



บริษัท อาม่า มารีน จำกัด (มหาชน)  
AMA MARINE PUBLIC CO., LTD.

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA010/2021

Nov 9, 2021

Subject: 3Q2021 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

3Q2021 Management Discussion and Analysis

**Executive Summary**

**International marine logistics service**

The service income of AMA Marine Public Company Limited (“the Company”) increased by Baht 9.28 million or 2.99% YoY since fleet utilization increased and Thai Baht depreciated year over year. However, cargo carried volume declined by 9.86% as a result of fleet reduction and vessels entering China are subjected to more severe inspection due to the spread of Covid-19 which extend lead time for utilize cargo. The gross profit of the Company in 3Q2021 was Baht 53.21 million, dropped by Baht 39.10 million or 42.36% YoY representing gross profit margin at 16.63%, decreased from 29.72 % YoY due to higher fuel cost but the freight rate slightly improved.

**Domestic land logistics service**

AMA Logistics Co., Ltd. (“the Subsidiary”) reported additional services income of Baht 59.50 million or 42.01% YoY. In 3Q2021, the Subsidiary hauled 550.35 million liters of oil, up 104.22 million liters or 23.36% YoY. In addition, the Subsidiary could manage the truck fleet more efficiently, resulting in an increase in the gross profit of Baht 45.53 million, or surged by Baht 21.04 million or 85.92% YoY. The gross profit margin of 22.64% increased YoY from 17.29%.

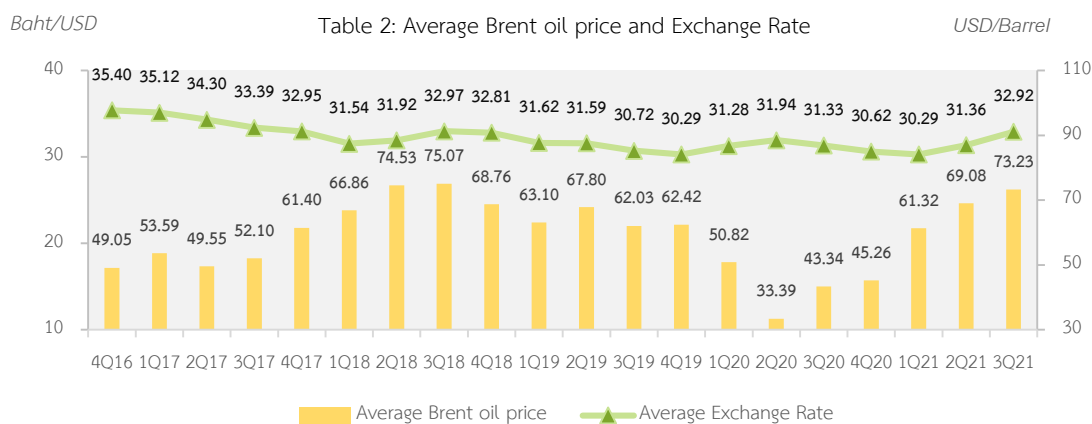
Table 1: Key Financial Results

unit: million Baht

	2Q2021	3Q2020	3Q2021	%YoY	%QoQ
Service Income	494.91	452.24	521.02	15.21%	5.28%
Gross Profit	94.67	116.80	98.74	(15.46%)	4.30%
Gain (Loss) from disposal of assets	-	(0.03)	-	(100.00%)	N/A
Gain (Loss) on an exchange rate	7.13	9.94	9.31	(6.34%)	30.58%
Gain (Loss) from financial instruments	(7.07)	(8.32)	(6.47)	(22.24%)	(8.49%)
Net profit	45.47	71.44	49.04	(31.35%)	7.86%
Gross profit margin (%)	19.13%	25.83%	18.95%		
Net profit margin (%)	9.19%	15.80%	9.41%		
Service income in USD (Separated financial statements)	9.14	9.91	9.72	(1.92%)	6.35%

