



# 1Q21 RS Opportunity Day

## RS PCL

25 May 2021





## Agenda

- RS's Business Overview •
  - 1Q21 Financial Results & Performance •
  - Business Highlights & Strategy •
  - Q&A •
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## RS's Business Overview •

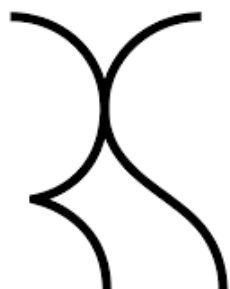
1Q21 Financial Results & Performance •

Business Highlights & Strategy •

Q&A •

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## About RS Group : A glance of our Success



**RS GROUP**

RS Group is Thailand's leading commerce operator in on-air and online space

Driven by our uniquely-pioneered "Entertainmerce" model & expanding ecosystem, RS Group is set for fast pace-sustainable growth

The Group consists of leading media channels (Digital & Sat TVs, Radio, and Music Cos.) and commerce product & platforms.

Total Asset as of  
**31 Mar 2021**

THB **5.8** Billion

Total Market Capitalization  
**30 Apr 2021**

THB **24** Billion



*No. 1 Commerce Platform in  
Digital TVs Space*

**COOLISM**

*No. 1 Rating Radio Station  
in Thailand for 15 years*



*Product Company  
with innovative  
solutions*



*Leading digital TVs in Thailand with large fan base*



*Digital Media &  
Entertainment Solutions*

**RoseSound**

**RSIAM**

**kəmikəze**

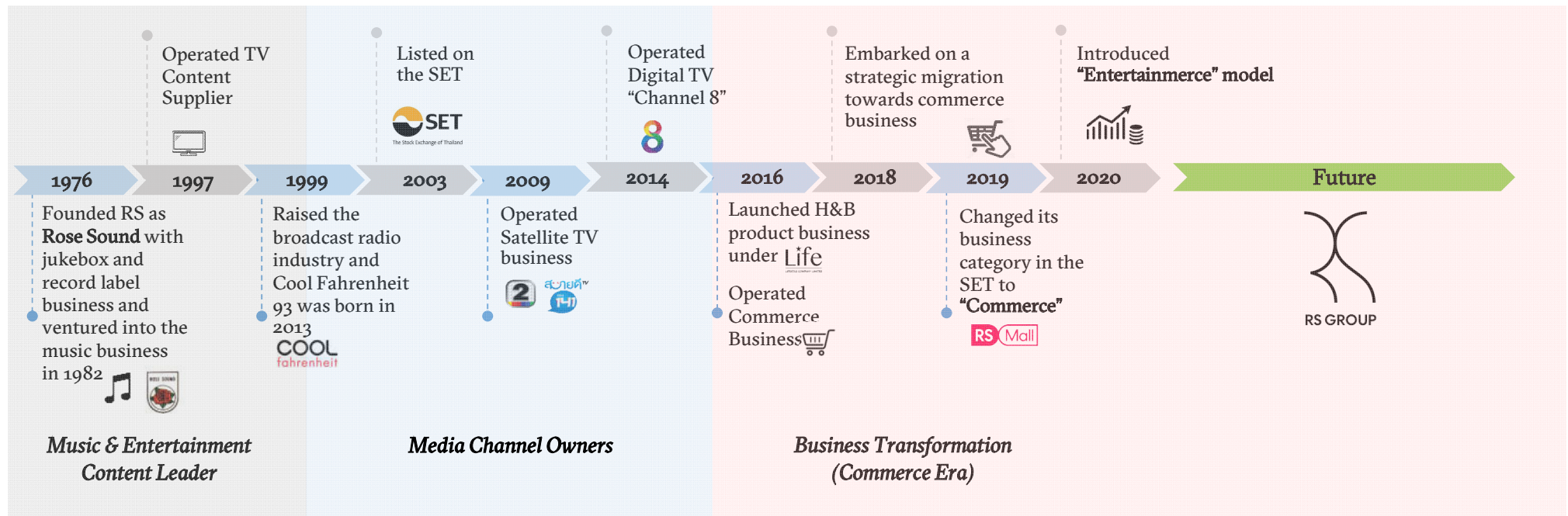
*Legendary music labels  
with largest fan base*



## Corporate Background : Milestones to Business Transformation

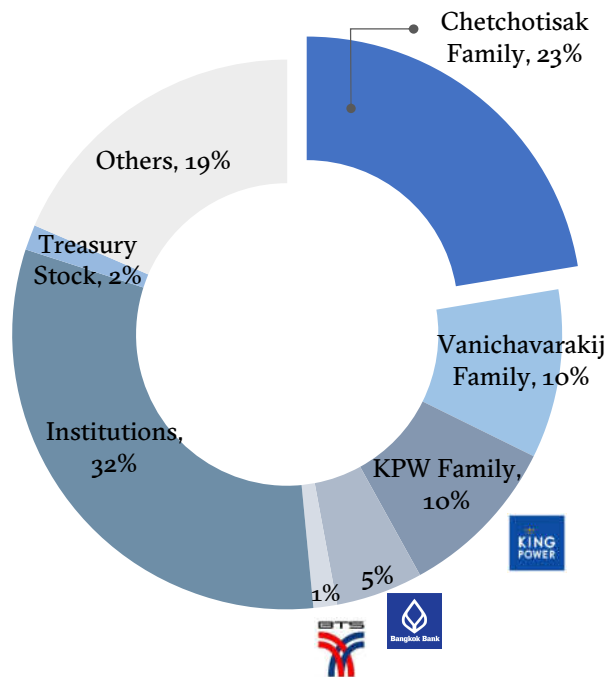
Foundation built on entertainment business..

..toward “Entertainmerce” model



Leveraged from our foundation, RS Group has successfully transformed core business to become a leading player in Commerce sector. We continue to build and expand our ecosystem supported by strong media & entertainment platform and solutions, which makes our “Entertainmerce” model unique and offers unmatched value proposition & experiences to our customers.

## Solid strategic shareholders to support sustainable growth



### Surachai Chetchotisak

23%



- Founder with life-time commitment to lead RS group to the new S curve
- Visionary pioneer of Thai music and entertainment industry, and Commerce space

### King Power Family

10%



- Leading travel-related business group with 4 main business; duty free, hotel, travel-related and sport-related
- *Synergy: Business Partnership with KPW (In-mall outlet in King Power Malls, Shop-in-shop)*

### Bangkok Bank PCL.

5%



- Thailand's largest Commercial bank in terms of Asset, RS' main bank
- *Synergy: Strong financial support from LT relationship for RS future growth*

### BTS Group

1%



- Thai conglomerate with focuses in 4 business; Mass transit, Media, property and services
- *Synergy: Joint projects, Partnership with companies in BTS Group (Plan B & VGI), leveraged from BTS out of home media channels*

# RS Group Structure

4 core businesses ; Commerce, Media, Music, Digital M&E management

**Life**  
LIFESTAR COMPANY LIMITED

**RS Mall**



**COOLISM**

**RoseSound  
kəmikəze  
RSIAM**

**4<sup>th</sup> apple**



% of Ownership	99.99%		99.99%		99.99%	70%	35%
Type of Business	<b>Commerce</b>		<b>Media</b>		<b>Music</b>	<b>Digital Media &amp; Entertainment</b>	<b>Financial</b>
Product & Service	Advertise and sell own & partner's products through offline & online media channels and retail stores (mass). Continue to expand into other channels and online platforms to roll new products		Channel 8, among the top digital TV channels in Thailand	No.1 easy listening category radio station under Coolism	Upstream business to RS Group, a talent pool to RS's commerce & media business, focusing on online platform	Digital Media Agency / Online and Off-line Content Promoter/ Influencer & KOL Management	Debt Tracking, Collections Service Business, AMC & Personal lending
Revenue Contribution	65%		30%		5%	- *	- **
Channel	TV, Web, App & Social Media, Line O/A, Telesales and Retail Stores		Digital TV	Radio, Web & App	Digital, Concert, Artist Management and Copyright	Digital, Online, Sponsorship, Concert, KOL management	Telesales
Target Group	Age 35-55 Urban 70%		Age 40+ Urban & Rural 70%	Age 25+ BKK 60%	Age 18-50 Nationwide	Age 18-50 Nationwide	Age 25+ Nationwide
Customer Reach	5 Million (1.6 Million on customer database)		8 Million	4 Million	32 Million subscribers 9 Million followers	Through RS Network	400,000 accounts

\* Recently acquired

\*\* Profit contribution from equity income

# Sustainable growth through Entertainmerce model

## Entertainmerce

### Subsidiary and investment

### Commerce

#### Product & services



Joint venture with Plan B media



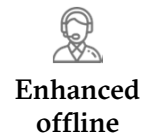
Debt tracking & collection service

#### Platform



Reach

5 Million  
(1.6 mn on database)



Online



E-commerce

Well-being agent

Star Commerce

Partners

### Mass market

Modern trade

Traditional trade

### Entertainment Management



Media

Reach

8 Million

4 Million

RSIAM

RoseSound

kəmikəze

Music

42 Million



Online marketing solution

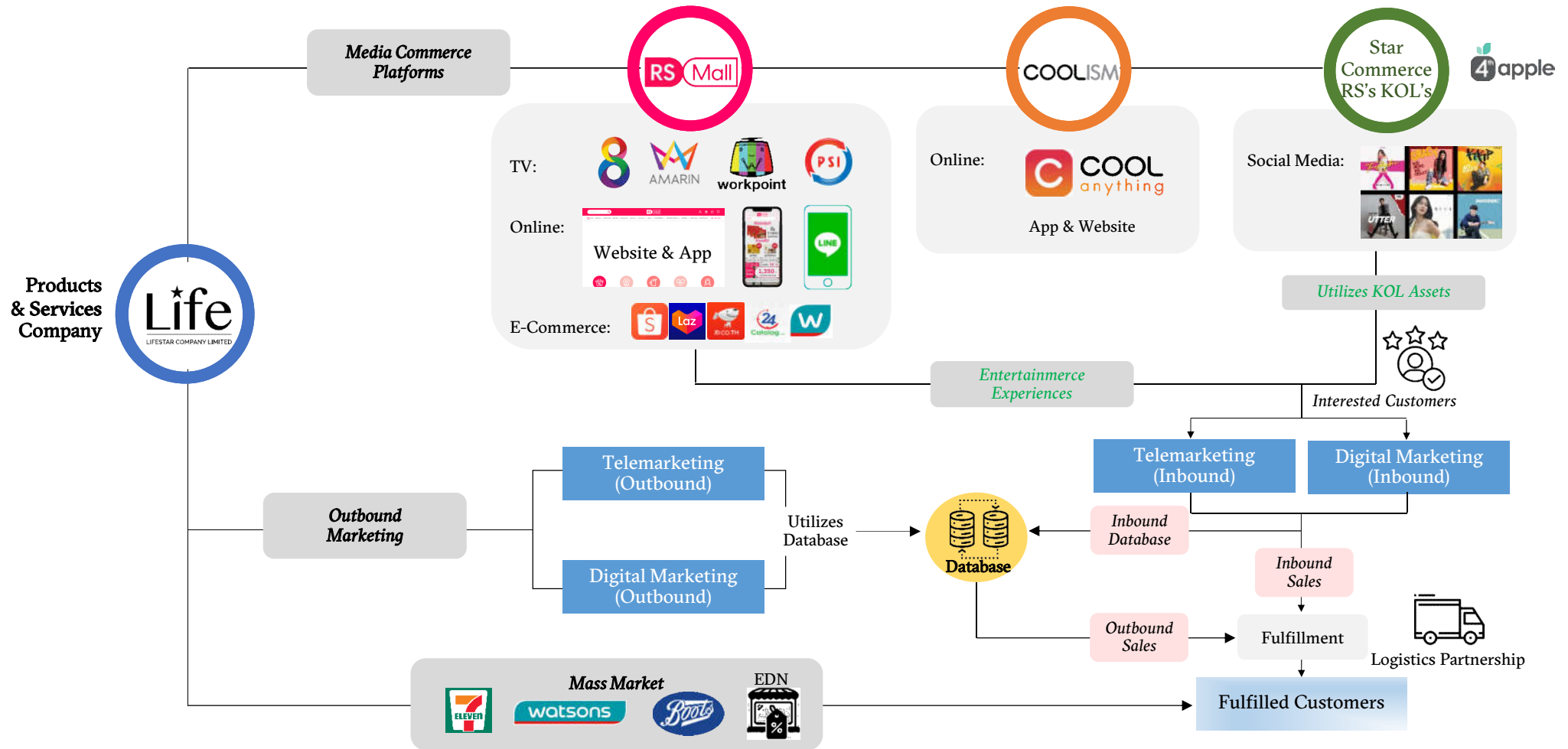
Pop-culture content promoter

New business



# Entertainmerce Business Model

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





RS's Business Overview •

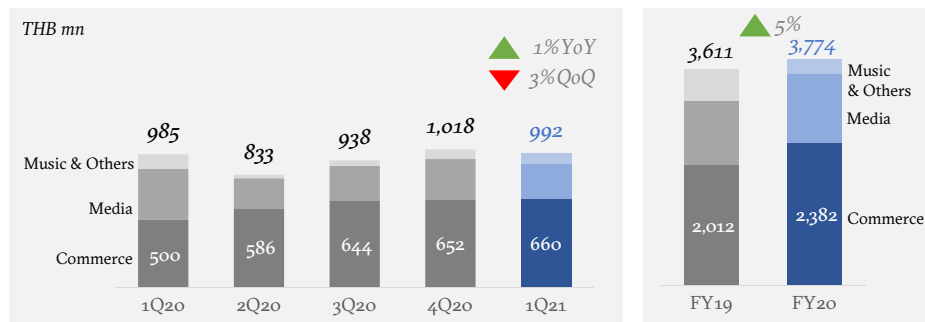
1Q21 Financial Results & Performance •

Business Highlights & Strategy •

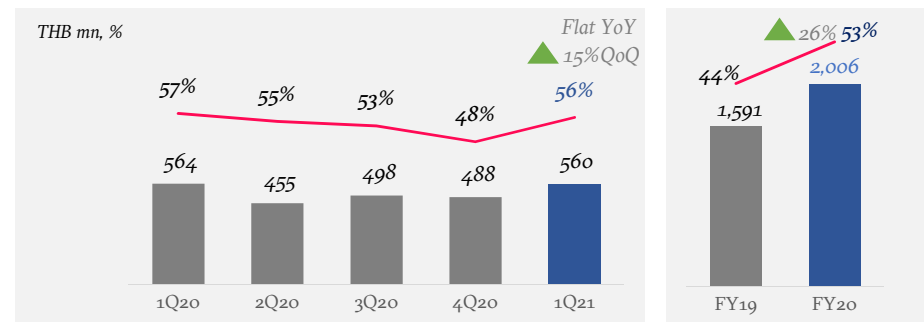
Q&A •

# Resilient financial performance amidst pandemic situation

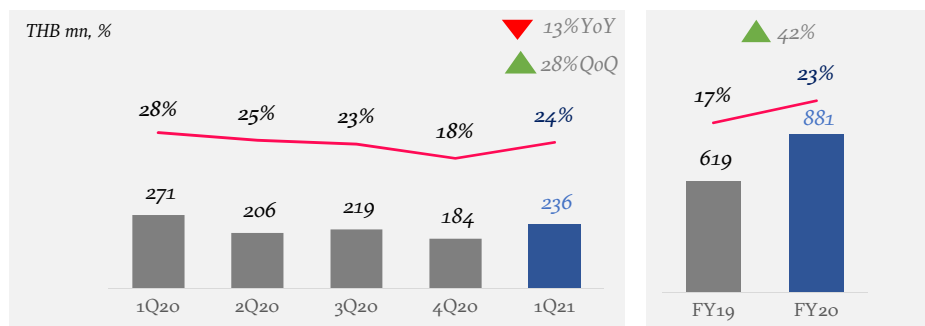
## Revenue



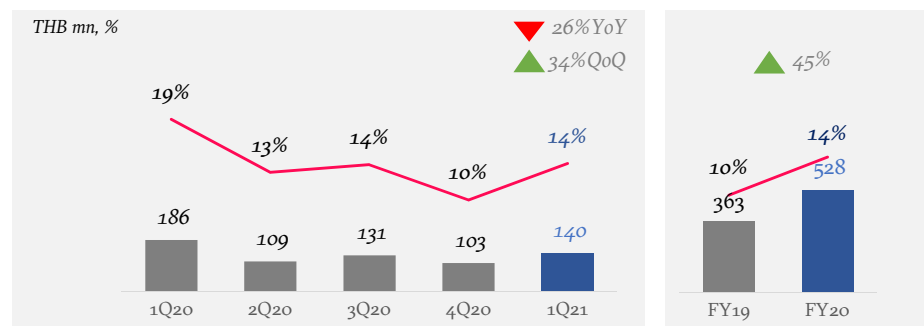
## Gross Profit & Gross Profit Margin



## EBITDA & EBITDA Margin



## Net Profit & Net Profit Margin



### Revenue 1Q21 remained resilient due to strong growth YoY from commerce business

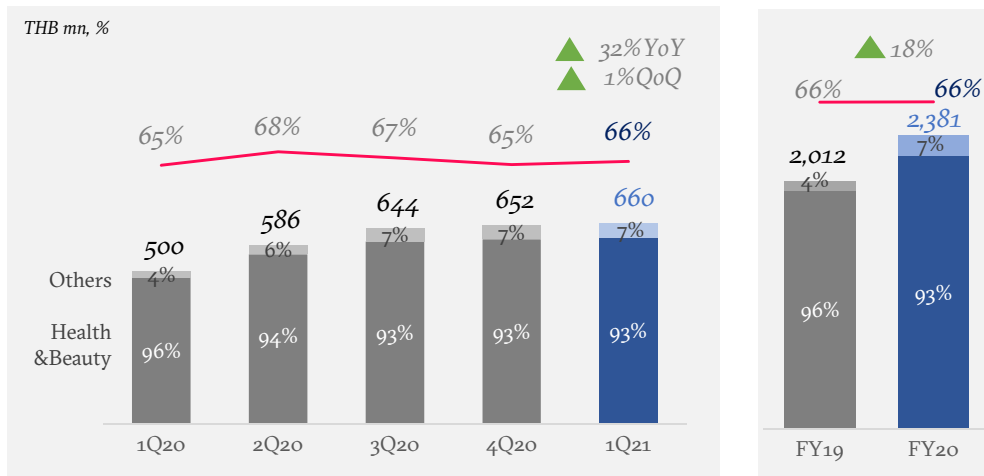
- Commerce business continued to hit record high, growing 32%YoY and expanding to 66% of total revenue, driven by successful new product launches, sales channels expansion as well as enhanced data analytic technology.

### Improved margin QoQ from well-managed cost and drop in regulatory fee for digital TV

- Net profit grew 34% QoQ from commerce business growth and efficient cost management, however, 26% drop in NPAT YoY was attributed to high content licensing revenue in 1Q20.

# Commerce business continued growing driven by new products and channel expansion

## Commerce : Revenue & GPM



## Key drivers for commerce business

Diversify products offering and expand channel to untapped market



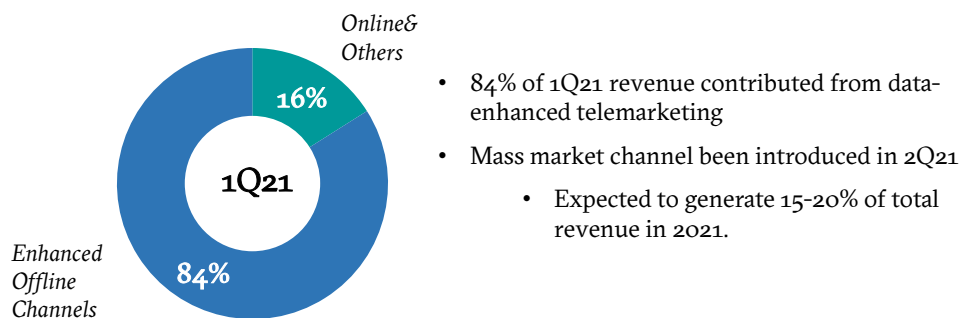
Tailor made marketing campaign with data analytic tools



Focus on customer information management to drive sale revenue/customer

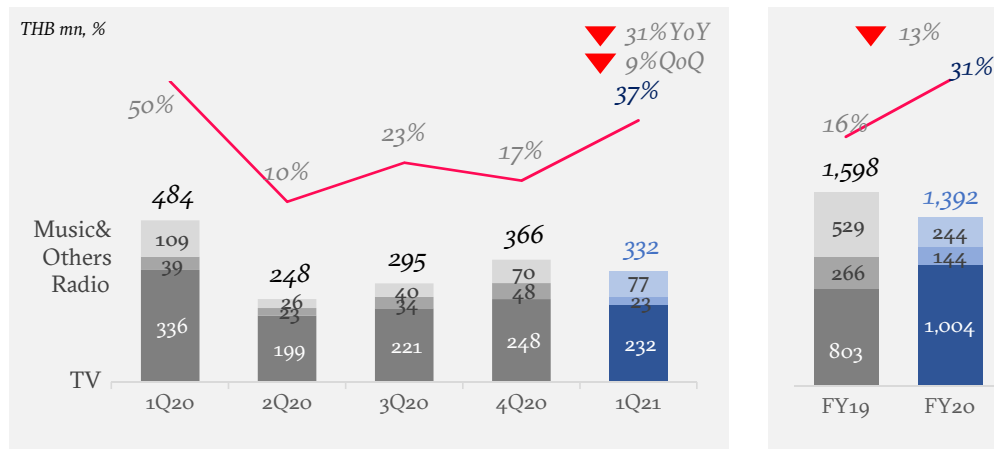


## Commerce: Sales Channel Revenue Breakdown

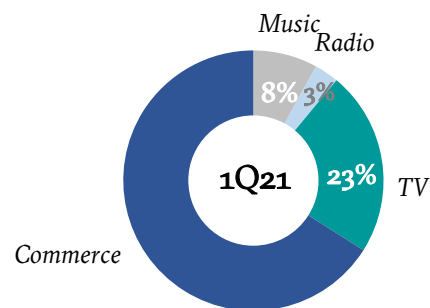


# Impact from pandemic resulted in declined entertainment business

## Entertainment : Revenue & GPM



## %Contribution of entertainment to total revenue



- Entertainment business contributed 34% of 1Q21 revenue and expected to be under 30% by ending 2021, however media and contents remained key tools to grow commerce business

### TV

Decline in ad spending under the Covid-19 situation as well as seasonality led to slow down in TV revenue



### Radio

Concert and activities were suspended due to social distancing measures



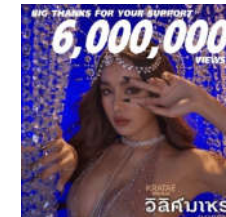
### Music

Music business continues deliver growth from expanding music contents through various digital platform

Apple Music

JOOX

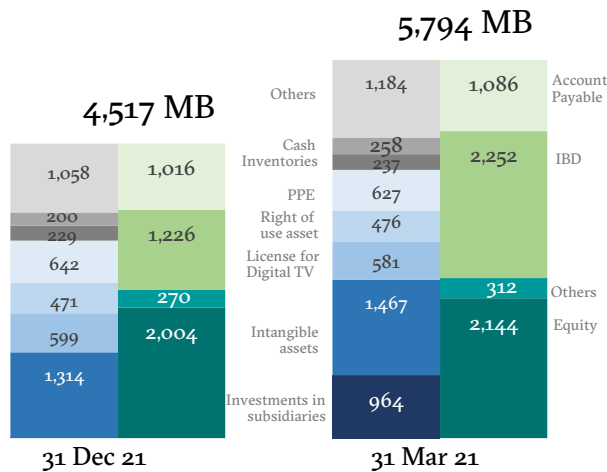
Spotify





## Strong and healthy financial position to seize new business opportunities

### Growing assets following new investment

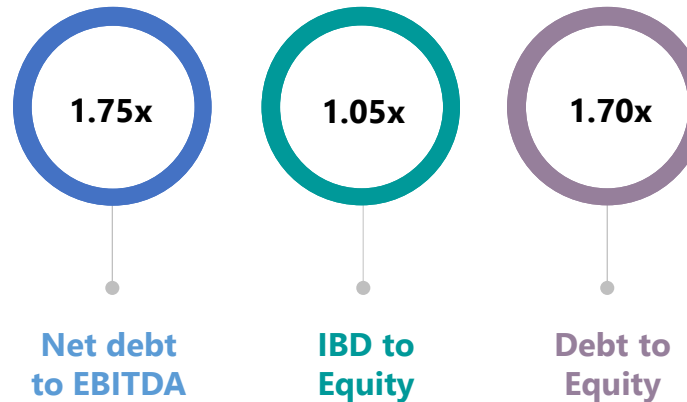


**Assets** increased from the investments in an associated company and intangible asset from purchasing international series

**Liabilities** increased from short term and long term loans increasing

**Equity** increased thanks to improved operating results

### Healthy balance sheet with moderate leverage

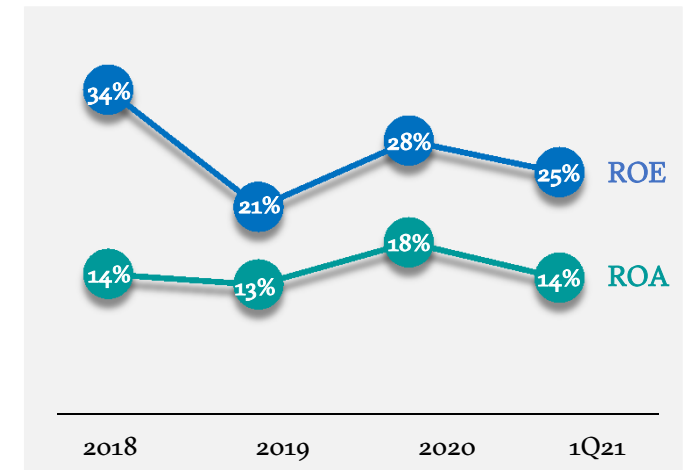


**IBD to Equity ratio** increased to 1.05 times due to increasing borrowing for investment in new business

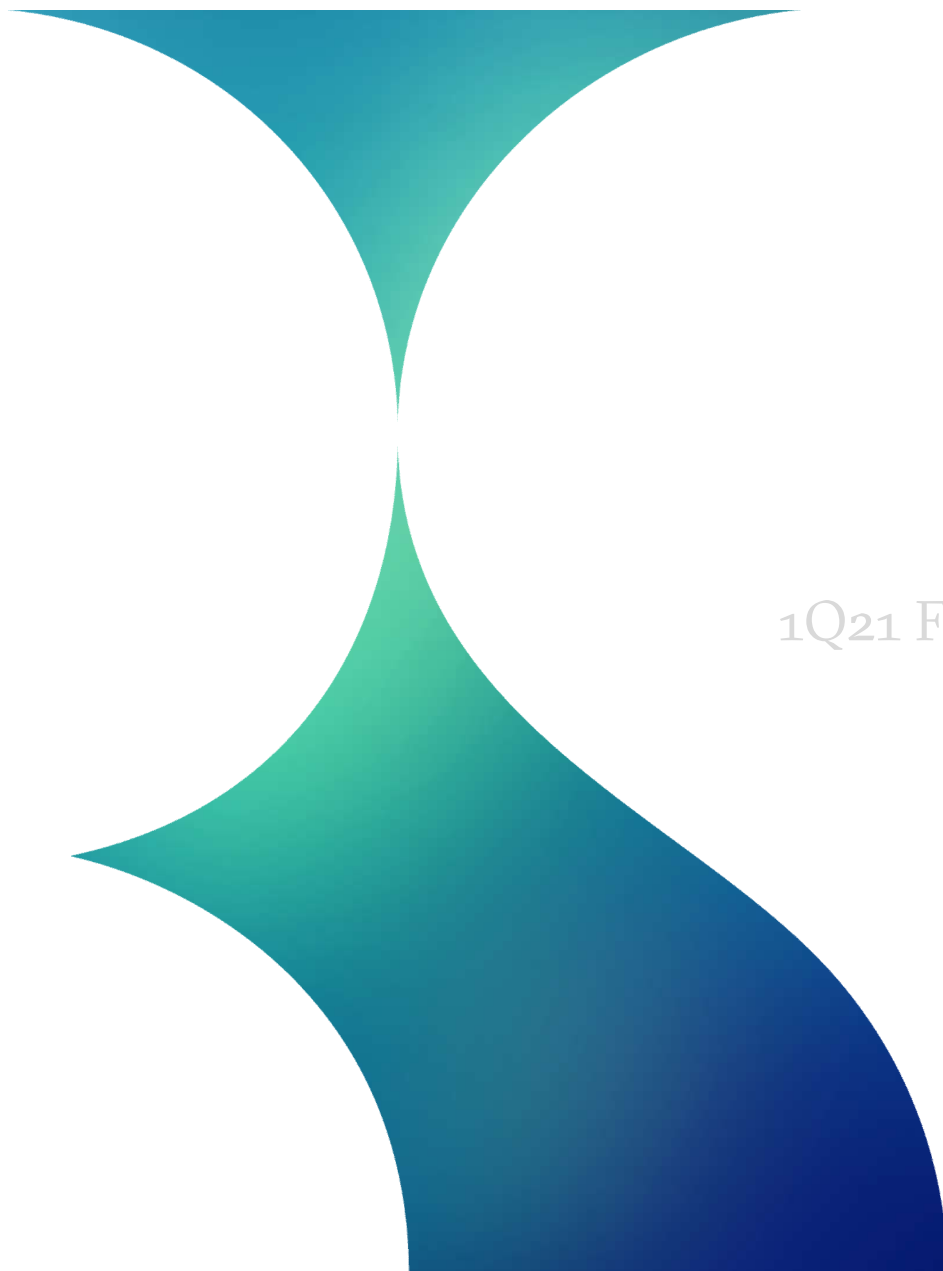
**D/E ratio** increased to 1.70 times, remained decent room under debt covenant of 3 times

**Maintaining decent liquidity** with liquidity ratio of 0.66 times

### Delivered decent shareholder's return



Keeping a high level of ROE&ROA thanks to continuous growth of operating results and efficiency on assets utilization.



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## RS's 5 Strategy Pillars for 2021

> Building on Our Key Strengths

> Diversification of New Products into Untapped Markets

> A Growth of Content Driven Utilization

> M&A Execution

> Business Development

## Commerce : 2021 Strategy & Key Milestones

*RS Commerce Business aims to achieve new ATH revenue milestones of THB 4 billions in 2021*

### 2020 Completed Execution

✓ THB 2.4 bn  
Commerce revenue

#### Achievement :

- ✓ Consistent growth of revenue throughout 2020
- ✓ Total commerce revenue of THB 2.4 billion (new ATH)
- ✓ Growth of customer database to 1.6 million

Implementation of  
IT system (PDS) for  
Call Center

Expansion of  
Channels through  
Partnership

Diverse product  
choices & Effective  
Campaign &  
Promotions

### 2021 Commerce Strategy



THB 4 bn  
Commerce revenue target

4<sup>th</sup> apple

KOL / Influencer /  
Star Commerce  
(KOL model) driven  
by online & digital  
content



Inorganic  
growth through  
Partnership &  
M&A

Plan-B  
media

Life  
LIFESTAR COMPANY LIMITED

Launch of Mass  
Market Products

well u

CAMU  
C



















RS Mall

New Products &  
brands

vitanature+ notion

New channel  
expansion  
(on-air & on-line)

# Lifestar's 2021 Product Launch

Product	Scientific food supplement	Herbal extract	Traditional herbal medicine	Innovative food supplement	Functional drink	Pet care	Hair Serum
Brand							
1H21	 Probio-10    PhytoBlend	 Mulberry & Moringa extract	 Andrographis paniculata extract    Laxative medicine	 Premium collagen	 Functional Drink		
2H21	 Fiber powder drink    Eye    NCD Hemp products	 Hemp products		 Meal replacement	 Hemp products	 Dry Pet food	 Thickening Hair Serum Energizing Scalp Serum
Main channel				EDN (RS's network)	Modern trade	Pet care channel & Traditional trade	EDN (RS's network)

Supporting channels e.g. E-Commerce & Others



# A Growth of Content-Driven Utilization

Continued momentum of content-driven growth



Channel 8 popular contents



Content licensing

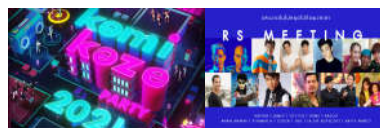


## COOLISM



COOL  
fahrenheit

COOL  
anything



COOLive  
4 concerts

RoseSound  
kəmikəze  
RSIAM

Content & artist management  
Customized projects  
Music Star Commerce



## Summary of M&A in pipeline for 2021

M&A summary	Details
Target	> 1-2 deals
Focus sector	> Entertainmerce model related
Investment size	> THB 300-600M per deal
Objective & benefit	<ul style="list-style-type: none"><li>&gt; Strengthen &amp; expand RS's ecosystem</li><li>&gt; Improve health product portfolio : key production, capacity, cost savings &amp; new customer database</li><li>&gt; Value added proposition : partner's business model</li><li>&gt; Shared resources</li></ul>

# Business Development: Acquiring 4th apple to capture opportunities from new businesses

## Transaction Summary

<b>% of investment:</b>	70% of total shares, from existing shareholders		
<b>Registered Capital:</b>	4 Million Baht		
<b>% of holding after transaction :</b>	RS Public Company Limited	70%	
	Existing shareholders	30%	
<b>Total investment:</b>	13 Million Baht		
<b>Source of fund :</b>	Internal cash flow		

## 4<sup>th</sup> Apple Services

### ONLINE MARKETING SOLUTION

- Content & Influencer marketing agency
- Build and develop Key Opinion Leader (KOL) and Influencer

### Talent agent

- To complete content & influencer marketing ecosystem by managing our own talent

### POP-CULTURE CONTENT PROMOTER

- Thai-Korean variety
- Audition program and artist management

### New business

- To be launched in 2H21

## Shareholding structure

RS GROUP

Existing shareholders

70%

30%






## Rationale and synergies of the investment

- ▶ Expand “Entertainmerce” ecosystem by using K-pop and other contents and create new business model
- ▶ Utilize 4<sup>th</sup> Apple’s expertise in online marketing solution for the Group’s commerce business
- ▶ To expand into new businesses with high growth which will be unveiled in 3Q21

## Business Development : Acquiring 4th apple

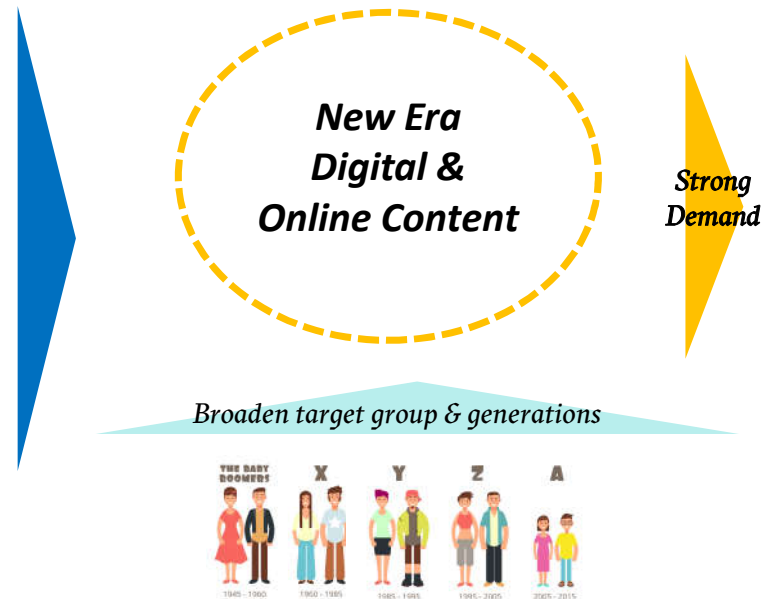
*“Moving entertainment towards online platform & expanding target group”*

*4th apple, a catalyst to accelerate RS digital & online contents evolution*

	Reach & Followers	Type of Content (Show Channel)
	8 Million (per day)	TV Contents: Series, Movies, News, Sport (On-Air & Online)
	4 Million (per month)	Radio Content (On-Air FM & Online)
	41 Million Followers & Subscribers	Digital Music Content (Online & Streaming)



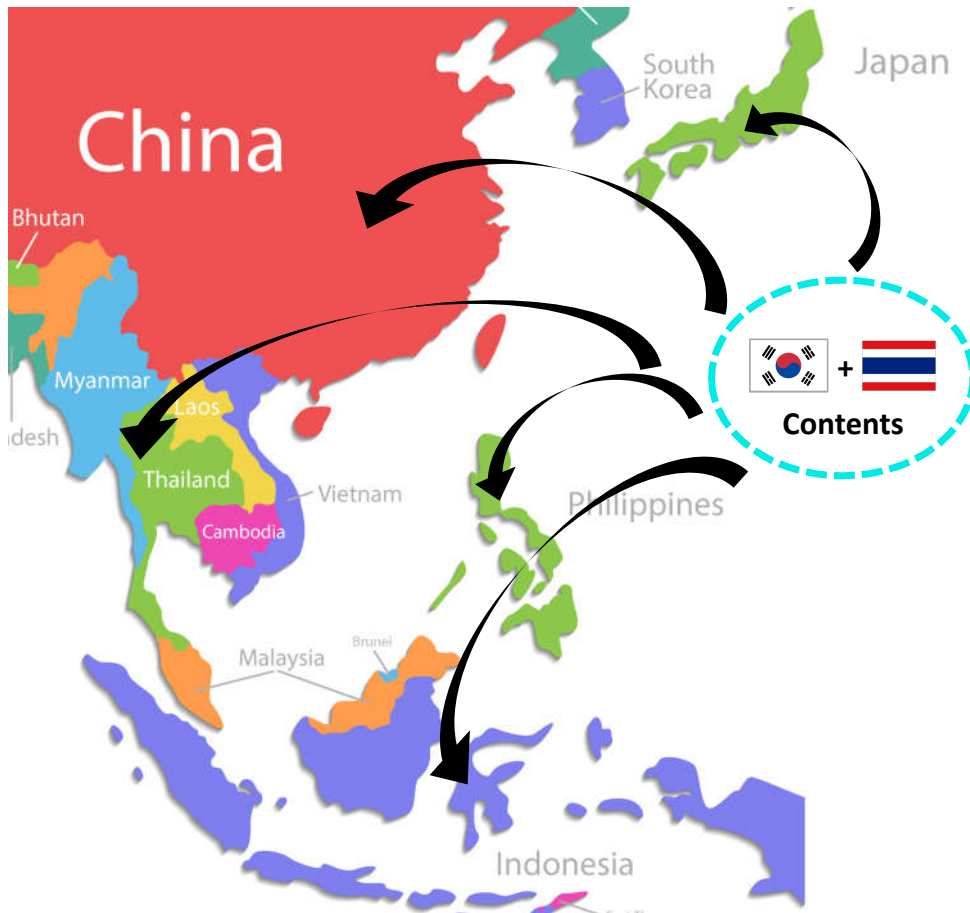
*Leveraged from content variety & large fan base of RS Group channels*



### New business opportunities

- Sponsorship / Tickets
- Merchandising
- Digital Asset/ NFT
- Tokenization

## Media & Entertainment : Evolution of Digital Content Management



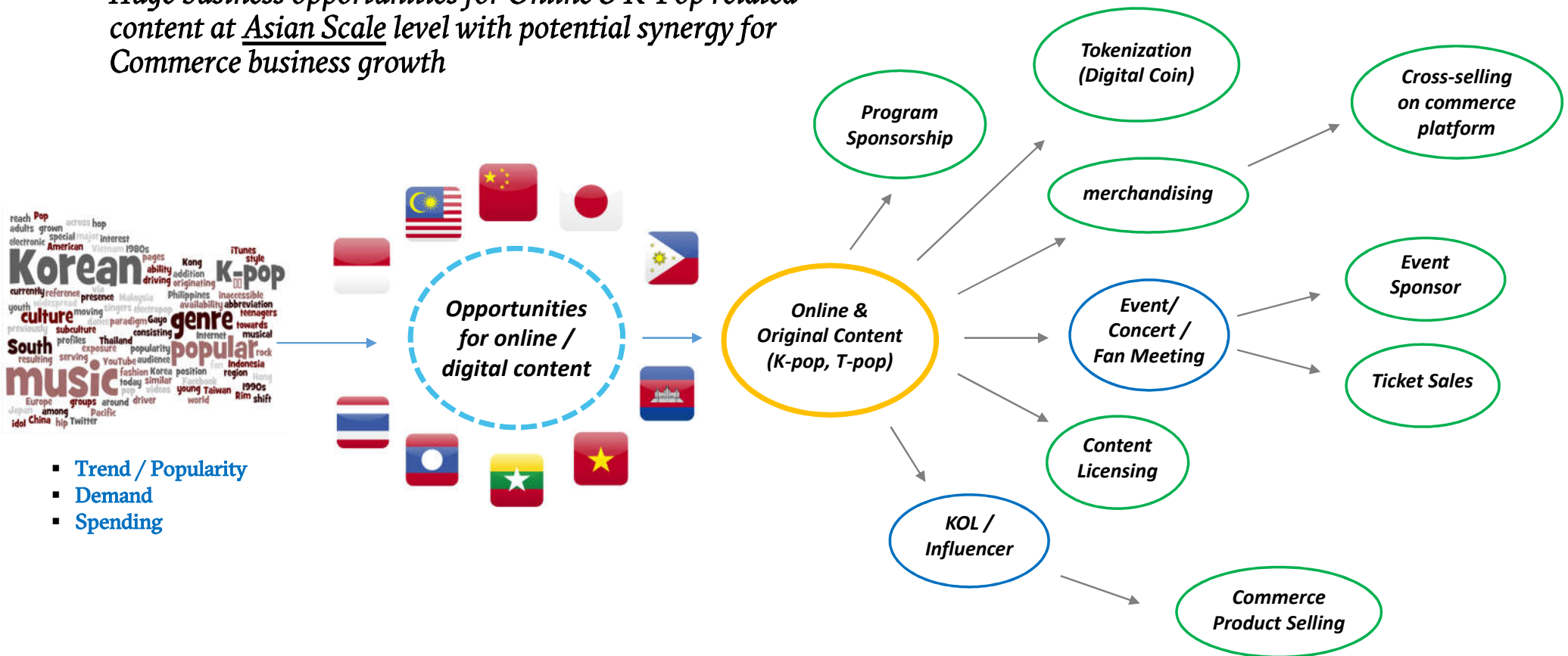
- High demand for K-pop culture contents
- The **hybrid Thai & K-pop contents** can unlock restriction & provide penetration to huge ASEAN, China as well as Japan markets
- Our “**food truck battle season 1**” program was on iqiyyi, a leading online streaming website in China, and also in many other countries (CLMV, Indonesia, Philippines).





