

May 19, 2016

1Q 2016 Analyst Presentation

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Business Environment

- Global economic weakness and deflationary environment remained in the first quarter of 2016
 - Weaker-than-expected performance in the United States, Europe, China, and Japan
 - Japan and Europe further implemented negative rates following low inflation and anemic growth
 - The Thai economy in the first quarter of 2016 expanded by 3.2%, the highest rate in 12 quarters, supported by high growth in government spending and investment, exports of services, and growth in private consumption
 - Oil prices remained weak but rebounded from January lows (avg Dubai oil prices: Jan = \$26.8/bbl, Feb = \$29.3/bbl, Mar = \$35.1/bbl)



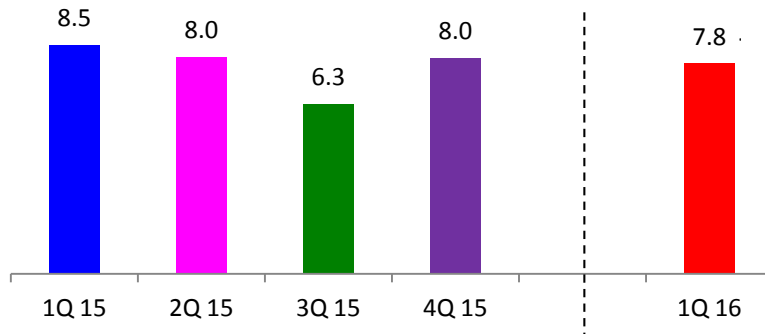
Headline Results

- Achieved a record high crude run of 146 KBD; industry refining margins remained strong at \$7.8/bbl
- Earned profit of 1.9 billion baht, reflecting strong operating performance
- Generated 2.6 billion baht of cash flow from operating activities; debt to equity ratio decreased to 1.7
- Expanded retail network, premium product offering, and alliance partnerships
- Prepared Esso SMILES loyalty card program for launch on May 1st

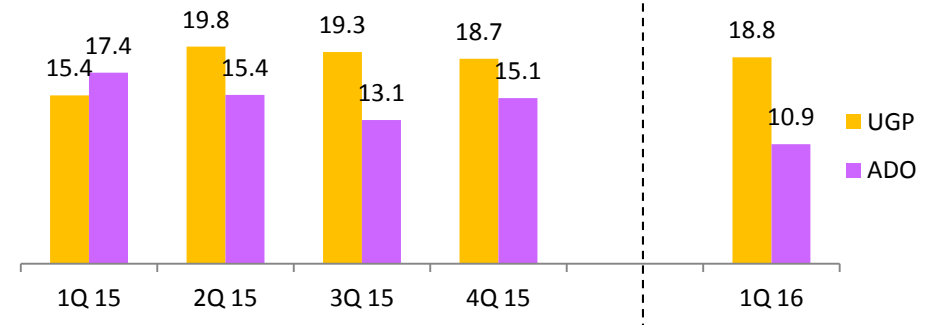


Operating Performance

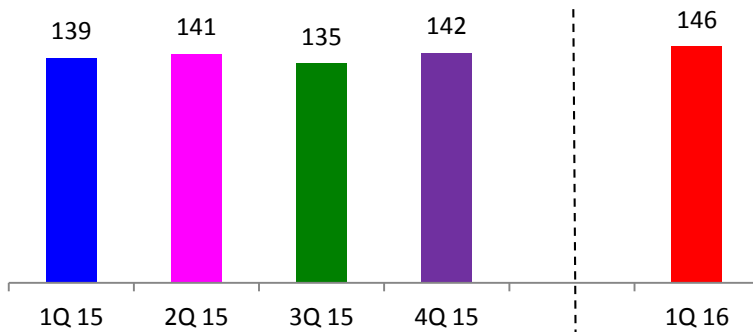
Industry Gross Refining Margin (\$/bbl)



