

13 May 2022

Subject: Management Discussion and Analysis (MD&A) for the 1<sup>st</sup> Quarter ended 31<sup>st</sup> March 2022

Attention to: The President of Stock Exchange of Thailand

LEO Global Logistics Public Company Limited and its subsidiaries (the "Company") would like to inform its operation performance for the 1<sup>st</sup> Quarter ended 31<sup>st</sup> March 2022 as the following.

**Highlight: The performance for Q1/2022 was continuously grown in all aspects such as revenue amount, shipment volume and Net profit. These growths were consecutively new high record during the past 5 quarters. The total revenues increased 249%. Net profit (For owners of the parent) in Q1/2022 was 89.9 MB, increased 233% from Q1/2021 which was 27.0 MB. Net profit (Net profit in Consolidated financial statements which included net profit from the parent and all subsidiaries) in Q1/2022 was 90.8 MB, has increased 63.7 MB or 236% from 27.1 MB in Q1/2021. The Company expects to keep this momentum of growth in both revenue and net profit in the future.**

From the fact that the company was able to generate both sales revenue and profits growing to a new high in Q1/2022, which is usually a period of slowdown in exports and imports due to the holiday from New Year and Chinese New Year. The company is confident that it will be able to maintain its revenue and profit growth in 2022 and achieve our goals in this year at least 30-35%.

### Summary of Financial Performance

Unit : Million Baht (MB)	2022	2021	2021	% Change	
	Q1	Q4	Q1	Q-o-Q	Y-o-Y
Revenues-Service and Other income	1,651.6	1,251.5	473.9	32%	249%
Gross Profit (GP)	255.3	223.9	110.2	14%	132%
Gross Profit Margin (%)	15%	18%	23%		
Net Profit (NP)	90.8	77.7	27.1	17%	236%
Net Profit (NP) : Owners of the parent	89.9	76.9	27.0	17%	233%
Net Profit Margin (%)	5.5%	6.2%	5.7%		

In Q1/2022, The Company's total revenues were 1,651.6 MB increased 400.1 MB or 32% from Q4/2021 and increased 1,177.7 MB or 249% when compared to Q1/2021.

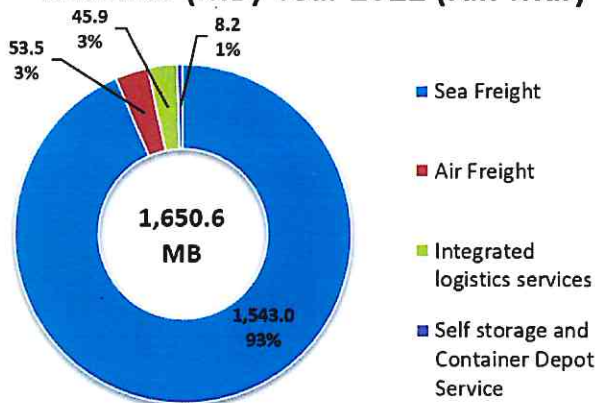
The Company's gross profit in Q1/2022 was 255.3 MB increased 14% from Q4/2021 and increased 132% from Q1/2021. The gross profit margin ratio for Q1/2021 was lower than Q4/2021 and Q1/2021 because the sea freight charges were dramatic higher in the year 2021 and 2022 resulting in a reduction of average gross profit margin. However, the Company has gotten much higher gross profit when compared to Q1/2021 and Q4/2021 amount increased 31.4 MB and 145.1 MB or increased 14% and 132% respectively.

For net profit in Q1/2022, the Company earned 90.8 MB increased 13.1 MB or 17 % from Q4/2021 and increased 63.7 MB or 236% from Q1/2021.

