



# **Opportunity Day FY2023**

**6 March 2024**





## Disclaimer

Certain forward-looking statements may be made during the presentation. These forward-looking statements generally can be identified by use of statements that include words or phrases such as CHASE or its management "believes" "expects", "anticipates", "intends" "plans" "foresees", or other words or phrases of similar import. Similarly, statements that describe CHASE's objectives, plans or goals also are forward-looking statements.

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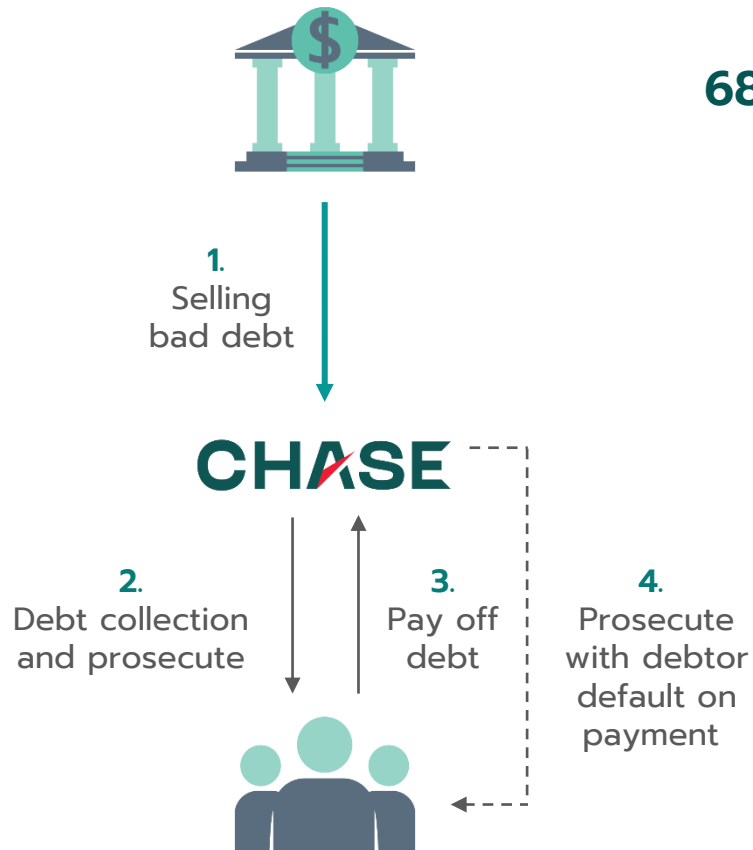


