

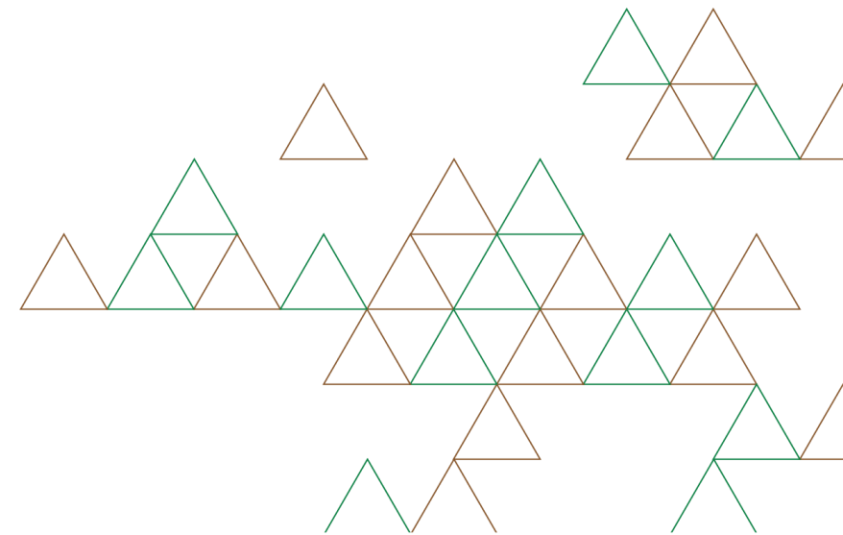


Tipco Asphalt Public Company Limited (TASCO)

3-2019 Analyst Meeting

(Q2 2019 Operational Results)

15th August 2019



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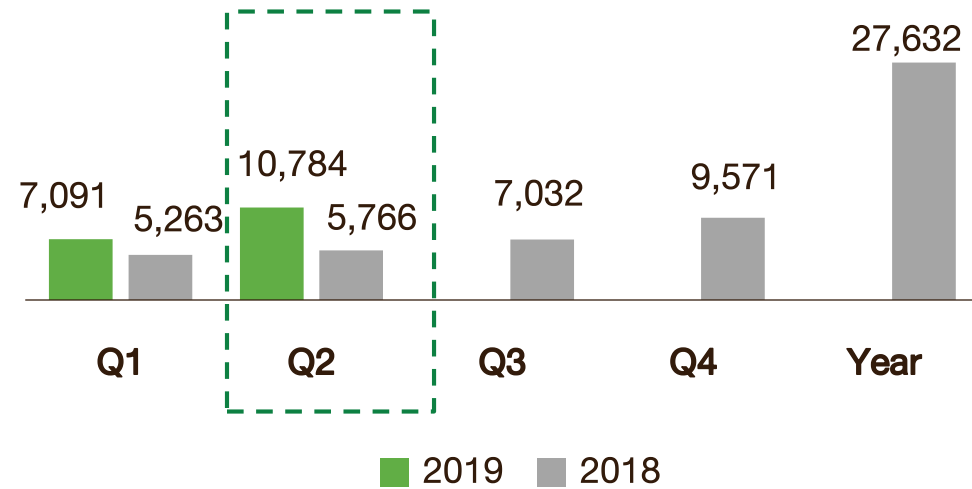
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Q&A

