



TQMalpha

FY22 Results Presentation

March 2023



Performance

- Growth in TQM's normal business is maintained:

+8.7%

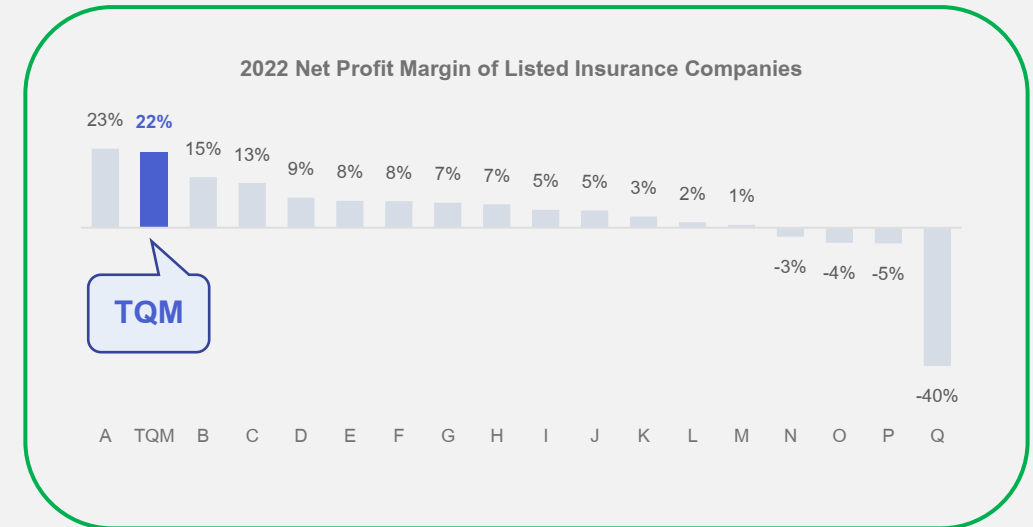
Normalized revenue increase mainly from new motor insurance and home insurance

+1.3%

Normalized net profit increase

- 2022 was challenging with high base in 2021 mainly from COVID-19 insurance sales.

- Most stocks in insurance sector in SET had a YoY decline in net profit in 2022.
- TQM maintained high net profit margin.





Performance



- New customer acquisition drove growth in motor insurance, while renewals were challenging due to difficult market conditions for some insurers.
- Gross profit slightly increased despite a slight drop in the margin, due to higher service cost from faster growth in new motor insurance segment than renewals.



- The premium for home insurance nearly doubled compared to the previous year.



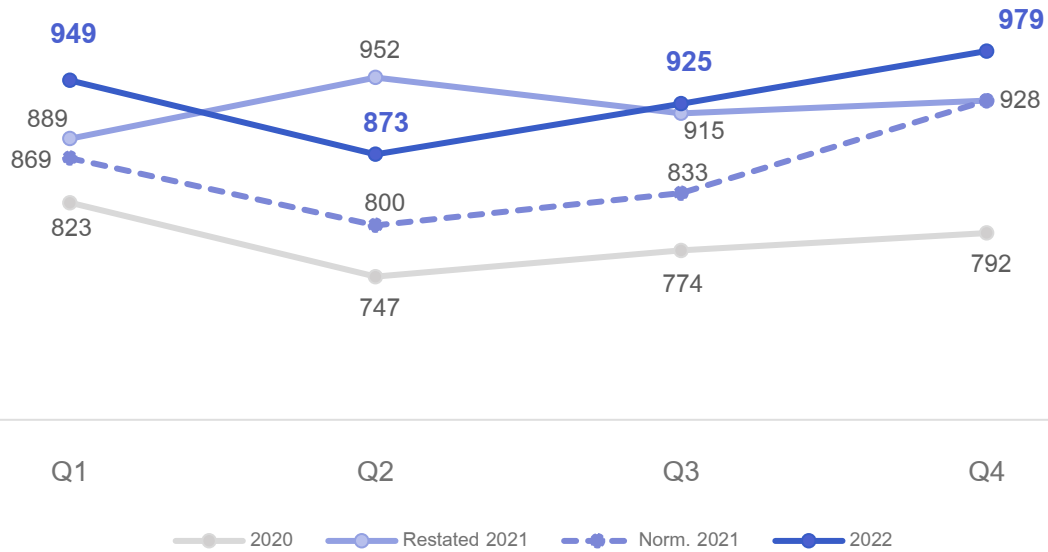
- Excluding COVID-19 insurance in 2021, A&H premium continued to increase with approx. 10% growth driven by health conscious trend.

Revenue increased by +5.5% YoY

Quarterly revenue

Million Baht

Q4/22 revenue +5.5% YoY



Normalized revenue excludes

- Revenue from COVID-19 insurance commission in Q1-Q3/21: 20, 125 and 19 Million Baht
- TQR's provisional reversal in Q2/21: 27 Million Baht
- Gain from bargain purchase in Q3/21: 64 Million Baht

