



Thoresen Thai Agencies Plc.

1QFY14

Results Briefing

SET Opportunity Day

24 February 2014

Agenda



- Recap of 1QFY14: Key facts & developments at core business units
- Financial Review: Consolidated P&L
- Recent developments
- Q&A

Recap of 1QFY14

Best 1Q earnings since 2009



**Thoresen
Shipping**

**Mermaid
Maritime**

UMS

Baconco

	Transport		Energy		Infrastructure			
	Thoresen Shipping		Mermaid Maritime		UMS		Baconco	
Baht millions	1QFY13*	1QFY14	1QFY13*	1QFY14	1QFY13*	1QFY14	1QFY13*	1QFY14
Revenues	1,211	1,440	1,625	2,659	503	439	770	693
EBITDA	86	289	268	752	39	0	94	115
EBITDA margins	7%	20%	17%	28%	8%	0%	12%	17%
Net profits	(30)	117	(2)	238	4	(35)	71	88
Net profit margins	-2%	8%	0%	9%	1%	-8%	9%	13%
	Freight rate recovery		Strong revenue and equity income growth		Reinitiated aggressive 0-5 mm coal sale program		Improved margins offset lower revenue	
EBITDA & Net profits								
	1QFY13*	1QFY14	1QFY13*	1QFY14	1QFY13*	1QFY14	1QFY13*	1QFY14

