



JWD InfoLogistics Public Company Limited

Management Discussion and Analysis 2Q/2017

(Unit : MM THB)	Six-month Period		+ / (-)	Quarter 2		+ / (-)
	2016	2017		2016	2017	
Revenue from rental income and rendering of services	1,103.4	1,150.6	4.3%	557.6	577.8	3.6%
Gross Profit	337.0	345.7	2.6%	153.8	172.6	12.2%
Gross Margin (%)	30.5%	30.0%		27.6%	29.9%	
Earnings Before Interest, Tax and Depreciation (EBITDA)	300.5	342.1	13.8%	132.9	186.1	40.0%
EBITDA Margin (%)	27.1%	29.2%		23.7%	29.5%	
Net profit attributable to owners of the Company	53.7	89.8	67.2%	7.6	49.5	551.3%
Net Profit Margin (%)*	4.8%	7.7%		1.4%	8.4%	

* Net Profit Margin = Net profit attributable to owners of the Company / Total revenue

The performance for the six-month period ended June 30, 2017, the Company had rental income and revenue from rendering of services Baht 1,150.6 Million, higher than that of last year by Baht 47.2 Million or 4.3%. For quarter 2/2016, the Company had rental income and revenue from rendering of services Baht 577.8 Million, higher than that of last year by Baht 20.2 Million or 3.6%. The increased revenue for the six-month period was mainly from warehouse and yard management business, of which revenue higher by 6.3% and transportation business revenue higher by 14.0%. The increase was due to two warehouses in Leamchabang area were under renovation during Y2016 which had already operated at present together with the decreased stock of seafood products in cold storage resulted from unclear IUU Fishing problem in quarter 2/2016, however currently stock level in cold storage had recovered and reached high level of stock.

The Company had gross profit for the six-month period ended June 30, 2017, of Baht 345.7 Million,

which increased from that of previous year by Baht 8.7 Million, or 2.6%. For quarter 2/2016, the Company had gross profit of Baht 172.6 Million, higher than that of quarter 2/2016 Baht 18.8 Million, or 12.2%. The increased gross profit was mainly resulted from higher profitability of warehouse and yard management business.

The Company had net profit attributable to owners of the Company for the six-month period ended June 30, 2017, of Baht 89.8 Million, higher than that of previous year of Baht 36.1 Million, or 67.2%. For quarter 2/2017, net profit attributable to owners of the Company was Baht 49.5 Million, higher than that of quarter 2/2016 by Baht 41.9 Million, or 551.3%. The increased net profit was a result of the recovery in cold storage business from unclear IUU Fishing problem in 2016, together with the absence of one-time administrative expenses, e.g., expenses from tax assessment, legal consultant fee as well as well-controlled business development expenses, e.g., financial and legal advisors, compared to the first half of Y2016. These factors significantly effected net



profit margin for both six-month period and three-month period ended June 30, 2017.

Financial Performance Analysis

Revenue and gross profit margin by business can be summarized as follows:

Services	Revenue (MM THB) Six-month Period		% of Total Revenue	Gross Margin (%) Six-month Period	
	2016	2017		2016	2017
1. Warehouse and Yard Management	759.2	806.7	70.1	32.9	33.0
2. Transportation and Distribution	160.5	183.0	15.9	22.2	18.7
3. Moving Service	119.2	106.9	9.3	28.6	24.5
4. Record and Information Management	45.3	48.2	4.2	59.4	60.6
5. Other Services	19.2	5.8	0.5	(46.9)	(174.1)
Total	1,103.4	1,150.6	100.0	30.5	30.0

1. Warehouse and Yard Management

Product Categories	Revenue (MM THB) Six-month Period		% of Total Revenue	Gross Margin (%) Six-month Period	
	2016	2016		2016	2016
General Goods	169.5	151.6	13.2	17.7	5.7
Dangerous Goods	206.8	237.7	20.6	37.2	41.5
Automotive	180.4	210.4	18.3	31.8	33.3
Cold Storage	202.5	207.0	18.0	42.0	42.9
Total	759.2	806.7	70.1	32.9	33.0

1.1 General Goods

Revenue of general goods warehouse management service for the six-month period ended June 30, 2017, was Baht 151.6 Million, consisted of revenues from storage Baht 79.2 Million, handling service Baht 37.0 Million, custom clearance service Baht 10.9 Million and other value added services Baht 24.5 Million. Total revenue decreased by Baht 17.9 Million from that of the previous year, or 13.2%. The decreased revenue was mainly from the expirations of service contract of two key customers

which have already been partially substituted at present, JWD Chemical Supply Chain project (JCS) which started operation in 3Q/2016 and yet to reach break-even point in 3Q/2017 as well as LCL Consolidation Hub which started operation by in May 2017 but required more time to build up its customer base.

