



บริษัท อาม่า มารีน จำกัด (มหาชน)
AMA MARINE PUBLIC CO., LTD.

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA007/2023

May 9, 2023

Subject: 1Q2023 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

1Q2023 Management Discussion and Analysis

Executive Summary

International marine logistics service

The International marine logistics service reported an increase in revenue of Baht 141.72 million or 50.21% YoY to record at Baht 423.98 million due to better average freight rate by 37.57% and higher fleet utilization rate while the fuel price dropped. As a result, the gross profit climbed by Baht 105.68 million or 905.52% YoY, or a gross profit margin of 22.17%, corresponding to an increase in net profit of Baht 89.43 million or 284.79% YoY.

Domestic land logistics service

The domestic land logistics service reported additional services income of Baht 11.95 million or 3.75% YoY to record at Baht 330.33 million. The gross profit margin in 1Q2023 was 14.78%, down from 18.79% YoY. This was primarily triggered by a decreased freight rate because of price competition in the transportation sector. Additionally, maintenance expenses due to fleets of vehicles with longer lifespans, and considerably rising tire and spare part prices, which forced the corporation to raise costs in line.

Table 1: Key Financial Results

unit: million Baht

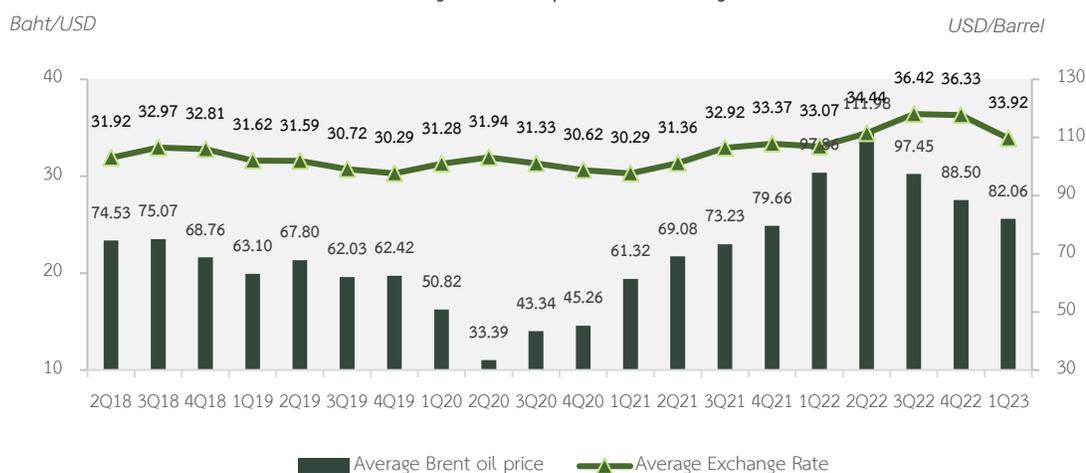
	1Q2022	4Q2022	1Q2023	%YoY	%QoQ
Service Income	600.64	962.51	754.31	25.58%	(21.63%)
Gross Profit	48.16	302.03	142.84	196.60%	(52.71%)
Gain (Loss) from disposal of assets	-	(0.06)	0.13	100.00%	316.47%
Gain (Loss) on an exchange rate	(7.49)	(25.31)	(8.67)	(15.84%)	65.74%
Gain (Loss) from financial instruments	19.21	12.13	7.40	(61.46%)	(38.98%)
Net profit	1.43	204.48	80.82	5,564.16%	(60.48%)
Gross profit margin (%)	8.02%	31.38%	18.94%	10.92%	(12.44%)
Net profit margin (%)	0.24%	21.24%	10.71%	10.48%	(10.53%)
Service income in USD (Separated financial statements)	8.52	17.93	12.48	46.43%	(30.39%)

