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Subject Management discussion and analysis (MD&A) for operating results in the first quarter ended as of  
31 March 2024

To President,  
The Stock Exchange of Thailand

Prima Marine Public Company Limited and its subsidiaries ("the Company") would like to clarify the operating results in the first quarter of 2024 ("Q1/2024") that ended as of 31 March 2024 as the following details.

### 1. The Financial Performance of the Company

Unit: million Baht

Income Statement	Quarter 4	Quarter 1		
	2023	2024	2023	Change
Revenue from services	2,053.8	2,131.7	2,100.9	30.9 / 1.5%
Cost of services	(1,380.3)	(1,361.8)	(1,296.1)	(65.7) / 5.1%
<b>Gross profit</b>	<b>673.5</b>	<b>769.9</b>	<b>804.8</b>	<b>(34.8) / -4.3%</b>
<b>Gross profit margin</b>	<b>32.8%</b>	<b>36.1%</b>	<b>38.3%</b>	
Other Income	361.8	59.5	61.3	(1.8) / -2.9%
SG&A	(153.4)	(136.7)	(127.9)	(8.8) / 6.9%
Finance cost	(75.5)	(80.0)	(82.1)	2.0 / -2.5%
Gain on the exchange rate	13.0	22.8	21.7	1.1 / 5.3%
Corporate income tax	(49.7)	(47.0)	(64.7)	17.7 / -27.4%
<b>Net profit</b>	<b>769.8</b>	<b>588.6</b>	<b>613.1</b>	<b>(24.5) / -4.0%</b>
<b>Earnings per share (Baht/Share)</b>	<b>0.30</b>	<b>0.22</b>	<b>0.23</b>	
EBITDA	1,232.4	1,067.9	1,073.6	(5.5) / -0.5%
<b>Net profit from operating</b>	<b>457.6</b>	<b>588.6</b>	<b>613.1</b>	<b>(24.5) / -4.0%</b>
<b>Net profit from vessel disposal</b>	<b>312.2</b>	<b>-</b>	<b>-</b>	

The Company's performance in Q1/2024 met the target as planned. This achievement was primarily attributable to the stable revenue generated from long-term service contracts, coupled with the high utilization of all vessels. The Company generated revenue and net profit from operations amounting to 2,131.7 million Baht and 588.6 million Baht respectively, increased 77.9 million Baht and 131.0 million Baht respectively, compared to Q4/2566. These results

stemmed from the expansion of the Offshore Support Vessel Business initiated since the second half of Y2023 and commenced recognizing revenue under long-term service contracts from Q1/2024 onwards.

Despite the slowdown of the Floating Storage Unit business in Q1/2024 compared to Q1/2023, both the Petroleum and Chemical Tankers business and the Crude Oil Carrier business were able to generate better revenue and profit. Consequently, the net profit from operations in Q1/2024 was slightly lower than that of the same quarter in Y2023.

## 2. Operating Results Analysis by Business Unit

### 2.1 Petroleum and Chemical Tankers Business “PCT”

Unit: Million Baht	Petroleum and Chemical Tankers Business			
	Quarter 4/2023	Quarter 1		
		2024	2023	Change
Revenue	883.0	896.6	815.3	81.3 / 10.0%
Gross profit	191.2	194.6	210.8	(16.2) / -7.7%
Gross profit margin	21.7%	21.7%	25.9%	
No. of vessels at the end of Q	38	38	37	
The average utilization rate	91.0%	91.2%	90.7%	

In Q1/2024, the Petroleum and Chemical Tankers (PCT) business earned a revenue of 896.6 million Baht, marking an increase of 81.3 million Baht or 10% compared to the same quarter of Y2023. This growth was attributable to the additional liquid petrochemical tanker which started operation since Q4/2023, as well as an increase in the transportation volume of Jet A-1, aligning with the recovery of Thailand's tourism industry. However, during Q1/2024, two liquid petrochemical tankers were off-hired for maintenance, leading to a decrease in the gross profit margin of 7.7% compared to Q1/2023.

