



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

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA006/2021

May 10, 2021

Subject: 1Q2021 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

## 1Q2021 Management Discussion and Analysis

### Executive Summary

#### International marine logistics service

The service income of AMA Marine Public Company Limited (“the Company”) decreased by Baht 36.22 million or 13.17% YoY since cargo carried volume dropped by 6.66% due to reduce in fleet size as well as two vessels (13,000 DWT) took out of service for dry-docking in this period. The gross profit of the Company in 1Q2021 was Baht 15.84 million, raised by Baht 13.11 million or 480.50% YoY representing gross profit margin at 6.63%, surged by 0.99% YoY, as a consequence on improvement fleet utilization rate.

#### Domestic land logistics service

AMA Logistics Co., Ltd. (“the Subsidiary”) reported additional services income of Baht 4.82 million or 2.65 % YoY, in line with the increasing carried oil volume of 14.22% YoY but the gross profit margin of 23.30% decreased YoY from 28.87%. As a result of the Subsidiary revised reference fuel price from Diesel B7 to Diesel B10 which B10 price has lower cost than B7 price (Baht 3 per liter). Furthermore, average truck fleet utilization rate partly reduced from B100 loading and unloading time which were longer than the same period of the previous year.

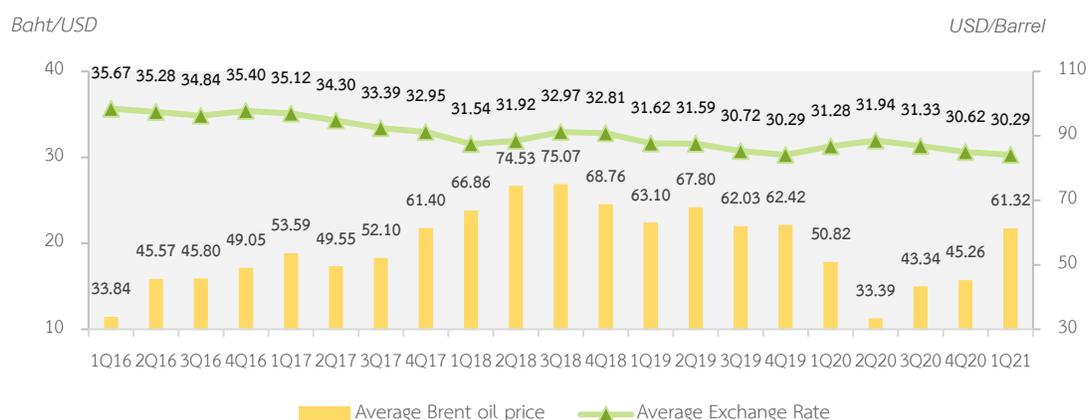
Table 1: Key Financial Results

unit: million Baht

	4Q2019	3Q2020	4Q2020	%YoY	%QoQ
Service Income	456.98	433.19	425.58	(6.87%)	(1.76%)
Gross Profit	55.26	82.29	59.36	7.42%	(27.86%)
Gain (Loss) from disposal of assets	7.71	5.33	-	(100.00%)	(100.00%)
Gain (Loss) on an exchange rate	9.04	(14.51)	10.76	19.03%	174.16%
Gain (Loss) from financial instruments	(8.46)	14.74	(15.75)	86.17%	(206.85%)
Net profit	5.03	39.28	8.19	62.82%	(79.15%)
Gross profit margin (%)	12.09%	19.00%	13.95%		
Net profit margin (%)	1.10%	9.07%	1.92%		
Service income in USD (Separated financial statements)	8.64	8.98	7.85	(9.14%)	(12.58%)

