



Thoresen Thai Agencies Plc.

**FY14**

**Results Briefing**

**SET Opportunity Day**

1 December 2014

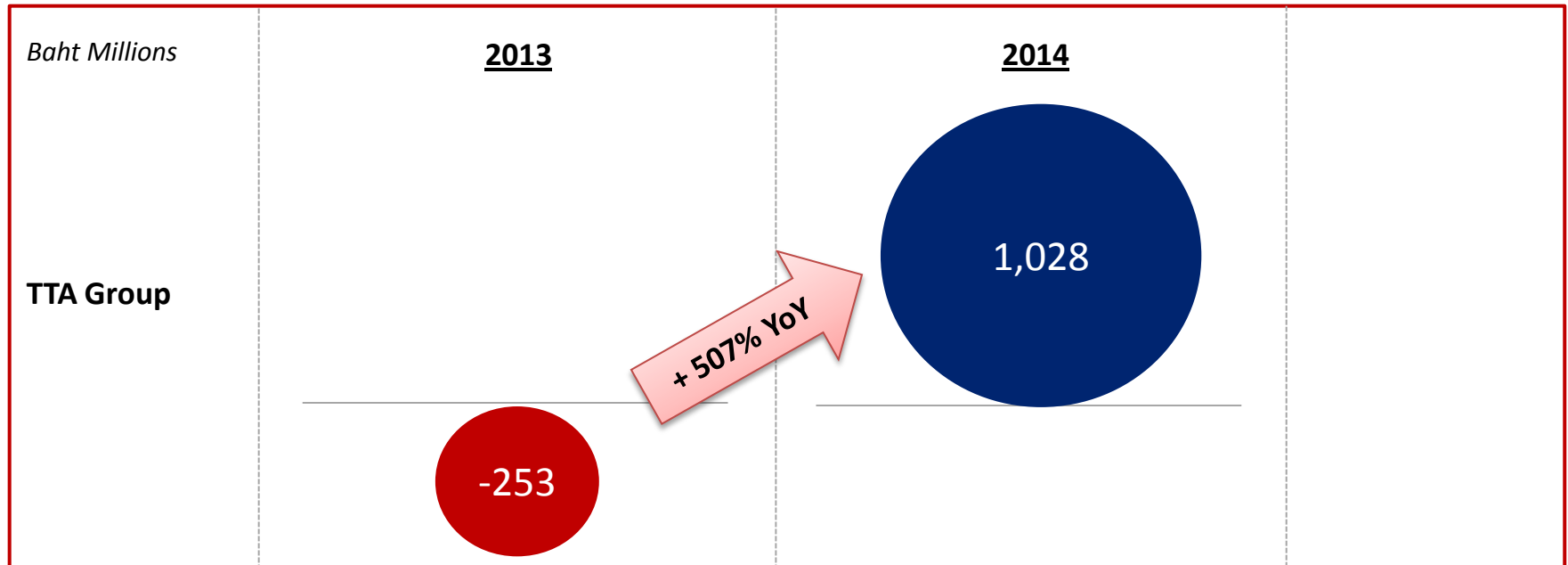
# Agenda



- FY14 Performance
- FY14 Investment Summary
- Q&A

# FY14 Performance

Best Performance in 5 years. Normalized Net Profit Turnaround



	Normalized Net Profit Contribution by Business Units (Baht Millions)		(YoY)
Thoresen Shipping	-277	355	+ 228%
Mermaid Maritime	314	832	+ 165%
UMS	-335	-120	+ 64%
Baconco	253	345	+ 36%

# Thoresen Shipping

## Business Overview



# Thoresen Shipping

... is an international dry bulk shipping company with well-established and deep roots in the global maritime community

## DRY BULK SHIPPING

### OWNED (FY14)

NO. OF VESSELS

**24** vessels

**16** Supramax

**8** Handymax

AVG. SIZE

**50,636** DWT

SIMPLE  
AVG. AGE

**11.0** Years

### CHARTERED-IN (FY14)

**18.0** vessels

### OFFICES

Singapore

Thailand

Copenhagen

Cape Town

# Recap of FY14



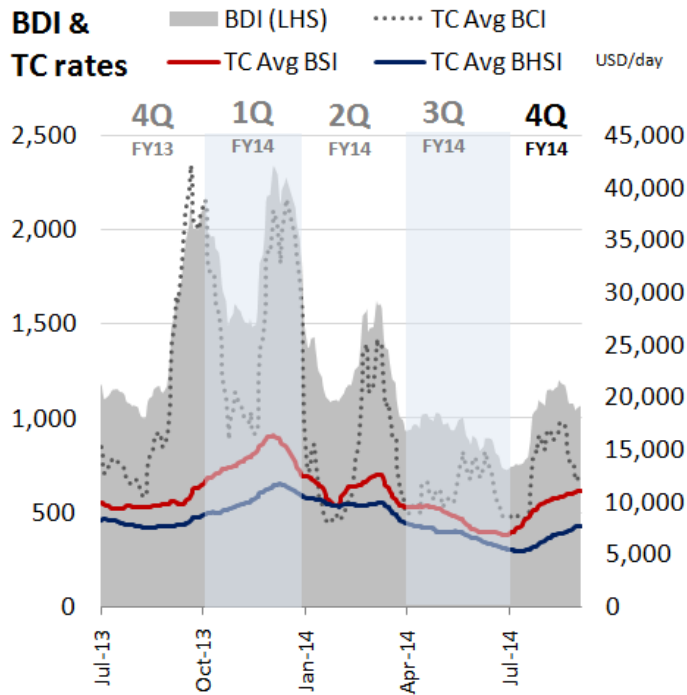
## Market Continued On Uptrend Despite Temporary Rate Volatilities

