

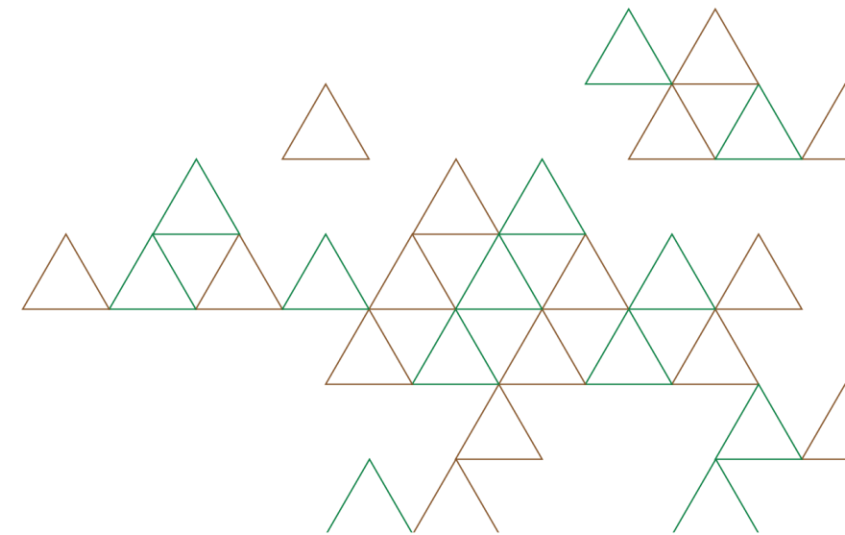


Tipco Asphalt Public Company Limited (TASCO)

3-2020 Opportunity Day

(Q2 2020 Operational Results)

14th August 2020



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Agenda

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Q2 2020 Financial Performance

