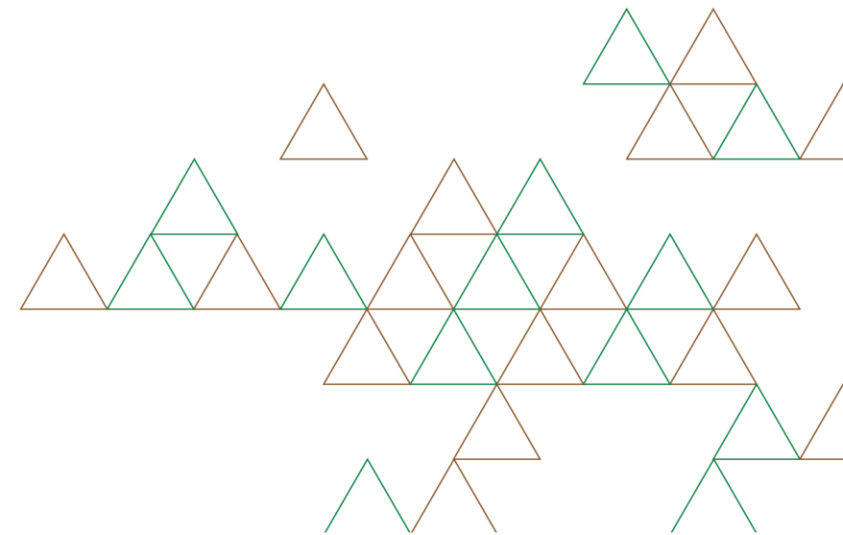




Tipco Asphalt Public Company Limited (TASCO)

4-2018 Analyst meeting

26th November 2018



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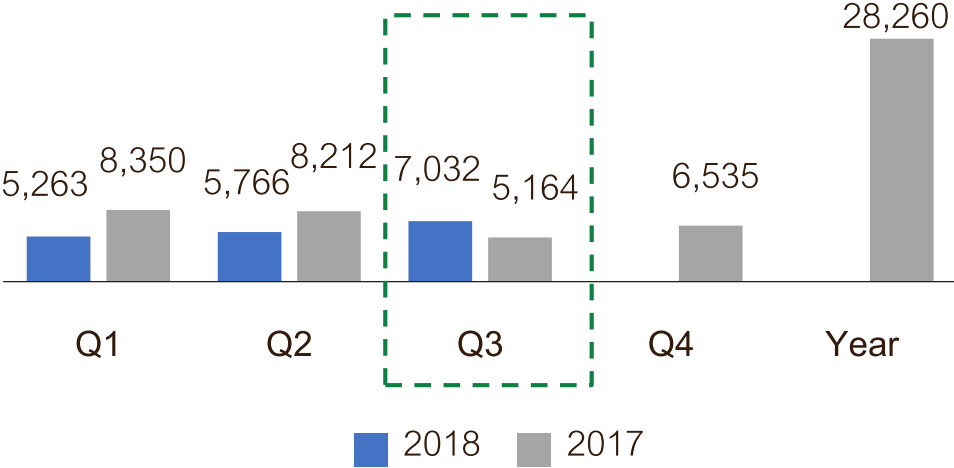
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Q&A