Sales & Services Revenue & Sales Volume

Sales & Services Revenue

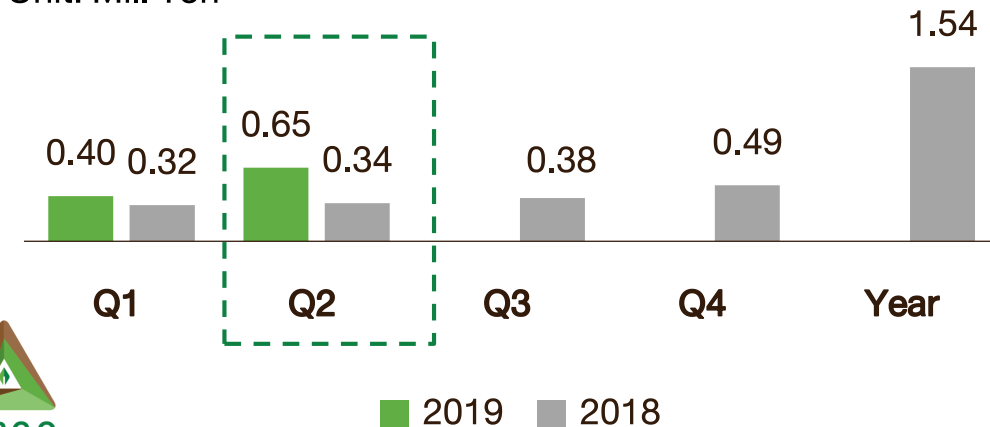
Unit: Mil. THB



- 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

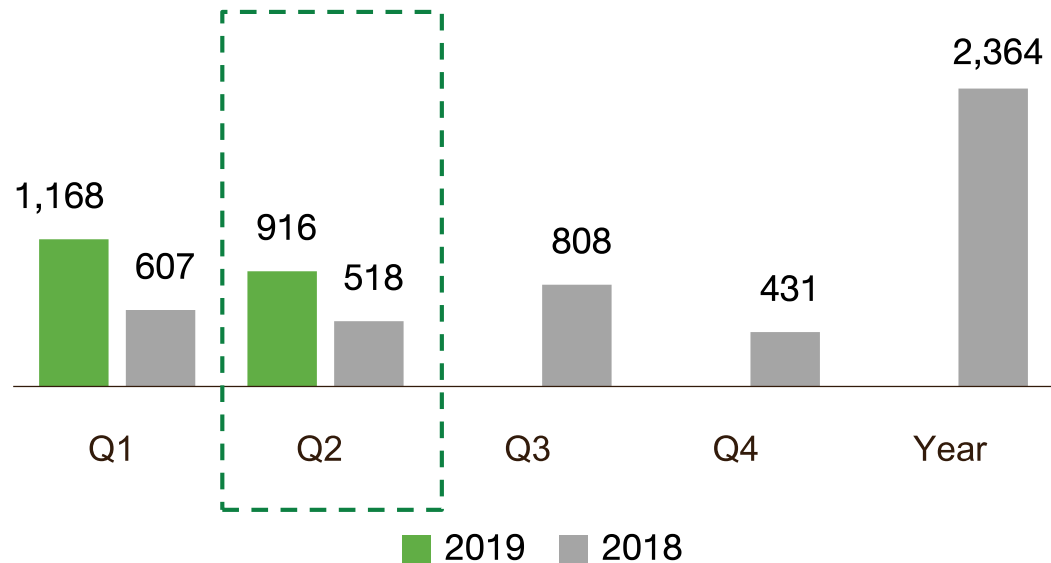


- 91% increase in sales volume from the same period of last year as a result of continuous and increased crude supply together with high production reliability at our refinery in Q2 2019