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Q2 2020 Highlights

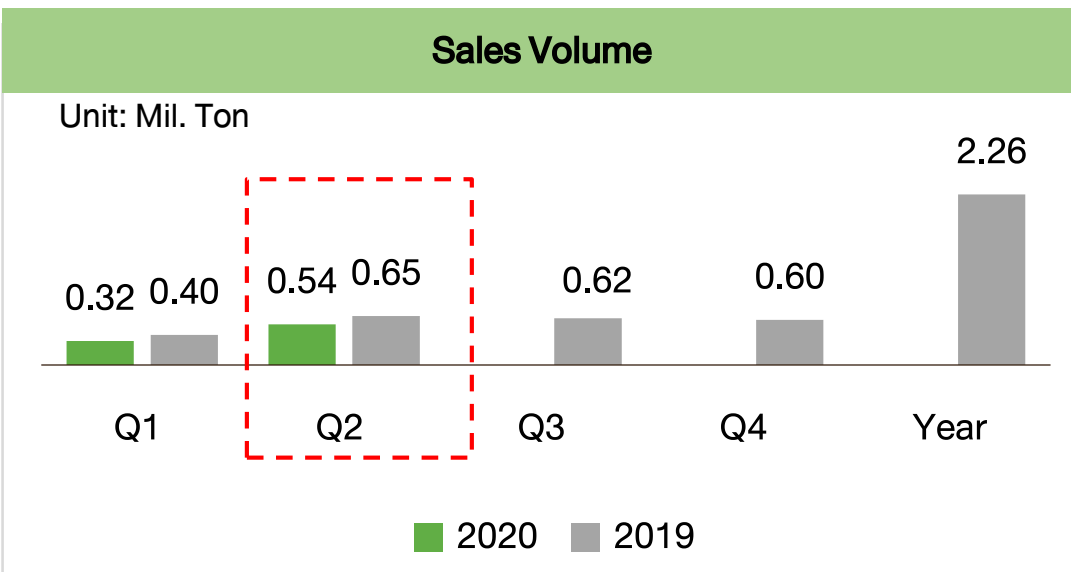
