

## 3Q 2022/23 BUSINESS HIGHLIGHTS

VGI reported revenue from services and sales of THB 1,377mn and net profit of THB 102mn in 3Q 2022/23.

- OOH Advertising revenue increased by 41.8% YoY to THB 618mn, representing an increase in occupancy rate to 58%, higher than the prior guidance at a range of 50 – 55%.
- Digital Services revenue increased by 21.5% YoY to THB 379mn.

In 3Q 2022/23, VGI received notable recognitions, including Thailand’s Top Corporate Brand Award, Most Innovative (O2O) Marketing Campaigns & Solutions Award, Model Sustainability Organisation in the Thai Capital Market for Supporting the Disabled Award, Sustainability Yearbook 2023 and Most Creative Media Award.

## 3Q 2022/23 KEY BUSINESS AND STRATEGIC UPDATES

### 1) ADVERTISING

Demonstrating the effectiveness of VGI O2O Marketing Solutions through Digital OOH platform

- The steady increase in BTS ridership has boosted brands’ confidence to increase their advertising expenditures in our Out-of-Home (“OOH”) media. With the effectiveness of VGI’s Offline-to-Online (O2O) Marketing Solutions in addressing brand objectives: Awareness, Engagement and Conversion, VGI’s media has attracted both domestic and international brands, particularly well-recognised brands such as BOYY, Jaspal, and Yves Saint Laurent to advertise their campaigns on our media platforms.
- VGI and SOUR Bangkok together launched a creative communication campaign ‘Whoscall The Safety Station’ intending to raise public awareness of scammers through memorable content across 24 BTS Skytrain stations. This collaboration is a reflective showcase of VGI’s Digital OOH media platform’s popularity on its creative communication for brands.
- In November 2022, VGI has proudly launched the first trial of its programmatic Digital OOH (“pDOOH”) on the BTS Skytrain network. pDOOH is an innovative platform to meet advertisers needs based on selected audience persona criteria, integrated with locations, time and weather. The campaign results show that pDOOH helps brand content to catch the attention of BTS commuters and increased traffic to brands’ website.
- Lastly, VGI collaborated with Bangkok Media and Broadcasting Company Limited (PPTV HD 36) – the leading Thai television network, to broadcast world sports and daily news content on VGI’s Digital OOH media, covering 3,500 digital screens on the BTS Skytrain and office networks across Bangkok and vicinities.



## 2) PAYMENT

### Introducing a new IT system to enhance the efficiency of RCare’s InsurTech and FinTech platform

- Following its successful series C fundraising round, Rabbit Care Company Limited (“RCare”) has invested in developing its own IT system, aiming to become Thailand’s first insurance and financial product comparison platform. During 3Q 2022/23, RCare introduced ‘CareOS’ technology, a proprietary IT system to search for credit cards and insurance products that best service each customer’s unique needs. We believe CareOS technology will be another engine to drive RCare’s performance through its effectiveness in matching customer’s needs with suitable products. Currently, RCare makes more than 40,000 insurance plans and 50 financial product options from over 50 leading partners as well as 30 credit cards from 6 banks available on its platform.

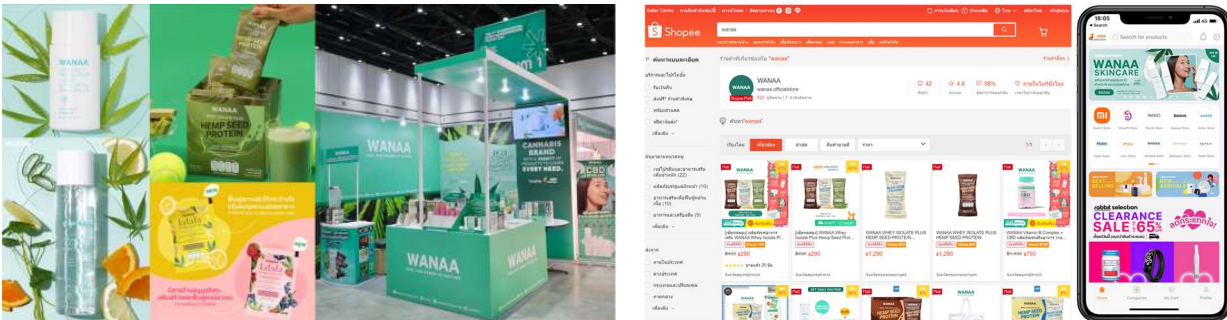
### Increasing of Rabbit’s user base

- As of December 2022, the number of Rabbit Cards reached 16.0mn cards, an increase of 8.1% YoY. Meanwhile, Rabbit LINE Pay has more than 10.2mn users, an increase of 9.9% YoY.

