PRIMA MARINE
PUBLIC COMPANY LIMITED

Operating Results
Q1/2019

23 May 2019

PRIMA MARINE
PUBLIC COMPANY LIMITED

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PRIMA MARINE
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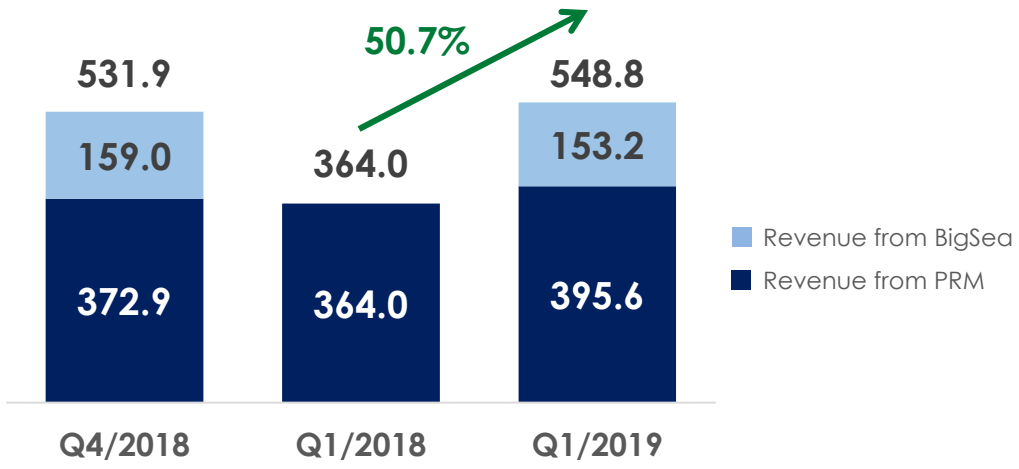
Q1/2019 Operating Results

Domestic Oil and Petrochemical Tanker Business ("Domestic Trading")

PRIMA MARINE
PUBLIC COMPANY LIMITED

Revenue

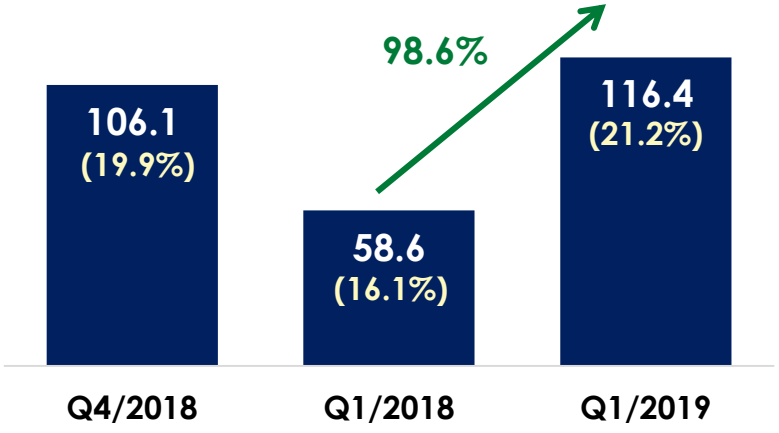
Unit: MTHB



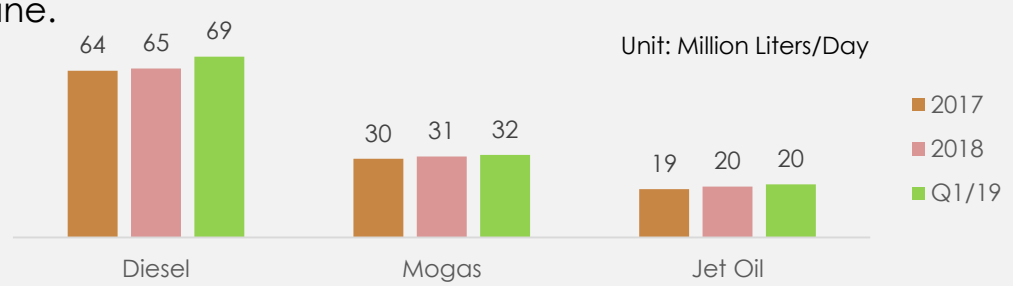
26/83	14/48	28/92	Vessels/ '000 DWT
85.0%	77.3%	92.7%	Utilization Rate

