

Tipco Asphalt Public Company Limited (TASCO)

2/2018 Opportunity Day

(Q1/2018 Operational Results)

21st May 2018



บริษัท ทีปโก้แอสฟัลท์ จำกัด (มหาชน)
Tipco Asphalt Public Company Limited

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Outlook

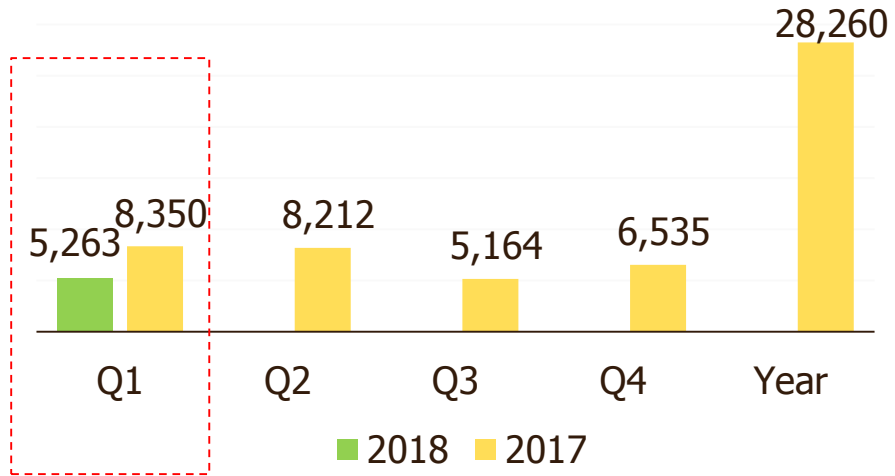
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Q&A

Q1 2018 Financial Performance : Sales & Services Revenue vs. Sales Volume

Sales & Services Revenue

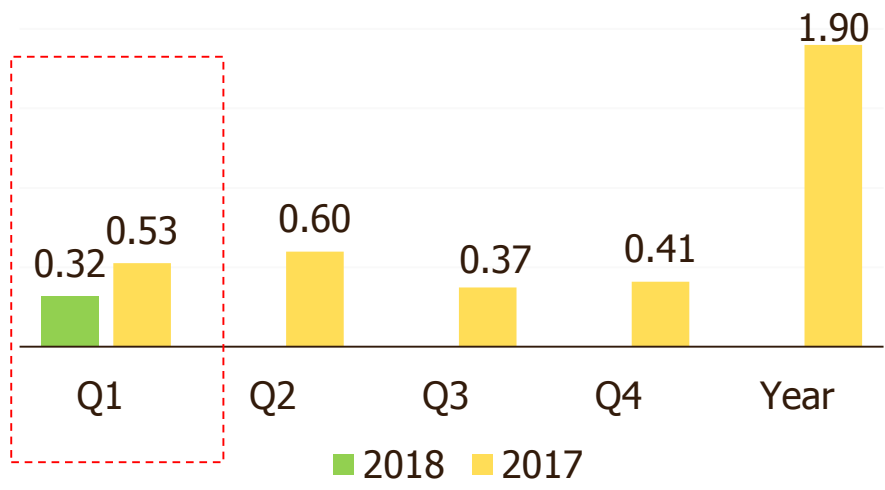
Unit: Mil. THB



- Sales and services revenue stood at Baht 5,263 million, reflecting a decrease of 37% from the same period of last year due to decrease in sale volume in the International market.

