



# PILATUS MARINE

Management Discussion and Analysis  
for the company performance of

---

Pilatus Marine Public Company Limited

*For the period ended 30 June 2024 (Q2/2024)*

No. PLT/MAI-0011/2567

14 August 2024

# 1. Executive Summary

## 1.1 Summary of Company's Business Performance for Q2/2024

Pilatus Marine Public Company Limited ("the Company") reported a net profit of 14.72 million baht for the second quarter of 2024, marking a 62.40% increase from the same period last year. For the first half of 2024, the Company achieved a net profit of 31.56 million baht, representing an 8.22% increase year-on-year. The overall revenue growth aligns with the Company's ongoing business expansion strategy. This growth is largely attributable to the investment in expanding its fleet and trucking operations in mid-2023, following the Company's capital raising on the Stock Exchange of Thailand. The Company has seen significant revenue increases, particularly from time charter contracts and land transportation services.

In the second quarter of 2024, the Company's total revenues from services amounted to 228.27 million baht, an increase of 23.54% from 184.77 million baht in the same period last year. This increase was primarily driven by two main factors: 1) Revenue from marine transportation, both domestic and international, amounted to 196.16 million baht, representing an increase of 23.25 million baht, or 13.45%. 2) Revenue from land transportation reached 32.11 million baht, an increase of 20.25 million baht, or 170.67%.

For the first six months of 2024, the Company's total revenue from services amounted to 458.08 million baht, reflecting an 18.81% growth from 385.56 million baht in the same period of the previous year. This growth was driven by an increase in both the domestic and international marine transportation services, as well as the expansion of the land transportation services.

## 1.2 Strategy and Business Outlook for the 2H/2024

The Company's primary strategy focuses on building a fleet with the capability to expand market reach and enhance operational efficiency. The Company has been executing a capital utilization plan to invest in expanding service capacity to accommodate increased transportation volumes. This includes the acquisition of gas carriers, the expansion of the gas truck fleet, and the improvement of internal management and service efficiency through the implementation of an ERP system. Additionally, the Company has invested in upgrading truck parking facilities and constructing a maintenance facility and is also using working capital to support ongoing business operations.

Furthermore, the Company has identified opportunities to expand business into the Asian market, specifically North Asia and South Asia. This expansion is supported by two key factors: 1. The demand for Gas Carrier vessels in the Asian region exceeds the supply. This is primarily because over 70% of Gas Carrier vessels with a capacity of less than 5,000 CBM are currently operating in Europe, leaving only 30% available for operations in Asia, which is insufficient to meet the region's demand and 2. The increasing number of older vessels being retired (scrapped) and the decrease in the construction of new vessels have exacerbated the supply shortage in the Asian market. This supply-demand imbalance presents a strategic opportunity for the Company to attract new clients, reduce

dependence on any single customer, and diversify service offerings. The focus will be on transporting liquid petroleum products and olefin chemical products, which will contribute to a more balanced revenue mix and align growth with industry trends. Simultaneously, the Company is committed to enhancing operational efficiency by reducing operational costs to improve profit margins. This includes closely monitoring and optimizing energy consumption and controlling costs through data-driven analysis and decision-making.

Overall, the Company maintains the revenue growth target for 2024 at 10%-20% year-on-year, aligning with the increasing demand for vessels in the Asian region and overall economic growth. Although economic growth is not expected to be exceptionally robust, the Company believes that the limited availability of Gas Carrier vessels in the Asian market will strongly support the expansion of the company's business base.

### 1.3 Industry Outlook for Sea Freight and LPG Demand in Thailand

- **The volume of sea freight transportation has increased in line with economic growth and the expansion of global trade.**

The maritime freight industry plays a crucial role in driving the global economy, particularly during the 2023-2025 period. According to forecasts from the IMF, OECD, and World Bank, global economic growth is expected to progress gradually, with a projected growth rate of 3.2% in 2024. This aligns with the expected growth of the Thai economy, which the Bank of Thailand anticipates will expand by approximately 2.6% in 2024 and 3% in 2025. The growth of both the global and Thai economies is directly linked to the expansion of the maritime freight industry, which is expected to increase alongside the volume of global trade.

Currently, the global commercial fleet is responsible for transporting over 80% of goods by sea (as of 2021 data), making this industry a crucial driver of the global economy. Overall, the maritime transportation industry is expected to experience continued growth during the 2023-2025 period.