Q3 2018 Financial Performance : Sales & Services Revenue & Sales Volume

Sales & Services Revenue

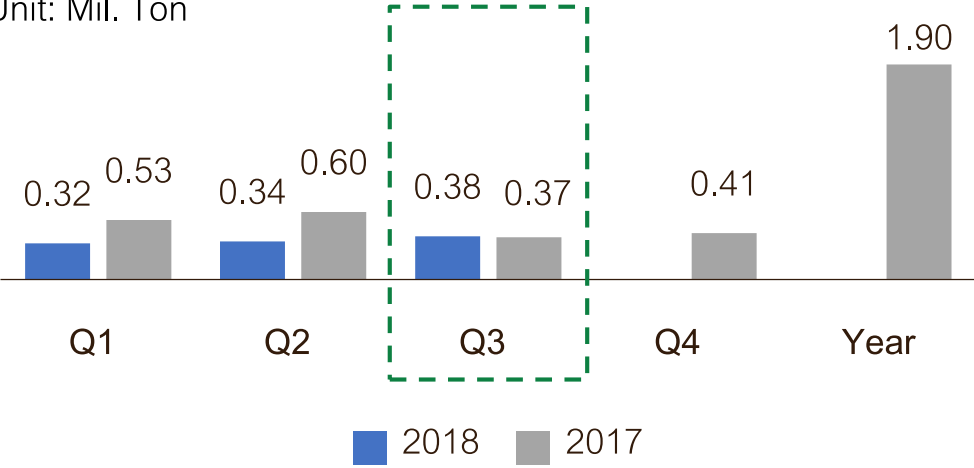
Unit: Mil. THB



- Sales and services stood at Baht 7,032 million, reflecting an increase of 36.2% from the same period of last year
- This increase was mainly attributable to the increase of selling price in line with higher crude price

Sales Volume

Unit: Mil. Ton

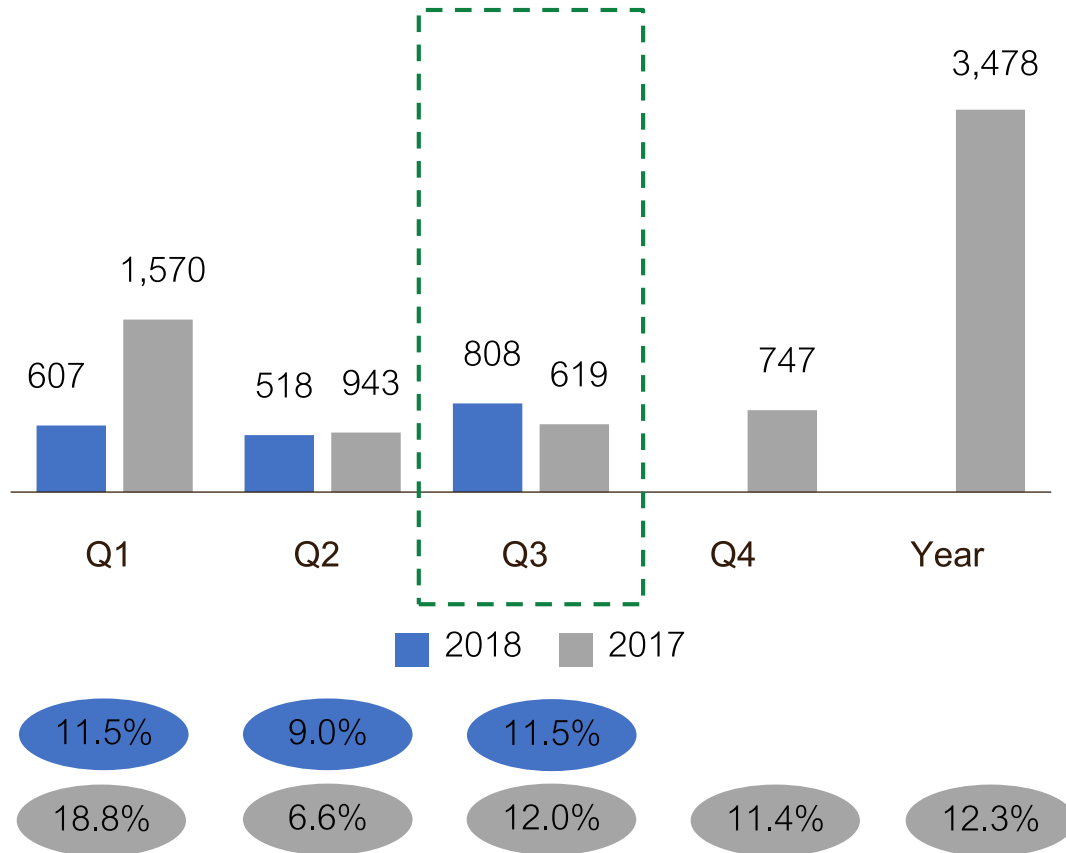


- Sales volume of asphalt product increased by 2.5% comparing to the corresponding period of last year
- The increase mainly from international markets

