



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

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA008/2024

May 9, 2024

Subject: 1Q2024 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

1Q2024 Management Discussion and Analysis

Table 1: Key Financial Results

unit: million Baht

	1Q2023	4Q2023	1Q2024	%YoY	%QoQ
Service Income	754.31	826.14	779.08	3.28%	-5.70%
Gross Profit	142.84	166.40	113.66	-20.43%	-31.69%
Gain (Loss) from disposal of assets	0.13	9.75	(0.06)	-149.05%	-100.66%
Gain (Loss) on an exchange rate	(8.67)	(11.01)	2.16	124.87%	119.59%
Gain (Loss) from financial instruments	7.40	2.42	5.45	-26.32%	125.23%
Net profit	80.82	89.97	47.14	-41.67%	-47.60%
Gross profit margin (%)	18.94%	20.14%	14.59%	-22.96%	-27.57%
Net profit margin (%)	10.71%	10.89%	6.05%	-43.52%	-44.44%
Service income in USD (Separated financial statements)	12.48	12.99	10.96	-12.14%	-15.58%

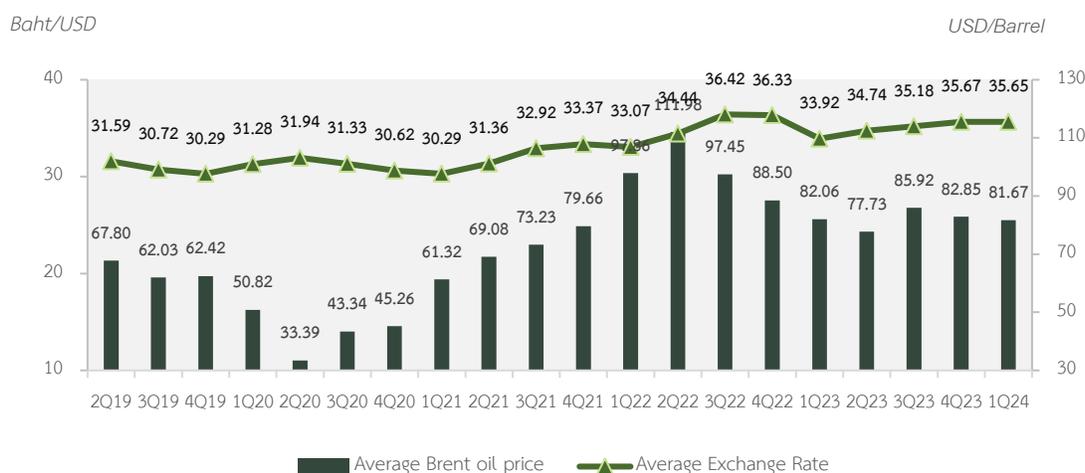
Economic and Industry Overview

- During the first quarter of 2024, crude palm oil (CPO) prices rose, as expected, with the forecast that CPO prices will decline in the second quarter 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 further pressure on prices over the next 12-18 months, with a standard price estimate for 2024 and 2025 at \$700 USD per ton. However, there are two key risk factors that could drive crude palm oil prices higher. Firstly, weather conditions may worsen due to a strong El Niño or La Niña event over the next 12 months. Secondly, a higher biodiesel blending ratio policy in Indonesia could significantly increase crude palm oil consumption. In summary, the situation needs to be closely monitored. (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. During the first quarter of 2024, the average exchange rate of the baht against the US dollar stood at 35.65 baht per US dollar, experiencing a slight depreciation compared to the

same period in the previous year, where it was at 33.92 baht per US dollar. However, it has appreciated from the fourth quarter of 2023, when the exchange rate was 35.67 baht per US dollar. Analysts expect the baht to continue appreciating gradually this year due to the anticipated recovery of the Thai economy and the Federal Reserve's less restrictive monetary policy next year, which will gradually weaken the US dollar. It is expected that the baht will appreciate to 32-33 baht per US dollar by the end of 2024.

- 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 first quarter of 2024, the average price of Brent crude oil stood at 81.67 USD per barrel, marking a decline of 0.48 percent compared to the average price during the same period the previous year and a decrease of 1.42 percent from the fourth quarter of 2023. Crude oil prices remain volatile due to various factors. There are signs of declining oil prices from concerns over an economic recession, a slowdown in major economies worldwide, and lower-than-expected crude oil demand from China. This aligns with OPEC+'s November 2023 agreement to reduce oil production by 2.2 million barrels per day until March 2024.

Table 2: Average Brent oil price and Exchange Rate



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

1Q2024 Results

1) Revenues

Table 3: Revenues

Revenue Structure	1Q2023		1Q2024	
	million Baht	%	million Baht	%
<u>International marine service</u>				
Service income	419.61	55.63	383.56	49.23
Demurrage charge	4.37	0.58	10.40	1.34
Total revenue from marine service	423.98	56.21	393.97	50.57
<u>Domestic land transportation service</u>				
Service income	330.33	43.79	385.11	49.43
Total revenue from land service	330.33	43.79	385.11	49.43
Total revenue from services	754.31	100.00	779.08	100.00

In 1Q2024 consolidated revenues of the Company and its subsidiary posted at Baht 779.08 million, increased by Baht 24.77 million or 3.28% YoY. The proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 50.57 % and 49.43%, respectively.

