



บริษัท ฐิติกร จำกัด (มหาชน)

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Subject: Report of Performance Results for Q2/2024, net profit decreased 71.7% and total revenue decreased 17.0%

Attention: President

The Stock Exchange of Thailand

The operating performance for Q2/2024 of Thitikorn Public Company Limited and its subsidiaries was announced that the net profit was 6.6 million baht which decreased by 71.7% from 23.3 million baht compared to the same period last year, and the total revenue was 350.3 million baht decreased by 17.0% from 421.8 million baht compared to the same period last year.

In Q1/2024, Thai economy grew by 1.5% which Bank of Thailand (BOT) forecasted Thai economy expected to grow by 2.6% from 1.9% in 2023, while first half Thai export sectors expanded 2.0%, compared to the same period last year from increasing export of agricultural goods. As for tourism sector in first half of 2024, Thailand has 17.5 million foreign visitors, increased 35% compared to the same period last year and expected to reach 36 million for the entire year, which will be beneficial to both workers' income and the business sector related to the tourism. However, Thai economy is still facing negative factors such as the impact on export sector due to global economic slowdown, high energy price, and the ongoing armed conflicts both Russia-Ukraine (858 days as of the end of Q2/2024) and Israel-Palestine (262 days as of the end of Q2/2024). 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 in its strict loan approval and in conducting business both domestically and internationally.

In the second quarter of 2024, the motorcycle market in Thailand sales were 449,347 units, a decrease of 8.6% from 491,628 units compared to the same period last year. First-half motorcycle sales were 904,143 units decreased 9.9% from 1,003,838 units compared to the same period last year. The automobile sales were 144,271 units, a decrease of 23.7% from 189,058 units compared to the same period last year. First-half automobile sales were 308,027 units decreased 24.2% from 406,131 units. This directly has an effect on the company in the following:

1. Total revenue for Q2/2024 was 350.3 million baht, or a 17.0% decreased from 421.8 million baht in the same period last year. The hire-purchase income for Q2/2024 was 191.8 million baht, or a 37.5% decreased from 306.7 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 2024.

Other income for Q2/2024 was 111.4 million baht, or a 3.9% increased from 107.2 million baht compared to the same period last year, due to lower bad debt repayment and rental contract fees.

2. Total expense for Q2/2024 was 332.4 million baht, a 11.1% decreased from 374.0 million baht compared to the same period last year.

Total administrative expenses in Q2/2024 were 196.2 million baht, a 8.7% decreased from 214.8 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 Q2/2024 was 8.5 million baht, a 10.5% decreased from 9.5 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 2,690.5 million baht, and the D/E ratio in Q2/2024 was 0.12 times, increasing from 2023 at 0.15 times.

As for Q2/2024, the net hire-purchase and loan receivable amount was 2,702.5 million baht, a 26.1% 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 Q2/2024, the provision was 250.7 million baht; loans which overdue for more than 3 months were 5.8% and the coverage ratio was 146.0%. 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 6,160.5 million baht, a 3.8% decreased from 6,404.7 million baht, compared to the end of 2023, and the total liabilities were 656.3 million baht, a 19.6% 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. The Company also accelerate its write-off more than its normal practices and policy. 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.p

Best regards,

(Ms. Prathama Phornprapha)
Director / Managing Director