

Date 12 November 2021

Subject Management's Discussion and Analysis of the Financial Statements for the third quarter ended 30 September 2021.

To Managing Director of The Stock Exchange of Thailand

Enclosure Management's Discussion and Analysis of the Financial Statements for the third quarter ended 30 September 2021, both Thai and English, 1 set for each

Mena Transport Public Company Limited ("MENA") would like to submit the Company's reviewed financial statements for the third quarter ended 30 September 2021 to the Stock Exchange of Thailand.

The operation result of MENA for the third quarter ended 30 September 2021 registered a net profit amounting to 20.0 THB million. Please see further details in the Management's Discussion and Analysis of the financial statements for the third quarter ended 30 September 2021 as attached.

Best regards,

- Mrs. Suwanna Kajonwuttidet -

(Mrs. Suwanna Kajonwuttidet)  
Chief Executive Officer

## Mena Transport Public Company Limited

### Management Discussion and Analysis for the third quarter ended 30 September 2021

Mena Transport Public Company Limited (“MENA”) would like to report the operating result of 3-month and 9-month periods ended 30 September 2021 according to the Company’s financial statement which the details are as follows:

(Unit : Million Baht)

Statement of comprehensive income	Fro the three-month period				For the nine-month period			
	Quarter 3 2021	Quarter 3 2020	Increase (decrease)	%	2021	2020	Increase (decrease)	%
Revenue from transportation and concrete transportation services	112.70	134.13	(21.43)	(15.98)	392.42	432.99	(40.57)	(9.37)
Revenue from sales	4.89	3.91	0.98	25.07	19.42	28.47	(9.05)	(31.78)
Total revenue	117.58	138.03	(20.45)	(14.82)	411.84	461.46	(49.61)	(10.75)
Cost of transportation and concrete transportation services	(101.82)	(113.88)	12.07	(10.60)	(331.76)	(359.54)	27.78	(7.73)
Cost of sales	(4.63)	(3.72)	(0.91)	24.54	(18.38)	(26.72)	8.34	(31.20)
Total cost	(106.45)	(117.61)	11.15	(9.48)	(350.14)	(386.26)	36.11	(9.35)
<b>Gross profit</b>	<b>11.13</b>	<b>20.43</b>	(9.30)	(45.52)	<b>61.70</b>	<b>75.20</b>	(13.50)	(17.95)
Other income	2.30	2.86	(0.56)	(19.47)	9.11	7.43	1.68	22.58
Selling expenses	(0.10)	(0.09)	(0.02)	22.07	(0.31)	(0.32)	0.01	(2.92)
Administrative expenses	(13.94)	(15.12)	1.18	(7.83)	(41.93)	(47.44)	5.51	(11.62)
Other gains (loss), net	(0.64)	0.00	(0.64)	(100.00)	(0.64)	0.00	(0.64)	(100.00)
Finance cost	(1.88)	(3.21)	1.33	(41.58)	(6.43)	(11.07)	4.64	(41.93)
Income tax expense	1.34	0.40	0.93	230.28	(1.48)	0.61	(2.09)	(340.86)
<b>Profit for the period</b>	<b>(1.79)</b>	<b>5.28</b>	(7.06)	(133.89)	<b>20.03</b>	<b>24.42</b>	(4.39)	(17.98)

### Performance Overview

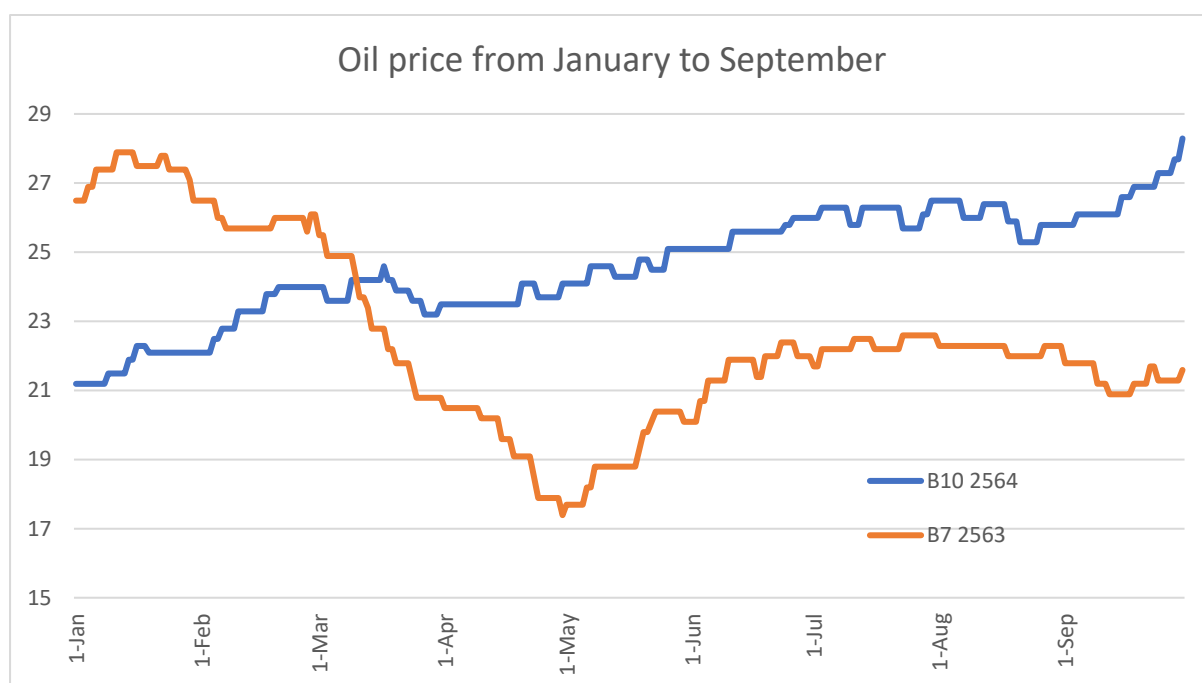
Although Thailand’s COVID-19 situation remained stable in the first half of 2021, the new outbreak that began in April steadily escalated to the point where the government eventually declared the closure of construction workers from 28 June 2021, halting all constructions in some areas and affecting demand for cement and ready-mixed concrete transported by MENA. This leads to the significant decrease in revenue in July 2021. MENA’s revenue gradually shifted after the government declared the reopening of construction workers.

