

PB – IR/17-00003

August 10, 2017

Subject: Submission of Financial Statements and the Management Discussion and Analysis of Plan B Media Public Company Limited (“the Company”) for the three-month period ended June 30, 2017 (“2Q17”)

To: The President
The Stock Exchange of Thailand

We are pleased to submit the following documents:

1. A copy of the Company Only and Consolidated Interim Financial Statements for the three-month period ended June 30, 2017 (a copy in Thai and English).
2. Management Discussion and Analysis (MD&A) for the three-month period ended June 30, 2017 (a copy in Thai and English).
3. The Company's performance report, Form F45-3 for the three-month period ended June 30, 2017 (a copy in Thai and English).

Please be informed accordingly.

Sincerely yours,

(Pinijsorn Luechaikajohnpan, Ph.D.)
Authorized Director

Executive Summary

1.1 Key Financial Highlights for 2Q 2017

- Total Revenue was THB 740.1 million for the quarter, an increase of 20.7% from the corresponding period of the previous year.
- EBITDA was THB 264.7 million for the quarter, an increase of 12.5% from the corresponding period of the previous year.
- Net Profit was THB 121.0 million for the quarter, an increase of 9.4% from the corresponding period of the previous year.

Unit: Million Baht	2Q2017	% Change (YoY)
Total Revenue	740.1	20.7%
EBITDA	264.7	12.5%
Net Profit ¹ (excluding ESOP program expenses)	124.4	6.0%
Net Profit	121.0	9.4%

1/ Net profit excluded ESOP expense (1st and 2nd program) which was paid to employees and management in 2Q2017 totaling 3.4 million baht. The 2nd ESOP program was approved by the 2016 Annual General Meeting of Shareholders and such ESOP expenses were recorded as share-based payment from the second quarter of 2016 until the second quarter of 2017 totaling 25.4 million baht. However, the 2017 annual General Meeting of Shareholders resolved to cancel such ESOP program, allowing the Company to record a full amount of such ESOP expense of 25.4 million baht as additional retained earnings in May 2017.

1.2 Summary of Other Important Details

- The Company experienced strong growth from all media platforms especially out-of-home digital media and airport media that grew significantly as a result of new media development in the previous year. Other media also enjoyed rising utilization rates derived from the Company's marketing efforts in acquiring market share from other advertising media. Moreover, the sport's marketing business that the Company entered into in 2016 also contributed to business growth in the second quarter of 2017 amidst a slowdown in the overall advertising media industry.
 - The development of new out-of-home media by the Company and the continuous diversification of our media offering has helped boost media capacity for the second half of 2017 to 2,100 million baht, growing 10.8% from the same period last year.
 - Total revenue of the Company reached 740.1 million baht growing 20.7% from the same period last year due to new media development, sport's marketing revenue growth and revenue from as M&A activities executed in 2016.

- The Company's media offering continues to be well-received by the market. Although the Company kept developing new advertising media, the Company was also successful in increasing utilization rates through implementation of its marketing strategies. As a result, the overall utilization rate for this quarter topped 70%.
- Our commitment to business expansion and the development of new media assets resulted in increased fixed expenses such as depreciation and rent. Consequently, the ratio of fixed costs to total revenue during 2Q 2017, which is still in the low season, was relatively high resulting in a net profit margin of 16.3%. However, the net profit margin for 2Q 2017 was still above the average net profit margin for 2016 of 14.4%. This signifies that the net profit margin for 2017 is likely to improve materially from the past year.
- Key developments in the past quarter in enhancing our media service capacity to support future media demand included;
 - Setting up Panyathip PlanB Media Laos Co., Ltd. to extend the out-of-home media business to Laos PDR under a joint venture with Panyathip Advertising Co., Ltd. who is one of the market leaders in the provision of advertising media services in Laos PDR.
 - Launching BKK20 Digital Network, a digital media package that responds to diverse needs of marketers in out-of-home advertising media.
- The Company's outlook for 2017
 - The economic situation is expected to be favorable for the Company's business as there are signals that the economy will experience a solid recovery in the second half of 2017 and media demand from manufacturers and service providers is likely to follow-on. Furthermore, the Company's investment in increasing effective media coverage has enabled the Company to enhance its capabilities in accruing market share from other types of advertising media. Considering the cost structure of the Company, which has a high proportion of fixed costs to revenue, the recovery of the Thai economy and advertising industry will directly benefit Company's business through operating leverage achieved from higher utilization rates. Thus, the Company expects that profitability will improve in the second half.
 - The Company has introduced the ASEAN OOH Media Network Package that allows the key target group of large multinational corporations with consumer bases spreading across countries in ASEAN to better select an advertising media network that is more effective and faster in reaching consumers in the region under PlanB standards.

