

BUSINESS HIGHLIGHTS 2022/23

- **VGI reported revenue from services and sales of THB 4,889mn, an increase of 16.6% YoY. This was primarily from the recovery of Out-of-Home (“OOH”) Advertising and strong growth in Digital Services segment.**
 - OOH Advertising revenue increased by 22.6% YoY to THB 1,938mn.
 - Digital Services revenue increased by 30.9% YoY to THB 1,440mn.
 - Distribution revenue was THB 1,512mn.
- **Share of loss from investments in joint ventures and associates was THB 438mn, primarily from the sluggish operational performance of logistics business.**
- **This resulted in a record of net loss of THB 65mn. Nevertheless, excluding impact from share of loss from investments, the Company reported net profit of THB 373mn.**

KEY BUSINESS AND STRATEGIC UPDATES IN 2022/23

1) ADVERTISING

VGI

Continuing to offer efficient advertising campaigns and collaborating with entertainment business partners

- In 2022/23, VGI’s media, particularly Digital Out-of-Home (“DOOH”) and Train body products, continued to attract national and global brands, primarily major brands such as Versace, Chanel, Yves Saint Laurent, to promote their campaigns on our media platforms.
- In July 2022, VGI collaborated with GMM Grammy Public Company Limited (“GMM”), the leader of content provider, to launch ‘3D City Pop’, a new media campaign that utilise 3D Entertainment Illusion technique onto VGI’s DOOH media displaying an interactive 3D media content.
- In September 2022, VGI collaborated with The One Enterprise Public Company Limited to launch “One News”, a new mobile newsroom that targets both on-air and online audiences. The One News is broadcasted across 3,500 DOOH media within the BTS Skytrain and office networks across Bangkok and its vicinities.
- In November 2022, VGI joined forces with Bangkok Media and Broadcasting Company Limited (PPTV HD 36), the leading Thai television network, to broadcast world sports and daily news content on the VGI’s aforementioned DOOH media networks.
- Moreover, VGI pilot launched the programmatic Digital OOH (“pDOOH”) platform on the BTS Skytrain network in November 2022. pDOOH is an innovative platform designed to meet the needs of advertisers based on selected audience persona criteria, integrated with locations, time and weather.



2) PAYMENT

RCARE

Paving the way to become a top-of-mind brand for insurance and financial products in Southeast Asia

- Established in 2013, Rabbit Care Company Limited (“RCare”), Thailand’s leading online insurance (InsurTech) and financial product (FinTech) comparison platform, has since grown to become the top online marketplace in Thailand with more than 70 business partners. RCare is set to become a top-of-mind brand for insurance and financial products within Southeast Asia.
- On 4 July 2022, RCare announced its capital raising through the Series C funding, led by Winter Capital and VGI, with total amount of THB 708mn. This funding is expected to be used in the expansion of RCare’s InsurTech and FinTech business as well as strengthen its market share.
- Following the Series C funding, RCare invested in the development of its in-house IT system and introduced the ‘CareOS’ technology, a proprietary IT system that compares credit cards and insurance products that best serve customer’s individual needs. The CareOS technology is set to be another driving engine in RCare’s future performance, as proven by its effectiveness to generate over 170,000 registrations since the introduction in July 2023. Moreover, RCare has also aimed to further its financial products comparison service by expanding into the personal loan sector within 2023.



Rabbit Card and Rabbit LINE Pay

Increasing the offline and online payment user base

- As of March 2023, the number of Rabbit Cards reached 16.2mn cards, an increase of 8.4% YoY. While, Rabbit LINE Pay served more than 10.4mn users, an increase of 9.5% YoY.

3) DISTRIBUTION

SUPER TURTLE

The transformation to mass transit retail provider

- On 22 June 2022, VGI through its subsidiary Point of View (POV) Media Company Limited (“POV”) invested in Nation International Edutainment Public Company Limited (“NINE”) through the purchase of NINE’s ordinary shares under private placement with a total investment value of THB 3,147mn. Subsequently, NINE became a subsidiary of VGI at 60.0% holdings. After the acquisition, NINE received the rights to operate and manage retail and leasing spaces across 31 BTS stations.
- On 27 April 2023, NINE rebranded its corporate identity and logo as well as announced the new company name ‘Super Turtle Public Company Limited’ or (“Super Turtle”), thereafter, the security ticker symbol has also changed from NINE to TURTLE with effect from 3 May 2023.



