

Management Discussion and Analysis for the Second Quarter of Year 2021

Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the second quarter of year 2021 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 138.7 million, decreased by THB 10.9 million or 7.2% from the prior period, In addition, when compared to the same period of prior year, The revenue was decreased by THB 36.1 million or 20.6% whereas the gross profit by THB 20.4 million was decreased by THB 5.8 million. The gross profit margin for this quarter represented at 14.7%.

For the six-month period, the Group reported total revenues (excluded other revenues) at THB 288.3 million, decreased by THB 63.9 million or 18.1% from the same period of prior year. It was resulted to increase in the gross profit by THB 0.8 million, resulted in the gross profit by THB 44.7 million, whereas the gross profit margin was going up to be at 15.5%.

Revenues

The structure of revenues for the three-month and six-month period ended 30 June 2021 and 2020 are as follows;

<i>Unit: THB million</i>	Three-month period			% Change +/-		Six-month period		% Change
	Q2'20	Q1'21	Q2'21	QoQ	YoY	6M'20	6M'21	+/-
1. Revenue from sales and contract work	5.5	8.5	4.2	-50.4%	-22.8%	10.2	12.7	24.9%
1.1 Turnkey Total Solutions	5.5	8.5	4.2	-50.4%	-22.8%	10.2	12.7	24.9%
2. Revenue from services	169.3	141.1	134.5	-4.6%	-20.6%	342.0	275.6	-19.4%
2.1 Fully Outsourced Contact Center Management	108.3	92.3	83.0	-10.0%	-23.3%	222.5	175.3	-21.2%
2.2 Contact Center Facility Outsourced	4.3	5.7	7.6	35.2%	77.5%	5.5	13.3	142.4%
2.3 Customer Service Representative Outsourced	46.8	37.0	38.2	3.3%	-18.3%	94.1	75.2	-20.1%
2.4 Maintenance Service	9.9	6.1	5.7	-7.8%	-43.2%	19.9	11.8	-40.9%
Total	174.8	149.6	138.7	-7.2%	-20.6%	352.2	288.3	-18.1%

1. Revenue from sales and contract work

1.1 Turnkey Total Solutions decreased from the same period of prior year by THB 1.3 million and decreased from the prior period by THB 4.3 million.

2. Revenue from services

Revenue from services for the three-month period was THB 134.5 million, decreased by THB 6.6 million or 4.6% from the prior period and decreased by THB 34.8 million or 20.6% when compared to the same period of prior year. In addition, the revenue from services for the six-month period was THB 275.6 million which decreased by THB 66.4 million of 19.4% 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 83.3 million, decreased by THB 9.3 million or 10.0% from the prior period. Moreover, when compared to the same period of prior year, it was decreased by THB 25.3 million or 23.3%. For the six-month period, it was at THB 175.3 million decreased by THB 47.2 million or 21.2% when compared to the same period of prior year. It was mainly decreased from Government and State enterprise sector and the Corporate customer in airline business.

2.2 Revenue from Contact Center Facility Outsourced for the three-month period was THB 7.6 million, increased from the prior period and the same period of prior year. It was increased from Private sector's customer. For the six-month period, it was THB 13.3 million increased by THB 7.8 million or 142.4% when compared to the same period of prior year.

2.3 Revenue from Customer Service Representative Outsourced for the three-month period was THB 38.2 million, increased from the prior period but decreased from the same period of prior year by THB 8.6 million or 18.3%. For the six-month period, it was THB 75.2 million decreased from the same period of prior year by THB 18.9 million or 20.1%. It mainly decreased by the customers of Government and State enterprise sector.

2.4 Revenue from Maintenance Service for the three-month period was THB 5.7 million, decreased from the prior period by THB 0.4 million and decreased from the same period of prior year by THB 4.2 million or 43.2%. For the six-month period, it was THB 11.8 million decreased from the same period of prior year by THB 8.1 million or 40.9%. It mainly decreased from Government and State enterprise customer.

Gross Profit

For the three-month period, the Group reported total gross profit at THB 20.4 million and the gross profit margin was at 14.7%. When compared to the prior period, the gross profit decreased by THB 3.9 million. Moreover, when compared to the same period of prior year the gross profit decreased by THB 5.8 million and the gross profit margin decreased from 15.0% to 14.7% because of the new wave of COVID-19 situation. For the six-month period, the Group reported total gross profit at THB 44.7 million. When compared to the same period of prior year, the gross profit increased by THB 0.8 million. It main Gross profit margin increased from cost management and cost reduction plan of the Group. The gross profit margin increased from 12.5% to 15.5%.

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 25.0 million, increased from the prior period and increase from consultant fees including legal consultant. When compared the six-month period to the prior year, it was increased by THB 9.7 million or 25.3%.

Net Profit

The Group reported total net profit for the three-month period at THB 12.7 million decreased slightly from the previous quarter. However increased by THB 11.1 million or 674.2% when compared to the same period of prior year. Net profit to total revenues was at 9.1%. This was a result from the increasing of other income by THB 11.8 million from gain on change in value of listed equity investments and reversal of impairment loss on account receivables due to cash received during the period. For the six-month period, net profit was THB 25.6 million and net profit ratio was at 8.9% increased when compare to the same period of prior year.

Financial Position

As at 30 June 2021, the Group reported total assets at THB 703.1 million, increased by THB 4.8 million or 0.7% when compared to the end of the prior year. It was mainly increased from other current financial assets.

Total liabilities were represented at THB 114.3 million, decreased by THB 21.0 million or 15.5% when compared to the end of the prior year. Total shareholders' equity was reported at THB 588.8 million, increased by THB 25.8 million or 4.6% when compared to the end of the prior year.

The liquidity ratio (current assets to current liabilities) of the Group was at 9.8 times which increased from the end of the prior year. The debt to equity ratio of the Group was at 0.19 times, the proportion of the liabilities was low.