The demand for LPG in Thailand is projected to grow at a Compound Annual Growth Rate (CAGR) of 8.47% from 2015 to 2030, increasing from 3.47 million tons in 2020 to 8.07 million tons in 2030, according to data from the Thailand LPG Market Analysis 2015-2030. This growth is primarily driven by the residential sector's use of cooking gas, the petrochemical industry, other industrial sectors, and to some extent, the transportation sector. In 2023, Thailand's LPG consumption reached 6.54 million tons, an increase of 1.5% compared to the previous year. The residential sector accounted for 31% of total LPG usage, with a slight decrease of 0.6% in consumption (referencing data from the Office of Energy Policy and Planning, Ministry of Energy, 2023).

- **Overview of the Company's Gas Carriers (Liquid Petroleum Products and Olefin Chemical Products)**

In terms of the Company's business, classified by the type of ocean-going vessels, the Company is categorized as a provider of gas carrier services. As of June 30, 2024, the Company owned a total of 19 gas carriers, with a combined deadweight tonnage (DWT) of 22,512 tons and a total tank capacity of 27,407 cubic meters. Additionally, the Company operates a fleet of 73 liquefied petroleum gas (LPG) transport trucks.

## 2. Performance Overview and Explanation

### 2.1 Financial Highlights for Q2/2024

Pilatus Marine Public Company Limited ("the Company") would like to report operating result for Q2/2024, ending on June 30, 2024, as detailed below.

Financial Highlights	Unit	Q2-24	Q1-24	Q2-23	Change QoQ (%)	Change YoY (%)
Total revenue from services	million baht	228.27	229.81	184.77	-0.67%	23.54%
Gross profit	million baht	39.46	41.24	30.85	-4.32%	27.89%
EBITDA <sup>1/</sup>	million baht	68.22	70.20	50.04	-2.83%	36.32%
Net profit	million baht	14.72	16.84	9.07	-12.57%	62.40%
Earnings Per Share (EPS)	baht	0.02	0.02	0.01	-12.57%	23.24%
Gross Profit Margin	%	17.29%	17.95%	16.70%	-3.68%	3.52%
EBITDA Margin <sup>2/</sup>	%	29.88%	30.55%	27.08%	-2.18%	10.34%
Net Profit Margin	%	6.45%	7.33%	4.91%	-11.98%	31.45%

Remark : <sup>1/</sup>Earnings from operations before interest, tax, depreciation & amortization

<sup>2/</sup> Earnings' margin from operations before interest, tax, depreciation & amortization

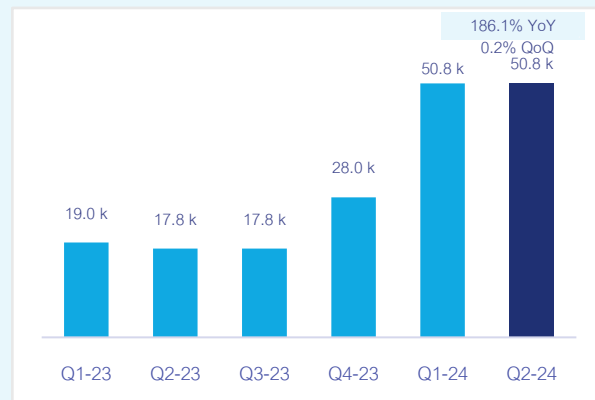
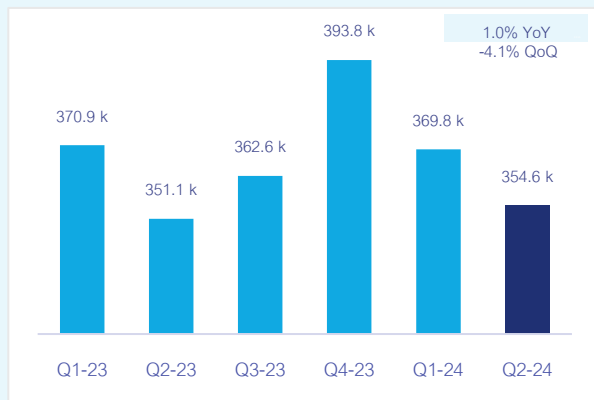
- Revenue from services** - The Company reported total revenue from services of 228.27 million baht, representing a growth of 23.54% from 184.77 million baht in the same period last year. This increase was primarily driven by two main factors: 1. Revenue from the marine transportation business, both domestic and international, amounted to 196.16 million baht, an increase of 23.25 million baht, or 13.45% and 2. Revenue from the land transportation business totaled 32.11 million baht, an increase of 20.25 million baht, or 170.67%
- Gross Profit** - The Company achieved a gross profit of 39.46 million baht, representing a growth of 27.89% from 30.85 million baht in the same period last year, driven by the overall increase in revenue.
- EBITDA** - The Company reported an operating profit before interest, taxes, depreciation, and amortization (EBITDA) of 68.22 million baht, representing a growth of 36.32% from 50.04 million baht in the same period last year.
- Net Profit** - The Company reported a net profit of 14.72 million baht, representing a growth of 62.40% from 9.07 million baht in the same period last year. This increase is attributed to the overall rise in revenue.



