

JWD InfoLogistics Public Company Limited
Management Discussion and Analysis Q1/2021 (Revised)

(Unit : MB THB)	Three-month Period		Change +/- (%)
	Q1-2020	Q1-2021	
Total Revenues	966.1	1,147.1	18.7%
Revenue from rental and rendering of services	943.0	1,049.8	11.3%
Gross Profit	259.6	269.5	3.8%
Gross Margin (%)	27.5%	25.7%	
Interest income, Dividend income and Other income	23.1	97.3	321.2%
Share of profit of investments in associates and joint ventures	25.1	17.8	(29.1)%
Net profit attributable to owners of the Company	93.5	140.8	50.6%
Net Profit Margin (%)*	9.7%	12.3%	
Net profit attributable to owners of the Company (before extra items)	93.5	96.8	3.5%
Net profit Margin (before extra items) (%)*	9.7%	8.4%	

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

Domestic economy for the first quarter of 2021 showed a slight recovery despite the resurgence of Covid-19 at the beginning of the year. However the partial lockdown in some areas, the economic impacts were not as severe as the previous year. At the same time the government continued to launch various economic stimulus programs and rollout of vaccine distribution, therefore the private consumption has shown a sign of improvement. Export sector started to recover in relation to improved demands from trading partners, which encouraged development of Thai economy. As a consequence, major industrial products that were the driver of exports such as automobile, equipment and parts; rubber product; plastic resin; iron, steel and their products; and chemicals has demonstrated good expansion, resulting in Thai exports reaching 7.6% growth in the first quarter 2021.*

The aforementioned development was directly beneficial to the Company, as the performance of various business units improved considerably, especially automotive, automotive transportation and dangerous goods business units. In additions, other business units such as cold storage and general goods warehouses were consistently well-performing due to the increased demand from the pandemic situation. The performance for Q1/2021, the Company had total revenues of Baht 1,147.1 million, improved by Baht 181.0 million or 18.7 % from the same period previous year. The company generated revenue from rental and rendering of services of Baht 1,049.8 million, higher than that of last year by Baht 106.8 million or 11.3%. The increased revenue was

*Source Thailand International Trade, Ministry of Commerce

mainly due to higher revenue from warehouse and yard management business, food business, transportation and distribution business and logistics Infrastructure business.

The Company had gross profit for Q1/2021 of Baht 269.5 million, gross profit margin was 25.7% increased by baht 9.9 million or 3.8% from the same period previous year where gross profit was 259.6 and gross profit margin was 27.5%.

Net profit attributable to owners of the Company

The Company had net profit attributable to owners of the Company for Q1/2021 of Baht 140.8 million, net profit margin was 12.3% which increased by Baht 47.3million, or 50.6% from that of previous year where net profit was Baht 93.5 million and net profit margin was 9.7%.

For Q1/2021, The Company had net profit from extra items of Baht 44.0 million and net profit attributable to owners of the Company (before extra items) for Q1/2021, of Baht 96.8 million, net profit margin (before extra items) was 8.4% which increased by Baht 3.3 million, or 3.5% from that of previous year where net profit (before extra items) was Baht 93.5 million and net profit margin was 9.7%.

Financial Performance Analysis

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

Revenue(MB THB)	Quarterly (Three-month Period)		% of Total Revenue	Gross Profit (MB THB) Three-month Period		Gross Margin (%) Three-month Period	
	Q1-2020	Q1-2021		Q1-2020	Q1-2021	Q1-2020	Q1-2021
1. Logistics and Supply Chain business	737.9	789.1	75.2%	248.1	255.0	33.6%	32.3%
2. Food business	199.5	257.1	24.5%	7.1	13.2	3.6%	5.1%
3. Other businesses	5.6	3.6	0.3%	(8.9)	(6.2)	(158.9)%	(172.2)%
Total	943.0	1,049.8	100.0%	246.3	262.0	26.1%	25.0%
Adjustment according to TFRS16	-	-	-	13.3	7.5	1.4%	0.7%
Gross profit after adjustment	943.0	1,049.8	100.0%	259.6	269.5	27.5%	25.7%

