



Thitikorn Public Company Limited

“Motorcycle Hire- Purchase Specialist”

May 16, 2024

- I. Company Profile**
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I. Company Profile

- **1972** **Established with 1MB registered capital to provide motorcycle HP in Bangkok**
- **1982** **No.1 in terms of market share of motorcycle HP in Bangkok**
- 1991 Increased registered capital to 70 MB
- 1995 Acquired 99.99% of CVA to expand HP business in Central and Eastern area
- **2000** **Initiated motorcycle insurance program to minimize risk which later become the industry standard**
- 2002 Received award from The Consumer Protection Board
- 2003 Acquired CYP to provide automobile HP
- Listed on the SET and raised fund of 1,100 MB**
- **2005** **Issued first TK's Thai Baht-Debenture of 745 MB**
- 2008 4-Stars Corporate Governance Scoring appraised by Thai Institute of Directors Association (IOD)
- **2010** **Received Company Rating A- (Stable) from TRIS**
- 2011 Acquired Cetelem (Thailand) Co., Ltd and changed its name to "TK Debt Services Co., Ltd."
- 2012 Celebrate 40th year Anniversary
- TK is one of the 17 listed companies to receive an "Investors' Choice Award" from Thai Investors Association (TIA)
- TK is one of the 9 Thai listed companies to be included in MSCI Small Cap Indices in November 30, 2012
- 2013 Total Assets surpassed 10,000 MB for the first time

- **2014** **First overseas operation in Cambodia, “Suosdey Finance” in Panom Penh**
Second overseas operation in Laos, “Sabaidee Leasing” in Vientiane
- **2015** Established TK NGERN TAN JAI with 50 MB registered capital to provide Nano Finance
- **2016** **TK is one of the 12 listed companies to receive an “Investors’ Choice Award” from Thai Investors Association (TIA) for the eight consecutive years from 2009 to 2016**

Expanded two branches in Battambang and Siem Riep, Cambodia through Suosdey Finance.
- **2017** Issued TK’s Thai Baht-Debenture of 1,800 MB, 3 –years, Fixed Rate 2.71% per annum.

Celebrate 45th year Anniversary, launch “ มิน กิน เที่ยว กับ TK” Free overseas package tour for new customers.

Expanded three branches in Kampong Cham, Svay Rieng, Kampong Speu, Cambodia through Suosdey Finance.

Established a subsidiary “Mingalaba Thitikorn Microfinance Co.,Ltd” in Myanmar
- **2018** Completed the process for disposal of the ordinary shares of subsidiary “TK Debt Servives Co.,Ltd”

Expand two branches in Luang Prabang and Savannakhet, Laos through Sabaidee Leasing.

Issued TK’s Thai Baht-Debenture of 600 MB, 3 year, Fixed Rate 2.27% per annum.
- **2019** Recieved Microfinance Business License in Myanmar “Mingalaba Thitikorn Microfinance Co.,Ltd”

TK is 1 of the 193 listed companies to receive an 5-Stars Corporate Governance Scoring appraised by Thai Institute of Directors Association (IOD)

On June 11, 2019 Submit a proposal to expand three branches in Pakse, Xieng Khouang, Udomchai, Laos through Sabaidee Leasing.

- **2020** Expanded six branches in Kampong Thom, Kampot, Banteay Meanchey, Takao, Pursat and Kampong Chhnang, Cambodia through Suosdey Finance.
AGM approval of the acquisition and transfer of all shares in Myanmar Finance International Limited-MFIL in Myanmar
Received Company Rating A- (Negative) from TRIS
TK is one of the 6 listed companies that received a full score of 100 (for the 12th consecutive year) from an assessment on the quality of the Annual General Meeting (AGM) from the Thai Investors Association (TIA)
- **2021** On March 24, 2021, Bank of Lao PDR issues temporary permits to open 3 branches in Champasak, Xieng Khouang, Udomchai, Laos through Sabaidee Leasing.
A- rating by TRIS since 2010 to May 2021, on July 30, 2021 TRIS issued BBB+ (Stable) rating to TK
Established TK BROKER with 3 MB registered capital to provide non-life insurance broker services in Thailand
- **2022** **TK Ngern Tan Jai received additional license to operate Personal Loan under Supervision for Non-Bank Operator on January 10, 2022, consisting of**
 1. Supervised Personal Loan Business without any collateral
 2. Supervised Personal Loan Business with collateral of vehicle registrationTK BROKER received Non-Life Insurance Broker license
TK has been included in SETCLMV index (Total revenue of at least 10% from Cambodia, Laos, Myanmar and Vietnam)
On July 27, 2022 TRIS issued BBB+ (Stable) rating to TK
TK is one of the 4 listed companies to receive an “Investors’ Choice Award # 4” from Thai Investors Association (TIA) for the fifteen consecutive years from 2009 to 2022
- **2023** TK is 1 of 195 companies that received both 5 medals (AGM Checklist) (TIA) and 5 stars (CGR Checklist) (IOD).
TRIS Rating assigned the company rating of TK at "BBB+" (Stable)

Total net portfolio of 3,169 MB

Thitikorn Plc. (TK)

Motorcycle hire purchase provider
With 1,643 MB portfolio size



99.99%

C.V.A . Co., Ltd. (CVA)

Debt collection servicer



99.99%

Chayapak Co., Ltd. (CYP)

Automobile hire purchase provider
with 205 MB portfolio size



บริษัท ทีเค เจินตันใจ จำกัด
TK NGERN TAN JAI CO., LTD.

99.99%

TK NGERN TAN JAI Co., Ltd

Nano Finance in Thailand
with 101 MB portfolio size

Suosdey Finance PLC.

Motorcycle hire purchase provider
with 1,103 MB portfolio size



99.95%

Sabaidee Leasing Co., Ltd.

Motorcycle hire purchase provider
with 117 MB portfolio size



86.89%

Mingalaba Thitikorn Microfinance Co., Ltd

Microfinance in Myanmar
with 0.0 MB portfolio size*



99.00%

Proven Track Record

- No.1 in motorcycle HP in Bangkok since 1982
- Most recognizable brand by motorcycle dealers & customers
- Reputable major shareholders - *Dr.Chumpol Phornprapha & Families*
- Proven management with market expertise more than five decades in HP industry
- Never been an NPL with any financial institutions since founded
- Large valuable database of over 3,000,000 customers
- Extensive & nationwide outlets with 73 branches in 56 provinces of Thailand
- Regional extensive 19 branches in Kingdom of Cambodia , Lao PDR and Myanmar
- Consistently provide HP service during any economic condition

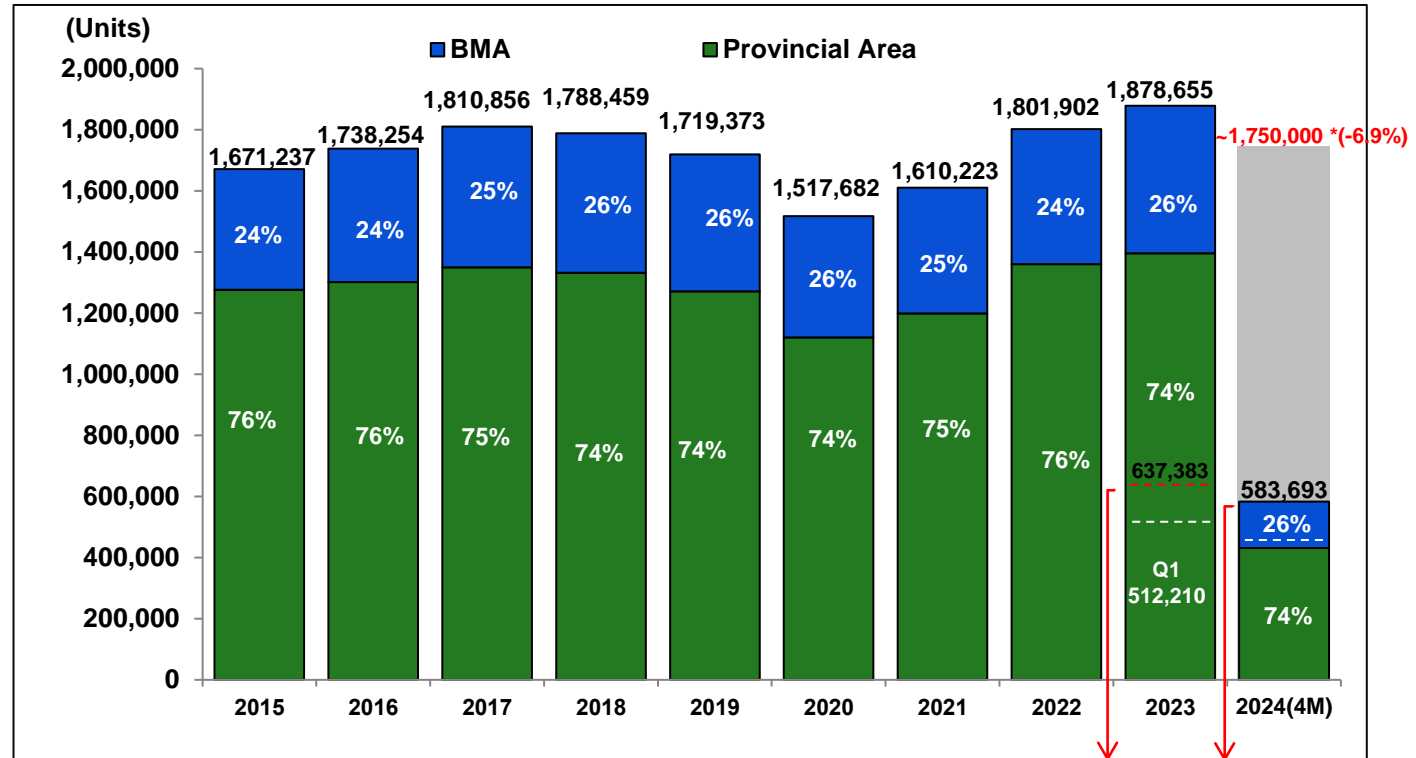
Solid Financial Position

- Solid Capital Base : *5,615.7 million baht*
- D/E ratio of 0.1 times : *average D/E of financial sector is 7.7 times*
- Abundant credit line from the leading financial institutions with favorable terms & conditions and ample liquidity with over 2,496 MB in cash and fixed deposit as of Mar 2024, which were accounted for 39.4% of total Assets.
- 50.0% of Total Assets are income generating assets
- High quality motorcycle HP portfolio with 4.6% NPL
- Starting from January 1, 2020, the Group has adopted TFRS9 Financial Instruments
- Stringent loan provision : *reserve full amount of the whole contract value*
- BBB+ (Stable) rating By TRIS

II. Industry Overview

Thailand Motorcycle Sales

From 2018 to 2020 sales continue to decline for three consecutive years, due to trade war and Covid 19 Global Pandemic, however, in 2021 and 2023 sales continue to increase for three consecutive years but in 2024 expected to decrease by 6.9%



Source : Thailand Motorcycle Hire Purchase Association

*Thai Honda Manufacturing Co., Ltd.

