

## **BUSINESS HIGHLIGHTS 1Q 2021/22**

Despite the challenges of COVID-19, VGI Group thrives in pursuing operational efficiency across its subsidiary companies and recorded positive net profit at THB 10mn in 1Q 2021/22.

- **Total revenue was THB 596mn, an increase of 33.7% YoY due to the organic growth in both OOH Advertising and Digital Services business**
  - OOH Advertising revenue increased by 41.9% YoY to THB 378mn
  - Digital Services revenue increased by 21.6% YoY to THB 218mn
- **Net profit was THB 10mn, an increase of 109.7% YoY**
- **No. of Rabbit Cards reached 14.3mn cards, an increase of 7.5% YoY**
- **No. of Rabbit LinePay users reached 8.6mn users, an increase of 12.1% YoY**
- **Established further milestone in e-Commerce ecosystem through 51.0% investment in Fanslink Communication Company Limited**

## **KEY BUSINESS AND STRATEGIC UPDATES IN 1Q 2021/22**

### **1) ADVERTISING**

#### **Amplifying marketing effectiveness through consumer engagement**

- Our Out-of-Home (“OOH”) media continues to provide ‘high visibility’ and non-traditional advertising by fostering lasting consumer-brand relationships through ‘engagement’, which is the key to amplifying marketing effectiveness. Noteworthy campaigns during the quarter included Olympic Games Tokyo 2020, Marimekko and the launch of Kakao Webtoon application, an entertainment content platform. Utilising all of VGI’s OOH media, Rabbit card, together with Augmented Reality (AR) technology to promote marketing campaigns among target consumers.

**The Olympic Games Tokyo 2020 Highlight**



**Marimekko Train Wrap**



**Kakao Webtoon Rabbit Card**



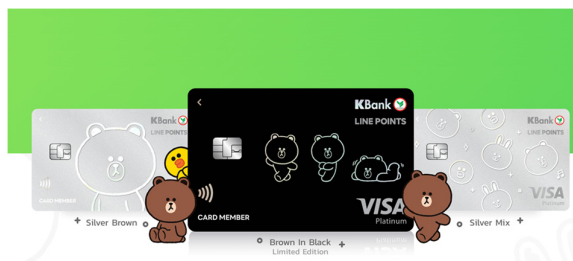
**Kakao Webtoon advertising with AR technology**



## 2) PAYMENT

### Boosted Rabbit LINE Pay users through the partnership with KBank

- Rabbit LINE Pay Company Limited (“RLP”) partnered with Kasikornbank Public Company Limited (KBank) to launch LINE POINTS Credit Card to capitalise on the ‘new normal’ spending trend of new generation consumers. This initiative aims to make spending via smartphone more convenient in line with the lifestyle of the digital era, which will strengthen the RLP’s e-Wallet services.



### Continued to experience strong user growth

- The number of Rabbit Cards is 14.3mn, an increase of 7.5% YoY
- Through our synergetic partners and organic expansion, RLP currently serves more than 8.6mn users, an increase of 12.1% YoY

## 3) NEW INITIATIVE

### Elevated VGI businesses by adding a further component to our e-Commerce ecosystem

- VGI, through BSS Holdings Company Limited successfully acquired 51.0% in Fanslink Communication Company Limited (“Fanslink”), an omni-Channel e-Commerce service provider and the leading brand management for Chinese brands. This partnership will be a major opportunity for both companies to broaden their business capabilities. Fanslink’s innovative e-Commerce business model together with VGI ecosystem will create new strategic synergies that will provide several value-added to our products and services for customers.

### Shareholder Structure

Pre shareholding structure  
Total shares of 2,000,000 shares



Post shareholding structure  
Total shares of 4,081,633 shares



<sup>1</sup>Includes 1) Mr. Phoeng Lui and 2) Mr. Hui Li

## 4) AWARDS AND SOCIAL RESPONSIBILITY

### Award

- The Most Innovative O2O Solutions for Advertising, Payment and Logistics Platforms for the 2<sup>nd</sup> consecutive year** – awarded by International Finance Award (IFA), a premium business and finance magazine of UK’s International Finance Publication.

