



PTG Energy Company Limited  
Management Discussion and Analysis  
Quarter 3/2021

**Key Performance**

- Total revenue was 30,585 million baht (+20.8% YoY, -8.2% QoQ)
- EBITDA was 1,155 million baht (-30.1% YoY, -29.6% QoQ)
- Net profit was 65 million baht (-87.4% YoY, -87.1% QoQ)

| Key Financial Performance<br>(Million baht, unless stated) | 3Q/2021  | 2Q/2021  | 3Q/2020  | %QoQ   | %YoY   |
|--|----------|----------|----------|--------|--------|
| Revenue from sales and services                            | 30,585   | 33,310   | 25,315   | -8.2%  | 20.8%  |
| Cost of sales and services                                 | (28,195) | (30,473) | (22,595) | -7.5%  | 24.8%  |
| Gross profit   | 2,391    | 2,837    | 2,720    | -15.7% | -12.1% |
| EBITDA   | 1,155    | 1,641    | 1,654    | -29.6% | -30.1% |
| Net profit   | 65       | 501      | 513      | -87.1% | -87.4% |
| Earnings per share (Baht)                                  | 0.04     | 0.30     | 0.31     | -87.1% | -87.4% |

**Executive Summary**

- PTG still maintained the highest market share growth rate through the station channel, with a market share of 18.5% in 3Q/2021, an increase from 16.2% last year. PTG continues to obtain the second rank in the oil market through the station channel.
- The oil sales volume of PTG in 3Q/2021 was 1,106 million liters, decreased 10.3% YoY and 14.3% QoQ mainly from
  - o The impact of the COVID-19 outbreak that was more intense and last longer than the previous wave, together with the flooding situation in late September this year, resulted in a slow recovery of inter-provincial travel activities even after the government has relaxed the COVID-19 control measures.
  - o The oil sales volume through the station channel dropped 9.4% YoY and 12.7% QoQ which was reflected a decline in Same Store Sales by 12.8% YoY.
  - o The oil sales volume through the wholesale channel dropped 29.3% YoY and 45.4% QoQ. However, this was not from the main customer base of PTG which accounted for only 3.2% of the total oil sales volume.

- **The revenue from sales and services in 3Q/2021 was 30,585 million baht, an increase of 20.8% YoY but dropped 8.6% QoQ. The gross profit was 2,391 million baht, a decrease of 12.1% YoY and 15.7% QoQ.**
  - Revenue increased 20.8% YoY. This was mainly due to the revenue from the oil business, which increased 20.8% YoY, caused from an increase in the average oil selling price of 26.4 baht/liter, an increase of 34.5% YoY and 6.6% QoQ, due to the increase of WTI crude oil price.
  - However, revenue decreased by 8.6% QoQ as the oil sales volume dropped, due to the cyclical effect, resulted in the flooding in 33 provinces. Another cause of the sales decline was the new wave of COVID-19 outbreak that has prompted the government to impose lockdown measures in some high-risk areas to control the outbreak.
  - For 3Q/2021, gross profit dropped by 12.1% YoY and 15.7% QoQ. This was the impact from the sharp increase in global oil price. Currently, gross profit from the oil business accounted for 86.8% of total gross profit.
  
- **The revenue from the Non-oil businesses continues to grow as PTG recorded 1,413 million baht, a growth by 19.3% YoY and 1.2% QoQ. The portion of revenue from Non-oil businesses accounted for 4.6% of the total revenue, increased from 4.2% of total revenue in the previous quarter.**
  - Meanwhile, the growth rate of gross profit slightly dropped by 3% YoY and 7.7% QoQ, mainly due to the COVID-19 epidemic. Despite the drop in growth rate, the gross profit portion from the Non-oil business still increased. It accounted for 13.2% of total gross profit in 3Q/2021, a rise from 11.9% of total gross profit from last year. The growth of the Non-oil business came mainly from the LPG business and F&B business under the brand “Punthai Coffee”.
  
- **PTG recorded the EBITDA of 1,155 million baht, dropped by 30.1% YoY and 29.6% QoQ, and the net profit of 65 million baht, dropped by 87.4% YoY and 87.1% QoQ, mainly from**
  - The decline in marketing margin as mentioned above.
  - Cost of sale and services increased by 11.3% YoY and 1.9% QoQ which was in line with the growing number of oil and LPG service stations, as well as non-oil business branches.
  - Share profit from associates was 35 million baht, an increase of 4.2% YoY, mainly from Palm Complex project as a result of a short in global supply for Palm and its by-products led to a better margin. However, with the COVID-19 outbreak and the short-term change in Biodiesel policy led to a drop in Biodiesel demand, which mainly resulted in the share profit drop 23.4% QoQ.
  