125,173 (Apr)
512,210 (3M)

128,897 (Apr)
454,796 (3M)

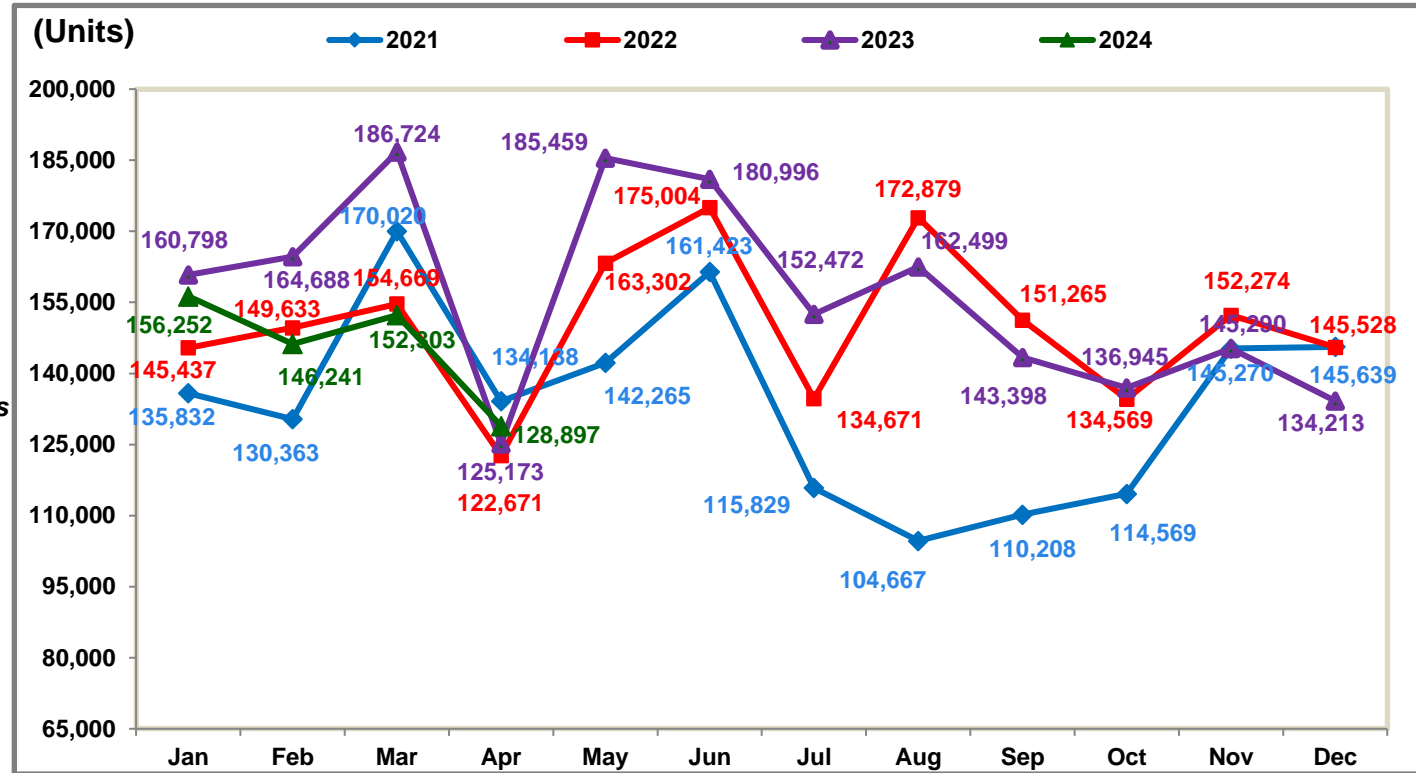
Monthly Motorcycle Sales

2022 Motorcycle monthly sales, 9 out of 12 months were higher than previous year

2023 Motorcycle monthly sales, 8 out of 12 months were higher than previous year

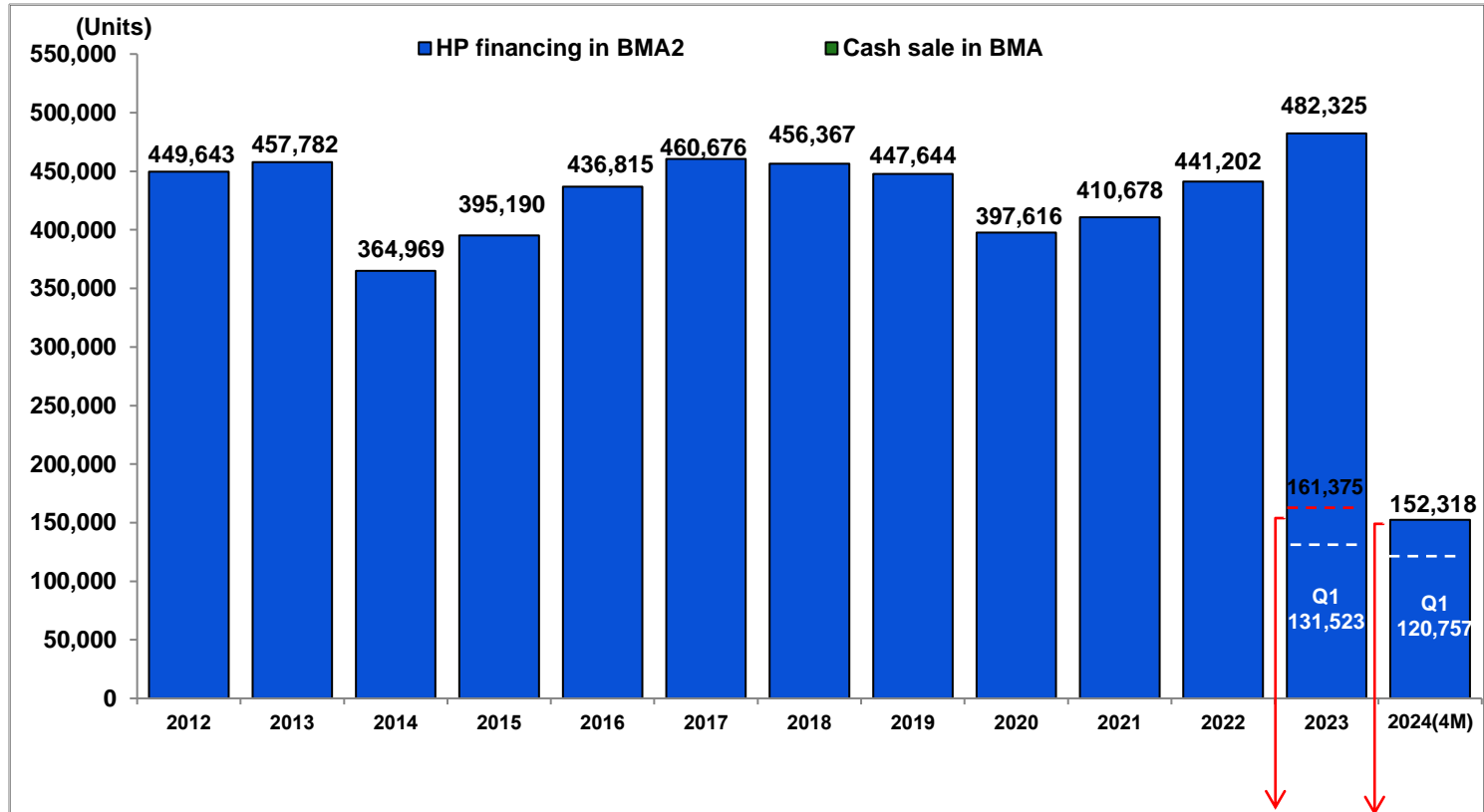
2024 Motorcycle monthly sales, 3 months were lower than previous year.

