

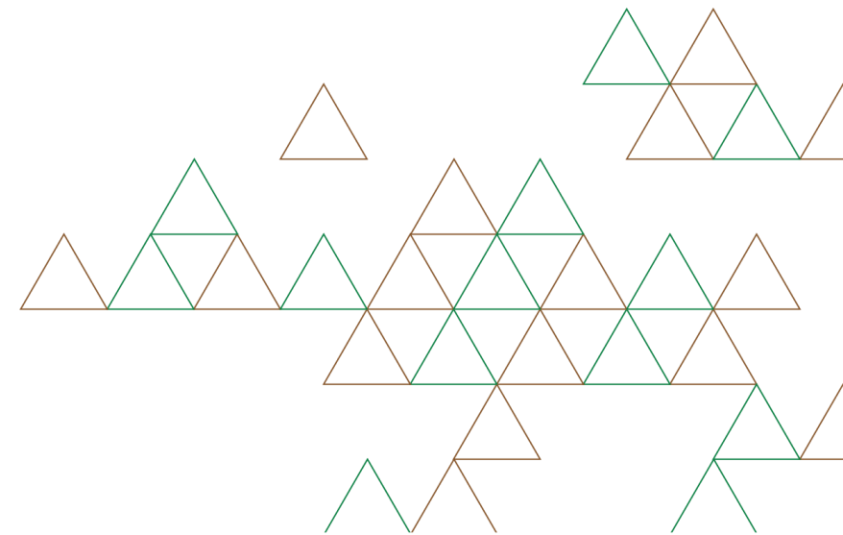


# Tipco Asphalt Public Company Limited (TASCO)

1-2019 Analyst meeting

(FY/2018 Operational Results)

20<sup>th</sup> February 2019



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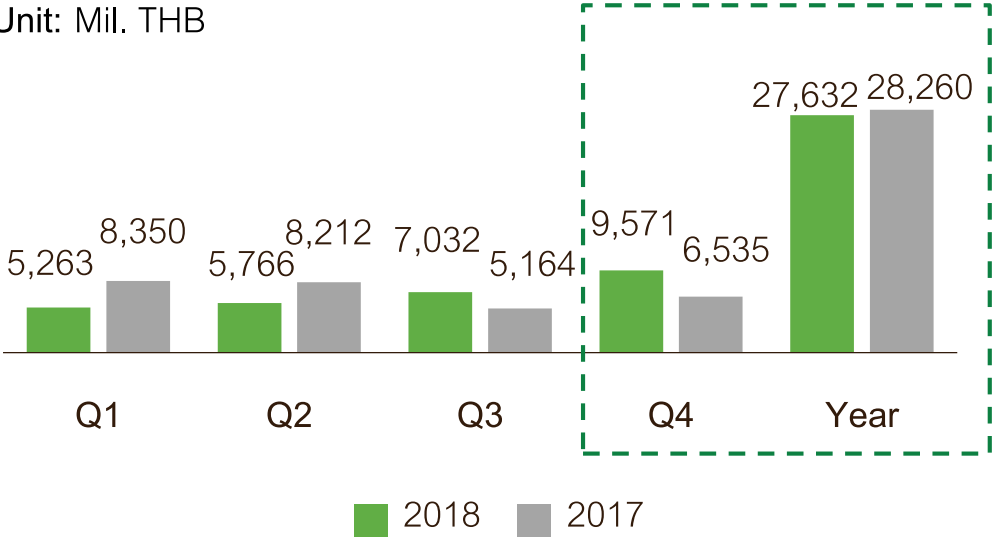
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Q&A