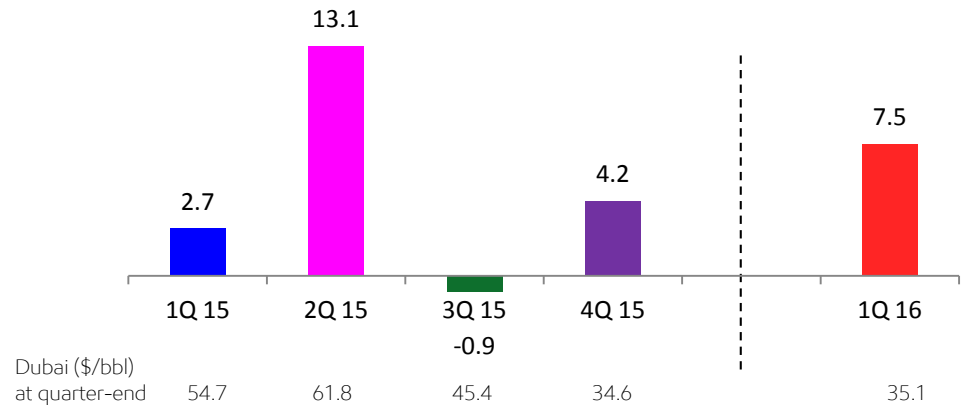
Crack Spread (\$/bbl)



Crude Intake (KBD)

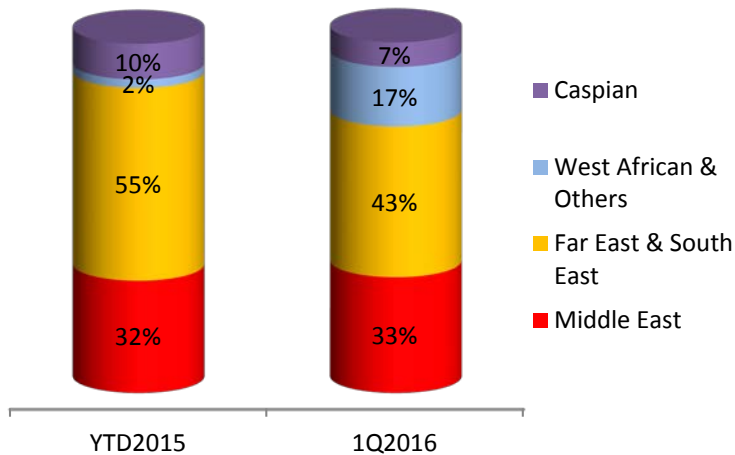


Gross Refining Margin (\$/bbl)

