the 22 airports throughout Thailand.

#### Engagement Marketing Business

Unit: THB mn	3Q 2023	2Q 2023	3Q 2022 (Restated)	QoQ (%)	YoY (%)	9M 2023	9M 2022 (Restated)	YoY (%)
Total revenues of engagement marketing	496	395	339	25.4	46.3	1,216	871	39.6
Sport marketing	418	280	239	48.9	74.7	902	505	78.5
Artist management	71	80	86	-11.1	-17.3	245	313	-21.7
Online	7	35	14	-79.2	-48.2	69	53	29.8

The engagement marketing business reported a total revenue of THB 496mn, increasing THB 157mn or 46.3% YoY. Total revenue from engagement marketing business accounts for approximately 23.0% of total revenue from sales and services. Details are as follows:

- In 3Q 2023, revenue from sports marketing was THB 418mn, increasing THB 179mn or 74.7% YoY. supported by various sports programs that gradually resumed more activities as follows:
  - 1) The recognition of revenue from marketing rights management for the Asian Games competition in Hangzhou, held from Sep 23 to Oct 8, 2023, amounted to THB 146mn.
  - 2) The company managed the Rajadamnern World Series (RWS) Season 2 competition, which began on 11 Feb 2023 and culminated in the championship rounds on 30 Sep and 7 Oct 2023. Additionally, the company organized a match between two legendary Muay Thai fighters, Buakaw Banchamek and Yasuhiro Kido, on 9 Sep 2023. These events garnered significant interest from both Thai and international audiences, particularly foreign tourists, resulting in an average daily attendance of 500-600 spectators for Muay Thai matches.

- 3) The company received revenue from sponsors during a continuous season of football competitions. They managed the 'Daikin Thailand Champions Cup,' which featured matches between Buriram United and True Bangkok United on 5 Aug 2023. The Thailand women's national football team also succeeded by winning the 'AFF U19 Women's Championship 2023.'
- In 3Q 2023, revenue from artist management was THB 71mn, decreasing THB 15mn or 17.3% YoY. This decrease was primarily because, in 3Q 2022, they had revenue from 'The Voice All Star,' while there was no such revenue in 3Q 2023. Nevertheless, the artistic entertainment business continued to conduct various activities, particularly organizing concerts featuring BNK48, CGM48, and PROXIE.
  - In 3Q 2023, revenue from the online business was THB 7mn, decreasing THB 7mn or 48.2% YoY.

**Expenses** (Cost of sales + SG&A expenses + financial cost + income tax)

Unit: THB mn	3Q 2023	2Q 2023	3Q 2022 (Restated)	QoQ (%)	YoY (%)	9M 2023	9M 2022 (Restated)	YoY (%)
Total expenses	1,887	1,809	1,574	4.3	19.9	5,315	4,166	27.5
Cost of goods sold	1,486	1,414	1,286	5.1	15.6	4,195	3,323	26.2
SG&A expenses	265	265	195	0.2	36.3	761	566	34.3
Finance cost	68	68	46	-0.7	46.1	191	126	51.4
Income tax expense	68	62	47	9.5	44.6	168	151	11.2

The Company's consolidated expenses for 3Q 2023 amounted THB 1,887mn, an increase THB 314mn or 19.9% YoY as follow:

1. COGS for sales and services in 3Q 2023 amounted to THB 1,486mn, increasing 201mn or 15.6% YoY. This increase moved in tandem with higher operating revenue. However, the growth rate of the COGS remained lower than the revenue growth rate. As a result, the gross profit margin in 3Q 2023 was 30.6%, which was higher than the gross profit margin in 3Q 2022 at 25.8%.
2. SG&A expenses in 3Q 2023 amounted to THB 265mn, increasing 71mn or 36.3% YoY. This increase was primarily due to employee and new office building expenses added to the business expansion. The SG&A to sales ratio in 3Q 2023 was 12.4%, an increase from 11.2% in 3Q 2022. Nevertheless, the SG&A to sales ratio remains within the Company's expected range of 13.0-14.0%

The Company's consolidated expenses for 9M 2023 amounted to THB 5,315mn, increasing 1,148mn or 27.5% YoY, with the reasons mentioned above.



