

November 14, 2023

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis for Q3/2023

Q3/2023 Highlight

- Fertilizer sales volume improved 25% YoY. The lower fertilizer prices resulted in 16% decrease YoY in revenue to Baht 1,172 million.
- Our domestic volume increased 113% YoY to 48,347 ton from both increase in NPK and single fertilizer sales volume.
- PMTA reported net profit of Baht 34.3 million in 3Q/2023.

Overview

Domestic fertilizer market has recovered after the fertilizer prices have turned to upward trend. For export market, there has still been strong competition from Chinese and Russian producers in both South East Asia and Africa markets.

Revenue from sales in 3Q/2023 grew 26% QoQ to Baht 1,172 million from the increase in fertilizer sales volume but 16% lower YoY because of the lower average selling price. Gross profit increased 60% QoQ but lower 23% YoY to Baht 191 million. EBITDA was at Baht 71 million or 150% increase QoQ but 14% decrease YoY. Subsequently, PMTA reported a good Baht 34.3 million of net profit in 3Q/2023 or 16% decrease YoY and net loss of Baht 1.4 million for 9M/2023.

Table 1: Performance Summary

<i>in Million Baht</i>	3Q/22	2Q/23	3Q/23	% YoY	% QoQ	9M/22	9M/23	% YoY
Revenue from sales	1,392.4	928.3	1,171.9	-16%	26%	3,083.1	2,483.5	-19%
Gross Profit*	248.5	119.1	191.0	-23%	60%	550.4	357.8	-35%
Gross Margin (%)	17.8%	12.8%	16.3%			17.9%	14.4%	
EBITDA	82.5	28.5	71.2	-14%	150%	150.8	91.8	-39%
EBITDA Margin (%)	5.9%	3.1%	6.1%			4.9%	3.7%	
Net Profit (loss)	40.8	3.1	34.3	-16%	995%	58.7	(1.4)	-102%
Net Profit Margin (%)	2.9%	0.3%	2.9%			1.9%	-0.1%	
Basic earnings per share (in Baht)	0.40	0.03	0.34	-16%	995%	0.58	(0.01)	-102%

Remark *Gross Profit = Sales Revenue - Raw Material Cost

Fertilizer, Pesticide and Factory Area Management Business

The strong upward increase in fertilizer prices resulted in increased demand in 3Q/2023. As a result, our fertilizer sales volume improved 33% QoQ and 25% YoY to 57,643 ton. NPK fertilizer volume grew 9% YoY to 41,344 ton from the increase in domestic NPK fertilizer volume. Single fertilizer was at 16,299 ton or 99% increased YoY from increasing trading activities during the period. Our export volume improved 29% QoQ to 9,296 ton but 60% lower than the same period last year due to less export to Philippine during this period. For 9M/2023, total fertilizer sales volume grew 5% from 109,041 ton to 114,921 ton. Domestic volume was at 94,987 ton or a strong increase of 44% increase YoY.

Revenue from crop care business was at Baht 67 million, or 20% decrease YoY. Our warehouse occupancy remained high and logistic service and other income increased 12% YoY to Baht 28.4 million in 3Q/2023.

Table 2: Sales Volume

Unit: Tons	3Q/22	2Q/23	3Q/23	% YoY	% QoQ	9M/22	9M/23	% YoY
NPK Fertilizer	37,838	31,501	41,344	9%	31%	88,679	84,499	-5%
Single Fertilizer	8,195	11,702	16,299	99%	39%	20,362	30,422	49%
Total	46,033	43,203	57,643	25%	33%	109,041	114,921	5%

Table 3: Sales Volume Breakdown

Unit: Tons	3Q/22	2Q/23	3Q/23	% YoY	% QoQ	9M/22	9M/23	% YoY
Domestic	22,710	35,985	48,347	113%	34%	65,775	94,987	44%
Export	23,323	7,218	9,296	-60%	29%	43,266	19,933	-54%
Total	46,033	43,203	57,643	25%	33%	109,041	114,921	5%

Consolidated Performance

Table 4: Income Statement

in Million Baht	3Q/22	2Q/23	3Q/23	% YoY	% QoQ	9M/22	9M/23	% YoY
Revenue from sales	1,392.4	928.3	1,171.9	-16%	26%	3,083.1	2,483.5	-19%
Fertilizer	1,308.8	834.9	1,104.8	-16%	32%	2,868.8	2,288.0	-20%
Pesticide	83.7	93.4	67.1	-20%	-28%	214.3	195.4	-9%
Raw Material Costs	(1,143.9)	(809.3)	(981.0)	-14%	21%	(2,532.7)	(2,125.7)	-16%
Gross Profit*	248.5	119.1	191.0	-23%	60%	550.4	357.8	-35%
Service & Other Income	25.3	27.4	28.4	12%	4%	76.6	85.2	11%
Operating Cost	(71.5)	(51.0)	(55.0)	-23%	8%	(181.2)	(141.1)	-22%
Cost of providing services	(6.4)	(11.0)	(13.1)	103%	19%	(19.4)	(35.0)	80%
SG&A	(113.4)	(56.0)	(80.1)	-29%	43%	(275.6)	(175.0)	-37%
EBITDA	82.5	28.5	71.2	-14%	150%	150.8	91.8	-39%
Depreciation & Amortization	(20.6)	(19.0)	(18.8)	-9%	-1%	(59.2)	(57.2)	-3%
EBIT	61.9	9.5	52.4	-15%	453%	91.6	34.7	-62%
Financial Cost	(8.4)	(14.9)	(11.0)	30%	-26%	(19.1)	(39.9)	109%
Gain/(Loss) from Foreign Exchange	(2.9)	8.6	(1.2)	59%	-114%	(0.4)	9.7	2352%
Profit before income tax	50.5	3.1	40.2	-20%	1182%	72.1	4.5	-94%
Income Tax Expense	(9.7)	-	(5.9)	-39%	n.a.	(13.3)	(5.9)	-56%
Net Profit (loss)	40.8	3.1	34.3	-16%	995%	58.7	(1.4)	-102%

Remark *Gross Profit = Sales Revenue - Raw Material Cost

In 3Q/2023, Our revenue from sales was Baht 1,172 million, a decrease of 16% YoY but increase of 26% QoQ. Gross profit declined 23% YoY to Baht 191 million. Operating cost decreased 23% YoY and SG&A decreased 29% YoY. Subsequently, PMTA announced the consolidated financial statements with a strong net profit of Baht 34.3 million for 3Q/2023 but net loss of Baht 1.4 million for 9M/2023.

Yours faithfully,
PM Thoresen Asia Holdings Public Company Limited

Mr. Sigmund Stromme
Managing Director