- **As for operational guidelines in 4Q/2021, PTG has prepared to provide services in both Oil and Non-oil businesses to support the reopening of the country and to enter into the high season of tourism. At the same time, the company still pays attention to expenses and investment budget control to be at an**

appropriate level. The company has revised the branch expansion and investment budget, and adjusted investment strategies with the aim of maintaining a strong financial position for future growth.

- o In October 2021, PTG's oil sales volume improved by 6.8% and LPG increased by 13.2% from the previous month. Meanwhile, the revenue of the Non-Oil businesses grew by 14.2% from the previous month as the economic activities began to resume.
- o Continue to drive the growth in the Non-Oil businesses with the aim of generating long-term consistent returns. The Company remains committed to upgrading its Non-Oil business by developing products and services that can meet the need of diverse customer groups. We planned marketing strategies to existing products and services to meet the needs of customers with the goal of increasing the profit proportion from the Non-Oil businesses.
- o Driving the organization toward business expansions as well as supporting potential Thai SMEs under our Business Transformation team with an aim to drive new future business in Thailand. We combine business processes with the application of technological know-how to create innovations under the concept of Co-creation in order to bring new technologies to enhance operational efficiency.
- o PTG still maintains the policy to maintain cash flow liquidity at an appropriate level. We have revised down our 2021 investment budget to 2,000-2,500 million baht from 3,000-3,500 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 the economic downturn due to the impact of the COVID-19 pandemic.

### 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 economy of Thailand in 3Q/2021 continued to face challenges from the impact of the new wave of COVID-19 outbreak that was more intense and widespread. The government has implemented lockdown measures in 29 high-risk provinces, which account for 77% of the country's GDP and have strict epidemic control measures. As a result, the Thai economy in the third quarter of 2021 was clearly affected. This can be reflected by the Google

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Mobility Data Index, which dropped more than during the national lockdown in the first wave of the 2020 pandemic. The Thai economy was also affected by severe and widespread flooding situation in the late September in 33 provinces. This resulted in the lower oil consumption of the overall country in 3Q/2021, dropped by 20.1% YoY and 12.0% QoQ. Separating by product, the benzene consumption decreased by 24.5% YoY and 8.2% QoQ, while the diesel consumption, which are mainly used for commercial activities, transportation, and agriculture, decreased by 17.8% YoY and 13.8% QoQ.

Overall, in the third quarter of 2021, PTG had total oil sales volume of 1,106 million liters, a decrease of 10.3% YoY and 14.3% QoQ. The diesel and gasoline sales volume accounted for 72.0% and 28.0%, respectively. The oil sales volume through service stations in the third quarter of 2021 decreased by 20.9% YoY and 10.8% QoQ. By product type, gasoline consumption fell by 27.3% YoY and 8.7% QoQ. Meanwhile, diesel fuel consumption also decreased by 16.7% YoY and 12.0% QoQ.

As a result, PTG's oil sales volume through service stations was 1,070 million liters, a decrease of 9.4% YoY and 12.7% QoQ. In this quarter, the proportion of oil sales through stations accounted for 96.8% of the total oil sales volume. The same store sales decreased by 12.8% from the same period last year. In terms of station expansion, we expanded in line with the strict investment policy during the COVID-19 outbreak, with an increase of 2.6% YoY and 1.2% QoQ.

However, PTG still emphasizes on standardizing the 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 drinking water to support medical staff, and other social assistance projects during the epidemic. Hence, PTG could maintain the country's second-largest oil market share through service stations with an increase market share of 18.5%, up from 16.2% in 3Q/2020.

