

**JWD InfoLogistics Public Company Limited**  
**Management Discussion and Analysis Q3/2018**

(Unit : MM THB)	Nine-month Period		+/( -)	Quarterly			+/( -)	
	2017	2018		3/2017	2/2018	3/2018	YoY	QoQ
Rental income and revenue from rendering of services	1,792.6	2,263.2	26.3%	642.0	760.1	848.6	32.2%	11.6%
Gross Profit	540.6	600.3	11.0%	194.9	192.6	221.8	13.8%	15.2%
Gross Margin (%)	30.2%	26.5%		30.4%	25.3%	26.1%		
Earnings Before Interest, Tax and Depreciation (EBITDA)	497.3	518.5	4.3%	155.2	169.5	194.7	25.5%	14.9%
EBITDA Margin (%)	27.7%	22.9%		24.2%	21.7%	22.9%		
Net profit (loss) attributable to owners of the Company	146.4	160.5	9.6%	56.5	48.7	70.1	24.1%	43.9%
Net Profit (Loss) Margin (%)*	8.2%	6.9%		8.8%	6.2%	8.0%		

\* Net Profit (Loss) Margin = Net profit (loss) attributable to owners of the Company / Total revenue

The performance for the nine-month period ended September 30, 2018, the Company had rental income and revenue from rendering of services Baht 2,263.2 Million, higher than that of last year by Baht 470.6 Million or 26.3%. For Q3/2018, the Company had rental income and revenue from rendering of services Baht 848.6 Million, higher than that of last year by Baht 206.6 Million or 32.2%. The increased revenue for the nine-month period was mainly from warehouse and yard management business especially cold storage, transportation and distribution business, as well as food service business which started consolidating revenue and profit since May 2018.

The Company had gross profit for the nine-month period ended September 30, 2018, of Baht 600.3 Million, which increased from that of previous year by Baht 59.7 Million, or 11.0%. For Q3/2018, the Company had gross profit of Baht 221.8 Million, higher than that of last year by Baht 26.9 Million, or 13.8%. The increased gross profit was mainly resulted from warehouse and yard management business especially cold storage which had high stock levels and food service business which started consolidating revenue and profit since May 2018.

The Company had net profit attributable to owners of the Company for the nine-month period ended September 30, 2018, of Baht 160.5 Million, which increased from that of previous year by Baht 14.1 Million, or 9.6%. For Q3/2018, net profit attributable to owners of the Company was Baht 70.1 Million, which increased from that of previous year by Baht 13.6 Million, or 24.1%. Note that during year 2018, there was additional warehouse rental costs from Trust (AIMIRT) of approximately Baht 12 Million per quarter.

All these additional costs, in turn, implied that the Company was capable to generate higher revenue and profitability in order to increase its net profit level comparing to previous year.

Revenue and gross profit margin by business can be summarized as follows:

Revenue (MM THB)	(MM THB) Nine-month Period		% of Total Revenue
	2017	2018	
1. Warehouse and Yard Management	1,232.7	1,363.6	60.3%
2. Transportation and Distribution	290.2	359.5	15.9%
3. Moving Service	188.0	236.1	10.4%
4. Record and Information Management	72.7	79.8	3.5%
5. Food Services	-	208.7	9.2%
6. Other Services	9.0	15.5	0.7%
<b>Total</b>	<b>1,792.6</b>	<b>2,263.2</b>	<b>100%</b>

(MM THB) Three-month Period of Q3		% of Total Revenue
2017	2018	
426.0	460.3	54.2%
107.2	127.0	15.0%
81.1	88.8	10.5%
24.5	27.7	3.3%
-	137.1	16.1%
3.2	7.6	0.9%
<b>642.0</b>	<b>848.5</b>	<b>100%</b>

Gross Profit (MM THB)	(MM THB) Nine-month Period		% of Total Revenue
	2017	2018	
1. Warehouse and Yard Management	410.6	448.5	32.9%
2. Transportation and Distribution	52.5	54.0	15.0%
3. Moving Service	50.4	58.2	24.7%
4. Record and Information Management	44.1	39.9	50.0%
5. Food Services	-	18.8	9.0%
6. Other Services	(17.1)	(19.1)	(123.2%)
<b>Total</b>	<b>540.5</b>	<b>600.3</b>	<b>26.5%</b>

