

# FY 2013 Analyst Presentation

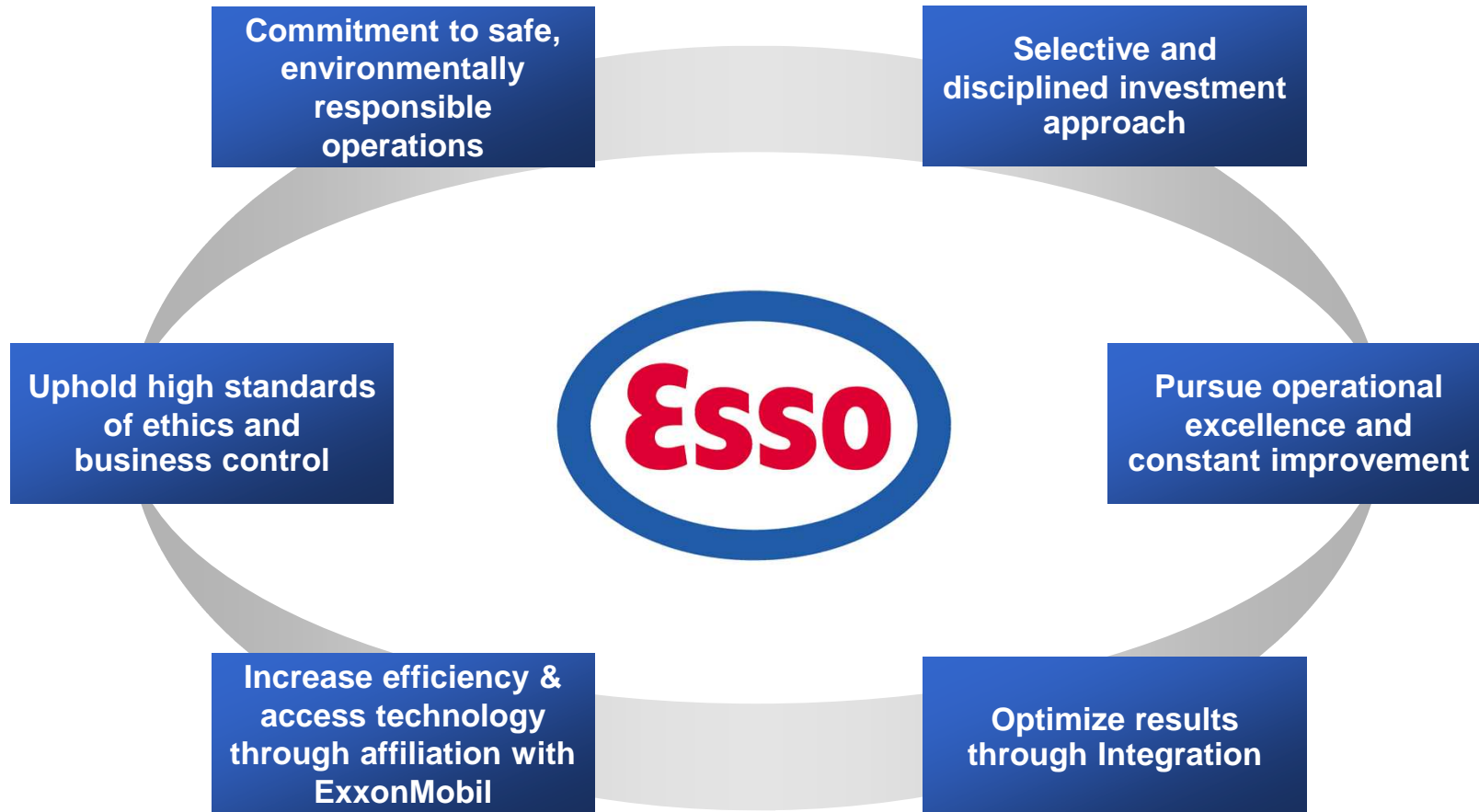
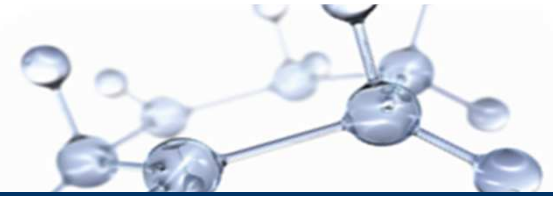
13<sup>th</sup> March 2014