| Oil Sales Volume (M. Liter)    | 3Q/2021       | 2Q/2021       | 3Q/2020       | % QoQ         | % YoY         | 9M/2021       | 9M/2020       | % YoY       |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|
| Distribution channel           |               |               |               |               |               |               |               |             |
| Retail channel                 | 1,070         | 1,225         | 1,181         | 12.7%         | -9.4%         | 3,593         | 3,227         | 3.2%        |
| Wholesales channel             | 36            | 65            | 51            | -45.4%        | -29.3%        | 149           | 213           | -13.6%      |
| <b>Total</b>                   | <b>1,106</b>  | <b>1,290</b>  | <b>1,232</b>  | <b>-14.3%</b> | <b>-10.3%</b> | <b>3,741</b>  | <b>3,441</b>  | <b>2.4%</b> |
| Proportion of Sales by Channel |               |               |               |               |               |               |               |             |
| Retail channel                 | 96.8%         | 94.9%         | 95.9%         |               |               | 96.0%         | 95.3%         |             |
| Wholesales channel             | 3.2%          | 5.1%          | 4.1%          |               |               | 4.0%          | 4.7%          |             |
| <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 3Q/2021 of 64 million liters, rose by 38.3% YoY and 3.1% QoQ. The main cause of the decline in sales volume still came from the COVID-19 outbreak. Despite the new wave of COVID-19 outbreak, PTG still continued to expand household and industrial LPG business, which we see growth opportunities in this business. In 3Q/2021, PTG's Household and Industrial LPG grew by 715.7% YoY, but slightly decreased by 1.3% QoQ. Recently, the Company had expanded the number of the gas shop of 172 branches and the number of gas filling plants of 3 locations to support the distribution of LPG for household and industrial plants. PTG's main focuses included differentiation in the 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 4.9% from 1.8% last year.

In terms of auto LPG, PTG had a sales volume of 45 million liters, a growth of 2.3% YoY, but dropped by 3.9% QoQ; however, the overall auto LPG consumption dropped by 27.5% YoY and 7.9% 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, with aims to enrich the quality of life and well-being for customers at all stages of life. As a result, PTG was ranked at the second largest in LPG market share through service stations with 18.2%, an increase from 11.0% in 3Q/2020.

| LPG Sales Volume<br>(Million Liters) | 3Q/2021       | 2Q/2021       | 3Q/2020       | %QoQ         | %YoY         | 9M/2021       | 9M/2020       | %YoY         |
|--------------------------------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|--------------|
| Sales by Channel                     |               |               |               |              |              |               |               |              |
| Auto LPG                             | 45            | 44            | 43            | 1.2%         | 4.6%         | 136           | 109           | 26.5%        |
| Household and Industrial LPG         | 25            | 18            | 3             | 39.1%        | 723.1%       | 55            | 4             | 793.5%       |
| <b>Total</b>                         | <b>70</b>     | <b>62</b>     | <b>46</b>     | <b>12.2%</b> | <b>52.2%</b> | <b>191</b>    | <b>113</b>    | <b>63.8%</b> |
| Proportion of Sales by Channel       |               |               |               |              |              |               |               |              |
| Auto LPG                             | 64.2%         | 71.1%         | 93.4%         |              |              | 71.1%         | 96.6%         |              |
| Household and Industrial LPG         | 35.8%         | 28.9%         | 6.6%          |              |              | 28.9%         | 3.4%          |              |
| <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 3Q/2021, PTG had 1,080 Non-Oil touchpoints, and 1,925 oil service stations, the details of which are as follows;

| Business Unit                             | No. of Branch | Business Unit  | No. of Branch |
|---|---------------|--|---------------|
| Oil Station                               | 1,925         | LPG Household Shop   | 172           |
| LPG Station                               | 217           | Autobacs (Passenger Car Maintenance and Repair Service Center) | 23            |
| EV Charging Station                       | 5             | Maxnitron Lube Change (Oil Lubricant Change Center)            | 43            |
| Punthai Coffee                            | 289           | Max Camp (Rest Area)   | 36            |
| Coffee World (Domestic and international) | 45            | Max Mart (Convenience Store)                                   | 250           |

### Important Events in 3Q/2021

#### **Expanding the Palm Complex business, launching palm oil for consumption under the brand "Mee-Suk"**

Palm Complex under the management of PPP Green Complex Co., Ltd. launched palm oil for consumption under the brand "Mee-suk" on September 25, 2021. This is an extension of the product of the business by producing quality products, carefully selecting raw materials, inspecting and controlling quality in every step of the production process. Initially, Mee-Suk palm oil was sold to consumers via grocery stores and has plans to enter into the Hypermarket in the near future.

#### **Driving the PunThai Coffee (PUN) business under F&B business with cooperation with partners to increase the proportion of sales from delivery, turning crisis into opportunity.**

During the COVID-19 epidemic situation, the company has implemented technology to improve our services so that we could respond to the changes in consumer behavior in the new normal era. PTG cooperated with various new business partners to drive sales through the delivery system. The non-oil business that we saw the most obvious results was the PunThai coffee business, where sales through the delivery system grew to 15.9% in 3Q/2021 from 0.4% last year and 10.0% in the previous quarter. The customers can order drinks and food via delivery platforms such as Grab, Robinhood, True Food, Line Man, Gojek, etc.