Q3 2018 Financial Performance : Operating Gross Profit

Operating Gross Profit

Unit: Mil. THB

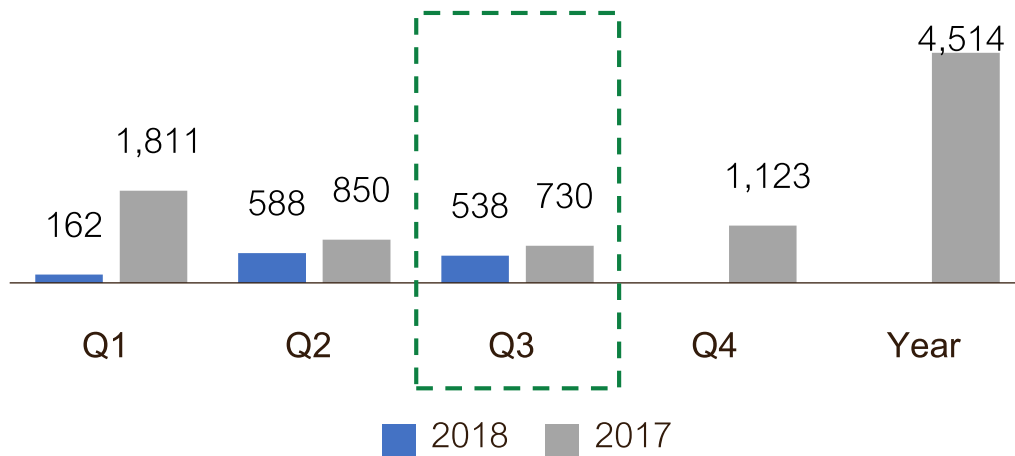


- Cost of sales and services in the 3rd quarter 2018 stood at Baht 6,160 million or 87.6% (88.0% in corresponding quarter in 2017) of sales and services before the allowance for diminution in value of inventory and hedging.
- The improvement of gross margin was mainly due to the increase in selling price of asphalt products. In addition, the Company has a loss from hedging of Baht 65 million mainly due to unrealized loss from “mark to market” hedging contracts at the end of the 3rd quarter 2018.