## Economic and Industry Overview

- Spot crude palm oil (CPO) prices are high due to domestic use and the Indonesian government's B30 program. This includes the export sector, which is growing. Despite the beginning of the peak palm production season in the second half of the year, palm supply is still lagging short of demand.
- The currency exchange of US Dollar had been signed on the Company's operation in terms of the functional currency used according to TAS 21. In 3Q2021, the average of the Thai Baht to US dollar was Baht 32.92 per USD slightly depreciated from 3Q2020 at Baht 31.33 per USD. In accordance with the worldwide market trend, the baht tends to devalue from the strengthening of the US dollar as a result of the US economy's apparent resurgence. Furthermore, a current account deficit exists. It is one of the factors contributing to the baht's depreciation. Because the tourism sector's foreign earnings have plummeted. In addition, Thailand's policy interest rate seems to be very low while the US Federal Reserve (Fed) has indicated that it will end its accommodative monetary policy (QE) in the near term and a potential that the policy rate could be raised next year which clearly reflects the economic recovery. This is in contrast to Thailand's policy interest rate, which is likely to remain low in order to support the economy, a stance that stands in contrast to global market expectations. This underlines the fact that Thailand's economy is currently recovering. As a result, investor confidence and the ability to identify capital outflows are affected resulting in the baht fluctuating and depreciating further. (Source: setinvestnow)
- Voluntary in crude oil price impact the Company's performance due to the fact that fuel cost classified as major transportation cost. In 3Q2021, average Brent crude oil price reported at USD 73.23 per barrel, surged by 68.97% YoY since the oil market has excess demand relatively to supply due to recovery in global oil demand. Furthermore, the number of Covid-19 cases is likely to decline in the United States from high vaccination rate. Therefore, economy signals in term of re-open economy indicate growth of oil demand. Besides, OPEC and its partners (OPEC+) have agreed to a no-supply arrangement, which forces demand out of supply thus pushing the price to rise continuously.



Source: BOT, U.S.A Energy Information Administration

## 3Q2021 Results

### 1) Revenues

Table 3: Revenues

Revenue Structure	3Q2020		3Q2021	
	million Baht	%	million Baht	%
<b><u>International marine service</u></b>				
Service income	308.88	68.30	311.22	59.73
Demurrage charge	1.72	0.38	8.66	1.66
Total revenue from marine service	310.60	68.68	319.88	61.39
<b><u>Domestic land transportation service</u></b>				
Service income	141.64	31.32	201.14	38.61
Total revenue from land service	141.64	31.32	201.14	38.61
<b>Total revenue from services</b>	<b>452.24</b>	<b>100.00</b>	<b>521.02</b>	<b>100.00</b>

3Q2021 consolidated revenues of the Company and its subsidiary posted at Baht 521.02 million, increase by Baht 68.77 million or 15.21% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 61.39% and 38.61%, respectively.

As the fleet utilization rate increased to 98.94%, up from 95.65% YoY and the Thai Baht depreciated, revenue from international marine service climbed by Baht 9.28 million, or 2.99% YoY. In addition, the average freight rate grew by 6.45% YoY. The transport volume, however, decreased by 34,472.99 tons, or 9.86%, because of a decrease in the number of vessels and the vessels were idling due to the aforementioned reasons.

For domestic land transportation services, its revenues increased of Baht 59.50 million, or 42.01% YoY, in line with the expansion of fleet from 216 to 254 truck tankers in 3Q2021. The subsidiary had transported oil volume of 550.35 million liters, raise by 104.22 million liters or 23.36% YoY due to more efficient fleet management.

### 2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit dropped by Baht 18.06 million or 15.46% YoY to record at Baht 98.74 million, representing gross profit margin at 18.95%, compared with 25.83% in 3Q2020.

Gross profit of Marine transport in 3Q2021 was Baht 53.21 million decreased by Baht 39.10 million or 42.36%, representing gross profit margin at 16.63%, compared with 29.72% YoY. The declining in gross profit margin of marine transport was owing to a significantly increase in fuel price. According to Table 2, Brent crude oil prices averaged 73.23 US dollars per barrel in the third quarter of 2021, up 68.97% from the same time the previous year. The freight charge, on the other hand, has only climbed by 6.45%. However, The Company regulates the vessel's speed to remain at an

