



TQMalpha

1Q24 Results Presentation



May 2024

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Highlights

95
branches



Using asset-light
model covering
services nationwide
with additional
5,000+ service points



Market share

in a growing insurance
broker market

50+

Insurance partners

out of 70, with
comprehensive
product variety



3,500

Tele chat reps

to reach
a wide
customer
base



**Years of
operations**

Sustainable growth on a solid foundation

Strong financial status with

0.66x **D/E ratio**

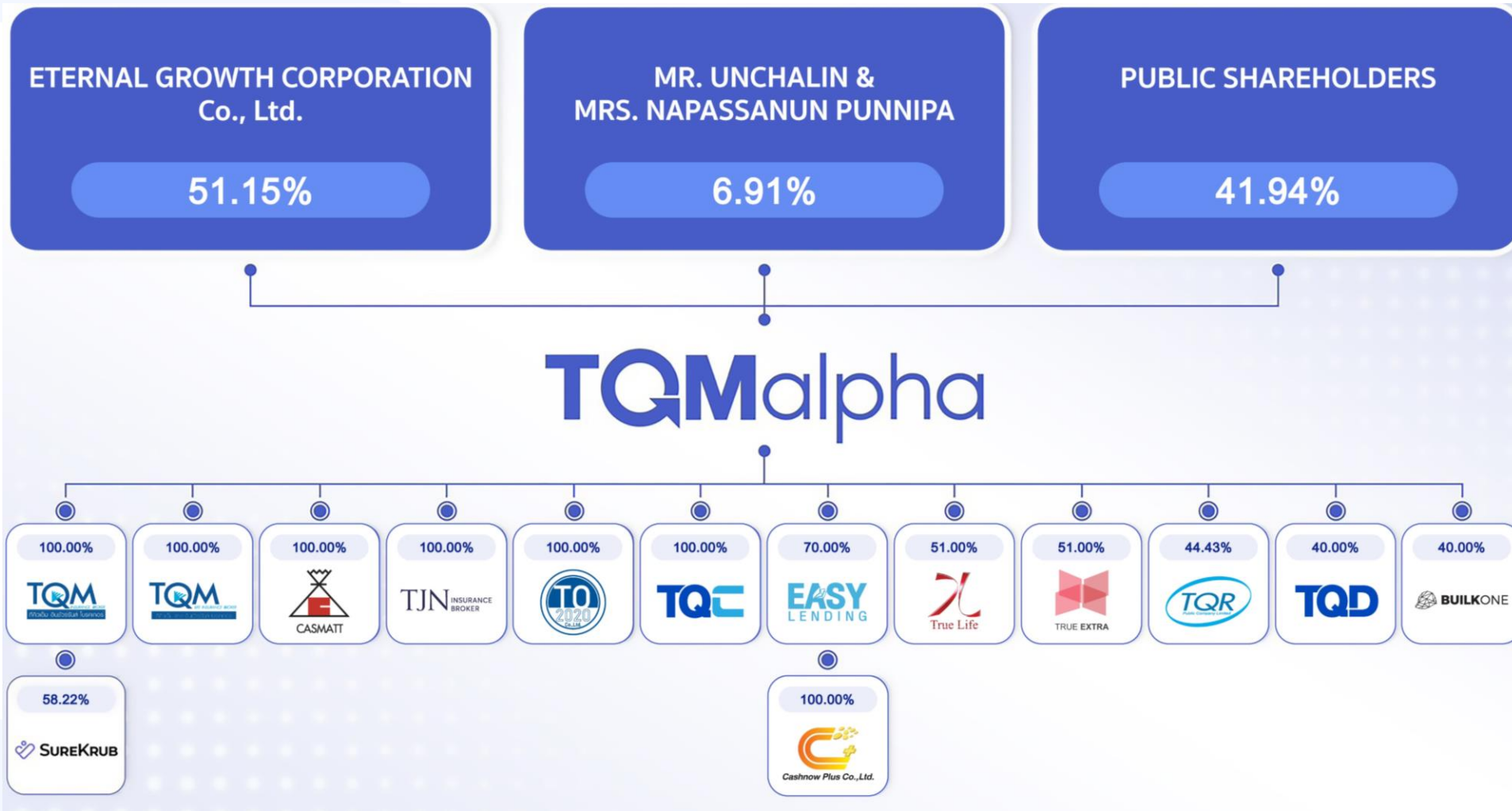
Highest NP margin in insurance sector

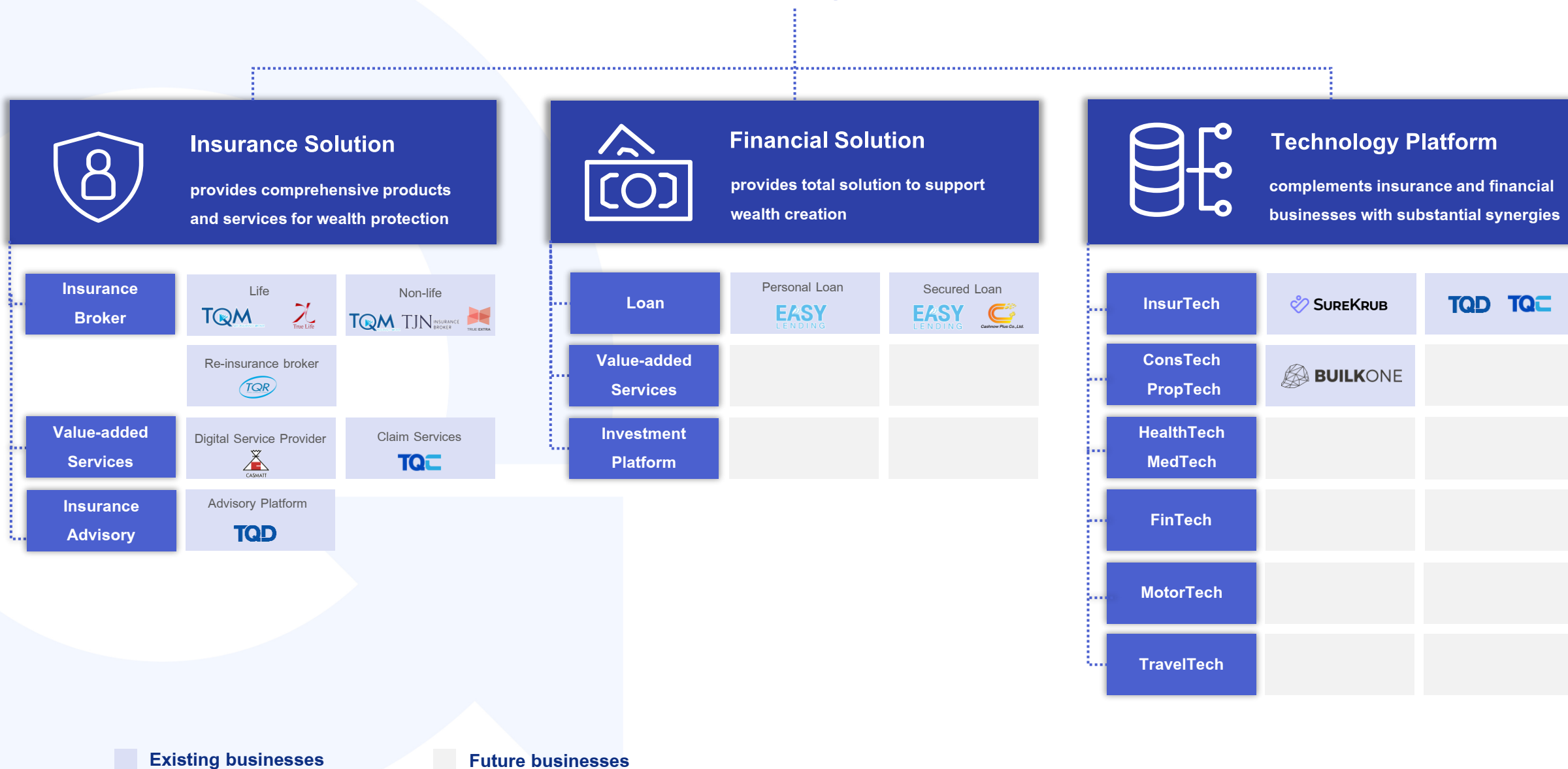


21%

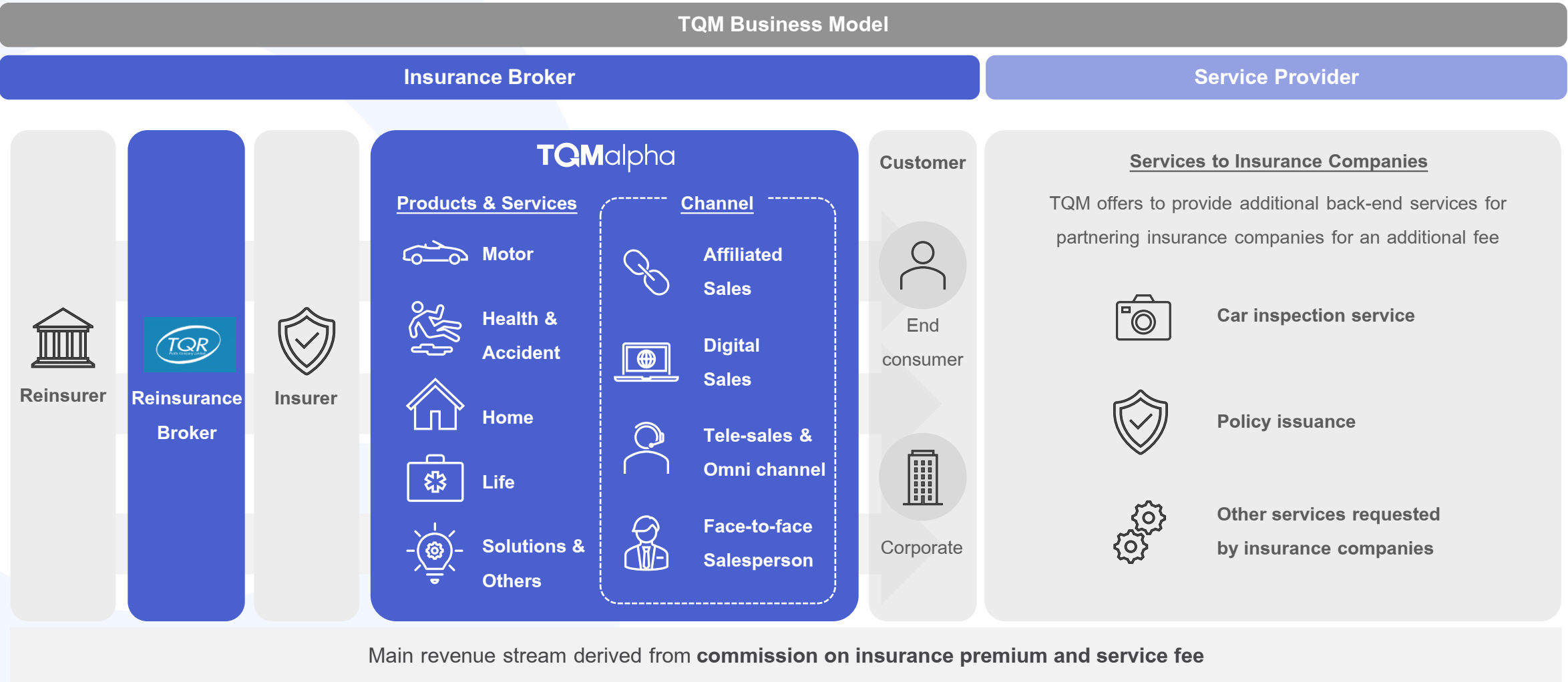
TQM's Shareholding Structure

SET
ESG Ratings





TQM works as a broker as well as a service provider of insurance products



1Q24 Key Highlights

- Amidst the dynamic insurance market, TQM's quarterly revenue achieved an all-time high, driven by commission revenue growing by 18.9% YoY.

