

SCGJWD Logistics Public Company Limited
Management Discussion and Analysis Q1/2023 (Edited)

(Unit : MB THB)	Three-month Period		Change +/- (%)
	Q1-2022 ^[1]	Q1-2023 ^[2]	
Total Revenues	1,410.4	4,942.1	250.4%
Revenue from rental and rendering of services	1,364.5	4,884.6	258.0%
Gross Profit	332.0	696.8	109.9%
Gross Margin (%)	24.3%	14.3%	
Gain from remeasurement to fair value of the Group's existing interest	-	-	
Interest income, Dividend income and Other income	45.9	57.5	25.3%
Share of profit of investments in associates and joint ventures	74.1	85.1	14.8%
Net profit attributable to owners of the Company	125.7	231.2	83.9%
Net Profit Margin (%)*	8.9%	4.7%	

* Net Profit Margin = Net profit attributable to owners of the Company / Total revenue

Note:

1. The financial statements and operating results of JWD InfoLogistics Public Company Limited for the 1st quarter of 2022
- 2.. The financial statements and operating results for the first quarter of 2023, which include the merged results of SCG Logistics Management Co., Ltd. and JWD Company InfoLogistics Public Company Limited starting from February 1, 2023, and presented as a consolidated statement.

On February 14, 2023, the Company successfully completed a share swap transaction with SCG Logistics Management Co., Ltd. (SCGL) according to the merger plan, resulting in a name change to 'SCGJWD Logistics Public Company Limited' and a new trading symbol 'SJWD', effective February 17, 2023. The company began consolidating the performance of JWD and SCGL from February 1, 2023, in Q1/2023. SCGL engages in logistics and supply chain service both domestically and internationally, including Transportation & Distribution Business, Warehouse Management Business, Freight Forwarding Business, and Last Mile Delivery, etc. The company has reorganized the business categories in order to present a clearer information after the merger.

The merger of SCGJWD Logistics Public Company Limited elevates the company to be the largest integrated logistics and supply chain service provider in ASEAN (based on revenue and profit). The company's business coverage covers various ASEAN countries such as Cambodia, Lao PDR, Myanmar, Vietnam, Indonesia, as well as Southern China, encompassing a total of 9 countries, with the capability to serve B2B, B2B2C, B2C, and C2C customers across the upstream, midstream, and downstream sectors in various industries.

The performance for Q1/2023, the Company had total revenues of Baht 4,942.1 million, improved by Baht 3,531.7 million or 250.4% from the same period of previous year. The Company generated revenue from

rental and rendering of services of Baht 4,884.6 million, higher than the same period of previous year by Baht 3,520.1 million or 258.0%. The increase in revenue was attributed to the consolidation of financial statements of SCG Logistics Management Co., Ltd. (SCGL) since February 1, 2023.

The Company had gross profit for Q1/2022, the Company had gross profit of Baht 696.8 million and gross profit margin of 14.3% increased by Baht 364.7 million, or 109.9% compared to the same period of previous year, where gross profit was Baht 332.0 million or 24.3%.

Net profit attributable to owners of the Company

The Company had net profit attributable to owners of the Company for the Company for Q1/2022 of Baht 231.2 million, net profit margin was 4.7% increased by Baht 105.5 million, or 83.9% from that of previous year where net profit was Baht 125.7 million and net profit margin was 8.9%. This is mainly due to the logistics business development and the merger of SCGL, which helped to drive business growth and profitability.

Financial Performance Analysis

The Company has regrouped business units to align with the merged business. Revenue and gross profit classified by business segment are divided into details as shown in the table:

Revenue(MB THB)	Quarterly (Three-month Period)		% of Total Revenue	Gross Profit (MB THB) Three-month Period		Gross Margin (%) Three-month Period	
	Q1-2022	Q1-2023		Q1-2022	Q1-2023	Q1-2022	Q1-2023
	1.1 Warehouse & Yard Management business	562.7		817.7	16.8%	207.8	300.8
1.2 Transport & Distribution business	323.4	2,478.4	50.7%	51.5	218.7	15.9%	8.8%
1.3 Other Logistics business	128.9	502.8	10.3%	29.7	113.2	23.1%	22.5%
1.4 Overseas business	43.8	495.6	10.1%	10.5	31.5	24.0%	6.3%
Total Revenue of Logistics and Supply Chain	1,058.8	4,294.5	87.9%	299.5	664.2	28.3%	15.5%
2. Other businesses	305.7	590.1	12.1%	22.9	32.6	7.5%	5.5%
Total	1,364.5	4,884.6	100.0%	322.4	696.8	25.0%	14.3%

