

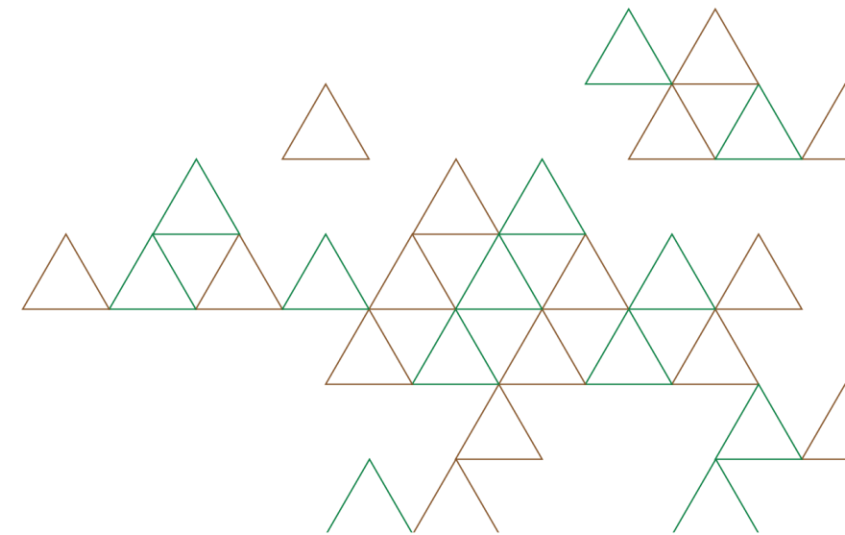


# Tipco Asphalt Public Company Limited (TASCO)

3-2019 Opportunity Day

(Q2 2019 Operational Results)