Motorcycle monthly sales has been lower for 5 consecutive months since November 2023



Motorcycle Hire Purchase in BMA

TK estimate that cash sales portion around 25%



Source : Thailand Motorcycle Hire Purchase Association

* Ratio H1 Year 2012 => Cash sale in BMA 49% , HP financing in BMA 51%

BMA : Bangkok and Metro Area

29,852 (Apr)
131,523 (3M)

31,561 (Apr)
120,757 (3M)

Family

 **SUZUKI**



 **HONDA**



 **YAMAHA**



Automatic

 **HONDA**



 **SUZUKI**



 **YAMAHA**



 **Vespa**



Sport

 **HONDA**



 **YAMAHA**



Kawasaki

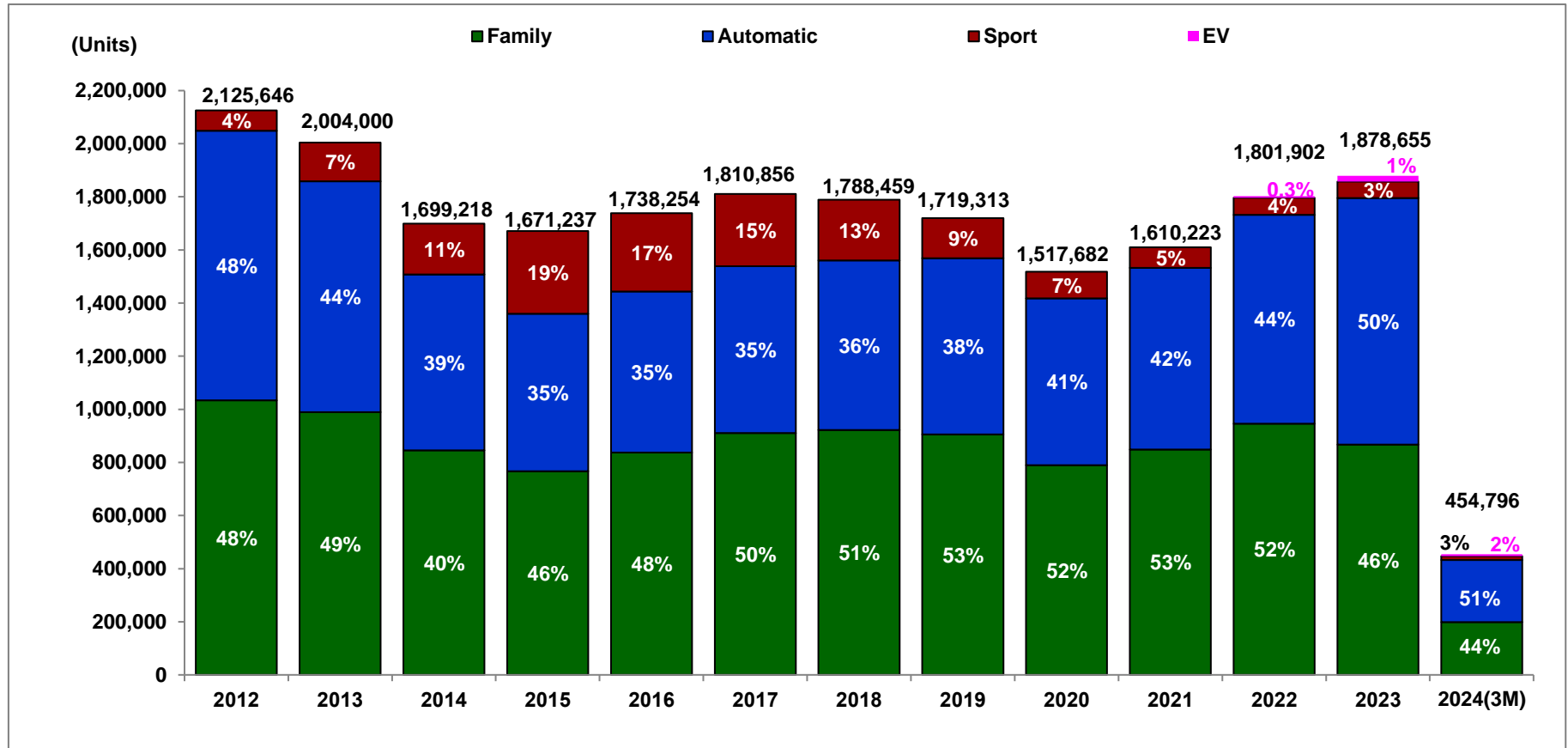


 **ZONGSHEN
RYLKA**

infinity



Motorcycle by Category



Source : Thailand Motorcycle Hire Purchase Association, AP HONDA

EV 2022 = 5,341 คัน (0.30%)

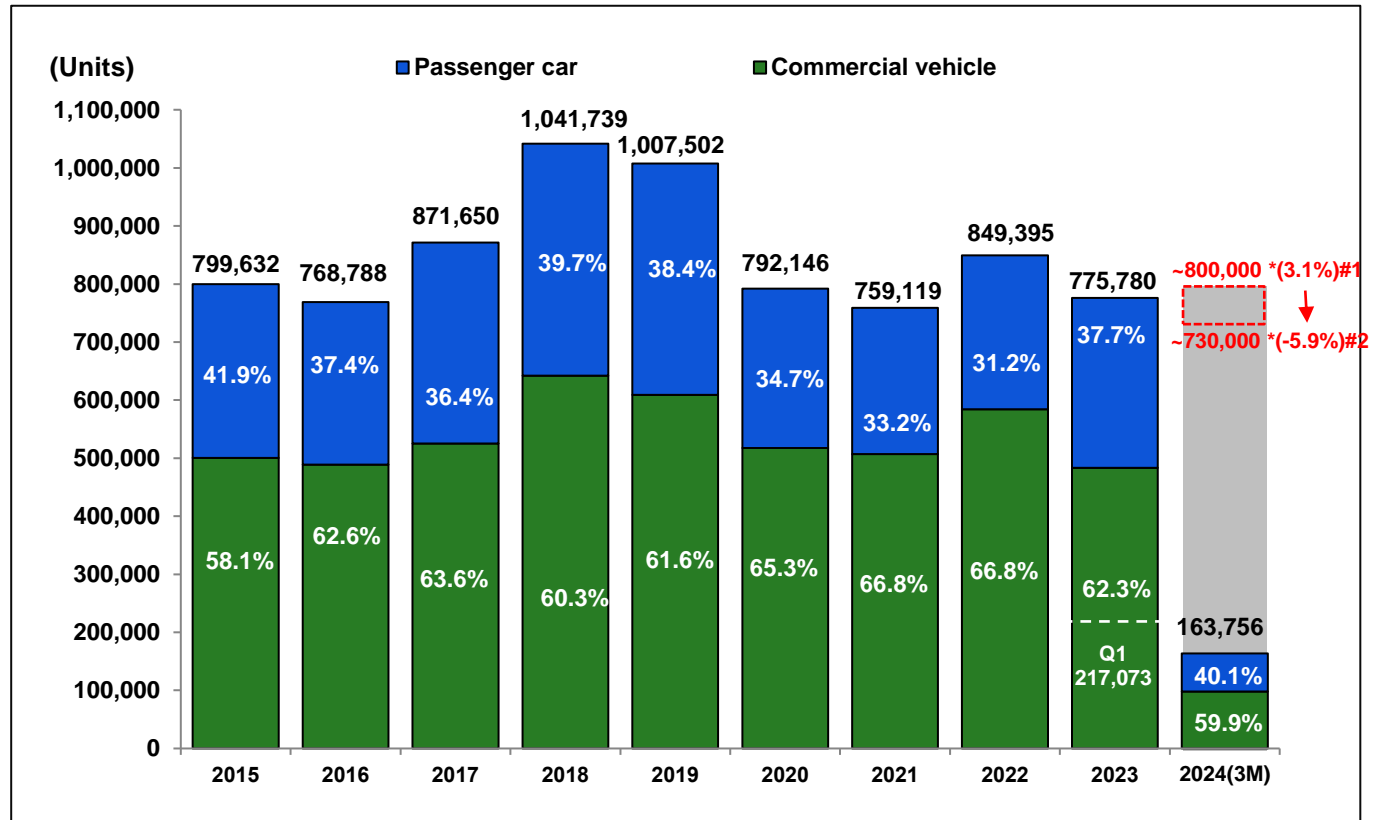
EV 2023 = 21,683 คัน (1.15%)

EV 2024 (3M) = 7,187 คัน (1.58%)

Thailand Automobile Sales

From 2019 to 2021 sales continue to decline for three consecutive years, due to Covid 19 Global Pandemic and semiconductors chip shortage, however, in 2022 sales increased for the first time in three years but in 2023 sales decreased by 8.7%.

2024. Thai Automobile sale expected to decreased by 5.9% as the latest forecast



Source : Toyota Motor Thailand Co.,Ltd.

