



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

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA011/2024

November 11, 2024

Subject: 3Q2024 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

3Q2024 Management Discussion and Analysis

Table 1: Key Financial Results

unit: million Baht

	3Q2023	2Q2024	3Q2024	%YoY	%QoQ
Service Income	757.06	829.88	742.20	-1.96%	-10.56%
Gross Profit	134.75	162.09	148.92	10.52%	-8.12%
Gain (Loss) from disposal of assets	0.02	40.97	(1.35)	-7684.34%	-103.29%
Gain (Loss) on an exchange rate	(0.45)	(2.41)	(15.69)	-3352.91%	-550.41%
Gain (Loss) from financial instruments	8.98	5.51	(1.87)	-120.82%	-133.97%
Net profit	85.82	125.73	59.24	-30.97%	-52.88%
Gross profit margin (%)	17.80%	19.53%	20.06%	12.73%	2.73%
Net profit margin (%)	11.34%	15.15%	7.98%	-29.59%	-47.32%
Service income in USD (Separated financial statements)	12.15	12.27	11.15	-8.27%	-9.13%

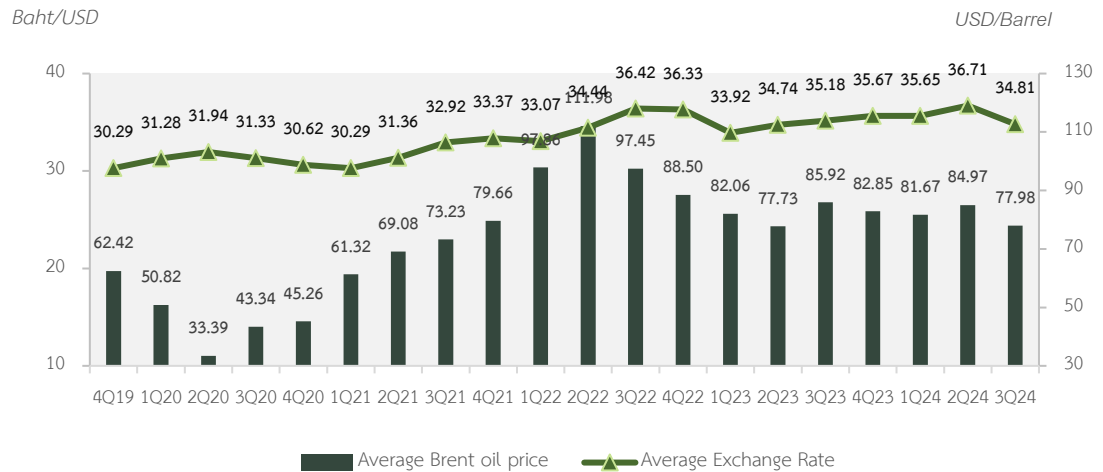
Economic and Industry Overview

- In the third quarter of 2024, the price of crude palm oil (CPO) continued to rise, with the average price at approximately USD 885 per ton, up from around USD 850 per ton in the first half of 2024. This increase was due to reduced production in Indonesia, which accounts for about 60% of global supply, as production had not yet recovered from the dry weather conditions of 2023. Analysts expect Indonesia's production to recover in the fourth quarter of 2024 due to increased rainfall. Additionally, production growth in Malaysia, the world's second-largest producer, is also anticipated, which is expected to increase palm oil supply in 2025 and put downward pressure on prices (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 third quarter of 2024 was 34.81 baht per U.S. dollar, appreciating from 35.18 baht per dollar during the same period last year and from the average of 36.71 baht per dollar in the second quarter of 2024. Analysts project that the baht will show increased volatility towards the end of 2024, likely remain within the range of Baht 35-