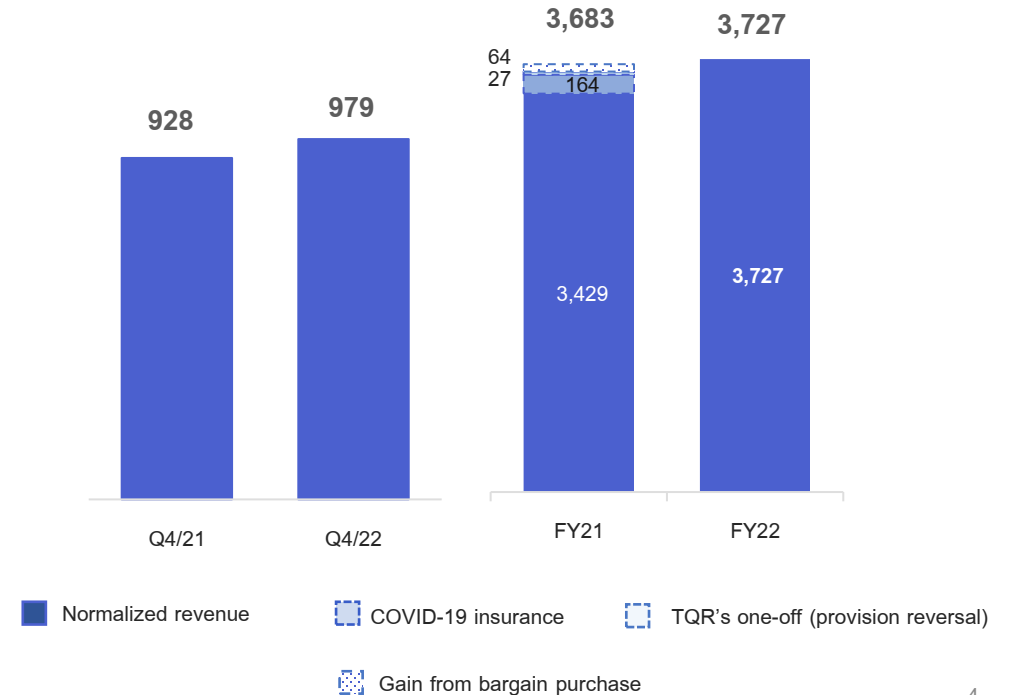
Growth in normal business is maintained

Quarterly performance

Full Year performance

Million Baht

FY22 revenue +1.2% YoY
Norm. revenue +8.7% YoY



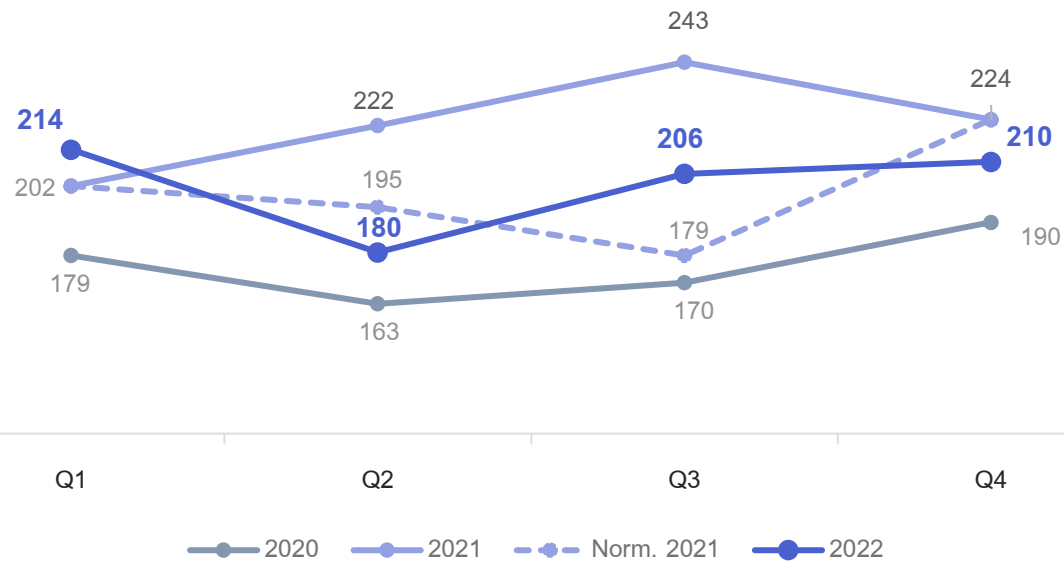
FY22 Net profit – owners of parent

Quarterly profit was in line with normal seasonality

Quarterly net profit – owners of parent

Million Baht

Q4/22 net profit -6.3% YoY



Normalized net profit excludes

- TQR's provisional reversal in Q2/21: 27 Million Baht
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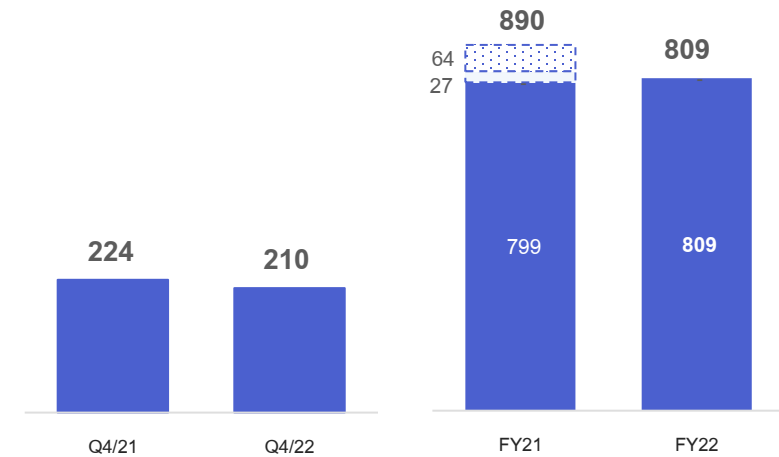
Normal net profit increased YoY

Quarterly performance

Full Year performance

Million Baht

FY22 net profit -9.1% YoY
Norm. net profit +1.3% YoY



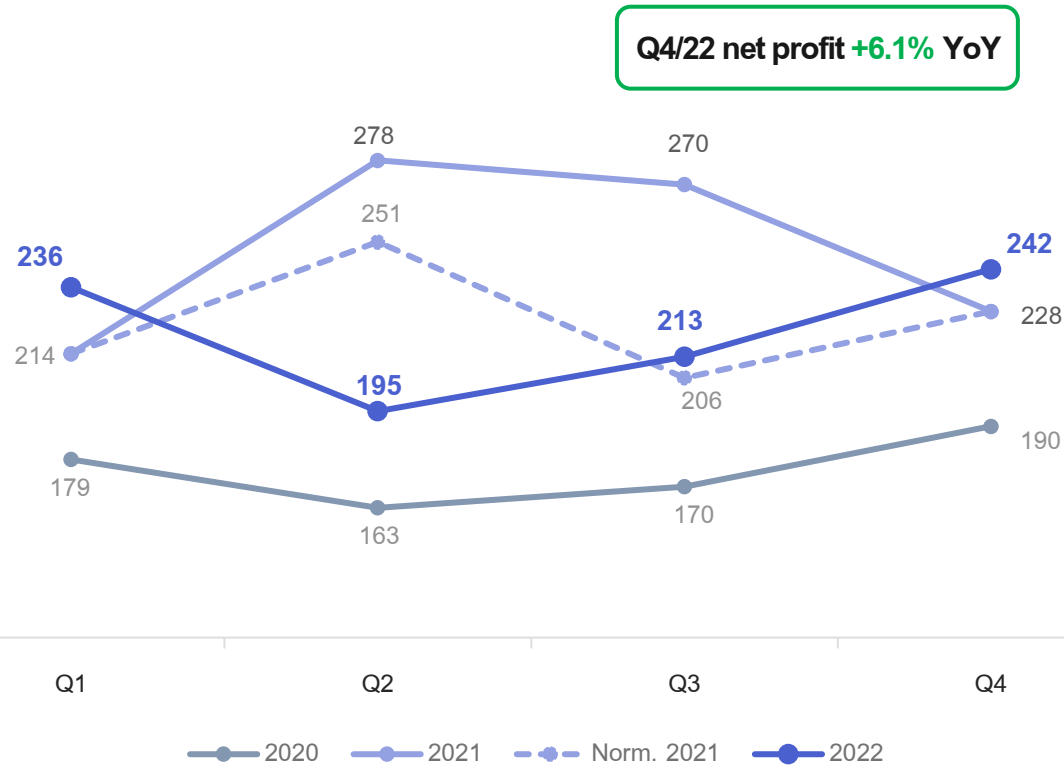
Normalized profit

TQR's one-off (provision reversal)

