

11 November 2021

To: The President of the Stock Exchange of Thailand  
 Subject: Management Discussion and Analysis for the 3Q/2021

**Thoresen Thai Agencies Public Company Limited (“TTA”)**



MEMBER OF MSCI

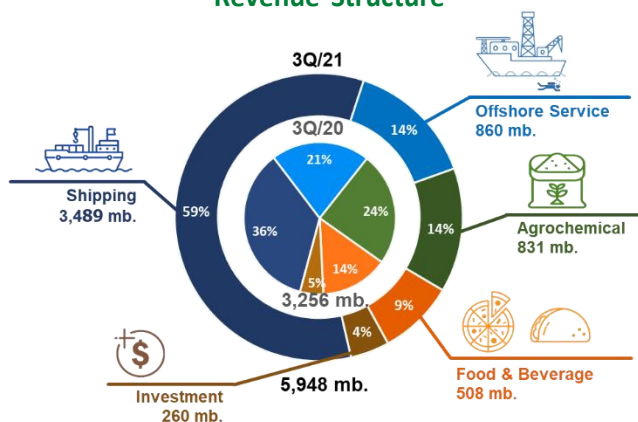
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**TTA reported historical-high net profits of Baht 1,614.4 million in more than a decade, up 204%QoQ and 219%YoY in 3Q/21.**

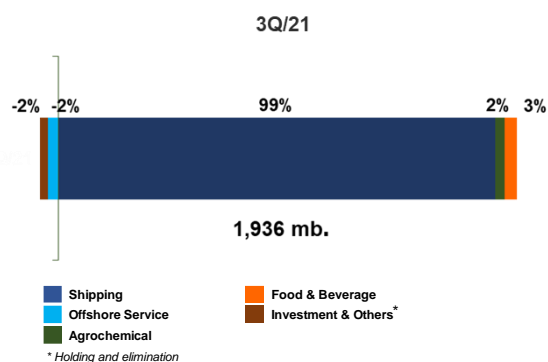
**Consolidated Performance**

TTA reported strong revenues of Baht 5,947.7 million in 3Q/21, increasing 16%QoQ and 83%YoY mainly due to the significant growth in Shipping as the dry bulk freight rate reached a record high in more than a decade. Shipping, Offshore Service, Agrochemical, Food & Beverage, and Investment segments contributed 59%, 14%, 14%, 9%, and 4% to the consolidated revenues, respectively. Accordingly, gross profits increased 75%QoQ and 193%YoY to Baht 2,479.6 million. The gross profit margin also increased from 26% in 3Q/20 and 28% in 2Q/21 to 42% in 3Q/21 from a much better margin of Shipping segment. Consequently, EBITDA grew 91%QoQ and 486%YoY to Baht 1,935.8 million. In this quarter, Shipping’s time charter equivalent (TCE) rate averaged US\$ 33,842 per day and outperformed the net market rate by 4%, with gains from both owned and chartered-in vessels. Offshore Service segment continued positive gross profits with a strong order book of US\$ 260 million. Agrochemical segment continued to be profitable from the higher fertilizer selling price and higher sales of pesticides. In summary, TTA reported historical-high net profits of Baht 1,614.4 million in more than a decade, up 204%QoQ and 219%YoY in 3Q/21.

**Revenue Structure**



**EBITDA Structure**



**With the outperforming TCE of US\$ 33,842 per day, Shipping delivered the best-ever net profits to TTA of Baht 1,769.2 million in 3Q/21.**