**Thoresen  
Shipping**

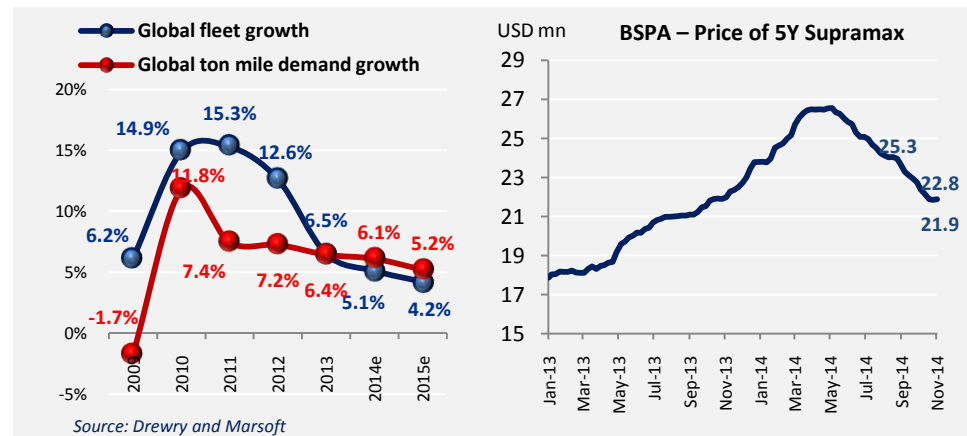
Mermaid  
Maritime

UMS

Baconco

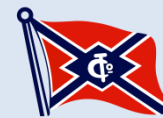


- Dry bulk shipping market continued on uptrend despite some temporary disruptions
- Fundamentals remain positive as demand growth outpaces global fleet growth.
- Supramax TC rates averaged at USD 10,852 per day in FY14, up from USD 8,715 per day in FY13.



# FY14 Performance

Continued to Outperform the Market



**Thoresen  
Shipping**

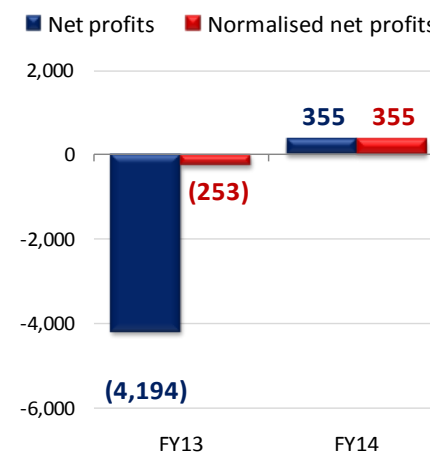
Mermaid  
Maritime

UMS

Baconco

Thoresen Shipping's income statement*			
Baht millions	restated		
	FY13	FY14	%yoy
<b>Total revenues</b>	<b>4,747</b>	<b>6,887</b>	<b>45%</b>
Total costs	(4,115)	(5,616)	36%
<b>Gross profits</b>	<b>632</b>	<b>1,271</b>	<b>101%</b>
Gross margins (%)	13%	18%	5%
Other incomes	158	183	16%
SG&A	(295)	(304)	3%
<b>EBITDA</b>	<b>495</b>	<b>1,150</b>	<b>132%</b>
EBITDA margins (%)	10%	17%	13%
<b>Net profits</b>	<b>(4,194)</b>	<b>355</b>	<b>108%</b>
Net profit margins (%)	-88%	5%	94%

\*as consolidated on TTA's P&L



- **Thoresen Shipping's net profit surged to Baht 355 million from net loss excluding one-off item of Baht (253) million last year.**
- Achieved TCE rose to USD 9,887 per day in FY14, up from USD 8,364 per day in FY13 and 5% higher than Supramax TCE rate.
- 38.0 Full-Time Equivalent (FTE) vessels (20.0 owned vessels + 18.0 chartered-in vessels) in FY14 vs. 29.2 FTE vessels (16.1 owned vessels + 13.1 chartered in vessels) in FY13
- As Thoresen Shipping continued to operate with advantageous cost structure, EBITDA grew 132% yoy to Baht 1,150 million

# FY14 Performance

## Effective Revenue and Cost Management



**Thoresen  
Shipping**

Mermaid  
Maritime

UMS

Baconco

- 1** EBITDA breakeven expenses per-day down 10% to USD 5,817 per day from USD 6,478 per day in FY13
- Owner's expenses of USD 3,921 per day, down 4% yoy. significantly lower than the industry average of USD 5,121 per day (Moore Stephens 2013)
  - Dry docking expenses of USD 611 per day, down 18% yoy due to our fleet reconfiguration strategy and diligent on-board maintenance

Average Daily Operating Results (USD/Day)			
USD/Day	FY13	FY14	%yoy
USD/THB Rate (Daily Average)	30.46	32.23	6%
<b>Time charter equivalent (TCE Rate)*</b>	<b>\$8,364</b>	<b>\$9,887</b>	18%
TCE Rate of Owned Fleet	\$8,212	\$9,311	13%
TCE Rate of Chartered-In	\$152	\$576	279%
Vessel operating expenses (Owner's expenses)	\$4,087	\$3,921	-4%
Dry-docking expenses	\$744	\$611	-18%
General and administrative expenses	\$1,647	\$1,285	-22%
<b>Cash costs</b>	<b>\$6,478</b>	<b>\$5,817</b>	-10%
Finance costs, net	-\$217	-\$67	-69%
Depreciation	\$3,563	\$2,327	-35%
<b>Total costs</b>	<b>\$9,824</b>	<b>\$8,077</b>	-18%

- 2** Net profit breakeven expenses per-day down 18% yoy to USD 8,077 per day in FY14

