



## Company's Performance Q2/2019

7 August 2019



# AGENDA

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Our Business

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Q2/2019 Financial Performance

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Business Outlook for Q3/2019

# Our Business



AIR FREIGHT



LOGISTICS  
MANAGEMENT



SEA FREIGHT  
& INLAND  
TRANSPORT



CHEMICAL  
& SPECIALTY  
LOGISTICS





## AIR FREIGHT

- **Cargo General Sales Agent (GSA):** exclusive sales agent of
  - Thai AirAsia & Thai AirAsiaX airline for all routes from and to Thailand



- Sri Lankan, Lan Cargo, Bhutan, Jeju Airlines and US Bangla Airlines for all routes from Thailand
- **Wholesale Freight Forwarder :** providing domestic and international air freight services for co-loaders
- **Air Cargo Terminal :** International and domestic cargo terminal at Don Muang Airport







## SEA FREIGHT & INLAND TRANSPORT

### ■ Shipping Line Agencies :

- Thailand sole agent for Rizhao Port Shipping Line



- Thailand Joint Venture : CK Line



- **Wholesale Freight Forwarder** : Thailand Joint Venture with ECU Worldwide, global leader in Less-than Container Load (LCL) services with network in over 160 countries
- **Inland Container Trucking Services**: transport containers to and from seaport / container depot



## LOGISTICS MANAGEMENT

- **Integrated Freight Forwarder** : International freight forwarding services for both sea & air transport and customs clearance for retail customers
- **Warehousing** : storage, inventory management, and real-time reporting
- **Distribution Management** : modern trade, shops, home delivery
- **Fulfillment Service** : focus on E-Commerce and end to end supply chain services







## CHEMICAL & SPECIALTY LOGISTICS

- **Integrated Freight Forwarder** : International freight forwarding services for both sea & air transport and customs clearance for chemical & dangerous goods
- **Dedicated Chemical Warehouse** : storage, inventory management, and real-time reporting
- **Inland and Distribution Management** : for industrial and B2B market
- **DG Packaging** : sale of packing materials, DG declaration and repacking services
- **ISO Tank Business** : as agent for Nippon Concept Co., Ltd, a Japanese based ISO tank operator for liquid chemical

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Q2/2019 Financial Performance

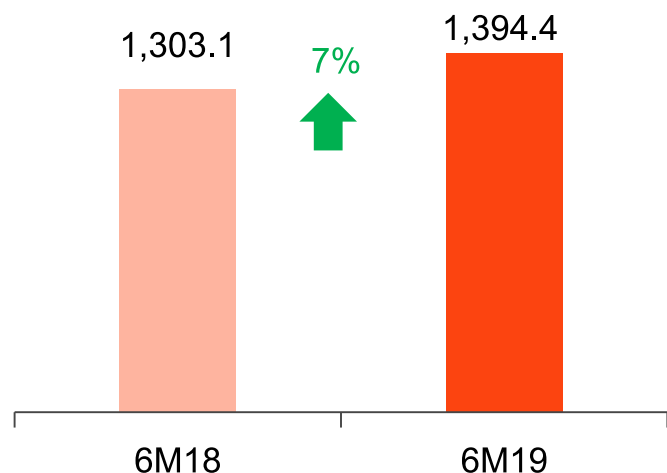
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Business Outlook for Q3/2019



