

**TQM CORPORATION PUBLIC COMPANY LIMITED**

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No. TC0051163

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Subject: Management Discussion and Analysis for Q3/2020

Attention: President

Stock Exchange of Thailand

TQM Corporation Public Company Limited and subsidiaries ("the Group") would like to clarify the operating results as at 30 September, 2020, which has been reviewed by the licensed auditors as follows:

**Business overview**

In accordance with the statistics of the Office of Insurance Commission (OIC), For the first half of the year, the total non-life insurance premiums from January to June 2020 amounted to 121,467 MB, or 1.90% growth YoY, separated into

- Car insurance premiums 69,239 MB
- Miscellaneous insurance premiums 44,129 MB
- Fire insurance premiums of 5,447 MB
- Marine and transport insurance premiums 2,652 MB

Life insurance premiums from January to June 2020 amounted to 285,403 MB or 3.22% decreased YoY as 49,228 MB from the first year premium; 209,185 MB from the renewal premium; and 26,989 MB from single premium contracts.

The company's growth continues to meet its goals. Between the second quarter and the third quarter, the company introduced various new products made from Big Data analytics i.e. Health insurance, Freelance insurance, Seasonal insurance, Travel insurance including insurance for lady, etc. They were tailored to meet the needs of customers, and to achieve the highest level of services' satisfaction.

The company still does not stop in expanding sales channels. In the third quarter, the company signed an MOU to expand insurance sales channel on Boonterm kiosk, standing 130,000 service points nationwide, servicing people in all regions following company's strategy: Strengthening sales channels and payment channels to increase company's revenues sustainably.

/ Q3/2020 Company Overview

### Q3/2020 Company Overview

Description	2020		2019		YoY	
	MB	%	MB	%	MB	%
Service income	759.7	98.2	672.3	97.5	87.4	13.0
Other income	14.2	1.8	17.2	2.5	(3.1)	(17.8)
Service costs & expenses	380.3	49.1	354.6	51.4	25.6	7.2
Gross profit	379.5	49.9	317.7	47.3	61.7	19.4
Administrative expenses	185.3	23.9	178.5	25.9	6.8	3.8
Net profit	169.7	21.9	127.3	18.5	42.4	33.3
Earnings per share (Baht)	0.57		0.42		0.15	35.7

### 3-Quarter Company Overview

Description	2020		2019		YoY	
	MB	%	MB	%	MB	%
Service income	2,302.6	98.2	1,993.9	97.4	308.7	15.5
Other income	41.7	1.8	52.4	2.6	(10.8)	(20.5)
Service costs & expenses	1,149.3	49.0	1,076.6	52.6	(72.7)	(6.8)
Gross profit	1,153.3	50.1	917.3	46.0	236.0	25.7
Administrative expenses	560.4	23.9	531.8	26.0	(28.6)	(5.4)
Net profit	512.0	21.8	356.4	17.4	155.6	43.7
Earnings per share (Baht)	1.71		1.19		0.52	43.7

- Service income of Q3/2020 is 759.7 MB compared to 672.3 MB of Q3/2019, increased amounted to 87.4 MB or 13.0% YoY from the increase of sales and services as well as new products and payment channels well suiting customers' needs.
- Service cost and expenses of Q3/2020 is 380.3 MB or 49.1% of total revenues compared to 354.6 MB or 51.4% of Q3/2019, increased amounted to 25.6 MB or 7.2% YoY as the increase of sales.

/ - The gross margin

- The gross margin of Q3/2020 is 379.5 MB or 49.9% compared to 317.7 MB or 47.3% of Q3/2019, increased amounted to 61.7 MB or 19.4% YoY from the expansion of sales through online channel and other channels.
- Administrative expense of Q3/2020 is 185.3 MB or 23.9% compared to 178.5 MB or 25.9% of Q3/2019, increased amounted to 6.8 MB or 3.8% YoY from the International Financial Reporting Standard No.9 Financial Instruments and No.16 Leases which were effective in the present year.
- The net profit of the group for the operation results of Q3/2020 is 169.7 MB or 21.9% compared to the net profit amounted to 127.3 MB or 18.5% of Q2/2019, increased in amount of 42.4 MB or 33.3% YoY as result of the increase of sales from every channel and the best cost control.
- 3-Quarter Earnings per share is 1.71 baht per share, increased 0.52 baht per share, compared to 3-Quarter of the previous year or 43.7% and earnings per share of Q3/2020 is 0.57 baht per share, compared to 0.42 baht per share of Q3/2019, increased in amount of 0.15 baht per share.

Please be informed accordingly,

Sincerely yours

- *Signature* -

(Miss Somporn Ampaisutthipong)

Chief Financial Officer