



The ONE Enterprise Public Company Limited

# **The ONE Enterprise Public Company Limited**

("ONEE")

## **Management Discussion and Analysis**

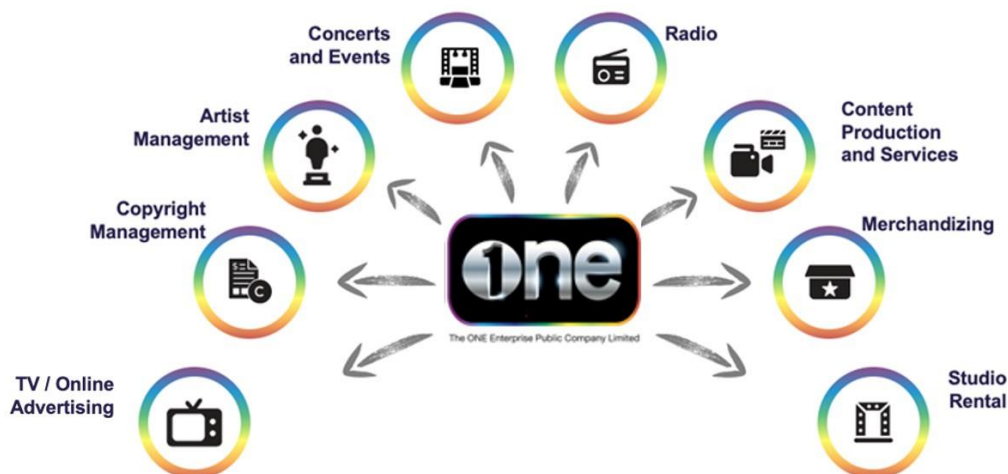
**Quarter 1/2024**

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Ending 31 March 2024

## Executive Summary

### Business Strategy



The ONE Enterprise Plc. and its subsidiaries (“ONEE” or “the Company”) emphasizes its business strategy to become the leader in comprehensive Content Creator & Lifestyle Entertainment, focusing on generating revenue through diverse channels from its expertise in various sectors of the group. Creating content that meets the diverse needs of target groups remains at the heart of generating revenue across TV, Online, Copyright & Licensing, Artist Management, Concerts & Events, Radio, Content Production Services, Merchandising, and Studio Rental. This constitutes a strength of the group. Given this business structure, the Company is confident in connecting its distinctive features with industry trends and reaching consumers in every target group to sustainably grow revenue in every channel, both domestically and internationally.

### Financial Highlights Q1/2024

- Total Revenue was THB 1,396.33 mn, a decrease of THB 342.65mn from previous quarter or 19.70% QoQ and a decrease of THB 21.29mn or 1.50% YoY
- Net profit was THB 31.38mn, a decrease of THB 149.04mn or 82.61% QoQ and a decrease of THB 20.31mn, or 39.29% YoY
- Revenue from TV media was THB 638.25mn, an decrease of THB 5.53mn or 0.86% YoY
- Revenue from Concert and Event THB 127.35mn, an increase of THB 16.56mn or 14.94% YoY
- Radio media posted a revenue of THB 65.17mn, an increase of THB 14.14mn or 27.70% YoY

### Important Events in Q1 2024 and Up to the Present

#### 2024 Annual General Meeting of Shareholders

On Friday, 26 April 2024, at 1:00 PM, the company held its 2024 Annual General Meeting of Shareholders in an online format. The shareholders approved the dividend payment for the 2023 fiscal year at a rate of THB 0.18 per share, totaling 2,381,250,000 shares, amounting to a total dividend payment of THB 428,625,000, or 84.61% of the net profit from normal

operations for the fiscal year ending 31 December 2023. The record date for shareholders entitled to receive the dividend is 7 May 2024, and the dividend payment date is set for 24 May 2024.