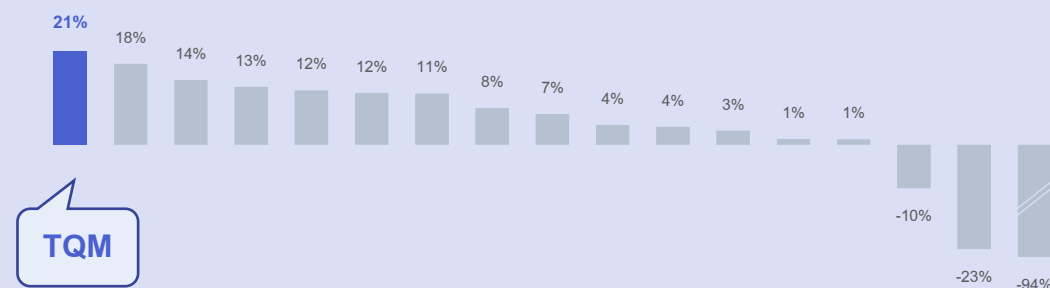
+9.4% YoY
Total income

- Despite investments made to enhance the sales team, efficiency has improved, resulting in 10.9% YoY growth in gross profit, with a maintained gross profit margin above 52%.

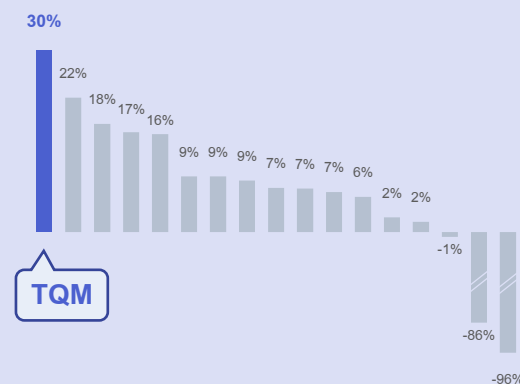
- Even with the business expansion, TQM efficiently controlled SG&A expenses, achieving its highest net profit-parent in the past two years.

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

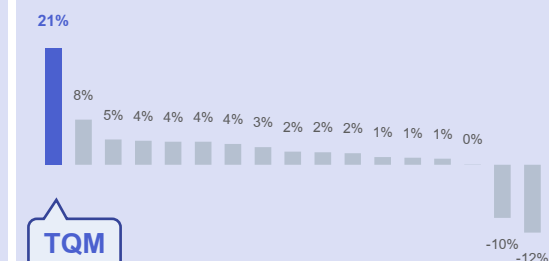
1Q24 Net Profit Margin of Listed Insurance Companies



Return on Equity



Return on Assets



Source: www.setsmart.com

Diverse product range tailored to unique customer needs

Motor Insurance



- 77% of non-life premium in 2023
- Variety of classes: Class 1, 2, 2+, 3, 3+
- Compulsory insurance
- Usage-based insurance
- Economic recovery boosted motor insurance sales, including new and renewal customers.

