



PTG Energy Company Limited
Management Discussion and Analysis
FY2021

Key Performance

- Revenue from sales and services was 37,600 million baht in 4Q/2021 (+35.6% YoY, +22.9% QoQ) and 133,759 million baht in FY2021 (+28.1% YoY)
- EBITDA was 960 million baht in 4Q/2021 (-46.8% YoY, -16.9% QoQ) and 5,419 million baht in FY2021 (-14.2% YoY)
- In 4Q/2021, Net loss was 80 million baht (-111.8% YoY, -223.4% QoQ) while, in FY2021, PTG recorded Net profit about 1,017 million baht (-46.7% YoY)

Key Financial Performance (Million baht)	4Q/2021	3Q/2021	4Q/2020	% YoY	% QoQ	FY2021	FY2020	% YoY
Revenue from sales and services	37,600	30,585	27,730	22.9%	35.6%	133,759	104,423	28.1%
Cost of sales and services	(35,524)	(28,195)	(24,826)	26.0%	43.1%	(123,627)	(93,824)	31.8%
Gross profit	2,076	2,391	2,904	-13.2%	-28.5%	10,132	10,599	-4.4%
SG&A	(2,037)	(2,109)	(2,102)	-3.4%	-3.1%	(8,271)	(7,820)	5.8%
Selling expenses	(1,874)	(1,756)	(1,754)	6.7%	6.9%	(7,063)	(6,767)	4.4%
Administrative expenses	(163)	(353)	(348)	-53.9%	-53.4%	(1,208)	(1,053)	14.8%
EBITDA	960	1,155	1,806	-16.9%	-46.8%	5,419	6,315	-14.2%
Financial Cost	(284)	(283)	(284)	0.4%	0.3%	(1,118)	(1,104)	1.3%
Net profit	(80)	65	676	-223.4%	-111.8%	1,017	1,906	-46.7%
Gross profit margin	5.5%	7.8%	10.5%			7.6%	10.1%	
EBITDA margin	2.6%	3.8%	6.5%			4.1%	6.0%	
Net profit margin	-0.2%	0.2%	2.4%			0.8%	1.8%	

Financial Summary for 4Q/2021

- **The revenue from sales and services** was 37,600 million baht, increasing 35.6% YoY and 22.9% QoQ. This was mainly due to the revenue from oil business, which increased 35.2% YoY and 22.3% QoQ, as a result of the average retail price at 27.8 baht, an increase of 37.1% YoY and 5.1% QoQ. The overall channel sales volume slightly decreased 1.3% YoY while increased 16.3% QoQ, caused by a loosening of COVID-19 lockdown in Q3/2021, also a relief from the flood situation since the end of September 2021.

- The revenue from Non-Oil businesses continues to grow as PTG recorded 1,796 million baht, a growth of 42.9% YoY and 37.4% QoQ. Currently, there are 1,144 touchpoints of Non-Oil businesses, an increase of 20.2% YoY and 5.9% QoQ. The revenue from the Non-Oil businesses accounted for 4.8% of total revenue, which rose 4.5% YoY and 4.3% QoQ. Meanwhile, revenue from the oil business accounted for 95.2% of total revenue from sales and services.
- **Cost of sales and services** was 35,524 million baht, increasing 43.1% YoY and 26.0% QoQ. The leading cause was 1) the average WTI crude oil price increased to 76.9 dollar/barrel, increased 80.1% YoY, and 8.9% QoQ. 2) the government asked for cooperation from oil retailers to maintain the diesel price level at 30 baht per liter to help diesel users, because diesel is the main fuel used in the country's agricultural and transportation activities. Thus PTG was affected as the Company couldn't adjust the retail price to suit the rising refined oil cost. This impact led the marketing margin to drop 35.1% YoY and 32.9% QoQ, especially in October. Therefore, gross profit declined 28.5% YoY and 13.2% QoQ.
- However, Gross profit from the Non-Oil businesses continued to grow, rising 21.3% YoY and 44.6% QoQ. The gross profit from the oil business and the Non-Oil business accounted for 78.1% and 21.9%, respectively. The proportion for Non-Oil business comprised of LPG business 9.5%, food and beverage business 4.8%, and Max Mart and other businesses 7.6%. The primary growth came from the LPG business operated by Atlas Energy Company Limited ("ATL") and the food and beverage business, under Punthai brand.
- **SG&A** was 2,037 million baht, a decrease of 3.1% YoY and 3.4% QoQ. Therefore, PTG was able to maintain an effective cost control policy to cope with the economic downturn situation. However, the main costs still came from employee expenses and depreciation.
 - **Employee expense** was 674 million baht, dropping by 19.3% YoY and 14.8% QoQ. Employee expenses cover the total number of employees working in 3,089 oil and Non-Oil services branches. However, the Company still focuses on delivering the best customer experience.
 - **Depreciation expense** was 746 million baht, increasing by 4.8% YoY and 1.3% QoQ. This resulted from expanding oil stations in high potential areas such as Bangkok, Metropolitan, and other major cities to develop them into a fully integrated service oil station. Moreover, this quarter, PTG operated an additional of 14 new COCO oil stations.
 - **Advertising, promotion, and service costs** were 296 million baht, an increase of 14.6% YoY and 11.4% QoQ. The Company had set up a marketing strategy in the Non-Oil business to enable the Company to offer products and services to the customers with the goal of increasing the revenue from the Non-Oil business portion.
- **Financial cost** was 284 million baht, a slight increase of 0.3% YoY and 0.4% QoQ. The increase in Financial cost resulted from expanding service stations in high potential areas.