**Content**

in Q1/2024, the Company unveiled drama content that spectacularly sparked widespread popularity and cover all the target audience. Popular drama series, after evening news on Channel ONE31, such as **"Marital Justice"**, a drama series which beyond its popularity and consistently high ratings since the first episode, it was also serves to raise awareness and understanding about family law within society. A retro drama, **"Ku Pra Ku Nang (2024)"**, promoting Thai culture by unfolding the story through the singing and dancing of Yikae, featuring a pair of unfortunate young lovers who secretly share a steadfast love. They support each other in every step of life, eventually rising to become a leading handsome Yikae hero, overcoming obstacles to achieve their romantic dreams. Moreover, our 7 PM drama series on Channel ONE31 continues to maintain its top position, with standout shows like **"Phu Langka"**. This fantasy drama features a princess from Phu Langka, a legendary hidden land, and a young man from the human world. And another afternoon drama series, **"Dung Toranee"**, features a young woman battling through her tough life, which has also gained high popularity.



**Copyright management**

Revenue from Copyright management involves selling the rights to dramas and series for broadcast on various OTT platforms around the world. The Company efficiently manages broadcasting schedules across different channels using a dynamic sales strategy, allowing for high revenue generation from each piece of content. Popular series this quarter include "Cooking Crush – How is the Food, Doctor?", "Cherry Magic, 30 Still Single", "23.5 Degrees of Tilted Earth", "Last Twilight - An Unforgettable You", and "PIT BABE The Series", among others.

