

SCGJWD Logistics Public Company Limited
Management Discussion and Analysis 2Q2023

Overview of Business Performance 2Q2023

Overview of business performance in 2Q2023, Logistics & Supply Chain business was slow down as in the low season. In addition, there were several factors that affected the business performance; for instance, domestic and international cement consumption decreased from the previous year. The volume of coal shipments declined because of high coal prices since of last year; however coal prices were expected to decline and will contribute to the recovery in 2H2023. Global warming was another factor that affected cold chain business because of climate change. It caused increasing ocean temperature and impacted on marine fisheries. However, overall performance was expected to recover in 2H2023.

For positive factors that resulted in an increase in revenue this quarter comprised of: Electric Vehicle Industry, especially Battery Electric Vehicle (BEV) which was growing continuously. This is because the Thailand Board of Investment (BOI) policy that offers tax incentives and laws for green businesses. In 1H2023, the statistics of electric vehicle registrations across the country showed that number of electric vehicle registrations reached 7,602 vehicles which increased 3 times as compared of the number of electric vehicle registrations in the year 2022. The most popular electric vehicle brands in the country include BYD, TESLA, and NETA.

The Company is a forefront provider of automotive logistics management – automotive yard, warehouse management, and becomes a leading service provider of electric vehicle brands and other most popular car brands. Furthermore, the Company has various types of business operations which help generate income from many channels. This includes operations in the country and share of profit of investments in associates and joint ventures overseas.



Significant Events Happened in the Year 2023

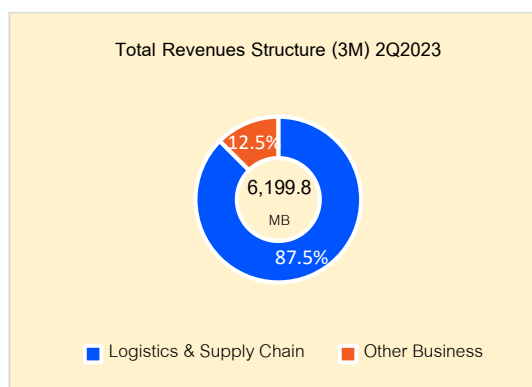
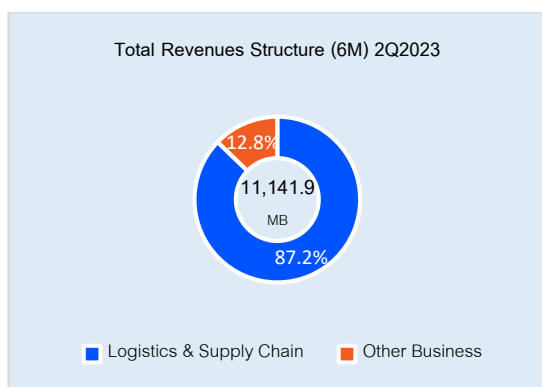
Since the merger of JWD InfoLogistics Public Company Limited (“JWD”) and SCG Logistics Management Co., Ltd. (“SCGL”) completed on February 14, 2023, it resulted in a new Company name which is SCGJWD Logistics Public Company Limited (“SJWD”), and a new trading symbol “SJWD”, effective February 17, 2023. This merger also helped strengthen the Company’s potential to grow and expand its businesses.

Recently, the Company had submitted the issue and offer Corporate bond filling to S.E.C. for approval and public offering for the first time in 2023 totaling 2 tranches, which are the first issuance of Corporate bond from the total amount of Baht 15,000 million as approved by the shareholders for the purposes of business

expansions as well as repayment of loans and arrangement of working capital. As of June 1, 2023, Fitch Rating upgraded SCGJWD to 'BBB+(tha)'; Outlook Stable. The Credit rating has been upgraded from Pre-M&A periods which will show positive sign to lower cost of fund in the future and solid fundamental of SJWD.

In 2Q2023, the operating results of 3-month period, the Company had total revenues of Baht 6,199.8 million; increased 343.2% from the same period of previous year, and increased 25.4% from 1Q2023. A main reason that revenues in 2Q2023 increased significantly from 2Q2022 was due to a result of the merger between SCGL and JWD since 1Q2023 (February 1, 2023) which recognized revenue only 2-month period. Whereas, revenues in 2Q2023 were fully recognized of 3-month period. Expenses in this quarter also increased in line with the increase in revenues.

Total Revenue Structure in 2Q2023



Unit: Million Baht	6-month period		YoY +/(-)%	3-month period			YoY +/(-)%	QoQ +/(-)%
	2/2022	2/2023		2/2022 ^[1]	1/2023 ^[2]	2/2023 ^[2]		
Total Revenue	2,809.3	11,141.9	296.6%	1,398.9	4,942.1	6,199.8	343.2%	25.4%
Revenue from rental and rendering of services	2,737.9	11,015.7	302.3%	1,373.4	4,884.6	6,131.1	346.4%	25.5%
Gross Profit	637.8	1,442.6	126.2%	305.9	696.8	736.0	140.6%	5.6%
Gross Profit Margin (%)	23.3%	13.1%		22.3%	14.3%	12.0%		
Gain from remeasurement to fair value of the Group's existing interest	-	-		-	-	-		
Interest income, Dividend income and Other income	71.4	126.2	76.8%	25.5	57.5	68.7	169.4%	19.5%
Share of profit of investments in associates and joint ventures	197.5	126.6	(35.9)%	123.5	85.1	41.5	(66.4)%	(51.2)%
Net profit attributable to owners of the Company	279.7	360.5	28.9%	154.1	231.2	129.3	(16.2)%	(44.1)%
Net Profit Margin (%)*	10.0%	3.2%		11.0%	4.7%	2.1%		

