



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

ทะเบียนเลขที่ 0107559000231

No. CS/EL/AMA016/2019

November 6, 2019

Subject: Management Discussion & Analysis for operating results in the third quarter of 2019 ended as at 30 September 2019

Attention: The President
The Stock Exchange of Thailand

3Q2019 Management Discussion and Analysis

Executive Summary

International marine logistics service

The service income of AMA Marine Public Company Limited (“the Company”) decreased by Baht 23.47 million or 7.12% YoY, resulting from high volatility in Foreign Exchange rate impact Thai baht appreciate against US dollar. However, the gross profit of the Company in 3Q2019 increased by Baht 2.66 million or 4.97% YoY mainly due to the decrease in bunker prices and the higher average freight rate in this quarter than the same period of last year.

Domestic land logistics service

AMA Logistics Co., Ltd. (“the Subsidiary”) reported additional services income of Baht 34.29 million or 28.21% YoY, in line with the business plan and the increasing demand for oil transportation. In 3Q2019, the Subsidiary had carried oil volume of 403.51 million liters, grew by 102.09 million liters or 33.87% YoY. In addition, the Subsidiary could manage the truck fleet more efficiently, resulting in an increase in the gross profit of Baht 21.67 million, or surged by 87.73% YoY.

Table 1: Key Financial Results

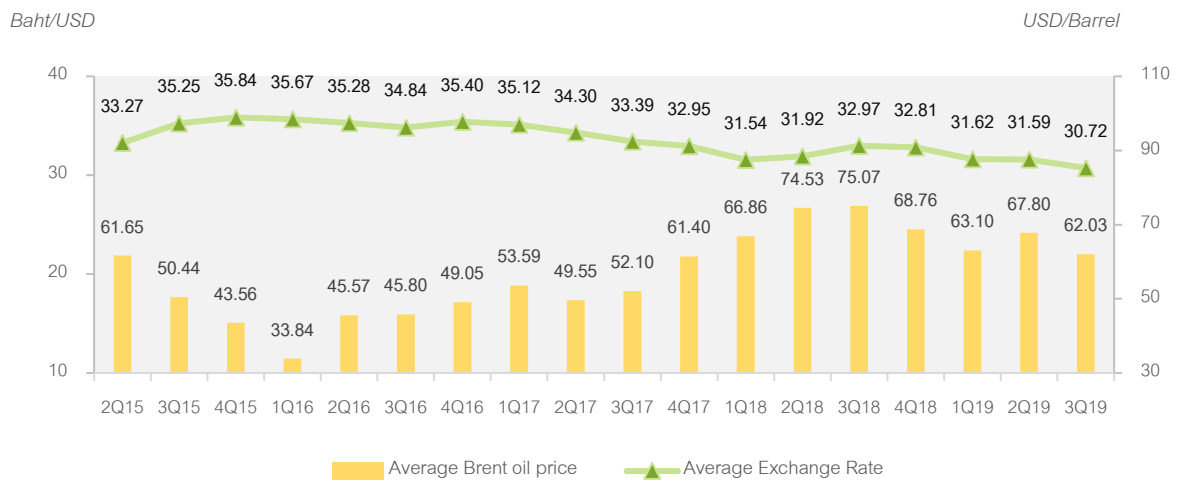
unit: million Baht

	3Q2018	2Q2019	3Q2019	%YoY	%QoQ
Service income	451.03	501.46	461.85	2.40	(7.90)
Gross profit	78.19	125.58	102.52	31.12	(18.36)
Gain (Loss) on an exchange rate	(0.03)	(1.63)	(0.34)	1,033.33	(79.14)
Net profit	21.67	68.18	46.39	114.07	(31.96)
Gross profit margin (%)	17.34%	25.04%	22.20%		
Net profit margin (%)	4.81%	13.60%	10.05%		
- Service income in USD (Separate financial statements)	10.05	10.96	9.98	(0.74)	(8.98)

Economic and Industry Overview

- Indonesia faces the problem of exporting palm oil to the European Union (EU) since consumers turning against palm oil products because of concerns about environmental damage. Therefore, Indonesia is trying to increase exports to China and India as well as increasing the proportion of palm oil for domestic biodiesel production.
- 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 3Q2019, the average of the Thai Baht to US dollar was Baht 30.72 per USD slightly appreciated from 2Q2019. 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 3Q2019, the averaged Brent crude oil price was at USD 62.03 per barrel, dropped by 8.51% from the average price in 2Q2019 due to the prolonged US-China trade war situation, the global economy is likely to slow down which is a negative factor to oil demand.

Table 2: Average Brent oil price and Exchange Rate



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

3Q2019 Results

1) Revenues

Table 3: Revenues

Revenue Structure	3Q2018		3Q2019	
	million Baht	%	million Baht	%
International marine service				
Service income	309.62	68.65	296.77	64.26
Demurrage charge	19.84	4.40	9.22	1.99
Total revenue from marine service	329.46	73.05	305.99	66.25
Domestic land transportation service				
Service income	121.57	26.95	155.86	33.75
Total revenue from land service	121.57	26.95	155.86	33.75
Total revenue from services	451.03	100.00	461.85	100.00

The 3Q2019 consolidated revenues of the Company and its subsidiary posted at Baht 461.85 million, increase by Baht 10.82 million or 2.40% YoY, the proportion of the Company's international marine service and its subsidiary's domestic land transportation revenues were 66.25% and 33.75%, respectively.