Home Insurance



- Insurance coverage for buildings and equipment from fire, explosion, etc.
- It can be extended to other risks, namely flood, earthquake, storm, etc.
- Increased product awareness drove significant growth of home insurance.

Health, accident & travel Insurance



- Health & accident insurance grew attributed in part to the trend of an aging society driving up insurance premiums, as well as higher health insurance claims.

Insurance Premium Loan



Targeted customer

New customers: who do not hold credit card

Existing customers: switching from credit card payment to installment with Easy Lending

Benefit to TQM



Increase TQM organic revenue and profit by attracting new customers



Reduce interest expense and fee to credit card companies because their fees are higher than Easy Lending's cost of fund

Non-Premium Loan

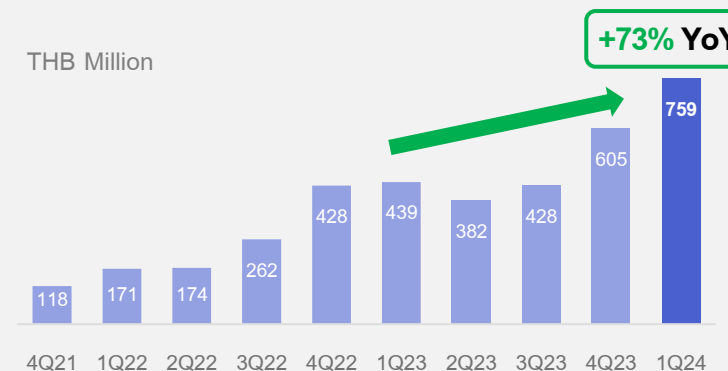


- In November 2023, launched “Mee Ngen” (Money Bear), a car title loan service designed to meet our customers' needs through TQMalpha's comprehensive ecosystem.
- Utilizing TQM's robust network and tele sales team to connect with customers, along with offering delivery services directly to their locations.

Loan Portfolio

Assets: Outstanding loan

THB Million



The cumulative loan amount since 4Q21 is over 3 billion baht.

- Premium loans, accounting for 76% of our outstanding lending portfolio, increased alongside TQM's premium sales growth.

Target

Premium target in FY2027
THB 50,000 million

Average of approx. 5 – 10% revenue growth in 2024 - 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.

Others

- With numerous projects underway, TQM is implementing AI and smart solutions to boost work efficiency, optimize sales opportunities and enhance services.
- Two M&A deals are expected in the second half of 2024 to enhance



Financial Highlights

1Q24 Revenue

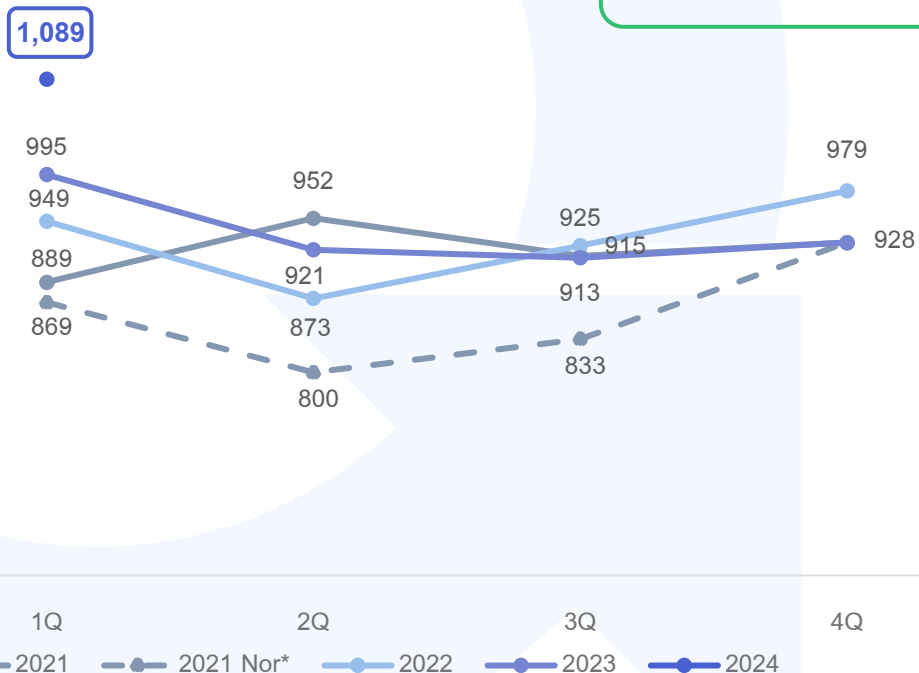
Total revenue hit an all-time high,
driven by strong growth in commission revenue.

Gross profit increased by 11% YoY to 550 MB,
with a stable GPM of 52%.

Quarterly revenue

THB Million

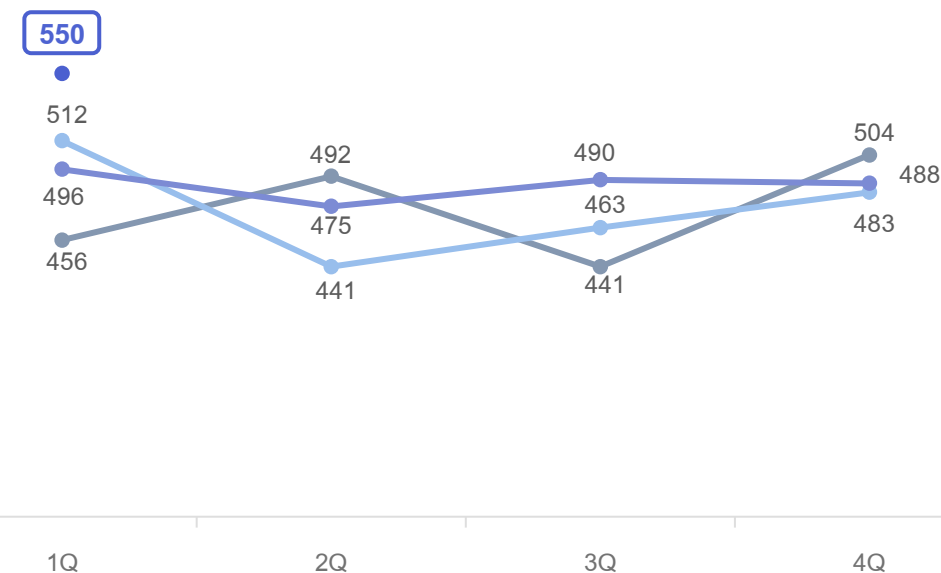
1Q24 revenue **+9.4% YoY**
+17.4% QoQ



Gross profit

THB Million

1Q24 GP **+10.9% YoY**
+12.7% 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