- Since September 2022, Super Turtle has collaborated with BTS Group by participating in the BTS subscription programme, aimed to strengthen the Group’s synergies. Recently, Super Turtle, together with BTS, launched subscription packages namely ‘XTREME SAVINGS’, that bundles together BTS trips and Super Turtle discount coupons. This synergy is expected to boost Super Turtle’s performance going forward.



- After its transition to a mass transit retail provider, Super Turtle has continued the expansion of its Turtle brand along the BTS Skytrain network. In April 2023, Super Turtle launched new Turtle shops on 3 BTS stations; Phaya Thai, Siam and Saphan Taksin. Additionally, in May 2023, Super Turtle opened 2 more SuperRich Turtle branches on the Chit Lom and Phrom Phong stations. Altogether, there are a total of 6 Turtle shops and 3 SuperRich Turtle branches along the BTS network.



FANSLINK

Developing a new owned brand in beauty product segment

- In November 2022, Fanslink Communication Company Limited ("Fanslink") launched WANAA, a state-of-art consumer product brand. WANAA now offers 3 major product categories: food supplement, body care, and facial care. Fanslink currently manages 2 owned brands, Pando and WANAA, which are available in both offline and online channels. Turtle shops across the BTS Skytrain network, BeTrend, Jaymart, SAVE DRUG, Tops Vita, and EVEANDBOY are key offline channels, while online channels include the Rabbit Selection application, Rabbit Partners Program (RPP), Facebook, LINE, Shopee, Lazada, and TikTok.



4) SUSTAINABILITY

VGI is committed to creating value for its stakeholders throughout economic, social and environment dimensions in accordance with good corporate governance. During 2022/23, the Company actively engaged in social and community development activities that provided education opportunities and raising awareness to social responsibility and environmental issues.



Environment

- Partnered with BTS Group to raise awareness and invite people to ride our BTS SkyTrain - an environmental-friendly mode of transport through ‘Hop On BTS’ campaign – delivering content on VGI’s media networks
- Cleaning up of the ocean waste for a distance of 300 meters along Saeng Chan Beach in Rayong through the ‘VGI Protect the Ocean Project’
- Partnered with Root the Future, an environment non-profit organisation to raise awareness about the importance of maintaining a sustainable lifestyle and reducing carbon footprint through the ‘Climate Hero’ campaign - delivering content on VGI’s digital screen across BTS stations



Social

- Provided scholarships, educational supplies as well as participating in reforestation activity and restoration a playground at Ban Dong Yang Narai School in Udon Thani through '1 Day, 1,000 Smile Project'
- Cooperated with BTS Group and the Thai government organisations to launch 'Learning Station', the first digital sky library at BTS National Stadium station
- Donated learning equipment and consumer goods to support 60 monks at Wat Ta Pong Temple, Saraburi



5) AWARDS AND ACHIEVEMENTS



Sustainability Yearbook 2023' for the 2nd consecutive year

VGI has been included in the S&P Global Sustainability Yearbook 2023 for the 2nd consecutive year. The Company's is notably the first and only company in Thailand to have been selected as a member within this category. Beyond this, VGI was ranked number 1 globally for the first time, named among the top 1% of companies in the Media, Movies & Entertainment sector, and awarded the "Industry Mover" distinction.



Included in the Thailand Sustainability Investment (THSI) List of SET for the 2nd consecutive year in 2022, demonstrating the Company's commitment to sustainable business practices and responsibility towards all stakeholders



ASEAN Asset Class PLCs as part of ASEAN Corporate Governance Scorecard (ACGS) 2021 for the first year awarded by ASEAN Capital Forum



Received an 'Excellent' Corporate Governance scoring for the 7th consecutive year in 2022 by the Thai Institute of Directors (IOD)



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



The Most Innovative O2O Solutions for Advertising, Payment and Distribution Platforms for the 3rd consecutive year by International Finance



Thailand's Top Corporate Brand Award 2022 for the 6th year awarded by the Faculty of Commerce and Accountancy, Chulalongkorn Business School, and the Stock Exchange of Thailand ("SET")



