

# Tipco Asphalt Public Company Limited (TASCO)

Meeting with Kaboutier Management (US)

6<sup>th</sup> June 2017



บริษัท ทีปโก้แอสฟัลท์ จำกัด (มหาชน)  
Tipco Asphalt Public Company Limited

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Q1 2017 financial Performance

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Q1 2017 Highlight

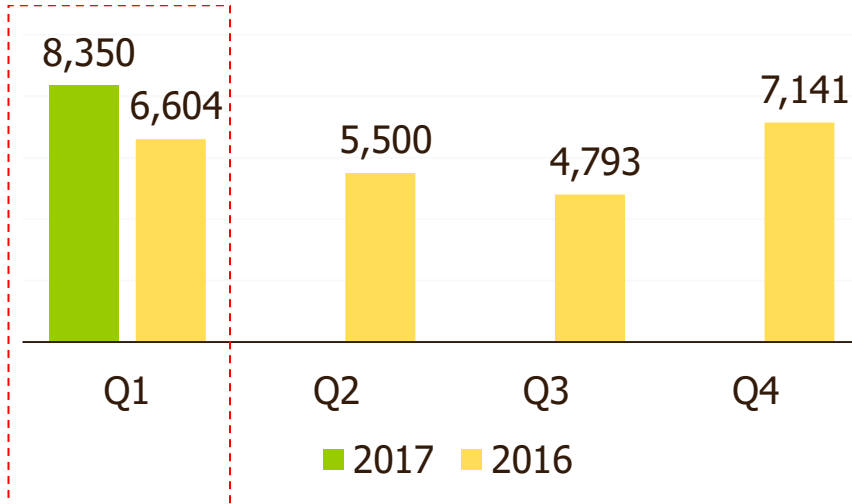
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Q2 2017 Outlook

# Q1 2017 Financial Performance : Sales & Services Revenue vs. Sales Volume

## Sales & Services Revenue

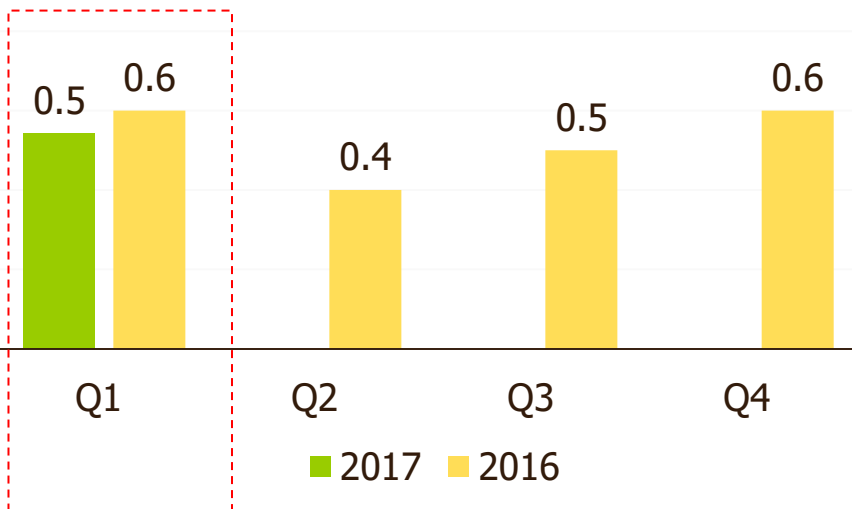
Unit: Mil. Baht



- Sales and services stood at Baht 8,350 million, reflecting an increase of 26.44% from the same period of last year.
- This increase was mainly attributable to the increase of selling price during 1<sup>st</sup> quarter of 2017 in relation to higher crude oil prices.