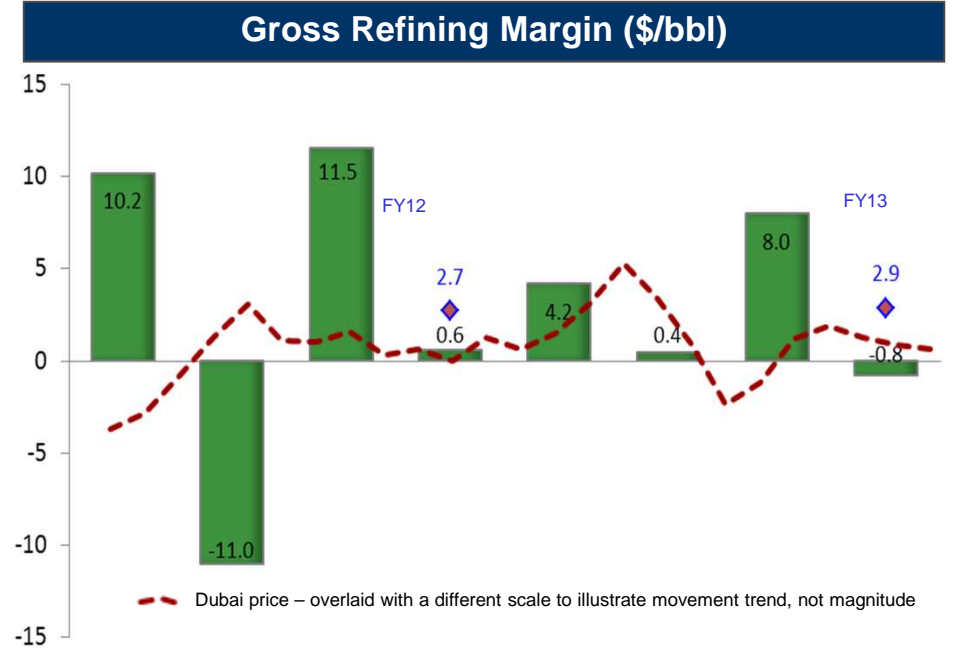
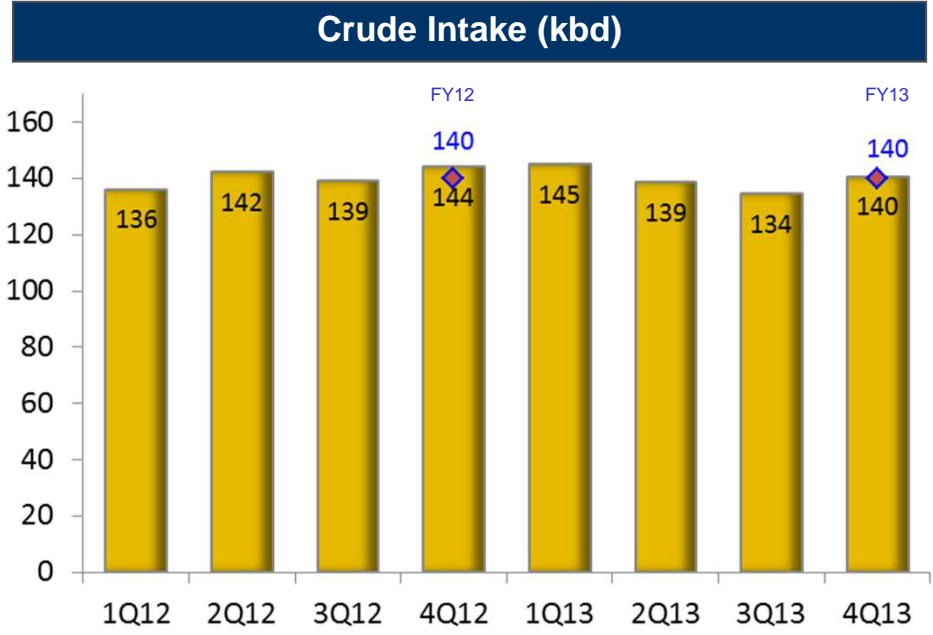
Esso (Thailand) Public Company Limited

