



Executive Summary

PTG Energy Public Company Limited, “PTG”, steps into the fourth decade with the commitment of being Thailand’s leading full service energy company, and continues to build its network in others related business. The aim is to build strong growth and sustainable returns by practicing good governance along with developing the community, society and environment.

PTG possessed the highest growth which outpaced the overall industry

The overall economy of Thailand in 2020 continued to face challenging risks from many factors, especially from the impact of the COVID-19 outbreak, which severely hit the Global economy as well as Thai economy. Private investment showed signs of shrinkage in line with lower domestic and foreign demand. Private consumption experienced a contraction for the first time in a decade, while economic activities sharply dropped as the government issued strict measures to control the situation. On the other hand, government spending was considered the critical driver of Thai economy. From the mentioned factors, the Bank of Thailand estimated that Thailand’s GDP growth to shrink at 6.6% in 2020, the highest contraction in 22 years.

Given the economic slowdown, the nation’s overall all-channel oil consumption stood at 34,837 million liters, a 1.2% decrease YoY. This was due to a decrease in domestic travel and a decline in economic activities as government issued strict measures to control the situation such as the lockdown measure in the first half of the year. However, in June 2020, Thai government has eased restrictions; therefore, the nation’s overall oil consumption in the second half of the year was recovered. If looking at the consumption by product category, diesel fuel and gasoline dropped 1.2% and 1.2% respectively. For the nation’s overall LPG consumption, the consumption still decreased due to the effect of COVID-19, resulting in a significant drop in tourism and travel, LPG sales through service stations was also impacted from the drop in tourism, and the product switching from LPG to oil due to the decrease in oil price. As a result, the national overall LPG consumption stood to 6,235 million liters, a 11.3% decrease YoY.

PTG still maintained its leading position in the growth of oil sales volume, which managed to expand faster than the overall industry. The oil sales volume through all channels was 4,959 million liters, an increase of 5.9% YoY which close to the target growth of 6-10%. The oil sales volume through service stations accounted for 95.6% of the total oil sales volume, or amounting to 4,741 million liters, rose 8.1% YoY. The growth was a result of the continuous expansion of service stations and the increase in same store sale growth of 0.9% YoY. Besides the sales volume growth, the continue expansion of non-oil business by adding new services in PT service stations is to create integrated “one stop solution service stations”. PTG also linked its membership system with a variety of partners to

add maximum values to the cardholder through systematic data measurement by integrating online-to-offline (o2o) solution through PT Max card and Max rewards application. By analyzing data from PT Max Card, the Company would be able to offer products and services that meet the various needs of customers and cover all customer destinations

The operations and results were in line with targets

PTG, not only recorded the oil sales volume growth, close to the target at 6- 10% YoY, but also increased the LPG sales volume through service station by 13.0% amounting to 152 million liters, which close to the target growth at 15- 20% YoY. Moreover, PTG continued to grow by expanding of service stations together with providing services standard, strengthening membership system, and increasing brand awareness. Moreover, PTG was able to expand its service station as committed at the beginning of the year. At the end of 2020, PTG expanded oil and LPG service stations totaled 67 stations from the target expansion of 50- 100 stations. Thus, PTG has total service stations of 2,094 stations nationwide. Regarding the expansion of the non-oil business, PTG expanded its touchpoint totaled 152 branches, which in line with the target of 100 branches in 2020, even though non-oil business was impacted by the COVID- 19 outbreak. PTG had closed some branches of Coffee World, which mainly located in department stores, community malls, and airports due to the impact of COVID-19 pandemic. On the other hand, PunThai Coffee sales and Max Mart convenience stores sales still increased. At the same time, PTG expanded its household LPG business. As a result, at the end of 2020, PTG had a total of 756 non-oil business branches.

Business Unit	No. of Branch	Business Unit	No. of Branch
Oil Station	1,888	LPG Household Shop	99
LPG Station and Mix Station	206	Autobacs (Passenger Car Maintenance and Repair Service Center)	16
PunThai Coffee	274	Pro Truck (Commercial Car Maintenance and Repair Service Center)	9
Coffee World (Domestic and international)	60	Maxnitron Lube Change (Oil Lubricant Change Center)	47
Max Mart (Convenience Store)	220	Max Camp (Rest Area)	31

Due to careful investment considerations in 2020, PTG spent its investment to expand oil business, non-oil business, and new business totaled 2,043 million baht, which was lower than the investment target of 3,000-3,500 million baht, to prepare for the unstable situation of the overall economy. In addition, the Palm Complex project, which operated by PPP Green Complex Company Limited or “PPPGC”, in which PTG holds a 40% stake, runs at full capacity in all units as expected. As a result, PTG received profit sharing from Palm Complex projects totaled 353 million baht.

