



PTG Energy Company Limited  
Management Discussion and Analysis  
Quarter 2/2021

Key Performance

- Total revenue was at 33,310 million baht (+49.7% YoY, +3.2% QoQ)
- EBITDA was 1,641 million baht (-0.3% YoY, -1.3% QoQ)
- Net profit was recorded at 501 million baht (-2.4% YoY, -5.8% QoQ)

Key Financial Performance (Baht Million, unless stated)	2Q/2021	1Q/2021	2Q/2020	%QoQ	%YoY
Revenue from sales and services	33,310	32,264	22,257	3.2%	49.7%
Cost of sales and services	(30,473)	(29,435)	(19,512)	3.5%	56.2%
Gross profit	2,837	2,828	2,745	0.3%	3.4%
EBITDA	1,641	1,663	1,646	-1.3%	-0.3%
Net profit	501	531	513	-5.8%	-2.4%
Earnings per share (Baht)	0.30	0.32	0.31	-5.8%	-2.4%

Executive Summary

- The oil sales volume of PTG in 2Q/2021 was 1,290 million liters, reflecting an increase of 7.1% YoY but a down of 3.4% QoQ mainly from
  - The oil station same store sales grew by 1.5% YoY which resulting in the increase in oil sales volume through the service stations channel of 6.3% YoY.
  - The oil sales volume through wholesale channel grew by 24.6% YoY. However, this was not the main customer base of PTG which accounted for only 5.1% of the total oil sales volume.
  - The oil sales volume in 2Q/2021 was affected by the new wave of COVID-19 outbreak starting at the beginning of April 2021 which had turned more severe and spreads than the first half of 2020.
- The revenue from sales and services in 2Q/2021 was 33,310 million baht, an increase of 49.7% YoY and 3.2% QoQ mainly from
  - Revenue from oil business continued to grow as a result of the growth in oil sales volume and the increase in oil retail price of 39.6% YoY and 7.0% QoQ.
  - Revenue from non-oil business increased by 57.6% YoY and 1.6% QoQ, due to the effect of COVID-19 pandemic.

- PTG recorded the EBITDA of 1,641 million baht, slightly dropped by 0.3% YoY and 1.3% QoQ, and the net profit of 501 million baht, dropped by 2.4% YoY and 5.8% QoQ, mainly from
  - The marketing margin has remained in the appropriated level. However, oil marketing margin during the same period last year was above 2.0 baht per liter. As a result, the marketing margin fell by 7.1% YoY, but rose by 5.1% QoQ.
  - Cost of sale and services increased by 10.1% YoY and 0.6% QoQ in line with the growing number of oil and LPG service stations, as well as non-oil business branches.
  - Share profit from Palm Complex project was 33 million baht, an increase of 621.1% YoY, but a decrease of 57.0% QoQ.
  
- **The Company's business outlook in the second half of 2021**, PTG expects that the overall Thai economy continues to be challenged by the ongoing wave of the COVID-19 pandemic which becomes more severe than before. As a result, the Company needs to take the impact of the epidemic into consideration in adjusting its forecasts and operating goals as follows:
  - PTG revises down its oil and LPG service station expansion target to 50-100 stations from 100-150 stations, which will focus on key strategic areas including Bangkok, vicinity areas and main cities with the integrated-service model. The Company also emphasizes on improving the existing service stations to provide more comprehensive services.
  - PTG revises down the investment budget to 3,000-3,500 million baht from 4,000-4,500 million baht to be in line with the number of oil and LPG service stations expansion and to maintain the Company's financial stability during a time of economic vulnerability from the effects of the more severe and prolonged COVID-19 outbreak than before.
  - PTG continues to install EV charging stations inside PT service stations along the main roads and major tourist attractions, with an aim to connecting everyone to have the opportunity to access a "well-being" life in every stage of their life. This project also targets to ensure the confidence of car users in driving electric vehicles.
  - PTG continuously develops its non-oil business to generate consistent profits in the long-term. This year, Punthai Coffee, operates the food and beverage (F&B) business, is one of the businesses that has a strong growth rate and is expected to generate a net profit by the end of this year. Punthai Coffee aims to support the local community by combining local products as ingredients in the F&B product development.
  - LPG business, under the management of Atlas Energy Company Limited ("ATL"), a subsidiary of the Company, affirms its original plan to submit registration statement for sales of security to the

Securities and Exchange Commission of Thailand (the “SEC”) by 2021. The business target will be LPG household and industrial sectors focusing on product and service development in order to continually increase service efficiency.

