

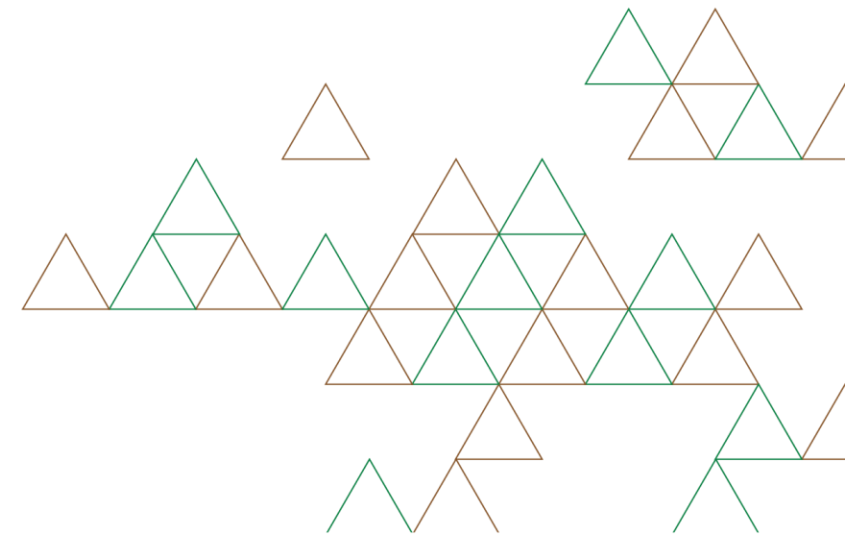


# Tipco Asphalt Public Company Limited (TASCO)

4-2019 Opportunity day

(Q3 2019 Operational Results)