Gross profit of general goods warehouse management service for the six-month period ended June 30, 2017 was Baht 8.6 Million, decreased by Baht 21.4 Million. Gross profit margin was 5.7%,



dropped from that of previous year because revenue dropped while fixed costs still exist.

Average occupancy rate for six-month period ended June 30, 2017, was 61.2%, lower than that of last year due to expirations of service contract of key customers which are under process of customer substitution.

1.2 Dangerous Goods

Revenue of dangerous goods warehouse management service for the six-month period ended June 30, 2017 was Baht 237.7 Million, consisted of revenue from yard management of Baht 230.8 Million and from warehouse management of Baht 6.9 Million. Total revenue was increased by Baht 30.9 Million or 14.9%, which was due to higher volume of dangerous goods through the port. The quantity of dangerous goods throughput for the six-month period ended June 30, 2017 was 85,211 TEU*, increased by 14.0% from that of previous year. Moreover, despite the decline in stock level in dangerous goods warehouse, this only has a slight effect on total revenue of dangerous goods business.

Volume	Six-month Period	
	2016	2017
Yard (TEU*)	74,754	85,211
Warehouse (Revenue Ton)	8,117	6,936

*TEU (Twenty Equivalent Unit) is 20-foot equivalent containers.

Gross profit of dangerous goods warehouse management service for the six-month period ended June 30, 2017 was Baht 98.6 Million, increased by Baht 21.6 Million, or 28.1% compared to that of the previous year. Gross profit margin was 41.5%, higher than that of previous year. The higher gross profit margin was resulted from higher volume of dangerous goods through the port in addition lower operation cost from increase utilization of Rubber

Tyred Gantry (RTG) cranes in place of Reach stacker (RSK) trucks

1.3 Automotive

For the six-month period ended June 30, 2017, the Company had revenue from automotive yard management of Baht 210.4 Million, consists of revenue from storage of Baht 121.8 Million and revenue from service rendering of Baht 88.6 Million. Total revenue increased by Baht 30.0 Million, or 16.6% from that of previous year, which was driven from additional projects from both existing and new customers during Y2017.

Gross profit for the six-month period ended June 30, 2017 was Baht 70.1 Million, increased from that of last year for Baht 12.8 Million, or 22.3%. Gross margin was 33.3%, higher than that of last year.

Average occupancy rate, excluding on-site area, for the six-month period ended June 30, 2017 was 88.3%, increased from last year which was 86.5%.

1.4 Cold Storage

The Company had revenue from cold storage management for the six-month period ended June 30, 2017 of Baht 207.0 Million, higher from that of previous year by Baht 4.5 Million, or 2.2%. For quarter 2/2017, the Company had revenue from cold storage management Baht 112.2 Million, higher than that of last year by Baht 23.8 Million or 26.9%. The increased revenue was mainly resulted from recovery of raw material stock level of seafood manufacturers, who maintain low level of inventory for production due to unclear IUU Fishing problem since quarter 2/2016. Fortunately, there was a rapid growth in stock level since late of 2016 and it has reached normal stock level since quarter 1/2017. In addition the Company had increased revenue from various



other products stored in cold storage warehouse such as poultry, raw materials for food industry as well as other consumer products.

Gross profit from cold storage management for the six-month period ended June 30, 2017 was Baht 88.8 Million, increased by Baht 3.7 Million or 4.3% compared with the same period last year. Gross margin was 42.9%, slightly increased from that of last year which was 42.0%. Gross profit for the three-month period ended June 30, 2017 was 49.8 Million, significantly increased by Baht 17.7 Million or 55.1% due to a rapid recovery which already reached to normal stock level in quarter 1/2017.

Average occupancy rate for the three-month period ended June 30, 2017 was 73.0%, higher than that of previous year which was 48.6%. During Y2016 seafood manufacturers reduced their stock level and in quarter 1/2017, these stock recovered to normal level.