## 3) DISTRIBUTION

### Launching a newly owned brand named WANAA

- With the strategy to increase profit margin through developing its owned-brand, Fanslink Communication Company Limited launched ‘WANAA’, Asia’s first cannabis-based beauty brand, in October 2022. Currently, WANAA has 5 products categories: Whey protein, Skincare, Body care, Beverages and Well-being; and are now available on the Rabbit Selection application, Facebook, LINE, Shopee, Lazada, TikTok and Turtle shops across BTS Skytrain network.



### Expanding Turtle brand’s services on the BTS Skytrain network

- In January 2023, Nation International Edutainment Public Company Limited (“NINE”) through its joint venture named SuperRich Turtle Exchange Company Limited opened its first currency exchange service under the SuperRich Turtle brand on Asok station. Moreover, NINE launched ‘Turtle Taste!’, a food and beverage booth (pop-up store) offering best-seller products from Turtle’s brand. Currently, Turtle Taste! Shops are available on Ekkamai and Mo Chit stations.

SuperRich Turtle



Turtle Taste!



## 4) SUSTAINABILITY

### Raising awareness on the importance of sustainability with Root the Future

- Following the Company’s mission to become a sustainable business, VGI joined forces with Root the Future, the environmental non-profit organisation, launching the ‘Climate Hero’ campaign across VGI’s digital media across BTS Skytrain network. The campaign aims to raise awareness on the importance of maintaining a sustainable lifestyle and reducing the carbon footprint.

## 5) AWARDS AND ACHIEVEMENTS



**‘Thailand’s Top Corporate Brand Award 2022’ for the 6<sup>th</sup> consecutive year** awarded by the Faculty of Commerce and Accountancy, Chulalongkorn Business School, and the Stock Exchange of Thailand



**‘Most Innovative (O2O) Marketing Campaigns & Solutions Award’ for the first time** from Global Economics Awards 2022 organised by Global Economics, the UK’s leading financial online and print news magazines



**‘Most Creative Media Award’ for Whoscall the Safety Station Campaign** from Adman Awards & Symposium 2022 hosted by the Advertising Association of Thailand.



**‘Model Sustainability Organisation in the Thai Capital Market for Supporting the Disabled Award 2022’ for the first time** awarded by the Securities and Exchange Commission (SEC)



**‘Sustainability Yearbook 2023’ for the 2<sup>nd</sup> consecutive year** in category of Top 1% S&P Global ESG Score and Industry Mover, accessed by S&P Global under Media, Movies and Entertainment industry

Thailand’s Top Corporate Brand Award 2022



Model Sustainability Organisation in the Thai Capital Market for Supporting the Disabled Award 2022



Most Innovative (O2O) Marketing Campaigns & Solutions Award



Most Creative Media Award



# VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 3Q 2022/23 ENDED 31 DECEMBER 2022

14 FEBRUARY 2023

## CONSOLIDATED P&L SNAPSHOT

THB (mn)	3Q	2Q	3Q	QoQ (%)	YoY (%)
	2021/22	2022/23	2022/23		
<b>Revenue from services and sales</b>	<b>1,429</b>	<b>1,225</b>	<b>1,377</b>	<b>12.4%</b>	<b>-3.6%</b>
Cost of services and sales	(1,105)	(945)	(905)	-4.3%	-18.1%
Gross profit	324	279	472	68.9%	45.6%
Other income	87	300	288	-3.9%	231.2%
SG&A	(367)	(487)	(589)	20.9%	60.4%
Share of profit (loss) from JVs & associates	(119)	(51)	(94)	-82.6%	21.4%
EBITDA	47	164	203	23.7%	337.3%
EBIT	(75)	41	77	89.6%	202.6%
Interest expenses	(24)	(7)	(6)	-14.9%	-75.8%
Tax	(13)	(61)	(65)	7.0%	384.6%
<b>Net profit (loss)*</b>	<b>(76)</b>	<b>68</b>	<b>102</b>	<b>51.4%</b>	<b>235.3%</b>

