



# TQMalpha

FY23 Results Presentation



March 2024

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# FY23 Key Highlights

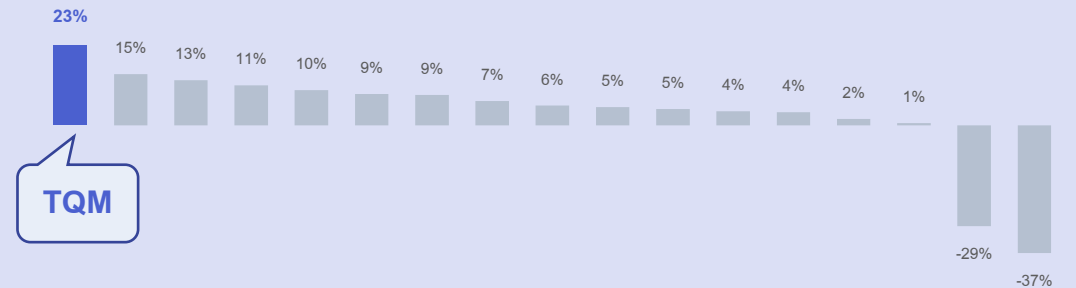
- Amidst the slower economic growth in Thailand in 2023, TQM's service income grew 2.7%.

**+2.7% YoY**  
Service income

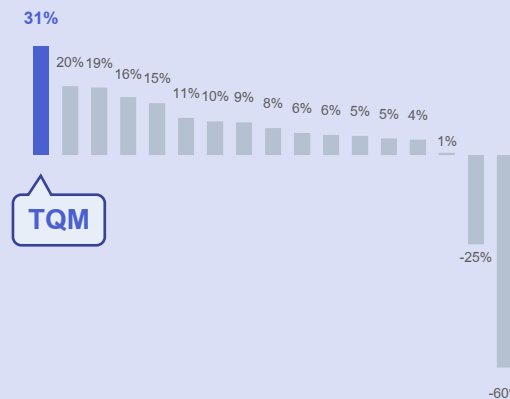
- Despite investments made to enhance the sales team, efficiency has improved, resulting in a higher gross profit with a maintained gross profit margin.
- SG&A expenses were efficiently controlled despite the business expansion. Therefore, both SG&A and net profit margins at parent level maintained.

- Compared to its sector, TQM sustained a high net profit margin and return.

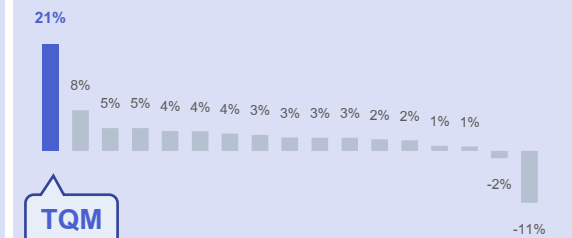
FY23 Net Profit Margin of Listed Insurance Companies



Return on Equity



Return on Assets



Source: [www.setsmart.com](http://www.setsmart.com)

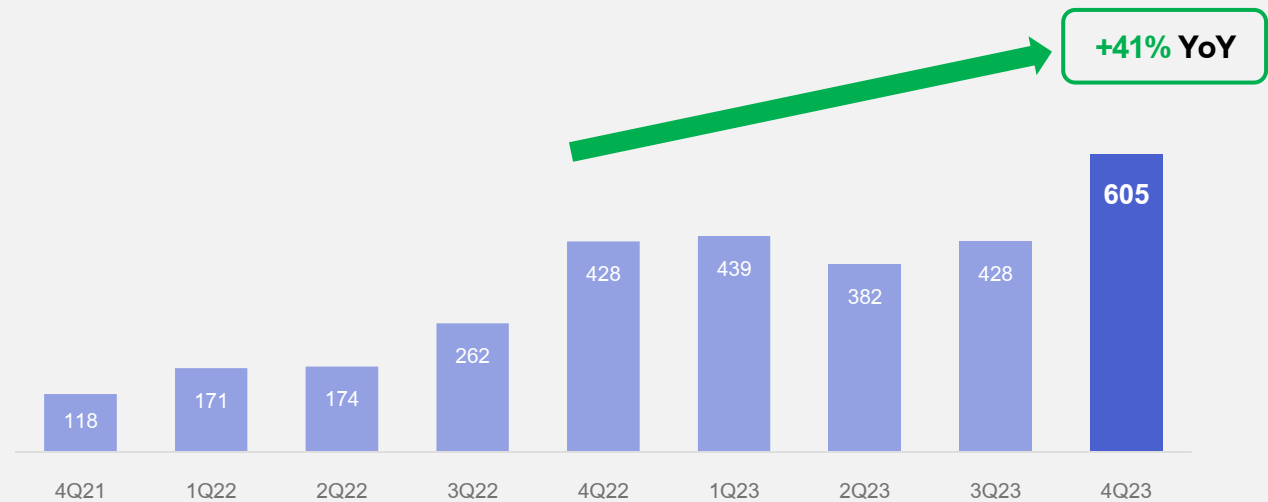
## Financial Solution



- Premium loans, accounting for 88% of our lending portfolio, increased alongside TQM's premium sales growth.

**EASY**  
LENDING

Assets: Outstanding loan



The cumulative loan amount since 4Q21 is over 2 billion baht.

Target

Premium target in FY2027  
THB 50,000 million

Average of approx. 5 – 10% revenue growth in 2023 - 2025

Strategic  
direction

Sustainable Growth

Customer Happiness

Strategy

1

Finding  
potential partner



2

Turn  
Competitors  
into Partners



3

Technology  
Transformation



4

Data Driven



5

Human and  
Culture



6

One Customer  
Multiple  
Products



7

M&A





## Insurance business

- Motor insurance continues to be the majority of our portfolio. Moreover, the growing trend of home, health and travel insurance should carry on through this year.
- The EV trend is boosting the motor industry with insurance premiums 30-40% higher than average. Their renewal commissions should contribute a positive outlook.