#### **Launching the "Taxi Advertisement" project to promote the LPG business through the assistance of more than 6,000 taxis across the country.**

PTG launched the "Taxi Advertisement" project to promote the LPG business through delivering assistance to taxi drivers by offering a special discount coupon worth 1,200 baht, which can be used to discount gas, oil, engine fuel, cooking gas of the PT group and to receive a discount of 0.5 baht per liter of LPG fuel for 6 months, by affixing a mascot sticker. This also helps promote the LPG business that has a plan to submit Filing to the Stock Exchange of Thailand (SET). We aim for 6,000 taxi drivers across the country to join the program and to help reduce the cost of occupation and livelihood of taxi drivers to get through this crisis together.

## Financial Summary for 3Q/2021 and 9M/2021

| Financial Summary<br>(Million baht, unless stated) | 3Q/2021      | 2Q/2021      | 3Q/2020      | %QoQ          | %YoY          | 9M/2021      | 9M/2020      | %YoY         |
|--|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|
| Revenue from sales and services                    | 30,585       | 33,310       | 25,315       | -8.2%         | 20.8%         | 96,159       | 76,693       | 25.4%        |
| Cost of sales and services                         | (28,195)     | (30,473)     | (22,595)     | -7.5%         | 24.8%         | (88,102)     | (68,998)     | 27.7%        |
| <b>Gross profit</b>                                | <b>2,391</b> | <b>2,837</b> | <b>2,720</b> | <b>-15.7%</b> | <b>-12.1%</b> | <b>8,056</b> | <b>7,695</b> | <b>4.7%</b>  |
| SG&A   | (2,109)      | (2,069)      | (1,895)      | 1.9%          | 11.3%         | (6,234)      | (5,718)      | 9.0%         |
| Selling expenses                                   | (1,756)      | (1,702)      | (1,661)      | 3.2%          | 5.8%          | (5,188)      | (5,014)      | 3.5%         |
| Administrative expenses                            | (353)        | (366)        | (234)        | -3.8%         | 50.4%         | (1,046)      | (704)        | 48.5%        |
| <b>EBITDA</b>                                      | <b>1,155</b> | <b>1,641</b> | <b>1,654</b> | <b>-29.6%</b> | <b>-30.1%</b> | <b>4,459</b> | <b>4,509</b> | <b>-1.1%</b> |
| Financial Cost                                     | (283)        | (276)        | (280)        | 2.5%          | 1.2%          | (833)        | (820)        | 1.6%         |
| <b>Net profit</b>                                  | <b>65</b>    | <b>501</b>   | <b>513</b>   | <b>-87.1%</b> | <b>-87.4%</b> | <b>1,097</b> | <b>1,230</b> | <b>10.9%</b> |
| <b>Gross profit margin</b>                         | <b>7.8%</b>  | <b>8.5%</b>  | <b>10.7%</b> |               |               | <b>8.4%</b>  | <b>10.0%</b> |              |
| <b>SG&amp;A as a % of revenue</b>                  | <b>6.9%</b>  | <b>6.2%</b>  | <b>7.5%</b>  |               |               | <b>6.5%</b>  | <b>7.5%</b>  |              |
| % Selling expenses                                 | 5.7%         | 5.1%         | 6.6%         |               |               | 5.4%         | 6.5%         |              |
| % Administrative expenses                          | 1.2%         | 1.1%         | 0.9%         |               |               | 1.1%         | 0.9%         |              |
| Operating profit margin                            | 1.3%         | 2.7%         | 3.7%         |               |               | 2.3%         | 3.1%         |              |
| <b>EBITDA margin</b>                               | <b>3.8%</b>  | <b>4.9%</b>  | <b>6.5%</b>  |               |               | <b>4.6%</b>  | <b>5.9%</b>  |              |
| Net profit margin                                  | 0.2%         | 1.5%         | 2.0%         |               |               | 1.1%         | 1.6%         |              |
| <b>Earnings per share (Baht)</b>                   | <b>0.04</b>  | <b>0.30</b>  | <b>0.31</b>  |               |               | <b>0.66</b>  | <b>0.74</b>  |              |
| <b>Return on Equity</b>                            | <b>3.4%</b>  | <b>26.2%</b> | <b>29.3%</b> |               |               | <b>19.7%</b> | <b>23.5%</b> |              |
| Return on Total Assets                             | 0.6%         | 4.8%         | 6.6%         |               |               | 4.6%         | 5.3%         |              |
| IBD to equity ratio (x)                            | 3.70         | 3.65         | 3.84         |               |               | 3.70         | 3.84         |              |