Business Performance Summary in 2020

In this year, the revenue from sales and services stood at 104,423, declined by 13.0% YoY. The drop in revenue from sales and services was a result of the drop in retail oil prices of an average 16.0% from last year due to the COVID 19 outbreak. The sharp drop in world oil prices at the beginning of the year caused the marketing margin to be quite low in the first quarter. However, in the last nine months of 2020, the world oil prices have stabilized and the oil retail price in line with the cost, bringing the marketing margin back to its normal level. Therefore, PTG recorded a gross profit of 10,599 million baht this year, an increase of 7.1% YoY.

Due to the reporting adjustment according to the accounting standard no. 16 by recording the present value of the right-of-use assets and liabilities that the Company has obligations under the lease and its renewing contracts in the statement of financial position, PTG has to reconcile depreciation from rights-of-use assets and interest expenses from liabilities under lease agreements instead of recording the rental expense. Together with the impact of the COVID-19 outbreak, the Company has implemented a strict cost control and investment policy. As a result, PTG had selling and administrative expenses at 7,820 million baht, down 1.1% YoY. The Company also recognized a 376 million baht from share profit from investment in joint ventures and gained in business combination of 15 million baht. Consequently, PTG had EBITDA of 6,315 million baht, a 19.8% increase from previous year and net profit of 1,907 million baht, an increase of 21.9% YoY. Without the impact of the accounting standard no. 16, the Company would have had a net profit of 2,145 million baht, an increase of 582 million baht, or 37.2% up from last year.

Key Developments in 2020

1Q/2020

- PTG began to enter the auto LPG business in 2015 and has continuously expanded its services. Thereafter, PTG sees the opportunity to serve LPG service to other industries. At the beginning of 2020, the Company officially started to provide full-service of LPG by distributing LPG to household customers to meet customer needs and to help solving customer problems from using current products and services, such as the customer concern about a short filling of gas in a cylinder. Thus, PTG applies an automatic gas loading system to fill the tank with accurate weight as specified on the cylinder. This year, PTG has started to provide LPG for household customers in PT oil stations in Bangkok and the vicinity areas, in which there are 99 branches now. Afterward, the service will be expanded to other regions nationwide. Moreover, PTG will continue to provide services that connect with customer lifestyles.
- According to the change in accounting standard no. 16, PTG adjusted financial reports. In this regard, the long-term lease agreements longer than 1 year are calculated the future rental costs to be recorded as assets and liabilities in the statement of financial position. For the income statement, rental expenses are adjusted and recorded as depreciation and interest from assets and liabilities. Due to the report adjustment

according to TFRS16, PTG reported the impact of the new accounting standards of 239 million baht in the Company's income statement in 2020. However, this standard change does not reduce the financial strength of the Company, and this is only an adjustment to comply with the accounting standards.

2Q/2020

- GFA Corporation (Thailand) Co., Ltd. (GFA) operates food and beverage businesses under various brands including a coffee shop under the brand "Coffee World", a premium ice-cream shop under the brand "Cream & Fudge", a high-quality sandwich shop under the brand "New York 5th Av. Deli", and a rice dish Thai style restaurant under the brand "Thai Chef Express", where most branches are located in department stores, community malls, and airports. During 2Q/2020, the Company had to decrease the number of branches due to the impact of the lockdown measures. Besides, PTG has a policy to reallocate the location of the branches of the GFA brands in order to meet customer needs more precisely. Consequently, GFA closed down underperforming 20 branches in 2020. However, PTG still aims to expand its service in the food and beverage business to provide comprehensive services for all customer groups.
- PTG launched a 24-hour emergency road assistance service within a radius of 10 kilometers from the nearest PT service station called "Max Service", which provides emergency oil delivery services in Bangkok, vicinity areas, and other provinces to customers for 4 liters per time with a delivery fee of 100 baht per time or 100 points per time for PT Max Card members. In addition, there is also an unlimited number of emergency roadside assistance services such as emergency vehicle towing services, emergency battery assistance, car repair service (in a case that it can be repaired immediately), key or tire assistance service, accident assistance service, and coordination service for moving the car to the auto repair center. The service fees will be charged at the actual service rate. Customers can contact for the service at 1614 press 2. Furthermore, PTG continues to develop new services to meet the needs of customers more accurately and thoroughly.