**Business Overview**

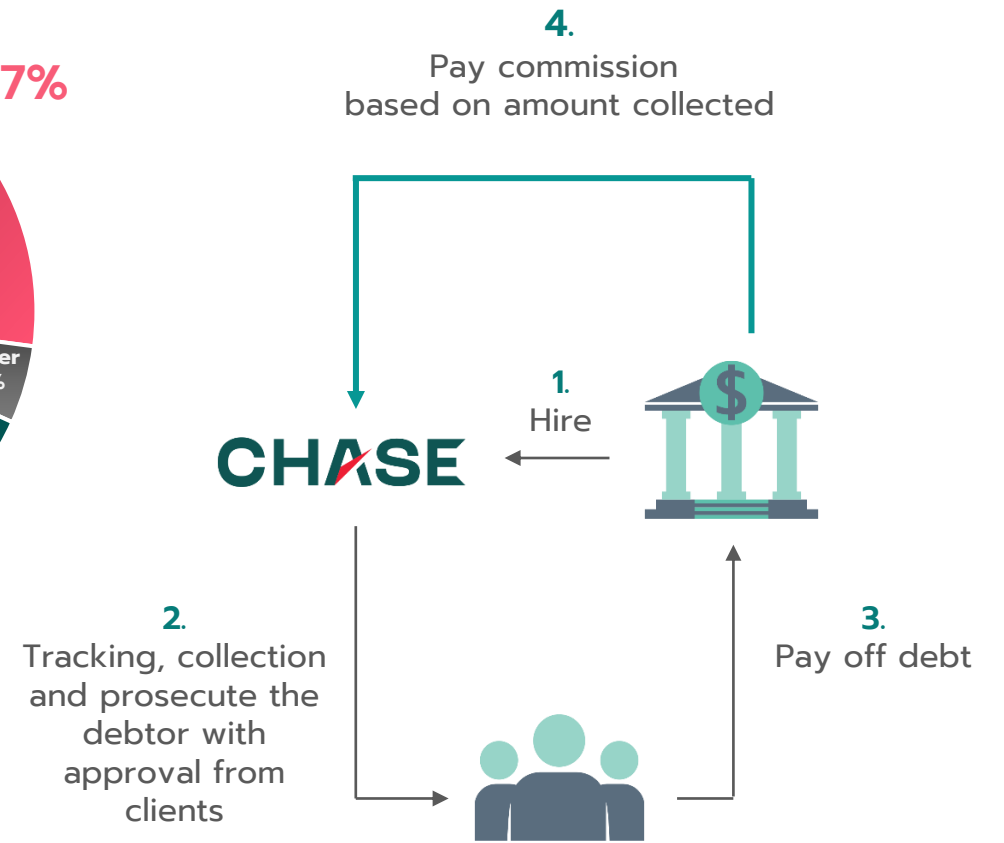


# Main Business

## 1 Asset Management Business (AMC)



## 2 Debt Collection Service Business (Collection)



68%

27%

Other 5%

Revenue contribution

 Key financial highlights



# Key Highlights for FY23



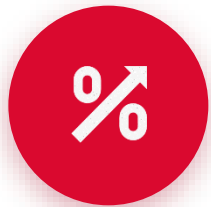
## NPL Portfolio

Rights to claim of NPL Portfolio reached **THB 32,276mn**, an increase by 34.4% YoY from additional investment throughout the year amounting to **THB 1,080mn**.



## Cash Collection

FY23 Total Cash Collection from Asset Management business was **THB 481.9mn**, an increase by 22.5% YoY



## Services Segment

FY23 Average Commission Rate for the Debt Collection Service Business was **26.5%**, an increase from FY22 at 21.6%

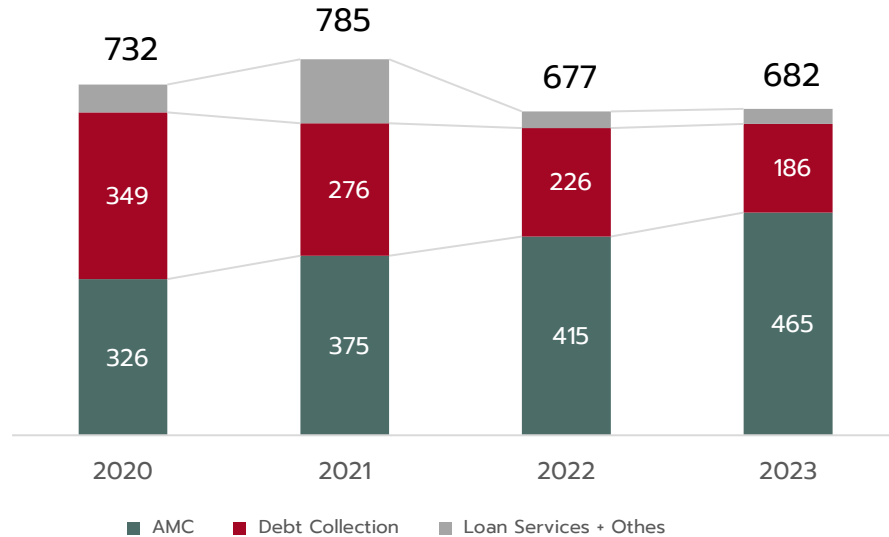


## Net Profit

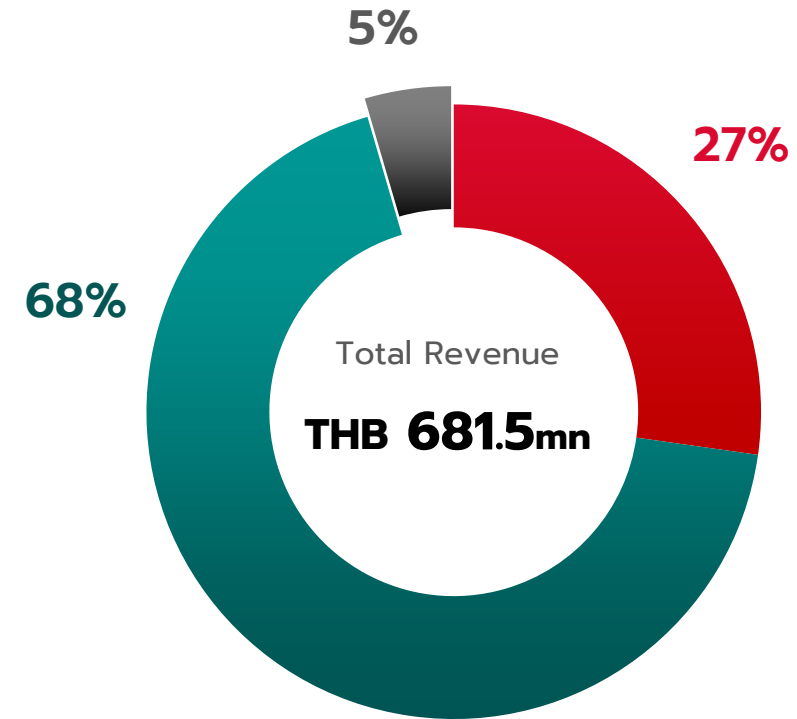
Net Profit was **THB 133.0mn**, down by 7.7% YoY mainly from the increase in administrative expenses

