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Bangkok Post
TTA cuts losses in Q1, remains upbeat (positive)

The SET-listed Thoresen Thai Agencies Plc (TTA) reported a turnaround in the first quarter of its 2013 fiscal year. Its net loss fell sharply to 138 million baht from 560 million in the same period of the previous year.

Revenue totalled 4.18 billion baht for the three months to December, an increase of 23%, due mainly to its shipping unit and better utilisation of Mermaid Maritime Plc, which operates offshore oil and gas services.

Executive vice-chairman Chalermchai Mahagitsiri said the net improvement resulted from stronger performances at TTA's three main non-shipping units as freight rates in the dry-bulk shipping industry continued to fall.

"We see continued evidence of a turnaround. Although the operating environment for dry-bulk shipping remained very difficult for the entire industry, gains across our three other core business units helped to cushion the negative effects," said Mr Chalermchai.

"These results support our strategic imperative to diversify revenue streams while we wait for a rebound in the dry-bulk industry."

Thoresen Shipping achieved revenue of 1.2 billion baht in the fiscal fourth quarter, an increase of 47% year-on-year and 19% quarter-on-quarter, thanks mainly to its improved chartering-in activities.

Mermaid earned 1.6 billion baht during the quarter, up by 41% year-on-year, thanks to higher vessel yields and increased market penetration in high-growth areas such as the Middle East.

Baconco, its fertiliser business in Vietnam, recorded higher margins and a continued strong cash flow.

Unique Mining Services Plc sold 178,000 tonnes of coal from its Ayutthaya plant during the quarter, down by about 18% year-on-year. The company is gearing up for the reopening of its plant in Samut Sakhon in the second quarter.

ML Chandchutha Chandratat, TTA's president and chief executive, said the company does not expect a rebound in global freight rates for dry-bulk shipping over the next two or three quarters.

The bulk of contributions will come from other core business, led by Mermaid, which has positioned itself solidly to capitalise on the cyclical upturn the oil and gas industry has now entered.

"We expect a weak fiscal second quarter, and the performance should pick up during the second half of the year," he said.

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Shares of TTA closed yesterday on the SET at 16.60 baht, down 30 satang, in trade worth 39.1 million baht.