

February 23, 2024

The President

The Stock Exchange of Thailand

Dear Sir/Madam,

Re: Management's Discussion and Analysis for Q4/2023 and FY2023

#### Q4/2023 Highlight

- Fertilizer sales volume improved 59% YoY from strong improving domestic demand. Revenue from sales grew 12% YoY reaching Baht 1.18 billion.
- Our domestic volume strongly increased 54% YoY to 44,118 ton and our export volume further grew 83% YoY to 10,262 ton.
- PMTA reported net profit of Baht 59.5 million in 4Q/2023 and net profit of Baht 58.1 million in FY2023.

#### Overview

During this high season, farmer affordability has improved from the increase in crop price while fertilizer prices were rather stable. As a result, domestic fertilizer market has continued to rise YoY. Although there was still competition from Chinese and Russian producers, we managed to increase our export particular to Africa.

The great increase in our fertilizer volume, but YoY lower raw material fertilizer prices resulted in our revenue from sales in Q4/2023 to rise 12% YoY to Baht 1,186 million. Our gross profit grew 33% YoY to 254 million and our gross margin had a good improvement 18 % to 21.4% this year. EBITDA grew 77% YoY and 55% QoQ to 111 million. Subsequently, PMTA recorded Baht 59.5 million of net profit in Q4/2023 or 207% increase YoY and 73% increase QoQ. Net profit for FY2023 was reported at Baht 58.1 million, 26% decrease YoY due to the weak financial results during the first half of the year.

Table 1: Performance Summary

| <i>in Million Baht</i>                    | FY22    | FY23    | % YoY | 4Q/22   | 3Q/23   | 4Q/23   | % YoY | % QoQ |
|---|---------|---------|-------|---------|---------|---------|-------|-------|
| <b>Revenue from sales</b>                 | 4,145.5 | 3,669.3 | -11%  | 1,062.4 | 1,171.9 | 1,185.9 | 12%   | 1%    |
| <b>Gross Profit*</b>                      | 741.1   | 611.6   | -17%  | 190.7   | 191.0   | 253.8   | 33%   | 33%   |
| Gross Margin (%)                          | 17.9%   | 16.7%   |       | 18.0%   | 16.3%   | 21.4%   |       |       |
| <b>EBITDA</b>                             | 213.2   | 202.4   | -5%   | 62.4    | 71.2    | 110.6   | 77%   | 55%   |
| EBITDA Margin (%)                         | 5.1%    | 5.5%    |       | 5.9%    | 6.1%    | 9.3%    |       |       |
| <b>Net Profit (loss)</b>                  | 78.1    | 58.1    | -26%  | 19.4    | 34.3    | 59.5    | 207%  | 73%   |
| Net Profit Margin (%)                     | 1.9%    | 1.6%    |       | 1.8%    | 2.9%    | 5.0%    |       |       |
| <b>Basic earnings per share (in Baht)</b> | 0.77    | 0.57    | -26%  | 0.19    | 0.34    | 0.59    | 207%  | 73%   |

Remark \*Gross Profit = Sales Revenue - Raw Material Cost

## Fertilizer, Pesticide and Factory Area Management Business

Fertilizer volume in Q4/2023 strongly grew 59% YoY from 34,266 ton to 54,380 ton. Single fertilizer volume increased 138% YoY to 11,211 ton owing to higher trading volume during this period. NPK fertilizer volume grew 46% YoY to 43,169 ton from the improve in both domestic and export sales. Growth in domestic demand in Q4/2023 was supported by both rise in rice, coffee and durian prices to farmers and relatively stable fertilizer prices after declining and volatile during the first half of the year. Therefore, our domestic NPK sales rose 30% YoY to 33,132 ton in Q4/2023. Export volume also rose 83% YoY to 10,262 ton from the increase export to Africa. For FY2023, PMTA managed to make 18% growth in fertilizer volume to 169,301 ton from the significant improve in our

**Table 2: Sales Volume**

| Unit: Tons        | FY22           | FY23           | % YoY      | 4Q/22         | 3Q/23         | 4Q/23         | % YoY      | % QoQ      |
|-------------------|----------------|----------------|------------|---------------|---------------|---------------|------------|------------|
| NPK Fertilizer    | 118,228        | 127,669        | 8%         | 29,550        | 41,344        | 43,169        | 46%        | 4%         |
| Single Fertilizer | 25,078         | 41,633         | 66%        | 4,716         | 16,299        | 11,211        | 138%       | -31%       |
| <b>Total</b>      | <b>143,306</b> | <b>169,301</b> | <b>18%</b> | <b>34,266</b> | <b>57,643</b> | <b>54,380</b> | <b>59%</b> | <b>-6%</b> |