### 2.2 Crude Oil Carrier Business “COC”

Unit: Million Baht	Crude Oil Carrier Business			
	Quarter 4/2023	Quarter 1		
		2024	2023	Change
Revenue	486.9	439.6	449.8	(10.2) / -2.3%
Gross profit	190.3	190.3	180.1	10.2 / 5.7%
Gross profit margin	39.1%	43.3%	40.0%	
No. of Aframax at the end of Q	1	1	1	
Utilization rate of Aframax	90.3%	100.0%	72.0%	
No. of VLCC at the end of Q	3	3	3	
The average utilization rate of VLCC	100.0%	85.9%	100.0%	

In Q1/2024, the Crude Oil Carrier (COC) business reported a revenue of 439.6 million Baht, a decrease of 47.3 million Baht or 9.7% compared to Q4/2023. This decline was primarily attributed to the off-hiring of one VLCC vessel for scheduled maintenance leading to a reduction in the average utilization rate of VLCC to 85.9%. However, there has been an improvement in the service rate of the Aframax vessel since the end of October 2023, resulting in an increase in the gross profit margin in the COC business to 43.3%.

When comparing to Q1/2023, the COC business conducted better financial performance owing to the higher utilization rate of Aframax vessels, rising from 72% to 100%.

### 2.3 Floating Storage Unit Business “FSU”

Unit: Million Baht	Floating Storage Unit Business			
	Quarter 4/2023	Quarter 1		
		2024	2023	Change
Revenue	509.5	569.7	708.8	(139.1) / -19.6%
Gross profit	235.7	300.0	378.0	(77.9) / -20.6%
Gross profit margin	46.3%	52.7%	53.3%	
No. of FSU at the end of Q	5	5	6	
The average rate of FSU	61.9%	70.7%	91.1%	

In Q1/2024, the Floating Storage Unit (FSU) business reported a revenue of 569.7 million Baht, an increase of 60.2 million Baht or 11.8% compared to Q4/2023 and reported a gross profit of 64.3 million Baht or 27.3% from Q4/2023. The increase was a result of the higher demand for storing crude oil. This was because major oil traders were particularly concerned about the potential disruption to crude oil transportation due to tensions in the Middle East. Furthermore, the FSU "Harmony Star" was temporarily off-hired for modification for approximately 45 days in Q4/2023.

When compared to Q1/2023, the revenue from FSU business decreased by 139.1 million Baht, representing a decline of 19.6%. This decrease can be attributed to the market slowdown since mid-2023, as well as the off-servicing of one vessel in preparation for sale since mid-Q2/2023.

## 2.4 Offshore Support Vessel Business “OSV”

Unit: Million Baht	Offshore Support Vessel Business			
	Quarter 4/2023	Quarter 1		
		2024	2023	Change
Revenue	151.3	203.2	106.2	97.0 / 91.4%
Gross profit	62.0	82.5	31.3	51.2 / 163.8%
Gross profit margin	41.0%	40.6%	29.4%	
No. of AWB at the end of Q	1	2	1	
The average utilization rate of AWB	100.0%	98.7%	65.5%	
No. of Crew Boat at the end of Q	13	14	13	
The average utilization rate of crew boat	99.5%	94.9%	98.0%	

The revenue and gross profit of the Offshore Support Vessel (OSV) business in Q1/2024 surpassed those of Q4/2023 by 91.4% and 163.8% respectively. This increase can be attributed to the additional services of one AWB and one hybrid crew boat which commenced service in mid-January and early March 2024 respectively. While the utilization rate of the existing AWB in Q1/2023 decreased to 65.5% due to its scheduled drydock maintenance.

The addition of one AWB and one hybrid crew boat played a crucial role in driving the growth of revenue and gross profit in the OSV business, resulting in higher revenue and gross profit than those of Q4/2023 by 34.3% and 33% respectively.