### Social Responsibility

- Free media for COVID-19 publication** – offered free media air-time space to build awareness and educate the public about COVID-19 vaccination and update COVID-19 situation under the project ‘#Teamthailand’.

# VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 1Q 2021/22 ENDED 30 JUNE 2021

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## CONSOLIDATED P&L SNAPSHOT

THB (mn)	1Q 2020/21	4Q 2020/21	1Q 2021/22	QoQ (%)	YoY (%)
<b>Operating revenue</b>	<b>445</b>	<b>637</b>	<b>596</b>	<b>-6.6%</b>	<b>33.7%</b>
Cost of sales	(333)	(422)	(410)	-2.9%	23.2%
Gross profit	112	215	185	-13.8%	65.0%
SG&A	(241)	(231)	(251)	8.7%	4.1%
Share of profit (loss) from JVs & associates	(22)	(129)	38	129.2%	272.3%
EBITDA	(22)	607	119	-80.3%	639.5%
EBIT	(129)	477	(4)	-100.8%	97.1%
Interest expenses	(17)	(19)	(15)	-21.8%	-16.1%
Tax	23	(111)	7	106.3%	-70.1%
<b>Net profit*</b>	<b>(104)</b>	<b>359</b>	<b>10</b>	<b>-97.2%</b>	<b>109.7%</b>

Gross profit margin	25.2%	33.7%	31.1%		
EBITDA margin	-5.0%	95.2%	20.0%		
Net profit margin	-23.3%	56.3%	1.7%		

\*As shown in financial statement, excluding minority interest.

## REVENUE BREAKDOWN (THB mn)

THB (mn)	1Q 2020/21	4Q 2020/21	1Q 2021/22	QoQ (%)	YoY (%)
<b>OOH Advertising</b>	<b>266</b>	<b>335</b>	<b>378</b>	<b>12.6%</b>	<b>41.9%</b>
Transit	236	292	349	19.7%	47.5%
Office and Other	30	44	29	-34.2%	-2.8%
<b>Digital Services</b>	<b>179</b>	<b>302</b>	<b>218</b>	<b>-27.8%</b>	<b>21.6%</b>
<b>Total revenue</b>	<b>445</b>	<b>637</b>	<b>596</b>	<b>-6.6%</b>	<b>33.7%</b>

## % Contribution to total revenue

	1Q 2020/21	4Q 2020/21	1Q 2021/22
<b>OOH Advertising</b>	<b>59.8%</b>	<b>52.6%</b>	<b>63.4%</b>
Transit	53.1%	45.7%	58.6%
Office and Other	6.7%	6.9%	4.8%
<b>Digital Services</b>	<b>40.2%</b>	<b>47.4%</b>	<b>36.6%</b>
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## **PERFORMANCE ANALYSIS (1Q 2021/22 vs 1Q 2020/21)**

During 1Q 2021/22, the COVID-19 situation in Thailand remained volatile due to the surge of new COVID-19 cases beginning in April 2021. Nevertheless, VGI saw its revenue increase by 33.7% YoY to THB 596mn with a positive net profit of THB 10mn in this quarter. This was mainly a result of the Group's experience during the past year, which allowed it to put in place measures to effectively mitigate the impact of the pandemic and prepare for any future unforeseen crisis.

**OOH Advertising revenue** was THB 378mn, an increase of 41.9% YoY from THB 266mn. The increase was mainly driven by an organic growth in all media segments from the implementation of an early-booking campaign, whereby the Company offered a special package for long-term commitment clients. In addition, the Company recognised revenue from sale of Street Furniture media, which was recorded under Transit media segment.

- **Transit media revenue** was THB 349mn, an increase of 47.5% YoY from THB 236mn.
- **Office and Other media revenue** was THB 29mn, a decrease of 2.8% YoY from 30mn.

**Digital Services segment revenue** increased by 21.6% YoY to THB 218mn, mainly from higher insurance commission fees and lead generation under Rabbit Group.

Revenue growth was also reflected in **cost of sales** which came to THB 410mn, increasing 23.2% YoY. **Cost-to-sales ratio** decreased to 68.9% (prior year: 74.8%), and as a result **gross profit margin** increased to 31.1% (prior year: 25.2%).