### Performance Overview

PTG Energy Public Company Limited (“PTG”) in the 4th decade has maintained its dedication and commitment; not only to serve in the energy business, but PTG also continues to develop products and services to meet the needs of our customers and to be a part of our customers' daily life. PTG began a new era in the year 2021 by changing the vision from “The nation’s leading full-service energy provider” to “Enriching the quality of life, well-being and contentedness of the people we serve”, with the mission to “Create growth opportunities with partners and communities everywhere in the energy business and expand into a full range of services to fulfill happiness and quality of life for everyone”.

The overall Thai economy in 2Q/2021 continued to face challenges from the impact of the new wave of COVID-19 outbreak starting at the beginning of April 2021. As a result, the government issued stricter pandemic control measures. Although it was not the country's lockdown measures implemented in 2020, it had an impact on the economy that has just started to recover in 1Q/2021. The momentum of private consumption turned to a contraction owing to negative factors that weakened purchasing power, ranging from weaker employment situation, lower personal incomes, to lower consumers' confidence. This was in line with the drop in domestic mobility indicators (google mobility data). Meanwhile, tourism sector sharply contracted due the ongoing restrictions on international travel and the slowdown in domestic tourism. This resulted in a 1.2% drop YoY and a 6.5% drop QoQ in overall country oil consumption. By looking at the product category, the consumption of gasoline products declined by 0.7% YoY and 7.7% QoQ. At the same time, the consumption of diesel products decreased by 2.1% YoY and 5.9% QoQ, due to diesel product was mainly used in commercial vehicles for transportation and heavy equipment for agricultural activities. Although agricultural products are usually harvested in the second quarter of the year, the COVID-19 outbreak had a significant impact on the amount of diesel fuel consumption.

In terms of the country's oil consumption separated by region, it can be seen that the eastern and central regions were the regions with the largest decreases in oil consumption, falling 13.5% YoY and 2.2% YoY, respectively. However, PTG's oil sales volume continuously outperformed the overall industry, due to its service station coverage through all regions in the country. Meanwhile, the main proportion was still from the northeastern region, accounted for 29.6% of oil sales volume through PT service stations. The overall oil consumption in this region still grew well at 5.9% YoY. As a result, PTG oil sale volume in 2Q/2021 was 1,290 million liters, increased by 7.1% YoY, but dropped by 3.4% QoQ. In 2Q/2021, PTG's diesel and gasoline sales volume accounted for 74.4% and 25.6%, respectively.

PTG's oil sales through service stations accounted for 94.9% of total oil sales, or equal to 1,225 million liters, an increase of 6.3% YoY, but a drop of 3.2% QoQ. In this quarter, PTG expanded the number of oil service stations in line with strict investment measures during the COVID-19 outbreak, but the oil sales volume was not affected much. This was a result of the government's measures to control the spread of the virus and lockdown measures in only some high-risk areas, unlike last year when the government issued control and lockdown measures throughout the country. Thus, PTG's oil sales volume was able to grow well. Plus, the oil same store sales increased by 1.5% YoY due to the standardizing of service quality through the PT Max card membership management. In addition, PTG maintained its social responsibility projects, including providing free COVID-19 sanitizer service to build confidence in traveling for customers, distributing meal boxes to taxi drivers whom experiencing difficulties, and other social assistance projects during the epidemic. Hence, PTG could maintain the country's second-largest oil market share through service stations at 18.4%, up from 17.8% in 2Q/2020.

Oil Sales Volume (Million Liters)	2Q/2021	1Q/2021	2Q/2020	%QoQ	%YoY	1H/2021	1H/2020	%YoY
<b>Sales by Channel</b>								
Retail Channel	1,225	1,265	1,152	-3.2%	6.3%	2,490	2,301	8.2%
Wholesales Channel	65	71	53	-6.9%	24.6%	136	122	12.0%
<b>Total</b>	<b>1,290</b>	<b>1,336</b>	<b>1,205</b>	<b>-3.4%</b>	<b>7.1%</b>	<b>2,626</b>	<b>2,422</b>	<b>8.4%</b>
<b>Proportion of Sales by Channel</b>								
Retail Channel	94.9%	94.7%	95.6%			94.8%	95.0%	
Wholesales Channel	5.1%	5.3%	4.4%			5.2%	5.0%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>			<b>100.0%</b>	<b>100.0%</b>	

Apart from the continuous rise in oil sales volume, the LPG sales volume also increased. Wherewith, PTG had the LPG sales volume in 2Q/2021 of 66 million liters, rose by 109.9% YoY and 7.0% QoQ. Despite the new wave of COVID-19 outbreak, PTG still sees potential and growth opportunities in household and industry LPG business, which PTG had sales volume growth of 512.6% YoY and 52.8% QoQ. Recently, the Company had expanded the number of gas shop to 109 branches and number of gas filling plants to 3 locations to support the distribution of LPG for household and industrial plants. PTG's main focus includes differentiation in marketing strategy and service efficiency with an aim to expand the service to be comprehensive and meet the highest needs of customers. Currently, the Company obtained the fourth rank in LPG market share through all channels, with a market share of 4.2% from less than 1.0% in 2Q/2020.