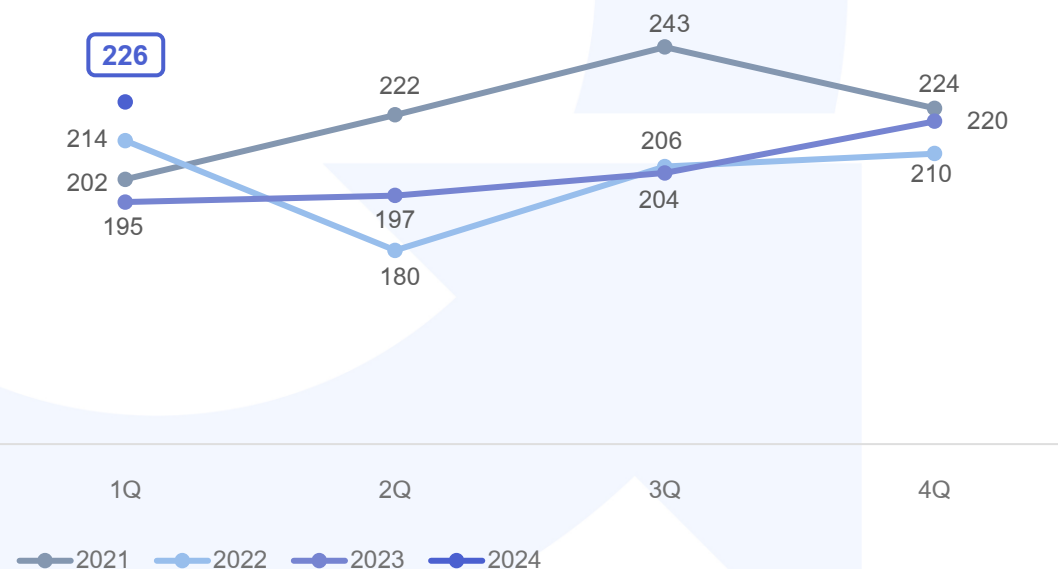
1Q24 Net profit

Our net profit - owners of parent is growing,
both YoY and QoQ, with 21% NPM.

Quarterly net profit – owners of parent

THB Million

1Q24 net profit **+15.8% YoY**
+2.4% QoQ

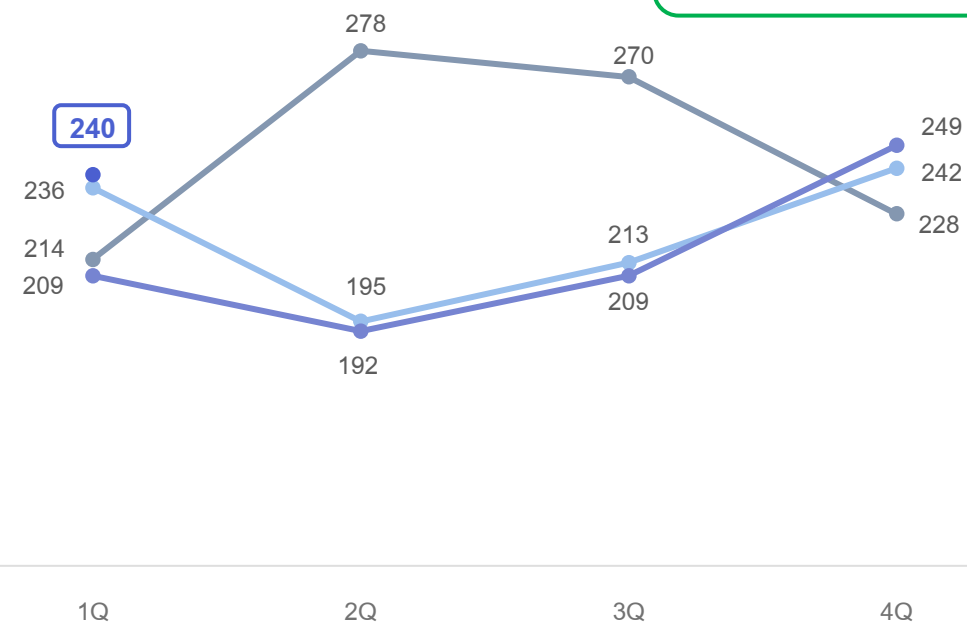


Strong YoY growth with 22% NPM.

