

Triple i Logistics Public Company Limited

Management Discussion and Analysis for Quarter 1/2024 ending 31 March 2024

Management Discussion and Analysis

Operating performance was in line with the business plan and growing organic business

In Quarter 1/2024, total revenue grew by 14.3% compared to the same period of last year. It was the continuous growth of the organic business, including air freight business and chemical and dangerous good logistics management business. Although there has been impact from significant decrease in air freight rates, there has been significant growth in air freight business from wholesale air freight management business which provides logistics services in a transit format, focusing mainly on e-commerce products. The warehouse service business at Don Mueang Airport also grew with increasing volume of products, which required warehouse service, due to increasing number of flights. As a result, AOTGA which the Company invested through SAL was able to generate good returns for the Company. This was a result of the Company's strategy that focused on growth in both organic and inorganic businesses to reduce impact from dilution effect of ANI. As a result, the Company's net profit decreased in a proportion that was lower than the dilution effect and significant decrease in freight rates. Net profit for Quarter 1/2024 was Baht 116.6 million, a decrease of 19.0% compared to the previous year. This was mainly due to decrease in the Company's shareholding in ANI (Dilution effect) after ANI was listed on the Stock Exchange of Thailand.

Summary of Operating Performance for Quarter 1/2024

Unit : Million Baht	Quarter 1/2566	Quarter 1/2567	Change	% change + / (-)
Revenues from sales and services	437.0	499.7	62.6	14.3%
Costs of sales and services	345.4	401.4	56.1	16.2%
Gross profit	91.6	98.2	6.6	7.2%
Gross profit margin	21.0%	19.7%		(1.3%)
Other income	2.4	1.6	(0.8)	(33.7%)
Selling expenses	13.1	11.5	(1.6)	(12.2%)
Administrative expenses	66.3	65.3	(1.0)	(1.5%)
Gain (loss) on exchange rates - net	(1.4)	4.4	5.9	n.m.

Finance costs	8.0	7.4	(0.5)	(6.8%)
Share of profits from investments in associates and joint ventures	140.7	102.8	(37.9)	(26.9%)
Income tax	2.1	6.2	4.1	197.5%
Net profit for the period	143.9	116.6	(27.3)	(18.9%)
Net profit margin	32.9%	23.3%		(9.6%)

The Company's net profit in Quarter 1/2024 was Baht 116.6 million, a decrease of 19.0% from the same period of last year. This was mainly caused by the dilution effect after ANI was listed on the stock exchange as the Company's shareholding in ANI decreased from 51.66% to 36.15%. However, return from AOT Ground Aviation Services Company Limited (AOTGA), in which the Company invested through SAL Group (Thailand) Company Limited, has grown from continuous growth in operating results following recovery of the airline industry and tourism sector. As a result, the Company received share of profits from SAL in the amount of Baht 33.3 million, an increase of 61.4% from Quarter 1/2023 with recognized share of profits of Baht 20.6 million. The Company's share of profits from investments in associates and joint ventures was in the total amount of Baht 102.8 million, representing a decrease of 26.9% from the same period of last year.

The Company's total revenues in Quarter 1/2024 was Baht 499.7 million, an increase of 14.3% from the same period of last year. This was mainly due to the growth in air freight business from wholesale air freight management business, particularly for e-commerce customers and warehouse service business at Don Mueang Airport with growing air freight volumes. The Company's gross profit in Quarter 1/2024 was Baht 98.2 million, an increase of 7.2% from the same period of last year, which was in line with increase in total revenues.

Selling and administrative expenses was Baht 76.8 million, a decreased by Baht 2.6 million or 3.2% compared to the same period of last year as the Company focused on effective expense management.

Financial Position Analysis

Unit : Million Baht

Statement of Financial Position	31 December 2023	31 March 2024	Increase (Decrease)	%
Total assets	4,641.1	4,688.4	47.3	1.0%
Total liabilities	878.5	833.0	(45.5)	(5.2%)
Shareholders' equity	3,762.6	3,855.4	92.8	2.5%

Total assets

The Company's total assets as of 31 March 2024 was Baht 4,688.4 million, an increase from the total assets as of 31 December 2023 by Baht 47.3 million. The increase was mainly due to an additional investment in SAL of 2.96% of the total paid-up shares, with the investment amount of Baht 172.2 million at the end of February 2024. As a result, the Company's current shareholding in SAL is 25.46%.

Total liabilities

The Company's total liabilities as of 31 March 2024 was Baht 833.0 million, a decrease by Baht 45.5 million from the total liabilities as of 31 December 2023. This was mainly due to a decrease in trade and other payables in the amount of Baht 32.2 million and repayment of long-term loans in the amount of Baht 42.8 million.

