

2020 RS Opportunity Day RS PCL

4 March 2021

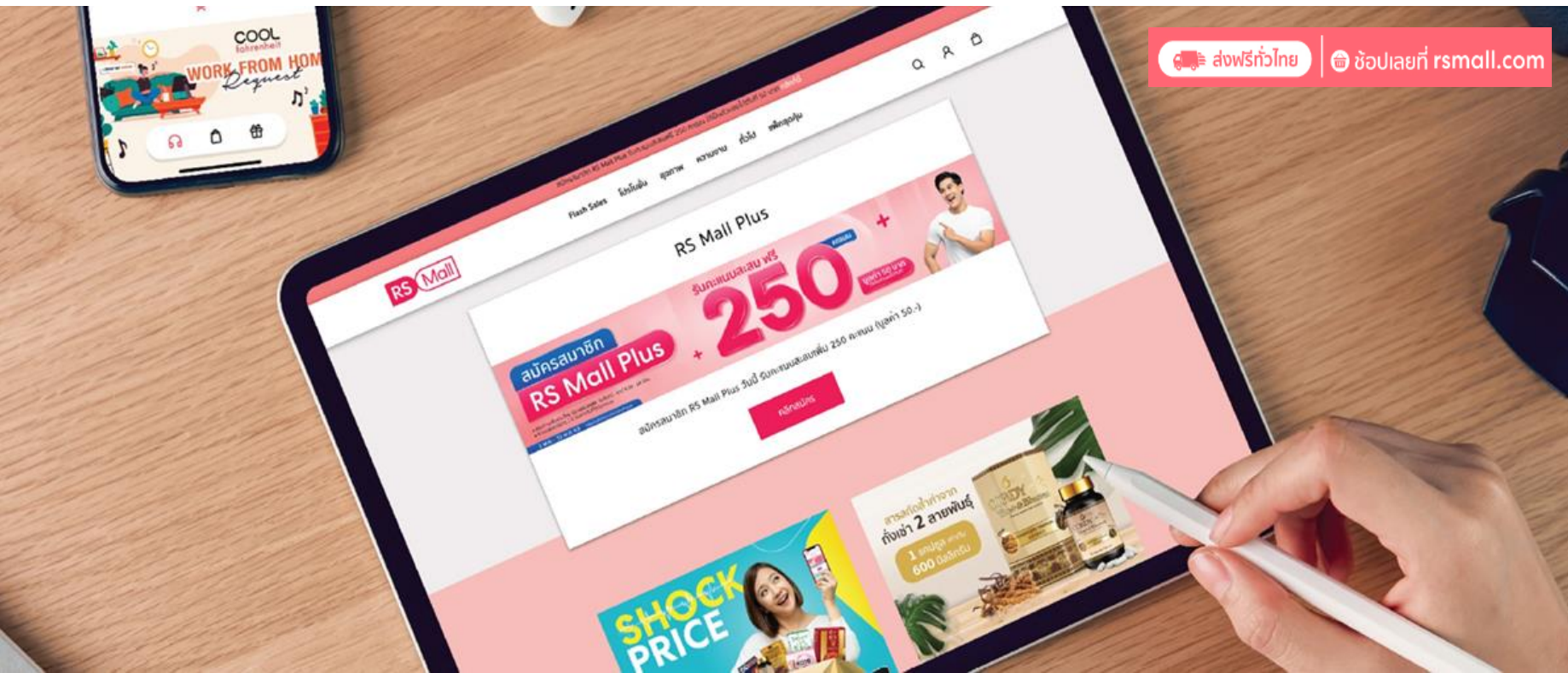
3.15-4.00PM

Virtual Conference



Agenda



- RS's Business Overview
- 2020 Financial Results & Performance
- 1H21 Business Highlights
 - Q&A



RS Group Structure

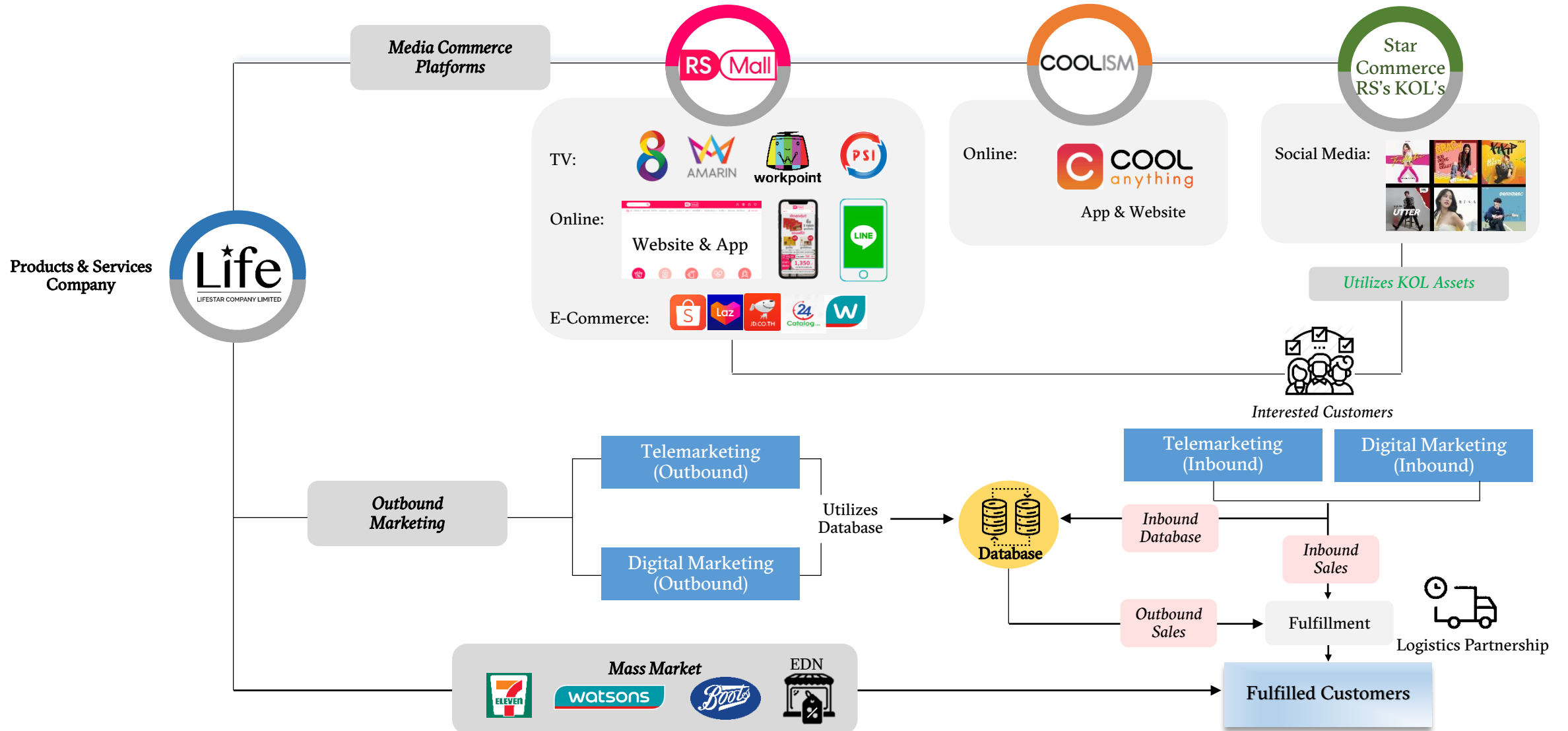
RS Group has 3 main core businesses which consist of Commerce, Media, and Music & Other businesses



