

## MANAGEMENT DISCUSSION AND ANALYSIS FOR THE 1Q2024

### 1Q2024 OVERVIEW BUSINESS PERFORMANCE

- The Company had total revenue of 1,507.1 million baht, an increase of 104.5 million baht, or 7.5% year-over-year. The total operating revenue was 1,414.5 million baht, an increase of 26.4 million baht, or 1.9% year-over-year. The main reason was the music business, which has continued to grow since the post-COVID-19 crisis period until now. Revenue from the music business grew by approximately 11.3% year-over-year, the majority from showbiz business and product sales.
- The Company had a gross profit of 679.0 million baht, an increase of 137.5 million baht, or 25.4% year-over-year. This increase stemmed from both revenue and gross profit margin, The company had a gross profit margin of 48.0%, an increase of 9.0% year-over-year.

### KEY BUSINESS UPDATES

- **January 2024**
  - GMM Show, the event organizer under GMM Music, launched 'Chang Music Connection Presents **Rock Mountain 2024**' on Saturday, January 20, 2024, at Jolly Land, Khao Kho, Phetchabun Province. The G-Fest team, renowned for creating exceptional experiences for true music lovers, will offer a journey into the space of rock with 10 top Thai rock artists.
  - Z Trading, the distributor of satellite and Internet TV receivers under the brand GMM Z, has partnered with Power Buy, a part of the Central Retail group and a leader in electronics, IT products, and electrical appliances. Together, they are offering consumers a high-definition TV viewing experience through the 'Trade-In' campaign. Customers can trade in any model and brand of satellite receiver to purchase a GMM Z HD MAX satellite receiver at a special price. This campaign targets customers seeking to upgrade their TV viewing experience to higher definition. They can enjoy a wide range of content from various leading digital and satellite TV channels, including dramas, series, movies, news, and cartoons. The receiver is user-friendly, compatible with all types of satellite dishes, affordable, and available for convenient exchange at over 120 Power Buy branches nationwide.
- **February 2024**
  - GMM Show continues the success with the second major concert event titled "Chang Music Connection Presents **Chieng Neua Fest 2**," held on Saturday, February 3, 2024, at Bus Terminal 3 in Khon Kaen. With 23 artists showcasing an array of music styles, such as pop, rock, hip-hop, indie, dance-pop, and international Mor Lam. The event marks another success for Chieng Neua Fest, This initiative not only promotes tourism but also stimulates the local economy, positioning

Khon Kaen as an increasingly attractive travel destination. On Saturday, February 24, 2024, GMM Show launched the 'Thai Life Insurance Presents **90's Forever Concert**' at IMPACT Arena, Muang Thong Thani, this event brought together seven legendary artists on one stage. This includes iconic rocker Amphon Lampooon, rock king Billy Ogan, Queen of Thai Dance Christina Aguilar, smooth crooner Kong Saharat Sangkapricha, Queen of Rock Mai Charoenpura, charming King of Pop Mos Patiparn, and the diva extraordinaire Tata Young. They performed their greatest hits, providing an experience where everyone could sing, play, and dance along.

- GDH 559 organized the "OPEN HOUSE Lahn Mah" event to launch the new movie " Lahn Mah" directed by the dynamic young director Put Boonnitipat, renowned for his work on the series " Bad Genius". The movie was produced by Keng Jira Malikul and Wan Vanridee Pongsittisak. It also marked the first movie of the popular artist Billkin Putthipong Assaratanakul, who starred alongside Du Sanya Kunakorn, Phuak Pongsatorn Jongwilas, Jia Sarinrat Thomas, Tu Tontawan Tantivejakul, and introduced the 76-year-old new actress Taew Usa Semkhum.

- **March 2024**

- GMM Show is reinforcing success from last year by organizing the biggest music festival in the South, 'Chang Music Connection Presents **Poong Tai Fest 2**' on Saturday, March 9, 2024, at The Pirate Park, Hat Yai. And on Saturday, March 30, 2024, GMM Show organize a grand concert to welcome the first summer of the year 'Chang Music Connection Presents **NangLay Beach Party and Music Festival 3**' at Triple Tree Beach (near Krua Med Sai) in Cha-am District, Phetchaburi Province. It is the biggest beach music festival and party on Cha-am beach, covering the entire beach front with a width of over 40 meters.