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# Business Strategies



# Operating Performance – Crude Run & GRM

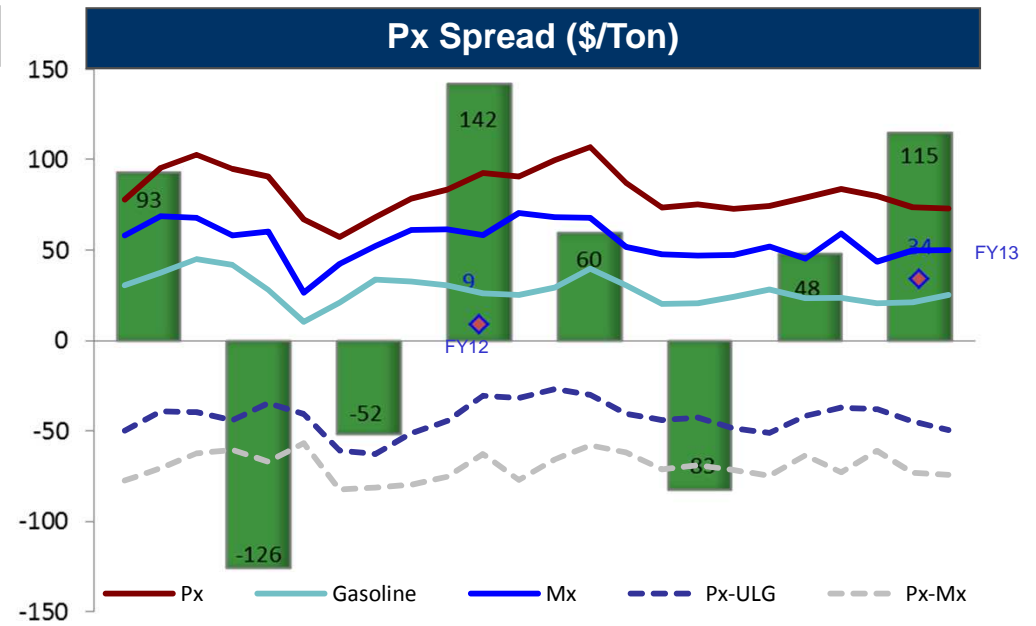
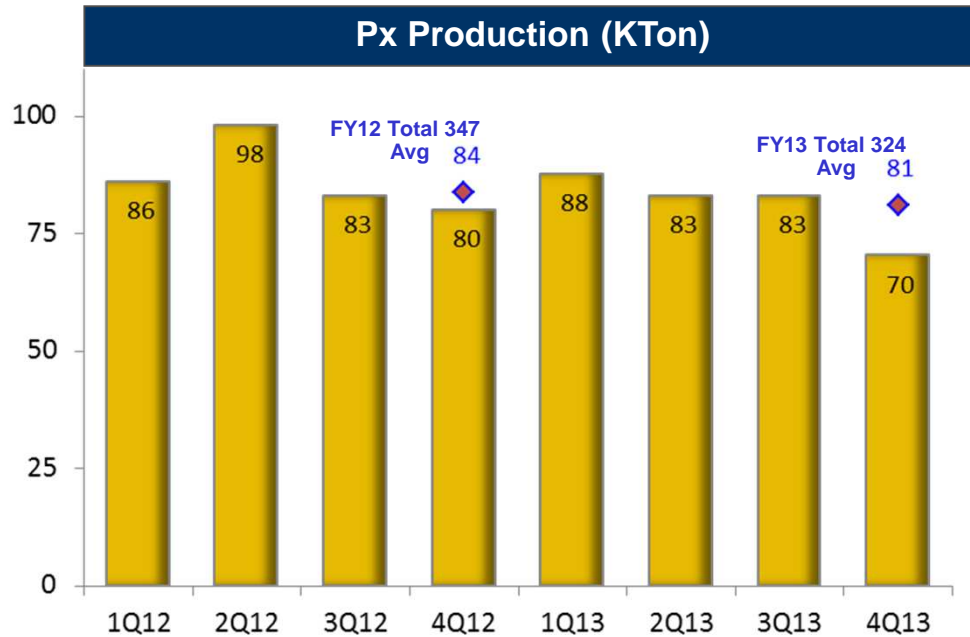
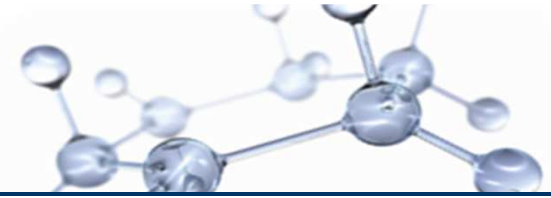


## Industry Refining Margin at the lowest level since 2010

- 140kbd run rate in 4Q13 vs. 134kbd in 3Q13 attributed to seasonal demand and refinery optimization
- 140kbd for FY13, same level with FY12 primarily supported by growth in retail and commercial sectors
- Industry refining margins softened in both 4Q vs. 3Q13 and FY13 vs. FY12
- 4Q13 GRM's were significantly impacted by lower industry margin and unplanned shutdowns



