

MEMBER OF  
**Dow Jones**  
**Sustainability Indices**  
In Collaboration with RobecoSAM



# Thai Oil Public Company Limited

## Q1/18

### Financial Result Conference Call

### 10 May 2018

For Thai Analysts & Investors: : +66 2 104 6000 / pin code 413588# (10th May @ 1.30 AM)  
For Foreign Analyst & Investors: +66 2 104 6000 / pin code 610361# (10th May @ 3.30 AM)



# Disclaimer

**The information contained in this presentation is intended solely for your personal reference. Please do not circulate this material. If you are not an intended recipient, you must not read, disclose, copy, retain, distribute or take any action in reliance upon it.**

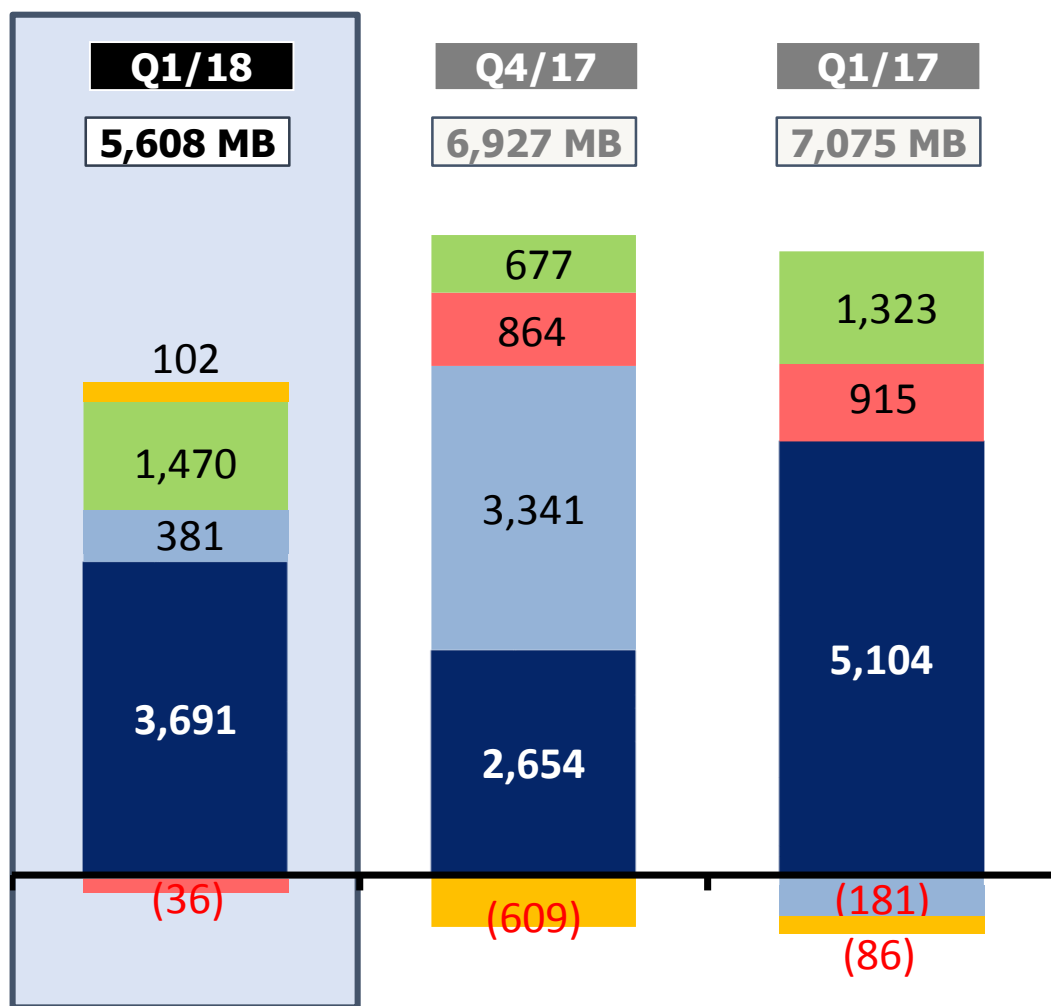
**Some statements made in this material are forward-looking with relevant assumptions, which are subject to uncertainties, which may cause the actual result/performance to be materially deviated from any future result/performance implied by such forward-looking statements. Please note that the company and management/staff are not capable to control and guarantee if these forward-looking statements will be accurately materialized, they are subject to various risks and uncertainties.**

# Q1/18 Reliable Operation & Decent Net Operating Profit

## TOP Group Net Profit

Unit : million THB (MB)

- Net Operating Profit
- Reversal of NRV/(NRV) & Adjusted to cost
- Stock gain/(loss)
- F/X gain/(loss)
- Others i.e. Hedging gain/(loss) & Non-recurring items



## Gross Refining Margin - GRM

\$/bbl	Q1/18	Q4/17	Q1/17
Market GRM	5.7	6.0	6.5
Stock Gain/(Loss)	0.4	3.6	(0.2)
Accounting GRM	6.2	9.6	6.3

## Gross Integrated Margin - GIM

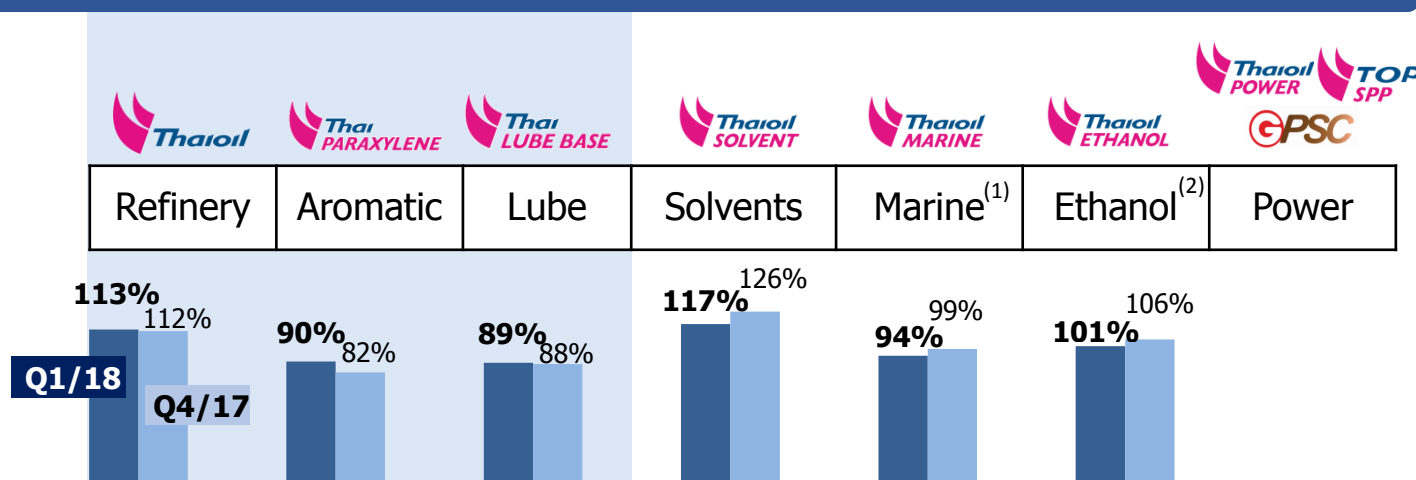
Aromatics & LAB	1.7	1.5	2.1
Lube base	0.7	0.7	0.9
Market GIM	8.2	8.3	9.4
Accounting GIM	8.6	11.8	9.3

## Utilization / Production Rate

Refinery	113%	112%	111%
Aromatics	90%	82%	90%
Base Oil	89%	88%	88%

# Q1/18: Performance Breakdown by Business Unit

## Utilization/Production (%) & Net Profit (million THB)



	Acc GRM (\$/bbl)	P2F (\$/ton)	P2F (\$/ton)
Q1/18	6.2	110	105
Q4/17	9.6	93	102
Q1/17	6.3	126	116

## Key Points

- **Refinery:** higher utilization to capture decent margin and strong demand (local + Indochina)
- **Aromatic/LAB:** higher contribution from higher production and improved product spreads
- **Lube:** higher contribution supported by improved lube spread due to strong regional demand
- **Power:** higher contribution mainly from profit sharing from GPSC
- **Solvents:** lower utilization and contribution as lower demand during Chinese new year and higher competition depressed margins
- **Marine:** lower TM utilization due to vessel dry dock and sluggish in E&P business, however, contribution improved from profit sharing from subsidiaries
- **Ethanol:** lower utilization and contribution pressured by lower sales volume and ethanol price

## Q1/18 Net Profit Breakdown (include stock gain/ loss)

(Unit: million THB)

	Thaioil	Thai PARAXYLENE	Thai LUBE BASE	Thaioil SOLVENT	Thaioil MARINE	Thaioil ETHANOL	Thaioil POWER TOP SPP GPSC	Consol	Stk G/(L) & Reversal of NRV/(NRV) & Adjusted to cost	Consol Excl Stock G/(L) & Reversal of NRV/(NRV) & Adjust to cost
NP	3,747	751 <sup>(3)</sup>	417	38	17	27	592 <sup>(4)</sup>	5,608	345	5,263
ΔQoQ	(2,119)▼	261▲	52▲	(46)▼	555▲	(25)▼	53▲	(1,319)▼	(3,861)▼	2,542▲
ΔYoY	(745)▼	(462)▼	(72)▼	(110)▼	16▲	(93)▼	6▲	(1,467)▼	(389)▼	(1,078)▼

(1) U-rate of 4 Oil & Chemical Tankers (total capacity: 20,100 DWT)

(2) U-rate of TET Q1/17 includes MCE 1-month 124%, SAPTHIP 102% and UBE 100%, Q4/17 includes SAPTHIP 111% and UBE 103%, and Q1/18 includes SAPTHIP 87% and UBE 108%

(3) Includes 75% of LAB net profit Q1/17 = 118 MB, Q4/17 = (9) MB and Q1/18 = 115 MB

(4) 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%)



# Q1/18 TOP Group Consolidated P&L

(Unit : million THB)	<u>Q1/18</u>	<u>Q4/17</u>	<u>QoQ</u>	<u>Q1/17</u>	<u>YoY</u>
Sales Revenue	91,617	89,443	2,174 <sup>A</sup>	87,596	4,021
Hedging Gain / (Loss)	102	(63)	165 <sup>B</sup>	(86)	188
<b>EBITDA</b>	<b>7,359</b>	<b>10,810</b>	<b>(3,451) <sup>C</sup></b>	<b>9,548</b>	<b>(2,189)</b>
EBITDA <u>excl.</u> Stock G/(L) & Reversal of NRV/(NRV) & Adjusted product stock to cost	7,014	6,604	410 <sup>D</sup>	8,814	(1,800)
Financial Charges	(750)	(797)	47	(846)	96
FX G/(L) & CCS	1,470	677	793 <sup>E</sup>	1,323	147
(Tax Expense)/reversal of income tax	(1,209)	(1,711)	502	1,461	(2,670)
<b>Net Profit / (Loss)</b>	<b>5,608</b>	<b>6,927</b>	<b>(1,319)</b>	<b>7,075</b>	<b>(1,467)</b>
EPS (THB/Share)	2.75	3.40	(0.65)	3.47	(0.72)
Stock G/(L)&Reversal of NRV/(NRV) & Adjusted product stock to cost	345	4,206	(3,861)	734	(389)
Net Profit/ (Loss) <u>excl.</u> Stock G/(L) and Reversal of NRV/(NRV) & Adjusted product stock to cost	5,263	2,721	2,542	6,341	(1,078)
THB/US\$ - average	31.71	33.54	(1.83)	35.28	(3.57)
THB/US\$ - ending	31.41	33.53	(2.12)	34.61	(3.20)
Effective Tax Rate (%)	17%	18%	-1%	17%	0%

## QoQ analysis

<sup>A</sup> Mainly from overall sale volume and product price increased

<sup>B</sup> Mainly from gain in time spread hedge

<sup>C</sup> Mainly from huge stock gain in Q4/17

<sup>D</sup> Mainly from lower operating cost

<sup>E</sup> Realized gain on AP/AR & unrealized gain on USD debt from THB appreciated

# Q1/18 TOP Group Consolidated Cash Flow

(Unit: Million THB)

Operating Cash Flow		
	Q1/18	Q1/17
<b>Operating Cash Flow</b>	<b>7,636</b>	<b>10,089</b>
Net income & non-cash adj.	7,157	10,047
Change in working capital	479	42

(Unit: Million THB)

Investments		
	Q1/18	Q1/17
<b>Investments</b>	<b>2,896</b>	<b>(2,891)</b>
ST investments	4,352	244
Available for sale	(680)	(2,011)
CAPEX (PP&E) & other	(776) <sup>1)</sup>	(1,124)

1) TOP 774 MB, TSV 55 MB

## Financing

Financing		
	Q1/18	Q1/17
<b>Financing</b>	<b>7,283</b>	<b>(6,396)</b>
Loans proceeding	10,346 <sup>2)</sup>	415
Loans repayment	(1,685) <sup>3)</sup>	(5,259)
Interest	(1,377)	(1,551)

2) LABIX 1,540 MB, SAPTHIP 195 MB  
TOP SPP 8,500 MB, TSV 111 MB

3) LABIX 1,578 MB, TSV 50 MB,  
TM 57 MB

Free Cash Flow		
	Q1/18	Q1/17
<b>Free Cash Flow</b>	<b>10,532</b>	<b>7,199</b>

	Beginning		Change		Effect of FCD		Ending
<b>cash</b>	<b>15,623</b>	+	<b>17,816</b>	+	<b>440</b>	=	<b>33,879</b>
<b>S/T investment</b>	<b>52,318</b>		<b>(4,398)</b> <sup>4)</sup> ↑				<b>47,920</b>
<b>Available for sale</b>	<b>3,103</b>		<b>743</b> <sup>5)</sup> ↑				<b>3,846</b>
	<b>71,045</b>						<b>85,645</b> <sup>6)</sup>