### Revenue from concrete transportation services (Mixer)

Revenue from concrete transportation services is the revenue derived from mixer trucks which are vehicles that transport ready mix concrete to customers and revenue from fleet management. The mixer trucks will be stationed at ready mix concrete factory, which are more convenient to operate both concrete delivering and concrete pouring for customers.

Service income for the third quarter of 2021 (three months) was 80.9 million Baht, decreased by 14.3 million Baht from the same period last year, reflecting a 15 percent down. Although the service rate increased from the same period last year in accordance with the increase in oil price, the volume of ready-mixed concrete transportation decreased 21 percent from the same period last year. This resulted from the closure of construction workers.

Service income for the nine-month period of 2021 was 293.2 million Baht, decreased by 18.1 million Baht from the same period last year, reflecting a 6 percent down. Although the service rate increased from the same period last year in accordance with the increase in oil price, the volume of ready-mixed concrete transportation decreased 6 percent from the same period last year. This resulted from the closure of construction workers.



The graph illustrates that the oil price in the second quarter of 2021 was substantially higher than it was in the same period of 2020.

### Revenue from transportation (Trailer)

The revenue from transportation is derived from the service by trailer, which is the vehicle in the type of tow truck which can change the type of semi-trailer depending on the usage, and revenue from fleet management. The customers of transport by trailers are manufacturers who hire MENA to deliver products to end users such as cement powder companies, construction materials companies and customers who are intermediaries in the transportation of goods such as consumer products and construction materials.

Transportation income for the third quarter of 2021 (three months) was 31.8 million Baht, a fall of 7.1 million Baht from the same period last year, reflecting a 18 percent decline. Due to a decline in the number of trailers

and the impact of the severe COVID-19 situation in the third quarter of 2021. The closure of construction workers caused drop in demand of cement, which lead to the decline of transportation.

Transportation revenue for the nine-month period of 2021 declined by 22.5 million Baht, or 18 percent, to 99.2 million Baht, due to the same factors mentioned above. MENA aims to maintain a steady level of service income while also providing a sufficient number of vehicles to meet customer demands.

### **Revenue from sales**

Revenue from sales is the revenue generated by the selling of concrete, fly ash, and construction materials. MENA purchases and deliver construction products to the customer right away. So, MENA has no inventory. Sales revenue in the third quarter of 2021 were 4.9 million Baht, increased 1.0 million Baht from the same period last year, marking a 25 percent growth. The growth was from the increase in demand in September. Sales revenue for the nine-month period dropped 9.0 million Baht, reflecting a 32 percent decrease from the same period previous year. The completion of the construction project was the main reason for this. Furthermore, since the beginning of the year, new construction projects have been postponed due to a labor shortage in the COVID-19 situation and the closure of construction workers in the third quarter of 2021. As a result, the amount of concrete used during this period was less than expected.

### **Gross profit**

Gross profit for the third quarter of 2021 (three months) was decreased by 9.3 million Baht or 45 percent because the increase in oil price during the month lead to increase in fuel cost and cost of protection MENA's drivers and staff from COVID-19, whilst the revenue has decreased as mentioned.

Gross profit for the nine-month period of 2021 was decreased by 13.5 million Baht or 18 percent. This was due to the decrease in revenue from the closure of construction workers, increase in fuel cost from the increase in oil price since the beginning of 2021 and fixed cost of staff.

### **Profit for the period**

The net loss for the third quarter of 2021 (three months) was 1.8 million Baht, down 7.1 million Baht or 134 percent over the same period the previous year, which was mainly from the closure of the construction workers and the cost of COVID-19 protection, although MENA has the control of administrative expenses, and the decrease in financial costs.

The net profit for the nine-month period of 2021 was 20.0 million Baht, down 4.4 million Baht or 18 percent from the same time the previous year according to the drop in third quarter performance due to the COVID-19 crisis mentioned above.

## **Financial ratio**

### **Debt-to-Equity ratio (D/E ratio)**

The debt-to-equity ratio (D/E ratio) decreased from 0.53 times as of 31 December 2020 to 0.29 times in the third quarter of 2021 because the increase in capital of 213.8 million Baht in July 2021, the scheduled debt payment and an increase in unappropriated retained earnings from MENA's operating results, despite the dividend payment of 22.0 million Baht in May 2021. MENA has the loan agreement with a financial institution requires debt to equity ratio of not more than 2.5 times and must not be less than 0, and not to have loss more than the capital throughout the term of the loan agreement. From the end of 2020 to this quarter, MENA has been able to comply with financial covenants stated in the agreement.