



# Analyst Meeting YE2019

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6 March 2020

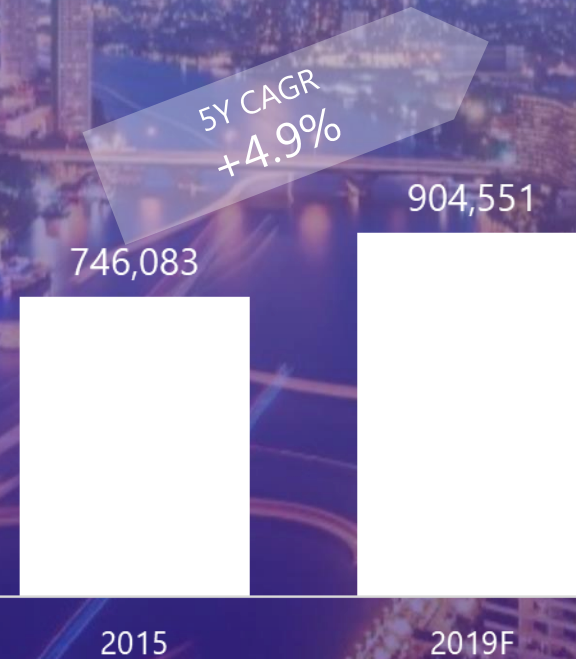


# A Snapshot of Insurance Market Y2019

## Thailand is 2<sup>nd</sup> Largest Market in AEC



## Insurance Premium growth is driven by macroeconomics



Government promotion of financial inclusive schemes



High growth in new cars purchased



Higher awareness among Thai population



# TQM's 2019 success



**ประกันสุขภาพ**  
**“อุ่นใจรักชี ดีไลท์”**

- ✓ คุ้มครองสูงสุด 1.5 ล้านบาท
- ✓ ผ่อน 0%

\*รักษาพยาบาลในเครือรพ.กรุงเทพและในเครือ BDMS  
รับประกันโดยวิริยะ ประกันภัย

*Launched  
motor & non motor  
insurance*  
to attract customers with  
short-term demand



ประกันรถยนต์รายเดือน

**ผ่อน 0%**  
**นาน 10 เดือน**

TQM



**TQM FOR LADY**

**ยื่นหนึ่งเพื่อผู้หญิง**

“เข้าใจทุกความต้องการของสาวๆ”

