



บริษัท มีนาทรานสปอร์ต จำกัด (มหาชน)

MENA TRANSPORT PUBLIC COMPANY LIMITED

No. MT. 11-62/2566

Date 11 August 2023

Subject Management's Discussion and Analysis of the Financial Statements for the three-month and six-month periods ended 30 June 2023

To The President
The Stock Exchange of Thailand

Mena Transport Public Company Limited ("MENA") would like to report the operating results of MENA for the three-month and six-month periods ended 30 June 2023 according to MENA's financial statements which the details are as follows;

Business overview

The ready-mixed concrete delivery service business with mixer trucks has the continuous growth during the first half of the year and is expected to increase throughout the year, benefiting from the recovery of the construction industry and various mega projects according to government policies that drive the country's infrastructure. MENA has strengths in logistics expertise and service availability with a proportion of 10% of the market share. In addition, in 2023, MENA is planning to increase the service proportion of distribution of consumer products through expanding the network of customers and alliances. On 27 March 2023, MENA and Tawandang Logistics Co., Ltd. ("TWD") jointly invested in newly established company namely TD M Logistics Co., Ltd. ("TDM") to provide transportation and distribution of consumer products and other products of the Carabao Group and C.J. Express in Thailand. TDM is a joint venture of MENA with 35% and TWD with 65%. TDM started the operation from 1 May 2023 onwards. TDM started providing services since 1 May 2023 with profitable results since the first month of operation which is a good starting point of business.

Company outlook

MENA has the clear business plan with growth strategy. MENA also provide services and meet customer's requirement. MENA maintains the service standards and be the good business partner with customers for their sustainable growth. MENA continue expanding its transportation services throughout the year by increasing truck fleet and managing the existence truck fleet to have the highest efficiency. Therefore, the revenue in this year will increase over 15% on target compared to previous year. MENA will manage logistic cost with extensive experience to maximize profit with growing of revenue. In addition, TDM, a joint venture, also plans to expand its fleet of trucks to support growing of revenue from branch expansion of CJ Express and TD Tawandang and launching new products of Carabao Group.



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Performance Overview

(Unit : Million Baht)

Statement of comprehensive income	For the three-month period 30 June				For the six-month period 30 June			
	2023	2022	Increase/ decrease	%	2023	2022	Increase/ decrease	%
Revenue from transportation and concrete transportation services	179.1	160.2	18.9	12	365.1	307.0	58.1	19
Revenue from sales	9.3	7.1	2.2	31	16.5	16.3	0.2	1
Total revenue	188.4	167.3	21.1	13	381.6	323.3	58.3	18
Cost of transportation and concrete transportation services	(148.2)	(133.2)	(15.0)	11	(299.1)	(255.7)	(43.4)	17
Cost of sales	(8.9)	(6.8)	(2.1)	31	(15.9)	(15.6)	(0.3)	2
Total cost	(157.1)	(140.0)	(17.1)	12	(315.0)	(271.3)	(43.7)	16
Gross profit	31.3	27.3	4.0	15	66.6	52.0	14.6	28
Other income	2.2	2.6	(0.4)	(15)	4.0	4.9	(0.9)	(18)
Selling and distribution expenses	(0.1)	(0.2)	0.1	(50)	(0.3)	(0.4)	0.1	(25)
Administrative expenses	(17.2)	(15.5)	(1.7)	11	(32.2)	(30.1)	(2.1)	7
Finance cost	(1.6)	(1.7)	0.1	(6)	(4.9)	(3.2)	(1.7)	53
Income tax expense	(2.1)	(1.2)	(0.9)	75	(5.5)	(3.1)	(2.4)	77
Profit for the period on separate financial statements	12.5	11.3	1.2	11	27.7	20.1	7.6	38
Share of profit from investment in associate	2.9	-	2.9	100	2.9	-	2.9	100
Profit for the period on financial statements which the equity method is applied	15.4	11.3	4.1	36	30.6	20.1	10.5	52

MENA has a net profit on separate financial statement for the three-month and six-month period ended 30 June 2023 in the amount of 12.5 million Baht and 27.7 million Baht, respectively, increased from the same period in 2022 in the amount of 1.2 million Baht and 7.6 million Baht, respectively, or increased by 11% and 38%, respectively. This is a result of an increase in the number of trucks in 2023 and the increase in efficiency in logistics management. MENA's quantity of ready-mixed concrete was grown up 8% compared to previous year, while the growth of ready-mixed concrete industry in Thailand was only 2% compared to previous year.

MENA recognized share profit from investment in associate, TDM, which started its operation since 1 May 2023 for the three-month and six-month period ended 30 June 2023 in the amount of 2.9 million Baht. As a result, MENA has profit on the financial statement which equity method is applied for the three-month and six-month period ended 30 June 2023 in the amount of 15.4 million Baht and 30.6 million Baht, respectively.