- **EBITDA and Net profit**, EBITDA was 960 million baht, dropping by 46.8% YoY and 16.9% QoQ. Due to 1) The decrease in marketing margin about 35.1% YoY and 32.9% QoQ since the government asked oil retailers to maintain the diesel price level at 30 baht per liter. Therefore, PTG was unable to adjust the retail price to suit the rising cost. 2) Share profit from joint ventures was 47 million baht, a decrease of 71.7% YoY, but record an increase of 35.5% QoQ. 3) The high and volatile palm prices led to the rising in the cost of biodiesel production along with the change of the government's biodiesel policy causing the demand for biodiesel in the country to decrease; as a result, net loss in this quarter was 80 million baht, a decrease of 111.8% YoY and 223.4% QoQ.

Financial Summary for FY2021

- **The revenue from sales and services** was 133,759, increasing 28.1% YoY, due to the average retail oil prices rising about 26.3% YoY. Revenue from the oil business accounted for 95.4% of the total revenue from sales and services. Moreover, total oil sales volume through all channels increased 5,020 million liters, up 1.2% YoY, which was able to grow as the Company's target, between 1-4%. However, Same Store Sales declined 3.0% due to the ongoing COVID-19 epidemic situation.
- Revenue from Non-Oil business accounted for 4.2% of the total revenue from sales and services, increasing 5,624 million baht or 33.1% YoY. The primary growth came from the LPG, food and beverage, and Maxmart business.
- **Cost of sales and services** was 123,627 million baht, an increase of 31.8% YoY due to the rise in WTI crude oil prices at the level of 67.9 dollar/barrel, an increase of 70.7% YoY. In addition, the retail oil price was affected by the government's request for cooperation in maintaining the diesel price of not more than 30 baht, resulting in the retail oil price adjusting more slowly than the rising cost. As a result, PTG recorded a gross profit of 10,132 million baht, a decrease of 4.4%. Gross profit proportion from oil and Non-Oil businesses accounted for 85.4% and 14.6%, respectively. The portion of Non-Oil businesses was slight increase of 11.5% last year. The Non-Oil business divided into LPG business 6.2%, food and beverage business 3.3%, and Max Mart and other businesses 5.1%.
- **SG&A** was 8,271 million baht, an increase of 5.8% YoY. This is mainly from employee expenses, depreciation, to support the expansion of touchpoints for oil and Non-Oil businesses. Currently, the number of touchpoints in both oil and Non-Oil businesses is about 3,089, an increase from 2,840 touchpoints last year.
 - **Employee expense** was 3,106 million baht, a slight increase of 1.2% YoY. The main factor in employee expense growth was the expansion of both oil and Non-Oil businesses.
 - **Depreciation expense** was 2,902 million baht, an increase of 4.8% YoY, due to the expansion of oil stations in high potential areas such as Bangkok, Metropolitan, and other major cities to develop them into a fully integrated service oil stations.