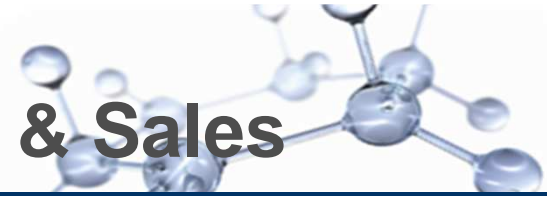
# Operating Performance - Paraxylene



Note: Industry Px and other feedstock prices and spreads – overlaid with a different scale to illustrate movement trend, not magnitude

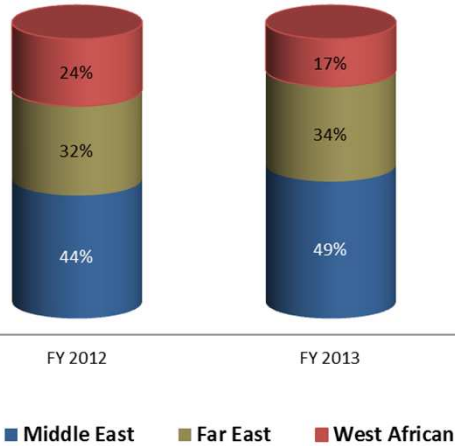
## Improved Px spreads but still in a low level

- Production level optimization with refinery based on overall economics
- Px production of 4Q13 was at the optimized level to fulfill domestic commitment
- 324K Ton Px production for FY13, lower than FY2012 by 23K Ton primarily due to overall depressed Px industry spreads
- FY 2013 experienced improved feedstock cost optimization, leading to high Px spreads

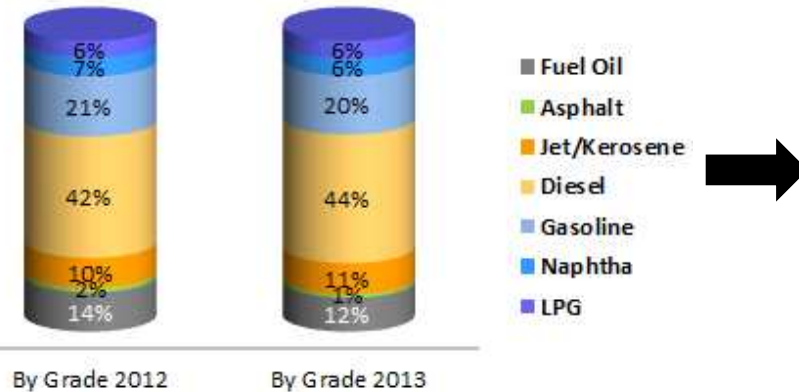


# Operating Performance – Productions & Sales

## Crude Source by Region



## Refinery Productions



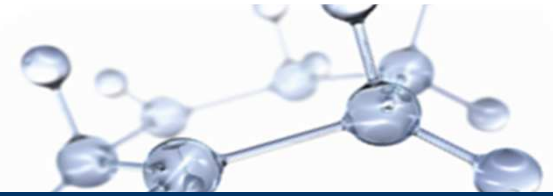
## Sales of Refined Petroleum Products



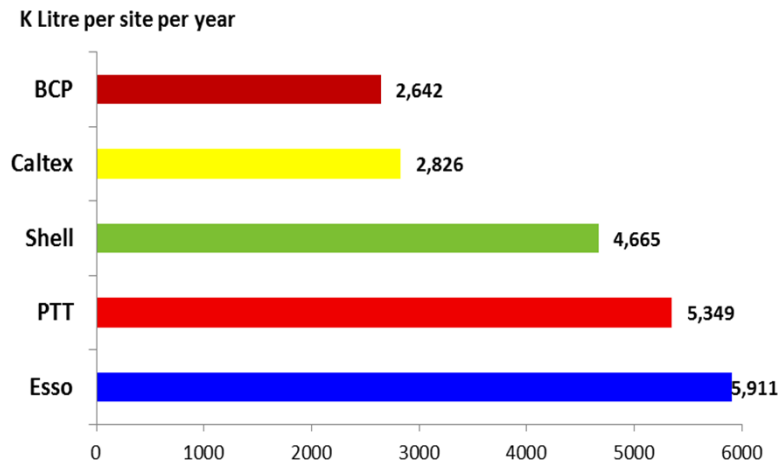
### Integrated optimization in both refinery yield and sales channel

