



บริษัท อามา มารีน จำกัด (มหาชน)

AMA MARINE PUBLIC CO., LTD.

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA006/2022

May 11, 2022

Subject: 1Q2022 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

### 1Q2022 Management Discussion and Analysis

#### Executive Summary

##### International marine logistics service

International marine logistics service reported an increase in revenue of Baht 43.47 million or 18.20% YoY due to higher average freight rate and depreciated in Thai baht exchange rate. However, the removal of a vessel from operation for dry-docking this quarter and a palm oil deficit caused cargo volume fell by 11.99% YoY.

The gross loss of the Company in 1Q2022 was Baht 11.67 million, dropped by Baht 27.51 million or 173.69% YoY due to rising fuel cost but the freight rate slightly improved.

##### Domestic land logistics service

Domestic land logistics service reported additional services income of Baht 131.59 million or 70.45 % YoY to record at Baht 318.37 million. Gross profit climbed by Baht 16.30 million, or 37.46 % YoY partly from the acquired business's revenue and profit. Meanwhile, the gross profit margin in 1Q2022 was 18.79%, down from 23.30% YoY, owing mostly to a decline in truck utilization due to a driver shortage.

Table 1: Key Financial Results

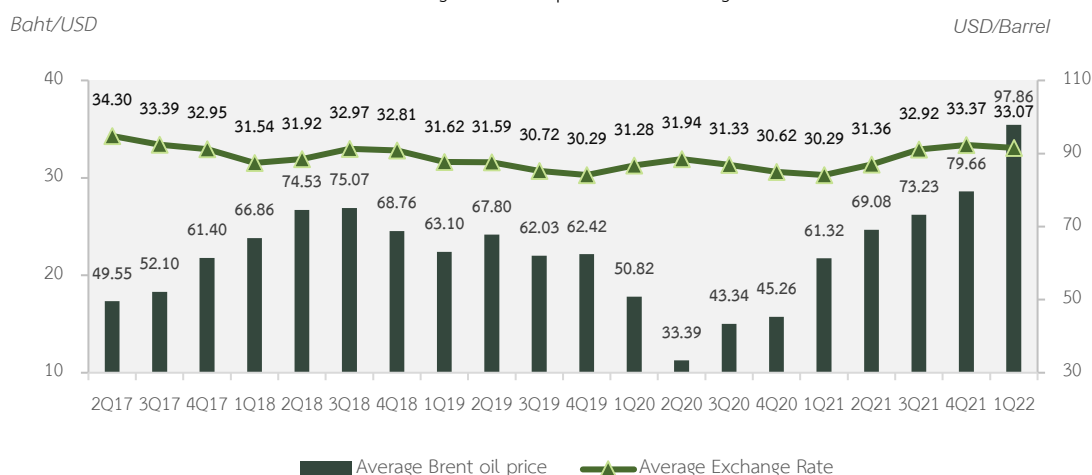
unit: million Baht

	1Q2021	4Q2021	1Q2022	%YoY	%QoQ
Service Income	425.58	648.63	600.64	41.13%	(7.40%)
Gross Profit	59.36	116.17	48.16	(18.87%)	(58.33%)
Gain (Loss) from disposal of assets	-	0.61	-	0.00%	(100.00%)
Gain (Loss) on an exchange rate	10.76	(5.89)	(7.49)	(169.56%)	(27.09%)
Gain (Loss) from financial instruments	(15.75)	9.06	19.21	221.94%	112.09%
Net profit	8.19	53.06	1.43	(82.57%)	(97.31%)
Gross profit margin (%)	13.95%	17.91%	8.02%		
Net profit margin (%)	1.92%	8.18%	0.24%		
Service income in USD (Separated financial statements)	7.85	9.70	8.52	8.60%	(12.10%)