% of Ownership	99.99%			99.99%
Business Model	 Commerce business			 Media business
Product&Service	Advertising and selling own & partner's products through offline & online media and retail stores. We continue to expand into other channels and online platforms to roll out over 100 product SKU/month			Digital TV, Channel 8, among the top TV channels in Thailand and No.1 easy listening category radio station under Coolism
Revenue Contribution	65%			5%
Channel	TV, Web&Social Media, Line O/A, Telesales and Retail Stores			Digital, Concert, Artist Management and Copyright
Target Group	Age 35-55 Urban 70%			Age 18-50 Nationwide
Customer Reach	5 Million (1.6 M on customer database)			32M subscribers & 9M followers

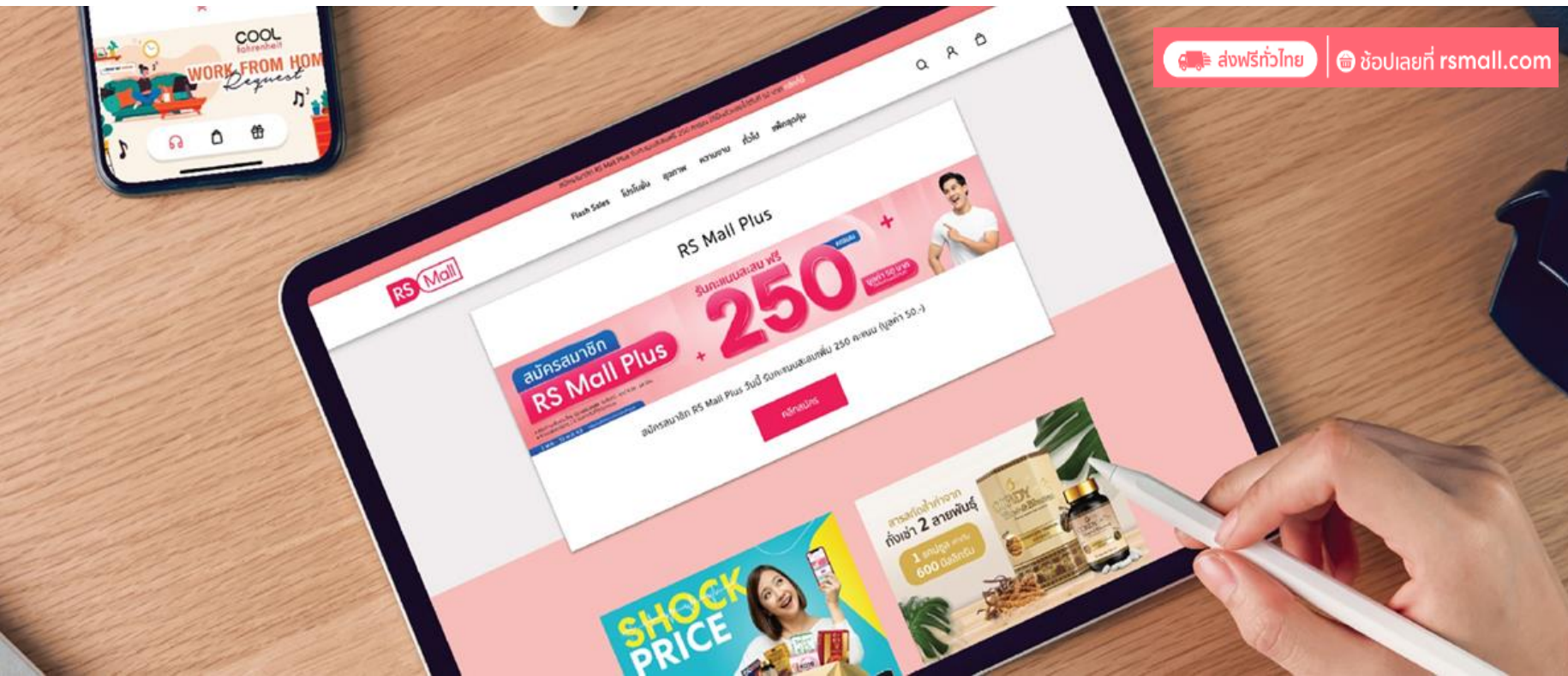
Entertainmerce Business Model

A commerce business operator, striving passionately with **Entertainmerce** model
and 1,400 employees (including telesales agent)



