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# Thai Oil Public Company Limited

## Q1/17 Financial Result Conference Call

### 15 May 2017



For Thai Analysts & Investors: : +66 2 104 6000 / pin code 699972# (15 May @ 2.00 PM)  
For Foreign Analyst & Investors: +66 2 104 6000 / pin code 642681# (15 May @ 4.00 PM)

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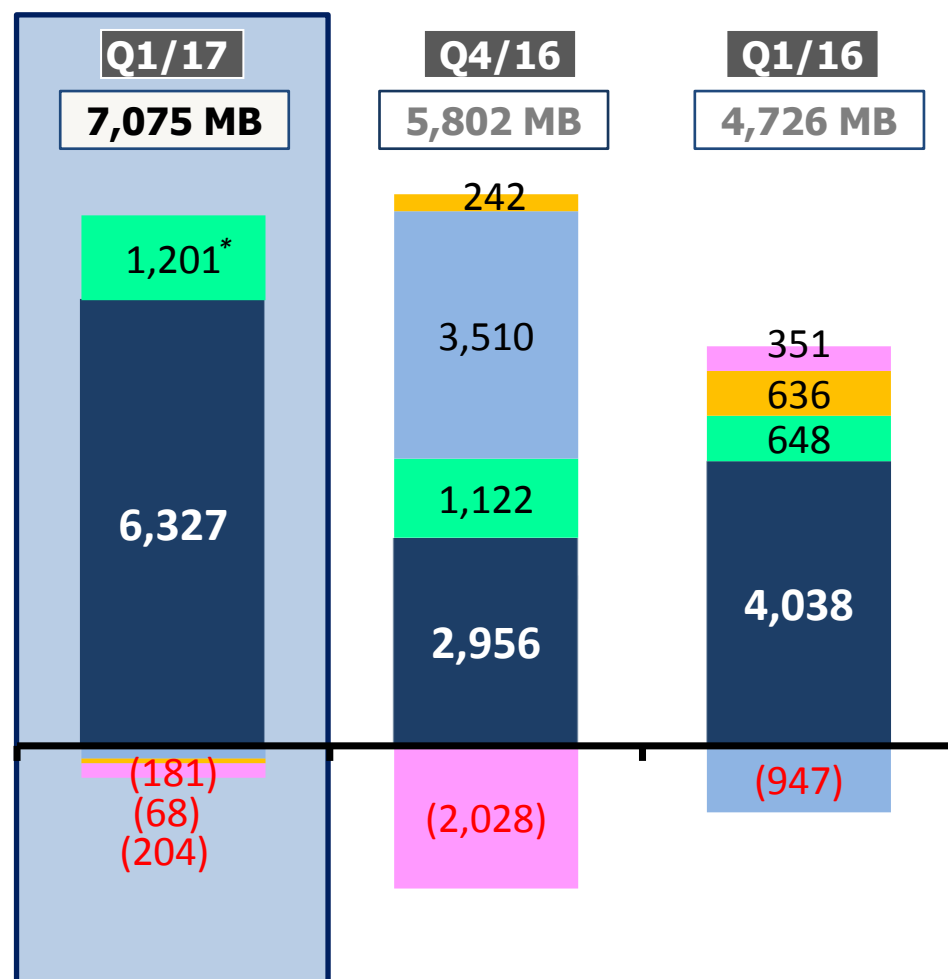
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# Q1/17 Robust Performance Driven by Strong GIM & Operation

## TOP Group Net Profit

Unit : million THB (MB)

- Net Operating Profit (before tax)
- Profitability Improvement
- Stock G/(L) (before tax)
- Reversal of NRV/(NRV) (before tax)
- Others i.e. FX G/(L), Hedging G/(L), tax expense etc.



## Gross Refining Margin - GRM

\$/bbl	Q1/17	Q4/16	Q1/16
Market GRM	6.5	6.0	6.1
Stock Gain/(Loss)	(0.2)	3.5	(1.0)
Accounting GRM	6.3	9.5	5.1

## Gross Integrated Margin - GIM

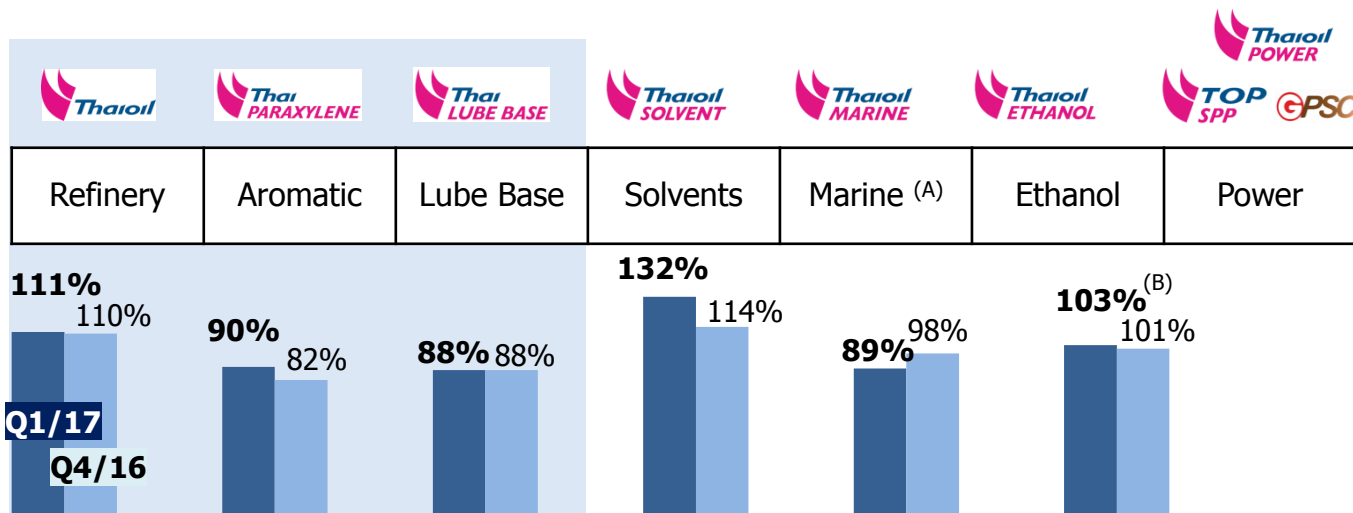
Aromatics & LAB	2.1	1.6	1.4
Lube base	0.9	0.5	0.9
<b>Market GIM</b>	<b>9.4</b>	<b>8.0</b>	<b>8.3</b>
<b>Accounting GIM</b>	<b>9.3</b>	<b>11.5</b>	<b>7.3</b>

## Utilization / Production Rate

Refinery	111%	110%	107%
Aromatics	90%	82%	80%
Base Oil	88%	88%	88%

\* Compared with Corp. plan

# Q1/17: Performance Breakdown by Business Unit



## Key Points

- **Refinery:** better contribution driven by high u-rate and strong GRM
- **Aromatic/LAB:** higher contribution from higher U-rate and improved product spreads
- **Lube:** higher contribution supported by better product spread and strong regional demand
- **Power:** improved TP net profit as return from maintenance and healthy contribution from TOP SPP & GPSC
- **Solvents:** improved net profit from higher run rate & better sales volume and gross margin
- **Marine:** higher contribution from joint venture
- **Ethanol:** better performance supported by higher ethanol selling price while lower feedstock cost and one-time gain on sales of MCE investment ~ 39 MB

(A) U-rate of 5 Oil & Chemical Tankers (total capacity: 52,350 DWT)  
 (B) U-rate of TET includes MCE 1-month U-rate at 124%, SAPTHIP 102% and UBE 100%

	Acc GRM (\$/bbl)	P2F (\$/ton)	P2F (\$/ton)
Q1/17	6.3	126	116
Q4/16	9.5	95	77
Q1/16	5.1	98	126

## Q1/17 Net Profit Breakdown (include stock gain/ loss)

(Unit: million THB)

	Thaioil	Thai PARAXYLENE	Thai LUBE BASE	Thaioil SOLVENT	Thaioil MARINE	Thaioil ETHANOL	TOP SPP & GPSC	Thaioil POWER	Consol	StkG/(L)& Reversal of NRV/(NRV)	Consol Excl Stock G/(L) & Reversal of NRV/(NRV)
NP	4,492	1,213 <sup>(C)</sup>	489	148	1	120	586 <sup>(D)</sup>		7,075	(249)	7,324
ΔQoQ	217 ▲	647 ▲	353 ▲	41 ▲	5 ▲	66 ▲	(57) ▼		1,273 ▲	(4,002) ▼	5,274 ▲
ΔYoY	1,704 ▲	332 ▲	(13) ▼	121 ▲	(47) ▼	96 ▲	184 ▲		2,349 ▲	62 ▲	2,287 ▲

(C) includes 75% of LAB net profit Q1/17 = 118 MB, Q4/16 = (90) MB, Q1/16 = (16) MB

(D) Apply on an equity accounted basis in the consolidated financial statement. (GPSC has been held by TOP 8.9% and TP 20.8%, TP has been held by TOP 74% & TOP SPP has been held by TOP 100%)

# Q1/17 TOP Group Consolidated P&L

(million THB)	Q1/17	Q4/16	QoQ+ / (-)	Q1/16	YoY+ / (-)	
Sales Revenue	87,596	77,104	10,492 <sup>A</sup>	56,790	30,806	<b>A Higher overall product price and sale volume due to strong demand</b>
Hedging Gain / (Loss)	(86)	(330)	244 <sup>B</sup>	27	(113)	
<b>EBITDA</b>	<b>9,548</b>	<b>10,085</b>	<b>(537) <sup>C</sup></b>	<b>6,653</b>	<b>2,895</b>	<b>B Mainly from loss in inventory hedge in Q4/16</b>
EBITDA excl. Stk G/(L) & Reversal of NRV/(NRV)	9,798	6,332	3,466 <sup>D</sup>	6,964	2,833	<b>C Mainly from huge stock gain in Q4/16</b>
Financial Charges	(846)	(911)	65	(805)	(41)	
FX G/(L) & CCS	1,323	(870)	2,193 <sup>E</sup>	687	636	<b>D Mainly from stronger Mkt GIM 9.4 \$/bbl compared to 8.0 \$/bbl &amp; lower operating cost</b>
(Tax Expense)/reversal of income tax	(1,461)	(794)	(667) <sup>F</sup>	(363)	(1,098)	
<b>Net Profit / (Loss)</b>	<b>7,075</b>	<b>5,802</b>	<b>1,273</b>	<b>4,726</b>	<b>2,349</b>	<b>E Unrealized gain on USD debt from THB appreciated in Q1/17 compared to Q4/16 and realized gain on AP/AR</b>
EPS (THB/Share)	3.47	2.84	0.62	2.32	1.15	
Stock G/(L)&Reversal of NRV/(NRV)	(249)	3,753	(4,002)	(311)	61	
<b>Net Profit/ (Loss) excl. Stk G/(L) and Reversal of NRV/(NRV)</b>	<b>7,324</b>	<b>2,050</b>	<b>5,274</b>	<b>5,037</b>	<b>2,287</b>	<b>F Mainly from fully used of BOI privilege for tax exemption on environment projects since end 2016</b>
THB/US\$ - average	35.28	35.57	(0.29)	35.81	(0.53)	
THB/US\$ - ending	34.61	36.00	(1.39)	35.41	(0.80)	
Effective Tax Rate (%) *	17%	12%	5%	7%	10%	

\*redeemed BOI privilege for tax exemption on environmental projects in Q1/17 = 0 MB, Q4/16 = 416 MB, Q1/16 = 396 MB

# Q1/17 TOP Group Consolidated Cash Flow

(Unit: Million THB)

Operating Cash Flow		
	Q1/17	Q1/16
<b>Operating Cash Flow</b>	<b>10,089</b>	<b>9,763</b>
Net income & non-cash adj.	10,047	6,378
Change in working capital	42	3,385

(Unit: Million THB)

Investments		
	Q1/17	Q1/16
<b>Investments</b>	<b>(2,891)</b>	<b>(18,725)</b>
ST investments	244	(16,293)
Private fund	(2,011)	-
CAPEX (PP&E) & other	(1,124) <sup>1)</sup>	(2,432)

1) TOP 609MB, SAPTHIP 43MB

<b>Free Cash Flow</b>	<b>7,199</b>	<b>8,962</b>
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Financing		
	Q1/17	Q1/16
<b>Financing</b>	<b>(6,396)</b>	<b>(12)</b>
Loans proceeding	415 <sup>2)</sup>	1,653
Loans repayment	(5,259) <sup>3)</sup>	(164)
Interest	(1,551)	(1,501)

2) SAPT 358MB, LABIX 50MB

3) TOP 4,932MB,  
LABIX 248MB,  
TM 54MB, SAPT 25MB

	Beginning		Change		Effect of FCD		Ending
<b>cash</b>	<b>31,121</b>	+	<b>802</b> ↑	+	<b>(612)</b>	=	<b>31,311</b>
<b>S/T investment</b>	<b>29,654</b>		<b>(495)<sup>4)</sup></b> ↓				<b>29,159</b>
	<b>60,775</b>						<b>60,471<sup>5)</sup></b>

