



Thoresen Thai Agencies Plc.

2QFY14

Results Briefing

SET Opportunity Day

29 May 2014

Agenda



- 2QFY14 Performance
- Recent developments
- Q&A

Recap of 2QFY14

Operational-wise, Best 2Q Earnings in 6 Years



Thoresen Shipping

Mermaid Maritime

UMS

Baconco

	Transport		Energy		Infrastructure			
	Thoresen Shipping		Mermaid Maritime		UMS		Baconco	
Baht millions	2QFY13*	2QFY14	2QFY13*	2QFY14	2QFY13*	2QFY14	2QFY13*	2QFY14
Revenues	1,118	1,845	1,414	2,090	409	248	655	667
EBITDA	144	304	(28)	425	19	4	69	116
EBITDA margins	13%	16%	-2%	20%	5%	2%	10%	17%
Net profits	(70)	123	(94)	98	(16)	(35)	46	89
Net profit margins	-6%	7%	-7%	5%	-4%	-14%	7%	13%
	Freight rate recovery		Strong revenue and equity income growth		Refocused cash flow and rebalanced capital structure		Improved margins and revenue	
EBITDA & Net profits								
	2QFY13*	2QFY14	2QFY13*	2QFY14	2QFY13*	2QFY14	2QFY13*	2QFY14

* 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

DRY BULK SHIPPING

OWNED (2QFY14)

NO. OF VESSELS

20 vessels

12 Supramax

8 Handymax

AVG. SIZE

49,606 DWT

SIMPLE
AVG. AGE

10.8 Years

CHARTERED-IN (2QFY14)

20.9 vessels

OFFICES

Singapore

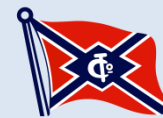
Thailand

Copenhagen

Cape Town

Recap of 2QFY14

Dry Bulk Shipping Industry Turnaround Has Started

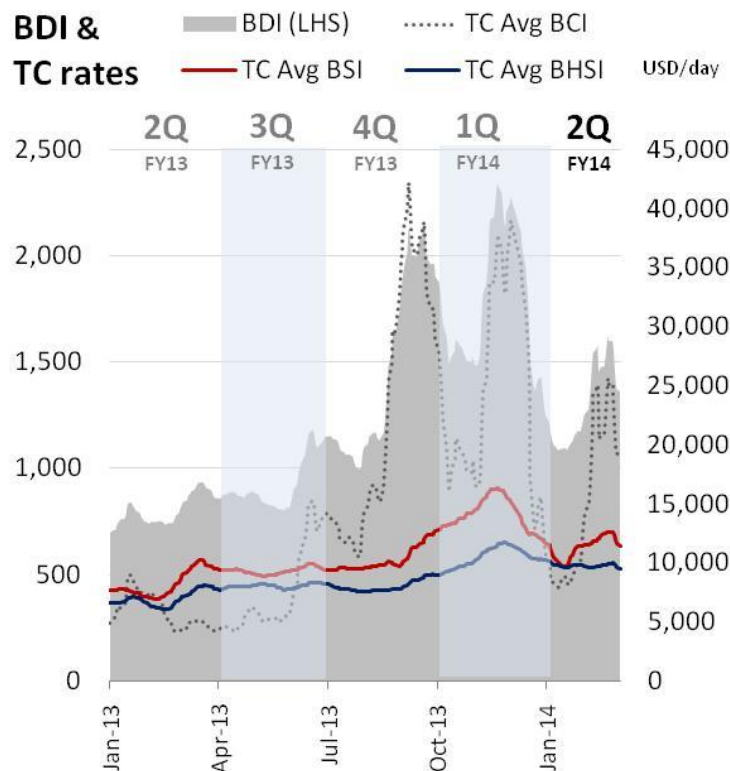


**Thoresen
Shipping**

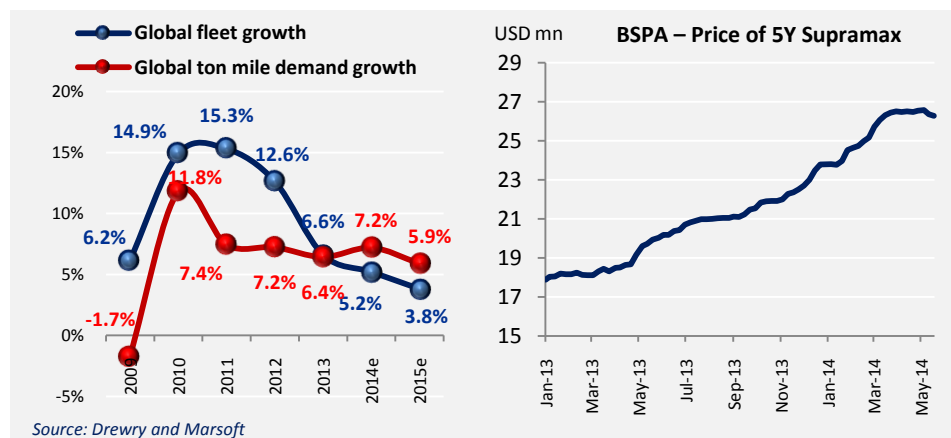
Mermaid
Maritime

UMS

Baconco



- Strong recovery across all dry bulk shipping segments since July 2013
- Supramax TC rates averaged at USD 11,631 per day in 2QFY14, up from USD 8,084 per day in 2QFY13
- Continued demand growth with reduced supply pressure



Recap of 2QFY14

Thoresen Shipping Delivered Solid 1QFY14



**Thoresen
Shipping**

Mermaid
Maritime

UMS

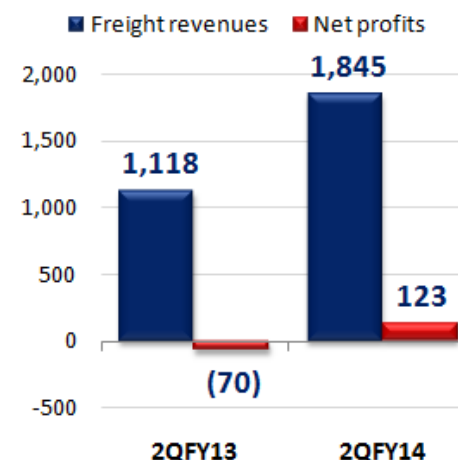
Baconco

Thoresen Shipping's income statement*

restated

Baht millions	2QFY13	2QFY14	%yoy
Total revenues	1,118	1,845	65%
Total costs	(947)	(1,511)	60%
Gross profits	171	334	95%
Gross margins (%)	15%	18%	3%
Other incomes	38	47	22%
SG&A	(65)	(77)	17%
EBITDA	144	304	111%
EBITDA margins (%)	13%	16%	13%
Net profits	(70)	123	275%
Net profit margins (%)	-6%	7%	13%

*as consolidated on TTA's P&L



- **Thoresen Shipping's net profits surged 275% yoy to Baht 123 million**
- Achieved TCE grew to USD 10,528 per day in 2QFY14, up from USD 8,651 per day in 2QFY13.
- 39.8 Full-Time Equivalent (FTE) vessels (18.9 owned vessels + 20.9 chartered-in vessels) in 2QFY14 vs. 29.4 FTE vessels (15.9 owned vessels + 13.5 chartered in vessels) in 2QFY13
- As Thoresen Shipping continued to operate with advantageous cost structure, EBITDA grew 111% yoy to Baht 304 million

Recap of 2QFY14

One of the Most Cost Effective Operators in Industry



**Thoresen
Shipping**

Mermaid
Maritime

UMS

Baconco

- 1 Cash costs per-day down 4% to USD 5,901 per day from USD 6,176 per day in 2QFY13
 - Owner's expenses of USD 3,962 per day down 1% yoy and significantly lower than the industry average of USD 5,121 per day (Moore Stephens 2013)
 - Dry docking expenses of USD 559 per day down 15% yoy due to our fleet reconfiguration strategy and diligent on-board maintenance