# Mermaid Maritime

## Business Overview



# MERMAID

.. is a regional provider of subsea engineering and drilling services for the offshore oil and gas industry



**13\*** subsea vessels



**6+17**  
Saturation and air diving systems



**15**  
remotely operated vehicles



**4**  
tender drilling rigs\*\*

**3**  
jack-up drilling rigs



Ownership through 33.76% stake in AOD

## SUBSEA ENGINEERING

## OFFSHORE DRILLING

\* Includes 1 subsea vessel under construction and 8 subsea vessels on charter-in

\*\* Includes 2 tender rigs under construction



# FY14 Performance

Achieved Best Year Ever



Thoresen  
Shipping

**Mermaid  
Maritime**

UMS

Baconco

- Mermaid delivered best year ever with net profits to TTA of Baht 832 million, rose 165% yoy.
- Strong operational track records and increasing geographic coverage bring in more high-margin long-term contracts.
- Revenues grew 22% yoy, while EBITDA increased 64% yoy to Baht 2,495 million from high margin long term contracts achieved, equity income, and more chartered-in activities in FY14.

## Mermaid's income statement\*

Baht millions	FY13	FY14	%yoy
<b>Total revenues</b>	<b>8,243</b>	<b>10,088</b>	<b>22%</b>
Total costs	(5,989)	(7,495)	25%
<b>Gross profits</b>	<b>2,254</b>	<b>2,593</b>	<b>15%</b>
Gross margins (%)	27%	26%	-6%
Equity incomes	128	1,010	687%
Other incomes	23	23	2%
SG&A	(885)	(1,131)	28%
<b>EBITDA</b>	<b>1,520</b>	<b>2,495</b>	<b>64%</b>
EBITDA margins (%)	18%	25%	34%
<b>Net profits</b>	<b>539</b>	<b>1,459</b>	<b>171%</b>
Net profit margins (%)	7%	14%	121%
<b>Net profits to TTA</b>	<b>314</b>	<b>832</b>	<b>165%</b>

\*as consolidated on TTA's P&L

- Equity income increased from Baht 125 million in FY13 to Baht 1,010 million in FY14 as all three Jack-up rigs, AOD I, AOD II and AOD III, commenced their three-year contracts with Saudi Aramco in May, July, and Oct 2013 respectively.

# FY14 Performance



## Improved Utilization and Day Rates in Subsea and Drilling

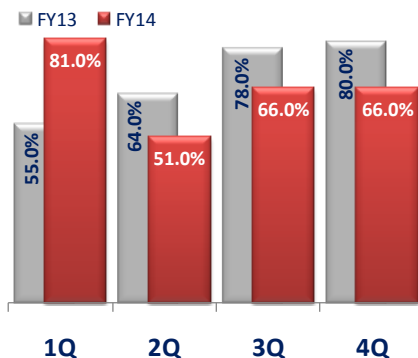
Thoresen  
Shipping

**Mermaid  
Maritime**

UMS

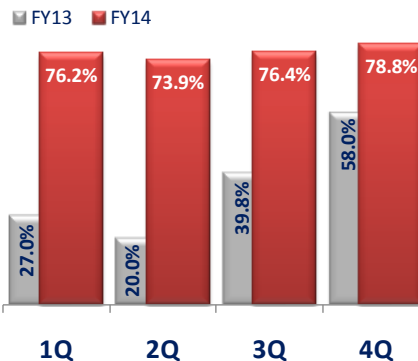
Baconco

### Subsea vessel utilisation\*



\*Utilisation rate per calendar days

### Drilling rig utilisation\*



\*Utilisation rate per calendar days

- Subsea business witnessed revenues growth 12% yoy backed by 31% yoy higher day rates, stable average utilization rate at 66%, similar to FY13, and additional chartered-in subsea vessels to support existing and potential work requirements.
- Drilling business (including all 3 jack-up rigs from AOD) witnessed substantial increase in both day rates and utilization in FY14
  - MTR-1 was unemployed throughout FY14
  - MTR-2 achieved 98% utilisation, now works as work-over unit at a reduced rate but it is expected to resume its normal drilling soon
  - AOD I, II, III achieved 94% utilisation in FY14



# UMS

*.. is a coal logistics, importing coal from Indonesia for distribution to several domestic industries, especially, manufacturers in Bangkok, and nearby provinces*



**2** COAL SCREENING FACILITIES

- ▶ SUAN SOM, SAMUTSAKORN
- ▶ NAKORN LUANG, AYUTTHAYA

**16,690** SQ.M.  
TOTAL PLANT SIZE

# FY14 Performance



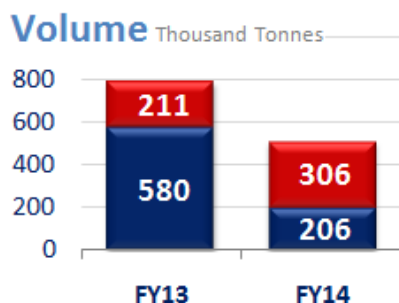
Improving Cash and Capital Structure Status; Ready to Resume Normal Operations.

Thoresen  
Shipping

Mermaid  
Maritime

**UMS**

Baconco



- Net loss narrowed down to Baht (120) million resulting from the inventory readjustment plan.
- Financial status strengthened, net bank debt reduced to Baht 537 million from Baht 1,250 million in FY13.

