



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

ทะเบียนเลขที่ 0107559000231

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August 8, 2019

Subject: 2Q2019 Management Discussion & Analysis

Attention: The President

The Stock Exchange of Thailand

2Q2019 Management Discussion and Analysis

Executive Summary

International marine logistics service

AMA Marine Public Company Limited ("the Company") reported additional services income of Baht 21.86 million or 6.76% YoY, due partly to the higher average freight rate in this quarter than the same period of last year as well as the improvement of fleet utilization. As a result, the gross profit of the Company in 2Q2019 increased by Baht 16.48 million or 27.94% YoY.

Domestic land logistics service

The service income of AMA Logistics Co., Ltd. ("the Subsidiary") increased of Baht 39.04 million or 33.29% YoY, in line with the business plan and the increasing demand for oil transportation. In 2Q2019, the Subsidiary had carried oil volume of 400.64 million liters, grew by 90.38 million liters or 29.13% YoY. In addition, the Subsidiary could manage the truck fleet more efficiently, resulting in an increase in the gross profit of Baht 29.36 million, or surged by 141.43% YoY.

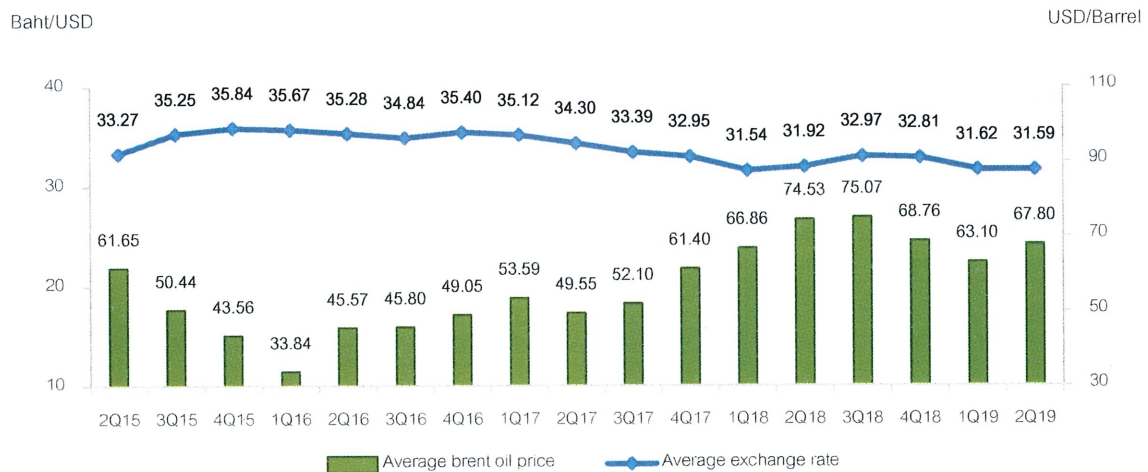
Table of Key Financial Results

unit: million Baht

	2Q2018	1Q2019	2Q2019	%YoY	%QoQ
Service income	440.56	426.66	501.46	13.82	17.53
Gross profit	79.74	66.11	125.58	57.49	89.96
Gain (Loss) on an exchange rate	(4.42)	(0.77)	(1.63)	(63.12)	111.69
Net profit	24.19	12.46	68.18	181.85	447.19
Gross profit margin (%)	18.10%	15.49%	25.04%		
Net profit margin (%)	5.49%	2.92%	13.60%		
- Service income in USD (Separate financial statements)	10.05	9.07	10.96	9.05	20.84

Economic and Industry Overview

- During the period of January to May 2019, Malaysian palm oil export to the Asia Pacific region increased by 109,534 MT or by 9.05% resulting mainly from the higher imports to Philippines, Japan and Vietnam.
- Philippines retained its position as the main destination of palm oil exports with 270,600 MT, an increase of 3,235 MT or by 1.21%. One of the main reason for the higher demand is the widening domestic price spread between palm oil and coconut oil which makes it more attractive for domestic consumption of palm oil especially for food applications.
- The currency exchange of Baht had been signed on the Company's operation in terms of the functional currency used according to TAS 21. In 2Q2019, the average of the Thai Baht to USD dollar was Baht 31.59 per USD slightly appreciated from 1Q2019. The strength of Thai Baht came mainly to the stability of Thai baht comparing to peers in the same region as well as the strong current account surplus.
- A crude oil price is another crucial factor that affects the Company's performance as it is the major cost for transportation. In 2Q2019, the averaged Brent crude oil price was at USD 67.80 per barrel, up by 7.45% from the average price in 1Q2019. The volatility of oil price caused by the reduction of OPEC's output.



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

2Q2019 Results

1) Revenues

Revenue Structure	2Q2018		2Q2019	
	million Baht	%	million Baht	%
<u>International marine logistics service</u>				
Service income	305.94	69.44	334.25	66.66
Demurrage charge	17.35	3.94	10.90	2.17
Total revenue from marine service	323.29	73.38	345.15	68.83
<u>Domestic land logistics service</u>				
Service income	117.27	26.62	156.31	31.17
Total revenue from land service	117.27	26.62	156.31	31.17
Total revenue from services	440.56	100.00	501.46	100.00

The 2Q2019 consolidated revenues of the Company and its subsidiary posted at Baht 501.46 million, up by Baht 60.90 million or 13.82% YoY. The proportion of the Company's international marine logistics and its subsidiary's domestic land logistics revenues were 68.83% and 31.17%, respectively.