## 2.2 Summary of Operational Performance for Q2/2024

Figure 1 : Marine Transportation Vol. (Unit : k. tons)

Figure 2 : Land Transportation Vol. (Unit : k. tons)



Note: The reported marine transportation volume excludes international Time Charter shipments (only COA and SPOT are included).

- The marine transportation volume in 2Q/2024 was 354.6 thousand tons, an increase of 1% YoY
- The land transportation volume in 2Q/2024 was 50.8 thousand tons, an increase of 186% YoY. This significant growth is due to the Company's investment in additional trucks and the commencement of revenue recognition from December 2023 onwards.

## 2.3 Income Statement for Q2/2024

Income Statement (Unit: million baht)	Q2-24	Q1-24	Q2-23	Change QoQ (%)	Change YoY (%)
Total revenue from services	228.27	229.81	184.77	-0.67%	23.54%
Cost of services	(188.81)	(188.56)	(153.91)	0.13%	22.67%
Gross Profit	39.46	41.24	30.85	-4.32%	27.89%
Other income	0.47	0.32	1.81	47.56%	-73.81%
Profit before expenses	39.93	41.57	32.67	-3.92%	22.25%
SG&A	(14.45)	(14.70)	(16.58)	-1.66%	-12.84%
Other expenses	(1.53)	(0.19)	(0.10)	705.24%	1377.90%
Total expenses	(15.98)	(14.89)	(16.68)	7.33%	-4.23%
Profit from operating activities	23.96	26.68	15.98	-10.20%	49.89%
Finance costs	(5.20)	(5.70)	(2.92)	-8.64%	78.42%
Profit before income tax expenses	18.75	20.98	13.07	-10.63%	43.52%
Tax expenses	(4.03)	(4.14)	(4.00)	-2.74%	0.73%
Profit for the period	14.72	16.84	9.07	-12.57%	62.40%

### 2.3.1 Explanation of changes in Operating Performance for Q2/2024

- Total revenue from services** - The Company reported total revenue from services of 228.27 million baht, representing a growth of 23.54% from 184.77 million baht in the same period last year. This growth was driven by two main factors: 1. Revenue from the marine transportation business, both domestic and international, amounted to 196.16 million baht, an increase of 23.25 million baht, or 13.45%. This includes a revenue increase of 3.37 million baht from domestic marine transportation and a 19.88 million baht increase from international marine transportation, largely due to the growth in revenue from Time Charter contracts. 2. The land transportation business generated 32.11 million baht, an increase of 20.25 million baht, or 170.67%, driven by the Company's expansion of land transportation services.
- Cost of services** - The Company incurred service costs of 188.81 million baht, an increase of 22.67% from 153.91 million baht in the same period last year. This increase aligns with the rise in revenue from services but at a lower rate, indicating that revenue growth outpaced the growth in costs. Additionally, the Company has improved its cost management efficiency. The cost of services to sales ratio (COGS to Sales) for Q2/2024 was 82.71%, down from 83.30% in the same period last year.
- Gross profit** - As a result, the Company achieved a gross profit of 39.46 million baht, representing a growth of 27.89% from 30.85 million baht in the same period last year, as detailed in the aforementioned factors.
- SG&A** - The Company incurred selling and administrative expenses of 14.45 million baht, a decrease of 12.84% from 16.58 million baht in the same period last year. This reduction is primarily due to the absence of expenses related to the preparation for the Company's listing on the stock exchange last year, such as public relations costs.
- Finance costs** - The Company incurred net financial costs of 5.20 million baht, an increase of 78.42% from 2.92 million baht in the same period last year. This increase is primarily due to the rise in long-term debt, which was used to finance the purchase of vessels and transportation trucks acquired in the third quarter of 2023.
- Net profit** - The Company reported a net profit of 14.72 million baht for the period, representing a growth of 62.40% from 9.07 million baht in the same period last year. This increase was driven by overall revenue growth and improved cost management efficiency.