Gross Profit

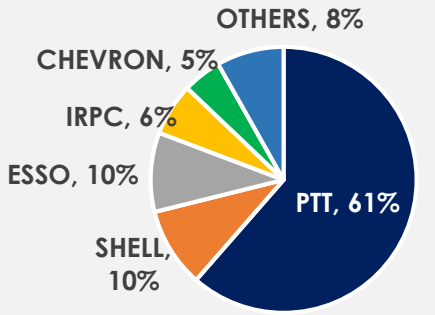
Unit: MTHB



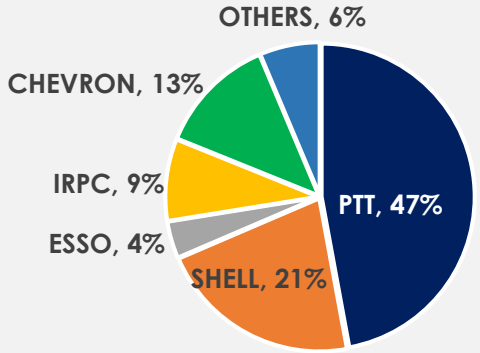
- National oil consumption continued to grow mainly from increase in automobile registrations and car owners gradually switching from using LPG to gasoline.



- Revenue in Q1/19 increased 50.7% over Q4/19 from acquisition of Big Sea since July 2018 and growth in oil consumption. While PRM has increased its freight, capacity after a new-built 3,000 DWT vessel was added to the fleet in March 2019.
- 2 more new-built vessels (3,000 DWT each) will be received and start operation in Q2/19 and another 2 of the same size in Q3/19.
- Including Big Sea business, PRM Group was able to capture 53.7% of all major oil companies marine transport requirement for their domestic oil trading.



1,175 million liters
Q1/2018



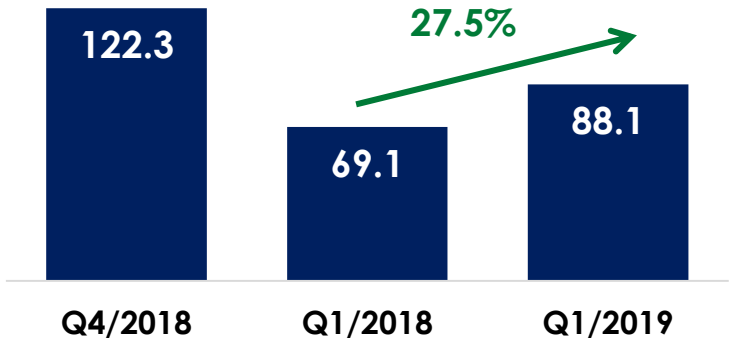
2,140 million liters
Q1/2019

International Oil and Petrochemical Tanker Business ("International Trading")