Gain from bargain purchase

Quarterly profit was in line with normal seasonality

Quarterly net profit Million Baht

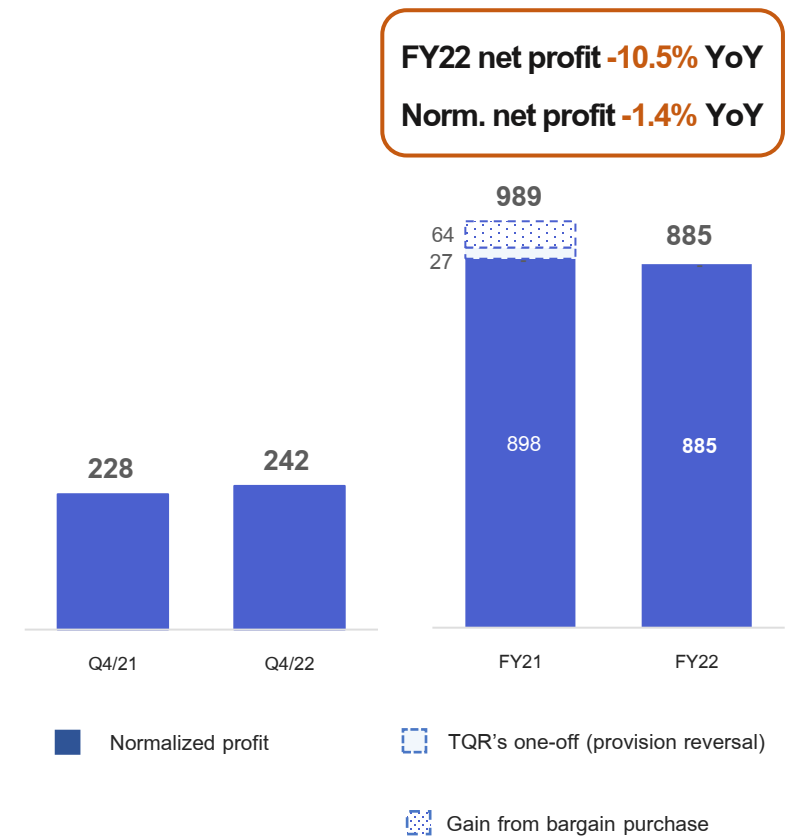


Normalized net profit excludes

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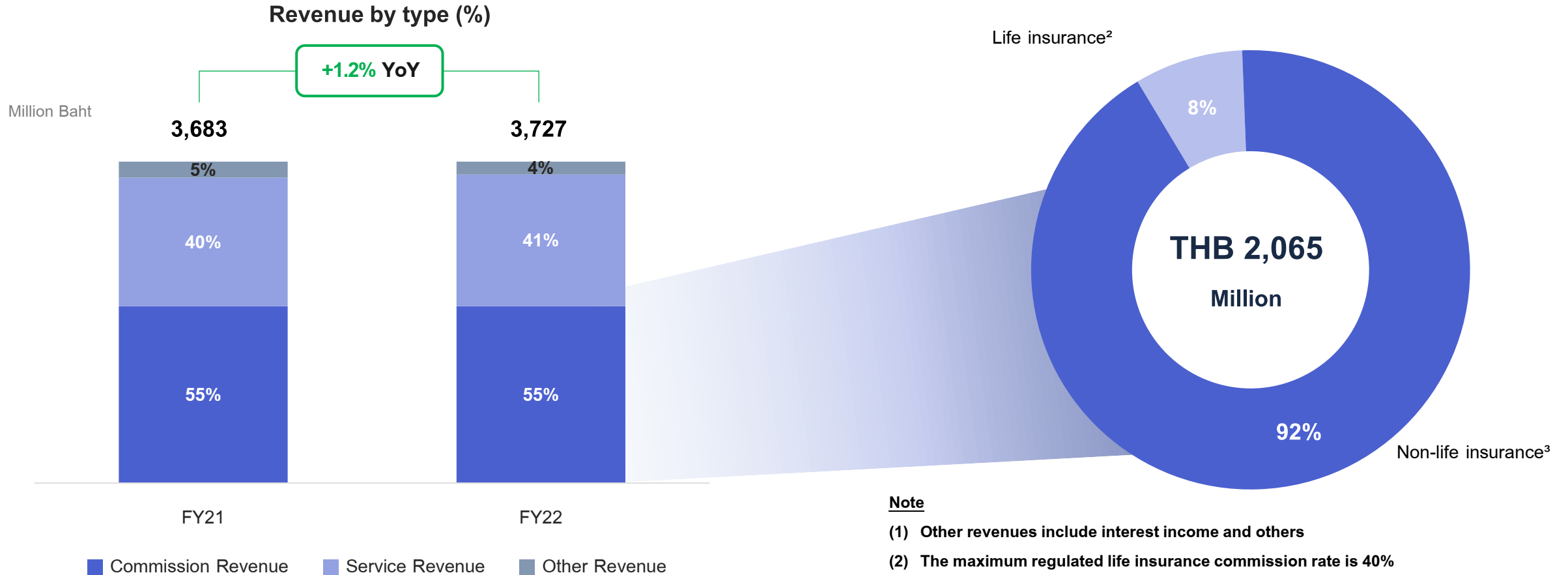
Normal net profit increased YoY

Quarterly performance Full Year performance Million Baht



Growth in normal business remained solid

Commission and service revenue grew YoY along with economic recovery and market potential.
Life insurance also grew significantly YoY.

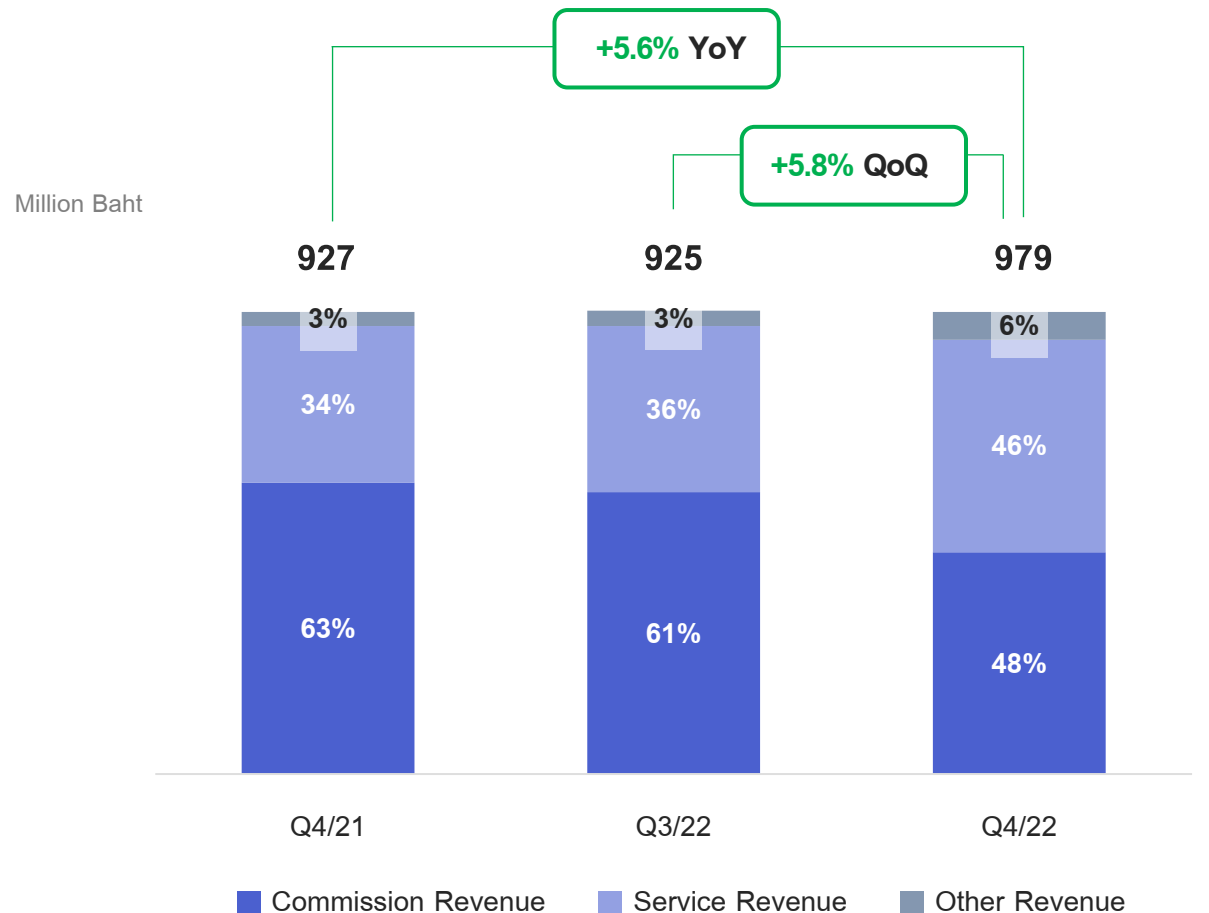


Note

- (1) Other revenues include interest income and others
- (2) The maximum regulated life insurance commission rate is 40%
- (3) The maximum regulated motor insurance commission rate is 18% and fire insurance commission rate is 23%

Note:

Revenue of TQM by type (%)



Key Summary

- Total revenue grew YoY and QoQ mainly from core products: motor insurance and home insurance, as well as life insurance.
- Commission and service revenue proportions changed due to the consolidated TQR revenue being booked under service revenue, rather than commission revenue.