* restated

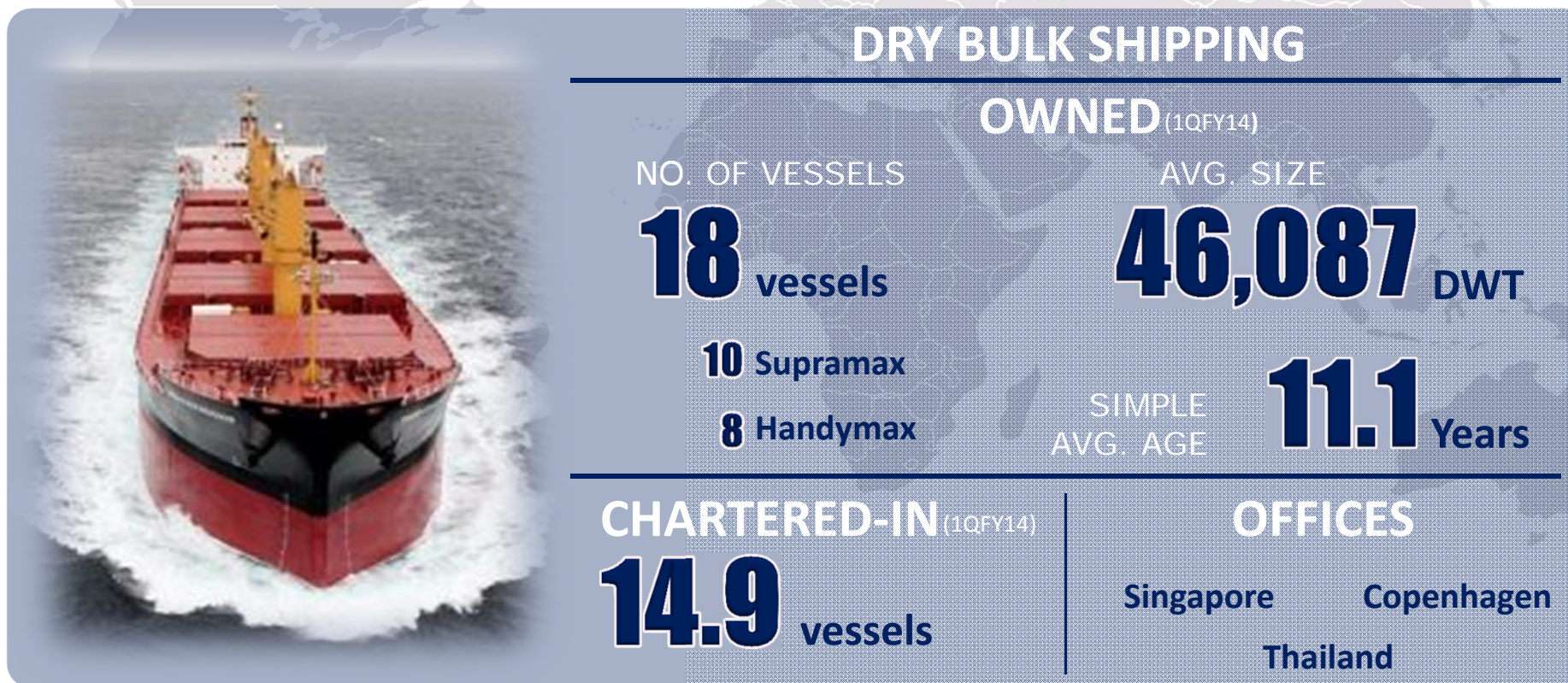
Thoresen Shipping

Business overview



Thoresen Shipping

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



Recap of 1QFY14

Dry bulk shipping market turnaround

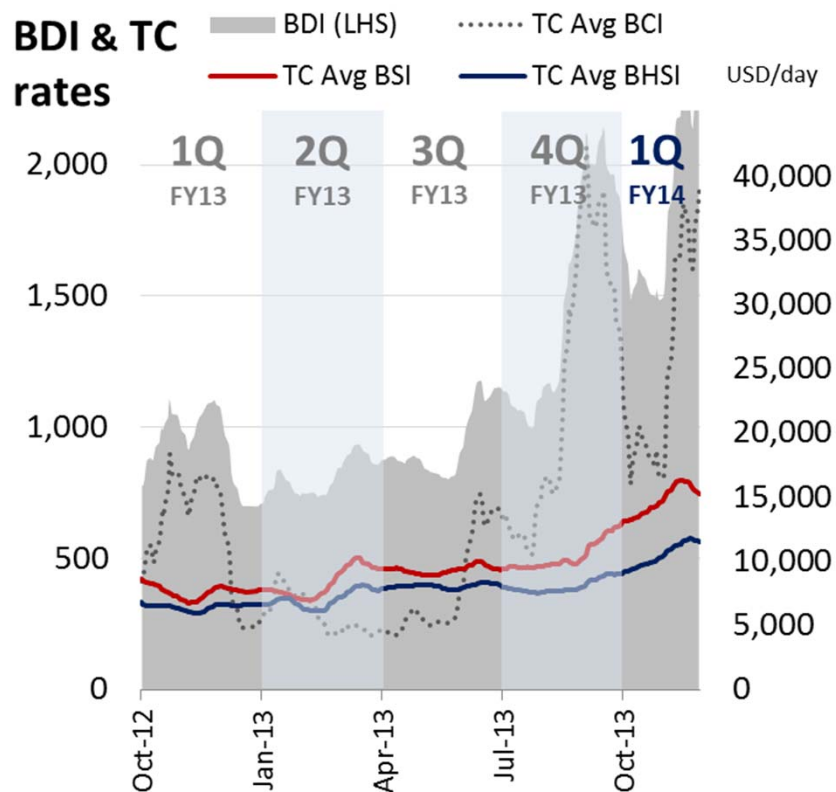


Thoresen
Shipping

Mermaid
Maritime

UMS

Baconco



- Strong recovery across all dry bulk shipping segments since July 2013
- Supramax TC rates averaged at USD 14,022 per day in 1QFY14
- Key drivers were continued demand growth and decreasing new fleet supply

Recap of 1QFY14

Thoresen Shipping delivered solid 1QFY14



**Thoresen
Shipping**

Mermaid
Maritime

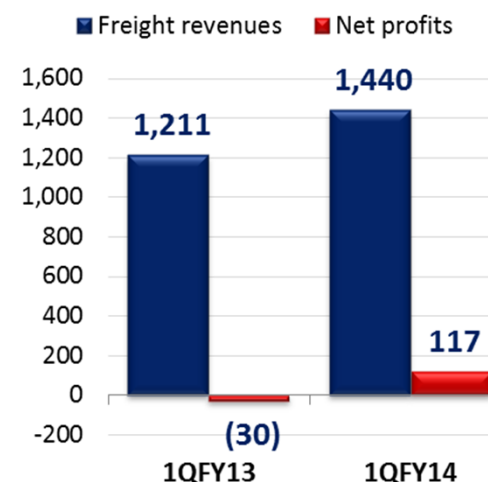
UMS

Baconco

Thoresen Shipping's income statement*

Baht millions	1QFY13	1QFY14	%yoy
Total revenues	1,211	1,440	19%
Total costs	(1,102)	(1,138)	3%
Gross profits	109	302	178%
Gross margins (%)	9%	21%	12%
Other incomes	42	39	-9%
SG&A	(65)	(52)	-21%
EBITDA	86	289	237%
EBITDA margins (%)	7%	20%	13%
Net profits	(30)	117	490%
Net profit margins (%)	-2%	8%	11%

