

VGI Global Media Pcl (VGI TB) - SELL, Price Bt2.20 , TP Bt1.70**Results Comment**

Saksid Phadthanarak | Email: saksid.pha@thanachartsec.co.th

4QFY25 earnings missed our forecast

- VGI reported a normalized profit of Bt53m in 4QFY25 (VGI's fiscal year ends in March), up 66% y-y but down 83% q-q. The results were weaker than what we had expected. The strong earnings growth y-y was driven by improving gross margin, lower SG&A expenses, and positive equity income while its earnings drop q-q was due to the low season.
- VGI's first quarter is the higher season for its out-of-home media business, so we expect its earnings in 1QFY26 to improve y-y and q-q.
- However, we maintain our SELL call on VGI as **1)** the direction of its core businesses are still unclear after it appointed PLANB to oversee the marketing and operations of all VGI-owned advertising assets, **2)** we are still concerned on an end of its space management contract on the Core Green Line's stations in December 2029, and **3)** its valuation still looks expensive in our view.
- VGI's total revenue fell by 4% y-y in 4QFY25 due to;
 - 1) A rise in its OOH media revenue (45% of total sales) by 3% y-y as its utilization rate rose to 48% in 4QFY25 vs. 47% in 4QFY24.
 - 2) A rise in its digital service revenue (34% of total sales) by 10% y-y due to higher interest income from RCash's higher outstanding loans.
 - 3) A fall in its distribution revenue (24% of total sales) by 24% y-y due to higher revenue from Super Turtle.
- Its gross margin rose to 35% in 4QFY25 vs. 27% in 4QFY24 given its OOH media's higher utilization rate, RCash's higher outstanding loans, Fanslink's shift in product mix, and Turtle's improving economies of scale. Its SG&A expenses fell by 16% y-y due to lower marketing expenses.
- Its equity income was positive at Bt6m in 4QFY25 due to higher profit contribution from JMART and no loss in KEX.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Mar (Bt m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	(Bt m)	q-q%	y-y%	% FY25F	FY25	FY26F
Revenue	1,275	1,204	1,341	1,446	1,228	Revenue	(15)	(4)	95	5,219	6,198
Gross profit	345	408	413	564	425	Gross profit	(25)	23	93	1,810	2,302
SG&A	666	471	524	516	561	SG&A	9	(16)	100	2,072	2,293
Operating profit	(321)	(63)	(111)	48	(136)	Operating profit	na	na	184	(262)	9
EBITDA	(188)	69	31	188	(5)	EBITDA	na	na	80	284	515
Other income	53	70	58	184	149	Other income	(19)	180	102	461	620
Other expense	0	0	0	0	0	Other expense					
Interest expense	10	6	6	11	5	Interest expense	(50)	(48)	121	27	29
Profit before tax	(278)	1	(58)	221	8	Profit before tax	(96)	na	60	172	599
Income tax	(270)	31	(11)	50	12	Income tax	(76)	na	143	81	120
Equity & invest. income	(95)	55	64	104	6	Equity & invest. income	(94)	na	116	229	193
Minority interests	134	38	62	33	50	Minority interests	55	(62)	111	182	63
Extraordinary items	19	0	0	0	0	Extraordinary items	na	na	na	0	0
Net profit	51	63	78	308	53	Net profit	(83)	3	85	501	735
Normalized profit	32	63	78	308	53	Normalized profit	(83)	66	85	501	735
EPS (Bt)	0.00	0.01	0.01	0.02	0.00	EPS (Bt)	(83)	(42)	94	0.03	0.04
Normalized EPS (Bt)	0.00	0.01	0.01	0.02	0.00	Normalized EPS (Bt)	(83)	(7)	94	0.03	0.04

Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Mar (Bt m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	(%)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Cash & ST investment	6,619	6,155	6,276	21,739	21,395	Sales grow th	1.9	7.2	23.7	8.6	(3.7)
A/C receivable	1,395	1,451	1,179	1,392	1,146	Operating profit grow th	na	na	na	na	na
Inventory	202	247	190	174	159	EBITDA grow th	na	na	na	na	na
Other current assets	1,721	1,721	2,753	2,024	2,132	Norm profit grow th	na	na	na	na	66
Investment	8,304	8,353	8,318	6,188	6,152	Norm EPS grow th	na	na	na	na	(7)
Fixed assets	1,570	1,532	1,481	1,453	1,441	Gross margin	27.0	33.9	30.8	39.0	34.6
Other assets	8,590	8,231	8,637	7,913	7,242	Operating margin	(25.2)	(5.2)	(8.3)	3.3	(11.1)
Total assets	28,401	27,691	28,834	40,883	39,666	EBITDA margin	(14.8)	5.7	2.3	13.0	(0.4)
S-T debt	0	0	0	0	0	Norm net margin	2.5	5.2	5.8	21.3	4.3
A/C payable	803	834	742	742	704	D/E (x)	-	-	-	-	-
Other current liabilities	1,528	1,526	2,403	1,613	1,638	Net D/E (x)	(0.3)	(0.3)	(0.2)	(0.6)	(0.6)
L-T debt	0	0	0	0	0	Interest coverage (x)	(18.7)	11.8	5.5	17.8	(0.9)
Other liabilities	936	774	580	577	570	Interest rate	na	na	na	na	na
Minority interest	1,846	1,808	1,949	2,007	1,950	Effective tax rate	97.3	2,590.6	18.3	22.4	151.8
Shareholders' equity	23,288	22,748	23,159	35,944	34,804	ROA	0.4	0.9	1.1	3.5	0.5
Working capital	793	864	627	824	601	ROE	0.5	1.1	1.4	4.2	0.6
Total debt	0	0	0	0	0						
Net debt	(6,619)	(6,155)	(6,276)	(21,739)	(21,395)						

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued Derivative Warrants underlying securities before making investment decisions.

Note: Thanachart Capital Pcl (TCAP) holds an 89.97% of Thanachart Securities (TNS). TCAP holds a 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 combinedly hold a 60% stake in THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.42% of the shareholding in TMBThanachart Bank Pcl.

Note: Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 3/2025 (B.E. 2568) tranche 1-3 which its maturity at 2029, 2030, 2032 (B.E. 2572, 2573, 2575)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of BANPU PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568) tranche 1-3 which its maturity at 2030, 2032, 2035 (B.E. 2573, 2575, 2578)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities**Investment Banking Relationship**

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: