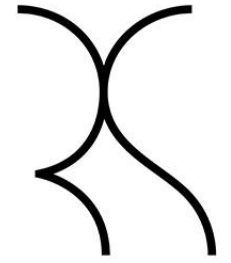


RS Group

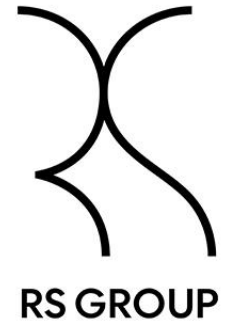
# Analyst meeting 3Q23



RS GROUP

# Agenda

- Financial Results & Performance 3Q2023
- Investment in ERB Asia
- Q&A



# Key Highlights 3Q23

## 3Q23 Performance summary

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**Overall revenue hit a 5-yr high record with 5.7% QoQ growth**

**Entertainment business** continued to grow with 3%QoQ driven by concerts and on-ground activities,

**Commerce business** began to recover with 10% QoQ growth as a result of introduction of subscription model under ULife and revenue recognition from Pet Medical group

**Realized special profit of Baht 1,446 mil.**

from the collaboration with Universal Music Group to jointly manage music copyrights through RS UMG co.,ltd., an associated company under RS Group with 30% shareholding.

**NPAT<sub>3Q23</sub> was at 1,182 million baht,**

increased 1,177% QoQ,  
Net profit excluding extra gain at 70.4 million baht.

## Development for future growth of RS Group

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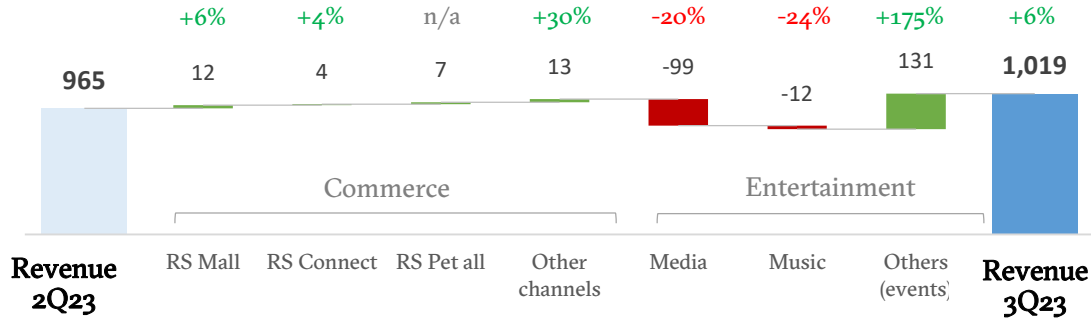
**Acquisition of ERB Asia Co.,ltd, a health and spa business with 60% shareholding**  
Total investment of approx. 72 million baht, expecting to be completed within 1Q24

**EGM 1/2023 approved the issuance of “RS-W5” without cost at 10 shares : 1 warrant ratio**  
Exercise price 6 baht per share, XW is on 4 January 2024

# 5-yr high revenue driven by both commerce and entertainment

## Revenue

Unit : million baht

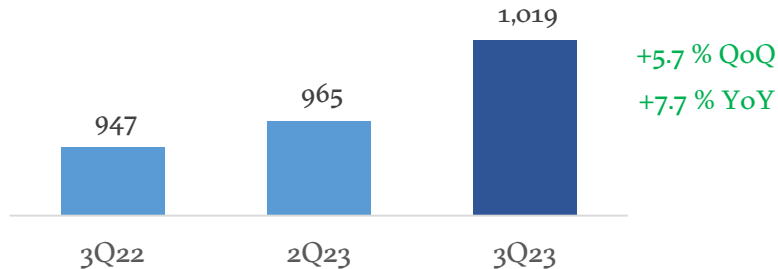


\*Other channels was from online and mass market

6% QoQ increase in total revenue due to recovery of commerce business and strong rise from entertainment activities; concerts and on-ground event.

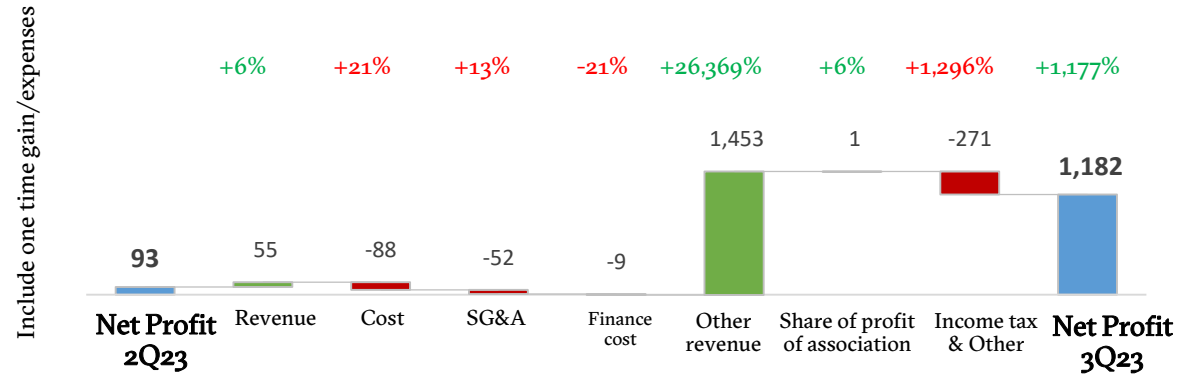
## Total revenue QoQ , YoY comparison

Unit : million baht



## Net Profit

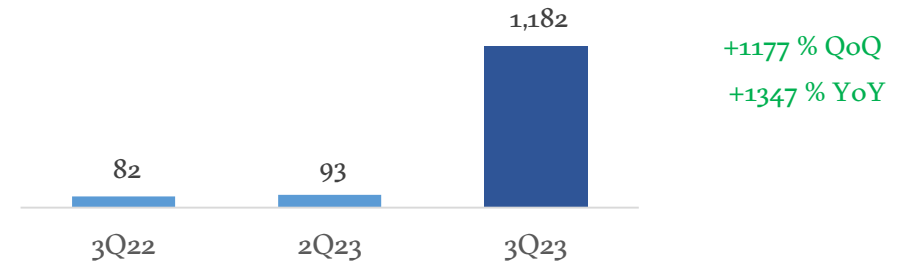
Unit : million baht



Net profit for 3Q23 was at baht 1,182 mil, mainly surged from recognizing extra gain on RS UMG

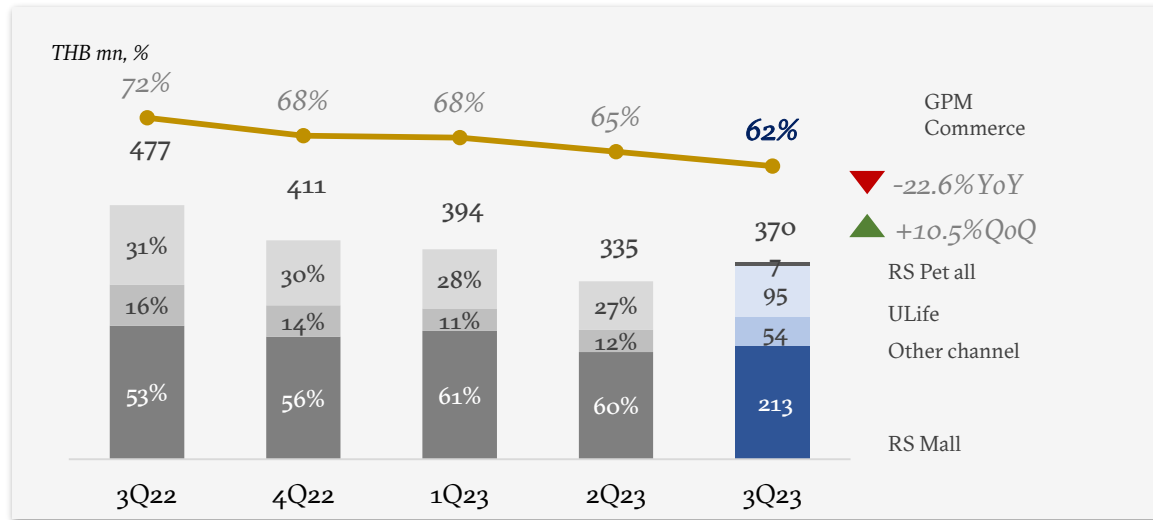
## Total Net Profit QoQ , YoY comparison

Unit : million baht

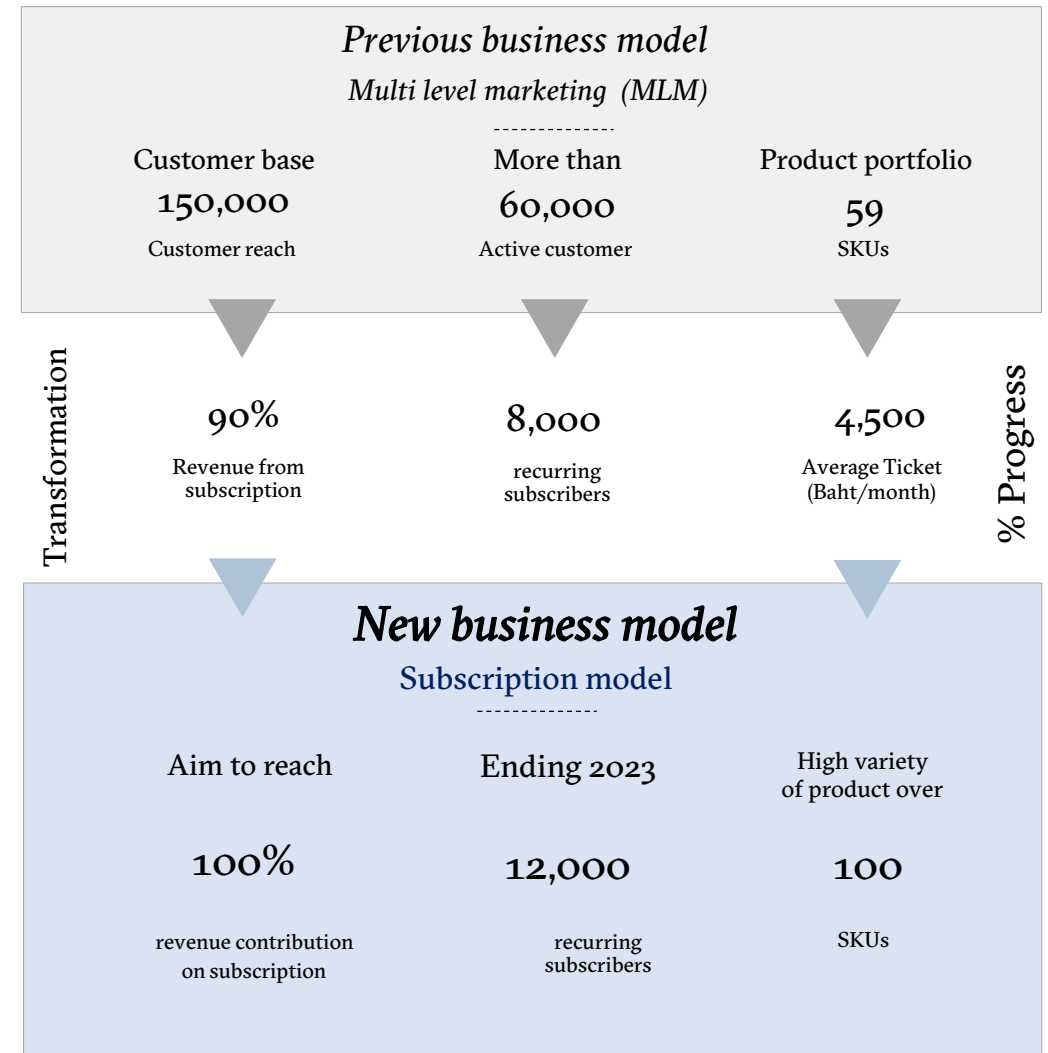


# Commerce began to recover across all platform

## Commerce : Revenue & GPM



## Ulife completed its business transformation to subscription model



## ERB: Expand commerce ecosystem to spa products and services



Erb Asia Co.,Ltd.

- To acquire 60% of shares/ investment not exceeding 72 mil. baht
- Solid brand of spa and wellness products
- Diversified distribution channels; 10 outlet, 1 spa shop and online store
- Transaction to be completed in 1Q24



# How does subscription program work?

## 1. Choose package

Of minimum spending / month to enjoy up to 30% discounted price

## 2. Choose product

From over 60 SKUs,

## 3. Enjoy further discount

on long subscription period

	Starter pack	Basic pack	Premium pack
Baht/month	1,500	3,000	5,000
Discount	30%	30%	30%
Free bonus merchandise value every 3 month	-	1,400 /3 month	2,400 /3 month



Recurring payment through credit card



Home delivery

30% → 35%

discount

from 7<sup>th</sup> month onwards

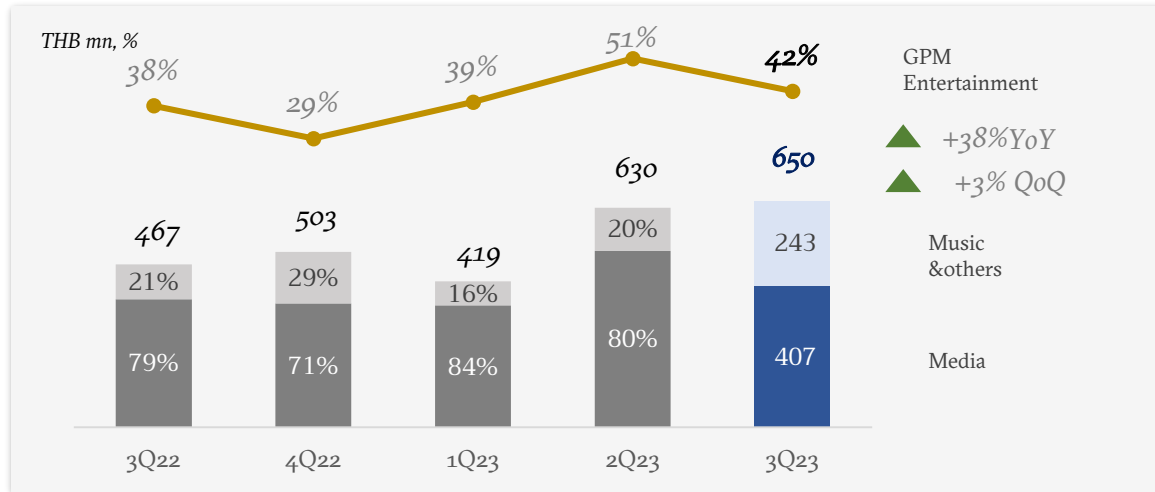
## Subscription Program

Deliver good health directly to your doorstep for a continuous and everlasting happiness

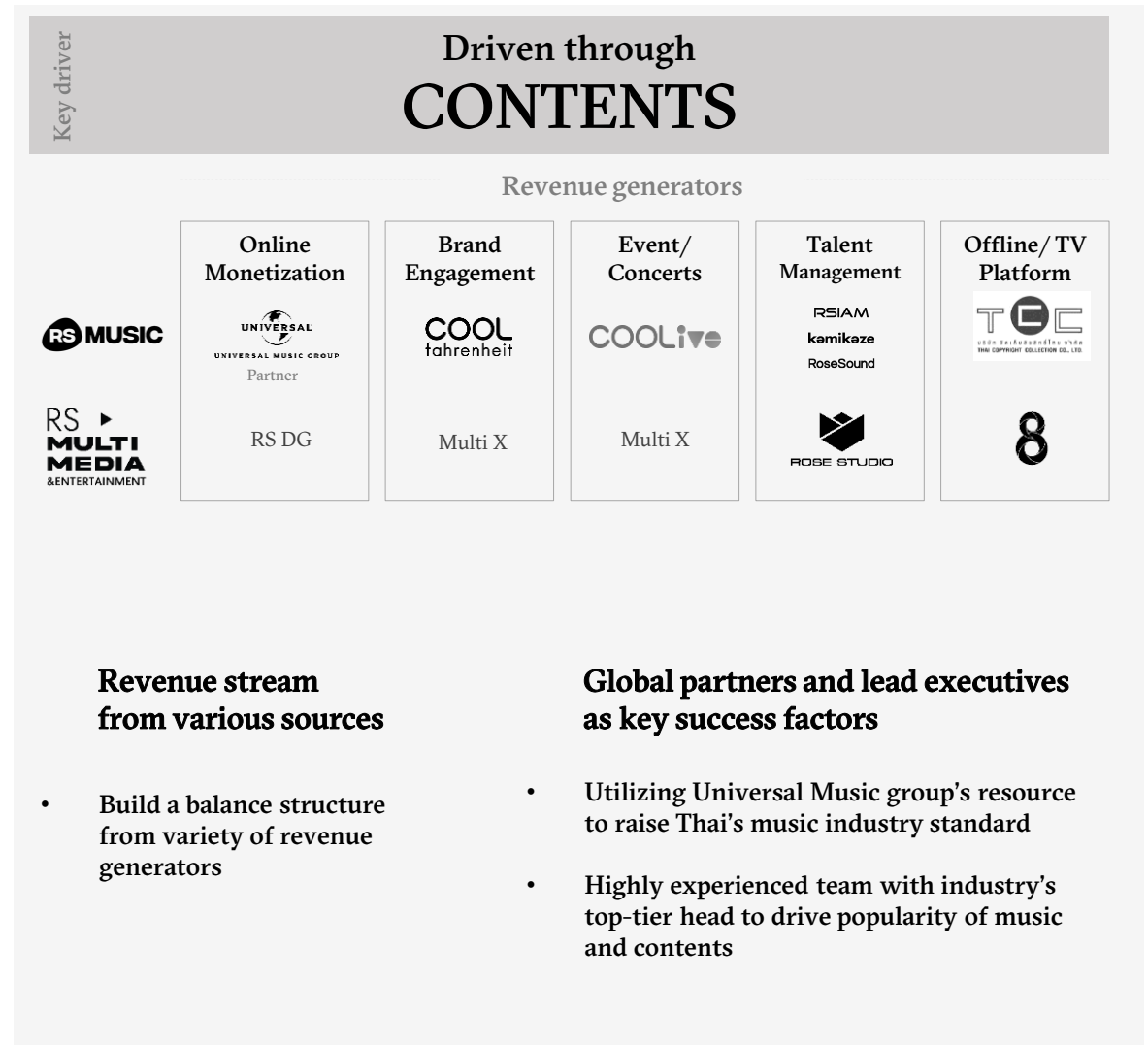


# Concerts and on-ground activities as key drivers in 3Q23 for Entertainment

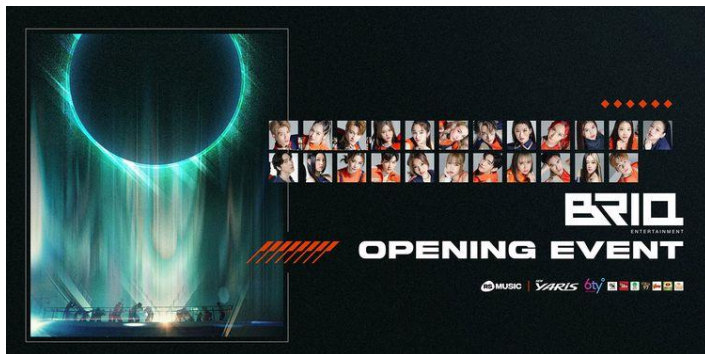
## Entertainment : Revenue & GPM



## New entertainment structure, to lead with contents



## New T-Pop music label: BRIQ Entertainment



RS Music to launch new T-Pop record label "BRIQ Entertainment"

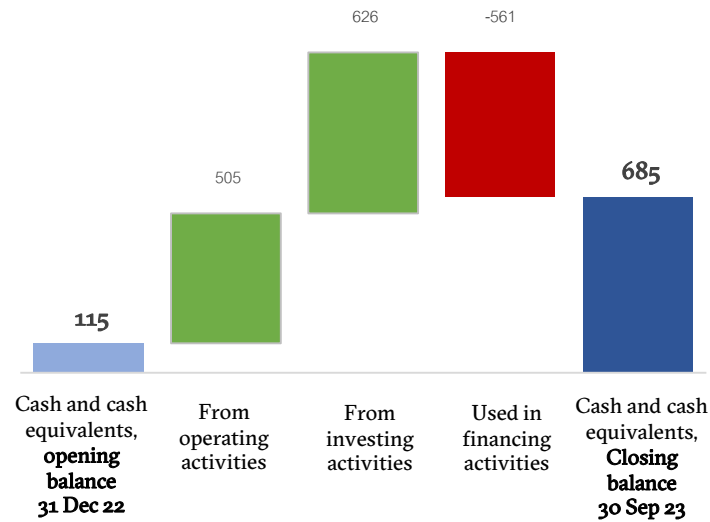




# Leverage has been normalized, healthy balance sheet for future expansion

## Bank borrowing been repaid from CHASE divestment and extra gain from RS UMG

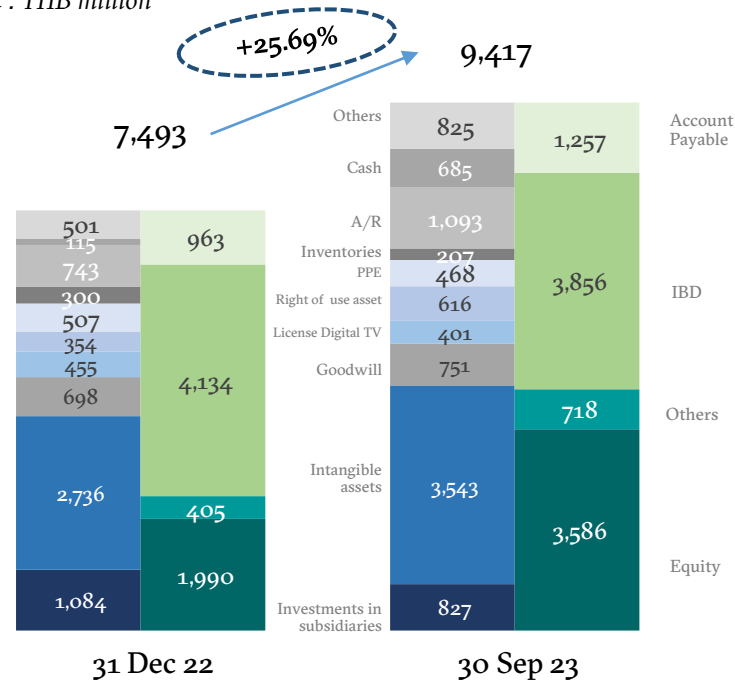
Unit : THB million



Bank borrowing had been repaid with funding from CHASE divestment, sale of treasury stock in 1Q23 and extra gain from RS UMG in 3Q23

## Healthier balance sheet as shareholder's equity grew from improved financial performance

Unit : THB million

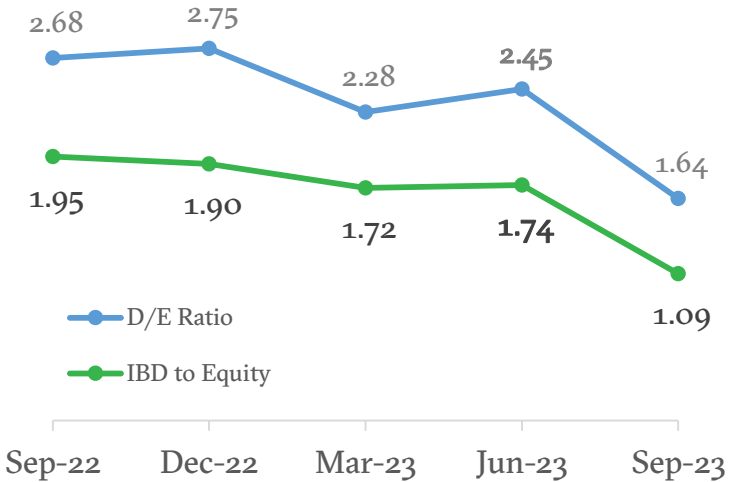


**Assets** increased from account receivable and intangible assets on

**Liabilities** increased from account payable

**Equity** increased from improved retain earning

## Leverage ratio remains on downward trend

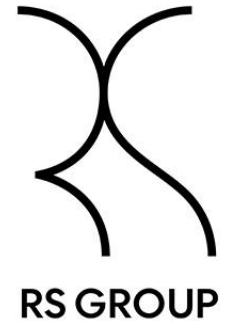


**IBD to Equity ratio and D/E ratio** declined compared to 2022 from bank loan repayment with the proceed from RS Music-UMG deal



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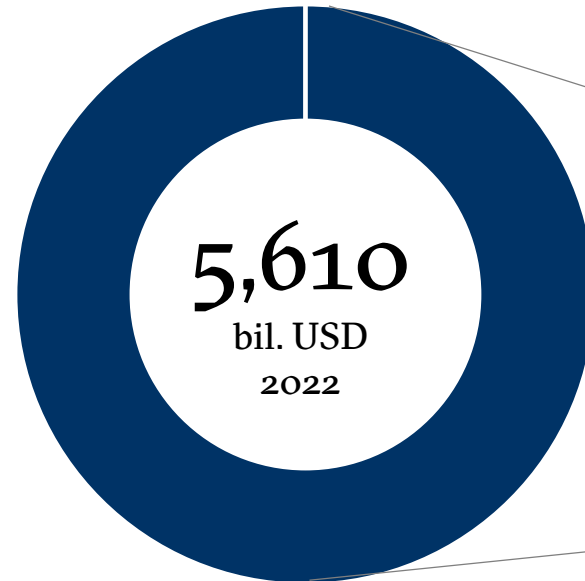


# Opportunities to grow along with Spa and wellness industry

**Wellness market  
expecting strong recovery  
from the pandemic with  
8.6% CAGR**

- Rising of aging society led to higher demand for spa related products and services
- Thai government policy to promote Thai medical hub for wellness tourism

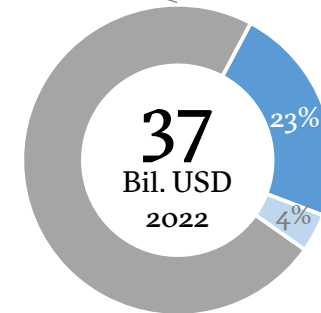
## Global wellness market



*Estimated growth*

**+8.6% CAGR**  
2022-2027

## Thailand wellness market



Personal care & beauty  
8.3 bil USD

Spas  
1.4 bil. USD

# Investment overview: Erb asia

## Transaction Summary

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Type of transaction:	Investment in newly issued shares and secondary shares
% of share holding:	60% of total shares
Total investment :	Not exceeding 72 million Baht
Source of fund :	Internal cash flow

## Post transaction: Shareholding structure

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## To acquire premium Thai spa product and services business

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Solid brands of spa and wellness products with over 25 years footprint on international market



Diversified distribution channels: physical and online  
4 full scale shops and 6 sale counters in department store  
1 spa shop



Estimated 2023 revenue of approx. 100 mil. Baht

## Rationale and synergies of the investment

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- ▶ Acquire “Erb”, a premium Thai spa and wellness with international brand awareness
- ▶ Add premium skin care and home fragrance product line to diversify RS' portfolio
- ▶ Expand spa and related services under Erb brand
- ▶ First step to reach tourist market, opportunities for other Thai herbal products

# Product lines

## 1. Skin care



Over  
50  
SKUs



Body and face



Hand cream



Product lines  
2.  
Home  
fragrance



Over  
35  
SKUs



Room diffuser



Aromatic candle



Essential oil

## Product lines

### 3. Hotel amenities

A STAR ALLIANCE MEMBER 

 **THAI**  
Smooth as silk

# NEW AMENITY KIT





# Product lines

## 4. Spa services



— Facial Treatment —  
start from 2,500 baht  
**Erb Seven Pollen  
GOLDEN THERAPY**  
3,500 baht

**BODY  
MASSAGE**  
from 800 baht  
to 2,600 baht

**SKIN TREATMENT**  
from 1,800 baht

**ROYAL THAI MASSAGE**  
from 1,200 baht



**Erb**  
**spa**

*Best Spa*  
in Charoen Krung District  
★★★★★  
Exceptional Experience

*Get 15% OFF*  
Opening Promotion



# 4 branches of ERB Boutique

Icon Siam, 1st floor



Central Phuket



List of ERB outlet

## ERB boutique

- Icon siam
- Centralworld
- Central Phuket
- Central Eastville

## ERB SPA

- Warehouse 30

## Counter in department stores

- Paragon Department Store
- The Emporium Department Store
- Central Chidlom Department Store
- Central Ladprao Department Store
- Central Bangna Department Store
- Central Festival Patong
- Central World Department store
- Central Samui