- **Advertising, promotion, and service costs** were 1,039 million baht, an increase of 28.7% YoY, due to the marketing activities in the Non-Oil business by offering products and services to the customers to increase revenue from this portion.
- **Financial cost** was 1,118 million baht, a slight increase of 1.3% YoY. The increase in financial cost resulted from the expanding oil station in high potential areas since last year.
- **EBITDA and Net profit, EBITDA** was 5,419 million baht, a decrease of 14.2% YoY. It was lower than the forecast of 0 to -5% due to the spread of the COVID-19 virus and the effect of the diesel fuel price-cap at 30 baht, resulting in net profit equal to 1,017 million baht, a decrease of 46.7% YoY.

Economic and Industrial Overview

The COVID-19 epidemic situation in Q4/2021 continued to improve, leading to the relaxation of epidemic control measures. Since the country began to accept foreign tourists on November 1, 2021, the overall economic activity has started to recover. Economic stimulus measures have continuously supported private consumption. Eventually, the overall oil consumption of the country in the 4Q/2021 decreased by 4.0% YoY, it rose 22.2% QoQ. In this regard, benzene consumption dropped 7.3% YoY, but increased 20.1% QoQ. Meanwhile, diesel fuel consumption, mainly used in commercial, transportation, and agricultural activities, declined 2.3% YoY, but rose 83.6% QoQ.

As a result, in Q4/2021, PTG had total oil sales volume through all channels of 1,287 million liters, a slight decrease of 1.4% YoY but an increase of 16.3% QoQ. In addition, diesel and benzene proportion was 73.5% and 26.5%, respectively. Meanwhile, in 4Q/2021, the overall oil sales volume through stations channel in the country decreased by 3.7% YoY, but increased by 22.8% QoQ. Benzene consumption fell 6.0% YoY, but increased by 24.3% QoQ, and diesel fuel consumption decreased 2.3% YoY, but increased 21.9% QoQ.

Oil sales volume through PT stations was 1,247 million liters, a decrease of 1.0% YoY, but increased by 16.5% QoQ. Retail channel accounted for 96.9% of the total oil sales volume. In regards to Same Store Sales growth, it decreased by 5.8% YoY, but rose 13.4% QoQ. In addition, PTG has expanded the number of oil stations to be in line with strict investment measures during the COVID-19 outbreak. Thus, the number of stations increased by 3.0% YoY and 1.0% QoQ.

However, PTG still focuses on providing quality services and analyzing customer needs through PT Max Card membership system. Moreover, PTG maintains CSR projects to support society and community in various aspects by following PTG's vision of "Well-being and Happiness" and supporting the United Nations' sustainable development by driving the organization's sustainability strategy. As a result, PTG has maintained the second rank in market share in oil stations, which increased from 17.0% to 18.7% last year.

Oil Sales Volume (Million Liter)	4Q/2021	3Q/2021	4Q/2020	% QoQ	% YoY	FY2021	FY2020	% YoY
Distribution channel								
Retail channel	1,247	1,070	1,259	16.5%	-1.0%	4,806	4,741	1.4%
Wholesales channel	40	36	45	10.6%	-11.9%	214	218	-1.9%
Total	1,287	1,106	1,304	16.3%	-1.4%	5,020	4,959	1.2%
Proportion of Sales by Channel								
Retail channel	96.9%	96.7%	96.5%			95.7%	95.6%	
Wholesales channel	3.1%	3.3%	3.5%			4.3%	4.4%	
Total	100.0%	100.0%	100.0%			100.0%	100.0%	

Apart from the continuous rise in oil sales volume, the LPG sales volume also increased. Wherewith, PTG had the LPG sales volume in 4Q/2021 of 102 million liters, rose by 78.1% YoY and 36.2% QoQ. The growth was driven by increasing LPG's products and services to provide a full range of household and industrial segments. Recently, the Company had 171 gas shops and 3 locations of gas filling plants to support the distribution of LPG household and industrial sectors. PTG focuses on differentiation in the marketing strategy and service efficiency to expand comprehensive services to meet the highest needs of customers. Currently, the Company ranked fifth in LPG market share through all channels to 4.7% from 1.4% last year.

In terms of auto LPG, PTG had a sales volume of 68 million liters, a growth of 35.0% YoY, and 42.4% QoQ. Although the overall auto LPG consumption dropped by 6.1% YoY, but rose by 26.0% QoQ. The continuous growth in LPG sales volume was because of strong relationships and continuous response to customers' needs. In addition, the Company also implemented projects to help customers who were affected by the COVID-19 outbreak, such as the PT LPG for Taxi Project, PT Taxi Rewards Project, and PT Taxi Transform Project, to create "Well-being and Happiness" for customers in all stages of life. In this regards, PTG ranked second in LPG market share through station channel which increased to 17.7% from 5.5% last year.