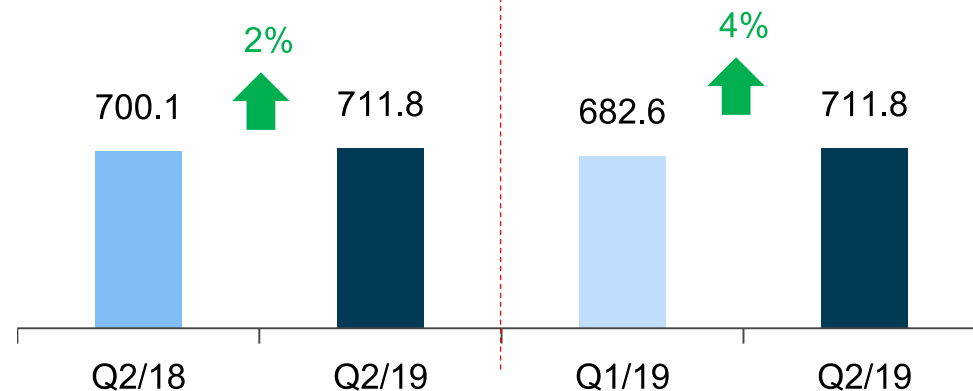
# Performance Q2/2019 – Revenue

## YTD – 6M18 Vs. 6M19



## Quarterly – Q2/18 Vs. Q1/19 Vs. Q2/19

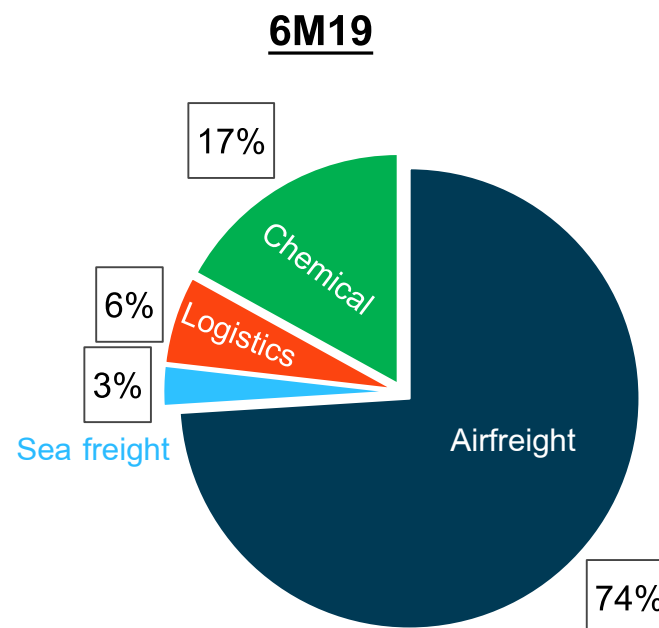
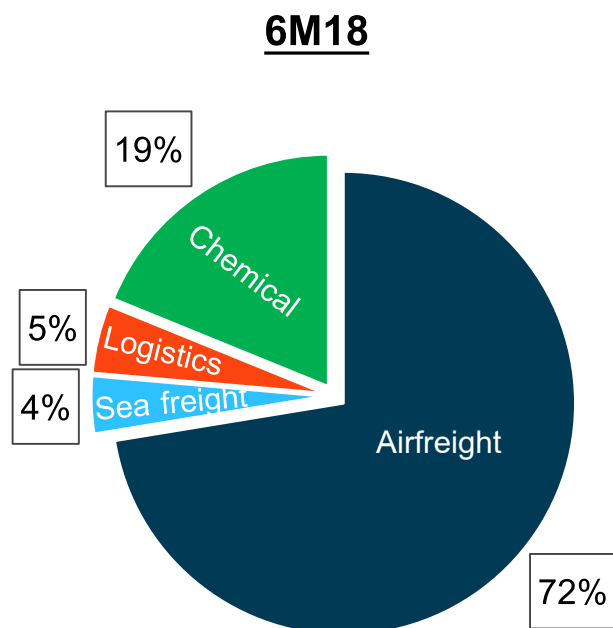
Unit : Million Baht