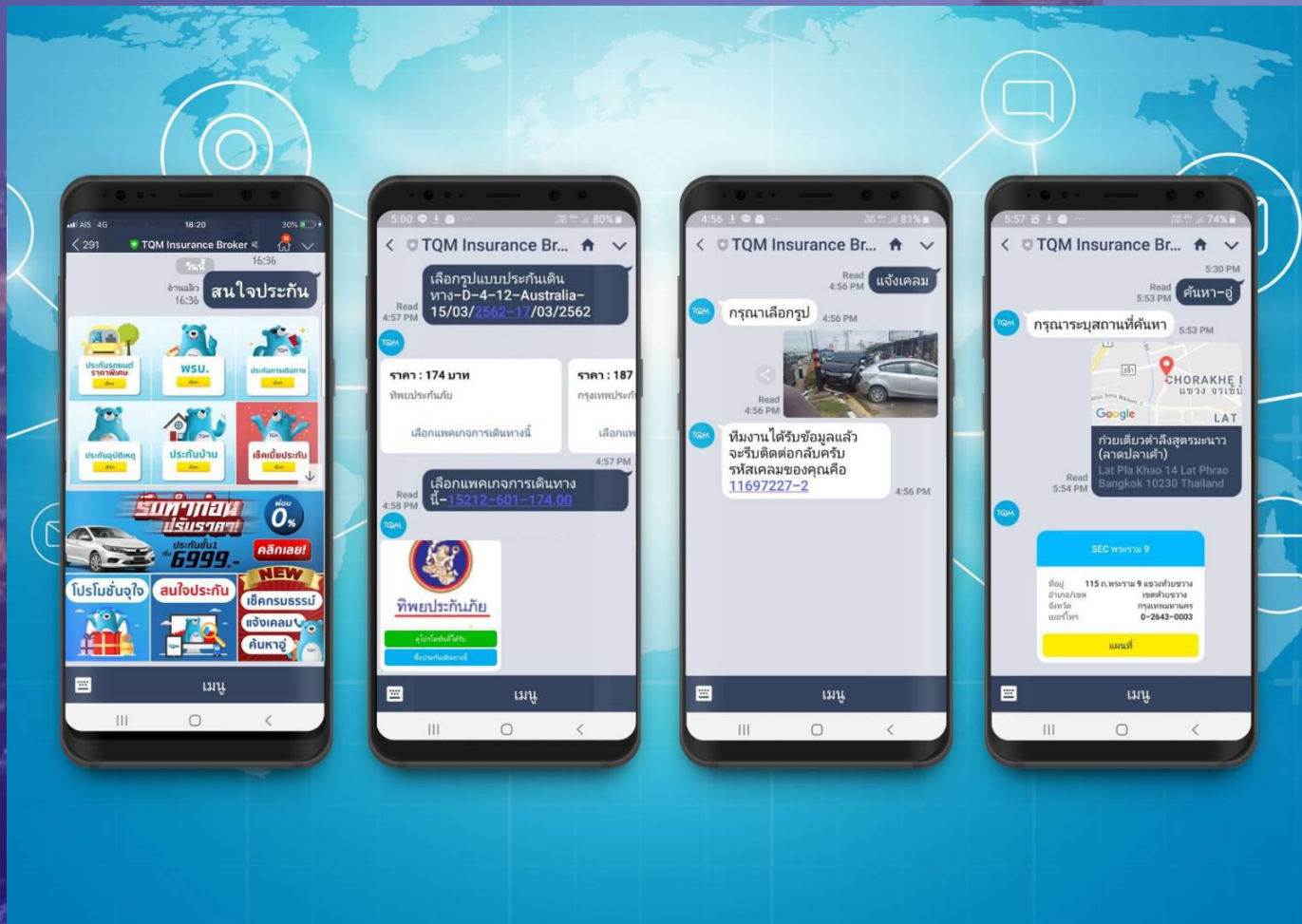
♦ ประกันที่ออกแบบมาเพื่อคุณ ♦

- ✓ ประกันรถยนต์
- ✓ ประกันอุบัติเหตุ
- ✓ ประกันเดินทาง
- ✓ ประกันมะเร็ง
- ✓ ประกันบ้าน

TQM



# TQM's 2019 success



**TQM is a market leader in  
*Insurance Social Platform***

- ✓ ***17.5 Million followers***
- ✓ ***The first and only company in Insurance industry with LINE customer connect (Chat & Call)***
- ✓ ***More than 600,000 customer interaction via TQM's LINE BC***
- ✓ ***84% successful transactions via TQM Chatbot***



# TQM's 2019 success



## 3 Partnership projects

- TQM x KTC – Co-promotion
- TQM x 3BB – Co-promotion
- TQM x GSB – Infinity Credit Card





