

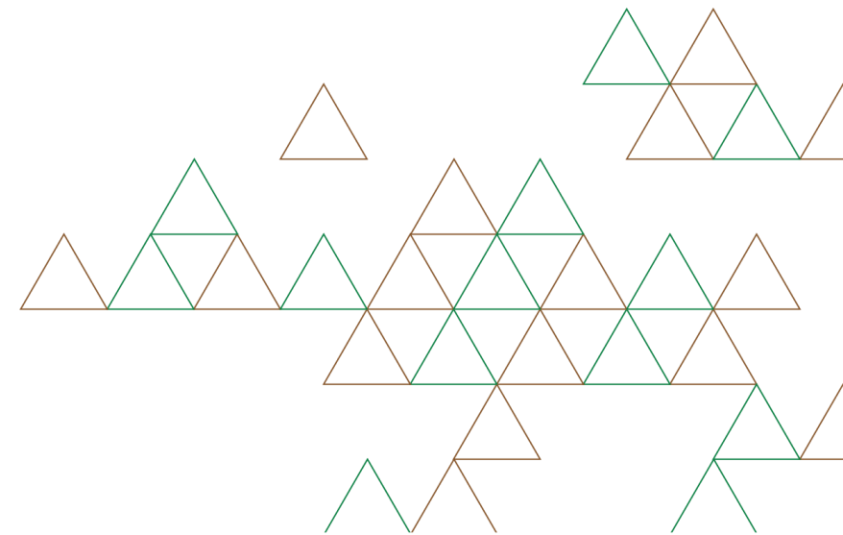


# Tipco Asphalt Public Company Limited (TASCO)

4/2018 Opportunity Day

(Q3/2018 Operational Result)

30<sup>th</sup> November 2018



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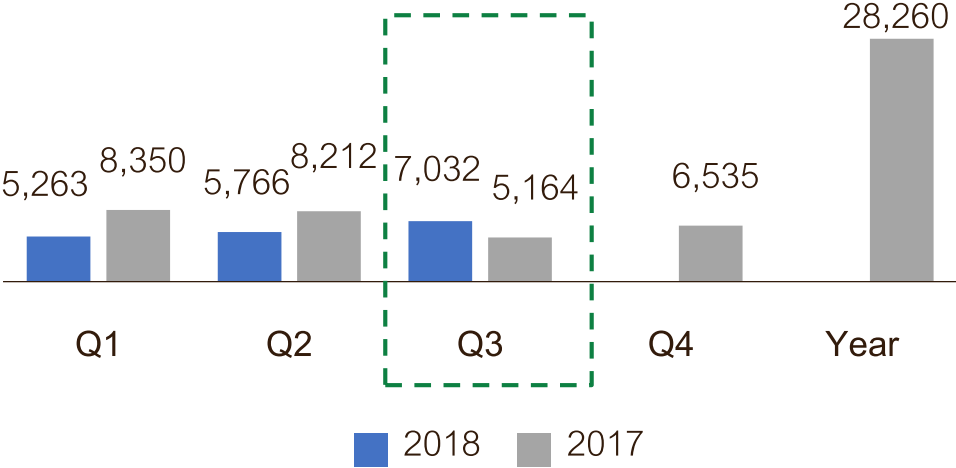
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Q&A