15<sup>th</sup> August 2019



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# Agenda

**1**

**Q2 2019 Financial Performance**

**2**

**Q2 2019 Highlights**

**3**

**H2 2019 Outlook**

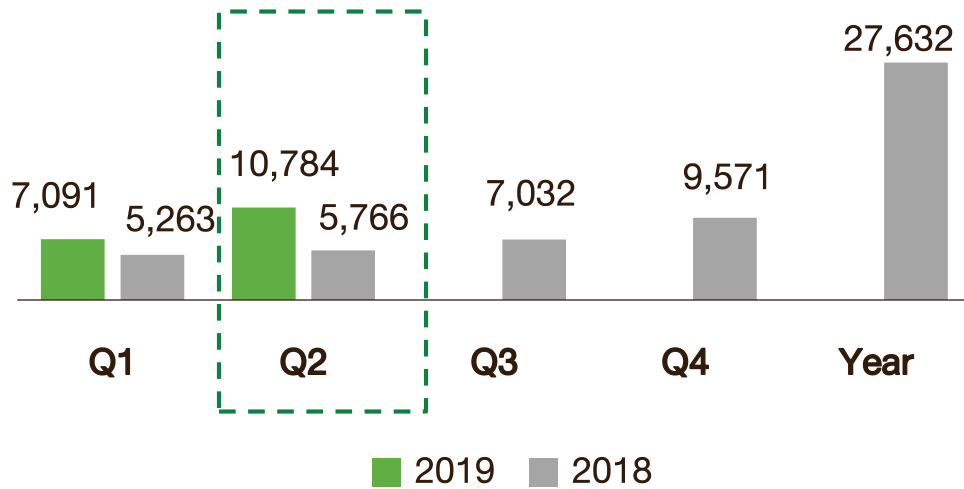
**4**

**Q&A**

# Sales & Services Revenue & Sales Volume

## Sales & Services Revenue

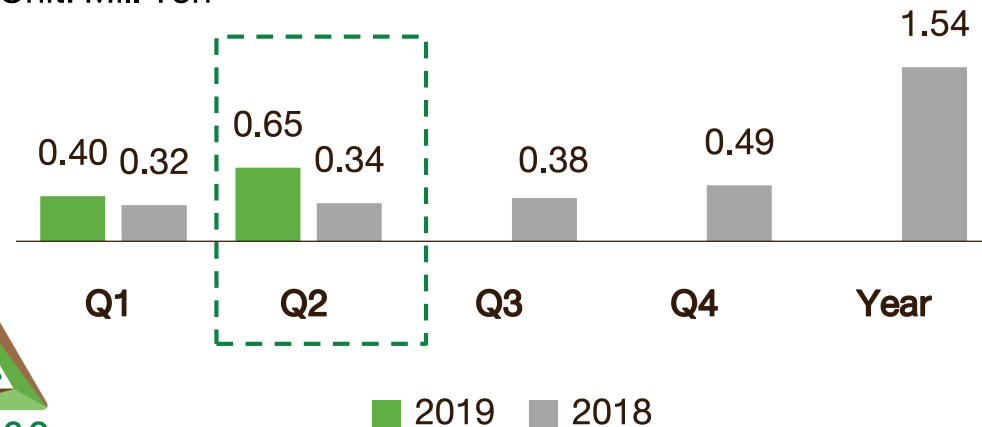
Unit: Mil. THB



- Sales and services stood at Baht 10,783.9 million, reflecting an increase of 87.02% from the same period of last year and 52% increased from Q1 2019 attributed to significant increased in sale volume

## Sales Volume

Unit: Mil. Ton

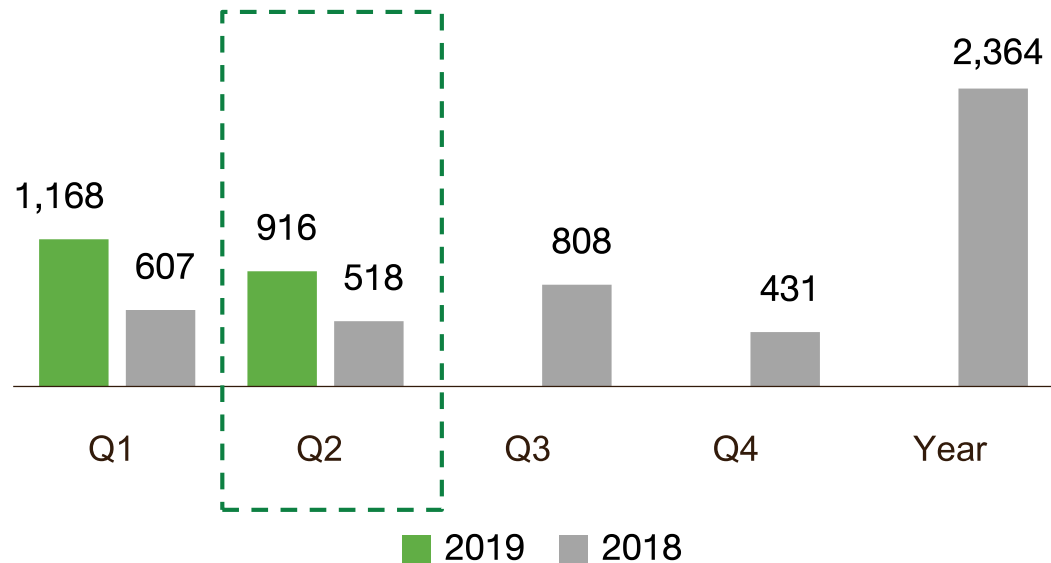


- 91% increase in sales volume from the same period of last year as a result of continuous and increased crude supply together with high production reliability at our refinery in Q2 2019