3Q/2020

- The Company issued and offered 2 debentures lots amounting to 2,000 million baht. The details as follows
1. Debentures no.1/2020 amounting to 1,000 million baht with 3 years maturity at a fixed interest rate of 3.6% and 2. Debentures no. 2/2020 amounting to 1,000 million baht with 2 years and 6 months maturity at a fixed interest rate of 3.59% to repay existing loans and debentures and/or use as working capital for the Company's operation. Credit Rating of Debentures is at "BBB +" with stable outlook by TRIS Rating Co., Ltd., reflecting PTG's leading market position, diversified business portfolio, and strong operating platform. The issuance of debentures is part of our financing strategy to optimize our average cost of funds and

continue to proactively manage our funding at an appropriate level. The Company still has the policy to manage investment to align with the internal cash flow to ensure that liquidity is adequate to undertake business in the long run.

4Q/2020

- The Company increased its stake in Siam Autobacs Co., Ltd. ("SIAM AUTOBACS"), which operates auto service and maintenance centers for passenger cars, by purchasing existing shares from the shareholders of SIAM AUTOBACS for 6,500,003 shares. As a result, PTG holds 13,000,003 shares or representing 76.52% from 6,500,000 shares or representing 38.26% in SIAM AUTOBACS. The source of funds used came from the Company's internal working capital. This investment will enable PTG to designate the business direction more flexibly.
- The Company was approved by the Board of Directors Meeting No. 6/2020 to establish 2 new subsidiaries with details as follows: 1. Max Card Company Limited provides e-money service, electronic money transfer service, payment facilitating service, bill payment service with a registered capital of 200 million baht, divided into 2,000,000 ordinary shares with a par value of 100 baht. The Company holds 99.96% of shares and used the Company's working capital for the establishment. 2. Max Solution Service Company Limited operates a business of providing support services for issuers or e-card recipients or merchandisers or commercial services with a registered capital of 1 million baht, divided into 10,000 ordinary shares with a par value of 100 baht. The Company holds 99.96% of shares and used the Company's working capital for the establishment.
- PTG has launched "PT LPG for Taxi fight COVID-19 crisis together" Campaign to help reduce their cost of living by giving a special discount coupon worth 1,100 baht which can be used as a discount for LPG, oil, and lubricant oil, to support everyone to overcome this crisis together. The Company targets that 10,000 taxi drivers or accounted for 45% of total number of taxi that use LPG in Thailand will participate in this project. So that, thai people can overcome this crisis together.

Operating Targets in 2021

The growth of Thai economy in 2021 remains uncertain due to the new COVID-19 outbreak that began in late 2020, which has contributed to the uncertainty of the country's economy and financial markets. However, the Company still sees growth opportunities in the overall oil industry. PTG continues to focus on growing its business by expanding the number of service stations to cover all areas, and by adding a variety of services that meet the needs of customers and create a different for customer's experience. In 2021, PTG aims to increase oil sales volume by 8-12% by opening another 100 - 150 oil and LPG stations. Moreover, PTG will expand household LPG business by adding another 50 branches of the cylinder gas shop. To fulfill the service of non-oil business, PTG aims to increase the number of non-oil by 100 -150 branches to provide a full range of services to customer. Therefore, PTG allocates an investment budget of approximately 4,000 - 4,500 million baht to support the expansion of oil business, non-oil business, and new businesses.

In terms of business performance, PTG continues to focus on generating consistent and sustainable profits. This year, PTG aims to increase gross profit non-oil proportion from Non-Oil businesses, from 11.5% in 2020. The business that will drive revenue of the non-oil business is the food and beverage business. The Company plans to expand PunThai Coffee branches both inside and outside the Company's service stations. and to establish the marketing strategies that help to create standardized brands and develop new products to create a better experience for customers as well as to support the community. At the same time, PTG targets to expand its household LPG gas business to cover more areas in Bangkok, its vicinity and other provinces, while developing innovations to provide customers with greater convenience in using the service. Besides, PTG aims to increase the proportion of household LPG sales to account for 40-50% of total LPG sales volume. Another business that will play an important role in driving the Company's overall performance is Autobacs car maintenance service center. The Company targets to expand its branches to be able to provide comprehensive service for customer by expanding branches in potential areas in Bangkok, its vicinity and other provinces.

In addition to the retail business mentioned earlier, Palm Complex project, which is currently operating at full capacity, has the potential to expand into the industry with the opportunity to grow in the future, such as Oleo Chemical industry, etc. In terms of other renewable energy businesses, PTG aims to expand the service in line with the changing technology and national policies that support renewable energy including the extension of the service system that fits the technology to fully meet the needs of customers. so that, everyone can have access to a "well-being" life. Consequently, PTG believes that 2021 EBITDA will grow by 10-15% from last year.