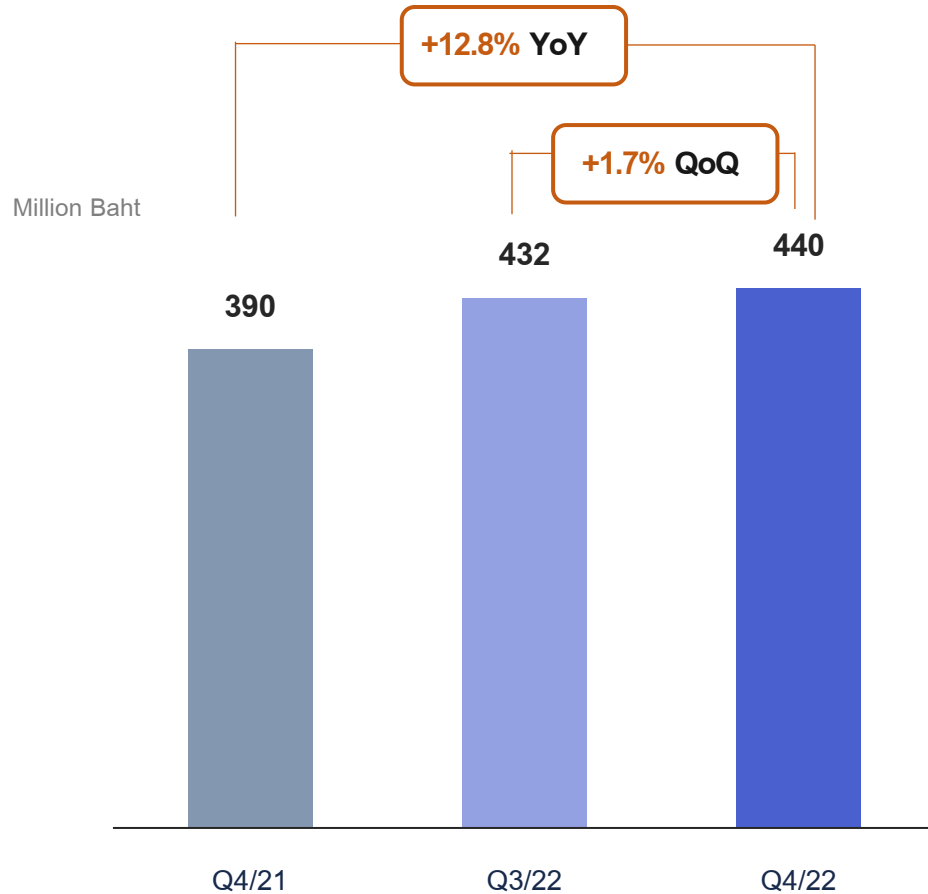
Note:

- 2021 results were restated after the consolidation of TQR's financial statements in 2022 results