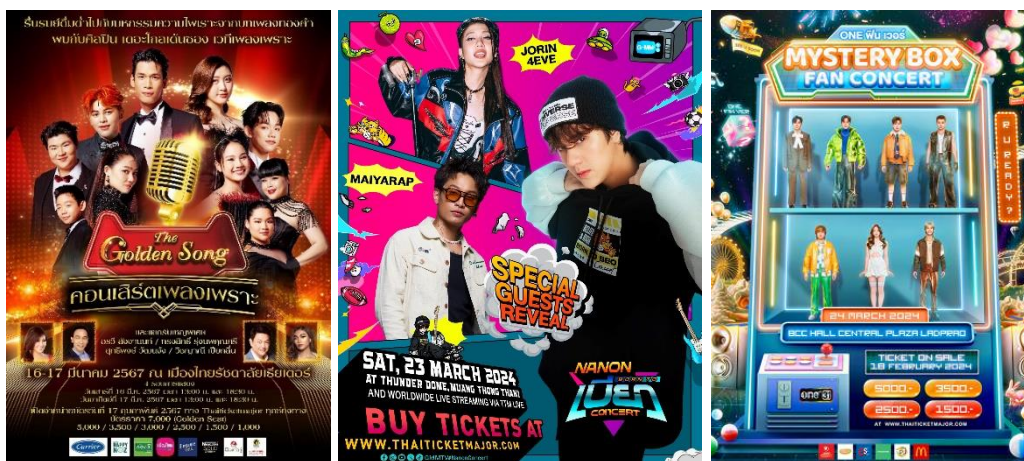




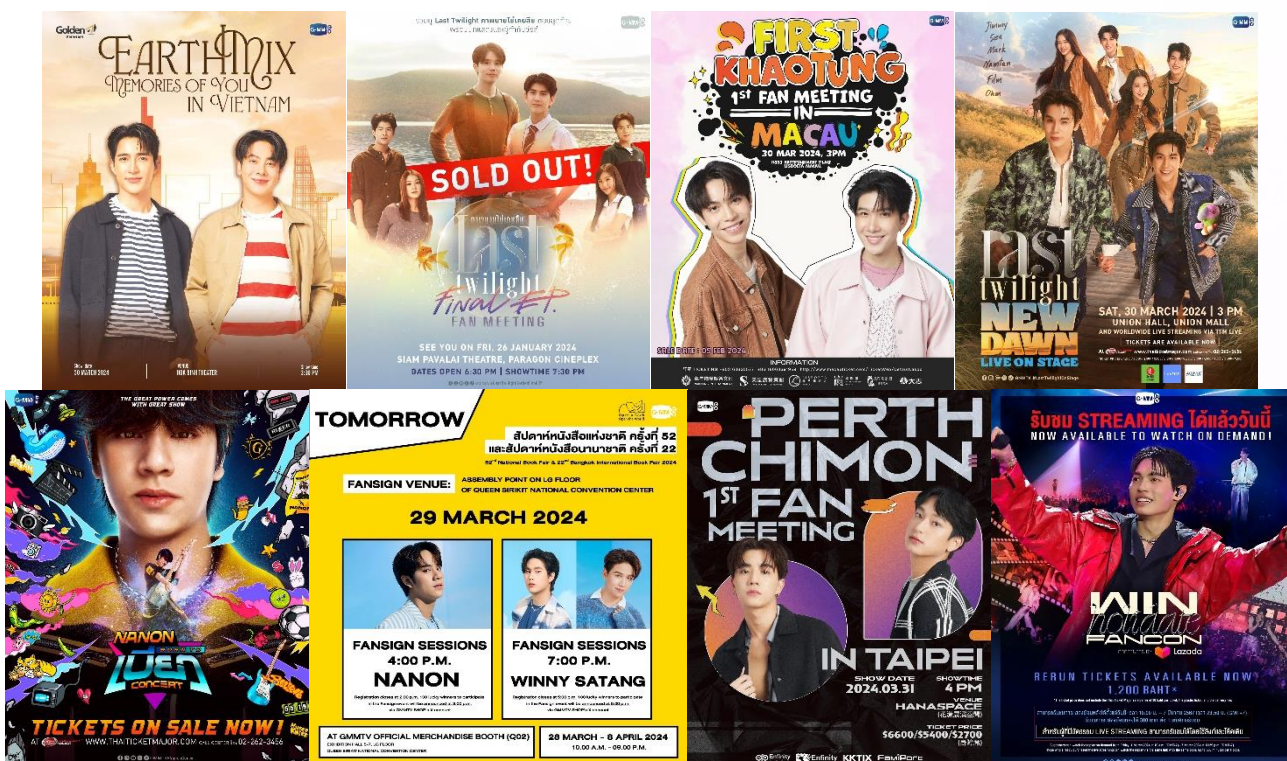
## Concerts & Events

In Q1/2024, the Concert and Event business grew from the previous year, even though there were fewer concerts than in the previous quarter. This quarter saw concerts that received very positive responses, such as:

- Concert **"The Golden Song - Beautiful Songs Concert"** at the Muang Thai Rachadalai Theatre, with ticket prices ranging from 1,000 to 7,000 baht. There are two performances scheduled for Saturday, 16 March, and Sunday, 17 March 2024.
- The **"Nanon born to Beow Concert"** will be held at the Thunder Dome, Muang Thong Thani, with ticket prices from 1,200 to 7,500 baht. The concert is set for Saturday, 23 March, 2024.
- The **"ONE Fin Ver - Mystery Box Fan Concert"** will take place at the BCC Hall, Central Plaza Ladprao, 5<sup>th</sup> floor, with ticket prices ranging from 1,500 to 5,000 baht. The performance is scheduled for Sunday, 24 March 2024.



In addition to domestic concerts, the company also organizes fan-meet events internationally, including in Asia, Europe, and South America. These events are held in Taipei, Taiwan; Macau, Hong Kong; Nanning, China; Ho Chi Minh City, Vietnam; and Tokyo, Osaka, and Yokohama in Japan, among many other countries. These events have been very well received by the global fan base.





### Artist Management

The Artist Management business, and Merchandizing business which involves selling souvenir items related to each artist, also saw a sustainable growth trend. The Company has famous idols in its roster, including both bands and solo artists/singers/actors who are popular this quarter for example "Winnie-Stang", "Tay-New", "Off-Gun", "First-Khaotung" and more. All of them engage in appearances, serve as presenters, act as brand ambassadors, and participate in concerts and fan-meets around the world.



### Economic Overview and Market Situation

- The Thai economy is projected to grow in 2024 at a higher rate than the previous year.<sup>1</sup> The continued support is from private consumption, particularly from the spending on services and goods by high-income households. The other main drivers are the Tourism sector, which improved on the back of higher foreign tourist arrivals and spending per head, along with public expenditure which is anticipated to accelerate for the remainder of the year. Inflation remains subdued by supply factors and government subsidies. Macroeconomic projections as of April 2024, are shown in the table below.

