

No. 0063-2024

February 23, 2024

Subject : Management Discussion and Analysis for the 4th quarter and the year ended December 31, 2023

Dear : Managing and Director of the Stock Exchange of Thailand

Performance Summary for the year ended December 31, 2023

Unit: Million Baht

Unit: Million Baht	Consolidated			Separate		
	2023	2022	YoY % +/-	2023	2022	YoY % +/-
Revenue from service	1,276.98	1,188.70	7%	641.96	498.53	29%
Cost of service	(1,072.16)	(970.91)	10%	(525.18)	(403.57)	30%
Gross profit (loss)	204.82	217.79	(6%)	116.78	94.97	23%
Other income	12.18	6.25	95%	26.76	34.53	(26%)
Dividend income	-	-	0%	3.50	6.55	(47%)
Profit (loss) before expense	217.00	224.04	(3%)	147.04	136.04	8%
Distribution expense	(17.19)	(19.93)	(14%)	(5.29)	(7.61)	(30%)
Administrative expense	(298.46)	(208.03)	43%	(192.75)	(103.38)	86%
Loss on allowance impairment of assets	-	-	0%	(171.99)	-	100%
Provision for litigation cases	(19.24)	-	100%	(11.81)	-	100%
Total expense	(334.89)	(227.96)	47%	(381.84)	(111.00)	244%
EBIT	(117.89)	(3.92)	(2908%)	(234.80)	25.05	(1037%)
Finance cost	(27.00)	(20.11)	34%	(20.25)	(11.83)	71%
Loss before income tax revenue (expense)	(114.89)	(24.03)	(503%)	(255.05)	(13.21)	(2030%)
Income tax revenue (expense)	(11.63)	(2.56)	353%	-	(0.72)	(100%)
Profit (loss) for the period	(156.52)	(26.59)	(488%)	(255.05)	12.49	(2142%)
Earnings Per Share (Baht/share)	(0.60)	(0.12)		(0.91)	0.05	
Profit (loss) attributable:						
Equity holders of the Company	(169.22)	(31.39)	(439%)	(255.05)	12.49	(2142%)

CMO Public Company Limited (“CMO”) recorded **total revenue from service** in the amount of THB 1,276.98 million and **net loss** of THB 156.52 million in the consolidated financial statement for the year ended December 31, 2023, compared with the same period for the year ended December 31, 2022, which had total revenue THB 1,188.70 million and net loss THB 26.59 million.

The performance for the year ended December 31, 2023 compared with the year ended December 31, 2022, clarification is explained as the following reasons:

- **Revenue from Service** for the year 2023 increased by 7% compared to the year 2022, mainly from the seasonal events. The group companies got new large-scale customers. The event begins in the 4th quarter of every year. Customers in all various industry groups have returned to organize marketing activities and compete for sales at the end of the year. As a result, there are many events at the end of the year.

- **Cost of Service compared with total sales** slightly increased from 82% for the year 2022 to 84% for the year 2023, mainly from increased cost of goods sold. The cost of services consists of variable and fixed costs. Some costs do not vary in revenue. As for the fixed costs, the production department's salary requires human resources to work from increasing work expansion. As for variable costs, the group of companies still maintains its standards.

- **Selling and Administration Expenses** for the year 2023 increased by 47% compared to the year 2022, from the organization restructure of CMO Group, consulting fee for the extending debentures and addition operating expense related to the increasing newly ordinary shares.

- **Interest Expenses** for the year 2023 increased by 34% compared to the year 2022, mainly due to interest payments on financial institutions' credit lines and interest on debentures which have been extended. There was an increased workload, and the customer's credit term was quite long; the Company used a credit line for operations to provide the Company with liquidity. Therefore causing higher financial costs.

For the separate company statement has **total revenue from service** of THB 641.96 million and **net loss** of THB 255.05 million in the separate financial statement for the year ended December 31, 2023 compared with the same period in the year ended December 31, 2022, which had revenue from service of THB 498.53 million and net profit THB 12.49 million.

