

Ref. AC 22/020

August 11, 2022

Re: Management Discussion and Analysis of the Operating Performance for the 2nd Quarter 2022

To: President

The Stock Exchange of Thailand

Amata Corporation Public Company Limited ("AMATA" or "The Company") would like to report the operating performance results of the company for 2nd Quarter 2022 as follows:

Economic and Industry Situation

For the second quarter of 2022, many countries have continued to relax their COVID-19 measures which have led the economic recovery except in some countries that still facing a severe outbreak like China, Taiwan and Hongkong. The lockdown measure continues implement like the Zero Covid in China, that might affect economic activities especially in logistic sector both internal and external. Furthermore, Russia-Ukraine conflict still has high impact toward energy and commodity prices and expected to remain throughout 2022 as well as the inflation that has increased in many countries.

Thai economy in the second quarter overall continued improve compared to the previous one as a result from the relaxation of the COVID-19 containment measures and international travel restrictions. Therefore, private consumption especially in trade and service sector has picked up due to number of tourists that gradually recover. Moreover, private investment also improved from economic activities recovery which according to the Bank of Thailand (BOT), Thai economy will expand at 3.3 percent and 4.2 percent in 2022 and 2023 respectively. While higher cost of living from Russia-Ukraine conflict projected the headline inflation rate in 2022 and 2023 to be 6.2 percent and 2.5 percent respectively.

Industrial estate sector continues to improve due to better prevention measures on COVID-19 situation both domestic and overseas as well as a better world economic trend. Besides economic factors, according to IEAT stated that investors have more confident and interested to invest more in Thailand's industrial estates due to more progress on main infrastructure construction projects in EEC like high-speed railway, Utapao international airport, Laem Chabang Port and Map Ta Phut Port.

Operating Performance Summary 2nd quarter of 2022, ended 30 June 2022

2nd Quarter of 2022 versus 2nd Quarter of 2021:

- Total revenues reported at Baht 2,134.3 million, increased by 125.4% year on year
- Share of profit from investments in associates and JV at Baht 100.2 million, decreased by 39.7%
- Net profit posted Baht 648.8 million, up 162.6%

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Total revenues	2,134.3	947.0	1,187.3	125.4
Total expenses	1,109.9	636.2	473.7	74.5
Share profit from investments in associates and joint venture	100.2	166.1	(65.9)	(39.7)
Profit for the period	648.8	247.1	401.7	162.6
Basic earnings per share (THB/share)	0.56	0.21		

• Operating Performance Analysis of Core Businesses

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Revenue from real estate sales	748.2	140.6	607.6	432.1
Gross profit margin	54%	56%		
Revenue from utility services	634.2	500.8	133.4	26.6
Gross profit margin	26%	34%		
Revenue from rental	204.3	226.8	(22.4)	(9.9)
Gross profit margin	79%	74%		

Industrial Estate Development Business

During the 2nd Quarter 2022 (2Q/2022), AMATA reported revenue from real estate sales at Baht 748.2 million, increased by Baht 607.6 million or 432.1% from the same period last year (2Q/2021). The Company transferred and recognized 130-rai of land (Thailand 85 rai and Vietnam 45 rai) in 2nd Quarter of 2022 (2Q/2022), had increase compared to the 2nd Quarter of 2021 (2Q/2021) at 36-rai of land (Thailand 36 rai). While the gross profit margins of the revenue from real estate sales slightly decreased from 56% in 2nd Quarter 2021 (2Q/2021) to 54% in 2nd Quarter 2022 (2Q/2022) mainly because land transferred in Vietnam has lower gross profit margin than Thailand.

Utility Services Business

The revenue from utility services was reported Baht 634.2 million on 2nd Quarter 2022 (2Q/2022) which increased Baht 133.4 million from the 2nd Quarter 2021 (2Q/2021) or 26.6%. The change is due to higher customer's consumption. However, the gross profit margin slightly decreased from 34% to 26%.

Rental Business

The revenue from rental business contributed Baht 204.3 million in the 2nd Quarter 2022 (2Q/2022), decreased by Baht 22.4 million or lower 9.9% compared to the same period of 2021 (2Q/2021) which reported at Baht 226.8 million. However, the gross profit margin from rental business increased from 74% to 79% in the 2nd Quarter of 2022 (2Q/2022).