PRIMA MARINE
PUBLIC COMPANY LIMITED

Revenue

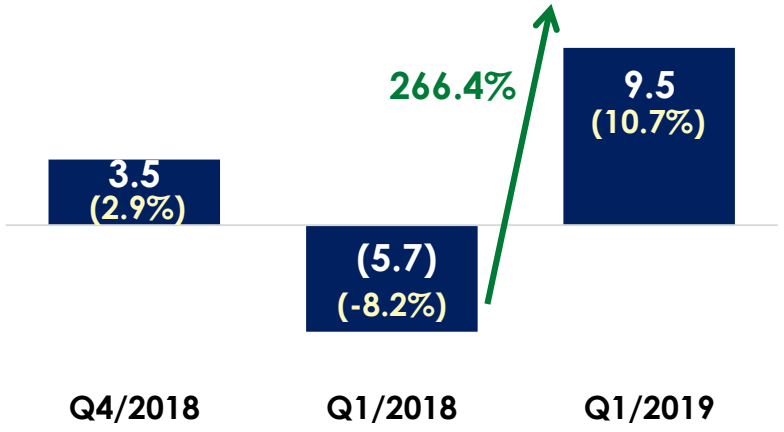
Unit: MTHB



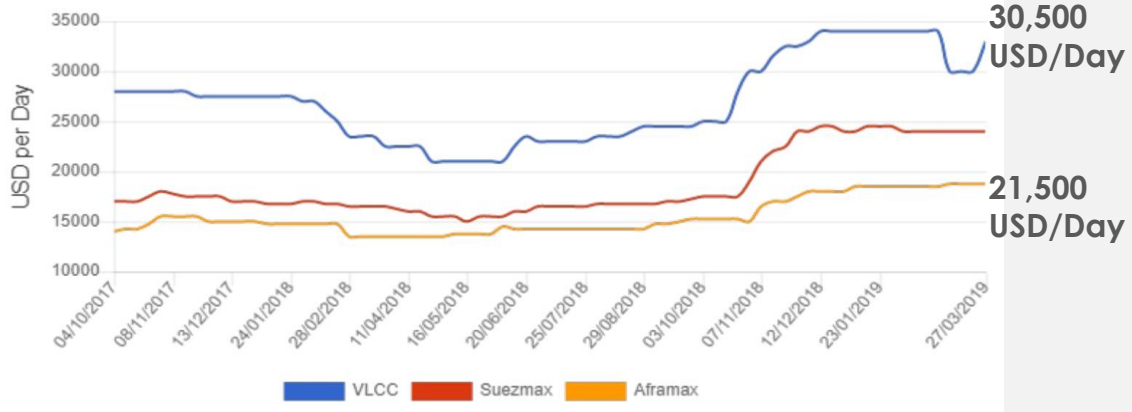
2/211	2/211	2/211	Vessels/ '000 DWT
71.4%	94.0%	94.4%	Utilization Rate

Gross Profit

Unit: MTHB



- Global freight rate started to rebound since October 2018 and is expected to continue in 2019 due to the effect of the decline of available freight capacity following scrapping of number of old vessels by the market during weak freight market supported by high scrap value in 2018
- 1-year time charter rate



- 27.5% increase in revenue over Q1/18 was derived from a combination of higher freight rate in 2019 and weak market demand which affected one of our Aframax SPOT chartering business in 2018
- When compared with Q4/18, revenue for Q1/19 declined by 28.0% to 88.1 million Baht but gross profit increased by 171.4% to 9.5 million Baht mainly from changing of affreightment of another Aframax vessel from SPOT chartering to Time chartering in February 2019 which enabled us to secure stable revenue and higher margin.

Floating Storage Unit ("FSU") Business

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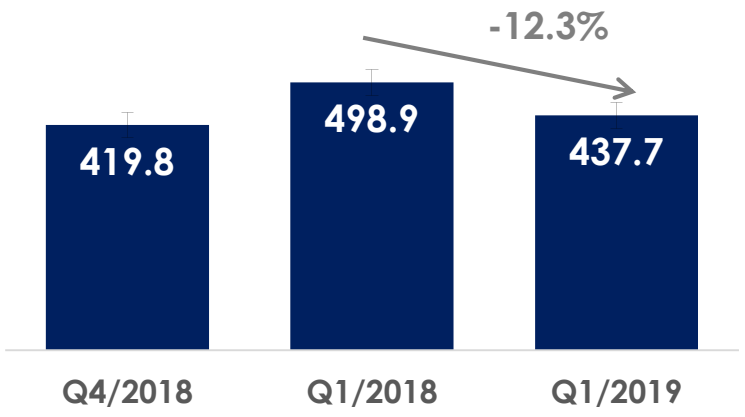
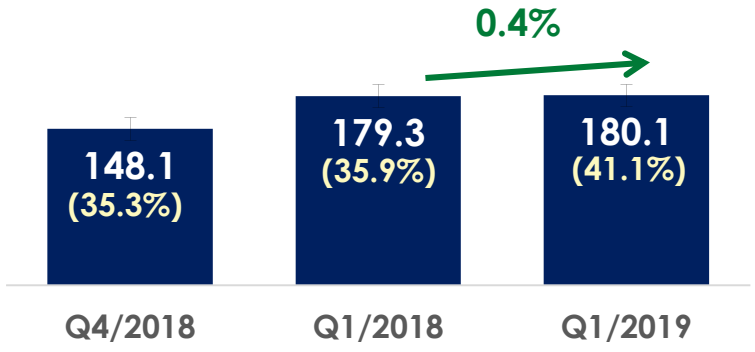
Revenue *Unit: MTHB*