Financial Performance Analysis

1.1 Warehouse and Yard Management

Revenue By Product Categories (MB THB)	Quarterly Three-month Period		% of Total Revenue	Gross Profit (MB THB) Three-month Period		Gross Profit Margin (%) Three-month Period	
	Q1-2020	Q1-2021		Q1-2020	Q1-2021	Q1-2020	Q1-2021
1.1.1 General Goods	104.1	100.5	9.6%	29.5	16.0	28.3%	15.9%
1.1.2 Dangerous Goods	122.1	135.3	12.9%	52.5	60.7	43.0%	44.9%
1.1.3 Automotive	124.8	117.4	11.2%	43.8	40.5	35.1%	34.5%
1.1.4 Cold Storage	188.4	193.8	18.5%	80.2	87.1	42.6%	45.0%
1.1.5 Record and Information Management	29.1	29.1	2.8%	13.8	13.3	47.4%	45.7%
Total	568.5	576.1	54.9%	219.8	217.6	38.7%	37.8%

1.1.1 General Goods

Revenue of general goods warehouse management service for Q1/2021 was Baht 100.5 million, consisted of revenues from storage Baht 54.6 million, handling service Baht 27.4 million, custom clearance service Baht 5.3 million and other value added services Baht 13.2 million. Total revenue decreased by Baht 3.6 million or 3.5% from the same period last year.

Gross profit of general goods warehouse management service for Q1/2021 was Baht 16.0 million and gross profit margin was 15.9%, decreased by Baht 13.5 million or 45.7% compared to the same period previous year where gross profit was Baht 29.5 million and gross profit margin was 28.3%. This mainly resulted from the commencement of operation of JWD Nava Nakhon project with the total area of 6,000 sq.m in November 2020, where the Company had recognized an initial operation setup cost. However, the gross profit in Q1/2021 improved by Baht 6.5 million or 68.4% compared to Q4/2020 where gross profit was Baht 9.5 million or 10.6%. This demonstrated the reduction of operating cost from the project, while operations in other facilities were consistently well-perform since last year.

1.1.2 Dangerous Goods

Revenue of dangerous goods warehouse management service for Q1/2021 was Baht 135.3 million, consisted of revenue from yard management of Baht 132.5 million and from warehouse management of Baht 2.8 million. Total revenue was increased by Baht 13.2 million or 10.8 % from the same period last year. The quantity of dangerous goods throughput for Q1/2021 was 43,263 TEU*, increased by 1.3% from that of previous year. This mainly resulted from the recovery and improvement of dangerous goods supply chain situation.

Furthermore, there was a positive impact from the Suez crisis where the company had increasing revenue from the storage during the quarter.

Volume	Three-month Period	
	Q1-2020	Q1-2021
Yard (TEU*)	42,711	43,263
Warehouse (Revenue Ton)	5,338	4,951

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

Gross profit of dangerous goods warehouse management service for Q1/2021 was Baht 60.7 million and gross profit margin was 44.9%, increased by Baht 8.2 million or 15.6% compared to the same period previous year where gross profit was Baht 52.5 million and gross profit margin was 43.0%.

1.1.3 Automotive

Revenue of automotive yard management service for Q1/2021 was Baht 117.4 million, consisted of revenue from storage of Baht 50.6 million and revenue from service rendering of Baht 66.8 million, which was decrease by Baht 7.4 million or 5.9 %. However, the revenue was increased by Baht 8.4 million or 7.7% compared to Q4/2020 where revenue was Baht 109 million. This mainly resulted from the rapid recovery of automotive industry, enabling the company to resume suspended projects from many customers during this quarter. This will help driving the automotive business for a steady increase in revenue the following quarters.

Gross profit for the Q1/2021 was Baht 40.5 million and gross profit margin was 34.5% decreased by Baht 3.3 million, or 7.5% from the same period last year, where gross profit was Baht 43.8 million and gross profit margin was 35.1%. Currently the total area of automotive yard was 392,638 sq.m and on-site service area was 658,425 sq.m. Average occupancy rate, excluding on-site service area for Q1/2021 was 65.4%, decreased from that of previous year which was 92.5%.

1.1.4 Cold Storage

Revenue from cold storage management for Q1/2021 was Baht 193.8 million, higher than that of previous year by Baht 5.4 million, or 2.9%. There is an increasing trend of storage and service volume from poultry and seafood products, especially shrimp and tuna in Samut Sakhon location where there was an increased market demand due to the COVID-19 pandemic. This trend is expected to continue at least through the end of this year.

Gross profit from cold storage management for the Q1/2021 was Baht 87.1 million and gross profit margin was 45.0%, increased by Baht 6.9 million or 8.6% compared with the same period last year where gross profit was Baht 80.2 million and gross profit margin was 42.6%.