**Performance by Key Business Segments**

Shipping segment’s freight revenues in 3Q/21 were reported at Baht 3,489.5 million, which increased 30%QoQ and 202%YoY, mainly due to the rising freight rate. Supramax freight rate peaked at US\$ 38,246 per day since the previous record highs in 2008 and averaged US\$ 34,269 per day in 3Q/21, supported by a limited fleet growth and demand growth of coal and minor bulks following the world economic recovery, as well as the ongoing port congestion due to COVID-19 control measures. To analyze actual performance for dry bulkers, per-day performance such as time charter equivalent (TCE) rate is the global norm. In 3Q/21, TCE rate rose 85%QoQ and 196%YoY to US\$ 33,842 per day in an average, outperforming the net market rate of US\$ 32,556 per day by 4%; it comprised owned fleet TCE rate of US\$ 29,555 per day and gains from the chartered-in vessels of US\$ 4,287 per day. The owned fleet continued high utilization rate at 100% with the highest TCE rate of US\$ 53,160 per day. The equivalent number of chartered-in vessels decreased QoQ from 17.7 to 12.8 vessels due to the selective strategy focusing on high freight charter-out rate; as a result, gains from the chartered-in vessels significantly improved 165%QoQ and 212%YoY. On the other hand, vessel operating expenses (OPEX)

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down 7%QoQ to US\$ 3,861 per day, 14% lower than industry OPEX<sup>(1)</sup> of US\$ 4,503 per day, due to lower technical expenses, mainly repair and maintenance; however, it increased 6%YoY due to expenses related to crew change to comply with measures against COVID-19 pandemic. Since TCE significantly increased while vessel operating expenses remained low, per-day gross profit margin significantly improved from 62% in 3Q/20 and 74% in 2Q/21 to 87% in 3Q/21. Consequently, the gross profits grew 130%QoQ and 361%YoY to Baht 2,012.0 million. Shipping's EBITDA accordingly increased 134%QoQ and 427%YoY to Baht 1,922.1 million. Hence, Shipping segment delivered the best-ever net profits to TTA of Baht 1,769.2 million in more than a decade, which increased 163%QoQ and 685%YoY in 3Q/21. At quarter-end, Shipping segment owned 24 vessels (22 Supramaxes and 2 Ultramax) with an average size of 55,913 DWT and an average age of 13.5 years.

<sup>(1)</sup> Latest Industry OPEX for Supramax at US\$ 4,503 per day, issued in November 2020. (compiled by BDO, formally known as Moore Stephens).

**Offshore Service's positive gross profits continued in 3Q/21 with a strong order book of US\$ 260 million at quarter-end.**

**Offshore Service segment's revenues in 3Q/21 were recorded at Baht 859.7 million**, which increased 13%QoQ and 26%YoY, mainly due to higher revenues of cable laying projects. The performing subsea vessel utilization in 3Q/21 increased QoQ from 67% to 74% on the back of the strong order book but decreased YoY from 92%. Gross profits continued positive at Baht 75.1 million, which increased 28%YoY due to additional cable laying works but decreased 39%QoQ due to a delay in mobilizing a vessel and crew to a new cable laying project site affected by the COVID-19 pandemic. Nevertheless, the project is progressing well as necessary equipment was already set up. Gross profit margin maintained YoY at 9% but decreased QoQ from 16% due to the aforementioned delay despite the higher margin of subsea IRM projects resulting from a better day rate. Offshore Service's EBITDA improved 55%YoY to Baht (47.1) million in 3Q/21 from Baht (105.1) million in 3Q/20 but decreased QoQ. In summary, the Offshore Service segment reported a net loss for the period of Baht 139.8 million and a net loss to TTA of Baht 81.4 million in 3Q/21, which improved 95%YoY from better operation performance in 3Q/21 and no accounting loss from the sale of all shares in one associate to mitigate risk in the drilling business as recorded in 3Q/20. The order book at the period-end remained strong at US\$ 260 million.

**Agrochemical segment continued to be profitable; export fertilizer sales volume recovered 113%QoQ to 14.0 Ktons in 3Q/21.**

