

No. 0524-2025

May 14, 2025

Subject Management Discussion and Analysis (MD&A) for the First Quarter of 2025, ended March 31, 2025

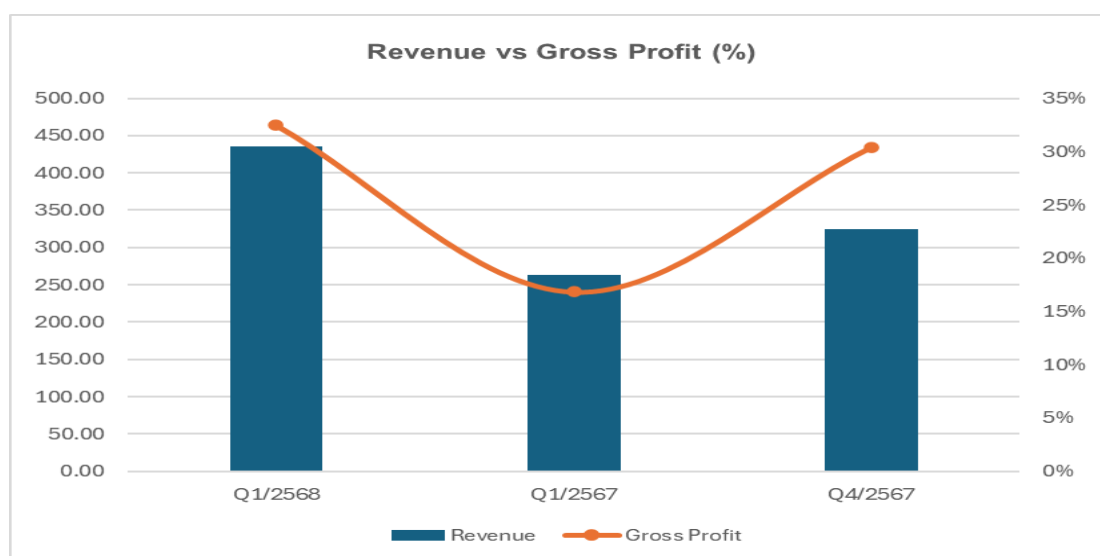
To The President of the Stock Exchange of Thailand

CMO Public Company Limited (the “Company” or “CMO”) would like to present the operating results and consolidated financial position of the Group for the first quarter of 2025, ended March 31, 2025, as follows:

### Summary of Operating Results

In the first quarter of 2025, CMO Public Company Limited (the “Company” or “CMO”) recorded total service revenue of THB 435.64 million, representing a 66% increase year-over-year (YoY) and a 34% increase quarter-over-quarter (QoQ). This revenue growth was primarily driven by the recovery of the event management and experiential marketing industry in both the public and private sectors.

The increase in revenue resulted in a gross profit of THB 141.44 million, up 220% compared to the same period of the previous year and up 43% from the previous quarter. The gross profit margin stood at 32%, reflecting effective cost management and strategic selection of projects with appropriate returns.



## Revenue Analysis by Business Segment

| Revenue from Services by Segment   | Q1/2025 (million Baht) | Q1/2024 (million Baht) | Q4/2024 (million Baht) | YoY (%)    | QoQ (%)    |
|------------------------------------|------------------------|------------------------|------------------------|------------|------------|
| Event Management Business          | 246.08                 | 189.35                 | 180.63                 | 30%        | 36%        |
| Equipment Rental Business          | 103.72                 | 51.59                  | 70.09                  | 101%       | 48%        |
| Media Production Business          | 0.93                   | 0.48                   | 1.95                   | 94%        | (52%)      |
| Installation of Equipment Business | 84.91                  | 21.58                  | 72.34                  | 293%       | 17%        |
| Concert Business                   | 0.00                   | 0.00                   | 0.00                   | 0%         | 0%         |
| <b>Total</b>                       | <b>435.64</b>          | <b>263.00</b>          | <b>325.01</b>          | <b>66%</b> | <b>34%</b> |

### Event Management Business Revenue

In Q1/2025, the CMO Group generated revenue of THB 246.08 million from its event management business, representing an increase of THB 56.73 million or 30% year-over-year (YoY), and a 36% increase quarter-over-quarter (QoQ). This segment continues to be the Company's core revenue contributor. The growth was primarily driven by an increase in private sector marketing activities and rising demand for brand experience initiatives aimed at engaging customers more effectively. As an Event Solution Provider, the Company is well-positioned to meet evolving client needs by creating impactful experiences through innovative and modern technologies that enhance service value. Additionally, the first quarter is typically a high season for events such as annual corporate gatherings, policy announcements, and new product launches, further contributing to the growth in this segment.

