

Tipco Asphalt Public Company Limited (TASCO)

2-2018 Analyst meeting

17th May 2018



บริษัท ทีปโก้แอสฟัลท์ จำกัด (มหาชน)
Tipco Asphalt Public Company Limited

This presentation material has been prepared solely for informational purposes only. TASCOT is furnishing it solely for use by prospective investors / analysts in the proposed event. TASCOT makes no representations or warranties as to the accuracy or completeness of such information. By accepting this material each recipient agrees that TASCOT shall not have any liability for any representations (express or implied) contained in, or for any omissions from this presentation.

The information contained herein does not purport to be all-inclusive or to contain all of the information that may be material to the recipient's decision. Each recipient of the information and data contained herein should perform its own independent investigation and analysis of the transaction and the creditworthiness of TASCOT. Reference in this Disclaimer to this shall include references to the Appendices (if any) hereto.

1

Q1 2018 financial Performance

2

2018 Highlights

3

Outlook

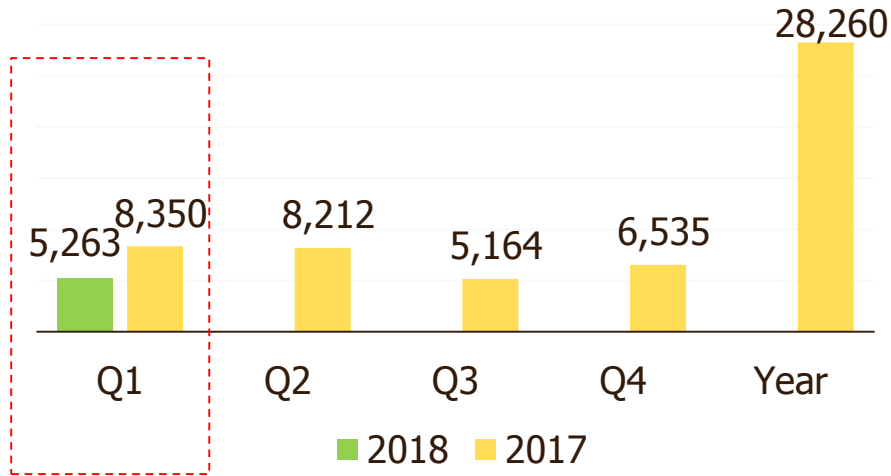
4

Q&A

Q1 2018 Financial Performance : Sales & Services Revenue vs. Sales Volume

Sales & Services Revenue

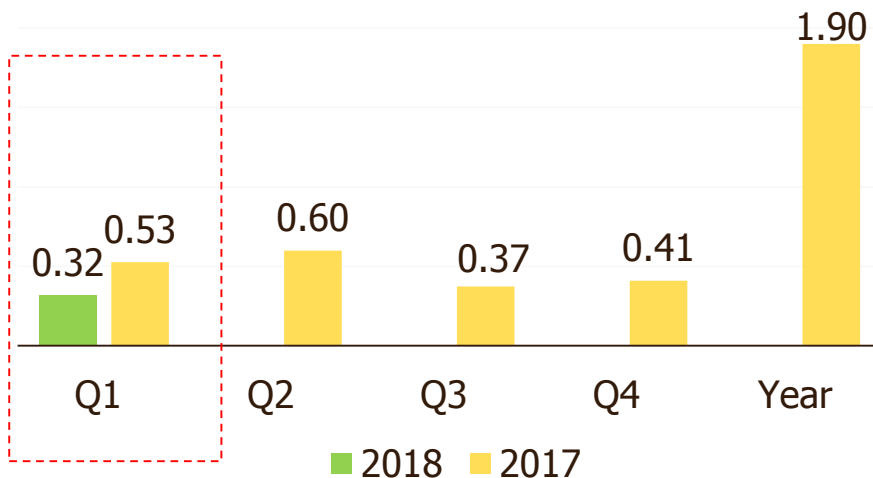
Unit: Mil. THB



- Sales and services revenue stood at Baht 5,263 million, reflecting a decrease of 37% from the same period of last year due to decrease in sale volume in the International market.