36 per dollar. This is due to domestic fundamentals that remain more fragile than in the past due to structural issues, weakening the balance of payments compared to previous years. Additionally, expanding geopolitical risks contribute to the potential depreciation and volatility of the Baht, despite the global economy entering a downward interest rate cycle at the end of the 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.
- At present, the company has commenced the use of EURO 5 standard engine trucks as part of its strategic initiative to promote environmentally sustainable transportation, in alignment with its sustainability objectives. EURO 5 standard engine trucks are engineered to optimize fuel combustion efficiency, resulting in reduced fuel consumption, lower transportation expenses, and a significant reduction in emissions, particularly nitrogen oxides (NOx) and particulate matter (PM).
- The voluntary rise in crude oil price impacts the Company's performance since fuel cost classified as major transportation cost. In the third quarter of 2024, the average price of Brent crude oil was USD 77.98 per barrel, representing a 9.24% decrease from the average price in the same period the previous year and a 8.23% decrease from the second quarter of 2024. Crude oil prices declined in the third quarter due to an increase in supply coupled with a decrease in demand, as China faced reduced manufacturing activity and a slowdown in the real estate sector.

Table 2: Average Brent oil price and Exchange Rate



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

3Q2024 Results

1) Revenues

Table 3: Revenues

Revenue Structure	3Q2023		3Q2024	
	million Baht	%	million Baht	%
International marine service				
Service income	419.16	55.37	374.66	50.48
Demurrage charge	8.71	1.15	4.03	0.54
Total revenue from marine service	427.88	56.52	378.69	51.02
Domestic land transportation service				-
Service income	329.19	43.48	363.51	48.98
Total revenue from land service	329.19	43.48	363.51	48.98
Total revenue from services	757.06	100.00	742.20	100.00

In 3Q2024 consolidated revenues of the Company and its subsidiary posted at Baht 742.20 million, decreased by Baht 14.86 million or 1.96% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 51.02% and 48.98%, respectively.

Revenue from international marine service decreased by Baht 49.19 million, or 11.50%, compared to the previous year, primarily due to an 11.19% decline in shipping volume. This decline was a result of fluctuations in transport volumes caused by a slowdown in orders, particularly for routes to Myanmar. However, signs of a seasonal recovery began to appear in the fourth quarter. Additionally, during this quarter, two large vessels (13,000 tons) were dry docked for maintenance, whereas in the third quarter of 2023, only one medium-sized vessel (9,000 tons) was dry docked. This

led to a reduction in cargo-carrying capacity for the current quarter compared to last year. Although the average freight rate increased by approximately 4.25% in the third quarter of 2024, the exchange rate of the Thai baht against the U.S. dollar appreciated slightly by 1.05%.

Revenue for domestic land transportation services in 3Q2024 was Baht 363.51 million, surged by Baht 34.32 million or 10.43% from the previous year. The primary source of revenue came from liquid cargo transportation, accounting for Baht 286.08 million, followed by gas and container transportation at Baht 77.31 million, and car transportation at Baht 0.12 million.

Revenue from fuel cargo transportation service gradually surged by Baht 48.22 million or 20.27% YoY. The fuel cargo transportation recorded a total oil transport volume of 746.06 million liters, surged by 143.60 million Liters or 23.83% YoY. The increase in the average fleet number from 264 vehicles to 314 vehicles in 3Q2024 has contributed to this improvement.

2) Gross profit and Gross profit margin

The company and its subsidiaries reported a gross profit of Baht 148.92 million for the third quarter of 2024, an increase of 10.52% compared to the same period last year. The gross profit margin was 20.06%, higher than the 17.80% recorded in the third quarter of 2023.