### Equipment Rental Business Revenue

In Q1/2025, the CMO Group generated revenue of THB 103.72 million from its equipment rental business, an increase of THB 52.13 million or 101% year-over-year (YoY), and a 48% increase quarter-over-quarter (QoQ). This revenue was derived from providing comprehensive rental services for event-related equipment, including visual systems, lighting systems, audio systems, special effects, and structural equipment. These components are essential to the execution of various types of events, such as concerts, product launches, and corporate seminars. The strong growth in this segment reflects increasing demand for high-quality technical infrastructure to support complex event productions, positioning the Group as a key service provider in the event ecosystem.

## **Installation Services Revenue**

In Q1/2025, the CMO Group generated revenue of THB 84.91 million from its installation services business, representing a significant increase of THB 63.33 million or 293% year-over-year (YoY), and a 17% increase quarter-over-quarter (QoQ). This revenue stemmed from providing essential utility and infrastructure installation services for events. The scope of work included consulting, system design, and on-site implementation for exhibitions, trade shows, corporate events, and public sector projects. The sharp growth in this segment underscores the Group's ability to deliver end-to-end solutions that meet the complex logistical and technical requirements of modern events.

## **Cost and Gross Profit Margin Analysis**

In Q1/2025, the CMO Group incurred service costs of THB 294.20 million, an increase of THB 75.45 million or 34% year-over-year (YoY). However, the gross profit margin improved significantly from 17% in the same period last year to 32%, resulting in a gross profit of THB 141.44 million—an increase of THB 97.19 million or 220% YoY. This improvement reflects the Company's strong capability in efficient resource management, including better control of labor costs, the use of technology to reduce hidden operational costs, and streamlined supply chain management. Moreover, the Company has adopted a selective approach by prioritizing high value-added projects and maintaining operational flexibility in response to changing economic conditions. These factors have contributed to sustaining a healthy gross margin and reinforce the Company's long-term profitability outlook.

## **Selling and Administrative Expenses Analysis**

In Q1/2025, the CMO Group recorded selling and administrative expenses of THB 71.70 million, a decrease from THB 85.80 million in the same period last year (a 16% reduction) and a decrease from THB 91.92 million in the previous quarter (a 22% reduction). When compared to total revenue, which increased from THB 263.00 million in Q1/2024 to THB 435.64 million in Q1/2025 (a 66% increase), the SG&A-to-revenue ratio declined significantly from 33% in the same period last year to just 17% in the current quarter. This decline demonstrates the Company's effectiveness in managing fixed costs. CMO has continued its efforts to reduce non-essential operating expenses, optimize its organizational structure for higher efficiency, and control fixed costs such as office-related expenses. The Company also leverages a multi-skilled internal workforce, reducing dependence on outsourced labor—an important strategic move to strengthen its long-term competitiveness.

## Financial Costs Analysis

In Q1/2025, the CMO Group recorded financial costs of THB 4.70 million, a decrease from THB 6.06 million, representing a 22% reduction year-over-year (YoY). The interest-to-revenue ratio continued to decline from 2.30% in Q1/2024 to 1.08% in the current quarter, demonstrating improved efficiency in capital structure management and a reduced reliance on new borrowing. The Company was able to manage interest expenses through increased operating cash flow, resulting in an improved interest coverage ratio, which increased from -6.71 times in the same period last year to 15.08 times in the current quarter. This improvement reflects the Company's prudent financial policy and effective financial risk management practices.