Average Daily Operating Results (USD/Day)		restated	
USD/Day	2Q FY13	2QFY14	%yoy
USD/THB Rate (Daily Average)	29.80	32.66	10%
Time charter equivalent (TCE Rate)*	\$8,651	\$10,528	22%
TCE Rate of Owned Fleet	\$8,924	\$10,314	16%
TCE Rate of Chartered-In	-\$273	\$215	179%
Vessel operating expenses (Owner's expenses)	\$3,990	\$3,962	-1%
Dry-docking expenses	\$658	\$559	-15%
General and administrative expenses	\$1,528	\$1,380	-10%
Cash costs	\$6,176	\$5,901	-4%
Finance costs, net	-\$267	-\$126	53%
Depreciation	\$3,602	\$2,970	-18%
Total costs	\$9,511	\$8,745	-8%

*The per day basis is calculated based on available service days.
 **Restated in compliance with IFRS

- 2 Total costs per-day down 8% yoy to USD 8,745 per day in 2QFY14
 - 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



15* subsea vessels



5+12

Saturation and air diving systems



18 remotely operated vehicles

SUBSEA ENGINEERING

* Includes 1 subsea vessel under construction and 7 subsea vessels on charter-in or control



4 tender drilling rigs**

3 jack-up drilling rigs



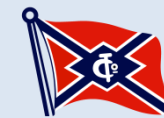
Ownership through 33.75% stake in AOD

OFFSHORE DRILLING

** Includes 2 tender rigs under construction

Recap of 2QFY14

Growing Strong in Both Subsea and Drilling Business



Thoresen
Shipping

**Mermaid
Maritime**

UMS

Baconco

- Mermaid contributed net profits of Baht 98 million, despite low season for subsea business. The first positive 2Q in 6 years.
- Strong operational track records and increasing geographic coverage bring in more long-term high-margin contracts
- Revenues grew 48% yoy and gross profits improved 106% yoy, while SG&A grew by 38% yoy from increased personnel in the Middle East. All in, EBITDA increased to Baht 425 million.

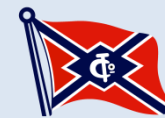
Mermaid's income statement*			
	restated		
Baht millions	2QFY13	2QFY14	%yoy
Total revenues	1,414	2,090	48%
Total costs	(1,227)	(1,704)	39%
Gross profits	187	386	106%
Gross margins (%)	13%	18%	5%
Equity incomes	(27)	281	1122%
Other incomes	(9)	6	165%
SG&A	(179)	(248)	38%
EBITDA	(29)	425	1561%
EBITDA margins (%)	-2%	20%	22%
Net profits	(94)	98	204%
Net profit margins (%)	-7%	5%	11%

*as consolidated on TTA's P&L

- Equity income increased from Baht 27 million in 2QFY13 to Baht 281 million in 2QFY14 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

Recap of 2QFY14

Significant Improvements in Day Rates and Utilisation Rates



Thoresen
Shipping

**Mermaid
Maritime**

UMS

Baconco

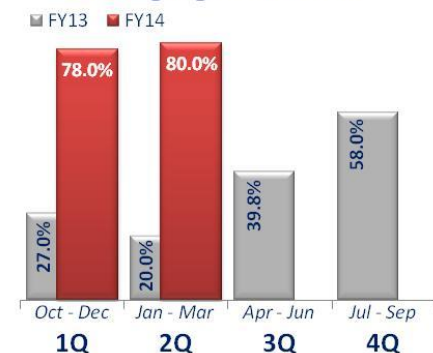
Subsea vessel utilisation*



*Utilisation rate per calendar days

- Subsea business witnessed revenues growth backed by quality day rates, despite lower utilisation compared to 2QFY13

Drilling rig utilisation*



*Utilisation rate per calendar days

- Drilling business (including all 3 jack-up rigs from AOD) witnessed substantial increase in both day rates and utilisation during 2QFY14
 - MTR-1 was standby in 2QFY14
 - MTR-2 achieved 100% utilisation
 - AOD I, II, III achieved 100% utilisation in 2QFY14



