

1Q 2023/24 BUSINESS HIGHLIGHTS

- VGI reported revenue from services and sales of THB 1,123mn, an increase of 7.8% YoY. This was from the ongoing recovery of Advertising business and growth in Digital Services segment.
- Share of loss from investment in joint venture and associates was THB 274mn, primarily due to the impact from non-consolidated operations of the associates and joint ventures.
- As a result, VGI recorded a net loss of THB 366mn.

KEY BUSINESS AND STRATEGIC UPDATES

1) ADVERTISING

Received the exclusive right to manage advertising spaces on the Yellow Line

- On 3 July 2023, VGI was granted the exclusive rights to manage media across the Yellow Line. The rights were included media on 30 trains and 23 BTS stations (Lat Phrao – Sam Rong). This expansion will enhance VGI's media capacity and extend our media reach to new audiences.



Unlocking digital touchpoint with Chinese travelers

- During the first half of 2023, the Thai government revealed that the number of Chinese tourists has continued to increase by 98.0% from the previous year. Therefore, V-Click Technology Company Limited, together with Southeast Asia's consumer brands organised advertising and marketing solutions seminars - 'China's Travel Rebound with Chinese Traveller' and 'Thought Leadership 2023: Growth Beyond Thai Audience'. Through these events, the Company will be able to offer compelling digital strategies aimed at captivating and engaging Chinese tourists, throughout the duration of their journey. This would equip brands with invaluable insights and ideas, to be utilised for their advertising needs, enabling them to deliver memorable content creating awareness, and drives both conversion and engagement.



2) DIGITAL SERVICES

- Rabbit Care Company Limited recognised an increase in number of insurance policy by more than 50.0% YoY.
- Rabbit Cash Company Limited has outstanding loan of THB 252mn in 1Q 2023/24, with the contribution from nano loan 77.8% and welfare 22.2%.
- As of 30 June 2023, the number of Rabbit Cards reached 16.6mn cards, an increase of 8.4% YoY. Meanwhile, Rabbit LINE Pay has more than 10.6mn users, an increase of 9.4% YoY.

3) DISTRIBUTION

Continued to expand Turtle shop

- In July 2023, Super Turtle Public Company Limited (“Turtle”) launched new Turtle shops on 3 BTS stations; Asok, Siam and Sala Daeng, bringing a total number of Turtle shop to 9 shops.



4) SUSTAINABILITY



In July 2023, VGI was recognised as Thailand’s first and only media company, which was labeled as ‘The Carbon Neutral’. The carbon neutral status was certified by the Thailand Greenhouse Gas Management Organisation (TGO).

VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 1Q 2023/24 ENDED 30 JUNE 2023

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CONSOLIDATED P&L SNAPSHOT

THB (mn)	1Q	4Q	1Q	QoQ (%)	YoY (%)
	2022/23	2022/23	2023/24		
Revenue from services and sales	1,042	1,246	1,123	-9.8%	7.8%
Cost of services and sales	(776)	(923)	(772)	-16.4%	-0.6%
Gross profit	265	323	352	8.9%	32.5%
Other income	253	45	40	-11.8%	-84.3%
SG&A	(395)	(538)	(552)	2.5%	39.6%
EBIT (excl. share of loss from investments)	123	(171)	(161)	5.9%	-231.1%
Share of loss from investments	(101)	(192)	(274)	-42.6%	-171.1%
EBIT	21	(363)	(435)	-19.8%	-2134.6%
Interest expenses	(13)	(5)	(5)	-4.5%	-60.8%
Tax	(42)	(44)	(16)	-63.5%	-61.9%
Net profit (loss)¹	25	(260)	(366)	-40.8%	-1538.9%
EBITDA (excl. share of loss from investments)	238	(20)	(23)	-17.7%	-109.8%

Gross profit margin	25.5%	25.9%	31.3%		
EBIT margin	2.1%	-29.1%	-38.7%		
Net profit (loss) margin	2.4%	-20.9%	-32.6%		
EBITDA (excl. share loss from investments) margin	22.8%	-1.6%	-2.1%		

¹As shown in financial statement, excluding minority interest

Remark: Share of loss from investments refers to share of loss from investments in joint ventures and associates.