5/1,504	7/2,076	5/1,504	Vessels/ '000 DWT
94.0%	76.2%	100.0%	Utilization Rate

Remark: The revenue of Bongkot Star is included

Gross Profit *Unit: MTHB*



- FSU demand rebounded since December 2018 as international oil traders see opportunity to store and blend fuel oil to meet IMO requirement on 0.5% bunker starting 2020.
- As PRM chartered an FSU to an oil refinery and trading company in Europe to store very low sulphure fuel oil (0.1%) for trading in Asia since December 2018, other oil traders subsequently requested PRM for more FSU capacity to store high sulphure fuel oil for blending with low sulphure fuel oil into 0.5% bunker as required by IMO (PRM's FSU's are equipped with blending facility)
- Following signing of LOI with customers in Q1/19, 2 adding FSU vessels will be in operation in Q2/19.
- With addition demand from a refinery in Malaysia to store crude oil for operation and from a refinery and trading company in Europe to store low sulphure fuel, FSU utilization rate in Q1/19 increased to 100%. Therefore, revenue in Q1/19 is higher than Q4/18.
- FSU chartering rate for the two refineries is also higher than normal due to sophistication of the product which required special handling.
- When compared with Q1/18 where the FSU market is more favorable, Q1/19 shows a lower revenue of 12.3% but gross profit margin improved from 35.9% in Q1/18 to 41.1% in Q1/19. This was due mainly to improved utilization and higher chartering rate.

Floating Storage and Offshore Exploration Service ("Offshore") Business

PRIMA MARINE
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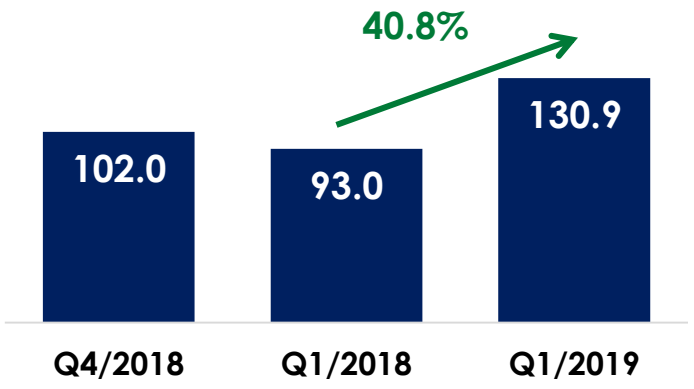
Revenue

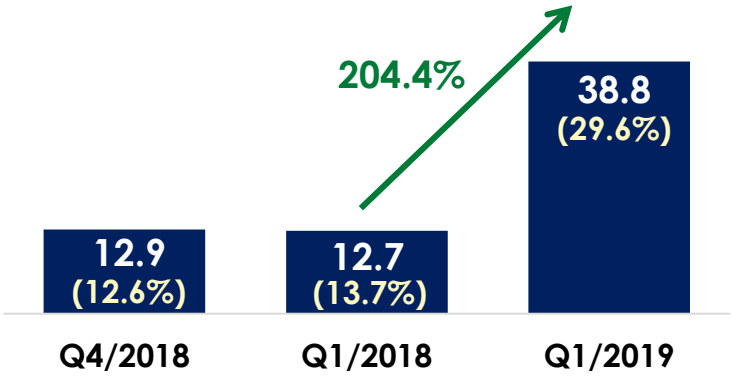
Unit: MTHB



2/192	2/192	2/192	FSO/ '000 DWT
100.0%	100.0%	100.0%	FSO Utilization Rate
1/300	1/300	1/300	AWB/Capacity (PAX)
12.6%	13.3%	92.3%	AWB Utilization Rate

