



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

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA009/2024

Aug 8, 2024

Subject: 2Q2024 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

2Q2024 Management Discussion and Analysis

Table 1: Key Financial Results

unit: million Baht

	2Q2023	1Q2024	2Q2024	%YoY	%QoQ
Service Income	713.05	779.08	829.88	16.38%	6.52%
Gross Profit	108.99	113.66	162.09	48.73%	42.61%
Gain (Loss) from disposal of assets	0.00	(0.06)	40.97	6,463,315.43%	63,332.75%
Gain (Loss) on an exchange rate	3.66	2.16	(2.41)	(165.82%)	(211.84%)
Gain (Loss) from financial instruments	0.57	5.45	5.51	864.45%	0.96%
Net profit	51.95	47.14	125.73	142.04%	166.72%
Gross profit margin (%)	15.28%	14.59%	19.53%	-	-
Net profit margin (%)	7.29%	6.05%	15.15%	-	-
Service income in USD (Separated financial statements)	10.62	10.96	12.27	15.52%	11.88%

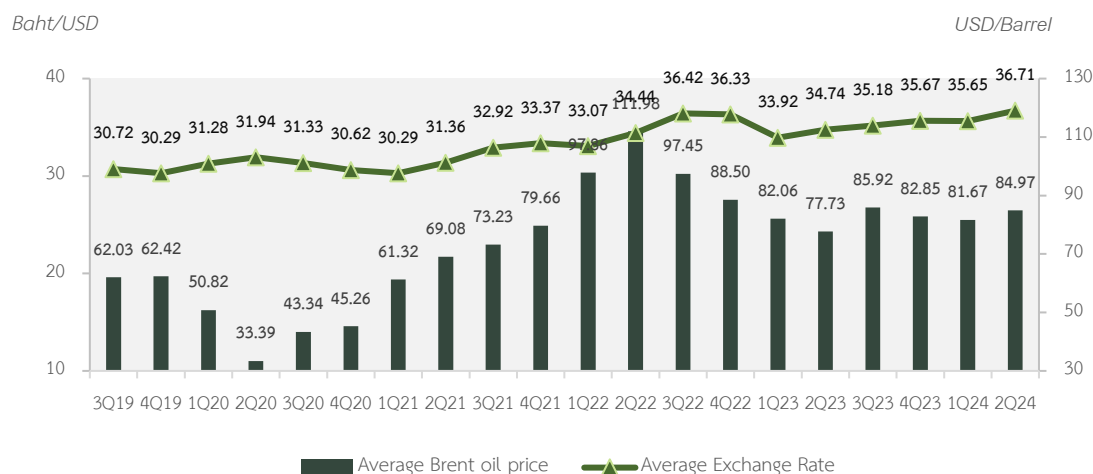
Economic and Industry Overview

- In the second quarter of 2024, crude palm oil (CPO) prices slightly increased due to the low palm yield season and unfavorable weather conditions. However, analysts predict that crude palm oil prices will soften in the second half of 2024 due to the increase in global vegetable oil supply. Analysts believe that milder weather conditions and lower fertilizer costs will support production growth and put downward pressure on prices over the next 12-18 months. The standard price for 2024 is estimated at approximately USD 775 per ton. (Source: www.fitchratings.com)
- 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. The average exchange rate of the Thai baht against the U.S. dollar in the second quarter of 2024 was 36.71 baht per U.S. dollar, weakening from 34.74 baht per U.S. dollar in the same period the previous year and from 35.65 baht per U.S. dollar in the first quarter of 2024. Analysts predict that the Thai baht will likely experience increased volatility by the end of 2024, potentially ranging between 35-36

baht per U.S. dollar. This is due to weaker domestic fundamentals compared to the past, stemming from structural issues that have led to a less robust balance of payments. Additionally, the expanding risks from geopolitical issues continue to pose a depreciation and volatility risk for the Thai baht, even as the global economy enters a downtrend in interest rates by the end of this year. (Source: ttb analytics)