### 2.3.2 Revenue by Segment for Q2/2024

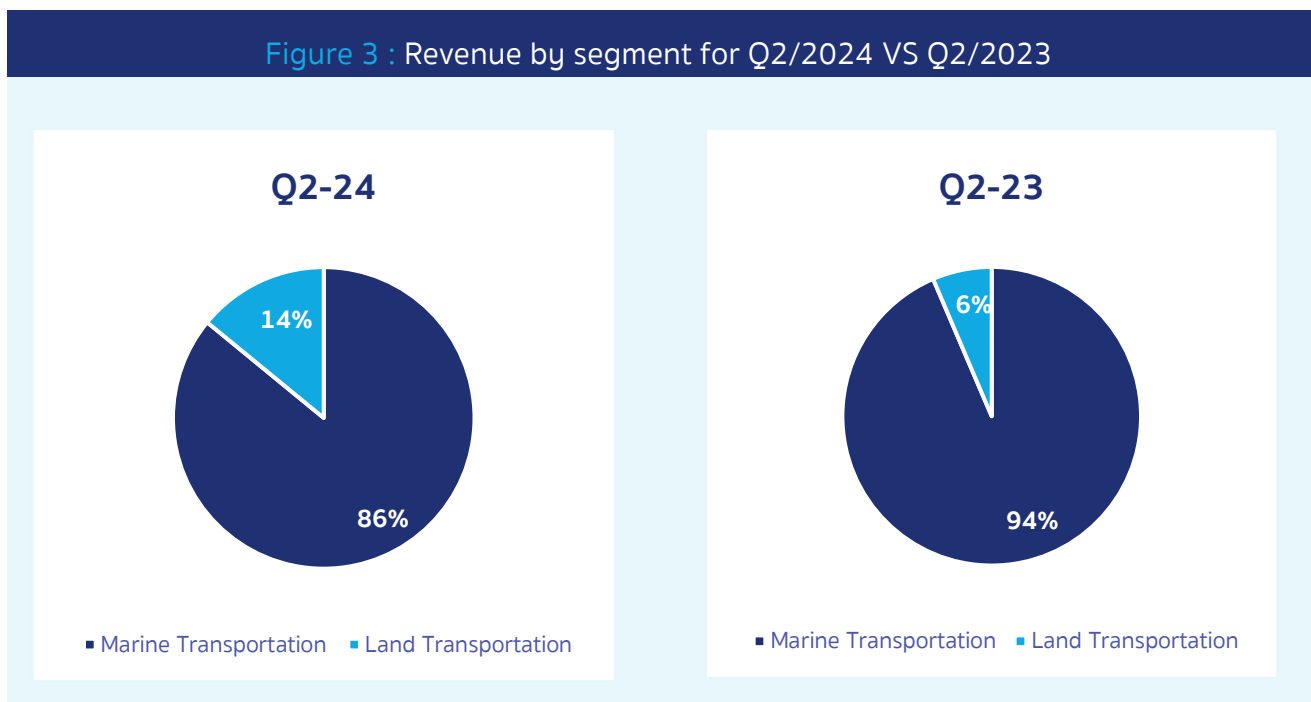
Revenue by Segment	Q2-24	Q1-24	Q2-23	Change QoQ (%)	Change YoY (%)
Marine Transportation	196.16	197.96	172.91	- 0.91%	13.45%
1.1 Domestic Marine Transportation	171.75	174.19	168.38	-1.41%	2.00%
COA <sup>1/</sup>	167.71	174.19	166.90	-3.73%	0.48%
SPOT <sup>2/</sup>	4.04	0.00	1.48	N/A	173.34%
1.2 International Marine Transportation	24.41	23.76	4.53	2.71%	439.00%
COA	0.00	0.50	4.53	N/A	N/A
SPOT	0.00	0.00	0.00	N/A	N/A
Time Charter <sup>3/</sup>	24.41	23.26	0.00	4.92%	N/A
Land Transportation	32.11	31.85	11.86	0.83%	170.67%
Domestic	32.11	31.85	11.86	0.83%	170.67%
International	0.00	0.00	0.00	N/A	N/A
<b>Total revenue from services</b>	<b>228.27</b>	<b>229.81</b>	<b>184.77</b>	<b>- 0.67%</b>	<b>23.54%</b>

หมายเหตุ : 1/ COA, or Contract of Affreightment, refers to a transportation agreement made in advance for the shipment of goods over a specified period.

<sup>2/</sup> Spot refers to a Spot Charter, which is a single voyage charter where transportation services are hired on a per-trip basis according to the customer's needs.

<sup>3/</sup> Time Charter refers to a contract for the transportation of goods for a specified period. It involves the leasing of a vessel for a set duration, during which the charterer or customer has the right to use the vessel.

Figure 3 : Revenue by segment for Q2/2024 VS Q2/2023



From figure 3 : Revenue Breakdown by Segment for Q2/2024, The Company reported total revenue from services of 228.27 million baht, representing a growth of 23.54% compared to the same period last year. Revenue from the marine transportation segment accounted for 86.0% of total revenue, while revenue from the land transportation segment made up 14.0% of total revenue, an increase from 6.0% in the same period last year.