Sales Volume

Unit: Mil. Ton

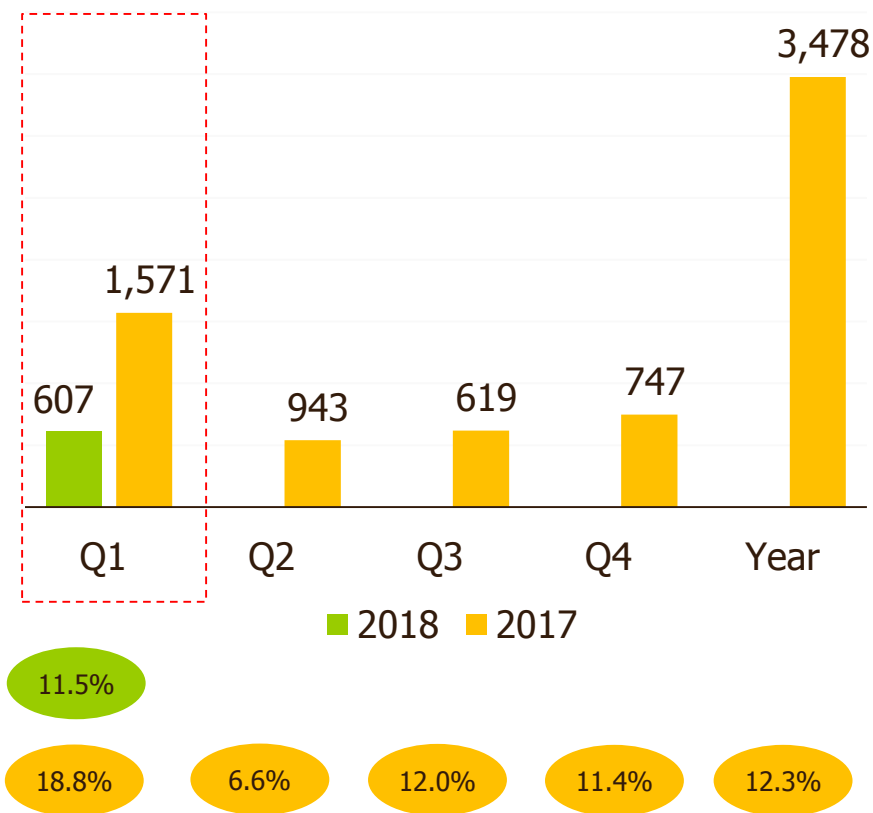


- The lower production of asphalt at our refinery has contributed to a drop in sales volume in international markets.
- This lower refinery production was attributable to the disruption of crude supply in Q1 2018 and also a planned refinery shut down for mandatory maintenance as required by the regulatory.

Q1 2018 Financial Performance : Operating Gross Profit

Operating Gross Profit

Unit: Mil. THB



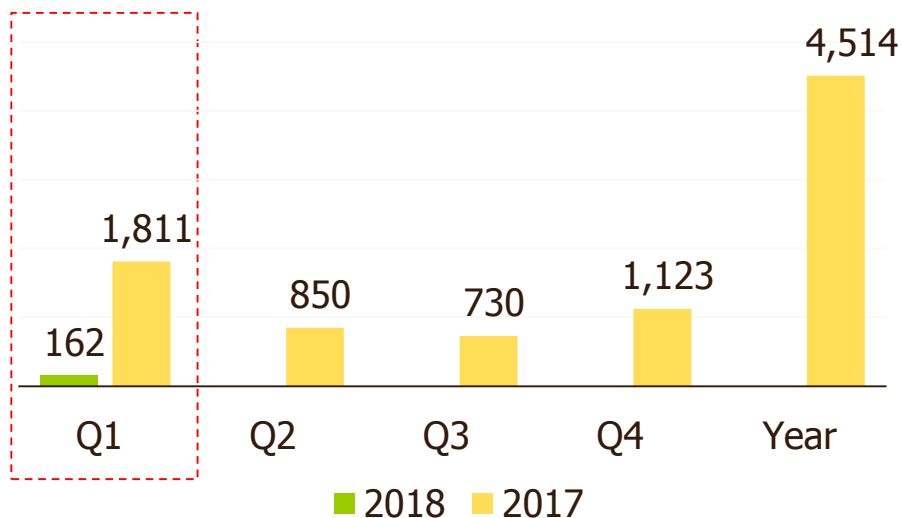
- This cost increase was mainly due to the high inventory cost where we saw average Brent price of USD 67/bbl during 1st quarter 2018 as compared to USD 55/bbl during 1st quarter 2017.
- In addition, the company had a gain from the reversal of net realizable value (NRV) provision of Baht 18.5 million on inventory but at the same time incurred hedging cost of Baht 29.5 million mainly due to “mark to market” unrealized loss.