## Financial business

- Prioritize TQM's customer base with strong transaction history to minimize underlying risks.
- Explore opportunities to expand the customer base with new financial products.

## Technology

- With numerous projects underway, TQM is implementing AI and smart solutions to boost work efficiency.

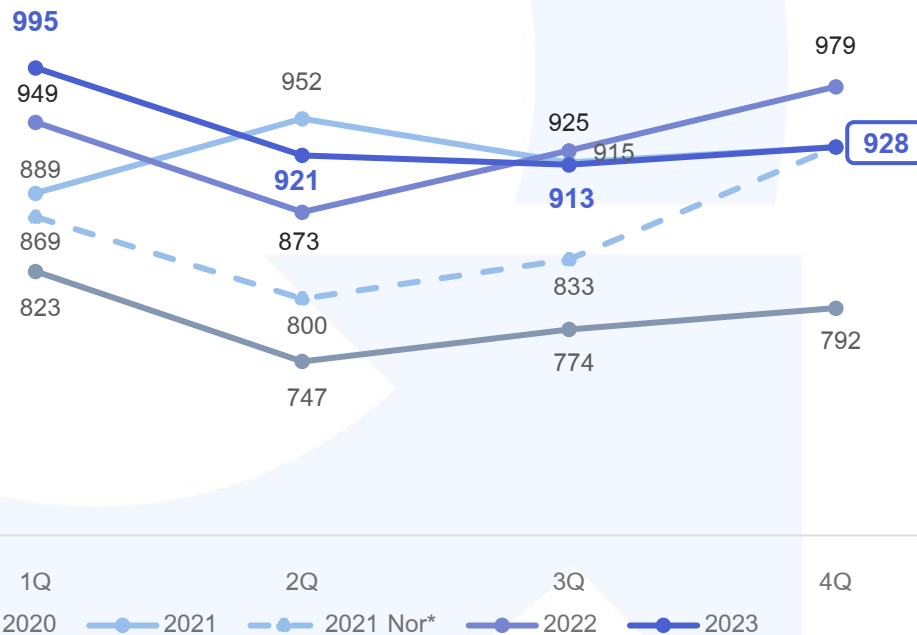
# FY23 Revenue

Despite the YoY drop in 4Q, FY23 total revenue increased to 3,685 MB, driven by a 2.7% growth in service income.

Quarterly revenue

THB Million

4Q23 revenue **-5.3% YoY**  
4Q23 revenue **+1.6% QoQ**



Normalized revenue excludes

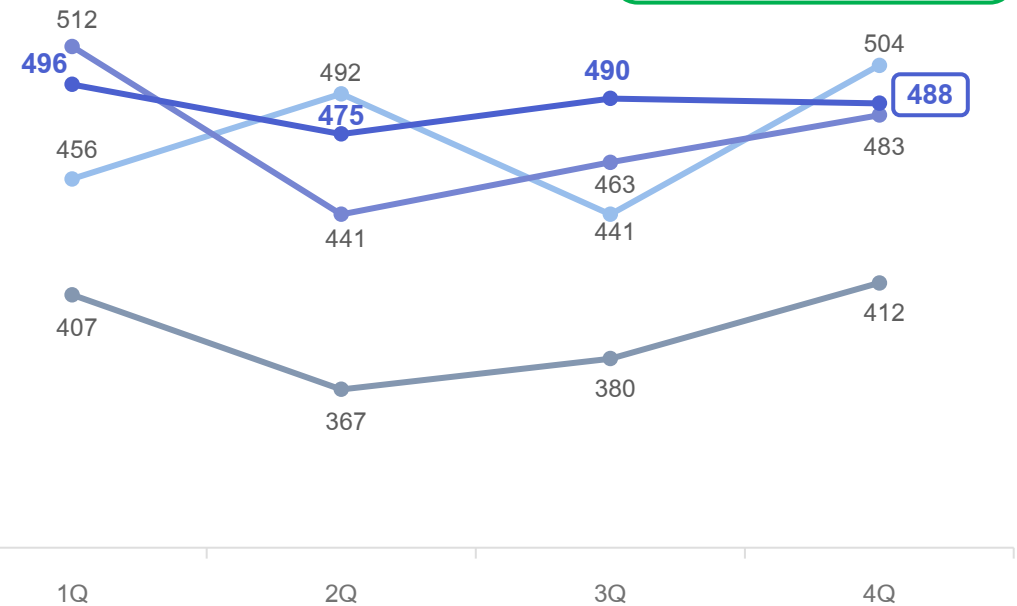
- Revenue from COVID-19 insurance commission in Q1-Q3/21: 20, 125 and 19 Million Baht, - TQR's provisional reversal in Q2/21: 27 Million Baht,
- Gain from bargain purchase in Q3/21: 64 Million Baht

FY23 gross profit increased by 2.7% YoY to 1,950 MB, with a stable 53% gross profit margin.