<sup>1</sup> [https://www.bot.or.th/content/dam/bot/documents/en/our-roles/monetary-policy/mpc-publication/press-statement/PressMPC\\_2024\\_2.pdf](https://www.bot.or.th/content/dam/bot/documents/en/our-roles/monetary-policy/mpc-publication/press-statement/PressMPC_2024_2.pdf)

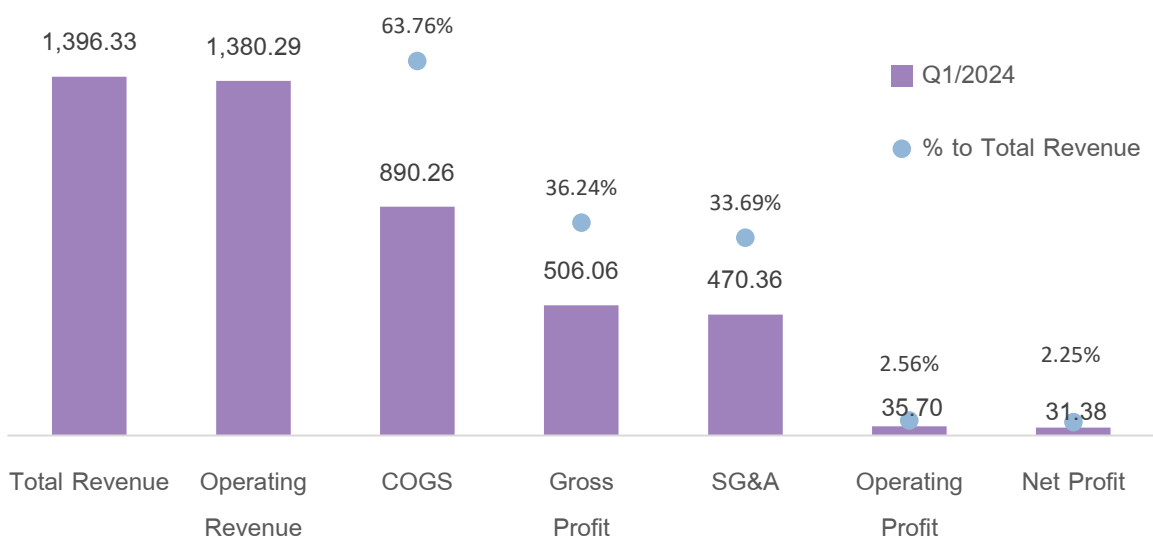
Annual percentage change	2023*	2024
GDP growth	1.9	2.6
Domestic demand	3.5	3.1
Private consumption	7.1	3.5
Private investment	3.2	3.3
Government consumption	-4.6	1.8
Public investment	-4.6	1.0
Exports of goods and services	2.1	4.2
Import of goods and services	-2.2	3.8
Current account (billion, U.S. dollar)	7.0	13.0
Value of merchandise exports (%YoY)	-1.7	2.0
Value of merchandise imports (%YoY)	-3.1	2.5
Number of foreign tourists (million persons)	28.2	35.5
Dubai crude oil price (U.S. dollar per barrel)	82.1	85.0
Headline inflation	1.2	0.6
Core inflation	1.3	0.6

## The Company's Financial Performance

### Statement of Comprehensive Income

#### Summary Q1/2024 financial performance

(Unit: THB mn)