- Other Income

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Finance income	23.3	10.8	12.5	115.8
Gains on sales of investment properties	455.2	-	455.2	N/A
Gains on exchange	67.3	53.0	14.3	26.9
Other income	25.1	25.8	(0.7)	(2.6)

The Company received finance income at Baht 23.3 million in the 2nd Quarter 2022 (2Q/2022), increased by Baht 12.5 million or 115.8% compared to the same period last year (2Q/2021). There was a gain on sales of investment properties amount Baht 455.2 million in the 2nd Quarter 2022 from 8 ready built factories in Vietnam. Gain on exchange amount Baht 67.3 million increased Baht 14.3 million or 26.9% while other income decreased Baht 0.7 million or 2.6% from Baht 25.8 million in 2nd Quarter 2021 (2Q/2021) to Baht 25.1 in 2nd Quarter 2022 (2Q/2022).

- Expense

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2022	2021	Million Baht	%
Selling and distribution expenses	40.9	14.9	26.0	174.1
Administrative expenses	208.0	170.3	37.7	22.1
Finance cost	115.5	117.1	(1.5)	(1.3)
Income tax expense	116.2	43.7	72.5	165.7

For the selling and distribution expenses, increased by Baht 26.0 million or 174.1% compared to the same period last year, from Baht 14.9 million (2Q/2021) to Baht 40.9 million (2Q/2022). The main reason due to higher number of land transfer in 2nd Quarter 2022 (2Q/2022). Administrative expenses reported at Baht 208 million for the 2nd Quarter 2022 (2Q/2022), rose by Baht 37.7 million or 22.1%. Finance cost decreased by Baht 1.5 million or 1.3% to Baht 115.5 million in the 2nd Quarter 2022 (2Q/2022). While income tax expense increase Baht 72.5 million or 165.7% from Baht 43.7 million in 2nd Quarter 2021 (2Q/2021) to Baht 116.2 million 2nd Quarter 2022 (2Q/2022).

- **Share of Profit from Investments in Associates and Joint Venture**

The Company had a share of profit from investment in associates and joint venture in the 2nd Quarter 2022 (2Q/2022) of Baht 100.2 million, decrease Baht 65.9 million or 39.7% from last year (2Q/2021) mainly from higher cost of natural gas of the power plant business group.

- **Net Profit**

In the 2nd Quarter 2022 (2Q/2022), The Company has a net profit for the period of Baht 916.1 million, increased by Baht 589.3 million or 180.3% compared to the same period last year which mostly came from higher revenue from real estate sales and gain on sale of investment properties.

Operating Performance Summary first six months of 2022, ended 30 June 2022

First six months of 2022 versus the first six months of 2021

- Total revenues reported at Baht 3,857.8 million, increased by 107.3% year on year
- Share of profit from investments in associates and JV at Baht 184 million, up 34.1%
- Net profit posted at Baht 1,202.3 million, rose 177.8%

	6-Month	6-Month	Increase/(Decrease)	
	2022	2021	Million Baht	%
Total revenues	3,857.8	1,860.9	1,996.9	107.3
Total expenses	1,860.1	1,243.6	616.4	49.6
Share profit from investments in associates and joint venture	184.0	279.2	(95.2)	(34.1)
Profit for the period	1,202.3	432.8	769.5	177.8
Basic earnings per share (THB/share)	1.05	0.38		

● **Operating Performance Analysis of Core Businesses**

	6-Month	6-Month	Increase/(Decrease)	
	2022	2021	Million Baht	%
Revenue from real estate sales	1,020.3	261.5	758.8	290.2
Gross profit margin	56%	59%		
Revenue from utility services	1,176.8	988.4	188.4	19.1
Gross profit margin	29%	33%		
Revenue from rental	433.4	437.6	(4.2)	(1.0)
Gross profit margin	79%	74%		

Industrial Estate Development Business

For the first six months of 2022 (1H/2022), AMATA reported revenue from real estate sales at Baht 1,020.3 million, rose Baht 758.8 million or 290.2% from the same period last year (1H/2021). The Company transferred and recognized 200-rai of land (Thailand 155 rai and Vietnam 45 rai) in six months of 2022 (1H/2022) increased from the same period of previous year (1H/2021) at 68-rai of land (Thailand 68 rai). The gross profit margin of the first six months of 2022 (1H/2022) was 56%, down from the same period last year (1H/2021) which was 59% mainly because land transferred in Vietnam has lower gross profit margin than Thailand.