**Agrochemical segment's revenues in 3Q/21 amounted to Baht 830.7 million**, which increased 6%YoY due to higher revenues from all products and services – fertilizer, pesticides, and area management service, but decreased 7%QoQ due to the lower domestic fertilizer sales volume. The sales revenue from fertilizer increased YoY because of the increase in fertilizer selling price, in spite of the decrease in fertilizer sales volume. Total fertilizer sales volume in 3Q/21 was 49.7 Ktons, reflecting a decrease of 12%QoQ and 19%YoY, mainly due to the lower domestic fertilizer sales volume. Domestic fertilizer sales volume stood at 35.7 Ktons, decreasing 28%QoQ and 21%YoY, as a result of the restriction of inland transportation caused by the government's stringent lockdown to control the 3<sup>rd</sup> wave COVID-19 pandemic in Vietnam from mid-July to mid-September. Exports of fertilizer to the Philippines were expanded, while those to Africa and other markets have recovered. Therefore, export fertilizer sales volume increased 113%QoQ to 14.0 Ktons. Nevertheless, the shortage of containers and higher container freight rates remain an obstacle for exports to farther continents like Africa. Regarding sales volume by product, NPK fertilizer sales volume decreased 15%QoQ and 24%YoY to 28.8 Ktons, and single fertilizer sales volume decreased 8%QoQ and 11%YoY to 20.9 Ktons, in line with the decrease in domestic sales volume earlier mentioned. In addition, sales revenue of pesticides increased 5%QoQ and 89%YoY to Baht 58.3 million due to active marketing for substituted products of glyphosate. Service income from factory area management also increased 36%QoQ and 67%YoY to Baht 17.6 million, due to increasing demand for warehouse activities during this quarter. Despite higher fertilizer selling price, gross profits decreased 19%QoQ and 9%YoY to Baht 103.8 million due to higher raw material price caused by less supply from China and higher oil price. Accordingly, gross profit margin decreased QoQ and YoY from 14% and 15% to 12%, respectively. On the other hand, SG&A decreased 12%QoQ due to lower marketing expense and lower traveling expense during the lockdown but maintained YoY.

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Consequently, Agrochemical's EBITDA was Baht 40.8 million, which decreased 27%QoQ and 20%YoY. The weakening Thai Baht against US Dollar and Vietnam Dong resulted in the net realized/unrealized foreign exchange gains of Baht 13.1 million. Therefore, Agrochemical segment reported net profits for the period of Baht 24.9 million and net profits to TTA of Baht 17.0 million, reflecting a growth of 3%YoY, but a decrease of 20%QoQ in 3Q/21.