Q3 2018 Financial Performance : EBITDA & Net Profit

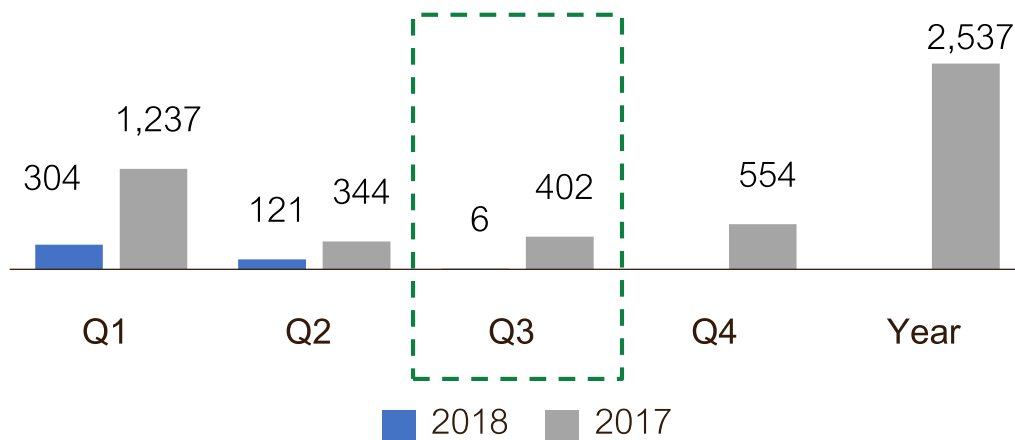
EBITDA

Unit: Mil. THB



Net Profit After Tax

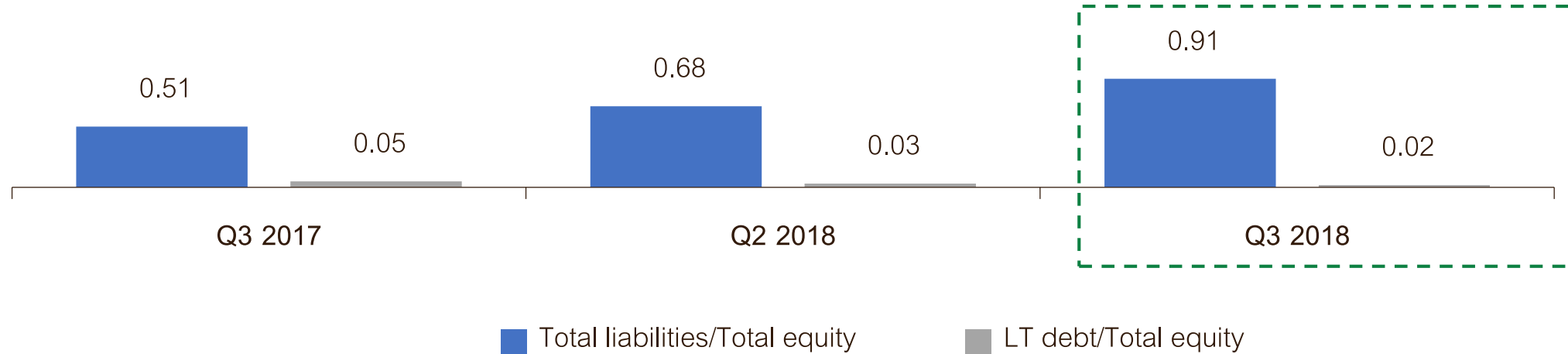
Unit: Mil. THB



- The Group's cashflow generated from operations stood at Baht 538 million compared to Baht 730 million in corresponding period in 2017 due to the higher operating cost arising from the fire incident and decrease in other income such as bad debts recovery, forex gain
- A provision of Baht 345 million for damage from fire broke out at a subsidiary's crude oil storage tank farm was recorded in the 3rd quarter 2018. The fire damage is adequately covered by comprehensive insurance policy.
- The Net Profit After Tax of Baht 6 million for the 3rd quarter 2018 represented earning per share of Baht 0.004 (par value of Baht 1 each) as compared to Baht 0.257 per share in corresponding quarter of 2017

Q3 2018 Financial Performance : Debt to Equity Ratio

Debt/Equity Ratio

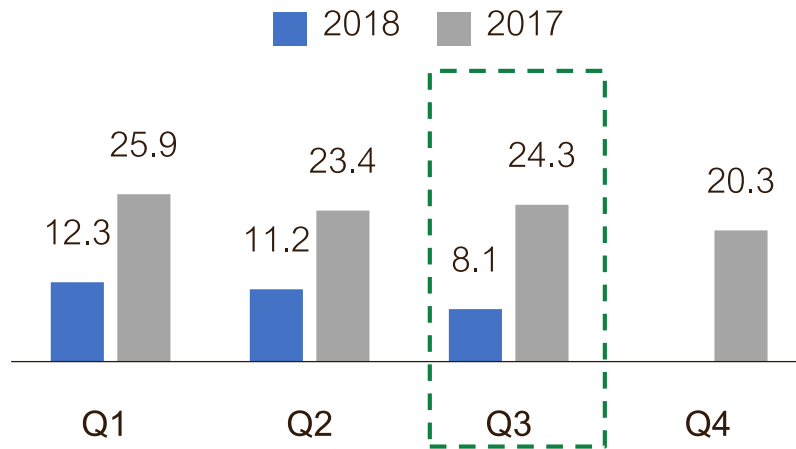


- The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.91 comparing to 0.51 in corresponding period of 2017 due to the increase in crude prices, higher crude procurement and inventory volume and receivables i.e. working capital supporting higher sales activities