# Driving Revenue Growth: Expansion of NPL portfolios and enhanced collection efficiency in the AMC business

Total revenue



Revenue contribution



- ✓ Total revenue in FY2023 was THB 681.5mn, increased 0.72% YoY from THB 676.7mn mostly attributed to the growth in the Asset Management Business partly offset by a reduction in the Debt Collection Business.
- ✓ The proportion of Debt Collection services in 2022 to 2023 reduced from 33.5% to 27.2%



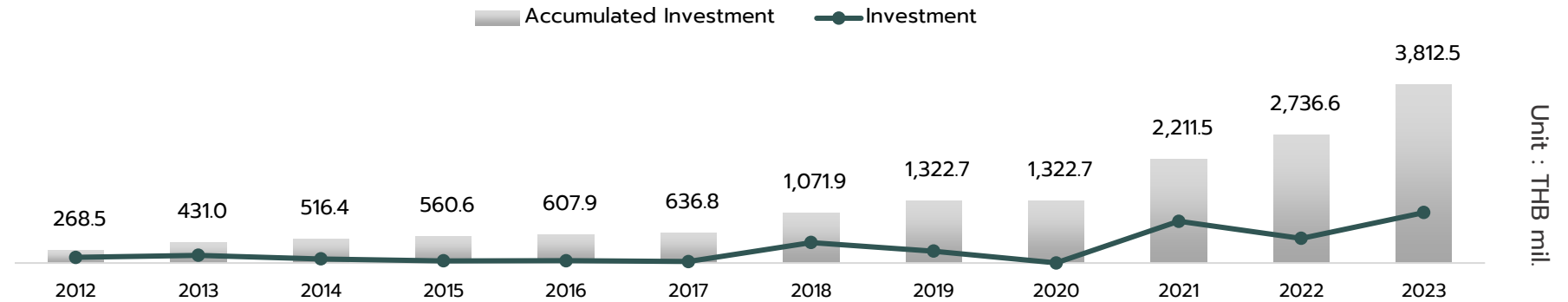
# Outstanding AMC performance

Contributed 68% of the Group's Total Revenue

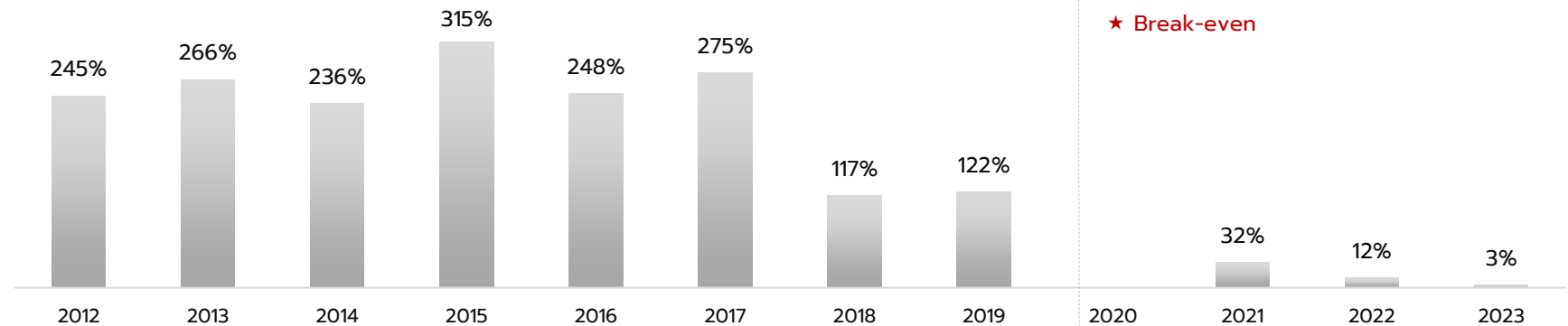
- On over 5-year portfolio, debt collection rate to cost of purchase ratio was over 2.0x