### Key Financial Data <sup>(1)</sup>

in million Baht	3Q/20	2Q/21	3Q/21	YoY	QoQ	9M/20	9M/21	YoY	3Q/20	2Q/21	3Q/21	9M/20	9M/21	
<b>Total Revenues</b>	<b>3,255.6</b>	<b>5,125.8</b>	<b>5,947.7</b>	<b>83%</b>	<b>16%</b>	<b>9,503.5</b>	<b>14,520.8</b>	<b>53%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	Revenue Structure
Shipping	1,155.7	2,689.5	3,489.5	202%	30%	3,534.7	7,904.2	124%	36%	52%	59%	37%	54%	
Offshore service	683.5	760.9	859.7	26%	13%	1,889.3	2,186.4	16%	21%	15%	14%	20%	15%	
Agrochemical	786.1	896.7	830.7	6%	-7%	2,131.8	2,249.6	6%	24%	17%	14%	22%	15%	
Food & Beverage	469.8	541.1	508.2	8%	-6%	1,521.6	1,495.5	-2%	14%	11%	9%	16%	10%	
Investment	160.5	237.6	259.6	62%	9%	426.1	685.1	61%	5%	5%	4%	4%	5%	
<b>Gross Profits/(Losses) <sup>(2)</sup></b>	<b>846.4</b>	<b>1,417.3</b>	<b>2,479.6</b>	<b>193%</b>	<b>75%</b>	<b>1,777.5</b>	<b>4,685.7</b>	<b>164%</b>	<b>26%</b>	<b>28%</b>	<b>42%</b>	<b>19%</b>	<b>32%</b>	Gross Profit Margin
Shipping	436.1	875.6	2,012.0	361%	130%	837.1	3,319.2	297%	38%	33%	58%	24%	42%	
Offshore service	58.5	122.6	75.1	28%	-39%	(147.0)	251.1	271%	9%	16%	9%	-8%	11%	
Agrochemical	114.3	127.7	103.8	-9%	-19%	330.2	310.9	-6%	15%	14%	12%	15%	14%	
Food & Beverage	178.5	225.1	214.6	20%	-5%	599.2	606.7	1%	38%	42%	42%	39%	41%	
Investment & Others*	59.0	66.3	74.1	26%	12%	158.0	197.8	25%	37%	28%	29%	37%	29%	
<b>EBITDA <sup>(3)</sup></b>	<b>330.1</b>	<b>1,013.0</b>	<b>1,935.8</b>	<b>486%</b>	<b>91%</b>	<b>118.3</b>	<b>3,443.0</b>	<b>2810%</b>	<b>10%</b>	<b>20%</b>	<b>33%</b>	<b>1%</b>	<b>24%</b>	EBITDA Margin
Shipping	364.9	823.0	1,922.1	427%	134%	555.0	3,099.3	458%	32%	31%	55%	16%	39%	
Offshore service	(105.1)	13.3	(47.1)	55%	-455%	(501.7)	(74.6)	85%	-15%	2%	-5%	-27%	-3%	
Agrochemical	50.9	56.2	40.8	-20%	-27%	125.4	127.8	2%	6%	6%	5%	6%	6%	
Food & Beverage	38.1	64.4	55.1	45%	-14%	152.1	142.7	-6%	8%	12%	11%	10%	10%	
Investment & Others*	(18.7)	56.1	(35.2)	-88%	-163%	(212.4)	147.8	170%	-12%	24%	-14%	-50%	22%	
<b>Net Profits/(Losses) to TTA</b>	<b>(1,354.6)</b>	<b>530.3</b>	<b>1,614.4</b>	<b>219%</b>	<b>204%</b>	<b>(2,054.7)</b>	<b>2,333.8</b>	<b>214%</b>	<b>-42%</b>	<b>10%</b>	<b>27%</b>	<b>-22%</b>	<b>16%</b>	Net Profit (to TTA) Margin
Shipping	225.5	671.6	1,769.2	685%	163%	147.6	2,646.0	1692%	20%	25%	51%	4%	33%	
Offshore service	(1,539.1)	(58.6)	(81.4)	95%	-39%	(1,894.6)	(212.7)	89%	-225%	-8%	-9%	-100%	-10%	
Agrochemical	16.6	21.3	17.0	3%	-20%	37.8	48.6	29%	2%	2%	2%	2%	2%	
Food & Beverage	(9.8)	5.4	(1.5)	85%	-127%	(13.2)	(21.9)	-66%	-2%	1%	0%	-1%	-1%	
Investment & Others*	(47.7)	(109.3)	(89.0)	-87%	19%	(332.4)	(126.2)	62%	-30%	-46%	-34%	-78%	-18%	
<b>Normalized Net Profits/(Losses) to TTA <sup>(4)</sup></b>	<b>50.8</b>	<b>652.8</b>	<b>1,634.5</b>	<b>3116%</b>	<b>150%</b>	<b>(663.6)</b>	<b>2,491.5</b>	<b>475%</b>	<b>2%</b>	<b>13%</b>	<b>27%</b>	<b>-7%</b>	<b>17%</b>	Normalized Net Profit (to TTA) Margin
Shipping	225.5	671.6	1,769.2	685%	163%	131.5	2,646.1	1912%	20%	25%	51%	4%	33%	
Offshore service	(133.5)	(58.6)	(84.8)	36%	-45%	(489.3)	(226.9)	54%	-20%	-8%	-10%	-26%	-10%	
Agrochemical	16.6	21.2	17.0	3%	-20%	37.8	48.6	29%	2%	2%	2%	2%	2%	
Food & Beverage	(10.2)	5.9	(1.5)	85%	-126%	(13.2)	(18.7)	-41%	-2%	1%	0%	-1%	-1%	
Investment & Others*	(47.6)	12.6	(65.4)	-37%	-620%	(330.3)	42.4	113%	-30%	5%	-25%	-78%	6%	
<b>Number of Issued and Paid-up Shares (million Shares)</b>	<b>1,822.5</b>	<b>1,822.5</b>	<b>1,822.5</b>	<b>0%</b>	<b>0%</b>	<b>1,822.5</b>	<b>1,822.5</b>	<b>0%</b>						
<b>Basic earnings per share (in Baht)</b>	<b>(0.74)</b>	<b>0.29</b>	<b>0.89</b>	<b>219%</b>	<b>204%</b>	<b>(1.13)</b>	<b>1.28</b>	<b>214%</b>						