In terms of auto LPG, PTG had the sales volume of 47 million liters, a growth of 65.2% YoY, but a slightly drop of 4.8% QoQ. Meanwhile, the overall auto LPG consumption increased only 3.2% YoY, but decreased 8.7% QoQ. The reason that the auto LPG sales had grown higher than the industry was the LPG business, under the operation of

Atlas Energy Company Limited (“ATL”), engaged in various projects supporting customers affected by the COVID-19 outbreak. The projects included “PT LPG for Taxi project”, “PT Taxi Rewards project”, and “PT Taxi Transform, Change for the Future project”. In this regard, the Company aims to enriching the quality of life and well-being for customers at all stages of life. As a result, PTG ranked second in LPG market share through service stations with 16.5% in 2Q/2021 from 9.5% in 2Q/2020.

Oil Sales Volume (Million Liters)	2Q/2021	1Q/2021	2Q/2020	%QoQ	%YoY	1H/2021	1H/2020	%YoY
<b>Sales by Channel</b>								
Auto LPG	47	49	28	-4.8%	65.2%	96	67	43.3%
Household and Industrial LPG	19	13	3	52.8%	512.6%	32	3	966.7%
<b>Total</b>	<b>66</b>	<b>62</b>	<b>31</b>	<b>7.0%</b>	<b>109.9%</b>	<b>128</b>	<b>71</b>	<b>80.3%</b>
<b>Proportion of Sales by Channel</b>								
Auto LPG	70.8%	79.6%	90.0%			75.0%	95.2%	
Household and Industrial LPG	29.2%	20.4%	10.0%			25.0%	4.8%	
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>			<b>100.0%</b>	<b>100.0%</b>	

Aside from the continuous growth of oil and LPG sales volume, PTG has been pushing non-oil business with the goal of providing comprehensive services to customers nationwide. In 2Q/ 2021, PTG had 1,008 Non- Oil touchpoints, and 1,902 oil service stations, the details of which are as follows;

Business Unit	No. of Branch	Business Unit	No. of Branch
Oil Station	1,902	LPG Household Shop	109
LPG Station	212	Autobacs (Passenger Car Maintenance and Repair Service Center)	21
EV Charging Station	5	Maxnitron Lube Change (Oil Lubricant Change Center)	41
Punthai Coffee	288	Max Camp (Rest Area)	35
Coffee World (Domestic and international)	56	Max Mart (Convenience Store)	241

### Important Events in 2Q/2021

#### Premiered “PT Taxi Transform, Change for the Future” Project

PTG launched a new project, “PT Taxi Transform, Change for the Future”, which supports taxi drivers to convert their taxis that currently use NGV fuel system to LPG fuel system with the total investment of 150 million baht. The installation of new equipment for taxis offers value for taxis in 3 aspects as follows: 1) Time value, there are many PT LPG stations, both in Bangkok and upcountry, so drivers will not have to waste time looking for a NGV station to refuel their cars. 2) Good value, the installation of all new equipment worth over 20,000 baht, drivers will have to

For more information, please contact Investor Relations at [ir@pt.co.th](mailto:ir@pt.co.th)

Tel: +66 2168 3377 ext. 260 and 276

pay an application fee of only 3,000 baht. 3) Discount value, the taxi who participates in this program will receive a discount on LPG fuel for the whole year, totaling up to 4,200 baht. The Company intends to expand its assistance to taxi drivers by reducing fuel costs, as well as saving time in finding NGV stations and reducing time for gas filling. PTG set the target to reach 10,000 taxis to participate in this project within this year.

