

FY2023/24 HIGHLIGHTS

- Advertising and Digital services revenues saw 8.7% and 8.5% YoY growth respectively, offsetting a 23.1% YoY decrease in Distribution revenue. As a result, total revenue declined marginally to THB 4,813mn.
- FY2023/24 reported net loss was THB 3,489mn, due to share of loss from JV and associates, disposal loss of Kerry Express (Thailand) Public Company Limited ("KEX") and impairment losses of an investment in Jaymart Group Holdings Public Company Limited ("JMart") and other associates.

BUSINESS UPDATES

ADVERTISING BUSINESS

- The Company expanded its media spaces to encompass the yellow and pink lines, adding 72 more trains to its media capacity.
- The Company also unveiled a novel media package titled 'EXIT package LED' at the front of Turtle shops during 2Q 2023/24. This initiative represents a collaborative effort between the Company and Super Turtle Company Limited ("TURTLE"), intended to enhance media capacity as well as increase awareness and attract more customers to Turtle shop.
- The Company also broadened its media inventory by incorporating Street Furniture media into new locations, including St. Louis and Ploen Chit stations. This comprehensive collection of media includes over 28 digital screens and light boxes, enhancing the reach and impact of the Company's advertising capabilities.
- FY2023/24 Utilisation rate improved to 47.1%, compared to 45.1% in FY2022/23, despite an increase in media capacity of 3.9% YoY.



DIGITAL SERVICE BUSINESS

- On 31 August 2023, RabbitPay System Company Limited ("RPS"), a subsidiary of BSS Holdings Company Limited divested its entire shareholding in Rabbit Line Pay Co.,Ltd ("RLP") to LINE Man (Thailand) Company Limited and LINE Company (Thailand) Limited. The decision to divest from the online payment business was prompted by intensified competition within the e-payment market which was driven by the introduction of Prompt Pay and the rapid expansion of other contenders in the market. Following the transaction, RPS recorded gain from sale of investment amounting to THB 406mn.

Rabbit Card

- As of 31 March 2024, the number of Rabbit Cards circulation reached 17.8mn, marking an increase of 9.6% YoY from 16.2mn at the end of March 2023.
- To enhance card subscription and utilisation, a new promotional initiative "Xtreme Savings" on the green line and "Ride anywhere across the line for THB 25" on the yellow line have been introduced. Furthermore, promotional campaigns in collaboration with retail establishments, especially TURTLE, have been implemented consistently throughout the year. These campaigns offer incentives such as complimentary items, discounts, and cashback rewards upon Rabbit card usage and are introduced to increase passenger convenience and non farebox revenue from BTS passengers.

Rabbit Care

- During FY2023/24, Rabbit Care Company Limited (“RCare”) sold total insurance policies amounting to 200,330 policies, with 74% attributed to motor, 24% to travel, and 2% to health insurance. Total gross written premiums for FY2023/24 amounted to THB 2,805mn, up 12.7% YoY.
- In 2Q 2023/24, Rabbit Care Broker Company Limited, a subsidiary of RCare completed the acquisition of Easy Compare (Thailand) Company Limited’s non-life brokerage business, thereby incorporating over 30,000 active clients into its portfolio and at least 400,000 users on the platform.
- Additionally, the establishment of Rabbit Care Vietnam and Rabbit Care Singapore entities extends its business operations to other south-east Asian markets. These newly formed subsidiaries will replicate the business model successfully implemented in Thailand, focused on offering online insurance and financial products comparison services.

Rabbit Cash

- At the end of FY2023/24, Rabbit Cash Company Limited (“Rcash”)’s outstanding loan portfolio amounted to THB 731mn, demonstrating a jump of 558% YoY. Notably, the portfolio consisted of 74.4% nano loans and 25.6% welfare loans.

DISTRIBUTION BUSINESS

TURTLE

- During 3Q 2023/24, the Company, through its wholly owned subsidiary, Point of View (POV) Company Limited, purchased additional 212mn shares (or 13.3%) of TURTLE shares, bringing its holding to 73.3%. this strategic investment will not only bolster revenue growth but also significantly contribute to the overall performance of the Company in the future.
- During the year, TURTLE has extended its presence by opening a total of 19 new Turtle shops with the latest one at Nana BTS stations in February 2024, bringing the total to 22 shops across 20 BTS stations by the end of the year. Store branches, listed chronologically by opening dates, are 1) Saint Louis 2) Phloen Chit 3) Victory Monument 4) Phaya Thai 5) Siam I 6) Asok 7) Saphan Taksin 8) Siam II 9) Sala Daeng 10) Unicorn building 11) Chit Lom 12) Mo Chit 13) On Nut 14) Phrom Phong 15) Chong Nonsi 16) Ekkamai 17) Thong Lo 18) National Stadium 19) Ari 20) Phra Khanong 21) Surasak and 22) Nana.
- SuperRich Turtle shop also expanded another 3 branches during the year with the latest one at Sala Daeng BTS station on 1st March 2024, thereby increasing the total number of shops to 7 branches. Store branches, listed chronologically by opening dates, are 1) Asok 2) PhromPhong 3) Chit Lom 4) Siam 5) National Stadium 6) Phaya Thai 7) Sala Daeng.
- As a result of rapid expansion and synergistic marketing strategies, TURTLE reported an increase in the proportion of sales from Rabbit Rewards members from 52.9% in FY2022/23 to 62.7% in FY2023/24. The occupancy rate of leased space also rose from 59.6% in FY2022/23 to 72.9% in FY2023/24.