Sales Volume

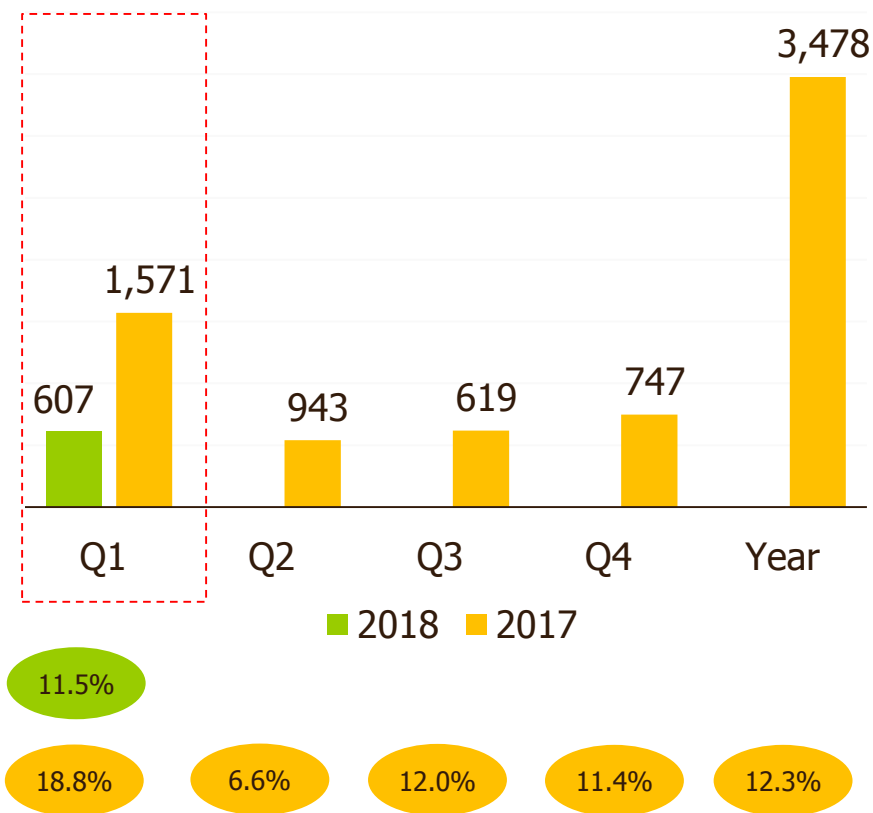
Unit: Mil. Ton



- The lower production of asphalt at our refinery has contributed to a drop in sales volume in international markets.
- This lower refinery production was attributable to the disruption of crude supply in Q1 2018 and also a planned refinery shut down for mandatory maintenance as required by the regulatory.

Operating Gross Profit

Unit: Mil. THB

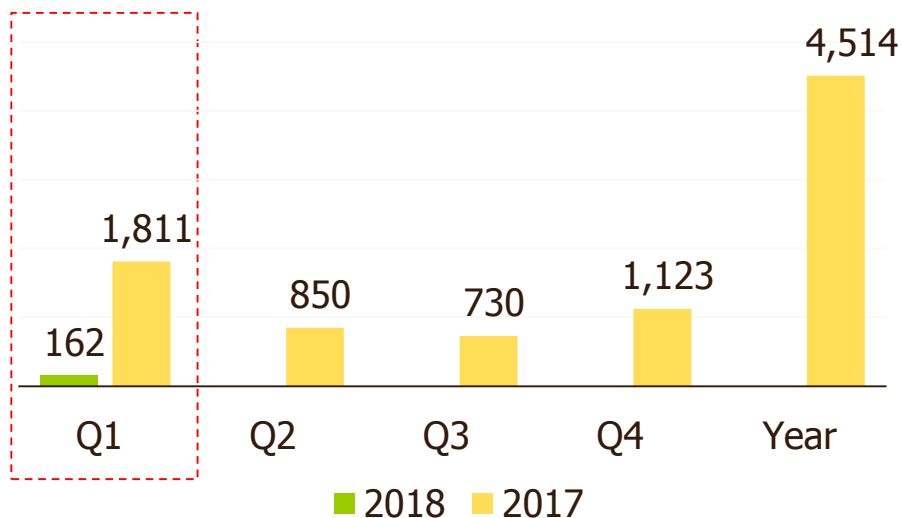


- This cost increase was mainly due to the high inventory cost where we saw average Brent price of USD 67/bbl during 1st quarter 2018 as compared to USD 55/bbl during 1st quarter 2017.
- In addition, the company had a gain from the reversal of net realizable value (NRV) provision of Baht 18.5 million on inventory but at the same time incurred hedging cost of Baht 29.5 million mainly due to “mark to market” unrealized loss.

