



# Thai Oil Public Company Limited

## Q1/19

### Financial Result Conference Call

### 15 May 2019

For Foreign Analyst & Investors: +66 2 104 6000 / pin code 438821# (10<sup>th</sup> May @ 2.00 AM)

For Thai Analysts & Investors: : +66 2 104 6000 / pin code 924464# (10<sup>th</sup> May @ 3.30 PM)



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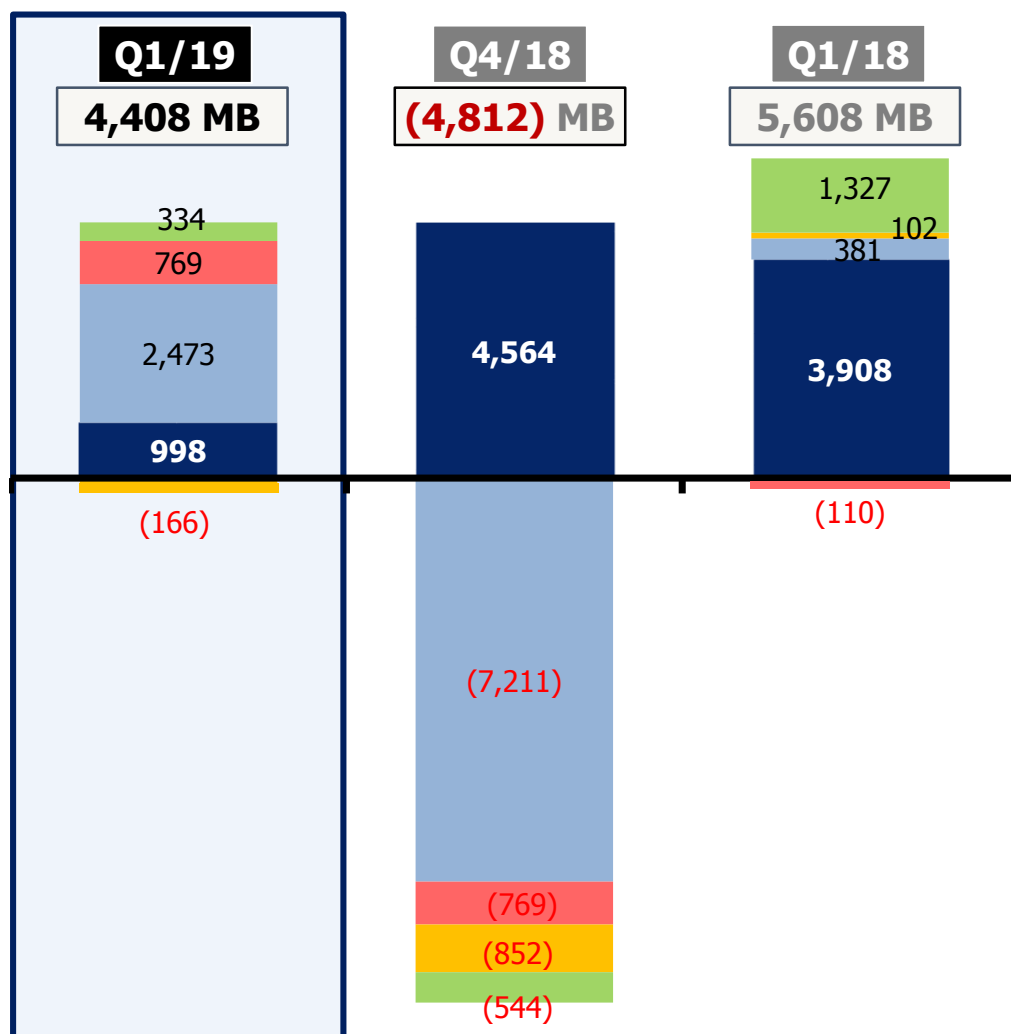
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# Q1/19 Stock Gain Offset Soften Market GIM

## TOP Group Net Profit

Unit : million THB (MB)

- Net operating profit
- Stock gain/(loss)
- Reversal of NRV Crude/(NRV Crude)
- F/X Risk management gain/(loss)
- Others i.e. Commodities hedging gain/(loss) & Non-recurring items



## Gross Refining Margin - GRM

| \$/bbl            | Q1/19 | Q4/18 | Q1/18 |
|-------------------|-------|-------|-------|
| Market GRM        | 3.0   | 3.9   | 5.7   |
| Stock Gain/(Loss) | 2.7   | (7.5) | 0.9   |
| Accounting GRM    | 5.7   | (3.6) | 6.2   |

## Gross Integrated Margin - GIM

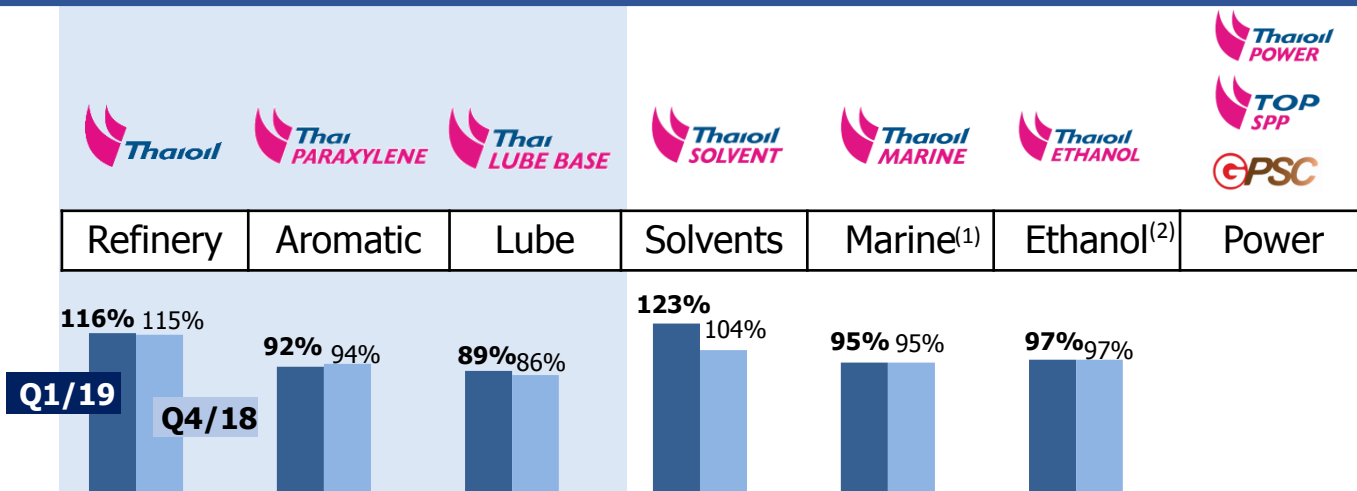
|                 |     |       |     |
|-----------------|-----|-------|-----|
| Aromatics & LAB | 2.0 | 2.2   | 1.7 |
| Lube base       | 0.2 | 0.4   | 0.7 |
| Market GIM      | 5.2 | 6.5   | 8.2 |
| Accounting GIM  | 7.9 | (0.9) | 8.6 |

## Utilization / Production Rate

|           |      |      |      |
|-----------|------|------|------|
| Refinery  | 116% | 115% | 113% |
| Aromatics | 92%  | 94%  | 90%  |
| Base Oil  | 89%  | 86%  | 89%  |

# Q1/19: Performance Breakdown by Business Unit

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



### Key Points

- **Refinery:** continued high run rate to capture strong demand in domestic and Indochina market
- **Aromatic/LAB:** stable run rate to capture ongoing decent margins
- **Lube:** declined contribution pressured by new base oil supply from China
- **Power:** higher contribution mainly from higher GPSC's profit sharing
- **Solvents:** higher contribution due to higher sale gross margins following rising crude price
- **Marine:** improved contribution supported by higher TMS's utilization and lower operating cost
- **Ethanol:** higher contribution due to higher sales volume and profit sharing from UBE

|       | Acc GRM (\$/bbl) | P2F (\$/ton) | P2F (\$/ton) |
|-------|------------------|--------------|--------------|
| Q1/19 | 5.7              | 143          | 59           |
| Q4/18 | (3.6)            | 151          | 73           |
| Q1/18 | 6.2              | 110          | 105          |

## Q1/19 Net Profit Breakdown (include stock gain/ loss)

(Unit: million THB)

|      | Thaiol  | Thai PARAXYLENE     | Thai LUBE BASE | Thaiol SOLVENT | Thaiol MARINE | Thaiol ETHANOL | TOP SPP                | GPSC | Consol    | Stock G/(L) & Reversal of NRV /(NRV) | Consol Excl Stock G/(L) & Reversal of NRV /(NRV) |
|------|---------|---------------------|----------------|----------------|---------------|----------------|------------------------|------|-----------|--------------------------------------|--|
| NP   | 2,968   | 774 <sup>(3)</sup>  | 56             | 44             | (2)           | 16             | 482 <sup>(4)</sup>     |      | 4,408     | 3,787                                | 621  |
| ΔQoQ | 9,055 ▲ | 27 <sup>(3)</sup> ▲ | (89) ▼         | 58 ▲           | 63 ▲          | 9 ▲            | 65 <sup>(4)</sup> ▲    |      | 9,220 ▲   | 12,311 ▲                             | (3,091) ▼  |
| ΔYoY | (779) ▼ | 23 <sup>(3)</sup> ▲ | (361) ▼        | 6 ▲            | (19) ▼        | (11) ▼         | (110) <sup>(4)</sup> ▼ |      | (1,200) ▼ | 3,515 ▲                              | (4,715) ▼  |

(1) U-rate of 5 Oil & Chemical Tankers (total capacity: 22,800 DWT, acquired 1 LPG vessel in Dec 18 which start operation in Jan 19 onwards)

(2) U-rate of TET Q1/19 includes SAPTHIP 97% and UBE 97%, Q4/18 includes SAPTHIP 96% and UBE 98%, Q1/18 includes SAPTHIP 87% and UBE 108%

(3) Includes 75% of LAB net profit, Q1/19 = (64) MB, Q4/18 = (106) MB, 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%)

# Q1/19 TOP Group Consolidated P&L

(Unit : million THB)

## QoQ analysis

|   | Q1/19        | Q4/18          | QoQ            | Q1/18        | YoY            |
|---|--------------|----------------|----------------|--------------|----------------|
| Sales Revenue   | 91,626       | 100,150        | (8,524) (A)    | 91,536       | 90             |
| Hedging Gain / (Loss)   | (166)        | (852)          | 686 (B)        | 102          | (268)          |
| <b>EBITDA</b>   | <b>6,889</b> | <b>(3,582)</b> | 10,471 (C)     | <b>7,359</b> | <b>(470)</b>   |
| EBITDA excl. Stock G/(L) & Reversal of NRV/(NRV)                      | 3,102        | 4,942          | (1,840) (D)    | 7,087        | (3,985)        |
| Financial Charges   | (1,215)      | (1,078)        | (137) (E)      | (750)        | (465)          |
| FX G/(L) & CCS  | 652          | (233)          | 885 (F)        | 1,470        | (818)          |
| (Tax Expense)/reversal of income tax                                  | (1,000)      | 1,315          | (2,315)        | (1,209)      | 209            |
| <b>Net Profit / (Loss)</b>  | <b>4,408</b> | <b>(4,812)</b> | 9,220          | <b>5,608</b> | <b>(1,200)</b> |
| EPS (THB/Share)   | 2.16         | (2.36)         | 4.52           | 2.75         | (0.59)         |
| Stock G/(L) & Reversal of NRV   | 3,787        | (8,524)        | 12,311         | 272          | 3,515          |
| <b>Net Profit/ (Loss) excl. Stock G/(L) and Reversal of NRV/(NRV)</b> | <b>621</b>   | <b>3,712</b>   | <b>(3,091)</b> | <b>5,336</b> | <b>(4,715)</b> |
| THB/US\$ - average  | 31.79        | 32.99          | (1.20)         | 31.71        | 0.08           |
| THB/US\$ - ending   | 31.98        | 32.61          | (0.63)         | 31.41        | 0.57           |
| Effective Tax Rate (%)  | 18%          | N/A            | N/A            | 17%          | 1%             |

(A) Decrease overall sales volume and product prices following lower quarterly average crude price