2. Transportation and Distribution Service

For the six-month period ended June 30, 2017, the Company had revenue from transportation and distribution service of Baht 183.0 Million which can be divided by product category as general goods at Baht 33.0 Million, dangerous goods at Baht 63.3 Million, automotive at Baht 43.9 Million, temperature-controlled product at Baht 31.7 Million and cross-border at Baht 11.1 Million. The increased revenue of Baht 22.5 Million or 14.0% from that of the previous year was due to general goods, temperature-controlled goods, automotive and cross-border transportation services.

Gross profit of this service for the six-month period ended June 30, 2017 was Baht 34.3 Million, slightly declined by Baht 1.3 Million or 3.7% when compared to that of previous year. Gross margin was

18.7%, lower than last year which was 22.2% due to new registered fleets were not yet fully utilized.

3. Moving Service for Domestic and International

For the six-month period ended June 30, 2017, the Company had revenue from domestic and international moving service of Baht 106.9 Million which was from household moving service at Baht 83.9 Million, factory moving service at Baht 10.9 Million, office moving service at Baht 6.9 Million and fine arts and exhibition items moving service at Baht 5.2 Million. The declining of total revenue in moving service of Baht 12.3 Million, or 10.3% from that of previous year was effected by decrease in household, factory and exhibition items moving services, which resulted from strong market competition.

Gross profit for the six-month period ended June 30, 2017 was Baht 26.2 Million, dropped by Baht 7.9 Million or 23.2% from that of previous year. Gross profit margin was 24.5%, lower from that of previous year which was 28.6%.

4. Record and Information Management

For the six-month period ended June 30, 2017, the Company had revenue from the record and information management service of Baht 48.2 Million, which can be divided into storage revenue of Baht 41.7 Million and handling service and transportation of Baht 6.5 Million. When compared to the same period of previous year, revenue improved by Baht 2.9 Million or 6.4% from increased document volume stored in warehouse that also improves revenue from handling service. The quantity of boxes and files kept in warehouse are as follows:



Quantity (Unit)	Six-month Period	
	2016	2017
Boxes	781,329	830,310
Files	8,064,633	9,110,748

Gross profit for the six-month period ended June 30, 2017 was Baht 29.2 Million, increased by Baht 2.3 Million or 8.6% compared to that of last year. Gross profit margin was 60.6% , rose from that of previous year which was 59.4.

5. Other Business

For the six-month period ended June 30, 2017, the Company had revenue from other businesses of Baht 5.8 Million, dropped by Baht 13.4 Million from that of previous year due to revenue dropped from reduced information technology services for external customers, as the Company had emphasized more on developments of in-house information technology capabilities.

Other income

The Company had income from investment and other operation for the six-month period ended June 30, 2017 of Baht 20.3 Million, increased by Baht 12.9 Million from that of the last year.

Selling and Administrative Expenses

For the six-month period ended June 30, 2017, the Company had selling and administrative expenses of Baht 215.6 Million, dropped from that of previous year by Baht 15.3 Million, or 6.6% This decreased was mainly because, during Y2016, there were one-time administrative expenses, e.g.,

expenses from tax assessment, legal consultant fee as well as business development expenses, e.g., financial and legal advisors. The Company had employed a more efficient control on these expense in Y2017.

Finance Cost

For the six-month period ended June 30, 2017, the Company had finance cost of Baht 45.2 Million, increased by Baht 3.2 Million, or 7.6% when compared with that of previous year. The increased finance cost was a result from Baht 500 Million Bond issuance during Quarter 4/2016.

Net Profit

The Company had net profit attributable to owners of the Company for the six-month period ended June 30, 2017, of Baht 89.8 Million, improved from that of previous year by Baht 36.1 Million, or 67.2% and net profit margin of 7.7%, improved from last year which was 4.8%. For the three-month period ended June 30, 2017 the company had net profit attributable to owners of the Company of Baht 49.5 Million, improved from that of previous year by Baht 41.9 Million, or 551.3% and net profit margin of 8.4%, improved from last year which was 1.4%. The improve of net profit and net profit margin was mainly caused by the recovery of seafood products in cold storage from unclear IUU Fishing problem in Y2016, together with the absence of one-time administrative expenses, e.g., expenses from tax assessment, legal consultant fee as well as well-controlled business development expenses, e.g., financial and legal advisors, compared to the first half of Y2016.