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

Note:

1. The financial statements and operating results in 2Q2023 was the Separate Financial Statements of JWD InfoLogistics Public Company Limited
2. The financial statements and operating results in 2Q2023 were the financial statements after the merger between SCG Logistics Management Co., Ltd. and JWD Company InfoLogistics Public Company Limited starting from February 1, 2023, and presented as a consolidated statement.

Performance Overview in 2Q2023

Total Revenues

For the 6-month period ended June 30, 2023, the Company had total revenues of Baht 11,141.9 million, increased by Baht 8,332.6 million, or +296.6% as compared with the same period of last year. The Company had revenue from rental and rendering of services amounting of Baht 11,015.7 million, increased by Baht 8,277.8 million, or +302.3%.

For the 3-month period ended June 30, 2023, the Company had total revenues of Baht 6,199.8 million, increased by Baht 4,800.9 million, or +343.2 as compared with the same period of last year. The Company had revenue from rental and rendering of services amounting of Baht 6,131.1 million, increased by Baht 4,757.7 million, or +346.4% as compared with the same period of last year. An increase in revenue was because of a result of the merger between SCGL that started from February 1, 2023, and presented as a consolidated statement. The merger created opportunities for the Company to grow and expand its businesses and seek out collaboration opportunities to maximize growth and expansion with connecting synergy. Moreover, this will create new full services or solutions of business that will be innovative and comprehensive to serve customer satisfaction. All of this will apply of any change of market situation or industry which generate more revenue with sustainability in long run.

Gross Profit

According to an increase in revenue from rental and rendering of services as mentioned above, it reflected on operating results as following:

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 1,442.6 million, and gross profit margin of 13.1%, increased by Baht 804.8 million, or +126.2% as compared with the same period of last year of Baht 637.8 million, and gross profit margin of 23.3%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 736.0 million and gross profit margin of 12.0%, increased by Baht 430.1 million, or +140.6% as compared with the same period of last year of Baht 305.9 million, and gross profit margin of 22.3%.

Net profit attributable to owners of the Company

For the 6-month period ended June 30, 2023, the Company had net profit attributable to owners of the Company of Baht 360.5 million, net profit margin of 3.2% of which increased by Baht 80.8 million, or +28.9% as compared with the same period of last year which net profit attributable to owners of the Company of Baht 279.7 million, and net profit margin of 10.0%. This was due to business development plans of logistics after the merger which helped the business grow and generate more profits.

For the 3-month period ended June 30, 2023, the Company had net profit attributable to owners of the Company of Baht 129.3 million, net profit margin of 2.1%; decreased by Baht 24.8 million, or -16.2% as compared with the same period of last year which net profit attributable to owners of the Company of Baht 154.1 million, and net profit margin of 11.0%. This was due to a decrease in revenue from a decline in cement consumption both domestic and overseas from the previous year, a decline in coal shipment as a result of rising coal price, and the decline of marine fisheries, i.e., tuna, which affected cold chain business. This was due to climate change that affected increasing ocean temperature and impacted on marine fisheries. In additions, it was because of the merger transaction expenses that is a part of SG&A as well as interests from loans during the year. However, The Company plans to issue new series of corporate bond for the use of business expansions and repayment of loans to reduce the finance cost. Furthermore, as the situation of tuna fish is resolving as well as the price of coal is decreasing in the latter half of the year, the Company expects to recover the related businesses and gradually improves its performance accordingly through the second half of the year.

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:

Group of Business Revenue	6-month period (Million Baht)		% of Total Revenue	3-month period (Million Baht)		% of Total Revenue
	2/2022	2/2023		2/2022	2/2023	
1. Logistics & Supply Chain						
1.1. Warehouse & Yard Management business	1,125.7	1,661.7	15.1%	563.0	844.0	13.8%
1.2 Transportation & Distribution business	628.7	5,699.1	51.7%	305.3	3,220.7	52.5%
1.3 Other Logistics business	282.5	1,114.9	10.1%	153.6	612.1	10.0%
1.4 Overseas business	101.2	1,243.0	11.3%	57.4	747.4	12.2%
Total Revenue of Logistics and Supply Chain	2,138.1	9,718.7	88.2%	1,079.3	5,424.2	88.5%
2. Other Businesses	599.8	1,297.0	11.8%	294.1	706.9	11.5%
Total	2,737.9	11,015.7	100.0%	1,373.4	6,131.1	100.0%