- The media coverage for digital media in Bangkok and other provinces will be expanded.
- The Company will expand its airport media to capitalize on the growth in air travel and the target marketing opportunity this media platform provides. Currently, the Company already offers media services in all airports operated by the Airports of Thailand PLC (“AOT”) and the Department of Airports.
- The Company will focus on business development in agency services to derive additional revenues from the unutilized rights of the Football Association of Thailand (“FAT”) and Thai League Co., Ltd.(“TL”)

2. Economic and Media Industry Environment

Overall the Thai economy showed good signs of recovery mainly driven by the export sector that expanded 8%² from the same period in the previous year on the back of recovery in the world economy. Moreover, the economy also benefited from growth in tourism sector with the number of foreign tourists growing at a rate of 7.6%³ from the same period last year. These positive factors drove economic growth for the first half of 2017 to 3.3%⁴ - higher than previously expected.

Despite the higher-than-expected economic expansion in the first half of 2017, private consumption was still affected by decreasing household confidence which was down to 38.8⁵ at the end of the second quarter of 2017. In addition, the first half of the year is considered a lower spending season for the media industry as manufacturers and service providers slow down their ad spending. This resulted in a drop in overall advertising spend in the second quarter of 2017 by -12.5%⁶ compared to the same period last year. There were changes in ad spending in different channels in this quarter compared to the same quarter last year. Firstly, overall TV media (analog, digital and cable) recorded a negative growth of -13.7% while internet media, according to the Neilson Company (Thailand) Co., Ltd. fell -9.7%, in contrast to the forecast by the Association of Digital Advertising of Thailand which expected 2017 growth to be 24%, driven by higher internet penetration rates especially via mobile phones. Such viewers use internet for communicating, viewing content, as well as buying and selling products and services. As online media offers data analysis enables advertisers to show direct content to specific target groups to enhance advertising efficiency, businesses have been allocating increasing marketing spend to online media relative to traditional media. For out-of-home media and in-mall media, the business performed reasonably well with growth of 10.6% and 15.8% respectively from the same period last year. The outperformance of out-of-home media was a result of an