### Earnings before interest and tax (EBIT)

The Company reported its earnings before interest and tax for 3Q 2023 of THB 405mn, an increase of THB 128mn 45.9% YoY. This growth can be attributed to the revenue generated from the OOH advertising business and engagement marketing business operations that have shown signs of recovery due to the improvement in the COVID-19 pandemic. The Company's enhanced ability to achieve higher gross profit margins and efficient cost control measures have also contributed to this positive financial outcome.

The Company reported its earnings before interest and tax for 9M 2023 of THB 991mn, increasing THB 239mn or 31.7% YoY due to the abovementioned.

### Net profit attributable to the equity holders

The Company reported a net profit attributable to the equity holders for 3Q 2023 of THB 261mn, increasing 83mn or 46.3% YoY. This increase resulted from significant revenue growth from the OOH media and the engagement marketing businesses. Furthermore, the Company's improved ability to achieve higher gross profit margins and efficient cost control measures have enabled it to generate strong net profits during the quarter.

The Company reported a net profit attributable to the equity holders for 9M 2023 of THB 620mn, increasing 170mn or 37.7% YoY. This increase was in line with the reasons mentioned above. Furthermore, the Company's diversified and balanced investment strategies have allowed it to maintain a consistent EBITDA of THB 1,739mn in 9M 2023, excluding the impact of accounting standard adjustments under TFRS16 adoption.

## FINANCIAL POSITION

As of 30 September 2023, the Company held total assets of THB 16,191mn, increasing THB 729mn or equivalent to a 4.7% growth from THB 15,462mn as of 31 Dec 2022 due to increased cash and right-of-use assets.

Total liabilities were THB 7,368mn, increasing THB 112mn or equivalent to a 1.5% growth from THB 7,255mn as of 31 Dec 2022 due to the increase in the short-term loans and lease liabilities – net of current portion.

Total equity was THB 8,823mn, increasing THB 616mn or equivalent to a 7.5% growth from THB 8,206mn as of 31 Dec 2022, given the higher retained earnings.

## KEY FINANCIAL RATIOS

Profitability ratios		3Q 2023	3Q 2022 (Restated)
Gross profit margin	(%)	30.6	25.8
Operating profit margin	(%)	18.9	16.0
EBITDA margin	(%)	47.3	51.5
Net profit attributable to equity holders of the Company	(%)	12.2	10.3
Return on asset (ROA)	(%)	8.6	7.0
Return on equity (ROE)	(%)	10.5	9.0

Liquidity ratios		3Q 2023	3Q 2022 (Restated)
Current ratio	(times)	1.0	0.8
Quick ratio	(times)	1.0	0.8
Average collection period	(times)	99.4	102.5
Average payment period	(times)	104.5	121.5

Leverage ratio		3Q 2023	3Q 2022 (Restated)
Debt / Equity	(times)	0.8	0.9

## KEY DEVELOPMENT IN 3Q 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 3Q 2023 are outlined below:

### Out-of-home business

- **The Omni Activation Journey strategy integrates offline and online media**

Consumers have notably shifted their behaviour, spending more time outside their homes, reflecting a significant change in their habits. This shift has led to Digital Out-of-Home (DOOH) media regaining a prominent role. This transformation is aligned with the substantial growth in consumers purchasing products in physical 7-Eleven stores. Consequently, it has given rise to the concept of thinking beyond conventional approaches. Through collaboration between Plan B Media, Adapter Digital Group, and Est Cola, the "Omni Activation Journey" strategy was conceived. This strategy integrates offline and online media to extend the reach of the Est Cola campaign to consumers at every touchpoint in their daily lives, from building awareness to the point of sale. The foundation of



this strategy is grounded in the application of Behavioral Science principles and encompasses media in three different formats as follows:

