



No. 016/2021

16 August 2021

Subject: Management Discussion and Analysis Yearly for 2st quarter of the year 2021 ended 30 June 2021

To: President
The Stock Exchange of Thailand

SLM Corporation Public Company Limited (the “Company”) would like to explain the Company’s operating results and financial position for the three-month and six-month periods, ended 30 June 2021 as follows:

Analysis of Operating Results for Three-Month Period

For the three-month period ended 30 June 2021, the Company group had net profit for the period of Baht 5.03 million, increased by Baht 11.43 million or 178.71 percent when compared with net loss at the same period last year in an amount of Baht -6.39 million. Due to the Company have increased income and efficient cost management.

Operating Result	April - June		
	2021 (Thousand Baht)	2020 (Thousand Baht)	Change
Service income	42,903	23,071	85.96%
Other income	512	817	-37.33%
Total revenues	43,415	23,888	81.74%
Cost of services	25,956	12,614	105.77%
Gross profit	16,947	10,457	62.06%
Selling expenses	7,148	10,671	-33.01%
Administrative expenses	5,287	6,920	-23.60%
Total expenses	38,391	30,205	27.10%
Profit (Loss) from operating activities	5,024	(6,317)	179.53%
Finance costs	(11)	(92)	88.04%
Profit (Loss) before income tax	5,013	(6,409)	178.22%
Income tax (expense) income	19	16	18.75%
Profit (Loss) for the period	5,032	(6,393)	178.71%
Profit (Loss) per share (Baht)	0.03	(0.05)	160.00%
Gross Profit Margin (%)	39.50%	45.33%	-12.85%
Net Profit Margin (%)	11.59%	-26.76%	143.31%



The Company group had services income of Baht 42.90 million, increased by Baht 19.83 million or 85.96 percent when compared with service income of Baht 23.07 million at the same period last year due to the increase in income from the business of full-service online media production, and advertising media production.

The cost of services was Baht 25.73 million, increased by Baht 13.11 million when compared with cost of services at the same period last year in an amount of Baht 12.61 million, which was in line with the increase in service income. The cost of services consists of direct labor cost from production department and direct materials cost and overhead. The proportion of cost of services to services income was 60.50 percent from 54.67 percent respectively.

The gross profit of the Company group was Baht 16.95 million, increased by 62.06 percent which was in line with the increase in service income 85.96 percent when compared to the same period last year. But gross profit margin decreased by 12.85 percent due to an increase in the cost of services.

In part of selling expenses consist of all expense in no sponsor video was Baht 7.15 million, decreased by Baht 3.52 million or 33.01 percent when compared to selling expenses in the same period last year in an amount of Baht 10.67 million.

Total expenses was Baht 38.39 million, increased by Baht 8.18 million when compared with total expenses at the same period last year in an amount of Baht 30.21 million as a result from the increase in the cost of services which was in line with the increase in service income, and expansion of business scope into the production of television dramas and series.

The Company group had other income in an amount of Baht 0.51 million, decreased by Baht 0.30 million when compare with other income at the same period last year in an amount of Baht 0.81 million. The other income in this period was generated from income from refund of court fines for late submission of financial statements, adjustment the accrued expense item, and the service that the customer canceled, but no refund was requested; causing the said item was adjusted to be other income.

The net profit margin was 11.59%, increased from -26.76% in the same period last year due to the Company turned from loss back to profit, and the Company managed expenses effectively. This is a result of the management and control of selling expenses and administrative expenses. The expenses were reduced by 33.01 percent and 23.60 percent when compare at the same period last year.

Analysis of Operating Results for Six-Month Period

For the six-month period ended 30 June 2021, the Company group had net profit for the period of Baht 4.52 million, increased by Baht 21.31 million or 126.93 percent when compared with net loss at the same period last year in an amount of Baht -16.79 million. Due to the Company have increased income and efficient cost management continuously.