*Toyota Previous Forecast #1

800,000

*Toyota Revised Forecast #2

730,000

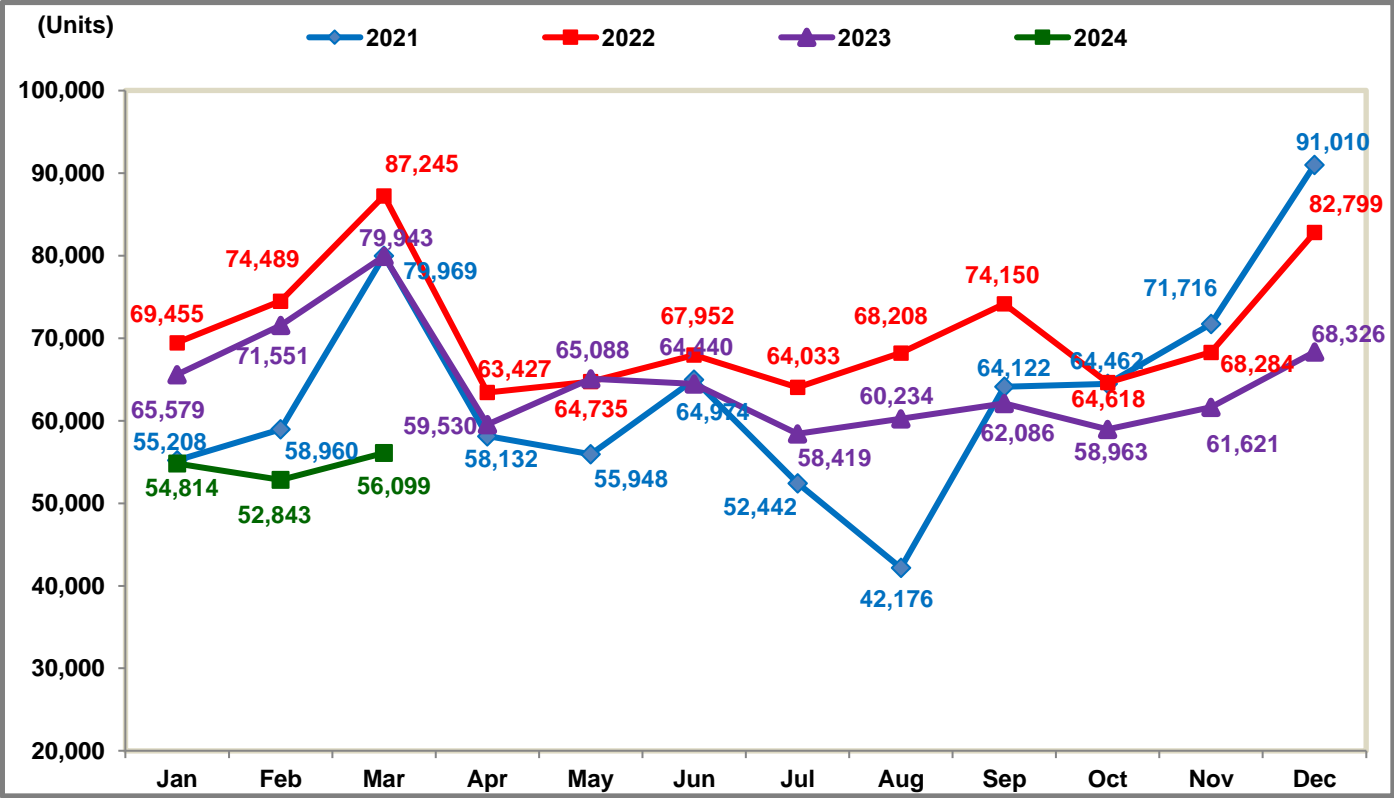
Monthly Automobile Sales

2022 Automobile monthly sales, 10 out of 12 months were higher than previous year.

2023 Automobile monthly sales, 11 out of 12 months were lower than previous year

2024 Automobile monthly sales, 3 months were lower than previous year.

Automobile monthly sales has been lower for 10 consecutive months since June 2023



Car by Category

Popular Vehicle



SUV, MPV & PPV



III. Operational Results

Hire Purchase Business

Motorcycle

Business Policy

Hire purchase provider for all brands

Focus on new motorcycle hire purchase

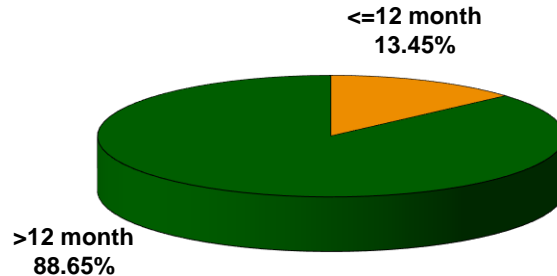
Hire purchase term of 24 - 36 months

Product Brands

All brands such as Honda, Yamaha, Suzuki, Kawasaki, etc.

Categorized by Outstanding Duration

Hire Purchase Account Receivables Balance as of Mar 24



Automobile

Hire purchase provider mainly

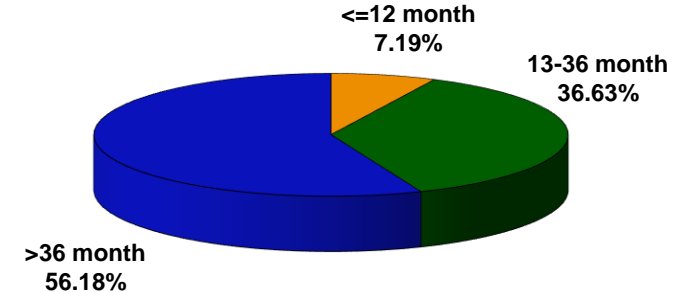
Brand new cars

(91% new cars and 9% second hand cars)

Hire purchase term of 48 - 60 months

All brands mainly Toyota, Isuzu, Honda, Nissan, Ford, Mitsubishi etc.

Categorized by Outstanding Duration



TK Branches & Networks

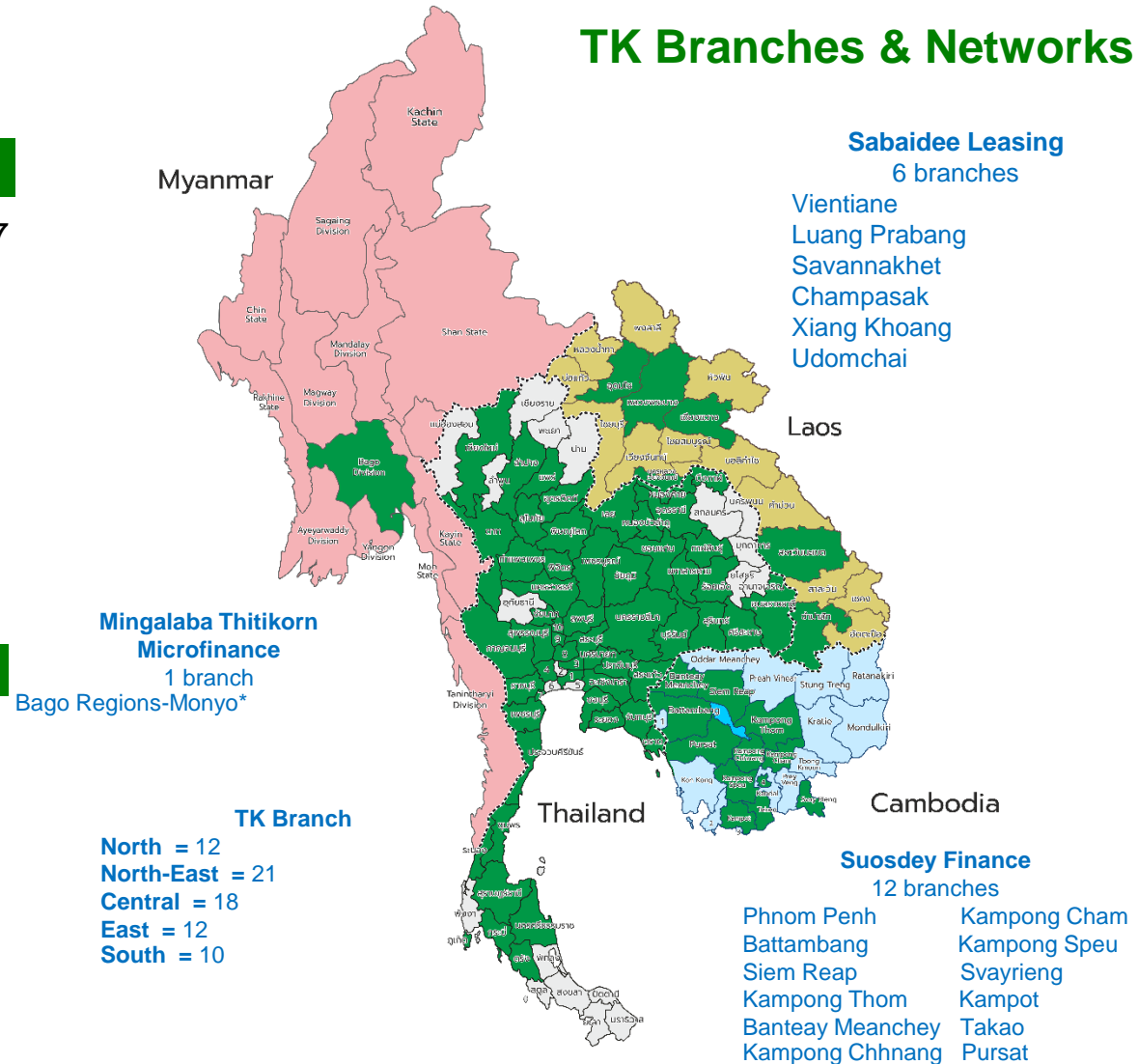
Branch

- Extensive **73** branches in **56** provinces out of 77 provinces in Thailand
- Three subsidiaries
 - * Suosdey Finance, the head office locates in Phnom Penh, Kingdom of Cambodia
 - * Sabaidee Leasing, the head office locates in Vientiane, Laos People's Democratic Republic
 - * Mingalaba Thitikorn Microfinance, the head office locates in Baco, Republic of the Union of Myanmar

Network

- Servicing over **224** motorcycle strategic alliances
- Servicing over **45** automobile strategic alliances
- Multiple payment channels nationwide