(MM THB) Three-month Period of Q3		% of Total Revenue
2017	2018	
144.5	159.2	34.6%
18.2	20.1	15.8%
24.2	22.7	25.6%
14.9	13.0	46.9%
-	13.6	9.9%
(7.0)	(6.9)	(91.7%)
<b>194.8</b>	<b>221.7</b>	<b>26.1%</b>

## 1. Warehouse and Yard Management

Revenue	(MM THB)		% of Total Revenue
	Nine-month Period		
	2017	2018	
General Goods	235.9	231.2	10.2%
Dangerous Goods	350.2	373.9	16.5%
Automotive	320.5	316.5	14.0%
Cold Storage	326.1	441.9	19.6%
<b>Total</b>	<b>1,232.7</b>	<b>1,363.6</b>	<b>60.3%</b>

(MM THB)		% of Total Revenue
Three-month Period of Q3		
2017	2018	
84.3	69.4	8.2%
112.5	125.8	14.8%
110.1	106.6	12.5%
119.1	158.5	18.7%
<b>426.0</b>	<b>460.3</b>	<b>54.2%</b>

Gross Profit	(MM THB)		% of Total Revenue
	Nine-month Period		
	2017	2018	
General Goods	21.1	20.9	9.0%
Dangerous Goods	138.2	153.6	41.1%
Automotive	109.3	104.6	33.1%
Cold Storage	142.0	169.4	38.3%
<b>Total</b>	<b>410.6</b>	<b>448.5</b>	<b>32.9%</b>

(MM THB)		% of Total Revenue
Three-month Period of Q3		
2017	2018	
12.4	5.0	7.2%
39.6	48.1	38.2%
39.2	37.6	35.4%
53.2	68.5	43.2%
<b>144.5</b>	<b>159.2</b>	<b>34.6%</b>

### 1.1 General Goods

Revenue of general goods warehouse management service for the nine-month period ended September 30, 2018, was Baht 231.2 Million, consisted of revenues from storage Baht 117.6 Million, handling service Baht 62.1 Million, customs clearance service Baht 14.2 Million and other value added services Baht 37.4 Million. Total revenue decreased by Baht 4.7 Million from that of the previous year, or 2.0%. For Q3/2018, the Company had revenue from general goods warehouse management service Baht 69.4 Million, lower than that of last year by Baht 14.9 Million or 17.7%. This was mainly due to decrease of stock level in the general goods warehouse.

Gross profit of general goods warehouse management service for the nine-month period ended September 30, 2018 was Baht 20.9 Million, decreased by Baht 0.2 Million, or 9.0%. For Q3/2018 gross profit for the three-month period ended September 30, 2018 was 5.0 Million, decreased from that of last year by Baht 7.4 Million, or 59.7%.

### 1.2 Dangerous Goods

Revenue of dangerous goods warehouse management service for the nine-month period ended September 30, 2018 was Baht 373.9 Million, consisted of revenue from yard management of Baht 361.9 Million and from warehouse management of Baht 12.0 Million. Total revenue was increased by Baht 23.7 Million or 6.8%. The quantity of dangerous goods throughput for the nine-month period ended September 30, 2018 was

127,915 TEU\*, remained the same level of previous year. For Q3/2018, the revenue for the three-month period ended September 30, 2018 was 125.8 Million, higher than that of last year by Baht 13.3 Million or 11.8%, which mainly resulted from the increase of stock level in dangerous goods warehouse.