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

Recap of 2QFY14



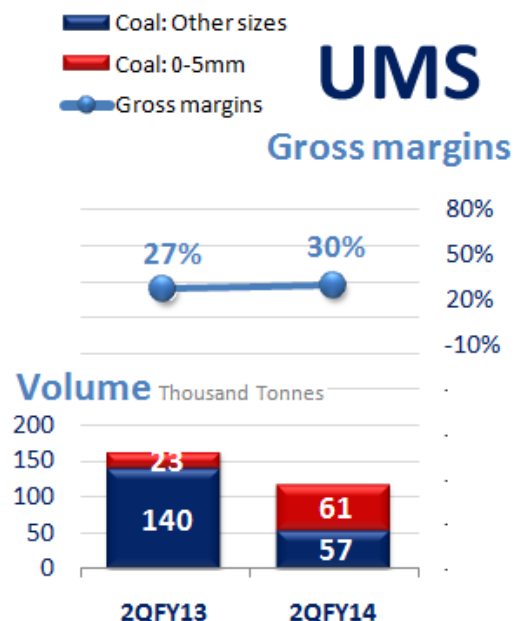
Last Business to Turnaround. Current Focus on Capital Structure Rebalancing.

Thoresen
Shipping

Mermaid
Maritime

UMS

Baconco



- **Operational efficiencies limited due to regulation**
- Current focus on rebalancing suboptimal capital structure as the first step towards future turnaround
- Although, operations created net loss, net interest bearing debt to financial institutions significant reduced to Baht 746 million from Baht 1,139 million in the past 3 months, due to significant cash surplus from selling down of excessive 0-5 mm inventories

UMS' income statement*

	restated				
Baht millions	2QFY13	1QFY14	2QFY14	%yoy	%qoq
Total revenues	409	439	248	-39%	-43%
Total costs	(298)	(364)	(174)	-41%	-52%
Gross profits	111	75	74	-34%	-1%
Gross margins (%)	27%	17%	30%	3%	13%
Other incomes	0	7	0	-50%	-97%
SG&A	(92)	(82)	(70)	-24%	-15%
EBITDA	20	0	4	-78%	1383%
EBITDA margins (%)	5%	0%	2%	-3%	2%
Net profits	(16)	(35)	(35)	-116%	0%
Net profit margins (%)	-4%	-8%	-14%	-10%	-6%

*as consolidated on TTA's P&L

** Restated

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

AVGERAGE
WAREHOUSING CAPACITY

37,000

SQ.M.

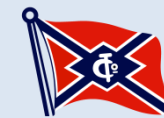


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MILES FROM
THE OPEN SEA

Recap of 2QFY14

Continue to Deliver Strong Performance Growth

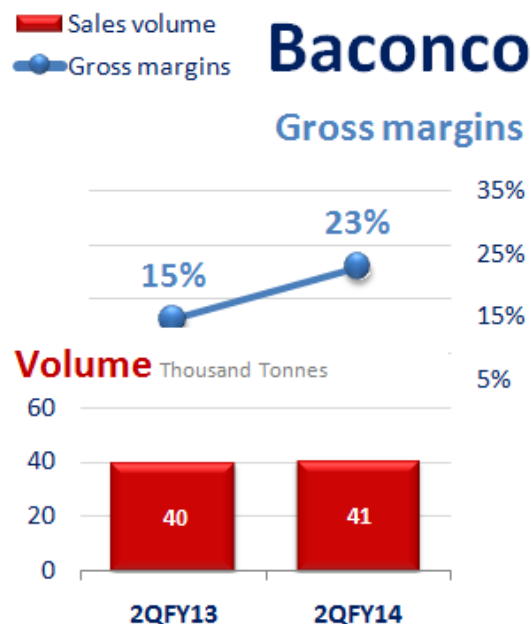


Thoresen
Shipping

Mermaid
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UMS

Baconco



- **Baconco continued to produce record-high performance, with net profit surged 95% yoy to Baht 89 million.**
- Significant profitability margins expansions in fertiliser business backed by strong brand recognition, intensive sales and marketing networks, and solid operational strengths. Additional export production line to be completed in July 2014
- Warehousing business continues to grow with additional space in pipeline

Baconco's income statement*		restated		
Baht millions	2QFY13	2QFY14	%yoy	
Total revenues	655	667	2%	
Total costs	(559)	(514)	-8%	
Gross profits	96	153	60%	
Gross margins (%)	15%	23%	8%	
Other incomes	4	6	71%	
SG&A	(31)	(43)	39%	
EBITDA	69	116	68%	
EBITDA margins (%)	10%	17%	7%	
Net profits	46	89	95%	
Net profit margins (%)	7%	13%	6%	

*as consolidated on TTA's P&L



Thoresen Thai Agencies Plc.

