

PB – IR/19-00002

Aug 14, 2019

Subject: Submission of Financial Statements and the Management Discussion and Analysis of Plan B Media Public Company Limited (“the Company”) for the three-month period ended June 30, 2019 (“2Q19”)

To: The President
The Stock Exchange of Thailand

We are pleased to submit the following documents:

1. A copy of the Company Only and Consolidated Interim Financial Statements for the three-month period ended June 30, 2019 (a copy in Thai and English).
2. Management Discussion and Analysis (MD&A) for the three-month period ended June 30, 2019 (a copy in Thai and English).
3. The Company's performance report, Form F45-3 for the three-month period ended June 30, 2019 (a copy in Thai and English).

Please be informed accordingly.

Sincerely yours,

(Pinijorn Luechaikajohnpan, Ph.D.)

Authorized Director

Company Secretary

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1. Executive Summary

1.1 Financial Highlights for 2Q 2019

- Total Revenue stood at THB 1,143.8 million, an increase of 30.4 % from the same period of the previous year.
- EBITDA was THB 393.7 million, a 29.3% jump from the same period of the previous year.
- Net Profit was recorded at THB 180.3 million, a surge of 18.2% from the same period of the previous year.

Unit: THB Million	2Q 2018	2Q 2019	%Change (YoY)
Total Revenue	877.4	1,143.8	30.4%
EBITDA	304.4	393.7	29.3%
Net Profit	152.6	180.3	18.2%

1.2 Summary of Other Important Details

- The Company posted total revenue of THB 1,143.8 million, equal to 30.4 % year-on-year growth thanks to the following factors
 - High revenue growth from out-of-home media was derived especially from digital out-of-home media and airport media that accelerated at a rate of 21.6% and 34.2% from the same period last year respectively resulting from the media development and variety enhancement during the past year. Note that media capacity for the first 6 months of 2019 rose 13.8% from the same period of the previous year to reach THB 2,505 million.
 - The Company's advertising media were well-received by the market and this boosted utilization rate from 65.9% in 1Q 2019 to 74.7% in 2Q 2019.
 - Revenue from engagement marketing business spiked from both sports marketing business and music marketing business as the Company consolidated the financial statements of BNK48 Office Co., Ltd. since 3Q 2018.

The Company's net profit increased at a rate of 18.2% while net profit margin dwindled to 15.8% as a result of the following factors.

- o The Company's net profit experienced a significant increase of 18.2% from the same period of the previous year to top THB 180.3 million. This is mainly due to new media development that promote variety of its out-of-home media offering as well as improved revenue-generating capacity.
- o Despite higher gross profit margin of the new business, BNK48 Office Co., Ltd. compared to the existing business, accounting standards require the Company to realize the whole revenue from BNK48 but only realize profit according to shareholding structure. As a result, net profit margin after deducting non-controlling interest stood at 10% which is lower than net profit margin of the Company's existing business.
- Key developments during the past quarter that helped enhance PlanB's capabilities in providing advertising media services in order to address the growing media demand in the future are summarized below.
 - o The Company collaborated with VGI Global Media Public Company Limited ("VGI") to develop businesses together not only for out-of-home media but also a full range of marketing solutions.
 - o The Company acquired Splash Media Public Company Limited with the objective to expand its out-of-home media business in static media.
 - o CGM48 was officially introduced as a sister band of BNK48 to further diversity its music marketing business.
- The Company's outlook for the second half of 2019
 - o Even though domestic economic conditions during the first half of 2019 did not improve and growth has tapered off, the Company continues to invest and develop more advertising media incessantly with the purpose to enhance its competitiveness and capabilities in its services as well as to meet rising demand for out-of-home media in the long run. For the second half of 2019, expansion plans are in place to extend its out-of-home media network footprint ranging from digital

out-of-home media, static media, point-of-sale media to airport media through collaborations with both public and private sectors.

- o The collaboration with VGI Global Media Public Company Limited (“VGI”) will further enhance competitiveness for its out-of-home media as Plan B and VGI are both leaders in out-of-home media market. This will enable the two companies to obtain market shares from traditional media and online media.