² Source: Bank of Thailand

³ Source: Bank of Thailand

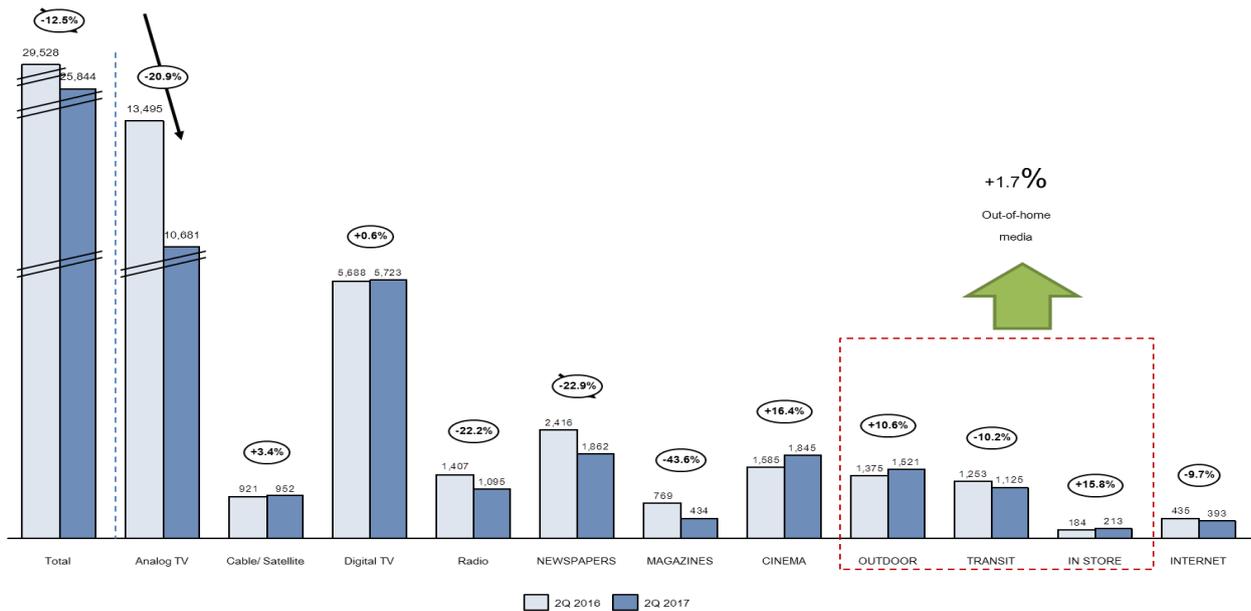
⁴ Source: Bank of Thailand

⁵ Source: Bank of Thailand

⁶ Source: The Nielsen Company (Thailand)

advance in media technology in the past few years which enhances the presentation format such as fast expansion of out-of-home digital LED and touch-screen technology which enables two-way communications with target group, thus attracting marketer’s attention. Also, on the back of continued urbanization and changing consumer behavior, people are spending more time outside their residences which is positive for out-of-home media growth. For these reasons, out-of-home media remains well-accepted by manufacturers and service providers. Unlike other out-of-home media, transit media offered in public transportation systems experienced negative growth of -10.2%. This is attributed to the fact that the rainy season started early which significantly affected demand in using public transportation.

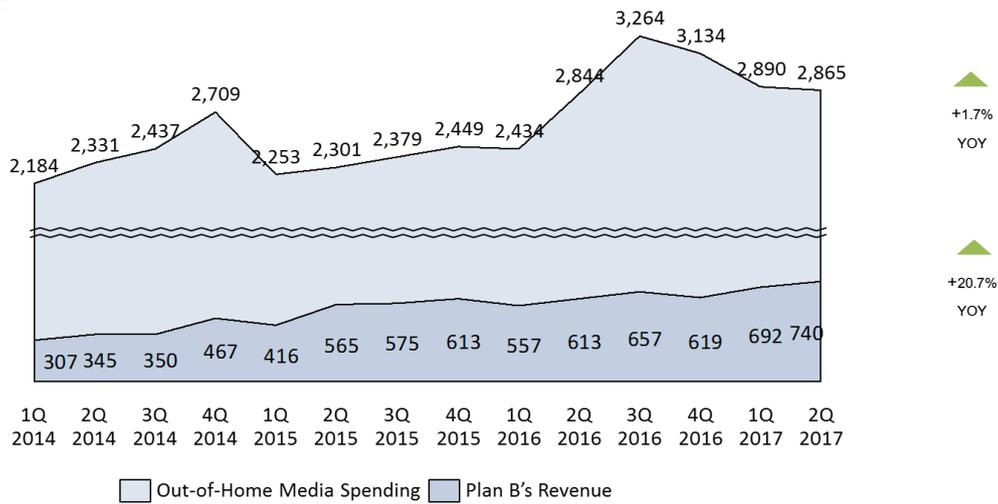
Even though overall media industry in the second quarter of 2017 recorded a negative growth of -12.5% from the same period in 2016, the Company still sustained strong growth. Total revenue of the Company jumped 20.7% from the same period last year, significantly higher than the industry average. Investment in new media development and the shift of advertisers from traditional media like television and print publications contributed to the outperformance as advertisers spent more on out-of-home media where advertising rates are lower and better fit with current consumer behavior trends. For the second quarter of 2017, the advertising share of out-of-home media rose to 11.1% from 9.5% in the same period last year.



