

## Management Discussion and Analysis Quarter 1 Ending 31 Mar 2023

Thai exports in the first quarter of 2023 were worth 70,280 million US dollars, a decrease of 4.5 % compared to the same period last year. Imports were worth 73,324 million US dollars, a decrease of 0.5%. Trade balance in the first quarter of 2023 deficit of 3,044. million US dollars

Performance in the Q1/2023, the company's performance is in the same direction as Thailand's import and export situation in the Q1/2023, with the company's revenue from services equal to 1,031 million baht and the company's profit. Net in Q1/2023 was 55 million baht. Revenue from Supply Chain Solutions segment for the Q1/2023 was 119 million baht, with continuous growth from strategy execution. business collaboration with customers to create good solutions to increase the potential for mutual growth.

### Company Performance Summary

Unit : million baht

Profit and loss statement	Q1/2022	Q4/2022	Q1/2023	+ (-)	% YoY	+ (-)	+ (-)
Service income	2,155	1,299	1,031	(1,124)	-52%	268	-21%
Gross profit	343	274	211	(132)	-38%	63	-23%
Other income	11	14	4	(7)	-63%	18	-131%
Selling expenses	37	26	21	(16)	-43%	5	-18%
Administrative expense	117	102	105	(12)	-10%	3	3%
Finance cost	5	4	4	(1)	-19%	0	3%
Income tax expense	30	31	19	(11)	-36%	11	-37%
Profit for the period	164	97	65	(99)	-60%	32	-33%
<b>Profit attributable to:</b>							
Equity holders of the company	158	96	55	(102)	-65%	41	-42%
Non-controlling interests of subsidiaries	6	1	10	4	58%	9	1129%
Gross profit margin	15.91%	21.08%	20.50%	-	4.59%	-	-0.58%
Net profit margin	7.28%	7.47%	5.35%	-	-1.93%	-	-2.12%

As for the performance, the Company's revenue from services for the Q1/2023 was 1,031 million baht, a decrease of 1,124 million baht, representing 52% of last year's revenue for the same period. has decreased in the same direction as the transportation of goods in Thailand in addition, during the first quarter was the low season, the revenue decreased due to the revenue in the marine transportation sector. The transport volume is like last year. But the main factor that caused the revenue to decrease was the freight rate. with a drop of more than 80%

The company's gross profit for Q1/2023 was 211 million baht, a decrease of 132 million baht or 38% of last year's gross profit for the same period. caused by reduced income Resulting in a decrease in gross profit.

Selling expenses for Q1/2023 were 21 million baht, a decrease of 16 million baht or 43% of the selling expenses of the previous year for the same period. Fewer commissions are paid depending on the decrease in sales.

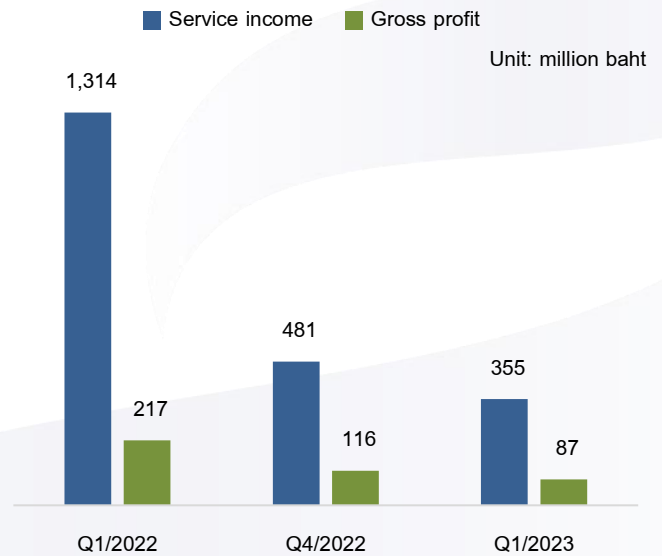
The company's net profit for Q1/2023 was 55 million baht, a decrease of 102 million baht, representing 65% of last year's net profit for the same period. Due to the decrease in service income, the net profit decreased.

## **Performance by Business Unit**

### **1. Sea Freight**

Revenue from Sea Freight for Q1/2023 was 355 million baht, a decrease of 959 million baht, representing 73% of last year's revenue for the same period. The cause was from the previous year. The freight rate increased quite a lot from the situation of the Kovic epidemic, which is an unusual condition causing the company to have higher revenues for this year, in the Q1, the volume of shipments was like the previous year. The decrease in revenue was caused by the freight rate that dropped by more than 80% and in the first quarter was the low season.