Economic and Industry Overview

- Due to the low palm output season, the price of crude palm oil (CPO) is probably going to rise from the fourth quarter of 2022 by roughly 3.20 percent in the first quarter of 2023. To ensure an adequate supply of palm oil for local use, Indonesia changed the domestic market obligation (DMO) ratio from 1:8 to 1:2 in February 2023. Predicting the El Niño phenomenon in the second half of the year, soybean oil production which is a substitute product for crude palm oil is increasing and put pressure on vegetable oil prices globally. As a result, the average palm price trend in 2023 might be lower than the average price in 2022.
- From the primary supporting factor, which is the expansion of the manufacturing sector, the road transportation service sector is anticipated to grow at an average rate of 3-5% per year for the years 2022-2024 as well as Trade and public infrastructure investment including the quantity of agricultural products that are likely to improve. The virtue of border and transit trade that continues to expand Including online trading transactions and the recovery of the tourism sector.
- The currency exchange of US Dollar had been signed on the Company's operation in terms of the functional currency used according to TAS 21. In 1Q2023, the average of the Thai Baht to US dollar was Baht 33.92 per USD slightly depreciated from 1Q2022 at Baht 33.07 per USD, Analysts estimated that such baht will likely to be volatile considering its trajectory plus a bunch of uncertainty.
- The concern of carbon dioxide emissions is now widely recognized due to the current environmental situation, especially in the transportation business. The International Maritime Organization (IMO) has set a target to reduce carbon dioxide emissions from transportation by at least 40% by 2030 and 70% by 2050. The Marine Environment Protection Committee (MEPC), a member of the IMO, has adopted the EEXI (Energy Efficiency Existing Ship Index) and CII (Carbon Intensity Indicator) rules which will be implemented in January 2023. These regulations could also considerably lower the level of carbon dioxide released during international shipping by limiting carbon dioxide pollution from ships. Sustainable fuel economy and effective vessel operations must combine. As a result, the cost of installing machinery to regulate and maintain a watch on carbon dioxide emissions falls on the Company.
- The voluntary rise in crude oil price impact the Company's performance since fuel cost classified as major transportation cost. In 1Q2023, average Brent crude oil price reported at USD 82.06 per barrel, dropped by 16.15% YoY and 7.28% QoQ. Crude oil prices are still volatile due to many factors. Either are concerned about the crude oil supplies because of the OPEC+ group's agreement to lower daily crude oil production by 1.16 million barrels whereas China's demand for oil tends to rise in tandem with their economy's resurgence. Even when the COVID issue has been rectified, there are still issues with the finance sector. The US manufacturing

index in March was at 46.3, the lowest level in three years, signaling a recession, after the US policy rate was at 4.75–5.00%. This reduced demand for oil which impacted on the price of crude and refined oil on the global market.

Table 2: Average Brent oil price and Exchange Rate



Source: BOT, U.S.A Energy Information Administration

1Q2023 Results

1) Revenues

Table 3: Revenues

Revenue Structure	1Q2022		1Q2023	
	million Baht	%	million Baht	%
International marine service				
Service income	272.30	45.33	419.61	55.63
Demurrage charge	9.97	1.66	4.37	0.58
Total revenue from marine service	282.26	46.99	423.98	56.21
Domestic land transportation service				
Service income	318.37	53.01	330.33	43.79
Total revenue from land service	318.37	53.01	330.33	43.79
Total revenue from services	600.64	100.00	754.31	100.00

1Q2023 consolidated revenues of the Company and its subsidiary posted at Baht 754.31 million, increased by Baht 153.67 million or 25.58% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 56.21% and 43.79%, respectively.

Revenue from international marine service surged by Baht 141.72 million, or 50.21% YoY resulting from higher average freight rate by 37.57% YoY, the volume of transport increased by 9.15% from the same period last year as well as the average fleet utilization rate improved to 98.72% from 94.30% in the first quarter of 2022.

Revenue for domestic land transportation services in 1Q2023 was Baht 330.33 million, growing Baht 11.95 million or 3.75% from the previous year. Revenue consists of income from transportation of liquid goods in the amount of 240.18 million baht, and income from gas transportation and containers of Baht 79.83 million and revenue from car transportation of Baht 10.32 million.

Revenue from fuel cargo transportation service surged by Baht 23.42 million or 10.81% YoY. The fuel cargo transportation recorded a total oil transport volume of 609.78 million liters, surged by 21.89 million Liters or 3.72% YoY according to the implementation of public health measures until being able to relax measures and restrictions and economic recovery measures and the tourism sector has obviously recovered.

2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit increased by Baht 94.68 million or 196.60 % YoY to record at Baht 142.84 million, representing gross profit margin at 18.94%, compared with 8.02% in 1Q2022.

The Gross Profit of Marine transport in 1Q2023 was Baht 94.01 million increased by Baht 105.68 million or 905.52% YoY, representing gross profit margin at 22.17% compared to loss profit margin in 1Q2022 at (4.13)%.