Quarterly net profit

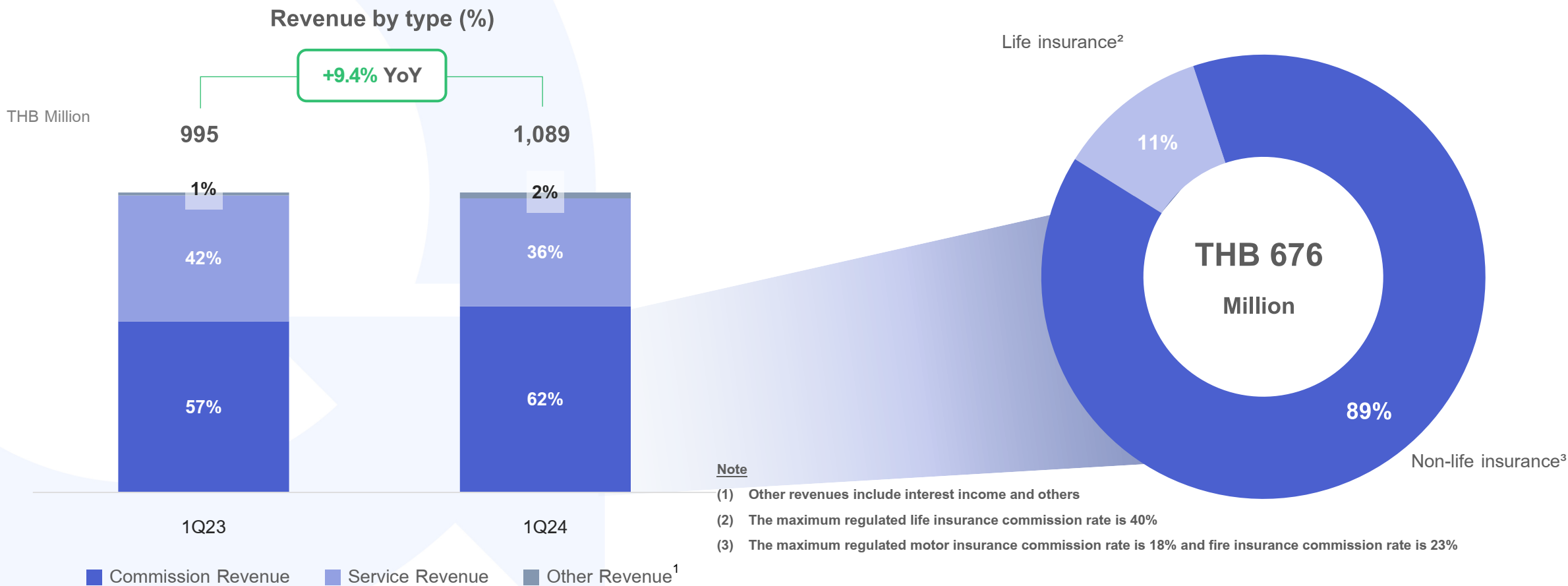
THB Million

1Q24 net profit **+15.2% YoY**
-3.5% QoQ



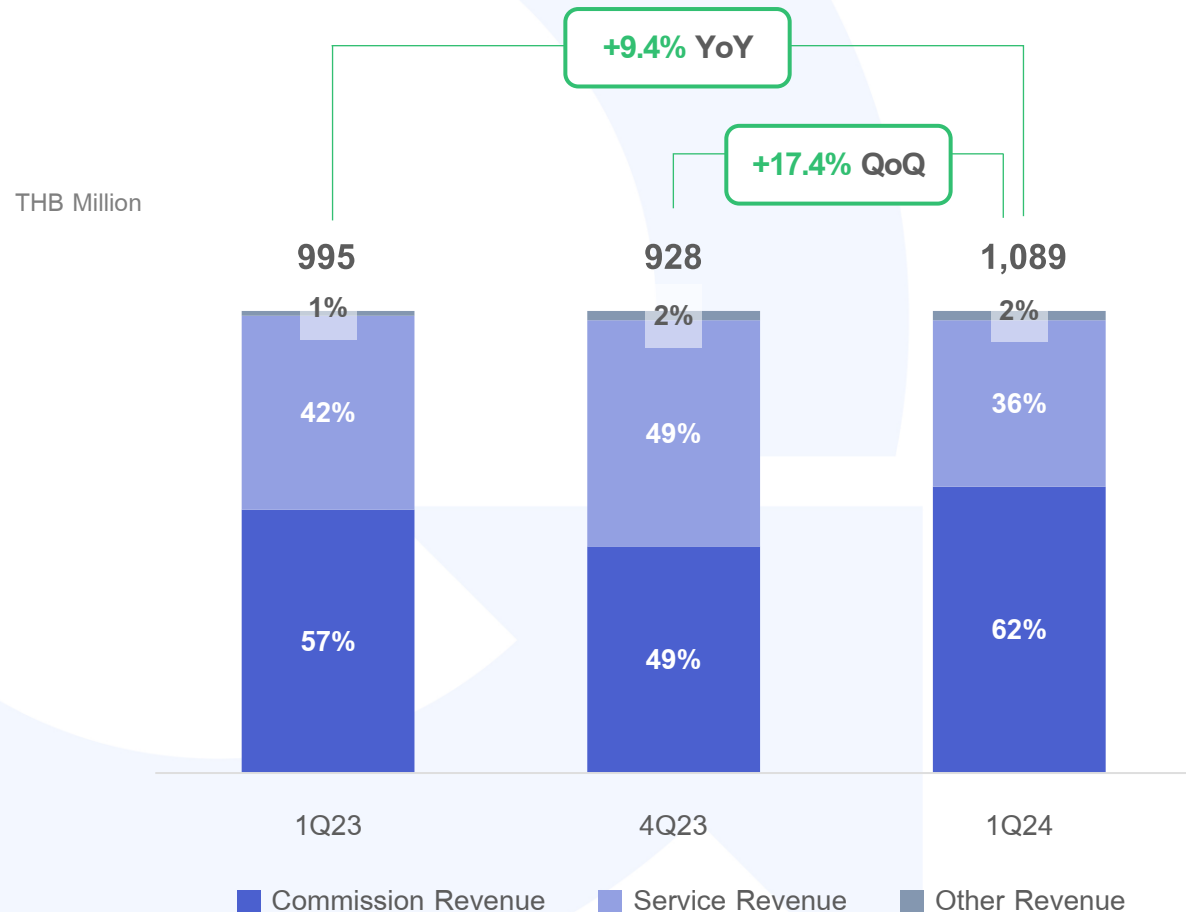
A breakdown of TQM's revenue model

Commission revenue remains our primary source of income.



Revenue breakdown

Revenue of TQM by type (%)

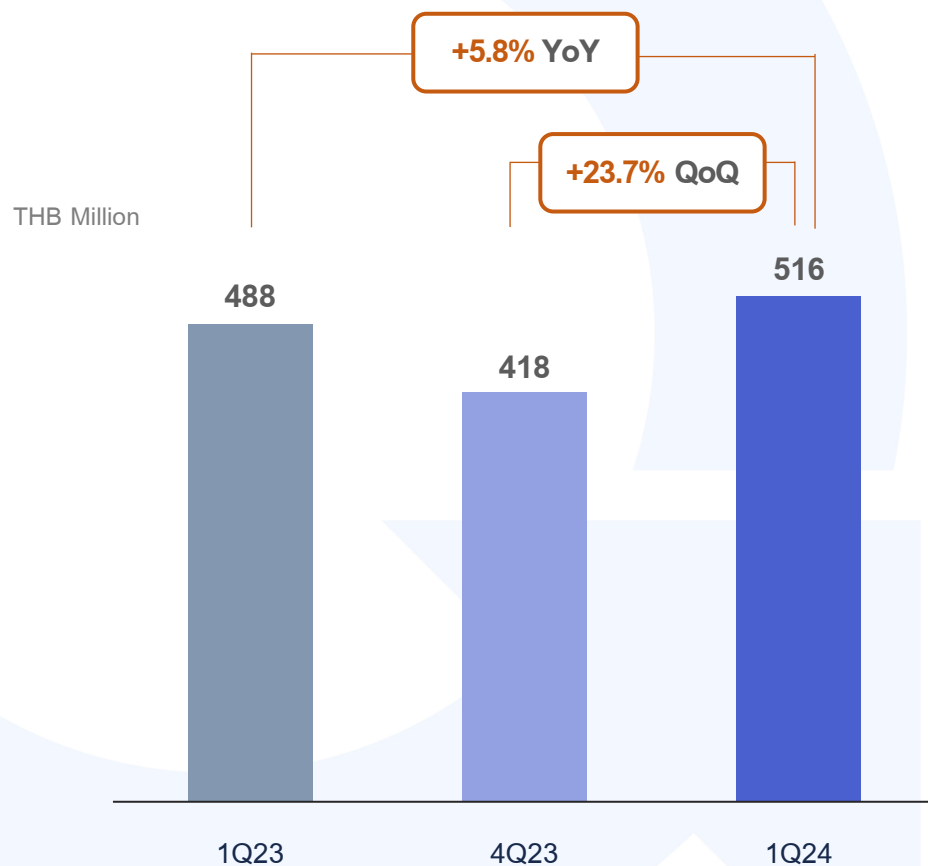


Key Summary

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.

Enhancements in the digital platform and sales team efficiency led to reduced service costs compared to revenue.

