

No. SONIC-012/2023

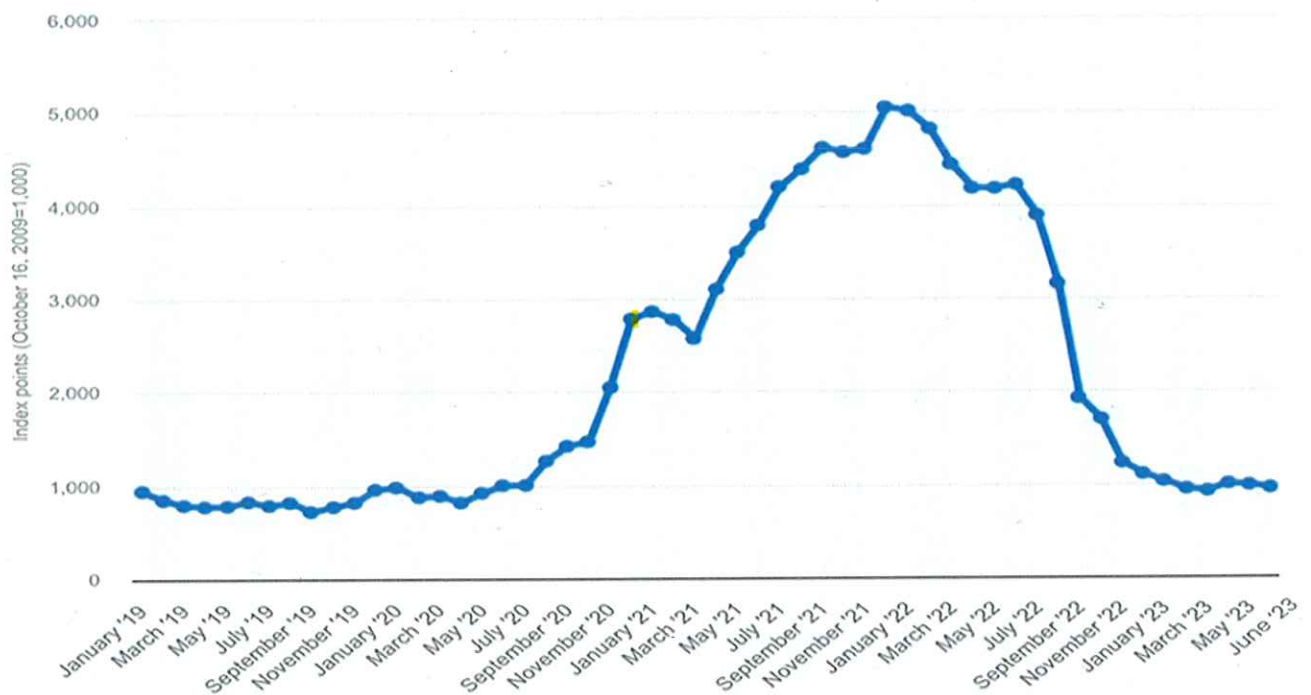
August 9, 2023

Subject Management Discussion and Analysis for the 6-month period ended 30 June 2023

To President
The Stock Exchange of Thailand

The decline in freight cost, back to prior pandemic rate¹, and a decreased of 5.4 in Thailand exports², in the first half of 2023 which affected the company's revenue but the company was able to manage the situation according to the strategy set and resulted in an increase in both the gross profit margin and net profit margin.

Shanghai containerized freight rate index from January 2019 to June 2023



Sonic Interfreight Public Company Limited ("the Company") would like to submit the Management Discussion and Analysis for the 6-month period ended 30 June 2023 with details as follows:

¹ Thai National Shippers' Council (TNSC) and <https://www.statista.com/statistics/1309698/monthly-china-shanghai-container-freight-rate-index>

² KASIKORN Research Center.

Unit : million baht

Statements of Comprehensive Income	For the Six-month period ended 30 June				For the three-month period				
	2023	2022	Increase / (Decrease)		Q 2/2023	Q 1/2023	Q 2/2022	% Increase / (Decrease)	
			Amount	%				QoQ	YoY
Revenues from services	818.61	2,324.03	(1,505.42)	(64.78)	385.96	432.65	1,097.33	(10.79)	(64.83)
Cost of services	622.77	1,948.51	(1,325.74)	(68.04)	296.73	326.04	915.26	(8.99)	(67.58)
Gross profit	195.84	375.52	(179.68)	(47.85)	89.23	106.61	182.07	(16.30)	(50.99)
Interest revenue calculated using the effective interest method	8.85	4.92	3.93	79.88	5.85	3.00	2.72	95.00	115.07
Selling & Administrative expenses	114.51	152.44	(37.93)	(24.88)	54.76	59.75	76.04	(8.35)	(27.99)
Finance costs	4.12	5.25	(1.13)	(21.52)	2.04	2.08	2.41	(1.92)	(15.35)
Income tax	17.34	47.66	(30.32)	(63.62)	7.78	9.56	24.04	(18.62)	(67.64)
Net profit for the period	71.59	191.30	(119.71)	(62.58)	33.34	38.25	96.53	(12.84)	(65.46)
Other comprehensive income	(0.00)	0.00	(0.00)	0.00	(0.66)	0.66	0.00	(200.00)	(100.00)
Total comprehensive income for the period	71.59	191.30	(119.71)	(62.58)	32.68	38.91	96.53	(16.01)	(66.15)
Total comprehensive income for the period attributable to :									
Owners of the parent	68.93	185.57	(116.64)	(62.85)	31.37	37.56	93.60	(16.48)	(66.49)
Non-controlling interests	2.66	5.73	(3.07)	(53.58)	1.31	1.35	2.93	(2.96)	(55.29)