Q1 2018 Financial Performance : EBITDA & Net Profit

EBITDA

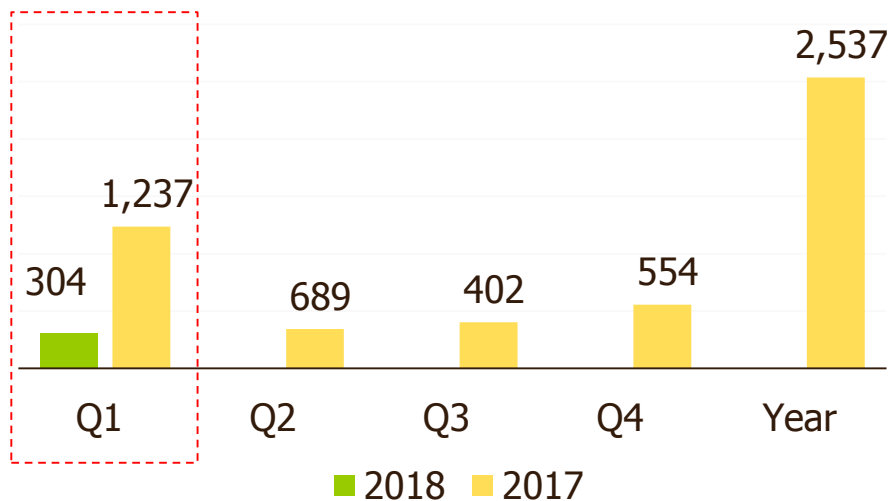
Unit: Mil. THB



- The Group's cash flow generated from operations stood at Baht 162 million lower than the profit of Baht 304 million was due to adjustment of non-cashflow items.

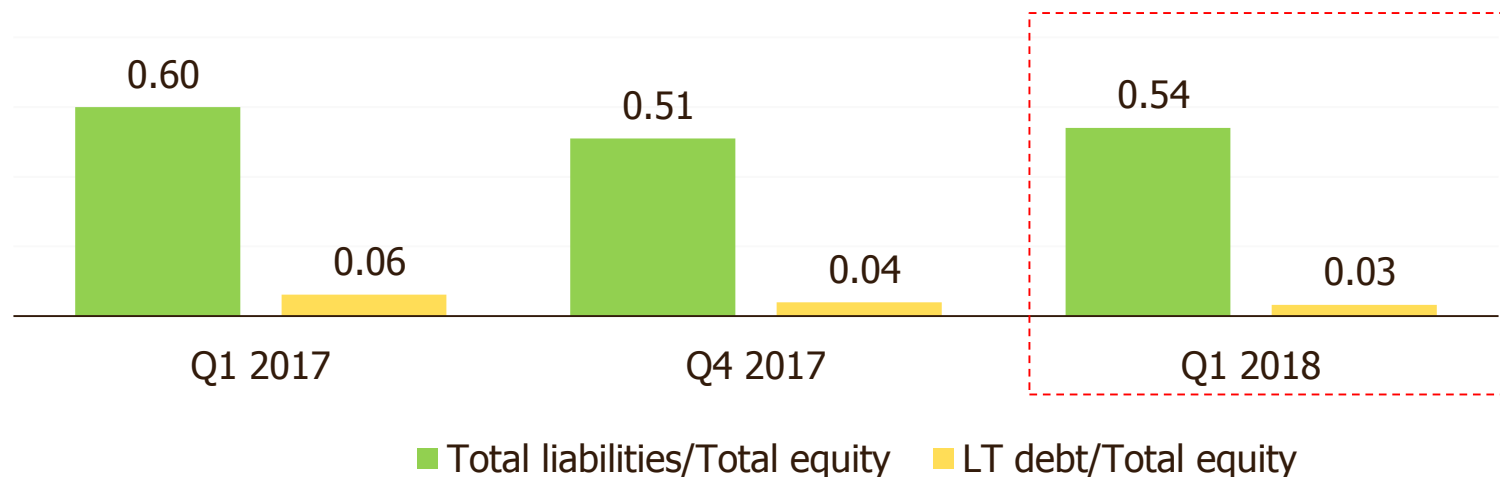
Net Profit After Tax

Unit: Mil. THB



- The Net Profit After Tax of Baht 304 million for the 1st quarter 2018 represented earning per share of Baht 0.19 (par value of Baht 1 each) as compared to Baht 0.80 per share in corresponding quarter of 2017