Q3 2018 Financial Performance : Key Ratios and Historical Dividend

Return on Equity^{1/}

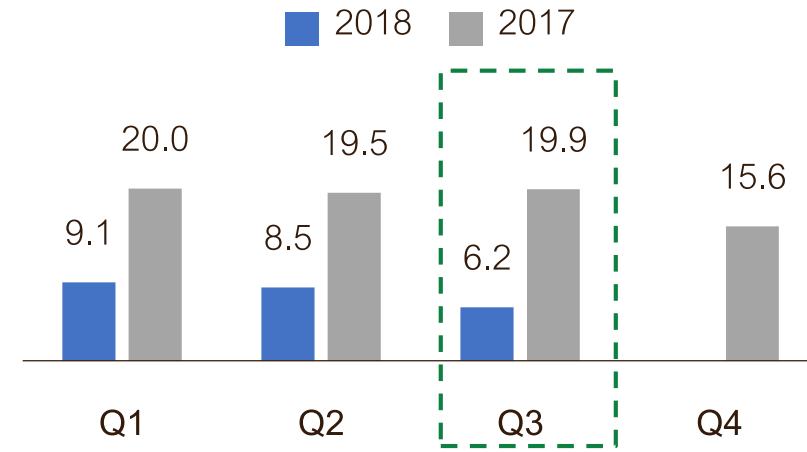
Unit: %



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

Return on Asset^{2/}

Unit: %

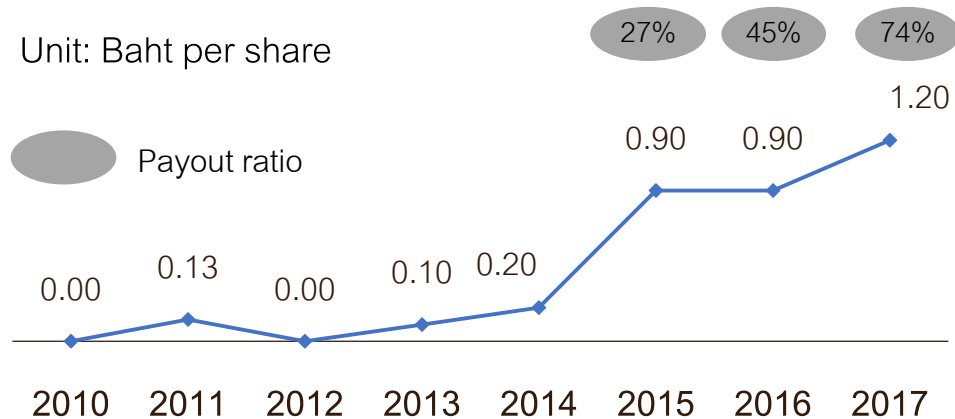


2/ Return is based on sum of last 12 months net profit

Return is based on profit before interest and tax

Historical Dividend

Unit: Baht per share

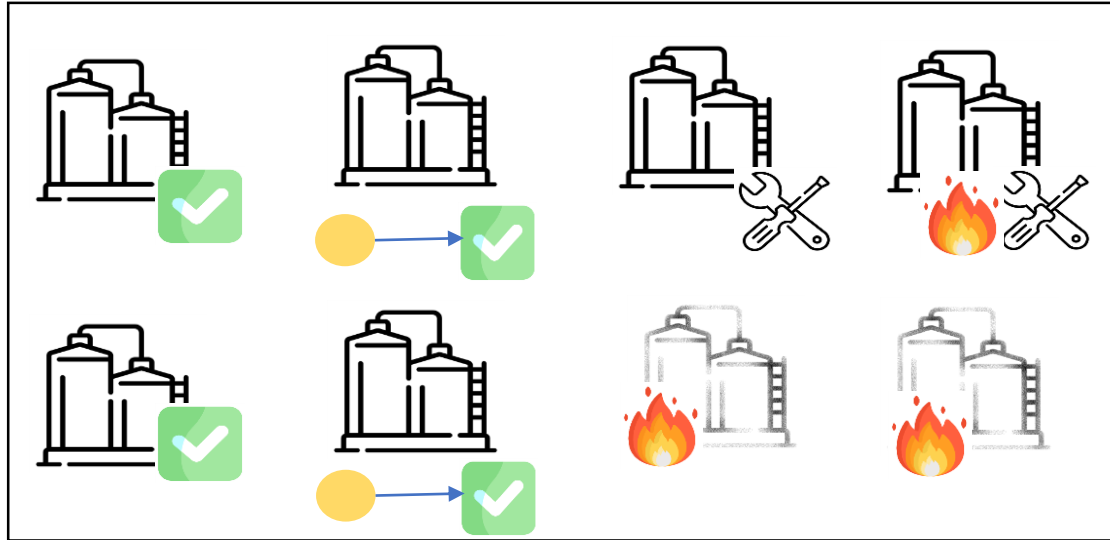


- TASCO has been qualified in SET High dividend (“SET HD”) since H2 2016



Q3 2018 - Refinery

Crude Storage



- On 4th September 2018, all crude tanks were cleared after integrity test except for 3 tanks damaged by fire
- In additions, there is 1 crude tank taken out for routine maintenance
- Currently, 4 out of 8 tanks are available which accounts for capacity of 1,316,380 barrel out of 2,240,130 barrel
- We do not foresee major interruption on the refinery production except for demurrage cost which is reimbursable under the insurance policy

Losses from fire incident

Losses and Expense	Amount (THB Million)
Damaged Asset	288.7
Related Fire Expenses	56.3
Total Value	345.0

- Provision for Losses from fire incident are summarized as table

Q3 2018 - Highlights

Crude

- 3 crude cargoes have been received during the Q3 in accordance with the Crude Supply contract

Domestic Market



- Q3 2018 sales volume remain strong despite end of 2018 government budget
- In addition, average selling price increased in with crude price
- Competition is strong with lower margin

International Market



- Q3 2018 sales volume increased by 19%QoQ and 5%YoY
- Higher production from refinery despite fire incident in July
- Higher demand in China Indonesia Vietnam
- Higher margin attributable to increase asphalt selling price

Q3 2018 Recognitions

1

TASCO achieved 5-Star for Corporate Governance Report of Thai Listed Companies 2018 (CGR)



2

TASCO was qualified in Thailand Sustainability Investment (THSI)