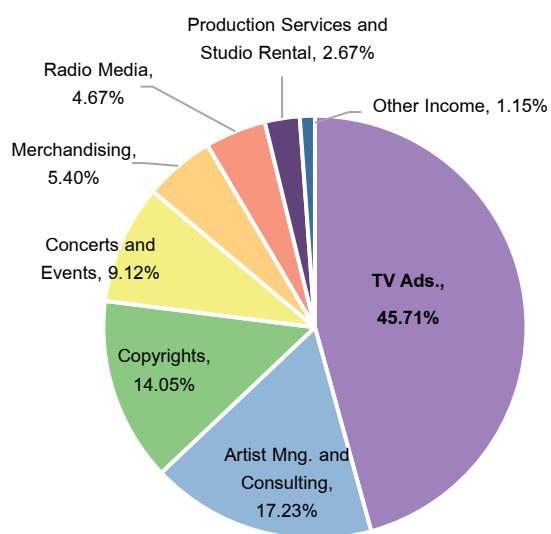
\* Actual reported data 2023

## Performance of Q1/2024

	Q1/2023	Q4/2023	Q1/2024	Change	
				%QoQ	%YoY
Revenue					
Revenue from Sales and Services	1,398.20	1,712.05	1,380.29	(19.38%)	(1.28%)
Other Income	19.42	26.92	16.04	(40.42%)	(17.41%)
<b>Total Revenue</b>	<b>1,417.62</b>	<b>1,738.97</b>	<b>1,396.33</b>	<b>(19.70%)</b>	<b>(1.50%)</b>
Cost of Sale and Services	903.80	984.16	890.26	(9.54%)	(1.50%)
<b>Gross Profit</b>	<b>513.81</b>	<b>754.81</b>	<b>506.06</b>	<b>(32.96%)</b>	<b>(1.51%)</b>
Selling and servicing expenses	67.75	127.32	95.37	(25.10%)	40.76%
Administrative expenses	376.53	411.49	374.99	(8.87%)	(0.41%)
<b>Operating profit</b>	<b>69.53</b>	<b>216.00</b>	<b>35.70</b>	<b>(83.47%)</b>	<b>(48.65%)</b>
Share of profit (loss) from investment in associate	(1.59)	6.49	(1.87)	(71.22%)	17.92%
Net financial cost (income)	(1.59)	(4.54)	(4.70)	3.67%	196.47%
<b>Profit before tax income</b>	<b>69.54</b>	<b>227.03</b>	<b>38.54</b>	<b>(83.03%)</b>	<b>(44.58%)</b>
Income tax	17.85	46.61	7.16	(85.27%)	(61.53%)
<b>Net profit</b>	<b>51.69</b>	<b>180.42</b>	<b>31.38</b>	<b>(82.61%)</b>	<b>(39.29%)</b>
<b>EBITDA</b>	<b>428.91</b>	<b>588.38</b>	<b>384.99</b>	<b>(34.57%)</b>	<b>(10.24%)</b>

## Summary of Q1/2024 performance

### Revenue



Revenue contribution for Q1/2024

In Q1/2024, the Company's total revenue was THB 1,396.33mn, a decrease of THB 342.65mn or 19.70% QoQ due to the nature of advertising media and entertainment business that the first quarter is normally a low season.

When compared to the same period of the previous year, the Company's total revenue showed a decrease of THB 21.29mn, or 1.50% YoY. The main attribution was from the decrease in revenue from **Copyrights Management**, which involves selling the copyrights of dramas and series for broadcasting on various OTT platforms and other partners, decreased by THB 24.28mn or 11.01% YoY, **revenue from Production Services** decrease THB 18.56mn or 40.42% YoY due to the shift in some of the production to other forms aimed at generating more diverse revenue and higher profit margins.

However, the company is adjusting its sales management to a Dynamic approach that allocates broadcast times across different channels, enabling higher revenue generation from a single piece of content.

However, revenue from **TV advertising** in this quarter was relatively similar to the same period of the previous year, which decreases by THB 5.53mn, or 0.86% YoY along with the industry trend of spending in this medium.

Revenue from **Radio Media** in this quarter increased to THB 65.17mn, or grew 27.7% YoY, against the over radio media industry that decreased in this quarter due to the sponsors resumed their normal advertising activities on radio programs. The Company's radio channels, such as Green Wave 106.5 and EFM 94.0, are among the top-ranked in Thailand. This prominence has made these channels a prime choice for product manufacturers, service providers, and various agencies.

Revenue from **Concert and Event Management** and **Artist Management** grew by 14.94% YoY and 0.46% YoY while revenue from **Merchandising** of items related to artists decreased 5.05% YoY. The key activities that generated revenue for these three sectors, as mentioned earlier, are “The Golden Song Concert, Beautiful Music”, Rerun Concert “Starlympic 2023” which selling ticket to access streaming of the Starlympic. Apart from that there were many fan-meet events, organized domestically and intentionally.