### 9M/2021 Financial Summary

PTG's total revenue from sales and services was 96,159 million baht, an increase of 25.4% YoY. The revenue can be divided into

1. The revenue from sales and services from the oil business increased by 25.2% YoY, due to the rise in the oil price of 22.6% YoY. Plus, the oil sales volume in the 9M/2021 was 3,732 million liters, or an increase of 2.1% YoY in line with the increased number of oil stations, while same store sales decreased by 3.2% for 9M/2021.

2. The revenue from sales and services from non-oil businesses including LPG business, food and beverage business, convenience store business, commercial area management business, and other businesses increased by 25.8% YoY. The growth of the 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 1,080 non-oil branches. However, the revenue from the oil business accounted for 95.6% of total revenue from sales and services.

On the other hand, the cost of sales and services was 88,102 million baht, an increase of 27.7% YoY. This was due to the higher oil cost from the higher crude oil price. In 9M/2021, WTI crude oil price was in an average of 64.9 dollars per barrel, surged from 38.8 dollars per barrel in the same period last year, or an average increase of 67.2% YoY. However, the oil retail price adjusted in line with the cost, bringing the marketing margin in 9M/2021 to be around the same level as the same period of the previous year. Therefore, the gross profit was 8,056 million Baht, an increase of 4.7% YoY. The gross profit proportion from the oil business was 87.3% and the non-oil business was 12.7%, an increase from 11.0% last year. Non-oil gross profit could be divided into 5.3% from the LPG business, 2.9% from food and beverage business, 4.5% from Max Mart convenience store business and other businesses.

Meanwhile, SG&A expenses were 6,234 million baht, up 9.0% 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 3,005 oil and non-oil business branches, which were increased from 2,814 branches from last year.

As a result, PTG had EBITDA for 9M/2021 of 4,459 million baht, a slight decrease of 1.1% YoY, which were lower than expectation at +8-12%, due to the new wave of COVID-19 impact. At the same time, PTG recorded a net profit of 1,097 million baht, a decrease of 10.9% YoY with a net profit per share of 0.66 baht, dropping from 0.74 baht last year.

### 3Q/2021 Financial Summary

□ **Revenue from sales and services** was 30,585 million baht, reflecting an increase of 20.8% YoY as the revenue from sales and services from oil business rose by 20.8% YoY from the higher selling price through the retail channel. However, revenue from sales and service dropped by 8.1% QoQ as the revenue from sales and services from oil business declined by 8.6% QoQ. The oil sales volume decreased by 10.3% YoY and 14.3% QoQ, mainly due to the seasonal effects, the impact of the new wave of the COVID-19 outbreak as well as the flooding situation in late September this year. In addition, PTG's revenue from the Non-Oil business continues to grow as we focus on providing the most comprehensive customer service. Currently, there are 1,080 branches of non-oil business, grew by 16.0% YoY and 3.2% QoQ. Meanwhile, revenue from the Non-Oil business in this quarter grew by 19.3% YoY and 1.2% QoQ. Sales and service income from the oil business accounted for 95.4% of the total sales and service revenue.



- Cost of sales and services was 28,195 million baht, an increase of 24.8% YoY, which mainly from: 1) The oil cost per liter increased since WTI crude oil price in 3Q/2021 stood at 70.6 dollars per barrel, increased by 72.8% YoY and 7.0% QoQ. However, during September, the oil retail price adjusted in line with the cost, bringing the marketing margin to drop by 3.5% YoY and 3.0% QoQ. Meanwhile, the cost of sales and service dropped by 7.5% QoQ due to the decrease in oil sales volume. Therefore, PTG recorded a gross profit of 2,391 million baht for this quarter, a drop of 15.7% YoY and 12.1% QoQ. The gross profit from the oil business and non-oil business accounted for 86.8% and 13.2% of the total gross profit, respectively. The gross profit from non-oil business can be divided into 5.0% LPG business, 3.1% food and beverage businesses, and 5.1% Max Mart convenience stores and other businesses.
- **SG&A expenses** was 2,109 million baht, an increase of 11.3% YoY and 1.9% QoQ. The growing in the expense was mainly to support the expansion of the oil and non-oil businesses. However, PTG still maintains the cost control policy to manage cost effectively to be in line with the current economic situation. The main expenses were still from employee-related expenses and depreciation expenses.