As of April 30, 2024



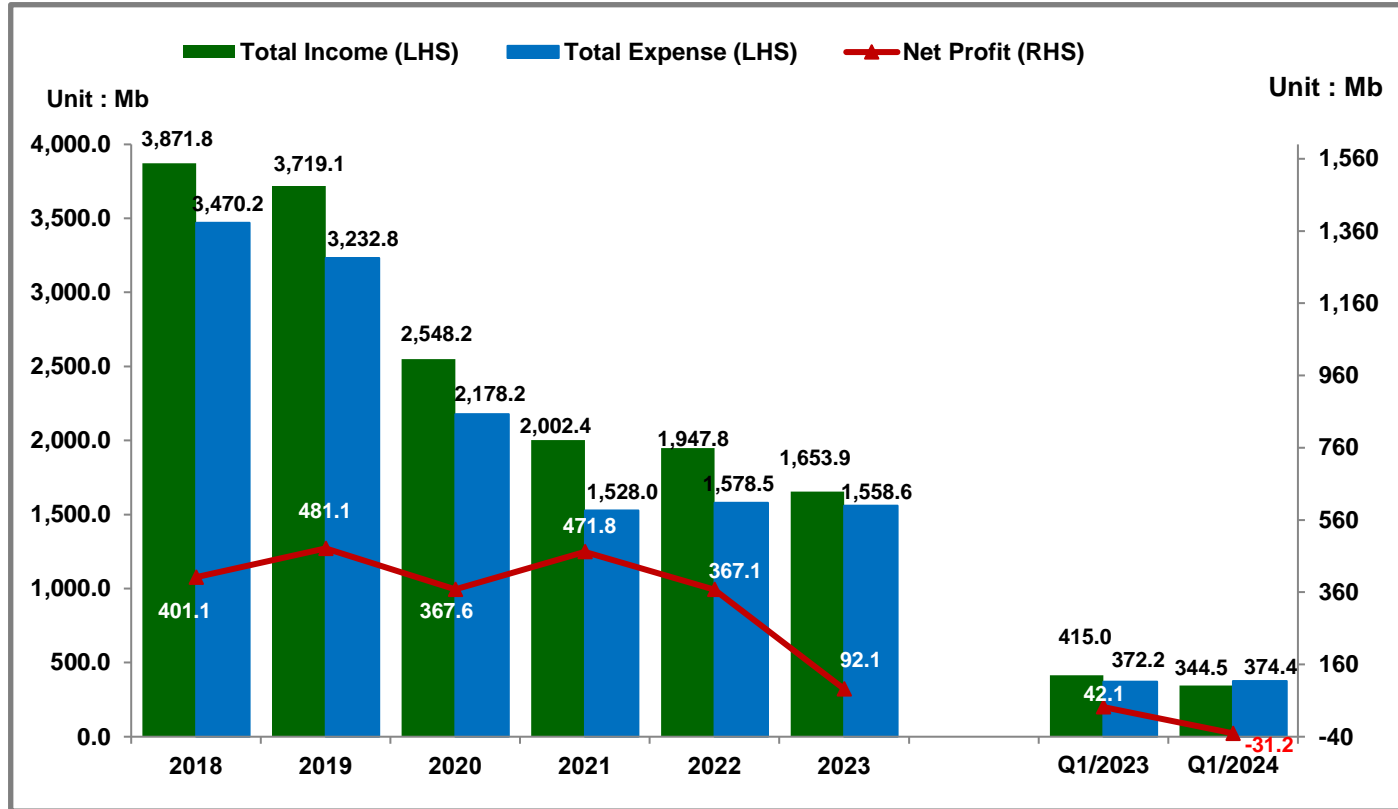
IV. Financial Highlights

Revenue, Expense and Net Profit

2019 to 2022, TK continued to tighten terms & conditions and accelerate write off especially during COVID19 Pandemic

2023, TK Continued to tighten terms & condition due to consumer protection board imposed 23% interest cap on January 10, 2023 while Bank of Thailand also plan to regulate hire purchase business. TK continued to accelerate write off for some group of customers

Q1/2024 TK front loaded its write off to 154.6 million baht



Revenue Breakdown

99.4% of Total Revenues contributed by Motorcycle HP Interest and Other Incomes

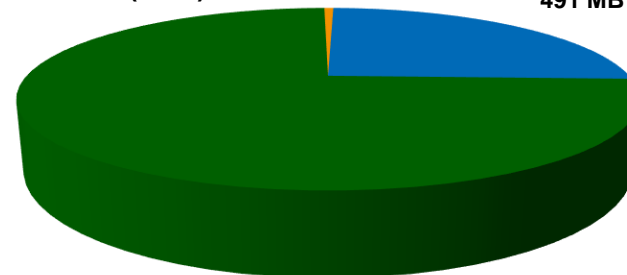
2022 Total Revenues = 1,948 MB

Automobile Purchase Income

12 MB (0.6%)

Other Income

491 MB (25.2%)



Motorcycle Hire Purchase Income

1,445 MB (74.2%)

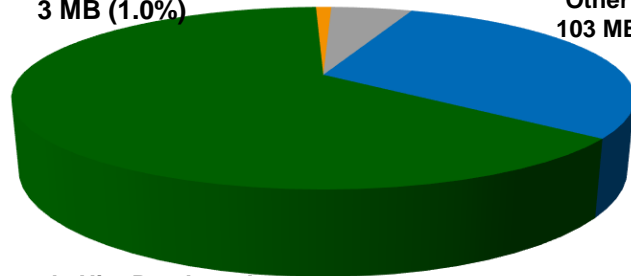
Q1/2024 Total Revenues = 344 MB

Motorcycle Rental Income

Automobile Purchase Income 19 MB (5.4%)

3 MB (1.0%)

Other Income
103 MB (29.9%)



Motorcycle Hire Purchase Income

219 MB (63.7%)

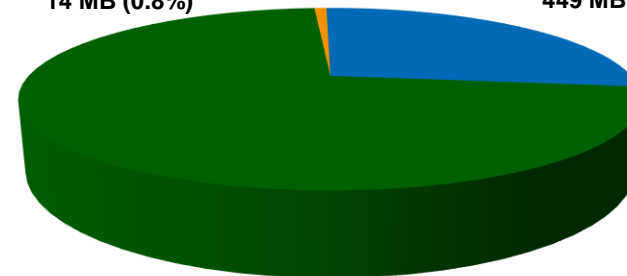
2023 Total Revenues = 1,654 MB

Automobile Purchase Income

14 MB (0.8%)

Other Income

449 MB (27.2%)



Motorcycle Hire Purchase Income

1,191 MB (72.0%)

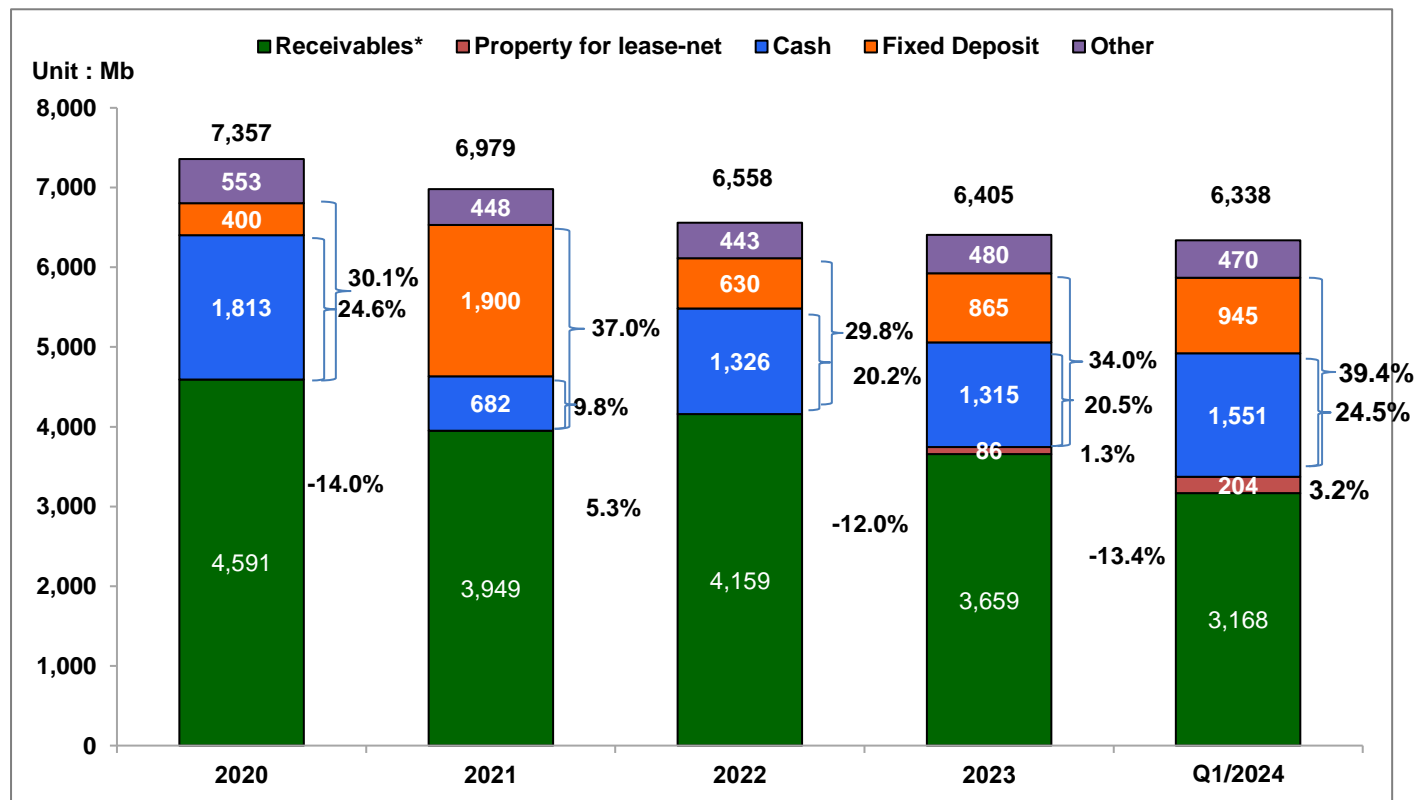
Total Assets vs. Hire Purchase Account Receivables

63.4% of TK Total assets are HP portfolio which generate stable monthly cash inflow from monthly installment from diversify customers over 111,237 accounts

As of December 2021, Cash has reached record high of 2,582 million Baht or 37.0% of Total Assets