Q1 2018 Financial Performance : EBITDA & Net Profit

EBITDA

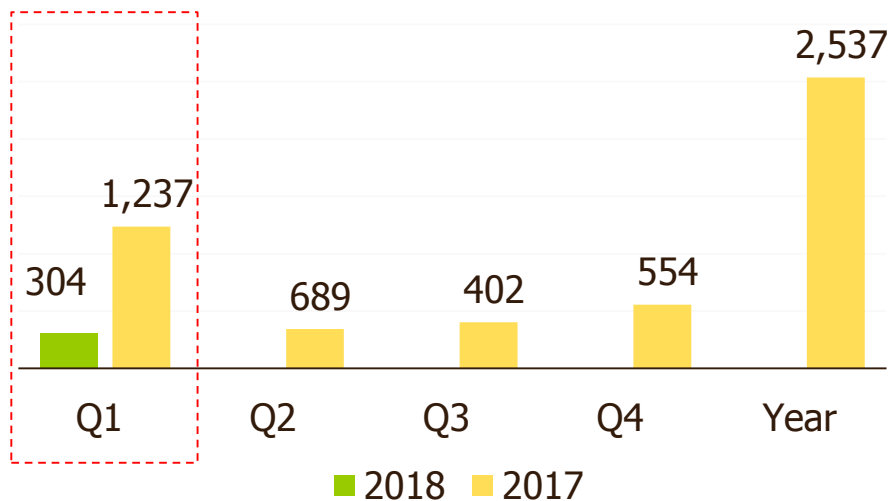
Unit: Mil. THB



- The Group's cash flow generated from operations stood at Baht 162 million lower than the profit of Baht 304 million was due to adjustment of non-cashflow items.

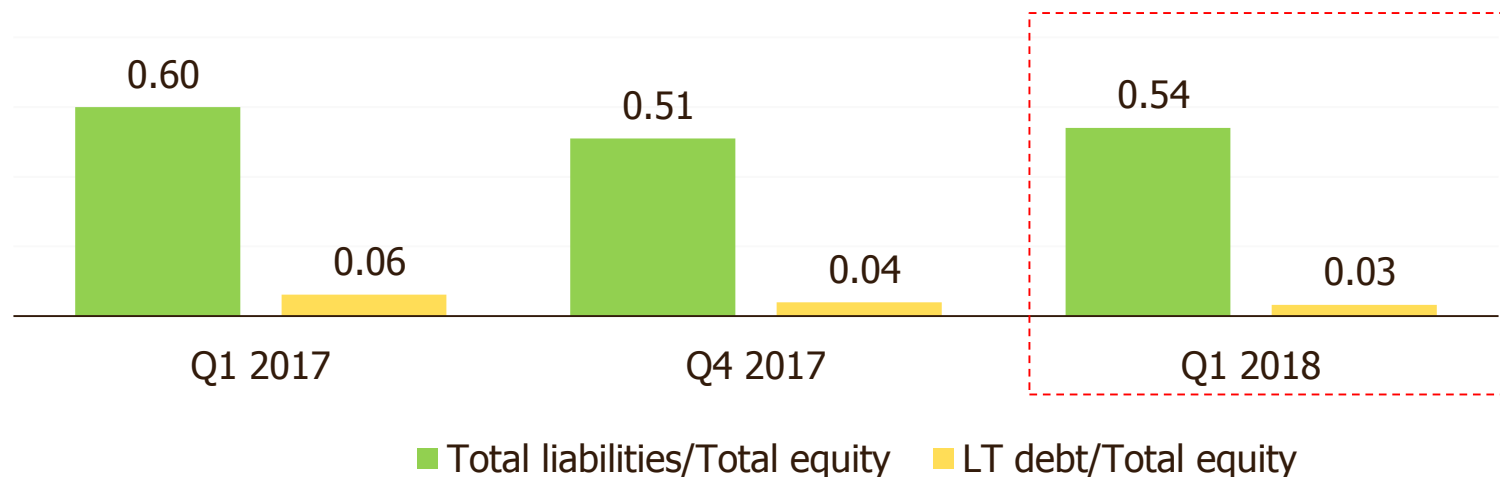
Net Profit After Tax

Unit: Mil. THB



- The Net Profit After Tax of Baht 304 million for the 1st quarter 2018 represented earning per share of Baht 0.19 (par value of Baht 1 each) as compared to Baht 0.80 per share in corresponding quarter of 2017