(B) Less commodity hedging loss in Q1/19

(C) Mainly from stock gain 2.7 \$/bbl in Q1/19 compared with stock loss (7.5) \$/bbl in Q4/18

(D) Mainly due to soften Mkt GIM 5.2 \$/bbl in Q1/19 from 6.5 \$/bbl in Q4/18

(E) Mainly from new bond 1,000 M\$ in Nov'18 to support funding plan for CFP

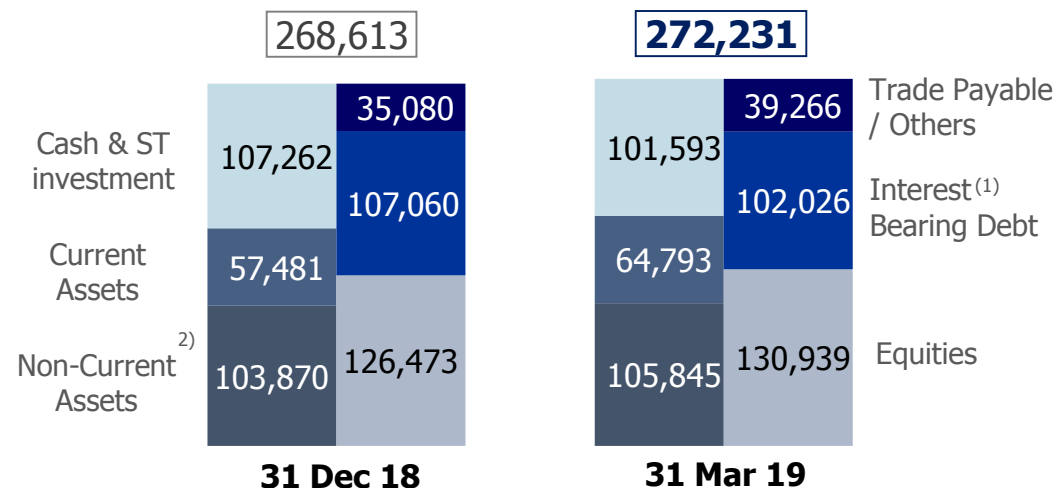
(F) Mainly from realized gain on AP/AR & unrealized gain on USD debt from THB appreciated



# Q1/19 TOP Group Strong Financial Position & Financial Ratios

## Statements of Financial Position

(Unit: million THB)



|      |       |        |
|------|-------|--------|
| ROE  | 8.0 % | 7.0 %* |
| ROIC | 9.2 % | 8.3 %* |

(1) Including current portion of Long-Term Debt

(2) Including investment held as available for sale 31 Dec 18 = 361 MB, 31 Mar 19 = 380 MB

## Financial Ratios

Net Debt / adj. EBITDA\*\*

Net Debt / Equity

0.0 0.0\*\*\* 0.0 0.0\*\*\*

31-Dec-18

31-Mar-19

31-Dec-18

31-Mar-19

\* Based on actual performance in the past 12 months

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

\*\*\* As of 31 Mar 19 Net Debt 433 MB or 14 M\$

## Consolidated Long-Term Debt as at 31 Mar 19

### Total IBD

102,026 million THB  
(US\$ 3,190 million equivalence)

### Net Debt

433 million THB  
(US\$ 14 million equivalence)

As at 29 Mar 19 (31.98 THB/US\$)

|                                      | Value (Million) | Portion |
|--------------------------------------|-----------------|---------|
| US\$ Bond & US\$ Loan <sup>(3)</sup> | USD 1,991       | 63%     |
| THB Bond                             | THB 20,500      | 20%     |
| THB Loan                             | THB 16,212      | 17%     |

(3) Including VND Loan equivalent to USD

| Interest Rate     | Portion   |
|-------------------|-----------|
| Float             | 11%       |
| Fixed             | 89%       |
| TOP avg.debt life | 14.00 Yrs |

| Cost of Debt       |                      |
|--------------------|----------------------|
| TOP Group (Net***) | 2.43% <sup>(4)</sup> |
| TOP Group (Gross)  | 4.83%                |

(4) Due to yield enhancement

MOODY'S

Baa1  
Stable Outlook

STANDARD  
& POOR'S

BBB+  
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FitchRatings

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# Thank You

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