

LMJG/SET/2026/008  
8 May 2026

Subject: Management Discussion and Analysis of the Operating Results for 1Q2026  
ended 31 March 2026

Attention: The President  
The Stock Exchange of Thailand

According to the resolution of the Board of Directors' Meeting No. 3/2026 of Major Cineplex Group Public Company Limited and its subsidiaries (the "Company"), held on 8 May 2026, the Board approved the Company's and its subsidiaries' financial statements and operating results for the first quarter of 2026, ended 31 March 2026. The financial statements were reviewed by the Company's auditor, PricewaterhouseCoopers ABAS Ltd. The summary of the operating results is as follows:

### **Business Overview, Economic Conditions, and Industry Trends Affecting Operations**

In the first quarter of 2026, the Thai economy continued its gradual recovery, supported by improving domestic consumption and tourism activities. However, the overall economic environment remained under pressure from subdued consumer purchasing power, elevated operating costs, and cautious spending by the private sector, particularly in advertising and marketing budgets.

Nevertheless, the movie and cinema industry during the quarter benefited significantly from the release of blockbuster Thai and Hollywood films, resulting in stronger movie-going sentiment compared to the same period last year. Popular titles such as *The Undertaker 2* and *Avatar: Fire and Ash* significantly boosted movie admissions and per-head spending in the concession business.

For the advertising media business, although movie attendance improved, the overall advertising industry continued to be affected by slower spending from certain business sectors. As a result, the Company's advertising revenue declined compared to the previous year. However, the Company was able to maintain a high level of profitability through efficient media and cost management.

The bowling and karaoke business also showed improvement, driven by an increase in walk-in customers. As this business serves a niche market, together with ongoing marketing activities and increased ice-skating events and competitions, both revenue and customer traffic improved. Meanwhile, the rental and services business continued to grow in line with the recovery of economic activities and improving occupancy rates.

In the movie content business, revenue declined from the same period last year due to a high base effect from strong non-theatrical licensing revenue generated by the success of *Death Whisperer 2* in the prior year.

Amid ongoing economic and competitive challenges, the Company continues to prioritize effective cost and expense management, operational efficiency improvements, optimized branch and resource management, and enhancement of customer experiences to support profitability and sustainable long-term growth.



## Summary of Key Events and Developments in 1Q2026

During the first quarter of 2026, the Company achieved several important developments in business operations, capital management, and shareholder returns to support sustainable growth and strengthen its financial position, as summarized below:

### 1) Cinema Branch Portfolio Optimization

The Company continued optimizing its cinema branch portfolio to improve operational efficiency and resource allocation in line with business potential. During 1Q2026, the Company closed the following cinema branches:

- The Sky Ayutthaya branch, Ayutthaya province : 4 screens
- ICONSIAM branch, Bangkok : 5 screens (Currently operating 8 screens)

These actions are part of the Company's ongoing branch portfolio management strategy to align with consumer behavior, competitive dynamics, and long-term cost management objectives.

### 2) Share Repurchase Program for Financial Management

Following the resolution of the Board of Directors Meeting No. 5/2025 held on 11 November 2025, the Company approved a share repurchase program for financial management purposes, with a maximum budget of THB 600 million and up to 75.7 million shares, representing no more than 9.99% of the Company's total issued shares.

The program aims to optimize excess liquidity, enhance capital structure efficiency, and create long-term shareholder value, reflecting prudent capital management and financial discipline while considering liquidity, cash flow, and future investment plans.

As of 31 March 2026, the Company had repurchased 52,715,500 shares, equivalent to 6.96% of total issued shares, with a total value of THB 371.57 million

### 3) 2025 Dividend Payment

On 20 February 2026, the Board of Directors approved a cash dividend payment of THB 0.25 per share for the 12-month operating results ended 31 December 2025.

The dividend payment reflects the Company's commitment to delivering consistent shareholder returns while maintaining an appropriate balance between shareholder remuneration and sustainable long-term growth, taking into account financial position, cash flow, and future investment plans.