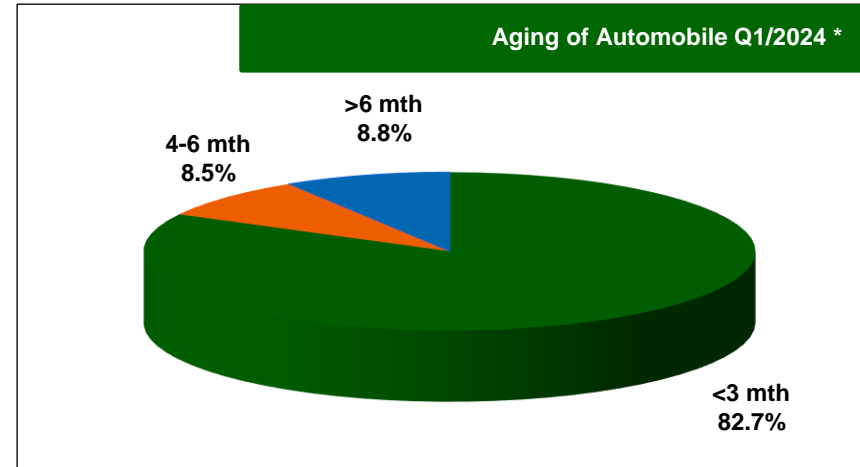
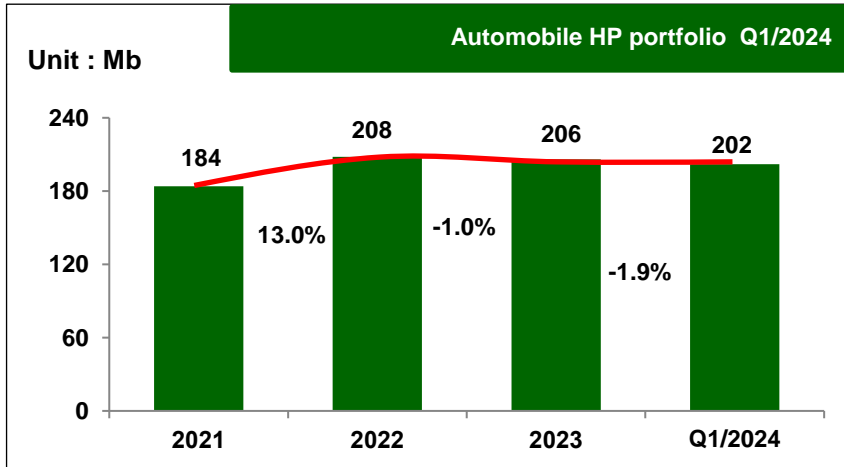
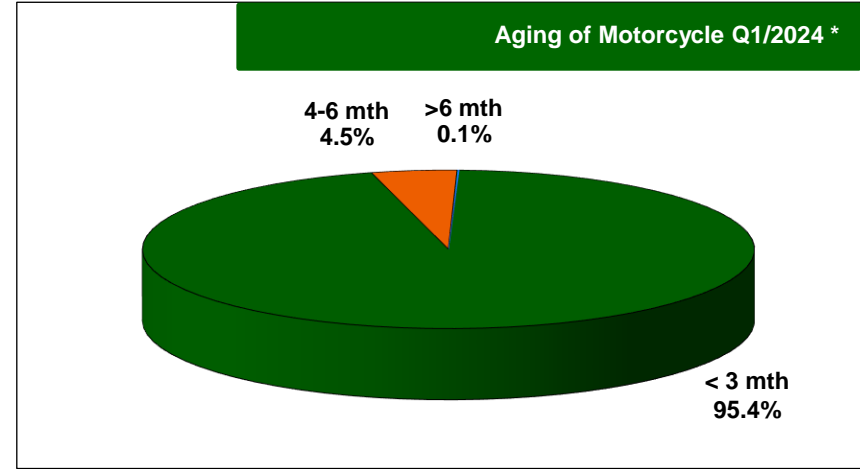
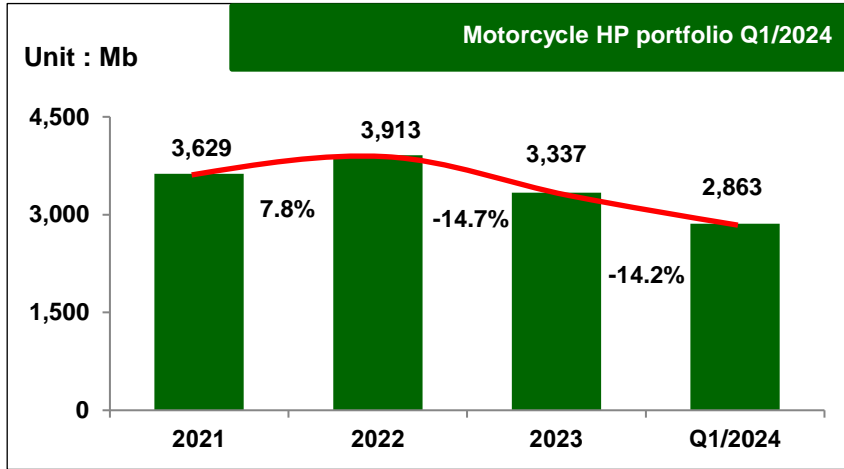
As of December 2022, Cash has reached record high of 1,956 million Baht or 29.8% of Total Assets

As of December 2023, Cash has reached record high of 2,180 million Baht or 34.0% of Total Assets



*Included Loan Receivables

High Quality HP Portfolio



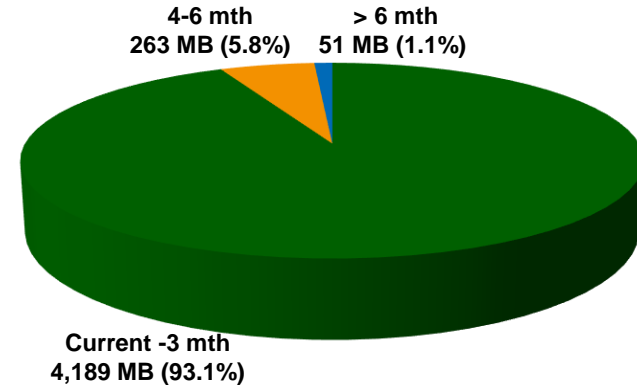
Note: Net HP receivable (less allowance for doubtful a/c) included SSD & SBD

* HP receivable

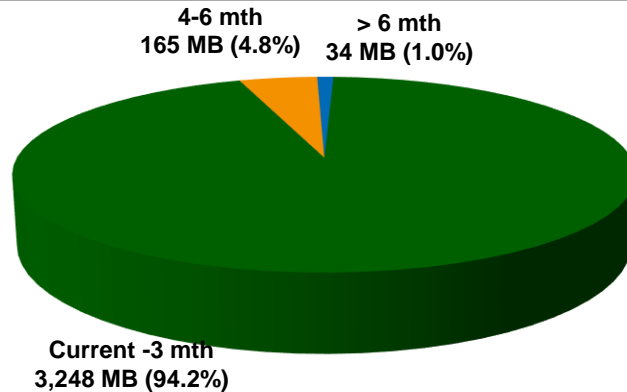
High Quality HP Portfolio

*Prudent expansion policy with strict credit approval process
and strong collection team create sustainable HP portfolio*

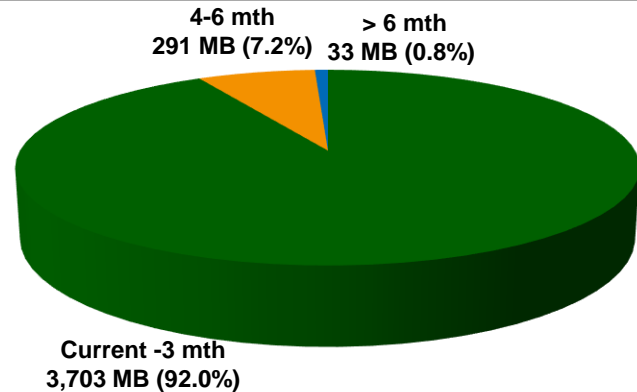
2022 : Aging of Total HP Portfolio (4,503 MB)



Q1/2024 : Aging of Total HP Portfolio (3,447 MB)