## Asset Management Company (AMC)

### NPL Acquisition Milestone (Accum)



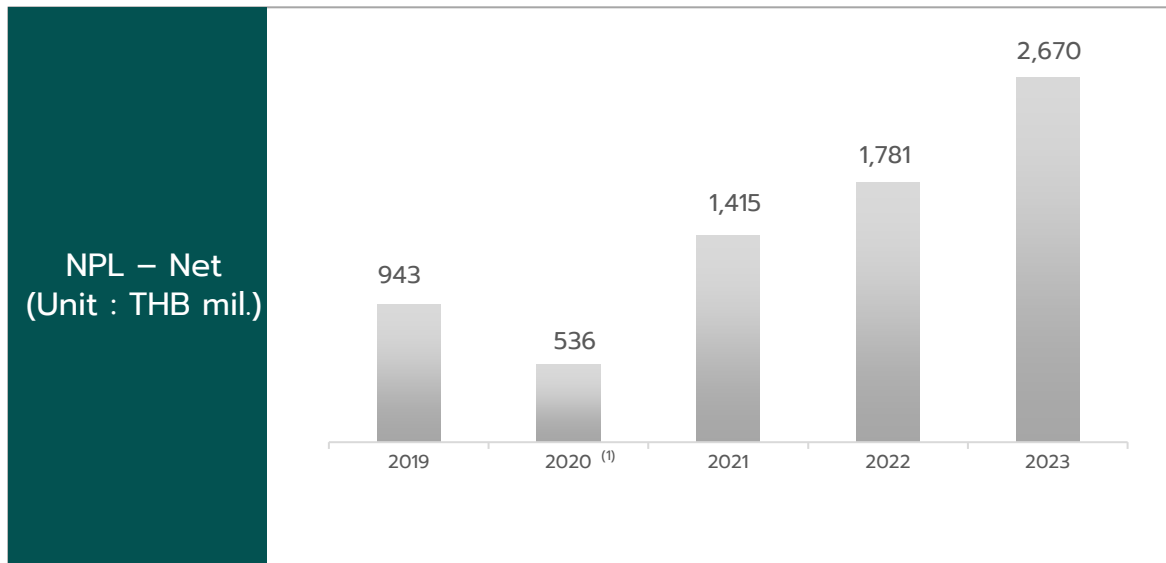
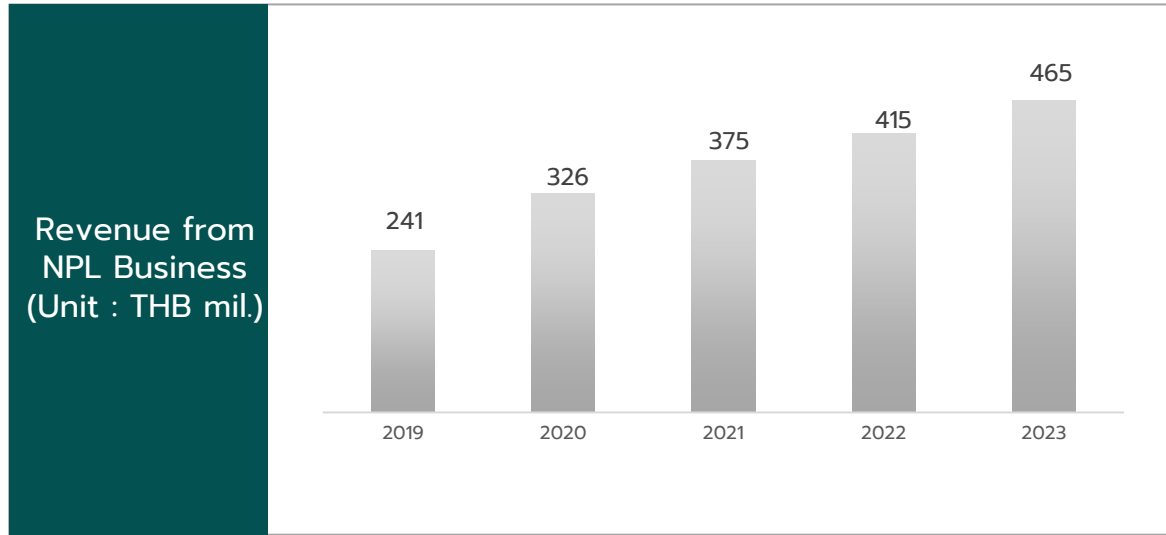
### % Cash collection to investment



Investment (MB)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
	119	163	85	44	47	29	435	251	-	889	525	1,076*