Revenue

The revenue from service for the first 6-month period ended 30 June 2023 amounted to 818.61 million baht, a decrease of 1,505.42 million baht or 64.78 percent compared to the same period of the previous year and for the 3-month period ended 30 June 2023 decreased by 46.69 million baht or by 10.79 percent compared to Quarter 1/2023 and decreased by 711.37 million baht or by 64.83 percent compared to Quarter 2/2022 which revenue from services can be categorized as follows ;

Unit : million baht

Segment	For the Six-month period ended 30 June				For the three-month period				
	2023	2022	Increase / (Decrease)		Q 2/2023	Q 1/2023	Q 2/2022	% Increase / (Decrease)	
			Amount	%				QoQ	YoY
Sea Freight	492.51	1,849.53	(1,357.02)	(73.37)	224.30	268.21	843.61	(16.37)	(73.41)
Transportation	196.60	236.72	(40.12)	(16.95)	97.85	98.75	119.32	(0.91)	(17.99)
Air Freight	116.27	227.64	(111.37)	(48.92)	56.14	60.14	129.01	(6.65)	(56.48)
Other service /1	13.23	10.14	3.09	30.47	7.67	5.55	5.39	38.20	42.30
Total	818.61	2,324.03	(1,505.42)	(64.78)	385.96	432.65	1,097.33	(10.79)	(64.83)

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

1. Revenue from Sea Freight Services accounts for 60.16 % of the Company's total revenue from services. The Company's revenue from Sea Freight Services in the first 6-month period ended 30 June 2023 was 492.51 million baht and decreased by 1,357.02 million baht or 73.37 percent compared to the same period of the previous year and for the 3-month period ended 30 June 2023 decreased by 43.91 million baht or 16.37 percent compared to Quarter 1/2023 and decreased by 619.31 million baht or 73.41 percent compared to Quarter 2/2022 as a result of the decrease in the sea freight rate and Thailand's export rate has decreased. However, the group's capability of managing the using service of the existing customer base and new customers increase.

2. Revenue from Transportation Services accounts for 24.02 % of the Company's total revenue from services. The Company's revenue from Transportation Services in the first 6-month period ended 30 June 2023 was 196.60 million baht and decreased by 40.12 million baht or 16.95 percent compared to the same period of the previous year and for the 3-month period ended 30 June 2023 decreased by 0.9 million baht or 0.91 percent compared to Quarter 1/2023 and decreased by 21.47 million baht or 17.99 percent compared to Quarter 2/2022 due to the number of services by truck from Thailand's export rate.

3. Revenue from Air Freight Services accounts for 14.20 % of the Company's total revenue from services. The Company's revenue from Air Freight Services in the first 6-month period ended 30 June 2023 was 116.27 million baht and decreased by 111.37 million baht or 48.92 percent compared to the same period of the previous year and for the 3-month period ended 30 June 2023 decreased by 4 million baht or 6.65 percent compared to Quarter 1/2023 and decreased by 72.87 million baht or 56.48 percent compared to Quarter 2/2022 as a result of Thailand's export rate has decreased.

4. Revenue from Other Services such as distribution center service fees, dangerous good logistics accounts and Container Yard service fee for 1.62 % of the Company's total revenue from service. The Company's revenue from Other Services in the first 6-month period ended 30 June 2023 was 13.23 million baht and increased by 3.09 million baht or 30.47percent compared to the same period of the previous year and for the 3-month period ended 30 June 2023 increased by 2.12 million baht or 38.20 percent compared to Quarter 1/2023 and increased by 2.28 million baht or 42.30 percent compared to Quarter 2/2022 as a result of the increasing distribution center service fees, and the Container Yard service fee.

Cost of service.