  - **Employee-related expenses** was 790 million baht, an increase of 6.4% YoY but decrease 4.3% QoQ. The growth was from the branch expansion of oil and non-oil businesses. Recently, PTG had a total number of branches in the oil and non-oil businesses of 3,005 branches nationwide, which focused on providing services to deliver the best experience to customers.
  - **Depreciation expenses** was 736 million baht, reflecting an increase of 4.8% YoY and 2.3% 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 22 Company Owned Company Operated (COCO) service stations in this quarter.
- **Finance costs** was 283 million baht, an increase of 1.2% YoY and 2.5% QoQ. The financial cost increased in line with the continuous expansion of branches in high-potential areas mentioned above.
- **EBITDA and Net Profit**, EBITDA was 1,155 million baht, a decrease of 30.1% YoY and 29.6% QoQ. This was mainly due to 1) The decline of oil sales volume YoY and QoQ. 2) The fall in oil marketing margin of 5.1% YoY and 4.6% QoQ, due to the seasonal effect, the impact of the new wave of COVID-19, and the sharp increase in global oil price. In addition, share profit from associates was 35 million baht, an increase of 4% YoY, mainly from Palm Complex project as a result of a short in global supply for Palm and its by-products led to a better margin. However, with the COVID-19 outbreak and the short-term change in Biodiesel policy led to a drop in Biodiesel demand, which mainly resulted in the share profit drop 23.4% QoQ. However, the company continues to control expenses and investments budget to be in accordance with the current situation. As a result, the net profit in this quarter was 65 million baht, a decrease of 87.4% YoY and 87.1%

QoQ, with the net profit per share of 0.04 baht, a decreased from 0.30 baht in the previous year, and a decreased from 0.29 baht in the previous quarter.

**Statement of Financial Position as of September 30, 2021**

| Summary of Financial Position<br>(Million baht)  | 3Q/2021       | %           | 2020          | %           | Amount<br>changes | %<br>changes |
|--|---------------|-------------|---------------|-------------|-------------------|--------------|
| Cash and cash equivalents  | 1,266         | 3%          | 942           | 2%          | 324               | 34.4%        |
| Trade, other receivables, short-term lending   | 843           | 2%          | 829           | 2%          | 14                | 1.7%         |
| Inventories  | 2,370         | 5%          | 2,088         | 5%          | 282               | 13.5%        |
| <b>Total current assets</b>  | <b>4,480</b>  | <b>10%</b>  | <b>3,859</b>  | <b>9%</b>   | <b>621</b>        | <b>16.1%</b> |
| Investment properties  | 398           | 1%          | 384           | 1%          | 13                | 3.4%         |
| Property, plant, and equipment   | 11,308        | 26%         | 10,853        | 26%         | 455               | 4.2%         |
| Right-of-use assets  | 23,817        | 55%         | 23,662        | 56%         | 155               | 0.7%         |
| Investment in a joint venture  | 1,144         | 3%          | 1,009         | 2%          | 135               | 13.3%        |
| Investment in associate  | 859           | 2%          | 801           | 2%          | 57                | 7.2%         |
| Financial assets measured at fair value through<br>other comprehensive income (General investment) | 725           | 2%          | 734           | 2%          | (10)              | -1.3%        |
| Intangible assets  | 262           | 1%          | 229           | 1%          | 33                | 14.4%        |
| Goodwill   | 53            | 0%          | 53            | 0%          | 0                 | 0.0%         |
| Other non-current assets   | 570           | 1%          | 453           | 1%          | 117               | 25.8%        |
| <b>Total assets</b>  | <b>43,614</b> | <b>100%</b> | <b>42,037</b> | <b>100%</b> | <b>1,577</b>      | <b>3.8%</b>  |
| Trade and other payables   | 4,151         | 10%         | 3,920         | 9%          | 232               | 5.9%         |
| Short-term loans & loans due within 1 year   | 6,518         | 15%         | 4,330         | 10%         | 2,188             | 50.5%        |
| Other current liabilities  | 100           | 0%          | 236           | 1%          | (136)             | -57.6%       |
| <b>Total current liabilities</b>   | <b>10,770</b> | <b>25%</b>  | <b>8,486</b>  | <b>20%</b>  | <b>2,284</b>      | <b>26.9%</b> |
| Financial lease liabilities  | 19,293        | 44%         | 18,947        | 45%         | 346               | 1.8%         |
| Long-term loans  | 4,824         | 11%         | 6,294         | 15%         | (1,471)           | -23.4%       |
| Deferred tax liabilities   | 56            | 0%          | 56            | 0%          | 0                 | 0.4%         |
| Other non-current liabilities  | 387           | 1%          | 275           | 1%          | 112               | 40.6%        |
| <b>Total liabilities</b>   | <b>35,329</b> | <b>81%</b>  | <b>34,057</b> | <b>81%</b>  | <b>1,271</b>      | <b>3.7%</b>  |
| Retained earnings  | 5,167         | 12%         | 4,904         | 12%         | 263               | 5.4%         |
| Others   | 3,118         | 7%          | 3,076         | 7%          | 42                | 1.4%         |
| <b>Total equity</b>  | <b>8,285</b>  | <b>19%</b>  | <b>7,980</b>  | <b>19%</b>  | <b>305</b>        | <b>3.8%</b>  |
| <b>Total liabilities and equity</b>  | <b>43,614</b> | <b>100%</b> | <b>42,037</b> | <b>100%</b> | <b>1,577</b>      | <b>3.8%</b>  |