# TQM's 2020 success



*First in the market to launch Coronavirus Insurance  
20,000+ Policies sold*




*First in the market to launch insurance product as Insurance Gift*



*Launched monthly motor insurance to attract customers with short-term demand*



A silhouette of a man holding a baby against a bright sunset background. The man is on the right, leaning over the baby on the left. The background is a warm, golden glow from the setting sun, with blurred trees and a fence visible.

TQM's Ultimate Vision

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***We aspire to help  
Thai people  
access to Insurance***

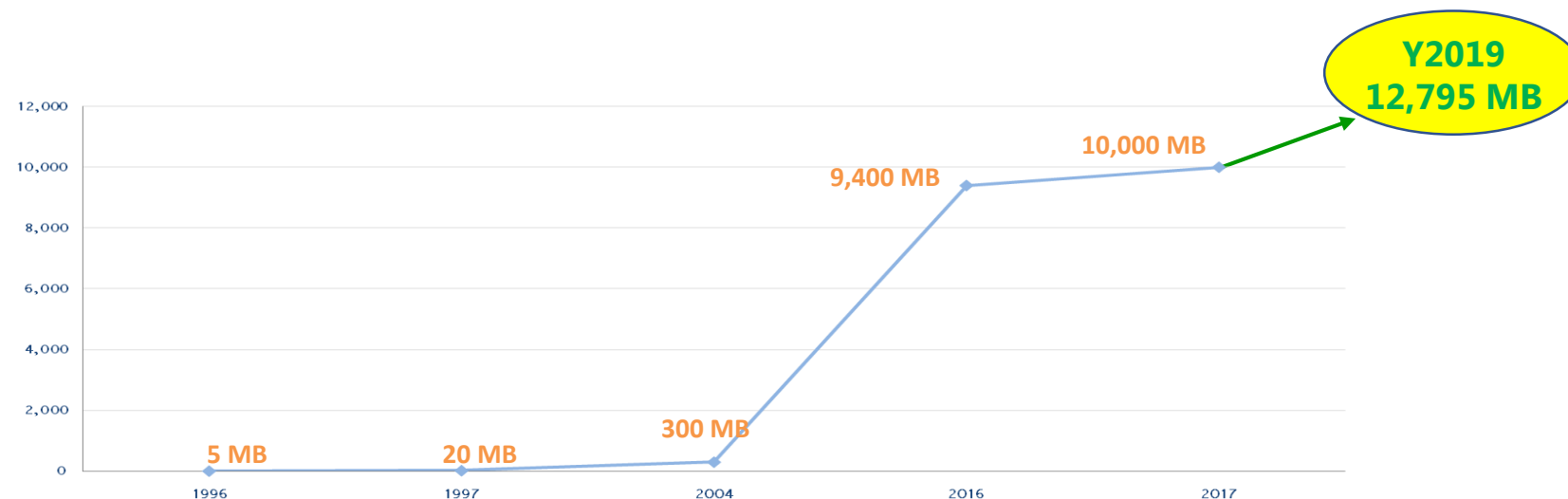
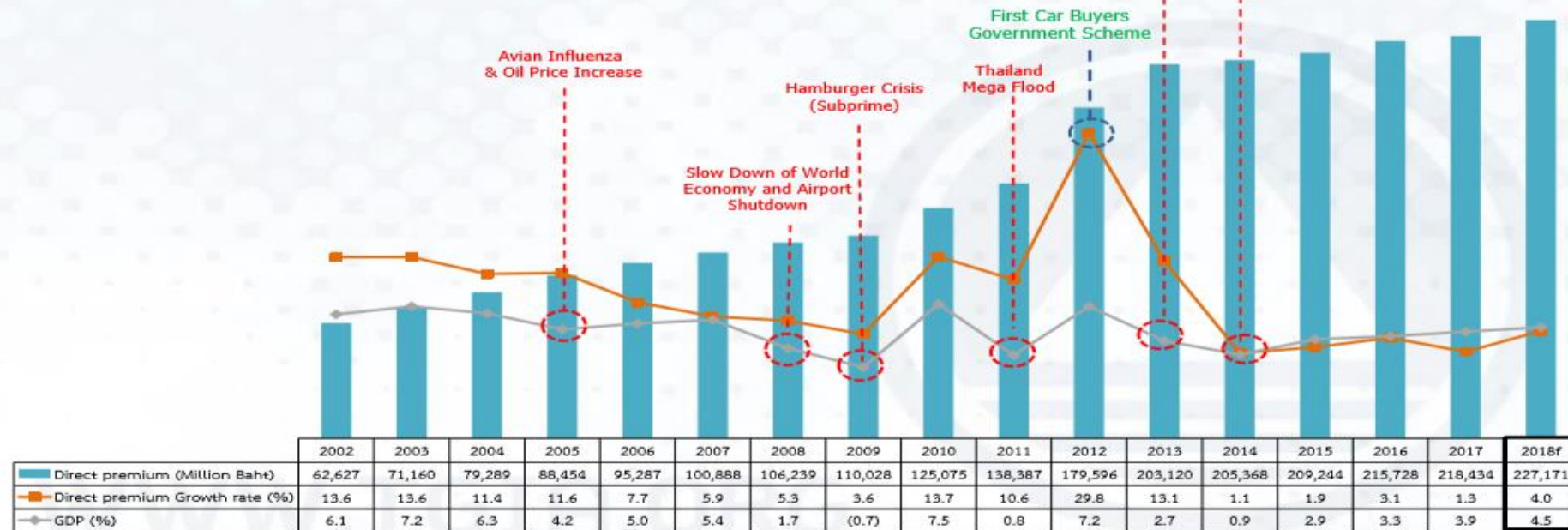