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

## Sales & Services Revenue

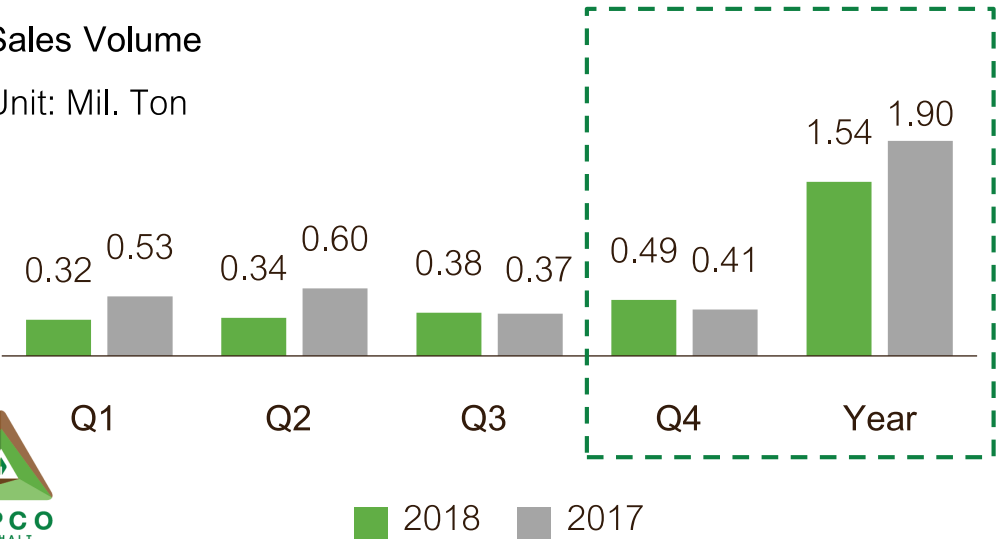
Unit: Mil. THB



- Sales and services stood at Baht 27,632 million, reflecting only a small decrease of 2.22% from last year
- Selling price has increased which in line with higher crude price during the year comparing to the prior year

## Sales Volume

Unit: Mil. Ton



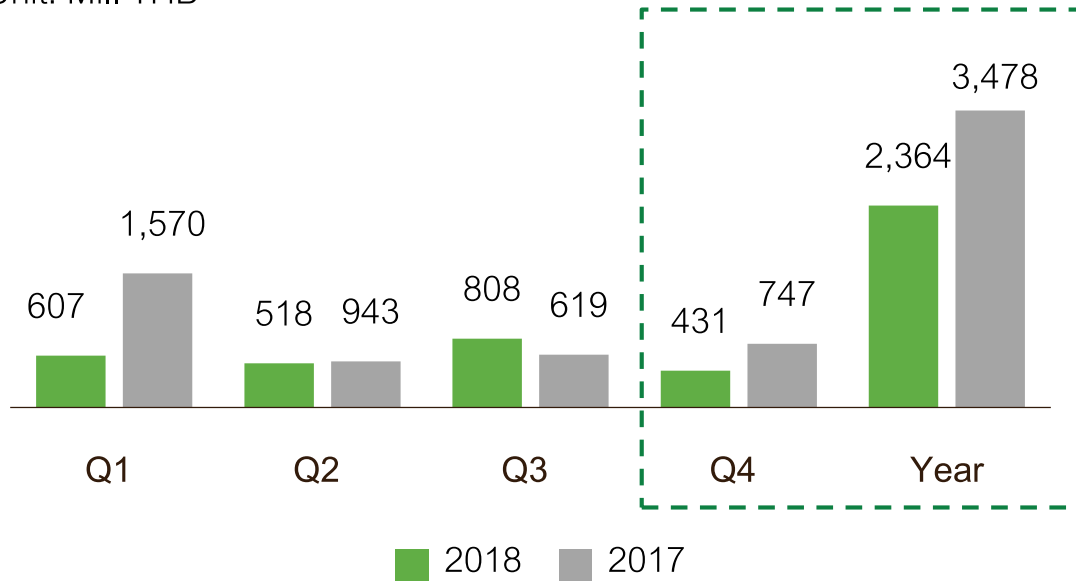
- International sales volume was lower during the first half year mainly attributable to the shortage in crude supply and a fire broke out at a subsidiary's crude oil storage tank farm in early July 2018 that caused shut down of operations at the refinery
- Nevertheless, it restarted production again within 30 days after the fire and supply of crude returned to normal level. This has enabled sales revenue to improve during the second half year