LPG Sales Volume (Million Liters)	4Q/2021	3Q/2021	4Q/2020	% QoQ	% YoY	FY2021	FY2020	% YoY
Sales by Channel								
Auto LPG	68	48	51	42.4%	35.0%	211	162	30.4%
Household and Industrial LPG	34	27	6	25.2%	409.1%	89	12	620.3%
Total	102	75	57	36.2%	78.1%	300	174	72.1%
Proportion of Sales by Channel								
Auto LPG	67.1%	64.2%	88.5%			70.4%	92.9%	
Household and Industrial LPG	32.9%	35.8%	11.5%			29.6%	7.1%	
Total	100.0%	100.0%	100.0%			100.0%	100.0%	

Apart from the continuous growth of oil and LPG sales volume, PTG has been pushing Non-Oil businesses to provide comprehensive services to customers nationwide. In 4Q/2021, PTG had 1,144 Non-Oil touchpoints and 1,945 oil service stations, the details of which are as follows;

Business Unit	No. of Branch	Business Unit	No. of Branch
Oil Station	1,945	LPG Household Shop	171
LPG Station	222	Autobacs (Passenger Car Maintenance and Repair Service Center)	26
EV Charging Station	5	Maxnitron Lube Change (Oil Lubricant Change Center)	43
Punthai Coffee	322	Max Camp (Rest Area)	41
Coffee World (Domestic and international)	47	Max Mart (Convenience Store)	267

Important Events in 2021

PTG, in cooperation with EGAT, officially launched EleX by EGAT EV charging station in PTG service stations.

Through a collaboration between two leading Thai energy business leaders, PTG and EGAT have installed an EV charging station inside 5 PT service stations and planned to expand the charging stations along the main roads and major tourist attractions. Users can download the 'Elexa' application for both IOS and Android to find the locations, pay for service, check the status of the charging station, and receive special privileges from various loyalty programs. This project aims to ensure confidence and provide convenience to electric vehicle users both in the city and suburb and to meet the growing trend of electric vehicle customers. In this regard, PTG strives to create "well-being" for every stage of customers' lives.

First time launching cannabis-containing food and beverages

PTG continues to develop and expand growth opportunities in the food and beverage business. The Company launched cannabis food and beverages in 6 Punthai Coffee branches and 4 Coffee World branches. PTG sees a chance to bring cannabis products further into the Company's business, with a standardized manufacturing process and raw materials taken from legally licensed cannabis producers. Recently, we planned to expand our cannabis products, both upstream, midstream, and downstream. We are confident that if the regulations are clear, we can be the leader in creating and manufacturing cannabis products.

Provided the first time annual fuel membership card in Thailand

PTG launched PT Max Card Plus membership under Max Solution Service Co., Ltd., which is the service enhancement and creating a new experience to fulfill all lifestyles and ready to move towards a strong eco-system. The card provides privileges, including two movie tickets, a discount on fuel price 0.5 baht per liter (200 liters per month), 50% discount at Punthai Coffee and Coffee World (10 glasses per month), a free emergency fuel delivery service from Max Service 1 time per card period, 60% discount on the purchase of PT Maxnitron lubricants, 10-15% discount on tire change service, mileage check or car accessories at Autobacs, and many discounts and benefits from partner stores. Benefits from PT MAX Card Plus are worth more than 9,000 baht, with an annual membership fee of 599 baht, which can be purchased at any PT service stations nationwide or through online channels at www.ptmaxcard.com.

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 fuel engine of NGV to LPG fuel systems with a total investment of 150 million baht. The installation of new taxi equipment offers value for taxis in 3 aspects: 1) Time value: there are many PT LPG stations in Bangkok and upcountry, so drivers will not waste time looking for an NGV station to refuel their cars. 2) Good value: the installation of all-new equipment worth over 20,000 baht, drivers will have to 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, 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.

Notified the capital increase in subsidiaries

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

Expanded a product line from Palm by launching palm cooking oil under "Mee-Suk" brand

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 business's product 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 planned to enter the Hypermarket shortly.

Drove Punthai coffee business with delivery channel to turn crisis into opportunity

During the COVID-19 epidemic situation, the Company has implemented technology to improve our services to 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 positive results was Punthai coffee business, where sales proportion through the delivery system grew to 18.7% in 4Q/2021. Its sales increased 345.3% YoY and 35.9% QoQ. The customers can order drinks and food via delivery platforms, such as Grab, Line Man, FoodPanda, Robinhood and True Food.

