

VGI Global Media Pcl (VGI TB) - SELL, Price Bt1.11 , TP Bt1.70**Results Comment**

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Lower-than-expected 3QFY26 profit

- VGI reported a normalized profit of Bt83m in 3QFY26 (VGI's fiscal year ends in March), down 73% y-y but up 9% q-q. Its earnings were lower than what we had expected. A significant drop in earnings y-y was mainly due to lower media revenue, higher SG&A expenses and lower equity income. Its earnings growth q-q was due to the seasonal effect.
- As its 9MFY26 earnings make up only 28% of our full-year forecast, we see a significant downside risk to our earnings estimates.
- As the current share price is now below our TP, we are placing our call under review. Despite this, we remain concerned about: 1) the unclear business direction following the expiry of its space management contract for the Core Green Line stations in December 2029, and 2) the uncertainty around future investments for its Bt21 bn cash on hand.
- VGI's total revenue fell by 11% y-y in 3QFY26 due to;
 - 1) a fall in media revenue (44% of total sales) by 20% y-y mainly due to lower media revenue capacity after an end of the selling agent contract for media on BTS columns.
 - 2) a fall in digital service revenue (34%) by 3% y-y due to lower revenue from project management.
 - 3) a fall in distribution revenue (22%) by 2% y-y due to lower revenue from Turtle.
- Its gross margin declined to 36% in 3QFY26 from 39% in 3QFY25, mainly due to operating leverage effects.
- Its SG&A expenses rose by 8% y-y due to higher marketing expenses in Rabbit Group and media management fee while its equity income dropped by 32% y-y due to loss contribution from Jaymart.

Income Statement (consolidated)						Income Statement 9M as					
Yr-end Mar (Bt m)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	(Bt m)	q-q%	y-y%	% FY26F	FY26F	FY27F
Revenue	1,446	1,228	1,115	1,123	1,284	Revenue	14	(11)	64	5,539	5,897
Gross profit	564	425	401	380	462	Gross profit	22	(18)	62	2,002	2,177
SG&A	516	561	515	550	558	SG&A	2	8	78	2,077	2,182
Operating profit	48	(136)	(114)	(170)	(96)	Operating profit	na	na	503	(75)	(5)
EBITDA	188	(5)	17	(25)	49	EBITDA	na	(74)	10	422	491
Other income	184	149	118	111	117	Other income	5	(36)	80	432	423
Other expense	0	0	0	0	0	Other expense					
Interest expense	11	5	5	9	10	Interest expense	6	(9)	119	20	25
Profit before tax	221	8	(1)	(67)	11	Profit before tax	na	(95)	(17)	337	394
Income tax	50	12	33	26	46	Income tax	75	(8)	77	135	157
Equity & invest. income	104	6	28	110	70	Equity & invest. income	(36)	(32)	63	330	370
Minority interests	33	50	44	60	47	Minority interests	(22)	44	89	170	163
Extraordinary items	0	0	7	2	0	Extraordinary items					
Net profit	308	53	45	79	83	Net profit	6	(73)	29	702	769
Normalized profit	308	53	38	76	83	Normalized profit	9	(73)	28	702	769
EPS (Bt)	0.015	0.003	0.002	0.004	0.004	EPS (Bt)	6	(74)	28	0.04	0.04
Normalized EPS (Bt)	0.015	0.003	0.002	0.004	0.004	Normalized EPS (Bt)	9	(74)	27	0.04	0.04

Balance Sheet (consolidated)						Financial Ratios					
Yr-end Mar (Bt m)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	(%)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Cash & ST investment	21,739	21,395	20,966	21,439	21,315	Sales grow th	8.6	(3.7)	(7.4)	(16.2)	(11.2)
A/C receivable	1,392	1,146	1,146	1,049	1,164	Operating profit grow th	na	na	na	na	na
Inventory	174	159	172	198	180	EBITDA grow th	na	na	(75)	na	(74)
Other current assets	2,024	2,132	2,139	2,169	2,201	Norm profit grow th	na	66	(39)	(2)	(73)
Investment	6,188	6,152	6,124	12,491	12,413	Norm EPS grow th	na	(7)	(66)	(48)	(74)
Fixed assets	1,453	1,441	1,418	1,367	1,301	Gross margin	39.0	34.6	35.9	33.8	36.0
Other assets	7,913	7,242	7,407	3,046	2,819	Operating margin	3.3	(11.1)	(10.2)	(15.1)	(7.5)
Total assets	40,883	39,666	39,372	41,759	41,392	EBITDA margin	13.0	(0.4)	1.5	(2.2)	3.8
S-T debt	0	0	0	100	100	Norm net margin	21.3	4.3	3.4	6.8	6.5
A/C payable	742	704	654	633	579	D/E (x)	-	-	-	0.0	0.0
Other current liabilities	1,613	1,638	1,800	1,841	1,692	Net D/E (x)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
L-T debt	0	0	0	0	0	Interest coverage (x)	17.8	(0.9)	3.7	(2.7)	5.1
Other liabilities	577	570	561	917	938	Interest rate	na	na	na	72.9	38.5
Minority interest	2,007	1,950	1,900	1,843	1,669	Effective tax rate	na	na	na	na	na
Shareholders' equity	35,944	34,804	34,459	36,424	36,414	ROA	3.5	0.5	0.4	0.8	0.8
Working capital	824	601	664	614	765	ROE	4.2	0.6	0.4	0.9	0.9
Total debt	0	0	0	100	100						
Net debt	(21,739)	(21,395)	(20,966)	(21,339)	(21,215)						

Sources: Company data, Thanachart estimates

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