**as consolidated on TTA's P&L*



- **Thoresen Shipping's net profits jumped 490% yoy to Baht 117 million**
- Achieved TCE grew to USD 10,446 per day in 1QFY14, up from USD 7,542 per day in 1QFY13.
- 32.5 Full-Time Equivalent (FTE) vessels (17.6 owned vessels + 14.9 chartered-in vessels) in 1QFY14 vs. 28.5 FTE vessels (15.6 owned vessels + 12.9 chartered in vessels) in 1QFY13
- As Thoresen Shipping continued to operate with advantageous cost structure, EBITDA grew 237% yoy to Baht 289 million

Recap of 1QFY14

Cost efficiency among top operators



**Thoresen
Shipping**

Mermaid
Maritime

UMS

Baconco

- 1 Cash costs per-day down 13% to USD 5,720 per day from USD 6,550 per day in 1QFY13
 - Owner's expenses of USD 4,057 per day down 5% yoy and significantly lower than the industry average of USD 5,121 per day (Moore Stephens 2013)
 - Dry docking expenses of USD 664 per day down 18% yoy due to our fleet reconfiguration strategy and diligent on-board maintenance

Average Daily Operating Results (USD/Day)			
	restated		
USD/Day	1QFY13	1QFY14	%yoy
USD/THB Rate (Daily Average)	30.68	31.73	3%
Time charter equivalent (TCE Rate)*	\$7,542	\$10,446	39%
TCE Rate of Owned Fleet	\$7,760	\$9,987	29%
TCE Rate of Chartered-In	-\$218	\$459	310%
Vessel operating expenses (Owner's expenses)	\$4,253	\$4,057	-5%
Dry-docking expenses	\$812	\$664	-18%
General and administrative expenses	\$1,485	\$999	-33%
Cash costs	\$6,550	\$5,720	-13%
Finance costs, net	-\$212	-\$135	36%
Depreciation	\$3,484	\$2,221	-36%
Total costs	\$9,822	\$7,806	-21%

*The per day basis is calculated based on available service days.

- 2 Total costs per-day down 21% yoy to USD 7,806 per day in 1QFY14
 - Lower depreciation due to impairment charges against owned fleet occurred in 4QFY13

Mermaid Maritime

Business Overview



MERMAID

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



10* subsea vessels



5 saturation diving systems



17 remotely operated vehicles

SUBSEA ENGINEERING



2 tender drilling rigs

3 jack-up drilling rigs



Ownership through 33.75% stake in AOD

OFFSHORE DRILLING

* Including chartered-in vessels

Recap of 1QFY14

Growing strong in both subsea and drilling business



Thoresen
Shipping

**Mermaid
Maritime**

UMS

Baconco

- Mermaid's net profits of Baht 238 million reversed from net losses of Baht 2 million in 1QFY13
- Revenues grew 64% yoy as Mermaid secured more contracts with higher margin in subsea business
- Providing wider range of services increased direct costs by 65% yoy and SG&A grew by 15% yoy from increased personnel in the Middle East

Mermaid's income statement*

	restated		
Baht millions	1QFY13	1QFY14	%yoy
Total revenues	1,625	2,659	64%
Total costs	(1,184)	(1,958)	65%
Gross profits	441	701	59%
Gross margins (%)	27%	26%	-1%
Equity incomes	(11)	234	2149%
Other incomes	4	7	64%
SG&A	(166)	(190)	15%
EBITDA	268	752	180%
EBITDA margins (%)	17%	28%	12%
Net profits	(2)	238	13436%
Net profit margins (%)	0%	9%	9%

*as consolidated on TTA's P&L

- Equity income increased from Baht -11 million in 1QFY13 to Baht 234 million in 1QFY14
- 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

Recap of 1QFY14

Growing strong in both subsea and drilling business



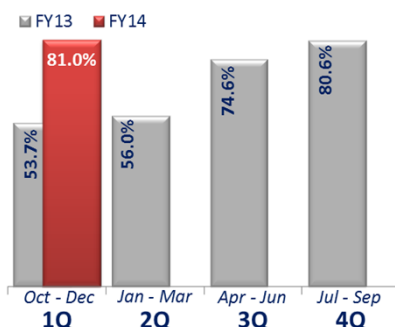
Thoresen
Shipping

**Mermaid
Maritime**

UMS

Baconco

Subsea vessel utilisation*

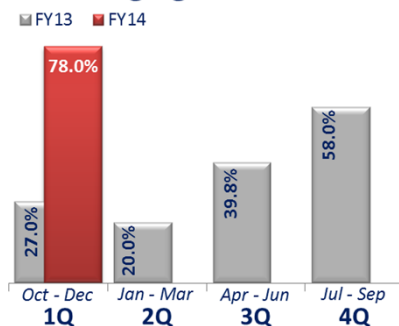


*Utilisation rate per calendar days

- Subsea business witnessed 71% yoy growth in revenues backed by higher day rates and utilisation