# 2018 Financial Performance : Operating Gross Profit

## Operating Gross Profit

Unit: Mil. THB



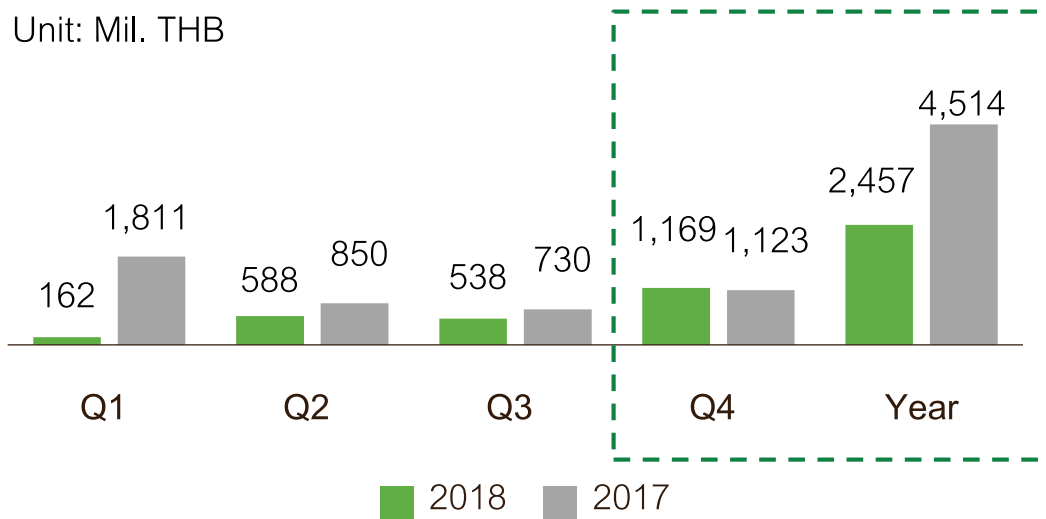
Gross profit margin (%)					
	Q1	Q2	Q3	Q4	FY
2018	11.5%	9.0%	11.5%	4.5%	8.6%
2017	18.8%	6.6%	12.0%	11.4%	12.3%

- Cost of sales and services in 2018 stood at Baht 24,488 million or 88.62% (85.31% in 2017) of sales and services before the allowance for diminution in value of inventory that had been adequately hedged
- The decrease of gross profit margin was mainly due to the higher crude cost during the year. In addition, the Company recorded allowance for diminution in value of inventory of Baht 782 million in 2018 that was resulted from sharp reduction in market price for crude, asphalt and petroleum product at the end of the year. There was a hedging gain of Baht 400 million recorded in Other Comprehensive Income (OCI)

# 2018 Financial Performance : EBITDA & Net Profit

## EBITDA

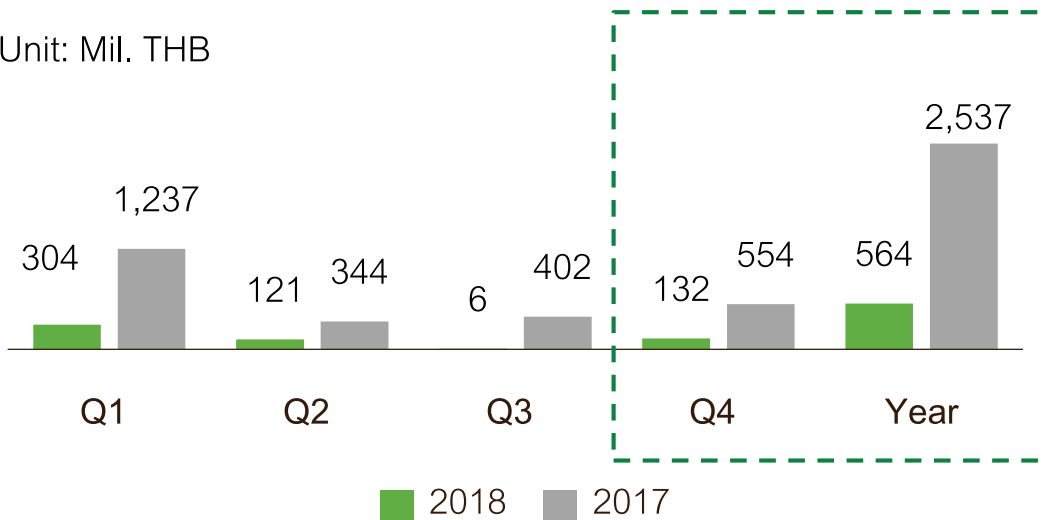
Unit: Mil. THB



- The Group's cashflow generated from operations stood at Baht 2,457 million compared to the Baht 4,514 million in 2017 due to decrease in gross profit margin from higher crude oil price. In addition, the operating cost has increased from the fire incident as compared to the prior year