Gross profit

THB Million

4Q23 GP **-0.4% YoY**  
4Q23 GP **+1.1% QoQ**



# FY23 Net profit

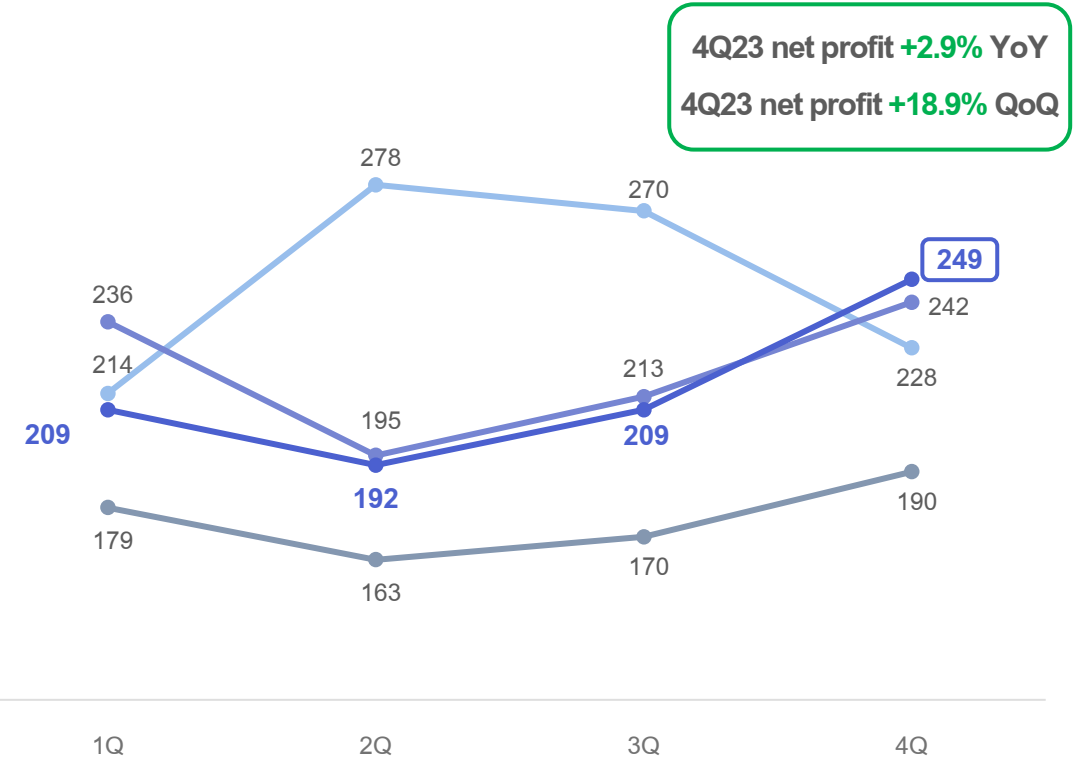
Our net profit - owners of parent is growing,  
both YoY and QoQ, with 22% NPM.

Quarterly net profit – owners of parent THB Million



The fourth quarter showed an upward trend,  
with YoY and QoQ increase.