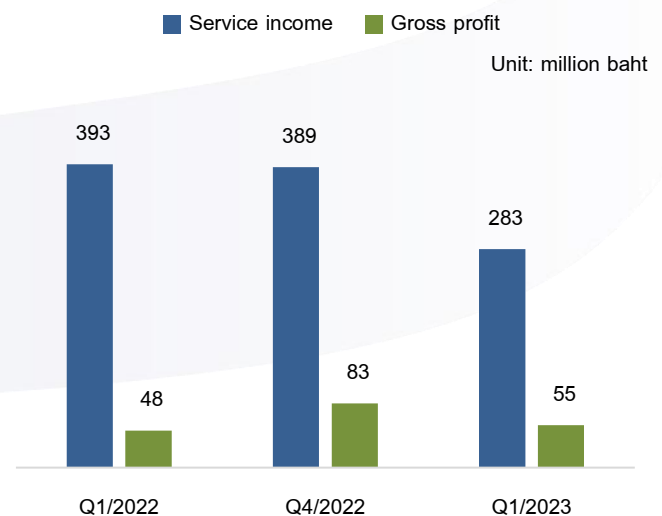
Gross profit from Sea Freight for Q1/2023 was 87 million baht, a decrease of 130 million baht, representing 60% of last year's gross profit for the same period. Caused by reduced revenue, gross profit decreased. In terms of cost management, it can be managed well. The gross profit margin has improved, in the Q1/2023, it was 24.5% compared to 16.5% in the Q1/2022.



### **2. Air Freight**

Revenue for Air Freight the Q1/2023 was 283 million baht, a decrease of 110 million baht or 28% of the previous year's revenue for the same period. This was due to the decrease in the volume of transportation and the lower freight rates. in electronic products with a decrease in imports and exports in the Q1/2023 compared to the previous year

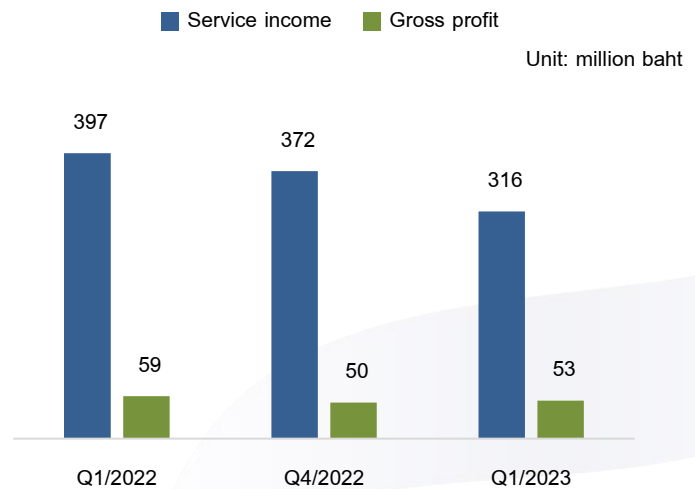
Gross profit from air freight services for Q1/2023 was 55 million baht, an increase of 7 million baht or 15% of last year's gross profit for the same period. Good cost management Although the revenue decreased, the gross profit increased. The gross profit margin has improved, in Q1/2023 it was 19% compared to 12% in Q1/2022.



### 3. Cross Border Service

Revenue from cross border service for the Q1/2023 was 316 million baht, a decrease of 81 million baht, representing 20% of the previous year's revenue for the same period. The reason is that in the Q1/2022, the company has extra income from overnight charges in case of overnight vehicles during the closing of checkpoints in China.

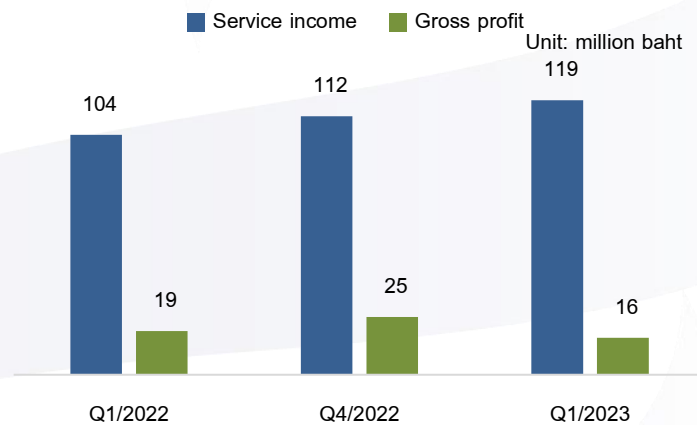
Gross profit from cross border service for Q1/2023 was 53 million baht, a decrease of 6 million baht, representing 10% of last year's gross profit for the same period. Cross-border land transportation has increased, which can be seen that the gross profit margin has improved, in Q1/2023, it was 17% compared to 15% in Q1/2022.