Operating Gross Profit

Operating Gross Profit

Unit: Mil. THB



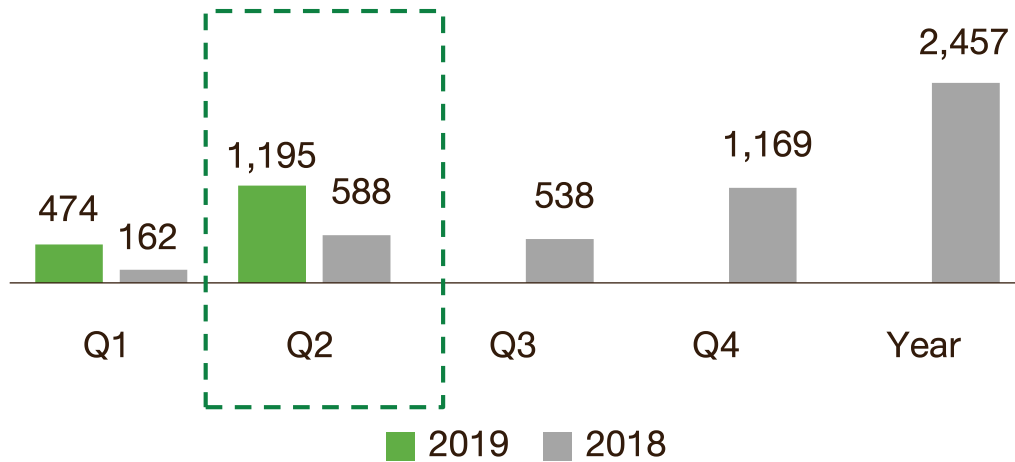
Gross profit margin (%)					
	Q1	Q2	Q3	Q4	FY
2019	16.5%	8.5%			
2018	11.5%	9.0%	11.5%	4.5%	8.6%