- Improved refinery refining capability reflected in higher crude import from Middle East
- 2013 refining yields were improved from 2012
- Retail and commercial sales channel increased reflecting a better refinery yields
- Retail sales volumes in absolute terms remained strong with higher volumes compared with 2012

# Operating Performance – Marketing

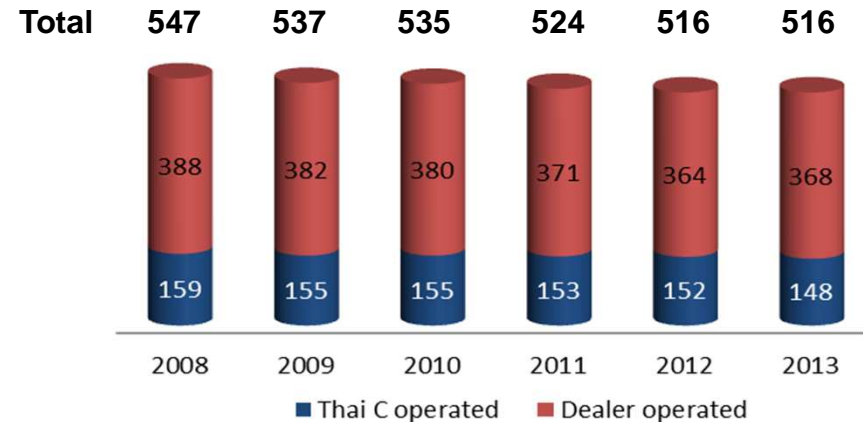


## 2013 Retail Market Penetration\*



\*Source: Department of Energy Business, except for Esso which is based on Company's data  
 Note: Service station numbers based on Sep2013;

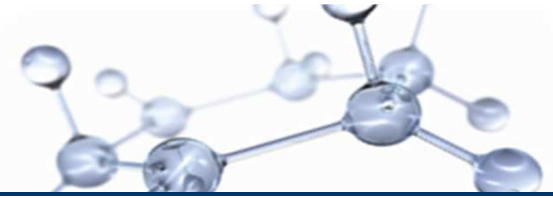
## Number of Service Station



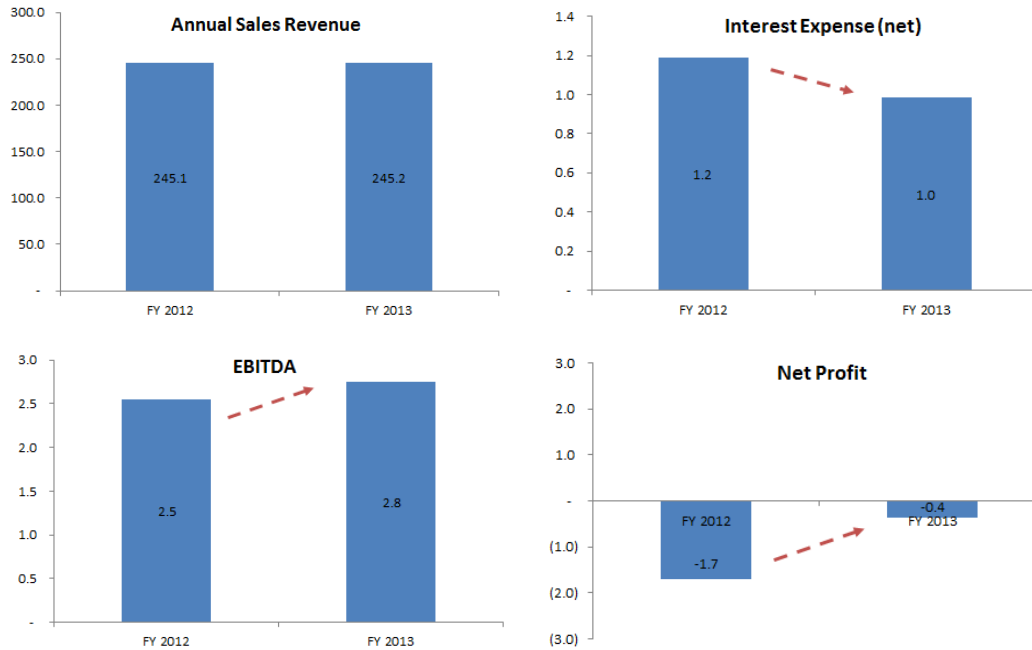
## Strong marketing position

- #1 rank in throughput per service stations and maintained both #2 rank in Retail market position despite UGR phase out
- Maintained strong market presence in term of a number of service station for the first time since IPO
- Continued attractive product mix offering three new products to the market, effective sales promotion program, and service station upgrade program while maintaining capital investment discipline
  - Launched three new products including UGP 95, Premium ADO and Supreme Gasohol E20
  - Continue with Fuels Quality Campaign with a strong nationwide marketing program