Debt/Equity Ratio

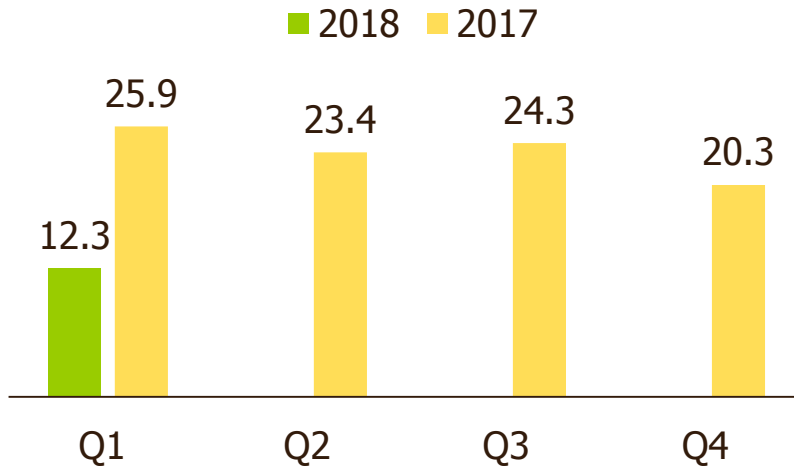


- The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.54 comparing to 0.60 in corresponding period a year ago

Q1 2018 Financial Performance : Key Ratios and Historical Dividend

Return on Equity^{1/}

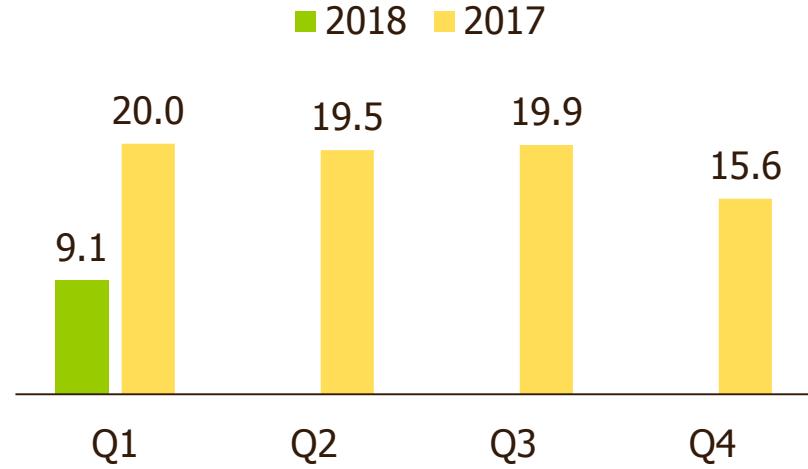
Unit: %



1/ Return is based on sum of last 12 months net profit

Return on Asset^{2/}

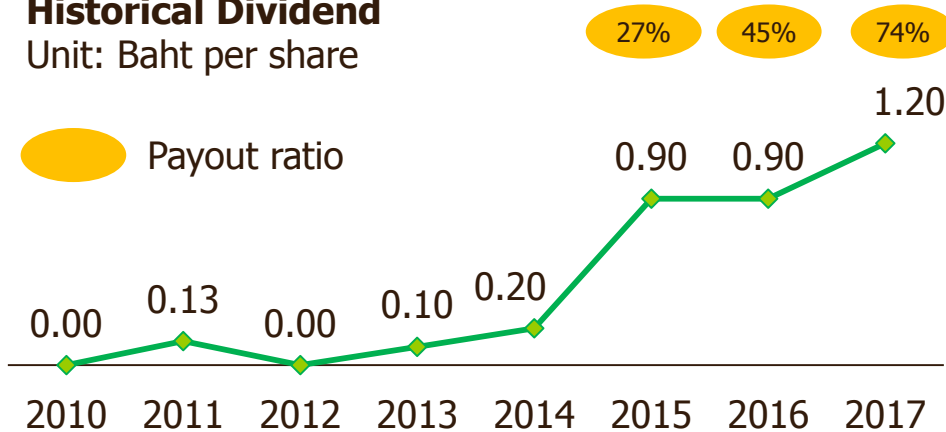
Unit: %



2/ Return is based on sum of last 12 months net profit
Return is based on profit before interest and tax