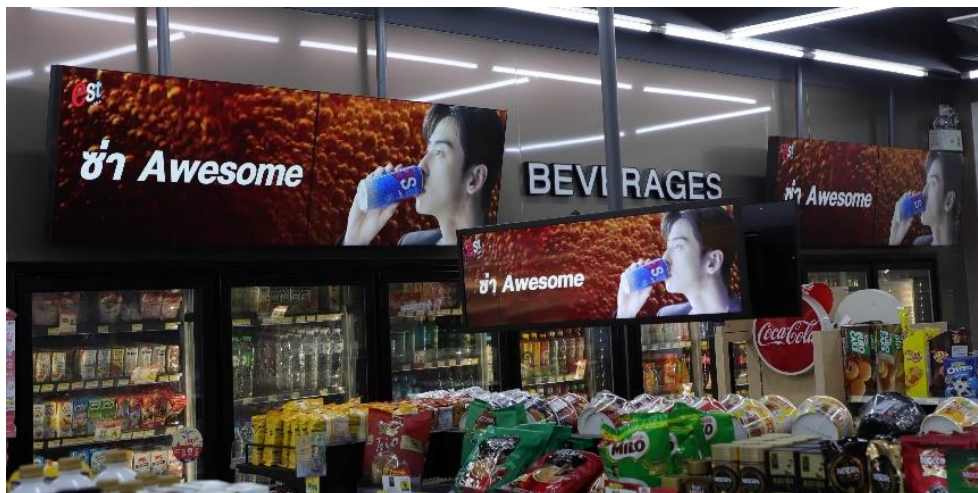
1. DOOH (Digital out of Home) communicates the introduction of Est Cola's new formula to many consumers.



2. Dynamic Social Ads use platforms such as Facebook and TikTok, with messages that vary based on the users' locations, to enhance brand memorability among consumers.



3. Dynamic Retail Ads Retail Ads in 7-Eleven convenience stores entice consumers to make direct in-store purchases. These ads incorporate visually striking imagery and captivating audio elements while utilizing dynamic text content that can be adjusted based on specific time intervals.



## Engagement marketing business

- Thai women's national football team clinches the championship in the AFF U-19 Women's Championship 2023  
In the final AFF U-19 Women's Championship 2023 match, the Thai women's national team faced the Vietnamese national team. Ultimately, the Thai national team emerged victorious, defeating the Vietnamese national team with a score of 2-1, and successfully claimed the championship in the AFF U-19 Women's Championship 2023.



- Plan B is part of the promotion for the Asian Games, the grand sports event of Asia, with a comprehensive 360° communication strategy.

The objective is to immerse the Thai audience in every facet of the Asian Games, employing a 360° communication approach from pre-event buildup, during competitions, to post-event moments. External media, including creatively designed Key Visuals will evoke emotions and highlight the campaign's grandeur. Fast Ads ensures diverse content tailored to the four phases, implementing the 4Os strategy. This holistic plan aims to engage the audience at every stage, combining direct event communication and external media channels.

### OOH

Phase 1: "It's Hangzhou Time!" builds excitement through creative means. A Key Visual, counting down 100 days to the competition, adds anticipation. The campaign showcases Thai athletes' faces, portraying them as heroes marching to the battlefield. Contemporary fashion elements, blending Dragon Land essence with action poses in fashion photography, bring a unique and dynamic dimension to stand out from traditional approaches.

