

Tipco Asphalt Public Company Limited (TASCO)

4/2017 Opportunity Day

(Q3/2017 Operational Results)

17th November 2017



บริษัท ทีปโก้แอสฟัลท์ จำกัด (มหาชน)
Tipco Asphalt Public Company Limited

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Q4 2017 Outlook

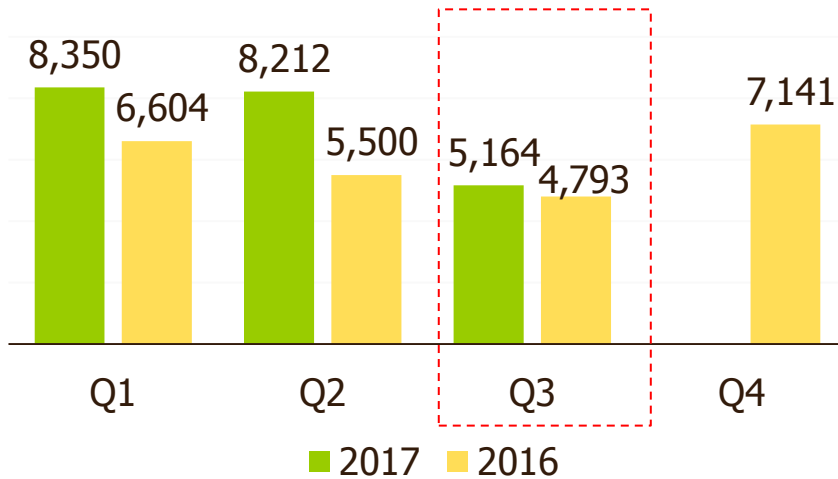
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Q&A

Q3 2017 Financial Performance : Sales & Services Revenue vs. Sales Volume

Sales & Services Revenue

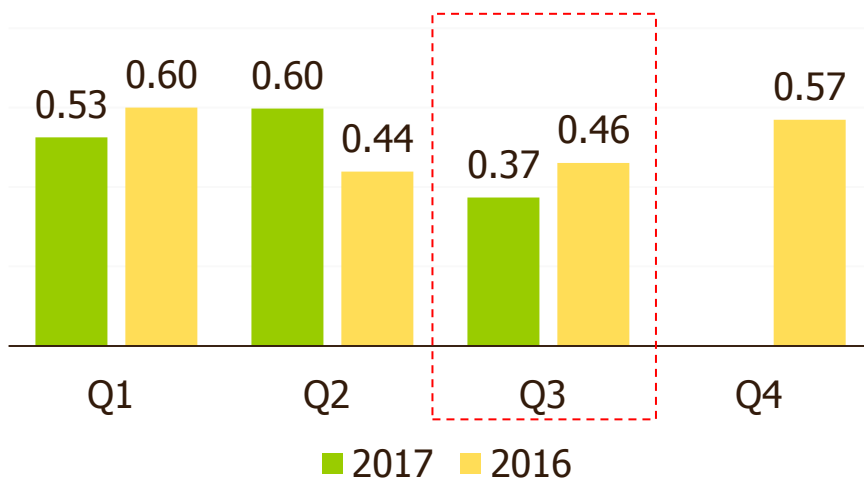
Unit: Mil. THB



- Sales and services stood at Baht 5,164 million, reflecting an increase of 7.74% from the same period of last year, was mainly attributable to the increase of selling price

Sales Volume

Unit: Mil. Ton

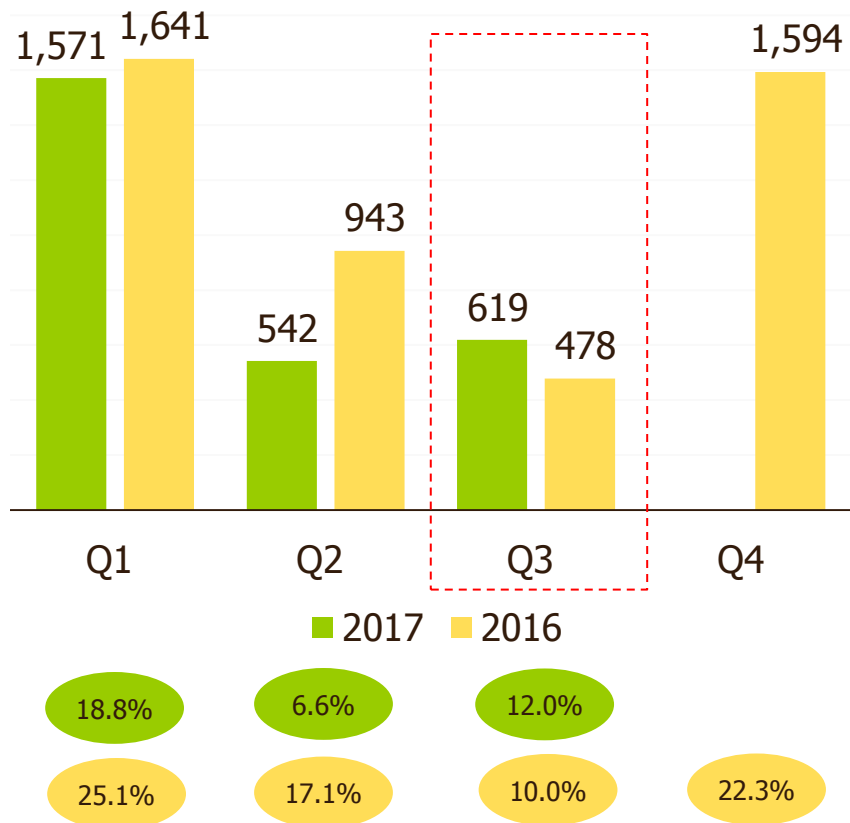


- Domestic sales volume in Q3 2017 remained constant whereas international sales volume dropped
- Sales volume in Vietnam was affected by unexpected typhoons
- Low availability of product for sell due to delay in crude supply

Q3 2017 Financial Performance : Operating Gross Profit

Operating Gross Profit

Unit: Mil. THB



- Cost of sales and services in the 3rd quarter 2017 stood at Baht 4,543 million or 87.97% (91.30% in corresponding quarter in 2016) of sales and services before the allowance for diminution in value of inventory and hedging,
- The improvement of gross profit margin was mainly due to the increase of asphalt products sales together with low inventory crude cost brought forward from the 2nd quarter. Brent price increased from USD47.92 per bbl at the end of last quarter to USD57.54 per bbl.
- The Company managed to improve the margin in the tough and challenging market conditions.



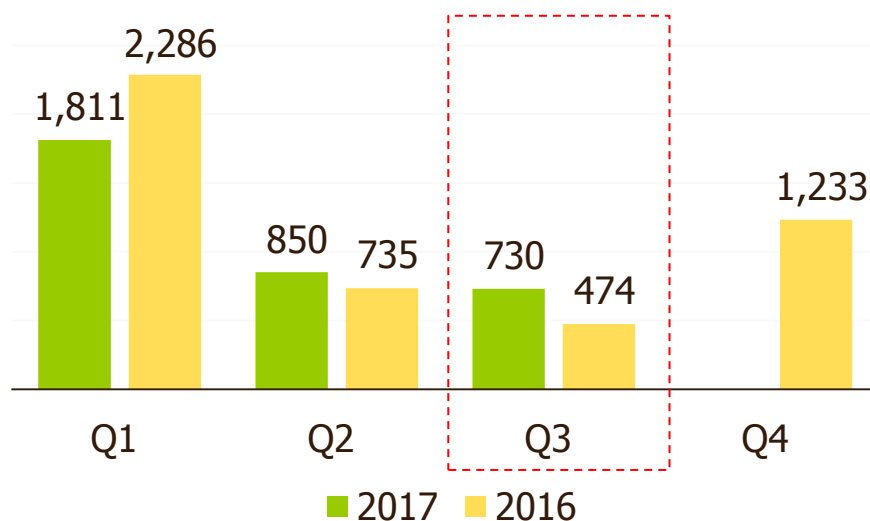
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Q3 2017 Financial Performance : EBITDA & Net Profit