Branch locations:



* As of 31 March 2024

Fanslink

- As Fanslink Communication Company Limited (“Fanslink”) shifts its strategy to prioritize owned brands which offer higher margins, the proportion of owned brands increased from 17% a year earlier to 21%. As a result, the gross margin improved from 8.5% to 13.6% in FY2023/24.

Our owned-brand portfolio

<p>PANDO Pet Devices and Consumables</p>	<p>WANAA Beauty and Health</p>	<p>EZHOME Smart Home Gadgets</p>
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KEX

- On 22 March 2024, the Company divested its entire stake in KEX which is 269mn shares or 15.45% of total KEX shares via a tender offer, citing intensified competition in a logistic industry. Following the transaction, the Company recorded proceed from sales of investment of THB 1,481mn and a disposal loss of THB 2,363mn in FY2023/24.

SUSTAINABILITY

- Recognising the importance of ensuring equitable access to educational and technological resources for youth across the country, the Company has actively engaged in establishing a computer laboratory at Rajaprajanugroh School 14 in Nong Khai Province in January. The initiative entails the provision of 50 computer sets and chairs, along with 16 wall fans. Additionally, a dedicated team has been deployed to facilitate the development of the school's network system.
- In February 2024, the Company has further donated 2 disinfection spray cabinets to Premprachawattana school which is part of a Catholic school network. This equipment is intended to eradicate germs and bacteria present in the air and on surfaces, thereby mitigate the risk of disease transmission and promoting proper hygiene practices among students and school faculties.
- The Company has attained an “Excellent” corporate governance rating for the 8th consecutive year from the Thai Institute of Directors (IOD) and certified as a member of the Thai Private Sector Anti-Corruption Coalition (CAC) since 2014.

AWARDS



Ranked in the Top 1% of Sustainability Scorers by S&P Global, achieving the highest score within the Media, Movies & Entertainment industry for the 2nd year straight.



Recognised as the ‘Thailand Top Corporate Brand Hall of Fame 2023’, this award honors the corporate for the maintaining a high brand value for the 5th consecutive year at the ASEAN and Thailand’s Top Corporate Brands 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).



Certified as a member of the Thai Private Sector Anti-Corruption Coalition (CAC) since 2014

VGI PUBLIC COMPANY LIMITED

MANAGEMENT DISCUSSION & ANALYSIS FY 2023/24 ENDED 31 MARCH 2024

24 MAY 2024



Honored with an "AA" sustainable stock rating under the "SET ESG Rating" in the Services group for the year 2023, marking our inclusion in the list for the third consecutive year



Included into SET100 Index during a period of January to June 2024 by SET



Included into MSCI Small Cap Indices for the 4th consecutive year by the Morgan Stanley Capital International (MSCI) index



Received an 'Excellent' Corporate Governance scoring for the 8th consecutive year in 2023 by the Thai Institute of Directors (IOD)

FINANCIAL PERFORMANCE

CONSOLIDATED P&L SNAPSHOT

THB (mn)	FY 23/24	FY22/23	% YoY
Revenue from services and sales	4,813	4,873	-1.2%
Cost of services and sales	3,359	3,515	-4.5%
Gross profit	1,454	1,357	7.1%
Other income	647	885	-26.9%
SG&A	2,522	2,028	24.4%
Loss from disposal of investment in associates	2,363	0	n/a
Loss on impairment of investment in associates	433	0	n/a
Operating profit	(3,217)	215	-1599.6%
Share of loss from investments	(735)	(438)	-67.7%
EBIT	(3,952)	(224)	-1667.1%
Interest expense	(28)	(31)	11.1%
Tax	205	(213)	196.6%
Net profit to equity holders	(3,489)	(65)	-5277.1%

REVENUE STRUCTURE

THB (mn)	FY23/24	FY 22/23	% YoY
Advertising	2,105	1,938	8.7%
Digital services	1,544	1,423	8.5%
Distribution	1,163	1,512	-23.1%
Revenue from services and sales	4,813	4,873	-1.2%

REVENUE BREAKDOWN

Advertising	44%	40%
Digital services	32%	29%
Distribution	24%	31%
Revenue from services and sales	100%	100%

In FY2023/24, the Company's **revenue from services and sales amounted to THB 4,813mn**, consisting of 44% from Advertising revenue, 32% from Digital services and 24% from Distribution. Over the year, the revenue contribution has experienced a slight shift, transitioning from 40% of Advertising revenue, 29% of Digital services and 31% of Distribution. The shift can be attributed to a 23.1%YoY decrease in Distribution business, but an 8.7% YoY and 8.5% YoY increase in Advertising revenue and Digital services revenue, respectively. Consequently, total revenue experienced a marginal decline of 1.2% YoY.

