

August 9, 2022

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis for 2Q/2022

### 2Q/2022 Highlight

- Revenue grew 41% YoY to Baht 988.8 million mainly from the increase in our average selling price.
- Significant growth in demand drove our revenue from warehouse service and other income to shift 81% YoY to Baht 26.3 million
- Amid economic difficulty, we were still able to sustain our profitability with reported net profit of Baht 16.4 million in Q2/2022

### Overview

Despite the planting season, domestic demand for NPK fertilizer in 2Q/2022 remained fairly low. Farmers have reduced their rice farming operation due to the rising cost of fertilizers, plant protection products and labor. Raw material price continued to rise due to less supply from China, increasing oil price and sanctions on Russian suppliers. While export to our main market in East Africa is maintained, the West African market is still in difficulty due to high oversea freight cost, our export to Philippine has had a good turnaround with monthly shipments.

Our revenue in 2Q/2022 was at Bath 988.8 million or increase 41% YoY owing to higher average selling price and the growth in our pesticide sales. Gross margin was about the same as last year at 18.7% while gross profit grew 13% YoY to Baht 184.7 million. Our EBITDA decreased 24% YoY to Baht 42.9 million mainly because of the increase in mainly energy cost, and transportation expense. As a result, PMTA reported Baht 16.4 million of net profit in 2Q/2022 or decrease 47% YoY and Baht 17.9 million for 6M/2022.

Table 1: Performance Summary

<i>in Million Baht</i>	2Q/21	1Q/22	2Q/22	% YoY	% QoQ	6M/21	6M/22	% YoY
Revenue from sales	883.8	701.9	988.8	12%	41%	1,397.9	1,690.7	21%
Gross Profit*	163.1	117.2	184.7	13%	58%	274.4	301.9	10%
Gross Margin (%)	18.5%	16.7%	18.7%			19.6%	17.9%	
EBITDA	56.2	25.4	42.9	-24%	69%	87.0	68.3	-22%
EBITDA Margin (%)	6.4%	3.6%	4.3%			6.2%	4.0%	
Net Profit	31.0	1.5	16.4	-47%	961%	46.1	17.9	-61%
Net Profit Margin (%)	3.5%	0.2%	1.7%			3.3%	1.1%	
Basic earnings per share (in Baht)	0.31	0.02	0.16	-47%	961%	0.46	0.18	-61%

Remark \*Gross Profit = Sales Revenue - Raw Material Cost

## Fertilizer, Pesticide and Factory Area Management Business

Fertilizer sales volume in 2Q/2022 was at 36,312 tons decrease 36% YoY but increase 36% QoQ. Significant decrease in domestic demand particularly in The Mekong Delta due to rising cost of fertilizer caused our domestic fertilizer volume to decrease 61% YoY to 19,688 tons. Export volume grew 153% YoY to 16,624 tons mainly from exports to Philippine and Madagascar. Thus, NPK fertilizer volume was at 30,863 tons dropped only 9% YoY. Single fertilizer volume dropped 76% due to fewer trading activities during this period. For 6-month period, our NPK fertilizer volume decreased only 9% YoY to 50,840 tons while single fertilizer volume was down 64% YoY to 12,168 tons.

Pesticide sales in 2Q/2022 grew 53% YoY to Baht 84.9 million. Revenue from factory management services and other income grew 81% to Baht 26.3 million from the increasing sharp demand for warehouse and services during the period.

**Table 2: Sales Volume**

Unit: Tons	2Q/21	1Q/22	2Q/22	% YoY	% QoQ	6M/21	6M/22	% YoY
NPK Fertilizer	33,743	19,977	30,863	-9%	54%	56,055	50,840	-9%
Single Fertilizer	22,697	6,719	5,449	-76%	-19%	33,700	12,168	-64%
<b>Total</b>	<b>56,440</b>	<b>26,696</b>	<b>36,312</b>	<b>-36%</b>	<b>36%</b>	<b>89,755</b>	<b>63,008</b>	<b>-30%</b>

**Table 3: Sales Volume Breakdown**

Unit: Tons	2Q/21	1Q/22	2Q/22	% YoY	% QoQ	6M/21	6M/22	% YoY
Domestic	49,870	23,377	19,688	-61%	-16%	81,677	43,065	-47%
Export	6,570	3,319	16,624	153%	401%	8,078	19,943	147%
<b>Total</b>	<b>56,440</b>	<b>26,696</b>	<b>36,312</b>	<b>-36%</b>	<b>36%</b>	<b>89,755</b>	<b>63,008</b>	<b>-30%</b>

## Consolidated Performance

**Table 4: Income Statement**

in Million Baht	2Q/21	1Q/22	2Q/22	% YoY	% QoQ	6M/21	6M/22	% YoY
<b>Revenue from sales</b>	883.8	701.9	988.8	12%	41%	1,397.9	1,690.7	21%
<i>Fertilizer</i>	828.4	656.2	903.8	9%	38%	1,317.2	1,560.1	18%
<i>Pesticide</i>	55.4	45.7	84.9	53%	86%	80.7	130.6	62%
<b>Raw Material Costs</b>	(720.7)	(584.7)	(804.1)	12%	38%	(1,123.5)	(1,388.8)	24%
<b>Gross Profit*</b>	163.1	117.2	184.7	13%	58%	274.4	301.9	10%
Service & Other Income	14.6	24.9	26.3	81%	6%	25.0	51.2	105%
Operating Cost	(43.6)	(46.5)	(63.2)	45%	36%	(80.3)	(109.7)	37%
Cost of providing services	(4.7)	(6.0)	(7.0)	48%	16%	(8.2)	(13.0)	59%
SG&A	(73.1)	(64.2)	(98.0)	34%	53%	(123.9)	(162.2)	31%
<b>EBITDA</b>	56.2	25.4	42.9	-24%	69%	87.0	68.3	-22%
Depreciation & Amortization	(17.4)	(18.7)	(19.8)	14%	6%	(34.2)	(38.6)	13%
<b>EBIT</b>	38.8	6.7	23.1	-41%	247%	52.9	29.7	-44%
Financial Cost	(4.2)	(4.6)	(6.0)	45%	31%	(8.9)	(10.6)	19%
Gain/(Loss) from Foreign Exchange	5.0	(0.5)	2.9	-42%	689%	15.6	2.4	-84%
Profit before income tax	39.7	1.5	20.0	-50%	1197%	59.5	21.5	-64%
Income Tax Expense	(8.6)	-	(3.6)	-58%	n.a.	(13.4)	(3.6)	-73%
<b>Net Profit</b>	31.0	1.5	16.4	-47%	961%	46.1	17.9	-61%

Remark \*Gross Profit = Sales Revenue - Raw Material Cost

In 2Q/2022, revenue from sales was at Baht 988.8 million, increased 12% YoY from the increase in our fertilizer average selling price and 53% YoY increase in pesticide revenue, although decrease in our domestic fertilizer volume. Our gross profit increased 13% YoY to Baht 184.7 million. Operating cost increase 45% YoY mainly from the increase in energy cost and SG&A increased 34% YoY due to the increase in transportation expense for export to Philippines. As a result, our EBITDA dropped 24% YoY to Baht 42.9 million in 2Q/2022. Earning before tax was at Baht 20.0 million or decrease 50% YoY. Subsequently, PMTA announced the consolidated financial statements with a net profit of Baht 16.4 million for 2Q/2022 and Baht 17.9 million for 6M/2022.

Yours faithfully,

**PM Thoresen Asia Holdings Public Company Limited**

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Mr. Sigmund Stromme  
Managing Director