## Economic and Industry Overview

- The impact of the outbreak of the Coronavirus Disease 2019 ("Covid-19") caused severe situation which directly affect global economics. Tourism and related sectors was interrupted from Covid – 19 such as airline, hotel, cancellation of activities as well as slowdown in production and manufacturing in global scale. The impact of the outbreak of the Coronavirus 2019 ("Covid-19"). Therefore, this situation probably domino effect through trade and investment in terms of domestic and foreign trade.
- Malaysian Palm Oil Board (MPOB) forecast a moderate increase in CPO production in 2021 is expected but the rate of increase will be lower than previous years as the effects of Covid-19 pandemic carries on into 2021 as well as a La Nina phenomenon is seen taking place in first quarter of 2021 which will bring heavy rainfall and flooding in oil palm planting areas is bound to affect harvesting activities, which will subsequently lower the CPO output. However, demand for palm oil is expected to increase due to a combination of higher consumption requirements and the lower production of other oils such as rapeseed and sunflower oils. As a result, there might be an uptrend in palm oil prices.
- 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 1Q2021, the average of the Thai Baht to US dollar was Baht 30.29 per USD slightly appreciated from 1Q2020.
- Voluntary in crude oil price impact the Company's performance due to the fact that fuel cost classified as major transportation cost. In 1Q2021, average Brent crude oil price reported at USD 61.32 per barrel, surged by 20.66% from average price. Saudi Arabia cut production 1 million barrel per day in February and March in order to balance global crude demand and supply since market has positive sentiment on US economy under new president, Joe Biden. Global Vaccination rate and distribution Vaccine remains key positive catalyst for overall market situation.



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

## 1Q2021 Results

### 1) Revenues

Table 3: Revenues

Revenue Structure	1Q2020		1Q2021	
	million Baht	%	million Baht	%
<b>International marine service</b>				
Service income	268.16	58.68	236.48	55.57
Demurrage charge	6.86	1.50	2.32	0.54
Total revenue from marine service	275.02	60.18	238.80	56.11
<b>Domestic land transportation service</b>				
Service income	181.96	39.82	186.78	43.89
Total revenue from land service	181.96	39.82	186.78	43.89
<b>Total revenue from services</b>	<b>456.98</b>	<b>100.00</b>	<b>425.58</b>	<b>100.00</b>

1Q2021 consolidated revenues of the Company and its subsidiary posted at Baht 425.58 million, decrease by Baht 31.40 million or 6.87% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 56.11% and 43.89%, respectively.

Revenue from international marine service dropped by Baht 36.22 million, or 13.17% YoY because of less fleet from 11 vessels to 9 vessels and 2 vessels (13,000 DWT) took out of service for dry-docking in this period. As a result, a slumping in volume shipment around 20,697.36 tons or 6.66% relative to 1Q2020. Besides, high volatility in Foreign Exchange rate impact Thai baht appreciate against US dollar as well as freight rate was slightly dropped which affect the lower revenue even the Company's average fleet utilization rate was 95.51%, surged from 82.08% YoY.

For domestic land transportation services, its revenues increased of Baht 4.82 million, or 2.65% YoY, in line with the expansion of fleet from 191 to 235 truck tankers in 1Q2021. The subsidiary had transported oil volume of 557.36 million liters, raise by 69.40 million liters or 14.22% YoY. However, the Subsidiary revised reference fuel price\* from Diesel B7 to Diesel B10 which B10 price has a lower cost than B7 price. This result in slightly higher revenue.

\*Note: Freight rate will be calculated from diesel reference fuel price at petrol station. Since May 1, 2020, the diesel reference fuel price has been changed from B7 to B10 (B10 fuel price is lower than the average B7 fuel price at around Baht 3 per liter in 2021).

### 2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit soared by Baht 4.11 million or 7.43% YoY to record at Baht 59.36 million, representing gross profit margin at 13.95%, compared with 12.09% in 1Q2020.

Gross profit of Marine transport in 1Q2021 was million 15.84 Baht increased by Baht 13.11 million or 480.50%, representing gross profit margin at 6.63%, compared with 0.99% YoY, improvement in gross profit margin of marine