The Company will actively pursue the development of engagement marketing business to strengthen the bond between brand and consumers and promote brand loyalty. The Company currently has 3 categories of quality content which are sports, music and esports. In the second half of 2019, the Company is expected to add more variety to its sports content by managing marketing rights of Tokyo 2020 Olympics. The Company planned to organize various events and activities to send moral support to the Thai national team regularly one year in advance of the Olympic Games including a promotion of content related to the Olympics through all media networks and platforms Plan B and its partners operate.

2. Economic and Media Industry Environment

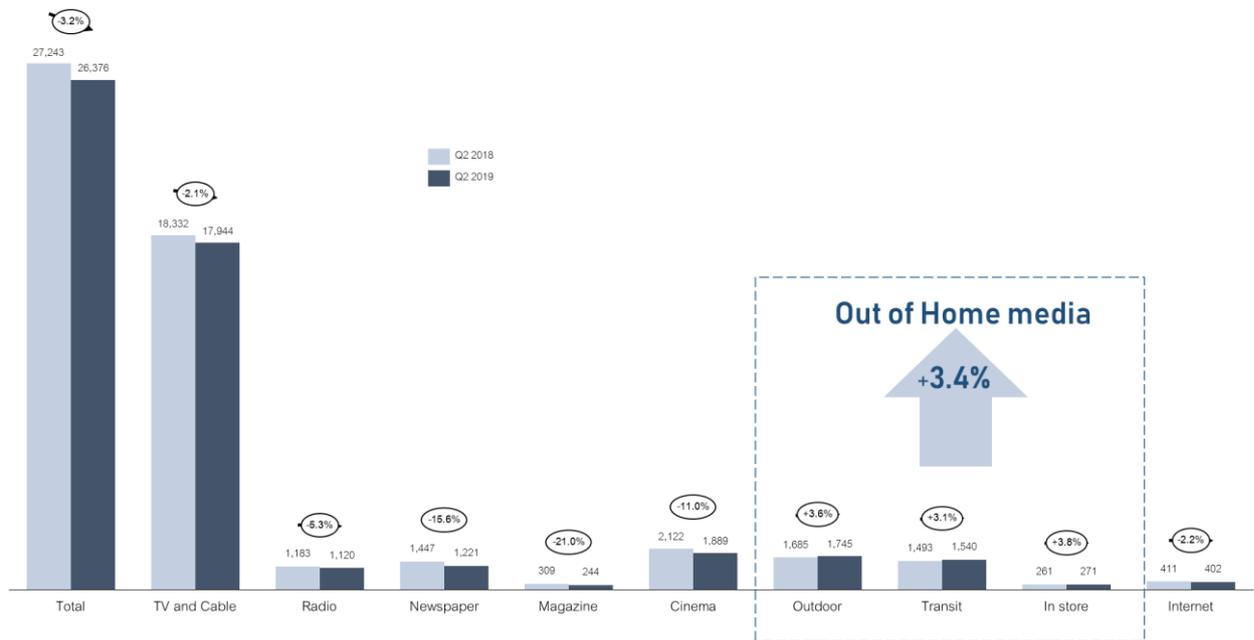
During the second quarter of 2019, Thai economy experienced a slower growth compared to the previous quarter due to internal factors especially the uncertainty in new government formation after the general election that could upset confidence in private sector. This also caused domestic demand to increase at a milder rate as private consumption stalled in almost every sector. Moreover, tourism was negatively affected from declining number of Chinese tourists. Regarding external factors, US-China trade disputes are unlikely to be settled and this led to higher volatility in the global economy. From the mentioned factors, the National Economic and Social Development Bureau estimated that Thailand's GDP for 2019 will grow at a rate of 3.3 – 3.8 %¹, slower than 4.0%¹ of the previous year.

The economic slowdown mentioned above is responsible for -3.2%² contraction in overall advertising market during the second quarter of 2019 compared to the same period of 2018. The decline of market value was across the board for almost all media platforms. To elaborate, TV media, radio media, print media, magazine media and cinema media posted changes in market value of -2.1%², -5.3%², -15.6%², -21.0%² and -11.0%² respectively compared to the same period of the previous year. Unlike most media, out-of-home media managed to expand at a rate of 3.4%² despite the shrinking media market with the market value of THB 3,556 million² during the second quarter of 2019.