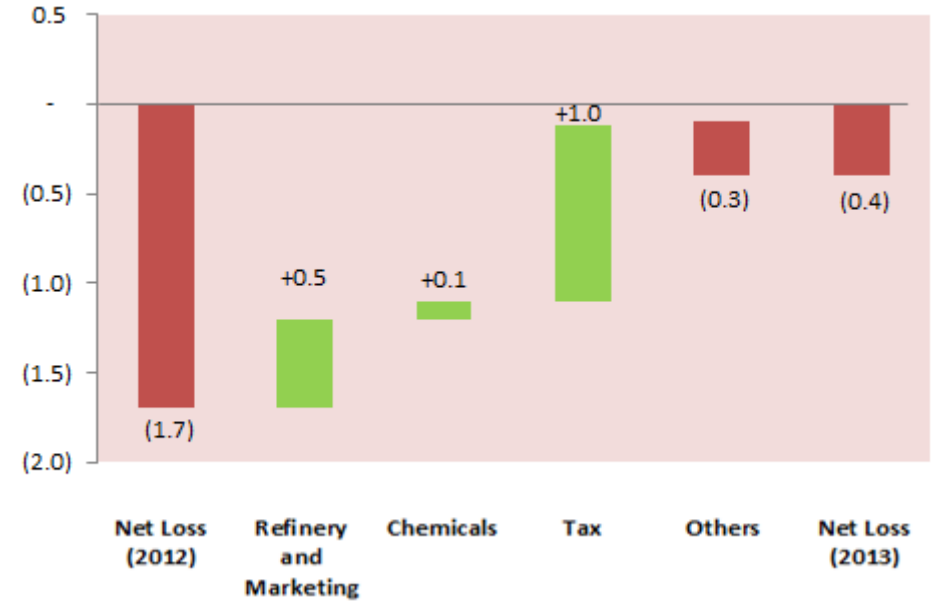
# Comprehensive Income



## Key Income Statement Indicators



## Comprehensive Income Factor Analysis



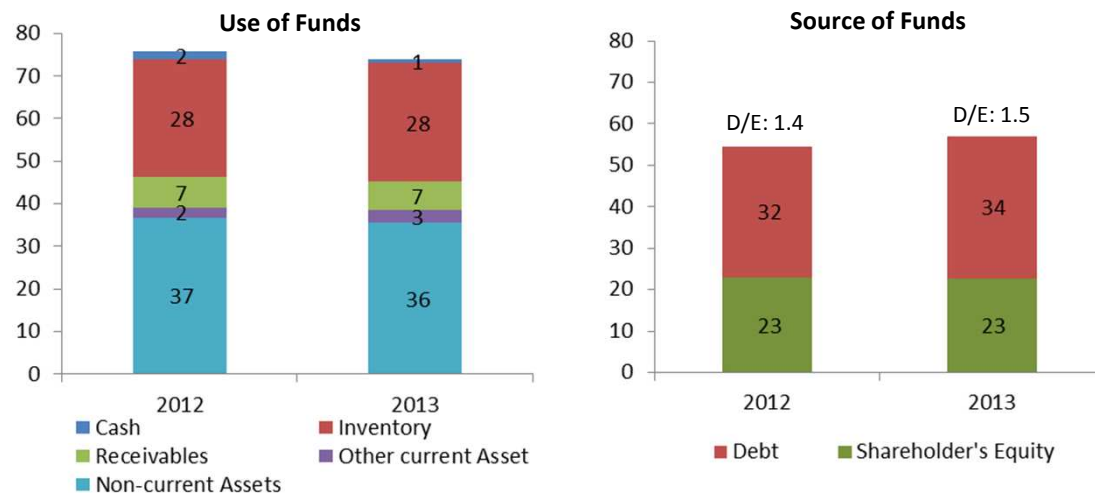
### Key contributing factors to changes in comprehensive incomes

- Less impact for tax reserve for deferred tax assets relating to TLCF that was expired in 2013
- Lower financial cost through debt management, loan from related party, lower policy interest rate
- Impact from stock gain in 2013 vs stock loss in 2012, partially offset by lower industry Margins
- Higher selling and administrative expenses from the service station image upgrade program and related marketing activities expenses

