

Management Discussion and Analysis for the First Quarter of Year 2019

Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the first quarter of year 2019 compared to the same period of prior year are as follows;

The Group reported total revenues (excluded other revenues) at THB 188.8 million, increased by THB 20.7 million or 12.3% which mainly increased from the revenue from services. The total cost was reported at THB 161.4 million, increased by THB 22.7 million or 16.4%. As a result, the gross profit margin for this quarter was decreased by THB 2.0 million or 6.8% and gross profit margin to total revenues was at 14.5%.

Total net profit for this quarter was reported at THB 5.1 million, decreased by THB 3.0 million or 37.2% when compared to the same period of prior year. It resulted from the decreasing of gross profit margin. Net profit to total revenues was at 2.7%.

Revenues

The structure of revenues for the three month period ended 31 March 2019 and 2018 are as follows;

Unit: THB million

	Q1-2019	Q1-2018	% Change
1. Revenue from sales and contract work	3.2	1.2	169.6%
1.1 Turnkey Total Solutions	3.2	1.2	169.6%
2. Revenue from services	185.6	167.0	11.2%
2.1 Fully Outsourced Contact Center Management Service	133.4	116.4	14.6%
2.3 Outsourced Customer Service Representative	43.1	33.5	28.7%
2.2 Outsourced Contact Center Facility	5.6	7.8	-28.1%
2.4 Maintenance Service	3.5	9.3	-62.3%
Total revenues from sales, contract work and services	188.8	168.2	12.3%

1. Revenue from sales and contract work

1.1 Turnkey Total Solutions generated revenue of THB 3.2 million in this quarter, increased by THB 2.0 million or 169.6% when compared to the same period of prior year.

2. Revenue from services

Revenue from services for this quarter was totally at THB 185.6 million, increased by THB 18.6 million or 11.2% when compared to the same period of prior year. The details are as follows;

2.1 Revenue from Fully Outsourced Contact Center Management Service for this quarter was THB 133.4 million, increased by THB 17.0 million or 14.6% when compared to the same period of prior year. It was mainly increased from the Government and Corporate customer in insurance business using inbound service and retail business.

2.2 Revenue from Contact Center Facility Outsourced for this quarter was THB 5.6 million, decreased by THB 2.2 million or 28.1% when compared to the same period of prior year. It was decreased from corporate customer in insurance business using outbound telesales service.

2.3 Revenue from Customer Service Representative Outsourced for this quarter was THB 43.1 million, increased by THB 9.6 million or 28.7% when compared to the same period of prior year. It increased from corporate customer.

2.4 Revenue from Maintenance Service for this quarter was THB 3.5 million, decreased by THB 5.8 million or 62.3% when compared to the same period of prior year. It decreased from end of contract with Government and State Enterprise customer.

Gross Profit

For this quarter, gross profit margin of the Group was reported at THB 27.4 million, decreased by THB 2.0 million or 6.8% and gross profit margin to total revenues was decreased from 14.4% to 17.3% when compare to the same period of prior year. Gross profit margin decreased from the increased of cost of services while the price was remain.

Selling Expenses, Administrative Expenses and Other Expenses

The Group has selling expenses, administrative expenses and other expenses for this quarter totally at THB 22.6 million, increased by THB 1.2 million or 5.8% when compared to the same period of prior year. It mainly increased from the relocation costs.

Net Profit

The Group reported total net profit for this quarter at THB 5.1 million, decreased by THB 3.0 million or 37.2% when compared to the same period of prior year. Net profit to total revenues was at 2.7%. It resulted from the decreasing of gross profit margin.

Financial Position

As at 31 March 2019, the Group reported total assets at THB 946.2 million, increased by THB 4.0 million or 0.4% when compared to the end of the prior year. Total liabilities were represented at THB 89.4 million, decreased by THB 1.1 million or 1.2% when compared to the end of the prior year. Total shareholders' equity was reported at THB 856.9 million, increased by THB 5.1 million or 0.6% when compared to the end of the prior year.