## Net Profit After Tax

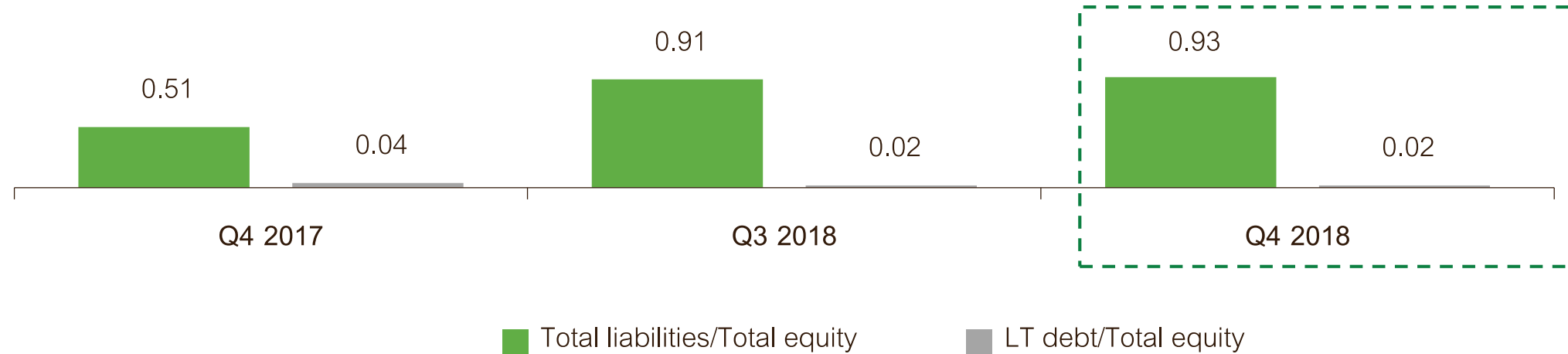
Unit: Mil. THB



- A "charge off" of Baht 358 million for fire damages at a subsidiary's crude oil storage tank farm was recorded during the year 2018. The fire damage is adequately covered by comprehensive insurance policy
- Net Profit After Tax of Baht 564 million for 2018 represented earning per share of Baht 0.36 (par value of Baht 1 each) as compared to Baht 1.63 per share in previous year

# Q4 2018 Financial Performance : Debt to Equity Ratio

Debt/Equity Ratio

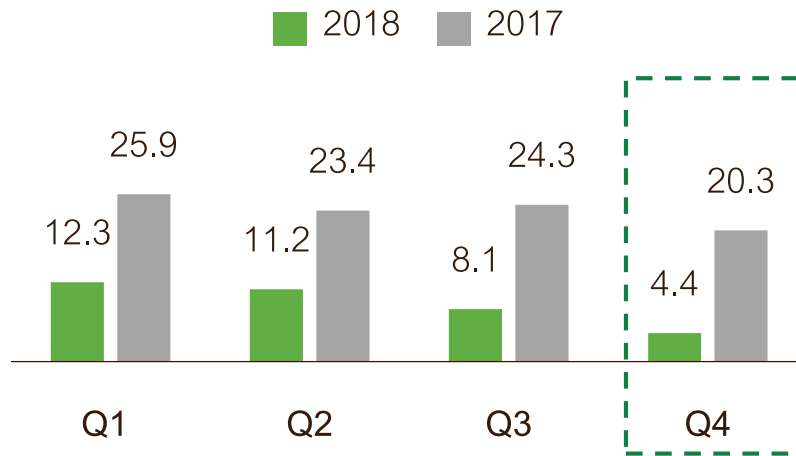


- The Group's consolidated debt to equity ratio (D/E ratio) was at 0.93 comparing to 0.51 in 2017 due to the increase in crude inventory (both price and volume) and receivables i.e. working capital supporting higher sales activities