Volume	Nine-month Period	
	2017	2018
Yard (TEU*)	128,252	127,915
Warehouse (Revenue Ton)	11,646	12,509

\*TEU (Twenty Equivalent Unit) is 20-foot equivalent containers

Gross profit of dangerous goods warehouse management service for the nine-month period ended September 30, 2018 was Baht 153.6 Million, increased by Baht 15.4 Million, or 11.1% compared to that of the previous year. Gross profit margin was 41.1%, For Q3/2018 gross profit for the three-month period ended September 30, 2018 was 48.1 Million, increased from that of last year for Baht 8.5 Million, or 21.5%, which mainly resulted from lower operation cost from increased utilization of Rubber Tyred Gantry (RTG) cranes in place of Reach Stacker (RSK) trucks.

### **1.3 Automotive**

For the nine-month period ended September 30, 2018, the Company had revenue from automotive yard management of Baht 316.5 Million, consists of revenue from storage of Baht 170.1 Million and revenue from service rendering of Baht 146.4 Million., which the same level from last year. For Q3/2018 revenue for the three-month period ended September 30, 2018 was 106.6 Million, slightly decreased from that of last year.

Gross profit for the nine-month period ended September 30, 2018 was Baht 104.6 Million, decreased from that of last year for Baht 4.7 Million, or 4.3%. Gross profit margin was 33.0%. For Q3/2018 gross profit for the three-month period ended September 30, 2018 was 37.6 Million, decreased from that of last year by Baht 1.6 Million, or 4.1%.

Average occupancy rate, excluding on-site area, for the nine-month period ended September 30, 2018 was 85.0%, slightly dropped from that of previous year. However, the company had successfully gain new domestic projects from both existing and new customers which will help generating additional revenue and profit.

### **1.4 Cold Storage**

The Company had revenue from cold storage management for the nine-month period ended September 30, 2018 of Baht 441.9 Million, higher from that of previous year by Baht 115.8 Million, or 35.5%. For Q3/2018, the Company had revenue from cold storage management Baht 158.5 Million, higher than that of last year by Baht 39.4 Million or 33.1%. The increased revenue mainly resulted from continually high stock level since last year. In additional of fishery products, more variety of products were continuously stored in our cold storage warehouse such as poultry, raw materials for food industry as well as other consumers products.

Gross profit from cold storage management for the nine-month period ended September 30, 2018 was Baht 169.4 Million, increased by Baht 27.4 Million or 19.3% compared with the same period last year. Gross margin was 38.3%, decreased from that of last year which was 43.5%. For Q3/2018, gross profit for the three-month period ended September 30, 2018 was 68.5 Million, increased from that of last year by Baht 15.3 Million, or 28.8%. Gross profit margin was 43.2%, slightly decreased from that of the last year which was 44.7%.

Despite the fact that the company had the additional rental cost from Trust (AIMIRT) since the beginning of this year, the company had provided more cold chain services to customers as well as higher cheese production level. This resulted in an improvement in gross profit margin from 30.4% in Q1/2018 to 40.1% in Q2/2018 and 43.2% in Q3/2018 which demonstrated a capability to overcome the negative effect from REIT rental cost.

Average occupancy rate for the nine-month period ended September 30, 2018 was 84.1%, higher than that of previous year which was 72.3%. And the average rate for the three-month period ended September 30, 2018 was 85.3%, higher than that of previous year which was 77.0%.

## **2. Transportation and Distribution Service**

For the nine-month period ended September 30, 2018, the Company had revenue from transportation and distribution service of Baht 359.5 Million which can be divided by product category as general goods at Baht 73.9 Million, dangerous goods at Baht 92.5 Million, automotive at Baht 98.9 Million, temperature-controlled product at Baht 46.9 Million, cross-border at Baht 21.3 Million and lift on-lift off activities for rail transportation at Baht 26.0 Million. The increased revenue of Baht 69.3 Million or 23.9%. For Q3/2018 revenue for the three-month period ended September 30, 2018 was 127.0 Million, higher than that of last year by Baht 19.8 Million or 18.5% from that of the previous year. The increased was due to automotive, general goods, cross-border, and the lift on-lift off service for rail transportation in Laemchabang port which started since Q1/2018.