- 81% utilisation in 1QFY14 vs. 54% in 1QFY13

Drilling rig utilisation*



*Utilisation rate per calendar days

- Drilling business (including all 3 jack-up rigs from AOD) witnessed substantial increase in utilisation during 1QFY14

- MTR-1 was standby in 1QFY14
- MTR-2 achieved 100% utilisation vs. 45% in 1QFY13
- AOD achieved 97% utilisation in 1QFY14

UMS

Business overview



UMS

.. is a specialist in 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

Recap of 1QFY14

Improved cash flow but bottom line hindered

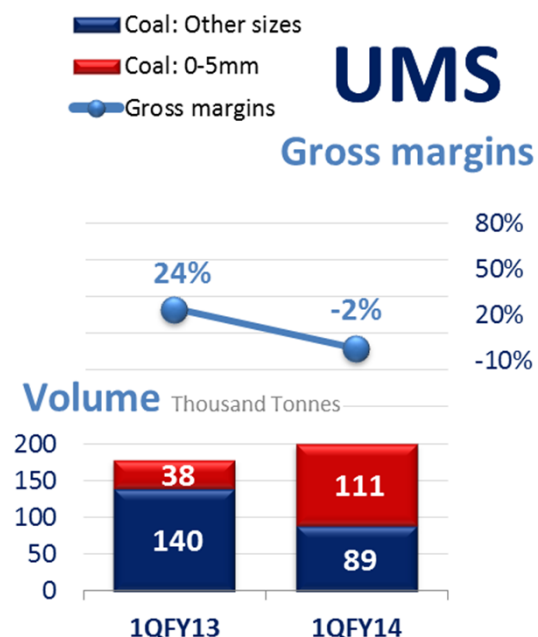


Thoresen
Shipping

Mermaid
Maritime

UMS

Baconco



- UMS reported net losses of Baht 35 million, compared to net profits of Baht 4 million in 1QFY13
- Restarting of aggressive 0-5 mm coal sales program improved cashflow, rebalanced capital structure and strengthened financial position, but hindered reported net margins
- Cost of sales continued to be affected by logistic inefficiencies at SamutSakorn plant

UMS' income statement*		restated		
Baht millions	1QFY13	1QFY14	%yoy	
Total revenues	503	439	-13%	
Total costs	(383)	(364)	-5%	
Gross profits	120	75	-38%	
Gross margins (%)	24%	17%	-7%	
Other incomes	1	7	498%	
SG&A	(82)	(82)	-1%	
EBITDA	39	0	-99%	
EBITDA margins (%)	8%	0%	-8%	
Net profits	4	(35)	-927%	
Net profit margins (%)	1%	-8%	-9%	

*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

350,000

TONNES PER ANNUM

FY13 AVGERAGE
WAREHOUSING CAPACITY

37,000

SQ.M.



PHU MY Industrial Park, Vung Tau
• Baria Serece Port
• Baconco

17

MILES FROM
THE OPEN SEA

Recap of 1QFY14

Another record performance

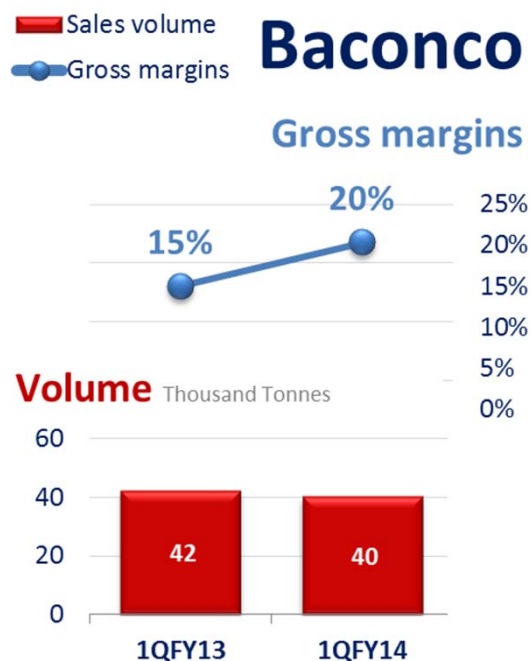


Thoresen
Shipping

Mermaid
Maritime

UMS

Baconco



- **Baconco reported net profit of Baht 88 million, up 24% yoy**
- Higher profitability margins in fertiliser business backed by efficient cost management and effective sales and marketing strategies
- SG&A climbed 29% yoy, given Baconco's additional domestic marketing efforts. EBITDA surged by 21% yoy
- Warehousing business remained strong due to additional space from the opening of Baconco 5 warehouse in 2QFY13