In spite of weaker growth of out-of-home media during the past quarter, Plan B still achieved robust revenue growth with THB 1,143.8 million in total revenue, soaring 30.4% compared to the same period last year which significantly outpaced the industry. The Company's unceasing investments in new media development together with promising engagement marketing business are accountable for Plan B's healthy revenue growth.

¹ Bank of Thailand

² The Nielsen Company (Thailand) Ltd.



Overall Media Spending for 2Q 2018 and 2Q 2019 (THB Million)³

Spending on out-of-home media increased modestly at a rate of 3.4% during the second quarter of 2019 compared to the similar period of 2018 while the overall advertising industry recorded a 3.2% contraction.

³ The Nielsen Company (Thailand) Ltd.

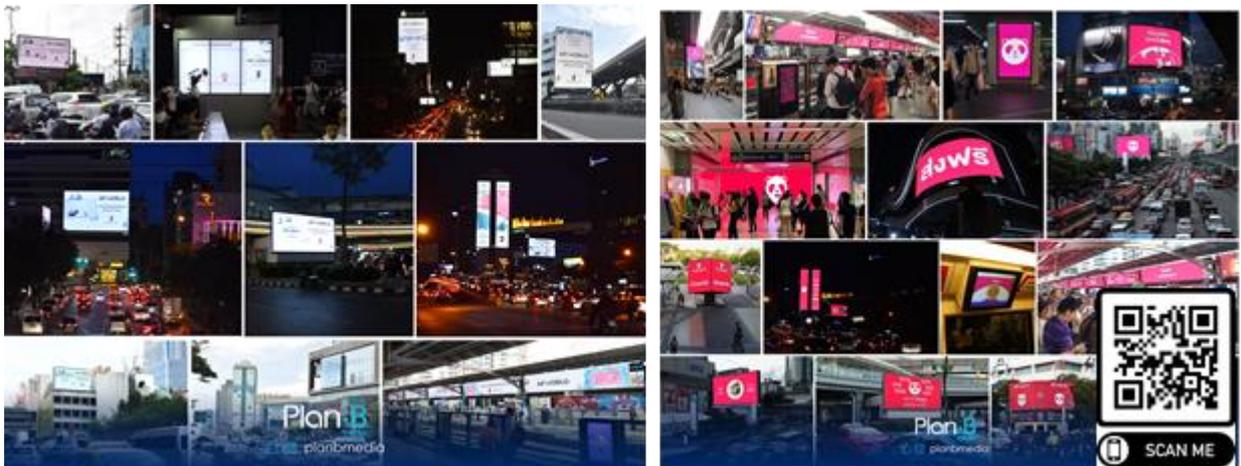
3. Key Developments for 2Q 2019

The Company has been making progress in expanding its service areas to offer out-of-home media and developing engagement marketing business to include a broader range of content. Furthermore, the Company continued its search for capable business partners to help create effective and comprehensive out-of-home media and get ready to take on O2O (Offline to Online) platform in the near future where the demand for a mixture of online and all other media lies. During the last quarter, key developments were detailed below.

April 2019

Plan B and VGI Global Media Public Company Limited (“VGI”) joined forces to develop business together not only for out-of-home media but also new products and services in order to offer integrated marketing solutions by combining O2O Solution from VGI with engagement marketing content from Plan B.

Samples of Bangkok Takeover Project under PlanB-VGI Collaboration



May 2019

Plan B made an investment in Splash Media Public Company Limited to extend its out-of-home media coverage to static media through 79 large-sized billboards (35 in Bangkok and 44 in upcountry)

Sample of Static Media of Splash Media PLC



June 2019

Plan B took a next step in expanding its music marketing business through the debut of CGM 48, a sister girl group of BNK48. CGM48 will be based in northern region to carry on major activities to create local fan club base that allows better access and tighter relationship. This is considered an extension of BNK48 to promote variety and commercial capabilities.



4. Summary of Performance

4.1 Service Revenue

For the second quarter of 2019, the Company registered total service revenue of THB 1,134.8 million, or rising 30.0% from the same period of the previous year thanks mainly to non-stop media capacity expansion especially digital media and airport media. Also, the consolidation of financial statements of BNK48 Office Co., Ltd. (“BNK48”) also contributed favorably to the top line compared to the same period of the previous year. Revenue by type of media is detailed below.