Gross profit of this service for the nine-month period ended September 30, 2018 was Baht 54.0 Million, increased by Baht 1.5 Million or 2.9% when compared to that of previous year. Gross profit margin was 15.0%, lower than last year which was 18.1%. For Q3/2018, gross profit for the three-month period ended September 30, 2018 was Baht 20.1 Million, increased from that of last year by Baht 1.9 Million, or 10.4%. The increase was mainly from the lift on-lift off service for rail transportation in Laemchabang.

## **3. Moving Service for Domestic and International**

For the nine-month period ended September 30, 2018, the Company had revenue from domestic and international moving service of Baht 236.1 Million consisted of revenue from household moving service at Baht 140.2 Million, factory moving service at Baht 20.3 Million, office moving service at Baht 9.2 Million, fine arts and exhibition items moving service at Baht 7.1 Million and freight forwarding Baht 59.3 Million. The increasing of total revenue in moving service of Baht 48.1 Million, or 25.6% from that of previous year. For Q3/2018 revenue for the three-month period ended September 30, 2018 was Baht 88.8 Million, higher than that of last year by Baht 7.7 Million or 9.5%, which was mainly from an increase in household moving services.

Gross profit for the nine-month period ended September 30, 2018 was Baht 58.2 Million, increase by Baht 7.8 Million or 15.5% from that of previous year. Gross profit margin was 24.7%, slightly decreased from that of previous year which was 26.8%. For Q3/2018 gross profit for the three-month period ended September 30, 2018 was 22.7 Million, decreased from that of last year by Baht 1.5 Million, or 6.2%.

#### 4. Record and Information Management

For the nine-month period ended September 30, 2018, the Company had revenue from the record and information management service of Baht 79.8 Million, which can be divided into storage revenue of Baht 66.1 Million and handling service and transportation of Baht 13.7 Million. Total revenue increased by Baht 7.1 Million or 9.8% compared to the same period last year. For Q3/2018 revenue for the three-month period ended September 30, 2018 was 27.7 Million, higher than that of last year by Baht 3.2 Million or 13.1% from increased document volume stored in warehouse that also improves revenue from handling service. The quantity of boxes and files kept in warehouse are as follows:

Quantity (Unit)	Nine-month Period	
	2017	2018
Boxes	824,832	870,644
Files	9,061,244	9,665,473

Gross profit for the nine-month period ended September 30, 2018 was Baht 39.9 Million, decreased by Baht 4.2 Million or 9.5% compared to that of last year. Gross profit margin was 50.0%, decreased from that of previous year which was 60.7%. For Q3/2018 gross profit for the three-month period ended September 30, 2018 was 13.0 Million, decreased from that of last year for Baht 1.9 Million, or 12.8%. The decreased was from rental cost of warehouse rented from Trust (AIMIRT) for operation.

#### 5. Food Service Business

The company had invested in food service business in Taiwan, since the end of March 2018 and had started consolidating both its revenue and profit since May 2018. Revenue for the five-month period ended September 30, 2018 was 208.7 Million, gross profit was Baht 18.8 Million, or 9.0%. For Q3/2018 revenue for the three-month period ended September 30, 2018 was 137.1 Million, gross profit was Baht 13.6 Million, or 9.9%. It is expected that the food service business will experience a peak season, which will further improve its profitability during the second half of this year.

#### 6. Other Business

The Company had revenue from other business for the nine-month period ended September 30, 2018 of Baht 15.5 Million, increase by Baht 7.5 Million, or 83.8% compared to that of last year. For Q3/2018 revenue for the three-month period ended September 30, 2018 was 7.6 Million, increased from that of last year for Baht 4.4 Million, or 57.9% compared to that of last year. Note that, starting from Q2/2018, the self-storage business

has been added into this category as the new self-storage facility (JWD store it Siam) has started its operation in June 2018.