Debt/Equity Ratio

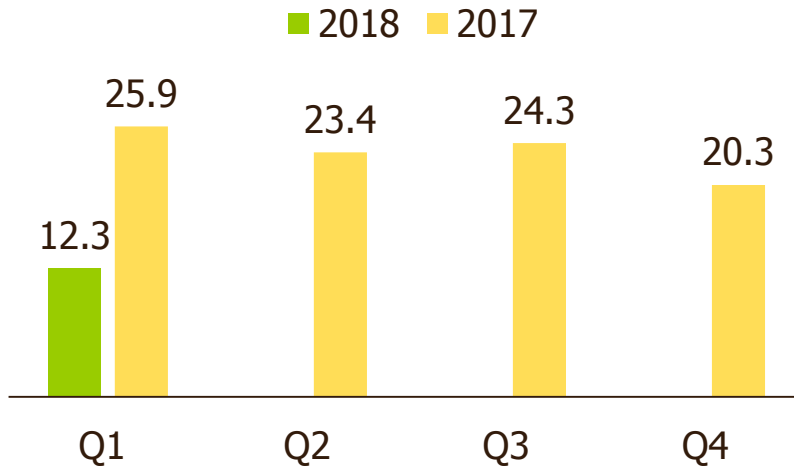


- The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.54 comparing to 0.60 in corresponding period a year ago

Q1 2018 Financial Performance : Key Ratios and Historical Dividend

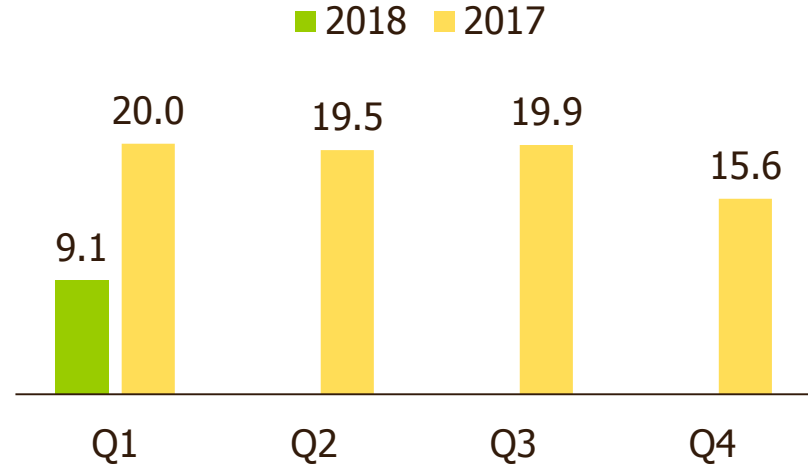
Return on Equity^{1/}

Unit: %



Return on Asset^{2/}

Unit: %

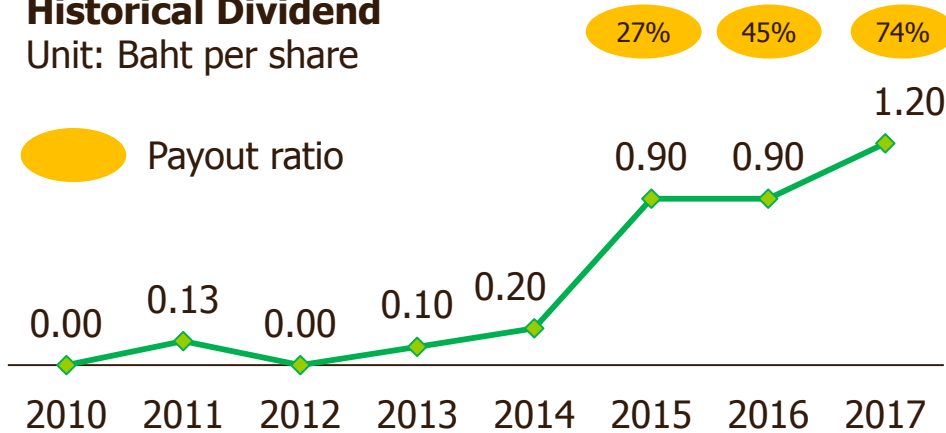


1/ Return is based on sum of last 12 months net profit

2/ Return is based on sum of last 12 months net profit
Return is based on profit before interest and tax