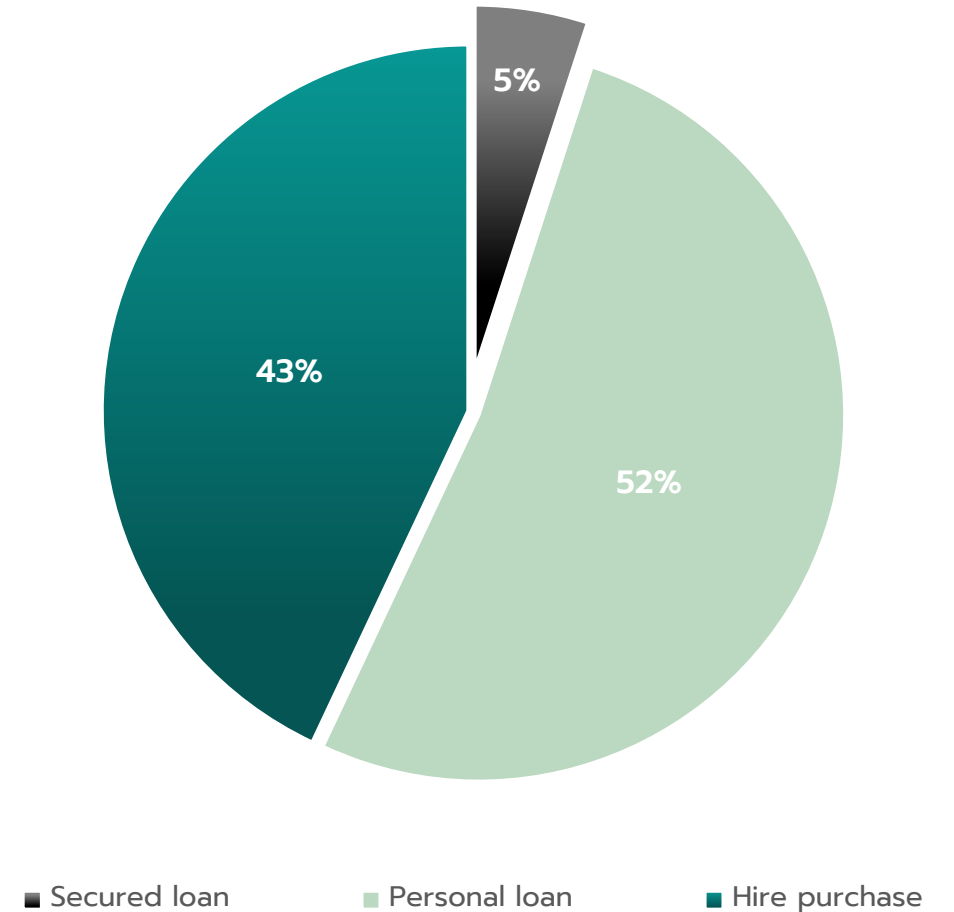
\*Investment deduct disposal

# AMC Business growth remains strong



## % Proportion of NPL– Net

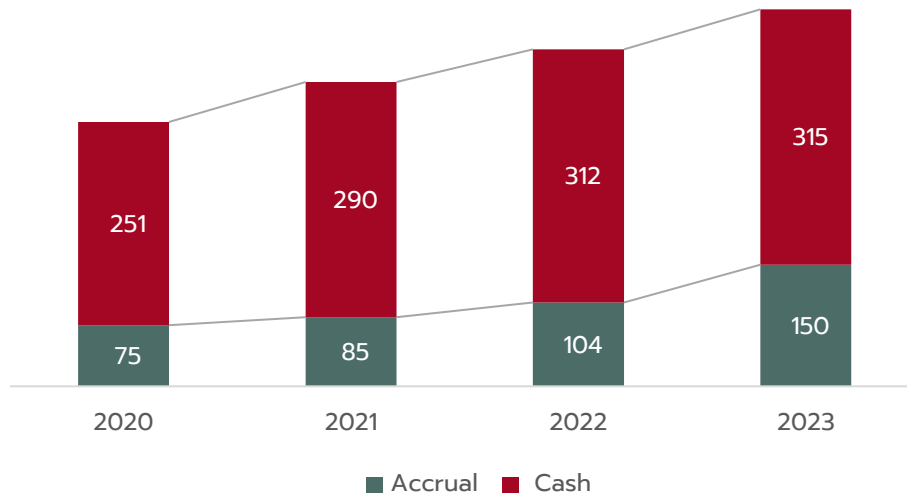
As of 31 December 2023



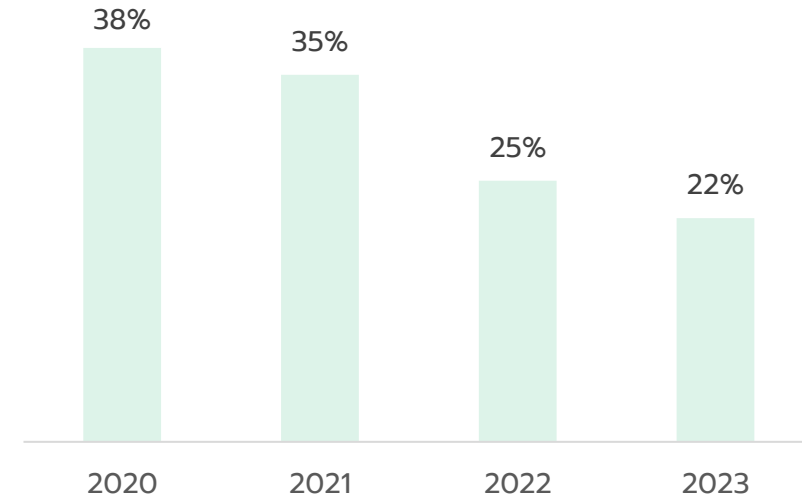
Note: (1) The company had adopted TFRS 9 in 2020, resulting in an expected credit loss (ECL) of 397.2 million baht as well as decreased NPL-Net