Note: \* Holding and elimination

(1) As consolidated on TTA's P&L

(2) Excluding depreciation and amortization, but including amortization of vessel drydocking

(3) Earnings before interest, tax, depreciation, and amortization (excluding extraordinary items)

(4) Normalized net profits/(losses) = net profits/(losses) - non-recurring items

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### Key Operational Data

	Units	3Q/20	2Q/21	3Q/21	%YoY	%QoQ	9M/20	9M/21	%YoY
<b>Shipping Segment:</b>									
BDI Index	Point	1,522	2,793	3,732	145%	34%	971	2,764	185%
BSI Index	Point	903	2,322	3,115	245%	34%	670	2,325	247%
Net Supramax TC rate <sup>(6)</sup>	USD/Day	9,435	24,261	32,556	245%	34%	6,999	24,294	247%
Calendar days for owned fleet <sup>(1)</sup>	Days	2,024	2,184	2,208	9%	1%	5,937	6,532	10%
Available service days for owned fleet <sup>(2)</sup>	Days	1,965	2,057	2,084	6%	1%	5,833	6,254	7%
Operating days for owned fleet <sup>(3)</sup>	Days	1,965	2,057	2,084	6%	1%	5,833	6,254	7%
Owned fleet utilization <sup>(4)</sup>	%	100%	100%	100%	0%	0%	100%	100%	0%
Voyage days for chartered-in fleet	USD/Day	642	1,614	1,174	83%	-27%	2,181	4,062	86%
TC (%)	%	61%	51%	55%			51%	55%	
VC/COA (%)	%	39%	49%	45%			49%	45%	
Average DWT	Dwt	55,436	55,913	55,913	1%	0%	55,436	55,913	1%
Number of owned vessels at the ending period	Vessels	22	24	24	9%	0%	22	24	9%
Average number of vessels <sup>(5)</sup>	Vessel	28.3	40.3	35.4	25%	-12%	29.2	37.8	29%
Average age of owned fleet	Years	13.2	13.2	13.5			13.2	13.5	
<b>Per Day Data <sup>(7)</sup>:</b>									
Highest TCE rate of owned fleet	USD/day	20,351	43,436	53,160	161%	22%	20,351	20,983	3%
Thoresen TCE rate <sup>(8)</sup>	USD/day	11,444	18,330	33,842	196%	85%	8,928	21,475	141%
TCE rate of owned fleet	USD/day	10,068	16,713	29,555	194%	77%	7,855	19,894	153%
Gain/(loss) from chartered-in vessels	USD/day	1,376	1,617	4,287	212%	165%	1,073	1,581	47%
Vessel operating expenses (owner's expenses)	USD/day	3,634	4,168	3,861	6%	-7%	3,667	4,035	10%
Cash costs	USD/day	5,253	5,836	5,981	14%	2%	5,311	5,808	9%
Total costs	USD/day	7,502	8,173	8,283	10%	1%	7,624	8,123	7%
Per-day gross profit margin <sup>(9)</sup>	%	62%	74%	87%			59%	81%	
Per-day EBITDA margin	%	54%	68%	82%			41%	73%	
Per-day Net operating profit margin	%	34%	55%	76%			15%	62%	
<b>Offshore Service Segment:</b>									
Utilization rate - performing subsea vessels	%	92%	67%	74%			83%	67%	
Order book	mUSD	179	286	260			179	260	
<b>Agrochemical Segment:</b>									
Total fertilizer sales volume	KTons	61.3	56.4	49.7	-19%	-12%	160.4	139.5	-13%
Fertilizer sales volume by geography									
- Domestic (in Vietnam)	KTons	45.5	49.9	35.7	-21%	-28%	103.0	117.4	14%
- Export	KTons	15.8	6.6	14.0	-11%	113%	57.3	22.1	-62%
Fertilizer sales volume by product									
- NPK fertilizer	KTons	37.9	33.7	28.8	-24%	-15%	116.5	84.9	-27%
- Single fertilizer	KTons	23.4	22.7	20.9	-11%	-8%	43.8	54.6	25%
<b>Food &amp; Beverage Segment:</b>									
No. of outlets of Pizza Hut	Outlets	157	172	171	9%	-1%	157	171	9%
No. of outlets of Taco Bell	Outlets	7	10	11	57%	10%	7	11	57%