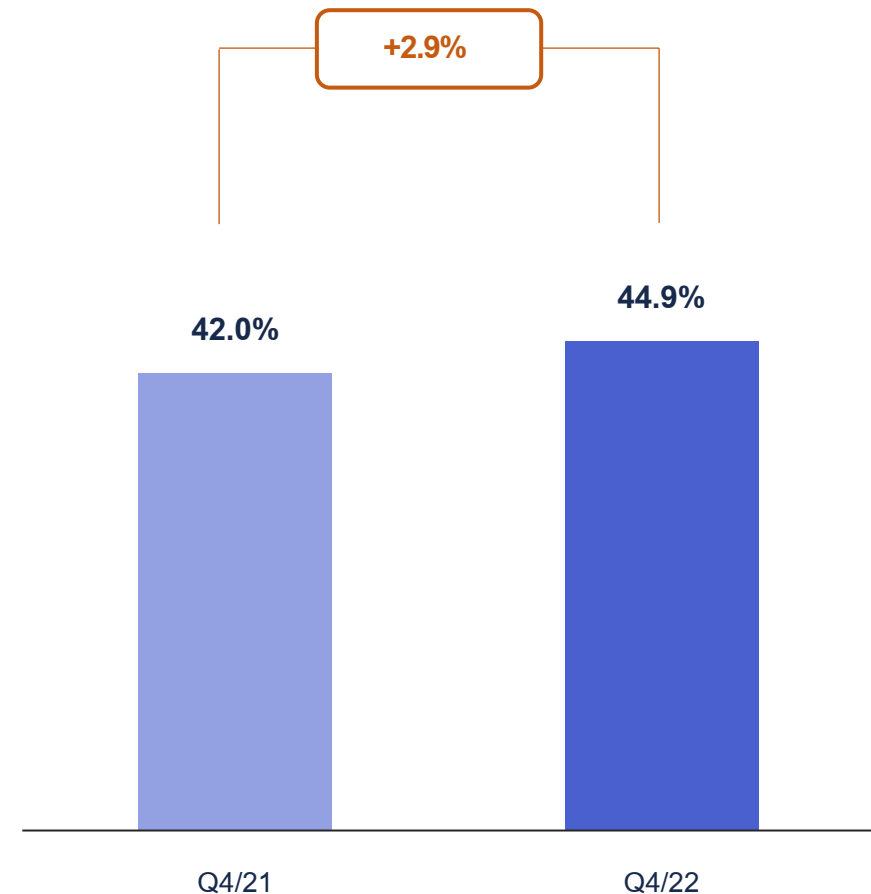
FY22 Results Presentation

Service cost increased from incentive for faster-growing new motor insurance

Service cost



Service-cost-to-income

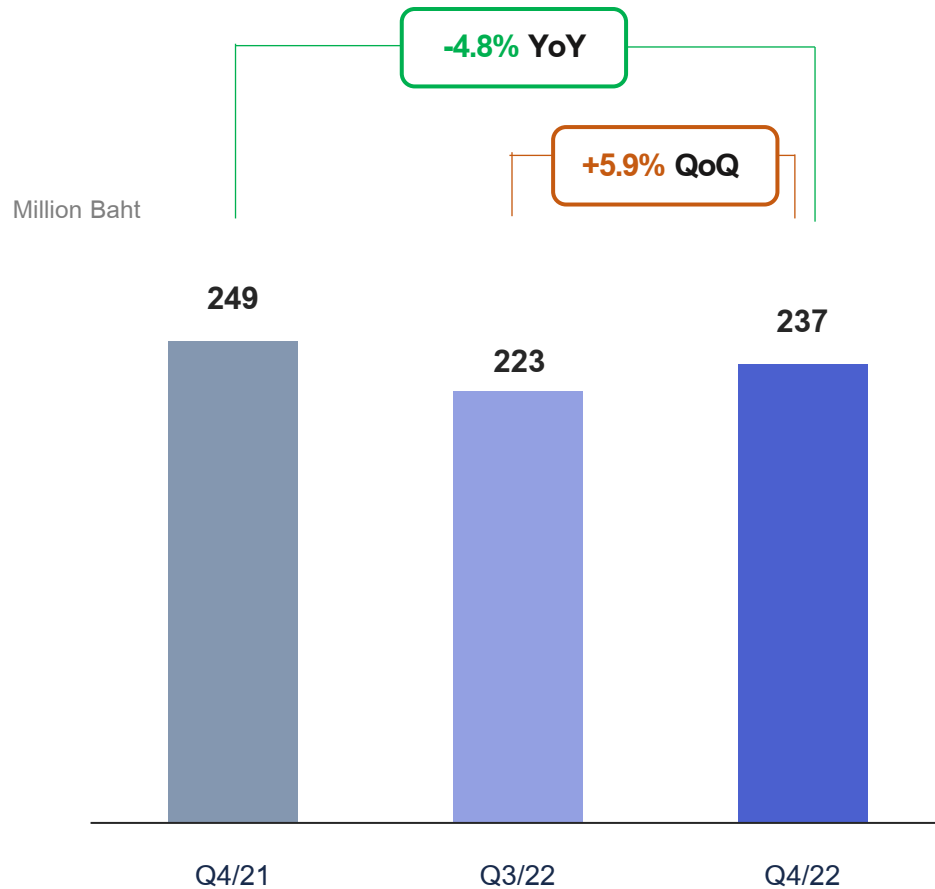


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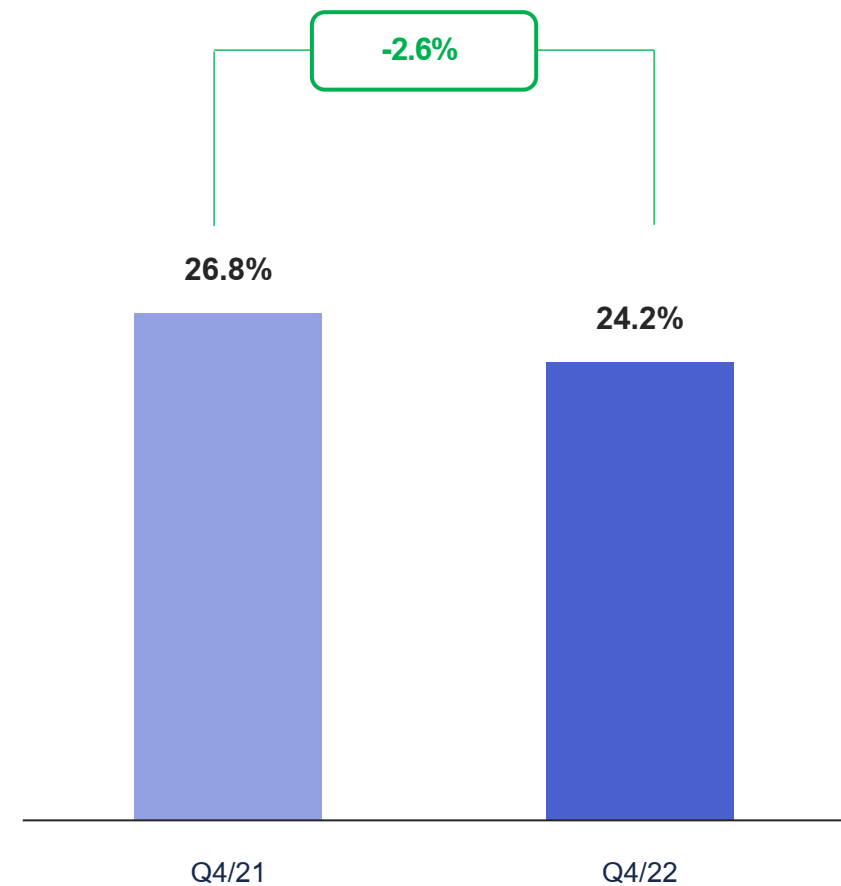
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Admin expenses increased to support business expansion

