

No. SONIC-021/2022

November 9, 2022

Subject Management Discussion and Analysis for the 9-month period ended 30 September 2022

To President

The Stock Exchange of Thailand

Sonic Interfreight Public Company Limited would like to hand over the analysis and details of the management's performance for the first 9-month period ended 30 September 2022 with details as follows:

Unit : million baht

Statements of Comprehensive Income	For the Nine-month period ended 30 September				For the three-month period				
	2022	2021	Increase / (Decrease)		Q 3/2022	Q 2/2022	Q 3/2021	% Increase / (Decrease)	
			Amount	%				QoQ	YoY
Revenues from services	3,224.77	2,259.40	965.37	42.73	900.74	1,097.33	979.61	(17.92)	(8.05)
Cost of services	2,676.89	1,891.17	785.72	41.55	728.38	915.26	831.30	(20.42)	(12.38)
Gross profit	547.88	368.23	179.65	48.79	172.36	182.07	148.31	(5.33)	16.22
Interest revenue calculated using the effective interest method	7.51	4.43	3.08	69.53	2.58	2.72	2.13	(5.15)	21.13
Other income	32.70	14.29	18.41	128.83	16.49	14.23	10.41	15.88	58.41
Selling & Administrative expenses	223.95	182.03	41.92	23.03	71.50	76.04	66.94	(5.97)	6.81
Finance costs	7.31	6.67	0.64	9.60	2.06	2.41	2.56	(14.52)	(19.53)
Income tax	71.18	39.79	31.39	78.89	23.52	24.04	18.36	(2.16)	28.10
Net profit for the period	285.65	158.46	127.19	80.27	94.35	96.53	72.99	(2.26)	29.26
Total comprehensive income for the period attributable to :									
Owners of the parent	276.96	153.01	123.95	81.01	91.39	93.60	70.47	(2.36)	29.69
Non-controlling interests	8.69	5.45	3.24	59.45	2.96	2.93	2.52	1.02	17.46

Revenue

The revenue from service for the first 9-month period ended 30 September 2022 amounted to 3,224.77 million baht, an increase of 965.37 million baht or 42.73 percent compared to the same period of the previous year and for the 3-month period ended 30 September 2022 decreased by 196.59 million baht or by 17.92 percent compared to Quarter 2/2022 and decreased by 78.87 million baht or by 8.05 percent compared to Quarter 3/2021 which revenue from services can be categorized as follows ;

Unit : million baht

Segment	For the Nine-month period ended 30 September				For the three-month period				
	2022	2021	Increase / (Decrease)		Q 3/2022	Q 2/2022	Q 3/2021	% Increase / (Decrease)	
			Amount	%				QoQ	YoY
Sea Freight	2,532.82	1,810.44	722.38	39.90	683.29	843.61	813.11	(19.00)	(15.97)
Transportation	357.43	329.55	27.88	8.46	120.72	119.32	111.38	1.17	8.39
Air Freight	317.10	109.51	207.59	189.56	89.46	129.01	51.54	(30.66)	73.57
Other service /1	17.42	9.90	7.52	75.96	7.27	5.39	3.58	34.88	103.07
Total	3,224.77	2,259.40	965.37	42.73	900.74	1,097.33	979.61	(17.92)	(8.05)

Remarks: /1 Other services such as distribution center service fee, dangerous good logistics and Container Yard service fee

1. Revenue from Sea Freight Services accounts for 78.54 % of the Company's total revenue from service. The Company's revenue from Sea Freight Services in the first 9-month period ended 30 September 2022 was 2,532.82 million baht and increased by 722.38 million baht or 39.90 percent compared to the same period of the previous year and for the 3-month period ended 30 September 2022 decreased by 160.32 million baht or 19 percent compared to Quarter 2/2022 and decreased by 129.82 million baht or 15.97 percent compared to Quarter 3/2021 due to adjustment of the sea freight rate.

2. Revenue from Transportation Services accounts for 11.08 % of the Company's total revenue from service. The Company's revenue from Transportation Services in the first 9-month period ended 30 September 2022 was 357.43 million baht, an increase by 27.88 million baht or 8.49 percent compared to the same period of the previous year and for the 3-month period ended 30 September 2022 increased by 1.40 million baht or 1.17 percent compared to Quarter 2/2022 and increased by 9.34 million baht or 8.39 percent compared to Quarter 3/2021 due to increasing of the number of services by truck.

3. Revenue from Air Freight Services accounts for 9.83 % of the Company's total revenue from service. The Company's revenue from Air Freight Services in the first 9-month period ended 30 September 2022 was 317.10 million baht, an increase by 207.59 million baht or 189.56 percent compared to the same period of the previous year and for the 3-month period ended 30 September 2022 decreased by 39.55 million baht or 30.66 percent compared to Quarter 2/2022 and increased by 37.92 million baht or 73.57 percent compared to Quarter 3/2021 due to the increase or decrease in the air freight rate and new customer increase.

4. Revenue from Other Services such as distribution center service fees, dangerous good logistics accounts and Container Yard service fees for 0.54 % of the Company's total revenue from service. The

Company's revenue from Other Services in the 9-month period ended 30 September 2022 was 17.42 million baht, an increase of 7.52 million baht or 75.96 percent compared to the same period of the previous year and for the 3-month period ended 30 September 2022 increased by 1.88 million baht or 34.88 percent compared to Quarter 2/2022 and increased by 3.69 million baht or 103.07 percent compared to Quarter 3/2021 due to the increasing distribution center service fees and the Container Yard service fee.