Gross profit margin	22.7%	22.8%	34.3%	
EBITDA margin	3.3%	13.4%	14.8%	
Net profit margin	-5.3%	5.5%	7.4%	

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

## Revenue Breakdown

THB (mn)	3Q	2Q	3Q	QoQ (%)	YoY (%)
	2021/22	2022/23	2022/23		
<b>OOH Advertising</b>	<b>436</b>	<b>436</b>	<b>618</b>	<b>41.8%</b>	<b>41.8%</b>
Transit	412	414	540	30.7%	31.1%
Office and Other	24	23	78	245.4%	226.5%
<b>Digital Services</b>	<b>312</b>	<b>381</b>	<b>379</b>	<b>-0.5%</b>	<b>21.5%</b>
<b>Distribution</b>	<b>681</b>	<b>408</b>	<b>380</b>	<b>-6.9%</b>	<b>-44.3%</b>
<b>Total revenue</b>	<b>1,429</b>	<b>1,225</b>	<b>1,377</b>	<b>12.4%</b>	<b>-3.6%</b>

## % Contribution to total revenue

	3Q	2Q	3Q
	2021/22	2022/23	2022/23
<b>OOH Advertising</b>	<b>30.5%</b>	<b>35.6%</b>	<b>44.9%</b>
Transit	28.9%	33.8%	39.2%
Office and Other	1.7%	1.8%	5.7%
<b>Digital Services</b>	<b>21.8%</b>	<b>31.1%</b>	<b>27.5%</b>
<b>Distribution</b>	<b>47.7%</b>	<b>33.3%</b>	<b>27.6%</b>
<b>Total revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

In 3Q 2022/23, VGI continued its growth momentum from the first half of 2022/23, supported by strong improvements in the economy and tourism industry. With the improving economic landscape, BTS ridership has continued to surge accordingly. This can be seen as a positive impact on VGI's OOH Advertising performance because it allows the business more exposure to wider audiences. On a quarterly basis, the Company reported **revenue from services and sales** of THB 1,377mn and **net profit** of THB 102mn, representing a growth of 12.4% QoQ and 51.4% QoQ, respectively.

Nevertheless, the Company's revenue from services and sales decreased by 3.6% YoY, mainly from the lower sales from Distribution business. This was due to lower-than-expected sales from Fanslink Communication Company Limited ("Fanslink"). In terms of revenue contribution, OOH Advertising, Digital Services and Distribution revenue contributed 44.9%, 27.5% and 27.6%, respectively in 3Q 2022/23.

**OOH Advertising revenue** increased by 41.8% YoY to THB 618mn, representing an increase in occupancy rate to 58%, higher than the prior guidance at a range of 50 – 55%. The growth was fuelled by higher Transit media revenue, resulting from a significant increase in BTS ridership and positive impact from the high seasonality effect in this quarter.

- **Transit media revenue** was THB 540mn, an increase of 31.1% YoY.
- **Office and Other media revenue** was THB 78mn, an increase of 226.5% YoY.

**Digital Services revenue** was THB 379mn, an increase of 21.5% YoY, mainly driven by higher lead generation and commission revenue from Rabbit Care Company Limited ("RCare"). In addition, Rabbit Group's performance also benefited from the increase in the number of BTS ridership, recognising higher revenues from card sales and transaction fees.

**Distribution revenue** was THB 380mn, a decrease of 44.3% YoY. The decrease in revenue resulted from the change in product mix as Fanslink selected to sell high margin products.

**Other income** was THB 288mn, mainly from the gain on sale of investment in associates and dividend income from Plan B Media Public Company Limited.