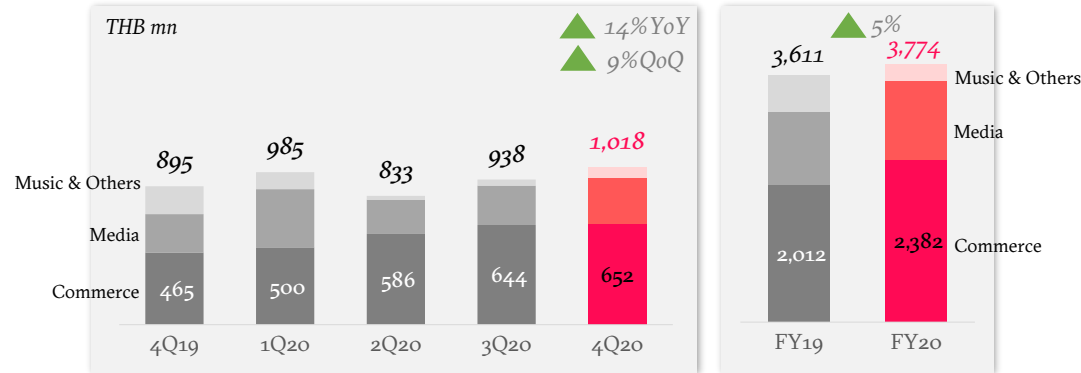
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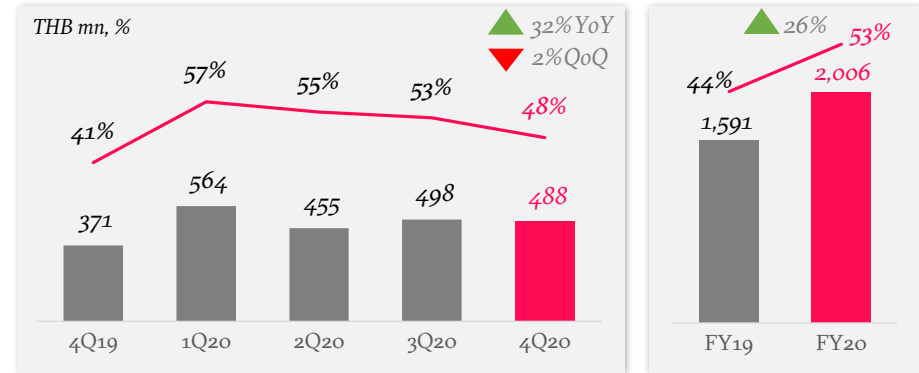


Financial Results

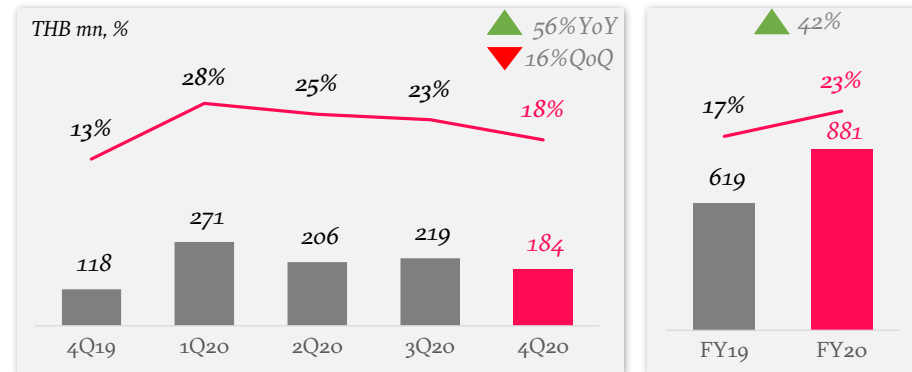
Revenue



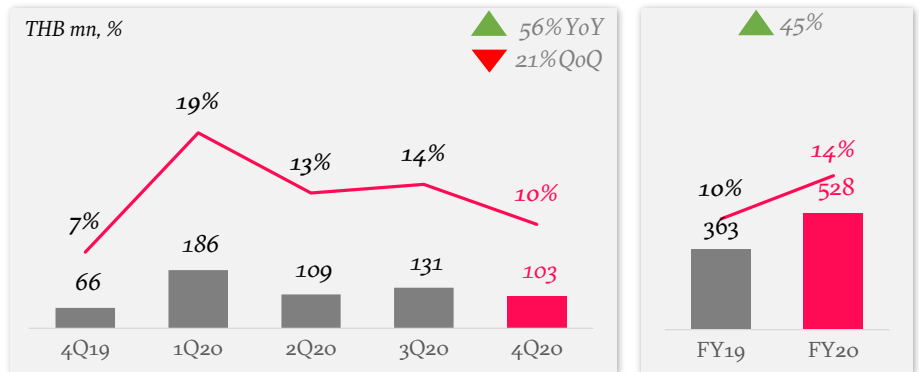
Gross Profit & Gross Profit Margin



EBITDA & EBITDA Margin



Net Profit & Net Profit Margin



Proven Track Record of Success in FY2020

- Highest revenue from commerce business, grew by 18%YoY and shared the biggest portion of 63% of total revenue, driven by a success of expanding sales channels and product offering as well as an increase in technology adoption resulting in an increase of customers base to 1.6mn.
- Revenue from media business grew by 7%YoY, driven by content licensing in order to expand in international markets and online platforms (OTT).
- 2020 net profit jumps 45% after hits all time high of THB 528mn thanks to strong growth in commerce business, additional revenue from content licensing and effective cost control in every business.