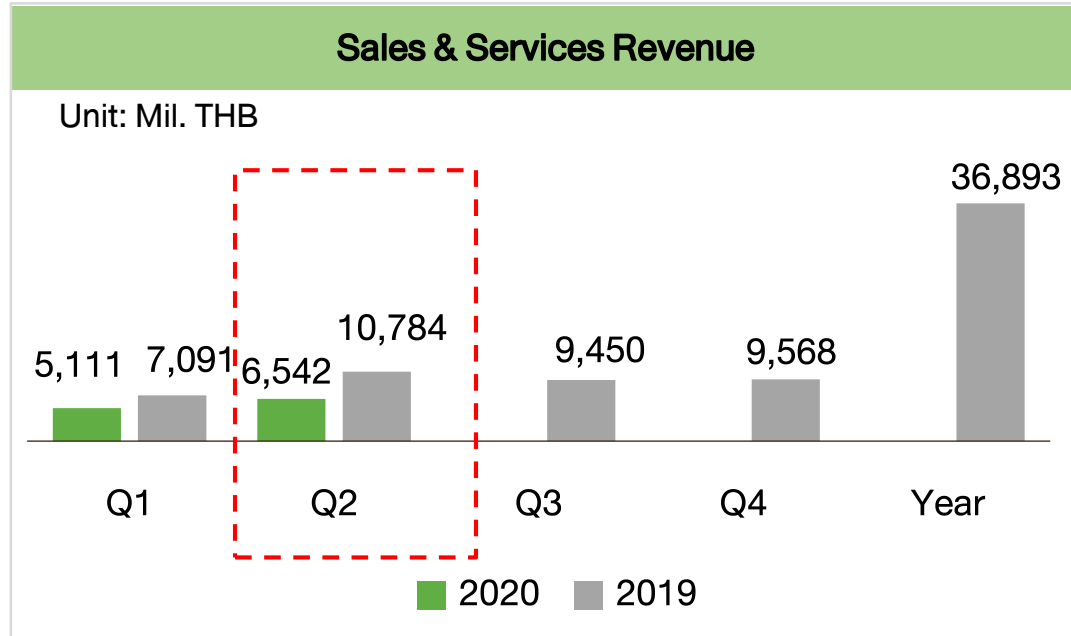
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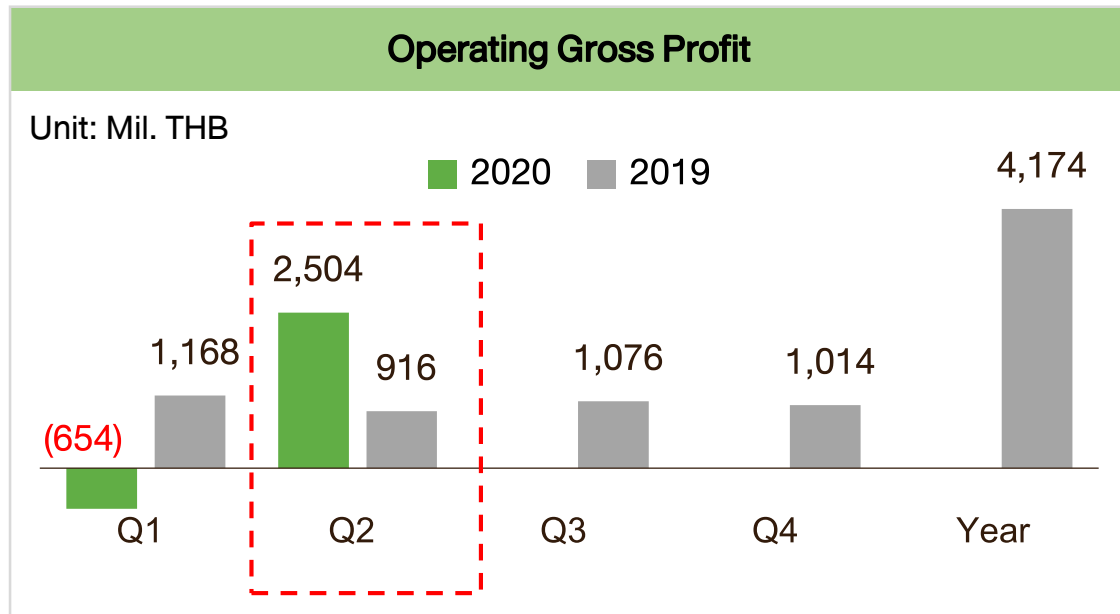
Q&A

