

## Management Discussion and Analysis for the Second Quarter of Year 2020

### Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the second quarter of year 2020 compared to the same period of prior year and the prior period are as follows;

For the three-month period, the Group reported total revenues (excluded other revenues) at THB 174.8 million, decreased by THB 2.6 million or 1.5% from the prior period, In addition, when compared to the same period of prior year, The revenue was decreased by THB 10.9 million or 5.9% whereas the gross profit by THB 26.2 million was increased by THB 7.3 million. The gross profit margin for this quarter represented at 15.0%.

For the six-month period, the Group reported total revenues (excluded other revenues) at THB 352.2 million, decreased by THB 22.3 million or 6.0% from the same period of prior year. It was resulted to decrease in the gross profit by THB 2.4 million, resulted in the gross profit by THB 43.9 million, whereas the gross profit margin was going up to be at 12.5%.

### Revenues

The structure of revenues for the three-month and six-month period ended 30 June 2020 and 2019 are as follows;

<i>Unit: THB million</i>	Three-month period			% Change +/-		Six-month period		% Change
	Q2'19	Q1'20	Q2'20	QoQ	YoY	6M'19	6M'20	+/-
<b>1. Revenue from sales and contract work</b>	<b>2.7</b>	<b>4.7</b>	<b>5.5</b>	<b>16.7%</b>	<b>102.9%</b>	<b>5.9</b>	<b>10.2</b>	<b>71.7%</b>
1.1 Turnkey Total Solutions	2.7	4.7	5.5	16.7%	102.9%	5.9	10.2	71.7%
<b>2. Revenue from services</b>	<b>183.0</b>	<b>172.7</b>	<b>169.3</b>	<b>(2.0%)</b>	<b>(7.5%)</b>	<b>368.6</b>	<b>342.0</b>	<b>(7.2%)</b>
2.1 Fully Outsourced Contact Center Management Service	136.6	114.2	108.3	(5.2%)	(20.7%)	270.0	222.5	(17.6%)
2.2 Contact Center Facility Outsourced	2.0	1.2	4.3	247.1%	111.2%	7.6	5.5	(27.8%)
2.3 Customer Service Representative Outsourced	41.1	47.3	46.8	(1.1%)	14.0%	84.2	94.1	11.8%
2.4 Maintenance Service	3.3	10.0	9.9	0.2%	202.3%	6.8	19.9	194.1%
<b>Total</b>	<b>185.7</b>	<b>177.4</b>	<b>174.8</b>	<b>(1.5%)</b>	<b>(5.9%)</b>	<b>374.5</b>	<b>352.2</b>	<b>(6.0%)</b>

#### 1. Revenue from sales and contract work

**1.1 Turnkey Total Solutions** gently increased from the same period of prior year by THB 2.8 million and increase from the prior period.

## 2. Revenue from services

Revenue from services for the three-month period was THB 169.3 million, decreased by THB 3.4 million or 2.0% from the prior period and decreased by THB 13.7 million or 7.5% when compared to the same period of prior year. In addition, the revenue from services for the six-month period was THB 342.0 million which decreased by THB 26.6 million of 7.2% 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 the three-month period was THB 108.3 million, decreased by THB 5.9 million or 5.2% from the prior period. Moreover, when compared to the same period of prior year, it was decreased by THB 28.3 million or 20.7%. For the six-month period, it was at THB 222.5 million decreased by THB 47.5 million or 17.6% when compared to the same period of prior year. It was mainly decreased from the Corporate customer in airline business.
- 2.2 Revenue from Contact Center Facility Outsourced** for the three-month period was THB 4.3 million, increased from the prior period and the same period of prior year. It was mainly increased from Private sector's customer. For the six-month period, it was THB 5.5 million decreased by THB 2.1 million or 27.8% when compared to the same period of prior year.
- 2.3 Revenue from Customer Service Representative Outsourced** for the three-month period was THB 46.8 million, decreased from the prior period but increased from the same period of prior year by THB 5.8 million or 14.0%. For the six-month period, it was THB 94.1 million increased from the same period of prior year by THB 10.0 million or 11.8%. It mainly increased by the customers of Government and State enterprise sector and Private sector.
- 2.4 Revenue from Maintenance Service** for the three-month period was THB 9.9 million, closed to the prior period but increased from the same period of prior year by THB 6.6 million or 202.3%. For the six-month period, it was THB 19.9 million increased from the same period of prior year by THB 13.1 million or 194.1%. It mainly increased from Government and State enterprise customer.

## Gross Profit

For the three-month period, the Group reported total gross profit at THB 26.2 million and the gross profit margin was at 15.0%. When compared to the prior period, the gross profit increased by THB 8.5 million. Moreover, when compared to the same period of prior year the gross profit increased by THB 7.3 million and the gross profit margin increased from 10.2% to 15.0%. Gross profit Margin increased from the reduced cost of service and in previous year, the law was a changing the law regarding to the provision of long-term employee benefits from the 300 days to 400 days. For the six-month period, the Group reported total gross profit at THB 43.9 million. When compared to the same period of prior year, the gross profit decreased by THB 2.4 million. It main decrease revenue whereas the gross profit margin increased from 12.4% to 12.5%.

## Selling Expenses, Administrative Expenses and Other Expenses

The Group has selling expenses, administrative expenses and other expenses for the three-month period, totally at THB 26.1 million, increased from the prior period and increase from the same period of prior year. Due to the allowance for expected credit losses of receivable that has requested to the Court for the business rehabilitation process at THB 7.7 million. When compared the six-month period to the prior year, it was increased by THB 2.6 million or 5.9%.

## Net Profit

The Group reported total net profit for the three-month period at THB 1.6 million and net profit margin was at 0.9%. When compared to the prior period, net profit increased by THB 3.4 million. However, when compare to the same period of prior year, net profit decreased by THB 1.8 million. This was a result of the allowance for expected credit losses of receivable that has requested to the Court for the business rehabilitation process. For the six-month period, net loss was THB 0.1 million and net loss ratio was at 0.0% when decreased from the same period of prior year.

## Financial Position

As at 30 June 2020, the Group reported total assets at THB 970.5 million, decreased by THB 4.6 million or 0.5% when compared to the end of the prior year. It was mainly decreased from trade and other receivables.

Total liabilities were represented at THB 131.0 million, increased by THB 23.5 million or 21.8% when compared to the end of the prior year. It increased mainly from Thai financial report standard that became effective for the current period (TFRS 16) Leases. Total shareholders' equity was reported at THB 839.5 million, decreased by THB 28.0 million or 3.2% when compared to the end of the prior year.

The liquidity ratio (current assets to current liabilities) of the Group was at 12.6 times which increased from the end of the prior year. The debt to equity ratio of the Group was at 0.16 times, the proportion of the liabilities was low.