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

## Sales & Services Revenue

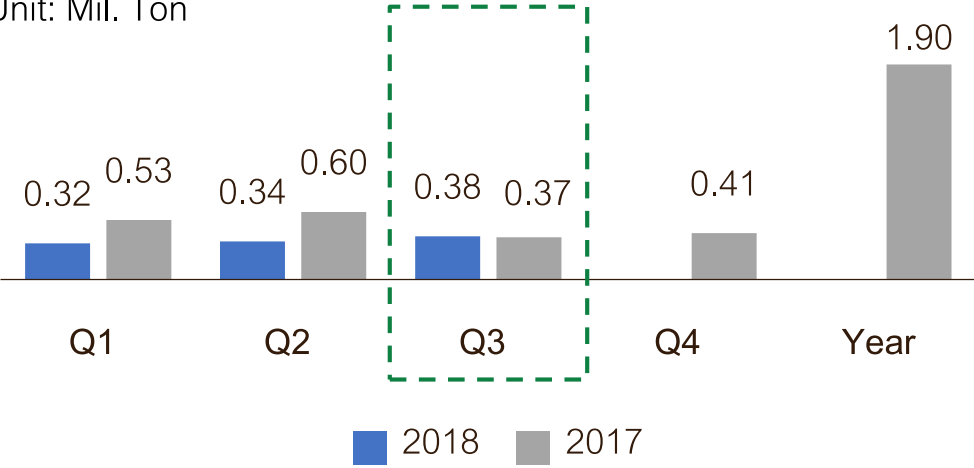
Unit: Mil. THB



- 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

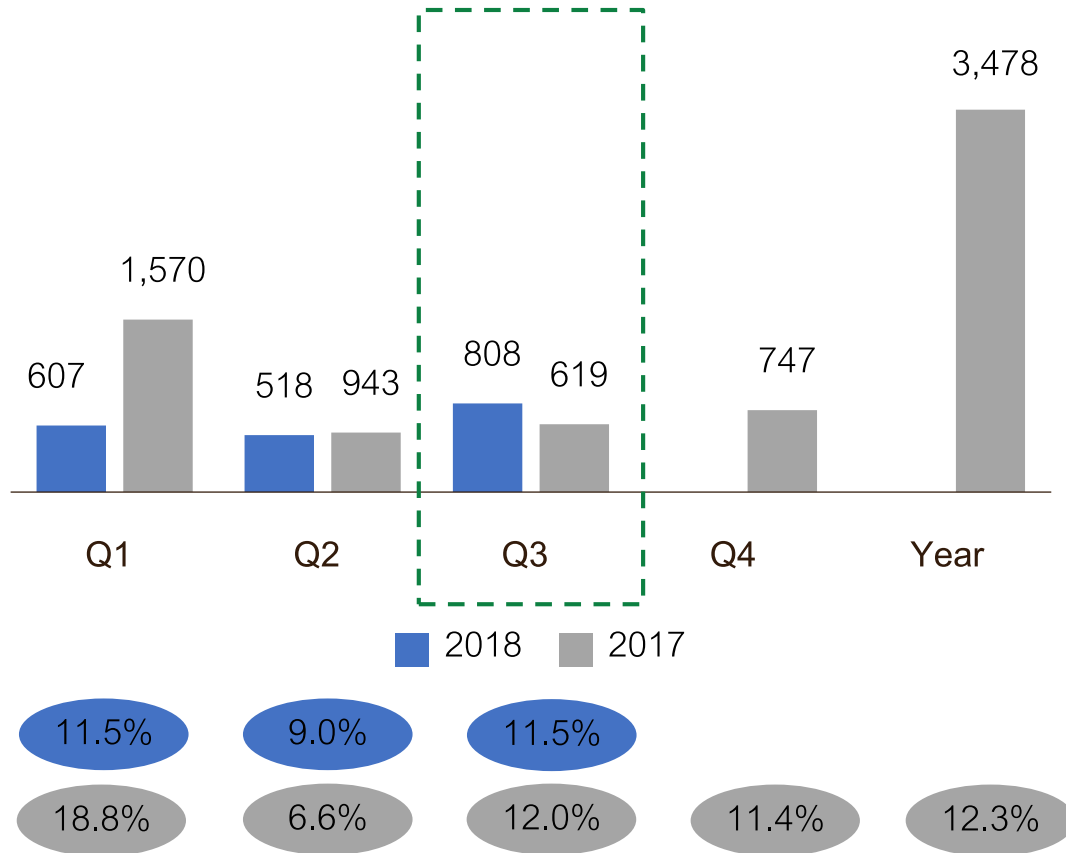


- Sales volume of asphalt product increased by 2.5% comparing to the corresponding period of last year
- The increase mainly from international markets