Overall Media Spending for 2Q 2016 and 2Q 2017⁷ (Million Baht)

Spending for out-of-home media grew at 1.7% on average in 2Q 2017 compared to the previous year while the overall advertising industry shrank at a rate of -12.5%.

⁷ Source: The Nielsen Company



Spending for Out-of-Home Media Compared to Quarterly Revenue of the Company⁸ (Million Baht)

Total revenue of the Company in the second quarter of 2017 was at 740.1 million baht which is equivalent to 20.7% growth from the same period last year. Total revenue for this quarter outpaced the fourth quarter of 2016 when media spending was at its highest of the year. This signifies positive revenue growth potential for the second half of the year.

3. Key Developments for 2Q 2017

The Company made progress during the quarter in developing its advertising media business in Thailand and across the ASEAN region to enhance its capabilities in several markets to capture increasing demand in the region.

Key developments are summarized below.

- o Panyathip PlanB Media Laos Co., Ltd. was incorporated to expand into out-of-home media business in Laos PDR. The new company is a 50:50 joint venture with Panyathip Advertising Co., Ltd. – one of the leading advertising media providers in Laos PDR offering 63 large billboards. The objective of the joint venture is to introduce the highly successful out-of-home media business and strong customer base from Thailand, including media innovation, to lift quality of urban society in Laos PDR.

Sample of a large billboard of Panyathip Advertising Co., Ltd. in Laos PDR



⁸ Source: The Nielsen Company and Plan B Media PCL.

- o The Company has diversified into a variety of out-of-home digital media by introducing BKK20 Digital Network that includes 5 large digital displays and 15 medium-sized digital displays in the package. Marketers can choose the right areas that fit their marketing plan from 4 offered packages.

Sample of BKK20 Digital Network in different locations



Summary of Performance

4.1 Service Revenue

The Company's total service revenue in the second quarter of 2017 stood at 734.4 million baht, a big jump of 21.0% from the same period last year thanks mainly to the continuous expansion in its media capacity especially digital media and airport media. Additionally, the Company also started to realize the revenue generated from fees made through the rights management for the Football Association of Thailand and Thai League Co., Ltd. Revenue by types of media are outlined below.

4.1.1 Revenue from static media soared to 181.5 million baht, equal to 26.2% growth compared to the same period last year thanks to higher utilization rates.

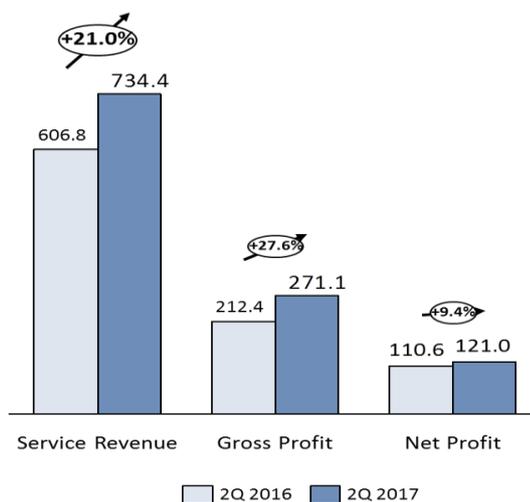
4.1.2 Revenue from digital media was recorded at 311.0 million baht or an increase of 18.8% from last year. The growth was mainly driven by the expansion of PlanB TV Nationwide coverage to 45 provinces across Thailand from its commencement in the third quarter of 2016 as well as overall utilization rate that improved from the same period last year.

4.1.3 Revenue from transit media grew at an anemic rate of 0.4% from the same quarter in 2016 to 142.2 million baht in the second quarter of 2017 as transit media was directly affected by the early rain season and the delay of Bangkok Mass Transit Authority project to change to a new fleet of buses. The Company expected that the project will be completed by 2018 and boost the demand in this type of media in the long run thanks to the more attractive exterior of the buses.

