



บริษัท ฐิติกร จำกัด (มหาชน)

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TK 049/2564

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Subject : Report of operating results for Q3/2021, net profit increase 19.6% and total revenue decrease 23.8%

Attention : President

The Stock Exchange of Thailand

The operating performance for Q3/2021 of Thitikorn Public Company Limited and its subsidiaries reported a net profit of 129.8 Million Baht, an increase of 19.6% from 108.5 Million Baht compared to the same period last year, total revenue of 476.2 Million Baht, a decrease of 23.8% from 624.9 Million Baht compared to the same period last year.

Global Covid-19 pandemic had negatively affecting broader economic activities causing the domestic economy to slow down continuously which directly affecting domestic consumption. In addition, household debt increased to 89.3% of GDP at the end of Q2/2021 and expected to rise further. Thailand experience the highest household debt in 18 years, the 3rd highest in Asia and the 17th highest in the world. Thai GDP contracted -6.1% in 2020. Thailand has had good control over the spread of Covid-19 compared to many countries until the last quarter of 2020, the government began to relax its measures from shut down the country in 2nd quarter and economic activity began to recover. However, the second wave resumed before the end of 2020 and continued with the third and fourth outbreak of Delta variant at the end of the first quarter of 2021 continuing to the present, with more transmissible and wide spread than the first two waves, daily new cases continued to rise which directly impacted Thailand to maintain more stringent measures on visitors and Foreign tourists arriving which cannot travel freely both domestic and aboard. As a result, the number of people infected with Covid has decreased, the government has allowed more economic activities. However, the measures have been gradually phased out, it is not currently possible to clearly assess the total impact of Covid-19 pandemic, resulting in TK conservative policy in underwriting new loans.

Domestic motorcycle sales for Q3/2021 were 330,704 units, decrease 20.2% from 414,344 units from last year. Motorcycle sales in first 9 months were 1,204,745 units, increase 5.0% from 1,146,980 units from last year. Automobile sales for Q3/2021 were 158,740 units, a decrease of 23.0% from 206,125 units from last year. Automobile sales for first 9 months were 531,931 units, a decrease of 0.5% from 534,765 units from last year. Directly affecting the business as follows:

1. Total Revenues for Q3/2021 were 476.2 Million Baht, a decrease of 23.8% from 624.9 Million Baht compared to the same period last year. As for the Hire-Purchase Income in Q3/2021, amount of 327.7 Million Baht decreased by 29.7% from 466.4 Million Baht compared to the same period last year due to the ongoing economic downturn, mainly came from the severe situation of the pandemic in this quarter.

Other Incomes for Q3/2021 were 140.6 Million Baht, a decrease of 9.6% from 155.5 Million Baht compared to the same period last year as a result of declining in portfolio and enforcement of the Debt Collection Act in September 2021

2. Total Expenses for Q3/2021 were 305.8 Million Baht, a decrease of 35.6% from 474.9 Million Baht compared to the same period last year. Total selling and administrative expenses for Q3/2021 were 256.6 Million Baht, a decrease of 17.8% from 312.2 Million Baht compared to the same period last year due to:

2.1 Cost control management and reduction of its administrative expenses in various departments, such as reducing paperwork and redundancy

2.2 The increasing usage of Digital Technology

3. Cost of fund for Q3/2021 were 8.5 Million Baht, a decrease of 45.5% from 15.6 Million Baht compared to the same period last year due to reduce loan facilities and an effective managing cost of fund. As of the end of Q3/2021, after repayment of debentures of 600 Million Baht, the company had cash & deposits position of approximately 2,514 Million Baht, D/E ratio was 0.22X decreased from 0.37X in 2020 which is more than adequate for the acquisition of MFIL in Myanmar as approval by shareholder on April 23,2020 and ready to accelerate its business expansion when the situation improves.

At the end of Q3/2021, the company had a total of 3,818.0 Million Baht in Net Hire-Purchase Contract and Loan Receivables, a decrease of 16.8% from 4,591.3 Million Baht compared to the end of previous year due to the strict credit policy in the past 2 years. Since the 2nd quarter of 2020, there were relief measures for customers who affected by Covid-19, however the company decided not to use the temporary right to classify customers according to the principles of the Federation of Accounting Professions of Thailand. The Company allowance for doubtful accounts was higher than other operators in the same business which using temporary relief measures since the second quarter of 2020; at the end of Q3/2021 allowance for doubtful accounts amounted to 421.9 Million Baht, account receivables overdue more than 3 months was 8.4% and Coverage Ratio was 118.8% (The allowance for doubtful accounts at the end of 2020 amounted of 561.7 Million Baht, account receivables overdue more than 3 months was 9.2% and Coverage Ratio was 118.3%). The company's Total Assets were 6,789.0 Million Baht, a decrease of 7.7% from 7,356.8 Million Baht compared to the end of previous year. Total Liabilities of 1,239.4 Million Baht, a 38.0% decrease from 2,000.5 Million Baht compared to the end of previous year.

Since last year, there was a good control over first wave Covid-19 pandemic domestically, Thai government began to relax the pandemic control measures and began to gradually open up the country to increase economic activity. However, Thai government has imposed lockdown measures again during the last quarter which experienced new wave of COVID pandemic widespread domestically with Delta variant which is more transmissible. But after the government has tried to speed up vaccination over the past quarter together with strictly control measures. As a result, the number of people infected with Covid has decreased continuously. According with many countries succeeded in mass vaccination program which is expected to help reduce the outbreak and deaths. This will result in people around the world to return their life to normal in the near future. If Thai government can accelerate vaccination program then it will have a positive effect on the quality of the company's receivables. The company has prepared in the event that the Covid-19 pandemic should continue to prolong with strict measures on credit underwriting and continuously controlling the quality of customers on the other hand, if the situation improves, the group of Companies is ready to accelerate its business expansion immediately by using the Company's cash which is sufficient to expand for at least another 12 months which is expected to benefit the company performance in the medium and long run.

Please be informed accordingly.

Best regards

(Ms. Prathama Phornprapha)
Director / Managing Director