Group of Business Gross Profit (Million Baht)	6-month period (Million Baht)		Gross Profit Margin(%)	3-month period (Million Baht)		Gross Profit Margin(%)
	2/2022	2/2023		2/2022	2/2023	
1. Logistics & Supply Chain						
1.1. Warehouse & Yard Management business	390.9	530.8	31.9%	183.1	229.9	27.2%
1.2 Transportation & Distribution business	102.7	482.1	8.5%	51.1	263.6	8.2%
1.3 Other Logistics business	64.1	246.3	22.1%	34.4	133.1	21.6%
1.4 Overseas business	27.0	84.3	6.8%	16.6	52.9	7.0%
Total Revenue of Logistics and Supply Chain	584.7	1,343.5	13.8%	285.2	679.5	12.5%
2. Other Businesses	36.0	78.0	6.0%	13.2	45.4	6.4%
Total	620.7	1,421.5	12.9%	298.4	724.9	11.8%
Adjustment according to TFRS16	17.1	21.1	0.2%	7.5	11.1	0.2%
Gross profit after adjustment	637.8	1,442.6	13.1%	305.9	736.0	12.0%

1.1 Warehouse and Yard Management

Revenue By Product Categories (Million Baht)	6-month period (Million Baht)		% of Total Revenue	3-month period (Million Baht)		% of Total Revenue	
	2/2022	2/2023		2/2022	2/2023		
1.1.1 General Goods	233.8	528.8	4.8%	126.3	291.8	9.2%	4.8%
1.1.2 Dangerous Goods	295.3	257.4	2.3%	142.7	133.7	10.4%	2.2%
1.1.3 Automotive	177.9	458.7	4.2%	83.2	234.2	6.1%	3.8%
1.1.4 Cold Chain Storage	418.7	416.8	3.8%	210.9	184.3	15.4%	3.0%
Total	1,125.7	1,661.7	15.1%	563.1	844.0	41.0%	13.8%

Product Categories Gross Profit (Million Baht)	6-month period (Million Baht)		Gross Profit Margin (%)	3-month period (Million Baht)		Gross Profit Margin (%)	
	2/2022	2/2023		2/2022	2/2023		
1.1.1 General Goods	41.3	120.0	22.7%	22.2	61.7	17.5%	21.2%
1.1.2 Dangerous Goods	126.3	98.3	38.2%	58.5	52.4	41.0%	39.2%
1.1.3 Automotive	47.2	190.3	41.5%	17.7	83.7	21.3%	35.7%
1.1.4 Cold Chain Storage	176.1	122.2	29.3%	84.8	32.1	40.2%	17.4%
Total	390.9	530.8	31.9%	183.2	229.9	32.5%	27.2%

1.1.1 General Goods

Revenue

For the 6-month period ended June 30, 2023, revenue of general goods warehouse management service was Baht 528.8 million. This comprised of revenues from storage of Baht 424.2 million, handling service

of Baht 70.9 million, and other value added services of Baht 33.7 million. Total revenue were increased by Baht 295.0 million, or +126.2% from the same period of last year.

For the 3-month period ended June 30, 2023, revenue of general goods warehouse management service was Baht 291.8 million. Total revenue were increased by Baht 165.5 million, or +131.0%. This was mainly due to consolidation of SCGL's performance of general goods business as well as high demand for general goods warehouse. Therefore, the general goods business had an average annual occupancy rate of greater than 91%, and it was expected to maintain this high level of space utilization continuously.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 120.0 million, increased by Baht 78.7 million, or +190.6%, and gross profit margin of 22.7%, as compared with the same period of last year which gross profit of Baht 41.3 million, and gross profit margin of 17.7%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 61.7 million, increased by Baht 39.5 million, or +177.9%, and gross profit margin of 21.2%, as compared with the same period of last year which gross profit of Baht 22.2 million, and gross profit margin of 17.5%. This was mainly due to an increase in service revenue following warehouse space utilization and higher margin value-added service revenue.

1.1.2 Dangerous Goods

Revenue

For the 6-month period ended June 30, 2023, revenue of dangerous goods warehouse management service was Baht 257.4 million of which consisted of revenue from yard management of Baht 250.5 million and from warehouse management of Baht 6.9 million. Total revenue was decreased by Baht 37.9 million, or -12.8% from the same period of previous year. However, dangerous goods volumes throughput for 2Q2023 were 87,388 TEU* which were slightly increased from the same period of last year.

For the 3-month period ended June 30, 2023, revenue of dangerous goods warehouse management service was Baht 133.7 million, decreased by Baht 9.0 million, or -6.3% as compared with the same period of last year. This was mainly due to chemical and petrochemical industry slowdown from the energy price crisis since last year. Furthermore, most customers had shorter periods of yard storage which caused revenue from the yard storage to decrease. However, dangerous goods volumes began to rise in 2Q2023 as compared with 1Q2023, and it tended to improve sequentially in 2H2023.

Volume	6-month period	
	2022	2023
Yard (TEU*)	86,747	87,388
Warehouse (Revenue Ton)	12,132	12,099

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

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 98.3 million, decreased by Baht 28.0 million as compared with the same period of last year of Baht 126.3 million. Gross profit margin in 2Q2023 was 38.2%, or -22.2% as compared with the same period of last year which of 42.8%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 52.4 million, decreased by Baht 6.1 million as compared with the same period of last year of Baht 58.5 million. Gross profit margin in 2Q2023 was 39.2%, or -10.4% as compared with the same period of last year which of 41.0%.