4.1.4 Revenue from in-mall media stood at 26.7 million baht, equal to a 7.7% increase from last year. The growth was mainly due to higher utilization rates.

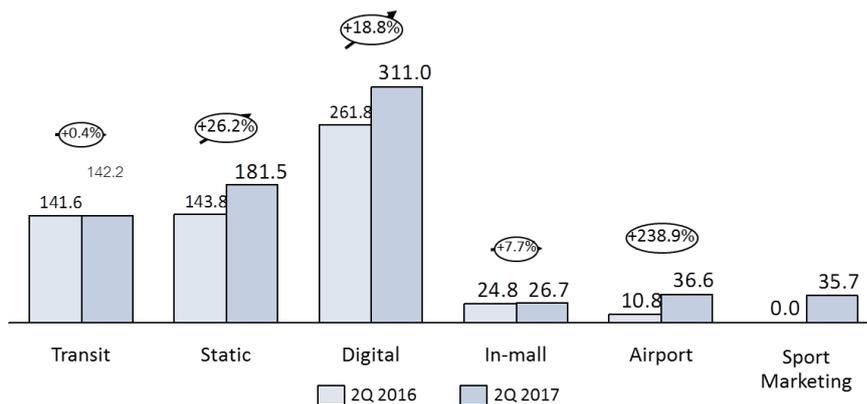
4.1.5 Revenue from airport media skyrocketed 238.9% from last year to 36.6 million baht. This is a result of a rapid expansion in service areas in airports covering 31 airports nationwide as well as a diversification into various digital media in Don Muang Airport and other airports across the country.

4.1.6 Revenue from sport marketing for the second quarter of 2017 was recorded at 35.7 million baht. The revenue was derived from management fees the Company received from managing rights for the Football Authority of Thailand and Thai League Co., Ltd.



Total Revenue, Gross Profit and Net Profit for 2Q 2016 and 2Q 2017 (Million Baht)

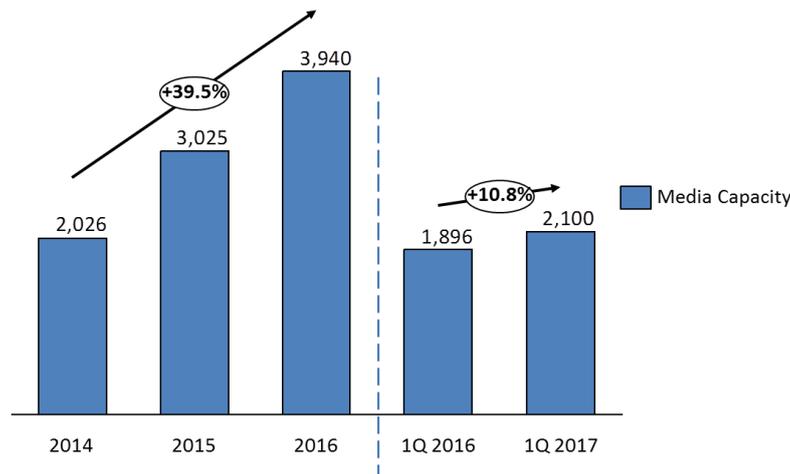
The Company's gross profit grew at a rate exceeding the growth of total revenue due to the performance of the sport's marketing business and the higher utilization rate, increasing from 58.8% to 70.5%. However, net profit grew at a slower rate than total revenue and gross profit due to rising SG&A expenses from business expansion especially M&A activities in the past year.



Revenue by Type of Media for 2Q 2016 and 2Q 2017 (Million Baht)

Revenue from digital media, in-mall media and airport media experienced significant growth rates compared to the same period in the previous year as a result of aggressive media capacity expansion in the past year.

Through our commitment in expanding our current media network together with our continuous introduction and development of new forms of media to the market since 2014, current media capacity of the Company in the second half of 2017 reached 2,100 million baht or equivalent to 10.8% growth.