In FY2023/24, **Advertising revenue** reached THB 2,105mn and witnessed 8.7% YoY growth due to a higher utilisation rate across all media channels, rising to 47.1% by the fiscal year's end from 45.1% in the previous fiscal year. This was despite a 3.9% YoY increase in media capacity.

Digital services revenue increased to THB 1,544mn, marking an 8.5% YoY growth. Thanks to a consistent marketing campaign throughout the year, there has been a significantly boost in Rabbit card subscription and utilisation, a remarkable expansion of the loan portfolio and a rise in insurance policy issuance, ultimately leading to higher revenue. Additionally, the rise in digital lab revenue subsequently boosted both digital services and advertising revenue.

Finally, **Distribution revenue** stood at THB 1,163mn, marking a 23.1% YoY decrease attributable to a Fanslink strategic change, aimed at increasing profitability margin. Fanslink reduced sales of other brands, which had low margins but contributed more to revenue, to favor our owned brands with high gross margins. By the end of FY 2023/24, owned brands accounted for 21% of total sales compared to 17% at the end of FY 2022/23. However, revenue from TURTLE mainly surged from retail business, with 19 new shops opened during the year.

FY2023/24 gross profit was up 7.1% YoY to THB 1,454mn, driven by product mix change that emphasises owned brands for their higher gross margins. Additionally, enhanced productivity and lower media costs in RCare business contributed to this growth. Moreover, the expansion of TURTLE shops led to economies of scale and improved operational efficiency. With a 4.5% YoY decrease in the cost of services and sales, the gross margin improved to 30.2% from 27.9% in the previous year.

Other income saw a 26.9% YoY decrease to THB 647mn, attributed to non-recurring items such as gain from sales of investment in associates.

SG&A also grew 24.4% YoY to THB 2,522mn, primarily due to the expansion of TURTLE and RCash businesses as well as non-recurring expenses such as legal fee. With higher SG&A and relatively steady revenue, the SG&A to sales ratio rose to 52.4% in FY2023/24 from 41.6%.

Moreover, other non-recurring items are disposal loss from sales of KEX, totalling THB 2,363mn and impairment loss from investment in associates amounted to THB 433mn.

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The contribution of net loss from JV and Associates was THB 735mn in FY2023/24, increase YoY due to operation loss from KEX and less profit sharing from JMart.
In conclusion, the reported net loss attributable to the Company for FY2023/24 amounted to THB 3,489mn.

FINANCIAL POSITION

ASSETS

ASSETS BREAKDOWN	31 MARCH 2024		31 MARCH 2023	
	(THB mn)	%	(THB mn)	%
Cash & equivalents and current financial assets	6,713	23.6%	7,747	23.0%
Trade & other receivables	1,395	4.9%	1,109	3.3%
Loans to customers and accrued interest	631	2.2%	91	0.3%
Inventory - net	202	0.7%	215	0.6%
Equipment - net	1,570	5.5%	1,101	3.3%
Investment in JVs, associates, and other non-current financial assets	14,701	51.8%	20,216	60.1%
Goodwill	367	1.3%	391	1.2%
Other assets	2,822	9.9%	2,756	8.2%
Total assets	28,401	100.0%	33,627	100.0%

Total assets were THB 28,401mn on 31 March 2024, decrease 15.5% YoY mainly from a divestment of JV & Associates, impairment losses on investments and a reduction in cash & cash equivalents. However, loans to customers and accrued interest surged by 590.8% YoY to THB 631mn, driven by an expansion in the loan portfolio of RCash. Additionally, building improvements & equipment rose by 42.6% YoY to THB 1,570mn primarily from TURTLE's business expansion and accretion of additional media spaces.

Trade and other receivables on 31 March 2024 were THB 1,395mn, increase 25.8% YoY. However, trade receivables were THB 976mn, stable YoY, with the allowances for expected credit losses of 22% or THB 212mn.