## Net Profit (Loss) Analysis for the Period

In Q1/2025, the CMO Group reported a net profit of THB 54.06 million, a significant turnaround from a net loss of THB 47.14 million in the same period last year (YoY) and a net loss of THB 30.56 million in the previous quarter (QoQ). The net profit margin increased to 12%, compared to a negative 18% in Q1/2024, indicating a substantial recovery in business performance. Key strategies contributing to this improvement include: 16% YoY reduction in selling and administrative expenses, reflecting effective cost control, A selective approach to securing higher-margin projects, which led to an increase in gross profit margin to 32%, compared to 17% in the previous year. And Efficient utilization of human resources and reliance on operating cash flow for financing rather than taking on additional debt, which resulted in a 22% decrease in financial costs. Importantly, the reported net profit was not driven by one-time items but reflects the actual performance of the business, demonstrating the Company's ability to generate sustainable profits from its core operations and providing a solid foundation for long-term sustainability.

## Financial Position Analysis

### Assets

As of March 31, 2025, the CMO Group had total assets of THB 1,142.80 million, an increase from THB 1,025.60 million in the previous quarter, reflecting an 11% growth. The total assets were comprised of current assets of THB 408.51 million and non-current assets of THB 734.29 million. The increase in total assets was primarily driven by a rise in current assets, which increased by THB 119.65 million or 41%. This increase was mainly attributed to a THB 50.63 million increase in cash and cash equivalents, and a THB 78.69 million increase

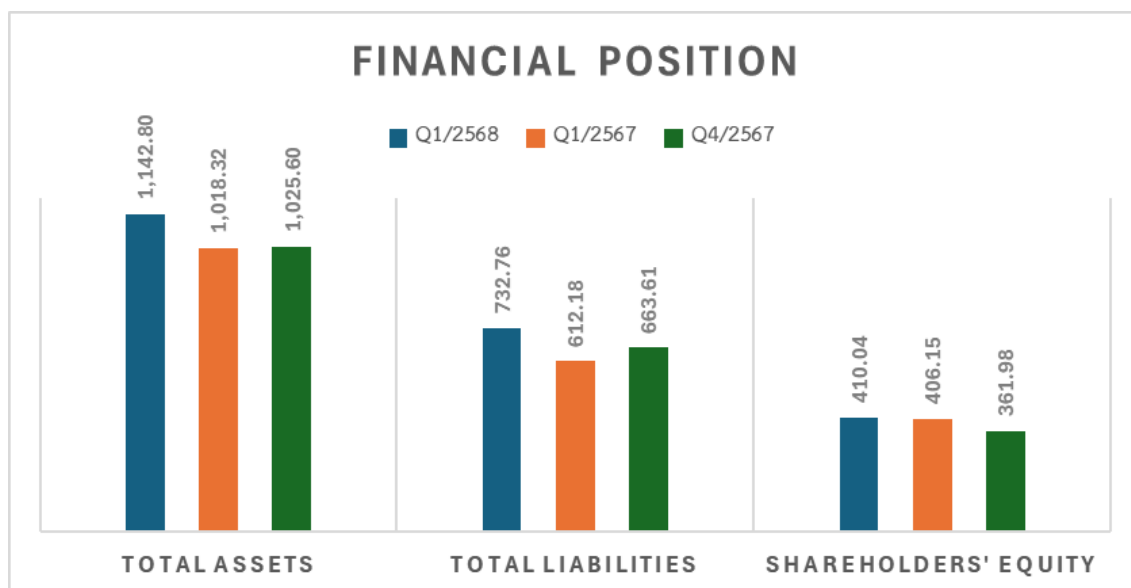
in trade receivables and other current receivables. Additionally, the ratio of current assets to total assets improved, indicating better short-term liquidity. This reflects the Group's efficient management of working capital and enhanced operational efficiency. The increase in assets, in line with revenue growth, suggests that the business is expanding with an appropriately structured asset base, positioning the Company to generate healthy returns.

### **Liabilities**

As of March 31, 2025, the CMO Group had total liabilities of THB 732.76 million, an increase from THB 663.62 million, representing a 9% increase from the previous quarter. This consisted of current liabilities of THB 602.55 million and non-current liabilities of THB 130.21 million. The increase was primarily driven by higher current liabilities, with a THB 54.74 million rise in trade payables and other current payables. This increase was due to higher obligations for payments of goods and services in line with increased revenues. Additionally, the Group also saw an increase of THB 45 million in maturing bonds due for repayment this year. The debt-to-equity ratio (D/E) stood at 1.79 times, an increase from 1.51 times last year, but still within a manageable level. Despite the fluctuating economic conditions, the Company has been able to meet its debt obligations on time without default. The interest coverage ratio has improved significantly from -6.71 times in the same period last year to 15.08 times in the current quarter, indicating strong financial stability and effective debt management. With positive operating cash flow, the Company has reduced its reliance on new debt, further strengthening its ability to manage short-term liquidity.