1Q2024 OPERATING RESULTS

Consolidated PL (Unit: THB mn)	1Q2024	1Q2023	YoY%
Total operating revenues	1,414.5	1,388.0	1.9%
Profit on fair value on other financial assets	81.5	0.0	100.0%
Other revenues	11.1	14.6	-23.6%
<b>Total revenues</b>	<b>1,507.1</b>	<b>1,402.6</b>	<b>7.5%</b>

Cost of sales and services	735.5	846.5	-13.1%
SG&A	458.4	467.7	-2.0%
Fair value loss on other financial assets	0.0	92.9	-100.0%
<b>Total expenses</b>	<b>1,193.9</b>	<b>1,407.2</b>	<b>-15.2%</b>
<b>Profit (loss) from operating activities</b>	<b>313.2</b>	<b>-4.5</b>	<b>7041.0%</b>
Share of profits from JVs and associates	0.4	15.2	-97.1%
Finance income (cost)	-33.8	-26.8	26.1%
<b>Profit (loss) before income tax income (expenses)</b>	<b>279.9</b>	<b>-16.1</b>	<b>1833.6%</b>
Income tax income (expenses)	-54.0	13.7	-493.8%
<b>Profit (loss) for the period</b>	<b>225.9</b>	<b>-2.4</b>	<b>9380.4%</b>
Profit (loss) attributable to non-controlling interests of the subsidiaries	0.2	-4.1	104.7%
<b>Profit (loss) attributable to equity holders of the Company</b>	<b>225.7</b>	<b>1.7</b>	<b>13553.6%</b>
Earnings per share	0.275	0.002	
Gross profit margin (%)	48.0%	39.0%	
SG&A to revenue (%)	30.4%	33.3%	
Net Profit Margin Attributable to Equity Holders of the Company (%)	15.0%	0.1%	

Revenue Breakdown	1Q2024		1Q2023		YoY %
	THB mn	%	THB mn	%	
Music	977.8	69.1%	878.8	63.3%	11.3%
Home Shopping	296.1	20.9%	350.1	25.2%	-15.4%
Movie	61.5	4.3%	72.8	5.3%	-15.6%
Set-top-box and Broadcasting	38.8	2.7%	42.9	3.1%	-9.7%
Other	40.4	2.9%	43.4	3.1%	-7.0%
<b>Total Operating Revenue</b>	<b>1,414.5</b>	<b>100%</b>	<b>1,388.0</b>	<b>100.0%</b>	<b>1.9%</b>

## Operating revenue

For 1Q2024, the Company had operating revenue of 1,414.5 million baht, an increase of 26.4 million baht, or 1.9% year-over-year. The increase was mainly from the music business. Operating revenue can be categorized according to the Company's business structure as follows:

**1.1 Music Business**, which is the Company's core business, consisting of digital music and copyright, artist management, showbiz, physical music and merchandise, and other businesses.

For 1Q2024, the Company had revenue from the music business of 977.8 million baht, or 69.1% of total operating revenue, an increase of 99.0 million baht, or 11.3% year-over-year. The majority of this revenue is delivered from showbiz business and product sales. For example, in 1Q2024, revenue from concert events increased by approximately 33.8% year-over-year, with a total of 5 concerts (including 5 rounds of performances).

**1.2 Home Shopping Business**, operating TV home shopping through the channel called GMM O-Shopping, via digital TV, satellite TV and online channels.

For 1Q2024, the Company had revenue from the home shopping business of 296.1 million baht, or 20.9% of total operating revenue, a decrease of 54.0 million baht, or 15.4% year-over-year from the lower sales both in the satellite TV and digital TV, partly because the home shopping and e-commerce industries are highly competitive and consumer purchasing power has decreased. The company continues to prioritize the selection of quality products and services to retain its existing customer base. Additionally, the Company has developed house brand dietary supplements to serve the growing group of health-conscious customers.

**1.3 Movie Business**, producing high-quality movies and series continually.

For 1Q2024, the Company had revenue from the movie business of 61.5 million baht, or 4.3% of total operating revenue, a decrease of 11.4 million baht, or 15.6% year-over-year. This was because in 1Q2024, the company did not have revenue from new movie releases and continued to recognize most of revenue from copyright, production and distribution. Meanwhile, in the same period last year, the majority of revenue was recognized from the theatrical release of the new movie "You & Me & Me" in February 2023.