# Q3 2018 Financial Performance : Operating Gross Profit

## Operating Gross Profit

Unit: Mil. THB

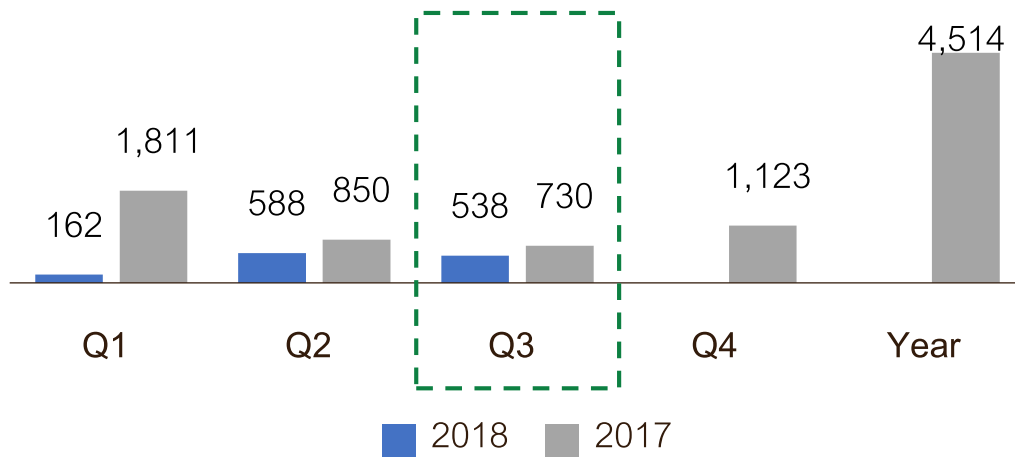


- Cost of sales and services in the 3<sup>rd</sup> quarter 2018 stood at Baht 6,160 million or 87.6% (88.0% in corresponding quarter in 2017) of sales and services before the allowance for diminution in value of inventory and hedging.
- The improvement of gross margin was mainly due to the increase in 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 3<sup>rd</sup> quarter 2018.

