



**JWD InfoLogistics Public Company Limited**  
**Management Discussion and Analysis 2Q/2019**

(Unit : MM THB)	Six-month Period		+/(-)%	Quarter 2		+/(-)%
	2018	2019		2018	2019	
Total Revenues	1,445.7	1,766.2	22.2	780.8	869.4	11.3
Revenue from rental and rendering of services	1,414.7	1,708.9	20.8	760.1	830.3	9.2
Gross Profit	378.6	479.1	26.5	192.6	232.5	20.7
Gross Margin (%)	26.8%	28.0%	1.2%	25.3%	28.0%	2.7%
Interest income, Dividend income and Other income	31.1	57.4	84.6	20.7	39.1	88.9
Share of profit (loss) of investments in associates and joint ventures	(3.7)	61.5	1,761.1	(2.1)	19.0	1,024.9
Net profit attributable to owners of the Company	90.4	169.0	86.9	48.7	79.8	63.9
Net Profit Margin (%)*	6.3%	9.6%		6.2%	9.2%	

\* Net Profit Margin = Net profit attributable to owners of the Company / Total revenue

The performance for the six-month period ended June 30, 2019, the company had total revenues for the six-month period ended June 30, 2019, of Baht 1,766.2 million, improved by Baht 320.5 million or 22.2% from the same period previous year. The company generated revenue from rental and rendering of services of Baht 1,708.9 million, higher than that of last year by Baht 294.2 million or 20.8%. For Q2/2019, the company had total revenues of Baht 869.4 million, improved by Baht 88.6 million or 11.3% from the same period previous year. The company generated revenue from rental and rendering of services of Baht 830.3 million, higher than that of last year by Baht 70.2 million or 9.2%. The increased revenue was mainly due to higher revenue from warehouse and yard management business, transportation business and food service business.

The Company had gross profit for the six-month period ended June 30, 2019, of Baht 479.1 million, gross profit margin was 28.0% which increased by Baht 100.5 million, or 26.5% compared to the same period of previous year, where gross profit was Baht 378.6 Million. For Q2/2019, the company had gross profit of Baht 232.5 million, gross profit margin was 28.0% increased by Baht 39.9 million, or 20.7% compared to the same period of previous year, where gross profit was Baht 192.6 Million. The increased gross profit was mainly resulted from warehouse and yard management business, transportation and distribution business and food service business.



The Company had interest income, dividend income and other income for the six-month period ended June 30, 2019, of Baht 57.4 million, improved by Baht 26.3 million or 84.6% compared to the same period previous year which was Baht 31.1 million. For Q2/2019, the company had interest income, dividend income and other income of Baht 39.1 million, improved by Baht 18.4 million or 88.9% from the same period previous year. This mainly resulted from the interest on convertible bonds and interest from overseas associates

The Company had share of profit of investments in associates and joint ventures for the six-month period ended June 30, 2019, of Baht 61.5 million, improved by Baht 65.2 million or 1,761.1% compared to the same period previous year. For Q2/2019, the company had share of profit of investments in associates and joint ventures of Baht 19.0 million, improved by Baht 21.1 million or 1,024.9% from the same period previous year. This mainly resulted from equity income from Phnom Penh SEZ Plc. (PPSEZ) in Cambodia and Transimex Corporation (TMS) in Vietnam.

Revenue and gross profit margin by business can be summarized as follows:

Revenue	(MM THB) Six-month Period		% of Total Revenue	(MM THB) Three-month Period		% of Total Revenue
	2018	2019		2018	2019	
1. Warehouse and Yard Management	903.3	988.6	57.8	456.3	494.6	59.6
2. Transportation and Distribution	232.5	249.2	14.6	122.1	120.1	14.5
3. Moving Service	147.3	128.2	7.5	80.5	62.0	7.5
4. Record and information Management	52.1	55.2	3.2	25.3	27.3	3.3
5. Food Services	71.6	268.0	15.7	71.6	116.1	14.0
6. Other Services	7.9	19.7	1.2	4.3	10.3	1.2
<b>Total</b>	<b>1,414.7</b>	<b>1,708.9</b>	<b>100.0</b>	<b>760.1</b>	<b>830.3</b>	<b>100.0</b>