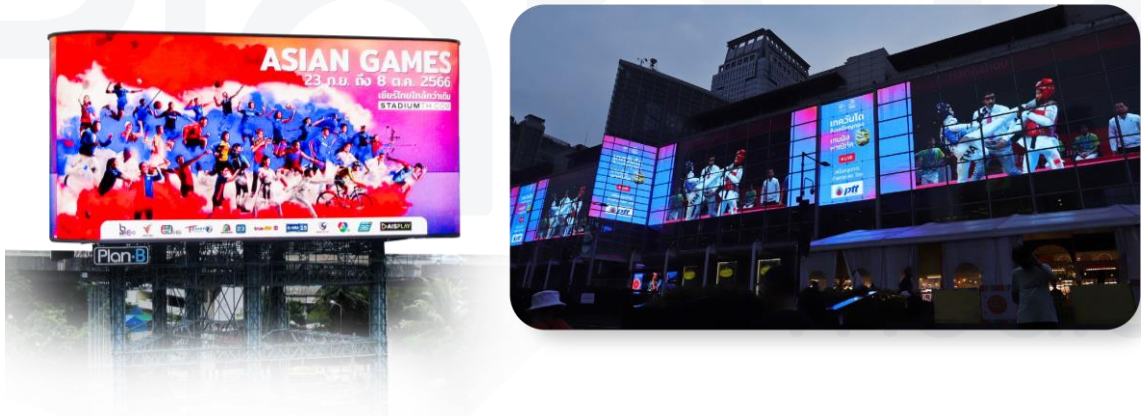




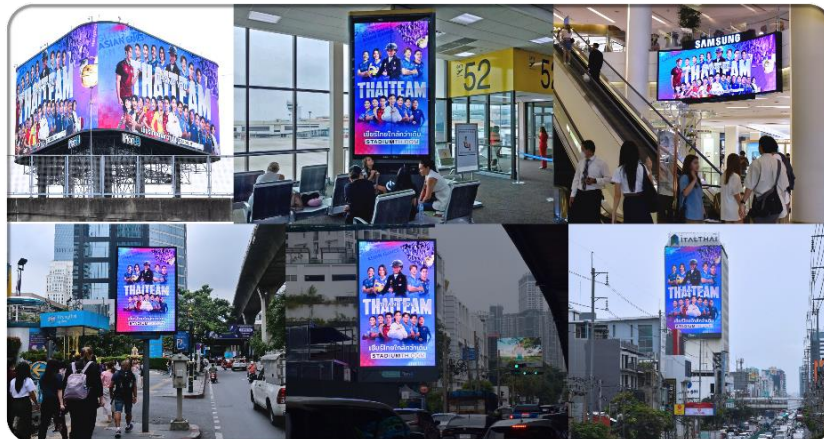
Phase 2 "Come Cheer with us" energizes and prepares the audience to cheer together. The campaign unveils the faces of all participating athletes, showcasing their readiness to step onto the battlefield. The campaign adopts the logo "Hear to Heart, @Future" of the Asian Games for this edition.



Phase 3: "Cheer Now" introduces compelling Key Visuals showcasing each athlete's strengths. Live broadcasts enable real-time viewing on large outdoor screens. Fast Ads are strategically deployed during breaking moments for dynamic content. This phase aims to intensify the cheering experience and engage the audience in the excitement of live events.



Phase 4: "Welcome Back Heroes" welcomes the athletes home after the competitions, expressing gratitude for their dedication and outstanding performance in this edition.



ONLINE presents content through StadiumTH's social media channels, boasting a follower count in the hundreds of thousands. Everyone is invited to join and show support for athletes by using the hashtag #เชียร์ไทยให้ไกลกว่าเดิม, contributing to a closer and more engaged cheering experience.



ON AIR allows Thai viewers to watch live broadcasts of the competitions in real-time for free through all nine channels, including live streaming on AIS Play. This platform is capable of simultaneously supporting a diverse range of sports competitions.



ON GROUND unveils the "Asian Games Park," a collaborative effort between Plan B, the government, and the private sector, creating a massive show of support! Partnering with Siam Paragon and the Thai Para-Athletes This sports-themed venue, inspired by Hangzhou's sports legacy, opens to rally support for #THAITEAM in the 19th Asian Games in Hangzhou 2022. The park at Siam Paragon serves as a hub for Thai Athletes' information and encourages nationwide cheers for the upcoming sporting extravaganza.





- The face-off between two top kickboxers from the golden era of kickboxing, "Buakaw" and "Kido"

The clash between 'Buakaw Banchamek' and 'Yasuhiro Kido', both of whom have emerged from the globally renowned K-1 kickboxing series and have claimed K-1 championships individually. The outcome of their showdown concluded inconclusively without a verdict in the third round due to an accidental headbutt.



- The final round of the Rajadamnern World Series (RWS)

The Rajadamnern World Series (RWS) tournament concluded beautifully with three championship matches, encompassing the Super Lightweight, Women's Bantamweight, and Lightweight categories, with total prize money of over THB 9mn.