AGING OF TRADE RECEIVABLES (THB mn)	31 MARCH 2024	31 MARCH 2023
Not yet due	540	593
Past due up to 6 months	252	193
Past due over 6 months	185	181
Total	976	968
Allowance for expected credit losses	212	173
BREAKDOWN		
Not yet due	55%	61%
Past due up to 6 months	26%	20%
Past due over 6 months	19%	19%
Total	100%	100%
Allowance for expected credit losses	22%	18%

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LIABILITIES AND EQUITY

LIABILITIES AND EQUITY BREAKDOWN	31 MARCH 2024		31 MARCH 2023	
	(THB mn)	%	(THB mn)	%
Trade & other payables	803	2.8%	700	2.1%
Accrued expenses	505	1.8%	368	1.1%
Other current liabilities	1,023	3.6%	962	2.9%
Other non-current liabilities	936	3.3%	945	2.8%
Total liabilities	3,267	11.5%	2,976	8.8%
Shareholder's equity	25,134	88.5%	30,651	91.2%
Total liabilities and equity	28,401	100.0%	33,627	100.0%

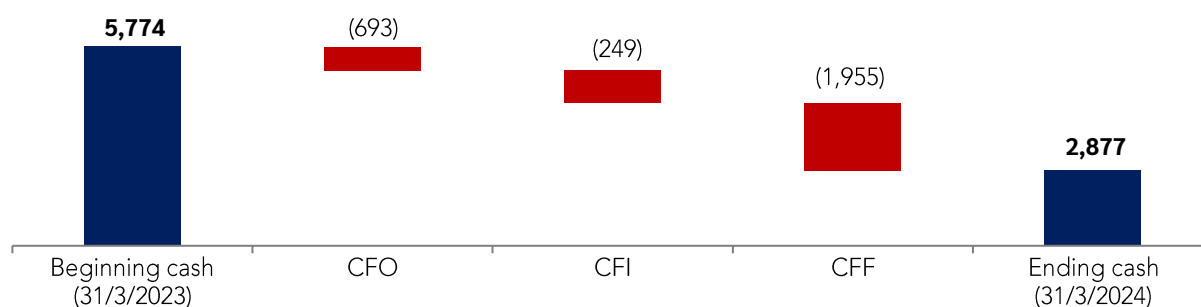
Total liabilities were THB 3,267mn, up 9.8% YoY, primarily due to an increase in trade and other payables as well as accrued expenses.

Total equity was THB 25,134mn, down 18.0% YoY mainly from a reduced in deficit from changes in the ownership interests in subsidiaries/business and NCI, as well as operational losses. At the end of FY2023/24, the Company's book value was 2.25 Baht per share.

Notably, financial position of the Company remains robust with no interest bearing debt.

LIQUIDITY AND CASH FLOW

Unit: THB mn



Over the FY 2023/24, net cash used in operating activities amounted to THB 693mn.

The Company used THB 249mn in net cash for investing activities, primarily due to additional investments in financial instruments amounting to THB 1,572mn and capital expenditure totalling THB 890mn. This was partially offset by net cash received from sale of investments in JV & associates amounting to THB 1,760mn, dividend received of THB 199mn and interest income of THB 146mn.

Net cash used in financing activities was THB 1,955mn, mainly from an additional investment in subsidiary amounting to THB 1,464mn and dividend payment of THB 448mn.

As a result, net cash & equivalents decreased by THB 2,897mn from the beginning fiscal year's cash of THB 5,774mn, resulting in an ending cash balance of THB 2,877mn.

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FINANCIAL RATIOS	Per financial statement	
	FY 23/24	FY 22/23
Profitability Ratios		
Gross margin	30.2%	27.9%
Operating profit margin	-66.8%	4.4%
EBIT margin	-82.1%	-4.6%
Net margin	-63.9%	-1.1%
Return on equity	-13.6%	-0.2%
Return on assets	-11.2%	-0.2%

	31 MARCH 2024	31 MARCH 2023
Liquidity Ratios		
Current ratio (times)	4.3	4.9
Average collection period (days)	95	78
Average inventory period (days)	77	79
Average payment period (days)	82	71
Debt to equity (times)	-	-

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

OUTLOOK

In FY2024/25, the Company will embark on a targeted strategy aimed at augmenting performance by prioritizing existing business ventures over the pursuit of expansion into new sectors. With a capital expenditures plan totaling THB 1bn, 50% of the funds will be earmarked for the advertising business, 20% for digital services enhancement and the remaining 30% for investments in the distribution business. As a result, revenue in FY2024/25 is expected to reach THB 6.0bn - THB 6.5bn.

With the support of various government measures aimed at boosting the economy and creating a more favorable business environment in the coming periods, the Bank of Thailand forecasts Thailand's 2024 GDP growth at 3.8% with private consumption growth at 4.5% from the implementation of the Digital Wallet scheme. As the economy strengthens, the Company anticipates significant growth in its operation and overall performance driven by increased demand for its products and services. Hence, the Company is poised to capitalize on these opportunities, enhancing its market position and driving sustainable growth.

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