



บริษัท อามา มารีน จำกัด (มหาชน)

AMA MARINE PUBLIC CO., LTD.

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA010/2022

November 10, 2022

Subject: 3Q2022 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

### 3Q2022 Management Discussion and Analysis

#### Executive Summary

##### International marine logistics service

International marine logistics service reported an increase in revenue of Baht 298.76 million or 93.40% YoY due to higher average freight rate by 81.53% and depreciated in Thai baht exchange rate. Moreover, the fuel price generally decreases. As a result, the gross profit climbed by 281.07%, or a gross profit margin of 32.78% up from 16.63% YoY, corresponding into an increase in net profit of Baht 139.50 million or 683.99% YoY.

##### Domestic land logistics service

Domestic land logistics service reported additional services income of Baht 129.52 million or 62.40% YoY to record at Baht 330.66 million. Gross profit climbed by 6.37% YoY partly from the acquired business's revenue and profit. Meanwhile, the gross profit margin in 3Q2022 was 14.45%, down from 22.33% YoY. This was primarily triggered by a decreased freight rate as a result of price competition in the logistics sector. Additionally, lower oil marketing margins, which increased fuel prices, maintenance expenses due to fleets of vehicles with longer lifespans, and considerably rising tire and spare part prices, which forced the corporation to raise costs in line.

Table 1: Key Financial Results

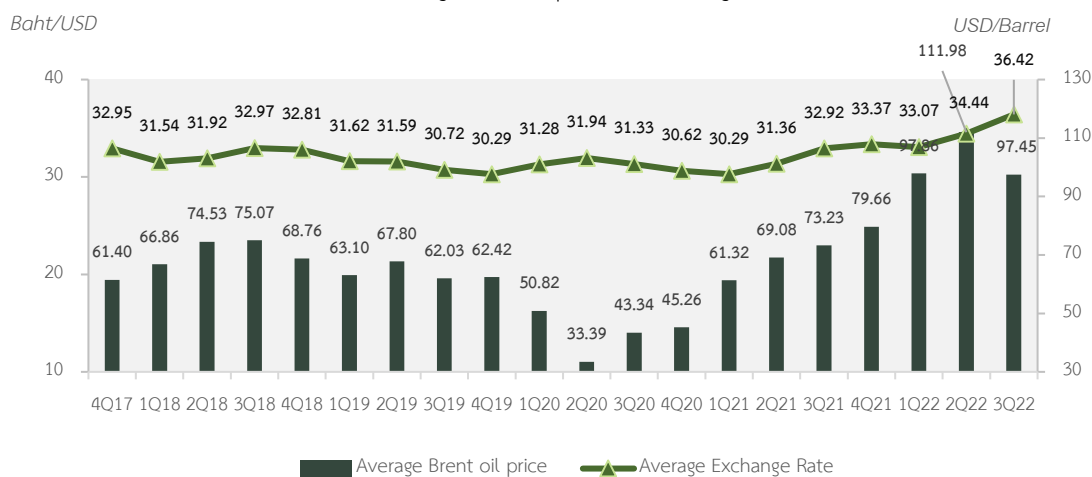
unit: million Baht

|   | 3Q2021 | 2Q2022 | 3Q2022  | %YoY      | %QoQ      |
|---|--------|--------|---------|-----------|-----------|
| Service Income  | 521.02 | 711.98 | 949.31  | 82.20%    | 33.33%    |
| Gross Profit  | 98.13  | 105.22 | 250.55  | 155.33%   | 138.11%   |
| Gain (Loss) on disposal of assets                         | 0.61   | -      | -       | (100.00%) | 0.00%     |
| Gain (Loss) on an exchange rate                           | 9.31   | 13.91  | 17.69   | 90.11%    | 27.23%    |
| Gain (Loss) from financial instruments                    | (6.47) | 14.46  | (15.43) | (138.53%) | (206.71%) |
| Net profit  | 49.04  | 73.43  | 186.39  | 280.08%   | 153.85%   |
| Gross profit margin (%)                                   | 18.83% | 14.78% | 26.39%  | 40.14%    | 78.59%    |
| Net profit margin (%)                                     | 9.41%  | 10.31% | 19.63%  | 108.61%   | 90.39%    |
| Service income in USD<br>(Separated financial statements) | 9.72   | 11.37  | 17.10   | 75.88%    | 50.42%    |

