

**LOGISTICS**

# JWD buys Ocean Air to diversify

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SET-listed JWD Infologistics Plc, an integrated inland logistics service provider, has spent 83 million baht to acquire Ocean Air International, aiming to penetrate the freight forwarding market to become a leading logistics provider in Asean.

Chief executive Charvanin Bunditkitsada said the acquisition was done via one of JWD's subsidiaries, JWD International Movers, which bought a 100% stake in Ocean Air International.

He said the deal allows Ocean Air to expand its customer base by adding clients from JWD, while JWD will use the forwarder to enhance the efficiency of their logistics services.

Ocean Air International specialises in international sea freight and air freight services.

Mr Charvanin said the acquisition is expected to be completed within the final quarter this year and the new company is due to start generating revenue for JWD by early next year.

JWD typically generates around 2 billion baht of revenue annually, while the subsidiary generates around 400 million a year.

He said the acquisition is expected to help increase JWD International Movers' revenue to 1 billion baht by 2020.

Mr Charvanin said JWD is targeting 7%

revenue growth both this year and next.

JWD's second quarter net profit stood at 49.5 million baht, up 551% year-on-year from 7.6 million baht.

Around 90% of JWD's total revenue came from overseas markets, with 10% from the domestic market.

However, Mr Charvanin said the company is aiming to decrease the proportion of overseas revenue to 75%, while domestic revenue will contribute around 25%.

He said JWD will try to reduce the proportion revenue generated by renting warehouses and create additional revenue from other business in order to diversify risks.

He added the company allocated capital expenditure (capex) of 300-500 million baht for operations this year.

For next year, JWD has allocated 1.2 billion capex, which will cover mergers and acquisitions, he said.

Mr Charvanin said JWD is also in talks to seek partners to expand through mergers and acquisitions, particularly for renting warehouses in Vietnam and Indonesia.

"We expect to have a clearer picture of the two deals by early next year," he said.

However, the company has halted a project to expand warehouse rentals in Laos since the market was too small and might not be worth the investment.



**Charvanin: Keen on freight forwarding**