## Sales Volume

Unit: Mil. Ton

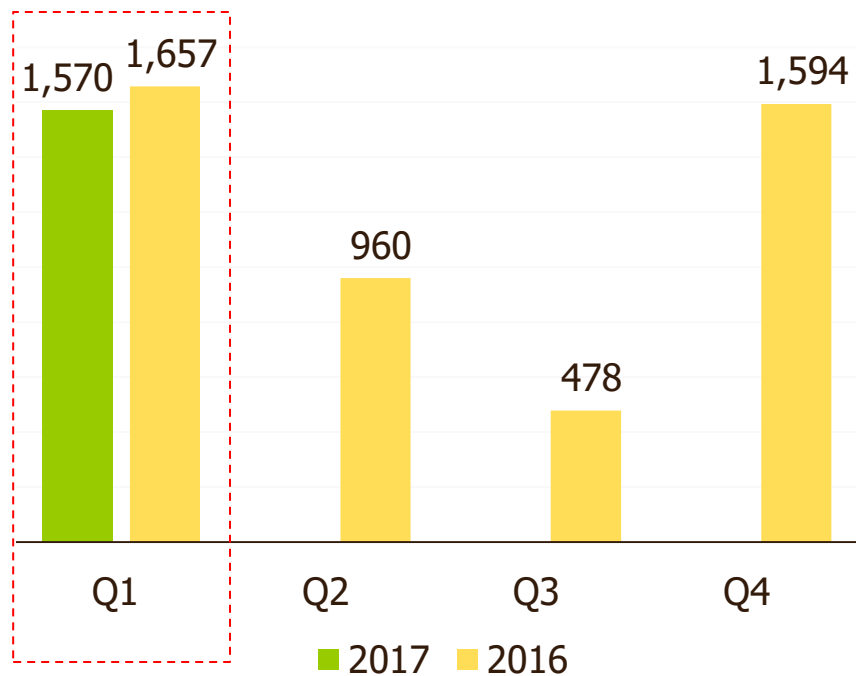


- Total sales volume decreased by 12.4% comparing to corresponding quarter in 2016 attributable to slower sales at the beginning of the year.
- The international market sentiment improved subsequently and we saw a strong recovery in demand.

# Q1 2017 Financial Performance : Operating Gross Profit

## Operating Gross Profit

Unit: Mil. THB



18.8%

25.1%

17.5%

10.0%

22.3%

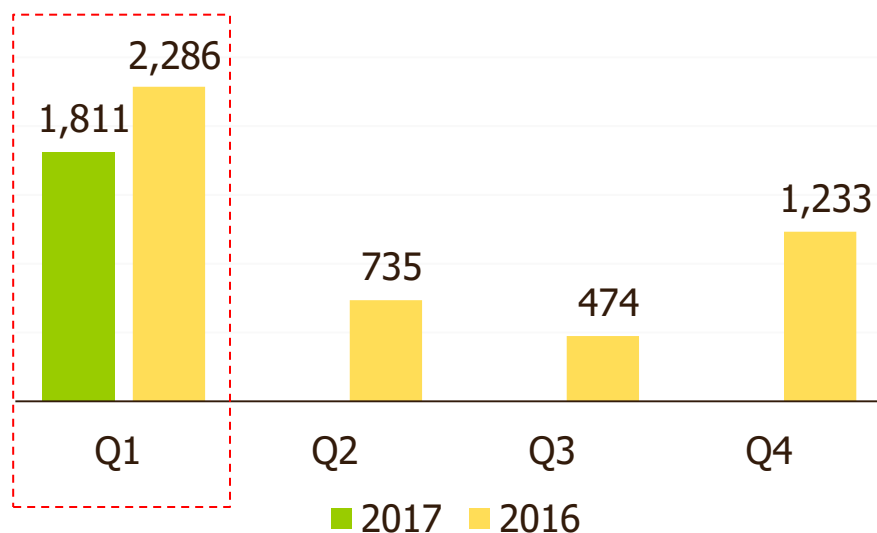
- Cost of sales and services in the 1<sup>st</sup> quarter 2017 stood at Baht 6,664 million or 79.81% (78.91% in corresponding quarter in 2016) of sales and services before the allowance for diminution in value of inventory and hedging.
- The Company managed to maintain a stable margin in the tough and challenging market conditions.
- In addition, the company had a gain from the reversal of net realizable value (NRV) provision of Baht 76.69 million on inventory but at the same time incurred hedging cost of Baht 192.40 million mainly due to "mark to market" unrealized loss.