# Financial Position and Cash Flows

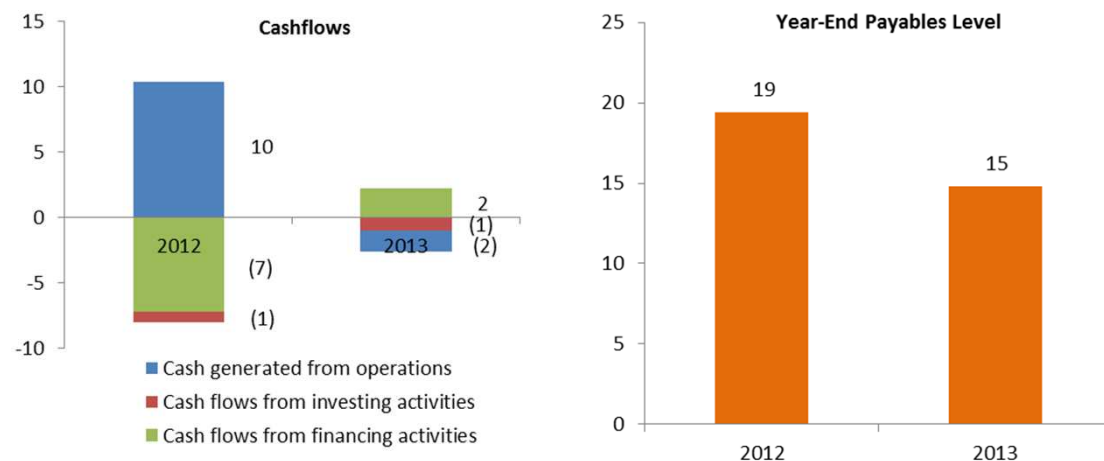


## Balance Sheet Indicators



- Current Assets decreased mainly driven by ability to minimize operating cash level by Baht 1 billion
- Non-current assets decreased primarily resulting from deferred tax reserves and plant and equipment depreciation
- Total Liabilities decreased driven by lower trade payable partly offset by higher year-end debt
  - Debt as end of December 2013 was Baht 34.4 billion, increased by Baht 2.8 billion Short term debts was Baht 23.4 billion
  - Debt to Equity Ratio is slightly increased from year-end higher debt level

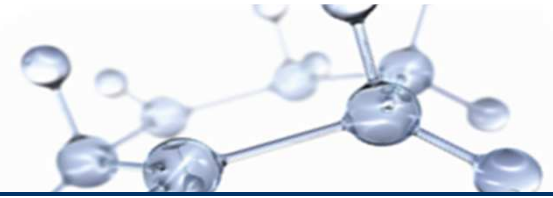
## Company's Cashflows



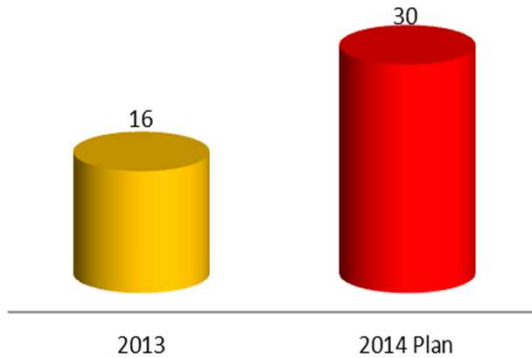
- Cash generated from operations included negative working capital primarily resulted from lower crude payables
  - Investing activities primarily reflected capital investments for capacity maintenance
  - Financing activities reflected higher borrowing to service higher working capital need



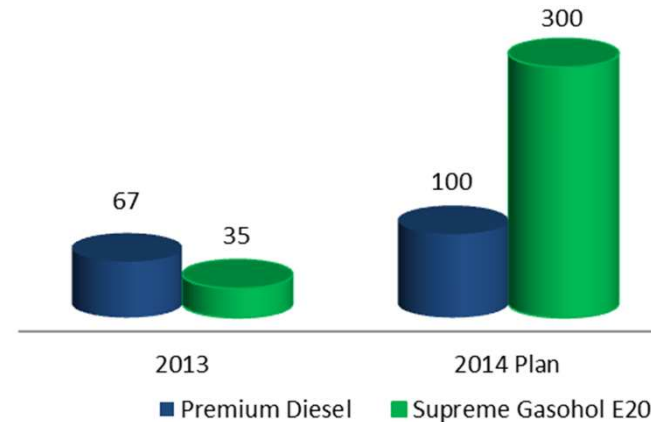
# 2014 Downstream Optimization Plans



Number of New Service Station



Number of Premium Diesel/E20 sites



## Refinery – Continued focus on reliability, cost savings, and energy efficiency enhancement

- Debottleneck and capacity utilization improvement projects
- Energy saving and crude cost reduction initiatives