**PTG terminated its joint venture in the business of service center and maintenance for truck, “PRO TRUCK”**

Sammitr PTG Pro Truck Solution Center Company Limited "PRO TRUCK", a joint venture between PTG and Sammitr Motor Manufacturing Public Company Limited “SAMMITR”, operates a service and maintenance business for large and commercial trucks. Currently, there were 9 branches inside PT service stations. According to PRO TRUCK’s operating results over the past 4 years, it had not been able to operate as planned, as well as the current situation of the COVID-19 pandemic. Therefore, PTG decided to terminate the joint venture in the business of service center and maintenance for truck. The Company's Board of Directors had approved the disposal of all shares in PRO TRUCK of 399,998 ordinary shares at 5 baht per share, totaling the selling value at 1,999,999 baht to SAMMITR. However, this transaction has not affected the Company business and the current operation PRO TRUCK. By all means, PTG maintains its plans in providing comprehensive customer services with the objective of enriching the quality of life and well-being by providing high-quality products and services for customers.

**PTG notified the capital increase in subsidiaries**

Punthai Coffee Company Limited (“PUN”) and GFA Corporation (Thailand) Company Limited (“GFA”), the subsidiary companies, increased its registered capital to existing shareholders in accordance with the proportionate to their shareholding (Right Offering). The objective of this capital increase is to use as working capital and to improve PUN and GFA's operational potential. This will support the Company in building a suitable financial structure for expanding its operations, as well as future investment.

The details are as follows:

Company	Before the Capital Increase	After the Capital Increase
Punthai Coffee Company Limited (PUN)	Registered Capital: 300,000,000 baht Ordinary Shares: 3,000,000 shares Par Value: 100 baht	Registered capital: 1,200,000,000 baht Ordinary Shares: 12,000,000 shares Par Value: 100 baht
GFA Corporation (Thailand) Company Limited (GFA)	Registered Capital: 117,408,000 baht Ordinary Shares: 29,352 shares Par Value: 4,000 baht	Registered Capital: 380,000,000 baht Ordinary Shares: 95,000 shares Par Value: 4,000 baht

## Financial Summary for 2Q/2021 and 1H/2021

Financial Summary (Baht million, unless stated)	2Q/2021	1Q/2021	2Q/2020	%QoQ	%YoY	1H/2021	1H/2020	%YoY
Revenue from sales and services	33,310	32,264	22,257	3.2%	49.7%	65,573	51,378	27.6%
Cost of sales and services	(30,473)	(29,435)	(19,513)	3.5%	56.2%	(59,908)	(46,403)	29.1%
<b>Gross profit</b>	<b>2,837</b>	<b>2,828</b>	<b>2,745</b>	<b>0.3%</b>	<b>3.4%</b>	<b>5,666</b>	<b>4,975</b>	<b>13.9%</b>
SG&A	(2,069)	(2,057)	(1,879)	0.6%	10.1%	(4,125)	(3,823)	7.9%
Selling expenses	(1,702)	(1,702)	(1,607)	0.0%	5.9%	(3,432)	(3,353)	2.4%
Administrative expenses	(366)	(355)	(272)	3.2%	34.7%	(693)	(470)	47.6%
<b>EBITDA</b>	<b>1,641</b>	<b>1,663</b>	<b>1,646</b>	<b>-1.3%</b>	<b>-0.3%</b>	<b>3,303</b>	<b>2,856</b>	<b>15.7%</b>
Financial Cost	(276)	(274)	(268)	0.9%	3.1%	(550)	(540)	1.8%
<b>Net profit</b>	<b>501</b>	<b>531</b>	<b>513</b>	<b>-5.8%</b>	<b>-2.4%</b>	<b>1,032</b>	<b>717</b>	<b>43.9%</b>
Gross profit margin	8.5%	8.8%	12.3%			8.6%	9.7%	
SG&A as a % of revenue	6.2%	6.4%	8.4%			6.3%	7.4%	
% Selling expenses	5.1%	5.3%	7.2%			5.2%	6.5%	
% Administrative expenses	1.1%	1.1%	1.2%			1.1%	0.9%	
Operating profit margin	2.7%	2.9%	4.2%			2.8%	2.8%	
EBITDA margin	4.9%	5.2%	7.4%			5.0%	5.6%	
Net profit margin	1.5%	1.6%	2.3%			1.6%	1.4%	
Earnings per share (Baht)	0.30	0.32	0.31			0.62	0.43	
Return on Equity	26.2%	27.5%	31.7%			19.7%	21.8%	
Return on Total Assets	4.8%	5.2%	6.6%			4.6%	4.6%	
IBD to equity ratio (x)	3.65	3.21	3.98			3.65	3.98	

