

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR 2024

2024 OVERVIEW BUSINESS PERFORMANCE

- The Company had total revenue of 6,237.2 million baht, an increase of 249.1 million baht, or 4.2% year-over-year. The total operating revenue was 6,165.4 million baht, an increase of 234.0 million baht, or 39.9% year-over-year. The main reason was the movie business which revenue increased by 341.5 million baht, or 96.4% year-over-year, driven by the success of the film "How To Make Millions Before Grandma Dies", which was released in the second quarter of 2024 and received a highly positive response both domestic and international. Additionally, revenue of music business increase 133.5 million baht, or 3.4%, primarily due to the organizing concert, which grew by 169.0 million baht compared to the previous year. This growth was driven by Palmy Concert and Body Slam Concert, both of which received popularity this year. However, revenue from the home shopping segment and the satellite TV segment declined by 203.2 million baht and 24.7 million baht, respectively, representing a decrease of 14.8% and 16.2% compared to the previous year.
- The Company had a gross profit of 2,514.2 million baht, an increase of 215.5 million baht, or 9.4% year-over-year, which was driven by both higher revenue and an increase in gross profit margin. Additionally, the film business reported a higher gross profit margin compared to the previous year.
- However, The Company has a profit from the sale of GMM Music Public Company Limited shares to two strategic investors, totaling 2,815.4 million baht. As a result, the net profit of the company's separate financial statements stood at 2,660.7 million baht.

KEY BUSINESS UPDATES

- **October 2024**
 - GMM Music Public Company Limited or "GMM Music" has submitted a registration statement and draft prospectus to the Office of the Securities and Exchange Commission ("SEC") for the initial public offering (IPO) of its common shares. GMM Music and GMM Grammy Public Company Limited ("GRAMMY"), as an existing shareholder, will jointly offer up to 228,800,000 common shares, representing no more than 26.00% of the total issued and paid-up common shares after this capital increase. The fundraising from this IPO aims to provide working capital, repay loans from financial institutions, expand the Group's music production capacity, and invest in joint venture activities. Finansa Securities Limited has been appointed as the financial advisor, underwriter, and bookrunner for the offering.

- On October 3, 2024, GDH held a press conference for the movie "404 RUN RUN", marking the first collaboration between renowned producer Yacht-Rergchai Pongpetch, a master of comedy films with over 10 successful projects, and rising director Seua-Pichaya Jarusboonpracha. The film stars Ter Chantavit and introduces Daou-Pithaya in his first full-fledged comedy role. The official release date is set for November 28, 2024.
- **November 2024**
 - GRAMMY celebrated its 41st anniversary under the concept WE ARE WORLD WIDE WOW CREATORS. The event's design was inspired by the company's core philosophy of teamwork, based on the belief that everyone contributes to the company's success. Everyone is a crucial piece in building and driving the organization forward, marking 41 years of achievements while continuing to move ahead without limits. The event included a Buddhist merit-making ceremony for blessings and prosperity, attended by Paiboon Damrongchaitham, May Damrongchaitham, Aruya-Sidarat Buddhinan, Busaba Daoruang, Saithip Montrikul Na Ayudhaya, Jina Osotsilp, Ekachai Uekrongtham, etc. along with renowned artists, including Bird-Thongchai McIntyre, Mai Charoenpura, Christina Aguilar, Ying Rhatha, and several others. Their presence filled the atmosphere with warmth, smiles, and happiness, making the celebration as joyful as ever.
 - On November 8, 2024, "How To Make Millions Before Grandma Dies", a film by GDH, was selected to be screened at the 18th Chinese Film Festival in Bangkok. The official opening ceremony was held at SF World Cinema, CentralWorld. The festival was organized through the collaboration of the Embassy of the People's Republic of China in Thailand, the China Film Administration, and the Ministry of Culture. It was operated by the Chinese Cultural Center in Bangkok, the China Film Archive, and the Thai Film Archive (Public Organization), with support from the National Theatre of China, the Beijing International Film Festival Organizing Committee, Srinakharinwirot University, GDH 559 Co., Ltd., SF Cinema, and Mono Next.
 - GMM Music launches the concert "Feathers and Flowers" episode "DREAM FOR LOVE", with Bird Thongchai pairing up with 4 female singers, consisting of Pu Anyachali, Tina-Christina Aguilar, Mai-Charoenpura, and Lydia-Sarunrat. Together, they will create a phenomenon of love. The concert will be held on Saturday, November 23, and Sunday, November 24, 2024, at Impact Arena, Muang Thong Thani.