Average occupancy rate for Q1/2021 was 74.2%, decreased from that of previous year which was 79.7% Note that in Q1/2021, the Company had additional capacity from a the new cold storage (Building 9 in Mahachai), which utilizes the automated storage and retrieval system (ASRS), following the success of the robotics warehouses (Building 8) which was opened in 2019. The introduction of this automated system had provided an increase the revenue generating capability of the business to support the rising demand, while at the same time, yielded a better operation efficiency as well as reduced labor and energy costs, resulting in higher and sustainable profitability.

1.1.5. Record and Information Management

Revenue from the record and information management service for Q1/2021 was Baht 29.1 million, which consists of storage revenue at Baht 24.8 million, handling service and transportation at Baht 4.3 million. Total revenue be similar with the same period year. Due to the increased of boxes and files stock level as follows:

Quantity (Unit)	Quarterly	
	Q1-2020	Q1-2021
Boxes (Average)	969,910	1,021,990
Files (Average)	11,372,536	11,878,201
Scan(Total)	1,607,504	760,134

Gross profit for Q1/2021 was Baht 13.3 million and gross profit margin was 45.7%, slightly decreased from the previous year where gross profit was Baht 13.8 million and gross profit margin was 47.4%. Note that in Q1/2021, the Company had additional capacity from the new document storage (Suwinthawong, Chachoengsao province), which utilizes the robotics system to provide warehouse management services, thereby increasing the revenue generating capability of the business. In the same fashion as the Cold Storage, the introduction of this automated system yielded better operation efficiency as well as reduced labor and energy costs, which will result in higher profitability in the long run. The total area of this new warehouse was 4,500 sq.m with capacity of more than 600,000 boxes, making it the first large-scale automated document storage warehouse in Thailand.

1.2. Transportation and Distribution Service

Revenue from transportation and distribution service for Q1/2021 was Baht 130.0 million which can be divided by product category as general goods at Baht 20.4 million, dangerous goods at Baht 27.6 million, automotive at Baht 39.3 million, controlled-temperature chilled and freeze product at Baht 25.2 million, cross border at Baht 10.4 million, and project cargo at baht 6.7 million. Total revenue increased by Baht 22.6 million or 21.0% from the same period year. This was mainly due to the significant increase of volume of temperature-controlled product transportation and cross border transportation. The car carrier transportation volume was also increasing, following the recovery of the automotive industry as mentioned above.

Gross profit of this service for Q1/2021 was Baht 18.9 million and gross profit margin was 14.5%, increased by Baht 3.4 million or 21.9% compared to that of last year, where gross profit was Baht 15.5 million and gross profit margin was 14.5%

1.3. Relocation Service

Revenue from relocation service for Q1/2021 was Baht 38.3 million consist of revenue from household moving service at Baht 32.0 million, office moving service at Baht 3.7 million and fine arts and exhibition items moving service at Baht 2.6 million. Total revenue decreased by Baht 5.4 million or 12.3% from that of the previous year

Gross profit for Q1/2021 was Baht 8.3 million and gross profit margin was 21.7%, decreased by Baht 4.0 million or 32.5% compare to that of last year where gross profit was Baht 12.3 million and gross profit margin was 28.1%.

1.4 Logistics Infrastructure

The Company had been commencing logistics infrastructure business since year 2018, when the Company was awarded by the Port Authority of Thailand to be the sole operator of rail yard management in Laem Chabang Port for three main rail lines, i.e., the South line, Northeast line and from Map Ta Phut line. Recently, the company successfully won the bidding from the Port Authority of Thailand to operate the newly opened and only Barge Terminal of Laem Chabang Port, resulting in expected additional revenue from these operations since 2020. The company had classified this as a separate business unit in order to clearly identify its revenue contribution.

Revenue of the business unit for Q1/2021 was Baht 32.3 million increased by Baht 19.7 million or 156.4% from that of previous year, which was mostly contributed from the consistently increased volume of Barge terminal since the start of its operation. Gross profit for Q1/2021 was Baht 8.4 million and gross profit margin was 25.9%, increased by Baht 4.7 million or 127.0% compare to that of last year where gross profit was Baht 3.7 million and gross profit margin was 29.6%.

1.5 Self-Storage, Safe Deposit and ART Space

The business unit provides self-storage, safe deposit and art space services, where the self-storage service was providing in 6 branches at Sri Kreeta, Siam, Ramintra , Thiam Ruam Mit, Rama9-Ramkhamhang and Phuket branches. In Q1/2021, the Company launched wine bank storage service at JWD Store it, Siam branch, same location as the existing safe deposit and art storage services.