Cost of service.

For the first 9-month period ended 30 September 2022, the Company's service cost was equivalent to 2,676.89 million baht or 83.01 percent of the revenue from service. Thus, the increase in the cost of 785.72 million baht from the same period of the previous year, or by 41.55 percent, and for the 3-month period ended 30 September 2022 decreased by 186.88 million baht or 20.42 percent compared to Quarter 2/2022 and decreased by 102.92 million baht or 12.38 percent compared to Quarter 3/2021 due to the costs depend on revenue and according to with market competition conditions.

Gross Profit

For the first 9-month period ended 30 September 2022, the Company's Gross Profit was equal to 547.88 million baht or equivalent to 16.99 percent of the Gross Profit Margin. an increase in Gross Profit of 179.65 million baht from the same period of the previous year, or by 48.79 percent, and for the 3-month period ended 30 September 2022 decrease by 9.71 million baht or 5.33 percent compared to Quarter 2/2022 and increased by 24.05 million baht or 16.22 percent compared to Quarter 3/2021 due to the competitive situation in the market.

Interest revenue calculated using the effective interest method

For the first 9-month period ended 30 September 2022, the Company's Interest revenue calculated using the effective interest method was equal to 7.51 million baht an increase of 3.08 million baht from the same period of the previous year, or by 69.53 percent, and for the 3-month period ended 30 September 2022 decrease by 0.14 million baht or 5.15 percent compared to Quarter 2/2022 and increased by 0.45 million baht or 21.13 percent compared to Quarter 3/2021 regarding the hire purchase of trucks and trailers.

Other revenue

The Company's Other revenue is from gain from foreign exchange translation, interest revenue, and Insurance claim compensation. For the first 9-month period ended 30 September 2022, the Company was another Revenue of 32.70 million baht, an increase by 18.41 million baht from the same period of the previous year, or by 128.83 percent and for the 3-month period ended 30 September 2022 increased by 2.26 million baht or 15.88 percent compared to Quarter 2/2022 and increased by 6.08 million baht or 58.41 percent

compared to Quarter 3/2021, the increase was a result of revenue from gain from foreign exchange translation and gain from sale of assets.

Selling and Administrative expenses

For the first 9-month period ended 30 September 2022, the Company's selling and administrative expenses were equal to 223.95 million baht. This increased by 41.92 million baht from the same period of the previous year and for the 3-month period ended 30 September 2022 decreased by 4.54 million baht compared to Quarter 2/2022 and increased by 4.56 million baht compared to Quarter 3/2021. However, the proportion compared with income was 6.86 % for the 9-month period ended 30 September 2022, was 7.99 % for the 9-month period ended 30 September 2021 respectively. It indicates that the proportion compared with income to Company's selling and administrative expense decreased from 2021.

Net Profit

For the first 9-month period ended 30 September 2022, the Company's Net Profit was equal to 276.96 million baht or equivalent to 8.48 percent of Net Profit Margin, an increase of 123.95 million baht or 81.01 percent compared to the same period of the previous year, for the 3-month period ended 30 September 2022 decreased by 2.21 million baht or 2.36 percent compared to Quarter 2/2022 and increased by 20.92 million baht or 29.69 percent compared to Quarter 3/2021 respectively.

Financial Position Analysis

Unit : million baht

Statement of Financial Position	30 September 2022	31 December 2021	Increase / (Decrease)	
			Amount	%
Asset	1,706.57	1,657.10	49.47	2.99
Liabilities	464.00	628.77	(164.77)	(26.21)
Shareholder's equity	1,222.84	1,014.75	208.09	20.51

Assets

As of 30 September 2022, the Company's total assets were 1,706.57 million baht, an increase of 49.47 million baht or 2.99 percent as the following essence.

1. Cash and cash equivalents as of 30 September 2022 equals 431.93 million baht, an increase of 197.92 million baht from 31 December 2021 which was from the increased cash receipt from the operation although paid the dividends payment was 78.91 million baht on May 2022.

2. Trade and other receivables as of 30 September 2022 equal 448.79 million baht, a decrease of 179.18 million baht from 31 December 2021 as a result of debt collection policy. Most of the Group's trade receivable with accrued liability, not more than 3 months, in accordance with the Company's collection period.

3. Property, plant, and equipment as of 30 September 2022 equal 570.02 million baht, a decrease of 9.84 million baht from 31 December 2021 as a result of the depreciation and disposal of assets.

4. Finance lease receivables as of 30 September 2022 equals 118.70 million baht, an increase of 11.23 million baht from 31 December 2021 as a result of an increase regarding the hire purchase of trucks and trailers.

Liabilities




As of 30 September 2022, the Company's total liabilities were 464 million baht, a decrease of 164.77 million baht or 26.21 percent as a result of a decrease in the short-term and long-term borrowings from financial institutions and lease liabilities.

Shareholder's equity

As of 30 September 2022, the Company's total shareholders' equity was 1,222.84 million baht, an increase of 208.09 million baht or 20.51 percent as a result of the net profit and an increase from the total issued and paid-up capital of 3.94 million baht and an increase in share premium of 3.94 million baht from the exercise of the right to convert warrants to purchase ordinary shares (SONIC-W1).

Please be informed accordingly,

Yours Sincerely,



SONIC INTERFREIGHT PUBLIC COMPANY LIMITED
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Dr.Santisuk Kosiarpnant (Ph.D)
Chief Executive Officer

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