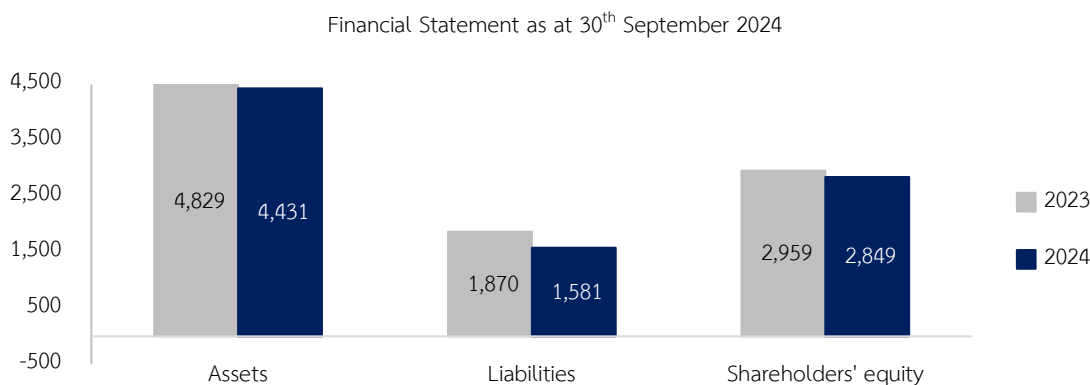
The Gross Profit of Marine transport in 3Q2024 was Baht 100.24 million surged by Baht 0.66 million or 0.66% YoY, representing gross profit margin at 26.47% compared to gross profit margin in 3Q2023 at 23.27%. The increase in gross profit and gross profit margin was primarily driven by improved freight rates and a decrease in fuel costs. Additionally, maintaining vessel speeds at an economic speed was a key factor supporting the company's operational performance.

Domestic land transport reported a gross profit of Baht 48.69 million in the third quarter of 2024, an increase of Baht 13.51 million or 38.41% compared to the previous year. The gross profit margin stood at 13.39%, slightly higher than the 10.69% recorded in the previous year. This growth was primarily attributed to effective management of trip frequencies and costs, as well as an increase in average fleet utilization, which significantly boosted gross profit.

3) Net profit and Net profit margin

In the third quarter of 2024, the group's net profit decreased by 30.97%, totaling Baht 59.24 million compared to the same period last year. The net profit margin fell from 11.34% to 7.98%. This decline was partly due to losses from exchange rates and derivatives, which increased by 15.23 million baht and 10.85 million baht, respectively, compared to the third quarter of 2023. Additionally, there was an impairment loss on goodwill amounting to Baht 4.33 million in this quarter.

Financial Status



1) Assets

The Group's assets totaled Baht 4,430.78 million, decreased by Baht 397.78 million or 8.24% 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 1,581.49 million, decreased by Baht 288.14 million (15.41%) 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 2,849.29 million, dropped by Baht 109.64 million, or 3.71%. The primary reason for this decrease was the financial statement translation margins and dividend payment.

Cash Flows

Table 4: Cash flows

unit: million Baht

	30.09.23	31.12.23	30.09.24	Change	%YoY
Net cash provided by (used in) operating activities	465.38	614.85	506.73	41.35	8.88%
Net cash provided by (used in) investing activities	(148.07)	(191.65)	161.04	309.11	-208.75%
Net cash provided by (used in) financing activities	(415.58)	(563.96)	(641.09)	(225.52)	54.27%
Increase (decrease) in exchange differences on translating financial statements	20.07	19.57	(7.40)	(27.47)	-136.87%
Net increase (decrease) in cash and cash equivalents	(78.20)	(121.19)	19.27	97.47	-124.65%
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	(2.18)	0.14	0.48	2.66	-121.77%
Cash and cash equivalents at the end of the period	310.17	269.50	289.25	(20.92)	-6.74%

The period ended 30 September 2024, the Company and its subsidiaries had net cash flow received from operating activities of Baht 506.73 million, net cash flow provided by investing activities of Baht 161.04 million (Selling Vessel),

and net cash flow used in financing activities of Baht 641.09 million (long-term loan repayment and dividend paid). Therefore, cash and cash equivalent items as of the 30 September 2024 were Baht 289.25 million, increased by Baht 19.75 million from 1st January 2024.

Key Financial Ratios

Table 5: Key Financial Ratios

	2023	2024	Change
Current ratio (times)	0.85	0.87	0.02
Quick ratio (times)	0.70	0.73	0.03
Receivables turnover ratio (times)	12.91	13.10	0.19
Average receivable collection period (days)*	27.88	27.48	-0.40
Debt to equity ratio (times)	0.63	0.56	-0.08
Interest bearing debt-to-equity ratio (times)	0.51	0.44	-0.07
Return on assets (%)	8.21	8.97	0.76
Return on equity (%)	10.57	11.09	0.52

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

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director