



Next Capital

No. NCAP-ACC-2021-03

Next Capital Public Company Limited
163 Thai Samut Building, 15th floor,
Surawongse road, Suriyawongse, Bangrak,
Bangkok 10500

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Subject Management Discussion and Analysis for the 3-month and 6-month ended June 30, 2021

To President
The Stock Exchange of Thailand

Next Capital Public Company Limited ("The Company") has informed the operating result for the 3-month and 6-month ended June 30, 2021 as follows:

For operating result for the 3-month ended June 30, 2021, the Company's net profit was 74.67 million baht compared to net profit of 33.80 million baht in the same period of the previous year. It increased by 40.87 million baht or equaled to a growth rate of 120.92%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income	For the 3-month ended		Changes	
	Jun 30, 2021	Jun 30, 2020	Amount	Percentage
Revenue				
Interest income from hire-purchase	245.90	211.05	34.85	16.51
Fee and service income	30.02	23.80	6.22	26.13
Other income	49.01	42.31	6.70	15.84
Total revenue	324.93	277.16	47.77	17.24
Expenses				
Selling and administrative expenses	122.90	107.21	15.69	14.63
Expected credit loss	86.52	100.65	(14.13)	(14.04)
(Gain) Loss on disposals and diminution in value of foreclosed assets	0.08	(3.44)	3.52	(102.33)
Finance costs	22.96	28.59	(5.63)	(19.69)
Total expenses	232.46	233.01	(0.55)	(0.24)
Profit before income tax expense	92.47	44.15	48.32	109.45
Income tax expense	(17.80)	(10.35)	(7.45)	71.98
Profit for the period	74.67	33.80	40.87	120.92
Basic earnings per share (Baht per share)	0.08	0.06	0.02	33.33

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1. Revenue for the 3-month ended June 30, 2021 was 324.93 million baht compared to revenue of 277.16 million baht in the same period of the previous year. It increased by 47.77 million baht or equaled to a growth rate of 17.24%. This resulted from the recognition of interest income from hire-purchase amounting to 245.90 million baht which increased by 34.85 million baht or equaled to a growth rate of 16.51% compared to the same period of the previous year. It resulted from an increase in new hire-purchase contracts that effected to fee and service income increased in the same direction. Moreover, other income which mainly consisted of bad debt recoveries was increased as well.

2. Total expenses for the 3-month ended June 30, 2021 was 232.46 million baht compared to expenses of 233.01 million baht in the same period of the previous year. It decreased by 0.55 million baht or equaled to a decrease rate of 0.24%. It mainly resulted from expected credit losses amounting to 86.52 million baht which decreased by 14.13 million baht or equaled to a decrease rate of 14.04%. It resulted from the staging of hire-purchase receivables was better than the same period of the previous year. However, selling and administrative expenses was 122.90 million baht which increased by 15.69 million bath or equaled to a growth rate of 14.63% compared to the same period of the previous year. The main reason was an increase in the number of employee and compensation.

For operating result for the 6-month ended June 30, 2021, the Company's net profit was 149.43 million baht compared to net profit of 70.65 million baht in the same period of the previous year. It increased by 78.78 million baht or equaled to a growth rate of 111.51%. The detail is as follows:

(Unit : Million baht)

Statement of Comprehensive Income	For the 6-month ended		Changes	
	Jun 30, 2021	Jun 30, 2020	Amount	Percentage
Revenue				
Interest income from hire-purchase	474.59	443.64	30.95	6.98
Fee and service income	59.87	46.16	13.71	29.70
Other income	101.59	72.09	29.50	40.92
Total revenue	636.05	561.89	74.16	13.20
Expenses				
Selling and administrative expenses	242.79	195.68	47.11	24.08
Expected credit loss	160.42	218.16	(57.74)	(26.47)
Gain on disposals and diminution in value of foreclosed assets	(0.22)	(3.87)	3.65	(94.32)
Finance costs	46.54	60.22	(13.68)	(22.72)
Total expenses	449.53	470.19	(20.66)	(4.39)
Profit before income tax expense	186.52	91.70	94.82	103.40
Income tax expense	(37.09)	(21.05)	(16.04)	76.20
Profit for the period	149.43	70.65	78.78	111.51
Basic earnings per share (Baht per share)	0.17	0.12	0.05	41.67

1. Revenue for the 6-month ended June 30, 2021 was 636.05 million baht compared to revenue of 561.89 million baht in the same period of the previous year. It increased by 74.16 million baht or equaled to a growth rate of 13.20%. This resulted from the recognition of interest income from hire-purchase amounting to 474.59 million baht which increased by 30.95 million baht or equaled to a growth rate of 6.98% compared to the same period of the previous year. It resulted from an increase in new hire-purchase contracts that effected to fee and service income increased in the same direction. Moreover, other income which mainly consisted of bad debt recoveries was increased as well.

2. Total expenses for the 6-month ended June 30, 2021 was 449.53 million baht compared to expenses of 470.19 million baht in the same period of the previous year. It decreased by 20.66 million baht or equaled to a decrease rate of 4.39%. It mainly resulted from expected credit losses amounting to 160.42 million baht which decreased by 57.74 million baht or equaled to a decrease rate of 26.47%. It resulted from the staging of hire-purchase receivables was better than the same period of the previous year. However, selling and administrative expenses was 242.79 million baht which increased by 47.11 million bath or equaled to a growth rate of 24.08%. The main reason was an increase in the number of employee and compensation. Furthermore, collection fees paid to outsource companies also increased in accordance with a growth of bad debts recoveries.

(Unit : Million baht)

Statement of financial position	As of		Changes	
	Jun 30, 2021	Dec 31, 2020	Amount	Percentage
Assets	4,469.60	4,656.68	(187.08)	(4.02)
Liabilities	2,634.63	2,980.39	(345.76)	(11.60)
Equity	1,834.97	1,676.29	158.68	9.47
Debt to equity ratio	1.44	1.78	-	-

1. Total assets Total assets of the Company as of June 30, 2021 was 4,469.60 million baht which decrease from the year ended 2020 by 187.08 million baht or equaled to a decrease rate of 4.02%. The main reason was cash and cash equivalent that the Company used in business operation. However, hire-purchase receivables as of June 30, 2021 increased by 492.39 million baht or equaled to 13.17% compared to the year ended 2020. A growth of hire-purchase receivables was in line with the Company's business expansion.

2. Total liabilities Total liabilities of the Company as of June 30, 2021 was 2,634.63 million baht which decreased by 345.76 million baht or equaled to a decrease rate of 11.60%. The main reason were repayments on short-term and long-term borrowings from financial institutions. As a result, the portion of current and non-current borrowings were 48.03% and 51.97% of total borrowings, respectively.



3. Equity Equity of the Company as of June 30, 2021 and December 31, 2020 were 1,834.97 million baht and 1,676.29 million baht, respectively. The main reason was the retained earnings increased in accordance with a growth of net profit.

4. Debt to Equity Ratio As of June 30, 2021 and December 31, 2020, debt to equity ratio of the Company was 1.44 times and 1.78 times, respectively. It resulted from a decrease in total liabilities. Meanwhile, the equity was increased.

Please be informed accordingly

Yours sincerely,

(Ms. Kruakao Yerabut)

Chief Financial Officer