## UMS' income statement\*

Baht millions	restated		%yoy
	FY13	FY14	
<b>Total revenues</b>	<b>1,931</b>	<b>1,038</b>	<b>-46%</b>
Total costs	(1,581)	(785)	50%
<b>Gross profits</b>	<b>350</b>	<b>253</b>	<b>-28%</b>
Gross margins (%)	18%	24%	34%
Other incomes	5	3	-39%
SG&A	(336)	(233)	31%
<b>EBITDA</b>	<b>19</b>	<b>23</b>	<b>22%</b>
EBITDA margins (%)	1%	2%	127%
<b>Net profits</b>	<b>(378)</b>	<b>(136)</b>	<b>64%</b>
Net profit margins (%)	-20%	-13%	33%
<b>Net profits to TTA</b>	<b>(335)</b>	<b>(120)</b>	<b>64%</b>

\*as consolidated on TTA's P&L

# Baconco

## Business Overview



# Baconco

..is a manufacturer and seller of fertilizer in Vietnam and provides logistics services from its warehouse facilities



FERTILISER COMBINED  
PRODUCTION CAPACITY

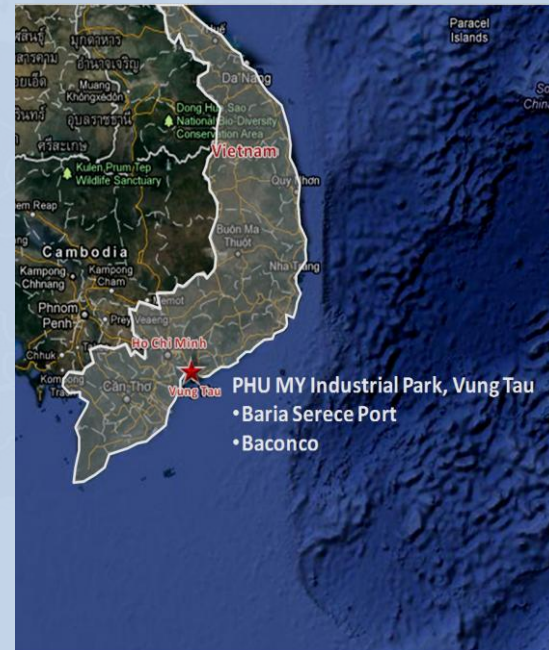
# 450,000

TONNES PER ANNUM

AVERAGE  
WAREHOUSING CAPACITY

# 31,000

SQ.M.



# 17

MILES FROM  
THE OPEN SEA

# FY14 Performance

Continued to Make New Record Performance

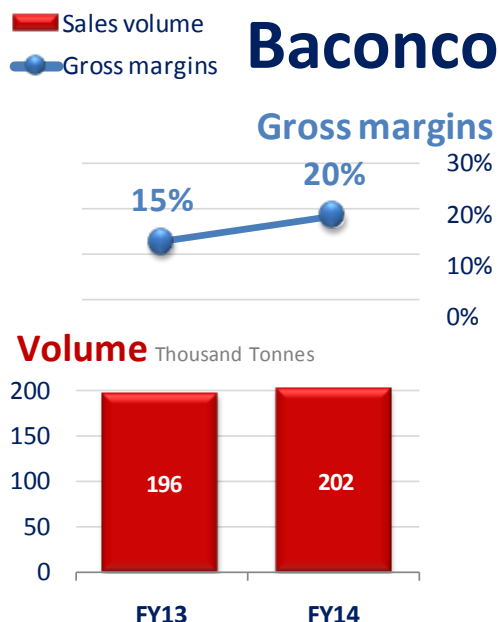


Thoresen  
Shipping

Mermaid  
Maritime

UMS

**Baconco**



- **Baconco made new record performance of Baht 345 million net profits, surged 36% yoy.**
- Solid fertilizer sale volume in Vietnam and export markets with improved profitability margins. New production line for export markets completed and started operations in August 2014.
- Warehousing business generated higher revenue driven by almost 100% utilization rate, more rental spaces, and incremental rental fees.

## Baconco's income statement\*

Baht millions	restated		
	FY13	FY14	%yoy
<b>Total revenues</b>	<b>3,229</b>	<b>3,192</b>	<b>-1%</b>
Total costs	(2,759)	(2,559)	-7%
<b>Gross profits</b>	<b>470</b>	<b>633</b>	<b>35%</b>
Gross margins (%)	15%	20%	36%
Other incomes	24	31	26%
SG&A	(129)	(207)	61%
<b>EBITDA</b>	<b>365</b>	<b>457</b>	<b>25%</b>
EBITDA margins (%)	11%	14%	27%
<b>Net profits</b>	<b>253</b>	<b>345</b>	<b>36%</b>
Net profit margins (%)	8%	11%	38%