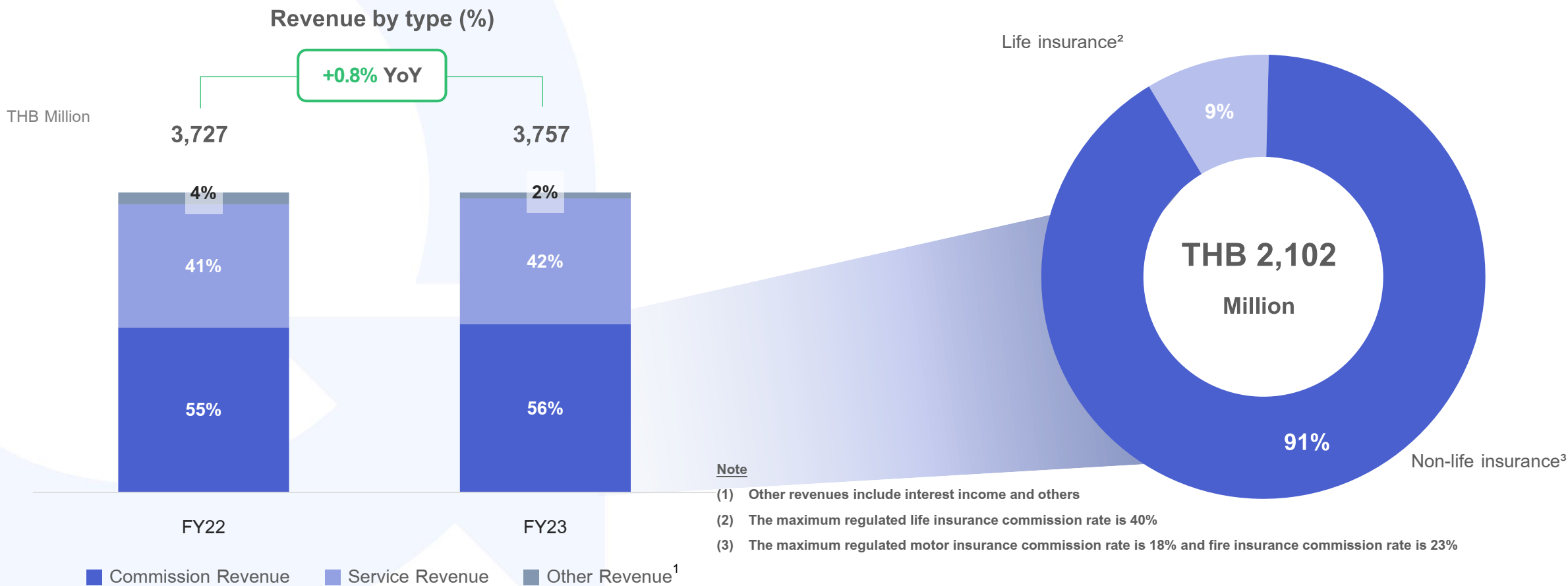
Quarterly net profit THB Million





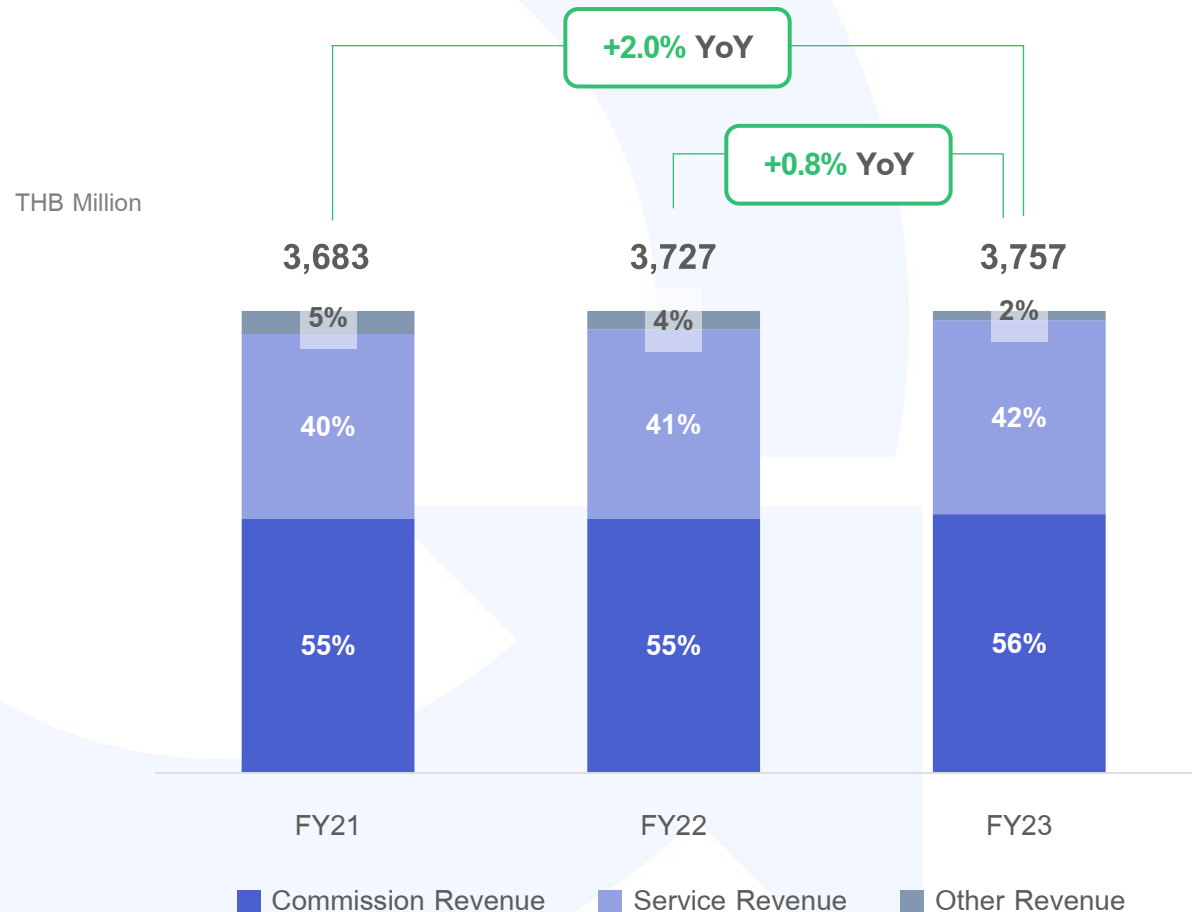
# A breakdown of TQM's revenue model

Commission revenue remains our primary source of income.