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



Best Investor Relations Award for the 2nd year and 'Outstanding' Investor Relations Award for the 4th consecutive years from SET Awards 2022 by SET and Money & Banking Magazine



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)

VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 2022/23 ENDED 31 MARCH 2023

25 MAY 2023

CONSOLIDATED P&L SNAPSHOT

THB (mn)	2021/22 (Restated)	2022/23	YoY (%)
Revenue from services and sales	4,193	4,889	16.6%
Cost of services and sales	(3,209)	(3,549)	10.6%
Gross profit	984	1,340	36.1%
Other income	328	885	169.7%
Selling, general and administrative expenses	(1,260)	(2,011)	59.6%
Share of loss from JVs & associates	(194)	(438)	-125.8%
EBITDA	345	293	-15.1%
EBIT	(141)	(224)	-58.6%
Interest expenses	(100)	(31)	-68.8%
Tax	(34)	(213)	516.1%
Net loss*	(120)	(65)	46.1%

Gross profit margin	23.5%	27.4%	
EBITDA margin	8.2%	6.0%	
Net loss margin	-2.9%	-1.3%	

* Net loss of equity holders of the Company, as shown in financial statement (excluding minority interest).

REVENUE BREAKDOWN

THB (mn)	2021/22 (Restated)	2022/23	YoY (%)
OOH Advertising	1,580	1,938	22.6%
Transit	1,480	1,791	21.0%
Office and Other	100	147	47.1%
Digital Services	1,100	1,440	30.9%
Distribution	1,514	1,512	-0.1%
Total revenue from services and sales	4,193	4,889	16.6%

% Contribution to total revenue from services and sales

	2021/22 (Restated)	2022/23
OOH Advertising	37.7%	39.6%
Transit	35.3%	36.6%
Office and Other	2.4%	3.0%
Digital Services	26.2%	29.4%
Distribution	36.1%	30.9%
Total revenue from services and sales	100.0%	100.0%

PERFORMANCE ANALYSIS (2022/23 vs 2021/22)

The Company's **revenue from services and sales** increased by 16.6% YoY to THB 4,889mn. The increase was mainly from the recovery of Out-Of-Home ("OOH") Advertising and a strong growth in Digital Services segment. The OOH Advertising, Digital Services and Distribution revenue contributed to 39.6%, 29.5% and 30.9% of total revenue from services and sales, respectively.

OOH Advertising segment revenue significantly increased to THB 1,938mn, an increase of 22.6% YoY with a utilisation rate at approximately 45.1%. The increase was mainly attributable from all media segments under VGI.

- **Transit media revenue** was THB 1,791mn, an increase of 21.0% YoY from THB 1,480mn.
- **Office and Other media revenue** was THB 147mn, an increase of 47.1% YoY from THB 100mn.

Digital Services segment revenue strongly increased by 30.9% YoY to THB 1,440mn, mainly driven by more insurance commission fee and higher lead generation from the expansion of InsurTech and FinTech businesses. Moreover, Rabbit Group's also recognised an increase in revenue from card sales, transaction fees and project management fee.

Distribution segment revenue was THB 1,512mn, remained flat from last year.

Other income was THB 885mn, increased by 169.7% YoY. This was mainly from the gain on sale of investment in associates, which include in Kerry Express (Thailand) Public Company Limited ("KEX") and Jaymart Group Holdings Public Company Limited ("Jaymart"). In addition, the Company also recorded dividend income from Plan B Media Public Company Limited in 2022/23.

Cost of services and sales increased to THB 3,549mn, an increase of 10.6% YoY. Nevertheless, **cost-to-revenue ratio** decreased to 72.6% (prior year: 76.5%) due to cost of services and sales increase at lower rate compared to revenue from services and sales. Therefore, **gross profit margin** in 2022/23 increased to 27.4% (prior year: 23.5%).

Selling, general and administrative expenses ("SG&A") increased to THB 2,011mn, an increase of 59.6% YoY, mainly due to the expansion of businesses under "Rabbit Group"¹ and Fanslink Communication Company Limited, the 9-month consolidation of Super Turtle as well as the recovery of all business segments. Therefore, **SG&A to revenue ratio** increased to 41.1% (prior year: 30.0%) due to revenue from services and sales increase in lower rate than SG&A.