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At the end of 3Q/2021, PTG had total assets of 43,614 million baht, reflecting an increase of 1,577 million baht or 3.8% growth from the year end 2020. The increase in assets was mainly from 1) Property, plant, and equipment, an increase of 455 million baht or 4.2% from 2020 from the improvement of the station area and non-oil business branches to be more efficient, as well as expanding branches to areas with high growth potential. 2) Cash and cash equivalents, a growth of 324 million baht, or 34.4%. 3) Inventories increased by 282 million baht or 13.5% from the year end 2020, due to the higher oil cost per unit.

Furthermore, PTG had total liabilities of 35,329 million baht, a rise of 1,271 million baht or an increase of 3.7% from last year. The short-term borrowings and liabilities due in 1 year rose 2,188 million baht or 50.5% from 2020, from debentures due within 1 year of 1,399 million baht and short-term borrowings to be used as working capital. Meanwhile, long-term borrowings decreased by 1,471 million baht or 23.4% from 2020, due to the adjustment of debentures due more than 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 8,285 million baht, an increase of 305 million baht or 3.8% from the year 2020, as a result of the higher retained earnings.

| Sources and Uses of Funds Statement for 9 months 2021 (Million baht)   |              |  |              |
|--|--------------|--|--------------|
| Sources of Funds   |              | Uses of Funds  |              |
| Cash from operations   | 4,038        | Payment of interest and tax, net                         | 1,270        |
| Cash received from Short term loans to Related parties   | 129          | Payments for purchases of PPE and IP                     | 1,594        |
| Cash received from long term loans ,sales of investments in associates, and disposals of plant and equipment | 3            | Investment in right of use assets and intangible assets  | 217          |
| Cash received from dividends   | 25           | Payments for Investment in associate                     | 12           |
| Cash received from overdrafts and short-term loans from financial institutions                               | 934          | Payments for long term loans from financial institutions | 252          |
| Cash received from long-term loans from financial institutions   | 4            | Payments for finance leases                              | 627          |
|  |              | Payment of dividends                                     | 837          |
|  |              | Cash increase  | 324          |
| <b>Total</b>   | <b>5,133</b> | <b>Total</b>   | <b>5,133</b> |

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For 9M/2021, PTG had net cash flow from operations of 2,769 million baht (after interest and tax payment of 1,282 million baht), rose by 82.5% YoY. Meanwhile, PTG's net cash payment in investing activities was 1,666 million baht, rose by 9.2% 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 779 million baht, an increase of 63.9% 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 1,266 million baht, a growth of 324 million baht from the end of last year.

| Accreditation        |                    | Long-term Liabilities and Outstanding Debentures (Million baht) |            |          |       |          |
|----------------------|--------------------|---|------------|----------|-------|----------|
| Credit rating (Tris) | BBB+               | Year  | Debentures | Maturity | Loans | Maturity |
| CG score             | Excellent: 5 Stars | Oct – Dec 21  |            |          |       | 666      |
| CAC                  | Certified CAC      | 2022  |            | 2,100    |       | 1,208    |
| ESG Index            | THSI               | 2023  |            | 2,000    |       | 1,098    |
|                      |                    | 2024  |            |          |       | 620      |
|                      |                    | 2025  |            |          |       | 93       |