1.1.3 Automotive

Revenue

For the 6-month period ended June 30, 2023, revenue of automotive yard management service was Baht 458.7 million; consisted of revenue from storage of Baht 152.0 million and revenue from service rendering of Baht 306.7 million, increased by Baht 280.8 million, or +157.8 %.

For the 3-month period ended June 30, 2023, revenue of automotive yard management service was Baht 234.2 million, increased by Baht 151.0 million, or +181.5% as compared with the same period of last year. This was mainly due to an increase in car production as well as EVs development and production responding to consumer trends of sustainable and friendly environment, hence making a positive impact on the Company's businesses. The increase in EVs production volume created a positive image in the market and was well accepted by consumers. This allowed the Company's businesses to expand business activities and services to meet the needs of existing customers as well as EV projects from new customers.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 190.3 million, increased by Baht 143.1 million, or +303.2% as compared with the same period of last year of Baht 47.2 million. Gross profit margin in 2Q2023 was 41.5% as compared with the same period of last year which of 26.5%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 83.7 million, increased by Baht 66.0 million, or +372.9% as compared with the same period of last year of Baht 47.2 million. Gross profit margin in 2Q2023 was 35.7% as compared with the same period of last year which of 21.3%.

1.1.4 Cold Storage Management

Revenue

For the 6-month period ended June 30, 2023, revenue from cold storage management was Baht 416.8 million, decreased by Baht 1.9 million, or -0.5% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, revenue from cold storage management was Baht 184.3 million, decreased by Baht 26.6 million, or -12.6% as compared with the same period of last year. This was mainly due to a fish market situation; for instance, expensive fish, exchange rate, and natural factors affecting

fish trading season that affected inventory withdrawal to meet the needs of customers during that period by managing cold chain storage in order to prepare desirable products promptly and to provide the best service in different situations according to time and market conditions.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 122.2 million, decreased by Baht 53.9 million, or -30.6% as compared with the same period of last year of Baht 176.1 million. Gross profit margin in 2Q2023 was 29.3% as compared with the same period of last year which of 42.1%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 32.1 million, decreased by Baht 52.7 million, or -62.1% as compared with the same period of last year of Baht 84.8 million. Gross profit margin in 2Q2023 was 17.4% as compared with the same period of last year which of 40.2%.

The main reason for the situation in 2Q2023 was the natural factors which affected fish trading season and in turns causes a significant inventory withdrawal. In addition, the Company had to manage fixed costs from the opening of a new cold storage warehouse, for example, increasing in operating and maintenance expenses for a new cold chain storage, depreciation, etc. However, the Company expects that the situation will be recovered in 2H2023 by focusing on efficient planning and operations to ensure sustainable performance.

Occupancy Rate

For the 6-month period ended June 30, 2023, an average occupancy rate was 59.6%, decreased from that of previous year which was 74.6%.

For the 3-month period ended June 30, 2023, an average occupancy rate was 57.8%, decreased from that of previous year which was 73.6%. This was because the group had a new cold chain warehouse opened since January, 2023 in Samut Sakhon province called “PACT” cold storage project of which increased its capacity by 8,700 sq.m. This project was a joint venture project with a leading processed seafood manufacturer in Thailand. Another project was ALPHA km.22 called “PACA” of which increased its capacity by 20,000 sq.m, and all projects were opened since January and March respectively. This will increase the long-term revenue generating capabilities of the cold chain business, while supporting the partner’s demand as well as the increase in overall market demand. This will give the business the ability to continue to grow profitably in the long run.

1.2 Transportation and Distribution Service

Revenue (Million Baht)	6-month period (Million Baht)		% of Total Revenue	3-month period (Million Baht)		% of Total Revenue	
	2/2022	2/2023		2/2022	2/2023	2/2022	2/2023
1.2.1 Business-to-business (B2B)	555.7	3,950.9	35.9%	273.1	2,286.2	9.2%	37.3%
1.2.2 Direct-to-customer (D2C)	-	1,051.7	9.5%	-	588.2	10.4%	9.6%
1.2.3 Cross Border	73.0	333.4	3.0%	32.2	158.2	6.1%	2.6%

1.2.4 Multimodal	-	363.1	3.3%
Total	628.7	5,699.0	51.7%

-	188.1	15.4%	3.1%
305.3	3,220.7	41.0%	52.5%

Gross Profit (Million Baht)	6-month period (Million Baht)		Gross Profit Margin (%)
	2/2022	2/2023	
1.2.1 Business-to-business (B2B)	87.1	269.0	6.8%
1.2.2 Direct-to-customer (D2C)	-	90.3	8.6%
1.2.3 Cross Border	15.6	35.9	10.8%
1.2.4 Multimodal	-	86.9	23.9%
Total	102.7	482.1	8.5%

3-month period (Million Baht)		Gross Profit Margin (%)	
2/2022	2/2023	2/2022	2/2023
43.3	155.0	16.0%	6.8%
-	52.3	-	8.9%
7.8	18.1	24.2%	11.4%
-	38.2	-	20.3%
51.1	263.6	16.7%	8.2%

The transport business consists of:

1. Business-to-business (B2B), the transportation of goods that occurs between entrepreneurs and each other.
2. Direct-to-customer (D2C) the transportation of goods from manufacturers or service providers who deliver products directly to customers without going through intermediaries.
3. Cross-border cargo: The transportation of goods between states bordering or transiting to third countries. The revenue in the past cross-border transportation It groups the revenues of cross-border transportation with revenues generated both domestically and internationally which the revenue from the 1st quarter of 2023 of this business group will be charged in terms of cross-border transportation only on the Thai side. As for the overseas revenue, it will be classified in the overseas business group.
4. Multimodal transport is the transportation of goods from origin to destination in international with a combination of multimodal transport.