4.1.1 Revenue from digital media climbed to THB 459.5 million, equal to 21.6% growth compared to the same period last year. The revenue increase was derived mainly from development and variety enhancement of digital media during the past year. The digital media successfully developed and introduced such as Bangkok Jam and Paragon Motion Block started to fully realize its quarterly revenue in the second quarter of 2019.

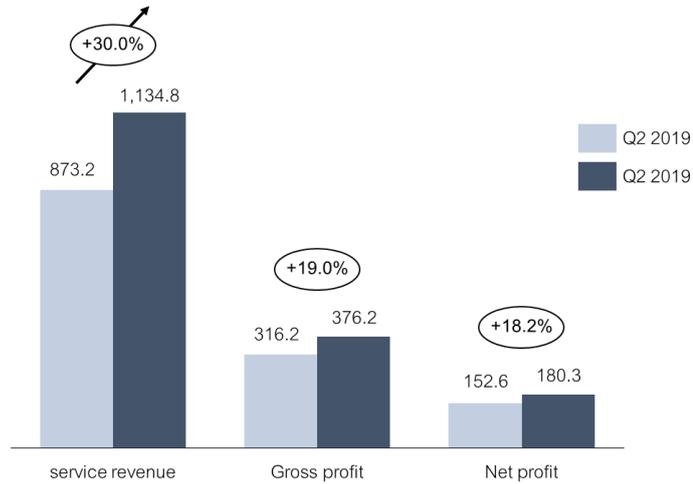
4.1.2 Revenue from static media stood at THB 228.9 million, increasing 0.5% compared to the same period last year. The slight revenue increase was a reason of higher utilization rate.

4.1.3 Revenue from transit media slid marginally at a rate of 0.5% from the second quarter of 2018 to THB 147.2 million in the second quarter of 2019 as a result of minimally lower utilization rate.

4.1.4 Revenue from in-mall media was THB 40.6 million, equal to a 26.9% increase from the same period last year. Higher utilization rate accounted for this growth in revenue.

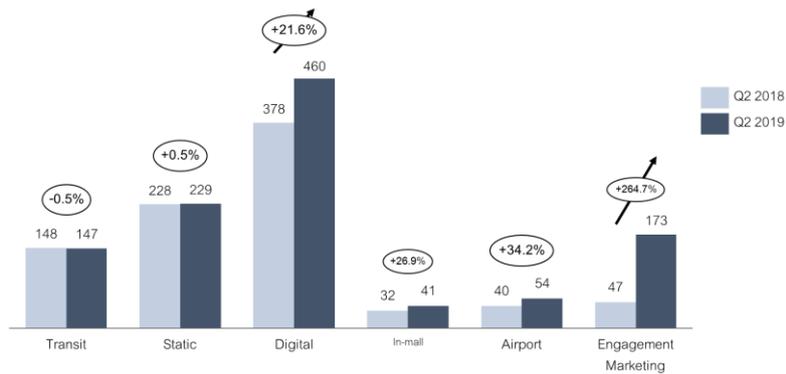
4.1.5 Revenue from airport media shot up 34.2% from the previous year to reach THB 54.2 million. This came from this extension of service areas in Suvarnabhumi Airport and coverage in other airports across the country.

4.1.6 Revenue from engagement marketing business experienced solid growth of 264.7% from 2018 to top THB 172.5 million. The increase in revenue came from music marketing business which the Company started to realize the revenue since the third quarter last year as well as higher contribution from sports marketing business.



Total Service Revenue, Gross Profit and Net Profit 2Q 2018 and 2Q 2019 (THB Million)

The increase in revenue came from the continuous development of the Company's advertising media as well as the consolidation of financial statements of BNK48. Nevertheless, net profit margin increased at a slower rate than total service revenue as the Company realized the whole amount of revenue from BNK48 but only realized profit according to its 35% ownership of BNK48.



Revenue by Type of Media for 2Q 2018 and 2Q 2019 (THB Million)

Robust revenue growth of digital media and airport media is a result of new media development during the past year. Moreover, higher revenue from engagement marketing business was driven by the fact that the Company started to recognize the revenue from music marketing.