Statement of Financial Position

	5,318.0	5,318.0	5,240.3	5,240.3	Unit : MM THB
Current Assets	1,031.2	834.7	968.8	897.3	Current Liabilities
Investment Properties	906.0	1,651.6	897.2	1,491.6	Long-Term Loans
PPE	2,573.0	219.1	2,583.6	243.7	Other Non-Current Liabilities
Other Non-Current Assets	807.8	2,612.6	790.7	2,607.7	Shareholder's Equity
	As at December 31, 2016		As at June 30, 2017		

Assets

As at June 30, 2017, the Company had total assets of Baht 5,240.3 Million, decreased from December 31, 2016 by Baht 77.7 Million, or 1.5%

The Company's assets mainly consist of non-current assets especially property, plant and equipment and investment properties amounted 49.3% and 17.1% of total assets, respectively.

Current Assets

As at June 30, 2017, current asset was Baht 968.8 Million, decreased by Baht 62.4 Million or 6.1% from December 31, 2016. The lower current assets was mainly from current investments.

Non-Current Assets

As at June 30, 2017, non-current assets amounted Baht 4,271.5 Million, remained the same level of that of previous year.

Liabilities

As at June 30, 2017, the Company had total liabilities Baht 2,632.6 Million, decreased from December 31, 2016 by Baht 72.8 Million or 2.7%.

Current Liabilities

As at June 30, 2017, current liabilities was Baht 897.3 Million, increased by Baht 62.6 Million, or 7.5% from December 31, 2016 due to bank overdrafts and short-term loans from financial institutions, current portion of long-term loans from financial institutions and current portion of finance lease liabilities

Non-Current Liabilities

As at June 30, 2017, non-current liabilities was Baht 1,735.2 Million, decreased by Baht 135.4 Million from December 31, 2016 or 7.2% which was mainly from long-term loan repayment.

Shareholder's Equity

As at June 30, 2017, shareholder's equity was Baht 2,607.7 Million, remained the same level of that of previous year.

The Company paid cash dividend in May 2017 in the rate of Baht 0.08 per share or in amount of Baht 81.6 Million.



Statement of Cash Flows

(Unit : MM THB)	Six-month Period	
	2016	2017
Cash and Cash Equivalents at 1 January	191.0	259.8
Net Cash from / (used in) Operating Activities	285.0	313.4
Net Cash from / (used in) Investing Activities	(129.5)	(40.8)
Net Cash from / (used in) Financing Activities	10.1	(253.5)
Impact of foreign exchange rates	(0.3)	0.3
Net Increase (Decrease) in Cash and Cash Equivalents	165.3	19.4
Cash and Cash Equivalents at 30 June	356.3	279.2

Cash flows from operating activities

For the six-month period ended June 30, 2017, the Company had net cash from operating activities of Baht 313.4 Million which was mainly contributed by net profit of Baht 82.7 Million, added back of non-cash items, e.g., depreciation expenses and amortization expenses of Baht 197.5 Million and finance costs of Baht 45.2 Million.

Cash flows from investing activities

For the six-month period ended June 30, 2017, net cash used in investing activities was Baht 40.9 Million

which was mainly contributed by the purchase of property, plant and equipment of Baht 119.7 Million, increased investment properties of Baht 20.0 Million, while there was proceeds from sale of short-term investment of Baht 121.7 Million.

Cash flows from financing activities

For the six-month period ended June 30, 2017, the Company had net cash used in financing activities of Baht 253.5 Million which includes long-term loan repayment of Baht 140.6 Million, dividends paid to shareholders of Baht 81.6 Million and interest payment of Baht 49.4 Million.



Key Financial Ratios

	Six-month Period	
	2016	2017
Gross Margin (%)	30.5%	30.0%
Net Profit Margin (%)	4.8%	7.7%
Current Ratio (Times)	0.76	1.08
Liability to Equity (Times)	0.92	1.01
Interest Bearing Debt to Equity (Times)	0.71	0.77

Note:

Gross Margin	= Gross Profit / Rental income and revenue from rendering of services
Net Profit Margin	= Net profit attributable to owners of the Company / Total revenue
Current Ratio	= Current Asset / Current Liabilities
Liability to Equity	= Total Liabilities / Shareholder's Equity
Interest Bearing Debt to Equity	= Interest Bearing Debt / Shareholder's Equity