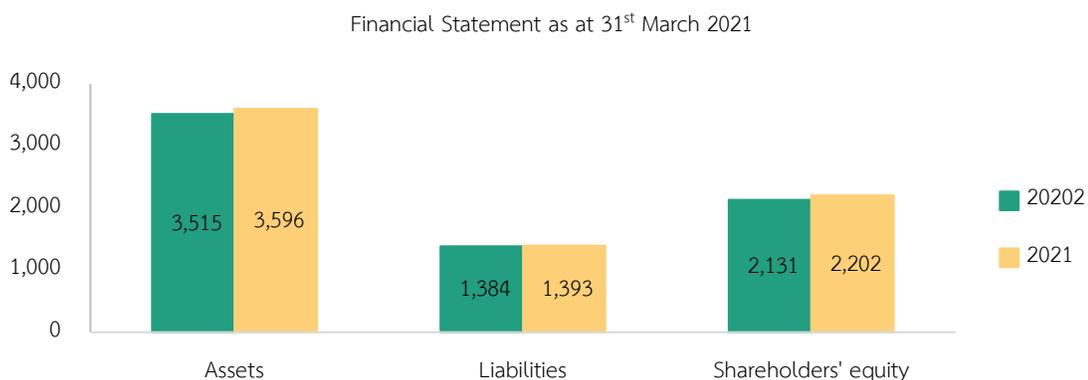
transport due to the higher fleet utilization and controlling vessel's speed to be at an economic speed. The major cost of services consists of (1) fuel costs, (2) employee expenses, and (3) depreciation.

Whereas, the gross profit of domestic land transport in 1Q2021 was Baht 43.52 million decreased by Baht 9.00 million or 17.14%, representing gross profit margin at 23.30%, lower than 28.87% in 1Q2020 due to the effect of revising reference fuel price and fleet utilization rate decreased because of the B100 loading time as mentioned above.

### 3) Net profit and Net profit margin

In 1Q2021, the Company and its subsidiary's consolidated net profit surged by Baht 3.16 million or 62.80% YoY to record at Baht 8.19 million. Net profit margin was 1.92% compared with 1.10% YoY.

### Financial Status



#### 1) Assets

The Company and its subsidiary had total assets of Baht 3,595.72million, increased by Baht 81.16 million or by 2.31% YTD mainly due to increasing of trucks.

#### 2) Liabilities

The Company and its subsidiary had total liabilities of Baht 1,393.30 million, slightly increased by Baht 9.36 million or 0.68% YTD due to additional finance leases.

#### 3) Shareholders' equity

The Company and its subsidiary had equity of Baht 2,202.42 million, increased by Baht 71.80 million, or 3.73% YTD resulting from the operation of the year 2020 and the increased in differences on translating financial statement.

## Cash Flows

Table 4: Cash flows

unit: million Baht

	31 Mar 2020	31 Mar 2021	Change	%YoY
Net cash provided by (used in) operating activities	53.72	94.50	40.78	75.91%
Net cash provided by (used in) investing activities	51.44	(39.65)	(91.09)	(177.08%)
Net cash provided by (used in) financing activities	(5.60)	(119.29)	(113.69)	2,030.18%
Increase (decrease) in exchange differences on translating financial statements	10.50	(3.90)	(14.40)	(137.14%)
Net increase (decrease) in cash and cash equivalents	110.07	(68.34)	(178.41)	(162.09%)
Cash and cash equivalents as at 1 <sup>st</sup> January	88.24	224.97	136.73	154.95%
Adjustment effects of exchange rate	(2.51)	(3.01)	(0.50)	19.92%
Cash and cash equivalents as at 31 <sup>st</sup> March	195.80	153.62	(42.18)	(21.54%)

The period ended 31<sup>st</sup> March 2021, the Company and its subsidiary had net cash flow received from operating activities of Baht 94.50 million, net cash flow used in investing activities of Baht 39.65 million (Dry-docking and expanding truck fleets), and net cash flow used in financing activities of Baht 119.29 million (long-term loan repayment). Therefore, cash and cash equivalent items as of the ended 31<sup>st</sup> March 2021 is Baht 153.62 million, decreased by Baht 42.18 million from 31<sup>st</sup> March 2020.

## Key Financial Ratios

Table 5: Key Financial Ratios

	2020	2021	Change
Current ratio (times)	0.70	0.57	(0.13)
Quick ratio (times)	0.61	0.48	(0.13)
Receivables turnover ratio (times)	16.56	14.05	(2.51)
Average receivable collection period (days)*	21.74	25.63	3.89
Debt to equity ratio (times)	0.65	0.63	(0.02)
Interest bearing debt-to-equity ratio (times)	0.59	0.56	(0.03)
Return on assets (%)	6.86	6.57	(0.29)
Return on equity (%)	8.11	8.01	(0.10)

\*The Company's credit policy is 20-25 days.

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director

Investor Relations

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