Revenue

For the 6-month period ended June 30, 2023, Revenue from transportation and distribution service for was Baht 5,699.1 million which can be divided by product category as Business-to-business (B2B) at Baht 3,950.8 million, business-to-business-to-customer (D2C) at Baht 1,051.7 million, cross border at Baht 333.4 million, and multimodal at Baht 363.1 million. Total revenue was increased by Baht 5,070.3 million, or +806.5% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, Revenue from transportation and distribution service was Baht 3,220.7 million, increased by Baht 2,915.4 million, or +954.9% as compared with the same period of last year. This was due to the merger between JWD and SCGL in 1Q2023. However, the Company was experiencing lower operational efficiency due to decreased coal volume. The Company had to reengineer and adapt its cost and resource utilization in order to achieve a higher operational efficiency and properly facilitate customer demands. This situation might lead to planning and preparing services for other forms of renewable

energy or to adopting a more flexible and sustainable transportation procedures in case of persistent high coal prices. Resilience and adaptive skills would be the main factor to maintain revenue efficiency of transportation and distribution service.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 482.1 million, increased by Baht 379.4 million, or +369.4% as compared with the same period of last year of Baht 102.7 million. Gross profit margin in 2Q2023 was 8.5% as compared with the same period of last year which of 16.3%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 263.6 million, increased by Baht 212.5 million, or +415.8% as compared with the same period of last year of Baht 51.1 million. Gross profit margin in 2Q2023 was 8.2% as compared with the same period of last year which of 16.7%.

1.3 Other Logistics Service

Revenue (Million Baht)	6-month period (Million Baht)		% of Total Revenue
	2/2022	2/2023	
1.3.1 Relocation Service	126.3	108.7	0.9%
1.3.2 Self-Storage, Safe Deposit, Art Space and Wine Bank	35.6	29.6	0.3%
1.3.3 Record and Information Management	68.2	74.3	0.7%
1.3.4 Logistics Infrastructure	52.5	238.3	2.2%
1.3.5 Freight	-	664.0	6.0%
Total	282.6	1,114.9	10.2%

3-month period (Million Baht)		% of Total Revenue	
2/2022	2/2023	2/2022	2/2023
70.0	53.3	5.1%	0.9%
22.4	12.9	1.6%	0.2%
34.1	37.5	2.5%	0.6%
27.2	128.0	2.0%	2.1%
-	380.4	-	6.2%
153.7	612.1	41.0%	10.0%

Gross Profit (Million Baht)	6-month period (Million Baht)		Gross Profit Margin (%)
	2/2022	2/2023	
1.3.1 Relocation Service	24.6	22.0	19.8%
1.3.2 Self-Storage, Safe Deposit, Art Space and Wine Bank	8.8	4.9	15.8%
1.3.3 Record and Information Management	30.7	31.2	42.0%
1.3.4 Logistics Infrastructure	0.03	35.0	14.7%
1.3.5 Freight	-	153.2	23.1%
Total	64.1	246.3	22.1%

3-month period (Million Baht)		Gross Profit Margin (%)	
2/2022	2/2023	2/2022	2/2023
13.2	10.9	18.9%	19.7%
6.5	2.3	28.9%	16.5%
15.2	15.5	44.7%	41.4%
(0.5)	17.6	(1.9%)	13.7%
-	86.8	-	22.8%
34.4	133.1	22.4%	21.6%

1.3.1 Relocation Service

Revenue

For the 6-month period ended June 30, 2023, revenue from relocation service both domestic and overseas was 108.7 Baht which consisted of revenue from household moving service at Baht 100.4 million, office moving service at Baht 4.9 million, and fine arts and exhibition items moving service at Baht 3.4 million. Total revenue was decreased by Baht 17.6 million, or -13.9% as compared with the same period last year.

For the 3-month period ended June 30, 2023, revenue from relocation service both domestic and overseas was Baht 53.3 million, decreased by Baht 16.7 million, or -23.8% as compared with the same period last year.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 22.0 million, decreased by Baht 2.6 million, or -10.6% as compared with the same period of last year of Baht 24.6 million. Gross profit margin in 2Q2023 was 19.8% as compared with the same period of last year which of 19.7%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 10.9 million, decreased by Baht 2.3 million, or -17.4% as compared with the same period of last year of Baht 13.2 million. Gross profit margin in 2Q2023 was 19.7% as compared with the same period of last year which of 18.9%.

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 at Sri Kreetta, Siam, Ramintra, Thiam Ruam Mit, Rama9 - Ramkhamhang, Phuket branches, and Ladprao.