The growth of international marine logistics service revenues of Baht 21.86 million, or 6.76% YoY due mainly to the improvement of average freight rate and the higher fleet utilization in this quarter than the same period of last year. The Company's average fleet utilization was 98.12%, improved from 97.57% in 2Q2018.

For domestic land logistics services, its revenues increased of Baht 39.04 million, or 33.29% YoY, and surged by Baht 15.40 million from the previous quarter or 10.93%, thanks to efficiently truck fleet utilization in 2Q2019 with 161 truck tankers.

2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit increased of Baht 45.84 million or 57.49% YoY to record at Baht 125.58 million, representing gross profit margin at 25.04%, compared with 18.10% in 2Q2018.

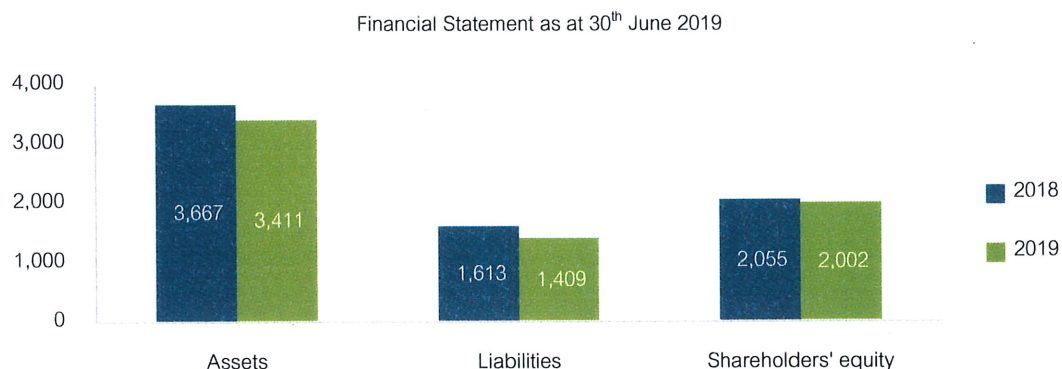
Gross profit margin of Marine transport in 2Q2019 was 21.86% compared with 18.24% QoQ. A higher gross profit margin of marine transport came mainly from the decrease of bunker cost and the improvement of fleet utilization. The major cost of services consists of (1) fuel costs, (2) employee expenses, and (3) depreciation.

Whereas, the gross profit margin of domestic land transport in 2Q2019 was 32.07%, higher than 17.70% in 2Q2018, and also higher than 1Q2019 at 25.99%.

3) Net profit and Net profit margin

In 2Q2019, the Company and its subsidiary's consolidated net profit margin was 13.60%, compared with 5.49% in 2Q2018. As a result net profit surged by Baht 43.99 million or 181.85% YoY, to be recorded at Baht 68.18 million.

Financial Status



1) Assets

The Company and its subsidiary had total assets of Baht 3,410.67 million, decreased Baht 256.63 million or by 7% YTD mainly due to declining of cash and cash equivalents from operating activities.

2) Liabilities

The Company and its subsidiary had total liabilities of Baht 1,408.81 million, shrunk by Baht 203.96 million or 12.65% YTD due to a repayment of long-term loans from financial institutions to purchase tankers and repaid the debt from the hire-purchase contract for truck tanks.

3) Shareholders' equity

The Company and its subsidiary had equity of Baht 2,001.86 million, declined by Baht 52.67 million, or 2.56% YTD due to dividend payment of Baht 51.79 million and decreasing in other components of shareholders' equity amounting to Baht 85.19 million or decline of 69.22%

Cash Flows

unit: million Baht

	30 Jun 2018	30 Jun 2019	Change	%YoY
Net cash provided by (used in) operating activities	249.58	198.55	(51.03)	(20.45%)
Net cash provided by (used in) investing activities	(110.69)	(84.12)	26.57	24.00%
Net cash provided by (used in) financing activities	(245.50)	(281.43)	(35.93)	(14.64%)
Increase (decrease) in exchange differences on translating financial statements	(25.05)	39.50	64.55	257.68%
Net increase (decrease) in cash and cash equivalents	(131.67)	(127.51)	4.16	3.16%
Cash and cash equivalents as at 1 st January	432.36	199.52	(232.84)	(53.85%)
Adjustment effects of exchange rate	(1.97)	(0.14)	1.83	92.89%
Cash and cash equivalents as at 30 th June	298.72	71.87	(226.85)	(75.94%)

The period ended 30th June 2019, the Company and its subsidiary had net cash flow received from operating activities of Baht 198.55 million, net cash flow used in investing activities of Baht 84.12 million (dry dock), and net cash flow used in financing activities of Baht 281.43 million, mainly from loan repayment. Therefore, cash and cash equivalent items as of the ended 30th June 2019 is Baht 71.87 million, decreased by Baht 127.51 million from 1st January 2019.

Key Financial Ratios

	FY2018	FY2019	Change
Current ratio (times)	0.72	0.29	(0.43)
Quick ratio (times)	0.60	0.23	(0.37)
Receivables turnover ratio (times)	17.48	15.62	(1.86)
Average receivable collection period (days)	20.59	23.04	2.45
Debt to equity ratio (times)	0.78	0.70	(0.08)
Interest bearing debt-to-equity ratio (times)	0.71	0.62	(0.09)
Return on assets (%)	4.87	6.53	1.66
Return on equity (%)	4.35	7.08	2.73

Yours faithfully

AMA Marine Public Company Limited



(Mr. Pisan Ratchakitprakarn)

Managing Director

Corporate Secretary

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