1.1 Warehouse and Yard Management

Revenue By Product Categories (MB THB)	Quarterly Three-month Period		% of Total Revenue	Gross Profit (MB THB) Three-month Period		Gross Profit Margin (%) Three-month Period	
	Q1-2022	Q1-2023		Q1-2022	Q1-2023	Q1-2022	Q1-2023
	1.1.1 General Goods	107.5		237.0	4.9%	19.1	58.3
1.1.2 Dangerous Goods	152.7	123.7	2.5%	67.8	45.9	44.4%	37.1%
1.1.3 Automotive	94.8	224.5	4.6%	29.5	106.6	31.1%	47.5%
1.1.4 Cold Storage	207.7	232.5	4.8%	91.4	90.0	44.0%	38.7%
Total	562.7	817.7	16.7%	207.8	296.4	37.8%	36.8%

1.1.1 General Goods

Revenue of general goods warehouse management service for Q1/2023 was Baht 237.0 million, consisted of revenues from storage Baht 181.7 million, handling service Baht 39.4 million, and other value added services Baht 15.9 million. Total revenue increased by Baht 129.5 million or 120.5% from the same period last year. This is mainly due to the integration of general goods business from SCGLas well as the increase in market demands. As a result, the business had achieved an occupancy rate of over 91% and expected to maintain high utilization rate throughout the year.

Gross profit of general goods warehouse management service for Q1/2023 was Baht 58.3 million and gross profit margin was 24.6%, increased by Baht 39.2 million or 205.2% compared to the same period previous year where gross profit was Baht 19.1 million and gross profit margin was 17.8%. This was mainly due to the increase in warehouse space utilization and higher margin value-added service revenue.

1.1.2 Dangerous Goods

Revenue of dangerous goods warehouse management service for Q1/2023 was Baht 123.7 million, consisted of revenue from yard management of Baht 120.2 million and from warehouse management of Baht 3.5 million. Total revenue was decreased by Baht 29.0 million or 19.0% from the same period of previous year. However, the quantity of dangerous goods throughput for Q1/2023 was 43,049 TEU*, slightly decrease by from the same period of previous year. This was mainly due to the downtrend of chemical and petrochemical industry as a result of the energy crisis. In addition, customers had shorter average periods of yard storage resulting in a decrease of storage revenue.

Volume	Three-month Period	
	Q1-2022	Q1-2023
Yard (TEU*)	43,241	43,049
Warehouse (Revenue Ton)	6,071	5,871

*TEU (Twenty Equivalent Unit) is 20-foot equivalent containers.

Gross profit of dangerous goods warehouse management service for Q1/2023 was Baht 45.9 million and gross profit margin was 37.1%, decreased by Baht 21.9 million or 32.3% compared to the same period previous year where gross profit was Baht 67.8 million and gross profit margin was 44.4%.

1.1.3 Automotive

Revenue of automotive yard management service for Q1/2023 was Baht 224.5 million, consisted of revenue from storage of Baht 73.6 million and revenue from service rendering of Baht 150.9 million, which was increase by Baht 129.7 million or 136.8% from the same period last year. This is due to the increase in domestic car manufacturing volume as well as the rising demand of imported EV cars, both from existing and new customers.

Gross profit for the Q1/2023 was Baht 106.6 million and gross profit margin was 47.5% increased by Baht 77.1 million, or 261.4% from the same period previous year, where gross profit was Baht 29.5 million and gross profit margin was 31.1%.

1.1.4 Cold Storage

Revenue from cold storage management for Q1/2023 was Baht 232.5 million, higher than that of previous year by Baht 24.8 million, or 11.9%. The increase in storage of goods was attributed to the expansion of service capacities in Mahachai and Bangna areas.

Gross profit from cold storage management for the Q1/2023 was Baht 90.0 million and gross profit margin was 38.7%, decreased by Baht 1.4 million or 1.5% compared with the same period previous year where gross profit was Baht 91.4 million and gross profit margin was 44.0%. This is mainly due to the increase in costs and depreciation from the new cold storage facility, i.e., PACIFIC TUM COLD STORAGE CO., LTD. (PACT) and the rental of new space for cold storage services in Alpha Bangna km.22 (PACA) project.