## Operating Results for 1Q2026 Ended 31 March 2026

Major Cineplex Group Public Company Limited ("the Company") reported total revenue of THB 1,614 million in 1Q2026, an increase of THB 195 million or 14% YoY from THB 1,419 million in the same period last year.

The key growth driver was the cinema business, supported by strong performances from blockbuster Hollywood and Thai movies such as Sap Phraeor 2 and Avatar: Fire and Ash, which significantly increased movie admissions as well as popcorn and beverage sales.



The Company reported net profit of THB 75 million, increasing by THB 42 million or 126% YoY from THB 33 million in the same period last year. This improvement was mainly attributable to revenue growth from core businesses combined with continued effective cost and expense management.

## **Operating Revenue**

### **Cinema Business**

Admission revenue amounted to THB 797 million, increasing by THB 138 million or 21% YoY from THB 658 million.

Total number of admissions increased by 44% to 5.98 million from 4.16 million in 1Q2025, while Average Ticket Price (ATP) increased by 3% or THB 4 to THB 154 per ticket.

The growth was mainly driven by strong-performing movies during the quarter, including The Undertaker 2 and Avatar: Fire and Ash, resulting in Top 10 box office revenue of THB 535 million, compared to THB 274 million in the same period last year.

### **Concession Business**

Concession revenue totaled THB 403 million, increasing by THB 74 million or 22% YoY from THB 329 million, in line with higher movie attendance and effective pricing and cost management.

As a result, the gross profit margin of the concession business improved to 69% from 58% in the prior year.

### **Advertising Business**

Advertising revenue amounted to THB 185 million, decreasing by THB 24 million or 11% YoY from THB 209 million due to continued softness in advertising spending. However, the business maintained a strong gross margin of 88%.

### **Bowling & Karaoke Business**

Revenue from the bowling and karaoke business reached THB 127 million, increasing by THB 12 million or 11% YoY from THB 114 million.

The growth was supported by higher walk-in traffic and increased ice-skating activities, while gross profit margin improved to 49% from 46% in the previous year.

### **Rental & Services Business**

Rental and Services revenue totaled THB 68 million, increasing by THB 3 million or 4% YoY, supported by improving occupancy rates and retail activities.

### **Movie Content Business**

Movie content revenue amounted to THB 35 million, decreasing by THB 8 million or 18% YoY from THB 43 million, mainly due to lower non-theatrical licensing revenue compared to the prior year, which benefited from the success of Death Whisperer 2.



## **Gross Profit**

The Company reported gross profit of THB 531 million, increasing from THB 500 million in the same period last year, while gross profit margin stood at 33%.

The improvement was supported by higher concession margins, utility cost management, and enhanced operational efficiency.

## **Selling and Administrative Expenses (SG&A)**

SG&A expenses were THB 453 million, decreasing by THB 25 million or 5% YoY from THB 479 million.

As a result, the SG&A-to-revenue ratio improved to 28% from 34% in the prior year, primarily due to lower IT expenses, reduced promotional expenses, and the absence of branch renovation asset write-offs recorded in the previous year.

## **Operating Profit and EBITDA**

Operating profit amounted to THB 95 million, increasing by THB 54 million or 129% YoY.

EBITDA was THB 420 million, increasing by THB 34 million or 9%, with EBITDA Margin at 26%.

## **Share of Profit from Investments**

Share of profit from investments totaled THB 32 million, decreasing from THB 71 million in the same period last year, or down 54%, mainly due to lower investment returns and reduced contributions from certain investments.

## **Financial Position as of 31 March 2026**

As of 31 March 2026, the Company reported total assets of THB 12,383 million, decreasing by 3% from 31 December 2025, primarily due to payments for treasury stock repurchases and lower right-of-use assets (ROU).

Total liabilities stood at THB 7,583 million, decreasing by 3% from year-end 2025, mainly due to lower trade payables and lease liabilities.

Total shareholders' equity was THB 4,800 million, decreasing by 3% as a result of treasury stock reserves.