Balance Sheet & Ratios

31 Dec 20

Asset, THB 4.5bn

- ▲ 87%, Intangible assets
- ▲ 100%, Right of use assets
- ▲ 27%, PPE

Liability, THB 2.5bn

- ▲ 56%, A/P
- ▲ 4,734%, Lease liability agreement

Equity, THB 2.0bn

- ▲ 16%, R/E & Treasury shares

ROA, **18%** (2019 : 13%)

Net debt to EBITDA, **0.84x** (2019 : 0.61x)
IBD to Equity, **0.61x** (2019 : 0.45x)

ROE, **28%** (2019 : 21%)



Commerce : Revenue & GPM

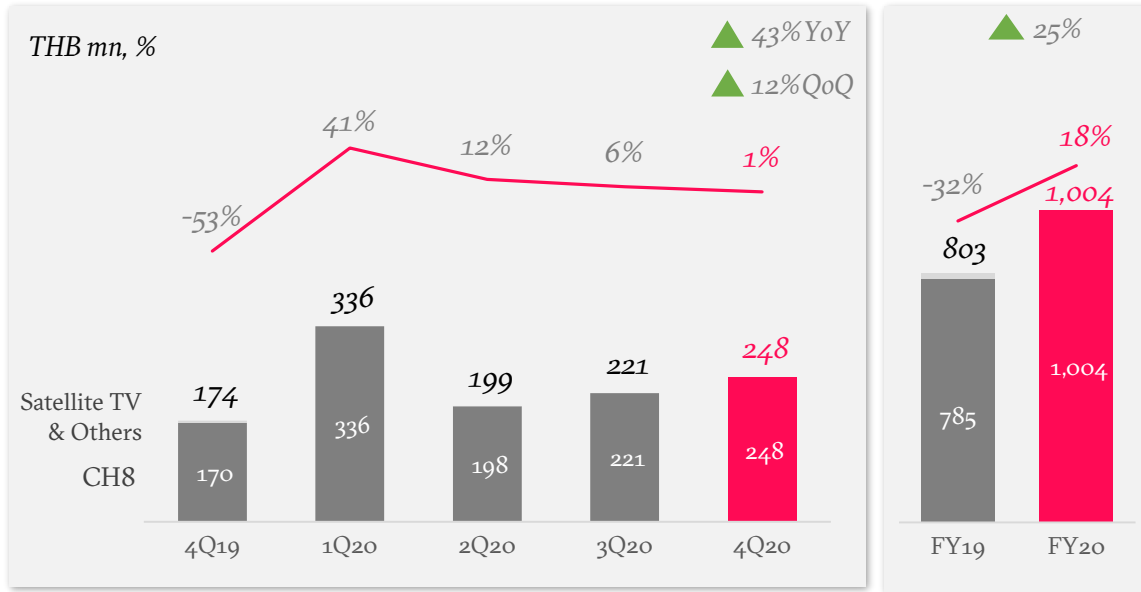




RS GROUP

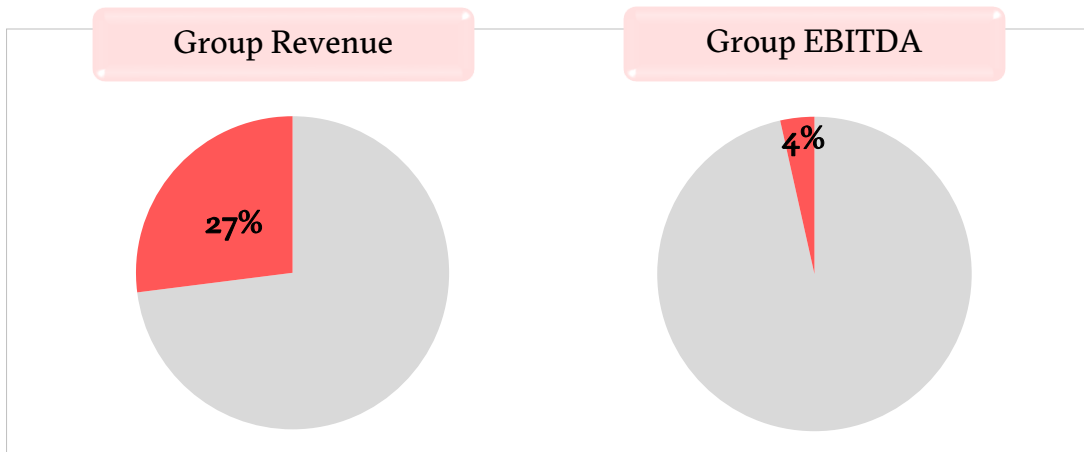
TV Performance

TV : Revenue & GPM



The personnel expense of CH8 is reclassified from cost to SG&A approximately 10mn per quarter.

