

Ref. AC 21/016

August 13, 2021

Re: Management Discussion and Analysis of the Operating Performance for the 2<sup>nd</sup> Quarter 2021

To: President

The Stock Exchange of Thailand

Amata Corporation Public Company Limited ("AMATA" or "The Company") would like to report the operating performance results of the company for 2<sup>nd</sup> Quarter 2021 as follows:

An overall of the economy in Thailand, both from governmental and private sectors, is still at risk from the Covid-19 pandemic. The new wave of Covid-19 widespread continues to create a huge impact to the Thai economy due to the failure in controlling the spread of Covid-19 of the government. Therefore, it is possible that the economy in the second half of the year will shrink, comparing to the previous year, although the world economy will be able to recover strongly.

The Thai Bankers' Association is collaborating with 3 institutions of private sector – the Chamber of Commerce of Thailand, the Federation of Thai Industries, and the Thai Bankers' Association. It is expected that the Thai economy in 2021 will be at -1.5% to 0.0%, depending on the severity of the COVID-19 and additional measures of the state. Exports are expected to expand from 10.0% to 12.0% due to a better-than-expected global economic recovery. However, it is still essential to ensure that the production chain does not cause widespread infection. General inflation will stay in the range of 1.0% to 1.2%, under the pressure from an increasing in energy prices and transportation costs, which significantly affects the cost of production among manufacturers. In this respect, the 3 institutions view that the Covid-19 pandemic has violently affected businesses of all sectors – not just the export industry. Therefore, all sectors must work together to integrate measures to limit the cycle of the pandemic by accelerating the supply of mainstream and alternative vaccines to meet the needs of the people and to create group immunity. The government must also provide various tools and facilities to stimulate the economic recovery in the country as soon as possible.

Similar to other businesses, the industrial estate business is also affected by the Covid-19 pandemic. As a result, the Company's land sales and revenue recognition from land sales is declined due to the limitation of customers and investors to travel to Thailand. However, based on the questionnaires and the follow-up from both customers and investors, they are still interested in investing in Thailand and Vietnam continuously. As for the rental income and utilities services of the Company, there has been an improvement due to an increase of production capacity for exportation of the customers.

**Operating Performance Summary 2<sup>nd</sup> quarter of 2021, ended 30 June 2021**

2<sup>nd</sup> Quarter of 2021 versus 2<sup>nd</sup> Quarter of 2020:

- Total revenues reported at Baht 947.0 million, decreased by 9.8% year on year
- Share of profit from investments in associates and JV at Baht 166.1 million, decreased by 14.3%
- Net profit posted Baht 247.1 million, up 14.7%

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2021	2020	Million Baht	%
Total revenues	947.0	1,049.9	(102.9)	(9.8)
Total expenses	636.2	800.8	(164.6)	(20.6)
Share profit from investments in associates and joint venture	166.1	193.7	(27.6)	(14.3)
Profit for the period	247.1	215.4	31.7	14.7
Basic earnings per share (THB/share)	0.21	0.20		

• **Operating Performance Analysis of Core Businesses**

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2021	2020	Million Baht	%
Revenue from real estate sales	140.6	393.4	(252.8)	(64.3)
Gross profit margin	56%	54%		
Revenue from utility services	500.8	435.3	65.5	15.0
Gross profit margin	34%	31%		
Revenue from rental	226.8	211.2	15.6	7.4
Gross profit margin	74%	74%		

**Industrial Estate Development Business**

During the 2<sup>nd</sup> Quarter 2021 (2Q/2021), AMATA reported revenue from real estate sales at Baht 140.6 million, decreased by Baht 252.8 million or 64.3% from the same period last year (2Q/2020). The Company transferred and recognized 36-rai of land (Thailand 36 rai) in 2<sup>nd</sup> Quarter of 2021 (2Q/2021), decrease compared to 73-rai of land (Thailand 73 rai) in 2<sup>nd</sup> Quarter of 2020 (2Q/2020). This is mainly due to the fact that our customers were unable to travel internationally to proceed with the transfer of title deeds during the COVID-19 pandemic situation. The Gross profit margins of revenue from real estate sales slightly increased from 54% in 2<sup>nd</sup> Quarter 2020 (2Q/2020) to 56% in 2<sup>nd</sup> Quarter 2021 (2Q/2021). This is because The Company has an average land selling price per rai higher than previous year, which results in higher gross profit margin.