Gross Profit

Unit: MTHB



- 2 floating storage and off-loading vessels (FSO) continued on hired throughout Q1/19 under time charter contract.
- The demand for Accommodation Work Barge (AWB) increased in line with E&P licensing since the end of Q4/18; thereby, AWB operated for almost entire Q1/19 or 84 days compared to 13 days in Q1/18. Chartering rate was also improved along with demand.
- AWB will continue operate under PTTEP contract with improved chartering rate and 100% of utilization until the end of Q3/19.

Ship Management ("SM") Business

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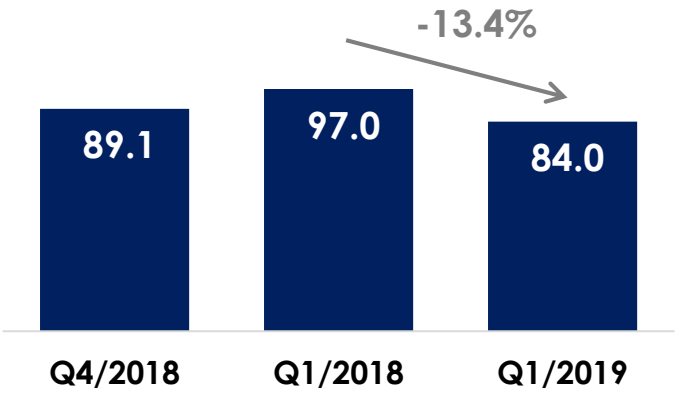
Revenue

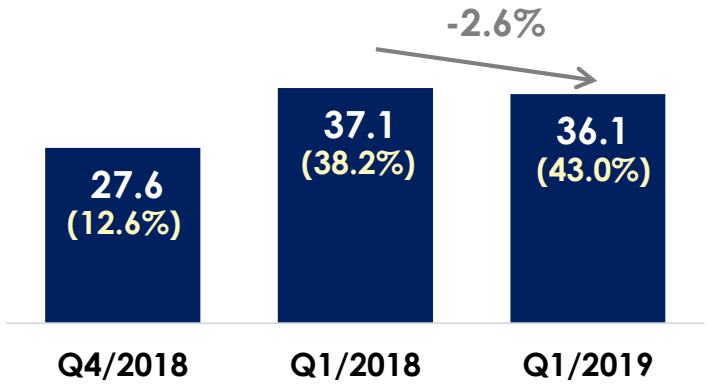
Unit: MTHB



5	6	3	No. of 3rd Party Vessels

Gross Profit

Unit: MTHB



- PRM provides ship management services for 25 vessels of which 22 are owned vessels and 3 are third party vessels. i.e. 2 VLCC vessels and 1 Aframax vessel.
- Lower revenue in Q1/19 VS Q4/18 was mainly from expiration of the contract for two container ships since Jan 2019 due to customers' business concerns.
- The available human resources for ship management were shifted to support our new vessels received in Q1/19 and arriving in Q2/19.
- Revenue in Q1/19 decreased compared to Q1/18 due to the decrease number of vessels.