# Operating Gross Profit

## Operating Gross Profit

Unit: Mil. THB



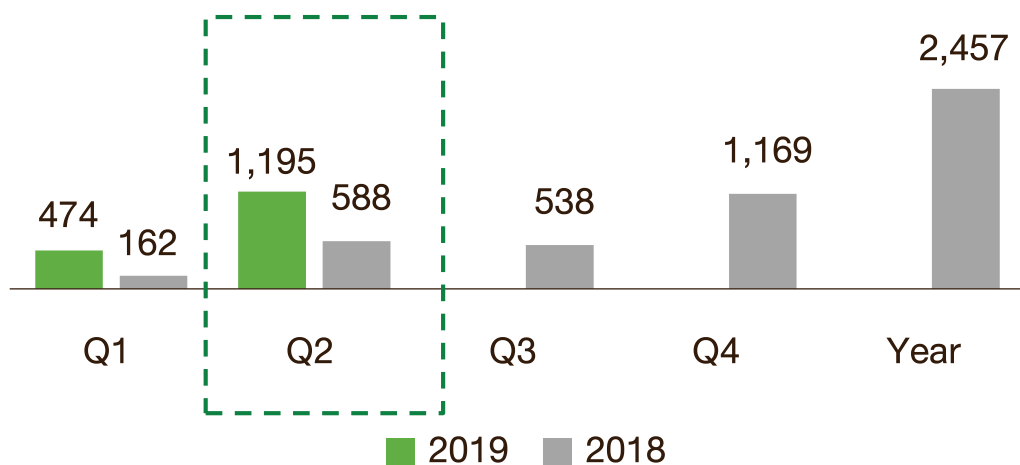
Gross profit margin (%)					
	Q1	Q2	Q3	Q4	FY
2019	16.5%	8.5%			
2018	11.5%	9.0%	11.5%	4.5%	8.6%

- Gross profit of Q2 2019 was satisfactory given that the market prices fluctuated within range bound. In addition, the Company has charged out to the Profit and Loss a hedging loss of Baht 35.6 million in this quarter which did not qualify for hedge accounting and also recorded a hedging gain of Baht 112.6 million as Other Comprehensive Income (OCI).
- Cost of sales and services in Q2 2019 stood at Baht 9,822.4 million or 91.08% (87.73% in corresponding quarter in 2018) of sales and services before the allowance for diminution in value of inventory and hedging
- The apparent reduction of gross margin was mainly due to higher gross margin in the corresponding quarter of 2018 therein the sales volume was low and in an uptrend market condition

# EBITDA & Net Profit

## EBITDA

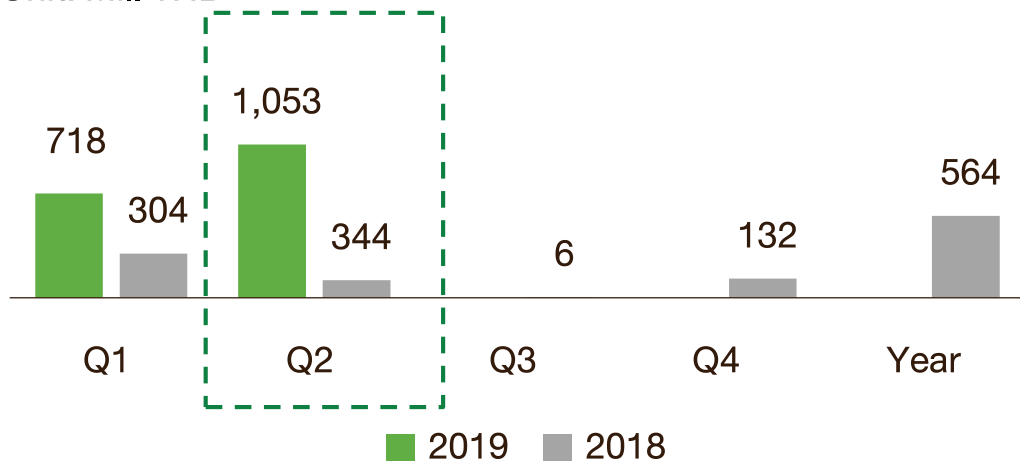
Unit: Mil. THB



- The Group's cashflow generated from operations excluding fire insurance claim stood at Baht 744.7 million increased by 57% over Q1 2019
- The Group's cashflow generated from operations including fire insurance claim stood at Baht 1,195 million increased by 103% over Q2 2018