Revenue

For the 6-month period ended June 30, 2023, revenue from Self-Storage, Safe Deposit, Art Space and Wine Storage (at Siam branch) was Baht 29.6 million, decreased by Baht 6.0 million, or -16.9% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, revenue from Self-Storage, Safe Deposit, Art Space and Wine Storage (at Siam branch) was Baht 12.9 million, decreased by Baht 9.5 million, or -42.4% as compared with the same period of last year.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 4.9 million, decreased by Baht 3.9 million, or -44.3% as compared with the same period of last year of Baht 8.8 million. Gross profit margin in 2Q2023 was 15.8% as compared with the same period of last year which of 24.8%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 2.3 million, decreased by Baht 4.2 million, or -64.6% as compared with the same period of last year of Baht 6.5 million. Gross profit margin in 2Q2023 was 16.5% as compared with the same period of last year which of 28.9%.

1.3.3 Record and Information Management

Revenue

For the 6-month period ended June 30, 2023, revenue from the record and information management service was Baht 74.3 million, which consists of storage revenue at Baht 59.1 million, handling service and

transportation at Baht 15.2 million. Total revenue was increased by Baht 6.1 million, or 8.9% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, revenue from the record and information management service was Baht 37.5 million, increased by Baht 3.4 million, or +10.0% as compared with the same period of last year. This was due to an increase in document storage volumes and services as displayed in the table below:

Quantity (Unit)	6-month period	
	2022	2023
Boxes (Average)	1,084,652	1,322,787
Files (Average)	12,700,430	13,763,024
Scan (Total)	8,344,796	6,396,519

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 31.2 million, increased by Baht 0.5 million, or +1.6% as compared with the same period of last year of Baht 30.7 million. Gross profit margin in 2Q2023 was 42.0% as compared with the same period of last year which of 45.0%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 15.5 million, increased by Baht 0.3 million, or +2.0% as compared with the same period of last year of Baht 15.2 million. Gross profit margin in 2Q2023 was 41.4% as compared with the same period of last year which of 44.7%.

1.3.4 Logistics Infrastructure

Revenue

For the 6-month period ended June 30, 2023, Logistics Infrastructure Business consists of barge Terminal, rail yard management and a terminal management business. Revenue from the logistics infrastructure business was Baht 238.3 million, increased by Baht 185.8 million, or +353.9% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, Revenue from the logistics infrastructure business was Baht 128.0 million, increased by Baht 100.8 million, or +370.6% as compared with the same period of last year. This was mainly due to the merger with SCGL, and to recategorize Thai Connectivity Terminal (TCT) as the Logistics Infrastructure, and therefore the Company had realized more income. In addition, the number of railway cargo handling activities increased of which resulted in the business group starting to improve accordingly.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 35.0 million, decreased from the same period of last year of Baht 0.03 million, and gross profit margin was 0.1%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 17.6 million, increased by Baht 17.1 million as compared with the same period of last year of Baht 0.05 million. Gross Profit margin in 2Q2023 was 13.7% while gross loss margin in 2Q2022 was 1.9%.

1.3.5 Freight

Revenue

For the 6-month period ended June 30, 2023, the Company began consolidating the performance of JWD and SCGL, and generated revenue of Baht 644.0 million, gross profit of Baht 153.2 million, and gross profit margin of 23.1%.

For the 3-month period ended June 30, 2023, the Company had revenue of Baht 380.4 million, gross profit of Baht 86.8 million, and gross profit margin of 22.8%. During the past half year, freight rates dropped which negatively impacted on the operating results. However, freight rates are likely to gradually recover in 3Q2023 and will help improve the performance. Nevertheless, we still have to take into account other factors such as expected Freight transport demand, oil prices, exchange rate, and economic factors that will contribute supporting demand for transport and trade. Planning and surveying market conditions during the period under consideration is important to assess the opportunities and risks of freight recovery.

1.4 Overseas Business

Revenue

For the 6-month period ended June 30, 2023, overseas business consists of revenue from logistics services in Laos, Myanmar, Cambodia, Indonesia, and Philippines which provide warehousing services, transport services, cross-border services, and import-export services. The revenue was recognized in the consolidated financial statements of the Company which was Baht 1,243.0 million, increased by Baht 1,141.9 million, or +1,128.8% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, revenue from overseas business was Baht 747.4 million, increased by Baht 690.0 million, or +1,202.1% as compared with the same period of last year after the merger with SCGL.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 84.3 million, increased by Baht 57.3 million, or +212.2% as compared with the same period of last year of Baht 27.0 million. Gross profit margin in 2Q2023 was 6.8% while the same period of last year was 26.7%.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 52.9 million, increased by Baht 36.3 million, or +218.7% as compared with the same period of last year of Baht 16.6 million. Gross profit margin in 2Q2023 was 7.0% while the same period of last year was 28.9%.

2. Other Business

Revenue

For the 6-month period ended June 30, 2023, revenue from other business was Baht 1,297.0 million of which consisted of revenues from food service business at Baht 373.0 million, sourcing business at Baht 788.7 million, and other business at Baht 135.3 million, increased by Baht 697.2 million, or +116.2% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, revenue from other business was Baht 706.9 million, increased by Baht 412.8 million, or +140.4% as compared with the same period of last year. Sourcing business group is a newly merged division of SCGL that focuses on trading goods related to logistics operations, including fuel, truck tires, auto parts, and more. The primary objective of this business is to support operations and enhance cost efficiency for contractors within the company's network.