Statement of Financial Position as of December 31, 2021

Summary of Financial Position (Million Baht)	FY2021	% changes	FY2020	% changes	Amount changes	% changes
Cash and cash equivalents	1,701	3.8%	942	2.2%	760	80.7%
Trade, other receivables, short-term lending	918	2.1%	829	2.0%	89	10.8%
Inventories	2,239	5.0%	2,088	5.0%	151	7.2%
Total current assets	4,859	10.9%	3,859	9.2%	1,000	25.9%
Investment properties	409	0.9%	384	0.9%	24	6.4%
Property, plant, and equipment	11,505	25.9%	10,853	25.8%	652	6.0%
Right-of-use assets	23,866	53.8%	23,662	56.3%	204	0.9%
Deposits of financial use as collateral	5	0.0%	0	0.0%	5	100%
Investment in a joint venture	1,184	2.7%	1,009	2.4%	175	17.4%
Investment in associate	859	1.9%	801	1.9%	58	7.3%
General investment	725	1.6%	734	1.7%	(10)	-1.3%
Intangible assets	283	0.6%	229	0.5%	54	23.5%
Goodwill	53	0.1%	53	0.1%	0	0.0%
Other non-current assets	636	1.4%	453	1.1%	183	40.4%
Total assets	44,384	100.0%	42,037	100.0%	2,347	5.6%
Trade and other payables	6,000	13.5%	3,920	9.3%	2,080	53.1%
Short-term loans & loans due within 1 year	6,354	14.3%	4,330	10.3%	2,024	46.7%
Other current liabilities	96	0.2%	236	0.6%	(140)	-59.3%
Total current liabilities	12,450	28.0%	8,486	20.2%	3,964	46.7%
Financial lease liabilities	19,394	43.7%	18,947	45.1%	447	2.4%
Long-term loans	3,844	8.7%	6,294	15.0%	(2,450)	-38.9%
Deferred tax liabilities	56	0.1%	56	0.1%	1	1.0%
Other non-current liabilities	441	1.0%	275	0.7%	166	60.2%
Total liabilities	36,184	81.5%	34,057	81.0%	2,127	6.2%
Retained earnings	5,081	11.4%	4,904	11.7%	177	3.6%
Others	3,118	7.0%	3,076	7.3%	43	1.4%
Total equity	8,200	18.5%	7,980	19.0%	220	2.8%
Total liabilities and equity	44,384	100.0%	42,037	100.0%	2,347	5.6%

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

Tel: +66 2168 3377 ext. 276, +66 81925 5985

9/14

At the end of 2021, Total assets was 44,384 million baht, an increase of 2,347 million baht or 5.6% YoY, due to an increase in 1) property, plant and equipment increased of 652 million baht or 6.0% YoY caused by the improvements and expansion in oil station Non-Oil business touchpoints. 2) Cash and cash equivalents increased 760 million baht or 80.7% YoY. 3) right-of-use assets increased 204 million baht or 0.9% YoY, due to the expansion in oil station Non-Oil business touchpoints.

Total liabilities were 36,184 million baht, increasing 2,127 million baht or 6.2% YoY. The main factors are 1) trade and other payables, which rose by 2,080 million baht or 53.1% YoY, from the payment cycle and the increase in oil cost. 2) Short-term loans & loans due within one year increased about 2,024 million baht or 46.7% YoY, due to the reclassification of debentures of 2,000 million baht. 3) long-term loans decreased by 2,450 million baht, 38.9% mainly from the mentioned debentures. PTG aims to adjust the investment plan to align with the Company's cash flow to create stability and financial strength. PTG's shareholder equity was 8,200 million baht, an increase of 220 million baht or 2.8% YoY, due to the higher retained earnings. Furthermore, the Company had a debt to equity equal to 1.9 times, which was under the requirements of 3 times.

