



OPPORTUNITY DAY Q3/2017

1 December 2017



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- No assurance is given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected. Investors are, however, required to use their own discretion regarding the use of information contained in this presentation for any purpose.

Agenda

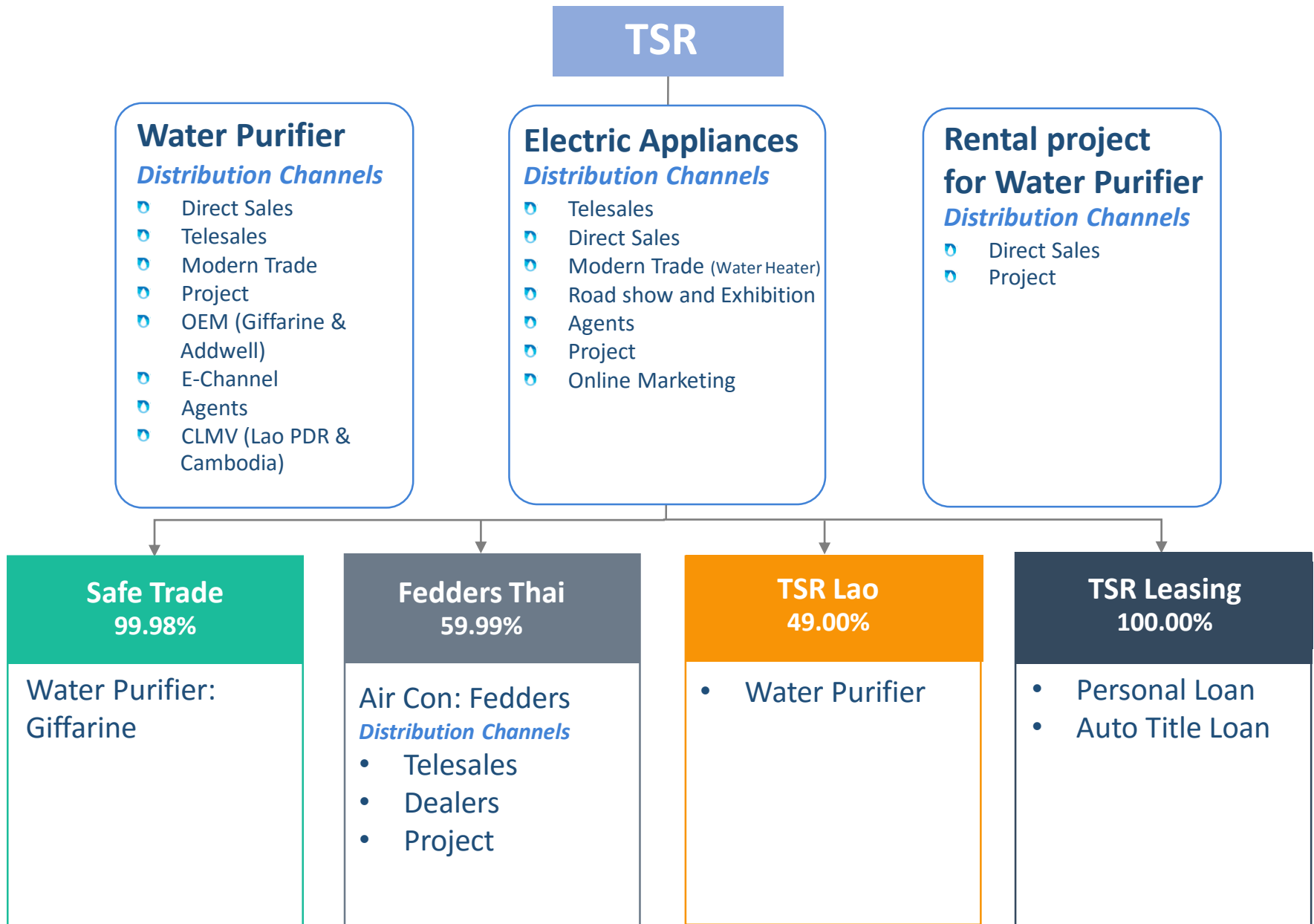
- Business Overview

- Financial Highlights

- Outlook



Business and Shareholding Structure



Agenda

- Business Overview
- Financial Highlights
- Outlook



Profit/Loss Consolidated

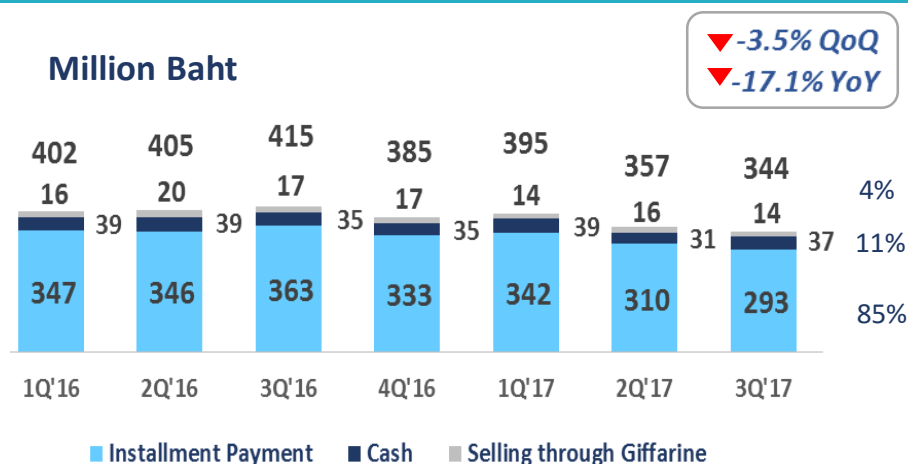
(Million Baht)	3Q2016		3Q2017		%YoY	9M2016		9M2017		%YoY
	Amount	%	Amount	%	3Q2017 vs. 3Q2016	Amount	%	Amount	%	9M2017 vs. 9M2016
Sales	415	87.0%	344	87.0%	-17.1%	1,223	88.1%	1,096	86.6%	-10.4%
Hire purchase interest income	62	13.0%	51	13.0%	-17.1%	164	11.9%	169	13.4%	2.9%
Income from loan receivables	0	0.0%	0.08	0.0%	0.0%	0	0.0%	0.08	0.0%	0.0%
Total revenues	477	100.0%	396	100.0%	-17.1%	1,387	100.0%	1,265	100.0%	-8.8%
Cost of sales	106	22.3%	89	22.6%	-16.1%	314	22.6%	294	23.3%	-6.3%
Gross profit	371	77.7%	306	77.4%	-17.4%	1,073	77.4%	971	76.7%	-9.6%
Other income	10	2.0%	14	3.6%	47.8%	23	1.6%	33	2.6%	44.9%
Selling expenses	176	36.9%	145	36.7%	-17.6%	499	36.0%	440	34.8%	-11.8%
Administrative expenses	114	23.9%	115	29.0%	0.8%	328	23.6%	354	28.0%	7.9%
Bad debts and doubtful accounts	54	11.3%	33	8.3%	-39.1%	166	12.0%	127	10.0%	-23.7%
Financial cost	7	1.5%	3	0.8%	-56.1%	19	1.4%	14	1.1%	-27.0%
Share of gain (loss) from investment in joint ve	0	0.0%	1.3	0.3%	0.0%	0	0.0%	(0.07)	0.0%	0.0%
Income tax expenses	6	1.3%	6	1.6%	1.5%	17	1.2%	16	1.3%	-6.3%
Net profit	24	5.0%	20	5.1%	-15.0%	67	4.8%	53	4.2%	-20.3%
Non-controlling interests	0.004		-0.8		-19550.0%	-0.4		-1.7		307.2%
Net profit attributable to TSR Group	24	5.0%	21	5.3%	-11.7%	67	4.8%	55	4.3%	-18.3%

Remark: Cost of sales, Selling and Administrative expenses of 2016 have been reclassified to conform to the classification of 2017.

Revenues Consolidated

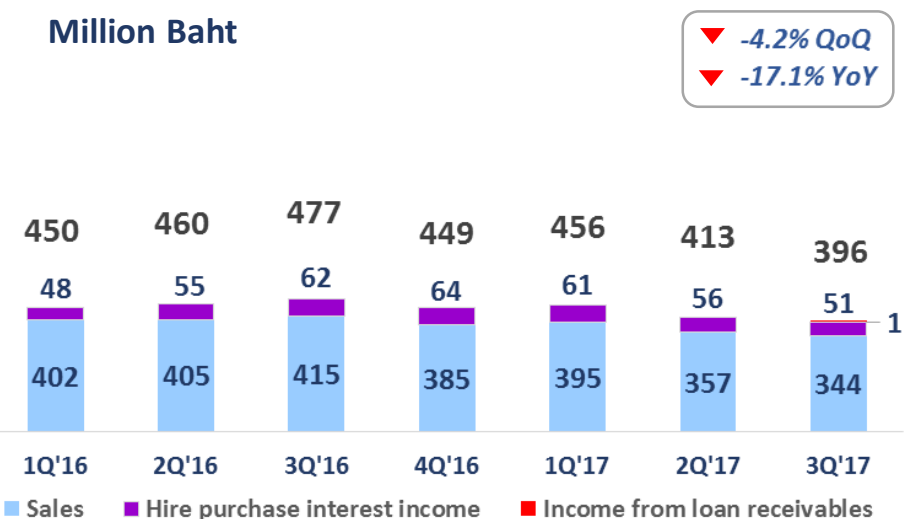
Revenues from Sales

Million Baht



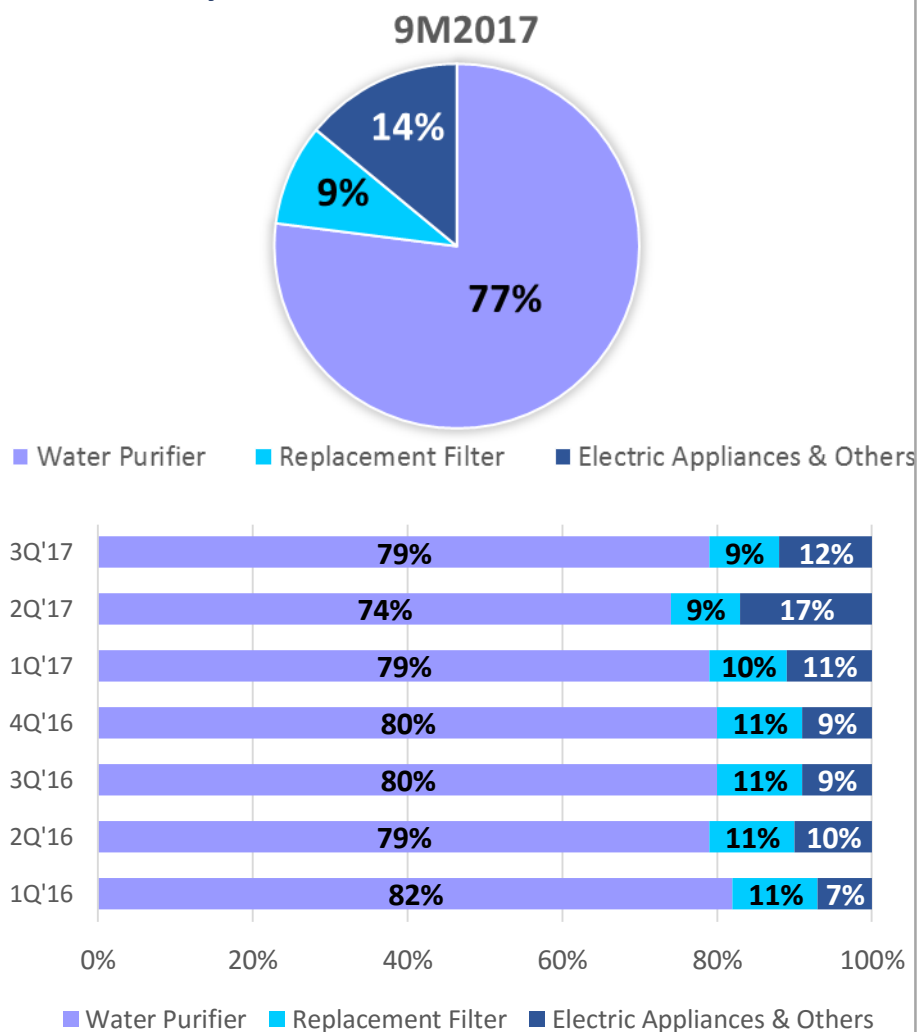
Total Revenues

Million Baht



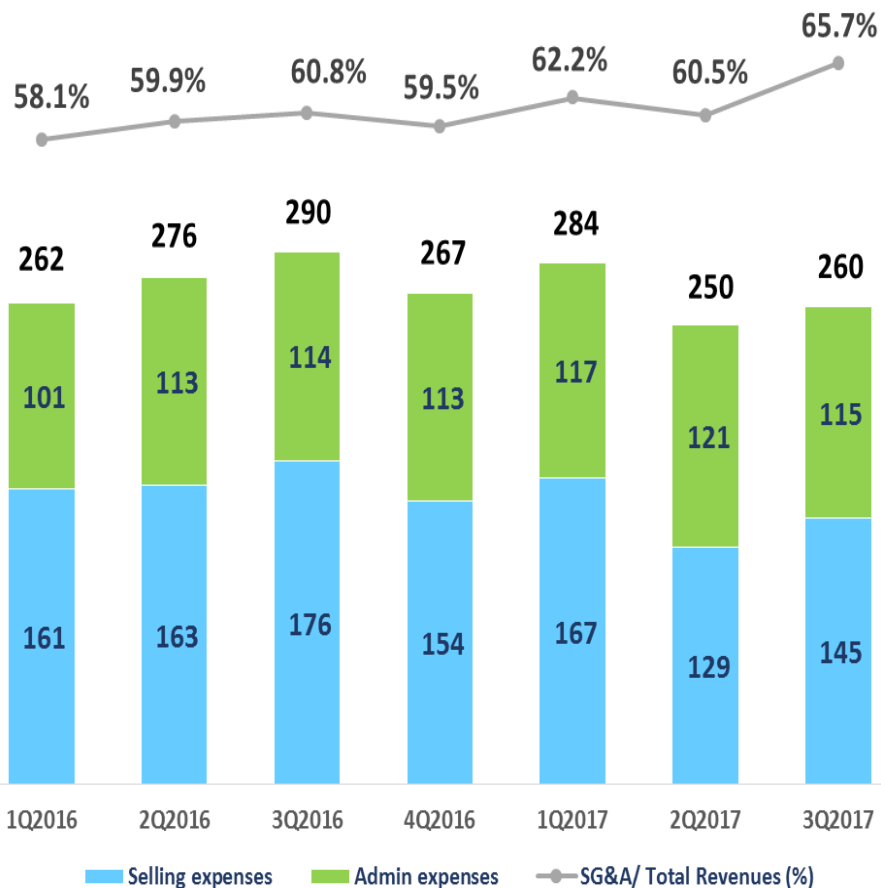
% Total Revenues (by products)