Consolidated P/L Statement

PRIMA MARINE
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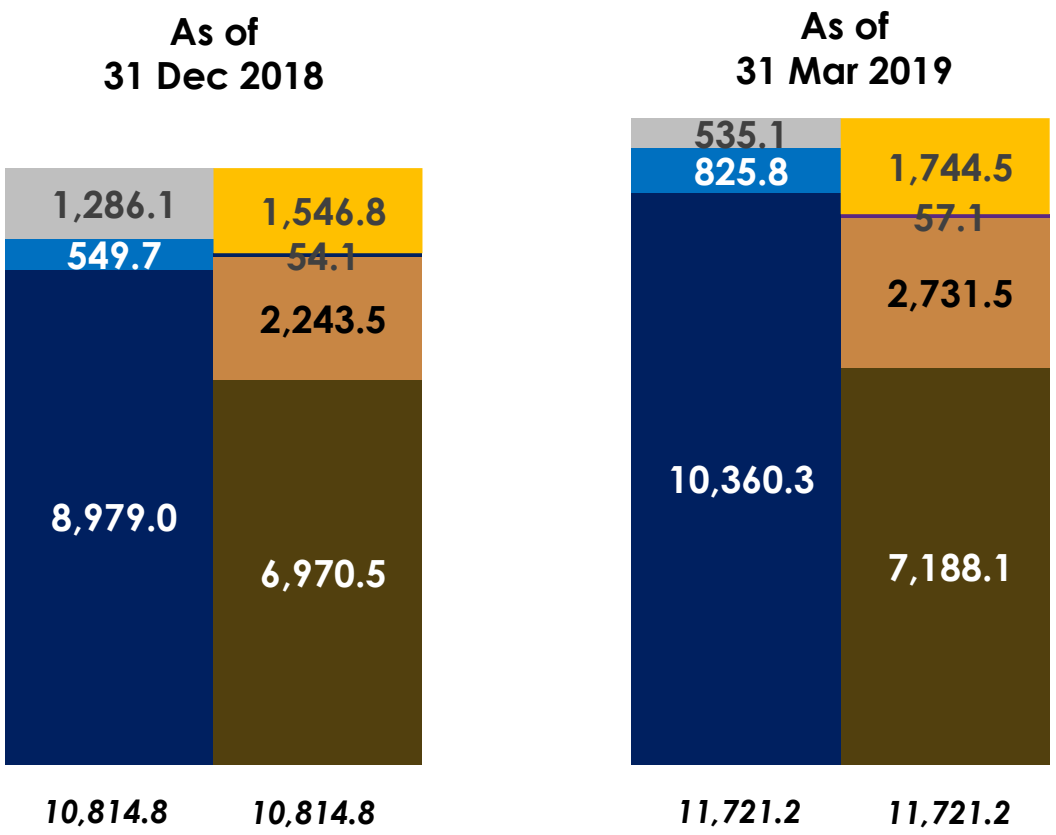
	Unit: MTHB	Q4/2018	Q1/2018	Q1/2019
1	Sales	1,159.2	1,018.5	1,188.7
2	Gross Profit	252.3	240.8	344.4
3	Share of P/L fr Assoc.	52.2	33.7	36.2
4	Other incomes	15.5	6.4	9.0
5	Net FX Gain/(Loss)	2.7	24.4	(5.6)
6	SG&A	(98.0)	(107.8)	(87.8)
7	Financial cost	(40.5)	(45.2)	(37.3)
8	Income Tax	(18.8)	(5.4)	(18.3)
9	Net Profit	165.4	146.8	240.5
10	EBITDA	350.5	324.6	419.3
11	Gross Profit Margin(%)	21.8%	23.6%	29.0%
12	Average FX rate (Baht/USD)	32.4498	31.2318	31.8117
13	No. of Vessels	36	26	38
14	Capacity ('000 DWT)	2,000.7	2,541.0	2,009.1

- Other incomes increased by 2.6 million Baht primarily from demurrage charge and interest received.
- Selling general and administrative expense decreased by 18.5% compared to Q1/2018 due to the expense relating to disposition of one FSU vessel.
- Loss on FX occurred in Q1/18 was mainly from devaluation of Thai Baht from 31.4829 Baht/US Dollar as at the date of loan to 31.9785 Baht/US Dollar as at the end-of-period on 31 March 2019. Foreign currency loan outstanding as at 31 March 2019 was 28.8 million US Dollar.