- 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

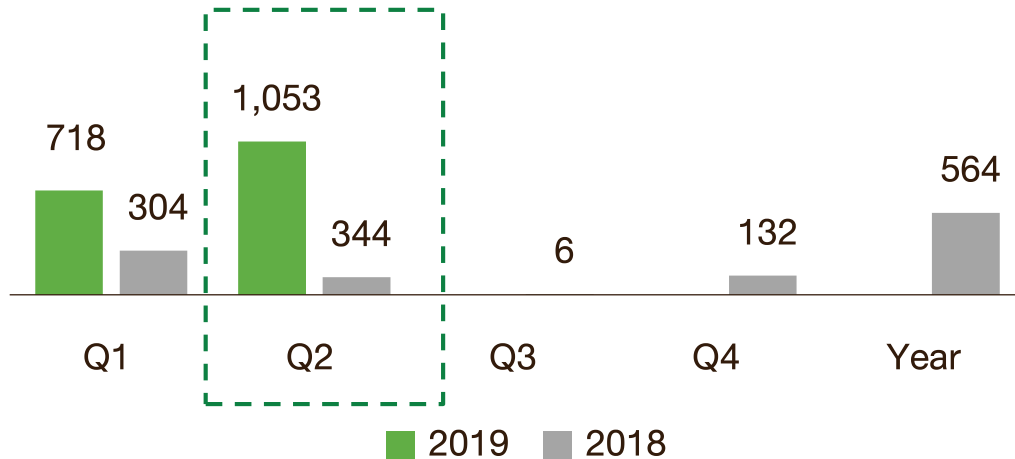
Unit: Mil. THB



- 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

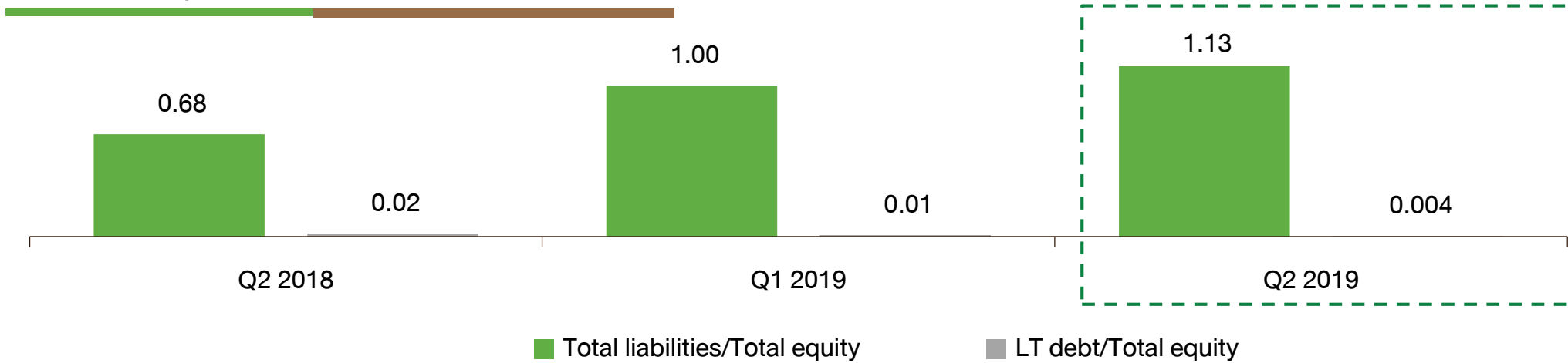
Unit: Mil. THB



- 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

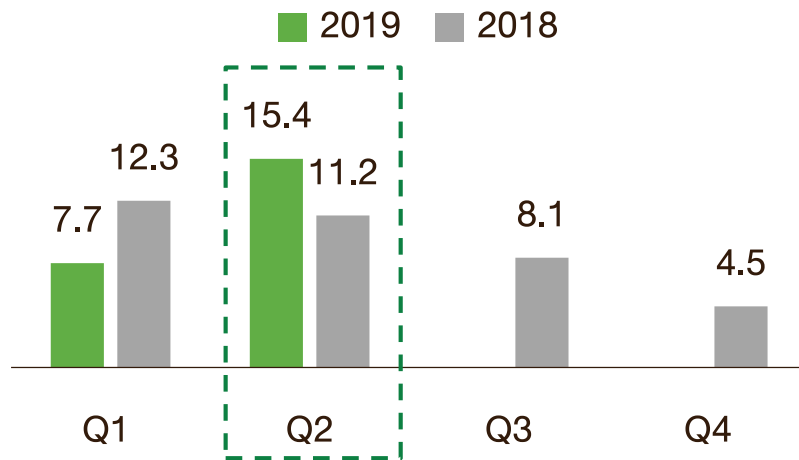


- The Group's consolidated debt to equity ratio (D/E ratio) reached 1.13 comparing to 0.68 in corresponding period of 2018 due to increase in working capital financing for higher crude inventory.