Sources and Uses of Funds Statement for FY2021 (Million Baht)			
Sources of Funds		Uses of Funds	
Cash from operations	6,882	Payment of interest and tax, net	1,546
Cash received from Short term loans to Related parties	129	Payments for purchases of PPE and IP	2,301
Cash received from long term loans ,sales of investments in associates, and disposals of plant and equipment	5	Investment in right of use assets and intangible assets	229
Cash received from dividends	25	Payments for Investment in associate	12
Cash received from overdrafts and short-term loans from financial institutions	340	Payments for long term loans from financial institutions	620
Cash received from long-term loans from financial institutions	14	Payments for finance leases	186
		Rental cash	904
		Payment of dividends	837
		Cash increase	760
Total	7,395	Total	7,395

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

Tel: +66 2168 3377 ext. 276, +66 81925 5985

10/14

For 2021, PTG had net cash from operating about 5,336 million baht (after deducting net interest and tax payments about 1,546 million baht), an increase of 89.9% YoY. In contrast, net cash used in investment was 2,384 million baht, an increase of 23.9% YoY, due to a strict investment policy and to adjust investments following the economic situation affected by the COVID-19 outbreak. Moreover, net cash payments from financing was 2,193 million baht, an increase of 123.3% YoY from the payments of short-term and long-term loans returned to financial institutions and dividend payments to shareholders. Moreover, the Company aims to manage cash to be more efficient for its operations. Therefore, PTG's net cash and cash equivalents increased by 760 million baht resulting in net cash equals to 1,701 million baht at the end of the year.

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

Executive View and Business Direction for 2022

2022's operational target

- Number of Touchpoints 3,582 touchpoints
 - Oil Station 2,010 stations
 - Non-Oil Business 1,572 touchpoints
 - LPG and Mix Station 252 stations
 - F&B, CVS and Services 1,320 touchpoints
- Oil Sales Volume Growth 6-10%
- LPG Sales Volume Growth 50-60%
- Non-Oil Business Sales Volume Growth 70-90%
- EBITDA Growth 15-20%
- Investment Budget 3,500-4,000 million baht

Executive Summary

○ Notice good signs of recovery in 2022, with Company's adaptation strategy to the market

The Company starts to notice positive signs of recovery in oil sales volume, which can still constantly grow even though Thailand has just entered the fifth wave of the COVID-19 outbreak in January 2022. PTG's oil sales volume in January 2022 achieved 4.4% growth and managed to maintain its second largest market share in the oil retail business. On the other hand, in part of marketing margins affected by the government's request to fix the retail diesel price to not over 30 baht, the Company thus adjusted its retail pricing strategy to conform with the marketing margins since the beginning of December 2021. In addition, PTG continues to expand oil station and Non-Oil business touchpoint as targeted about 80 - 100 oil and LPG stations. by focusing on expanding to high business growth opportunities areas. Due to the continued growth in oil and LPG sales volume, PTG forecast its sales volume growth for oil and LPG about 6-10% and 50-60% respectively.

○ Focus on Non-Oil investment plans, continuing to develop and expand the business while also identifying opportunities for future sustainable growth

PTG aims at being a business that drives organizational growth in the future. This year, the Company continues to focus on increasing the proportion of Non-Oil businesses to strive for a greater growth and lessen the volatility of the oil industry, among which are LPG business, food and beverages, Max Mart convenience stores, auto repair and maintenance, as well as renewable energy business. For 2022, the Company plans to increase the number of Non-Oil touchpoints by approximately 350-400 touchpoints, mainly from the expansion of the coffee shop under the Pan Thai which is one of the businesses that have a good growth rate and has generated operating results in net profit within the past year. For Punthai, the Company plan to expand about 150-200 touchpoints by focusing on the community areas. Moreover, touchpoint expansion will be both in the form of COCO and franchise. Furthermore, the Company emphasise on promoting the community by introducing local products to be used as ingredients in the development of food and drink recipes.

○ Integrate advanced system to strengthen the business and future investment projects, an upgrade to a "Data Driven Organization"

PTG is also committed to developing tools to measure results of data and heighten operational efficiency, developing products and services to become a "Data Driven Organization" by leveraging data available in the PT Max Card network, which currently has over 17 million members, in catering products and services that resonate with the needs of all customers to the greatest extent while also seamlessly connecting online and offline (O2O) experiences of customers. The Company has engaged in a joint venture in ThreeSixty Supply Chain Company Limited under its subsidiary, Max Ventures Company Limited, to operate a business as a freight intermediary and logistics provider on the online platform, offering transportation services using commercial trucks and related businesses.

- **Plan to manage and ensure sufficiency of working capital for business operations and investment plans**

PTG issued debentures of 1,000 million baht for repayments of existing loans and other existing debentures, and/or to be used as working capital in the business.