### Executive View and Business Direction for 2021

2021's operational target (adjusted from 2Q/2021)

- 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 1-4% (adjusted from 5-8%)
- LPG Sales Volume Growth 70% (adjusted from more than 100%)
- EBITDA Growth 0% to -5% (adjusted from 8 - 12%)
- Investment Budget 2,000 – 2,500 million baht (adjusted from 3,000 – 3,500 million baht)

**Continuously impel and increasing the Non-Oil business proportion.** Although the business operations in faced short-term challenges due to the COVID-19 epidemic situation, the Company remains committed to upgrading the Non-Oil business by developing both in terms of products and services that can meet the needs of diverse customer groups. We aim to make the Non-Oil business the core business to drive the company's future growth. In 2021, the company developed the marketing strategy for the Non-Oil business with an aim to enable the company to offer

products and services that meet the needs of customers. The target is to increase the proportion of the Non-Oil business.

Non-oil businesses that will drive this year's revenues are:

- The LPG business planned to submit a registration statement for sales of security to the Securities and Exchange Commission of Thailand (the "SEC") to support the growth of the LPG business, which is under the supervision of Atlas Energy Company Limited ("ATL"). 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.
- Food and beverage business. The Company planned to expand Punthai coffee both inside and outside the stations. We are developing a marketing strategy, trying to increase brand awareness and royalty in the Company's standard, introducing new products that will create new experiences for our customers while helping the local communities, as well as adjusting the business to support online sales through the delivery platform to be in accordance with changing consumer behavior.
- Autobacs car service center has plans to expand more branches to serve our customers in a broader area. The expansion strategy remains focus on providing good service and expanding to potential area both in Bangkok and vicinity as well as other provinces.
- The Palm Complex project is currently operating at full capacity with a plan to expand into an industry with potential for future growth. In 3Q/2021, the Company launched Palm oil for consumption under the brand "Mee-suk" on September 25, 2021 to extend the product of the business by producing quality products, carefully selecting raw materials, inspecting and controlling quality in every step of the production process.
- In addition, PTG has plans to expand its services in response to the changing technology and the national policies that support more renewable energy. We also adjust our services with technology to meet the needs of customers in a comprehensive way, aiming to create "Well-being" for our customers in every aspects of lives.

**2021 Strategy** PTG not only aims to provide service in the energy business but also continually improve the quality of our products and services. We look for new growth opportunities in the non-oil business while focusing on supporting products from local communities. Moreover, the Company also tries to reduce risks from volatility in the oil business from government policies. During the 9M/2021, the Company continues to focus on maintaining financial liquidity aiming to obtain sufficient cash flow for operation. PTG has a strict financial management policy to control costs and investment budget to be in the appropriate level. To be in line with the target, PTG has adjusted the investment budget to be at 2,000-2,500 million baht, which can be divided into 1,000-1,500 baht for oil and gas station expansion and 1,000 million baht for Non-oil and other business,

As the effect of the new wave of COVID-19 epidemic was more intense and last longer than the previous wave, PTG has also adjusted the target growth of oil sales volume, down to 1-4%, and the LPG sales volume down to 70%.

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Due to various uncertainties, the Company expects the EBITDA to decline at 0 to -5% for the whole year. The company views the impact of the COVID-19 pandemic only as a short-term business challenge. We expect that if the situation returns to normal, together with our quality products and services, the growth will return to normal.

### 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 employment 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 giving out fuel vouchers to medical personnel, 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.

### Awards and Social and community responsibility

#### Awards

- PTG received 2 awards in the Asia Responsible Enterprise Awards 2021 in the category of Responsible Business Leadership and Social Empowerment, reinforcing the Company's leadership in the integrated energy services industry and strengthening the Thai society in a sustainable way.
- Received "Business+ Product Innovation Awards 2021" in the oil station group from the "COVID-19 Sanitizing" project at PT service stations, responding to the needs of modern consumers. The award was granted by Business+ magazine together with Mahidol University.

#### Social and community responsibility

- 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 giving fuel vouchers to the Department of Thai Traditional and Alternative Medicine (Thailand) to support transportation cost and encourage the medical personnel whose roles were to refer the COVID-19 patient to domicile and from home to hospital.