# Q3 2018 Financial Performance : EBITDA & Net Profit

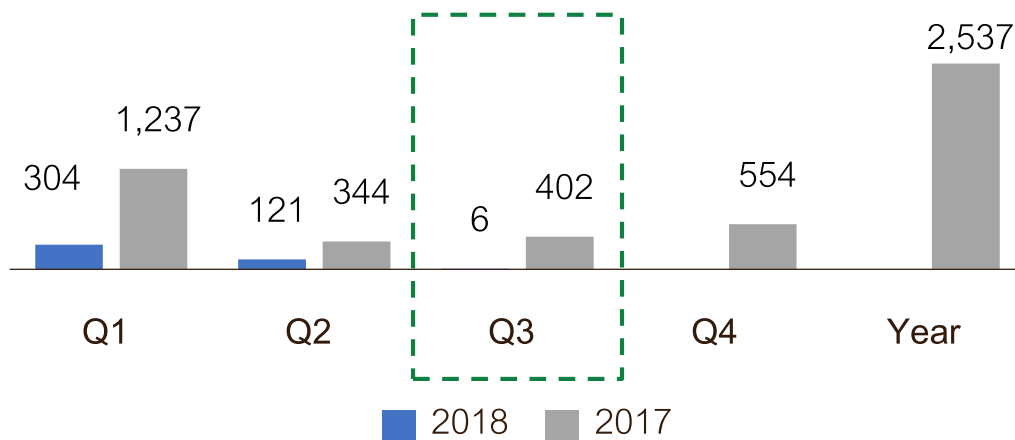
## EBITDA

Unit: Mil. THB



## Net Profit After Tax

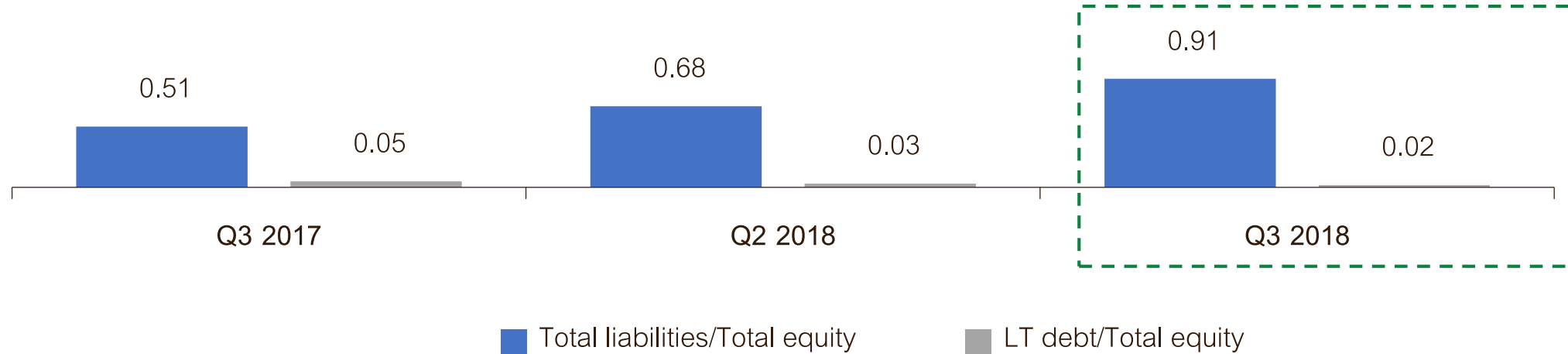
Unit: Mil. THB



- 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 3<sup>rd</sup> quarter 2018. The fire damage is adequately covered by comprehensive insurance policy.
- The Net Profit After Tax of Baht 6 million for the 3<sup>rd</sup> 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

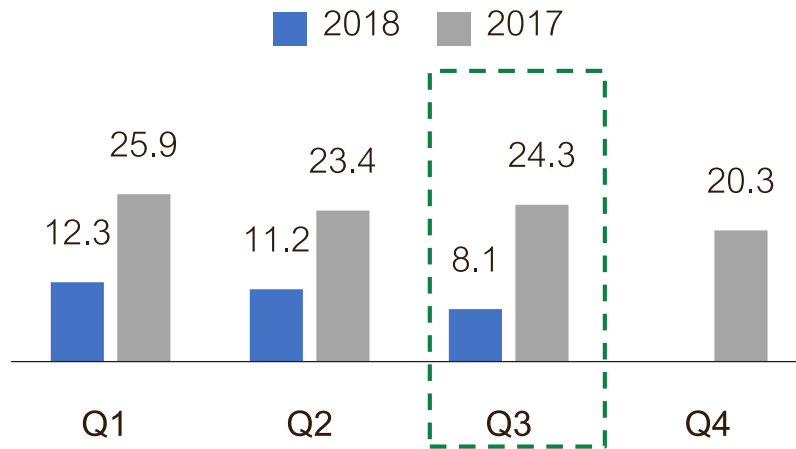


- The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.91 comparing to 0.51 in corresponding period of 2017 due to the increase in crude prices, higher crude procurement and inventory volume and receivables i.e. working capital supporting higher sales activities