\*as consolidated on TTA's P&L

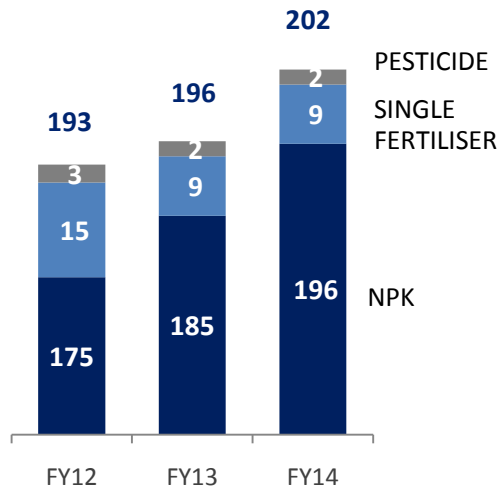


## Performance Improvement in All Businesses

### Fertilizer Business

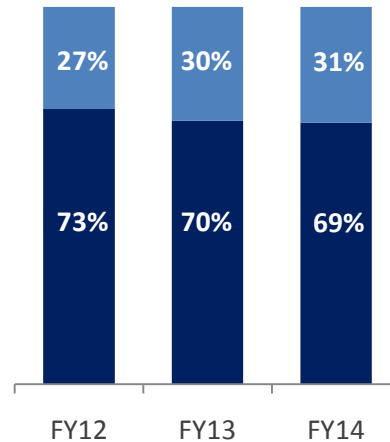
#### Sales Volume

Unit in '000 ton



#### Revenue breakdown

■ Domestic ■ Export

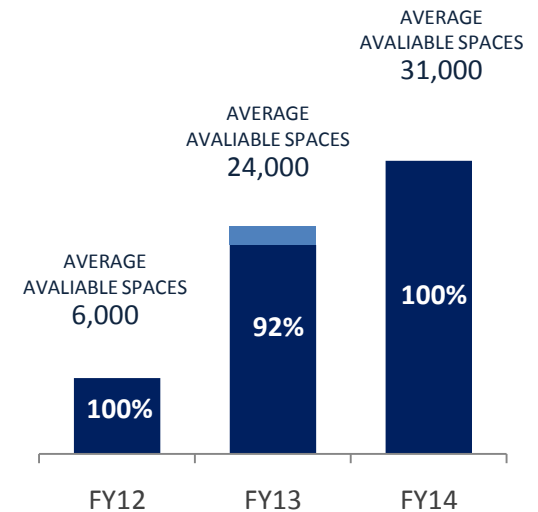


- Solid fertilizer sale volumes both in Vietnam and export market
- New 100,000 metric tons capacity granulation unit, increasing total production capacity to 450,000 metric tons

### Warehouse Business

#### Utilization Rate

Unit in SQ.M.



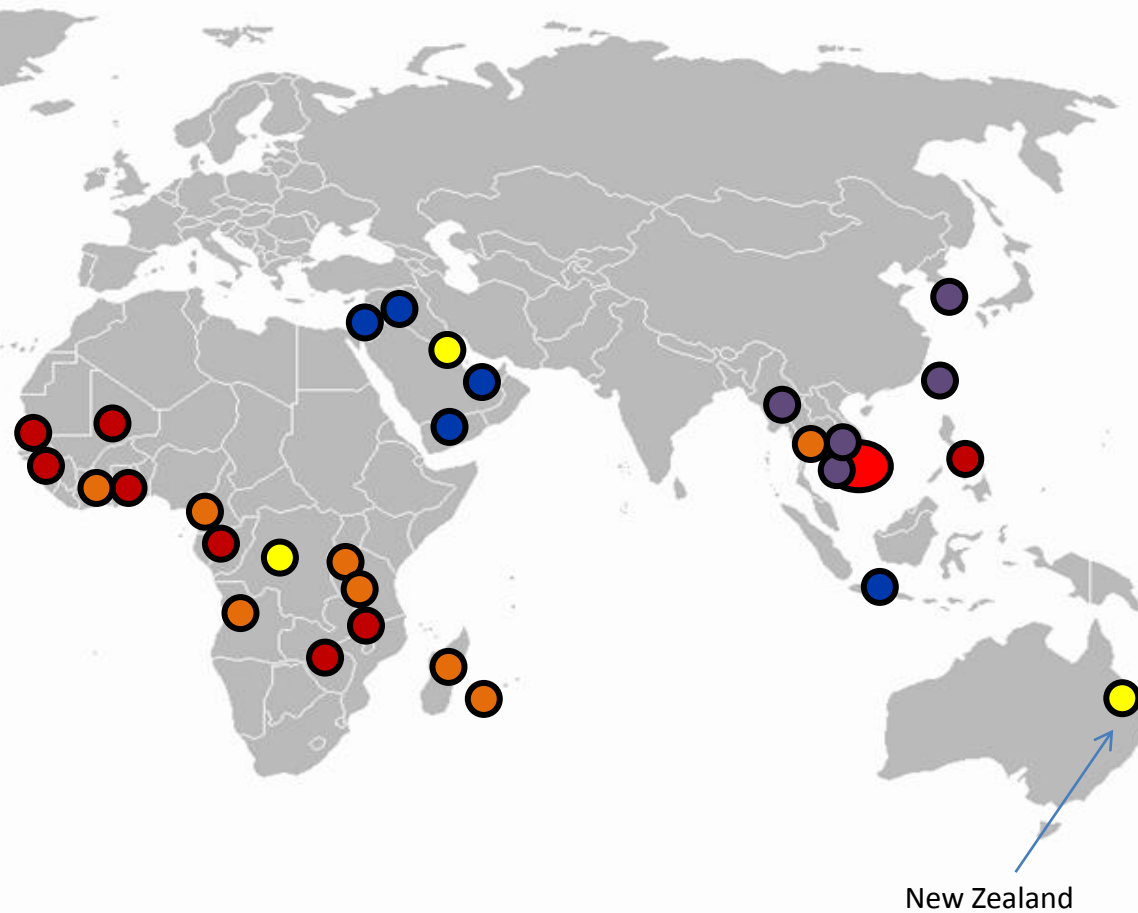
- Full year operations of Baconco 5 warehouse in FY14

# Baconco

## Continue Export Market Expansion



Year	Countries	Volume (MTS)
2010	5	3,300
2011	13	27,000
2012	21	60,000
2013	26	70,000
2014	30	74,000