### 1H/2021 Financial Summary

PTG's total revenue from sales and services was 65,573 million baht, a decrease of 27.6% YoY. The revenue can be divided into 1. The revenue from sales and services from the oil business increased by 27.4% YoY due to the rise in oil price of 17.5% YoY. Plus, the oil sales volume in the 1H/2021 was 2,626 million liters, or an increase of 8.4% YoY in line with the increased number of oil stations compared to the previous year, as well as same store sales growth of 1.6% in 1H/2021. 2. The revenue from sales and services from non-oil business including LPG business, food and beverage business, convenience store business, commercial area management business and other businesses increased by 33.8% YoY. The growth of non-oil business was mainly from the expansion of non-oil branches and the continuous adding of products and services to meet the needs of customers. Currently, PTG had a total of 1,008 non-oil branches. However, the revenue from the oil business accounted for 96.2% of total revenue from sales and services.

On the other hand, the cost of sales and services was 59,908 million baht, an increase of 29.1% YoY. This was due to the higher oil cost from the higher crude oil price. In 1H/2021, WTI crude oil price was in an average of 61.9 dollar per barrel, surged from 37.7 dollar per barrel in the same period last year, or an average increase of 64.1% YoY. However, the oil retail price adjusted in line with the cost, bringing the marketing margin in 1H/2021 higher than the same period of the previous year. Therefore, the gross profit was 5,666 million Baht, an increase of 13.9% YoY. The gross profit proportion from oil business was 87.5% and non-oil business was 12.5%, increased from 10.4% last year. Non-oil gross profit could be divided into the LPG business 5.5%, food and beverage business 2.8%, Max Mart convenience store business and other businesses 4.2%.

Meanwhile, SG&A expenses were 4,125 million baht, up 7.9% YoY. This was mainly from employee-related and depreciation expenses used to support the oil and non-oil business expansion. Currently, PTG had a total of 2,910 oil and non-oil business branches, which were increased from 2,743 branches from last year.

As a result, PTG had EBITDA for 1H/2021 of 3,303 million baht, an increase of 15.7% YoY, in line with the target before the revision, due to the new wave of COVID-19 impact, at the growth of 10-15%. At the same time, PTG recorded net profit of 1,032 million baht, an increase of 43.9% YoY.

## 2Q/2021 Financial Summary

- **Revenue from sales and services** was 33,310 million baht, reflecting an increase of 49.7% YoY and 3.2% QoQ due to the following factors: 1) The oil sales volume increased to 1,290 million liters, a rise of 7.1% YoY, slightly lower than the target growth of 8-12% (before the target revision). The revision of the target growth caused by the impact of the new wave of COVID-19 outbreak which starting in the beginning of April 2021. 2) The retail oil price surged by 39.6% YoY and 6.9% QoQ owing to the higher crude oil price. Revenue from oil business accounted for 96.2% of the total revenue from sales and services. 3) The non-oil business revenue continued to grow as the Company has been promoting and emphasizing on providing the comprehensive customer service. Currently, there were 1,008 non-oil branches, a 16.0% growth YoY and 3.2% growth QoQ. Meanwhile, revenue from non-oil business in this quarter was 1,270 million baht, growing 57.6% YoY and 1.6% QoQ. Revenue from sales and services from the non-oil business accounted for 3.8% of the total revenue from sales and services.
- **Cost of sales and services** was 30,473 million baht, an increase of 56.2% YoY, and 3.5% QoQ, which mainly from: 1) The oil sales volume continued to grow as earlier mentioned and, 2) The oil cost per liter increased since WTI crude oil price in 2Q/2021 stood at a 66.0 dollar per barrel, increased by 129.6% YoY and 14.1% QoQ. However, the oil retail price adjusted in line with the cost, bringing the marketing margin to be at the appropriate level. Therefore, PTG recorded a gross profit of 2,837 million baht this quarter, an increase of 3.4% YoY and a slightly increase of 0.3% QoQ. The gross profit from the oil business and non-oil business accounted

for 88.0% and 12.0%, respectively. The gross profit from non-oil business can be divided into LPG business 5.3%, food and beverage businesses 2.8%, and Max Mart convenience stores and other businesses 3.8%.