EBITDA

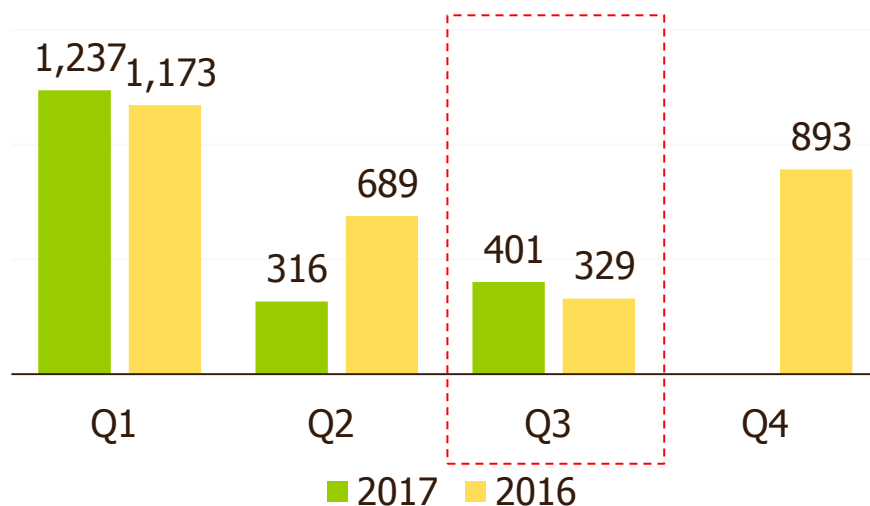
Unit: Mil. THB



- The Group's cashflow generated from operations stood at Baht 730 million compared to Baht 474 million in corresponding period in 2016. This cashflow reflects robust cash generation ability from the Company and subsidiaries operations

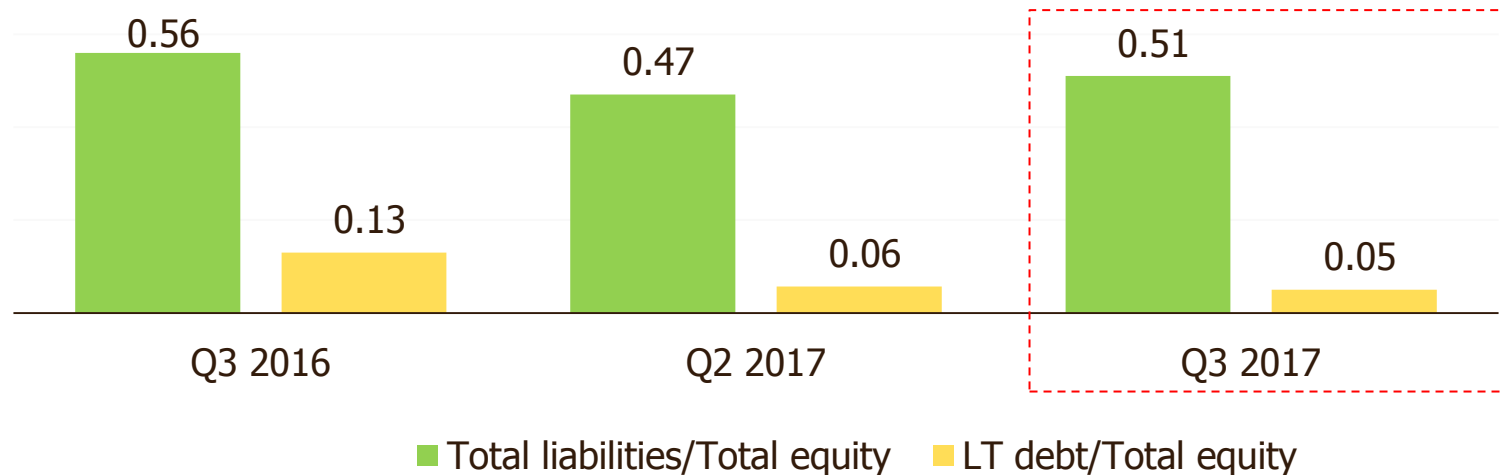
Net Profit After Tax

Unit: Mil. THB



- Net Profit After Tax of Baht 401 million for the 3rd quarter 2017 represented earning per share of Baht 0.26 (par value of Baht 1 each) compared to Baht 0.20 per share in corresponding quarter of 2016 attributable to the equity shareholders of the Company

