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# Thai Oil Public Company Limited

## Q3/20

### Financial Result Conference Call

#### 5 November 2020

For Thai Analyst & Investors: +66 2 104 6000 / pin code 656672# (5<sup>th</sup> November @ 7.00 PM)  
For Foreign Analysts & Investors: : +66 2 104 6000 / pin code 256301# (6<sup>th</sup> November @ 8.00 AM)



## Disclaimer

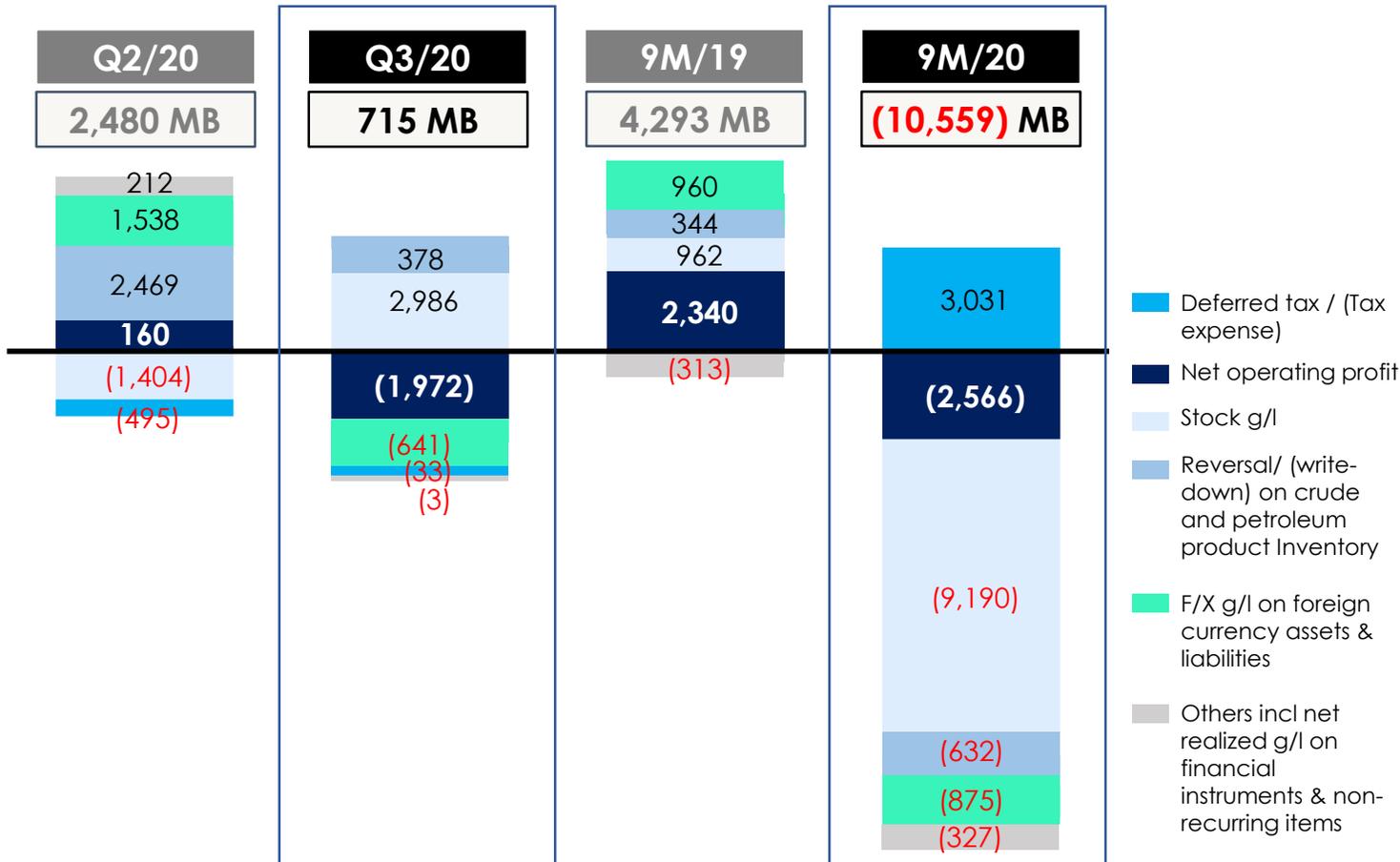
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# Financial Performance