Revenue for the business unit for Q1/2021 was 12.3 million increased by Baht 6.6 million or 116.5% from that of the previous year. Gross loss for Q1/2021 was Baht 1.8 million and gross loss margin was 14.6%.The business unit started to attain a gradually improved performance, but would need more development time as it is still the startup phase and underwent a continuous expansion.

2. Food Service Business

Revenue from food service business was Baht 257.1 million, increased by Baht 57.6 million or 28.8% from that of the previous year. The increase in revenue was due to the additional sales volume of cut vegetable and liquid eggs. The food service business was benefited from higher demand caused by the pandemic situation.

Gross profit for Q1/2021 was Baht 13.2 million and gross profit margin was 5.1% , increased by Baht 6.1 million or 85.9% compared to that of last year where gross profit was Baht 7.1 million and gross profit margin was 3.6. The increase in gross profit was according to higher revenue of food service business.

3. Other Business

The Company had revenue from other businesses of Baht 3.6 million, decreased by Baht 2.0 million, or 35.7% from that of the last year.

Share of profit of investments in associates and joint ventures

The Company had equity income from investment in associates and joint ventures for Q1/2021 of Baht 17.8 million, decreased by Baht 7.3 or 29.1% from that of the last year. The company currently has following important investments in associates and joint ventures, i.e., Cold and general warehouses in Cambodia, Phnom Penh Special Economic Zone (PPSP) and Bok Seng PPSEZ Dry port in Cambodia, Cold storage Adib Cold Logistics (ACL) in Indonesia which the company jointly acquired with Samudera Group, JWD Bokseng Logistics doing business in project cargo in Thailand and region, CJ JWD Logistics doing business in e-commerce logistics in Thailand and Transimex Corporation (TMS) in Vietnam. For Q1/2021, the Company received increased amount of equity income from Transimex Corporation (TMS) of Baht 31.0 million, increasing by 12.3 million, or 6.6% when comparing to the previous year due to the growth of its logistics business in Vietnam. However, the equity income from PPSP industrial estates decreased significantly because of the pandemic lock down condition in Cambodia, causing PPSP unable to sell its land to foreign investors. However, PPSP expects to obtain additional land sales revenue from its backlog in 2021 after Cambodia opens the country after the pandemic unfolds. Moreover, the equity income decreased from loss from liquidation business in Laos of Baht 11.3 million which is an extra item incurred in Q1/2021.

Interest income, dividend income and other income

The Company had income from investment and other operation for Q1/2021 of Baht 97.3 million, increased by 74.2 million, or 321.2% from that of the last year. This mainly resulted from the extra income from the step-up acquisition investment in EMLOG Logistics & Warehousing Pte Ltd. ("EMLOG") and the dividend from AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust (AIMIRT).

Selling and Administrative Expenses

The company had selling and administrative expenses for Q1/2021 of Baht 170.6 million, increased by Baht 20.3 million, or 13.5% from that of the last year. The expense was mainly increased from the variable expenses associated with revenue and profit growth and the consultant expenses on business development. The company still effectively control its SG&A expenses and maintained low SG&A to revenue ratio at 14.9%.

Finance Cost

The Company had finance cost for Q1/2021 of Baht 47.2 million, decreased by Baht 4.0 million, or 7.8% compared to the same period last year. This decrease was mainly due to the accounting method according to the TFRS16 accounting standard on lease agreements, which resulted in a decrease of finance cost of this quarter by Baht 3.4 million compared to previous year.

Statement of Financial Position

Unit: MN THB

	9,473.7	9,473.7	10,417.2	10,417.2	
Current Assets	1,782.8	2,411.3	2,543.0	2,537.7	Current Liabilities
Investment Properties	573.0		562.1		Long-Term Loans
PPE	3,130.9	2,217.1	3,332.7	2,878.8	Other Non-Current Liabilities
		1,593.7		1,560.4	Shareholder's Equity
Other Non-Current Assets	3,987.0	3,251.6	3,979.4	3,440.3	
	As at December 31, 2020		As at March 31, 2021		

Assets

As at March 31, 2021 the Company had total assets of Baht 10,417.2 million, increased from December 31, 2020 by Baht 943.5 million, or 10.0% which was mainly resulted from the increase in Cash and cash equivalents, current investments, and property, plant and equipment.

The Company's assets mainly consist of non-current assets especially property, plant and equipment, Right-of-use assets and investment in associates and joint ventures amounted 32.0% 15.8% and 12.1% of total assets, respectively .