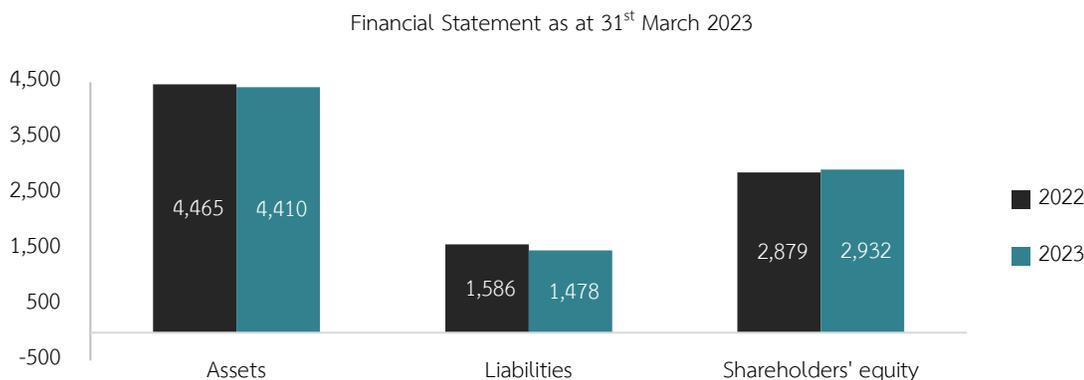
The gross profit of marine transport was owing to a significant increase in freight rate of 37.57 % YoY meanwhile the fuel price generally decreases by 16.15% YoY. Furthermore, The Company regulates the vessel's speed to remain at an economic speed to reduce costs. The major cost of services consists of (1) fuel costs, (2) employee expenses, and (3) depreciation.

The gross profit of domestic land transport in 1Q2023 was Baht 48.83 million dropped by Baht 11.00 million or 18.38% YoY, representing gross profit margin at 14.78% compared to 18.79% in 1Q2022. This was primarily triggered by a decreased freight rate because of price competition in the transportation sector. Additionally, maintenance expenses due to fleets of vehicles with longer lifespans, and considerably rising tire and spare part prices, which forced the corporation to raise costs in line.

3) Net profit and Net profit margin

In 1Q2023, the Company and its subsidiary's consolidated net profit surged by Baht 80.64 million or 16,964.71% YoY to record at Baht 80.17 million. Net Profit margin was 10.63% compared with a loss in profit margin at (0.08)% YoY due to the aforementioned reasons.

Financial Status



1) Assets

The Group's assets totaled Baht 4,409.66 million, down by Baht 55.27 million (1.24%) from the previous year's end due to lower cash and cash equivalents.

2) Liabilities

Liabilities for the Company and its subsidiaries totaled Baht 1,477.50 million, down by Baht 108.21 million (6.82%) from the previous year's end. This was primarily due to lower loans.

3) Shareholders' equity

The Company and its subsidiary had equity of Baht 2,932.16 million, surged by Baht 52.93 million, or 1.84% from the previous year's end resulting from operating profits.

Cash Flows

Table 4: Cash flows

unit: million Baht

	1Q2022	1Q2023	Change	%YoY
Net cash provided by (used in) operating activities	79.88	121.77	41.89	52.44%
Net cash provided by (used in) investing activities	(28.66)	(46.12)	(17.46)	60.91%
Net cash provided by (used in) financing activities	(88.19)	(120.51)	(32.31)	36.64%
Increase (decrease) in exchange differences on translating financial statements	10.46	11.32	0.85	8.16%
Net increase (decrease) in cash and cash equivalents	(26.51)	(33.53)	(7.02)	26.49%
Cash and cash equivalents as at 1 st January	91.83	390.55	298.72	325.30%
Adjustment effects of exchange rate	0.08	0.26	0.18	222.27%
Cash and cash equivalents as at 31 st March	65.40	357.28	291.88	446.30%

The period ended 31st March 2023, the Company and its subsidiaries had net cash flow received from operating activities of Baht 121.77 million, net cash flow used in investing activities of Baht 46.12 million (Dry Docking), and net

cash flow used in financing activities of Baht 120.51 million (long-term loan repayment). Therefore, cash and cash equivalent items as of the ended 31st March 2023 were Baht 357.28 million, decreased by Baht 33.27 million from 1st January 2023.

Key Financial Ratios

Table 5: Key Financial Ratios

	2022	2023	Change
Current ratio (times)	1.05	1.13	0.08
Quick ratio (times)	0.92	0.98	0.06
Receivables turnover ratio (times)	15.43	16.65	1.22
Average receivable collection period (days)*	23.33	21.62	(1.71)
Debt to equity ratio (times)	0.55	0.50	(0.05)
Interest bearing debt-to-equity ratio (times)	0.45	0.41	(0.04)
Return on assets (%)	12.53	13.88	1.35
Return on equity (%)	17.54	18.76	1.22

*The Company's credit policy is 25-35 days.

Yours faithfully

AMA Marine Public Company Limited

(Mr. Pisan Ratchakitprakarn)

Managing Director

Investor Relations

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