# Q4 2018 Financial Performance : Key Ratios and Historical Dividend

## Return on Equity<sup>1/</sup>

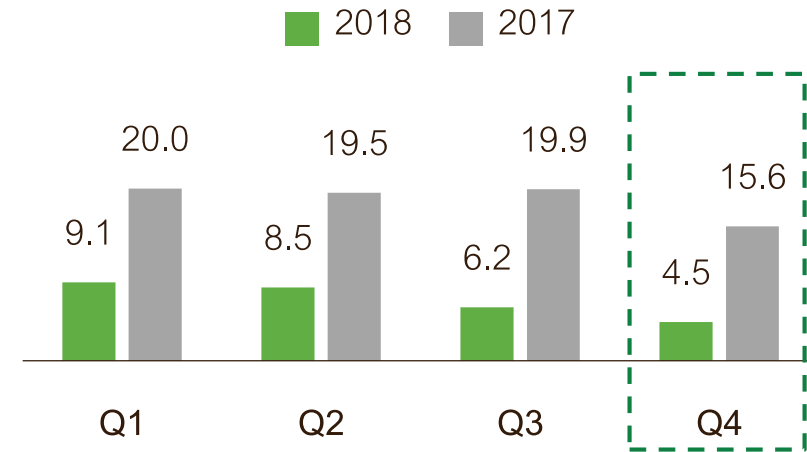
Unit: %



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

## Return on Asset<sup>2/</sup>

Unit: %

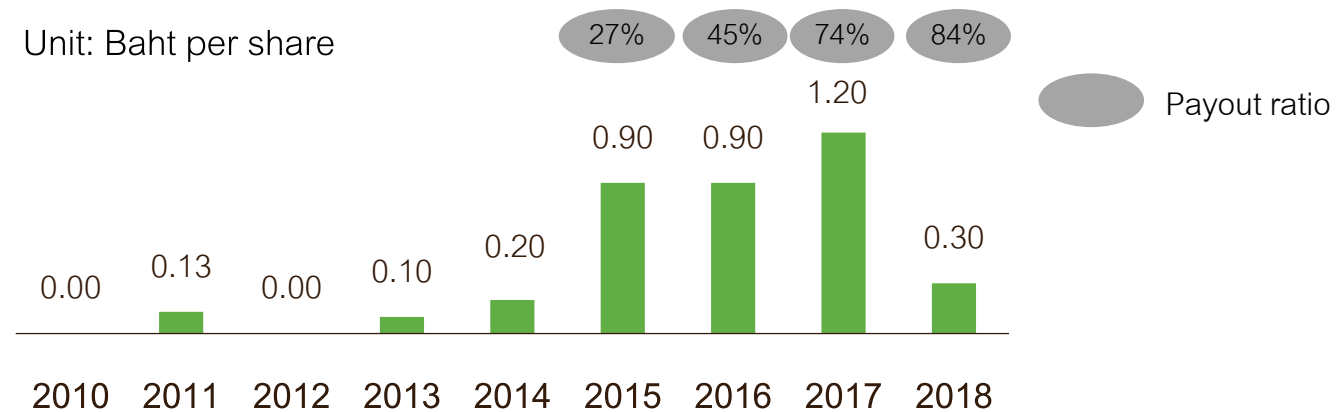


2/ Return is based on sum of last 12 months net profit

Return is based on profit before interest and tax

## Historical Dividend

Unit: Baht per share



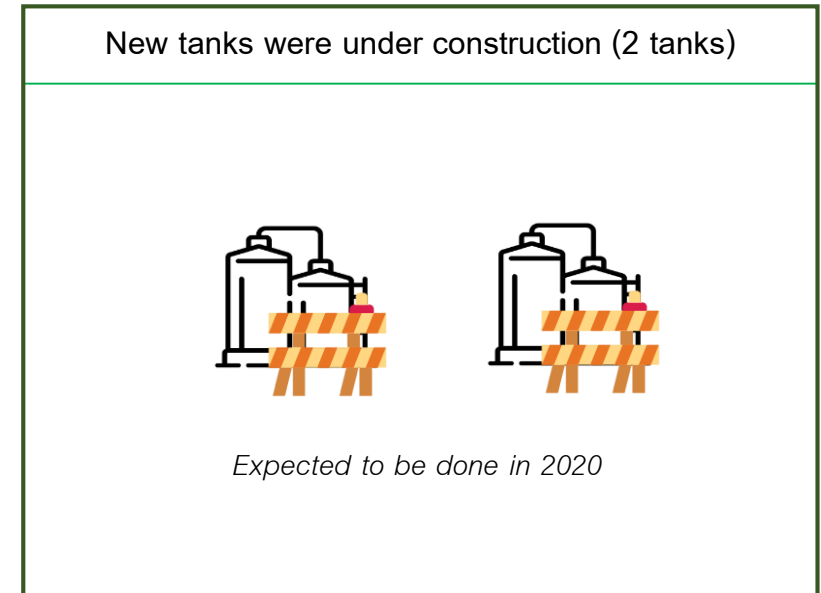
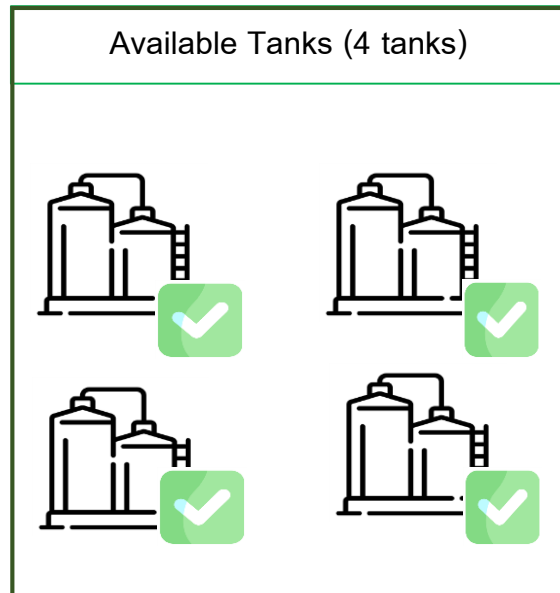


