

28 February 2024

Subject Management Discussion and Analysis for the year ended 31 December 2023

To Managing Director

The Stock Exchange of Thailand

We, Srisawad Capital 1969 Company Limited (the “Company”), would like to provide an overview of the financial performance for the year ended 31 December 2023 with details as below.

Company Overview:

The Company has successfully expanded its market and captured the No.1 market share leader in the motorcycle hire purchase business in the country. This has enabled the Company to effectively control market mechanisms, and thereby increase revenues and opportunities to offer other products to its customers. The position also allowed the Company to strengthen debt quality control throughout the year 2023 and into 2024.

The trend of losses from repossessed vehicle sales is expected to continuously decrease as the Company has reduced the loan amount per customer and selected customers more carefully throughout the year 2023, which will positively affect the financial performance starting from the year 2024 onwards.

Operating Results:

The financial performance for the year ended 31 December 2023, the Company and its subsidiaries had consolidated net profits totaling 958.62 million Baht. This represents a decrease of 175.97 million Baht or 15.51 percent YoY. The total assets ended 31 December 2023 were 38,203.91 million Baht, increased 13,054.70 million Baht or 51.91 percent from 25,149.21 million Baht for the end of year 2022. This reflected the strength of the Company and its subsidiaries’ financial position. The details are as follows:

1. Factors Related to Income

1.1 Interest income

For the year ended 31 December 2023, interest income totaling 6,112.85 million Baht, increased 98.89 percent YoY. The increase was mainly due to portfolio expansion of the Company and its subsidiaries from 21,073.59 million Baht for the end of year 2022 to 34,044.84 million Baht for the end of year 2023, an increase of 12,971.25 million Baht or 61.55 percent.

1.2 Other Income

For the year ended 31 December 2023, other income totaling 1,051.82 million Baht, increased 49.03 percent YoY. The majority was contributed from insurance commission income from introducing insurance plans and fee income of subsidiaries.

2. Factors Related to Expenses

2.1. Operating Expenses

For the year ended 31 December 2023, operating expenses totaling 3,961.28 million Baht increased 105.62 percent YoY due to the increase in marketing expenses and personnel expenses according to the rapid growth of the loan business and the increase of the loss from repossessed motorcycle sales.

2.2. Expected Credit Loss

For the year ended 31 December 2023, the expected credit loss was totaling 1,116.23 million Baht, increased in accordance with an increase in loans and account receivables as described above.

2.3. Finance Costs

For the year ended 31 December 2023, finance costs totaling 878.29 million Baht increased 122.54 percent YoY. The increase corresponds to the increase in the borrowings which follows the expansion of the loan portfolio including the higher market reference interest rate.

Financial Position as of 31 December 2023

1. Total assets

The total assets as of 31 December 2023 were 38,203.91 million Baht, increased 51.91 percent from the end of year 2022. This was mainly due to an increase in loans to customers of the Company and its subsidiaries.

2. Total liabilities

The total liabilities as of 31 December 2023 were 28,262.86 million Baht, increased 101.73 percent from the end of 2022. The increase was mainly due to an increase in borrowings from related parties and the issuance of debentures to support the portfolio expansion of the Company and its subsidiaries.

Best regards,

Wichit Phayuhanaveechai
(Mr. Wichit Phayuhanaveechai)
Chief Executive Office