Sales & Services Revenue & Sales Volume



- Sales and services stood at Baht 6,542 million, reflecting a decrease of 39.3% from Q2 2019
- This was mainly attributable to the sharp dropped in all products prices in line with overall oil market price plunged since the Q1 which contributed to significant 22% drop in revenue
- The decrease of sale volume in several international markets attribute to the impact of COVID-19 pandemic lock down. Nevertheless, we have noted that Brent market price has recovered to a sustainable level around 40 USD/bbl recently. The market experienced shortage of asphalt supply which support the speedy recovery of asphalt price
- The domestic asphalt sale volume has increased significantly due to the disbursement acceleration of the fiscal year 2020 government budget

Operating Gross Profit



Gross Profit Margin					
	Q1	Q2	Q3	Q4	FY
Gross Profit margin (net hedging and NRV)					
2020	(12.8%)^{2/}	38.3%^{3/}			
2019	16.5%^{1/}	8.5%	11.4%	10.6%	11.3%

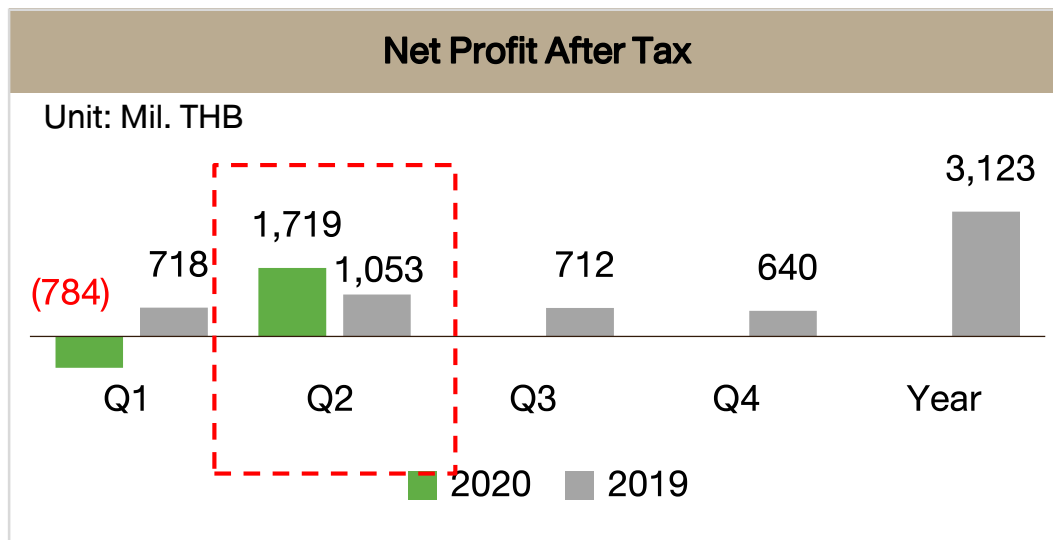
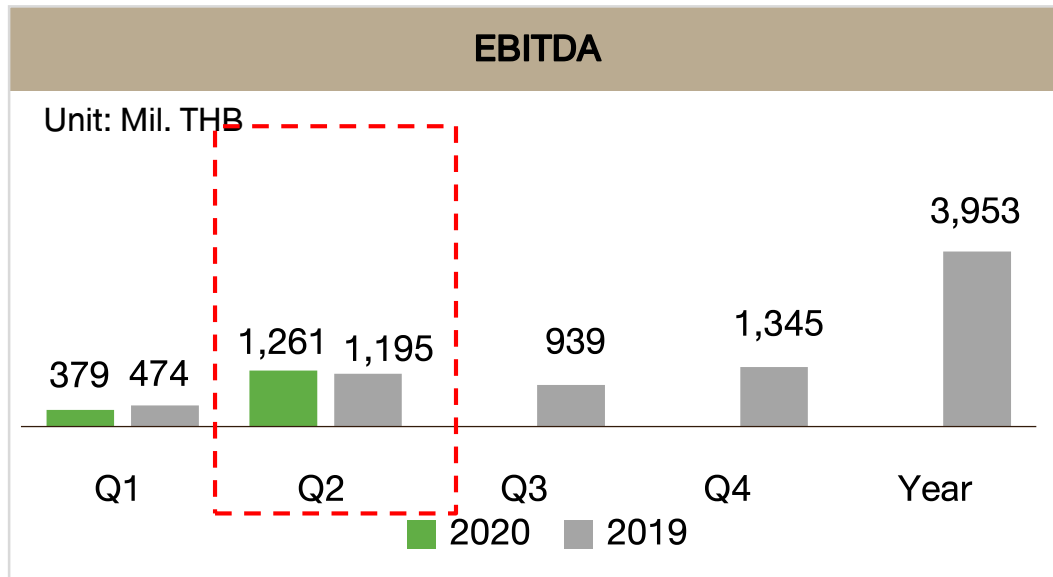
1/: Reversal of impairment of stocks net realizable value at Baht 794 million