Historical Dividend

Unit: Baht per share



- TASCO has still been qualified in SET High dividend ("SET HD") for round Jan 2018 – June 2018

Crude & refinery



- There was 8 weeks refinery shutdown in Q1 2018 which comprise 3 weeks in Jan 2018 due to crude delivery problem and whole month March 2018 due to the mandatory refinery maintenance
- The mandatory refinery maintenance was required by regulatory in every 36 months cycle.

Hedging

- Baht 29.5 million hedging loss was charged to P&L which did not qualify for Hedge accounting.
- Early adoption of Hedge Accounting effective from month March and Baht 37.6 million unrealised hedging loss has been recognized under other comprehensive income

Domestic Market



- Sales volume still remained at high level due to strong government budget
- However, sales volume of premium product decreased as compared to Q4 2017

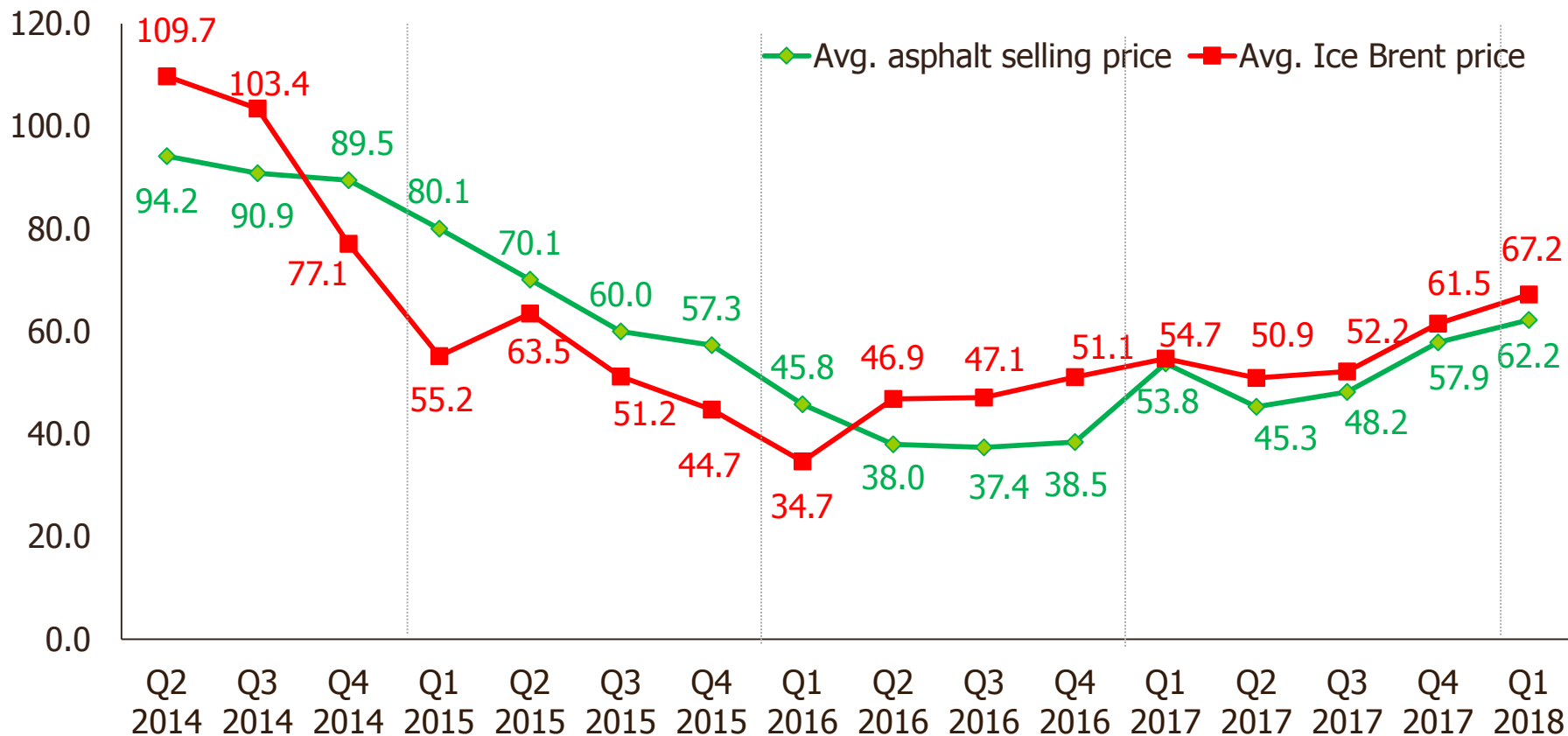
International Market



- Plant shutdown due to maintenance during 2 March - 3 April 2018 impact sales volume dropped
- International asphalt selling price did not increase at the same pace as crude price