13<sup>th</sup> November 2019



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# Agenda

**1**

**Q3 2019 Financial Performance**

**2**

**Q3 2019 Highlights**

**3**

**Outlook**

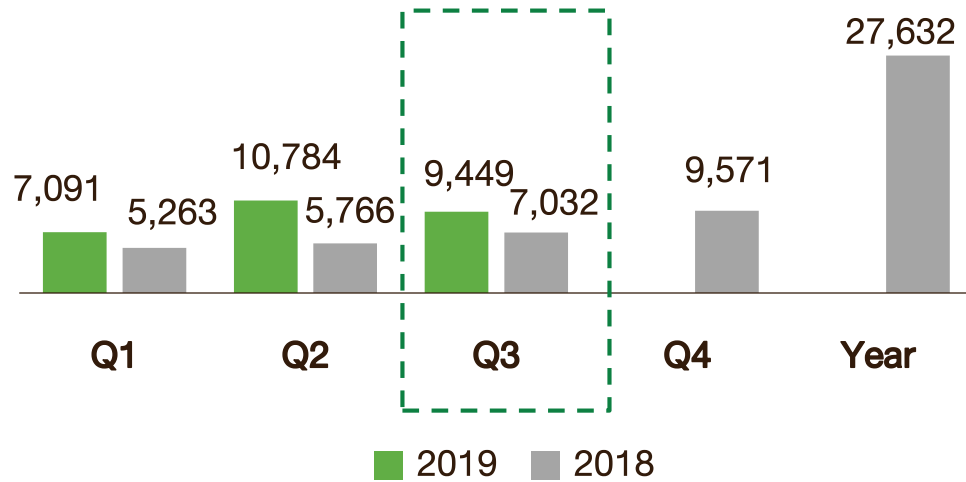
**4**

**Q&A**

# Sales & Services Revenue & Sales Volume

## Sales & Services Revenue

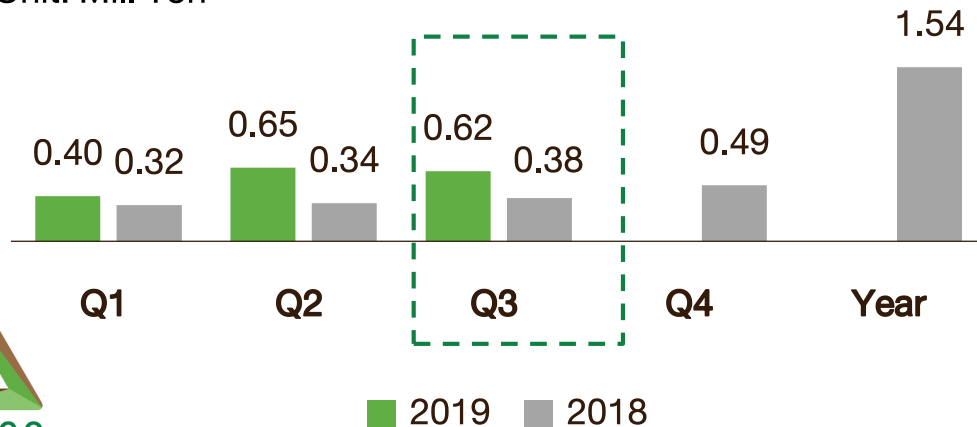
Unit: Mil. THB



- Sales and services stood at Baht 9,449.3 million, reflecting an increase of 34.38% from the corresponding period of 2018 attributed to consistent asphalt demand from Q2 2019

## Sales Volume

Unit: Mil. Ton

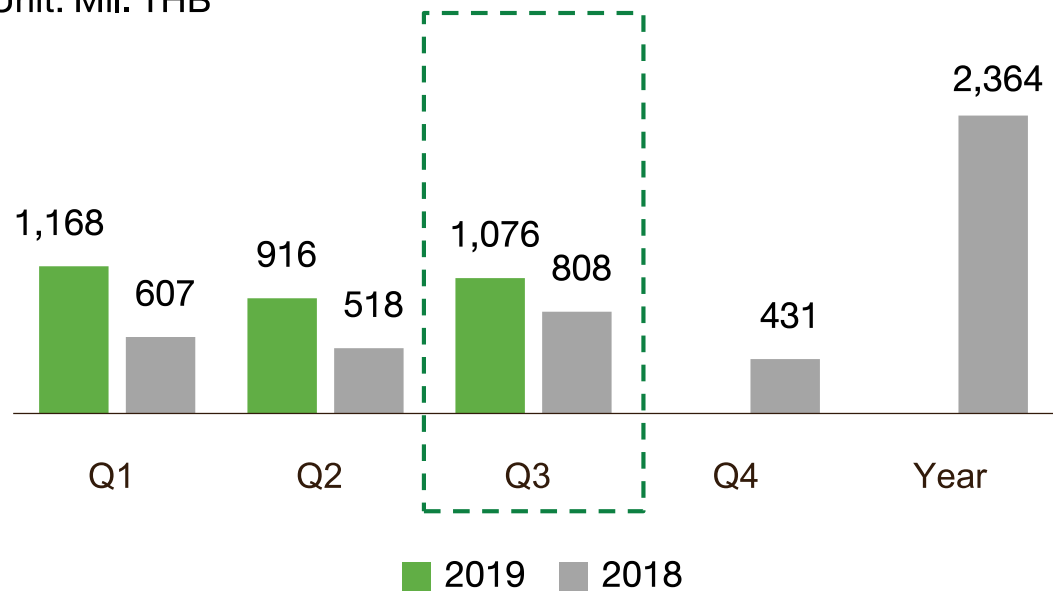


- The significant increase in sales volume during Q3 2019 from the corresponding period of 2018, especially for the international market, as a result of continuous supply together with steady production reliability at our refinery in this quarter

# Operating Gross Profit

## Operating Gross Profit

Unit: Mil. THB



- Gross profit in Q3 2019 increased to Baht 1,076 million compared to Baht 808 million in corresponding period Q3 2018 due to increase in sales volume and a hedging gain of Baht 140.4 million in this quarter attributable to the reduction of ICE Brent market price from 66.55 USD/bbl to 59.62 USD/bbl

Gross profit margin (%)					
	Q1	Q2	Q3	Q4	FY
2019	16.5% <sup>2/</sup>	8.5%	11.4%		
2018	11.5%	9.0%	11.5%	4.5% <sup>1/</sup>	8.6%

1/: Additional provision for impairment of stocks net realizable value at Baht 782 million