CH8 : Contribution to the Group (FY20)



Key Highlights

Maintaining sales momentum, though fierce price competition and ADEX contraction by 10% (FY20 vs FY21)

Adaptability of Channel 8's sales and content production approaches (including content licensing of THB 220mn)

CH8's ratings improved to 0.43%

Benefits of license, USO and MUX fee reduction

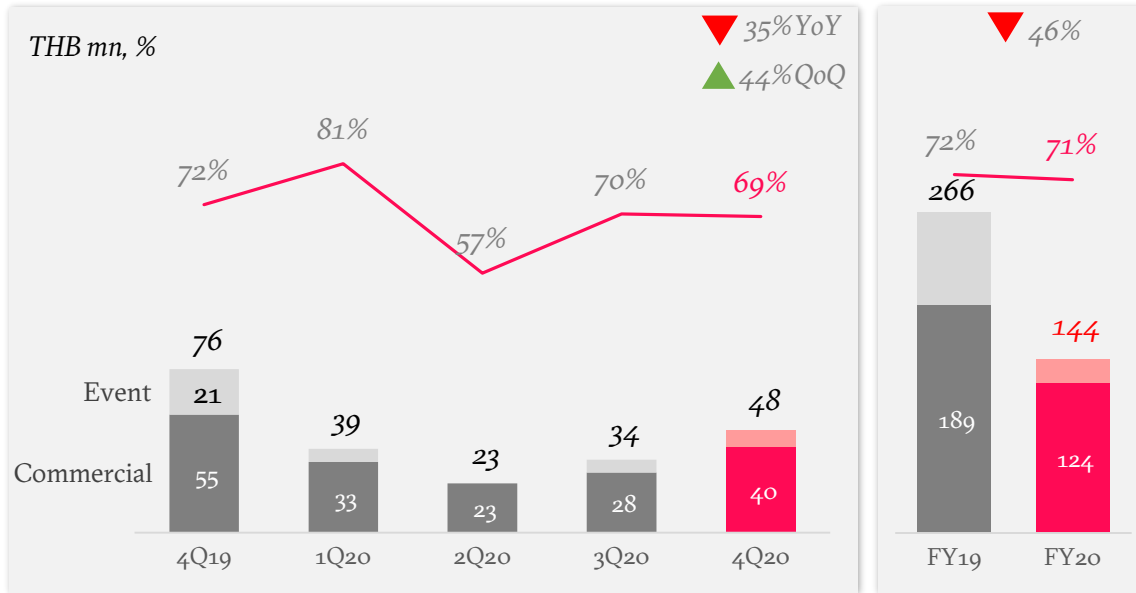




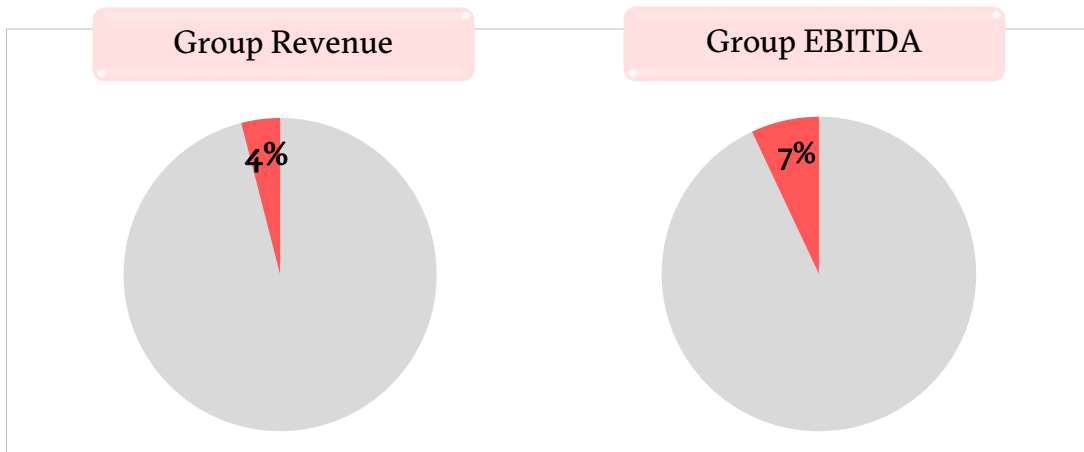
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Radio Performance

Radio : Revenue & GPM



Radio : Contribution to the Group (FY20)



Key Highlights

No.1 radio station for Easy Listening category and many more revenue from listener activities-related

Turning online music fans into commerce customers by launching the online channel through "Coolism" Application