Revenue from concrete transportation services (Mixer)

Revenue from concrete transportation services is the revenue derived from mixer trucks which are vehicles that transport ready-mixed concrete to customers and revenue from fleet management. The mixer trucks will be stationed at customers' ready-mixed concrete factory which is convenient to operate both concrete delivering and concrete pouring for customers.



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Service income for the three-month and six-month period ended 30 June 2023 were 119.4 million Baht and 241.3 million Baht, respectively, increased by 12.7 million Baht and 32.3 million Baht, respectively, or increase by 12% and 15%, respectively, from the same period previous year. This was a result of the increase in service volume and service rate due to the increase of fuel price and increasing of truck fleet.

Revenue from transportation

The revenue from transportation is derived from the service by trailers, which can change the type of semi-trailer depending on the usage, trucks for distribution of consumer products, specialty products, temperature-controlled products, and revenue from fleet management.

The customers of transportation business are manufacturers who hire MENA to deliver products to end users such as cement powder companies, construction materials companies and customers who are intermediaries in the transportation of goods such as consumer products and construction materials. In 2022 was the first period, MENA provided distribution services of consumption products by using 4-wheel trucks, 6-wheel trucks, 10-wheel trucks, tow trucks that deliver animal food, and temperature-controlled trucks.

On 1 May 2023, MENA transferred the vehicles for distribution of consumer products which were 4-wheel trucks, 6-wheel trucks and 10-wheel trucks to TDM for the payment of investment in TDM.

Transportation income for the three-month and six-month period ended 30 June 2023 were 59.7 million Baht and 123.8 million Baht, respectively, increased by 6.2 million Baht and 25.8 million Baht, respectively, from the same period previous year, reflecting a 12% and 26% growth, respectively because of the revenue from the tow trucks that deliver animal food, and temperature-controlled trucks was increased.

Revenue from sales

Revenue from sales is the revenue generated by the selling of concrete, fly ash, and construction materials. MENA purchases and deliver these products to the customer immediately so MENA has no inventory.

Revenue from sales for the three-month period ended 30 June 2023 was 9.3 million Baht, increased 2.2 million Baht from the same period previous year, reflecting 31% increase due to the high demand from MENA's customers.

Revenue from sales for the six-month period ended 30 June 2023 was 16.5 million Baht, increased 0.2 million Baht from the same period previous year, reflecting 1%.

Gross profit

Gross profit for the for the three-month and six-month periods ended 30 June 2023 were 16.6% and 17.5%, respectively, which were increase 2% and 9%, respectively, from the same period of previous year. This mainly resulted from the depreciation expense of mixer decreased from the same period of previous year because some vehicles reached their useful life during the period.



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Administrative expenses

Administrative expenses for the three-month and six-month periods ended 30 June 2023 were 17.2 million Baht and 32.2 million Baht, respectively, increased by 11% and 7%, respectively. This mainly resulted by increasing in number of employees to support the expansion of the business.

Finance cost

Finance cost for the three-month period ended 30 June 2023 was 1.6 million Baht, decreased by 0.1 million Baht from the same period of the previous year, reflecting 6% decrease which was not a significant change.

Finance cost for the six-month period ended 30 June 2023 was 4.9 million Baht, increased by 1.7 million Baht from the same period of the previous year, reflecting 53% increase because MENA made the payment of interest for early closing lease agreements of trucks which related to distribution of consumption products. This was the one-time transaction to support the investment in joint venture TDM. However, MENA has discount on future interest from early closing such lease agreements by 1.8 million Baht.

Income tax expense

Income tax expenses for the three-month and six-month period ended 30 June 2023 were 2.1 million Baht and 5.5 million Baht, respectively, increased by 0.9 million Baht and 2.4 million Baht, respectively, or increased by 75% and 77% respectively, from the same period previous year, which increased in line with the increase of profit before income tax expense.

Share of profit from investment in associate

In March 2023 MENA jointly set up TDM which is associate company. TDM started its operation since 1 May 2023. TDM reported profit since the first month of operation. MENA recognized share of profit from investment in associate for the three-month and six-month period ended 30 June 2023 in the amount of 2.9 million Baht.

Profit for the period

Profit on separate financial statements for the three-month period ended 30 June 2023 was 12.5 million Baht, increased 1.2 million Baht or increased by 11% from the same period previous year, which was mainly from the increase in gross profit of 4.0 million Baht. However, administrative expenses and income tax increased by total 2.6 million Baht as reported above.



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Profit on separate financial statements for the six-month period ended 30 June 2023 was 27.7 million Baht, increased 7.6 million Baht or increased by 38% from the same period previous year, which was mainly from the increase in gross profit of 14.6 million Baht. However, administrative expenses, finance cost and income tax increased by total 6.2 million Baht as reported above.

Profit on financial statements which equity method is applied for the three-month and six-month period ended 30 June 2023 were 15.4 million Baht and 30.6 million Baht, respectively, increase of 2.9 million Baht when compared to profit on separate financial statements. This because share of profit from investment in associate as reported above.

Please be informed accordingly.

Best regards,

(Mrs. Suwanna Kajonwuttidet)

Chief Executive Officer



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