# Revenue breakdown

## Revenue of TQM by type (%)

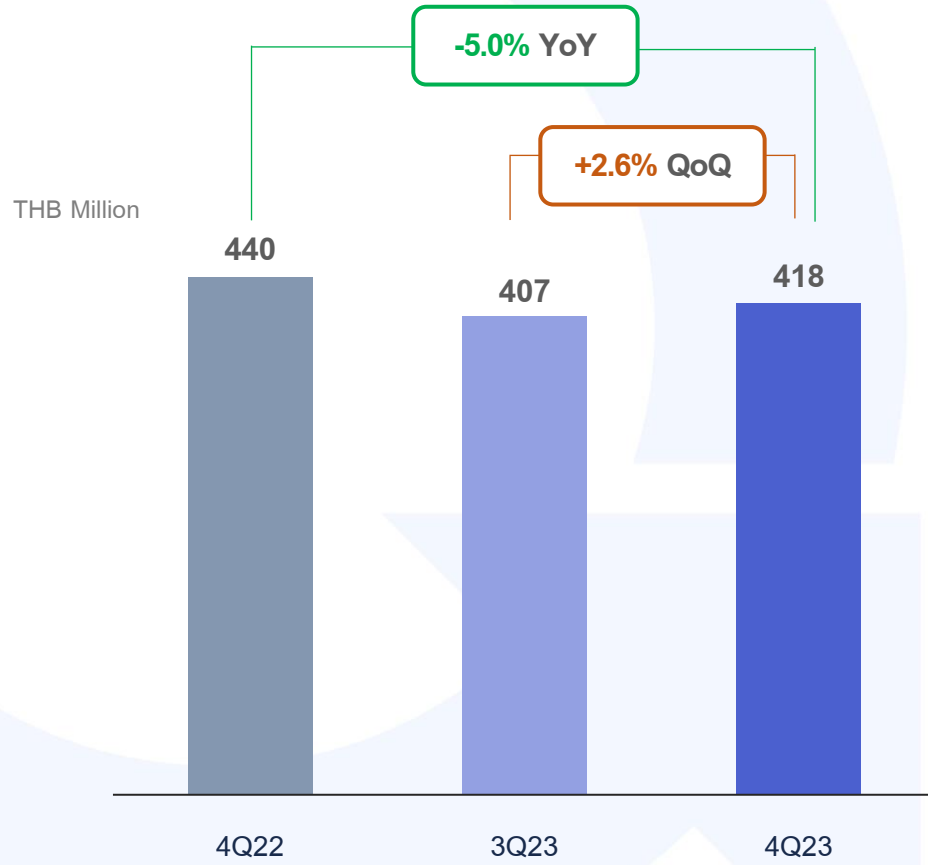


### Key Summary

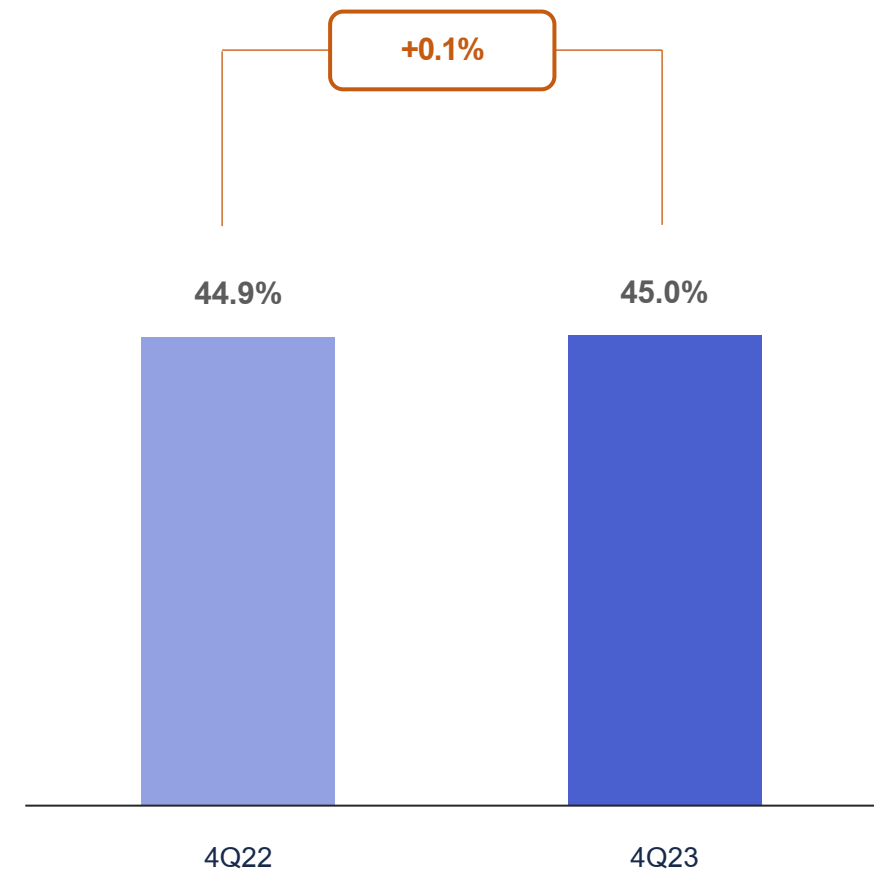
The revenue pattern has been consistent, with **Commission Revenue** as the main contributor, followed by **Service Revenue** and **Other Revenue**. This distribution has remained stable over the years, indicating a consistent composition of revenue sources.

# Enhanced sales efficiency and operational improvements led to a reduction in service costs of 5% YoY in 4Q23.

Service cost

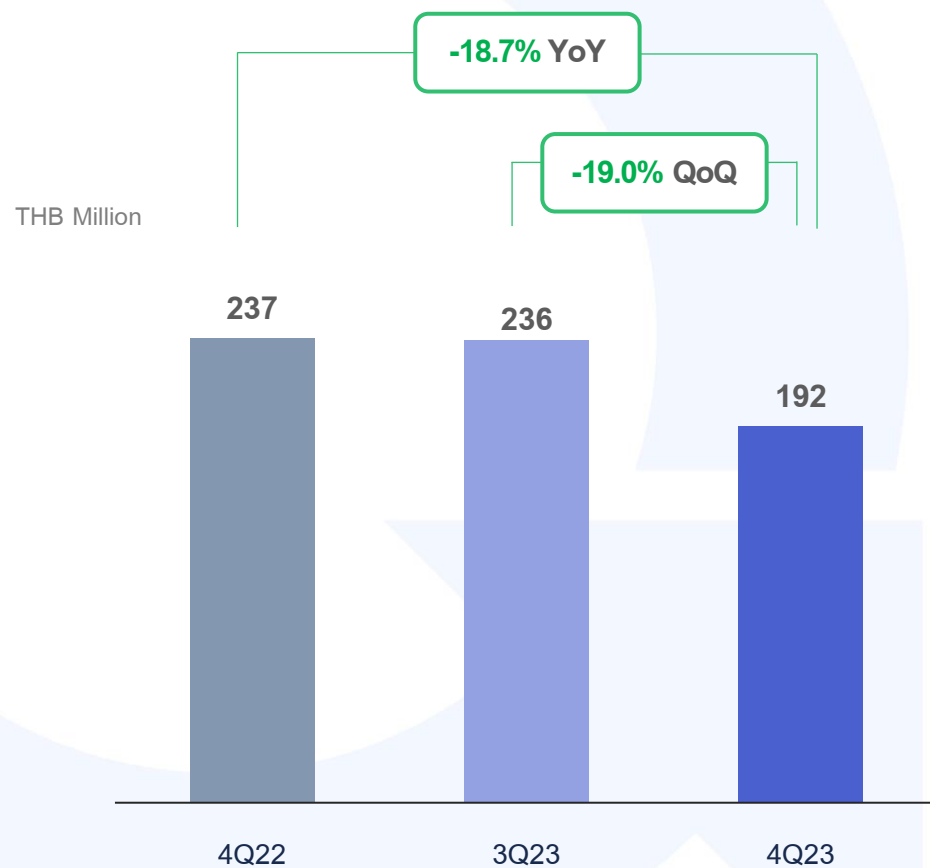


Service-cost-to-income

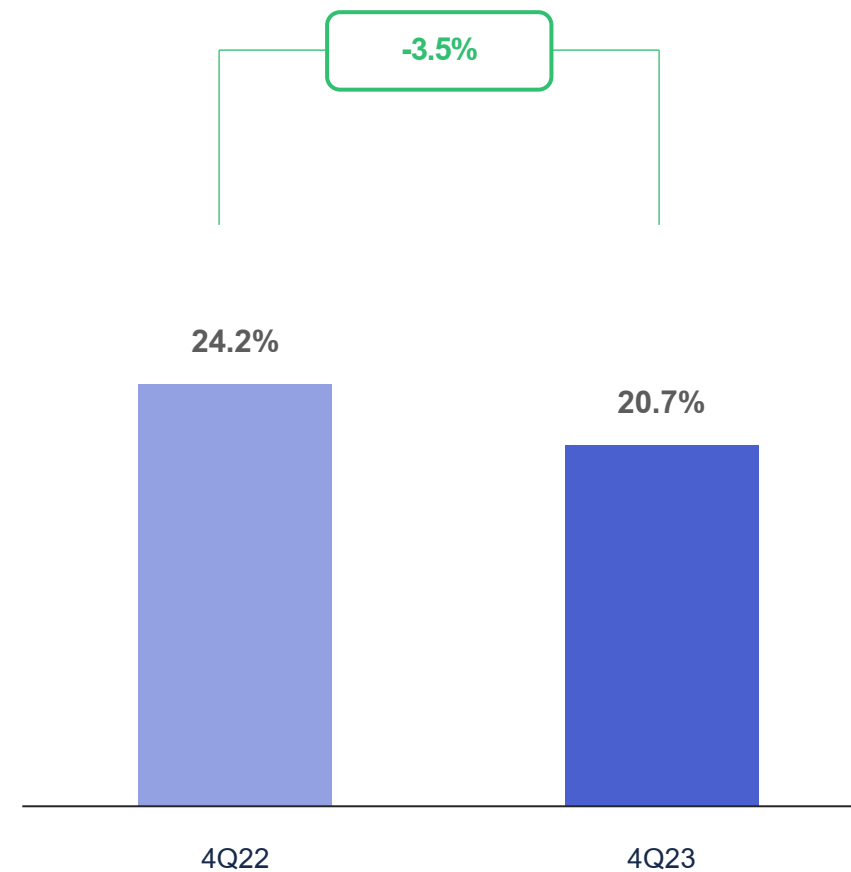


# Administrative expenses reduced, due to effective management and control.

## Admin Expenses

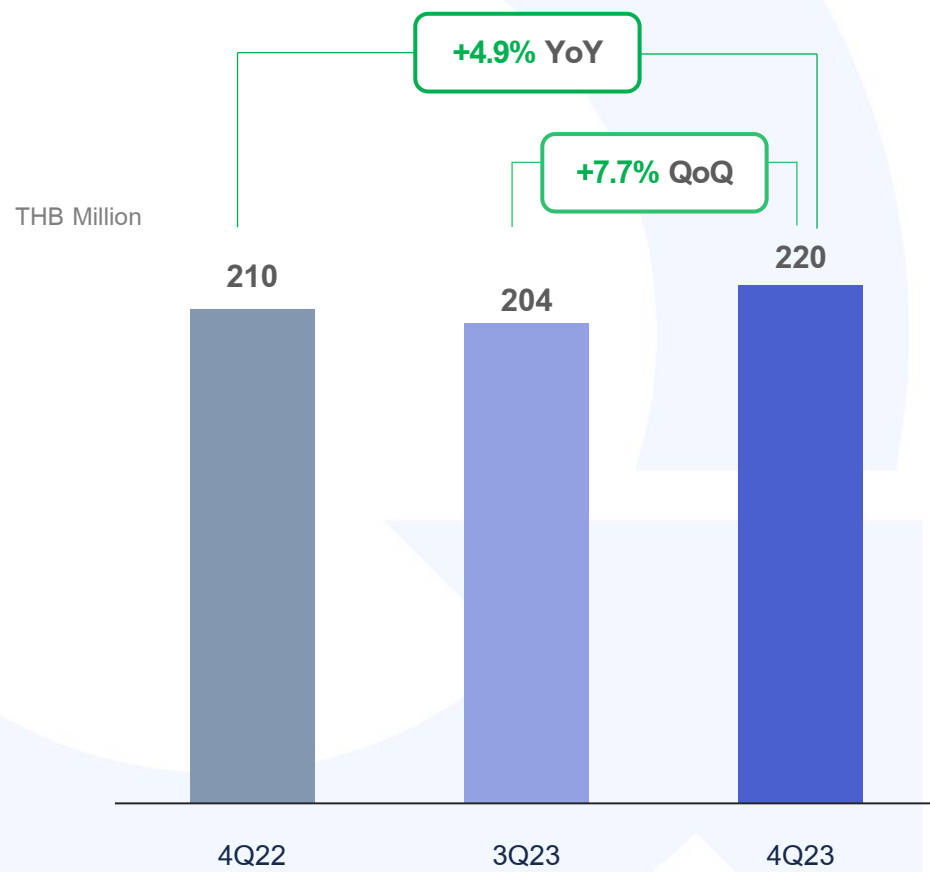


## Admin Expenses to Income

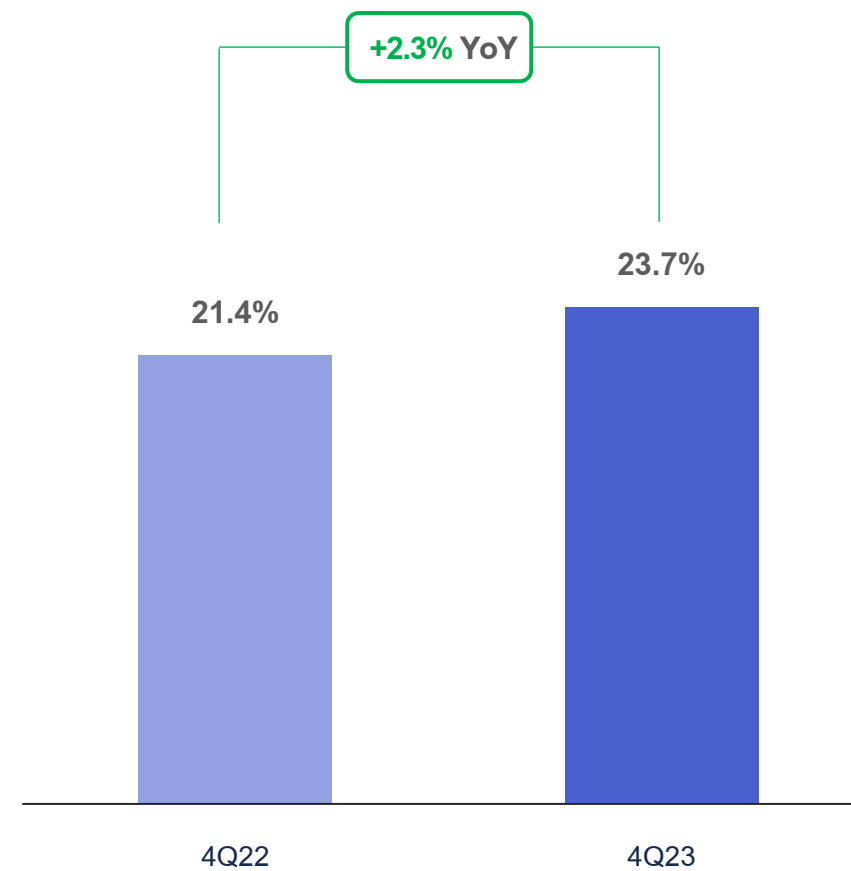


# Net profit – owner of parent

## Net profit – owners of parent



## Net profit margin – owners of parent

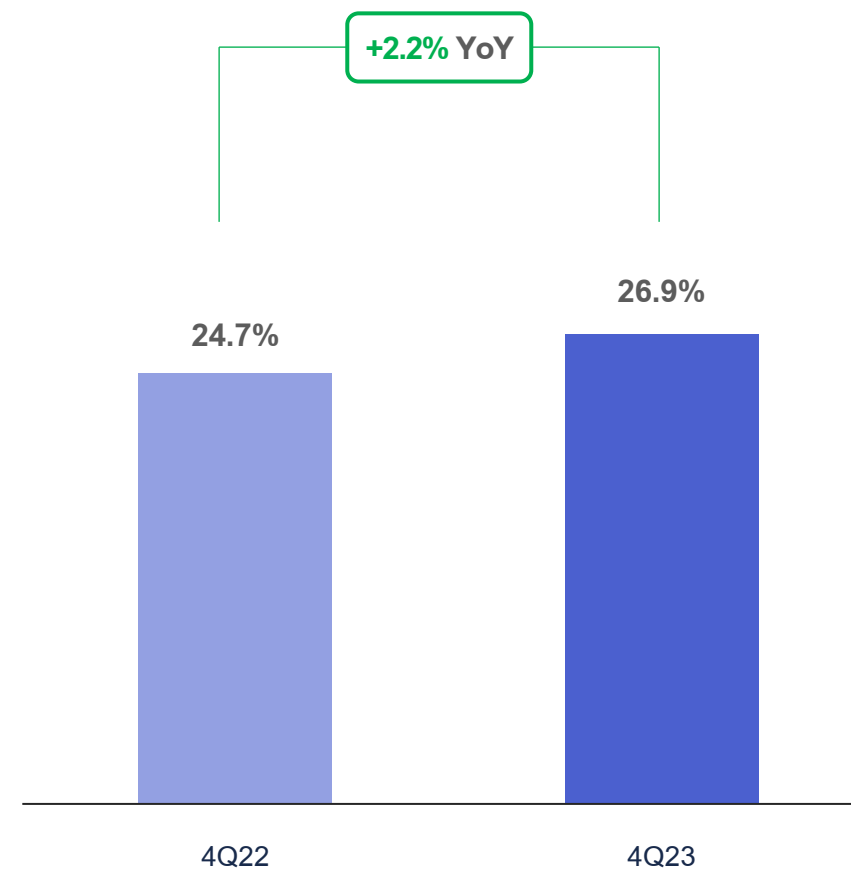