Revenue	Q1/2023	Q4/2023	Q1/2024	%Change	
				%QoQ	%YoY
Revenue from Advertising, Promotion, and Lease of Television Station	643.78	727.98	638.25	(12.33%)	(0.86%)
Revenues from Copyrights Management	220.53	281.34	196.25	(30.25%)	(11.01%)
Revenue from Radio Production	51.04	100.02	65.17	(34.84%)	27.70%
Revenue from Production and Service	45.91	95.14	27.36	(71.25%)	(40.42%)
Revenue from Concert and Event Business	110.79	123.05	127.35	3.49%	14.94%
Revenue from Artist Management and Consulting	239.46	305.42	240.57	(21.23%)	0.46%
Revenue from Sales of Goods	79.48	70.08	75.47	7.69%	(5.05%)
Revenue from Studio for Rental	7.21	9.01	9.88	9.66%	37.04%
<b>Revenue from Sale and Services</b>	<b>1,398.20</b>	<b>1,712.05</b>	<b>1,380.29</b>	<b>(19.38%)</b>	<b>(1.28%)</b>
Other Income	19.42	26.92	16.04	(40.42%)	(17.41%)
<b>Total Revenue</b>	<b>1,417.62</b>	<b>1,738.79</b>	<b>1,396.33</b>	<b>(19.70%)</b>	<b>(1.50%)</b>

#### Cost of Sales and Services

In Q1/2024, the Company had a cost of sales and services of THB 890.26mn, a decrease of THB 13.54mn, or 1.50% YoY. Although the new policy to produce series and dramas contents under international quality standards for global distribution on various platforms, which additionally incur cost for using top-listed actors and actresses, the cost didn't increase as much. The cost of Sales and Services as a percentage to sales and service revenue this quarter is 64.50%, slightly decrease from the same period last year, which was 64.64%.



### Selling and Servicing Expenses and Administrative expenses

In Q1/2024, the Company incurred selling and servicing expenses of THB 95.37mn, an increase of THB 27.62mn, or 40.76% YoY. The primary reason for this increase was the costs for advertising media that the Company exchanged with business partners to utilize our available media and expand our brand awareness without paying expense in cash. Apart from that there were expenses for organizing concerts and fan-meet domestically and internationally more than the previous year.

Administrative expenses in Q1/2024 slightly decreased from the same period of the previous year, to stand at THB 374.99mn, due to strategic adjustments in managing expenses within the Company.

### Net financial cost (income)

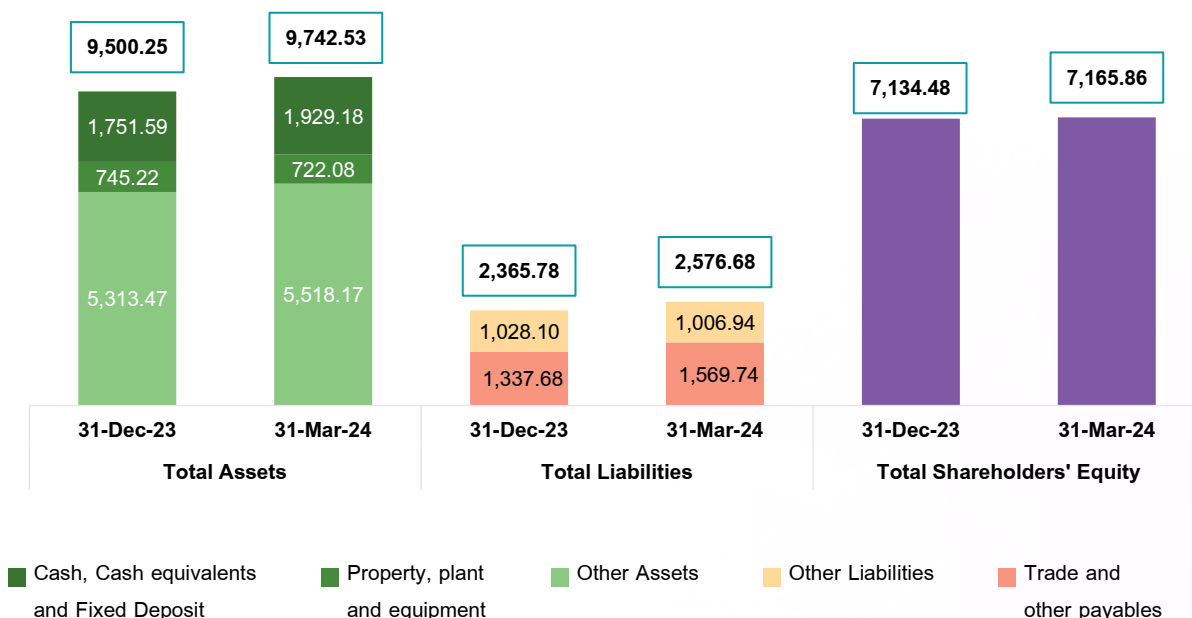
In Q1/2024, the Company reported a net financial income of THB 4.70mn resulting from effective cash management that led to interest income from the company's investments exceeding its interest expenses, thereby generating the aforementioned financial income.