2/: Additional provision for impairment of stocks net realizable value at Baht 2.16 billion and Hedging gain of Baht 1.31 billion

3/: Reversal of stocks net realizable value at Baht 2.103 billion and Hedging loss of Baht 0.164 billion

- The company had a gain from the reversal of net realizable value (NRV) provision of Baht 2,103 million but recorded hedging loss of Baht 164 million in Q2 2020
- Even though the Brent price has recovered from bottom to above USD40/bbl within Q2, no major reversal of the hedging gain of Baht 1.31 billion in Q1 because substantial portion of the gain had been realized.
- The Gross Profit before NRV and Hedging of approximately 9% was in line with last year attributable to the recovery in market price of crude oil, asphalt and petroleum products

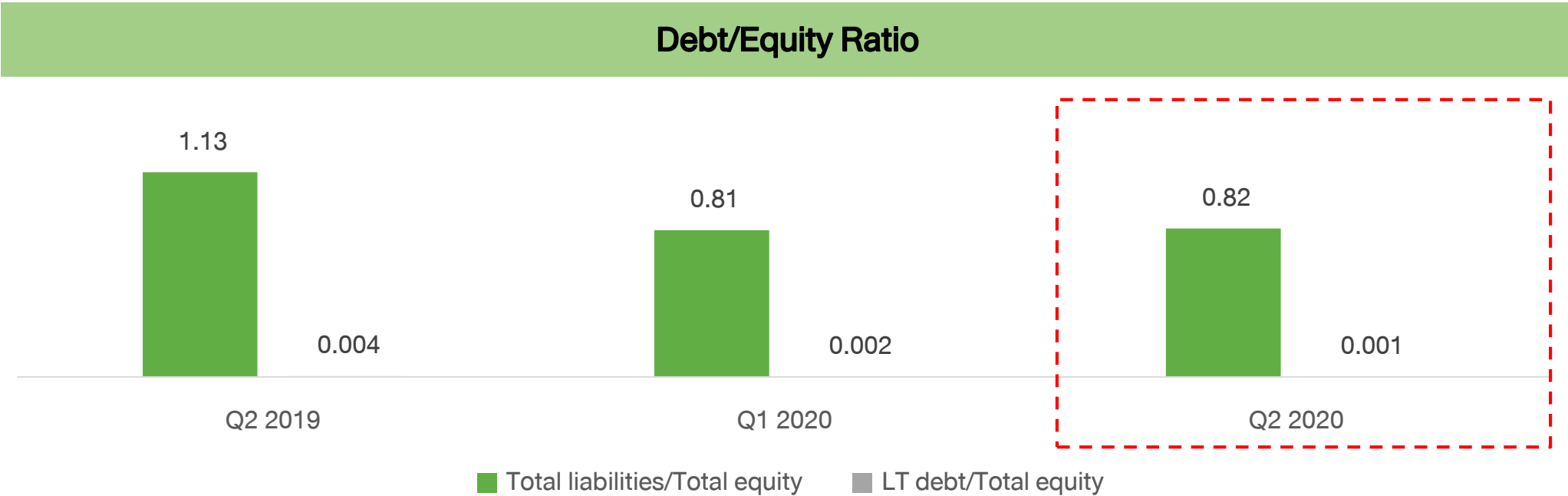
EBITDA & Net Profit



- The EBITDA increased by Baht 996 million from the receipt of hedging gain reported in Q1.
- As a result, the Group's cashflow generated maintained at Baht 1,261 million compared to Baht 1,195 million in Q2 2019 despite the impact of Covid-19 pandemic lock downs.

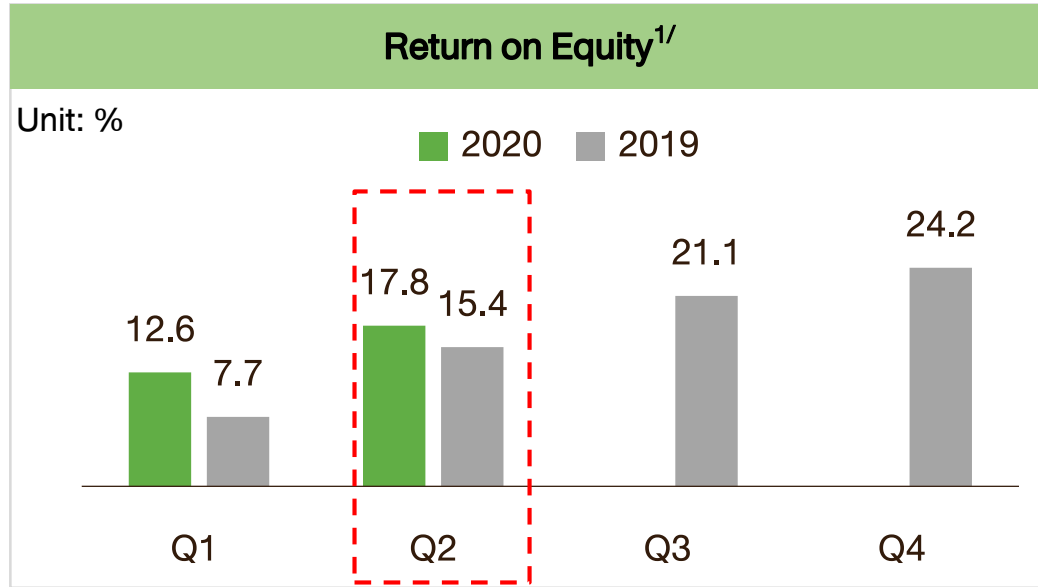
- The Net Profit After Tax of Baht 1,719 million for the Q2 2020 represented earnings per share of Baht 1.09 (par value of Baht 1 each) as compared to earnings per share of Baht 0.67 per share in Q2 2019