**1.4 Satellite TV Business**, operating satellite TV networks and distributing set-top boxes, digital TV boxset, internet TV boxset, as well as the music player products including the music box and karaoke microphone.

For 1Q2024, the Company had revenue from satellite TV business of 38.8 million baht, or 2.7% of total operating revenue, a decrease of 4.2 million baht, or 9.7% year-over-year. The decline in sale volume of set-top boxes, aligning with industry trends, has reached the pinnacle of technological development. However, the Company has pursued potential distribution channels by expanding into the smart home business. This strategic move aims to increase revenue from new products and support the growing future market.

1.5 Media Business, operating digital TV stations and generating revenue from copyright.

For 1Q2024, the Company had revenue from the media business of 40.4 million baht, or 2.9% of total operating revenue, a decrease of 3.0 million baht, or 7.0% year-over-year.

## Cost of sales and services

The Company had cost of sales and services of 735.5 million baht, a decrease of 111.1 million baht, or 13.1% year-over-year, due to a decrease in artist management costs and cost of sales in proportion to revenue.

## Net profit (loss) attributable to equity holders of the Company

The Company had a net profit attributable to equity holders of the Company of 225.7 million baht, an increase of 224.0 million baht year-over-year. This increase was due to the higher gross profit mentioned earlier, while sales and administrative expenses decreased slightly. Additionally, in this quarter, the Company had a profit from fair value of other financial assets of 81.5 million baht from investing in shares of Rojukiss International Public Company Limited ("KISS"). While in the same quarter of the previous year, the Company had a loss from fair value of other financial assets of 92.9 million baht from investing in Rojukiss International Public Company Limited ("KISS").

However, if excluding the special item related to the fair value of other financial assets mentioned above, in 1Q2024, the Company still had an increase in net profit attributable to equity holders of 49.6 million baht, or 52.5% year-over-year.

## 1Q2024 Financial Position

Financial Position (Unit: THB mn)	31-Mar-24	%	31-Dec-23	%
Cash and cash equivalents	698.5	10.8%	672.9	10.7%
Other current assets	1,958.1	30.3%	1,866.7	29.8%
Non-current assets	3,796.8	58.8%	3,724.7	59.5%
<b>Total assets</b>	<b>6,453.3</b>	<b>100.0%</b>	<b>6,264.3</b>	<b>100.0%</b>
Current liabilities	3,018.1	46.8%	2,968.7	47.4%
Non-current liabilities	1,687.8	26.2%	1,772.3	28.3%
<b>Total liabilities</b>	<b>4,705.9</b>	<b>72.9%</b>	<b>4,741.1</b>	<b>75.7%</b>
Shareholders' equity	1,747.4	27.1%	1,523.2	24.3%

Total liabilities and shareholders' equity	6,453.3	100.0%	6,264.3	100.0%
Interest-bearing debt to equity ratio (x)	1.34		1.58	

## Total assets

As of the end of 1Q2024, the Company had total assets of 6,453.3 million baht, an increase of 189.0 million baht, or 3.0% from the end of 2023. One significant item was the increase in current assets of 91.3 million baht, partly derived from the profit from fair value of other financial assets, resulting from an investment in Rojukiss International Public Company Limited ("KISS").

## Total liabilities

As of the end of 1Q2024, the Company had total liabilities of 4,705.9 million baht, a decrease of 35.2 million baht, or 0.7% from the end of 2023. Significant items included a decrease of 186.4 million baht in trade and other payables, while unearned income increased by 214.4 million baht. The Company had interest-bearing debt of 2,336.1 million baht, a decrease of 73.3 million baht from the previous year.

## Total shareholders' equity

As of the end of 1Q2024, the Company had shareholders' equity of 1,747.4 million baht, an increase of 224.2 million baht, or 14.7% from the end of 2023. This was because of the Company's operating profit. The interest-bearing debt to equity ratio (IBD/E) decreased from the previous year (1.58 times) to 1.34 times.

## Liquidity and cash flows

For the three-month period ended March 31, 2024, the Company had cash and cash equivalents of 698.5 million baht, an increase of 25.6 million baht, or 3.8% from the end of 2023. There was net cash received from operating activities of 224.3 million baht, while net cash used in investing activities was 157.1 million baht, and net cash used in financing activities was 40.0 million baht.

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