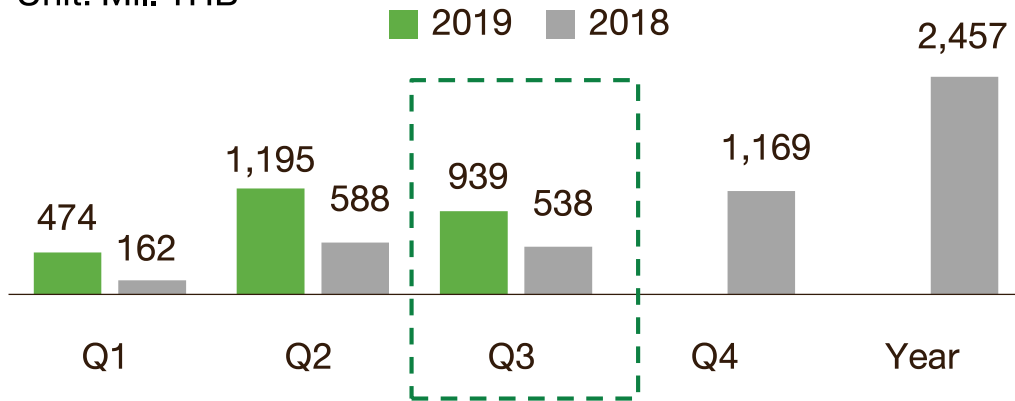
2/: Reversal of impairment of stocks net realizable value at Baht 791 million

- The increase in gross margin was mainly due to the different products sales mixed and lower crude cost as compared to Q2 2019.

# EBITDA & Net Profit

## EBITDA

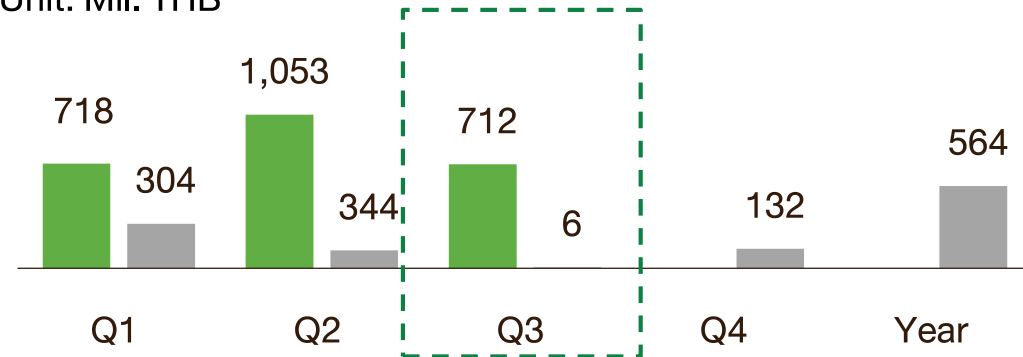
Unit: Mil. THB



- The Group's cashflow generated from operations stood at Baht 938.7 million compared to Baht 537.7 million in corresponding period in 2018 due to the better operation performance in Q3 2019 as compared to corresponding period of 2018