Revenue	6M18	6M19	△YoY	Q2/18	Q2/19	△YoY	Q1/19	Q2/19	△QoQ
Airfreight	1,063.6	1,142.0	7%	576.5	595.0	3%	547.0	595.0	9%
Sea freight	58.5	43.5	(26%)	29.6	21.2	(28%)	22.3	21.2	(5%)
Logistics	69.9	95.8	37%	35.3	47.5	35%	48.3	47.5	(2%)
Chemical	276.7	261.9	(5%)	143.7	128.5	(11%)	133.4	128.5	(4%)
<b>Total Revenue</b>	<b>1,468.8</b>	<b>1,543.1</b>	<b>5%</b>	<b>785.1</b>	<b>792.2</b>	<b>1%</b>	<b>750.9</b>	<b>792.2</b>	<b>5%</b>
<b>Revenue Consol <sup>1/</sup></b>	<b>1,303.1</b>	<b>1,394.4</b>	<b>7%</b>	<b>700.1</b>	<b>711.8</b>	<b>2%</b>	<b>682.6</b>	<b>711.8</b>	<b>4%</b>

Remark : 1/ After eliminating inter-company transactions.

# Revenue Composition Q2/2019



Unit : Million Baht

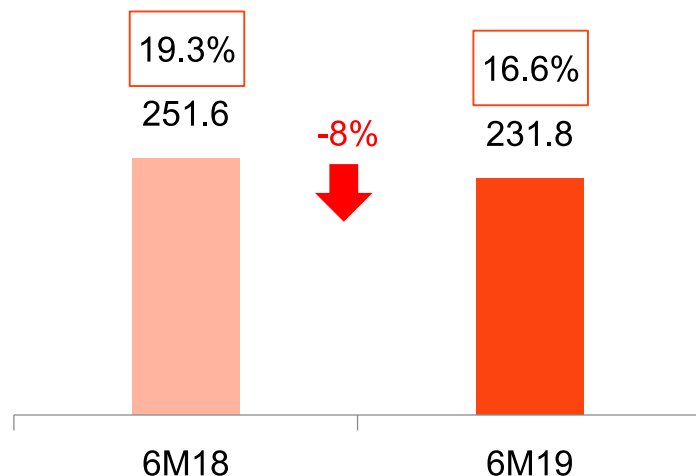
Revenue	Airfreight	Sea freight	Logistics	Chemical	Total
6M18	1,063.6	58.5	69.9	276.7	1,468.8
6M19	1,142.0	43.5	95.8	261.9	1,543.1

% Proportion

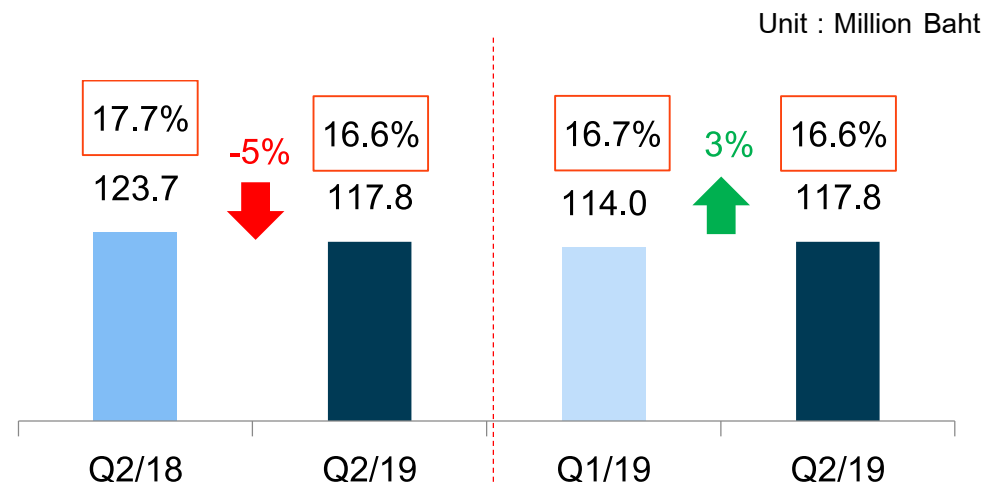
Remark : \*The figures showed are gross numbers before eliminating Inter-company transactions.