## TOP Group Net Profit

Unit : million THB (MB)



**Remark**

- Stock gain/(loss) : Q2/20 (1,404) MB, Q3/20 2,986 MB, 9M/19 962 MB, 9M/20 (9,190) MB
- Reversal/ (write-down) on crude and petroleum product inventory : Q2/20 2,469 MB, Q3/20 378 MB, 9M/19 344 MB, 9M/20 (632) MB
- F/X gain/(loss) on gain on foreign currency assets & liabilities : Q2/20 1,538 MB, Q3/20 (641) MB, 9M/19 960 MB, 9M/20 (875) MB
- (Tax expense)/Reversal of Tax expense : Q2/20 (495) MB, Q3/20 (33) MB, 9M/19 (895) MB, 9M/20 3,031 MB
- Net realized gain/(loss) on financial instruments : Q2/20 (45) MB, Q3/20 144 MB, 9M/19 71 MB, 9M/20 80 MB
- Non-recurring item: Impact of TFRS-9 : Q2/20 389 MB, Q3/20 33 MB, 9M/20 45 MB, Impact of TFRS-16 : Q2/20 (132) MB, Q3/20 (180) MB, 9M/20 (452) MB, Severance payment : 9M/19 (384) MB

## Gross Refining Margin - GRM

	\$/bbl	Q2/20	Q3/20	9M/19	9M/20
<b>Market GRM</b>		1.4	(1.1)	3.2	0.1
<b>Stock Gain/(Loss)</b>		(1.8)	4.0	0.4	(3.8)
<b>Accounting GRM</b>		(0.4)	2.9	3.6	(3.7)

## Gross Integrated Margin - GIM

<b>Aromatics &amp; LAB</b>	1.6	1.2	1.2	1.4
<b>Lube base</b>	0.0	0.8	0.5	0.4
<b>Market GIM</b>	2.9	1.0	4.9	2.0
<b>Accounting GIM</b>	1.1	4.9	5.2	(1.8)

## Utilization / Production Rate

<b>Refinery</b>	98%	93%	105%	101%
<b>Aromatics</b>	75%	56%	70%	71%
<b>Base Oil</b>	89%	89%	85%	86%

# Performance Breakdown

	Petroleum	Petrochemical & Lube Base <sup>(1)</sup>	Power <sup>(2)</sup>	Others & New Business <sup>(3)</sup>	Consolidated Net Profit (excl. Stock G/(L))	Stock Gain/ (Loss)	Consolidated Net Profit (incl. Stock G/(L))
Q2/20	2,652	375	716	141	3,884	(1,404)	2,480
Q3/20	(3,701)	391	833	206	(2,271)	2,986	715
9M/19	456	1,199	1,521	154	3,330	963	4,293
9M/20	(5,537)	1,509	2,135	524	(1,369)	(9,190)	(10,559)

## Q3/20 Key Points

### Petroleum

- Slowdown in refinery utilization to 93%
- Lower contribution due to lower market GRM (from 1.4 \$/bbl in Q2'20 to -1.1 \$/bbl in Q3'20)
- Stock gain from low crude cost in Q2'20

### Power

- TOP SPP slightly lower electricity dispatched due to LABIX planned MTA in mid-July to end-August
- Higher profit-sharing from GPSC mainly from associated company i.e. XPCL

### Petrochemical

- **Aromatics & LAB** : lower contribution from weak aromatic spread and lower LAB contribution due to planned MTA mid-July to end-August
- **Lube** : higher contribution due to improving lube and bitumen demand after lockdown easing

### Others & New Business

- **Solvent** : higher contribution due to improving product gross margins from tight supply
- **Ethanol**: higher contribution due to higher ethanol sale volume

#### Remark

(1) Includes 75% of LAB net profit, Q2/20 75 MB, Q3/20 (221) MB, 9M/19 (109) MB, 9M/20 (212) MB

(2) 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%)