**Table 3: Sales Volume Breakdown**

| Unit: Tons   | FY22           | FY23           | % YoY      | 4Q/22         | 3Q/23         | 4Q/23         | % YoY      | % QoQ      |
|--------------|----------------|----------------|------------|---------------|---------------|---------------|------------|------------|
| Domestic     | 94,440         | 139,105        | 47%        | 28,666        | 48,347        | 44,118        | 54%        | -9%        |
| Export       | 48,866         | 30,196         | -38%       | 5,600         | 9,296         | 10,262        | 83%        | 10%        |
| <b>Total</b> | <b>143,306</b> | <b>169,301</b> | <b>18%</b> | <b>34,266</b> | <b>57,643</b> | <b>54,380</b> | <b>59%</b> | <b>-6%</b> |

domestic sales during the second half of the year.

Revenue from crop care business was at Baht 90.1 million, or 8% increase YoY and 34% increase QoQ. Our warehouse occupancy remained high and logistic service and other income was nearly the same at last year at Baht 27.5 million in Q4/2023. For FY2023, total revenue from crop care decreases slightly 4% YoY to Baht 285.5 million, while warehouse & logistic service and other income rose 8% to Baht 112.6 million.

## Consolidated Performance

**Table 4: Income Statement**

| in Million Baht                   | FY22      | FY23      | % YoY | 4Q/22   | 3Q/23   | 4Q/23   | % YoY | % QoQ |
|-----------------------------------|-----------|-----------|-------|---------|---------|---------|-------|-------|
| <b>Revenue from sales</b>         | 4,145.5   | 3,669.3   | -11%  | 1,062.4 | 1,171.9 | 1,185.9 | 12%   | 1%    |
| Fertilizer                        | 3,847.6   | 3,383.8   | -12%  | 978.8   | 1,104.8 | 1,095.8 | 12%   | -1%   |
| Pesticide                         | 297.9     | 285.5     | -4%   | 83.6    | 67.1    | 90.1    | 8%    | 34%   |
| <b>Raw Material Costs</b>         | (3,404.4) | (3,057.7) | -10%  | (871.7) | (981.0) | (932.0) | 7%    | -5%   |
| <b>Gross Profit*</b>              | 741.1     | 611.6     | -17%  | 190.7   | 191.0   | 253.8   | 33%   | 33%   |
| Service & Other Income            | 104.2     | 112.6     | 8%    | 27.6    | 28.4    | 27.5    | -1%   | -3%   |
| Operating Cost                    | (226.9)   | (200.7)   | -12%  | (45.7)  | (55.0)  | (59.6)  | 30%   | 8%    |
| Cost of providing services        | (32.0)    | (48.4)    | 51%   | (12.6)  | (13.1)  | (13.4)  | 6%    | 3%    |
| SG&A                              | (373.2)   | (272.7)   | -27%  | (97.6)  | (80.1)  | (97.7)  | 0%    | 22%   |
| <b>EBITDA</b>                     | 213.2     | 202.4     | -5%   | 62.4    | 71.2    | 110.6   | 77%   | 55%   |
| Depreciation & Amortization       | (79.5)    | (76.2)    | -4%   | (20.3)  | (18.8)  | (19.1)  | -6%   | 2%    |
| <b>EBIT</b>                       | 133.7     | 126.2     | -6%   | 42.1    | 52.4    | 91.5    | 117%  | 75%   |
| Financial Cost                    | (30.9)    | (49.8)    | 61%   | (11.8)  | (11.0)  | (9.9)   | -16%  | -10%  |
| Gain/(Loss) from Foreign Exchange | 1.4       | 7.3       | 417%  | 1.8     | (1.2)   | (2.4)   | -231% | -105% |
| Profit before income tax          | 104.2     | 83.7      | -20%  | 32.2    | 40.2    | 79.2    | 146%  | 97%   |
| Income Tax Expense                | (26.1)    | (25.6)    | -2%   | (12.8)  | (5.9)   | (19.7)  | 54%   | 235%  |
| <b>Net Profit (loss)</b>          | 78.1      | 58.1      | -26%  | 19.4    | 34.3    | 59.5    | 207%  | 73%   |

Remark \*Gross Profit = Sales Revenue - Raw Material Cost

Although good increase in volume, lower average fertilizer prices made the revenue from sales to increase 12% YoY to Baht 1,185.9 million. Gross profit rose 33% YoY to Baht 253.8 million. Operating cost increase 30% due to the increase in our volume sales. SG&A was at Baht 97.7 million which is the same as last year. PMTA reported net profit of Baht 59.5 million in Q4/2023.

