

November 4, 2022

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis for 3Q/2022

3Q/2022 Highlight

- Revenue grew 71% YoY to Baht 1,392.4 million from higher average selling price and the growth in NPK fertilizer sales particularly for the export.
- PMTA reported as solid net profit of Baht 40.8 million in 3Q/2022, increase 64% YoY and 150% QoQ subsequently.

Overview

Fertilizer price has remained high with some correction but less volatile. Urea and DAP prices decreased slightly while MOP price continued to increase. Domestic demand has slowly recovered particularly during end of the quarter as wholesalers and farmers start to prepare for the high season in fourth quarter. In addition, we have received repeated order from customers in the Philippines.

Revenue in 3Q/2022 grew 71% YoY and 41% QoQ to Baht 1,392.4 million mainly from the increase in average selling price and NPK fertilizer volume sales. Gross profit increased 77% YoY to Baht 248.5 million owing to both improve in per tonnage gross margin and higher NPK volume. EBITDA was at Baht 82.5 million increase 102% YoY. Thus, PMTA reported net profit in 3Q/2022 at Baht 40.8 million increase 64% YoY while net profit was at Baht 58.7 million for 9M/2022.

Table 1: Performance Summary

<i>in Million Baht</i>	3Q/21	2Q/22	3Q/22	% YoY	% QoQ	9M/21	9M/22	% YoY
Revenue from sales	813.1	988.8	1,392.4	71%	41%	2,210.9	3,083.1	39%
Gross Profit*	140.1	184.7	248.5	77%	35%	414.4	550.4	33%
Gross Margin (%)	17.2%	18.7%	17.8%			18.7%	17.9%	
EBITDA	40.8	42.9	82.5	102%	92%	127.8	150.8	18%
EBITDA Margin (%)	5.0%	4.3%	5.9%			5.8%	4.9%	
Net Profit	24.9	16.4	40.8	64%	150%	71.0	58.7	-17%
Net Profit Margin (%)	3.1%	1.7%	2.9%			3.2%	1.9%	
Basic earnings per share (in Baht)	0.25	0.16	0.40	64%	150%	0.70	0.58	-17%

Remark *Gross Profit = Sales Revenue - Raw Material Cost

Fertilizer volume declined 7% YoY from 49,725 ton in Q3/2021 to 46,033 ton in Q3/2022. Lower single fertilizer trading activities resulted 61% decrease YoY in single fertilizer volume to 8,195 ton. However, NPK fertilizer grew 31% YoY and 23% QoQ to 37,838 ton in 3Q/2022 from the increase in export which mainly to customers in Philippines and Madagascar. For 9-month period, our NPK fertilizer volume grew 4% YoY to 88,679 ton mainly from 96% growth in export volume. The single fertilizer volume dropped 63% YoY caused our fertilizer volume decreased 22% YoY to 109,041 ton for 9M/2022.

Our crop care business continued deliver good result with 43% growth in revenue to Baht 83.7 million in 3Q/2022 and 54% growth in revenue to Baht 214.3 million for 9-month period. Resulting from strong demand for warehouse, our warehouse service and other income in 3Q/2022 was at Baht 25.3 million or 34% increase YoY. Warehouse service and other income for 9M/2022 grew 74% to Baht 76.6 million.

Table 2: Sales Volume

Unit: Tons	3Q/21	2Q/22	3Q/22	% YoY	% QoQ	9M/21	9M/22	% YoY
NPK Fertilizer	28,844	30,863	37,838	31%	23%	84,899	88,679	4%
Single Fertilizer	20,881	5,449	8,195	-61%	50%	54,582	20,362	-63%
Total	49,725	36,312	46,033	-7%	27%	139,481	109,041	-22%

Table 3: Sales Volume Breakdown

Unit: Tons	3Q/21	2Q/22	3Q/22	% YoY	% QoQ	9M/21	9M/22	% YoY
Domestic	35,747	19,688	22,710	-36%	15%	117,423	65,775	-44%
Export	13,979	16,624	23,323	67%	40%	22,058	43,266	96%
Total	49,725	36,312	46,033	-7%	27%	139,481	109,041	-22%

Consolidated Performance

Table 4: Income Statement

in Million Baht	3Q/21	2Q/22	3Q/22	% YoY	% QoQ	9M/21	9M/22	% YoY
Revenue from sales	813.1	988.8	1,392.4	71%	41%	2,210.9	3,083.1	39%
Fertilizer	754.7	903.8	1,308.8	73%	45%	2,071.9	2,868.8	38%
Pesticide	58.3	84.9	83.7	43%	-2%	139.0	214.3	54%
Raw Material Costs	(673.0)	(804.1)	(1,143.9)	70%	42%	(1,796.5)	(2,532.7)	41%
Gross Profit*	140.1	184.7	248.5	77%	35%	414.4	550.4	33%
Service & Other Income	18.9	26.3	25.3	34%	-4%	43.9	76.6	74%
Operating Cost	(47.9)	(63.2)	(71.5)	49%	13%	(128.2)	(181.2)	41%
Cost of providing services	(6.0)	(7.0)	(6.4)	8%	-8%	(14.1)	(19.4)	38%
SG&A	(64.3)	(98.0)	(113.4)	76%	16%	(188.3)	(275.6)	46%
EBITDA	40.8	42.9	82.5	102%	92%	127.8	150.8	18%
Depreciation & Amortization	(18.2)	(19.8)	(20.6)	13%	4%	(52.3)	(59.2)	13%
EBIT	22.6	23.1	61.9	174%	168%	75.5	91.6	21%
Financial Cost	(5.9)	(6.0)	(8.4)	43%	40%	(14.9)	(19.1)	28%
Gain/(Loss) from Foreign Exchange	13.1	2.9	(2.9)	-122%	-198%	28.7	(0.4)	-102%
Profit before income tax	29.8	20.0	50.5	70%	153%	89.3	72.1	-19%
Income Tax Expense	(4.9)	(3.6)	(9.7)	97%	n.a.	(18.3)	(13.3)	-27%
Net Profit	24.9	16.4	40.8	64%	150%	71.0	58.7	-17%

Remark *Gross Profit = Sales Revenue - Raw Material Cost

Our revenue from sales in 3Q/2022 substantially grew at 71% YoY and 41% QoQ to Baht 1,392.4 million. Gross profit was at Baht 248.5 million or 77% growth YoY mainly from the increase in per tonnage gross profit and NPK fertilizer sales volume. Operating cost increased 49% from the higher energy price and repair & maintenance cost. SG&A increased 76% YoY mainly due to the increase in transportation cost from increasing export volume. EBITDA was reported at Baht 82.5 million, 102% improve YoY. Higher financial cost in 3Q/2022 was a result of higher working capital requirement due to substantial escalation in raw material price in FY2022. Subsequently, PMTA announced the consolidated financial statements with a net profit of Baht 40.8 million for 3Q/2022 and Baht 58.7 million for 9M/2022

Yours faithfully,

PM Thoresen Asia Holdings Public Company Limited

Mr. Sigmund Stromme
Managing Director