## Economic and Industry Overview

- In 3Q2022, prices of spot crude palm oil (CPO) typically fall in the third quarter of 2022. because of harvesting season. As a result, there was more palm on the market, and Indonesia instated a plan to enhance exports by easing export regulations and slashing export taxes. In particular, the economic and consumption have suffered as a result of China's "Zero Covid" strategy. Additionally, the market's worries that the economic recession will lead to a decline in consumer spending.
- The currency exchange of US Dollar had been signed on the Company's operation in terms of the functional currency used according to TAS 21. In 3Q2022, the average of the Thai Baht to US dollar was Baht 36.42 per USD slightly depreciated from 3Q2021 at Baht 32.92 per USD, the baht tends to devalue due to the impacts of the Russo-Ukrainian War, which resulted in import restrictions, forcing product prices to rise, resulting in higher import values, affecting on the current account balance. Furthermore, the world's major central banks, particularly the US Federal Reserve (FED), have begun to implement restrictive monetary policies by hiking interest rates or diminish the economics' liquidity.
- Voluntary in crude oil price impact the Company's performance due to the fact that fuel cost classified as major transportation cost. In 3Q2022, average Brent crude oil price reported at USD 97.45 per barrel, surged by 33.07% YoY as oil prices are surging to new highs since global economic activity recovers, The Russia-Ukraine War has increased global demand for oil. As a result, Europe has halted imports of Russian oil and natural gas. However, in July and August 2022, OPEC and its crude oil production allies constantly has decided to boost production capacity from 400,000 to 648,000 barrels per day likely result in the price of oil halting its rise.

Table 2: Average Brent oil price and Exchange Rate



Source: BOT, U.S.A Energy Information Administration

## 3Q2022 Results

### 1) Revenues

Table 3: Revenues

| Revenue Structure                                  | 3Q2021        |               | 3Q2022        |               |
|--|---------------|---------------|---------------|---------------|
|  | million Baht  | %             | million Baht  | %             |
| <b><u>International marine service</u></b>         |               |               |               |               |
| Service income                                     | 311.22        | 59.73         | 608.05        | 64.05         |
| Demurrage charge                                   | 8.66          | 1.66          | 10.60         | 1.12          |
| Total revenue from marine service                  | 319.88        | 61.39         | 618.64        | 65.17         |
| <b><u>Domestic land transportation service</u></b> |               |               |               |               |
| Service income                                     | 201.14        | 38.61         | 330.66        | 34.83         |
| Total revenue from land service                    | 201.14        | 38.61         | 330.66        | 34.83         |
| <b>Total revenue from services</b>                 | <b>521.02</b> | <b>100.00</b> | <b>949.31</b> | <b>100.00</b> |

3Q2022 consolidated revenues of the Company and its subsidiary posted at Baht 949.31million, increased by Baht 428.29 million or 82.20% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 65.17% and 34.83%, respectively.

Revenue from international marine service surged by Baht 298.76 million, or 93.40% YoY resulting from higher average freight rate by 81.53% YoY as well as the depreciated in Thai Baht by 10.63% YoY.

Revenue for domestic land transportation services in 3Q2022 was Baht 330.66 million, growing Baht 129.52 million or 62.40% from the previous year. The land transportation services' revenue was mainly composed of Baht 230.75 million in revenue from fuel cargo transportation service and Baht 99.91 million in revenue from acquisitions.

The fuel cargo transportation recorded a total oil transport volume of 583.53 million liters, surged by 33.19 million Liters or 6.03% YoY according to the implementation of public health measures until being able to relax measures and restrictions and economic recovery measures, the COVID-19 situation has shifted and has officially started to ease, especially the tourism sector, which has obviously recovered from more foreign tourists who have started to return to Thailand.

### 2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit increased by Baht 152.43 million or 155.33% YoY to record at Baht 250.55 million, representing gross profit margin at 26.39%, compared with 18.83% in 3Q2021

Gross Profit of Marine transport in 3Q2022 was Baht 202.77 million increased by Baht 149.56 million or 281.07% YoY, representing gross profit margin at 32.78% dropped from 16.63% YoY. The increase in gross profit margin of marine transport was owing to a significantly increase in freight rate by 81.53% YoY and 44.72% compare to last quarter.

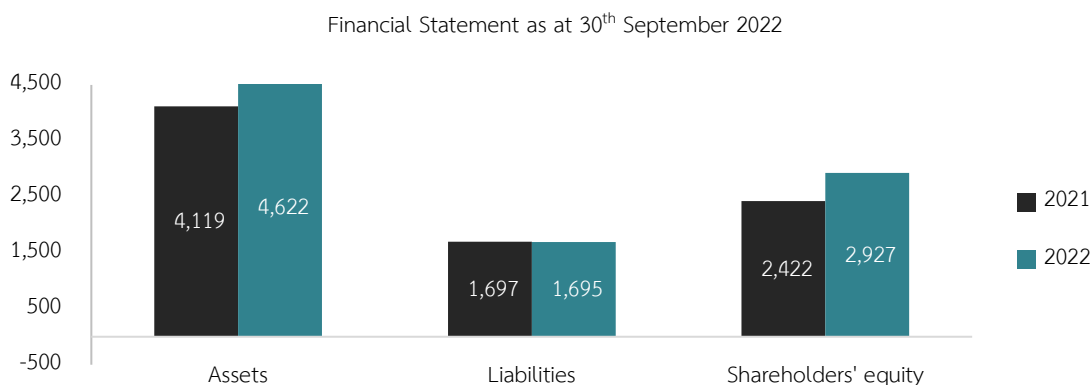
Moreover, the fuel price generally decreases as well as the Company regulates the vessel's speed to remain at an economic speed in order to reduce costs. The major cost of services consists of (1) fuel costs, (2) employee expenses, and (3) depreciation.

