

3Q 2022/23 BUSINESS HIGHLIGHTS

MACO has continued to grow in 3Q 2022/23, reporting total revenue of THB 667mn and net profit of THB 42mn.

- Advertising revenue was reported at THB 100mn.
- System Integration increased by 28.2% YoY to THB 567mn.

3Q 2022/23 KEY BUSINESS AND STRATEGIC UPDATES

ASEAN ECONOMICS RECOVERY SUPPORTED OUR ADVERTISING BUSINESS

Thailand

- Following the COVID-19 endemic, Thailand’s economy has been progressively recovering throughout the second half of 2022. The recovery has been fueled by a rise in private spending and rebound in the tourism industry. These positive factors led to increased spending of advertising expenditures by brands, which reflected higher growth of the Company’s Advertising business.
- Recently, MACO has continue to see the improvements of our owned Outdoor media, including Street Furniture media along the BTS lines and Flyover media. The Company’s has done the digitisation of our media and bundling packages of media spaces with VGI Public Company Limited’s Out-of-Home (OOH) media network. In addition, the Billboard media through our investments in Hello Bangkok LED Company Limited (“Hello Bangkok LED”) also benefited from the aforementioned positive sentiments of the media industry, contributing higher profit to MACO.

MACO’s Street Furniture Media



Hello Bangkok LED’s Billboard Media



Vietnam

- After the disposal of all investments in the Malaysia market, MACO now operated the international advertising in Vietnam market, which has demonstrated to be the strongest and fastest economic growth among other ASEAN countries. During the pandemic, Vietnam suffered significant slowdown in economic growth, however it was one of the few countries that rebounded swiftly, exhibiting strong economic growth.
- For MACO, the Company managed and operated Advertising business in Vietnam through 25.0% investments in VGI Vietnam Join Stock Company (“VGI Vietnam”), the leading digital Outdoor media provider. During the pandemic, VGI Vietnam continued to increase its media inventory, which includes digital screens and static billboards across 6 key cities nationwide in preparations for the resumption of the daily life activities post COVID-19. Its strategy has been proven to be effective as VGI Vietnam’s performance improved significantly and contributed profit to MACO’s performance.


CONSOLIDATED P&L SNAPSHOT

THB (mn)	3Q 2021/22	2Q 2022/23	3Q 2022/23	QoQ (%)	YoY (%)
Operating revenue	547	632	667	5.5%	21.9%
Cost of sales	403	455	530	16.4%	31.3%
Gross profit	144	177	137	-22.6%	-4.6%
SG&A	81	118	116	-1.8%	42.7%
Share of profit (loss) from JVs & associates	(1)	17	16	-5.1%	2,694.2%
EBITDA	50	146	125	-14.7%	150.9%
EBIT	68	92	68	-25.3%	0.6%
Financial cost	16	8	7	-12.3	-55.4%
Tax	5	30	8	-72.2%	51.6%
Net profit from continued business	49	35	42	17.5%	-14.7%
Net loss from discontinued business	(66)	-	-	n/a	100.0%
Net profit (loss)	(17)	35	42	17.5%	342.9%
Gross profit margin	26.3%	28.1%	20.6%		
EBITDA margin	11.7%	23.1%	18.7%		
Net profit from continued business margin	8.9%	5.6%	6.2%		

REVENUE BY SEGMENTS (THB mn)

	3Q 2021/22	2Q 2022/23	3Q 2022/23	QoQ (%)	YoY (%)
Advertising	105	104	100	-3.9%	-4.9%
System Integration	442	528	567	7.3%	28.2%
Total Revenue	547	632	667	5.5%	21.9%

% CONTRIBUTION TO TOTAL REVENUE

	3Q 2021/22	2Q 2022/23	3Q 2022/23
Advertising	19.2%	16.4%	15.0%
System Integration	80.8%	83.6%	85.0%
Total Revenue	100.0%	100.0%	100.0%

PERFORMANCE ANALYSIS (3Q 2022/23 vs 3Q 2021/22)

In 3Q 2022/23, MACO continued to grow its performance, reporting an increase in revenue of 21.9% to THB 667mn.

- **Advertising revenue** contributed 15.0% of total revenue or THB 100mn, remained flat from the same period last year.
- **System Integration revenue** contributed 85.0% of total revenue or THB 567mn, an increase of 28.2% YoY. This was mainly from more installation and maintenance projects.