Shareholders' equity

The Company's shareholders' equity as of 31 March 2024 was Baht 3,855.4 million, an increase by Baht 92.8 million from that as of 31 December 2023 due to operating performance in Quarter 1/2024.

The Company has strong financial ratios, having a debt-to-equity ratio (D/E) of 0.22 times and an interest-bearing debt to equity ratio (IBD/E) of 0.14 times.

Significant Development in Quarter 1/2024

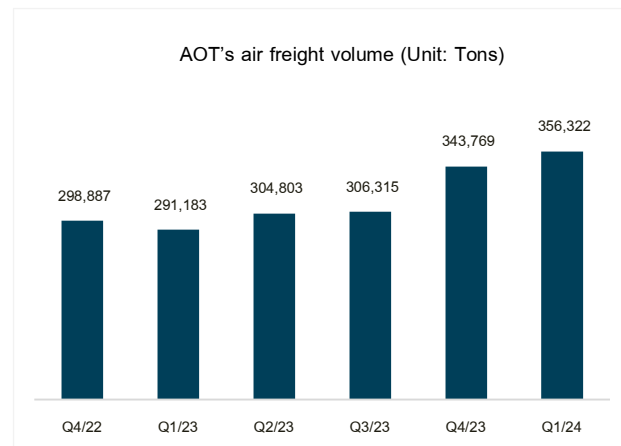
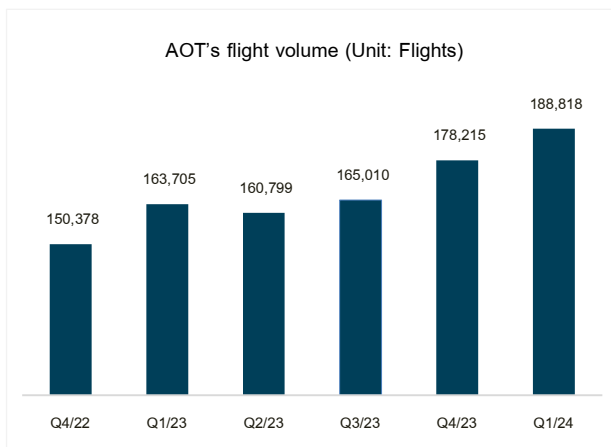
Investment in SAL Group (Thailand) Company Limited (SAL)

- On 28 February 2024, the Company purchased 246,058 ordinary shares in SAL from the existing shareholder with the investment amount of not exceeding Baht 173.00 million. Such investment has caused the Company's shareholding in SAL to increase from 22.50% to 25.46% of the total registered capital.

Dividend payment

- The 2024 Annual General Meeting of Shareholders resolved to approve dividend payment for the year 2023 at the rate of Baht 0.18 per share, totaling Baht 140,895,561.60. The date of determining shareholders who would be entitled to receive dividends (Record Date) shall be on 2 May 2024 and the dividend payment date shall be on 16 May 2024.

Industry Trends in Quarter 2/2024



Source: AOT

In respect of overview of the aviation and air freight industry in Thailand in Quarter 1/2024, the number of flights and air freight volume of airports under AOT's supervision grew by 15.3% and 22.4% respectively compared to the same period of last year. In addition, the volume of sea freight by container grew by 10.2%. Such growth reflects strong growth of the overall aviation and logistics industry. Moreover, Thailand's current

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flight volume is approximately 80% compared to the flight volume before the Covid-19 outbreak, showing that there is a potential for growth as the current flight volume is still lower than before the outbreak. The Company anticipates that the foregoing factors shall be positive factors in driving growth in its main business units, particularly air freight and airport ground handling services for the remaining period of the year.

From May 2024 onwards, AOTGA will begin providing multimodal warehouse services in Suvarnabhumi Airport with an area of approximately 4,800 square meters to support various forms of logistics, such as shipment of good by truck and air or shipment of good by sea and air. This creates a synergy between the Company's wholesale air freight in transit format that transports e-commerce products from neighboring countries to Thailand and onward to other countries, especially the United States and Europe by modes of transport from truck to air or from air to air. In addition, the Company has provided multimodal warehouse services in some areas of AOTGA in Suvarnabhumi Airport. As a result, the Company will begin to recognize increased revenue and share of profits from AOTGA from providing multimodal warehouse services in Suvarnabhumi Airport in Quarter 2/2024.

Yours sincerely,

Triple i Logistics Public Company Limited

(Mr. Tipp Dalal)

Chief Executive Officer