## Net Profit After Tax

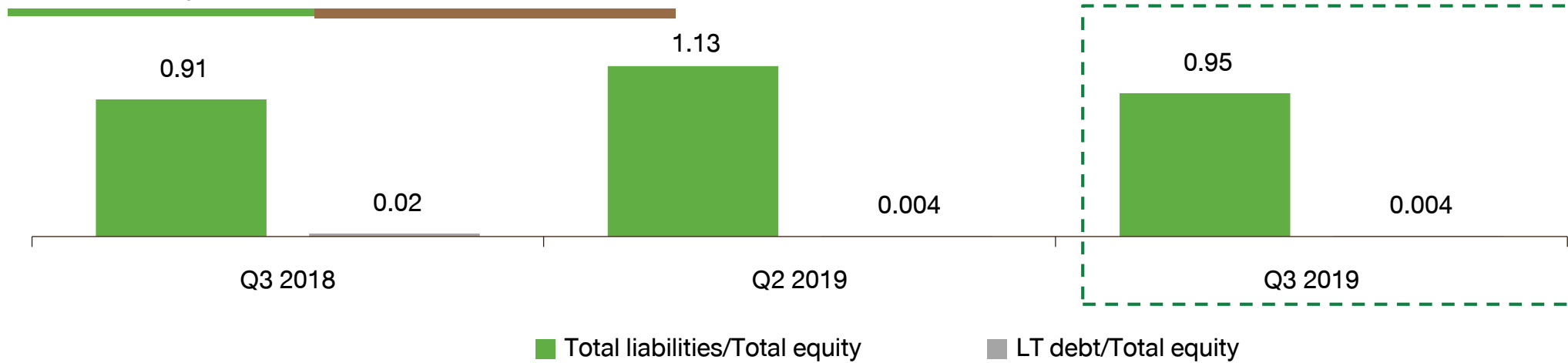
Unit: Mil. THB



- The Net Profit After Tax of Baht 712.1 million for Q3 2019 represented earning per share of Baht 0.452 (par value of Baht 1 each) as compared to Baht 0.004 per share in corresponding quarter of 2018

# Debt to Equity Ratio

## Debt/Equity Ratio

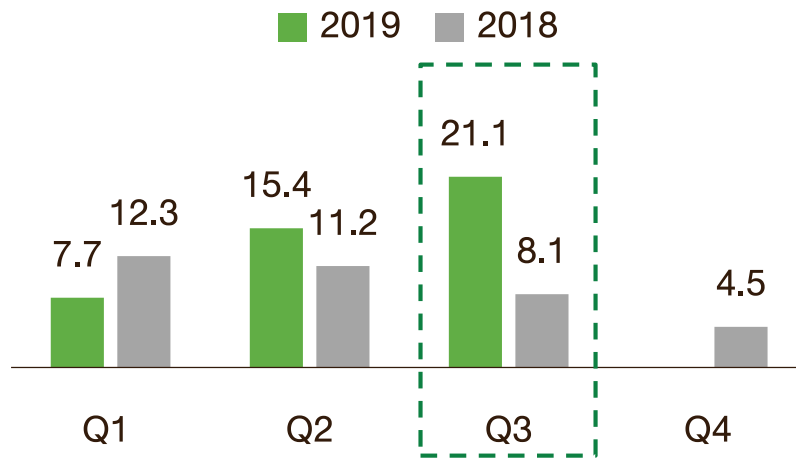


- The Group's consolidated debt to equity ratio (D/E ratio) reached 0.95 comparing to 0.91 in corresponding period of 2018 due to increase in working capital financing for higher inventory