(3) Consisting of Solvent, Marine, Ethanol and other business

# Q3/20 & 9M/20 TOP Group Consolidated P&L

(MB)	Q3/20	Q2/20	QoQ+ / (-)	Q3/19	YoY+ / (-)	9M/20	9M/19	YoY+ / (-)
Sales Revenue	57,225	49,372	7,853 <sup>(A)</sup>	82,329	(25,104)	183,248	265,916	(82,668) <sup>(C)</sup>
Net Realized G/(L) on Financial Instrument	144	(45)	189	147	(3)	80	71	9
<b>EBITDA</b>	<b>↑ 3,819</b>	<b>2,881</b>	<b>938 <sup>(B)</sup></b>	<b>945</b>	<b>2,874</b>	<b>↓ (5,549)</b>	<b>9,906</b>	<b>(15,455) <sup>(D)</sup></b>
<b>EBITDA excl. Stk G/(L) &amp; NRV</b>	<b>455</b>	<b>1,816</b>	<b>(1,361)</b>	<b>2,670</b>	<b>(2,215)</b>	<b>4,273</b>	<b>8,599</b>	<b>(4,326)</b>
Net Loss on FV of Financial Instrument	33	389	(356)	-	33	45	-	45
FX G/(L) & CCS	(453)	2,045	(2,498)	303	(756)	(746)	1,549	(2,295)
Financial cost	(1,172)	(1,029)	(143)	(1,041)	(131)	(3,306)	(3,452)	146
Tax Expense	(33)	(495)	462	222	(255)	3,031	(895)	3,926
<b>Net Profit</b>	<b>↓ 715</b>	<b>2,480</b>	<b>(1,765)</b>	<b>(683)</b>	<b>1,398</b>	<b>↓ (10,559)</b>	<b>4,293</b>	<b>(14,852)</b>
EPS (THB/Share)	0.35	1.22	(0.87)	(0.33)	0.69	(5.18)	2.10	(7.28)
Stock G/(L) and NRV	3,364	1,065	2,299	(1,725)	5,089	(9,822)	1,307	(11,129)
<b>Net Profit excl. Stk G/(L) &amp; NRV</b>	<b>(2,649)</b>	<b>1,415</b>	<b>(4,064)</b>	<b>1,042</b>	<b>(3,691)</b>	<b>(737)</b>	<b>2,986</b>	<b>(3,723)</b>
THB/US\$ - average selling	31.49	32.11	(0.62)	30.88	0.61	31.68	31.47	0.21
THB/US\$ - ending	31.83	31.07	0.76	30.77	1.06	31.83	30.77	1.06
Effective Tax Rate (%)	N/A	16%	N/A	N/A	N/A	22%	17%	5%

## Analysis

### QoQ

**(A) Lower sales volume from lower jet fuel demand but higher avg. selling price**

**(B) Mainly from stock gain 4.0\$ in Q3'20, compare to stock loss 1.8\$/bbl in Q2'20**

### YoY

**(C) Lower sales volume and avg. selling price due to impact of COVID-19**

**(D) Lower market GIM from lower overall product spreads and huge stock loss**

# 9M/20 Consolidated Cash Flow

(Unit: MB)

## Operating Cash Flow

Net income	(10,285)	4,461
Depreciation & NRV	7,425	4,347
Other adj. <sup>(1)</sup>	(919)	332
Change in working capital	1,212	(2,303)

9M/20	9M/19
<b>(2,568)</b>	<b>6,838</b>

## Investments

Dividend income	1,489	763
ST investments	(40,849)	55,177
CAPEX (PP&E) & other	(32,486) <sup>(2)</sup>	(20,044)

9M/20	9M/19
<b>(71,846)</b>	<b>35,896</b>

<sup>(2)</sup> TOP 31,716, TPX 94, LABIX 283, SAP&SGE 97 MB, TLB 77 MB

(1) **Key Items**

	9M/20	9M/19
Financial Cost	3,306 MB	3,452 MB
Unrealized FX	892 MB	(1,089) MB
Share profit	(2,129) MB	(1,000) MB
Tax expense	(3,031) MB	895 MB
Tax paid	91 MB	(1,780) MB

## Financing

Loans proceeding	6,280 <sup>(3)</sup>	5,739
Loans repayment	(7,121) <sup>(4)</sup>	(7,153)
Bond issue	30,998	(3,000)
Interest	(4,359)	(3,526)
Dividend & Lease	(1,976)	(4,626)