2020 is  
going to be  
a tough year  
for everyone  
...





TQM is a broker business who *does not suffer* from crises





# A brokerage position



## ***Insurer***

### **Revenue**

- Insurance premium

### **Cost**

- **Incurred losses**
- Service expenses



## ***Broker***

### **Revenue**

- Commission on insurance premium

### **Cost**

- Service cost
- Marketing and administrative cost



# 2020 Vision





**Digital is disrupting  
*Insurance industry***



**The future is not the  
same.**



2020 Vision



**Number 1**  
***Digital Insurance***  
***Broker in Region***



Goal



**50,000 MB**

**On Insurance Premium  
Y2026**

# TQM Strategy Y2020 - 2026



Target:  
50,000 MB on  
Insurance Premium  
Y2026



01 | Strengthen  
existing channels



02 | Grow sales  
through  
cross-selling



03 | Enhance  
insurance  
ecosystem  
through strategic  
partnership



04 | Grow  
inorganic through  
M&A



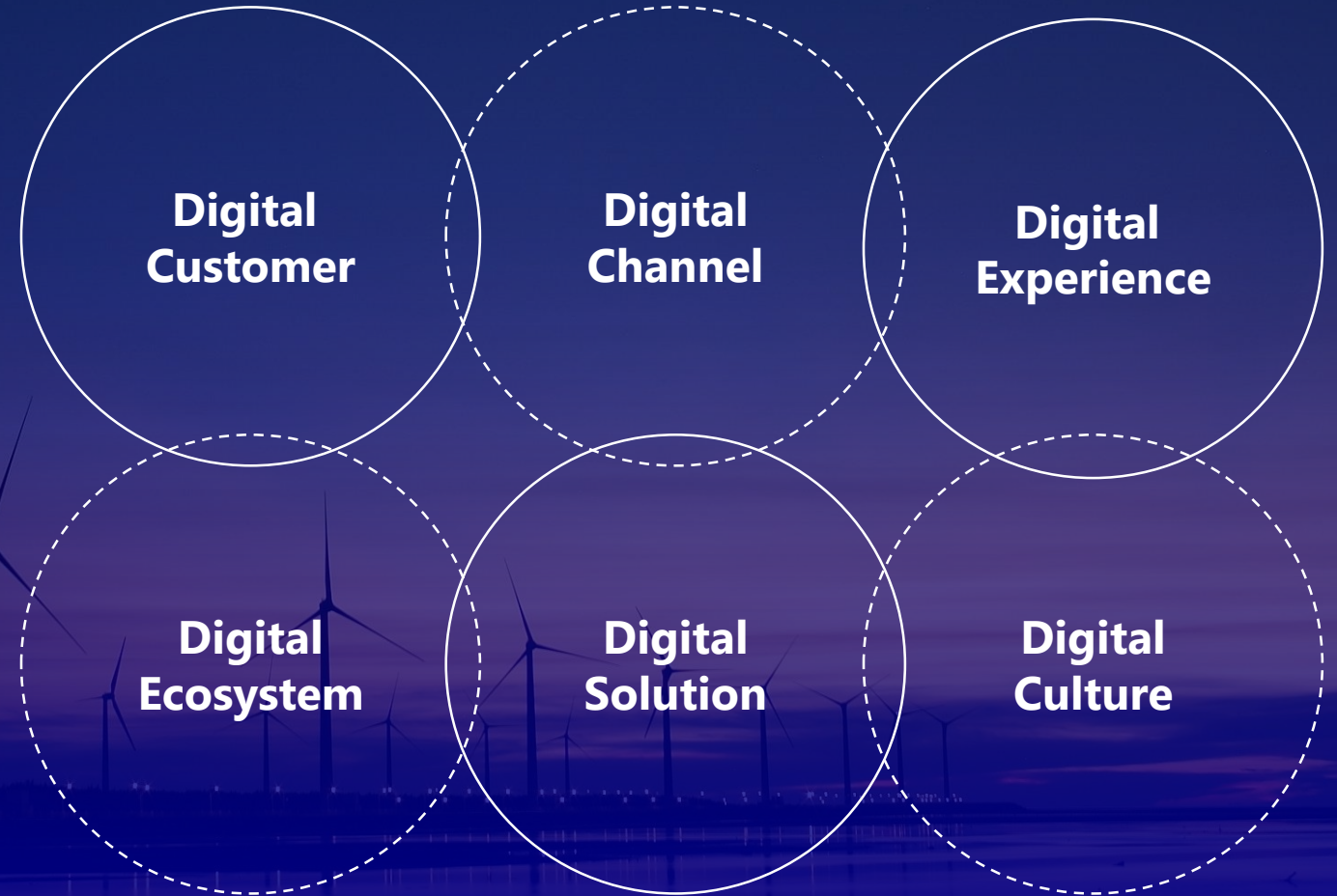
05 | Expand  
Regional

**Digital Strategy**  
**Number 1 Digital Insurance Broker in Regional**



Digital Strategy

**Number 1**  
**Digital Insurance**  
**Broker in Regional**



## 2020 Vision

Digital customer

*The best innovative insurance products for every lifestyle*

2019's success

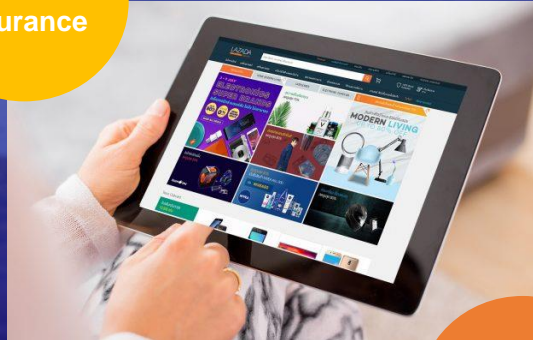


More success in 2020

Virus Corona Insurance



E-Commerce Insurance



Sport Insurance

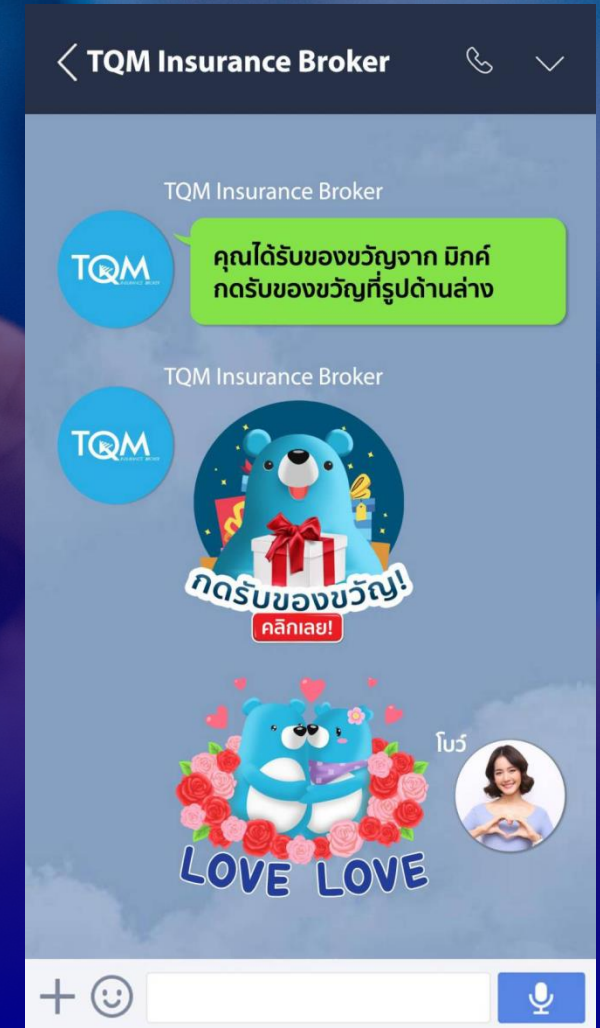




## 2020 Vision

Digital channel

*The best omnichannel experience for digital customers*





## 2020 Vision

Digital experience

***The best analytics tool  
to know the  
customers best  
through Big Data***





## TQM Digital Strategy

Digital ecosystem

***The best partnership  
to reach customers  
better and enhance  
insurance ecosystem***

### Insurance Companies



### Customer Supporting Businesses



### Selling Channel Affiliates



## TQM Digital Strategy

Digital solution

***The best technology to  
deliver the best  
product and service***



***LINE Chatbot, AI, Chat center***



***Usage-based Motor Insurance***



***Home Insurance estimation***



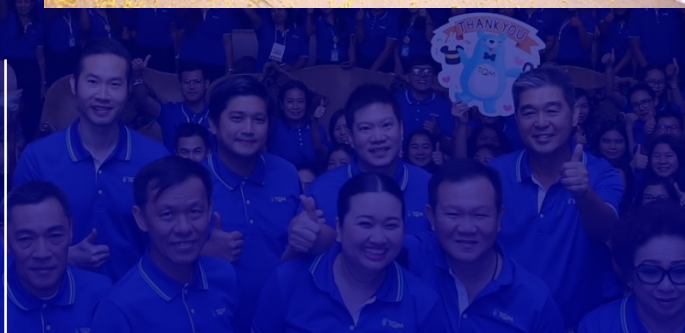
***E-Claim process for health and  
motor insurance***