Key Ratios and Historical Dividend

Return on Equity^{1/}

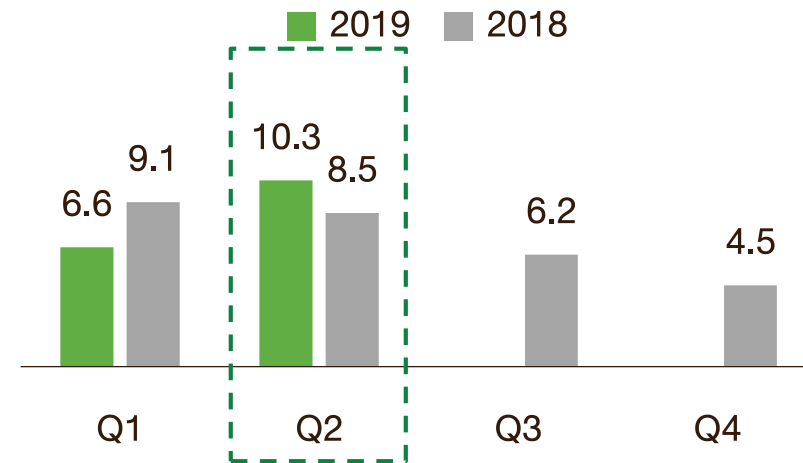
Unit: %



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

Return on Asset^{2/}

Unit: %

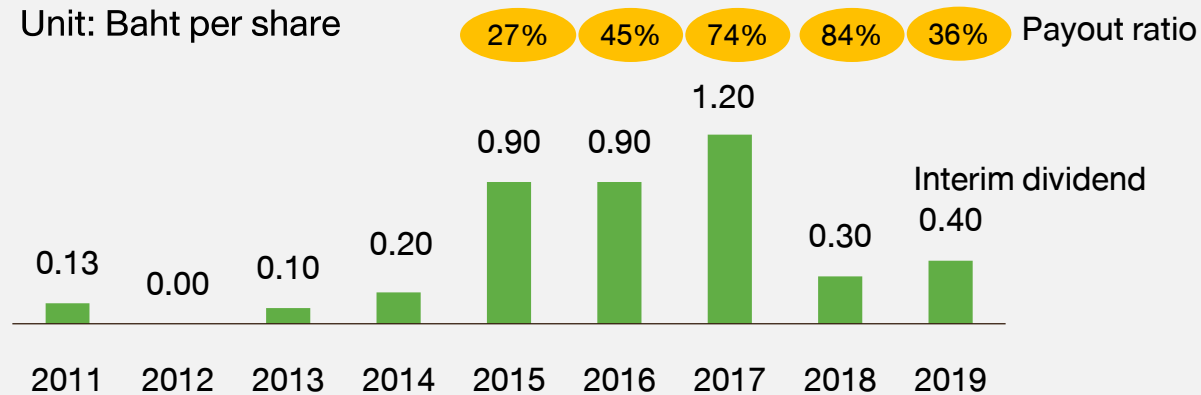


2/ Return is based on sum of last 12 months net profit

Return is based on profit before interest and tax

Historical Dividend

Unit: Baht per share



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 ^{2/}	-	(378) ^{3/}
Related expenses to the incident ^{1/}	68.2	143	(44.5)
Total	358.1	143	(422.5)

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

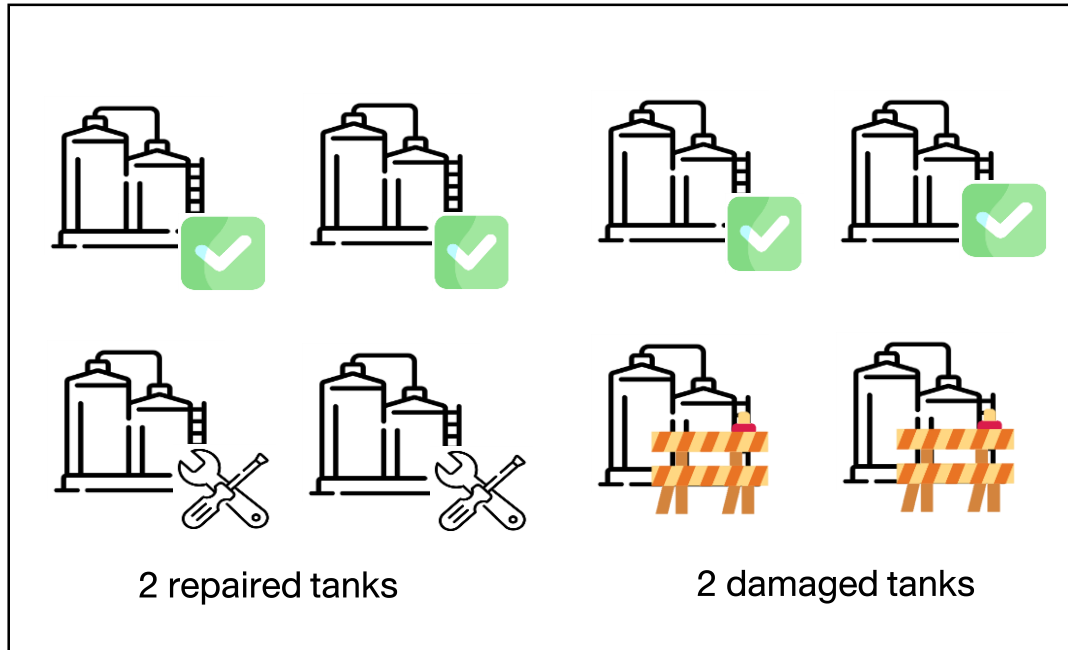
2/ carrying value of damaged assets-written off to Profit & Lost statement