Note:

- <sup>(1)</sup> Calendar days are the total calendar days TTA owned the vessels in our fleet for the relevant period, including off hire days associated with planned major repairs, dry dockings, or special or intermediate surveys.
- <sup>(2)</sup> Available service days are calendar days<sup>(1)</sup> less planned off hire days associated with major repairs, dry dockings, or special or intermediate surveys.
- <sup>(3)</sup> Operating days are the available service days<sup>(2)</sup> less unplanned off-hire days, which occurred during the service voyage.
- <sup>(4)</sup> Fleet utilization is the percentage of time that our vessels generated revenues and is determined by dividing operating days<sup>(3)</sup> by available service days<sup>(2)</sup> for the relevant period.
- <sup>(5)</sup> Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the total operating days for owned fleet plus voyage days for chartered in fleet during the period divided by the number of calendar days in the relevant period.
- <sup>(6)</sup> Gross Market (Supramax) TC rate net of commission. Based on BSI-52 index up through 4Q/18 and BSI-58 index from 1Q/19 onwards.
- <sup>(7)</sup> The per day basis is calculated based on available service days for owned fleet.
- <sup>(8)</sup> Thoresen TCE Rate comprises owned fleet TCE rate and gain (loss) from chartered-in vessels, excluding net realized/unrealized gain (loss) from the change in fair value of derivatives.
- <sup>(9)</sup> Per-Day Gross Profit Margin (%) = (Thoresen TCE Rate<sup>(8)</sup> - Vessel Operating Expenses - Dry-Docking Expense) / Thoresen TCE Rate<sup>(8)</sup>

TCE Rate = Time-Charter Equivalent Rate  
TC Rate = Time-Charter Rate

BDI = The Baltic Exchange Dry Index  
BSI = The Baltic Exchange Supramax Index

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### Financial Position

	31,029		35,566		
	Assets	Liabilities-Equity	Assets	Liabilities-Equity	
Cash under Management <sup>(1)</sup>	7,700	2,622	8,982	3,344	Other Liabilities
Other Current Assets	4,623	9,216	6,043	8,984	Interest-Bearing Debts <sup>(3)</sup>
Tangible Assets <sup>(2)</sup>	14,334	19,191	15,898	23,238	Total Equity
Other Non-Current Assets	4,372		4,643		
	As of December 31, 2020		As of September 30, 2021		

**Due to ample cash under management of Baht 9.0 billion from higher operating profits, net IBD/E was close to zero at quarter-end, reflecting robust capital structure.**

As of September 30, 2021, TTA had total assets of Baht 35,565.8 million, which increased by 15% or Baht 4,536.6 million from the end of 2020, mainly due to an increase in cash under management and an increase in property, plant, and equipment. Cash under management, which combines cash, cash equivalents, and other current financial assets increased by Baht 1,281.1 million to Baht 8,981.7 million from higher operating profits, while property, plant, and equipment increased from the positive foreign currency translation and the acquisition of one second-hand vessel in January 2021. Total liabilities increased by 4% from the end of 2020 to Baht 12,327.8 million, mainly due to higher accrued expenses largely from additional works under Offshore Service segment. Nevertheless, interest-bearing debt decreased by Baht 232.2 million from the year-end 2020, mainly due to repayment of debentures at maturity in 1Q/21. Total equity increased by Baht 4,046.6 million or 21% from the end of 2020 to Baht 23,238.0 million, mainly from net profits and the positive foreign currency translation for foreign operations in this period. The capital structure remained strong and was reflected by the low net interest-bearing debt to total equity (net IBD/E)<sup>(4)</sup> of 0.0001 times at quarter-end. TTA continues to manage its debt and equity structure at appropriate level for its business operations and growth.