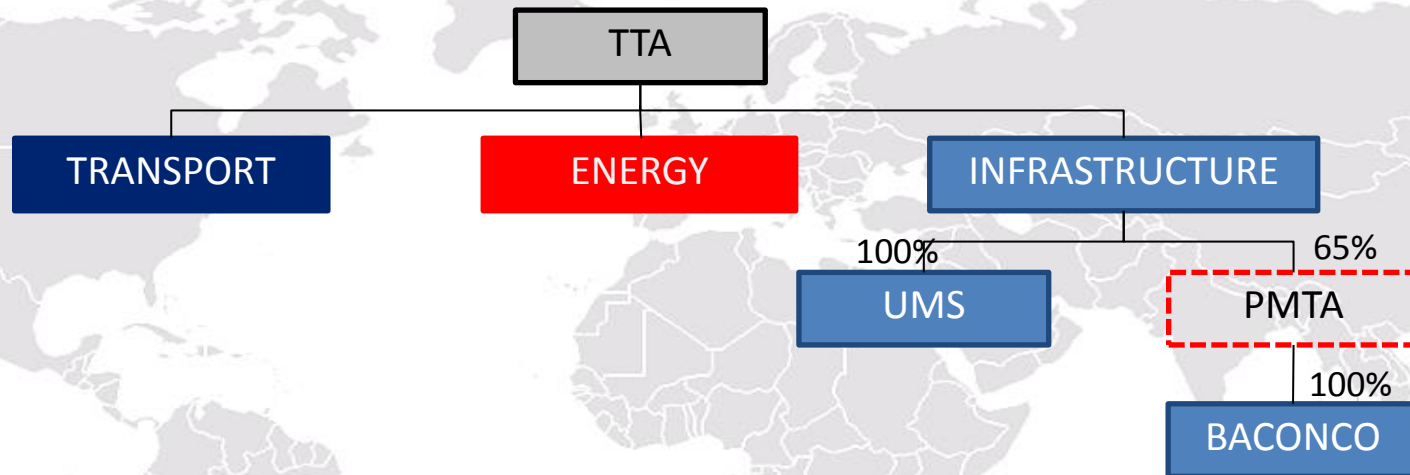




# PMTA Listing



To Launch IPO in Beginning 2015. 100% Pre-Emptive Right to TTA Shareholders



## Objective

- Create Platform for Future Growth
- Increase Value Visibility

## Progress of IPO

- Filing effective
- IPO period in the beginning of 2015
- 100% Pre-emptive right to TTA shareholders
- Total 35,420,000 shares or 35% of PMTA shares
- Underwriter : CIMB Securities (Thailand) Co., Ltd.



Thoresen Thai Agencies Plc.

**Financial Review**  
**Consolidated Results**

# Financial Review: Consolidated Results



## Higher Revenues and Effective Cost Management

Income statement		restated		
Baht millions	FY13	FY14		%yoy
Revenues	18,463	21,431	1	16%
Costs	(14,548)	(16,548)		14%
Gross profits	3,915	4,883	2	25%
Equity income	255	1,186	3	366%
Other income	147	155		6%
SG&A	(2,121)	(2,354)		11%
<b>EBITDA</b>	<b>2,196</b>	<b>3,870</b>		<b>76%</b>
Depreciation & Amortisation	(1,595)	(1,534)		4%
Finance costs	(510)	(492)		-3%
<b>EBT</b>	<b>91</b>	<b>1,844</b>		<b>1918%</b>
Income taxes	(235)	(314)		34%
Non-recurring items	(4,843)	(86)		98%
Forex translation	71	181		155%
<b>Net profit</b>	<b>(4,916)</b>	<b>1,625</b>		<b>133%</b>
<b>Net profits (losses) attributable to</b>				
- Non-controlling interest	203	610		200%
<b>- Owner of the Company</b>	<b>(5,119)</b>	<b>1,015</b>		<b>120%</b>
<b>Breakdown of Net Profit to Owner of the Company</b>				
Impairment charges and write-offs	(4,866)	(13)		100%
<b>Normalised Net Profits</b>	<b>(253)</b>	<b>1,028</b>		<b>507%</b>
Net profits	(5,119)	1,015		120%
No. of shares (million)	992	1,293		
Basic EPS (Baht)	(5.16)	0.79		

1 Consolidated revenues up 16% yoy mainly due to:

- Thoresen Shipping's higher freight revenues from a recovery in dry bulk shipping and higher vessel days
- Mermaid's higher day rates and chartered-in activities from subsea division.
- Baconco's lower cost of raw material from fertiliser business and higher revenue from warehouse business.

2 Gross profits increased 33% yoy from effective cost management from all core businesses

3 Equity income increased to Baht 1,186 million, mainly from profit sharing from Mermaid as AOD contributed Baht 1,010 million of income

# Financial Review: Consolidated Results



## Solid Net Profit Improvement

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Net profits	(5,119)	1,015	120%
No. of shares (million)	992	1,293	
Basic EPS (Baht)	(5.16)	0.79	

- 4** EBITDA grew 76% yoy to Baht 3,870 million from gross profit expansion and strong increased in equity income
- 5** Net profits increased by 120% yoy to Baht 1,015 million, a significant improvement from net losses of Baht (5,119) million in FY13
- 6** Normalized FY14 net profits, excluding non-cash accounting adjustment, surged 507% yoy to Baht 1,028 million, compared with net losses of Baht (253) million in FY13.

# Financial Review: Consolidated Results



Baht million	30-Sep-13	31-Dec-13	31-Mar-14	30-Jun-14	30-Sep-14
Cash & cash equivalents	7,458	8,893	8,602	6,742	6,290
Short-term investments	503	524	520	1,341	1,342
Trade account receivables	3,966	3,648	3,631	3,895	4,244
<b>Total current assets</b>	<b>15,355</b>	<b>16,011</b>	<b>15,607</b>	<b>14,844</b>	<b>14,586</b>
PP&E	20,935	21,546	24,473	26,809	27,171
Investments	5,039	5,365	5,670	5,830	5,972
Goodwill, net	969	983	979	979	979
<b>Total assets</b>	<b>43,232</b>	<b>44,903</b>	<b>47,913</b>	<b>49,161</b>	<b>49,331</b>
Short-term debt	3,464	3,349	3,096	2,722	4,566
Long-term debt	10,634	10,907	10,553	11,462	9,164
<b>Total liabilities (TL)</b>	<b>17,791</b>	<b>17,821</b>	<b>17,017</b>	<b>17,811</b>	<b>17,732</b>
Retained earnings	11,392	11,642	11,825	12,079	12,408
<b>Total equities (TE)</b>	<b>25,442</b>	<b>27,083</b>	<b>30,896</b>	<b>31,350</b>	<b>31,599</b>
BV/share	25.67	27.25	29.34	24.25	24.43
TL/TE	0.70	0.66	0.55	0.57	0.56
D/E	0.55	0.53	0.44	0.45	0.43

**Firmly Step Towards Further Growth Opportunity**



Thoresen Thai Agencies Plc.