# Key Ratios and Historical Dividend

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

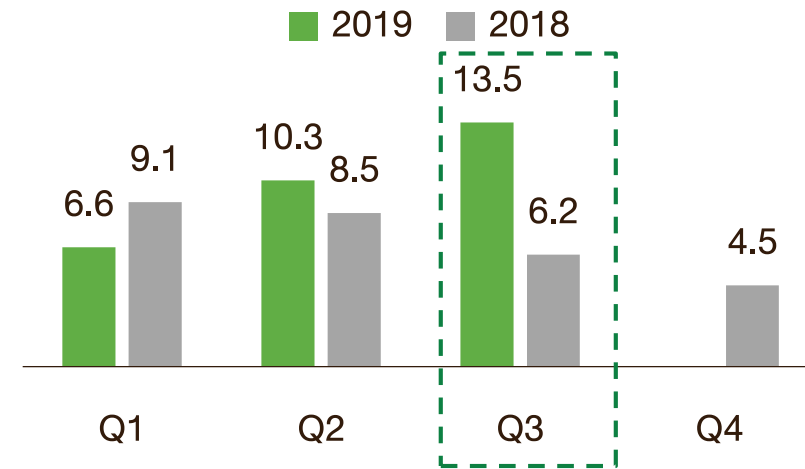
Unit: %



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

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

Unit: %

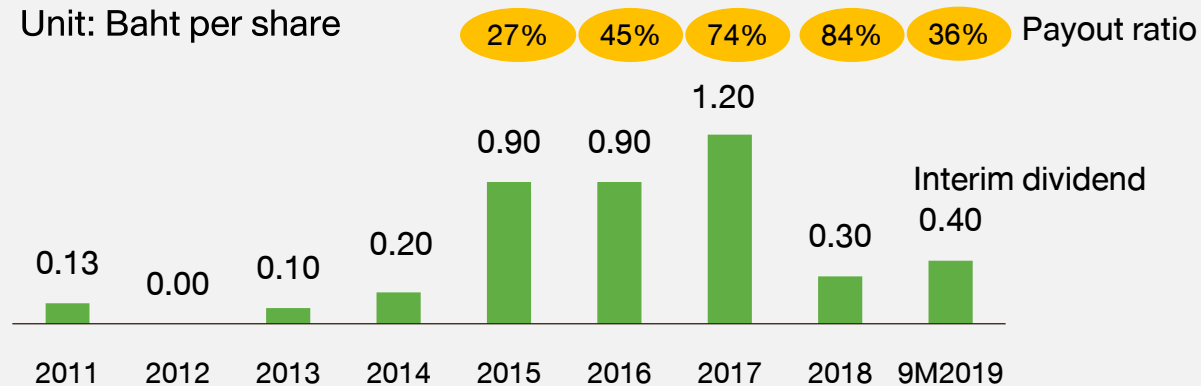


2/ Return is based on sum of last 12 months net profit

Return is based on profit before interest and tax

## Historical Dividend

Unit: Baht per share



### Dividend Policy

The Company has a policy to pay dividends of not less than 60% of its consolidated net profit of each fiscal year.

On 6<sup>th</sup> September 2019, the Company paid an interim dividend of 0.40 Baht/share for the year 2019





## Expense relating to fire incident and insurance claim

- In May 2019, the subsidiary received a partial payment pursuant to its insurance claim to MYR 60 million or approximately Baht 450 million
- During the nine-month period ended 30 September 2019, the subsidiary had recorded additional net other operating income for crude storage, logistic handling and other related expenses amounted to Baht 212 million. Some of these expenses will be recurring until the damaged crude tanks are back in service.
- In October 2019, the subsidiary received the second insurance claim amounted to MYR 20 million or approximately Baht 146 million. This insurance payment will be recorded in the fourth quarter result of 2019.

Loss/(Gain) from the fire incident (Unit: Mil. THB)	2018	Q1 2019	Q2 2019	Q3 2019
Damaged Assets	289.9 <sup>2/</sup>	-	(378) <sup>3/</sup>	-
Related expenses to the incident <sup>1/</sup>	68.2	143	(44.5)	67.9
<b>Total</b>	<b>358.1</b>	<b>143</b>	<b>(422.5)</b>	<b>67.9</b>

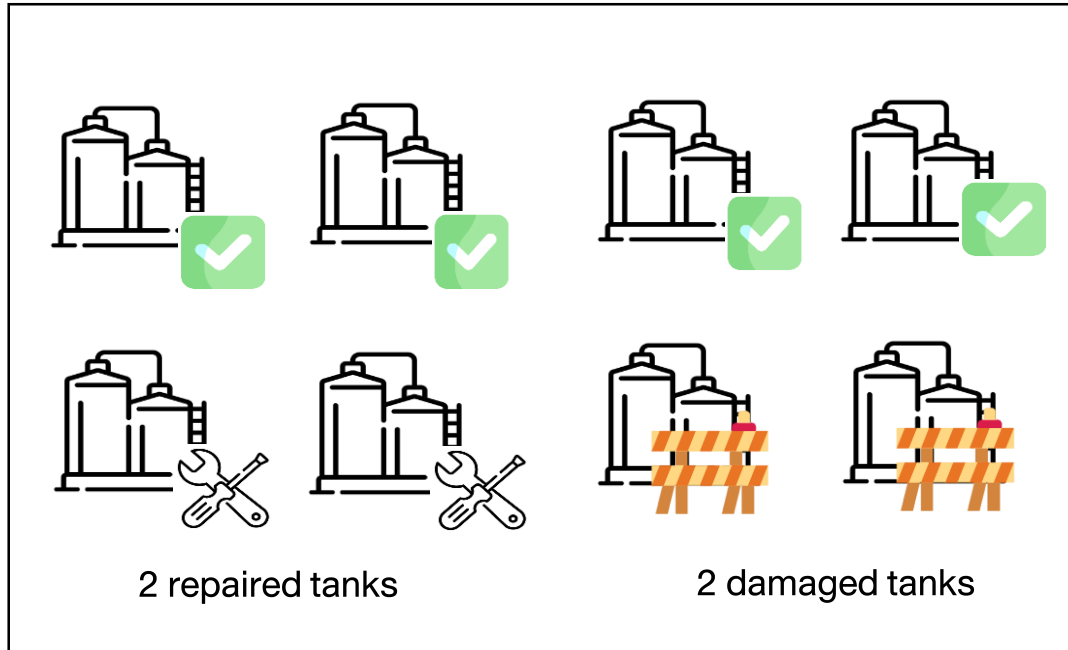
1/ include cost of floating storage unit rental, demurrage, tanks repair and other expenses