Admin Expenses



Admin Expenses to Income

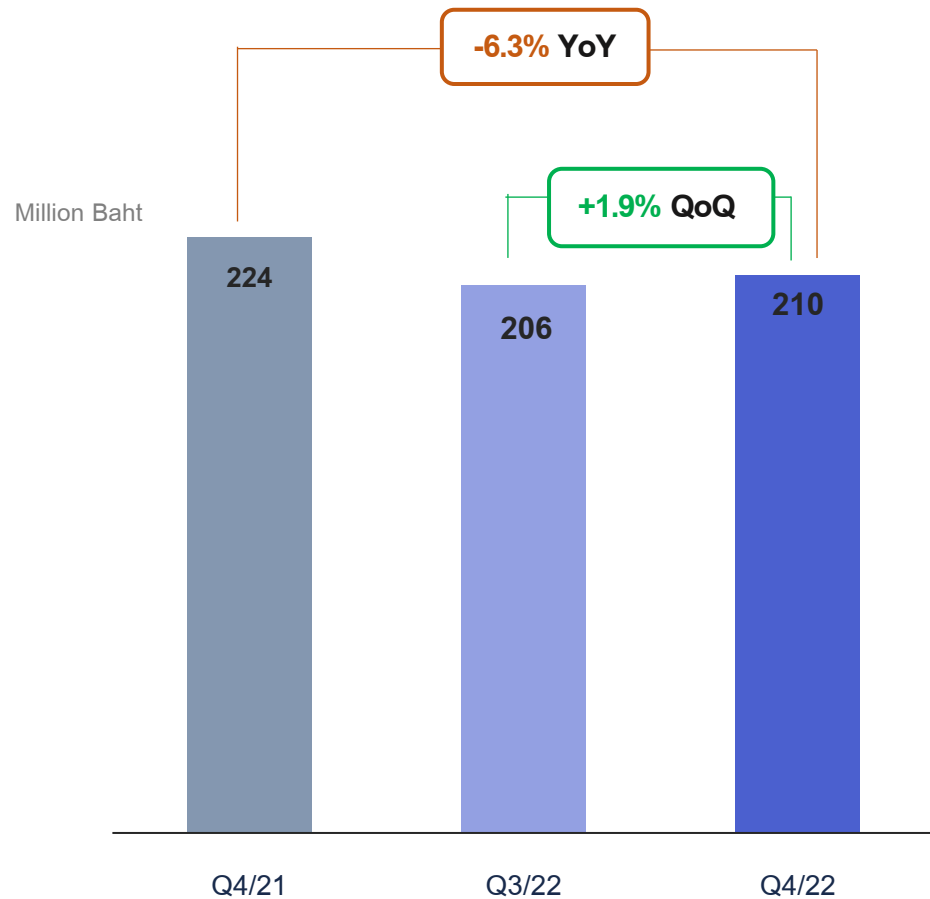


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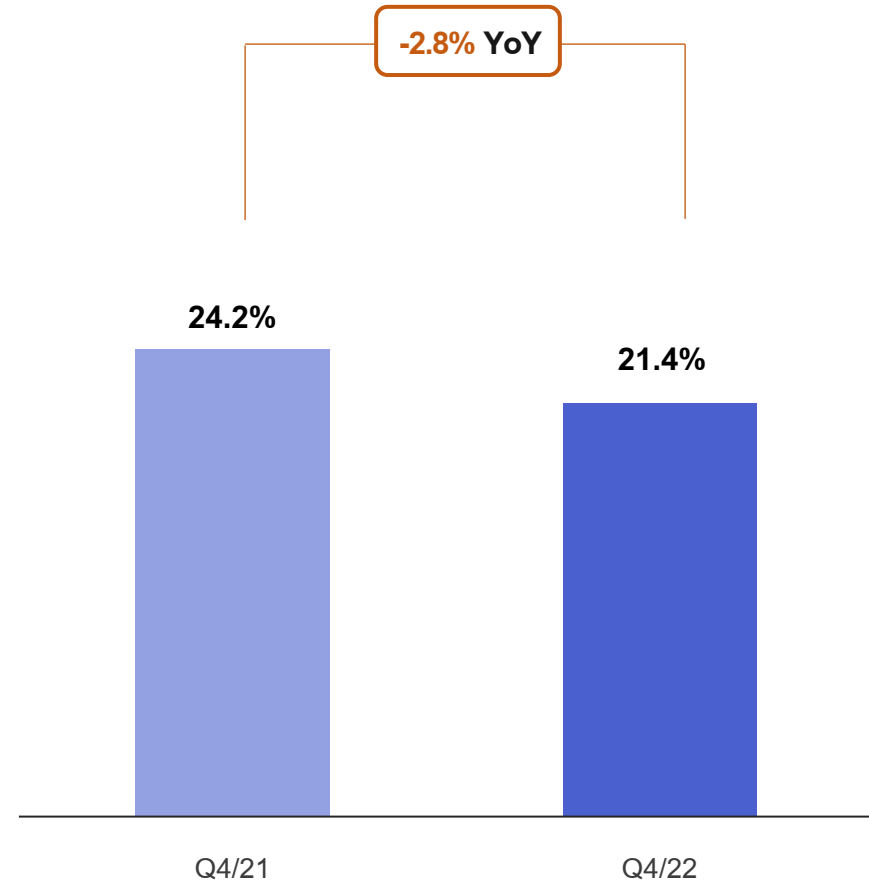
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Normalized net profit – owner of parent

Net profit – owners of parent



Net profit margin – owners of parent

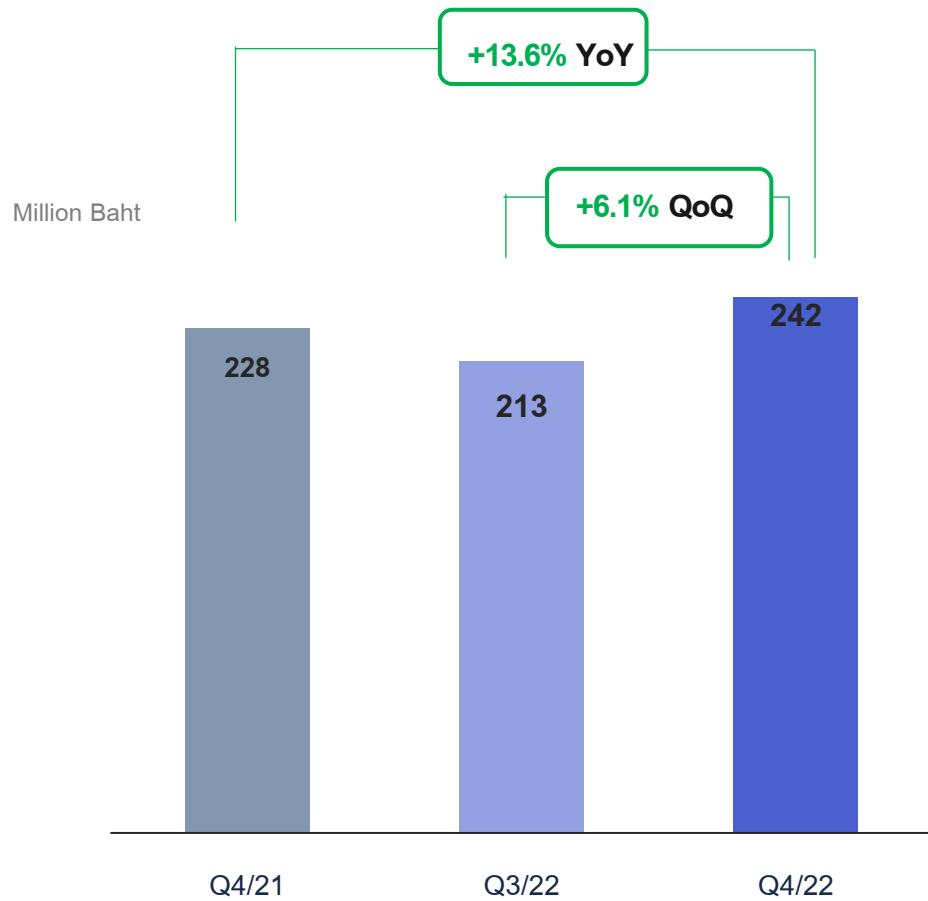


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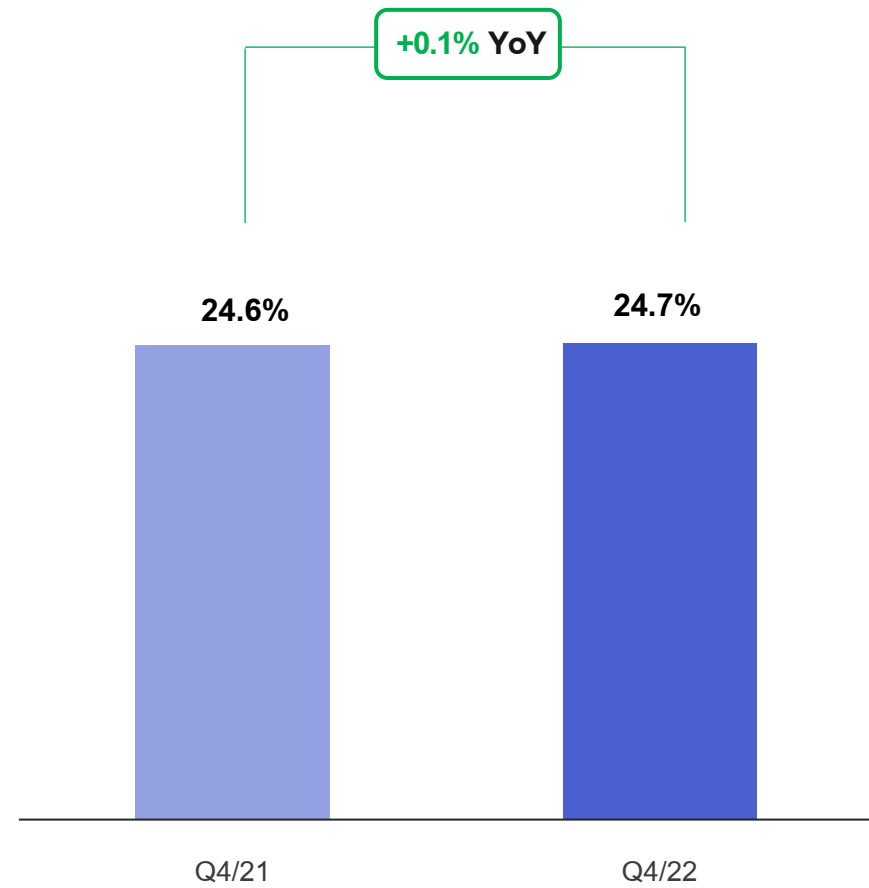
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Normalized net profit