**Figure 4: Revenue by Geographical Region Q2/2024 VS. Q2/2023**



From figure 4: The Company's proportion of revenue from international services increased to 11% of total revenue (up from 2% in the same period last year). This growth was driven by an increase in Time Charter contracts with international clients. The Company remains committed to further expanding revenue from Time Charter services in the future.



## 2.4 Income Statement for 6M/2024

Income Statement (Unit: million baht)	6M-24	6M-23	Change YoY (%)
Total revenue from services	458.08	385.56	18.81%
Cost of services	(377.38)	(312.34)	20.82%
Gross Profit	80.70	73.22	10.22%
Other income	0.80	2.20	-63.89%
Profit before expenses	81.50	75.43	8.05%
SG&A	(29.15)	(30.66)	-4.92%
Other expenses	(1.71)	(0.11)	1427.15%
Total expenses	(30.86)	(30.77)	0.30%
Profit from operating activities	50.64	44.66	13.39%
Finance costs	(10.90)	(6.56)	66.24%
Profit before income tax expenses	39.74	38.10	4.30%
Tax expenses	(8.17)	(8.93)	-8.52%
Profit for the period	31.56	29.17	8.22%

### 2.4.1 Explanation of changes in Operating Performance for 6M/2024

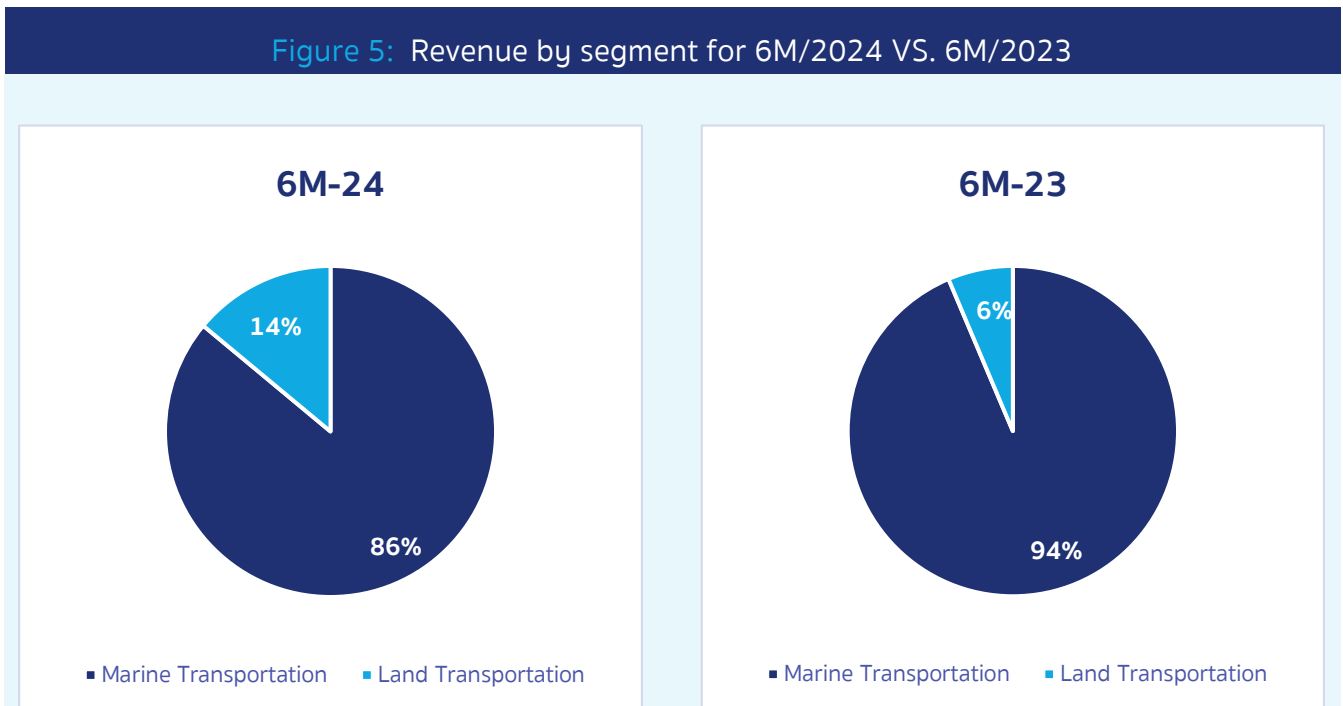
- Total revenue from services** - The Company generated total revenue from services of 458.08 million baht, representing an 18.81% growth from 385.56 million baht in the same period last year. This growth was driven by two main factors: 1. Revenue from the marine transportation business, both domestic and international, amounted to 394.12 million baht, an increase of 33.11 million baht, or 9.17%. This increase was primarily due to the growth in Time Charter contracts with international clients, which added 39.94 million baht in revenue. However, this was partially offset by a decline in domestic marine transportation revenue by 6.83 million baht and 2. The land transportation business generated 63.96 million baht, an increase of 39.40 million baht, or 160.45%, driven by the expansion of land transportation services.
- Cost of services** - The Company incurred service costs of 377.38 million baht, an increase of 20.82% from 312.34 million baht in the same period last year. This increase is in line with the growth in revenue. The rise in costs was primarily due to higher fuel costs, increased transportation expenses, and additional personnel expenses needed to support services under new contracts. Additionally, depreciation expenses increased because of the Company's investment in new vessels and transport trucks.