**Cost of services and sales** decreased to THB 905mn, a decrease of 18.1% YoY. The decrease was mainly from lower costs contributed by the Distribution business, which aligned with its decline in revenue. **Cost-to-sales ratio** decreased to 65.7% (77.3% in the prior year) as cost of services and sales decrease at higher rate than revenue from services and sales. This resulted in a higher **gross profit margin** of 34.3% opposed to 22.7% in the prior year.

Meanwhile, **selling, general and administrative expenses ("SG&A")** increased to THB 589mn, an increase of 60.4% YoY, mainly resulted from the consolidation of Nation International Edutainment Public Company Limited as well as the expansion of business under RCare and Rabbit Cash Company Limited (RCash). Therefore, **SG&A to revenue ratio** increased to 42.8% (25.7% in the prior year).

In this quarter, the Company recorded a **share of loss from investments in joint ventures and associates** of THB 94mn (Share of loss of THB 119mn in the prior year). The recognition share of loss was primarily from the sluggish performance of Kerry Express (Thailand) Public Company Limited. However, the loss was mainly offset by share of profit from Jay Mart Public Company Limited.

All in all, the Company recorded a **net profit** of THB 102mn, an increase of 235.3% YoY with a **net profit margin** of 7.4%.

# VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 3Q 2022/23 ENDED 31 DECEMBER 2022

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## FINANCIAL POSITION

### ASSETS

ASSETS BREAKDOWN	31 MARCH 2022 (Restated)		31 DECEMBER 2022	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and current financial assets	1,205	3.0%	7,614	22.6%
Trade & other receivables	1,007	2.5%	1,500	4.4%
Receivables from rights offering	12,917	31.7%	-	-
Equipment – net	1,062	2.6%	1,115	3.3%
Investment in JVs, associates and other non-current financial assets	21,436	52.6%	20,067	59.5%
Goodwill/ Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquire	314	0.8%	395	1.2%
<b>Other assets</b>	<b>2,852</b>	<b>7.0%</b>	<b>3,061</b>	<b>9.1%</b>
<b>Total assets</b>	<b>40,792</b>	<b>100.0%</b>	<b>33,753</b>	<b>100.0%</b>

**Total assets** were THB 33,753mn on 31 December 2022, a decrease of THB 7,039mn from THB 40,792mn on 31 March 2022.

**Total current assets** were THB 10,324mn, a decrease of THB 5,983mn, primarily from a decrease in 1) receivables from rights offering of THB 12,917mn from issuance of new ordinary shares of 2,583mn shares. However, the decrease was mainly offset by an increase in 2) cash & cash equivalents and current financial assets of THB 6,409mn and 3) trade & other receivables of THB 493mn.

**Total non-current assets** were at THB 23,429mn, a decrease of THB 1,056mn, mainly due to lower investment in JVs and associates and other non-current financial assets of THB 1,369mn.

**Trade and other receivables** were THB 1,500mn, an increase of THB 493mn. As of 31 December 2022, the allowance for expected credit losses was THB 203mn. The average collection period at end of this quarter was 96 days, increased from 80 days as of 31 March 2022.

AGING OF TRADE RECEIVABLES (THB mn)	31 MARCH 2022 (Restated)	31 DECEMBER 2022
Not yet due	538	638
Up to 6 months	281	417
Over 6 months	172	183
Allowance for expected credit losses	184	203
Total	807	1,035
% of total trade and other receivables	80.2%	69.0%

### LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 MARCH 2022 (Restated)		31 DECEMBER 2022	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans	8,130	19.9%	-	-
Trade & other payables	665	1.6%	674	2.0%
Accrued expenses	300	0.7%	382	1.1%
Other current liabilities	885	2.2%	1,001	3.0%
Other non-current liabilities	829	2.0%	809	2.4%
<b>Total liabilities</b>	<b>10,809</b>	<b>26.5%</b>	<b>2,866</b>	<b>8.5%</b>
<b>Shareholders' equity</b>	<b>29,983</b>	<b>73.5%</b>	<b>30,887</b>	<b>91.5%</b>
<b>Total liabilities and equity</b>	<b>40,792</b>	<b>100.0%</b>	<b>33,753</b>	<b>100.0%</b>