# Performance Q2/2019 – Gross Profit

## YTD – 6M18 Vs. 6M19



## Quarterly – Q2/18 Vs. Q1/19 Vs. Q2/19

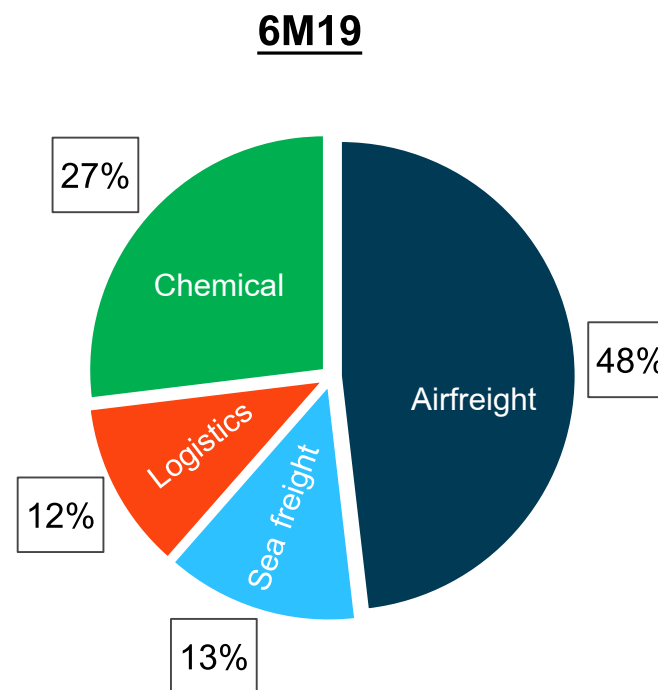
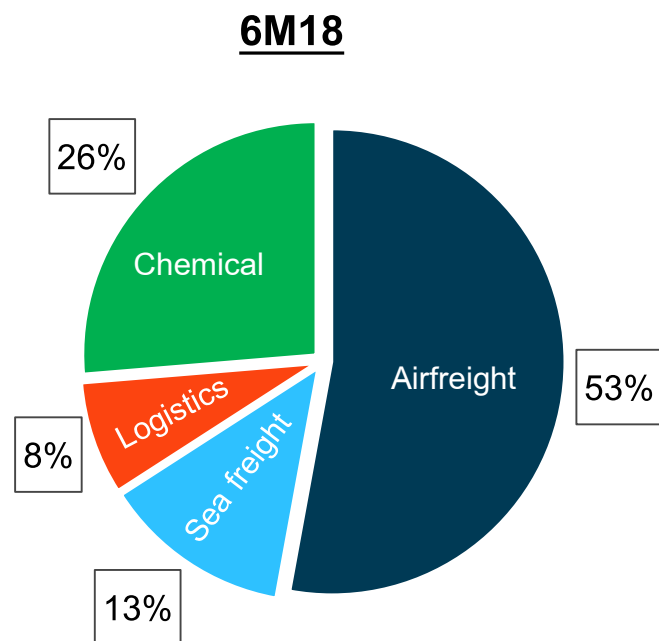


Gross Profit	6M18	6M19	△ YoY	Q2/18	Q2/19	△ YoY	Q1/19	Q2/19	△ QoQ
Airfreight	134.6	112.7	(16%)	61.8	57.5	(7%)	55.3	57.5	4%
Sea freight	33.1	31.1	(6%)	18.1	15.4	(15%)	15.7	15.4	(2%)
Logistics	19.9	27.2	37%	10.8	12.0	11%	15.2	12.0	(21%)
Chemical	67.0	63.0	(6%)	34.5	31.9	(7%)	31.1	31.9	3%
<b>Total Gross Profit</b>	<b>254.6</b>	<b>234.1</b>	<b>(8%)</b>	<b>125.2</b>	<b>116.8</b>	<b>(7%)</b>	<b>117.3</b>	<b>116.8</b>	<b>(0%)</b>
<b>Gross Profit Consol <sup>1/</sup></b>	<b>251.6 <sup>1/</sup></b>	<b>231.8</b>	<b>(8%)</b>	<b>123.7 <sup>1/</sup></b>	<b>117.8</b>	<b>(5%)</b>	<b>114.0</b>	<b>117.8</b>	<b>3%</b>
<b>GPM</b>	<b>19.3%</b>	<b>16.6%</b>		<b>17.7%</b>	<b>16.6%</b>		<b>16.7%</b>	<b>16.6%</b>	

Remark : 1/ After eliminating inter-company transactions.