The Company maintained a strong financial position with:

- Debt-to-Equity Ratio (D/E Ratio): 1.61x
- Net Debt-to-Equity Ratio (Net D/E Ratio): 0.52x
- Debt Covenant Ratio: 1.06x, remaining well below the Company's financial covenant requirements



## **Future Outlook and Key Factors Affecting Financial Position and Operations**

The Company expects operating performance in 2026 to improve from the previous year, supported by the recovery of the movie industry across Hollywood, Thai, and animated films, with a strong lineup scheduled throughout the year. This is expected to support movie admissions and spending in the concession business, which remains the Company's core revenue driver.

Key Hollywood titles scheduled for release in 2026 include: The Mandalorian & Grogu, Toy Story 5, Moana, Avengers: Doomsday, Dune: Part Three, Minions & Monsters, Spider-Man: Brand New Day. Thai films are also expected to continue gaining momentum, supported by strong domestic audience demand and ongoing investments and distribution plans by M STUDIO, which will further support long-term growth.

However, the Company's future performance remains subject to various internal and external factors, particularly economic conditions, consumer purchasing power, and competition within the entertainment industry, which may affect consumer spending behavior and advertising budgets.

The advertising business is expected to gradually recover alongside economic activity and private-sector marketing spending. The Company continues focusing on developing in-cinema and digital advertising platforms to enhance monetization capabilities.

The bowling and karaoke business is also expected to improve, driven by increasing walk-in customers, continuous marketing activities, and rising ice-skating events and competitions. Meanwhile, the rental and services business is expected to continue growing in line with improving economic activities and occupancy rates.

In addition, fluctuating energy prices, utility expenses, and operating costs may affect profitability. Nevertheless, the Company continues emphasizing efficient cost management, operational optimization, and enhancement of customer experiences through technology upgrades, innovative service formats, curated content and activities, development of new cinema and service areas, as well as loyalty programs and membership privileges to increase customer satisfaction and visit frequency, thereby strengthening profitability and long-term financial resilience.

For the movie content business, the Company remains focused on investing in and developing Thai content through M STUDIO, while expanding revenue channels from both domestic and international licensing opportunities to support long-term growth.

The Company continues to maintain a strong financial position and sufficient liquidity to support ongoing operations and future investment plans, while closely monitoring and managing risk factors to adapt appropriately to changing business conditions.

## **Sustainability Initiatives**

The Company remains committed to sustainable business operations under good corporate governance principles, alongside environmental, social, and governance (ESG) management to support long-term sustainable growth.

On the environmental front, the Company focuses on efficient energy management, as cinema operations consume significant electricity, particularly from air-conditioning systems and cinema equipment. Measures implemented include energy-saving equipment installation, optimized air-



conditioning management based on customer traffic, and energy-efficient lighting systems to reduce both costs and environmental impact.

The Company has set a target to achieve Net Zero greenhouse gas emissions by 2050 through energy efficiency improvements, renewable energy adoption (Solar Rooftop), and promotion of Circular Economy practices.

In addition, the Company promotes effective resource and waste management through the 3Rs principle (Reduce, Reuse, Recycle), including campaigns to reduce disposable materials and plastic usage within the organization.

On the social dimension, the Company prioritizes customer experience enhancement, service safety, employee welfare, and stakeholder engagement, while continuously supporting community and social initiatives.

In terms of governance, the Company remains committed to conducting business transparently and ethically, with due consideration for all stakeholders. Policies and governance practices are regularly reviewed to align with the corporate governance principles of the Stock Exchange of Thailand, including anti-corruption practices and effective risk management.

As a result of its sustainability commitment, the Company received:

- SET ESG Ratings: “AAA”
- Corporate Governance Report (CGR): “Excellent (5 Stars)” for the fifth consecutive year

These achievements reflect the Company’s commitment to responsible business practices and long-term value creation for shareholders and stakeholders.

Please be inform accordingly,

-Signed-

Yours sincerely,  
(Miss Thitapat Issarapornpat)  
Company Secretary