



11 August 2023

Subject Management Discussion and Analysis for the three-month period ended 30 June 2023

To Managing Director,
 The Stock Exchange of Thailand

We, Micro Leasing Public Company Limited (the “Company”), would like to provide an overview of the financial performance for the three-month period ended 30 June 2023 with details as per below.

(Unit: Million Baht)

Statement of comprehensive income For the three-month period ended June 30, 2023 and 2022	Consolidated financial statements		Change Increase (Decrease)	
	2023	2022	Amount	%
Interest income from hire purchase	200.47	167.59	32.88	19.62
Fees and service revenues	29.55	38.24	(8.69)	(22.72)
Other revenues	2.33	2.73	(0.40)	(14.53)
Total revenues	232.35	208.56	23.79	11.41
Selling and administrative expenses	83.76	76.02	7.74	10.17
Expected credit loss	56.37	48.51	7.86	16.22
Gain/Loss from assets foreclosed	66.70	28.85	37.85	131.22
Total expenses	206.83	153.38	53.45	34.85
Profit from operating activities	25.52	55.18	(29.66)	(53.76)
Finance cost	(52.06)	(34.02)	18.04	53.02
Income tax (expenses) income	4.65	(5.38)	(10.03)	(186.48)
Profit (loss) for the period	(21.89)	15.78	(37.67)	(238.70)
Profit (loss) for Equity attributable to the Company	(11.81)	18.72	(30.53)	(163.07)
Earnings per share (Baht per share)	(0.0126)	0.0200	-	-

1. Total Revenue for the three-month period ended June 30,2023 was 200.47 Million Baht, compared to 167.59 Million Baht from the same period of last year, increase by 32.88 Million Baht or 19.62%. The main income of the Company and its subsidiaries were interest income from hire purchase which increased according with the growth of hire purchase portfolio. However, service income, vehicle insurance and MRTA slightly decreased due to strict quality screening of new loans.
2. Total Operating expenses for the three-month period ended June 30,2023 was 206.83 Million Baht, compared to 153.38 Million Baht from the same period of last year, increase of 53.45 Million Baht or 34.85%. These was due to:
 - Selling and administration expenses for the three-month period ended June 30,2023 was 83.76 Million Baht, increase by 7.74 Million Baht or 10.17%. It was mainly due to employees salary adjustment, variable expenses arising from loan growth, an increasing number of credit personnels in subsidiaries according to the business plan and a rise in the costs of debt collection.
 - Expected credit losses for the three-month period ended June 30,2023 was 56.37 Million Baht, increase by 7.86 Million Baht or 16.22%. This was due to the additional allowance for expected credit losses of hire - purchase receivables from loan growth and the deteriorating debt quality due to oil price rising and the economic situation.
 - Loss from asset foreclosed for the three-month period ended June 30,2023 was 66.70 million Baht, increase by 37.85 million Baht or 131.22%, mostly as a result of a rise in the quantity of vehicles seized as a result of the oil price situation, also an economic slowdown which affect to some hire-purchase debtors who started to default on debt payment and had to contact to return the vehicles. However, the Company has engaged internal and external teams to closely monitor customers.
3. Financial cost for the three-month period ended June 30,2023 was 52.06 Million Baht, compared to 34.02 Million Baht from the same period of last year, increase of 18.04 Million Baht or 53.02%. This was due to the increase in the Company's interest-bearing debt and an increase in the policy interest rate continuously. This affects the increase in interest rates on bank loans and new debentures.
4. Net profit (loss) attributable to the Company for the three-month period ended June 30,2023 was 11.81 Million Baht, compared to 18.72 Million Baht from the same period of last year, decrease by 30.53 Million Baht or 163.07%

Statement of financial position

(Unit: Million Baht)

Statement of financial position	Consolidated financial statements		Change Increase (Decrease)	
	30 June 2023	31 December 2022	Amount	%
Asset	5,864.49	5,511.41	353.08	6.41
Liabilities	3,682.15	3,363.89	318.26	9.46
Equity attributable to owners of the company	1,923.12	1,965.50	(42.38)	(2.16)
Debt to Equity Ratio	1.69	1.57	-	-

1. Total Asset

- As of June 30,2023, total assets of the Company and its subsidiaries was 5,864.49 Million Baht, an increase of 353.08 Million Baht or 6.41% from the year ended 2022. This was mainly due to an increase in cash and cash equivalents from the Company's liquidity-maintenance policy and an increase in foreclosed properties.

2. Total Liabilities

- As of June 30,2023, total liabilities of the company and its subsidiaries was 3,682.15 Million Baht, an increase of 318.26 Million Baht or 9.46% from the year ended 2022. This was in line with the expansion of the Company and its subsidiaries hire purchase portfolio from the increase of debentures, long-term loans from other persons and long-term loans from financial institutions.

3. Equity attributable to owners of the company

- As of June 30,2023, the company and its subsidiaries total equity was 1,923.12 Million Baht, an decrease of 42.39 Million Baht or 2.16% from the year ended 2022 which was due to annual dividend payment and total net profit (loss) for the period attributable to equity holders of the Company

4. Debt to Equity Ratio

- As of June 30,2023 the company and its subsidiaries debt to equity ratio was 1.91 times, compared to 1.57 times of the year end 2022. An increase of debt to equity ratio because increase in loans and debentures to as a source of of working capital and maintains the liquidity of the business.

Please be informed according

Regards,

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