Historical Dividend

Unit: Baht per share



- TASCO has still been qualified in SET High dividend ("SET HD") for round Jan 2018 – June 2018

Crude & refinery



- There was 8 weeks refinery shutdown in Q1 2018 which comprise 3 weeks in Jan 2018 due to crude delivery problem and whole month March 2018 due to the mandatory refinery maintenance
- The mandatory refinery maintenance was required by regulatory in every 36 months cycle.

Hedging

- Baht 29.5 million hedging loss was charged to P&L which did not qualify for Hedge accounting.
- Early adoption of Hedge Accounting effective from month March and Baht 37.6 million unrealised hedging loss has been recognized under other comprehensive income

Domestic Market



- Sales volume still remained at high level due to strong government budget
- However, sales volume of premium product decreased as compared to Q4 2017

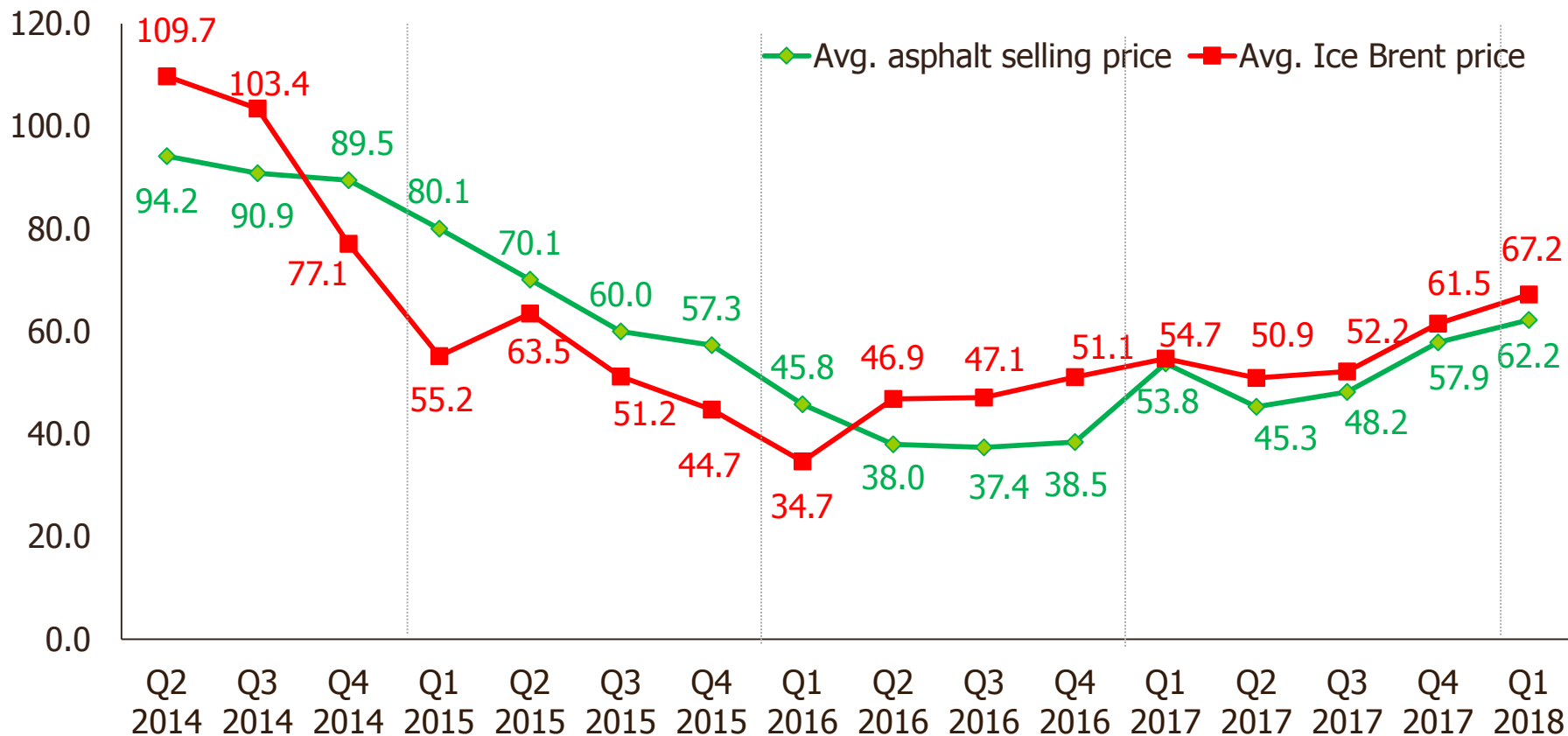
International Market



- Plant shutdown due to maintenance during 2 March - 3 April 2018 impact sales volume dropped
- International asphalt selling price did not increase at the same pace as crude price