Revenue growth also reflected in **cost of sales**, which increased by 31.3% YoY to THB 530mn. **Cost-to-sales ratio** increased from 73.7% to 79.4% in this quarter, resulting in a decrease in **gross profit margin** to 20.6% (prior year: 26.3%).

The continued growth was also accompanied by an increase in **selling, general and administrative expenses ("SG&A")** to THB 116mn from THB 81mn, an increase of 42.7% YoY. Meanwhile, **SG&A to revenue ratio** increased from 14.9% to 17.4%.

In this quarter, the Company recorded a **share of profit from investment in joint ventures & associates** of THB 16mn (prior year: share of loss THB 1mn). This was primarily from the recovery of business performance in both domestic and international markets.

Altogether, the Company recorded **net profit** of THB 42mn with a **net profit margin** of 6.2%.

FINANCIAL POSITION
ASSETS

ASSETS BREAKDOWN	31 MAR 2022		31 DEC 2022	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and current investments	1,210	18.7%	1,033	16.3%
Trade & other receivables	237	3.7%	524	8.3%
Investment in joint venture and associates	2,408	37.5%	2,450	38.7%
Property, plant and equipment	442	6.9%	413	6.5%
Right-of-use assets	487	7.6%	399	6.3%
Goodwill and Intangible assets	641	10.0%	628	9.9%
Other assets	1,000	15.6%	877	13.9%
Total assets	6,425	100.0%	6,324	100.0%

Total assets as of 31 December 2022 was reported at THB 6,324mn, a decrease of 1.6% or THB 101mn from THB 6,425mn as of 31 March 2022.

Total current assets were THB 2,191mn, increasing by 10.8% or THB 213mn, primarily from an increase of 1) trade and other receivables of THB 287mn and 2) other current assets of THB 51mn from a fixed deposit account. However, the increase was partially offset by a decrease in 3) cash & cash equivalents and current investments of THB 129mn.

Total non-current assets stood at THB 4,133mn, decreasing by 7.1% or THB 314mn, primarily due to a decrease in 1) investment in financial assets of THB 190mn, 2) right-of-use assets of THB 88mn and 3) restricted bank deposits of THB 40mn.

Trade and other receivables were THB 524mn, an increase of 121.1% or THB 287mn from THB 237mn. As of 31 December 2022, the average collection period as at the end of this quarter was 68 days compared to 76 days as of 31 March 2022.

AGEING OF TRADE RECEIVABLES (THB mn)	31 MAR 2022	31 DEC 2022
Not yet due	102	191
Up to 3 months	21	127
3 - 6 months	19	42
6 - 12 months	7	6
Over 12 months	9	9
Total	158	375
Allowance for expected credit losses	2	2

LIABILITIES AND SHAREHOLDERS' EQUITY

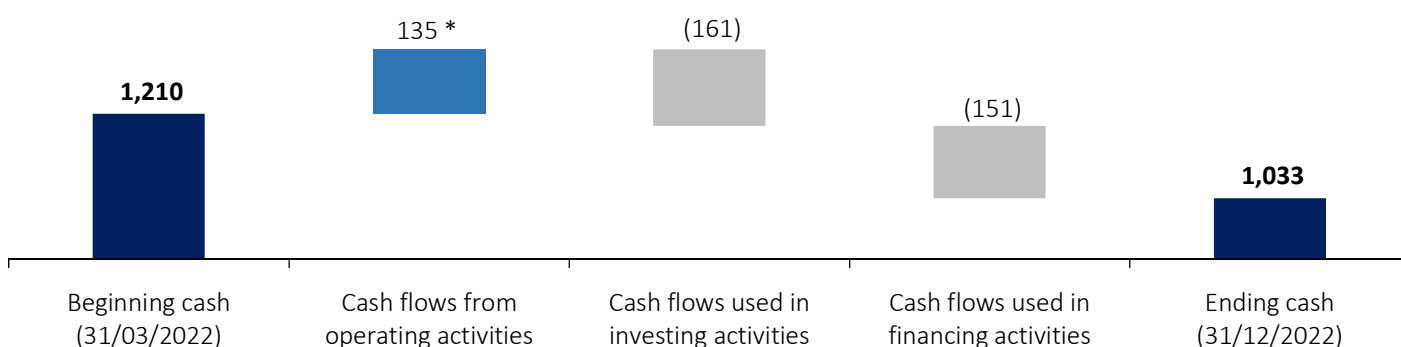
LIABILITIES AND EQUITY BREAKDOWN	31 MAR 2022		31 DEC 2022	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans from financial institutions	195	3.0%	195	3.1%
Trade and other payables	906	14.1%	1,022	16.2%
Advances received from employers and unearned revenue	300	4.7%	246	3.9%
Other current liabilities	91	1.4%	50	0.8%
Lease liabilities	469	7.3%	403	6.4%
Other non-current liabilities	198	3.1%	150	2.4%
Total liabilities	2,159	33.6%	2,066	32.7%
Shareholders' equity	4,266	66.4%	4,258	67.3%
Total liabilities and equity	6,425	100.0%	6,324	100.0%