### **Interest, Dividend and Other Income**

The Company had income from investment and other operation for nine-month period ended September 30, 2018 of Baht 54.5 Million, increased by Baht 28.3 Million from that of the last year. For Q3/2018 income for the three-month period ended September 30, 2018 was Baht 23.4 Million, increased by Baht 17.5 Million from that of the last year. Which was mainly from the dividend income from Trust (AIMIRT)

### **Selling and Administrative Expenses**

For the nine-month period ended September 30, 2018, the Company had selling and administrative expenses of Baht 405.6 Million, increased from that of previous year by Baht 74.0 Million, or 22.3%. For Q3/2018 ended September 30, 2018, selling and administrative expense was Baht 148.0 Million, increase from that of previous year by Baht 30.0 Million, or 25.4%. This was mainly because of the consolidation of selling and administrative expenses of new subsidiaries in 2018 as well as additional employee expense and travelling expense for business development.

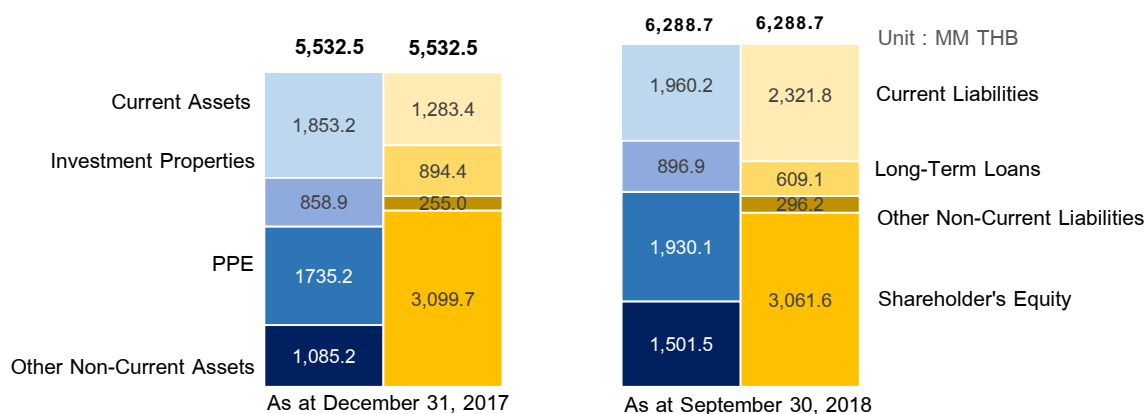
### **Finance Cost**

For the nine-month period ended September 30, 2018, the Company had finance cost of Baht 60.0 Million, decreased by Baht 6.2 Million, or 9.4% when compared with that of previous year. For Q3/2018 ended September 30, 2018, finance cost was Baht 22.6 Million, increased from that of previous year by Baht 1.5 Million, or 7.1% compared to that of last year.

### **Net Profit**

The Company had net profit attributable to owners of the Company for the nine-month period ended September 30, 2018, of Baht 160.5 Million, increased from that of previous year by Baht 14.1 Million, or 9.6%. On the other hand net profit margin was 6.3% lower than last year which was 8.0%. For the three-month period ended September 30, 2018, the company had net profit attributable to owners of the Company of Baht 70.1 Million, increased from that of previous year by Baht 13.6 Million, or 24.1% compared to that of last year. While, net profit margin was 8.0% decreased from the same period last year which was 8.7%. The increase of net profit was mainly from cold storage, transportation, warehouse and yard management and document storage businesses, nevertheless lower net profit margin was mainly from the consolidating both its revenue and profit of food service business, which has lower gross profit margin.

## Statement of Financial Position



### Assets

As at September 30, 2018, the Company had total assets of Baht 6,288.7 Million, increased from December 31, 2017 by Baht 756.2 Million, or 13.7% which was mainly from investment in new businesses during the first-half of year 2018.

The Company's assets mainly consist of non-current assets especially property, plant and equipment and investment properties amounted 30.7 % and 14.3% of total assets, respectively.

#### **Current Assets**

As at September 30, 2018, current asset was Baht 1,960.2 Million, increased by Baht 107.0 Million from December 31, 2017, was mainly from the increased accounts receivable of Baht 197.6 Million and other receivable of Baht 81.8 Million from new subsidiary consolidated in this year.