Average occupancy rate for Q1/2023 was 61.4%, increased from that of previous year which was 69.3%. In January 2023, cold chain business increased its capacity by 8,700 sq.m. from the opening of a new cold storage warehouse in Samut Sakhon province, i.e., the PACT cold storage, a joint venture project with a leading processed seafood manufacturer in Thailand, In March 2023, had an increase in capacity by 20,000 sq.m. from the new cold storage warehouse in Alpha Bangna km.22 (PACA) project. This will help supporting partners as well as the increasing overall market demand and increase profitability in the long run.

1.2. Transportation and Distribution Service

Revenue (MB THB)	Quarterly Three-month Period		% of Total Revenue	Gross Profit (MB THB) Three-month Period		Gross Profit Margin (%) Three-month Period	
	Q1-2022	Q1-2023		Q1-2022	Q1-2023	Q1-2022	Q1-2023
	1.2.1 Business-to-business (B2B)	307.0		1,664.6	34%	49.3	114.1
1.2.2 Direct-to-customer (D2C)	-	463.5	9.5%	-	38.0	-	8.2%
1.2.3 Cross Border	16.4	175.3	3.6%	2.2	17.8	13.4%	10.2%
1.2.4 Multimodal	-	175.0	3.6%	-	48.8	-	27.9%
Total	323.4	2,478.4	50.8%	51.5	218.7	15.9%	8.8%

The transport business consists of 1. Business-to-business (B2B) transportation, 2. Direct-to-customer (D2C) transportation, which encompasses transportation services that were linked to end customers, 3. Cross-border transportation, which accounts for domestic portion of cross border revenue, and 4. Multimodal transportation, which involves the transportation through various modes.

Revenue from transportation and distribution service for Q1/2023 was Baht 2,478.4 million which can be divided by product category as Business-to-business (B2B) at Baht 1,664.6 million, business-to-business-to-customer (D2C) at Baht 463.5 million, cross border at Baht 175.3 million, and multimodal at Baht 175.0 million. Total revenue increased by Baht 2,155.0 million or 666.4% from the same period year. This is due to the merger between JWD and SCGL in Q1/2023 as mentioned earlier.

Gross profit of this service for Q1/2023 was Baht 218.7 million and gross profit margin was 8.8%, increased by Baht 167.2 million or 324.7% compared to that of last year, where gross profit was Baht 51.5 million and gross profit margin was 15.9%.

1.2. Other Logistics Service

Revenue (MB THB)	Quarterly Three-month Period		% of Total Revenue	Gross Profit (MB THB) Three-month Period		Gross Profit Margin (%) Three-month Period	
	Q1-2022	Q1-2023		Q1-2022	Q1-2023	Q1-2022	Q1-2023
	1.3.1 Relocation Service	56.3		55.4	1.1%	11.3	11.1
1.3.2 Self-Storage, Safe Deposit, Art Space and Wine Bank	13.2	16.7	0.3%	2.4	2.5	18.2%	15.0%
1.3.3 Record and Information Management	34.1	36.8	0.8%	15.5	15.7	45.5%	42.7%
1.3.4 Logistics Infrastructure	25.3	110.3	2.3%	0.5	17.4	2.0%	15.8%
1.3.5 Freight	-	283.6	5.8%	-	66.5	-	23.4%
Total	128.9	502.8	10.3%	29.7	113.2	23.1%	22.5%

1.3.1 Relocation Service

Revenue from relocation service for Q1/2023 was Baht 55.4 million consist of revenue from household moving service at Baht 51.2 million, office moving service at Baht 2.5 million and fine arts and exhibition items moving service at Baht 1.7 million. Total revenue slightly decreased by Baht 0.9 million or 1.6% from that of the previous year.

Gross profit for Q1/2023 was Baht 10.9 million and gross profit margin was 20.0%, decreased by Baht 0.2 million or 1.8% compare to that of last year where gross profit was Baht 11.3 million and gross profit margin was 20.1%.