Debt to Equity Ratio

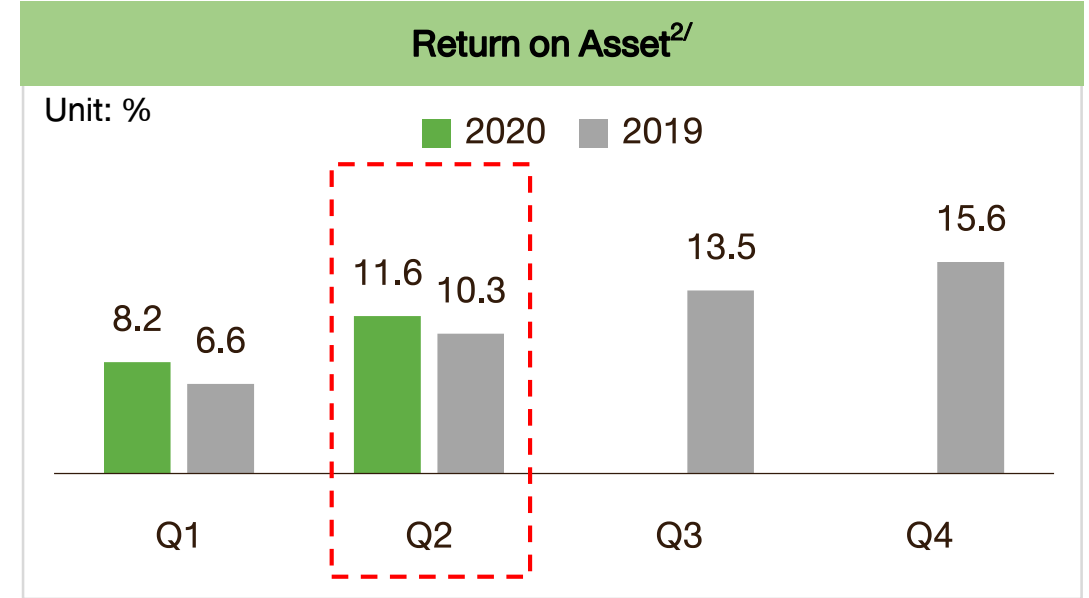


- The Group's consolidated debt to equity ratio (D/E ratio) was 0.82 comparing to 1.13 in Q2 2019 due to the reduction of working capital financing for crude inventory

Key Ratios and Historical Dividend



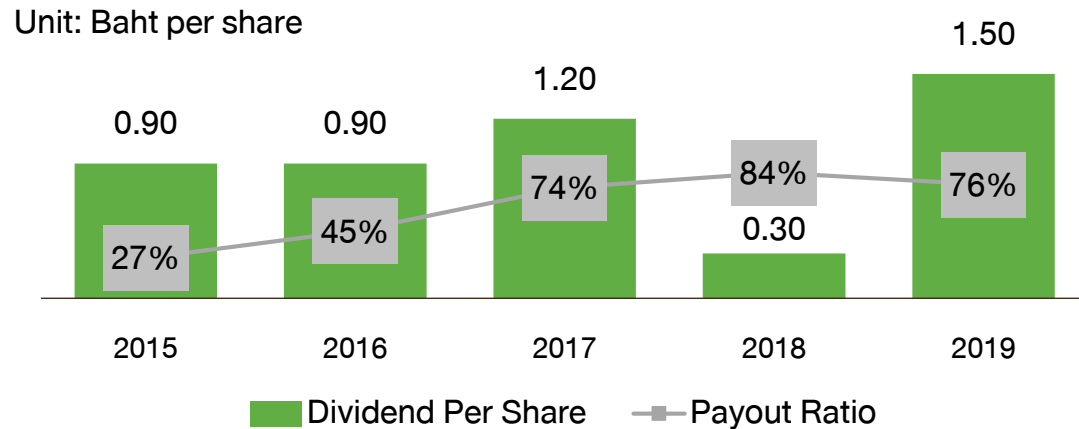
1/ Return is based on sum of last 12 months net profit



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

Return is based on profit before interest and tax

Historical Dividend



Dividend Policy

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



1 out of 30 companies in SET High Dividend

Expense relating to fire incident and insurance claim

- The refinery incurred additional operating expense of Baht 23 million.
- These expenses were presented as expenses from a fire incident on 5th July 2018 until the date when damaged crude oil tanks were recommissioned for operation in May 2020

Loss/(Gain) from the fire incident (Unit: Mil. THB)	2018	2019	Q1 2020	Q2 2020	Total
Damaged Assets written off	289.9				289.9
Related expenses to the incident ^{1/}	68.2	387.1	41.6	22.7	519.6
Claims Received		(593.0)			(593.0)
Total	358.1	(205.9)	41.6	22.7	216.5

Q2 2020 – Highlights

Refinery



- KBC has resumed processing at above 95% utilization rate to support the shortage supply of international market

Domestic Market



- Achieved record sales volume in Q2 2020 from the delay disbursement of 2020 government budget
- Asphalt selling price speedy recovery from Q1 2020 due to the tighten of domestic supply

