



บริษัท ฐิติกร จำกัด (มหาชน)

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Subject: Report of Performance Results for Q1/2024: Net Loss 31.2 Million Baht

Attention: President

The Stock Exchange of Thailand

Thitikor Public Company Limited and its subsidiaries announced the operating performance for Q1/2024. The net loss was 31.2 million baht which decreased by 174.1% from net profit 42.1 million baht compared to the same period last year, and the total revenue was 344.5 million baht decreased by 17.0% from 415.0 million baht compared to the same period last year.

In 2024, Bank of Thailand forecasts that Thai economy will grow by 2.6% from 1.9% in 2023, while Thai export sectors in March 2024 contracted 10.9%, which was the first contraction in 8 months since July 2024, resulting in exports contracting by 0.2% in the first quarter of 2024 compared to the same period last year due to the global economic slowdown. However, Thai economy has continued to recover since the expansion of private consumption and the recovery of tourism sector. In the first quarter of 2024, Thailand has 9.4 million foreign visitors, increased 43.5% compared to the same period last year and tourism revenue reached 454,653 million baht, which will be beneficial to both employment and the business sector related to the tourism sector. On the other hand, Thai economy is still facing negative factors such as the impact on export sector due to global economic slowdown, rising energy price, and the ongoing armed conflicts both Russia-Ukraine (767 days as of the end of first quarter of 2024) and Israel-Palestine (171 days as of the end of first quarter of 2024). The high inflation, which gradually declined, caused the Central Bank of many countries to raise their policy interest rates much faster and higher than their previous ultra-low policy interest rate, especially in the United States of America, the US Fed Fund Rate has increased from 0-0.25% to 5.25-5.50%, which is the 11th rate hike consecutively and was the highest in 22 years since March 2022. Moreover, the European Central Bank (ECB) raised interest rates for the 10th hike consecutively in 14 months, bringing the Eurozone reference rate to 4.0-4.50%, the highest in 22 years since 2001, while the BOT's policy rate was 2.50% which was the highest in 10 years since October 2013. With these risk factors, the Company remains cautious with its business expansion and more stringent in loan approval for its hire-purchasing business.

In the first quarter of 2024, the motorcycle market in Thailand sales were 454,796 units, a decrease of 11.2% from 512,210 units compared to the same period last year. Monthly motorcycle decreased for 5 consecutive months since November 2023. In addition, the automobile sales in the first quarter were 163,756 units, a decrease of 24.6% from 217,073 units. Monthly automobile sales decreased for 10 consecutive months since July 2023. This directly has an effect on the company in the following:

1. Total revenue for Q1/2024 was 344.5 million baht, or a 17.0% decreased from 415.0 million baht in the same period last year. The hire-purchase income for Q1/2024 was 222.8 million baht, or a 29.9% decreased from 317.9 million baht compared to the same period last year due to the announcement interest rate cap to 23% from the contract committee of the Office of the Consumer Protection Board (OCPB) regarding the provision of hire-purchase businesses for automobiles and motorcycles to be contract-controlled businesses B.E. 2022, which was effective on January 10, 2023. In addition, the Company tightened its loan approval in Thailand to reduce risk until the Bank of Thailand announces official regulations for the supervision of the hire-purchase business, which expected to be effective in early 2024.

Other income for Q1/2024 was 96.9 million baht, or a 4.6% increased from 92.6 million baht compared to the same period last year, due to lower bad debt repayment and rental contract fees.

2. Total expense for Q1/2024 was 376.9 million baht, a 11.8% increased from 337.2 million baht compared to the same period last year.

Total administrative expenses in Q1/2024 were 202.4 million baht, a 3.7% decreased from 210.2 million baht compared to the same period last year as the Company managed the administrative cost by using digital technology in each department and prevent redundant processes in order to improve work efficiency.

3. Financial cost for Q1/2024 was 9.7 million baht, a 36.2% increased from 7.1 million baht compared to the same period last year. The Company increased borrowing in its foreign operations in order to mitigate foreign exchange risk. The Company has cash and deposits of approximately 2,495.6 million baht, and the D/E ratio in Q1/2024 was 0.13 times, increasing from 2023 at 0.15 times.

As for Q1/2024, the net hire-purchase and loan receivable amount was 3,168.6 million baht, a 13.4% decreased from 3,658.8 million baht compared to the end of 2023, due to a strict credit lending policy since the third quarter of 2022, which is an adjustment of operations to be in line with the announcement from the contract committee of the Office of the Consumer Protection Board (OCPB) regarding the provision of hire-purchase businesses for automobiles and motorcycles to be contract-controlled businesses B.E. 2022, which was effective on January 10, 2023. Moreover, the Company made allowance for the impairment of accounts

receivable to have sufficient reserves. For Q1/2024, the provision was 278.8 million baht; loans which overdue for more than 3 months were 5.8% and the coverage ratio was 140.2%. In comparison, at the end of 2023, the provision was 367.8 million baht, loans which overdue for more than 3 months were 8.0%, and the coverage ratio was 113.6%. As of this quarter, the total assets of the Company were 6,338.0 million baht, a 1.0% decreased from 6,404.7 million baht, compared to the end of 2023, and the total liabilities were 722.4 million baht, a 11.4% decreased from 815.8 million baht, compared to the end of 2023.

The Company has adjusted its business operations and strategies to be in line with the changes in the industry, and has controlled the quality of loan receivable since third quarter of 2022 to better control credit costs or non-performing loans (NPLs), including managing the efficiency of business operations to control operating costs. Besides hire-purchase business, the Company has been launching services after receiving the additional business license for personal loans with vehicle registration as collateral and nano-finance loans, including the launched new service “TK ME” which is an alternative service for consumers who want to use a motorcycle but do not want to own the aforementioned vehicles. With these services, the Company expects to increase its income and reduce the risk of relying only on the motorcycle hire-purchase business, which is expected to benefit its profitability in the medium and long term.

The Company is closely monitoring on both the draft Royal Decree for the Bank of Thailand to regulate the hire-purchase and leasing business of automobile and motorcycle, which expected to be effective in early 2024. However, new measures announcement of responsible lending aimed at sustainably addressing household debt problems, which was effective on January 1st, 2024. The Company is ready and has prepared its business operations to be complied with the laws and regulations of the Bank of Thailand in order to be beneficial to all stakeholders.

Please be informed accordingly.

Best regards,

(Ms. Prathama Phornprapha)
Director / Managing Director