### Utility Services Business

The revenue from utility services was reported Baht 500.8 million on 2<sup>nd</sup> Quarter of 2021 (2Q/2021) which rose from Baht 435.3 million in 2<sup>nd</sup> Quarter of 2020 (2Q/2020) or 15.0%. The change is due to increase in the customer's consumption in utilities. The gross profit margin slightly improved by 3% to 34% in the 2<sup>nd</sup> Quarter 2021 (2Q/2021) compared to 2<sup>nd</sup> Quarter 2020 (2Q/2020).

### Rental Business

The rental business contributed Baht 226.8 million of revenue to The Company in 2<sup>nd</sup> Quarter 2021 (2Q/2021), up by Baht 15.6 million or 7.4% increase compared to the same period of 2020 (2Q/2020) which reported at Baht 211.2 million of revenue from the rental business. The gross margin from rental business remained flat at 74% in 2<sup>nd</sup> Quarter 2021 (2Q/2021) when compared to 2<sup>nd</sup> Quarter 2020 (2Q/2020).

- **Other Income**

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2021	2020	Million Baht	%
Finance income	10.8	5.8	5.0	87.5
Gains on exchange	53.0	-	53.0	-
Other income	25.8	10.0	15.8	157.7

The Company received finance income at Baht 10.8 million in 2<sup>nd</sup> Quarter 2021 (2Q/2021), increased by Baht 5.0 million or 87.5% compared to the same period last year (2Q/2020). Gain on exchange amounted Baht 53.0 million, and other income increased by Baht 15.8 million or 157.7% from Baht 10.0 million in 2<sup>nd</sup> Quarter 2020 (2Q/2020) to Baht 25.8 in 2<sup>nd</sup> Quarter 2021 (2Q/2021).

- **Expense**

	2-Quarter	2-Quarter	Increase/(Decrease)	
	2021	2020	Million Baht	%
Selling and distribution expenses	14.9	27.9	(13.0)	(46.6)
Administrative expenses	170.3	149.0	21.3	14.3
Finance cost	117.1	104.9	12.2	11.6
Income tax expense	43.7	51.4	(7.7)	(14.9)

For the selling and distribution expenses, it is decreased by Baht 13.0 million or 46.6% compared to the same period last year, from Baht 27.9 million (2Q/2020) to Baht 14.9 million (2Q/2021). It is mainly due to the decrease in the land transfer fees in 2<sup>nd</sup> Quarter 2021 (2Q/2021). Administrative expenses reported

at Baht 170.3 million, rose by Baht 21.3 million or 14.3%. Finance cost increased by Baht 12.2 million or 11.6%.

- **Share of Profit from Investments in Associates and Joint Venture**

The Company had a share of profit from investment in associates and joint venture in the 2<sup>nd</sup> Quarter 2021 (2Q/2021) of Baht 166.1 million, decrease Baht 27.6 million or 14.3% from last year (2Q/2020). The reduction was from power plant business group.

- **Net Profit**

In the 2<sup>nd</sup> Quarter 2021 (2Q/2021), The Company has a net profit for the period of Baht 326.8 million, increased by Baht 34.6 million or 11.8% compared to the same period last year which mostly came from increase in revenue from utility services and increase in gains on exchange.