# Q3 2018 Financial Performance : Key Ratios and Historical Dividend

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

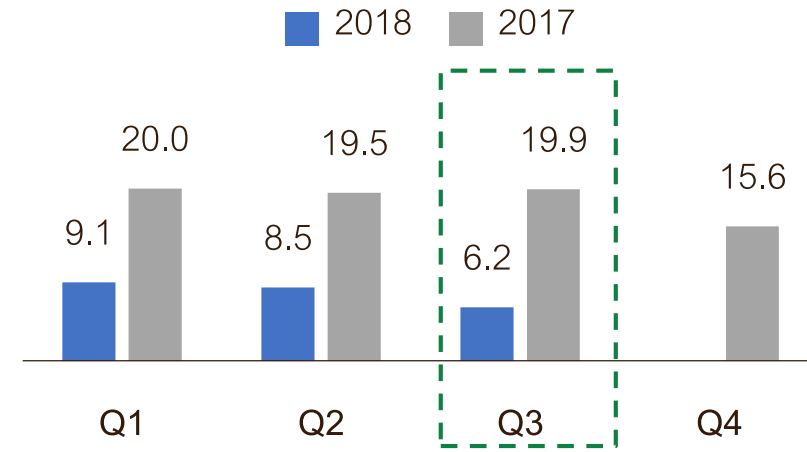
Unit: %



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

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

Unit: %

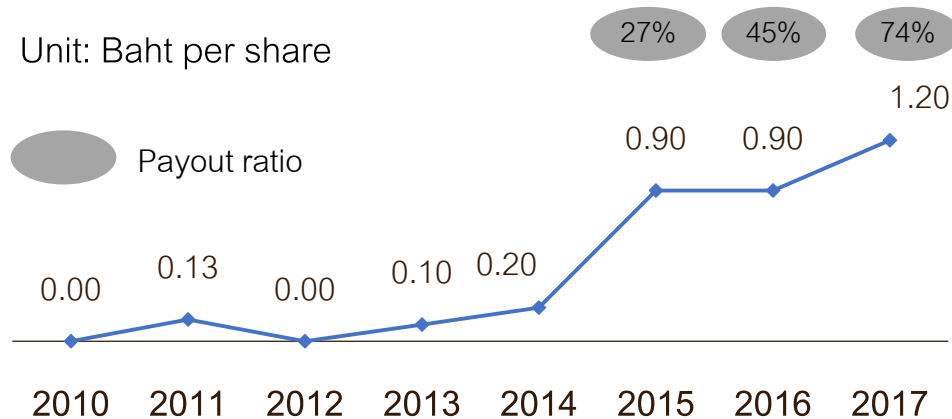


2/ Return is based on sum of last 12 months net profit

Return is based on profit before interest and tax

## Historical Dividend

Unit: Baht per share



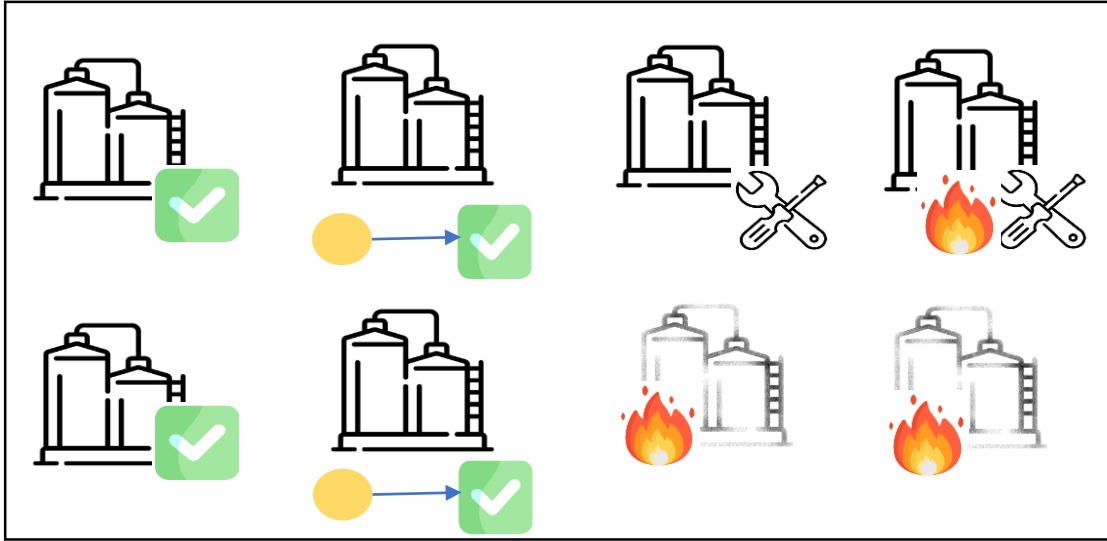
- TASCO has been qualified in SET High dividend (“SET HD”) since H2 2016





# Q3 2018 - Refinery

## Crude Storage



- On 4<sup>th</sup> 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
<b>Total Value</b>	<b>345.0</b>

- 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)