## Economic and Industry Overview

- Palm oil is in strong demand worldwide, hence spot crude palm oil (CPO) prices are high. The crisis between Russia and Ukraine has halted sunflower oil exports. Both countries are major sunflower oil producers. As a result, many countries have to import palm oil as a substitute. Furthermore, drought has hampered soybean exports in soybean-producing countries such as Argentina, Brazil, and Paraguay. Furthermore, due to the outbreak of COVID-19, a labor shortage has arisen. As a result, palm yield falls short of market 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 1Q2022, the average of the Thai Baht to US dollar was Baht 33.07 per USD slightly depreciated from 1Q2021 at Baht 30.29 per USD, the baht tends to devalue due to the impacts of the Russo-Ukrainian War, which resulted in import restrictions, forcing product prices to rise, resulting in higher import values, affecting on the current account balance. Furthermore, the world's major central banks, particularly the US Federal Reserve (FED), have begun to implement restrictive monetary policies by hiking interest rates or diminish the economics' liquidity.
- Voluntary in crude oil price impact the Company's performance due to the fact that fuel cost classified as major transportation cost. In 1Q2022, average Brent crude oil price reported at USD 97.86 per barrel, surged by 59.59% YoY as oil prices are surging to new highs since global economic activity recovers, The Russia-Ukraine War has increased global demand for oil. As a result, Europe has halted imports of Russian oil and natural gas. Besides, OPEC and its crude oil production allies constantly increasing production capacity in a gradual manner, causing demand to outstrip supply, enabling prices to climb steadily.

Table 2: Average Brent oil price and Exchange Rate



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

## 1Q2022 Results

### 1) Revenues

Table 3: Revenues

Revenue Structure	1Q2021		1Q2022	
	million Baht	%	million Baht	%
<b>International marine service</b>				
Service income	236.48	55.57	272.30	45.33
Demurrage charge	2.32	0.54	9.97	1.66
Total revenue from marine service	238.80	56.11	282.27	46.99
<b>Domestic land transportation service</b>				
Service income	186.78	43.89	318.37	53.01
Total revenue from land service	186.78	43.89	318.37	53.01
<b>Total revenue from services</b>	<b>425.58</b>	<b>100.00</b>	<b>600.64</b>	<b>100.00</b>

1Q2022 consolidated revenues of the Company and its subsidiary posted at Baht 600.64 million, increased by Baht 175.06 million or 41.13% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 46.99% and 53.01%, respectively.

Revenue from international marine service surged by Baht 43.47 million, or 18.20% YoY resulting from a depreciated in Thai Baht by 9.17% YoY as well as an increased in average freight rate by 14.28% YoY. Moreover, demurrage charges rose by Baht 7.65 million or 330.91% YoY since vessels entering China are subjected to more stringent inspections. Vessels must squander time waiting for commodities due to the spread of Covid-19. However, Vessels, on the other hand, had to wait longer than normal for palm oil because of labor constraints caused by the COVID-19 outbreak so the fleet utilization rate in 1Q2022 dropped to 93.32%, from 96.34% YoY. Besides, the removal of one vessel from operation for dry-docking this quarter caused cargo volume decreased by 12,325.27 tons or 11.99% YoY.

Revenue for domestic land transportation services in 1Q2022 was Baht 318.37 million, growing Baht 131.59 million or 70.45% from the previous year. The land transportation services' revenue was mainly composed of Baht 216.75 million in revenue from fuel cargo transportation service and revenue from acquisitions. Greater income specifically, revenue from fuel cargo transportation services increased by Baht 29.97 million, or 16.04% YoY, in line with an increased in oil transport volume.

### 2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit decreased by Baht 11.20 million or 18.87% YoY to record at Baht 48.16 million, representing gross profit margin at 8.02%, compared with 13.95% in 1Q2021

Gross Loss of Marine transport in 1Q2022 was Baht 11.67 million decreased by Baht 27.51 million or 173.69% YoY, representing loss profit margin at 4.13%. The gross loss of marine transport was owing to a significantly increase in fuel

