



IFS Capital (Thailand)  
Public Company Limited

IFS 0805-1 / 2024

8<sup>th</sup> May 2024

Subject: Explanation of the Operating Results for Quarter 1/2024

To: The President  
The Stock Exchange of Thailand

We, IFS Capital (Thailand) Public Company Limited, would like to submit herewith the Reviewed Financial Statements for the Quarter 1/2024 ended 31<sup>st</sup> March 2024 as certified by our auditor, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., and to clarify the significant variance of the operating results as follows:

(Unit: Million Baht)

	For the 1 <sup>st</sup> Quarter ended 31 <sup>st</sup> March			
	2024	2023	Increase / (decrease)	% Change
<b>Revenues</b>				
Factoring Income	68.26	66.07	2.19	3.31
Hire Purchase Income	0.09	0.05	0.04	77.55
Finance Lease Income	3.09	3.10	(0.01)	(0.47)
Factoring Commission and Service Fees	24.24	24.58	(0.34)	(1.37)
Other Income	11.11	12.26	(1.15)	(9.38)
<b>Total Revenues</b>	<b>106.79</b>	<b>106.06</b>	<b>0.73</b>	<b>0.68</b>
Finance Cost	13.63	10.84	2.79	25.69
<b>Income Before Operating Expenses</b>	<b>93.16</b>	<b>95.22</b>	<b>(2.06)</b>	<b>(2.17)</b>
<b>Expenses</b>				
Selling Expenses	4.51	5.08	(0.57)	(11.12)
Administration Expenses	27.22	26.24	0.98	3.73
Management Benefit Expenses	11.41	10.73	0.68	6.37
<b>Total Expenses</b>	<b>43.14</b>	<b>42.05</b>	<b>1.09</b>	<b>2.61</b>
<b>Profit Before Allowances for ECL</b>	<b>50.01</b>	<b>53.17</b>	<b>(3.16)</b>	<b>(5.94)</b>
Allowance for ECL	14.37	1.06	13.31	1252.15
<b>Profit Before Income Tax Expenses</b>	<b>35.64</b>	<b>52.11</b>	<b>(16.47)</b>	<b>(31.61)</b>
Income Tax Expense	6.08	10.86	(4.78)	(43.99)
<b>Profit for The Periods</b>	<b>29.56</b>	<b>41.25</b>	<b>(11.69)</b>	<b>(28.35)</b>

#### Quarterly to Quarterly Analysis

For the 1<sup>st</sup> quarter of 2024, the Company reported a Net Profit of Baht 29.56 million, a decrease of Baht 11.69 million or 28.35% from the same period last year. The main reasons for the decrease in the Company's Net Profit were:

- 1) income before operating expenses decreased by Baht 2.06 million or 2.17% mainly due to higher finance cost as a result of higher average cost of fund,
- 2) total expenses increased by Baht 1.09 million or 2.61% mainly due to higher administrative expenses and management benefit expenses,
- 3) allowance for ECL increased by Baht 13.31 million due to additional allowance provided for new non-performing loans (NPL) during the period, while there was significant amount of bad debt recovery during the 1<sup>st</sup> quarter of 2023,
- 4) offset by lower income tax expense of Baht 4.78 million due to lower taxable profit.

As a result, the Earnings Per Share (EPS) showed a decrease to Baht 0.06 per share (1Q/23: Baht 0.08 per share) or a decrease of 26.41%.

Please be informed accordingly.

Sincerely yours,

(Mr. Tan Ley Yen)  
Director and CEO