For the first 6-month period ended 30 June 2023, the Company's service cost was equivalent to 622.77 million baht or 76.08 percent of the revenue from service. Thus, the decrease in the cost of 1,325.74 million baht from the same period of the previous year, or by 68.04 percent, and for the 3-month period ended 30 June 2023 decreased by 29.31 million baht or 8.99 percent compared to Quarter 1/2023 and decreased by 618.53 million baht or 67.58 percent compared to Quarter 2/2022 due to the Company's effective cost management.

Gross Profit

For the first 6-month period ending 30 June 2023, the Company's Gross Profit was equal to 195.84 million baht or 23.92 percent of the Gross Profit Margin. the Company's Gross Profit Margin increased from 16.16 percent in the same period of the previous year and for the 3-month period ended 30 June 2023 the Company's Gross Profit Margin was 23.12 percent slightly down from Quarter 1/2023 which has a gross profit margin of 24.64 percent but increased from Quarter 2/2022 with a gross profit margin of 16.59 percent due to the Company's effective cost management.

Interest revenue calculated using the effective interest method

For the first 6-month period ended 30 June 2023, the Company's Interest revenue calculated using the effective interest method was equal to 8.85 million baht, an increase of 3.93 million baht or 79.88 percent compared to the same period of the previous year and for the 3-month period ended 30 June 2023 increased by 2.85 million baht or by 95 percent compared to Quarter 1/2023 and increased by 3.13 million baht or by 115.07 percent compared to Quarter 2/2022 regarding the hire purchase of trucks and trailers and the Interest on Financial assets.

Selling and Administrative expenses

For the first 6-month period ended 30 June 2023, the Company's selling and administrative expenses were equal to 114.51 million baht. This decreased by 37.93 million baht from the same period of the previous year and for the 3-month period ended 30 June 2023 decreased by 4.99 million baht compared to Quarter 1/2023 and decreased by 21.28 million baht compared to Quarter 2/2022 due to the Company's effective expense management.

Net Profit

For the first 6-month period ended 30 June 2023, the Company's Net Profit was equal to 68.93 million baht or equivalent to 8.30 percent of Net Profit Margin, the Company's Net Profit Margin increased from 7.91 percent in the same period of the previous year for the 3-month period ended 30 June 2023 the Company's Gross Profit Margin was 7.95 percent slightly down from Quarter 1/2023 and Quarter 2/2022 which have a gross profit margin of 8.62 percent and 8.40 respectively.

Financial Position Analysis

Unit : million baht

Statement of Financial Position	30 June 2023	31 December 2022	Increase / (Decrease)	
			Amount	%
Asset	1,729.39	1,745.34	(15.95)	(0.91)
Liabilities	348.34	430.55	(82.21)	(19.09)
Shareholder's equity	1,360.30	1,293.57	66.73	5.16

Assets

As of 30 June 2023, the Company's total assets were 1,729.39 million baht, a decrease of 15.95 million baht or 0.91 percent as the following essence.

1. Cash and cash equivalents as of 30 June 2023 equals to 295.47 million baht, a decrease of 236.91 million baht from 31 December 2022 which was from the increased cash receipt from the operation although paid the dividends payment was 83.55 million baht on May 2023 and invested on Financial assets.

2. Trade and other receivables as of 30 June 2023 equal to 256.37 million baht, a decrease of 55.01 million baht from 31 December 2022 as a result of the Group's trade receivable with accrued liability, not more than 3 months, is in accordance with the Company's collection period.

3. Property, plant, and equipment as of 30 June 2023 equal 598.75 million baht, an increase of 9.85 million baht from 31 December 2022 as a result of the land improvement at Sriracha District, Chonburi Province for Logistics activity.

4. Finance lease receivables as of 30 June 2023 equals to 102.59 million baht, a decrease of 6.05 million baht from 31 December 2022 as a result of receipt from finance lease receivables.

5. Financial assets measured at fair value through profit or loss and through other comprehensive income as of 30 June 2023 equal 294.05 million baht, an increase of 163.99 million baht from 31 December 2022 as a result of investing on debenture and structured note.

Liabilities

As of 30 June 2023, the Company's total liabilities were 348.34 million baht, a decrease of 82.21 million baht or 19.09 percent as a result of a decrease in the account payables and long-term borrowings from financial institutions.

Shareholder's equity

As of 30 June 2023, the Company's total shareholders' equity was 1,360.30 million baht, an increase of 66.73 million baht or 5.16 percent as a result of the net profit and an increase from the total issued and paid-up capital of 40.31 million baht and share premium of 40.31 million baht from the exercise of the right to convert warrants to purchase ordinary shares (SONIC-W1) the final exercise.

Please be informed accordingly,

Yours Sincerely,



Dr. Santisuk Kosiarpant (Ph.D)
Chief Executive Officer



SONIC INTERFREIGHT PUBLIC COMPANY LIMITED
บริษัท อินเตอร์เฟรท จำกัด (มหาชน)



(Mr. Ranut Lieolertsakulchai)

Director