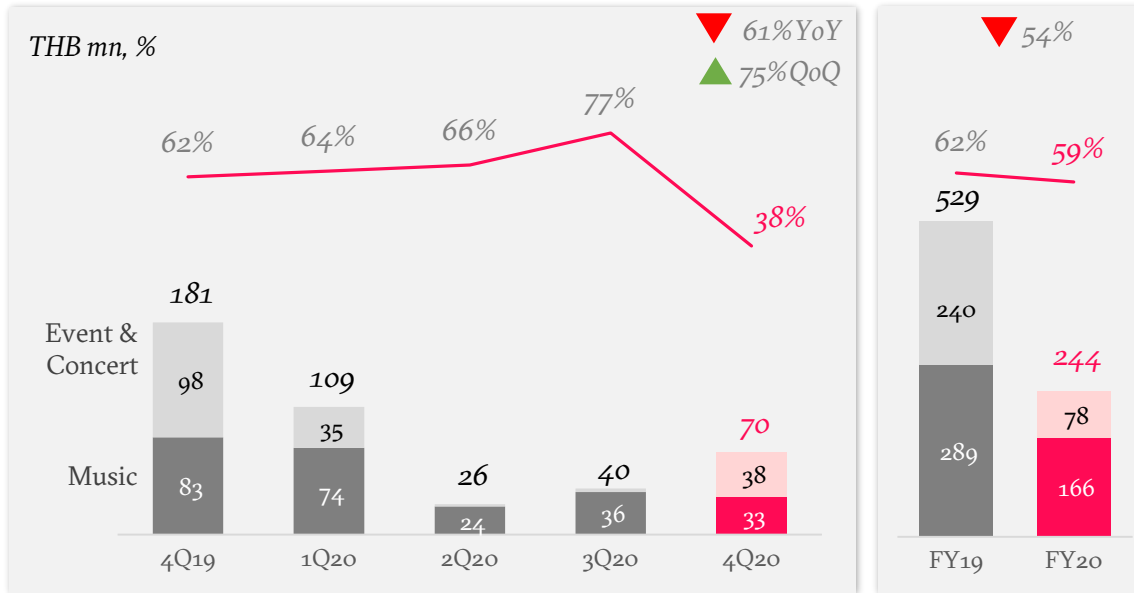




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Music & Others Performance

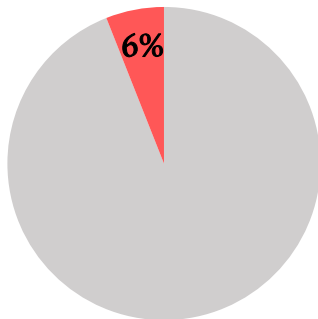
Music & Others : Revenue & GPM



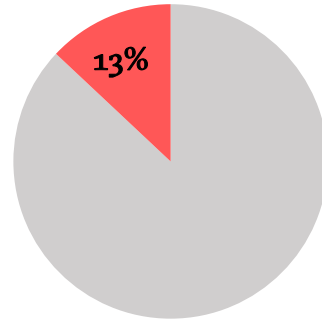
%GPM in 4Q20 declined due to reverse copyright termination

Music & Others : Contribution to the Group (FY20)

Group Revenue



Group EBITDA



Key Highlights

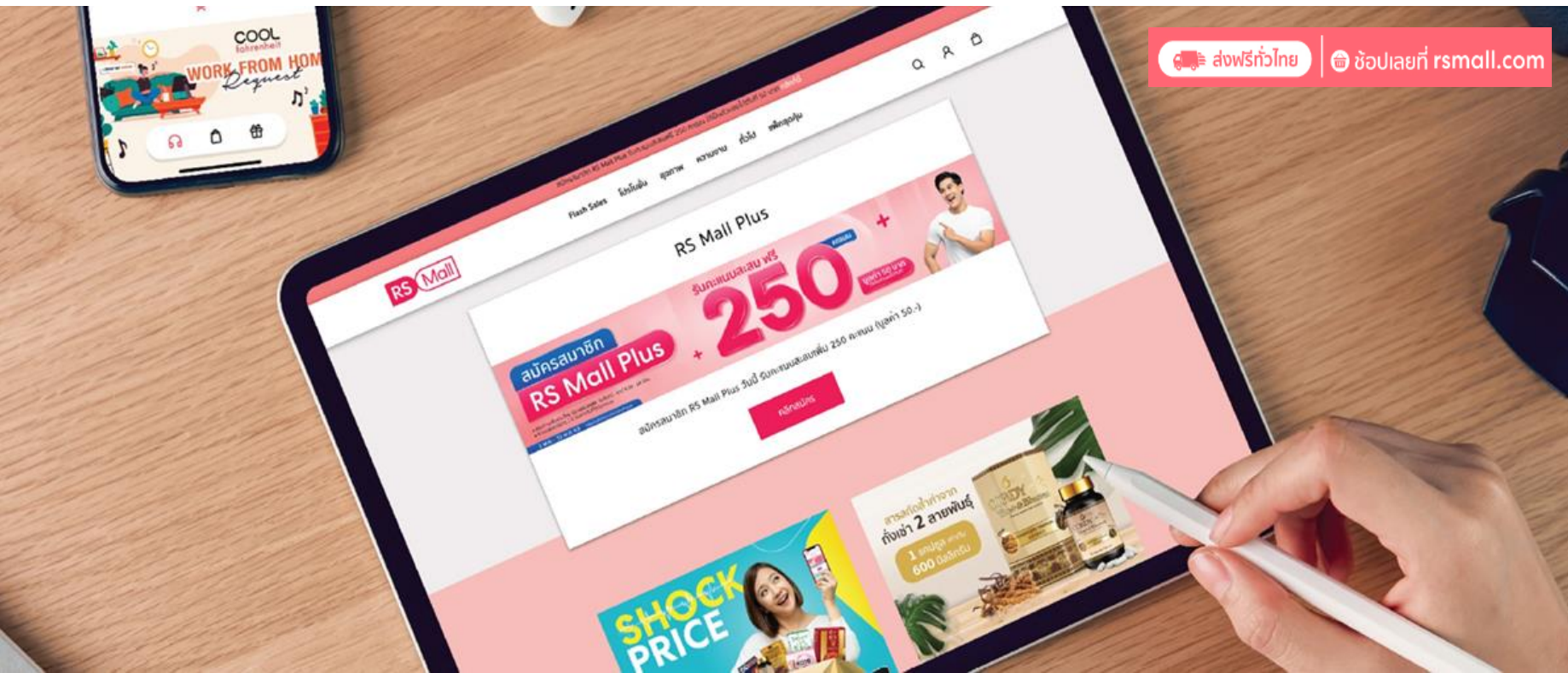
9 new artists introduced under 3 labels RSIAM, RoseSound and Kamikaze to expand our operations through “Star Commerce model”

A lower mainly from stopped activities and concerts caused by Covid-19 preventive measures

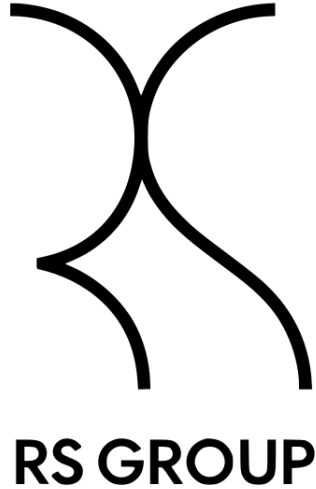


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1H21 Business Highlights



Life
LIFESTAR COMPANY LIMITED

- A launch of new product line into untapped markets



RS Mall

- Sales channel & platform expansion
- A full scale of PDS implementation
- A voice analytics adopted



RS GR

Brand & Type

Lifestar's 1H21 Product Launch



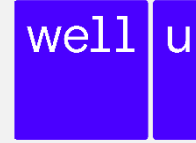
Scientific food
supplement



Herbal extract



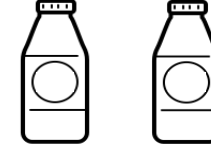
Traditional herbal
medicine



Innovative food
supplement

Functional drink

Dry pet food



90%

EDN
(RS's network)

80%

Modern trade

70%

Pet care channel
& Traditional trade

70%

E-Commerce & Others

1H20 Product launch

Distribution channel

FDA Regulation & Hemp-Derived Products

CBD : Cure from aches & pains to anxiety and insomnia

A wide product category on the rise e.g. cannabis oil, beauty & skincare products, beverages, gummies, capsules & dog treats



The FDA recently approved use of non-addictive parts of cannabis and hemp plants in food products, a specific draft soon to be announced

RS is currently partnering and signing MOU with a few CBD manufacturers to study & prepare to produce at least 4 SKU of hemp-derived products, covering almost all product range

Sales Channel & Platform Expansion



TV Commerce



Digital & Satellite TV

4 RS Mall channels
(start from Feb'21)

Online



Line official account

Web &
social media

RS Mall app
(launch in Apr'21)

E-Commerce



App

COOLanything web
(launch in Jun'21)

Offline



Exclusive Distribution Network (EDN) / MT&TT



Updates on PDS & Voice Analytics



PDS

- Receive a higher call capacity
- Immediately feedbacks from customers with prompt responses

100% reach-out customers
(from 80% in 4Q20)



Voice Analytics

- Improve a conversion on contactable leads
- Properly receive richer database for CRM

Full version starts in May'21

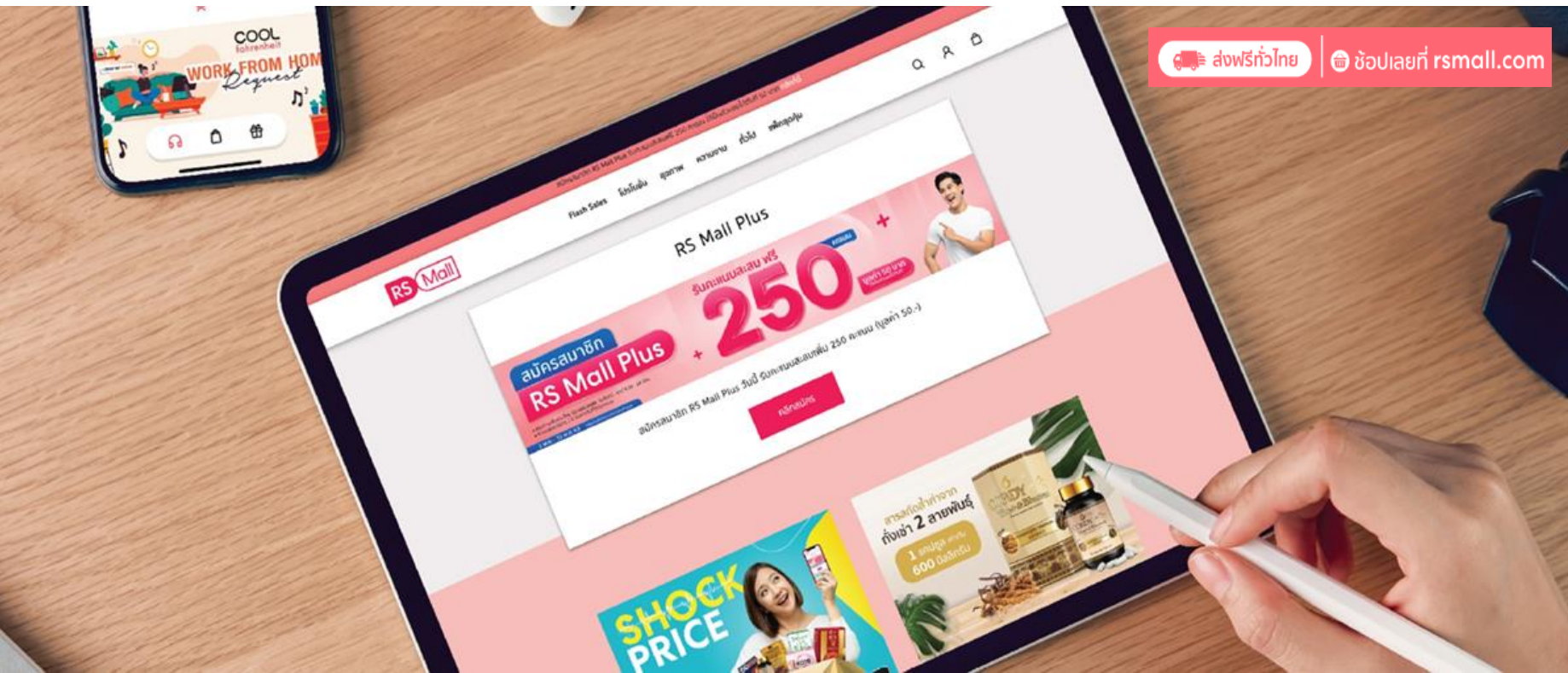
2021 Estimated Performance

2021 Estimated Performance	THB mn
Revenue	5,700
<i>Commerce</i>	<i>4,000</i>
▪ Existing channel (RS Mall & Coolanything)	3,000
▪ New product lines & New channels	1,000*
<i>Media & Entertainment</i>	<i>1,700</i>
▪ Digital TV (CH8)	1,000
▪ Radio (Coolism)	200
▪ Music (Rose Sound, Kamikaze & RSiam)	300
▪ Concert & Event	200
GPM (%)	50-52%
NPM (%)	12-14%
CAPEX (THB mn)	56