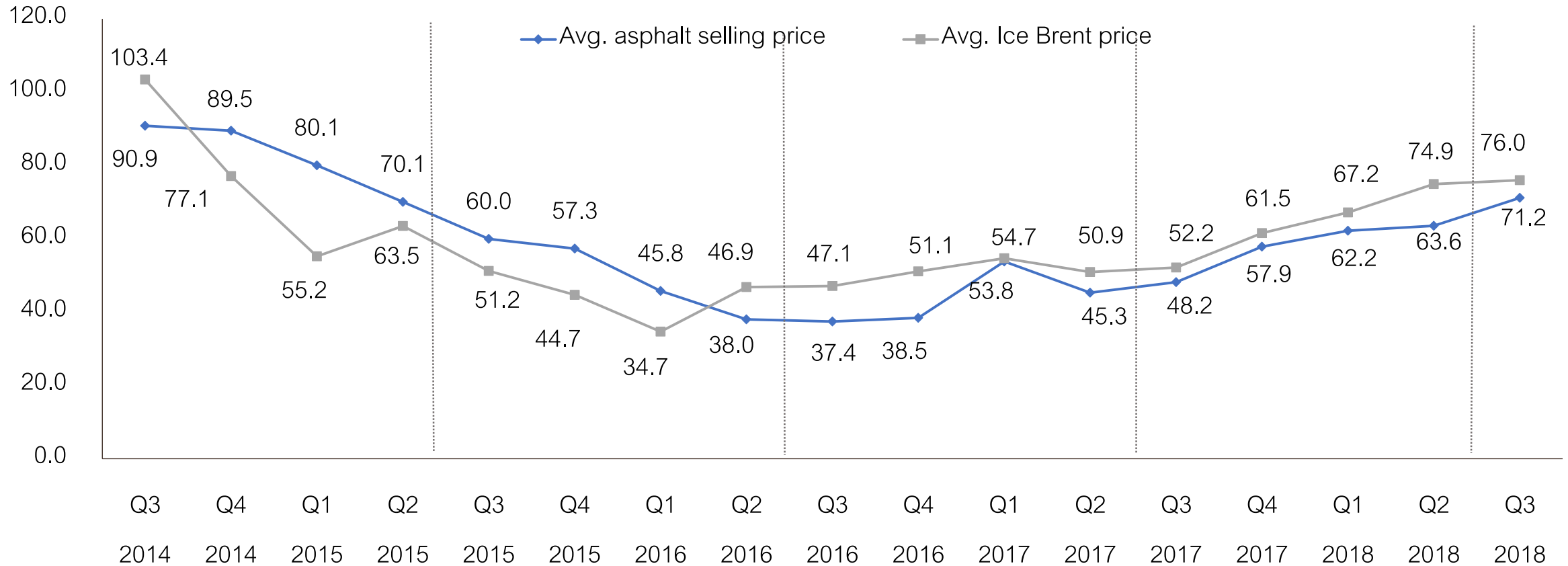


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Fitch reaffirmed TASCO at 'A-(tha)'/Stable (until December 2018)

# Asphalt Selling Price vs. Ice Brent Price

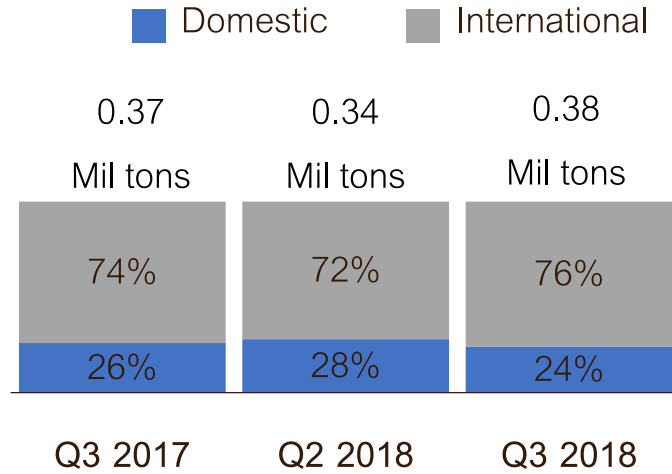
Unit: USD/barrel



# Highlights : Asphalt Volume & Asphalt Revenue Structure

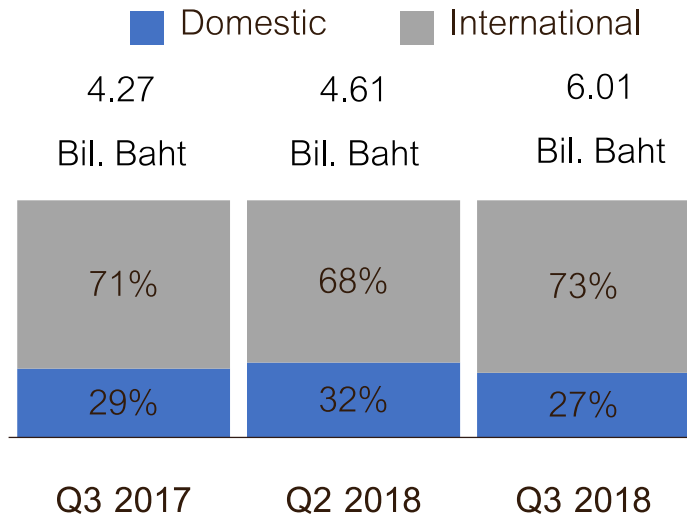
Asphalt sales volume by market

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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