## Net Profit After Tax

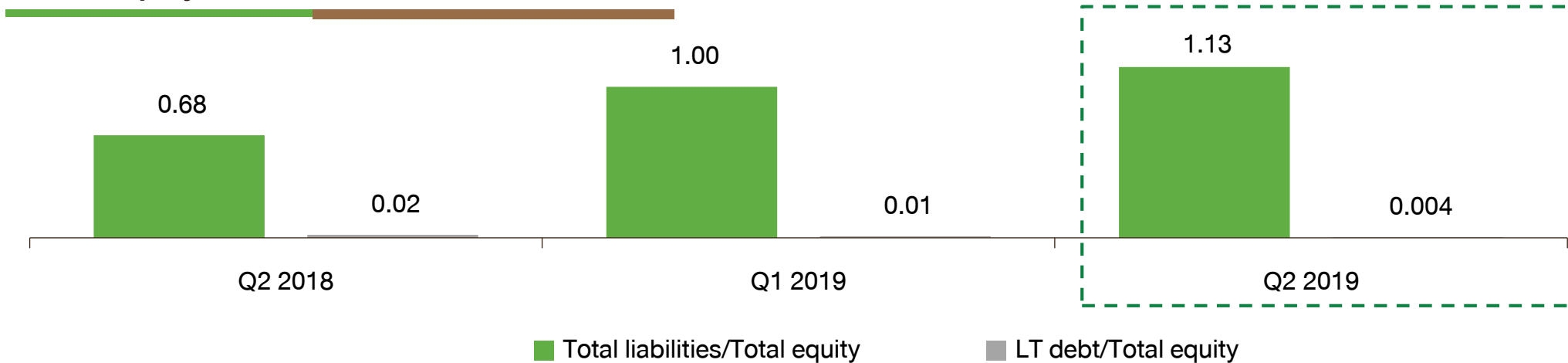
Unit: Mil. THB



- The Net Profit After Tax of Baht 1,052.9 million for the Q2 2019 represented 206% increased in corresponding quarter of 2018

# Debt to Equity Ratio

## Debt/Equity Ratio

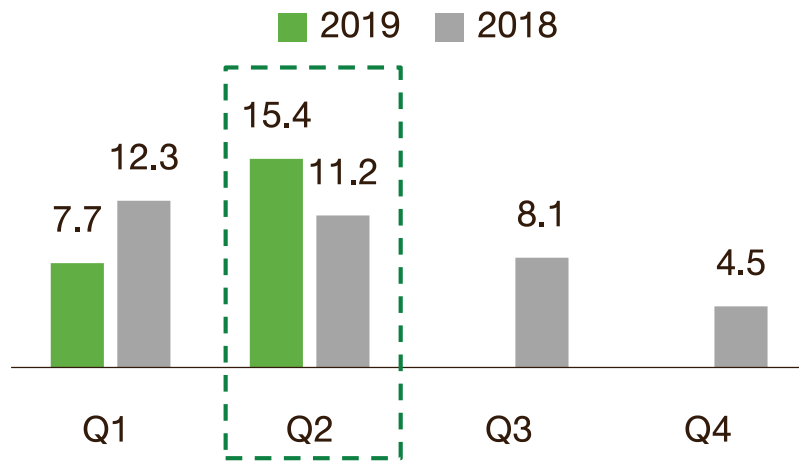


- The Group's consolidated debt to equity ratio (D/E ratio) reached 1.13 comparing to 0.68 in corresponding period of 2018 due to increase in working capital financing for higher crude inventory.