- 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 were 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 impacts the Company's performance since fuel cost classified as major transportation cost. In the second quarter of 2024, the average price of Brent crude oil was USD 84.97 per barrel, representing a 9.31% increase from the average price in the same period the previous year and a 4.04% increase from the first quarter of 2024. The rise in crude oil prices in the second quarter was due to OPEC+ maintaining a reduction in oil production by 2.2 million barrels per day until September 2024. However, the slowdown in U.S. job growth, which was more pronounced than expected in July 2024, and the increase in the unemployment rate to 4.3% have raised concerns about a potential economic recession. Additionally, reduced manufacturing activity across Asia, Europe, and the U.S. heightens the risk of a global economic recovery slowdown, which could negatively impact oil consumption.

Table 2: Average Brent oil price and Exchange Rate



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

2Q2024 Results

1) Revenues

Table 3: Revenues

Revenue Structure	2Q2023		2Q2024	
	million Baht	%	million Baht	%
<u>International marine service</u>				
Service income	362.29	50.81	441.55	53.21
Demurrage charge	8.04	1.13	9.94	1.20
Total revenue from marine service	370.33	51.94	451.49	54.40
<u>Domestic land transportation service</u>				
Service income	342.72	48.06	378.38	45.60
Total revenue from land service	342.72	48.06	378.38	45.60
Total revenue from services	713.05	100.00	829.88	100.00

In 2Q2024 consolidated revenues of the Company and its subsidiary posted at Baht 829.88 million, increased by Baht 116.83 million or 16.38% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 54.40% and 45.60%, respectively.

Revenue from international marine service increased by Baht 81.16 million, or 21.92% YoY. This growth was primarily driven by a 6.49% increase in average freight rates in the second quarter of 2024, a 5.66% depreciation of the Thai baht against the U.S. dollar, and a 2.53% increase in transport volume compared to the same period last year. Additionally, there were no vessels in dry dock in the second quarter of 2024, whereas in the second quarter of 2023, two vessels were in dry dock.

Revenue for domestic land transportation services in 2Q2024 was Baht 378.38 million, surged by Baht 35.66 million or 10.40% from the previous year. Revenue consists of income from transportation of liquid goods in the number of Baht 288.89 million, and income from gas transportation and containers of Baht 87.92 million and revenue from car transportation of Baht 1.57 million.

Revenue from fuel cargo transportation service gradually surged by Baht 36.95 million or 14.67% YoY. The fuel cargo transportation recorded a total oil transport volume of 753.41 million liters, surged by 107.23 million Liters or 16.59% YoY. The increase in the average fleet number from 264 vehicles to 304 vehicles in 2Q2024 has contributed to this improvement.

2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit increased by Baht 53.10million or 48.73% YoY to record at Baht 162.09 million, representing gross profit margin at 19.53%, compared with 15.28% in 2Q2023.

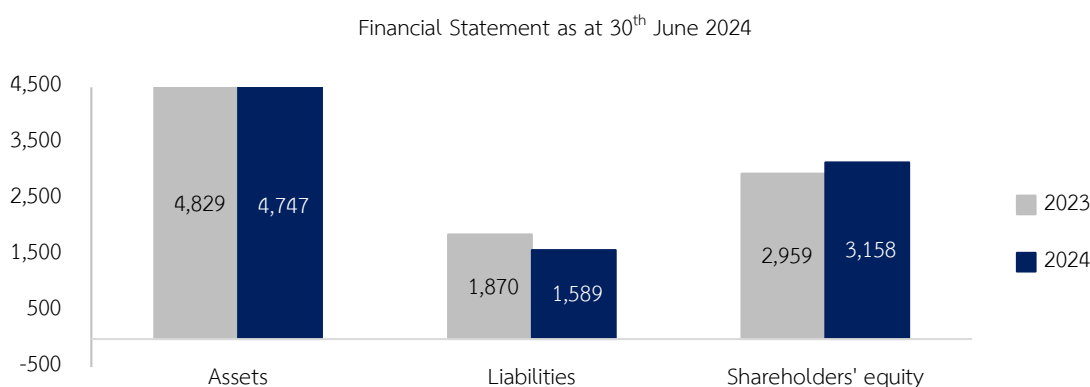
The Gross Profit of Marine transport in 2Q2024 was Baht 98.89 million surged by Baht 46.51 million or 88.82% YoY, representing gross profit margin at 21.90% compared to gross profit margin in 2Q2023 at 14.14%. The increase in gross profit and gross profit margin was primarily due to improved freight rates compared to the second quarter of 2023. 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 2Q2024 was Baht 63.20 million surged by Baht 6.59 million or 11.64% YoY, representing gross profit margin at 16.70% compared to 16.52% in 2Q2023. This was primarily triggered by an increase in average fleet utilization from 86.82% to 91.33%.