Revenue from international marine service dropped by Baht 30.01 million, or 7.08% YoY. The main factor contributing to this decline is the decrease in freight rates by 11.93% YoY and a slight decrease in shipping volume by 2.41% compared to the same period last year. In the first quarter of 2024, there were 2 large vessels (13,000 tons) dry-docked, but in the first quarter of 2023, there were 3 small vessels dry-docked. However, at the end of 2023, the company purchased a 13,000-ton vessel and started full operations in 2024, resulting in a 2.41% reduction in cargo volume this quarter compared to the same period last year.

Revenue for domestic land transportation services in 1Q2024 was Baht 385.11 million, surged by Baht 54.78 million or 16.57% from the previous year. Revenue consists of income from transportation of liquid goods in the number of Baht 296.33 million, and income from gas transportation and containers of Baht 84.51 million and revenue from car transportation of Baht 4.27 million.

Revenue from fuel cargo transportation service gradually surged by Baht 56.15 million or 23.38% YoY. The fuel cargo transportation recorded a total oil transport volume of 776.76 million liters, surged by 166.97 million Liters or 27.38% YoY. The increase in the average fleet number from 254 vehicles to 303 vehicles in 1Q2024 has contributed to this improvement.

2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit decreased by Baht 29.18 million or 20.43% YoY to record at Baht 113.66 million, representing gross profit margin at 14.59%, compared with 18.94% in 1Q2023.

The Gross Profit of Marine transport in 1Q2024 was Baht 50.41 million dropped by Baht 43.60 million or 46.38% YoY, representing gross profit margin at 12.80% compared to gross profit margin in 1Q2023 at 22.17%. The decrease in gross profit and gross profit margin is mainly due to the decrease in freight rates, which dropped by 11.93% YoY. However, 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 1Q2024 was Baht 63.25 million surged by Baht 14.42 million or 29.53% YoY, representing gross profit margin at 16.42% compared to 14.78% in 1Q2023. This was primarily triggered by an increase in average fleet utilization from 84.08% to 88.72%.

3) Net profit and Net profit margin

In 1Q2024, the Group's net profit amounted to Baht 47.14 million, marking a decrease of Baht 33.68 million or 41.67% compared to the previous year. This translates to a net profit margin of 6.05%, indicating a decline from the net profit margin of 10.71% recorded in 1Q2023, aligning with the decrease in operating profits.

Financial Status



1) Assets

The Group's assets totaled Baht 4,946.49 million, increased by Baht 117.93 million or 2.44% from the previous year's end. The increase in PPE costs primarily stems from expenses incurred due to dry docking.

¹ Dry-docking is the maintenance and repair of ships, typically every 2.5 years on average.

2) Liabilities

Liabilities for the Company and its subsidiaries totaled Baht 1,810.44 million, decreased by Baht 59.19 million (3.17%) 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 3,136.05 million, surged by Baht 177.12 million, or 5.99%. 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

	31.03.23	31.12.23	31.12.24	Change	%YoY
Net cash provided by (used in) operating activities	121.77	614.85	179.45	57.67	47.36%
Net cash provided by (used in) investing activities	(46.12)	(191.65)	(79.26)	(33.14)	71.87%
Net cash provided by (used in) financing activities	(120.51)	(563.96)	(109.88)	10.63	8.82%
Increase (decrease) in exchange differences on translating financial statements	11.32	19.57	19.73	8.42	74.37%
Net increase (decrease) in cash and cash equivalents	(33.53)	(121.19)	10.04	43.57	129.94%
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	0.26	0.14	0.13	(0.13)	-48.73%
Cash and cash equivalents at the end of the period	357.28	269.50	279.68	(77.61)	-21.72%

The period ended 31st March 2024, the Company and its subsidiaries had net cash flow received from operating activities of Baht 179.45 million, net cash flow used in investing activities of Baht 79.26 million (Dry Docking), and net cash flow used in financing activities of Baht 109.88 million (long-term loan repayment). Therefore, cash and cash equivalent items as of the 31st March 2024 were Baht 279.68 million, increased by Baht 10.17 million from 1st January 2024.

Key Financial Ratios

Table 5: Key Financial Ratios

	2023	2024	Change
Current ratio (times)	0.85	0.81	-0.03
Quick ratio (times)	0.70	0.67	-0.03
Receivables turnover ratio (times)	12.89	11.89	-1.03
Average receivable collection period (days)*	27.92	30.29	2.41
Debt to equity ratio (times)	0.63	0.58	-0.05
Interest bearing debt-to-equity ratio (times)	0.51	0.45	-0.06
Return on assets (%)	8.21	7.30	-0.91
Return on equity (%)	10.57	9.02	-1.55

*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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