The continued growth was also accompanied by an increase in **selling, general and administrative expenses ("SG&A")** to THB 251mn, an increase of 4.1% YoY. SG&A to revenue ratio decreased to 42.1% (prior year: 54.1%) due to revenue increasing faster than SG&A.

The Company recorded **share of profit from investments in joint ventures and associates** of THB 38mn (prior year: share of loss THB 22mn). The positive result was primarily from the reduced operational loss of Master Ad Public Company Limited. Such developments were from the recognition of a minimum guarantee from domestic advertising business and the success of negotiation to reduce Kuala Lumpur International Airport (KLIA)'s concession cost in international advertising business.

Altogether, the Company recorded **net profit** of THB 10mn, increasing by 109.7% YoY and **net profit margin** of 1.7%.

## FINANCIAL POSITION

### ASSETS

ASSETS BREAKDOWN	31 MARCH 2021		30 JUNE 2021	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and other current financial assets	1,461	7.0%	1,606	7.9%
Trade & other receivables	794	3.8%	790	3.9%
Equipment – net	1,220	5.8%	1,177	5.8%
Investment in JVs, associates and other non-current financial assets	15,019	71.6%	14,167	70.0%
Goodwill/ Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree	291	1.4%	291	1.4%
<b>Other assets</b>	<b>2,185</b>	<b>10.4%</b>	<b>2,221</b>	<b>11.0%</b>
<b>Total assets</b>	<b>20,970</b>	<b>100.0%</b>	<b>20,252</b>	<b>100.0%</b>

**Total assets** as of 30 June 2021 stood at THB 20,252mn, a decrease of THB 718mn or 3.4% from THB 20,970mn as of 31 March 2021.

**Total current assets** were THB 3,280mn, increasing by 2.2% or THB 70mn, primarily from an increase in 1) cash & cash equivalents and other current financial assets of THB 145mn. However, the increase in current asset was mainly offset by a decrease in 2) prepaid expenses of THB 56mn, 3) other current assets of THB 14mn.

**Total non-current assets** stood at THB 16,972mn, decreasing by 4.4% or THB 788mn, due to a decrease in 1) investment in JVs, associates companies and other non-current financial assets of THB 852mn, which was mainly from the change in fair value of investment in Plan B Media Public Company Limited and iClick Interactive Asia Group Limited.

**Trade and other receivables** were THB 790mn, decreasing by 0.4% or THB 4mn. As of 30 June 2021, the allowance for expected credit losses was THB 163mn. Average collection period at end of this quarter was 101 days, which decreased from 137 days as of 31 March 2021.

AGING OF TRADE RECEIVABLES (THB mn)	31 MARCH 2021	30 JUNE 2021
Not yet due	307	301
Up to 6 months	96	132
Over 6 months	190	165
Allowance for expected credit losses	170	163
Total	423	435
% of total trade and other receivables	53.3%	55.1%

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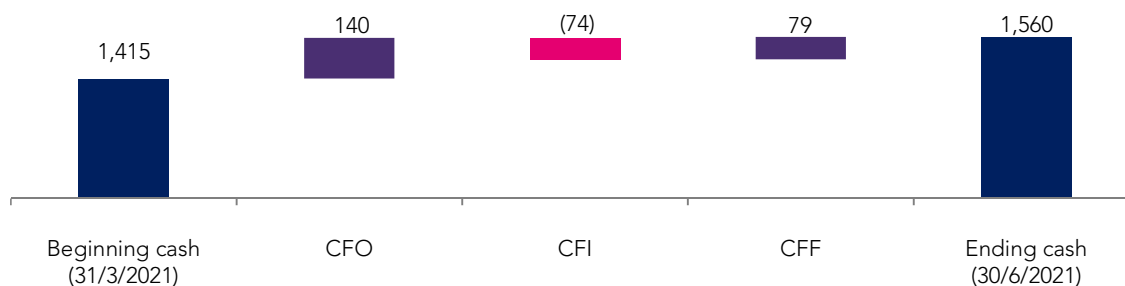
## LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 MARCH 2021		30 JUNE 2021	
	(THB mn)	% out of total	(THB mn)	% out of total
Trade & other payables	399	1.9%	465	2.3%
Accrued expenses	377	1.8%	358	1.8%
Current portion of long-term loans from financial institutions	1,159	5.5%	1,173	5.8%
Other current liabilities	1,248	5.9%	1,213	6.0%
Other non-current liabilities	724	3.5%	582	2.9%
<b>Total liabilities</b>	<b>3,907</b>	<b>18.6%</b>	<b>3,790</b>	<b>18.7%</b>
<b>Shareholders' equity</b>	<b>17,063</b>	<b>81.4%</b>	<b>16,462</b>	<b>81.3%</b>
<b>Total liabilities and equity</b>	<b>20,970</b>	<b>100.0%</b>	<b>20,252</b>	<b>100.0%</b>