# Q4 2018 – Insurance & Construction of 2 new tanks at KBC refinery

## Insurance progress

- On 31 January 2019, the insurers have accepted liability under the insurance policy subject to due process of claim
- Currently, the management of the Company and insurers are in the process of insurance claim assessment

## Crude Storage



# Q4 2018 - Highlights

## Crude

- Supply of crude has returned to normal with 3 crude cargos received during the Q4 2018
- Total 9 crude cargos received in 2018 due to disruption in the first half of the year

## Domestic Market



- Q4 2018 sales volume remain strong in line with domestic demands (High season)
- High demands for premium products during Q4 2018

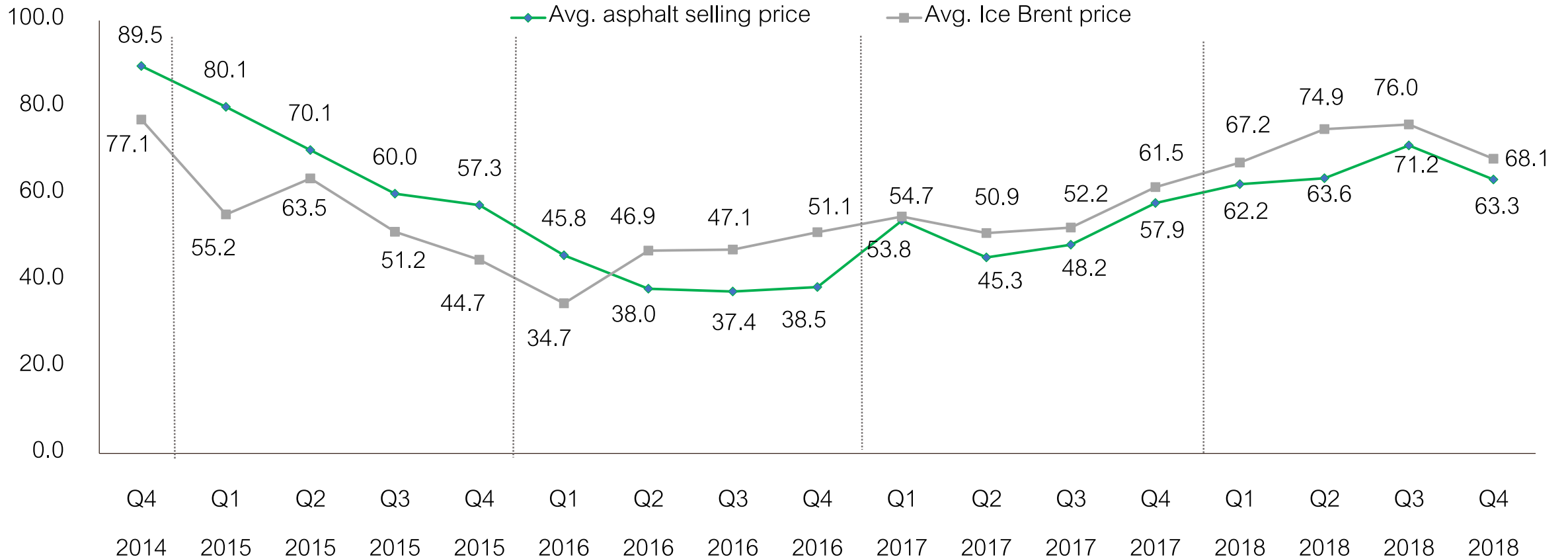
## International Market



- Q4 2018 sales volume increased but slowdown in December due to significant market price reduction in line with Brent price
- Nevertheless, volume growth were evidenced across Australia, New Zealand and Vietnam markets