9M/20	9M/19
<b>23,822</b>	<b>(12,565)</b>

## Free Cash Flow

<b>(74,413)</b>	<b>42,733</b>
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<b>Beginning Cash</b>		<b>Effect of FX changes</b>	=	<b>Ending Cash</b>
74,854	<b>(50,591) ↓</b>	3,586		27,849

<sup>(3)</sup> ST-loan LABIX 2,978, TS Group 2,006, SAP&SGE, 944, TMS 238 MB  
LT-loan LABIX 60 MB, SAP&SGE, 56 MB

<sup>(4)</sup> ST-loan LABIX 3,210, SAP&SGE 829, TS Group 2,114, TMS 215 MB, TM 200 MB  
LT-loan, TOP SPP 154, LABIX 100, TM 150, TMS 15, TS group 89, SAP&SGE, 44 MB

## Cash incl. S/T Investment

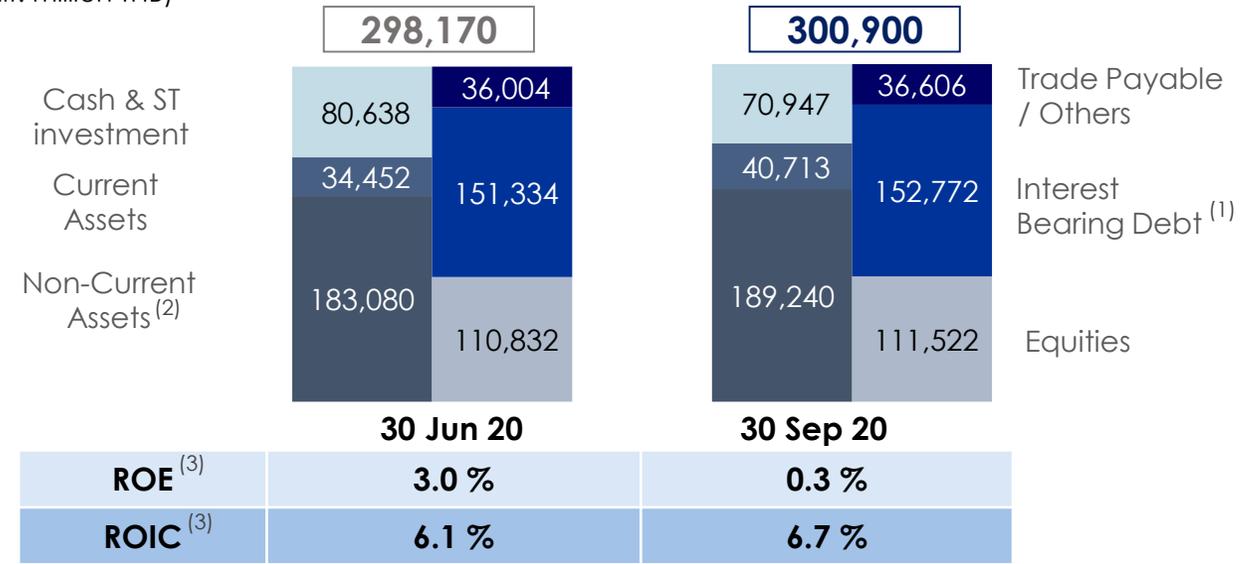
76,937	<b>(5,990) ↓</b>	<b>Ending Cash incl. S/T Investment</b>	=	<b>70,947 <sup>(5)</sup></b>
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<sup>(5)</sup> USD Deposit 58,909 MB (1,871 MUSD)  
Other currency 3,994 MB (EUR, VND, MMK, IDR)