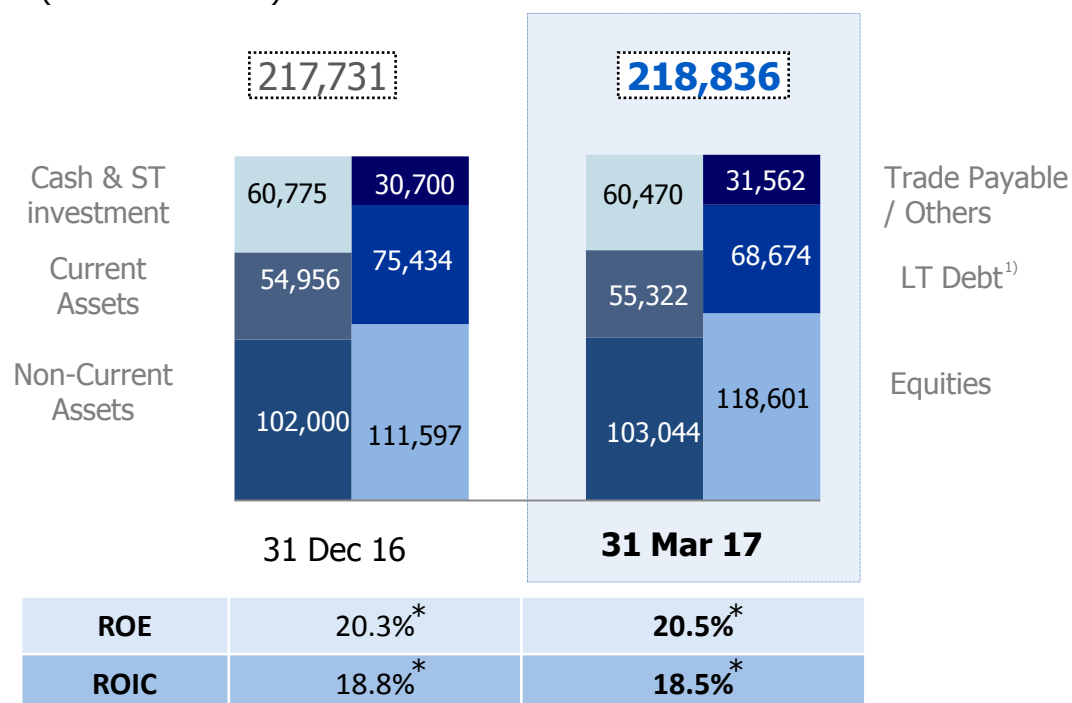
4) non-cash transaction :  
Other payable-Proceed of purchase securities 233MB and  
Accrued interest in investment 18MB

5) FCD = 17,177MB (501MUSD)

# Q1/17 TOP Group Strong Financial Position & Financial Ratios

## Statements of Financial Position

(Unit: million THB)

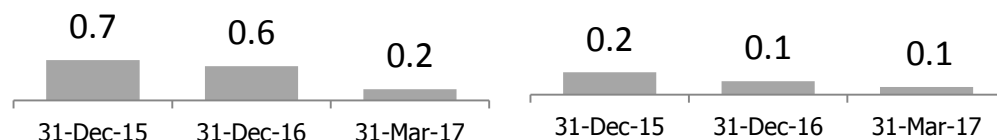


<sup>1)</sup> Including current portion of Long-Term Debt

## Financial Ratios

**Net Debt / adj. EBITDA\*\***

**Net Debt / Equity**



\* Based on actual performance in the past 12 months

\*\* Annualized EBITDA (excl stock gain/loss & Reversal of NRV/(NRV))

## Consolidated Long-Term Debt as at 31 Mar 17 <sup>1)</sup>

### Total Long-Term Debt

68,673.53 million THB  
(US\$ 1,983.96 million  
equivalence)

### Net Debt

9,457 million THB  
(US\$ 273 million  
equivalence)

As at 31 Mar 17 (34.61 THB/US\$)

	Value (Million)	Portion
US\$ Bond & US\$ Loan	USD 1,106	56%
THB Bond	THB 23,500	34%
THB Loan	THB 6,902	10%

Interest Rate	Portion
Float	11%
Fixed	89%
TOP avg.debt life	11.64 Yrs

Cost of Debt	
TOP Group (Net***)	3.48%
TOP Group (Gross)	4.63%

\*\*\*Calculated by interest expense net off interest income as per FS as at 31 Mar 17



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# Thank You

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