- In the 'Amazing Muaythai, Road to Rajadamnern' program, talented boxers are scouted from three stages in two countries

The Tourism Authority of Thailand (TAT) has collaborated with Rajadamnern Stadium to organize the 'Amazing Muaythai, Road to Rajadamnern' competition, an international Thai boxing tournament held in four major cities worldwide. This event aims to discover talented boxers from around the globe and provide athletes from every corner of the world with the opportunity to compete on the prestigious stage of Rajadamnern Stadium at the end of this year.



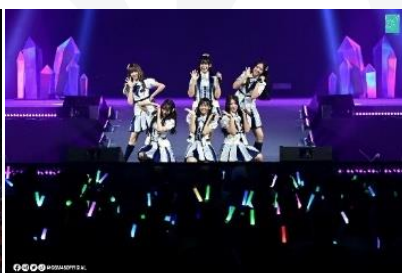
- **Scenic Half Marathon Rayong 2023 and Scenic Half Marathon Krabi 2023**

Plan B consistently organizes marathon running events that allow participants to enjoy beautiful scenic routes and splendid running experiences in various tourist destinations.



- **BNK48 and PROXIE host a full-fledged concert**

iAM has brought artists from BNK48, CGM48, and PROXIE to ignite excitement through four major concerts. These concerts are the BNK 3rd Generation Concert: Rabbit in Wonderland, BNK48 vs CGM48 Concert: The Battle of Idols, CGM48 1st Concert: Magical ChuChuChu, and PROXIE The 1st Concert: ACCESS.



### MANAGEMENT OUTLOOK IN 2023

Total revenue from sales and services	THB 7,700 – 8,000mn
EBITDA	Low double-digit growth
CAPEX	THB 700 – 9000mn

The company forecasts revenue from sales and services to be approximately THB 7,700 – 8,000 in 2023. This adjustment considers the increased total advertising spending, including the recovery trends in the use of OOH media, following the improvement in economic conditions. In the second half of 2023, the Thai economy is expected to recover steadily. This is attributed to increased private sector spending and a reduced inflation rate, further supporting private consumption. Moreover, the disbursement of state welfare cards and the recovery of the tourism sector have also significantly improved consumer confidence, contributing to the overall economic recovery.

- **Out-of-home Media Business** accounted for 80% of the Company's total revenue. In 2023, PLANB is expected to reach a media capacity of around THB 8,950mn per year with around a 67% utilization rate, thanks to the recovery



of media spending and the luxury brands' spending, which has 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 20% 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. Furthermore, the company has entered into a collaboration with DAZN, a world-leading provider of sports streaming content, to livestream Thai boxing matches to sports enthusiasts in over 200 countries worldwide. Through this partnership, audiences can experience the authentic art of Thai boxing directly from the renowned Rajadamnern Stadium.
- Football also rebounded, as seen from recent popularity and trends, as Thailand's national football team won the ASEAN Cup for the 7<sup>th</sup> time at the beginning of 2023. For 2023, the 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. Additionally, the new boy band, "PROXIE", has gained immense popularity and will further strengthen and diversify its revenue streams.

The company anticipates its EBITDA to achieve a low double-digit growth rate, emphasizing continuous cost management and strategic investments to drive growth. The focus on cost management aims to sustain cash flow from operations and profitability capabilities. The company has prioritized stringent cost management measures, including operational, selling, and administrative expenses. These efforts are expected to support a low double-digit

EBITDA growth rate. Additionally, the company is exercising a cautious approach to capital allocation, seeking to maintain adequate cash flow and liquidity through enhanced expense management efficiency. These strategic initiatives aim to bolster cost-effectiveness and fortify the company's financial position to facilitate sustainable business growth in the foreseeable future. Notably, the Company has also emphasized modernizing its sales system by implementing cutting-edge technologies, which are anticipated to optimize the sales process. Furthermore, investments in advertising media capabilities are a key focus for the latter half of the year. The Company aims to enhance digital and airport media capacities, as these segments exhibit substantial growth potential. Moreover, existing advertising media will undergo upgrades and improvements to ensure contemporary and high-quality offerings, thereby sustaining customer satisfaction and positioning the company as an industry leader over the long term.

**CAPEX will be around THB 700-900mn 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.

**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