Gross Margin	(MM THB) Six-month Period		% of Gross Margin	(MM THB) Three-month Period		% of Gross Margin
	2018	2019		2018	2019	
1. Warehouse and Yard Management	289.3	368.1	37.2	148.9	184.1	37.2
2. Transportation and Distribution	33.9	40.6	16.3	15.7	17.6	14.6
3. Moving Service	35.5	34.3	26.8	19.6	17.9	28.9
4. Record and Information Management	26.9	25.1	45.5	12.5	12.3	45.0
5. Food Services	5.2	24.3	9.1	5.2	8.0	6.9
6. Other Services	(12.2)	(13.4)	(67.7)	(9.3)	(7.4)	(71.5)
<b>Total</b>	<b>378.6</b>	<b>479.1</b>	<b>28.0</b>	<b>192.6</b>	<b>232.5</b>	<b>28.0</b>



## Financial Performance Analysis

### 1. Warehouse and Yard Management

Revenue	(MM THB) Six-month Period		% of Total Revenue
	2018	2019	
General Goods	161.9	169.6	9.9
Dangerous Goods	248.1	284.9	16.7
Automotive	209.9	230.0	13.5
Cold Storage	283.4	304.1	17.8
<b>Total</b>	<b>903.3</b>	<b>988.6</b>	<b>57.8</b>

(MM THB) Three-month Period		% of Total Revenue
2018	2019	
75.1	86.9	10.5
125.6	145.4	17.5
104.3	114.3	13.8
151.3	148.0	17.8
<b>456.3</b>	<b>494.6</b>	<b>59.6</b>

Gross Margin	(MM THB) Six-month Period		% of Gross Margin
	2018	2019	
General Goods	15.9	38.2	22.5
Dangerous Goods	105.5	130.4	45.8
Automotive	67.0	76.6	33.3
Cold Storage	100.9	122.8	40.4
<b>Total</b>	<b>289.3</b>	<b>368.1</b>	<b>37.2</b>

(MM THB) Three-month Period		% of Gross Margin
2018	2019	
2.4	20.9	24.1
52.9	65.1	44.7
32.9	38.7	33.8
60.7	59.5	40.2
<b>148.9</b>	<b>184.1</b>	<b>37.2</b>

#### 1.1 General Goods

Revenue of general goods warehouse management service for the six-month period ended June 30, 2019, was Baht 169.6 million, consisted of revenues from storage Baht 91.6 million, handling service Baht 42.6 million, custom clearance service Baht 9.1 million and other value added services Baht 26.3 million. Total revenue increased by Baht 7.7 million or 4.8% from that of the previous year. For Q2/2019, the Company had revenue from general goods warehouse management service Baht 86.9 million, higher than that of last year by Baht 11.8 million or 15.7%. This mainly resulted from the increase of volume of storage and valued added service.

Gross profit of general goods warehouse management service for the six-month period ended June 30, 2019 was Baht 38.2 million, gross profit margin increased by Baht 22.3 million, or 140.3% compared to the same period previous year where gross profit was Baht 15.9 million and gross profit margin was 9.8%. For Q2/2019, the company had gross profit for the three-month period ended June 30, 2019 was Baht 20.9 million, gross profit margin was 24.1%, increased by Baht 18.5 million or 770.8% from the same period last year which was mainly due to the increase in the volume of storage and value added service.



## 1.2 Dangerous Goods

Revenue of dangerous goods warehouse management service for the six-month period ended June 30, 2019 was Baht 284.9 million, consisted of revenue from yard management of Baht 278.5 million and from warehouse management of Baht 6.3 million. Total revenue was increased by Baht 36.8 million or 14.8%. The quantity of dangerous goods throughput for the six-month period ended June 30, 2019 was 88,714 TEU\*, increased by 5.2% from previous year. For Q2/2019, revenue for the three-month period ended June 30, 2019 was 145.4 million, higher than that of last year by Baht 19.7 million or 15.7%. This is further complimented by the increase of average storage revenue per TEU\* in the current period.

Volume	Six-month Period	
	2018	2019
Yard (TEU*)	84,307	88,714
Warehouse (Revenue Ton)	7,524	10,293

\*TEU (Twenty Equivalent Unit) is 20-foot equivalent containers.

Gross profit of dangerous goods warehouse management service for the six-month period ended June 30, 2019 was Baht 130.4 million, gross profit margin was 45.8%, higher than that of previous year by Baht 24.9 million, or 23.6%. For Q2/2019, gross profit for the three-month period ended June 30, 2019 was Baht 65.1 million, gross profit margin was 44.7%, increased by Baht 12.2 million, or 23.1% compared to the same period previous year where gross profit was Baht 52.9 million and gross profit margin was 42.1%. This mainly resulted from the increased of dangerous goods throughput and longer of storage time.

## 1.3 Automotive

For the six-month period ended June 30, 2019, the Company had revenue from automotive yard management of Baht 230.0 million, consists of revenue from storage of Baht 122.1 million and revenue from service rendering of Baht 107.8 million, which was increase by Baht 20.2 million or 9.6 from previous year. For Q2/2019, revenue for the three-month period ended June 30, 2019 was 114.3 million, higher than that of last year by Baht 10.1 million or 9.7%.