Service cost

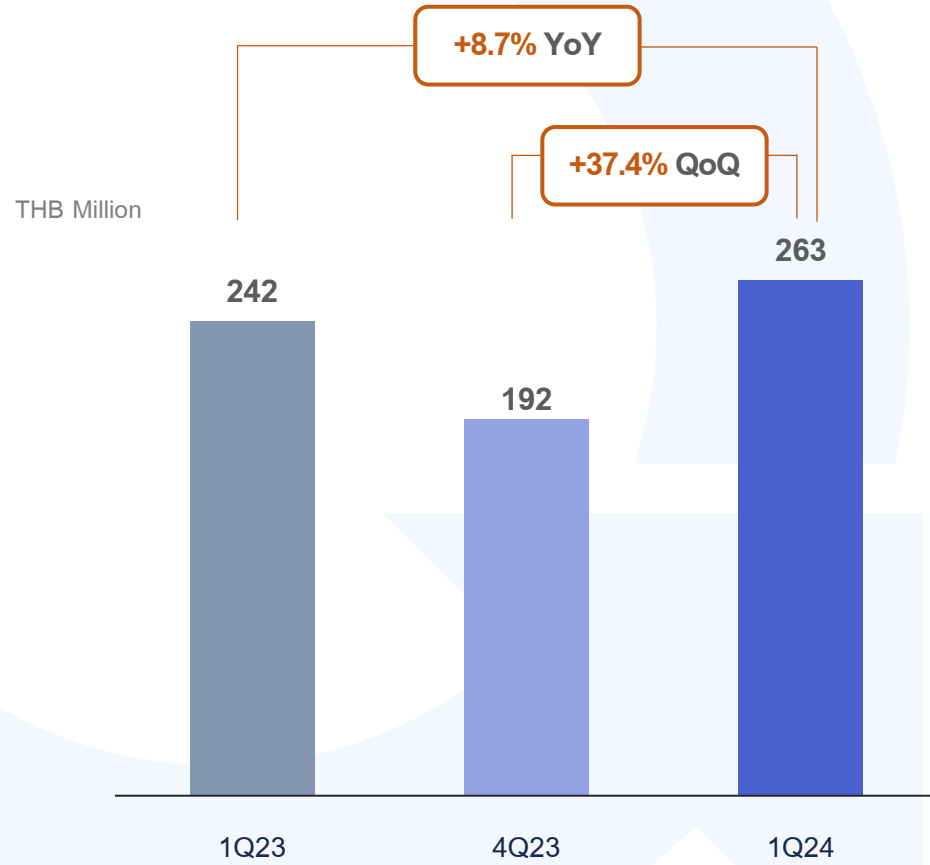


Service-cost-to-income

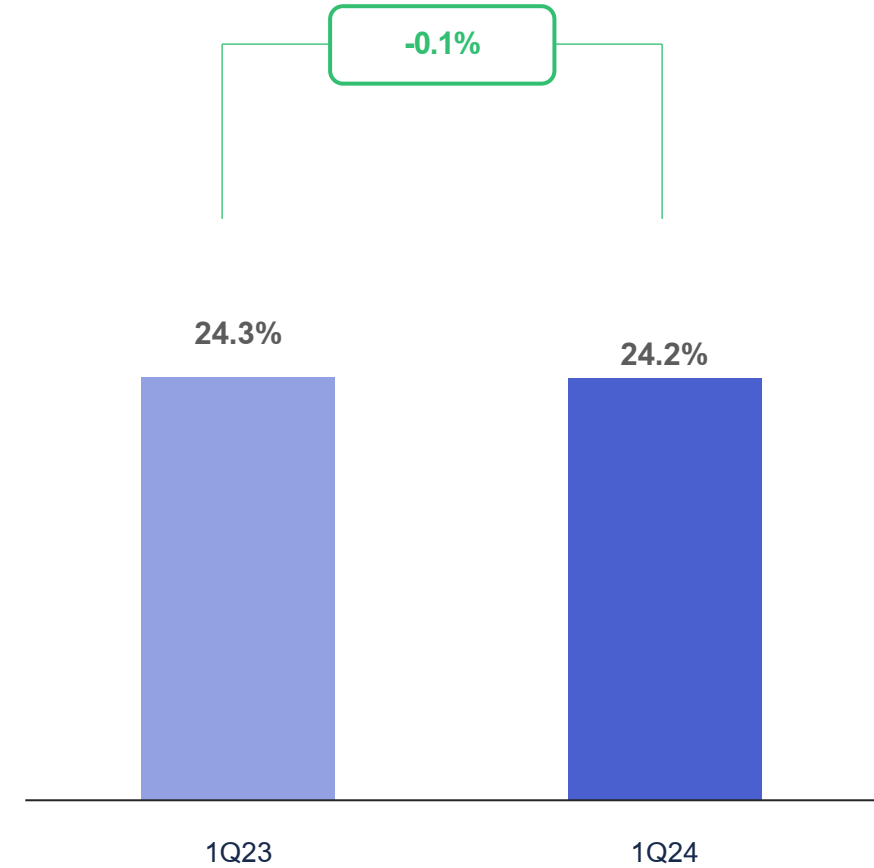


Administrative expenses increased in tandem with the rise in sales, in line with our business expansion plan.