Media Capacity 2014-2017 (Million Baht)

The Company constantly invests in the development of new media to enhance its future revenue generating capability. Media capacity recorded an average of 39.5% growth from 2014 to 2017 while media capacity soared 10.8% in the first half of 2017 compared to the same period in the previous year.

4.2 Cost

Total cost of the Company for the second quarter of 2017 was 584.8 million baht, an increase of 20.2% from the same period last year. Service costs edged up from the expansion in service areas in the past year. Details of expenses are listed below:

4.2.1 Service costs for the second quarter of 2017 rose 17.0% from last year to 469.0 million baht mainly due to the expansion of service footprints and media capacity in the past year. This drove variable costs upward in tandem with business expansion e.g. electricity, maintenance etc. The rise in service costs is also impacted by the expenses incurred in the sport's marketing business that commenced in the third quarter last year.

4.2.2 Selling, general and administrative expenses for the second quarter of 2017 amounted to 115.8 million baht, equal to a 34.8% increase from the same period last year. The key factors are SG&A expenses from subsidiaries acquired last year as well as expenses related to employees which rose in line with the higher number of employees. SG&A cost to total revenue ratio for the second quarter of 2017 stood at 15.7%, a mild increase from 14.0% in the same period last year. However, this ratio is likely to fall in the future as economies of scale and expense reduction from redundant work materialize.

4.3 Profit

For the second quarter of 2017, the Company earned a net profit of 121.0 million baht which is equal to a 9.4% increase from the previous year. New media development and enhanced revenue-generating capacity contributed to this net profit growth. Net profit margin dropped modestly to 16.3% in the second

quarter of 2017 compared to 18.0% in the same period last year as a result of rising fixed cost from continuous new media development (e.g. depreciation and rent). Therefore, during the seasonally lower demand season in a softer economy, the Company's fixed cost to revenue ratio is likely to go up while the net profit margin will go down.

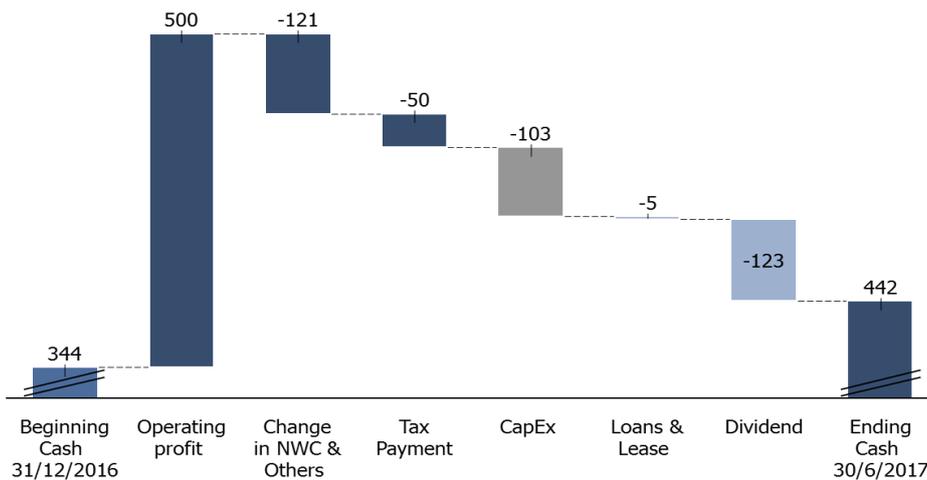
4.4 Financial Position

As of June 30, 2017, total assets of the Company were THB 3,915.7 million which increased by 6.6% from year end 2016. The increase in total assets was mainly due to business expansion.

The Company's total liabilities were equal to THB 622.0 million, which increased by 25.3% from year end 2016 due to growth in account payable from increase in sale revenue.

The total shareholders' equity was THB 3,293.8 million which slightly increased by 6.6%. This was attributable to the increase in retained earnings appropriated from net profit for the period.