Million Baht
TSR Only

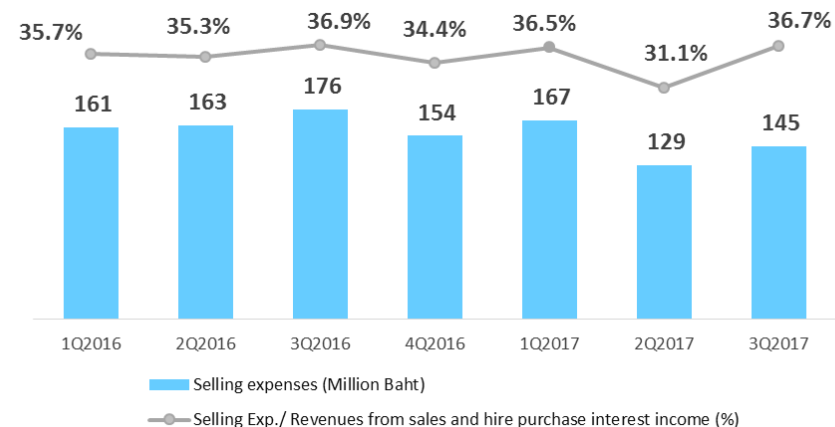


Selling and Administrative Expenses

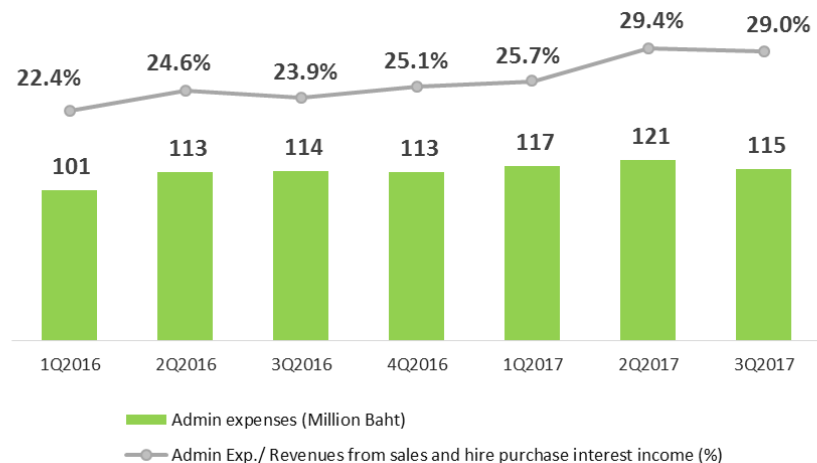
Million Baht



Selling Expenses



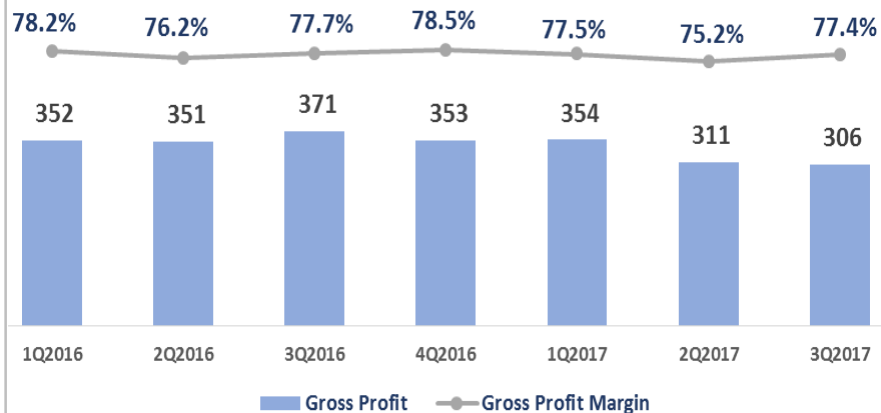
Administrative Expenses



Performance

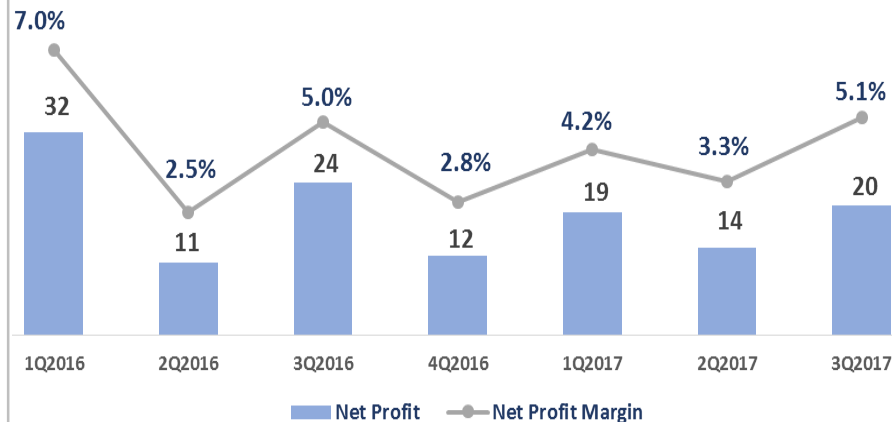
Gross profit

Million Baht



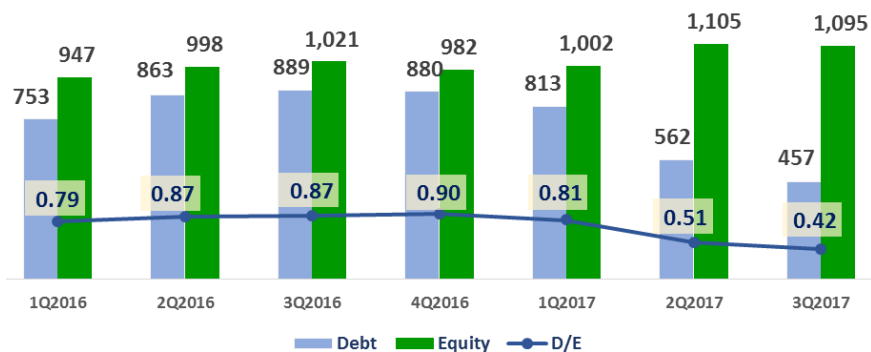
Net profit

Million Baht

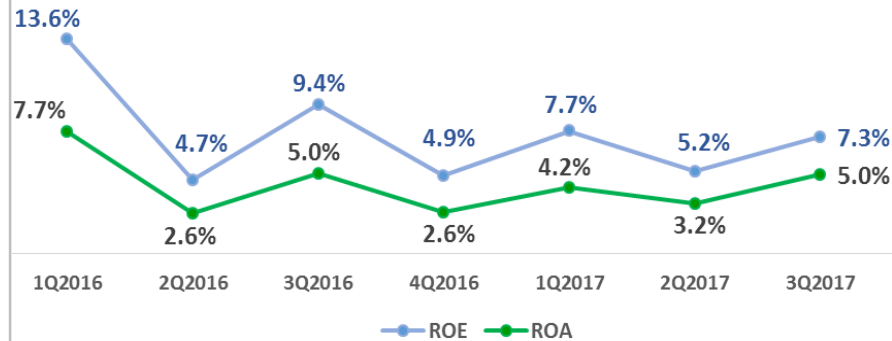


Debt and Equity

Million Baht



ROA & ROE



Hire Purchase Receivables – Water Purifier

Aging : Water purifier (Million Baht)	Hire purchase receivables				Allowance for doubtful accounts			
	31-Dec-16		30-Sep-17		31-Dec-16		30-Sep-17	
	Amount	%	Amount	%	Amount	%	Amount	%
Current	710.13	75.76%	478.22	80.43%	17.83	2.5%	12.01	2.5%
Overdue 1 installment	106.86	11.40%	47.49	7.99%	6.41	6.0%	2.85	6.0%
Overdue 2 installments	44.63	4.76%	24.41	4.11%	13.39	30.0%	7.33	30.0%
Overdue 3 installments	30.74	3.28%	18.87	3.17%	15.37	50.0%	9.43	50.0%
Overdue exceeding 3 installments	45.04	4.80%	25.59	4.30%	45.04	100.0%	19.05	50% and 100%*
Total	937.40	100.00%	594.58	100.00%	98.04		50.67	

*Rate of allowance for doubtful accounts of 50 percent is for non-consecutive delinquency over 3 installments and 100 percent for consecutive delinquency over 3 installments.