# Ongoing favorable interest incomes sourced from strategic unsecured loan investments and effective cash collection

## Revenue from AMC business



## % Cash Collection to NPL - Net

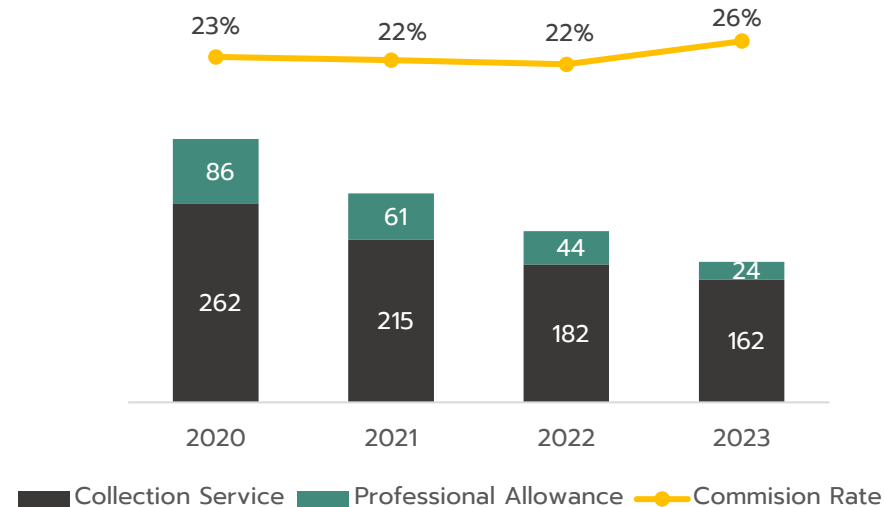


- ✓ High growth in AMC revenue FY23, driven by continuous investment in unsecured NPL assets, the efficient ability to collect cash, and the Auto Dialer's successful implementation.
  - NPLs in FY23 amounting to THB 1,789mn, increase by 52% YoY from investment in NPLs during the year
  - Total cash collection in FY23 amounting to THB 481.9mn, increase by 20% YoY
- ✓ Cash collection rate stood at 22%, increased from the previous year from better cash collection

# Slow down in debt collection service from clients' policy, while the commission rate remains higher.

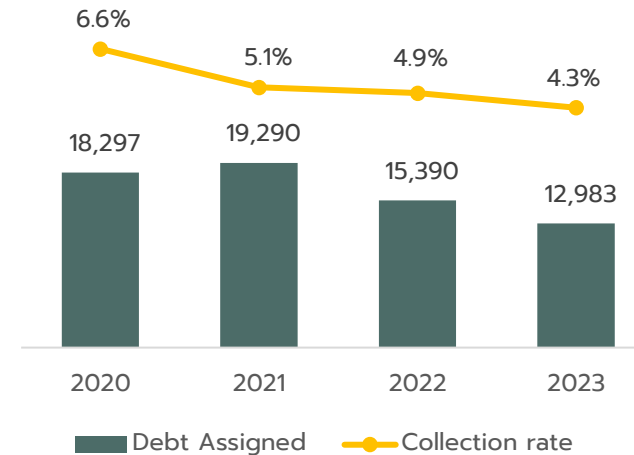
## Revenue from debt collection Service Business and commission rate

Unit: THB mn



## Debt for collection tracking service and collection rate

Unit: THB bn

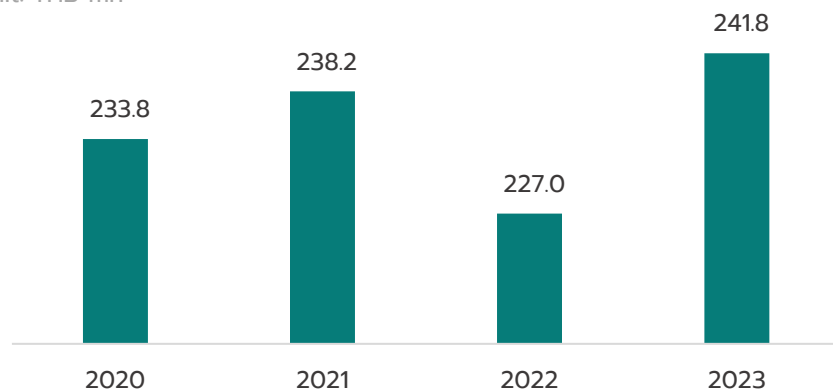


- ✓ Collection Services revenue was slowed down due to the lower amount of debt collection service, from a strategic shift in the assignment policy of financial institutions. However, this challenging situation also presents an opportunity within the Asset Management Company (AMC) business.
- ✓ While overall Collection Services revenue dropped, the overall average commission rate positively increased from working in challenging debt collection efforts.
- ✓ Plan to expand the debt collection business by engaging new customers from non-bank and other industries next year.
- ✓ Raise the efficiency of debt collection service by implementing Auto Dialer.