3) Net profit and Net profit margin

In 2Q2024, the Company reported a net profit of Baht 125.73 million, an increase of Baht 73.79 million or 142.04% compared to the previous year. This represents a net profit margin of 15.15%, compared to a net profit margin of 7.29% in the second quarter of 2023. A portion of this increase is attributable to a special gain, specifically a Baht 40.97 million profit from the sale of assets.

Financial Status



1) Assets

The Group's assets totaled Baht 4,747.11 million, decreased by Baht 81.45 million or 1.69% from the previous year's end. The decrease in PPE costs primarily stems from the sale of one vessel.

2) Liabilities

Liabilities for the Company and its subsidiaries totaled Baht 1,589.29 million, decreased by Baht 280.34 million (14.99%) from the previous year's end. This was primarily due to financial leasing.

3) Shareholders' equity

The Company and its subsidiary had equity of Baht 3,157.82 million, surged by Baht 198.89 million, or 6.72%. The primary reason for this increase was the rise in operating profits and financial statement translation margins.

Cash Flows

Table 4: Cash flows

unit: million Baht

	30.06.23	31.12.23	30.06.24	Change	%YoY
Net cash provided by (used in) operating activities	274.41	614.85	291.14	16.73	6.10%
Net cash provided by (used in) investing activities	(96.38)	(191.65)	209.69	306.06	317.58%
Net cash provided by (used in) financing activities	(330.37)	(563.96)	(405.10)	(74.72)	(22.62%)
Increase (decrease) in exchange differences on translating financial statements	13.62	19.57	29.27	15.65	114.86%
Net increase (decrease) in cash and cash equivalents	(138.71)	(121.19)	125.00	263.71	190.12%
Cash and cash equivalents at the beginning of the period	390.55	390.55	269.50	(121.05)	(30.99%)
Adjustment effects of exchange rate	(1.53)	0.14	0.37	1.90	124.11%
Cash and cash equivalents at the end of the period	250.31	269.50	394.87	144.56	57.75%

The period ended 30 June 2024, the Company and its subsidiaries had net cash flow received from operating activities of Baht 291.14 million, net cash flow provided by investing activities of Baht 209.69 million (Selling Vessel), and net cash flow used in financing activities of Baht 405.10 million (long-term loan repayment and dividend paid). Therefore, cash and cash equivalent items as of the 30 June 2024 were Baht 394.87 million, increased by Baht 125.37 million from 1st January 2024.

Key Financial Ratios

Table 5: Key Financial Ratios

	2023	2024	Change
Current ratio (times)	0.85	1.02	0.17
Quick ratio (times)	0.70	0.87	0.17
Receivables turnover ratio (times)	12.91	12.38	-0.54
Average receivable collection period (days)*	27.88	29.09	1.21
Debt to equity ratio (times)	0.63	0.50	-0.13
Interest bearing debt-to-equity ratio (times)	0.51	0.40	-0.11
Return on assets (%)	8.21	9.13	0.91
Return on equity (%)	10.57	11.40	0.83

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

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director