The Company recorded **a share of loss from investments in joint ventures and associates** of THB 438mn (prior year: share of loss of THB 194mn). The recognition share of loss was primarily from a sluggish operational performance of KEX. However, the loss was mainly offset by share of profit from Jaymart.

Altogether, the Company recorded a **net loss** of THB 65mn, representing a net loss margin of 1.3%. The loss was mainly due to the aforementioned higher expenses from expansion of businesses and the impact from share of loss from investment associates. Excluding the share of loss from investments, the Company has net profit of THB 373mn with net profit margin of 7.6%.

¹ Rabbit Group refers to 1) Rabbit Care Company Limited and 2) Rabbit Cash Company Limited.

FINANCIAL POSITION

ASSETS

ASSETS BREAKDOWN	31 MARCH 2022 (Restated)		31 MARCH 2023	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and current financial assets	1,205	3.0%	7,747	23.0%
Trade & other receivables	1,007	2.5%	1,183	3.5%
Receivables from rights offering	12,917	31.7%	-	-
Equipment – net	1,062	2.6%	1,101	3.3%
Investment in JVs, associates and other non-current financial assets	21,436	52.6%	20,216	60.1%
Goodwill/ Estimated amount by which costs of the acquisition of investment in a subsidiary exceed identifiable net assets of the acquiree	314	0.8%	395	1.2%
Other assets	2,852	7.0%	2,991	8.9%
Total assets	40,792	100.0%	33,635	100.0%

Total assets as of 31 March 2023 stood at THB 33,635mn, a decrease of THB 7,157mn or 17.5% from THB 40,792mn as of 31 March 2022.

Total current assets were THB 10,016mn, decreasing by 38.6% or THB 6,290mn, primarily from a decrease in 1) receivables from rights offering of THB 12,917mn from an issuance of newly ordinary shares of 2,583mn shares. However, the decrease was mainly offset by an increase in 2) cash and cash equivalents and current financial assets of THB 6,543mn and 3) trade & other receivables of THB 176mn (see further details in trade and other receivable section).

Total non-current assets stood at THB 23,619mn, decreasing by 3.5% or THB 867mn, due to a decrease in 1) investment in JVs, associates and other non-current financial assets of THB 1,220mn. However, the decrease was partially offset by an increase in 2) intangible assets of THB 156mn and 3) advance payments for purchases of assets of THB 107mn.

Trade and other receivables were THB 1,183mn, increasing by 17.5% or THB 176mn. As of 31 March 2023, the allowance for expected credit losses was THB 173mn. Average collection period at end of this year increased to 81 days, comparing to 78 days as of 31 March 2022

AGING OF TRADE RECEIVABLES (THB mn)	31 MARCH 2022 (Restated)	31 MARCH 2023
Not yet due	516	602
Up to 6 months	281	193
Over 6 months	173	181
Allowance for expected credit losses	181	173
Total	789	803
% of total trade and other receivables	78.3%	67.9%

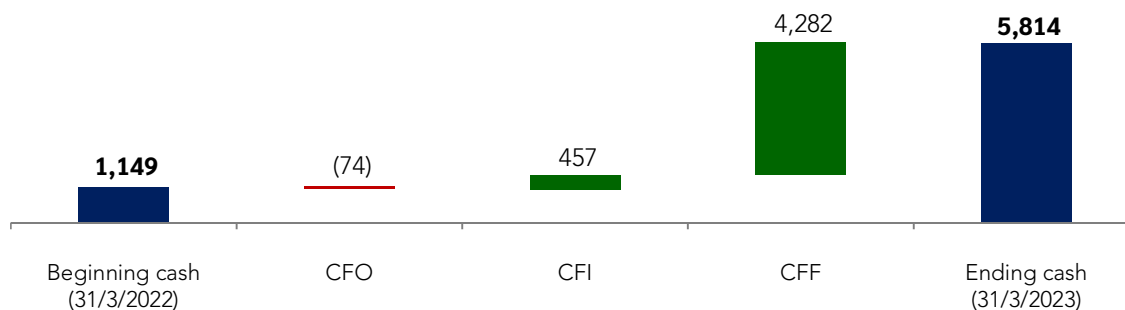
LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 MARCH 2022 (Restated)		31 MARCH 2023	
	(THB mn)	% out of total	(THB mn)	% out of total
Short term loans	8,130	19.9%	-	-
Trade & other payables	665	1.6%	709	2.1%
Accrued expenses	300	0.7%	368	1.1%
Other current liabilities	885	2.2%	975	2.9%
Other non-current liabilities	829	2.0%	931	2.8%
Total liabilities	10,809	26.5%	2,983	8.9%
Shareholders' equity	29,983	73.5%	30,651	91.1%
Total liabilities and equity	40,792	100.0%	33,635	100.0%