The gross profit of domestic land transport in 3Q2022 was Baht 47.78 million surged by Baht 2.86 million or 6.37% YoY, Whereas, the gross profit margin was 14.45%, a decrease of 22.33% from the previous year. This was primarily triggered by a decreased freight rate as a result of price competition in the logistics sector. Additionally, lower oil marketing margins, which increased fuel prices, maintenance expenses due to fleets of vehicles with longer lifespans, and considerably rising tire and spare part prices, which forced the corporation to raise costs in line.

### 3) Net profit and Net profit margin

In 3Q2022, the Company and its subsidiary's consolidated net profit surged by Baht 136.16 million or 277.66% YoY to record at Baht 185.20 million. Net profit margin was 19.51% compared with 9.41% YoY. This corresponds to the increase in operating profit.

## Financial Status



### 1) Assets

The Group's assets totaled Baht 4,622.27 million, surge by Baht 503.73 million (12.23%) from the previous year's end due to an increase in cash and cash equivalents, and PPE. (Dry docking, Tank Cars and Truck)

### 2) Liabilities

Liabilities for the Company and its subsidiaries totaled Baht 1,695.10 million, down by Baht 1.65 million (0.10%) from the previous year's end. This was primarily due to lower loans.

### 3) Shareholders' equity

The Company and its subsidiary had equity of Baht 2,927.17 million, increased by Baht 505.39 million, or 20.87% from the previous year's end resulting from operating profits and the differences on translating financial statement.

## Cash Flows

Table 4: Cash flows

unit: million Baht

|   | 3Q2021   | 3Q2022   | Change   | %YoY      |
|---|----------|----------|----------|-----------|
| Net cash provided by (used in) operating activities                             | 314.93   | 433.27   | 118.35   | 37.58%    |
| Net cash provided by (used in) investing activities                             | (43.92)  | (72.16)  | 28.24    | 64.31%    |
| Net cash provided by (used in) financing activities                             | (383.27) | (247.70) | 135.56   | 35.37%    |
| Increase (decrease) in exchange differences on translating financial statements | 1.95     | 21.57    | 19.62    | 1,006.51% |
| Net increase (decrease) in cash and cash equivalents                            | (110.31) | 134.98   | 245.28   | 222.36%   |
| Cash and cash equivalents as at 1 <sup>st</sup> January                         | 224.97   | 91.83    | (133.14) | (59.18%)  |
| Adjustment effects of exchange rate   | (3.08)   | (1.93)   | 1.15     | 37.33%    |
| Cash and cash equivalents as at 30 <sup>th</sup> September                      | 111.58   | 224.87   | 113.30   | 101.54%   |

The period ended 30<sup>th</sup> September 2022, the Company and its subsidiaries had net cash flow received from operating activities of Baht 433.27 million, net cash flow used in investing activities of Baht 72.16 million (dry docking), and net cash flow used in financing activities of Baht 247.70 million (long-term loan repayment). Therefore, cash and cash equivalent items as of the ended 30<sup>th</sup> September 2022 was Baht 224.87 million, increased by Baht 133.04 million from 1<sup>st</sup> January 2022.

## Key Financial Ratios

Table 5: Key Financial Ratios

|   | 2021  | 2022  | Change |
|---|-------|-------|--------|
| Current ratio (times)                         | 0.52  | 0.87  | 0.35   |
| Quick ratio (times)                           | 0.42  | 0.70  | 0.28   |
| Receivables turnover ratio (times)            | 13.48 | 16.77 | 3.29   |
| Average receivable collection period (days)*  | 26.71 | 21.47 | (5.24) |
| Debt to equity ratio (times)                  | 0.70  | 0.58  | (0.12) |
| Interest bearing debt-to-equity ratio (times) | 0.61  | 0.48  | (0.13) |
| Return on assets (%)                          | 5.89  | 8.99  | 3.10   |
| Return on equity (%)                          | 6.84  | 11.75 | 4.91   |

\*The Company's credit policy is 25-35 days.

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director

Investor Relations

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