4) non-cash transaction :  
adj. AP as at 31Dec'17 45 MB,

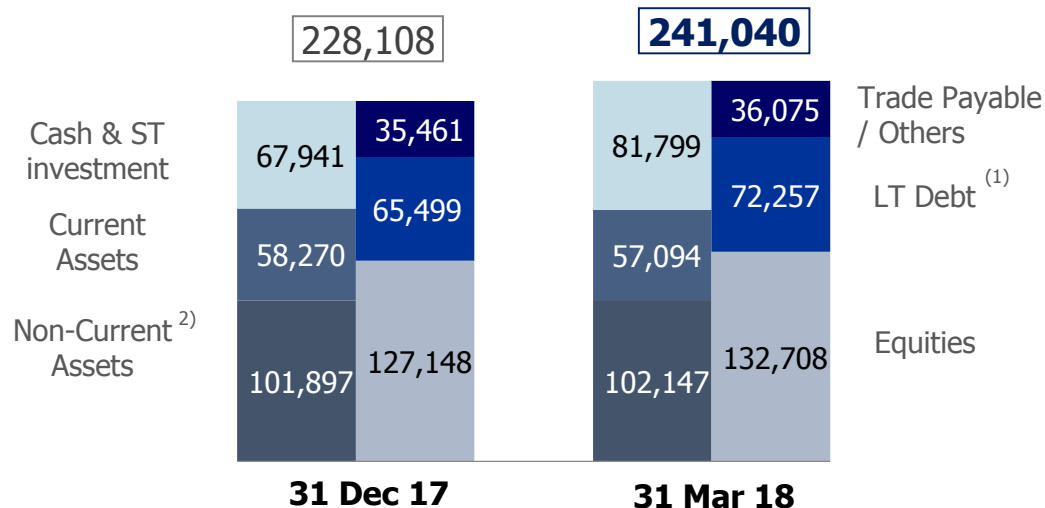
5) Loss from redeem and sold MFC 36 MB,  
AP (Private fund) as at 31 Mar 18 36 MB

6) FCD = 11,802 MB (380 MUSD)

# Q1/18 TOP Group Strong Financial Position & Financial Ratios

## Statements of Financial Position

(Unit: million THB)



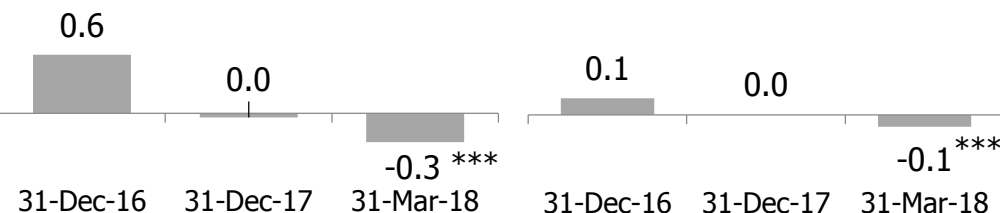
ROE	20.8 %	18.0 % *
ROIC	20.2 %	19.7 % *

(1) Including current portion of Long-Term Debt

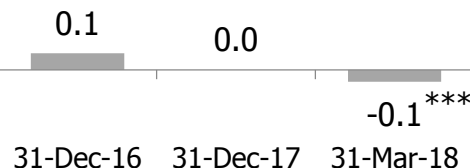
(2) Including available for sale 31 Dec 17 = 2,859 MB , 31 Mar 18 = 3,846 MB

## 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))

\*\*\* As of 31 Mar 18 Net cash 8,234 MB or 260 M\$

## Consolidated Long-Term Debt as at 31 Mar 18

### Total Long-Term Debt

72,257 million THB  
(US\$ 2,300 million  
equivalence)

### Net Cash

8,234 million THB  
(US\$ 262 million  
equivalence)

As at 31 Mar 18 (31.41 THB/US\$)

	Value (Million)	Portion
US\$ Bond & US\$ Loan	USD 1,089	47%
THB Bond	THB 23,500	33%
THB Loan	THB 14,552	20%

Interest Rate	Portion
Float	20%
Fixed	80%
TOP avg.debt life	10.5 Yrs

Cost of Debt	
TOP Group (Net)	2.93% <sup>(3)</sup>
TOP Group (Gross)	4.46%

(3) Due to yield enhancement

**MOODY'S**

Baa1  
Stable Outlook

**STANDARD  
& POOR'S**

BBB  
Stable Outlook

**FitchRatings**

AA- (tha)  
Stable Outlook

# Thank You

Any queries, please contact:



at email: [ir@thaioilgroup.com](mailto:ir@thaioilgroup.com)

Tel: 662-797-2999 / 662-797-2961

Fax: 662-797-2976