### **Shareholders' Equity**

As of March 31, 2025, the CMO Group's shareholders' equity amounted to THB 410.04 million, an increase from THB 361.98 million, reflecting a 12% growth from the previous quarter. This increase was driven by the net profit of THB 54.06 million in Q1/2025, representing a 13% return on the previous shareholders' equity. The return on equity (ROE) improved to 56%, up from -52% in the same period last year. The Group's total assets increased by THB 117.20 million, while liabilities grew by only THB 69.14 million, which led to a 41% growth in shareholders' equity from the net increase in assets. The debt-to-equity ratio (D/E) at the end of the quarter stood at 1.79 times, an increase from 1.51 times in the previous quarter, reflecting the business expansion.



From the financial position analysis, it was found that the company's current assets are lower than its current liabilities, reflecting short-term liquidity challenges. However, the company owns fixed assets that are unencumbered—such as land, buildings, and operating equipment—which can be used as collateral to obtain short-term and long-term loans. This helps enhance its debt repayment ability, increase cash flow and liquidity for business operations, and maintain business continuity. This is evident from the Return on Assets (ROA) in Q1/2025, which stood at 20%, improving from -9% in Q4/2024.

### Cash Flow Analysis

| Unit : million Baht                                  | Q1/2025 (million Baht) | Q1/2024 (million Baht) | Q4/2024 (million Baht) |
|--|------------------------|------------------------|------------------------|
| Net cash provided by (used in) operating activities  | 75.89                  | 38.35                  | 165.41                 |
| Net cash provided by (used in) investing activities  | (5.55)                 | (3.08)                 | (17.62)                |
| Net cash provided by (used in) financing activities  | (19.70)                | (21.32)                | (91.19)                |
| Net increase (decrease) in cash and cash equivalents | 50.63                  | 13.96                  | 56.61                  |
| Cash and cash equivalents at beginning of period     | 85.58                  | 28.97                  | 28.97                  |
| Cash and cash equivalents at end of period           | 136.21                 | 42.93                  | 85.58                  |

### Cash Flow from Operating Activities

In Q1/2025, the CMO Group recorded a net cash flow from operating activities of THB 75.89 million, an increase of THB 38.35 million from the same period last year, or a 98% rise. This improvement aligns with the trend of better cash flow management. The increase in cash flow from operating activities was primarily driven by the following key factors:

- Higher revenue from services, reflecting the effectiveness of the sales strategy.

- Effective cost control, resulting in higher operating profits.
- Efficient working capital management, such as the management of trade receivables and trade payables.

### **Cash Flow from Investing Activities**

In Q1/2025, the CMO Group had a net cash outflow from investing activities of THB -5.55 million, a decrease from the previous quarter, where the outflow was THB -17.62 million. The details of investing activities during this period include:

- Investment in operational assets to improve service efficiency.
- Investment in intangible assets, specifically in an ERP software system, to streamline work processes and enhance efficiency.

### **Cash Flow from Financing Activities**

In Q1/2025, the Group reported a net cash outflow from financing activities of THB -19.70 million, primarily due to the repayment of short-term loans and interest expenses, with no new borrowing. The Group opted to use cash flow from operations to finance its activities instead of relying on external funding sources. The Debt Service Coverage Ratio (DSCR) improved from -0.09 times in the same period last year to 0.27 times in the current quarter.

Overall, the Company had cash and cash equivalents of THB 136.21 million as of the end of Q1/2025, reflecting a significant increase of THB 85.58 million, or 59%, compared to the previous quarter. This increase in cash levels highlights the Group's effective cash flow generation capacity, which is well-positioned to support future operations and investments. The Company is expected to maintain its ability to generate cash flow continuously by managing costs efficiently and adapting strategies to changing economic conditions.