- December 2024
 - "How To Make Millions Before Grandma Dies", a film by GDH, has made history in the Thai film industry by being one of 15 films nominated for the 97th Academy Awards in the category of Best International Feature Film. This nomination follows the film's continuous success both in Thailand and across multiple countries worldwide.

2024 OPERATING RESULTS

Consolidated PL (Unit: THB mn)	4Q2567	4Q2566	YoY %	2567	2566	YoY %
Total operating revenues	1,852.3	1,810.1	2.3%	6,165.4	5,931.4	3.9%
Dividend income	7.1	0.0	N/A	18.5	8.4	120.0%
Fair value profit on other financial assets	0.0	0.0	-	0.0	0.0	-
Other revenues	21.7	19.0	14.1%	53.4	48.5	10.3%
Total revenues	1,881.1	1,829.1	2.8%	6,237.3	5,988.2	4.2%
Cost of sales and services	1,224.0	1,243.2	-1.6%	3,651.2	3,632.7	0.5%
SG&A	639.8	652.9	-2.0%	2,180.3	2,152.8	1.3%
Fair value loss on other financial assets	33.6	75.5	-55.5%	14.4	243.4	-94.1%
Total expenses	1,897.4	1,971.7	-3.8%	5,845.8	6,028.9	-3.0%
Profit (loss) from operating activities	-16.3	-142.5	-88.5%	391.5	-40.6	-1064.1%
Share of profits from JVs and associates	35.6	43.8	-18.7%	131.8	122.7	7.4%
Finance income (cost)	-14.6	-35.0	58.2%	-121.6	-118.6	-2.6%
Profit (loss) before income tax income (expenses)	4.6	-133.7	-103.5%	401.6	-36.4	-1202.4%
Income tax income (expenses)	-10.8	26.1	141.3%	-129.4	-90.1	-43.6%
Profit (loss) for the year	-6.1	-107.6	94.3%	272.2	-126.5	315.2%
Profit (loss) attributable to non-controlling interests of the subsidiaries	30.8	-11.7	-363.8%	76.7	6.1	-1167.0%
Profit (loss) attributable to equity holders of the Company	-37.0	-95.9	61.4%	195.6	-132.6	247.5%
Earnings (Loss) per share	(0.05)	(0.12)		0.24	(0.16)	
Gross profit margin (%)	33.9%	31.3%	-2.3%	40.8%	38.8%	
SG&A to revenue (%)	34.0%	35.7%		35.0%	36.0%	
Net Profit Margin Attributable to Equity Holders of the Company (%)	-2.0%	-5.2%		3.1%	-2.2%	

Revenue Breakdown	4Q2567		4Q2566		YoY %	2567		2566		YoY %
	ล้านบาท	%	ล้านบาท	%		ล้านบาท	%	%	ล้านบาท	
Music	1,259.0	68.0%	1,378.5	76.2%	-8.7%	4,063.4	65.9%	3,929.9	66.3%	3.4%
Home Shopping	289.7	15.6%	338.4	18.7%	-14.4%	1,166.3	18.9%	1,369.5	23.1%	-14.8%
Movie	266.7	14.4%	46.3	2.6%	476.5%	695.8	11.3%	354.2	6.0%	96.4%
Set-top-box and Broadcasting	28.5	1.5%	35.5	2.0%	-19.8%	127.5	2.1%	152.2	2.6%	-16.2%
Media and Others Business	8.4	0.5%	11.5	0.6%	-26.5%	112.5	1.8%	125.6	2.1%	-10.5%
Total Operating Revenue	1,852.3	100.0%	1,810.1	100.0%	2.3%	6,165.4	100.0%	5,931.4	100.0%	3.9%

Operating revenue

For 2024, the Company had operating revenue of 6,165.4 million baht, an increase of 234.0 million baht, or 3.9% year-over-year. The main reason was the movie business. Operating revenue can be categorized according to the Company's business structure as follows:

1.1 Music Business, which is the Company's core business, consisting of digital music and copyright, artist management, showbiz, physical music and merchandise, and other businesses.

For 2024, the Company had revenue from the music business of 4,063.4 million baht, accounting for 65.9% of total operating revenue, an increase of 133.5 million baht, or 3.4% year-over-year. This increase was mainly due to concert events, increased by approximately 20.5% year-over-year, with a total of 20 concerts and 2 fan meetings, particularly the major concert in 12 years of PALMY and Bodyslam's first major concert in four years, which received a positive response.