Debt/Equity Ratio

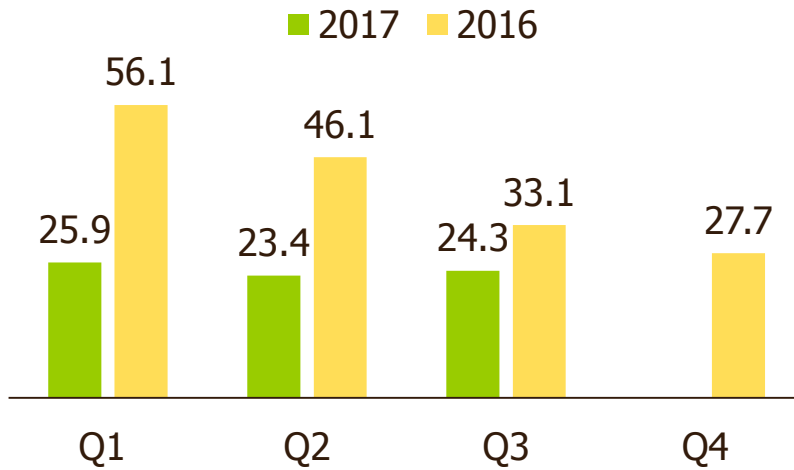


- The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.51 comparing to 0.56 in corresponding period in 2016 due to decrease in long-term loan.

Q3 2017 Financial Performance : Key Ratios and Historical Dividend

Return on Equity^{1/}

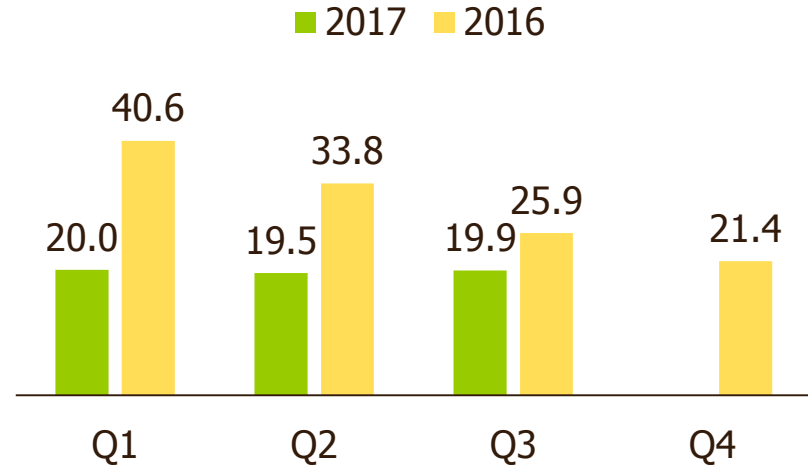
Unit: %



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

Return on Asset^{2/}

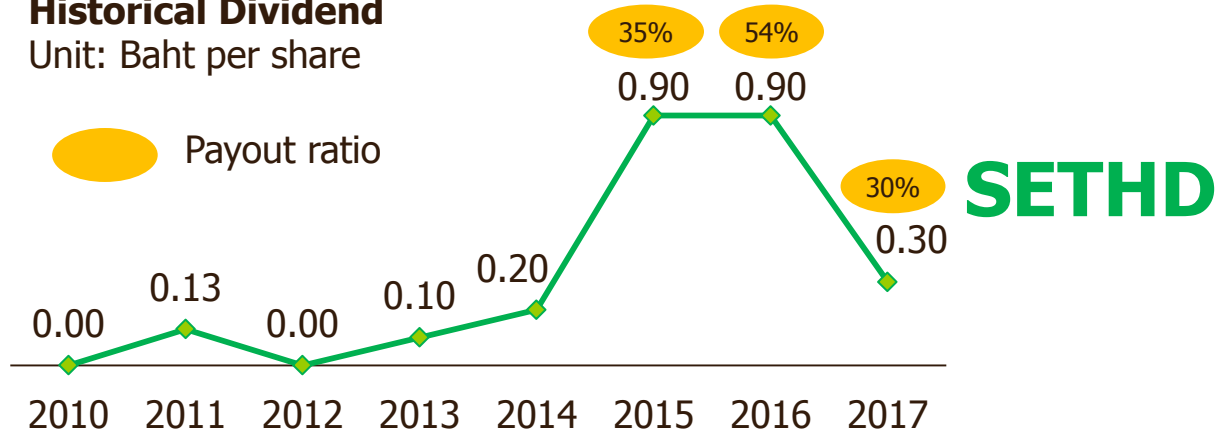
Unit: %



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



National long term	:	A- (tha), since 2015
National short term	:	F2 (tha)