Current Assets

As at March 31, 2021, current asset was Baht 2,543.0 million, increased from December 31, 2020 by Baht 760.2 million, or 42.6%. This mainly resulted from the increase in Cash and cash equivalents of Baht 493.1 million, the increase in current investments of Baht 170.0 million and the increase in trade receivables of Baht 42.4 million.

Non-Current Assets

As at March 31, 2021, non-current assets was Baht 7,874.3 million, increased from December 31, 2020 by Baht 183.3 million, or 2.4%. This mainly resulted from the increase of property, plant and equipment of Baht 201.8 as a result of investment in cold storage business and the increase of investment in associates and subsidiaries of Baht 46.3 million as a result of recognition of profit sharing and additional investments in joint venture.

Liabilities

As at March 31, 2021, the Company had total liabilities of Baht 6,977.0 million, increased from December 31, 2020 by Baht 754.9million, or 12.1%. This mainly resulted from the issuance of debentures in Q1/2021.

Current Liabilities

As at December 31, 2021, current liabilities was Baht 2,537.7 million increased from December 31, 2020 by Baht 126.4 million, or 5.2% which was mainly from the increase in Bank overdrafts and short-term borrowings from financial institutions by Baht 29.8 million, the increase in trade and other current payables of Baht 52.8 million and the increase in current portion of long-term borrowings from financial institutions of Baht 49.7 million.

Non-Current Liabilities

As at March 31, 2021, non-current liabilities was Baht 4,439.3 million, increased from December 31, 2020 by Baht 628.5 million, or 16.5%. This mainly resulted from the increase in debentures of Baht 700.0 million. On the other hand, the finance lease liability according to TFRS16 accounting standard decreased by Baht 58.8 million and the long-term borrowings from financial institutions also decreased by Baht 31.8 million.

Shareholder's Equity

As at March 31, 2021, shareholder's equity was Baht 3,440.3 million, increased from December 31, 2020 by Baht 188.7 million, or 5.8%, which resulted from recognition of retained earnings and non-controlling interests.

Statement of Cash Flows

(Unit : MB THB)	Quarter	
	2020	2021
Cash and Cash Equivalents at 1 January	885.5	815.0
Net Cash from / (used in) Operating Activities	213.7	366.5
Net Cash from / (used in) Investing Activities	(137.3)	(498.3)
Net Cash from / (used in) Financing Activities	(423.4)	628.8
Impact of foreign exchange rates	-	(3.9)
Net Increase (Decrease) in Cash and Cash Equivalents	(347.0)	493.1
Cash and Cash Equivalents at 31 March	538.5	1,308.1

Cash flows from operating activities

For the three-month period ended March 31, 2021, the Company had net cash received from operating activities of Baht 366.5 million, increased by Baht 152.8 million or 71.5% from the same period last year. This was partly a result of better business performance as well as the cash received from changes in trade and other payable which increased by Baht 129.0 million.

Cash flows from investing activities

For the three-month period ended March 31, 2021, the Company had net cash used in investing activities of Baht 498.3 million, increased by Baht 361.0 million or 263.0% from previous year. This was partly a result of the cash used in investments in property, plant and equipment which increased by Baht 169.9 million and purchase of current investments which increased by Baht 170.0 million.

Cash flows from financing activities

For the three-month period ended March 31, 2021, the Company had net cash received from financing activities of Baht 628.8 million, increased by Baht 1,052.3 million or 248.5% from previous year. This was partly a result of the cash received from the issuance of debentures which increased by Baht 100.0 million and the repayment of bank overdrafts and short-term borrowings from financial institutions which increased by Baht 867.2 million.

Key Financial Ratios

	Three-month Period	
	Q1-2020	Q1-2021
Gross Margin (%)	27.5%	25.7%
Net Profit Margin (%)	9.7%	12.3%
Current Ratio (Times)	0.99	1.00
Liability to Equity (Times)	1.76	2.00
Liability to Equity (Times)*) * Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.27	1.56
Interest Bearing Debt to Equity (Times)	1.49	1.75
Interest Bearing Debt to Equity (Times)* Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	1.00	1.28

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 (Times)	= Total Liabilities / Shareholder's Equity
Liability to Equity (Times)	= Total Liabilities excluding TFRS16 / Shareholder's Equity
Interest Bearing Debt to Equity (Times)	= Interest Bearing Debt / Shareholder's Equity
Interest Bearing Debt to Equity (Times)	= Interest Bearing Debt excluding TFRS16 / Shareholder's Equity
*Excluding liabilities from the deployment of accounting standard TFRS16 lease agreements	