# 2020 Vision

Digital people

***The best culture  
ready for the future***



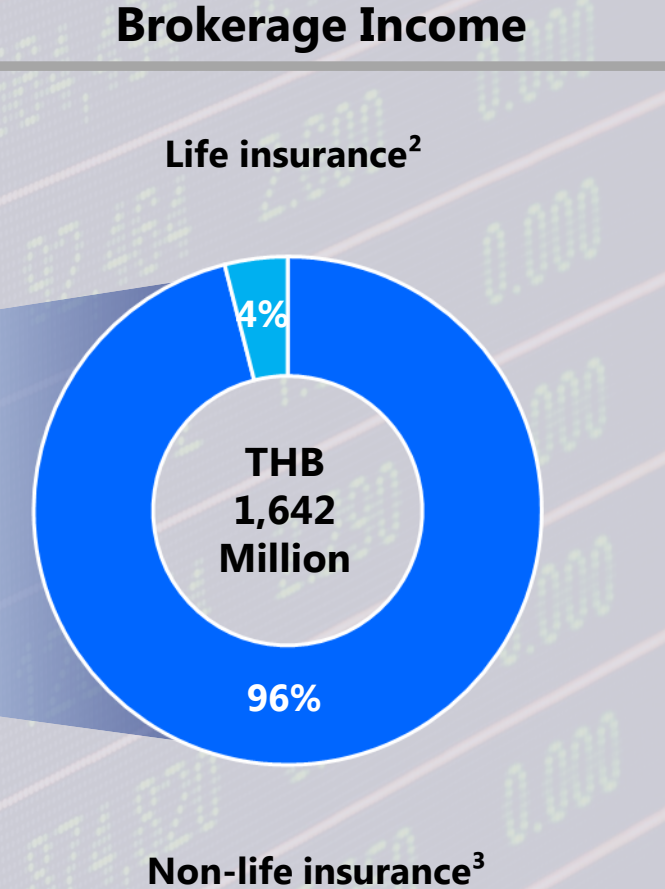
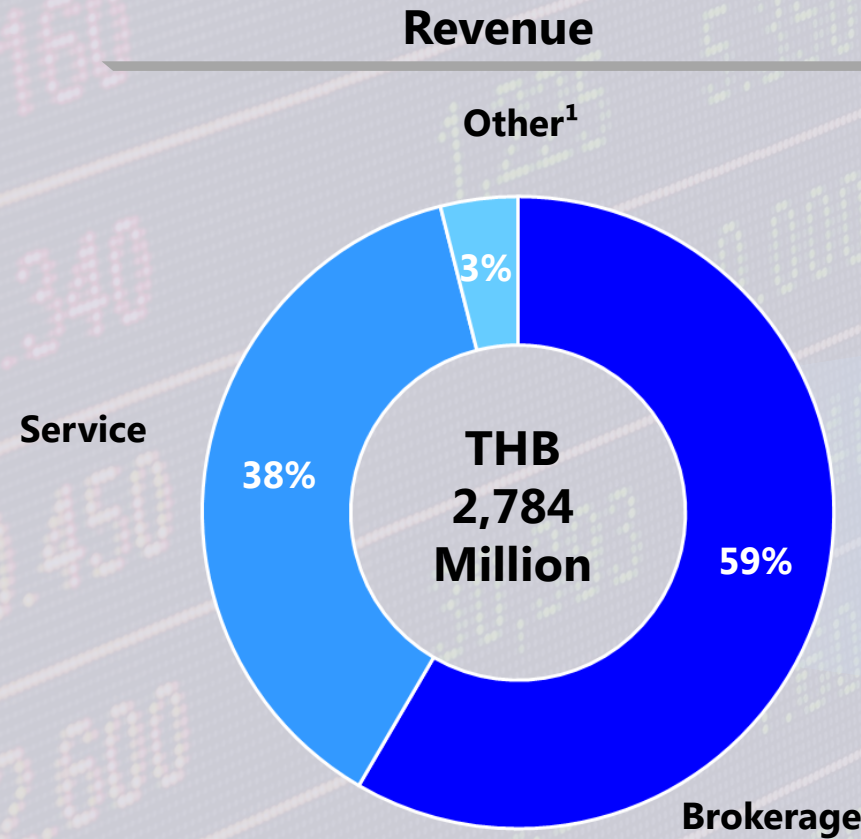