# Asphalt Selling Price vs. Ice Brent Price

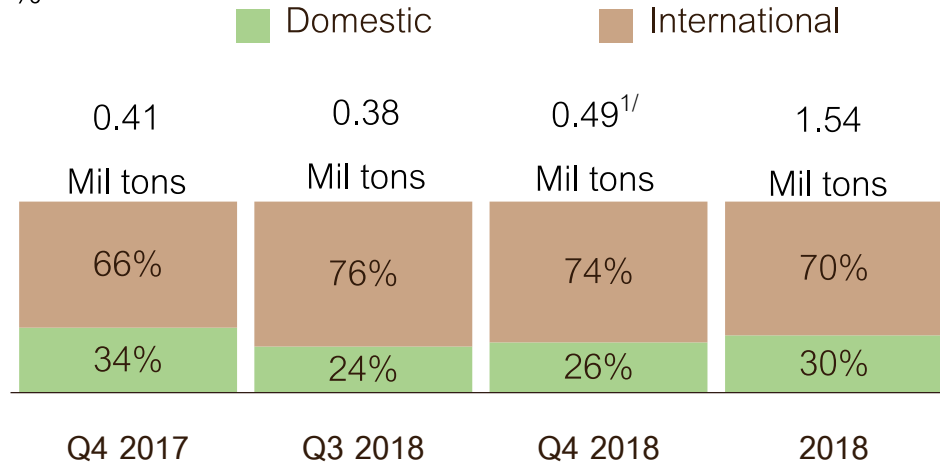
Unit: USD/barrel



# Highlights : Asphalt Volume & Asphalt Revenue Structure

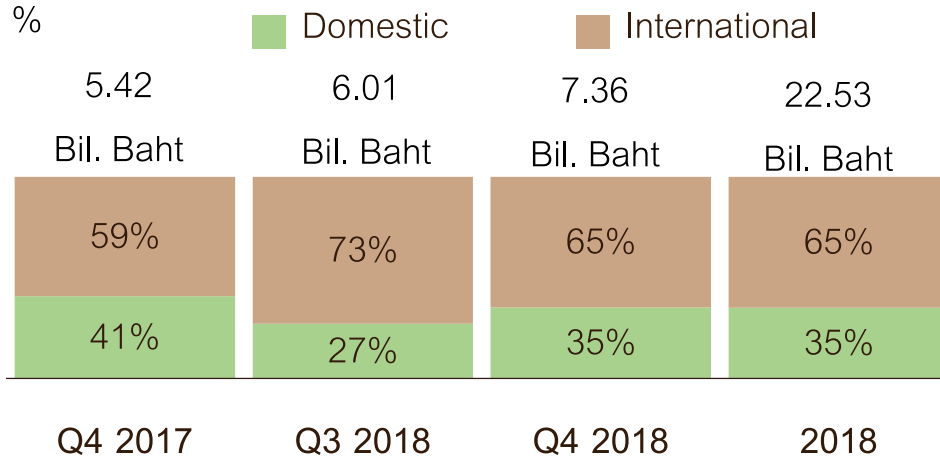
## Asphalt sales volume by market

Unit: %



## Asphalt Revenue (Exc. Non asphalt & service income)

Unit: %



## Main International Markets



China



Vietnam



Indonesia



Malaysia



Australia



1/: During Q4 2018, TASCOP has delivered export sales volume to TOGO market (in Africa)

# 2019 Outlook – Crude & Refinery

## Crude



- In 2019, TASCOCO expects to receive 12 crude cargos per long term supply contract
- 3 crude cargos will be received within Q1 2019

## Refinery



- the management and insurers are in the process of insurance claim assessment since acceptance of insurance liability from the fire incident

# 2019 Outlook – Domestic & International market

## Domestic Market



- FY2019 Government budget (Road construction related) increase slightly as compared to that of FY2018
- Demands for premium products remain robust during Q1 2019

## International Market



- International sales volumes continue to remain strong across all export markets
- China market will enter high season in Q2 2019
- TASC0 begins to export to Qatar as new market in 2019
- Uncertainty on upcoming IMO regulation by late-2019



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