# **FY14 Investment Summary**

# TTA Group

## FY14 Investment Summary



Business entity	Investment transaction	Value (Baht mn)
Thoresen Shipping	Acquired 6 Supramax vessels	4,371
Mermaid Maritime	Ordered 2 tender rigs and 1 DSV	14,052
Baconco	Built export production line	125
TTA	Purchased 0.44% shares of Mermaid Maritime	60
TTA	Acquiring 9% in Sino Grandness Food Industry Group Limited	625-785

# Sino Grandness Food Industry (SGFI)

Canned food and Fruit Beverage Producer & Distributor



## Main Products

Juices



Fruits



Asparagus



Long beans



## Notable Customers



## Awards



Nov 2013 : “**Garden Fresh**” has been valued at RMB3.5 billion according to a “Brand Value Data Certificate” issued by Asia Brand Association Experts Committee and Asia Brand Research Centre



Sep 2013 : Accorded the prestigious “**Top 500 Asia Brand**” award during the eighth Asian Brand Ceremony held in Hong Kong



Jan 2013 : Prestigious “**Top 100 Brand in China**” award by the joint agency of Global times, Asia Brand Association and China Economic Herald.



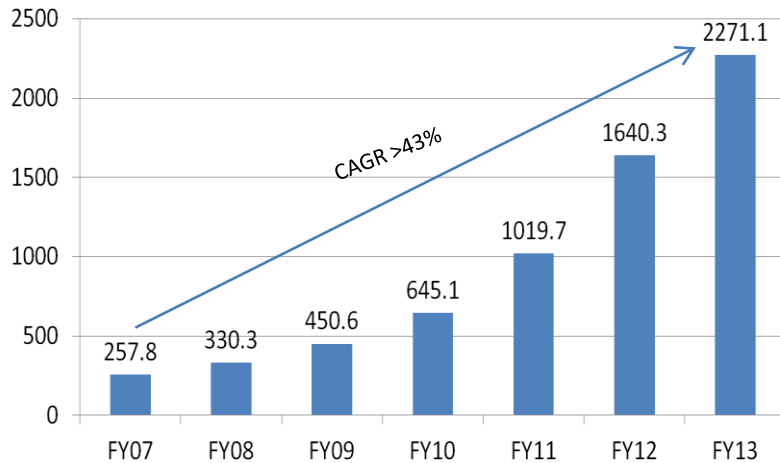
# Sino Grandness Food Industry (SGFI)



Fast Growing and Healthy Profit Margin

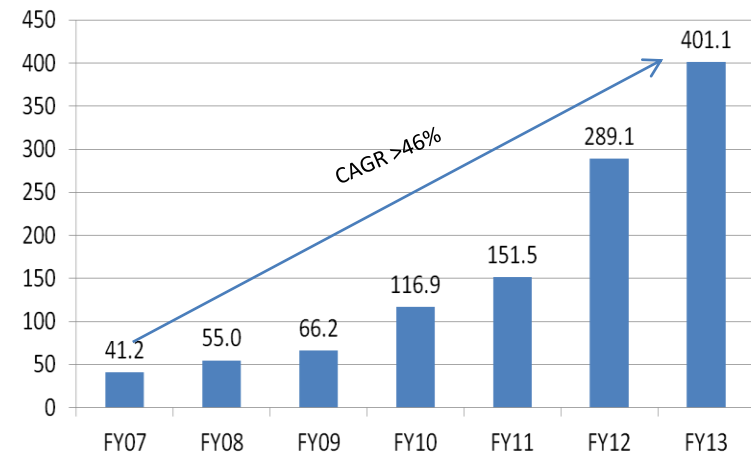
## Group Revenue

RMB million



## Group Net Profit

RMB million



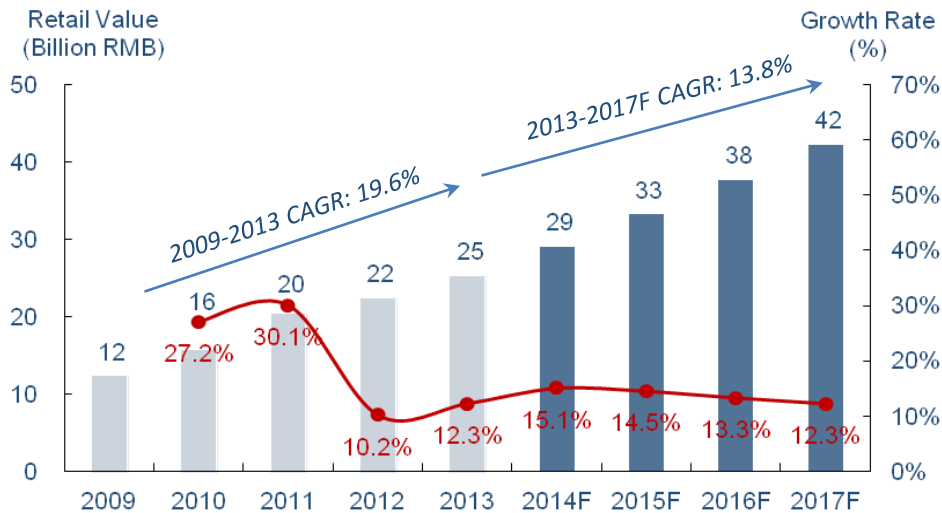
- Growth driven by strong sales growth and margin expansion.
- TTA will record 9% of SGFI net profit.