Financial Performance for Q4/2020

Fuel Sales Volume (Million Liters)	4Q/2020	3Q/2020	2Q/2020	1Q/2020	4/2019	%QoQ	%YoY	2020	2019	%YoY
Sales by Channel										
Retail Channel	1,259	1,181	1,153	1,148	1,158	6.6%	8.7%	4,741	4,386	8.1%
Wholesales Channel	45	51	53	69	82	-10.5%	-44.4%	218	295	-26.2%
Total	1,304	1,232	1,205	1,217	1,240	5.9%	5.2%	4,959	4,681	5.9%
Proportion of Sales by Channel										
Retail Channel	96.5%	95.9%	95.6%	94.3%	93.4%			95.6%	93.7%	
Wholesales Channel	3.5%	4.1%	4.4%	5.7%	6.6%			4.4%	6.3%	
Total	100.00%	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	

LPG Sales Volume (Million Liters)	4Q/2020	3Q/2020	2Q/2020	1Q/2020	4/2019	%QoQ	%YoY	2020	2019	%YoY
Sales by Channel										
Stand Alone	18	18	12	17	17	-0.2%	6.5%	66	61	8.1%
Mix Station	25	23	16	22	21	8.1%	17.4%	85	73	17.1%
Total	43	41	28	39	38	4.4%	12.5%	152	134	13.0%
Proportion of Sales by Channel										
Stand Alone	42.5%	44.5%	43.8%	44.0%	44.9%			43.7%	45.6%	
Mix Station	57.5%	55.5%	56.2%	56.0%	55.1%			56.3%	54.4%	
Total	100.0%	100.0%	100.0%	100.0%	100.0%			100.0%	100.0%	

In 4Q/2020, PTG had the highest sales volume at 1,304 million liters, an increase of 5.2% YoY and an increase of 5.9% QoQ. The main sales channel was the retail channel (through service station) which accounted for 96.5% of the total sales volume. As a result, PTG obtain the retail market shares of 17.0%. Meanwhile, the auto LPG sales volume continued to increase to 43 million liters, a 12.5% YoY growth and a 4.4% QoQ growth. Thus, PTG had auto LPG market share of 12.0% increased from 7.3%.

Regarding the financial results, PTG recorded total sales and service revenues for 4Q/2020 of 27,730 million baht, which decreased by 10.7%YoY. However, the revenue increased by 9.5% QoQ as a result of the ease of lockdown measures and the government's policies to stimulate the economy which caused a higher oil demand. Even though the sales volume increased, the drop of the average oil selling price of 16.0% from last year caused 2020 revenue to decreased. The revenue from the oil business accounted for 94.5%of PTG's total revenue, while the revenue from the non-oil business, including food and beverages businesses, convenience store business, commercial area

management business, and other businesses, accounted for 4.5% of the total revenue, grew by 15.7% YoY and 16.0% QoQ at 1,257 million baht.

On the other hand, PTG recorded total costs of sales and services of 24,826 million baht, a decrease of 13.0% YoY and an increase of 9.9% QoQ. Meanwhile, the crude oil price movement was quite stable at 35.8-45.2 dollars per barrel, and the oil retail price changes were in line with the cost resulting in the gross profit of 2,904 million baht, 16.1% growth YoY, and 6.7% QoQ. The gross profit proportion of oil and non-oil business were 87.1% and 12.9% respectively. The proportion of non-oil gross profit can breakdown into 5.1% from LPG business, 2.4% from food and beverage business, and 5.4% from Max Mart convenience store business and other business.

The SG&A expenses in quarter 4Q/2020 were 2,102 million baht, an increase of 1.3% YoY and 10.9% QoQ. During the COVID-19 outbreak, PTG still maintained the cost control policy and the strict investment policy in new businesses. Moreover, PTG reduced unnecessary expenses such as expenses of supporting employees, advertising expenses and continuously expanded oil and LPG stations. The main portion of the SG&A expenses still came from the employee-related expenses, rental expenses, and depreciation expenses. SG&A expenses were adjusted under the accounting standard no. 16 in which the Company had to report depreciation from rights to use assets and interest expenses from liabilities under lease agreements, instead of recording the rental expense. The Company also recognized a 166 million baht from share profit from investment in joint ventures and profit from business acquisition of 15 million baht in this quarter.

As a result, PTG had an EBITDA of 1,806 million baht, an increase of 38.2% YoY and 9.2% QoQ, while the net profit was at 676 million baht, increased by 87.9% YoY and 31.8% QoQ. The adjustment in the financial report following the accounting standard no. 16 caused the total expenses to increase by 64 million baht. However, without the impact of the accounting standard no. 16, the Company would have had a net profit of 740 million baht, an increase of 100.6% YoY.