Performance Summary for the 4Q/2023

Unit: Million Baht

Unit: Million Baht	Consolidated			Separate		
	4Q/2023	4Q/2022	YoY % +/-	4Q/2023	4Q/2022	YoY % +/-
Revenue from service	475.23	493.74	(3%)	295.95	223.19	33%
Cost of service	(347.08)	(401.92)	(13%)	(228.96)	(176.77)	30%
Gross profit (loss)	128.15	91.82	40%	66.99	46.43	44%
Other income	8.86	2.22	299%	10.36	8.01	29%
Profit (loss) before expense	137.01	94.04	46%	77.35	54.44	42%
Distribution expense	(4.41)	(8.13)	(46%)	(0.67)	(4.11)	(84%)
Administrative expense	(71.43)	(66.31)	8%	(45.98)	(32.19)	43%
Loss on allowance impairment of assets	-	-	0%	(9.98)	-	100%
Provision for litigation cases	(11.82)	-	100%	(11.82)	-	100%
Total expense	(87.65)	(74.44)	18%	(68.44)	(36.30)	88%
EBIT	49.35	19.60	151%	8.92	18.13	(51%)
Finance cost	(7.15)	(4.98)	44%	(5.65)	(2.91)	94%
Loss before income tax revenue (expense)	42.20	14.63	188%	3.27	15.22	(78%)
Income tax revenue (expense)	(6.97)	(1.23)	467%	-	(0.72)	(100%)
Profit (loss) for the period	35.23	13.40	163%	3.27	14.50	(77%)
Earnings Per Share (Baht/share)	0.11	0.03				

CMO Public Company Limited (“CMO”) recorded **total revenue from service** in the amount of THB 475.23 million and **net profit** of THB 35.23 million in the consolidated financial statement for the 4th quarter ended December 31, 2023, compared with the same period for the 4th quarter ended December 31, 2022, which had total revenue THB 493.74 million and net profit THB 13.40 million.

The performance for the 4th quarter in 2023 compared with the 4th quarter in 2022, clarification is explained as the following reasons:

- **Revenue from Service** for the 4Q/2023 decreased by 3% compared to the 4Q/2022 which is a small proportion. If compared to the main business of the business group. At the end of the year, it is a seasonal event. Moreover, the Group companies have many large-scale customers that event begins in the 4th quarter of every year.

- **Cost of Service compared with total sales** slightly decreased by 13% compared to the 4Q/2022. The cost of services consists of variable and fixed costs. As for variable costs, the group of companies still maintains its standards.

- **Selling and Administration Expenses** for the 4Q/2023 increased by 18% compared to the year 2022, from the organization restructure of CMO Group, consulting fee for the extending debentures and addition operating expense related to the increasing newly ordinary shares.

- **Interest Expenses** for the 4Q/2023 increased by 44% compared to the year 2022, mainly due to interest payments on financial institutions' credit lines and interest on debentures which have been extended. There was an increased workload, and the customer's credit term was quite long; the Company used a credit line for operations to provide the Company with liquidity. Therefore causing higher financial costs.

For the separate company statement has **total revenue from service** of THB 295.95 million and **net profit** of THB 3.27 million in the separate financial statement for the 4th quarter ended December 31, 2023 compared with the same period in the 4th quarter ended December 31, 2022, which had revenue from service of THB 223.19 million and net profit THB 14.50 million.

However, selling and administrative expenses in the 4th quarter of 2023 included expenses for the issuance of debentures in the amount of 4.06 million baht, legal consulting expenses of THB 11.89 million, special audit expenses of THB 3.85 million, financial advisory fee of THB 1.80 million, totaling THB 21.61 million. If such expenses are not included, it will result in the quarterly financial statements for the 4th quarter of 2023 having **an additional profit of 24.88 million baht.**

Financial Position



As of December 31, 2023, the Company held total assets of THB 1,122.26 million, decreasing THB 94.53 million (-8%) from December 31, 2022. Due to the decreasing in work in progress because many projects has already been delivered according to the event schedule during that time. And there was a decrease in cash and cash equivalents due to a high volume of work. This caused quite a lot of cash turnover at the end of the year.

As of December 31, 2023, the Company held total liabilities of THB 766.54 million, increasing THB 71.93 million (10%) from December 31, 2022. Due to long-term debentures, there was a request to extend the repayment period for 2 years. At the end of last year, the Company repaid the principal amount of 20 million baht and interest. The amount of accrued dividends has decreased because of a subsidiary payment. Trade accounts payable decreased from paying payments according to credit terms and repayment of bank loans as scheduled.

As of December 31, 2023, the Company held total equity of THB 355.73 million, decreasing THB 166.46 million (-32%) from December 31, 2022, due to the net loss in 4Q/2023.

Financial Ratios

	2023	2022
Profitability Ratios		
1. Gross Profit margin (%)	16.00	18.00
2. Net Profit margin (%)	(12)	(2)
Liquidity Ratios		
3. Current Ratio (times)	0.61	0.80
Leverage Ratios		
4. Debt to Equity Ratio (times)	2.15	1.33

Please be informed accordingly,

Sincerely Yours,

(Mr. Kitisak Jampathipphong)
Chief Executive Officer
CMO Public Company Limited