# Gross Profit Composition Q2/2019



Unit : Million Baht

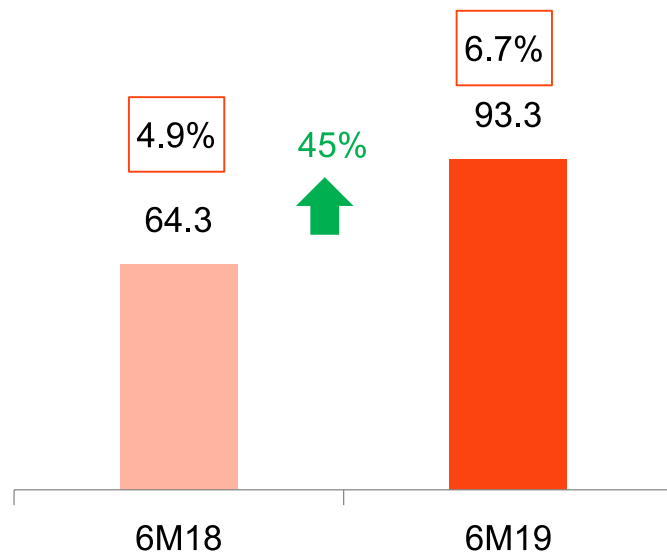
Gross Profit	Airfreight	Sea freight	Logistics	Chemical	Total
6M18	134.6	33.1	19.9	67.0	254.6
6M19	112.7	31.1	27.2	63.0	234.1

% Proportion

Remark : \*The figures showed are gross numbers before eliminating Inter-company transactions.