Key rating drivers

- Strong credit Metrics
- Strong market position
- Geographical diversification
- Narrowing profit margin
- Exposure to volatile oil

Crude



- Brent price increased from USD47.92 per bbl at the end of last quarter to USD57.54 per bbl. There was a delay of crude delivery in September into October.

Refinery



- High reliability at 99.8%
- Production stoppage of due to delay of loading of crude vessel

Domestic Market



- Sales volume was close to Q2 2017 but higher than corresponding period by 6.32%
- Domestic selling price stabilized as compared to Q2 2017

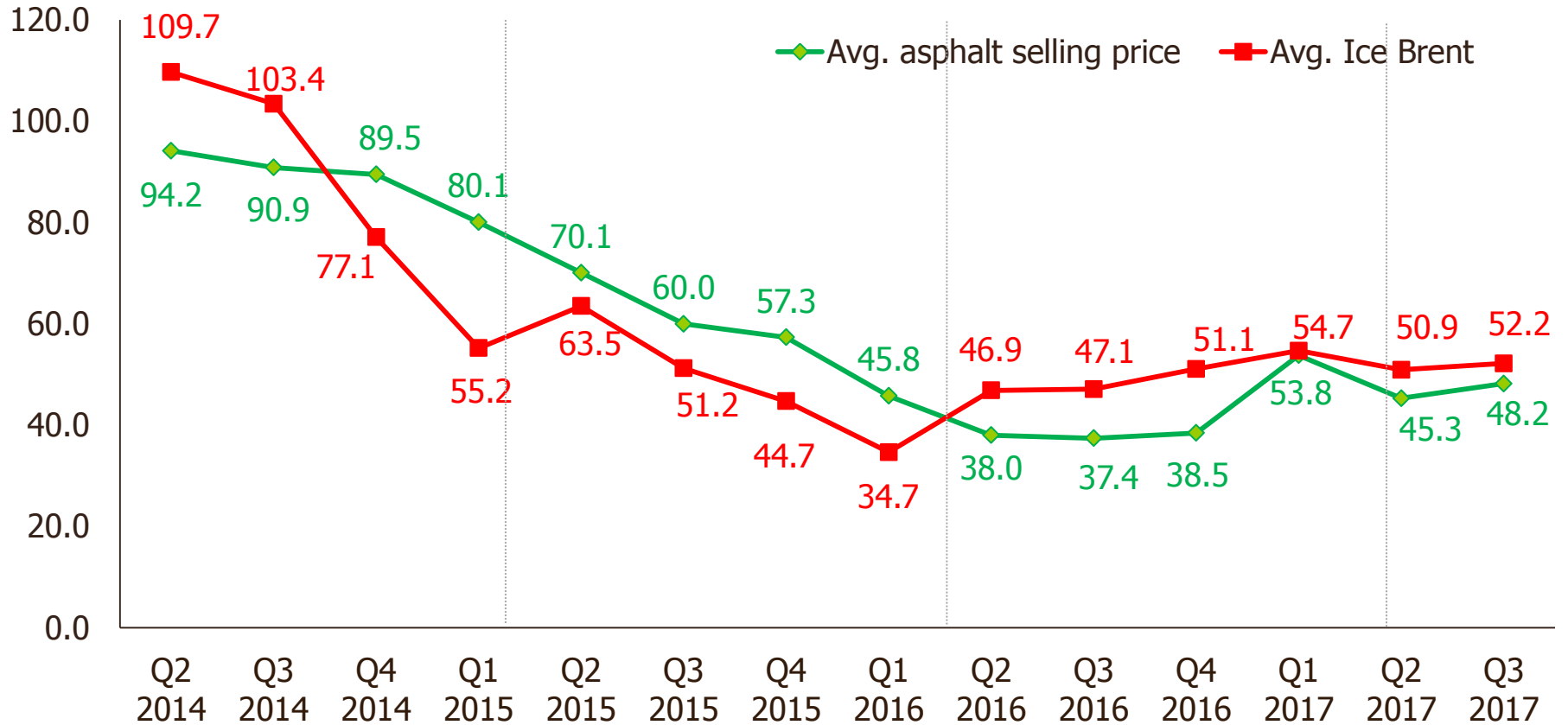
International Market



- Asphalt product volume dropped by 44% as compared to Q3 2016
- Slowing down the international sale intentionally due to delay in crude delivery; especially when average international selling price was in the upward trend as compared to Q3 2016