## Analysis of Key Financial Ratios

| Financial Ratios               | Unit  | Q1/2025 | Q1/2024 | Q4/2024 |
|--------------------------------|-------|---------|---------|---------|
| <b>Liquidity Ratios</b>        |       |         |         |         |
| Current Ratio                  | Times | 0.68    | 0.61    | 0.57    |
| Quick Ratio                    | Times | 0.61    | 0.48    | 0.48    |
| Cash cycle                     | Days  | -22     | 9       | -7      |
| Avg. inventory period          | Days  | 4       | 5       | 3       |
| Avg. collection period         | Days  | 40      | 76      | 62      |
| Avg. payment period            | Days  | 66      | 73      | 72      |
| Cash Liquidity Ratio           | Times | 0.14    | 0.07    | 0.30    |
| <b>Profitability Ratios</b>    |       |         |         |         |
| Gross Profit Margin            | %     | 32      | 17      | 22      |
| EBIT Margin                    | %     | 16      | -15     | -2      |
| Net Profit Margin              | %     | 12      | -19     | -7      |
| Return on Equity               | %     | 56      | -52     | -27     |
| <b>Efficiency Ratios</b>       |       |         |         |         |
| Return On Assets               | %     | 20      | -18     | -9      |
| Total Assets Turnover          | Times | 1.61    | 0.99    | 1.17    |
| <b>Financial Policy Ratios</b> |       |         |         |         |
| Debt to Equity Ratio           | Times | 1.79    | 1.51    | 1.83    |
| Interest Coverage Ratio        | Times | 15.08   | -6.71   | -1.09   |
| Debt to Assets Ratio           | Times | 0.64    | 0.60    | 0.65    |
| Net IBD to Equity              | Times | 0.81    | 0.89    | 0.94    |
| DSCR Ratio                     | Times | 0.27    | -0.09   | 0.10    |

### Liquidity Ratios

The Company has shown significant improvement in working capital management, reflected by the Current Ratio increasing from 0.61 times in the previous quarter to 0.68 times in Q1/2568. Additionally, the Cash Cycle has improved from 9 days in the same period last year to -22 days in Q1/2568. The Days Sales Outstanding (DSO) decreased significantly from 76 days to 40 days in Q1/2568, demonstrating the Company's effective short-term liquidity management.



### **Profitability Ratios**

The Company's Gross Profit Margin increased from 17% in the same period last year to 32%, indicating better cost control. The Net Profit Margin improved to 12% from -19% when compared to the previous year.

### **Efficiency Ratios**

The Return on Assets (ROA) reversed from -18% to 20%, demonstrating the Company's ability to generate returns from its assets effectively. The Asset Turnover increased from 0.99 times to 1.61 times, indicating more efficient use of assets.

### **Financial Policy Ratios**

The Debt-to-Equity (D/E) ratio increased from 1.51 times to 1.79 times, but remains at a manageable level that reflects the Company's careful management. The Interest Coverage Ratio improved significantly from -6.71 to 15.08 times, showing the Company's better ability to meet its interest payments. The Debt Service Coverage Ratio (DSCR) rebounded from -0.09 to 0.27, indicating that the Company has sufficient cash flow to meet its obligations.

### **Future Trends and Strategic Plans**

The management has a positive outlook on the event management and experiential marketing industry, particularly due to the ongoing economic recovery driven by increased marketing budgets from the private sector, as well as continued public sector activities and promotions. This trend is expected to significantly increase the demand for comprehensive event management services.

Therefore, the company has developed strategies to capitalize on future growth opportunities by focusing on expanding services to new customer segments and increasing service coverage for existing clients, particularly large corporations, state enterprises, and industries that regularly hold annual events.

In terms of technology, the company plans to continue investing in AR/VR systems, streaming platforms, and hybrid events to cater to changing customer behaviors. Additionally, the company aims to enhance its cost management capabilities through an ERP system, which is expected to reduce operational costs by 5-10% based on initial analysis.

The company targets maintaining a revenue growth rate of 15-20% per year while controlling expenses to align with an efficient cost structure. Moreover, the high level of cash

flow from operations will serve as a crucial financial foundation for supporting the business expansion plans in the long term.

Please be informed accordingly,

Sincerely Yours,

(Mr. Kitisak Jampathipphong)

Chief Executive Officer

CMO Public Company Limited