TTA

IR NEWSLETTER

3Q/2023 | November 2023

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CEO TALK

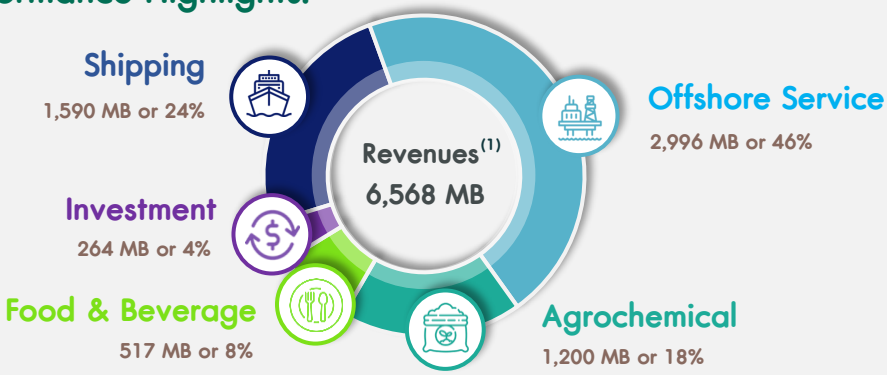
"Baltic Supramax Index (BSI) averaged 912 points in 3Q/2023, decreased from an average of 1,793 points in 3Q/2022 and from an average of 978 points in 2Q/2023 due to less disruption from port congestion and weak macroeconomic conditions. However, the rebound of BSI Index has been seen since late August. Therefore, TC rate of Supramax reached its high at USD 14,906 per day in late September and averaged USD 10,028 per day in 3Q/2023. The periods of upside in 4Q/2023 can be expected while overall market conditions are expected to remain moderate.

The outlook for the full-year 2023, Clarksons Research forecasts dry bulk trade growth at 3.7% in tons or 4.6% in ton-mile and fleet expansion of 2.9% in deadweight tons (DWT). The rise of the dry bulk trade has been primarily driven by changing trade patterns (including the ongoing effects of Russia-Ukraine) that have increased average haul gains across a range of commodities and Chinese seaborne dry bulk imports have been particularly strong since China's post-Covid economic reopening."

Mr. Chalermchai Mahagitsiri
President & Chief Executive Officer

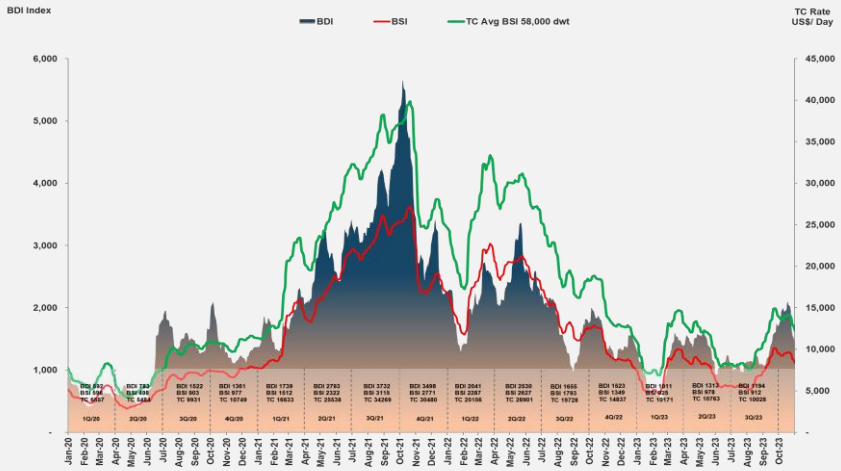
TTA Group Performance 3Q/2023

Performance Highlights:



In 3Q/23, TTA reported revenues of Baht 6,568 million, which decreased 19%YoY mainly due to the declined TCE rate of Shipping segment, but increased 9%QoQ driven by the significant growth in Offshore Service segment and Agrochemical segment. Cost of sales and providing services[2] dropped by 12%YoY to Baht 4,993 million in line with the declining Shipping TCE rate but increased by 10%QoQ in line with growing revenues mainly from Offshore Service due to the services expansion and increasing fertilizer sales from Agrochemical segment. Consequently, gross profits decreased 34%YoY but increased 9%QoQ to Baht 1,575 million. Meanwhile, SG&A increased by 6%YoY primarily due to service expansion of Offshore Service segment and increased slightly by 2%QoQ due to increasing transportation expenses from the higher fertilizer export volume of Agrochemical segment. Accordingly, EBITDA decreased 36%YoY but increased 18%QoQ to Baht 1,130 million. In addition, there were realized/unrealized gains from foreign exchange of Baht 176 million from unrealized gains on loans to related parties in US Dollar due to the depreciation of Thai Baht against US Dollar. In summary, In summary, TTA reported net profits of Baht 375 million and normalized net profit of Baht 412 million.