Gross profit for the six-month period ended June 30, 2019 was Baht 76.6 million, gross margin was 33.3% increased by Baht 9.6 million, or 14.3% compared to the same period previous year where gross profit was Baht 67.0 million and gross profit margin was 31.9%. For Q2/2019, gross profit for the three-month period ended June 30, 2019 was Baht 38.7 million and gross profit margin was 33.8% increased from that of last year by Baht 5.8 million, or 17.6%, where gross profit was Baht 32.9 million and gross profit margin was 31.5%.



Average occupancy rate, excluding on-site area, for the six-month period ended June 30, 2019 was 89.1%, increased from that of previous year which was 85.0%

#### 1.4 Cold Storage

The Company had revenue from cold storage management for the six-month period ended June 30, 2019 of Baht 304.1 million, higher from that of previous year by Baht 20.7 million, or 7.3%. For Q2/2019, the company had revenue from cold storage management Baht 148.0 million, decreased than that of last year by Baht 3.3 million or 2.2%. This mainly resulted from the seasonality of some product categories.

Gross profit from cold storage management for the six-month period ended June 30, 2019 was Baht 122.8 million and gross profit margin was 40.4%, increased by Baht 21.9 million or 21.7% compared with the same period last year where gross profit was Baht 100.9 million and gross profit margin was 35.6%. For Q2/2019, gross profit for the three-month period ended June 30, 2019 was Baht 59.5 million and gross profit margin was 40.2 %, decreased from that of last year by Baht 1.2 million, or 2.0%, where gross profit was Baht 60.7 million and gross profit margin was 40.1%.

Average occupancy rate for the six-month period ended June 30, 2019 was 78.2%, decreased from that of previous year which was 83.4%. And the average rate for the three-month period ended June 30, 2019 was 78.6%, decreased from that of previous year which was 87.8%.

## **2. Transportation and Distribution Service**

For the six-month period ended June 30, 2019, the Company had revenue from transportation and distribution service of Baht 249.2 million which can be divided by product category as general goods at Baht 43.9 million, dangerous goods at Baht 65.2 million, automotive at Baht 77.4 million, temperature-controlled product at Baht 22.8 million, cross-border at Baht 15.1 million and lift on-lift off activities for rail transportation at Baht 24.8 million. The revenue increased by Baht 16.7 million or 7.2%. This mainly resulted from the increase of transportation volume of dangerous goods, automotive, cross border and lift on – lift off activities for rail transportation. For Q2/2019, revenue for the three-month period ended June 30, 2019 was Baht 120.1 million, decreased from that of last year by Baht 2.0 million or 1.6%.

Gross profit of this service for the six-month period ended June 30, 2019 was Baht 40.6 million and gross profit margin was 16.3%, increased by Baht 6.7 million or 19.8% compared to that of last year where gross profit was Baht 33.9 million and gross profit margin was 14.6%. For Q2/2019, gross profit for the three-month period



ended June 30, 2019 was Baht 17.6 million and gross profit margin was 14.6%, increased from that of last year by Baht 1.9 million, or 12.1%, where gross profit was Baht 15.7 million and gross profit margin was 12.9%

### 3. Domestic and International Moving Service

For the six-month period ended June 30, 2019, the Company had revenue from domestic and international moving service of Baht 128.2 million consisted of revenue from household moving service at Baht 69.2 million, office moving service at Baht 7.2 million, factory moving service at Baht 15.3 million, fine arts and exhibition items moving service at Baht 4.2 million and other services at Baht 32.3 million. Total revenue decreased by Baht 19.1 million or 13.0% from that of the previous year. For Q2/2019, revenue for the three-month period ended June 30, 2019 was Baht 62.0 million, decreased from that of last year by Baht 18.5 million or 23.0%.

Gross profit for the six-month period ended June 30, 2019 was Baht 34.3 million and gross profit margin was 26.8%, decreased by Baht 1.2 million or 3.4% compare to that of last year. For Q2/2019, gross profit for the three-month period ended June 30, 2019 was Baht 17.9 million and gross profit margin was 28.9%, decreased from that of last year by Baht 1.7 million, or 8.7%, where gross profit was Baht 19.6 million and gross profit margin was 24.3%.

