TTA

2Q/2023 | August 2023

IR NEWSLETTER

CEO TALK

"In this quarter, Thoresen Shipping continued outperforming the net Supramax TC rate. Offshore Service segment turnaround its performance with a high order book. Agrochemical segment also reported net profits in this quarter with higher fertilizer sales volume.

In 2H 2023, moderate market conditions are anticipated to persist, though there remains potential for periods of upside, stimulated by seasonal factors. The outlook for the full-year 2023 supply-demand fundamentals seems moderately balanced, Clarksons Research forecasts dry bulk trade growth at 2.7% in tons or 3.3% in ton-mile and fleet expansion of 2.9% in deadweight tons (DWT), with China-driven demand growth countered by a moderate fleet expansion. On the other hand, the order book for newbuilds remains at around a 30-year low of 7% of fleet capacity, partly reflecting uncertainty in the new ship design in compliance with the new environmental regulations. Environmental regulations (e.g., EEXI, CII) could reduce available bulker supply by an estimated of 2.0-2.5% in 2023 and 2024 through slower speeds and retrofit time."

Mr. Chalermchai Mahagitsiri
President & Chief Executive Officer

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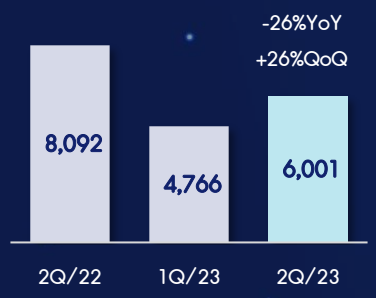
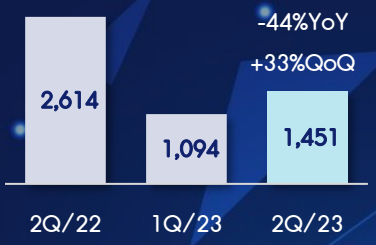
TTA Group Performance 2Q/2023

Unit: Million Baht

Revenues[1]

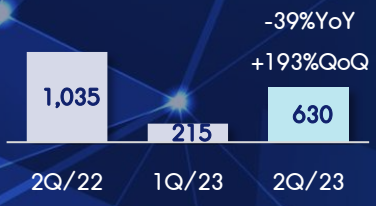


Gross Profits/(Losses)[2]



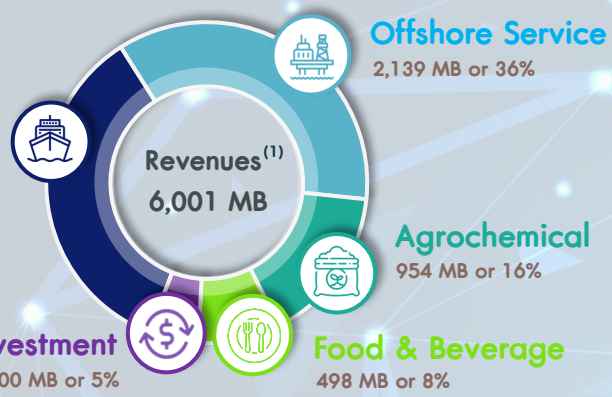
EBITDA[3]

Net Profits/(Losses) to TTA



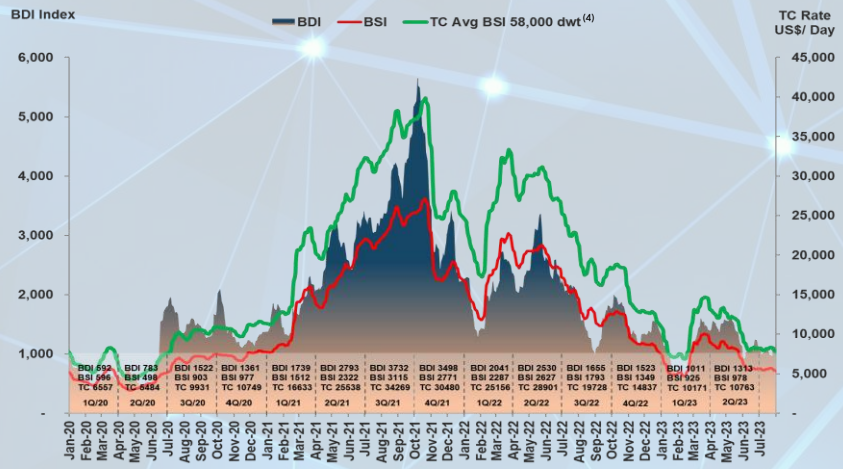
Note: (1) Revenues from sales and services
(2) Including amortization of vessel drydocking but excluding depreciation and other amortization
(3) Earnings before interest, tax, depreciation, and amortization (excluding extraordinary items)
(4) TC Avg BSI is based on BSI-52 index up through 4Q/18 and BSI-58 index from 1Q/19 onwards, to be comparable with the fleet size of Shipping segment.
Source: Clarksons Research, April 2023

Performance Highlights:



In 2Q/23, TTA reported revenues of Baht 6,001 million, which decreased 26%YoY mainly due to the declined TCE rate of Shipping segment, but increased 26%QoQ driven by the improvement of most business segments, especially Offshore Service segment and Agrochemical segment. Cost of sales and providing services[2] decreased by 17%YoY to Baht 4,550 million in line with the declining Shipping TCE rate but increased 24%QoQ in line with growing revenues largely from Offshore Service segment and higher fertilizer sales from Agrochemical segment. As a result, gross profits decreased 44%YoY but increased 33%QoQ to Baht 1,451 million. SG&A decreased by 4%YoY mainly due to decreasing transportation expenses from lower fertilizer export volume of Agrochemical segment but increased 7%QoQ. Accordingly, EBITDA decreased 56%YoY but increased 49%QoQ to Baht 884 million. In addition, there were realized/unrealized gains from foreign exchange of Baht 301 million mainly from unrealized gains on loans to related parties and short-term investment in US dollar. TTA also recognized net non-recurring gains of Baht 153 million, mainly from gains on sales of investment in a joint venture and a reversal of the provision of digital assets. In summary, TTA reported net profits of Baht 630 million, decreasing 39%YoY but significantly increased 193%QoQ in 2Q/23.

Shipping Outlook:



The outlook for the full-year 2023 supply-demand fundamentals seems moderately balanced, Clarksons Research forecasts dry bulk trade growth at 2.7% in tons or 3.3% in ton-mile and fleet expansion of 2.9% in deadweight tons (DWT). Global dry bulk trade driven by coal trade (+4.7%), grain trade (+2.3%), iron ore (+2.4%), and minor bulk trade (+1.3%). On the other hand, the order book for newbuilds remains at around a 30-year low of 7% of fleet capacity, partly reflecting uncertainty in the new ship design in compliance with the new environmental regulations. Environmental regulations (e.g., EEXI, CII) could reduce available bulker supply by an estimated of 2.0-2.5% in 2023 and 2024 through slower speeds and retrofit time. Looking further to 2024, some further improvements to the bulker market balance could well materialize on the back of more positive underlying demand-supply fundamentals. Dry bulk ton-mile demand is initially projected to grow by 2.4%, while total fleet capacity growth could be limited to 1.9%, given the low order book and potentially increased demolition.

CORPORATE NEWS

Eastern Water Resources Development And Management PLC or "eastwater" led by Mr. Cherdchai Pitiwacharakul, President & Chief Executive Officer, signed a Memorandum of Understanding with Mr. Chalermchai Mahagitsiri, President and Chief Executive Officer of Thoresen Thai Agencies PLC and Director of Asia Infrastructure Management (Thailand) Co., Ltd. to jointly study ways of cooperation in the development of integrated water utility infrastructure business and collaboration in providing solar cell technology services together.

Strom (Thailand) Company Limited, a joint-venture under TTA and Thailand's foremost leader in the technology and production of electric vehicles (EVs) will be participating in the Bangkok Auto Salon 2023 and is only Thai electric motorcycle manufacturing brand that tailored for different commercial use-cases and for daily commute. Storm offers optimum solutions to an individual customers, from investigating suitable models to performance requirements.

Siam Taco Co., Ltd., the Taco Bell franchisee in Thailand, aims to expand its Thai customer base and plans to open new branches in gas stations throughout Bangkok and its vicinity. Recently, Taco Bell held 2 new branchs opening celebration at PTT gas station Vibhavadi Soi 62 and PTT gas station Ratchapruek Road. On this occasion, Taco Bell is giving away free 1,000 tacos crunchy pieces, along with introducing a valuable promotion at 99 baht per set.

TTA AT A GLANCE

About TTA

Thoresen Thai Agencies Public Company Limited, or TTA, is a strategic investment holding company that is listed on the Stock Exchange of Thailand (SET), with an investment policy to achieve growth through a balanced portfolio that is diversified both locally and internationally. Included in its current business portfolio are Shipping, Offshore Service, Agrochemical, Food & Beverage, and Investment segments.

Symbol	:	TTA:TB | TTA:BK
Market	:	SET, MSCI, THSI
Industry/ Sector	:	Services/ Transportation & Logistics
First Trade Date	:	25 Sep 1995
CG Score	:	Excellent (5 stars)
Thai CAC	:	Certified
Share Outstanding	:	1,822,464,564 Shares (Par at Baht 1.00 per share)
Foreign Limit	:	49%
Dividend Policy	:	At least 25% of the consolidated net profits after taxes but excluding unrealized foreign exchange gains or losses, subject to the Company's investment plans and other relevant factors (with additional conditions)

TTA SAY NO TO CORRUPTION

Scan here to download the latest Management Discussion and Analysis

Scan here to download the Latest SET's Opportunity Day Presentation

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Business Portfolio

Shipping

24 Vessels

- Dry Bulk Shipping

Offshore Service

5 Performing Vessels

- Subsea Services
- Cable Laying
- Decommissioning

Agrochemical

HIGH Quality Fertilizer

- Fertilizer
- Pesticides
- Factory Area Management Service

Food & Beverage

191 Outlets

16 Outlets

- Pizza Hut
- Taco Bell

Investment

- Water Management
- Logistics
- Solar Rooftop
- Others

As of June 30, 2023

IR CALENDAR

August

Sun	Mon	Tue	Wed	Thu	Fri	Sat
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

10 2Q2023 Earning Results
15 2Q2023 Analyst Meeting
16 1Q2023 SET's Opportunity Day
25 Thailand Focus 2023