Centralworld



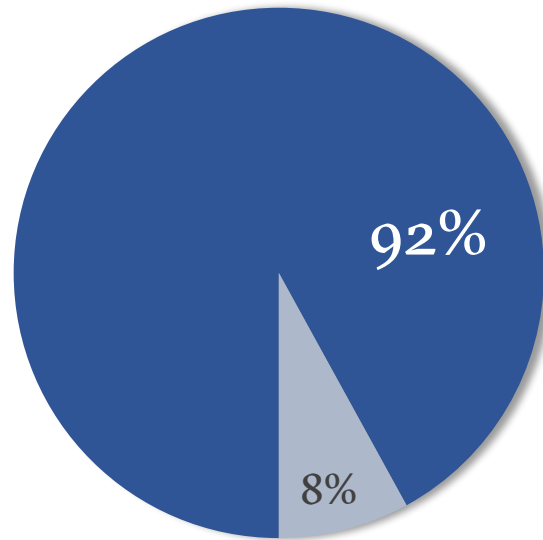
Central Eastville



## Products sale contributed 92% of total revenue 2022



Revenue contribution 2022

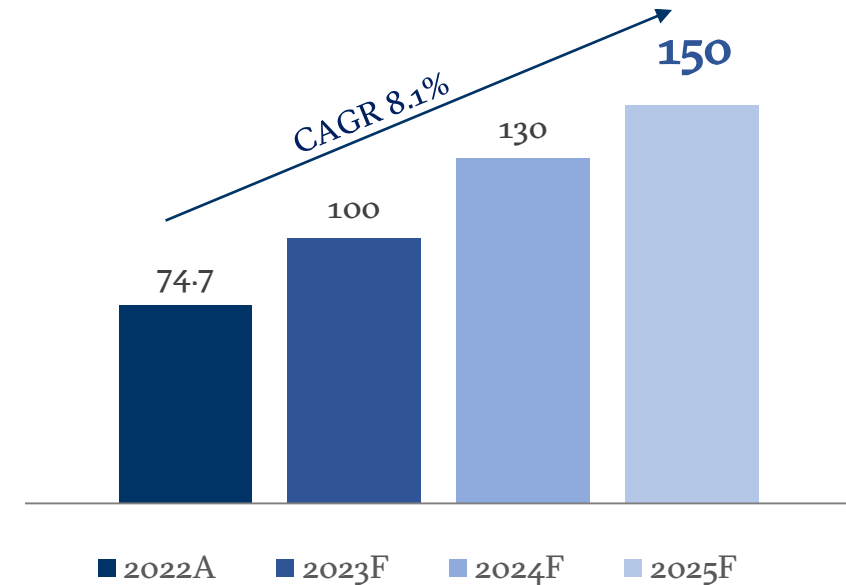


■ Products

■ Spa services

## Expected 8% CAGR revenue growth built on existing fundamental

Unit: Million Baht



- Turn around financial performance through better operational efficiency under RS Group
- Estimated gross profit margin of 70%
- Expand Spa services business through branded spa model with low CAPEX

# Potential area for ERB to expand

## Diversify product lines;

- ERB fluerfum : perfume products
- ERB Maison: home fragrance with unisex targets



## B2B client base expansion;

- Amenity kit products for airlines
- Toiletries set for hotels



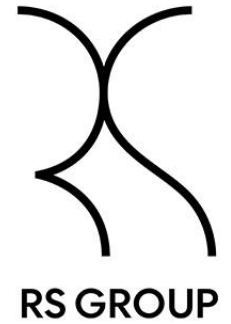
## Branded spa under collaboration with 5-star hotel



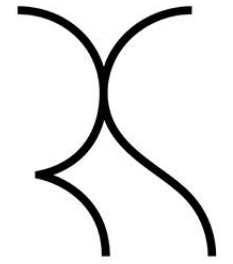


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Q & A



RS GROUP

# RS Investor Relations & Sustainable Development



+662 037 8126



[www.rs.co.th](http://www.rs.co.th)



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



RSInvestorRelations



[https://twitter.com/rs\\_ir](https://twitter.com/rs_ir)



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