2/ carrying value of damaged assets-written off to Profit & Lost statement

3/ partial insurance claim based on replacement cost of damaged assets

# Status of crude storage of KBC refinery

## Refinery crude storage



## Floating Storage Unit



- 2 repaired tanks will resume normal operation in late-Nov 2019
- New construction of 2 damaged tanks are underway according to plan in Q1 2020

- Rental period from mid-February 2019 to February 2020

# Q3 2019 - Highlights

## Refinery



- Refinery was processing at high reliability rate
- New construction and repair of crude storage tanks are underway according to plan

## Domestic Market



- Despite low working season, Q3 2019 sales volume stood at 105,000 tons slightly below 4% from Q2 2019
- Government issued additional maintenance budget for flooding damage

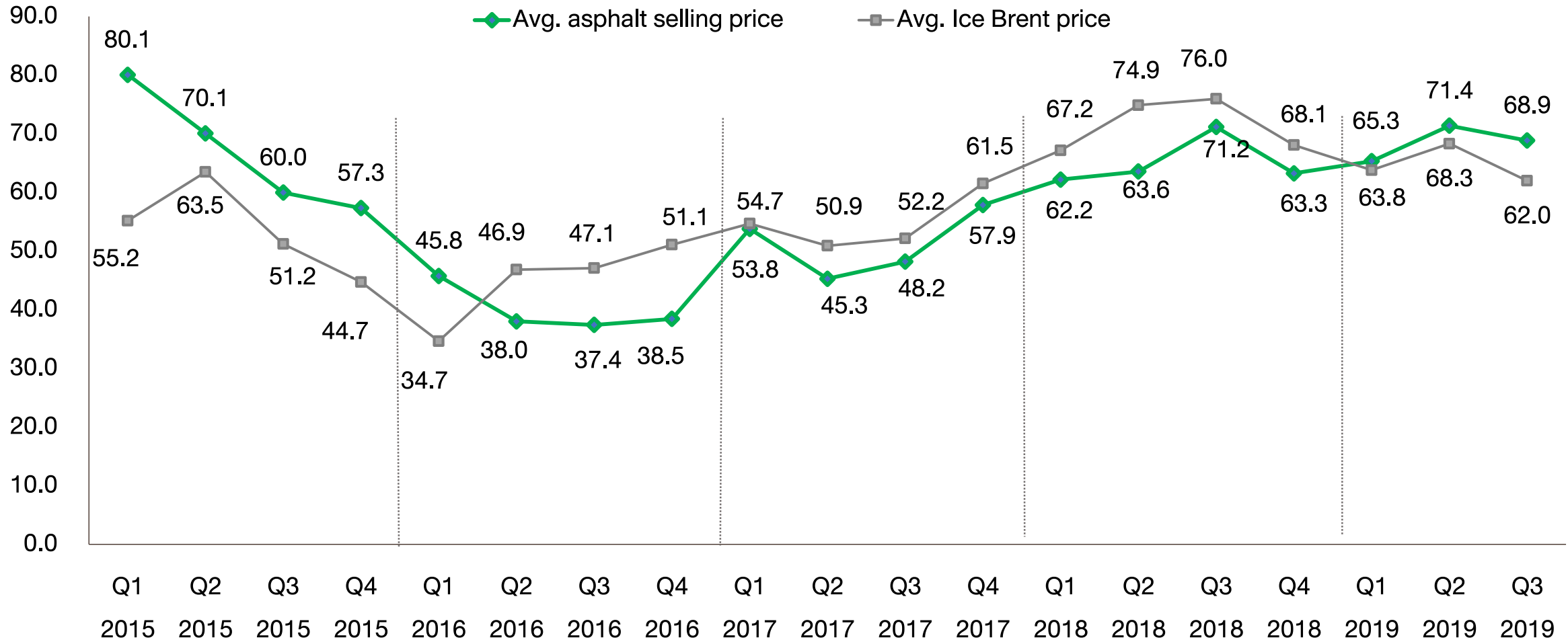
## International Market



- International sales volume remained strong especially in China, Indonesia and Vietnam