Hire Purchase Receivables - Electric Appliances

Aging : Electric appliances (Million Baht)	Hire purchase receivables				Allowance for doubtful accounts **			
	31-Dec-16		30-Sep-17		31-Dec-16		30-Sep-17	
	Amount	%	Amount	%	Amount	%	Amount	%
Current	66.34	79.77%	81.44	72.87%	1.66	2.5%	0.49	1.0%
Overdue 1 installment	6.36	7.65%	10.71	9.58%	0.38	6.0%	0.13	2.0%
Overdue 2 installments	4.73	5.69%	6.68	5.98%	1.42	30.0%	0.43	10.0%
Overdue 3 installments	2.34	2.81%	5.50	4.92%	1.17	50.0%	0.73	20.0%
Overdue 4 installments	1.44	1.73%	4.41	3.95%	1.44	100.0%	0.90	30.0%
Overdue 5 installments	1.05	1.26%	2.72	2.43%	1.05	100.0%	0.75	40.0%
Overdue 6 installments	0.33	0.40%	0.27	0.24%	0.33	100.0%	0.08	50.0%
Overdue exceeding 6 installments	0.57	0.69%	0.03	0.03%	0.56	100.0%	-	50% and 100%*
Total	83.16	100.00%	111.76	100.00%	8.01		3.51	


* Rate of allowance for doubtful accounts of 50 percent is for non-consecutive delinquency over 6 installments and 100 percent for consecutive delinquency over 6 installments.

** Allowance for doubtful accounts for electric appliances receivables calculated based on receivables less deferred interest and output tax, and net from residual value of electric appliances which considered from their useful life, condition of returned item and market price of second hand electric appliances.