- **SG&A expenses** was 2,069 million baht, an increase of 10.1% YoY and 0.6% QoQ. The growing in the expense was mainly to support the expansion of the oil and non-oil businesses. However, this cost is likely to grow at a reduced rate in accordance with the cost control policy. The main expenses were still from employee-related expenses and depreciation expenses.
  - **Employee-related expenses** was 826 million baht, an increase of 15.1% YoY and 1.3% QoQ. The growth was from the branch expansion of oil and non-oil businesses. Recently, PTG had a number of branches in the oil and non-oil businesses that PTG owned and operated of 2,614 branches nationwide, which focused on providing services to deliver the best experience to customers.
  - **Depreciation expenses** was 719 million baht, reflecting an increase of 4.9% YoY and 2.5% QoQ. The growth was from the continuous branch expansion in the key strategic areas along Bangkok and vicinity areas, and main cities, with an aim to expand services to serve a broader need of customers. In this regard, PTG opened 8 Company Owned Company Operated (COCO) service stations in this quarter.
- **Finance costs** was 276 million baht, an increase of 3.1% and 0.6% YoY. The financial cost increased in line with the continuous expansion of branches in high-potential areas mentioned above.
- **EBITDA and Net Profit**, EBITDA was 1,641 million baht, a slight decrease of 0.3% YoY. This was a result of the fall in oil marketing margin of 7.1% YoY, but it was still at the reasonable level. Meanwhile, the oil sales volume continued to grow, as well as non-oil business expansion to increase accessibility and understand the highest needs of customers resulting from the higher level of marketing margin compare to the same period of the previous year. However, EBITDA dropped 1.3% QoQ, due to lower oil sales volumes compared to the previous quarter caused by the new wave of the COVID-19 outbreak. Also, the non-oil business revenue slightly decreased from the impact of the virus as well. In addition, PTG received a lower share of profit from the Palm Complex project, resulting from seasonal factors and the impact of the COVID-19 epidemic situation, causing the lower demand for diesel fuel in the country. However, the Company continues to control expenses and investments in accordance with the current situation. As a result, PTG had a net profit of 501 million baht, a drop of 2.4% YoY and a drop of 5.8% QoQ, and earnings per share of 0.30 baht, decreased from 0.31 baht at the same period last year, and from 0.32 baht at the last quarter.

Statement of Financial Position as of June 30, 2021

Summary of Financial Position (Baht million)	2Q/2021	%	2020	%	Amount changes	% changes
Cash and cash equivalents	1,074	3%	942	2%	132	14.1%
Trade, other receivables, short-term lending	866	2%	829	2%	37	4.4%
Inventories	2,016	5%	2,088	5%	(72)	-3.5%
<b>Total current assets</b>	<b>3,956</b>	<b>9%</b>	<b>3,859</b>	<b>9%</b>	<b>97</b>	<b>2.5%</b>
Investment properties	393	1%	384	1%	9	2.3%
Property, plant, and equipment	11,000	26%	10,853	26%	147	1.4%
Right-of-use assets	23,904	56%	23,662	56%	243	1.0%
Investment in a joint venture	1,120	3%	1,009	2%	111	11.0%
Investment in associate	816	2%	801	2%	15	1.9%
Financial assets measured at fair value through other comprehensive income (General investment)	725	2%	734	2%	(10)	-1.3%
Intangible assets	257	1%	229	1%	28	12.3%
Goodwill	53	0%	53	0%	0	0.0%
Other non-current assets	528	1%	453	1%	75	16.4%
<b>Total assets</b>	<b>42,752</b>	<b>100%</b>	<b>42,037</b>	<b>100%</b>	<b>715</b>	<b>1.7%</b>
Trade and other payables	3,952	9%	3,920	9%	32	0.8%
Short-term loans & loans due within 1 year	5,987	14%	4,330	10%	1,657	38.3%
Other current liabilities	257	1%	236	1%	21	8.8%
<b>Total current liabilities</b>	<b>10,196</b>	<b>24%</b>	<b>8,486</b>	<b>20%</b>	<b>1,710</b>	<b>20.2%</b>
Financial lease liabilities	19,240	45%	18,947	45%	294	1.5%
Long-term loans	4,723	11%	6,294	15%	(1,571)	-25.0%
Deferred tax liabilities	56	0%	56	0%	0	0.2%
Other non-current liabilities	339	1%	275	1%	64	23.1%
<b>Total liabilities</b>	<b>34,554</b>	<b>81%</b>	<b>34,057</b>	<b>81%</b>	<b>497</b>	<b>1.5%</b>
Retained earnings	5,104	12%	4,904	12%	200	4.1%
Others	3,094	7%	3,076	7%	18	0.6%
<b>Total equity</b>	<b>8,198</b>	<b>19%</b>	<b>7,980</b>	<b>19%</b>	<b>218</b>	<b>2.7%</b>
<b>Total liabilities and equity</b>	<b>42,752</b>	<b>100%</b>	<b>42,037</b>	<b>100%</b>	<b>715</b>	<b>1.7%</b>