Financial Review **Consolidated Results**

Financial Review: Consolidated Results

Higher Revenues and Effective Cost Management



Income statement			
	restated		
Baht millions	2QFY13	2QFY14	%yoy
Revenues	3,676	4,902	1 33%
Costs	(3,065)	(3,917)	28%
Gross profits	612	985	2 61%
Equity income	9	346	3 3921%
Other income	16	33	104%
SG&A	(488)	(549)	13%
EBITDA	149	815	449%
Depreciation			
& Amortisation	(374)	(372)	1%
Finance costs	(116)	(121)	5%
EBT	(342)	322	194%
Income taxes	24	(38)	-254%
Non-recurring items	10	(46)	-565%
Forex translation	11	15	36%
Net profits	(297)	253	185%
Net profits (losses) attributable to			
- Non-controlling interest	77	(70)	-190%
- Owner of the Company	(220)	183	183%
No. of shares (million)	774	1,053	
Basic EPS (Baht)	(0.28)	0.17	

- 1** Consolidated revenues were up 33% 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 its long-term subsea and drilling contracts with Saudi Aramco and other clients
 - Baconco's higher profitability margin from fertiliser business
- 2** Gross profits surged 61% yoy from effective cost management from all three core businesses
- 3** Equity income increased to Baht 346 million, mainly from profit sharing from Mermaid as AOD contributed Baht 281 million of income

Financial Review: Consolidated Results

Solid Performance Improvement



Income statement			
	restated		
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- 4 EBITDA grew 449% yoy to Baht 815 million from gross profit expansion and strong increased in equity income
- 5 Net profits increased by 183% yoy, a significant improvement from net losses of Baht 220 million in 2QFY13

Financial Review: Consolidated Results



Financial Position Remains Intact, Ready to Capture Market Opportunities

Baht million	30-Sep-13	31-Dec-13	31-Mar-14
Cash & cash equivalents	7,458	8,893	8,602
Short-term investments	503	524	520
Trade account receivables	3,966	3,648	3,631
Total current assets	15,355	16,011	15,607
PP&E	20,935	21,546	24,473
Investments	5,039	5,365	5,670
Goodwill, net	969	983	979
Total assets	43,232	44,903	47,913
Short-term debt	3,464	3,349	3,096
Long-term debt	10,634	10,907	10,553
Total liabilities (TL)	17,791	17,821	17,017
Retained earnings	11,392	11,642	11,825
Total equities (TE)	25,442	27,083	30,896
BV/share	25.67	27.32	31.17
TL/TE	0.70	0.66	0.55
D/E	0.55	0.53	0.44
Net D/E	0.24	0.18	0.15

- Strong Financial Status
- Leverage remains at acceptable levels despite the heavy impairment charges



Thoresen Thai Agencies Plc.

Recent Development



Thoresen Shipping

- 4 Second-hand Supramax vessels to be delivered in 3QFY14:
 - M.V. Top Freedom, built in August 2005
 - M.V. Top Harmony, built in October 2005
 - M.V. Top Island, built in September 2006
 - M.V. Orient Rose, built in 2006
- Total acquisition price of four vessels is USD 92 million
- After the deliveries, Thoresen Shipping will have a fleet totaling 24 owned vessels

Mermaid Maritime

- On 9 January 2014:

Tender Rig



NEW ORDERS

2 RIGS

VALUE PER RIG

USD **149** MN

DELIVERY SCHEDULE

1H FY16

Diver Support Vehicle



NEW ORDERS

1 VESSEL

VALUE PER VESSEL

USD **138** MN

DELIVERY SCHEDULE

3Q FY16

PMTA Listing

- In the filing process with SEC



Q&A



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