

Management Discussion and Analysis for the Third Quarter of Year 2016

Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the third quarter of year 2016 compared to the same period of prior year and compared to the prior quarter are as follows;

For the third quarter in 2016, the Group reported total revenues from sales and services at THB 239.4 million, increased by THB 11.3 million or 5.0% when compared to the same period of prior year. It mainly increased from the revenue of Turnkey Total Solutions. However, when compared to the prior quarter, the revenue had little decreased by THB 2.9 million or 1.2%.

The Group reported net profit for this quarter at THB 22.9 million, increased by THB 7.6 million or 49.3% when compared to the same period of prior year and also increased by THB 2.6 million or 12.5% when compared to the prior quarter. It resulted from the continuous growth of revenue and the increasing of gross profit margin. Net profit to total revenue was at 9.6% which increased both from the same period of prior year and from the prior quarter.

Revenues

The structure of revenues from sales and services for the three month period ended 30 September 2016 and 2015 are as follows;

Unit: THB million

	3/2016	3/2015	% Change	2/2016	% Change
1. Revenue from sales	18.3	10.5	74.3%	31.8	-42.5%
1.1 Turnkey Total Solutions	18.3	10.5	74.3%	31.8	-42.5%
2. Revenue from services	221.1	217.5	1.7%	210.4	5.1%
2.1 Fully Outsourced Contact Center Management Service	164.2	153.4	7.0%	160.7	2.2%
2.2 Outsourced Contact Center Facility	22.0	33.9	-35.1%	22.0	0%
2.3 Outsourced Customer Service Representative	24.0	23.9	0.4%	19.7	21.8%
2.4 Maintenance Service	10.9	6.3	73.0%	8.0	36.3%
Total revenues from sales and services	239.4	228.0	5.0%	242.2	-1.2%

1. Revenue from sales

1.1 Turnkey Total Solutions generated revenue of THB 18.3 million in this quarter, increased by THB 7.8 million or 74.3% when compared to the same period of prior year. It was due to the increasing of number of projects from Private sector in this quarter. However, when compared to the prior quarter, it decreased by THB 13.5 million or 42.5% which was mainly from the Government and State Enterprise sector.

2. Revenue from services

Revenue from services for this quarter was totally at THB 221.1 million, slightly increased by THB 3.4 million or 1.7% when compared to the same period of prior year and also increased by THB 10.7 million or 5.1% when compared to the prior quarter. The details are as follows;

- 2.1 Revenue from Fully Outsourced Contact Center Management Service** for this quarter was THB 164.2 million, increased by THB 10.8 million or 7.0% when compared to the same period of prior year. It was resulted from the increasing in number of new customers and the continuously rendering of service to the existing customer which conform to the expanding of customer's business. The increasing revenues mainly come from the Private sector like Consumer goods, Energy and Insurance, etc. Also, the revenue was increased by THB 3.5 million or 2.2% when compared to the prior quarter which mainly from the expansion of service rendering to the existing customer especially for Private sector like Consumer goods and Airlines, etc.
- 2.2 Revenue from Contact Center Facility Outsourced** for this quarter was THB 22.0 million, decreased by THB 11.9 million or 35.1% when compared to the same period of prior year. It was mainly decreased from the Government and State Enterprise sector and the insurance of private sector. When compared to the prior quarter, the revenue was steady at the same level of the prior quarter.
- 2.3 Revenue from Customer Service Representative Outsourced** for this quarter was THB 24.0 million, which was quite similar to the same period of prior year and increased by THB 4.3 million or 21.8% when compared to the prior quarter. It mainly increased from new customers of the Government and State Enterprise sector.
- 2.4 Revenue from Maintenance Service** for this quarter was THB 10.9 million, increased by THB 4.6 million or 73.0% when compared to the same period of prior year and also increased by THB 2.9 million or 36.3% when compared to the prior quarter. It increased from new projects of the Government and State Enterprise sector.

Gross Profit

For this quarter, gross profit margin of the Group was reported at 18.5%, increased from 15.2% of the third quarter in year 2015 and from 16.6% of the prior quarter. It mainly due to the cost management of some projects which resulted to increase in gross profit margin.

Selling Expenses, Administrative Expenses, Other Expenses and Finance Costs

The Group has selling expenses, administrative expenses, other expenses and financial cost for this quarter totally at THB 16.2 million, decreased by THB 1.2 million or 7.0% when compared to the same period of prior year and slightly decreased by THB 0.5 million or 3.1% when compared to the prior quarter. It mainly decreased from employee benefit expenses.

Net Profit

The Group reported net profit for this quarter at THB 22.9 million, increased by THB 7.6 million or 49.3% when compared to the same period of prior year and also increased by THB 2.6 million or 12.5% when compared to the prior quarter. It resulted from the continuous growth of revenue and the increasing of gross profit margin. Net profit to total revenue was at 9.6% which increased both from the same period of prior year and from the prior quarter.

Financial Position

As at 30 September 2016, the Group reported total assets at THB 967.2 million, decreased by THB 51.4 million or 5.0% when compared to the end of the prior year. It was mainly from the depreciation of equipments during the period and also the debt collection of finance lease receivable.

Total liabilities were represented at THB 115.2 million, decreased by THB 64.5 million or 35.9% when compared to the end of the prior year. It decreased mainly from trade and other payables. Total shareholders' equity was reported at THB 852.0 million, increased by THB 13.1 million or 1.6% when compared to the end of the prior year.