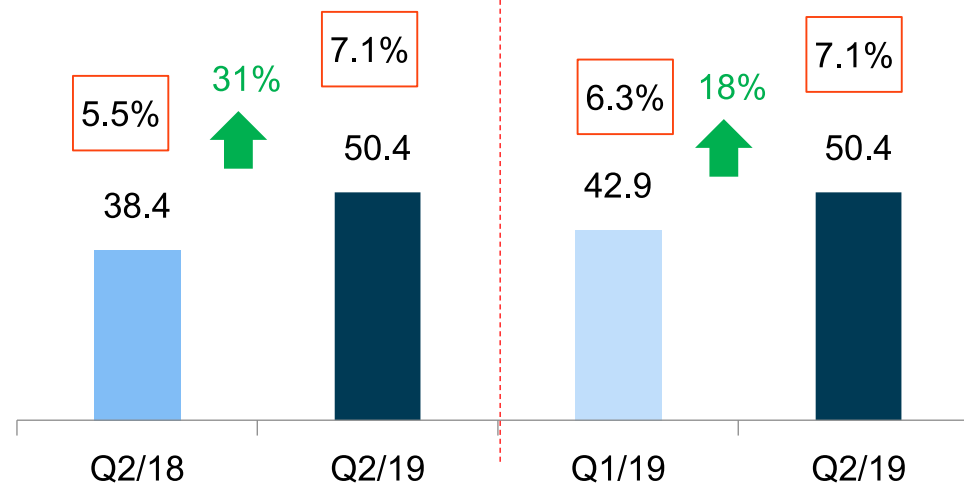
# Performance Q2/2019 – Net Profit

## YTD – 6M18 Vs. 6M19



## Quarterly – Q2/18 Vs. Q1/19 Vs. Q2/19

Unit : Million Baht

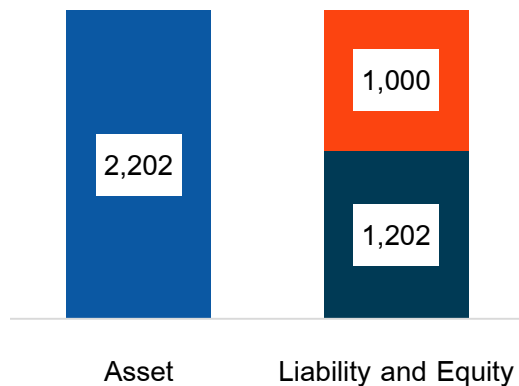


Net Profit	6M18	6M19	△ YoY	Q2/18	Q2/19	△ YoY	Q1/19	Q2/19	△ QoQ
Net Profit	64.3	93.3	45%	38.4	50.4	31%	42.9	50.4	18%
NPM	4.9%	6.7%		5.5%	7.1%		6.3%	7.1%	

# Financial Health Q2/2019

## Financial Status

Unit : Million Baht



Core Asset	Million Baht
Cash	239
AR	500
PPE	287
Investment (JV&Ass)	889

Core Liability	Million Baht
AP	462
IBD	329

Asset	Liability
	Equity

## Financial Ratio

Ratio	YE17	YE18	6M19
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### Company Performance

ROE (%) <sup>1/</sup>	17.8%	13.0%	15.5%
Collection Period (days)	56.9	42.1	47.7
Payment Period (days)	93.7	61.1	67.9

### Debt Performance

Current Ratio (times)	3.1x	2.1x	1.1x
D/E Ratio (times)	0.4x	0.6x	0.8x
IBD/E Ratio (times)	0.0x	0.0x	0.3x

### Profitability Performance

Gross Profit Margin (%)	23.2%	17.5%	16.6%
EBITDA Margin (%)	8.8%	7.9%	9.6%
Net Profit Margin (%)	5.6%	5.4%	6.7%
EPS (Baht per share)	0.21	0.25	0.15
Trailing 12M EPS (Baht per share) <sup>2/</sup>	0.21	0.25	0.30

Remark : 1/ Trailing 12M Net Profit

2/ Adjusted EPS based on existing shares at that time



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# Business Outlook



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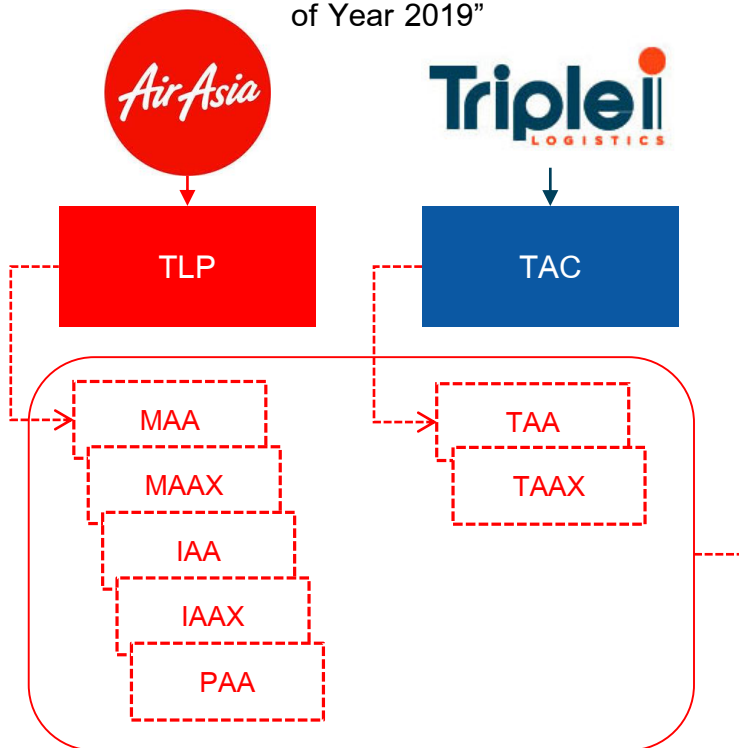
- In Q3/2019, the Company **expects an increase in services volume from the first half of the year, due to entering High Season.** The growth of services volume, however, will not be as much as of the same period on the last year since the external factors specifically the appreciation of THB exchange rate and unfavorable world economics condition from the trade war between US and China
- As a matter of views state above, **the Company's three years strategic plan (2019 to 2021) will come into role to help improve our performance.** Since the 2<sup>nd</sup> half of last year, the company invested in DG Packaging Pte., Ltd. and Around Logistics Management Co., Ltd, and successfully gained the profits.
- Moreover, the Company still continuously expand the business. **As in July 2019, the Board of director approved the company to invest in 32% shares of Excel Air (Cambodia) Co., Ltd.**
- **The Company also signed the Memorandum of Understanding (MOU) amongst the Company, Teleport Everywhere Pte., Ltd., Thai AirAsia Co., Ltd. and Thai AirAsia X Co., Ltd in forming a joint venture company to conduct General Cargo Sales Agent for Airlines between the Company and AirAsia**