## 2.5 Ship Agent and Shipping Business “SAS”

Unit: Million Baht	Ship Agent and Shipping Business			
	Quarter 4/2023	Quarter 1		
		2024	2023	Change
Revenue	23.0	22.6	20.8	1.8 / 8.6%
Gross profit	2.0	2.5	2.1	0.5 / 21.9%
Gross profit margin	8.5%	10.0%	11.3%	

The Company is in the process of preparing to expand the Ship Agent and Shipping business.

### 3. Other entries in the income statement

- Other income comprises the share of profit from an associate, interest income, and net profit from vessels selling.
  - In Q1/2024, the Company recorded a share of profit from the associated entity amounted to 8.9 million Baht, marking an increase of 4.7 million Baht from Q4/2023. This increase was due to the Company's

heightened investment in TMN Co., Ltd., from 24.9% to 27.9% in Q1/2024. Additionally, the Company received interest income amounting to 14.6 million Baht during the same period.

- In Q4/2023, other income amounted to 312.2 million baht, derived from the net profit generated by the sale of the FSU "Crystal Star."
- The selling, general, and administrative expenses increased by 8.8 million Baht, representing a 6.9% rise compared to Q1/2023, due to the higher business transaction.
- Finance costs increased by 4.5 million Baht, representing a 6.0% rise compared to Q4/2023 from the additional loans from a financial institution to invest in new vessels and the utilization of working capital facilities to support the growth of the business.
- In Q1/2024, the Company recorded a gain in exchange rate amounting to 22.8 million Baht due mainly to Thai Baht depreciation, which shifted from 34.20 THB/USD at the end of Q4/2023 to 36.45 THB/USD at the end of Q1/2024."

#### 4. Statement of financial position

Assets (Million Baht)	31 Dec 23	31 Mar 24	Change	Liabilities (Million Baht)	31 Dec 23	31 Mar 24	Change
Cash	3,606.3	4,642.2	1,035.9	Short-term debt	1,165.2	1,619.2	454.0
Trade receivables	967.0	1,108.6	141.6	Trade payables	1,099.3	1,439.9	340.6
Total current assets	4,901.8	6,060.3	1,158.5	Total current liabilities	2,892.6	3,696.9	804.3
Property, plant, and vessel	9,826.0	10,450.9	624.9	Long-term debt	1,847.1	2,704.0	856.9
Total non-current assets	15,814.2	16,564.5	750.2	Total non-current liabilities	5,784.9	6,783.0	1,008.9
<b>Total assets</b>	<b>20,716.0</b>	<b>22,624.8</b>	<b>1,908.8</b>	<b>Total liabilities</b>	<b>8,677.4</b>	<b>10,479.9</b>	<b>1,802.5</b>

Financial Ratios	31 Dec 23	31 Mar 24	Equity (Million Baht)	31 Dec 23	31 Mar 24	Change
Debt to equity ratio (time)	0.75	0.89	Total Equity	12,038.6	12,144.9	106.3
Interest-bearing debt to equity (time)	0.26	0.37	<b>Total liabilities and equity</b>	<b>20,716.0</b>	<b>22,624.8</b>	<b>1,908.8</b>

- Cash in hand and cash equivalents totaling 4,642.2 million Baht were primarily comprised of cash deposits in USD, equivalent to around 3,000 million Baht. This USD balance was maintained for interest income during high-interest situations and partially hedging against exchange rate volatility as a natural hedge.
- Trade receivables increased by 141.6 million Baht, driven by the growth in transportation volume resulting from the operation of two new vessels in Q1/2024.
- Property, plant, and vessels increased by 624.9 million Baht, representing a rise of 6.4%, Due to investment in two vessels in the OSV business.
- Trade payables increased by 340.6 million Baht from business expansion.

- Long-term loans increased by 856.9 million Baht to financially support the investment in one AWB and two hybrid crew boats.

Please be informed accordingly.

Sincerely Yours,  
Prima Marine Public Company Limited

Mr. Prompong Chaisrisawatsuk  
Chief Executive Officer

Mr. Pachara Rodsomboon  
Finance and Investor Relations Department  
Tel (66) 2 016 0190 Ext.601