# Q1 2017 Financial Performance : EBITDA & Net Profit

## EBITDA

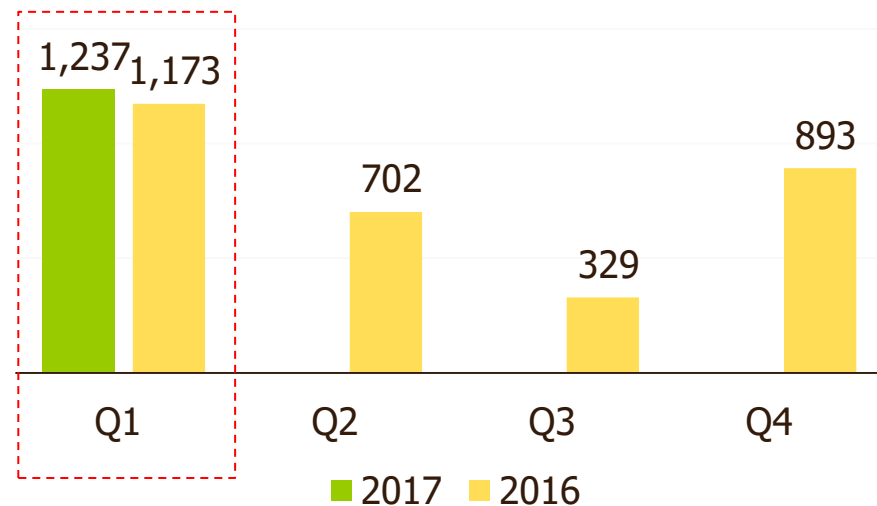
Unit: Mil. THB



- The Group cash flow generated from operations stood at Baht 1,811 million compared to Baht 2,286 million in corresponding period in 2016. This cash flow reflects a robust cash generation from the Group operations.

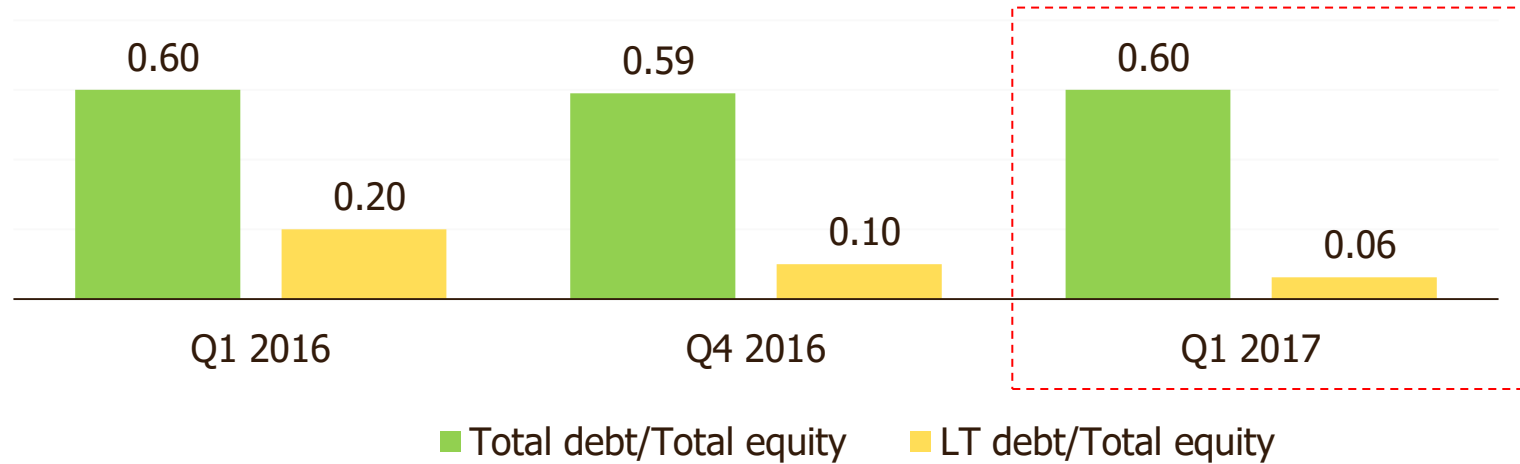
## Net Profit After Tax

Unit: Mil. THB



- The Net Profit After Tax of Baht 1,237 million for the 1<sup>st</sup> quarter 2017 represented earning per share of Baht 0.80 (par value of Baht 1 each) compared to Baht 0.76 per share in corresponding quarter of 2016 attributable to the equity shareholders of the Company.

## Debt/Equity Ratio

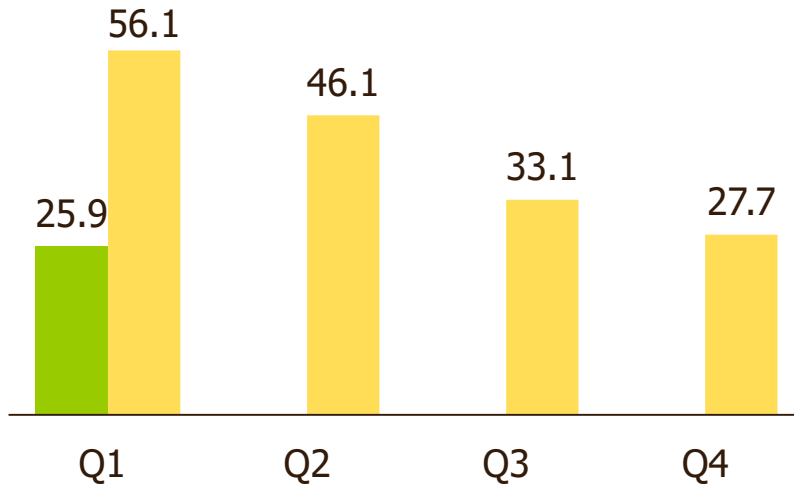


- The Group's consolidated debt to equity ratio (D/E ratio) remained low at 0.60

# Q1 2017 Financial Performance : Key Ratios and Historical Dividend

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

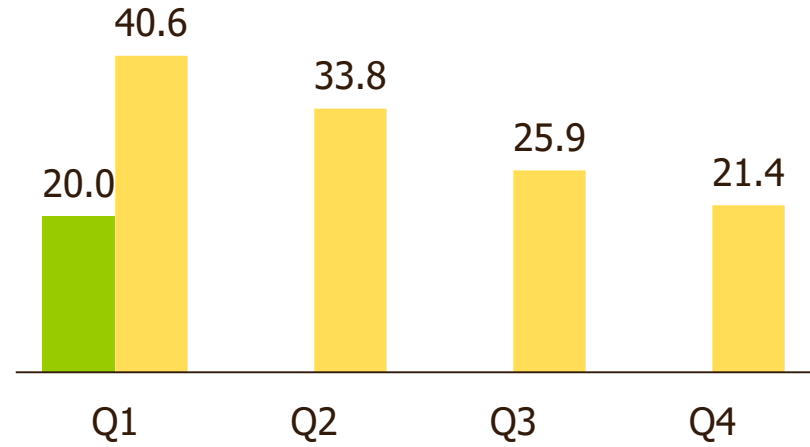
Unit: %



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

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

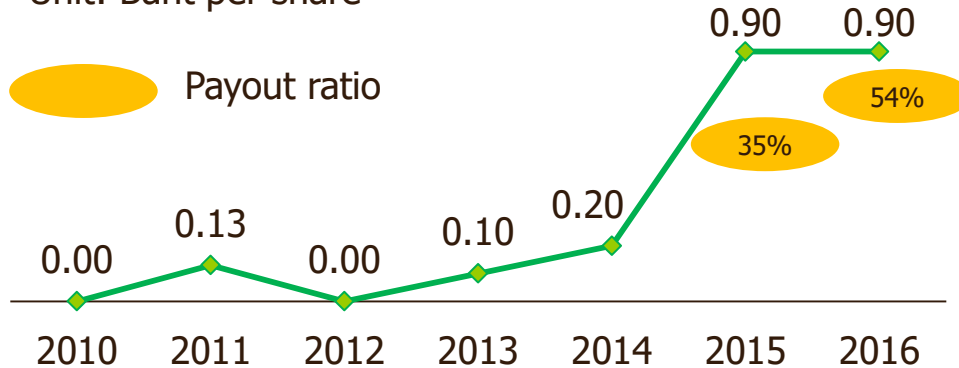
Unit: %



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





## Crude



- Average Brent price grew from USD 51.13 per barrel in Q4 2016 to make up USD 54.66 per barrel in Q1 2017. Our hedging strategy mitigates the risk of sudden increase in the crude price

## Refinery



- High reliability at 99.8%

## Domestic Market



- Total asphalt product volume went down by 14% as compared to Q1 2016. However, it has improved comparing to Q4 2016. Domestic market performance was very well because of high domestic asphalt selling price

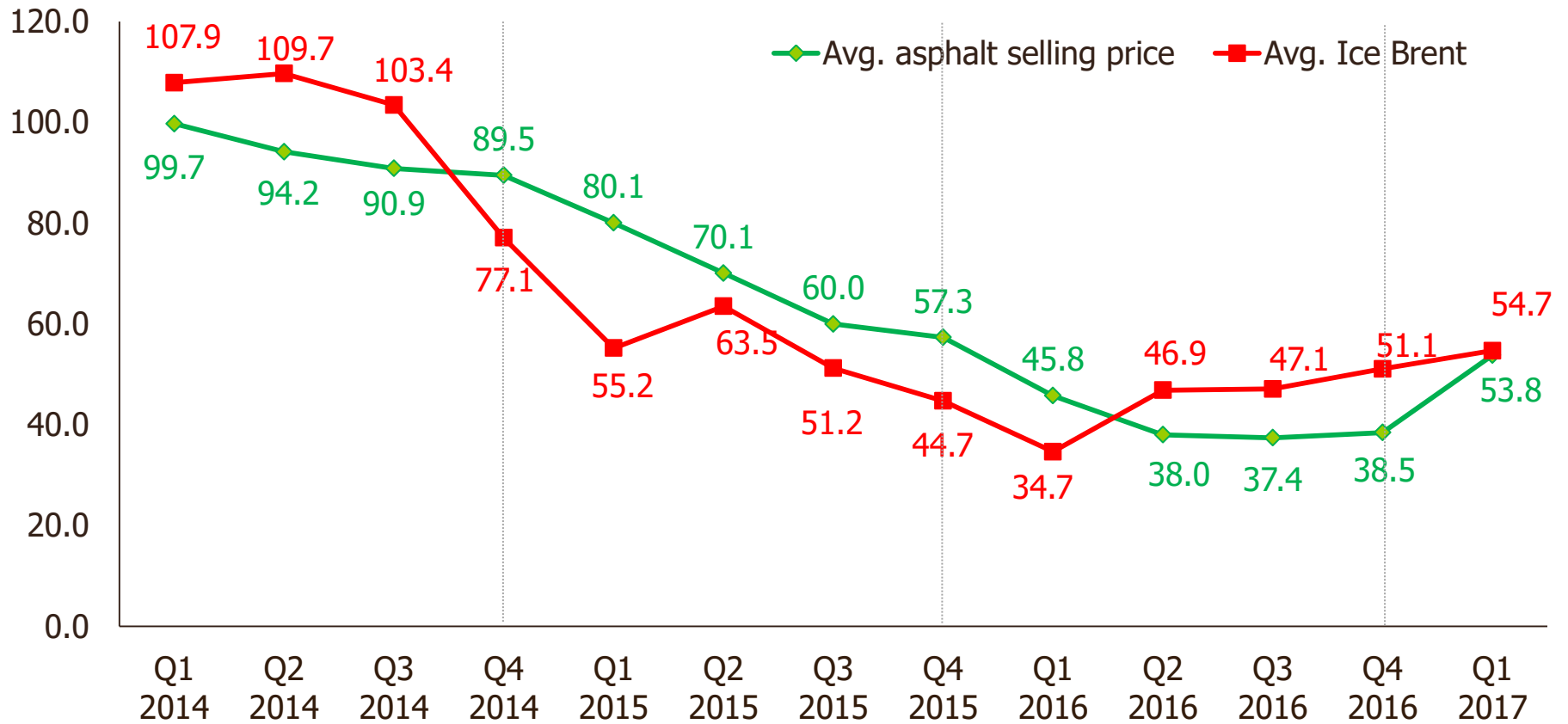
## International Market



- Asphalt product volume dropped by 12% as compared to Q1 2016
- China volume in Q1 2017 was exceptionally high due to certain contract
- High asphalt selling price resulted in good international performance

# Q1 2017 Highlights: Asphalt Selling Price vs Ice Brent

**Unit:**  
USD/barrel

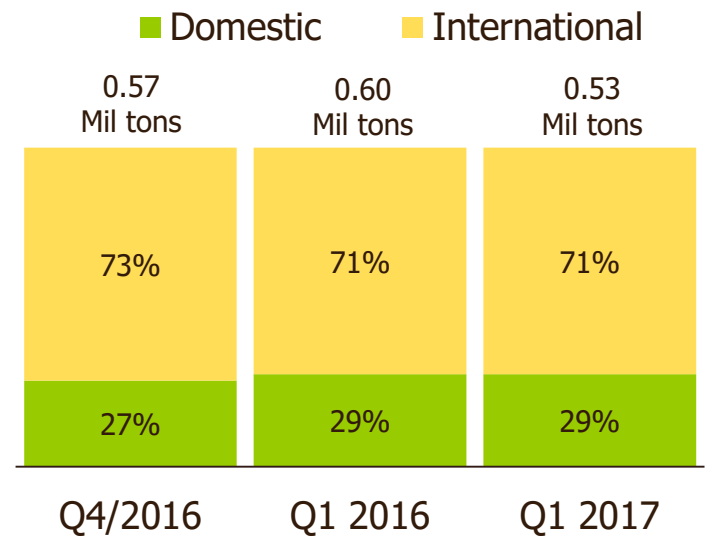


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# Q1 2017 Highlights : Asphalt Volume & Asphalt Revenue Structure

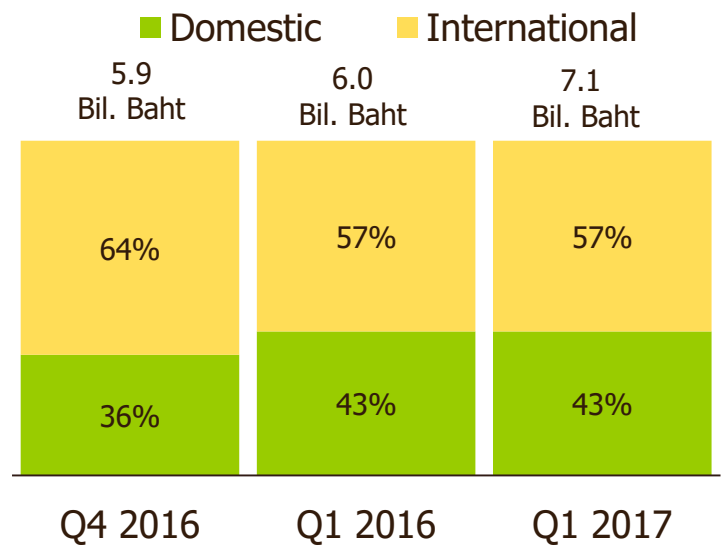
## Asphalt sales volume concentration by market

Unit: %



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

Unit: %



## Main International Markets



China



Vietnam



Indonesia



Malaysia



Australia

## Crude



- Long-term crude supply agreement until 2020

## Refinery



- High refining capacity utilization, the Group continued to enjoy high efficiency in fuel consumption and production cost
- Maintain high reliability at 99.8%

## Marine



- 10 owned vessels and 4 time charter vessels

## Domestic Market



- Strong demand due to additional provincial budget

## International Market



- Explore new opportunity in East Malaysia and Philippines
- International market demand has softened slightly at lower price but stable, after the rapid price increase in quarter 1
- Nevertheless, the infra-structure projects are still active in every country

# Q&A