Consolidated Financial Position

PRIMA MARINE
PUBLIC COMPANY LIMITED



Current Ratio	1.19:1	0.78:1
D/E Ratio	0.55:1	0.63:1

- Cash & Cash Equivalents
- Other Current Assets
- Non Current Assets
- Current Liabilities
- Other Non Current Liabilities
- L/T Loan
- Shareholders' Equity

- Non current assets increased by 1,578.8 million Baht compared to 31 December 2018 from acquisition of two VLCC vessels and one domestic oil tanker with the size of 5,300 DWT.
- Current assets increased by 276.1 million Baht mainly from bunker fuel remaining in the two new VLCCs
- Long term loan increased by 532.1 million Baht mainly from new loan drawdowns to finance the new vessels totaling 853.8 million Baht and loan repayment during the quarter of 301.5 million Baht
- Shareholders' equity increased by 217.6 million Baht from profit in this quarter.

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Market Outlook

Strategies Supporting Investment in PRM

PRIMA MARINE
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2019

"All Business Potentially Grows"

1 Domestic Oil & Petrochemical Tanker Business

- 6 New-built vessels delivery to replace 3 old-existing vessels and to increase customer base
- Realized revenue of Big Sea for entire year and to be acquired more 10% of Big Sea's Shares

2 International Oil & Petrochemical Tanker Business

- Positive sign of international freight
- Flexibility of contract changing
- Closely follow the market situation to see the investment opportunities

3 Floating Storage Unit Business

- Benefits from IMO2020 in FO storage and blending to get 0.5% of LSFO through using FSU vessels
- Market rebound and firmly growth in next 2 years

4 Offshore Support Vessels Business

- Market demand on FSO vessels is increasing
- Chartering rate is positively adjusted based on market demand and supply

5 Ship Management Business

- Maintain high quality and quantity standard with safety operations

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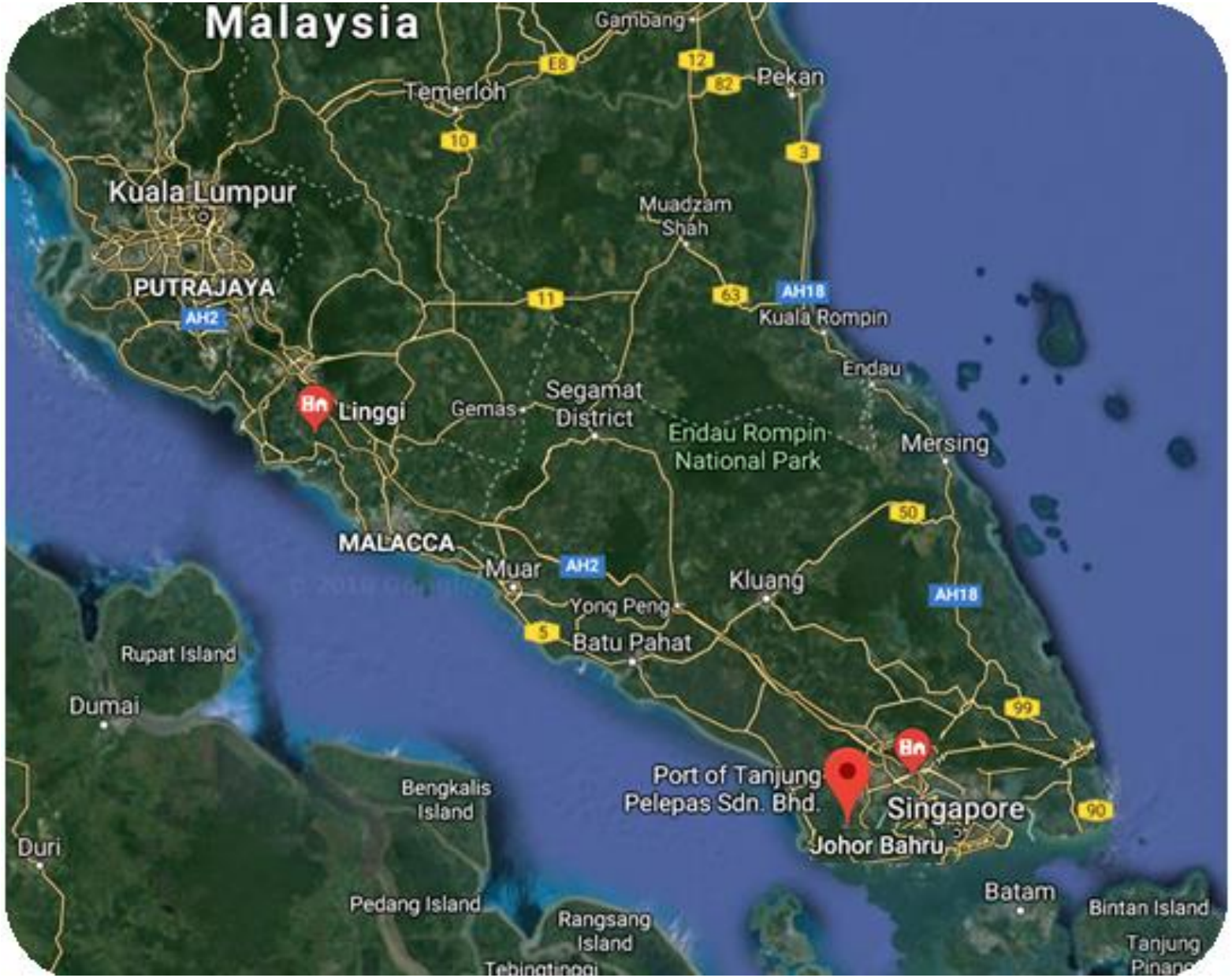