## Marketing – High margin products focus and sustainable business model

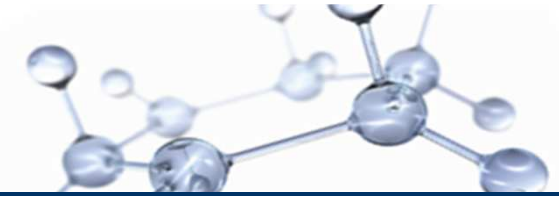
- Opened 16 new stations in 2013 with expansion plan for additional 30 new sites in 2014
- Enhanced earning through the introduction/focus on of high value products (Premium Diesel / E20)
- Strengthen alliance offers to optimize non-fuel income



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# Back-up

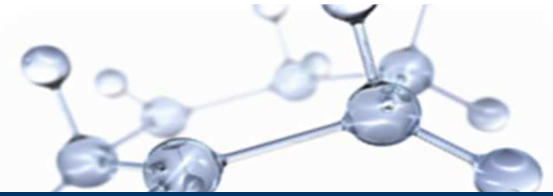
# Comprehensive Income



(Million Baht)	4Q 2013	4Q 2012	Change	FY 2013	FY 2012	Change
Sales	63,881	60,820	3,061	245,174	245,127	47
Profit from sales	(1,579)	(568)	(1,011)	567	373	194
- Downstream	(1,566)	(766)	(800)	1,173	1,062	111
- Petrochemicals	(13)	198	(211)	(606)	(689)	83
Other income / Non-operating income	1,515	12	1,503	1,574	103	1,471
Share of profit from an associate	88	69	19	363	335	28
Finance costs, net	(228)	(282)	54	(984)	(1,190)	206
Income tax (charge) / credit	(129)	(911)	782	(420)	(1,316)	896
Profit/(loss) for the period	(1,834)	(1,680)	(154)	(378)	(1,698)	1,320
Other comprehensive income/ (expense)	81	112	(31)	199	265	(66)
Total comprehensive income/ (expense) for the period	(1,753)	(1,568)	(185)	(179)	(1,433)	1,254
Earnings per share* (Baht / Share)	(0.53)	(0.49)	(0.04)	(0.11)	(0.49)	0.38
EBITDA	(1,029)	(18)	(1,011)	2,752	2,546	206

\* Based on current number of shares: 3,461 million shares

# Balance Sheet



<i>(Million Baht)</i>		<b>31-Dec-13</b>	<b>31-Dec-12</b>	<b>Change</b>
<b>Asset</b>	<i>Current Assets</i>	38,422	39,155	(734)
	<i>Non-current Assets</i>	35,588	36,707	(1,119)
	<b>Total</b>	<b>74,010</b>	<b>75,863</b>	<b>(1,853)</b>
<b>Liabilities</b>	<i>Current Liabilities</i>	38,685	33,717	4,968
	<i>Non-current Liabilities</i>	12,746	19,213	(6,467)
	<b>Total</b>	<b>51,431</b>	<b>52,930</b>	<b>(1,499)</b>
<b>Shareholder's Equity</b>	<i>Capital</i>	21,107	21,107	(0)
	<i>Retained Earnings</i>	1,464	1,818	(354)
	<i>Non-controlling interests</i>	7	7	0
	<b>Total</b>	<b>22,578</b>	<b>22,932</b>	<b>(354)</b>
<i>(Million Baht)</i>		<b>31-Dec-13</b>	<b>31-Dec-12</b>	<b>Change</b>
<b>Cash Flows</b>	<i>Cash generated from operations</i>	(1,636)	10,367	(12,003)
	<i>Cash flows from investing activities</i>	(1,038)	(734)	(304)
	<i>Cash flows from financing activities</i>	2,155	(7,287)	9,442
	<b>EBITDA</b>	2,752	2,546	206
<b>Financial Ratio (times)</b>	<b>Total Debt to Equity ratio</b>	<b>1.5</b>	<b>1.4</b>	<b>0.2</b>
	<b>Interest coverage ratio</b>	<b>2.8</b>	<b>2.1</b>	<b>0.7</b>