Financial Summary for 4Q/2020 and 2020

Financial Summary (Baht million, unless stated)	4Q2020	3Q2020	4Q2019	%QoQ	%YoY	2020	2019	%YoY
Revenue from sales and services	27,730	25,315	31,043	9.5%	-10.7%	104,423	120,027	-13.0%
Cost of sales and services	(24,826)	(22,595)	(28,542)	9.9%	-13.0%	(93,824)	(110,127)	-14.8%
Gross profit	2,904	2,720	2,502	6.7%	16.1%	10,599	9,900	7.1%
SG&A	2,102	1,895	2,074	10.9%	1.3%	(7,820)	(7,907)	-1.1%
Selling expenses	(1,723)	(1,661)	(1,775)	3.8%	-2.9%	(6,737)	(6,833)	-1.4%
Administrative expenses	(379)	(234)	(299)	61.5%	26.7%	(1,083)	(1,074)	0.8%
Financial Cost	(284)	(280)	(82)	1.4%	248.1%	(1,104)	(335)	229.7%
EBITDA	1,806	1,654	1,307	9.2%	38.2%	6,315	5,269	19.9%
Net profit	676	513	360	31.8%	87.9%	1,906	1,563	21.9%
Gross profit margin	10.5%	10.7%	8.1%			10.1%	8.2%	
SG&A as a % of revenue	7.6%	7.5%	6.7%			7.5%	6.6%	
% Selling expenses	6.2%	6.6%	5.7%			6.5%	5.7%	
% Administrative expenses	1.4%	0.9%	1.0%			1.0%	0.9%	
Operating profit margin	3.9%	3.7%	1.7%			3.3%	1.9%	
EBITDA margin	6.5%	6.5%	4.2%			6.0%	4.4%	
Net profit margin	2.4%	2.0%	1.2%			1.8%	1.3%	
Earnings per share (Baht)	0.40	0.31	0.22			1.14	0.94	
Return on Equity	36.8%	29.3%	23.6%			26.6%	25.7%	
Return on Total Assets	8.4%	6.6%	6.6%			5.9%	7.2%	
IBD to equity ratio (x)	3.71	3.84	1.46			3.71	1.46	

Summary of Performance in 2020

Revenue from sales and services was 104,423, down 13.0% YoY. The drop in revenue from sales and service was a result of an average 16.0% drop in retail oil prices from last year. Revenue from the oil business accounted for 96.0% of total sales and service revenue. However, total sales of all channels for the year increased 5.9% YoY to 4,959 million liters due to the continuous expansion of service stations and 0.9% increase in same store sale growth. On the other hand, Revenue from Non-Oil business, which accounted for 4.0% of sales and services revenue this year, increased 5.6% YoY to 4,226 million baht. The growth of non-oil business revenue came from convenience stores business, LPG business, and other businesses. Meanwhile, revenue from the food and beverage business declined due to the closure of Coffee World branches, which has been affected by the outbreak of COVID-19, but the income of Punthai coffee continued to increase.

Cost of sales and services was THB 93,824 million, a 14.8% decrease YoY, due to the decline in costs of PTG's oil business, which was the major cost proportion. This was a result of the drop in West Texas Intermediate (WTI) crude oil prices from an average of 22.9 dollar per barrel to an average of 18.3 dollar per barrel, or down 20.2% YoY. However, the retail oil prices was adjusted consistently with costs, resulting in the appropriate level of marketing margin. Beside, the cost of sales of the non-oil business increased 5.0% YoY. The gross profit of the non-oil business slightly rose to 1,219 million baht. As a result, PTG recorded a gross profit of 10,599 million baht, an increase of 7.1%. The gross profit from the oil business and the non-oil business accounted for 88.5% and 11.5%, respectively. The non-oil gross profit can be divided into 4.3% from LPG business, 2.6% from food and beverage business, 4.6% from convenience stores business and other business.

SG&A expenses was 7,820 million baht, reflecting a decrease of 1.1% YoY, due to the reporting adjustment according to the accounting standard no. 16 by recording the present value of the right-of-use assets and liabilities that the Company has obligations under the lease and its renewing contracts in the statement of financial position. Therefore, PTG has to reconcile depreciation from rights-of-use assets and interest expenses from liabilities under lease agreements instead of recording the rental expense. The comparison of SG&A expenses before and after the effects of the adjustment of the income statement reporting according to the accounting standard no. 16 are as follows:

Expenses before the effects of accounting standards no.16	Baht million	Expenses after the effects of accounting standards no.16	Baht million
Rental expenses	1,705	Rental expenses	110
Service expenses	268	Service expenses	244
Depreciation expenses	1,711	Depreciation expenses	2,769
Other SG&A expenses	4,696	Other SG&A expenses	4,696
Total SG&A	8,380	Total SG&A	7,819

If the effect of the change in accounting standard was excluded, SG&A expenses would have increased by 6.0% YoY. The increase of SG&A expense was growing in line with the expansion of the oil and non-oil businesses, However, such SG&A expense was growing at a decreasing rate as a result of the implementation of the cost control policy since 2019.

- **Employee-related expenses** was 3,069 million baht, an increase of 2.4% YoY, due to an increase in the number of employees at oil and LPG service station and the non-oil business branches as the number of branches increased. However, PTG did not reduce the number of its employee during the COVID-19 outbreak, but has a policy of non-replacement employee if they resign and employees' benefits adjustment accordingly. However, the Company had increased the budget for COVID-19 protection and sanitizer equipments to ensure employees and customers safety. Above all, PTG still maintained the strict cost control and investment policy by expanding oil and non-oil businesses only in potential areas.
- **Rental expenses and leasehold rights** were 110 million baht, a 92.8% decrease from the previous year. Regarding the rental expense shown in the income statement, it was the expense for the lease that does not meet the requirements of the accounting standard no. 16. If the reporting standards have not been adjusted, the rental expense would have been 1,705 million baht, an increase of 11.7% YoY.
- **Depreciation expenses** was 2,769 million baht, reflecting an increase of 76.9% YoY, due to the effect of the financial reporting adjustment as mentioned above. If there was no financial reporting adjustment, the depreciation would have been 1,711 million baht as shown in the table above, a growth of 9.3% YoY. The increase in the expense was from the continuous expansion of branches in high potential areas to support the future population growth and to provide integrated service station across the country.

Finance costs was 1,104 million baht, reflecting an increase of 229.7% , which was the impact of financial reporting adjustment no. 16 as mentioned above. However, if there was no adjustment in the reporting standards, finance costs would have been 304 million baht, a decrease of 9.1% YoY from the investment policy to match with the operating cash flow.

EBITDA and Net profit. In addition to the above performance, PTG recognized a share profit from joint ventures of 376 million baht and profit from business acquisition of 15 million baht. Therefore, PTG posted an EBITDA of 6,315 million baht, an increase of 19.9% YoY, due to the improved gross profit which was in line with higher oil sales volumes, the normal marketing margin and the implementation of the cost control policies. As a result, PTG had a net profit of 1,906 million baht, an increase of 21.9% YoY and earnings per share of 1.14 baht, increased from 0.94 baht last year. The impact from the revised financial report according to the accounting standard no. 16 caused the Company to incur a higher expense by 239 million baht. Without impact from the accounting standard no. 16, the Company would have had a net profit of 2,145 million baht, an increase of 37.2% YoY.

Summary of Financial Position as of 2020

Summary of Financial Position (Baht million)	2020	%	2019	%	Amount change	% changes
Cash and current investment	942	2.2%	1,038	4.6%	(96)	-9.3%
Trade, other receivables, short-term lending	829	2.0%	1,595	7.0%	(766)	-48.0%
Inventories	2,088	5.0%	2,217	9.8%	(129)	-5.8%
Total current assets	3,858	9.2%	4,850	21.4%	(991)	-20.4%
Investment properties	384	0.9%	363	1.6%	21	5.9%
Property, plant, and equipment	10,853	25.8%	11,458	50.6%	(605)	-5.3%
Prepaid leasehold right and land rental	-	0.0%	3,153	13.9%	(3,153)	-100%
Right-of-use assets	23,662	56.3%	0	0.0%	23,682	n/a
Investment in a joint venture	1,009	2.4%	688	3.0%	321	46.7%
Investment in associate	801	1.9%	796	3.5%	5	0.6%
General investment	734	1.7%	723	3.2%	11	1.6%
Intangible assets	229	0.5%	214	0.9%	15	6.9%
Goodwill	53	0.1%	53	0.2%	0	0.0%
Other non-current assets	453	1.1%	354	1.6%	99	28.0%
Total assets	42,037	100.0%	22,652	100.0%	19,385	85.6%
Trade and other payables	3,920	9.3%	5,779	25.5%	(1,859)	-32.2%
Short-term loans & loans due within 1 year	4,330	10.3%	5,711	25.2%	(1,381)	-24.2%
Other current liabilities	236	0.6%	125	0.6%	111	88.9%
Total current liabilities	8,486	20.2%	11,615	51.3%	(3,129)	-26.9%
Financial lease liabilities	18,947	45.1%	216	1.0%	18,731	8,671.6%
Long-term loans	6,294	15.0%	3,857	17.0%	2,437	63.2%
Deferred tax liabilities	56	0.1%	40	0.2%	16	39.3%
Other non-current liabilities	275	0.7%	217	1.0%	58	26.7%
Total liabilities	34,057	81.0%	15,945	70.4%	18,112	113.6%
Retained earnings	4,904	11.7%	3,676	16.2%	1,228	33.4%
Others	3,076	7.3%	3,031	13.4%	45	1.5%
Total equity	7,980	19.0%	6,707	29.6%	1,273	19.0%
Total liabilities and equity	42,037	100.0%	22,652	100.0%	19,385	85.6%

For more information, please contact Investor Relations at ir@pt.co.th

Tel: +66 2168 3377 ext. 260 and 274

13/17

As of 2020, PTG had the total assets of 42,037 million baht, an increase of 19,385 million baht, or up 85.6% YoY. The main reasons were as follows: 1) Right-of-use assets of 23,662 million baht from recording long-term lease agreements including the right to renew the lease in accordance with the accounting standard no. 16. 2) Investment in a joint venture of 1,009 million baht, increased 321 million baht, or increased 46.7% YoY, was mainly due to the profit reconciled from the Palm Complex project. The main assets that decreased were 1) Cash and short-term investments of 942 million baht, decreased by 96 million baht, or 9.3% YoY, due to payment of trade payables, payments for short-term and long-term loans, and dividend payment to shareholders. 2) Accounts receivable, other receivables and short-term loans of 829 million baht, decreased by 766 million baht, or 48.0% YoY, due to the decline in oil retail prices and the adjustment of the current portion of leasehold rights in accordance with TFRS 16 3) Property, plant and equipment of 10,853 million baht, decreased by 605 million baht, or decreased by 5.3% YoY from depreciation and the strict investment policy. 4) Leasehold rights and prepaid land rentals decreased 100% from last year, due to the adjustment of financial reporting that recorded this asset as the right-of-use assets.

PTG had total liabilities of 34,057 million baht, an increase of 18,112 million baht, or 113.6% YoY. The main increase was due to 1) Liabilities under financial leases, increased by 18,947 million baht or 8,671.6% YoY, from the adjustment of financial reports in accordance with the accounting standard no. 16 as mentioned above. 2) Long-term liabilities increased 2,437 million baht, or 63.2% YoY, resulted from the issuance of 2 series of debentures as follows (1) Debentures amounting to 1,000 million baht, with 3-years maturity, at a fixed interest rate of 3.6% and (2) Debentures amounting to 1,000 million baht, with 2-years-6-month maturity, at a fixed interest rate of 3.59%. The debentures were issued to repay existing loans and debentures and / or use as working capital for the Company's operation. The decrease in liabilities was mainly from 1) Trade and other payables which decreased by 1,859 million baht, or 32.2% YoY, due to the decline in oil retail prices 2) Short-term loans and loans due within 1 year dropped 1,381 million baht, or 24.2% YoY, resulting from the debentures that was due in September 2020. In addition, PTG had shareholders' equity of 7,980 million baht, grew 1,273 million baht, or 19.0% YoY, due to the increase of unappropriated retained earnings of 33.4% at 4,904 million baht.

Cash Flow Summary for 2020

Sources and Uses of Funds Statement for 2020 (Baht million)			
Sources of Funds		Uses of Funds	
Cash from operations	4,257	Investment in leasehold rights, PP&E, and intangible assets	2,043
Cash received from short-term investment, net	1	Payment of interest and tax, net	1,446
Cash received from payment of loans from subsidiaries, joint ventures and associates	169	Cash lending	121
Net cash received from purchases of investments	41	Payment to creditors under the financial lease agreement	944
Cash received from dividend	25	Payment of cash dividend	668
Cash received from selling assets	4		
Proceeds from loans, net	630		
Cash decrease	95		
Total	5,222	Total	5,222

As of 2020, PTG had net cash from operating activities of 2,810 million baht (after the deduction of interest and tax expenses of 1,466 million baht), dropped by 23.7% YoY as a result of: 1) The decrease of payment of trade payables from the lower oil cost. 2) Payment for leasehold rights and prepaid land lease from the adjustment of accounting standard no. 16. PTG had net cash flow from investing activities of 1,924 million baht, decreased by 54.4% YoY mainly from 1) A decrease in cash payment for leasehold rights and prepaid land lease by 1,676 million baht due to the adjustment of accounting standard no. 16 and 2) A decrease in cash payment to purchase land, buildings and equipment by 287 million baht from the previous year, following the investment control policy and the strategy of selecting service stations in potential and non-coverage areas. Meanwhile, the cash flow from financing activities was negative 982 million baht, a decrease of 268.2% due to the repayment schedule of short-term and long-term loans from financial institutions. PTG still aims to maintain sufficient cash flow for its operations and investment. The net cash and cash equivalents at the end of 2020 was 942 million baht.

Accreditation	
Credit rating (Tris)	BBB+
CG score	Excellence: 5 stars
CAC	Certified CAC
ESG Index	THSI

Long-term liabilities and outstanding debentures (Million Baht)				
Year	Debentures	Maturity	Loans	Due Date
2021				1,450
2022		2,100		875
2023		2,000		765
2024				468
2025				93

Executive View and Business Direction for 2021

Operational Targets in 2021

✓ Number of Branch	3,160 stations
○ Oil Station	2,030 stations
○ LPG and Mix Station	260 stations
○ Non-Oil (F&B, CVS, Services)	870 branches
✓ Oil Sales Volume Growth	8 – 12%
✓ EBITDA Growth	10 – 15%
✓ Investment Budget	4,000 – 4,500 million Baht

Continuing to expand the network of service stations to cover potential areas and being ready to support the transformation of automotive technology

Currently, PTG had total number of oil and LPG stations of 2,094 stations nationwide. PTG plans to expand its service area by building a network of service stations under “PT” brand in potential areas to support the future expansion of population and tourists. The service station expansion would also support the transformation of automotive technology, which will play an important role in the oil industry. In this regards, PTG has adjusted its investment strategy to be in line with the changes of automotive technology, energy industry and lifestyle of customers at all times. In addition, PTG continuously strives to develop the standard of its services by adding benefits to better serve the needs of customers. For this reason, PTG obtained the 2nd rank in market share through all channels.

Being committed to develop non-oil businesses to provide integrated services to customers

Despite facing short-term challenges in 2020, PTG remains its commitment to enhance the non-oil businesses by developing products and services that meet the diverse needs of customers. In 2021, PTG plans to develop its marketing strategies for non-oil businesses in order to offer products and services that meet customer needs with the goal of increasing the proportion of profits from non-oil businesses.

One of the businesses that will drive revenue in the non-oil section this year is food and beverage businesses. The Company plans to expand PunThai coffee branches, both inside and outside the PT service stations. In addition, the Company plans to establish the marketing strategy and build brand awareness, which will create customer confidence of the brand. PTG will develop new products to bring valued experiences to customers while supporting products in the communities. At the same time, the Company plans to expand its household LPG business to cover more areas in Bangkok, its vicinity and other provinces, while developing innovations to provide customers with greater convenience in using the service. PTG aims to increase the proportion of household LPG sales to account for 40-50% of total LPG sales volume. Another business that will play an important role in driving the PTG's overall performance is Autobacs, a car maintenance service center. The Company targets to expand its branches to be able to provide comprehensive services for customers by expanding branches in potential areas in Bangkok, its vicinity and other provinces.

In addition to the retail business mentioned earlier, Palm Complex project which is currently operating at full capacity has the potential to expand into the further development, including Oleo Chemical industry, etc. In terms of other renewable energy businesses, PTG aims to expand the service in line with the changing technology and national policies that support renewable energy, including the extension of the service system that fits the technology to fully meet the needs of customers. So that, everyone can have access to a "well-being" life.

Analyzing data by using data measurement tools via PT Max Card

PTG not only determines to expand the service network of oil business, non-oil business, and new businesses, but also commits to develop tools for measuring data to increase operational efficiency, as well as develop products and services in order to become a "Data Driven Organization". By using data from PT Max Card, PTG is able to offer products and services that meet the needs of customers with maximum efficiency, while connecting the customer with online-to-offline (o2o) experience. The aim is to expand and strengthen the Company's businesses by placing emphasis on providing comprehensive services for members with additional benefits and ultimate satisfaction.

Maintaining the financial strengths and appropriate funds allocation

PTG emphasizes on maintaining financial liquidity and sufficient cash flow. The Company implemented the cost control and strict investment policy, aiming to create sustainability in the future, so that the business can have sufficient cash flow for operations. In 2021, PTG allocates investment budgets at 4,000 - 4,500 million baht, including 3,000 - 3,500 million baht for oil and gas station expansion of 100-150 stations nationwide, to support the target of oil sale volume of 8- 12% growth; and 1,000 million baht for non-oil and new businesses expansion. In the area of the food and beverage business, PunThai coffee establishes the marketing strategy and build brand awareness to create customer confidence. For these reasons, PTG targets the growth of EBITDA to be 10-15% YoY.