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

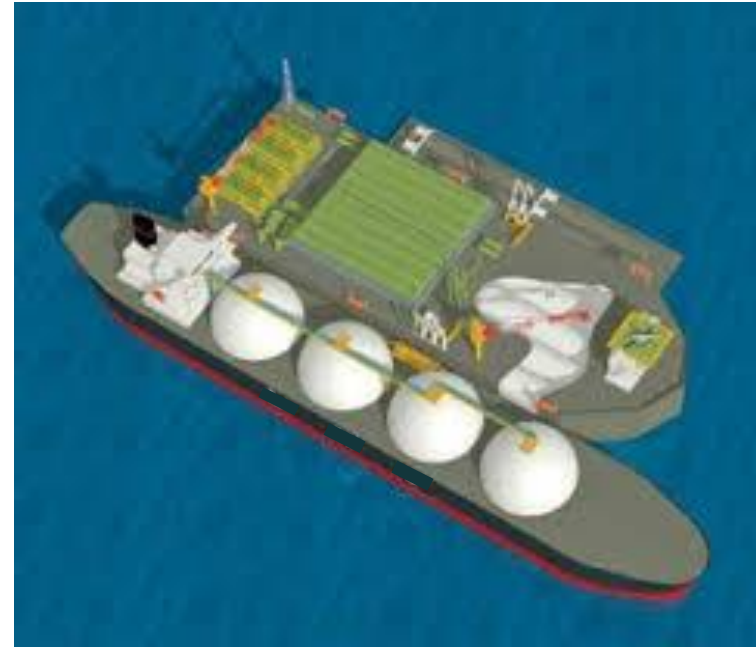
Status of crude storage of KBC refinery

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

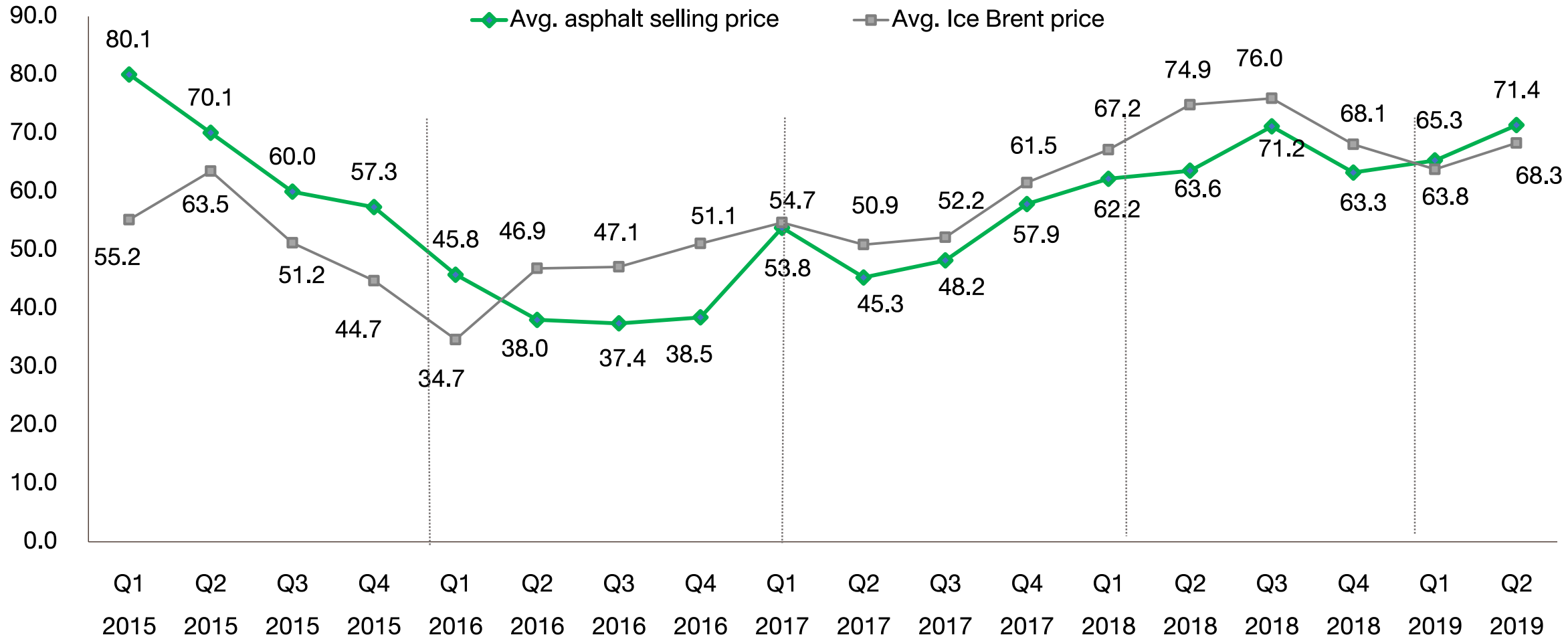
International Market



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

Asphalt Selling Price vs. Ice Brent Price

Unit: USD/barrel

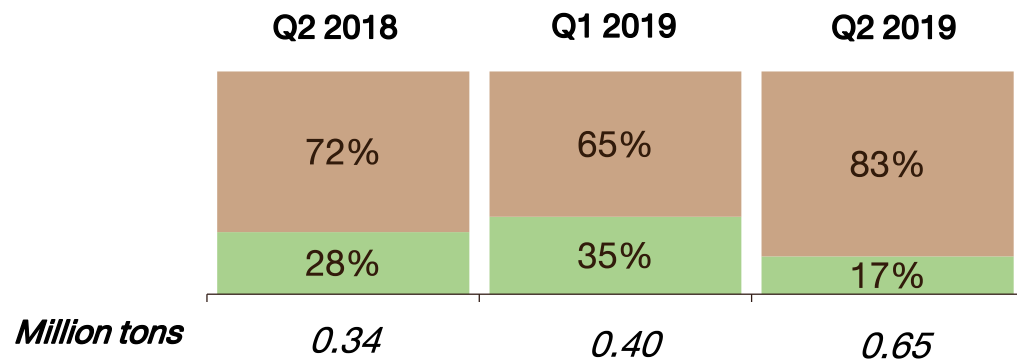


