

Date 11 May 2022

Subject Management's Discussion and Analysis of the Financial Statements for the first quarter ended 31 March 2022.

To Managing Director of The Stock Exchange of Thailand

Enclosure Management's Discussion and Analysis of the Financial Statements for the first quarter ended 31 March 2022, both Thai and English, 1 set for each

Mena Transport Public Company Limited ("MENA") would like to submit the Company's audited financial statements for the first quarter ended 31 March 2022 to the Stock Exchange of Thailand.

The operation result of MENA for the first quarter ended 31 March 2022 registered a net profit amounting to 8.8 million Baht. Please see further details in the Management's Discussion and Analysis of the financial statements for the first quarter ended 31 March 2022 as attached.

Best regards,



(Mrs. Suwanna Kajonwuttidet)  
Chief Executive Officer

## Mena Transport Public Company Limited

### Management Discussion and Analysis for the first quarter ended 31 March 2022

Mena Transport Public Company Limited (“MENA”) would like to report the operating result of 3-month period ended 31 December 2022 according to the Company’s financial statement which the details are as follows:

(Unit : Million Baht)

Statement of comprehensive income	For the three-month period			
	Quarter 1 2022	Quarter 1 2021	Increase (decrease)	%
Revenue from transportation and concrete transportation services	146.73	139.63	7.10	5.09
Revenue from sales	9.21	7.57	1.64	21.67
Total revenue	155.95	147.20	8.74	5.94
Cost of transportation and concrete transportation services	(122.55)	(115.03)	(7.52)	6.54
Cost of sales	(8.82)	(7.13)	(1.69)	23.65
Total cost	(131.37)	(122.16)	(9.21)	7.54
<b>Gross profit</b>	<b>24.58</b>	<b>25.04</b>	(0.47)	(1.86)
Other income	2.36	5.27	(2.92)	(55.31)
Selling expenses	(0.19)	(0.11)	(0.08)	76.48
Administrative expenses	(14.58)	(14.86)	0.28	(1.91)
Finance cost	(1.48)	(2.40)	0.92	(38.32)
Income tax expense	(1.86)	(2.82)	0.96	(33.99)
<b>Profit for the period</b>	<b>8.82</b>	<b>10.13</b>	(1.30)	(12.86)

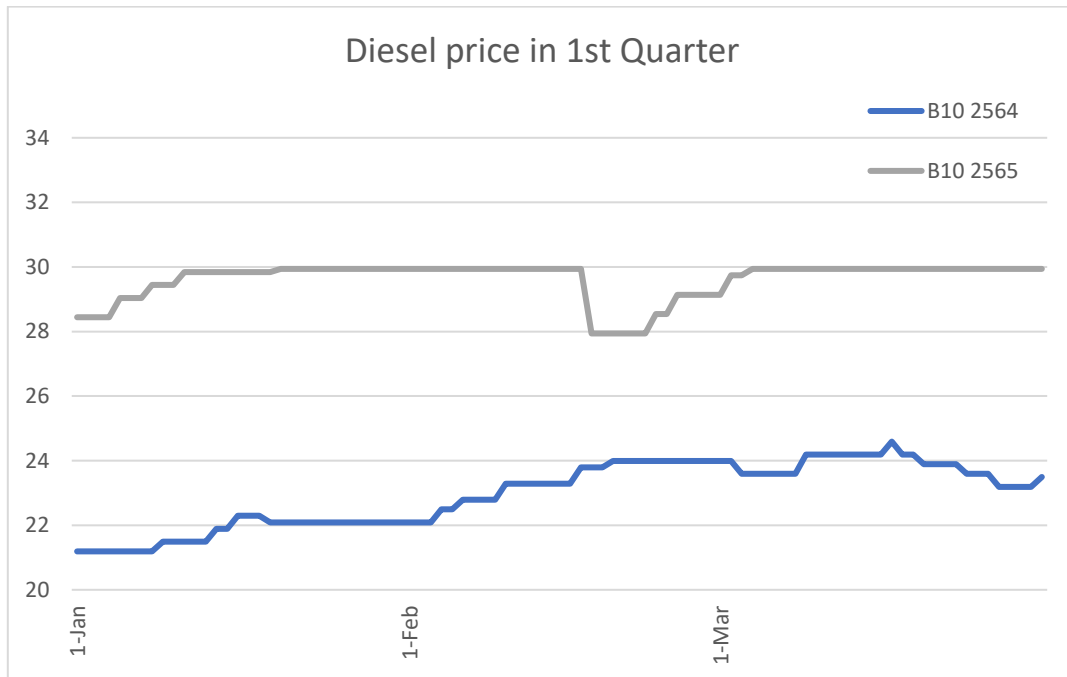
#### Performance Overview

In the first quarter of the year 2022, MENA’s revenue increases from the same period of prior year because of the increase in service rate which is in-line with the increase in oil price, and the expansion of transportation services which are distribution of consumption products, specialty products and temperature-controlled transportation. However, the Company has a labor shortage in the beginning of the year, due to COVID-19 situation.

#### 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 first quarter of 2022 (three months) was 102.3 million Baht, decreased by 4.6 million Baht from the same period last year, reflecting a 4 percent decline. This was result from COVID-19 situation which made the volume of ready-mixed concrete use in Thailand in this period declined from the previous year 15%, partly from a labor shortage. However, MENA could manage its service, so the volume of ready-mixed concrete MENA delivered decline just 7% from previous year. Service income decreased only 4% due to the increase in service rate from the in accordance with the increase in oil price.



The graph illustrates that the Diesel price in the first quarter of 2022 was substantially higher than it was in the same period of 2021.

### Revenue from transportation

The revenue from transportation is derived from the service by trailer, truck for distribution of consumption products, truck for specialty products and temperature-controlled truck.

Trailer 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.

MENA provides distribution services of consumption products using 4-wheel trucks, 6-wheel trucks and 10-wheel trucks, transportation of animal food using tow truck and two trailers and temperature-controlled transportation.

Transportation income for the first quarter of 2022 (three months) was 41.2 million Baht, increased of 8.5 million Baht from the same period last year, reflecting a 26 percent growth because the service rate increased from the same period last year in accordance with the increase in oil price and increase in long distance transportations, which has high service rate. In addition, MENA has the revenue from distribution service of consumption products, transportation of animal food and temperature-controlled transportation of 3.2 million Baht.

### **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 first quarter of 2022 were 9.2 million Baht, increased 1.6 million Baht from the same period last year, marking a 22 percent down due to the economic recovery.

### **Gross profit**

Gross profit for the first quarter of 2022 (three months) was decreased by 0.5 million Baht or 2 percent. MENA hired more outsource transportation to fulfil the high demand in transportation and the new services has more cost. However, MENA has lower depreciation expense from the same period of prior year because some vehicles reached their useful life.

### **Profit for the period**

The net profit for the first quarter of 2022 (three months) was 8.8 million Baht, decreased 1.3 million Baht or 13 percent over the same period the previous year, which was mainly from the decreased in gross profit and the decreased in other income from gain from the cancellation of outsource contracts. However, finance costs and income tax expense decreased

### **Financial ratio**

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

The debt-to-equity ratio (D/E ratio) increased from 0.29 times as of 31 December 2021 to 0.35 times as of 31 March 2022 because of the increase in lease liabilities from the investment in new vehicles. 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 2021, MENA has been able to comply with financial covenants stated in the agreement.