1.3.2 Self-Storage, Safe Deposit, Art Space and Wine Storage

The business unit provides self-storage, safe deposit, art space and wine bank services, where the self-storage service was offered in 7 branches, i.e., Sri Kreetta, Siam, Ramintra , Thiam Ruam Mit, Rama9-Ramkhamhang, Phuket branches, and Ladprao. The safe deposit, art storage and wine storage services were offered at JWD Store it, Siam branch. Revenue for the business unit for Q1/2023 was Baht 16.7 million increased by Baht 3.5 million or 26.5% from that of the previous year, the self-storage business has continuously increased revenues, has seen a steady increase in revenue. In 2023, the Company plans to expand more branches to cover more service areas, which will help increase the revenue of business in the long run.

Gross profit for Q1/2023 was Baht 2.5 million and gross profit margin was 15.0%, increased by Baht 0.1 million or 4.2% compare to that of last year where gross profit was Baht 2.4 million and gross profit margin was 18.2%.

1.3.3 Record and Information Management

Revenue from the record and information management service for Q1/2023 was Baht 36.8 million, which consists of storage revenue at Baht 29.0 million, handling service and transportation at Baht 7.8 million. Total revenue increased by Baht 2.7 million or 7.9% compared with the same period last year. This is due to the increase in document storage volume and services, especially the document scanning service where the business successfully won various new projects as shown in following details:

Quantity (Unit)	Quarter	
	Q1-2022	Q1-2023
Boxes (Average)	1,084,883	1,291,866
Files (Average)	12,539,941	13,685,659
Scan (Total)	3,987,766	3,570,346

Gross profit for Q1/2023 was Baht 15.7 million and gross profit margin was 42.7%, increased by Baht 0.2 million or 1.3% compared with the same period last year where gross profit was Baht 15.5 million and gross profit margin was 45.5%.

1.3.4 Logistics Infrastructure

Logistics Infrastructure Business consists of the Barge terminal operation, Rail yard management and Port terminal operation businesses. Revenue from the logistics infrastructure business for Q1/2023 was Baht 110.3 million increased by Baht 85.0 million or 336.0% compared with the same period last year. This mainly due to the integration of SCGL business in Q1/2023. In addition, the railway cargo handling activities has increased significantly compared to last year.

Gross profit for Q1/2023 was Baht 17.4 million and gross profit margin was 15.8%, increased by Baht 16.9 million or 3,380% compared with the same period last year where gross profit was Baht 0.5 million and gross profit margin was 2.0%

1.3.5 Freight

Starting from Q1/2023, the Company has a new Freight business unit from the consolidation of SCGL. The revenue from freight business in Q1/2023 was Baht 283.6 million with the gross profit of Baht 66.5 million and gross profit margin of 23.4%,

1.4 Overseas Business

Overseas business consists of the consolidated revenue from logistics services in Laos, Myanmar, Cambodia, Indonesia and Philippines, including warehousing services, transportation services, cross-border services, import-export services, etc. Revenue from overseas business for Q1/2023 was Baht 495.6 million, increased by Baht 451.8 million or 1,031.5% from the same period of previous year.

Gross profit for Q1/2023 was Baht 31.5 million and gross profit margin was 6.4%, increased by Baht 21.0 million or 200.0% from the same period of previous year where gross profit was Baht 10.5 million and gross profit margin was 24.0%.

2. Other Business

Revenue from Other business for Q1/2023 was Baht 590.1 million consisted of revenues from food service business at Baht 226.9 million, sourcing business at Baht 298.5 million, and other business at Baht 64.7 million. Total revenue increased by Baht 284.4 million or 93.0% from the same period of previous year. The Sourcing business group, a newly merged division of SCGL, focuses on trading goods related to logistics operations, e.g., fuel, truck tires, auto parts, etc. The primary objective of this business is to support operations and enhance cost efficiency for contractors within the company's network.

Gross profit for Q1/2023 was Baht 32.6 million and gross profit margin was 5.5%, increased by Baht 9.7 million or 42.4% from the same period of previous year where gross profit was Baht 22.9 million and gross profit margin was 7.5%.

Share of profit of investments in associates and joint ventures

The Company had equity income from investment in associates and joint ventures for Q1/2023 of Baht 85.1 million, increased by Baht 11.0 or 14.8% from the same period of previous year, due to the increased of profit sharing from Alpha Industrial Solutions Company Limited (ALPHA), Phnom Penh SEZ Plc. (PPSP) and Eastern Sea Laem Chabang Terminal (ESCO).