**Operating Performance Summary first six months of 2021, ended 30 June 2021**

First six months of 2021 versus the first six months of 2020

- Total revenues reported at Baht 1,860.9 million, decreased by 15.2% year on year
- Share of profit from investments in associates and JV at Baht 279.2 million, up 34.3%
- Net profit posted at Baht 432.8 million, down 1.2%

	6-Month	6-Month	Increase/(Decrease)	
	2021	2020	Million Baht	%
Total revenues	1,860.9	2,193.7	(332.8)	(15.2)
Total expenses	1,243.6	1,525.9	(282.3)	(18.5)
Share profit from investments in associates and joint venture	279.2	207.9	71.3	34.3
Profit for the period	432.8	437.9	(5.1)	(1.2)
Basic earnings per share (THB/share)	0.38	0.41		

● **Operating Performance Analysis of Core Businesses**

	6-Month	6-Month	Increase/(Decrease)	
	2021	2020	Million Baht	%
Revenue from real estate sales	261.5	802.5	(541.0)	(67.4)
Gross profit margin	59%	55%		
Revenue from utility services	988.4	925.3	63.1	6.8
Gross profit margin	33%	31%		
Revenue from rental	437.6	410.7	26.9	6.5
Gross profit margin	74%	73%		

**Industrial Estate Development Business**

For the first six months of 2021 (1H/2021), AMATA reported revenue from real estate sales at Baht 261.5 million, down Baht 541.0 million or 67.4% from the same period last year (1H/2020). The Company transferred and recognized 68-rai of land (Thailand 68 rai) in six months of 2021 (1H/2021) decrease compared to 187-rai of land (Thailand 187 rai) in the same period of previous year (1H/2020). The gross profit margin in the first six months of 2021 (1H/2021) was 59%, up from the same period last year (1H/2020) which was 55%.

**Utility Services Business**

AMATA achieved utility services revenue of Baht 988.4 million for the first six months of 2021 (1H/2021), increased Baht 63.1 million or 6.8% year on year. The gross profit margin slightly increased by 2% from 31% in the first six months of 2020 (1H/2020) to 33% in the first six months of 2021 (1H/2021).

**Rental Business**

Amata reported rental income of Baht 437.6 million for the first six months of 2021 (1H/2021), up by Baht 26.9 million or 6.5% compared to the same period of the previous year of 2020 (1H/2020). The gross profit margin increased from 73% in the first six months of 2020 (1H/2020) to 74% in the first half of 2021 (1H/2021).

- **Other Income**

	6-Month	6-Month	Increase/(Decrease)	
	2021	2020	Million Baht	%
Finance income	19.3	27.2	(7.9)	(29.0)
Gains on exchange	116.1	22.6	93.5	413.6
Other income	57.4	32.6	24.8	76.1

The Company reported other income totaling to Baht 192.8 million for the first six months of 2021 (1H/2021) up by Baht 110.4 million. This is due to The Company has received higher gains on exchange increased by Baht 93.5 million and other income increased by Baht 24.8 million, while finance income decreased by Baht 7.9 million, or 29.0% compared to the same period of the previous year of 2020 (1H/2020).

- **Expense**

	6-Month	6-Month	Increase/(Decrease)	
	2021	2020	Million Baht	%
Selling and distribution expenses	31.4	69.4	(38.0)	(54.8)
Administrative expenses	330.4	355.4	(25.0)	(7.0)
Finance cost	248.1	213.8	34.3	16.0
Income tax expenses	68.8	71.1	(2.3)	(3.3)

Selling and distribution expenses for the first six months of 2021 (1H/2021) was recorded at Baht 31.4 million, decreased by baht 38.0 million or 54.8% compared to the same period of 2020 (1H/2020). Administrative expenses on this period decreased Baht 25.0 million or 7.0% compared to the first half of 2020 (1H/2020). This is due to management in expense during the slowdown in economy and situation of the pandemic of coronavirus 2019 (COVID-19).

- **Share of Profit from Investments in Associates and Joint Venture**

The Company reported share of profit from investments in associates and joint venture in the first six months of 2021 (1H/2021) of Baht 279.2 million, increase by Baht 71.3 million or 34.3% from the same period of last year (1H/2020). This is due to the increase in share of profit from investments in Associates and Joint Venture from natural gas business and power plant business group.

- **Net Profit**

The net profit for the first half of 2021 (1H/2021) achieved Baht 598.9 million, decreased by Baht 19.0 million or 3.1% from the same period of 2020 (1H/2020). The reduction was from the decrease in revenue from real estate sales.

For your information.

Yours sincerely,

**AMATA CORPORATION PUBLIC COMPANY LIMITED**



(Mr. Chackchai Panichapat)

DIRECTOR

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