Total liabilities were THB 2,983mn, a decrease of THB 7,826mn or 72.4% from THB 10,809mn as of 31 March 2022 mainly from repayment of short-term loans.

Total equity was THB 30,651mn, increasing by THB 669mn or 2.2%, mainly due to an increase in 1) non-controlling interests of the subsidiaries of THB 1,674mn and 2) other component of shareholder's equity of THB 250mn, but partially offset by a decrease in 3) retained earnings of THB 636mn and 4) deficit from changes in the ownership interests in subsidiaries/ business of THB 619mn.

LIQUIDITY AND CASH FLOW (THB mn)



For the twelve months ended 31 March 2023, **net cash used in operating activities** was THB 74mn. **Net cash from investing activities** was THB 457mn. **Net cash from financing activities** was THB 4,282mn mainly from cash received from issuance of newly ordinary shares through rights offering of THB 12,917mn, but partially offset by net cash paid for repayment of short-term loans from financial institutions and lease liabilities of THB 8,260mn.

VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 2022/23 ENDED 31 MARCH 2023

25 MAY 2023

FINANCIAL RATIOS

Profitability Ratios		2021/22 (Restated)	2022/23	Liquidity Ratios		31 MAR 2022 (Restated)	31 MAR 2023
Gross profit	(%)	23.5%	27.4%	Current ratio	(times)	1.6	4.9
EBITDA	(%)	8.2%	6.0%	Quick ratio	(times)	0.3	3.7
Cash-to-net profit	(%)	160.7%	33.3%	Account receivable turnover	(times)	4.7	4.5
Net profit (excl. NCI)	(%)	-2.7%	-1.1%	Average collection period	(days)	77.6	80.9
Return on equity	(%)	-0.5%	-0.2%	Payable days	(days)	60.5	73.5
Efficiency Ratios							
Return on assets	(%)	-0.4%	-0.2%	Liability to equity	(times)	0.4	0.1
Return on fixed assets	(%)	24.1%	30.4%	Debt to equity	(times)	0.3	-
Assets turnover	(times)	0.1	0.2				

Remark:

- Financial ratios were calculated based on The Stock Exchange of Thailand's formula
- Following to the reclassification of items, the Company restated the statement of financial position in 2021/22.

MANAGEMENT OUTLOOK

The growth of Thailand's economy is predicted to rebound to 3.6% in 2023, expanding from 2.6% growth registered in compared to the previous year. The recovery was primarily supported by private consumption and consumer confidence as well as the increase of tourism activities. Nevertheless, global market outlooks remain uncertain due to high inflationary pressures and the on-going political conflict between Russia and Ukraine, as well as rising household debt in Thailand. These are crucial factors for the economic recovery within Thailand this year.

Based on the mentioned circumstances, VGI forecasts a conservative revenue target of THB 6,000 – 6,500mn, a growth of 20 – 30% YoY, and a net profit margin of more than 10%. Total CAPEX for 2023/24 is expected to amount to THB 1,150mn (THB 300mn from VGI, THB 350mn from Rabbit Group and THB 500mn from Super Turtle).

In 2022/23, VGI approved the payment of cash dividend at the total of THB 0.08 per share. The Company has paid interim dividend of THB 0.04 per share in March 2023. Meanwhile, the payment of final cash dividend of THB 0.04 per share from the operating results of 2022/23 was approved by the Boards of Directors on 25 May 2023. The final dividend payment is subject to the approval of the shareholders' meeting on 18 July 2023.

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