Highlights : Asphalt Volume & Asphalt Revenue Structure

Asphalt sales volume by market

Unit: %

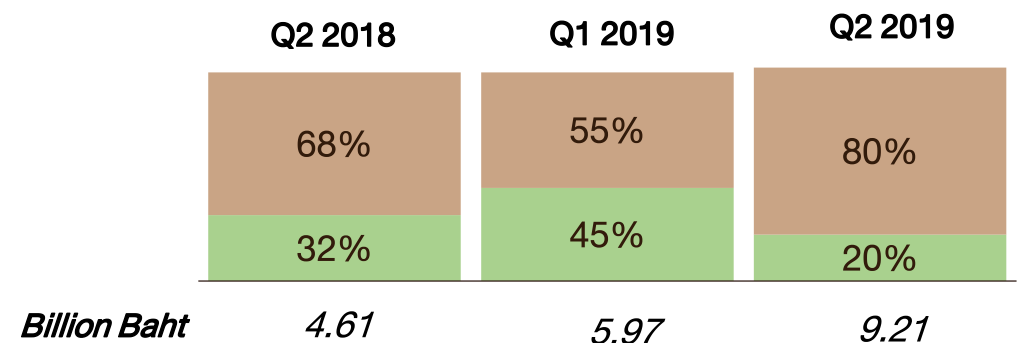
Domestic International



Asphalt Revenue (Exc. Non asphalt & service income)

Unit: %

Domestic International



Main International Markets



China



Vietnam



Indonesia



Malaysia



Australia

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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