Asphalt Selling Price vs. Ice Brent Price

Unit:
USD/barrel

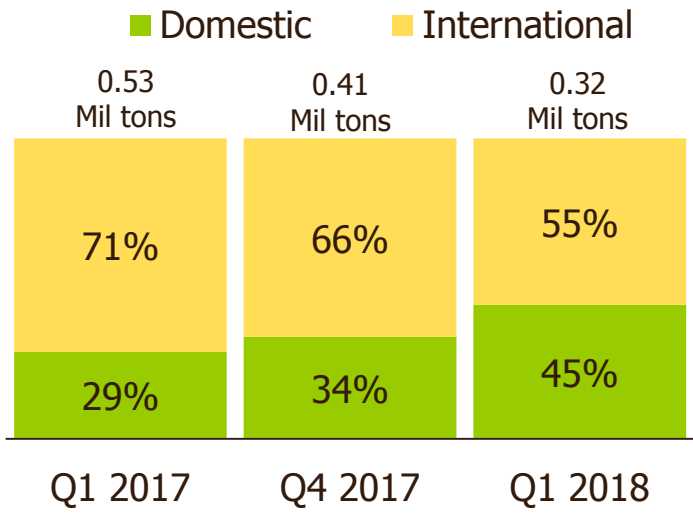


บริษัท ทีปโก้แอสฟัลท์ จำกัด (มหาชน)
Tipco Asphalt Public Company Limited

Highlights : Asphalt Volume & Asphalt Revenue Structure

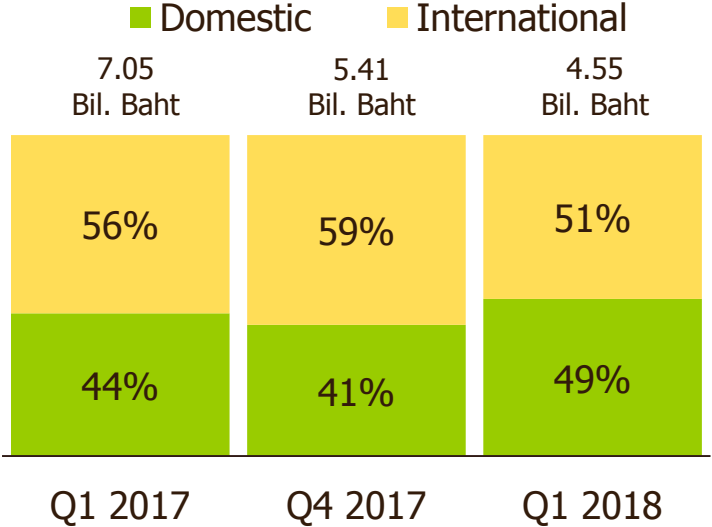
Asphalt sales volume concentration by market

Unit: %



Asphalt Revenue (Exc. Non asphalt & service income)

Unit: %



Main International Markets



China



Australia



Vietnam



Indonesia



Malaysia

Crude



- Crude supplier is working hard to resolve its crude delivery operational issues and reassures the Company that it will continue to honour the terms of the supply contract.

Refinery



- Refinery resumed processing crude from April 2018 onwards.

Marine



- Marine business operation is breakeven due to lower sales volume.

Domestic Market



- Additional government budget which emphasized on natural latex modified asphalt is pending award.

International Market



- Expecting Asphalt price to catch up with Brent price and this could trigger customer to place more orders.

Q&A