### 4. Record and Information Management

For the six-month period ended June 30, 2019, the Company had revenue from the record and information management service of Baht 55.2 million, which can be divided into storage revenue at Baht 45.4 million and handling service and transportation at Baht 9.7 million. Total revenue increased by Baht 3.1 million or 6.0% from to the same period of previous year. For Q2/2019, revenue for the three-month period ended June 30, 2019 was Baht 27.3 million, higher than that of last year by Baht 2.0 million or 7.9%. The quantity of boxes and files kept in warehouse are as follows:

Quantity (Unit)	Six-month Period	
	2018	2019
Boxes	868,926	905,265
Files	9,561,224	10,701,966
Scan	1,236,060	2,858,067



Gross profit for the six-month period ended June 30, 2019 was Baht 25.1 million and gross profit margin was 45.5%, decreased by Baht 1.8 million or 6.7% from that of previous year which gross profit was Baht 26.9 million and gross profit margin was 51.6%. For Q2/2019, gross profit for the three-month period ended June 30, 2019 was Baht 12.3 million and gross profit margin was 45.0%, slightly decreased by Baht 0.2 million or 1.6% from that of previous year, where gross profit was Baht 12.5 million and gross profit margin was 49.4%. This mainly resulted from the expansion of additional warehouse space in Laem Chabang and the relocation cost of documents to this new location which had already completed in Q2/2019.

## 5. Food Service Business

The company had started consolidating revenue and profit since May 2018, the revenue for the six-month period ended June 30, 2019 from food service business was Baht 268.0 million with gross profit of Baht 24.3 million, and gross profit margin of 9.1%. The gross profit was increased from the previous year by Baht 19.1 million or 367.3 %, where gross profit was Baht 5.2 million or 7.2%. For Q2/2019, revenue for the three-month period ended June 30, 2019 was Baht 116.1 million with gross profit of Baht 8.0 million or 6.9%. The gross profit was increased from the previous year by Baht 2.8 million or 53.8%.

## 6. Other Services

For the six-month period ended June 30, 2019, the company had revenue from other services of Baht 19.7 million, increased by Baht 11.8 million, or 149.4% from that of the last year.

### Share of profit (loss) of investments in associates and joint ventures

The Company had equity income from investment in associates and joint ventures for the six-month period ended June 30, 2019 of Baht 61.5 million, increased by Baht 65.2 million or 1,761.1% from that of the last year. For Q2/2019, the company had share of profit of investments in associates and joint ventures of Baht 19.0 million, improved by Baht 21.1 million or 1,024.9% from the same period previous year. The company currently has following important investments in associates and joint ventures, i.e., cold and general warehouses in Laos and Cambodia, Phnom Penh Special Economic Zone (PPSEZ), Bok Seng PPSEZ Dry port, cold storage Adib Cold Logistics (ACL) in Indonesia which the company jointly acquired with Samudera Group, JWD Bokseng Logistics doing business in project cargo, CJ JWD Logistics doing business in e-commerce logistics and Transimex Corporation (TMS) in Vietnam.



### Other income

The Company had income from investment and other operation for six-month period ended June 30, 2019 of Baht 57.4 million, increased by Baht 26.3 million, or 84.6% from that of the last year. For Q2/2019, income from investment and other operation was 39.1 million, higher than that of last year by Baht 18.4 million or 88.9%. This mainly resulted from interest on convertible bonds and interest from overseas associates.

### Selling and Administrative Expenses

For the six-month period ended June 30, 2019, the company had selling and administrative expenses of Baht 353.7 million, increased from that of previous year by Baht 94.1 million, or 36.2%. For Q2/2019 ended June 30, 2019, selling and administrative expense was Baht 181.1 million, increased from that of previous year by Baht 46.6 million, or 34.6%. This resulted from one-time expense items, i.e., advisory fee for TMS acquisition and additional employee benefit provision as a result of the amendment of labour law, as well as from the increase of employee expenses and administrative expenses of expanded domestic and international businesses.

### Finance Cost

For the six-month period ended June 30, 2019, the company had finance cost of Baht 51.7 million, increased by Baht 14.3 million, or 38.1% compared with that of previous year. For Q2/2019 ended June 30, 2019, finance cost was Baht 26.0 million, increased from that of previous year by Baht 6.1 million, or 30.7%. This mainly resulted from loans to finance business acquisition in Vietnam.

### Net Profit

The Company had net profit attributable to owners of the Company for the six-month period ended June 30, 2019, of Baht 169.0 million, higher than the previous year by Baht 78.6 million, or 86.9%. For Q2/2019 ended June 30, 2019 the company had net profit attributable to owners of the Company of Baht 79.8 million, higher than the previous year by Baht 31.1 million, or 63.9% .