**Note:** <sup>(1)</sup> Cash, cash equivalents, and other current financial assets

<sup>(2)</sup> Property, plant, equipment, and investment properties

<sup>(3)</sup> Excluding lease liabilities

<sup>(4)</sup> Net interest-bearing debt to total equity (net IBD/E) = (interest-bearing debts - cash under management) / total equity

### Significant Events/ Changes

- Tris Rating revised up rating outlook of TTA from BBB with a negative outlook to BBB with a stable outlook on 23 August 2021.
- TTA has been certified as a member of the Private Sector Collective Coalition Against Corruption (CAC) by the Thai Institute of Directors (IOD) on 30 September 2021.

### Sustainability

TTA gives priority to good corporate governance, transparency, and sustainable development as detailed below:

- Appointment of the Corporate Governance (CG) Committee to review the CG policy and to monitor compliance with the policy and practices.
- Appointment of the Sustainable Development Committee to ensure that sustainable development will be implemented throughout TTA.
- Grant of the opportunity to shareholders to propose the agenda and director candidates for AGM.
- The certified member of Thailand's Private Sector Collective Action Against Corruption (CAC).

### Key Social Projects/ Activities

**Maritime Cooks Training Program:** Thoresen Shipping under Shipping segment has been collaborating with Nakhon Si Thammarat Vocational College to establish a "Maritime Cooks Training Program" with the aim to develop professional onboard cooks. There are more than 140 students who graduated from this program.



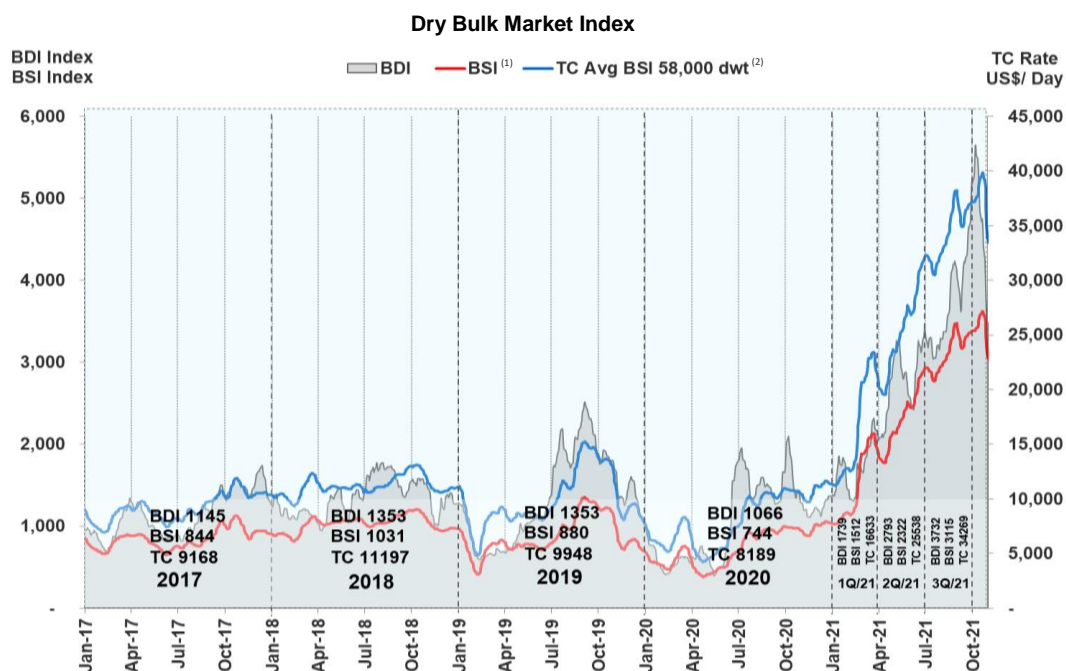
**Key Environmental Projects/ Activities**