Revenue Breakdown

(THB mn)	1Q	4Q	1Q	QoQ (%)	YoY (%)
	2022/23	2022/23	2023/24		
Advertising	411	472	486	2.9%	18.3%
Transit	392	445	451	1.4%	15.1%
Office & Others	19	27	35	28.1%	84.2%
Digital Services	260	420	367	-12.7%	40.7%
Distribution	370	354	271	-23.5%	-26.9%
Total revenue from services and sales	1,042	1,246	1,123	-9.8%	7.8%

% Contribution to total revenue from services and sales

	1Q	4Q	1Q
	2022/23	2022/23	2023/24
Advertising	39.4%	37.9%	43.3%
Transit	37.6%	35.7%	40.2%
Office and Other	1.8%	2.2%	3.1%
Digital Services	25.0%	33.7%	32.6%
Distribution	35.6%	28.4%	24.1%
Total revenue from services and sales	100.0%	100.0%	100.0%

PERFORMANCE ANALYSIS (1Q 2023/24 vs. 1Q 2022/23)

In 1Q 2023/24, the Company reported **revenue from services and sales** of THB 1,123mn, an increase of 7.8% YoY, mainly from the recovery of Advertising and Digital Services segments. In terms of revenue contribution, Advertising, Digital Services and Distribution revenue contributed 43.3%, 32.6% and 24.1%, respectively.

Advertising revenue increased by 18.3% YoY to THB 486mn, representing an increase in occupancy rate to 45.2% from 38.2% in the same period last year. The growth was from higher revenue from both Transit media and Office and Other media, which resulted from the increase in number of eyeballs in BTS SkyTrain network and more people in office building network.

- **Transit media revenue** was THB 451mn, an increase of 15.1% YoY.
- **Office and Other media revenue** was THB 35mn, an increase of 84.2% YoY.

Digital Services revenue was THB 367mn, an increase of 40.7% YoY. The increase was included higher lead generation and commission revenue from Rabbit Care Company Limited, higher revenue from the usage of Rabbit Card from the increase in number of BTS ridership and more online media revenue from VGI Digital Lab and more outstanding loan issued by Rabbit Cash Company Limited.

Distribution revenue was THB 271mn, a decrease of 26.9% YoY. The decrease in revenue resulted from the change in product mix as Fanslink Communications Company Limited selected to sell high margin products.

Cost of services and sales decreased to THB 772mn, a slightly decrease of 0.6% YoY. **Cost-to-sales ratio** decreased to 68.7% (74.5% in the prior year) as revenue from services and sales increase in higher rate than cost of services and sales. This resulted in a higher **gross profit margin** of 31.3% opposed to 25.5% in the prior year.

Meanwhile, **selling, general and administrative expenses (“SG&A”)** increased to THB 552mn, an increase of 39.6% YoY, mainly resulted from the consolidation of Super Turtle Public Company Limited. Therefore, **SG&A to revenue ratio** increased to 49.1% (38.0% in the prior year).

In this quarter, the Company recorded a **share of loss from investments in joint ventures and associates** of THB 274mn (Share of loss of THB 101mn in the prior year). The recognition share of loss was primarily from Kerry Express (Thailand) Public Company Limited and Jaymart Group Holdings Public Company Limited performance.

Altogether, the Company recorded a **net loss** of THB 366mn, representing a **net loss margin** of 32.6%.

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MANAGEMENT DISCUSSION & ANALYSIS 1Q 2023/24 ENDED 30 JUNE 2023

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FINANCIAL POSITION

ASSETS

ASSETS BREAKDOWN	31 MARCH 2023 (Restated)		30 JUNE 2023	
	(THB mn)	% out of total	(THB mn)	% out of total
Cash & cash equivalents and current financial assets	7,747	23.0%	7,861	23.6%
Trade & other receivables	1,120	3.3%	1,141	3.4%
Loans to customers and accrued interest	91	0.3%	219	0.7%
Inventory – net	215	0.6%	208	0.6%
Equipment – net	1,101	3.3%	1,317	4.0%
Investment in JVs, associates and other non-current financial assets	20,216	60.1%	19,630	58.9%
Goodwill	391	1.2%	391	1.2%
Other assets	2,753	8.2%	2,556	7.7%
Total assets	33,636	100.0%	33,324	100.0%

Total assets were THB 33,324mn on 30 June 2023, a decrease of THB 312mn from THB 33,636mn on 31 March 2023.

Total current assets were THB 10,276mn, an increase of THB 259mn, primarily from an increase in 1) loans to customers and accrued interest of THB 127mn, 2) cash & cash equivalents and other current financial assets of THB 114mn and 3) trade & other receivables of THB 21mn.

Total non-current assets were at THB 23,048mn, a decrease of THB 572mn, mainly due to lower investment in JVs and associates and other non-current financial assets of THB 586mn.