Asphalt Selling Price vs. Ice Brent Price

Unit:
USD/barrel

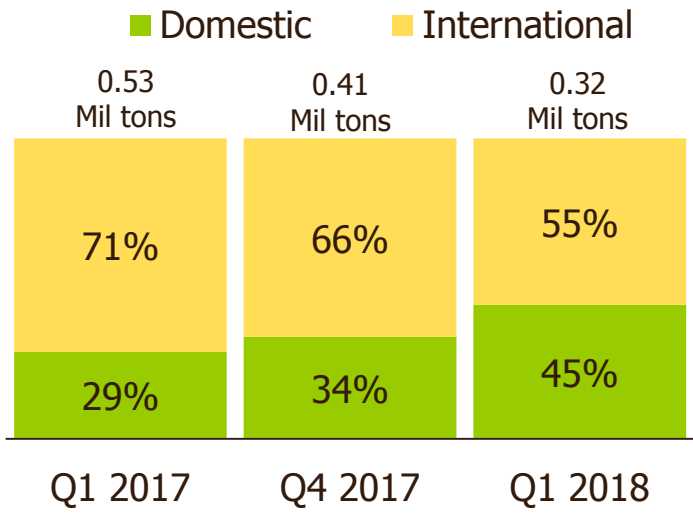


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Highlights : Asphalt Volume & Asphalt Revenue Structure

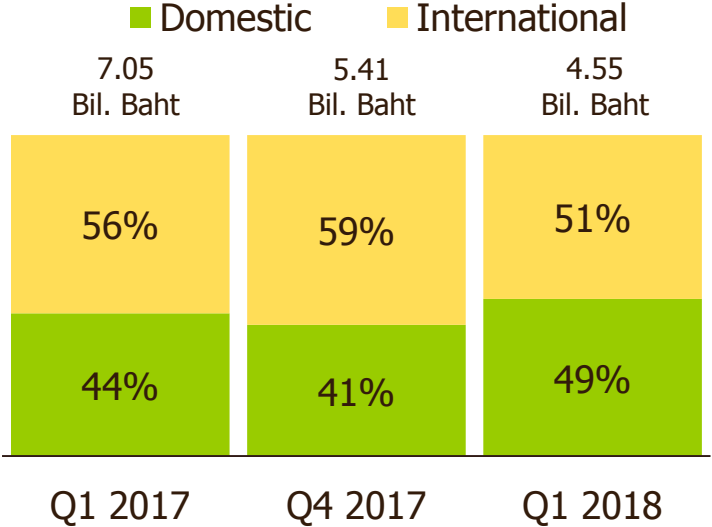
Asphalt sales volume concentration by market

Unit: %



Asphalt Revenue (Exc. Non asphalt & service income)

Unit: %



Main International Markets



China



Australia



Vietnam



Indonesia



Malaysia

Crude



- Crude supplier is working hard to resolve its crude delivery operational issues and reassures the Company that it will continue to honour the terms of the supply contract.

Refinery



- Refinery resumed processing crude from April 2018 onwards.

Marine



- Marine business operation is breakeven due to lower sales volume.

Domestic Market



- Additional government budget which emphasized on natural latex modified asphalt is pending award.

International Market



- Expecting Asphalt price to catch up with Brent price and this could trigger customer to place more orders.

Q&A



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