Interest income, dividend income and other income

The Company had income from investment and other operation for Q1/2023 of Baht 57.5 million, increased by Baht 11.6 million, or 25.3% from the same period of previous year. This is partly due to the recognition of foreign exchange profits.

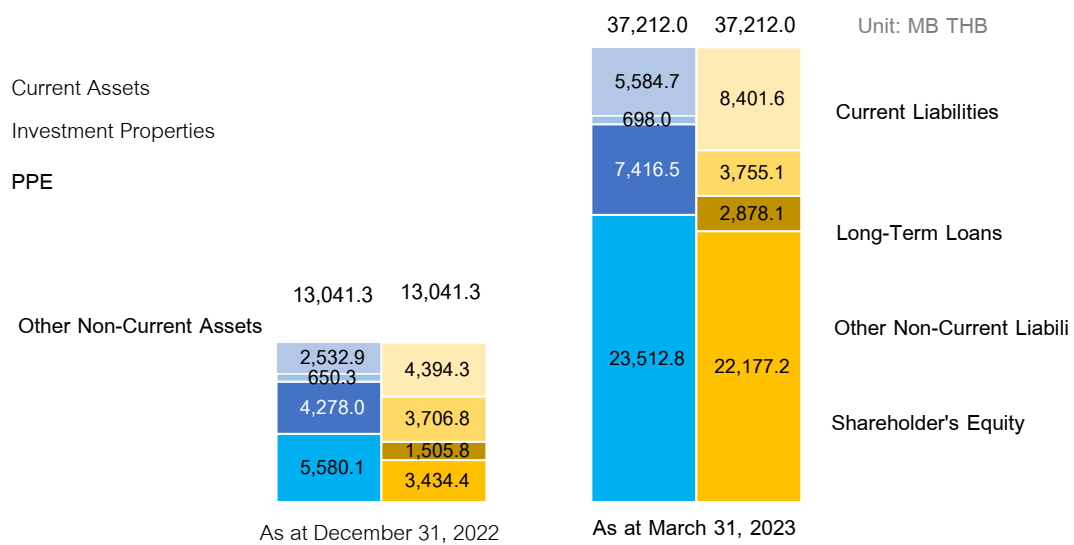
Selling and Administrative Expenses

The company had selling and administrative expenses for Q1/2023 of Baht 478.6 million, increased by Baht 267.1 million, or 126.3% from the same period of previous year. The expense was mainly increased from consolidation of expenses from SCGL in Q1/2023 and the advisory fee for the merger transaction.

Finance Cost

The Company had finance cost for Q1/2023 of Baht 99.2 million, increased by Baht 27.8 million, or 38.9% from the same period of previous year. The increase in financing costs was mainly due to additional borrowings and debentures allocated for investment and business expansion over the past year.

Statement of Financial Position



Assets

As of March 31, 2023, the Company had total assets of Baht 37,212.0 million, increased from December 31, 2022 by Baht 24,170.7 million, or 185.3% which was mainly resulted from the increase in Goodwill, Property, plant and equipment, Right-of-use assets, and Trade accounts receivable.

The Company's assets mainly consisted of non-current assets, i.e., Goodwill, Property, plant and equipment, and Right-of-use assets amounted 39.7% 19.9% and 7.5% of total assets, respectively.

Current Assets

As of March 31, 2023, current asset was Baht 5,584.7 million, increased from December 31, 2022 by Baht 3,051.8 million, or 120.5%. This mainly resulted from the increase in Trade accounts receivable of Baht 2,010.3 million, Cash and cash equivalents of Baht 485.4 million and Other receivables of Baht 445.6 million

Non-Current Assets

As of March 31, 2023, non-current assets was Baht 31,627.3 million, increased from December 31, 2022 by Baht 21,118.9 million, or 201.0%. This mainly resulted from the increase of Goodwill of Baht 14,542.6 million, Property, plant and equipment of Baht 3,138.5 million, Right-of-use assets of Baht 1,393.6 million.