### 4. Supply Chain Solutions

Revenue from Supply Chain Solutions for the Q1/2023 was 119 million baht, an increase of 15 million baht, representing 14% of last year's revenue for the same period. Due to the opening of an additional warehouse with an area of 15,000 square meters, the company has increased revenue.

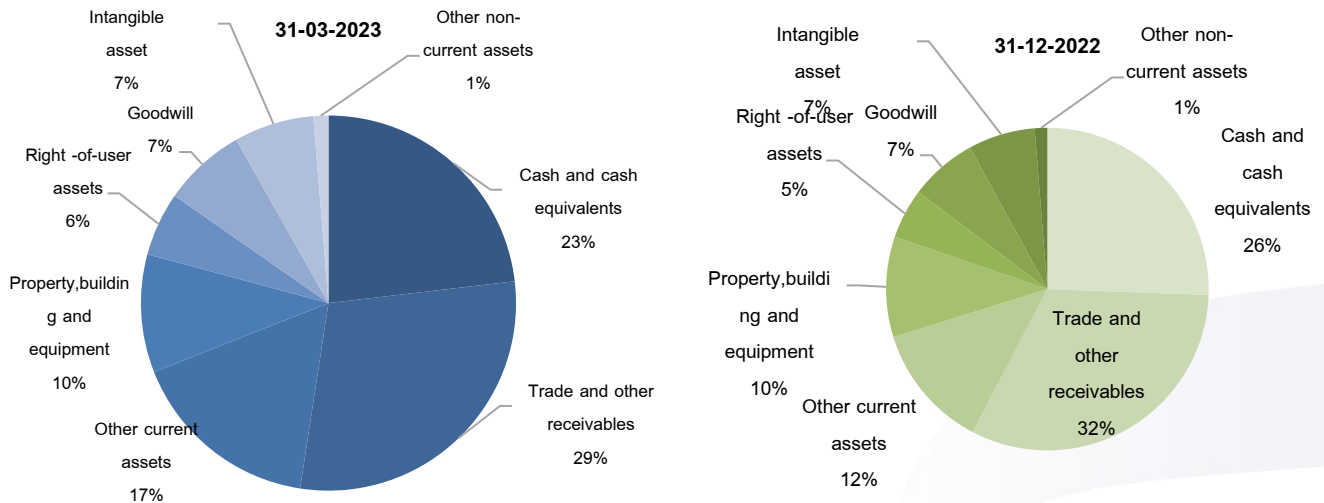
Gross profit for Q1/2023 was 16 million baht, a decrease of 3 million baht, representing 16% of last year's gross profit for the same period. The reason was due to the increase in oil prices causing the company to have increased transportation costs. make profits decrease.



## financial position analysis

Unit: million baht

Balance Sheet	31-03-2023	31-12-2022	+ / -	%
Cash and cash equivalents	734	852	(119)	-14.0%
Trade and other receivables	928	1,069	(142)	-13.2%
Other current assets	526	417	109	26.0%
Property, building and equipment	323	335	(12)	-3.7%
Right -of-user assets	174	167	7	4.2%
Goodwill	225	225	0	0%
Intangible asset	219	223	(5)	-2.1%
Other non-current assets	41	42	(1)	-2.5%
<b>Total Assets</b>	<b>3,169</b>	<b>3,332</b>	<b>(163)</b>	<b>-4.9%</b>

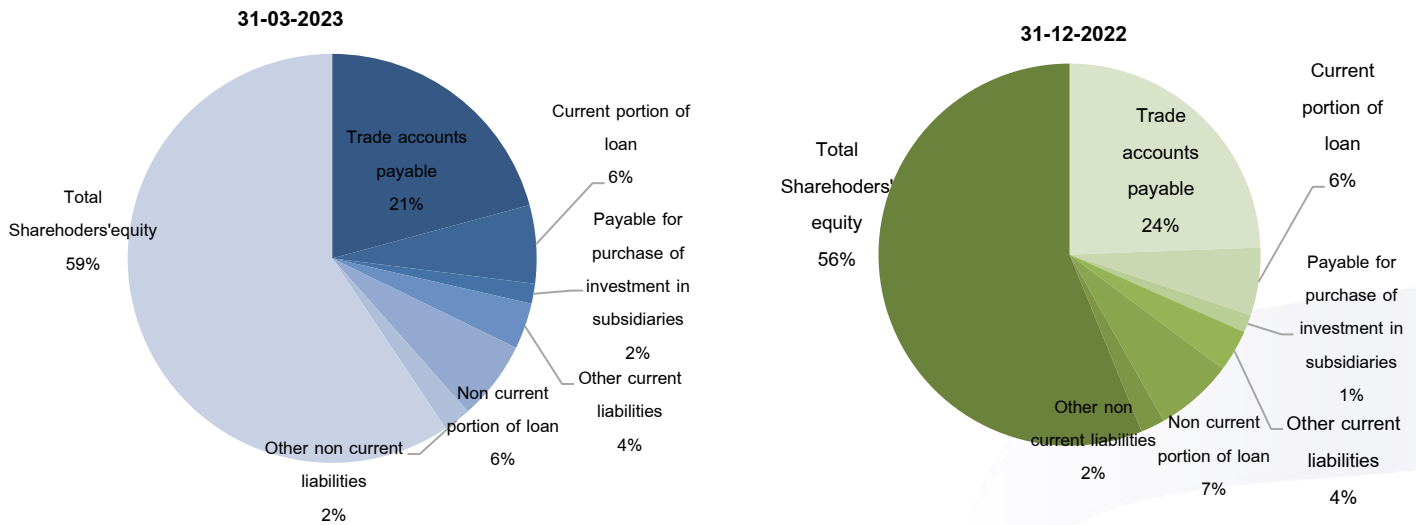


The company has total assets as of March 31, 2023 and December 31, 2022 equal to 3,169 million baht and 3,332 million baht, respectively, a decrease of 163 million baht or 5% due to the following reasons:

1. Decrease in cash as of March 31, 2023 and December 31, 2022 was 734 million baht and 852 million baht, respectively, a decrease of 119 million baht or 14% due to the use of cash to invest in low-risk debt securities. and the use of cash to pay for liabilities such as trade accounts payable and loans
2. Trade accounts receivable decreased as of March 31, 2023 and December 31, 2022, equal to 928 million baht and 1,069 million baht, respectively, a decrease of 142 million baht, representing 13%, due to a decrease in revenue resulting in a decrease in trade receivables.

Unit : million baht

Balance Sheet	31-03-2023	31-12-2022	+ / -	%
Trade accounts payable	659	813	(154)	-18.9%
Current portion of loan	196	191	5	2.6%
Payable for purchase of investment in subsidiaries	50	50	0	0.0%
Payable for business acquisition	0	0	0	0.0%
Other current liabilities	115	118	(3)	-2.4%
Non-current portion of loan	198	220	(22)	-9.8%
Other non-current liabilities	69	68	1	1.3%
Total liabilities	1,288	1,461	(173)	-11.8%
Balance Sheet	1,881	1,872	10	0.5%



The company has total liabilities as of March 31, 2023 and December 31, 2022 equal to 1,288 million baht and 1,461 million baht, respectively, a decrease of 173 million baht or 12% due to the following reasons:

1. Trade accounts payable decreased as of March 31, 2023 and December 31, 2022, equal to 659 million baht and 813 million baht, respectively, a decrease of 154 million baht, representing 19%. Revenue also reduced trade payables.
2. Long-term loans decreased, as of March 31, 2023 and December 31, 2022 were 198 million baht and 220 million baht, respectively, a decrease of 22 million baht, or 10%, due to the fact that the company repaid loans during the period.

#### Important events of the company in the Q1/2023

- On January 12, 2023, the Board of Directors' meeting No. 1/2023 resolved to approve the share repurchase project for financial management purposes. In the amount not exceeding 170 million baht, with the number of shares to be repurchased in the amount of 13 million shares at a par value of 0.50 baht per share, representing no more than 2% of the total number of shares sold. by buying in the Stock Exchange of Thailand and has a repurchase period of 6 months from January 19, 2023 to July 18, 2023.

#### Executive view of trends and strategies

In the first quarter of the year, revenue will decline in the same direction as Thailand's imports and exports. Due to the low season, but the company expects that in the second half of the year Exports to the US market will recover. and has a greater transport volume together with the main trading partner, China Lockdown measures have been announced. It makes the status of closing the checkpoint back to open as usual and the transportation of goods is convenient. various industries back to business Which is considered a good supporting factor for the logistics business, causing the company to have more revenue, which the company expects that the revenue will grow. in the second half which will grow in the logistics business Including expanding cooperation with partners both domestically and internationally to create business opportunities together. together with the company Strategies to manage costs and expenses for continuous efficiency to increase competitive opportunities.

For business cooperation with N-Square Ecommerce Co., Ltd., which expands the existing customer base to the B2B2C (Business-to-Business-to-Customer) group this year, the picture will be clearly seen. This will help generate revenue for the



company approximately 100 million baht, starting to gradually recognize revenue from Q1/2023 onwards. The cooperation with Somboon Advance Technology Public Company Limited (SAT) is a green logistics management project. Hub, which will be developed into a modern warehouse and distribution center in the Bangkok area. And continue to develop in Rayong province and will bring the potential of both parties to manage together to expand the warehouse business and provide integrated logistics services.