# An increase in Cost and Administrative expenses following business expansion, while ECL drop from better cash collection

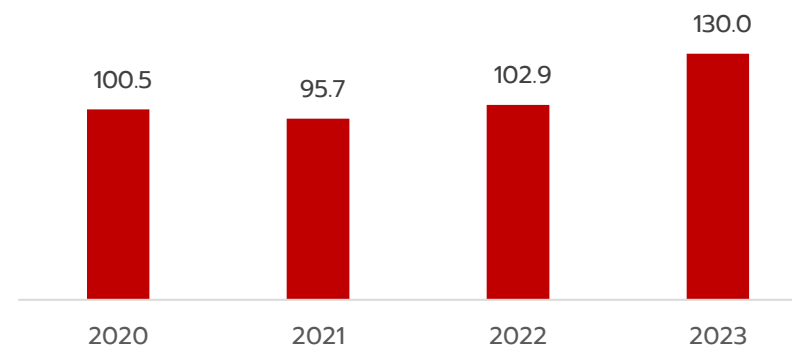
## Cost of Services

Unit: THB mn



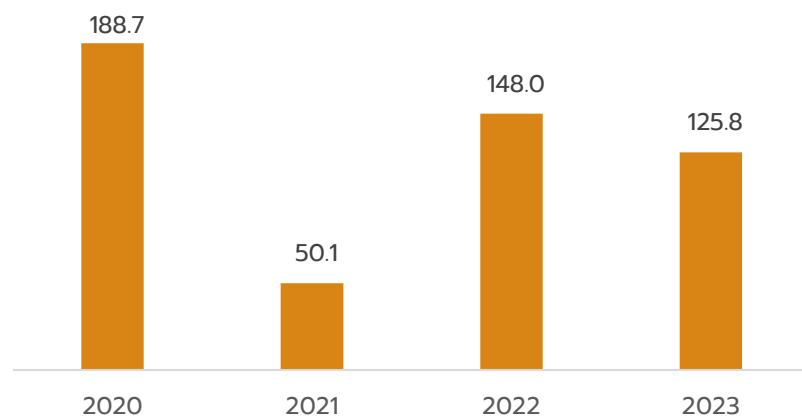
## Administrative expenses (Excluding ECL)

Unit: THB mn



## Expected Credit Loss (ECL)

Unit: THB mn

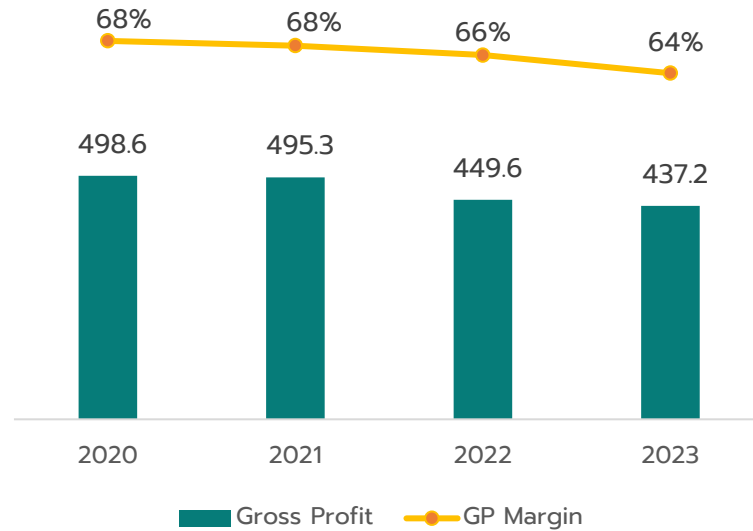


- ✓ Higher Cost of Services from court fee and personnel expenses following the investment in NPL within the year
- ✓ Higher Administrative Expenses mainly from depreciation & amortization expenses and employee expenses
- ✓ Lower NPL attributable to improvements in cash collection