Net profit



Net profit margin

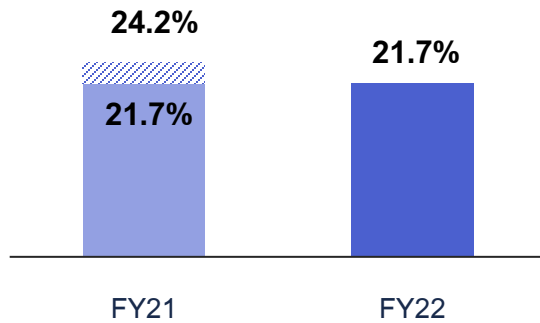


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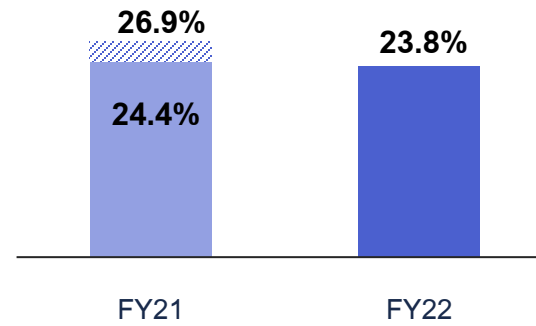
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Overall TQM performance in FY22

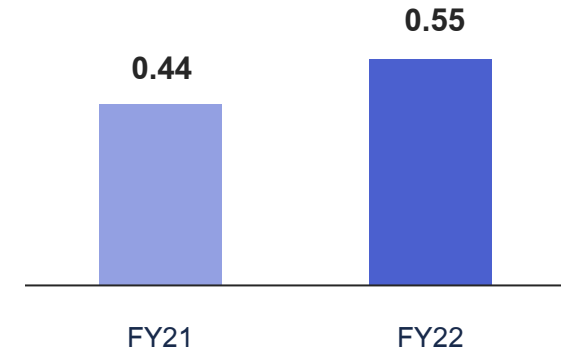
Net Profit Margin – owners of parent



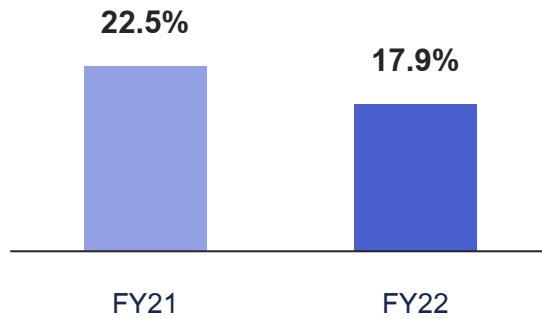
Net Profit Margin



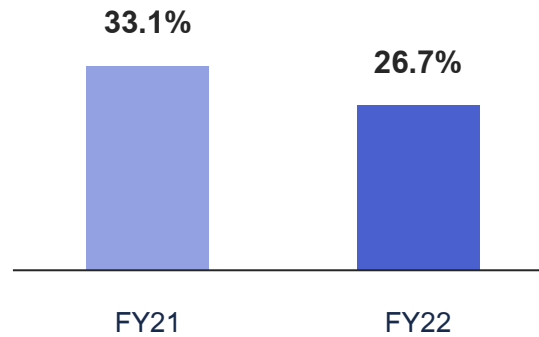
D/E Ratio



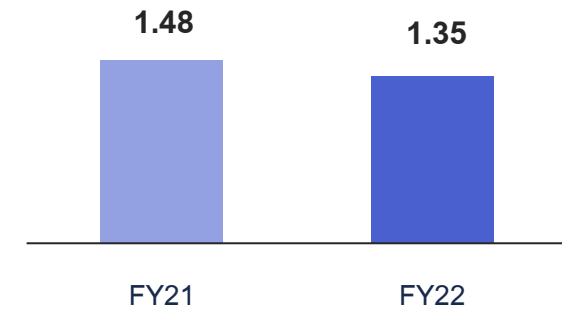
ROA



ROE



EPS (THB per share)



Note:

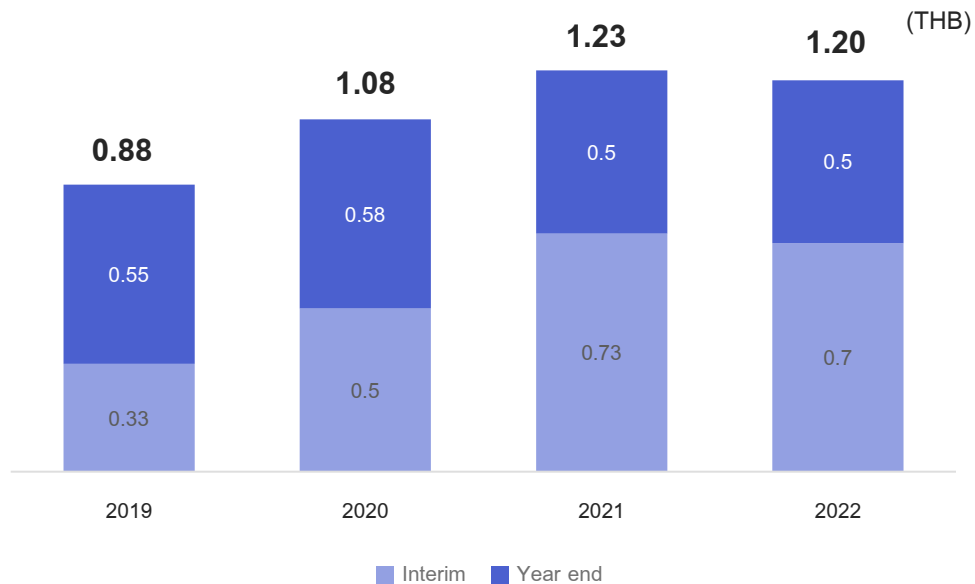
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Normalized net profit excludes

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BoD approved a dividend payment for FY2022 at 0.50 Baht

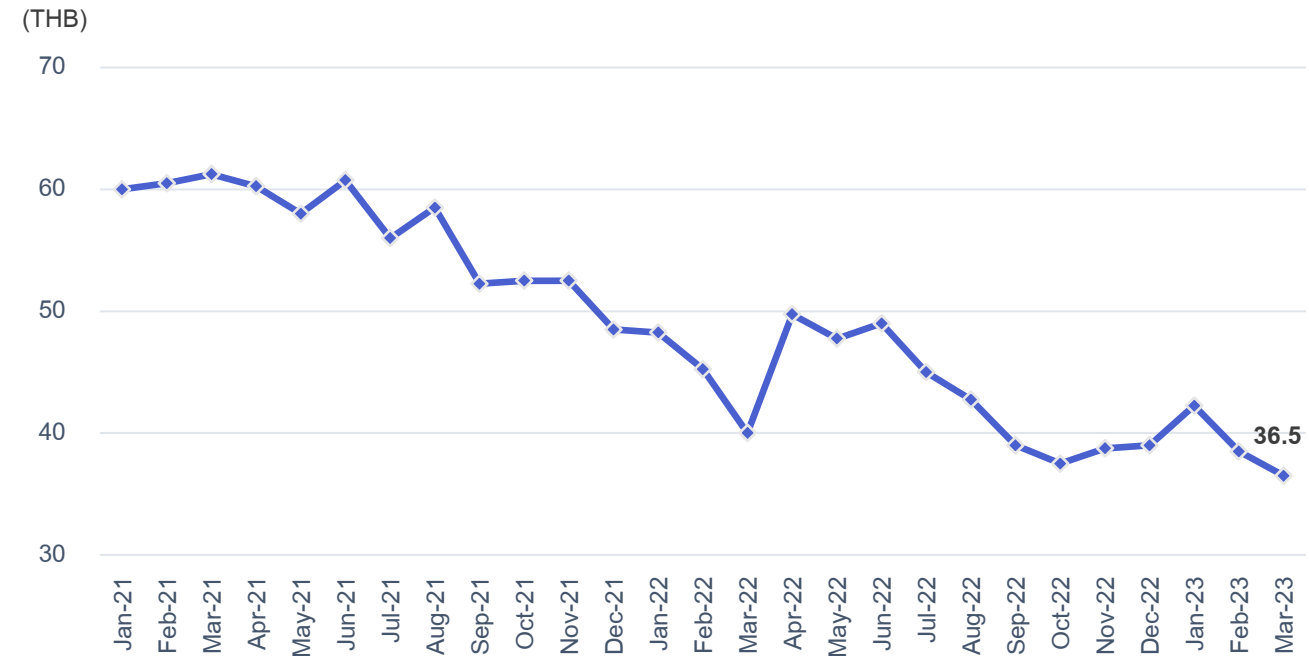
Dividend Payout according to profit from annual performance



