



**Bor. Hor 004/2024**

**16<sup>th</sup> February 2024**

**Attention:     The President  
                  The Stock Exchange of Thailand**

**Subject:       Report of the Company's 2023 audited consolidated financial performances**

Tipco Asphalt Public Company Limited ("the Company") is pleased to report the 2023 audited consolidated financial performance of the Group. Reference to the audited financial statements ended 31<sup>st</sup> December 2023, the Company's Net Profit After Tax for 2023 stood at Baht 2,306 million as compared to the Net Profit After Tax of Baht 2,367 million in 2022. Details of the Company's performance can be summarized as follows:

- 1     Sales and services stood at Baht 27,605 million, reflecting a decrease of 8.06% from last year due to the lower sales volume in the domestic and some international markets. The domestic volume reduction was the consequence of the delay in the disbursement of the fiscal 2024 Thai government budget. Meanwhile, the decrease in the international market resulted from the Company's ongoing selective market sales strategy. Furthermore, the overall selling price also experienced a decline due to the decrease in oil prices as compared to the previous year.

Cost of sales and services in 2023 stood at Baht 23,728 million or 85.96% (83.70% in 2022) of sales and services before the reduction in the cost of inventories at net realizable value and hedging gain. The decrease in gross profit was primarily due to a reduction in the average selling price of asphalt products in line with the price drop in the regional asphalt market. Additionally, the company recorded a gain of Baht 146 million from price hedging contracts while incurred a loss of Baht 47 million from the reduction in the realizable value of inventory.



- 2 Revenue from construction contracts stood at Baht 3,501 million as compared to Baht 3,376 million in 2022. This increase was a result of higher construction income, particularly from the ground improvement work for the 2<sup>nd</sup> Midfield Satellite (SAT-2) project at the Suvarnabhumi International Airport.

Cost of construction stood at Baht 3,339 million or 95.38% (95.66% in 2022) of the construction revenue. The slight increase in gross profit was attributed to the improvement in the overall profit margin of construction projects in 2023.

- 3 Selling and administrative expenses stood at Baht 162 million and Baht 1,100 million, representing 0.52% and 3.54% of total sales and services, respectively. Comparatively, these expenses in 2022 stood at Baht 160 million and Baht 1,154 million representing 0.48% and 3.45% of total sales and services. The Company is committed to controlling overhead expenses while improving the operating gross profit margin.

- 4 The Group incurred finance costs of Baht 143 million, compared to Baht 113 million in the previous year, primarily due to the increase in interest rates in 2023.

The Company recorded consolidated allowance for expected credit losses of Baht 211 million in 2023 as compared to Baht 120 million in 2022. This mainly resulted from an increase in loss rate percentage.

- 5 The Company's cashflow generated from operations stood at Baht 4,377 million as compared to the Baht 4,525 million in 2022 due to lower operating performance in 2023.

- 6 The Group's consolidated debt-to-equity ratio (D/E ratio) improved to 0.40, as compared to 0.56 in the corresponding period a year ago, that was resulted from the reduction in working capital financing at the end of 2023.



- 7 The Company's net profit after tax was Baht 2,306 million for 2023 and represented earning per share of Baht 1.46 as compared to Baht 1.50 per share in the previous year.

Please circulate the above information to the public accordingly.

Sincerely yours,

Mr. Chaiwat Srivalwat  
Chief Executive Officer