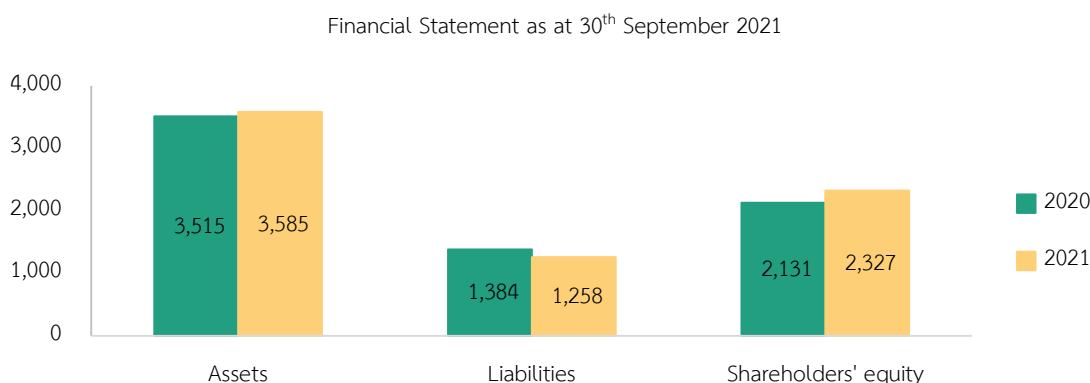
economic speed in order to reduce costs. The major cost of services consists of (1) fuel costs, (2) employee expenses, and (3) depreciation.

Whereas, the gross profit of domestic land transport in 3Q2021 was Baht 45.53 million surged by Baht 21.04 million or 85.92%, representing gross profit margin at 22.64%, higher than 17.29% in 3Q2020. This is due to more efficient management of routes, drivers and other related costs.

### 3) Net profit and Net profit margin

In 3Q2021, the Company and its subsidiary's consolidated net profit dropped by Baht 22.40 million or 31.35% YoY to record at Baht 49.04 million. Net profit margin was 9.41% compared with 15.80% YoY.

### Financial Status



#### 1) Assets

The Company and its subsidiary had total assets of Baht 3,585.08 million, increased by Baht 70.52 million or by 2.01% YTD mainly due to increasing of trucks.

#### 2) Liabilities

The Company and its subsidiary had total liabilities of Baht 1,258.36 million, slightly decreased by Baht 125.59 million or 9.07% YTD due to long term loan repayment.

#### 3) Shareholders' equity

The Company and its subsidiary had equity of Baht 2,326.72 million, increased by Baht 196.10 million, or 9.20% YTD resulting from the operation and the increased in differences on translating financial statement and dividend payment amount of Baht 103.58 million.

## Cash Flows

Table 4: Cash flows

unit: million Baht

	30 Sep 2020	30 Sep 2021	Change	%YoY
Net cash provided by (used in) operating activities	331.67	314.93	(16.74)	(5.05%)
Net cash provided by (used in) investing activities	25.57	(43.92)	(69.49)	(271.74%)
Net cash provided by (used in) financing activities	(198.56)	(383.27)	(184.71)	(93.03%)
Increase (decrease) in exchange differences on translating financial statements	11.81	1.95	(9.86)	(83.50%)
Net increase (decrease) in cash and cash equivalents	170.49	(110.31)	(280.80)	(164.70%)
Cash and cash equivalents as at 1 <sup>st</sup> January	88.24	224.97	136.73	154.94%
Adjustment effects of exchange rate	(5.88)	(3.08)	2.80	47.58%
Cash and cash equivalents as at 30 <sup>th</sup> September	252.85	111.58	(141.28)	(55.87%)

The period ended 30<sup>th</sup> September 2021, the Company and its subsidiary had net cash flow received from operating activities of Baht 314.93 million, net cash flow used in investing activities of Baht 43.92 million (Dry-docking), and net cash flow used in financing activities of Baht 383.27 million (long-term loan repayment and dividend payment). Therefore, cash and cash equivalent items as of the ended 30<sup>th</sup> September 2021 is Baht 111.58 million, decreased by Baht 141.28 million from 30<sup>th</sup> September 2020.

## Key Financial Ratios

Table 5: Key Financial Ratios

	2020	2021	Change
Current ratio (times)	0.70	0.50	(0.20)
Quick ratio (times)	0.61	0.38	(0.23)
Receivables turnover ratio (times)	16.92	19.77	2.85
Average receivable collection period (days)*	21.27	18.21	(3.06)
Debt to equity ratio (times)	0.65	0.54	(0.11)
Interest bearing debt-to-equity ratio (times)	0.59	0.47	(0.12)
Return on assets (%)	6.86	5.77	(1.09)
Return on equity (%)	8.11	6.37	(1.74)

\*The Company's credit policy is 20-25 days.

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director

Investor Relations

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