

Management Discussion and Analysis for the First Quarter of Year 2020

Business Overview

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

The Group reported total revenues (excluded other revenues) at THB 177.4 million, decreased by THB 11.4 million or 6.1% which mainly decreased from the revenue from services. The total cost was reported at THB 159.7 million, decreased by THB 1.7 million or 1.1%. As a result, the gross profit margin for this quarter was decreased by THB 9.7 million or 35.4% and gross profit margin to total revenues was at 10.0%.

Total net loss for this quarter was reported at THB 1.8 million, decreased by THB 6.9 million or 134.7% when compared to the same period of prior year. It resulted from the decreasing of gross profit margin. Net loss to total revenues was at 1.0%.

Revenues

The structure of revenues for the three month period ended 31 March 2020 and 2019 are as follows;

<i>Unit: THB million</i>	Q1-2020	Q1-2019	% Change
1. Revenue from sales and contract work	4.7	3.2	44.2%
1.1 Turnkey Total Solutions	4.7	3.2	44.2%
2. Revenue from services	172.7	185.6	-6.9%
2.1 Fully Outsourced Contact Center Management Service	114.2	133.4	-14.4%
2.2 Contact Center Facility Outsourced	1.2	5.6	-78.0%
2.3 Customer Service Representative Outsourced	47.3	43.1	9.8%
2.4 Maintenance Service	10.0	3.5	184.8%
Total	177.4	188.8	-6.1%

1. Revenue from sales and contract work

1.1 Turnkey Total Solutions generated revenue of THB 4.7 million in this quarter, increased by THB 1.5 million or 44.2% when compared to the same period of prior year.

2. Revenue from services

Revenue from services for this quarter was totally at THB 172.7 million, decreased by THB 12.9 million or 6.9% 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 this quarter was THB 114.2 million, decreased by THB 19.2 million or 14.4% 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 this quarter was THB 1.2 million, decreased by THB 4.4 million or 78.0% when compared to the same period of prior year. It was decreased from Government and State Enterprise customer.

2.3 Revenue from Customer Service Representative Outsourced for this quarter was THB 47.3 million, increased by THB 4.2 million or 9.8% when compared to the same period of prior year. It was increased from Government and State Enterprise customer.

2.4 Revenue from Maintenance Service for this quarter was THB 10.0 million, increased by THB 6.5 million or 184.8% when compared to the same period of prior year. It was mainly increased from Government and State Enterprise customer.

Gross Profit

For this quarter, gross profit margin of the Group was reported at THB 17.7 million, decreased by THB 9.7 million or 35.4% and gross profit margin to total revenues was at 10.0%, decreased from 14.5% of the same period of prior year. Gross profit margin decreased from the decreased of revenue from services and the cost of services could not be reduced promptly.

Selling Expenses, Administrative Expenses and Other Expenses

The Group has selling expenses, administrative expenses and other expenses for this quarter totally at THB 20.5 million, decreased by THB 2.1 million or 9.2% when compared to the same period of prior year.

Net Profit

The Group reported total net loss for this quarter at THB 1.8 million, decreased by THB 6.9 million or 134.7% when compared to the same period of prior year. Net loss to total revenues was at 1.0%. It resulted from the decreasing of gross profit margin.

Financial Position

As at 31 March 2020, the Group reported total assets at THB 995.9 million, increased by THB 20.8 million or 2.1% when compared to the end of the prior year. Total liabilities were represented at THB 129.8 million, increased by THB 22.3 million or 20.7% when compared to the end of the prior year. Total shareholders' equity was reported at THB 866.1 million, decreased by THB 1.4 million or 0.2% when compared to the end of the prior year.