### Net Profit

In Q1/2024, the Company reported a net profit of THB 31.38mn, a decrease of THB 20.31mn, or 39.29% YoY, resulting in a net profit margin of 2.2%, down from the same period of the previous year's net profit margin of 3.6%. The primary reason for the decline in the net profit was the increased in Selling and Servicing Expenses as explained above.

### Statement of Financial Position

(Unit: THB mn)



### Total Assets

Total assets as of 31 March 2024, amount of THB 9,742.53mn, an increase of THB 242.28mn compared to the total assets of THB 9,500.25mn as of 31 December 2023. The primary reason for this increase was due to the rise in current assets from cash and cash equivalents which increased THB 173.31mn from the net profit generate in this quarter offset with the decreased in the value of non-current assets of buildings, and equipment, and the cost of acquiring frequency spectrum licenses due to the scheduled depreciation value in each period. Additionally, the company maintained a strong cash position with cash, cash equivalents, and fixed deposits totaling of THB 1,929.18mn at the end of this quarter.

### Total Liabilities

Total liabilities as of 31 March 2024, amounted to THB 2,576.68mn, an increase of THB 210.90mn, from the total liabilities of THB 2,365.78mn as of 31 December 2023. The primary reason for this increase was due to a rise in trade payables and other payables, in line with the increasing of new content productions plan for the rest of year 2024. However, as of the end of Q1/2024, the Company had an outstanding interest-bearing debt of only THB 0.26mn.

### Shareholders' Equity

Total liabilities as of 31 March 2024, amounted to THB 7,165.86mn, an increase of THB 31.38mn, from the total liabilities of THB 7,134.48mn, as of 31 December 2023. The primary reason for this increase was the increase in net operating profits in this quarter.

### Key Financial Ratios

	Q1/2023	Q4/2023	Q1/2024
Gross Profit Margin	36.24%	43.41%	36.24%
EBIT Margin	4.91%	12.42%	2.56%
EBITDA Margin	30.26%	33.84%	27.57%
Net Profit Margin	3.65%	10.38%	2.25%
ROE	7.57%	7.08%	6.76%
ROA	6.93%	6.95%	6.56%
Interest-bearing debt/ shareholders' equity (times)	0.00	0.00	0.00

\* The Company's outstanding interest-bearing debt stood at THB 0.26mn as of 31 March 2024.

## Sustainability Development



Environment (E)

The Company operates and controls to prevent, reduce, manage, and ensure that the Company and its subsidiaries do not create or cause negative impacts on the environment. This includes covering the use of raw materials and energy consumption. The Company focuses on working with non-profit organizations and communities which main activities are: -

- GREEN HEART, through the GREEN WAVE program, campaigns to educate on celebrating Songkran in a water-conserving manner.
- An energy-saving initiative during the lunch break for all employees across the company group.



Social (S)

The Company is aware of the importance of community and social responsibility. We have engaged in developing projects that genuinely benefit the community and actively participate in activities for public welfare, education, and the nation's progress. In 2023, the Company's activities are as follows:

- The "Day of Happiness" project provides computers to youth in juvenile detention centers.
- The special program "4x4" donates its proceeds to the Thai Red Cross.
- Support for public relations efforts on behalf of the Ramathibodi Foundation.



Corporate Governance  
(G)

The company's committee adopts the principles of good corporate governance based on the Corporate Governance Code (CG Code) of 2017 issued by the Stock Exchange of Thailand (SET) and the Thai Institute of Directors Association (IOD). From the 8 principles for directors' practice, the emphasize the following key aspects; 1) Being aware of the roles and responsibilities as leaders who create sustainable value for the business. 2) Implementing appropriate risk management and internal control systems; 3) Maintaining financial credibility and disclosure of information, and; 4) Promoting participation and communication with shareholders.

Please be informed accordingly,

Respectfully yours,

(Mr. Unnop Senasuttipan)

Group Chief Financial Officer

Authorized Person for Information Disclosure