# Key Ratios and Historical Dividend

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

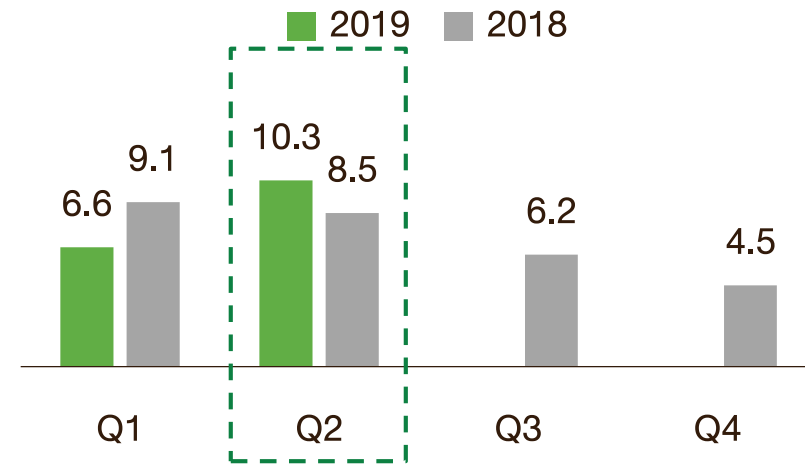
Unit: %



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

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

Unit: %

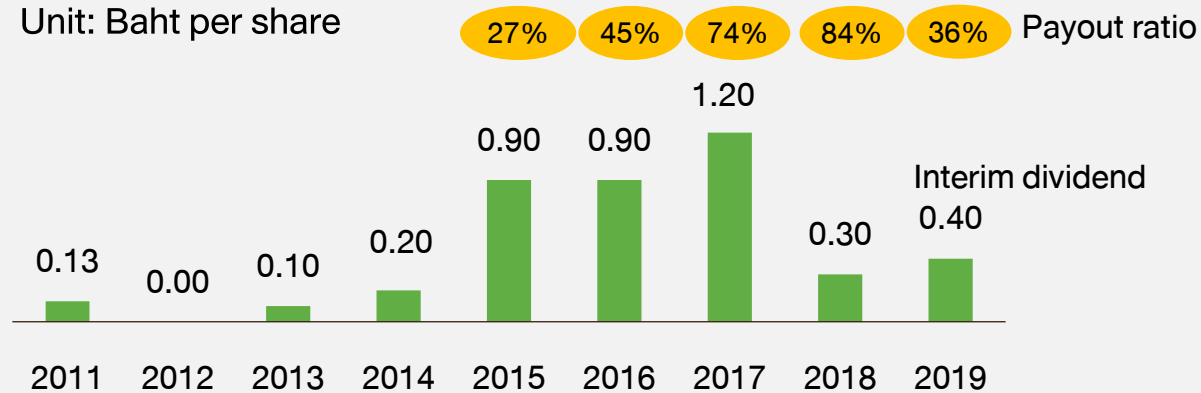


2/ Return is based on sum of last 12 months net profit

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.

The Company is pleased to announce an interim dividend of 0.40 Baht/share for the year 2019





## Expense relating to fire incident and insurance claim

Loss/(Gain) from the fire incident (Unit: Mil. THB)	2018	Q1 2019	Q2 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)
<b>Total</b>	<b>358.1</b>	<b>143</b>	<b>(422.5)</b>

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

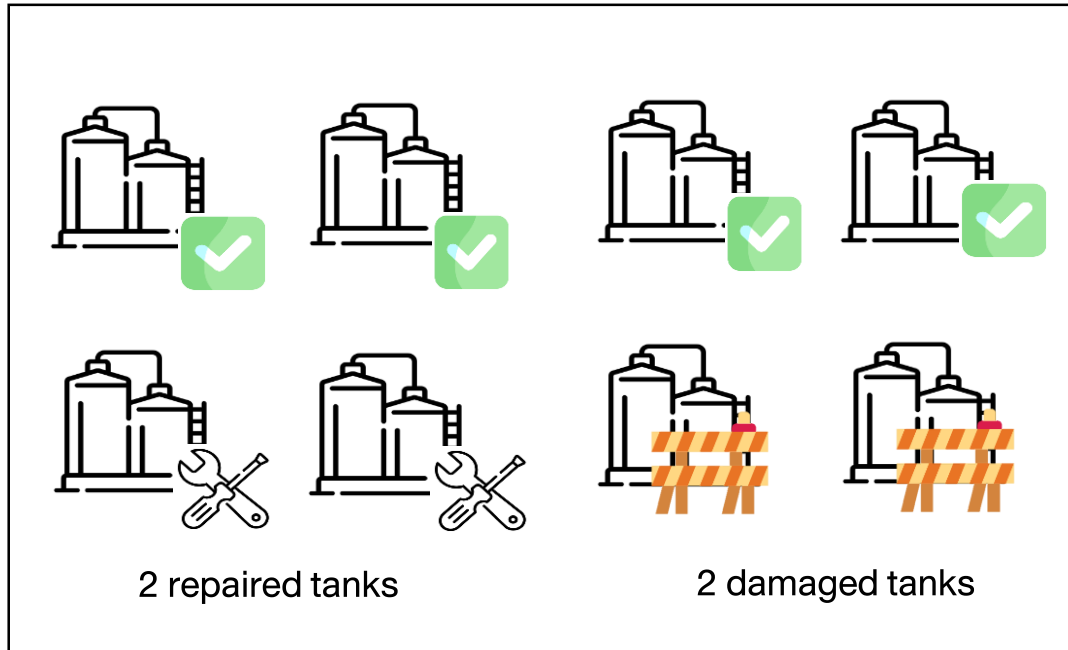
2/ carrying value of damaged assets-written off to Profit & Lost statement