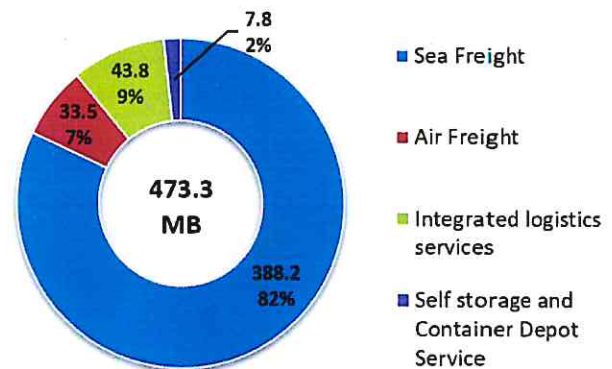
### Service income and portion by segment

Segment	Revenue (MB)	Portion %	Revenue (MB)	Portion %	%
	2022 (Jan-Mar)	Total Revenue	2021 (Jan-Mar)	Total Revenue	Growth
1. Sea Freight	1,543.0	93%	388.2	82%	297%
2. Air Freight	53.5	3%	33.5	7%	60%
3. Integrated logistics services	45.9	3%	43.8	9%	5%
4. Self storage and Container Depot Service	8.2	1%	7.8	2%	4%
<b>Total</b>	<b>1,650.6</b>	<b>100%</b>	<b>473.3</b>	<b>100%</b>	<b>249%</b>

**Revenue (MB)-Year 2022 (Jan-Mar)**



**Revenue (MB)-Year 2021 (Jan-Mar)**



In Q1/2022, the service income was 1,650.6 MB which comprised with 4 segments as the following.

- 1) **Sea Freight service:** the company's revenues from sea freight was 1,543.0 MB or 93% of total service income.
- 2) **Air Freight Services:** the company's revenues from air freight was 53.5 MB or 3% of total service income.
- 3) **Integrated Logistics Services:** the income from these services including local transportation, custom clearance service and others were 45.9 MB or equivalent to 3% of total service income.
- 4) **Self Storage and Container Depot Services :** the income from these services including rental space services , container depot and container repair service were 8.2 MB or about 1% of total service income.

**Performance Analysis**

**1.Sea Freight Service**

In Q1/2022, the income continuously increased by 38% when compared to Q4/2021 and increased 297% when compared to Q1/2021 because of the higher freight rate and increasing in volume of serviced containers.

**2.Air Freight Service**

In Q1/2022, the income decreased by 30% when compared to Q4/2021 since usually the 4th quarter of each year is the high season of air cargo while in the first quarter will be the low season but this income increased 60% when compared to Q1/2021 because of recovery from Covid-19.

**3.Integrated Logistics Services**

**3.1Transportation Services**

In Q1/2022, the income increased 1% from Q4/2021 but decreased 9% when compared to Q1/2021 because in Q1/2021 the Company got much more income from cross border service to Myanmar before the coup but after the coup, the volume of cross-border transport has decreased.

**3.2 Customs Clearance & other Services**

The income from customs clearance and other services in Q1/2022 decreased by 10% from Q4/2021 due to reduction of courier and other services but increased 49% when compared to Q1/2021 which corresponds to the increase in the volume of import and export.

**4.Self Storage and Container Depot Services**

The income from Self storage service in Q1/2022 increased by 4% when compared to Q4/2021 and increased 13% when compared to Q1/2021 because Covid-19 situation began to ease compared to the same period last year the customers in the SME segment who use the facility to store their stock and customers who bring their personal items to store for home repairs or decoration back to use the service more and more.

The income from container depot in Q1/2022 was 2% a bit lower from Q4/2021 but increased 7% from Q1/2021 because of higher volume of container back to the depot.

### Other income

Mainly income from dividend, interest and other income which has been increase as the following.

Other income	2022 (Jan-Mar)	2021 (Jan-Mar)	% Change
1.Dividend	262,500	175,000	50%
2.Interest Income	181,973	55,542	228%
3.Profit from short-term investments	52,250	149,311	-65%
4.Income from rental/service	49,990	137,770	-64%
5.Other income	414,459	51,498	705%
<b>Total</b>	<b>961,172</b>	<b>569,121</b>	<b>69%</b>

### Selling and Administrative expenses

The selling and administrative expenses for Q1/2022 was increased from Q1/2021 due to the additional payment of sales incentive for the ones who achieved or over their target, additional bonuses from higher performance result, yearly salary adjustment and other expenses for new business expansion according to the company's investment plan.