For FY2023, revenue from sales dropped 11% to Baht 3,669.3 million mainly due to the decrease in selling price. Weak financial result during first half of the year caused 17% decrease in gross profit to Baht 611.6 million. Operating cost decreased 12% from the decrease in energy cost and SG&A decreased 27% from the decrease in export transportation expense and selling and marketing expenses. Financial cost rose 61% from the increasing local currency loan in order to manage foreign exchange risk. Subsequently, PMTA announced the consolidated financial statements with a net profit of Baht 58.1 million FY2023.

## Financial Position

| Financial Position            | 31-Dec-22      | 31-Dec-23      |
|-------------------------------|----------------|----------------|
| <b>Asset</b>                  | <b>2,807.8</b> | <b>2,501.2</b> |
| Cash and Cash Equivalent      | 282.4          | 414.4          |
| Other Current Asset           | 1,835.9        | 1,354.5        |
| Property, Plant and Equipment | 569.3          | 626.4          |
| Right-of-use assets           | 111.8          | 97.8           |
| Other non Current Asset       | 8.4            | 8.1            |
| <b>Liabilities and Equity</b> | <b>2,807.8</b> | <b>2,501.2</b> |
| Interest Bearing Debt         | 674.2          | 389.7          |
| Lease liabilities             | 118.9          | 108.9          |
| Other Liability               | 319.4          | 344.5          |
| Shareholder's Equity          | 1,695.3        | 1,658.1        |

As of 31 December 2023, total assets were booked at Baht 2,501.2 million, the decreased Baht 306.6 million. Current assets were at Baht 1,769.9 million, decreased by Baht 349.4 million from trade receivable and inventory outstanding. Property, plant and equipment increased by Baht 57.1 million to Baht 626.4 million from building new warehouses in order to expand our warehousing service businesses.

Total liabilities as of 31 December 2023 decreased Baht 269.4 million to Baht 843.1 million. Current liabilities decreased Baht 258.7 million from the decrease in interest bearing debt for working capital. Shareholders' equity was at Baht 1,658.1 million.

## Cash Flows

For FY2023, PMTA had net cash inflow from operating activities of Baht 638.2 million mainly from Baht 201.2 million of cash profit during the year and the decrease in inventories and receivable of Baht 418.6 million. Net cash used in investing activities was at Baht at 148.3 million including the construction of new warehouses and the replacement and upgrade of equipment for fertilizer production. Moreover, net cash outflow from financing activities was at Baht 349.5 million including net repayment of short-term loan from banks of Baht 264.4 million and Baht 49.4 million of financial cost. Together with cash and cash equivalents as at 1 January 2023 and effect of exchange rate changes on balances held in foreign currencies, PMTA's cash and cash equivalents as of 31 December 2023 was at Baht 414.4 million.

## Financial Ratios

| Key Financial Ratio                         | 2022 | 2023  |
|---|------|-------|
| Current Ratio                               | 2.1  | 2.4   |
| EBITDA to Sales Revenue (%)                 | 4%   | 6%    |
| Net Profit to Sales Revenue (%)             | 0%   | 2%    |
| Return on Total Asset (%)                   | 1%   | 6%    |
| Return on Equity (%)                        | 0%   | 3%    |
| Interest Bearing Debt to Equity (Times)     | 0.4  | 0.2   |
| Net Interest Bearing Debt to Equity (Times) | 0.2  | (0.0) |
| Net Interest Bearing Debt to EBITDA (Times) | 4.3  | (0.1) |

**Note:**

|   |   |   |
|---|---|---|
| Current ratio                                     | = | Current assets divided by current liabilities   |
| EBITDA to sales revenue                           | = | EBITDA divided by sales revenue   |
| Net profit on sale revenue                        | = | Net profit divided by sales revenue   |
| Return on total assets                            | = | Net profit divided by average total assets  |
| Return on equity                                  | = | Net profit divided by average total shareholder's equity  |
| Interest Bearing Debt to Shareholders' Equity     | = | Interest Bearing Debt divided by shareholder's equity   |
| Net Interest Bearing Debt to Shareholders' Equity | = | Interest Bearing Debt net from cash and cash equivalent and current investments divided by shareholder's equity |
| Net Interest Bearing Debt to EBITDA               | = | Interest Bearing Debt net from cash and cash equivalent and current investments divided by shareholder's equity |

Yours faithfully,  
**PM Thoresen Asia Holdings Public Company Limited**

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Mr. Sigmund Stromme  
 Managing Director