Gross Profit

For the 6-month period ended June 30, 2023, the Company had gross profit of Baht 78.0 million, increased by Baht 42.0 million, or +116.7% as compared with the same period of last year of Baht 36.0 million. Gross profit margin in 2Q2023 was 6.0% as same as the same period of last year.

For the 3-month period ended June 30, 2023, the Company had gross profit of Baht 45.4 million, increased by Baht 32.2 million, or +243.9% as compared with the same period of last year of Baht 13.2 million. Gross profit margin in 2Q2023 was 6.0% while the same period of last year was 4.5%.



Share of Profit of Investments in Associates and Joint Ventures

Share of Profit

For the 6-month period ended June 30, 2023, the Company had equity income from investment in associates and joint ventures of Baht 126.6 million, decreased by Baht 70.9 million, or -35.9% as compared with the same period of last year.

For the 3-month period ended June 30, 2023, the Company had equity income from investment in associates and joint ventures of Baht 41.5 million, decreased by Baht 82.0 million, or -66.4% as compared with the same period of last year. This was mainly due to a decrease in share profit of Transimex Corporation (TMS), Phnom Penh SEZ Plc. (PPSP) and Eastern Sea Laem Chabang Terminal (ESCO), for examples.



Interest Income, Dividend Income, and Other Income

For 6-month period ended June 30, 2023, the Company had interest income, dividend income, and other income of Baht 126.4 million, increased by Baht 54.8 million, or 76.7% as compared with the same period of last year.

For 3-month period ended June 30, 2023, the Company had interest income, dividend income, and other income of Baht 68.7 million, increased by Baht 43.2 million, or 169.4% as compared with the same period of last year. This was partly due to a profit recognition of exchange rate.

Selling and Administrative Expenses (SG&A)

For 6-month period ended June 30, 2023, the Company had selling and administrative expenses of Baht 1,041.0 million, increased by Baht 594.5 million, or 133.1% as compared with the same period of last year.

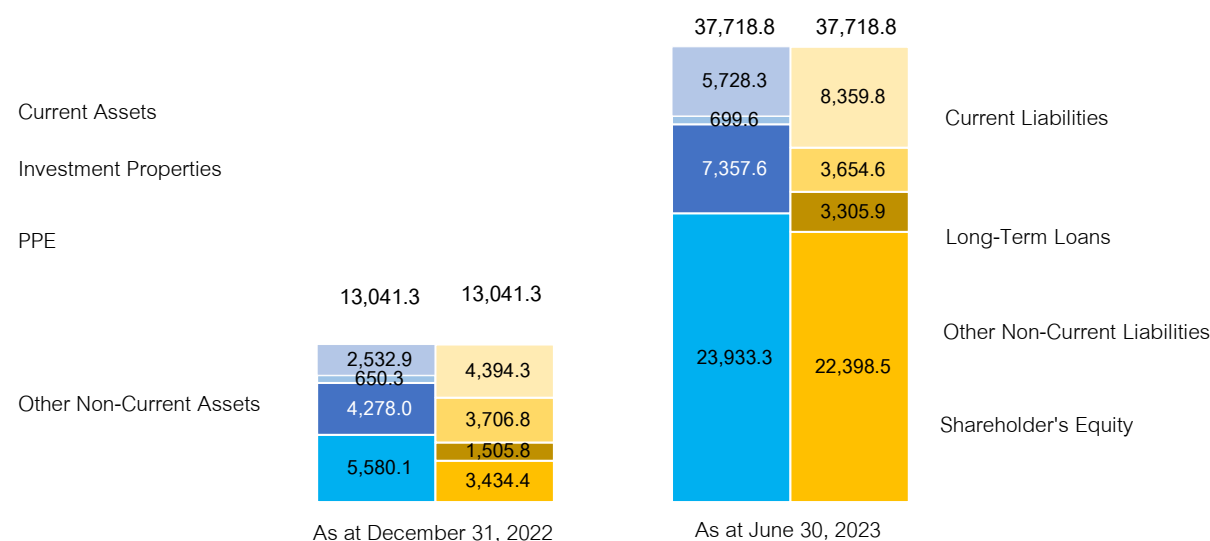
For 3-month period ended June 30, 2023, the Company had selling and administrative expenses of Baht 536.2 million, increased by Baht 319.7 million, or 147.7% as compared with the same period of last year. SG&A Expenses were mainly increased from consolidation of expenses from the merger between JWD and SCGL in Q1/2023, starting from February 1, 2023 as well as expenses from consulting fees in the merger.

Finance Costs

For 6-month period ended June 30, 2023, the Company had finance costs of Baht 216.4 million, increased by Baht 72.5 million, or 50.4% as compared with the same period of last year.

For 3-month period ended June 30, 2023, the Company had finance costs of Baht 117.2 million, increased by Baht 44.7 million, or 61.7% as compared with the same period of last year. This was mainly due to additional borrowings and debentures allocated for investment and business expansion over the past year.

Financial Position Analysis



Assets

As at June 30, 2023, assets were Baht 37,718.8 million, increased from as at December 31, 2022 by Baht 24,677.5 million, or 189.2%. This was mainly resulted from the increase in Goodwill, property, plant and equipment, trade accounts receivable, and Right-of-use assets. The Company's assets mainly consisted of

non-current assets, i.e., Goodwill, property, plant and equipment, and right-of-use assets amounted 39.2%, 19.5%, and 8.3% of total assets, respectively.