Liabilities

As of March 31, 2023, the Company had total liabilities of Baht 15,034.8 million, increased from December 31, 2022 by Baht 5,427.8 million, or 56.5%. This mainly resulted from the increase of Short-term borrowings from financial institutions, Lease liabilities, and Trade and other current payables

Current Liabilities

As of March 31, 2023, current liabilities was Baht 8,401.6 million increased from December 31, 2022 by Baht 4,007.3 million, or 91.2% which was mainly from the increase in Short-term borrowings from financial institutions of Baht 2,202.8 million, Trade and other current payables of Baht 1,217.7 million, on the other hand, decrease in Current portion of debentures of Bath 599.8 million, as a result of maturing debentures.

Non-Current Liabilities

As of March 31, 2023, non-current liabilities was Baht 6,633.2 million, increased from December 31, 2022 by Baht 1,420.5 million, or 27.3%. This mainly resulted from the increase in Non-current provisions for employee benefit of Baht 326.8 million and Lease liabilities of Baht 1,019.7 million

Shareholder's Equity

As of March 31, 2023, shareholder's equity was Baht 22,177.2 million, increased from December 31, 2022 by Baht 18,742.8 million, or 545.7%. This was the result of the consolidation of Shareholder's equity of SCGL, the Premium on ordinary shares, as well as the recognition of Retained earnings, Dividend, Non-controlling interests and Other components of shareholders' equity.

Statement of Cash Flows

(Unit : MB THB)	Quarter	
	2022	2023
Cash and Cash Equivalents at 1 January	1,421.6	924.0
Net Cash from / (used in) Operating Activities	299.7	294.8
Net Cash from / (used in) Investing Activities	(445.1)	256.0
Net Cash from / (used in) Financing Activities	(234.7)	(62.5)
Impact of foreign exchange rates	(3.5)	(2.9)
Net Increase (Decrease) in Cash and Cash Equivalents	(383.6)	485.4
Cash and Cash Equivalents at 31 March	1,038.0	1,409.4

Cash flows from operating activities

The Company had net cash received from operating activities for the first quarter of 2023, ended 31 March 2023 amounting to Baht 294.8 million, decrease of Baht 4.9 million or 1.6% due to cash flow from changes in Trade and other receivables, increased by Baht 123.6 million. Cash flow paid to trade and other current payables increased, Baht 94.8 million.

Cash flows from investing activities

The Company's net cash received from investing activities for the first quarter ended March 31, 2023 amounted to Baht 256.0 million, a decrease of Baht 701.1 million or 157.5%, partly due to an increase in net cash received from the purchase of subsidiaries by share exchange of Baht 366.3 million. Cash payments for acquisition of property, plant and equipment decreased by Baht 151.6 million. Cash payments for short-term loans to related parties decreased by Baht 145.5 million.

Cash flows from financing activities

The Company's net cash from used in financing activities for the first quarter ended March 31, 2023 amounted to Baht 62.4 million, decreased by Baht 172.3 million or 73.4% from previous year. This was partly

due to a net increase in cash received from bank overdrafts and short-term borrowings from financial institutions which increased by Baht 2,116.6 million, increase in cash payments to shareholders of the Company of Baht 795.6 million. Cash repayment of debentures increased by Baht 600 million. Net decrease in cash received from issuance of debentures amounting to Baht 500.0 million. Cash payments from acquisition of non-controlling interests by unchanged control increased by Baht 425.0 million.

Key Financial Ratios

	Quarter	
	1/2022	1/2023
Gross Margin (%)	24.3%	14.3%
Net Profit Margin (Before extra items) (%)	8.9%	4.7%
Current Ratio (Times)	0.80	0.66
Liability to Equity (Times)	2.13	0.68
Liability to Equity (Times)* * Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.74	0.55
Interest Bearing Debt to Equity (Times)	1.78	0.47
Interest Bearing Debt to Equity (Times)* Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.39	0.34

Note:

Gross Margin	= Gross Profit / Rental income and revenue from rendering of services
Net Profit Margin	= Net profit attributable to owners of the Company / Total revenue
Current Ratio	= Current Asset / Current Liabilities
Liability to Equity (Times)	= Total Liabilities / Shareholder's Equity
Liability to Equity (Times)	= Total Liabilities excluding TFRS16 / Shareholder's Equity
Interest Bearing Debt to Equity (Times)	= Interest Bearing Debt / Shareholder's Equity
Interest Bearing Debt to Equity (Times)	= Interest Bearing Debt excluding TFRS16 / Shareholder's Equity

*Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements