



Bor. Hor. 010/2022

10th August 2022

Subject: Report of the Company's 2nd Quarter 2022 financial performances

**Attention: The President
The Stock Exchange of Thailand**

The Tipco Asphalt Public Company Limited (“the Company”) would like to report the 2nd Quarter 2022 unaudited but reviewed consolidated financial performance of the Group.

Reference to the unaudited but reviewed financial statements ended 30th June 2022, the Company’s net profit after tax for the 2nd quarter 2022 stood at Baht 587 million as compared to the net profit after tax of Baht 867 million in the corresponding period of 2021. Details of the Company’s performance can be summarized as follows:

1. Sales and services stood at Baht 7,035 million, reflecting a decrease of 0.1% from the same period of last year due to decrease in sales volume in several countries in the international market resulted from the Company’s “selective market sales” strategy. On the other hand, the selling prices of asphalt products have increased following the global oil price increase.

Cost of sales and services stood at Baht 5,982 million or 85.0% (74.7% in the corresponding quarter in 2021) of sales and services before allowance for diminution in value of inventory and hedging loss. The decrease in gross profit was



mainly due to the increase in average inventory cost attributable to the increase in cost of feedstock and asphalt purchased from regional refineries.

Revenue from construction contracts stood at Baht 816 million, reflecting an increase of 21.4% from the same period of last year. This was resulted from increase in construction and road maintenance income, in particular the 3rd runway construction project at the Suvarnabhumi International Airport.

Cost of construction stood at Baht 794 million or 97.3% (90.0% in corresponding quarter in 2021) of revenue from construction contracts. The decrease on gross profit was mainly resulted from increases in material and energy cost in this quarter.

2. In May 2022, the Company's holding company sold all (51%) of its investment in Zhenjiang Tipco Asphalt Co. Ltd. to the other shareholder of the subsidiary. This resulted in gain on disposal of investment in a subsidiary amounting to Baht 35 million. This was included in "other income" in the consolidated statements of comprehensive income.
3. Selling and administrative expenses stood at Baht 37 million and Baht 298 million, representing 0.5% and 3.8% of sales and services income and revenue from construction . Comparatively, these expenses in the same period of 2021 stood at Baht 39 million and Baht 271 million or 0.5% and 3.5% of sales and services income and revenue from construction. The Company is committed to control overhead expenses while improving the operating gross profit margin.



4. The loss on exchange of Baht 67 million was due to the depreciation of the Baht against US Dollar in this quarter.
5. The Group's cashflow generated from operations stood at Baht 1,192 million as compared to Baht 956 million in the corresponding period of 2021.
6. The Group's consolidated debt to equity ratio (D/E ratio) was 0.74 comparing to 0.72 in the corresponding period a year ago.
7. The net profit after tax of Baht 587 million for the 2nd quarter 2022 represented earnings per share of Baht 0.37 (par value of Baht 1 each) as compared to Baht 0.55 per share in corresponding quarter of 2021.

Please be informed and disseminate to investors accordingly.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "อ. ชว. สร.", is written above a horizontal blue line.

Mr. Chaiwat Srivalwat
Chief Executive Officer