Q3 2017 Highlights: Asphalt Selling Price vs Ice Brent

Unit:
USD/barrel

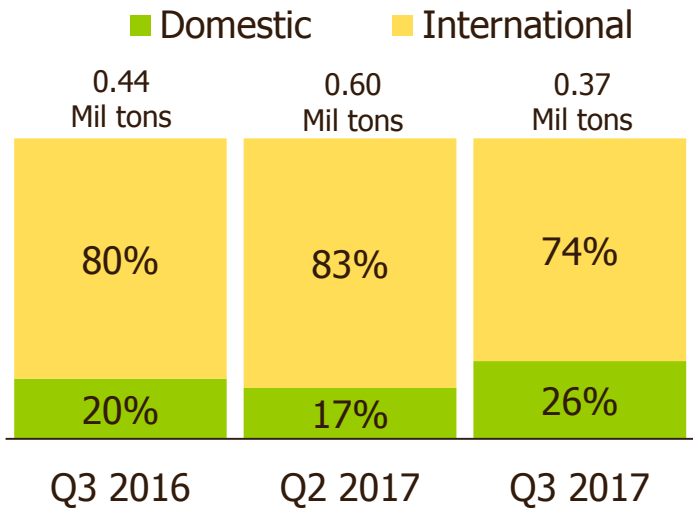


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Q3 2017 Highlights : Asphalt Volume & Asphalt Revenue Structure

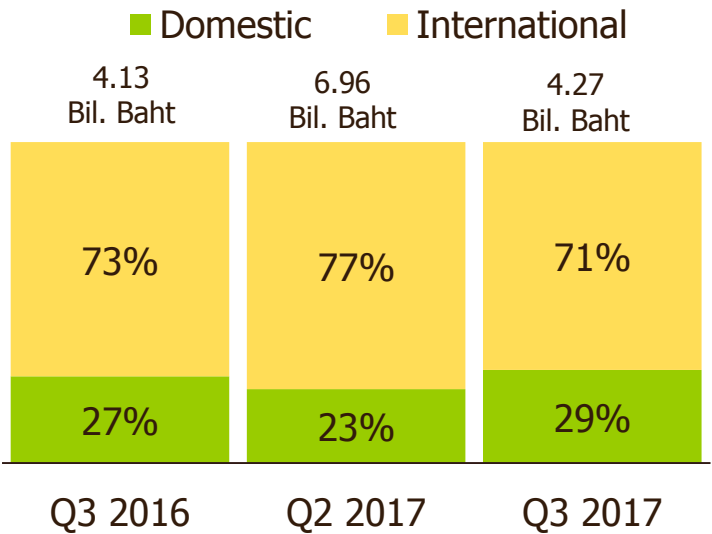
Asphalt sales volume concentration by market

Unit: %



Asphalt Revenue (Exc. Non asphalt & service income)

Unit: %



Main International Markets



China



Indonesia



Vietnam



Malaysia



Australia

Crude



- The political in Venezuela is uncertain, but has no impact yet

Refinery



- The Group continued to enjoy high efficiency in fuel consumption and production cost
- Maintain high reliability at 99.8%

Marine



- Our biggest vessel, TASCOTARA, with 12,000 DWT. was commissioned

Domestic Market



- Domestic volume will benefit from disbursement of 2018 government budget

International Market



- Average international selling price is in uptrend

Q&A