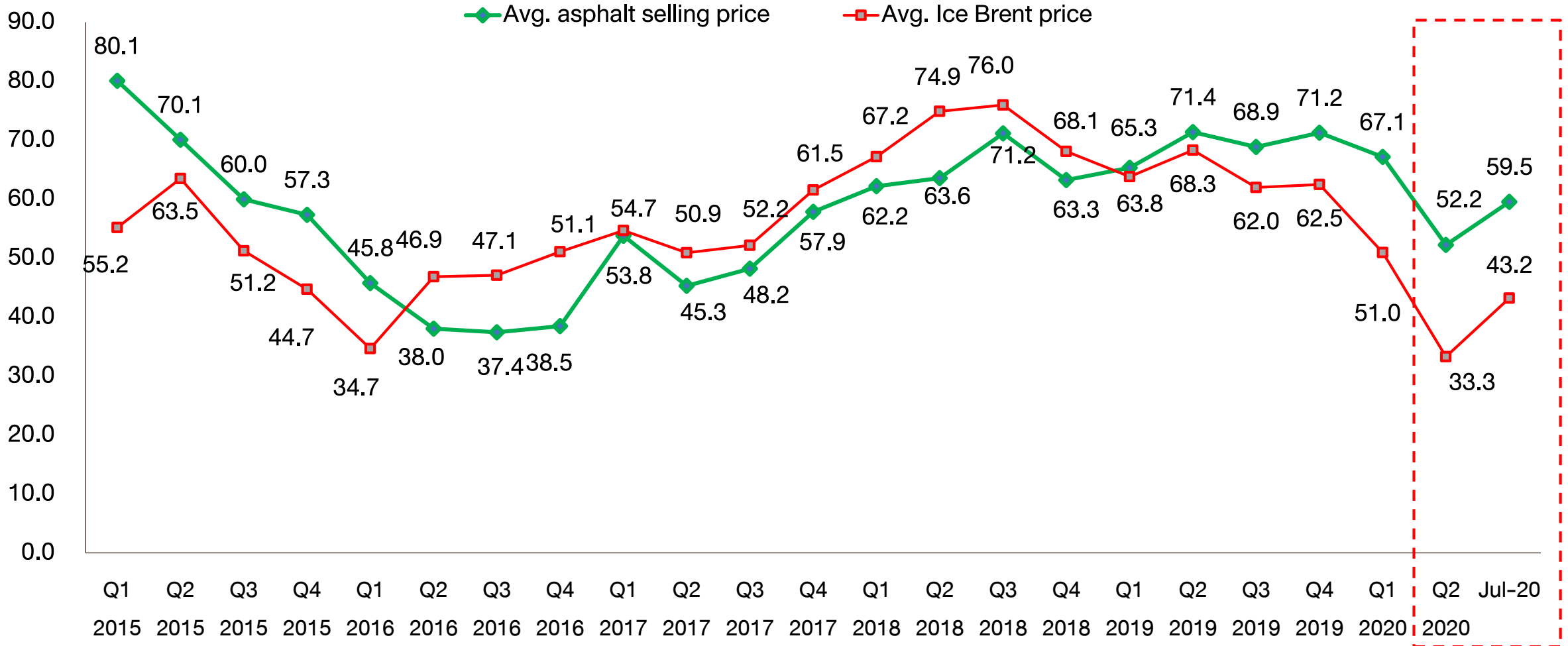
International Market



- International sales volume increased from Q1 2020 especially in China and Vietnam
- However, significant deterioration in Gross margin of international markets was due to high inventory cost and sharp dropped in selling price but was compensated by the reversal of NRV provision

Asphalt Selling Price vs. Ice Brent Price

Unit: USD/barrel



Outlook

Refinery



- Refinery will continue to run at full capacity to meet market demand

Domestic Market



- Peak season will continue into Q3 2020

International Market



- Expecting more international markets to recover from the impact of Covid-19 pandemic

THANK YOU

Any queries, please contact:



TIPCO
ASPHALT

YOUR INNOVATIVE
SOLUTIONS PARTNER

At email: investors@tipcoasphalt.com

Tel: 662-273-6642

www.tipcoasphalt.com