# Net profit

## Net profit

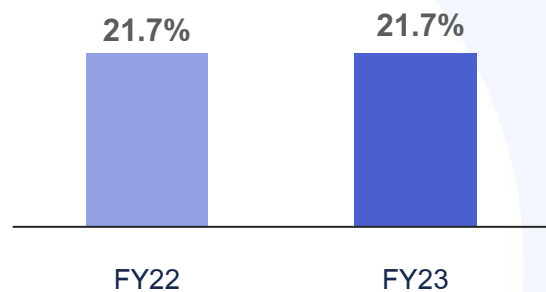


## Net profit margin

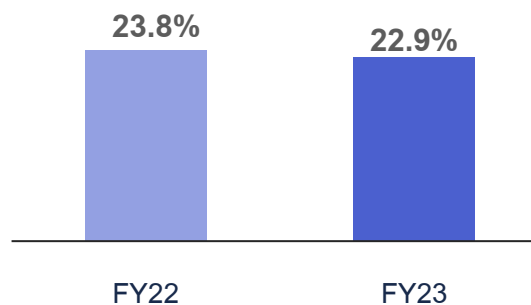


# Overall TQM performance in FY23

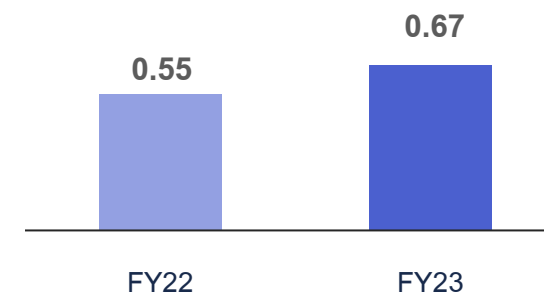
Net Profit Margin – owners of parent



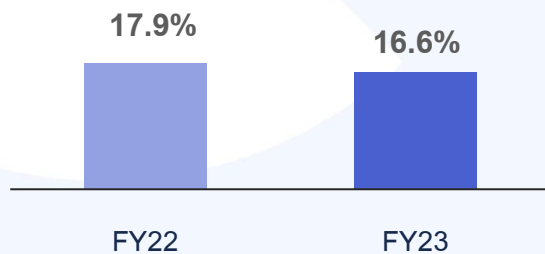
Net Profit Margin



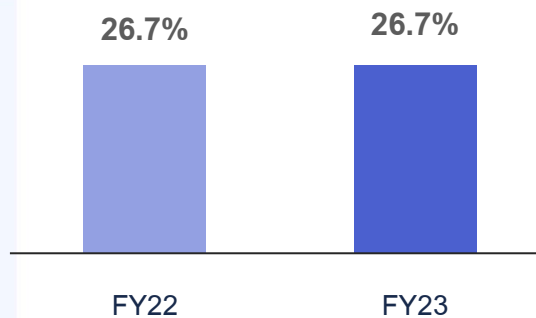
D/E Ratio



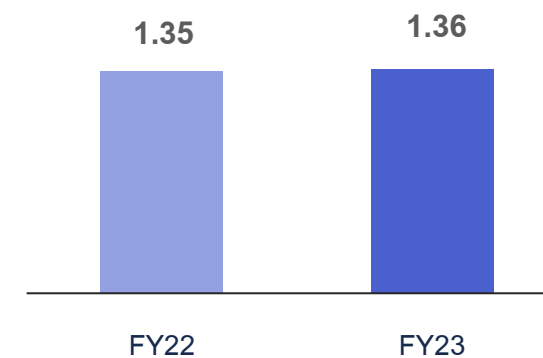
ROA



ROE



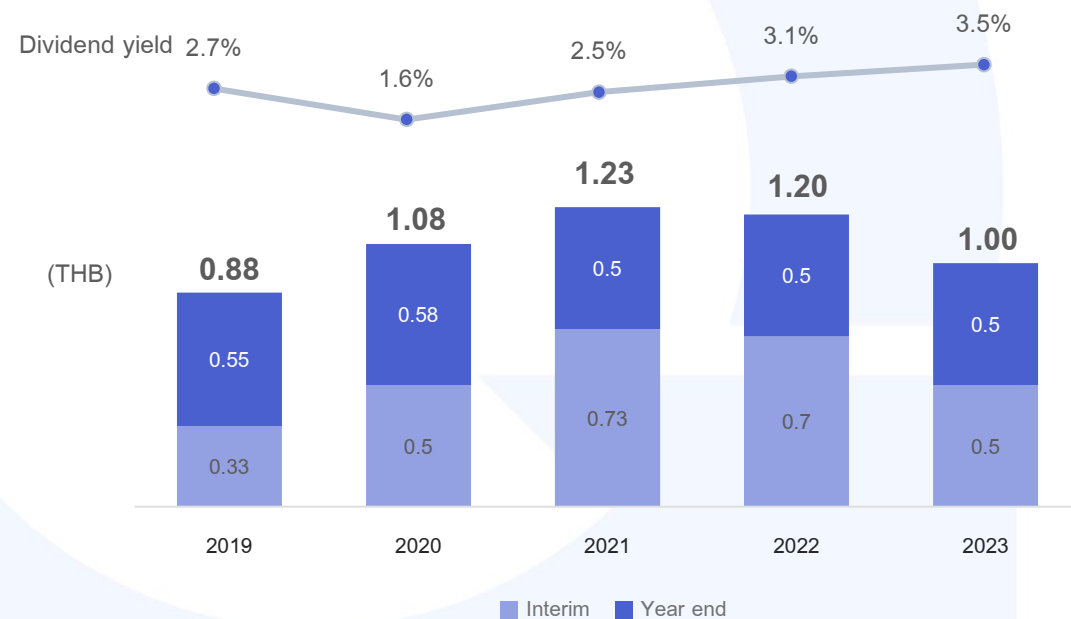
EPS (THB per share)



# Dividend and price performance

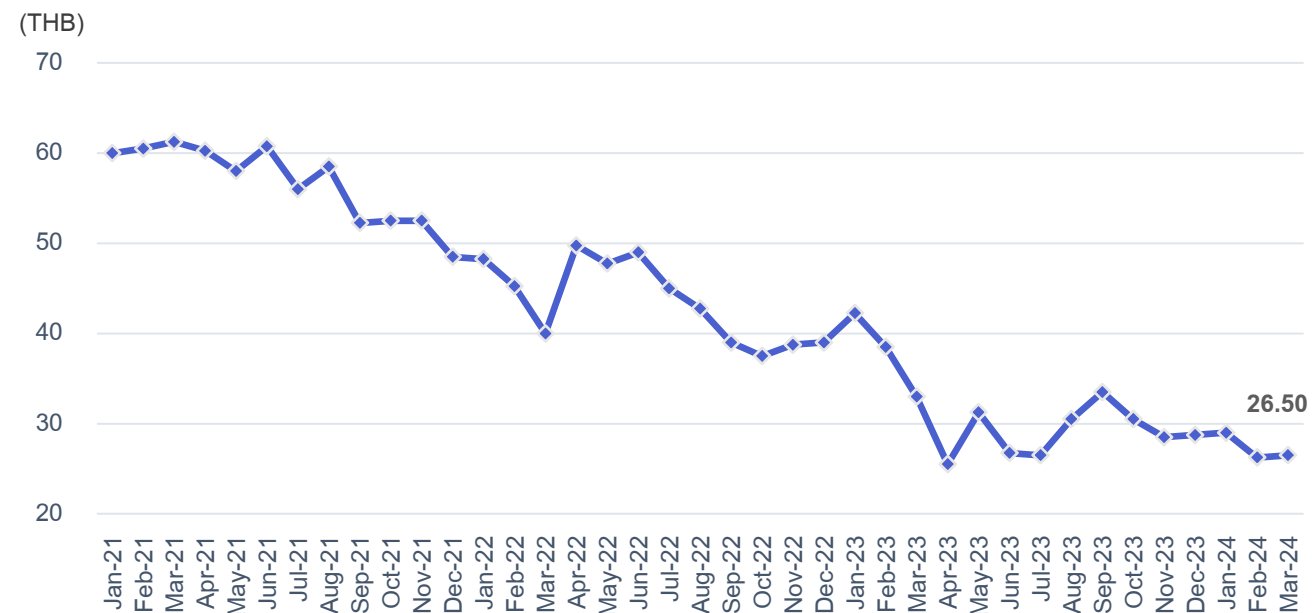
## BoD approved a year end dividend payment for FY23 at the rate of 0.5 THB per share

Dividend Payout according to profit  
from annual performance



- Note:
- 1) Dividend payout in 2019 - 2021 were re-calculated at new par.
  - 2) Dividend are paid twice a year.
  - 3) Dividend yield based on year-end price in 2019 – 2023
  - 4) The year end dividend payment for FY 2023 THB 0.50 per share is subjected to shareholders' approval on 24 April 2024

## Historical share price (at new par)



With consistent dividend payment, the dividend yield becomes more competitive at the current share price, as well as lower P/E ratio.

Data as of 4 March 2024



## **Investor Relations Contact**

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