# VGI PUBLIC COMPANY LIMITED

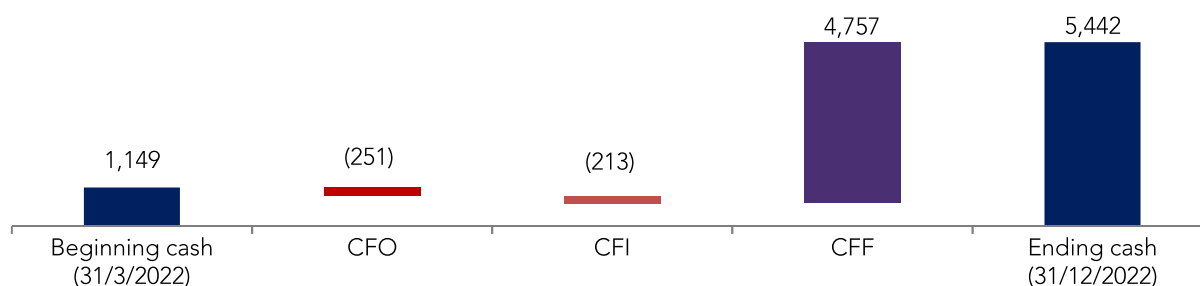
MANAGEMENT DISCUSSION & ANALYSIS 3Q 2022/23 ENDED 31 DECEMBER 2022

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**Total liabilities** were THB 2,866mn, a decrease of THB 7,943mn from THB 10,809mn on 31 March 2022, mainly from repayment of short-term loans.

**Total equity** was THB 30,887mn, an increase of THB 904mn, mainly from an increase in non-controlling interests of the subsidiaries of THB 1,813mn, but partially offset by a decrease in 1) deficit from changes in the ownership interests in subsidiaries/ business of THB 619mn and 2) other components of shareholders' equity of THB 289mn.

## LIQUIDITY AND CASH FLOW (THB mn)



For the nine months, ending 31 December 2022, **net cash used in operating activities** was THB 251mn. **Net cash used in investing activities** was THB 213mn. **Net cash from financing activities** was THB 4,757mn mainly from cash received from issuance of newly ordinary shares through rights offering of THB 12,917mn. This was mainly offset by net cash paid for repayment of short-term loans from financial institutions and lease liabilities of THB 8,232mn.

## FINANCIAL RATIOS

Profitability Ratios		3Q 2021/22	3Q 2022/23	Liquidity Ratios		31 MAR 2022	31 DEC 2022
						(Restated)	
Gross profit	(%)	22.7%	34.3%	Current ratio	(times)	1.6	5.0
Operating EBITDA	(%)	3.3%	14.8%	Quick ratio	(times)	0.3	3.7
Cash-to-net profit	(%)	144.8%	-184.0%	Account receivable turnover	(times)	4.6	3.8
Net profit (excl. NCI)	(%)	-5.0%	6.1%	Average collection period	(days)	80.2	95.9
Return on equity	(%)	1.8%	0.7%	Payable days	(days)	60.5	60.9
Efficiency Ratios				Leverage Ratios			
Return on assets	(%)	1.2%	0.5%	Liability to equity	(times)	0.4	0.1
Return on fixed assets	(%)	58.1%	48.5%	Debt to equity	(times)	0.3	-
Assets turnover	(times)	0.2	0.2				

Remark:

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

## **MANAGEMENT OUTLOOK**

Thai economy steadily grew in 2022, thanks to resurgent private consumption and improvement in tourism sector. Furthermore, the Bank of Thailand forecasts Thai GDP surging to 3.7% in 2023 – resembling the pre COVID-19 level, driven by the aforementioned factors. Given the optimistic sentiments, we expect these positive factors to add tailwinds to VGI’s performance in the remaining quarter.

The Board of Directors meeting held on 14 February 2023 resolved to approve the payment of the interim dividend of the first half of the Company’s performance to shareholders for a total of THB 447.8mn, at a rate of THB 0.04 per share to shareholders named at book closing on 1 March 2023 (Record Date). The payment date of the interim dividend will be 14 March 2023.

Guidance for 2023/24 will be provided on our website in April 2023.

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