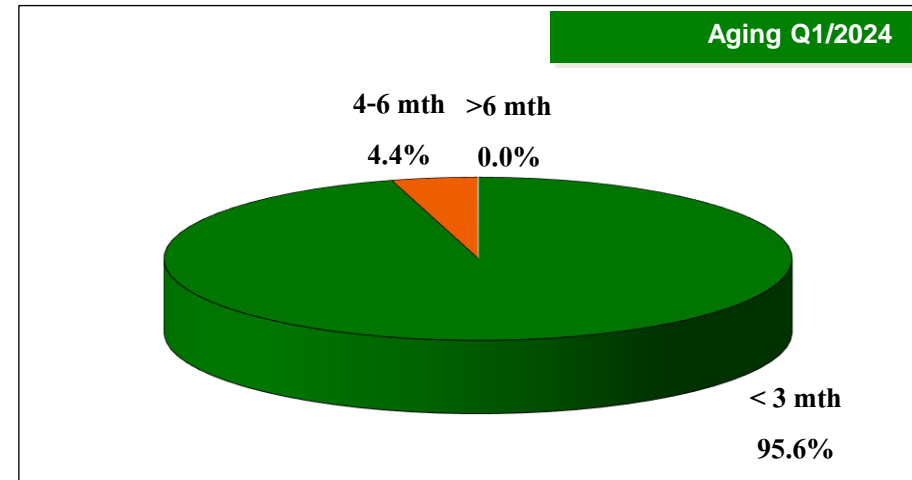
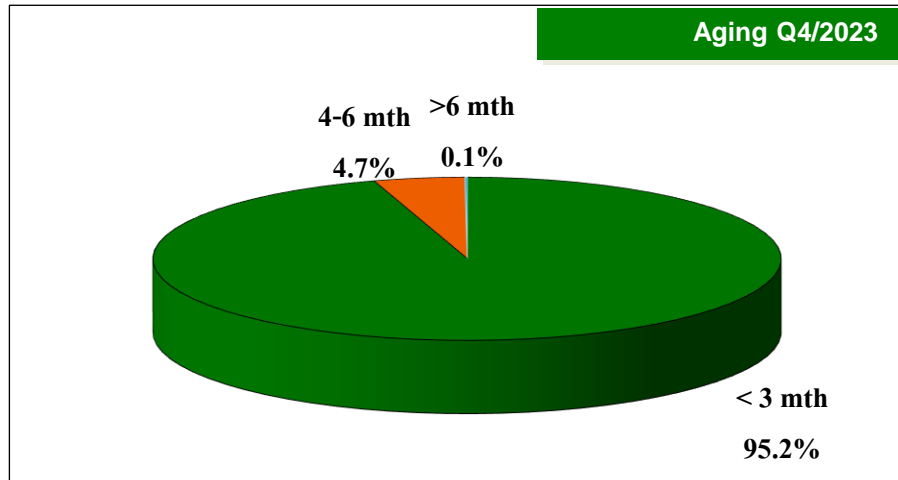
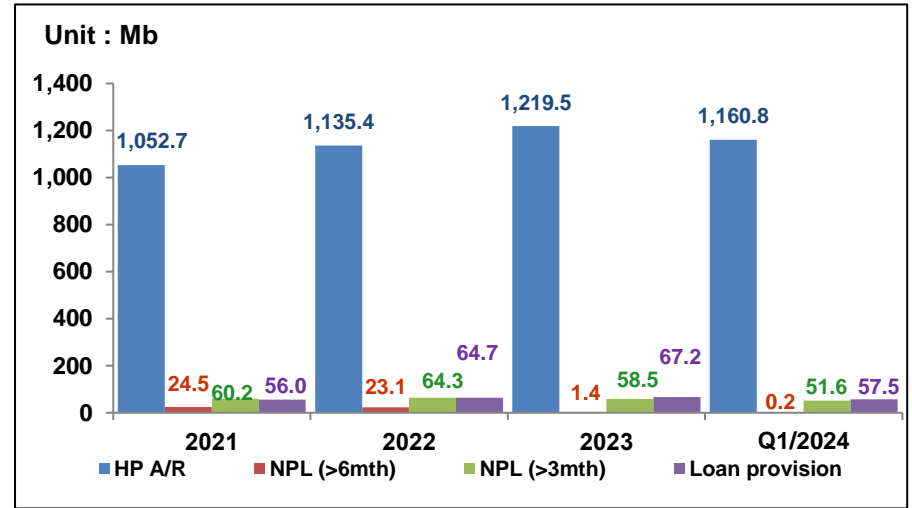
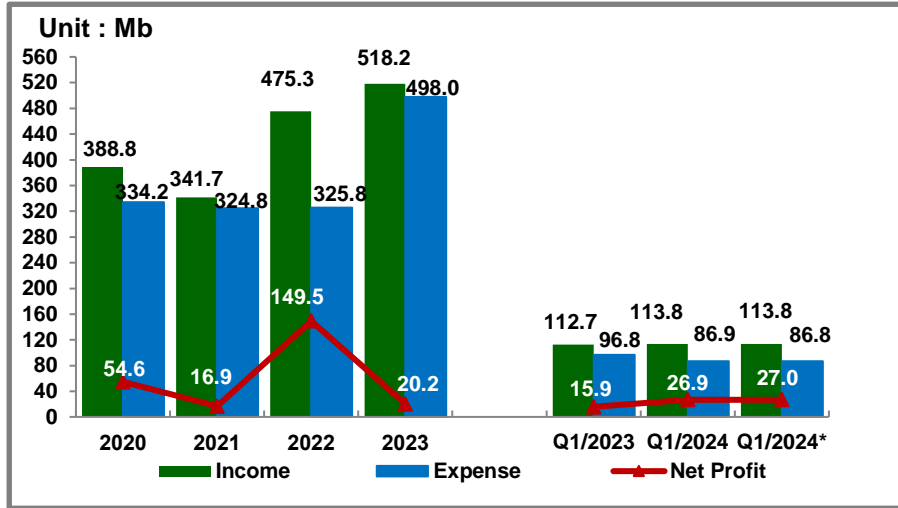
2023 : Aging of Total HP Portfolio (4,027 MB)



Suosdey Finance PLC-Phnom Penh

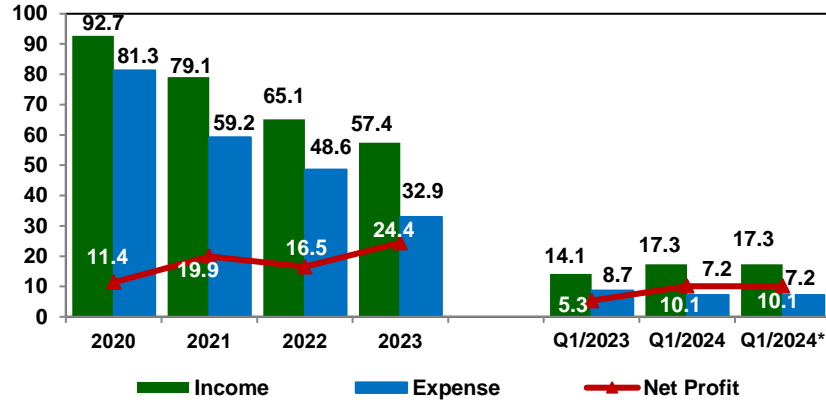


Suosdey Finance PLC

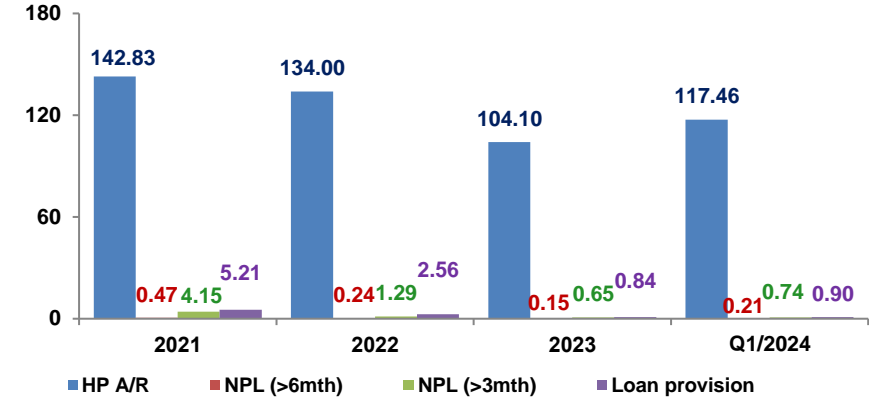




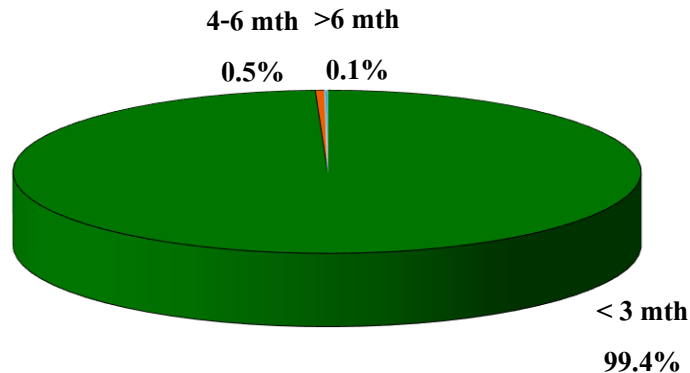
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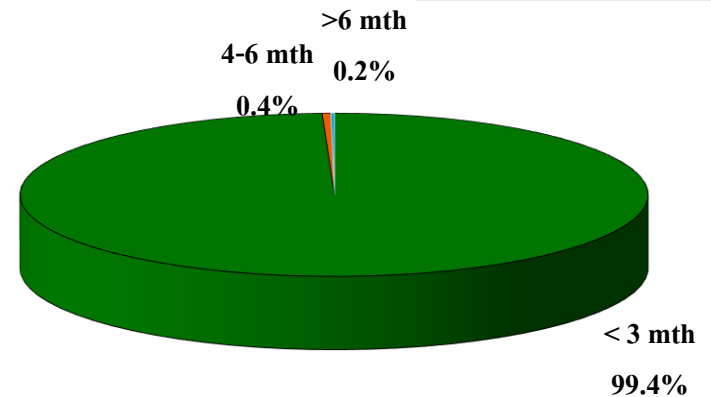
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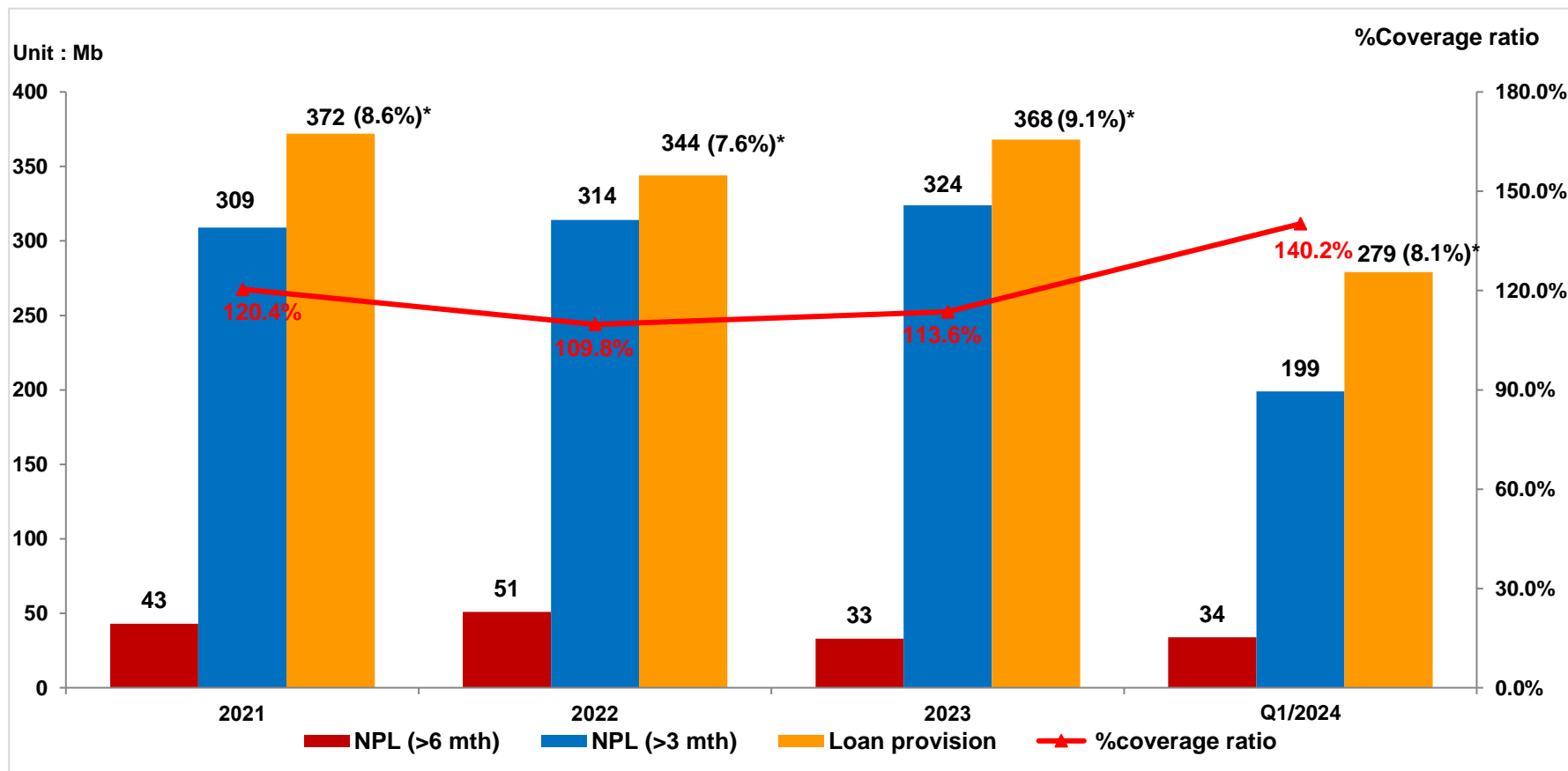
Aging Q4/2023