Operating Result	January - June		
	2021 (Thousand Baht)	2020 (Thousand Baht)	Change
Service income	86,046	30,579	181.39%
Other income	1,148	1,543	-25.60%
Total revenues	87,194	32,122	171.45%
Cost of services	55,480	17,843	210.93%
Gross profit	30,566	12,736	140.00%
Selling expenses	16,576	18,165	-8.75%
Administrative expenses	10,621	12,755	-16.73%
Total expenses	82,677	48,763	69.55%
Profit (Loss) from operating activities	4,517	(16,641)	127.14%
Finance costs	(33)	(184)	-82.07%
Profit (Loss) before income tax	4,484	(16,825)	126.65%
Income tax (expense) income	37	36	2.78%
Profit (Loss) for the period	4,521	(16,789)	126.93%
Profit (Loss) per share (Baht)	0.03	(0.13)	123.08%
Gross Profit Margin (%)	35.52%	41.65%	-14.71%
Net Profit Margin (%)	5.18%	-52.27%	109.92%

The Company group had services income of Baht 86.05 million, increased by Baht 55.47 million or 181.39 percent when compared with service income of Baht 30.58 million at the same period last year. Due to the increase in income from the business of full-service online media production, and advertising media production.

The cost of services was Baht 55.48 million, increased by Baht 37.64 million when compared with cost of services at the same period last year in an amount of Baht 17.84 million, which was in line with the increase in service income. The cost of services consists of direct labor cost from production department and direct materials cost and overhead. The proportion of cost of services to services income was 64.48 percent from 58.35 percent respectively.

The gross profit of the Company group was Baht 30.57 million, increased by 140.00 percent which was in line with the increase in service income 181.39 percent when compared to the same period last year. But gross profit margin decreased by 14.71 percent due to an increase in the cost of services.

In part of selling expenses consist of all expense in no sponsor video was Baht 16.58 million, decreased by Baht 1.59 million or 8.75 percent when compared to selling expenses in the same period last year in an amount of Baht 18.17 million.

Total expenses were Baht 82.68 million, increased by Baht 33.91 million when compared with total expenses at the same period last year in an amount of Baht 48.76 million as a result from the increase in the cost



of services which was in line with the increase in service income, and expansion of business scope into the production of television dramas and series.

The Company group had other income in an amount of Baht 1.15 million, decreased by Baht 0.39 million when compare with other income at the same period last year in an amount of Baht 1.54 million. The other income in this period was generated from refund of court fines for late submission of financial statements, adjustment the accrued expense item, and the service that the customer canceled, but no refund was requested; causing the said item was adjusted to be other income.

The net profit margin was 5.18%, increased from -52.27% in the same period last year due to the Company turned from loss back to profit, and the Company managed expenses effectively. This is a result of the management and control of selling expenses and administrative expenses continuously. The expenses were reduced by 8.75 percent and 16.73 percent when compare at the same period last year.

Analysis of Financial Position

Financial Position	30 June 2021 (Thousand Baht)	31 December 2020 (Thousand Baht)	Change
Assets	105,685	62,519	69.04%
Liabilities	62,700	80,864	-22.46%
Shareholders' equity	42,985	(18,345)	334.31%

As at 30 June 2021 and 31 December 2020, the Company group had assets of Baht 105.69 million and Baht 62.52 million, increased by Baht 43.17 million due to an additional capital from right offering proportionately to shareholders and the changes in service business caused additional trade and other receivables, and unbilled receivables.

As at 30 June 2021 and 31 December 2020, the Company group had liabilities of Baht 62.70 million and Baht 80.86 million, decreased by Baht 18.16 million as a result of the decrease in trade and other payables.

As at 30 June 2021 and 31 December 2020, the Company group had shareholder's equity of Baht 42.99 million and Baht -18.34 million, increased by Baht 61.33 million. Due to the increase in capital from Right Offering in June 2021, and an increase of net profit during the period resulted in the increase of shareholders' equity.

Please be informed accordingly.

Yours Sincerely,
SLM Corporation Public Company limited

(Autthapol Pohundratanakul)
Chief Executive Officer