

Subject Management Discussion and Analysis Yearly Ending 31 Dec 2021

To Managing Directors
The Stock Exchange of Thailand

Premier Tank Corporation Public Company Limited (the “Company”) would like to inform operating result and financial position for the year ended 31 December 2021 as the following details

Operating result for the year ended 31 December 2021

(Unit : Million Baht)	2020	2021	CHANGE	
			Amount	%YoY
Rental and services income	253.39	221.15	(32.24)	(12.72%)
Costs of rental and services	(62.43)	(54.92)	7.51	(12.03%)
Gross profit	190.96	166.23	(24.73)	(12.95%)
Other income	0.39	1.05	0.66	171.81%
Profit before expenses	191.35	167.28	(24.06)	(12.58%)
Administrative expenses	(41.78)	(39.02)	2.76	(6.61%)
Profit from operating activities	149.56	128.26	(21.30)	(14.24%)
Finance costs	(13.30)	(8.12)	5.19	(38.99%)
Profit before income tax	136.26	120.15	(16.11)	(11.83%)
Income tax	(25.20)	(22.25)	2.95	(11.72%)
Profit for the period	111.06	97.90	(13.16)	(11.85%)
Earning per share (Baht : Share)	0.37	0.33		

ExplanationsRevenue

In the year 2021, The Company recorded total rental and service income in the amount of Baht 221.15 million, decrease from 2020. Due to the situation of the epidemic of COVID-19 that began to intensify since April and has spread widely, In August, the number of patients was at a record high, the government to impose stricter containment measures for the outbreak and accelerate the distribution of vaccines – affecting economic activities. However, in September 2021, the severity of the outbreak situation in subsided, the demand for oil consumption recovered on the grounds of various economic stimuli and the rapid distribution of vaccines. As a result, rental and service income decreased by 12.72% compared to the same period last year.

Cost of Service

Cost of rental and services in the year 2021 was Baht 54.92 million, decrease by Baht 7.51 million or 12.03% from 2020 mainly due to decrease in depreciation of vehicles and oil depot equipment have been fully depreciated but is still in use and changes in the estimated useful life of the building and the oil depot, along with in 2020, the Company has maintenance cost for renovating prefabricated oil tanks and moving fire hose lines. As a result, the maintenance cost is higher than the normal costs during the said period.

Gross profit

In the year 2021, the Company's gross profit was Baht 166.23 million, decrease by Baht 24.73 million or 12.95% is decreased by the reducing in rental and service income due to the economic slowdown and the epidemic of COVID-19. However, the Company can maintain a similar margin to a year ago, even though the Company's rental and service revenues is declined, resulted from the decrease in depreciation and maintenance costs which compared to the same period of prior year.

Administrative expenses

Administrative expenses for 2021 were Baht 39.02 million, decrease by Baht 2.76 million or 6.61% from 2020, the main changes arose from the high value assets were not written-off as the same of 2020, resulting the decrease in administrative expenses.

Net Profit

Net profit for the year 2021 was Baht 97.90 million, decrease by Baht 13.16 million or 11.85% according to the reducing of income. Revenue from rental and service of 2021 decreased at 12.72% compared to the same period in 2020. However, the Company's net profit margin increased was 44.06% as a result of lower costs, due to a decrease in depreciation of vehicles, oil depot equipment and office equipment have been fully depreciated but is still in use and there was a change in the estimated useful life of the building and the oil depot to conform with the residual physical useful life and in 2020, the Company still has the highly maintenance costs than the ordinary due to the repair expenses of renovating prefabricated oil tanks and moving fire hose lines, resulting to the year 2021 the Company has a decrease in cost of rental and services which compared to the same period of prior year. In addition, administrative expenses are also reduced arising from the high value assets were not written-off as the same of 2020, and finance cost was reduced in accordance with the amount of loans that accelerated repayment.

Financial position as of 31 December 2021

(Unit : Million Baht)	31-Dec-20		31-Dec-21		CHANGE	
		%		%	Amount	%
ASSETS						
Current assets	50.66	8.08%	52.62	8.74%	1.95	3.86%
Non-current assets	576.17	91.92%	549.74	91.26%	(26.44)	(4.59%)
TOTAL ASSETS	626.84	100.00%	602.36	100.00%	(24.48)	(3.91%)
LIABILITIES AND SHAREHOLDERS 'EQUITY						
Current liabilities	123.17	19.65%	62.48	10.37%	(60.69)	(49.27%)
Non current liabilities	168.83	26.93%	107.14	17.79%	(61.69)	(36.54%)
TOTAL LIABILITIES	292.00	46.58%	169.62	28.16%	(122.38)	(41.91%)
Share capital - common shares	150.00	23.93%	150.00	24.90%	0.00	0.00%
Retained earnings	184.83	29.49%	282.74	46.94%	97.90	52.97%
TOTAL SHAREHOLDERS' EQUITY	334.83	53.42%	432.74	71.84%	97.90	29.24%
TOTAL LIABILITIES AND SHAREHOLDERS 'EQUITY	626.84	100.00%	602.36	100.00%	(24.48)	(3.91%)

Assets

The Company's assets as of 31 December 2021, which include land, plants and equipment, and investment properties of the Company's assets.

Total assets of the company in 2021 were Baht 602.36 million, decrease by Baht 24.48 million or 3.91% from the year 2020, due to a decrease in property, plant, and equipment according to the amortized depreciation expense in the year.

Liabilities

The company's total liabilities will consist mainly of current portion of long-term loans from financial institutions, Long-term loans from financial institutions and liabilities under lease agreements. As of December 31, 2021, the company had liabilities of Baht 169.62 million, decrease by Baht 122.38 million from the previous year. This represents 41.91% decrease mainly from repayment of short-term loans and long-term loans from financial institutions.

Shareholders' equity

Shareholders' equity as of 31 December 2021, was Baht 432.74 million, increase by Baht 97.90 million or 29.24% from 2020. In the year 2021 the Company did not increase share capital and provide dividend payment. Therefore, the increase in shareholders' equity is an increase of net profit for the year 2021.

Key financial Ratio

Key financial Ratio	As of December 31,2020	As of December 31,2021
Debt to Equity Ratio (times)	0.87	0.39
Return on Equity (%)	39.76	25.51
Return on Fixed Assets (%)	26.14	23.98

Debt to Equity Ratio

The Company's debt to equity ratio as of December 31, 2021, was 0.39 times, a decrease because the company short term loan repayment and long-term loans from financial institutions. This causes debt to continue to decline while retained earnings increased in line with operating profit. As a result, the debt to equity ratio compared to December 31, 2020 decreased by 0.48 times.

Return on Equity

The Company's return on fixed assets as of 31December 2021, was 25.51%, decrease due to the reduction in the previous year, as the net profit and additional retained earnings increased. The increase in the net profit was less than the average equity increase, resulting in a lower return on equity.

Return on Fixed Assets

Return on fixed assets as of 31 December 2021, was 23.98%, decrease due to the reduction in the net profit for the year 2021 by 11.85%, greater than the decrease in fixed assets caused by depreciation. Fixed assets decreased by 4.59% compared to December 31, 2020.

Please be informed accordingly

Your Sincerely,

Ms.Phattaya Ngowsakul
Chief Financial Officer