Trade and other receivables were THB 1,141mn, an increase of THB 21mn. As of 30 June 2023, the allowance for expected credit losses was THB 178mn. The average collection period at end of this quarter was 82 days, increased from 78 days as of 31 March 2023.

AGING OF TRADE RECEIVABLES (THB mn)	31 MARCH 2023 (Restated)	30 JUNE 2023
Not yet due	602	602
Up to 6 months	193	223
Over 6 months	181	182
Allowance for expected credit losses	173	178
Total	803	829
% of total trade and other receivables	71.7%	72.6%

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 MARCH 2023		30 JUNE 2023	
	(THB mn)	% out of total	(THB mn)	% out of total
Trade & other payables	709	2.1%	1,051	3.2%
Accrued expenses	368	1.1%	471	1.4%
Other current liabilities	975	2.9%	1,004	3.0%
Other non-current liabilities	933	2.8%	864	2.6%
Total liabilities	2,985	8.9%	3,389	10.2%
Shareholders' equity	30,651	91.1%	29,935	89.8%
Total liabilities and equity	33,636	100.0%	33,324	100.0%

Total liabilities were THB 3,389mn, an increase of THB 405mn from THB 2,985mn on 31 March 2023, mainly from 1) trade & other payables of THB 342mn, primarily from other payables for purchases of financial instruments and 2) accrued expenses of THB 102mn.

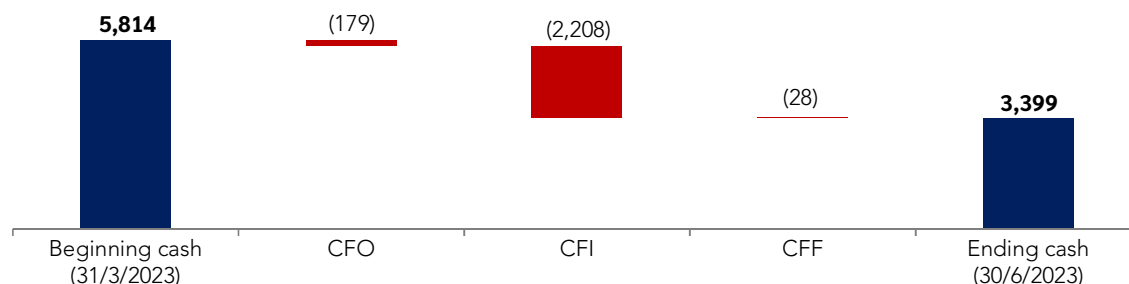
Total equity was THB 29,935mn, a decrease of THB 717mn, mainly from a decrease in 1) retained earnings of THB 342mn, 2) other components of shareholders' equity of THB 285mn and 3) non-controlling interests of THB 89mn.

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LIQUIDITY AND CASH FLOW (THB mn)



For the three months, ended 30 June 2023, **net cash used in operating activities** was THB 179mn. **Net cash used in investing activities** was THB 2,208mn mainly from cash paid for 1) purchases of financial instruments – net of THB 2,245mn and 2) capital expenditures of THB 126mn. **Net cash used in financing activities** was THB 28mn.

FINANCIAL RATIOS

Profitability Ratios		1Q 2022/23	1Q 2023/24	Liquidity Ratios		31 MAR 2023	30 JUN 2023
Gross profit	(%)	25.5%	31.3%	Current ratio	(times)	4.9	4.1
Operating EBITDA	(%)	22.8%	-2.1%	Quick ratio	(times)	3.7	2.0
Cash-to-net profit	(%)	68.5%	111.2%	Account receivable turnover	(times)	4.7	4.4
Net profit (loss) (excl. NCI)	(%)	2.0%	-31.5%	Average collection period	(days)	78	82
Return on equity	(%)	-0.5%	-1.7%	Payable days	(days)	117	116
Efficiency Ratios							
Return on assets	(%)	-0.4%	-1.4%	Liability to equity	(times)	0.1	0.1
Return on fixed assets	(%)	24.4%	-4.5%	Debt to equity	(times)	0.0	0.0
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

We remain confident in VGI's business direction and strategy, despite the impact brought on by the challenging economic uncertainties. Moreover, we believe that our operations, the Advertising business, will benefit from the return of the BTS ridership and the launch of the Yellow Line, which is expected to increase VGI's media capacity. In the recent quarter, VGI continued to record net profit of THB 232mn in the separated financial statements. Meanwhile, our cash position remained strong. However, it is important to acknowledge that the Company's performance has been hindered by non-consolidated operations of the associates and joint ventures. Looking ahead, we anticipate our operations to recover across all business units.

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(Chief Financial Officer)
VGI Public Company Limited