# Slightly dropped in Gross Profit & Net Profit Margin

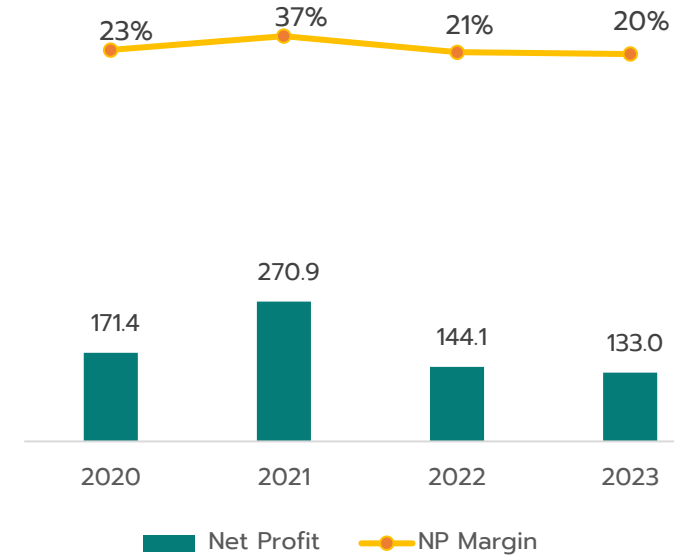
## Gross profit & Gross profit margin

Unit: THB mn



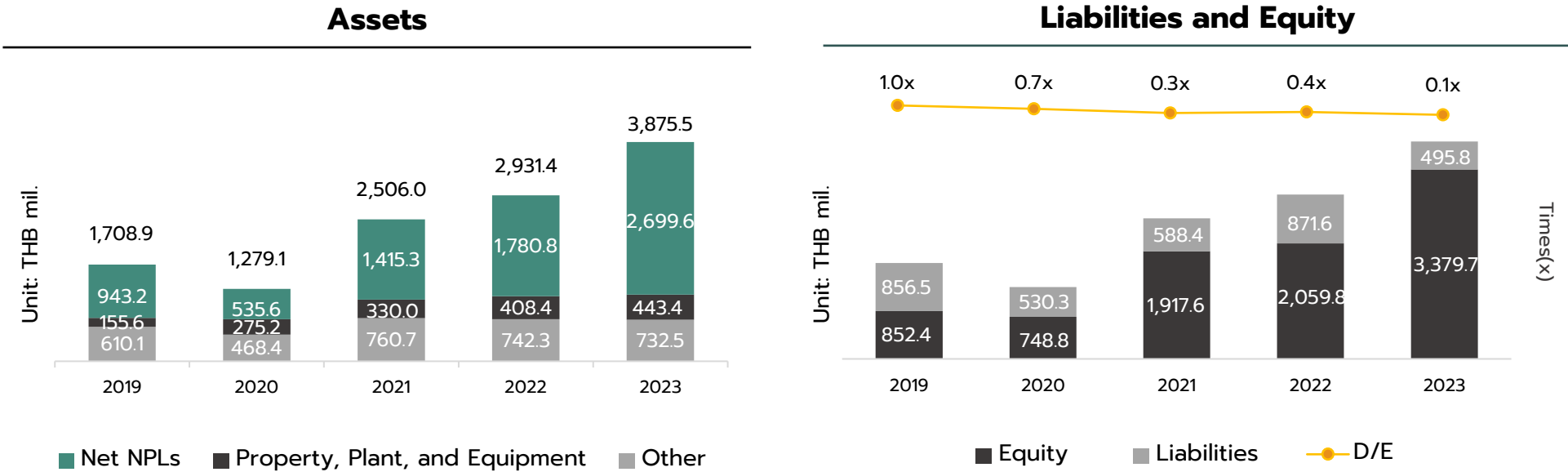
## Net profit & Net profit margin

Unit: THB mn



- ✓ Gross profit slightly dropped in 2023 from higher court fees and personnel expenses
- ✓ Following a slight drop in GP Margin, Net Profit also slightly dropped to 20% contributed by the Debt Collection business and the increase in administrative expenses. Majorly from depreciation expenses, the non-cash items.

# Assets continued growing from investing in new NPLs, while low leverage led to big room for bank borrowing



- ✓ The majority of the increase in assets is loan to non-performing assets, representing an increase of 52% from the end of 2022 due to the newly acquired net NPLs of THB 1,080 this year.
- ✓ Total liabilities decreased by 43% from the end of 2022, primarily due to the partial repayment of both short-term and long-term loans.
- ✓ Total equity increased by 64% due to the completion of its IPO and increased net profit from operations.
- ✓ Ready to capture investment opportunities through lending, D/E ratio as of Dec'23 remained at a consistently low level of approx. 0.15x

# Key area driving sustainable growth in FY2024

High NPLs in the market remain under monitoring by the regulators. Effective on Jan 1, 2024, the Bank of Thailand issued a new notification to address this issue. This partly remains posing an opportunities for the AMC market.

A Growing number of NPLs  
In the market



Potential Investment  
in NPL Assets



CHASE is committed to strategically acquiring **THB 1,000mn** in Non-Performing Loans (NPLs) by 2024, capitalizing on prevailing market opportunities to facilitate our business expansion.

Our **owned-developed mobile application** just launched, designed to optimize customer experience and leverage data-driven strategies.

Customer Experience &  
Data-Driven Strategies



Sustainability  
Practices



We are unwavering in our commitment to driving **sustainable growth**, guided by our organization's vision of being a 'Comprehensive debt management, providing consultation and disciplined debt management to create opportunities for debt relief.'

# Q&A



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