- **Gross profit** - The Company reported a gross profit of 80.70 million baht, representing a growth of 10.22% from 73.22 million baht in the same period last year. The gross profit margin was 17.62%, down from 19.00% in the previous year. The decline in the gross profit margin was primarily due to the increase in global oil prices in 2024, which led to higher average prices for fuel oil used in some maritime operations. Meanwhile, the Thai government continued to freeze diesel oil prices in the first quarter of 2024. This situation affects the difference between diesel oil which determined the sale price according to the contract of domestic marine transportation and fuel oil cost had decreased. This compression of fuel price margins contributed to the decrease in the gross profit margin.
- **SG&A** - The Company incurred selling and administrative expenses of 29.15 million baht, a decrease of 4.92% from 30.66 million baht in the same period last year. This reduction is primarily due to the absence of costs associated with the Company's preparation for the stock market listing in the previous year, such as financial advisory fees and public relations expenses.
- **Finance costs** - The Company incurred net financial costs of 10.90 million baht, an increase of 66.24% from 6.56 million baht in the same period last year. This increase was primarily due to the rise in long-term debt, which was used to finance the purchase of vessels and transport trucks acquired in the third quarter of 2023.
- **Net profit** - The Company reported a net profit of 31.56 million baht for the six-month period, representing a growth of 8.22% from 29.17 million baht in the same period last year. This increase was driven by overall revenue growth.

### 2.4.2 Revenue by Segment for 6M/2024

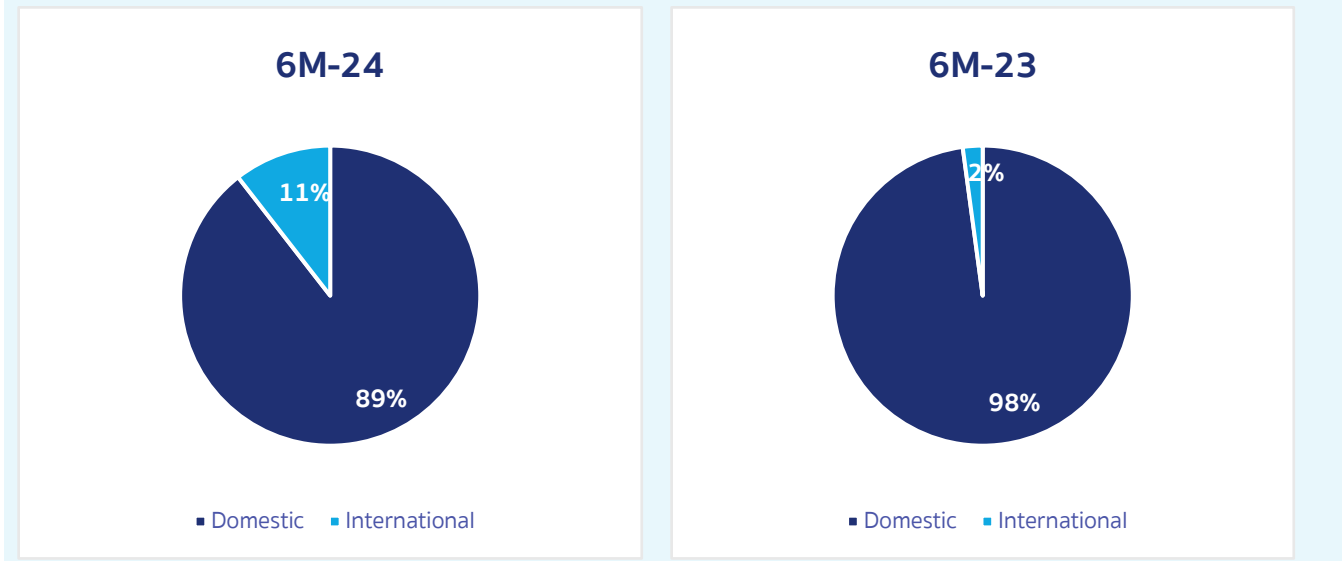
Revenue by Segment	6M-24	6M-23	Change YoY (%)
Marine Transportation	394.12	361.01	9.17%
1.1 Domestic Marine Transportation	345.94	352.77	-1.94%
COA	341.90	349.79	-2.26%
SPOT	4.04	2.98	35.70%
1.2 International Marine Transportation	48.17	8.24	484.91%
COA	0.50	8.24	-93.94%
SPOT	0.00	0.00	N/A
Time Charter	47.67	0.00	N/A
Land Transportation	63.96	24.56	160.45%
Domestic	63.96	24.56	160.45%
International	0.00	0.00	N/A
<b>Total revenue from services</b>	<b>458.08</b>	<b>385.56</b>	<b>18.81%</b>