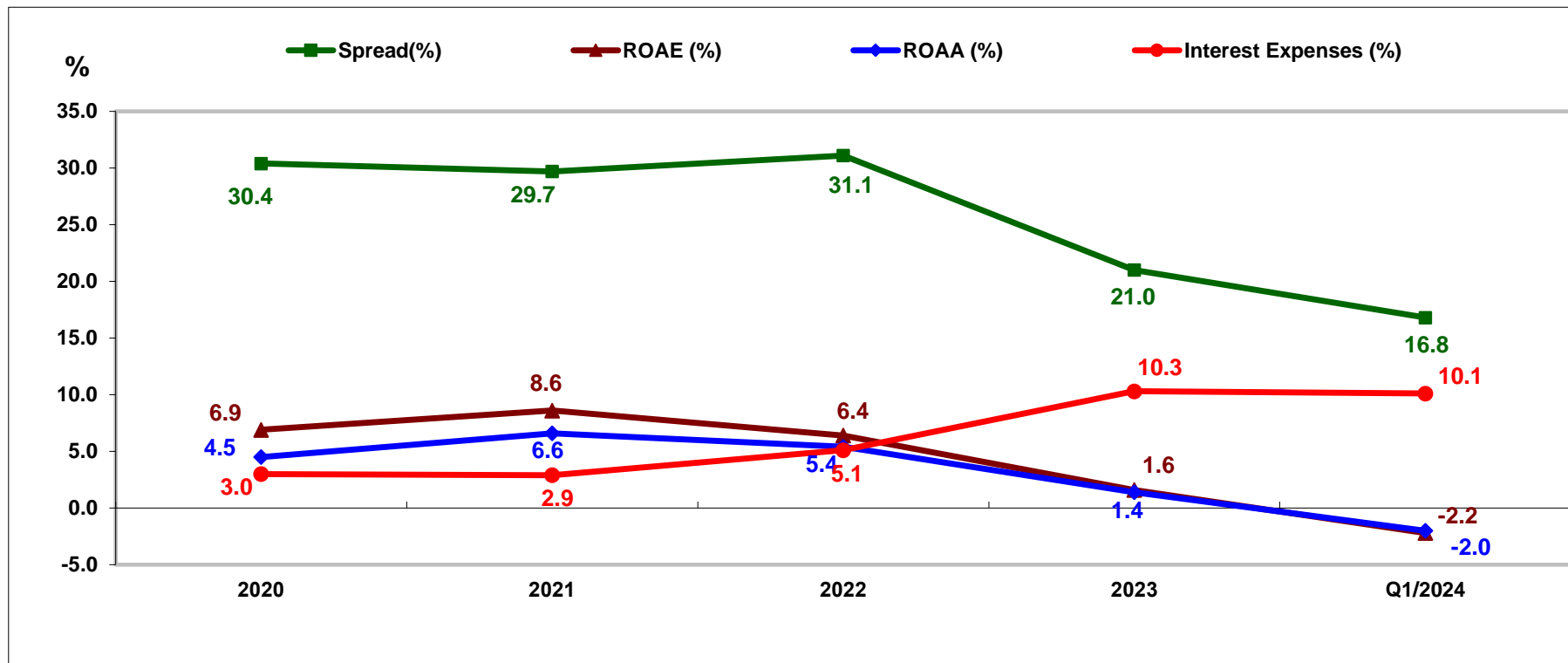
Aging Q1/2024



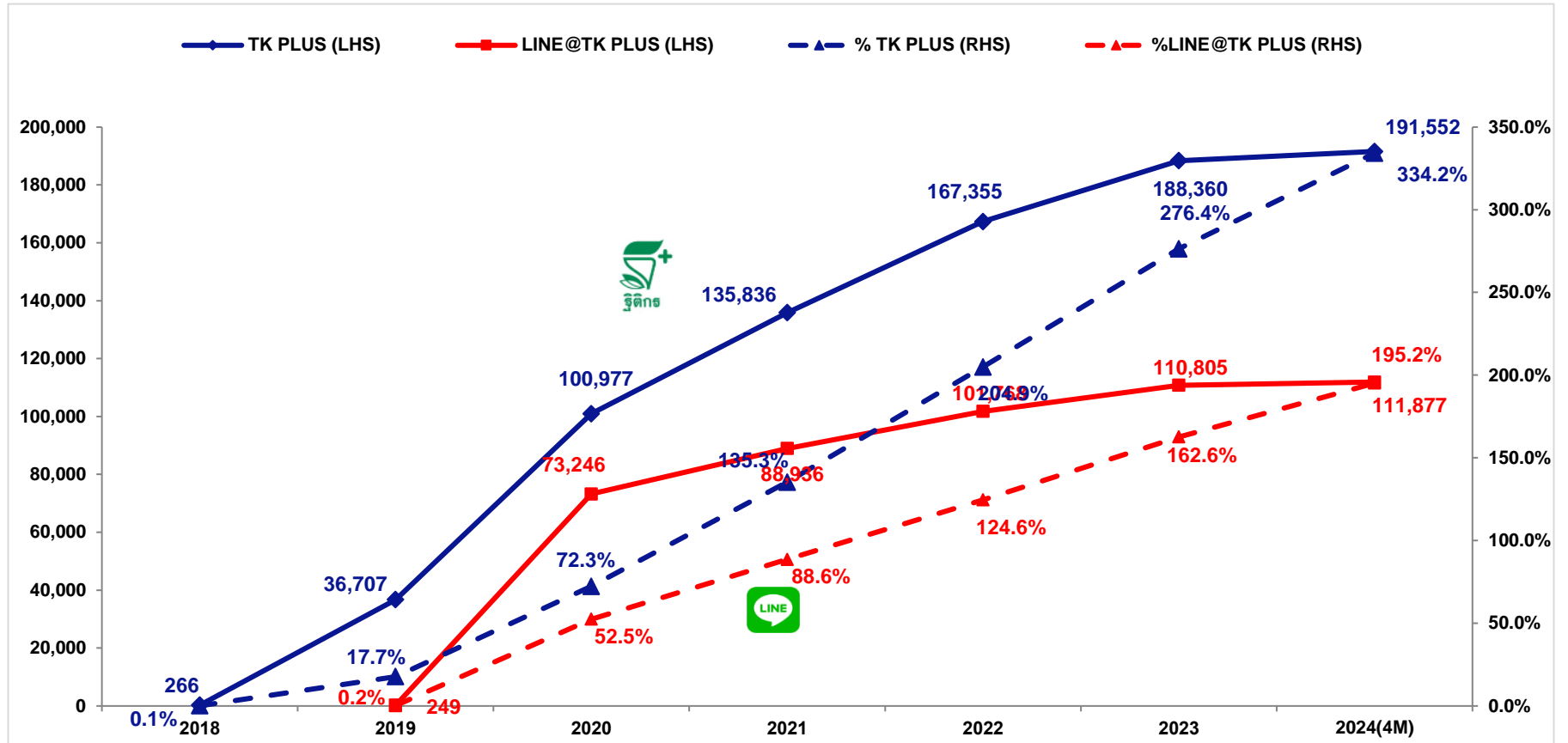
High Coverage Ratio



Profitability



* Annualized





Hire-Purchase by Thitikorn

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