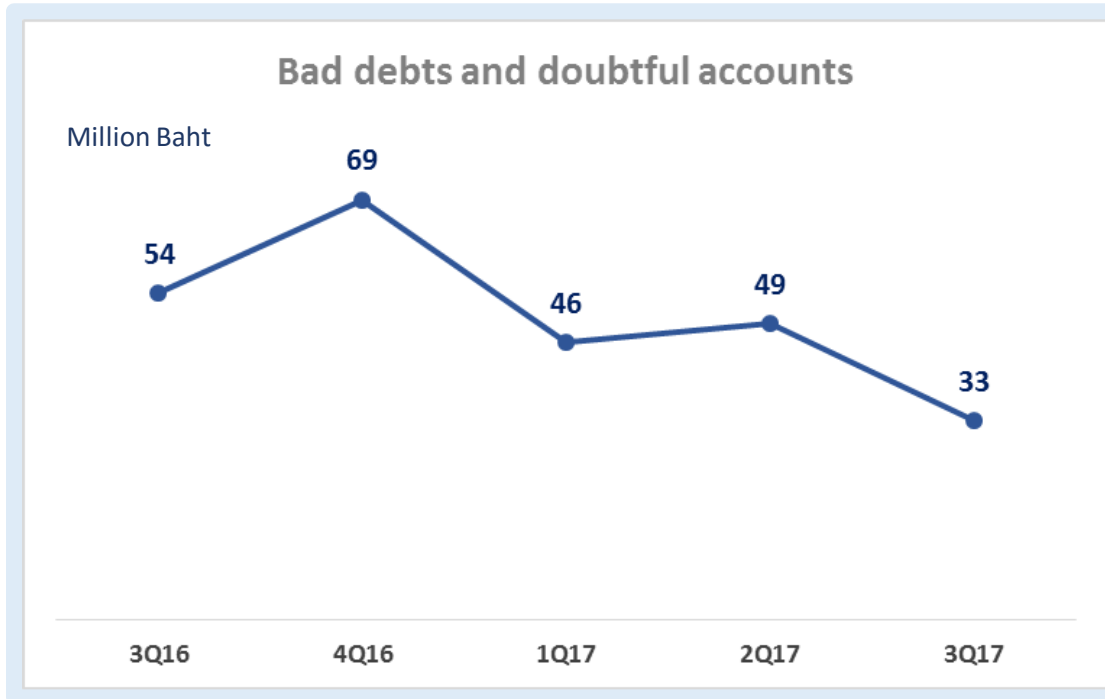
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Target	Our Key
<ul style="list-style-type: none"> Decrease of bad debts expenses 	<ul style="list-style-type: none"> More prudent credit approval policy Tele collection TSR Mobile Application: Sales and Collection Improving operation efficiency
<ul style="list-style-type: none"> Total revenues 2,000 MB Sales of electric appliances, not less than 15% of total sales 	<ul style="list-style-type: none"> Direct sales team PONSaBUY by TSRL Sales coverage expansion CLMV 

Bad Debts and Doubtful Accounts



- More prudent credit approval policy and processes
- Shortening payment terms
- Recalled commission from sales staff on uncollectible debts

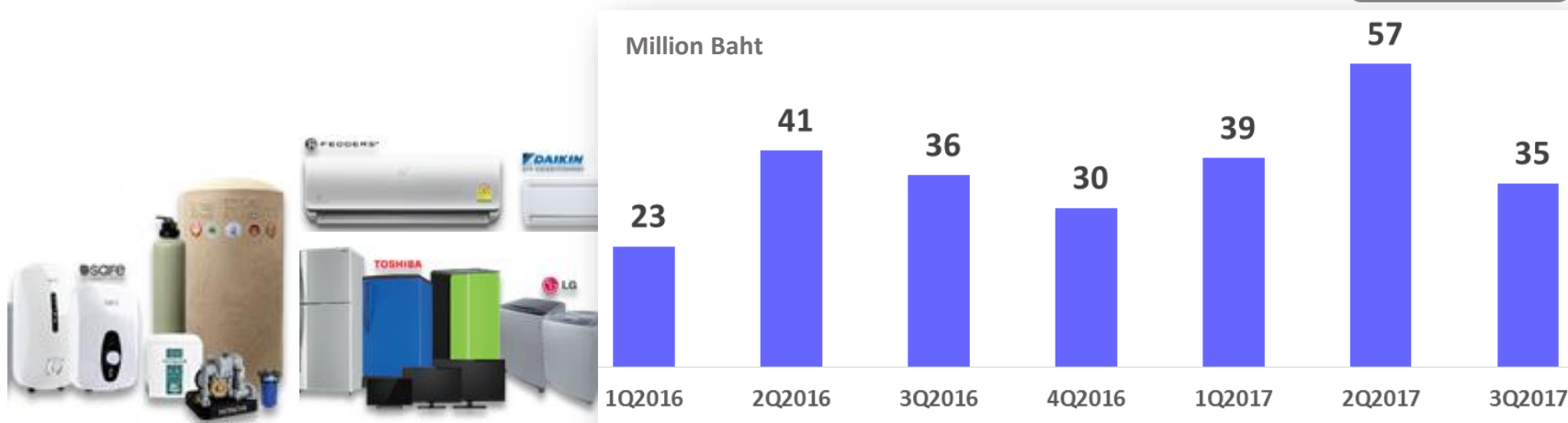
In 2017, the Company has revised rates and method of allowance for doubtful account calculation, by benchmarking with other companies in hire purchase industry.

Electric Appliances : Revenues from Sales

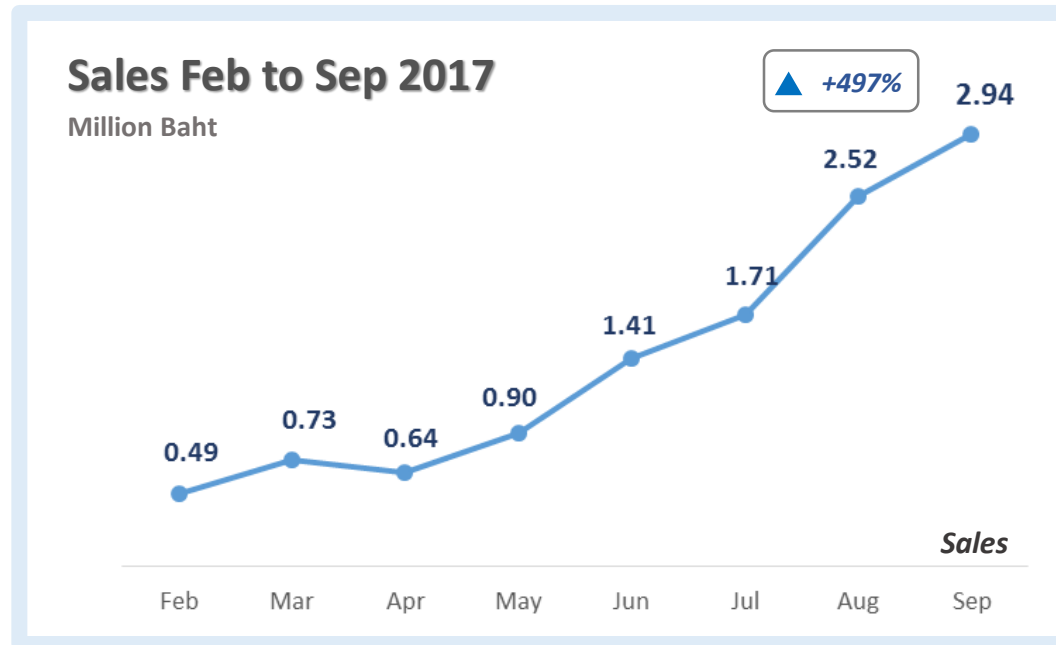
By Product

Product	1Q2016	2Q2016	3Q2016	4Q2016	1Q2017	2Q2017	3Q2017
Air conditioner	17	32	13	7	16	29	11
Water heater	3	1	2	5	2	0.3	3
Washing machine	1	3	6	4	6	9	7
Television	1	4	11	11	11	14	11
Refrigerator	1	1	4	3	4	4	3
Others	-	0.2	0.4	0.3	0.4	0.3	0.3
Total	23	41	36	30	39	57	35

▼ -39.3% QoQ
▼ -4.2% YoY





CLMV: Sales Growth



- TSR Lao: Started in Q1
- Dealer in Cambodia: Started in Q3

Trend 2017

	Q2	Q3	Q4
		<ul style="list-style-type: none"> + Bad debts expenses decrease from more prudent credit approval policy 	<ul style="list-style-type: none"> + Bad debts expenses decrease from more prudent credit approval policy + End of rainy season + Sale of electric appliances return to normal business operation + Payment through Counter Service: reduce cost of collection and increase coverage
	<ul style="list-style-type: none"> - Sales drop from more prudent credit approval policy 	<ul style="list-style-type: none"> - Rainy season - Sales drop: Water purifier: increase in sales portion of cheaper model Electric appliances: Credit Bureau check 	<ul style="list-style-type: none"> - Decrease in high purchase interest income due to electric appliances selling by installment transferred to TSRL

Driver

Online Marketing:

- PONSa฿UY (Marketing agency)
- Samsung PONSa฿UY (Marketing agency)

Alliances : OEM and Agents

Increasing sales force: Free agents

CLMV:

- Increasing sales volume in Lao PDR and Cambodia
- Expanding into Myanmar

Expenses control



Q&A

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