Figure 5: Revenue by segment for 6M/2024 VS. 6M/2023



From figure 5 : Revenue Breakdown by Segment for the Six-Month Period of 2024, The Company reported total revenue from services of 394.12 million baht, representing a growth of 9.17% compared to the same period last year. Revenue from the marine transportation segment accounted for 86% of total revenue, while revenue from the land transportation segment made up 14% of total revenue, an increase from 6% in the same period last year.

**Figure 6: Revenue by Geographical Region 6M/2024 VS. 6M/2023**



From figure 6 : The Company's revenue proportion from international services increased to 11% of total revenue (up from 2% in the same period last year). This increase was driven by a rise in Time Charter contracts with international clients. The Company is committed to further expanding revenue from Time Charter services in the future.

PLT, delivered outstanding performance compared to the previous year in both revenue and profit. In Q2/2024, the Company achieved revenue growth of 228.27 million baht, representing a 23.54% increase from 184.77 million baht in the same period last year. The growth was driven by the following factors: 1. Domestic marine transportation business grew by 2% YoY. 2. International marine transport saw a remarkable 439% YoY increase. And 3. Domestic land transportation grew by 171% resulting from investments made in 2023.





### Domestic Marine Transportation

Revenue of 171.75 million baht, an increase of 2.00% YoY



### International Marine Transportation

Revenue of 24.41 million baht, an increase of 439.00% YoY from Time Charter with international client.



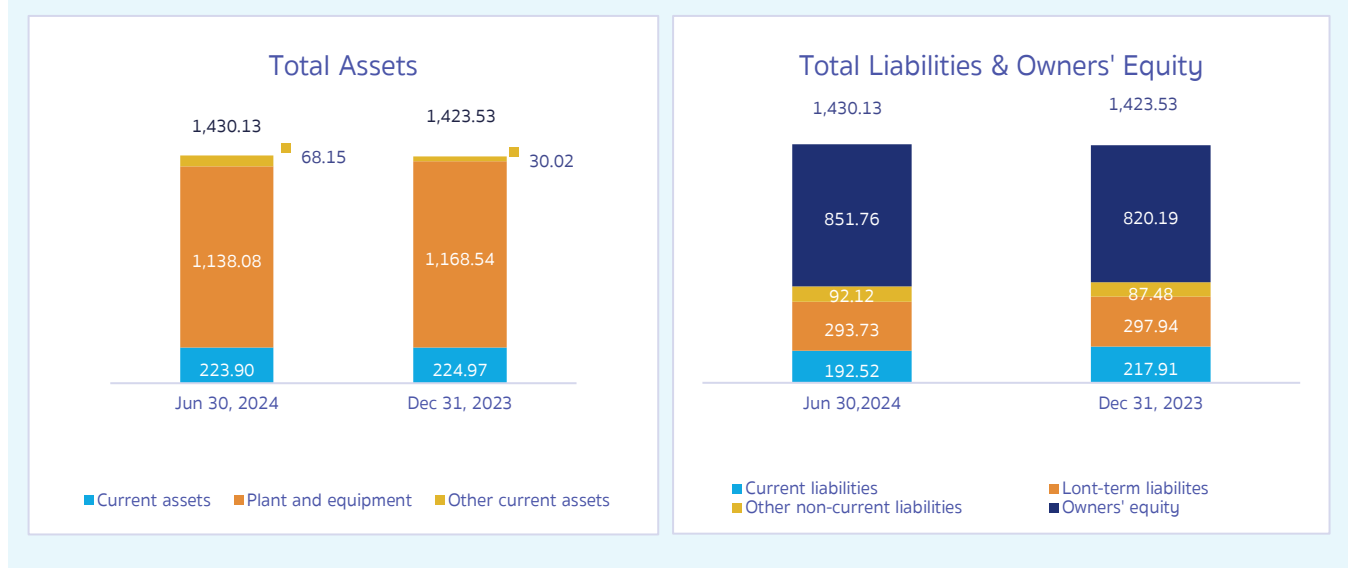
### Land Transportation

Revenue of 32.11 million baht, an increase of 170.67% YoY from the expansion of land transportation services