Total liabilities were THB 2,066mn, decreasing by 4.3% or THB 95mn from THB 2,159mn as of 31 March 2022, which was mainly from a decrease in 1) lease liabilities of THB 66mn and 2) long term loans of THB 49mn.

Total equity was THB 4,258mn, decreasing by THB 7mn or 0.2%. This was mainly attributed to a decrease in 1) other components of shareholders' equity of THB 184mn. Nevertheless, the decrease was partially offset by an increase in 2) retained earnings of THB 111mn and 3) non-controlling interests of the subsidiaries of THB 65mn.

CASH FLOW

As of 31 December 2022, the Company had **net cash from operating activities** of THB 135mn. **Net cash used in investing activities** was THB 161mn mainly from cash paid for 1) acquisition of equipment in domestic and international markets of THB 70mn, 2) an investment in joint venture of THB 50mn for MYGG Company Limited and 3) derivatives of THB 47mn. **Net cash used in financing activities** was THB 151mn. The key components were cash paid for 4) repayment of short-term loans from financial institution of 82mn, 5) lease liabilities of THB 51mn and 6) interest expenses of THB 26mn.

9-MONTH CASH FLOW SNAPSHOT (THB mn)


*Included translation adjustment of THB 2mn

KEY FINANCIAL RATIOS

		3Q 2021/22	3Q 2022/23		31-Mar- 2022	31-Dec- 2022	
Profitability Ratios				Liquidity Ratios			
Gross profit	(%)	26.3%	20.6%	Current ratio	(times)	1.3	1.4
Operating EBITDA	(%)	11.7%	18.7%	Quick ratio	(times)	1.1	1.1
Net profit (loss) (incl. minority interest)	(%)	-13.7%	7.9%	Account receivable turnover	(times)	4.8	5.3
Net profit	(%)	8.9%	6.2%	Average collection period	(days)	76	68
Return on equity	(%)	-8.3%	1.5%	Payable days	(days)	232	192
Efficiency Ratios				Leverage Ratios			
Return on assets	(%)	-4.6%	2.6%	Liability to Equity	(times)	0.5	0.5
Return on fixed assets	(%)	-62.0%	43.8%	Debt to equity	(times)	0.1	0.1
Asset turnover	(times)	0.2	0.4				

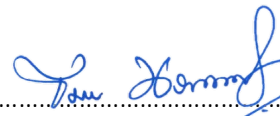
Remark:

- Financial ratios were calculated based on The Stock Exchange of Thailand's formula.
- Following to the disposal of 1) all of MACO's domestic billboard assets and ordinary shares in Multi Sign Company Limited and Comass Company Limited and 2) 75.0% in VGI Global Media (Malaysia) Sdn. Bhd., the Company had restated profit and loss statement in 2020/21. The statement of financial position only as of end of March 2021 had reflected the aforementioned disposal asset and investment. Therefore, the Company calculate the ratio, which related to statement of financial position in 3Q 2021/22 as an average of balance at the end of March 2022.

MANAGEMENT OUTLOOK

In 2022, the ASEAN region had one of the highest economic growth rates and 2023 is expected to see a continuation of this trend. The International Monetary Fund (IMF) anticipates, both Thailand and Vietnam are expected to experience GDP growth rates of 3.7% and 6.2% in 2023, respectively. This will be favourable outcomes for MACO's performance as its business operations lie within both Thailand and Vietnam.

The Company has experienced significant improvements of our business operation across all business units. Our financial performance is expected to turnaround and it is believed that, MACO has already surpassed its lowest financial performance this year. Looking ahead, we will continue to operate our media business whilst exploring new potential opportunities along with strategic partnerships, enabling the Company to create benefits for all stakeholders.



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Tamonwan Narintavanich
(Chief Financial Officer)