4.2 Costs

Total costs of the Company for the second quarter of 2019 stood at THB 908.4 million, an increase of 32.5% from last year. The surge in total costs was a result of rising service costs from media service area expansion during the past year as well as expansion of engagement marketing business. Details of expenses are listed below.

4.2.1 Service costs for the second quarter jumped 36.7% from last year to reach THB 767.0 million due to continuous expansion of media services and media capacity in the past year that resulted in higher variable costs such as rent, electricity charges, maintenance costs and revenue sharing costs. In addition, expenses of music marketing business the Company commenced during the past year also contributed to higher service costs.

4.2.2 Selling, general and administrative expenses for the period was recorded at THB 141.4 million, a 13.9% rise from the past year. This is mainly due to the consolidation of SGA expenses of the Company's subsidiaries such as BNK48, additional expenses from newly-established unit to develop eSports content and higher personnel expenses from higher number of employees. Note that SG&A expenses to total revenue ratio fell from 14.1% in the second quarter of 2018 to 12.4% in the second quarter of 2019 thanks to the economies of scale.

4.3 Profit

For the second quarter of 2019, the Company posted net profit of THB 180.3 million or growing moderately at a rate of 18.2% from last year as a result of additional new media development and improved revenue-generating capacity of its advertising media. Net profit margin adjusted downward to 15.8% during the quarter compared to 17.4% last year due to the consolidation of financial statements of BNK48. According to the accounting standards, the Company realized the whole amount of revenue from BNK48 but only realized profit according to its 35% ownership of BNK48. As a result, net profit margin after deducting non-controlling interest stood at 10% which is lower than net profit margin of the Company's existing business.

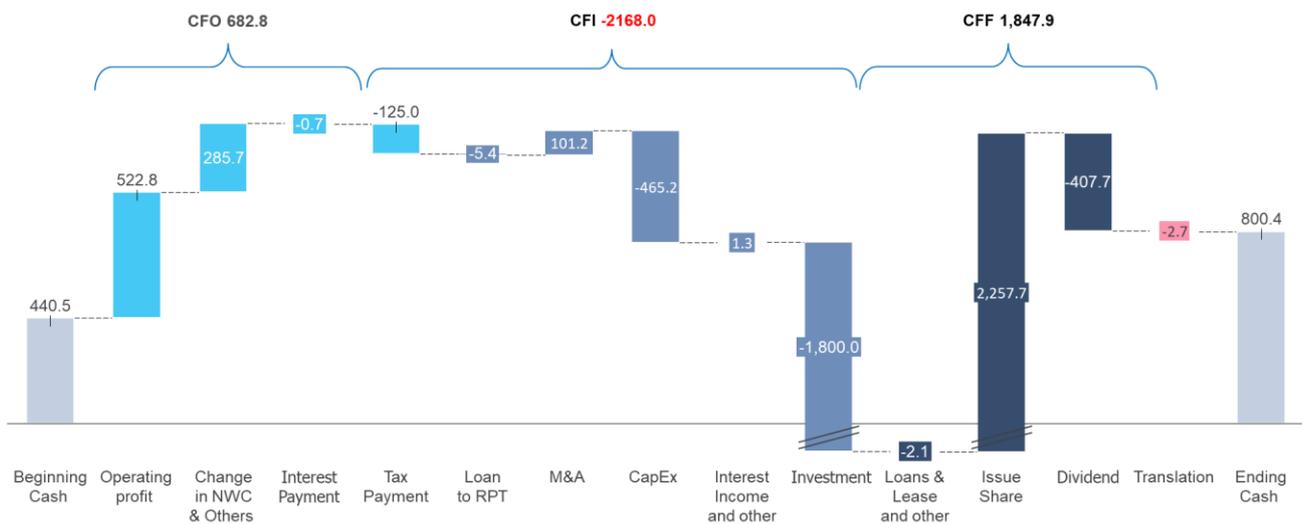
4.4 Financial Position

As of 30 June 2019, the Company held total assets of THB 7,885.9 million, growing 33.0% from the end of last year due to cash and temporary investment received from issuing new shares and business expansion.

The Company's total liabilities stood at 1,128.3 million, a decrease of 21.9% from the end of 2018 thanks to lower trade payables and deferred income from revenue recognition during the year.