## 3. Balance Sheet

Figure 7: Balance Sheet as of June 30, 2024, VS. as of 31 December 2023



### Assets

As of June 30, 2024, the Company and its subsidiaries had total assets of 1,430.13 million baht, representing a 0.46% increase from 1,423.53 million baht as of December 31, 2023. The changes in assets are detailed as follows:

- Current assets decreased by 1.06 million baht, primarily due to a reduction of 2.2 million baht in trade receivables and other current receivables.
- Plant and equipment (net) decreased by 30.46 million baht due to depreciation expenses for the period. During the period, the Company sold one vessel and purchased a new vessel to replace the old one.
- Other non-current assets increased by 38.13 million baht, primarily due to a partial advance payment of 39.67 million baht for the purchase of a new vessel. Meanwhile, bank deposits with obligations decreased by 4.32 million baht due to the release of deposits previously used as collateral for a Letter of Guarantee issued by the bank.

### Liabilities

As of June 30, 2024, the Company and subsidiaries had total liabilities of 578.37 million baht, a decrease of 4.14% from 603.33 million baht as of December 31, 2023. The changes in liabilities are detailed as follows:

- Current liabilities decreased by 25.39 million baht as there are 2 vessels reaching maturity date specified in the lease contracts in the first quarter of 2024
- Long-term liabilities decreased by 4.21 million baht due to scheduled repayments of long-term debt.
- Other non-current liabilities increased by 4.64 million baht due to an increase in deferred tax liabilities.

### Owners' Equity

As of June 30, 2024, the Company and subsidiaries had shareholders' equity of 851.76 million baht, representing an increase of 3.85% from 820.19 million baht as of December 31, 2023. This increase was primarily due to the profit generated from operations in the second quarter of 2024.



## 4. Cash Flow Statement

Transaction	June 30, 2024	June 30, 2023
Net cash provided by operating activities	133.73	114.37
Net cash provided by (used in) investing activities	(96.55)	(155.83)
Net cash provided by (used in) financing activities	(36.48)	365.42
Net increase in cash and cash equivalents	0.71	323.95
Cash and cash equivalents as at the beginning of the year	117.31	26.03
Unrealized profit (loss) on exchange rate	(0.29)	0.00
Cash and cash equivalent as at the end of the period	117.73	349.98

The Company had a net cash balance at the beginning of the period on January 1, 2024, of 117.31 million baht. Net cash generated from operating activities amounted to 140.10 million baht. After deducting cash payments for employee benefits of 0.72 million baht and income tax payments of 5.64 million baht, the Company had net cash from operating activities totaling 133.73 million baht. The Company used net cash of 96.55 million baht in investing activities, with significant expenditures including Dry Dock, partial advance payments for the purchase of a new vessel, and fees for land use rights for transportation operations. Additionally, the Company used net cash of 36.48 million baht in financing activities, primarily for the repayment of long-term loans, lease liabilities, and interest payments. In summary, the Company had a net cash balance at the end of the period on June 30, 2024, of 117.73 million baht.

## 5. Sustainability Commitment



Pilatus Marine Public Company Limited has established clear and effective operational guidelines aimed at achieving sustainable growth while simultaneously reducing negative environmental impacts in a tangible manner. The Company recognizes the importance of strictly adhering to environment laws and regulations, which serve as a fundamental basis for business operations.

Currently,



- Currently, one of the Company's key policies is the efficient use of resources and energy. The Company is committed to environmental protection by minimizing unnecessary resource consumption and preventing pollution that may arise from business operations. Additionally, the Company places significant emphasis on promoting and developing innovations for environmental sustainability, creating new methods that help reduce environmental impact.
- The Company has actively pursued environmental goals with a strong commitment and has implemented measures to reduce water pollution through the management of ballast water in accordance with international standards and has systematically reduced waste by adhering to the 7R principles (Refuse, Refill, Return, Repair, Reuse, Recycle, Reduce). This systematic approach effectively minimizes environmental impact. Additionally, the Company has transitioned to using low-sulfur fuels, such as Marine Gas Oil (MGO), and has promoted the use of LED lighting to reduce air pollution and greenhouse gas emissions.

In the Future,



The Company places great importance on responsibility towards all stakeholders, whether directly or indirectly involved with the Company. The Company is committed to identifying additional sustainability benchmarks at international standards to enhance the efficiency and quality of marine and land transportation services. Furthermore, the Company is dedicated to minimizing any potential negative impacts it may cause, ensuring that all operational planning supports sustainable growth in the future.