IMO2020 impact to the world biggest bunkering hub; Singapore, to store both LSFO and HSFO

LSFO

- The gap price between LSFO and HSFO is quite broad, approximately 30% of variance.
- Operators started to operate LSFO.
- FSU is a customers' strategic opportunity to increase volume for trading and also ability to blend 0.5%S of FO, especially, Uniper and Mitsui.

HSFO

- Since Singapore is a the world biggest bunkering hub. Therefore, HSFO from South America move to Singapore lead to demand for HSFO storage still continued.

"In these following years, FSU demand trend is still upward"

Source: Vortexa, April 2019

Investment Plan 2019

PRIMA MARINE
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No.	Delivered Period	Vessels	Size (DWT)	Purpose	Commence On-hired
Domestic Trading Business (6 Vessels)					
1	Jan/19	New-built *"SRI SURAT"*	3,000 DWT	LT Contract with Major Oil	Mar/19
2	Feb/19	New-built *"BIG SEA 106"*	5,300 DWT	Big Sea's contract with Major Oil	Apr/19
3	Apr/19	New-built *"SRI CHAIYA"*	3,000 DWT	Replace PRM's old vessel	Q2/19
4	May/19	New-built *"SRI THAPETCH"*	3,000 DWT	Replace PRM's old vessel	Q2/19
5	Q2/19	New-built *"SRI PHUNPIN"*	3,000 DWT	Replace PRM's old vessel	Q3/19
6	Q2/19	New-built *"SRI PHUMRIANG"*	3,000 DWT	LT Contract with Major Oil	Q3/19
International Trading Business (1 Vessel)					
7	Q3/19	Second Hand (approximate 15 years) MR size (Medium Range)	50,000 DWT	MR Trading for LSFO or CPP to support existing Charterer	Q3/19

Investment Plan 2019

PRIMA MARINE
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No.	Delivered Period	Vessels	Size (DWT)	Purpose	Commence On-hired
Floating Storage and Unit Business (2 Vessels)					
8	Mar/19	1 Second Hand VLCC *"AQUARIUS STAR"*	300,000 DWT	Additional business with an international oil trader for fuel oil storage and blending	May/19
9	Mar/19	1 Second Hand VLCC *"CRYSTAL STAR"*	300,000 DWT	Additional business with existing customers for fuel oil storage and blending	Jun/19

PRIMA MARINE
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Q&A

THANK YOU

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