### Financial Cost

The Company's financial cost in Q1/2022 was increased from Q1/2021, due to the interest payment used for increasing working capital out of the higher freight rate.

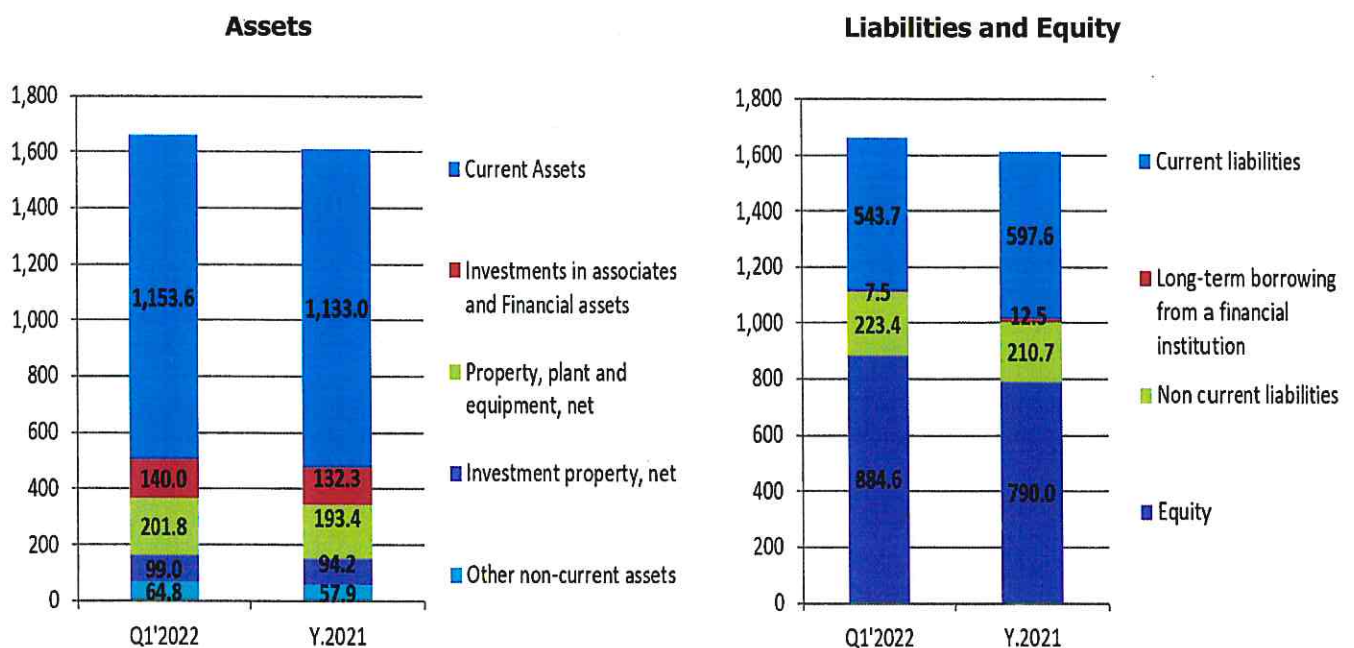
### Net Profit

Net profit in Q1/2022 was 90.8 MB which was 63.8 MB more than Q1/2021 or increased 236%. This significant change was from the Company's capability to generate much more income, volume of serviced shipments and gross profit. With these results, demonstrating the company is expert in strategic management skills in this business; therefore, the volume of serviced shipments was dramatically increased even during the container shortage situation in 2021 and the difficulty of exporters to find the vessels' space for the shipments.

### Financial Analysis

Unit: Million

Baht



## Assets

As 31<sup>st</sup> March 2022, the Company had total assets amount 1,659.3 MB increased 48.4 MB from 31<sup>st</sup> December 2021. Increasing of assets came from the current assets 20.6 MB Cash and cash equivalent increased 60.3 MB Short-term investment decreased 20.0 MB Trade and other receivables decreased 22.7 MB Other current assets increased 3.0 MB and Non-current assets were net increased 27.8 MB as details below.

- Investments in associated companies and long-term financial assets increased 7.7 MB. from additional profit sharing from associated companies 3.1 MB and 4.6 MB from re-valuation of the financial assets measured at fair value through other comprehensive income.

- Property and equipment-net, increased 8.4 MB from building renovated cost and computer equipment
- Investment property-net, increased 4.8 MB from Self-Storage Project #2.
- Other non-current assets net increased 6.9 MB from intangible assets 3.5 MB for new program software and other non-current assets increased 3.4 MB.

## Liabilities

The Company has the total liabilities as of 31<sup>st</sup> March 2022 amount 774.7 MB decreased 46.1 MB from 31<sup>st</sup> December 2021 as the main items below.

- Bank overdrafts and short-term loans from financial institutions decreased 1.5 MB
- Account payable decreased 70.2 MB.
- Corporate income tax payable increased 8.8 MB.
- Other current liabilities increased 9.1 MB mainly from more VAT payable 6.8 MB, withholding tax 2.3 MB from higher sales revenue.
- Other non-current liabilities increased 7.7 MB from Long-term loans from financial institutions increased 10.4 MB, employee benefit obligations increased 0.9 MB and liabilities under finance lease contracts decreased 3.6 MB.

## Equity

Total equity as of 31<sup>st</sup> March 2022 was 884.6 MB increased 94.6 MB from 31<sup>st</sup> December 2021 which was from net profit in this period amount 94.6 MB. This increased from profit 90.8 MB in Q1/2022 which from the profitability of the company and its subsidiaries and other component of equity increased 3.8 MB.

## Liquidity

Unit : Million Baht	For Q1/2022
Cash at the beginning of the period	99.4
Net cash flows from operating activities	58.2
Net cash flows from investing activities	-1.1
Net cash flows from financing activities	3.2
Net increase in cash	60.3
Cash at the end of the period	159.6

### Cash flows from operating activities

The Company and subsidiaries generated cash from operating activities 58.2 MB in Q1/2022 which generated from net profit in this period 90.8 MB, account receivable decreased 19.8 MB, used for other current assets 3.0 MB and non-current assets 3.3 MB, account payable decreased 69.9 MB and other current liabilities increased 8.9 MB.

### Cash flows from investing activities

Net cash flows used for investing activities in Q1/2022 was 1.1 MB by withdrawing short term investment 20.0 MB, spending for additional assets to support normal operation 16.3 MB and additional 5.4 MB in investment property.

### Cash flows from financing activities

Net cash flows generated from financing activities in Q1/2022 was 3.2 MB by receiving of long-term loans from financial institutions 15.2 MB, payments of bank overdraft loans 2.8 MB, payments of short-term loans to financial institutions 3.0 MB, payments of lease liabilities 4.4 and payment interest amount 1.9 MB.

**Financial Ratio**

Financial Ratio	2022	2021
	31/03/2022	31/12/2021
Gross Profit Margin (%)	15%	19%
Net Profit Margin (%)	5.5%	5.9%
Current Ratio (Times)	2.1	1.9
Debt/Equity (Times)	0.9	1.0

The gross profit margin and net profit margin of the Company during the first quarter of 2022 decreased from the period of the entire year 2021 due to the sales revenue increase much more than the gross profit and net profit which from higher freight charges during the previous 1 year, however the Company was able to make much more higher profits in term of amount of money on a consistent basis.

Please be informed accordingly.

Best Regards,





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Mr. Kettivit Sittisoontornwong  
(Chief Executive Officer)  
LEO Global Logistics Public Company Limited