Baconco's income statement*		restated		
Baht millions	1QFY13	1QFY14	%yoy	
Total revenues	770	693	-10%	
Total costs	(654)	(552)	-16%	
Gross profits	116	141	21%	
Gross margins (%)	15%	20%	5%	
Other incomes	4	7	68%	
SG&A	(26)	(33)	29%	
EBITDA	95	115	21%	
EBITDA margins (%)	12%	17%	4%	
Net profits	71	88	24%	
Net profit margins (%)	9%	13%	3%	

*as consolidated on TTA's P&L



Thoresen Thai Agencies Plc.

Financial Review **Consolidated Results**

Financial Review: Consolidated Results



Higher revenues and higher costs

Income statement		restated	
Baht millions	1QFY13	1QFY14	%yoy
Revenues	4,190	5,297	1 26%
Costs	(3,339)	(4,038)	2 21%
Gross profits	852	1,259	3 48%
Equity income	26	262	910%
Other income	33	31	-6%
SG&A	(452)	(459)	2%
EBITDA	459	1,093	138%
Depreciation & Amortisation	(393)	(359)	9%
Finance costs	(124)	(126)	1%
EBT	(59)	608	1134%
Income taxes	(76)	(193)	156%
Non-recurring items	41	(29)	-172%
Forex translation	(27)	42	253%
Net profits	(121)	427	453%
Net profits (losses) attributable to			
- Non-controlling interest	(3)	177	6476%
- Owner of the Company	(118)	250	311%
No. of shares (million)	708	994	
Basic EPS (Baht)	(0.17)	0.25	

- 1** Consolidated revenues were up 26% yoy mainly due to:
 - Thoresen Shipping's higher freight revenues from a recovery in dry bulk shipping and higher vessel days
 - Mermaid's higher contributions from subsea business backed by securing more higher margins diving service contracts
 - Offset by weaker sales revenues at UMS and Baconco
- 2** Consolidated direct costs were up 21% yoy driven by higher costs at Thoresen Shipping and Mermaid
- 3** As a result, consolidated gross profits were up 48% yoy

Financial Review: Consolidated Results



Bottom-line affected by various extraordinary items

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Basic EPS (Baht)	(0.17)	0.25	

- 4 Equity income soared by 910% yoy, as AOD contributed Baht 234 million of income, up from losses of Baht 11 million last year
- 5 SG&A increased by 2% yoy driven mainly by:
 - Memaid's increased of personal costs for services expanded in M/E
 - Baconco's increased domestic marketing efforts
- 6 EBITDA grew 138% yoy to Baht 1,093 million from gross profit expansion and strong increased in equity income

Financial Review: Consolidated Results



Financial position remains intact

Baht millions	30-Sep-13	31-Dec-13
Cash & cash equivalents	7,458	8,893
Short-term investments	503	524
Trade account receivables	3,966	3,648
Total current assets	15,355	16,011
PP&E	20,935	21,546
Investments	5,039	5,365
Goodwill, net	969	983
Total assets	43,232	44,903
Short-term debt	3,464	3,349
Long-term debt	10,634	10,907
Total liabilities (TL)	17,791	17,821
Retained earnings	11,392	11,642
Total equities (TE)	25,442	27,083
BV/share	25.67	27.32
TL/TE	0.70	0.66
D/E	0.55	0.53
Net D/E	0.24	0.18

- Cash & cash equivalents up mainly from cash flow from operation
- Long-term debt increased from loan drawdown to acquire Thor Breeze
- Leverage remains at acceptable levels despite the heavy impairment charges



Thoresen Thai Agencies Plc.

Recent Development

TTA Group

Recent Development



Thoresen Shipping

- Acquired one 2nd hand Supramax vessel for USD 19.5 million on 21 January 2014

M.V. Thor Mercury



- Acquired another 2nd hand Supramax vessel for USD 22.5 million on 19 February 2014

M.V. Thor Magnhild



Mermaid Maritime

- On 9 January 2014:

Tender Rig



NEW ORDERS

2 RIGS

VALUE PER RIG

USD **149** MN

DELIVERY SCHEDULE

1HFY16

Diver Support Vehicle



NEW ORDERS

1 VESSEL

VALUE PER RIG

USD **138** MN

DELIVERY SCHEDULE

3QFY16

PMTA Listing

- In the filing process with SEC

Proposed Fund Raising

- Share register book closing on 7 Feb 2014
- Rights subscription period on 25-28 Feb, 3 Mar



Q&A



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