At the end of 2Q/2021, PTG had the total assets of 42,752 million baht, reflecting an increase of 715 million baht or 1.7% growth from the year end 2020. The increase in assets was mainly from 1) Property, plant, and equipment, an increase in 147 million baht or 1.4% from 2020. 2) Right-to-use assets, an increase of 243 million baht or 1.0% from

2020, which due to the expansion of more comprehensive service stations. 3) Investments in joint ventures, a rise of 111 million baht or 11.0% from the year 2020, as a result of an increase in profit recognition from Palm Complex. 4) Cash and cash equivalents, a growth of 132 million baht, or 14.1% from 2020, due to the Company's recognized operating profit. Meanwhile, inventories decreased by 77 million baht or 3.5% from the year 2020, due to inventory management according to the current economic situation.

Furthermore, PTG had total liabilities of 34,554 million baht, a rise of 497 million baht or a s 1.5% from the year end 2020, mainly caused by the increase in short-term borrowings and liabilities due in 1 year, a rise of 1,657 million baht or 38.3% from 2020, from debentures due within 1 year of 1,399 million baht and short-term borrowings increased by 413 million baht to be used as working capital. Meanwhile, long-term borrowings decreased by 1,571 million baht or 25% from 2020, due to the adjustment of debentures due within 1 year to liabilities due within 1 year as mentioned above and debts payment as scheduled. However, the Company aims to adjust its investment plan to be in line with its cash flow, in order to create stability and financial strength. In addition, PTG had shareholders' equity of 8,198 million baht, an increase of 218 million baht or 2.7% from the year 2020, as a result of the higher retained earnings.

Sources and Uses of Funds Statement for 6 months 2021 (Baht million)			
Sources of Funds		Uses of Funds	
Cash from operations	3,037	Investment in leasehold rights, PP&E, and intangible assets	1,184
Cash received from sales of investments in associates and sales of plant and equipment	2	Payment of interest and tax, net	770
Cash received from payment of loans from subsidiaries, joint ventures and associates	129	Payment to creditors under the financial lease agreement	322
Cash received from dividends	25	Payment of dividends	837
Cash received from borrowings	52	Cash increase	132
<b>Total</b>	<b>3,245</b>	<b>Total</b>	<b>3,245</b>

For 1H/2021, PTG had net cash flow from operations of 2,268 million Baht (after interest and tax payment of 770 million Baht), rose 23.3% YoY. Meanwhile, PTG's net cash payment in investing activities was 1,028 million baht, slightly rose by 0.1% YoY, in line with the investment reduction policy in dealing with the impact of the COVID-19 outbreak, causing the overall economy to slow down. On the other hand, PTG posted net cash payment in financing activities of 1,107 million baht, a decrease of 6.1% YoY, as a result of the payment of short-term and long-term loans to financial institutions, and the dividend payment to shareholders. However, the Company still aims to obtain sufficient cash management for operations. As a result, PTG had net cash of 1,074 million baht, a growth of 132 million baht from the end of last year.

Accreditation		Long-term Liabilities and Outstanding Debentures (Baht million)				
Credit rating (Tris)	BBB+	Year	Debentures	Maturity	Loans	Maturity
CG score	Excellent: 5 Stars	Jul – Dec 21			500	728
CAC	Certified CAC	2022		2,100		1,041
ESG Index	THSI	2023		2,000		932
		2024				509
		2025				93

### Executive View and Business Direction for the second half of 2021

2021's operational target (adjusted)

- ✓ Number of Touchpoints 3,030 touchpoints (adjusted from 3,160)
  - Oil Station 1,940 stations (adjusted from 2,030)
  - LPG and Mix Station 230 stations (adjusted from 260)
  - Non-oil (F&B, CVS, Services) 860 branches (adjusted from 870)
- ✓ Oil Sales Volume Growth 5 – 8% (adjusted from 8 – 12%)
- ✓ LPG Sales Volume Growth more than 100% (maintained)
- ✓ EBITDA Growth 8 – 12% (adjusted from 10 – 15%)
- ✓ Investment Budget 3,000 – 3,500 million baht (adjusted from 4,000 – 4,500 million baht)

**Adjust branch expansion plans and investment plans** to maintain cash flow to cope with the uncertain situation of a more severe new wave of the COVID-19 outbreak since April. In order to operate the business in accordance with the aforementioned situation, the Company reduced the expansion target of oil and LPG service stations from 100-150 branches to 50-100 branches. Therefore, PTG considered reducing investment in 2021 from 4,500-5,000 million baht to 3,000-3,500 million baht. Regarding the new wave of COVID-19 pandemic, PTG revised its forecast for the full-year oil sales growth to 5-8% YoY from 8-12% YoY. The Company also revised its earnings forecast based on the aforementioned impact of EBITDA growth at 8-12% YoY, adjusted from the prewise target of 10-15% YoY.