# Business Outlook – Future Business with Thai AirAsia

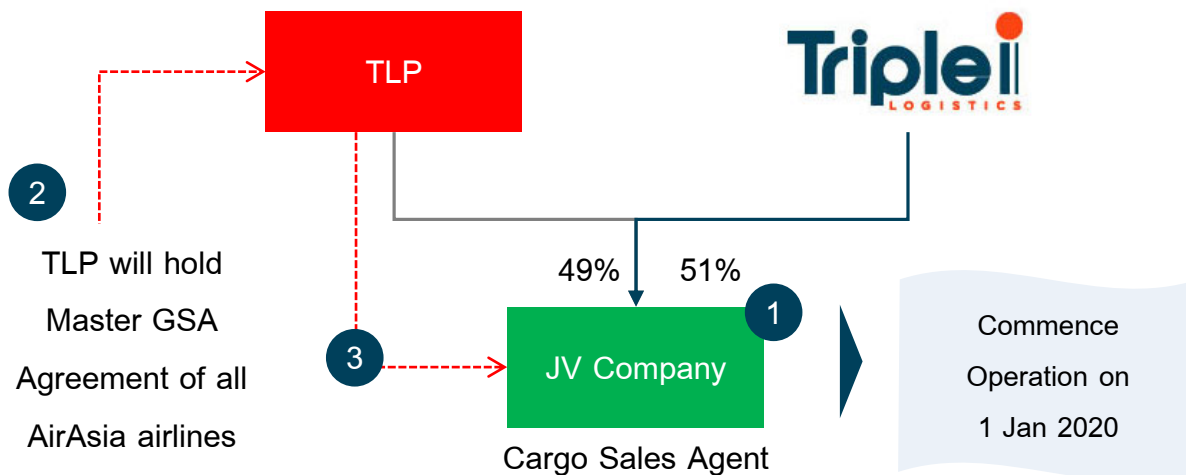
## The New Business Model of Thai AirAsia's GSA

Transition Period from MOU till 31 Dec 2019

“Operate as is under the existing agreement until end of Year 2019”



- 1 To invest in JV Company with TLP
- 2 TLP to acquire Master GSA Agreement from TAA (FD) and TAAX (XJ)
- 3 TLP to grant CASA Agreement to JV Company





# Business Outlook – Future Business with Thai AirAsia

## GSA Business Analysis

Consideration	iii - Existing	iii – After Joint Venture
<b>AirAsia Network</b>	Only Thai AirAsia / Thai AirAsia X	AirAsia Network
<b>Type of Agreement</b>	GSA Contract	JV Partnership
<b>Freight Cost</b>	Annual minimum Guarantee Fixed Cost	No minimum Guarantee
<b>New Potential Business</b>	-	E-Commerce – Asia Same day
<b>DMK International Warehouse Service</b>	iii's Internal Charge	Services Revenue at Market Price

Note : Preliminary analysis, subject to further discussion with TLP