Shareholder's equity increased 50.7% from the end of last year to 6,757.6 million as a result of the issuance of new ordinary shares and higher retained earnings.

4.5 Liquidity and Cash Flow Position



The Company had cash and cash equivalents at the end of 2Q 2019 in the amount of 800.4 THB million, increasing by 360.0 THB million from the ending period of 2018. During the period, the Company recorded 682.8 THB million net cash provided by operating activities; 2,168.1 THB million net cash used in investing activities, 465.2 THB million for Capital expenditure and 1,800 THB million for short term investment; and 1,847.9 THB million net cash provide in financing activities. The cash at the ending period is sufficient to fund capital expenditure and projects.

5. Key Financial Ratio Position

Profitability Ratios		2Q 2018	2Q 2019
Gross Profit ⁴	(%)	36.0	32.9
EBITDA	(%)	34.7	34.4
EBIT	(%)	22.1	20.6
Net Profit	(%)	17.4	15.8
Return on equity ⁵	(%)	16.3	10.7

Liquidity Ratio		2Q 2018	2Q 2019
Current Ratio	(Times)	2.0	4.3
Quick Ratio ⁶	(Times)	1.3	3.7
Average collection period	(Days)	97	108
Payment days	(Days)	110	106

Efficiency Ratios		2Q 2018	2Q 2019
Return on assets ⁵	(%)	12.4	10.4
Asset turnover	(Times)	0.8	0.7

Leverage Ratio		2Q 2018	2Q 2019
Liability to Equity	(Times)	0.27	0.17

⁵ Calculated on Total Revenue

⁶ Annualized by using the quarter no.X 4

⁷ (Cash & Cash Equivalents + Trade and other receivable + Temporary investment) / Current Liabilities

6. Trends and Development in 2019

Economic conditions during the second quarter of 2019 showed signs of stabilization from the previous quarter. Government expenditure and measures are expected to be the key growth drivers to support domestic economic activities and boost purchasing power and household income for the second half of 2019. Subsequently, forecast GDP growth for 2019 was adjusted downward to 3.3-3.8%⁷ and uncertainties in the state of economy are likely to dampen the demand for advertising. Manufactureres and service providers tend to be more prudent in spending their advertising budgets and emphasize value of money of their limited advertising resources.

Realizing the potential of growing out-of-home media industry amidst changeable economic environment in the short term, the Company aims to further invest in and develop business to stay on its expansion path. With its extensive coverage of diversified offering and innovations as well as budding engagement marketing business, Plan B is set to better serve the needs of marketers. In the next half of 2019, the Company is prepared to make following investments to enhance its competitive advantage in a sustainable manner.

- Plan B will continue to promote variety of its media offering as well as extend the coverage its out-of-home media according to the media network expansion plan below.
 - Digital media: The Company planned to extend its digital media footprint through Bangkok Jam with over 40 additional digital displays in key strategic locations in Bangkok to report traffic conditions to commuters.
 - Other media: The Company has plans to expand other out-of-home media focusing on static media, airport media and point-of-sale media through collaborations with public and private sectors to offer advertising media that cater to diverse groups of target markets.

⁷ Bank of Thailand

- The Company's engagement marketing business will be developed and expanded continuously in order to enhance communication effectiveness between consumers and product and service brands as well as promote brand loyalty desired by marketers. The Company currently has 3 categories of quality content which are sports, music and esports. In the future, the Company planned to develop other types of content to respond to the diverse interests of consumer groups; for instance,
 - Content management of Tokyo 2020 Olympics under a partnership with dentsu X (Thailand) Co., Ltd: Plan B set a goal to promote participation of the greatest sport event of mankind by extending viewing opportunities to all Thai people across the country through various viewing channels anywhere, anytime and via any platform. Additionally, Plan B planned to organize different activities to unite and send encouragement to Thai national athletes during preparations and practices one year prior to the Olympics as well as to disseminate content related to the Olympics through all media networks and platforms Plan B and its partners operate nationwide.
- Plan B and VGI as the 2 leading operators in out-of-home media mutually agreed to cooperate in gaining a competitive edge in out-of-home market to capture market shares from both traditional media and online media. This alliance will provide integrated marketing communication solutions for the business ecosystem comprising advertising, digital services and logistics.