## Media & Entertainment : Unlimited opportunities cultivated from K-pop culture

*Huge business opportunities for Online & K-Pop related content at Asian Scale level with potential synergy for Commerce business growth*



## Business Development: New Joint Venture with Plan B media to develop and market new products

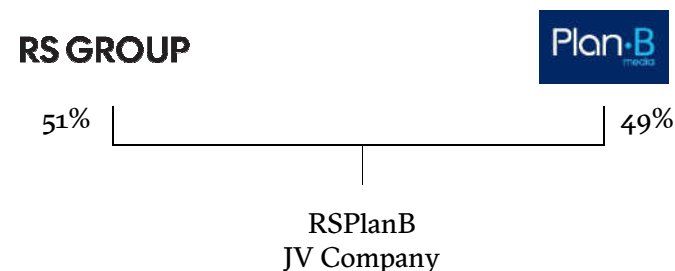
### Transaction Summary

<b>Investment type:</b>	Newly set up company		
<b>Registered Capital:</b>	50 Million Baht		
<b>% of holding :</b>	RS Public Company Limited	51%	
	Plan B Media Public Company Limited	49%	
<b>Total investment:</b>	25.5 Million Baht		
<b>Source of fund :</b>	Internal cash flow		

### Rationale and synergies of the investment

- ▶ To expand the commerce business and reach mass market by utilizing Out-of-home media under Plan B network
- ▶ To minimize marketing cost for new products as well as lower risks when launching new products with special discounted OOH media from Plan B for this JV
- ▶ To shorten product development and marketing lead time

### Shareholding structure



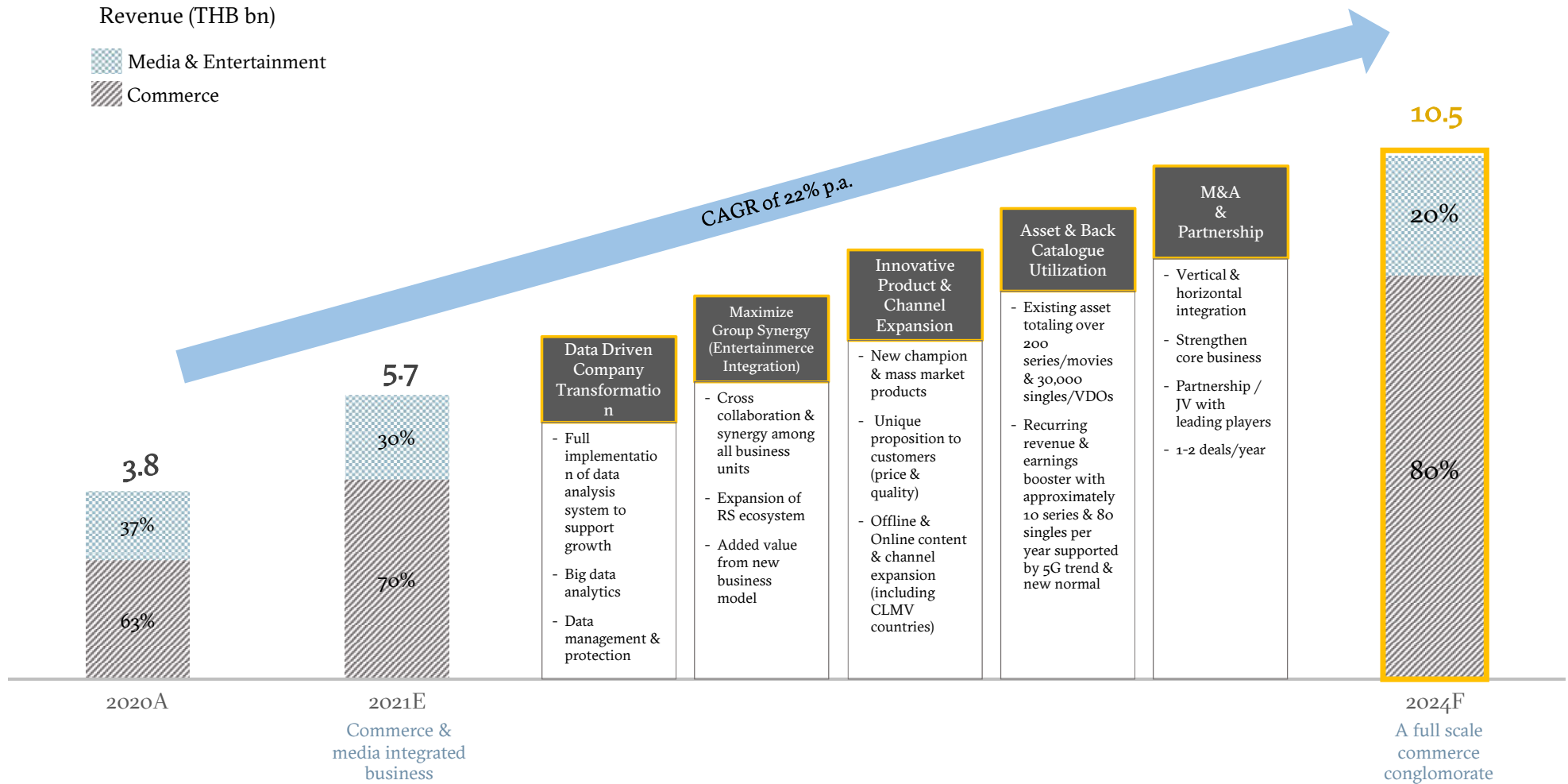
### Plan B's out-of-home network to reach mass target



## 2021 Estimated Performance

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

# RS Group's LT Road Map : 5 Year Growth Strategy








RS Investor Relations & Sustainable Development


+662 037 8125-6, 8128

 <http://www.rs.co.th/investor.html>

 [ir@rs.co.th](mailto:ir@rs.co.th)

 <https://www.facebook.com/RSInvestorRelations/>

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