Current Assets

As at June 30, 2023, current assets were Baht 5,728.3 million, increased from as at December 31, 2023 by Baht 3,195.4 million, or 126.2%. This was due to an increase in trade accounts receivable of Baht 1,903.4 million, cash and cash equivalents of Baht 647.6 million, and other receivables of Baht 476.8 million.

Non-Current Assets

As at June 30, 2023, non-current assets were Baht 31,990.5 million, increased from as at December 31, 2022 by Baht 21,482.1 million, or 204.4%. This was due to an increase in goodwill of Baht 14,548.8 million, property, plant, and equipment of Baht 3,079.6 million, and an increase in right-of-use assets of Baht 1,726.0 million.

Liabilities

As at June 30, 2023, the Company had total liabilities of Baht 15,320.3 million, increased from as at December 2022 which was Baht 5,713.3 million, or 59.5%. This was mainly from the increase of short-term borrowings from financial institutions, lease liabilities, and trade and other current payables.

Current Liabilities

As at June 30, 2023, current liabilities were Baht 8,359.8 million, increased from December 31, 2022 by Baht 3,965.5 million, or 90.3%. This was mainly from an increase in short-term borrowings from financial institutions of Baht 2,212.8 million, trade and other current payables of Baht 1,303.7 million. On the other hand, a decrease in current portion of debentures was of Baht 599.8 million as a result of maturing debentures.

Non-Current Liabilities

As at June 30, 2023, non-current liabilities were Baht 6,960.5 million, increased from as at December 31, 2022 by Baht 1,747.8 million, or 33.5%. This was mainly resulted from the increase in non-current provisions for employee benefit of Baht 338.4 million, and lease liabilities of Baht 1,426.0 million.

Shareholder's Equity

As at June 30, 2023, shareholder's equity was Baht 22,398.5 million, increased from as at December 31, 2022, by Baht 18,964.1 million, or 552.2%. This was due to combining the shareholder's equity of SCGL, the premium on ordinary shares, recognition of retained earnings, dividend, non-controlling interests, and other components of shareholders' equity.



Statement of cash flows

(Unit: million Baht)	6-month period	
	2/2022	2/2023
Cash and Cash Equivalents at 1 January	1,421.6	924.0
Net Cash from / (used in) Operating Activities	603.5	913.5
Net Cash from / (used in) Investing Activities	(653.4)	65.8
Net Cash from / (used in) Financing Activities	(296.0)	(328.8)
Impact of foreign exchange rates	10.5	(2.9)
Net Increase (Decrease) in Cash and Cash Equivalents	(335.4)	647.6
Cash and Cash Equivalents at 30 June	1,086.2	1,571.6



Cash flows from operating activities

For 6-month period ended 30 June 2023, the Company had net cash received from operating activities of Baht 913.5 million, increased by Baht 310.0 million, or +51.4%. This was partly due to cash flow from Depreciation and amortization increased by Baht 375.4 million. Cash flow from changes in Trade and other receivables increased by Baht 108.9 million. This is mainly due to the merger transaction



Cash flows from investing activities

For 6-month period ended 30 June 2023, the Company's net cash received from investing activities for the second quarter ended June 30, 2023 amounted to Baht 65.8 million, an increase of Baht 719.2 million or 110.1%, partly due to an increase in Acquisition of subsidiary by swapping shares, net of cash acquired of Baht 366.3 million. Cash payments for acquisition of property, plant and equipment decreased by Baht 208.0 million. Cash payments for short-term loans to related parties decreased by Baht 195.5 million.



Cash flows from financing activities

For 6-month period ended 30 June 2023, the Company's net cash from used in financing activities for the second quarter ended June 30, 2023 amounted to Baht 328.8 million, decreased by Baht 32.8 million or 11.1% 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 2,159.1 million, increase in cash payments for Dividends paid to owners 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 Payment of change in ownership interest in subsidiaries without a change in control increased by Baht 425.0 million.

Key Financial Ratios

	6-month period	
	2/2022	2/2023
Gross Profit Margin (%)	23.3%	13.1%
Net Profit Margin (Before extra items) (%)	10.0%	3.2%
Current Ratio (Times)	0.76	0.69
Liability to Equity (Times)	2.27	0.68
Liability to Equity (Times)* * Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.87	0.54
Interest Bearing Debt to Equity (Times)	1.87	0.48
Interest Bearing Debt to Equity (Times)* Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.47	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

Management Viewpoint and Strategy

In 2H2023, the Company expects that there will be recovery on logistics and supply chain, especially major core revenue business, general warehouse occupancy rate still on a rise due to high demand. By the end of this year, we expect to delivery and launch 1 new warehouse which will be realize revenue immediately.

We expect automotive and motor parts business will grow better than 2Q2023 due to seasonal of business. Besides, there will be a motor show event which usually held at the end of the year that will create new consumers spending. Nowadays, the popularity of 100% Electric Vehicles is a trend which collides with growth in EV sale volume has been continuing since last year. Accordingly, the Company has the opportunity to generate more revenue and profit from being a one-stop service provider for leading car manufacturers. The Company is responsible for importing through customs, managing automotive yard, and delivering to car dealers.