#### **Non-Current Assets**

As at September 30, 2018, non-current assets amounted Baht 4,328.6 Million, increased by Baht 649.3 Million from December 31, 2017 was mainly from investment in new businesses during the first-half of year 2018 as well as investment in property, plant and equipment.

### Liabilities

As at September 30, 2018, the Company had total liabilities Baht 3,227.1 Million, increased from December 31, 2017 by Baht 794.2 Million or 32.6% due to current liabilities detailed as follow.



### **Current Liabilities**

As at September 30, 2018, current liabilities was Baht 2,321.8 Million, increased by Baht 1,038.4 Million from December 31, 2017 which was mainly from increase in bank overdrafts and short-term loans from financial institutions. However, the Company has already issued new bond to replace the short-term loan in November 2018.

### **Non-Current Liabilities**

As at September 30, 2018, non-current liabilities was Baht 905.3 Million, decreased by Baht 244.1 Million from December 31, 2017 which was mainly due to the repayment of long-term loans from financial institution.

### **Shareholder's Equity**

As at September 30, 2018, shareholder's equity was Baht 3,061.6 Million, decreased by Baht 38.1 Million from December 31, 2017 due to dividend payment for year 2017.

### **Statement of Cash Flows**

(Unit : MM THB)	Nine-month Period		Q1/2018	Q2/2018	Q3/2018
	2017	2018			
<b>Cash and Cash Equivalents at 1 January</b>	<b>259.8</b>	<b>1,218.8</b>	<b>1,218.8</b>	<b>787.1</b>	<b>441.2</b>
Net Cash from / (used in) Operating Activities	516.8	324.3	(49.5)	125.6	248.2
Net Cash from / (used in) Investing Activities	(117.4)	(1,204.5)	(503.9)	(463.5)	(237.1)
Net Cash from / (used in) Financing Activities	(265.0)	245.7	123.2	(1.1)	123.6
Impact of foreign exchange rates	0.3	(4.4)	-	(6.9)	2.5
Net Increase (Decrease) in Cash and Cash Equivalents	<b>134.7</b>	<b>(638.9)</b>	<b>(430.2)</b>	<b>(345.9)</b>	<b>137.2</b>
Cash included in disposal assets group classified as held for sales	-	<b>(0.8)</b>	<b>(1.5)</b>	-	<b>0.7</b>
Cash and Cash Equivalents at 30 June/ 31 March	<b>394.5</b>	<b>579.0</b>	<b>787.1</b>	<b>441.2</b>	<b>579.0</b>

### **Cash flows from operating activities**

For the nine-month period ended September 30, 2018, the Company had net cash from operating activities of Baht 324.3 Million which was mainly result from income tax payment for the year around Baht 132.3 Million and an increase in working capital to support higher volume from customers ,which in turn resulting higher revenue.

### **Cash flows from investing activities**

For the nine-month period ended September 30, 2018, net cash used in investing activities was Baht 1,204.5 Million which was mainly result from the short-term loans to other parties, investment in subsidiaries (CSLF) , investment in associates in advance (PPSEZ and Bok Seng) also the investment in property, plant and equipment.

### **Cash flows from financing activities**

For the nine-month period ended September 30, 2018, the Company had net cash from in financing activities of Baht 245.7 Million., was mainly result from bank overdrafts and short-term loans from financial institutions, repayment of long-term borrowings from financial institutions and dividend paid to shareholders.

### **Key Financial Ratios**

	Nine-month Period	
	2017	2018
Gross Margin (%)	30.2%	26.5%
Net Profit (loss) Margin (%)	8.2%	6.9%
Current Ratio (Times)	1.07	0.84
Debt to Equity (Times)	1.03	1.05
Interest Bearing Debt to Equity (Times)	0.71	0.74

Note:

Gross Margin	= Gross Profit / Rental income and revenue from rendering of services
Net Profit Margin	= Net profit attributable to owners of the Company / Total revenue
Current Ratio	= Current Asset / Current Liabilities
Liability to Equity	= Total Liabilities / Shareholder's Equity
Interest Bearing Debt to Equity	= Interest Bearing Debt / Shareholder's Equity