# Q3/20 TOP Group Strong Financial Position

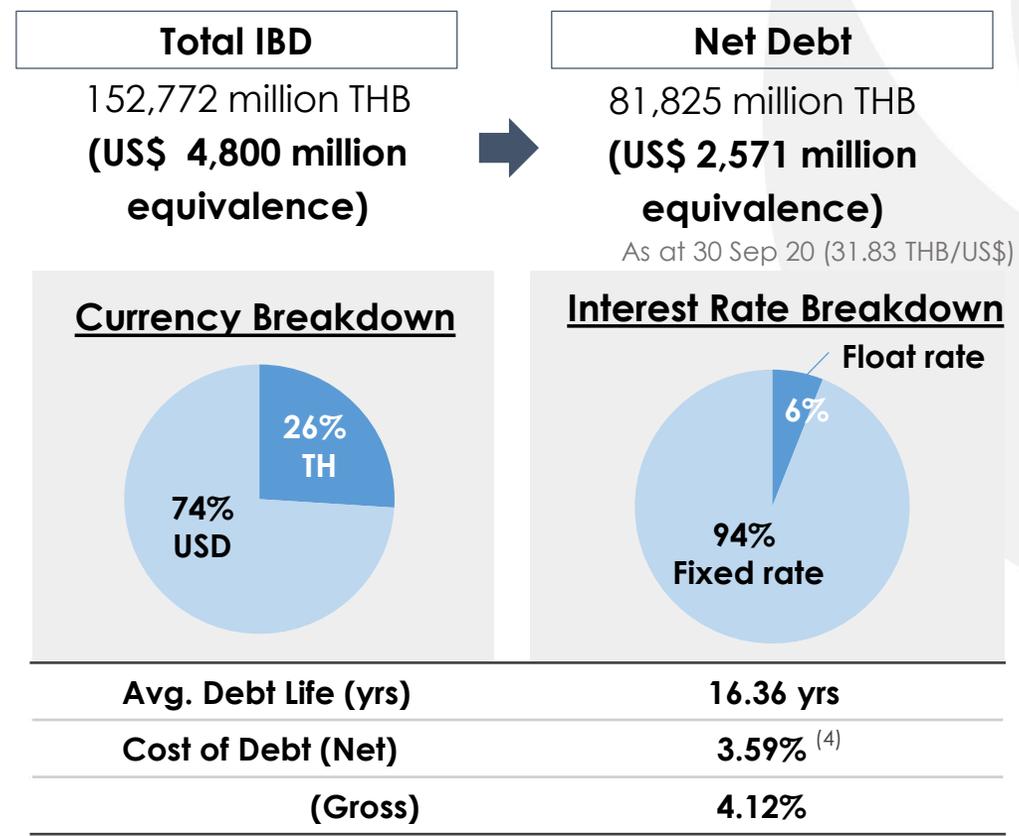
## Statements of Financial Position

(Unit: million THB)



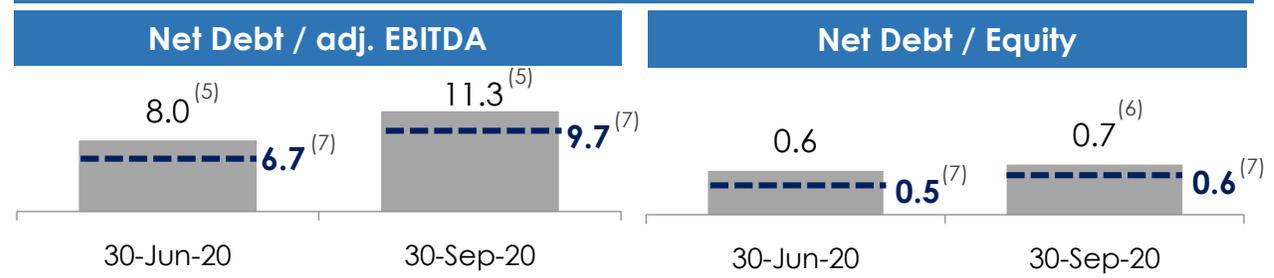
(1) Including current portion of Long-Term Debt  
 (2) Including investment in EPIF as of 30 Jun 20 323 MB, 30 Sep 20 275 MB  
 (3) Based on actual performance in the past 12 month and excluding stock g/l & NRV

## Consolidated Long-Term Debt as at 30 Sep 20



(4) Due to yield enhancement

## Financial Ratios



(5) Based on actual performance in the past 12 month and excluding stock g/l & NRV  
 (6) As of 30 Sep 20 Net Debt 81,825 MB or 2,571 M\$ (7) Adjusted Net Debt excluding Lease Liabilities

	MOODY'S	STANDARD & POOR'S	FitchRatings
<b>Final rating</b>	<b>Baa2</b>	<b>BBB+</b>	<b>AA- (Tha)</b>
<b>Outlook</b>	<b>Negative Outlook</b>	<b>Negative Outlook</b>	<b>Negative Outlook</b>

# 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