



บริษัท มีนาทรานสปอร์ต จำกัด (มหาชน)

MENA TRANSPORT PUBLIC COMPANY LIMITED

No. MT. 11-75/2566

Date 9 November 2023

Subject Management's Discussion and Analysis of the Financial Statements for the three-month and nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 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. Currently, MENA has 11% of the market share which previously 10% of market share. This resulted from continuing fleet expansion in 2023. In addition, MENA is planning to increase the service proportion of distribution of consumer products through expanding the network of customers and alliances. 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 and has continued profits in the following month 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. 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 launching new products of Carabao Group. Although in the third quarter of 2023, the Company's revenue was slightly lower than



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# บริษัท มีนาทรานสปอร์ต จำกัด (มหาชน)

MENA TRANSPORT PUBLIC COMPANY LIMITED

the target due to the impact of increased rain during September 2023. Revenue for the nine-month and three-month period ended 30 September 2023 still increased by 13% and 5%, respectively, when compared to the same period last year. Net profit for the three-month period ended 30 September 2023, increased by 96% from same period last year.

## Performance Overview

Statement of comprehensive income	For the three-month period 30 September				For the nine-month period 30 September			
	2023	2022	Increase/ decrease	%	2023	2022	Increase/ decrease	%
Revenue from transportation and concrete transportation services	185.1	180.3	4.8	3	550.2	487.3	62.9	13
Revenue from sales	10.7	5.4	5.3	98	27.2	21.7	5.5	25
Total revenue	195.8	185.7	10.1	5	577.4	509.0	68.4	13
Cost of transportation and concrete transportation services	(151.1)	(154.5)	3.4	(2)	(450.2)	(410.2)	(40.0)	10
Cost of sales	(10.3)	(5.2)	(5.1)	98	(26.1)	(20.8)	(5.3)	25
Total cost	(161.4)	(159.7)	(1.7)	1	(476.3)	(431.0)	(45.3)	11
<b>Gross profit</b>	<b>34.4</b>	<b>26.0</b>	<b>8.4</b>	<b>32</b>	<b>101.1</b>	<b>78.0</b>	<b>23.1</b>	<b>30</b>
Other income	6.1	2.5	3.6	144	10.1	7.4	2.7	36
Selling and distribution expenses	(0.1)	(0.2)	0.1	(50)	(0.4)	(0.6)	0.2	(33)
Administrative expenses	(17.8)	(13.4)	(4.4)	33	(50.0)	(43.5)	(6.5)	15
Finance cost	(2.0)	(1.7)	(0.3)	18	(6.9)	(4.9)	(2.0)	41
Income tax expense	(3.2)	(1.8)	(1.4)	78	(8.7)	(4.9)	(3.8)	78
<b>Profit for the period on separate financial statements</b>	<b>17.4</b>	<b>11.4</b>	<b>6.0</b>	<b>53</b>	<b>45.2</b>	<b>31.5</b>	<b>13.7</b>	<b>43</b>
Share of profit from investment in associate	5.0	-	5.0	100	7.9	-	7.9	-
<b>Profit for the period on financial statements which the equity method is applied</b>	<b>22.4</b>	<b>11.4</b>	<b>11.0</b>	<b>96</b>	<b>53.1</b>	<b>31.5</b>	<b>21.6</b>	<b>69</b>

MENA has a net profit on separate financial statement for the three-month and nine-month period ended 30 September 2023 in the amount of Baht 17.4 million and Baht 45.2 million, respectively, increased from the same period in 2022 in the amount of Baht 6.0 million and Baht 13.7 million, respectively, or increased by 53% and 43%, respectively. This is a result of an increase in the number of trucks in 2023 and the increase in efficiency in logistics management.

MENA recognized share profit from investment in associate, TDM, which started its operation since 1 May 2023 for the three-month and nine-month period ended 30 September 2023 in the amount of Baht 5.0 million and Baht 7.9 million, respectively. As a result, MENA has profit on the financial statement which equity method is applied for the three-month and nine-month period ended 30 September 2023 in the amount of Baht 22.4 million and Baht 53.1 million, respectively which increased by 96% and 69%, respectively when compare same period previous year.



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**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.

Service income for the three-month and nine-month period ended 30 September 2023 were Baht 132.0 million and Baht 373.4 million, respectively, increased by Baht 16.4 million and Baht 48.8 million, respectively, or increase by 14% 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 volume of transportation 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 period ended 30 September 2023 was Baht 53.1 million, decreased by Baht 11.6 million, from the same period previous year, reflecting 18% decrease, because the volume of transportation has decreased from transferred the vehicles for distribution of consumer products to TDM since 1 May 2023. However, MENA has recognized share profit from TDM for the three-month period ended 30 September 2023 amount of Baht 5 million.

Transportation income for the nine-month period ended 30 September 2023 was Baht 176.8 million, increased by Baht 14.1 million, from the same period previous year, or increase by 9%, because of the revenue from the tow trucks that deliver animal food, and temperature-controlled trucks was increased.



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### 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 and nine-month period ended 30 September 2023 was Baht 10.7 million and Baht 27.2 million, respectively, increased by Baht 5.3 million and Baht 5.5 million, respectively, or increase by 98% and 25%, respectively, from the same period previous year due to the high demand from MENA's customers.

### Gross profit

Gross profit for the three-month and nine-month periods ended 30 September 2023 were 17.6% and 17.5%, respectively, which were increased 3.6% and 2.2%, respectively, from the same period of previous year. This mainly resulted from the depreciation expense of mixer decreased because some vehicles reached their useful life during the period.

### Administrative expenses

Administrative expenses for the three-month and nine-month periods ended 30 September 2023 were Baht 17.8 million and Baht 50.0 million, respectively, increased by Baht 4.4 million and Baht 6.5 million, respectively, from the same period of the previous year, which were increased by 33% and 15%, 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 September 2023 was Baht 2.0 million, increased by Baht 0.3 million from the same period of the previous year, reflecting 18% increase because MENA has made hire-purchase contracts for new trucks for expanding the vehicle fleet.

Finance cost for the nine-month period ended 30 September 2023 was Baht 6.9 million, increased by Baht 2.0 million from the same period of the previous year, reflecting 41% increase because MENA has made hire-purchase contracts for new trucks and 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 nine-month period ended 30 September 2023 were Baht 3.2 million and Baht 8.7 million, respectively, increased by Baht 1.4 million and Baht 3.8 million, respectively, or increased by 78% from the same period previous year, which increased in line with the increase of profit before income tax expense.



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MENA TRANSPORT PUBLIC COMPANY LIMITED

#### Share of profit from investment in associate

In March 2023, MENA jointly set up TDM which is an 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 nine-month period ended 30 September 2023 in the amount of Baht 5.0 million and Baht 7.9 million, respectively.

#### Profit for the period

Profit on separate financial statements for the three-month period ended 30 September 2023 was Baht 17.4 million, increased by Baht 6.0 million, or increased by 53% from the same period previous year, which was mainly from the increase in gross profit of Baht 8.4 million. However, administrative expenses, finance cost and income tax increased by total Baht 6.1 million as reported above.

Profit on separate financial statements for the nine-month period ended 30 September 2023 was Baht 45.2 million, increased Baht 13.7 million, or increased by 43% from the same period previous year, which was mainly from the increase in gross profit of Baht 23.1 million. However, administrative expenses, finance cost and income tax increased by total Baht 12.3 million as reported above.

Profit on financial statements which equity method is applied for the three-month and nine-month period ended 30 September 2023 were Baht 22.4 million and Baht 53.1 million, respectively, increase of Baht 5.0 million and Baht 7.9 million, respectively 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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