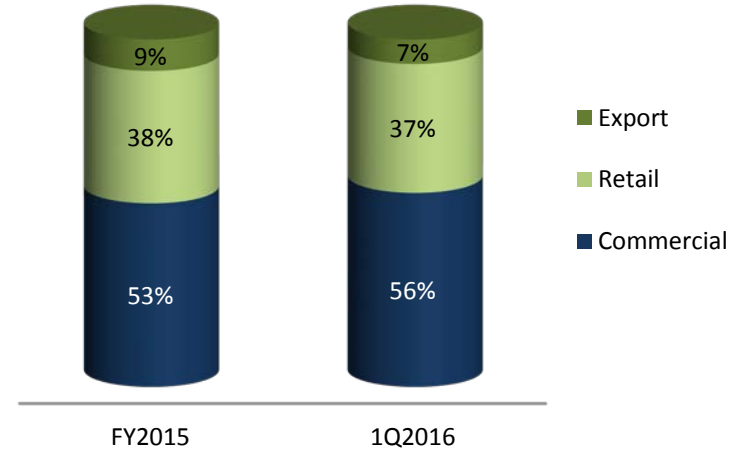


Operating Performance

Crude Intake by source



Sales Channel

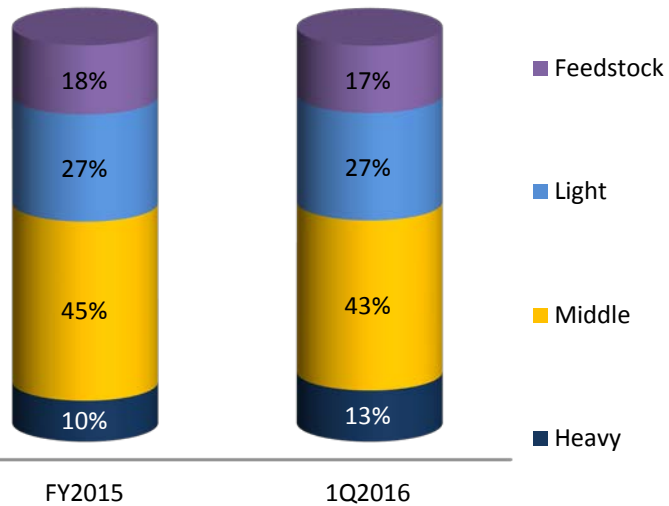


- Diversified crude intake portfolio to optimize yield and strengthen cost competitiveness
- Captured strong demand growth by increasing domestic retail and commercial sales

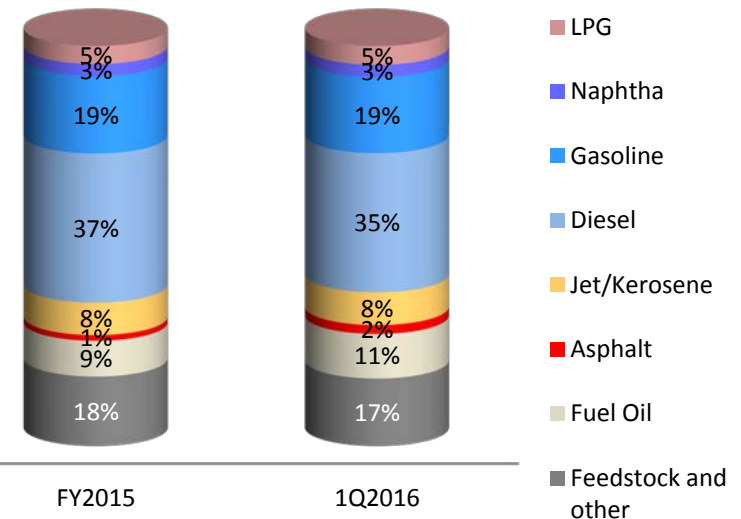


Operating Performance

Refinery Production



Refinery Product Yields

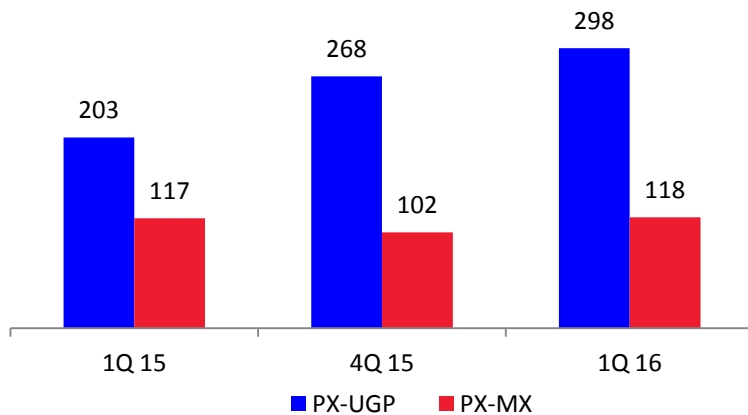


- Heavy product yields increased, resulting from higher demand for fuel oil and asphalt
- Middle distillate product yields decreased by 2% driven by a lower product price spread for diesel

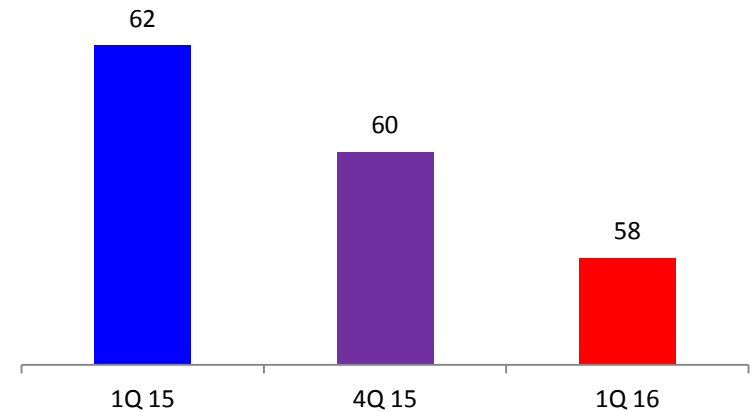


Operating Performance

Px Spread (\$/Ton)