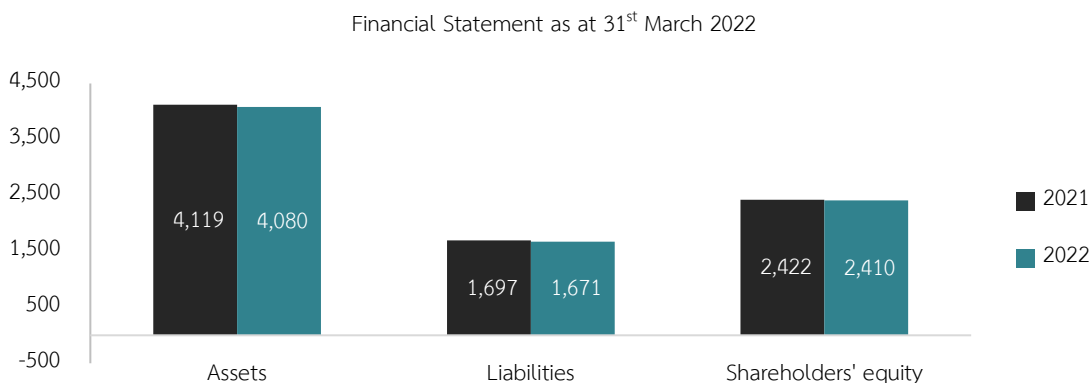
price. According to Table 2, 1Q2022 Brent crude oil prices averaged 97.86 US dollars per barrel, up 59.59% from the previous year. The freight charge, on the other hand, has only climbed by 14.28%. Although, The Company regulates the vessel's speed to remain at an economic speed in order to reduce costs. The major cost of services consists of (1) fuel costs, (2) employee expenses, and (3) depreciation.

The gross profit of domestic land transport in 1Q2022 was Baht 59.83 million surged by Baht 16.30 million or 37.46% YoY, the rise in gross profit corresponded to an increase in income from the fuel transportation services and the allocated profits from the acquired company. Whereas, the gross profit margin was 18.79%, a decrease of 23.30% from the previous year. This was owing to a drop in truck utilization due to driver shortages caused by COVID-19-infected employees.

### 3) Net profit and Net profit margin

In 1Q2022, the Company and its subsidiary's consolidated net loss dropped by Baht 8.66 million or 105.81% YoY to record at Baht 0.48 million. Net loss margin was 0.08% compared with gross profit margin at 1.92% YoY due to the aforementioned reasons.

## Financial Status



### 1) Assets

The Group's assets totaled Baht 4,080.99 million, down by Baht 37.55 million (0.91%) from the previous year's end due to lower cash and cash equivalents.

### 2) Liabilities

Liabilities for the Company and its subsidiaries totaled Baht 1,671.11 million, down by Baht 25.64 million (1.51%) from the previous year's end. This was primarily due to lower loans.

### 3) Shareholders' equity

The Company and its subsidiary had equity of Baht 2,409.88 million, decreased by Baht 11.90 million, or 0.49% from the previous year's end resulting from the differences on translating financial statement.

## Cash Flows

Table 4: Cash flows

unit: million Baht

	1Q2021	1Q2022	Change	%YoY
Net cash provided by (used in) operating activities	94.51	79.88	(14.63)	(5.48%)
Net cash provided by (used in) investing activities	(39.66)	(28.66)	(11.00)	(27.74%)
Net cash provided by (used in) financing activities	(119.29)	(88.19)	(31.10)	(26.07%)
Increase (decrease) in exchange differences on translating financial statements	(3.90)	10.46	14.36	368.33%
Net increase (decrease) in cash and cash equivalents	(68.34)	(26.51)	41.83	61.21%
Cash and cash equivalents as at 1 <sup>st</sup> January	224.97	91.83	(133.14)	(59.18%)
Adjustment effects of exchange rate	(3.01)	0.08	3.09	102.70%
Cash and cash equivalents as at 31 <sup>st</sup> March	153.62	65.40	(88.22)	(57.43%)

The period ended 31<sup>st</sup> March 2022, the Company and its subsidiaries had net cash flow received from operating activities of Baht 79.88 million, net cash flow used in investing activities of Baht 28.66 million, and net cash flow used in financing activities of Baht 88.19 million (long-term loan repayment). Therefore, cash and cash equivalent items as of the ended 31<sup>st</sup> March 2022 was Baht 65.40 million, decreased by Baht 26.43 million from 1<sup>st</sup> January 2022.

## Key Financial Ratios

Table 5: Key Financial Ratios

	2021	2022	Change
Current ratio (times)	0.52	0.56	0.04
Quick ratio (times)	0.42	0.43	0.01
Receivables turnover ratio (times)	11.65	11.27	(0.38)
Average receivable collection period (days)*	30.89	31.95	1.06
Debt to equity ratio (times)	0.71	0.69	(0.02)
Interest bearing debt-to-equity ratio (times)	0.61	0.59	(0.02)
Return on assets (%)	5.89	5.43	(0.46)
Return on equity (%)	6.84	6.17	(0.68)

\*The Company's credit policy is 25-35 days.

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director

Investor Relations

Tel. 02-001-2801 ext. 171