Admin Expenses

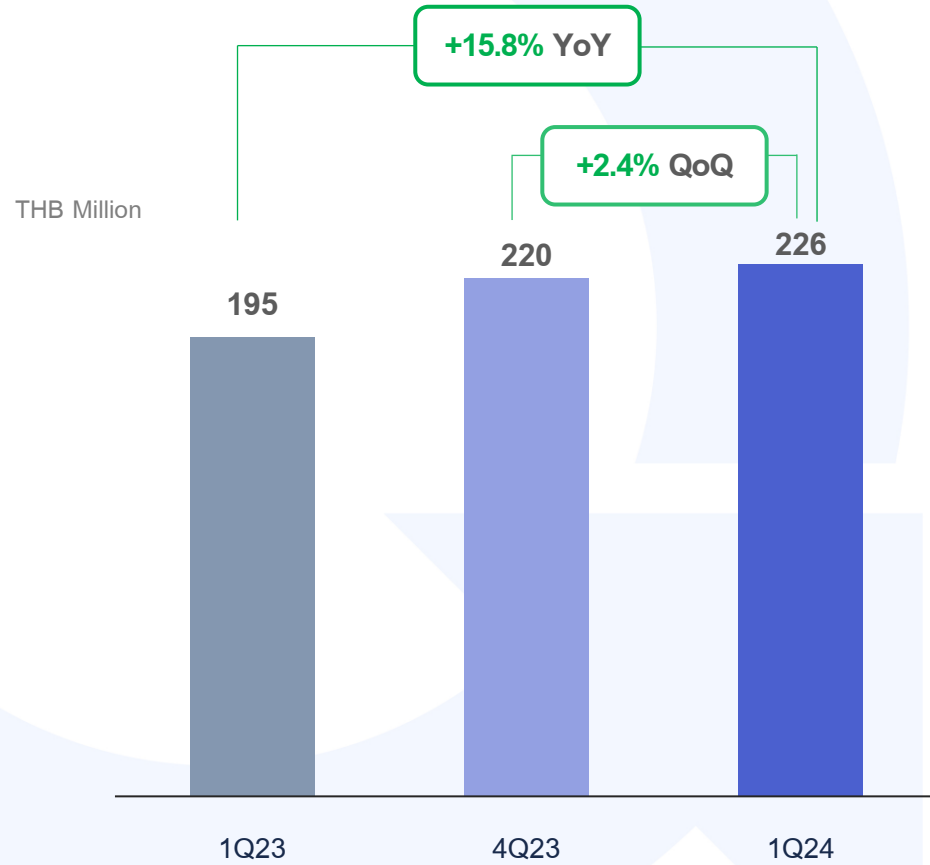


Admin Expenses to Income

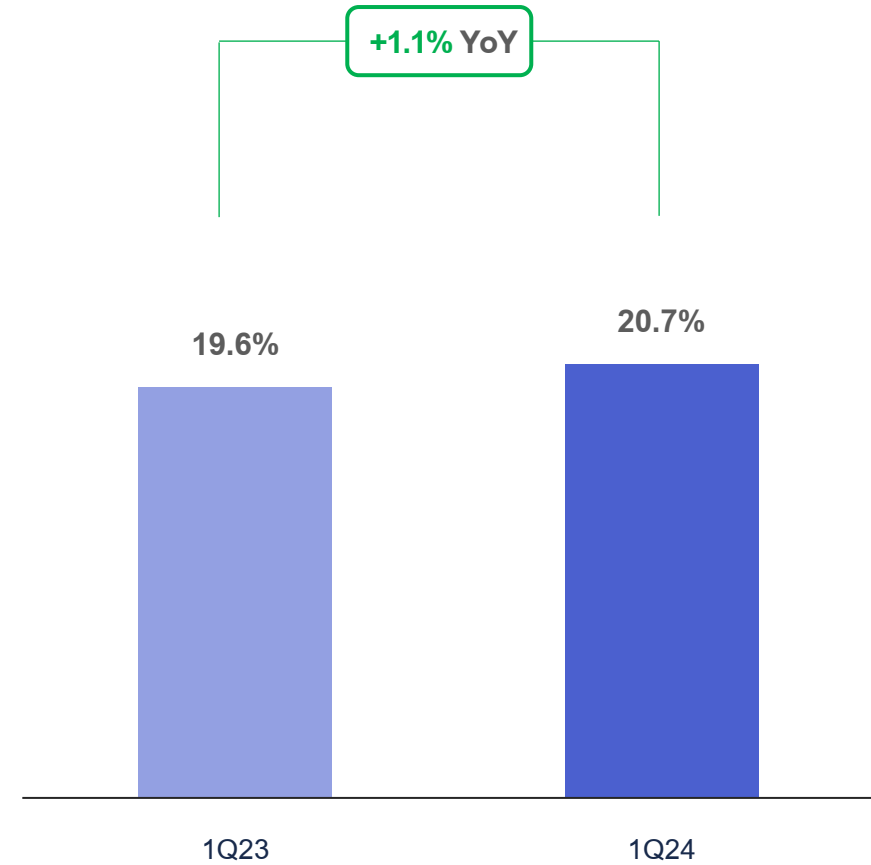


Net profit – owner of parent

Net profit – owners of parent



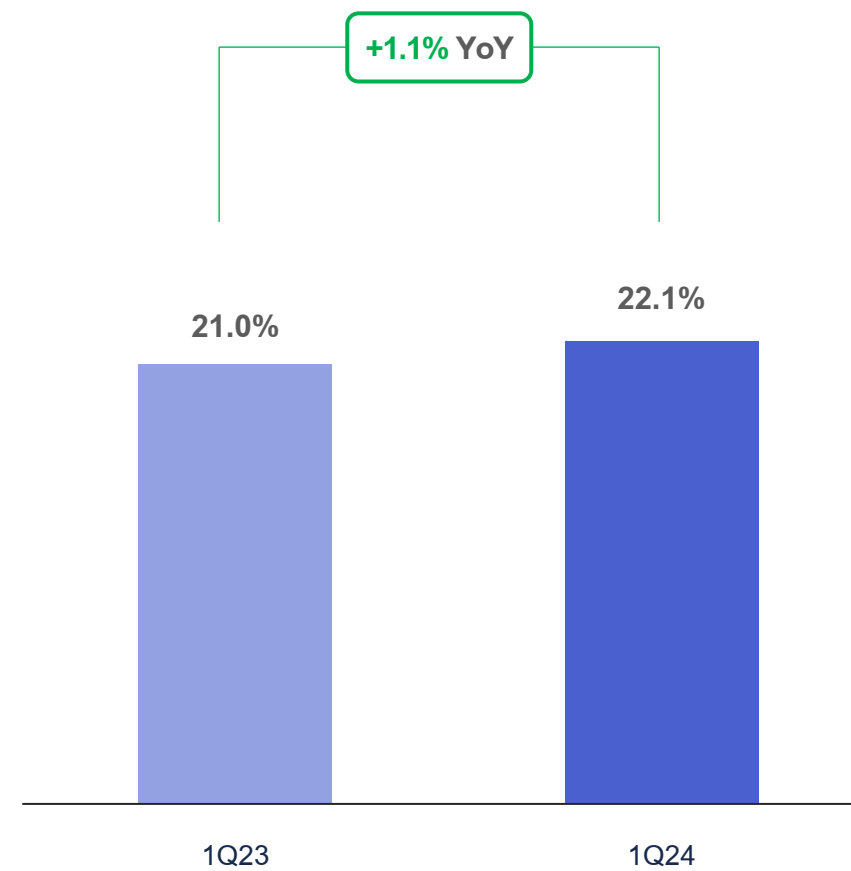
Net profit margin – owners of parent



Net profit

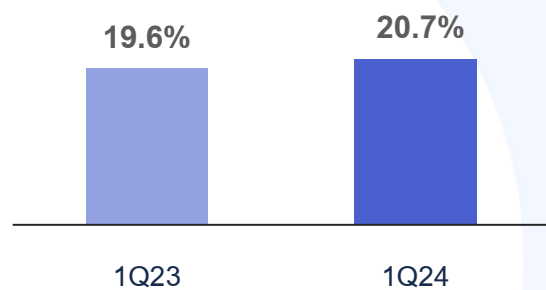


Net profit margin

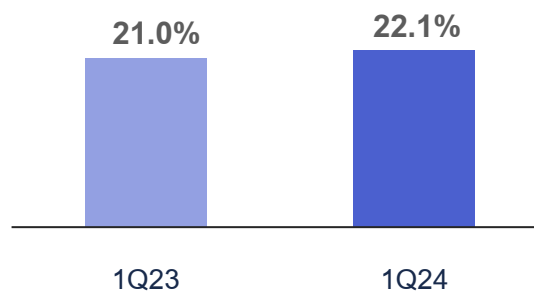


Overall TQM performance in 1Q24

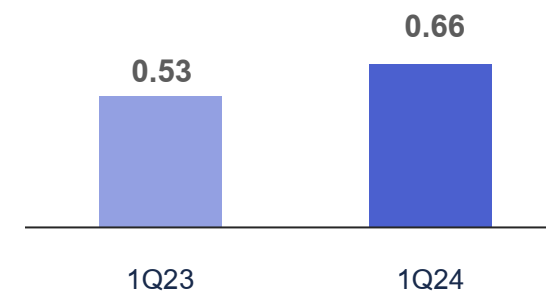
Net Profit Margin – owners of parent



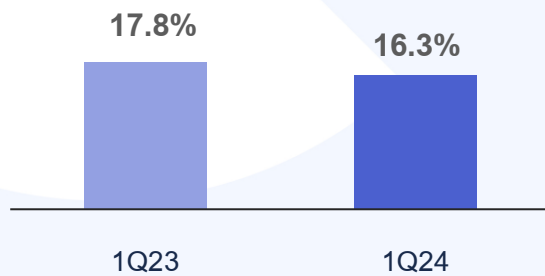
Net Profit Margin



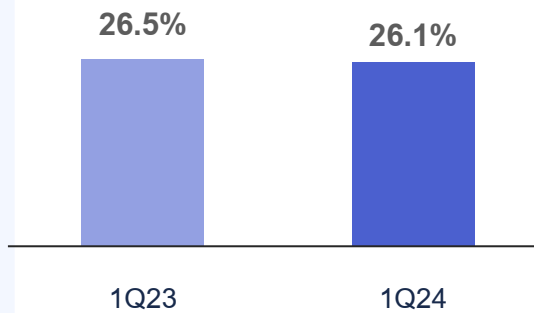
D/E Ratio



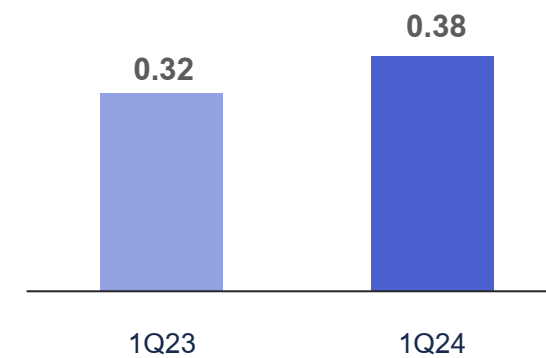
ROA



ROE

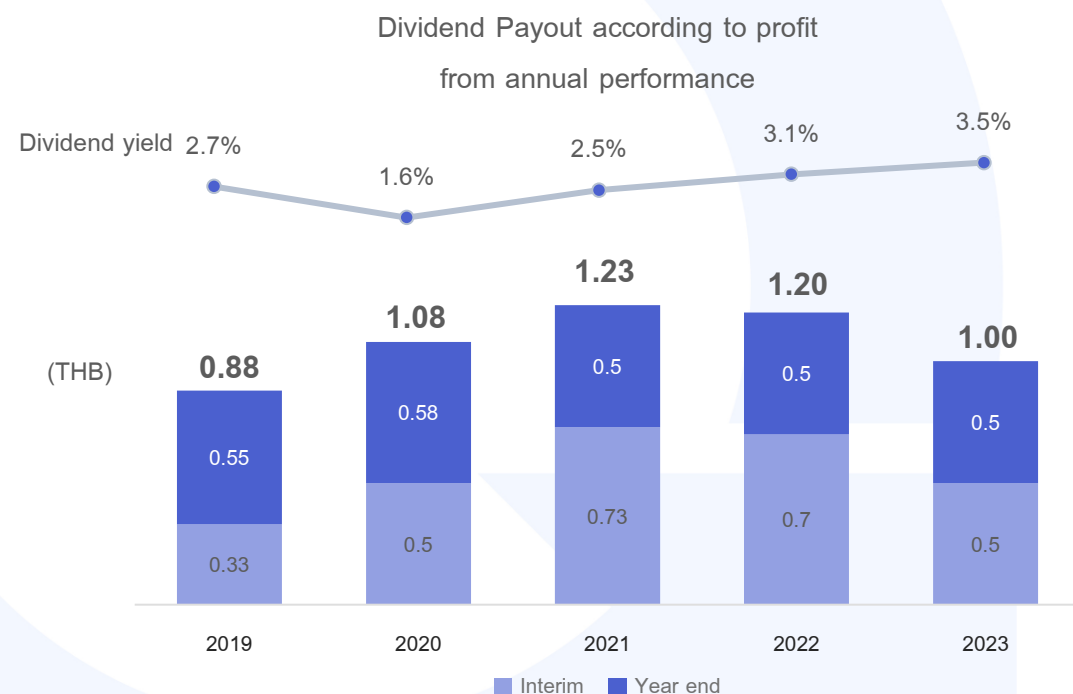


EPS (THB per share)



Dividend and price performance

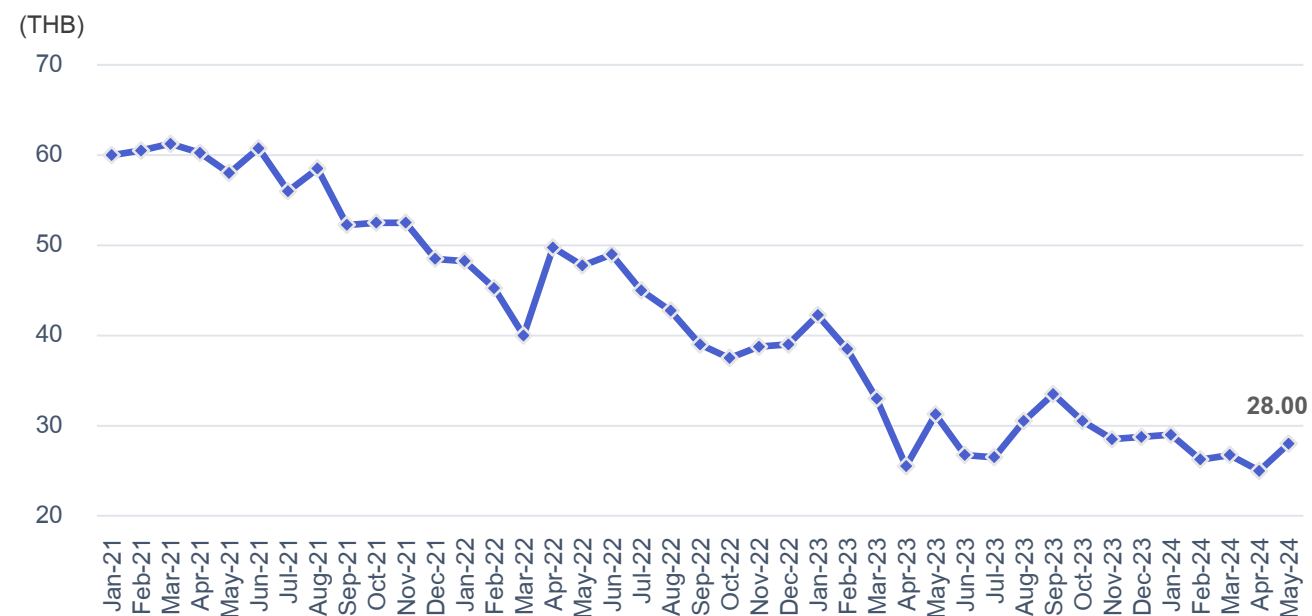
The Annual General Meeting approved a year-end dividend payment of 0.5 THB per share, totaling 1.0 THB for FY23.



Note:

- 1) Dividend policy: not less than approx. 50% of its operating profit from separate financial statement after income taxes and retained earnings.
- 2) Dividend payout in 2019 - 2021 were re-calculated at new par.
- 3) Dividend are paid twice a year.
- 4) Dividend yield based on year-end price in 2019 – 2023

Historical share price (at new par)

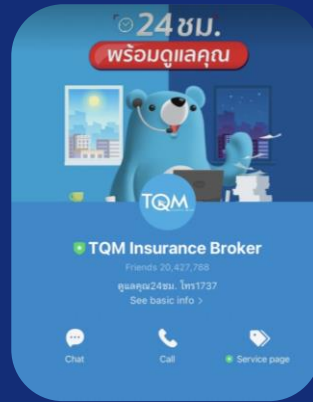


With consistent dividend payment, the dividend yield becomes more competitive at the current share price, as well as lower P/E ratio.

Data as of 20 May 2024

Click or scan the QR code for more details

TQMalpha



Investor
Presentation



Line OA:
TQM Insurance Broker



Financial Services:
Money Bear



Application:
TQM24

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