Revenue from international marine service dropped by Baht 23.47 million, or 7.12% YoY resulting from high volatility in Foreign Exchange rate impact Thai baht appreciate against US dollar. Furthermore, there was one vessel out of service for dry-docking in this period.

For domestic land transportation services, its revenues increased of Baht 34.29 million, or 28.21% YoY, thanks to efficiently truck fleet utilization in 3Q2019 with 161 truck tankers.

2) Gross profit and Gross profit margin

The Company and its subsidiary's gross profit increased of Baht 24.33 million or 31.12% YoY to record at Baht 102.52 million, representing gross profit margin at 22.20%, compared with 17.34% in 3Q2018.

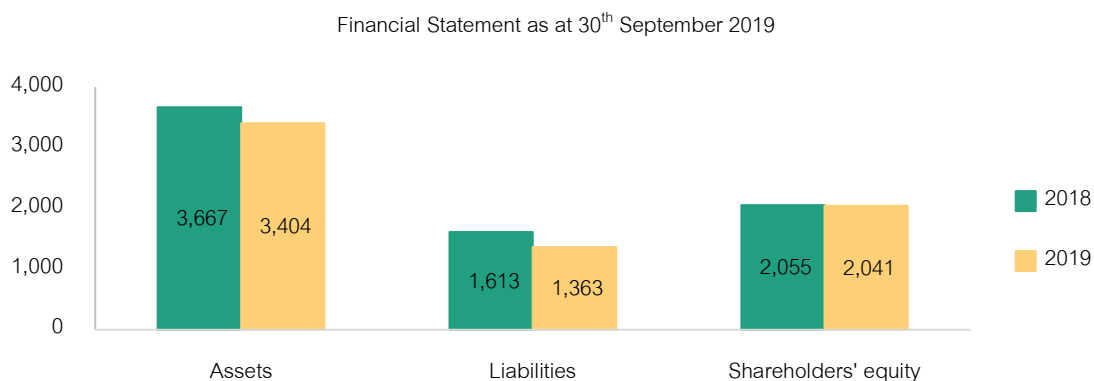
Gross profit margin of Marine transport in 3Q2019 was 18.35% compared with 16.24% YoY. A higher gross profit margin of marine transport came mainly from the decrease of bunker cost and the improvement of controlling vessel's speed to be at an economic speed as well as managing the fleet routes more efficiently. 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 3Q2019 was 29.75%, higher than 20.32% in 3Q2018.

3) Net profit and Net profit margin

In 3Q2019, the Company and its subsidiary's consolidated net profit margin was 10.04%, compared with 4.80% in 3Q2018. As a result, net profit surged by Baht 24.72 million or 114.07% YoY, to be recorded at Baht 46.39 million.

Financial Status



1) Assets

The Company and its subsidiary had total assets of Baht 3,403.92 million, decreased Baht 263.38 million or by 7.18% 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 1,363.35 million, shrunk by Baht 249.42 million or 15.47% 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 2,040.58 million, declined by Baht 13.95 million, or 0.68% YTD due to dividend payment of Baht 51.79 million and decreasing in other components of shareholders' equity amounting to Baht 92.90 million.

Cash Flows

Table 4: Cash flows

unit: million Baht

	30 Sep 2018	30 Sep 2019	Change	%YoY
Net cash provided by (used in) operating activities	314.94	323.11	8.17	2.59%
Net cash provided by (used in) investing activities	(116.69)	(112.92)	3.77	(3.23%)
Net cash provided by (used in) financing activities	(377.15)	(382.05)	(4.90)	1.30%
Increase (decrease) in exchange differences on translating financial statements	(4.19)	40.23	44.42	(1,060.14%)
Net increase (decrease) in cash and cash equivalents	(183.09)	(131.63)	51.46	(28.11%)
Cash and cash equivalents as at 1 st January	432.36	199.52	(232.84)	(53.85%)
Adjustment effects of exchange rate	(1.27)	(0.1)	1.17	(92.13%)
Cash and cash equivalents as at 30 th September	248.00	67.98	(180.02)	(72.59%)

The period ended 30th September 2019, the Company and its subsidiary had net cash flow received from operating activities of Baht 112.92 million, net cash flow used in investing activities of Baht 382.05 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 September 2019 is Baht 67.98 million, decreased by Baht 180.02 million from 1st January 2019.

Key Financial Ratios

Table 5: Key Financial Ratios

	FY2018	FY2019	Change
Current ratio (times)	0.72	0.46	(0.26)
Quick ratio (times)	0.60	0.35	(0.25)
Receivables turnover ratio (times)	17.48	17.60	0.12
Average receivable collection period (days)	20.59	20.46	-0.13
Debt to equity ratio (times)	0.78	0.67	(0.11)
Interest bearing debt-to-equity ratio (times)	0.71	0.61	(0.10)
Return on assets (%)	4.87	7.33	2.46
Return on equity (%)	4.35	8.26	3.91

Yours faithfully

AMA Marine Public Company Limited

(Mr. Pisan Ratchakitprakarn)

Managing Director

Investor Relations

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