**Maintain oil market share through service station channel.** Although, during this year, the overall domestic oil consumption was affected by the COVID-19 pandemic, PTG sees growth opportunities in this industry. Therefore, we continue to expand our branches in potential areas in urban communities, landmarks and important tourist routes to support the expansion of the population and future tourists, and to increase the opportunity to serve various products and services apart from being an energy provider. In this regard, the launch of EV Charging Station with EGAT has received good feedback from customers. PTG plans to expand the charging station to cover more than 13 provinces across the country by 2021, which would create confidence for electric vehicle users in driving their

cars across the country. It also increases the Company brand awareness. Currently, PTG had a total of 2,114 oil and LPG service stations covering nationwide. With the strength of PTG's network, having service stations spread throughout the country, PTG's oil sales volume was less affected by the crisis. This allows PTG to remain firmly and continuously occupying the retail oil market share as the second place.

**Continuously driving and building the non-oil business brand**, especially the food and beverage business, to be the main driver for PTG in the future. This business, under the operation of Punthai Coffee, plans to focus on differentiation in providing a great customer experience, as well as develop a strong brand identity. During the past year, PTG has released new products that engage with local communities in the country to support community products and promote the distribution of income to people in the society. The Company also launched various marketing promotion activities through stores and online campaign to generate earnings. To support such target, in July, the Company increased the registered capital in Punthai Coffee Company Limited ("PUN") and GFA Corporation (Thailand) Company Limited ("GFA"). With this regards, PUN and GFA plans to use the fund for working capital and for future business operations. PTG aims to increase the gross profit portion of its non-oil business by connecting products and services in the community to end customers, and by creating jobs in the community by expanding the network of service stations. This is to create a complete "well-being and happiness" to the society. In addition, the Company targets to link more than 16.2 million members of PT Max Card with good experience and highest satisfaction.

**Strengthen the LPG business by submitting registration statement for sales of security to Securities and Exchange Commission of Thailand (the "SEC")** and to support the growth of LPG business under the supervision of Atlas Energy Company Limited ("ATL"), which operate auto LPG retail business, household LPG retail, wholesale and industrial LPG. ATL will focus mainly on the expansion of household and industrial LPG businesses. The Company aims to be the leader in providing comprehensive LPG business, responding to the needs of consumers along with taking care of the community, society and environment.

### **Sustainability Management**

With PTG's vision of "Enriching the quality of life, well-being and contentedness of the people we serve", the Company places importance on setting its operation direction in accordance with the sustainability strategy aiming to drive the organization sustainably in all dimensions. The Company has sustainability management in the economic dimension in maintaining its growth, increasing business diversification, and promoting technology and innovation. PTG also focuses on creating values and supporting the use of labor in the industrial sector through customer satisfaction surveys to improve customer service quality sustainably. The use of Big Data to analyze better understanding of customers and quality control of products and services has been applied. In addition, there is sustainability management in the social dimension in engaging with the community and society through many projects, such as PT Sharing Cabinet project. Especially during the COVID-19 pandemic, PTG has launched various

For more information, please contact Investor Relations at [ir@pt.co.th](mailto:ir@pt.co.th)

Tel: +66 2168 3377 ext. 260 and 276

projects, such as providing service station areas to support the COVID-19 vaccination, donating drinking water to public health agencies, and arranging beverages to serve medical staff in many areas. The goal is to drive the sustainable organization growth with good governance, caring for all stakeholders along with social responsibility.

**Measures of the Company in taking care of employees**

- o Issue Work-from-Home policy since the beginning of the COVID-19 epidemic in reducing the risk of spreading the virus
- o Provide COVID-19 insurance coverage for all employees
- o Temperature check before entering work areas
- o COVID-19 sanitizer spray in work areas



**Social and community responsibility**

- o The Company has organized social activities to provide assistance and support to society in many ways to relieve and to help promoting the quality of life for people in the society. Recently, PTG has provided social assistance project such as PT Volunteer Camp, which helping people in the community, donating drinking water to field hospitals, offering PT service stations to be COVID-19 vaccination support, providing Punthai Coffee beverages to medical centers in many areas.

(You can read more information at latest issue of IR Newsletter >>Click<<)