Note:

- 1) Dividend payout in 2019-2021 were re-calculated at new par.
- 2) Dividend are paid twice a year.
- 3) 2022 Dividend is subject to AGM's approval.

Historical share price (at new par)



With consistent dividend payment, the dividend yield becomes more competitive at the current share price, as well as lower P/E ratio.

Insurance Solution



- Motor insurance grew along the economic recovery, especially new customers.
- The premium for home insurance nearly doubled compared to the previous year.
- Excluding COVID-19 insurance in 2021, A&H premium continued to increase with 10% growth driven by health conscious trend.


Financial Solution



- Partnership projects are in the pipeline
- Easy Lending invested in Cashnow Plus for further expansion in secured loan business

Tech Platform Solution



-  **SUREKRUB** is raising fund with potential investors.
- Builk joined with partners to create and launch new products for existing customer base
- TQD launched Friday application, supporting insurance agents and financial consultants

Target

Average of approx. 5 – 10%
revenue growth in 2023 - 2025

Strategic
direction

Sustainable Growth

Customer Happiness

Strategy

1

Finding
potential partner



2

Turn
Competitors
into Partners



3

Technology
Transformation



4

Data Driven



5

Human and
Culture



6

One Customer
Multiple
Products



7

M&A



Outlook: Insurance solutions

- Driven by trends in health awareness, recovering tourism and digital channels.
- TQM Insurance Broker + TQM Life Insurance Broker expects to grow portfolio > 10%.
- True Life aims for IPO in 2024.

Strategy

Finding potential partner

- Aim to collaborate with affiliate partners to leverage sales opportunities, and with insurance partners to foster mutual growth
- Team up with partner to create innovative products and stay up-to-date with emerging trends such as cybersecurity and environmentally sustainable and socially responsible (ESG) products.

Technology Transformation + Data Driven

- Implement technology to improve work efficiency
- Drive operational improvement with technology and quality people

One Customer Multiple Products

- Expand customer base with more diversified products for cross selling aiming to maximize customer lifetime value

Outlook: Financial solutions

- Expect high growth to keep pace with the expansion of core business.
- Manage risks conservatively and anticipate little to no NPL
- Easy Lending aims for IPO in 2025.

Strategy

Finding potential partner

- Choose partners from diverse industries to expand channel and customer base
- Plan to partner to establish 8,000 service centers nationwide to enhance accessibility and reach a broader customer base.

Human and Culture

- Provide knowledge sharing and training to ensure our team and partners have the necessary product knowledge to effectively expand and reach more customers.

One Customer Multiple Products

- Develop new products beyond insurance loan that meet the evolving needs of our customers.

Outlook: Tech platform

- Bulik plans for IPO in 2026 and aims to be “Digital Business Enabler”.
- SureKrub is raising fund for business expansion.

Strategy

Finding potential partner

- Partner with affiliate platforms to expand reach and increase sales opportunities.

Technology Transformation + Data Driven

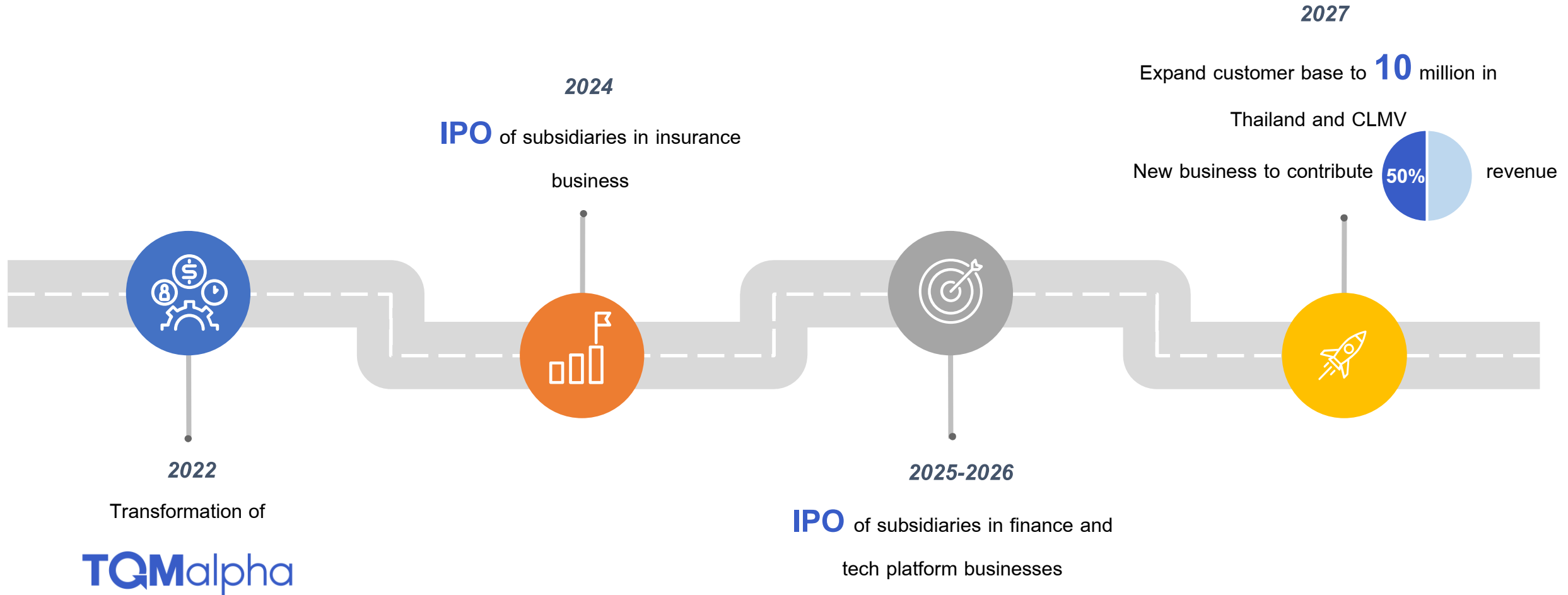
- Implement digital transformation to optimize work efficiency through the integration of AI and the utilization of data analytics to gain valuable customer insights.

Human and Culture

- Create learning environment to attract talents
- Explore new channels for talent acquisition

One Customer Multiple Products

- Collaborate with partner to create innovative products, and to become a trusted solutions provider for customers.
- Offer additional service, such as financial service, insurance add-ons
- Explore opportunities in after-sales motor tech services to establish a one-stop shop for car servicing needs.



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