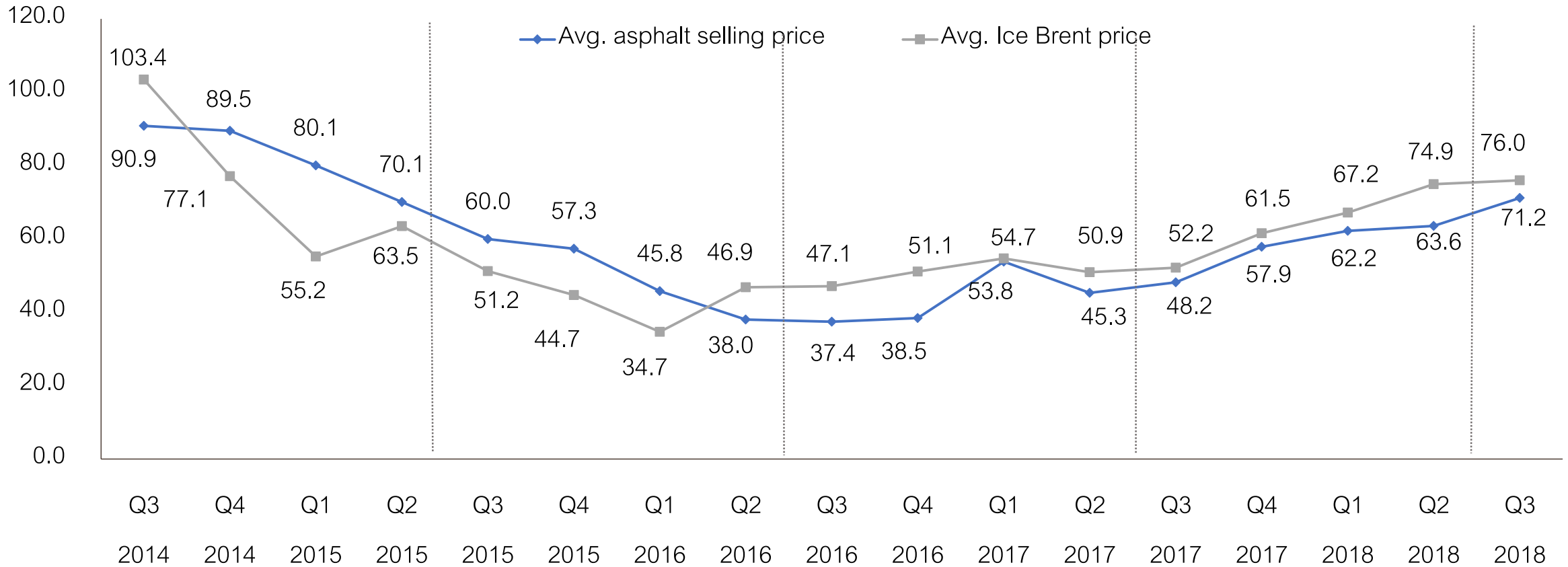


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Fitch reaffirmed TASCO at 'A-(tha)'/Stable (until December 2018)

Asphalt Selling Price vs. Ice Brent Price

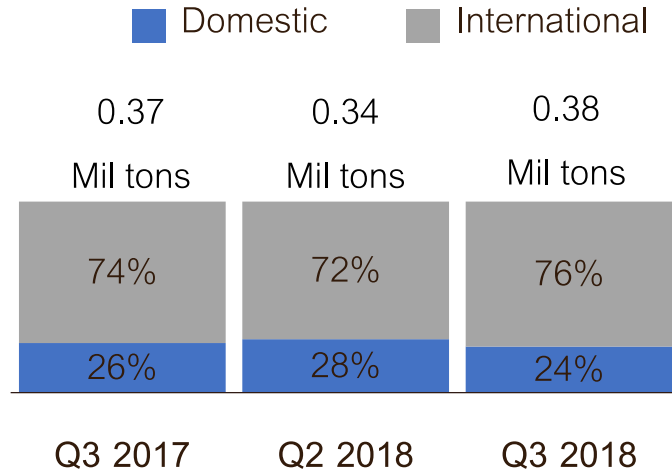
Unit: USD/barrel



Highlights : Asphalt Volume & Asphalt Revenue Structure

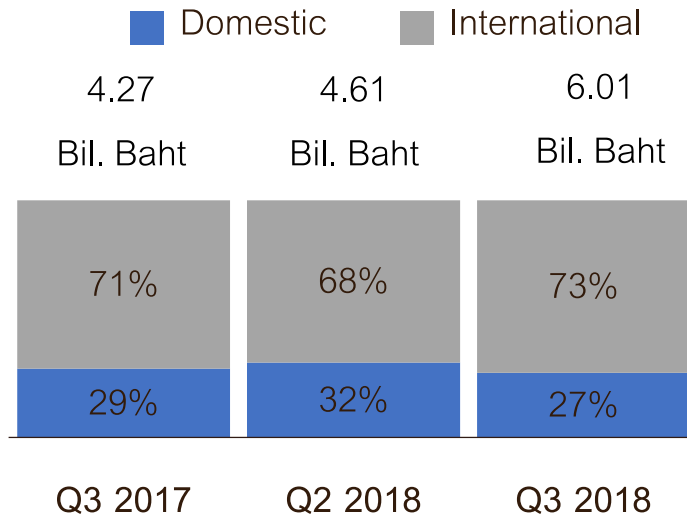
Asphalt sales volume by market

Unit: %

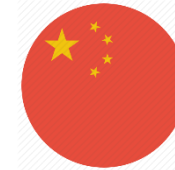


Asphalt Revenue (Exc. Non asphalt & service income)

Unit: %



Main International Markets



China



Vietnam



Indonesia



Malaysia



Australia

Q4 2018 Outlook – Crude & Refinery

Crude



- Confirmed another 3 cargoes for Q4
- Total 9 crude cargoes in 2018

Refinery



- Refinery has been running as normal
- Awaiting insurer to complete their investigation in December 2018
- Contracts to rebuild and repair the fire damaged 3 tanks have been awarded
- Pending site clearing before construction can begin

Q4 2018 Outlook – Domestic & International market

Domestic Market



- Q4 sales will benefit from high 2019 government budget disbursement
- However, potential price reduction is expected due to strong competition

International Market



- International market sales continually remain strong due to the availability of crude/products
- Indonesia, one of main market, will enter in high working season



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