Px Production (K Ton / quarter)

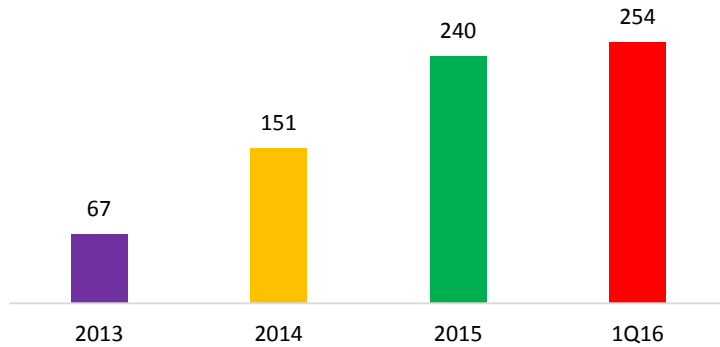


- Paraxylene spreads increased on lower crude oil prices; however, industry margins remained challenging due to excess capacity in the region
- Maintained production levels based on integrated economics and domestic customer commitments

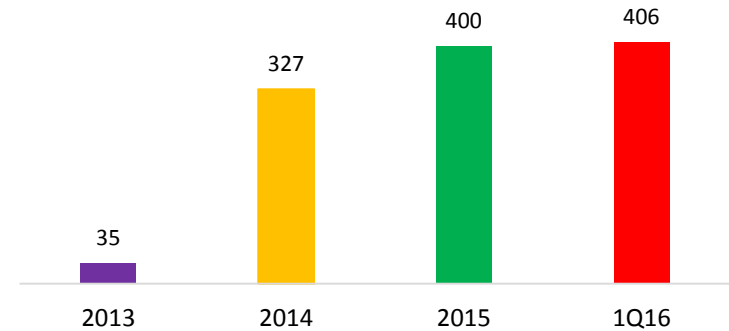


Marketing Business Update

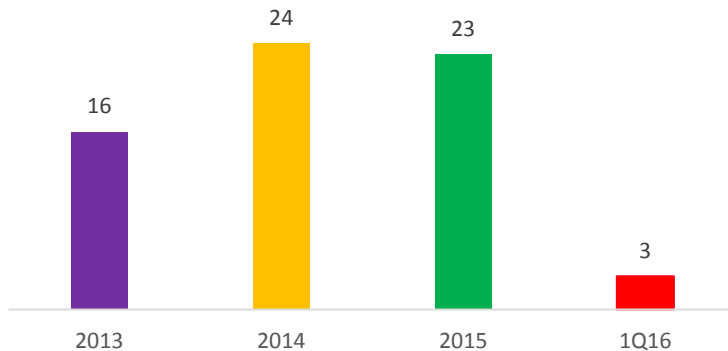
Service Stations offering Premium ADO



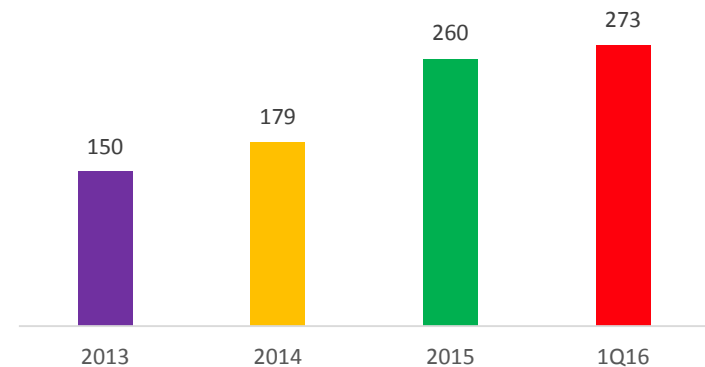
Service Stations offering E20



New Service Stations



Alliance Stores



Marketing Business Update



Now Open

ATM 24hrs minimart

5 Minimart is now available at Esso Service Station at the following details;

1. Esso Suanlaung r.9: Mar 26
2. Esso Kaset Sukaphiban: Mar 30
3. Esso Sukaphiban3: Apr 5
4. Esso Bangna KM.37: Apr 8
5. Esso Lumpho: Apr 11
6. Esso Bangpakong: May 9
7. Esso Onnoj OB: May
8. Esso Wat Sam Ngam: May
9. Esso Rattanaibet IB: Jun
10. Esso Klonghuang: Jun
11. Esso Bangpoo: Jun
12. Esso Praekasa: Jun

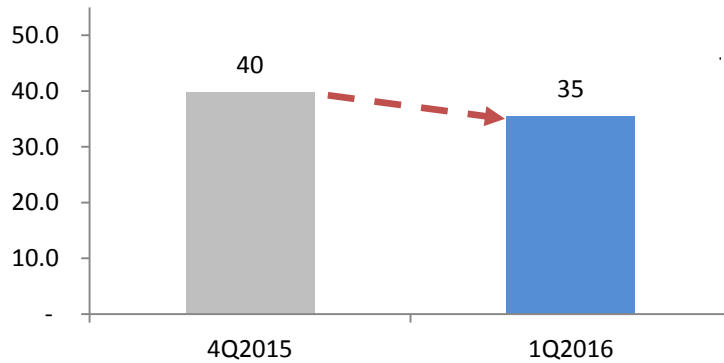
Stay tune for EM only special promotion!

- Held Esso SMILES loyalty program roadshow for dealers in advance of May 1st launch
- Introduced new alliance partner “S-Minimart” with a target to open 12 stores by June 2016