# Asphalt Selling Price vs. Ice Brent Price

Unit: USD/barrel

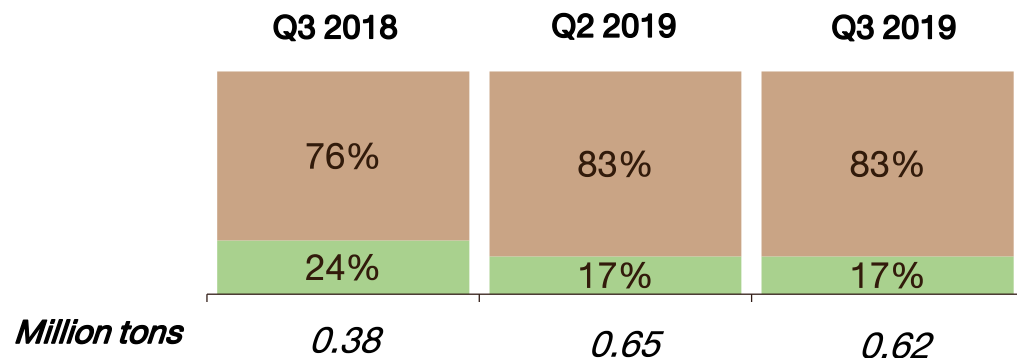


# Highlights : Asphalt Volume & Asphalt Revenue Structure

## Asphalt sales volume by market

Unit: %

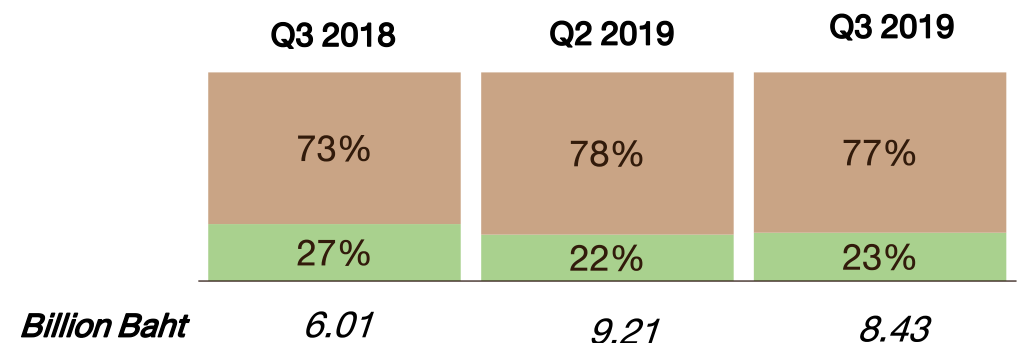
Domestic International



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

Unit: %

Domestic International



## Main International Markets



China



Indonesia



Vietnam



Malaysia



Australia

# Outlook

## Refinery



- 2 repaired tanks will be resumed operation in Q4 2019
- Renewal of Floating Storage Unit until Feb 2020
- 2 new tanks construction will be scheduled to be completed in Q1 2020

## Domestic Market



- 2020 fiscal government budget delay from Q4 2019 to Q1 2020

## International Market



- Peak season in Indonesia and Vietnam in Q4 2019



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