# Sino Grandness Food Industry (SGFI)

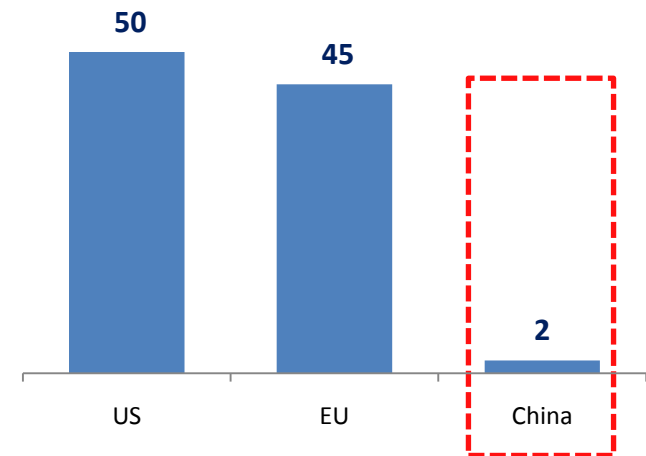


## Hugh Growth Potential in China

### Retail Value of Asian Specialty Juice Market (China), 2009-2017F



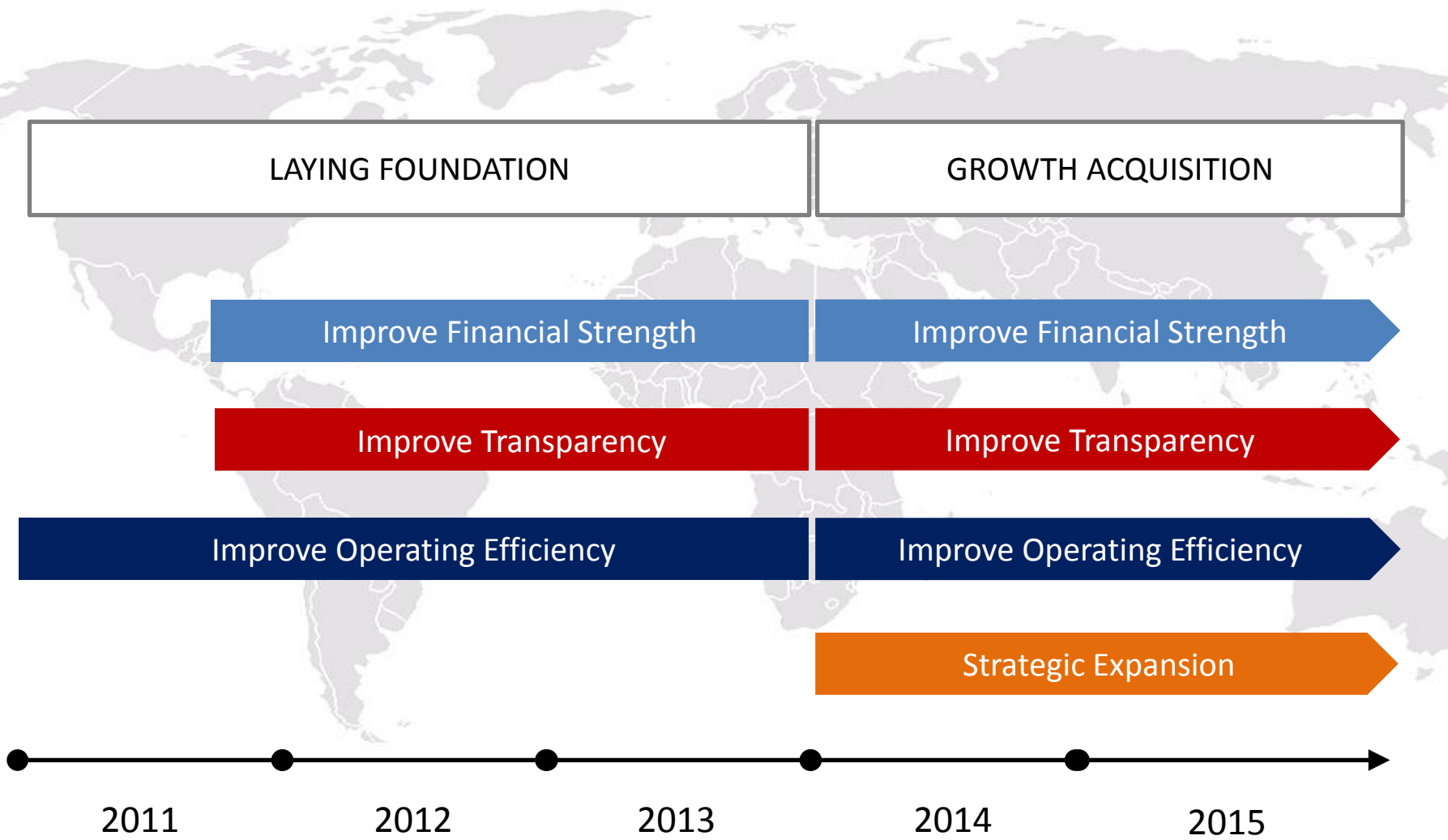
### Per Capita Consumption of Fruit Juice (in Liters)



Source: SGFI

- Asian specialty juice market in China has entered a fast growing stage over the past years.
- According to Frost & Sullivan's estimation, the total retail value of Asian specialty juice market is expected to reach RMB 42 billion by 2017, representing a CAGR of 13.8% from 2013-2017.

# Our Future





Q&A



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