# Key Financial Highlights Y2019

- Revenue **+258.8 MB (10.2%)**
- Net Profit **+103.0 MB (25.5%)**



# Operating Results: Y2019



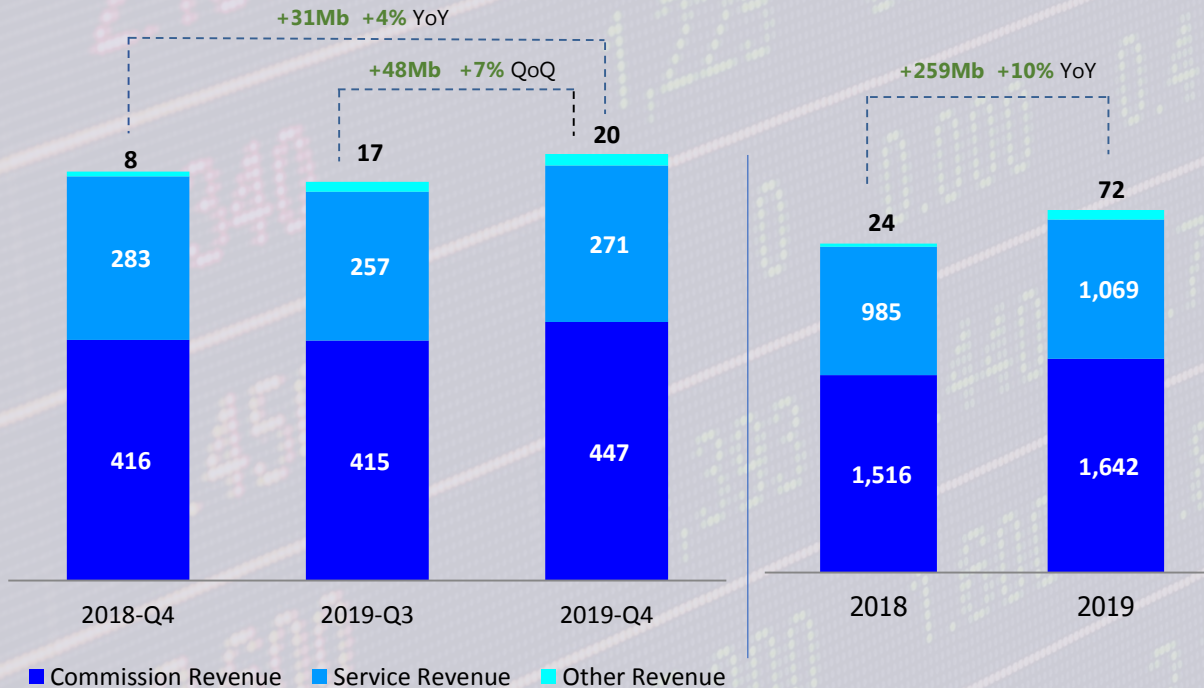
Note

- (1) Other revenues include interest income and others
- (2) The maximum commission rate of life insurance determined by regulation is 40%
- (3) The maximum commission rate of non-life insurance determined by regulation is 18%



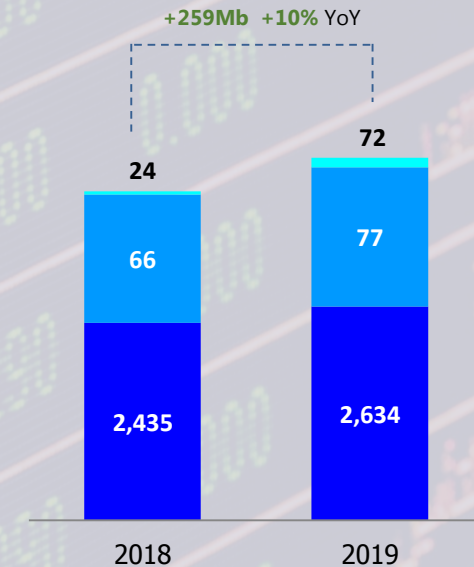
# Operating Results: Y2019

## Revenue by type



- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Total incomes increased by 48 MB or 7% QoQ and by THB 31 MB or 4% YoY from the grown premiums of life & non-life
- **12M/18 VS 12M/19:** Total incomes increased by 259 MB or 10% from the grown premiums of non-life and life insurances and greater number of sales, channels and consumers' confidence.

## Revenue by segment



- **12M/18 VS 12M/19:** Total incomes increased by 259 MB or 10% from the grown premiums of non-life and life insurances and greater number of sales, channels and consumers' confidence.

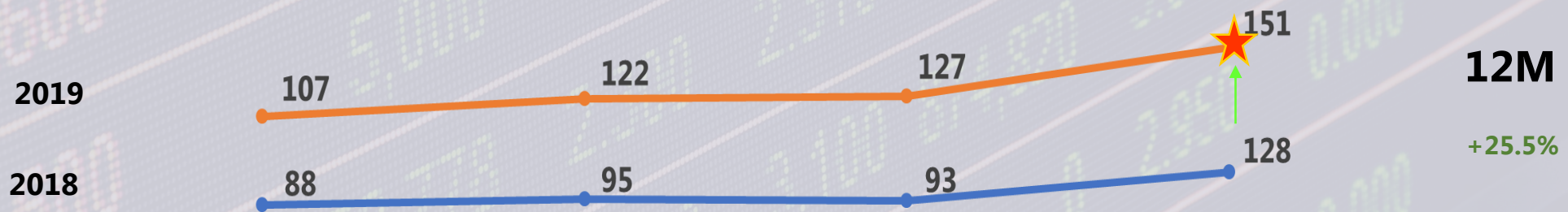


# Trend

## TQM | Quarterly Total Revenue



## TQM | Quarterly Net Profit

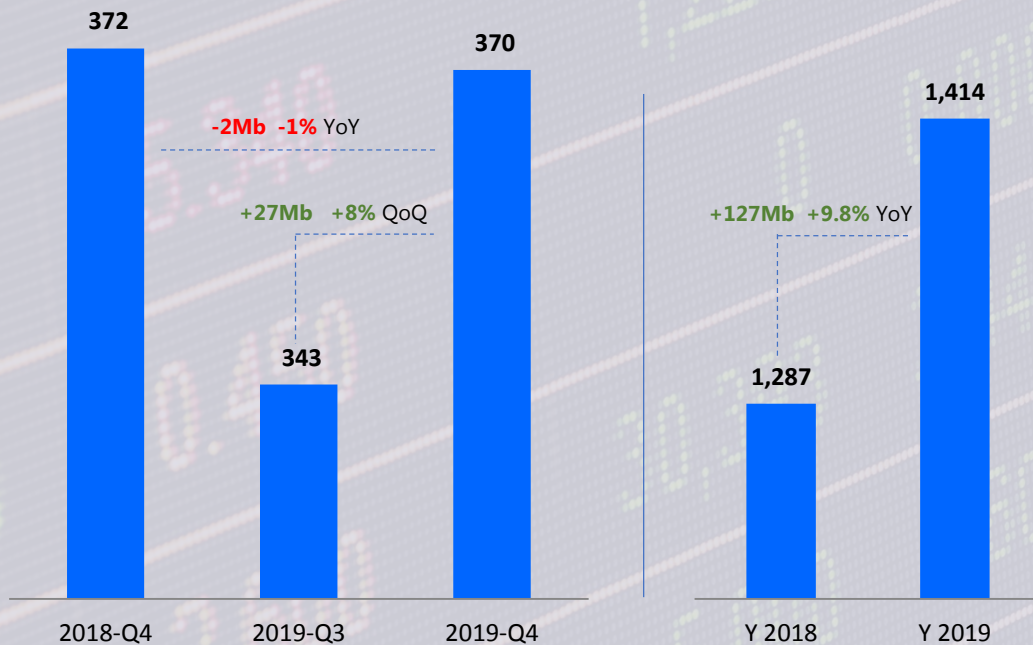


(THB million)



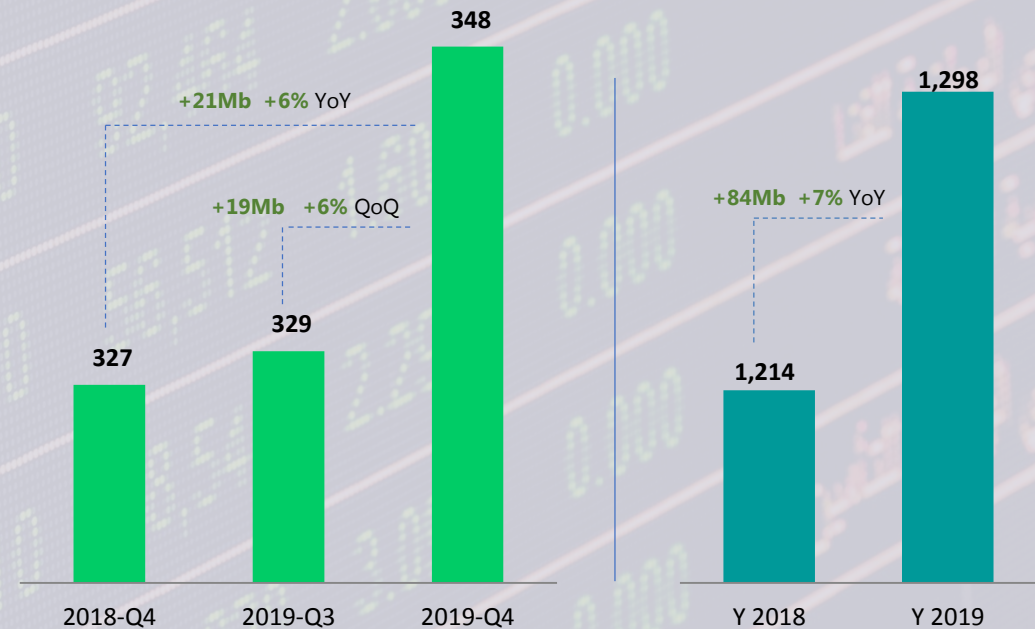
# Operating Results: Y2019

## Service Cost



- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Service cost increased by 27 MB or 8% QoQ and decreased by 2 MB or 1% YoY due to the increase in salespersons and grown premiums of non-life and life.
- **12M/18 VS 12M/19:** Service cost increased by 127 MB or 9.8% in line with an increase in operating incomes as well as the increase in 200-300 salespersons during Q1/19.

## Gross Profit

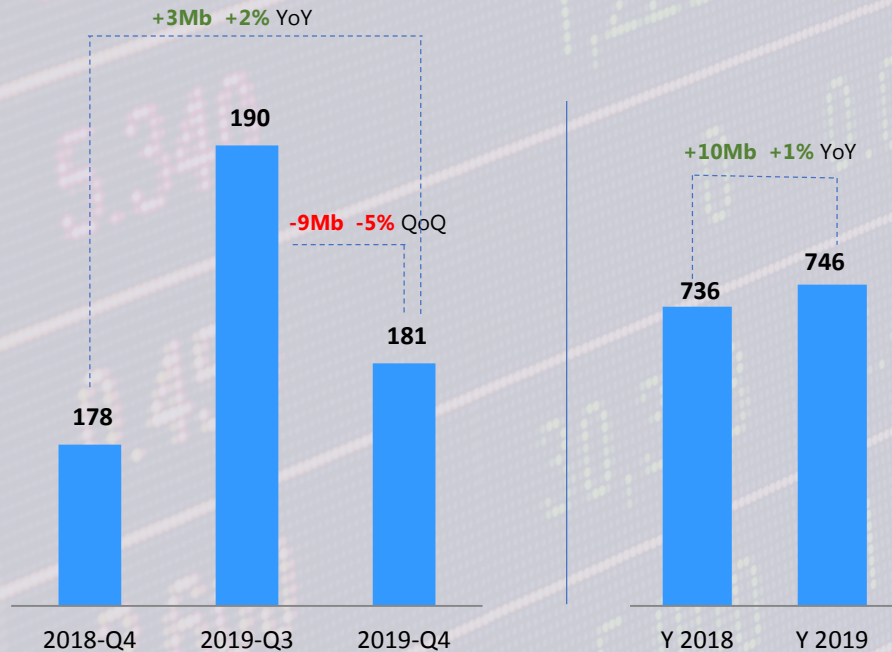


- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Gross profit increased by 19 MB or 6% QoQ and increased by 21 MB or 6% YoY due to the expansion in sales channels and the increase in salespersons and investment returns.
- **12M/18 VS 12M/19:** Gross profit increased by 84 MB or 7% due to the expansion in sales channels and the increase in salespersons, investment returns and greater number of insurance policies.



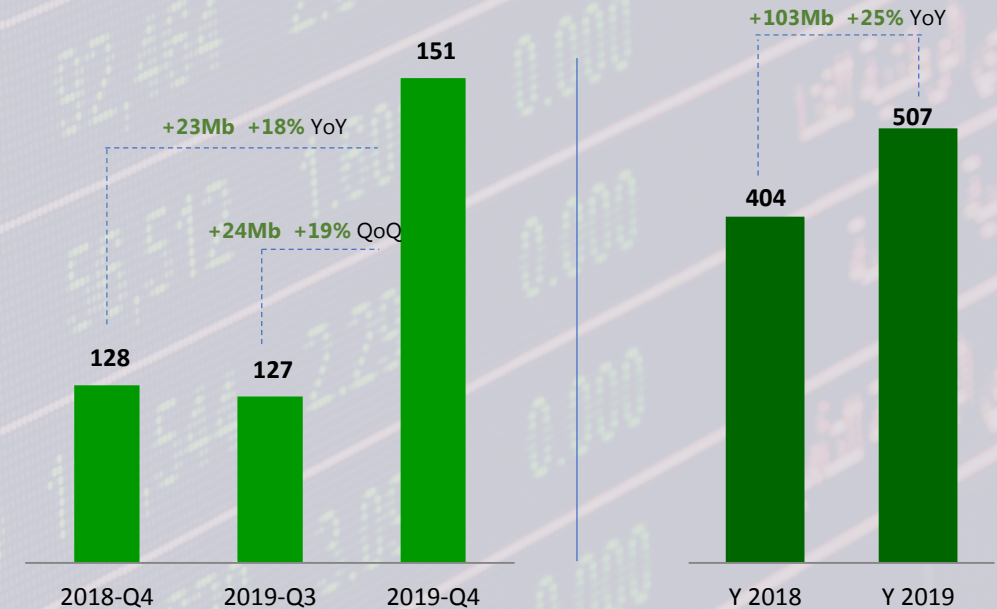
# Operating Results: Y2019

## Administrative Expenses



- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Admin expenses decreased by 9 MB or 5% QoQ and increased by 3 MB or 2% YoY due to the increase in employee benefits to be reserved from 300 to 400 days. Regardless the employee benefits, the cost is effectively controlled, and going downwards.
- **12M/18 VS 12M/19:** Admin expenses increased by 10 MB or 1% due to increase in employee benefits to be reserved from 300 to 400 days. Regardless the employee benefits, the cost is effectively controlled, and going downwards.

## Net Profit



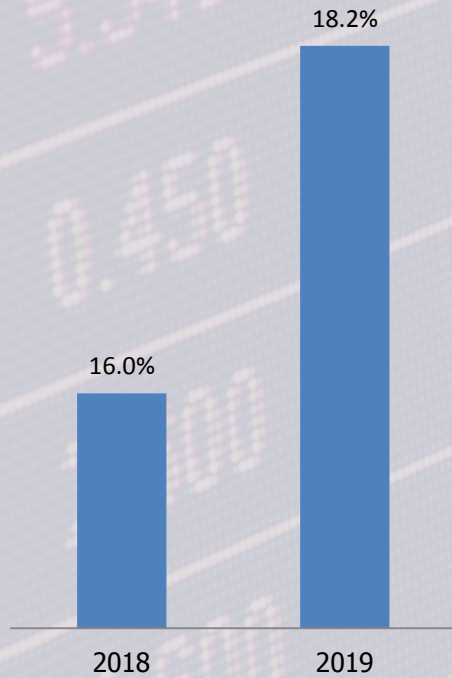
- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Net profit increased by 24 MB or 19% QoQ and increased by 23 MB or 18% YoY due to the expansion in sales channels and the increase in salespersons and investment returns.
- **12M/18 VS 12M/19:** Net profit increased by 103 MB or 25% due to the expansion in sales channels and the increase in salespersons, investment returns and greater number of insurance policies.



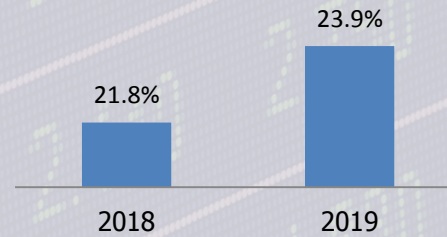
# Operating Results: Y2019

## Key Financial Ratios

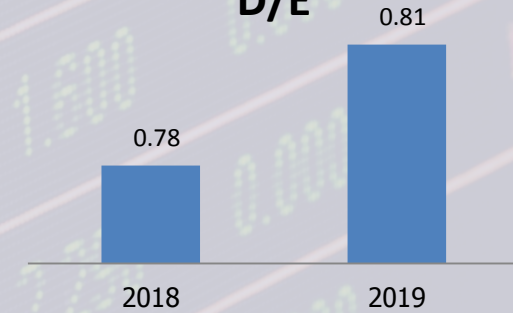
Net Profit Margin



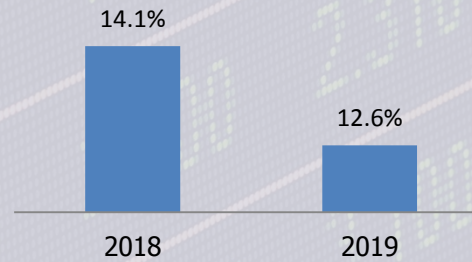
EBITDA Margin



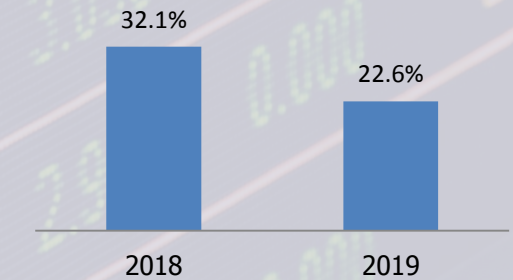
D/E



ROA



ROE





# Q & A

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