**TTA Zero Waste Project:** TTA's long-term goal is to reduce plastic waste from its operations by 30% within 3 years starting from the year 2020. So, TTA Zero Waste Project had been launched to reduce the plastic waste in the TTA's Office. Approximately 40 kilograms of plastic waste were collected in 2020 and handed over to Wat Chak Daeng in Samut Prakan's Phra Pradaeng district for processing into synthetic fibers and used to make robes.

**Key Economic Projects/ Activities**

**Participation in Thai CAC:** TTA announced its participation in Thailand's Private Sector Collective Action against Corruption (CAC) on 8 November 2019, and was certified on 30 September 2021.

**Industry Outlook: Shipping**



<sup>(1)</sup> BSI referred to 52,000 dwt bulk carrier basis for the period before 3 April 2017 and 58,000 dwt bulk carrier basis for the period starting 3 April 2017.  
<sup>(2)</sup> TC Avg BSI is based on BSI-52 index up through 4Q/18 and BSI-58 index from 1Q/19 onwards, to be comparable with the fleet size of Shipping segment.

**Baltic Supramax Index (BSI) averaged 3,115 points in 3Q/21**, significantly increased from an average of 903 points in 3Q/20 and 2,322 points in 2Q/21, as dry bulk trade volumes have rebounded strongly, and a range of factors provided upside such as ongoing severe port congestion and shortage of container ships. TC rate of Supramax continued new highs to US\$ 38,246 per day, the highest level since the previous highs of US\$ 70,507 per day in 2008 with an average of US\$ 34,269 per day in 3Q/21. Looking for the full-year 2021, the outlook remains healthy, Clarksons Research forecasts dry bulk trade growth of 4.1% in tons or 4.8% in ton-miles, driven by the recovery of coal and minor bulks while fleet expansion is projected to slow to 3.5% in the deadweight ton (DWT). The rebound of minor bulks in 2021 so far has been very strong and also provide market support for the Sub-Cape vessels, supported by an economic and industrial recovery across key regions particularly for steel products and cement related to the infrastructure investments and industrial demand boosted by the stimulus packages. Volatilities over Chinese iron ore demand, driven by the power shortage and its measures to curtail the steel output to control emissions and steel price, have been a concern while cold weather during the coming winter in key regions would provide some support for thermal coal imports. In addition, the order book for newbuilds stands at a record low of 6% of fleet capacity in 30 years, partly reflecting continued uncertainty over fuel and technology choices against a backdrop of the accelerating environmental and regulatory agenda. Port congestion is also having a clear impact on available capacity this year and tightening the market balance in the sector; approximately at least an additional 5-6% of the bulkcarrier fleet capacity has been in port currently. Looking further to 2022, dry bulk trade is projected to grow by 2.4% in ton-miles against fleet expansion of 1.5%.

# Thoresen Thai Agencies Public Company Limited

## Management Discussion and Analysis for 3Q/2021

Ref No. COR: EL21024e/PTP

**Note:** Thoresen Shipping fleet is categorized as small vessels and can be benchmarked with BSI-58, although its fleet size is smaller than the benchmark of a standard 58K DWT bulk carrier.

### For additional information:

#### Financial statements



<https://www.thoresen.com/financials.html>

#### Corporate governance



[https://www.thoresen.com/corporate\\_governance.html](https://www.thoresen.com/corporate_governance.html)

Yours faithfully,

**Thoresen Thai Agencies Public Company Limited**

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Mr. Chalermchai Mahagitsiri  
President & Chief Executive Officer

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Mr. Katarat Suksawang  
Executive Vice President & Group CFO