**Total liabilities** were THB 3,790mn, a decrease of THB 117mn or 3.0% from THB 3,907mn as of 31 March 2021 mainly from a decrease in 1) deferred tax of THB 152mn and 2) other current liabilities of THB 40mn. However, this decrease was offset by an increase in 3) trade and other payables of THB 66mn.

**Total equity** was THB 16,462mn, decreasing by THB 601mn or 3.5%, mainly due to a decrease in 1) other components of shareholders' equity, which declined mainly from the loss on investments in equity instruments designated at fair value through other comprehensive income of THB 698mn. However, this decrease was mainly offset by an increase in 2) non-controlling interests of the subsidiaries of THB 86mn.

## LIQUIDITY AND CASH FLOW (THB mn)



For the three months ended 30 June 2021, **net cash from operating activities** was THB 140mn. **Net cash used in investing activities** was THB 74mn mainly from cash paid for 1) capital expenditures of THB 62mn, 2) purchases of investment in associates and advances payment for acquisition of investment of THB 89mn. These were offset by cash received from 3) dividend income of THB 73mn. **Net cash from financing activities** was THB 79mn mainly from cash received from 4) non-controlling interests for issuance of ordinary shares of subsidiary of THB 108mn. These was offset by cash paid for 5) repayment of lease liabilities of THB 29mn.

# VGI PUBLIC COMPANY LIMITED

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## FINANCIAL RATIOS

Profitability Ratios		1Q 2020/21	1Q 2021/22	Liquidity Ratios		31 MAR 2021	30 JUN 2021
Gross profit	(%)	25.2%	31.1%	Current ratio	(times)	1.0	1.0
Operating EBITDA	(%)	-5.0%	20.0%	Quick ratio	(times)	0.9	0.9
Cash-to-net profit	(%)	-134.3%	-3,809.3%	Account receivable turnover	(times)	2.7	3.6
Net profit (excl. NCI)	(%)	-22.3%	1.6%	Average collection period	(days)	136.5	101.3
Return on equity	(%)	7.4%	6.9%	Payable days	(days)	102.1	92.8
Efficiency Ratios				Leverage Ratios			
Return on assets	(%)	5.6%	5.5%	Liability to equity	(times)	0.2	0.2
Return on fixed assets	(%)	108.9%	125.2%	Debt to equity	(times)	0.1	0.1
Assets turnover	(times)	0.2	0.2				

Remark:

- Financial ratios were calculated based on The Stock Exchange of Thailand's and The Securities and Exchange Commission, Thailand formula.

## MANAGEMENT OUTLOOK

Although vaccine rollout across the globe is an encouraging progress for the year 2021, the COVID-19 situation in Thailand remains challenging with the surge in infection cases and deaths, which has led to stricter containment measures. The uncertainty surrounding the country's growth outlook is more profound; while the unknown trajectory of the pandemic and potential bottlenecks in the vaccination plan could slow down the pace of recovery. Accordingly, the Bank of Thailand has cut Thailand's economic growth in 2021 to 0.7%, the lowest GDP growth forecast in ASEAN.

Given the ongoing volatility, VGI will continue to focus on maintaining business sustainability through its diversified platforms and creation of synergies from new initiatives as well as preserving a strong balance sheet and cash reserves. Therefore, we are confident the Company will be able to quickly shape up and create a thriving business once the pandemic is over.

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Chitkasem Moo-Ming  
(Chief Financial Officer)  
VGI Public Company Limited