4.5 Liquidity and Cash Flow Position



The Company had cash and cash equivalents at the end of 2Q 2017 in the amount of THB 442.4 million, increasing by THB 98.7 million from the ending period of 2016. During the period, the Company recorded THB 329.4 million net cash provided by operating activities; THB 103.0 million net cash used in investing activities; THB 127.6 million net cash used in financing activities. The cash at the ending period is sufficient to fund capital expenditure and projects.

5. Key Financial Ratio Position

Profitability Ratios		2Q 2016	2Q 2017
Gross Profit ⁹	(%)	34.6	36.6
EBITDA	(%)	38.4	35.8
EBIT	(%)	20.7	21.1
Net Profit	(%)	18.0	16.3
Return on equity ¹⁰	(%)	13.9	14.7

Liquidity Ratio		2Q 2016	2Q 2017
Current Ratio	(Times)	3.3	3.2
Quick Ratio ¹¹	(Times)	2.2	2.3
Average collection period	(Days)	103	114
Payment days	(Days)	82	89

Efficiency Ratios		2Q 2016	2Q 2017
Return on assets ⁹	(%)	12.9	12.4
Asset turnover	(Times)	0.7	0.8

Leverage Ratio		2Q 2016	2Q 2017
Liability to Equity	(Times)	0.2	0.2

⁹ Calculated on Total Revenues

¹⁰ Annualized by using the quarter no. x 4

¹¹ (Cash and Cash Equivalents + Trade and other receivables) / Current Liabilities

6. Trends and Developments in 2017

Thai economy beat expectations on growth in the first half of 2017 while positive signs remain for solid growth in the second half of 2017 especially in the context of stronger export and tourism sectors as well as rising government expenditure. This will further promote Thailand's economic expansion and growth is expected to reach 3.4%¹² for the second half of 2017. These favorable factors will support higher purchasing power and growing household income and thus rising sales revenue during the recovery. The Company estimates that advertising demand and budgets from manufacturers and service providers will continue to increase during the second half of 2017. In addition, changing consumer behavior towards spending more time outside their residences will further attract more manufacturers and services providers to spend more on out-of-home media where the Company has a stronger presence.

Mindful of these industry trends, the Company aggressively invests in and develops its media coverage to improve its competitiveness and ramp up its service capabilities for the future. These strategies are focused on executing our vision to become a world leader in the out-of-home media industry over the long run. In 2017, the Company is prepared to continue its business expansion to sustainably gain competitive advantages as outlined below.

- The Company has introduced the ASEAN OOH Media Network Package, a media package aiming to serve large multinational corporations with customer bases spreading over various countries in the ASEAN region. The ASEAN coverage service will enable the target group of large multinational corporations to select media networks most effective in reaching region-wide consumers under Plan B standards in an instant. Furthermore, the high-value regional network package allows Plan B to offer better pricing and promotion campaigns than competitors in each country. Through a package covering multiple countries, Plan B can directly access regional advertising budgets and outrun competition from media service providers in an individual country.
- The Company will continue to expand of out-of-home media coverage in Bangkok as well as upcountry to support growth in major cities outside Bangkok according to the media network expansion plan as follows:
 - Digital media: For 2017, the Company is committed to expanding its digital media network in key strategic locations in Bangkok as has been well-received by the market in the past few years. Furthermore, the Company plans to extend Plan B TV Nationwide media network coverage beyond its current 63 locations to over 96 locations across the country during 2017.

¹²Source: Kasikorn Research Center

- Airport media: Apart from the launch of Air Traveller services in over 31 airports operated by the Airports of Thailand PLC (“AOT”) and the Department of Airports at present, the Company proposes to add more media space in airports in order to improve penetration to the target group of travelers - businessmen as well as Thai and foreign tourists with purchasing power. This target group consists of over 125 million passengers a year and grows at a rate of 23.6¹³ % annually.
- The Company will continue to develop its agency business to manage unutilized commercial rights of FAT and TL such as rights to manufacture and sell products under the copyright of FAT and TL, which is expected to generate additional revenue from selling products/services that need FAT’s trademarks to add value and enhance sales.

¹³ Source: Airports of Thailand PLC (AOT)