Utility Services Business

AMATA achieved utility services revenue of Baht 1,176.8 million for the first six months of 2022 (1H/2022), decreased Baht 188.4 million or 19.1% year on year. As well as the gross profit margin decreased from 33% in the first six months of 2021 (1H/2021) to 29% in the first six months of 2022 (1H/2022).

Rental Business

Amata reported rental income of Baht 433.4 million for the first six months of 2022 (1H/2022), down by Baht 4.2 million or 1% compared to the same period of the previous year of 2021 (1H/2021). However, the gross profit margin increased from 74% in the first six months of 2021 (1H/2021) to 79% in the first half of 2022 (1H/2022).

- **Other Income**

	6-Month	6-Month	Increase/(Decrease)	
	2022	2021	Million Baht	%
Finance income	38.5	19.3	19.2	99.2
Gains on sales of investment properties	1,083.1	-	1,083.1	-
Gains on exchange	77.1	116.1	(38.9)	(33.5)
Other income	67.1	57.4	9.7	16.9

The Company reported finance income at Baht 38.5 million on the first half of 2022 (1H/2022), increased by Baht 19.2 million or 99.2% compared to the same period last year (1H/2021). There was a gain on sales of investment properties amount Baht 1,083.1 million from 18 ready built factories in Vietnam. Gain on exchange amount Baht 77.1 million on the first half of 2022 (1H/2022) decreased 33.5 % or Baht 38.9 million compared to the same period last year (1H/2022) while other income was Baht 67.1 for the first half of 2022 (1H/2022) increased Baht 9.7 million or 16.9% from the same period last year (1H/2022).

- **Expense**

	6-Month	6-Month	Increase/(Decrease)	
	2022	2021	Million Baht	%
Selling and distribution expenses	74.1	31.4	42.7	136.1
Administrative expenses	404.6	330.4	74.1	22.4
Finance cost	230.4	248.1	(17.7)	(7.1)
Income tax expenses	244.9	68.8	176.1	256.1

Selling and distribution expenses for the first six months of 2022 (1H/2022) was recorded at Baht 74.1 million, increased by Baht 42.7 million or 136.1% compared to the same period of 2021 (1H/2021). Administrative expenses for the first half of 2022 (1H/2022) were Baht 404.6 million increased Baht 74.1 million or 22.4% compared to the first half of 2021 (1H/2021). Finance cost in the first six months of 2022 (1H/2022) was at Baht 230.4 million dropped Baht 17.7 million or 7.1% compared to the first six months of 2021 (1H/2022). Income tax expenses for the first six months of 2022 (1H/2022) was Baht 244.9 million increased by Baht 176.1 million or 256.1%.

- **Share of Profit from Investments in Associates and Joint Venture**

The Company reported share of profit from investments in associates and joint venture in the first six months of 2022 (1H/2022) of Baht 184 million, decrease by Baht 95.2 million or 34.1% from the same

period of last year (1H/2021). The main source of share of profit from investment in Associates and Joint Venture were from natural gas business and power plant business group.

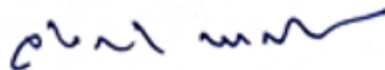
- **Net Profit**

The net profit for the first half of 2022 (1H/2022) achieved Baht 1,744.9 million, increased by Baht 1,146 million or 191.3% from the same period of 2021 (1H/2021). Increase of the net profit mainly came from higher revenue from real estate sales and gain on sale of investment properties.

For your information.

Yours sincerely,

AMATA CORPORATION PUBLIC COMPANY LIMITED



(Mr. Chackchai Panichapat)

DIRECTOR