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

- During the six-month period ended 30 June 2019, The refinery incurred additional operating expense of Baht 170 million in operating expense for crude storage, logistic handling and other related expenses, attributable to the fire incident. Some of these expenses will be recurring until the damaged crude tanks are back in service
- In May 2019, the refinery received a partial payment of insurance claim in connection with damaged assets and related expenses to MYR 60 million or approximately Baht 450 million

# Status of crude storage of KBC refinery

## Refinery crude storage



- 2 repaired tanks are scheduled to be done in Q4 2019
- 2 damaged tanks are scheduled to be done in Q1 2020

## Floating Storage Unit



- Rental period last during mid-February 2019 to February 2020

# Q2 2019 - Highlights

## Crude



- 4 crude cargos received during the Q2 2019
- Total crude receiving of 8 cargos in first half of 2019 well exceeded target

## Refinery



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

# Q2 2019 - Highlights

## Domestic Market



- Q2 2019 sale volume was benefiting from delay of budget disbursement in Q4 2018
- Entering into low working season

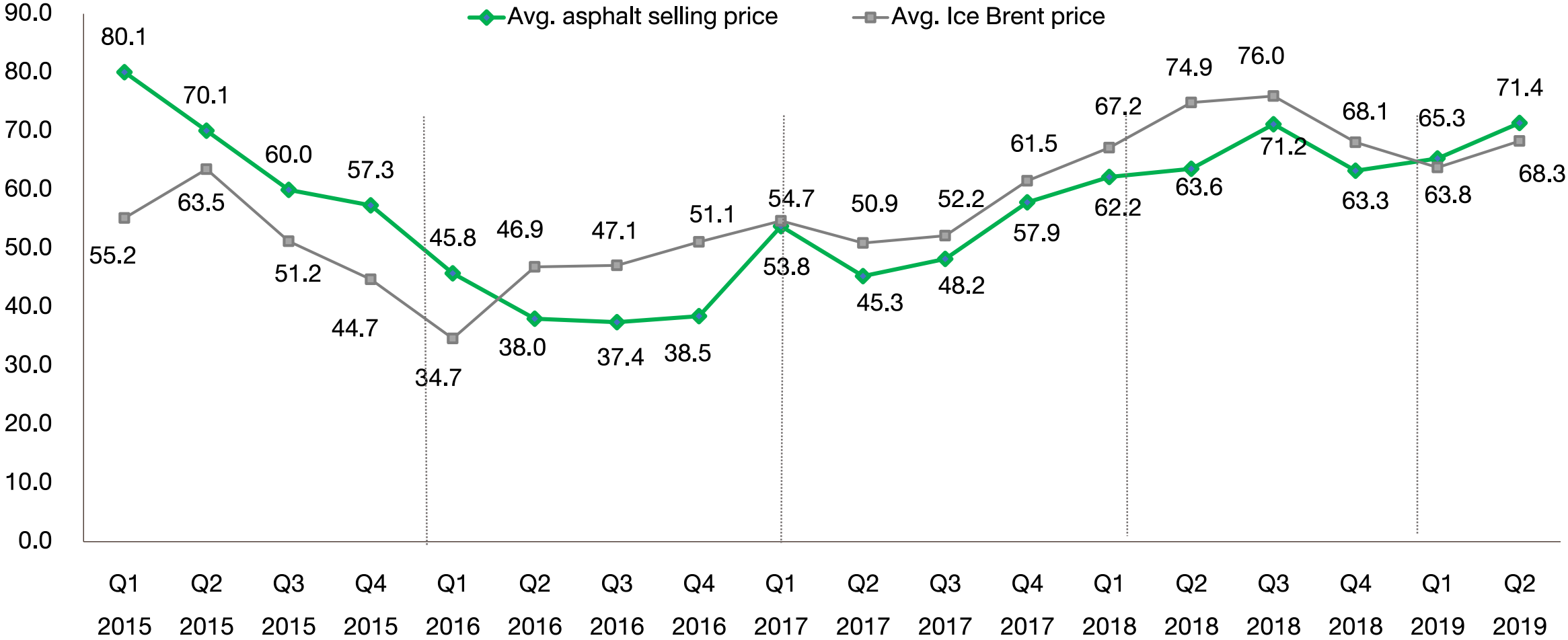
## International Market



- Strong demand in China, Malaysia and Vietnam markets, especially in China market

# Asphalt Selling Price vs. Ice Brent Price

Unit: USD/barrel

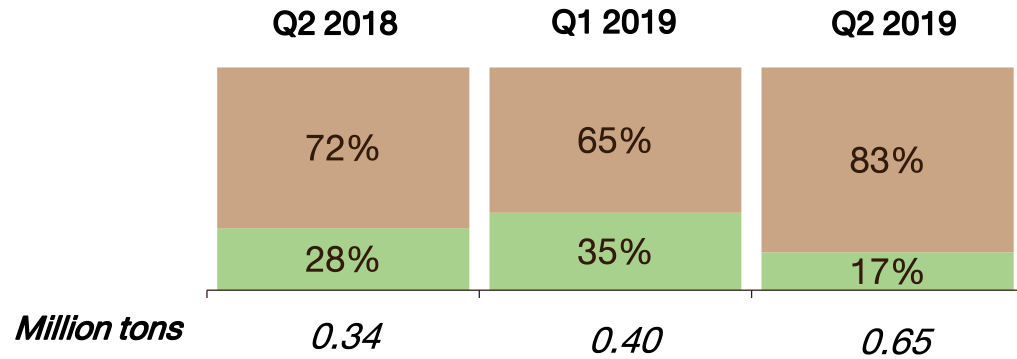


# Highlights : Asphalt Volume & Asphalt Revenue Structure

## Asphalt sales volume by market

Unit: %

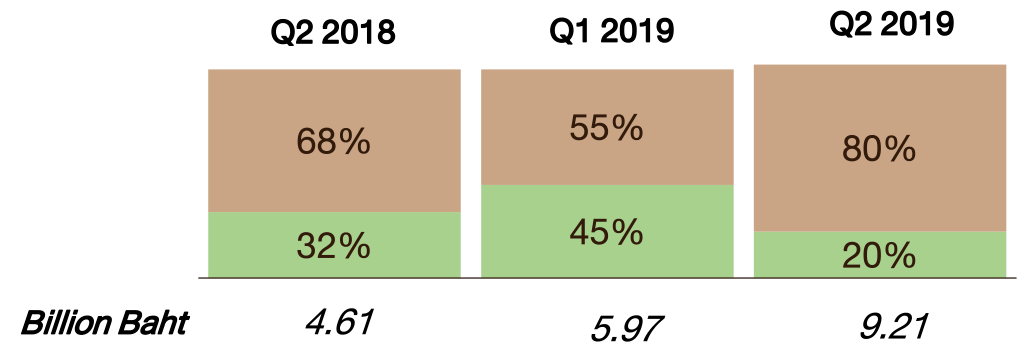
Domestic International



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

Unit: %

Domestic International



## Main International Markets



China



Vietnam



Indonesia



Malaysia



Australia



Billion Baht

# H2 2019 Outlook – Crude & Refinery

## Crude



- Existing inventory in-hand is adequate to maintain refinery production until Q1 2020
- Target receiving of 15 crude cargos in 2019

## 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

# H2 2019 Outlook – Domestic & International market

## Domestic Market



- 2020 fiscal government budget delay from Q4 2019 to Q1 2020
- Expected stimulus budget from new government to support GDP growth

## International Market



- Benefit from consistence crude supply
- Peak season in Indonesia and Vietnam





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