1.2 Home Shopping Business, operating TV home shopping through the channel called GMM O-Shopping, via digital TV, satellite TV and online channels.

For 2024, the Company had revenue from the home shopping business of 1,166.3 million baht, accounting for 18.9% of total operating revenue, a decrease of 203.2 million baht, or 14.8% year-over-year. This decline was due to declining sales on the satellite TV channel and TV Digital. Especially, the satellite TV channel, which aligns with the changing consumer spending behavior. Meanwhile, the gross profit margin slightly increased due to a higher proportion of sales from high-margin products, such as Healthcare and Cosmetics.

1.3 Movie Business, producing high-quality movies and series continually

For 2024, the Company had revenue from the movie business of 695.8 million baht, accounting for 11.3% of total operating revenue, an increase of 341.5 million baht, or 96.4% year-over-year. This increase was mainly due to the success of the film "How To Make Millions Before Grandma Dies", which was launched in second quarter of year 2024 and received a positive response, leading to the higher revenue both domestic and international.

1.4 **Satellite TV Business**, operating satellite TV networks and distributing set-top boxes, digital TV boxset, internet TV boxset, as well as the music box products.

For 2024, the Company had revenue from satellite TV business of 127.5 million baht, accounting for 2.1% of total operating revenue, a decrease of 24.7 million baht, or 16.2% year-over-year, due to the decline in sales following the industry's changing conditions.

1.5 **Media and Others Business**, operating digital TV stations and generating revenue from copyright.

For 2024, the Company had revenue from the media business of 112.5 million baht, or 1.8% of total operating revenue, a decrease of 13.1 million baht, or 27.0% year-over-year.

Cost of sales and services

The Company had cost of sales and services of 3,651.2 million baht, a increase of 18.5 million baht, or 0.5% year-over-year, Due to the higher movie production and concert costs.

Net profit (loss) attributable to equity holders of the Company

The Company had a net profit attributable to equity holders of the Company of 195.6 million baht, the profit increase of 328.1 million baht, or 247.5% year-over-year. This profit was due to the higher gross profit as mentioned earlier. In addition, the company has an increased share of profits from joint ventures and associated companies.

2024 Financial Position

Financial Position (Unit: THB mn)	31-Dec-24	%	31-Dec-23	%
Cash and cash equivalents	843.4	10.2%	672.9	10.8%
Other current assets	1,552.9	18.8%	1,843.7	29.5%
Non-current assets	5,847.7	70.9%	3,724.7	59.7%
Total assets	8,243.7	100.0%	6,241.2	100.0%
Current liabilities	2,785.1	33.8%	2,945.7	47.2%
Non-current liabilities	808.6	9.8%	1,772.3	28.4%
Total liabilities	3,593.7	43.6%	4,718.0	75.6%
Shareholders' equity	4,650.0	56.4%	1,523.2	24.4%
Total liabilities and shareholders' equity	8,243.7	100.0%	6,241.2	100.0%
Net interest-bearing debt to equity ratio (x)	0.23		1.58	

Total Assets

As of the end of 2024, the Company had total assets of 8,243.7 million baht, an increase of 2,002.5 million baht, or 32.1% from the end of 2023. Significant items included an increase in investments totaling 1,819.5 million baht, primarily driven by a 918.2 million baht investment in Joox Thailand (Hong Kong) Limited., along with an additional investment from acquiring an additional 10% stake in ONEE.

Total Liabilities

As of the end of 2024, the Company had total liabilities of 3,593.7 million baht, an decrease of 1,124.4 million baht, or 23.8% from the end of 2023. Significant items included a decrease in long-term loans by 991.2 million baht as the company used proceeds from the sale of shares in its subsidiary (GMM Music Public Company Limited) in Q2 and Q3 to repay all outstanding bank loans.

Total Shareholders' Equity

As of the end of 2024, the Company had shareholders' equity of 4,650.0 million baht, an increase of 3,126.8 million baht, or 205.3% from the end of 2023. This increase was mainly due to the other components of shareholders' equity from adjustments related to the sale of Music shares to strategic investors. Consequently, the interest-bearing debt to equity ratio (IBD/E) decreased from the previous year (at 1.58 times) to 0.23 times.

Liquidity and Cash Flows

For the year ended period on December 31, 2024, the Company had cash and cash equivalents of 843.4 million baht, an increase of 19.1 million baht, or 2.2% from the end of 2023. There was net cash from operating activities of 945.7 million baht, and net cash from investing activities of 1,366.1 million baht, while net cash used in financing activities of 595.5 million baht.

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