Shipping Outlook:

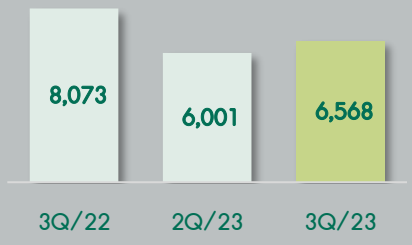


The outlook for the full-year 2023, Clarksons Research forecasts dry bulk trade growth at 3.7% in tons or 4.6% in ton-mile and fleet expansion of 2.9% in deadweight tons (DWT). Global dry bulk trade driven by coal trade (+6.0%), iron ore (+3.9%), grain trade (+3.8%), and minor bulk trade (+1.9%). On the other hand, bulker supply backdrop appears fairly supportive overall, with the orderbook consistent at a close to 30-year low of under 8% of fleet capacity, partly reflecting uncertainty in the new ship design in compliance with the new environmental regulations. Compliance with emissions regulations (e.g. EEXI, CII) could reduce available bulker supply by an estimated 1.5-2.0% p.a. across 2023-25 through slower speeds and retrofit time. Looking to 2024, the outlook for the bulker market appears relatively moderate, though there is scope for gradual improvements. Dry bulk ton-mile demand is initially projected to grow by 1.8%, while total fleet capacity growth is estimated at 2.2%, given the low order book and potentially increased demolition.

Unit: Million Baht

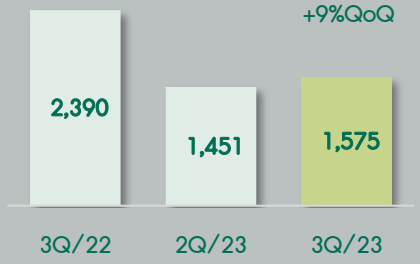
Revenues[1]

-19%YoY
+9%QoQ



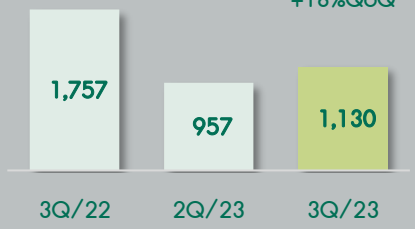
Gross Profits/(Losses)[2]

-34%YoY
+9%QoQ



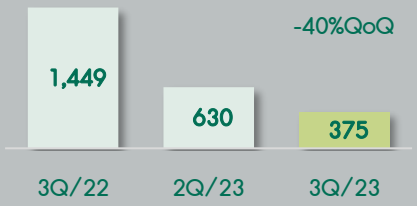
EBITDA[3]

-36%YoY
+18%QoQ



Net Profits/(Losses) to TTA

-74%YoY
-40%QoQ



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, October2023

CORPORATE NEWS

TRIS Rating affirms the rating on TTA and its outstanding senior unsecured debentures at "BBB+" with a "stable" outlook, reflecting TTA's strength in its two core businesses, dry-bulk shipping, and offshore services. TRIS Rating expects that TTA will continue to deliver sound operating performance over the next few years due to modest supply growth in the dry-bulk shipping industry which continues to keep freight rates high. In addition, a strong order book and growing scale of operations should sustain the turnaround in the offshore services business.

TRIS RATING
A Strategic Partner of S&P Global

TTA GROUP

BBB+ Stable Outlook

Mermaid Maritime Public Company Limited (MML), a leading international subsea services company, announced that its subsidiaries have secured multiple new offshore project awards with the combined value of approximately USD 485 million. The project awards consist of cable laying, inspection, repair, and maintenance, Transportation and Installation, decommissioning, and a bouquet of related services which start in 2023 and are expected to be completed in 2025.

Thoresen Shipping has recently signed the MOU on the Development of Merchant Navy Professionals with the Office of the Vocational Education. Thoresen Shipping will join hands to develop the Dual Vocational Education Program in Merchant Marine Business and has a strong intention to produce students that have competence and meet skills needs in merchant marine professionals in shipping industry. In addition, Thoresen Shipping will offer students the opportunities to train on board the vessels and after graduation, they can be considered employed.

STROM (Thailand) Co., Ltd., a leading developer and distributor of electric motorcycles and vehicles in Thailand, has officially opened its new electric motorcycle factory. The opening of the new factory aims to increase the production capacity to fully meet the needs of rider customers in terms of performance, speed, energy saving, value for money and being environmentally friendly.

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 I 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

6 Performing Vessels

- Subsea Services
- Cable Laying
- Decommissioning

Agrochemical

HIGH Quality Fertilizer

- Fertilizer
- Pesticides
- Factory Area Management Service

Food & Beverage

186 Outlets

18 Outlets

- Pizza Hut
- Taco Bell

Investment

- Water Management
- Logistics
- Solar Rooftop
- Others

As of September 30, 2023

IR CALENDAR

November

Sun	Mon	Tue	Wed	Thu	Fri	Sat
29	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		

14 3Q2023 Earning Results
16 3Q2023 Analyst Meeting
17 3Q2023 SET's Opportunity Day
28 SET Digital Roadshow 3Q2023