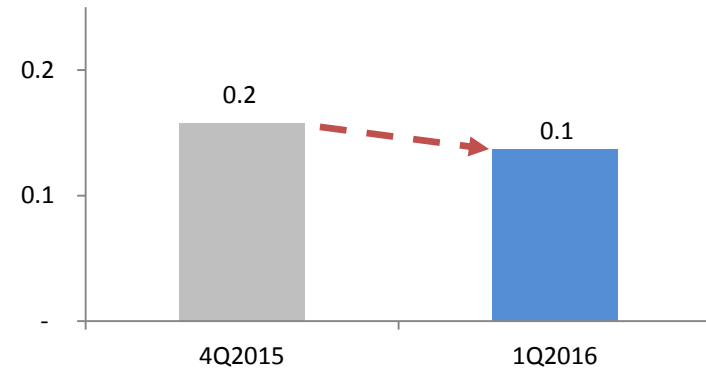


Comprehensive Income

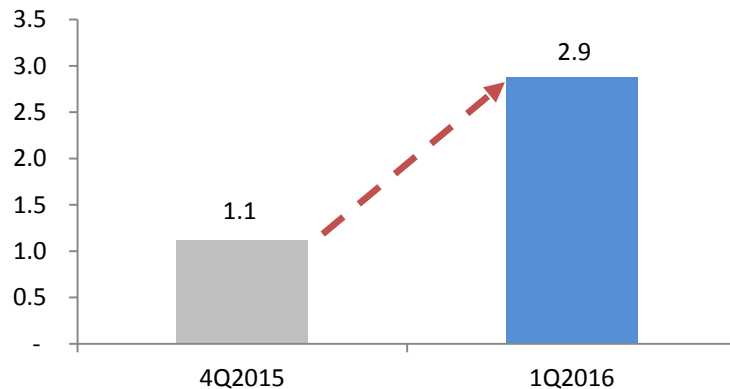
Sales Revenue



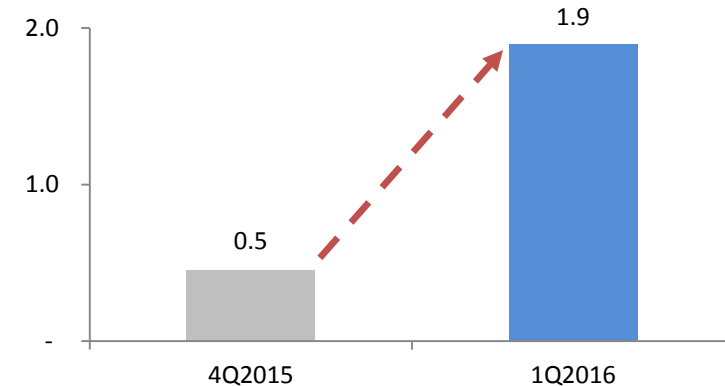
Interest Expenses



EBITDA



Net Profit/(Loss)

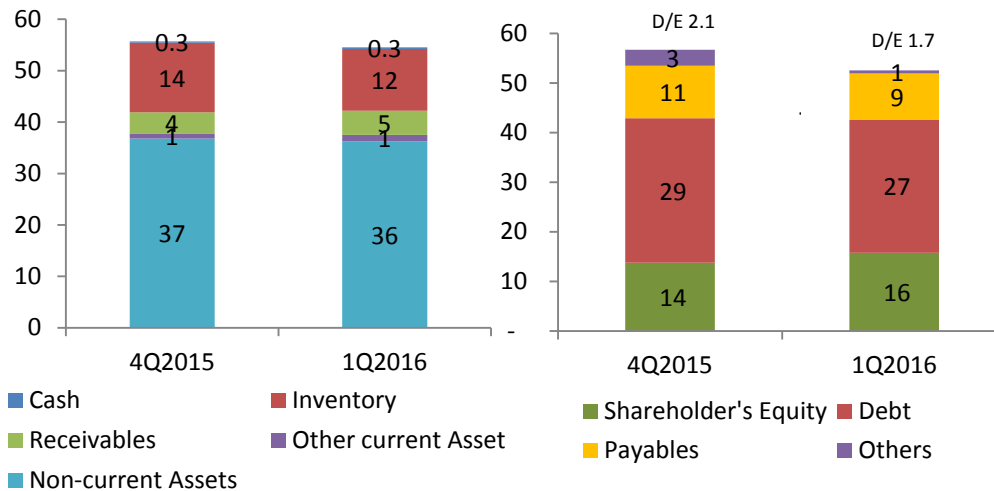


Note : All units are in Billion Baht



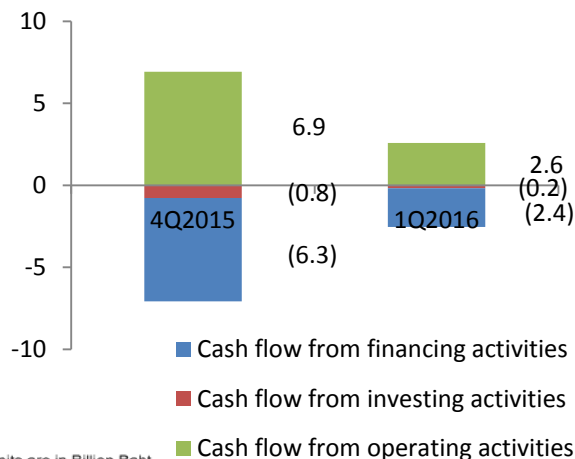
Financial Position

Balance Sheet Indicators



- Decrease in assets driven by lower inventory level
- Decrease in liabilities driven by lower debt and crude payables
- Debt to equity decreased with lower debt and higher shareholders equity

Cash Flow



- Cash flow from operating activities reflects strong operating performance
- Cash flow used in investing activities includes investments for equipment maintenance and service station upgrades
- Financing activities reflect repayment of debt

Summary

- Maintained focus on operational excellence, strengthened retail network, and achieved strong financial and operating performance
 - Strong crude run of **146 KBD**
 - Earnings for the period of **1.9 Billion Baht**
 - Cash flow from operating activities of **2.6 Billion Baht**
 - **Esso SMILES loyalty program** launch preparation



ESSO **Smiles**[™]
Driver Rewards

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พร้อมมอบสิทธิพิเศษ มากมาย สมัครฟรี!