## Statement of Financial Position

	6,357.5		6,357.5		
Current Assets	1,991.0		1,603.7		
Investment Properties	894.0		1,252.7		
PPE	1,922.0		333.6		
Other Non-Current Assets	1,550.5		3,167.5		
	As at December 31, 2018				
			6,912.2		6,912.2
	1,686.6		2,222.0		Current Liabilities
	890.9		1,244.4		Long-Term Loans
	2,124.0		350.4		Other Non-Current Liabilities
	2,210.7		3,095.4		Shareholder's Equity
			As at June 30, 2019		

### Assets

As at June 30, 2019, the Company had total assets of Baht 6,912.2 million, increased from December 31, 2018 by Baht 554.7 million, or 8.7% which was mainly from investment in associates.

The Company's assets mainly consist of non-current assets especially property, plant and equipment and investment properties amounted 30.7 % and 12.9% of total assets, respectively.

#### Current Assets

As at June 30, 2019, current asset was Baht 1,686.6 million, decreased by Baht 304.4 million from December 31, 2018. This mainly resulted from the decreases in short-term loans to related parties and other parties of Baht 181.8 million and trade receivables of Baht 85.6 million.

#### Non-Current Assets

As at June 30, 2019, non-current assets was Baht 5,225.6 million, increased by Baht 859.1 million from December 31, 2018. This mainly resulted from changes in investment in associates, other long-term investments, long-term loans to related parties and property, plant and equipment.



## Liabilities

As at June 30, 2019, the Company had total liabilities of Baht 3,816.9 million, increased from December 31, 2018 by Baht 627.0 million or 19.7 %. This mainly resulted from the increases in bank overdrafts and short-term borrowings from financial institutions.

### **Current Liabilities**

As at June 30, 2019, current liabilities was Baht 2,222.0 million, increased by Baht 618.3 million from December 31, 2018, which was mainly from the increase in bank overdrafts and short-term borrowings from financial institutions.

### **Non-Current Liabilities**

As at June 30, 2019, non-current liabilities was Baht 1,594.9 million, increased by Baht 8.6 million from December 31, 2018, which was mainly due to the liabilities under finance lease agreements.

## Shareholder's Equity

As at June 30, 2019, shareholder's equity was Baht 3,095.4 million, decreased by Baht 72.2 million from December 31, 2018. The company paid dividends for the year 2018 in cash at Baht 214.2 million.

## Statement of Cash Flows

(Unit : MM THB)	Six-month Period		Three-month Period	
	2018	2019	1/2019	2/2019
Cash and Cash Equivalents at 1 January	1,218.8	456.4	456.4	423.4
Net Cash from / (used in) Operating Activities	76.1	316.6	171.5	145.1
Net Cash from / (used in) Investing Activities	(967.4)	(707.2)	(617.9)	(89.3)
Net Cash from / (used in) Financing Activities	122.1	356.7	407.9	(51.2)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(769.2)</b>	<b>(33.9)</b>	<b>(38.5)</b>	<b>4.6</b>
Impact of foreign exchange rates	(6.9)	9.9	2.9	7.0
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(776.1)</b>	<b>(24.0)</b>	<b>(35.6)</b>	<b>11.6</b>
Cash included in disposal assets group classified as held for sales	(1.5)	2.6	2.6	-
<b>Cash and Cash Equivalents at 30 June</b>	<b>441.2</b>	<b>435.0</b>	<b>423.4</b>	<b>435.0</b>



### Cash flows from operating activities

For the six-month period ended June 30, 2019, the Company had net cash from operating activities of Baht 316.6 million which was mainly resulted from an increase in profit from operation.

### Cash flows from investing activities

For the six-month period ended June 30, 2019, net cash used in investing activities was Baht 707.2 million, which was mainly resulted from cash paid for investments in associates and joint ventures, cash paid for purchase of property, plant and equipment and cash paid for purchases of other long-term investments.

### Cash flows from financing activities

For the six-month period ended June 30, 2019, the Company had net cash from in financing activities of Baht 356.7 million, which was mainly resulted from bank overdrafts and loans from financial institutions.

### Key Financial Ratios

	Six-month Period	
	2018	2019
Gross Margin (%)	26.8%	28.0%
Net Profit Margin (%)	6.3%	9.6%
Current Ratio (Times)	1.01	0.76
Liability to Equity (Times)	1.00	1.23
Interest Bearing Debt to Equity (Times)	0.70	0.55

Note:

Gross Margin	= Gross Profit / Rental income and revenue from rendering of services
Net Profit Margin	= Net profit attributable to owners of the Company / Total revenue
Current Ratio	= Current Asset / Current Liabilities
Liability to Equity	= Total Liabilities / Shareholder's Equity
Interest Bearing Debt to Equity	= Interest Bearing Debt / Shareholder's Equity