The Company issued and offered 2 sets of debentures No. 1/2022 amounting to 1,200 million baht, with details as follows: 1) debentures of 200 million baht with a maturity of 2 years and a fixed interest rate of 2.75%; 2) debentures of 1,000 million baht with a maturity of 3 years and a fixed interest rate of 3.20% for repayments of existing debts and/or to be used as working capital for Company's operations. Company's reliability of debenture was rated by TRIS Rating Co., Ltd., at "BBB+" with a "stable" outlook. However, PTG continues to focus on cost control and deliberate investment selection as deemed appropriate to manage and suffice cash flows for business operations. For the investment budget estimation, PTG expects to spend approximately 3,500 - 4,000 million baht, divided into investments in the expansion and improvement of oil and LPG businesses about 2,500-3,000 million baht, Non-Oil business about 1,000 - 1,500 million baht, and new businesses about 500 million baht. However, PTG will consider the investment to follow the cash flow. Consequently, PTG expects EBITDA growth of 15-20% from last year.

Sustainability Management

With a vision to connect everyone to the opportunity of "well-being" in every facet of life, the Company places importance on conducting Company's business operations in response to its sustainability strategies with an aim to sustainably and comprehensively drive the organization. PTG applied sustainability management in the economic dimension to maintain economic growth, increased economic diversification, upgraded technology and innovations, as well as emphasizing the creation of added value and promoting employment of laborers in the industrial sector, achieving customer satisfaction through surveys to invariably improve customer service quality. This also includes improving the organization using customer databases as a data driven organization, where customer data are used for further analysis and better understanding, along with product/service quality control. In addition, the Company has strengthened sustainability in the social dimension, engaging with the community and society through a number of projects throughout the past; for instance, PT Happiness Sharing Cabinet, which was part in aiding society, especially during the ongoing public health crisis. PTG has stepped up to safeguard society through various projects such as allocating spaces within selected service stations as a vaccination venue, donating drinking water to public health agencies, delivering beverages to medical personnel in many areas, giving away fuel vouchers in support of National Institute for Emergency Medicine and in line with the goal of steering the organization to attain sustainable growth with a commitment to managing the business based on good governance, stakeholder care, and social responsibility.

Awards and Responsibilities towards Social and Community

- Sustainability Excellence Awards: The Company has received a plaque of honor for listed companies on the Thailand Sustainability Investment (THSI) list for the fourth year in a row, and Business Excellence: Outstanding Investor Relations Awards from the Stock Exchange of Thailand.
- Award of “Best Organization, Outstanding Innovations of 2021” in the category of service stations, organized by Business+ magazine in conjunction with the College of Management Mahidol University, in recognition of the “PT Disinfectant Spraying against COVID-19” project that helped ease concerns of modern consumers.
- Social Empowerment Award from Asia Responsible Enterprise Awards 2021 or “AREA 2021”, organized by Enterprise Asia, a leading NGO that empowers responsible entrepreneurs in Asia in order to praise and recognize businesses and leaders that shine with outstanding social responsibility.

Responsibilities Towards Social and Community

Promotion of Local Ingredients

- PTG combines the concept of creating shared values in its strategies through the promotion of local ingredients to develop beverages under trademark PunThai Coffee by handpicking high-quality seasonal ingredients and crafting them into creative beverage menus. This creativity is another way to generate income and added value for the community, as well as offering a wide assortment of products. For example, a drink crafted by adding a base of either tamarind from Chanthaburi, coconut flower sugar from Samut Songkhram, jaggery syrup from Songkhla, or high-quality cocoa powder from Chiang Rai, blended with coffee or tea, etc. In 2021, the Company acquired local raw materials worth up to 5.3 million baht and generated revenues from these locally-inspired beverages at 22.3 million baht.
- PTG joined forces with the Ministry of Commerce by the Department of Internal Trade, buying agricultural products directly from farmers to mitigate the oversupply crisis. Throughout the time, the Company bought mangosteen, longan, and chicken eggs to further distribute as rewards for PT Max Card members whenever they filled up gas at any of PT’s 882 participating branches at no minimum price.

Annual Corporate Social Responsibility Program

PTG has implemented CSR projects divided into 3 scopes, namely 1) Activities to strengthen relationships with communities in the proximity of oil depots; 2) CSR projects to boost community development and corporate image; and 3) Social investment projects for business benefits. Moreover, due to public health emergencies, the Company has also organized various activities to help alleviate suffering of all stakeholders, especially customers and communities.