* Not including revenue from hemp-derived products

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Backup

Functional Drinks in Thailand

Functional Drinks Market Landscape

Unit : THB bn	2018	2019	2020	YTD
Functional Drinks	7.0	8.4	9.1	▲ 9%

Distribution Channel



Modern Trade (CVS)
65%

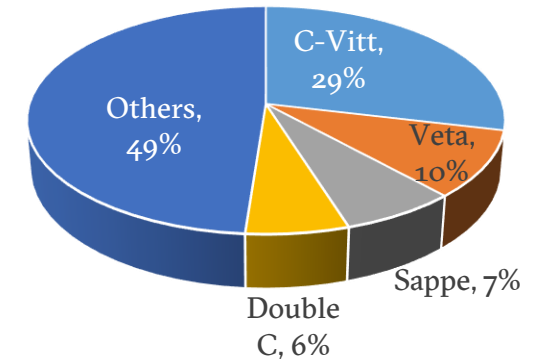


Traditional Trade
23%



S/H & MTSR
12%

Market Share



- Functional drink market grew further at 9%, despite at a slower pace than 2019 at 19%
- C-Vitt dominates the market, mainly in convenient store and traditional trade which are the biggest sales channels. It is being challenged by Sappe, Woody C+ Lock, Vitaday and Veta.
- Healthy shot is the biggest and fastest growing segment at 74% contribution, followed by casual healthy drink and other essence.

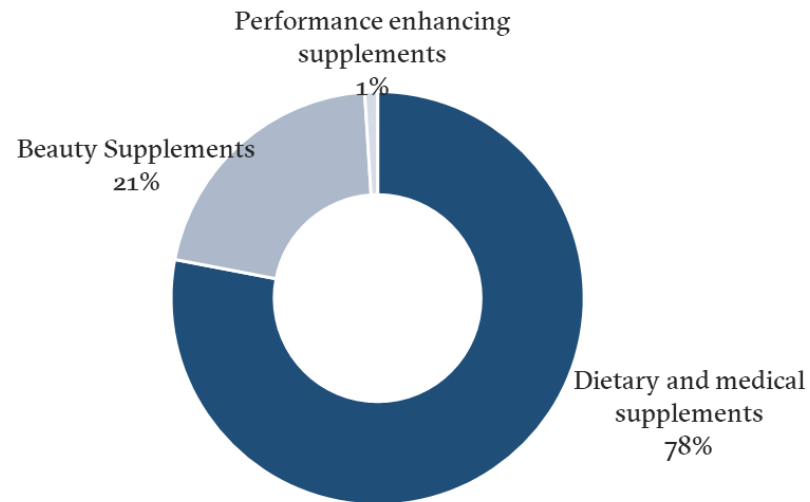
Source : NielsenIQ

Health Product in Thailand

Health Product Market Landscape

Unit : THB bn	2019	2020	Y-Y
Health supplements	20.9	23.9	▲ 15%

Value of supplements market by type



Source : Marketeer and Euromonitor

The market size of health supplement products in Thailand is close to 24 billion baht and continue to rise by 15% in 2020. The market growth is attributed to the following factors:

1. A demand is growing for products that offer a convenient way to maintain health, boost wellbeing and/or manage weight
2. Thai consumers are increasingly conscious of the importance of good nutrition and
3. Thailand has become an ageing society showing huge opportunities in health-conscious products such as organic produce, food supplements and low-sodium diets

Pet Food in Thailand

Health Product Market Landscape

Unit : THB bn	2018	2019	Y-Y
Pet Market Size	32.2	35.5	▲ 10%
Pet Food Market Size	14.6	16.0	▲ 9%

Modern Trade Channel



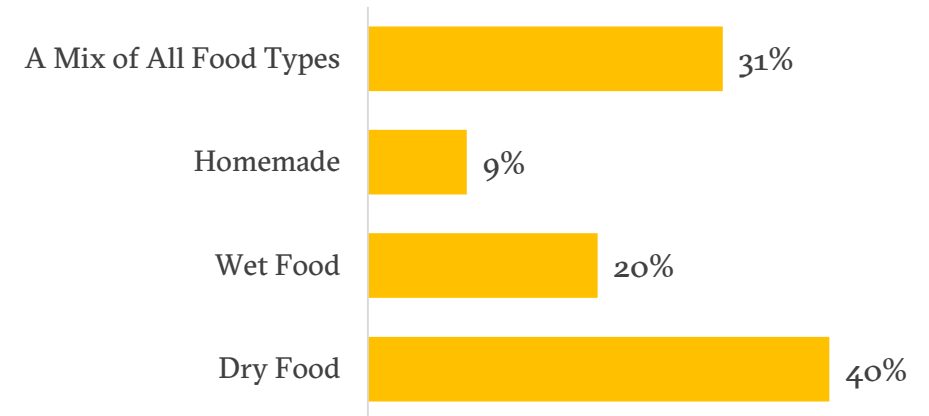
40%
▲ 1.2%

Specialty Trade Channel



60%
▲ 7.3%

The types of pet food



The pet-loving community is becoming bigger and stronger that resulted in Thailand pet food market continue to grow. Dogs make up the largest market segment for pet food, both in terms of revenue and volume holding. The dog population continued to rise, and growth continued due to the increasing number of single people, couples without children and the elderly, who enjoy keeping a dog for company.